

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR SCOTT AS CHAIRMAN
CHIEF FINANCIAL OFFICER ATWATER
ATTORNEY GENERAL BONDI**

SEPTEMBER 29, 2015

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AGENDA

- ITEM 1. REQUEST APPROVAL OF A FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$10,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, (SERIES TO BE DESIGNATED) (COQUINA PLACE APARTMENTS).**

(See Attachment 1A)

ACTION REQUIRED

- ITEM 2. REQUEST APPROVAL OF SBA QUARTERLY REPORT REQUIRED BY THE PROTECTING FLORIDA'S INVESTMENTS ACT (PFIA).**

Pursuant to Sections 215.473 and 215.442, F.S., the SBA is required to submit a quarterly report that includes lists of "Scrutinized Companies" with activities in Sudan and Iran. The PFIA prohibits the SBA, acting on behalf of the Florida Retirement System Trust Fund, from investing in, and requires divestment from, companies involved in certain types of business activities in or with Sudan or Iran (i.e., the "Scrutinized Companies").

(See Attachment 2A)

ACTION REQUIRED

- ITEM 3. REQUEST APPROVAL OF A DRAFT LETTER TO THE JOINT LEGISLATIVE AUDITING COMMITTEE AFFIRMING THAT THE SBA TRUSTEES HAVE "REVIEWED AND APPROVED THE MONTHLY [FLORIDA PRIME AND FUND B MANAGEMENT SUMMARY] REPORTS AND ACTIONS TAKEN, IF ANY, TO ADDRESS ANY [MATERIAL] IMPACTS," AND "HAVE CONDUCTED A REVIEW OF THE [FUND B] TRUST FUND AND THAT THE TRUST FUND IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION." (SECTIONS 218.409(6)(a)1 AND 218.421(2)(a), F.S.)**

During the second quarter of 2015, there were no material impacts. Copies of the April, May, and June 2015 reports are attached.

(See Attachments 3A – 3D)

ACTION REQUIRED

ITEM 4. REQUEST APPROVAL TO FILE FOR NOTICE AMENDMENTS TO RULE 19-4.0035, F.A.C (FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PLAN INVESTMENT POLICY STATEMENT) AND TO FILE THE RULE FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING RELATED TO THIS RULE.

The purpose and effect of the proposed rule amendments to Rule 19-4.0035 is to adopt the revised Investment Policy Statement for the Florida Retirement System Defined Benefit Plan, approved by the Trustees on December 9, 2014 and effective January 1, 2015. There are no significant policy issues or controversial issues connected to this rule amendment. The amendments simply serve as an informational update.

The proposed rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose any restrictions on employment seekers; and they do not impose any costs. No legislative ratification is required.

(See Attachment 4A)

ACTION REQUIRED

ITEM 5. REQUEST APPROVAL TO FILE FOR NOTICE AMENDMENTS TO RULE 19-7.002, F.A.C (INVESTMENT POLICY STATEMENTS) AND TO FILE THE RULE FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING RELATED TO THIS RULE.

The purpose and effect of the proposed rule amendments to Rule 19-7.002, F.A.C. is to adopt the revised Investment Policy Statement for the Local Government Surplus Funds Trust Fund approved by the Trustees on June 23, 2015 and effective July 1, 2015. The proposed amendments also delete the reference to the Investment Policy Statement for the Fund B Surplus Funds Trust Fund (Non-Qualified). The Fund B Surplus Funds Trust Fund is in the final stages of being terminated, as participants have received a return of their original principal balances, as well as a portion of Fund B's residual balance that is based on each participant's proportional share of the total November 2007 interest earned by all participants in the Local Government Surplus Funds Trust Fund that was not paid out but instead was transferred to this

trust fund to maximize the payout of principal.. There are no significant policy issues or controversial issues connected to this rule amendment. The amendments simply serve as an informational update.

The proposed rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose any restrictions on employment seekers; and they do not impose any costs. No legislative ratification is required.

(See Attachment 5A)

ACTION REQUIRED

ITEM 6. REQUEST APPROVAL OF CHANGES TO THE CHARTER OF THE AUDIT COMMITTEE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA (CHARTER).

Pursuant to Sections 215.44, F.S., the Audit Committee was created to assist the Board in fulfilling its oversight responsibilities. The Charter was last changed in September 2012. Recommended changes to the Charter are minor operational changes.

(See Attachments 6A – 6B)

ACTION REQUIRED

ITEM 7. QUARTERLY REPORTS PURSUANT TO SECTION 215.44 (2)(e), FLORIDA STATUTES.

- Executive Director & CIO Introductory Remarks and Standing Reports – *Ash Williams*
- Major Mandates Investment Performance Reports as of June 30, 2015 – *Steve Cummings – Hewitt EnnisKnupp*
 - Florida Retirement System Pension Plan (DB)
 - Florida Retirement System Investment Plan (DC)
 - Florida PRIME (Local Government Surplus Funds Trust Fund) and Fund B
 - Florida Hurricane Catastrophe Fund (FHCF)

(See Attachments 7A – 7I)

INFORMATION/DISCUSSION ITEMS

**STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308**

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Determination
DATE: September 16, 2015



**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE
ISSUANCE OF AN AMOUNT NOT EXCEEDING \$10,000,000 FLORIDA HOUSING
FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,
(SERIES TO BE DESIGNATED) (COQUINA PLACE APARTMENTS).**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$10,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds") for the purpose of financing the construction of a multifamily rental development located in Miami-Dade County, Florida (Coquina Place Apartments). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE
OF AN AMOUNT NOT EXCEEDING \$10,000,000 FLORIDA HOUSING FINANCE
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,
(SERIES TO BE DESIGNATED) (COQUINA PLACE APARTMENTS)**

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$10,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds") for the purpose of financing the construction of a multifamily rental development located in Miami-Dade County, Florida (Coquina Place Apartments); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

WHEREAS, the Bonds shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (Coquina Place Apartments), in an amount not exceeding \$10,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED September 29, 2015

September 11, 2015

VIA HAND DELIVERY

Mr. Ash Williams
Executive Director/Chief Investment Officer
State Board of Administration
P.O. Box 13300
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds
Not to Exceed \$10,000,000 Tax-Exempt Bonds
Coquina Place

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced bond issue prepared by the Underwriter, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a Private Placement. We request that this item be placed on the agenda for approval at the State Board of Administration's September 29, 2015 Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,



Brantley Henderson
Assistant Director of Multifamily Programs

BH/jg

Enclosures

Rick Smith, Governor

Joint Board Directors: Bernard "Barney" Smith, Chairman • Rafaela Munilla, Vice Chairman
Roger Noriega, Edwillo • Ray Dubuque • John David Hawthorne Jr. • Brian Katz • Lisa Smith, Clerk • Edward Whitten
Bill Killingsworth, Florida Department of Economic Opportunity
Executive Director, Stephen R. Auger

\$4,450,000

Florida Housing Finance Corporation
Multifamily Housing Revenue Bonds

Cocquina Place

Combined Debt Coverage Table

	Revenue Net Operating Income (1)	Bond Payments (4)		Sub Loans		Bond Fees		Debt Service		Debt Service Coverage		Bond Balance
		Principal Bonds (2)	Interest Bonds (3)	F-HFC SAIL & ELI Payments (5)	Issuer Fee (Mn \$18,000) 0.24%	Trustee Fee \$3,500/yr	Bond Debt Service w/fees	Total Bond & Subord DS w/fees	Total Bond & S. Bond DS w/fees	Bond Serv. DCR	Total Bond & Subord DCR	
YR 1	\$ 379,775	\$ 45,000	\$ 224,725	\$ 25,920	\$ 18,000	\$ 3,500	\$ 269,725	\$ 291,225	\$ 295,645	1.30	1.20	\$ 4,405,000
YR 2	382,187	50,000	222,453	25,920	18,000	3,500	272,453	293,953	296,373	1.30	1.19	4,355,000
YR 3	384,469	50,000	219,928	25,920	18,000	3,500	269,928	291,428	295,848	1.32	1.21	4,305,000
YR 4	386,613	50,000	217,403	25,920	18,000	3,500	267,403	288,903	293,323	1.34	1.23	4,255,000
YR 5	388,612	60,000	214,678	25,920	18,000	3,500	274,678	296,378	300,798	1.31	1.21	4,195,000
YR 6	390,457	65,000	211,848	25,920	18,000	3,500	276,848	298,348	302,768	1.31	1.20	4,130,000
YR 7	392,138	65,000	208,565	25,920	18,000	3,500	275,565	295,065	300,485	1.33	1.22	4,065,000
YR 8	393,647	70,000	205,283	25,920	18,000	3,500	275,283	293,783	301,203	1.33	1.22	3,995,000
YR 9	394,974	70,000	201,748	25,920	18,000	3,500	271,748	293,248	301,668	1.35	1.24	3,925,000
YR 10	396,109	80,000	198,213	25,920	18,000	3,500	278,213	299,713	304,133	1.32	1.22	3,845,000
YR 11	396,177	80,000	194,173	25,920	18,000	3,500	274,173	295,673	300,093	1.34	1.23	3,765,000
YR 12	396,005	85,000	190,133	25,920	18,000	3,500	275,133	296,633	301,053	1.34	1.23	3,680,000
YR 13	395,583	85,000	186,940	25,920	18,000	3,500	270,940	292,340	296,760	1.35	1.24	3,595,000
YR 14	394,897	85,000	181,548	25,920	18,000	3,500	271,548	293,048	297,468	1.35	1.24	3,505,000
YR 15	393,834	95,000	177,003	25,920	18,000	3,500	272,003	293,503	297,923	1.34	1.23	3,410,000
YR 16	392,681	100,000	172,205	25,920	18,000	3,500	272,205	293,705	298,125	1.34	1.23	3,310,000
YR 17	391,124	105,000	167,155	25,920	18,000	3,500	272,155	293,655	298,075	1.33	1.22	3,205,000
YR 18	389,248	110,000	161,653	25,920	18,000	3,500	271,653	293,353	297,773	1.33	1.22	3,095,000
YR 19	387,036	120,000	156,298	25,920	18,000	3,500	276,298	297,798	302,218	1.30	1.20	2,975,000
YR 20	384,481	120,000	150,238	25,920	18,000	3,500	270,238	291,738	295,158	1.32	1.21	2,865,000
YR 21	381,558	130,000	144,178	25,920	18,000	3,500	274,178	295,678	300,098	1.29	1.19	2,725,000
YR 22	378,253	140,000	137,613	25,920	18,000	3,500	277,613	299,113	303,533	1.26	1.16	2,585,000
YR 23	374,549	145,000	130,543	25,920	18,000	3,500	297,043	301,463	322,963	1.26	1.16	2,440,000
YR 24	370,428	150,000	123,220	25,920	18,000	3,500	273,220	299,140	320,640	1.26	1.16	2,290,000
YR 25	365,871	160,000	116,645	25,920	18,000	3,500	275,645	297,145	301,565	1.23	1.13	2,130,000
YR 26	360,869	170,000	107,565	25,920	18,000	3,500	277,565	299,065	303,485	1.21	1.11	1,960,000
YR 27	355,371	180,000	96,980	25,920	18,000	3,500	278,980	300,480	304,900	1.18	1.09	1,760,000
YR 28	349,368	185,000	89,890	25,920	18,000	3,500	274,890	296,390	300,810	1.18	1.08	1,565,000
YR 29	342,887	195,000	80,548	25,920	18,000	3,500	275,548	297,048	301,468	1.15	1.06	1,400,000
YR 30	335,847	210,000	70,700	25,920	18,000	3,500	280,700	302,200	306,620	1.11	1.02	1,180,000
YR 31	328,244	220,000	60,095	25,920	18,000	3,500	290,095	301,595	306,015	1.09	1.00	970,000
YR 32	320,054	230,000	48,985	19,569	18,000	3,500	278,985	300,485	298,554	1.07	1.00	740,000
YR 33	311,252	245,000	37,370	7,382	18,000	3,500	282,370	303,870	299,752	1.02	1.00	495,000
YR 34	301,814	245,000	24,998	10,316	18,000	3,500	269,998	291,498	290,314	1.04	1.00	250,000
YR 35	291,712	\$ 4,450,000	12,625	\$ 7,587	\$ 18,000	\$ 3,500	\$ 262,625	\$ 284,125	\$ 270,212	1.03	1.00	\$

(1) NOI based on Projected Operating Revenue Schedule

(2) Based on estimated bond sinking fund schedule beginning in year 3, following the 2.5 year interest only period

(3) The Bond Interest Rate is based on current market conditions for a negotiated private placement (5.05%). The Bond fees include 0.24% Issuer Fee and \$3,500/yr Trustee Fee. All other servicing and compliance monitoring fee are included in the operating expenses ahead of the NOI and Debt Service Calculation, therefore not included in the above

(4) The Bond term is 37.5 years, with a Bondholder's Optional Tender in year 17.5. The term includes up to a 2.5 year interest only period followed by 35 years of fully amortizing debt service. If the Optional Tender is exercised at any time after year 17.5, the borrower will satisfy the remaining balance via refinancing, or with proceeds from the sale of the property. In the event a refinancing or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Bondholder will present the bonds to the trustee for cancellation and in exchange will receive an assignment of the mortgage and related collateral

(5) The Subordinate Mortgage debt service repayment are all contingent upon available cash flow after all other fees expenses and senior mortgage debt service payments

Protecting Florida's Investments Act (PFIA)

Quarterly Report – September 29, 2015



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About the State Board of Administration

The statutory mandate of the State Board of Administration (SBA) is to invest, manage and safeguard assets of the Florida Retirement System (FRS) Trust Fund and a variety of other funds for state and local governments. FRS Trustees are dedicated to ensuring that the SBA invests assets and discharges its duties in accordance with Florida law, guided by strict policies and a code of ethics to ensure integrity, prudent risk management and top-tier performance. The SBA is an investment fiduciary under law, and subject to the stringent fiduciary duties and standards of care defined by the Employee Retirement Income Security Act of 1974 (ERISA), as incorporated into Florida law. The SBA has three Trustees: the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary.

As of June 30, 2015, the net asset value of total funds under SBA management was approximately \$180 billion. The FRS Pension Plan provides defined pension benefits to 1.1 million beneficiaries and retirees. The strong long-term performance of the FRS Pension Plan, the fourth-largest public pension fund in the nation, reflects our commitment to responsible fiscal management.

The SBA's mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.

We encourage you to review additional information about the SBA and FRS on our website at www.sbafla.com.

Introduction

On June 8, 2007, the Protecting Florida's Investments Act ("PFIA") was signed into law. The PFIA requires the State Board of Administration ("SBA"), acting on behalf of the Florida Retirement System Trust Fund (the "FRSTF"), to assemble and publish a list of "Scrutinized Companies" that have prohibited business operations in Sudan and Iran. Once placed on the list of Scrutinized Companies, the SBA and its investment managers are prohibited from acquiring those companies' securities and are required to divest those securities if the companies do not cease the prohibited activities or take certain compensating actions. The implementation of the PFIA by the SBA will not affect any FRSTF investments in U.S. companies. The PFIA will solely affect foreign companies with certain business operations in Sudan and Iran involving the petroleum or energy sector, oil or mineral extraction, power production or military support activities. This quarterly report is developed pursuant to Section 215.473 (4), Florida Statutes. Scrutinized activity in Sudan is defined by the Statutes as occurring within the "Government of Sudan", or the Republic of the Sudan that has its capital in Khartoum, Sudan.

Primary Requirements of the PFIA

The PFIA created new reporting, engagement, and investment requirements for the SBA, including:

1. Quarterly reporting to the Board of Trustees of every equity security in which the SBA has invested for the quarter, along with its industry category. This report is posted on the SBA website.
2. Quarterly presentation to the Trustees of a "Scrutinized Companies" list for both Sudan and Iran for their approval. Scrutinized Company lists are available on the SBA's website, along with information on the FRSTF direct and indirect holdings of Scrutinized Companies.
3. Written notice to external investment managers of all PFIA requirements. Letters request that the managers of actively managed commingled vehicles (i.e., those with FRSTF and other clients' assets) consider removing Scrutinized Companies from the product or create a similar actively managed product that excludes such companies. Similar written requests must be provided to relevant investment managers within the defined contribution plan.
4. Written notice to any company with inactive business operations in Sudan or Iran, informing the company of the PFIA and encouraging it to continue to refrain from reinitiating active business operations. Such correspondence continues semiannually.
5. Written notice to any Scrutinized Company with active business operations, informing the company of its Scrutinized Company status and that it may become subject to divestment. The written notice must inform the company of the opportunity to clarify its Sudan-related or Iran-related activities and encourage the company, within 90 days, to cease its scrutinized business operations or convert such operations to inactive status.
6. A prohibition on further investment on behalf of the FRSTF in any Scrutinized Company once the Sudan and Iran scrutinized lists have been approved by the Trustees. All publicly traded securities of Scrutinized Companies must be divested within 12 months after the company's initial (and continued) appearance on the Scrutinized Companies list. Divestment does not apply to indirect holdings in actively managed commingled investment funds—i.e., where the SBA is not the sole investor in the fund. Private equity funds are considered to be actively managed.
7. Reporting to each member of the Board of Trustees, President of the Senate, and the Speaker of the House of Representatives of Scrutinized Company lists within 30 days of creation, and public disclosure of each list.
8. Quarterly reporting of the following to each member of the Board of Trustees, the President of the Senate, the Speaker of the House of Representatives, the United States Presidential Special

Envoy to Sudan, and the United States Presidential Special Envoy to Iran. The report is made publicly available and posted to the SBA's website.

- a. A summary of correspondence with engaged companies;
 - b. A listing of all investments sold, redeemed, divested, or withdrawn;
 - c. A listing of all prohibited investments;
 - d. A description of any progress related to external managers offering PFIA compliant funds; and
 - e. A list of all publicly traded securities held directly by the state.
9. Adoption and incorporation into the FRSTF Investment Policy Statement (IPS) of SBA actions taken in accordance with the PFIA. Changes to the IPS are reviewed by the Investment Advisory Council (IAC) and approved by the Trustees.
10. Relevant Sudan or Iran portions of the PFIA are discontinued if the Congress or President of the United States passes legislation, executive order, or other written certification that:
 - a. Darfur genocide has been halted for at least 12 months;
 - b. Sanctions imposed against the Government of Sudan are revoked;
 - c. Government of Sudan honors its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons;
 - d. Government of Iran has ceased to acquire weapons of mass destruction and support international terrorism;
 - e. Sanctions imposed against the government of Iran are revoked; or
 - f. Mandatory divestment of the type provided for by the PFIA interferes with the conduct of U.S. foreign policy.
11. Cessation of divestment and/or reinvestment into previously divested companies may occur if the value of all FRSTF assets under management decreases by 50 basis points (0.5%) or more as a result of divestment. If cessation of divestment is triggered, the SBA is required to provide a written report to each member of the Board of Trustees, the President of the Senate, and the Speaker of the House of Representatives prior to initial reinvestment. Such condition is required to be updated semiannually.
12. In 2009, the Florida Legislature approved a bill requiring the SBA to identify and offer, by March 1, 2010, at least one terror-free investment product for the FRS Investment Plan. The product must allocate its funds among securities not subject to divestiture, as provided in section 215.473, Florida Statutes.
13. As of July 1, 2014, Florida Statute 624.449 requires that a domestic insurer shall provide to the Office of Insurance Regulation on an annual basis a list of investments that the insurer has in companies included on the "Scrutinized Companies with Activities in Sudan List" and the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List". Additionally, F.S. 215.473(3)(e)(2) now exempts Exchange Traded Funds from the provisions of PFIA.
14. As of July 1, 2014, Florida Statutes clarify that the recently created "Government of South Sudan" means the Republic of South Sudan, which has its capital in Juba, South Sudan. Scrutinized activity refers to the "Government of Sudan", which means the Republic of the Sudan that has its capital in Khartoum, Sudan. Within this report, "Sudan" refers to the latter.

Definition of a Scrutinized Company

The following is a brief review of the criteria on which the active business operations of companies must be judged, in accordance with subsection (1)(t) of Section 215.473, F.S.

Sudan:

1. Have a material business relationship with the government of Sudan or a government-created project involving oil related, mineral extraction, or power generation activities, or
2. Have a material business relationship involving the supply of military equipment, or
3. Impart minimal benefit to disadvantaged citizens that are typically located in the geographic periphery of Sudan, or
4. Have been complicit in the genocidal campaign in Darfur.

Iran:

1. Have a material business relationship with the government of Iran or a government-created project involving oil related or mineral extraction activities, or
2. Have made material investments with the effect of significantly enhancing Iran's petroleum sector.

Affiliates of companies with scrutinized business operations are also subject to the requirements of the PFIA. An affiliated company is generally defined as any other company that either directly or indirectly controls, is controlled by or is under common control with the company conducting scrutinized active business operations. Control generally means the power to exercise a controlling influence over the management or policies of a company. As well, many companies have parent-subsidary relationships whereby a parent company may own several other companies. In such cases, the SBA has included any known parent and/or subsidiaries which can be clearly linked to a company with scrutinized active business operations. The SBA has used a 50 percent ownership threshold in determining whether or not companies are affiliated, examining parent company-subsidary ownership on a pro rata basis.

The SBA views companies which have explicit plans and activities related to discontinuation of active business operations as meeting the PFIA definition of substantial action. For all identified companies, the SBA will request information detailing what a company has actually done, if anything, to discontinue its active business operations or if it has pursued humanitarian efforts (applicable to Sudan only).

SBA Scrutinized Companies Identification Methodology

The SBA has developed two lists (the Sudan List and the Iran List) of Scrutinized Companies with active business operations. The lists are developed by principally relying on the research and findings of our "External Research Providers". Below is a brief description of our External Research Providers, which are maintained to provide input from multiple sources.

1. **EIRIS Conflict Risk Network (CRN).** In May 2013, the Conflict Risk Network became part of EIRIS, a global provider of environmental, social, governance, and ethical performance of companies. EIRIS provides services to more than 150 asset owners and managers globally, with a staff of over 60, based primarily in London. CRN was formerly known as the Sudan Divestment Task Force (SDTF).
2. **MSCI ESG Research (MSCI)** MSCI delivers corporate governance analysis and research to institutional investors. Through its ESG Research unit, MSCI offers screening services with specific and unique components of state law pertaining to investments in sanctioned countries, including Sudan and Iran.
3. **IW Financial (IWF).** IWF is a provider of environmental, social, and governance research and consulting. IWF partners with Conflict Securities Advisory Group (CSAG) to provide clients with detailed information on the business ties of publicly traded companies in Sudan and Iran.
4. **Sustainalytics, Inc.** Sustainalytics provides environmental, social and governance research and analysis, sustainability benchmarks, and investment services, and is the result of the merger between Jantzi Research, Inc. and Sustainalytics in 2009. Sustainalytics' company database, "Sustainalytics Global Platform," covers business operations in both Iran and Sudan.

Staff members within the Investment Programs & Governance unit, as well as other senior investment staff, review the assessments of the External Research Providers and other publicly available information. The SBA has utilized the following sources to evaluate over 400 companies and affiliates with reported links to Sudan or Iran:

Company disclosures:

- SEC filings (DEF 14A Proxy Statements, 10-K & 20-F Annual Reports, etc.)
- Investor Relations/company websites
- Industry publications and analyst research

Investment/Finance Organizations:

- Industry Analysts
- Index Providers (e.g., Russell)
- Other Institutional Investors/Private Investors

U.S Government Agencies:

- U.S. Department of State
- U.S. Treasury, Office of Foreign Asset Control (OFAC)
- U.S. Government Accountability Office (GAO)
- SEC Office of Global Security (EDGAR)
- Dept. of Energy, Energy Information Administration (EIA)
- Congressional Research Service (CRS), Library of Congress

Non-Governmental Organizations (NGOs):

- American Enterprise Institute (AEI)
- Amnesty International
- Yale University (Allard K. Lowenstein International Human Rights Project)
- Human Rights Watch

Other Sources:

- SBA External Investment Managers
- U.S. Federal Sanctions Laws covering State Sponsors of Terror
- Any other publicly available information.

Using the previous information sources, the SBA has developed two separate categorizations of a company's involvement in Sudan and/or Iran.

1. **“Scrutinized”** — Information provided by several External Research Providers indicates that a company meets the classification of a Scrutinized Company as defined by the PFIA as set forth in Section 215.473 (1)(t)1., 2., or 3. [Sudan] or Section 215.473 (4)(t)1. [Iran]. Upon SBA review, no other information sources clearly contradict the conclusions of the External Research Providers.
2. **“Continued Examination”** — At least one External Research Provider indicates that a company meets the classification of a Scrutinized Company as defined by the PFIA as set forth in Section 215.473, (1)(t)1., 2., or 3. [Sudan] or Section 215.473, (4)(t)1. [Iran]. In other words, the External Research Providers do not agree on the status of a company and the SBA is unable to definitively categorize the company's activities as scrutinized without further research to resolve the differences. For companies classified as “Continued Examination” the SBA will begin an engagement process to clarify each firm's current business relationships.

Key Changes Since the Previous PFIA Quarterly Report

Sudan

Companies added to the Sudan Scrutinized List this quarter:

- **Sinopec Oilfield Equipment Corporation (formerly known as: Kingdream PLC)**
 - **Added to reflect a recent name change. Company is a subsidiary of CPCC Sinopec, an entity with scrutinized operations in both Sudan and Iran.**

Companies removed from the Sudan Scrutinized List this quarter:

- **Kingdream PLC has been renamed Sinopec Oilfield Equipment Corporation**

Companies added to the Sudan Continued Examination List this quarter:

- **None**

Companies removed from the Sudan Continued Examination List this quarter:

- **None**
-

Iran

Companies added to the Iran Scrutinized List this quarter:

- **Sinopec Oilfield Equipment Corporation (formerly known as: Kingdream PLC)**
 - **Company is added as a subsidiary of CPCC Sinopec, an entity with scrutinized operations in both Sudan and Iran.**

Companies removed from the Iran Scrutinized List this quarter:

- **None**

Companies added to the Iran Continued Examination List this quarter:

- **None**

Companies removed from the Iran Continued Examination List this quarter:

- **None**

Recent Developments Regarding Iran:

Sustainalytics, an SBA external research provider, issued a summary of Iran developments in its August report:

“On 14 July 2015, the P5+1 and Iran concluded a deal on the Joint Comprehensive Plan of Action (JCPOA) in Vienna. In spite of the deal, the only Iran-related sanctions relief currently in effect remains the Joint Plan of Action (JPOA) relief of November 24, 2013, as extended. Following the announcement of the JCPOA, the Office of Foreign Assets Control (OFAC) affirmed that US sanctions relief will be provided through the suspension and eventual termination of all nuclear-related secondary sanctions. The US will then cease to enforce sanctions related to the financial and energy industry, remove individuals/entities on Sanctions Designated Nationals (SDN) list and will terminate Executive Orders related to Iran. Actual sanction relief will only commence after a date for the "Implementation Day" is set by all parties. More clarity on a date of the sanction relief will be given when "Adoption Day" is announced. However, the sanction relief needs to be confirmed by (prior) legislative actions by all parties. For US sanctions, a 60-day review period is provided for in the current legislation, during which time the US Congress could vote to reject the JCPOA agreement. For now, no sanctions are immediately lifted and it remains unclear when sanction relief will commence.”

Table 1: Scrutinized Companies with Activities in Sudan
New companies on the list are shaded and in bold.

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Chennai Petroleum Corp Ltd	India	September 19, 2007
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
CNPC General Capital Ltd	China	June 26, 2012
CNPC HK Overseas Capital Ltd	China	June 16, 2011
Daqing Huake Group Co Ltd	China	March 25, 2008
Egypt Kuwait Holding Co. SAE	Kuwait	January 13, 2009
Energy House Holding Company (fka: AREF Energy Holdings Co)	Kuwait	July 28, 2009
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	China	September 19, 2007
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	China	September 19, 2007
Jinan Diesel Engine Co. Ltd	China	July 28, 2009
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
Kuwait Finance House	Kuwait	April 14, 2009
Lanka IOC Ltd	India	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Managem SA	Morocco	November 9, 2010
Mangalore Refinery & Petrochemicals Ltd	India	September 19, 2007
MISC Bhd	Malaysia	September 19, 2007
Oil India Ltd.	India	September 18, 2012
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
Orca Gold Inc.	Canada	December 9, 2014
PetroChina	China	September 19, 2007
Petrolia Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd	China	September 24, 2013
Sinopec Engineering Group Co Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Sinopec Kantons Holdings Ltd	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	April 14, 2009
Sinopec Shanghai Petrochemical	China	September 19, 2007
Sinopec Yizheng Chemical Fibre	China	March 25, 2008
Societe Metallurgique D'imiter	Morocco	November 9, 2010
# of Sudan Scrutinized Companies	41	

The following companies were removed from the Sudan Scrutinized List during the quarter.

Removed Company	Country of Incorporation
<i>Kingdream PLC is now listed in Table 1 as: Sinopec Oilfield Equipment Corporation</i>	<i>China</i>

Table 2: Continued Examination Companies with Activities in Sudan
New companies on the list are shaded and in bold. (No companies added this quarter.)

Continued Examination Company: Sudan	Country of Incorporation
Alstom	France
Alstom Projects India	India
ASEC Company for Mining S.A.E.	Egypt
Bharat Heavy Electricals, Ltd	India
Bollore Group	France
China Gezhouba Group Company Ltd	China
China North Industries Group Corp (CNGC/Norinco)	China
Dongfeng Motor Group Co Ltd	China
Dongan Motor (aka Harbin Dongan Auto Engine)	China
Drake & Scull International PJSC	United Arab Emirates
El Sewedy Cables Holding Company	Egypt
Emperor Oil Ltd	Canada
Glencore Xstrata PLC	Switzerland
Infotel Broadband Services Ltd	India
JX Holdings Inc.	Japan
KMCOB Capital Bhd	Malaysia
LS Industrial Systems	South Korea
Nippo Corporation	Japan
Power Construction Corporation of China Ltd. (fka Sinohydro)	China
PT Pertamina Persero	Indonesia
Reliance Industries Ltd	India
Scomi Engineering Bhd	Malaysia
Scomi Group Bhd	Malaysia
Shanghai Electric Group Co.	China
Statesman Resources Ltd	Canada
Wartsila Oyj	Finland
# of Sudan Continued Examination Companies	26

No companies were removed from the Sudan Continued Examination List during the quarter.

Table 3: Scrutinized Companies with Activities in the Iran Petroleum Energy Sector
New companies on the list are shaded and in bold.

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
China BlueChemical Ltd.	China	March 19, 2013
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Oilfield Services Ltd.	China	June 16, 2011
CNOOC Ltd.	China	June 16, 2011
CNOOC Finance Limited	China	September 24, 2013
CNPC HK Overseas Capital Ltd.	China	June 16, 2011
COSL Finance (BVI) Limited	China	September 24, 2013
Daelim Industrial Co Ltd.	South Korea	June 16, 2011
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Gazprom	Russia	September 19, 2007
Gazprom Neft	Russia	September 16, 2008
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013
MISC Bhd	Malaysia	September 19, 2007
Mosenergo	Russia	September 16, 2008
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007
Petroleum Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd.	China	March 18, 2014
Sinopec Engineering Group Co Ltd.	China	March 18, 2014
Sinopec Group Overseas Development 2013 Ltd.	China	March 18, 2014
Sinopec Kantons Holdings Ltd.	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	September 29, 2015
Sinopec Shanghai Petrochemical	China	September 19, 2007

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Sinopec Yizheng Chemical Fibre	China	March 25, 2008
# of Iran Scrutinized Companies	36	

No companies were removed from the Iran Scrutinized List during the quarter.

Table 4: Continued Examination Companies with Petroleum Energy Activities in Iran
New companies on the list are shaded and in bold. (No companies added this quarter.)

Continued Examination Company: Iran	Country of Incorporation
China Nonferrous Metal Industry's Foreign Engineering and Construction	China
GAIL (India) Limited, aka GAIL Ltd.	India
GS Engineering & Construction Corp.	South Korea
GS Holdings	South Korea
Lukoil OAO	Russia
Maire Tecnimont SpA	Italy
Oil India Ltd.	India
Petronet LNG Ltd.	India
Shanghai Zhenhua Heavy Industry Co. Ltd.	China
# of Iran Continued Examination Companies	9

No companies were removed from the Iran Continued Examination List during the quarter.

Table 5: Correspondence & Engagement Efforts with Scrutinized Companies

In accordance with Section 215.473(3)(a), F.S., the SBA began to engage companies on the September 19, 2007, Scrutinized Company lists. The SBA sent letters to each Scrutinized Company that was owned and held as of September 19, 2007, per the requirements of the law.

The SBA also sent written communication to other scrutinized firms since the initial company engagement effort in September 2007. Each letter encouraged the company to cease any active business operations within 90 days or convert such operations to inactive status to avoid qualifying for divestment by the SBA. In addition, the SBA sent a second letter to scrutinized companies on January 25, 2008, again requesting companies to provide all information necessary to avoid divestment.

On September 30, 2008, the SBA sent a follow-up letter to all Scrutinized Companies. Although, these companies are no longer held by the SBA, the September 30, 2008, letter was intended to once again provide notice of the requirements of the PFIA. Since our original correspondence, several companies on the scrutinized list have replied with valuable information. Each company's response and classification status is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Status
ABB	Yes; January 29, 2009	Removed from Sudan Scrutinized List
Alstom	Yes; October 1, 2007 and October 25, 2011	Moved to Sudan Continued Examination List
Bharat Heavy Electricals Limited	Yes; October 4, 2007	Sudan Scrutinized Classification Continues
Bow Valley Energy	Yes; October 22, 2008	Removed from Iran Scrutinized List
Chennai Petroleum Corporation Limited	Yes; October 16, 2008	Sudan Scrutinized Classification Continues
China Petroleum & Chemical Corp (Sinopec)	No	Iran & Sudan Scrutinized Classification Continues
CNOOC Ltd	Yes; October 28, 2008	Iran Scrutinized Classification Continues
Dongfeng Motor Group Co. Ltd.	No	Moved to Sudan Continued Examination List
Electricity Generating Public Co	No	Removed from Sudan Scrutinized List
ENI	Yes; February 13, 2008 and May 13, 2011	Removed from Iran Scrutinized and CE Lists
GAIL (India) Limited, aka GAIL Ltd.	Yes; October 5, 2010	Moved to Iran Continued Examination List
Gazprom	Yes; November 1, 2007 and August 18, 2014	Iran Scrutinized Classification Continues
Gazprom Neft	Yes; August 15, 2013	Iran Scrutinized as subsidiary of Gazprom
Harbin Electric Co. (fka Harbin Power Equipment)	No	Sudan Scrutinized Classification Continues
Indian Oil Corp Ltd (IOCL)	No	Iran & Sudan Scrutinized Classification Continues
Inpex Corp.	Yes; October 15, 2007 and July 11, 2011	Removed Iran Scrutinized List
Kencana Petroleum	Yes; October 31, 2008	Moved to Sudan Continued Examination List
Korea Electric Power (and subsidiaries, KEPCO Plant/Korea Plant)	Yes; December 27, 2011	Removed from Sudan Scrutinized List
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Yes; October 5, 2007 and May 24, 2008	Iran & Sudan Scrutinized Classification Continues
Lukoil OAO	Yes; October 8, 2007	Moved to Iran Continued Examination List
Lundin Petroleum AB	Yes; October 17, 2008	Removed from Sudan Scrutinized List
Lundin International SA	No	Removed from Sudan Scrutinized List

Company	Company Responsive to SBA Communications	Status
Malaysia Marine & Heavy Engineering Holdings Bhd	Yes; November 14, 2014	Iran & Sudan Scrutinized Classification Continues
Mangalore Refinery & Petrochemicals Ltd	Yes; March 8, 2013	Iran & Sudan Scrutinized Classification Continues
MISC Bhd	No	Iran & Sudan Scrutinized Classification Continues
Norsk Hydro	Yes; November 30, 2007	Removed from Iran Scrutinized List
Oil & Natural Gas Corp (ONGC)	Yes; July 23, 2014	Iran & Sudan Scrutinized Classification Continues
OMV AG	Yes; November 6, 2007 and April 14, 2010	Removed from Iran Continued Examination List
PetroChina	Yes; December 22, 2008	Iran & Sudan Scrutinized Classification Continues
Petroleo Brasileiro (Petrobras)	Yes; January 13, 2010	Removed from Iran Scrutinized List
Petroliaam Nasional (Petronas)	Yes; July 6, 2015	Iran & Sudan Scrutinized Classification Continues
Putrajaya Management Sdn Bhd	Yes; September 5, 2014	Iran & Sudan Scrutinized Classification Continues
Ranhill Bhd	Yes; October 22, 2008	Removed from Sudan Scrutinized List
Repsol YPF	Yes; October 15, 2007; January 2013	Removed from Iran Scrutinized and CE Lists
Royal Dutch Shell PLC	Yes; October 5, 2007; January 27, 2011; April 13, 2011	Removed from Iran Scrutinized and CE Lists
Sinopec Kantons Holdings Ltd.	No	Iran & Sudan Scrutinized Classification Continues
Sinopec Shanghai Petrochemical Company	No	Sudan Scrutinized Classification Continues
Snam Rete Gas	Yes; October 9, 2008	Removed from Iran Scrutinized Classification
Statoil ASA (fka: StatoilHydro)	Yes; February 4, 2008; January 24, 2011; June 16, 2011	Removed from Iran Scrutinized and CE Lists
Total Capital	Yes; January 26, 2011 and April 25, 2011	Removed from Iran Scrutinized and CE Lists
Total SA	Yes; October 12, 2007; October 29, 2010; April 25, 2011	Removed from Iran Scrutinized and CE Lists
Wärtsilä Oyj	Yes; December 4, 2007	Moved to Sudan Continued Examination List

Table 6: Correspondence & Engagement Efforts with Continued Examination Companies

In addition to Scrutinized Companies, the SBA engaged companies on our initial September 19, 2007, Continued Examination company lists. The SBA also sent written communication to firms added to the Continued Examination list since the initial company engagement effort in September 2007. Such companies were asked to provide information to the SBA in order to assist us in determining the extent of their activities, if any, in Sudan and Iran. The SBA sent a follow-up letter to all companies on September 30, 2008. Each company's response and classification is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Continued Examination Status
Actividades de Construcción y Servicios S.A.(ACS)	No	Removed from Iran List
Aggreko PLC	Yes; January 28, 2008	Removed from Iran List
Air Liquide	Yes; November 30, 2007 January 28, 2008	Removed from Iran List
Aker Solutions ASA (fka Aker Kvaerner ASA)	No	Iran CE Classification Continues
AREF Investment Group	No	Removed from Sudan List
Areva SA	Yes; October 27, 2008 December 29, 2009	Removed from Sudan List
Bauer Aktiengesellschaft	Yes; March 13, 2008	Removed from Sudan List
BG Group	Yes; November 23, 2007	Removed from Iran List
Bharat Electronics Limited	No	Removed from Sudan CE List
Bolloré Group	No	Sudan CE Classification Continues
Costain Group PLC	Yes; November 5, 2007	Removed from Iran List
Daelim Industrial Co Ltd	No	Moved to Iran Scrutinized List
Engineers India Ltd.	Yes; October 16, 2008; September 9, 2010	Removed from Iran CE List
Essar Oil	Yes; January 9, 2009	Removed from Iran List
Finmeccanica SpA	No	Removed from Sudan List
Glencore Xstrata PLC	Yes; September 20, 2010	Sudan CE Classification Continues
GVA Consultants	Yes; September 26, 2007 September 30, 2010	Removed from Iran CE List
ICSA India Limited	No	Removed from Sudan List
INA-Industrija Nafta DD Zagreb	Yes	Removed from Iran List
Itochu Corp	Yes; May 9, 2008	Removed from Iran List
JGC Corp	Yes; October 1, 2007	Removed from Iran List
La Mancha Resources	Yes; October 21, 2008	Removed from Sudan List
Linde AG	Yes; November 14, 2007	Removed from Iran List
Liquefied Natural Gas LNG	No	Iran CE Classification Continues
Mitsubishi Heavy Industries Ltd.	Yes; October 26, 2007	Removed from Iran List
Mitsui & Co.	Yes; October 17, 2007	Removed from Iran List
Mitsui Engineering & Shipbuilding	Yes; November 21, 2007 December 18, 2007	Removed from Iran and Sudan Lists
MMC Bhd	No	Sudan CE Classification Continues
Nam Fatt	No	Removed from Sudan List

Company	Company Responsive to SBA Communications	Continued Examination Status
PT Citra Tubindo Tbk.	Yes; September 27, 2010	Removed from Iran CE List
PTT Public Company Limited	Yes; October 1, 2010	Removed from Sudan CE List
Saipem SpA	Yes; December 12, 2007	Removed from Iran Lists
Samsung Engineering Co. Ltd.	No	Removed from Iran CE List
Samsung Heavy Industries Co. Ltd.	No	Removed from Iran List
Sasol Ltd.	Yes; May 25, 2010 September 29, 2010	Removed from Iran CE List
Seadrill Ltd	Yes; September 20, 2010	Removed from Sudan CE List
Siam Cement Group (SCG)	Yes; September 24, 2010	Iran CE Classification Continues
Siemens AG	Yes; October 22, 2009 October 8, 2010	Removed from Iran CE List
Schlumberger Limited NV	Yes; October 19, 2007	Removed from Iran and Sudan Lists
Siam Cement PCL	Yes; October 21, 2008	Iran CE Classification Continues
SNC - Lavalin Group Inc.	Yes; September 25, 2007	Removed from Iran List
Sudan Telecommunications (Sudatel)	No	Removed from Sudan CE Classification
Technip	Yes; April 30, 2010 and November 30, 2010	Removed from Iran CE Classification
The Weir Group PLC	Yes; November 16, 2007	Removed from Iran and Sudan Lists
Total SA	Yes; October 12, 2007	Sudan CE Classification Continues
Trevi-Finanziaria Industriale S.p.A.	Yes; September 17, 2010	Removed from Iran CE List
Weatherford International, Ltd.	No	Removed from Sudan List
Welspun Corp. Limited (fka Welspun-Gujarat Stahl Rohen Ltd.)	Yes; September 24, 2010	Iran CE Classification Continues

Key Dates for PFIA Activities

June 8, 2007 — Legislation's effective date, upon becoming a law.

August 6, 2007 — SBA letter to state agencies requesting data on all publicly traded securities held directly by the State.

August 20, 2007 — First of two letters to investment managers providing written notice of PFIA enactment and amendment to Schedule B of investment management contracts.

September 19, 2007 — SBA assembles initial Scrutinized Companies lists for Sudan and Iran.

September 20, 2007 — SBA engages companies classified as either Scrutinized or needing Continued Examination through written correspondence, subsequent conference calls and additional communication. SBA disclosed the Scrutinized Companies lists on its website, including reporting of all equities held by the State.

September 21, 2007 — Second of two letters to investment managers providing Scrutinized Companies lists.

October 16, 2007 — SBA formally submits the Scrutinized Companies lists to the Legislature and the United States Special Envoy to Sudan, and continues to do so every quarter.

November 30, 2007 — SBA sends notification via email to any owned scrutinized company that has not responded to initial written correspondence. Similar notification was sent to each company classified as needing continued examination.

January 25, 2008 — SBA sends additional notice of divestment and request for information to all Scrutinized Companies, with emphasis to companies that have been unresponsive to the SBA's prior request for the necessary information.

July 1, 2008 — In March 2008, the SBA developed a policy approach directing all affected managers to sell their remaining PFIA related holdings no later than July 1, 2008, approximately three months earlier than the statutory deadline of September 18, 2008.

September 18, 2008 — Statutory deadline for the SBA to complete divestment of *initial* Scrutinized Companies (i.e., within 12 months of their initial appearance on the September 19, 2007 list), if they do not stop scrutinized active business operations.

March 1, 2010— Deadline for the SBA to identify and offer at least one terror-free investment product for the FRS Investment Plan (Defined Contribution).

Quarterly Reporting—SBA provides quarterly updates to the Scrutinized Companies lists for Sudan and Iran, including a summary of engagement activities. PFIA quarterly reports have been issued on the following dates:

September 19, 2007
December 18, 2007
March 25, 2008
June 10, 2008
September 16, 2008
January 13, 2009
April 14, 2009
July 28, 2009
October 27, 2009
January 26, 2010
April 27, 2010

July 29, 2010
November 9, 2010
February 22, 2011
June 16, 2011
September 20, 2011
December 6, 2011
March 20, 2012
June 26, 2012
September 18, 2012
December 11, 2012
March 19, 2013

June 25, 2013
September 24, 2013
December 10, 2013
March 18, 2014
June 17, 2014
September 23, 2014
December 9, 2014
March 24, 2015
June 23, 2015
September 29, 2015

Summary of Investments Sold, Redeemed, Divested or Withdrawn

In accordance with the PFIA, the SBA must divest all holdings of any scrutinized companies within 12 months of their original appearance on the prohibited securities list. External managers are contractually responsible for administering investments in accordance with restrictions set forth by the SBA, including the prohibited securities list of the PFIA. Historical divestment transaction data is contained in prior PFIA Quarterly Reports. The table below presents the cumulative market capitalization of scrutinized companies divested by the SBA since the PFIA's inception:

Cumulative Divestment	
Royal Dutch Shell**	\$215,784,700.79
Total SA**	\$214,536,015.45
Petroleo Brasileiro SA (Petrobras) **	\$206,135,264.10
ENI**	\$141,403,034.78
CNOOC Ltd	\$131,737,735.86
Gazprom (a.k.a. OAO Gazprom)	\$71,275,453.14
Alstom**	\$65,897,698.67
Repsol YPF**	\$53,420,179.87
Statoil ASA** (fka: StatoilHydro)	\$46,792,677.58
China Petroleum and Chemical Corp (CPCC) Sinopec	\$38,455,440.48
PetroChina	\$25,723,158.75
Inpex Corp.**	\$24,835,110.63
MISC Bhd	\$16,448,397.44
Snam Rete Gas**	\$9,596,905.78
Lukoil OAO**	\$9,487,631.46
OMV AG **	\$8,601,977.98
Shell International Finance**	\$8,599,813.40
China BlueChemical Ltd	\$7,538,215.73
Wärtsilä Oyj**	\$1,797,871.96
Daelim Industrial Co Ltd	\$1,566,926.73
Petrofac Ltd **	\$1,496,881.43
The Weir Group PLC **	\$1,322,666.62
Petrobras International Finance**	\$1,148,750.00
Lundin Petroleum AB **	\$1,133,120.04
Oil & Natural Gas Corporation (ONGC)	\$945,363.83
Petrobras Energia (Participaciones) **	\$298,632.08
Dongfeng Motor Group**	\$158,623.49
Electricity Generating Public Company**	\$121,321.38
Gazprom Neft	\$37,892.73
** denotes companies no longer on the Prohibited Company list.	\$1,306,825,533.68

In accordance with the PFIA, the SBA will report on the performance implications of PFIA-related divestitures and restrictions. Generally, the impact of PFIA legislation on performance is measured as the opportunity cost of not being able to hold prohibited securities, measured by comparing the monthly return of the standard foreign equity benchmark (i.e., the MSCI ACWI ex-US) to a custom foreign equity benchmark based upon PFIA divestiture requirements. The difference in returns between the standard benchmark and custom benchmark represents the opportunity cost to the SBA of not being able to invest in (or hold) prohibited companies. The percent return difference is then applied to the average monthly balance of foreign equity investments to determine a dollar impact. Monthly dollar impacts, whether positive or negative, are added together through time and then compared to the total value of the FRS Pension Plan to determine the percentage or basis point impact of PFIA legislation.

Table 7: List of Prohibited Investments (Scrutinized Companies)*New companies on the list are shaded and in bold.*

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Chennai Petroleum Corp Ltd	Sudan	India	September 19, 2007	Yes
China BlueChemical Ltd	Iran	China	March 19, 2013	Yes
China National Petroleum Corporation (CNPC)	Sudan & Iran	China	December 11, 2012	Yes
China Oilfield Services Ltd	Iran	China	June 16, 2011	Yes
China Petroleum & Chemical Corp (CPCC) Sinopec	Sudan & Iran	China	September 19, 2007	Yes
CNOOC Ltd	Iran	China	June 16, 2011	Yes
CNOOC Finance Limited	Iran	China	September 24, 2013	Yes
CNPC General Capital Ltd	Sudan	China	June 26, 2012	Yes
CNPC HK Overseas Capital Ltd	Sudan & Iran	China	June 16, 2011	Yes
COSL Finance (BVI) Limited	Iran	China	September 24, 2013	Yes
Daelim Industrial Co Ltd	Iran	South Korea	June 16, 2011	Yes
Daqing Huake Group Co Ltd	Sudan	China	March 25, 2008	Yes
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Energy House Holding Company (fka: AREF Energy Holdings Co)	Sudan	Kuwait	July 28, 2009	Yes
Engen Botswana	Sudan & Iran	Botswana	March 24, 2015	Yes
Gas District Cooling (Putrajaya) Sdn Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Gazprom	Iran	Russia	September 19, 2007	Yes
Gazprom Neft	Iran	Russia	September 16, 2008	Yes
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	Sudan	China	September 19, 2007	Yes
Indian Oil Corp Ltd (IOCL)	Sudan & Iran	India	September 19, 2007	Yes
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	Sudan	China	September 19, 2007	Yes
Jinan Diesel Engine	Sudan	China	July 28, 2009	Yes
KLCC Property Holdings Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong)	Sudan & Iran	Hong Kong	September 19, 2007	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Kuwait Finance House	Sudan	Kuwait	April 14, 2009	Yes
Lanka IOC Ltd	Sudan	India	September 19, 2007	Yes
Managem SA	Sudan	Morocco	November 9, 2010	Yes
Mangalore Refinery & Petrochemicals Ltd	Sudan & Iran	India	September 19, 2007	Yes
Malaysia Marine & Heavy Engineering Holdings Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
MISC Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Mosenergo	Iran	Russia	September 16, 2008	Yes
Oil India Ltd.	Sudan	India	September 18, 2012	Yes
Oil & Natural Gas Corp (ONGC)	Sudan & Iran	India	September 19, 2007	Yes
ONGC Videsh Limited (OVL)	Sudan & Iran	India	March 18, 2014	Yes
Orca Gold Inc.	Sudan	Canada	December 9, 2014	Yes
PetroChina	Sudan & Iran	China	September 19, 2007	Yes
Petrolam Nasional (Petronas)	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Capital Limited	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Chemicals Bhd	Sudan & Iran	Malaysia	June 16, 2011	Yes
Petronas Dagangan Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Gas Berhad	Sudan & Iran	Malaysia	September 19, 2007	Yes
Putrajaya Management Sdn Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
Sinopec Capital 2013 Ltd	Sudan & Iran	China	September 24, 2013	Yes
Sinopec Engineering Group Co Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2013 Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Kantons Holdings Ltd	Sudan & Iran	Bermuda	September 19, 2007	Yes
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	Sudan & Iran	China	April 14, 2009	Yes
Sinopec Shanghai Petrochemical	Sudan & Iran	China	September 19, 2007	Yes
Sinopec Yizheng Chemical Fibre	Sudan & Iran	China	March 25, 2008	Yes
Societe Metallurgique D'imiter	Sudan	Morocco	November 9, 2010	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
# of Prohibited Investments	50	-	-	Yes

The following companies were **removed** from the Prohibited Investments List this quarter.

Removed Company	Country of Incorporation
<i>Kingdream PLC is now listed in Table 7 as: Sinopec Oilfield Equipment Corporation</i>	<i>China</i>

Table 8: SBA Holdings in Prohibited Investments Subject to Divestment

As of June 30, 2015, the SBA did not hold shares of any company on the Prohibited Investments List in accounts subject to the PFIA divestiture requirements.

Summary of Progress, SBA Investment Manager Engagement Efforts

On August 20, 2007, the SBA sent letters to 66 external investment managers notifying them of the Act and informing them of new contract language that would enforce their cooperation with the requirements of the new law.

On September 19, 2007, the SBA sent letters to all affected managers outlining the list of prohibited securities for any future purchases. The letter described the SBA's engagement process with companies on the list, which affords companies a 90-day period in which to comply with the conditions of the law or clarify their activities. The letter directed these managers to cease purchase of securities on the list and to await the direction of the SBA for any divestment necessary in the event engagement fails, with a deadline for divestment under the law of September 18, 2008.

On September 19, 2007, the SBA sent letters to actively-managed, indirectly held funds holding scrutinized securities, including managers of the defined contribution program, asking the funds to review the list of scrutinized securities and consider eliminating such holdings from the portfolio or create a similar fund, devoid of such holdings, per the requirements of the law.

Each quarter, the SBA sends written and electronic notification to all affected managers about the list of prohibited companies.

The SBA has received responses noting our concerns in writing and by phone from several of the contacted managers.

Listing of All Publicly Traded Securities (Including Equity Investments)

Due to the large number of individual securities and the volume of information, this list has been electronically posted to the SBA's website and is updated quarterly. A list of all publicly traded securities owned by the State of Florida can be found within the [PFIA information section](#) of the SBA's website. Please observe the electronic report's notes page for important clarifying explanations of included data.

For more information, please contact:

State Board of Administration of Florida (SBA)
Investment Programs & Governance
1801 Hermitage Blvd., Suite 100
Tallahassee, FL 32308
www.sbafla.com

or send an email to:

pfia@sbafla.com





**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

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**RICK SCOTT
GOVERNOR
AS CHAIRMAN
JEFF ATWATER
CHIEF FINANCIAL OFFICER
PAM BONDI
ATTORNEY GENERAL
ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO**

September 29, 2015

Honorable Dan Raulerson
Alternating Chair
Joint Legislative Auditing Committee
300 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1100

Honorable Joseph Abruzzo
Alternating Chair
Joint Legislative Auditing Committee
222 Senate Office Building
404 South Monroe Street
Tallahassee, Florida 32399-1300

Dear Representative Raulerson and Senator Abruzzo:

Pursuant to section 218.409(6)(a)1, Florida Statutes, the Trustees of the State Board of Administration are required to "provide a quarterly report to the Joint Legislative Auditing Committee that the trustees have reviewed and approved the monthly reports [on the Florida PRIME and Fund B Management Summary] and actions taken, if any, to address any [material] impacts," and "have conducted a review of the [Fund B] trust fund and that the trust fund is in compliance with the requirements of this section." (Sections 218.409(6)(a)1 and 218.421(2)(a), F.S.)

Please be advised that the Trustees have reviewed the attached reports and authorized me to convey their action to you. During the period April 1, 2015 through June 30, 2015, there were no material impacts on the trust funds in question and, therefore, no associated actions or escalations.

Please contact me if you have any questions.

Sincerely,

Ashbel C. Williams
Executive Director & CIO

ACW/db
Attachments

cc: Honorable Debbie Mayfield
Honorable Amanda Murphy
Honorable Ray Wesley Rodrigues
Honorable Cynthia Stafford
Honorable Lizbeth Benacquisto
Honorable Rob Bradley
Honorable Audrey Gibson
Honorable Wilton Simpson
Ms. Kathy Dubose, Coordinator



Monthly Summary Report for April 2015

Including Fund B

State Board of Administration

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FUND B

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Past performance is no guarantee of future results.

Views are as of the issue date and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund.

INTRODUCTION

This report is prepared for stakeholders in Florida PRIME and Fund B in accordance with Section 218.409(6)(a), Florida Statutes. The statute requires:

- (1) Reporting of any material impacts on the funds and any actions or escalations taken by staff to address such impacts;
- (2) Presentation of a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month; and
- (3) Preparation of the management summary “in a manner that will allow anyone to ascertain whether the investment activities during the reporting period have conformed to investment policies.”

This report, which covers the period from April 1, 2015 through April 30, 2015, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

During the reporting period, Florida PRIME and Fund B were in material compliance with investment policy. Details are available in the PRIME policy compliance table and the Fund B compliance narrative in the body of this report. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

DISCLOSURE OF MATERIAL IMPACTS

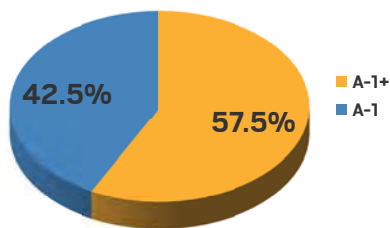
There were no developments during April 2015 that had a material impact on the liquidity or operation of Florida PRIME.

PORTFOLIO COMPOSITION APRIL 30, 2015

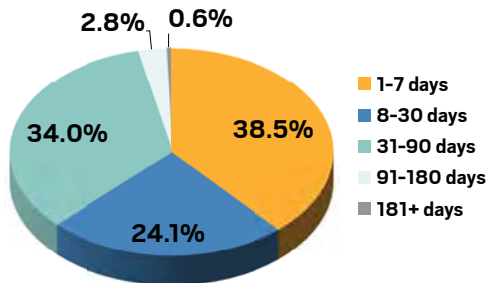
Florida PRIME Assets

\$ 7,581,653,617

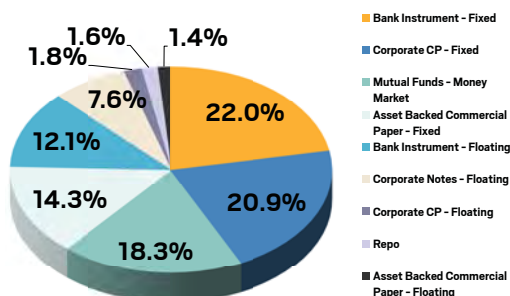
Credit Quality Composition



Effective Maturity Schedule



Portfolio Composition



PORTFOLIO MANAGER COMMENTARY

April Market Conditions

Last summer, the SEC presented the mutual fund industry with over 800 pages of new rules on money funds that are effective in 2015 and 2016. The most prominent new rule is the requirement that net asset values (NAVs) fluctuate on institutional prime and institutional municipal money market funds, with Treasury, government and retail funds exempt.

Last month the SEC released 53 frequently asked questions (FAQ), yet they brought less clarity than hoped. Some answers are quite helpful. Others are not. Even worse, some muddy things further.

Among the useful, two questions address 60-day funds, which are designed to have very little change in daily per-share valuation. The FAQ basically says that, even if a portfolio for all intents and purposes maintains a stable NAV, you cannot claim that in an objective or sell it that way. You must make sure that clients understand that these are floating NAV funds. The document also clarifies that the collateral used in the overnight reverse repo program (RRP) will be considered a government security.

Among the confusing, the role of intermediaries in regard to retail investors is now clouded. It was thought that a fund is considered to be retail if it sells to “natural persons.” These are defined as those who have a social security number, as opposed to an institution. But the FAQ suggests that if a natural person is “controlled” by an institution, the fund must float its NAV. This is obviously at the heart of the distinction between retail and institutional funds. If the SEC is still debating that, it is a serious issue for the industry.

There is also incomplete guidance on government funds. What happens if, by no fault of your own, the fund temporarily dips below the required 99.5% of investments in government securities, even though you are actively working to get it back into compliance? Also, the timing of

APRIL 30, 2015

Top Holdings and Average Maturity

1. Federated Prime Obligations Fund	9.3%
2. Federated Prime Cash Obligations Fund	8.9%
3. Mizuho Financial Group, Inc.	5.0%
4. Standard Chartered PLC	5.0%
5. Toronto Dominion Bank	4.9%
6. Sumitomo Mitsui Financial Group, Inc.	4.8%
7. ING Groep N.V.	4.7%
8. Wells Fargo & Co.	4.2%
9. Lloyds Banking Group plc	4.0%
10. Credit Suisse Group AG	3.8%

Average Effective Maturity (WAM)

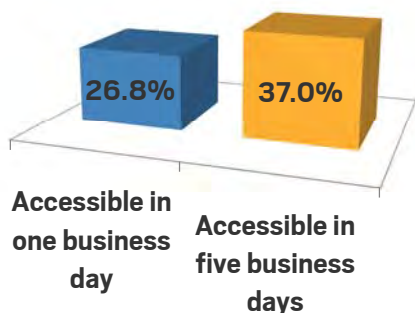
28.0 Days

Weighted Average Life (Spread WAM)

59.4 Days

Percentages based on total value of investments

Highly Liquid Holdings (% at month end)



PORTFOLIO MANAGER COMMENTARY (CON'T.)

some reporting to the SEC is unclear.

The SEC seems to be mired in the process of interpreting the new rules. That presents problems for the money market fund industry that is working hard to conform to those. We expect future guidance, but in the meantime we want to emphasize that nothing we saw in the FAQ has altered our path addressing the reforms.

Speaking of status quo, global issues such as the continued Greek theater did not have much impact on rates and credits last month. The policy release from the Federal Open Market Committee meeting that ended the month did not result in the announcement of a rate hike, a decision abetted by an exceptionally low first-quarter flash gross domestic product (GDP) reading.

Portfolio Investment Strategy

The pool ended the month with \$7.58 billion in assets, up \$79.3 million from March. The London interbank offered rate (Libor) curve rose slightly, with one-month Libor flat at 18 basis points, but three-, six- and 12-month rates all up one or two basis points. That helped push the Pool's yield to increase a basis point.

Our purchases were concentrated in fixed-rate, asset-back commercial paper and bank commercial paper in the 30-day area. We also bought some variable rate, asset-backed commercial paper conduits and bank names. The weighted average maturity (WAM) and weighted average life (WAL) of the pool was shortened compared to last month as composition of the pool was heavier on variable-rate-sector purchases. WAM came in seven days to 28 days and WAL was down three days to settle on 59 days; the portion of the portfolio invested in variable rate paper grew two percent to 19 percent and that of commercial paper rose five points to 39 percent.

FLORIDA PRIME SUMMARY OF CASH FLOWS

April 2015

Opening Balance (04/01/15)	\$	7,502,389,759
Participant Deposits		1,133,265,323
Gross Earnings		1,301,241
Participant Withdrawals		(1,055,193,949)
Fees		(108,757)
Closing Balance (04/30/15)		7,581,653,617
Net Change over Month		79,263,858

Valuations based on amortized cost

As shown in the table above, Florida PRIME experienced a net inflow of \$79.3 million during April 2015.

This change in value consisted of positive flows of \$1.13 billion in participant deposits and 1.3 million in earnings. Negative flows consisted of \$1.06 billion in participant withdrawals and about \$109,000 in fees.

Overall, the fund ended the month with a closing balance of \$7.58 billion.

FLORIDA PRIME DETAILED FEE DISCLOSURE

April 2015	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 62,141.63	\$ 0.99
Federated Investment Management Fee	24,758.86	0.39
BNY Mellon Custodial Fee**	8,490.17	0.14
Bank of America Transfer Agent Fee	5,512.64	0.09
S&P Rating Maintenance Fee	3,287.67	0.05
Audit/External Review Fees	4,565.83	0.07
Total Fees	\$ 108,756.80	1.73

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$7,542,021,688.

**All custodian banking fees are allocated based on both market value (size) and level of service accurately passing through all charges to pool participants. Charges will fluctuate month-to-month.

2015 PARTICIPANT SATISFACTION SURVEY

This year's Participant Satisfaction Survey has been posted to the Florida PRIME website. As in prior years, the SBA seeks feedback and commentary from pool investors. Participant feedback is highly valued and we ask that each investor attempt to complete the brief on-line satisfaction survey, which shouldn't take more than about 10 minutes to complete.

Summary survey results will be provided to the Participant Local Government Advisory Council (PLGAC), SBA staff, Federated Investors, as well as external investment consultants, and offers valuable feedback aimed at improving your overall investment experience.

See the April 24, 2015 notice in the Latest News box of the PRIME website.
<https://www.sbafla.com/PRIME>.

FUND PERFORMANCE THROUGH APRIL 30, 2015

NOTES TO PERFORMANCE TABLE

¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

²The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods.

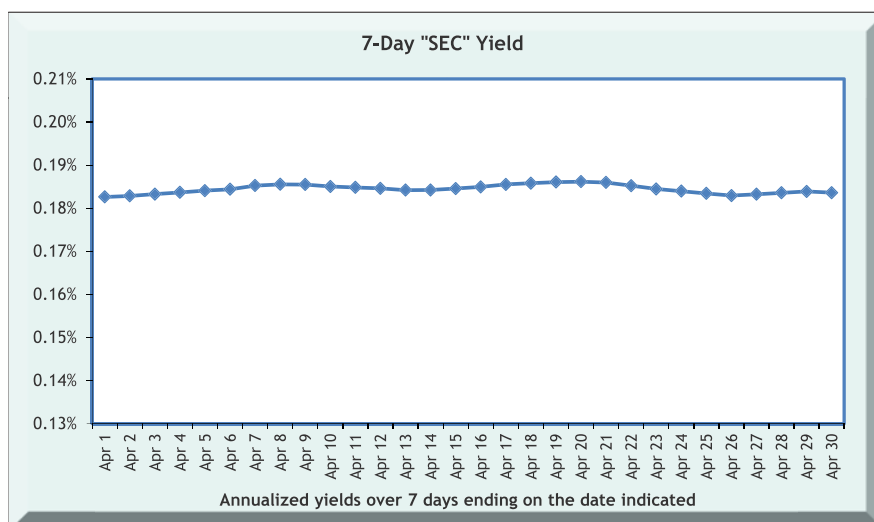
Net asset value includes investments at market value, plus all cash, accrued interest receivable and payables.

Florida PRIME Participant Performance Data

	Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
1 mo	0.19%	0.06%	0.13%
3 mos	0.19%	0.06%	0.13%
12 mos	0.17%	0.05%	0.12%
3 yrs	0.20%	0.06%	0.14%
5 yrs	0.24%	0.09%	0.15%
10 yrs	1.69%	1.55%	0.14%
Since 1.96	2.86%	2.65%	0.21%

Net asset value at month end: \$7,581.8 m

Florida PRIME 7-Day "SEC" Yields During the Month



For performance comparisons to other short-term investment options, see www.sbafla.com/prime and click on "Pool Performance."

NOTES TO CHART

The 7-Day "SEC" Yield in the chart is calculated in accordance with the yield methodology set forth by SEC rule 2a-7 for money market funds.

The 7-day yield = net income earned over a 7-day period / average units outstanding over the period / 7 times 365.

Note that unlike other performance measures, the SEC yield does not include realized gains and losses from sales of securities.

ABOUT ANNUALIZED YIELDS

Performance data in the table and chart is annualized, meaning that the amounts are based on yields for the periods indicated, converted to their equivalent if obtained for a 12-month period.

For example, ignoring the effects of compounding,

an investment that earns 0.10% over a 1-month period yields 1.20% on an annualized basis. Likewise, an investment that earns a total of 3.60% over three years yields 1.20% on an annualized basis, ignoring compounding.

INVENTORY OF HOLDINGS APRIL 30, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Alpine Securitization Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/15/2015		175,000,000	0.22	\$174,983,958	\$174,987,605	\$3,646
Alpine Securitization Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/2/2015		100,000,000	0.20	\$99,981,667	\$99,984,050	\$2,383
BMO Harris Bank, N.A., Oct 23, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.32	10/23/2015	5/26/2015	25,000,000	0.32	\$25,000,000	\$24,997,675	-\$2,325
BNP Paribas SA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	5/15/2015		50,000,000	0.25	\$50,000,000	\$50,002,603	\$2,603
BNP Paribas SA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/2/2015		100,000,000	0.26	\$100,000,000	\$100,009,612	\$9,612
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.12	5/1/2015		120,000,000	0.12	\$120,000,000	\$120,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	8/12/2015		20,000,000	0.27	\$20,000,000	\$20,005,885	\$5,885
Bank of Montreal, Dec 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.27	12/10/2015	5/11/2015	100,000,000	0.28	\$100,000,000	\$99,987,800	-\$12,200
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		1,300,000	0.49	\$1,302,076	\$1,302,740	\$664
Bank of Montreal, Sr. Unsecured, Aug 20, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.40	8/20/2015	5/20/2015	5,000,000	0.28	\$5,001,956	\$4,999,900	-\$2,056
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		7/27/2015		25,000,000	0.28	\$24,982,889	\$24,991,689	\$8,800
Barclays US Funding Corp. CP4-2	COMMERCIAL PAPER - 4-2		5/4/2015		70,000,000	0.25	\$69,998,056	\$69,999,775	\$1,719
Barclays US Funding Corp. CP4-2	COMMERCIAL PAPER - 4-2		5/5/2015		50,000,000	0.25	\$49,998,264	\$49,999,785	\$1,521
Barton Capital LLC, Nov 06, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.28	11/6/2015	5/6/2015	50,000,000	0.29	\$50,000,000	\$50,000,000	\$0
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/27/2015		21,000,000	0.23	\$20,996,378	\$20,997,795	\$1,418
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/1/2015		20,000,000	0.33	\$19,988,978	\$19,994,110	\$5,132
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/14/2015		12,000,000	0.34	\$11,984,930	\$11,987,807	\$2,877
Bedford Row Funding Corp., Apr 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.32	4/14/2016	5/14/2015	25,000,000	0.33	\$25,000,000	\$24,995,300	-\$4,700
Bedford Row Funding Corp., Sep 09, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.29	9/9/2015	5/11/2015	30,000,000	0.29	\$30,000,000	\$29,997,600	-\$2,400
Caisse des Depots et Consignations (CDC) CP	COMMERCIAL PAPER		6/16/2015		75,000,000	0.25	\$74,975,521	\$74,985,998	\$10,477
Canadian Imperial Bank of Commerce, May 26, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.36	5/26/2015	5/25/2015	215,000,000	0.37	\$215,000,000	\$215,004,515	\$4,515
Caterpillar Financial Se, Unsec'd. Note, Series MTN, 1.1%, 05/29/2015	CORPORATE BOND	1.10	5/29/2015		18,150,000	0.30	\$18,161,583	\$18,157,187	-\$4,395
Caterpillar Financial Se, Unsec'd. Note, Series MTN, 1.1%, 05/29/2015	CORPORATE BOND	1.10	5/29/2015		425,000	0.31	\$425,268	\$425,168	-\$100
Caterpillar Financial Se, Unsec'd. Note, Series MTN, 1.1%, 05/29/2015	CORPORATE BOND	1.10	5/29/2015		250,000	0.35	\$250,150	\$250,099	-\$51
Chase Bank USA, N.A. CD	CERTIFICATE OF DEPOSIT	0.30	5/15/2015		50,000,000	0.30	\$50,000,000	\$50,004,579	\$4,579
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.29	5/1/2015		50,000,000	0.29	\$50,000,000	\$50,000,235	\$235
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/2/2015		50,000,000	0.26	\$50,000,000	\$50,005,850	\$5,850
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.23	6/10/2015		50,000,000	0.23	\$50,000,000	\$50,000,853	\$853
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	5/22/2015		100,000,000	0.28	\$100,000,000	\$100,006,102	\$6,102
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/4/2015		50,000,000	0.26	\$50,000,000	\$50,003,640	\$3,640
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.01	5/1/2015		7,703,766	0.01	\$7,703,766	\$7,703,766	\$0
Federated Prime Cash Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.06	5/1/2015	5/1/2015	675,754,827	0.06	\$675,754,827	\$675,754,827	\$0
Federated Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.06	5/1/2015	5/1/2015	701,116,811	0.06	\$701,116,811	\$701,116,811	\$0
General Electric Cap Corp, Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		1,625,000	0.38	\$1,650,521	\$1,649,421	-\$1,100

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

APRIL 30, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Cap Corp., Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		700,000	0.41	\$710,861	\$710,520	-\$341
General Electric Cap Corp., Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		4,750,000	0.43	\$4,823,803	\$4,821,383	-\$2,420
General Electric Cap Corp., Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		1,858,000	0.44	\$1,886,834	\$1,885,922	-\$912
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	1,335,000	0.27	\$1,337,420	\$1,337,139	-\$281
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	1,935,000	0.29	\$1,938,459	\$1,938,100	-\$360
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	400,000	0.30	\$400,702	\$400,641	-\$61
General Electric Capital Corp., Series MTN, 3.500%, 06/29/2015	CORPORATE BOND	3.50	6/29/2015		4,701,000	0.34	\$4,725,332	\$4,723,480	-\$1,852
General Electric Capital Corp., Series MTN, 3.500%, 06/29/2015	CORPORATE BOND	3.50	6/29/2015		1,546,000	0.36	\$1,553,956	\$1,553,393	-\$563
General Electric Capital Corp., Sr. Note, Series MTNA, 6.900%, 09/15/2015	CORPORATE BOND	6.90	9/15/2015		800,000	0.41	\$819,583	\$818,453	-\$1,130
General Electric Capital Corp., Sr. Note, Series MTNA, 6.900%, 09/15/2015	CORPORATE BOND	6.90	9/15/2015		3,000,000	0.41	\$3,073,407	\$3,069,198	-\$4,209
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,975,000	0.32	\$1,979,447	\$1,979,274	-\$173
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,000,000	0.32	\$1,002,252	\$1,002,164	-\$88
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		300,000	0.34	\$300,665	\$300,649	-\$16
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		35,859,000	0.34	\$35,938,138	\$35,936,599	-\$1,539
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		18,000,000	0.34	\$18,039,714	\$18,038,952	-\$762
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,929,000	0.34	\$1,933,257	\$1,933,174	-\$82
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,300,000	0.36	\$1,302,826	\$1,302,813	-\$13
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		5,130,000	0.34	\$5,147,451	\$5,147,611	\$161
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		1,500,000	0.34	\$1,505,082	\$1,505,150	\$68
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		4,788,000	0.34	\$4,804,206	\$4,804,437	\$231
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		7,500,000	0.35	\$7,525,317	\$7,525,748	\$430
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		10,000,000	0.35	\$10,033,830	\$10,034,330	\$500
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		2,415,000	0.45	\$2,422,755	\$2,423,291	\$535
General Electric Capital Corp., Sr. Unsecured, Sep 23, 2015	VARIABLE MEDIUM TERM NOTE	1.00	9/23/2015	6/23/2015	2,500,000	0.35	\$2,507,010	\$2,506,625	-\$385
General Electric Capital Corp., Sr. Unsecured, Sep 23, 2015	VARIABLE MEDIUM TERM NOTE	1.00	9/23/2015	6/23/2015	255,000	0.46	\$255,591	\$255,676	\$85
General Electric Capital, Floating Rate Note - Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.87	1/8/2016	7/8/2015	10,000,000	0.33	\$10,038,673	\$10,039,650	\$977

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

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Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.51	1/14/2016	7/14/2015	14,225,000	0.33	\$14,243,773	\$14,241,643	-\$2,130
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.51	1/14/2016	7/14/2015	10,000,000	0.34	\$10,012,567	\$10,011,700	-\$867
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.47	1/8/2016	7/8/2015	255,000	0.36	\$255,221	\$255,314	\$93
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		9,952,000	0.41	\$10,048,681	\$10,049,201	\$520
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,089,000	0.41	\$1,099,576	\$1,099,636	\$60
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		8,000,000	0.41	\$8,077,664	\$8,078,136	\$472
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,000,000	0.51	\$1,009,167	\$1,009,767	\$600
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		7,650,000	0.51	\$7,886,919	\$7,890,394	\$3,475
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		1,185,000	0.61	1,220,910	1,222,237	\$1,327
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	6,500,000	0.27	\$6,504,916	\$6,503,777	-\$1,139
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	375,000	0.31	\$375,262	\$375,218	-\$45
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	1,000,000	0.33	\$1,000,687	\$1,000,581	-\$106
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.01	8/11/2015	5/11/2015	1,335,000	0.28	\$1,337,836	\$1,337,458	-\$378
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.01	8/11/2015	5/11/2015	2,958,000	0.29	\$2,964,159	\$2,963,446	-\$714
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.01	8/11/2015	5/11/2015	3,000,000	0.30	\$3,006,148	\$3,005,523	-\$625
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/12/2015		85,000,000	0.17	\$84,995,183	\$84,995,495	\$312
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/13/2015		5,000,000	0.17	\$4,999,693	\$4,999,708	\$14
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/19/2015		50,000,000	0.17	\$49,995,514	\$49,995,514	\$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/3/2015		100,000,000	0.17	\$99,983,944	\$99,983,472	-\$472
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/8/2015		50,000,000	0.17	\$49,990,792	\$49,990,142	-\$650
HSBC USA, Inc. CP	COMMERCIAL PAPER		5/14/2015		50,000,000	0.25	\$49,995,236	\$49,996,111	\$875
HSBC USA, Inc. CP	COMMERCIAL PAPER		6/9/2015		50,000,000	0.26	\$49,985,556	\$49,987,722	\$2,166
HSBC USA, Inc. CP	COMMERCIAL PAPER		8/21/2015		25,000,000	0.28	\$24,978,420	\$24,977,871	-\$549
HSBC USA, Inc. CP	COMMERCIAL PAPER		8/26/2015		50,000,000	0.28	\$49,954,931	\$49,953,128	-\$1,803
HSBC USA, Inc. CP	COMMERCIAL PAPER		9/1/2015		30,000,000	0.32	\$29,967,450	\$29,969,930	\$2,480
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		5/13/2015		100,000,000	0.24	\$99,991,333	\$99,995,306	\$3,973
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		5/20/2015		100,000,000	0.24	\$99,986,667	\$99,992,333	\$5,666
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		5/29/2015		50,000,000	0.25	\$49,989,931	\$49,993,999	\$4,068
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		6/3/2015		30,000,000	0.25	\$29,992,917	\$29,995,608	\$2,692
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		7/21/2015		75,000,000	0.26	\$74,955,583	\$74,964,980	\$9,396
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		5/4/2015		30,000,000	0.25	\$29,999,167	\$29,999,567	\$400
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		6/2/2015		25,000,000	0.27	\$24,993,813	\$24,996,471	\$2,658
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		6/4/2015		75,000,000	0.27	\$74,980,313	\$74,988,552	\$8,240
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		7/13/2015		25,000,000	0.30	\$24,984,583	\$24,989,774	\$5,190
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		10/9/2015		25,000,000	0.41	\$24,955,000	\$24,966,700	\$11,700
J.P. Morgan Securities LLC, Nov 10, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.33	11/10/2015	5/11/2015	40,000,000	0.33	\$40,000,000	\$39,997,800	-\$2,200
JPMorgan Chase Bank, N.A., Jun 06, 2016	VARIABLE RATE BANK NOTE	0.42	6/6/2016	5/7/2015	15,000,000	0.43	\$15,000,000	\$15,000,030	\$30
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/2/2015		20,000,000	0.25	\$19,995,417	\$19,996,810	\$1,393

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Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/12/2015		35,000,000	0.25	\$34,989,549	\$34,992,182	\$2,634
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/22/2015		30,000,000	0.25	\$29,988,958	\$29,991,388	\$2,429
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/7/2015		40,000,000	0.25	\$39,981,111	\$39,984,511	\$3,400
Lloyds TSB Bank PLC, London CP	COMMERCIAL PAPER		5/4/2015		300,000,000	0.13	\$299,995,667	\$299,995,767	\$100
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/8/2015		86,500,000	0.19	\$86,496,348	\$86,497,232	\$884
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/26/2015		53,000,000	0.28	\$52,976,503	\$52,983,385	\$6,881
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/13/2015		45,000,000	0.28	\$44,974,100	\$44,980,668	\$6,568
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2015		35,000,000	0.28	\$34,979,583	\$34,984,688	\$5,104
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/15/2015		23,000,000	0.28	\$22,986,404	\$22,989,755	\$3,350
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	5/28/2015		70,000,000	0.23	\$70,001,086	\$70,005,385	\$4,299
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/4/2015		30,000,000	0.26	\$30,000,000	\$30,002,798	\$2,798
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/15/2015		12,300,000	0.27	\$12,300,000	\$12,301,350	\$1,350
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	6/17/2015		35,000,000	0.25	\$35,000,000	\$35,002,890	\$2,890
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	6/23/2015		100,000,000	0.25	\$100,000,000	\$100,007,640	\$7,640
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/13/2015		25,000,000	0.26	\$25,000,000	\$25,001,125	\$1,125
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/21/2015		30,000,000	0.26	\$30,000,000	\$30,000,390	\$390
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/15/2015		70,000,000	0.26	\$70,000,000	\$70,000,000	\$0
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	8/5/2015		10,000,000	0.26	\$10,000,000	\$10,000,000	\$0
NRW Bank CP	COMMERCIAL PAPER		5/4/2015		200,000,000	0.11	199,997,556	199,997,000	-\$556
National Australia Bank , Sr. Unsecd. Note, 1.6%, 8/07/2015	CORPORATE BOND	1.60	8/7/2015		900,000	0.47	\$902,773	\$902,985	\$212
New York City, NY Municipal Water Finance Authority, Second General Resolution (Fiscal 2007 Series C-C1), 06/15/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.12	6/15/2038	5/1/2015	46,400,000	0.12	\$46,400,000	\$46,400,000	\$0
Royal Bank of Canada, Montreal, Jan 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.28	1/13/2016	5/13/2015	25,000,000	0.28	\$25,000,000	\$24,991,300	-\$8,700
Royal Bank of Canada, Montreal, Jun 03, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.39	6/3/2016	7/6/2015	125,000,000	0.40	125,000,000	124,996,625	-\$3,375
Royal Bank of Canada, Montreal, Series GMTN, .550%, 05/01/2015	CORPORATE BOND	0.55	5/1/2015		20,000,000	0.28	\$20,000,148	\$20,000,000	-\$148
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		9,550,000	0.50	\$9,677,103	\$9,680,720	\$3,618
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		785,000	0.55	\$795,198	\$795,745	\$547
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.20	5/8/2015		75,000,000	0.20	75,000,000	75,001,933	\$1,933
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/18/2015		108,000,000	0.27	\$108,000,000	\$108,016,599	\$16,599
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/24/2015		25,000,000	0.26	\$25,000,000	\$25,003,550	\$3,550
Standard Chartered Bank plc TD	TIME DEPOSIT	0.07	5/1/2015		380,000,000	0.07	\$380,000,000	\$380,000,000	\$0
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/2/2015		50,000,000	0.26	\$49,988,083	\$49,992,025	\$3,942
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/23/2015		50,000,000	0.27	\$49,979,750	\$49,985,300	\$5,550

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INVENTORY OF HOLDINGS (CONTINUED)

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Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
State Street Bank and Trust Co., Jun 15, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.26	6/15/2015	5/15/2015	50,000,000	0.24	\$50,000,000	\$49,999,050	-\$950
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	5/20/2015		30,000,000	0.26	\$30,000,000	\$30,001,281	\$1,281
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/5/2015		25,000,000	0.27	\$25,000,000	\$25,001,897	\$1,897
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/12/2015		12,000,000	0.27	\$12,000,000	\$12,001,016	\$1,016
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	7/15/2015		10,000,000	0.27	\$10,000,000	\$10,000,695	\$695
Sumitomo Mitsui Banking Corp., Aug 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.28	8/10/2015	5/11/2015	28,000,000	0.28	\$28,000,000	\$27,998,516	-\$1,484
Sumitomo Mitsui Banking Corp., May 28, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.28	5/28/2015	5/28/2015	14,800,000	0.29	\$14,800,000	\$14,799,719	-\$281
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.24	6/10/2015		75,000,000	0.24	\$75,000,000	\$75,010,325	\$10,325
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.35	9/10/2015		25,000,000	0.35	\$25,000,000	\$25,018,060	\$18,060
Toronto Dominion Bank, Apr 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	4/15/2016	7/15/2015	40,000,000	0.31	\$40,000,000	\$39,992,600	-\$7,400
Toronto Dominion Bank, Feb 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.29	2/12/2016	5/12/2015	25,000,000	0.29	\$25,000,000	\$24,997,950	-\$2,050
Toronto Dominion Bank, Sep 04, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.27	9/4/2015	5/4/2015	50,000,000	0.27	\$50,000,000	\$49,996,700	-\$3,300
Toronto Dominion Bank, Sr. Unsecured, MTN, May 01, 2015	VARIABLE MEDIUM TERM NOTE	0.46	5/1/2015	5/1/2015	29,580,000	0.26	\$29,580,151	\$29,580,000	-\$151
Toronto Dominion Bank, Sr. Unsecured, MTN, May 01, 2015	VARIABLE MEDIUM TERM NOTE	0.46	5/1/2015	5/1/2015	1,000,000	0.28	\$1,000,005	\$1,000,000	-\$5
Toronto Dominion Holdings (USA), Inc. CP4-2	COMMERCIAL PAPER - 4-2		5/7/2015		125,000,000	0.16	\$124,996,111	\$124,997,399	\$1,288
Toyota Motor Credit Corp., Apr 15, 2016	VARIABLE MEDIUM TERM NOTE	0.29	4/15/2016	7/15/2015	100,000,000	0.29	\$100,000,000	\$99,981,500	-\$18,500
Toyota Motor Credit Corp., Sep 03, 2015	VARIABLE RATE COMMERCIAL PAPER	0.27	9/3/2015	5/11/2015	100,000,000	0.27	\$100,000,000	\$99,993,200	-\$6,800
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.55	5/17/2016	5/18/2015	21,100,000	0.28	\$21,162,877	\$21,149,923	-\$12,955
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.55	5/17/2016	5/18/2015	300,000	0.29	\$300,863	\$300,710	-\$153
Wal-Mart Stores, Inc., Sr. Unsec'd. Note, 4.5%, 7/01/2015	CORPORATE BOND	4.50	7/1/2015		8,500,000	0.25	\$8,560,869	\$8,557,673	-\$3,196
Wells Fargo & Co., Sr. Unsec'd. Note, 1.5%, 7/01/2015	CORPORATE BOND	1.50	7/1/2015		17,576,000	0.36	\$17,610,205	\$17,608,182	-\$2,024
Wells Fargo & Co., Sr. Unsec'd. Note, 10/28/2015	CORPORATE BOND	0.48	10/28/2015	7/28/2015	400,000	0.38	\$400,202	\$400,254	\$52
Wells Fargo Bank, N.A., May 19, 2016	VARIABLE RATE BANK NOTE	0.36	5/19/2016	6/22/2015	100,000,000	0.37	\$100,000,000	\$100,001,700	\$1,700
Wells Fargo Bank, N.A., May 20, 2016	VARIABLE MEDIUM TERM NOTE	0.40	5/20/2016	6/22/2015	50,000,000	0.41	\$50,000,000	\$49,999,900	-\$100
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	12,500,000	0.30	\$12,507,470	\$12,505,650	-\$1,820
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	18,500,000	0.30	\$18,510,851	\$18,508,362	-\$2,489
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	25,000,000	0.31	\$25,014,712	\$25,011,300	-\$3,412
Wells Fargo Bank, N.A., Sr. Unsecured, Sep 08, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.29	9/8/2015	6/4/2015	95,700,000	0.29	\$95,700,000	\$95,689,760	-\$10,240
Total Value of Investments					7,578,716,404		\$7,579,533,331	\$7,579,664,454	\$131,123

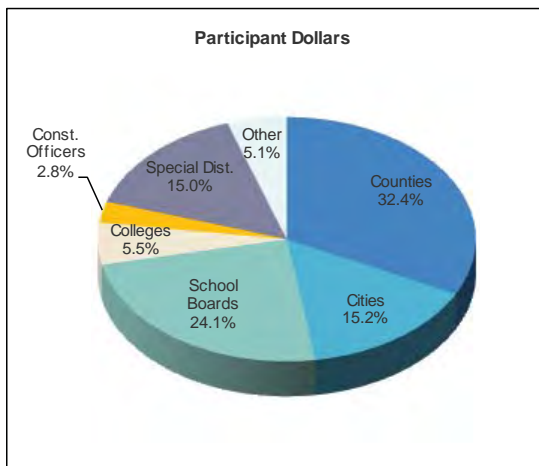
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

¹ Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

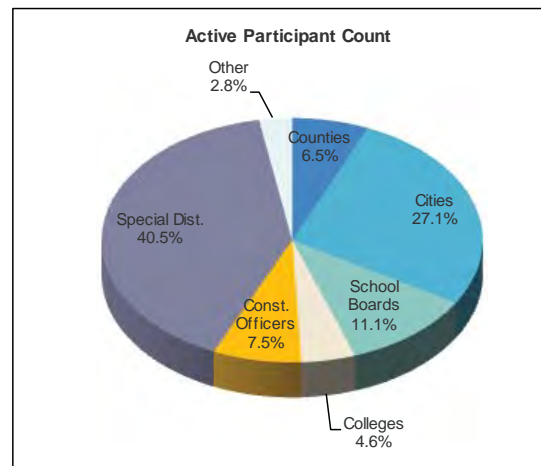
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - APRIL 30, 2015

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	100.0%	Colleges & Universities	5.5%	4.6%
Top 10	39.6%	1.3%	Top 10	5.0%	1.3%
\$100 million or more	51.3%	2.0%	\$100 million or more	2.9%	0.1%
\$10 million up to \$100 million	40.7%	12.6%	\$10 million up to \$100 million	1.9%	0.9%
\$1 million up to \$10 million	7.3%	19.3%	\$1 million up to \$10 million	0.8%	1.5%
Under \$1 million	0.8%	66.0%	Under \$1 million	0.01%	2.0%
Counties	32.4%	6.5%	Constitutional Officers	2.8%	7.5%
Top 10	26.7%	1.3%	Top 10	0.9%	1.3%
\$100 million or more	22.0%	0.8%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	9.7%	1.7%	\$10 million up to \$100 million	2.0%	0.8%
\$1 million up to \$10 million	0.7%	1.1%	\$1 million up to \$10 million	0.7%	1.9%
Under \$1 million	0.1%	2.9%	Under \$1 million	0.1%	4.8%
Municipalities	15.2%	27.1%	Special Districts	15.0%	40.5%
Top 10	9.1%	1.3%	Top 10	10.1%	1.3%
\$100 million or more	4.4%	0.3%	\$100 million or more	5.3%	0.3%
\$10 million up to \$100 million	8.3%	3.1%	\$10 million up to \$100 million	7.9%	2.9%
\$1 million up to \$10 million	2.1%	6.2%	\$1 million up to \$10 million	1.4%	5.1%
Under \$1 million	0.3%	17.6%	Under \$1 million	0.3%	32.2%
School Boards	24.1%	11.1%	Other	5.1%	2.8%
Top 10	19.0%	1.3%	Top 10	4.5%	1.3%
\$100 million or more	14.6%	0.5%	\$100 million or more	2.1%	0.1%
\$10 million up to \$100 million	8.2%	2.4%	\$10 million up to \$100 million	2.6%	0.9%
\$1 million up to \$10 million	1.2%	2.4%	\$1 million up to \$10 million	0.4%	1.0%
Under \$1 million	0.1%	5.7%	Under \$1 million	0.0%	0.8%



Total Fund Value: \$7,581,561,130



Total Active Participant Count: 786

FLORIDA PRIME COMPLIANCE WITH INVESTMENT POLICY - APRIL 2015

As investment manager, Federated monitors compliance daily on Florida PRIME to ensure that investment practices comply with the requirements of the Investment Policy Statement (IPS). Federated provides a monthly compliance report to the SBA and is required to notify the Investment Oversight Group (IOG) of compliance exceptions within 24 hours of identification. The IOG meets monthly and on an ad hoc basis to review compliance exceptions, to document responses to exceptions, and to formally escalate recommendations for approval by the Executive Director & CIO. The IOG also reviews the Federated compliance report each month, as well as the results of independent compliance testing conducted by SBA Risk Management and Compliance. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, the SBA conducts independent testing on Florida PRIME using a risk-based approach. Under this approach, each IPS parameter is ranked as "High" or "Low" with respect to the level of risk associated with a potential guideline breach. IPS parameters with risk rankings of "High" are subject to independent verification by SBA Risk Management and Compliance. These rankings, along with the frequency for testing, are reviewed and approved by the IOG on an annual basis or more often if market conditions dictate. Additionally, any parameter reported in "Fail" status on the Federated compliance report, regardless of risk ranking, is also independently verified and escalated accordingly. The results of independent testing are currently reported monthly to the IOG.

Test by Source	Pass/Fail
<u>Florida PRIME's Investment Policy</u>	
Securities must be USD denominated.	Pass
<u>Ratings requirements</u>	
The Pool must purchase exclusively first-tier securities. Securities purchased with short-term ratings by an NRSRO, or comparable in quality and security to other obligations of the issuer that have received short-term ratings from an NRSRO, are eligible if they are in one of the two highest rating categories.	Pass
Securities purchased that do not have short-term ratings must have a long-term rating in one of the three highest long-term rating categories.	Pass
Commercial Paper must be rated by at least one short-term NRSRO.	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life - maximum 90 days ¹	Pass
<u>Maturity</u>	
Securities, excluding Government floating rate notes/variable rate notes, purchased did not have a maturity in excess of 397 days.	Pass
Government floating rate notes/variable rate notes purchased did not have a maturity in excess of 762 days.	Pass
The Pool must maintain a Spread WAM of 120 days or less.	Pass
<u>Issuer Diversification</u>	
First-tier issuers (limit does not apply to cash, cash items, U.S. Government securities refunded securities and repo collateralized by these securities) are limited, at the time of purchase, to 5% of the Pool's total assets. ²	Pass
<u>Demand Feature and Guarantor Diversification</u>	
First-tier securities issued by or subject to demand features and guarantees of a non-controlled person, at time of purchase, are limited to 10% with respect to 75% of the Pool's total assets.	Pass
First-tier securities issued by or subject to demand features and guarantees of a control person, at time of purchase, are limited to 10% with respect to the Pool's total assets.	Pass
<u>Money Market Mutual Funds</u>	
The account, at time of purchase, will not have exposure to any one Money Market Mutual Fund in excess of 10% of the Pool's total assets.	Pass
<u>Concentration Tests</u>	
The account, at time of purchase, will not have exposure to an industry sector, excluding the financial services industry, in excess of 25% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to any single Government Agency in excess of 33.33% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to illiquid securities in excess of 5% of the Pool's total assets.	Pass
The account, at time of purchase, will invest at least 10% of the Pool's total assets in securities accessible within one business day.	Pass
The account, at time of purchase, will invest at least 30% of the Pool's total assets in securities accessible within five business days. ³	Pass
<u>S&P Requirements</u>	
The Pool must maintain a Dollar Weighted Average Maturity of 60 days or less.	Pass
The account, at time of purchase, will invest at least 50% of the Pool's total assets in Securities in Highest Rating Category (A-1+ or equivalent) .	Pass

¹ The fund may use floating rate government securities to extend the limit up to 120 days

² This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to liquidate positions if the exposure in excess of the specified percentage is caused by

³ This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to take immediate corrective measures if asset movements cause the exposure to be below the specified percentage.

TRADING ACTIVITY FOR APRIL 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ALPINE SECURITIZATICPABS4	06/02/15	04/21/15	04/21/15	50,000,000.00	49,988,333.34	0.00	49,988,333.34	0.00
ALPINE SECURITIZATICPABS4	06/02/15	04/21/15	04/21/15	50,000,000.00	49,988,333.34	0.00	49,988,333.34	0.00
BMO HARRIS BANK NA	10/23/15	04/22/15	04/23/15	25,000,000.00	25,000,000.00	0.00	25,000,000.00	0.00
BANK OF TOKYO-MITSUCDYAN	04/28/15	04/21/15	04/21/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
BANK OF TOKYO-MITSUCDYAN	04/28/15	04/21/15	04/21/15	10,000,000.00	10,000,000.00	0.00	10,000,000.00	0.00
BARCLAYS US FUNDINGCP4-2	04/02/15	04/01/15	04/01/15	50,000,000.00	49,999,819.45	0.00	49,999,819.45	0.00
BARCLAYS US FUNDINGCP4-2	04/02/15	04/01/15	04/01/15	50,000,000.00	49,999,819.45	0.00	49,999,819.45	0.00
BARCLAYS US FUNDINGCP4-2	04/02/15	04/01/15	04/01/15	50,000,000.00	49,999,819.45	0.00	49,999,819.45	0.00
BARCLAYS US FUNDINGCP4-2	04/02/15	04/01/15	04/01/15	50,000,000.00	49,999,819.45	0.00	49,999,819.45	0.00
BARCLAYS US FUNDINGCP4-2	04/06/15	04/02/15	04/02/15	50,000,000.00	49,999,277.78	0.00	49,999,277.78	0.00
BARCLAYS US FUNDINGCP4-2	04/06/15	04/02/15	04/02/15	50,000,000.00	49,999,277.78	0.00	49,999,277.78	0.00
BARTON CAPITAL LLC	11/06/15	04/28/15	04/30/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
BEDFORD ROW FUNDING CORP	04/14/16	04/21/15	04/24/15	25,000,000.00	25,000,000.00	0.00	25,000,000.00	0.00
BNP PARIBAS SACP	04/20/15	04/17/15	04/17/15	50,000,000.00	49,999,458.34	0.00	49,999,458.34	0.00
BNP PARIBAS SACP	04/20/15	04/17/15	04/17/15	25,000,000.00	24,999,729.17	0.00	24,999,729.17	0.00
BNP PARIBAS SACP	04/20/15	04/17/15	04/17/15	50,000,000.00	49,999,458.34	0.00	49,999,458.34	0.00
CREDIT SUISSE, ZURICDYAN	06/10/15	04/14/15	04/14/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/09/15	04/02/15	04/02/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/09/15	04/02/15	04/02/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/09/15	04/02/15	04/02/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/09/15	04/02/15	04/02/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/14/15	04/07/15	04/07/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/14/15	04/07/15	04/07/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/16/15	04/09/15	04/09/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/16/15	04/09/15	04/09/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/16/15	04/09/15	04/09/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/16/15	04/09/15	04/09/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/16/15	04/09/15	04/09/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/16/15	04/09/15	04/09/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/22/15	04/15/15	04/15/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/22/15	04/15/15	04/15/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/23/15	04/16/15	04/16/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/23/15	04/16/15	04/16/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/23/15	04/16/15	04/16/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/23/15	04/16/15	04/16/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/23/15	04/16/15	04/16/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/23/15	04/16/15	04/16/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
GOTHAM FUNDING CORPCPABS4	05/12/15	04/09/15	04/09/15	50,000,000.00	49,992,208.34	0.00	49,992,208.34	0.00
GOTHAM FUNDING CORPCPABS4	05/12/15	04/09/15	04/09/15	35,000,000.00	34,994,545.83	0.00	34,994,545.83	0.00
GOTHAM FUNDING CORPCPABS4	05/13/15	04/14/15	04/14/15	5,000,000.00	4,999,315.28	0.00	4,999,315.28	0.00
GOTHAM FUNDING CORPCPABS4	05/19/15	04/17/15	04/17/15	50,000,000.00	49,992,444.45	0.00	49,992,444.45	0.00
GOTHAM FUNDING CORPCPABS4	06/03/15	04/28/15	04/28/15	50,000,000.00	49,991,500.00	0.00	49,991,500.00	0.00
GOTHAM FUNDING CORPCPABS4	06/03/15	04/28/15	04/28/15	50,000,000.00	49,991,500.00	0.00	49,991,500.00	0.00
GOTHAM FUNDING CORPCPABS4	06/08/15	04/24/15	04/24/15	50,000,000.00	49,989,375.00	0.00	49,989,375.00	0.00
HSBC USA, INC,CP	08/21/15	04/22/15	04/22/15	25,000,000.00	24,976,892.36	0.00	24,976,892.36	0.00
HSBC USA, INC,CP	08/26/15	04/21/15	04/21/15	50,000,000.00	49,951,493.06	0.00	49,951,493.06	0.00
ING (U.S.) FUNDING CP	07/21/15	04/22/15	04/22/15	50,000,000.00	49,967,500.00	0.00	49,967,500.00	0.00
ING (U.S.) FUNDING CP	07/21/15	04/22/15	04/22/15	25,000,000.00	24,983,750.00	0.00	24,983,750.00	0.00
LLOYDS TSB BANK PLCCP	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,736.11	0.00	49,998,736.11	0.00
LLOYDS TSB BANK PLCCP	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,736.11	0.00	49,998,736.11	0.00
LLOYDS TSB BANK PLCCP	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,736.11	0.00	49,998,736.11	0.00
LLOYDS TSB BANK PLCCP	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,736.11	0.00	49,998,736.11	0.00

TRADING ACTIVITY FOR APRIL 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
LLOYDS TSB BANK PLCCP	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,736.11	0.00	49,998,736.11	0.00
LMA-AMERICAS LLCPCBS4-2	07/07/15	04/01/15	04/01/15	40,000,000.00	39,973,055.56	0.00	39,973,055.56	0.00
MANHATTAN ASSET FUNCPABS4	05/08/15	04/02/15	04/02/15	50,000,000.00	49,990,500.00	0.00	49,990,500.00	0.00
MANHATTAN ASSET FUNCPABS4	05/08/15	04/02/15	04/02/15	36,500,000.00	36,493,065.00	0.00	36,493,065.00	0.00
MIZUHO BANK LTD,CDYAN	07/13/15	04/17/15	04/17/15	25,000,000.00	24,999,999.66	541.66	25,000,541.32	0.00
MIZUHO BANK LTD,CDYAN	07/21/15	04/14/15	04/14/15	30,000,000.00	30,000,000.00	0.00	30,000,000.00	0.00
MIZUHO BANK LTD,CDYAN	07/15/15	04/14/15	04/15/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
MIZUHO BANK LTD,CDYAN	07/15/15	04/14/15	04/15/15	20,000,000.00	20,000,000.00	0.00	20,000,000.00	0.00
MIZUHO BANK LTD,CDYAN	08/05/15	04/27/15	04/27/15	10,000,000.00	10,000,000.00	0.00	10,000,000.00	0.00
NRW BANK	04/30/15	04/23/15	04/23/15	50,000,000.00	49,998,930.56	0.00	49,998,930.56	0.00
NRW BANK	04/30/15	04/23/15	04/23/15	50,000,000.00	49,998,930.56	0.00	49,998,930.56	0.00
NRW BANK	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,930.56	0.00	49,998,930.56	0.00
NRW BANK	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,930.56	0.00	49,998,930.56	0.00
NRW BANK	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,930.56	0.00	49,998,930.56	0.00
NRW BANK	05/04/15	04/27/15	04/27/15	50,000,000.00	49,998,930.56	0.00	49,998,930.56	0.00
NEW YORK CITY WATER & SEWER SYSTEM	06/15/38	04/29/15	04/29/15	46,400,000.00	46,400,000.00	1,271.23	46,401,271.23	0.00
SUMITOMO MITSUI BANKING CORP/ NEW YORK	08/10/15	04/10/15	04/10/15	28,000,000.00	28,000,000.00	0.00	28,000,000.00	0.00
TORONTO-DOMINION BANK/NY	04/15/16	04/15/15	04/15/15	40,000,000.00	40,000,000.00	0.00	40,000,000.00	0.00
TOYOTA MOTOR CREDIT CORP	05/17/16	04/16/15	04/21/15	21,100,000.00	21,164,355.00	20,201.66	21,184,556.66	0.00
TOYOTA MOTOR CREDIT CORP	05/17/16	04/16/15	04/17/15	300,000.00	300,891.90	268.99	301,160.89	0.00
TOYOTA MOTOR CREDIT CORP	04/15/16	04/09/15	04/14/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
TOYOTA MOTOR CREDIT CORP	04/15/16	04/09/15	04/14/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
WELLS FARGO & CO	10/28/15	04/28/15	05/01/15	400,000.00	400,202.00	15.96	400,217.96	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/01/15	04/01/15	4,186,415.40	4,186,415.40	0.00	4,186,415.40	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/02/15	04/02/15	480,630.83	480,630.83	0.00	480,630.83	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/08/15	04/08/15	2,176,734.24	2,176,734.24	0.00	2,176,734.24	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/10/15	04/10/15	4,767,128.75	4,767,128.75	0.00	4,767,128.75	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/14/15	04/14/15	4,896,967.85	4,896,967.85	0.00	4,896,967.85	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/17/15	04/17/15	390,036.95	390,036.95	0.00	390,036.95	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/20/15	04/20/15	5,253,985.50	5,253,985.50	0.00	5,253,985.50	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/22/15	04/22/15	3,796,652.34	3,796,652.34	0.00	3,796,652.34	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/24/15	04/24/15	2,077,816.86	2,077,816.86	0.00	2,077,816.86	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/29/15	04/29/15	1,615,769.62	1,615,769.62	0.00	1,615,769.62	0.00
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	04/01/15	04/01/15	30,185.29	30,185.29	0.00	30,185.29	0.00
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	04/01/15	04/01/15	26,630.20	26,630.20	0.00	26,630.20	0.00
BANK OF AMERICA TRIPARTY	04/02/15	04/01/15	04/01/15	190,000,000.00	190,000,000.00	0.00	190,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/06/15	04/02/15	04/02/15	110,000,000.00	110,000,000.00	0.00	110,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/07/15	04/06/15	04/06/15	290,000,000.00	290,000,000.00	0.00	290,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/08/15	04/07/15	04/07/15	320,000,000.00	320,000,000.00	0.00	320,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/09/15	04/08/15	04/08/15	365,000,000.00	365,000,000.00	0.00	365,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/10/15	04/09/15	04/09/15	295,000,000.00	295,000,000.00	0.00	295,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/13/15	04/10/15	04/10/15	430,000,000.00	430,000,000.00	0.00	430,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/14/15	04/13/15	04/13/15	450,000,000.00	450,000,000.00	0.00	450,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/15/15	04/14/15	04/14/15	385,000,000.00	385,000,000.00	0.00	385,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/16/15	04/15/15	04/15/15	270,000,000.00	270,000,000.00	0.00	270,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/17/15	04/16/15	04/16/15	325,000,000.00	325,000,000.00	0.00	325,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/20/15	04/17/15	04/17/15	330,000,000.00	330,000,000.00	0.00	330,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/21/15	04/20/15	04/20/15	530,000,000.00	530,000,000.00	0.00	530,000,000.00	0.00

TRADING ACTIVITY FOR APRIL 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	04/22/15	04/21/15	04/21/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/23/15	04/22/15	04/22/15	500,000,000.00	500,000,000.00	0.00	500,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/24/15	04/23/15	04/23/15	610,000,000.00	610,000,000.00	0.00	610,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/27/15	04/24/15	04/24/15	710,000,000.00	710,000,000.00	0.00	710,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/28/15	04/27/15	04/27/15	200,000,000.00	200,000,000.00	0.00	200,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/29/15	04/28/15	04/28/15	225,000,000.00	225,000,000.00	0.00	225,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/30/15	04/29/15	04/29/15	150,000,000.00	150,000,000.00	0.00	150,000,000.00	0.00
BANK OF AMERICA TRIPARTY	05/01/15	04/30/15	04/30/15	120,000,000.00	120,000,000.00	0.00	120,000,000.00	0.00
Total Buys				10,377,398,953.83	10,377,210,693.18	22,299.50	10,377,232,992.68	0.00
Deposits								
STANDARD CHARTERED TD 0.13 20150402	04/02/15	04/01/15	04/01/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150406	04/06/15	04/02/15	04/02/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150407	04/07/15	04/06/15	04/06/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150408	04/08/15	04/07/15	04/07/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150409	04/09/15	04/08/15	04/08/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150410	04/10/15	04/09/15	04/09/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150413	04/13/15	04/10/15	04/10/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150414	04/14/15	04/13/15	04/13/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150415	04/15/15	04/14/15	04/14/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150416	04/16/15	04/15/15	04/15/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150417	04/17/15	04/16/15	04/16/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150420	04/20/15	04/17/15	04/17/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150421	04/21/15	04/20/15	04/20/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150422	04/22/15	04/21/15	04/21/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150424	04/24/15	04/23/15	04/23/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150427	04/27/15	04/24/15	04/24/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150428	04/28/15	04/27/15	04/27/15	385,000,000.00	385,000,000.00	0.00	385,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150429	04/29/15	04/28/15	04/28/15	385,000,000.00	385,000,000.00	0.00	385,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150430	04/30/15	04/29/15	04/29/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00

TRADING ACTIVITY FOR APRIL 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STANDARD CHARTERED TD 0.07 20150501	05/01/15	04/30/15	04/30/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00
Total Deposits				7,510,000,000.00	7,510,000,000.00	0.00	7,510,000,000.00	0.00
Maturities								
ALPINE SECURITIZATCPABS4	04/08/15	04/08/15	04/08/15	10,000,000.00	10,000,000.00	0.00	10,000,000.00	0.00
ALPINE SECURITIZATCPABS4	04/21/15	04/21/15	04/21/15	40,000,000.00	40,000,000.00	0.00	40,000,000.00	0.00
BANK OF MONTREAL/CHICAGO IL	04/01/15	04/01/15	04/01/15	20,000,000.00	20,000,000.00	0.00	20,000,000.00	0.00
BANK OF MONTREAL/CHICAGO IL	04/21/15	04/21/15	04/21/15	25,000,000.00	25,000,000.00	0.00	25,000,000.00	0.00
BANK OF TOKYO-MITSUCDYAN	04/28/15	04/28/15	04/28/15	60,000,000.00	60,000,000.00	0.00	60,000,000.00	0.00
BARCLAYS BANK PLC	04/07/15	04/07/15	04/07/15	3,093,000.00	3,093,000.00	0.00	3,093,000.00	0.00
BARCLAYS US FUNDINGCP4-2	04/02/15	04/02/15	04/02/15	200,000,000.00	200,000,000.00	0.00	200,000,000.00	0.00
BARCLAYS US FUNDINGCP4-2	04/06/15	04/06/15	04/06/15	100,000,000.00	100,000,000.00	0.00	100,000,000.00	0.00
BNP PARIBAS SACP	04/20/15	04/20/15	04/20/15	125,000,000.00	125,000,000.00	0.00	125,000,000.00	0.00
ABN AMRO BANK NVCDEUR	04/20/15	04/20/15	04/20/15	75,000,000.00	75,000,000.00	0.00	75,000,000.00	0.00
CREDIT SUISSE, ZURICH	04/24/15	04/24/15	04/24/15	55,000,000.00	55,000,000.00	0.00	55,000,000.00	0.00
DNB NOR BANK ASACDYAN	04/07/15	04/07/15	04/07/15	100,000,000.00	100,000,000.00	0.00	100,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/09/15	04/09/15	04/09/15	200,000,000.00	200,000,000.00	0.00	200,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/14/15	04/14/15	04/14/15	100,000,000.00	100,000,000.00	0.00	100,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/16/15	04/16/15	04/16/15	250,000,000.00	250,000,000.00	0.00	250,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/22/15	04/22/15	04/22/15	100,000,000.00	100,000,000.00	0.00	100,000,000.00	0.00
DEUTSCHE BANK AGCDYAN	04/23/15	04/23/15	04/23/15	250,000,000.00	250,000,000.00	0.00	250,000,000.00	0.00
GENERAL ELECTRIC CAPITAL CORP	04/13/15	04/13/15	04/13/15	1,733,000.00	1,733,000.00	0.00	1,733,000.00	0.00
GOTHAM FUNDING CORPCPABS4	04/09/15	04/09/15	04/09/15	95,000,000.00	95,000,000.00	0.00	95,000,000.00	0.00
GOTHAM FUNDING CORPCPABS4	04/16/15	04/16/15	04/16/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
GOTHAM FUNDING CORPCPABS4	04/17/15	04/17/15	04/17/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
GOTHAM FUNDING CORPCPABS4	04/21/15	04/21/15	04/21/15	10,000,000.00	10,000,000.00	0.00	10,000,000.00	0.00
GOTHAM FUNDING CORPCPABS4	04/22/15	04/22/15	04/22/15	77,000,000.00	77,000,000.00	0.00	77,000,000.00	0.00
GOTHAM FUNDING CORPCPABS4	04/28/15	04/28/15	04/28/15	100,000,000.00	100,000,000.00	0.00	100,000,000.00	0.00
J.P. MORGAN SECURITCP4-2	04/06/15	04/06/15	04/06/15	50,000,000.00	50,000,000.00	0.00	50,000,000.00	0.00
J.P. MORGAN SECURITCP4-2	04/16/15	04/16/15	04/16/15	25,000,000.00	25,000,000.00	0.00	25,000,000.00	0.00
LMA-AMERICAS LLCCPABS4-2	04/01/15	04/01/15	04/01/15	40,000,000.00	40,000,000.00	0.00	40,000,000.00	0.00
MANHATTAN ASSET FUNCPABS4	04/02/15	04/02/15	04/02/15	60,000,000.00	60,000,000.00	0.00	60,000,000.00	0.00
MANHATTAN ASSET FUNCPABS4	04/28/15	04/28/15	04/28/15	10,000,000.00	10,000,000.00	0.00	10,000,000.00	0.00
MIZUHO BANK LTD,CDYAN	04/17/15	04/17/15	04/17/15	30,000,000.00	30,000,000.00	0.00	30,000,000.00	0.00
NRW BANK	04/30/15	04/30/15	04/30/15	100,000,000.00	100,000,000.00	0.00	100,000,000.00	0.00
PROVINCE OF ONTARIO CANADA	04/01/15	04/01/15	04/01/15	14,000,000.00	14,000,000.00	0.00	14,000,000.00	0.00
ROYAL BANK OF CANADA	04/29/15	04/29/15	04/29/15	3,800,000.00	3,800,000.00	0.00	3,800,000.00	0.00
SALISBURY RECEIVABLCAPABS4	04/02/15	04/02/15	04/02/15	100,000,000.00	100,000,000.00	0.00	100,000,000.00	0.00
SHEFFIELD RECEIVABLCAPABS4	04/10/15	04/10/15	04/10/15	33,500,000.00	33,500,000.00	0.00	33,500,000.00	0.00
SHEFFIELD RECEIVABLCAPABS4	04/24/15	04/24/15	04/24/15	25,000,000.00	25,000,000.00	0.00	25,000,000.00	0.00
STATE STREET BANK AND TRUST CO	04/13/15	04/13/15	04/13/15	15,000,000.00	15,000,000.00	0.00	15,000,000.00	0.00
SUMITOMO MITSUI BANCDYAN	04/02/15	04/02/15	04/02/15	25,000,000.00	25,000,000.00	0.00	25,000,000.00	0.00
SUMITOMO MITSUI BANKING CORP/ NEW YORK	04/10/15	04/10/15	04/10/15	30,000,000.00	30,000,000.00	0.00	30,000,000.00	0.00
TORONTO-DOMINION BANK/NY	04/15/15	04/15/15	04/15/15	25,000,000.00	25,000,000.00	0.00	25,000,000.00	0.00
TOYOTA MOTOR CREDIT CORP	04/08/15	04/08/15	04/08/15	500,000.00	500,000.00	0.00	500,000.00	0.00
BANK OF AMERICA TRIPARTY	04/01/15	04/01/15	04/01/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00

TRADING ACTIVITY FOR APRIL 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	04/02/15	04/02/15	04/02/15	190,000,000.00	190,000,000.00	0.00	190,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/06/15	04/06/15	04/06/15	110,000,000.00	110,000,000.00	0.00	110,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/07/15	04/07/15	04/07/15	290,000,000.00	290,000,000.00	0.00	290,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/08/15	04/08/15	04/08/15	320,000,000.00	320,000,000.00	0.00	320,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/09/15	04/09/15	04/09/15	365,000,000.00	365,000,000.00	0.00	365,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/10/15	04/10/15	04/10/15	295,000,000.00	295,000,000.00	0.00	295,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/13/15	04/13/15	04/13/15	430,000,000.00	430,000,000.00	0.00	430,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/14/15	04/14/15	04/14/15	450,000,000.00	450,000,000.00	0.00	450,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/15/15	04/15/15	04/15/15	385,000,000.00	385,000,000.00	0.00	385,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/16/15	04/16/15	04/16/15	270,000,000.00	270,000,000.00	0.00	270,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/17/15	04/17/15	04/17/15	325,000,000.00	325,000,000.00	0.00	325,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/20/15	04/20/15	04/20/15	330,000,000.00	330,000,000.00	0.00	330,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/21/15	04/21/15	04/21/15	530,000,000.00	530,000,000.00	0.00	530,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/22/15	04/22/15	04/22/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/23/15	04/23/15	04/23/15	500,000,000.00	500,000,000.00	0.00	500,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/24/15	04/24/15	04/24/15	610,000,000.00	610,000,000.00	0.00	610,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/27/15	04/27/15	04/27/15	710,000,000.00	710,000,000.00	0.00	710,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/28/15	04/28/15	04/28/15	200,000,000.00	200,000,000.00	0.00	200,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/29/15	04/29/15	04/29/15	225,000,000.00	225,000,000.00	0.00	225,000,000.00	0.00
BANK OF AMERICA TRIPARTY	04/30/15	04/30/15	04/30/15	150,000,000.00	150,000,000.00	0.00	150,000,000.00	0.00
STANDARD CHARTERED TD 0.03 20150401	04/01/15	04/01/15	04/01/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150402	04/02/15	04/02/15	04/02/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150406	04/06/15	04/06/15	04/06/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150407	04/07/15	04/07/15	04/07/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150408	04/08/15	04/08/15	04/08/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150409	04/09/15	04/09/15	04/09/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150410	04/10/15	04/10/15	04/10/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150413	04/13/15	04/13/15	04/13/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150414	04/14/15	04/14/15	04/14/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150415	04/15/15	04/15/15	04/15/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150416	04/16/15	04/16/15	04/16/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150417	04/17/15	04/17/15	04/17/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150420	04/20/15	04/20/15	04/20/15	370,000,000.00	370,000,000.00	0.00	370,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150421	04/21/15	04/21/15	04/21/15	375,000,000.00	375,000,000.00	0.00	375,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150422	04/22/15	04/22/15	04/22/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150424	04/24/15	04/24/15	04/24/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00

TRADING ACTIVITY FOR APRIL 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STANDARD CHARTERED TD 0.13 20150427	04/27/15	04/27/15	04/27/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150428	04/28/15	04/28/15	04/28/15	385,000,000.00	385,000,000.00	0.00	385,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150429	04/29/15	04/29/15	04/29/15	385,000,000.00	385,000,000.00	0.00	385,000,000.00	0.00
STANDARD CHARTERED TD 0.13 20150430	04/30/15	04/30/15	04/30/15	380,000,000.00	380,000,000.00	0.00	380,000,000.00	0.00
Total Maturities				17,618,626,000.00	17,618,626,000.00	0.00	17,618,626,000.00	0.00
Sells								
CREDIT SUISSE, ZURICDYAN	05/12/15	04/14/15	04/14/15	50,000,000.00	50,001,943.20	8,888.88	50,010,832.08	1,943.20
MIZUHO BANK LTD,CDYAN	05/15/15	04/14/15	04/15/15	50,000,000.00	50,002,913.25	21,333.33	50,024,246.58	2,913.31
MIZUHO BANK LTD,CDYAN	05/15/15	04/14/15	04/15/15	20,000,000.00	20,001,165.30	8,533.33	20,009,698.63	1,165.33
MIZUHO BANK LTD,CDYAN	05/28/15	04/14/15	04/14/15	30,000,000.00	30,002,563.59	11,458.33	30,014,021.92	1,832.09
MULLENIX-ST CHARLES PROPERTIES LP	01/01/28	04/13/15	04/13/15	13,500,000.00	13,500,000.00	362.47	13,500,362.47	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/06/15	04/06/15	1,071,471.87	1,071,471.87	0.00	1,071,471.87	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/07/15	04/07/15	473,136.66	473,136.66	0.00	473,136.66	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/09/15	04/09/15	112,936.04	112,936.04	0.00	112,936.04	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/09/15	04/09/15	4,186,415.40	4,186,415.40	0.00	4,186,415.40	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/13/15	04/13/15	634,227.13	634,227.13	0.00	634,227.13	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/13/15	04/13/15	838,497.95	838,497.95	0.00	838,497.95	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/13/15	04/13/15	372,109.59	372,109.59	0.00	372,109.59	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/13/15	04/13/15	3,590,019.76	3,590,019.76	0.00	3,590,019.76	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/15/15	04/15/15	371,037.92	371,037.92	0.00	371,037.92	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/15/15	04/15/15	156,372.24	156,372.24	0.00	156,372.24	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/16/15	04/16/15	3,570,262.37	3,570,262.37	0.00	3,570,262.37	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/21/15	04/21/15	647,031.56	647,031.56	0.00	647,031.56	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/21/15	04/21/15	7,494.17	7,494.17	0.00	7,494.17	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/21/15	04/21/15	2,176,734.24	2,176,734.24	0.00	2,176,734.24	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/21/15	04/21/15	719,091.73	719,091.73	0.00	719,091.73	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/23/15	04/23/15	458,017.26	458,017.26	0.00	458,017.26	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/23/15	04/23/15	1,326,705.48	1,326,705.48	0.00	1,326,705.48	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/23/15	04/23/15	390,036.95	390,036.95	0.00	390,036.95	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/23/15	04/23/15	3,257,395.61	3,257,395.61	0.00	3,257,395.61	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/27/15	04/27/15	1,308,970.15	1,308,970.15	0.00	1,308,970.15	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/28/15	04/28/15	226,998.27	226,998.27	0.00	226,998.27	0.00
DREYFUS GOVT CASH MGMT FUND	06/01/18	04/30/15	04/30/15	247,093.68	247,093.68	0.00	247,093.68	0.00
Total Sells				189,642,056.03	189,650,641.37	50,576.34	189,701,217.71	7,853.93

FUND B

FUND B FACTS

INVESTMENT OBJECTIVE

Fund B's primary objective was to maximize the present value of distributions from the Fund.

COMPOSITION

Fund B principally consisted of Segregated Securities, which were securities originally purchased for the LGIP that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization (NRSRO) that provides Florida PRIME's AAAM rating. On September 26, 2014, Apollo completed the sale of all Fund B collateral assets.

DISTRIBUTIONS

Participants in Fund B received periodic distributions to the extent that Fund B received proceeds deemed material by the SBA from (1) the natural maturities of securities, coupon interest collections, or collateral interest and principal paydowns; or (2) the sale of securities, collateral liquidation, or other restructure and workout activities undertaken until all principal was returned.

ACCOUNTING

Fund B is accounted for as a fluctuating NAV pool, not a 2a-7-like money market fund. That is, accounting valuations reflect estimates of the market value of securities rather than their amortized cost.

STATUS OF INVESTMENTS

Florida East and West: Restructured from KKR. Underlying assets sold and position closed August 2014.

Florida Funding I: Restructured from Ottimo (Issuer Entity). Underlying assets sold and position closed in May 2014.

Florida Funding II: Restructured from Axon. Underlying assets sold and position closed October 2014.

COMMENTARY ON PORTFOLIO MANAGEMENT

As of September 2014, \$2,009,451,941, or 100 percent of the original participants principal was returned. Fund B participants did not realize any losses on their original principal balances.

For information on the historical performance of Fund B, see prior month's PRIME Monthly Summary Reports.

Over the last several months, the SBA has worked with Trustee staff, Legislative staff, and relevant stakeholder groups to achieve the most equitable method of allocating Fund B's remaining reserves. The Participant Local Government Advisory Council (PLGAC) determined that the most equitable distribution of the remaining reserve would be a pro-rata share of withheld November 2007 interest. This required a change in Florida Law, which was pursued during the past legislative session. This legislation has been presented to Governor Rick Scott for his approval. If signed into law, the SBA would be required to distribute the residual balance in Fund B to each participant in the Local Government Surplus Funds Trust Fund who had been entitled to, but had not received, a November 2007 interest payment on invested funds. The amount paid to such participants will be based on each participant's proportional share of the total November 2007 interest earned by such participants in the Local Government Surplus Funds Trust Fund which was not paid out but transferred to Fund B.

LEGAL ISSUE

There were no outstanding legal issues during April 2015 that had an impact on the liquidity or operation of Fund B.

DISCLOSURE OF MATERIAL IMPACTS

There were no developments during April 2015 that had a material impact on the liquidity or operation of Fund B.

FUND B

HOLDINGS, COMPLIANCE AND TRADING ACTIVITY

INVENTORY OF HOLDINGS - AS OF APRIL 2015

Security Name	Type	Rate Reset	Par	Current Yield	Amort Cost	Mkt Value	Unrealized Gain (Loss)
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND		43,224,099	0	\$43,224,099	\$43,224,099	\$0
Total Value of Investments			43,224,099		\$43,224,099	\$43,224,099	\$0

COMPLIANCE WITH INVESTMENT POLICY - APRIL 2015

Investment Policy Statement (IPS) Compliance is conducted on Fund B by SBA Risk Management and Compliance and reported on a monthly basis to the Investment Oversight Group. Portfolio activity is reviewed to ensure that transactions and holdings are in compliance with the guideline requirements stipulated in the IPS. Since the principal holdings in the fund were the notes issued by the four Fund B special purpose entities, and no deposits or withdrawals are permitted by participants, transactions were limited to 1) the receipt cash flows from the underlying note collateral, 2) the investment of these cash flows in AAAM money market funds, and 3) distributions to participants. Since all collateral sales have been completed, and 100% of principal has now been returned to participants, the cash reserve balance will remain in Fund B and will be invested in AAAM money market funds pending final distributions. For the month of April 2015, Fund B was in compliance with its Investment Policy Statement.

TRADING ACTIVITY - APRIL 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
DREYFUS GOVERNMENT CASH MANAGEMENT		04/02/15	04/02/15	367	367	0	367	0
Total Buys				367	367	0	367	0
Sells								
DREYFUS GOVERNMENT CASH MANAGEMENT		04/01/15	04/01/15	60	60	0	60	0
DREYFUS GOVERNMENT CASH MANAGEMENT		04/14/15	04/14/15	367	367	0	367	0
Total Sells				427	427	0	427	0

Our Mission

Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.



Federated



Monthly Summary Report for May 2015

Including Fund B

State Board of Administration

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FUND B

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Past performance is no guarantee of future results.

Views are as of the issue date and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund.

INTRODUCTION

This report is prepared for stakeholders in Florida PRIME and Fund B in accordance with Section 218.409(6)(a), Florida Statutes. The statute requires:

- (1) Reporting of any material impacts on the funds and any actions or escalations taken by staff to address such impacts;
- (2) Presentation of a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month; and
- (3) Preparation of the management summary “in a manner that will allow anyone to ascertain whether the investment activities during the reporting period have conformed to investment policies.”

This report, which covers the period from May 1, 2015 through May 31, 2015, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

During the reporting period, Florida PRIME and Fund B were in material compliance with investment policy. Details are available in the PRIME policy compliance table and the Fund B compliance narrative in the body of this report. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

DISCLOSURE OF MATERIAL IMPACTS

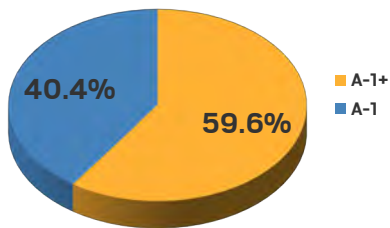
There were no developments during May 2015 that had a material impact on the liquidity or operation of Florida PRIME.

PORTFOLIO COMPOSITION MAY 31, 2015

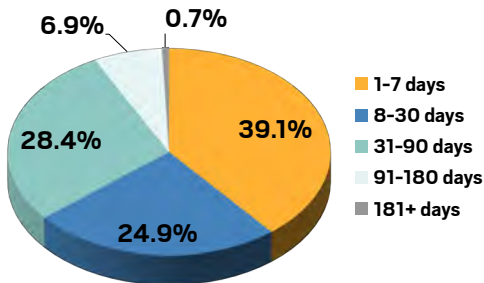
Florida PRIME Assets

\$ 7,381,382,788

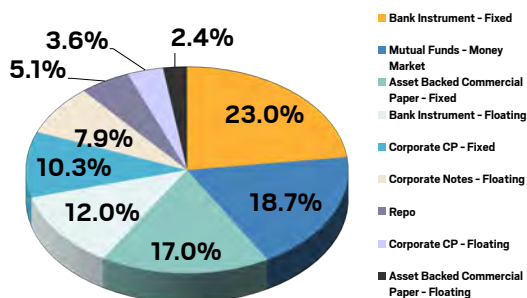
Credit Quality Composition



Effective Maturity Schedule



Portfolio Composition



PORTFOLIO MANAGER COMMENTARY

May Market Conditions

The U.S. economy has been taking steps forward and backward since the financial crisis, but May's data might be better described as "sideways." We had a slight rebound from the poor first quarter, but certainly not any affirmation that the second quarter is going to be overly strong. Industrials were the most sideways, particularly with the differing data across the many city indexes. Some were up, some down and some did not move much at all.

Housing was probably the most positive indicator in the month, although the labor market continues to improve, which leads to consumer-led economic growth. But inflation stubbornly continues to be benign, and that is what is pressuring the Federal Reserve to wait to raise rates. September is now the most likely policy meeting in which the hike will come. If we have resurgence in economic strength in June, a July meeting could be possible now that the Fed has implemented a conference-call capability. Chair Janet Yellen says it will operate just like a press conference.

Yellen, Fed Vice Chair Stanley Fischer and other Fed officials have been repeatedly telling the market to focus more on the movement of rates beyond liftoff. Initially everyone was thinking there would be three hikes before the end of this year, but now many think there will be two at most. The thought is that rates would rise only every other FOMC meeting and pause for a period of time around 1%. That is quite possible, but it is really dependent on the overall economic performance.

On the positive side, although U.S. growth is not rebounding as fast as we thought it could, other parts of the world are, including Europe.

Speaking of Europe, cash managers will be keeping an eye on a new regulatory proposal by the European Parliament that would compel off-shore money market funds to float their net asset values (NAV). Sound familiar? It's quite similar to the reforms implemented by the SEC last summer.

Like the SEC's rules, the European proposal has several exemptions: government funds that can invest in eurozone government securities; retail funds for consumers versus institutions; and "Low Volatility" funds, which invest in securities

MAY 31, 2015

Top Holdings and Average Maturity

1. Federated Prime Obligations Fund	9.5%
2. Federated Prime Cash Obligations Fund	9.2%
3. Standard Chartered PLC	5.0%
4. JPMorgan Chase & Co.	4.8%
5. Mitsubishi UFJ Financial Group, Inc.	4.8%
6. Royal Bank of Canada, Montreal	4.7%
7. Sumitomo Mitsui Financial Group, Inc.	4.7%
8. Wells Fargo & Co.	4.3%
9. Mizuho Financial Group, Inc.	4.2%
10. Credit Suisse Group AG	4.2%

Average Effective Maturity (WAM)

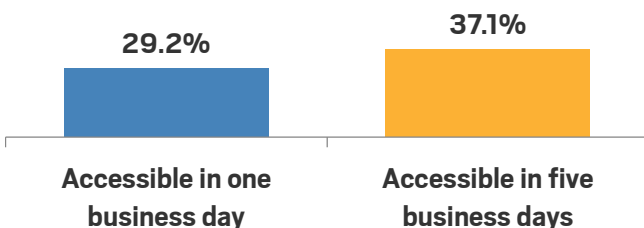
31.8 Days

Weighted Average Life (Spread WAM)

76.4 Days

Percentages based on total value of investments

Highly Liquid Holdings (% at month end)



PORTFOLIO MANAGER COMMENTARY (CON'T.)

of up to 90-day maturities. The latter goes out farther down the curve than the SEC, which only allows up to 60 days. In any case, it is helpful that the regulatory landscape on both sides of the Atlantic is similar so as not to confuse investors.

The London interbank offered rate (LIBOR) curve steepened a little over the month, likely due to the expectation of the first Fed move. One-month Libor slipped a basis point, 6-month rose three basis points and the 12-month section moved up five basis points.

Portfolio Investment Strategy

We are now in the summer season when the pool typically sees outflows due to payroll and other client expenses. The assets of the pool in May followed suit, decreasing \$200 million to end the month at \$7.38 billion. Due to the above mentioned steepening of the LIBOR curve in anticipation of the Fed raising rates in fall, the yield of the pool increased a basis point.

The rise in the LIBOR curve also made floating rate instruments attractive, and we made several purchases in this sector, mostly in the banking sector but also in the corporate space. The other major area of focus for purchases was in fixed-rate bank paper in the 3-4 month part of the yield curve. These and other transactions pushed Prime's weighted average maturity (WAM) and weighted average life (WAL) to move out five and 17 days to 32 and 76 days, respectively.

The composition of the pool also reflected this activity, with the percentage of variable rate paper increasing 3% to 22% of the portfolio, while commercial paper decreased 8% to 31%. The other allocations did not change materially, with the exception of an increase of 3% to repurchase agreements that ended the month at 5% of the total holdings.

FLORIDA PRIME SUMMARY OF CASH FLOWS

May 2015		
Opening Balance (05/01/15)	\$	7,581,653,618
Participant Deposits		877,926,280
Gross Earnings		1,394,252
Participant Withdrawals		(1,079,483,142)
Fees		(108,220)
Closing Balance (05/31/15)		7,381,382,788
Net Change over Month		(200,270,830)

Valuations based on amortized cost

As shown in the table above, Florida PRIME experienced a net outflow of \$200.3 million during May 2015.

This change in value consisted of positive flows of \$877.9 million in participant deposits and 1.4 million in earnings. Negative flows consisted of \$1.08 billion in participant withdrawals and about \$108,000 in fees.

Overall, the fund ended the month with a closing balance of \$7.38 billion.

FLORIDA PRIME DETAILED FEE DISCLOSURE

Florida PRIME Detailed Fee Disclosure

May 2015	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 63,615.96	\$ 1.01
Federated Investment Management Fee	24,533.46	0.39
BNY Mellon Custodial Fee**	8,508.58	0.14
Bank of America Transfer Agent Fee	3,446.43	0.05
S&P Rating Maintenance Fee	3,397.26	0.05
Audit/External Review Fees	4,718.03	0.08
Total Fees	\$ 108,219.72	1.72

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$7,481,518,203.

**All custodian banking fees are allocated based on both market value (size) and level of service accurately passing through all charges to pool participants. Charges will fluctuate month-to-month.

You're Invited



The Florida SBA and Federated Investors invites you and a guest to join us for cocktails, hors d'oeuvres and a relaxing evening at this year's FGFOA conference.

Monday, June 15, 2015
5:30 p.m. – 7:30 p.m.

Conference Room #314
The Diplomat Resort & Spa
3555 South Ocean Drive
Hollywood, FL 33019

Please stop by Booth #600 where both the SBA and Federated will be available to discuss Florida Prime.

Q451691 (5/15)
Federated Investment Counseling

FUND PERFORMANCE THROUGH MAY 31, 2015

NOTES TO PERFORMANCE TABLE

¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

²The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods.

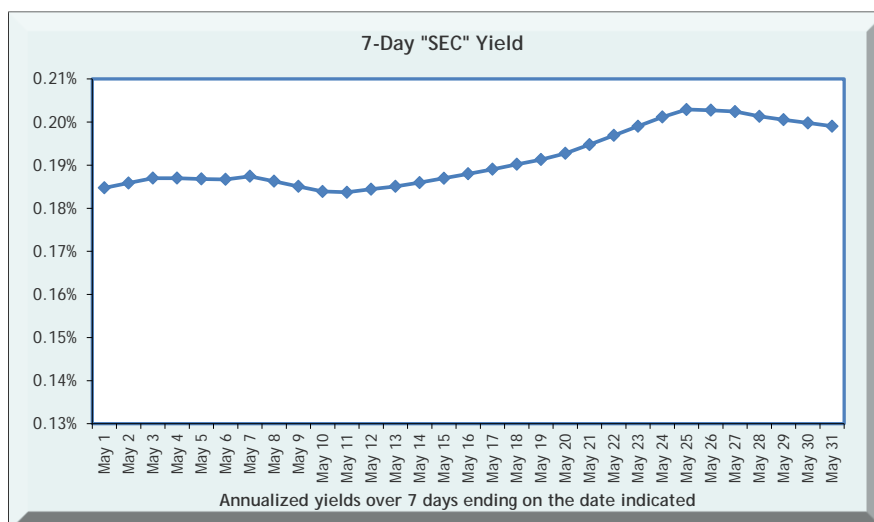
Net asset value includes investments at market value, plus all cash, accrued interest receivable and payables.

Florida PRIME Participant Performance Data

	Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
1 mo	0.20%	0.06%	0.14%
3 mos	0.19%	0.06%	0.13%
12 mos	0.17%	0.05%	0.12%
3 yrs	0.20%	0.06%	0.14%
5 yrs	0.24%	0.08%	0.15%
10 yrs	1.67%	1.53%	0.14%
Since 1.96	2.84%	2.64%	0.21%

Net asset value at month end: \$7,381.3 m

Florida PRIME 7-Day "SEC" Yields During the Month



For performance comparisons to other short-term investment options, see www.sbafla.com/prime and click on "Pool Performance."

NOTES TO CHART

The 7-Day "SEC" Yield in the chart is calculated in accordance with the yield methodology set forth by SEC rule 2a-7 for money market funds.

The 7-day yield = net income earned over a 7-day period / average units outstanding over the period / 7 times 365.

Note that unlike other performance measures, the SEC yield does not include realized gains and losses from sales of securities.

ABOUT ANNUALIZED YIELDS

Performance data in the table and chart is annualized, meaning that the amounts are based on yields for the periods indicated, converted to their equivalent if obtained for a 12-month period.

For example, ignoring the effects of compounding,

an investment that earns 0.10% over a 1-month period yields 1.20% on an annualized basis. Likewise, an investment that earns a total of 3.60% over three years yields 1.20% on an annualized basis, ignoring compounding.

INVENTORY OF HOLDINGS MAY 31, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV CDEUR	CERTIFICATE OF DEPOSIT - EURO	0.00	8/12/2015		100,000,000	0.29	\$99,939,628	\$99,934,950	\$(4,677.59)
ABN Amro Bank NV CDEUR	CERTIFICATE OF DEPOSIT - EURO	0.00	8/17/2015		75,000,000	0.29	\$74,951,702	\$74,945,850	\$(5,851.68)
Alpine Securitization Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/2/2015		100,000,000	0.20	\$99,997,778	\$99,998,533	\$755.22
Alpine Securitization Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2015		195,000,000	0.25	\$194,937,708	\$194,954,900	\$17,192.07
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/18/2015		125,000,000	0.27	\$124,924,063	\$124,940,656	\$16,593.75
BMO Harris Bank, N.A., Oct 23, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.32	10/23/2015	6/23/2015	25,000,000	0.33	\$25,000,000	\$24,998,000	\$(2,000.00)
BNP Paribas SA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/2/2015		100,000,000	0.26	\$100,000,000	\$100,010,664	\$10,664.00
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVER-NIGHT FIXED	0.10	6/1/2015		380,000,000	0.10	\$380,000,000	\$380,000,000	\$-
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	8/12/2015		20,000,000	0.27	\$20,000,000	\$20,005,827	\$5,827.40
Bank of Montreal, Dec 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.27	12/10/2015	6/10/2015	100,000,000	0.28	\$100,000,000	\$99,989,200	\$(10,800.00)
Bank of Montreal, May 23, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.34	5/23/2016	6/23/2015	50,000,000	0.35	\$50,000,000	\$49,995,100	\$(4,900.00)
Bank of Montreal, Sr. Unsecd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		2,000,000	0.39	\$2,003,500	\$2,003,342	\$(158.00)
Bank of Montreal, Sr. Unsecd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		1,300,000	0.49	\$1,301,759	\$1,302,172	\$413.14
Bank of Montreal, Sr. Unsecured, Aug 20, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.42	8/20/2015	8/20/2015	5,000,000	0.30	\$5,001,449	\$4,999,445	\$(2,004.22)
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		7/27/2015		25,000,000	0.28	\$24,988,528	\$24,996,354	\$7,825.72
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	9/8/2015		35,000,000	0.28	\$35,000,000	\$35,000,788	\$788.20
Barton Capital LLC, Nov 06, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.28	11/6/2015	6/8/2015	50,000,000	0.29	\$50,000,000	\$50,000,000	\$-
Barton Capital LLC, Nov 10, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.28	11/10/2015	6/10/2015	20,000,000	0.29	\$20,000,000	\$19,999,120	\$(880.00)
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/1/2015		20,000,000	0.33	\$19,994,133	\$19,997,397	\$3,263.27
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/14/2015		12,000,000	0.34	\$11,988,120	\$11,991,432	\$3,312.00
Bedford Row Funding Corp., Apr 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.33	4/14/2016	6/15/2015	25,000,000	0.33	\$25,000,000	\$24,995,625	\$(4,375.00)
Bedford Row Funding Corp., May 10, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.34	5/10/2016	6/10/2015	50,000,000	0.34	\$50,000,000	\$49,995,250	\$(4,750.00)
Bedford Row Funding Corp., Sep 09, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.29	9/9/2015	6/9/2015	30,000,000	0.30	\$30,000,000	\$29,997,990	\$(2,010.00)
Caisse des Depots et Consignations (CDC) CP	COMMERCIAL PAPER		6/16/2015		75,000,000	0.25	\$74,990,625	\$74,996,963	\$6,337.50
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	9/3/2015		30,000,000	0.28	\$30,000,000	\$30,002,504	\$2,503.80
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/2/2015		50,000,000	0.26	\$50,000,000	\$50,000,811	\$810.50
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	7/24/2015		50,000,000	0.27	\$49,998,445	\$50,000,233	\$1,787.88
DNB Nor Bank ASA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.22	7/30/2015		38,000,000	0.19	\$38,001,959	\$38,005,035	\$3,075.22
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/4/2015		50,000,000	0.26	\$50,000,000	\$50,000,666	\$665.50
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	10/8/2015		70,000,000	0.28	\$70,000,000	\$69,995,897	\$(4,103.40)
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	10/2/2015		100,000,000	0.28	\$100,000,000	\$100,000,000	\$-
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.01	6/1/2015		6,353,925	0.01	\$6,353,925	\$6,353,925	\$-
Federated Prime Cash Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.07	6/1/2015	6/1/2015	675,754,827	0.07	\$675,754,827	\$675,754,827	\$-
Federated Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.06	6/1/2015	6/1/2015	701,116,811	0.06	\$701,116,811	\$701,116,811	\$-

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

MAY 31, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Cap Corp., Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		1,625,000	0.38	\$1,645,381	\$1,644,693	\$(687.88)
General Electric Cap Corp., Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		700,000	0.41	\$708,673	\$708,483	\$(190.17)
General Electric Cap Corp., Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		4,750,000	0.43	\$4,808,940	\$4,807,565	\$(1,374.89)
General Electric Cap Corp., Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		1,858,000	0.44	\$1,881,027	\$1,880,517	\$(509.81)
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	1,335,000	0.27	\$1,336,306	\$1,336,084	\$(222.07)
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	1,935,000	0.29	\$1,936,867	\$1,936,571	\$(295.74)
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	400,000	0.30	\$400,379	\$400,325	\$(54.13)
General Electric Capital Corp., Series MTN, 3.500%, 06/29/2015	CORPORATE BOND	3.50	6/29/2015		4,701,000	0.34	\$4,713,572	\$4,712,494	\$(1,077.58)
General Electric Capital Corp., Series MTN, 3.500%, 06/29/2015	CORPORATE BOND	3.50	6/29/2015		1,546,000	0.36	\$1,550,111	\$1,549,780	\$(330.77)
General Electric Capital Corp., Sr. Note, Series MTNA, 6.900%, 09/15/2015	CORPORATE BOND	6.9	9/15/2015		800,000	0.41	\$815,468	\$814,497	\$(970.95)
General Electric Capital Corp., Sr. Note, Series MTNA, 6.900%, 09/15/2015	CORPORATE BOND	6.90	9/15/2015		3,000,000	0.41	\$3,057,981	\$3,054,363	\$(3,617.97)
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,975,000	0.32	\$1,977,400	\$1,977,180	\$(219.38)
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,000,000	0.32	\$1,001,215	\$1,001,104	\$(111.22)
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		300,000	0.34	\$300,359	\$300,331	\$(27.73)
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		35,859,000	0.34	\$35,901,710	\$35,898,588	\$(3,121.20)
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		18,000,000	0.34	\$18,021,433	\$18,019,872	\$(1,560.72)
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,929,000	0.34	\$1,931,297	\$1,931,130	\$(167.57)
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,300,000	0.36	\$1,301,525	\$1,301,435	\$(89.90)
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,510,000	0.54	\$6,657,814	\$6,654,652	\$(3,161.59)
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		7,500,000	0.54	\$7,670,300	\$7,666,650	\$(3,649.73)
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		10,000,000	0.54	\$10,227,092	\$10,222,200	\$(4,891.74)
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,100,000	0.54	\$6,238,497	\$6,235,542	\$(2,955.22)
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		5,130,000	0.34	\$5,139,154	\$5,138,439	\$(715.58)
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		1,500,000	0.34	\$1,502,666	\$1,502,468	\$(198.40)
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		4,788,000	0.34	\$4,796,501	\$4,795,876	\$(625.12)
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		7,500,000	0.35	\$7,513,281	\$7,512,338	\$(943.56)
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		10,000,000	0.35	\$10,017,747	\$10,016,450	\$(1,296.94)
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 2.375%, 06/30/2015	CORPORATE BOND	2.38	6/30/2015		2,415,000	0.45	\$2,419,068	\$2,418,973	\$(95.77)
General Electric Capital Corp., Sr. Unsecured, Jun 20, 2016	VARIABLE EURO MEDIUM TERM NOTE	0.47	6/20/2016	6/22/2015	35,000,000	0.32	\$35,058,939	\$34,947,640	\$(111,299.28)
General Electric Capital Corp., Sr. Unsecured, Sep 23, 2015	VARIABLE MEDIUM TERM NOTE	1.00	9/23/2015	6/23/2015	2,500,000	0.35	\$2,505,618	\$2,505,250	\$(367.86)

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

MAY 31, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Capital Corp., Sr. Unsecured, Sep 23, 2015	VARIABLE MEDIUM TERM NOTE	1.00	9/23/2015	6/23/2015	255,000	0.46	\$255,474	\$255,536	\$61.70
General Electric Capital, Floating Rate Note - Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.87	1/8/2016	7/8/2015	10,000,000	0.33	\$10,034,240	\$10,034,860	\$620.00
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.51	1/14/2016	7/14/2015	14,225,000	0.33	\$14,241,671	\$14,245,256	\$3,585.52
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.51	1/14/2016	7/14/2015	10,000,000	0.34	\$10,011,160	\$10,014,240	\$3,080.31
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.47	1/8/2016	7/8/2015	255,000	0.36	\$255,196	\$255,245	\$49.34
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		9,952,000	0.41	\$10,034,154	\$10,033,437	\$(716.40)
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,089,000	0.41	\$1,097,987	\$1,097,911	\$(75.96)
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		8,000,000	0.41	\$8,065,994	\$8,065,464	\$(529.99)
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,000,000	0.51	\$1,007,790	\$1,008,183	\$393.25
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		3,967,000	0.43	\$4,077,150	\$4,074,823	\$(2,326.52)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		400,000	0.46	\$410,920	\$410,872	\$(48.00)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		7,650,000	0.51	\$7,859,762	\$7,857,927	\$(1,834.99)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		1,185,000	0.61	\$1,216,794	\$1,217,208	\$414.32
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	6,500,000	0.27	\$6,502,908	\$6,502,119	\$(788.99)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	375,000	0.31	\$375,155	\$375,122	\$(32.97)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	1,000,000	0.33	\$1,000,406	\$1,000,326	\$(80.12)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.03	8/11/2015	8/11/2015	\$1,335,000	0.30	\$1,337,037	\$1,336,764	\$(273.83)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.03	8/11/2015	8/11/2015	\$2,958,000	0.31	\$2,962,425	\$2,961,908	\$(517.71)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.03	8/11/2015	8/11/2015	\$3,000,000	0.32	\$3,004,417	\$3,003,963	\$(454.31)
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/3/2015		\$30,000,000	0.17	\$29,999,292	\$29,999,438	\$145.83
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/3/2015		\$100,000,000	0.17	\$99,997,639	\$99,998,125	\$486.11
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/8/2015		\$50,000,000	0.17	\$49,997,639	\$49,997,945	\$305.61
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/16/2015		\$94,000,000	0.20	\$93,974,933	\$93,977,189	\$2,255.69
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/22/2015		\$45,000,000	0.20	\$44,986,500	\$44,987,445	\$945.00
HSBC USA, Inc. CP	COMMERCIAL PAPER		6/9/2015		\$50,000,000	0.26	\$49,996,028	\$49,997,235	\$1,206.72
HSBC USA, Inc. CP	COMMERCIAL PAPER		8/21/2015		\$25,000,000	0.28	\$24,983,958	\$24,985,183	\$1,224.92
HSBC USA, Inc. CP	COMMERCIAL PAPER		8/26/2015		\$50,000,000	0.28	\$49,966,007	\$49,967,985	\$1,977.56
HSBC USA, Inc. CP	COMMERCIAL PAPER		9/1/2015		\$30,000,000	0.32	\$29,975,063	\$29,979,021	\$3,958.20
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		6/3/2015		\$30,000,000	0.25	\$29,998,958	\$29,999,400	\$441.67
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		7/21/2015		\$75,000,000	0.26	\$74,971,292	\$74,975,488	\$4,196.08
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		8/6/2015		\$25,000,000	0.26	\$24,987,542	\$24,988,117	\$575.08
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		8/24/2015		\$100,000,000	0.27	\$99,934,750	\$99,933,058	\$(1,692.00)
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		8/26/2015		\$25,000,000	0.27	\$24,983,313	\$24,982,695	\$(618.00)
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		6/2/2015		\$25,000,000	0.27	\$24,999,250	\$24,999,639	\$389.00
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		6/4/2015		\$75,000,000	0.27	\$74,996,625	\$74,998,375	\$1,749.75
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		7/13/2015		\$25,000,000	0.30	\$24,990,625	\$24,994,688	\$4,062.50
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		10/9/2015		\$25,000,000	0.41	\$24,963,056	\$24,975,709	\$12,653.44
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		11/10/2015		\$25,000,000	0.35	\$24,961,042	\$24,965,625	\$4,583.33
J.P. Morgan Securities LLC, Feb 09, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.39	2/9/2016	6/9/2015	\$100,000,000	0.39	\$100,000,000	\$99,993,000	\$(7,000.00)
J.P. Morgan Securities LLC, Feb 16, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.39	2/16/2016	6/16/2015	\$25,000,000	0.39	\$25,000,000	\$24,998,200	\$(1,800.00)

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

MAY 31, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
J.P. Morgan Securities LLC, Nov 10, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.35	11/10/2015	8/10/2015	\$40,000,000	0.35	\$40,000,000	\$39,995,880	\$(4,120.00)
JPMorgan Chase Bank, N.A., Jun 06, 2016	VARIABLE RATE BANK NOTE	0.42	6/6/2016	6/8/2015	\$15,000,000	0.43	\$15,000,000	\$15,000,795	\$795.00
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/2/2015		\$20,000,000	0.25	\$19,999,444	\$19,999,707	\$262.16
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/12/2015		\$35,000,000	0.25	\$34,996,597	\$34,997,863	\$1,265.68
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/22/2015		\$30,000,000	0.25	\$29,995,000	\$29,996,740	\$1,739.90
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/7/2015		\$40,000,000	0.25	\$39,989,167	\$39,992,373	\$3,206.53
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/26/2015		\$53,000,000	0.28	\$52,988,458	\$52,993,074	\$4,616.71
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/13/2015		\$45,000,000	0.28	\$44,984,250	\$44,989,875	\$5,625.00
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2015		\$35,000,000	0.28	\$34,987,478	\$34,991,905	\$4,427.42
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/15/2015		\$23,000,000	0.28	\$22,991,592	\$22,994,565	\$2,972.65
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/4/2015		\$30,000,000	0.26	\$30,000,000	\$30,000,369	\$369.30
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/15/2015		\$12,300,000	0.27	\$12,300,000	\$12,300,423	\$423.25
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	6/17/2015		\$35,000,000	0.25	\$35,000,000	\$35,000,940	\$940.10
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	6/23/2015		\$100,000,000	0.25	\$100,000,000	\$100,003,118	\$3,118.00
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/13/2015		\$25,000,000	0.26	\$25,000,000	\$25,001,091	\$1,091.43
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/21/2015		\$30,000,000	0.26	\$30,000,000	\$30,001,189	\$1,188.60
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/15/2015		\$70,000,000	0.26	\$70,000,000	\$70,003,009	\$3,008.60
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	8/5/2015		\$10,000,000	0.26	\$10,000,000	\$10,000,226	\$225.50
National Australia Bank , Sr. Unsecd. Note, 1.6%, 8/07/2015	CORPORATE BOND	1.60	8/7/2015		\$900,000	0.47	\$901,961	\$902,124	\$163.29
New York City, NY Municipal Water Finance Authority, Second General Resolution (Fiscal 2007 Series C-C1), 06/15/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.12	6/15/2038	6/1/2015	\$46,400,000	0.12	\$46,400,000	\$46,400,000	\$-
Royal Bank of Canada, Montreal, Jan 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.29	1/13/2016	6/15/2015	\$25,000,000	0.29	\$25,000,000	\$24,992,200	\$(7,800.00)
Royal Bank of Canada, Montreal, Jun 03, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.39	6/3/2016	7/6/2015	\$125,000,000	0.40	\$125,000,000	\$124,998,875	\$(1,125.00)
Royal Bank of Canada, Montreal, May 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.32	5/12/2016	6/12/2015	\$50,000,000	0.33	\$50,000,000	\$49,995,250	\$(4,750.00)
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		\$9,550,000	0.50	\$9,661,007	\$9,664,294	\$3,287.78
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		\$785,000	0.55	\$793,906	\$794,395	\$488.55
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/12/2015		\$50,000,000	0.20	\$49,996,111	\$49,996,947	\$835.89
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/18/2015		\$50,000,000	0.18	\$49,995,000	\$49,995,556	\$555.50
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/18/2015		\$108,000,000	0.27	\$108,000,000	\$108,009,415	\$9,415.44
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	6/24/2015		\$25,000,000	0.26	\$25,000,000	\$25,002,472	\$2,472.25
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.29	8/31/2015		\$25,000,000	0.29	\$25,000,000	\$25,000,000	\$-
Societe Generale, Paris CP4-2	COMMERCIAL PAPER - 4-2		9/1/2015		\$50,000,000	0.29	\$49,961,736	\$49,968,597	\$6,860.89
Standard Chartered Bank plc CP	COMMERCIAL PAPER		9/3/2015		\$25,000,000	0.28	\$24,981,139	\$24,982,554	\$1,414.61
Standard Chartered Bank plc TD	TIME DEPOSIT	0.06	6/1/2015		\$345,000,000	0.06	\$345,000,000	\$345,000,000	\$-
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/2/2015		\$50,000,000	0.26	\$49,998,556	\$49,999,267	\$710.94

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

MAY 31, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/23/2015		\$50,000,000	0.27	\$49,990,625	\$49,994,306	\$3,680.50
State Street Bank and Trust Co., Jun 15, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.27	6/15/2015	6/15/2015	\$50,000,000	0.25	\$50,000,000	\$49,999,450	\$(550.00)
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/5/2015		\$25,000,000	0.27	\$25,000,000	\$25,000,510	\$509.75
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	6/12/2015		\$12,000,000	0.27	\$12,000,000	\$12,000,471	\$470.64
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	7/15/2015		\$10,000,000	0.27	\$10,000,000	\$10,001,030	\$1,029.80
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	9/2/2015		\$16,000,000	0.27	\$16,000,000	\$16,000,168	\$168.16
Sumitomo Mitsui Banking Corp., Aug 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.28	8/10/2015	6/10/2015	\$28,000,000	0.29	\$28,000,000	\$27,998,936	\$(1,064.00)
Sumitomo Mitsui Banking Corp., Sep 17, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.28	9/17/2015	6/17/2015	\$100,000,000	0.29	\$100,000,000	\$99,996,900	\$(3,100.00)
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.24	6/10/2015		\$75,000,000	0.24	\$75,000,000	\$75,003,947	\$3,947.25
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.35	9/10/2015		\$25,000,000	0.35	\$25,000,000	\$25,012,962	\$12,962.25
Toronto Dominion Bank, Apr 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	4/15/2016	7/15/2015	\$40,000,000	0.31	\$40,000,000	\$39,993,000	\$(7,000.00)
Toronto Dominion Bank, Feb 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	2/12/2016	8/12/2015	\$25,000,000	0.31	\$25,000,000	\$24,996,750	\$(3,250.00)
Toronto Dominion Bank, Sep 04, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.27	9/4/2015	6/4/2015	\$50,000,000	0.27	\$50,000,000	\$49,997,450	\$(2,550.00)
Toyota Motor Credit Corp., Apr 15, 2016	VARIABLE MEDIUM TERM NOTE	0.29	4/15/2016	7/15/2015	\$100,000,000	0.29	\$100,000,000	\$99,982,500	\$(17,500.00)
Toyota Motor Credit Corp., Sep 03, 2015	VARIABLE RATE COMMERCIAL PAPER	0.27	9/3/2015	6/10/2015	\$100,000,000	0.28	\$100,000,000	\$99,994,500	\$(5,500.00)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	\$21,100,000	0.30	\$21,158,117	\$21,151,505	\$(6,611.41)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	\$1,420,000	0.30	\$1,423,762	\$1,423,466	\$(295.59)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	\$300,000	0.31	\$300,797	\$300,732	\$(65.00)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	\$2,000,000	0.31	\$2,005,367	\$2,004,882	\$(485.28)
Wal-Mart Stores, Inc., Sr. Unsecd. Note, 4.5%, 7/01/2015	CORPORATE BOND	4.50	7/1/2015		\$8,500,000	0.25	\$8,532,398	\$8,531,467	\$(930.91)
Wells Fargo & Co., Sr. Unsecd. Note, 1.5%, 7/01/2015	CORPORATE BOND	1.50	7/1/2015		\$17,576,000	0.36	\$17,594,206	\$17,592,434	\$(1,772.44)
Wells Fargo & Co., Sr. Unsecd. Note, 10/28/2015	CORPORATE BOND	0.48	10/28/2015	7/28/2015	\$1,277,000	0.31	\$1,278,003	\$1,277,762	\$(240.91)
Wells Fargo & Co., Sr. Unsecd. Note, 10/28/2015	CORPORATE BOND	0.48	10/28/2015	7/28/2015	\$400,000	0.38	\$400,171	\$400,239	\$68.22
Wells Fargo Bank, N.A., Jun 17, 2016	VARIABLE RATE BANK NOTE	0.36	6/17/2016	6/22/2015	\$100,000,000	0.37	\$100,000,000	\$99,993,500	\$(6,500.00)
Wells Fargo Bank, N.A., Jun 21, 2016	VARIABLE MEDIUM TERM NOTE	0.40	6/21/2016	6/22/2015	\$50,000,000	0.41	\$50,000,000	\$50,001,450	\$1,450.00
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	\$12,500,000	0.30	\$12,504,796	\$12,503,800	\$(995.63)
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	\$18,500,000	0.30	\$18,506,966	\$18,505,624	\$(1,342.21)
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	\$25,000,000	0.31	\$25,009,445	\$25,007,600	\$(1,844.71)
Wells Fargo Bank, N.A., Sr. Unsecured, Sep 08, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.29	9/8/2015	6/4/2015	\$95,700,000	0.29	\$95,700,000	\$95,694,832	\$(5,167.80)
Total Value of Investments					\$7,379,835,563		\$7,381,021,484	\$7,380,943,736	\$(77,747.40)

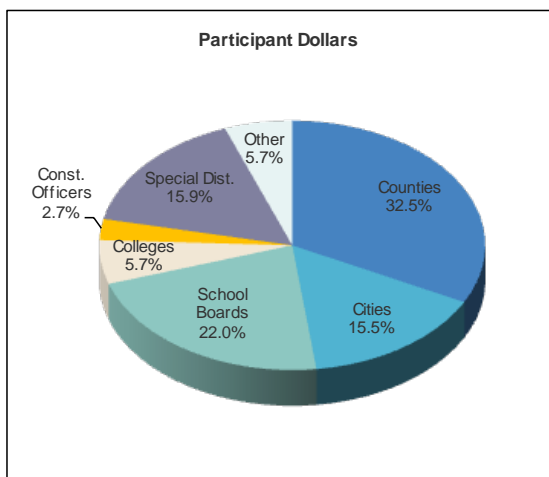
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

¹ Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

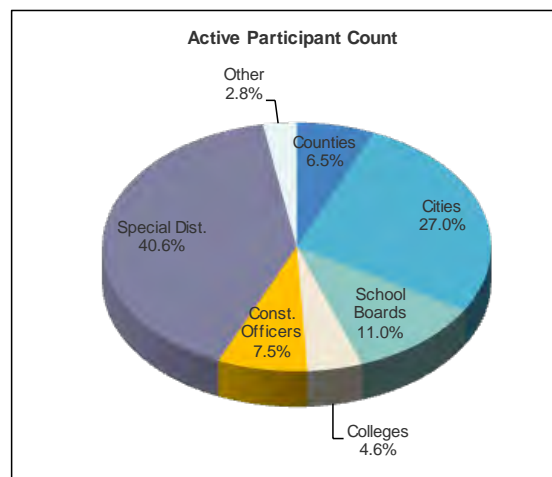
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - MAY 31, 2015

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	100.0%	Colleges & Universities	5.7%	4.6%
Top 10	39.4%	1.3%	Top 10	5.1%	1.3%
\$100 million or more	53.1%	2.2%	\$100 million or more	2.9%	0.1%
\$10 million up to \$100 million	38.4%	12.1%	\$10 million up to \$100 million	1.9%	0.9%
\$1 million up to \$10 million	7.6%	19.0%	\$1 million up to \$10 million	0.8%	1.5%
Under \$1 million	0.9%	66.8%	Under \$1 million	0.01%	2.0%
Counties	32.5%	6.5%	Constitutional Officers	2.7%	7.5%
Top 10	26.9%	1.3%	Top 10	0.9%	1.3%
\$100 million or more	23.2%	0.9%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	8.5%	1.5%	\$10 million up to \$100 million	1.9%	0.6%
\$1 million up to \$10 million	0.7%	1.1%	\$1 million up to \$10 million	0.8%	1.8%
Under \$1 million	0.1%	2.9%	Under \$1 million	0.1%	5.1%
Municipalities	15.5%	27.0%	Special Districts	15.9%	40.6%
Top 10	9.3%	1.3%	Top 10	11.2%	1.3%
\$100 million or more	4.6%	0.3%	\$100 million or more	6.5%	0.3%
\$10 million up to \$100 million	8.4%	3.0%	\$10 million up to \$100 million	7.5%	2.5%
\$1 million up to \$10 million	2.2%	6.1%	\$1 million up to \$10 million	1.6%	5.2%
Under \$1 million	0.3%	17.6%	Under \$1 million	0.3%	32.6%
School Boards	22.0%	11.0%	Other	5.7%	2.8%
Top 10	17.0%	1.3%	Top 10	5.2%	1.3%
\$100 million or more	13.2%	0.5%	\$100 million or more	2.6%	0.1%
\$10 million up to \$100 million	7.6%	2.5%	\$10 million up to \$100 million	2.6%	0.9%
\$1 million up to \$10 million	1.1%	2.3%	\$1 million up to \$10 million	0.4%	1.0%
Under \$1 million	0.1%	5.7%	Under \$1 million	0.0%	0.8%



Total Fund Value: \$7,381,382,788



Total Active Participant Count: 788

FLORIDA PRIME COMPLIANCE WITH INVESTMENT POLICY - MAY 2015

As investment manager, Federated monitors compliance daily on Florida PRIME to ensure that investment practices comply with the requirements of the Investment Policy Statement (IPS). Federated provides a monthly compliance report to the SBA and is required to notify the Investment Oversight Group (IOG) of compliance exceptions within 24 hours of identification. The IOG meets monthly and on an ad hoc basis to review compliance exceptions, to document responses to exceptions, and to formally escalate recommendations for approval by the Executive Director & CIO. The IOG also reviews the Federated compliance report each month, as well as the results of independent compliance testing conducted by SBA Risk Management and Compliance. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, the SBA conducts independent testing on Florida PRIME using a risk-based approach. Under this approach, each IPS parameter is ranked as "High" or "Low" with respect to the level of risk associated with a potential guideline breach. IPS parameters with risk rankings of "High" are subject to independent verification by SBA Risk Management and Compliance. These rankings, along with the frequency for testing, are reviewed and approved by the IOG on an annual basis or more often if market conditions dictate. Additionally, any parameter reported in "Fail" status on the Federated compliance report, regardless of risk ranking, is also independently verified and escalated accordingly. The results of independent testing are currently reported monthly to the IOG.

Test by Source	Pass/Fail
<u>Florida PRIME's Investment Policy</u>	
Securities must be USD denominated.	Pass
<u>Ratings requirements</u>	
The Pool must purchase exclusively first-tier securities. Securities purchased with short-term ratings by an NRSRO, or comparable in quality and security to other obligations of the issuer that have received short-term ratings from an NRSRO, are eligible if they are in one of the two highest rating categories.	Pass
Securities purchased that do not have short-term ratings must have a long-term rating in one of the three highest long-term rating categories.	Pass
Commercial Paper must be rated by at least one short-term NRSRO.	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life - maximum 90 days ¹	Pass
<u>Maturity</u>	
Securities, excluding Government floating rate notes/variable rate notes, purchased did not have a maturity in excess of 397 days.	Pass
Government floating rate notes/variable rate notes purchased did not have a maturity in excess of 762 days.	Pass
The Pool must maintain a Spread WAM of 120 days or less.	Pass
<u>Issuer Diversification</u>	
First-tier issuers (limit does not apply to cash, cash items, U.S. Government securities refunded securities and repo collateralized by these securities) are limited, at the time of purchase, to 5% of the Pool's total assets. ²	Pass
<u>Demand Feature and Guarantor Diversification</u>	
First-tier securities issued by or subject to demand features and guarantees of a non-controlled person, at time of purchase, are limited to 10% with respect to 75% of the Pool's total assets.	Pass
First-tier securities issued by or subject to demand features and guarantees of a control person, at time of purchase, are limited to 10% with respect to the Pool's total assets.	Pass
<u>Money Market Mutual Funds</u>	
The account, at time of purchase, will not have exposure to any one Money Market Mutual Fund in excess of 10% of the Pool's total assets.	Pass
<u>Concentration Tests</u>	
The account, at time of purchase, will not have exposure to an industry sector, excluding the financial services industry, in excess of 25% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to any single Government Agency in excess of 33.33% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to illiquid securities in excess of 5% of the Pool's total assets.	Pass
The account, at time of purchase, will invest at least 10% of the Pool's total assets in securities accessible within one business day.	Pass
The account, at time of purchase, will invest at least 30% of the Pool's total assets in securities accessible within five business days. ³	Pass
<u>S&P Requirements</u>	
The Pool must maintain a Dollar Weighted Average Maturity of 60 days or less.	Pass
The account, at time of purchase, will invest at least 50% of the Pool's total assets in Securities in Highest Rating Category (A-1+ or equivalent) .	Pass

¹ The fund may use floating rate government securities to extend the limit up to 120 days

² This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to liquidate positions if the exposure in excess of the specified percentage is caused by

³ This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to take immediate corrective measures if asset movements cause the exposure to be below the specified percentage.

TRADING ACTIVITY FOR MAY 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ALPINE SECURITIZATICPABS4	07/14/15	05/15/15	05/15/15	50,000,000	49,979,167	0	49,979,167	0
ALPINE SECURITIZATICPABS4	07/14/15	05/15/15	05/15/15	50,000,000	49,979,167	0	49,979,167	0
ALPINE SECURITIZATICPABS4	07/14/15	05/15/15	05/15/15	50,000,000	49,979,167	0	49,979,167	0
ALPINE SECURITIZATICPABS4	07/14/15	05/15/15	05/15/15	45,000,000	44,981,250	0	44,981,250	0
ATLANTIC ASSET SECUCPABS4	05/27/15	05/26/15	05/26/15	50,000,000	49,999,834	0	49,999,834	0
ATLANTIC ASSET SECUCPABS4	08/18/15	05/21/15	05/21/15	50,000,000	49,966,625	0	49,966,625	0
ATLANTIC ASSET SECUCPABS4	08/18/15	05/21/15	05/21/15	50,000,000	49,966,625	0	49,966,625	0
ATLANTIC ASSET SECUCPABS4	08/18/15	05/21/15	05/21/15	25,000,000	24,983,313	0	24,983,313	0
BANK OF MONTREAL/CHICAGO IL	05/23/16	05/13/15	05/14/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL	11/06/15	05/29/15	06/03/15	2,000,000	2,003,500	1,200	2,004,700	0
BANK OF TOKYO-MITSUCDYAN	09/08/15	05/08/15	05/08/15	35,000,000	35,000,000	0	35,000,000	0
BARTON CAPITAL LLC	11/10/15	05/07/15	05/11/15	20,000,000	20,000,000	0	20,000,000	0
BEDFORD ROW FUNDING CORP	05/10/16	05/18/15	05/19/15	50,000,000	50,000,000	0	50,000,000	0
ABN AMRO BANK NVCDEUR	08/12/15	05/07/15	05/11/15	50,000,000	49,962,570	0	49,962,570	0
ABN AMRO BANK NVCDEUR	08/12/15	05/13/15	05/15/15	50,000,000	49,964,178	0	49,964,178	0
ABN AMRO BANK NVCDEUR	08/17/15	05/15/15	05/19/15	75,000,000	74,945,664	0	74,945,664	0
RABOBANK NEDERLAND CP	05/08/15	05/07/15	05/07/15	50,000,000	49,999,847	0	49,999,847	0
RABOBANK NEDERLAND CP	05/08/15	05/07/15	05/07/15	50,000,000	49,999,847	0	49,999,847	0
RABOBANK NEDERLAND CP	05/11/15	05/08/15	05/08/15	50,000,000	49,999,542	0	49,999,542	0
RABOBANK NEDERLAND CP	05/11/15	05/08/15	05/08/15	50,000,000	49,999,542	0	49,999,542	0
RABOBANK NEDERLAND CP	05/11/15	05/08/15	05/08/15	50,000,000	49,999,542	0	49,999,542	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/27/15	05/26/15	05/26/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/27/15	05/26/15	05/26/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/27/15	05/26/15	05/26/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/27/15	05/26/15	05/26/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/27/15	05/26/15	05/26/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/28/15	05/27/15	05/27/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/28/15	05/27/15	05/27/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/28/15	05/27/15	05/27/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/28/15	05/27/15	05/27/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	05/28/15	05/27/15	05/27/15	50,000,000	49,999,847	0	49,999,847	0
CREDIT AGRICOLE CORCDYAN	09/03/15	05/26/15	05/26/15	30,000,000	30,000,000	0	30,000,000	0
CREDIT SUISSE, ZURICDYAN	07/24/15	05/26/15	05/27/15	50,000,000	49,998,390	0	49,998,390	0
DNB NOR BANK ASACDYAN	05/26/15	05/19/15	05/19/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	05/26/15	05/19/15	05/19/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	07/30/15	05/12/15	05/12/15	38,000,000	38,002,497	9,521	38,012,018	0
DZ BANK AG DEUTSCHECDYAN	10/08/15	05/26/15	05/27/15	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECDYAN	10/08/15	05/26/15	05/27/15	20,000,000	20,000,000	0	20,000,000	0
DZ BANK AG DEUTSCHECDYAN	10/02/15	05/28/15	05/29/15	50,000,000	50,000,000	0	50,000,000	0

TRADING ACTIVITY FOR MAY 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
TOYOTA MOTOR CREDIT CORP	05/17/16	05/14/15	05/19/15	1,420,000	1,423,868	22	1,423,890	0
UBS FINANCE (DELAWACP	05/15/15	05/08/15	05/08/15	50,000,000	49,998,833	0	49,998,833	0
UBS FINANCE (DELAWACP	05/15/15	05/08/15	05/08/15	50,000,000	49,998,833	0	49,998,833	0
UBS FINANCE (DELAWACP	05/15/15	05/08/15	05/08/15	50,000,000	49,998,833	0	49,998,833	0
WELLS FARGO & CO	10/28/15	05/19/15	05/21/15	1,277,000	1,278,056	391	1,278,447	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/07/15	05/07/15	4,330,935	4,330,935	0	4,330,935	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/08/15	05/08/15	1,207,069	1,207,069	0	1,207,069	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/11/15	05/11/15	44,933,381	44,933,381	0	44,933,381	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/13/15	05/13/15	4,976,512	4,976,512	0	4,976,512	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/15/15	05/15/15	792,208	792,208	0	792,208	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/19/15	05/19/15	2,070,920	2,070,920	0	2,070,920	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/20/15	05/20/15	2,139,867	2,139,867	0	2,139,867	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/22/15	05/22/15	2,652,289	2,652,289	0	2,652,289	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/26/15	05/26/15	1,113,486	1,113,486	0	1,113,486	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/27/15	05/27/15	24,994,498	24,994,498	0	24,994,498	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/29/15	05/29/15	2,075,653	2,075,653	0	2,075,653	0
GENERAL ELECTRIC CAPITAL CORP	06/20/16	05/20/15	05/26/15	35,000,000	35,059,395	30,635	35,090,030	0
BANK OF AMERICA TRIPARTY	05/04/15	05/01/15	05/01/15	115,000,000	115,000,000	0	115,000,000	0
BANK OF AMERICA TRIPARTY	05/05/15	05/04/15	05/04/15	375,000,000	375,000,000	0	375,000,000	0
BANK OF AMERICA TRIPARTY	05/06/15	05/05/15	05/05/15	330,000,000	330,000,000	0	330,000,000	0
BANK OF AMERICA TRIPARTY	05/07/15	05/06/15	05/06/15	323,000,000	323,000,000	0	323,000,000	0
BANK OF AMERICA TRIPARTY	05/08/15	05/07/15	05/07/15	310,000,000	310,000,000	0	310,000,000	0
BANK OF AMERICA TRIPARTY	05/11/15	05/08/15	05/08/15	345,000,000	345,000,000	0	345,000,000	0
BANK OF AMERICA TRIPARTY	05/12/15	05/11/15	05/11/15	415,000,000	415,000,000	0	415,000,000	0
BANK OF AMERICA TRIPARTY	05/13/15	05/12/15	05/12/15	220,000,000	220,000,000	0	220,000,000	0
BANK OF AMERICA TRIPARTY	05/14/15	05/13/15	05/13/15	250,000,000	250,000,000	0	250,000,000	0
BANK OF AMERICA TRIPARTY	05/15/15	05/14/15	05/14/15	135,000,000	135,000,000	0	135,000,000	0
BANK OF AMERICA TRIPARTY	05/18/15	05/15/15	05/15/15	300,000,000	300,000,000	0	300,000,000	0
BANK OF AMERICA TRIPARTY	05/19/15	05/18/15	05/18/15	650,000,000	650,000,000	0	650,000,000	0
BANK OF AMERICA TRIPARTY	05/20/15	05/19/15	05/19/15	370,000,000	370,000,000	0	370,000,000	0
BANK OF AMERICA TRIPARTY	05/21/15	05/20/15	05/20/15	290,000,000	290,000,000	0	290,000,000	0
BANK OF AMERICA TRIPARTY	05/22/15	05/21/15	05/21/15	125,000,000	125,000,000	0	125,000,000	0
BANK OF AMERICA TRIPARTY	05/26/15	05/22/15	05/22/15	210,000,000	210,000,000	0	210,000,000	0
BANK OF AMERICA TRIPARTY	05/27/15	05/26/15	05/26/15	235,000,000	235,000,000	0	235,000,000	0
BANK OF AMERICA TRIPARTY	05/28/15	05/27/15	05/27/15	235,000,000	235,000,000	0	235,000,000	0
BANK OF AMERICA TRIPARTY	05/29/15	05/28/15	05/28/15	470,000,000	470,000,000	0	470,000,000	0
BANK OF AMERICA TRIPARTY	06/01/15	05/29/15	05/29/15	380,000,000	380,000,000	0	380,000,000	0
Total Buys				10,020,708,816	10,021,034,806	126,736	10,021,309,774	0
Deposits								
STANDARD CHARTERED TD 0.13 20150504	05/04/15	05/01/15	05/01/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150505	05/05/15	05/04/15	05/04/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150506	05/06/15	05/05/15	05/05/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150507	05/07/15	05/06/15	05/06/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150508	05/08/15	05/07/15	05/07/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150511	05/11/15	05/08/15	05/08/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150512	05/12/15	05/11/15	05/11/15	380,000,000	380,000,000	0	380,000,000	0

TRADING ACTIVITY FOR MAY 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STANDARD CHARTERED TD 0.13 20150513	05/13/15	05/12/15	05/12/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150514	05/14/15	05/13/15	05/13/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150515	05/15/15	05/14/15	05/14/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150518	05/18/15	05/15/15	05/15/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150519	05/19/15	05/18/15	05/18/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150520	05/20/15	05/19/15	05/19/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150521	05/21/15	05/20/15	05/20/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150522	05/22/15	05/21/15	05/21/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150526	05/26/15	05/22/15	05/22/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150527	05/27/15	05/26/15	05/26/15	365,000,000	365,000,000	0	365,000,000	0
STANDARD CHARTERED TD 0.13 20150528	05/28/15	05/27/15	05/27/15	345,000,000	345,000,000	0	345,000,000	0
STANDARD CHARTERED TD 0.13 20150529	05/29/15	05/28/15	05/28/15	345,000,000	345,000,000	0	345,000,000	0
STANDARD CHARTERED TD 0.06 20150601	06/01/15	05/29/15	05/29/15	345,000,000	345,000,000	0	345,000,000	0
Total Deposits				7,390,000,000	7,390,000,000	0	7,390,000,000	0
Maturities								
ALPINE SECURITIZATICPABS4	05/15/15	05/15/15	05/15/15	175,000,000	175,000,000	0	175,000,000	0
ATLANTIC ASSET SECUCPABS4	05/27/15	05/27/15	05/27/15	50,000,000	50,000,000	0	50,000,000	0
BNP PARIBAS SACDYAN	05/15/15	05/15/15	05/15/15	50,000,000	50,000,000	0	50,000,000	0
BARCLAYS US FUNDINGCP4-2	05/04/15	05/04/15	05/04/15	70,000,000	70,000,000	0	70,000,000	0
BARCLAYS US FUNDINGCP4-2	05/05/15	05/05/15	05/05/15	50,000,000	50,000,000	0	50,000,000	0
BEDFORD ROW FUNDINGCPABS4	05/27/15	05/27/15	05/27/15	21,000,000	21,000,000	0	21,000,000	0
CANADIAN IMPERIAL BANK OF COM-MERCE/NEW YORK NY	05/26/15	05/26/15	05/26/15	215,000,000	215,000,000	0	215,000,000	0
CATERPILLAR FINANCIAL SERVICES CORP	05/29/15	05/29/15	05/29/15	18,825,000	18,825,000	0	18,825,000	0
CHASE BANK USA, N.ACD	05/15/15	05/15/15	05/15/15	50,000,000	50,000,000	0	50,000,000	0
RABOBANK NEDERLAND CP	05/08/15	05/08/15	05/08/15	100,000,000	100,000,000	0	100,000,000	0
RABOBANK NEDERLAND CP	05/11/15	05/11/15	05/11/15	200,000,000	200,000,000	0	200,000,000	0
COOPERATIEVE CENTRALE RAIF-FEISEN-BOERENLEENBANK BA/NY	05/27/15	05/27/15	05/27/15	250,000,000	250,000,000	0	250,000,000	0
COOPERATIEVE CENTRALE RAIF-FEISEN-BOERENLEENBANK BA/NY	05/28/15	05/28/15	05/28/15	250,000,000	250,000,000	0	250,000,000	0
CREDIT AGRICOLE CORCDYAN	05/01/15	05/01/15	05/01/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	05/26/15	05/26/15	05/26/15	100,000,000	100,000,000	0	100,000,000	0
DZ BANK AG DEUTSCHECDYAN	05/22/15	05/22/15	05/22/15	100,000,000	100,000,000	0	100,000,000	0
DEUTSCHE BANK AGCDYAN	05/08/15	05/08/15	05/08/15	150,000,000	150,000,000	0	150,000,000	0
GOTHAM FUNDING CORPCPABS4	05/12/15	05/12/15	05/12/15	85,000,000	85,000,000	0	85,000,000	0
GOTHAM FUNDING CORPCPABS4	05/13/15	05/13/15	05/13/15	5,000,000	5,000,000	0	5,000,000	0
GOTHAM FUNDING CORPCPABS4	05/19/15	05/19/15	05/19/15	50,000,000	50,000,000	0	50,000,000	0

TRADING ACTIVITY FOR MAY 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
GOTHAM FUNDING CORPCPABS4	05/21/15	05/21/15	05/21/15	17,248,000	17,248,000	0	17,248,000	0
HSBC USA, INC,CP	05/14/15	05/14/15	05/14/15	50,000,000	50,000,000	0	50,000,000	0
ING (U.S.) FUNDING CP	05/13/15	05/13/15	05/13/15	100,000,000	100,000,000	0	100,000,000	0
ING (U.S.) FUNDING CP	05/20/15	05/20/15	05/20/15	100,000,000	100,000,000	0	100,000,000	0
ING (U.S.) FUNDING CP	05/29/15	05/29/15	05/29/15	50,000,000	50,000,000	0	50,000,000	0
J,P, MORGAN SECURITCP4-2	05/04/15	05/04/15	05/04/15	30,000,000	30,000,000	0	30,000,000	0
LLOYDS TSB BANK PLCCP	05/04/15	05/04/15	05/04/15	300,000,000	300,000,000	0	300,000,000	0
LLOYDS TSB BANK PLCCP	05/11/15	05/11/15	05/11/15	300,000,000	300,000,000	0	300,000,000	0
LLOYDS TSB BANK PLCCP	05/18/15	05/18/15	05/18/15	350,000,000	350,000,000	0	350,000,000	0
MANHATTAN ASSET FUNCPABS4	05/08/15	05/08/15	05/08/15	86,500,000	86,500,000	0	86,500,000	0
MIZUHO BANK LTD,CDYAN	05/28/15	05/28/15	05/28/15	70,000,000	70,000,000	0	70,000,000	0
NRW BANK	05/04/15	05/04/15	05/04/15	200,000,000	200,000,000	0	200,000,000	0
ROYAL BANK OF CANADA	05/01/15	05/01/15	05/01/15	20,000,000	20,000,000	0	20,000,000	0
SOCIETE GENERALE, PCDYAN	05/08/15	05/08/15	05/08/15	75,000,000	75,000,000	0	75,000,000	0
SUMITOMO MITSUI BANCYAN	05/20/15	05/20/15	05/20/15	30,000,000	30,000,000	0	30,000,000	0
SUMITOMO MITSUI BANKING CORP/ NEW YORK	05/28/15	05/28/15	05/28/15	14,800,000	14,800,000	0	14,800,000	0
SUMITOMO MITSUI BANCYAN	05/15/15	05/15/15	05/15/15	80,000,000	80,000,000	0	80,000,000	0
TORONTO-DOMINION BANK/THE	05/01/15	05/01/15	05/01/15	30,580,000	30,580,000	0	30,580,000	0
TORONTO DOMINION HOC4-2	05/07/15	05/07/15	05/07/15	125,000,000	125,000,000	0	125,000,000	0
UBS FINANCE (DELAWACP	05/15/15	05/15/15	05/15/15	150,000,000	150,000,000	0	150,000,000	0
BANK OF AMERICA TRIPARTY	05/01/15	05/01/15	05/01/15	120,000,000	120,000,000	0	120,000,000	0
BANK OF AMERICA TRIPARTY	05/04/15	05/04/15	05/04/15	115,000,000	115,000,000	0	115,000,000	0
BANK OF AMERICA TRIPARTY	05/05/15	05/05/15	05/05/15	375,000,000	375,000,000	0	375,000,000	0
BANK OF AMERICA TRIPARTY	05/06/15	05/06/15	05/06/15	330,000,000	330,000,000	0	330,000,000	0
BANK OF AMERICA TRIPARTY	05/07/15	05/07/15	05/07/15	323,000,000	323,000,000	0	323,000,000	0
BANK OF AMERICA TRIPARTY	05/08/15	05/08/15	05/08/15	310,000,000	310,000,000	0	310,000,000	0
BANK OF AMERICA TRIPARTY	05/11/15	05/11/15	05/11/15	345,000,000	345,000,000	0	345,000,000	0
BANK OF AMERICA TRIPARTY	05/12/15	05/12/15	05/12/15	415,000,000	415,000,000	0	415,000,000	0
BANK OF AMERICA TRIPARTY	05/13/15	05/13/15	05/13/15	220,000,000	220,000,000	0	220,000,000	0
BANK OF AMERICA TRIPARTY	05/14/15	05/14/15	05/14/15	250,000,000	250,000,000	0	250,000,000	0
BANK OF AMERICA TRIPARTY	05/15/15	05/15/15	05/15/15	135,000,000	135,000,000	0	135,000,000	0
BANK OF AMERICA TRIPARTY	05/18/15	05/18/15	05/18/15	300,000,000	300,000,000	0	300,000,000	0
BANK OF AMERICA TRIPARTY	05/19/15	05/19/15	05/19/15	650,000,000	650,000,000	0	650,000,000	0
BANK OF AMERICA TRIPARTY	05/20/15	05/20/15	05/20/15	370,000,000	370,000,000	0	370,000,000	0
BANK OF AMERICA TRIPARTY	05/21/15	05/21/15	05/21/15	290,000,000	290,000,000	0	290,000,000	0
BANK OF AMERICA TRIPARTY	05/22/15	05/22/15	05/22/15	125,000,000	125,000,000	0	125,000,000	0
BANK OF AMERICA TRIPARTY	05/26/15	05/26/15	05/26/15	210,000,000	210,000,000	0	210,000,000	0
BANK OF AMERICA TRIPARTY	05/27/15	05/27/15	05/27/15	235,000,000	235,000,000	0	235,000,000	0
BANK OF AMERICA TRIPARTY	05/28/15	05/28/15	05/28/15	235,000,000	235,000,000	0	235,000,000	0
BANK OF AMERICA TRIPARTY	05/29/15	05/29/15	05/29/15	470,000,000	470,000,000	0	470,000,000	0
STANDARD CHARTERED TD 0.07 20150501	05/01/15	05/01/15	05/01/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150504	05/04/15	05/04/15	05/04/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150505	05/05/15	05/05/15	05/05/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150506	05/06/15	05/06/15	05/06/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150507	05/07/15	05/07/15	05/07/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150508	05/08/15	05/08/15	05/08/15	375,000,000	375,000,000	0	375,000,000	0

TRADING ACTIVITY FOR MAY 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STANDARD CHARTERED TD 0.13 20150511	05/11/15	05/11/15	05/11/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150512	05/12/15	05/12/15	05/12/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150513	05/13/15	05/13/15	05/13/15	380,000,000	380,000,000	0	380,000,000	0
STANDARD CHARTERED TD 0.13 20150514	05/14/15	05/14/15	05/14/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150515	05/15/15	05/15/15	05/15/15	375,000,000	375,000,000	0	375,000,000	0
STANDARD CHARTERED TD 0.13 20150518	05/18/15	05/18/15	05/18/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150519	05/19/15	05/19/15	05/19/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150520	05/20/15	05/20/15	05/20/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150521	05/21/15	05/21/15	05/21/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150522	05/22/15	05/22/15	05/22/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150526	05/26/15	05/26/15	05/26/15	370,000,000	370,000,000	0	370,000,000	0
STANDARD CHARTERED TD 0.13 20150527	05/27/15	05/27/15	05/27/15	365,000,000	365,000,000	0	365,000,000	0
STANDARD CHARTERED TD 0.13 20150528	05/28/15	05/28/15	05/28/15	345,000,000	345,000,000	0	345,000,000	0
STANDARD CHARTERED TD 0.13 20150529	05/29/15	05/29/15	05/29/15	345,000,000	345,000,000	0	345,000,000	0
Total Maturities				17,466,953,000	17,466,953,000	0	17,466,953,000	0
Sells								
CREDIT SUISSE, ZURICDYAN	06/10/15	05/26/15	05/27/15	50,000,000	50,002,527	13,736	50,016,263	2,527
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/01/15	05/01/15	213,528	213,528	0	213,528	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/01/15	05/01/15	1,207,666	1,207,666	0	1,207,666	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/04/15	05/04/15	611,125	611,125	0	611,125	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/05/15	05/05/15	1,528,114	1,528,114	0	1,528,114	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/06/15	05/06/15	449,747	449,747	0	449,747	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/06/15	05/06/15	1,049,422	1,049,422	0	1,049,422	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/12/15	05/12/15	1,028,395	1,028,395	0	1,028,395	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/12/15	05/12/15	1,615,770	1,615,770	0	1,615,770	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/12/15	05/12/15	4,330,935	4,330,935	0	4,330,935	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/12/15	05/12/15	42,683,743	42,683,743	0	42,683,743	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/14/15	05/14/15	1,207,069	1,207,069	0	1,207,069	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/14/15	05/14/15	1,173,802	1,173,802	0	1,173,802	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/18/15	05/18/15	2,490,155	2,490,155	0	2,490,155	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/21/15	05/21/15	1,075,836	1,075,836	0	1,075,836	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/21/15	05/21/15	2,486,356	2,486,356	0	2,486,356	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/21/15	05/21/15	779,252	779,252	0	779,252	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/28/15	05/28/15	12,956	12,956	0	12,956	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/28/15	05/28/15	2,070,920	2,070,920	0	2,070,920	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/28/15	05/28/15	2,139,867	2,139,867	0	2,139,867	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	05/28/15	05/28/15	24,482,000	24,482,000	0	24,482,000	0
Total Sells				142,636,657	142,639,184	13,736	142,652,920	2,527

FUND B

FUND B FACTS

INVESTMENT OBJECTIVE

Fund B's primary objective was to maximize the present value of distributions from the Fund.

COMPOSITION

Fund B principally consisted of Segregated Securities, which were securities originally purchased for the LGIP that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization (NRSRO) that provides Florida PRIME's AAAM rating. On September 26, 2014, Apollo completed the sale of all Fund B collateral assets.

DISTRIBUTIONS

Participants in Fund B received periodic distributions to the extent that Fund B received proceeds deemed material by the SBA from (1) the natural maturities of securities, coupon interest collections, or collateral interest and principal paydowns; or (2) the sale of securities, collateral liquidation, or other restructure and workout activities undertaken until all principal was returned.

ACCOUNTING

Fund B is accounted for as a fluctuating NAV pool, not a 2a-7-like money market fund. That is, accounting valuations reflect estimates of the market value of securities rather than their amortized cost.

STATUS OF INVESTMENTS

Florida East and West: Restructured from KKR. Underlying assets sold and position closed August 2014.

Florida Funding I: Restructured from Ottimo (Issuer Entity). Underlying assets sold and position closed in May 2014.

Florida Funding II: Restructured from Axon. Underlying assets sold and position closed October 2014.

COMMENTARY ON PORTFOLIO MANAGEMENT

As of September 2014, \$2,009,451,941, or 100 percent of the original participants principal was returned. Fund B participants did not realize any losses on their original principal balances.

For information on the historical performance of Fund B, see prior month's PRIME Monthly Summary Reports.

Over the last several months, the SBA has worked with Trustee staff, Legislative staff, and relevant stakeholder groups to achieve the most equitable method of allocating Fund B's remaining reserves. The Participant Local Government Advisory Council (PLGAC) determined that the most equitable distribution of the remaining reserve would be a pro-rata share of withheld November 2007 interest. This required a change in Florida Law, which was pursued during the past legislative session. This legislation was signed into law on May 21, 2015 with an effective date of July 1, 2015. The SBA will distribute the residual balance in Fund B to each participant in the Local Government Surplus Funds Trust Fund who had been entitled to, but had not received, a November 2007 interest payment on invested funds. The amount paid to such participants will be based on each participant's proportional share of the total November 2007 interest earned by such participants in the Local Government Surplus Funds Trust Fund which was not paid out but transferred to Fund B.

LEGAL ISSUE

There were no outstanding legal issues during May 2015 that had an impact on the liquidity or operation of Fund B.

DISCLOSURE OF MATERIAL IMPACTS

There were no developments during May 2015 that had a material impact on the liquidity or operation of Fund B.

FUND B

HOLDINGS, COMPLIANCE AND TRADING ACTIVITY

INVENTORY OF HOLDINGS - AS OF MAY 2015

Security Name	Type	Rate Reset	Par	Current Yield	Amort Cost	Mkt Value	Unrealized Gain (Loss)
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND		43,224,039	0	\$43,224,039	\$43,224,039	\$0
Total Value of Investments			43,224,039		\$43,224,039	\$43,224,039	\$0

COMPLIANCE WITH INVESTMENT POLICY - MAY 2015

Investment Policy Statement (IPS) Compliance is conducted on Fund B by SBA Risk Management and Compliance and reported on a monthly basis to the Investment Oversight Group. Portfolio activity is reviewed to ensure that transactions and holdings are in compliance with the guideline requirements stipulated in the IPS. Since the principal holdings in the fund were the notes issued by the four Fund B special purpose entities, and no deposits or withdrawals are permitted by participants, transactions were limited to 1) the receipt cash flows from the underlying note collateral, 2) the investment of these cash flows in AAAM money market funds, and 3) distributions to participants. Since all collateral sales have been completed, and 100% of principal has now been returned to participants, the cash reserve balance will remain in Fund B and will be invested in AAAM money market funds pending final distributions. For the month of May 2015, Fund B was in compliance with its Investment Policy Statement.

TRADING ACTIVITY - MAY 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
DREYFUS GOVERNMENT CASH MANAGEMENT		05/04/15	05/04/15	355	355	0	355	0
Total Buys				355	355	0	355	0
Sells								
DREYFUS GOVERNMENT CASH MANAGEMENT		05/01/15	05/01/15	60	60	0	60	0
DREYFUS GOVERNMENT CASH MANAGEMENT		05/19/15	05/19/15	355	355	0	355	0
Total Sells				415	415	0	415	0

Our Mission

Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.



Federated



Monthly Summary Report for June 2015

Including Fund B

State Board of Administration

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FUND B

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Past performance is no guarantee of future results.

Views are as of the issue date and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund.

INTRODUCTION

This report is prepared for stakeholders in Florida PRIME and Fund B in accordance with Section 218.409(6)(a), Florida Statutes. The statute requires:

- (1) Reporting of any material impacts on the funds and any actions or escalations taken by staff to address such impacts;
- (2) Presentation of a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month; and
- (3) Preparation of the management summary “in a manner that will allow anyone to ascertain whether the investment activities during the reporting period have conformed to investment policies.”

This report, which covers the period from June 1, 2015 through June 30, 2015, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

During the reporting period, Florida PRIME and Fund B were in material compliance with investment policy. Details are available in the PRIME policy compliance table and the Fund B compliance narrative in the body of this report. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

DISCLOSURE OF MATERIAL IMPACTS

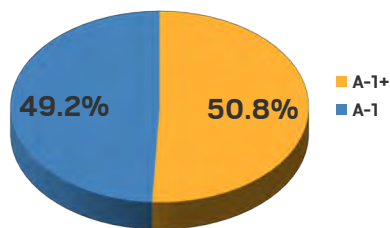
There were no developments during June 2015 that had a material impact on the liquidity or operation of Florida PRIME.

PORTFOLIO COMPOSITION JUNE 30, 2015

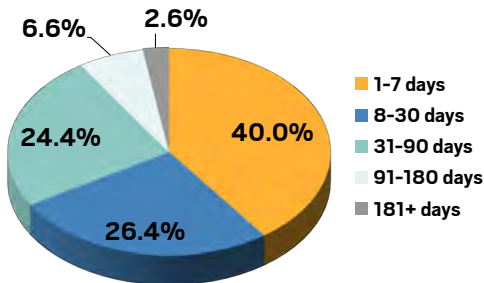
Florida PRIME Assets

\$ 7,003,224,923

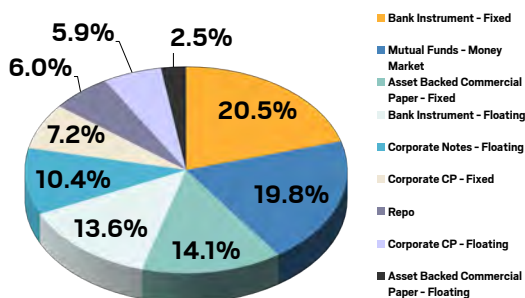
Credit Quality Composition



Effective Maturity Schedule



Portfolio Composition



PORTFOLIO MANAGER COMMENTARY

June Market Conditions

For most of us, summer is a time to pull back from the hustle and bustle of life. No one—especially school children and college students—want to think about it ending. But this year, at least in the financial industry, we are looking forward to September. It is the month that the market expects the Federal Reserve will raise rates for the first time since 2008. For cash managers, that will bring on more celebratory fireworks than the Fourth of July.

Anticipation for liftoff has ratcheted up following the June meeting of the Federal Open Market Committee (FOMC). Its statement and economic/rate projections point to a September hike, and also increased the likelihood of an additional rise in December. While this has been our base case for some time with the housing market heating up, the labor market strengthening, consumer confidence climbing and the poor first quarter long forgotten, it is almost hard to imagine that the hikes would not unfold this way. But inflation is still not quite where the Fed would like to see it, with PCE still below the two percent level. It is hanging in there: not getting worse, but not getting any better.

However, at this point, it would take a substantial negative event to postpone the hike, and we do not believe that even a Greek default will do it. We are, of course, closely monitoring what is happening there, because it has been going on for a considerable period of time now. We have long made certain that none of the global banks we deal with and any of the names on the approved list for Florida Prime have any meaningful exposure to Greece. The portfolio will not be impacted in any way, shape or form by the situation.

The London interbank offered rate (LIBOR) curve steepened a little over the month, likely due to the expectation of the first Fed move. One-month and three-

JUNE 30, 2015

Top Holdings and Average Maturity

1. Federated Prime Obligations Fund	10.0%
2. Federated Prime Cash Obligations Fund	9.7%
3. JPMorgan Chase & Co.	5.1%
4. Royal Bank of Canada, Montreal	5.0%
5. Sumitomo Mitsui Financial Group, Inc.	4.9%
6. Standard Chartered PLC	4.9%
7. Wells Fargo & Co.	4.9%
8. Mitsubishi UFJ Financial Group, Inc.	4.8%
9. General Electric Co.	4.4%
10. Credit Suisse Group AG	4.0%

Average Effective Maturity (WAM)

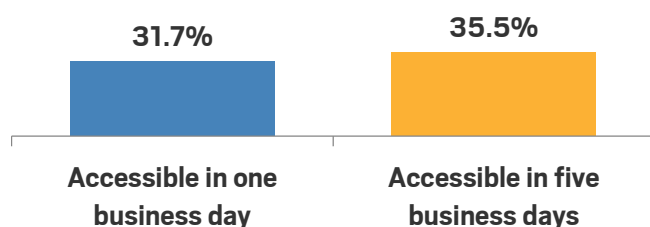
34.3 Days

Weighted Average Life (Spread WAM)

84.2 Days

Percentages based on total value of investments

Highly Liquid Holdings (% at month end)



PORTFOLIO MANAGER COMMENTARY (CON'T.)

month LIBOR were flat, while six- and 12-month Libor each moved up by two basis points.

Portfolio Investment Strategy

We took advantage of that pick-up in LIBOR, and our investing resulted in an increase of the Pool's yield by a basis point. Assets of the Pool dropped \$378 million to \$7 billion due to typical seasonal flows.

The portfolio's Weighted Average Maturity (WAM) and the Weighted Average Life (WAL) rose to 34 and 84 days, respectively, as we purchased more variable-rate paper that is attractive because of the expectations of rate liftoff.

That altered the composition of the portfolio, with variable-rate paper increasing 5% to become 27% of total allocation, with holdings in fixed rate commercial paper and bank instruments falling 3% each to, 20% and 28%, respectively. Holdings of money market funds did not change at 19% and repo ticked up a percent to 6% of allocation.

FLORIDA PRIME SUMMARY OF CASH FLOWS

June 2015

Opening Balance (06/01/15)	\$	7,381,382,788
Participant Deposits		1,207,158,598
Gross Earnings		1,394,745
Participant Withdrawals		(1,586,617,214)
Fees		(93,994)
Closing Balance (06/30/15)		7,003,224,923
Net Change over Month		(378,157,865)

Valuations based on amortized cost

As shown in the table above, Florida PRIME experienced a net outflow of \$378.2 million during June 2015.

This change in value consisted of positive flows of \$1.21 billion in participant deposits and 1.4 million in earnings. Negative flows consisted of \$1.59 billion in participant withdrawals and about \$94,000 in fees.

Overall, the fund ended the month with a closing balance of \$7.00 billion.

FLORIDA PRIME DETAILED FEE DISCLOSURE

June 2015	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 58,992.94	\$ 0.98
Federated Investment Management Fee	14,020.08	0.23
BNY Mellon Custodial Fee**	9,064.33	0.15
Bank of America Transfer Agent Fee	4,063.06	0.07
S&P Rating Maintenance Fee	3,287.67	0.05
Audit/External Review Fees	4,565.83	0.08
Total Fees	\$ 93,993.91	1.57

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$7,192,303,856.

**All custodian banking fees are allocated based on both market value (size) and level of service accurately passing through all charges to pool participants. Charges will fluctuate month-to-month.

SBA Releases the results of the 2015 Annual Participant Satisfaction Survey, the 2015 Annual Statutory Compliance Review, and the 2015 Annual Investment Best Practices Review.

**See the Latest News section of the PRIME website.
<https://www.sbafla.com/PRIME>**

FUND PERFORMANCE THROUGH JUNE 30, 2015

NOTES TO PERFORMANCE TABLE

¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

²The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods.

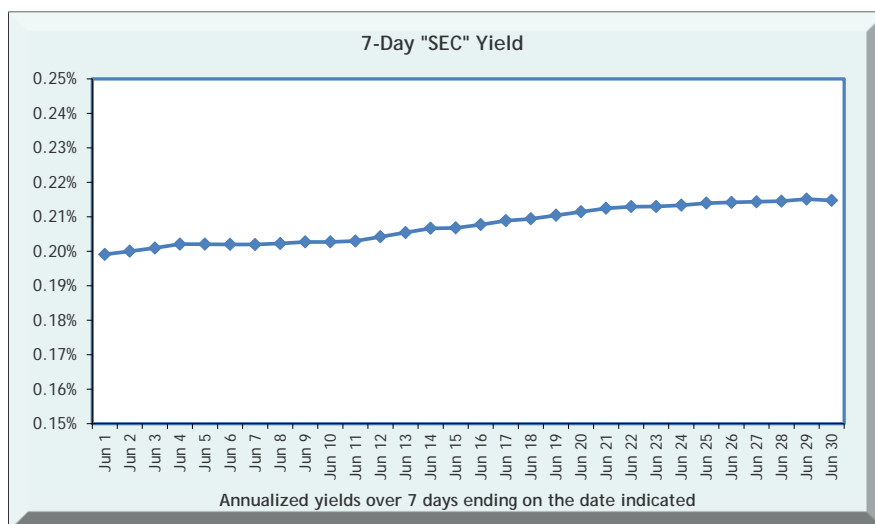
Net asset value includes investments at market value, plus all cash, accrued interest receivable and payables.

Florida PRIME Participant Performance Data

	Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
1 mo	0.22%	0.06%	0.16%
3 mos	0.20%	0.06%	0.14%
12 mos	0.18%	0.05%	0.12%
3 yrs	0.20%	0.06%	0.14%
5 yrs	0.23%	0.08%	0.15%
10 yrs	1.65%	1.51%	0.14%
Since 1.96	2.83%	2.63%	0.21%

Net asset value at month end: \$7,003.0 m

Florida PRIME 7-Day "SEC" Yields During the Month



For performance comparisons to other short-term investment options, see www.sbafla.com/prime and click on "Pool Performance."

NOTES TO CHART

The 7-Day "SEC" Yield in the chart is calculated in accordance with the yield methodology set forth by SEC rule 2a-7 for money market funds.

The 7-day yield = net income earned over a 7-day period / average units outstanding over the period / 7 times 365.

Note that unlike other performance measures, the SEC yield does not include realized gains and losses from sales of securities.

ABOUT ANNUALIZED YIELDS

Performance data in the table and chart is annualized, meaning that the amounts are based on yields for the periods indicated, converted to their equivalent if obtained for a 12-month period.

For example, ignoring the effects of compounding,

an investment that earns 0.10% over a 1-month period yields 1.20% on an annualized basis. Likewise, an investment that earns a total of 3.60% over three years yields 1.20% on an annualized basis, ignoring compounding.

INVENTORY OF HOLDINGS JUNE 30, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV CDEUR	CERTIFICATE OF DEPOSIT - EURO	0.00	8/12/2015		100,000,000	0.29	\$99,965,386	\$99,969,100	3,714
ABN Amro Bank NV CDEUR	CERTIFICATE OF DEPOSIT - EURO	0.00	9/15/2015		75,000,000	0.32	\$74,948,704	\$74,948,475	-229
Alpine Securitization Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2015		195,000,000	0.25	\$194,981,042	\$194,987,185	6,143
Alpine Securitization Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/31/2015		70,000,000	0.25	\$69,984,931	\$69,988,487	3,557
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/18/2015		125,000,000	0.27	\$124,954,063	\$124,965,461	11,399
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/24/2015		90,400,000	0.28	\$90,339,532	\$90,345,363	5,831
Australia & New Zealand Banking Group, Melbourne, Dec 18, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.29	12/18/2015	7/20/2015	100,000,000	0.29	\$100,000,000	\$99,995,200	-4,800
BMO Harris Bank, N.A., Oct 23, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.33	10/23/2015	7/23/2015	25,000,000	0.33	\$25,000,000	\$24,998,400	-1,600
BNP Paribas SA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/2/2015		100,000,000	0.26	\$100,000,000	\$100,000,872	872
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.11	7/1/2015		425,000,000	0.11	\$425,000,000	\$425,000,000	0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	8/12/2015		20,000,000	0.27	\$20,000,000	\$20,002,552	2,552
Bank of Montreal, Dec 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.27	12/10/2015	7/10/2015	100,000,000	0.28	\$100,000,000	\$99,990,800	-9,200
Bank of Montreal, May 23, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.35	5/23/2016	7/23/2015	50,000,000	0.35	\$50,000,000	\$49,995,450	-4,550
Bank of Montreal, Series MTN, 1.300%, 07/15/2016	CORPORATE BOND	1.30	7/15/2016		14,430,000	0.81	\$14,503,146	\$14,508,629	5,483
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		2,000,000	0.39	\$2,002,894	\$2,002,660	-234
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		1,300,000	0.49	\$1,301,410	\$1,301,729	319
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.80	7/15/2016	7/15/2015	15,000,000	0.39	\$15,065,693	\$15,057,120	-8,573
Bank of Montreal, Sr. Unsecured, Aug 20, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.42	8/20/2015	8/20/2015	5,000,000	0.30	\$5,000,890	\$4,999,655	-1,235
Bank of Nova Scotia, Tor, 2.05%, 10/07/2015	CORPORATE BOND	2.05	10/7/2015		50,000,000	0.41	\$50,221,392	\$50,210,600	-10,792
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		7/27/2015		25,000,000	0.28	\$24,994,750	\$24,998,406	3,656
Bank of Nova Scotia, Toronto, Jan 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.34	1/15/2016	7/15/2015	40,000,000	0.34	\$40,000,000	\$39,997,760	-2,240
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.30	10/15/2015		40,000,000	0.30	\$40,000,000	\$40,002,720	2,720
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	9/8/2015		35,000,000	0.28	\$35,000,000	\$35,004,075	4,075
Barton Capital LLC, Nov 06, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.28	11/6/2015	7/6/2015	50,000,000	0.29	\$50,000,000	\$50,000,000	0
Barton Capital LLC, Nov 10, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.29	11/10/2015	7/10/2015	20,000,000	0.29	\$20,000,000	\$19,999,260	-740
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/1/2015		20,000,000	0.33	\$19,999,822	\$19,999,932	110
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/14/2015		12,000,000	0.34	\$11,991,640	\$11,994,756	3,116
Bedford Row Funding Corp., Apr 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.33	4/14/2016	7/14/2015	25,000,000	0.33	\$25,000,000	\$24,996,025	-3,975
Bedford Row Funding Corp., May 10, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.34	5/10/2016	7/10/2015	50,000,000	0.34	\$50,000,000	\$49,995,600	-4,400
Bedford Row Funding Corp., Sep 09, 2015	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.29	9/9/2015	7/9/2015	30,000,000	0.30	\$30,000,000	\$29,998,440	-1,560
Chase Bank USA, N.A. CD	CERTIFICATE OF DEPOSIT	0.65	6/8/2016		50,000,000	0.66	\$50,000,000	\$50,075,000	75,000
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	9/3/2015		30,000,000	0.28	\$30,000,000	\$30,006,604	6,604

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

JUNE 30, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.29	10/2/2015		25,000,000	0.29	\$25,000,000	\$25,002,325	2,325
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	7/24/2015		50,000,000	0.27	\$49,999,334	\$50,000,532	1,198
DNB Nor Bank ASA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.22	7/30/2015		38,000,000	0.19	\$38,000,948	\$38,004,115	3,167
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	10/8/2015		70,000,000	0.28	\$70,000,000	\$70,002,512	2,512
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	10/2/2015		100,000,000	0.28	\$100,000,000	\$100,005,985	5,985
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.30	10/16/2015		30,000,000	0.30	\$30,000,000	\$30,001,796	1,796
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.01	7/1/2015		6,097,318	0.01	\$6,097,318	\$6,097,318	0
Federated Prime Cash Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.07	7/1/2015	7/1/2015	675,754,827	0.07	\$675,754,827	\$675,754,827	0
Federated Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.07	7/1/2015	7/1/2015	701,116,811	0.07	\$701,116,811	\$701,116,811	0
General Electric Cap Corp, Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		1,625,000	0.38	\$1,639,710	\$1,638,715	-995
General Electric Cap Corp, Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		700,000	0.41	\$706,260	\$705,908	-352
General Electric Cap Corp, Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		4,750,000	0.43	\$4,792,539	\$4,790,090	-2,449
General Electric Cap Corp, Sr. Unsec'd. Note, Series GMTN, 4.375%, 9/21/2015	CORPORATE BOND	4.38	9/21/2015		1,858,000	0.44	\$1,874,619	\$1,873,682	-938
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	1,335,000	0.27	\$1,335,077	\$1,335,000	-77
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	1,935,000	0.29	\$1,935,110	\$1,935,000	-110
General Electric Capital Corp., Jul 02, 2015	VARIABLE MEDIUM TERM NOTE	1.30	7/2/2015	7/2/2015	400,000	0.30	\$400,022	\$400,000	-22
General Electric Capital Corp., Sr. Note, Series MTNA, 6.900%, 09/15/2015	CORPORATE BOND	6.90	9/15/2015		800,000	0.41	\$810,927	\$810,056	-871
General Electric Capital Corp., Sr. Note, Series MTNA, 6.900%, 09/15/2015	CORPORATE BOND	6.90	9/15/2015		3,000,000	0.41	\$3,040,959	\$3,037,710	-3,249
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,975,000	0.32	\$1,975,141	\$1,975,000	-141
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,000,000	0.32	\$1,000,071	\$1,000,000	-71
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		300,000	0.34	\$300,021	\$300,000	-21
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		35,859,000	0.34	\$35,861,512	\$35,859,000	-2,512
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		18,000,000	0.34	\$18,001,261	\$18,000,000	-1,261
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,929,000	0.34	\$1,929,135	\$1,929,000	-135
General Electric Capital Corp., Sr. Unsec'd. Note, 1.625%, 7/02/2015	CORPORATE BOND	1.63	7/2/2015		1,300,000	0.36	\$1,300,090	\$1,300,000	-90
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,510,000	0.54	\$6,644,143	\$6,637,030	-7,114
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		7,500,000	0.54	\$7,654,549	\$7,646,348	-8,202
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		10,000,000	0.54	\$10,206,089	\$10,195,130	-10,959
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,100,000	0.54	\$6,225,688	\$6,219,029	-6,659
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,019,577	\$1,019,513	-64

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

JUNE 30, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,019,570	\$1,019,513	-57
General Electric Capital Corp., Sr. Unsecured, Jun 20, 2016	VARIABLE EURO MEDIUM TERM NOTE	0.48	6/20/2016	9/21/2015	85,000,000	0.34	\$85,130,637	\$84,872,925	-257,712
General Electric Capital Corp., Sr. Unsecured, Sep 23, 2015	VARIABLE MEDIUM TERM NOTE	0.98	9/23/2015	9/23/2015	2,500,000	0.34	\$2,504,081	\$2,503,813	-269
General Electric Capital Corp., Sr. Unsecured, Sep 23, 2015	VARIABLE MEDIUM TERM NOTE	0.98	9/23/2015	9/23/2015	255,000	0.44	\$255,344	\$255,389	45
General Electric Capital, Floating Rate Note - Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.87	1/8/2016	7/8/2015	10,000,000	0.33	\$10,029,349	\$10,029,810	461
General Electric Capital, Series GMTN, 1.5%, 7/12/2016	CORPORATE BOND	1.50	7/12/2016		4,626,000	0.76	\$4,661,175	\$4,660,649	-527
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.51	1/14/2016	7/14/2015	14,225,000	0.33	\$14,239,351	\$14,242,909	3,558
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.51	1/14/2016	7/14/2015	10,000,000	0.34	\$10,009,607	\$10,012,590	2,983
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.47	1/8/2016	7/8/2015	255,000	0.36	\$255,168	\$255,183	16
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		9,952,000	0.41	\$10,018,124	\$10,012,050	-6,073
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,089,000	0.41	\$1,096,234	\$1,095,571	-663
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		8,000,000	0.41	\$8,053,117	\$8,048,272	-4,845
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		10,000,000	0.41	\$10,065,908	\$10,060,340	-5,568
General Electric Capital, Sr. Unsec'd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,000,000	0.51	\$1,006,270	\$1,006,034	-236
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		3,967,000	0.43	\$4,061,414	\$4,058,467	-2,947
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		400,000	0.46	\$409,487	\$409,223	-264
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		10,000,000	0.46	\$10,236,890	\$10,230,570	-6,320
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		7,650,000	0.51	\$7,829,796	\$7,826,386	-3,410
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		1,185,000	0.61	\$1,212,252	\$1,212,323	71
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	6,500,000	0.27	\$6,500,692	\$6,500,423	-270
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	375,000	0.31	\$375,037	\$375,024	-13
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 7/10/2015	CORPORATE BOND	0.65	7/10/2015	7/10/2015	1,000,000	0.33	\$1,000,097	\$1,000,065	-32
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.03	8/11/2015	8/11/2015	1,335,000	0.30	\$1,336,156	\$1,334,940	-1,216
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.03	8/11/2015	8/11/2015	2,958,000	0.31	\$2,960,512	\$2,957,867	-2,645
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 8/11/2015	CORPORATE BOND	1.03	8/11/2015	8/11/2015	3,000,000	0.32	\$3,002,507	\$2,999,865	-2,642
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/16/2015		94,000,000	0.20	\$93,991,644	\$93,992,897	1,253
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/22/2015		45,000,000	0.20	\$44,994,500	\$44,995,270	770
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/4/2015		100,000,000	0.20	\$99,980,556	\$99,981,236	680
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/18/2015		25,000,000	0.20	\$24,993,194	\$24,993,092	-102
HSBC USA, Inc. CP	COMMERCIAL PAPER		8/21/2015		25,000,000	0.28	\$24,990,069	\$24,994,331	4,261
HSBC USA, Inc. CP	COMMERCIAL PAPER		8/26/2015		50,000,000	0.28	\$49,978,229	\$49,986,463	8,233
HSBC USA, Inc. CP	COMMERCIAL PAPER		9/1/2015		30,000,000	0.32	\$29,983,463	\$29,990,078	6,615
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		7/21/2015		75,000,000	0.26	\$74,988,625	\$74,992,869	4,244
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		8/6/2015		25,000,000	0.26	\$24,993,319	\$24,995,118	1,799

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

JUNE 30, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		8/24/2015		100,000,000	0.27	\$99,958,750	\$99,966,389	7,639
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		8/26/2015		25,000,000	0.27	\$24,989,313	\$24,991,173	1,861
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		7/13/2015		25,000,000	0.30	\$24,997,292	\$24,998,736	1,444
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		10/9/2015		25,000,000	0.41	\$24,971,944	\$24,982,115	10,170
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		11/10/2015		25,000,000	0.35	\$24,968,597	\$24,972,938	4,341
J.P. Morgan Securities LLC, Dec 04, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.35	12/4/2015	9/4/2015	50,000,000	0.35	\$50,000,000	\$50,000,000	0
J.P. Morgan Securities LLC, Feb 09, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.38	2/9/2016	7/9/2015	100,000,000	0.39	\$100,000,000	\$99,993,800	-6,200
J.P. Morgan Securities LLC, Feb 16, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.38	2/16/2016	7/16/2015	25,000,000	0.39	\$25,000,000	\$24,998,375	-1,625
J.P. Morgan Securities LLC, Nov 10, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.35	11/10/2015	8/10/2015	40,000,000	0.35	\$40,000,000	\$39,997,240	-2,760
JPMorgan Chase Bank, N.A., Jul 06, 2016	VARIABLE RATE BANK NOTE	0.44	7/6/2016	7/7/2015	15,000,000	0.45	\$15,000,000	\$15,000,375	375
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/7/2015		40,000,000	0.25	\$39,998,056	\$39,998,756	700
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/2/2015		20,600,000	0.28	\$20,589,746	\$20,592,053	2,307
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/13/2015		45,000,000	0.28	\$44,995,450	\$44,997,286	1,836
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2015		35,000,000	0.28	\$34,996,189	\$34,997,700	1,511
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/15/2015		23,000,000	0.28	\$22,997,317	\$22,998,371	1,054
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/13/2015		25,000,000	0.26	\$25,000,000	\$25,000,875	875
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/21/2015		30,000,000	0.26	\$30,000,000	\$30,001,556	1,556
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	7/15/2015		70,000,000	0.26	\$70,000,000	\$70,002,768	2,768
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	8/5/2015		10,000,000	0.26	\$10,000,000	\$10,000,739	739
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	9/17/2015		50,000,000	0.28	\$50,000,000	\$50,002,800	2,800
National Australia Bank , Sr. Unsecd. Note, 1.6%, 8/07/2015	CORPORATE BOND	1.60	8/7/2015		900,000	0.47	\$901,064	\$900,958	-107
New York City, NY Municipal Water Finance Authority, Second General Resolution (Fiscal 2007 Series C-C1), 06/15/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.12	6/15/2038	7/1/2015	46,400,000	0.12	\$46,400,000	\$46,400,000	0
Royal Bank of Canada, Montreal, Jan 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.29	1/13/2016	7/13/2015	25,000,000	0.29	\$25,000,000	\$24,993,225	-6,775
Royal Bank of Canada, Montreal, Jul 01, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.39	7/1/2016	7/6/2015	125,000,000	0.40	\$125,000,000	\$124,992,875	-7,125
Royal Bank of Canada, Montreal, May 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.33	5/12/2016	7/13/2015	50,000,000	0.33	\$50,000,000	\$49,995,650	-4,350
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		9,550,000	0.50	\$9,643,246	\$9,643,657	411
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		785,000	0.55	\$792,481	\$792,698	217
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.29	8/31/2015		25,000,000	0.29	\$25,000,000	\$25,002,875	2,875
Societe Generale, Paris CP4-2	COMMERCIAL PAPER - 4-2		9/1/2015		50,000,000	0.29	\$49,974,625	\$49,980,313	5,688
Standard Chartered Bank plc CP	COMMERCIAL PAPER		9/3/2015		25,000,000	0.28	\$24,987,361	\$24,991,875	4,514
Standard Chartered Bank plc TD	TIME DEPOSIT	0.05	7/1/2015		320,000,000	0.05	\$320,000,000	\$320,000,000	0
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/9/2015		50,000,000	0.28	\$49,972,389	\$49,977,517	5,128
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	7/15/2015		10,000,000	0.27	\$10,000,000	\$10,000,354	354
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	9/2/2015		16,000,000	0.27	\$16,000,000	\$16,001,646	1,646

See notes at end of table.

INVENTORY OF HOLDINGS (CONTINUED)

JUNE 30, 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.31	10/26/2015		28,000,000	0.31	\$28,000,000	\$27,999,244	-756
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.11	7/7/2015		60,000,000	0.11	\$60,000,000	\$59,999,160	-840
Sumitomo Mitsui Banking Corp., Aug 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.29	8/10/2015	7/10/2015	28,000,000	0.29	\$28,000,000	\$27,999,384	-616
Sumitomo Mitsui Banking Corp., Sep 17, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.29	9/17/2015	7/17/2015	100,000,000	0.29	\$100,000,000	\$99,997,700	-2,300
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.35	9/10/2015		25,000,000	0.35	\$25,000,000	\$25,010,728	10,728
Toronto Dominion Bank, Apr 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	4/15/2016	7/15/2015	40,000,000	0.31	\$40,000,000	\$39,993,720	-6,280
Toronto Dominion Bank, Feb 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	2/12/2016	8/12/2015	25,000,000	0.31	\$25,000,000	\$24,997,575	-2,425
Toronto Dominion Bank, Jul 01, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.34	7/1/2016	7/2/2015	75,000,000	0.35	\$75,000,000	\$75,000,000	0
Toronto Dominion Bank, Sep 04, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.27	9/4/2015	7/6/2015	50,000,000	0.28	\$50,000,000	\$49,998,250	-1,750
Toyota Motor Credit Corp., Apr 15, 2016	VARIABLE MEDIUM TERM NOTE	0.29	4/15/2016	7/15/2015	100,000,000	0.29	\$100,000,000	\$99,984,300	-15,700
Toyota Motor Credit Corp., Sep 03, 2015	VARIABLE RATE COMMERCIAL PAPER	0.28	9/3/2015	7/10/2015	100,000,000	0.28	\$100,000,000	\$99,996,200	-3,800
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	21,100,000	0.30	\$21,152,863	\$21,134,372	-18,491
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	1,420,000	0.30	\$1,423,422	\$1,422,313	-1,109
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	300,000	0.31	\$300,725	\$300,489	-237
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.57	5/17/2016	8/17/2015	2,000,000	0.31	\$2,004,882	\$2,003,258	-1,624
Wal-Mart Stores, Inc., Sr. Unsec'd. Note, 4.5%, 7/01/2015	CORPORATE BOND	4.50	7/1/2015		8,500,000	0.25	\$8,500,982	\$8,500,000	-982
Wells Fargo & Co., Sr. Unsec'd. Note, 1.5%, 7/01/2015	CORPORATE BOND	1.50	7/1/2015		17,576,000	0.36	\$17,576,552	\$17,576,000	-552
Wells Fargo & Co., Sr. Unsec'd. Note, 10/28/2015	CORPORATE BOND	0.48	10/28/2015	7/28/2015	1,277,000	0.31	\$1,277,792	\$1,277,386	-406
Wells Fargo & Co., Sr. Unsec'd. Note, 10/28/2015	CORPORATE BOND	0.48	10/28/2015	7/28/2015	2,750,000	0.33	\$2,751,566	\$2,750,831	-736
Wells Fargo & Co., Sr. Unsec'd. Note, 10/28/2015	CORPORATE BOND	0.48	10/28/2015	7/28/2015	19,216,000	0.38	\$19,223,786	\$19,221,803	-1,983
Wells Fargo Bank, N.A., Jul 19, 2016	VARIABLE RATE BANK NOTE	0.40	7/19/2016	9/21/2015	100,000,000	0.41	\$100,000,000	\$100,004,800	4,800
Wells Fargo Bank, N.A., Jul 21, 2016	VARIABLE MEDIUM TERM NOTE	0.42	7/21/2016	9/22/2015	50,000,000	0.43	\$50,000,000	\$49,999,400	-600
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	12,500,000	0.30	\$12,501,844	\$12,501,663	-182
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	18,500,000	0.30	\$18,502,679	\$18,502,461	-219
Wells Fargo Bank, N.A., Sr. Unsecured, Jul 20, 2015	VARIABLE MEDIUM TERM NOTE	0.56	7/20/2015	7/20/2015	25,000,000	0.31	\$25,003,633	\$25,003,325	-308
Wells Fargo Bank, N.A., Sr. Unsecured, Sep 08, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	9/8/2015	9/4/2015	95,700,000	0.31	\$95,700,000	\$95,687,942	-12,058
Total Value of Investments					6,998,320,956		\$7,000,093,954	\$6,999,860,287	-233,667

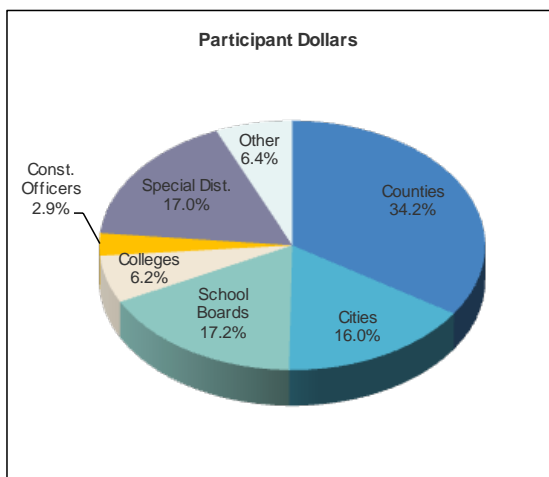
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

¹ Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

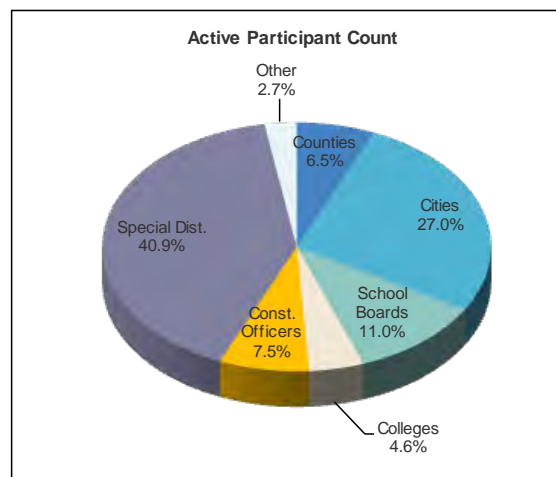
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - JUNE 30, 2015

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	100.0%	Colleges & Universities	6.2%	4.6%
Top 10	41.3%	1.3%	Top 10	5.7%	1.3%
\$100 million or more	50.9%	1.9%	\$100 million or more	3.5%	0.1%
\$10 million up to \$100 million	40.4%	12.2%	\$10 million up to \$100 million	1.9%	0.8%
\$1 million up to \$10 million	7.8%	18.6%	\$1 million up to \$10 million	0.8%	1.5%
Under \$1 million	1.0%	67.3%	Under \$1 million	0.03%	2.2%
Counties	34.2%	6.5%	Constitutional Officers	2.9%	7.5%
Top 10	27.2%	1.3%	Top 10	1.0%	1.3%
\$100 million or more	22.5%	0.8%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	11.2%	2.0%	\$10 million up to \$100 million	2.0%	0.6%
\$1 million up to \$10 million	0.5%	0.8%	\$1 million up to \$10 million	0.8%	1.9%
Under \$1 million	0.1%	2.9%	Under \$1 million	0.1%	4.9%
Municipalities	16.0%	27.0%	Special Districts	17.0%	40.9%
Top 10	9.6%	1.3%	Top 10	11.8%	1.3%
\$100 million or more	4.7%	0.3%	\$100 million or more	6.8%	0.3%
\$10 million up to \$100 million	8.8%	3.0%	\$10 million up to \$100 million	8.2%	2.7%
\$1 million up to \$10 million	2.3%	6.1%	\$1 million up to \$10 million	1.6%	4.8%
Under \$1 million	0.3%	17.6%	Under \$1 million	0.4%	33.2%
School Boards	17.2%	11.0%	Other	6.4%	2.7%
Top 10	13.7%	1.3%	Top 10	5.8%	1.3%
\$100 million or more	10.2%	0.4%	\$100 million or more	3.2%	0.1%
\$10 million up to \$100 million	5.6%	2.2%	\$10 million up to \$100 million	2.7%	0.9%
\$1 million up to \$10 million	1.3%	2.7%	\$1 million up to \$10 million	0.5%	0.9%
Under \$1 million	0.1%	5.8%	Under \$1 million	0.0%	0.8%



Total Fund Value: \$7,003,224,923



Total Active Participant Count: 790

FLORIDA PRIME COMPLIANCE WITH INVESTMENT POLICY - JUNE 2015

As investment manager, Federated monitors compliance daily on Florida PRIME to ensure that investment practices comply with the requirements of the Investment Policy Statement (IPS). Federated provides a monthly compliance report to the SBA and is required to notify the Investment Oversight Group (IOG) of compliance exceptions within 24 hours of identification. The IOG meets monthly and on an ad hoc basis to review compliance exceptions, to document responses to exceptions, and to formally escalate recommendations for approval by the Executive Director & CIO. The IOG also reviews the Federated compliance report each month, as well as the results of independent compliance testing conducted by SBA Risk Management and Compliance. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, the SBA conducts independent testing on Florida PRIME using a risk-based approach. Under this approach, each IPS parameter is ranked as "High" or "Low" with respect to the level of risk associated with a potential guideline breach. IPS parameters with risk rankings of "High" are subject to independent verification by SBA Risk Management and Compliance. These rankings, along with the frequency for testing, are reviewed and approved by the IOG on an annual basis or more often if market conditions dictate. Additionally, any parameter reported in "Fail" status on the Federated compliance report, regardless of risk ranking, is also independently verified and escalated accordingly. The results of independent testing are currently reported monthly to the IOG.

Test by Source	Pass/Fail
Florida PRIME's Investment Policy	
Securities must be USD denominated.	Pass
Ratings requirements	
The Pool must purchase exclusively first-tier securities. Securities purchased with short-term ratings by an NRSRO, or comparable in quality and security to other obligations of the issuer that have received short-term ratings from an NRSRO, are eligible if they are in one of the two highest rating categories.	Pass
Securities purchased that do not have short-term ratings must have a long-term rating in one of the three highest long-term rating categories.	Pass
Commercial Paper must be rated by at least one short-term NRSRO.	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life - maximum 90 days ¹	Pass
Maturity	
Securities, excluding Government floating rate notes/variable rate notes, purchased did not have a maturity in excess of 397 days.	Pass
Government floating rate notes/variable rate notes purchased did not have a maturity in excess of 762 days.	Pass
The Pool must maintain a Spread WAM of 120 days or less.	Pass
Issuer Diversification	
First-tier issuers (limit does not apply to cash, cash items, U.S. Government securities refunded securities and repo collateralized by these securities) are limited, at the time of purchase, to 5% of the Pool's total assets. ²	Pass
Demand Feature and Guarantor Diversification	
First-tier securities issued by or subject to demand features and guarantees of a non-controlled person, at time of purchase, are limited to 10% with respect to 75% of the Pool's total assets.	Pass
First-tier securities issued by or subject to demand features and guarantees of a control person, at time of purchase, are limited to 10% with respect to the Pool's total assets.	Pass
Money Market Mutual Funds	
The account, at time of purchase, will not have exposure to any one Money Market Mutual Fund in excess of 10% of the Pool's total assets.	Pass
Concentration Tests	
The account, at time of purchase, will not have exposure to an industry sector, excluding the financial services industry, in excess of 25% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to any single Government Agency in excess of 33.33% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to illiquid securities in excess of 5% of the Pool's total assets.	Pass
The account, at time of purchase, will invest at least 10% of the Pool's total assets in securities accessible within one business day.	Pass
The account, at time of purchase, will invest at least 30% of the Pool's total assets in securities accessible within five business days. ³	Pass
S&P Requirements	
The Pool must maintain a Dollar Weighted Average Maturity of 60 days or less.	Pass
The account, at time of purchase, will invest at least 50% of the Pool's total assets in Securities in Highest Rating Category (A-1+ or equivalent) .	Pass

¹ The fund may use floating rate government securities to extend the limit up to 120 days

² This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to liquidate positions if the exposure in excess of the specified percentage is caused by

³ This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to take immediate corrective measures if asset movements cause the exposure to be below the specified percentage.

TRADING ACTIVITY FOR JUNE 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buy								
ALPINE SECURITIZATICPABS4	07/31/15	06/02/15	06/02/15	50,000,000	49,979,514	0	49,979,514	0
ALPINE SECURITIZATICPABS4	07/31/15	06/02/15	06/02/15	20,000,000	19,991,806	0	19,991,806	0
ATLANTIC ASSET SECUCPABS4	06/18/15	06/17/15	06/17/15	50,000,000	49,999,820	0	49,999,820	0
ATLANTIC ASSET SECUCPABS4	09/24/15	06/23/15	06/23/15	50,000,000	49,963,833	0	49,963,833	0
ATLANTIC ASSET SECUCPABS4	09/24/15	06/23/15	06/23/15	40,400,000	40,370,777	0	40,370,777	0
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	12/18/15	06/17/15	06/18/15	50,000,000	50,000,000	0	50,000,000	0
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	12/18/15	06/17/15	06/18/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL	07/15/16	06/15/15	06/15/15	14,430,000	14,506,025	78,163	14,584,188	0
BANK OF MONTREAL	07/15/16	06/18/15	06/23/15	15,000,000	15,066,900	22,865	15,089,765	0
BANK OF NOVA SCOTIA	10/07/15	06/15/15	06/16/15	50,000,000	50,252,700	196,458	50,449,158	0
BANK OF NOVA SCOTIA/HOUSTON	01/15/16	06/19/15	06/19/15	40,000,000	40,000,000	0	40,000,000	0
BANK OF TOKYO-MITSUCDYAN	10/15/15	06/04/15	06/04/15	40,000,000	40,000,000	0	40,000,000	0
ABN AMRO BANK NVCEUR	09/15/15	06/24/15	06/26/15	75,000,000	74,946,039	0	74,946,039	0
CHASE BANK USA, N.ACD	06/08/16	06/08/15	06/08/15	50,000,000	50,000,000	0	50,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/05/15	06/04/15	06/04/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/05/15	06/04/15	06/04/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/05/15	06/04/15	06/04/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/05/15	06/04/15	06/04/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/05/15	06/04/15	06/04/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/10/15	06/09/15	06/09/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/10/15	06/09/15	06/09/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/10/15	06/09/15	06/09/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/16/15	06/15/15	06/15/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/16/15	06/15/15	06/15/15	49,631,000	49,630,848	0	49,630,848	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/16/15	06/15/15	06/15/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/17/15	06/16/15	06/16/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/17/15	06/16/15	06/16/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/17/15	06/16/15	06/16/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/17/15	06/16/15	06/16/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/18/15	06/17/15	06/17/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/18/15	06/17/15	06/17/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/18/15	06/17/15	06/17/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/18/15	06/17/15	06/17/15	50,000,000	49,999,847	0	49,999,847	0

TRADING ACTIVITY FOR JUNE 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/19/15	06/18/15	06/18/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/19/15	06/18/15	06/18/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/24/15	06/23/15	06/23/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/24/15	06/23/15	06/23/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/24/15	06/23/15	06/23/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/24/15	06/23/15	06/23/15	25,000,000	24,999,924	0	24,999,924	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/24/15	06/23/15	06/23/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/25/15	06/24/15	06/24/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/25/15	06/24/15	06/24/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/25/15	06/24/15	06/24/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/26/15	06/25/15	06/25/15	50,000,000	49,999,847	0	49,999,847	0
CREDIT AGRICOLE CORCDYAN	10/02/15	06/25/15	06/25/15	25,000,000	25,000,000	0	25,000,000	0
DZ BANK AG DEUTSCHECDYAN	10/16/15	06/15/15	06/16/15	30,000,000	30,000,000	0	30,000,000	0
GENERAL ELECTRIC CAPITAL CORP	11/09/15	06/16/15	06/19/15	10,000,000	10,071,400	25,000	10,096,400	0
GENERAL ELECTRIC CAPITAL CORP	05/09/16	06/11/15	06/16/15	1,000,000	1,020,450	3,032	1,023,482	0
GENERAL ELECTRIC CAPITAL CORP	05/09/16	06/12/15	06/17/15	1,000,000	1,020,380	3,114	1,023,494	0
GENERAL ELECTRIC CAPITAL CORP	07/12/16	06/11/15	06/16/15	4,626,000	4,662,478	29,684	4,692,162	0
GENERAL ELECTRIC CAPITAL CORP	01/08/16	06/04/15	06/09/15	10,000,000	10,262,800	209,722	10,472,522	0
GOTHAM FUNDING CORPCPABS4	08/04/15	06/03/15	06/03/15	50,000,000	49,982,778	0	49,982,778	0
GOTHAM FUNDING CORPCPABS4	08/04/15	06/03/15	06/03/15	50,000,000	49,982,778	0	49,982,778	0
GOTHAM FUNDING CORPCPABS4	08/18/15	06/18/15	06/18/15	25,000,000	24,991,528	0	24,991,528	0
JP MORGAN SECURITIES LLC	12/04/15	06/04/15	06/04/15	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLCCPABS4-2	09/02/15	06/02/15	06/02/15	20,600,000	20,585,260	0	20,585,260	0
MIZUHO BANK LTD,CDYAN	09/17/15	06/17/15	06/17/15	50,000,000	50,000,000	0	50,000,000	0
STARBUCK FUNDING COCPABS4	09/09/15	06/02/15	06/02/15	50,000,000	49,961,500	0	49,961,500	0
SUMITOMO MITSUI BANCDYAN	10/26/15	06/19/15	06/19/15	28,000,000	28,000,000	0	28,000,000	0
SUMITOMO MITSUI BANCDYAN	07/07/15	06/30/15	06/30/15	10,000,000	10,000,000	0	10,000,000	0
SUMITOMO MITSUI BANCDYAN	07/07/15	06/30/15	06/30/15	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BACDYAN	06/16/15	06/09/15	06/09/15	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BACDYAN	06/16/15	06/09/15	06/09/15	50,000,000	50,000,000	0	50,000,000	0
TORONTO-DOMINION BANK/NY	07/01/16	06/16/15	06/16/15	25,000,000	25,000,000	0	25,000,000	0
TORONTO-DOMINION BANK/NY	07/01/16	06/16/15	06/16/15	50,000,000	50,000,000	0	50,000,000	0
UBS AGCDYAN	06/23/15	06/16/15	06/16/15	50,000,000	50,000,000	0	50,000,000	0
UBS AGCDYAN	06/23/15	06/16/15	06/16/15	50,000,000	50,000,000	0	50,000,000	0
UBS AGCDYAN	06/24/15	06/17/15	06/17/15	25,000,000	25,000,000	0	25,000,000	0
WELLS FARGO & CO	10/28/15	06/11/15	06/12/15	2,750,000	2,751,801	1,647	2,753,448	0
WELLS FARGO & CO	10/28/15	06/15/15	06/18/15	11,243,000	11,248,059	7,629	11,255,689	0
WELLS FARGO & CO	10/28/15	06/15/15	06/16/15	7,573,000	7,576,408	4,937	7,581,345	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/02/15	06/02/15	251,915	251,915	0	251,915	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/03/15	06/03/15	2,297,879	2,297,879	0	2,297,879	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/04/15	06/04/15	1,366,445	1,366,445	0	1,366,445	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/09/15	06/09/15	272,176	272,176	0	272,176	0

TRADING ACTIVITY FOR JUNE 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/11/15	06/11/15	446,250	446,250	0	446,250	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/16/15	06/16/15	1,339,435	1,339,435	0	1,339,435	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/17/15	06/17/15	1,862,379	1,862,379	0	1,862,379	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/18/15	06/18/15	754,023	754,023	0	754,023	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/22/15	06/22/15	3,065,725	3,065,725	0	3,065,725	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/23/15	06/23/15	2,498,449	2,498,449	0	2,498,449	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/25/15	06/25/15	3,031,310	3,031,310	0	3,031,310	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/30/15	06/30/15	1,135,877	1,135,877	0	1,135,877	0
GENERAL ELECTRIC CAPITAL CORP	06/20/16	06/01/15	06/04/15	50,000,000	50,082,150	0	50,131,793	0
BANK OF AMERICA TRIPARTY	06/02/15	06/01/15	06/01/15	335,000,000	335,000,000	0	335,000,000	0
BANK OF AMERICA TRIPARTY	06/03/15	06/02/15	06/02/15	455,000,000	455,000,000	0	455,000,000	0
BANK OF AMERICA TRIPARTY	06/04/15	06/03/15	06/03/15	480,000,000	480,000,000	0	480,000,000	0
BANK OF AMERICA TRIPARTY	06/05/15	06/04/15	06/04/15	200,000,000	200,000,000	0	200,000,000	0
BANK OF AMERICA TRIPARTY	06/08/15	06/05/15	06/05/15	495,000,000	495,000,000	0	495,000,000	0
BANK OF AMERICA TRIPARTY	06/09/15	06/08/15	06/08/15	500,000,000	500,000,000	0	500,000,000	0
BANK OF AMERICA TRIPARTY	06/10/15	06/09/15	06/09/15	310,000,000	310,000,000	0	310,000,000	0
BANK OF AMERICA TRIPARTY	06/11/15	06/10/15	06/10/15	520,000,000	520,000,000	0	520,000,000	0
BANK OF AMERICA TRIPARTY	06/12/15	06/11/15	06/11/15	405,000,000	405,000,000	0	405,000,000	0
BANK OF AMERICA TRIPARTY	06/15/15	06/12/15	06/12/15	510,000,000	510,000,000	0	510,000,000	0
BANK OF AMERICA TRIPARTY	06/16/15	06/15/15	06/15/15	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	06/17/15	06/16/15	06/16/15	270,000,000	270,000,000	0	270,000,000	0
BANK OF AMERICA TRIPARTY	06/18/15	06/17/15	06/17/15	185,000,000	185,000,000	0	185,000,000	0
BANK OF AMERICA TRIPARTY	06/19/15	06/18/15	06/18/15	310,000,000	310,000,000	0	310,000,000	0
BANK OF AMERICA TRIPARTY	06/22/15	06/19/15	06/19/15	345,000,000	345,000,000	0	345,000,000	0
BANK OF AMERICA TRIPARTY	06/23/15	06/22/15	06/22/15	390,000,000	390,000,000	0	390,000,000	0
BANK OF AMERICA TRIPARTY	06/24/15	06/23/15	06/23/15	205,000,000	205,000,000	0	205,000,000	0
BANK OF AMERICA TRIPARTY	06/25/15	06/24/15	06/24/15	230,000,000	230,000,000	0	230,000,000	0
BANK OF AMERICA TRIPARTY	06/26/15	06/25/15	06/25/15	340,000,000	340,000,000	0	340,000,000	0
BANK OF AMERICA TRIPARTY	06/29/15	06/26/15	06/26/15	515,000,000	515,000,000	0	515,000,000	0
BANK OF AMERICA TRIPARTY	06/30/15	06/29/15	06/29/15	430,000,000	430,000,000	0	430,000,000	0
BANK OF AMERICA TRIPARTY	07/01/15	06/30/15	06/30/15	425,000,000	425,000,000	0	425,000,000	0
STANDARD CHARTERED TD 0.13 20150610	06/10/15	06/09/15	06/09/15	330,000,000	330,000,000	0	330,000,000	0
Total Buys				11,549,574,862	11,550,225,539	582,250	11,550,857,432	0
Deposits								
STANDARD CHARTERED TD 0.13 20150602	06/02/15	06/01/15	06/01/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150603	06/03/15	06/02/15	06/02/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150604	06/04/15	06/03/15	06/03/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150605	06/05/15	06/04/15	06/04/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150608	06/08/15	06/05/15	06/05/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150609	06/09/15	06/08/15	06/08/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150611	06/11/15	06/10/15	06/10/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150612	06/12/15	06/11/15	06/11/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150615	06/15/15	06/12/15	06/12/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150616	06/16/15	06/15/15	06/15/15	330,000,000	330,000,000	0	330,000,000	0

TRADING ACTIVITY FOR JUNE 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STANDARD CHARTERED TD 0.13 20150617	06/17/15	06/16/15	06/16/15	335,000,000	335,000,000	0	335,000,000	0
STANDARD CHARTERED TD 0.13 20150618	06/18/15	06/17/15	06/17/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150619	06/19/15	06/18/15	06/18/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150622	06/22/15	06/19/15	06/19/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150623	06/23/15	06/22/15	06/22/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150624	06/24/15	06/23/15	06/23/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150625	06/25/15	06/24/15	06/24/15	325,000,000	325,000,000	0	325,000,000	0
STANDARD CHARTERED TD 0.13 20150626	06/26/15	06/25/15	06/25/15	320,000,000	320,000,000	0	320,000,000	0
STANDARD CHARTERED TD 0.13 20150629	06/29/15	06/26/15	06/26/15	325,000,000	325,000,000	0	325,000,000	0
STANDARD CHARTERED TD 0.13 20150630	06/30/15	06/29/15	06/29/15	325,000,000	325,000,000	0	325,000,000	0
STANDARD CHARTERED TD 0.05 20150701	07/01/15	06/30/15	06/30/15	320,000,000	320,000,000	0	320,000,000	0
Total Deposits				6,940,000,000	6,940,000,000	0	6,940,000,000	0
Maturities								
ALPINE SECURITIZATPCABS4	06/02/15	06/02/15	06/02/15	100,000,000	100,000,000	0	100,000,000	0
ATLANTIC ASSET SECUCPABS4	06/18/15	06/18/15	06/18/15	50,000,000	50,000,000	0	50,000,000	0
CAISSE DES DEPOTS ECP	06/16/15	06/16/15	06/16/15	75,000,000	75,000,000	0	75,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/05/15	06/05/15	06/05/15	250,000,000	250,000,000	0	250,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/10/15	06/10/15	06/10/15	150,000,000	150,000,000	0	150,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/16/15	06/16/15	06/16/15	149,631,000	149,631,000	0	149,631,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/17/15	06/17/15	06/17/15	200,000,000	200,000,000	0	200,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/18/15	06/18/15	06/18/15	200,000,000	200,000,000	0	200,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/19/15	06/19/15	06/19/15	100,000,000	100,000,000	0	100,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/24/15	06/24/15	06/24/15	225,000,000	225,000,000	0	225,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/25/15	06/25/15	06/25/15	150,000,000	150,000,000	0	150,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	06/26/15	06/26/15	06/26/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	06/02/15	06/02/15	06/02/15	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECDYAN	06/04/15	06/04/15	06/04/15	50,000,000	50,000,000	0	50,000,000	0
GENERAL ELECTRIC CAPITAL CORP	06/29/15	06/29/15	06/29/15	6,247,000	6,247,000	0	6,247,000	0
GENERAL ELECTRIC CAPITAL CORP	06/30/15	06/30/15	06/30/15	31,333,000	31,333,000	0	31,333,000	0
GOTHAM FUNDING CORPCPABS4	06/03/15	06/03/15	06/03/15	130,000,000	130,000,000	0	130,000,000	0
GOTHAM FUNDING CORPCPABS4	06/08/15	06/08/15	06/08/15	50,000,000	50,000,000	0	50,000,000	0
HSBC USA, INC,CP	06/09/15	06/09/15	06/09/15	50,000,000	50,000,000	0	50,000,000	0
ING (U.S.) FUNDING CP	06/03/15	06/03/15	06/03/15	30,000,000	30,000,000	0	30,000,000	0
J.P. MORGAN SECURITCP4-2	06/02/15	06/02/15	06/02/15	25,000,000	25,000,000	0	25,000,000	0
J.P. MORGAN SECURITCP4-2	06/04/15	06/04/15	06/04/15	75,000,000	75,000,000	0	75,000,000	0
LMA-AMERICAS LLCCPABS4-2	06/02/15	06/02/15	06/02/15	20,000,000	20,000,000	0	20,000,000	0

TRADING ACTIVITY FOR JUNE 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
LMA-AMERICAS LLCCPABS4-2	06/12/15	06/12/15	06/12/15	35,000,000	35,000,000	0	35,000,000	0
LMA-AMERICAS LLCCPABS4-2	06/22/15	06/22/15	06/22/15	30,000,000	30,000,000	0	30,000,000	0
MANHATTAN ASSET FUNCPABS4	06/26/15	06/26/15	06/26/15	53,000,000	53,000,000	0	53,000,000	0
MIZUHO BANK LTD,CDYAN	06/04/15	06/04/15	06/04/15	30,000,000	30,000,000	0	30,000,000	0
MIZUHO BANK LTD,CDYAN	06/15/15	06/15/15	06/15/15	12,300,000	12,300,000	0	12,300,000	0
MIZUHO BANK LTD,CDYAN	06/17/15	06/17/15	06/17/15	35,000,000	35,000,000	0	35,000,000	0
MIZUHO BANK LTD,CDYAN	06/23/15	06/23/15	06/23/15	100,000,000	100,000,000	0	100,000,000	0
SHEFFIELD RECEIVABLC PABS4	06/12/15	06/12/15	06/12/15	50,000,000	50,000,000	0	50,000,000	0
SHEFFIELD RECEIVABLC PABS4	06/18/15	06/18/15	06/18/15	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE, PCDYAN	06/18/15	06/18/15	06/18/15	108,000,000	108,000,000	0	108,000,000	0
SOCIETE GENERALE, PCDYAN	06/24/15	06/24/15	06/24/15	25,000,000	25,000,000	0	25,000,000	0
STARBIRD FUNDING COCPABS4	06/02/15	06/02/15	06/02/15	50,000,000	50,000,000	0	50,000,000	0
STARBIRD FUNDING COCPABS4	06/23/15	06/23/15	06/23/15	50,000,000	50,000,000	0	50,000,000	0
STATE STREET BANK & TRUST CO	06/15/15	06/15/15	06/15/15	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANC DYAN	06/05/15	06/05/15	06/05/15	25,000,000	25,000,000	0	25,000,000	0
SUMITOMO MITSUI BANC DYAN	06/12/15	06/12/15	06/12/15	12,000,000	12,000,000	0	12,000,000	0
TORONTO DOMINION BAC DYAN	06/10/15	06/10/15	06/10/15	75,000,000	75,000,000	0	75,000,000	0
TORONTO DOMINION BAC DYAN	06/16/15	06/16/15	06/16/15	100,000,000	100,000,000	0	100,000,000	0
UBS AGCDYAN	06/23/15	06/23/15	06/23/15	100,000,000	100,000,000	0	100,000,000	0
UBS AGCDYAN	06/24/15	06/24/15	06/24/15	25,000,000	25,000,000	0	25,000,000	0
BANK OF AMERICA TRIPARTY	06/01/15	06/01/15	06/01/15	380,000,000	380,000,000	0	380,000,000	0
BANK OF AMERICA TRIPARTY	06/02/15	06/02/15	06/02/15	335,000,000	335,000,000	0	335,000,000	0
BANK OF AMERICA TRIPARTY	06/03/15	06/03/15	06/03/15	455,000,000	455,000,000	0	455,000,000	0
BANK OF AMERICA TRIPARTY	06/04/15	06/04/15	06/04/15	480,000,000	480,000,000	0	480,000,000	0
BANK OF AMERICA TRIPARTY	06/05/15	06/05/15	06/05/15	200,000,000	200,000,000	0	200,000,000	0
BANK OF AMERICA TRIPARTY	06/08/15	06/08/15	06/08/15	495,000,000	495,000,000	0	495,000,000	0
BANK OF AMERICA TRIPARTY	06/09/15	06/09/15	06/09/15	500,000,000	500,000,000	0	500,000,000	0
BANK OF AMERICA TRIPARTY	06/10/15	06/10/15	06/10/15	310,000,000	310,000,000	0	310,000,000	0
BANK OF AMERICA TRIPARTY	06/11/15	06/11/15	06/11/15	520,000,000	520,000,000	0	520,000,000	0
BANK OF AMERICA TRIPARTY	06/12/15	06/12/15	06/12/15	405,000,000	405,000,000	0	405,000,000	0
BANK OF AMERICA TRIPARTY	06/15/15	06/15/15	06/15/15	510,000,000	510,000,000	0	510,000,000	0
BANK OF AMERICA TRIPARTY	06/16/15	06/16/15	06/16/15	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	06/17/15	06/17/15	06/17/15	270,000,000	270,000,000	0	270,000,000	0
BANK OF AMERICA TRIPARTY	06/18/15	06/18/15	06/18/15	185,000,000	185,000,000	0	185,000,000	0
BANK OF AMERICA TRIPARTY	06/19/15	06/19/15	06/19/15	310,000,000	310,000,000	0	310,000,000	0
BANK OF AMERICA TRIPARTY	06/22/15	06/22/15	06/22/15	345,000,000	345,000,000	0	345,000,000	0
BANK OF AMERICA TRIPARTY	06/23/15	06/23/15	06/23/15	390,000,000	390,000,000	0	390,000,000	0
BANK OF AMERICA TRIPARTY	06/24/15	06/24/15	06/24/15	205,000,000	205,000,000	0	205,000,000	0
BANK OF AMERICA TRIPARTY	06/25/15	06/25/15	06/25/15	230,000,000	230,000,000	0	230,000,000	0
BANK OF AMERICA TRIPARTY	06/26/15	06/26/15	06/26/15	340,000,000	340,000,000	0	340,000,000	0
BANK OF AMERICA TRIPARTY	06/29/15	06/29/15	06/29/15	515,000,000	515,000,000	0	515,000,000	0
BANK OF AMERICA TRIPARTY	06/30/15	06/30/15	06/30/15	430,000,000	430,000,000	0	430,000,000	0
STANDARD CHARTERED TD 0.06 20150601	06/01/15	06/01/15	06/01/15	345,000,000	345,000,000	0	345,000,000	0
STANDARD CHARTERED TD 0.13 20150602	06/02/15	06/02/15	06/02/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150603	06/03/15	06/03/15	06/03/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150604	06/04/15	06/04/15	06/04/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150605	06/05/15	06/05/15	06/05/15	340,000,000	340,000,000	0	340,000,000	0
STANDARD CHARTERED TD 0.13 20150608	06/08/15	06/08/15	06/08/15	330,000,000	330,000,000	0	330,000,000	0

TRADING ACTIVITY FOR JUNE 2015 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STANDARD CHARTERED TD 0.13 20150609	06/09/15	06/09/15	06/09/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150610	06/10/15	06/10/15	06/10/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150611	06/11/15	06/11/15	06/11/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150612	06/12/15	06/12/15	06/12/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150615	06/15/15	06/15/15	06/15/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150616	06/16/15	06/16/15	06/16/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150617	06/17/15	06/17/15	06/17/15	335,000,000	335,000,000	0	335,000,000	0
STANDARD CHARTERED TD 0.13 20150618	06/18/15	06/18/15	06/18/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150619	06/19/15	06/19/15	06/19/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150622	06/22/15	06/22/15	06/22/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150623	06/23/15	06/23/15	06/23/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150624	06/24/15	06/24/15	06/24/15	330,000,000	330,000,000	0	330,000,000	0
STANDARD CHARTERED TD 0.13 20150625	06/25/15	06/25/15	06/25/15	325,000,000	325,000,000	0	325,000,000	0
STANDARD CHARTERED TD 0.13 20150626	06/26/15	06/26/15	06/26/15	320,000,000	320,000,000	0	320,000,000	0
STANDARD CHARTERED TD 0.13 20150629	06/29/15	06/29/15	06/29/15	325,000,000	325,000,000	0	325,000,000	0
STANDARD CHARTERED TD 0.13 20150630	06/30/15	06/30/15	06/30/15	325,000,000	325,000,000	0	325,000,000	0
Total Maturities				18,777,511,000	18,777,511,000	0	18,777,511,000	0
Sells								
ABN AMRO BANK NVCEUR	08/17/15	06/24/15	06/26/15	75,000,000	74,971,844	0	74,971,844	3,238
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/01/15	06/01/15	1,035,195	1,035,195	0	1,035,195	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/05/15	06/05/15	1,465,982	1,465,982	0	1,465,982	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/08/15	06/08/15	178,599	178,599	0	178,599	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/10/15	06/10/15	151,111	151,111	0	151,111	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/10/15	06/10/15	934,886	934,886	0	934,886	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/10/15	06/10/15	512,498	512,498	0	512,498	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/10/15	06/10/15	1,201,024	1,201,024	0	1,201,024	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/12/15	06/12/15	376,921	376,921	0	376,921	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/15/15	06/15/15	497,709	497,709	0	497,709	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/15/15	06/15/15	251,915	251,915	0	251,915	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/15/15	06/15/15	80,461	80,461	0	80,461	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/19/15	06/19/15	2,217,418	2,217,418	0	2,217,418	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/19/15	06/19/15	499,481	499,481	0	499,481	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/24/15	06/24/15	866,965	866,965	0	866,965	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/24/15	06/24/15	3,065,725	3,065,725	0	3,065,725	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/24/15	06/24/15	1,881,311	1,881,311	0	1,881,311	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/26/15	06/26/15	272,176	272,176	0	272,176	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/26/15	06/26/15	446,250	446,250	0	446,250	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/26/15	06/26/15	1,339,435	1,339,435	0	1,339,435	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/26/15	06/26/15	199,797	199,797	0	199,797	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	06/29/15	06/29/15	1,103,611	1,103,611	0	1,103,611	0
Total Sells				93,578,469	93,550,313	0	93,550,313	3,238

FUND B

FUND B FACTS

INVESTMENT OBJECTIVE

Fund B's primary objective was to maximize the present value of distributions from the Fund.

COMPOSITION

Fund B principally consisted of Segregated Securities, which were securities originally purchased for the LGIP that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization (NRSRO) that provides Florida PRIME's AAAM rating. On September 26, 2014, Apollo completed the sale of all Fund B collateral assets.

DISTRIBUTIONS

Participants in Fund B received periodic distributions to the extent that Fund B received proceeds deemed material by the SBA from (1) the natural maturities of securities, coupon interest collections, or collateral interest and principal paydowns; or (2) the sale of securities, collateral liquidation, or other restructure and workout activities undertaken until all principal was returned.

ACCOUNTING

Fund B is accounted for as a fluctuating NAV pool, not a 2a-7-like money market fund. That is, accounting valuations reflect estimates of the market value of securities rather than their amortized cost.

STATUS OF INVESTMENTS

Florida East and West: Restructured from KKR. Underlying assets sold and position closed August 2014.

Florida Funding I: Restructured from Ottimo (Issuer Entity). Underlying assets sold and position closed in June 2014.

Florida Funding II: Restructured from Axon. Underlying assets sold and position closed October 2014.

COMMENTARY ON PORTFOLIO MANAGEMENT

As of September 2014, \$2,009,451,941, or 100 percent of the original participants principal was returned. Fund B participants did not realize any losses on their original principal balances.

For information on the historical performance of Fund B, see prior month's PRIME Monthly Summary Reports.

Over the last several months, the SBA has worked with Trustee staff, Legislative staff, and relevant stakeholder groups to achieve the most equitable method of allocating Fund B's remaining reserves. The Participant Local Government Advisory Council (PLGAC) determined that the most equitable distribution of the remaining reserve would be a pro-rata share of withheld November 2007 interest. This required a change in Florida Law, which was pursued during the past legislative session. This legislation was signed into law on May 21, 2015 with an effective date of July 1, 2015. The SBA will distribute the residual balance in Fund B to each participant in the Local Government Surplus Funds Trust Fund who had been entitled to, but had not received, a November 2007 interest payment on invested funds. The amount paid to such participants will be based on each participant's proportional share of the total November 2007 interest earned by such participants in the Local Government Surplus Funds Trust Fund which was not paid out but transferred to Fund B.

LEGAL ISSUE

There were no outstanding legal issues during June 2015 that had an impact on the liquidity or operation of Fund B.

DISCLOSURE OF MATERIAL IMPACTS

There were no developments during June 2015 that had a material impact on the liquidity or operation of Fund B.

FUND B

HOLDINGS, COMPLIANCE AND TRADING ACTIVITY

INVENTORY OF HOLDINGS - AS OF JUNE 2015

Security Name	Type	Rate Reset	Par	Current Yield	Amort Cost	Mkt Value	Unrealized Gain (Loss)
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND		43,230,668	0	\$43,230,668	\$43,230,668	\$0
Total Value of Investments			43,230,668		\$43,230,668	\$43,230,668	\$0

COMPLIANCE WITH INVESTMENT POLICY - JUNE 2015

Investment Policy Statement (IPS) Compliance is conducted on Fund B by SBA Risk Management and Compliance and reported on a monthly basis to the Investment Oversight Group. Portfolio activity is reviewed to ensure that transactions and holdings are in compliance with the guideline requirements stipulated in the IPS. Since the principal holdings in the fund were the notes issued by the four Fund B special purpose entities, and no deposits or withdrawals are permitted by participants, transactions were limited to 1) the receipt cash flows from the underlying note collateral, 2) the investment of these cash flows in AAAM money market funds, and 3) distributions to participants. Since all collateral sales have been completed, and 100% of principal has now been returned to participants, the cash reserve balance will remain in Fund B and will be invested in AAAM money market funds pending final distributions. For the month of June 2015, Fund B was in compliance with its Investment Policy Statement.

TRADING ACTIVITY - JUNE 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
DREYFUS GOVERNMENT CASH MANAGEMENT		06/02/15	06/02/15	367	367	0	367	0
DREYFUS GOVERNMENT CASH MANAGEMENT		06/25/15	06/25/15	5,246	5,246	0	5,246	0
DREYFUS GOVERNMENT CASH MANAGEMENT		06/30/15	06/30/15	1,443	1,443	0	1,443	0
Total Buys				7,056	7,056	0	7,056	0
Sells								
DREYFUS GOVERNMENT CASH MANAGEMENT		06/01/15	06/01/15	60	60	0	60	0
DREYFUS GOVERNMENT CASH MANAGEMENT		06/16/15	06/16/15	367	367	0	367	0
Total Sells				427	427	0	427	0

Our Mission

Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.



Federated

FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PLAN INVESTMENT POLICY STATEMENT

I. DEFINITIONS

Absolute Real Target Rate of Return - The total rate of return by which the FRS Portfolio must grow, in excess of inflation as reported by the U.S. Department of Labor, Bureau of Labor Statistics (Consumer Price Index – All Urban Consumers), in order to achieve the long-run investment objective.

Asset Class - An asset class is an aggregation of one or more portfolios with the same principal asset type.¹ For example, all of the portfolios whose principal asset type was stocks would be aggregated together as the Global Equity asset class. As such, it would contain primarily—but not exclusively—the principal asset type.

Asset Type - An asset type is a category of investment instrument such as common stock or bond.

Portfolio - A portfolio is the basic organization unit of the FRS Fund. Funds are managed within portfolios. A portfolio will typically contain one principal asset type (common stocks, for example), but may contain other asset types as well. The discretion for this mix of asset types is set out in guidelines for each portfolio.

II. OVERVIEW OF THE FRS AND SBA

The State Board of Administration (Board) provides investment management of assets contributed and held on behalf of the Florida Retirement System (FRS). The investment of retirement assets is one aspect of the activity involved in the overall administration of the Florida Retirement System. The Division of Retirement (DOR), the administrative agency for the FRS, provides full accounting and administration of benefits and contributions, commissions actuarial studies, and proposes rules and regulations for the administration of the FRS. The State Legislature has the responsibility of setting contribution and benefit levels, and providing the statutory guidance for the administration of the FRS.

III. THE BOARD

The State Board of Administration has the authority and responsibility for the investment of FRS assets. The Board consists of the Governor, as Chairman, the Chief Financial Officer, and the Attorney General. The Board has statutory responsibility for the investment of FRS assets, subject to limitations on investments as outlined in Section 215.47, Florida Statutes.

¹ The Strategic Investments asset class is an exception, purposefully established to contain a variety of portfolios which may represent asset types and strategies not suitable for inclusion in other asset classes.

The Board shall discharge its fiduciary duties in accordance with the Florida statutory fiduciary standards of care as contained in Sections 215.44(2)(a) and 215.47(10), Florida Statutes.

The Board delegates to the Executive Director the administrative and investment authority, within the statutory limitations and rules, to manage the investment of FRS assets. An Investment Advisory Council (IAC) is appointed by the Board. The IAC meets quarterly, and is charged with the review and study of general portfolio objectives, policies and strategies, including a review of investment performance.

The mission of the State Board of Administration is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary and professional standards.

IV. THE EXECUTIVE DIRECTOR

The Executive Director is charged with the responsibility for managing and directing administrative, personnel, budgeting, and investment functions, including the strategic and tactical allocation of investment assets.

The Executive Director is charged with developing specific individual investment portfolio objectives and policy guidelines, and providing the Board with monthly and quarterly reports of investment activities.

The Executive Director has investment responsibility for maintaining diversified portfolios, and maximizing returns with respect to the broad diversified market standards of individual asset classes, consistent with appropriate risk constraints. The Executive Director will develop policies and procedures to:

- Identify, monitor and control/mitigate key investment and operational risks.
- Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.
- Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.
- Approve risk allocations and limits, including total fund and asset class risk budgets.

The Executive Director will appoint a Chief Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board, to assist in the execution of the responsibilities enumerated in the preceding list. For day-to-day executive and administrative purposes, the Chief Risk and Compliance Officer will proactively work with the Executive Director and designees to ensure that issues are promptly and thoroughly addressed by

management. On at least a quarterly basis, the Chief Risk and Compliance Officer will provide reports to the Investment Advisory Council, Audit Committee and Board and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group(s) to regularly review, document and formally escalate guideline compliance exceptions and events that may have a material impact on the Trust Fund. The Executive Director is delegated the authority and responsibility to prudently address any such compliance exceptions, with input from the Investment Advisory Council and Audit Committee as necessary and appropriate, unless otherwise required in this Investment Policy Statement.

The Executive Director is responsible for evaluating the appropriateness of the goals and objectives in this Plan in light of actuarial studies and recommending changes to the Board when appropriate.

V. INVESTMENT OBJECTIVES

The investment objective of the Board is to provide investment returns sufficient for the plan to be maintained in a manner that ensures the timely payment of promised benefits to current and future participants and keeps the plan cost at a reasonable level. To achieve this, a long-term real return approximating 5% per annum (compounded and net of investment expenses) should be attained, consistent with the actuarial investment return assumption of 7.65%. As additional considerations, the Board seeks to avoid excessive risk in long-term cost trends. To manage these risks, the volatility of annual returns should be reasonably controlled.

The Board's principal means for achieving this goal is through investment directives to the Executive Director. The main object of these investment directives is the asset class. The Board directs the Executive Director to manage the asset classes in ways that, in the Board's opinion, will maximize the likelihood of achieving the Board's investment objective within an appropriate risk management framework. The Board establishes asset classes, sets target allocations and reasonable ranges around them for each and establishes performance benchmarks for them. In addition, it establishes a performance benchmark for the total portfolio.

VI. TARGET PORTFOLIO AND ASSET ALLOCATION RANGES

The Board's investment objective is an absolute one: achieve a specific rate of return, the absolute real target rate of return. In order to achieve it, the Board sets a relative objective for the Executive Director: achieve or exceed the return on a performance benchmark known as the Target Portfolio over time. The Target Portfolio is a portfolio composed of a specific mix of the authorized asset classes. The return on this portfolio is a weighted-average of the returns to passive benchmarks for each of the asset classes. The expectation is that this return will equal or exceed the absolute real target rate of return long-term and will thus assure achievement of the Board's investment objective.

This relative return objective is developed in a risk management framework. Risk from the perspective of the Board is any shortfall of actual investment returns relative to the absolute real target rate of return over long periods of time, and the asset mix is developed to manage this risk. In selecting the Target Portfolio, the Board considers information from actuarial valuation reviews and asset/liability studies of the FRS, as well as asset class risk and return characteristics. In addition, the timing of cash demands on the portfolio to honor benefit payments and other liabilities are an important consideration. Potential asset mixes are thus evaluated with respect to their expected return, volatility, liquidity, and other risk and return measures as appropriate.

The Target Portfolio defined in Table 2 has a long-term expected compound annual real return that approximates the absolute real target rate of return. To achieve the absolute real target rate of return or actuarial return, material market risk must be borne (i.e., year to year volatility of returns). For example, in 2008 the Trust Fund's net managed real return was -26.81% compared to gains of 17.56% in 2009 and 21.48% in 2003. While downside risk is considerably greater over shorter horizons, the natural investment horizon for the Trust Fund is the long-term. Table 1 illustrates a modeled estimate of the Target Portfolio's potential range of real returns that could result over longer-term investment horizons. Over a 15-year investment horizon there is an 80 percent probability that the Target Portfolio will experience a compound annual real return between -1.2% and 10.4% and a 90 percent probability that the Target Portfolio will experience a compound annual real return between -3.2% and 11.7%.

Table 1: Expected Risk in Target Portfolio's Real Returns

Time Horizon	5 th Percentile Real Return	10 th Percentile Real Return	90 th Percentile Real Return	95th Percentile Real Return
10 Years	-5.5%	-3.2%	11.5%	12.7%
15 Years	-3.2%	-1.2%	10.4%	11.7%
20 Years	-2.3%	-0.2%	9.7%	10.8%
25 Years	-1.6%	0.1%	9.1%	10.3%
30 Years	-1.1%	0.7%	9.0%	10.0%

Although the Target Portfolio has an expected return and risk associated with it, it is important to note that this expected return is neither an explicit nor an implicit goal for the managers of the Florida Retirement System Trust Fund (FRSTF). These figures are used solely in developing directives for fund management that will raise the probability of success in achieving the absolute real target rate of return. The Executive Director is held responsible not for specifically achieving the absolute real target rate of return in each period, but rather for doing at least as well as the market using the Target Portfolio's mix of assets.

In pursuit of incremental investment returns, the Executive Director may vary the asset mix from the target allocation based on market conditions and the investment environment for the individual asset classes. The Executive Director shall adopt an asset allocation policy guideline which specifies the process for making these tactical decisions. The guideline shall concentrate on the analysis of economic conditions, the absolute values of asset class investments and the relative values between asset classes. The Board establishes ranges for tactical allocations, as shown in Table 2.

Table 2: Authorized Asset Classes, Target Allocations and Policy Ranges

Asset Class	Target Allocation	Policy Range	
		Policy Range Low	High
Global Equity	53%	45%	70%
Fixed Income	18%	10%	26%
Real Estate	10%	4%	16%
Private Equity	6%	2%	9%
Strategic Investments	12%	0%	16%
Cash Equivalents	1%	0.25%	5%
Total Fund	100%	--	--

For purposes of determining compliance with these policy ranges, an asset class is considered to be an aggregation of one or more portfolios with substantially the same principal asset type.² An asset type is a category of investment instrument such as common stock or bond. For example, all of the portfolios whose principal asset type is bonds would be aggregated together as the Fixed Income asset class. As such, it would contain primarily—but not exclusively—the principal asset type. As a standard management practice, portfolio managers are expected to meet their goals for all assets allocated to their portfolio.

² The Strategic Investments asset class is an exception, purposefully established to potentially contain a variety of portfolios which may represent asset types and strategies not suitable for inclusion in other asset classes.

It is expected that the FRS Portfolio will be managed in such a way that the actual allocation mix will remain within these ranges. Investment strategies or market conditions which result in an allocation position for any asset class outside of the enumerated ranges for a period exceeding thirty (30) consecutive business days shall be reported to the Board, together with a review of conditions causing the persistent deviation and a recommendation for subsequent investment action.

The asset allocation is established in concert with the investment objective, capital market expectations, projected actuarial liabilities, and resulting cash flows. Table 3 indicates estimated net cash flows (benefit payments less employer and employee contributions) and associated probabilities that are implicit in this policy statement, assuming the Legislature adheres to system funding provisions in current law. Additionally, the annualized income yield of the fund is projected to approximate 2% to 3%.

Table 3: Estimated Net Cash Outflow (\$ millions/ % Fund)

	In 5 Years			In 10 Years		
10 th Percentile	\$	6,317	5.3%	\$	11,200	6.3%
25 th Percentile	\$	6,189	4.7%	\$	9,762	5.5%
Median	\$	6,063	4.2%	\$	8,674	4.8%
75 th Percentile	\$	5,925	3.8%	\$	6,875	4.2%
90 th Percentile	\$	5,760	3.6%	\$	4,002	3.7%

VII. PERFORMANCE MEASUREMENT

Asset class performance is measured in accordance with a broad market index appropriate to the asset class. The indices identified in Table 4 are used as the primary benchmarks for the authorized asset classes.

Table 4: Authorized Target Indices

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% ³
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

$$\begin{array}{c}
 \text{3} \quad \text{Core RE} \quad \quad \quad \text{Non-Core RE} \quad \quad \quad \text{Public RE} \\
 \text{(76.5\% * NFI-ODCE) + [13.5\% * (NFI-ODCE + 150 bps)] + (10\% * REIT Index)}
 \end{array}$$

The return on the Target Portfolio shall be calculated as an average of the returns to the target indices indicated in Table 4 weighted by the target allocations indicated by Table 2, but adjusted for floating allocations. The policy allocations for the private market asset classes would all “float” against the public market asset classes (i.e., limited short-term liquidity available for rebalancing and benefit payments means that their policy allocations would equal their actual allocations) as identified in Table 5.

Table 5: Allocations of Private Market (Real Estate, Private Equity and Strategic Investments) Under and Overweights to Public Market (Global Equity, Fixed Income and Cash) Table 2 Target Allocations

Public Market Asset Classes	Float Allocation Limit	Private Market Asset Classes		
		Real Estate	Private Equity	Strategic Investments
Global Equity	N/A	50%	100%	75%
Fixed Income	N/A	50%	0%	25%

Measurement of asset allocation performance shall be made by comparing the actual asset allocation times the return for the appropriate indices to the target allocation times the index returns. For asset classes with floating allocations the basis of tactical measurement shall be the asset class’s actual share.

Performance measurement of the effectiveness of the implementation of the Private Equity asset class shall be based on an internal rate of return (IRR) methodology, applied over significant periods of time. Performance measurement of the effectiveness of the implementation of the Private Equity and Strategic Investments asset classes shall be assessed relative to both the applicable index in Table 4 and:

- For Private Equity, a fund-based private equity benchmark (e.g., from Venture Economics or Cambridge Associates).
- For Strategic Investments, the CPI, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (Consumer Price Index – All Urban Consumers), plus 5%. Fundamentally, the Strategic Investments asset class is expected to improve the risk-adjusted return of the total fund over multiple market cycles.

VIII. ASSET CLASS PORTFOLIO MANAGEMENT

General Asset Class and Portfolio Guidelines

The Executive Director is responsible for developing asset class and individual portfolio policies and guidelines which reflect the goals and objectives of this Investment Policy Statement. In doing so, he is authorized to use all investment authority spelled out in Section 215.47, Florida Statutes, except as limited by this Plan or SBA Rules. The Executive Director shall develop

guidelines for the selection and retention of portfolios, and shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board.

All asset classes shall be invested to achieve or exceed the return on their respective benchmarks over a long period of time. To obtain appropriate compensation for associated performance risks:

- Public market asset classes shall be well diversified with respect to their benchmarks and have a reliance on low cost passive strategies scaled according to the degree of efficiency in underlying securities markets, capacity in effective active strategies, and ongoing total fund liquidity requirements.
- Private Equity, Real Estate and Strategic Investments asset classes shall utilize a prudent process to maximize long-term access to attractive risk-adjusted investment opportunities through use of business partners with appropriate:
 - Financial, operational and investment expertise and resources;
 - Alignment of interests;
 - Transparency and repeatability of investment process; and
 - Controls on leverage.

Strategic Investments Guidelines

The objective of the asset class is to proactively identify and utilize non-traditional and multi-asset class investments, on an opportunistic and strategic basis, in order to accomplish one or more of the following:

- Generate long-term incremental returns in excess of a 5% annualized real rate of return, commensurate with risk.
- Diversify the FRS Pension Plan assets.
- Provide a potential hedge against inflation.
- Increase investment flexibility, across market environments, in order to access evolving or opportunistic investments outside of traditional asset classes and effective risk-adjusted portfolio management strategies.

Strategic Investments may include, but not be limited to, direct investments authorized by s. 215.47, Florida Statutes or investments in capital commitment partnerships, hedge funds or other vehicles that make or involve non-traditional, opportunistic and/or long or short investments in marketable and nonmarketable debt, equity, and/or real assets (e.g., real estate, infrastructure, or commodities). Leverage may be utilized subject to appropriate controls.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2007-88, Laws of Florida, the “Protecting

Florida's Investments Act." Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.473(6), Florida Statutes.

IX. REPORTING

The Board directs the Executive Director to coordinate the preparation of quarterly reports of the investment performance of the FRS by the Board's independent performance evaluation consultant.

The following formal periodic reports to the Board shall be the responsibility of the Executive Director:

- An annual report on the SBA and its investment portfolios, including that of the FRS.
- A monthly report on performance and investment actions taken.
- Special investment reports pursuant to Section 215.44-215.53, Florida Statutes.

X. IMPLEMENTATION SCHEDULE

This policy statement shall be effective January 1, 2015.

**Investment Policy Statement
Local Government Surplus Funds Trust Fund (Non-Qualified)
Effective July 1, 2015**

I. Purpose and Scope

The purpose of this Investment Policy Statement (“Policy”) is to set forth the investment objective, investment strategies, and authorized portfolio securities for the Local Government Surplus Funds Trust Fund (“Florida PRIME”). The Policy also describes the risks associated with an investment in Florida PRIME. This Policy does not relate to Fund B as defined in Section 218.421, Florida Statutes.

II. Overview of Florida PRIME

The Local Government Surplus Funds Trust Fund was created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, Florida Statutes). The State Board of Administration (“SBA”) is charged with the powers and duties to administer and invest Florida PRIME, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(9), Florida Statutes. The SBA has contracted with Federated Investment Counseling (the “Investment Manager”) to provide investment advisory services for Florida PRIME.

Florida PRIME is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, “Applicable Florida Law”).

III. Roles and Responsibilities

The Board of Trustees of the SBA (“Trustees”) consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees will annually certify that Florida PRIME is in compliance with the requirements of Chapter 218, Florida Statutes, and that the management of Florida PRIME is in accord with best investment practices.

The Trustees delegate the administrative and investment authority to manage Florida PRIME to the Executive Director of the SBA, subject to Applicable Florida Law. The Trustees appoint an Investment Advisory Council and a Participant Local Government Advisory Council. Both Councils will, at least annually, review this Policy and any proposed changes prior to its presentation to the Trustees and will undertake other duties set forth in Applicable Florida Law.

IV. Amortized Cost Accounting

In March 1997, the Governmental Accounting Standards Board (“GASB”) issued Statement 31, titled “Accounting and Financial Reporting for Certain Investments and for External Investment Pools.” GASB 31 applies to Florida PRIME.

GASB 31 outlines the two options for accounting and reporting for money market investment pools as either “2a-7 like” or fluctuating net asset value (“NAV”). GASB 31 describes a “2a-7 like” pool as an “external investment pool that is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the “1940 Act”).” Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions.

Florida PRIME will operate in a manner consistent with the diversification, credit quality and maturity conditions of Rule 2a-7. Accordingly, it qualifies for “2a-7 like” status under GASB 31, and is thereby permitted to use the amortized cost method to maintain a stable NAV of \$1.00 per share.

V. Investment Objective

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poor’s U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in this Policy.

VI. Investment Strategies & Specific Limitations

The Investment Manager will invest Florida PRIME’s assets in short-term, high-quality fixed income securities. To be considered high-quality, a security must be rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations (“NRSROs”), or be deemed to be of comparable quality thereto by the Investment Manager, subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager also may enter into special transactions for Florida PRIME, like repurchase agreements. Each repurchase agreement counterparty must have an explicit issuer or counterparty credit rating in the highest short-term rating category from Standard & Poor’s. Certain of the fixed -income securities in which Florida PRIME invests pay interest at a rate that is periodically adjusted (“Adjustable Rate Securities”).

The Investment Manager will manage credit risk by purchasing only high quality securities. The Investment Manager will perform a credit analysis to develop a database of issuers and securities that meet the Investment Manager’s standard for minimal credit risk. The Investment Manager monitors the credit risks of all Florida PRIME’s portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments, and ratings of certain NRSROs. The Investment Manager will utilize a “new products” or similar committee to review and approve new security structures prior to an investment of Florida PRIME’s assets in such securities. The Investment Manager will periodically consider and follow best practices in connection with minimal credit risk determinations (e.g., such as those described in Appendix I of the Investment Company Institute’s 2009, *Report of the Money Market Working Group*).

The Investment Manager will manage interest rate risk by purchasing only short-term fixed income securities. The Investment Manager will target a dollar-weighted average maturity range for Florida PRIME based on its interest rate outlook. The Investment Manager will formulate its interest rate outlook by analyzing a variety of factors, such as current and expected U.S. economic growth; current and expected interest rates and inflation; and the Federal Reserve Board’s monetary policy. The Investment Manager will generally shorten Florida PRIME’s dollar-weighted average maturity when it expects interest rates to rise and extend Florida PRIME’s dollar-weighted average maturity when it expects interest rates to fall. The remaining maturity of securities purchased by the Investment Manager shall not exceed 762 days for government floating rate notes/variable rate notes and will not exceed 397 days for all other securities.

The Investment Manager will exercise reasonable care to maintain (i) a dollar weighted average maturity (“DWAM”) of 60 days or less; and (ii) a maximum weighted average life (WAL) within the range of 90-120 days, depending on the levels of exposure and ratings of certain Adjustable Rate Securities. The maximum WAL will depend upon the percentage exposures to government and non-government Adjustable Rate Securities, with sovereign (government) Adjustable Rate Securities rated AA- and higher allowed a 120-day limit, and non-sovereign (corporate) Adjustable Rate Securities (and sovereign Adjustable Rate Securities rated below AA-) restricted to a 90-day limit. The portfolio’s maximum

WAL will be based on a weighted average of the percentage exposures to each type of floating-rate instrument.

For purposes of calculating DWAM, the maturity of an Adjustable Rate Security generally will be the period remaining until its next interest rate adjustment. For purposes of calculating WAL, the maturity of an Adjustable Rate Security will be its stated final maturity, without regard to interest rate adjustments; accordingly, the WAL limitation could serve to restrict Florida PRIME's ability to invest in Adjustable Rate Securities.

The Investment Manager will exercise reasonable care to limit exposure to not more than 25% of Florida PRIME's assets in a single industry sector, with the exception that the Investment Manager may invest more than 25% in the financial services industry sector, which includes banks, broker-dealers, and finance companies. This higher limit is in recognition of the large outstanding value of money fund instruments issued by financial services firms. Government securities are not considered to be an industry.

The Investment Manager will exercise reasonable care to not acquire a security, other than (i) a Daily Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 10% of its total assets in Daily Liquid Assets; (ii) a Weekly Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 30% of its total assets in Weekly Liquid Assets. Daily Liquid Assets include cash, direct obligations of the U.S. government and securities that convert to cash in one business day. Weekly Liquid Assets include cash, direct obligations of the U.S. government, certain government securities with remaining maturities of 60 business days or less and securities that convert to cash in five business days.

The Investment Manager will exercise reasonable care to not acquire securities that cannot be sold or disposed of in the ordinary course of business within seven days at approximately the value ascribed to them by Florida PRIME if, immediately after the acquisition, Florida PRIME would have invested more than 5% of its total assets in such securities.

In buying and selling portfolio securities for Florida PRIME, the Investment Manager will comply with (i) the diversification, maturity and credit quality conditions imposed by Rule 2a-7 under the 1940 Act, (ii) the requirements imposed by any NRSRO that rates Florida PRIME to ensure that it maintains a AAAM rating (or the equivalent) and (iii) the investment limitations imposed by Section 215.47, Florida Statutes.

The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in Rule 2a-7. First, at least 50% of Florida PRIME assets will be invested in securities rated "A-1+" or those deemed to be of comparable credit quality thereto by the Investment Manager (i.e., so long as such deeming is consistent with the requirements of the NRSRO's AAAM (or equivalent) rating criteria), subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager will document each instance in which a security is deemed to be of comparable credit quality and its basis for such a determination. Second, exposure to any single non-governmental issuer will not exceed 5% and exposure to any single money market mutual fund will not exceed 10% of Florida PRIME assets.

VII. Portfolio Securities and Special Transactions

The Investment Manager will purchase only fixed income securities for Florida PRIME, and may engage in special transactions, for any purpose that is consistent with Florida PRIME's investment objective.

Fixed income securities are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a short-term fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Florida PRIME may invest include corporate debt securities, bank instruments, asset backed securities, U.S. Treasury securities, U.S. government agency securities, insurance contracts, municipal securities, foreign securities, mortgage backed securities, and shares of money market mutual funds. However, Florida PRIME is not permitted to buy such fixed income securities to the extent that they require Florida PRIME to be a qualified institutional buyer.

Special transactions are transactions into which Florida PRIME may enter, including, but not limited to, repurchase agreements and delayed delivery transactions.

For a more detailed description of Florida PRIME's portfolio securities and special transactions, please see "Additional Information Regarding Florida PRIME's Principal Securities" at Appendix A.

VIII. Risks Associated with Florida PRIME

An investment in Florida PRIME is subject to certain risks. Any investor in Florida PRIME should specifically consider, among other things, the following principal risks before making a decision to purchase shares of Florida PRIME.

Risk that Florida PRIME will not Maintain a Stable Net Asset Value

Although the Investment Manager attempts to manage Florida PRIME such that it maintains a stable NAV of \$1.00 per share, there is no guarantee that it will be able to do so. Florida PRIME is not registered under the 1940 Act or regulated by the SEC.

Interest Rate Risks

The prices of the fixed income securities in which Florida PRIME will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

Credit Risks

Credit risk is the possibility that an issuer of a fixed income security held by Florida PRIME will default on the security by failing to pay interest or principal when due. If an issuer defaults, Florida PRIME will lose money.

Liquidity Risks

Trading opportunities are more limited for fixed income securities that are not widely held. These features make it more difficult to sell or buy securities at a favorable price or time. Consequently, Florida PRIME may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on Florida PRIME's performance.

Concentration Risks

A substantial part of Florida PRIME may be comprised of securities issued by companies in the

financial services industry, companies with similar characteristics, or securities credit enhanced by banks or companies with similar characteristics. As a result, Florida PRIME may be more susceptible to any economic, business, or political risks or other developments that generally affect finance companies. Developments affecting companies in the financial services industry or companies with similar characteristics might include changes in interest rates, changes in the economic cycle affecting credit losses and regulatory changes.

Risks of Foreign Investing

Foreign securities pose additional risks because foreign economic or political conditions may be less favorable than those of the United States. Securities in foreign markets also may be subject to taxation policies that reduce returns for U.S. investors.

Call Risks

If a fixed income security is called, Florida PRIME may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Prepayment Risks

Unlike traditional fixed income securities, which pay a fixed rate of interest until maturity (when the entire principal amount is due), payments on asset-backed securities include both interest and a partial payment of principal. Partial payment of principal may be comprised of scheduled principal payments as well as unscheduled payments from voluntary prepayment, refinancing, or foreclosure of the underlying loans. If Florida PRIME receives unscheduled prepayments, it may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Risks Associated with Amortized Cost Method of Valuation

Florida PRIME will use the amortized cost method to determine the value of its portfolio securities. Under this method, portfolio securities are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. Accordingly, neither the amount of daily income nor the NAV is affected by any unrealized appreciation or depreciation of the portfolio. In periods of declining interest rates, the indicated daily yield on shares computed by dividing the annualized daily income on Florida PRIME's portfolio by the NAV, as computed above, may tend to be higher than a similar computation made by using a method of valuation based on market prices and estimates. In periods of rising interest rates, the opposite may be true.

Changing Distribution Level Risk

There is no guarantee that Florida PRIME will provide a certain level of income or that any such income will exceed the rate of inflation. Further, Florida PRIME's yield will vary. A low interest rate environment may prevent Florida PRIME from providing a positive yield or paying expenses out of current income.

Throughout this section, it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

For additional information regarding Florida PRIME's principal securities and associated risks, please see Appendix A.

IX. Controls and Escalation Procedures

Section 218.409(2), Florida Statutes requires this Policy to document a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls include formal escalation reporting guidelines for all employees to address material impacts on Florida PRIME that require reporting and action.

The SBA has engaged BNY Mellon (“Custodian”) to provide asset safekeeping, custody, fund accounting and performance measurement services to Florida PRIME. The Custodian will mark to market the portfolio holdings of Florida PRIME on a daily basis and will daily communicate both amortized cost price and mark to market price, so that the SBA and the Investment Manager can monitor the deviations between the amortized cost price and market price. By contractual agreement, the Investment Manager will reconcile accounting and performance measurement reports with the Custodian on at least a monthly basis, under the supervision of the SBA.

The NRSRO that rates Florida PRIME will perform regular independent surveillance of Florida PRIME. The SBA and an independent investment consultant will regularly monitor the Investment Manager with respect to performance and organizational factors according to SBA manager monitoring policies.

The SBA and third parties used to materially implement Florida PRIME will maintain internal control, fraud and ethics policies and procedures designed to prevent the loss of public funds.

The Executive Director will develop policies and procedures to:

- Identify, monitor and control/mitigate key investment and operational risks.
- Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.
- Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.
- Approve risk allocations and limits, including total fund and asset class risk budgets.

The Executive Director will appoint a Chief Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board, to assist in the execution of the responsibilities enumerated in the preceding list. For day-to-day executive and administrative purposes, the Chief Risk and Compliance Officer will proactively work with the Executive Director and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief Risk and Compliance Officer will provide reports to the Investment Advisory Council, Audit Committee and Board, and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group to regularly review, document and formally escalate compliance exceptions and events that may have a material impact on Florida PRIME. Minutes of the Investment Oversight Group’s meetings and a listing of meeting participants shall be timely posted on the Florida PRIME website.

The Investment Oversight Group will meet and report monthly to the Executive Director, except upon the occurrence of a material event. The SBA and the Investment Manager have an affirmative duty to immediately disclose any material impact on Florida PRIME to the participants, including, but not limited to:

1. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.25%, according to pricing information provided by the Custodian, the Investment Manager will establish a formal action plan. The Investment Oversight Group will review the formal action plan and prepare a recommendation for the Executive Director's consideration.
2. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.50%, according to pricing information provided by the Custodian, the Executive Director will promptly consider what action, if any, will be initiated. Where the Executive Director believes the extent of any deviation from Florida PRIME's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, he will cause Florida PRIME to take such action as he deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.
3. The Investment Manager will perform daily compliance monitoring to ensure that investment practices comply with the requirements of this Policy, according to documented compliance procedures. The Investment Manager will provide regular compliance reports and will communicate compliance exceptions within 24 hours of identification to the Investment Oversight Group. Additionally, the Investment Oversight Group will periodically conduct independent compliance reviews.
4. In the event that a security receives a credit rating downgrade and ceases to be in the highest rating category, or the Investment Manager determines that the security is no longer of comparable quality to the highest short-term rating category (in either case, a "Downgrade"), the Investment Manager will reassess whether the security continues to present minimal credit risk and will cause Florida PRIME to take any actions determined by the Investment Manager to be in the best interest of Florida PRIME; provided however, that the Investment Manager will not be required to make such reassessments if Florida PRIME disposes of the security (or the security matures) within five business days of the Downgrade.
5. In the event that a security no longer meets the criteria for purchase due to default, event of insolvency, a determination that the security no longer presents minimal credit risks, or other material event ("Affected Security"), the Investment Manager must dispose of the security as soon as practical, consistent with achieving an orderly disposition of the security, by sale, exercise of a demand feature or otherwise. An Affected Security may be held only if the Executive Director has determined, based upon a recommendation from the Investment Manager and the Investment Oversight Group, that it would not be in the best interest of Florida PRIME to dispose of the security taking into account market conditions that may affect an orderly disposition.
6. The Investment Manager will monthly stress test Florida PRIME and at least quarterly report the results of the stress tests to the Investment Oversight Group. Stress tests must be conducted for at least the following events, or combinations of events (i) a change in short-term interest rates; (ii) an increase in net shareholder redemptions; (iii) downgrades or defaults; and (iv) changes between a benchmark overnight interest rate and the interest rates on securities held by Florida PRIME.

The Investment Manager will at least annually provide the Investment Oversight Group with: (i) their documented compliance procedures; (ii) an assessment of Florida PRIME's ability to withstand events reasonably likely to occur in the coming year and (iii) their list of NRSROs utilized as a component of the credit risk monitoring process.

The Executive Director's delegated authority as described in this section is intended to provide him with sufficient authority and operating flexibility to make professional investment decisions in response to changing market and economic conditions. Nonetheless, the Trustees will at least monthly review and approve management summaries of material impacts on Florida PRIME, any actions or escalations taken thereon, and carry out such duties and make such determinations as are otherwise necessary under applicable law, regulation or rule.

Pursuant to Florida law, the Auditor General will conduct an annual financial audit of Florida PRIME, which will include testing for compliance with this Policy.

X. Deposits and Withdrawals

Investors should refer to the separate Florida PRIME Operating Procedures for detailed descriptions regarding how to make deposits in and withdrawals from Florida PRIME, including (1) any fees and limitations that may be imposed with respect thereto; and (2) reports provided to participants.

XI. Management Reporting

The Executive Director will be responsible for providing the formal periodic reports to the Trustees, legislative committees and other entities:

1. An annual report on the SBA and its investment portfolios, including that of Florida PRIME.
2. A monthly report on performance and investment actions taken.
3. Special reports pursuant to Chapter 218, Florida Statutes.

Appendix A
Additional Information Regarding Florida PRIME's Principal Securities

Throughout this appendix it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

FIXED INCOME SECURITIES

Corporate Debt Securities

Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Florida PRIME also may purchase interests in bank loans to companies.

COMMERCIAL PAPER

Commercial paper is an issuer's obligation with a maturity of less than nine months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

DEMAND INSTRUMENTS

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Florida PRIME treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

Bank Instruments

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Florida PRIME will not invest in instruments of domestic and foreign banks and savings and loans unless they have capital, surplus, and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund or the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation. These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Euro-dollar Time Deposits.

Asset Backed Securities

Asset backed securities are payable from pools of obligations, most of which involve consumer or commercial debts. However, almost any type of fixed income assets (including other fixed income securities) may be used to create an asset backed security. Asset backed securities may take the form of commercial paper, notes or pass-through certificates.

Government Securities

Government security means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of

the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

U.S. Treasury Securities

U.S. Treasury securities are direct obligations of the federal government of the United States. U.S. Treasury securities are generally regarded as having the lowest credit risks.

Agency Securities

Agency securities are issued or guaranteed by a federal agency or other government sponsored entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Farm Credit System Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support, but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Investors regard agency securities as having low credit risks, but not as low as Treasury securities. Florida PRIME treats mortgage-backed securities guaranteed by a GSE as if issued or guaranteed by a federal agency. Although such a guarantee protects against credit risks, it does not reduce market risks.

Insurance Contracts

Insurance contracts include guaranteed investment contracts, funding agreements and annuities. Florida PRIME treats these contracts as fixed income securities.

Municipal Securities

Municipal securities are issued by states, counties, cities and other political subdivisions and authorities.

Foreign Securities

Foreign securities are U.S. dollar-denominated securities of issuers based outside the United States. Florida PRIME considers an issuer to be based outside the United States if:

- it is organized under the laws of, or has a principal office located in, another country;
- the principal trading market for its securities is in another country; or
- it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country.

Mortgage Backed Securities

Mortgage backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable rate mortgages are known as ARMs.

Zero Coupon Securities

Certain of the fixed income securities in which Florida PRIME invests are zero coupon securities. Zero coupon securities do not pay interest or principal until final maturity, unlike debt securities that provide periodic payments of interest (referred to as a “coupon payment”). Investors buy zero coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero coupon security.

Callable Securities

Certain of the fixed income securities in which Florida PRIME invests are callable at the option of the issuer. Callable securities are subject to reinvestment risks.

144A Securities

The SBA has determined that Florida PRIME constitutes (i) an “accredited investor” as defined in Rule 501(a)(7) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), as long as Florida PRIME has total assets in excess of \$5,000,000 and (ii) a “qualified purchaser” as defined in Section 2(a)(51)(A)(iv) of the 1940 Act, as long as Florida PRIME in the aggregate owns and invests on a discretionary basis not less than \$25,000,000 in investments, but does not constitute a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act. Florida PRIME is restricted from purchasing or acquiring securities or investments that would require Florida PRIME to represent in connection with such purchase or acquisition that it is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act.

Money Market Mutual Funds

Florida PRIME may invest in shares of registered investment companies that are money market mutual funds, including those that are affiliated with the Investment Manager, as an efficient means of implementing its investment strategies and/or managing its uninvested cash. These other money market mutual funds are managed independently of Florida PRIME and incur additional fees and/or expenses that would, therefore, be borne indirectly by Florida PRIME in connection with such investment. However, the Investment Manager believes that the benefits and efficiencies of this approach should outweigh the potential additional fees and/or expenses. The Investment Manager must obtain prior written consent of the SBA to invest Florida PRIME in money market mutual funds that are “affiliated persons” of the Investment Manager.

SPECIAL TRANSACTIONS

The Investment Manager on behalf of Florida PRIME may engage in the following special transactions.

Repurchase Agreements

A repurchase agreement is a transaction in which Florida PRIME buys a security from a dealer or bank

and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting Florida PRIME's return on the transaction. This return is unrelated to the interest rate on the underlying security. Florida PRIME will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Investment Manager.

Florida PRIME's custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Investment Manager or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks.

Delayed Delivery Transactions

Delayed delivery transactions, including when-issued transactions, are arrangements in which Florida PRIME buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by Florida PRIME to the issuer and no interest accrues to Florida PRIME. Florida PRIME records the transaction when it agrees to buy the securities and reflects their value in determining the price of its units. Settlement dates may not be more than seven business days after entering into these transactions; nonetheless, the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for Florida PRIME. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

Asset Coverage

In order to secure its obligations in connection with special transactions, Florida PRIME will either own the underlying assets, enter into an offsetting transaction or set aside readily marketable securities with a value that equals or exceeds Florida PRIME's obligations. Unless Florida PRIME has other readily marketable assets to set aside, it cannot trade assets used to secure such obligations without terminating a special transaction. This may cause Florida PRIME to miss favorable trading opportunities or to realize losses on special transactions.



**STATE BOARD OF ADMINISTRATION
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AS TREASURER
PAM BONDI
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AS SECRETARY
ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

**CHARTER OF THE AUDIT COMMITTEE
OF THE
STATE BOARD OF ADMINISTRATION OF FLORIDA**

A. PURPOSE:

Acting pursuant to Section 215.44(2)(c), Florida Statutes, the Board of Trustees ("Board") of the State Board of Administration (SBA) has established an Audit Committee (the "Committee") whose purpose is to assist the board in fulfilling its oversight responsibilities. The Committee shall serve as an independent and objective party to monitor processes for financial reporting, internal controls and risk assessment, audit processes, and compliance with laws, rules, and regulations.

B. AUTHORITY:

The Committee's authority comes from Section 215.44(2)(c), Florida Statutes and from the Board. The Committee has the authority to direct the Board's independent external auditors, the SBA's Chief Audit Executive ("CAE") or the SBA's Office of Internal Audit ("OIA") staff to conduct an audit, review, and/or a special investigation into any matters within the scope of the Committee's responsibility.

C. MEMBERSHIP:

The Committee shall consist of three (3) members appointed by the Board. Members shall be appointed for four (4) year terms. A vacancy shall be filled for the remainder of the unexpired term. Per statute, the persons appointed must have relevant knowledge and expertise as determined by the board.

The Committee will annually elect its chair and vice chair from its membership by majority vote of the members. A member may not be elected to consecutive terms as chair or vice chair.

Each Committee member will be independent and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee and will be required to complete an annual independence statement.

Approved by SBA Board of Trustees on September 18, 2012
Reviewed by SBA Audit Committee on August 13, 2012,
September 3, 2013, and August 25, 2014

Reviewed and revised by SBA Audit Committee on August 17, 2015

D. MEMBERSHIP QUALIFICATIONS:

The Committee members are appointed by the Board pursuant to s. 215.44(1)(c), Florida Statutes. At the time of his or her appointment, each member shall be independent and financially literate according to the following standards:

1. Each member must meet the independence requirement of the United States Securities and Exchange Commission (SEC) with respect to the activities and funds of the State Board of Administration.
2. Each member must be able to read and understand fundamental financial statements, including balance sheet, income statement and statement of cash flows and have working familiarity with financial practices applicable to fiduciary trust, banking, brokerage, asset management or other similar financial services operations.

The Board shall consider the following guidelines when appointing members to ensure the Audit Committee, as an entity, has the collective knowledge, skills, and abilities necessary to accomplish its statutory mission. Members must possess one or more of the following attributes:

1. Financial expertise as defined in the “audit committee financial expert” corporate governance rules and regulations of the SEC.
2. Investment literacy consistent with a current working knowledge of investment products commonly used by institutional investors.
3. Knowledge and experience in the practice of internal and/or external auditing, including familiarity with current auditing standards.

The Board shall endeavor to ensure at least one member is deemed to meet the requirements of an “audit committee financial expert” as defined by the corporate governance rules and regulations of the SEC, to the extent practical.

E. MEETINGS AND COMMUNICATIONS:

The Committee shall meet four (4) times annually, or more frequently as deemed necessary by the Committee. All Committee members are expected to attend each meeting in person or via teleconference or video conference. The Committee may not conduct any meeting with fewer than three (3) members present. The Committee may ask members of the SBA management or others to attend meetings and provide pertinent information as necessary. The CAE, in conjunction with the Committee chair and the Executive Director ~~&and~~ CIO, will ensure that meeting agendas and appropriate briefing materials are prepared and provided in advance to members and SBA management. Minutes of all Committee meetings will be prepared and approved.

~~All written communications by any member of the Committee to the CAE will be provided to all other Committee members.~~

-

The Committee is subject to Florida's Government in the Sunshine Law (Sunshine Law) as set forth in Chapter 286, Florida Statutes. The Sunshine Law extends to all discussions and deliberations as well as any formal action taken by the Committee. The law is applicable to any gathering, whether formal or casual, of two or more members of the Committee to discuss some matter on which foreseeable action will be taken. Reasonable public notice must be given for all such gatherings. In the event any meeting or portion thereof would reveal information that specifically is made exempt under the Sunshine Law, the Committee either may hold a separate closed meeting to discuss the exempted information or the Committee can close the portion of the publicly noticed meeting in which the exempted information is discussed but will notify the public of such closed meeting in a manner advised by the SBA's General Counsel (or his or her designee). The Committee will make an audio or other recording in the manner advised by the SBA's General Counsel (or his or her designee) of all or any portion of a meeting that is closed because of such exemption.

F. REPORTING RESPONSIBILITIES:

The Committee shall report periodically, but no less than quarterly, to the Board and the Executive Director ~~&and~~ CIO of the SBA regarding the Committee activities, issues, and recommendations.

G. DUTIES AND RESPONSIBILITIES:

The primary duties and responsibilities of the Committee are to:

1. Financial Reporting

- Review the annual financial statements of all Trust Funds required to be audited and any certification, report, opinion, or review rendered by internal or external auditors.
- Inquire as to the external auditors' independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and clarity of financial disclosures practices used or proposed to be adopted by SBA.
- Inquire as to the external auditors' views about whether management's choices of accounting principles are conservative, moderate or aggressive from the perspective of income, asset and liability recognition, and whether those principles are common practices or a minority practice.
- Review, in consultation with the external auditors and the CAE, the integrity of SBA's financial reporting processes.

2. Internal Controls and Risk Assessment

- Review OIA or external evaluation of the effectiveness of the SBA's process for assessing significant risks or exposures and the steps management has taken to monitor and control such risks, including internal controls.
- Review significant findings and recommendations of the auditors (internal and external) with management's responses, including the timetable for implementation of recommendations to correct weaknesses in the internal controls.
- Review with the independent auditors, CAE and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the SBA and review any significant recommendations for the improvement of such internal control procedures or particular areas where more effective controls or procedures are desirable.

3. Compliance

- Review OIA or external provider's evaluation of the effectiveness of the system for ensuring compliance with laws, rules, regulations, policies, and procedures and the results of management's investigation and follow-up of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies.
- Review information from management and legal counsel regarding compliance matters.
- Review reports on compliance activities from the Chief Risk and Compliance Officer.
- Review the results of the externally commissioned governance, risk and compliance review as it pertains to compliance activities.

4. Enterprise Risk Management

- Review quarterly reports on enterprise risk management activities from the Chief Risk and Compliance Officer.

- Review the results of the externally commissioned governance, risk and compliance review as it pertains to enterprise risk management activities.

5. Internal Audit

- Review and approve annually, in consultation with the Executive Director ~~&and~~ CIO and the CAE, the OIA Charter, annual audit plan, budget, staffing, and organizational structure of the internal audit department. Confirm and assure the independence and objectivity of the OIA.
- Receive internal audit reports and a progress report on the approved annual plan on a periodic basis.
- Assist the Board in decisions regarding the appointment and removal of the CAE.
- Review periodic internal and no less frequently than every five years external quality assurance reviews required by the Standards.

6. External Audit

- Search, select, and engage external audit firms by approving:
 - Scope of work for competitive solicitations
 - Selection process
 - Final engagement letters (for execution by the Executive Director ~~&and~~ CIO)
- Meet, as needed, with the representatives of the Auditor General and other external auditors regarding the proposed scope and approach of their external auditing functions and subsequently the results of their audit of the SBA.
- Meet, as needed, with representatives of OPPAGA regarding its review of the performance of the SBA.
- Review with management the results of all audits, including any difficulties encountered by the auditors or disputes with management during the course of their audit. External auditors will be consulted, as needed.

7. Other Responsibilities

- Review and assess the adequacy of the Committee Charter no less than annually, and request Board approval for the proposed changes.

- Commission a SBA governance, risk management and compliance (GRC) program evaluation and performance improvement analysis (including the assessment of the utilization and effectiveness of both the internal and external audit functions) to be performed by an external provider no less frequently than every three years and incorporating input from SBA management.
- Directing the CAE to conduct investigations into any matters within its scope of responsibility and obtaining advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities.

While the Committee has the responsibilities and the authority as set forth in Section 215.44(2)(c), Florida Statutes, and this Charter, it is not the responsibility of the Committee to plan or conduct individual audits, reviews and/or investigations, to attest to the SBA's financial information or condition, to resolve disagreements, or to assume responsibility for compliance with laws, rules, regulations, policies, procedures, the Employee Handbook, or the Code of Ethics.



**STATE BOARD OF ADMINISTRATION
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GOVERNOR
AS CHAIRMAN

JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

PAM BONDI
ATTORNEY GENERAL
AS SECRETARY

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

**CHARTER OF THE AUDIT COMMITTEE
OF THE
STATE BOARD OF ADMINISTRATION OF FLORIDA**

A. PURPOSE:

Acting pursuant to Section 215.44(2)(c), Florida Statutes, the Board of Trustees ("Board") of the State Board of Administration (SBA) has established an Audit Committee (the "Committee") whose purpose is to assist the board in fulfilling its oversight responsibilities. The Committee shall serve as an independent and objective party to monitor processes for financial reporting, internal controls and risk assessment, audit processes, and compliance with laws, rules, and regulations.

B. AUTHORITY:

The Committee's authority comes from Section 215.44(2)(c), Florida Statutes and from the Board. The Committee has the authority to direct the Board's independent external auditors, the SBA's Chief Audit Executive ("CAE") or the SBA's Office of Internal Audit ("OIA") staff to conduct an audit, review, and/or a special investigation into any matters within the scope of the Committee's responsibility.

C. MEMBERSHIP:

The Committee shall consist of three (3) members appointed by the Board. Members shall be appointed for four (4) year terms. A vacancy shall be filled for the remainder of the unexpired term. Per statute, the persons appointed must have relevant knowledge and expertise as determined by the board.

The Committee will annually elect its chair and vice chair from its membership by majority vote of the members. A member may not be elected to consecutive terms as chair or vice chair.

Each Committee member will be independent and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee and will be required to complete an annual independence statement.

Approved by SBA Board of Trustees on September 18, 2012
Reviewed by SBA Audit Committee on August 13, 2012,
September 3, 2013, and August 25, 2014

D. MEMBERSHIP QUALIFICATIONS:

The Committee members are appointed by the Board pursuant to s. 215.44(1)(c), Florida Statutes. At the time of his or her appointment, each member shall be independent and financially literate according to the following standards:

1. Each member must meet the independence requirement of the United States Securities and Exchange Commission (SEC) with respect to the activities and funds of the State Board of Administration.
2. Each member must be able to read and understand fundamental financial statements, including balance sheet, income statement and statement of cash flows and have working familiarity with financial practices applicable to fiduciary trust, banking, brokerage, asset management or other similar financial services operations.

The Board shall consider the following guidelines when appointing members to ensure the Audit Committee, as an entity, has the collective knowledge, skills, and abilities necessary to accomplish its statutory mission. Members must possess one or more of the following attributes:

1. Financial expertise as defined in the “audit committee financial expert” corporate governance rules and regulations of the SEC.
2. Investment literacy consistent with a current working knowledge of investment products commonly used by institutional investors.
3. Knowledge and experience in the practice of internal and/or external auditing, including familiarity with current auditing standards.

The Board shall endeavor to ensure at least one member is deemed to meet the requirements of an “audit committee financial expert” as defined by the corporate governance rules and regulations of the SEC, to the extent practical.

E. MEETINGS AND COMMUNICATIONS:

The Committee shall meet four (4) times annually, or more frequently as deemed necessary by the Committee. All Committee members are expected to attend each meeting in person or via teleconference or video conference. The Committee may not conduct any meeting with fewer than three (3) members present. The Committee may ask members of the SBA management or others to attend meetings and provide pertinent information as necessary. The CAE, in conjunction with the Committee chair and the Executive Director & CIO, will ensure that meeting agendas and appropriate briefing materials are prepared and provided in advance to members and SBA management. Minutes of all Committee meetings will be prepared and approved.

The Committee is subject to Florida’s Government in the Sunshine Law (Sunshine Law) as set forth in Chapter 286, Florida Statutes. The Sunshine Law extends to all discussions and deliberations as well as any formal action taken by the Committee. The law is applicable to

any gathering, whether formal or casual, of two or more members of the Committee to discuss some matter on which foreseeable action will be taken. Reasonable public notice must be given for all such gatherings. In the event any meeting or portion thereof would reveal information that specifically is made exempt under the Sunshine Law, the Committee either may hold a separate closed meeting to discuss the exempted information or the Committee can close the portion of the publicly noticed meeting in which the exempted information is discussed but will notify the public of such closed meeting in a manner advised by the SBA's General Counsel (or his or her designee). The Committee will make an audio or other recording in the manner advised by the SBA's General Counsel (or his or her designee) of all or any portion of a meeting that is closed because of such exemption.

F. REPORTING RESPONSIBILITIES:

The Committee shall report periodically, but no less than quarterly, to the Board and the Executive Director & CIO of the SBA regarding the Committee activities, issues, and recommendations.

G. DUTIES AND RESPONSIBILITIES:

The primary duties and responsibilities of the Committee are to:

1. Financial Reporting

- Review the annual financial statements of all Trust Funds required to be audited and any certification, report, opinion, or review rendered by internal or external auditors.
- Inquire as to the external auditors' independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and clarity of financial disclosures practices used or proposed to be adopted by SBA.
- Inquire as to the external auditors' views about whether management's choices of accounting principles are conservative, moderate or aggressive from the perspective of income, asset and liability recognition, and whether those principles are common practices or a minority practice.
- Review, in consultation with the external auditors and the CAE, the integrity of SBA's financial reporting processes.

2. Internal Controls and Risk Assessment

- Review OIA or external evaluation of the effectiveness of the SBA's process for assessing significant risks or exposures and the steps management has taken to monitor and control such risks, including internal controls.

- Review significant findings and recommendations of the auditors (internal and external) with management's responses, including the timetable for implementation of recommendations to correct weaknesses in the internal controls.
- Review with the independent auditors, CAE and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the SBA and review any significant recommendations for the improvement of such internal control procedures or particular areas where more effective controls or procedures are desirable.

3. Compliance

- Review OIA or external provider's evaluation of the effectiveness of the system for ensuring compliance with laws, rules, regulations, policies, and procedures and the results of management's investigation and follow-up of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies.
- Review information from management and legal counsel regarding compliance matters.
- Review reports on compliance activities from the Chief Risk and Compliance Officer.
- Review the results of the externally commissioned governance, risk and compliance review as it pertains to compliance activities.

4. Enterprise Risk Management

- Review quarterly reports on enterprise risk management activities from the Chief Risk and Compliance Officer.
- Review the results of the externally commissioned governance, risk and compliance review as it pertains to enterprise risk management activities.

5. Internal Audit

- Review and approve annually, in consultation with the Executive Director & CIO and the CAE, the OIA Charter, annual audit plan, budget, staffing, and organizational structure of the internal audit department. Confirm and assure the independence and objectivity of the OIA.

- Receive internal audit reports and a progress report on the approved annual plan on a periodic basis.
- Assist the Board in decisions regarding the appointment and removal of the CAE.
- Review periodic internal and no less frequently than every five years external quality assurance reviews required by the Standards.

6. External Audit

- Search, select, and engage external audit firms by approving:
 - Scope of work for competitive solicitations
 - Selection process
 - Final engagement letters (for execution by the Executive Director & CIO)
- Meet, as needed, with the representatives of the Auditor General and other external auditors regarding the proposed scope and approach of their external auditing functions and subsequently the results of their audit of the SBA.
- Meet, as needed, with representatives of OPPAGA regarding its review of the performance of the SBA.
- Review with management the results of all audits, including any difficulties encountered by the auditors or disputes with management during the course of their audit. External auditors will be consulted, as needed.

7. Other Responsibilities

- Review and assess the adequacy of the Committee Charter no less than annually, and request Board approval for the proposed changes.
- Commission a SBA governance, risk management and compliance (GRC) program evaluation and performance improvement analysis (including the assessment of the utilization and effectiveness of both the internal and external audit functions) to be performed by an external provider no less frequently than every three years and incorporating input from SBA management.
- Directing the CAE to conduct investigations into any matters within its scope of responsibility and obtaining advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities.

While the Committee has the responsibilities and the authority as set forth in Section 215.44(2)(c), Florida Statutes, and this Charter, it is not the responsibility of the

**Approved by SBA Board of Trustees on September 18, 2012
Reviewed by SBA Audit Committee on August 13, 2012,
September 3, 2013, and August 25, 2014**

Committee to plan or conduct individual audits, reviews and/or investigations, to attest to the SBA's financial information or condition, to resolve disagreements, or to assume responsibility for compliance with laws, rules, regulations, policies, procedures, the Employee Handbook, or the Code of Ethics.

**MINUTES
INVESTMENT ADVISORY COUNCIL
June 22, 2015**

A meeting of the Investment Advisory Council (IAC) was held on Monday, June 22, 2015, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida. The attached transcript of the June 22, 2015 meeting is hereby incorporated into these minutes by this reference.

Members Present: **Chuck Cobb, Chair**
 Michael Price, Vice Chair
 Peter Collins
 Les Daniels (via telephone)
 Will Harrell (via telephone)
 Bobby Jones
 Gary Wendt

SBA Employees: **Ash Williams**
 Lamar Taylor
 John Benton
 Michael McCauley
 Joan Haseman
 John Bradley
 Wes Bradle
 Scott Seery
 Alison Romano
 Katy Wojciechowski
 Steve Spook
 Trent Webster

Consultants: **Kristen Doyle, Aon Hewitt**
 Sheila Ryan, Cambridge Associates
 Liqian Ma, Cambridge Associates
 Marina Kedrun, Cambridge Associates

WELCOME/CALL TO ORDER/APPROVAL OF MINUTES

Mr. Chuck Cobb, Chair, called the meeting to order at 1:00 P.M. He thanked Mr. Michael Price and the Compensation Subcommittee for their work on developing a Compensation Plan recommendation. Mr. Cobb asked for a motion to approve the minutes from the March 23, 2015 meeting. Mr. Price made a motion to approve the minutes. The motion was seconded by Mr. Bobby Jones and passed without objection.

OPENING REMARKS/REPORTS

Mr. Ash Williams, Executive Director and Chief Investment Officer, thanked the Compensation Subcommittee as well as the other members of the IAC for all of their work on the compensation proposal. He provided a brief overview of the SBA's performance, reporting that all asset classes are performing ahead of target. Mr. Williams also discussed the challenging market environment.

PRIVATE EQUITY ASSET CLASS REVIEW

Mr. John Bradley, Co-Senior Investment Officer – Strategic Investments and Private Equity, provided an overview of the Private Equity asset class. He began his presentation by reviewing the policy target allocation, the allocation range and the current allocation. He briefly discussed the investment policy, the staff, the benchmarks (both primary and secondary) and the goals or objectives. Mr. Bradley presented the four main functions in the private equity investment process, including strategic planning, sourcing, due diligence and monitoring. He continued with a discussion of the Private Equity portfolio, elaborating on the sub-strategies, the portfolio weights and performance. He concluded his presentation by discussing recent activity of the asset class, specifically the commitment of \$1.25 billion to 14 funds over the last six months.

Mr. Wes Bradle, Senior Portfolio Manager – Strategic Investments and Private Equity, presented the key components of the Private Equity diligence process. He discussed the keys to success and the stages of due diligence (initial screening, full diligence, legal negotiations and closing). Mr. Bradle elaborated on the components of full diligence which included meeting with the general partner, the Private Equity scorecard, the preliminary diligence summary, the interim diligence summary and the investment approval memo. He elaborated further on the interim diligence summary, providing details on the following: the due diligence questionnaire, the quantitative data request tool and the legal terms checklist.

Mr. Liqian Ma, Cambridge Associates, presented an overview of the performance of the Private Equity portfolio, stating that the portfolio is meeting long-term objectives, outperforming public markets over a long-term period. He discussed performance by sub-asset class. There was a discussion between members of the IAC and Mr. Bradley about the separation of pre- and post-99 performance reporting. Mr. Cobb suggested that for the next Private Equity review, management should come back with a more comprehensive analysis on pre- and post-1999. Mr. Williams responded that the SBA would come up with a consolidated single number to report and would put a footnote in if one is needed for completeness. Mr. Ma continued by comparing SBA Private Equity performance to other private investment portfolios that they track. He concluded his presentation by reporting that the Private Equity program has been generating positive net cash flows over the last two years and by showing the expected pacing of commitments going forward.

Ms. Sheila Ryan, Cambridge Associates, discussed the current market environment for private equity and venture capital. She emphasized the importance of manager selection and briefly discussed Cambridge Associates' due diligence process.

Ms. Marina Kedrun, Cambridge Associates, discussed private equity distributions over the past four years which were almost double the distributions between 2004 and 2007. She touched on the increase in mergers and acquisitions activity, private equity valuations, and private equity overhang (the amount of capital raised by private equity funds, but not invested). She concluded her presentation by suggesting that private equity investors should look for more nontraditional opportunities.

DEFINED CONTRIBUTION PROGRAM REVIEW

Ms. Joan Haseman, Senior Defined Contribution Programs Officer, presented information on FRS Investment Plan assets, members, the average account balance, the average age, the average years of service, the number of retirees and total distributions. She elaborated on investment options and structure, explaining that new investment managers had been hired to replace PIMCO and giving details on the related allocation changes. Ms. Haseman also presented information on asset growth, member asset allocation, asset allocations by gender, fees, membership growth and plan choice history. She concluded her presentation by discussing the FRS Financial Guidance Program, and she briefly spoke about Investment Plan initiatives.

Ms. Kristen Doyle, Aon Hewitt, began her presentation by stating that the DC Plan investment options are adequately diversified across asset types, investment styles and risk/return spectrum, observing that each tier offers a sufficient range of risk and return characteristics which then allows

participants to form well-diversified portfolios. Ms. Doyle discussed investment structure, indicating that the FRS Investment Plan offers an appropriate range and number of options for all investor types of participants. Ms. Doyle discussed FRS asset allocation, referring to target date funds, index funds, actively managed options and the self-directed brokerage account. She stated that the cost for each of the investment options tends to be much lower than the average mutual fund fees that are out in the marketplace, and she indicated that performance has been positive across all periods. Ms. Doyle concluded her presentation by discussing current trends in the DC marketplace.

ASSET CLASS SIO UPDATES AND PERFORMANCE REVIEWS

Mr. Scott Seery, Co-Senior Investment Officer – Global Equity, began his presentation by stating that performance continues to compare favorably to the underlying index over all major time periods. He also stated that risk continues to be well contained and well rewarded. Mr. Seery discussed some of the initiatives that Global Equity has been working on in the following three categories: alpha; execution and operations; and the team.

Ms. Alison Romano, Co-Senior Investment Officer – Global Equity, reviewed the market conditions under which the asset class is investing the \$87 billion in equity. She provided details on competing forces, elaborating on characteristics that support continued strong market returns as well as those which represent potential risk to the returns.

Ms. Katy Wojciechowski, Senior Investment Officer – Fixed Income, reported a one-year return of 2.61 percent, explaining that the asset class was seeing the benefits of shortening their durations from the Barclays aggregate to the intermediate aggregate. She briefly discussed security selection, tilts in corporates, their good information ratios, and relatively low risk levels. Ms. Wojciechowski also mentioned the impact of world events such as in Greece and Spain.

Mr. Steve Spook, Senior Investment Officer – Real Estate, began his presentation with a discussion of where the Real Estate portfolio stands versus its policy targets. He continued by presenting slides which showed total Real Estate portfolio performance, Principal Investments performance and Externally Managed portfolio performance. Mr. Spook also discussed Private Market exposure, clarifying by both property type and geographic diversification. He concluded his presentation by showing recent activity in the asset class and by briefly discussing market conditions.

Mr. Trent Webster, Co-Senior Investment Officer – Strategic Investments and Private Equity, discussed the four asset class policy objectives. He showed the Strategic Investments portfolio breakdown by strategy weights as well as by sub-strategy weights. Mr. Webster discussed the fact that the asset class performance has been strong. He explained that over approximately the last five years that Strategic Investments has lowered the volatility in the Florida Retirement System by about 30 basis points. Mr. Webster concluded his presentation by discussing recent activity as well as market opportunities.

Ms. Kristen Doyle provided a brief overview of some of the SBA's major mandates and their performance, including presentations on the Pension Plan, the CAT Fund, and the Lawton Chiles Endowment Fund.

INVESTMENT PROGRAMS AND GOVERNANCE OFFICER UPDATE

Mr. Michael McCauley, Senior Officer – Investment Programs and Governance, discussed proxy voting in the first quarter of 2015, both at a high level and by country. He also discussed the completion of a long-term study of their historical proxy voting, presenting both nominal and relative performance related to the votes. Mr. Cobb stated that he would like to have a proxy vote agenda item at every other IAC meeting.

IAC COMPENSATION SUBCOMMITTEE UPDATE

Mr. Price reported on recent activities of the Compensation Subcommittee.

Mr. Josh Wilson, Mercer, began his presentation by discussing the Incentive Plan objectives and the Incentive Design recommendation. He briefly spoke about participants, target incentive levels and organization/individual splits. Mr. Wilson explained the deferral mechanism and briefly discussed the estimated cost. Mr. Cobb indicated that there should be a discussion before the IAC voted on the Incentive Compensation Plan. Mr. Harrell shared his concerns about the plan but said that he would be voting for it. Mr. Price responded, indicating that the plan will be reviewed over the next few years and that they will be addressing all of the issues brought up by Mr. Harrell. Mr. Cobb stated that he enthusiastically supports the Compensation Subcommittee's recommendation and that it is a good first step.

Mr. Price made a motion to adopt the new Incentive Compensation Plan. Mr. Wendt and Mr. Daniels seconded the motion. There were no objections, and the plan passed unanimously. Mr. Cobb suggested that the IAC members should draft a letter to send to the Trustees for their meeting the following day. The letter would be signed by each IAC member present to indicate their approval of the Incentive Compensation Plan. Mr. Price made a motion that they should send the letter to the Trustees expressing their unanimous vote for the Incentive Compensation Plan. Mr. Jones seconded the motion, and the motion passed without objection.

AUDIENCE COMMENTS/2015 SCHEDULED MEETINGS/CLOSING REMARKS/ADJOURN

Mr. Cobb thanked the subcommittee and the Chair for their work, for a good presentation and for good action. He asked if there were any audience comments. There being none, he asked Mr. Williams to talk about the next meeting date. Mr. Williams stated that the next meeting would be September 28, followed by one on December 7. There were no objections to the meeting dates. As there were no other comments or questions, the meeting was adjourned at 3:25 P.M.



Chuck Cobb, Chair

8/27/15

Date

STATE BOARD OF ADMINISTRATION OF FLORIDA

INVESTMENT ADVISORY COUNCIL MEETING

MONDAY, JUNE 22, 2015
1:00 P.M. - 3:25 P.M.

1801 HERMITAGE BOULEVARD
HERMITAGE ROOM, FIRST FLOOR
TALLAHASSEE, FLORIDA

REPORTED BY: JO LANGSTON
Registered Professional Reporter

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

APPEARANCES

IAC MEMBERS:

CHUCK COBB
GARY WENDT
WILL HARRELL (telephonically)
PETER COLLINS
LES DANIELS (telephonically)
MICHAEL PRICE
BOBBY JONES

SBA EMPLOYEES:

ASH WILLIAMS, EXECUTIVE DIRECTOR
JOHN BENTON
LAMAR TAYLOR
MICHAEL MCCAULEY
TRENT WEBSTER
KATY WOUICIECHOWSKI
STEVE SPOOK
SCOTT SEERY
ALISON ROMANO
JOHN BRADLEY
WES BRADLE
JOAN HASEMAN

CONSULTANTS:

SHEILA RYAN - (Cambridge Associates)
LIQIAN MA - (Cambridge Associates)
MARINA KEDRUN - (Cambridge Associates)
KRISTEN DOYLE - (Aon Hewitt)
JOSH WILSON - (Mercer)

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INVESTMENT ADVISORY COUNCIL MEETING

* * *

MR. COBB: Well, I think it's 1:00. So I welcome everyone to this meeting. I'd like to particularly thank our subcommittee on compensation and particularly the efforts of Chairman Michael Price, who did a lot of work prior to that meeting. And I think you have developed an excellent recommendation, which we'll hear from later in this agenda.

The first order of business is to approve the minutes of the last meeting. Is there a motion that they be approved?

MR. PRICE: Move it.

MR. COBB: Second by anybody?

MR. JONES: Sure. I'll second it.

MR. COBB: The minutes have been moved and seconded. Any other suggestions for changes or comments? Hearing none, all in favor of the minutes being approved say aye.

(Ayes)

MR. COBB: Any objection? Hearing none, they passed.

So, Ash, please give us your report and your opening remarks.

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MR. WILLIAMS: Thank you, Mr. Chairman. I would echo your thanks not only to the comp committee members but to the members of the IAC as well, who have worked for a long time on some of the -- the proposal we have coming before us a little bit later this afternoon.

Also, sorry to be repetitive, because we covered this in the joint meeting, but to the extent we have listeners who were not present for the joint meeting, I would say that through yesterday's close, the fund is up 4.98 percent fiscal year to date. That's 141 basis points ahead of target. The balance is at \$150.5 billion. That's 1.4 billion above where we closed the prior fiscal year, net of distributions of \$600-million-plus monthly.

Happy to say that all asset classes are performing ahead of target, very pleased with that outcome. It continues to be a challenging environment. I was interested this morning early to listen to yet another iteration of the Greek drama, where yet again we're at the brink, yet again a solution was supposed to be in place, yet again there's not one, and yet again everybody is committed to coming up with one in the near term. The good news it seems to be more or less priced into what we

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1 see before us.

2 So with that, I would simply move on into the
3 meeting, I believe. I don't think there's anything
4 else of a broad nature that I need to draw attention
5 to.

6 MR. COBB: Okay. We'll wait and loop back to
7 questions after we hear the reports from the various
8 asset classes. And John Bradley is first.

9 MR. BRADLEY: Thank you, Mr. Chairman. It's my
10 pleasure to present our asset class today. I'm John
11 Bradley, senior investment officer, strategic
12 investments and private equity, where my focus is on
13 the private equity asset class.

14 I have with me a member of our team, Wes Bradley.
15 Wes is a senior portfolio manager. He joined us
16 almost 18 months ago from the California Public
17 Employees Retirement System, also known as CalPERS.
18 He was a member of the CalPERS team for six years,
19 where he was responsible for sourcing and due
20 diligence. We'll also joined by our asset class
21 consultant, Cambridge Associates. With us are Sheila
22 Ryan, Liqian Ma and Marina Kedrun.

23 So I thought I'd start with a quick outline of
24 what we're going to cover today. Wes and I will
25 begin with an overview of our program, our thoughts

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1 and processes around portfolio construction, discuss
2 the performance of our asset class and its various
3 components. I will then turn it over to Cambridge,
4 who will briefly discuss the current private equity
5 environment, take a look at our pacing model and also
6 touch on our program's performance.

7 So as a quick refresher for the group, private
8 equity has a target allocation of 6 percent of the
9 total fund, an allocation range of 2 to 9 percent,
10 and we're currently at 5.7 percent, or right at
11 target.

12 Per the investment policy, we are charged with
13 utilizing a prudent process to maximize long-term
14 access to attractive risk-adjusted investment
15 opportunities through the use of partners with
16 appropriate financial, operational, investment
17 experience and resources, alignment, transparency and
18 repeatability and controls on leverage.

19 We are staffed with six investment
20 professionals, a senior investment officer, two
21 senior portfolio managers, two portfolio managers and
22 one senior analyst. Our primary benchmark is the
23 MSCI All Country World Investable Market Index, plus
24 a 300-basis-point premium, and our secondary
25 benchmark is the Cambridge Associates peer benchmark.

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1 Now, internally at the asset class level, we
 2 have three goals or objectives. They are, one, to
 3 create a portfolio that outperforms both our primary
 4 and secondary benchmarks, while remaining within the
 5 bounds of our asset class risk budget. Two, to
 6 construct the portfolio to avoid concentrated
 7 exposure to a particular vintage year, manager,
 8 strategy or geography. And finally, three, to
 9 establish prudent portfolio diversification, while
 10 minimizing proliferation of manager relationships.

11 And this last goal is important in that it
 12 requires us to be disciplined and to invest with
 13 conviction, as it's far too easy to lose focus and
 14 find that one day you have a portfolio of over 100
 15 managers. Our program today consists of 47 active
 16 managers, which given our size and I believe relative
 17 to our peers, is very concentrated.

18 So managing our program involves four main
 19 functions, strategic planning, sourcing, due
 20 diligence and monitoring. We've discussed these in
 21 detail in the past, so I'll only briefly touch on
 22 these today. However, since we have Wes with us, I
 23 thought it would be both interesting and helpful for
 24 you guys to hear from Wes, and he's going to take us
 25 through how we evaluate prospective managers, as well

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1 as discuss some of the tools we use in our diligence
 2 process.

3 MR. COBB: And hopefully he can contrast that
 4 with his previous employer.

5 MR. BRADLE: I'm not going to comment on that.

6 MR. BRADLEY: No comment? Okay. So the heart
 7 of managing our program and building our portfolio is
 8 the strategic planning process for the production of
 9 our annual investment plan. And this plan serves as
 10 a roadmap for upcoming years, as well as sets the
 11 tone in our beliefs internally around things such as
 12 allocation to strategies, portfolio construction, the
 13 appropriate number of managers we should have in our
 14 portfolio, and attractive geographies, et cetera.

15 We use a number of models built internally,
 16 including a portfolio construction model and a
 17 strategy heat map, both of which can be seen here on
 18 the slide, as well as a number of in-house strategic
 19 planning sessions, both internally and with Cambridge
 20 Associates.

21 So I think the takeaway here is that we have a
 22 very methodical approach to portfolio construction,
 23 one that's transparent, repeatable, and designed to
 24 impart discipline, which is a must when investing in
 25 long-term, illiquid partnerships.

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1 Next we have sourcing, so establishing where we
 2 want to go and how much we want to put there. It's a
 3 start, but in order to execute, we need to source
 4 investments. And so the market today for new fund
 5 investments is very competitive and gaining
 6 allocation to top performing funds is becoming
 7 extremely difficult. So we're focused on finding,
 8 staying in front of and ultimately gaining access to
 9 these top funds around the globe.

10 A lot of effort goes into our sourcing. And so
 11 as you can see here in this deal funnel, last year
 12 our asset class made investments with five new GPs,
 13 or GPs in which we had no previous fund investment
 14 with. We actually made 24 investments on the year,
 15 but I've excluded the 19 re-ups or commitments to
 16 existing funds in order to show you the effort put in
 17 to find these five new GPs.

18 And so for our five new GP fund investments, we
 19 reviewed 138 opportunities, took meetings with 91.
 20 Thirteen of the fund opportunities made it to our
 21 full diligence process, and five made it into the
 22 portfolio. And so this is about a 3 percent hit
 23 rate, or to put it differently, we said no to
 24 97 percent of the new fund opportunities we received.

25 I'm going to skip over diligence, as Wes will

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1 cover that. Here we just show a few of the things
 2 done to monitor the portfolio, including attending
 3 annual meetings, participating on advisory boards.
 4 We hold an advisory board seat on a vast majority of
 5 the funds in which we invest. As well as biannual
 6 strategy sessions with our consultant Cambridge.

7 I'll now turn to our portfolio. We invest in
 8 five private equity sub-strategies. As you can see,
 9 exposures to all five remain within range, and we
 10 continue to reposition the portfolio, increasing our
 11 allocation to growth equity, distressed and
 12 secondary, while decreasing our exposure to buyouts.

13 Next is our portfolio weights. We go through
 14 this every quarter. Not much has changed from a
 15 sector perspective. The consumer and IT sectors
 16 remain our largest exposures, while geographically
 17 the U.S. and Canada remain our largest geographic
 18 exposure by a pretty wide margin.

19 Here we have our asset class performance. This
 20 is as of 12/31/14. As we've done in the past, I've
 21 broken down our PE asset class returns into three
 22 components. There's total private equity, which is
 23 the SBA's entire history with private equity
 24 investments. There's the legacy portfolio, or
 25 pre-asset class portfolio, which is everything prior

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1 to November '99. And there's the asset class
2 portfolio, which is everything post-November 1999, or
3 post-formation of the private equity asset class.

4 The asset class portfolio has performed nicely
5 on an absolute basis and outperformed its longer term
6 10 year and since inception benchmark periods, while
7 our three and five year performance has trailed the
8 benchmark slightly. Now, we have made up a lot of
9 ground as of late, and we would expect our returns,
10 as measured over the shorter time periods, to show
11 outperformance.

12 MR. WENDT: Excuse me. Before you go too far, I
13 have a question that won't be relevant later.
14 Looking at -- you don't have any numbers on your
15 pages. Well, anyway, this one, looks like this, and
16 then you have another one that I'm sure you remember
17 that looks like this.

18 When you look at where your priorities are,
19 there seems to be a total mismatch between the
20 priorities on your colored chart than your actual
21 investments. Explain that, please.

22 MR. BRADLEY: Well, so I guess, when we look at
23 this chart, our exposure is also driven by market
24 value. And so when we go through, if we look at -- I
25 think you're on this page, our areas of focus?

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1 MR. WENDT: Eight of your 12 are low priority in
2 the buyout area, and yet buyouts are 60 percent of
3 what you do.

4 MR. BRADLEY: Yeah. So this -- the colored
5 chart, the low priority, is a going-forward kind of
6 model over the next three to five years on where we
7 should spend our time. And so given that we are, in
8 our respect, we think we're over-allocated, at least
9 at the moment, in buyouts. So finding new buyout
10 investments would be a low priority for us. So we
11 would rather spend our time --

12 MR. WENDT: So you change this thing on
13 occasion. You change the colors on occasion.

14 MR. BRADLEY: We do.

15 MR. WENDT: A lot of green in buyouts, and now
16 it's a lot of green in small -- in growth equity.

17 MR. BRADLEY: Correct. So every year we'll meet
18 with Cambridge. We'll go through each sub-strategy,
19 its attractiveness. We'll talk through its exposure
20 in the portfolio, whether we feel we have enough of a
21 single strategy or not enough. And that kind of
22 guides how we prioritize things and how we plan to
23 spend our time over the next few years.

24 MR. WENDT: Well, since you're not as excited
25 about the buyout business as you were apparently a

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1 few years ago, do you ever consider trying to sell
2 your positions in some of the buyouts and investing
3 it elsewhere?

4 MR. BRADLEY: We do. So, absolutely, we price
5 our portfolio on a quarterly basis.

6 MR. WENDT: But you don't trade in it, do you?

7 MR. BRADLEY: We do. So we've completed two
8 secondary sales within the past 18 months. We
9 continue to --

10 MR. PRICE: For what percent of carrying value?

11 MR. BRADLEY: What percent of the NAV was that?
12 Probably roughly 1, maybe 2 percent of our
13 allocation, and so --

14 MR. PRICE: No, no. You get a letter from a
15 private equity firm saying this is the value of your
16 investment in the fund. You then sell that fund.

17 MR. BRADLEY: Yeah. So both sales are at a
18 premium to NAV, so at a premium to the current mark.
19 But I guess a point, though, I wouldn't say large
20 buyout being red means that we don't like buyouts, or
21 the buyouts being red. It would just say, given
22 where the portfolio is today, given the number of
23 managers we have, that it's not an area of focus to
24 add new funds, to go source new investments.

25 And so if you looked at growth equity, that's an

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1 area that we're actively trying to increase our
2 allocation, so those would be a higher priority area
3 for our staff when going out and meeting new funds,
4 creating new investments.

5 MR. PRICE: So can I chime in? Are your private
6 equity managers industry-specific? Because most of
7 these guys are generalists, right? KKR or
8 Blackstone, they can usually buy anything anywhere in
9 the world, any size, whenever they want, right?

10 MR. BRADLEY: Yeah. So I think today the
11 portfolio is probably about 50-50 between generalists
12 and industry specialists. You're absolutely correct
13 in the large buyout space. Probably 75 percent of
14 our large buyout funds are generalists. We do have a
15 few specialists in there. As we get smaller and push
16 into small buyout, growth equity, obviously venture
17 is sector focused, those GPs in our portfolio tend to
18 be all specialists.

19 MR. PRICE: Isn't it fair to say, John, that you
20 can pretty much determine with the smaller buyout
21 shops where you're going, but with the big boys, you
22 don't have much control?

23 MR. BRADLEY: Correct.

24 MR. PRICE: So half your portfolio is with the
25 big boys, half of the 15 -- is it 15 percent? Six

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percent of -- it's about 15 billion in total. So seven or eight billion is with big shops.

MR. BRADLEY: It's probably closer to 30, and that number is coming down. And so as we look at things, if we project forward and say where do we what to spend our money, where are we going to put our allocation, we've targeted buyouts in general to be about 50 percent of the dollars we put to work. Within buyouts, as we break it into large, middle market and small market, I believe large buyouts is 30 percent of that 50. And so we would envision 70 percent of our buyout portfolio being in either middle market or small market, and largely with sector-focused or industry-focused GPs.

MR. COLLINS: If I may, Mr. Chairman. A state like Florida, much like CALPERS, you can't -- you're limited. And out of the 138 that you looked at, some of those that didn't -- that you said no to, they never had a chance because of their size. Or is that 138 -- are those 138 fully qualified for you, meaning they can take an investment of \$100-plus-million and it's not more than a certain percentage of their fund? So all those 138 qualified, but even of those 138, how many of those really had a chance?

MR. BRADLEY: So of the 138, all 138 had a

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chance. And so what that number doesn't include is the kind of firms you're referring to, which may be a \$20 million buyout fund, you know, focused in a single state out West. Those we'll prescreen out and not include in that 138.

I would say, however, we have invested over the last year in a fund, a \$250 million fund, where we put \$25 million into. We've done \$20 million checks of late. And so we kind of consider -- the full market is available. And what we don't do and I think what Wes will show you is, in our investment process, whether we look at a \$200 million fund or a \$20 billion Blackstone fund, it's the exact same process, the exact same criteria that the managers go through. So that 138 would be fully vetted funds that we could invest in if we were so inclined.

MR. COBB: Is the implication of what you just said is that 10 percent is the max you want to be of a fund?

MR. BRADLEY: No. I think in general the max has been 25 percent. And so we've gone up to 25 percent. In a few instances we've gone over. Frankly, the GPs are usually the constraint on that end. We would put more with some if we could, but the GPs tend not to want any single LP to be more

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1 than a quarter of the fund.

2 MR. PRICE: Do you segregate the six billion
3 three of unfunded commitments at all in the
4 portfolio? Is there any segregated reserve for
5 unfunded, or you just figure that you're getting
6 distributions in, you know, it's monthly, and no
7 segregation?

8 MR. WILLIAMS: We don't need to do segregation
9 because we've looked at that in the context of our
10 overall liquidity needs, including distributions, and
11 we're managing our liquidity needs holistically. And
12 it has to be noted, too, and there was a graphic in
13 here to this effect, that there's been very
14 significant cash flow in from private equity and from
15 strategic investments and from real estate.

16 So we've got the high class problem of a lot of
17 cash coming our way from mature portfolios, and we
18 net all our liquidity out against that.

19 MR. BRADLEY: I think that number is close to a
20 billion dollars now over the last two years of net
21 cash inflows into the asset class. And if you looked
22 at over the history, since the eighties, I think our
23 largest year of drawdowns has been around 400 million
24 of net cash out of the private equity program, and
25 our largest inflow I think was last year at a little

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1 over half a billion of cash coming into the program.

2 MR. COLLINS: Mr. Chairman, one comment on that.
3 So we've actually had this discussion at the last
4 couple of meetings about, as Ash calls it, the high
5 class problem, and not being able to attain our
6 target because of the cash coming in and having a
7 3 percent hit rate on the firms that we're looking
8 at.

9 So I was actually a little surprised when we're
10 at 5.7 percent. That's up in terms of percentage of
11 our target from the last time we discussed this. So
12 that's good. But we do have all that cash coming
13 back in, and you guys have got to stay ahead of it.

14 MR. BRADLEY: Yeah, absolutely.

15 MR. PRICE: One last thing before we let you
16 move on. In a percent of funds you own, you own, I
17 think you told us --

18 MR. BRADLEY: We have 47.

19 MR. PRICE: Forty-seven funds.

20 MR. BRADLEY: Yeah.

21 MR. PRICE: How many do you have side letters
22 where you get significantly better terms for your
23 size?

24 MR. BRADLEY: We have side letters with every
25 fund.

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1 MR. PRICE: But significantly better financial
2 terms.

3 MR. BRADLEY: Significantly better, I would say
4 probably 40, 50 percent. So we absolutely actively
5 push for better terms, be they either economic terms
6 or governance terms, terms to align us with the GP.
7 I would say we get those terms in 100 percent of the
8 funds.

9 MR. PRICE: You do that with one in-house
10 counsel? Is one person here responsible for --

11 MR. BRADLEY: We have the general counsel's
12 office, which is a team. And then we also have an
13 external counsel we use in New York that helps us.

14 MR. PRICE: Thank you.

15 MR. BRADLEY: I think we ended on this slide. I
16 think the only other thing here I guess I'd point out
17 is we continue to oversee the complete wind-down of
18 the legacy portfolio. As of today that portfolio has
19 a market value of a few million dollars, the majority
20 of which is the proceeds held in escrow. And so we
21 would expect that portfolio to be wound down in very,
22 very short order.

23 So this slide shows performance of the various
24 sub-strategies within the asset class. So within the
25 asset class, any sub-strategies, with the exception

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1 of non-U.S. growth equity, all are outperforming
2 their Cambridge Peer Benchmark, with U.S. buyouts,
3 secondaries and distressed securities leading the
4 pack.

5 Now, these numbers are since inception numbers.
6 If you were to look at the shorter term over the last
7 three years, our venture portfolio has actually led
8 the pack, with a 20 percent annualized return,
9 followed closely by U.S. growth equity and U.S.
10 buyouts, both at 17 percent annualized returns. And
11 not surprisingly, our distressed securities strategy
12 has underperformed over the short term. They've
13 performed poorest on an absolute basis at
14 12.6 percent.

15 So all in, my part of the presentation or the
16 recap of our activity over the first half of the
17 year, over the last six months, we've committed
18 1.25 billion to 14 funds, 920 million to 10 buyout
19 funds, 187 million to two venture capital funds,
20 100 million to one growth equity fund, and 50 million
21 to one secondary fund.

22 So I'll now turn it over to Wes, who will talk a
23 little bit about our diligence process.

24 MR. BRADLEY: Good afternoon. As John said, my
25 name is Wes Bradle. I'm a senior portfolio manager

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1 on the private equity team, and I've been tasked with
 2 presenting some key components of our due diligence
 3 process without causing you to fall asleep. So I
 4 will do my best.

5 On this slide it talks about our investment
 6 process as being transparent and repeatable. And we
 7 really feel like that is critical to successful
 8 decision-making. This process ensures that
 9 regardless of who on our team is reviewing a fund,
 10 the information we collect and the quality of
 11 analysis that we conduct is consistent.

12 But we also feel like a process is only as
 13 strong as the people and the plumbing or the tools
 14 available to implement it. So in terms of people, we
 15 have smart, capable professionals who exhibit strong
 16 judgment and work as a team to execute new
 17 investments. In terms of plumbing, the SBA has
 18 provided the tools necessary to effectively gather
 19 and analyze data, which can be particularly difficult
 20 in private equity, where data is not always available
 21 through systems and other things.

22 As you can see, our diligence process can be
 23 broken down into four stages. Initial screening,
 24 where we review a fund's strategy and portfolio fit
 25 in the context of the existing SBA portfolio. And

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1 this is really where the majority of investments are
 2 declined. We have our full diligence step, where we
 3 drill down on specific items related to the firm or
 4 the fund. And I'll talk more about this shortly.
 5 And then we have legal negotiations, and finally
 6 closing.

7 Once a fund passes the initial screening stage,
 8 we begin full diligence. This starts with a meeting
 9 with the GP at SBA's offices in order to gather more
 10 detailed information on the fund. This typically
 11 includes an in-depth review of strategy, team, track
 12 record, investment process and fund terms. Each SBA
 13 private equity team member then rates the manager
 14 using our standard private equity score card. And
 15 the findings are discussed at our weekly meeting.

16 If the team decides to move forward, a member of
 17 our team drafts a two- to three-page preliminary
 18 diligence summary highlighting the fund's strategy
 19 differentiation and performance relative to a
 20 benchmark. And then the team meets again, and if
 21 further work is warranted, we begin gathering data
 22 and populating the interim diligence summary, which
 23 is a 20- to 40-page memo that addresses standard
 24 diligence items, as well as the spoke issues
 25 associated with that fund.

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1 Standard diligence items addressed in this memo
 2 include details on the fund's strategy, performance,
 3 team, organization, competitive position, market
 4 conditions, terms and key risks. Summary findings
 5 from our due diligence questionnaire, our
 6 quantitative data requests, reference calls and our
 7 on-site visit are incorporated into this memo as
 8 well, which you can see on the right side of the
 9 slide. As an additional check, we engage Cambridge
 10 Associates to write a prudent person opinion.

11 Again, our findings are then discussed and
 12 debated by the team, and a decision is made to
 13 approve or decline the investment. If approved, the
 14 investment approval memo is drafted and sent to the
 15 executive director for approval, and then we begin
 16 legal negotiations.

17 As I previously mentioned, we leverage
 18 standardized documents and data collection tools to
 19 populate the interim diligence summary. The first
 20 one on the slide is the ILPA due diligence
 21 questionnaire. That's the Institutional Limited
 22 Partners Association. They have a standardized tool.
 23 This includes 112 questions around the firm, fund
 24 strategy, investment process, market environment,
 25 legal terms, valuation, methodology, reporting,

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1 administration and compliance. So this is a very
 2 long, thorough document that we request.

3 We also have a quantitative data request tool
 4 that we send to each fund. And this includes more
 5 than 70 data points for each company where the firm
 6 or the fund has invested. This data is then used to
 7 test hypotheses and draw conclusions on a fund.

8 So, for example, of the previous funds invested
 9 in the geographies, strategies and sectors where the
 10 manager invests today, which areas have outperformed
 11 or underperformed. How does the performance of
 12 previous funds compare to relevant benchmarks. If
 13 those same cash flows were invested in a public
 14 market index, would the manager outperform. How much
 15 risk was required to generate the returns. Has one
 16 company driven the majority of returns or was it
 17 multiple winners. And these are really just a few of
 18 the areas we analyze to determine whether a fund
 19 warrants a commitment or not.

20 We also utilize a legal terms checklist to
 21 review and score a fund on 65 different legal terms.
 22 This helps us better assess alignment and identify
 23 key red flags. And this tool, combined with our data
 24 analysis, allows us to tactically negotiate terms
 25 based on key risks identified in the data.

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1 So, for instance, if a firm's performance has
 2 been driven by a few key professionals, we want to
 3 negotiate the key person terms heavily. If their
 4 returns are spread across the team, we might focus
 5 our legal negotiation efforts on other key terms.
 6 So these tools, in the context of our diligence
 7 process, allow us to make more effective decisions
 8 and provide a consistent framework for considering
 9 the investments. Thank you.

10 MR. COBB: Questions?

11 MR. COLLINS: One. So you-all have a 71 data
 12 point request on each investment?

13 MR. BRADLE: On each portfolio company, yes.

14 MR. COLLINS: Each portfolio company of a
 15 particular firm.

16 MR. BRADLE: Yes.

17 MR. COLLINS: And so you're putting those data
 18 points into an Excel model?

19 MR. BRADLE: Essentially, yes, that then spits
 20 out a host of charts that we then use to form
 21 hypotheses. And this is around, you know, what
 22 geographies have you invested in, strategies,
 23 sectors, how much ownership, who led the investment,
 24 so we can run attribution analysis, how much leverage
 25 are you using, a whole host of things.

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1 MR. COLLINS: So is that the main goal, the
 2 attribution analysis?

3 MR. BRADLE: It's really everything, because if
 4 a fund comes in and says we're going to invest in, I
 5 don't know, China and you look back at their track
 6 record and they've never invested in China, then
 7 that's a big red flag. So it's really to form
 8 hypotheses. And every fund is different. You just
 9 never know -- until you run the data, you don't
 10 really know where you really want to drill down with
 11 that specific fund.

12 MR. COLLINS: And is this a proprietary model of
 13 the SBA? Is this something Cambridge helped you
 14 build? Is this a product that's just out there in
 15 the marketplace?

16 MR. BRADLE: Number one, it came from a lot of
 17 the tools that I helped develop at CALPERS, but then
 18 it's also been -- we've leveraged Cambridge
 19 information to continue to build that out. John and
 20 the team, we've also gone through it and tweaked it
 21 over time. It's not rocket science. Is it
 22 proprietary? I think other people typically have
 23 tools like these, but to the extent that they use
 24 them, how in depth they use them, I don't know.
 25 Cambridge might --

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1 MR. WILLIAMS: If you're interested, I'm sure we
2 could work out a modest licensing agreement.

3 MR. BRADLE: Yes, yes, definitely.

4 MR. COLLINS: It's a lot of data.

5 MR. BRADLEY: Thank you, Wes. I will now turn
6 it over to Cambridge.

7 MR. MA: Thank you, John, Wes, members of the
8 IAC and everyone, for the opportunity to present to
9 you today. My name is Liqian Ma with Cambridge
10 Associates. I'm a private equity consultant. And
11 I'm joined today by my colleagues Sheila Ryan and
12 Marina Kedrun.

13 And today we'll be giving you an update and
14 overview of the performance of the private equity
15 portfolio, both on an absolute basis, as well as on a
16 relative basis. Some of these you will have seen
17 from John's slides, but hopefully we can provide some
18 commentary, and also provide an update and some
19 observations of the market environment today in
20 private equity.

21 So apologies for the small font, if you can't
22 see on the screen, but this should be on the first
23 page in our presentation. So I would say the
24 takeaway here is that the Florida State Board's
25 private equity portfolio is meeting long-term

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1 objectives, which again is to outperform public
2 markets over a long-term period.

3 You can see since inception, as well as since
4 over the last ten years, and we have two
5 methodologies here, both time-weighted returns, as
6 well as dollar-weighted IRRs. Some folks look at it
7 differently, but we've done both here. And the story
8 is the same, in that the IRRs as well as the returns
9 over those long-term periods have outperformed the
10 public market equivalent, which is the MSCI ACWI
11 Investable Markets Index, plus 300 basis points. So
12 it does incorporate that illiquidity premium that we
13 would expect to lock up capital in private equity.

14 Obviously you can see in the more near-term
15 periods, three and five year terms, it has lagged.
16 And I would say that is consistent with the universe
17 of organizations, institutions we work with who have
18 private equity portfolios. They have lagged the
19 public markets, given the very strong recent run-up,
20 especially in the U.S. but in public markets in
21 general.

22 And I guess I attribute that to a couple of
23 things. One is the mark to market for private equity
24 is on a quarterly basis, and a lot of times it
25 doesn't quite catch up to the public market

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1 valuations, and we've actually -- and Marina will
 2 talk to this later on in a slide, where at
 3 realization, at exit, we do have some data that shows
 4 private equity funds do see an uptick in that exit
 5 value compared to where they're marking it about, you
 6 know, three to six months before the exit.

7 And I would say that -- so the story is across
 8 the board, both on the IRR perspective and
 9 time-weighted returns. Now, if we dig in deeper and
 10 look at the asset classes underneath the portfolio --
 11 and here we look at the sub asset classes venture
 12 capital, growth equity, buyouts, distressed and
 13 secondaries, over the long-term, again, if you look
 14 at the bar to the right of each column, the black
 15 bar, that's the benchmark, the public benchmark --
 16 you can see most of the asset classes have
 17 delivered -- they're either on pace or outperformed
 18 that public benchmark. Venture capital, growth
 19 equity, distressed and secondaries leading the pack.
 20 I would say distressed and secondaries, being more
 21 mature and also with good manager selections, those
 22 have led the pack in terms of performance. But also
 23 over the last ten years, buyouts have outperformed
 24 slightly as well.

25 Now, you can see the growth equity piece, both

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1 U.S. and non-U.S., they have lagged, especially
 2 non-U.S., where it is a more recent asset class. The
 3 first investment in non-U.S. was actually in 2008.

4 And it's a very thin sample size of four investments.
 5 So that J curve effect is taking hold. I am
 6 reassured to see the five and three year numbers for
 7 non-U.S. moving in the right direction, as those
 8 investments mature and are deployed into the ground.

9 MR. WENDT: Question?

10 MR. MA: Sure.

11 MR. WENDT: How large is that legacy portfolio
 12 now?

13 MR. MA: Today?

14 MR. WENDT: Today, yeah. Today is a good time.

15 MR. BRADLEY: It's a few million dollars today.
 16 It's somewhere between three and five million
 17 dollars.

18 MR. WENDT: So basically inconsequential.

19 MR. BRADLEY: It's inconsequential. And of that
 20 three to five million, half of that are sale proceeds
 21 just held in escrow. So we would expect those to be
 22 delivered back. And so we would think maybe within a
 23 matter of six months to a year, that will be zero,
 24 should be.

25 MR. PRICE: What's the benchmark?

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1 MR. MA: In this case it's the MSCI ACWI IMI
2 plus 300, which is the benchmark that we revised to
3 last year.

4 MR. BRADLEY: Or it's a blend of our benchmarks.
5 And so -- and John Benton might know the timeframe
6 more. But when the asset class started, it was a
7 public markets plus 750 benchmark. That then changed
8 to public markets, which I think at the time was
9 Russell 3000, public markets plus 450. In July 2010
10 that was changed to 300 basis points. And then July
11 of last year it was the MSCI ACWI. So this number
12 you see is a blend.

13 MR. PRICE: So what's the -- the three year
14 benchmark is 20.8 percent.

15 MR. BRADLEY: Yeah. So it is -- the three year
16 benchmark is -- the majority of it is Russell 3 plus
17 300. The last six months of this three year period
18 is the MSCI plus 300.

19 MR. COLLINS: I just have one question,
20 Mr. Chairman. I'm not sure if it's this asset class.
21 I don't think it is. I think it had to do with
22 Trent. But we had this whole pre and post and --
23 before, we like to account for things a certain way,
24 and after, we like to account for things a certain
25 way.

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1 MR. BRADLEY: It's probably this one.

2 MR. COLLINS: We've had the discussion in the
3 past, and I thought we had said, look, because it's
4 so small, can't we just get away, can't we just get
5 away from seeing pre-1999 every time we start to talk
6 about private equity? And can't we just say, this is
7 what it is?

8 MR. WENDT: So that I don't have to ask the
9 question.

10 MR. COLLINS: Because we've had the asset class
11 since '92 or '93, but we didn't separate it out until
12 '99, which is why we start talking about pre- and
13 post-1999. But it's almost like it didn't occur or
14 something happened prior to '99. Let's just call it
15 what it is. Let's just say private equity. There's
16 only 3 to \$5 million left. I don't know. It just
17 seems like a caveat that we shouldn't carry around
18 anymore.

19 MR. BRADLEY: We'd have to discuss it with John
20 Benton, but I think we've always defaulted to it's
21 better to show it. Maybe we can show it and not
22 discuss it, and we'll form our comments around just
23 the post asset class performance in the future. But
24 I think we've always looked at it and said, total
25 private equity is indicative of everything the SBA

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1 has ever done in private equity, and so we would
 2 never want to be accused of hiding the bad piece.

3 MR. WENDT: Peter, you're just saying put it in
 4 with -- so it would be one number as opposed to two,
 5 right? Makes a lot of sense.

6 MR. COLLINS: Well, there's a sense, I think --
 7 the only reason you're -- unless I'm wrong, the only
 8 reason that you would separate it like that is if you
 9 felt like that there was performance pre-1999 that
 10 wasn't that good but it was because it was part of
 11 the structure that it was in, and so you really don't
 12 want to look at it that way, so you've pulled it out
 13 into a separate group in '99, and that's when you
 14 start the line of demarcation for returns.

15 And I get that, I do, because private equity --
 16 but what I don't get is somehow, hey, we weren't good
 17 at private equity before '99 because it was in
 18 domestic equity, it was under the domestic equity,
 19 and we just weren't good at it. And that's the
 20 connotation that I get. Either we did a good job or
 21 we did a bad job, and if we did an okay job and we
 22 only got mediocre results, then so be it. It is what
 23 it is.

24 MR. BRADLEY: Yeah, I think I would agree. But
 25 I think part of the thing, too, though, that when we

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1 look at performance, and given that the private
 2 equity asset class as it's been structured since
 3 1999, is a view on are we doing things the right way,
 4 are we going in the right direction.

5 And some of that is, when you include that
 6 piece, which was when private equity was just a
 7 sub-strategy of domestic equities, no different than
 8 large cap value, it kind of blurs that, and it's hard
 9 to then take a look and say, are we doing well or are
 10 we not doing well.

11 MR. COLLINS: So then why can't we say we didn't
 12 start private equity until '99 for reporting purposes
 13 and just say what it is and cut out this pre- and
 14 post-1999?

15 MR. COBB: What I would suggest is the next time
 16 we review private equity, that management come back
 17 with a more comprehensive analysis on pre and post.
 18 So let's just continue.

19 MR. WILLIAMS: And, Mr. Chairman, if I may, to
 20 heed the direction the discussion is going, why don't
 21 we put a little more of an edge on your direction and
 22 say what we'll try and do is come up with a
 23 consolidated single number to report, and if we need
 24 a footnote for purposes of completeness, put it
 25 there, but make it simpler, focus on a single digit,

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1 and not run everybody around the track and not
2 forcing Mr. Wendt to follow up every meeting.

3 MR. JONES: And it does seem it's going to cure
4 itself anyway, you know, 16 years ago. So it's
5 better to look at the number without it, because
6 that's the number we're going to see going forward.

7 MR. WILLIAMS: Well, and it will be diminishing.
8 It will get further and further and smaller and
9 smaller in the rearview mirror with the passage of
10 time. So your direction is received and we'll pursue
11 it. Thank you.

12 MR. MA: Until we have that long-term solution,
13 here we still break out both pre- and post-'99. I'd
14 say here the analysis basically is we look at the
15 SBA's private equity returns compared to the private
16 investment portfolios that we at Cambridge Associates
17 track. These are real portfolios, not some
18 benchmark. These are real constructed portfolios.
19 And you can see the sample size over the last ten
20 years, over 250, over the last year, over 330 of
21 these. And for a portfolio to make it into the
22 sample size or this universe, it has to have at least
23 ten funds, so one or two funds would not count.

24 So I would say that if you look at the post
25 asset class returns, across the board, it's been

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1 above median, and in most cases, in most fund
2 periods, in the first quartile relative to that
3 universe of real client portfolios.

4 Obviously, if you look at the total, the single
5 line item including the legacy piece, it's a little
6 bit more mixed. Over the last ten years, just below
7 median, at 9.6 percent, but for the most recent
8 periods still second quartile. So on a relative
9 basis, you know, it has been positive. And on an
10 absolute basis, too, I think generally reaching the
11 numbers that we would expect for, on a net basis, for
12 private equity.

13 This next slide, I think to, Mr. Price, your
14 comment earlier about the illiquidity and the
15 unfunded commitments, you can see here that -- and
16 John alluded to this as well. Over the last couple
17 of years, 2013 and 2014, we have seen positive net
18 cash flows. So the blue bars show gross
19 distributions from the portfolio back to the SBA, and
20 green shows contributions or paid-in capital to
21 private equity funds. And you can see we've been net
22 cash flow positive over the last couple of years;
23 2013, over half a billion, 500 million, and 2014,
24 150 million.

25 And I think for this year we expect that number

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1 to be around cash flow break even. So the
 2 distributions coming back, assuming capital markets
 3 maintain favorable conditions, the distributions
 4 should fund the contributions that we're making into
 5 the portfolio.

6 And so with that I'll turn it over to my
 7 colleague Sheila Ryan. Actually, I have one more
 8 slide. Sorry about that. You've seen this slide
 9 before. I think we presented this last year. This
 10 is showing the expected pacing of commitments going
 11 forward. So really not much change since last time
 12 you saw this June of last year. We expect to
 13 continue to deploy about 2 billion in commitments per
 14 year for the foreseeable future to maintain target of
 15 that 6 percent of NAV. And with that, I'll turn it
 16 over to my colleague, Sheila, who will be talking
 17 about the market environment.

18 MS. RYAN: Great. Thanks, Liqian. I'm Sheila
 19 Ryan from Cambridge Associates. Marina and I are
 20 going to spend a few minutes talking about the
 21 current market environment for private equity and
 22 venture capital.

23 Now, there's been a lot of stories in the press
 24 about a lot of capital flowing into private equity
 25 and some folks questioning the return potential of

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1 this asset class in light of all this capital flowing
 2 into the sector. And the question is, you know, will
 3 returns be compressed. But we're showing here some
 4 pretty great outcomes over the last several years.
 5 And we continue to believe that private equity will
 6 provide for very solid returns and allow us to
 7 outperform public markets by three to five hundred
 8 basis points over the long-term.

9 You'll see here, just to get grounded on the
 10 graph, on the right-hand side, just looking at the
 11 three year numbers, the light blue bar is the
 12 performance of the private equity funds in our
 13 benchmarks that are the top -- in the top two
 14 quartiles. And then the dark blue bar is the
 15 average. And then the gray bars are public markets,
 16 S&P and Russell 2000.

17 So you'll see, and we've alluded to this
 18 already, that the three year numbers, private equity
 19 has struggled to keep up with public markets. And as
 20 Liqian was mentioning earlier, that's largely driven
 21 by the fact that we've seen such a strong public
 22 market, and it's quite common that private equity
 23 markets lag public markets, especially when we see
 24 the type of run-up that we've seen here.

25 You'll see over longer periods of time that

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private equity has handily outperformed public markets, and we expect going forward that this trend will continue. We do think, relative to the returns in the market from 15, 20 years ago, we will see some compression, but we still do expect some solid returns from the asset class.

The other thing that's interesting to note here on this chart is the difference between that light blue and the dark blue in terms of the top two quartiles versus the average. And that difference is driven by manager selection. And that's something that the process that we're following here and John was mentioning earlier in terms of the example of looking at 138 funds to come up with five, we follow a very similar process.

We last year had 2,000 meetings with managers. And from there we whittled it down and came up with about 200 due diligence reports. So it's casting this very wide funnel and looking for the best managers and really narrowing it down to those top ideas, with the objective of being in those top two quartiles, because that's what manager selection -- that's what getting it right gets you, and it's significant. And that's really what our goal is here in terms of constructing and working with you-all to

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construct this portfolio.

A similar story here for venture capital. In the three year period, we're basically at public equity type returns. One of the things that's interesting here over longer periods is we had the 2000 technology bubble, and you'll see the 10 year average returns in the dark green bar for venture capital at 10 percent, for 10 years and 15 years. So not very exciting, quite frankly, and that's being captured by what we saw after 2000, where we had probably a seven or eight year period where venture capital returns were very depressed.

But we have seen really strong tail winds here over the last five years in venture, posting some very, very positive results. You'll also notice a huge dispersion in returns, you can see it particularly in the 15 year numbers, between the top performing managers and the average managers. And venture capital is really an asset class where manager selection is particularly important, and you really do get paid for getting into those better managers.

So this slide is frankly a little tough to talk to, and it's tough to talk to because it's showing us valuations and leverage ratios in the private equity

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1 market today and how they've been creeping up
 2 steadily. They went down after the spike back in
 3 2007 at the height of the market. They went down
 4 during the global financial crisis, and now they're
 5 back up.

6 Now, I would say that this is really going to be
 7 largely in the very large end of the market where we
 8 see this. So how are we addressing this? How do you
 9 invest in this type of an environment? Well, you
 10 have to look for interesting and different types of
 11 opportunities. And the areas that we've been looking
 12 have been in smaller, smaller buyouts, where leverage
 13 ratios are much lower and purchase price multiples
 14 are much lower.

15 We're looking in the growth equity markets, as
 16 John was mentioning earlier, where the growth rates
 17 are very compelling, so paying higher purchase price
 18 multiples is a lot more comfortable to do because
 19 you've got such high growing companies.

20 Venture capital is an area that's been very
 21 compelling as well, and also some sector specialists.
 22 As we mentioned earlier, about half of the portfolio
 23 is in sector specialist firms, doing a lot in
 24 technology-focused firms, some health care, and just
 25 looking for those types of funds in the market,

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1 managers in the market that are different from these
 2 more plain vanilla opportunities and really trying to
 3 drive performance in what is really a fairly
 4 expensive market.

5 There's two points that I wanted to make on this
 6 slide. What we're showing here in the blue line is
 7 the gross return of U.S. private equity, and in the
 8 green line are EBITDA purchase price multiples. And
 9 not surprisingly, there's a very strong relationship
 10 between purchase price multiples and performance. So
 11 when you pay a lot for a company, then that's going
 12 to impact your performance in a non-positive way.

13 But what's really most interesting from this is
 14 that even when we had the global financial crisis, so
 15 you'll see down there on the bottom in the sort of
 16 2008 time period, so even when the markets were as
 17 ugly as they can get, private equity still delivered
 18 a 10 percent gross return, with the sort of upside
 19 potential that you can see here on the chart.

20 So just from a relative risk-reward perspective,
 21 we think the asset class is quite compelling, but
 22 even when it got as ugly as we've all seen it get in
 23 a long time, it still delivered some decent numbers.
 24 And you've got that sort of option on the upside in
 25 terms of good performance.

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1 MR. PRICE: Why do you use gross returns?

2 MS. RYAN: In this case, this was done at a
3 company -- yes, right, because we're comparing it to
4 EBITDA purchase multiples. So we did it at a company
5 level. And when we're looking at company level
6 analysis, we have to use gross returns.

7 MR. WENDT: In the three previous charts -- and
8 you don't have any page numbers on them, but in the
9 three charts before this, I just want to make sure I
10 understand this. You don't have -- there's no bar
11 for Florida SBA. There's a bar for top two
12 quartiles, right?

13 MS. RYAN: Right, right.

14 MR. WENDT: And so are we always in the top two
15 quartiles?

16 MS. RYAN: No, you're not always. I don't know
17 a single portfolio that is, frankly. But your hit
18 ratio is quite strong. And this is really more
19 talking about the market in general. And we do track
20 your quartile rankings. It's in our quarterly
21 performance reports. It's a fairly high percentage
22 in those top two quartiles.

23 MR. WENDT: Thank you.

24 MS. RYAN: And then the last slide before I turn
25 it over to Marina, here in terms of venture capital,

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1 we've got a cute word on top of the slide, I don't
2 know if you see it, called the frenemy. Basically
3 what we're talking about here is late stage
4 valuations in venture are quite high and quite
5 expensive. So we're avoiding that end of the market
6 and focusing in on the lower end lines, which is the
7 earlier stage, first round and second round, venture
8 capital opportunities.

9 But the reason we call it our frenemy is that
10 even though -- so what we're able to do is invest on
11 the earlier stage at much cheaper valuations and sell
12 into those later stage rounds once the companies
13 mature. So we're actually being able to take
14 advantage of this movement that we've seen in late
15 stage valuations. It's actually -- it's our friend.

16 Okay. I'm going to turn it over to Marina to
17 share a couple of additional perspectives on the
18 market.

19 MS. KEDRUN: I'm Marina Kedrun with Cambridge
20 Associates, and I'll continue sharing some of the
21 observations that we see on the private equity
22 markets. So you can see over the past four years the
23 amount of distributions was nearly 500 billion. This
24 number is almost double that from 2004 and 2007
25 number. And the distributions from private equity

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1 funds to the LPs were primarily driven by
 2 availability of credit, by favorable equity market
 3 conditions. So a lot of private equity firms were
 4 taking advantage of positive equity markets, exiting
 5 the companies and completing recapitalizations and
 6 returning capital to the LPs.

7 Also there has been an increase in the M and A
 8 activity over the -- since after the global financial
 9 crisis. This is primarily driven by the corporate
 10 buyers who have a lot of cash on their balance sheets
 11 and were buying companies from private equity
 12 players.

13 MR. COBB: I have a question on that subject.
 14 And we discussed this at one of the previous
 15 meetings. And I think there was an emphasis, Ash, by
 16 you on, we're insisting on more governance provisions
 17 to enable us to have a judgment on recapitalizations.
 18 So some of these recapitalizations which are being
 19 done at a cost of capital greatly in excess of our
 20 cost of capital, the question I would have as an LP
 21 investor in some of these, whether these
 22 recapitalizations are in fact in our best interest as
 23 an LP and are we challenging that with our added
 24 governance capabilities. Maybe that's for you, John,
 25 or Cambridge, either one.

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1 MR. BRADLEY: I think as far as -- you know, as
 2 I mentioned, we sit on the advisory board of a
 3 majority of these funds. And so as we meet and as we
 4 talk through recaps as an LP, what we're doing is we
 5 actively question the GP, so we don't have the right
 6 or the ability to veto a recap or have a GP not
 7 undertake a recap. But what we do is look at,
 8 okay, where was the leverage multiple, how has it
 9 been bought down, what are you recapping the company
 10 to.

11 And frankly they're good for us from a return
 12 perspective, but we always have to have our eye on
 13 the long-term game, which is, is it good for the
 14 company over the long-term and is this short time IRR
 15 bump going to be detrimental to the company at exit.
 16 And so we actively -- that's one of the 71 data
 17 points that we look at in our spreadsheet, is where
 18 has leverage gone, has that been appropriate,
 19 reasonable, and have you done it in the right way.
 20 But we don't have governance at the fund level to
 21 approve or disapprove any transactions.

22 MR. COBB: Thank you.

23 MS. KEDRUN: So another point I wanted to make
 24 on this slide is that, if you look at the cash flows
 25 for the State Board of Administration of Florida,

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1 they actually mimic this trend. And in 2014 it was a
 2 record year of distributions, and the Florida
 3 portfolio received almost 2.3 billion in
 4 distributions from the private equity program.

5 Turning to the next slide, as limited partners,
 6 as investors, a lot of times we are concerned whether
 7 the valuations that we see on paper from private
 8 equity funds will actually match those valuations at
 9 exit. And this data shows that they actually do and
 10 often exceed the valuations that we see on paper. So
 11 basically it shows that the average -- the middle bar
 12 shows that, on average, the total value to paid in
 13 multiple of exited deals exceeded by 11 percent the
 14 multiples of -- the valuations of these deals six
 15 months prior to their realization.

16 And this is also driven by the fact that private
 17 equity valuations often lag valuations of the equity
 18 markets. So, you know, this data basically should
 19 provide us some comfort as investors that we will be
 20 able to see positive realizations at multiples that
 21 we've seen before on paper.

22 Turning to the next slide, again, the data that
 23 I just described provides us some comfort in the
 24 multiples that we see in the market. Up to 2011
 25 there have been almost 2,000 unrealized PE-backed

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1 investments in the market. Almost 80 percent of
 2 these investments were valued at or above cost. And
 3 we'll see the number of realizations increasing.
 4 During the global financial crisis, the markets were
 5 dried up. And with increased valuations that we've
 6 seen in the market recently, we'll see this left bar
 7 going down.

8 Finally, so this slide shows private equity
 9 overhang. So we define private equity overhang as
 10 amount of capital raised by private equity funds but
 11 not deployed, not invested. So with positive recent
 12 trends in private equity, we've seen a lot of private
 13 equity firms fund-raising. So you'll see that the
 14 bar in 2014, the amount of uncalled capital was
 15 almost 440 billion.

16 And what does it tell us as investors?
 17 Basically it tells us that we should look for more
 18 nontraditional opportunities. And that's what we've
 19 been trying to do, and not just investing in plain
 20 vanilla funds, and looking for private equity
 21 strategies and managers that have an edge and have a
 22 specific ability to outperform based on their ability
 23 to find attractive opportunities, given the market
 24 presence or a specific expertise in specific sectors
 25 or operational capabilities and other advantages.

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1 MS. RYAN: That was really all we had in terms
2 of market update.

3 MR. COBB: Okay. Questions from the board on
4 private equity in general? Any other comments from
5 management?

6 MR. COLLINS: I just have one question,
7 Mr. Chairman.

8 MR. COBB: Yes, sir.

9 MR. COLLINS: On the 5.7 percent, to the point
10 of this slide, how much of that -- what would you say
11 our funded percentage is? Well, if 5.7 is committed
12 relative to our 6.0 target, how much is funded?

13 MR. BRADLEY: That 5.7 is market value, so
14 that's funded.

15 MR. COLLINS: So that's all funded.

16 MR. BRADLEY: Correct.

17 MR. COLLINS: So if the remaining uncalled
18 capital was called tomorrow, what would we be at?

19 MR. BRADLEY: I'm not sure of the number.

20 MR. COLLINS: It would be over six.

21 MR. BRADLEY: It would be over six. Now, the
22 remainder couldn't technically be called because
23 there's -- we call them speed bumps, but funds --
24 there are certain provisions that funds can't --

25 MR. COLLINS: No, I'm not worried about the

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1 stress that it puts on. I'm just trying to get at
2 the total dollar volume.

3 MS. RYAN: It's actually in the appendix.

4 MR. BRADLEY: It's 9 and a half percent.

5 MS. RYAN: It's right here.

6 MR. COLLINS: I think that's good, obviously.
7 We're getting 3 billion a year, or almost 3 billion a
8 year back. I mean, you want to be over, I think.
9 I'm not sure what the proper ratio would be, but --

10 MR. BRADLEY: I think, you know, in the model,
11 and they show the pacing model, I mean, all of that
12 is incorporated. We look at every fund, what they
13 have yet to call, the aging of the assets, when we
14 expect them to come back, when the new money we

15 expect to be put out. And so that's how we're kind
16 of baselining our 2 billion a year commitment pace,
17 given what we know and historically what we've seen
18 in the funds would keep us at that 6 percent invested
19 level for market value.

20 MR. COLLINS: Last question. Of the 18
21 investments we made -- is that right, 18 investments,
22 including re-ups?

23 MR. BRADLEY: Well, 24 total.

24 MR. COLLINS: Twenty-four total.

25 MR. BRADLEY: Yes.

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1 MR. COLLINS: How much was the five, the five
2 new investments, again, how much total capital was
3 that commitment?

4 MR. BRADLEY: I'm not sure. I think --

5 MR. PRICE: Probably close to a billion, right?

6 MR. BRADLEY: Those five investments probably
7 represented about 300 -- I'm thinking 15 percent of
8 our pacing that year, so maybe 300, 350 million of
9 that 2 billion we put to that year was in new
10 commitments. Now, that's largely because, again,
11 we're pulling down, or not pulling down, but not
12 actively seeking large buyout funds. We have a
13 portfolio full of them. We probably have too many.
14 We are actively seeking smaller funds, niche funds,
15 sector-focused funds, which are a smaller commitment.
16 So of those five deals, we probably average somewhere
17 from 50 to 75 million per fund.

18 MR. COBB: Peter, to make one different view
19 than I think you've just expressed, as one member of
20 this committee, I think we should not encourage
21 management in private equity or strategic or real
22 estate to chase deals to get to their target. I
23 think, from my point of view, we should continue to
24 emphasize making good deals and continuing to be
25 rigorous. And if that means we don't meet our

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target, I applaud them.

MR. COLLINS: I don't disagree with you, and I
hope that none of my comments meant that we were like
a dog chasing a car. Quite the opposite. I like the
3 percent hit ratio. Nothing wrong with that at all.

MR. COBB: Any other comments on private equity?

MR. PRICE: May I, Mr. Chairman?

MR. COBB: Sure.

MR. PRICE: I remember '08, '09 going to some of
the private equity firm annual meetings, and so many
of the limiteds were begging for distributions and
begging not to be called for more capital because
they were so capital constrained, because hedge funds
gated. And it was a great time to put private equity
money out.

So I was going out there telling these guys,
please call me on capital. Right? So I would love
you guys to get in a position, especially when
they're paying 10 times EBITDA for companies, get in
a position to say to them, you know, wait, keep your
powder dry, you know, because stuff is going to
happen.

MR. BRADLEY: Absolutely.

MR. PRICE: And remind them that you would love
to co-invest with them with no fees, right? So if

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1 they want to buy something, you've got 200 million in
 2 their fund, give them another 200 million, right, as
 3 a co-investment with a lesser fee or no fee, so that
 4 they have the fire power to do things quickly when
 5 the time is right. That would be a great call to
 6 get, right?

7 MR. BRADLEY: Yeah, I would agree.

8 MR. JONES: One question I had, John and Ash.
 9 Where does Lexington Partners fit into all this?

10 MR. WILLIAMS: Perfect question. That's exactly
 11 where I was going to go. I was going to make the
 12 point, not only do we share the view that Michael
 13 just outlined, which is we want people putting money
 14 to work when it makes sense, when the valuations are
 15 depressed, that's the time to really put capital to
 16 work, not when prices are at all time heights.

17 And where Lexington comes into it is they
 18 provide sort of a flywheel effect in both market
 19 extremes. So going back to the window Michael was
 20 talking about, '08, '09, you had a number of very
 21 distinguished endowments and foundations who found
 22 themselves liquidity constrained and became forced
 23 sellers of private equity assets. We could use
 24 Lexington as a flywheel in that environment to buy in
 25 exposures at discounts and boost our IRRs going

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forward at reduced risk levels.

By the same token, as John referenced a moment
 ago, about sales of assets in the current
 environment, we have used the current rich private
 equity asset pricing environment to call our
 portfolio by shedding a handful of funds that were
 later in their stage, where we felt the IRRs to
 maturity were lower than what we could get with
 incremental private equity capital deployed in the
 current environment.

So there we would use Lexington or other
 vehicles as a seller. Commonly, the MO we use is,
 rather constraining ourselves to Lexington, if we're
 a seller, we will retain a third party marketer,
 figure out our own strategy for how we should price
 the portfolio, distribute it widely to the
 marketplace, and essentially go with whoever gives
 the highest and best bid for us. That could be
 Lexington. It could be somebody else. But that's
 exactly the way we've used -- maybe the way to do it
 would be, to rephrase your question, Bobby, how do
 you use the secondary market, as opposed to
 Lexington, per se.

MR. COBB: Okay. Hearing no other comments on
 private equity, we'll go and talk about the defined

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contribution plan. Joan.

MS. HASEMAN: Good afternoon. Just a real quick overview for me, and then I'm going to have Kristen take over and do performance. Before I get started, I did want to introduce several of my -- I think I'm on.

MR. WILLIAMS: You need to get closer.

MS. HASEMAN: Better?

MR. WILLIAMS: Better.

MS. HASEMAN: Two of my team members are here today, and I did want to introduce them. Some of you may or may not have met them yet. But we're a group of six individuals who work in the DC office. In the audience today is Walter Kelleher, who is the director of educational services, responsible for the financial guidance program that we're very proud of. Walter oversees the entire relationship and puts that all together for us. Also in the audience is Stephen Tabb, the director of financial management. He oversees our investment managers, oversees and monitors the allocations to those managers.

My first slide today is just a real quick overview of where we are as of March 31st.

MR. COBB: I have a question on that. You just confused me.

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MS. HASEMAN: Okay.

MR. COBB: So our pension fund, retirement fund managers don't manage the defined plan?

MS. HASEMAN: That's correct.

MR. COBB: So I guess they're used as resources only, but they're not the managers.

MS. HASEMAN: That's correct.

MR. COBB: I didn't understand that before. Thank you very much.

MS. HASEMAN: Assets as of March 31st, \$9.12 billion. Membership --

MR. DANIELS: There's difficulty hearing the speaker on the phone.

MS. HASEMAN: I'm sorry. It's my voice. Our membership is at 161,596 as of March 31st. We're up a little bit to 162,904 as of May 31st. We have a set of active members, and those are members receiving contributions, of 114,216. And inactive members are members who are holding funds in the investment plan but are no longer receiving contributions, 47,000.

Our average account balance is 56,449. Our average age is 46, and the average years of service is 8.51. Retirees -- and these are members who have taken a distribution from the plan, any distribution

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1 regardless of the amount are considered retirees from
 2 the plan, is 91,000.

3 Total distributions inception to date is
 4 \$8.3 billion. Lump sums continue to be a lower
 5 percentage of the assets, and rollovers the higher
 6 percent, but in count we have a larger number of lump
 7 sums being paid out.

8 MR. WENDT: That 162,000 members, what
 9 percentage of that, of the total eligible population
 10 is that?

11 MS. HASEMAN: It's about 17 percent. We have
 12 about 627,000 members total in the Florida Retirement
 13 System.

14 MR. WENDT: Thank you. That's all I was looking
 15 for.

16 MS. HASEMAN: Just a quick overview here as
 17 well. We just wanted to give you an idea of what our
 18 investment options are. We have ten target date
 19 funds. And you may recall we rolled these out in
 20 July of 2014. In addition, we also moved to white
 21 label funds for the Florida Retirement System
 22 Investment Plan, utilizing our existing investment
 23 managers.

24 And then three of them are passively managed.
 25 BlackRock being one of our larger investment managers

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1 in this space for us. And then eight actively
 2 managed funds, again, utilizing the existing managers
 3 under contract at the time and plugging them into our
 4 white label funds.

5 MR. COBB: So just to follow up on that. We do
 6 such a suburb job with our passive activities. We're
 7 lower cost than anybody. Why wouldn't we use our
 8 team here rather than going to BlackRock?

9 MS. HASEMAN: Well, statutorily we are not
 10 allowed to use the State Board as an investment
 11 manager. There were discussions with the legislature
 12 to allow that to occur, but it has not gotten legs
 13 and allowed that to happen. We also run into the
 14 issue, too, of daily liquidity and daily pricing in
 15 the DC arena, which is not something that the defined
 16 benefit team has perfected.

17 MR. WENDT: What's a white label fund?

18 MS. HASEMAN: It's usually a fund that is owned
 19 and operated and uses the sponsor's name, in this
 20 case Florida Retirement System, FRS, where we are
 21 using as a plug and play, where it's our lineup. And
 22 underneath the underlying managers are delegated a
 23 certain percentage of those funds. So no single one
 24 manager holds that space.

25 We also have a self-directed brokerage account.

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1 This was something that we introduced in January of
 2 2014. We currently have about, as of March 31st,
 3 \$264 million, which is about 3 percent of our assets
 4 and about 1 percent of our membership. That number
 5 has grown just a little bit. As of Friday we're at
 6 297 million, at 1735 members. Not unexpected, given
 7 self-directed brokerage accounts are very active in
 8 the DC arena. We are not surprised by the dollar
 9 amount, and the 1 percent is about what we would
 10 expect to see, given what we've gathered from other
 11 plans.

12 Over the last year, you may recall we replaced
 13 PIMCO and brought in three managers, Principal
 14 Diversified Real Assets, Prudential Core Plus Fixed
 15 Income, and Wells Capital Montgomery. All of these
 16 members -- these three funds came in. We plugged
 17 them into our FRS funds and allocated their assets
 18 from the PIMCO to the -- to their fund allocations.

19 MR. JONES: Just out of curiosity, what was the
 20 reason to get rid of PIMCO?

21 MR. WILLIAMS: Management upheaval.

22 MR. JONES: Okay. Yeah, gross. Yeah, okay.

23 MS. HASEMAN: Just a quick note, as far as the
 24 growth of our assets, over the last five years, we've
 25 grown about 35 percent, from 6.7 billion to

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1 9.115 billion. As of the close on I guess May 31st,
 2 we're at 9.2 billion, and we're up about 2 percent
 3 over last year.

4 I thought you might be interested in seeing what
 5 our allocations looked like by our members. This is
 6 by their age. Not surprising, you would see the
 7 allocations of our younger members in the equities
 8 field and reducing down as they head into the --
 9 getting ready for retirement and into retirement. A
 10 lot of this is driven also by our retirement date
 11 funds, which is reflected in these allocations as
 12 well.

13 One of the things I should mention, Stephen Tabb
 14 is responsible for watching the allocations, making
 15 sure our managers stay rebalanced. It's a full-time,
 16 active job for him, and a lot of hard work goes into
 17 making sure that things stay within the bounds that
 18 they should be.

19 The next tab is just an allocation by gender. I
 20 don't think there are any surprises here. The
 21 females are inclined to be a little more conservative
 22 than the males. Also, our retirement date funds for
 23 our females, it appears to us that they have held
 24 their position in the retirement date funds when we
 25 did the allocations. Some movement out by the males.

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1 This is a slide that I'm particularly proud of
 2 for our team. As you can see, our fees are
 3 substantially, I think, less than what we would see
 4 in the retail marketplace. Our average overall fee
 5 is about 21 basis points for the fund itself. A
 6 really good, I think, result for the managers we have
 7 under contract.

8 Our membership growth has been steady, plodding
 9 along. Dan Beard, who is not here today, is
 10 responsible for the relationship with our -- oh, I'm
 11 sorry. There he is in the back. Dan is responsible
 12 for the relationship with our custodian and our
 13 investment plan administrator, oversees the choice
 14 service, and makes sure that all of these numbers are
 15 where they need to be.

16 This is our choice history. As you can see,
 17 there's some activity here. As you watch back five
 18 years ago, we were hitting a default rate, which is
 19 members who are not taking an active choice, we
 20 started seeing a nice decline of that until about
 21 2012. And it has steadily been growing again. And I
 22 think we can attribute that to the legislative
 23 activities that have taken place over the last
 24 several years.

25 And my last slide today is just to give you a

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1 snapshot of our financial guidance program. This is
 2 the program that Walter is responsible for, oversees
 3 the investment plan -- Ernst & Young financial
 4 planners. He does all of the outreach to our members
 5 and to our employers and is working actively on our
 6 workshops. And trying to get the members to those
 7 workshops is always a challenge.

8 One of our highlights here is that we have
 9 started our first Spanish webcast, and we're working
 10 with E & Y now to do a second one, which I think will
 11 also help in reaching a population.

12 And upcoming initiatives for the DC plan, we're
 13 trying to explore private real estate or looking at
 14 other alternative investment vehicles for the
 15 retirement date funds. It's an area that we feel we
 16 may have some room for in the years to come. We're
 17 also exploring further diversification among our
 18 investment management firms. Too much concentration
 19 in one is always a worry. You want to be sure that
 20 you're not putting all your eggs in one basket. And
 21 as I mentioned, the additional Spanish financial and
 22 retirement planning workshops for the future.

23 Kristen, unless you have questions for me, I'm
 24 going to have her jump right into performance.

25 MS. DOYLE: Okay. So generally I provide just a

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1 brief overview of performance along with all the
 2 other major mandates that are managed by the SBA.
 3 But for this meeting, I'm going to do a little bit of
 4 a deeper dive into the investment structure of the
 5 program.

6 So just at a high level, the DC plan, the way
 7 that it's structured in terms of the investment
 8 options that are available to participants are
 9 adequately diversified across asset types, across
 10 investment styles and represent the full risk-return
 11 spectrum that exists in the marketplace.

12 Joan talked a little bit about the tiers. And
 13 we like to structure DC plans in terms of tiers so
 14 that participants can think about what their
 15 investment expertise is, how active they want to be
 16 in managing their actual underlying investments, how
 17 often do they want to rebalance on their own, do they
 18 want to outsource that to somebody else, and then how
 19 sensitive are they to cost and active risk. So
 20 helping them think through all those decisions and
 21 fit their allocation into the right tier has been
 22 really helpful in helping participants make better
 23 investment decisions and structure their investments
 24 more appropriately.

25 One of the things I'll point out, and you'll see

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1 this when we look at the asset allocation, the
 2 default option for the fund, so meaning if a
 3 participant does not make a selection, they are
 4 defaulted into the target retirement date fund. So
 5 the overall allocation within the fund to target
 6 retirement date funds is about 43 percent.

7 That's really good, and it's really positive for
 8 a DC plan to have a high allocation to target
 9 retirement date funds because those are
 10 professionally managed and they are constantly
 11 rebalanced. The asset allocation is constantly
 12 managed, similar to the way that you would manage an
 13 asset allocation for a DB plan.

14 And then when we look at performance, you'll see
 15 that performance for the total plan and aggregate has
 16 been very strong both on an absolute and a relative
 17 basis and then for the underlying investment options
 18 as well.

19 So we talk about investment structure. I'm
 20 actually just going to skip to this slide. So this
 21 is sort of the tier structure I was talking about and
 22 kind of framing the decision for participants in the
 23 most appropriate and easy to understand way. So
 24 thinking about, if I'm not that interested in
 25 managing my underlying investments or I don't know

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1 investments very well, then I probably want to
 2 default into a target date fund.

3 If I think I am more knowledgeable about
 4 investments but I don't want active management, I
 5 don't believe that active management works, and I
 6 just want to pick passive options, a DC plan should
 7 have those available to participants. And then the
 8 bottom two are really for those investors that
 9 believe that they have some investment expertise and
 10 want to make active decisions with their portfolio.

11 So the number of options matters as well because
 12 we don't want to overwhelm participants with too much
 13 choice. And there's a ton of research and data
 14 around too many options is detrimental to
 15 participants. They can't make decisions. So here
 16 we've shown that on average -- well, I would say, so
 17 about -- a little more than 25 percent of DC plans
 18 have 11 to 15 options, and then another 30 percent
 19 have about 16 to 20 options. So the SBA at 12
 20 options is kind of right there in that sweet spot
 21 where we normally see DC plans. We tend to err on
 22 the side of less options, so 12 is a pretty good
 23 number to be at.

24 So this is the asset allocation that I was
 25 mentioning, so you can see that 43.4 percent of the

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1 total assets are invested in the target retirement
 2 date funds, which is very strong. This shows about
 3 13 percent are invested in the index funds,
 4 41 percent in the active options. We still tend to
 5 see pretty healthy allocations to active options,
 6 even though we've seen a huge uptick in the last ten
 7 years or so to target retirement date funds.

8 And then the new self-directed brokerage account
 9 you can see there at 3 percent. That's pretty
 10 average. I wouldn't expect that to go up much.
 11 That's probably where it's going to be for a little
 12 while. We don't tend to see very high percentages to
 13 self-directed brokerage accounts.

14 And then the next couple of slides just
 15 illustrate what I had talked about, wanting to have
 16 investment options that span the entire risk-return
 17 spectrum. So we divided it into three different
 18 slides here. So this illustrates the target
 19 retirement date funds. So as you would expect, the
 20 ones for retirement later, so the 2045, 2050 funds,
 21 will tend to have higher risk and higher return.
 22 That's obviously because they have a much healthier
 23 allocation to equities and other, what we would
 24 consider riskier assets.

25 And then as you go to the left, down and to the

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1 left, then you get to the retirement income fund,
 2 which would be for those participants that are very
 3 near or at retirement.

4 Here are the passives options. You have three
 5 passive options, two equity funds, which obviously we
 6 would tend to see on the riskier end of the
 7 risk-return spectrum, and then a bond fund, which
 8 again would be at the lower end, so that a
 9 participant that wanted to pick only passive options
 10 could construct an efficient portfolio.

11 And then lastly the active options and the
 12 active core options again are -- span that entire
 13 risk-return spectrum as well. So when we look at the
 14 fund lineup here, we don't see any major gaps in
 15 terms of the fund options that are available to
 16 participants.

17 And then Joan did show a slide on costs, and
 18 this illustrates the same point, that the cost for
 19 each of the investment options tends to be much lower
 20 than the average mutual fund fees that are out in the
 21 marketplace for retail funds, which is exactly what
 22 we want to see.

23 And then performance, as I mentioned, has been
 24 positive across all periods. So relative to the
 25 total plan aggregate benchmark, meaning that in total

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1 the managers collectively are outperforming their
 2 respective underlying benchmarks.

3 MR. COBB: I have a question on fees. If I was
 4 a state employee and I wanted to be in this plan,
 5 could I say, look, I can get an index fund cheaper
 6 than this, can I direct it to that index fund, or do
 7 I have to stick with this index fund?

8 MS. HASEMAN: If you wanted a specific index
 9 fund, you'd have to go through the brokerage window.
 10 The only one offered under the plan is the one that's
 11 shown here. You could go and search for it. I'd be
 12 surprised if you found one less expensive.

13 MS. DOYLE: Yeah. So obviously the benefit of
 14 using the funds that are available within the plan is
 15 that they've been able to achieve that economies of
 16 scale and get the lowest institutional fee share
 17 class available to the participants that you wouldn't
 18 be able to get on your own.

19 And then we sliced the performance data a little
 20 bit differently as well than what I typically show.
 21 But here we just did it by asset category, so you can
 22 see that collectively all of the underlying asset
 23 categories within the plan are also outperforming
 24 their respective benchmarks.

25 So especially in the real assets, domestic

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1 equity and international and global equity, those
 2 asset classes have collectively outperformed their
 3 respective benchmarks and have ranked fairly well in
 4 a universe of similar strategies.

5 And then lastly, this is just a closing slide.
 6 There's obviously quite a lot of trends happening in
 7 the DC marketplace today. So I just wanted to
 8 mention a couple. And most of these the SBA is
 9 thinking about or taking action on or already
 10 implemented.

11 So one of the things that you may hear a lot
 12 about is this retirement income challenge. So we've
 13 spent a lot of time over the past 15 years or so
 14 understanding the accumulation phase, how to get
 15 participants to contribute more, how to get them to
 16 make better investment decisions. But then there's
 17 this, well, okay, how do we help them better manage
 18 the decumulation phase once they're in retirement,
 19 and what does that look like. So that's a big trend
 20 in the DC marketplace right now and something that I
 21 know Joan and her team are spending a lot of time on.

22 Investment options, fewer, focused and
 23 institutional in nature. So you just saw the
 24 streamlined approach that the FRS has. It's very
 25 much in line with best practice. And then providing

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1 advice and managed solutions for participants. And
 2 that's sort of the communication, education and
 3 advice component that Joan was mentioning is a big
 4 part of the plan and they spend a lot of time and
 5 effort on.

6 So with that, I'm happy to take any other
 7 questions.

8 MR. COBB: Questions? So when I saw on the
 9 first chart that the average U.S. stock funds was
 10 .37, that's where I got the conclusion maybe we
 11 weren't that competitive. But now that I see the
 12 details on what is called page 13, I see that our
 13 stock index fund is only 2 basis points.

14 MS. DOYLE: That's right.

15 MR. COBB: Which is really dramatic. I didn't
 16 realize that. Any comments or questions? Hearing
 17 none, thank you. Where do we start here on the asset
 18 class -- Ash, why don't you give us a --

19 MR. WILLIAMS: I think we're going to lead off
 20 with the global equity review, and we have Alison and
 21 Scott at the ready for that purpose.

22 MR. SEERY: That is correct. And I will start
 23 with the first couple of pages and then hand it over
 24 to Alison. The first page just shows the top-line
 25 performance. You can see that it continues to

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1 compare favorably to the underlying index over all
 2 major time periods. If you look beneath those
 3 numbers across the spectrums of active, passive,
 4 domestic, international, they have all contributed to
 5 the favorable results.

6 The next page is the risk. Risk tends to be
 7 well contained and well rewarded, with the
 8 information ratio tracking consistently above 1.5.
 9 The next page talks about some of the things that
 10 we've been working on. We broke it into three broad
 11 categories, alpha, execution and operations and the
 12 team. Just to highlight, within the alpha section,
 13 we have the tools in place to support the launch of a
 14 smart beta strategy, so the research has begun on
 15 that.

16 In the emerging market program we recently
 17 replaced a risk control strategy with concentrated
 18 managers, with the thought that in these relatively
 19 less efficient markets, that kind of approach has
 20 been rewarded historically. The adding to the active
 21 return sources, we have a currency overlay program
 22 and a U.S. microcap program, which reflect or
 23 represent off-benchmark bets. Both have performed
 24 well and contributed to the bottom line.

25 Within execution and operations, just a reminder

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1 that we continue to raise considerable liquidity to
 2 fund benefits. Fiscal year to date it's 3.5 billion.
 3 On the currency overlay program, which as I mentioned
 4 has performed well, we are finally close to
 5 finalizing the prime brokerage relationship, which
 6 will we think ensure smoother operations and allow us
 7 to fund a more options-based strategy in the near
 8 term.

9 We're continuing to increase our commitment to
 10 internally managed passive. The global passive fund
 11 which we launched in the last year has performed
 12 well, and for that reason we increased the funding.
 13 On the team front, we continue to work to ensure that
 14 our team has the training and resources they need to
 15 contribute to our bottom line.

16 And Alison will finish up.

17 MS. ROMANO: Over the next two slides I'll
 18 quickly review the market conditions under which we
 19 are investing the \$87 billion in equity. And
 20 starting here on this slide labeled 145, a very
 21 simplistic illustration, but one which we hope
 22 demonstrates what's going on in the market right now.
 23 There are a lot of competing forces, some of which
 24 are interlinked. But on the left-hand side of the
 25 scale we have characteristics that support continued

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1 strong market returns, and on the right-hand side we
 2 have risk to those returns. And I'll walk through
 3 each of these, some of the details on the slide
 4 behind this.

5 Emerging market divergence, we're seeing a
 6 spread in returns across emerging markets, between
 7 oil exporters and oil importers, with the decline in
 8 oil prices. Just to give you a flavor of that, over
 9 the quarter Brazil was down 14.4 percent, while India
 10 was up 6.8 percent. This creates opportunity.

11 Next, liquidity in Europe. I'm sure most are
 12 familiar, but that remains. Ongoing quantitative
 13 easing, that is favorable for equity markets in
 14 Europe, and we've seen many managers transitioning to
 15 take advantage of that opportunity. Improving macro
 16 economic conditions, again, we're seeing generally
 17 positive numbers. Recently out of the U.S. strong
 18 home sales, strong unemployment, reduction in
 19 unemployment. Japan unemployment is at an 18-year
 20 low.

21 So these are all favorable. On the other hand,
 22 one thing that a lot of us have talked about across
 23 asset classes is valuation. So whatever metric you
 24 want to pick, price to book, price to cash flow,
 25 price to earnings, markets could be considered

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1 expensive, maybe particularly in the U.S. They've
 2 gone up certainly in the Europe and the U.K. There
 3 are inexpensive markets if you look relative to
 4 historic terms, but those come with risks.

5 An example is Russia, which leads me to the next
 6 point. There's a reason that's cheaper. There's a
 7 lot of geopolitical risk, among other things there.
 8 We still have Greece, though. That may be changing
 9 soon. And certainly ongoing risk in the Middle East
 10 that could potentially cause some risk to the
 11 markets.

12 Other news that we've put in here, rate hike,
 13 exceed expectation. That was before the discussions
 14 last week. I think that is definitely less likely
 15 now. Those have been tempered, and the markets are
 16 responding favorably to that.

17 What does this all mean for global equity? We
 18 continue to maintain our passive exposure and have
 19 active exposure where we think we can get active
 20 returns and be rewarded for that risk. Where could
 21 there be some opportunities? A lot of the rising
 22 market has been through PE expansion. Active
 23 management may not do as well in that environment.
 24 We're moving to a period hopefully there will be
 25 earnings growth, and active managers can benefit from

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1 that.

2 If growth in the market occurs more broadly
 3 rather than through a subset of companies, again,
 4 this is favorable to managers who may right now want
 5 to buy more value-oriented companies whose growth
 6 will be rewarded over time.

7 Correlations between stocks are coming down;
 8 again, favorable for active managers. And finally,
 9 as I mentioned, even with the EM divergence, there's
 10 a widening of returns between countries, and managers
 11 can find an opportunity to take advantage of that.
 12 So while the markets are fully valued, there are
 13 risks to the market. We maintain committed to being
 14 in areas where we think we can be rewarded for that
 15 active approach. With that, are there any questions?

16 MR. WILLIAMS: No questions? Why don't we

17 then -- Bobby, did you have one?

18 MR. JONES: No.

19 MR. WILLIAMS: Okay. Why don't we then move on
 20 to fixed income. Katy.

21 MS. WOJCIECHOWSKI: Yes, sir. I just included a
 22 couple of slides, which hopefully can let you sleep
 23 well at night, which is my purpose. Returns solid,
 24 if a little boring. Year to date -- excuse me, the
 25 one year return is 2.61. We're finally seeing the

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1 benefits of shortening our durations from the

2 Barclay's Ag about a year and a half ago to the
 3 intermediate aggregate, which is a year and a half
 4 shorter in duration.

5 So year to date, on the ag, we are at 18 basis
 6 points positive, so basically flat on the year,
 7 versus the intermediate ag, and that's just year to
 8 date now, is 84 basis points. So up about 66. So at
 9 least a little bit of benefit from shortening our
 10 duration a while ago.

11 We're kind of in our sweet spot right now, and
 12 it's not good to make big bets, so big duration bets
 13 is not our style. Security selection is more in our
 14 style. And we've seen some benefits lately from
 15 doing some tilts in corporates and specifically
 16 buying cheap insurance in the securitized assets, a
 17 little plug to my asset class. So we're seeing that
 18 pay off without looking like we have large overall
 19 risks.

20 So, John, if you could just go forward one,
 21 please. And as boring as you would think it is, just
 22 as you can see, we've had really good information
 23 ratios, because that dark blue line at the bottom,
 24 that's our annualized total risk, and our active risk
 25 is on the right. We have very little active risk.

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1 So it's -- I hate to make it sound easy -- but easier
 2 in securitized assets to take on little risk versus
 3 the market but come up with some pretty decent
 4 returns.

5 Like everybody else, and Alison touched on it,
 6 we are held hostage by what's going on in Greece,
 7 which is really not that big of a deal but could turn
 8 out to be a big deal, things going on, just EU in
 9 general and what's going to happen in Spanish
 10 elections, elections that we have coming up.

11 John, if you could go forward one. I guess I
 12 can do that, too, can't I? Sorry. Balance sheets
 13 have ballooned across the world. We've shifted from
 14 a private balance sheet to public balance sheet, so
 15 now it's on the taxpayers' shoulders. Right? So in
 16 2011, if Greece would have defaulted, or they
 17 technically did default I guess, you would have seen
 18 a bigger upheaval than you will now if they actually
 19 exit the EU, because now it's shifted from private to
 20 public debt essentially. Still seeing billions flow
 21 out of the Greek banking system. They were good
 22 through today. We'll see what happens tomorrow, I
 23 guess, to be determined.

24 And just one last note. So we've seen -- and
 25 this speaks to what I was talking about, about

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1 security selection. So just option adjusted and
 2 spreads in general have ebbed and flowed, ebbed and
 3 flowed, but we can find little bets and have seen a
 4 little bit of backup in spreads in our markets. So
 5 as rates rise, we've seen a little bit of backup in
 6 spreads. We put some more risk on, and then we'll
 7 take it off. Tight bets, I would say, close to the
 8 vest.

9 We do feel right here, by the way, that the Fed
 10 will start tightening -- my bet, it's only worth a
 11 can of Coke, if anybody wants to take the other
 12 side -- in September, September, no later than
 13 December. The market is priced in kind of two-ish,
 14 this year, September and December. Don't think that
 15 that will make a big rise in rates in the long end.
 16 You might even see a rally at some point. You'll see
 17 a curve flattening. So 10 years, about at 2.35
 18 today, 2.35, 2.50, call it. Some are saying we might
 19 have to see 3. But that's kind of where we think
 20 we'll be.

21 If that does happen, we have kind of muted
 22 response in the marketplace, you won't see negative
 23 returns. You'll see about the same that you're
 24 seeing right now. And that's what our scenario
 25 analysis is showing.

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1 MR. COBB: Questions for Katy? I guess I have
2 one.

3 MS. WOJCIECHOWSKI: Yes, sir.

4 MR. COBB: I've been reading a lot about a
5 potential bubble in corporate covenant light or no
6 covenant debt that maybe is in a bubble stage. What
7 is your judgment on that, and what are you -- if it
8 is a concern, what are you doing about that?

9 MS. WOJCIECHOWSKI: You know, it is a concern.
10 If you look at the maturity spectrum, and it's also,
11 where you see this is in high yield, and we did see a
12 lot of issuance in high yield. Definitely the market
13 for new issuance was open. Everybody could issue,
14 issue debt, right? And there's been a lot more debt
15 issued to repurchase stock. And now we see some more
16 M and A activity, things like that.

17 Increasing covenant light for sure. It looks
18 like debt service coverage ratios are still in great
19 shape right now. But we do see a cliff out a couple
20 of years from now. So increasing concern but not
21 immediate, like we're in a crisis concern. And oil
22 settling in here doesn't hurt.

23 MR. COBB: Any other questions on fixed income?
24 If not, Steve, let's go to real estate.

25 MR. SPOOK: Good afternoon. Thank you. I'd

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1 like to take this opportunity to introduce a new
2 employee in real estate. Today is literally his very
3 first day. He's a senior portfolio manager. Michael
4 Fogliano, if you'd just stand up.

5 So the first slide, I just kind of wanted to
6 give a little snapshot of where the portfolio stands
7 versus our policy targets and everything. So for
8 rates, we have a range of 5 to 15 percent, a target
9 of 10 percent, and we're almost right on top of that.
10 In the private market, we are targeting 20 percent
11 non-core and 80 percent core, and that's exactly
12 where we are today.

13 The next slide shows total real estate portfolio
14 performance, which as you can see, is strong absolute
15 and relative performance across all time periods.
16 And the following slide is principal investments.
17 You may remember I've explained to you that's our
18 direct-owned portfolio. And it has a secondary
19 benchmark and the private market benchmark. And
20 except for the one year return, it's handily beating
21 its benchmarks also. The one year return is probably
22 due to a slight over-exposure to apartments and
23 office, which for the one year period hurt us. For
24 the three and five year periods it was a very good
25 position to be in, because those were the higher

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performing property sectors.

And we have the externally managed portfolio. As I've explained to you before, that's our commingled funds and our REITs. And, again, very strong absolute and relative performance across all time periods there, one, three, five year. If we went out ten year, it would look the same.

Again, we've got property type diversification, private market, well diversified, not real far off our benchmarks, well within policy ranges and policy targets, very close to the policy targets also.

Geographic, pretty much the same story as property type, pretty close to the benchmark, well within our ranges, close to our target.

And recent activity, we've been -- this calendar year we've been pretty even, as far as dollar volume, between dispositions and acquisitions. And then we have some commitments to multifamily. That's going to be development. Student housing is a joint venture, continuation of an existing joint venture. And we committed 250 million to commingled funds between domestic, global and -- well, two domestics and one global.

And market conditions, I've got eight bullet points there. The first four bullet points are a

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little concerning. It kind of shows how expensive the market is, all the kinds of conditions that kind of -- you know, are we at the top?

You look at the last four bullet points, and I believe that that kind of will at least for some time to come support the pricing, because that capital, there's a lot of it. It's foreign. It's domestic. Fundamentals are improving. Other than multifamily there's still almost no new supply. And interest rates certainly are supportive of real estate pricing today.

MR. COBB: Questions, comments?

MR. WENDT: What does "weight of capital continues" mean?

MR. SPOOK: There's a lot of capital looking for yield, so it's coming into real estate. And a lot of that is sovereign wealth funds, but also a lot of domestic capital. There's just -- as low as cap rates and yields are in real estate, they look pretty attractive to what Katy can show on bonds, so there's just a lot of capital looking for yield.

MR. COBB: Thank you. One more real estate question?

MR. COLLINS: Yeah. So we talked last time about core, apartments, core apartments, and we

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1 talked about being a seller in this market. Any more
2 thought on that?

3 MR. SPOOK: Are you talking about multifamily?

4 MR. COLLINS: Yes, multifamily specifically.

5 MR. SPOOK: We are currently looking at the
6 portfolio and have some ideas for some dispositions
7 there, yes. Haven't made any final decisions on
8 that. But it's a good time to be a seller,
9 especially if you own an older property maybe and you
10 want to upgrade. Most of our dispositions, the sales
11 prices that we're achieving are exceeding what we're
12 carrying them on the books for.

13 MR. COLLINS: Right. Given the weight of all
14 that capital, it's pretty nice to sell into that.

15 MR. COBB: Opportunism is more important than
16 meeting targets, I think you're hearing from some of
17 us.

18 MR. SPOOK: Yes. And we do have a pacing model.
19 We're at 8 percent. Our target is 10 percent. We're
20 not in a hurry to get there, given current market
21 conditions.

22 MR. COBB: Good. Okay. Strategic, Trent.

23 MR. WEBSTER: Ambassador, thank you. That is a
24 fantastic segue into strategic investments, perhaps
25 the ill-appropriately named strategic investments.

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1 Just as a reminder, so we currently have four
2 objectives in the policy. The first one is to
3 generate a 5 percent real return over time. So we do
4 that over multiple market cycles. The second thing
5 is to diversify the Florida Retirement System. And
6 by that we mean investing in things that these four
7 asset classes do not, or in different ways that they
8 already invest. We're also here to dampen the
9 volatility of the entire plan as well.

10 The third thing we're charged with doing is to
11 provide a hedge against inflation. We see very
12 little inflation, but if it ever arises, then it's
13 something we will think about. And finally, as the
14 ambassador noted, we're here to invest
15 opportunistically.

16 Now, this is our portfolio based upon strategy
17 weights. Our largest allocation is debt. Our second
18 largest allocation is real assets, and our third
19 largest allocation is equity. What we've really been
20 focusing on the last year or two has been that purple
21 part, which for the most part did not exist a few
22 years ago, and it's in diversifying strategies, which
23 is currently 11 percent of the asset class. We
24 intend to bring that up to about 20 to 30 percent.
25 And these are strategies which generally have low

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1 correlation to equity markets.

2 And if you flip the page, you can see here a
3 breakdown by sub-strategy. Distressed is our
4 largest. I've mentioned in the past that we really
5 like distressed and will continue to maintain it.
6 That green part, and competing with Steve here on the
7 real estate, we're going to shrink that over time.

8 And in the purple area, in the diversifying
9 strategies, we have global macro. We're going to get
10 that up to about 8 or 10 percent over the next 12 to
11 24 months.

12 This is performance. Performance has been
13 strong. We've significantly outperformed. There
14 will be a time where we significantly underperform.

15 So I just want y'all to remember this, you know, when
16 things don't go so well for us, as it will eventually
17 happen.

18 So we measure ourselves multiple ways. In
19 alternative investments, it's difficult to get --
20 difficult to benchmark appropriately. So I think,
21 when you look at assessing our performance, you
22 should look at it in many single ways, not just
23 against the benchmark as you saw earlier.

24 One of the things that we do, as I mentioned
25 earlier, was that we're here to diversify the FRS.

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1 And you can see here the effect of strategic

2 investments, and this is since June 2010. And the
3 yellow bar is the Florida Retirement System excluding
4 strategic investments. That's the volatility of the
5 plan. And then the purple bar -- and next time I'll
6 make sure that's garnet and not purple, or blue.
7 Garnet? Okay.

8 So you can see the purple, that strategic
9 investments has lowered the volatility over the last
10 nearly five years in the Florida Retirement System by
11 about 30 basis points. And during that time period
12 we have been, on average, four and a half percent of
13 the total FRS. So we think that had we been up to a
14 full location, instead of volatility of about eight
15 and a half percent or just under, we'd probably be
16 around seven and a half percent.

17 Recent activity, in the first quarter, we had
18 cash outflows of \$212 million. Weren't quite as
19 active as we were in the fourth quarter of last
20 calendar year. We had three new funds hired,
21 totaling nearly -- just over half a billion dollars.
22 We have two new funds totaling \$350 million that have
23 already been hired this quarter, and we're working
24 like heck to get another three or four funds closed
25 by the end of the week.

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1 The last bullet point is actually a little
 2 outdated. We have dropped one of the funds in our
 3 pipeline, upon further due diligence, and we now have
 4 11 funds, totaling \$1.4 billion in our pipeline
 5 across several strategies.

6 Market opportunities, we've seen this before.
 7 Things haven't changed a whole lot. Most things are
 8 expensive, and so we have been spending a lot of time
 9 and opportunities on recommitting to funds and
 10 managers that we already have and been allocating to
 11 that purple part of the pie that we mentioned
 12 earlier, which should give us a cushion whenever the
 13 next bear market comes, you know, if of course it
 14 ever comes.

15 But opportunities currently are in Europe,
 16 primarily with the bank deleveraging and
 17 disintermediation. We're seeing opportunities in
 18 distressed energy and mining. We like some of the
 19 trading strategies because it's -- they're
 20 uncorrelated or they have lesser correlation to
 21 equity markets. But frankly there isn't really a lot
 22 of things that are particularly enticing right now.
 23 So our weight in the FRS is rising, but it's not
 24 rising at a particularly breakneck speed. That's all
 25 I had.

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1 MR. WENDT: Do you do anything that isn't
 2 through funds, any investing direct?

3 MR. WEBSTER: We have not thus far. It's
 4 possible. We have discussed that at specific --
 5 during the financial crisis we had discussed options,
 6 for example, in bank recapitalizations, getting the
 7 exposure through equity markets systematically as
 8 opposed to going through funds. We didn't do it, but
 9 those are things that we considered. But thus far
 10 everything has been through fund investments.

11 MR. WENDT: Because I have a couple of lots over
 12 in Homosassa, I wondered if you might --

13 MR. WEBSTER: We're stressed buyers, so yeah.

14 MR. COBB: Kristen, do you want to give an
 15 overall perspective on this?

16 MS. DOYLE: I promise this is the last time
 17 you'll hear from me today. I'll just cover
 18 performance through the end of March briefly and then
 19 move on to the next agenda item. So the defined
 20 benefit plan, you can see here, has outperformed its
 21 performance benchmark over all trailing periods.
 22 Similar results relative to the absolute nominal
 23 target rate of return, which is CPI plus 5 percent,
 24 over all trailing periods, with one exception, and
 25 that is the 15 year time period. We do tend to like

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1 to look at that relative to the longer term benchmark
 2 over longer term periods. So if you look at the 20,
 3 25 and 30 year periods, the DB plan has significantly
 4 outperformed that CPI plus 5 percent return
 5 consistently.

6 And then if we look at performance versus one
 7 peer universe, which is the TUCS Top 10, so these are
 8 the top 10 defined benefits plans in the U.S., a
 9 couple of things to point out. And these things
 10 we've looked at every quarter, but just to remind the
 11 IAC. The FRS tends to be a little bit overweight to
 12 global equities, underweight to fixed income,
 13 overweight to real estate, and then kind of right in
 14 line in alternatives.

15 So the difference between the FRS, the DB plan,
 16 and the peer group has actually been shrinking quite
 17 a bit as we've changed the asset allocation a little
 18 bit and started to move more into private equity,
 19 real estate and strategic investments.

20 And so this is performance. So performance of
 21 the DB plan was basically at the median for that
 22 particular universe. You can see that a little bit
 23 differently here. So, remember, this is a pretty
 24 small universe. It's only 10 plans, so the
 25 distribution tends to be really, really tight. So

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1 even 10 basis points or 20 basis points difference in
 2 return can cause you to sort of flip around the
 3 universe. But in general, over the period, it's been
 4 right around that 50th percentile.

5 And then the CAT Fund, just as a reminder, is
 6 invested in -- it's a short-term bond fund
 7 essentially. So performance on an absolute basis has
 8 been fairly weak, given the low interest rate
 9 environment that we are in, but has outperformed the
 10 performance benchmark, both the operating fund and
 11 the 2013-A operating fund.

12 And then I'm going to skip -- this is the Lawton
 13 Chiles. I thought this was the DC plan. So Lawton
 14 Chiles Endowment Fund has outperformed its
 15 performance benchmark over all trailing time periods.
 16 And almost a hundred percent of that outperformance
 17 has been due to the global equity active manager that
 18 manages assets on behalf of the endowment. Any
 19 questions on performance that I can answer? Okay.

20 MR. COBB: So, Ash, are we -- so we need to go
 21 over the governance update.

22 MR. WILLIAMS: Correct. And Mike is --

23 MR. MCCAULEY: Down here.

24 MR. WILLIAMS: He's hiding.

25 MR. COLLINS: He's come to the dark side.

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1 MR. MCCAULEY: I've just got a couple of slides.
 2 We've got the full copy of the memo, the standing
 3 quarterly reports in the meeting materials. Before I
 4 get into it, I just want to -- I was hoping to have
 5 Jacob here as well. He had to step out for
 6 something. But Tracy Stewart, maybe if you can just
 7 raise your hand or stand up. Tracy is our senior
 8 corporate governance analyst. We have a staff of
 9 four, including myself within the unit.

10 And I'll cover this in a couple of slides, but
 11 Tracy was essentially the lead analyst on a voting
 12 study that we went through and did a lot of the late
 13 stage data analysis, so she was kind of instrumental
 14 in that regard.

15 The first slide, just to kind of touch on high
 16 level voting, the voting for the first quarter was
 17 essentially in line with full-year figures. We had a
 18 slight uptick in the kind of director support. And
 19 that was due to kind of a similar uptick in non-U.S.
 20 markets, specifically South Korea. And that's shown
 21 on the next slide. So that was the number one market
 22 where we had -- at least in terms of the total number
 23 of meetings for the first quarter. Usually the
 24 United States is in the number one position, but
 25 South Korea was largely February and March.

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1 And just in the last couple of weeks we
 2 completed a long-term study of our historical proxy
 3 voting. And we went through this process, kind of a
 4 months-long study, for a couple different reasons.
 5 One, it was to essentially examine the voting
 6 decisions that we've made historically, look at the
 7 pattern and really kind of gage and hopefully
 8 validate the process that we go through, the research
 9 effort, the analysis.

10 And we went into the process, even really
 11 frankly without knowing the results. We really did
 12 not know what it was going to show us and indicate.
 13 We went back as far as we could go from a data
 14 collection perspective, went back to the beginning of
 15 '06 through the end of 2014. So it's a very
 16 long-term study, about nine years. It covers over a
 17 hundred proxy contests, where we actually were
 18 presented with a vote and a choice between supporting
 19 one or more of the dissident slates, either a short
 20 slate or a full board, less commonly, or supporting
 21 incumbent management.

22 So we went through this analysis. And we also
 23 wanted to try to quantify that, not just to know,
 24 okay, how many times are we supporting dissidents or
 25 management, which is helpful and meaningful in and of

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1 itself, but we want to try to quantify and put a
2 dollar value on those voting decisions. So we feel
3 that we went through this study and we looked at --
4 and I've got a couple of the charts here from the
5 full study, which is available on our website. We
6 looked at a number of different time frames, as short
7 as three months after the contest, the announcement
8 date, through five years, this is five year. We
9 looked at dollar-weighted results. We looked at kind
10 of nominal or absolute performance, and we also
11 looked at industry or relative -- what we call
12 relative performance.

13 So these two charts, the one on the left is
14 absolute, the one on the right is relative. And
15 essentially the results are very positive. We feel
16 it kind of validates the process that we go through.
17 We were hoping to see this kind of a V shape, so to
18 speak, if you look at the two end -- the dark bars,
19 those are where the party that the SBA supported
20 actually won the contest and was elected into office.
21 So on the far left side, where we supported
22 dissident, the dissident wins. You see both absolute
23 and relative outperformance.

24 And likewise, when the -- in the light blue
25 bars, where the SBA supported, in the case of the

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1 dissidents but management wins, i.e., all the other
2 investors essentially go against the SBA vote or vice
3 versa, however you want to look at it, the absolute
4 and relative performance was actually negative. So
5 we feel that that kind of underscores the fact that
6 we're trying to -- and, again, we're not a swing
7 vote. We're not a controlling shareowner, but to the
8 extent that we own equity, and we do quite often in
9 thousands of companies, to the extent that they have
10 a proxy contest and we're presented with that
11 decision point, we want to go through a fiduciary and
12 prudent process.

13 So we feel that this really kind of validates
14 that. And we've put some dollar values on it,
15 percentage. It was all positive and double digit
16 percentages through the one and three, five year
17 periods, for both dissident and management, where we
18 were on the right side. And vice versa, it was
19 negative double digit percentages over the one, three
20 and five year time frames.

21 So we share this information with other
22 organizations, shareowner groups. We're not aware of
23 any other institutional investor that's really gone
24 through this type of analysis or at least not as
25 publicly or reported it.

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1 MR. PRICE: Just out of curiosity, how did you
2 vote in DuPont?

3 MR. MCCAULEY: We supported two of the Trian.
4 And Trian and DuPont was not in the sample study,
5 because it was only through -- we did look at
6 performance. We looked at the one, three and five
7 year period for the whole time frame. But then we
8 also had a case study piece in the study where we
9 looked at individual -- you know, Darden, CSX and
10 some others, and we did look at performance all the
11 way through the first quarter. So we feel very good
12 about the results of the study, and did not know how
13 it was going to pan out going into it.

14 The last slide just covers some of the key
15 regulatory comments that we made through the quarter,
16 and company engagement has been largely in line with
17 last year.

18 MR. PRICE: I just want to say I think it's
19 terrific what you do internally, paying attention to
20 these kinds of things. It's absolutely a hundred
21 percent the right thing to do. You've got big
22 proxies, and you've got to throw your weight around,
23 and it's absolutely the right thing to do.

24 MR. MCCAULEY: Thank you.

25 MR. PRICE: It's really good.

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1 MR. COBB: To support that point, I totally
2 agree with Michael. This is really important, and I
3 guess, for one, I'd like to see it as a separate item
4 on the agenda maybe every other meeting. And I think
5 you've done this once before, given us an example on
6 three or four high profile proxy fights and our
7 thought process and our diligence, which was very
8 impressive.

9 And I think if we could have that maybe every
10 other meeting, it would be really helpful. And I
11 think we can be helpful to our trustees that have
12 asked us to serve on this board, so we can brief
13 them.

14 MR. PRICE: A couple of questions. And this is
15 very important, but do you also get involved in
16 working on negotiating going-private prices, like
17 Michael Dell's deal? Do you talk to the bankers?
18 Because that's a very similar process.

19 MR. MCCAULEY: Not as much on a -- relative to a
20 proxy contest.

21 MR. PRICE: Do you ever go for appraisal, don't
22 tender your shares and go for Delaware appraisal?

23 MR. MCCAULEY: Historically, we've never done
24 that. We have looked at it very, very closely.

25 MR. PRICE: Those are two extensions of the same

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activity that are also sometimes really beneficial.

MR. MCCAULEY: We did consider it in the Dell case and some others, ArcelorMittal and some other historical cases. But that presents its own set of challenges, as I'm sure you know, in terms of the liquidity and the potential payoff. Over the last several years it's been very attractive, and I think in hindsight it's been a good thing.

But if you go back a little further than that, it can get episodic or company-specific in terms of the overall outcome, and given our fiduciary component and kind of the time frame, either global equity, securities, so that to the extent that it would impact their asset class with trading restrictions and the like, are all things to consider and to balance against.

MR. COBB: Okay. If there's no more questions there, we would like Michael Price to report on the subcommittee on compensation. Again, thanks for all your deliberations, and tell us what you have concluded.

MR. PRICE: Sure. We formed a committee about two months ago -- Ash, is that correct -- and had several meetings to study a comp plan for 62 members of the staff, including the executive director. And

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we engaged Mercer to help look at other state plans that are in a 12-state peer group, including us, to look at results over rolling one, three and five year time periods, and to look at what is reasonable and how the economics work.

And after having several meetings and discussions with staff and Mercer, we want to present a plan that rewards a bonus pool based on salary that is payable over the following two years, 50 percent and 50 percent, so it tends to retain employees, which is, to me, crucial with the staff that's here.

I want to hand it over to Josh in a second, but one of the things I've noticed over many, many, several decades, is that there's a continuing push to hire investment professionals, first by hedge funds in the mutual fund industry, then by private equity people from the hedge fund industry and investment banks. And that's in a large part happened over 20 or 30 years.

And the group here in Tallahassee I think are first rate and have to be retained. I think their institutional knowledge of the portfolio, your specific investments, like real estate and some of the private equity fund involvements they have with the general partners is very important to maintain.

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1 So, Josh, if you could go through some of the
2 things we looked at briefly, and then we'll introduce
3 the specifics.

4 MR. WILSON: Sure. Could I get the clicker
5 back? Thank you. Again, Josh Wilson from Mercer. I
6 appreciate the opportunity to be here. We have a
7 presentation that we prepared to begin with several
8 years ago and have updated it since. But to
9 Mr. Price's point, the main reasons for the plan are
10 on page two.

11 Hard to argue with any of these. We want to
12 align the employee with the stakeholder goals and
13 interests. We want to reward strong performance. To
14 the point made just now, assist in attracting and
15 retaining top talent for the SEA, which has been a
16 historical problem. A lot of turnover in prior
17 years. SEA has been treated like a training ground
18 for other money market institutions, and fairly easy
19 to take people. As long as you can get them out of
20 Tallahassee, the dollars haven't been a problem. So
21 we're trying to put in something that's going to help
22 the continuity, continue the philosophy and the good
23 work that's been done, obviously is defensible to all
24 stakeholders.

25 Some of the points we're making, we're going to

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1 talk about who's eligible, and there are 62 total
2 people eligible. We're going to look at performance.
3 And you'll see that the performance that we're
4 demanding, the outperformance above the benchmarks
5 pays for this plan many, many, many times over.
6 You'll see the performance standards. You'll see the
7 levels of incentives by person. And it varies.
8 There's a threshold, a target and a maximum. And it
9 varies by the level within the organization and the
10 level of influence.

11 As was mentioned, it's going to be paid out over
12 a period of multiple years, and we're going to
13 measure multiple years. So it really is a rolling
14 plan. We will have a cut-in period that you'll see.
15 Part of the theory that we have on this is we want to
16 make sure we're measuring where people have actually
17 performed. So in other words, we don't want to look
18 back historically when there wasn't an incentive
19 period and reward people or punish them for past
20 performance. We want to start the clock and say,
21 based on how you've done going forward, we're going
22 to look at that.

23 So from a participation standpoint, we have
24 several pages on this. There are 62 people. I'll
25 move this forward to -- is there any way to make

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1 that -- that's all right. We'll get there. This is
 2 page five in the presentation. You can see it splits
 3 it out by tier. The executive director is in a tier
 4 by themselves. Then you have three more tiers below
 5 that. The threshold, for example, for the executive
 6 director is 17 and a half percent of salary. The
 7 target is 35 percent. The maximum is 52 and a half
 8 percent.

9 The measurement for each of these participants
 10 is shown on the right-hand columns. A combination of
 11 total fund, you have appropriate asset class, and
 12 also individual performance. And just a word on
 13 individual performance, there's been some debate.
 14 Our view on this, and many plans have adopted this,
 15 is you want something to be able to help the
 16 long-term viability and sustainability of the plan
 17 and not just financial performance.

18 So we'll get into that a little bit more, in how
 19 we've carved that. But that was a discussion we had,
 20 and we ended up on having, obviously not an
 21 overwhelming majority, but a percentage to be able to
 22 focus the efforts of the participants in the way that
 23 the trustees and the IAC see appropriate.

24 A little bit more on the executive director
 25 here. You can see just how the numbers fall out for

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1 that level. This is obviously the most visible
 2 participant in the plan. In the bottom table there,
 3 with an annual salary of just under 400,000, the
 4 maximum opportunity is 204,000. At target it's 136.
 5 At threshold it's 68. And you can see it breaks down
 6 by organizational component, which makes out
 7 85 percent. That's financially based. And
 8 15 percent would be individually based.

9 MR. PRICE: You want to pay the max.

10 MR. WILSON: If performance warrants it,
 11 everyone wants to pay the max. When we look at what
 12 the goals should be, on page nine, we want to make
 13 sure that there is, you know, overused, smart goals,
 14 but essentially strategic goals for each level of the
 15 organization. And we have this in a framework on the
 16 following page, page 10. We break it out into four
 17 components; obviously the financial, but then
 18 mission, skills and people, and efficiencies and
 19 infrastructure.

20 So that really goes to the sustainability piece.
 21 If we have great financial results but we're not
 22 developing people, that's not sustainable. We have
 23 to keep building infrastructure, and obviously
 24 adherence to the mission is critical. So those are
 25 the general buckets, and it will vary by person. But

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1 that's the framework that we've proposed.

2 Moving forward to how it breaks down, the
3 outperformance level, so we're asking for in total
4 5 basis points of outperformance to achieve the
5 threshold level, 25 basis points of outperformance
6 for target, and 50 basis points of outperformance to
7 hit the maximum. You can see how it breaks out by
8 the individual asset classes. It's fairly
9 standardized, except for fixed income, which
10 obviously has lower risk.

11 A word about how the actual plan will work out.
12 So it's a little bit confusing with a cut-in period,
13 but let me explain this briefly. As we talked about,
14 we want to make sure we measure people on performance
15 when they know they're being measured on it. So the
16 first year of the plan, the first cycle would have a
17 one year performance, at which point six months
18 later, assuming positive performance, the plan would
19 pay out 50 percent, and the other half would be
20 deferred for a year. In year two we'd have two year
21 rolling performance, with the same deferral of
22 payment. And then starting with year three we have a
23 rolling three year period.

24 From a cost perspective, at the bottom there,
25 you can see, at target, the plan costs 1.4 million.

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1 At threshold it's 700,000, which is half of it. And
2 at maximum it's one and a half times target, or 2.1
3 million. And to put that into some context, on the
4 final page, page 14, from a dollar perspective -- and
5 this is really the business case. If the fund can
6 perform at target, which is 25 basis points of
7 outperformance, it generates \$375 million of excess
8 funds. The cost of the incentive plan is
9 1.4 million, or said differently, the fund is
10 returning 99.6 percent of that outperformance to the
11 stakeholders.

12 MR. PRICE: Right. So Gary Wendt I think is the
13 most financially sophisticated person on this board.
14 Gary, would you spend 2 million to make 750 million?

15 MR. WENDT: Well, there would be a lot of
16 questions to answer, but probably, yes.

17 MR. PRICE: So I think the business case is
18 pretty good. It's going to be reviewed annually. We
19 have looked at the last three and five year track
20 records, which is in the brochure, and the plan is --
21 the SBA has done better than the peer group. The
22 peer group includes comparable state plans. We've
23 also reviewed incentive schemes of how many state
24 plans? Were there 12 in that? No. About five in
25 that review.

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1 MR. WILSON: Right.

2 MR. PRICE: Because they're less available.

3 MR. WILSON: Yes.

4 MR. PRICE: Both in terms of executive director
5 compensation and incentive, as well as staff.

6 MR. WILSON: And generally our plan is
7 conservative compared to those. It's conservative in
8 terms of the amount being paid out to individuals,
9 also conservative in that the targets are aggressive.

10 MR. PRICE: The last thing I want to mention is
11 the Florida plan -- there's a firm called CEM, and
12 they benchmark the overall costs of running this
13 office. And Florida is well below the lowest cost,
14 actually one of the lowest costs, I guess, in terms
15 of overall overhead to run the plan. So I don't
16 think this disturbs that. I think this is a terrific
17 incentive to induce people to stick around. So I am
18 a hundred percent confident in recommending this,
19 Mr. Chairman, to the trustees tomorrow.

20 MR. COBB: Good. So I'd like to call on you to
21 make a motion in a moment, but I think we ought to
22 have discussion and see if there's questions for you
23 before we go to the motion. So what comments or
24 questions are there from members of the board? Any
25 comments or questions?

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1 MR. HARRELL: This is Will Harrell. Can you
2 hear me?

3 MR. COBB: Yes.

4 MR. HARRELL: I do have a few comments that I
5 wanted to make on this. As a member of the
6 compensation subcommittee, I'm going to be voting for
7 the proposal, but I have a couple of, I don't know,
8 concerns or reservations that I just wanted to put on
9 the record. The next time this comes up, I won't be
10 around, and so I wanted to get my two cents in here
11 for whenever it does come around again.

12 I think what we're talking about here for
13 roughly the tier three, tier four employees is
14 basically sound. At the higher levels, what I would
15 like to see is probably three major elements. One,
16 I'd like to see the dollars be much larger. And by
17 much larger, I don't mean 50 percent, but probably
18 multiples larger. I'd like to see it tied to
19 longer-term results, and I would like to see it tied
20 to whether we achieve the actuarial return over a
21 long period of time, which at the end of the day is
22 the only thing that really matters to the taxpayers
23 and the pensioners that we're here to serve.

24 You know, modest amounts of outperformance on
25 huge amounts of money definitely add up to meaningful

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1 sums, but it's very easy for those amounts of
 2 outperformance to still not add up to the actuarial
 3 return that we need to achieve for this fund to fully
 4 fund the obligations that it has ahead of it.

5 So those three elements. Much larger payouts.
 6 And maybe one comment on the much larger payouts. I
 7 think the staff, particularly the senior staff,
 8 particularly through the higher up you go, has
 9 significant career risk that I don't know if the
 10 basic salary fully compensates them for, relating to
 11 how they invest. There's significant -- if the
 12 market booms and they've been playing it safe,
 13 there's a lot of career risk around not participating
 14 in that. And after a crash, there's a lot of career
 15 risk around how much did you participate in that
 16 crash and how much fear there is of future volatility
 17 and so on. And so a significant pot of gold out at
 18 the end of the rainbow I think is a very appropriate
 19 offset to that risk, and I think it helps with the
 20 whole psychology of investing, which is always
 21 difficult.

22 At any rate, those three elements, a much larger
 23 payout, tied to much longer-term results, and tied to
 24 the actuarial return that we need to achieve to fully
 25 fund the future obligations, is more the way I would

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1 do it for employees at the tier one and tier two
 2 levels. That's all I have to add. But I will be
 3 voting for this.

4 MR. PRICE: Thank you, Will. I just want to
 5 comment on that. I'm with you on the larger amounts,
 6 actually, but we're in a pretty conservative state,
 7 with a lot of factors to take into account. And I
 8 had those conversations with Josh from Mercer. And
 9 where we're coming in is also, you know, I'm going to
 10 agree with you, lower than I'd like to be, but I
 11 think it's politically acceptable.

12 Secondly, your time period I'm also in agreement
 13 with. And I think over the years we can look at how
 14 to pay people more over longer periods of time. But
 15 this is a start. I think this is where we begin.

16 The last point, which is your actuarial rate,
 17 that will -- our results will come from what we're
 18 implementing, and you'll get there. We have been
 19 there, Ash, right? We've been beating the 7.65, I
 20 think it is, rate, something like that. And I think
 21 the way to do that is by implementing a plan like
 22 this. So I'm with you on your point of view.

23 And over the next few years, as we continue to
 24 review this plan, it should be a living plan, not a
 25 set in stone, once in a lifetime plan, we'll address

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1 all these issues. Thank you very much.

2 MR. COBB: I'd like to make some similar
3 comments but a little bit different. First, I
4 enthusiastically support the recommendation of the
5 compensation committee. I think they have thought of
6 all the important variables. I think they have come
7 up with a good first step, and I think that was your
8 word, Michael Price, I think, first step. It is a
9 modest first step.

10 I agree with the comments. This is not a lot of
11 money. And no one has mentioned the view of what I
12 understand is a concern of some, which is how do we
13 compare to other pension funds, particularly how do
14 we compare to other state pension funds. I have
15 been -- and I was earlier one who felt strongly about
16 that. But I'm convinced that there's no way to
17 really measure different pension funds with different
18 risk profiles and different dynamics, and it really
19 is difficult to come up with a definitive. But on
20 the other hand, I think it's important to review
21 annually or periodically how we're doing generally
22 with other pension funds. And I think you talked
23 about that in your dialogue.

24 And so in the report that we got today, for
25 example, we are compared against the TUCS's top 10

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1 defined plans. And we're about -- if I understand,
2 Kristen, we're about at the median of those 10 plans.
3 I guess I think it would be helpful in the future to
4 know what those 10 plans are, to know where
5 California and Texas and some of our competitors are
6 that might have a similar risk profile to us, just to
7 see where we are as part of this annual review. And
8 if we're beating our benchmarks but we're not beating
9 other pension funds, then I think we have to deal
10 with that. I don't know what we do, but we might
11 challenge our benchmarks.

12 So during the dialogue I heard Gary Wendt
13 consistently talk about this as a first step and to
14 challenge this. And you, the chairman of the
15 committee, kept saying, absolutely, absolutely. So I
16 think that should be part of the motion. So are
17 there any other comments before we have a motion put
18 on the floor? So, Mr. Chairman of the committee --
19 MR. PRICE: I'd like to move the adoption of the
20 new incentive plan.

21 MR. COBB: Great.

22 MR. WENDT: I will second it.

23 MR. COBB: And it's seconded.

24 MR. DANIELS: This is Les Daniels. I'd like to
25 second it.

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1 MR. PRICE: Les Daniels just seconded.

2 MR. COBB: Good, great. Thanks for joining the
3 meeting, Les. So it's been moved and seconded. And
4 is there any other discussion or comments? Les
5 Daniels, since you're not participating today, please
6 say something about the plan.

7 MR. DANIELS: I strongly support the plan, and
8 if it were up to me, as I think most of the
9 committee, we would have made it a bigger plan, but
10 that just might be tough politically.

11 MR. COBB: Good. So we've now heard from all
12 the members that would like to speak. We're ready to
13 vote. All in favor say aye.

14 (Ayes)

15 MR. COBB: Any opposition? So hearing none,
16 it's unanimous. Now, it would be my suggestion that
17 we have more than Ash communicating this tomorrow to
18 the trustees, if we wrote a letter. I unfortunately
19 can't go to the meeting tomorrow. And, Michael, I
20 understand you can't go. And so -- but I think there
21 should be more than Ash making this recommendation or
22 more than the consultants.

23 So I would -- or hopefully somebody will move
24 that we will draft a letter. I think it would be
25 great if we could all sign it. It might mean some of

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1 you have to stay a little bit after the meeting to
2 sign it, or send in a fax signature page.

3 MR. WILLIAMS: Authorize us to sign.

4 MR. COBB: By what time tomorrow? You'll make
5 the presentation by 10:00 tomorrow morning, something
6 like that?

7 MR. WILLIAMS: Ideally, I think if we can wrap
8 this up, and I think we can turn this very, very
9 quickly, if we could wrap this up today before
10 everybody leaves, that way we can put the support in
11 the backup materials for tomorrow's meeting. And the
12 meeting starts at 0900 tomorrow.

13 MR. COBB: Good. So is there a motion for a
14 letter?

15 MR. PRICE: I move it.

16 MR. JONES: Second.

17 MR. COBB: Any discussions?

18 MR. WENDT: Only are we close to having one
19 prepared, or are you going to have to -- you're not
20 starting from scratch, you have a pretty good
21 outline?

22 MR. WILLIAMS: We've been thoughtful on --

23 MR. WENDT: We're close, okay. Good. Thank
24 you. Yes, I'm certainly in favor of this.

25 MR. COBB: Okay. Good. Any other discussion or

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1 comments. Then all in favor of a letter being sent
2 with our unanimous vote say aye.

3 (Ayes)

4 MR. COBB: Anybody opposed? Okay.

5 MR. WENDT: The employees may want to send
6 flowers and candy, too, along with the letter.

7 MR. COBB: So, again, thanks to the committee,
8 the chair, a lot of work and good presentation and
9 good action. And my hope, as I stated in the
10 committee, that we came up with something that had a
11 90 percent probability of acceptance. And hopefully
12 we're going to meet that objective and have something
13 that's 90 percent probable.

14 Okay. We're now ready for audience comments and
15 participation and discussion of future meetings. So
16 does the audience, anybody in the audience have any
17 comments or questions? If not, Ash, why don't you
18 talk about the next meeting date.

19 MR. WILLIAMS: Well, first of all, Mr. Chairman
20 and members, I'd like to thank you for your ongoing
21 support. This has been a significant lift on this
22 comp effort over a number of years, and I appreciate
23 it. We all do. And I think it's the right thing to
24 do for our beneficiaries.

25 In terms of 2015 scheduled meetings, have we

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1 already got a slate of preliminary dates? I think
2 the next to the last page in the book has got that in
3 it. Yes. So apparently what we have is IAC meetings
4 on March 23. Let's see. What else?

5 MR. COBB: June 22.

6 MR. WILLIAMS: That's the joint meeting.

7 MR. WENDT: Next year now, 2016?

8 MR. WILLIAMS: These are remaining meetings in
9 '15. So we've got really September 28 and
10 December 7, remaining meetings this year.

11 MR. COBB: Any objection to those meetings?

12 MR. JONES: I've got a conflict, but I can call
13 in. I'm going to be in Scotland.

14 MR. WILLIAMS: Oh, my. Well, we could consider
15 a venue change.

16 MR. COLLINS: I make that motion.

17 MR. COBB: Okay. It's moved and seconded that
18 we have our meetings on September 28th and
19 December 7th. Any objection? If not, we'll schedule
20 that. And if there's no other comments or questions,
21 we stand adjourned before it rains. Thank you.

22 (Whereupon, the meeting was concluded at 3:25

23 p.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, Jo Langston, Registered Professional

Reporter, do hereby certify that the foregoing pages 3 through 114, both inclusive, comprise a true and correct transcript of the proceeding; that said proceeding was taken by me stenographically and transcribed by me as it now appears; that I am not a relative or employee or attorney or counsel of the parties, or a relative or employee of such attorney or counsel, nor am I interested in this proceeding or its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of July 2015.

JO LANGSTON
Registered Professional Reporter

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CHIEF FINANCIAL OFFICER**

**PAM BONDI
ATTORNEY GENERAL**

**ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO**

MEMORANDUM

To: Board of Trustees
From: Doug Belden, Chairman
Participant Local Government Advisory Council (PLGAC)
Date: September 8, 2015
Subject: Quarterly Update – Florida PRIME™

The Participant Local Government Advisory Council (the "Council") last met on June 22, 2015 and will meet next on September 24, 2015. Over the prior quarter, the Council continued to oversee the operations and investment management of Florida PRIME™ and Fund B, reviewing participant transactions, as well as the final disposition of remaining Fund B assets.

CASH FLOWS / PERFORMANCE

- Over the quarter ending June 30, 2015 participant deposits totaled \$3.2 billion; participant withdrawals totaled \$3.7 billion; providing a net decrease of approximately \$500 million.
- During the 2nd quarter, Florida PRIME™ delivered an aggregate \$4.1 million in investment earnings.
- Performance of Florida PRIME™ has been consistently strong over short and long-term time periods. For the period ending June 30, 2015, Florida PRIME™ generated excess returns (performance above the pool's benchmark) of approximately 12 basis points (0.12 percent) over the last 12 months, 14 basis points (0.14 percent) over the last 3 years, and 15 basis points (0.15 percent) over the last 5 years.
- For the third quarter in a row, and through the 5 year period ending June 30, 2015, Florida PRIME™ was ranked as the highest performing investment vehicle among all registered money market funds within iMoneyNet's First Tier Institutional fund universe.

POOL CHARACTERISTICS

- As of June 30, 2015, the total market value of Florida PRIME™ was approximately \$7 billion.
- As of June 30, 2015, the investment pool had a 7 Day SEC Yield equal to 0.21 percent, a Weighted Average Maturity (WAM) equal to 34.3 days, and a Weighted Average Life (WAL or Spread WAM) equal to 84.2 days.

FUND B

- In early September 2014, 100 percent of the original principal balance was returned to participants with no loss of principal.
- As of June 30, 2015, the remaining assets held within Fund B totaled approximately \$43.3 million.
- On July 13, 2015, the SBA distributed the remaining reserve tied to Fund B based on each participant's proportional share of the total November 2007 interest earned. Proceeds were allocated to those with Florida PRIME™ accounts directly into their accounts, and for those with no corresponding Florida PRIME™ account, checks were sent directly to the organization.
- The Fund B Surplus Funds Trust Fund's closure is anticipated no later than September 30, 2015.



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Date: August 17, 2015
To: Board of Trustees
From: Judy Goodman, Audit Committee Chair *JG*
Subject: Quarterly Audit Committee Report

The State Board of Administration's (SBA) Audit Committee met on August 17, 2015 and discussed the following:

I. Charters

We performed the annual review of the Audit Committee and the Office of Internal Audit (OIA) charters:

- A. Audit Committee charter: A proposed revised Audit Committee charter is attached to this report for the Board's approval.
- B. OIA charter: We approved the revised OIA charter.

II. External Audits and Assessments

We reviewed and discussed the following:

A. Results of financial statement audits:

- 1. KPMG's financial statement audits of two joint ventures of the SBA with June 4, 2014 and December 31, 2014 year-ends
- 2. Ernst & Young's financial statement audits of the SBA's three wholly-owned entities and 12 joint ventures with December 31, 2014 and March 31, 2015 year-end

All of the audited financial statements received unmodified or clean opinion.

- B. Results of the reports on agreed upon procedures, tax compliance, internal control over financial reporting, and compliance with debt covenants for SBA's 3 wholly-owned entities and 14 joint ventures, as applicable, with June 4, 2014, December 31, 2014, and March 31, 2015 year-end.

No findings were identified.

III. Triennial Governance, Risk and Compliance (GRC) Assessment Considerations for the Future

The SBA provided an update on the status of the considerations for the future resulting from the triennial GRC assessment. The SBA's primary actions taken/in progress include the following:

A. Data management function:

The SBA is in the process of implementing a centralized collaboration and content management portal, including automated workflow.

B. Third-party risk management:

Tools have been developed to facilitate third-party risk management at the contract development stage, including boilerplate right to audit language in certain contract types and a risk assessment checklist.

C. Transformation management:

The SBA is using a working group model (rather than a single department) to successfully navigate change at the SBA. This model utilizes SBA staff from various departments to form a working group meant to target a specific change occurring at the SBA.

D. GRC maintenance items:

The SBA has reviewed each of its investment policy statements and has identified areas where the Investment Advisory Council's role can be harmonized. The SBA plans on incorporating changes to these at the time other substantive amendments are to occur.

We requested a copy of the written report for further discussion at the November meeting of the Audit Committee.

IV. Internal Audit

A. We reviewed the following reports:

1. OIA Fiscal Year 2014-15 Fourth Quarter Follow-up Audit
2. OIA Florida PRIME Application Access Controls Audit
3. OIA Accounts Payable Continuous Audit
4. OIA Right to Audit Advisory

B. We received an annual update on the following:

1. OIA quality assurance and improvement program, including:
 - a. Results of ongoing internal quality assurance reviews
 - b. Results of annual quality assurance self-assessment:
The assessment found that OIA generally conforms to The Institute of Internal Audit (IIA) Standards, Definition of Internal Auditing and Code of Ethics.
2. OIA professional staff training and development:
The OIA professional staff have completed the required training and development for the fiscal year 2014-15.

C. We received a quarterly update on the following:

1. Status of 2014-15 Annual Audit Plan - All planned work is complete.
2. Status of 2015-16 Annual Audit Plan - Planned work is on schedule.
3. Status of Open Recommendations

The tables below summarize the progress made on open recommendations as of August 17, 2015. Additional details are presented in Appendices 1 and 2.

CATEGORY "A" RECOMMENDATIONS

	As of 5/18/2015	Changes from 5/18 to 8/17	As of 8/17/2015
Total number of recommendations	588	16	225
<i>Remove: Recommendations made prior to 2012 (all closed), will be removed from subsequent quarterly reports</i>	(379)		
Closed recommendations	(520)	(8)	(149)
<i>Remove: Recommendations made prior to 2012 (all closed), will be removed from subsequent quarterly reports</i>	379		
Open recommendations	68	8	76

CATEGORY "B" RECOMMENDATIONS

	As of 5/18/2015	Changes from 5/18 to 8/17	As of 8/17/2015
Total number of recommendations	143	3	3
<i>Remove: Recommendations made prior to 2012 (all closed), will be removed from subsequent quarterly reports</i>	(143)		
Closed recommendations	(143)	0	0
<i>Remove: Recommendations made prior to 2012 (all closed), will be removed from subsequent quarterly reports</i>	143		
Open recommendations	0	3	3

Category "A" refers to recommendations made either by internal or external auditors. The OIA monitors and performs follow-up procedures on these recommendations in accordance with The IIA Standard 2500.A1. In certain cases, follow-up procedures are performed by external auditors.

Category "B" refers to recommendations made by consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The OIA monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1. The IIA Standard does **not** require the CAE to establish a follow-up process for consulting engagements, but the OIA does take into account the disposition of these recommendations when performing a risk assessment for purposes of establishing the nature, timing, and scope of audit engagements involving the affected areas.

Of the 76 open Category “A” recommendations, 11 are considered “high risk”. The 11 “high risk” recommendations resulted from the assessments of the SBA’s internet and web applications, post-implementation assessment of the Charles River Investment Management Solution, disaster recovery plan, Florida PRIME application access controls audit, payroll continuous audit, and accounts payable continuous audit.

The three additional Category “B” recommendations resulted from OIA’s right to audit advisory engagement.

4. SBA Pool of Auditors:

The SBA’s procurement policy requires that we re-bid the contracts after the expiration of the allowable extension (March 2016) by issuing a Request for Quote (RFQ). The Audit Committee approved the protocol to be used during this process. The draft RFQ will be presented to the Audit Committee at the November 16, 2015 meeting for review and approval.

5. OIA department goals: Nine of 20 actions have been completed that support four key goals.

6. Changes to internal audit guidance:

The IIA recently released changes to its International Professional Practices Framework (IPPF) that includes the articulation of the mission of internal audit. The mandatory elements of the IPPF now include 10 Core Principles in addition to Code of Ethics, Definition of Internal Auditing, and the Standards. In the next 12 to 16 months, the IIA will also issue implementation and supplemental guidance.

V. Risk Management and Compliance (RMC)

A. Semi-Annual Risk Assessment

The RMC unit is planning its next semi-annual risk assessment to be held in September. This will be presented at the November 16th Audit Committee meeting.

B. Annual self-assessment

RMC is also planning its annual self-assessment. This report will also be presented at the November 16th Audit Committee meeting.

C. Charles River Compliance

The SBA is in the process of negotiating a statement of work with Charles River to implement the next phase of the Charles River compliance system, to be used with Global Equity portfolios. During this process, the SBA will address recommendations made by Ernst & Young during its post-implementation assessment of the Charles River Investment Management Solution.

D. New positions

Two new positions have been approved for the RMC unit in this fiscal year’s budget. One is an analyst position in the external manager oversight program, and the other is an administrative assistant position. The advertising for those positions is closed, and RMC is in the process of interviewing.

VI. New Initiative

To better understand key processes at the SBA, certain business units will present their key processes during the quarterly Audit Committee meetings starting with the November 16, 2015 meeting.

APPENDIX 1
STATUS OF CATEGORY "A" RECOMMENDATIONS
AS OF AUGUST 17, 2015

1. OPEN RECOMMENDATIONS BY YEAR & RISK RATING

Year	Risk Rating				%
	High	Medium	Low	Total	
2012			1	1	1.3%
2013		2	1	3	3.9%
2014	3	10	9	22	28.9%
2015	8	25	17	50	65.9%
	11	37	28	76	100%
	14%	49%	37%		

2. DETAILS OF OPEN RECOMMENDATIONS

Report Title	Report Date	Risk Rating				Status			
		High	Medium	Low	Total	NYI	PIRP	OTV	Total
Accounting Reconciliations Operational Audit (OIA)	09/14/2012			1	1		1		1
Strategic Investments Operational Audit (OIA)	08/05/2013			1	1	1			1
Investment Policy & Economics Operational Audit (OIA)	11/01/2013		1		1			1	1
Systems/Server Backup Operational Audit (OIA)	11/01/2013		1		1			1	1
Network Security Assessment 2014 (Ernst & Young)	02/12/2014		3	5	8	1		7	8
Disaster Recovery Plan Assessment 2014 (Ernst & Young)	03/28/2014	2	3	3	8	4		4	8
Fixed Income Operational Audit (OIA)	10/15/2014		4		4	4			4
Payroll Continuous Audit (OIA)	12/05/2014	1		1	2			2	2
Operational Audit of the SBA's Procurement and Contract Monitoring (Auditor General)	01/01/2015		1	2	3	2		1	3
Network Security Assessment 2015 (Ernst & Young)	02/13/2015	1	10	10	21	3		18	21
Post-implementation assessment of the Charles River Investment Management Solution (Ernst & Young)	02/13/2015	4	3	1	8	6		2	8
Travel Services Operational Audit (OIA)	02/13/2015		2	1	3	3			3
Data Loss Prevention Assessment 2015 (Ernst & Young)	02/19/2015		1	1	2	1		1	2
Florida PRIME Application Access Controls Audit (OIA)	07/10/2015	2	3	2	7	7			7
Accounts Payable Continuous Audit (OIA)	08/07/2015	1	5		6	6			6
		11	37	28	76	38	1	37	76
									100%

Category A - Recommendations were made by either by internal or external auditors. The OIA monitors and performs follow-up procedures on these recommendations in accordance with the IIA Standard 2500.A1.

NYI - Not Yet Implemented

PIRP - Partially Implemented and the Remainder is in Progress

OTV - OIA to Verify

APPENDIX 2
STATUS OF CATEGORY "B" RECOMMENDATIONS
AS OF AUGUST 17, 2015

DETAILS OF OPEN RECOMMENDATIONS

Report Title	Report Date	Status		%
		NYI	Total	
Right to Audit Advisory (OIA)	07/09/2015	3	3	100%
		3	3	100%

Category B - Recommendations made by consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The Office of Internal Audit monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1.

NYI - Not Yet Implemented



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**ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO**

MEMORANDUM

To: Ash Williams
From: Michael McCauley
Date: September 8, 2015
Subject: Board of Trustees Meeting – Standing Report / Investment Programs & Governance

CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP

The SBA's Corporate Governance & Proxy Voting Oversight Group (Proxy Committee) met last on June 25, 2015, and will meet next on September 21, 2015. The Proxy Committee continues to discuss ongoing governance issues including the volume and trends for recent SBA proxy votes, company-specific voting scenarios, corporate governance policies, governance-related investment factors, major regulatory developments and individual company research related to the Protecting Florida's Investments Act (PFIA).

GLOBAL EQUITY PROXY VOTING & OPERATIONS

For the trailing twelve months ending on June 30, 2015, the SBA voted 10,296 public company proxies covering 99,320 individual voting items. Individual voting items included director elections, audit firm ratification, executive compensation plans, merger & acquisitions, and various other management and shareowner proposals. The table below provides major statistics on the SBA's proxy voting activities during the 2nd quarter ending June 30, 2015:

Votes in Favor of Directors 76.2% (FY15=75.1%)	Votes with Management's Recommendations 76.9% (FY15=76.7%)
Votes in Favor of Auditors 93.1% (FY15=92.5%)	Total Eligible Ballot Items 71,266 (FY15=99,320)
% of Meetings with >1 Against Votes 78.2% (FY15=74.8%)	Total Eligible Proxies 6,689 (FY15=10,296)

ACTIVE OWNERSHIP & CORPORATE ENGAGEMENT

From the end of May through August, SBA staff conducted engagements with several companies, including Compass Group PLC and Microsoft Corp. A performance review of the SBA's engagement partnership with the Harvard Law School's Shareholders Rights Project found that the long-term performance of U.S. companies targeted by the SBA exceeded large-capitalization stock indices. Examining targeted firms' stock price performance since inception showed the portfolio of

stocks receiving SBA proposals to de-stagger their boards of directors (moving to annual director elections) had far outpaced the market's returns. Since inception, beginning in May 2011 through the end of August 2015, the SBA engagement portfolio of U.S. companies had a cumulative total return of 95 percent, outperforming the Russell 1000 and S&P 500 index of large capitalization stocks by over 34.1 percent and 34.8 percent, respectively.

LEADERSHIP & SPEAKING EVENTS

Staff frequently participates in and/or speaks at investor events, designed to further regulatory commentary and explain the objectives of the SBA's corporate governance activities. Events that include significant involvement by corporate directors, senior members of management, and other key investor stakeholders are targeted. The following items detail involvement at events that occurred recently:

- On June 3rd-5th, SBA staff participated in the 2015 Annual Conference of the International Corporate Governance Network (ICGN). During the meeting, SBA staff was elected to the Board of Directors, with a term of service through the middle of 2016. The event marked the 20th anniversary of the ICGN's creation.
- On June 5th, SBA staff attended an investor group meeting with a member from the European Union's Parliament, focused on proposals to provide long-term shareowners with enhanced voting rights. On July 8th, the EU Parliament voted to approve amendments to the revision of the Shareholder Rights Directive. In the proposals, which are still subject to individual state implementation, all elements of additional voting rights based on the length of share ownership were removed—prior versions included various advantages for long-term shareowners such as additional voting rights, tax incentives, loyalty dividends/shares as well as greater employee involvement in corporate decision-making.

HIGHLIGHTED VOTES

Tempur Sealy (United States)—On May 8, 2015, SBA staff voted to withhold votes from two of three directors (excluding the CEO). Although SBA staff was underwhelmed by dissident investors' arguments of the immediate need to remove the CEO, there was a sufficient need to replace other directors and improve business experience. A "just vote no" initiative was led by H Partners Management, owner of 10 percent of the company's shares, who became frustrated with poor performance and strategy execution. H Partners pushed for board representation and removal of the CEO, receiving support from proxy advisors ISS and Glass, Lewis & Co. to withhold support from the three targeted board members. After speaking with the company's CFO and investor representatives, SBA staff felt it would be counterproductive to vote to remove the CEO. Leading up to the proxy vote, the company's performance had been poor but not egregiously so, and management was in the midst of implementing a strategy to improve competitiveness. SBA staff withheld votes for two other board members, each of whom was posted to the board years earlier in private equity takeovers and remained on the board as an artifact of those events despite those firms no longer being invested in Tempur Sealy. The two non-executive directors received less than 15 percent support among all voted shares, achieving the 10th and 16th lowest levels of support among all U.S. directors in 2015. During engagement with the company's management, staff cautioned board members regarding their response to the anticipated voting signal—while noting that it might not be practical or even preferable to remove the CEO immediately, boards that ignore clear mandates from investors risk further alienating its investors. Within a week of the proxy vote, management negotiated an agreement with H Partners to terminate the incumbent CEO, appointing the company's COO as CEO, and also placing two H Partners' director nominees on the board of directors. On remaining ballot items, SBA staff supported the advisory vote to ratify executive compensation ("say-on-pay") as well as a proposed amendment to the firm's executive incentive bonus plan. The company's share price rose by over 3 percent immediately after the voting results were made public, and through the end of August the stock has risen by 19 percent.

Vornado Realty Trust (United States)—On May 21, 2015, SBA staff voted against all incumbent board nominees and also voted against the firm's say-on-pay compensation ballot item. The Trust's 2015 annual general meeting was the second year in a row in which the SBA withheld support for all board members up for reelection. The board has been unresponsive over the last eight years on numerous majority-supported shareowner resolutions advocating the adoption of majority voting in the election of directors, annual director election cycles (de-staggering directors' terms), and requiring the chairman of the board to be independent from management. From 2011 through 2014, a majority of the company's

investors voted against all directors up for re-election, an unprecedented track record among publicly-traded companies in the U.S. In 2015, two out of three directors up for re-election received less than a majority level of support. The board continues to state its view that the adoption of majority voting is not in the best interest of shareowners, despite overwhelming support among its own investors. Over the last 5 years, the company has trailed broad market indices by approximately 60 percent.

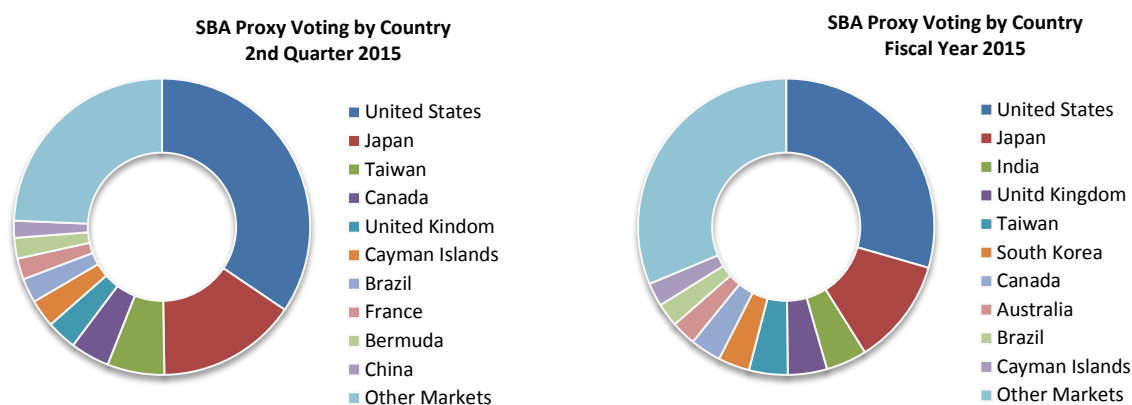
Nabors Industries Ltd. (United States)—On June 2, 2015, SBA staff voted against six of seven incumbent board nominees, voted against the firm’s say-on-pay compensation ballot item, and voted in favor of several shareowner proposals to improve corporate governance practices. SBA staff voted to approve a new proxy access mechanism, which if implemented would allow investors to nominate director candidates within the company’s proxy filing alongside management nominees. In prior years, the board refused to implement any form of proxy access but did adopt a more restrictive form in 2014 that required a single investor to own more than 5 percent of the company’s shares. Other favorable resolutions supported by SBA staff on the 2015 ballot included majority voting in the election of directors, amendments to vote counting methods, and strengthened equity holding periods and performance thresholds for executive compensation. Most members of the board of directors have failed to garner a majority level of support over the last several years, largely as a result of serious deficiencies within its compensation framework and poor operating performance. Over the last 1, 3, and 5 year periods, the company has significantly underperformed both its industry peer group as well as broad market indices.

Toyota Motor (Japan)—On June 16, 2015, SBA staff opposed the issuance of a new category of shares called Model AA Class shares (named after the Toyota “AA”, its first car model to enter production in 1936). The company proposed selling up to 50 million Model AA class shares to fund medium to long-term research and development. Although SBA staff supports management’s objective to promote long-term investment—consistent with the new Japanese corporate governance code—the rationale for a new, non-transferable, unlisted class of shares was opaque and insufficient. In addition, the share offering will not be conducted outside Japan and in order to avoid dilution to common shareowners, the company intends to repurchase a number of common shares equal to the number of Class AA shares to be issued. Elsewhere, SBA staff opposed the election of a candidate for the outside board director role due to concerns about independence, given the nominee comes from an insurance company which is a major shareowner and long-time business partner of Toyota. Moreover, this candidate currently serves as an outside board director or statutory auditor at seven public companies, including a number of other large firms. Therefore, we have significant concerns about his ability to spend sufficient time fulfilling his oversight duties and making adequate contributions to the board.

Samsung C&T Corporation (South Korea)—on July 17, 2015, the SBA voted against the proposed acquisition of Samsung C&T Corporation (“SCT”) by Cheil Industries, Inc. and in favor of two shareowner proposals (submitted by Elliott Associates) aimed at enabling the company to distribute dividends in kind and through interim dividends at the request of shareowners. SCT is engaged in engineering, construction, trading, and investing activities across approximately 50 countries. The SCT board sought shareowner approval to merge with Cheil Industries Inc. through a stock-for-stock transaction. On June 4, 2015, Elliott Associates L.P. disclosed that it had acquired 7.12 percent of SCT, becoming the third largest shareowner of the company, and shortly thereafter announced it opposed the proposed merger terms and viewed the merger ratio to significantly undervalue Samsung C&T. On June 11, 2015, SCT announced it had sold all its treasury shares to the second largest shareowner of Cheil Industries (KCC Corporation), and thereby making KCC a block shareowner of SCT, in order to help secure the proposed deal.

The Cheil transaction underscores investor challenges in the South Korean equity market that involve “Chaebols”—firms that own numerous international enterprises and typically controlled by a family chairman who has power over all the operations. Although reforms put in place after the 1997-98 Asian financial crisis improved shareowners’ rights and required companies to increase board level independence, corporate lobbying has undercut many of these reforms. For example, only LG has improved its holding-company structure, and the South Korean equity market is ranked near the bottom of the corporate-governance league tables published by the Asian Corporate Governance Association (ACGA). Over the last decade, heads of four Chaebols (Samsung, Hanwha, Hyundai Motors and SK Telecoms), have been convicted of crimes. South Korean companies exhibit low valuations relative to other developed markets, commonly referred to as the “Korea discount”.

Short term market reaction to the proposed merger was positive, but contradicted several valuation models which indicated significant discounts reflected in the terms of the deal. Approximately 69 percent of voting shareowners approved the acquisition of Samsung C&T by Cheil Industries, slightly above the required two-thirds majority support threshold. Upon news of the voting results, shares in Samsung C&T fell by 11 percent, and have fallen by over 12 percent (in local currency) since the date of the shareowner vote through late August. Elliott Associates ended up exercising its right to sell back its shares to Samsung C&T, since under Korean corporate law investors who object to a merger transaction have an option to sell shares purchased before the deal is announced back to the company at a fixed price, determined by a formula based on where shares traded in the weeks before a deal. As a result of the challenging vote, Samsung did agree to implement several new governance practices upon deal approval, including increasing the merged entity's dividends and the creation of an independent corporate governance committee.



PartnerRE (Bermuda)—On August 7, 2015, SBA staff voted against the proposed merger with Axis Capital Holdings Ltd., due to an alternative offer with superior features. EXOR S.p.A., one of Europe's largest investment companies, proposed a fully-financed, all-cash alternative, offering PartnerRE common shareowners a superior offer for their shares. SBA staff also voted against the severance payments (“golden parachute”) proposed in the PartnerRe/Axis merger, due to conditions detrimental to current shareowners, including single-trigger equity acceleration, performance-conditioned awards deemed earned at maximum levels, and a long notice requirement that could trigger additional severance payments. Also, the former CEO and his interim successor were entitled to sizable cash payments.

2015 PROXY SEASON / KEY VOTING ISSUES

Proxy Access—The ability for shareowners to nominate board candidates on a corporate proxy statement has been the most frequent shareowner proposal submitted in 2015. Virtually all proposals submitted in 2015 have been based on ownership and holding requirements used by the Securities and Exchange Commission’s (SEC) vacated proxy access rule from 2010. The most recent voting data indicates that 84 companies had voted on proxy access proposals—with 49 proposals receiving a majority level of support averaging approximately 55 percent. Many market observers believe the strong level of investor support for proxy access resolutions and the resulting implementation of new director candidate nomination procedures will further emphasize the scope and frequency of investor-corporate engagement. It remains unclear how prevalent the use of new access mechanisms will be and under what circumstances shareowners are more likely to advocate alternative slates of investor-nominated director candidates. Proxy advisor Institutional Shareholder Services (ISS) has reported that a total of 41 companies have adopted (or made public commitments to adopt) proxy access—comprising approximately 5 percent of the S&P 500 index. Proxy access proposals can provide investors with the right to nominate their own representatives, promote greater director accountability, and present meaningful choices

regarding board composition. Alternatives to proxy access are prohibitively expensive for most investors to utilize. Because proxy access fosters greater competition for board seats, it can lead to better qualified directors. In August of 2014, the CFA Institute issued a thorough report concluding that proxy access has the potential to enhance board performance and raise U.S. market capitalization by up to \$140 billion with “little cost or disruption.”

General Provisions of Proxy Access

<i>Nomination Deadline</i>	Shareowners must submit nominees no earlier than 120 to 150 days and no later than 90 to 120 days before the anniversary of the prior year’s annual meeting.
<i>Beneficial Ownership</i>	Commonly set at 3% of shares outstanding. Ownership typically involves the common shares of the company, excluding derivative exposures. Some firms include exceptions for investor activities that may temporarily interrupt ownership (e.g. securities lending).
<i>Holding Period</i>	Holding typically required during the 3 years before the nomination date, and expected ownership for 1 year after the annual shareowner meeting.
<i>Maximum Nominees</i>	Typically, limited to a maximum of 20 or 25% of the board seats (or minimum of 1 to 2 directors). Typically, any proxy access nominee included in the proxy counts toward the maximum in year 1 as well as future years.
<i>Nominating Group</i>	Investors can aggregate share holdings to comprise a nominating group, most commonly a maximum of 20 investors. Company bylaws may also prohibit the participation of individual shareowners among more than one nominating group.
<i>Investor Information</i>	Nominating investors are typically required to disclose ownership certification, biographical information on each director nominee, and other related data. Investors are permitted to include a 500 word nominee support statement in the company’s proxy.
<i>Lack of Control</i>	Investors are typically required to submit written representations of their lack of intent to change or influence control of the company.
<i>Qualified Nominees</i>	Multiple requirements applied to access nominees. Individuals must typically receive at least 25 percent support to be eligible to be nominated again during the subsequent two years.

Current U.S. securities regulations do not grant shareowners the right to nominate directors from within the company’s proxy materials. The Securities and Exchange Commission (“SEC”) initially proposed a proxy access rule in 2003 and again in 2007. A final rule, authorized under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”), was adopted by the SEC in August 2010. That rule, which became effective in November 2010, required companies to include shareowner director nominees in proxy materials under certain circumstances, the most important of which mandated that the shareowner (or shareowner group) nominating the director candidate hold at least 3% of the voting power of a company’s securities for at least three years. In July 2011, the SEC’s proxy access rule was vacated by the U.S. Court of Appeals for the District of Columbia Circuit. The 3 percent/3-year ownership thresholds (which would have applied under the SEC’s mandatory proxy access rule) have become the unofficial market benchmark by which proxy access threshold provisions (and subsequently, proxy access proposals) are typically evaluated.

In previous years, companies receiving proxy access shareowner proposals with the 3 percent/3-year stock ownership thresholds have often sought and received SEC no-action relief, relying on Rule 14a-8(i)(9) of the Securities Exchange Act of 1934 as amended (the “Exchange Act”), to exclude the shareowner proposal from proxy materials in favor of a management proposal containing more restrictive thresholds (e.g., 5 percent/5-year thresholds). Whole Foods Market, Inc. attempted to push the envelope even further and successfully acquired a no-action relief letter to omit a shareowner proposal with a 3 percent/3-year standard while espousing a proposal with a 9 percent hurdle and 5-year holding period. On January 16, 2015, however, after receiving significant investor pushback, SEC Chair Mary Jo White instructed SEC staff to temporarily suspend issuance of no-action letters under the 14a-8(i)(9) provision and to review and report on the rule due to questions that had arisen concerning its proper scope and application.

In light of Chair White’s directive, the SEC’s Division of Corporation Finance announced that it would not express any views on the application of Rule 14a-8(i)(9) during the 2015 proxy season and subsequently reversed its December 2014 no-action letter granting relief to Whole Foods. Whole Foods decided to postpone its annual meeting until September 15, 2015, stating, “Given this reversal by the SEC, the postponement of the Annual Meeting is necessary to ensure the Company can meet applicable deadlines and allow the Board adequate time to review and evaluate the Company’s alternatives.”

Consequently, companies will not be able to rely on SEC Rule 14a-8(i)(9) no-action relief to exclude proxy access (or any other) shareowner proposals from their proxy statements this proxy season. A company receiving a proxy access resolution has several options—it may consider including management’s own proxy access proposal in the company’s proxy materials and either: (1) excluding the competing shareowner proposal unilaterally, (2) excluding the competing shareowner proposal after seeking relief from a court, or (3) including the competing proxy access shareowner proposal and having shareowners vote on both proposals simultaneously.

While proxy access did not garner significant attention over the past two proxy seasons, it is by far the most notable development of the 2015 season. The chart below covers the last four years of data on access resolutions received by Russell 3000 companies, as reported by Institutional Shareholder Services’ (ISS) Voting Analytics database. Most of these resolutions were submitted at large-capitalization firms in the S&P 500 index.

Year	Thru 8/31/15	2014	2013	2012
# Submitted	120	17	12	14
# Voted	85	13	11	7
Average Support	56%	39%	32%	38%
# Receiving >50%	49	5	3	0

A number of companies have included management-modified versions of proxy access as alternatives to those originally submitted by investors. For example, Arch Coal included in its proxy materials a proposal that would let shareowners with a 5 percent stock ownership for three years nominate up to one-fifth of its board. Both of the major proxy advisors, Institutional Shareowner Services (ISS) and Glass, Lewis & Co., have provided clients with voting recommendations largely supportive of proxy access resolutions exhibiting the 3 percent and 3 year ownership structure, applied on a case-by-case basis. Consistent with its corporate governance principles and proxy voting guidelines, the SBA has historically voted in favor of most proxy access resolutions (both management and investor-sponsored proposals) that meet the 3 percent ownership and 3 year holding period standard (and voting against proposals that do not). As well, the SBA may withhold support from individual director nominees depending on board action and the structural features of any pre-emptive management proposals displacing original shareowner resolutions.

On August 5, 2015, the Council of Institutional Investors (“CII”) released its “Proxy Access: Best Practices” brief covering seven key elements of proxy access that it believes investors should support. CII stated the proxy access provisions being adopted or proposed by some companies could, “significantly impair shareowners’ ability to use proxy access, or even render access unworkable.” The SBA has been a member of CII since the late 1980’s. CII identifies the following elements as problematic (and states why):

- ownership threshold of 5 percent of outstanding shares—CII supports a 3 percent share ownership threshold;
- 2) minimum of two proxy access candidates—CII supports allowing at least 2 proxy access nominees;
- 3) nomination group limits (number of shareholders that can aggregate their shares to satisfy the ownership requirement)—CII opposes any limit on aggregating shares;
- 4) counting loaned shares toward the ownership requirement—CII supports counting loaned shares toward satisfying the ownership requirement;
- 5) nominating investor must continue to own shares after the annual meeting—CII opposes requiring the nominating shareowner to continue to hold the requisite percent of the company’s shares after the annual meeting;
- 6) restricting re-nominations of failed proxy access nominees—CII opposes restricting the re-nomination of a proxy access nominee who fails to receive a minimum level of support; and

- 7) prohibition on director compensation arrangements—CII opposes prohibiting proxy access nominees from having compensatory arrangements with anyone other than the company but does support requiring their disclosure.

In late August, the Canadian Coalition for Good Governance (CCGG) also released a policy position on proxy access, deviating in part from other global investor organizations. CCGG supports proxy access without any time-based holding requirement whatsoever before shareowners would have the right to nominate board members. The group stated, “CCGG does not believe that a holding period is necessary either to ensure that proxy access is restricted to shareholders with a long-term perspective on the company (rather than shareholders looking to exploit short-term gain) or to avoid vexatious nominations.” This governance issue will undoubtedly evolve further as market uptake and implementation continues.

Director Elections—in uncontested director elections at Russell 3000 companies, over 16,000 nominees received 96.3 percent average support. Only 39 director nominees failed to receive a majority level of support from investors. Five companies were involved with close to half of these failed-vote directors, and most were large company constituents of the S&P 500 index. Only 36 directors of large companies received less than 70 percent support, a key threshold viewed as a signal of investor discontent. Directors receiving less than 70 percent are usually the result of poor responsiveness to governance concerns, problematic attendance, inadequate levels of board independence, and/or poor compensation practices. The level of contested director elections in the first half of 2015 was the most active since 2009, with the median market size of targeted boards rising for the fourth year in a row to equal \$518 million, according to the ISS Voting Analytics database. However, dissident investors’ rate of success in winning elections declined to 46 percent in the first half of 2015, a sharp reduction from last year’s 67 percent figure. Among the largest targeted firms, the success rate in 2015 was only 33 percent—likely a result of the increasing willingness of poorly-performing target boards to settle quickly and appease disgruntled investors. Target boards with borderline or fair performance are more likely to progress to a voting showdown and more likely to prevail against dissidents.

Executive Compensation & Say-On-Pay—although over 80 shareowner proposals covering executive compensation practices were submitted by investors and voted on, only five proposals received a majority level of support. Proposals pushing for investor ratification of severance agreements passed at TCF Financial Corporation, Staples, and Hologic. Proposals advocating for pro-rata vesting of equity awards garnered majority support at FirstMerit Corporation and Rite Aid Corporation. During the first half of 2015, 50 companies failed to achieve 50 percent support for their executive compensation practices, the result of high compensation levels and simultaneous poor financial performance. Virtually all of these failed votes occurred at small and mid-size firms. Companies with the lowest investor support included Nuance Communications, Ultratech, Inc., Knoll, Inc., Acacia Research Corporation, and Shutterfly, Inc.—all receiving less than 22 percent support on their 2015 say-on-pay ballot items.

Environmental and Social Proposals—over a third of all investor proposals cover issues relating to environmental, social, or political practices. In the first half of 2015, there were about 230 such proposals, with only a single proposal (covering sustainability reporting at Nabors Industries) achieving majority support. Other issues receiving investor attention included disclosure of corporate political activities (67 proposals), climate change and greenhouse gas emissions (34 proposals), human rights issues (29 proposals), and other general sustainability reporting (20 proposals).

GLOBAL REGULATORY & MARKET DEVELOPMENTS

Japan

The Prime Minister Abe-sponsored new Corporate Governance Code came into effect in June, involving a “comply-or-explain” principled structure. Notably, exchange listed companies failing to appoint at least two independent, outside directors to their boards will be required to explain why not at the end of 2015. The listing rules of the Tokyo Stock Exchange also require the appointment of two independent outsiders for certain companies. Japanese companies continue to feel pressure to improve their capital efficiency and return on equity (ROE). Many investors are choosing to vote against members of management at companies exhibiting ROE below five percent over the last few years. As a result, Japanese companies are ramping up engagement and investor outreach efforts, and some are altering their business strategy and financial operations in order to satisfy investor demand for higher levels of performance. One criticism by investors, often levied by foreign shareowners, is the relatively high level of cash maintained by many Japanese companies. On board

independence, while there has been a visible shift by Japanese companies to appoint new outsiders to their boards, many of these nominees are not truly independent when applying global standards of corporate governance. Many are affiliated in some fashion with the company, and in many cases serve on the board as a statutory auditor. Companies have pointed to the fact that their director nominees meet or exceed independence standards under the Tokyo Stock Exchange listing rules. Like many other developed markets worldwide, corporate Japan has struggled with issues of diversity within their management and board ranks—a key element of “Abenomics” has been to promote a greater proportion of women in the labor force and membership on corporate boards. Hermes Investors pegs the proportion of women on the boards of listed Japanese companies at just 1.2 percent.

United States

Amendments to Delaware General Corporation Law—On June 24th, several important amendments to the General Corporation Law of the State of Delaware (the “DGCL”) were signed into law. Among other things, the amendments: 1) prohibit “fee shifting” bylaw provisions in stock corporations (which endangers the viability of certain shareowner-sponsored legal remedies sought against companies); 2) validate forum selection bylaw provisions that select the Delaware courts as the exclusive forum for “internal corporate claims”; 3) make other changes increasing corporate flexibility to issue stock and options; and 4) loosen restrictions on an existing corporation becoming a “public benefit” corporation. Most of the amendments became effective on August 1, 2015. Although the new law invalidates fee-shifting provisions in certificates of incorporation and the bylaws of stock corporations, it does not prevent the imposition of such provisions pursuant to a private arrangement involving a stock purchase agreement or other stockholders’ agreement.

SEC Pay for Performance Rule—On July 6th, SBA staff submitted a comment letter to the SEC providing comments on the Proposed Rule for Pay Versus Performance, developed in accordance with Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The proposed rule would require certain filers to include, among several features, discussion of the relationship between pay and performance, which will be of marginal use to investors for several reasons. One is that total-shareowner-return (“TSR”) and peer group comparisons are already broadly available to shareowners and used extensively as one individual factor of consideration by most voting shareowners. Second, TSR, even when compared to peers, is subject to fluctuation based on a host of circumstances and information that is outside of the control of the individual companies and industries. Further, though TSR is used as a significant factor in many compensation plans, it is not a universal factor, and the majority of compensation plans use other metrics in their analysis. For many companies, a discussion about pay and performance may not be useful to investors at all unless it clearly describes the metrics used and thresholds—information that is not required to be disclosed under the proposed rule. In short, the comparison of pay and TSR may often be helpful, but it is only part of the story.

Although the proposed rule reflects Section 953(a) which specifically points toward the use of cumulative TSR in assessing performance, staff was concerned that the rule continues to overlook the main deficit that shareowners face in making informed advisory votes, which is a lack of disclosure of metrics and thresholds in executive compensation—a problem for investors when casting votes on both equity compensation plan and on advisory say-on-pay votes. The SBA does a substantial amount of analysis on compensation plans and advisory votes. The companies that disclose complete metrics and targets tend to also have more reasonable plans in staff’s view, and the objective nature of their implementation is clear. At the other end of the spectrum, some companies routinely provide troubling disclosures that lack basic information about the structure and implementation of plans. This includes what staff calls “laundry list” disclosure of so-called performance metrics from companies that list every accounting term from the balance sheet and income statement as potential metrics, with no substantive disclosure. Unfortunately, this leaves investors unable to perform a detailed assessment of the plan. This is the core feature lacking in compensation disclosures today, and the SBA joined with the Council of Institutional Investors (CII) and other investors in asking the Commission again to mandate this disclosure.

SEC Pay Ratio Final Rule—On August 5th, the Securities & Exchange Commission (SEC) passed final rules implementing the disclosure requirement of Section 953(b) of the Dodd-Frank Act of 2010, instituting new disclosure requirements for the calculation and reporting of “pay ratio” figures, comparing the compensation of executives to other employees. The new rule requires companies to disclose median compensation compared to the compensation of a firm’s CEO and is effective for any fiscal year beginning after January 1, 2017, with reporting for most companies beginning with their 2018 proxy

filing. The disclosure requirements do not apply to smaller reporting companies, foreign private issuers, multi-jurisdictional filers, emerging growth companies, or registered investment companies. Companies may exclude up to 5 percent of their non-U.S. employees in the calculation of their median employee and must use the same rules that apply to the CEO's compensation in the Summary Compensation Table of the proxy filing when calculating the annual total compensation for its median employee. Companies are required to recalculate the pay ratio every three years. A handful of firms voluntarily disclose pay ratio data, including Noble Energy Inc., NorthWestern Corporation, and Whole Foods Market Inc.

SEC Rule on Shareowner Proposal Submission—On August 7th, SBA staff submitted a letter to the SEC providing comments on the proper scope and application of Exchange Act Rule 14a-8(i)(9) (the “rule”). Until the SEC temporarily suspended the rule in January, it had been routinely used by public companies to omit shareowner proposals from the ballot or to replace shareowner proposals with a management proposal that contained a more company-friendly version of the shareowner proposal. Voters routinely would have no knowledge that a different shareowner version had been proposed but omitted/replaced. The basis of the rule has been that if both management and shareowners submitted different proposals on a topic and both went to a vote and passed, the results might be “conflicting”; for example, it might be impossible to implement both proposals simultaneously. Further, the SEC has previously stated that two similar proposals would possibly confuse shareowners and the results might be hard for the board to understand.

Since the main concern of the rule is the simultaneous implementation of two proposals on the same issue that truly conflict, SBA staff proposed that the Commission allow precatory (non-binding) shareowner proposals to stand on the ballot, even when they conflict with a management proposal. Because the board of directors is not legally required to implement these proposals if they pass, a shareowner vote could give the board important information. The vast majority of shareowner proposals are precatory (advisory) so this would remove the negative impact that the rule's past interpretation has had on the SBA's ability to vote on such proposals. The SBA's letter details specific technical items related to the broader 14a-8 rule that could be improved, such as share ownership certification, maximum text restrictions, the merits of false and misleading statements by investors, and the necessity for investor representatives to attend annual shareowner meetings in person.

Audit Committee Disclosures—On September 3rd, SBA staff submitted a comment letter to the SEC related to proposed revisions to audit committee disclosures. In its letter, the SBA acknowledged that there have been significant changes to what audit committees disclose. However, strengthening and updating rules to provide more uniformity amongst issuer disclosures will benefit shareowners. The SBA Corporate Governance Principles & Proxy Voting Guidelines supports the principle that “Audit committees should disclose all factors considered when selecting or reappointing an audit firm, information related to negotiating auditor fees, the tenure of the current external audit firm, and a description of how the audit committee oversees and evaluates the work of their external auditor.” Additionally, SBA supported new disclosures regarding how the audit committee evaluates the amount of audit fees and how it determines renewal of engagement of an audit firm when the firm has more than 10 consecutive years of service or if the firm has substantive deficiencies identified during the committee's review and, if so, what remedies have been taken.



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ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

MEMORANDUM

To: Ashbel C. Williams, Executive Director & CIO

From: Maureen M. Hazen, General Counsel *Maureen M. Hazen*

Date: September 4, 2015

Subject: Office of General Counsel: Standing Report
For Period June 1, 2015 – August 31, 2015

SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 30 new agreements – including a new FX Prime Broker Agreement, 5 private equity investments, 6 strategic investments and 3 real estate investments; (ii) 133 contract amendments, addenda or renewals; and (iii) 4 contract or related terminations.

SBA Litigation.

(a) Passive. As of August 31, 2015, the SBA was monitoring (as an actual or putative passive member of the class) 493 securities class actions. From June 1, 2015 – August 31, 2015, the SBA collected recoveries in the amount of \$10,356,343.71 as a passive member in 25 securities class actions.

(b) Active.

(i) In re Tribune Litigation. On January 24, 2012, the SBA was served a complaint (along with other defendants) now pending in the U.S. Bankruptcy Court, Southern District of New York by the Official Committee of Unsecured Creditors of the Tribune Company alleging damages for fraudulent conveyance and requesting the return of proceeds received by all defendant investors in a leveraged buy-out of the Tribune Company (which subsequently declared bankruptcy). Pursuant to a plan approved in the bankruptcy proceeding, the claim was transferred to the U.S. District Court, Southern District of New York (the "Court") and consolidated with additional parallel cases for multi-district litigation. The SBA received approximately \$11 million in connection with this leveraged buy-out. Pursuant to the Court's master scheduling order, the Court has stayed all answer and motion filing deadlines pending resolution of similar issues in a parallel class case. Several amended complaints have been filed in the action in which the SBA was originally served in January, 2012 (the "FitzSimons Action"). While responses remain stayed in the FitzSimons case, the court has ruled on the pending motions in the related Deutsche Bank case, and it is expected that a deadline for filing individualized motions to dismiss in FitzSimons

will be set by the Court soon. The Court has asked the parties to confer as to how best to proceed with the next round of more individualized motions, which will include motions directed at the FitzSimons case, but no agreement has been reached, and the Court is expected to set out a protocol for dealing with individualized motions to dismiss. There are approximately 1,700 defendants in the FitzSimons case, and the Court has appointed liaison counsel to represent each type of defendant group, including pension fund defendants. At the appropriate time, the SBA plans to seek dismissal on sovereign immunity grounds.

(c) FRS Investment Plan. During the period from June 1, 2015 through August 31, 2015, the General Counsel's Office monitored and/or managed the following cases for the Florida Retirement System Investment Plan (the "Investment Plan"). The SBA issued four (4) Final Orders, received notice of filing of four (4) new cases, and continued to litigate seven (7) cases that were pending during the periods covered by previous reports, including defending three (3) appellate cases.

(d) Cat Fund Rule Challenge. On August 27, 2015, the SBA was served a petition filed by Florida Property & Casualty Association ("FPCA") with the Division of Administrative Hearings ("DOAH") challenging the portion of the 2015 Data Call form, as adopted by Rule 19-8.029, F.A.C., requiring participating insurers to provide the street addresses of insured properties. Section 215.555(5)(c), Florida Statutes, the applicable statute, states that each insurer is required to notify the SBA of its insured values under covered policies by zip code as of June 30th of the reporting year. For each contract year, the SBA adopts a Data Call form setting forth instructions to participating insurers regarding how to prepare and submit this notification. The Data Call form applicable to the 2015-2016 FHCF contract year, incorporated by reference in Rule 19-8.029(4)(e), and for the first time contains fields that are to be completed setting forth the street addresses for each covered property. The Petitioners allege that the rule incorporating this form is an "invalid exercise of delegated legislative authority" as defined in s. 120.52(8), Fla. Stat. SBA staff is in the process of evaluating the merits of the challenge and the SBA's response and defenses.

Other Matters.

(a) Public Records. During the period covered by this report, the General Counsel's Office received 29 new public records requests and provided responses to 27 requests. As of the date of this report, the General Counsel's Office continues to work on 18 open requests.

(b) SBA Rules.

(i) Rule 19-7.010- Pooled Investment Accounts- Repeal: After completing the Office of Fiscal Accountability and Regulatory Reform's ("OFARR") 2015 Annual Rule Review, the SBA determined that Rule 19-7.010 can be eliminated as unnecessary. The SBA has filed a Notice of Proposed Rule in Florida Administrative Register ("FAR") and has delivered the appropriate notification to the Joint Administrative Procedures Committee ("JAPC"). SBA staff anticipates that the repeal will be filed for adoption with the Bureau of Administrative Code on or about September 9, 2015.

(ii) Rule 19-9.001- Investment Policy Statement- Amendment: On August 5, 2015, the SBA filed a Notice of Development of Rulemaking that sets forth an amendment to the rule to adopt the revised Investment Policy Statement approved by the Trustees effective February 6, 2014 for the Florida Retirement System Investment Plan. On September 1, the Trustees approved the filing for notice of the amendments to this rule and for adoption if no member of the public timely requests a rule hearing.

(iii) Rule Chapter 19-11: Amendments to Rules 19-11.001-Definitions; 19-11.002-Beneficiary Designations and Distributions for FRS Investment Plan; 19-11.003-Distributions from FRS Investment Plan Accounts; 19-11.004- Excessive Trading in the FRS Investment Plan; 19-11.005- FRS Investment Plan Complaint Procedures; 19-11.006- Enrollment Procedures for New Hires; 19-11.007-

Second Election Enrollment Procedures for the FRS Retirement Programs; 19-11.008- Forfeitures; 19-11.011- Employer and Employee Contributions and ABO or Present Value Transfer Procedures; 19-11.012-Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan; 19-11.013-FRS Investment Plan Self-Directed Brokerage Account: On August 5, 2015, the SBA filed a Notice of Development of Rulemaking which sets forth amendments to the cited rules. Most of the amendments involve the adoption of the latest versions of forms that have been incorporated by reference in the various rules, such as the beneficiary designation form, the various enrollment forms, the second election forms and the rollover forms. Other amendments involve clarification or expansion of information and to update the names of the default investment vehicles where no funds are selected by the members. The changes are non-substantive – i.e. the changes involve adopting new forms and making a few clarifications. On September 1, the Trustees approved the filing for notice of the amendments and for adoption if no member of the public timely requests a rule hearing.

(iv) Rules 19-13.001- Roles and Responsibilities of the State Board of Administration of Florida; and Rule 19-13.004- Role and Responsibilities of Third Party Vendors- Amendments: On August 5, 2015, the SBA filed a Notice of Development of Rulemaking which sets forth amendments to the cited rules. The amendments serve to update certain information regarding the duties and responsibilities of the SBA and its third party vendors concerning the FRS Investment Plan. The amendments also note that the ten (10) Target Date Funds (TDF) have replaced the three balanced fund options. The changes are not substantive. On September 1, the Trustees approved filing for notice of the amendments to this rule and for adoption if no member of the public timely requests a rule hearing.

(v) Rule 19-7.002- Investment Policy Statements- Amendment: The SBA has proposed rule amendments to adopt the revised Investment Policy Statement for the Local Government Surplus Funds Trust Fund approved by the Trustees on June 23, 2015 and effective July 1, 2015. The proposed amendments also delete the reference to the Investment Policy Statement for the Fund B Surplus Funds Trust Fund (Non-Qualified). The Fund B Surplus Funds Trust Fund is in the final stages of being terminated, as participants have received a return of their original principal balances, as well as a portion of Fund B's residual balance that is based on each participant's proportional share of the total November 2007 interest earned by all participants in the Local Government Surplus Funds Trust Fund that was not paid out but instead was transferred to this trust fund to maximize the payout of principal. The SBA has submitted to OFARR the required documentation. The SBA published a Notice of Development of Rulemaking in FAR on September 3, 2015 to commence the formal rulemaking process.

(vi) Rule 19-4.0035- Florida Retirement System Defined Benefit Plan Investment Policy Statement- Amendment: The SBA has proposed rule amendments which serve to adopt the most recent version of the Investment Policy Statement for the FRS Defined Benefit Plan. The SBA has submitted to OFARR the required documentation. The SBA published a Notice of Development of Rulemaking in FAR on September 3, 2015 to commence the formal rulemaking process.



**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

**1801 HERMITAGE BOULEVARD
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(850) 488-4406**

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**RICK SCOTT
GOVERNOR
AS CHAIRMAN
JEFF ATWATER
CHIEF FINANCIAL OFFICER
PAM BONDI
ATTORNEY GENERAL
ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO**

MEMORANDUM

DATE: September 4, 2015
TO: Board of Trustees
FROM: Ken Chambers, Inspector General
SUBJECT: Quarterly Report on SBA Inspector General Activities

The SBA Inspector General (IG) is responsible for serving as the organization's ethics officer; conducting internal investigations; overseeing investment protection principles (IPP) compliance; and handling special projects as directed by the Executive Director.

Ethics and Training

- Mandatory ethics training and certification of compliance are required for all SBA employees on an annual basis. The on-line training covers gifts, conflicts of interest, financial disclosure, outside employment, lobbyist/principal restrictions, honorarium related events, etc. In addition to ethics training, mandatory training is annually required for all employees in the areas of sexual harassment, information security, personal investment activity, and insider trading. The deadline for completing the courses was June 30, 2015, and all SBA employees are in compliance.
- During the period June 6, 2015 to September 4, 2015, one instance was reported to the Inspector General concerning non-compliance with the SBA gift policy. The violation was self-reported by the employee, and the provider was reimbursed for the gift in accordance with the policy.

Investment Protection Principles Compliance

In September 2002, the Trustees of the SBA adopted Investment Protection Principles (IPPs) for broker-dealers and investment managers in the wake of Wall Street scandals involving tainted equity research and conflicts of interest. The IPPs are geared toward promoting independence, transparency and regulatory compliance, and adherence to the highest standards of ethics and professionalism. On an annual basis, written

certification is required from equity, fixed income and real estate investment managers, and broker-dealers. Additionally, annual certifications have been developed for the investment services related consulting firms engaged by the SBA. These consulting firms are required to certify their compliance with certain independence and disclosure principles.

The compliance results for the investment managers and consultants were reported in the previous quarterly report.

Certification forms for broker-dealers were disseminated to the applicable firms in April 2015. All of the broker-dealers completed and returned their IPP certification forms for the 2014 reporting period. An analysis of the 2014 certifications indicated full compliance with the IPP's by the broker-dealers

Investment Advisory Council Disclosures

As required by Chapter 215.444, Florida Statutes, all current IAC members have completed their annual Conflict Disclosure Statement. Additionally, all current IAC members have completed the fiduciary training program as stipulated in Chapter 215.444.

SBA Fraud Hotline

Since July 2006, The Network Inc. has been the independent provider of SBA Fraud Hotline services. Through an 800 number, SBA employees may anonymously report tips or information related to fraud, theft, or financial misconduct. The telephone number and information is prominently displayed on the SBA intranet home page. Additionally, the hotline information is available on the SBA internet site.

To date, no complaints or tips have been received by the Hotline for 2015.

Financial Disclosure Forms

The Commission on Ethics requires certain state employees and officials who meet the reporting requirement to file an annual Financial Disclosure Form. The Financial Disclosure Forms for the year ending December 31, 2014 were due by July 1, 2015. All SBA employees who met this requirement have filed a Financial Disclosure Form with the Commission on Ethics.

cc: Ash Williams



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ATTORNEY GENERAL

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

DATE: September 8, 2015

TO: Ash Williams, Executive Director & CIO

FROM: Karen Chandler, Acting Chief Risk & Compliance Officer

SUBJECT: Trustee Update – September 2015

The role of the Risk Management and Compliance (RMC) unit is to assist the Executive Director & CIO in maintaining an appropriate and effective risk management and compliance program to identify, monitor and mitigate key investment and operational risks. RMC has a critical role in developing and enhancing the enterprise-wide system of internal controls. RMC proactively works with the Executive Director & CIO and designees to ensure issues are promptly and thoroughly addressed by management.

SBA senior management has created a culture of risk management and compliance through the governance structure, allocation of budgetary resources, policies and associated training and awareness. Management is committed to ethical practices and to serving the best interests of the SBA's clients. The SBA's mission statement further supports this culture: *"To provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary and professional standards."*

The following is a brief status report of RMC activities and initiatives completed or in progress during the period June 6, 2015 through September 8, 2015:

- The continuous compliance program determined that there were no material compliance exceptions during the period.
- The Risk and Compliance Committee (RCC) met on August 21, 2015. The RCC reconfirmed management's existing plans to further mitigate risk, as there were no significant changes from the prior review. (Please see attached risk assessment results.) The semi-annual risk assessment questionnaire was distributed to business unit leaders on September 2, 2015. The RCC will evaluate questionnaire results at the November meeting. The RCC is currently reviewing a set of draft "Risk Appetite and Tolerance" statements relating to the SBA's Enterprise Risk Management (ERM) Framework. The goal of these statements is to depict the maximum level of risk that the SBA is willing to accept with respect to the primary categories in the ERM Framework.

- RMC staff efforts continue in enhancing processes, including trading counterparty monitoring, reporting, compliance testing automation, third-party monitoring, technology infrastructure and other areas.
- Management has evaluated all “Considerations for the Future” and continues to implement plans following the Triennial Governance, Risk, and Compliance (GRC) review conducted by an external consultant. While the overall assessment concluded the SBA’s GRC program has matured from the “Developed” stage to the “Advanced” stage (the highest rank in the consultant’s benchmark model), the SBA will continue to enhance and refine GRC processes going forward.
- The SBA’s Strategic Plan was approved by senior management as of August 19, 2015 for Fiscal Year 2015-16. The Plan includes strategic objectives and projects to support the SBA’s mission and goals. Significant progress has been made on a number of the projects.
- ERM staff continues to be actively engaged in identifying risk across the organization, giving consideration to existing and best practice internal controls. Efforts continue to be focused on verifying the system of internal controls used to mitigate risks within the organization.

Semiannual Risk Assessment Results

9/8/2015

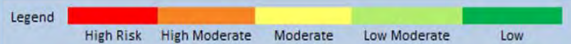
Background

SBA management has implemented controls designed to reduce inherent risk across all identified risks. Management continues to implement additional risk mitigation initiatives to strengthen controls, improve processes, and/or further mitigate residual risk. Semiannually, risk owners (assigned business unit heads) rank the likelihood (probability), severity, and velocity of risks for which they are responsible for managing. The Enterprise Risk Management team within Risk Management and Compliance aggregates the rankings at the enterprise level. Significant controls and risk mitigation initiatives are included in the 2014-2016 Risk Management Plan.

Summary

At the top level of the framework, there was no change for Inherent or Aggregate Residual Risk levels from the September 2014 rating to March 2015. Management's May 2015 plans were carried forward and reaffirmed by the Risk and Compliance Committee in August 2015. The September 2015 risk assessment is currently underway.

SBA ERM Framework		Inherent Risk		Residual Risk		Management Plan
		Sept-14	March-15	Sept-14	March-15	Aug-15
1	Investment Management Risk					Mitigate Further
2	Governance/Management Risk					Mitigate Further
3	Communication/Public Affairs/Reputational Risk					Mitigate Further
4	Legislative/Political Risk					Accept
5	Compliance Risk					Accept
6	Fraud/Misconduct/Internal Controls Risk					Accept
7	Service Provider Risk					Mitigate Further
8	Client Relationship Risk					Accept
9	Operational Risk					Mitigate Further
10	Human Capital Risk					Mitigate Further
11	Security Risk					Mitigate Further
12	Business Continuity/Infrastructure Risk					Mitigate Further
13	Legal Risk					Mitigate Further



Semiannual Risk Assessment Results

9/8/2015

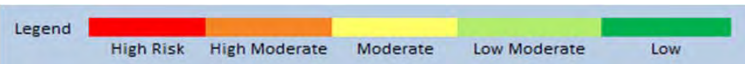
SBA ERM Framework		Inherent Risk		Residual Risk		Management Plan
		Sept-14	March-15	Sept-14	March-15	Aug-15
1 Investment Management Risk						
1.a	Policy Risk					Accept
1.b	Implementation Risk					Mitigate Further
1.c	Inherent Risk					Accept
2 Governance/Management Risk						
2.a	Resource Allocation Risk					Accept
2.b	Governance Policy Design Risk					Accept
2.c	Fiduciary/Ethics Risk					Accept
2.d	Management Execution Risk					Mitigate Further
3 Communication/Public Affairs/Reputational Risk						
3.	Communication/Public Affairs/Reputational Risk					Mitigate Further
4 Legislative/Political Risk						
4.	Legislative/Political Risk					Accept
5 Compliance Risk						
5.a	Laws, Rules & Regulations					Accept
5.b	SBA Policies					Accept
5.c	Investment Policy Guidelines					Accept
5.d	Contractual Agreements					Accept
6 Fraud/Misconduct/Internal Controls Risk						
6.a	Internal Staff					Accept
6.b	Service Providers					Accept
6.c	External Parties					Accept
7 Service Provider Risk						
7.a	Financial Condition					Mitigate Further
7.b	Service Level Quality					Mitigate Further
7.c	Key Personnel					Mitigate Further
7.d	Premature/Unexpected Service Termination					Mitigate Further

Legend

High Risk	High Moderate	Moderate	Low Moderate	Low
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↓ - Indicates a decrease in the Risk Level from the prior ranking.
↑ - Indicates an increase in the Risk Level from the prior ranking.

SBA ERM Framework		Inherent Risk		Residual Risk		Management Plan
		Sept-14	March-15	Sept-14	March-15	Aug-15
8 Client Relationship Risk						
8.a	Service Delivery					Accept
8.b	Education					Accept
8.c	Communication/Reporting					Accept
8.d	Allocation of Investment Opportunities					Accept
9 Operational Risk						
9.a	Cash Management					Accept
9.b	Trade Settlement					Accept
9.c	Transaction Processing					Accept
9.d	Asset Reconciliation					Mitigate Further
9.e	Accounting & Financial Reporting					Accept
9.f	Valuation					Accept
9.g	Performance Measurement					Accept
9.h	Internal System Reliability/Electronic Data Integrity Risk					Mitigate Further
9.i	FHCF Program-Specific Risks					Accept
9.j	DC Program-Specific Risks					Accept
9.k	Proxy Voting					Accept
9.l	External Corporate Governance					Accept
10 Human Capital Risk						
10.a	Recruitment					Mitigate Further
10.b	Retention					Mitigate Further
10.c	Training and Development					Mitigate Further
10.d	Succession					Mitigate Further
11 Security Risk						
11.a	Physical Safety/Security					Mitigate Further
11.b	Network/System Security					Mitigate Further
11.c	Information Security & Records Management					Mitigate Further
12 Business Continuity/Infrastructure Risk						
12.a	Facilities					Mitigate Further
12.b	Communication Systems					Mitigate Further
12.c	Data/System Recovery					Mitigate Further
12.d	Process Recovery					Mitigate Further
13 Legal Risk						
13.a	Contract Development					Mitigate Further
13.b	Legal Advisory					Mitigate Further
13.c	Litigation					Accept



- Indicates a decrease in the Risk Level from the prior ranking.

- Indicates an increase in the Risk Level from the prior ranking.



State Board of Administration of Florida

Major Mandate Review Second Quarter 2015

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1. Executive Summary
2. Pension Plan Review
3. Investment Plan Review
4. CAT Fund Review
5. Lawton Chiles Endowment Fund Review
6. Florida PRIME and Fund B Review
7. Appendix

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Executive Summary

Second Quarter 2015

Executive Summary

- The major mandates outperformed their respective benchmarks over all longer time periods through June 30, 2015.
- The Pension Plan outperformed its Performance Benchmark over the trailing one-, three-, five-, ten-, and fifteen-year time periods.
 - Global Equity has been a consistent source of value added over the trailing one-, three-, and five-year time periods. Fixed Income, Real Estate, and Strategic Investments have also added value.
- Over the trailing three-, five-, and ten-year periods, the Pension Plan's return ranked in the top half of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan met or outperformed the Total Plan Aggregate Benchmark during the second quarter and over all trailing periods.
- The Lawton Chiles Endowment Fund outperformed its benchmark during the second quarter and also over the three-, five-, and ten-year periods, primarily due to strong public equity performance.
- The CAT Funds and Florida PRIME continued to outperform their respective benchmarks over both short and long time periods.

State Board of Administration of Florida Florida Retirement System

Pension Plan Review Second Quarter 2015

Executive Summary

- The Pension Plan assets totaled \$148.0 billion as of June 30, 2015 which represents a \$0.5 billion decrease since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, outperformed over the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the one-, ten-, and fifteen-year periods, but has outperformed over the trailing three-, five-, twenty-, and twenty five-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
 - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
 - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
 - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

FRS Pension Plan Change in Market Value Periods Ending 6/30/2015

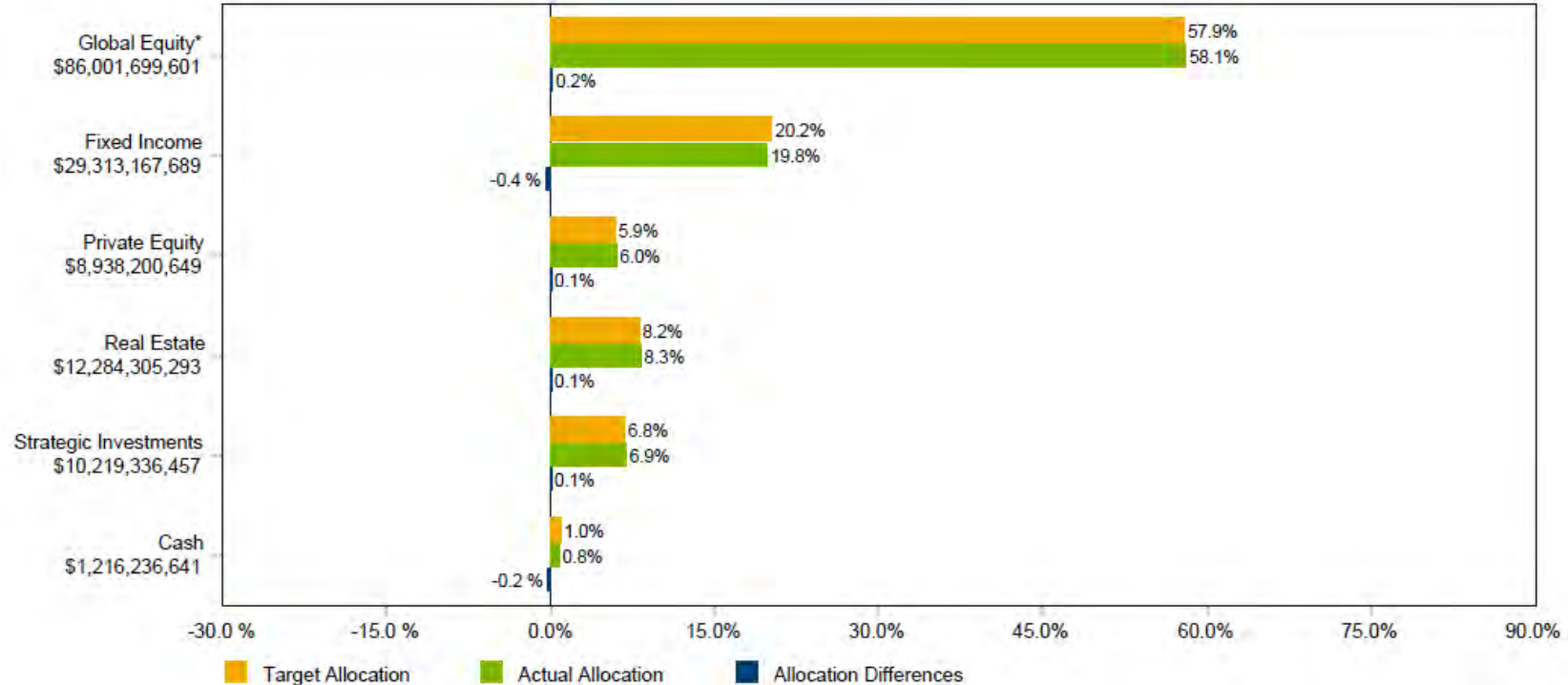
Summary of Cash Flows		
	Second Quarter	Fiscal YTD*
Beginning Market Value	\$148,495,924,825	\$149,097,956,343
+/- Net Contributions/(Withdrawals)	(\$1,735,105,032)	(\$6,473,096,739)
Investment Earnings	\$1,212,126,536	\$5,348,086,725
= Ending Market Value	\$147,972,946,329	\$147,972,946,329
Net Change	(\$522,978,496)	(\$1,125,010,014)

*Period July 2014 – June 2015

Asset Allocation as of 6/30/2015

Total Fund Assets = \$148.0 Billion

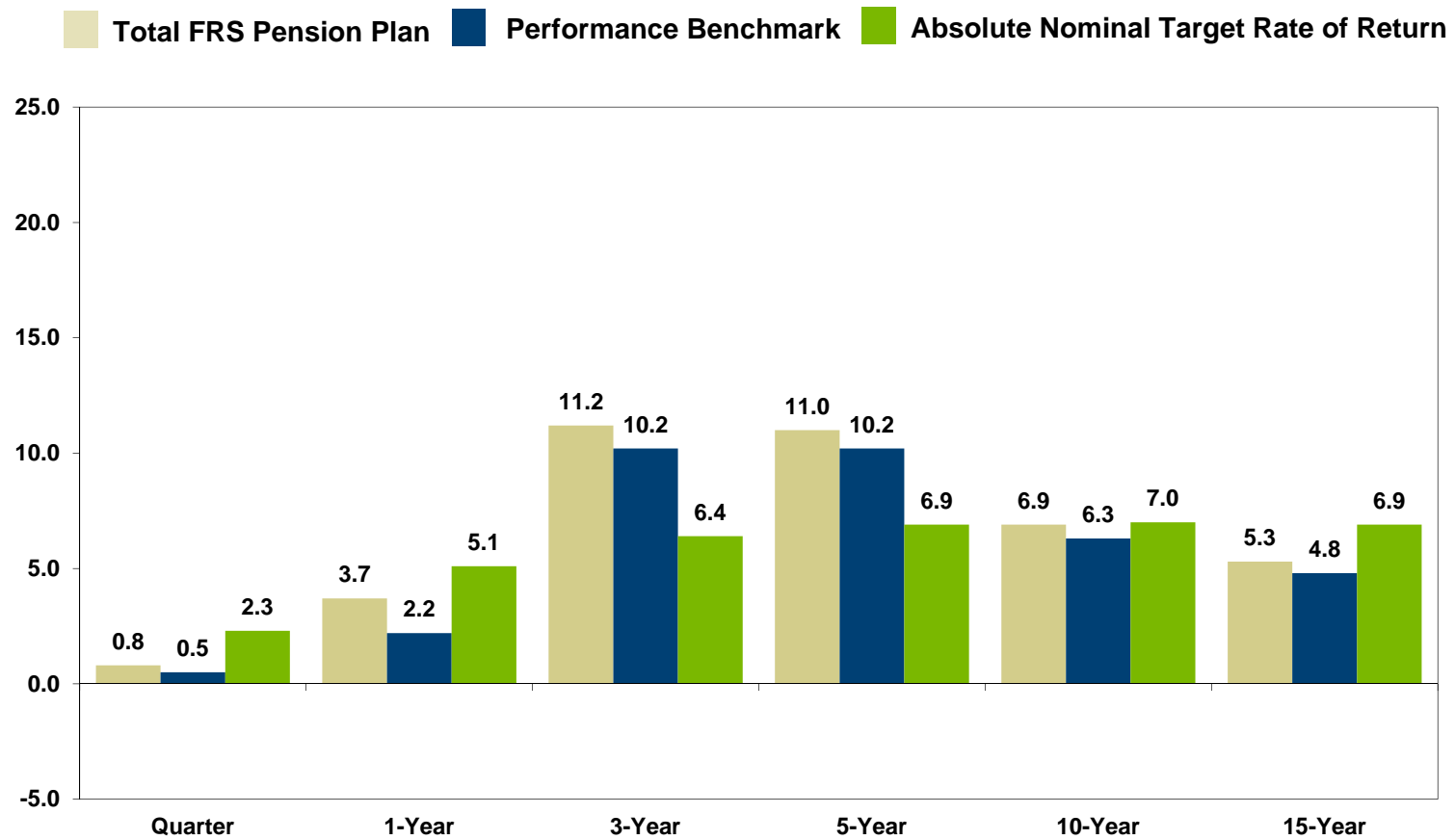
	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	147,972,946,329	100.0	100.0		
Global Equity*	86,001,699,601	58.1	57.9	45.0	70.0
Fixed Income	29,313,167,689	19.8	20.2	10.0	26.0
Private Equity	8,938,200,649	6.0	5.9	4.0	16.0
Real Estate	12,284,305,293	8.3	8.2	2.0	9.0
Strategic Investments	10,219,336,457	6.9	6.8	0.0	16.0
Cash	1,216,236,641	0.8	1.0	0.3	5.0



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

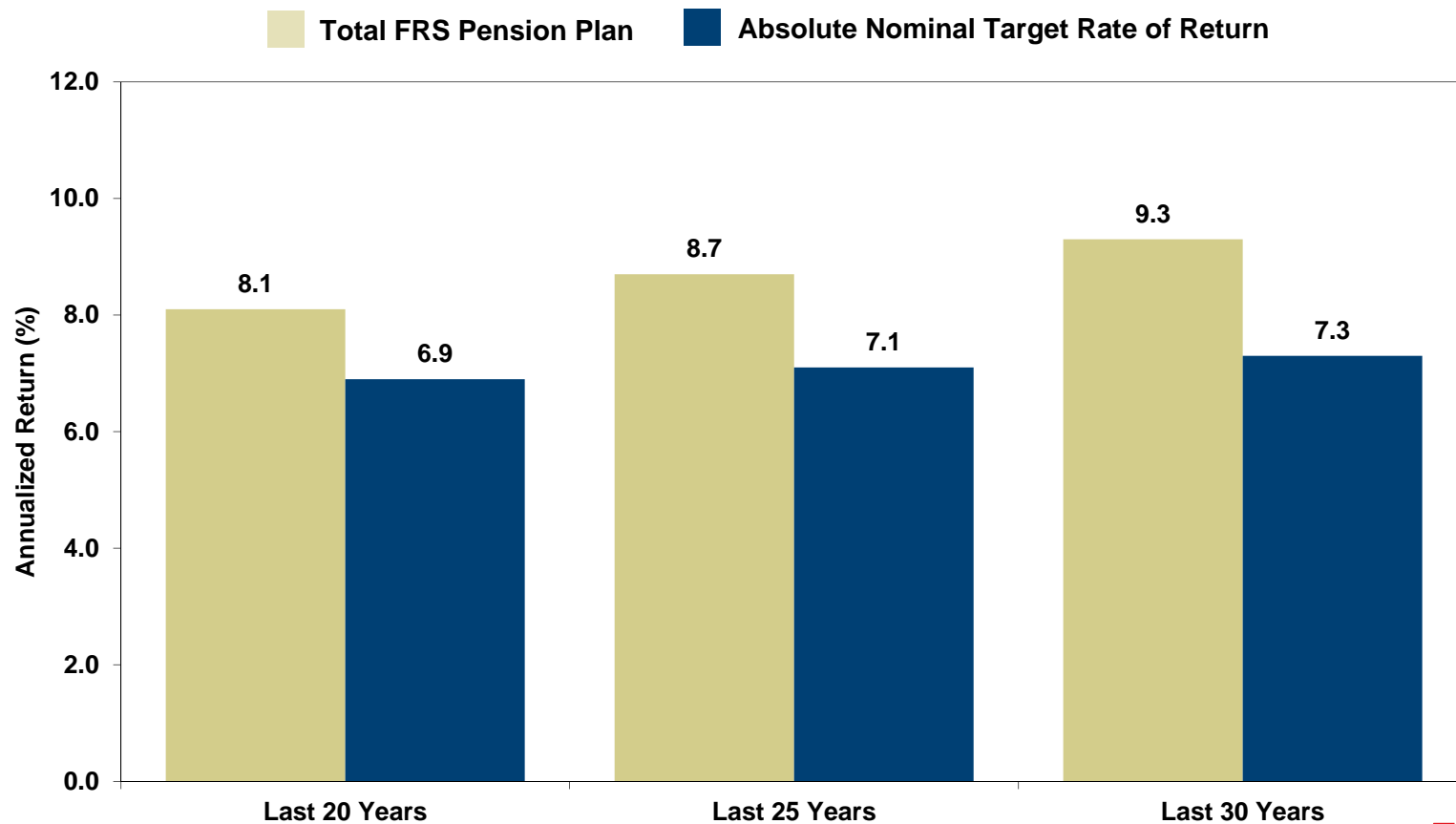
FRS Pension Plan Investment Results

Periods Ending 6/30/2015



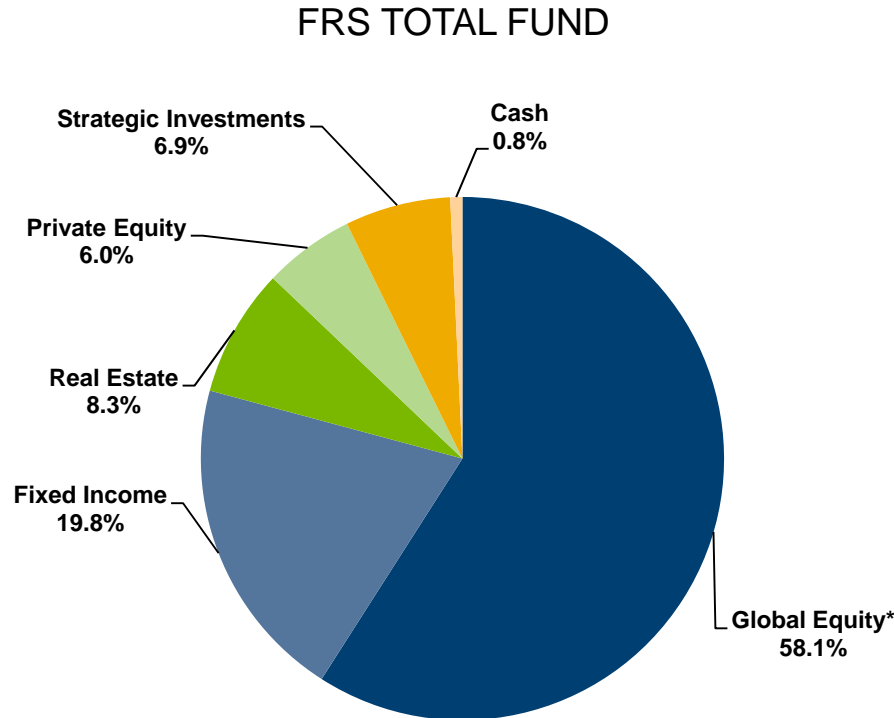
FRS Pension Plan Investment Results Periods Ending 6/30/2015

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

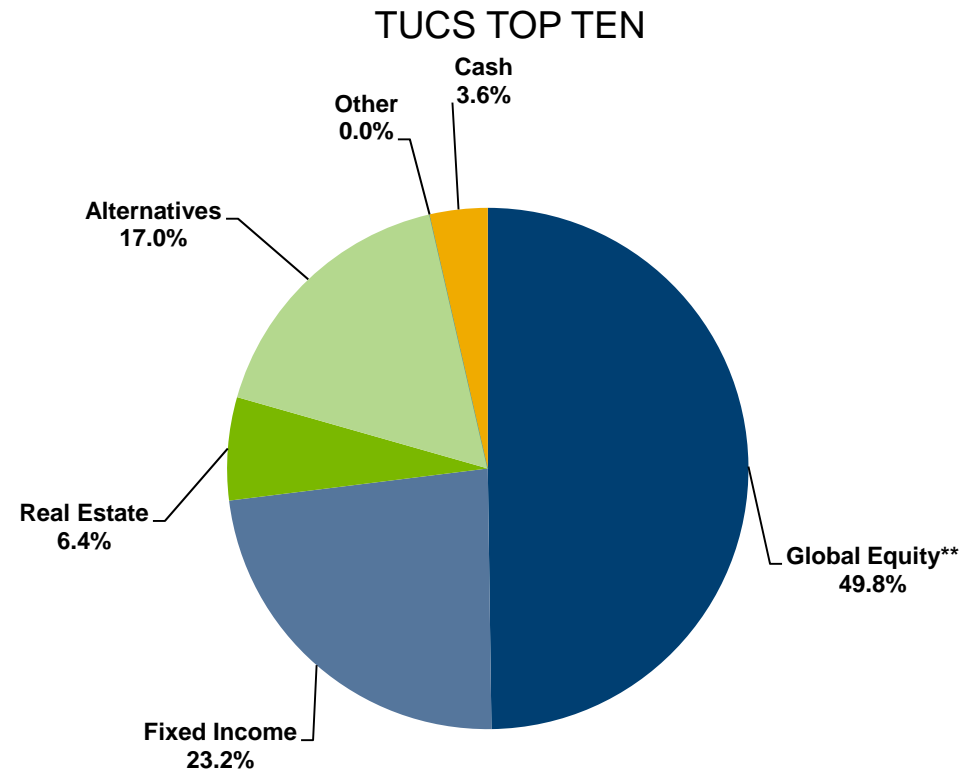


Comparison of Asset Allocation (TUCS Top Ten) As of 6/30/2015

FRS Pension Plan vs. Top Ten Defined Benefit Plans



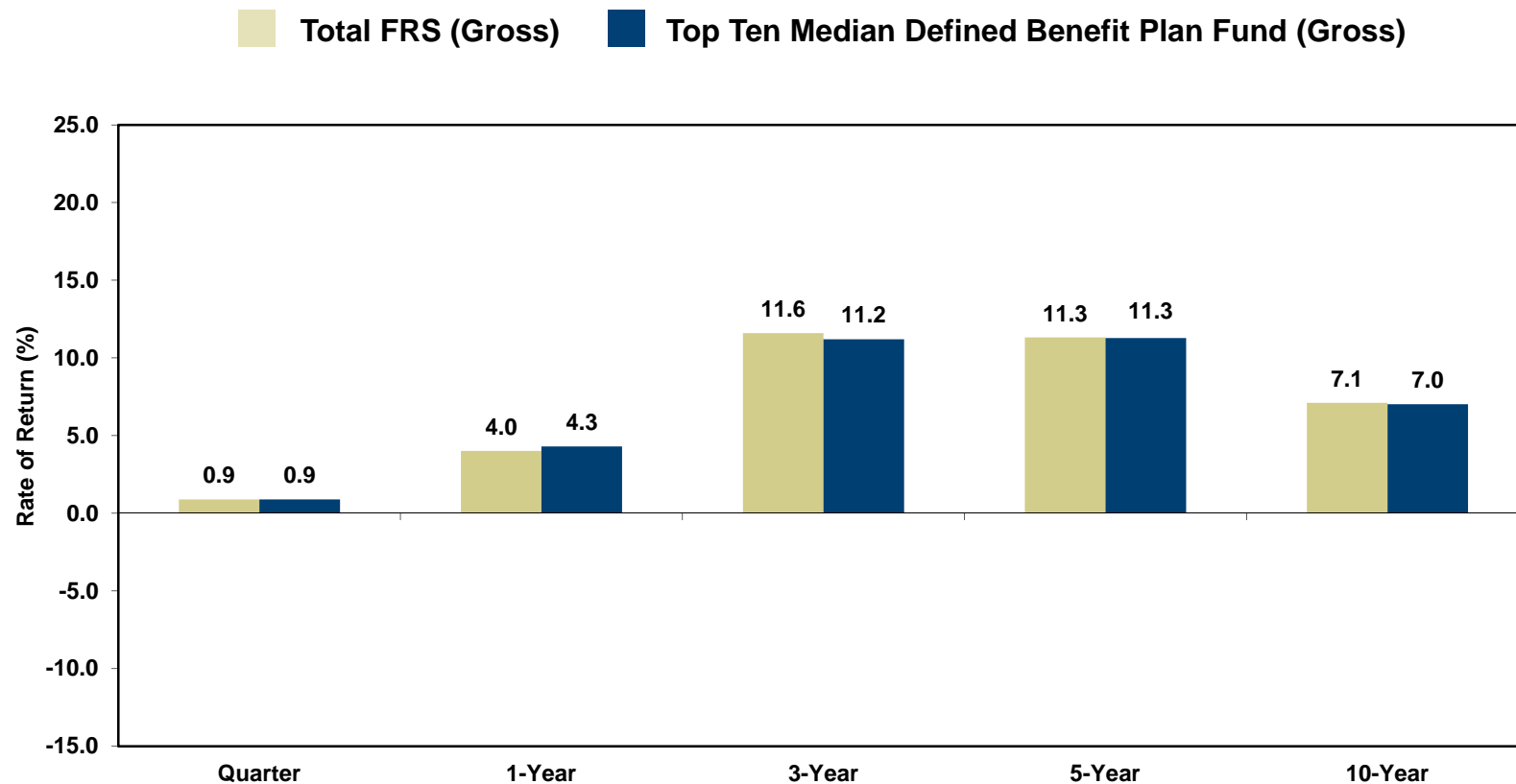
*Global Equity Allocation: 27.7% Domestic Equities; 26.1% Foreign Equities; 4.2% Global Equities. Percentages are of the Total FRS Fund.



**Global Equity Allocation: 31.8% Domestic Equities; 18.0% Foreign Equities.

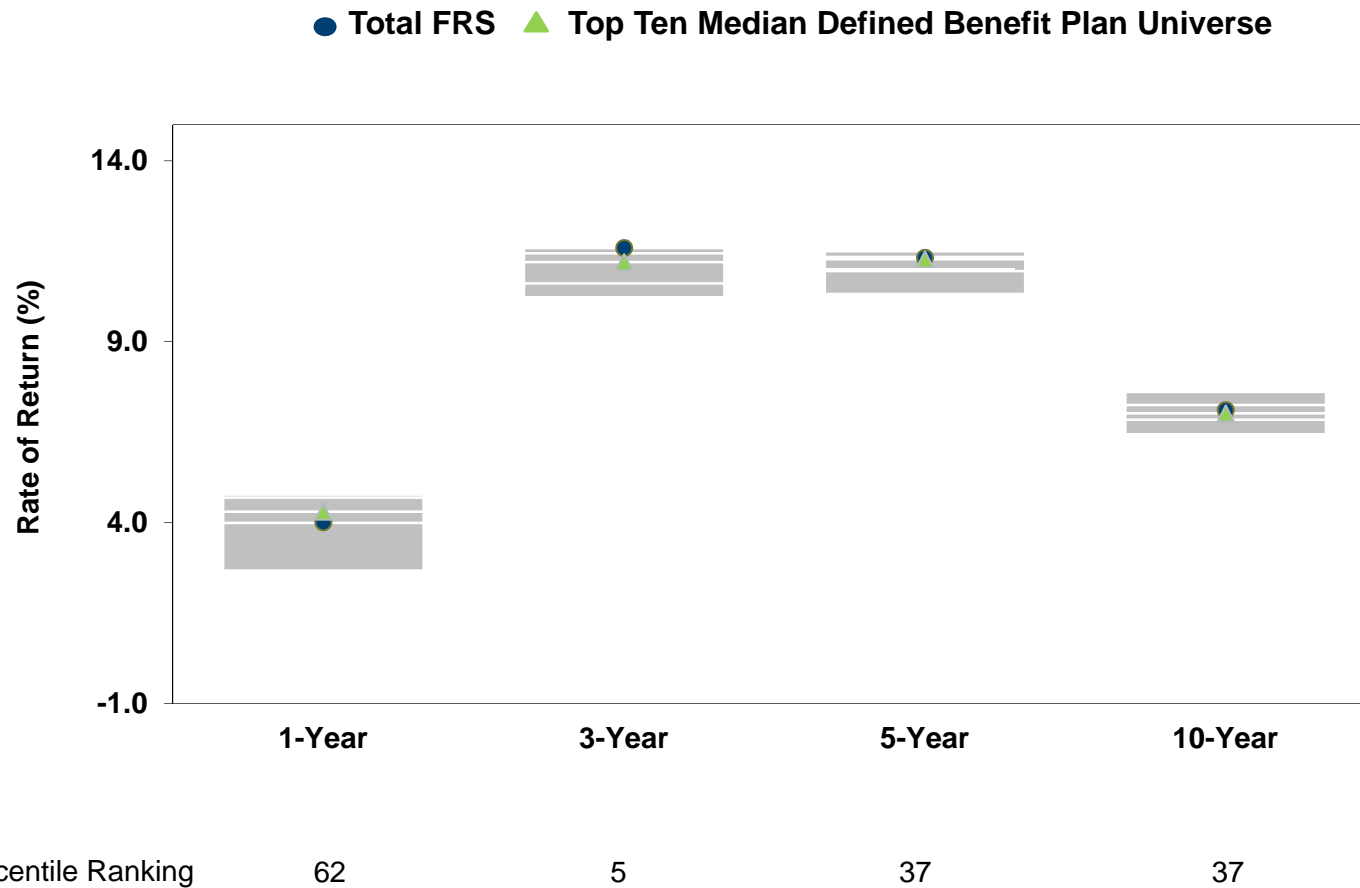
Note: The TUCS Top Ten Universe includes \$1,335.0 billion in total assets. The median fund size was \$131.5 billion and the average fund size was \$133.5 billion.

FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 6/30/2015



Note: The TUCS Top Ten Universe includes \$1,335.0 billion in total assets. The median fund size was \$131.5 billion and the average fund size was \$133.5 billion.

Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 6/30/2015



Note: The TUCS Top Ten Universe includes \$1,335.0 billion in total assets. The median fund size was \$131.5 billion and the average fund size was \$133.5 billion.

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State Board of Administration of Florida Florida Retirement System

Investment Plan Review Second Quarter 2015

Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2013 data.
- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

Total Investment Plan Returns & Cost

Periods Ending 6/30/2015*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	2.6%	9.3%	9.3%	6.0%
<i>Total Plan Aggregate Benchmark**</i>	2.1	8.8	8.8	5.5
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.5	0.5	0.5	0.5

Periods Ending 12/31/2013***

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	10.7%	0.6%	0.38%*****
<i>Peer Group</i>	11.9	0.2	0.30
FRS Investment Plan vs. Peer Group	-1.2	0.4	0.08

*Returns shown are net of fees.

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

***Source: 2013 CEM Benchmarking Report. Peer group for the Five-Year Average Return and Value Added represents the U.S. Median plan return based on the CEM 2013 Survey that included 147 U.S. defined contribution plans with assets ranging from \$52 million to \$46.3 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 19 DC plans including corporate and public plans with assets between \$1.9 - \$16.7 billion.

****Returns shown are gross of fees.

*****The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

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State Board of Administration of Florida CAT Fund Review

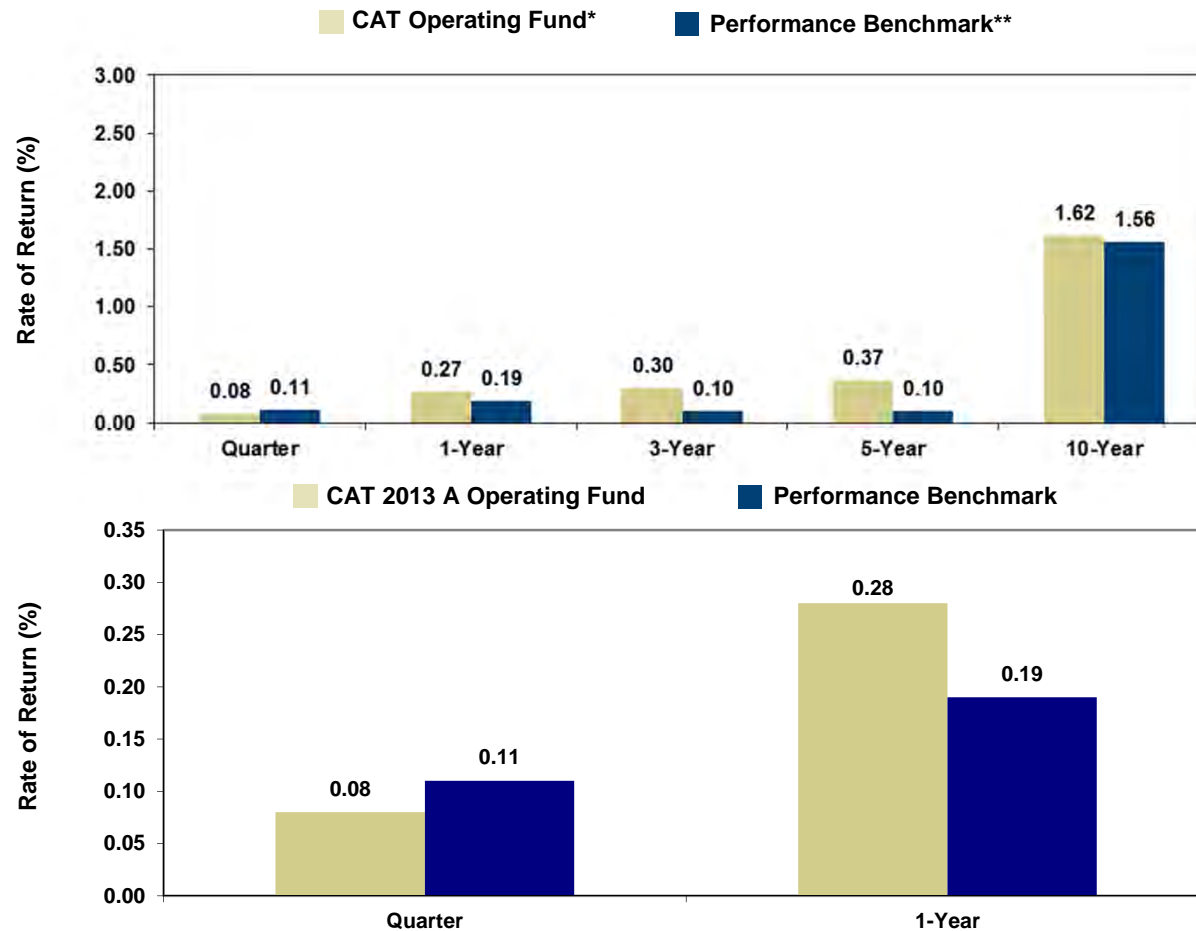
Second Quarter 2015

Executive Summary

- Performance of the CAT Funds on both an absolute and relative basis has been strong over short- and long-term time periods.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

CAT Funds Investment Results

Periods Ending 6/30/2015



*CAT Operating 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. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

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State Board of Administration of Florida Lawton Chiles Endowment Fund Review

Second Quarter 2015

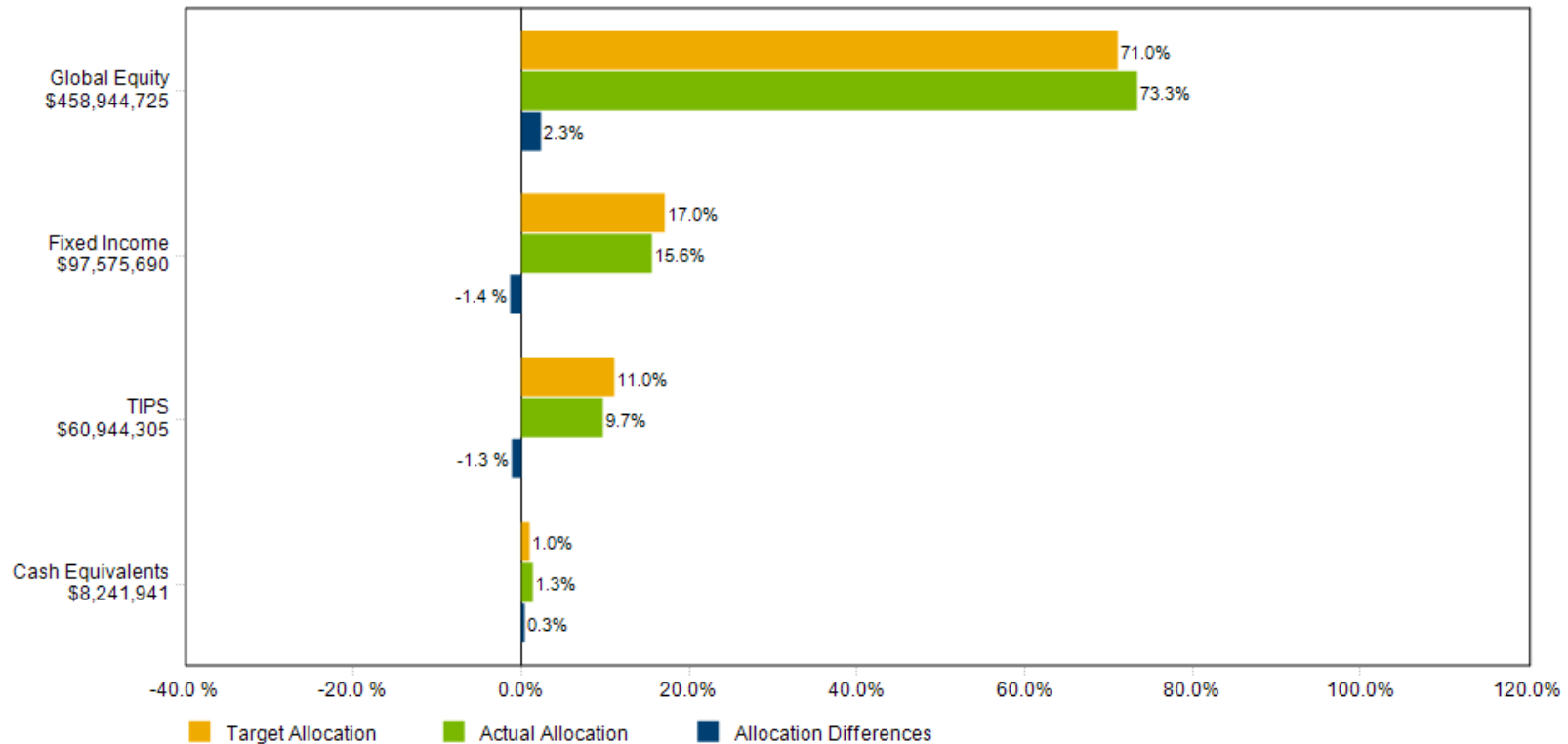
Executive Summary

- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
 - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
 - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled \$625.7 million as of June 30, 2015.
- The Endowment's return outperformed that of its Target during the second quarter, trailing three-, five- and ten-year time periods, while underperforming during the trailing one-year period.

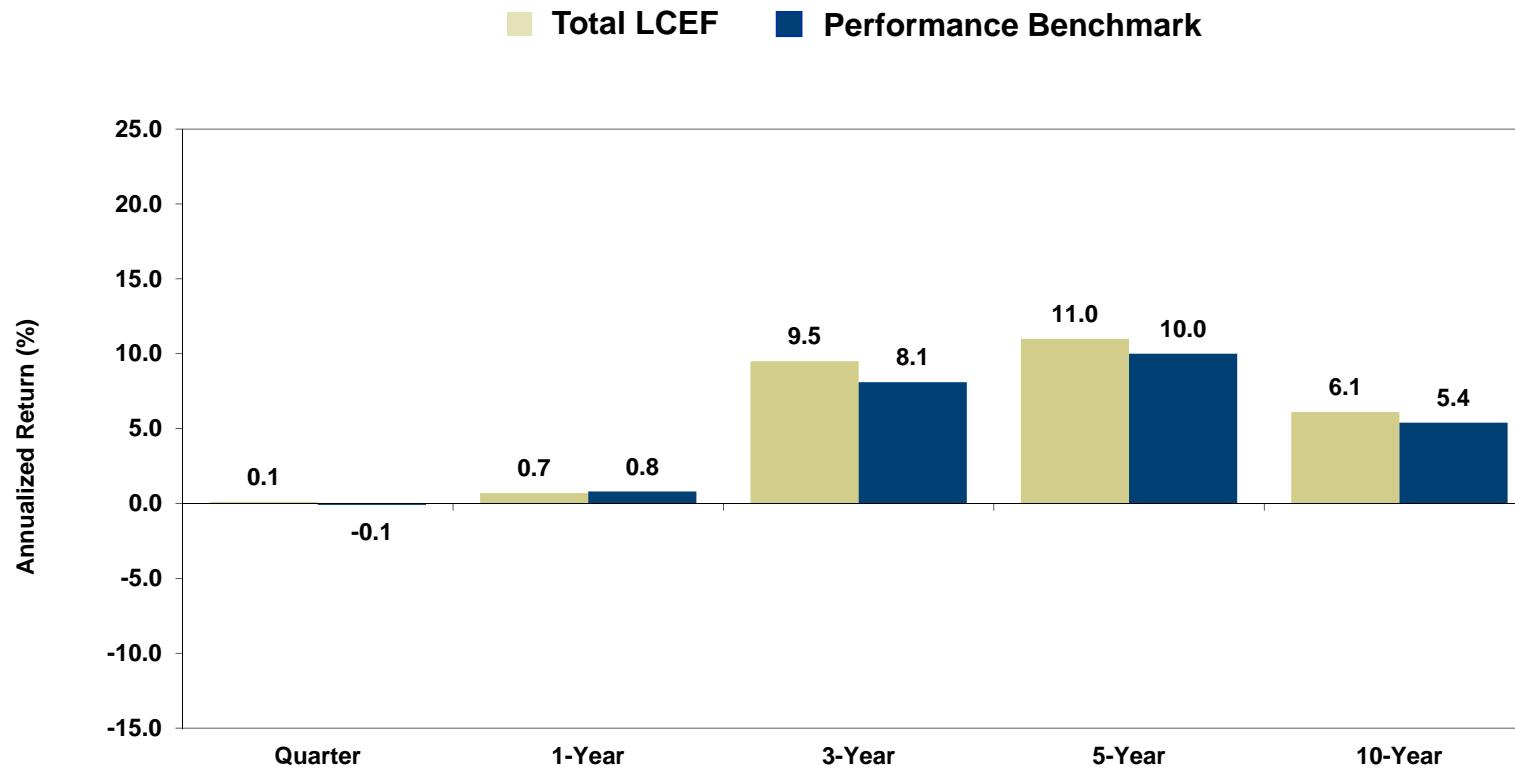
Asset Allocation as of 6/30/2015

Total LCEF Assets = \$625.7 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	625,706,661	100.0	100.0		
Global Equity	458,944,725	73.3	71.0	61.0	81.0
Fixed Income	97,575,690	15.6	17.0	12.0	22.0
TIPS	60,944,305	9.7	11.0	6.0	16.0
Cash Equivalents	8,241,941	1.3	1.0	0.0	10.0



LCEF Investment Results Periods Ending 6/30/2015



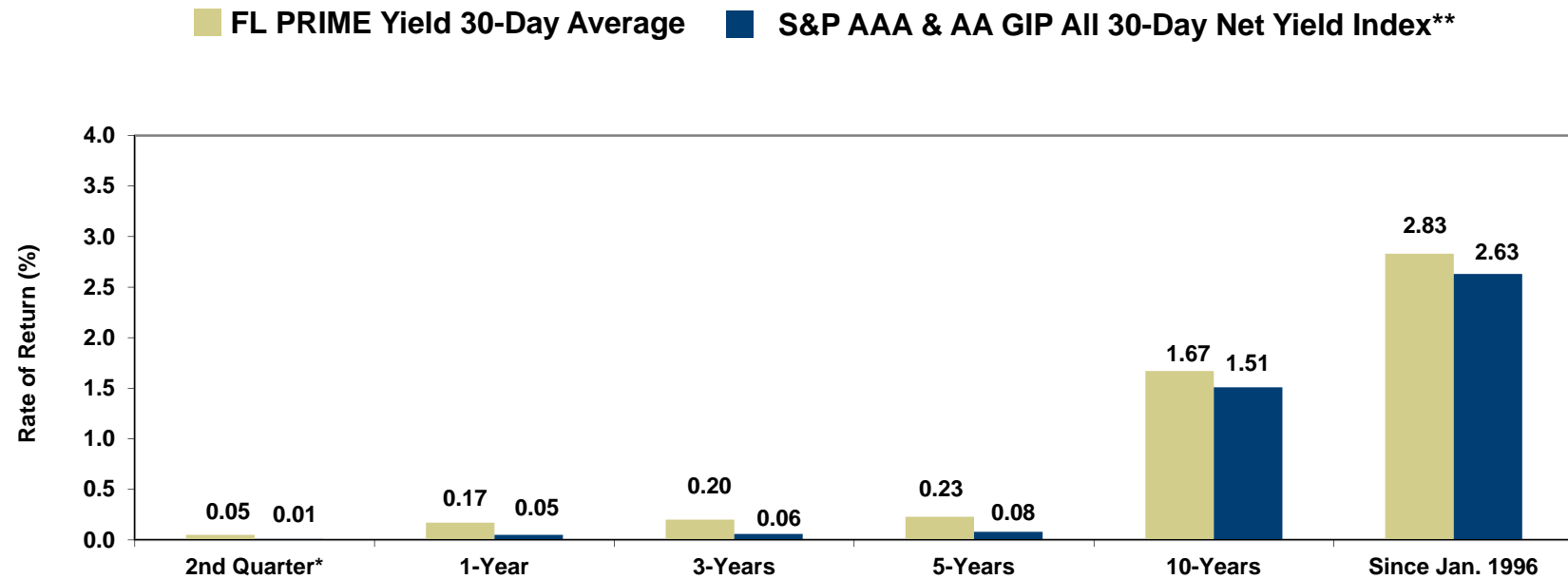
State Board of Administration of Florida Florida PRIME and Fund B Review

Second Quarter 2015

Executive Summary

- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME, on both an absolute and relative basis, has been strong over short- and long-term time periods.
- As of June 30, 2015, the total market value of Florida PRIME was \$7.0 billion.
- Aon Hewitt Investment Consulting, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

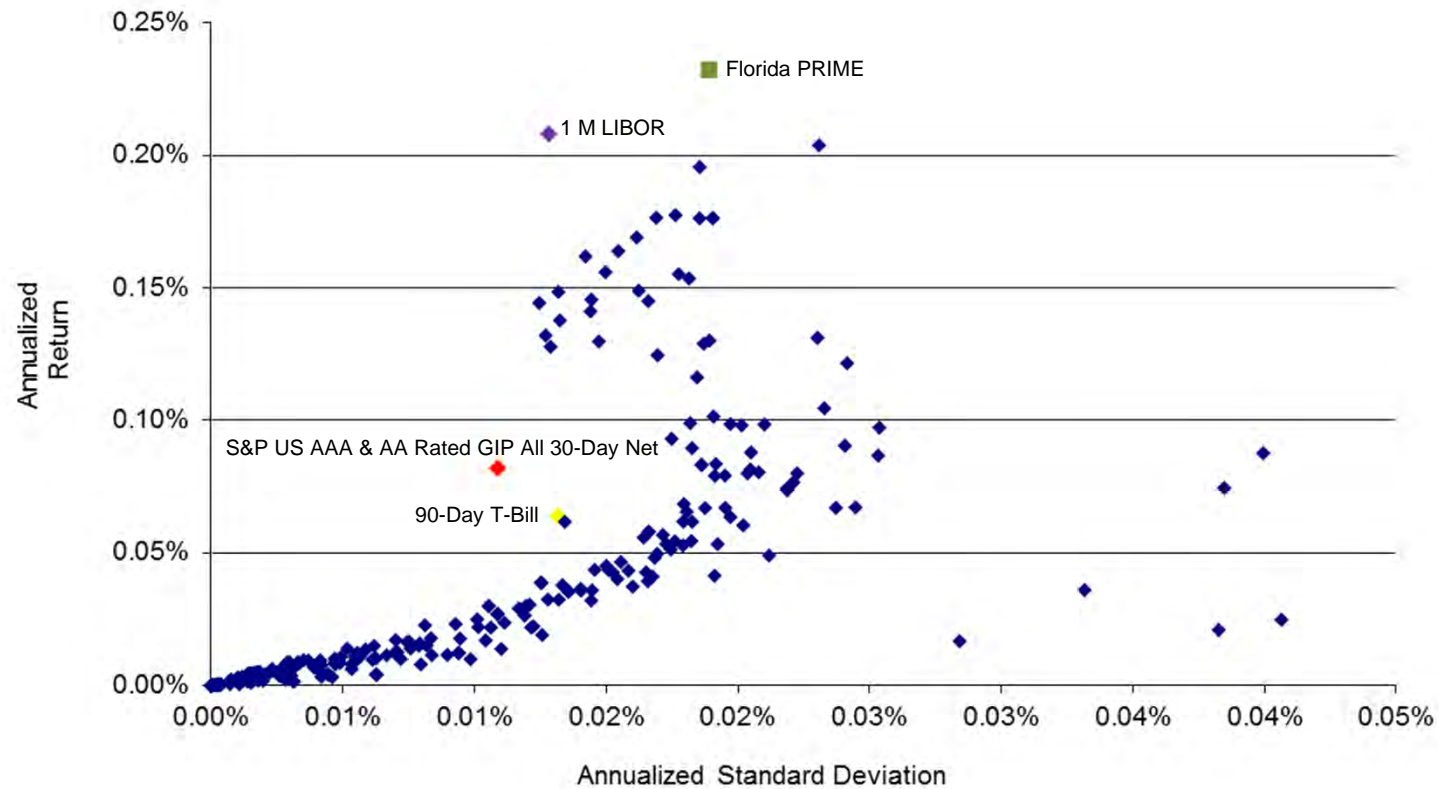
Florida PRIME Investment Results Periods Ending 6/30/2015



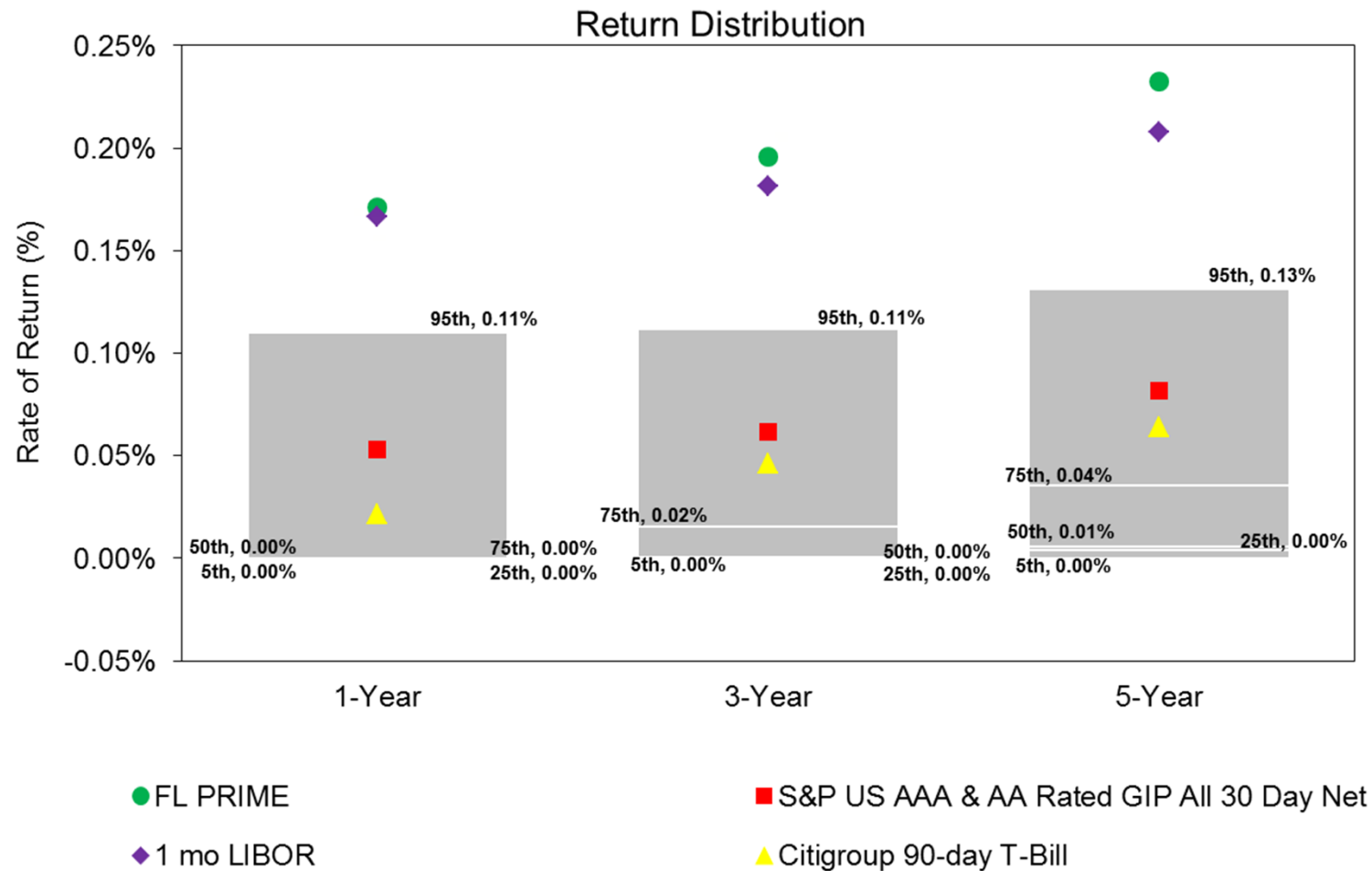
*Returns less than one year are not annualized.

**S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

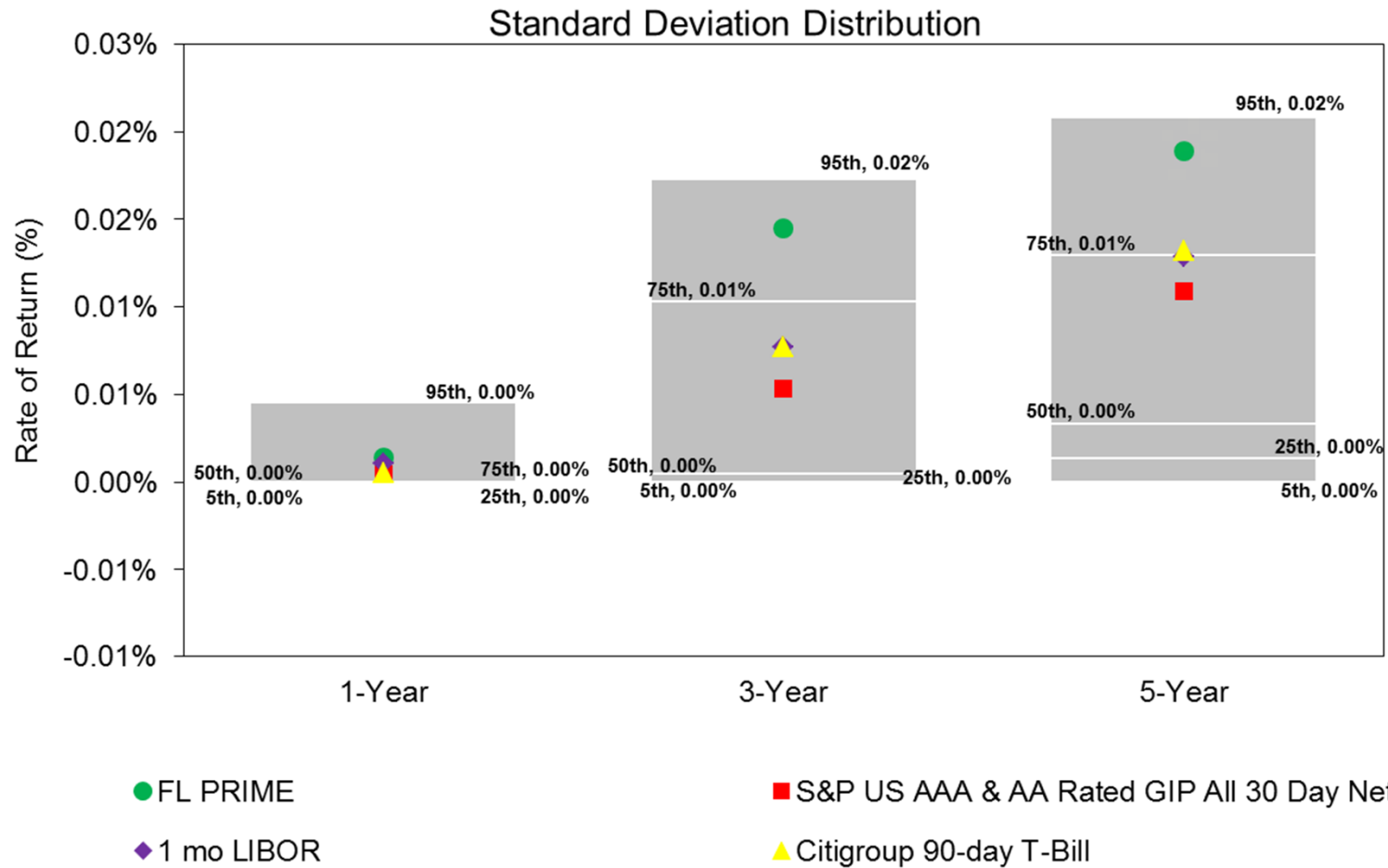
Florida PRIME Risk vs. Return 5 Years Ending 6/30/2015



Return Distribution Periods Ending 6/30/2015



Standard Deviation Distribution Periods Ending 6/30/2015



Fund B Status Update

- In early September 2014, 100% of the original principal in Fund B was returned to participants.
- Additional returns and legal settlements resulted in a remaining reserve balance within Fund B equal to \$43.2 million (as of June 30, 2015).
- On May 21, 2015, legislation was signed into law directing the SBA to distribute any residual balance back to any participant in the Local Government Surplus Funds Trust Fund who had been entitled to, but had not received, a November 2007 interest payment.
- On July 13, 2015, the SBA distributed the remaining reserve tied to Fund B based on each participant's proportional share of the total November 2007 interest earned.
- The proceeds were allocated to those with Florida PRIME accounts directly into their accounts, and for those with no corresponding Florida PRIME account, checks were sent directly to the organization.
- The Trust Fund's termination is anticipated to occur no later than September 30, 2015.

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Appendix

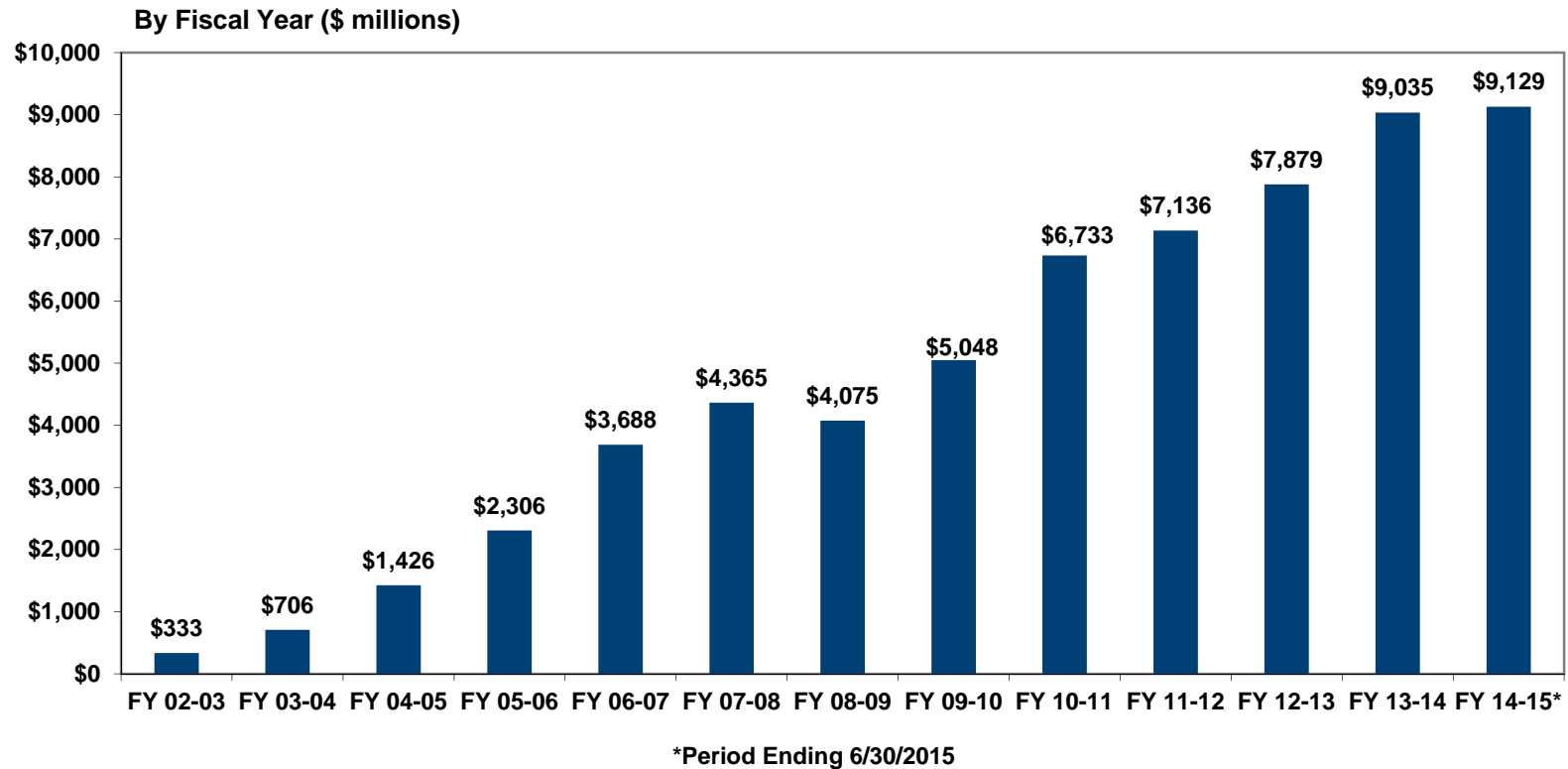
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.22%	0.86%
Small-Mid Cap Equity	0.63%	1.07%
International Equity	0.32%	1.04%
Diversified Bonds	0.16%	0.64%
Target Date	0.12%	0.65%
Money Market	0.06%	0.12%

*Average fee of multiple products in category as of 6/30/2015.

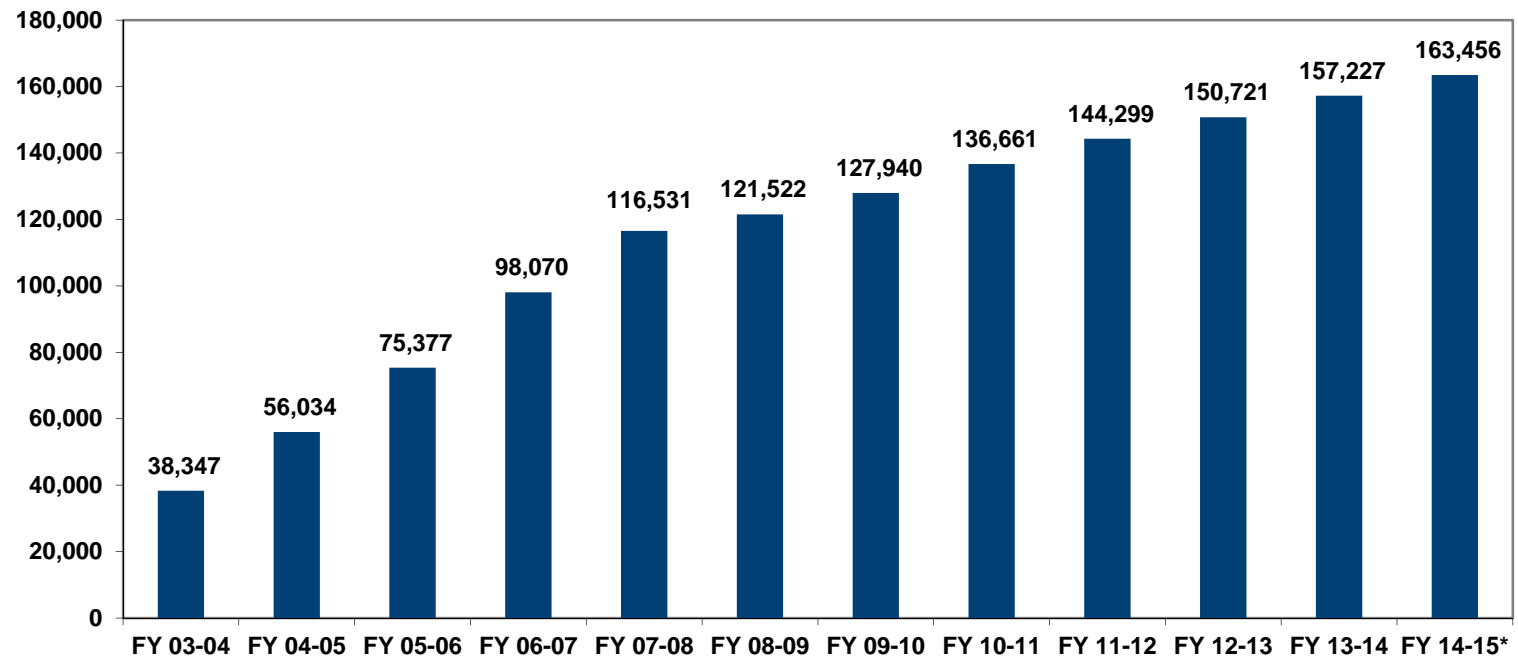
**Source: HEK's annual mutual fund expense analysis as of 12/31/2014.

Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

Investment Plan Membership



*Period Ending 6/30/2015

Source: Investment Plan Administrator

Florida Hurricane Catastrophe Fund Background

- 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.
- Both the CAT Fund (Operating Fund) and the CAT 2013 A Fund are internally managed portfolios benchmarked to a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.
- As of June 30, 2015, the total value of all FHCF accounts was \$13.6 billion.

CAT Operating Fund Characteristics

Period Ending 6/30/2015

Effective Maturity Schedule	
O/N* - 14 Days	5.4%
15 - 30 Days	9.9
31 - 60 Days	6.5
61 - 90 Days	2.3
91 - 120 Days	2.2
121 - 150 Days	3.6
151 - 180 Days	3.2
181 - 210 Days	2.3
211 - 240 Days	0.6
241 - 270 Days	1.2
271 - 300 Days	2.3
301 - 365 Days	3.5
366 - 732 Days	29.0
733 - 1,098 Days	27.4
1,099 - 1,875 Days	0.4
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
AAA	54.3%
AA	20.1
A	25.5
Total % of Portfolio:	100.0%

*O/N stands for overnight.

CAT 2013 A Fund Characteristics

Period Ending 6/30/2015

Effective Maturity Schedule	
O/N* - 14 Days	1.6%
15 - 30 Days	1.8
31 - 60 Days	5.4
61 - 90 Days	10.9
91 - 120 Days	6.6
121 - 150 Days	4.2
151 - 180 Days	5.1
181 - 210 Days	5.3
211 - 240 Days	0.1
241 - 270 Days	4.8
271 - 300 Days	0.0
301 - 365 Days	7.5
366 - 732 Days	27.1
733 - 1,098 Days	17.0
1,099 - 1,875 Days	2.5
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
AAA	63.0%
AA	9.9
A	27.1
Total % of Portfolio:	100.0%

*O/N stands for overnight.

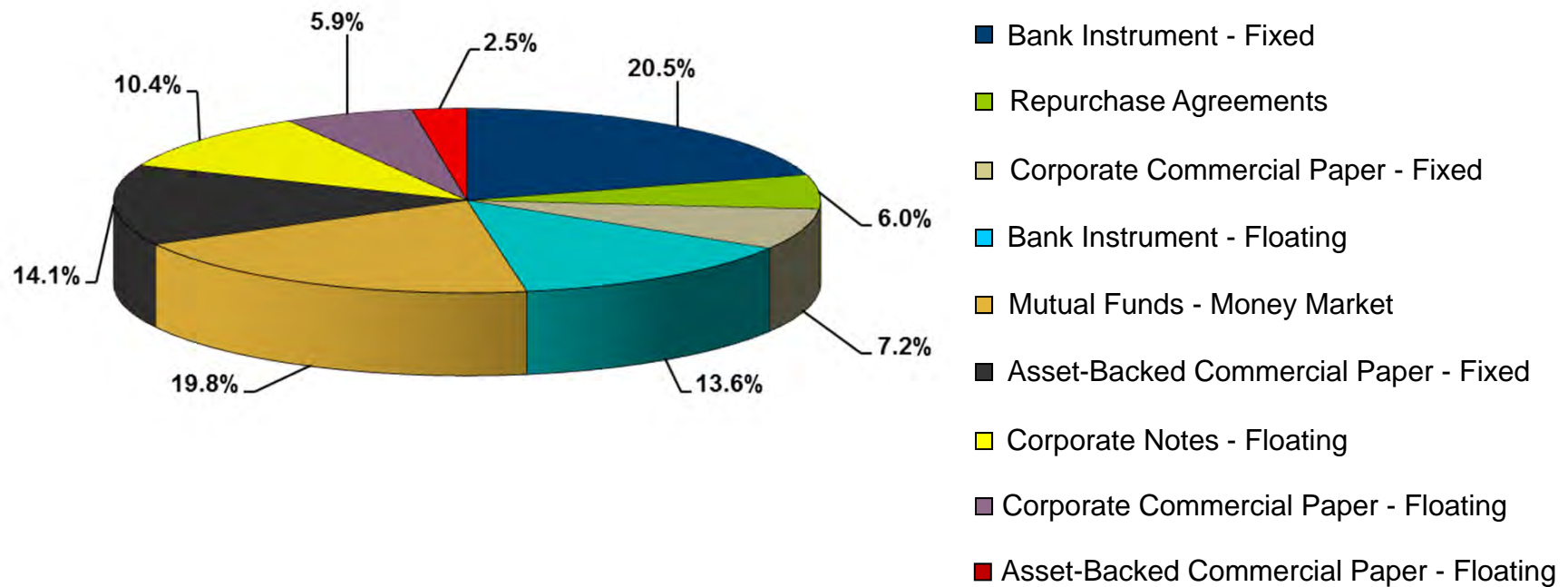
Florida PRIME Characteristics Quarter Ending 6/30/2015

Cash Flows as of 6/30/2015	Second Quarter	Fiscal YTD*
Opening Balance	\$7,502,389,759	\$7,191,418,576
Participant Deposits	\$3,218,350,201	\$15,902,010,406
Transfers from Fund B	\$0	\$30,746,941
Gross Earnings	\$4,090,238	\$14,177,312
Participant Withdrawals	(\$3,721,294,305)	(\$16,133,481,319)
Fees	(\$310,971)	(\$1,646,990)
Closing Balance (6/30/2015)	\$7,003,224,923	\$7,003,224,923
Change	(\$499,164,836)	(\$188,193,653)

*Period July 2014 – June 2015

Florida PRIME Characteristics Quarter Ending 6/30/2015

Portfolio Composition



Florida PRIME Characteristics

Period Ending 6/30/2015

Effective Maturity Schedule	
1-7 Days	40.0%
8-30 Days	26.4%
31-90 Days	24.4%
91-180 Days	6.6%
181+ Days	2.6%
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
A-1+	50.8%
A-1	49.2%
Total % of Portfolio:	100.0%



State Board of Administration of Florida

Major Mandate Review Second Quarter 2015

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1. Executive Summary
2. Pension Plan Review
3. Investment Plan Review
4. CAT Fund Review
5. Lawton Chiles Endowment Fund Review
6. Florida PRIME and Fund B Review
7. Appendix

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Executive Summary

Second Quarter 2015

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Executive Summary

- The major mandates outperformed their respective benchmarks over all longer time periods through June 30, 2015.
- The Pension Plan outperformed its Performance Benchmark over the trailing one-, three-, five-, ten-, and fifteen-year time periods.
 - Global Equity has been a consistent source of value added over the trailing one-, three-, and five-year time periods. Fixed Income, Real Estate, and Strategic Investments have also added value.
- Over the trailing three-, five-, and ten-year periods, the Pension Plan's return ranked in the top half of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan met or outperformed the Total Plan Aggregate Benchmark during the second quarter and over all trailing periods.
- The Lawton Chiles Endowment Fund outperformed its benchmark during the second quarter and also over the three-, five-, and ten-year periods, primarily due to strong public equity performance.
- The CAT Funds and Florida PRIME continued to outperform their respective benchmarks over both short and long time periods.

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Pension Plan Review Second Quarter 2015

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Executive Summary

- The Pension Plan assets totaled \$148.0 billion as of June 30, 2015 which represents a \$0.5 billion decrease since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, outperformed over the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the one-, ten-, and fifteen-year periods, but has outperformed over the trailing three-, five-, twenty-, and twenty five-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
 - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
 - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
 - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.



FRS Pension Plan Change in Market Value Periods Ending 6/30/2015

Summary of Cash Flows		
	Second Quarter	Fiscal YTD*
Beginning Market Value	\$148,495,924,825	\$149,097,956,343
+/- Net Contributions/(Withdrawals)	(\$1,735,105,032)	(\$6,473,096,739)
Investment Earnings	\$1,212,126,536	\$5,348,086,725
= Ending Market Value	\$147,972,946,329	\$147,972,946,329
Net Change	(\$522,978,496)	(\$1,125,010,014)

*Period July 2014 – June 2015

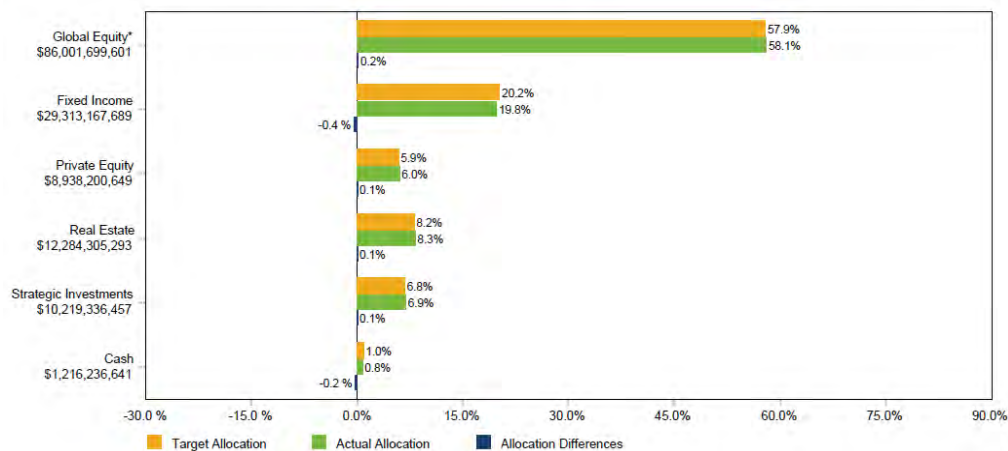
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Asset Allocation as of 6/30/2015 Total Fund Assets = \$148.0 Billion

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	147,972,946,329	100.0	100.0		
Global Equity*	86,001,699,601	58.1	57.9	45.0	70.0
Fixed Income	29,313,167,689	19.8	20.2	10.0	26.0
Private Equity	8,938,200,649	6.0	5.9	4.0	16.0
Real Estate	12,284,305,293	8.3	8.2	2.0	9.0
Strategic Investments	10,219,336,457	6.9	6.8	0.0	16.0
Cash	1,216,236,641	0.8	1.0	0.3	5.0



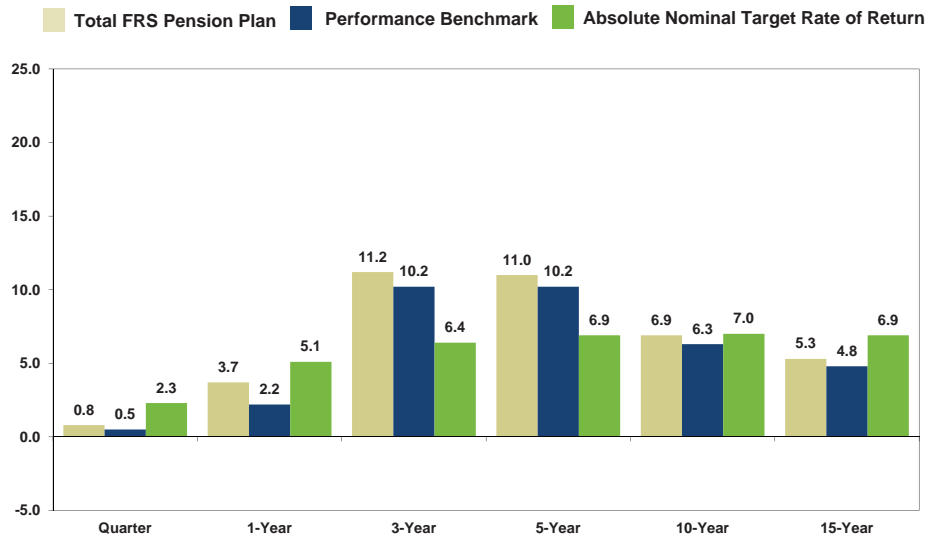
* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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FRS Pension Plan Investment Results Periods Ending 6/30/2015



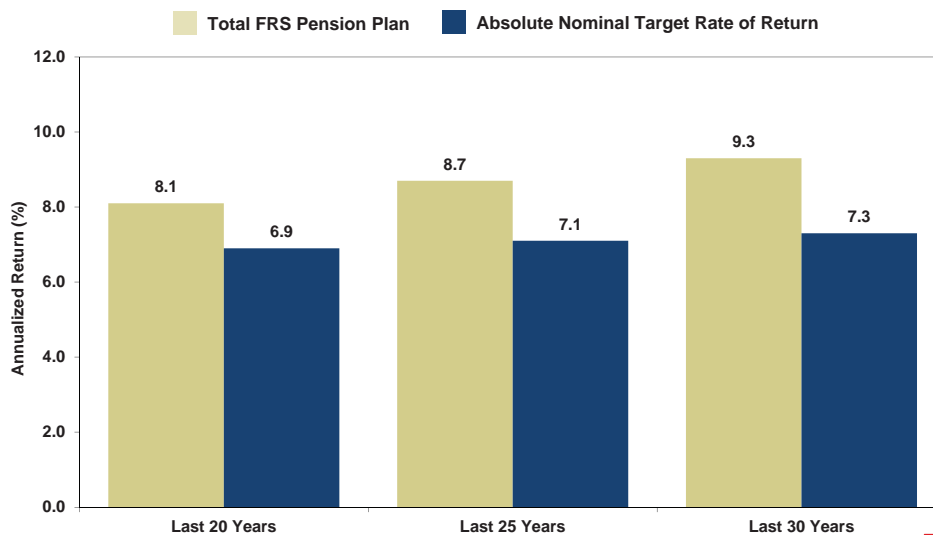
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FRS Pension Plan Investment Results Periods Ending 6/30/2015

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



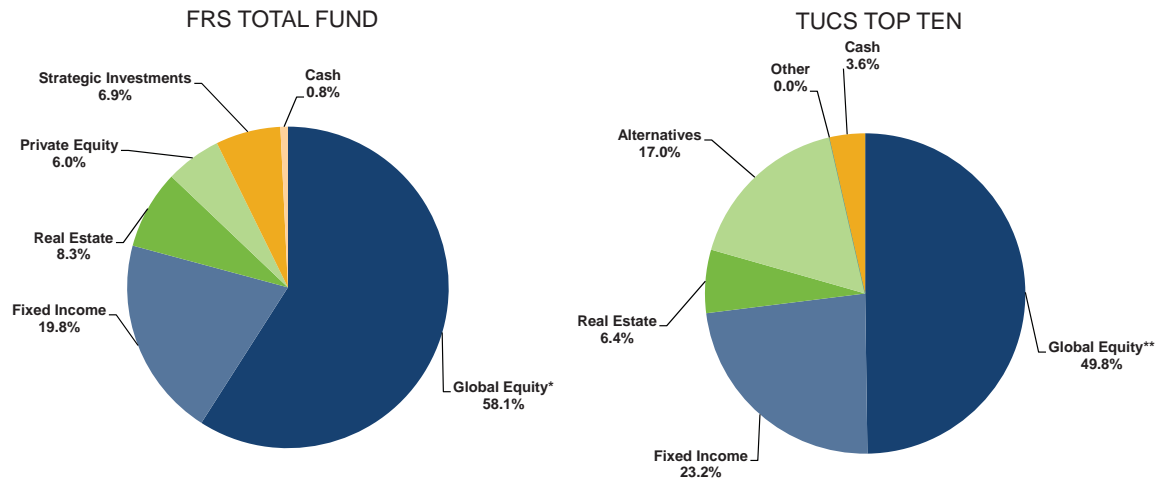
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Comparison of Asset Allocation (TUCS Top Ten) As of 6/30/2015

FRS Pension Plan vs. Top Ten Defined Benefit Plans



*Global Equity Allocation: 27.7% Domestic Equities; 26.1% Foreign Equities; 4.2% Global Equities. Percentages are of the Total FRS Fund.

**Global Equity Allocation: 31.8% Domestic Equities; 18.0% Foreign Equities.

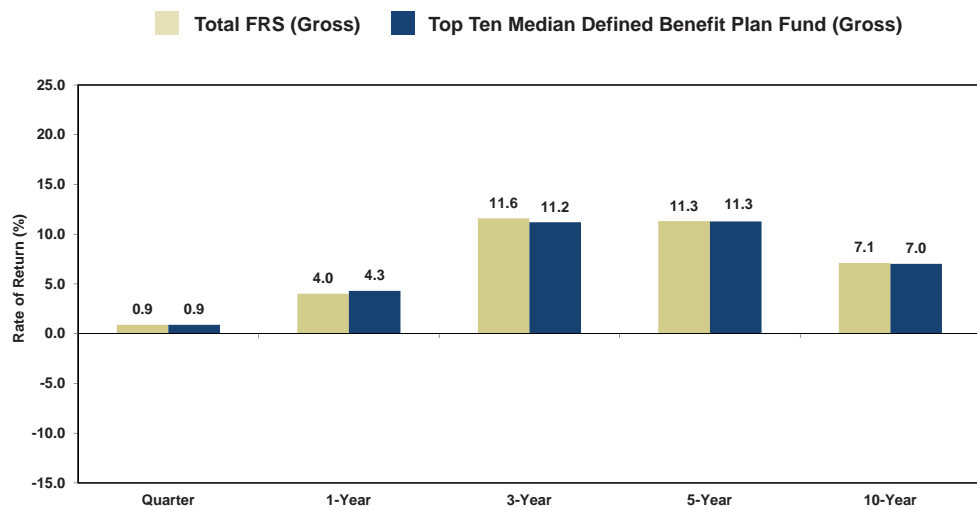
Note: The TUCS Top Ten Universe includes \$1,335.0 billion in total assets. The median fund size was \$131.5 billion and the average fund size was \$133.5 billion.

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FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 6/30/2015



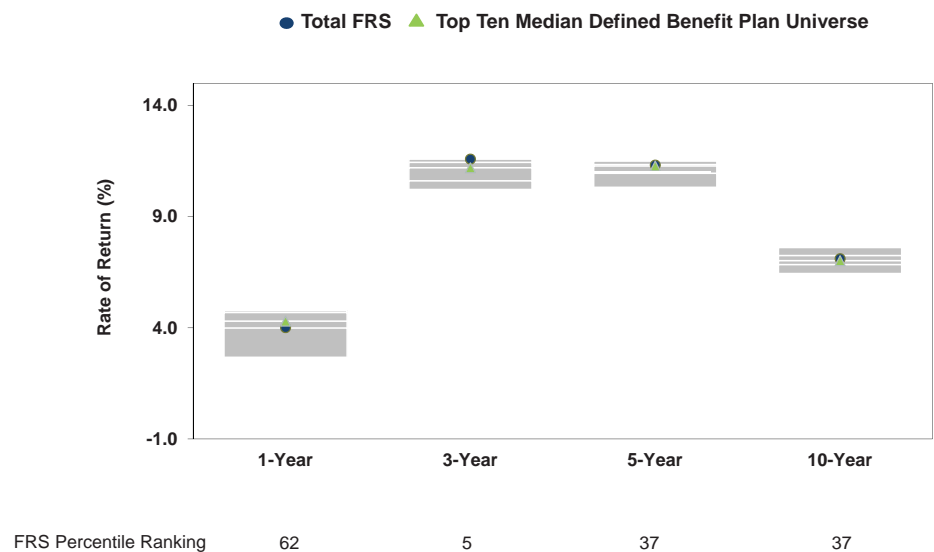
Note: The TUCS Top Ten Universe includes \$1,335.0 billion in total assets. The median fund size was \$131.5 billion and the average fund size was \$133.5 billion.

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Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 6/30/2015



Note: The TUCS Top Ten Universe includes \$1,335.0 billion in total assets. The median fund size was \$131.5 billion and the average fund size was \$133.5 billion.

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Investment Plan Review Second Quarter 2015

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Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2013 data.
- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.



Total Investment Plan Returns & Cost

Periods Ending 6/30/2015*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	2.6%	9.3%	9.3%	6.0%
<i>Total Plan Aggregate Benchmark**</i>	2.1	8.8	8.8	5.5
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.5	0.5	0.5	0.5

Periods Ending 12/31/2013***

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	10.7%	0.6%	0.38%*****
<i>Peer Group</i>	11.9	0.2	0.30
FRS Investment Plan vs. Peer Group	-1.2	0.4	0.08

*Returns shown are net of fees.

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

***Source: 2013 CEM Benchmarking Report. Peer group for the Five-Year Average Return and Value Added represents the U.S. Median plan return based on the CEM 2013 Survey that included 147 U.S. defined contribution plans with assets ranging from \$52 million to \$46.3 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 19 DC plans including corporate and public plans with assets between \$1.9 - \$16.7 billion.

****Returns shown are gross of fees.

*****The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

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State Board of Administration of Florida CAT Fund Review

Second Quarter 2015

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Executive Summary

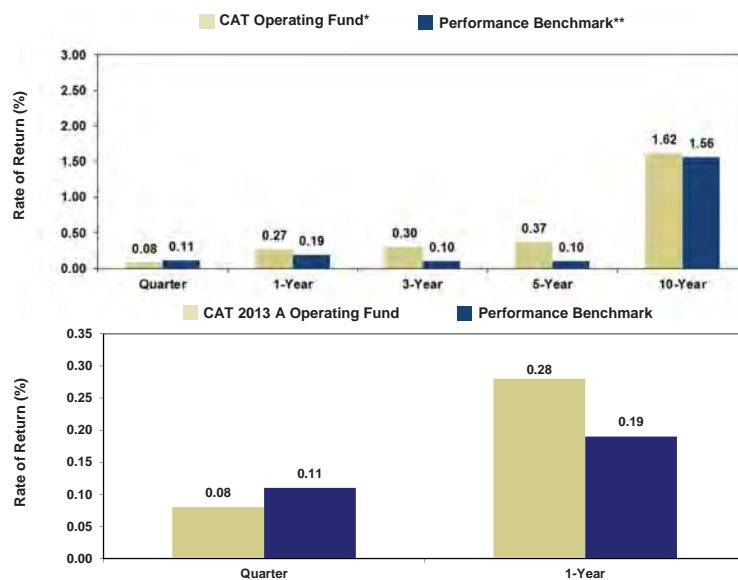
- Performance of the CAT Funds on both an absolute and relative basis has been strong over short- and long-term time periods.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

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CAT Funds Investment Results

Periods Ending 6/30/2015



*CAT Operating 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. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

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State Board of Administration of Florida Lawton Chiles Endowment Fund Review

Second Quarter 2015

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Executive Summary

- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
 - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
 - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled \$625.7 million as of June 30, 2015.
- The Endowment's return outperformed that of its Target during the second quarter, trailing three-, five- and ten-year time periods, while underperforming during the trailing one-year period.

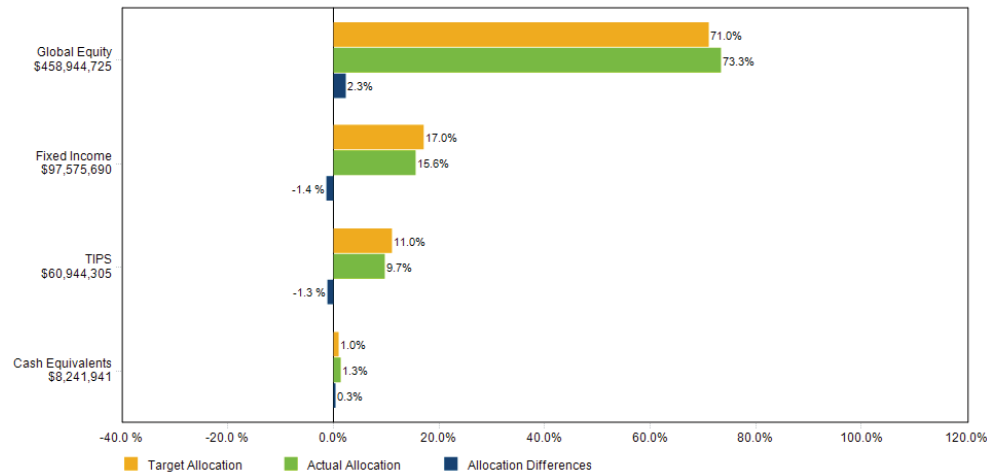
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Asset Allocation as of 6/30/2015

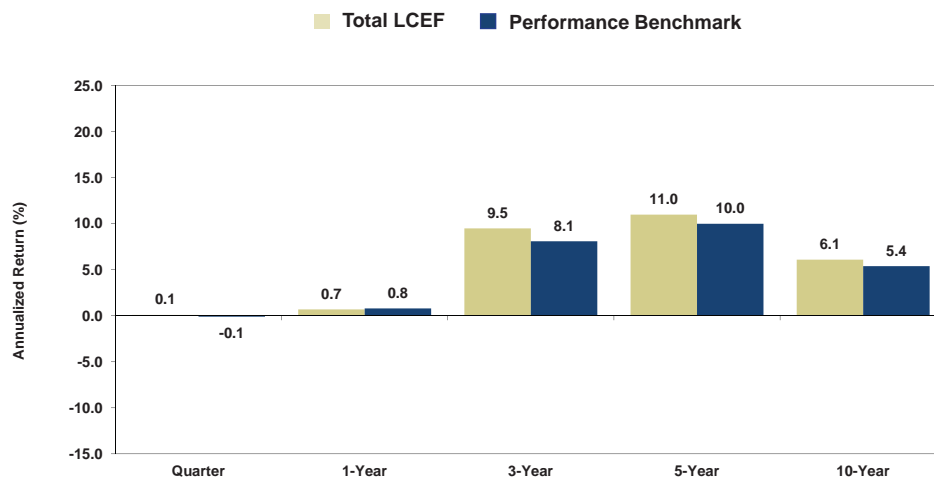
Total LCEF Assets = \$625.7 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	625,706,661	100.0	100.0		
Global Equity	458,944,725	73.3	71.0	61.0	81.0
Fixed Income	97,575,690	15.6	17.0	12.0	22.0
TIPS	60,944,305	9.7	11.0	6.0	16.0
Cash Equivalents	8,241,941	1.3	1.0	0.0	10.0



LCEF Investment Results

Periods Ending 6/30/2015



State Board of Administration of Florida Florida PRIME and Fund B Review

Second Quarter 2015

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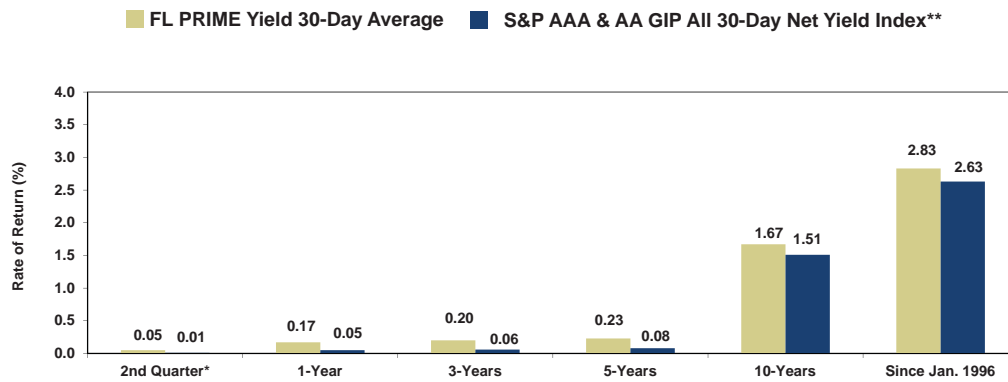
Executive Summary

- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME, on both an absolute and relative basis, has been strong over short- and long-term time periods.
- As of June 30, 2015, the total market value of Florida PRIME was \$7.0 billion.
- Aon Hewitt Investment Consulting, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

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Florida PRIME Investment Results Periods Ending 6/30/2015



*Returns less than one year are not annualized.

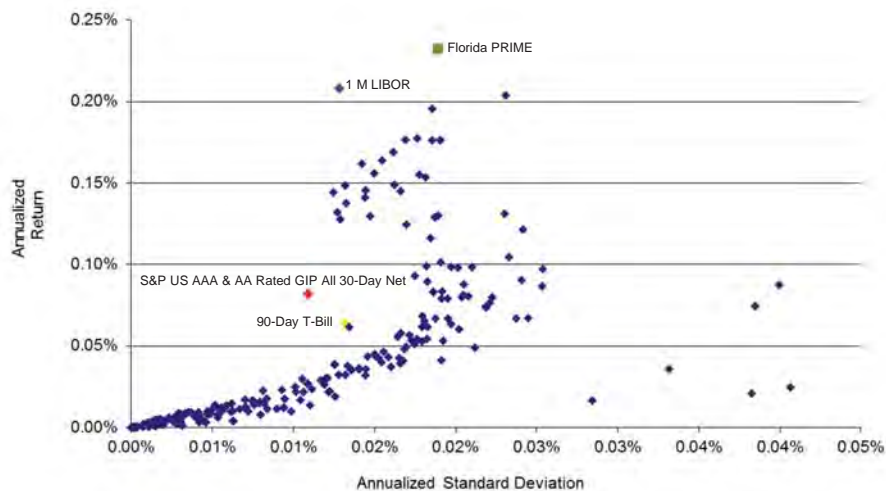
**S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

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Florida PRIME Risk vs. Return 5 Years Ending 6/30/2015

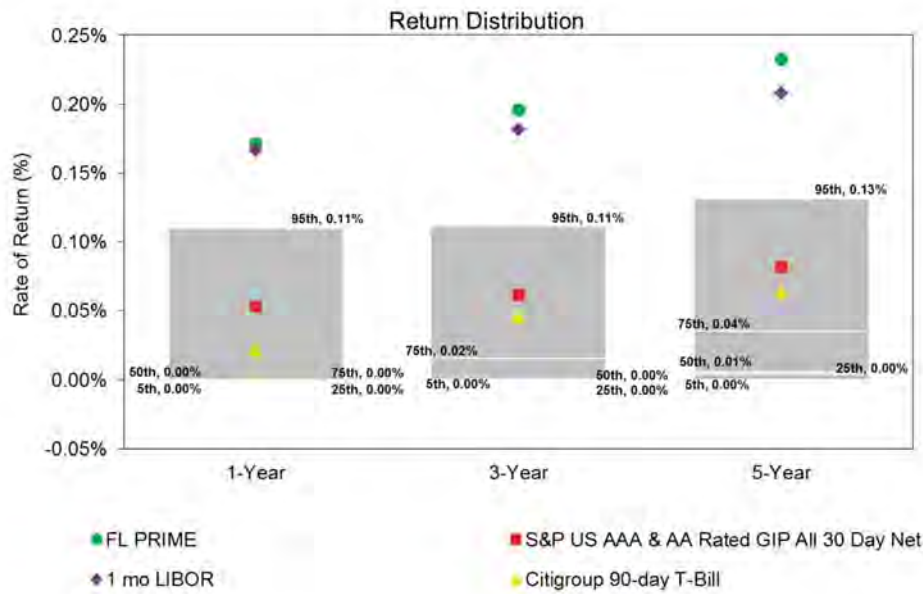


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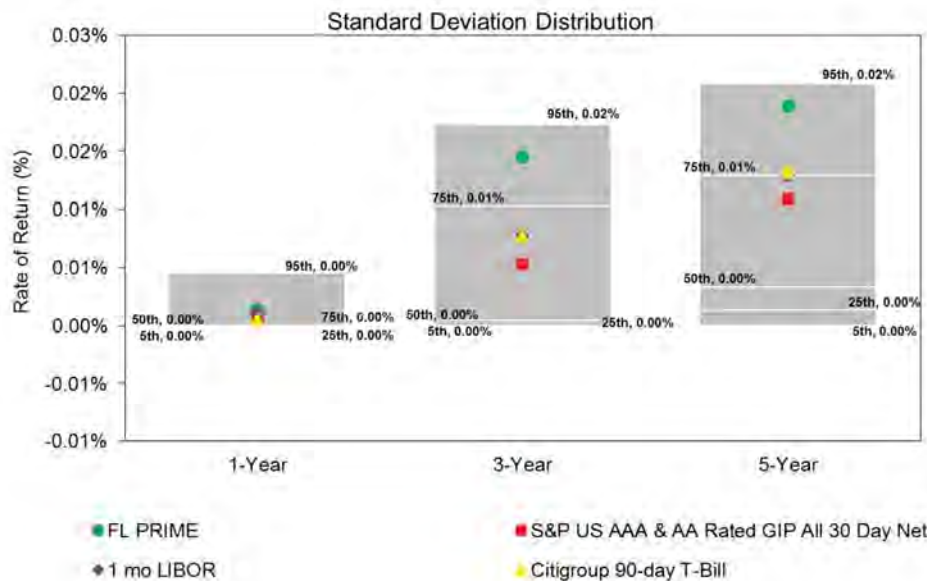
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Return Distribution Periods Ending 6/30/2015



Standard Deviation Distribution Periods Ending 6/30/2015



Fund B Status Update

- In early September 2014, 100% of the original principal in Fund B was returned to participants.
- Additional returns and legal settlements resulted in a remaining reserve balance within Fund B equal to \$43.2 million (as of June 30, 2015).
- On May 21, 2015, legislation was signed into law directing the SBA to distribute any residual balance back to any participant in the Local Government Surplus Funds Trust Fund who had been entitled to, but had not received, a November 2007 interest payment.
- On July 13, 2015, the SBA distributed the remaining reserve tied to Fund B based on each participant's proportional share of the total November 2007 interest earned.
- The proceeds were allocated to those with Florida PRIME accounts directly into their accounts, and for those with no corresponding Florida PRIME account, checks were sent directly to the organization.
- The Trust Fund's termination is anticipated to occur no later than September 30, 2015.

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Appendix

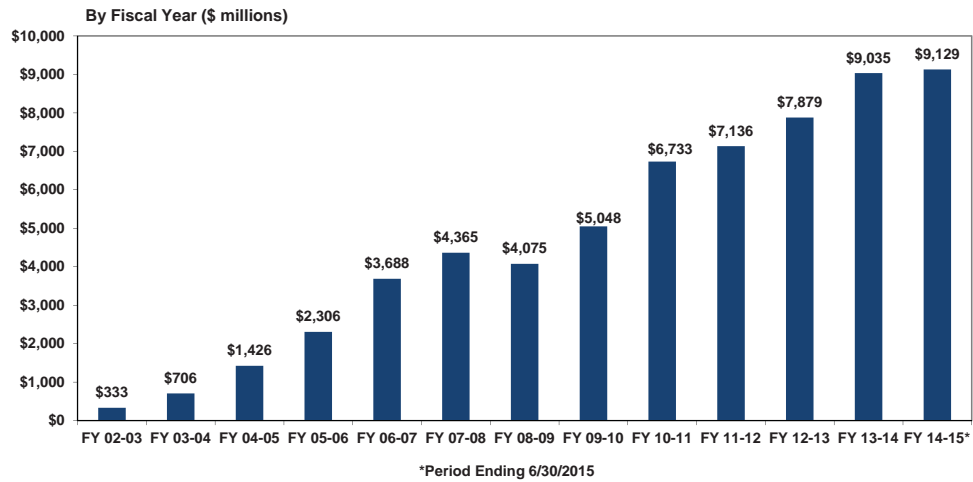
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.22%	0.86%
Small-Mid Cap Equity	0.63%	1.07%
International Equity	0.32%	1.04%
Diversified Bonds	0.16%	0.64%
Target Date	0.12%	0.65%
Money Market	0.06%	0.12%

*Average fee of multiple products in category as of 6/30/2015.

**Source: HEK's annual mutual fund expense analysis as of 12/31/2014.

Investment Plan Fiscal Year End Assets Under Management



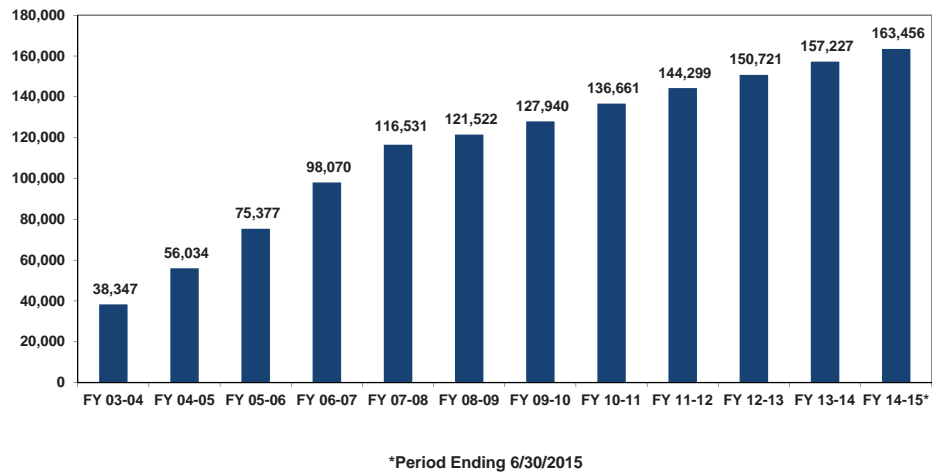
Source: Investment Plan Administrator

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Investment Plan Membership



Source: Investment Plan Administrator

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Florida Hurricane Catastrophe Fund Background

- 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.
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CAT Operating Fund Characteristics Period Ending 6/30/2015

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241 - 270 Days	1.2
271 - 300 Days	2.3
301 - 365 Days	3.5
366 - 732 Days	29.0
733 - 1,098 Days	27.4
1,099 - 1,875 Days	0.4
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
AAA	54.3%
AA	20.1
A	25.5
Total % of Portfolio:	100.0%

*O/N stands for overnight.

CAT 2013 A Fund Characteristics Period Ending 6/30/2015

Effective Maturity Schedule	
O/N* - 14 Days	1.6%
15 - 30 Days	1.8
31 - 60 Days	5.4
61 - 90 Days	10.9
91 - 120 Days	6.6
121 - 150 Days	4.2
151 - 180 Days	5.1
181 - 210 Days	5.3
211 - 240 Days	0.1
241 - 270 Days	4.8
271 - 300 Days	0.0
301 - 365 Days	7.5
366 - 732 Days	27.1
733 - 1,098 Days	17.0
1,099 - 1,875 Days	2.5
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
AAA	63.0%
AA	9.9
A	27.1
Total % of Portfolio:	100.0%

*O/N stands for overnight.

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Florida PRIME Characteristics Quarter Ending 6/30/2015

Cash Flows as of 6/30/2015	Second Quarter	Fiscal YTD*
Opening Balance	\$7,502,389,759	\$7,191,418,576
Participant Deposits	\$3,218,350,201	\$15,902,010,406
Transfers from Fund B	\$0	\$30,746,941
Gross Earnings	\$4,090,238	\$14,177,312
Participant Withdrawals	(\$3,721,294,305)	(\$16,133,481,319)
Fees	(\$310,971)	(\$1,646,990)
Closing Balance (6/30/2015)	\$7,003,224,923	\$7,003,224,923
Change	(\$499,164,836)	(\$188,193,653)

*Period July 2014 – June 2015

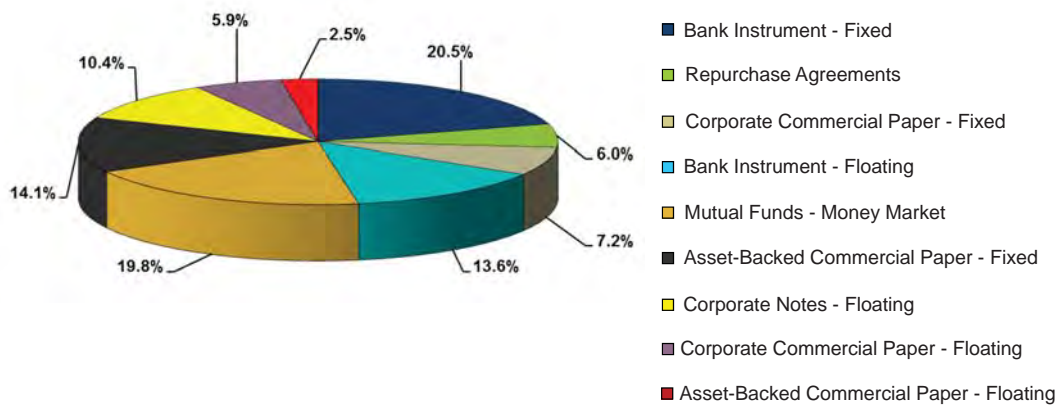
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Florida PRIME Characteristics Quarter Ending 6/30/2015

Portfolio Composition



Florida PRIME Characteristics Period Ending 6/30/2015

Effective Maturity Schedule	
1-7 Days	40.0%
8-30 Days	26.4%
31-90 Days	24.4%
91-180 Days	6.6%
181+ Days	2.6%
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
A-1+	50.8%
A-1	49.2%
Total % of Portfolio:	100.0%



FRS Pension Plan | Second Quarter 2015

Quarterly Investment Review

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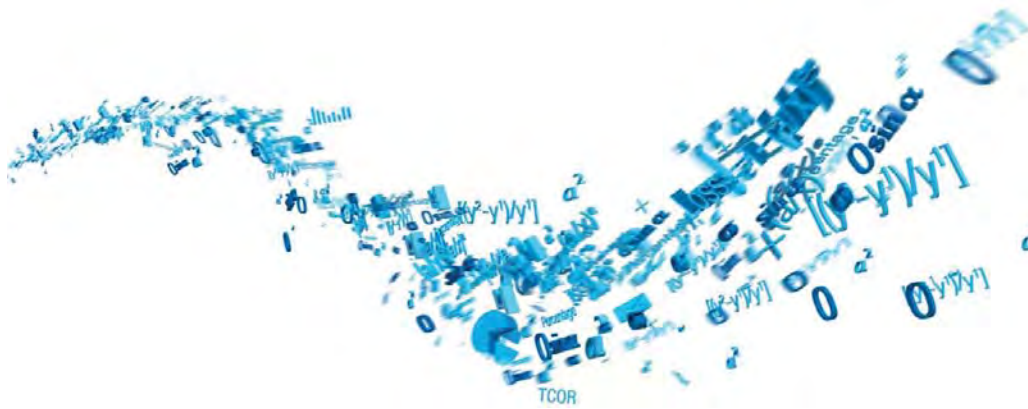
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Market Environment

1



Market Highlights



2



Market Highlights

Returns of the Major Capital Markets					
Periods Ending 6/30/2015					
	Second Quarter	1-Year	3-Year	5-Year	10-Year
Domestic Stock Indices					
Dow Jones U.S. Total Stock Market Index	0.12%	7.19%	17.63%	17.51%	8.30%
Russell 3000 Index	0.14%	7.29%	17.73%	17.54%	8.15%
S&P 500 Index	0.28%	7.42%	17.31%	17.34%	7.89%
Russell 2000 Index	0.42%	6.49%	17.81%	17.08%	8.40%
Global Stock Indices					
MSCI All Country World IMI Index	0.54%	0.81%	13.34%	12.17%	6.69%
MSCI All Country World ex-U.S. IMI Index	1.00%	-4.97%	9.80%	8.00%	5.79%
MSCI EAFE Index	0.62%	-4.22%	11.97%	9.54%	5.12%
MSCI Emerging Markets Index	0.69%	-5.13%	3.71%	3.68%	8.11%
Domestic/Foreign Bond Indices					
Barclays Aggregate Bond Index	-1.19%	-7.10%	-0.81%	2.07%	3.54%
Barclays Long Gov't Index	-8.09%	6.21%	1.25%	6.23%	6.13%
Barclays Long Credit Index	-7.26%	-0.39%	3.43%	7.03%	6.02%
Barclays Long Gov't/Credit Index	-7.58%	1.93%	2.47%	6.71%	6.14%
Citi Group Non-U.S. WGBI	-1.54%	-13.49%	-3.88%	0.33%	2.63%

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Global Equity Markets

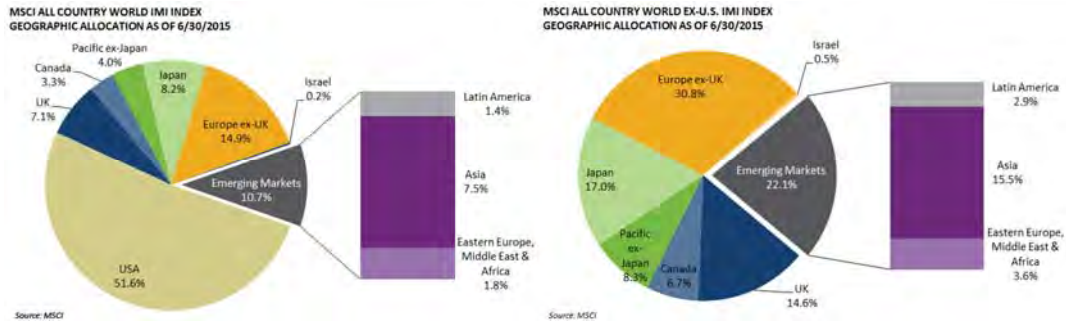


- Global equity markets rose 0.54% in value during the second quarter of 2015, driven by economic stimulus programs and signs of a turn in economic fortunes in Japan.
- Non-U.S. developed equities, aside from the U.K. and Japan, fell during the second quarter.
- Emerging markets rose in value driven by firmly dovish monetary policy stance from the bulk of emerging economies helping to offset the threat of rising interest rates in developed economies.

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Global Equity Markets

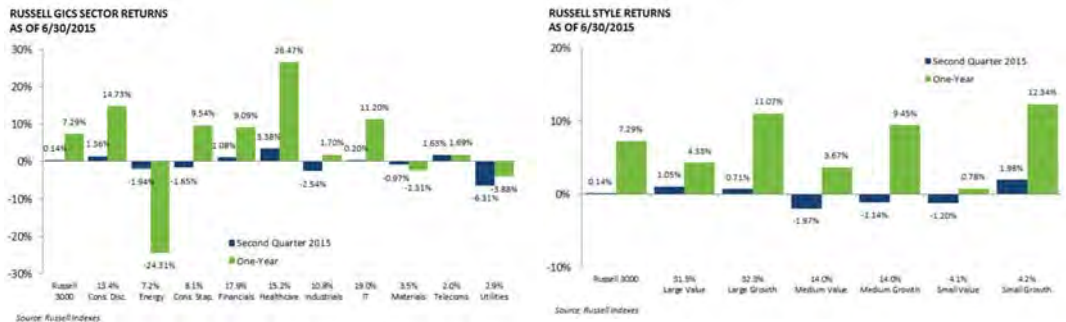


- The two exhibits on this slide illustrate the percentage that each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

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U.S. Equity Markets



- The Russell 3000 Index returned 0.14% during the quarter and returned 7.29% over the one-year period.
- During the second quarter, the healthcare and telecommunications sectors were the strongest performers, posting returns of 3.38% and 1.63%, respectively. The industrials and utilities sectors were the weakest performers, producing returns of -2.54% and -6.31%, respectively.
- Performance across the market capitalization spectrum was mixed over the quarter. Large-cap stocks outperformed the smaller segments of the markets (outside of small growth), and growth outperformed value across the smaller capitalizations.

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U.S. Fixed Income Markets

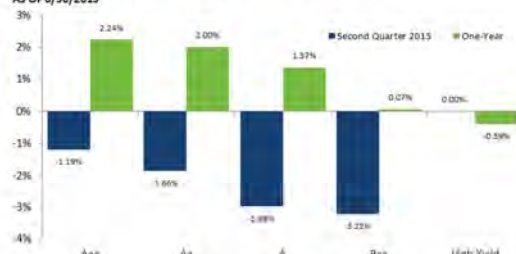
BARCLAYS AGGREGATE RETURNS BY SECTOR
AS OF 6/30/2015



Source: Barclays Live

- The Barclays Aggregate Bond Index returned -1.68% in the second quarter. Corporate bonds were the weakest performing index segment, returning -3.16%.
- High yield bonds outperformed investment grade corporate bonds.
- Shorter duration bonds outperformed longer duration bonds.

BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS
AS OF 6/30/2015



Source: Barclays Live

BARCLAYS AGGREGATE RETURNS BY MATURITY
AS OF 6/30/2015



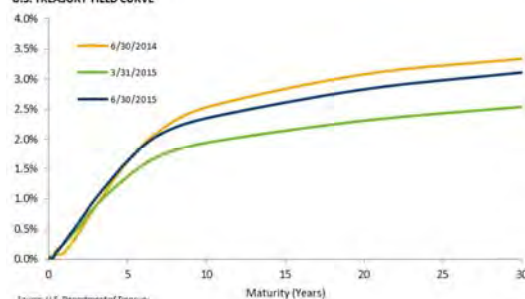
Source: Barclays Live

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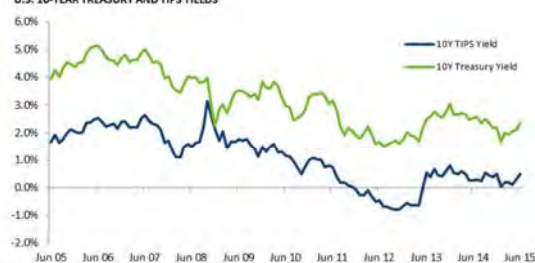
U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



Source: U.S. Department of Treasury

U.S. 10-YEAR TREASURY AND TIPS YIELDS



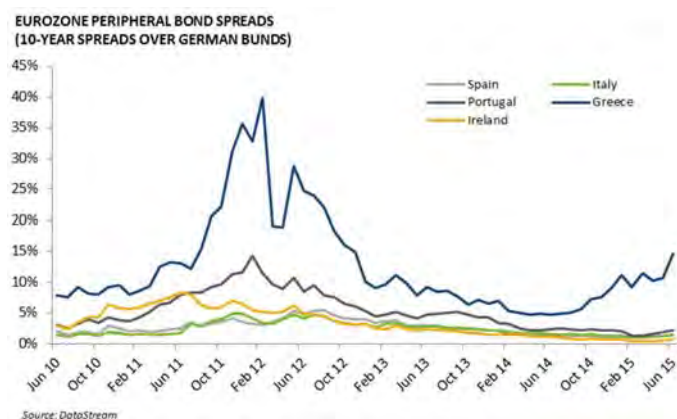
Source: U.S. Department of Treasury

- The Treasury yield curve steepened during the second quarter, driven by long bond yields rising.
- The 10-year U.S. Treasury yield ended the quarter at 2.35%, 41 basis points higher than its level at the beginning of the quarter.
- The 10-year TIPS yield rose by 30 basis points over the quarter and ended the period at 0.48%.

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European Fixed Income Markets



- In the Eurozone, bond spreads widened during the second quarter of 2015 as peripheral tensions escalated with Greece. Tensions in Greece have been increasing due to greater uncertainty over the ability of the Greek government to secure a new bailout package and repay near-term loans.

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Credit Spreads

Spread (bps)	6/30/2015	3/31/2015	6/30/2014	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	51	46	38	5	13
Long Gov't	4	3	4	1	0
Long Credit	202	187	148	15	54
Long Gov't/Credit	128	118	97	10	31
MBS	26	20	24	6	2
CMBS	101	95	86	6	15
ABS	62	62	48	0	14
Corporate	145	129	99	16	46
High Yield	476	466	337	10	139
Global Emerging Markets	328	354	260	-26	68

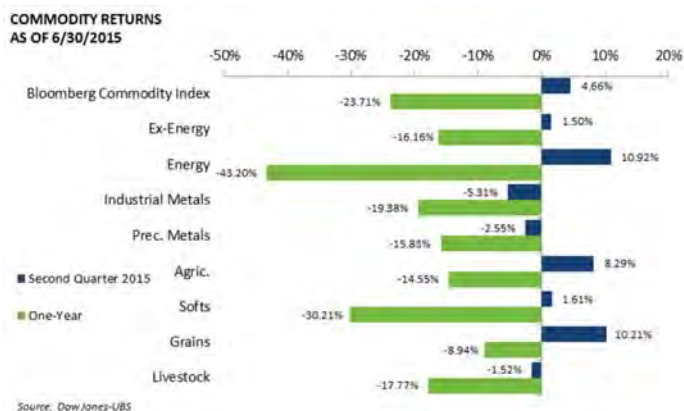
Source: Barclays Live

- During the second quarter, credit spreads widened across most areas of the bond market.
- Corporate spreads (+16 basis points) rose by the most over the quarter, followed by long credit spreads (+15 basis points).

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Commodities



- The Bloomberg Commodity Index rose during the second quarter with a return of 4.66%.
- Over the quarter, the best performing segment of the market was Energy, returning 10.92%.
- Industrial Metals was the worst performing sector of the market during the quarter with a return of -5.31%.

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Currency



- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar weakened slightly during the quarter.
- The dollar depreciated against the Euro and British Pound Sterling, but slightly appreciated against the Yen.

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Hedge Fund Markets Overview



Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.
Source: HFR

- Hedge fund performance was positive over the quarter.
- The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 0.21% and 0.11%, respectively, during the quarter.
- Emerging Markets strategies were the strongest performers, gaining 3.88% over the course of the quarter.

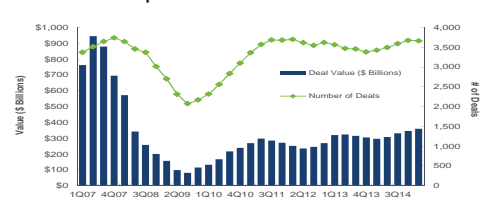
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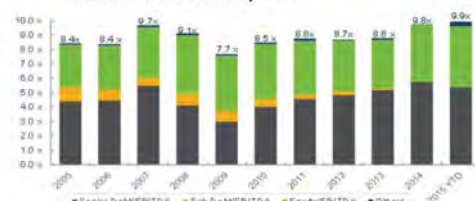
Private Equity Market Overview

LTM Global Sponsor M&A Deal Volume and Value



Source: Thomson Reuters

Purchase Price Multiples



Source: S&P

- **Fundraising:** \$81.6 billion was raised in the first quarter by 190 funds, roughly flat with the five year quarterly average. Fundraising was down significantly from the prior quarter, which saw \$125.3 billion raised by 273 managers, but was up 3.4% when compared to the same period last year. Dry powder reached a new peak of \$1.0 trillion, representing a 9.7% increase from 4Q 2014's revised value and was 18.4% higher than the five year average¹.
- **Buyout:** Global private equity-backed buyout deals totaled \$99.7 billion in the first quarter, up 14.3% and 15.6% over the prior quarter and same period last year, respectively. 3,665 deals were completed on a LTM basis as of 1Q 2015, up 6.9% from 1Q 2014. Quarterly purchase price multiples decreased quarter over quarter for all transaction sizes, decreasing by an average of 0.8x, with small transactions (<\$250.0 million) exhibiting the largest decrease over YE 2014 (1.8x)³. LTM total exit value reached a record \$460.9 billion in 1Q 2015 on 1,758 deals¹.
- **Venture:** Investment activity remained healthy, with 1Q 2015 deployment reaching the highest first quarter total since 2000. 1Q 2015 investing exceeded the same period last year by 26.2%, but trailed 4Q 2014 by 10.0% and 7.5% by dollars and deals, respectively⁷. Activity continues to be driven by the influx of capital from non-traditional investors, particularly in later rounds, (i.e., hedge funds and mutual funds) and the increase in financing rounds exceeding \$100.0 million. The exit environment slowed during the first quarter, with only seventeen venture-backed IPOs compared to 37 in 1Q 2014. In addition, the number of M&A deals decreased 25.1% year over year⁸.
- **Mezzanine:** During 1Q 2015, eleven funds closed on \$11.9 billion in capital, up considerably compared to the prior quarter and five year quarterly average levels of \$2.9 billion and \$3.0 billion, respectively. Estimated dry powder was \$37.1 billion at the end of 1Q, up 5.7% over YE 2014¹. Capital deployment has remained limited due to the continued infiltration of private lending platforms and business development companies (BDCs) in the middle market, disintermediating mezzanine funds through the offering of unitranche debt and second lien lending opportunities. Further, senior lenders have increased the amount of leverage they are willing to supply on transactions given current market conditions, which has reduced the amount of mezzanine debt required in the capital structure.
- **Distressed Debt:** High-yield default rates were 1.2% in the first quarter with a LTM rate of 3.4%, compared to 0.2% and 2.4% in 4Q 2014 and FY 2014, respectively⁶. Default rates are expected to rise due to a combination of energy developments and a slow reversion away from current unsustainably low default rates, but are expected to remain below the 4.6% long-term average⁴. Completed distressed debt and bankruptcy restructuring activity decreased substantially compared to the same period last year on both a number of deals and deal value basis⁵.
- **Secondaries:** Fundraising slowed nearly to a halt in 1Q 2015 (\$0.3 billion), after what was an extremely active third quarter, which saw \$11.1 billion in capital raised. Fundraising is expected to rebound in the second quarter of 2015, given Lexington Partners' record \$10.1 billion close in April, which surpassed Ardian's prior record close of \$9.0 billion in 2Q 2014¹. The average discount rate for all private equity sectors improved slightly quarter over quarter from 8.0% to 7.9% and remains very favorable for potential sellers².
- **Infrastructure:** \$5.3 billion of capital was raised by four funds in 1Q 2015, compared to \$7.4 billion of capital closed on by thirteen partnerships during 4Q 2014¹. At the beginning of 1Q 2015, dry powder stood at \$94.0 billion, of which 50.9% was expected to be targeted for North America. During 1Q 2015, infrastructure managers completed 125 deals with an estimated aggregate deal value of \$105.0 billion, down 33.5% and 21.1% quarter over quarter on a number of deals and deal value basis, respectively¹.
- **Natural Resources:** During 1Q 2015, six funds closed on \$13.4 billion, compared to thirteen funds totaling \$9.2 billion in 4Q 2014. Energy and utilities industry managers completed 34 deals totaling an estimated \$7.4 billion during the first quarter, compared to 42 deals in 4Q 2014 for a total estimated value of \$6.1 billion¹.

Sources: 1. Preqin 2. UBS 3. Standard & Poors 4. Aon Hewitt Investment Consulting 5. Thomson Reuters 6. Fitch Ratings 7. PWC / National Venture Capital Association (NVCA) MoneyTree Report 8. Thomson Reuters and NVCA 9. Cooley Venture Financing Report 10. Federal Reserve 11. U.S. Energy Information Administration 12. Bloomberg

Notes: FY: Fiscal year ended 12/31; YTD: Year to date; LTM: Last twelve months (aka trailing twelve months); PPM: Purchase Price Multiples; Total Purchase Price / EBITDA

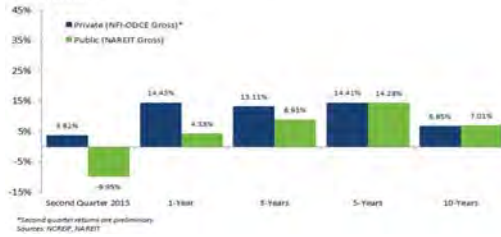
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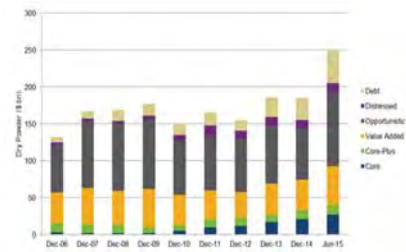
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U.S. Commercial Real Estate Market

PRIVATE VS. PUBLIC REAL ESTATE RETURNS
AS OF 6/30/2015



GLOBAL REAL ESTATE DRY POWDER BY STRATEGY
SOURCE: PREGIN, AON HEWITT 6/30/2015



- Favorable demand trends along with lagging new supply continue to drive positive trends in the commercial real estate sector.
- Sector returns remain above average in the private equity segment due to strength in both capital market drivers and property fundamentals.
- Core Investments: The NFI-ODCE returned 3.8%* gross of fees over the second quarter, slightly higher than the first quarter return of 3.4%, and lingering well above average levels still. The 1-year total return stands at 14.4%*.
- Non-Core investments: Legacy fund returns continue to recover from the GFC, while—for new dollars entering—attractive risk/return profiles remain, though expected returns are coming down at this point-in-cycle. Europe, which has been a more recent focus of many opportunity funds, is not expected to be derailed by problems with Greece, though the situation warrants monitoring. Manager and strategy selection is critical at this point in the cycle as the peak rebound potential period, which is a substantial driver of non core returns, is now behind us.
- In the public equity real estate segment, returns continue to display significant volatility. REITs underperformed in the second quarter, with most developed regions of the world registering negative returns. Sentiment was negatively impacted by accelerating U.S. macro data that renewed concerns over the prospect of rising interest rates. The U.S. (-10%) and Continental Europe (-11%) regions were the hardest hit, while the U.K. was in positive territory (+3.9%). In Asia/Pacific, Japan and Australia saw negative returns while Hong Kong was the best performing region in the Index (FTSE/EPRA NAREIT Developed).
- In the U.S., given the continued maturation of the real estate cycle, many primary markets have reestablished new peak pricing. Despite this, investors continue to show preference for well-located, high quality assets, which are driving current pricing trends. Accommodating capital markets and strong rental rate growth help support pricing, while robust new capital flows, as shown above, add heightened pressure to the cycle.
- Portfolio structure and other long term risk mitigation measures are important to managing the maturing cycle, liquidity, and interest rate risk.

Source: Aon Hewitt, NAREIT US Equity REIT Index, NCREIF
*Preliminary

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Total Fund

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As of June 30, 2015

Highlights

Executive Summary

- Performance of the Pension Plan, when measured against the Performance Benchmark, has been strong over short- and long-term time periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

Performance Highlights

- Over the trailing one-, three-, five-, and ten- year periods, the Total Fund outperformed the Performance Benchmark. During the second quarter, the Fund outperformed its Benchmark, returning 0.8%, compared to the benchmark return of 0.5%.

Asset Allocation

- The Fund assets total \$148.0 billion as of June 30, 2015, which represents a \$0.5 billion decrease since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges at quarter-end.
- The Fund was modestly overweight to private equity, real estate, and strategic investments, with corresponding marginal underweights to global equity, fixed income and cash.

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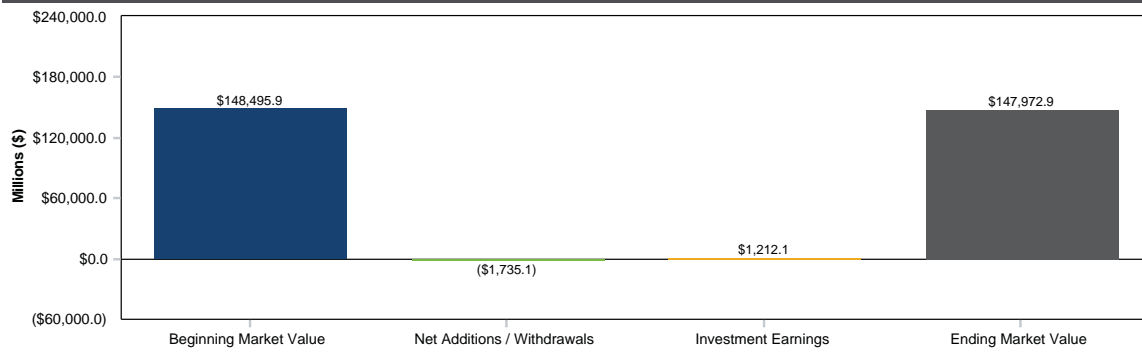


Total Fund

As of June 30, 2015

Total Plan Asset Summary

**Change in Market Value
From April 1, 2015 to June 30, 2015**



Summary of Cash Flow

	1 Quarter	Fiscal YTD*
Total Fund		
Beginning Market Value	148,495,924,825	149,097,956,343
+ Additions / Withdrawals	-1,735,105,032	-6,473,096,739
+ Investment Earnings	1,212,126,536	5,348,086,725
= Ending Market Value	147,972,946,329	147,972,946,329

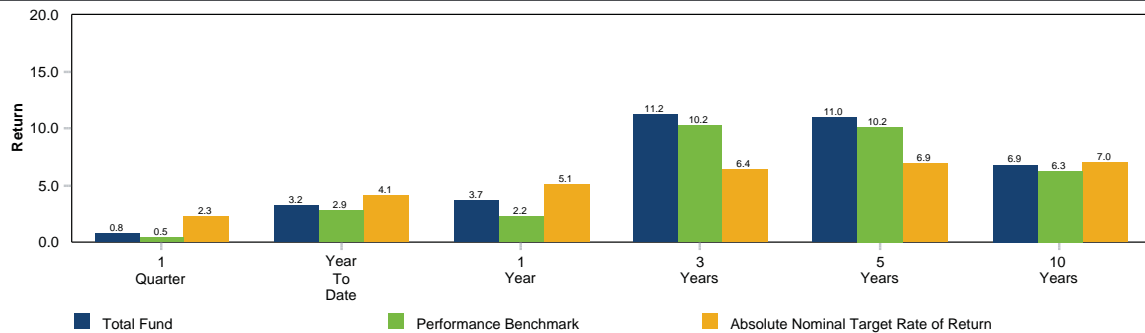
*Period July 2014 - June 2015

Total Fund

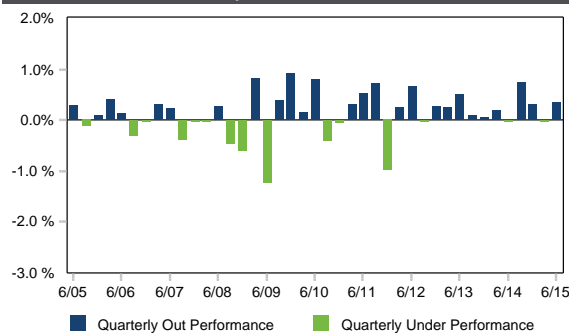
As of June 30, 2015

Total Plan Performance Summary

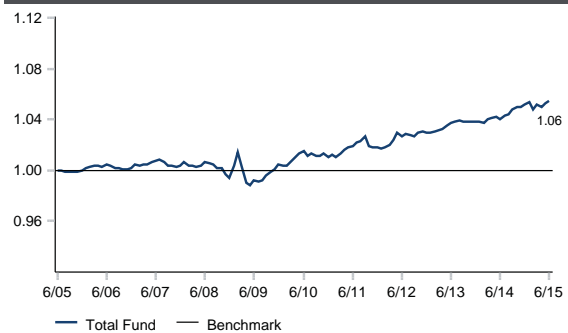
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



As of June 30, 2015

Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
Total Fund	147,972,946,329	100.0	100.0	0.8 (14)	3.2 (12)	3.7 (19)	11.2 (22)	11.0 (25)	6.9 (17)
<i>Performance Benchmark</i>				0.5 (30)	2.9 (29)	2.2 (64)	10.2 (50)	10.2 (58)	6.3 (64)
<i>Absolute Nominal Target Rate of Return</i>				2.3 (1)	4.1 (1)	5.1 (3)	6.4 (97)	6.9 (99)	7.0 (13)
Global Equity*	86,001,699,601	58.1	58.6	0.6	3.3	1.9	14.3	13.2	6.7
<i>Asset Class Target</i>				0.5	3.1	0.9	13.4	12.1	6.2
Domestic Equities	41,040,702,466	27.7		0.2 (40)	2.2 (52)	7.6 (21)	17.9 (28)	17.8 (14)	8.2 (28)
<i>Asset Class Target</i>				0.1 (51)	1.9 (63)	7.3 (37)	17.7 (32)	17.5 (26)	8.2 (40)
Foreign Equities	38,675,843,124	26.1		1.2 (50)	4.7 (76)	-3.9 (65)	10.7 (52)	9.3 (43)	6.7 (21)
<i>Asset Class Target</i>				1.0 (69)	4.6 (80)	-4.8 (88)	9.9 (75)	8.0 (89)	5.8 (47)
Global Equities	6,275,738,978	4.2		0.1	2.5	1.9	13.8	12.8	6.3
<i>Benchmark</i>				0.3	2.6	1.3	13.9	12.7	6.9
Fixed Income	29,313,167,689	19.8	20.4	-0.7 (15)	0.8 (30)	2.0 (22)	2.0 (69)	4.0 (72)	4.8 (55)
<i>Asset Class Target</i>				-0.7 (15)	0.6 (40)	1.9 (25)	1.5 (88)	3.1 (94)	4.4 (85)
Private Equity	8,938,200,649	6.0	5.5	6.4	7.9	14.6	15.0	13.9	9.1
<i>Asset Class Target</i>				1.4	5.3	3.9	18.4	19.1	11.4
<i>Secondary Target**</i>				2.8	5.3	12.3	15.2	15.7	13.7
Real Estate	12,284,305,293	8.3	8.0	1.5 (82)	5.1 (70)	11.9 (60)	13.9 (19)	14.6 (16)	8.1
<i>Asset Class Target</i>				2.2 (75)	5.4 (64)	11.3 (73)	11.4 (59)	13.5 (50)	4.8
Strategic Investments	10,219,336,457	6.9	6.6	0.9	2.7	6.8	12.0	11.7	
<i>Short-Term Target</i>				0.5	1.9	3.0	8.0	7.9	
Cash	1,216,236,641	0.8	1.0	0.1	0.1	0.2	0.2	0.3	0.8
<i>iMoneyNet First Tier Institutional Money Market Funds Net Index</i>				0.0	0.0	0.0	0.0	0.0	1.6

Benchmark and universe descriptions can be found in the Appendix.

* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

** The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index.



As of June 30, 2015

Asset Allocation & Performance

	Performance(%)									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Fund	6.2 (48)	16.9 (29)	14.2 (12)	-0.5 (72)	13.5 (37)	20.8 (32)	-26.7 (46)	9.1 (37)	14.6 (41)	7.8 (64)
<i>Performance Benchmark</i>	4.9 (81)	15.9 (42)	12.8 (58)	-1.2 (85)	12.9 (49)	19.5 (41)	-26.1 (39)	8.9 (38)	14.4 (45)	7.3 (76)
<i>Absolute Nominal Target Rate of Return</i>	5.8 (61)	6.6 (92)	6.8 (99)	8.1 (3)	6.6 (98)	7.9 (97)	5.1 (1)	8.9 (39)	6.6 (99)	7.6 (68)
Global Equity*	4.7	25.2	17.8	-6.5	15.9	33.7	-39.9	8.4	17.5	8.6
<i>Asset Class Target</i>	3.9	23.7	16.5	-7.9	15.1	33.8	-40.4	8.5	18.4	8.7
Domestic Equities	12.4 (16)	34.1 (53)	16.3 (48)	1.6 (21)	17.2 (65)	28.8 (43)	-37.4 (43)	5.3 (42)	14.7 (52)	6.3 (67)
<i>Asset Class Target</i>	12.6 (15)	33.6 (59)	16.4 (41)	1.0 (30)	16.9 (70)	28.3 (55)	-37.3 (40)	5.1 (43)	15.7 (31)	6.1 (77)
Foreign Equities	-3.0 (38)	17.4 (60)	19.3 (27)	-12.9 (45)	15.2 (7)	42.7 (11)	-44.4 (34)	16.1 (31)	26.4 (55)	16.1 (54)
<i>Asset Class Target</i>	-3.7 (63)	16.0 (76)	17.2 (83)	-14.6 (80)	13.0 (42)	43.7 (10)	-46.1 (74)	16.4 (23)	26.7 (49)	16.6 (44)
Global Equities	4.9	26.3	15.6	-5.7	10.4	32.8	-41.8	10.2	20.0	9.4
<i>Benchmark</i>	4.7	25.4	16.0	-6.7	13.1	34.6	-42.1	11.8	21.1	11.3
Fixed Income	4.3 (86)	-1.5 (53)	6.4 (61)	7.5 (47)	9.2 (34)	14.4 (45)	-4.0 (43)	7.1 (32)	4.7 (51)	2.8 (34)
<i>Asset Class Target</i>	4.1 (87)	-2.1 (70)	4.2 (89)	7.8 (37)	6.5 (92)	5.9 (89)	5.2 (5)	7.2 (32)	4.7 (49)	2.5 (48)
Private Equity	19.3	15.0	12.4	8.0	18.6	-12.1	-4.3	16.5	12.2	12.9
<i>Asset Class Target</i>	7.6	36.6	19.4	4.0	19.9	32.8	-32.8	9.6	20.2	10.6
<i>Secondary Target**</i>	18.8	17.3	15.0	15.0	17.4	-10.0	-5.3	29.4	22.5	36.4
Real Estate	13.8 (52)	16.8 (10)	14.4 (7)	14.5 (17)	5.1 (73)	-22.8 (35)	-1.5 (20)	13.6 (61)	22.5 (25)	17.2 (78)
<i>Asset Class Target</i>	11.9 (77)	11.2 (52)	12.2 (23)	15.3 (11)	8.8 (64)	-29.7 (58)	-1.1 (19)	12.1 (82)	6.5 (94)	8.8 (100)
Strategic Investments	9.9	16.1	15.2	5.5	8.9	22.0	-37.4			
<i>Short-Term Target</i>	5.7	11.6	9.1	4.2	3.5	20.8	-33.6			
Cash	0.2	0.2	0.3	0.3	0.4	1.7	-5.8	4.1	5.1	3.4
<i>iMoneyNet First Tier Institutional Money Market Funds Net Index</i>	0.0	0.0	0.1	0.1	0.2	0.7	3.0	5.4	5.1	3.4

* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

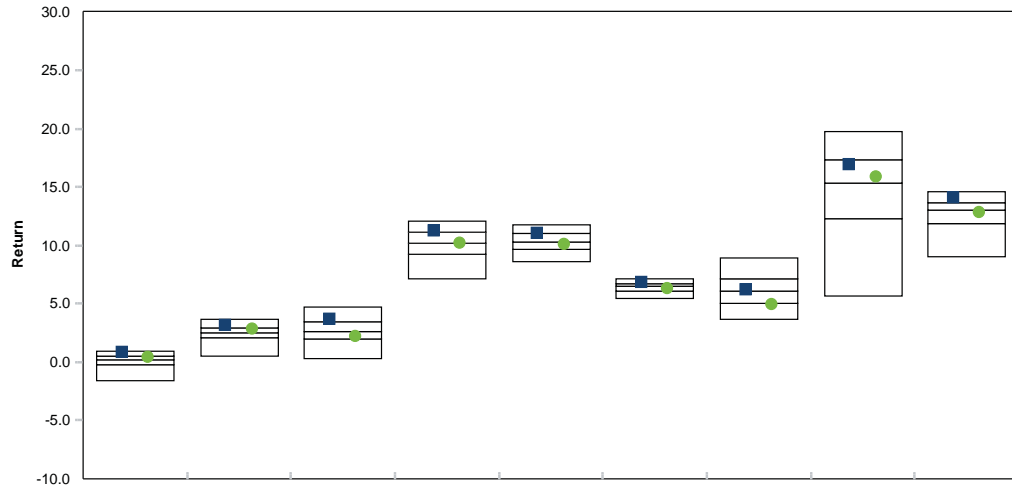
** The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index.



As of June 30, 2015

Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Total Fund



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2014	2013	2012
■ Total Fund	0.8 (14)	3.2 (12)	3.7 (19)	11.2 (22)	11.0 (25)	6.9 (17)	6.2 (48)	16.9 (29)	14.2 (12)
● Performance Benchmark	0.5 (30)	2.9 (29)	2.2 (64)	10.2 (50)	10.2 (58)	6.3 (64)	4.9 (81)	15.9 (42)	12.8 (58)
5th Percentile	0.9	3.7	4.8	12.1	11.8	7.2	8.9	19.8	14.6
1st Quartile	0.5	2.9	3.5	11.1	11.0	6.7	7.1	17.4	13.7
Median	0.2	2.5	2.6	10.2	10.3	6.5	6.2	15.4	13.1
3rd Quartile	-0.2	2.1	2.0	9.2	9.7	6.1	5.0	12.3	11.9
95th Percentile	-1.6	0.5	0.3	7.1	8.6	5.5	3.7	5.7	9.0

Population 79 79 78 73 71 66 91 85 85
 Parentheses contain percentile rankings.
 Calculation based on monthly periodicity.

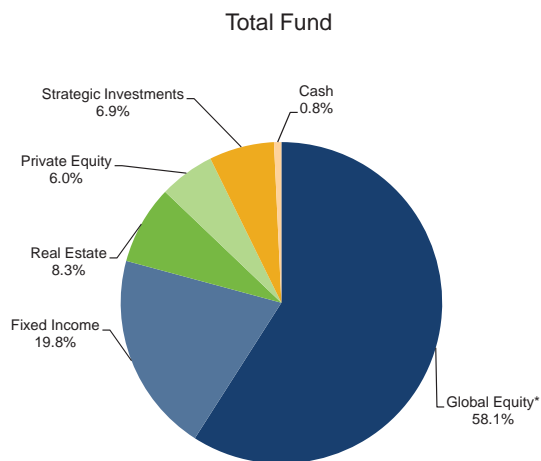
23



Total Fund

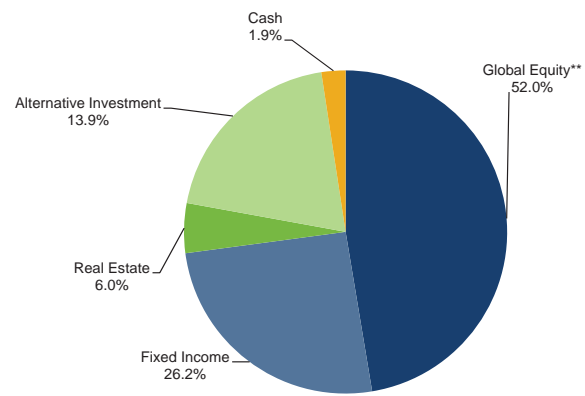
As of June 30, 2015

Universe Asset Allocation Comparison



*Global Equity Allocation: 27.7% Domestic Equities; 26.1% Foreign Equities; 4.2% Global Equities. Percentages are of the Total FRS Fund.

BNY Mellon Public Funds > \$1B Net Universe

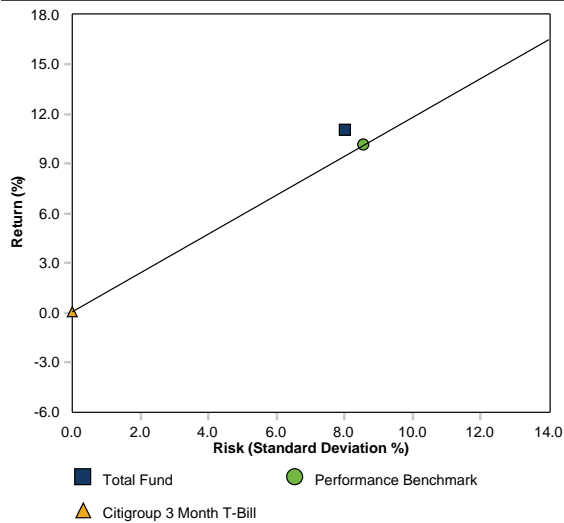


**Global Equity Allocation: 31.3% Domestic Equities; 20.7% Foreign Equities.

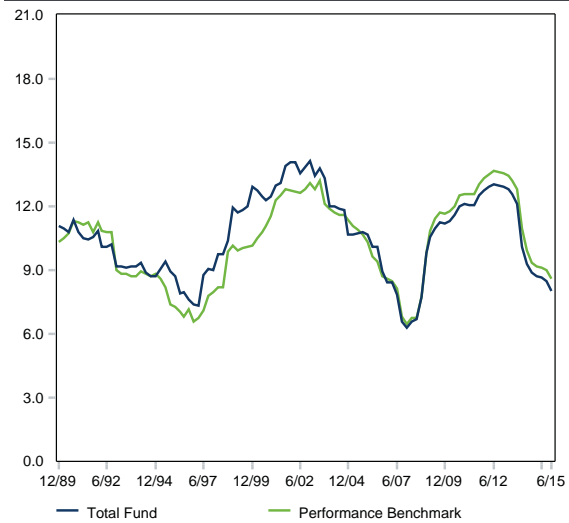
24



Total Fund Risk Profile

Annualized Return vs. Annualized Standard Deviation
5 Years

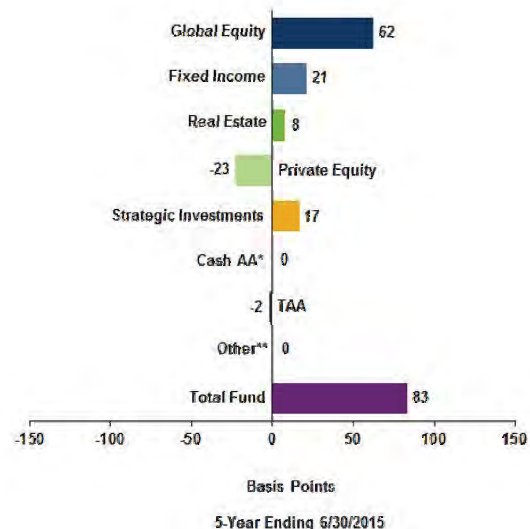
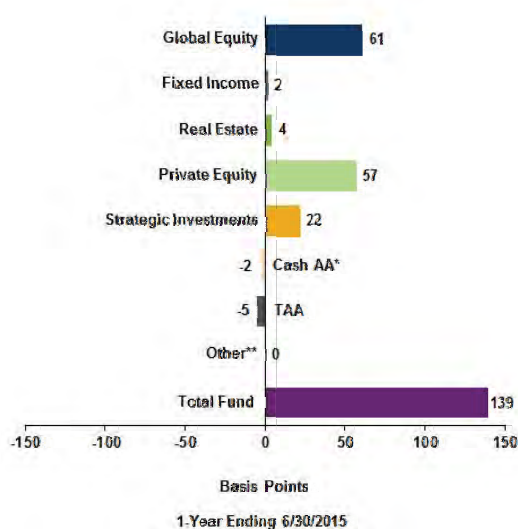
Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Total Fund	0.74	0.79	0.93	1.00	1.34	1.41	0.93	11.01	8.02	1.00
Performance Benchmark	0.00	0.00	N/A	1.00	1.17	0.00	1.00	10.15	8.57	1.00
Citigroup 3 Month T-Bill	-10.01	8.57	-1.17	0.02	N/A	0.06	0.00	0.06	0.02	0.14

Attribution

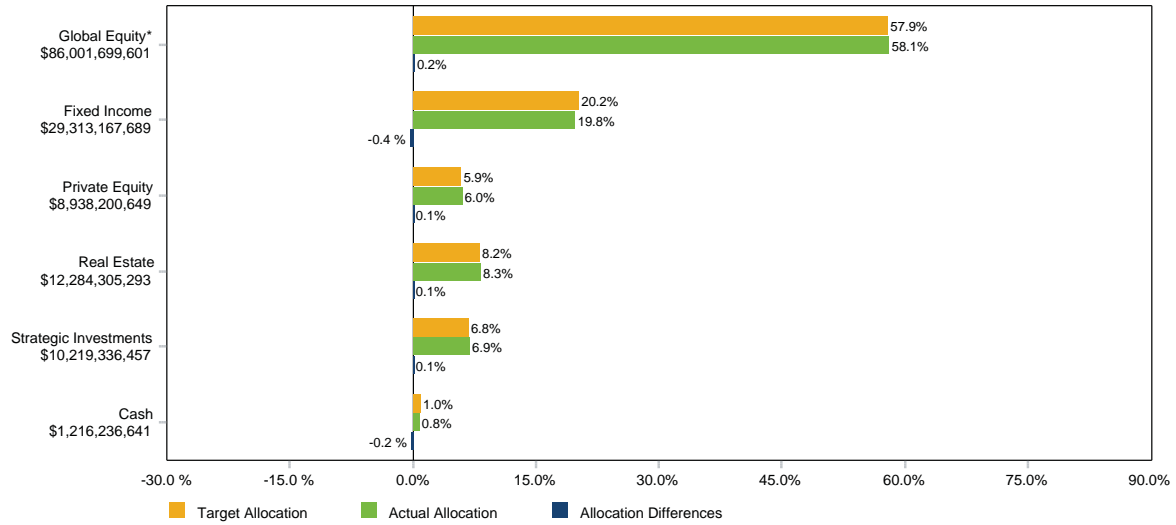


*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

**Other includes legacy accounts and unexplained differences due to methodology.

Asset Allocation Compliance

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	147,972,946,329	100.0	100.0		
Global Equity*	86,001,699,601	58.1	57.9	45.0	70.0
Fixed Income	29,313,167,689	19.8	20.2	10.0	26.0
Private Equity	8,938,200,649	6.0	5.9	4.0	16.0
Real Estate	12,284,305,293	8.3	8.2	2.0	9.0
Strategic Investments	10,219,336,457	6.9	6.8	0.0	16.0
Cash	1,216,236,641	0.8	1.0	0.3	5.0



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.



Global Equity

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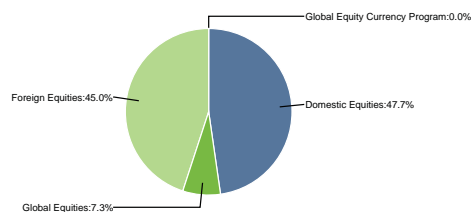
Global Equity*

As of June 30, 2015

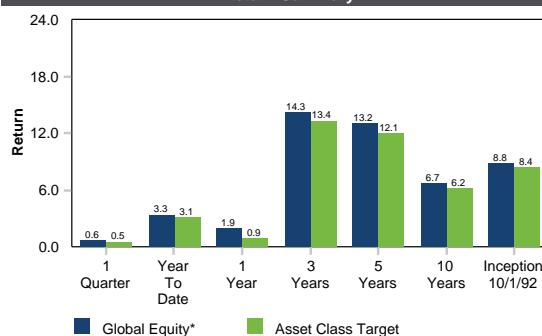
Global Equity* Portfolio Overview

Current Allocation

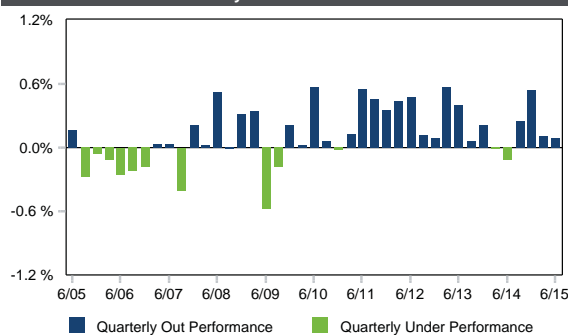
June 30, 2015 : \$86,002M



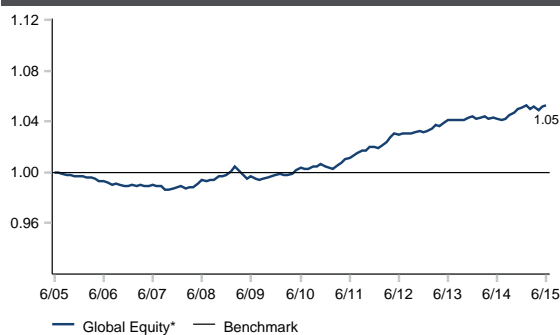
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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Domestic Equities

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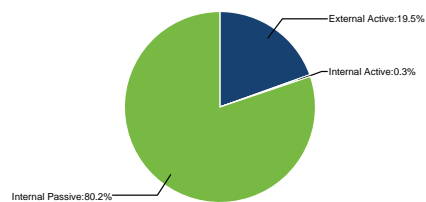
Domestic Equities

As of June 30, 2015

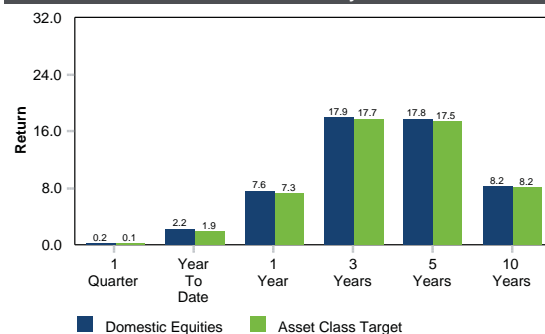
Domestic Equities Portfolio Overview

Current Allocation

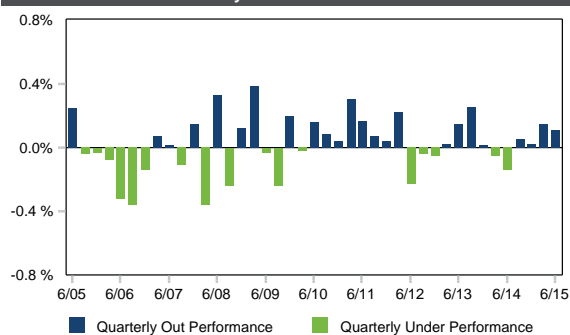
June 30, 2015 : \$41,041M



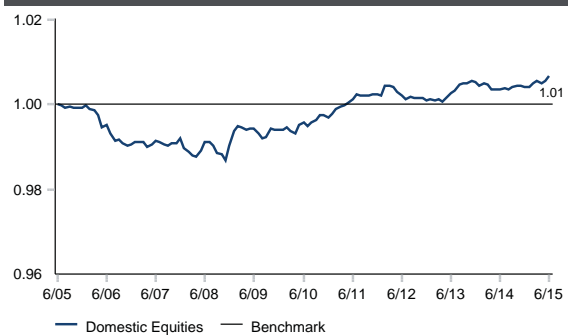
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



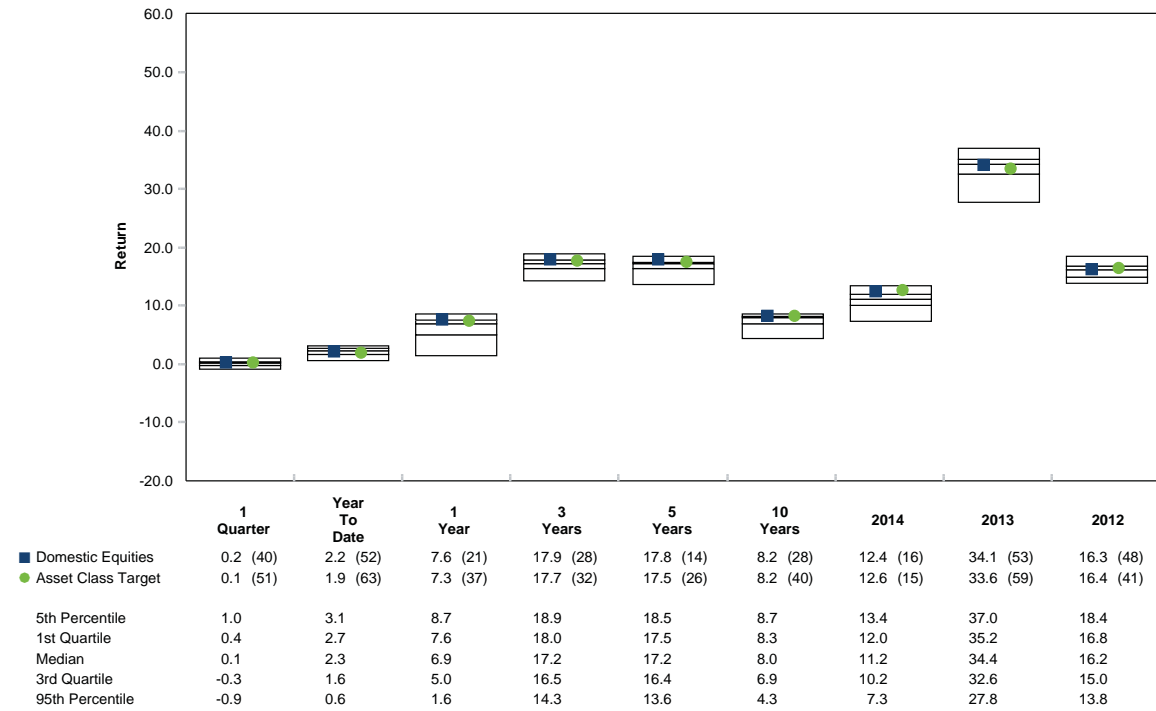
32



As of June 30, 2015

Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Equity Segment



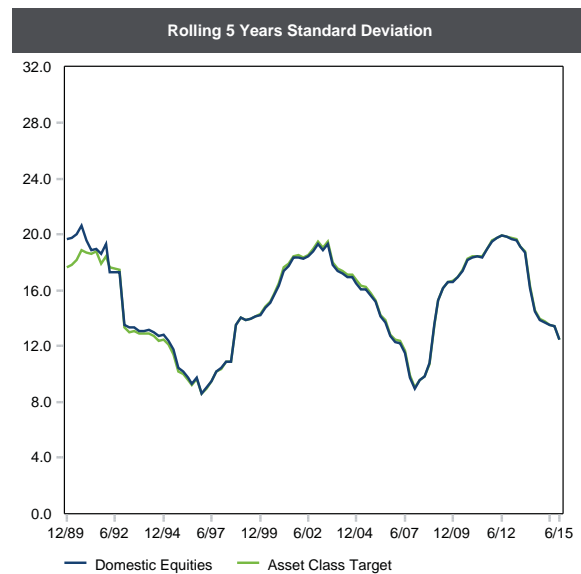
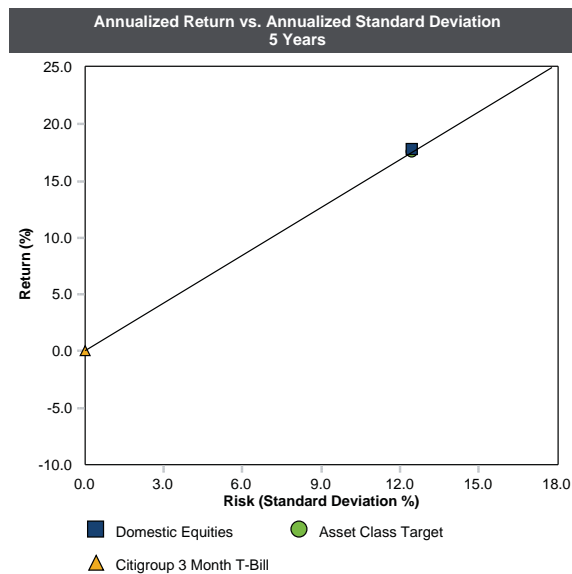
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



Domestic Equities

As of June 30, 2015

Domestic Equities Risk Profile



5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Domestic Equities	0.23	0.24	0.94	1.00	1.38	0.21	1.00	17.79	12.49	1.00
Asset Class Target	0.00	0.00	N/A	1.00	1.36	0.00	1.00	17.53	12.48	1.00
Citigroup 3 Month T-Bill	-16.96	12.47	-1.36	0.01	N/A	0.06	0.00	0.06	0.02	0.10



Foreign Equities

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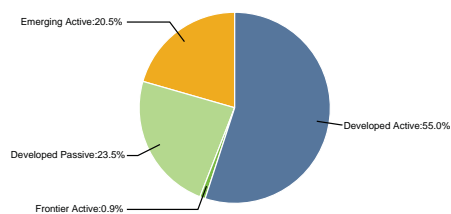
Foreign Equities

As of June 30, 2015

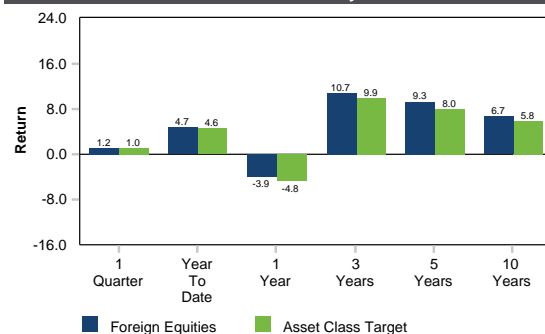
Foreign Equities Portfolio Overview

Current Allocation

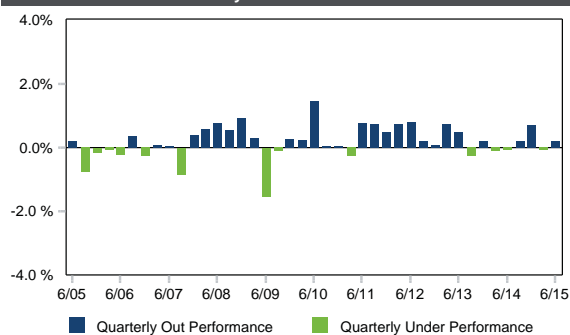
June 30, 2015 : \$38,676M



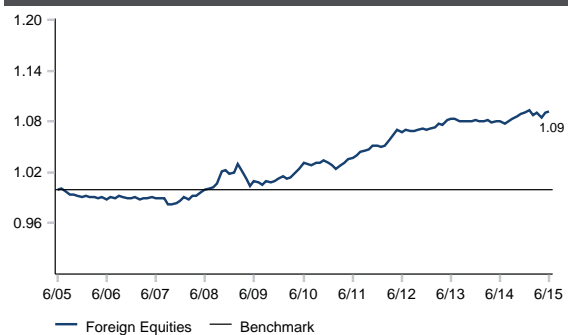
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



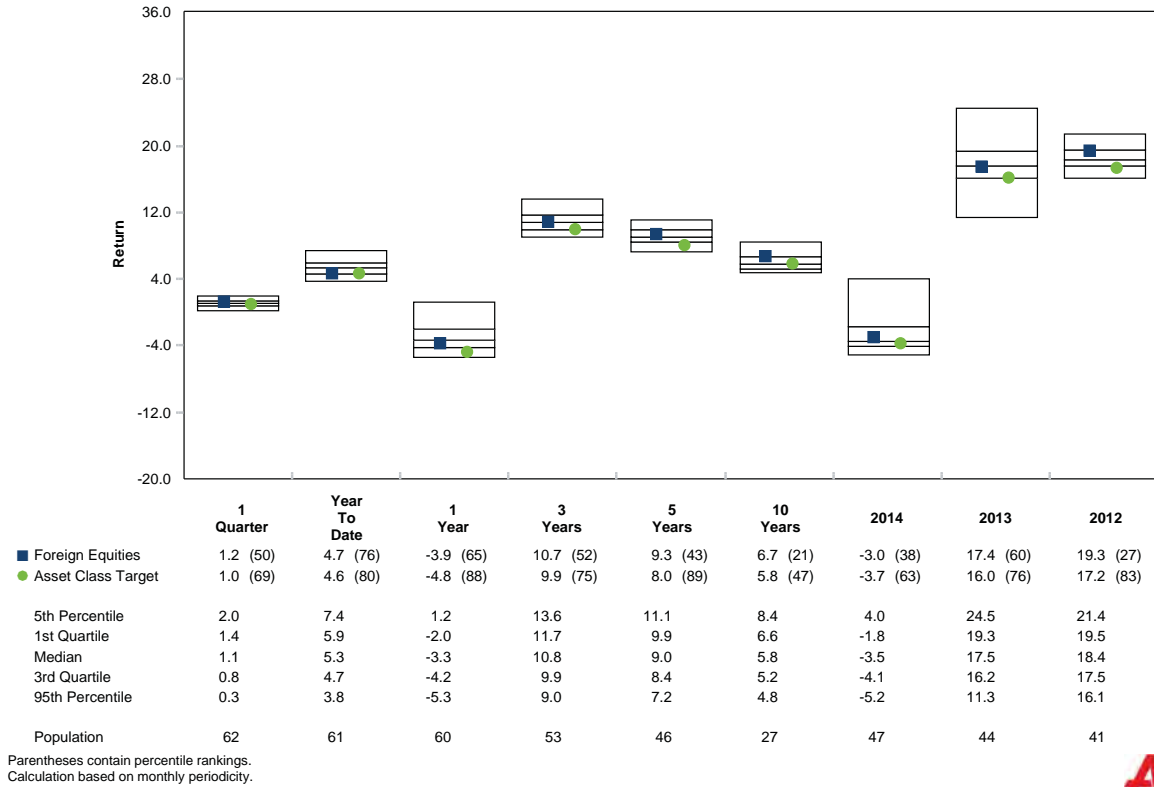
36

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As of June 30, 2015

Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Intl. Equity Segment



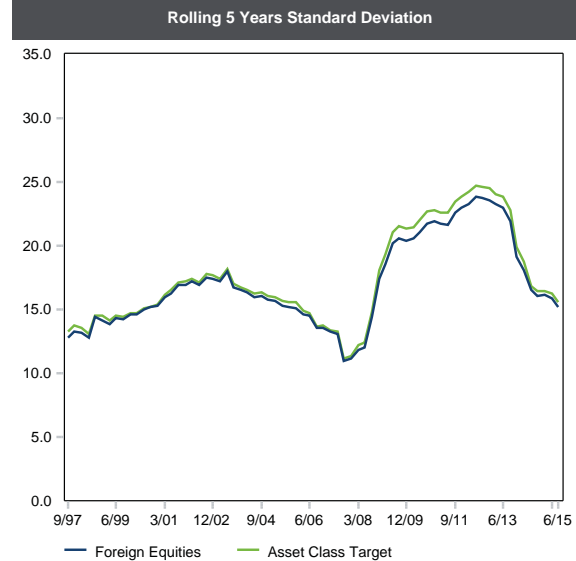
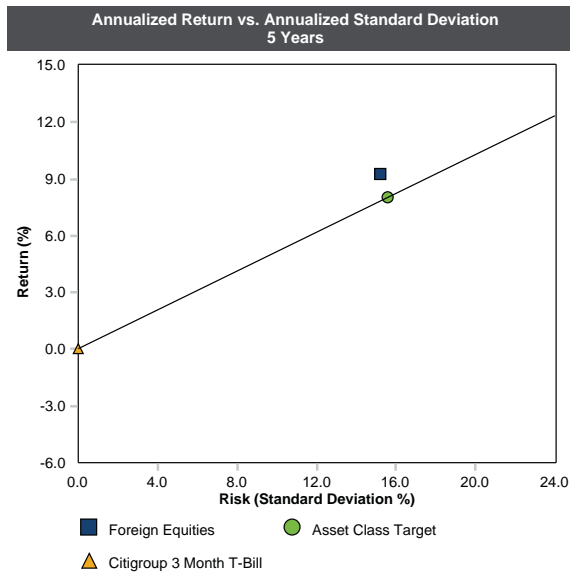
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Foreign Equities

As of June 30, 2015

Foreign Equities Risk Profile



5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Foreign Equities	1.09	0.90	1.22	1.00	0.66	1.33	0.97	9.26	15.22	1.00
Asset Class Target	0.00	0.00	N/A	1.00	0.57	0.00	1.00	8.02	15.59	1.00
Citigroup 3 Month T-Bill	-8.88	15.59	-0.57	0.03	N/A	0.06	0.00	0.06	0.02	0.17

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Global Equities

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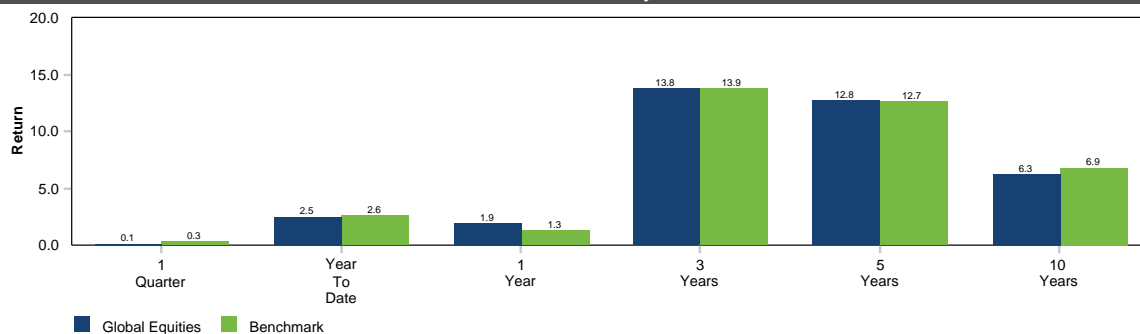
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Global Equities

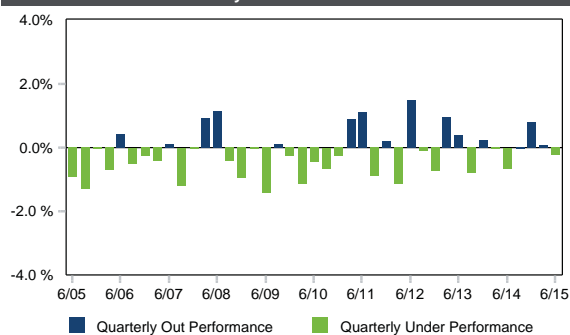
As of June 30, 2015

Global Equities Performance Summary

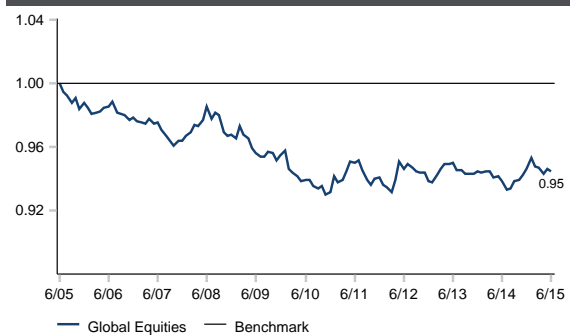
Return Summary



Quarterly Excess Performance



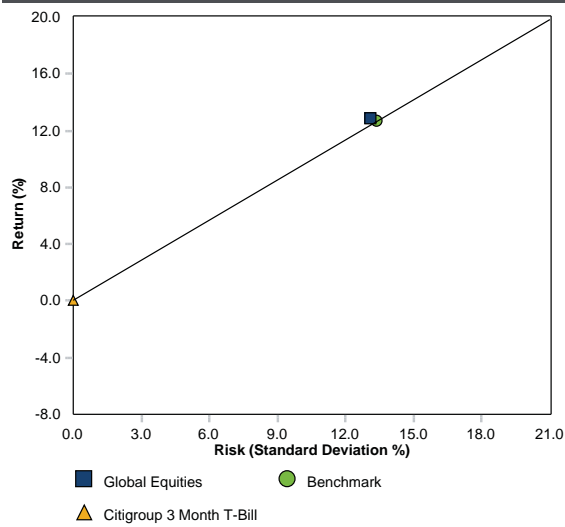
Ratio of Cumulative Wealth - 10 Years



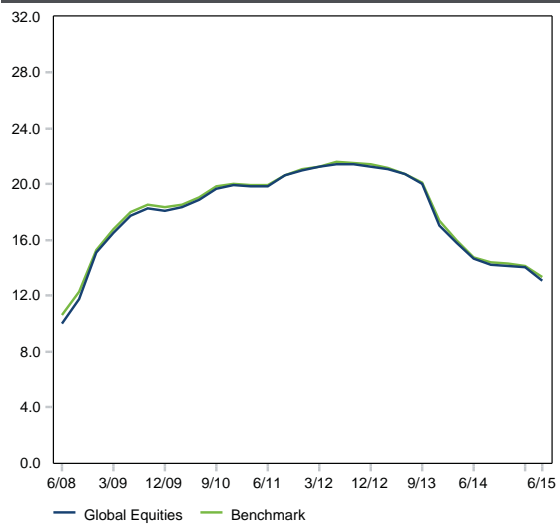
40

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Global Equities Risk Profile

Annualized Return vs. Annualized Standard Deviation
5 Years

Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Global Equities	0.10	1.46	0.07	0.99	0.98	0.39	0.98	12.80	13.14	0.99
Benchmark	0.00	0.00	N/A	1.00	0.96	0.00	1.00	12.66	13.37	1.00
Citigroup 3 Month T-Bill	-12.79	13.36	-0.96	0.02	N/A	0.06	0.00	0.06	0.02	0.14

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Fixed Income

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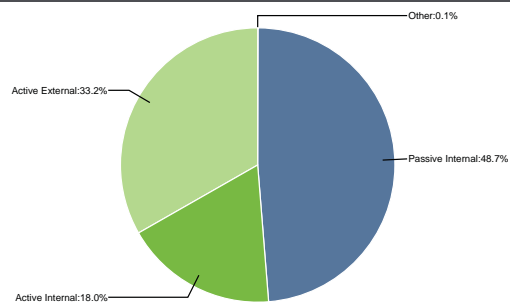
Fixed Income

As of June 30, 2015

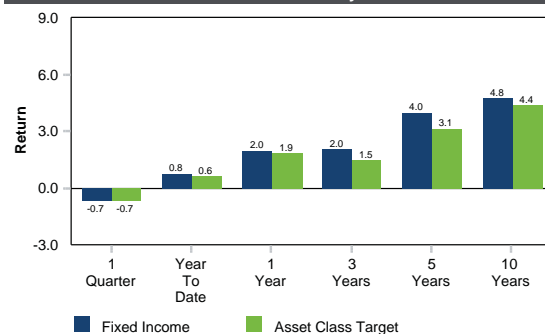
Fixed Income Portfolio Overview

Current Allocation

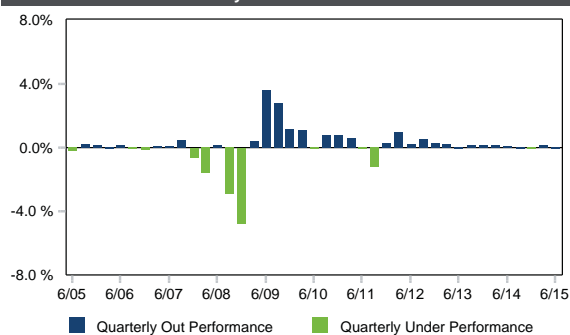
June 30, 2015 : \$29,313M



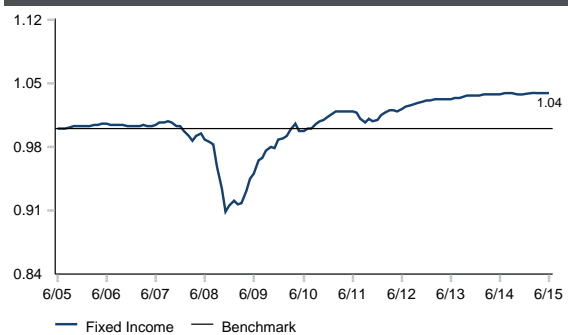
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



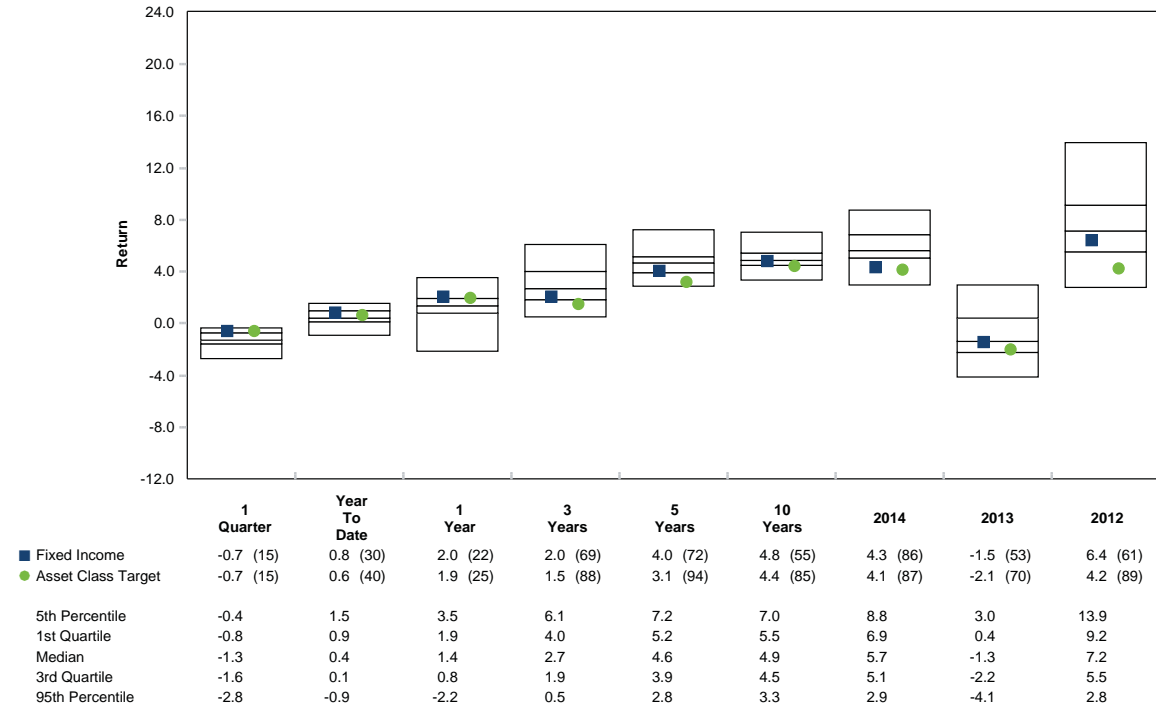
44



As of June 30, 2015

Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Fixed Income Segment

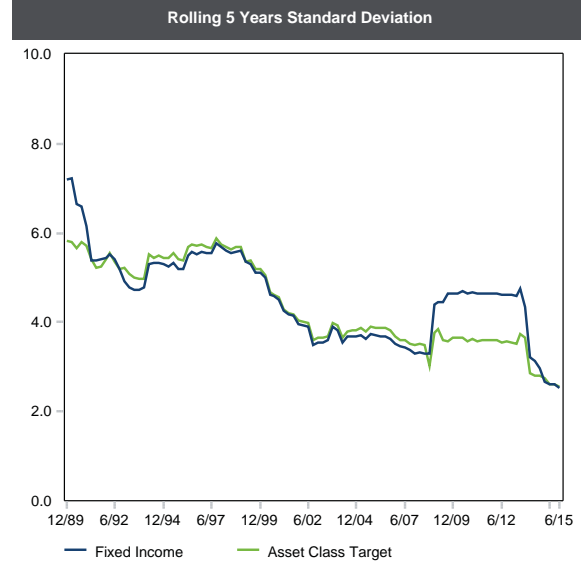
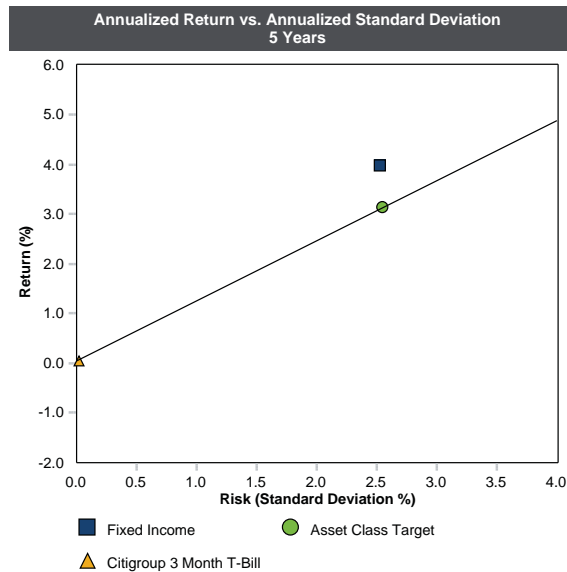


Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Fixed Income

As of June 30, 2015

Fixed Income Risk Profile



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Fixed Income	0.82	0.64	1.28	0.94	1.53	0.95	0.96	3.98	2.53	0.97
Asset Class Target	0.00	0.00	N/A	1.00	1.20	0.00	1.00	3.13	2.55	1.00
Citigroup 3 Month T-Bill	-3.06	2.56	-1.20	0.00	N/A	0.06	0.00	0.06	0.02	-0.04

Private Equity

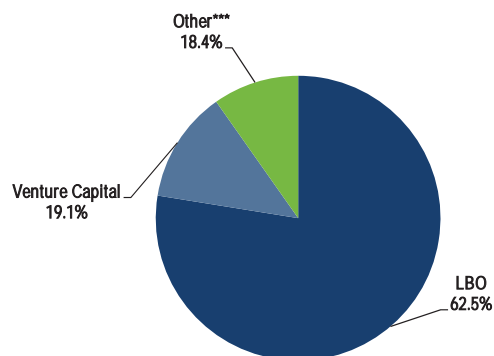
47

Private Equity

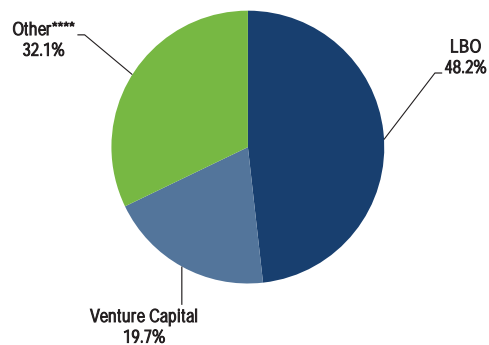
As of June 30, 2015

Overview

FRS Private Equity by Market Value*



Preqin Private Equity Strategies by Market Value**



*Allocation data is as of June 30, 2015.

**Allocation data is as of June 30, 2014, from the Preqin database.

***Other for the FRS Private Equity consists of Growth Capital, Secondary, PE Cash, and PE Transition.

****Other for the Preqin data consists of Distressed PE, Growth, Mezzanine, and other Private Equity/Special Situations.

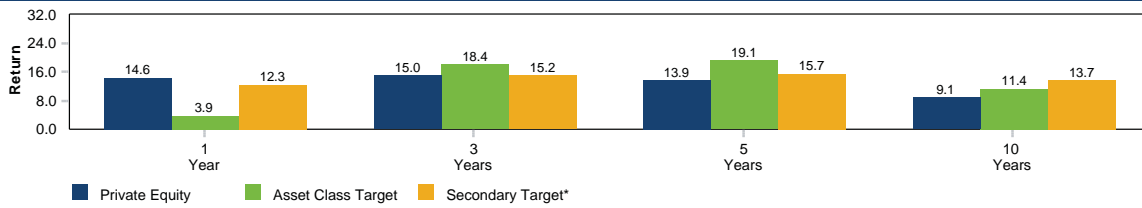
Preqin universe is comprised of 10,000 private equity funds representing \$3.8 trillion.

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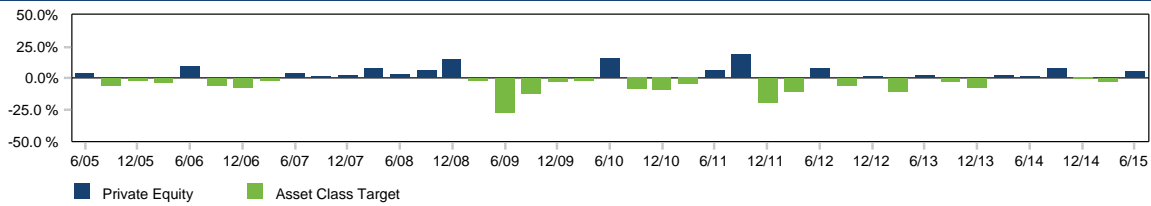
Private Equity

Time-Weighted Investment Results

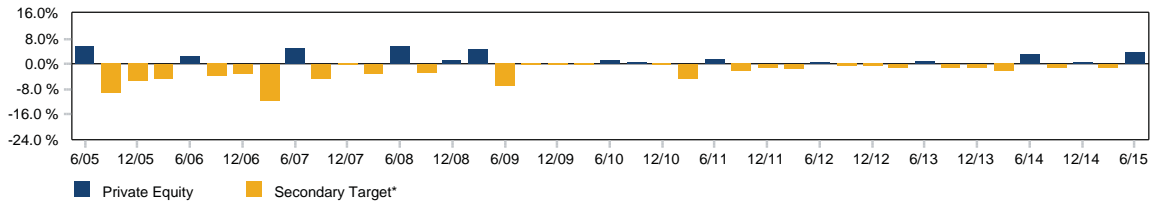
Return Summary as of June 30, 2015



Quarterly Excess Performance vs. Asset Class Target as of June 30, 2015



Quarterly Excess Performance vs. Secondary Target as of June 30, 2015



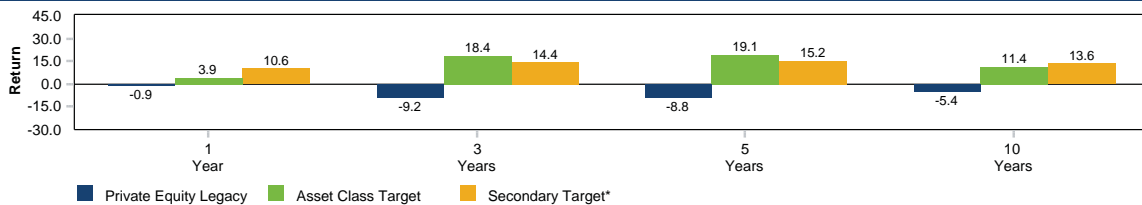
* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.



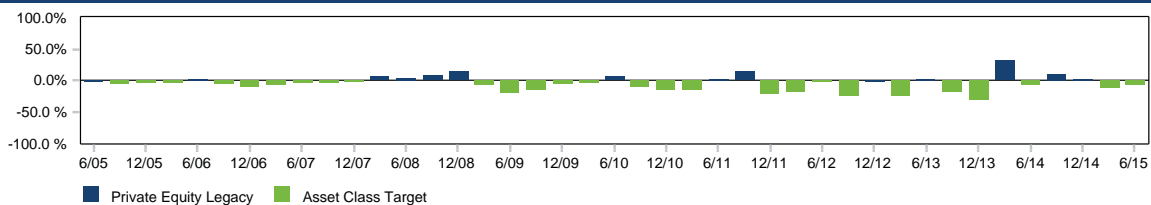
Private Equity Legacy

Time-Weighted Investment Results

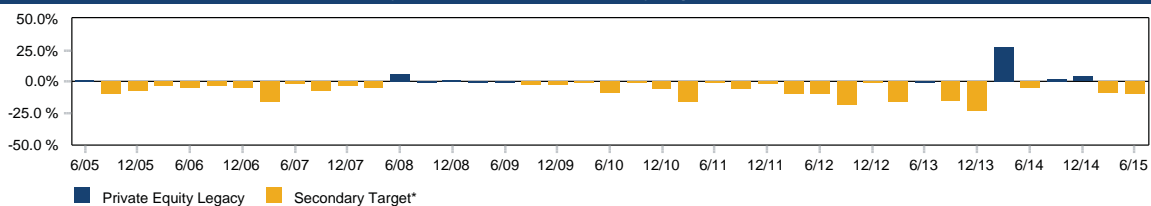
Return Summary as of June 30, 2015



Quarterly Excess Performance vs. Asset Class Target as of June 30, 2015



Quarterly Excess Performance vs. Secondary Target as of June 30, 2015



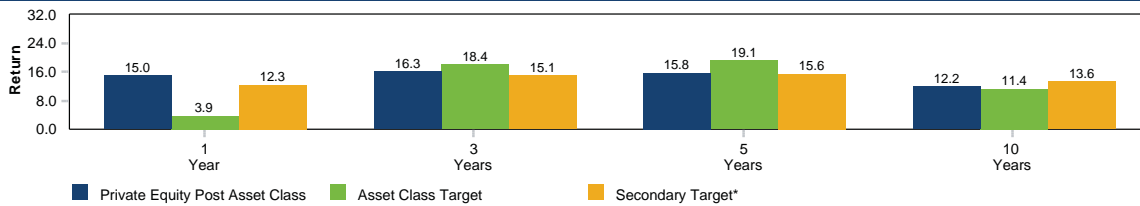
* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.



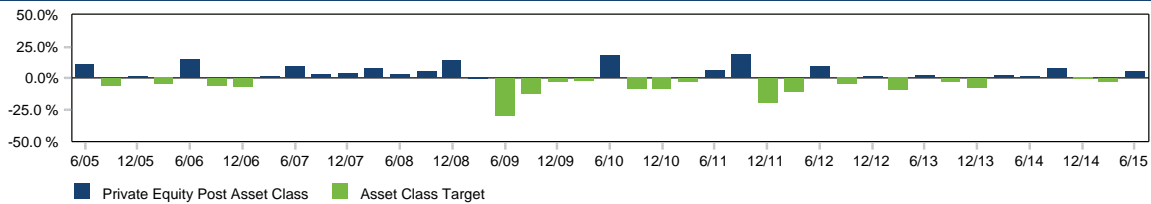
Private Equity Post Asset Class

Time-Weighted Investment Results

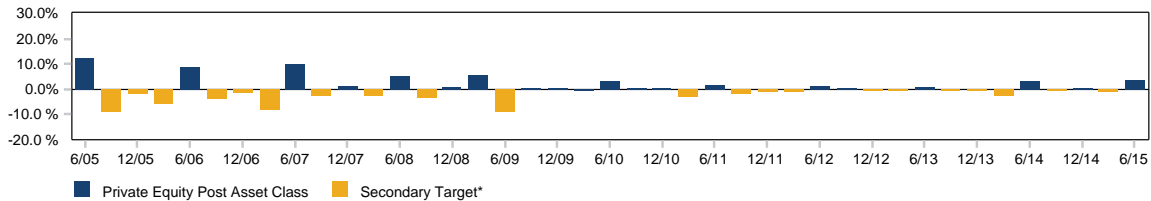
Return Summary as of June 30, 2015



Quarterly Excess Performance vs. Asset Class Target as of June 30, 2015



Quarterly Excess Performance vs. Secondary Target as of June 30, 2015



* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.



Private Equity Dollar-Weighted Performance Cumulative Performance Measures Since Inception Through June 30, 2015

Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR*
Lexington Capital Partners IV	14.21	\$200,000,000	-\$146,010,994	\$5,873,033	19.4%
Liberty Partners VI	13.46	\$595,484,687	\$188,756,629	\$3,365,000	-6.6%
Lexington Capital Partners V	12.89	\$100,000,000	-\$57,186,556	\$11,004,234	19.0%
Lexington Co-Investment Partners II	12.76	\$500,000,000	-\$539,156,725	\$88,050,801	25.2%
Top Tier Venture Capital II	11.76	\$120,000,000	\$20,191,240	\$68,884,920	5.1%
Gores Capital Partners I	11.44	N/A	-\$13,902,956	\$0	8.3%
Platinum Equity Capital Partners I	11.39	\$50,000,000	-\$57,557,007	\$5,733,172	57.9%
Pantheon Venture Partners II	11.38	\$100,000,000	\$37,747,498	\$91,055,523	8.5%
Grove Street Partners Ventures	11.01	\$200,000,000	\$62,227,953	\$165,272,729	7.8%
Kelso Investment Associates VII	11.00	N/A	-\$32,337,060	\$0	11.6%
Fairview Ventures Fund II	11.00	\$50,000,000	\$23,886,943	\$35,339,543	3.3%
Hellman & Friedman Capital Partners V	10.56	\$75,000,000	-\$112,139,123	\$2,081,373	27.9%
New Mountain Partners II	10.47	\$50,000,000	-\$38,655,864	\$4,035,695	13.7%
Top Tier Venture Capital III	10.22	\$75,000,000	\$29,949,583	\$58,439,332	6.4%
Carlyle Partners IV	10.18	\$75,000,000	-\$66,445,469	\$10,803,547	13.3%
Warburg Pincus Private Equity IX	9.83	\$75,000,000	-\$39,412,744	\$17,494,669	10.2%
Lexington Co-Investment Partners 2005	9.79	\$500,000,000	\$134,178,476	\$290,920,900	4.9%
Pomona Capital VI	9.79	\$50,000,000	\$4,967,515	\$19,201,539	5.3%
Liberty Partners VII	9.68	\$290,808,542	\$46,453,430	\$12,368,703	-6.7%
Lexington Capital Partners VI B	9.57	\$100,000,000	\$1,298,388	\$37,544,966	7.0%
Apollo Investment Fund VI	9.56	\$200,000,000	-\$52,455,699	\$86,154,941	9.9%
Wellspring Capital Partners IV	9.43	\$75,000,000	\$9,819,598	\$46,447,680	8.2%
Blackstone Capital Partners V	9.30	\$150,000,000	\$10,867,597	\$104,118,397	8.6%
TowerBrook Investors II	9.25	\$75,000,000	-\$11,247,202	\$33,986,452	10.7%
Thomas Cressey Fund VIII	9.24	\$50,000,000	-\$40,310,193	\$38,547,328	16.8%
TPG Partners V	9.01	N/A	-\$15,759,554	\$0	2.6%
Fairview Ventures Fund III	9.01	\$75,000,000	\$29,296,433	\$85,076,306	15.4%
Permira IV	8.87	€ 50,000,000	\$2,999,539	\$32,576,948	7.5%
Lindsay Goldberg & Bessemer II	8.87	N/A	-\$44,613,072	-\$1	8.0%
Grove Street Partners Buyouts	8.76	\$150,000,000	\$42,719,128	\$98,118,466	9.5%
Thomas H Lee Equity Fund VI	8.63	\$75,000,000	\$14,072,287	\$96,701,531	14.2%
First Reserve Fund XI	8.63	\$100,000,000	\$45,903,650	\$28,581,098	-4.2%
RCP Advisors Fund IV	8.51	\$50,000,000	-\$693,589	\$35,009,323	13.2%
Hellman & Friedman Capital Partners VI	8.45	\$100,000,000	-\$36,257,893	\$33,159,886	12.3%
Providence Equity Partners VI	8.30	\$50,000,000	\$15,537,944	\$30,827,767	5.7%
Green Equity Investors V	8.16	\$100,000,000	-\$12,353,093	\$67,810,508	17.7%
Gores Capital Partners II	7.93	N/A	-\$6,267,118	\$0	3.8%
New Mountain Partners III	7.90	\$100,000,000	\$56,096,938	\$87,711,161	7.8%
Carlyle Partners V	7.76	\$200,000,000	\$8,926,486	\$142,474,986	14.4%
Kohlberg Investors VI	7.72	N/A	-\$29,297,473	\$0	15.7%



Private Equity Dollar-Weighted Performance (continued) Cumulative Performance Measures Since Inception Through June 30, 2015					
Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR*
Apollo Investment Fund VII	7.70	\$200,000,000	-\$107,787,314	\$72,189,183	25.4%
Kelso Investment Associates VIII	7.70	N/A	-\$39,342,592	\$0	11.2%
Platinum Equity Capital Partners II	7.70	\$75,000,000	-\$6,197,063	\$38,236,423	14.1%
RCP Advisors Fund V	7.65	\$50,000,000	\$16,929,332	\$40,699,446	12.4%
Warburg Pincus Private Equity X	7.61	\$150,000,000	\$45,166,004	\$112,381,174	8.5%
Top Tier Venture Capital IV	7.40	\$100,000,000	\$53,318,078	\$127,995,028	15.9%
TPG Partners VI	7.21	N/A	-\$75,991,842	\$0	10.9%
Pomona Capital VII	7.02	\$50,000,000	-\$541,498	\$13,930,657	9.6%
Grove Street Partners Ventures II	7.01	\$200,000,000	\$114,657,768	\$276,699,130	24.3%
Advent International GPE VI	6.98	\$58,000,000	\$18,202,326	\$64,751,538	17.4%
TowerBrook Investors III	6.96	\$150,000,000	\$43,010,887	\$89,609,887	10.8%
CVC European Equity Partners V	6.96	€ 70,000,000	\$24,272,288	\$64,105,906	12.0%
Lindsay Goldberg III	6.96	N/A	-\$31,919,140	\$0	11.8%
Thoma Bravo Fund IX	6.96	\$50,000,000	-\$78,860,990	\$27,582,702	42.7%
Ares Corporate Opportunities Fund III	6.77	\$100,000,000	\$11,548,438	\$91,187,680	21.5%
RCP Advisors Fund VI	6.73	\$50,000,000	\$31,713,066	\$42,128,264	7.9%
Cressey & Company Fund IV	6.65	\$50,000,000	-\$789,226	\$36,676,338	24.4%
Blackstone Capital Partners VI	6.65	\$200,000,000	\$115,797,488	\$143,974,168	11.5%
First Reserve Fund XII	6.63	\$200,000,000	\$119,602,217	\$110,411,822	-1.3%
Carlyle Asia Growth Partners IV	6.54	\$75,000,000	\$42,227,828	\$57,271,407	6.9%
Top Tier Special Opportunities Fund	6.10	\$12,450,000	\$10,858,985	\$6,367,756	-10.1%
Riverside Capital Appreciation Fund V	6.04	\$75,000,000	-\$1,982,500	\$29,334,179	12.0%
Freeman Spogli Equity Partners VI	5.93	\$75,000,000	\$32,741,814	\$89,556,449	20.2%
Energy Capital Partners II	5.92	\$100,000,000	\$12,200,780	\$65,240,383	16.5%
KPS Special Situations Fund III	5.77	\$50,000,000	\$5,351,325	\$32,625,161	21.7%
Gores Capital Partners III	5.75	N/A	-\$4,800,048	\$0	1.9%
Charlesbank Equity Fund VII	5.69	\$75,000,000	\$30,209,009	\$81,687,410	25.1%
Lexington Capital Partners VII	5.58	\$200,000,000	\$43,070,740	\$116,892,495	16.3%
TA XI	4.92	N/A	-\$39,276,033	\$0	17.0%
Snow Phipps II	4.89	N/A	-\$14,087,424	\$0	14.5%
Pantheon Global Secondary Fund IV	4.86	\$100,000,000	\$13,950,034	\$42,240,935	16.4%
JH Whitney VII	4.72	\$75,000,000	\$50,002,169	\$63,019,885	9.7%
Trident V	4.67	\$75,000,000	\$65,407,957	\$78,722,067	7.3%
RCP Advisors Fund VII	4.58	\$50,000,000	\$28,512,538	\$35,714,272	10.1%
EnerVest Energy XII A	4.51	\$60,000,000	\$21,933,684	\$47,280,267	13.4%
EnCap Energy Capital Fund VIII	4.37	\$75,000,000	\$43,144,583	\$48,439,502	4.3%
Cortec Group V	4.20	\$50,000,000	\$40,555,361	\$53,732,602	15.2%
Montagu Private Equity Fund IV	4.10	€ 40,000,000	\$26,285,473	\$30,678,959	6.4%
Wellspring Capital Partners V	4.00	\$150,000,000	\$78,319,054	\$93,930,351	8.5%
Grove Street Partners Buyouts II	3.94	\$200,000,000	\$81,953,407	\$90,859,081	5.9%

Private Equity Dollar-Weighted Performance (continued) Cumulative Performance Measures Since Inception Through June 30, 2015					
Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR*
Fairview Special Opportunities Fund	3.92	\$35,000,000	\$129,286,749	\$190,702,682	29.6%
ABRY Partners VII	3.89	\$75,000,000	\$55,956,847	\$78,291,547	12.1%
Hellman & Friedman Capital Partners VII	3.89	\$200,000,000	\$100,611,317	\$133,639,225	10.4%
Berkshire Fund VIII	3.85	\$60,000,000	\$33,783,553	\$35,317,046	2.6%
Strategic Investors Fund V A	3.75	\$125,000,000	\$83,739,806	\$106,839,129	14.1%
Francisco Partners III	3.68	\$75,000,000	\$60,992,488	\$86,056,398	15.5%
TPG Growth II	3.52	\$100,000,000	\$80,545,628	\$125,062,111	31.5%
TrueBridge - FLSBA Special Purpose	3.45	\$50,000,000	\$37,475,000	\$53,022,771	21.8%
TrueBridge - Kauffman Fellows Endowment Fund II	3.45	\$100,000,000	\$63,402,350	\$125,590,328	18.6%
Lexington Co-Investment Partners 2005 II Pool III	3.38	\$500,000,000	\$280,146,227	\$378,529,521	18.6%
Platinum Equity Capital Partners III	3.26	\$200,000,000	\$26,762,998	\$88,519,052	34.6%
Denham Commodity Partners Fund VI	3.25	\$100,000,000	\$34,646,904	\$39,727,071	6.6%
Thoma Bravo Fund X	3.24	\$100,000,000	\$24,121,976	\$90,284,249	31.4%
Providence Equity Partners VII	3.14	\$150,000,000	\$82,232,692	\$84,603,968	2.5%
Warburg Pincus Private Equity XI	3.10	\$200,000,000	\$114,296,985	\$147,724,968	16.2%
AXA Secondary Fund V	3.05	\$100,000,000	\$37,898,597	\$72,123,885	21.4%
Summit Partners Growth Equity Fund VIII A	3.04	N/A	-\$25,943,230	\$0	22.9%
RCP Advisors Fund VIII	3.00	\$50,000,000	\$17,535,407	\$16,581,273	-4.2%
Strategic Investors Fund V A Opportunity	2.95	\$50,000,000	\$32,756,961	\$41,187,566	14.0%
Carlyle Partners VI	2.69	\$200,000,000	\$65,471,252	\$63,466,025	-3.1%
Grove Street Partners Ventures III	2.69	\$150,000,000	\$56,721,136	\$60,127,371	7.0%
Apax VIII	2.67	\$157,584,000	\$59,629,873	\$67,011,925	9.1%
Green Equity Investors VI	2.67	\$200,000,000	\$107,274,100	\$121,325,839	10.1%
Ares Corporate Opportunities Fund IV	2.65	\$200,000,000	\$120,281,606	\$132,079,844	8.3%
Advent International GPE VII	2.56	€ 100,000,000	\$67,381,106	\$83,657,938	15.0%
Silver Lake Partners IV	2.52	\$100,000,000	\$24,804,464	\$38,534,880	51.5%
EnCap Energy Capital Fund IX	2.47	\$75,000,000	\$37,751,333	\$34,628,791	-8.8%
Lexington Middle Market Investors III	2.46	\$100,000,000	\$23,603,070	\$27,099,644	14.4%
EnerVest Energy Institutional Fund XIII A	2.44	\$100,000,000	\$95,844,785	\$85,104,345	-10.8%
SVB Strategic Investors Fund VI A	2.25	\$125,000,000	\$56,942,478	\$56,370,801	-1.3%
TowerBrook Investors IV	2.14	\$190,000,000	\$15,132,624	\$17,759,603	16.4%
KKR Asia Fund II	2.04	\$100,000,000	\$33,063,931	\$40,886,748	20.3%
TrueBridge-Kauffman Fellows Endowment Fund III	2.01	\$150,000,000	\$57,544,440	\$57,620,295	0.2%
KPS Special Situations Fund IV	2.01	\$150,000,000	\$13,332,778	\$15,408,186	14.5%
Riverside Capital Appreciation Fund VI	2.01	\$75,000,000	\$27,422,571	\$26,638,181	-3.6%
TrueBridge - FLSBA Special Purpose III	2.01	\$25,000,000	\$7,871,388	\$8,737,755	26.2%
Insight Venture Partners VIII	2.01	\$75,000,000	\$66,674,037	\$73,998,987	8.5%
W Capital Partners III	1.89	\$75,000,000	\$30,509,208	\$31,403,454	2.9%
Thoma Bravo Special Opportunities Fund I	1.86	\$50,000,000	\$29,728,537	\$39,043,071	24.9%
Apollo Investment Fund VIII	1.84	\$200,000,000	\$43,205,237	\$41,173,503	-8.6%
AXA LBO Fund V	1.84	€ 58,000,000	\$47,069,604	\$39,899,620	-11.2%

Private Equity Dollar-Weighted Performance (continued)
Cumulative Performance Measures Since Inception Through June 30, 2015

Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR*
DCPF VI Oil and Gas Coinvestment Fund	1.75	\$50,000,000	\$13,279,316	\$12,542,476	-5.9%
CVG Capital Partners VI	1.71	\$75,000,000	\$7,487,598	\$5,482,743	-26.3%
Energy Capital Partners III	1.42	\$150,000,000	\$31,223,071	\$25,543,891	-23.7%
ASF VI	1.42	\$150,000,000	\$49,576,672	\$59,354,886	26.4%
Permira V	1.40	€73,800,000	\$49,361,742	\$45,465,316	-11.2%
New Mountain Partners IV	1.40	\$100,000,000	\$20,533,263	\$21,772,276	15.0%
Atlas Capital Resources II	1.40	\$20,000,000	\$5,495,575	\$6,057,792	20.1%
Post Oak Energy Partners II	1.37	\$25,000,000	\$3,601,521	\$2,761,507	-61.5%
SVB Capital Partners III	1.23	\$22,500,000	\$6,581,215	\$6,734,917	3.2%
Asia Alternatives FL Investor	1.13	\$150,000,000	\$22,208,376	\$20,718,394	-20.7%
RCP Advisors Fund IX	1.13	\$100,000,000	\$5,048,988	\$4,276,460	-36.3%
Thoma Bravo Fund XI	1.07	\$150,000,000	\$73,433,266	\$72,384,258	-2.9%
The Energy & Minerals Group Fund III	1.04	\$85,000,000	\$59,758,220	\$59,481,470	-0.7%
Rubicon Technology Partners	1.00	\$50,000,000	\$7,766,265	\$6,669,816	-15.9%
EnCap Flatrock Midstream Fund III	0.98	\$50,000,000	\$2,298,886	\$1,528,662	N/A
Freeman Spogli Equity Partners VII	0.98	\$100,000,000	\$11,803,540	\$10,103,391	N/A
Trident VI	0.90	\$75,000,000	\$12,643,635	\$11,442,291	N/A
Lexington Capital Partners VIII	0.90	\$200,000,000	\$17,725,445	\$28,179,589	N/A
Accel-KKR Structured Capital Partners II	0.90	\$25,000,000	\$1,992,474	\$1,213,669	N/A
Charlesbank Equity Fund VIII	0.90	\$100,000,000	\$9,142,177	\$9,135,837	N/A
Strategic Investors Fund VII	0.73	\$125,000,000	\$10,093,677	\$10,062,500	N/A
OpenView Venture Partners IV	0.66	\$30,000,000	\$3,725,690	\$3,238,946	N/A
ABRY Partners VIII	0.56	\$75,000,000	\$16,662,182	\$15,256,889	N/A
Hellman & Friedman Capital Partners VIII	0.56	\$200,000,000	\$41,794	\$0	N/A
Inflexion Partnership Capital Fund I	0.56	£16,700,000.00	\$404,683	-\$809	N/A
Inflexion Buyout Fund IV	0.56	£33,300,000.00	\$550,245	\$155,708	N/A
Insight Venture Partners IX	0.43	\$75,000,000	\$12,017,113	\$11,364,673	N/A
Siris Partners III	0.43	\$50,000,000	\$592,780	-\$29,587	N/A
Cressey & Company Fund V	0.41	\$75,000,000	\$10,173,552	\$10,125,000	N/A
Francisco Partners IV	0.41	\$75,000,000	\$14,511,256	\$13,743,750	N/A
EnCap Energy Capital Fund X	0.26	\$100,000,000	\$3,765,734	\$3,265,319	N/A
Venture Overage Fund	0.26	\$125,000,000	\$74,512,500	\$74,512,500	N/A
Fairview Special Opportunities Fund II	0.23	\$75,000,000	\$2,442,277	\$2,313,935	N/A
WPEF VI Feeder	0.20	\$70,000,000	\$52,642	\$0	N/A
Thoma Bravo Special Opportunities Fund II	0.17	\$50,000,000	\$12,841,526	\$12,716,526	N/A
TPG Growth III	0.16	\$100,000,000	\$51,489	\$0	N/A
Insight Venture Partners Growth-Buyout Coinvestment Fund	0.14	\$50,000,000	\$8,500,000	\$8,500,000	N/A
Equistone Partners Europe Fund V	0.12	\$100,000,000	\$6,226,582	\$5,470,457	N/A
WPEF VI Overflow Feeder	0.12	\$40,000,000	\$18,627	\$0	N/A
Private Equity ex Cash ex Transition			\$1,200,111,468	\$8,028,268,955	8.8%

* N/A - Not applicable as the IRR for less than one year of performance is not reported.

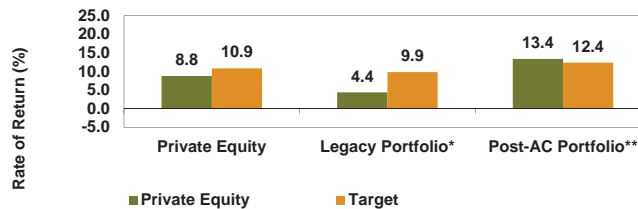


Private Equity

Dollar-Weighted Investment Results

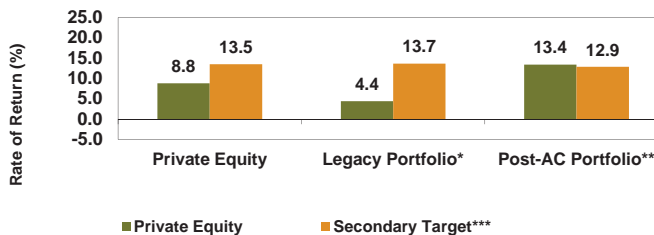
As of June 30, 2015

Since Inception



As of June 30, 2015

Since Inception



*The Inception Date for the Legacy Portfolio is January 1989.

**The Inception Date for the Post-AC Portfolio is September 2000.

***The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.



Real Estate

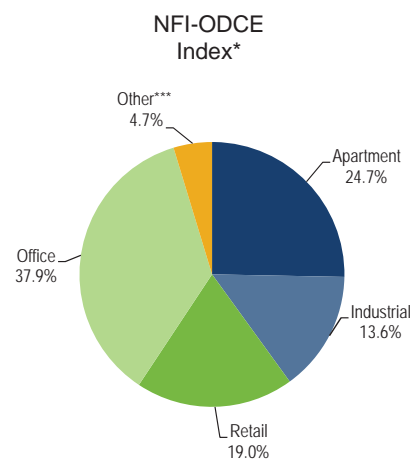
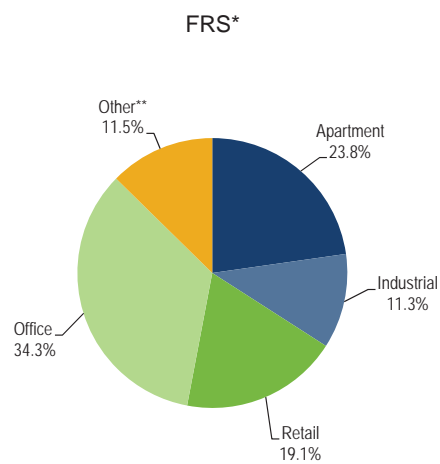
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Real Estate

As of June 30, 2015

Overview



*Property Allocation data is as of March 31, 2015. The FRS chart includes only the FRS private real estate assets. Property type information for the REIT portfolios is not included.

**Other for the FRS consists of Hotel, Land, Preferred Equity, Agriculture, Self-Storage and Senior Housing.

***Other for the NFI-ODCE Index consists of Hotel, Senior Living, Health Care, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.

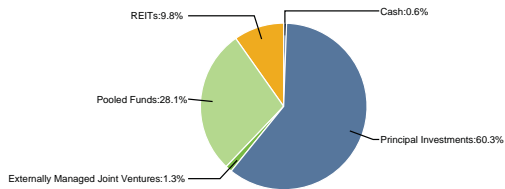
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Real Estate Portfolio Overview

Current Allocation

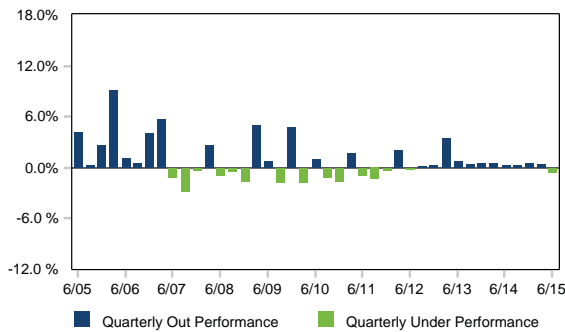
June 30, 2015 : \$12,284M



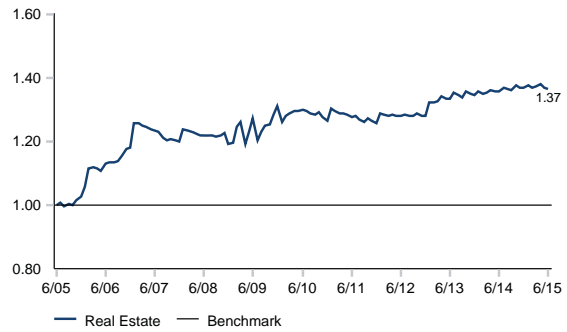
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years

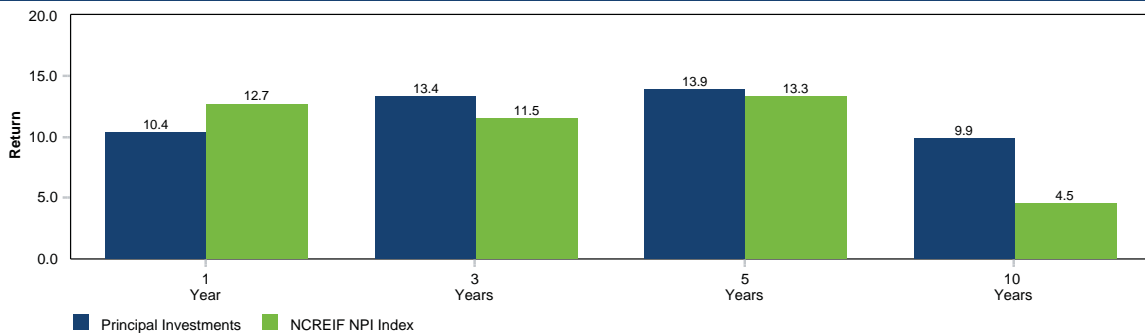


Principal Investments

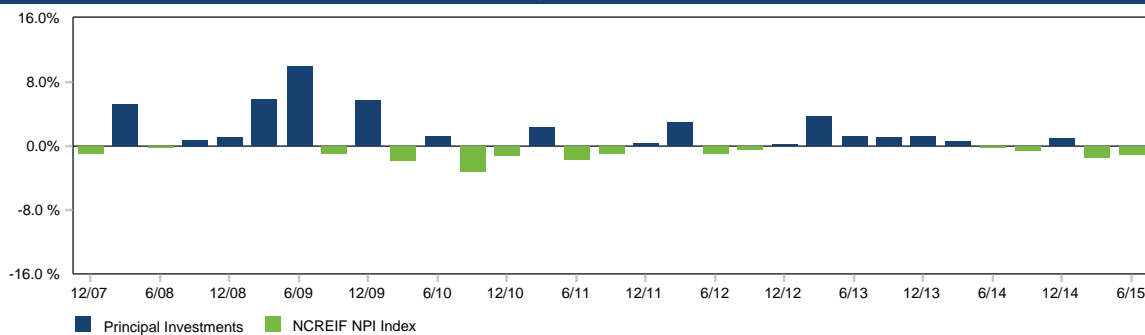
As of June 30, 2015

Principal Investments

Return Summary



Quarterly Excess Performance

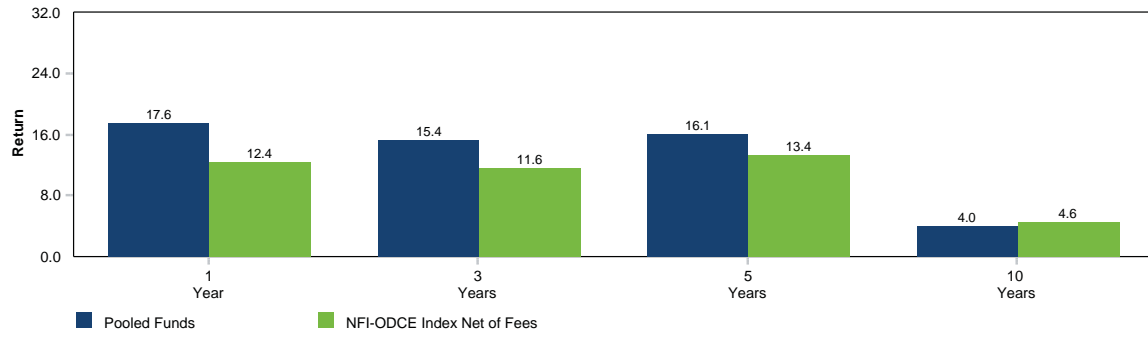


Pooled Funds

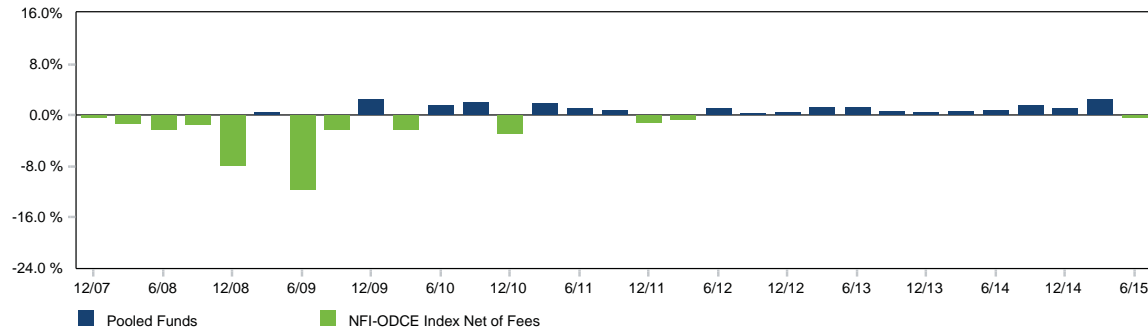
As of June 30, 2015

Pooled Funds

Return Summary



Quarterly Excess Performance

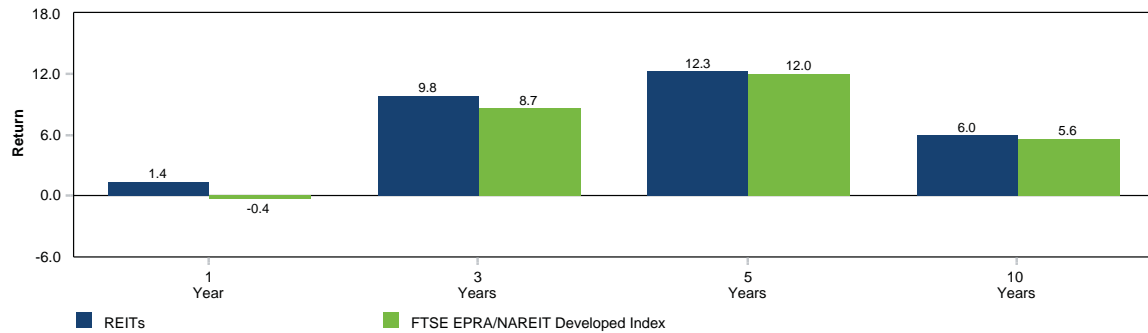


REITs

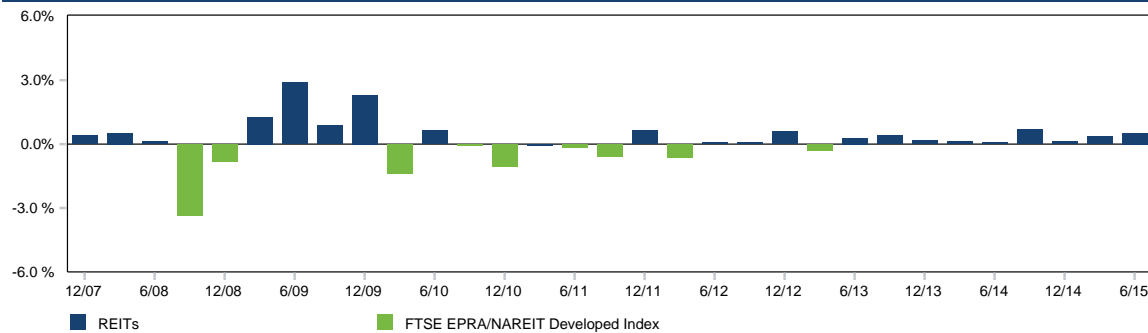
As of June 30, 2015

REITs

Return Summary



Quarterly Excess Performance



Real Estate Pooled Funds Dollar-Weighted Performance Measures Through June 30, 2015				
Name	Years Since Inception	Commitment	Net Asset Value	Since Inception Managed Return*
Pooled Funds				
Beacon Capital Strategic Partners Fund V	8.03	\$100,000,000	\$20,116,205	-8.2%
Blackstone Asia	1.52	\$200,000,000	\$102,655,538	9.9%
Blackstone Real Estate Partners VI	8.01	\$200,000,000	\$186,162,681	15.2%
Blackstone Real Estate Partners VII	3.21	\$300,000,000	\$304,511,746	24.7%
Brookfield-Fairfield US Multi	2.89	\$50,000,000	\$53,604,824	18.6%
Brookfield-Fairfield US Multi II	1.47	\$75,000,000	\$33,941,527	9.6%
CapMan Nordic Real Estate Fund	0.52	€50,000,000	\$22,996,456	N/A
Carlyle Realty Partners VI	3.49	\$83,000,000	\$60,665,045	23.9%
Carlyle Realty Partners VII	1.00	\$50,000,000	\$4,703,440	N/A
CIM Fund VIII	0.52	\$50,000,000	\$14,614,056	N/A
Diamond Property Fund	9.00	\$100,000,000	\$27,767,884	-9.7%
Europa Fund IV	1.13	€74,000,000	\$34,270,273	-8.4%
Heitman Value Partners III	0.17	\$50,000,000	\$8,630,594	N/A
Hines US Office Value Added Fund II	7.86	\$135,437,699	\$39,847,345	-9.3%
JP Morgan European Opportunistic Property Fund III	0.67	€50,000,000	-\$198,160.86	N/A
JP Morgan Pooled Fund	11.91	\$250,000,000	\$359,433,989	6.4%
JP Morgan Special Situation Fund	8.15	\$150,000,000	\$154,278,901	1.2%
Prime Property Fund	9.09	\$250,000,000	\$334,682,151	5.6%
Principal Financial Group Pooled Fund	11.99	\$175,000,000	\$298,872,314	6.3%
Prologis US Logistics Fund	0.67	\$100,000,000	\$0	N/A
Prudential PRISA	10.26	\$250,000,000	\$297,311,400	4.0%
Prudential PRISA Fund II	7.84	\$145,000,000	\$164,784,699	3.6%
Prudential PRISA III	7.50	\$150,000,000	\$193,633,243	8.2%
Rockpoint Fund V	NOT FUNDED	\$100,000,000	\$0	N/A
Rockpoint Real Estate Fund III	7.55	\$100,000,000	\$16,265,237	15.3%
Rockpoint Real Estate Fund IV	3.00	\$100,000,000	\$48,793,368	29.9%
RREEF America REIT Pooled Fund	12.01	\$250,000,000	\$274,921,413	5.5%
Starwood Opportunity Fund IX	2.58	\$100,000,000	\$82,031,753	34.9%
Starwood Opportunity Fund X	0.90	\$150,000,000	\$1,511,369	N/A
Tristan EPISO 3	1.36	€55,000,000	\$39,123,966	-10.9%
UBS Pooled Fund	12.01	\$200,000,000	\$270,083,349	7.0%
Total Pooled Funds			\$3,450,016,606	5.5%

* N/A - Not applicable as the IRR for less than one year of performance is not reported.

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Strategic Investments

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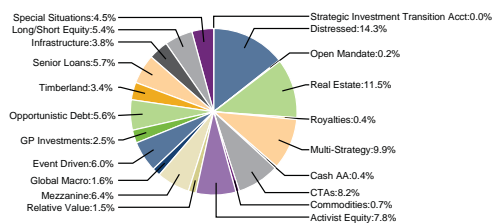
Strategic Investments

As of June 30, 2015

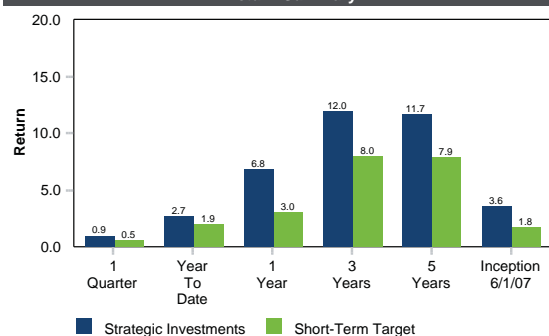
Strategic Investments Portfolio Overview

Current Allocation

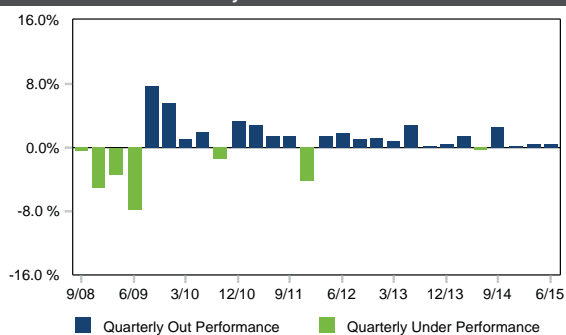
June 30, 2015 : \$10,219M



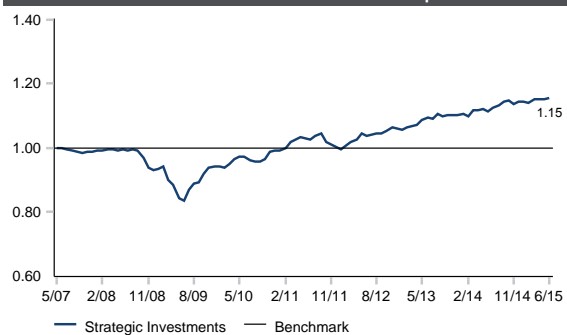
Return Summary



Quarterly Excess Performance



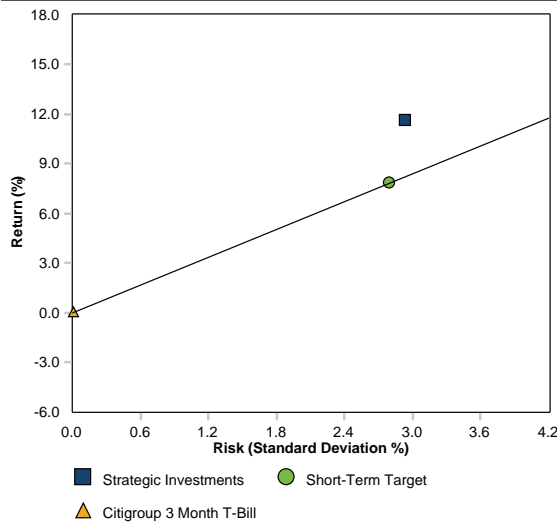
Ratio of Cumulative Wealth - Since Inception



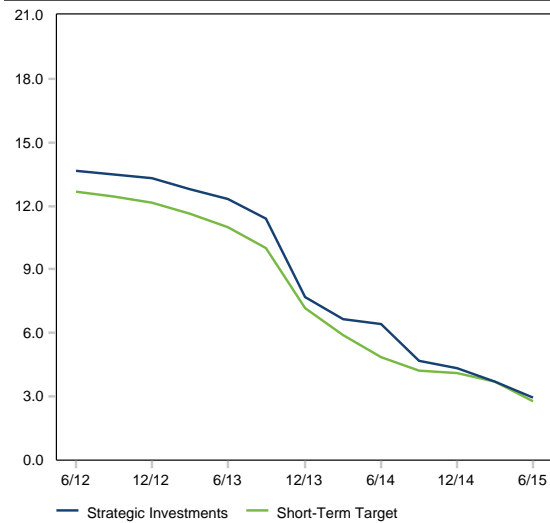
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Strategic Investments Risk Profile

Annualized Return vs. Annualized Standard Deviation
5 Years

Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Strategic Investments	3.48	2.92	1.19	0.23	3.77	7.25	0.51	11.65	2.94	0.48
Short-Term Target	0.00	0.00	N/A	1.00	2.71	0.00	1.00	7.86	2.80	1.00
Citigroup 3 Month T-Bill	-7.57	2.80	-2.71	0.07	N/A	0.05	0.00	0.06	0.02	0.27

Strategic Investments Value-Added Returns
For Time Periods Ending June 2015

Style/Manager	Commitment	1 Year			3 Year			5 Year			Since Inception		
		Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added
Senior Loans:													
ABRY Advanced Securities Fund	\$150,000,000	17.67%	4.80%	12.87%	33.25%	5.94%	27.31%	25.18%	6.65%	18.53%	24.50%	6.08%	18.42%
ABRY Advanced Securities Fund II	\$150,000,000	8.63%	4.80%	3.83%	16.68%	5.94%	10.74%				11.48%	6.41%	5.07%
ABRY Advanced Securities Fund III	\$150,000,000	212.05%	4.80%	207.25%							185.89%	5.14%	180.75%
Apollo Credit Liquidity Fund	\$238,233,051	-9.21%	4.80%	-14.01%	9.97%	5.94%	4.03%	12.54%	6.65%	5.89%	10.64%	6.68%	3.96%
Audax Credit Opportunities	\$200,000,000	6.53%	4.80%	1.73%	7.12%	5.94%	1.18%				6.68%	6.66%	0.22%
Blackstone Credit Liquidity Partners, L.P.	\$250,000,000	61.28%	4.80%	56.48%	39.75%	5.94%	33.81%	30.30%	6.65%	23.65%	21.17%	6.68%	14.49%
Providence TMT Debt Opportunity Fund II, L.P.	\$100,000,000	9.78%	4.80%	4.98%	13.38%	5.94%	7.44%				8.98%	6.52%	2.46%
Providence TMT Special Situation Fund	\$150,000,000	36.56%	4.80%	31.76%	21.60%	5.94%	15.66%	16.61%	6.65%	9.96%	14.85%	6.57%	8.28%
Providence Debt Fund III, L.P.	\$150,000,000	13.08%	4.80%	8.28%							3.84%	5.71%	-1.87%
Mezzanine:													
ABRY Senior Equity III, L.P.	\$60,000,000	34.34%	4.80%	29.54%	24.66%	5.94%	18.72%	12.11%	6.65%	5.46%	12.11%	6.65%	5.46%
ABRY Senior Equity IV, L.P.	\$60,000,000	9.74%	4.80%	4.94%							6.20%	5.87%	0.33%
Carlyle Mezzanine Partners II, L.P.	\$150,000,000	8.91%	4.80%	4.11%	12.65%	5.94%	6.71%	10.63%	6.65%	3.98%	7.34%	6.28%	1.06%
Crescent Mezzanine Partners VI	\$150,000,000	8.40%	4.80%	3.60%							5.02%	6.02%	-1.00%
Falcon Strategic Partners III	\$75,000,000	8.74%	4.80%	3.94%	7.75%	5.94%	1.81%	11.18%	6.65%	4.53%	11.18%	6.77%	4.41%
Falcon Strategic Partners IV	\$100,000,000	15.97%	4.80%	11.17%							7.49%	5.87%	1.62%
GSO Capital Opportunities Fund	\$200,000,000	14.67%	4.80%	9.87%	22.64%	5.94%	16.70%	21.80%	6.65%	15.15%	18.99%	6.15%	12.84%
GSO Capital Opportunities Fund II	\$150,000,000	20.80%	4.80%	16.00%	21.52%	5.94%	15.58%				20.19%	6.23%	13.96%
Levine Leichtman Capital Partners IV	\$100,000,000	0.18%	4.80%	-4.62%	12.25%	5.94%	6.31%	16.97%	6.65%	10.32%	13.69%	6.63%	7.06%
Levine Leichtman Capital Partners V	\$200,000,000	17.41%	4.80%	12.61%							-65.69%	5.25%	-70.94%
TCW Crescent Mezzanine Partners V	\$150,000,000	9.12%	4.80%	4.32%	11.09%	5.94%	5.15%	11.17%	6.65%	4.52%	9.42%	6.20%	3.22%
VSS Structured Capital II	\$75,000,000	104.26%	4.80%	99.46%	49.77%	5.94%	43.83%	36.55%	6.65%	29.90%	21.60%	6.77%	14.83%
Distressed:													
Blackstone/GSO Capital Solutions Fund	\$100,000,000	-1.07%	4.80%	-5.87%	12.30%	5.94%	6.36%				13.03%	6.66%	6.37%
GSO Capital Solutions Fund II, L.P.	\$200,000,000	51.31%	4.80%	46.51%							162.93%	5.67%	157.26%
Castelake III, L.P.	\$75,000,000	28.00%	4.80%	23.20%							18.98%	6.19%	12.79%
Centerbridge Capital Partners III	\$125,000,000										-4.60%	0.00%	-4.60%
CVI Credit Value Fund A	\$100,000,000	15.44%	4.80%	10.64%	24.13%	5.94%	18.19%				18.42%	6.56%	11.86%
CVI Credit Value Fund II A, L.P.	\$200,000,000	3.66%	4.80%	-1.14%							11.89%	6.17%	5.72%
CVI Global Value Fund A-Class P	\$250,000,000	16.79%	4.80%	11.99%	24.97%	5.94%	19.03%	21.11%	6.65%	14.46%	21.73%	6.10%	15.57%
Distressed Managers II FL LP	\$150,000,000	14.36%	4.80%	9.56%	3.82%	5.94%	-2.12%	3.48%	6.65%	-3.17%	2.12%	0.00%	2.12%
Marathon European Credit Opportunity Fund II	\$100,000,000										4.64%	5.42%	-0.78%
Oaktree Opportunities Fund VIII, L.P.	\$100,000,000	-2.71%	4.80%	-7.51%	11.38%	5.94%	5.44%	9.79%	6.65%	3.14%	9.46%	6.72%	2.74%
Oaktree Opportunities Fund VIIIb, L.P.	\$50,000,000	0.55%	4.80%	-4.25%	8.20%	5.94%	2.26%				6.00%	5.90%	0.10%
Oaktree Opportunity Fund IX	\$100,000,000	-2.93%	4.80%	-7.73%							1.61%	6.33%	-4.72%
OCM Opportunities Fund VIIb	\$50,000,000	-10.66%	4.80%	-15.46%	8.29%	5.94%	2.34%	9.29%	6.65%	2.64%	9.51%	4.78%	4.73%
PCG Special Situations Partners, L.P.	\$150,000,000	13.92%	4.80%	9.12%	14.60%	5.94%	8.66%	8.53%	6.65%	1.88%	8.40%	0.00%	8.40%
Special Situation Partners II	\$100,000,000	4.00%	4.80%	-0.80%	7.80%	5.94%	1.86%	10.20%	6.65%	3.55%	6.09%	5.57%	0.52%
The Varde Fund XI (C), L.P.	\$200,000,000	5.98%	4.80%	1.18%							7.11%	5.87%	1.24%
Varde Fund X, L.P.	\$100,000,000	9.57%	4.80%	4.77%	14.31%	5.94%	8.37%	11.01%	6.65%	4.36%	10.05%	6.70%	3.35%
Wayzata Opportunities Fund II	\$50,000,000	22.35%	4.80%	17.55%	23.42%	5.94%	17.48%	20.33%	6.65%	13.68%	16.95%	5.12%	11.83%
Wayzata Opportunities Fund III, LP	\$150,000,000	-5.22%	4.80%	-10.02%							-13.52%	6.17%	-19.69%
Opportunistic Debt:													
Anchorage Capital Fund	\$150,000,000	5.46%	-3.74%	9.20%	13.64%	8.33%	5.31%				12.02%	8.07%	3.95%
King Street Capital Fund	\$200,000,000	1.04%	-3.74%	4.78%	7.80%	8.33%	-0.53%				5.11%	5.09%	0.02%
Canyon Value Realization Fund, L.P.	\$100,000,000										4.86%	5.18%	-0.32%

Strategic Investments Value-Added Returns (continued) For Time Periods Ending June 2015													
Style/Manager	Commitment	1 Year			3 Year			5 Year			Since Inception		
		Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added
Long/Short Equity:													
Highline Capital Partners	\$150,000,000	10.38%	6.01%	4.37%	14.65%	10.85%	3.80%				9.78%	5.62%	4.16%
Scopia PX LLC	\$100,000,000	13.95%	0.07%	13.88%	8.30%	8.73%	-0.43%				7.89%	6.47%	1.42%
Three Bridges Europe Fund LP	\$75,000,000	12.45%	6.01%	6.44%							11.21%	9.70%	1.51%
JHL Capital Group Fund LLC	\$100,000,000	11.07%	6.01%	5.06%							7.25%	6.52%	0.73%
Activist Equity:													
Cevian Capital II	\$100,000,000	0.65%	-7.65%	8.30%	13.98%	12.37%	1.61%	12.58%	10.02%	2.56%	12.58%	6.14%	6.44%
KV Partners	\$150,000,000	-17.80%	-7.65%	-10.15%	10.12%	12.37%	-2.25%				-2.61%	7.63%	-10.24%
P2 Capital Fund	\$100,000,000	4.18%	6.49%	-2.31%	18.91%	17.81%	1.10%				15.88%	15.25%	0.63%
Starboard Value and Opportunity Fund	\$200,000,000	20.88%	6.49%	14.39%	16.35%	17.81%	-1.46%				15.28%	11.58%	3.70%
GP Investments:													
Blackstone Unit Trusts		25.37%	7.29%	18.08%	42.68%	17.73%	24.95%	31.85%	17.54%	14.31%	6.88%	6.58%	0.30%
Lexington GP Holdings	\$41,250,000	44.11%	4.80%	39.31%	19.28%	5.94%	13.34%	24.51%	6.65%	17.86%	24.06%	6.66%	17.40%
Providence Equity Global Group	\$150,000,000	17.89%	4.80%	13.09%	5.80%	5.94%	-0.14%				5.80%	5.94%	-0.14%
Infrastructure:													
Global Infrastructure Partners II, L.P.	\$150,000,000	55.67%	4.80%	50.87%							32.56%	6.00%	26.56%
IFM Global Infrastructure (US) L.P.	\$300,000,000										2.77%	2.31%	0.46%
Timberland:													
Boston Timber Opportunities	\$300,000,000	5.49%	11.64%	-6.15%	9.22%	10.80%	-1.58%				8.48%	10.23%	-1.75%
Jackson Timberland Opportunities	\$200,000,000	10.12%	10.64%	-0.52%	7.23%	9.80%	-2.57%				6.83%	9.35%	-2.52%
Commodities:													
EIG Energy Fund XVI, L.P.	\$100,000,000	-58.69%	4.80%	-63.49%							-57.37%	5.67%	-63.04%
Orion Mine Finance Fund I	\$100,000,000	-5.83%	4.80%	-10.63%							-2.54%	6.17%	-8.71%
Real Estate:													
BlackRock Carbon Capital V	\$150,000,000	8.69%	4.80%	3.89%							5.39%	5.87%	-0.48%
Principal RE Debt (SBAF Mortgage Fund)	\$600,000,000	8.73%	4.80%	3.93%	9.30%	5.94%	3.36%	10.20%	6.65%	3.55%	6.05%	6.46%	-0.41%
Bayview Opportunity Fund IIb	\$150,000,000	15.59%	4.80%	10.79%							10.55%	6.33%	4.22%
Bayview Opportunity Master Fund II b	\$100,000,000	35.14%	4.80%	30.34%	35.89%	5.94%	29.95%				23.11%	6.66%	16.45%
Cerberus Institutional Real Estate Partners III, L.P.	\$150,000,000	16.40%	4.80%	11.60%							7.76%	5.71%	2.05%
Colony Distressed Credit Fund II	\$75,000,000	10.14%	4.80%	5.34%	12.13%	5.94%	6.19%				9.84%	6.19%	3.65%
Square Mile Partners III	\$100,000,000	16.77%	4.80%	11.97%	14.74%	5.94%	8.80%	14.79%	6.65%	8.14%	8.10%	6.70%	1.40%
Tricon Housing Partners US LP	\$105,000,000	13.31%	4.80%	8.51%	12.81%	5.94%	6.87%	11.79%	6.65%	5.14%	9.32%	6.16%	3.16%
Tricon Housing Partners US II LP	\$100,000,000	15.45%	4.80%	10.65%							12.29%	6.08%	6.21%
TriGate Property Partners II, L.P.	\$50,000,000	8.51%	4.80%	3.71%							-2.34%	5.90%	-8.24%
Colony Distressed Credit and Special Situations Fund III	\$150,000,000	53.89%	4.80%	49.09%							7.76%	5.71%	2.05%
Bayview Opportunity Fund IV b LLC	\$150,000,000										-11.05%	-1.58%	-9.47%
Benefit Street Partners CRE Conduit Company L.P.	\$125,000,000										-15.14%	3.41%	-18.55%

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Strategic Investments Value-Added Returns (continued) For Time Periods Ending June 2015													
Style/Manager	Commitment	1 Year			3 Year			5 Year			Since Inception		
		Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added
Macro:													
MKP Opportunity Partners, L.P.	\$150,000,000	7.88%	4.79%	3.09%							7.24%	4.92%	2.32%
Relative Value:													
Overland Relative Value Fund	\$150,000,000										0.13%	0.27%	-0.14%
CTAs:													
Caerus DT Fund, LLC	\$300,000,000										9.52%	9.87%	-0.35%
Elan Fund LP	\$300,000,000										6.57%	6.81%	-0.24%
AQR Managed Futures Fund II	\$200,000,000										-4.03%	-3.92%	-0.11%
Royalties:													
Healthcare Royalty Partners III, L.P.	\$65,000,000										21.51%	2.77%	18.74%
Vine Media Opportunities Fund III	\$100,000,000										-1.77%	6.31%	-8.08%
Event Driven:													
Gruss Global Investors Fund	\$150,000,000	4.96%	5.83%	-0.87%	6.66%	8.58%	-1.92%				4.86%	6.23%	-1.37%
Mason Capital Fund	\$200,000,000	-18.37%	-1.99%	-16.38%	-1.79%	8.58%	-10.37%				-0.63%	3.73%	-4.36%
Litespeed Partners, L.P.	\$100,000,000	-14.83%	-1.99%	-12.84%							-5.04%	3.32%	-8.36%
Luxor Capital Partners	\$100,000,000	-7.82%	-1.99%	-5.83%							-4.27%	2.41%	-6.68%
Multi-Strategy:													
Davidson Kemper Institutional Partners	\$100,000,000	2.14%	-1.99%	4.13%							4.64%	4.84%	-0.20%
OZ Domestic Partners II, L.P.	\$200,000,000	10.98%	2.49%	8.49%	11.09%	10.21%	0.88%				11.09%	10.21%	0.88%
Taconic Opportunity Fund	\$200,000,000	0.88%	-1.99%	2.87%	8.61%	8.58%	0.03%				5.58%	3.75%	1.83%
York Capital Management L.P.	\$150,000,000	2.55%	-1.99%	4.54%							13.37%	8.56%	4.81%
HBK Fund II, L.P.	\$150,000,000	1.07%	-1.99%	3.06%							4.32%	4.84%	-0.52%
Open Mandate:													
Coastline Fund	\$250,000,000										-0.26%	0.00%	-0.26%
Special Situations:													
Castlake Aviation II	\$75,000,000	7.17%	4.80%	2.37%	12.81%	5.94%	6.87%				12.69%	6.76%	5.93%
Florida Growth Fund	\$250,000,000	3.39%	4.80%	-1.41%	7.92%	5.94%	1.98%	9.81%	6.65%	3.16%	5.87%	6.65%	-0.78%
Florida Growth Fund Credit Tranche	\$100,000,000	3.32%	4.80%	-1.48%									
Florida Growth Fund Tranche II	\$150,000,000	13.41%	4.80%	8.61%	6.57%	5.94%	0.63%				6.39%	6.02%	0.37%
G.I. Partners Fund IV, L.P.	\$150,000,000	-28.99%	4.80%	-33.79%							-86.62%	5.90%	-92.52%
GI Partners III	\$100,000,000	5.40%	4.80%	0.60%	13.83%	5.94%	7.89%	15.12%	6.65%	8.47%	10.99%	6.70%	4.29%
TSSP Adjacent Opportunities Partners, L.P.	\$100,000,000										4.93%	6.65%	-1.72%
Cash													
Strategic Investments Cash		0.27%	0.03%	0.24%	0.22%	0.03%	0.19%	0.26%	0.05%	0.21%	-0.11%	0.59%	-0.75%
Strategic Investments													
		8.81%	3.52%	5.29%	14.00%	6.33%	7.67%	13.70%	7.45%	6.25%	9.84%	7.21%	2.63%

Value-Added returns are managed returns minus benchmark returns.

Transition accounts are included in the total aggregate.

Terminated portfolios are not shown individually but are included in the aggregate.

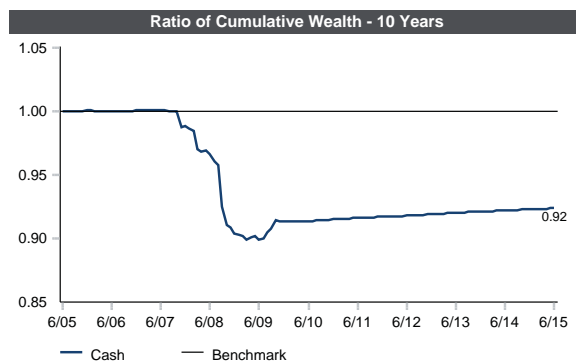
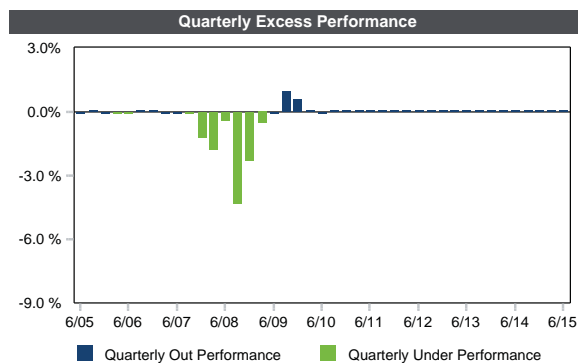
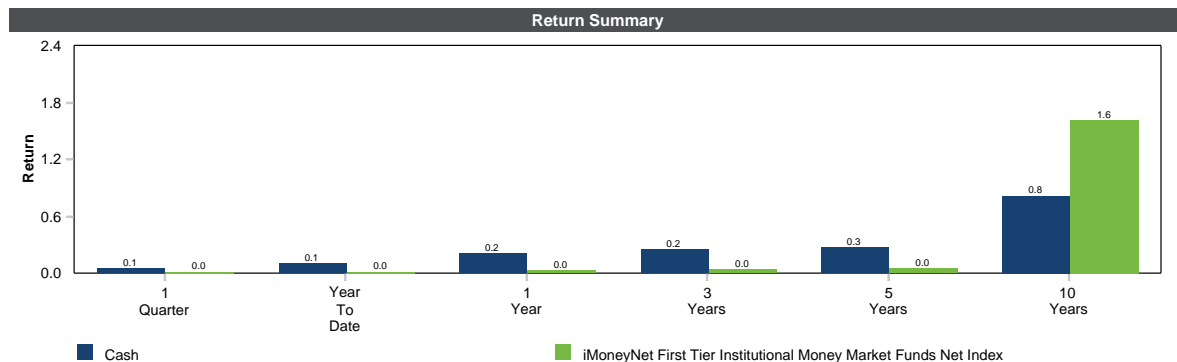
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Cash

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Cash As of June 30, 2015 Cash Performance Summary



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Historical Policy Allocation

	Global Equity	Domestic Equity	Foreign Equity	Global Equity Legacy	Strategic Investments	Fixed Income	Real Estate	Private Equity	High Yield	Cash
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
6/30/2015	57.9	--	--	--	6.8	20.2	8.2	5.9	--	1.0
3/1/2015	58.6	--	--	--	6.6	20.4	8.0	5.5	--	1.0
12/31/2014	58.8	--	--	--	6.3	20.5	7.8	5.6	--	1.0
9/30/2014	59.3	--	--	--	5.7	20.8	7.5	5.6	--	1.0
6/30/2014	59.7	--	--	--	5.4	20.9	7.6	5.4	--	1.0
3/1/2014	60.0	--	--	--	5.5	20.9	7.4	4.9	--	1.2
12/31/2013	57.5	--	--	--	5.2	24.0	7.2	5.0	--	1.0
9/30/2013	57.2	--	--	--	5.2	24.0	7.4	5.1	--	1.0
6/30/2013	57.4	--	--	--	5.0	24.0	7.5	5.1	--	1.0
3/1/2013	57.6	--	--	--	4.8	24.0	7.6	5.0	--	1.0
12/31/2012	57.2	--	--	--	5.0	24.0	7.5	5.2	--	1.0
9/30/2012	57.5	--	--	--	4.7	24.0	7.6	5.2	--	1.0
6/30/2012	55.6	--	--	--	4.4	26.0	7.7	5.3	--	1.0
3/1/2012	57.1	--	--	--	4.0	26.0	7.2	4.7	--	1.0
12/31/2011	56.8	--	--	--	4.1	26.0	7.2	4.9	--	1.0
9/30/2011	57.6	--	--	--	3.7	26.0	6.9	4.7	--	1.0
6/30/2011	59.2	--	--	--	3.2	26.0	6.4	4.3	--	1.0
3/1/2011	60.0	--	--	--	2.6	26.0	6.3	4.0	--	1.0
12/31/2010	59.6	--	--	--	2.8	26.0	6.3	4.3	--	1.0
9/30/2010	58.2	--	--	--	4.2	26.0	6.5	4.2	--	1.0
6/30/2010	--	36.5	19.2	--	3.9	27.2	6.3	4.0	1.9	1.0
3/1/2010	--	37.1	19.3	--	3.7	27.3	6.2	3.6	1.9	1.0
12/31/2009	--	37.1	19.3	--	3.6	27.2	6.4	3.5	1.9	1.0
9/30/2009	--	37.0	19.3	--	3.5	26.9	6.9	3.5	1.9	1.0
6/30/2009	--	36.5	19.3	--	3.4	26.4	7.9	3.6	1.9	1.0
3/1/2009	--	34.4	19.3	--	3.6	25.0	10.0	4.8	1.9	1.0
12/31/2008	--	34.6	19.2	--	4.0	25.0	9.8	4.5	1.9	1.0
9/30/2008	--	36.2	19.1	--	4.3	26.1	7.9	3.5	1.9	1.0
6/30/2008	--	36.8	19.2	--	4.2	26.5	7.3	3.2	1.9	1.0
3/1/2008	--	36.3	19.1	--	4.5	26.3	7.4	3.7	1.8	1.0
12/31/2007	--	37.7	18.7	--	4.5	26.8	6.6	3.4	1.6	1.0
9/30/2007	--	38.9	17.8	--	4.4	27.1	6.2	3.2	1.4	1.0
6/30/2007	--	42.6	14.4	--	4.4	27.3	5.9	3.2	1.4	1.0
03/01/04 - 03/31/04	--	50.6	14.0	3.0	--	22.4	5.6	3.4	--	1.0
02/02/04 - 02/29/04	--	50.5	14.0	3.0	--	22.6	5.5	3.4	--	1.0
01/01/04 - 02/01/04	--	51.3	14.0	2.0	--	22.7	5.5	3.5	--	1.0
12/01/03 - 12/31/03	--	51.1	14.0	2.0	--	22.8	5.5	3.6	--	1.0
11/03/03 - 11/30/03	--	51.7	13.5	2.0	--	22.8	5.6	3.5	--	1.0
10/29/03 - 11/02/03	--	51.7	13.5	2.0	--	23.0	5.5	3.3	--	1.0
10/01/03 - 10/28/03	--	51.7	13.0	2.0	--	23.0	5.5	3.3	--	1.0
09/01/03 - 09/30/03	--	53.5	12.5	1.0	--	22.9	5.7	3.4	--	1.0
08/01/03 - 08/31/03	--	53.4	12.5	1.0	--	23.5	5.2	3.4	--	1.0
07/01/03 - 07/31/03	--	52.5	12.5	1.0	--	24.2	4.9	3.6	--	1.0
06/01/03 - 06/30/03	--	52.5	12.5	1.0	--	24.6	4.6	3.6	--	1.0
04/01/03 - 04/01/03	--	54.0	12.0	0.0	--	25.0	4.1	3.6	--	1.0
10/1/99 - 03/31/01	--	54.0	12.0	0.0	--	25.0	4.0	2.8	--	1.0
03/1/95 - 10/31/99	--	61.0	8.0	0.0	--	26.0	4.0	0.0	--	1.0
09/30/94 - 03/31/95	--	59.0	8.0	0.0	--	24.0	8.0	0.0	--	1.0
06/30/93 - 09/30/94	--	59.0	3.0	0.0	--	25.0	8.0	0.0	--	1.0
11/30/98 - 06/30/93	--	55.0	0.0	0.0	--	36.0	8.0	0.0	--	1.0
12/31/87 - 11/30/98	--	50.0	5.0	0.0	--	36.5	7.5	0.0	--	1.0
12/31/86 - 12/31/87	--	50.0	5.0	0.0	--	35.5	7.5	0.0	--	2.0
12/31/84 - 12/31/86	--	48.0	0.0	0.0	--	40.0	10.0	0.0	--	2.0

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As of June 30, 2015

Appendix

Total FRS Assets

Performance Benchmark - A combination of the Global Equity Target, the Barclays Capital U.S. Intermediate Aggregate Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Prior to October 1, 2013, the Performance benchmark was a combination of the Global Equity Target, the Barclays Aggregate Bond Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Prior to July 2010, the Performance Benchmark was a combination of the Russell 3000 Index, the Foreign Equity Target Index, the Strategic Investments Target Benchmark, the Barclays Aggregate Bond Index, the Real Estate Investments Target Index, the Private Equity Target Index, the Barclays U.S. High Yield Ba/B 2% Issuer Capped Index, and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. During this time, the short-term target policy allocations to Strategic Investments, Real Estate and Private Equity asset classes were floating and based on the actual average monthly balance of the Strategic Investments, Real Estate and Private Equity asset classes. The target weights shown for Real Estate and Private Equity were the allocations that the asset classes were centered around. The actual target weight floated around this target month to month based on changes in asset values.

Total Global Equity

Performance Benchmark - A custom version of the MSCI All Country World Investable Market Index, adjusted to exclude companies divested under the provisions of the Protecting Florida's Investments Act (PFIA). Prior to July 2010, the asset class benchmark is a weighted average of the underlying Domestic Equities, Foreign Equities and Global Equities historical benchmarks.

Total Domestic Equities

Performance Benchmark - The Russell 3000 Index. Prior to July 1, 2002, the benchmark was the Wilshire 2500 Stock Index. Prior to January 1, 2001, the benchmark was the Wilshire 2500 Stock Index ex-Tobacco. Prior to May 1, 1997, the benchmark was the Wilshire 2500 Stock Index. Prior to September 1, 1994, the benchmark was the S&P 500 Stock Index.

Total Foreign Equities

Performance Benchmark - A custom version of the MSCI ACWI ex-U.S. Investable Market Index adjusted to exclude companies divested under the PFIA. Prior to April 1, 2008, it was the MSCI All Country World Index ex-U.S. Investable Market Index. Prior to September 24, 2007, the target was the MSCI All Country World ex-U.S. Free Index. Prior to November 1, 1999, the benchmark was 85% MSCI Europe, Australasia and Far East (EAFE) Foreign Stock Index and 15% IFCI Emerging Markets Index with a half weight in Malaysia. Prior to March 31, 1995, the benchmark was the EAFE Index.

Total Global Equities

Performance Benchmark - Aggregated based on each underlying manager's individual benchmark. The calculation accounts for the actual weight and the benchmark return. The benchmarks used for the underlying managers include both the MSCI FSB All Country World ex-Sudan ex-Iran Net Index and MSCI FSB All Country World ex-Sudan ex-Iran Net Investable Market Index (IMI).

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As of June 30, 2015

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Total Fixed Income

Performance Benchmark - The Barclays Capital U.S. Intermediate Aggregate Index. Prior to October 1, 2013, it was the Barclays U.S. Aggregate Bond Index. Prior to June 1, 2007, it was the Fixed Income Management Aggregate (FIMA). Prior to July 1, 1999, the benchmark was the Florida High Yield Extended Duration Index. Prior to July 31, 1997, the benchmark was the Florida Extended Duration Index. Prior to July 1, 1989, the Salomon Brothers Broad Investment-Grade Bond Index was the benchmark. For calendar year 1985, the performance benchmark was 70% Shearson Lehman Extended Duration and 30% Salomon Brothers Mortgage Index.

Total Private Equity

Performance Benchmark - The MSCI All Country World Investable Market Index (ACWI IMI), adjusted to reflect the provisions of the Protecting Florida's Investments Act, plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2014, the benchmark was the domestic equities target index return (Russell 3000 Index) plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2010, it was the domestic equities target index return plus a fixed premium return of 450 basis points per annum. Prior to November 1, 1999, Private Equities was part of the Domestic Equities asset class and its benchmark was the domestic equities target index return plus 750 basis points.

Total Real Estate

Performance Benchmark - 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%. Prior to July 1, 2014, the benchmark was a combination of 90% NCREIF ODCE Index, net of fees, and 10% FTSE EPRA/NAREIT Developed Index, net of fees. Prior to July 1, 2010, it was a combination of 90% NCREIF ODCE Index, gross of fees, and 10% Dow Jones U.S. Select RESI. Prior to June 1, 2007, it was the Consumer Price Index plus 450 basis points annually. Prior to July 1, 2003, the benchmark was the Dow Jones U.S. Select Real Estate Securities Index Un-Levered. Prior to November 1, 1999, the benchmark was the Russell-NCREIF Property Index.

Total Strategic Investments

Performance Benchmark - Long-term, 5% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmarks.

Total Cash

Performance Benchmark - The iMoneyNet First Tier Institutional Money Market Funds Net Index. Prior to July 1, 2010, it was the iMoneyNet First Tier Institutional Money Market Funds Gross Index. Prior to June 1, 2007, it was the return of the Merrill Lynch 90-Day (Auction Average) Treasury Bill Yield Index.

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Appendix

Description of Benchmarks

Barclays Capital U.S. Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

Consumer Price Index (CPI) - The CPI, an index consisting of a fixed basket of goods bought by the typical consumer and used to measure consumer inflation.

FTSE EPRA/NAREIT Developed Index - An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate. This index covers the four primary core asset classes (Industrial, Retail, Office, and Apartment).

iMoneyNet First Tier Institutional Money Market Funds Net Index - An average of non-governmental institutional funds that do not hold any second tier securities. It includes money market mutual funds, net of fees, that invest in commercial paper, bank obligations and short-term investments in the highest ratings category and is open to corporations and fiduciaries only.

MSCI All Country World Investable Market Index - A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. This investable market index contains constituents from the large, mid, and small cap size segments and targets a coverage range around 99% of free-float adjusted market capitalization.

NCREIF ODCE Property Index - The NCREIF ODCE is a capitalization-weighted, gross of fee, time-weighted return index. The index is a summation of open-end funds, which NCREIF defines as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests.

Russell 3000 Index - A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This represents most publicly traded, liquid U.S. stocks.

Appendix

Description of Universes

Total Fund - A universe comprised of 78 total fund portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$1.5 trillion as of quarter-end and the average market value was \$15.4 billion.

Domestic Equity - A universe comprised of 66 total domestic equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$349.6 billion as of quarter-end and the average market value was \$3.6 billion.

Foreign Equity - A universe comprised of 62 total international equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$289.9 billion as of quarter-end and the average market value was \$2.9 billion.

Fixed Income - A universe comprised of 60 total fixed income portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$294.7 billion as of quarter-end and the average market value was \$2.9 billion.

Real Estate - A universe comprised of 36 total real estate portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$83.7 billion as of quarter-end and the average market value was \$871.8 million.

Private Equity - An appropriate universe for private equity is unavailable.

Strategic Investments - An appropriate universe for strategic investments is unavailable.

Explanation of Exhibits

Quarterly and Cumulative Excess Performance - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

Risk-Return Graph - The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return trade-offs associated with market portfolios, or index funds.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Performance Comparison - Plan Sponsor Peer Group Analysis - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.



FRS Investment Plan | Second Quarter 2015

Quarterly Investment Review

Visit the **Aon Hewitt Retirement and Investment Blog** (<http://retirementandinvestmentblog.aon.com>); sharing our best thinking.



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FRS Investment Plan

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As of June 30, 2015

Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	9,129,281,476	100.0	0.0	2.5	2.6	9.3	9.3	6.0
<i>Total Plan Aggregate Benchmark</i>			-0.1	2.0	2.1	8.8	8.8	5.5
Retirement Date	3,960,566,579	43.4						
FRS Retirement Income Fund	412,168,656	4.5	-0.7 (77)	1.2 (61)	-0.4 (100)	4.9 (85)	6.9 (77)	-
<i>Retirement Income Custom Index</i>			-0.3 (68)	1.3 (60)	-0.1 (100)	4.6 (92)	6.3 (79)	-
FRS 2015 Retirement Date Fund	424,796,033	4.7	-0.6 (61)	1.4 (55)	-0.2 (91)	5.7 (92)	7.5 (81)	-
<i>2015 Retirement Custom Index</i>			-0.3 (27)	1.5 (50)	0.1 (89)	5.6 (93)	7.1 (87)	-
FRS 2020 Retirement Date Fund	617,241,487	6.8	-0.4 (42)	1.8 (39)	0.4 (87)	7.6 (70)	8.7 (68)	-
<i>2020 Retirement Custom Index</i>			-0.2 (25)	1.8 (40)	0.5 (86)	7.3 (73)	8.4 (69)	-
FRS 2025 Retirement Date Fund	597,406,671	6.5	-0.2 (32)	2.3 (32)	1.0 (81)	9.3 (70)	9.9 (76)	-
<i>2025 Retirement Custom Index</i>			-0.1 (29)	2.1 (37)	0.9 (81)	9.1 (74)	9.6 (82)	-
FRS 2030 Retirement Date Fund	506,326,908	5.5	0.1 (33)	2.7 (26)	1.5 (71)	11.2 (57)	11.2 (53)	-
<i>2030 Retirement Custom Index</i>			0.0 (34)	2.5 (35)	1.3 (73)	10.9 (61)	10.9 (65)	-
FRS 2035 Retirement Date Fund	451,707,631	4.9	0.3 (21)	3.2 (23)	1.7 (81)	12.8 (37)	12.4 (40)	-
<i>2035 Retirement Custom Index</i>			0.2 (26)	2.9 (34)	1.4 (86)	12.6 (44)	12.1 (57)	-
FRS 2040 Retirement Date Fund	379,093,692	4.2	0.4 (23)	3.3 (23)	1.7 (82)	13.0 (48)	12.5 (42)	-
<i>2040 Retirement Custom Index</i>			0.3 (28)	2.9 (41)	1.4 (83)	12.7 (51)	12.1 (56)	-
FRS 2045 Retirement Date Fund	362,393,628	4.0	0.4 (23)	3.3 (27)	1.7 (86)	13.0 (61)	12.5 (71)	-
<i>2045 Retirement Custom Index</i>			0.3 (30)	2.9 (42)	1.4 (88)	12.7 (65)	12.1 (86)	-
FRS 2050 Retirement Date Fund	169,163,523	1.9	0.4 (25)	3.3 (26)	1.7 (80)	13.0 (62)	12.5 (65)	-
<i>2050 Retirement Custom Index</i>			0.3 (34)	2.9 (47)	1.4 (81)	12.7 (66)	12.1 (72)	-
FRS 2055 Retirement Date Fund	40,268,351	0.4	0.4 (33)	3.3 (35)	1.7 (80)	13.0 (72)	-	-
<i>2055 Retirement Custom Index</i>			0.3 (42)	2.9 (53)	1.4 (85)	12.7 (80)	-	-

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As of June 30, 2015

Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
Cash	869,957,034	9.5	0.1 (3)	0.1 (4)	0.2 (1)	0.2 (1)	0.2 (1)	1.6 (3)
FRS Money Market Fund	869,957,034	9.5	0.1 (3)	0.1 (4)	0.2 (1)	0.2 (1)	0.2 (1)	1.6 (3)
<i>iMoneyNet 1st Tier Institutional Net Index</i>			0.0 (22)	0.0 (23)	0.0 (22)	0.0 (23)	0.0 (24)	1.6 (3)
Real Assets	118,155,046	1.3						
FRS Real Assets Fund	118,155,046	1.3	-1.0	0.4	-4.6	-0.7	3.8	-
<i>FRS Custom Real Assets Index</i>			0.1	0.8	-4.3	-1.2	3.0	-
Fixed Income	640,501,172	7.0	-1.2 (99)	0.6 (72)	1.4 (8)	2.3 (39)	3.8 (30)	4.9 (13)
<i>Total Bond Index</i>			-1.2 (99)	0.6 (73)	1.6 (6)	2.1 (42)	3.6 (31)	4.5 (20)
FRS U.S. Bond Enhanced Index Fund	195,404,009	2.1	-1.7 (68)	-0.1 (60)	1.9 (59)	1.9 (3)	3.5 (33)	4.6 (28)
<i>Barclays Aggregate Index</i>			-1.7 (68)	-0.1 (60)	1.9 (62)	1.8 (4)	3.3 (35)	4.4 (35)
Pyramis Intermediate Duration Pool Fund	103,644,619	1.1	-0.6 (76)	0.8 (45)	1.6 (6)	2.0 (47)	3.2 (48)	4.2 (33)
<i>Barclays Intermediate Aggregate</i>			-0.7 (77)	0.6 (67)	1.9 (1)	1.7 (61)	2.9 (61)	4.2 (33)
FRS Core Plus Fixed Income Fund	341,452,543	3.7	-1.4 (44)	0.6 (22)	0.8 (74)	3.7 (29)	5.2 (24)	-
<i>FRS Custom Core-Plus Fixed Income Index</i>			-1.3 (36)	0.8 (15)	1.4 (56)	3.5 (35)	5.1 (28)	-
Domestic Equity	2,544,346,826	27.9	0.1 (48)	2.8 (41)	7.4 (41)	18.3 (38)	18.1 (24)	8.9 (21)
<i>Total U.S. Equities Index</i>			-0.1 (53)	2.4 (49)	6.7 (49)	17.6 (50)	17.4 (38)	8.2 (36)
FRS U.S. Stock Market Index Fund	733,632,347	8.0	0.1 (58)	2.0 (45)	7.4 (43)	17.8 (38)	17.6 (27)	8.2 (31)
<i>Russell 3000 Index</i>			0.1 (58)	1.9 (46)	7.3 (44)	17.7 (39)	17.5 (29)	8.2 (32)
FRS U.S. Large Cap Equity Fund	928,422,472	10.2	1.3 (17)	3.7 (25)	9.4 (30)	19.1 (24)	18.9 (14)	-
<i>Russell 1000 Index</i>			0.1 (52)	1.7 (50)	7.4 (47)	17.7 (43)	17.6 (36)	-
FRS U.S. Small/Mid Cap Equity Fund	882,292,007	9.7	-1.2 (78)	3.6 (69)	5.8 (51)	19.0 (36)	18.7 (26)	-
<i>FRS Custom Small/Mid Cap Index</i>			-0.6 (68)	3.5 (69)	5.0 (61)	13.5 (90)	13.9 (90)	-

As of June 30, 2015

Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
International/Global Equity	699,394,797	7.7	1.3 (48)	5.8 (45)	-2.5 (40)	12.3 (31)	10.4 (24)	6.6 (40)
<i>Total Foreign and Global Equities Index</i>			0.9 (58)	4.3 (60)	-4.2 (52)	11.3 (45)	9.5 (40)	5.2 (66)
FRS Foreign Stock Index Fund	253,327,509	2.8	1.4 (46)	5.7 (46)	-4.5 (55)	11.7 (39)	9.7 (36)	5.5 (59)
<i>MSCI All Country World ex-U.S. IMI Index</i>			1.0 (55)	4.6 (57)	-5.0 (59)	11.3 (45)	9.0 (47)	5.2 (65)
American Funds New Perspective Fund	253,376,400	2.8	0.9 (37)	5.6 (21)	5.7 (17)	15.6 (30)	14.2 (28)	9.2 (19)
<i>MSCI All Country World Index Net</i>			0.3 (51)	2.7 (55)	0.7 (51)	13.0 (57)	12.3 (49)	6.0 (56)
American Funds Euro-Pacific Growth Fund	192,690,888	2.1	1.1 (37)	7.2 (19)	1.0 (7)	12.7 (13)	10.1 (16)	7.7 (1)
<i>MSCI All Country World ex-U.S. Index</i>			0.7 (57)	4.3 (79)	-4.8 (69)	9.9 (75)	8.2 (72)	5.0 (66)
FRS Self-Dir Brokerage Acct	296,360,022	3.2						

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

As of June 30, 2015

Asset Allocation & Performance

	Performance(%)								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
FRS Investment Plan	4.9	15.2	10.5	0.7	10.6	18.4	-23.2	7.8	12.4
<i>Total Plan Aggregate Benchmark</i>	4.9	14.6	9.7	0.9	10.2	16.8	-23.4	6.1	13.9
Retirement Date									
FRS Retirement Income Fund	4.4 (87)	3.5 (96)	10.7 (56)	3.4 (9)	11.5 (52)	20.0 (82)	-	-	-
<i>Retirement Income Custom Index</i>	3.6 (92)	3.4 (96)	8.5 (74)	5.0 (1)	9.9 (80)	19.1 (84)	-	-	-
FRS 2015 Retirement Date Fund	4.4 (72)	5.5 (86)	11.3 (46)	2.1 (19)	11.5 (60)	21.8 (70)	-	-	-
<i>2015 Retirement Custom Index</i>	3.7 (90)	5.7 (86)	9.6 (88)	3.2 (1)	10.4 (86)	22.2 (67)	-	-	-
FRS 2020 Retirement Date Fund	4.4 (77)	9.6 (75)	12.4 (37)	0.6 (37)	12.2 (62)	24.5 (57)	-	-	-
<i>2020 Retirement Custom Index</i>	3.9 (88)	9.7 (75)	11.0 (75)	1.5 (20)	11.2 (87)	24.2 (60)	-	-	-
FRS 2025 Retirement Date Fund	4.5 (86)	13.7 (74)	13.5 (43)	-0.7 (35)	12.5 (88)	26.4 (64)	-	-	-
<i>2025 Retirement Custom Index</i>	4.2 (91)	13.8 (74)	12.4 (73)	-0.3 (26)	11.8 (93)	26.3 (65)	-	-	-
FRS 2030 Retirement Date Fund	4.5 (83)	18.1 (55)	14.6 (33)	-2.1 (48)	13.0 (86)	29.0 (46)	-	-	-
<i>2030 Retirement Custom Index</i>	4.4 (84)	18.2 (54)	13.8 (52)	-2.0 (47)	12.5 (92)	29.2 (45)	-	-	-
FRS 2035 Retirement Date Fund	4.4 (84)	22.0 (38)	15.8 (23)	-3.0 (46)	13.7 (80)	29.8 (58)	-	-	-
<i>2035 Retirement Custom Index</i>	4.3 (85)	22.0 (38)	15.2 (46)	-3.1 (47)	13.3 (89)	30.1 (57)	-	-	-
FRS 2040 Retirement Date Fund	4.4 (83)	22.3 (48)	15.8 (36)	-3.0 (38)	13.7 (79)	29.8 (54)	-	-	-
<i>2040 Retirement Custom Index</i>	4.3 (84)	22.4 (48)	15.2 (50)	-3.1 (38)	13.3 (85)	30.1 (53)	-	-	-
FRS 2045 Retirement Date Fund	4.4 (82)	22.3 (60)	15.8 (38)	-3.0 (26)	13.7 (86)	29.8 (65)	-	-	-
<i>2045 Retirement Custom Index</i>	4.3 (83)	22.4 (60)	15.2 (68)	-3.1 (26)	13.3 (89)	30.1 (63)	-	-	-
FRS 2050 Retirement Date Fund	4.4 (82)	22.3 (53)	15.8 (36)	-3.0 (20)	13.7 (84)	29.8 (73)	-	-	-
<i>2050 Retirement Custom Index</i>	4.3 (82)	22.4 (53)	15.2 (58)	-3.1 (20)	13.3 (87)	30.1 (70)	-	-	-
FRS 2055 Retirement Date Fund	4.4 (80)	22.3 (73)	15.8 (45)	-	-	-	-	-	-
<i>2055 Retirement Custom Index</i>	4.3 (80)	22.4 (72)	15.2 (75)	-	-	-	-	-	-

As of June 30, 2015

Asset Allocation & Performance

	Performance(%)								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
Cash	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)	2.4 (41)	5.4 (1)	5.2 (1)
FRS Money Market Fund	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)	2.4 (41)	5.4 (1)	5.2 (1)
<i>iMoneyNet 1st Tier Institutional Net Index</i>	0.0 (23)	0.0 (23)	0.1 (23)	0.1 (23)	0.2 (7)	0.7 (3)	3.0 (5)	5.4 (1)	5.2 (1)
Real Assets									
FRS Real Assets Fund	3.2	-9.1	9.1	7.4	11.7	16.0	-	-	-
<i>FRS Custom Real Assets Index</i>	1.8	-8.9	6.6	4.6	13.0	17.2	-	-	-
Fixed Income	4.7 (1)	-1.1 (84)	6.0 (43)	6.7 (1)	7.6 (32)	11.7 (60)	1.4 (47)	6.9 (14)	4.8 (20)
<i>Total Bond Index</i>	4.9 (1)	-1.2 (86)	4.8 (66)	7.4 (1)	7.0 (39)	8.9 (82)	1.9 (45)	6.5 (22)	4.9 (19)
FRS U.S. Bond Enhanced Index Fund	6.2 (34)	-2.0 (17)	4.4 (11)	7.9 (65)	6.7 (46)	6.5 (7)	5.9 (86)	7.2 (62)	4.3 (1)
<i>Barclays Aggregate Index</i>	6.0 (35)	-2.0 (18)	4.2 (12)	7.8 (66)	6.5 (47)	5.9 (8)	5.2 (89)	7.0 (65)	4.3 (1)
Pyramis Intermediate Duration Pool Fund	3.4 (15)	-0.5 (64)	4.9 (64)	5.9 (11)	7.0 (38)	11.9 (59)	-1.7 (52)	6.0 (35)	4.8 (20)
<i>Barclays Intermediate Aggregate</i>	4.1 (1)	-1.0 (82)	3.6 (81)	6.0 (10)	6.1 (53)	6.5 (90)	4.9 (7)	7.0 (13)	4.6 (24)
FRS Core Plus Fixed Income Fund	4.6 (88)	0.8 (19)	11.1 (14)	4.6 (89)	10.1 (26)	21.6 (19)	-	-	-
<i>FRS Custom Core-Plus Fixed Income Index</i>	5.1 (79)	0.8 (18)	7.8 (49)	7.6 (32)	9.1 (40)	18.7 (30)	-	-	-
Domestic Equity	11.5 (40)	35.2 (44)	16.9 (34)	0.3 (36)	20.4 (24)	30.9 (52)	-36.5 (33)	5.2 (58)	14.1 (49)
<i>Total U.S. Equities Index</i>	11.1 (44)	34.0 (53)	16.5 (37)	-0.1 (38)	19.3 (31)	28.4 (64)	-36.5 (32)	3.3 (69)	16.8 (25)
FRS U.S. Stock Market Index Fund	12.6 (34)	33.6 (40)	16.5 (39)	1.0 (40)	17.1 (16)	28.6 (50)	-37.2 (51)	5.2 (65)	15.7 (33)
<i>Russell 3000 Index</i>	12.6 (35)	33.6 (40)	16.4 (39)	1.0 (40)	16.9 (18)	28.3 (51)	-37.3 (53)	5.1 (66)	15.7 (33)
FRS U.S. Large Cap Equity Fund	12.8 (42)	36.4 (22)	17.2 (24)	1.2 (44)	17.8 (19)	30.5 (37)	-	-	-
<i>Russell 1000 Index</i>	13.2 (33)	33.1 (48)	16.4 (32)	1.5 (40)	16.1 (31)	28.4 (44)	-	-	-
FRS U.S. Small/Mid Cap Equity Fund	8.6 (31)	37.1 (46)	18.7 (27)	-0.9 (36)	29.6 (24)	37.0 (43)	-	-	-
<i>FRS Custom Small/Mid Cap Index</i>	7.7 (37)	22.0 (98)	15.3 (53)	1.1 (22)	21.3 (85)	26.4 (87)	-	-	-

As of June 30, 2015

Asset Allocation & Performance

	Performance(%)								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
International/Global Equity	-3.2 (42)	21.6 (33)	18.6 (53)	-11.3 (22)	10.1 (73)	34.8 (63)	-40.9 (19)	15.0 (47)	23.2 (80)
<i>Total Foreign and Global Equities Index</i>	<i>-3.0 (40)</i>	<i>20.6 (39)</i>	<i>16.6 (71)</i>	<i>-11.3 (22)</i>	<i>10.1 (73)</i>	<i>32.4 (69)</i>	<i>-42.8 (30)</i>	<i>11.3 (65)</i>	<i>24.2 (74)</i>
FRS Foreign Stock Index Fund	-4.5 (54)	20.5 (39)	17.6 (63)	-11.8 (26)	9.2 (77)	32.3 (70)	-42.5 (28)	12.7 (58)	25.8 (62)
<i>MSCI All Country World ex-U.S. IMI Index</i>	<i>-4.2 (50)</i>	<i>21.0 (36)</i>	<i>16.4 (72)</i>	<i>-12.2 (30)</i>	<i>8.9 (78)</i>	<i>33.7 (67)</i>	<i>-43.6 (35)</i>	<i>12.4 (59)</i>	<i>25.7 (63)</i>
American Funds New Perspective Fund	3.7 (41)	27.1 (41)	21.0 (16)	-7.4 (44)	13.0 (54)	37.7 (43)	-37.7 (31)	16.3 (33)	20.1 (41)
<i>MSCI All Country World Index Net</i>	<i>4.2 (37)</i>	<i>22.8 (61)</i>	<i>16.3 (40)</i>	<i>-5.5 (33)</i>	<i>11.8 (60)</i>	<i>30.0 (64)</i>	<i>-40.7 (44)</i>	<i>9.0 (56)</i>	<i>20.1 (42)</i>
American Funds Euro-Pacific Growth Fund	-2.3 (13)	20.6 (48)	19.6 (23)	-13.3 (62)	9.8 (36)	39.6 (17)	-40.3 (9)	19.3 (5)	22.3 (94)
<i>MSCI All Country World ex-U.S. Index</i>	<i>-3.4 (18)</i>	<i>15.8 (79)</i>	<i>17.4 (64)</i>	<i>-13.3 (63)</i>	<i>11.6 (11)</i>	<i>32.5 (42)</i>	<i>-43.1 (63)</i>	<i>11.6 (61)</i>	<i>26.9 (26)</i>
FRS Self-Dir Brokerage Acct									

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.



FRS Investment Plan

As of June 30, 2015

Asset Allocation

Asset Allocation as of 6/30/2015								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Cash	Brokerage	Total	% of Total
FRS Retirement Income Fund	59,352,287	52,757,588	165,691,800	134,366,982			412,168,656	4.5%
FRS 2015 Retirement Date Fund	73,064,918	64,993,793	165,245,657	121,491,665			424,796,033	4.7%
FRS 2020 Retirement Date Fund	143,817,267	127,151,746	222,824,177	123,448,297			617,241,487	6.8%
FRS 2025 Retirement Date Fund	175,040,155	154,728,328	198,936,421	68,701,767			597,406,671	6.5%
FRS 2030 Retirement Date Fund	179,746,052	159,492,976	152,910,726	14,177,153			506,326,908	5.5%
FRS 2035 Retirement Date Fund	188,362,082	167,131,823	96,213,725				451,707,631	4.9%
FRS 2040 Retirement Date Fund	162,631,194	144,434,697	72,027,801				379,093,692	4.2%
FRS 2045 Retirement Date Fund	155,466,867	138,071,972	68,854,789				362,393,628	4.0%
FRS 2050 Retirement Date Fund	72,571,152	64,451,302	32,141,069				169,163,523	1.9%
FRS 2055 Retirement Date Fund	17,275,122	15,342,242	7,650,987				40,268,351	0.4%
Total Retirement Date Funds	\$ 1,227,327,094	\$ 1,088,556,467	\$ 1,182,497,153	\$ 462,185,865	\$ -	\$ -	\$ 3,960,566,579	43.4%
FRS Money Market Fund					869,957,034		869,957,034	9.5%
Total Cash	\$ -	\$ -	\$ -	\$ -	\$ 869,957,034	\$ -	\$ 869,957,034	9.5%
FRS Real Assets Fund				118,155,046	-		118,155,046	1.3%
Total Real Assets	\$ -	\$ -	\$ -	\$ 118,155,046	\$ -	\$ -	\$ 118,155,046	1.3%
FRS U.S. Bond Enhanced Index Fund			195,404,009				195,404,009	2.1%
Pyramis Intermediate Duration Pool Fund			103,644,619				103,644,619	1.1%
FRS Core Plus Fixed Income Fund			341,452,543				341,452,543	3.7%
Total Fixed Income	\$ -	\$ -	\$ 640,501,172	\$ -	\$ -	\$ -	\$ 640,501,172	7.0%
FRS U.S. Stock Market Index Fund	733,632,347						733,632,347	8.0%
FRS U.S. Large Cap Equity Fund	928,422,472						928,422,472	10.2%
FRS U.S. Small/Mid Cap Equity Fund	882,292,007						882,292,007	9.7%
Total Domestic Equity	\$ 2,544,346,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,544,346,826	27.9%
FRS Foreign Stock Index Fund		253,327,509					253,327,509	2.8%
American Funds New Perspective Fund		253,376,400					253,376,400	2.8%
American Funds Euro-Pacific Growth Fund		192,690,888					192,690,888	2.1%
Total International/Global Equity	\$ -	\$ 699,394,797	\$ -	\$ -	\$ -	\$ -	\$ 699,394,797	7.7%
FRS Self-Dir Brokerage Acct						296,360,022	296,360,022	3.2%
Total Self-Dir Brokerage Acct						\$ 296,360,022	\$ 296,360,022	3.2%
Total Portfolio	\$ 3,771,673,919	\$ 1,787,951,264	\$ 1,822,998,325	\$ 580,340,911	\$ 869,957,034	\$ 296,360,022	\$ 9,129,281,476	100.0%
Percent of Total	41.31%	19.58%	19.97%	6.36%	9.53%	3.25%	100.0%	

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.



As of June 30, 2015

Multi Timeperiod Statistics

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio	3 Years Up Market Capture	3 Years Down Market Capture
FRS Investment Plan	9.27	5.40	1.66	0.33	1.30	101.90	95.60
FRS Retirement Income Fund	4.85	4.65	1.03	1.67	0.19	112.26	118.73
FRS 2015 Retirement Date Fund	5.75	4.78	1.18	1.38	0.15	108.20	114.84
FRS 2020 Retirement Date Fund	7.57	5.23	1.41	0.99	0.26	106.24	110.88
FRS 2025 Retirement Date Fund	9.32	5.75	1.57	0.60	0.41	103.31	104.39
FRS 2030 Retirement Date Fund	11.19	6.41	1.68	0.36	0.66	101.44	99.62
FRS 2035 Retirement Date Fund	12.84	7.30	1.69	0.41	0.57	100.88	98.55
FRS 2040 Retirement Date Fund	12.96	7.42	1.68	0.42	0.59	100.90	98.53
FRS 2045 Retirement Date Fund	12.96	7.42	1.68	0.42	0.59	100.90	98.53
FRS 2050 Retirement Date Fund	12.96	7.43	1.68	0.42	0.59	100.90	98.53
FRS 2055 Retirement Date Fund	12.97	7.43	1.68	0.42	0.59	100.91	98.55
FRS Money Market Fund	0.21	0.02	8.31	0.02	11.27	595.89	N/A
FRS Real Assets Fund	-0.73	6.17	-0.10	1.56	0.32	114.42	106.24
FRS U.S. Bond Enhanced Index Fund	1.92	2.99	0.63	0.12	0.79	102.33	100.60
Pyramis Intermediate Duration Pool Fund	2.01	2.25	0.87	0.50	0.53	108.20	102.42
FRS Core Plus Fixed Income Fund	3.65	3.42	1.05	0.77	0.23	112.59	122.52
FRS U.S. Stock Market Index Fund	17.78	8.71	1.93	0.04	0.97	100.14	99.85
FRS U.S. Large Cap Equity Fund	19.07	9.38	1.91	2.72	0.45	103.93	94.96
FRS U.S. Small/Mid Cap Equity Fund	19.04	10.83	1.67	2.83	1.74	124.80	104.44
FRS Foreign Stock Index Fund	11.70	10.47	1.11	1.18	0.33	99.91	95.80
American Funds New Perspective Fund	15.56	8.84	1.68	2.55	0.90	102.74	76.00
American Funds Euro-Pacific Growth Fund	12.71	9.22	1.34	3.50	0.69	96.15	67.74

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

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Appendix

As of June 30, 2015

Benchmark Descriptions

Retirement Date Benchmarks - A weighted average composite of the underlying components' benchmarks for each fund.

iMoneyNet 1st Tier Institutional Net Index - An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.

FRS Custom Real Assets Index - A monthly weighted blend of underlying indices that make up the Principal Real Asset Custom Index. These underlying indices include Barclays U.S. TIPS Index, Bloomberg Commodity Index FTSE EPRA/NAREIT Developed Index, Natural Resources Custom Index, S&P LSTA Leveraged Loan 100 Index, S&P Global Agribusiness Index, and S&P Global Timber & Forestry Index.

Total Bond Index - A weighted average composite of the underlying benchmarks for each bond fund.

Barclays Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

Barclays Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

FRS Custom Core-Plus Fixed Income Index - A monthly rebalanced blend of 65% Barclays U.S. Aggregate Bond Index and 35% Barclays U.S. High Yield Ba/B 1% Issuer Constrained Index.

Total U.S. Equities Index - A weighted average composite of the underlying benchmarks for each domestic equity fund.

Russell 3000 Index - A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.

Russell 1000 Index - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

FRS Custom Small/Mid Cap Index - A monthly rebalanced blend of 45% S&P 400 Index, 30% Russell 2000 Index and 25% Russell 2000 Value Index.

Total Foreign and Global Equities Index - A weighted average composite of the underlying benchmarks for each foreign and global equity fund.

MSCI All Country World ex-U.S. IMI Index - A capitalization-weighted index of stocks representing 22 developed country stock markets and 23 emerging countries, excluding the U.S. market.

MSCI All Country World Index - A capitalization-weighted index of stocks representing approximately 46 developed and emerging countries, including the U.S. and Canadian markets.

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 23 developed and 21 emerging countries, but excluding the U.S.

Descriptions of Universes

Retirement Date Funds - Target date universes calculated and provided by Lipper.

FRS Money Market Fund - A money market universe calculated and provided by Lipper.

FRS U.S. Bond Enhanced Index Fund - A long-term bond fixed income universe calculated and provided by Lipper.

Pyramis Intermediate Duration Pool Fund - A broad intermediate-term fixed income universe calculated and provided by Lipper.

FRS Core Plus Fixed Income Fund - A core plus bond fixed income universe calculated and provided by Lipper.

FRS U.S. Stock Market Index Fund - A large cap blend universe calculated and provided by Lipper.

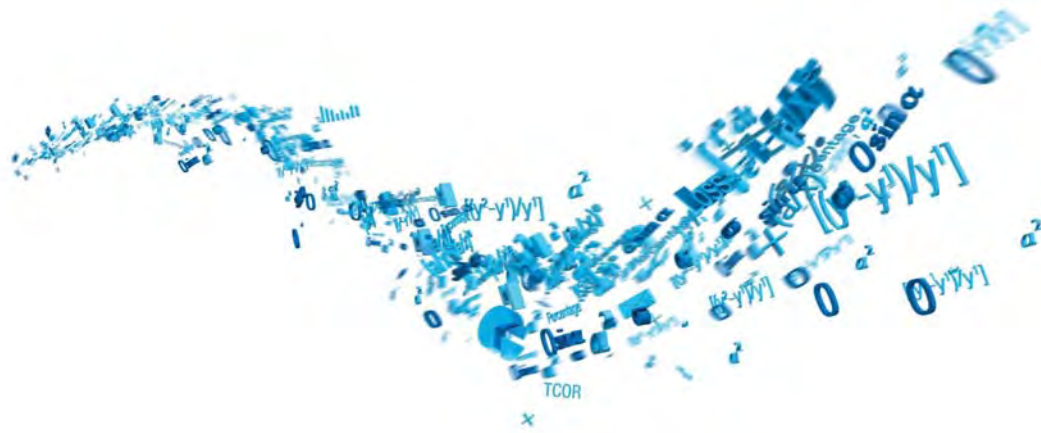
FRS U.S. Large Cap Equity Fund - A large cap universe calculated and provided by Lipper.

FRS U.S. Small/Mid Cap Equity Fund - A small/mid cap universe calculated and provided by Lipper.

FRS Foreign Stock Index Fund - A foreign blend universe calculated and provided by Lipper.

American Funds New Perspective Fund - A global stock universe calculated and provided by Lipper.

American Funds Euro-Pacific Growth Fund - A foreign large blend universe calculated and provided by Lipper.



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Quarterly Investment Review

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LCEF Total Fund

1

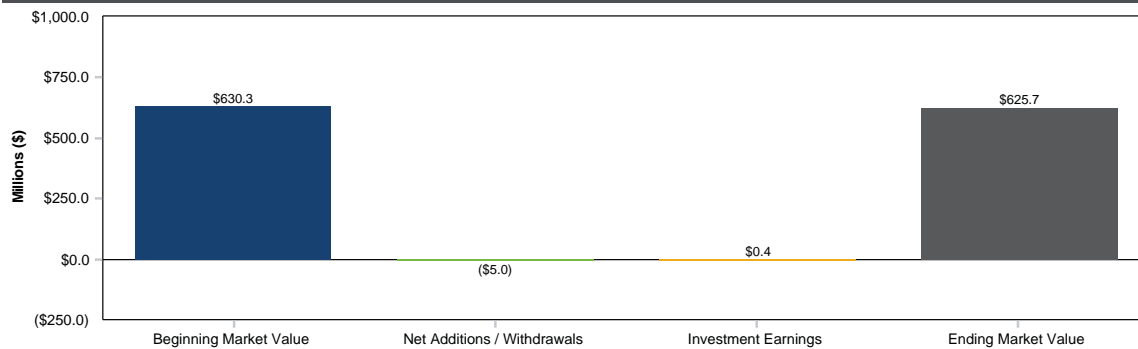


LCEF Total Fund

As of June 30, 2015

Total Plan Asset Summary

Change in Market Value From April 1, 2015 to June 30, 2015



Summary of Cash Flow

	1 Quarter	Fiscal YTD*
LCEF Total Fund		
Beginning Market Value	630,327,126	626,104,239
+ Additions / Withdrawals	-5,000,000	-5,000,000
+ Investment Earnings	379,534	4,602,422
= Ending Market Value	625,706,661	625,706,661

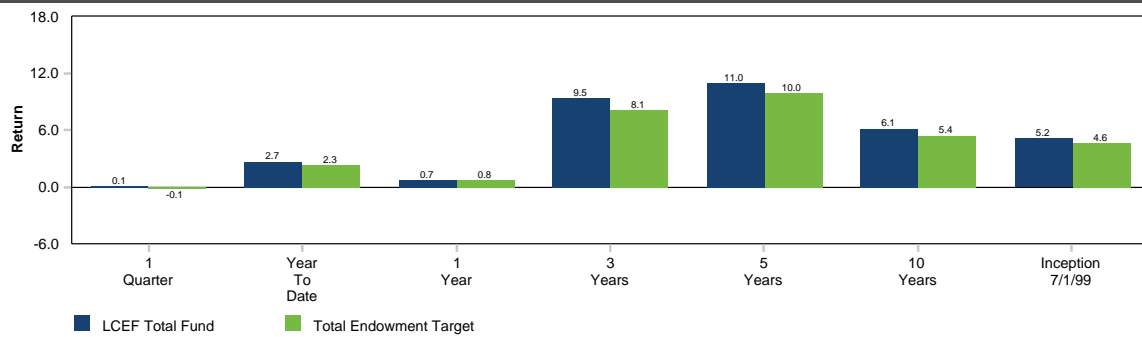
*Period July 2014 - June 2015

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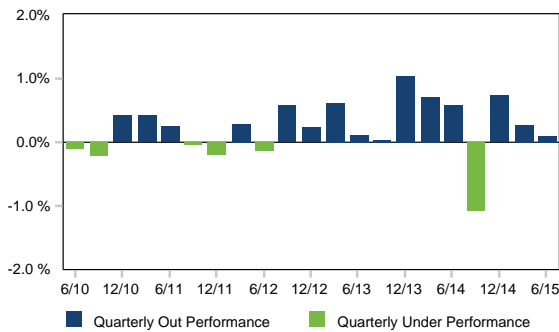


Total Plan Performance Summary

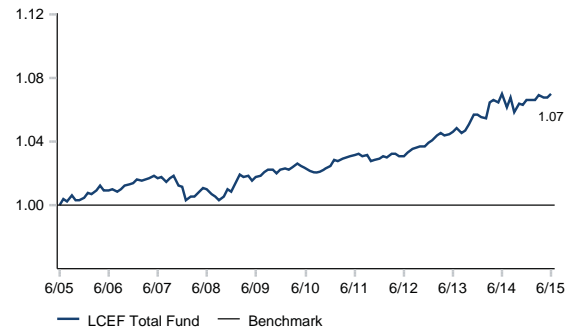
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
LCEF Total Fund	625,706,661	100.0	100.0	0.1 (46)	2.7 (27)	0.7 (79)	9.5 (64)	11.0 (16)	6.1 (49)
Total Endowment Target				-0.1 (55)	2.3 (39)	0.8 (78)	8.1 (87)	10.0 (48)	5.4 (73)
Global Equity*	458,944,725	73.3	71.0	0.6	3.6	0.8	15.5	15.6	7.5
Global Equity Target				0.5	3.1	0.8	13.7	14.1	6.9
Fixed Income	97,575,690	15.6	17.0	-1.7 (82)	0.0 (64)	2.0 (24)	2.0 (59)	3.5 (55)	4.5 (67)
Barclays Aggregate Index				-1.7 (84)	-0.1 (71)	1.9 (25)	1.8 (63)	3.3 (65)	4.4 (71)
TIPS	60,944,305	9.7	11.0	-1.1	0.5	-1.6	-0.7	3.3	4.5
Barclays U.S. TIPS				-1.1	0.3	-1.7	-0.8	3.3	4.1
Cash Equivalents	8,241,941	1.3	1.0	0.0	0.3	0.5	0.4	0.6	2.0
S&P US AAA & AA Rated GIP 30D Net Yield Index				0.0	0.0	0.1	0.1	0.1	1.5

Benchmark and universe descriptions are provided in the Appendix.

*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

As of June 30, 2015

Calendar Year Performance

	Performance(%)									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
LCEF Total Fund	5.2 (40)	14.7 (54)	13.2 (21)	1.9 (15)	14.0 (13)	21.2 (45)	-29.2 (73)	6.3 (85)	15.0 (20)	7.4 (48)
<i>Total Endowment Target</i>	<i>4.3 (53)</i>	<i>12.8 (78)</i>	<i>12.2 (46)</i>	<i>1.5 (17)</i>	<i>13.7 (15)</i>	<i>19.6 (54)</i>	<i>-28.9 (72)</i>	<i>6.5 (81)</i>	<i>14.0 (33)</i>	<i>6.7 (61)</i>
Global Equity*	5.3	27.1	20.4	-1.1	17.0	30.8	-39.6	6.8	17.4	8.5
<i>Global Equity Target</i>	<i>3.9</i>	<i>24.1</i>	<i>19.4</i>	<i>-2.2</i>	<i>16.1</i>	<i>30.5</i>	<i>-39.2</i>	<i>7.2</i>	<i>17.8</i>	<i>7.9</i>
Fixed Income	6.0 (24)	-1.8 (68)	4.6 (90)	7.6 (32)	7.0 (73)	4.6 (84)	5.8 (20)	7.3 (42)	4.4 (37)	2.7 (28)
<i>Barclays Aggregate Index</i>	<i>6.0 (24)</i>	<i>-2.0 (69)</i>	<i>4.2 (93)</i>	<i>7.8 (29)</i>	<i>6.5 (75)</i>	<i>5.9 (77)</i>	<i>5.2 (25)</i>	<i>7.0 (53)</i>	<i>4.3 (39)</i>	<i>2.4 (51)</i>
TIPS	3.5	-8.7	7.2	13.6	6.1	13.3	-2.0	12.4	0.8	2.9
<i>Barclays U.S. TIPS</i>	<i>3.6</i>	<i>-8.6</i>	<i>7.0</i>	<i>13.6</i>	<i>6.3</i>	<i>11.4</i>	<i>-2.4</i>	<i>11.6</i>	<i>0.4</i>	<i>2.8</i>
Cash Equivalents	0.2	0.2	1.3	0.1	2.0	2.6	0.5	5.4	5.2	3.3
<i>S&P US AAA & AA Rated GIP 30D Net Yield Index</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>0.3</i>	<i>0.7</i>	<i>2.3</i>	<i>4.7</i>	<i>5.1</i>	<i>3.4</i>

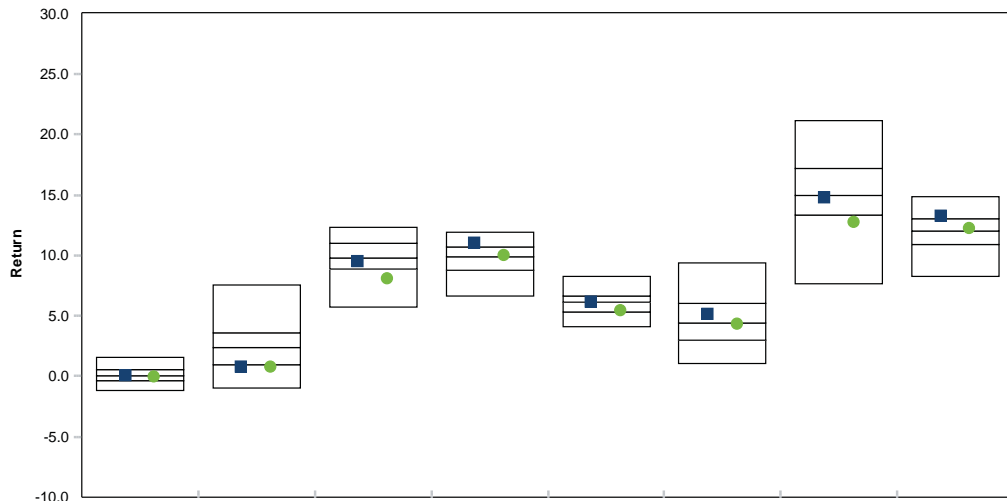
*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.



As of June 30, 2015

Plan Sponsor Peer Group Analysis

All Endowments-Total Fund

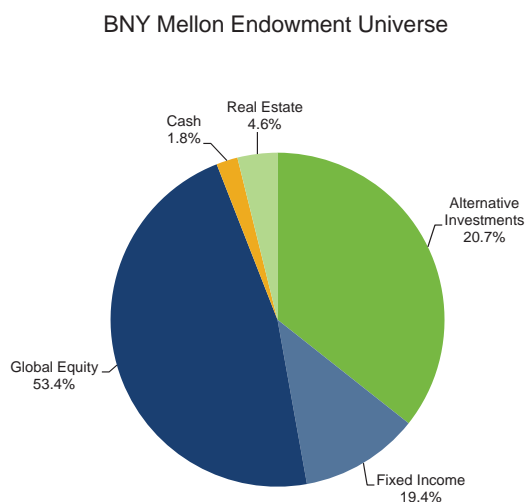
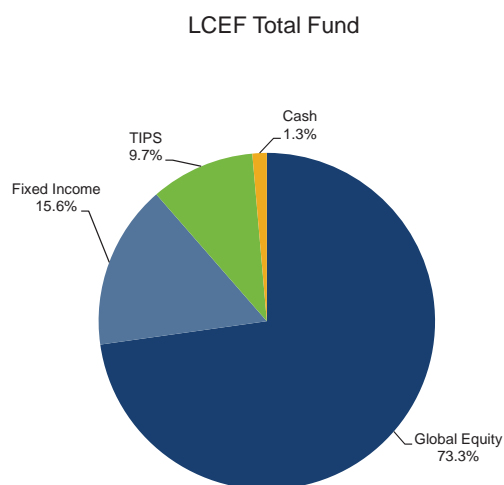


	1 Quarter	1 Year	3 Years	5 Years	10 Years	2014	2013	2012
■ LCEF Total Fund	0.1 (46)	0.7 (79)	9.5 (63)	11.0 (16)	6.1 (50)	5.2 (40)	14.7 (54)	13.2 (21)
● Total Endowment Target	-0.1 (55)	0.8 (78)	8.1 (87)	10.0 (48)	5.4 (73)	4.3 (53)	12.8 (78)	12.2 (46)
5th Percentile	1.6	7.6	12.3	11.9	8.3	9.4	21.2	14.9
1st Quartile	0.6	3.6	11.0	10.7	6.7	6.0	17.2	13.0
Median	0.0	2.4	9.8	9.9	6.1	4.5	15.0	12.0
3rd Quartile	-0.4	0.9	8.9	8.8	5.3	3.0	13.3	10.9
95th Percentile	-1.1	-1.0	5.8	6.6	4.2	1.0	7.7	8.2
Population	175	173	155	140	100	344	322	315

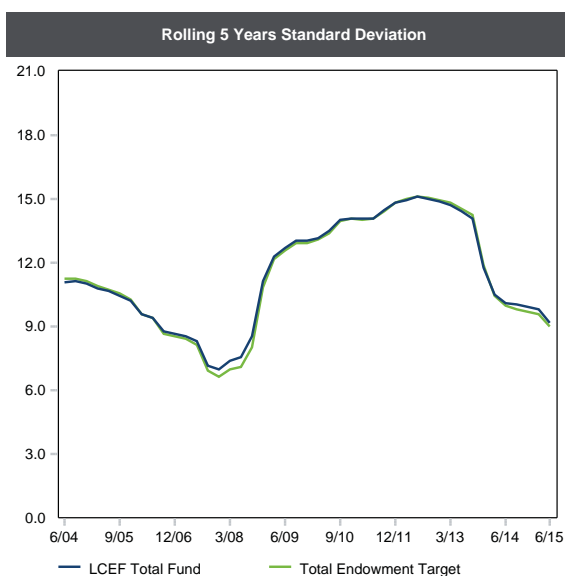
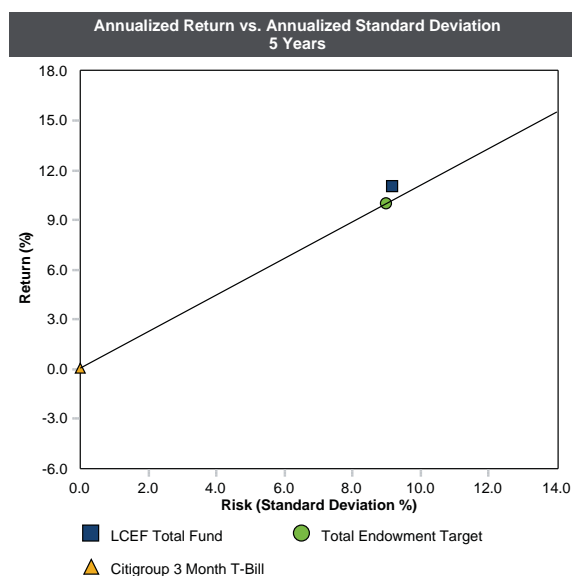
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



Universe Asset Allocation Comparison

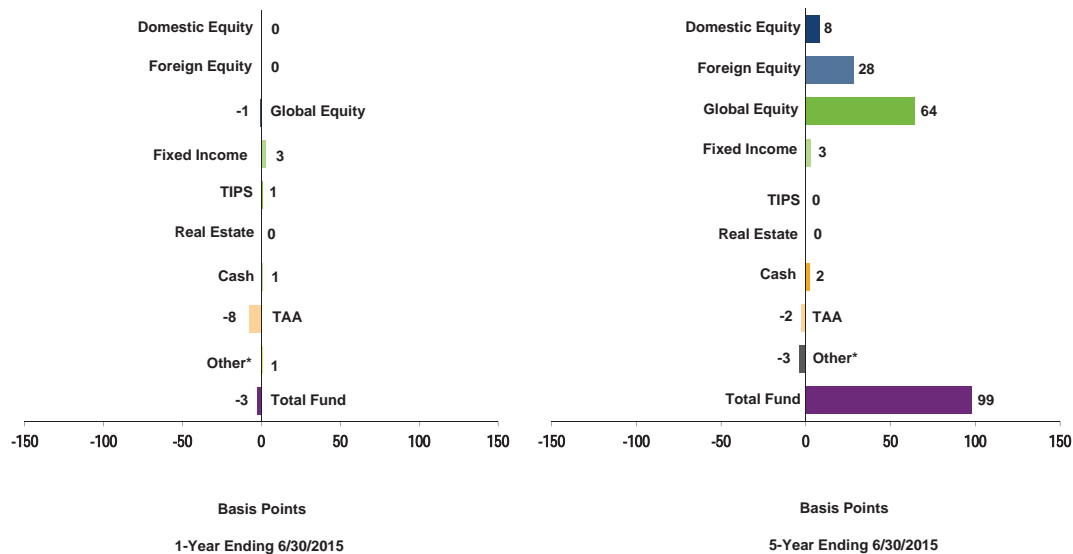


LCEF Total Fund Risk Profile



5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
LCEF Total Fund	0.92	0.98	0.94	0.99	1.18	0.79	1.01	11.01	9.19	0.99
Total Endowment Target	0.00	0.00	N/A	1.00	1.10	0.00	1.00	10.01	9.01	1.00
Citigroup 3 Month T-Bill	-9.92	9.01	-1.10	0.01	N/A	0.06	0.00	0.06	0.02	0.10

Attribution



*Other includes differences between official performance value added due to methodology and extraordinary payouts.

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Global Equity

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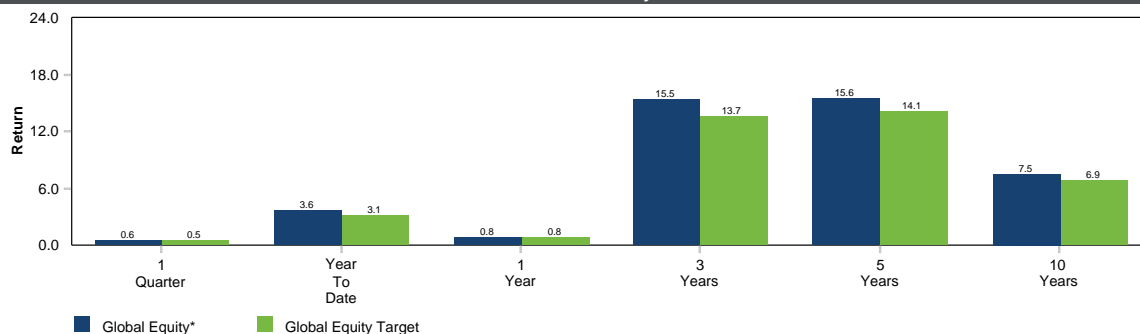


Global Equity*

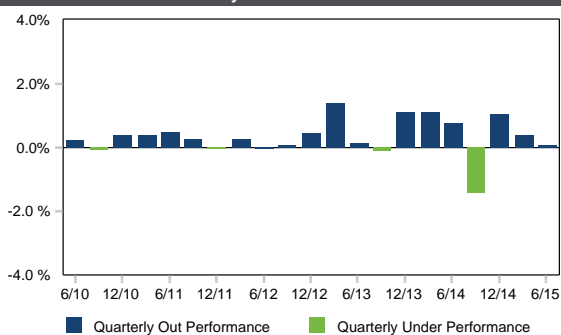
As of June 30, 2015

Total Plan Performance Summary

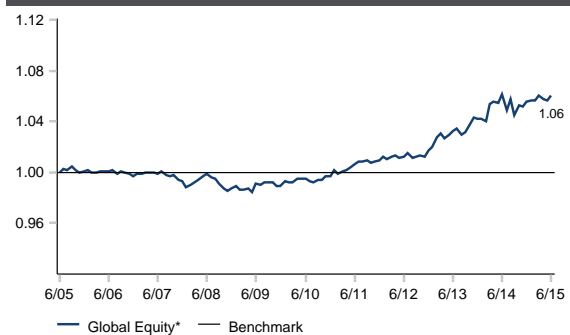
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years

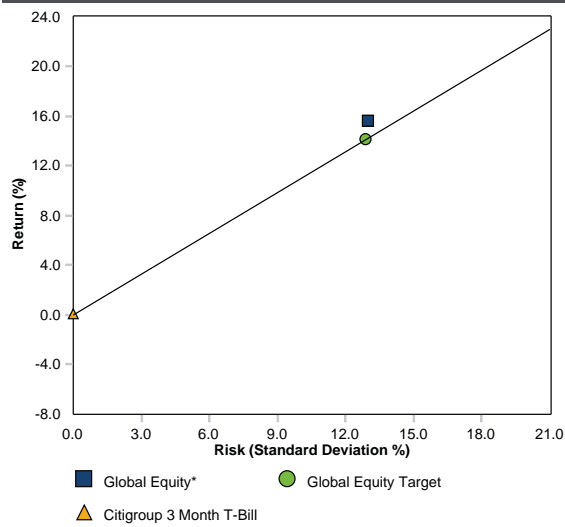


*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

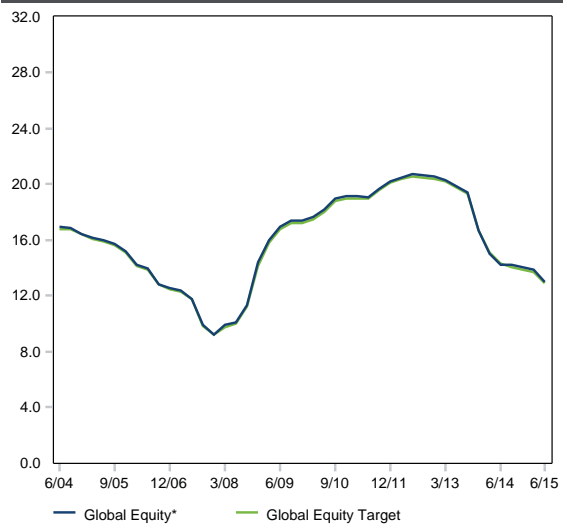
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Global Equity Risk Profile

Annualized Return vs. Annualized Standard Deviation
5 Years

Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Global Equity*	1.32	1.33	0.99	0.99	1.18	1.25	1.01	15.60	13.03	0.99
Global Equity Target	0.00	0.00	N/A	1.00	1.09	0.00	1.00	14.12	12.89	1.00
Citigroup 3 Month T-Bill	-14.03	12.89	-1.09	0.02	N/A	0.06	0.00	0.06	0.02	0.14

*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

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Fixed Income

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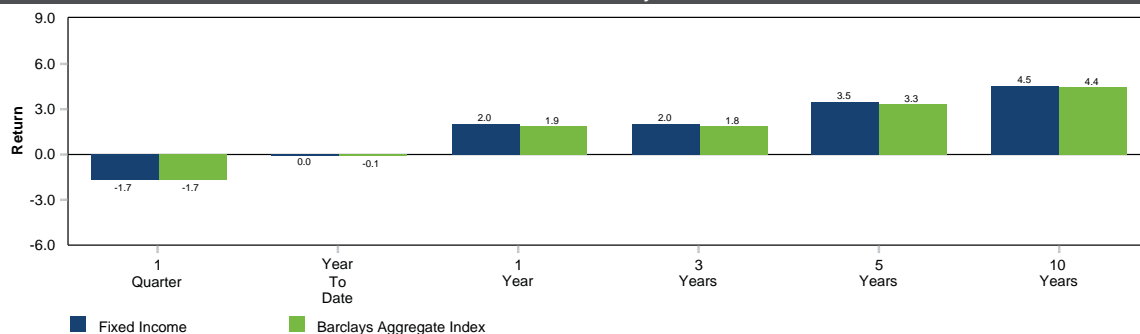


Fixed Income

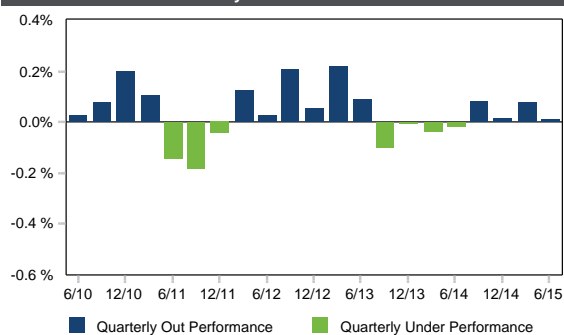
As of June 30, 2015

Total Plan Performance Summary

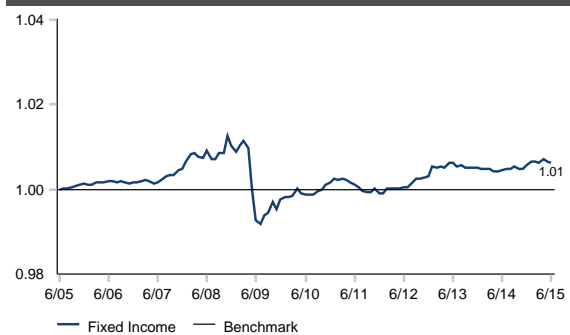
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



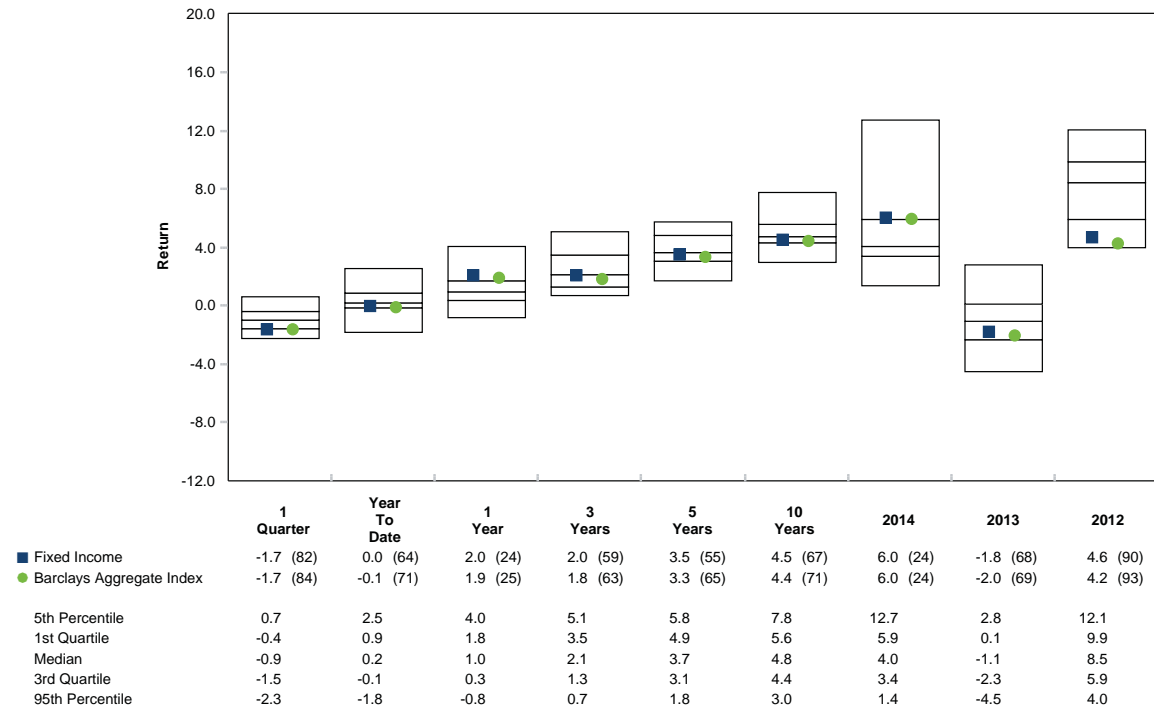
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As of June 30, 2015

Plan Sponsor Peer Group Analysis

All Endowments-US Fixed Income Segment



Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

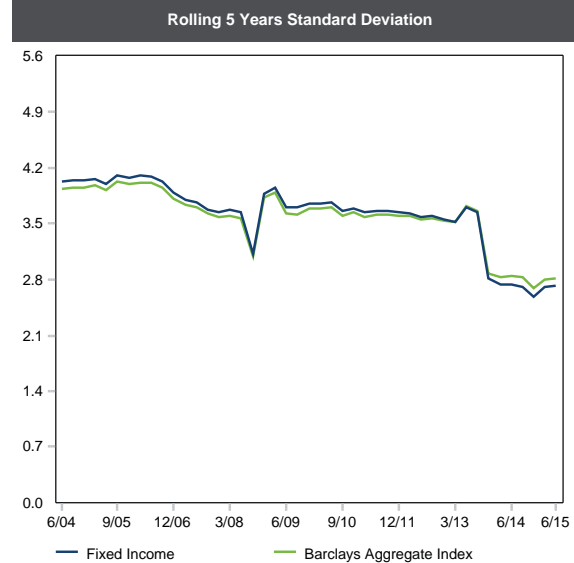
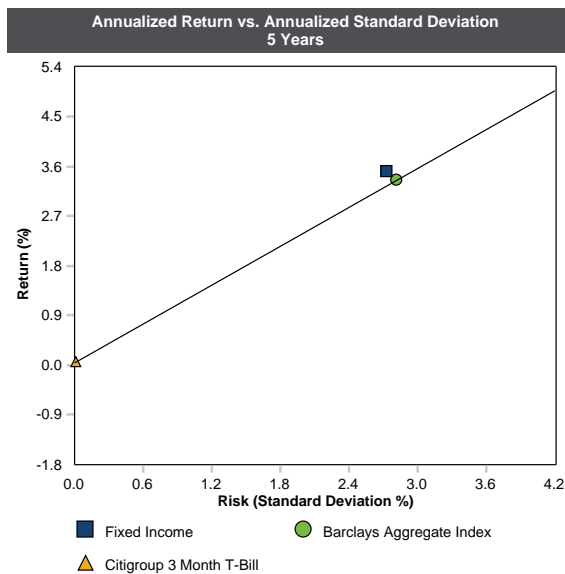
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Fixed Income

As of June 30, 2015

Fixed Income Risk Profile



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Fixed Income	0.15	0.21	0.73	1.00	1.25	0.26	0.97	3.50	2.73	1.00
Barclays Aggregate Index	0.00	0.00	N/A	1.00	1.16	0.00	1.00	3.35	2.82	1.00
Citigroup 3 Month T-Bill	-3.28	2.82	-1.16	0.00	N/A	0.06	0.00	0.06	0.02	-0.05

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TIPS

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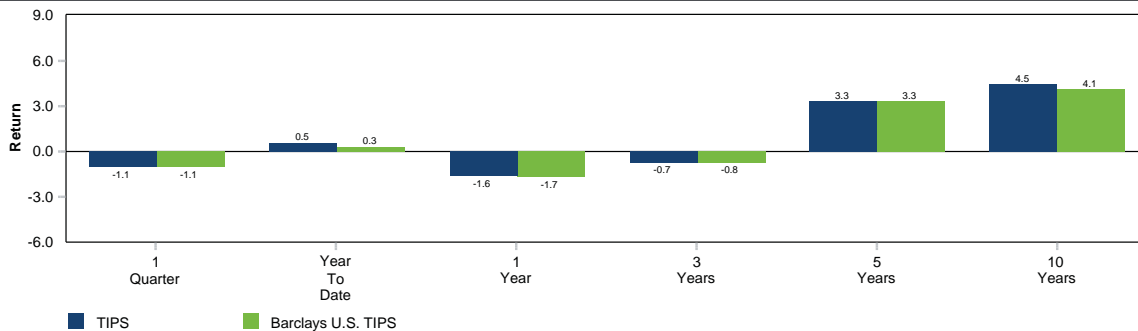
AON
Empower Results®

TIPS

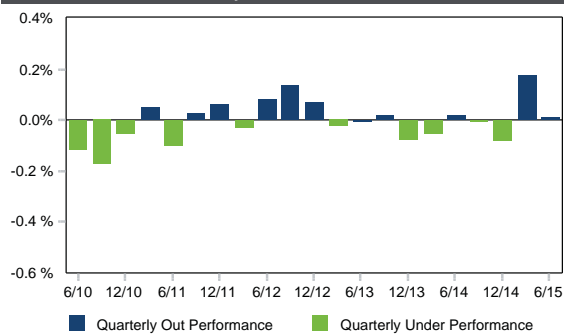
As of June 30, 2015

Total Plan Performance Summary

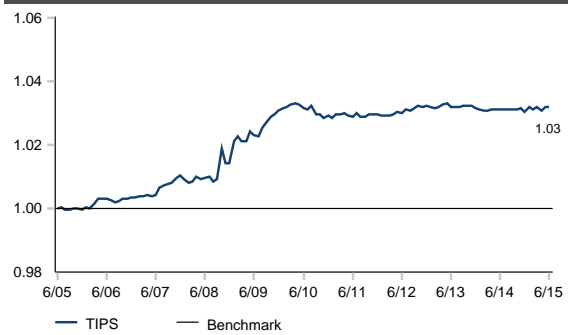
Return Summary



Quarterly Excess Performance

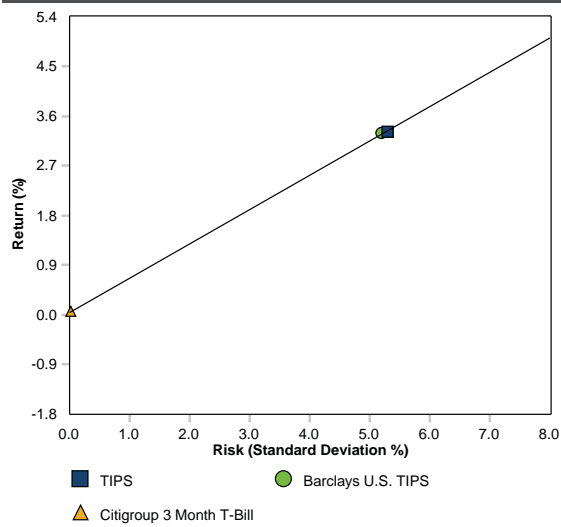


Ratio of Cumulative Wealth - 10 Years

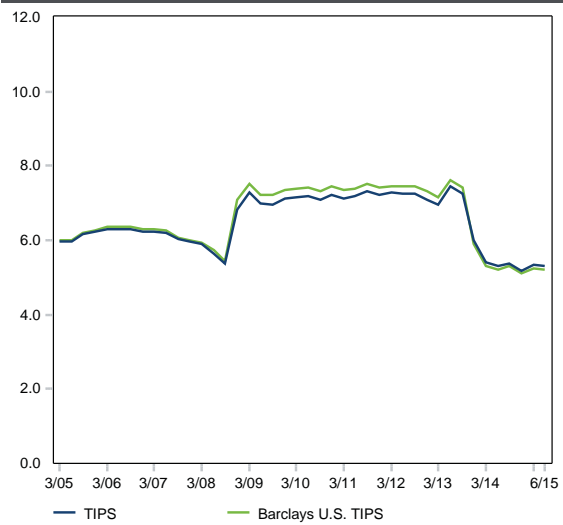


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Annualized Return vs. Annualized Standard Deviation
5 Years

Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
TIPS	0.02	0.25	0.06	1.00	0.63	-0.04	1.02	3.30	5.30	1.00
Barclays U.S. TIPS	0.00	0.00	N/A	1.00	0.64	0.00	1.00	3.29	5.21	1.00
Citigroup 3 Month T-Bill	-3.32	5.21	-0.64	0.00	N/A	0.06	0.00	0.06	0.02	0.03

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Cash Equivalents

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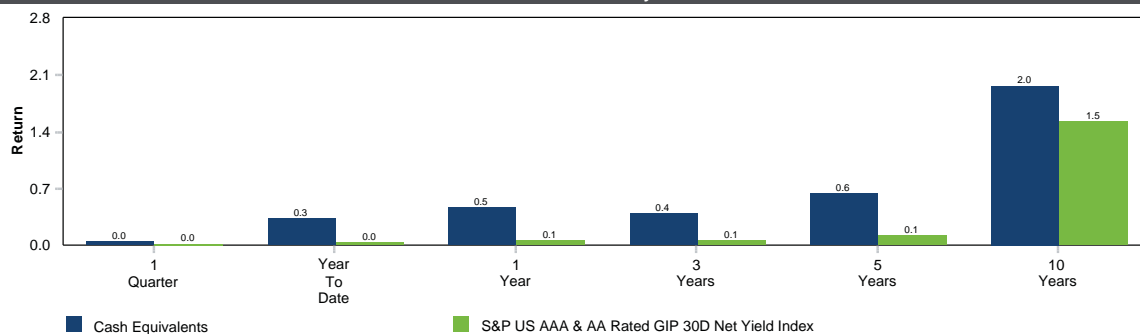


Cash Equivalents

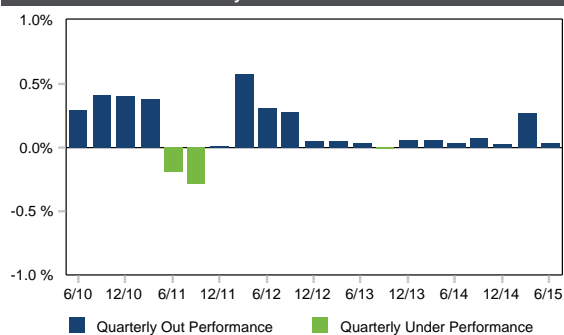
As of June 30, 2015

Total Plan Performance Summary

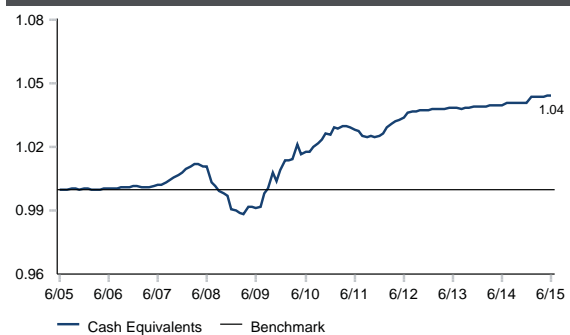
Return Summary



Quarterly Excess Performance



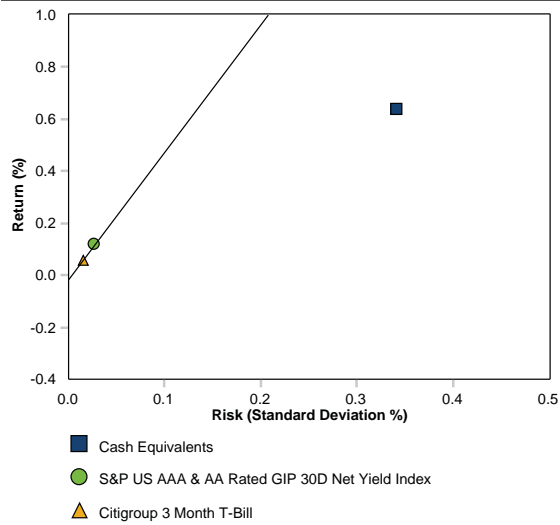
Ratio of Cumulative Wealth - 10 Years



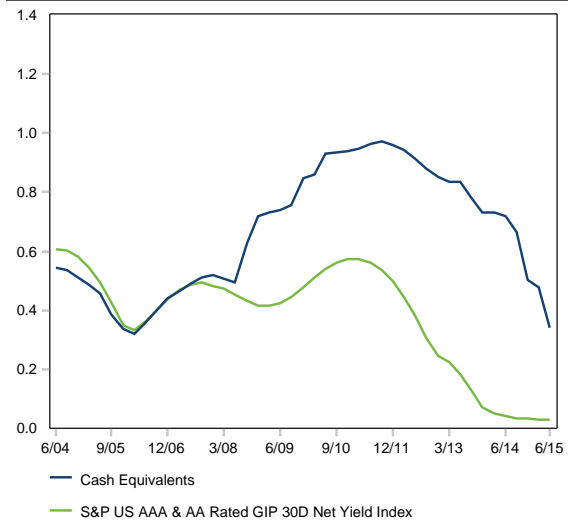
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Cash Equivalents Risk Profile

Annualized Return vs. Annualized Standard Deviation
5 Years

Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Cash Equivalents	0.52	0.33	1.54	0.09	1.70	0.19	3.79	0.64	0.34	0.30
S&P US AAA & AA Rated GIP 30D Net Yield Index	0.00	0.00	N/A	1.00	2.58	0.00	1.00	0.12	0.03	1.00
Citigroup 3 Month T-Bill	-0.06	0.02	-2.58	0.30	N/A	0.02	0.31	0.06	0.02	0.55

Appendix

As of June 30, 2015 Benchmark Descriptions

LCEF Total Fund

Total Endowment Target - A weighted blend of the individual asset class target benchmarks.

Total Global Equity

MSCI ACWI IMI ex-Tobacco - From 7/1/2014 forward, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. From 10/1/2013 to 6/30/2014, a custom version of the MSCI ACWI IMI adjusted to reflect a 55% fixed weight in the MSCI USA IMI and a 45% fixed weight in the MSCI ACWI ex-USA IMI, and excluding certain equities of tobacco-related companies. From 9/1/2012 to 9/30/2013, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. Prior to 9/1/2012, the benchmark is a weighted average of both the Domestic Equities and Foreign Equities historical benchmarks.

Total Domestic Equities

Russell 3000 Index ex-Tobacco - Prior to 9/1/2012, an index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices, while excluding tobacco companies.

Total Foreign Equities

MSCI ACWI ex-US IMI ex-Tobacco - Prior to 9/1/2012, a capitalization-weighted index representing 44 countries, but excluding the United States. The index includes 23 developed and 21 emerging market countries, and excludes tobacco companies.

Total Fixed Income

Barclays Aggregate Bond Index - A market value-weighted index consisting of the Barclays Credit, Government, and Mortgage-Backed Securities Indices. The index also includes credit card, auto, and home equity loan-backed securities. This index is the broadest available measure of the aggregate investment grade U.S. fixed income market.

Total TIPS

Barclays U.S. TIPS - A market value-weighted index consisting of U.S. Treasury Inflation-Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500 million or more.

Total Cash Equivalents

S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index - An unmanaged, net-of-fees, market index representative of the Local Government Investment Pool. On 10/1/2011, the S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index replaced the S&P U.S. AAA & AA Rated GIP 30-Day Gross Yield Index, which was previously used from 4/30/08 - 9/30/11. Prior to 4/30/08, it was the average 3-month T-bill rate.

As of June 30, 2015

Universe Descriptions

LCEF Total Fund

A universe comprised of 175 total endowment portfolio returns, net of fees, calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$401.2 billion as of quarter-end and the average market value was \$1.1 billion.

Total Fixed Income

A universe comprised of 49 total fixed income portfolio returns, net of fees, of endowment plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$30.2 billion as of quarter-end and the average market value was \$87.6 million.

As of June 30, 2015

Explanation of Exhibits

Quarterly and Cumulative Excess Performance - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

Risk-Return Graph - The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return trade-offs associated with market portfolios, or index funds.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Performance Comparison - Plan Sponsor Peer Group Analysis - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.