

MEETING OF THE STATE BOARD OF ADMINISTRATION

GOVERNOR DESANTIS AS CHAIR
CHIEF FINANCIAL OFFICER PATRONIS
ATTORNEY GENERAL UTHMEIER

March 5, 2025

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ITEM 1A. REQUEST APPROVAL OF DRAFT LETTER TO THE JOINT LEGISLATIVE AUDITING COMMITTEE AFFIRMING “THE SBA TRUSTEES HAVE REVIEWED AND APPROVED THE MONTHLY [FLORIDA PRIME] SUMMARY REPORTS AND ACTIONS TAKEN, IF ANY, TO ADDRESS ANY IMPACTS” FOR THE FOURTH QUARTER OF 2024, (SECTION 218.409(6)(a)1, F.S.)

(See Attachment 1A)

ACTION REQUIRED

ITEM 1B. REQUEST APPROVAL OF A DRAFT LETTER TO THE JOINT LEGISLATIVE AUDITING COMMITTEE AFFIRMING “THE SBA TRUSTEES HAVE REVIEWED AND APPROVED THE AUDITOR GENERAL’S ANNUAL FINANCIAL AUDIT OF LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND (FLORIDA PRIME) Report No. 2025-073 AND ACTIONS TAKEN, IF ANY, TO ADDRESS ANY IMPACTS.” (SECTION 218.409(9), F.S.)

(See Attachment 1B)

ACTION REQUIRED

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

Pursuant to sections 215.442, 215.473, 215.4725, 215.4702, and 215.471 Florida Statutes, the SBA is required to submit a quarterly report that includes lists of “continued examination” and “scrutinized companies” with activities in Sudan and Iran, Anti-BDS, Northern Ireland, Cuba and Syria, and Venezuela.

(See Attachment 2)

ACTION REQUIRED

ITEM 3. REQUEST APPROVAL OF THE REVISIONS TO THE INVESTMENT POLICY STATEMENT FOR THE FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PLAN TO REMOVE CHINA FROM THE GLOBAL EQUITY BENCHMARK.

(See Attachment 3)

ACTION REQUIRED

ITEM 4. REQUEST RATIFICATION OF THE COMPLAINT FILED BY THE SBA IN STATE BOARD OF ADMINISTRATION OF FLORIDA V. TARGET CORPORATION, ET AL., FILED ON FEBRUARY 20, 2025, IN THE U.S. DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA.

(See Attachment 4)

ACTION REQUIRED

ITEM 5A. REQUEST APPROVAL OF A RESOLUTION DIRECTING THE REVISION OF THE DELEGATED AUTHORITY OF THE EXECUTIVE DIRECTOR, EXPANSION OF THE SECURITIES LITIGATION POOL, AND AMENDMENT OF THE SECURITIES LITIGATION POLICY AND REQUEST APPROVAL OF BUDGET AMENDMENT TO ESTABLISH A LITIGATION RESERVE FUND.

(See Attachment 5A)

ACTION REQUIRED

ITEM 5B. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE AMENDING RULE 19-3.016, FLORIDA ADMINISTRATIVE CODE (EXECUTIVE DIRECTOR), TO UPDATE THE DELEGATED AUTHORITY OF THE EXECUTIVE DIRECTOR REGARDING THE STATE BOARD OF ADMINISTRATION'S PARTICIPATION IN LEGAL ACTIONS.

(See Attachment 5B)

ACTION REQUIRED

ITEM 6. APPOINTMENTS

(See Attachment 6)

ACTION REQUIRED

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

- **Introductory Remarks and Standing Reports**
- **Major Mandates Investment Performance Reports**
 - Florida Retirement System Pension Plan (DB)
 - Florida Retirement System Investment Plan (DC)
 - Florida PRIME (Local Government Surplus Funds Trust Fund)
 - Lawton Chiles Endowment Fund (LCEF)
 - Florida Hurricane Catastrophe Fund (FHCF)

(See Attachment 7)



**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

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CHAIR**

**JIMMY PATRONIS
CHIEF FINANCIAL OFFICER**

**JAMES UTHMEIER
ATTORNEY GENERAL**

**CHRIS SPENCER
EXECUTIVE DIRECTOR**

March 5, 2025

Representative Chip LaMarca
Alternating Chair
Joint Legislative Auditing Committee
200 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1300

Senator Jay Collins
Alternating Chair
Joint Legislative Auditing Committee
313 Senate Office Building
404 South Monroe Street
Tallahassee, Florida 32399-1100

Dear Representative LaMarca and Senator Collins:

Pursuant to section 218.409(6)(a)1, Florida Statutes, the trustees of the State Board of Administration shall "provide quarterly a report to the Joint Legislative Auditing Committee that the trustees have reviewed and approved the monthly reports [Florida PRIME Management Summary] and actions taken, if any, to address any impacts."

Please be advised that the Trustees have reviewed the attached reports and authorized me to convey their action to you. During the period October 1, 2024, through December 31, 2024, there were no material impacts on the trust fund in question and, therefore, no associated actions or escalations.

Please contact me if you have any questions.

Sincerely,

Chris Spencer
Executive Director

Attachments

cc: Senator Jason Brodeur
Senator Tracie Davis
Senator Stan McClain
Senator Jason W.B. Pizzo
Senator Corey Simon
Senator Tom A. Wright
Representative Kimberly Daniels
Representative Peggy Gossett-Seidman
Representative Sam Greco
Representative Yvonne Hayes Hinson
Representative Rachel Saunders Plakon
Representative Taylor Michael Yarkosky
Kathy DuBose, Coordinator

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MONTHLY SUMMARY REPORT

State Board of Administration of Florida

October 2024

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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 Florida PRIME 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 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 October 1, 2024, through October 31, 2024, has been prepared by the SBA with input from Federated Hermes (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

DISCLOSURE OF MATERIAL IMPACTS

During the reporting period, Florida PRIME was in material compliance with investment policy. There were no developments that had a material impact on the liquidity or operation of Florida PRIME. Details are available in the PRIME policy compliance table. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

PRIME™ STATISTICS

(As of October 31, 2024)

Total Participants
815

Florida PRIME™
Total Participant Balance
\$24,492,596,297

Total Number of Accounts
1,510

FACTS-AT-A-GLANCE PRIME is an exclusive service for Florida governmental organizations, providing a cost-effective investment vehicle for their surplus funds. Florida PRIME, the Local Government Surplus Funds Trust Fund, is utilized by hundreds of governmental investors including state agencies, state universities and colleges, counties, cities, special districts, school boards, and other direct support organizations of the State of Florida.

Florida PRIME is a government investment pool that offers management by an industry leader in professional money management, conservative investment policies, an extensive governance framework, a Standard & Poor’s “AAAm” rating, full transparency, and best-in-class financial reporting.

PORTFOLIO MANAGER COMMENTARY

A common misconception about liquidity market products is that they are only concerned with short-term economic developments because daily liquidity is a defining feature. But cash managers seek to gain higher yields than deposit products by investing across a longer time horizon, often out to a year. Noise in the data and news is no less impactful for liquidity vehicles than it is for bonds and stocks. Well, there's plenty of that to go around now: the general election, impact of storms, Federal Reserve decisions, interest rates, inflation and more. It reminds me of the television static that used to frustrate viewers of everything from Saturday morning cartoons to the evening news to (most importantly!) sporting events.

The Federal Open Market Committee meeting that ends Nov. 7 is more critical for the front end of the yield curve. Intriguingly, the uncertainty here stems as much from the Fed's 50 basis-point cut in September as it does from parsing of the recent data. While Fed Chair Jerome Powell probably doesn't have buyer's remorse, some policymakers seem to regret the magnitude of that reduction, based on the flurry of speeches and appearances since. Yes, the data had softened, and the markets gave them the opportunity for the large cut, but few expected the combination of a rebounding jobs market and sticky inflation. We think voters would like to skip a move next week, but the supersized slash essentially demands they do something to save credibility. But if they do lower the target range by a quarter point, which we expect, they could hold rates steady in December before easing again in January and then continuing that pattern of cut/not cut for multiple meetings.

Determining that won't be easy. The devastating hurricanes and Boeing strike clouded the October payroll report, which showed the nation added only 12,000 jobs. But the unemployment rate remained at 4.1%, indicating the labor market remains strong. Also, third quarter GDP carried the previous quarter's banner with solid 2.8% annual growth. The large 3.7% increase in consumer expenditures was an eye-opener. Spending at that level going into the holiday season should support price pressures, which might already have paused their projected descent. The September CPI and PCE reports were little changed from August readings.

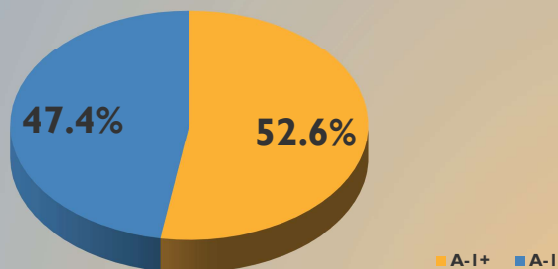
Thankfully, the picture for the liquidity markets has little obscuring "snow." The longer the Fed takes to lower rates, the longer yields should remain elevated. Investors seem to be anticipating this, with inflow throughout the industry. But it is hard to tell how everything will play out. The sooner the signal improves, the better.

In September, the Pool manager found value in fixed-rate bank and commercial paper in the 6- to 12-month section of the money market yield curve. This led to a lengthening of the portfolio's Weighted Average Maturity (WAM) by 11 days to end at 50 days and its Weighted Average Life (WAL) by two days to reach 76 days.

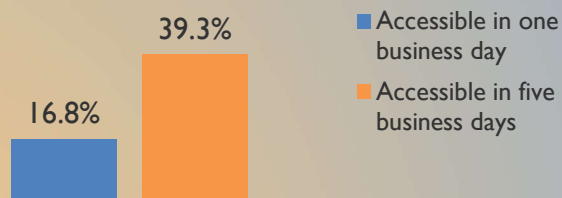
With the summer outflow season behind us, Pool assets under management grew by \$300 million to reach \$24.60 billion. The yield of the portfolio declined by 11 basis points due to the Fed rate cut, ending at 5.04%. At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 4.67%, 4.55%, 4.47% and 4.29%, respectively.

PORTFOLIO COMPOSITION FOR OCTOBER 2024

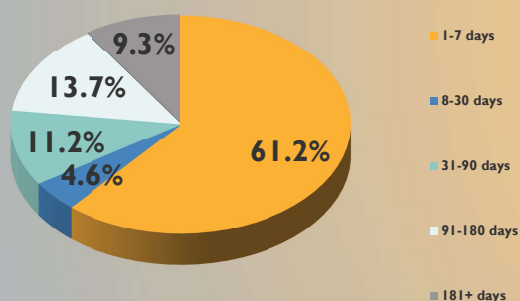
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Cooperatieve Rabobank UA	5.0%
2. Australia & New Zealand Banking Group Ltd.	5.0%
3. ABN Amro Bank NV	5.0%
4. Toronto Dominion Bank	4.9%
5. Bank of Montreal	4.8%
6. National Bank of Canada	4.5%
7. Mizuho Financial Group, Inc.	4.2%
8. Canadian Imperial Bank of Commerce	4.2%
9. Sheffield Receivables Company LLC	4.1%
10. Mitsubishi UFJ Financial Group, Inc.	3.9%

SEC Weighted Average Maturity (WAM)

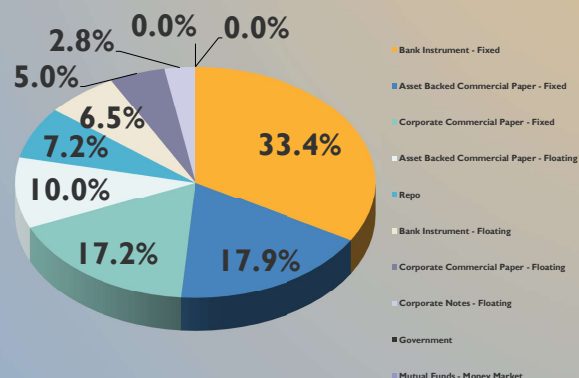
50 Days

Weighted Average Life (Spread WAL)

76 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH OCTOBER 2024

Florida PRIME Performance Data			
	Annualized Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	5.16%	4.83%	0.33%
Three Months	5.41%	5.10%	0.31%
One Year	5.62%	5.29%	0.32%
Three Years	3.93%	3.60%	0.34%
Five Years	2.58%	2.33%	0.25%
Ten Years	1.93%	1.68%	0.25%
Since 1/96	2.58%	2.36%	0.23%

Note: Net asset value at month end: \$24,500.5 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.,

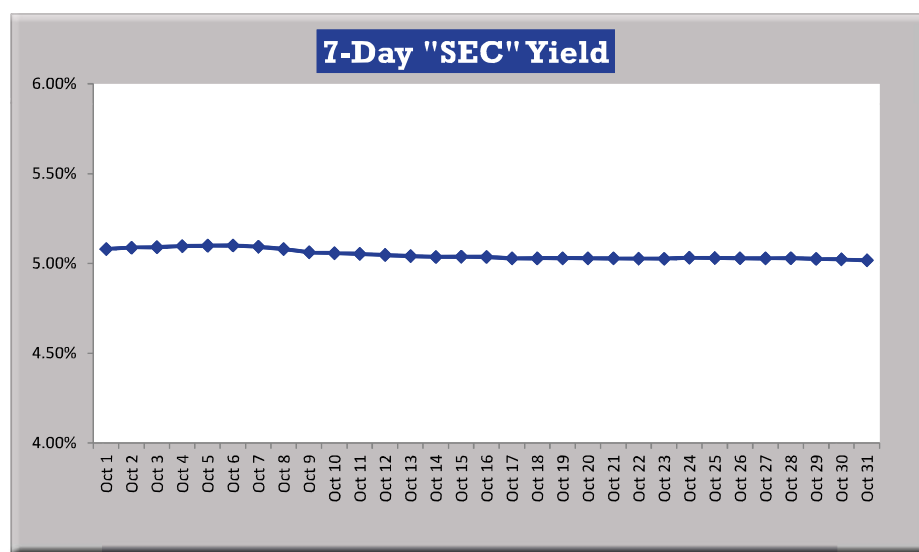
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

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.



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.

PRIME ACCOUNT SUMMARY FOR OCTOBER 2024

Summary of Cash Flows		
Opening Balance (10/01/24)	\$	24,046,466,198
Participant Deposits		3,404,764,954
Gross Earnings		104,530,222
Participant Withdrawals		(3,062,477,176)
Fees		(687,901)
Closing Balance (10/31/24)	\$	24,492,596,297
Net Change over Month	\$	446,130,099

Detailed Fee Disclosure			
October		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$	206,122.39	1.02
Federated Investment Management Fee		447,593.85	2.21
BNY Mellon Custodial Fee**		4,108.95	0.02
Bank of America Transfer Agent Fee		7,723.77	0.04
S&P Rating Maintenance Fee		4,234.97	0.02
Audit/External Review Fees		18,116.74	0.09
Total Fees	\$	687,900.67	3.40

*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 \$24,269,531,247.

**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 may fluctuate month-to-month.

The data included in this report is unaudited.

INVENTORY OF HOLDINGS FOR OCTOBER 31, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
1320 W Jefferson LLC, Sep 01, 2060	VARIABLE RATE DEMAND NOTE	4.90	9/1/2060	11/7/2024	5,500,000	4.97	\$5,500,000	\$5,500,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	4.83	11/4/2024		1,225,000,000	4.91	\$1,225,000,000	\$1,225,000,000	\$0
AJC Capital, LLC, Jan 01, 2042	VARIABLE RATE DEMAND NOTE	4.95	1/1/2042	11/7/2024	5,530,000	4.95	\$5,530,000	\$5,530,000	\$0
ARI Fleet Lease Trust 2024-A, A1, 5.568%, 03/14/2025	ASSET BACKED NOTE	5.57	3/14/2025		4,014,858	5.57	\$4,014,858	\$4,016,008	\$1,150
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/4/2024		78,669,000	4.90	\$78,313,853	\$78,314,447	\$594
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/1/2024		16,000,000	4.97	\$15,997,840	\$15,997,853	\$13
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/5/2024		100,000,000	4.93	\$99,932,778	\$99,932,817	\$39
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/6/2024		25,000,000	4.93	\$24,979,833	\$24,979,839	\$6
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/7/2024		115,000,000	4.93	\$114,891,772	\$114,891,772	\$0
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/8/2024		75,000,000	5.26	\$74,914,500	\$74,919,377	\$4,877
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/8/2024		150,000,000	5.27	\$149,828,667	\$149,838,755	\$10,088
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		50,000,000	4.89	\$49,558,917	\$49,561,429	\$2,512
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2025		25,000,000	4.89	\$24,769,583	\$24,771,042	\$1,458
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/18/2025		100,000,000	5.09	\$98,508,889	\$98,579,065	\$70,176
Anglesea Funding LLC, Feb 07, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.06	2/7/2025	11/1/2024	100,000,000	5.13	\$100,000,000	\$100,013,048	\$13,048
Anglesea Funding LLC, Mar 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.06	3/14/2025	11/1/2024	145,000,000	5.13	\$145,000,000	\$145,004,612	\$4,612
Archer I LLC, Jun 01, 2060	VARIABLE RATE DEMAND NOTE	4.90	6/1/2060	11/7/2024	18,000,000	4.97	\$18,000,000	\$18,000,000	\$0
Ascension Health Alliance Senior Credit Group CP	COMMERCIAL PAPER		1/14/2025		10,000,000	4.88	\$9,901,042	\$9,899,700	-\$1,342
Ascension Health Alliance Senior Credit Group CP	COMMERCIAL PAPER		1/28/2025		40,000,000	4.89	\$39,530,278	\$39,519,722	-\$10,556
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/16/2024		80,000,000	4.91	\$79,512,400	\$79,509,538	-\$2,862
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/10/2025		10,000,000	4.88	\$9,906,517	\$9,906,431	-\$85
Australia & New Zealand Banking Group, Melbourne TD	TIME DEPOSIT	4.83	11/6/2024		1,225,000,000	4.91	\$1,225,000,000	\$1,225,000,000	\$0
BPCE SA CP4-2	COMMERCIAL PAPER - 4-2		11/21/2024		200,000,000	5.36	\$199,393,333	\$199,445,016	\$51,683
BPCE SA CP4-2	COMMERCIAL PAPER - 4-2		12/16/2024		175,000,000	5.26	\$173,859,583	\$173,949,475	\$89,892
BWF Forge TL Properties Owner LLC, May 01, 2059	VARIABLE RATE DEMAND NOTE	4.90	5/1/2059	11/7/2024	28,500,000	4.90	\$28,500,000	\$28,500,000	\$0
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.18	1/24/2025		114,000,000	5.20	\$114,000,000	\$114,076,911	\$76,911
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.22	2/5/2025		95,000,000	5.24	\$95,000,000	\$95,088,607	\$88,607
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.20	2/10/2025		50,000,000	5.22	\$50,000,000	\$50,048,827	\$48,827
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.48	5/9/2025		42,000,000	5.50	\$42,000,000	\$42,156,421	\$156,421
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.53	5/28/2025		95,000,000	5.55	\$95,000,000	\$95,437,842	\$437,842
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	4.86	11/1/2024		1,519,000,000	4.93	\$1,519,000,000	\$1,519,000,000	\$0
Bank of America N.A., Jul 31, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.17	7/31/2025	11/1/2024	100,000,000	5.24	\$100,000,000	\$100,042,441	\$42,441
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.50	6/10/2025		100,000,000	5.52	\$100,000,000	\$100,516,794	\$516,794
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/27/2025		35,000,000	5.15	\$34,582,489	\$34,603,992	\$21,503
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/2/2025		105,000,000	5.56	\$102,197,813	\$102,621,076	\$423,263
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/8/2025		25,000,000	5.52	\$24,316,188	\$24,415,806	\$99,619
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		6/24/2025		150,000,000	5.45	\$144,935,833	\$145,669,400	\$733,566
Bank of Montreal, Jan 06, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.32	1/6/2025	11/1/2024	165,000,000	5.39	\$165,000,000	\$165,111,459	\$111,459
Bank of Montreal, Jan 06, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.19	1/6/2025	11/1/2024	135,000,000	5.26	\$135,000,000	\$135,058,396	\$58,396
Bank of Montreal, Jan 06, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.19	1/6/2025	11/1/2024	175,000,000	5.26	\$175,000,000	\$175,076,393	\$76,393
Bank of Montreal, Mar 07, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.11	3/7/2025	11/1/2024	100,000,000	5.18	\$100,000,000	\$100,036,052	\$36,052
Bank of Montreal, Mar 12, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.11	3/12/2025	11/1/2024	200,000,000	5.18	\$200,000,000	\$200,082,338	\$82,338

See notes at end of table.

INVENTORY OF HOLDINGS FOR OCTOBER 31, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Nova Scotia, Toronto, Jan 03, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.19	1/3/2025	11/1/2024	170,000,000	5.26	\$170,000,000	\$170,075,349	\$75,349
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/7/2024		50,000,000	5.23	\$49,950,417	\$49,952,945	\$2,528
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/21/2024		50,000,000	4.84	\$49,861,458	\$49,859,038	-\$2,421
Bedford Row Funding Corp., Dec 12, 2024	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.04	12/12/2024	11/1/2024	100,000,000	5.11	\$100,000,000	\$100,011,557	\$11,557
Bedford Row Funding Corp., Jan 08, 2025	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.04	1/8/2025	11/1/2024	50,000,000	5.11	\$50,000,000	\$50,008,389	\$8,389
Bedford Row Funding Corp., Jan 16, 2025	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.04	1/16/2025	11/1/2024	75,000,000	5.11	\$75,000,000	\$75,006,106	\$6,106
Bennington Stark Capital Co., LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/4/2024		30,000,000	4.94	\$29,983,833	\$29,983,862	\$28
BofA Securities, Inc. CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		100,000,000	4.58	\$98,130,000	\$98,046,275	-\$83,725
BofA Securities, Inc. CP4-2	COMMERCIAL PAPER - 4-2		4/4/2025		15,000,000	4.66	\$14,710,667	\$14,703,240	-\$7,427
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.17	10/1/2025		256,000,000	4.20	\$256,000,000	\$255,194,678	-\$805,322
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.46	10/8/2025		150,000,000	4.48	\$150,000,000	\$149,917,718	-\$82,283
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.53	4/10/2025		150,000,000	5.55	\$150,000,000	\$150,554,654	\$554,654
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.55	4/17/2025		15,000,000	5.57	\$15,000,000	\$15,058,837	\$58,837
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.50	5/23/2025		100,000,000	5.52	\$100,000,000	\$100,461,683	\$461,683
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		2/4/2025		50,000,000	5.20	\$49,344,000	\$49,388,694	\$44,694
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		5/22/2025		200,000,000	5.52	\$194,124,842	\$195,005,222	\$880,380
Canadian Imperial Bank of Commerce, Jan 03, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.32	1/3/2025	11/1/2024	110,000,000	5.39	\$110,000,000	\$110,086,942	\$86,942
Chariot Funding LLC, Jun 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.12	6/4/2025	11/1/2024	135,000,000	5.19	\$135,000,000	\$135,008,039	\$8,039
Chariot Funding LLC, Jun 17, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.12	6/17/2025	11/1/2024	83,000,000	5.19	\$83,000,000	\$82,999,729	-\$271
Chariot Funding LLC, Mar 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.14	3/4/2025	11/1/2024	125,000,000	5.21	\$125,000,000	\$125,042,383	\$42,383
Chariot Funding LLC, Mar 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.14	3/14/2025	11/1/2024	35,000,000	5.21	\$35,000,000	\$35,007,735	\$7,735
Chariot Funding LLC, Mar 20, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.10	3/20/2025	11/1/2024	50,000,000	5.17	\$50,000,000	\$50,003,789	\$3,789
Chariot Funding LLC, Mar 24, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.14	3/24/2025	11/1/2024	130,000,000	5.21	\$130,000,000	\$130,047,434	\$47,434
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/1/2024		150,000,000	4.93	\$149,979,833	\$149,979,869	\$35
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/8/2024		150,000,000	4.93	\$149,858,833	\$149,858,832	-\$1
Chesham Finance LLC Series IV CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/6/2024		200,000,000	4.93	\$199,838,667	\$199,838,714	\$47
Citibank N.A., New York, Jan 10, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.20	1/10/2025	11/1/2024	220,000,000	5.27	\$220,000,000	\$220,104,403	\$104,403
City Furniture, Inc., Aug 01, 2044	VARIABLE RATE DEMAND NOTE	4.80	8/1/2044	11/7/2024	77,000,000	4.80	\$77,000,000	\$77,000,000	\$0
Collateralized Commercial Paper FLEX Co., LLC, Mar 05, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	3/5/2025	11/1/2024	115,000,000	5.16	\$115,000,000	\$115,024,858	\$24,858
Collateralized Commercial Paper FLEX Co., LLC, Mar 10, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	3/10/2025	11/1/2024	150,000,000	5.16	\$150,000,000	\$150,021,029	\$21,029
Collateralized Commercial Paper FLEX Co., LLC, Mar 10, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	3/10/2025	11/1/2024	75,000,000	5.16	\$75,000,000	\$75,015,074	\$15,074
Collateralized Commercial Paper FLEX Co., LLC, Mar 24, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	3/24/2025	11/1/2024	70,000,000	5.16	\$70,000,000	\$70,010,864	\$10,864
Collateralized Commercial Paper V Co. LLC, Apr 01, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	4/1/2025	11/1/2024	100,000,000	5.16	\$100,000,000	\$100,012,673	\$12,673
Collateralized Commercial Paper V Co. LLC, Mar 20, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	3/20/2025	11/1/2024	45,000,000	5.16	\$45,000,000	\$45,006,775	\$6,775

See notes at end of table.

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Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Collateralized Commercial Paper V Co. LLC, Mar 25, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	3/25/2025	11/1/2024	50,000,000	5.16	\$50,000,000	\$50,005,892	\$5,892
Cooperatieve Rabobank UA TD	TIME DEPOSIT	4.83	11/5/2024		535,000,000	4.91	\$535,000,000	\$535,000,000	\$0
Cooperatieve Rabobank UA TD	TIME DEPOSIT	4.83	11/6/2024		700,000,000	4.91	\$700,000,000	\$700,000,000	\$0
Credit Agricole Corporate and Investment Bank, Nov 08, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.06	11/8/2024	11/1/2024	30,000,000	5.03	\$30,000,643	\$30,001,235	\$592
DNB Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		12/9/2024		150,000,000	5.15	\$149,187,500	\$149,249,153	\$61,653
DNB Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		4/10/2025		25,000,000	4.75	\$24,489,608	\$24,496,189	\$6,582
Dino P Kanelos Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	4.95	9/1/2041	11/7/2024	4,515,000	4.95	\$4,515,000	\$4,515,000	\$0
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	4.75	11/1/2024		6,893,039	4.83	\$6,893,039	\$6,893,039	\$0
EDMC Group, Inc., (Series 2024-2) , Dec 01, 2054	VARIABLE RATE DEMAND NOTE	4.87	12/1/2054	11/7/2024	30,000,000	4.94	\$30,000,000	\$30,000,000	\$0
Enterprise Fleet Financing, LLC 2024-3, A1, 5.493%, 07/21/2025	ASSET BACKED NOTE	5.49	7/21/2025		9,764,079	5.49	\$9,764,079	\$9,788,060	\$23,981
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/14/2024		15,000,000	4.95	\$14,971,708	\$14,971,881	\$173
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/28/2025		36,600,000	4.54	\$35,942,461	\$35,910,411	-\$32,049
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/1/2025		30,000,000	4.72	\$29,312,950	\$29,307,257	-\$5,693
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/28/2025		50,000,000	4.83	\$49,419,028	\$49,422,530	\$3,502
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/30/2025		100,000,000	4.89	\$98,801,833	\$98,819,983	\$18,150
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/27/2025		120,000,000	4.84	\$118,621,333	\$118,629,156	\$7,823
GreatAmerica Leasing Receivables 2024-1, A1, 5.55%, 02/18/2025	ASSET BACKED NOTE	5.55	2/18/2025		3,482,030	5.55	\$3,482,030	\$3,483,386	\$1,356
HSBC Securities (USA), Inc. Repo Tri Party Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	4.86	11/1/2024		100,000,000	4.93	\$100,000,000	\$100,000,000	\$0
HW Hellman Building, LP, Mar 01, 2062	VARIABLE RATE DEMAND NOTE	4.90	3/1/2062	11/7/2024	50,000,000	4.90	\$50,000,000	\$50,000,000	\$0
Jupiter Securitization Co. LLC, Jul 08, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.14	7/8/2025	11/1/2024	75,000,000	5.21	\$75,000,000	\$74,998,028	-\$1,973
Jupiter Securitization Co. LLC, Jun 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.12	6/4/2025	11/1/2024	55,000,000	5.19	\$55,000,000	\$55,003,749	\$3,749
Jupiter Securitization Co. LLC, Mar 10, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.10	3/10/2025	11/1/2024	38,000,000	5.17	\$38,000,000	\$38,006,270	\$6,270
Jupiter Securitization Co. LLC, Mar 11, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.14	3/11/2025	11/1/2024	60,000,000	5.21	\$60,000,000	\$60,018,421	\$18,421
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/6/2024		46,000,000	4.97	\$45,962,663	\$45,962,904	\$241
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/25/2024		86,000,000	4.92	\$85,713,333	\$85,713,764	\$431
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/2/2024		100,000,000	4.87	\$99,576,000	\$99,575,467	-\$533
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/21/2024		25,000,000	5.36	\$24,924,167	\$24,929,811	\$5,644
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/17/2025		25,900,000	4.87	\$25,634,568	\$25,636,813	\$2,245
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/30/2025		50,000,000	4.84	\$49,405,972	\$49,409,992	\$4,019
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		30,500,000	4.83	\$30,118,547	\$30,121,052	\$2,505
La Fayette Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/12/2024		40,000,000	5.17	\$39,765,733	\$39,778,053	\$12,320
La Fayette Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/12/2024		100,000,000	5.17	\$99,414,333	\$99,445,133	\$30,800
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/5/2024		12,000,000	4.93	\$11,991,933	\$11,991,960	\$26
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2025		100,000,000	4.81	\$98,676,833	\$98,687,487	\$10,654
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/14/2025		200,000,000	4.79	\$197,261,667	\$197,276,310	\$14,643
MUFG Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.75	1/29/2025		100,000,000	4.83	\$100,000,000	\$100,005,412	\$5,412
MUFG Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.85	11/1/2024		100,000,000	4.93	\$100,000,000	\$99,999,989	-\$11
MUFG Bank Ltd. CP	COMMERCIAL PAPER		11/1/2024		250,000,000	5.50	\$249,962,986	\$249,966,395	\$3,409
MUFG Bank Ltd. CP	COMMERCIAL PAPER		11/8/2024		25,000,000	5.25	\$24,971,556	\$24,973,190	\$1,635
MUFG Bank Ltd. CP	COMMERCIAL PAPER		11/15/2024		50,000,000	5.25	\$49,893,542	\$49,900,813	\$7,271
MUFG Bank Ltd. CP	COMMERCIAL PAPER		12/9/2024		150,000,000	5.30	\$149,165,563	\$149,245,512	\$79,949

See notes at end of table.

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Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/12/2024		65,948,000	5.16	\$65,562,534	\$65,582,076	\$19,542
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/1/2024		60,000,000	4.92	\$59,991,933	\$59,991,919	-\$14
Mizuho Bank Ltd., Canada Branch TD	TIME DEPOSIT	4.84	11/1/2024		1,000,000,000	4.92	\$1,000,000,000	\$1,000,000,000	\$0
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	4.86	11/1/2024		150,000,000	4.93	\$150,000,000	\$150,000,000	\$0
NRW/Bank CP4-2	COMMERCIAL PAPER - 4-2		4/25/2025		200,000,000	4.43	\$195,839,556	\$195,566,104	-\$273,452
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		2/10/2025		50,000,000	5.16	\$49,307,250	\$49,341,534	\$34,284
National Australia Bank Ltd., Melbourne, Dec 09, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.26	12/9/2024	11/1/2024	100,000,000	5.33	\$100,000,000	\$100,038,241	\$38,241
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/22/2025		30,000,000	5.10	\$29,665,925	\$29,677,845	\$11,920
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/27/2025		120,000,000	5.10	\$118,583,200	\$118,633,262	\$50,062
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/31/2025		115,000,000	5.08	\$113,586,394	\$113,631,340	\$44,946
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		2/5/2025		65,000,000	5.19	\$64,140,068	\$64,185,651	\$45,583
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		3/18/2025		150,000,000	5.41	\$147,061,750	\$147,361,901	\$300,151
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/28/2025		90,000,000	5.56	\$87,256,875	\$87,649,569	\$392,694
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		2/3/2025		90,000,000	5.19	\$88,833,875	\$88,899,742	\$65,867
National Bank of Canada, Montreal, Jan 16, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.18	1/16/2025	11/1/2024	200,000,000	5.25	\$200,000,000	\$200,108,798	\$108,798
National Bank of Canada, Montreal, Jan 17, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.18	1/17/2025	11/1/2024	100,000,000	5.25	\$100,000,000	\$100,055,096	\$55,096
National Bank of Canada, Montreal, Mar 13, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.11	3/13/2025	11/1/2024	160,000,000	5.18	\$160,000,000	\$160,075,285	\$75,285
Nordea Bank Abp TD	TIME DEPOSIT	4.83	11/1/2024		500,000,000	4.91	\$500,000,000	\$500,000,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/25/2025		25,000,000	4.21	\$24,081,542	\$23,997,753	-\$83,788
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/20/2025		75,000,000	4.54	\$71,814,000	\$71,778,473	-\$35,527
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/28/2025		50,000,000	4.53	\$47,856,972	\$47,856,972	-\$0
Old Line Funding, LLC, Apr 21, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.11	4/21/2025	11/1/2024	50,000,000	5.18	\$50,000,000	\$50,016,408	\$16,408
Old Line Funding, LLC, Apr 28, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.11	4/28/2025	11/1/2024	100,000,000	5.18	\$100,000,000	\$100,034,389	\$34,389
Old Line Funding, LLC, Jan 09, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.07	1/9/2025	11/1/2024	50,000,000	5.14	\$50,000,000	\$50,012,679	\$12,679
Old Line Funding, LLC, Mar 05, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.07	3/5/2025	11/1/2024	90,000,000	5.14	\$90,000,000	\$89,985,688	-\$14,312
Old Line Funding, LLC, May 01, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.06	5/1/2025	11/1/2024	75,000,000	5.13	\$75,000,000	\$75,007,592	\$7,592
Overbaugh Family (2016) Survivorship Trust, Apr 01, 2042	VARIABLE RATE DEMAND NOTE	4.95	4/1/2042	11/7/2024	7,015,000	4.95	\$7,015,000	\$7,015,000	\$0
Paradelle Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		60,000,000	5.13	\$59,073,400	\$59,130,264	\$56,864
Paradelle Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/30/2025		20,000,000	4.56	\$19,122,356	\$19,116,081	-\$6,275
Pennsylvania State Higher Education Assistance Agency, (Taxable Series A), 06/01/2054	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.85	6/1/2054	11/7/2024	36,995,000	4.85	\$36,995,000	\$36,995,000	\$0
Ridgefield Funding Company, LLC Series A CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/4/2024		29,507,000	5.42	\$29,489,755	\$29,491,146	\$1,391
Ridgefield Funding Company, LLC Series A CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/8/2024		55,000,000	5.38	\$54,936,200	\$54,940,877	\$4,677
Ridgefield Funding Company, LLC Series A CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/22/2024		100,000,000	5.38	\$99,681,000	\$99,706,640	\$25,640
Ridgefield Funding Company, LLC Series A CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/16/2024		15,000,000	5.18	\$14,903,592	\$14,908,997	\$5,405
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		10/9/2025		150,000,000	4.54	\$143,826,000	\$143,843,885	\$17,885
Royal Bank of Canada, Jul 09, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.16	7/9/2025	11/1/2024	200,000,000	5.23	\$200,000,000	\$200,134,622	\$134,622
Scheel Investments, LLC, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	4.95	9/1/2041	11/7/2024	6,720,000	4.95	\$6,720,000	\$6,720,000	\$0
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/8/2024		50,000,000	4.94	\$49,946,333	\$49,946,238	-\$96
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/22/2024		50,000,000	5.35	\$49,841,417	\$49,853,014	\$11,597

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Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/9/2024		135,000,000	4.87	\$134,305,312	\$134,302,095	-\$3,218
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/9/2024		125,000,000	4.88	\$124,356,771	\$124,353,791	-\$2,980
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/12/2024		280,000,000	5.15	\$278,366,667	\$278,443,108	\$76,441
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/17/2024		50,000,000	4.88	\$49,689,278	\$49,689,452	\$174
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		60,000,000	4.80	\$59,254,400	\$59,252,928	-\$1,472
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2025		100,000,000	4.81	\$98,679,667	\$98,680,120	\$453
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		50,000,000	4.83	\$49,267,069	\$49,272,081	\$5,012
Sheffield Receivables Company LLC, Dec 13, 2024	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.01	12/13/2024	11/1/2024	105,000,000	5.08	\$105,000,000	\$105,016,126	\$16,126
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/1/2024		205,500,000	4.92	\$205,472,372	\$205,472,420	\$48
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/14/2024		30,000,000	4.93	\$29,943,533	\$29,943,748	\$214
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/9/2024		30,000,000	5.18	\$29,836,525	\$29,845,235	\$8,710
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.73	2/3/2025		130,000,000	4.81	\$130,000,000	\$129,999,801	-\$199
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	0.00	1/31/2025		100,000,000	4.88	\$98,788,198	\$98,792,288	\$4,090
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	4.78	1/6/2025		150,000,000	4.86	\$150,000,000	\$149,993,010	-\$6,990
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	5.10	12/13/2024		100,000,000	5.19	\$100,000,000	\$100,000,000	\$0
Sumitomo Mitsui Trust Bank Ltd., Nov 01, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.96	11/1/2024	11/1/2024	100,000,000	5.03	\$100,000,000	\$100,000,169	\$169
Sumitomo Mitsui Trust Bank Ltd., Nov 06, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.96	11/6/2024	11/1/2024	95,000,000	5.03	\$95,000,000	\$95,000,866	\$866
Sumitomo Mitsui Trust Bank Ltd., Nov 12, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.96	11/12/2024	11/1/2024	90,000,000	5.03	\$90,000,000	\$90,001,736	\$1,736
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		50,000,000	4.54	\$49,071,375	\$49,056,075	-\$15,300
Taxable Tender Option Bond Trust 2021-MIZ9064TX, (Series 2021-MIZ-9064TX), 11/01/2056	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.07	11/1/2056	11/7/2024	13,000,000	5.07	\$13,000,000	\$13,000,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9084TX, (Series 2022-MIZ-9084TX), 02/01/2027	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.07	2/1/2027	11/7/2024	10,300,000	5.07	\$10,300,000	\$10,300,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9094TX, (Series 2022-MIZ-9094TX), 12/01/2059	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.07	12/1/2059	11/7/2024	3,200,000	5.07	\$3,200,000	\$3,200,000	\$0
Texas State, Veterans Bonds (Taxable Series 2023A), 12/01/2054	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.88	12/1/2054	11/6/2024	17,920,000	4.88	\$17,920,000	\$17,920,000	\$0
The Greathouse 2021 Children's Trust, Dec 01, 2046	VARIABLE RATE DEMAND NOTE	4.95	12/1/2046	11/7/2024	13,625,000	4.95	\$13,625,000	\$13,625,000	\$0
Thunder Bay Funding, LLC, Apr 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.07	4/14/2025	11/1/2024	100,000,000	5.14	\$100,000,000	\$100,008,853	\$8,853
Thunder Bay Funding, LLC, Apr 17, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.06	4/17/2025	11/1/2024	50,000,000	5.13	\$50,000,000	\$50,002,194	\$2,194
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.15	2/12/2025		100,000,000	5.17	\$100,000,000	\$100,078,833	\$78,833
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.55	10/22/2025		10,000,000	4.57	\$10,000,000	\$10,001,137	\$1,137
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.40	3/28/2025		95,000,000	5.42	\$95,000,000	\$95,236,822	\$236,822
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.53	5/28/2025		15,000,000	5.55	\$15,000,000	\$15,070,093	\$70,093
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		2/21/2025		150,000,000	5.32	\$147,631,708	\$147,836,867	\$205,158
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		2/24/2025		25,000,000	5.08	\$24,607,694	\$24,630,744	\$23,050
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		3/20/2025		50,000,000	4.64	\$49,132,778	\$49,116,185	-\$16,593

See notes at end of table.

INVENTORY OF HOLDINGS FOR OCTOBER 31, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		100,000,000	5.44	\$97,815,500	\$98,075,048	\$259,548
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		5/28/2025		40,000,000	5.55	\$38,783,156	\$38,963,112	\$179,957
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		7/1/2025		125,000,000	5.44	\$120,658,906	\$121,264,044	\$605,137
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		7/3/2025		200,000,000	5.44	\$193,003,889	\$193,976,176	\$972,287
Toronto Dominion Bank, Jan 16, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.17	1/16/2025	11/1/2024	235,000,000	5.24	\$235,000,000	\$235,129,116	\$129,116
TotalEnergies Capital S.A. CP4-2	COMMERCIAL PAPER - 4-2		11/25/2024		10,000,000	4.87	\$9,966,875	\$9,967,041	\$166
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		7/23/2025		50,000,000	4.71	\$48,343,750	\$48,349,885	\$6,135
Toyota Credit De Puerto Rico Corp. CP	COMMERCIAL PAPER		1/13/2025		50,000,000	5.50	\$49,458,361	\$49,511,874	\$53,513
Toyota Credit De Puerto Rico Corp. CP	COMMERCIAL PAPER		2/14/2025		75,000,000	5.61	\$73,822,958	\$73,969,739	\$146,781
Toyota Finance Australia Ltd. CP	COMMERCIAL PAPER		2/5/2025		50,000,000	5.26	\$49,319,653	\$49,373,452	\$53,799
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		4/24/2025		100,000,000	4.73	\$97,788,194	\$97,799,537	\$11,343
Toyota Motor Credit Corp., Apr 14, 2025	VARIABLE MEDIUM TERM NOTE	5.17	4/14/2025	11/1/2024	110,000,000	5.24	\$110,000,000	\$110,050,774	\$50,774
Toyota Motor Credit Corp., Dec 09, 2024	VARIABLE MEDIUM TERM NOTE	5.32	12/9/2024	11/1/2024	95,000,000	5.39	\$95,000,000	\$95,026,155	\$26,155
Toyota Motor Credit Corp., Sep 17, 2025	VARIABLE MEDIUM TERM NOTE	5.17	9/17/2025	11/1/2024	150,000,000	5.24	\$150,000,000	\$149,974,874	-\$25,127
Truist Bank CD	CERTIFICATE OF DEPOSIT	4.84	11/5/2024		370,000,000	4.92	\$370,000,000	\$370,000,337	\$337
Truist Bank CD	CERTIFICATE OF DEPOSIT	4.84	11/6/2024		298,000,000	4.92	\$298,000,000	\$298,000,435	\$435
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		12/2/2024		152,000,000	5.66	\$151,270,400	\$151,362,816	\$92,416
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/5/2024		85,000,000	5.39	\$84,938,257	\$84,942,894	\$4,638
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	5.15	2/13/2025		200,000,000	5.17	\$200,000,000	\$200,187,842	\$187,842
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	5.21	2/14/2025		10,000,000	5.23	\$10,000,000	\$10,011,324	\$11,324
Wells Fargo Bank, N.A., Nov 07, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.41	11/7/2024	11/1/2024	100,000,000	5.49	\$100,000,000	\$100,009,786	\$9,786
Wells Fargo Bank, N.A., Nov 13, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.41	11/13/2024	11/1/2024	50,000,000	5.49	\$50,000,000	\$50,009,147	\$9,147
Westlake Automobile Receivables Trust 2024-2, A1, 5.67%, 06/16/2025	ASSET BACKED NOTE	5.67	6/16/2025		33,188,536	5.67	\$33,188,536	\$33,213,716	\$25,180
Westlake Automobile Receivables Trust 2024-3, A1, 4.919%, 10/15/2025	ASSET BACKED NOTE	4.92	10/15/2025		30,000,000	0.00	\$30,000,000	\$30,006,858	\$6,858
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		2/7/2025		100,000,000	5.17	\$98,652,500	\$98,717,180	\$64,680
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/26/2025		75,000,000	4.19	\$72,250,000	\$72,023,125	-\$226,875
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/29/2025		100,000,000	4.25	\$96,253,750	\$95,995,305	-\$258,445
Wylie Bice Life Insurance Trust, Aug 01, 2046	VARIABLE RATE DEMAND NOTE	4.95	8/1/2046	11/7/2024	7,625,000	4.95	\$7,625,000	\$7,625,000	\$0
Total Value of Assets					24,737,411,541		\$24,626,720,082	\$24,636,028,223	\$9,308,141

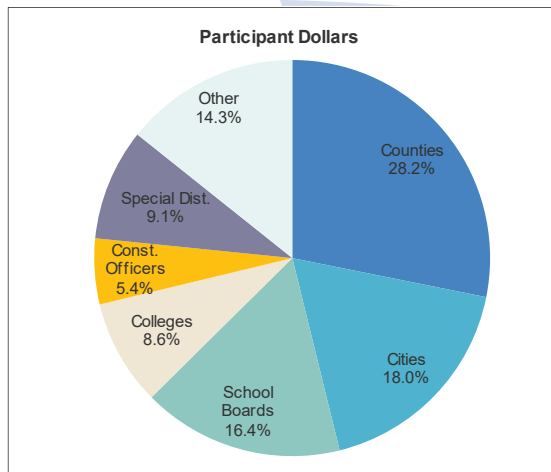
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

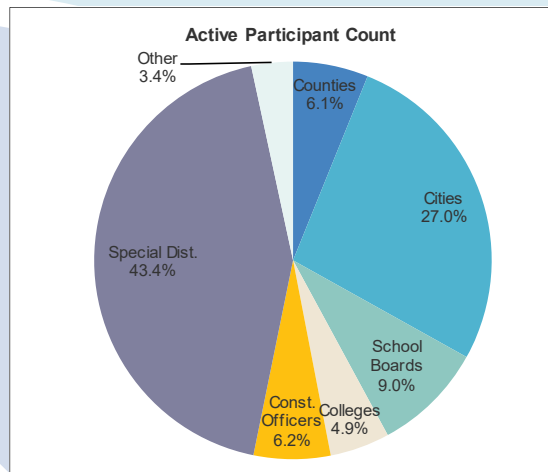
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - AS OF OCTOBER 2024

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	8.6%	4.9%
Top 10	38.2%	1.2%	Top 10	7.7%	1.2%
\$100 million or more	71.3%	6.9%	\$100 million or more	6.3%	0.5%
\$10 million up to \$100 million	25.6%	21.0%	\$10 million up to \$100 million	2.1%	1.7%
\$1 million up to \$10 million	2.7%	20.2%	\$1 million up to \$10 million	0.2%	0.9%
Under \$1 million	0.3%	51.9%	Under \$1 million	0.01%	1.7%
Counties	28.2%	6.1%	Constitutional Officers	5.4%	6.2%
Top 10	23.6%	1.2%	Top 10	4.9%	1.2%
\$100 million or more	25.5%	1.7%	\$100 million or more	4.1%	0.1%
\$10 million up to \$100 million	2.4%	1.6%	\$10 million up to \$100 million	1.0%	1.0%
\$1 million up to \$10 million	0.2%	1.2%	\$1 million up to \$10 million	0.3%	1.7%
Under \$1 million	0.0%	1.5%	Under \$1 million	0.0%	3.4%
Municipalities	18.0%	27.0%	Special Districts	9.1%	43.4%
Top 10	5.9%	1.2%	Top 10	5.7%	1.2%
\$100 million or more	5.5%	1.1%	\$100 million or more	5.0%	1.0%
\$10 million up to \$100 million	11.5%	9.5%	\$10 million up to \$100 million	3.1%	3.2%
\$1 million up to \$10 million	0.8%	5.9%	\$1 million up to \$10 million	0.8%	7.7%
Under \$1 million	0.1%	10.5%	Under \$1 million	0.2%	31.5%
School Boards	16.4%	9.0%	Other	14.3%	3.4%
Top 10	10.9%	1.2%	Top 10	11.8%	1.2%
\$100 million or more	11.3%	1.4%	\$100 million or more	13.5%	1.0%
\$10 million up to \$100 million	4.9%	3.5%	\$10 million up to \$100 million	0.5%	0.4%
\$1 million up to \$10 million	0.2%	1.6%	\$1 million up to \$10 million	0.2%	1.1%
Under \$1 million	0.0%	2.5%	Under \$1 million	0.0%	0.9%



Total Fund Value: \$24,492,596,297



Total Active Participant Count: 801

Note: Active accounts include only those participant accounts valued above zero.

COMPLIANCE WITH INVESTMENT POLICY FOR OCTOBER 2024

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 will meet as necessary based on the occurrence and resolution of compliance exceptions or upon the occurrence of a material event. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, SBA Risk Management and Compliance conducts daily 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. Negative test results are subject to independent verification and review for possible escalation. 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
Securities must be USD denominated	Pass
<u>Ratings requirements</u>	
First Tier Securities	Pass
Long-term securities must have long-term ratings in the three highest categories	Pass
Commercial Paper must have short-term ratings from at least one NRSRO	Pass
Securities in Highest Rating Category (A-1+ or equivalent)	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life	Pass
<u>Maturity</u>	
Individual Security	Pass
Government floating rate notes/variable rate notes	Pass
Dollar Weighted Average Maturity	Pass
Weighted Average Life	Pass
<u>Issuer Diversification</u>	
First tier issuer (limit does not apply to cash, cash items, U.S. Government securities and repo collateralized by these securities)	Pass
 Demand Feature and Guarantor Diversification	
First Tier securities issued by or subject to demand features and guarantees of a non-controlled person	Pass
First Tier securities issued by or subject to demand features and guarantees of a controlled person	Pass

Test by Source	Pass/Fail
<u>Money Market Mutual Funds</u>	
Invested in any one Money Market Mutual Fund	Pass
<u>Repurchase Agreements</u>	
Repurchase Agreement Counterparty Rating	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1+ (2-5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1 (2-5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1+ (More than 5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1 (More than 5 business days)	Pass
Repurchase Agreements with any single dealer - Counterparty Rating A-1	Pass
<u>Concentration Tests</u>	
Industry Concentration, excluding financial services industry	Pass
Any Single Government Agency	Pass
Illiquid Securities	Pass
Assets invested in securities accessible within 1 business day	Pass
Assets invested in securities accessible within 5 business days	Pass

TRADING ACTIVITY FOR OCTOBER 2024

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ANGLESEA FUNDING LLC PABS4	10/17/24	10/09/24	10/10/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/17/24	10/09/24	10/10/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/17/24	10/09/24	10/10/24	15,000,000	14,985,883	0	14,985,883	0
ANGLESEA FUNDING LLC PABS4	10/22/24	10/15/24	10/15/24	30,000,000	29,971,767	0	29,971,767	0
ANGLESEA FUNDING LLC PABS4	10/23/24	10/16/24	10/16/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/23/24	10/16/24	10/16/24	16,000,000	15,984,942	0	15,984,942	0
ANGLESEA FUNDING LLC PABS4	10/24/24	10/17/24	10/17/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/24/24	10/17/24	10/17/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/24/24	10/17/24	10/17/24	15,000,000	14,985,883	0	14,985,883	0
ANGLESEA FUNDING LLC PABS4	10/29/24	10/22/24	10/22/24	30,000,000	29,971,767	0	29,971,767	0
ANGLESEA FUNDING LLC PABS4	10/30/24	10/23/24	10/23/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/30/24	10/23/24	10/23/24	25,000,000	24,976,472	0	24,976,472	0
ANGLESEA FUNDING LLC PABS4	10/31/24	10/24/24	10/24/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/31/24	10/24/24	10/24/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	10/31/24	10/24/24	10/24/24	15,000,000	14,985,883	0	14,985,883	0
ANGLESEA FUNDING LLC PABS4	11/05/24	10/29/24	10/29/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	11/05/24	10/29/24	10/29/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	11/06/24	10/30/24	10/30/24	25,000,000	24,976,472	0	24,976,472	0
ANGLESEA FUNDING LLC PABS4	11/07/24	10/31/24	10/31/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	11/07/24	10/31/24	10/31/24	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	11/07/24	10/31/24	10/31/24	15,000,000	14,985,883	0	14,985,883	0
ASCENSION HEALTH ALCP	01/14/25	10/29/24	10/29/24	10,000,000	9,898,403	0	9,898,403	0
ASCENSION HEALTH ALCP	01/28/25	10/29/24	10/29/24	40,000,000	39,519,722	0	39,519,722	0
ATLANTIC ASSET SECUCPABS4	10/15/24	10/11/24	10/11/24	13,000,000	12,993,023	0	12,993,023	0
ATLANTIC ASSET SECUCPABS4	01/10/25	10/07/24	10/07/24	10,000,000	9,874,917	0	9,874,917	0
BOFA SECURITIES, INCP4-2	04/02/25	10/02/24	10/02/24	50,000,000	48,887,778	0	48,887,778	0
BOFA SECURITIES, INCP4-2	04/02/25	10/02/24	10/02/24	50,000,000	48,887,778	0	48,887,778	0
BOFA SECURITIES, INCP4-2	04/04/25	10/04/24	10/04/24	15,000,000	14,660,267	0	14,660,267	0
BARTON CAPITAL S.A, CPABS4	10/09/24	10/08/24	10/08/24	50,000,000	49,993,278	0	49,993,278	0
BARTON CAPITAL S.A, CPABS4	10/09/24	10/08/24	10/08/24	50,000,000	49,993,278	0	49,993,278	0
BARTON CAPITAL S.A, CPABS4	10/09/24	10/08/24	10/08/24	5,000,000	4,999,328	0	4,999,328	0
BARTON CAPITAL S.A, CPABS4	11/21/24	10/28/24	10/28/24	50,000,000	49,841,667	0	49,841,667	0
BENNINGTON STARK CACPABS4	10/15/24	10/07/24	10/07/24	30,000,000	29,967,667	0	29,967,667	0
BENNINGTON STARK CACPABS4	10/21/24	10/15/24	10/15/24	30,000,000	29,975,750	0	29,975,750	0
BENNINGTON STARK CACPABS4	10/28/24	10/21/24	10/21/24	30,000,000	29,971,708	0	29,971,708	0
BENNINGTON STARK CACPABS4	11/04/24	10/28/24	10/28/24	30,000,000	29,971,708	0	29,971,708	0
BENNINGTON STARK CAPITAL CO LLC	11/27/24	10/01/24	10/02/24	50,000,000	50,000,000	0	50,000,000	0
BENNINGTON STARK CAPITAL CO LLC	11/27/24	10/01/24	10/02/24	20,000,000	20,000,000	0	20,000,000	0
BENNINGTON STARK CAPITAL CO LLC	11/27/24	10/01/24	10/02/24	50,000,000	50,000,000	0	50,000,000	0
BENNINGTON STARK CAPITAL CO LLC	11/27/24	10/01/24	10/02/24	50,000,000	50,000,000	0	50,000,000	0
BNG BANK N.Y, CP4-2CP4-2	10/28/24	10/21/24	10/21/24	50,000,000	49,953,042	0	49,953,042	0
BNG BANK N.Y, CP4-2CP4-2	10/28/24	10/21/24	10/21/24	49,000,000	48,953,981	0	48,953,981	0
CRC FUNDING, LLC CPCPABS4	10/08/24	10/07/24	10/07/24	50,000,000	49,993,278	0	49,993,278	0
CRC FUNDING, LLC CPCPABS4	10/08/24	10/07/24	10/07/24	41,500,000	41,494,421	0	41,494,421	0
CANADIAN IMPERIAL BCDYAN	10/01/25	10/01/24	10/01/24	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	10/01/25	10/01/24	10/01/24	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	10/01/25	10/01/24	10/01/24	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	10/01/25	10/01/24	10/01/24	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	10/01/25	10/01/24	10/01/24	6,000,000	6,000,000	0	6,000,000	0
CANADIAN IMPERIAL BCDYAN	10/08/25	10/08/24	10/08/24	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	10/08/25	10/08/24	10/08/24	50,000,000	50,000,000	0	50,000,000	0

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CANADIAN IMPERIAL BCDYAN	10/08/25	10/08/24	10/08/24	50,000,000	50,000,000	0	50,000,000	0
CHESHAM FINANCE LLCCPABS4	10/11/24	10/04/24	10/04/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/11/24	10/04/24	10/04/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/11/24	10/04/24	10/04/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/18/24	10/10/24	10/11/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/18/24	10/10/24	10/11/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/18/24	10/10/24	10/11/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/25/24	10/18/24	10/18/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/25/24	10/18/24	10/18/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/25/24	10/18/24	10/18/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/01/24	10/25/24	10/25/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/01/24	10/25/24	10/25/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/01/24	10/25/24	10/25/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/08/24	10/31/24	11/01/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/08/24	10/31/24	11/01/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/08/24	10/31/24	11/01/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/10/24	10/02/24	10/03/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/10/24	10/02/24	10/03/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/10/24	10/02/24	10/03/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/10/24	10/02/24	10/03/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/16/24	10/09/24	10/10/24	50,000,000	49,959,667	0	49,959,667	0
CHESHAM FINANCE LLCCPABS4	10/16/24	10/09/24	10/10/24	50,000,000	49,959,667	0	49,959,667	0
CHESHAM FINANCE LLCCPABS4	10/16/24	10/09/24	10/10/24	50,000,000	49,959,667	0	49,959,667	0
CHESHAM FINANCE LLCCPABS4	10/23/24	10/15/24	10/16/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/23/24	10/15/24	10/16/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/23/24	10/15/24	10/16/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/23/24	10/15/24	10/16/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/30/24	10/23/24	10/23/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/30/24	10/23/24	10/23/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/30/24	10/23/24	10/23/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	10/30/24	10/23/24	10/23/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/06/24	10/29/24	10/30/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/06/24	10/29/24	10/30/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/06/24	10/29/24	10/30/24	50,000,000	49,952,944	0	49,952,944	0
CHESHAM FINANCE LLCCPABS4	11/06/24	10/29/24	10/30/24	50,000,000	49,952,944	0	49,952,944	0
CIESCO, LLC CPABS4-CPABS4	10/08/24	10/07/24	10/07/24	50,000,000	49,993,278	0	49,993,278	0
CIESCO, LLC CPABS4-CPABS4	10/08/24	10/07/24	10/07/24	4,300,000	4,299,422	0	4,299,422	0
DNB BANK ASA CP4-2CP4-2	04/10/25	10/10/24	10/10/24	25,000,000	24,423,035	0	24,423,035	0
DZ BANK AG DEUTSCHECP4-2	10/25/24	10/18/24	10/18/24	50,000,000	49,953,042	0	49,953,042	0
DZ BANK AG DEUTSCHECP4-2	10/25/24	10/18/24	10/18/24	50,000,000	49,953,042	0	49,953,042	0
DZ BANK AG DEUTSCHECP4-2	10/25/24	10/18/24	10/18/24	50,000,000	49,953,042	0	49,953,042	0
DZ BANK AG DEUTSCHECP4-2	10/25/24	10/18/24	10/18/24	50,000,000	49,953,042	0	49,953,042	0
SUMITOMO MITSUI TRUECD	01/31/25	10/29/24	10/31/24	100,000,000	98,788,198	0	98,788,198	0
FAIRWAY FINANCE CO,CPABS4	11/14/24	10/09/24	10/10/24	15,000,000	14,929,271	0	14,929,271	0
FAIRWAY FINANCE CO,CPABS4	05/01/25	10/07/24	10/07/24	30,000,000	29,222,350	0	29,222,350	0
FALCON ASSET FUNDINCPABS4	01/28/25	10/31/24	10/31/24	50,000,000	49,419,028	0	49,419,028	0
FALCON ASSET FUNDINCPABS4	01/30/25	10/17/24	10/17/24	50,000,000	49,308,750	0	49,308,750	0
FALCON ASSET FUNDINCPABS4	01/30/25	10/17/24	10/17/24	50,000,000	49,308,750	0	49,308,750	0
GLENCOVE FUNDING LLCPCABS4	10/24/24	10/17/24	10/17/24	50,000,000	49,952,944	0	49,952,944	0
GLENCOVE FUNDING LLCPCABS4	10/24/24	10/17/24	10/17/24	50,000,000	49,952,944	0	49,952,944	0
GLENCOVE FUNDING LLCPCABS4	10/24/24	10/17/24	10/17/24	50,000,000	49,952,944	0	49,952,944	0
GLENCOVE FUNDING LLCPCABS4	10/24/24	10/17/24	10/17/24	20,000,000	19,981,178	0	19,981,178	0
GLENCOVE FUNDING LLCPCABS4	10/31/24	10/24/24	10/24/24	50,000,000	49,952,944	0	49,952,944	0

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GLENCOVE FUNDING LLC PABS4	10/31/24	10/24/24	10/24/24	50,000,000	49,952,944	0	49,952,944	0
GLENCOVE FUNDING LLC PABS4	10/31/24	10/24/24	10/24/24	50,000,000	49,952,944	0	49,952,944	0
GLENCOVE FUNDING LLC PABS4	10/31/24	10/24/24	10/24/24	16,000,000	15,984,942	0	15,984,942	0
GOTHAM FUNDING CORP CPABS4	10/25/24	10/24/24	10/24/24	50,000,000	49,993,278	0	49,993,278	0
GOTHAM FUNDING CORP CPABS4	10/25/24	10/24/24	10/24/24	6,414,000	6,413,138	0	6,413,138	0
GOTHAM FUNDING CORP CPABS4	10/25/24	10/24/24	10/24/24	50,000,000	49,993,278	0	49,993,278	0
GOTHAM FUNDING CORP CPABS4	01/27/25	10/25/24	10/25/24	50,000,000	49,386,389	0	49,386,389	0
GOTHAM FUNDING CORP CPABS4	01/27/25	10/25/24	10/25/24	50,000,000	49,386,389	0	49,386,389	0
GOTHAM FUNDING CORP CPABS4	01/27/25	10/25/24	10/25/24	20,000,000	19,754,556	0	19,754,556	0
JUPITER SECURITIZATION CO LLC	07/08/25	10/08/24	10/08/24	50,000,000	50,000,000	0	50,000,000	0
JUPITER SECURITIZATION CO LLC	07/08/25	10/08/24	10/08/24	25,000,000	25,000,000	0	25,000,000	0
JUPITER SECURITIZAT CPABS4	11/06/24	10/09/24	10/09/24	46,000,000	45,825,762	0	45,825,762	0
JUPITER SECURITIZAT CPABS4	12/02/24	10/28/24	10/28/24	50,000,000	49,768,125	0	49,768,125	0
JUPITER SECURITIZAT CPABS4	12/02/24	10/28/24	10/28/24	50,000,000	49,768,125	0	49,768,125	0
LA FAYETTE ASSET SEC PABS4	10/17/24	10/16/24	10/16/24	50,000,000	49,993,278	0	49,993,278	0
LA FAYETTE ASSET SEC PABS4	10/21/24	10/18/24	10/18/24	50,000,000	49,979,833	0	49,979,833	0
LA FAYETTE ASSET SEC PABS4	10/21/24	10/18/24	10/18/24	20,000,000	19,991,933	0	19,991,933	0
LMA-AMERICAS LLC CPC PABS4	10/09/24	10/08/24	10/08/24	50,000,000	49,993,278	0	49,993,278	0
LMA-AMERICAS LLC CPC PABS4	10/09/24	10/08/24	10/08/24	50,000,000	49,993,278	0	49,993,278	0
LMA-AMERICAS LLC CPC PABS4	10/09/24	10/08/24	10/08/24	44,000,000	43,994,084	0	43,994,084	0
LMA-AMERICAS LLC CPC PABS4	10/11/24	10/10/24	10/10/24	50,000,000	49,993,278	0	49,993,278	0
LMA-AMERICAS LLC CPC PABS4	10/11/24	10/10/24	10/10/24	25,555,000	25,551,564	0	25,551,564	0
LMA-AMERICAS LLC CPC PABS4	10/15/24	10/11/24	10/11/24	50,000,000	49,973,167	0	49,973,167	0
LMA-AMERICAS LLC CPC PABS4	10/15/24	10/11/24	10/11/24	50,000,000	49,973,167	0	49,973,167	0
LMA-AMERICAS LLC CPC PABS4	10/15/24	10/11/24	10/11/24	50,000,000	49,973,167	0	49,973,167	0
LMA-AMERICAS LLC CPC PABS4	10/15/24	10/11/24	10/11/24	20,000,000	19,989,267	0	19,989,267	0
LMA-AMERICAS LLC CPC PABS4	10/16/24	10/15/24	10/15/24	50,000,000	49,993,278	0	49,993,278	0
LMA-AMERICAS LLC CPC PABS4	10/16/24	10/15/24	10/15/24	50,000,000	49,993,278	0	49,993,278	0
LMA-AMERICAS LLC CPC PABS4	10/16/24	10/15/24	10/15/24	50,000,000	49,993,278	0	49,993,278	0
LMA-AMERICAS LLC CPC PABS4	10/16/24	10/15/24	10/15/24	50,000,000	49,993,278	0	49,993,278	0
LMA-AMERICAS LLC CPC PABS4	10/16/24	10/15/24	10/15/24	9,900,000	9,898,669	0	9,898,669	0
LMA-AMERICAS LLC CPC PABS4	01/17/25	10/18/24	10/18/24	25,900,000	25,590,330	0	25,590,330	0
LMA-AMERICAS LLC CPC PABS4	01/30/25	10/28/24	10/29/24	50,000,000	49,392,917	0	49,392,917	0
LMA-AMERICAS LLC CPC PABS4	02/04/25	10/31/24	10/31/24	30,500,000	30,118,547	0	30,118,547	0
LONGSHIP FUNDING LLC PABS4	11/05/24	10/29/24	10/29/24	12,000,000	11,988,707	0	11,988,707	0
LONGSHIP FUNDING LLC PABS4	02/10/25	10/28/24	10/28/24	50,000,000	49,318,958	0	49,318,958	0
LONGSHIP FUNDING LLC PABS4	02/10/25	10/28/24	10/28/24	50,000,000	49,318,958	0	49,318,958	0
LONGSHIP FUNDING LLC PABS4	02/14/25	10/30/24	10/30/24	50,000,000	49,308,958	0	49,308,958	0
LONGSHIP FUNDING LLC PABS4	02/14/25	10/30/24	10/30/24	50,000,000	49,308,958	0	49,308,958	0
LONGSHIP FUNDING LLC PABS4	02/14/25	10/30/24	10/30/24	50,000,000	49,308,958	0	49,308,958	0
MUFG BANK LTD, CDYACDYAN	10/18/24	10/11/24	10/11/24	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	10/18/24	10/11/24	10/11/24	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	10/25/24	10/18/24	10/18/24	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	10/25/24	10/18/24	10/18/24	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	01/29/25	10/18/24	10/18/24	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	01/29/25	10/18/24	10/18/24	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/01/24	10/25/24	10/25/24	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/01/24	10/25/24	10/25/24	50,000,000	50,000,000	0	50,000,000	0
MATCHPOINT FINANCE CPABS4	10/15/24	10/11/24	10/11/24	50,000,000	49,973,167	0	49,973,167	0
MATCHPOINT FINANCE CPABS4	10/15/24	10/11/24	10/11/24	50,000,000	49,973,167	0	49,973,167	0

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MATCHPOINT FINANCE CPABS4	10/15/24	10/11/24	10/11/24	50,000,000	49,973,167	0	49,973,167	0
MATCHPOINT FINANCE CPABS4	10/15/24	10/11/24	10/11/24	13,527,000	13,519,741	0	13,519,741	0
MATCHPOINT FINANCE CPABS4	10/16/24	10/15/24	10/15/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/16/24	10/15/24	10/15/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/16/24	10/15/24	10/15/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/17/24	10/16/24	10/16/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/17/24	10/16/24	10/16/24	20,000,000	19,997,311	0	19,997,311	0
MATCHPOINT FINANCE CPABS4	10/17/24	10/16/24	10/16/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/17/24	10/16/24	10/16/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/18/24	10/17/24	10/17/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/18/24	10/17/24	10/17/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	10/18/24	10/17/24	10/17/24	28,152,000	28,148,215	0	28,148,215	0
MATCHPOINT FINANCE CPABS4	10/21/24	10/18/24	10/18/24	50,000,000	49,979,833	0	49,979,833	0
MATCHPOINT FINANCE CPABS4	10/21/24	10/18/24	10/18/24	50,000,000	49,979,833	0	49,979,833	0
MATCHPOINT FINANCE CPABS4	10/21/24	10/18/24	10/18/24	50,000,000	49,979,833	0	49,979,833	0
MATCHPOINT FINANCE CPABS4	10/21/24	10/18/24	10/18/24	19,451,000	19,443,155	0	19,443,155	0
MATCHPOINT FINANCE CPABS4	10/29/24	10/22/24	10/22/24	25,000,000	24,976,521	0	24,976,521	0
MATCHPOINT FINANCE CPABS4	10/31/24	10/30/24	10/30/24	50,000,000	49,993,292	0	49,993,292	0
MATCHPOINT FINANCE CPABS4	10/31/24	10/30/24	10/30/24	50,000,000	49,993,292	0	49,993,292	0
MATCHPOINT FINANCE CPABS4	10/31/24	10/30/24	10/30/24	28,946,000	28,942,116	0	28,942,116	0
MATCHPOINT FINANCE CPABS4	11/01/24	10/31/24	10/31/24	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	11/01/24	10/31/24	10/31/24	10,000,000	9,998,656	0	9,998,656	0
NATIONWIDE BUILDING SOCIETY	10/10/24	10/03/24	10/03/24	50,000,000	49,952,896	0	49,952,896	0
NATIONWIDE BUILDINGCP4-2	10/16/24	10/09/24	10/09/24	4,000,000	3,996,243	0	3,996,243	0
OLD LINE FUNDING, LCPABS4	09/25/25	10/03/24	10/03/24	25,000,000	24,003,375	0	24,003,375	0
OLD LINE FUNDING, LCPABS4	10/20/25	10/28/24	10/30/24	25,000,000	23,935,000	0	23,935,000	0
OLD LINE FUNDING, LCPABS4	10/20/25	10/28/24	10/30/24	50,000,000	47,870,000	0	47,870,000	0
OLD LINE FUNDING, LCPABS4	10/28/25	10/31/24	11/04/24	50,000,000	47,856,972	0	47,856,972	0
PARADELLE FUNDING LCPABS4	10/30/25	10/30/24	10/30/24	20,000,000	19,119,944	0	19,119,944	0
RIDGEFIELD FUNDING CPABS4	10/11/24	10/10/24	10/10/24	50,000,000	49,993,278	0	49,993,278	0
RIDGEFIELD FUNDING CPABS4	10/11/24	10/10/24	10/10/24	26,078,000	26,074,494	0	26,074,494	0
ROYAL BANK OF CANADCP4-2	10/09/25	10/10/24	10/10/24	50,000,000	47,816,000	0	47,816,000	0
ROYAL BANK OF CANADCP4-2	10/09/25	10/10/24	10/10/24	50,000,000	47,816,000	0	47,816,000	0
ROYAL BANK OF CANADCP4-2	10/09/25	10/10/24	10/10/24	50,000,000	47,816,000	0	47,816,000	0
SHEFFIELD RECEIVABLC PABS4	12/09/24	10/07/24	10/07/24	50,000,000	49,584,375	0	49,584,375	0
SHEFFIELD RECEIVABLC PABS4	12/09/24	10/07/24	10/07/24	50,000,000	49,584,375	0	49,584,375	0
SHEFFIELD RECEIVABLC PABS4	12/09/24	10/07/24	10/07/24	35,000,000	34,709,063	0	34,709,063	0
SHEFFIELD RECEIVABLC PABS4	12/17/24	10/15/24	10/15/24	50,000,000	49,583,500	0	49,583,500	0
SHEFFIELD RECEIVABLC PABS4	02/04/25	10/30/24	10/30/24	50,000,000	49,372,194	0	49,372,194	0
SHEFFIELD RECEIVABLC PABS4	02/04/25	10/30/24	10/30/24	10,000,000	9,874,439	0	9,874,439	0
SHEFFIELD RECEIVABLC PABS4	02/10/25	10/09/24	10/09/24	50,000,000	49,197,444	0	49,197,444	0
SHEFFIELD RECEIVABLC PABS4	02/10/25	10/09/24	10/09/24	50,000,000	49,197,444	0	49,197,444	0
SHEFFIELD RECEIVABLC PABS4	02/21/25	10/11/24	10/11/24	50,000,000	49,137,347	0	49,137,347	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	50,000,000	49,993,194	0	49,993,194	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	50,000,000	49,993,194	0	49,993,194	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	50,000,000	49,993,194	0	49,993,194	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	50,000,000	49,993,194	0	49,993,194	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	50,000,000	49,993,194	0	49,993,194	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	50,000,000	49,993,194	0	49,993,194	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	50,000,000	49,993,194	0	49,993,194	0
STARBIRD FUNDING COCPABS4	10/03/24	10/02/24	10/02/24	9,500,000	9,498,707	0	9,498,707	0

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TRADING ACTIVITY FOR OCTOBER 2024

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
TRUIST BANK CDCD	11/05/24	10/29/24	10/29/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/05/24	10/29/24	10/29/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/05/24	10/29/24	10/29/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/05/24	10/29/24	10/29/24	20,000,000	20,000,000	0	20,000,000	0
TRUIST BANK CDCD	11/06/24	10/30/24	10/30/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/06/24	10/30/24	10/30/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/06/24	10/30/24	10/30/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/06/24	10/30/24	10/30/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/06/24	10/30/24	10/30/24	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/06/24	10/30/24	10/30/24	48,000,000	48,000,000	0	48,000,000	0
UNITEDHEALTH GROUP,CP4-2	10/30/24	10/29/24	10/29/24	50,000,000	49,993,292	0	49,993,292	0
UNITEDHEALTH GROUP,CP4-2	10/30/24	10/29/24	10/29/24	50,000,000	49,993,292	0	49,993,292	0
UNITEDHEALTH GROUP,CP4-2	10/30/24	10/29/24	10/29/24	25,000,000	24,996,646	0	24,996,646	0
UNITEDHEALTH GROUP,CP4-2	10/31/24	10/30/24	10/30/24	50,000,000	49,993,292	0	49,993,292	0
UNITEDHEALTH GROUP,CP4-2	10/31/24	10/30/24	10/30/24	50,000,000	49,993,292	0	49,993,292	0
UNITEDHEALTH GROUP,CP4-2	10/31/24	10/30/24	10/30/24	50,000,000	49,993,292	0	49,993,292	0
UNITEDHEALTH GROUP,CP4-2	10/31/24	10/30/24	10/30/24	50,000,000	49,993,292	0	49,993,292	0
UNITEDHEALTH GROUP,CP4-2	10/31/24	10/30/24	10/30/24	50,000,000	49,993,292	0	49,993,292	0
VICTORY RECEIVABLESCPABS4	10/10/24	10/09/24	10/09/24	50,000,000	49,993,278	0	49,993,278	0
VICTORY RECEIVABLESCPABS4	10/10/24	10/09/24	10/09/24	50,000,000	49,993,278	0	49,993,278	0
VICTORY RECEIVABLESCPABS4	10/16/24	10/09/24	10/09/24	50,000,000	49,952,944	0	49,952,944	0
VICTORY RECEIVABLESCPABS4	10/16/24	10/09/24	10/09/24	15,000,000	14,985,883	0	14,985,883	0
WLAKE 2024-3A A1	10/15/25	10/08/24	10/17/24	30,000,000	30,000,000	0	30,000,000	0
WESTPAC BANKING CORCP4-2	09/26/25	10/03/24	10/03/24	50,000,000	48,011,111	0	48,011,111	0
WESTPAC BANKING CORCP4-2	09/26/25	10/03/24	10/03/24	25,000,000	24,005,556	0	24,005,556	0
WESTPAC BANKING CORCP4-2	09/29/25	10/04/24	10/04/24	50,000,000	47,975,000	0	47,975,000	0
WESTPAC BANKING CORCP4-2	09/29/25	10/04/24	10/04/24	50,000,000	47,975,000	0	47,975,000	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/03/24	10/03/24	5,287,455	5,287,455	0	5,287,455	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/07/24	10/07/24	11,181,741	11,181,741	0	11,181,741	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/09/24	10/09/24	1,775,278	1,775,278	0	1,775,278	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/11/24	10/11/24	3,234,876	3,234,876	0	3,234,876	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/15/24	10/15/24	9,655,141	9,655,141	0	9,655,141	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/17/24	10/17/24	4,566,338	4,566,338	0	4,566,338	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/21/24	10/21/24	2,430,046	2,430,046	0	2,430,046	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/23/24	10/23/24	1,322,228	1,322,228	0	1,322,228	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/25/24	10/25/24	74,782	74,782	0	74,782	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/29/24	10/29/24	4,364,012	4,364,012	0	4,364,012	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/31/24	10/31/24	6,893,039	6,893,039	0	6,893,039	0
MIZUHO TRIPARTY	10/02/24	10/01/24	10/01/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
HSBC TRIPARTY	10/02/24	10/01/24	10/01/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/02/24	10/01/24	10/01/24	2,102,000,000	2,102,000,000	0	2,102,000,000	0
MIZUHO TRIPARTY	10/03/24	10/02/24	10/02/24	700,000,000	700,000,000	0	700,000,000	0
HSBC TRIPARTY	10/03/24	10/02/24	10/02/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/03/24	10/02/24	10/02/24	2,013,000,000	2,013,000,000	0	2,013,000,000	0
MIZUHO TRIPARTY	10/04/24	10/03/24	10/03/24	250,000,000	250,000,000	0	250,000,000	0
HSBC TRIPARTY	10/04/24	10/03/24	10/03/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/04/24	10/03/24	10/03/24	2,276,000,000	2,276,000,000	0	2,276,000,000	0
MIZUHO TRIPARTY	10/07/24	10/04/24	10/04/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/07/24	10/04/24	10/04/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/07/24	10/04/24	10/04/24	2,180,000,000	2,180,000,000	0	2,180,000,000	0
MIZUHO TRIPARTY	10/08/24	10/07/24	10/07/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/08/24	10/07/24	10/07/24	100,000,000	100,000,000	0	100,000,000	0

TRADING ACTIVITY FOR OCTOBER 2024

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	10/08/24	10/07/24	10/07/24	1,787,000,000	1,787,000,000	0	1,787,000,000	0
MIZUHO TRIPARTY	10/09/24	10/08/24	10/08/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/09/24	10/08/24	10/08/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/09/24	10/08/24	10/08/24	2,065,000,000	2,065,000,000	0	2,065,000,000	0
MIZUHO TRIPARTY	10/10/24	10/09/24	10/09/24	450,000,000	450,000,000	0	450,000,000	0
HSBC TRIPARTY	10/10/24	10/09/24	10/09/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/10/24	10/09/24	10/09/24	2,448,000,000	2,448,000,000	0	2,448,000,000	0
MIZUHO TRIPARTY	10/11/24	10/10/24	10/10/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/11/24	10/10/24	10/10/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/11/24	10/10/24	10/10/24	1,878,000,000	1,878,000,000	0	1,878,000,000	0
MIZUHO TRIPARTY	10/15/24	10/11/24	10/11/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/15/24	10/11/24	10/11/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/15/24	10/11/24	10/11/24	1,875,000,000	1,875,000,000	0	1,875,000,000	0
MIZUHO TRIPARTY	10/16/24	10/15/24	10/15/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/16/24	10/15/24	10/15/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/16/24	10/15/24	10/15/24	2,354,000,000	2,354,000,000	0	2,354,000,000	0
MIZUHO TRIPARTY	10/17/24	10/16/24	10/16/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/17/24	10/16/24	10/16/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/17/24	10/16/24	10/16/24	2,190,000,000	2,190,000,000	0	2,190,000,000	0
MIZUHO TRIPARTY	10/18/24	10/17/24	10/17/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/18/24	10/17/24	10/17/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/18/24	10/17/24	10/17/24	1,835,000,000	1,835,000,000	0	1,835,000,000	0
MIZUHO TRIPARTY	10/21/24	10/18/24	10/18/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/21/24	10/18/24	10/18/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/21/24	10/18/24	10/18/24	1,631,000,000	1,631,000,000	0	1,631,000,000	0
MIZUHO TRIPARTY	10/22/24	10/21/24	10/21/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/22/24	10/21/24	10/21/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/22/24	10/21/24	10/21/24	1,778,000,000	1,778,000,000	0	1,778,000,000	0
MIZUHO TRIPARTY	10/23/24	10/22/24	10/22/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/23/24	10/22/24	10/22/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/23/24	10/22/24	10/22/24	2,135,000,000	2,135,000,000	0	2,135,000,000	0
MIZUHO TRIPARTY	10/24/24	10/23/24	10/23/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/24/24	10/23/24	10/23/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/24/24	10/23/24	10/23/24	2,097,000,000	2,097,000,000	0	2,097,000,000	0
MIZUHO TRIPARTY	10/25/24	10/24/24	10/24/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/25/24	10/24/24	10/24/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/25/24	10/24/24	10/24/24	2,175,000,000	2,175,000,000	0	2,175,000,000	0
MIZUHO TRIPARTY	10/28/24	10/25/24	10/25/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/28/24	10/25/24	10/25/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/28/24	10/25/24	10/25/24	2,162,000,000	2,162,000,000	0	2,162,000,000	0
MIZUHO TRIPARTY	10/29/24	10/28/24	10/28/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/29/24	10/28/24	10/28/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/29/24	10/28/24	10/28/24	2,020,000,000	2,020,000,000	0	2,020,000,000	0
MIZUHO TRIPARTY	10/30/24	10/29/24	10/29/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/30/24	10/29/24	10/29/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/30/24	10/29/24	10/29/24	1,736,000,000	1,736,000,000	0	1,736,000,000	0
MIZUHO TRIPARTY	10/31/24	10/30/24	10/30/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/31/24	10/30/24	10/30/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/31/24	10/30/24	10/30/24	1,730,000,000	1,730,000,000	0	1,730,000,000	0
MIZUHO TRIPARTY	11/01/24	10/31/24	10/31/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/01/24	10/31/24	10/31/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/01/24	10/31/24	10/31/24	1,519,000,000	1,519,000,000	0	1,519,000,000	0

TRADING ACTIVITY FOR OCTOBER 2024

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Total Buys				66,244,153,934	66,193,717,293	0	66,193,717,293	0
Cash Closes								
BENNINGTON STARK CAPITAL CO LLC	11/04/24	10/02/24	10/02/24	170,000,000	170,000,000	675,703	170,675,703	0
BENNINGTON STARK CAPITAL CO LLC	11/27/24	10/29/24	10/29/24	170,000,000	170,000,000	640,853	170,640,853	0
FAIRWAY FINANCE CO LLC	01/08/25	10/07/24	10/07/24	60,000,000	60,000,000	250,017	60,250,017	0
JUPITER SECURITIZATION CO LLC	01/06/25	10/08/24	10/08/24	75,000,000	75,000,000	10,854	75,010,854	0
JUPITER SECURITIZATION CO LLC	01/24/25	10/28/24	10/28/24	100,000,000	100,000,000	56,667	100,056,667	0
THUNDER BAY FUNDING LLC	11/26/24	10/17/24	10/17/24	100,000,000	100,000,000	299,361	100,299,361	0
WLAKE 2024-1A A1	03/17/25	10/15/24	10/15/24	4,434,092	4,434,092	0	4,434,092	0
Total Cash Closes				679,434,092	679,434,092	1,933,454	681,367,546	0
Deposits								
RABOBANK NEW YORK	10/08/24	10/01/24	10/01/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/02/24	10/01/24	10/01/24	750,000,000	750,000,000	0	750,000,000	0
RABOBANK NEW YORK	10/09/24	10/02/24	10/02/24	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/09/24	10/02/24	10/02/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/03/24	10/02/24	10/02/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/04/24	10/03/24	10/03/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/07/24	10/04/24	10/04/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
ABN AMRO BANK N.V.	10/15/24	10/07/24	10/07/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/08/24	10/07/24	10/07/24	1,100,000,000	1,100,000,000	0	1,100,000,000	0
NORDEA BANK ABP	10/08/24	10/07/24	10/07/24	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	10/15/24	10/08/24	10/08/24	475,000,000	475,000,000	0	475,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/09/24	10/08/24	10/08/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/16/24	10/09/24	10/09/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEW YORK	10/16/24	10/09/24	10/09/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/10/24	10/09/24	10/09/24	1,150,000,000	1,150,000,000	0	1,150,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/11/24	10/10/24	10/10/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/11/24	10/10/24	10/10/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/15/24	10/11/24	10/11/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/15/24	10/11/24	10/11/24	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	10/21/24	10/15/24	10/15/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEW YORK	10/22/24	10/15/24	10/15/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/16/24	10/15/24	10/15/24	1,100,000,000	1,100,000,000	0	1,100,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/23/24	10/16/24	10/16/24	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/23/24	10/16/24	10/16/24	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	10/23/24	10/16/24	10/16/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/17/24	10/16/24	10/16/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/17/24	10/16/24	10/16/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/18/24	10/17/24	10/17/24	1,150,000,000	1,150,000,000	0	1,150,000,000	0
NORDEA BANK ABP	10/18/24	10/17/24	10/17/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/21/24	10/18/24	10/18/24	1,150,000,000	1,150,000,000	0	1,150,000,000	0
NORDEA BANK ABP	10/21/24	10/18/24	10/18/24	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	10/28/24	10/21/24	10/21/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/22/24	10/21/24	10/21/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/22/24	10/21/24	10/21/24	750,000,000	750,000,000	0	750,000,000	0
RABOBANK NEW YORK	10/29/24	10/22/24	10/22/24	510,000,000	510,000,000	0	510,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/23/24	10/22/24	10/22/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/30/24	10/23/24	10/23/24	1,210,000,000	1,210,000,000	0	1,210,000,000	0
RABOBANK NEW YORK	10/30/24	10/23/24	10/23/24	700,000,000	700,000,000	0	700,000,000	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO BANK, LTD., CANADA BRANCH	10/24/24	10/23/24	10/23/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/25/24	10/24/24	10/24/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/28/24	10/25/24	10/25/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
NORDEA BANK ABP	10/28/24	10/25/24	10/25/24	400,000,000	400,000,000	0	400,000,000	0
ABN AMRO BANK N.V.	11/04/24	10/28/24	10/28/24	1,225,000,000	1,225,000,000	0	1,225,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/29/24	10/28/24	10/28/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
NORDEA BANK ABP	10/29/24	10/28/24	10/28/24	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	11/05/24	10/29/24	10/29/24	535,000,000	535,000,000	0	535,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/30/24	10/29/24	10/29/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
NORDEA BANK ABP	10/30/24	10/29/24	10/29/24	500,000,000	500,000,000	0	500,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	11/06/24	10/30/24	10/30/24	1,225,000,000	1,225,000,000	0	1,225,000,000	0
RABOBANK NEW YORK	11/06/24	10/30/24	10/30/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/31/24	10/30/24	10/30/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/01/24	10/31/24	10/31/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
NORDEA BANK ABP	11/01/24	10/31/24	10/31/24	500,000,000	500,000,000	0	500,000,000	0
Total Deposits				46,840,000,000	46,840,000,000	0	46,840,000,000	0
Maturities								
ANGLESEA FUNDING LLC PABS4	10/01/24	10/01/24	10/01/24	111,000,000	111,000,000	0	111,000,000	0
ANGLESEA FUNDING LLC PABS4	10/07/24	10/07/24	10/07/24	210,000,000	210,000,000	0	210,000,000	0
ANGLESEA FUNDING LLC PABS4	10/08/24	10/08/24	10/08/24	135,000,000	135,000,000	0	135,000,000	0
ANGLESEA FUNDING LLC PABS4	10/17/24	10/17/24	10/17/24	115,000,000	115,000,000	0	115,000,000	0
ANGLESEA FUNDING LLC PABS4	10/22/24	10/22/24	10/22/24	30,000,000	30,000,000	0	30,000,000	0
ANGLESEA FUNDING LLC PABS4	10/23/24	10/23/24	10/23/24	66,000,000	66,000,000	0	66,000,000	0
ANGLESEA FUNDING LLC PABS4	10/24/24	10/24/24	10/24/24	115,000,000	115,000,000	0	115,000,000	0
ANGLESEA FUNDING LLC PABS4	10/29/24	10/29/24	10/29/24	30,000,000	30,000,000	0	30,000,000	0
ANGLESEA FUNDING LLC PABS4	10/30/24	10/30/24	10/30/24	75,000,000	75,000,000	0	75,000,000	0
ANGLESEA FUNDING LLC PABS4	10/31/24	10/31/24	10/31/24	115,000,000	115,000,000	0	115,000,000	0
ATLANTIC ASSET SECUC PABS4	10/15/24	10/15/24	10/15/24	13,000,000	13,000,000	0	13,000,000	0
BANK OF NOVA SCOTIA CDYAN	10/18/24	10/18/24	10/18/24	52,000,000	52,000,000	0	52,000,000	0
BARTON CAPITAL S.A. CPABS4	10/03/24	10/03/24	10/03/24	25,000,000	25,000,000	0	25,000,000	0
BARTON CAPITAL S.A. CPABS4	10/04/24	10/04/24	10/04/24	46,000,000	46,000,000	0	46,000,000	0
BARTON CAPITAL S.A. CPABS4	10/09/24	10/09/24	10/09/24	155,000,000	155,000,000	0	155,000,000	0
BARTON CAPITAL S.A. CPABS4	10/28/24	10/28/24	10/28/24	50,000,000	50,000,000	0	50,000,000	0
BEDFORD ROW FUNDING CORP	10/16/24	10/16/24	10/16/24	80,000,000	80,000,000	0	80,000,000	0
BENNINGTON STARK CAC PABS4	10/03/24	10/03/24	10/03/24	30,000,000	30,000,000	0	30,000,000	0
BENNINGTON STARK CAC PABS4	10/07/24	10/07/24	10/07/24	30,000,000	30,000,000	0	30,000,000	0
BENNINGTON STARK CAC PABS4	10/15/24	10/15/24	10/15/24	30,000,000	30,000,000	0	30,000,000	0
BENNINGTON STARK CAC PABS4	10/21/24	10/21/24	10/21/24	30,000,000	30,000,000	0	30,000,000	0
BENNINGTON STARK CAC PABS4	10/28/24	10/28/24	10/28/24	30,000,000	30,000,000	0	30,000,000	0
BNG BANK N.V. CP4-2CP4-2	10/01/24	10/01/24	10/01/24	466,000,000	466,000,000	0	466,000,000	0
BNG BANK N.V. CP4-2CP4-2	10/28/24	10/28/24	10/28/24	99,000,000	99,000,000	0	99,000,000	0
CRC FUNDING, LLC CPC PABS4	10/08/24	10/08/24	10/08/24	91,500,000	91,500,000	0	91,500,000	0
CANADIAN IMPERIAL BCDYAN	10/17/24	10/17/24	10/17/24	25,000,000	25,000,000	0	25,000,000	0
CANADIAN IMPERIAL BCP4-2	10/07/24	10/07/24	10/07/24	225,000,000	225,000,000	0	225,000,000	0
CHESHAM FINANCE LLC CPABS4	10/11/24	10/11/24	10/11/24	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLC CPABS4	10/18/24	10/18/24	10/18/24	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLC CPABS4	10/25/24	10/25/24	10/25/24	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLC CPABS4	10/10/24	10/10/24	10/10/24	200,000,000	200,000,000	0	200,000,000	0
CHESHAM FINANCE LLC CPABS4	10/16/24	10/16/24	10/16/24	200,000,000	200,000,000	0	200,000,000	0
CHESHAM FINANCE LLC CPABS4	10/23/24	10/23/24	10/23/24	200,000,000	200,000,000	0	200,000,000	0
CHESHAM FINANCE LLC CPABS4	10/30/24	10/30/24	10/30/24	200,000,000	200,000,000	0	200,000,000	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CIESCO, LLC CPABS4-CPABS4	10/07/24	10/07/24	10/07/24	10,000,000	10,000,000	0	10,000,000	0
CIESCO, LLC CPABS4-CPABS4	10/08/24	10/08/24	10/08/24	54,300,000	54,300,000	0	54,300,000	0
CITIBANK NA	10/28/24	10/28/24	10/28/24	100,000,000	100,000,000	0	100,000,000	0
DZ BANK AG DEUTSCHECP4-2	10/25/24	10/25/24	10/25/24	200,000,000	200,000,000	0	200,000,000	0
GLENCOVE FUNDING LLCPABS4	10/24/24	10/24/24	10/24/24	170,000,000	170,000,000	0	170,000,000	0
GLENCOVE FUNDING LLCPABS4	10/31/24	10/31/24	10/31/24	166,000,000	166,000,000	0	166,000,000	0
GOTHAM FUNDING CORPCPABS4	10/03/24	10/03/24	10/03/24	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCPABS4	10/04/24	10/04/24	10/04/24	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCPABS4	10/25/24	10/25/24	10/25/24	106,414,000	106,414,000	0	106,414,000	0
GREAT BEAR FUNDING CPABS4	10/03/24	10/03/24	10/03/24	65,000,000	65,000,000	0	65,000,000	0
JUPITER SECURITIZATCPABS4	10/25/24	10/25/24	10/25/24	50,000,000	50,000,000	0	50,000,000	0
LA FAYETTE ASSET SECPABS4	10/17/24	10/17/24	10/17/24	50,000,000	50,000,000	0	50,000,000	0
LA FAYETTE ASSET SECPABS4	10/21/24	10/21/24	10/21/24	70,000,000	70,000,000	0	70,000,000	0
LILLY (ELI) CO,CP4-2	10/03/24	10/03/24	10/03/24	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLC CPCPABS4	10/04/24	10/04/24	10/04/24	40,900,000	40,900,000	0	40,900,000	0
LMA-AMERICAS LLC CPCPABS4	10/09/24	10/09/24	10/09/24	144,000,000	144,000,000	0	144,000,000	0
LMA-AMERICAS LLC CPCPABS4	10/11/24	10/11/24	10/11/24	75,555,000	75,555,000	0	75,555,000	0
LMA-AMERICAS LLC CPCPABS4	10/15/24	10/15/24	10/15/24	220,000,000	220,000,000	0	220,000,000	0
LMA-AMERICAS LLC CPCPABS4	10/16/24	10/16/24	10/16/24	209,900,000	209,900,000	0	209,900,000	0
MUFG BANK LTD, CDYACDYAN	10/18/24	10/18/24	10/18/24	100,000,000	100,000,000	0	100,000,000	0
MUFG BANK LTD, CDYACDYAN	10/25/24	10/25/24	10/25/24	100,000,000	100,000,000	0	100,000,000	0
MUFG BANK LTD/NEW YORK NY	10/31/24	10/31/24	10/31/24	100,000,000	100,000,000	0	100,000,000	0
MATCHPOINT FINANCE CPABS4	10/15/24	10/15/24	10/15/24	163,527,000	163,527,000	0	163,527,000	0
MATCHPOINT FINANCE CPABS4	10/16/24	10/16/24	10/16/24	150,000,000	150,000,000	0	150,000,000	0
MATCHPOINT FINANCE CPABS4	10/17/24	10/17/24	10/17/24	170,000,000	170,000,000	0	170,000,000	0
MATCHPOINT FINANCE CPABS4	10/18/24	10/18/24	10/18/24	128,152,000	128,152,000	0	128,152,000	0
MATCHPOINT FINANCE CPABS4	10/21/24	10/21/24	10/21/24	169,451,000	169,451,000	0	169,451,000	0
MATCHPOINT FINANCE CPABS4	10/29/24	10/29/24	10/29/24	25,000,000	25,000,000	0	25,000,000	0
MATCHPOINT FINANCE CPABS4	10/31/24	10/31/24	10/31/24	128,946,000	128,946,000	0	128,946,000	0
NATIONWIDE BUILDING SOCIETY	10/10/24	10/10/24	10/10/24	50,000,000	50,000,000	0	50,000,000	0
NATIONWIDE BUILDINGCP4-2	10/16/24	10/16/24	10/16/24	4,000,000	4,000,000	0	4,000,000	0
RIDGEFIELD FUNDING CPABS4	10/11/24	10/11/24	10/11/24	76,078,000	76,078,000	0	76,078,000	0
ROYAL BANK OF CANADCP4-2	10/11/24	10/11/24	10/11/24	150,000,000	150,000,000	0	150,000,000	0
ROYAL BANK OF CANADCP4-2	10/16/24	10/16/24	10/16/24	47,000,000	47,000,000	0	47,000,000	0
SHEFFIELD RECEIVABLC PABS4	10/02/24	10/02/24	10/02/24	50,000,000	50,000,000	0	50,000,000	0
SHEFFIELD RECEIVABLC PABS4	10/07/24	10/07/24	10/07/24	115,000,000	115,000,000	0	115,000,000	0
SHEFFIELD RECEIVABLC PABS4	10/09/24	10/09/24	10/09/24	100,000,000	100,000,000	0	100,000,000	0
SHEFFIELD RECEIVABLC PABS4	10/11/24	10/11/24	10/11/24	50,000,000	50,000,000	0	50,000,000	0
SHEFFIELD RECEIVABLC PABS4	10/30/24	10/30/24	10/30/24	90,000,000	90,000,000	0	90,000,000	0
STARBIRD FUNDING COCPABS4	10/03/24	10/03/24	10/03/24	409,500,000	409,500,000	0	409,500,000	0
STARBIRD FUNDING COCPABS4	10/09/24	10/09/24	10/09/24	153,575,000	153,575,000	0	153,575,000	0
STARBIRD FUNDING COCPABS4	10/11/24	10/11/24	10/11/24	131,000,000	131,000,000	0	131,000,000	0
STARBIRD FUNDING COCPABS4	10/15/24	10/15/24	10/15/24	111,870,000	111,870,000	0	111,870,000	0
STARBIRD FUNDING COCPABS4	10/16/24	10/16/24	10/16/24	152,830,000	152,830,000	0	152,830,000	0
STARBIRD FUNDING COCPABS4	10/17/24	10/17/24	10/17/24	153,405,000	153,405,000	0	153,405,000	0
STARBIRD FUNDING COCPABS4	10/18/24	10/18/24	10/18/24	439,000,000	439,000,000	0	439,000,000	0
STARBIRD FUNDING COCPABS4	10/23/24	10/23/24	10/23/24	90,000,000	90,000,000	0	90,000,000	0
STARBIRD FUNDING COCPABS4	10/24/24	10/24/24	10/24/24	206,000,000	206,000,000	0	206,000,000	0
STARBIRD FUNDING COCPABS4	10/28/24	10/28/24	10/28/24	55,000,000	55,000,000	0	55,000,000	0
STARBIRD FUNDING COCPABS4	10/29/24	10/29/24	10/29/24	199,066,000	199,066,000	0	199,066,000	0
STARBIRD FUNDING COCPABS4	10/30/24	10/30/24	10/30/24	100,000,000	100,000,000	0	100,000,000	0

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STARBIRD FUNDING COCPABS4	10/31/24	10/31/24	10/31/24	56,400,000	56,400,000	0	56,400,000	0
SUMITOMO MITSUI TRUCDYAN	10/16/24	10/16/24	10/16/24	190,000,000	190,000,000	0	190,000,000	0
TOTALENERGIES CAPITCP4-2	10/18/24	10/18/24	10/18/24	25,000,000	25,000,000	0	25,000,000	0
TRUIST BANK CDCD	10/08/24	10/08/24	10/08/24	500,000,000	500,000,000	0	500,000,000	0
TRUIST BANK CDCD	10/16/24	10/16/24	10/16/24	500,000,000	500,000,000	0	500,000,000	0
TRUIST BANK CDCD	10/23/24	10/23/24	10/23/24	500,000,000	500,000,000	0	500,000,000	0
TRUIST BANK CDCD	10/29/24	10/29/24	10/29/24	150,000,000	150,000,000	0	150,000,000	0
TRUIST BANK CDCD	10/30/24	10/30/24	10/30/24	400,000,000	400,000,000	0	400,000,000	0
UNITEDHEALTH GROUPCP4-2	10/30/24	10/30/24	10/30/24	125,000,000	125,000,000	0	125,000,000	0
UNITEDHEALTH GROUPCP4-2	10/31/24	10/31/24	10/31/24	250,000,000	250,000,000	0	250,000,000	0
VICTORY RECEIVABLESCPABS4	10/02/24	10/02/24	10/02/24	125,000,000	125,000,000	0	125,000,000	0
VICTORY RECEIVABLESCPABS4	10/07/24	10/07/24	10/07/24	160,000,000	160,000,000	0	160,000,000	0
VICTORY RECEIVABLESCPABS4	10/10/24	10/10/24	10/10/24	100,000,000	100,000,000	0	100,000,000	0
VICTORY RECEIVABLESCPABS4	10/16/24	10/16/24	10/16/24	65,000,000	65,000,000	0	65,000,000	0
MIZUHO TRIPARTY	10/01/24	10/01/24	10/01/24	1,150,000,000	1,150,000,000	0	1,150,000,000	0
HSBC TRIPARTY	10/01/24	10/01/24	10/01/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/01/24	10/01/24	10/01/24	2,302,000,000	2,302,000,000	0	2,302,000,000	0
MIZUHO TRIPARTY	10/02/24	10/02/24	10/02/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
HSBC TRIPARTY	10/02/24	10/02/24	10/02/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/02/24	10/02/24	10/02/24	2,102,000,000	2,102,000,000	0	2,102,000,000	0
MIZUHO TRIPARTY	10/03/24	10/03/24	10/03/24	700,000,000	700,000,000	0	700,000,000	0
HSBC TRIPARTY	10/03/24	10/03/24	10/03/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/03/24	10/03/24	10/03/24	2,013,000,000	2,013,000,000	0	2,013,000,000	0
MIZUHO TRIPARTY	10/04/24	10/04/24	10/04/24	250,000,000	250,000,000	0	250,000,000	0
HSBC TRIPARTY	10/04/24	10/04/24	10/04/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/04/24	10/04/24	10/04/24	2,276,000,000	2,276,000,000	0	2,276,000,000	0
MIZUHO TRIPARTY	10/07/24	10/07/24	10/07/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/07/24	10/07/24	10/07/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/07/24	10/07/24	10/07/24	2,180,000,000	2,180,000,000	0	2,180,000,000	0
MIZUHO TRIPARTY	10/08/24	10/08/24	10/08/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/08/24	10/08/24	10/08/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/08/24	10/08/24	10/08/24	1,787,000,000	1,787,000,000	0	1,787,000,000	0
MIZUHO TRIPARTY	10/09/24	10/09/24	10/09/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/09/24	10/09/24	10/09/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/09/24	10/09/24	10/09/24	2,065,000,000	2,065,000,000	0	2,065,000,000	0
MIZUHO TRIPARTY	10/10/24	10/10/24	10/10/24	450,000,000	450,000,000	0	450,000,000	0
HSBC TRIPARTY	10/10/24	10/10/24	10/10/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/10/24	10/10/24	10/10/24	2,448,000,000	2,448,000,000	0	2,448,000,000	0
MIZUHO TRIPARTY	10/11/24	10/11/24	10/11/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/11/24	10/11/24	10/11/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/11/24	10/11/24	10/11/24	1,878,000,000	1,878,000,000	0	1,878,000,000	0
MIZUHO TRIPARTY	10/15/24	10/15/24	10/15/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/15/24	10/15/24	10/15/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/15/24	10/15/24	10/15/24	1,875,000,000	1,875,000,000	0	1,875,000,000	0
MIZUHO TRIPARTY	10/16/24	10/16/24	10/16/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/16/24	10/16/24	10/16/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/16/24	10/16/24	10/16/24	2,354,000,000	2,354,000,000	0	2,354,000,000	0
MIZUHO TRIPARTY	10/17/24	10/17/24	10/17/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/17/24	10/17/24	10/17/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/17/24	10/17/24	10/17/24	2,190,000,000	2,190,000,000	0	2,190,000,000	0
MIZUHO TRIPARTY	10/18/24	10/18/24	10/18/24	150,000,000	150,000,000	0	150,000,000	0

TRADING ACTIVITY FOR OCTOBER 2024

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
HSBC TRIPARTY	10/18/24	10/18/24	10/18/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/18/24	10/18/24	10/18/24	1,835,000,000	1,835,000,000	0	1,835,000,000	0
MIZUHO TRIPARTY	10/21/24	10/21/24	10/21/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/21/24	10/21/24	10/21/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/21/24	10/21/24	10/21/24	1,631,000,000	1,631,000,000	0	1,631,000,000	0
MIZUHO TRIPARTY	10/22/24	10/22/24	10/22/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/22/24	10/22/24	10/22/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/22/24	10/22/24	10/22/24	1,778,000,000	1,778,000,000	0	1,778,000,000	0
MIZUHO TRIPARTY	10/23/24	10/23/24	10/23/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/23/24	10/23/24	10/23/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/23/24	10/23/24	10/23/24	2,135,000,000	2,135,000,000	0	2,135,000,000	0
MIZUHO TRIPARTY	10/24/24	10/24/24	10/24/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/24/24	10/24/24	10/24/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/24/24	10/24/24	10/24/24	2,097,000,000	2,097,000,000	0	2,097,000,000	0
MIZUHO TRIPARTY	10/25/24	10/25/24	10/25/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/25/24	10/25/24	10/25/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/25/24	10/25/24	10/25/24	2,175,000,000	2,175,000,000	0	2,175,000,000	0
MIZUHO TRIPARTY	10/28/24	10/28/24	10/28/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/28/24	10/28/24	10/28/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/28/24	10/28/24	10/28/24	2,162,000,000	2,162,000,000	0	2,162,000,000	0
MIZUHO TRIPARTY	10/29/24	10/29/24	10/29/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/29/24	10/29/24	10/29/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/29/24	10/29/24	10/29/24	2,020,000,000	2,020,000,000	0	2,020,000,000	0
MIZUHO TRIPARTY	10/30/24	10/30/24	10/30/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/30/24	10/30/24	10/30/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/30/24	10/30/24	10/30/24	1,736,000,000	1,736,000,000	0	1,736,000,000	0
MIZUHO TRIPARTY	10/31/24	10/31/24	10/31/24	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	10/31/24	10/31/24	10/31/24	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	10/31/24	10/31/24	10/31/24	1,730,000,000	1,730,000,000	0	1,730,000,000	0
RABOBANK NEW YORK	10/01/24	10/01/24	10/01/24	500,000,000	500,000,000	0	500,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/02/24	10/02/24	10/02/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEW YORK	10/02/24	10/02/24	10/02/24	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	10/07/24	10/07/24	10/07/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	10/01/24	10/01/24	10/01/24	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	10/08/24	10/08/24	10/08/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/02/24	10/02/24	10/02/24	750,000,000	750,000,000	0	750,000,000	0
RABOBANK NEW YORK	10/09/24	10/09/24	10/09/24	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/09/24	10/09/24	10/09/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/03/24	10/03/24	10/03/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/04/24	10/04/24	10/04/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/07/24	10/07/24	10/07/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
ABN AMRO BANK N.V.	10/15/24	10/15/24	10/15/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/08/24	10/08/24	10/08/24	1,100,000,000	1,100,000,000	0	1,100,000,000	0
NORDEA BANK ABP	10/08/24	10/08/24	10/08/24	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	10/15/24	10/15/24	10/15/24	475,000,000	475,000,000	0	475,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/09/24	10/09/24	10/09/24	1,000,000,000	1,000,000,000	0	1,000,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/16/24	10/16/24	10/16/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEW YORK	10/16/24	10/16/24	10/16/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/10/24	10/10/24	10/10/24	1,150,000,000	1,150,000,000	0	1,150,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/11/24	10/11/24	10/11/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/11/24	10/11/24	10/11/24	500,000,000	500,000,000	0	500,000,000	0

TRADING ACTIVITY FOR OCTOBER 2024

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO BANK, LTD., CANADA BRANCH	10/15/24	10/15/24	10/15/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/15/24	10/15/24	10/15/24	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	10/21/24	10/21/24	10/21/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEW YORK	10/22/24	10/22/24	10/22/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/16/24	10/16/24	10/16/24	1,100,000,000	1,100,000,000	0	1,100,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/23/24	10/23/24	10/23/24	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/23/24	10/23/24	10/23/24	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	10/23/24	10/23/24	10/23/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/17/24	10/17/24	10/17/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/17/24	10/17/24	10/17/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/18/24	10/18/24	10/18/24	1,150,000,000	1,150,000,000	0	1,150,000,000	0
NORDEA BANK ABP	10/18/24	10/18/24	10/18/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/21/24	10/21/24	10/21/24	1,150,000,000	1,150,000,000	0	1,150,000,000	0
NORDEA BANK ABP	10/21/24	10/21/24	10/21/24	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	10/28/24	10/28/24	10/28/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/22/24	10/22/24	10/22/24	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	10/22/24	10/22/24	10/22/24	750,000,000	750,000,000	0	750,000,000	0
RABOBANK NEW YORK	10/29/24	10/29/24	10/29/24	510,000,000	510,000,000	0	510,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/23/24	10/23/24	10/23/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	10/30/24	10/30/24	10/30/24	1,210,000,000	1,210,000,000	0	1,210,000,000	0
RABOBANK NEW YORK	10/30/24	10/30/24	10/30/24	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/24/24	10/24/24	10/24/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/25/24	10/25/24	10/25/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/28/24	10/28/24	10/28/24	1,190,000,000	1,190,000,000	0	1,190,000,000	0
NORDEA BANK ABP	10/28/24	10/28/24	10/28/24	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/29/24	10/29/24	10/29/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
NORDEA BANK ABP	10/29/24	10/29/24	10/29/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/30/24	10/30/24	10/30/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
NORDEA BANK ABP	10/30/24	10/30/24	10/30/24	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	10/31/24	10/31/24	10/31/24	1,200,000,000	1,200,000,000	0	1,200,000,000	0
Total Maturities				111,725,369,000	111,725,369,000	0	111,725,369,000	0
Paydowns								
ARIFL 2024-A A I	03/14/25	10/15/24	10/15/24	2,978,308	2,978,308	0	2,978,308	0
EFF 2024-1 A I	02/20/25	10/21/24	10/21/24	2,570,398	2,570,398	0	2,570,398	0
EFF 2024-3 A I	07/21/25	10/21/24	10/21/24	1,764,906	1,764,906	0	1,764,906	0
GALC 2024-1 A I	02/18/25	10/15/24	10/15/24	3,501,226	3,501,226	0	3,501,226	0
WLAKE 2024-2A A I	06/16/25	10/15/24	10/15/24	11,943,832	11,943,832	0	11,943,832	0
Total Paydowns				22,758,670	22,758,670	0	22,758,670	0
Sells								
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/01/24	10/01/24	76,057	76,057	0	76,057	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/02/24	10/02/24	3,522,713	3,522,713	0	3,522,713	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/04/24	10/04/24	5,287,455	5,287,455	0	5,287,455	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/08/24	10/08/24	7,645,839	7,645,839	0	7,645,839	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/10/24	10/10/24	5,311,180	5,311,180	0	5,311,180	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/16/24	10/16/24	12,890,018	12,890,018	0	12,890,018	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/18/24	10/18/24	1,718,128	1,718,128	0	1,718,128	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/22/24	10/22/24	1,669,286	1,669,286	0	1,669,286	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/24/24	10/24/24	2,672,340	2,672,340	0	2,672,340	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/28/24	10/28/24	2,333,640	2,333,640	0	2,333,640	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	10/30/24	10/30/24	4,364,012	4,364,012	0	4,364,012	0
Total Sells				47,490,666	47,490,666	0	47,490,666	0



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<https://prime.sbafla.com>

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.





MONTHLY SUMMARY REPORT

State Board of Administration of Florida

November 30 2024

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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 Florida PRIME 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 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 November 30 1, 2024, through November 30, 2024, has been prepared by the SBA with input from Federated Hermes (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

DISCLOSURE OF MATERIAL IMPACTS

During the reporting period, Florida PRIME was in material compliance with investment policy. There were no developments that had a material impact on the liquidity or operation of Florida PRIME. Details are available in the PRIME policy compliance table. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

PRIME™ STATISTICS

(As of November 30, 2024)

Total Participants
816

Florida PRIME™
Total Participant Balance
\$25,473,727,790

Total Number of Accounts
1,507

FACTS-AT-A-GLANCE PRIME is an exclusive service for Florida governmental organizations, providing a cost-effective investment vehicle for their surplus funds. Florida PRIME, the Local Government Surplus Funds Trust Fund, is utilized by hundreds of governmental investors including state agencies, state universities and colleges, counties, cities, special districts, school boards, and other direct support organizations of the State of Florida.

Florida PRIME is a government investment pool that offers management by an industry leader in professional money management, conservative investment policies, an extensive governance framework, a Standard & Poor’s “AAAm” rating, full transparency, and best-in-class financial reporting.

PORTFOLIO MANAGER COMMENTARY

Records, as they say, are made to be broken. But some seem so out of reach we don't pay attention to them until they are nearly upon us. Think Cal Ripken's consecutive games-played streak, Katie Ledecky's gold medals or LeBron James' career points. That's the case with the record amount of money market fund assets under management reached in late November. That number? \$7 trillion. The broader liquidity market, including pooled investments such as Florida Prime, is also experiencing highs.

Of course, the tremendous inflows started when the Federal Reserve began hiking rates in March 2022 and continued as rates climbed through 3%, 4% and 5%. But with the Fed cutting rates, surely the recent success is coming to an end, right? We don't think so. A hypothetical theme popular in the markets in the coming months might be that clients can hardly wait to transfer their "sideline cash" to the stock and bond markets if yields dip much further. We believe that for most investors, cash is not coal waiting to be shoveled into a furnace to power riskier asset classes. Liquidity vehicles' utility as a mechanism to pay expenses with the potential for an attractive return and as a crucial part of a balanced portfolio will persist. If the Fed's terminal fed funds rate settles in the mid 3s (we now think 3.5% to 4% is possible), cash should remain a robust investment.

It is still too early to truly assess the ramifications on the liquidity markets of Donald Trump's return to the White House. We don't invest based on rumor, speculation or promises. However, we continue to

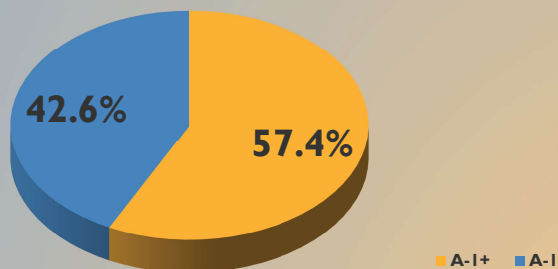
think many of his potential policies, especially on tariffs and immigration, could be inflationary. Those primarily impact the money markets through the Fed, which should be factored into its updated Summary of Economic Projections released after its meeting on Dec. 18. In fact, that document is probably more important than the Committee's decision to lower or maintain the target range—at present a coinflip—as we expect policymakers to adopt an every-other-meeting cut approach in 2025. A pause in December likely means a cut in January; a cut likely means a pause. If policymakers slow the pace of easing due to concerns about inflation stalling or trending back up, money markets likely will see yields stabilize at elevated levels.

The cyclical inflow season commenced in November, with Pool assets under management increasing by \$900 million to reach \$25.40 billion. The yield of the portfolio declined by 19 basis points due to the Fed easing, ending at 4.85%.

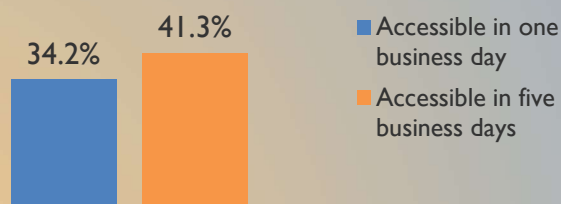
The Pool's manager found value in fixed-rate securities compared to floating-rate securities.. This led to a shortening of the portfolio's Weighted Average Maturity (WAM) by 3 days to end at 47 days and its Weighted Average Life (WAL) by nine days to reach 67 days. At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 4.61%, 4.49%, 4.43% and 4.28%, respectively.

PORTFOLIO COMPOSITION FOR NOVEMBER 30 2024

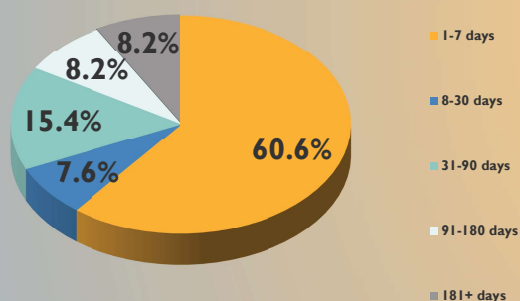
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS-11/26



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Cooperatieve Rabobank UA	4.9%
2. Mizuho Financial Group, Inc.	4.8%
3. ABN Amro Bank NV	4.8%
4. Toronto Dominion Bank	4.8%
5. Australia & New Zealand Banking Group Ltd.	4.7%
6. Bank of Montreal	4.7%
7. DNB Bank ASA	4.6%
8. JPMorgan Chase & Co.	4.6%
9. National Bank of Canada	4.6%
10. Canadian Imperial Bank of Commerce	4.4%

SEC Weighted Average Maturity (WAM)

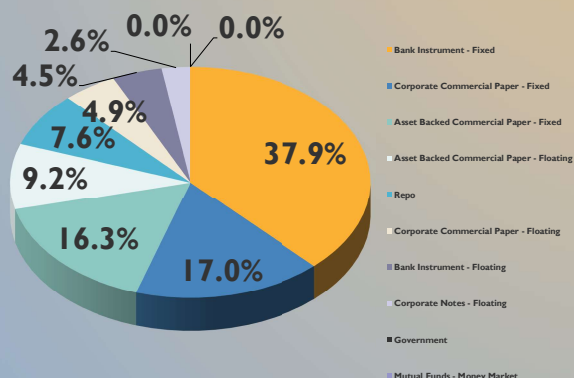
47 Days

Weighted Average Life (Spread WAL)

67 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH NOVEMBER 2024

Florida PRIME Performance Data			
	Annualized Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	4.82%	4.66%	0.15%
Three Months	5.20%	4.98%	0.22%
One Year	5.55%	5.24%	0.31%
Three Years	4.07%	3.73%	0.34%
Five Years	2.63%	2.38%	0.25%
Ten Years	1.97%	1.72%	0.25%
Since 1/96	2.59%	2.36%	0.22%

Note: Net asset value at month end: \$25,749 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

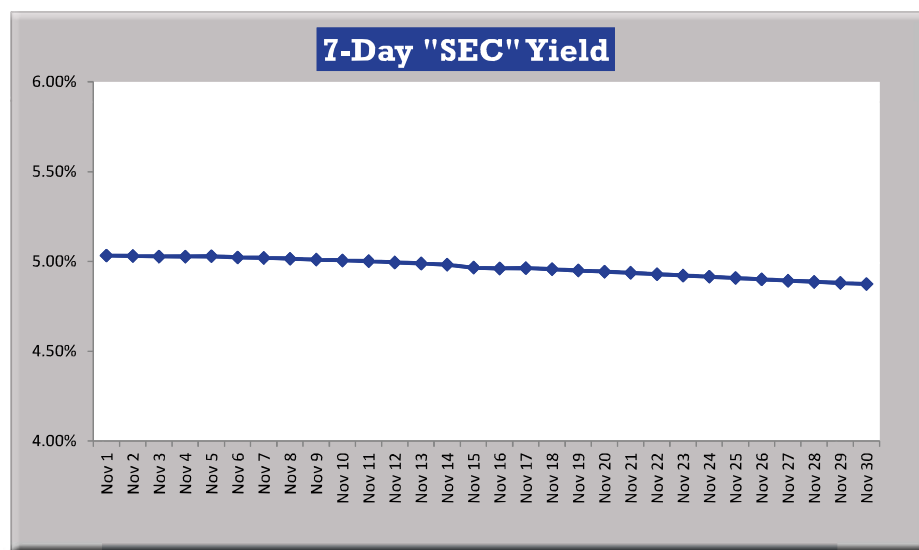
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

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.



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.

PRIME ACCOUNT SUMMARY FOR NOVEMBER 2024

Summary of Cash Flows		
Opening Balance (11/01/24)	\$	24,492,596,297
Participant Deposits		3,768,911,601
Gross Earnings		98,737,297
Participant Withdrawals		(2,885,849,782)
Fees		(667,623)
Closing Balance (11/30/24)	\$	25,473,727,790
Net Change over Month	\$	981,131,493

Detailed Fee Disclosure			
November		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$	201,407.49	0.97
Federated Investment Management Fee		437,502.49	2.10
BNY Mellon Custodial Fee**		7,810.14	0.04
Bank of America Transfer Agent Fee		11,002.08	0.05
S&P Rating Maintenance Fee		4,098.36	0.02
Audit/External Review Fees		5,802.13	0.03
Total Fees	\$	667,622.69	3.21

*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 \$24,983,162,044.

**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 may fluctuate month-to-month.

The data included in this report is unaudited.

INVENTORY OF HOLDINGS FOR NOVEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
I320 W Jefferson LLC, Sep 01, 2060	VARIABLE RATE DEMAND NOTE	4.74	9/1/2060	12/5/2024	5,500,000	4.81	\$5,500,000	\$5,500,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	4.58	12/2/2024		1,225,000,000	4.66	\$1,225,000,000	\$1,225,000,000	\$0
AJC Capital, LLC, Jan 01, 2042	VARIABLE RATE DEMAND NOTE	4.75	1/1/2042	12/5/2024	5,530,000	4.75	\$5,530,000	\$5,530,000	\$0
ARI Fleet Lease Trust 2024-A, A1, 5.568%, 03/14/2025	ASSET BACKED NOTE	5.57	3/14/2025		859,588	5.57	\$859,588	\$859,588	\$0
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/4/2024		78,669,000	4.90	\$78,637,664	\$78,618,552	-\$19,112
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/28/2025		108,165,000	4.79	\$106,921,553	\$106,908,959	-\$12,594
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/2/2024		135,000,000	4.69	\$134,982,713	\$134,948,427	-\$34,285
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/4/2024		100,000,000	4.79	\$99,949,626	\$99,936,290	-\$13,336
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/16/2024		100,000,000	4.71	\$99,802,000	\$99,782,431	-\$19,569
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/19/2024		85,000,000	4.72	\$84,803,650	\$84,782,195	-\$21,455
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		50,000,000	4.89	\$49,758,652	\$49,755,780	-\$2,872
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2025		55,000,000	4.89	\$54,718,875	\$54,710,212	-\$8,664
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/18/2025		100,000,000	5.09	\$98,921,580	\$98,958,925	\$37,345
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/19/2025		65,000,000	4.76	\$64,330,223	\$64,314,897	-\$15,325
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		85,000,000	4.77	\$84,101,644	\$84,082,113	-\$19,531
Anglesea Funding LLC, Mar 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.81	3/14/2025	12/3/2024	145,000,000	4.88	\$145,000,000	\$145,011,642	\$11,642
Archer I LLC, Jun 01, 2060	VARIABLE RATE DEMAND NOTE	4.74	6/1/2060	12/5/2024	18,000,000	4.81	\$18,000,000	\$18,000,000	\$0
Ascension Health Alliance Senior Credit Group CP	COMMERCIAL PAPER		1/14/2025		10,000,000	4.88	\$9,941,944	\$9,938,766	-\$3,178
Ascension Health Alliance Senior Credit Group CP	COMMERCIAL PAPER		1/28/2025		40,000,000	4.89	\$39,693,889	\$39,683,884	-\$10,005
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/16/2024		80,000,000	4.91	\$79,832,328	\$79,825,945	-\$6,383
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/10/2025		10,000,000	4.88	\$9,946,585	\$9,945,563	-\$1,022
Australia & New Zealand Banking Group, Melbourne TD	TIME DEPOSIT	4.58	12/2/2024		1,200,000,000	4.66	\$1,200,000,000	\$1,200,000,000	\$0
BPCE SA CP4-2	COMMERCIAL PAPER - 4-2		12/16/2024		175,000,000	5.26	\$174,628,124	\$174,622,121	-\$6,004
BPCE SA CP4-2	COMMERCIAL PAPER - 4-2		3/3/2025		100,000,000	4.74	\$98,824,444	\$98,810,378	-\$14,066
BWF Forge TL Properties Owner LLC, May 01, 2059	VARIABLE RATE DEMAND NOTE	4.74	5/1/2059	12/5/2024	28,500,000	4.74	\$28,500,000	\$28,500,000	\$0
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.18	1/24/2025		114,000,000	5.20	\$114,000,000	\$114,071,877	\$71,877
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.22	2/5/2025		95,000,000	5.24	\$95,000,000	\$95,077,042	\$77,042
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.20	2/10/2025		50,000,000	5.22	\$50,000,000	\$50,040,413	\$40,413
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.48	5/9/2025		42,000,000	5.50	\$42,000,000	\$42,137,196	\$137,196
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.53	5/28/2025		95,000,000	5.55	\$95,000,000	\$95,380,709	\$380,709
Bank of America N.A. Repo Triparty Term Fixed 7 or More Days	REPO TRIPARTY TERM FIXED >= 7 DAYS	4.58	12/2/2024		1,818,000,000	4.64	\$1,818,000,000	\$1,818,000,000	\$0
Bank of America N.A., Jul 31, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.93	7/31/2025	12/3/2024	100,000,000	5.00	\$100,000,000	\$100,045,538	\$45,538
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.50	6/10/2025		100,000,000	5.52	\$100,000,000	\$100,402,603	\$402,603
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/27/2025		35,000,000	5.15	\$34,729,565	\$34,737,248	\$7,683
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/2/2025		105,000,000	5.56	\$102,672,502	\$102,961,083	\$288,581
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/8/2025		25,000,000	5.52	\$24,428,348	\$24,497,408	\$69,059
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		6/24/2025		150,000,000	5.45	\$145,601,043	\$146,152,388	\$551,345
Bank of Montreal, Jan 06, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.09	1/6/2025	12/3/2024	165,000,000	5.16	\$165,000,000	\$165,062,385	\$62,385
Bank of Montreal, Jan 06, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.96	1/6/2025	12/3/2024	135,000,000	5.03	\$135,000,000	\$135,032,443	\$32,443
Bank of Montreal, Jan 06, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.96	1/6/2025	12/3/2024	175,000,000	5.03	\$175,000,000	\$175,042,432	\$42,432

See notes at end of table.

INVENTORY OF HOLDINGS FOR NOVEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Montreal, Mar 07, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.88	3/7/2025	12/3/2024	100,000,000	4.95	\$100,000,000	\$100,038,209	\$38,209
Bank of Montreal, Mar 12, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.88	3/12/2025	12/3/2024	200,000,000	4.95	\$200,000,000	\$200,077,170	\$77,170
Bank of New York Mellon CP	COMMERCIAL PAPER		12/5/2024		200,000,000	4.69	\$199,897,556	\$199,848,048	-\$49,508
Bank of Nova Scotia, Toronto, Jan 03, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.96	1/3/2025	12/3/2024	170,000,000	5.03	\$170,000,000	\$170,040,958	\$40,958
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/6/2024		50,000,000	4.76	\$49,962,506	\$49,955,375	-\$7,131
Bedford Row Funding Corp., Dec 12, 2024	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	4.81	12/12/2024	12/3/2024	100,000,000	4.88	\$100,000,000	\$100,003,970	\$3,970
Bedford Row Funding Corp., Jan 08, 2025	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	4.81	1/8/2025	12/3/2024	50,000,000	4.88	\$50,000,000	\$50,005,484	\$5,484
Bedford Row Funding Corp., Jan 16, 2025	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	4.81	1/16/2025	12/3/2024	75,000,000	4.88	\$75,000,000	\$75,006,237	\$6,237
Bennington Stark Capital Co., LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/3/2024		75,000,000	4.68	\$74,975,357	\$74,961,738	-\$13,619
BofA Securities, Inc. CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		100,000,000	4.58	\$98,508,889	\$98,418,426	-\$90,463
BofA Securities, Inc. CP4-2	COMMERCIAL PAPER - 4-2		4/4/2025		15,000,000	4.66	\$14,768,534	\$14,759,025	-\$9,509
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.17	10/1/2025		256,000,000	4.20	\$256,000,000	\$255,115,643	-\$884,357
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.46	10/8/2025		150,000,000	4.48	\$150,000,000	\$149,833,502	-\$166,499
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.53	4/10/2025		150,000,000	5.55	\$150,000,000	\$150,427,829	\$427,829
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.55	4/17/2025		15,000,000	5.57	\$15,000,000	\$15,046,536	\$46,536
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.50	5/23/2025		100,000,000	5.52	\$100,000,000	\$100,370,655	\$370,655
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		2/4/2025		50,000,000	5.20	\$49,550,235	\$49,576,005	\$25,770
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		5/22/2025		200,000,000	5.52	\$195,022,036	\$195,672,620	\$650,584
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		11/12/2025		100,000,000	4.65	\$95,749,361	\$95,773,844	\$24,483
Canadian Imperial Bank of Commerce, Jan 03, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.09	1/3/2025	12/3/2024	110,000,000	5.16	\$110,000,000	\$110,046,611	\$46,611
Chariot Funding LLC, Jun 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.88	6/4/2025	12/3/2024	135,000,000	4.95	\$135,000,000	\$135,013,333	\$13,333
Chariot Funding LLC, Jun 17, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.88	6/17/2025	12/3/2024	83,000,000	4.95	\$83,000,000	\$83,008,631	\$8,631
Chariot Funding LLC, Mar 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.90	3/4/2025	12/3/2024	125,000,000	4.97	\$125,000,000	\$125,057,244	\$57,244
Chariot Funding LLC, Mar 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.90	3/14/2025	12/3/2024	35,000,000	4.97	\$35,000,000	\$35,007,865	\$7,865
Chariot Funding LLC, Mar 20, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/20/2025	12/3/2024	50,000,000	4.93	\$50,000,000	\$50,005,840	\$5,840
Chariot Funding LLC, Mar 24, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.90	3/24/2025	12/3/2024	130,000,000	4.97	\$130,000,000	\$130,049,664	\$49,664
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/2/2024		150,000,000	4.68	\$149,966,458	\$149,942,697	-\$23,761
Citibank N.A., New York, Jan 10, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.96	1/10/2025	12/3/2024	220,000,000	5.03	\$220,000,000	\$220,071,278	\$71,278
Citigroup Global Markets, Inc. CP4-2	COMMERCIAL PAPER - 4-2		8/18/2025		75,000,000	4.68	\$72,578,750	\$72,566,566	-\$12,184
City Furniture, Inc., Aug 01, 2044	VARIABLE RATE DEMAND NOTE	4.70	8/1/2044	12/5/2024	76,200,000	4.70	\$76,200,000	\$76,200,000	\$0
Collateralized Commercial Paper FLEX Co., LLC, Mar 05, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/5/2025	12/3/2024	115,000,000	4.93	\$115,000,000	\$115,039,965	\$39,965
Collateralized Commercial Paper FLEX Co., LLC, Mar 10, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/10/2025	12/3/2024	150,000,000	4.93	\$150,000,000	\$150,019,677	\$19,677

See notes at end of table.

INVENTORY OF HOLDINGS FOR NOVEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Collateralized Commercial Paper FLEX Co., LLC, Mar 10, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/10/2025	12/3/2024	75,000,000	4.93	\$75,000,000	\$75,026,032	\$26,032
Collateralized Commercial Paper FLEX Co., LLC, Mar 24, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/24/2025	12/3/2024	70,000,000	4.93	\$70,000,000	\$70,008,326	\$8,326
Collateralized Commercial Paper V Co. LLC, Apr 01, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	4/1/2025	12/3/2024	100,000,000	4.93	\$100,000,000	\$100,013,169	\$13,169
Collateralized Commercial Paper V Co. LLC, Mar 20, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/20/2025	12/3/2024	45,000,000	4.93	\$45,000,000	\$45,005,148	\$5,148
Collateralized Commercial Paper V Co. LLC, Mar 25, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/25/2025	12/3/2024	50,000,000	4.93	\$50,000,000	\$50,004,469	\$4,469
Cooperatieve Rabobank UA TD	TIME DEPOSIT	4.58	12/2/2024		700,000,000	4.66	\$700,000,000	\$700,000,000	\$0
Cooperatieve Rabobank UA TD	TIME DEPOSIT	4.58	12/3/2024		550,000,000	4.66	\$550,000,000	\$550,000,000	\$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.59	12/3/2024		500,000,000	4.67	\$500,000,000	\$500,000,935	\$935
DNB Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		12/9/2024		150,000,000	5.15	\$149,833,332	\$149,811,125	-\$22,208
DNB Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		4/10/2025		25,000,000	4.75	\$24,587,882	\$24,587,078	-\$804
DNB Bank ASA TD	TIME DEPOSIT	4.58	12/2/2024		1,000,000,000	4.66	\$1,000,000,000	\$1,000,000,000	\$0
Dino P. Kanelos Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	4.75	9/1/2041	12/5/2024	4,515,000	4.75	\$4,515,000	\$4,515,000	\$0
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	4.53	12/2/2024		4,246,893	4.61	\$4,246,893	\$4,246,893	\$0
EDMC Group, Inc., (Series 2024-2) , Dec 01, 2054	VARIABLE RATE DEMAND NOTE	4.62	12/1/2054	12/5/2024	30,000,000	4.68	\$30,000,000	\$30,000,000	\$0
Enterprise Fleet Financing, LLC 2024-3, A1, 5.493%, 07/21/2025	ASSET BACKED NOTE	5.49	7/21/2025		7,759,192	5.49	\$7,759,192	\$7,776,658	\$17,466
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/28/2025		36,600,000	4.54	\$36,080,188	\$36,044,565	-\$35,623
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/1/2025		30,000,000	4.72	\$29,429,975	\$29,417,708	-\$12,267
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/28/2025		50,000,000	4.83	\$49,621,389	\$49,615,000	-\$6,389
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/30/2025		100,000,000	4.89	\$99,210,000	\$99,204,448	-\$5,552
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		68,000,000	4.84	\$67,422,945	\$67,415,609	-\$7,336
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/6/2025		25,000,000	4.79	\$24,693,229	\$24,689,937	-\$3,292
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2025		203,000,000	4.79	\$200,482,800	\$200,456,883	-\$25,917
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/27/2025		120,000,000	4.84	\$119,107,000	\$119,091,335	-\$15,665
Great Bear Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/2/2024		75,000,000	4.69	\$74,990,396	\$74,971,366	-\$19,030
HSBC Securities (USA), Inc. Repo Triparty Term Fixed 7 or More Days	REPO TRIPARTY TERM FIXED >= 7 DAYS	4.59	12/2/2024		100,000,000	4.65	\$100,000,000	\$100,000,000	\$0
HW Hellman Building, LP, Mar 01, 2062	VARIABLE RATE DEMAND NOTE	4.74	3/1/2062	12/5/2024	50,000,000	4.74	\$50,000,000	\$50,000,000	\$0
Jupiter Securitization Co. LLC, Jul 08, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.90	7/8/2025	12/3/2024	75,000,000	4.97	\$75,000,000	\$75,008,855	\$8,855
Jupiter Securitization Co. LLC, Jun 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.88	6/4/2025	12/3/2024	55,000,000	4.95	\$55,000,000	\$55,002,697	\$2,697
Jupiter Securitization Co. LLC, Mar 10, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.86	3/10/2025	12/3/2024	38,000,000	4.93	\$38,000,000	\$38,014,361	\$14,361
Jupiter Securitization Co. LLC, Mar 11, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.90	3/11/2025	12/3/2024	60,000,000	4.97	\$60,000,000	\$60,029,489	\$29,489
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/2/2024		100,000,000	4.87	\$99,986,750	\$99,961,798	-\$24,952
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/9/2024		10,000,000	4.80	\$9,989,556	\$9,987,235	-\$2,320
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		140,000,000	4.84	\$138,811,945	\$138,796,841	-\$15,103
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2025		74,000,000	4.79	\$73,082,400	\$73,072,952	-\$9,448
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/17/2025		25,900,000	4.87	\$25,738,493	\$25,736,486	-\$2,007
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/30/2025		50,000,000	4.84	\$49,608,333	\$49,602,224	-\$6,109
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		30,500,000	4.83	\$30,240,483	\$30,237,883	-\$2,599

See notes at end of table.

INVENTORY OF HOLDINGS FOR NOVEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
La Fayette Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/12/2024		140,000,000	5.17	\$139,785,255	\$139,767,419	-\$17,836
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/31/2025		130,000,000	4.78	\$128,973,506	\$128,962,145	-\$11,361
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2025		100,000,000	4.81	\$99,074,895	\$99,073,576	-\$1,319
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/14/2025		200,000,000	4.79	\$198,062,500	\$198,044,486	-\$18,014
MUFG Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.75	1/29/2025		100,000,000	4.83	\$100,000,000	\$100,015,805	\$15,805
MUFG Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.61	12/2/2024		150,000,000	4.69	\$150,000,000	\$150,000,164	\$164
MUFG Bank Ltd. CP	COMMERCIAL PAPER		12/9/2024		150,000,000	5.30	\$149,828,832	\$149,809,328	-\$19,505
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/12/2024		65,948,000	5.16	\$65,847,044	\$65,838,441	-\$8,603
Mizuho Bank Ltd., Canada Branch TD	TIME DEPOSIT	4.59	12/2/2024		1,200,000,000	4.67	\$1,200,000,000	\$1,200,000,000	\$0
NRVV Bank CP4-2	COMMERCIAL PAPER - 4-2		4/25/2025		200,000,000	4.43	\$196,572,361	\$196,370,734	-\$201,627
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		2/10/2025		50,000,000	5.16	\$49,512,344	\$49,535,504	\$23,160
National Australia Bank Ltd., Melbourne, Dec 09, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.03	12/9/2024	12/3/2024	100,000,000	5.10	\$100,000,000	\$100,009,928	\$9,928
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/22/2025		30,000,000	5.10	\$29,790,700	\$29,795,250	\$4,550
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/27/2025		120,000,000	5.10	\$119,082,297	\$119,106,805	\$24,508
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/31/2025		115,000,000	5.08	\$114,062,722	\$114,085,319	\$22,597
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		2/5/2025		65,000,000	5.19	\$64,414,889	\$64,440,952	\$26,063
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		3/18/2025		150,000,000	5.41	\$147,721,790	\$147,922,400	\$200,610
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/28/2025		90,000,000	5.56	\$87,663,750	\$87,970,500	\$306,750
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		10/31/2025		50,000,000	4.57	\$47,982,083	\$47,943,160	-\$38,923
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		2/3/2025		90,000,000	5.19	\$89,214,400	\$89,250,240	\$35,840
National Bank of Canada, Montreal, Jan 16, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.95	1/16/2025	12/3/2024	200,000,000	5.02	\$200,000,000	\$200,070,090	\$70,090
National Bank of Canada, Montreal, Jan 17, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.95	1/17/2025	12/3/2024	100,000,000	5.02	\$100,000,000	\$100,036,266	\$36,266
National Bank of Canada, Montreal, Mar 13, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.88	3/13/2025	12/3/2024	160,000,000	4.95	\$160,000,000	\$160,077,626	\$77,626
Nordea Bank Abp TD	TIME DEPOSIT	4.58	12/2/2024		500,000,000	4.66	\$500,000,000	\$500,000,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/25/2025		25,000,000	4.21	\$24,168,084	\$24,079,167	-\$88,917
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/20/2025		75,000,000	4.54	\$72,092,214	\$72,010,113	-\$82,101
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/28/2025		50,000,000	4.53	\$48,018,597	\$47,958,261	-\$60,337
Old Line Funding, LLC, Apr 21, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.87	4/21/2025	12/3/2024	50,000,000	4.94	\$50,000,000	\$50,009,527	\$9,527
Old Line Funding, LLC, Apr 28, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.87	4/28/2025	12/3/2024	100,000,000	4.94	\$100,000,000	\$100,028,939	\$28,939
Old Line Funding, LLC, Mar 05, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.83	3/5/2025	12/3/2024	90,000,000	4.90	\$90,000,000	\$90,017,164	\$17,164
Old Line Funding, LLC, May 01, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.82	5/1/2025	12/3/2024	75,000,000	4.89	\$75,000,000	\$75,009,164	\$9,164
Overbaugh Family (2016) Survivorship Trust, Apr 01, 2042	VARIABLE RATE DEMAND NOTE	4.75	4/1/2042	12/5/2024	7,015,000	4.75	\$7,015,000	\$7,015,000	\$0
Paradelle Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		60,000,000	5.13	\$59,327,600	\$59,353,760	\$26,160
Paradelle Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/30/2025		20,000,000	4.56	\$19,197,100	\$19,180,313	-\$16,787
Pennsylvania State Higher Education Assistance Agency, (Taxable Series A), 06/01/2054	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.60	6/1/2054	12/2/2024	36,995,000	4.60	\$36,995,000	\$36,995,000	\$0
Ridgefield Funding Company, LLC Series A CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/16/2024		15,000,000	5.18	\$14,968,562	\$14,967,365	-\$1,198
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		10/9/2025		150,000,000	4.54	\$144,384,000	\$144,313,025	-\$70,976
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		11/6/2025		100,000,000	4.57	\$95,843,333	\$95,601,666	-\$241,667
Royal Bank of Canada, Jul 09, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.93	7/9/2025	12/3/2024	200,000,000	5.00	\$200,000,000	\$200,135,850	\$135,850

See notes at end of table.

INVENTORY OF HOLDINGS FOR NOVEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Scheel Investments, LLC, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	4.75	9/1/2041	12/5/2024	6,720,000	4.75	\$6,720,000	\$6,720,000	\$0
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/9/2024		260,000,000	4.88	\$259,725,555	\$259,667,850	-\$57,705
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/12/2024		280,000,000	5.15	\$279,572,221	\$279,534,080	-\$38,141
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/17/2024		50,000,000	4.88	\$49,894,222	\$49,884,525	-\$9,697
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		60,000,000	4.80	\$59,492,685	\$59,482,388	-\$10,297
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2025		100,000,000	4.81	\$99,075,516	\$99,060,869	-\$14,647
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		50,000,000	4.83	\$49,468,139	\$49,460,534	-\$7,605
Sheffield Receivables Company LLC, Dec 13, 2024	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	4.78	12/13/2024	12/3/2024	105,000,000	4.85	\$105,000,000	\$105,004,110	\$4,110
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/9/2024		30,000,000	5.18	\$29,966,467	\$29,961,706	-\$4,761
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.73	2/3/2025		130,000,000	4.81	\$130,000,000	\$130,011,519	\$11,519
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	0.00	1/31/2025		100,000,000	4.88	\$99,143,836	\$99,156,281	\$12,445
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	4.71	2/25/2025		150,000,000	4.79	\$150,000,000	\$150,000,000	\$0
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	4.78	1/6/2025		150,000,000	4.86	\$150,000,000	\$150,007,860	\$7,860
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	5.10	12/13/2024		100,000,000	5.19	\$100,000,000	\$100,000,000	\$0
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		50,000,000	4.54	\$49,259,528	\$49,224,438	-\$35,090
Taxable Tender Option Bond Trust 2021-MIZ9064TX, (Series 2021-MIZ-9064TX), 11/01/2056	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.00	11/1/2056	12/5/2024	13,000,000	5.00	\$13,000,000	\$13,000,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9084TX, (Series 2022-MIZ-9084TX), 02/01/2027	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.00	2/1/2027	12/5/2024	10,300,000	5.00	\$10,300,000	\$10,300,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9094TX, (Series 2022-MIZ-9094TX), 12/01/2059	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.00	12/1/2059	12/5/2024	3,200,000	5.00	\$3,200,000	\$3,200,000	\$0
Texas State, Veterans Bonds (Taxable Series 2023A), 12/01/2054	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.68	12/1/2054	12/4/2024	17,920,000	4.68	\$17,920,000	\$17,920,000	\$0
The Greathouse 2021 Children's Trust, Dec 01, 2046	VARIABLE RATE DEMAND NOTE	4.75	12/1/2046	12/5/2024	13,625,000	4.75	\$13,625,000	\$13,625,000	\$0
Thunder Bay Funding, LLC, Apr 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.83	4/14/2025	12/3/2024	100,000,000	4.90	\$100,000,000	\$100,014,291	\$14,291
Thunder Bay Funding, LLC, Apr 17, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.82	4/17/2025	12/3/2024	50,000,000	4.89	\$50,000,000	\$50,005,418	\$5,418
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.15	2/12/2025		100,000,000	5.17	\$100,000,000	\$100,069,814	\$69,814
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.55	10/22/2025		10,000,000	4.57	\$10,000,000	\$9,997,016	-\$2,984
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.40	3/28/2025		95,000,000	5.42	\$95,000,000	\$95,194,955	\$194,955
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.53	5/28/2025		15,000,000	5.55	\$15,000,000	\$15,060,112	\$60,112
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		2/21/2025		150,000,000	5.32	\$148,281,416	\$148,407,780	\$126,364
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		2/24/2025		25,000,000	5.08	\$24,710,742	\$24,725,491	\$14,749
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		3/20/2025		50,000,000	4.64	\$49,324,805	\$49,302,273	-\$22,533
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		100,000,000	5.44	\$98,258,112	\$98,444,466	\$186,354
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		5/28/2025		40,000,000	5.55	\$38,960,677	\$39,106,400	\$145,723
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		7/1/2025		125,000,000	5.44	\$121,205,270	\$121,701,924	\$496,653

See notes at end of table.

INVENTORY OF HOLDINGS FOR NOVEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		7/3/2025		200,000,000	5.44	\$193,889,112	\$194,675,840	\$786,728
Toronto Dominion Bank, Jan 16, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.93	1/16/2025	12/3/2024	235,000,000	5.00	\$235,000,000	\$235,080,144	\$80,144
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		7/23/2025		50,000,000	4.71	\$48,537,500	\$48,524,498	-\$13,003
Toyota Credit De Puerto Rico Corp. CP	COMMERCIAL PAPER		1/13/2025		50,000,000	5.50	\$49,679,734	\$49,712,188	\$32,454
Toyota Credit De Puerto Rico Corp. CP	COMMERCIAL PAPER		2/14/2025		75,000,000	5.61	\$74,167,188	\$74,247,914	\$80,725
Toyota Finance Australia Ltd. CP	COMMERCIAL PAPER		2/5/2025		50,000,000	5.26	\$49,537,083	\$49,563,919	\$26,835
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		4/24/2025		100,000,000	4.73	\$98,177,657	\$98,156,263	-\$21,394
Toyota Motor Credit Corp., Apr 14, 2025	VARIABLE MEDIUM TERM NOTE	4.93	4/14/2025	12/3/2024	110,000,000	5.00	\$110,000,000	\$110,040,340	\$40,340
Toyota Motor Credit Corp., Dec 09, 2024	VARIABLE MEDIUM TERM NOTE	5.08	12/9/2024	12/3/2024	95,000,000	5.15	\$95,000,000	\$95,004,501	\$4,501
Toyota Motor Credit Corp., Sep 17, 2025	VARIABLE MEDIUM TERM NOTE	4.93	9/17/2025	12/3/2024	150,000,000	5.00	\$150,000,000	\$149,986,932	-\$13,068
Truist Bank CD	CERTIFICATE OF DEPOSIT	4.59	12/2/2024		200,000,000	4.67	\$200,000,000	\$199,999,778	-\$222
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		12/2/2024		152,000,000	5.66	\$151,954,604	\$151,942,313	-\$12,291
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	5.15	2/13/2025		200,000,000	5.17	\$200,000,000	\$200,149,898	\$149,898
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	5.21	2/14/2025		10,000,000	5.23	\$10,000,000	\$10,008,844	\$8,844
Westlake Automobile Receivables Trust 2024-2, A1, 5.67%, 06/16/2025	ASSET BACKED NOTE	5.67	6/16/2025		20,344,704	5.67	\$20,344,704	\$20,359,027	\$14,323
Westlake Automobile Receivables Trust 2024-3, A1, 4.919%, 10/15/2025	ASSET BACKED NOTE	4.92	10/15/2025		23,634,680	0.00	\$23,634,680	\$23,638,891	\$4,212
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		2/7/2025		100,000,000	5.17	\$99,074,447	\$99,112,880	\$38,433
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/26/2025		75,000,000	4.19	\$72,508,334	\$72,277,037	-\$231,296
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/29/2025		100,000,000	4.25	\$96,602,500	\$96,332,521	-\$269,979
Wylie Bice Life Insurance Trust, Aug 01, 2046	VARIABLE RATE DEMAND NOTE	4.75	8/1/2046	12/5/2024	7,625,000	4.75	\$7,625,000	\$7,625,000	\$0
Total Value of Assets					25,500,272,057		\$25,394,669,991	\$25,399,470,848	\$4,800,857

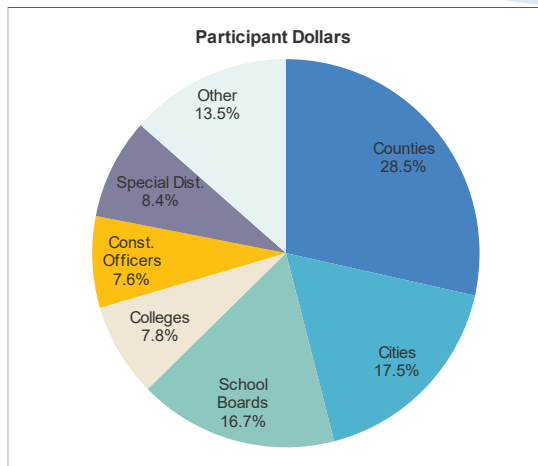
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

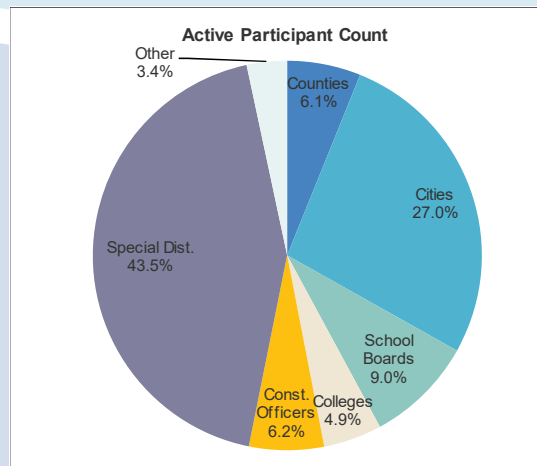
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - AS OF NOVEMBER 30 2024

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	7.8%	4.9%
Top 10	36.8%	1.2%	Top 10	6.8%	1.2%
\$100 million or more	72.6%	7.3%	\$100 million or more	5.6%	0.5%
\$10 million up to \$100 million	24.5%	20.9%	\$10 million up to \$100 million	2.1%	1.9%
\$1 million up to \$10 million	2.6%	20.5%	\$1 million up to \$10 million	0.1%	0.7%
Under \$1 million	0.3%	51.2%	Under \$1 million	0.01%	1.7%
Counties	28.5%	6.1%	Constitutional Officers	7.6%	6.2%
Top 10	23.7%	1.2%	Top 10	5.1%	1.2%
\$100 million or more	26.2%	1.9%	\$100 million or more	6.3%	0.5%
\$10 million up to \$100 million	2.1%	1.5%	\$10 million up to \$100 million	1.1%	1.0%
\$1 million up to \$10 million	0.2%	1.2%	\$1 million up to \$10 million	0.2%	1.7%
Under \$1 million	0.0%	1.5%	Under \$1 million	0.0%	3.0%
Municipalities	17.5%	27.0%	Special Districts	8.4%	43.5%
Top 10	5.8%	1.2%	Top 10	5.0%	1.2%
\$100 million or more	5.4%	1.1%	\$100 million or more	3.8%	0.7%
\$10 million up to \$100 million	11.1%	9.5%	\$10 million up to \$100 million	3.6%	3.5%
\$1 million up to \$10 million	0.9%	6.2%	\$1 million up to \$10 million	0.8%	7.8%
Under \$1 million	0.1%	10.2%	Under \$1 million	0.2%	31.4%
School Boards	16.7%	9.0%	Other	13.5%	3.4%
Top 10	11.3%	1.2%	Top 10	10.8%	1.2%
\$100 million or more	12.6%	1.6%	\$100 million or more	12.7%	1.0%
\$10 million up to \$100 million	3.9%	3.1%	\$10 million up to \$100 million	0.6%	0.5%
\$1 million up to \$10 million	0.2%	1.7%	\$1 million up to \$10 million	0.1%	1.0%
Under \$1 million	0.0%	2.5%	Under \$1 million	0.0%	0.9%



Total Fund Value: \$25,473,727,790



Total Active Participant Count: 803

Note: Active accounts include only those participant accounts valued above zero.

COMPLIANCE WITH INVESTMENT POLICY FOR NOVEMBER 30 2024

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 will meet as necessary based on the occurrence and resolution of compliance exceptions or upon the occurrence of a material event. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, SBA Risk Management and Compliance conducts daily 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. Negative test results are subject to independent verification and review for possible escalation. 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
Securities must be USD denominated	Pass
<u>Ratings requirements</u>	
First Tier Securities	Pass
Long-term securities must have long-term ratings in the three highest categories	Pass
Commercial Paper must have short-term ratings from at least one NRSRO	Pass
Securities in Highest Rating Category (A-1+ or equivalent)	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life	Pass
<u>Maturity</u>	
Individual Security	Pass
Government floating rate notes/variable rate notes	Pass
Dollar Weighted Average Maturity	Pass
Weighted Average Life	Pass
<u>Issuer Diversification</u>	
First tier issuer (limit does not apply to cash, cash items, U.S. Government securities and repo collateralized by these securities)	Pass
 Demand Feature and Guarantor Diversification	
First Tier securities issued by or subject to demand features and guarantees of a non-controlled person	Pass
First Tier securities issued by or subject to demand features and guarantees of a controlled person	Pass

Test by Source	Pass/Fail
<u>Money Market Mutual Funds</u>	
Invested in any one Money Market Mutual Fund	Pass
<u>Repurchase Agreements</u>	
Repurchase Agreement Counterparty Rating	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1+ (2-5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1 (2-5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1+ (More than 5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1 (More than 5 business days)	Pass
Repurchase Agreements with any single dealer - Counterparty Rating A-1	Pass
<u>Concentration Tests</u>	
Industry Concentration, excluding financial services industry	Pass
Any Single Government Agency	Pass
Illiquid Securities	Pass
Assets invested in securities accessible within 1 business day	Pass
Assets invested in securities accessible within 5 business days	Pass

TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ALBION CAPITAL LLC CPAB54	02/28/25	11/22/24	11/25/24	BUY	50,000,000	49,386,458	0	49,386,458	0
ALBION CAPITAL LLC CPAB54	02/28/25	11/22/24	11/25/24	BUY	50,000,000	49,386,458	0	49,386,458	0
ALBION CAPITAL LLC CPAB54	02/28/25	11/22/24	11/25/24	BUY	8,165,000	8,064,809	0	8,064,809	0
ANGLESEA FUNDING LLC PAB54	11/12/24	11/05/24	11/05/24	BUY	50,000,000	49,954,111	0	49,954,111	0
ANGLESEA FUNDING LLC PAB54	11/12/24	11/05/24	11/05/24	BUY	50,000,000	49,954,111	0	49,954,111	0
ANGLESEA FUNDING LLC PAB54	11/14/24	11/07/24	11/07/24	BUY	50,000,000	49,954,792	0	49,954,792	0
ANGLESEA FUNDING LLC PAB54	11/14/24	11/07/24	11/07/24	BUY	50,000,000	49,954,792	0	49,954,792	0
ANGLESEA FUNDING LLC PAB54	11/14/24	11/07/24	11/07/24	BUY	15,000,000	14,986,438	0	14,986,438	0
ANGLESEA FUNDING LLC PAB54	11/15/24	11/08/24	11/08/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/15/24	11/08/24	11/08/24	BUY	10,000,000	9,991,056	0	9,991,056	0
ANGLESEA FUNDING LLC PAB54	11/15/24	11/08/24	11/08/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/19/24	11/12/24	11/12/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/19/24	11/12/24	11/12/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/21/24	11/14/24	11/14/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/21/24	11/14/24	11/14/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/21/24	11/14/24	11/14/24	BUY	15,000,000	14,986,583	0	14,986,583	0
ANGLESEA FUNDING LLC PAB54	11/22/24	11/15/24	11/15/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/22/24	11/15/24	11/15/24	BUY	50,000,000	49,955,278	0	49,955,278	0
ANGLESEA FUNDING LLC PAB54	11/22/24	11/15/24	11/15/24	BUY	10,000,000	9,991,056	0	9,991,056	0
ANGLESEA FUNDING LLC PAB54	12/02/24	11/22/24	11/22/24	BUY	50,000,000	49,935,972	0	49,935,972	0
ANGLESEA FUNDING LLC PAB54	12/02/24	11/22/24	11/22/24	BUY	35,000,000	34,955,181	0	34,955,181	0
ANGLESEA FUNDING LLC PAB54	12/02/24	11/22/24	11/22/24	BUY	50,000,000	49,935,972	0	49,935,972	0
ANGLESEA FUNDING LLC PAB54	12/04/24	11/04/24	11/04/24	BUY	50,000,000	49,804,583	0	49,804,583	0
ANGLESEA FUNDING LLC PAB54	12/04/24	11/04/24	11/04/24	BUY	50,000,000	49,804,583	0	49,804,583	0
ANGLESEA FUNDING LLC PAB54	12/16/24	11/18/24	11/18/24	BUY	50,000,000	49,820,333	0	49,820,333	0
ANGLESEA FUNDING LLC PAB54	12/16/24	11/18/24	11/18/24	BUY	50,000,000	49,820,333	0	49,820,333	0
ANGLESEA FUNDING LLC PAB54	12/19/24	11/08/24	11/08/24	BUY	50,000,000	49,736,917	0	49,736,917	0
ANGLESEA FUNDING LLC PAB54	12/19/24	11/08/24	11/08/24	BUY	35,000,000	34,815,842	0	34,815,842	0
ANGLESEA FUNDING LLC PAB54	01/09/25	11/01/24	11/01/24	BUY	30,000,000	29,729,750	0	29,729,750	0
ANGLESEA FUNDING LLC PAB54	02/19/25	11/19/24	11/19/24	BUY	50,000,000	49,408,389	0	49,408,389	0
ANGLESEA FUNDING LLC PAB54	02/19/25	11/19/24	11/19/24	BUY	15,000,000	14,822,517	0	14,822,517	0
ANGLESEA FUNDING LLC PAB54	02/21/25	11/21/24	11/21/24	BUY	35,000,000	34,584,978	0	34,584,978	0
ANGLESEA FUNDING LLC PAB54	02/21/25	11/21/24	11/21/24	BUY	50,000,000	49,407,111	0	49,407,111	0
BPCE SA CP4-2CP4-2	03/03/25	11/18/24	11/18/24	BUY	50,000,000	49,329,167	0	49,329,167	0
BPCE SA CP4-2CP4-2	03/03/25	11/18/24	11/18/24	BUY	50,000,000	49,329,167	0	49,329,167	0
BANK OF NEW YORK MECP	12/05/24	11/25/24	11/25/24	BUY	50,000,000	49,935,972	0	49,935,972	0
BANK OF NEW YORK MECP	12/05/24	11/25/24	11/25/24	BUY	50,000,000	49,935,972	0	49,935,972	0
BANK OF NEW YORK MECP	12/05/24	11/25/24	11/25/24	BUY	50,000,000	49,935,972	0	49,935,972	0
BANK OF NEW YORK MECP	12/05/24	11/25/24	11/25/24	BUY	50,000,000	49,935,972	0	49,935,972	0
BARTON CAPITAL S.A,CPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
BARTON CAPITAL S.A,CPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
BARTON CAPITAL S.A,CPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
BARTON CAPITAL S.A,CPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
BARTON CAPITAL S.A,CPAB54	11/12/24	11/08/24	11/08/24	BUY	45,000,000	44,977,050	0	44,977,050	0
BARTON CAPITAL S.A,CPAB54	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0

TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BARTON CAPITAL S,A,CPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/14/24	11/13/24	11/13/24	BUY	45,000,000	44,994,263	0	44,994,263	0
BARTON CAPITAL S,A,CPABS4	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/19/24	11/18/24	11/18/24	BUY	35,000,000	34,995,538	0	34,995,538	0
BARTON CAPITAL S,A,CPABS4	11/20/24	11/19/24	11/19/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/20/24	11/19/24	11/19/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/20/24	11/19/24	11/19/24	BUY	5,000,000	4,999,363	0	4,999,363	0
BARTON CAPITAL S,A,CPABS4	11/21/24	11/20/24	11/20/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/21/24	11/20/24	11/20/24	BUY	40,000,000	39,994,900	0	39,994,900	0
BARTON CAPITAL S,A,CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,875	0	49,980,875	0
BARTON CAPITAL S,A,CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,875	0	49,980,875	0
BARTON CAPITAL S,A,CPABS4	11/25/24	11/22/24	11/22/24	BUY	5,000,000	4,998,088	0	4,998,088	0
BARTON CAPITAL S,A,CPABS4	11/26/24	11/25/24	11/25/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/26/24	11/25/24	11/25/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/26/24	11/25/24	11/25/24	BUY	50,000,000	49,993,625	0	49,993,625	0
BARTON CAPITAL S,A,CPABS4	11/26/24	11/25/24	11/25/24	BUY	20,000,000	19,997,450	0	19,997,450	0
BARTON CAPITAL S,A,CPABS4	12/06/24	11/07/24	11/07/24	BUY	50,000,000	49,812,306	0	49,812,306	0
BENNINGTON STARK CACPABS4	11/12/24	11/04/24	11/04/24	BUY	30,000,000	29,968,500	0	29,968,500	0
BENNINGTON STARK CACPABS4	11/19/24	11/12/24	11/12/24	BUY	30,000,000	29,973,167	0	29,973,167	0
BENNINGTON STARK CACPABS4	11/25/24	11/22/24	11/22/24	BUY	35,983,000	35,969,207	0	35,969,207	0
BENNINGTON STARK CACPABS4	11/26/24	11/19/24	11/19/24	BUY	30,000,000	29,973,167	0	29,973,167	0
BENNINGTON STARK CACPABS4	12/03/24	11/26/24	11/26/24	BUY	50,000,000	49,955,278	0	49,955,278	0
BENNINGTON STARK CACPABS4	12/03/24	11/26/24	11/26/24	BUY	25,000,000	24,977,639	0	24,977,639	0
CANADIAN IMPERIAL BCP4-2	11/12/25	11/12/24	11/12/24	BUY	50,000,000	47,758,292	0	47,758,292	0
CANADIAN IMPERIAL BCP4-2	11/12/25	11/12/24	11/12/24	BUY	50,000,000	47,758,292	0	47,758,292	0
CHESHAM FINANCE LLC CPABS4	11/15/24	11/08/24	11/08/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/15/24	11/08/24	11/08/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/15/24	11/08/24	11/08/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/22/24	11/14/24	11/15/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/22/24	11/14/24	11/15/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/22/24	11/14/24	11/15/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	12/02/24	11/22/24	11/22/24	BUY	50,000,000	49,936,111	0	49,936,111	0
CHESHAM FINANCE LLC CPABS4	12/02/24	11/22/24	11/22/24	BUY	50,000,000	49,936,111	0	49,936,111	0
CHESHAM FINANCE LLC CPABS4	12/02/24	11/22/24	11/22/24	BUY	50,000,000	49,936,111	0	49,936,111	0
CHESHAM FINANCE LLC CPABS4	11/13/24	11/06/24	11/06/24	BUY	50,000,000	49,954,694	0	49,954,694	0
CHESHAM FINANCE LLC CPABS4	11/13/24	11/06/24	11/06/24	BUY	50,000,000	49,954,694	0	49,954,694	0
CHESHAM FINANCE LLC CPABS4	11/13/24	11/06/24	11/06/24	BUY	50,000,000	49,954,694	0	49,954,694	0
CHESHAM FINANCE LLC CPABS4	11/13/24	11/06/24	11/06/24	BUY	50,000,000	49,954,694	0	49,954,694	0
CHESHAM FINANCE LLC CPABS4	11/20/24	11/12/24	11/13/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/20/24	11/12/24	11/13/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/20/24	11/12/24	11/13/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CHESHAM FINANCE LLC CPABS4	11/20/24	11/12/24	11/13/24	BUY	50,000,000	49,955,375	0	49,955,375	0
CITIGROUP GLOBAL MACP4-2	08/18/25	11/18/24	11/18/24	BUY	50,000,000	48,305,125	0	48,305,125	0

TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CITIGROUP GLOBAL MACP4-2	08/18/25	11/18/24	11/18/24	BUY	25,000,000	24,152,563	0	24,152,563	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	11/26/24	11/26/24	BUY	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUECD	02/25/25	11/20/24	11/22/24	BUY	150,000,000	150,000,000	0	150,000,000	0
FALCON ASSET FUNDINCPABS4	02/04/25	11/04/24	11/04/24	BUY	50,000,000	49,399,444	0	49,399,444	0
FALCON ASSET FUNDINCPABS4	02/04/25	11/04/24	11/04/24	BUY	18,000,000	17,783,800	0	17,783,800	0
FALCON ASSET FUNDINCPABS4	03/06/25	11/21/24	11/21/24	BUY	25,000,000	24,660,938	0	24,660,938	0
FALCON ASSET FUNDINCPABS4	03/07/25	11/21/24	11/21/24	BUY	50,000,000	49,315,417	0	49,315,417	0
FALCON ASSET FUNDINCPABS4	03/07/25	11/21/24	11/21/24	BUY	50,000,000	49,315,417	0	49,315,417	0
FALCON ASSET FUNDINCPABS4	03/07/25	11/21/24	11/21/24	BUY	50,000,000	49,315,417	0	49,315,417	0
FALCON ASSET FUNDINCPABS4	03/07/25	11/21/24	11/21/24	BUY	50,000,000	49,315,417	0	49,315,417	0
FALCON ASSET FUNDINCPABS4	03/07/25	11/21/24	11/21/24	BUY	3,000,000	2,958,925	0	2,958,925	0
GLENCOVE FUNDING LLC PABS4	11/08/24	11/06/24	11/07/24	BUY	25,000,000	24,996,646	0	24,996,646	0
GLENCOVE FUNDING LLC PABS4	11/14/24	11/06/24	11/07/24	BUY	50,000,000	49,954,986	0	49,954,986	0
GLENCOVE FUNDING LLC PABS4	11/21/24	11/13/24	11/14/24	BUY	50,000,000	49,955,278	0	49,955,278	0
GLENCOVE FUNDING LLC PABS4	11/21/24	11/13/24	11/14/24	BUY	25,000,000	24,977,639	0	24,977,639	0
GLENCOVE FUNDING LLC PABS4	11/21/24	11/13/24	11/14/24	BUY	50,000,000	49,955,278	0	49,955,278	0
GLENCOVE FUNDING LLC PABS4	11/25/24	11/21/24	11/21/24	BUY	50,000,000	49,974,444	0	49,974,444	0
GLENCOVE FUNDING LLC PABS4	11/25/24	11/21/24	11/21/24	BUY	50,000,000	49,974,444	0	49,974,444	0
GLENCOVE FUNDING LLC PABS4	11/25/24	11/21/24	11/21/24	BUY	25,000,000	24,987,222	0	24,987,222	0
GREAT BEAR FUNDING CPABS4	12/02/24	11/22/24	11/22/24	BUY	50,000,000	49,935,972	0	49,935,972	0
GREAT BEAR FUNDING CPABS4	12/02/24	11/22/24	11/22/24	BUY	25,000,000	24,967,986	0	24,967,986	0
JUPITER SECURITIZATCPABS4	12/09/24	11/06/24	11/06/24	BUY	10,000,000	9,956,917	0	9,956,917	0
JUPITER SECURITIZATCPABS4	02/04/25	11/01/24	11/01/24	BUY	50,000,000	49,379,861	0	49,379,861	0
JUPITER SECURITIZATCPABS4	02/04/25	11/01/24	11/01/24	BUY	50,000,000	49,379,861	0	49,379,861	0
JUPITER SECURITIZATCPABS4	02/04/25	11/01/24	11/01/24	BUY	40,000,000	39,503,889	0	39,503,889	0
JUPITER SECURITIZATCPABS4	03/07/25	11/22/24	11/22/24	BUY	50,000,000	49,321,875	0	49,321,875	0
JUPITER SECURITIZATCPABS4	03/07/25	11/22/24	11/22/24	BUY	24,000,000	23,674,500	0	23,674,500	0
LA FAYETTE ASSET SECPABS4	11/21/24	11/20/24	11/20/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/12/24	11/12/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/12/24	11/12/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/12/24	11/12/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/12/24	11/12/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/12/24	11/12/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/12/24	11/12/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/12/24	11/12/24	BUY	19,400,000	19,397,527	0	19,397,527	0

TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
LMA-AMERICAS LLC CPCPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/14/24	11/13/24	11/13/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	11/14/24	11/13/24	11/13/24	BUY	20,800,000	20,797,348	0	20,797,348	0
LMA-AMERICAS LLC CPCPABS4	11/15/24	11/14/24	11/14/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LONGSHIP FUNDING LLC PABS4	11/12/24	11/05/24	11/05/24	BUY	50,000,000	49,954,208	0	49,954,208	0
LONGSHIP FUNDING LLC PABS4	11/12/24	11/05/24	11/05/24	BUY	47,000,000	46,956,956	0	46,956,956	0
LONGSHIP FUNDING LLC PABS4	11/19/24	11/12/24	11/12/24	BUY	50,000,000	49,955,375	0	49,955,375	0
LONGSHIP FUNDING LLC PABS4	11/19/24	11/12/24	11/12/24	BUY	17,000,000	16,984,828	0	16,984,828	0
LONGSHIP FUNDING LLC PABS4	11/20/24	11/19/24	11/19/24	BUY	22,000,000	21,997,201	0	21,997,201	0
LONGSHIP FUNDING LLC PABS4	01/31/25	11/26/24	11/26/24	BUY	50,000,000	49,572,833	0	49,572,833	0
LONGSHIP FUNDING LLC PABS4	01/31/25	11/26/24	11/26/24	BUY	50,000,000	49,572,833	0	49,572,833	0
LONGSHIP FUNDING LLC PABS4	01/31/25	11/26/24	11/26/24	BUY	30,000,000	29,743,700	0	29,743,700	0
MUFG BANK LTD, CDYACDYAN	11/08/24	11/01/24	11/01/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/08/24	11/01/24	11/01/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/15/24	11/08/24	11/08/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/15/24	11/08/24	11/08/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/22/24	11/15/24	11/15/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/22/24	11/15/24	11/15/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	11/22/24	11/15/24	11/15/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/02/24	11/22/24	11/22/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/02/24	11/22/24	11/22/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/02/24	11/22/24	11/22/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MATCHPOINT FINANCE CPABS4	11/04/24	11/01/24	11/01/24	BUY	50,000,000	49,979,833	0	49,979,833	0
MATCHPOINT FINANCE CPABS4	11/04/24	11/01/24	11/01/24	BUY	50,000,000	49,979,833	0	49,979,833	0
MATCHPOINT FINANCE CPABS4	11/06/24	11/05/24	11/05/24	BUY	50,000,000	49,993,278	0	49,993,278	0
MATCHPOINT FINANCE CPABS4	11/06/24	11/05/24	11/05/24	BUY	29,000,000	28,996,101	0	28,996,101	0
MATCHPOINT FINANCE CPABS4	11/15/24	11/14/24	11/14/24	BUY	20,000,000	19,997,450	0	19,997,450	0
MATCHPOINT FINANCE CPABS4	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
MATCHPOINT FINANCE CPABS4	11/19/24	11/18/24	11/18/24	BUY	20,000,000	19,997,450	0	19,997,450	0
MATCHPOINT FINANCE CPABS4	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
MATCHPOINT FINANCE CPABS4	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
MATCHPOINT FINANCE CPABS4	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
MATCHPOINT FINANCE CPABS4	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
NATIONAL BANK OF CACP4-2	10/31/25	11/01/24	11/01/24	BUY	50,000,000	47,800,833	0	47,800,833	0
RIDGEFIELD FUNDING CPABS4	11/07/24	11/06/24	11/06/24	BUY	50,000,000	49,993,278	0	49,993,278	0
RIDGEFIELD FUNDING CPABS4	11/07/24	11/06/24	11/06/24	BUY	6,024,000	6,023,190	0	6,023,190	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,833	0	49,980,833	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,833	0	49,980,833	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,833	0	49,980,833	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,833	0	49,980,833	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,833	0	49,980,833	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,833	0	49,980,833	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/22/24	11/22/24	BUY	24,280,000	24,270,693	0	24,270,693	0

TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ROYAL BANK OF CANADCP4-2	11/06/25	11/07/24	11/07/24	BUY	50,000,000	47,800,833	0	47,800,833	0
ROYAL BANK OF CANADCP4-2	11/06/25	11/07/24	11/07/24	BUY	50,000,000	47,800,833	0	47,800,833	0
STARBIRD FUNDING COCPAB54	11/04/24	11/01/24	11/01/24	BUY	50,000,000	49,979,833	0	49,979,833	0
STARBIRD FUNDING COCPAB54	11/04/24	11/01/24	11/01/24	BUY	50,000,000	49,979,833	0	49,979,833	0
STARBIRD FUNDING COCPAB54	11/04/24	11/01/24	11/01/24	BUY	20,000,000	19,991,933	0	19,991,933	0
STARBIRD FUNDING COCPAB54	11/05/24	11/04/24	11/04/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/05/24	11/04/24	11/04/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/05/24	11/04/24	11/04/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/05/24	11/04/24	11/04/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/06/24	11/05/24	11/05/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/06/24	11/05/24	11/05/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/06/24	11/05/24	11/05/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/06/24	11/05/24	11/05/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/06/24	11/05/24	11/05/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/08/24	11/07/24	11/07/24	BUY	50,000,000	49,993,278	0	49,993,278	0
STARBIRD FUNDING COCPAB54	11/08/24	11/07/24	11/07/24	BUY	19,000,000	18,997,446	0	18,997,446	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	30,000,000	29,984,700	0	29,984,700	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/12/24	11/08/24	11/08/24	BUY	50,000,000	49,974,500	0	49,974,500	0
STARBIRD FUNDING COCPAB54	11/13/24	11/12/24	11/12/24	BUY	30,000,000	29,996,175	0	29,996,175	0
STARBIRD FUNDING COCPAB54	11/15/24	11/14/24	11/14/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPAB54	11/15/24	11/14/24	11/14/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPAB54	11/15/24	11/14/24	11/14/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPAB54	11/15/24	11/14/24	11/14/24	BUY	1,200,000	1,199,847	0	1,199,847	0
STARBIRD FUNDING COCPAB54	11/18/24	11/15/24	11/15/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPAB54	11/18/24	11/15/24	11/15/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPAB54	11/18/24	11/15/24	11/15/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPAB54	11/18/24	11/15/24	11/15/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPAB54	11/18/24	11/15/24	11/15/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPAB54	11/19/24	11/18/24	11/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPAB54	11/19/24	11/18/24	11/18/24	BUY	18,000,000	17,997,705	0	17,997,705	0
STARBIRD FUNDING COCPAB54	11/25/24	11/22/24	11/22/24	BUY	50,000,000	49,980,917	0	49,980,917	0
STARBIRD FUNDING COCPAB54	11/25/24	11/22/24	11/22/24	BUY	5,480,000	5,477,908	0	5,477,908	0
TRUIST BANK CDCD	11/12/24	11/05/24	11/05/24	BUY	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/12/24	11/05/24	11/05/24	BUY	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/12/24	11/05/24	11/05/24	BUY	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/12/24	11/05/24	11/05/24	BUY	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/12/24	11/05/24	11/05/24	BUY	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	11/12/24	11/05/24	11/05/24	BUY	50,000,000	50,000,000	0	50,000,000	0

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TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
UNITEDHEALTH GROUP,CP4-2	11/25/24	11/22/24	11/22/24	BUY	5,000,000	4,998,092	0	4,998,092	0
VICTORY RECEIVABLES CPABS4	11/19/24	11/12/24	11/12/24	BUY	50,000,000	49,955,278	0	49,955,278	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/05/24	11/05/24	BUY	2,806,451	2,806,451	0	2,806,451	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/06/24	11/06/24	BUY	2,437,959	2,437,959	0	2,437,959	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/08/24	11/08/24	BUY	3,351,888	3,351,888	0	3,351,888	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/12/24	11/12/24	BUY	4,248,377	4,248,377	0	4,248,377	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/14/24	11/14/24	BUY	2,826,579	2,826,579	0	2,826,579	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/15/24	11/15/24	BUY	294,838	294,838	0	294,838	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/19/24	11/19/24	BUY	2,912,724	2,912,724	0	2,912,724	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/20/24	11/20/24	BUY	1,926,892	1,926,892	0	1,926,892	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/27/24	11/27/24	BUY	3,411,358	3,411,358	0	3,411,358	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/29/24	11/29/24	BUY	835,535	835,535	0	835,535	0
MIZUHO TRIPARTY	11/04/24	11/01/24	11/01/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/04/24	11/01/24	11/01/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/04/24	11/01/24	11/01/24	BUY	1,319,000,000	1,319,000,000	0	1,319,000,000	0
MIZUHO TRIPARTY	11/05/24	11/04/24	11/04/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/05/24	11/04/24	11/04/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/05/24	11/04/24	11/04/24	BUY	1,495,000,000	1,495,000,000	0	1,495,000,000	0
MIZUHO TRIPARTY	11/06/24	11/05/24	11/05/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/06/24	11/05/24	11/05/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/06/24	11/05/24	11/05/24	BUY	1,335,000,000	1,335,000,000	0	1,335,000,000	0
MIZUHO TRIPARTY	11/07/24	11/06/24	11/06/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/07/24	11/06/24	11/06/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/07/24	11/06/24	11/06/24	BUY	1,829,000,000	1,829,000,000	0	1,829,000,000	0
MIZUHO TRIPARTY	11/08/24	11/07/24	11/07/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/08/24	11/07/24	11/07/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/08/24	11/07/24	11/07/24	BUY	1,347,000,000	1,347,000,000	0	1,347,000,000	0
MIZUHO TRIPARTY	11/12/24	11/08/24	11/08/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/12/24	11/08/24	11/08/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/12/24	11/08/24	11/08/24	BUY	1,761,000,000	1,761,000,000	0	1,761,000,000	0
MIZUHO TRIPARTY	11/13/24	11/12/24	11/12/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/13/24	11/12/24	11/12/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/13/24	11/12/24	11/12/24	BUY	1,975,000,000	1,975,000,000	0	1,975,000,000	0
MIZUHO TRIPARTY	11/14/24	11/13/24	11/13/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/14/24	11/13/24	11/13/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/14/24	11/13/24	11/13/24	BUY	1,641,000,000	1,641,000,000	0	1,641,000,000	0
MIZUHO TRIPARTY	11/15/24	11/14/24	11/14/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/15/24	11/14/24	11/14/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/15/24	11/14/24	11/14/24	BUY	2,193,000,000	2,193,000,000	0	2,193,000,000	0
MIZUHO TRIPARTY	11/18/24	11/15/24	11/15/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/18/24	11/15/24	11/15/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/18/24	11/15/24	11/15/24	BUY	2,121,000,000	2,121,000,000	0	2,121,000,000	0
MIZUHO TRIPARTY	11/19/24	11/18/24	11/18/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/19/24	11/18/24	11/18/24	BUY	100,000,000	100,000,000	0	100,000,000	0

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Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	11/19/24	11/18/24	11/18/24	BUY	1,522,000,000	1,522,000,000	0	1,522,000,000	0
MIZUHO TRIPARTY	11/20/24	11/19/24	11/19/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/20/24	11/19/24	11/19/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/20/24	11/19/24	11/19/24	BUY	1,864,000,000	1,864,000,000	0	1,864,000,000	0
MIZUHO TRIPARTY	11/21/24	11/20/24	11/20/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/21/24	11/20/24	11/20/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/21/24	11/20/24	11/20/24	BUY	2,004,000,000	2,004,000,000	0	2,004,000,000	0
MIZUHO TRIPARTY	11/22/24	11/21/24	11/21/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/22/24	11/21/24	11/21/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/22/24	11/21/24	11/21/24	BUY	2,008,000,000	2,008,000,000	0	2,008,000,000	0
MIZUHO TRIPARTY	11/25/24	11/22/24	11/22/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/25/24	11/22/24	11/22/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/25/24	11/22/24	11/22/24	BUY	1,389,000,000	1,389,000,000	0	1,389,000,000	0
MIZUHO TRIPARTY	11/26/24	11/25/24	11/25/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/26/24	11/25/24	11/25/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/26/24	11/25/24	11/25/24	BUY	1,806,000,000	1,806,000,000	0	1,806,000,000	0
HSBC TRIPARTY	12/02/24	11/26/24	11/26/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/02/24	11/26/24	11/26/24	BUY	1,818,000,000	1,818,000,000	0	1,818,000,000	0
					45,900,384,601	45,869,171,643	0	45,869,171,643	0
ANGLESEA FUNDING LLC	02/07/25	11/05/24	11/05/24	CA_CASH_CLOSE	100,000,000	100,000,000	295,167	100,295,167	0
CITY FURNITURE INC	08/01/44	11/01/24	11/01/24	CA_CASH_CLOSE	800,000	800,000	0	800,000	0
OLD LINE FUNDING LLC	01/09/25	11/25/24	11/25/24	CA_CASH_CLOSE	50,000,000	50,000,000	87,514	50,087,514	0
					150,800,000	150,800,000	382,681	151,182,681	0
MIZUHO BANK, LTD., CANADA BRANCH	11/07/24	11/06/24	11/06/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/08/24	11/07/24	11/07/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	11/08/24	11/07/24	11/07/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/12/24	11/08/24	11/08/24	DEPOSIT	1,100,000,000	1,100,000,000	0	1,100,000,000	0
ABN AMRO BANK N.V.	11/18/24	11/12/24	11/12/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEW YORK	11/19/24	11/12/24	11/12/24	DEPOSIT	515,000,000	515,000,000	0	515,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/13/24	11/12/24	11/12/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
RABOBANK NEW YORK	11/20/24	11/13/24	11/13/24	DEPOSIT	695,000,000	695,000,000	0	695,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	11/20/24	11/13/24	11/13/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/14/24	11/13/24	11/13/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/15/24	11/14/24	11/14/24	DEPOSIT	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/18/24	11/15/24	11/15/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
ABN AMRO BANK N.V.	11/25/24	11/18/24	11/18/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/19/24	11/18/24	11/18/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEW YORK	11/26/24	11/19/24	11/19/24	DEPOSIT	515,000,000	515,000,000	0	515,000,000	0

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MIZUHO BANK, LTD., CANADA BRANCH	11/20/24	11/19/24	11/19/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	11/20/24	11/19/24	11/19/24	DEPOSIT	400,000,000	400,000,000	0	400,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/02/24	11/20/24	11/20/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEW YORK	12/02/24	11/20/24	11/20/24	DEPOSIT	700,000,000	700,000,000	0	700,000,000	0
NORDEA BANK ABP	11/21/24	11/20/24	11/20/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/21/24	11/20/24	11/20/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
DNB BANK ASA NEW YORK	11/22/24	11/21/24	11/21/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/22/24	11/21/24	11/21/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
DNB BANK ASA NEW YORK	11/25/24	11/22/24	11/22/24	DEPOSIT	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/25/24	11/22/24	11/22/24	DEPOSIT	1,205,000,000	1,205,000,000	0	1,205,000,000	0
ABN AMRO BANK N.V.	12/02/24	11/25/24	11/25/24	DEPOSIT	1,225,000,000	1,225,000,000	0	1,225,000,000	0
DNB BANK ASA NEW YORK	11/26/24	11/25/24	11/25/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/26/24	11/25/24	11/25/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEW YORK	12/03/24	11/26/24	11/26/24	DEPOSIT	550,000,000	550,000,000	0	550,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/02/24	11/26/24	11/26/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
DNB BANK ASA NEW YORK	12/02/24	11/26/24	11/26/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
NORDEA BANK ABP	12/02/24	11/26/24	11/26/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/04/24	11/01/24	11/01/24	DEPOSIT	1,100,000,000	1,100,000,000	0	1,100,000,000	0
NORDEA BANK ABP	11/04/24	11/01/24	11/01/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	11/12/24	11/04/24	11/04/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/05/24	11/04/24	11/04/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEW YORK	11/12/24	11/05/24	11/05/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/06/24	11/05/24	11/05/24	DEPOSIT	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEW YORK	11/13/24	11/06/24	11/06/24	DEPOSIT	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	11/13/24	11/06/24	11/06/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
					37,705,000,000	37,705,000,000	0	37,705,000,000	0
ANGLESEA FUNDING LLC PABS4	11/01/24	11/01/24	11/01/24	MATURITY	16,000,000	16,000,000	0	16,000,000	0
ANGLESEA FUNDING LLC PABS4	11/05/24	11/05/24	11/05/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PABS4	11/06/24	11/06/24	11/06/24	MATURITY	25,000,000	25,000,000	0	25,000,000	0
ANGLESEA FUNDING LLC PABS4	11/07/24	11/07/24	11/07/24	MATURITY	115,000,000	115,000,000	0	115,000,000	0
ANGLESEA FUNDING LLC PABS4	11/08/24	11/08/24	11/08/24	MATURITY	225,000,000	225,000,000	0	225,000,000	0
ANGLESEA FUNDING LLC PABS4	11/12/24	11/12/24	11/12/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PABS4	11/14/24	11/14/24	11/14/24	MATURITY	115,000,000	115,000,000	0	115,000,000	0
ANGLESEA FUNDING LLC PABS4	11/15/24	11/15/24	11/15/24	MATURITY	110,000,000	110,000,000	0	110,000,000	0
ANGLESEA FUNDING LLC PABS4	11/19/24	11/19/24	11/19/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PABS4	11/21/24	11/21/24	11/21/24	MATURITY	115,000,000	115,000,000	0	115,000,000	0
ANGLESEA FUNDING LLC PABS4	11/22/24	11/22/24	11/22/24	MATURITY	110,000,000	110,000,000	0	110,000,000	0
BPCE SA CP4-2CP4-2	11/21/24	11/21/24	11/21/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
BARTON CAPITAL S.A, CPABS4	11/07/24	11/07/24	11/07/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL S.A, CPABS4	11/12/24	11/12/24	11/12/24	MATURITY	245,000,000	245,000,000	0	245,000,000	0
BARTON CAPITAL S.A, CPABS4	11/14/24	11/14/24	11/14/24	MATURITY	295,000,000	295,000,000	0	295,000,000	0
BARTON CAPITAL S.A, CPABS4	11/19/24	11/19/24	11/19/24	MATURITY	135,000,000	135,000,000	0	135,000,000	0

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BARTON CAPITAL S,A,CPABS4	11/20/24	11/20/24	11/20/24	MATURITY	105,000,000	105,000,000	0	105,000,000	0
BARTON CAPITAL S,A,CPABS4	11/21/24	11/21/24	11/21/24	MATURITY	140,000,000	140,000,000	0	140,000,000	0
BARTON CAPITAL S,A,CPABS4	11/25/24	11/25/24	11/25/24	MATURITY	105,000,000	105,000,000	0	105,000,000	0
BARTON CAPITAL S,A,CPABS4	11/26/24	11/26/24	11/26/24	MATURITY	170,000,000	170,000,000	0	170,000,000	0
BENNINGTON STARK CACPABS4	11/04/24	11/04/24	11/04/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
BENNINGTON STARK CACPABS4	11/12/24	11/12/24	11/12/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
BENNINGTON STARK CACPABS4	11/19/24	11/19/24	11/19/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
BENNINGTON STARK CACPABS4	11/25/24	11/25/24	11/25/24	MATURITY	35,983,000	35,983,000	0	35,983,000	0
BENNINGTON STARK CACPABS4	11/26/24	11/26/24	11/26/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
CHESHAM FINANCE LLCCPABS4	11/01/24	11/01/24	11/01/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLCCPABS4	11/08/24	11/08/24	11/08/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLCCPABS4	11/15/24	11/15/24	11/15/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLCCPABS4	11/22/24	11/22/24	11/22/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLCCPABS4	11/06/24	11/06/24	11/06/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
CHESHAM FINANCE LLCCPABS4	11/13/24	11/13/24	11/13/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
CHESHAM FINANCE LLCCPABS4	11/20/24	11/20/24	11/20/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK/NEW YORK	11/08/24	11/08/24	11/08/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
FAIRWAY FINANCE CO,CPABS4	11/14/24	11/14/24	11/14/24	MATURITY	15,000,000	15,000,000	0	15,000,000	0
GLENCOVE FUNDING LLCPCABS4	11/08/24	11/08/24	11/08/24	MATURITY	25,000,000	25,000,000	0	25,000,000	0
GLENCOVE FUNDING LLCPCABS4	11/14/24	11/14/24	11/14/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
GLENCOVE FUNDING LLCPCABS4	11/21/24	11/21/24	11/21/24	MATURITY	125,000,000	125,000,000	0	125,000,000	0
GLENCOVE FUNDING LLCPCABS4	11/25/24	11/25/24	11/25/24	MATURITY	125,000,000	125,000,000	0	125,000,000	0
JUPITER SECURITIZATCPABS4	11/06/24	11/06/24	11/06/24	MATURITY	46,000,000	46,000,000	0	46,000,000	0
JUPITER SECURITIZATCPABS4	11/25/24	11/25/24	11/25/24	MATURITY	86,000,000	86,000,000	0	86,000,000	0
LA FAYETTE ASSET SECPABS4	11/21/24	11/21/24	11/21/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLC CPCPABS4	11/13/24	11/13/24	11/13/24	MATURITY	369,400,000	369,400,000	0	369,400,000	0
LMA-AMERICAS LLC CPCPABS4	11/14/24	11/14/24	11/14/24	MATURITY	220,800,000	220,800,000	0	220,800,000	0
LMA-AMERICAS LLC CPCPABS4	11/15/24	11/15/24	11/15/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLC CPCPABS4	11/21/24	11/21/24	11/21/24	MATURITY	25,000,000	25,000,000	0	25,000,000	0
LONGSHIP FUNDING LLCPCABS4	11/05/24	11/05/24	11/05/24	MATURITY	12,000,000	12,000,000	0	12,000,000	0
LONGSHIP FUNDING LLCPCABS4	11/12/24	11/12/24	11/12/24	MATURITY	97,000,000	97,000,000	0	97,000,000	0
LONGSHIP FUNDING LLCPCABS4	11/19/24	11/19/24	11/19/24	MATURITY	67,000,000	67,000,000	0	67,000,000	0
LONGSHIP FUNDING LLCPCABS4	11/20/24	11/20/24	11/20/24	MATURITY	22,000,000	22,000,000	0	22,000,000	0
MUFG BANK LTD, CDYACDYAN	11/01/24	11/01/24	11/01/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
MUFG BANK LTD, CDYACDYAN	11/08/24	11/08/24	11/08/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
MUFG BANK LTD, CDYACDYAN	11/15/24	11/15/24	11/15/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
MUFG BANK LTD, CDYACDYAN	11/22/24	11/22/24	11/22/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
MATCHPOINT FINANCE CPABS4	11/01/24	11/01/24	11/01/24	MATURITY	60,000,000	60,000,000	0	60,000,000	0
MATCHPOINT FINANCE CPABS4	11/04/24	11/04/24	11/04/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
MATCHPOINT FINANCE CPABS4	11/06/24	11/06/24	11/06/24	MATURITY	79,000,000	79,000,000	0	79,000,000	0
MATCHPOINT FINANCE CPABS4	11/15/24	11/15/24	11/15/24	MATURITY	20,000,000	20,000,000	0	20,000,000	0
MATCHPOINT FINANCE CPABS4	11/19/24	11/19/24	11/19/24	MATURITY	270,000,000	270,000,000	0	270,000,000	0
MUFG BANK LTD, CPCP	11/01/24	11/01/24	11/01/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
MUFG BANK LTD, CPCP	11/08/24	11/08/24	11/08/24	MATURITY	25,000,000	25,000,000	0	25,000,000	0

TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MUFG BANK LTD, CPCP	11/15/24	11/15/24	11/15/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
RIDGEFIELD FUNDING CPABS4	11/04/24	11/04/24	11/04/24	MATURITY	29,507,000	29,507,000	0	29,507,000	0
RIDGEFIELD FUNDING CPABS4	11/07/24	11/07/24	11/07/24	MATURITY	56,024,000	56,024,000	0	56,024,000	0
RIDGEFIELD FUNDING CPABS4	11/08/24	11/08/24	11/08/24	MATURITY	55,000,000	55,000,000	0	55,000,000	0
RIDGEFIELD FUNDING CPABS4	11/22/24	11/22/24	11/22/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
RIDGEFIELD FUNDING CPABS4	11/25/24	11/25/24	11/25/24	MATURITY	324,280,000	324,280,000	0	324,280,000	0
SHEFFIELD RECEIVABLECPABS4	11/08/24	11/08/24	11/08/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
SHEFFIELD RECEIVABLECPABS4	11/22/24	11/22/24	11/22/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
STARBIRD FUNDING COCPABS4	11/01/24	11/01/24	11/01/24	MATURITY	205,500,000	205,500,000	0	205,500,000	0
STARBIRD FUNDING COCPABS4	11/04/24	11/04/24	11/04/24	MATURITY	120,000,000	120,000,000	0	120,000,000	0
STARBIRD FUNDING COCPABS4	11/05/24	11/05/24	11/05/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
STARBIRD FUNDING COCPABS4	11/06/24	11/06/24	11/06/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
STARBIRD FUNDING COCPABS4	11/08/24	11/08/24	11/08/24	MATURITY	69,000,000	69,000,000	0	69,000,000	0
STARBIRD FUNDING COCPABS4	11/12/24	11/12/24	11/12/24	MATURITY	380,000,000	380,000,000	0	380,000,000	0
STARBIRD FUNDING COCPABS4	11/13/24	11/13/24	11/13/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
STARBIRD FUNDING COCPABS4	11/14/24	11/14/24	11/14/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
STARBIRD FUNDING COCPABS4	11/15/24	11/15/24	11/15/24	MATURITY	151,200,000	151,200,000	0	151,200,000	0
STARBIRD FUNDING COCPABS4	11/18/24	11/18/24	11/18/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
STARBIRD FUNDING COCPABS4	11/19/24	11/19/24	11/19/24	MATURITY	68,000,000	68,000,000	0	68,000,000	0
STARBIRD FUNDING COCPABS4	11/25/24	11/25/24	11/25/24	MATURITY	55,480,000	55,480,000	0	55,480,000	0
SUMITOMO MITSUI TRUST BANK LTD/ NEW YORK	11/06/24	11/06/24	11/06/24	MATURITY	95,000,000	95,000,000	0	95,000,000	0
SUMITOMO MITSUI TRUST BANK LTD/ NEW YORK	11/12/24	11/12/24	11/12/24	MATURITY	90,000,000	90,000,000	0	90,000,000	0
SUMITOMO MITSUI TRUST BANK LTD/ NEW YORK	11/01/24	11/01/24	11/01/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
TOTALENERGIES CAPITCP4-2	11/25/24	11/25/24	11/25/24	MATURITY	10,000,000	10,000,000	0	10,000,000	0
TRUIST BANK CDCD	11/05/24	11/05/24	11/05/24	MATURITY	370,000,000	370,000,000	0	370,000,000	0
TRUIST BANK CDCD	11/06/24	11/06/24	11/06/24	MATURITY	298,000,000	298,000,000	0	298,000,000	0
TRUIST BANK CDCD	11/12/24	11/12/24	11/12/24	MATURITY	550,000,000	550,000,000	0	550,000,000	0
TRUIST BANK CDCD	11/13/24	11/13/24	11/13/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
TRUIST BANK CDCD	11/19/24	11/19/24	11/19/24	MATURITY	540,000,000	540,000,000	0	540,000,000	0
TRUIST BANK CDCD	11/20/24	11/20/24	11/20/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
TRUIST BANK CDCD	11/26/24	11/26/24	11/26/24	MATURITY	530,000,000	530,000,000	0	530,000,000	0
UNITEDHEALTH GROUP,CP4-2	11/22/24	11/22/24	11/22/24	MATURITY	95,000,000	95,000,000	0	95,000,000	0
UNITEDHEALTH GROUP,CP4-2	11/25/24	11/25/24	11/25/24	MATURITY	255,000,000	255,000,000	0	255,000,000	0
VICTORY RECEIVABLESCPABS4	11/05/24	11/05/24	11/05/24	MATURITY	85,000,000	85,000,000	0	85,000,000	0
VICTORY RECEIVABLESCPABS4	11/19/24	11/19/24	11/19/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
WELLS FARGO BANK NA	11/07/24	11/07/24	11/07/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
WELLS FARGO BANK NA	11/13/24	11/13/24	11/13/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
MIZUHO TRIPARTY	11/01/24	11/01/24	11/01/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/01/24	11/01/24	11/01/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/01/24	11/01/24	11/01/24	MATURITY	1,519,000,000	1,519,000,000	0	1,519,000,000	0
MIZUHO TRIPARTY	11/04/24	11/04/24	11/04/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0

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Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
HSBC TRIPARTY	11/04/24	11/04/24	11/04/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/04/24	11/04/24	11/04/24	MATURITY	1,319,000,000	1,319,000,000	0	1,319,000,000	0
MIZUHO TRIPARTY	11/05/24	11/05/24	11/05/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/05/24	11/05/24	11/05/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/05/24	11/05/24	11/05/24	MATURITY	1,495,000,000	1,495,000,000	0	1,495,000,000	0
MIZUHO TRIPARTY	11/06/24	11/06/24	11/06/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/06/24	11/06/24	11/06/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/06/24	11/06/24	11/06/24	MATURITY	1,335,000,000	1,335,000,000	0	1,335,000,000	0
MIZUHO TRIPARTY	11/07/24	11/07/24	11/07/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/07/24	11/07/24	11/07/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/07/24	11/07/24	11/07/24	MATURITY	1,829,000,000	1,829,000,000	0	1,829,000,000	0
MIZUHO TRIPARTY	11/08/24	11/08/24	11/08/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/08/24	11/08/24	11/08/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/08/24	11/08/24	11/08/24	MATURITY	1,347,000,000	1,347,000,000	0	1,347,000,000	0
MIZUHO TRIPARTY	11/12/24	11/12/24	11/12/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/12/24	11/12/24	11/12/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/12/24	11/12/24	11/12/24	MATURITY	1,761,000,000	1,761,000,000	0	1,761,000,000	0
MIZUHO TRIPARTY	11/13/24	11/13/24	11/13/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/13/24	11/13/24	11/13/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/13/24	11/13/24	11/13/24	MATURITY	1,975,000,000	1,975,000,000	0	1,975,000,000	0
MIZUHO TRIPARTY	11/14/24	11/14/24	11/14/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/14/24	11/14/24	11/14/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/14/24	11/14/24	11/14/24	MATURITY	1,641,000,000	1,641,000,000	0	1,641,000,000	0
MIZUHO TRIPARTY	11/15/24	11/15/24	11/15/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/15/24	11/15/24	11/15/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/15/24	11/15/24	11/15/24	MATURITY	2,193,000,000	2,193,000,000	0	2,193,000,000	0
MIZUHO TRIPARTY	11/18/24	11/18/24	11/18/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/18/24	11/18/24	11/18/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/18/24	11/18/24	11/18/24	MATURITY	2,121,000,000	2,121,000,000	0	2,121,000,000	0
MIZUHO TRIPARTY	11/19/24	11/19/24	11/19/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/19/24	11/19/24	11/19/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/19/24	11/19/24	11/19/24	MATURITY	1,522,000,000	1,522,000,000	0	1,522,000,000	0
MIZUHO TRIPARTY	11/20/24	11/20/24	11/20/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/20/24	11/20/24	11/20/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/20/24	11/20/24	11/20/24	MATURITY	1,864,000,000	1,864,000,000	0	1,864,000,000	0
MIZUHO TRIPARTY	11/21/24	11/21/24	11/21/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/21/24	11/21/24	11/21/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/21/24	11/21/24	11/21/24	MATURITY	2,004,000,000	2,004,000,000	0	2,004,000,000	0
MIZUHO TRIPARTY	11/22/24	11/22/24	11/22/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/22/24	11/22/24	11/22/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/22/24	11/22/24	11/22/24	MATURITY	2,008,000,000	2,008,000,000	0	2,008,000,000	0
MIZUHO TRIPARTY	11/25/24	11/25/24	11/25/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/25/24	11/25/24	11/25/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0

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Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	11/25/24	11/25/24	11/25/24	MATURITY	1,389,000,000	1,389,000,000	0	1,389,000,000	0
MIZUHO TRIPARTY	11/26/24	11/26/24	11/26/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	11/26/24	11/26/24	11/26/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	11/26/24	11/26/24	11/26/24	MATURITY	1,806,000,000	1,806,000,000	0	1,806,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/07/24	11/07/24	11/07/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/08/24	11/08/24	11/08/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	11/08/24	11/08/24	11/08/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/12/24	11/12/24	11/12/24	MATURITY	1,100,000,000	1,100,000,000	0	1,100,000,000	0
ABN AMRO BANK N.V.	11/18/24	11/18/24	11/18/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEWYORK	11/19/24	11/19/24	11/19/24	MATURITY	515,000,000	515,000,000	0	515,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/13/24	11/13/24	11/13/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
RABOBANK NEWYORK	11/20/24	11/20/24	11/20/24	MATURITY	695,000,000	695,000,000	0	695,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	11/20/24	11/20/24	11/20/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/14/24	11/14/24	11/14/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/15/24	11/15/24	11/15/24	MATURITY	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/18/24	11/18/24	11/18/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
ABN AMRO BANK N.V.	11/25/24	11/25/24	11/25/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/19/24	11/19/24	11/19/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEWYORK	11/26/24	11/26/24	11/26/24	MATURITY	515,000,000	515,000,000	0	515,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/20/24	11/20/24	11/20/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
NORDEA BANK ABP	11/20/24	11/20/24	11/20/24	MATURITY	400,000,000	400,000,000	0	400,000,000	0
NORDEA BANK ABP	11/21/24	11/21/24	11/21/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/21/24	11/21/24	11/21/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
DNB BANK ASA NEWYORK	11/22/24	11/22/24	11/22/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/22/24	11/22/24	11/22/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
DNB BANK ASA NEWYORK	11/25/24	11/25/24	11/25/24	MATURITY	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/25/24	11/25/24	11/25/24	MATURITY	1,205,000,000	1,205,000,000	0	1,205,000,000	0
DNB BANK ASA NEWYORK	11/26/24	11/26/24	11/26/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/26/24	11/26/24	11/26/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
ABN AMRO BANK N.V.	11/04/24	11/04/24	11/04/24	MATURITY	1,225,000,000	1,225,000,000	0	1,225,000,000	0
RABOBANK NEWYORK	11/05/24	11/05/24	11/05/24	MATURITY	535,000,000	535,000,000	0	535,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	11/06/24	11/06/24	11/06/24	MATURITY	1,225,000,000	1,225,000,000	0	1,225,000,000	0
RABOBANK NEWYORK	11/06/24	11/06/24	11/06/24	MATURITY	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/01/24	11/01/24	11/01/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
NORDEA BANK ABP	11/01/24	11/01/24	11/01/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/04/24	11/04/24	11/04/24	MATURITY	1,100,000,000	1,100,000,000	0	1,100,000,000	0
NORDEA BANK ABP	11/04/24	11/04/24	11/04/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	11/12/24	11/12/24	11/12/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/05/24	11/05/24	11/05/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEWYORK	11/12/24	11/12/24	11/12/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	11/06/24	11/06/24	11/06/24	MATURITY	1,175,000,000	1,175,000,000	0	1,175,000,000	0
RABOBANK NEWYORK	11/13/24	11/13/24	11/13/24	MATURITY	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	11/13/24	11/13/24	11/13/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0

TRADING ACTIVITY FOR NOVEMBER 30 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
					82,636,174,000	82,636,174,000	0	82,636,174,000	0
ARIFL 2024-A A1	03/14/25	11/15/24	11/15/24	PAY-DOWN	3,155,270	3,155,270	0	3,155,270	0
EFF 2024-3 A1	07/21/25	11/20/24	11/20/24	PAY-DOWN	2,004,887	2,004,887	0	2,004,887	0
GALC 2024-1 A1	02/18/25	11/15/24	11/15/24	PAY-DOWN	3,482,030	3,482,030	0	3,482,030	0
WLAKE 2024-2A A1	06/16/25	11/15/24	11/15/24	PAY-DOWN	12,843,832	12,843,832	0	12,843,832	0
WLAKE 2024-3A A1	10/15/25	11/15/24	11/15/24	PAY-DOWN	6,345,093	6,345,093	0	6,345,093	0
					27,831,112	27,831,112	0	27,831,112	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/01/24	11/01/24	SELL	6,893,039	6,893,039	0	6,893,039	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/07/24	11/07/24	SELL	5,244,410	5,244,410	0	5,244,410	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/13/24	11/13/24	SELL	7,600,265	7,600,265	0	7,600,265	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/18/24	11/18/24	SELL	3,121,417	3,121,417	0	3,121,417	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/21/24	11/21/24	SELL	2,314,792	2,314,792	0	2,314,792	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/22/24	11/22/24	SELL	161,154	161,154	0	161,154	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	11/25/24	11/25/24	SELL	2,363,669	2,363,669	0	2,363,669	0
					27,698,747	27,698,747	0	27,698,747	0



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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.





MONTHLY SUMMARY REPORT

State Board of Administration of Florida

December 31 2024

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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 Florida PRIME 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 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 December 31, 2023, through December 31, 2024, has been prepared by the SBA with input from Federated Hermes (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

DISCLOSURE OF MATERIAL IMPACTS

During the reporting period, Florida PRIME was in material compliance with investment policy. There were no developments that had a material impact on the liquidity or operation of Florida PRIME. Details are available in the PRIME policy compliance table. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

PRIME™ STATISTICS

(As of December 31, 2024)

Total Participants
815

Florida PRIME™
Total Participant Balance
\$32,619,225,628

Total Number of Accounts
1,506

FACTS-AT-A-GLANCE PRIME is an exclusive service for Florida governmental organizations, providing a cost-effective investment vehicle for their surplus funds. Florida PRIME, the Local Government Surplus Funds Trust Fund, is utilized by hundreds of governmental investors including state agencies, state universities and colleges, counties, cities, special districts, school boards, and other direct support organizations of the State of Florida.

Florida PRIME is a government investment pool that offers management by an industry leader in professional money management, conservative investment policies, an extensive governance framework, a Standard & Poor’s “AAAm” rating, full transparency, and best-in-class financial reporting.

PORTFOLIO MANAGER COMMENTARY

A gorgeous vista greets cash managers in 2025

- After a year of ever-changing clouds, monetary policy looks clearer in 2025. The Federal Reserve seems to finally have realized it miscalculated in September by slashing rates. Inflation had already plateaued and the labor market was weakening, but hardly weak. Faced with a strong economy, officials have wised up to the reality that policy must be restrictive for longer and now project just two quarter-point cuts this year. In retrospect, it's odd that Chair Jerome Powell eagerly supported the easing campaign, as he consistently says he wants to avoid the Fed's mistake of easing too early in the 1970s. He has to be careful. Losing favor with Trump has nothing on losing credibility with investors or his colleagues—the latter hinted at with recent Federal Open Market Committee dissents. But if this newly cautious Fed makes good on its revised projections, the slower pace is great news for liquidity products, as it could mean yields will be even more attractive.

- It's problematic enough that inflation has been persistent. If it starts to meaningfully rise, look out. But that's the danger of some of the policies Trump has promised to enact. While the post-Covid economy has not followed textbooks, a potential combination of more federal tax cuts, expanded government expenditures, additional tariffs and significant deportations could increase price pressures. While that might not be felt in 2025, the Fed might try to counter fiscal policy by further slowing the pace of cuts. The potential impact on liquidity products? See the previous paragraph's last sentence above, with an emphasis on "even more."

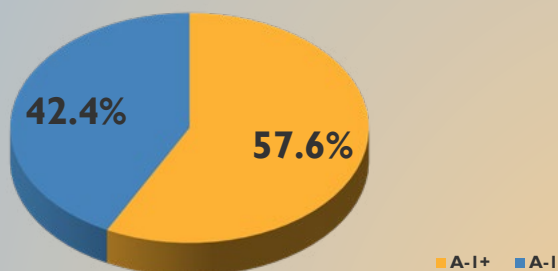
- Trump's desire to reduce regulations is sure to be disruptive, but might lead to calm at the SEC—and less market interference. The majority of the five commissioners will flip Republican, and the new administration has a pro-business agenda. The private sector is going to have more input, too. Outgoing Chair Gary Gensler had an adversarial relationship with financial institutions and issued many rules, some we feel were unnecessary, without proper dialogue with market participants. A healthy dynamic between the agency and markets should emerge if Trump's nominee, Paul Atkins, is confirmed. Expect more sensible regulations and attempts to rollback some onerous ones implemented under Gensler.

The inflow season from tax receipts continued in December, with Pool assets under management increasing by \$700 million to reach an all-time high of \$32.6 billion. The gross yield of the portfolio declined by 19 basis points due to the Fed's rate cuts in December, ending at 4.66%. Its Weighted Average Maturity (WAM) remained at 47 days, but its Weighted Average Life (WAL) was shorter by 11 days to reach 56 days. While most of the securities purchased in December were short-term, the Pool's manager found value out the yield curve in fixed-rate commercial paper.

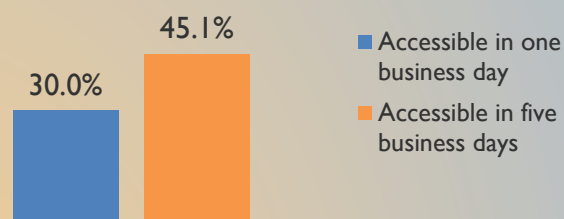
At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 4.61%, 4.49%, 4.43% and 4.28%, respectively.

PORTFOLIO COMPOSITION FOR DECEMBER 31 2024

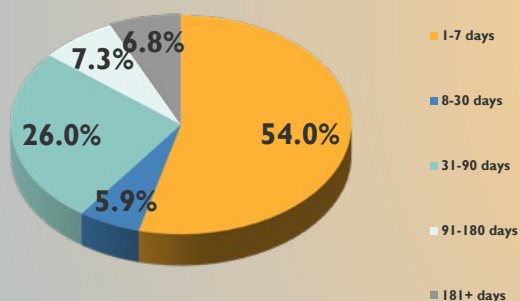
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS-11/26



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Cooperatieve Rabobank UA	5.0%
2. Mizuho Financial Group, Inc.	5.0%
3. Nordea Bank Abp	4.9%
4. Australia & New Zealand Banking Group Ltd.	4.9%
5. Credit Agricole Group	4.9%
6. ABN Amro Bank NV	4.6%
7. Bank of Montreal	4.1%
8. Canadian Imperial Bank of Commerce	4.1%
9. Toronto Dominion Bank	4.0%
10. National Bank of Canada	3.6%

SEC Weighted Average Maturity (WAM)

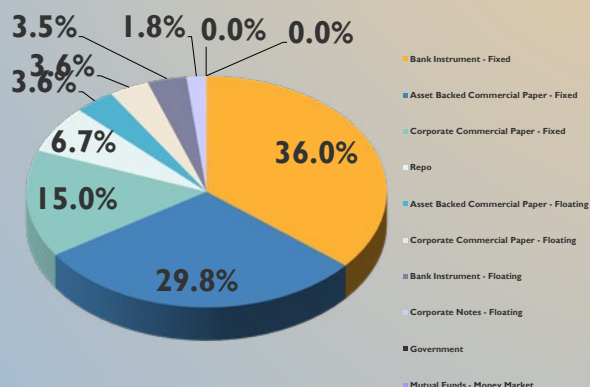
47 Days

Weighted Average Life (Spread WAL)

56 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH DECEMBER 2024

Florida PRIME Performance Data			
	Annualized Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	4.80%	4.51%	0.29%
Three Months	4.98%	4.72%	0.26%
One Year	5.47%	5.17%	0.30%
Three Years	4.20%	3.86%	0.35%
Five Years	2.68%	2.43%	0.25%
Ten Years	2.01%	1.75%	0.26%
Since 1/96	2.59%	2.37%	0.23%

Note: Net asset value at month end: \$32,622.8 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.,

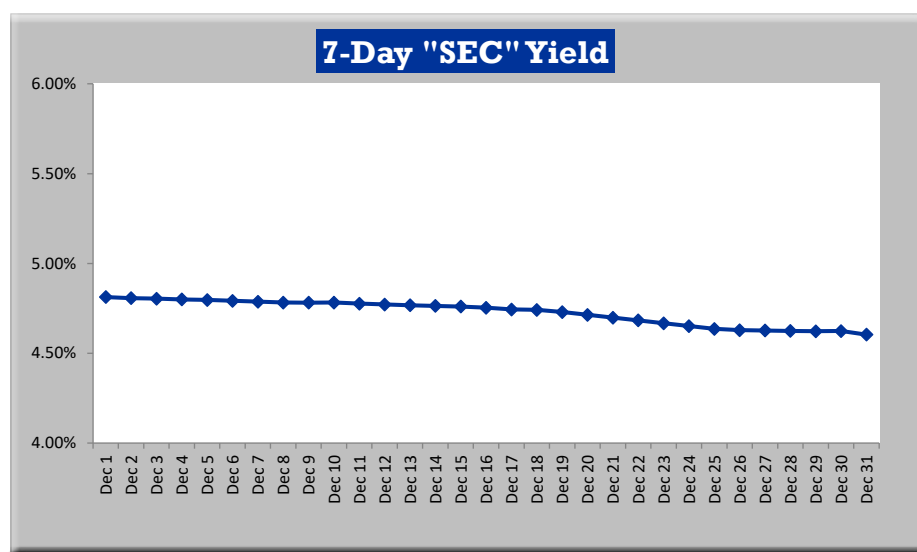
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

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.



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.

PRIME ACCOUNT SUMMARY FOR DECEMBER 2024

Summary of Cash Flows		
Opening Balance (12/01/24)	\$	25,473,727,790
Participant Deposits		11,902,448,242
Gross Earnings		122,696,411
Participant Withdrawals		(4,878,803,330)
Fees		(843,485)
Closing Balance (12/31/24)	\$	32,619,225,628
Net Change over Month	\$	7,145,497,838

Detailed Fee Disclosure			
December		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$	259,209.59	1.07
Federated Investment Management Fee		553,900.52	2.29
BNY Mellon Custodial Fee**		11,455.52	0.05
Bank of America Transfer Agent Fee		9,611.47	0.04
S&P Rating Maintenance Fee		4,234.97	0.02
Audit/External Review Fees		5,072.83	0.02
Total Fees	\$	843,484.90	3.48

*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 \$29,046,476,709.

**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 may fluctuate month-to-month.

The data included in this report is unaudited.

INVENTORY OF HOLDINGS FOR DECEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
1320 W Jefferson LLC, Sep 01, 2060	VARIABLE RATE DEMAND NOTE	4.45	9/1/2060	1/2/2025	5,500,000	4.51	\$5,500,000	\$5,500,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	4.33	1/2/2025		1,500,000,000	4.40	\$1,500,000,000	\$1,500,000,000	\$0
AJC Capital, LLC, Jan 01, 2042	VARIABLE RATE DEMAND NOTE	4.45	1/1/2042	1/2/2025	5,530,000	4.45	\$5,530,000	\$5,530,000	\$0
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/28/2025		68,796,000	4.66	\$68,552,004	\$68,557,509	\$5,506
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/28/2025		108,165,000	4.79	\$107,340,693	\$107,370,947	\$30,254
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2025		170,000,000	4.41	\$169,959,011	\$169,958,836	-\$175
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/3/2025		335,000,000	4.51	\$334,876,329	\$334,878,204	\$1,875
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		100,000,000	4.43	\$99,927,500	\$99,927,071	-\$429
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		50,000,000	4.89	\$49,960,500	\$49,963,536	\$3,036
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2025		100,000,000	4.75	\$99,883,750	\$99,890,350	\$6,600
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2025		30,000,000	4.75	\$29,965,125	\$29,967,105	\$1,980
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2025		30,000,000	4.82	\$29,964,750	\$29,967,105	\$2,355
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2025		25,000,000	4.89	\$24,970,375	\$24,972,588	\$2,213
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/18/2025		100,000,000	5.09	\$99,335,778	\$99,392,581	\$56,803
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/19/2025		65,000,000	4.76	\$64,582,014	\$64,597,060	\$15,047
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		85,000,000	4.77	\$84,430,311	\$84,451,838	\$21,527
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/10/2025		100,000,000	4.67	\$99,129,833	\$99,140,950	\$11,117
Anglesea Funding LLC, Mar 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.56	3/14/2025	1/1/2025	145,000,000	4.62	\$145,000,000	\$145,022,188	\$22,188
Archer I LLC, Jun 01, 2060	VARIABLE RATE DEMAND NOTE	4.45	6/1/2060	1/2/2025	18,000,000	4.51	\$18,000,000	\$18,000,000	\$0
Ascension Health Alliance Senior Credit Group CP	COMMERCIAL PAPER		1/14/2025		10,000,000	4.88	\$9,981,528	\$9,980,869	-\$659
Ascension Health Alliance Senior Credit Group CP	COMMERCIAL PAPER		1/28/2025		40,000,000	4.89	\$39,852,222	\$39,849,352	-\$2,870
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/10/2025		10,000,000	4.88	\$9,986,833	\$9,987,808	\$975
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/11/2025		100,000,000	4.67	\$99,117,222	\$99,083,444	-\$33,778
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/11/2025		100,000,000	4.67	\$99,117,222	\$99,045,778	-\$71,444
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/14/2025		100,000,000	4.67	\$99,079,389	\$99,121,111	\$41,722
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/17/2025		100,000,000	4.67	\$99,041,556	\$99,121,111	\$79,555
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/19/2025		50,000,000	4.66	\$49,509,250	\$49,510,334	\$1,084
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/19/2025		50,000,000	4.66	\$49,509,250	\$49,510,334	\$1,083
Australia & New Zealand Banking Group, Melbourne TD	TIME DEPOSIT	4.33	1/2/2025		1,600,000,000	4.40	\$1,600,000,000	\$1,600,000,000	\$0
BPCE SA CP4-2	COMMERCIAL PAPER - 4-2		3/3/2025		100,000,000	4.74	\$99,207,778	\$99,238,548	\$30,770
BPCE SA CP4-2	COMMERCIAL PAPER - 4-2		3/13/2025		250,000,000	4.75	\$247,695,000	\$247,786,000	\$91,000
BPCE SA CP4-2	COMMERCIAL PAPER - 4-2		3/20/2025		300,000,000	4.64	\$297,030,917	\$297,081,828	\$50,911
BWV Forge TL Properties Owner LLC, May 01, 2059	VARIABLE RATE DEMAND NOTE	4.45	5/1/2059	1/2/2025	28,500,000	4.45	\$28,500,000	\$28,500,000	\$0
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.18	1/24/2025		114,000,000	5.20	\$114,000,000	\$114,041,888	\$41,888
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.22	2/5/2025		95,000,000	5.24	\$95,000,000	\$95,056,852	\$56,852
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.20	2/10/2025		50,000,000	5.22	\$50,000,000	\$50,032,610	\$32,610
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.48	5/9/2025		42,000,000	5.50	\$42,000,000	\$42,128,846	\$128,846
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.53	5/28/2025		95,000,000	5.55	\$95,000,000	\$95,339,301	\$339,301
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	4.46	1/2/2025		1,577,000,000	4.52	\$1,577,000,000	\$1,577,000,000	\$0
Bank of America N.A., Jul 31, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.81	7/31/2025	1/1/2025	100,000,000	4.88	\$100,000,000	\$100,064,038	\$64,038
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.50	6/10/2025		100,000,000	5.52	\$100,000,000	\$100,393,701	\$393,701
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/27/2025		35,000,000	5.15	\$34,871,900	\$34,885,165	\$13,265
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/2/2025		105,000,000	5.56	\$103,131,875	\$103,443,110	\$311,235
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/8/2025		25,000,000	5.52	\$24,536,889	\$24,610,993	\$74,104
Bank of Montreal CP4-2	COMMERCIAL PAPER - 4-2		6/24/2025		150,000,000	5.45	\$146,244,792	\$146,812,326	\$567,534

See notes at end of table.

INVENTORY OF HOLDINGS FOR DECEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Montreal, Jan 06, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.88	1/6/2025	1/1/2025	165,000,000	4.95	\$165,000,000	\$165,011,550	\$11,550
Bank of Montreal, Jan 06, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.75	1/6/2025	1/1/2025	135,000,000	4.82	\$135,000,000	\$135,006,514	\$6,514
Bank of Montreal, Jan 06, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.75	1/6/2025	1/1/2025	175,000,000	4.82	\$175,000,000	\$175,008,500	\$8,500
Bank of Montreal, Mar 07, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.67	3/7/2025	1/1/2025	100,000,000	4.73	\$100,000,000	\$100,024,884	\$24,884
Bank of Montreal, Mar 12, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.67	3/12/2025	1/1/2025	200,000,000	4.73	\$200,000,000	\$200,051,402	\$51,402
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		12/3/2025		100,000,000	4.57	\$95,927,917	\$95,959,744	\$31,827
Bank of Nova Scotia, Toronto, Jan 03, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.75	1/3/2025	1/1/2025	170,000,000	4.82	\$170,000,000	\$170,003,885	\$3,885
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2025		150,000,000	4.42	\$149,963,750	\$149,963,679	-\$71
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		100,000,000	4.74	\$99,922,667	\$99,927,071	\$4,404
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/14/2025		50,000,000	4.63	\$49,717,500	\$49,720,000	\$2,500
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/13/2025		100,000,000	4.68	\$99,834,611	\$99,841,544	\$6,933
Bedford Row Funding Corp., Jan 08, 2025	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	4.60	1/8/2025	1/1/2025	50,000,000	4.66	\$50,000,000	\$50,001,306	\$1,306
Bedford Row Funding Corp., Jan 16, 2025	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	4.60	1/16/2025	1/1/2025	75,000,000	4.66	\$75,000,000	\$75,004,481	\$4,481
Bennington Stark Capital Co., LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/3/2025		202,000,000	4.45	\$201,926,438	\$201,926,799	\$361
Bennington Stark Capital Co., LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/17/2025		95,000,000	4.73	\$94,792,293	\$94,801,251	\$8,957
BofA Securities, Inc. CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		100,000,000	4.58	\$98,875,556	\$98,847,785	-\$27,771
BofA Securities, Inc. CP4-2	COMMERCIAL PAPER - 4-2		4/4/2025		15,000,000	4.66	\$14,824,533	\$14,823,463	-\$1,071
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.17	10/1/2025		256,000,000	4.20	\$256,000,000	\$255,322,870	-\$677,130
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.46	10/8/2025		150,000,000	4.48	\$150,000,000	\$149,917,931	-\$82,070
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.57	12/4/2025		200,000,000	4.59	\$200,000,000	\$200,069,186	\$69,186
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.53	4/10/2025		150,000,000	5.55	\$150,000,000	\$150,393,129	\$393,129
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.55	4/17/2025		15,000,000	5.57	\$15,000,000	\$15,043,197	\$43,197
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.50	5/23/2025		100,000,000	5.52	\$100,000,000	\$100,353,227	\$353,227
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		2/4/2025		50,000,000	5.20	\$49,760,833	\$49,786,857	\$26,023
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		5/22/2025		200,000,000	5.52	\$195,890,283	\$196,564,284	\$674,001
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		11/12/2025		100,000,000	4.65	\$96,118,467	\$96,204,957	\$86,490
Canadian Imperial Bank of Commerce, Jan 03, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.88	1/3/2025	1/1/2025	110,000,000	4.95	\$110,000,000	\$110,004,250	\$4,250
Chariot Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		300,000,000	4.75	\$299,767,500	\$299,781,213	\$13,713
Chariot Funding LLC, Jun 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.76	6/4/2025	1/1/2025	135,000,000	4.83	\$135,000,000	\$135,016,417	\$16,417
Chariot Funding LLC, Jun 09, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE		6/9/2025		75,000,000	4.73	\$73,483,333	\$73,274,792	-\$208,542
Chariot Funding LLC, Jun 16, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE		6/16/2025		146,000,000	4.73	\$142,918,386	\$142,641,594	-\$276,792
Chariot Funding LLC, Jun 17, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.76	6/17/2025	1/1/2025	83,000,000	4.83	\$83,000,000	\$83,006,992	\$6,992
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		550,000,000	4.43	\$549,601,250	\$549,598,891	-\$2,360
Chesham Finance LLC Series IV CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/7/2025		250,000,000	4.43	\$249,788,542	\$249,787,083	-\$1,459
Citibank N.A., New York, Jan 10, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.84	1/10/2025	1/1/2025	220,000,000	4.91	\$220,000,000	\$220,018,124	\$18,124

See notes at end of table.

INVENTORY OF HOLDINGS FOR DECEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Citigroup Global Markets, Inc. CP4-2	COMMERCIAL PAPER - 4-2		8/18/2025		75,000,000	4.68	\$72,858,125	\$72,882,083	\$23,958
City Furniture, Inc., Aug 01, 2044	VARIABLE RATE DEMAND NOTE	4.33	8/1/2044	1/2/2025	76,200,000	4.33	\$76,200,000	\$76,200,000	\$0
Collateralized Commercial Paper V Co. LLC, Apr 01, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.65	4/1/2025	1/1/2025	100,000,000	4.71	\$100,000,000	\$100,012,047	\$12,047
Cooperative Rabobank UA TD	TIME DEPOSIT	4.33	1/2/2025		670,000,000	4.40	\$670,000,000	\$670,000,000	\$0
Cooperative Rabobank UA TD	TIME DEPOSIT	4.33	1/6/2025		960,000,000	4.40	\$960,000,000	\$960,000,000	\$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.56	3/20/2025		180,000,000	4.64	\$180,000,000	\$180,047,815	\$47,815
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.33	1/2/2025		250,000,000	4.40	\$250,000,000	\$250,000,043	\$43
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.33	1/3/2025		350,000,000	4.40	\$350,000,000	\$350,000,189	\$189
DNB Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		4/10/2025		25,000,000	4.75	\$24,682,986	\$24,699,005	\$16,019
Dino P. Kanelos Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	4.45	9/1/2041	1/2/2025	4,515,000	4.45	\$4,515,000	\$4,515,000	\$0
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	4.33	1/2/2025		0	4.40	\$0	\$0	\$0
EDMC Group, Inc., (Series 2024-2), Dec 01, 2054	VARIABLE RATE DEMAND NOTE	4.37	12/1/2054	1/2/2025	29,100,000	4.43	\$29,100,000	\$29,100,000	\$0
Enterprise Fleet Financing, LLC 2024-3, AI, 5.493%, 07/21/2025	ASSET BACKED NOTE	5.49	7/21/2025		6,125,542	5.49	\$6,125,542	\$6,139,102	\$13,560
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/28/2025		36,600,000	4.54	\$36,213,473	\$36,202,152	-\$11,322
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/1/2025		30,000,000	4.72	\$29,543,225	\$29,548,300	\$5,075
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/8/2025		50,000,000	4.75	\$49,948,333	\$49,951,300	\$2,967
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/17/2025		45,000,000	4.66	\$44,902,887	\$44,906,280	\$3,393
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/28/2025		50,000,000	4.83	\$49,817,222	\$49,827,178	\$9,956
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/30/2025		100,000,000	4.89	\$99,605,000	\$99,629,167	\$24,167
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		68,000,000	4.84	\$67,689,278	\$67,705,585	\$16,307
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/6/2025		25,000,000	4.79	\$24,790,104	\$24,798,079	\$7,975
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2025		203,000,000	4.79	\$201,269,425	\$201,334,927	\$65,502
Falcon Asset Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/19/2025		75,000,000	4.58	\$74,275,250	\$74,271,675	-\$3,575
Glencove Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/13/2025		60,000,000	4.70	\$59,900,333	\$59,904,710	\$4,376
Glencove Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/28/2025		100,000,000	4.61	\$99,649,222	\$99,654,356	\$5,134
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/27/2025		120,000,000	4.84	\$119,577,000	\$119,600,310	\$23,310
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2025		140,000,000	4.77	\$138,811,633	\$138,851,674	\$40,040
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/26/2025		75,000,000	4.57	\$74,211,979	\$74,205,486	-\$6,493
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		4/8/2025		130,000,000	4.62	\$128,411,039	\$128,412,926	\$1,887
Great Bear Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/6/2025		75,000,000	4.75	\$74,941,875	\$74,945,822	\$3,947
Great Bear Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/7/2025		125,000,000	4.75	\$124,886,979	\$124,894,758	\$7,778
HSBC Securities (USA), Inc. Repo Tri Party Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	4.46	1/2/2025		100,000,000	4.52	\$100,000,000	\$100,000,000	\$0
HW Hellman Building, LP, Mar 01, 2062	VARIABLE RATE DEMAND NOTE	4.45	3/1/2062	1/2/2025	50,000,000	4.45	\$50,000,000	\$50,000,000	\$0
Jupiter Securitization Co. LLC, Jul 08, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.78	7/8/2025	1/1/2025	75,000,000	4.85	\$75,000,000	\$74,999,555	-\$446
Jupiter Securitization Co. LLC, Jun 04, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.76	6/4/2025	1/1/2025	55,000,000	4.83	\$55,000,000	\$55,001,712	\$1,712
Jupiter Securitization Co. LLC, Jun 11, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE		6/11/2025		100,000,000	4.73	\$97,952,500	\$97,699,720	-\$252,780
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/10/2025		100,000,000	4.70	\$99,872,222	\$99,878,083	\$5,861
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		140,000,000	4.84	\$139,360,278	\$139,393,852	\$33,574
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2025		74,000,000	4.79	\$73,369,150	\$73,393,028	\$23,878
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/15/2025		10,000,000	4.69	\$9,980,833	\$9,981,608	\$775
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/15/2025		50,000,000	4.75	\$49,903,125	\$49,908,042	\$4,917
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/16/2025		50,000,000	4.75	\$49,896,667	\$49,901,841	\$5,174
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/17/2025		25,900,000	4.87	\$25,842,149	\$25,845,937	\$3,787
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/28/2025		58,400,000	4.68	\$58,191,966	\$58,197,336	\$5,370
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/30/2025		50,000,000	4.84	\$49,804,167	\$49,813,750	\$9,583

See notes at end of table.

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LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		30,500,000	4.83	\$30,360,928	\$30,367,353	\$6,425
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/11/2025		50,000,000	4.69	\$49,732,833	\$49,738,784	\$5,950
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/5/2025		100,000,000	4.76	\$99,176,889	\$99,204,859	\$27,970
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/6/2025		64,400,000	4.76	\$63,861,634	\$63,879,851	\$18,217
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2025		50,000,000	4.76	\$49,575,583	\$49,589,884	\$14,300
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/13/2025		60,000,000	4.68	\$59,454,000	\$59,462,640	\$8,640
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/14/2025		30,950,000	4.68	\$30,664,443	\$30,668,920	\$4,477
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/21/2025		50,000,000	4.68	\$49,494,444	\$49,501,852	\$7,408
La Fayette Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/14/2025		50,000,000	4.67	\$49,539,694	\$49,545,913	\$6,219
La Fayette Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/18/2025		50,000,000	4.67	\$49,514,472	\$49,520,747	\$6,274
La Fayette Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/18/2025		25,000,000	4.67	\$24,757,236	\$24,760,373	\$3,137
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/3/2025		49,000,000	4.43	\$48,982,238	\$48,982,261	\$24
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/31/2025		130,000,000	4.78	\$129,478,339	\$129,506,251	\$27,912
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2025		100,000,000	4.81	\$99,468,139	\$99,496,915	\$28,776
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/14/2025		200,000,000	4.79	\$198,837,500	\$198,895,000	\$57,500
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/6/2025		83,000,000	4.58	\$82,330,121	\$82,335,116	\$4,995
MUFG Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.75	1/29/2025		100,000,000	4.83	\$100,000,000	\$100,031,695	\$31,695
MUFG Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.35	1/7/2025		150,000,000	4.42	\$150,000,000	\$149,999,111	-\$890
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2025		250,000,000	4.41	\$249,939,722	\$249,939,465	-\$257
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2025		312,000,000	4.42	\$311,924,600	\$311,924,452	-\$148
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/13/2025		100,000,000	4.72	\$99,833,167	\$99,841,183	\$8,016
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		4/10/2025		100,000,000	4.61	\$98,755,556	\$98,771,667	\$16,111
Mizuho Bank Ltd., Canada Branch TD	TIME DEPOSIT	4.34	1/2/2025		1,500,000,000	4.41	\$1,500,000,000	\$1,500,000,000	\$0
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	4.46	1/2/2025		500,000,000	4.52	\$500,000,000	\$500,000,000	\$0
NRW/Bank CP4-2	COMMERCIAL PAPER - 4-2		4/25/2025		200,000,000	4.43	\$197,281,528	\$197,225,092	-\$56,436
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		2/10/2025		50,000,000	5.16	\$49,721,542	\$49,749,540	\$27,998
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/22/2025		30,000,000	5.10	\$29,911,450	\$29,919,892	\$8,442
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/27/2025		120,000,000	5.10	\$119,565,300	\$119,605,590	\$40,290
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		1/31/2025		115,000,000	5.08	\$114,523,676	\$114,565,202	\$41,526
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		2/5/2025		65,000,000	5.19	\$64,680,850	\$64,714,390	\$33,540
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		3/18/2025		150,000,000	5.41	\$148,360,542	\$148,572,399	\$211,857
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		5/28/2025		90,000,000	5.56	\$88,057,500	\$88,356,707	\$299,207
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		10/31/2025		50,000,000	4.57	\$48,163,333	\$48,149,372	-\$13,961
National Bank of Canada, Montreal CP4-2	COMMERCIAL PAPER - 4-2		2/3/2025		90,000,000	5.19	\$89,582,650	\$89,626,623	\$43,973
National Bank of Canada, Montreal, Jan 16, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.74	1/16/2025	1/1/2025	200,000,000	4.81	\$200,000,000	\$200,025,432	\$25,432
National Bank of Canada, Montreal, Jan 17, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.74	1/17/2025	1/1/2025	100,000,000	4.81	\$100,000,000	\$100,013,610	\$13,610
National Bank of Canada, Montreal, Mar 13, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.67	3/13/2025	1/1/2025	160,000,000	4.73	\$160,000,000	\$160,051,925	\$51,925
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		1/3/2025		26,800,000	4.64	\$26,789,838	\$26,790,320	\$482
Nordea Bank Abp TD	TIME DEPOSIT	4.33	1/2/2025		1,050,000,000	4.40	\$1,050,000,000	\$1,050,000,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/25/2025		25,000,000	4.21	\$24,251,833	\$24,186,570	-\$65,263
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/20/2025		75,000,000	4.54	\$72,363,000	\$72,321,248	-\$41,753
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/28/2025		50,000,000	4.53	\$48,198,181	\$48,163,162	-\$35,019
Old Line Funding, LLC, Apr 21, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.75	4/21/2025	1/1/2025	50,000,000	4.82	\$50,000,000	\$50,005,206	\$5,206
Old Line Funding, LLC, Apr 28, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.75	4/28/2025	1/1/2025	100,000,000	4.82	\$100,000,000	\$99,997,478	-\$2,522
Old Line Funding, LLC, Mar 05, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.71	3/5/2025	1/1/2025	90,000,000	4.78	\$90,000,000	\$90,025,028	\$25,028
Old Line Funding, LLC, May 01, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.70	5/1/2025	1/1/2025	75,000,000	4.77	\$75,000,000	\$75,009,489	\$9,489

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Overbaugh Family (2016) Survivorship Trust, Apr 01, 2042	VARIABLE RATE DEMAND NOTE	4.45	4/1/2042	1/2/2025	7,015,000	4.45	\$7,015,000	\$7,015,000	\$0
Paradelle Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		60,000,000	5.13	\$59,573,600	\$59,611,329	\$37,729
Paradelle Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/30/2025		20,000,000	4.56	\$19,269,433	\$19,259,115	-\$10,319
Pennsylvania State Higher Education Assistance Agency, (Taxable Series A), 06/01/2054	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.35	6/1/2054	1/2/2025	35,390,000	4.35	\$35,390,000	\$35,390,000	\$0
Podium Funding Trust CPABS3A3	COMMERCIAL PAPER - ABS 3A3		6/3/2025		75,000,000	4.72	\$73,543,417	\$73,578,281	\$34,864
Podium Funding Trust CPABS3A3	COMMERCIAL PAPER - ABS 3A3		6/12/2025		27,000,000	4.66	\$26,452,320	\$26,457,903	\$5,583
Podium Funding Trust CPABS3A3	COMMERCIAL PAPER - ABS 3A3		8/29/2025		50,000,000	4.67	\$48,507,139	\$48,523,987	\$16,848
Ridgefield Funding Company, LLC Series A CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/17/2025		200,000,000	4.68	\$198,078,889	\$198,103,660	\$24,771
Ridgefield Funding Company, LLC Series A CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/21/2025		150,000,000	4.62	\$148,500,000	\$148,501,112	\$1,112
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		10/9/2025		150,000,000	4.54	\$144,924,000	\$144,957,371	\$33,371
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		11/6/2025		100,000,000	4.57	\$96,254,167	\$95,601,666	-\$652,501
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		12/11/2025		200,000,000	4.58	\$191,885,556	\$191,207,332	-\$678,224
Royal Bank of Canada, Jul 09, 2025	VARIABLE RATE COMMERCIAL PAPER - 4-2	4.72	7/9/2025	1/1/2025	200,000,000	4.79	\$200,000,000	\$200,137,308	\$137,308
Scheel Investments, LLC, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	4.45	9/1/2041	1/2/2025	6,720,000	4.45	\$6,720,000	\$6,720,000	\$0
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2025		60,000,000	4.80	\$59,728,167	\$59,739,639	\$11,472
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2025		100,000,000	4.81	\$99,469,278	\$99,491,220	\$21,942
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2025		50,000,000	4.83	\$49,662,722	\$49,676,493	\$13,770
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/13/2025		200,000,000	4.68	\$198,180,000	\$198,202,400	\$22,400
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/17/2025		260,000,000	4.68	\$257,502,556	\$257,532,561	\$30,005
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/19/2025		100,000,000	4.68	\$99,014,167	\$99,025,867	\$11,700
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/20/2025		50,000,000	4.66	\$49,502,958	\$49,506,653	\$3,694
Societe Generale, Paris CP4-2	COMMERCIAL PAPER - 4-2		1/31/2025		175,000,000	4.67	\$174,312,833	\$174,336,222	\$23,388
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2025		137,130,000	4.42	\$137,096,860	\$137,096,795	-\$65
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.56	3/28/2025		350,000,000	4.64	\$350,000,000	\$350,037,310	\$37,310
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.73	2/3/2025		130,000,000	4.81	\$130,000,000	\$130,034,661	\$34,661
Sumitomo Mitsui Trust Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		3/19/2025		50,000,000	4.65	\$49,511,417	\$49,519,065	\$7,648
Sumitomo Mitsui Trust Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		3/21/2025		100,000,000	4.65	\$98,997,778	\$99,014,148	\$16,370
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	0.00	1/31/2025		100,000,000	4.88	\$99,591,675	\$99,598,931	\$7,256
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	4.66	3/11/2025		200,000,000	4.74	\$200,000,000	\$200,000,000	\$0
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	4.66	3/17/2025		180,000,000	4.74	\$180,000,000	\$180,000,000	\$0
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	4.71	2/25/2025		150,000,000	4.79	\$150,000,000	\$150,000,000	\$0
Sumitomo Mitsui Trust Bank Ltd. ECD(USD)	EURO CERTIFICATE OF DEPOSIT	4.78	1/6/2025		150,000,000	4.86	\$150,000,000	\$150,000,993	\$993
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		50,000,000	4.54	\$49,441,611	\$49,439,047	-\$2,564
Taxable Tender Option Bond Trust 2021-MIZ9064TX, (Series 2021-MIZ-9064TX), 11/01/2056	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.74	11/1/2056	1/2/2025	13,000,000	4.74	\$13,000,000	\$13,000,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9084TX, (Series 2022-MIZ-9084TX), 02/01/2027	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.74	2/1/2027	1/2/2025	10,300,000	4.74	\$10,300,000	\$10,300,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9094TX, (Series 2022-MIZ-9094TX), 12/01/2059	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.74	12/1/2059	1/2/2025	3,200,000	4.74	\$3,200,000	\$3,200,000	\$0

See notes at end of table.

INVENTORY OF HOLDINGS FOR DECEMBER 29, 2024

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Texas State, Veterans Bonds (Taxable Series 2023A), 12/01/2054	MUNICIPAL VARIABLE RATE DEMAND NOTE	4.78	12/1/2054	1/1/2025	17,725,000	4.78	\$17,725,000	\$17,725,000	\$0
The Greathouse 2021 Children's Trust, Dec 01, 2046	VARIABLE RATE DEMAND NOTE	4.45	12/1/2046	1/2/2025	13,625,000	4.45	\$13,625,000	\$13,625,000	\$0
Thunder Bay Funding, LLC, Apr 14, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.71	4/14/2025	1/1/2025	100,000,000	4.78	\$100,000,000	\$100,010,819	\$10,819
Thunder Bay Funding, LLC, Apr 17, 2025	COMMERCIAL PAPER ASSET BACKED CALLABLE	4.70	4/17/2025	1/1/2025	50,000,000	4.77	\$50,000,000	\$50,004,088	\$4,088
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.15	2/12/2025		100,000,000	5.17	\$100,000,000	\$100,060,389	\$60,389
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.55	10/22/2025		10,000,000	4.57	\$10,000,000	\$10,001,005	\$1,005
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.40	3/28/2025		95,000,000	5.42	\$95,000,000	\$95,158,467	\$158,467
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.53	5/28/2025		15,000,000	5.55	\$15,000,000	\$15,054,411	\$54,411
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		2/21/2025		150,000,000	5.32	\$148,910,167	\$149,044,154	\$133,987
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		2/24/2025		25,000,000	5.08	\$24,813,993	\$24,831,410	\$17,417
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		3/20/2025		50,000,000	4.64	\$49,510,639	\$49,512,329	\$1,690
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		4/2/2025		100,000,000	5.44	\$98,686,444	\$98,860,665	\$174,221
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		5/28/2025		40,000,000	5.55	\$39,138,311	\$39,277,914	\$139,602
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		7/1/2025		125,000,000	5.44	\$121,748,646	\$122,231,494	\$482,848
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		7/3/2025		200,000,000	5.44	\$194,745,778	\$195,522,802	\$777,024
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		12/3/2025		90,000,000	4.61	\$86,309,850	\$86,360,737	\$50,887
Toronto Dominion Bank, Jan 16, 2025	VARIABLE RATE CERTIFICATE OF DEPOSIT	4.81	1/16/2025	1/1/2025	235,000,000	4.88	\$235,000,000	\$235,026,111	\$26,111
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		7/23/2025		50,000,000	4.71	\$48,725,000	\$48,732,934	\$7,934
Toyota Credit De Puerto Rico Corp. CP	COMMERCIAL PAPER		1/13/2025		50,000,000	5.50	\$49,904,847	\$49,921,134	\$16,286
Toyota Credit De Puerto Rico Corp. CP	COMMERCIAL PAPER		2/14/2025		75,000,000	5.61	\$74,500,313	\$74,585,156	\$84,844
Toyota Finance Australia Ltd. CP	COMMERCIAL PAPER		2/5/2025		50,000,000	5.26	\$49,747,500	\$49,777,900	\$30,400
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		4/24/2025		100,000,000	4.73	\$98,559,167	\$98,594,000	\$34,833
Toyota Motor Credit Corp., Apr 14, 2025	VARIABLE MEDIUM TERM NOTE	4.81	4/14/2025	1/1/2025	110,000,000	4.88	\$110,000,000	\$110,027,884	\$27,884
Toyota Motor Credit Corp., Sep 17, 2025	VARIABLE MEDIUM TERM NOTE	4.81	9/17/2025	1/1/2025	150,000,000	4.88	\$150,000,000	\$150,052,500	\$52,500
Truist Bank CD	CERTIFICATE OF DEPOSIT	4.49	1/31/2025		230,000,000	4.56	\$230,000,000	\$230,003,397	\$3,397
Truist Bank CD	CERTIFICATE OF DEPOSIT	4.48	1/31/2025		100,000,000	4.55	\$100,000,000	\$100,000,667	\$667
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2025		75,000,000	4.75	\$74,364,750	\$74,384,825	\$20,075
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/26/2025		90,000,000	4.61	\$89,048,000	\$89,046,583	-\$1,417
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/27/2025		50,000,000	4.60	\$49,464,889	\$49,464,013	-\$876
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	5.15	2/13/2025		200,000,000	5.17	\$200,000,000	\$200,130,868	\$130,868
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	5.21	2/14/2025		10,000,000	5.23	\$10,000,000	\$10,007,414	\$7,414
Westlake Automobile Receivables Trust 2024-2, A1, 5.67%, 06/16/2025	ASSET BACKED NOTE	5.67	6/16/2025		8,358,227	5.67	\$8,358,227	\$8,364,173	\$5,946
Westlake Automobile Receivables Trust 2024-3, A1, 4.919%, 10/15/2025	ASSET BACKED NOTE	4.92	10/15/2025		16,729,787	0.00	\$16,729,787	\$16,736,492	\$6,705
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		2/7/2025		100,000,000	5.17	\$99,482,778	\$99,535,844	\$53,066
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/26/2025		75,000,000	4.19	\$72,758,333	\$72,607,787	-\$150,547
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/29/2025		100,000,000	4.25	\$96,940,000	\$96,775,440	-\$164,560
Wylie Bice Life Insurance Trust, Aug 01, 2046	VARIABLE RATE DEMAND NOTE	4.45	8/1/2046	1/2/2025	7,625,000	4.45	\$7,625,000	\$7,625,000	\$0
Total Value of Assets					32,671,799,555		\$32,527,715,145	\$32,533,211,923	\$5,496,778

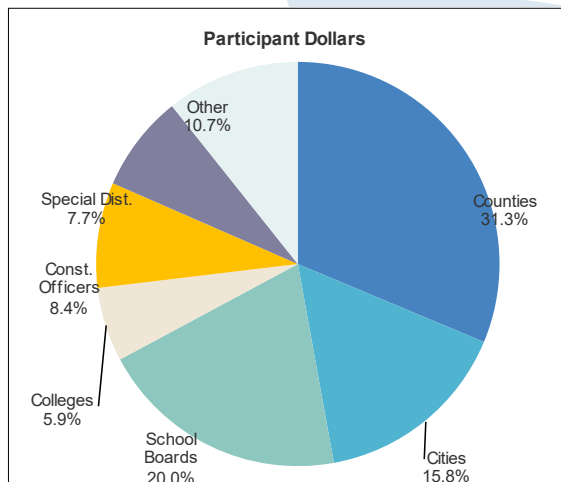
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

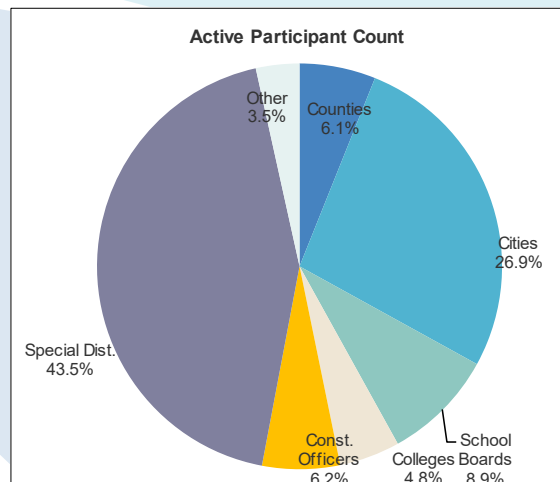
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - AS OF DECEMBER 31 2024

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	5.9%	4.8%
Top 10	36.2%	1.2%	Top 10	5.2%	1.2%
\$100 million or more	80.4%	9.8%	\$100 million or more	4.3%	0.5%
\$10 million up to \$100 million	17.4%	20.1%	\$10 million up to \$100 million	1.6%	2.0%
\$1 million up to \$10 million	2.0%	21.2%	\$1 million up to \$10 million	0.1%	0.6%
Under \$1 million	0.3%	48.9%	Under \$1 million	0.00%	1.7%
Counties	31.3%	6.1%	Constitutional Officers	8.4%	6.2%
Top 10	24.6%	1.2%	Top 10	7.4%	1.2%
\$100 million or more	30.4%	2.5%	\$100 million or more	7.7%	0.5%
\$10 million up to \$100 million	0.8%	1.0%	\$10 million up to \$100 million	0.6%	1.0%
\$1 million up to \$10 million	0.1%	1.1%	\$1 million up to \$10 million	0.2%	1.7%
Under \$1 million	0.0%	1.5%	Under \$1 million	0.0%	3.0%
Municipalities	15.8%	26.9%	Special Districts	7.7%	43.5%
Top 10	5.6%	1.2%	Top 10	4.5%	1.2%
\$100 million or more	7.3%	1.9%	\$100 million or more	3.5%	0.7%
\$10 million up to \$100 million	7.9%	8.9%	\$10 million up to \$100 million	3.4%	4.1%
\$1 million up to \$10 million	0.7%	6.1%	\$1 million up to \$10 million	0.7%	9.2%
Under \$1 million	0.1%	10.0%	Under \$1 million	0.2%	29.5%
School Boards	20.0%	8.9%	Other	10.7%	3.5%
Top 10	12.4%	1.2%	Top 10	8.4%	1.2%
\$100 million or more	17.4%	2.7%	\$100 million or more	9.9%	1.0%
\$10 million up to \$100 million	2.4%	2.6%	\$10 million up to \$100 million	0.6%	0.5%
\$1 million up to \$10 million	0.2%	1.4%	\$1 million up to \$10 million	0.1%	1.1%
Under \$1 million	0.0%	2.2%	Under \$1 million	0.0%	0.9%



Total Fund Value: \$32,619,225,628



Total Active Participant Count: 806

Note: Active accounts include only those participant accounts valued above zero.

COMPLIANCE WITH INVESTMENT POLICY FOR DECEMBER 31 2024

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 will meet as necessary based on the occurrence and resolution of compliance exceptions or upon the occurrence of a material event. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, SBA Risk Management and Compliance conducts daily 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. Negative test results are subject to independent verification and review for possible escalation. 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
Securities must be USD denominated	Pass
<u>Ratings requirements</u>	
First Tier Securities	Pass
Long-term securities must have long-term ratings in the three highest categories	Pass
Commercial Paper must have short-term ratings from at least one NRSRO	Pass
Securities in Highest Rating Category (A-1+ or equivalent)	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life	Pass
<u>Maturity</u>	
Individual Security	Pass
Government floating rate notes/variable rate notes	Pass
Dollar Weighted Average Maturity	Pass
Weighted Average Life	Pass
<u>Issuer Diversification</u>	
First tier issuer (limit does not apply to cash, cash items, U.S. Government securities and repo collateralized by these securities)	Pass
Demand Feature and Guarantor Diversification	
First Tier securities issued by or subject to demand features and guarantees of a non-controlled person	Pass
First Tier securities issued by or subject to demand features and guarantees of a controlled person	Pass

Test by Source	Pass/Fail
<u>Money Market Mutual Funds</u>	
Invested in any one Money Market Mutual Fund	Pass
<u>Repurchase Agreements</u>	
Repurchase Agreement Counterparty Rating	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1+ (2-5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1 (2-5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1+ (More than 5 business days)	Pass
Term Repurchase Agreements with any single dealer - Counterparty Rating A-1 (More than 5 business days)	Pass
Repurchase Agreements with any single dealer - Counterparty Rating A-1	Pass
<u>Concentration Tests</u>	
Industry Concentration, excluding financial services industry	Pass
Any Single Government Agency	Pass
Illiquid Securities	Pass
Assets invested in securities accessible within 1 business day	Pass
Assets invested in securities accessible within 5 business days	Pass

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ALBION CAPITAL LLC CPAB54	01/28/25	12/23/24	12/23/24	BUY	50,000,000	49,772,000	0	49,772,000	0
ALBION CAPITAL LLC CPAB54	01/28/25	12/23/24	12/23/24	BUY	18,796,000	18,710,290	0	18,710,290	0
ANGLESEA FUNDING LLC PAB54	12/09/24	12/02/24	12/02/24	BUY	50,000,000	49,955,181	0	49,955,181	0
ANGLESEA FUNDING LLC PAB54	12/09/24	12/02/24	12/02/24	BUY	50,000,000	49,955,181	0	49,955,181	0
ANGLESEA FUNDING LLC PAB54	12/09/24	12/02/24	12/02/24	BUY	5,000,000	4,995,518	0	4,995,518	0
ANGLESEA FUNDING LLC PAB54	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
ANGLESEA FUNDING LLC PAB54	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
ANGLESEA FUNDING LLC PAB54	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
ANGLESEA FUNDING LLC PAB54	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
ANGLESEA FUNDING LLC PAB54	12/23/24	12/16/24	12/16/24	BUY	50,000,000	49,956,639	0	49,956,639	0
ANGLESEA FUNDING LLC PAB54	12/23/24	12/16/24	12/16/24	BUY	50,000,000	49,956,639	0	49,956,639	0
ANGLESEA FUNDING LLC PAB54	12/27/24	12/17/24	12/17/24	BUY	50,000,000	49,938,889	0	49,938,889	0
ANGLESEA FUNDING LLC PAB54	12/27/24	12/17/24	12/17/24	BUY	25,000,000	24,969,444	0	24,969,444	0
ANGLESEA FUNDING LLC PAB54	12/30/24	12/23/24	12/23/24	BUY	50,000,000	49,957,806	0	49,957,806	0
ANGLESEA FUNDING LLC PAB54	12/30/24	12/23/24	12/23/24	BUY	50,000,000	49,957,806	0	49,957,806	0
ANGLESEA FUNDING LLC PAB54	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,944	0	49,987,944	0
ANGLESEA FUNDING LLC PAB54	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,944	0	49,987,944	0
ANGLESEA FUNDING LLC PAB54	01/02/25	12/31/24	12/31/24	BUY	20,000,000	19,995,178	0	19,995,178	0
ANGLESEA FUNDING LLC PAB54	01/03/25	12/19/24	12/19/24	BUY	50,000,000	49,907,708	0	49,907,708	0
ANGLESEA FUNDING LLC PAB54	01/03/25	12/19/24	12/19/24	BUY	35,000,000	34,935,396	0	34,935,396	0
ANGLESEA FUNDING LLC PAB54	01/03/25	12/19/24	12/19/24	BUY	50,000,000	49,907,708	0	49,907,708	0
ANGLESEA FUNDING LLC PAB54	01/03/25	12/19/24	12/19/24	BUY	50,000,000	49,907,708	0	49,907,708	0
ANGLESEA FUNDING LLC PAB54	01/03/25	12/19/24	12/19/24	BUY	50,000,000	49,907,708	0	49,907,708	0
ANGLESEA FUNDING LLC PAB54	01/03/25	12/19/24	12/19/24	BUY	50,000,000	49,907,708	0	49,907,708	0
ANGLESEA FUNDING LLC PAB54	01/03/25	12/19/24	12/19/24	BUY	50,000,000	49,907,708	0	49,907,708	0
ANGLESEA FUNDING LLC PAB54	01/06/25	12/30/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
ANGLESEA FUNDING LLC PAB54	01/06/25	12/30/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
ANGLESEA FUNDING LLC PAB54	01/09/25	12/02/24	12/02/24	BUY	30,000,000	29,852,750	0	29,852,750	0
ANGLESEA FUNDING LLC PAB54	01/09/25	12/04/24	12/04/24	BUY	50,000,000	49,767,500	0	49,767,500	0
ANGLESEA FUNDING LLC PAB54	01/09/25	12/04/24	12/04/24	BUY	50,000,000	49,767,500	0	49,767,500	0
ANGLESEA FUNDING LLC PAB54	03/10/25	12/09/24	12/09/24	BUY	50,000,000	49,426,194	0	49,426,194	0
ATLANTIC ASSET SECUCPAB54	03/11/25	12/11/24	12/11/24	BUY	50,000,000	49,432,500	0	49,432,500	0
ATLANTIC ASSET SECUCPAB54	03/11/25	12/11/24	12/11/24	BUY	50,000,000	49,432,500	0	49,432,500	0
ATLANTIC ASSET SECUCPAB54	03/11/25	12/11/24	12/12/24	BUY	50,000,000	49,438,806	0	49,438,806	0
ATLANTIC ASSET SECUCPAB54	03/11/25	12/11/24	12/12/24	BUY	50,000,000	49,438,806	0	49,438,806	0
ATLANTIC ASSET SECUCPAB54	03/14/25	12/11/24	12/12/24	BUY	50,000,000	49,419,889	0	49,419,889	0
ATLANTIC ASSET SECUCPAB54	03/14/25	12/11/24	12/12/24	BUY	50,000,000	49,419,889	0	49,419,889	0
ATLANTIC ASSET SECUCPAB54	03/17/25	12/11/24	12/11/24	BUY	50,000,000	49,394,667	0	49,394,667	0
ATLANTIC ASSET SECUCPAB54	03/17/25	12/11/24	12/11/24	BUY	50,000,000	49,394,667	0	49,394,667	0
ATLANTIC ASSET SECUCPAB54	03/19/25	12/18/24	12/18/24	BUY	50,000,000	49,427,458	0	49,427,458	0
ATLANTIC ASSET SECUCPAB54	03/19/25	12/18/24	12/19/24	BUY	50,000,000	49,433,750	0	49,433,750	0
BPCE SA CP4-2CP4-2	03/13/25	12/03/24	12/03/24	BUY	50,000,000	49,359,722	0	49,359,722	0
BPCE SA CP4-2CP4-2	03/13/25	12/03/24	12/03/24	BUY	50,000,000	49,359,722	0	49,359,722	0
BPCE SA CP4-2CP4-2	03/13/25	12/03/24	12/03/24	BUY	50,000,000	49,359,722	0	49,359,722	0
BPCE SA CP4-2CP4-2	03/13/25	12/03/24	12/03/24	BUY	50,000,000	49,359,722	0	49,359,722	0
BPCE SA CP4-2CP4-2	03/20/25	12/10/24	12/10/24	BUY	50,000,000	49,373,611	0	49,373,611	0
BPCE SA CP4-2CP4-2	03/20/25	12/10/24	12/10/24	BUY	50,000,000	49,373,611	0	49,373,611	0
BPCE SA CP4-2CP4-2	03/20/25	12/10/24	12/10/24	BUY	50,000,000	49,373,611	0	49,373,611	0
BPCE SA CP4-2CP4-2	03/20/25	12/10/24	12/10/24	BUY	50,000,000	49,373,611	0	49,373,611	0
BPCE SA CP4-2CP4-2	03/20/25	12/10/24	12/10/24	BUY	50,000,000	49,373,611	0	49,373,611	0
BANK OF NEW YORK MEC P4-2	12/11/24	12/04/24	12/04/24	BUY	50,000,000	49,955,375	0	49,955,375	0
BANK OF NEW YORK MEC P4-2	12/11/24	12/04/24	12/04/24	BUY	50,000,000	49,955,375	0	49,955,375	0
BANK OF NEW YORK MEC P4-2	12/11/24	12/04/24	12/04/24	BUY	50,000,000	49,955,375	0	49,955,375	0
BANK OF NEW YORK MEC P4-2	12/11/24	12/04/24	12/04/24	BUY	50,000,000	49,955,375	0	49,955,375	0
BANK OF NEW YORK MEC P4-2	12/11/24	12/04/24	12/04/24	BUY	15,000,000	14,986,613	0	14,986,613	0
BANK OF NOVA SCOTIACP4-2	12/03/25	12/04/24	12/04/24	BUY	50,000,000	47,800,833	0	47,800,833	0
BANK OF NOVA SCOTIACP4-2	12/03/25	12/04/24	12/04/24	BUY	50,000,000	47,800,833	0	47,800,833	0
BARTON CAPITAL S.A,CPAB54	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
BARTON CAPITAL S.A,CPAB54	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
BARTON CAPITAL S.A,CPAB54	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
BARTON CAPITAL S.A,CPAB54	01/06/25	12/04/24	12/05/24	BUY	50,000,000	49,793,778	0	49,793,778	0
BARTON CAPITAL S.A,CPAB54	01/06/25	12/04/24	12/05/24	BUY	50,000,000	49,793,778	0	49,793,778	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BARTON CAPITAL S.A.CPABS4	02/14/25	12/17/24	12/17/24	BUY	50,000,000	49,629,611	0	49,629,611	0
BEDFORD ROW FUNDINGCPABS4	01/13/25	12/10/24	12/10/24	BUY	50,000,000	49,783,722	0	49,783,722	0
BEDFORD ROW FUNDINGCPABS4	01/13/25	12/10/24	12/10/24	BUY	50,000,000	49,783,722	0	49,783,722	0
BENNINGTON STARK CACPABS4	12/10/24	12/03/24	12/03/24	BUY	50,000,000	49,955,278	0	49,955,278	0
BENNINGTON STARK CACPABS4	12/10/24	12/03/24	12/03/24	BUY	50,000,000	49,955,278	0	49,955,278	0
BENNINGTON STARK CACPABS4	12/10/24	12/03/24	12/03/24	BUY	50,000,000	49,955,278	0	49,955,278	0
BENNINGTON STARK CACPABS4	12/10/24	12/03/24	12/03/24	BUY	36,941,000	36,907,958	0	36,907,958	0
BENNINGTON STARK CACPABS4	12/17/24	12/10/24	12/10/24	BUY	50,000,000	49,955,278	0	49,955,278	0
BENNINGTON STARK CACPABS4	12/17/24	12/10/24	12/10/24	BUY	50,000,000	49,955,278	0	49,955,278	0
BENNINGTON STARK CACPABS4	12/17/24	12/10/24	12/10/24	BUY	37,381,000	37,347,565	0	37,347,565	0
BENNINGTON STARK CACPABS4	12/23/24	12/17/24	12/17/24	BUY	50,000,000	49,963,000	0	49,963,000	0
BENNINGTON STARK CACPABS4	12/23/24	12/17/24	12/17/24	BUY	50,000,000	49,963,000	0	49,963,000	0
BENNINGTON STARK CACPABS4	12/23/24	12/17/24	12/17/24	BUY	22,000,000	21,983,720	0	21,983,720	0
BENNINGTON STARK CACPABS4	12/27/24	12/23/24	12/23/24	BUY	50,000,000	49,975,833	0	49,975,833	0
BENNINGTON STARK CACPABS4	12/27/24	12/23/24	12/23/24	BUY	50,000,000	49,975,833	0	49,975,833	0
BENNINGTON STARK CACPABS4	12/27/24	12/23/24	12/23/24	BUY	22,000,000	21,989,367	0	21,989,367	0
BENNINGTON STARK CACPABS4	01/03/25	12/27/24	12/27/24	BUY	50,000,000	49,957,514	0	49,957,514	0
BENNINGTON STARK CACPABS4	01/03/25	12/27/24	12/27/24	BUY	50,000,000	49,957,514	0	49,957,514	0
BENNINGTON STARK CACPABS4	01/03/25	12/27/24	12/27/24	BUY	50,000,000	49,957,514	0	49,957,514	0
BENNINGTON STARK CACPABS4	01/03/25	12/27/24	12/27/24	BUY	50,000,000	49,957,514	0	49,957,514	0
BENNINGTON STARK CACPABS4	01/03/25	12/27/24	12/27/24	BUY	2,000,000	1,998,301	0	1,998,301	0
BENNINGTON STARK CACPABS4	01/17/25	12/11/24	12/11/24	BUY	50,000,000	49,762,069	0	49,762,069	0
BENNINGTON STARK CACPABS4	01/17/25	12/11/24	12/11/24	BUY	45,000,000	44,785,863	0	44,785,863	0
CANADIAN IMPERIAL BCDYAN	12/04/25	12/04/24	12/04/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	12/04/25	12/04/24	12/04/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	12/04/25	12/04/24	12/04/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	12/04/25	12/04/24	12/04/24	BUY	50,000,000	50,000,000	0	50,000,000	0
CHARIOT FUNDING LLCCPABS4	01/06/25	12/06/24	12/06/24	BUY	50,000,000	49,799,792	0	49,799,792	0
CHARIOT FUNDING LLCCPABS4	01/06/25	12/06/24	12/06/24	BUY	50,000,000	49,799,792	0	49,799,792	0
CHARIOT FUNDING LLCCPABS4	01/06/25	12/06/24	12/06/24	BUY	50,000,000	49,799,792	0	49,799,792	0
CHARIOT FUNDING LLCCPABS4	01/06/25	12/06/24	12/06/24	BUY	50,000,000	49,799,792	0	49,799,792	0
CHARIOT FUNDING LLCCPABS4	01/06/25	12/06/24	12/06/24	BUY	50,000,000	49,799,792	0	49,799,792	0
CHARIOT FUNDING LLCCPABS4	01/06/25	12/06/24	12/06/24	BUY	50,000,000	49,799,792	0	49,799,792	0
CHARIOT FUNDING LLC, JUN	06/09/25	12/09/24	12/09/24	BUY	50,000,000	48,849,861	0	48,849,861	0
CHARIOT FUNDING LLC, JUN	06/09/25	12/09/24	12/09/24	BUY	25,000,000	24,424,931	0	24,424,931	0
CHARIOT FUNDING LLC, JUN	06/16/25	12/16/24	12/16/24	BUY	50,000,000	48,849,861	0	48,849,861	0
CHARIOT FUNDING LLC, JUN	06/16/25	12/16/24	12/16/24	BUY	50,000,000	48,849,861	0	48,849,861	0
CHARIOT FUNDING LLC, JUN	06/16/25	12/16/24	12/16/24	BUY	46,000,000	44,941,872	0	44,941,872	0
CHESHAM FINANCE LLCCPABS4	12/16/24	12/06/24	12/09/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/16/24	12/06/24	12/09/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/16/24	12/06/24	12/09/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/23/24	12/13/24	12/16/24	BUY	50,000,000	49,956,639	0	49,956,639	0
CHESHAM FINANCE LLCCPABS4	12/23/24	12/13/24	12/16/24	BUY	50,000,000	49,956,639	0	49,956,639	0
CHESHAM FINANCE LLCCPABS4	12/23/24	12/13/24	12/16/24	BUY	50,000,000	49,956,639	0	49,956,639	0
CHESHAM FINANCE LLCCPABS4	12/23/24	12/17/24	12/18/24	BUY	50,000,000	49,969,444	0	49,969,444	0
CHESHAM FINANCE LLCCPABS4	12/23/24	12/17/24	12/18/24	BUY	50,000,000	49,969,444	0	49,969,444	0
CHESHAM FINANCE LLCCPABS4	12/30/24	12/20/24	12/23/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	12/30/24	12/20/24	12/23/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	12/30/24	12/20/24	12/23/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/06/25	12/27/24	12/30/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	12/11/24	12/03/24	12/04/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/11/24	12/03/24	12/04/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/11/24	12/03/24	12/04/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/11/24	12/03/24	12/04/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/18/24	12/11/24	12/11/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/18/24	12/11/24	12/11/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/18/24	12/11/24	12/11/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	12/18/24	12/11/24	12/11/24	BUY	50,000,000	49,955,278	0	49,955,278	0
CHESHAM FINANCE LLCCPABS4	01/07/25	12/30/24	12/31/24	BUY	50,000,000	49,957,708	0	49,957,708	0
CHESHAM FINANCE LLCCPABS4	01/07/25	12/30/24	12/31/24	BUY	50,000,000	49,957,708	0	49,957,708	0



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TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
GOTHAM FUNDING CORPCPABS4	03/26/25	12/31/24	12/31/24	BUY	50,000,000	49,474,653	0	49,474,653	0
GOTHAM FUNDING CORPCPABS4	03/26/25	12/31/24	12/31/24	BUY	25,000,000	24,737,326	0	24,737,326	0
GOTHAM FUNDING CORPCPABS4	04/08/25	12/26/24	12/26/24	BUY	50,000,000	49,357,681	0	49,357,681	0
GOTHAM FUNDING CORPCPABS4	04/08/25	12/26/24	12/26/24	BUY	50,000,000	49,357,681	0	49,357,681	0
GOTHAM FUNDING CORPCPABS4	04/08/25	12/26/24	12/26/24	BUY	30,000,000	29,614,608	0	29,614,608	0
GREAT BEAR FUNDING CPABS4	01/06/25	12/02/24	12/02/24	BUY	50,000,000	49,773,958	0	49,773,958	0
GREAT BEAR FUNDING CPABS4	01/06/25	12/02/24	12/02/24	BUY	25,000,000	24,886,979	0	24,886,979	0
GREAT BEAR FUNDING CPABS4	01/07/25	12/04/24	12/04/24	BUY	50,000,000	49,780,417	0	49,780,417	0
GREAT BEAR FUNDING CPABS4	01/07/25	12/04/24	12/04/24	BUY	50,000,000	49,780,417	0	49,780,417	0
GREAT BEAR FUNDING CPABS4	01/07/25	12/04/24	12/04/24	BUY	25,000,000	24,890,208	0	24,890,208	0
JUPITER SECURITIZATION CO	06/11/25	12/11/24	12/11/24	BUY	50,000,000	48,849,861	0	48,849,861	0
JUPITER SECURITIZATION CO	06/11/25	12/11/24	12/11/24	BUY	50,000,000	48,849,861	0	48,849,861	0
JUPITER SECURITIZATCPABS4	01/10/25	12/10/24	12/10/24	BUY	50,000,000	49,801,944	0	49,801,944	0
JUPITER SECURITIZATCPABS4	01/10/25	12/10/24	12/10/24	BUY	50,000,000	49,801,944	0	49,801,944	0
LA FAYETTE ASSET SECPABS4	12/11/24	12/10/24	12/10/24	BUY	50,000,000	49,993,597	0	49,993,597	0
LA FAYETTE ASSET SECPABS4	12/11/24	12/10/24	12/10/24	BUY	12,757,000	12,755,366	0	12,755,366	0
LA FAYETTE ASSET SECPABS4	03/14/25	12/11/24	12/12/24	BUY	50,000,000	49,419,889	0	49,419,889	0
LA FAYETTE ASSET SECPABS4	03/18/25	12/12/24	12/12/24	BUY	25,000,000	24,697,333	0	24,697,333	0
LA FAYETTE ASSET SECPABS4	03/18/25	12/12/24	12/13/24	BUY	50,000,000	49,400,972	0	49,400,972	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/02/24	12/02/24	BUY	10,900,000	10,898,610	0	10,898,610	0
LMA-AMERICAS LLC CPCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
LMA-AMERICAS LLC CPCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
LMA-AMERICAS LLC CPCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
LMA-AMERICAS LLC CPCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
LMA-AMERICAS LLC CPCPABS4	01/15/25	12/06/24	12/06/24	BUY	50,000,000	49,741,667	0	49,741,667	0
LMA-AMERICAS LLC CPCPABS4	01/15/25	12/16/24	12/16/24	BUY	10,000,000	9,961,667	0	9,961,667	0
LMA-AMERICAS LLC CPCPABS4	01/16/25	12/06/24	12/06/24	BUY	50,000,000	49,735,208	0	49,735,208	0
LMA-AMERICAS LLC CPCPABS4	01/28/25	12/16/24	12/16/24	BUY	50,000,000	49,726,472	0	49,726,472	0
LMA-AMERICAS LLC CPCPABS4	01/28/25	12/16/24	12/16/24	BUY	8,400,000	8,354,047	0	8,354,047	0
LMA-AMERICAS LLC CPCPABS4	02/11/25	12/10/24	12/10/24	BUY	50,000,000	49,599,250	0	49,599,250	0
LMA-AMERICAS LLC CPCPABS4	03/05/25	12/04/24	12/06/24	BUY	50,000,000	49,427,681	0	49,427,681	0
LMA-AMERICAS LLC CPCPABS4	03/05/25	12/04/24	12/06/24	BUY	50,000,000	49,427,681	0	49,427,681	0
LMA-AMERICAS LLC CPCPABS4	03/06/25	12/03/24	12/03/24	BUY	50,000,000	49,401,958	0	49,401,958	0
LMA-AMERICAS LLC CPCPABS4	03/06/25	12/03/24	12/03/24	BUY	14,400,000	14,227,764	0	14,227,764	0
LMA-AMERICAS LLC CPCPABS4	03/07/25	12/03/24	12/04/24	BUY	50,000,000	49,401,958	0	49,401,958	0
LMA-AMERICAS LLC CPCPABS4	03/13/25	12/11/24	12/11/24	BUY	50,000,000	49,418,611	0	49,418,611	0
LMA-AMERICAS LLC CPCPABS4	03/13/25	12/11/24	12/11/24	BUY	10,000,000	9,883,722	0	9,883,722	0
LMA-AMERICAS LLC CPCPABS4	03/14/25	12/11/24	12/11/24	BUY	30,950,000	30,586,209	0	30,586,209	0
LMA-AMERICAS LLC CPCPABS4	03/21/25	12/18/24	12/20/24	BUY	50,000,000	49,424,931	0	49,424,931	0
LONGSHIP FUNDING LLCPABS4	12/13/24	12/06/24	12/06/24	BUY	50,000,000	49,955,375	0	49,955,375	0
LONGSHIP FUNDING LLCPABS4	12/13/24	12/06/24	12/06/24	BUY	10,000,000	9,991,075	0	9,991,075	0
LONGSHIP FUNDING LLCPABS4	12/16/24	12/13/24	12/13/24	BUY	50,000,000	49,980,875	0	49,980,875	0
LONGSHIP FUNDING LLCPABS4	12/16/24	12/13/24	12/13/24	BUY	50,000,000	49,980,875	0	49,980,875	0
LONGSHIP FUNDING LLCPABS4	12/16/24	12/13/24	12/13/24	BUY	20,000,000	19,992,350	0	19,992,350	0
LONGSHIP FUNDING LLCPABS4	12/20/24	12/16/24	12/16/24	BUY	45,000,000	44,977,350	0	44,977,350	0
LONGSHIP FUNDING LLCPABS4	01/03/25	12/27/24	12/27/24	BUY	49,000,000	48,958,554	0	48,958,554	0
LONGSHIP FUNDING LLCPABS4	03/06/25	12/27/24	12/27/24	BUY	50,000,000	49,571,625	0	49,571,625	0
LONGSHIP FUNDING LLCPABS4	03/06/25	12/27/24	12/27/24	BUY	33,000,000	32,717,273	0	32,717,273	0
MUFG BANK LTD, CDYACDYAN	12/09/24	12/02/24	12/02/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/09/24	12/02/24	12/02/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/09/24	12/02/24	12/02/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/16/24	12/09/24	12/09/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/16/24	12/09/24	12/09/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/16/24	12/09/24	12/09/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/23/24	12/16/24	12/16/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/23/24	12/16/24	12/16/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/23/24	12/16/24	12/16/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/30/24	12/23/24	12/23/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	12/30/24	12/23/24	12/23/24	BUY	50,000,000	50,000,000	0	50,000,000	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MUFG BANK LTD, CDYACDYAN	12/30/24	12/23/24	12/23/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	01/07/25	12/30/24	12/30/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	01/07/25	12/30/24	12/30/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD, CDYACDYAN	01/07/25	12/30/24	12/30/24	BUY	50,000,000	50,000,000	0	50,000,000	0
MATCHPOINT FINANCE CPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/05/24	12/04/24	12/04/24	BUY	50,000,000	49,993,625	0	49,993,625	0
MATCHPOINT FINANCE CPABS4	12/05/24	12/04/24	12/04/24	BUY	31,055,000	31,051,040	0	31,051,040	0
MATCHPOINT FINANCE CPABS4	12/06/24	12/05/24	12/05/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/06/24	12/05/24	12/05/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/06/24	12/05/24	12/05/24	BUY	5,400,000	5,399,310	0	5,399,310	0
MATCHPOINT FINANCE CPABS4	12/17/24	12/16/24	12/16/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/17/24	12/16/24	12/16/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
MATCHPOINT FINANCE CPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
MATCHPOINT FINANCE CPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
MATCHPOINT FINANCE CPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
MATCHPOINT FINANCE CPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
MATCHPOINT FINANCE CPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
MATCHPOINT FINANCE CPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
MATCHPOINT FINANCE CPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
MATCHPOINT FINANCE CPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,917	0	49,987,917	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	12,000,000	11,997,100	0	11,997,100	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,944	0	49,987,944	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,944	0	49,987,944	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,944	0	49,987,944	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,944	0	49,987,944	0
MATCHPOINT FINANCE CPABS4	01/02/25	12/31/24	12/31/24	BUY	50,000,000	49,987,944	0	49,987,944	0
MATCHPOINT FINANCE CPABS4	01/11/25	12/09/24	12/09/24	BUY	50,000,000	49,775,417	0	49,775,417	0
MATCHPOINT FINANCE CPABS4	01/13/25	12/09/24	12/09/24	BUY	50,000,000	49,775,417	0	49,775,417	0
MIZUHO BANK LTD, CPCP4-2	04/10/25	12/26/24	12/26/24	BUY	50,000,000	49,346,667	0	49,346,667	0
MIZUHO BANK LTD, CPCP4-2	04/10/25	12/26/24	12/26/24	BUY	50,000,000	49,346,667	0	49,346,667	0
NATIONWIDE BUILDING SOCIETY	01/03/25	12/12/24	12/12/24	BUY	26,800,000	26,725,481	0	26,725,481	0
PODIUM FUNDING TRUSCPABS3	06/03/25	12/02/24	12/03/24	BUY	25,000,000	24,426,194	0	24,426,194	0
PODIUM FUNDING TRUSCPABS3	06/03/25	12/02/24	12/03/24	BUY	50,000,000	48,852,389	0	48,852,389	0
PODIUM FUNDING TRUSCPABS3	06/12/25	12/18/24	12/18/24	BUY	27,000,000	26,408,640	0	26,408,640	0
PODIUM FUNDING TRUSCPABS3	08/29/25	12/03/24	12/03/24	BUY	50,000,000	48,333,694	0	48,333,694	0
RIDGEFIELD FUNDING CPABS4	03/17/25	12/10/24	12/10/24	BUY	50,000,000	49,387,014	0	49,387,014	0
RIDGEFIELD FUNDING CPABS4	03/17/25	12/10/24	12/10/24	BUY	50,000,000	49,387,014	0	49,387,014	0
RIDGEFIELD FUNDING CPABS4	03/17/25	12/10/24	12/10/24	BUY	50,000,000	49,387,014	0	49,387,014	0
RIDGEFIELD FUNDING CPABS4	03/17/25	12/10/24	12/10/24	BUY	50,000,000	49,387,014	0	49,387,014	0
RIDGEFIELD FUNDING CPABS4	03/21/25	12/27/24	12/27/24	BUY	50,000,000	49,475,000	0	49,475,000	0
RIDGEFIELD FUNDING CPABS4	03/21/25	12/27/24	12/27/24	BUY	50,000,000	49,475,000	0	49,475,000	0
RIDGEFIELD FUNDING CPABS4	03/21/25	12/27/24	12/27/24	BUY	50,000,000	49,475,000	0	49,475,000	0
ROYAL BANK OF CANADCP4-2	12/01/25	12/03/24	12/03/24	BUY	50,000,000	47,801,833	0	47,801,833	0
ROYAL BANK OF CANADCP4-2	12/01/25	12/03/24	12/03/24	BUY	50,000,000	47,801,833	0	47,801,833	0
ROYAL BANK OF CANADCP4-2	12/01/25	12/03/24	12/03/24	BUY	50,000,000	47,801,833	0	47,801,833	0
ROYAL BANK OF CANADCP4-2	12/01/25	12/03/24	12/03/24	BUY	50,000,000	47,801,833	0	47,801,833	0
SHEFFIELD RECEIVABLC PABS4	03/13/25	12/09/24	12/09/24	BUY	50,000,000	49,405,972	0	49,405,972	0
SHEFFIELD RECEIVABLC PABS4	03/13/25	12/09/24	12/09/24	BUY	50,000,000	49,405,972	0	49,405,972	0
SHEFFIELD RECEIVABLC PABS4	03/13/25	12/09/24	12/09/24	BUY	50,000,000	49,405,972	0	49,405,972	0
SHEFFIELD RECEIVABLC PABS4	03/13/25	12/09/24	12/09/24	BUY	50,000,000	49,405,972	0	49,405,972	0
SHEFFIELD RECEIVABLC PABS4	03/17/25	12/12/24	12/12/24	BUY	50,000,000	49,399,653	0	49,399,653	0
SHEFFIELD RECEIVABLC PABS4	03/17/25	12/12/24	12/12/24	BUY	50,000,000	49,399,653	0	49,399,653	0
SHEFFIELD RECEIVABLC PABS4	03/17/25	12/12/24	12/12/24	BUY	50,000,000	49,399,653	0	49,399,653	0
SHEFFIELD RECEIVABLC PABS4	03/17/25	12/12/24	12/12/24	BUY	50,000,000	49,399,653	0	49,399,653	0
SHEFFIELD RECEIVABLC PABS4	03/17/25	12/12/24	12/12/24	BUY	50,000,000	49,399,653	0	49,399,653	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SHEFFIELD RECEIVABLCPABS4	03/17/25	12/12/24	12/12/24	BUY	10,000,000	9,879,931	0	9,879,931	0
SHEFFIELD RECEIVABLCPABS4	03/19/25	12/13/24	12/13/24	BUY	50,000,000	49,393,333	0	49,393,333	0
SHEFFIELD RECEIVABLCPABS4	03/19/25	12/13/24	12/13/24	BUY	50,000,000	49,393,333	0	49,393,333	0
SHEFFIELD RECEIVABLCPABS4	03/20/25	12/17/24	12/17/24	BUY	50,000,000	49,414,875	0	49,414,875	0
SOCIETE GENERALE, PCP4-2	01/31/25	12/11/24	12/11/24	BUY	50,000,000	49,677,000	0	49,677,000	0
SOCIETE GENERALE, PCP4-2	01/31/25	12/11/24	12/11/24	BUY	50,000,000	49,677,000	0	49,677,000	0
SOCIETE GENERALE, PCP4-2	01/31/25	12/11/24	12/11/24	BUY	50,000,000	49,677,000	0	49,677,000	0
SOCIETE GENERALE, PCP4-2	01/31/25	12/11/24	12/11/24	BUY	25,000,000	24,838,500	0	24,838,500	0
STARBIRD FUNDING COCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPABS4	12/03/24	12/02/24	12/02/24	BUY	50,000,000	49,993,625	0	49,993,625	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/04/24	12/03/24	12/03/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/11/24	12/10/24	12/10/24	BUY	50,000,000	49,993,597	0	49,993,597	0
STARBIRD FUNDING COCPABS4	12/11/24	12/10/24	12/10/24	BUY	50,000,000	49,993,597	0	49,993,597	0
STARBIRD FUNDING COCPABS4	12/11/24	12/10/24	12/10/24	BUY	50,000,000	49,993,597	0	49,993,597	0
STARBIRD FUNDING COCPABS4	12/11/24	12/10/24	12/10/24	BUY	50,000,000	49,993,597	0	49,993,597	0
STARBIRD FUNDING COCPABS4	12/11/24	12/10/24	12/10/24	BUY	15,995,000	15,992,952	0	15,992,952	0
STARBIRD FUNDING COCPABS4	12/13/24	12/12/24	12/12/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/13/24	12/12/24	12/12/24	BUY	20,000,000	19,997,444	0	19,997,444	0
STARBIRD FUNDING COCPABS4	12/13/24	12/12/24	12/12/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/13/24	12/12/24	12/12/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/16/24	12/13/24	12/13/24	BUY	30,000,000	29,988,500	0	29,988,500	0
STARBIRD FUNDING COCPABS4	12/16/24	12/13/24	12/13/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPABS4	12/16/24	12/13/24	12/13/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPABS4	12/16/24	12/13/24	12/13/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPABS4	12/16/24	12/13/24	12/13/24	BUY	50,000,000	49,980,875	0	49,980,875	0
STARBIRD FUNDING COCPABS4	12/17/24	12/16/24	12/16/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/17/24	12/16/24	12/16/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/17/24	12/16/24	12/16/24	BUY	20,000,000	19,997,444	0	19,997,444	0
STARBIRD FUNDING COCPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,611	0	49,993,611	0
STARBIRD FUNDING COCPABS4	12/27/24	12/17/24	12/17/24	BUY	50,000,000	49,937,500	0	49,937,500	0
STARBIRD FUNDING COCPABS4	12/27/24	12/17/24	12/17/24	BUY	6,000,000	5,992,500	0	5,992,500	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,917	0	49,981,917	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,917	0	49,981,917	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,917	0	49,981,917	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,917	0	49,981,917	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,917	0	49,981,917	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	50,000,000	49,981,875	0	49,981,875	0
STARBIRD FUNDING COCPABS4	12/30/24	12/27/24	12/27/24	BUY	25,000,000	24,990,938	0	24,990,938	0
STARBIRD FUNDING COCPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
STARBIRD FUNDING COCPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
STARBIRD FUNDING COCPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
STARBIRD FUNDING COCPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
STARBIRD FUNDING COCPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
STARBIRD FUNDING COCPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0
STARBIRD FUNDING COCPABS4	12/31/24	12/30/24	12/30/24	BUY	50,000,000	49,993,958	0	49,993,958	0



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TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
TRUIST BANK CDCD	01/31/25	12/27/24	12/27/24	BUY	50,000,000	50,000,000	0	50,000,000	0
TRUIST BANK CDCD	01/31/25	12/27/24	12/27/24	BUY	50,000,000	50,000,000	0	50,000,000	0
UNITEDHEALTH GROUP,CP4-2	12/18/24	12/17/24	12/17/24	BUY	40,000,000	39,994,889	0	39,994,889	0
UNITEDHEALTH GROUP,CP4-2	12/19/24	12/18/24	12/18/24	BUY	30,000,000	29,996,175	0	29,996,175	0
UNITEDHEALTH GROUP,CP4-2	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
UNITEDHEALTH GROUP,CP4-2	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
UNITEDHEALTH GROUP,CP4-2	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
UNITEDHEALTH GROUP,CP4-2	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
UNITEDHEALTH GROUP,CP4-2	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
UNITEDHEALTH GROUP,CP4-2	12/19/24	12/18/24	12/18/24	BUY	50,000,000	49,993,625	0	49,993,625	0
UNITEDHEALTH GROUP,CP4-2	12/20/24	12/19/24	12/19/24	BUY	50,000,000	49,993,958	0	49,993,958	0
UNITEDHEALTH GROUP,CP4-2	12/20/24	12/19/24	12/19/24	BUY	50,000,000	49,993,958	0	49,993,958	0
UNITEDHEALTH GROUP,CP4-2	12/20/24	12/19/24	12/19/24	BUY	50,000,000	49,993,958	0	49,993,958	0
UNITEDHEALTH GROUP,CP4-2	12/20/24	12/19/24	12/19/24	BUY	50,000,000	49,993,958	0	49,993,958	0
UNITEDHEALTH GROUP,CP4-2	12/23/24	12/20/24	12/20/24	BUY	50,000,000	49,981,917	0	49,981,917	0
UNITEDHEALTH GROUP,CP4-2	12/23/24	12/20/24	12/20/24	BUY	50,000,000	49,981,917	0	49,981,917	0
UNITEDHEALTH GROUP,CP4-2	12/23/24	12/20/24	12/20/24	BUY	50,000,000	49,981,917	0	49,981,917	0
UNITEDHEALTH GROUP,CP4-2	12/23/24	12/20/24	12/20/24	BUY	50,000,000	49,981,917	0	49,981,917	0
UNITEDHEALTH GROUP,CP4-2	12/26/24	12/19/24	12/19/24	BUY	50,000,000	49,957,708	0	49,957,708	0
UNITEDHEALTH GROUP,CP4-2	12/26/24	12/19/24	12/19/24	BUY	50,000,000	49,957,708	0	49,957,708	0
UNITEDHEALTH GROUP,CP4-2	12/26/24	12/19/24	12/19/24	BUY	50,000,000	49,957,708	0	49,957,708	0
VICTORY RECEIVABLESCPAB54	03/07/25	12/04/24	12/04/24	BUY	25,000,000	24,701,625	0	24,701,625	0
VICTORY RECEIVABLESCPAB54	03/07/25	12/04/24	12/04/24	BUY	50,000,000	49,403,250	0	49,403,250	0
VICTORY RECEIVABLESCPAB54	03/26/25	12/26/24	12/26/24	BUY	50,000,000	49,440,000	0	49,440,000	0
VICTORY RECEIVABLESCPAB54	03/26/25	12/26/24	12/26/24	BUY	40,000,000	39,552,000	0	39,552,000	0
VICTORY RECEIVABLESCPAB54	03/27/25	12/27/24	12/30/24	BUY	50,000,000	49,458,667	0	49,458,667	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/03/24	12/03/24	BUY	3,765,958	3,765,958	0	3,765,958	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/06/24	12/06/24	BUY	20,154	20,154	0	20,154	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/10/24	12/10/24	BUY	4,426,124	4,426,124	0	4,426,124	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/13/24	12/13/24	BUY	4,353,576	4,353,576	0	4,353,576	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/17/24	12/17/24	BUY	27,606,776	27,606,776	0	27,606,776	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/19/24	12/19/24	BUY	457,226	457,226	0	457,226	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/24/24	12/24/24	BUY	208,077,979	208,077,979	0	208,077,979	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/30/24	12/30/24	BUY	1,172,310	1,172,310	0	1,172,310	0
MIZUHO TRIPARTY	12/03/24	12/02/24	12/02/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/03/24	12/02/24	12/02/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/03/24	12/02/24	12/02/24	BUY	2,004,000,000	2,004,000,000	0	2,004,000,000	0
MIZUHO TRIPARTY	12/04/24	12/03/24	12/03/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/04/24	12/03/24	12/03/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/04/24	12/03/24	12/03/24	BUY	2,000,000,000	2,000,000,000	0	2,000,000,000	0
MIZUHO TRIPARTY	12/05/24	12/04/24	12/04/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/05/24	12/04/24	12/04/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/05/24	12/04/24	12/04/24	BUY	2,366,000,000	2,366,000,000	0	2,366,000,000	0
MIZUHO TRIPARTY	12/06/24	12/05/24	12/05/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/06/24	12/05/24	12/05/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/06/24	12/05/24	12/05/24	BUY	1,787,000,000	1,787,000,000	0	1,787,000,000	0
MIZUHO TRIPARTY	12/09/24	12/06/24	12/06/24	BUY	700,000,000	700,000,000	0	700,000,000	0
HSBC TRIPARTY	12/09/24	12/06/24	12/06/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/09/24	12/06/24	12/06/24	BUY	2,407,000,000	2,407,000,000	0	2,407,000,000	0
MIZUHO TRIPARTY	12/10/24	12/09/24	12/09/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/10/24	12/09/24	12/09/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/10/24	12/09/24	12/09/24	BUY	2,420,000,000	2,420,000,000	0	2,420,000,000	0
MIZUHO TRIPARTY	12/11/24	12/10/24	12/10/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/11/24	12/10/24	12/10/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/11/24	12/10/24	12/10/24	BUY	2,164,000,000	2,164,000,000	0	2,164,000,000	0
MIZUHO TRIPARTY	12/12/24	12/11/24	12/11/24	BUY	650,000,000	650,000,000	0	650,000,000	0
HSBC TRIPARTY	12/12/24	12/11/24	12/11/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/12/24	12/11/24	12/11/24	BUY	2,357,000,000	2,357,000,000	0	2,357,000,000	0
MIZUHO TRIPARTY	12/13/24	12/12/24	12/12/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/13/24	12/12/24	12/12/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/13/24	12/12/24	12/12/24	BUY	1,885,000,000	1,885,000,000	0	1,885,000,000	0
MIZUHO TRIPARTY	12/16/24	12/13/24	12/13/24	BUY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/16/24	12/13/24	12/13/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/16/24	12/13/24	12/13/24	BUY	2,296,000,000	2,296,000,000	0	2,296,000,000	0
MIZUHO TRIPARTY	12/17/24	12/16/24	12/16/24	BUY	150,000,000	150,000,000	0	150,000,000	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
HSBC TRIPARTY	12/17/24	12/16/24	12/16/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/17/24	12/16/24	12/16/24	BUY	2,314,000,000	2,314,000,000	0	2,314,000,000	0
MIZUHO TRIPARTY	12/18/24	12/17/24	12/17/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/18/24	12/17/24	12/17/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/18/24	12/17/24	12/17/24	BUY	2,394,000,000	2,394,000,000	0	2,394,000,000	0
MIZUHO TRIPARTY	12/19/24	12/18/24	12/18/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/19/24	12/18/24	12/18/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/19/24	12/18/24	12/18/24	BUY	1,769,000,000	1,769,000,000	0	1,769,000,000	0
MIZUHO TRIPARTY	12/20/24	12/19/24	12/19/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/20/24	12/19/24	12/19/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/20/24	12/19/24	12/19/24	BUY	2,454,000,000	2,454,000,000	0	2,454,000,000	0
MIZUHO TRIPARTY	12/23/24	12/20/24	12/20/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/23/24	12/20/24	12/20/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/23/24	12/20/24	12/20/24	BUY	2,490,000,000	2,490,000,000	0	2,490,000,000	0
MIZUHO TRIPARTY	12/26/24	12/23/24	12/23/24	BUY	436,000,000	436,000,000	0	436,000,000	0
HSBC TRIPARTY	12/26/24	12/23/24	12/23/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/26/24	12/23/24	12/23/24	BUY	2,000,000,000	2,000,000,000	0	2,000,000,000	0
MIZUHO TRIPARTY	12/27/24	12/26/24	12/26/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/27/24	12/26/24	12/26/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/27/24	12/26/24	12/26/24	BUY	2,063,000,000	2,063,000,000	0	2,063,000,000	0
MIZUHO TRIPARTY	12/30/24	12/27/24	12/27/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/30/24	12/27/24	12/27/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/30/24	12/27/24	12/27/24	BUY	1,837,000,000	1,837,000,000	0	1,837,000,000	0
MIZUHO TRIPARTY	12/31/24	12/30/24	12/30/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/31/24	12/30/24	12/30/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/31/24	12/30/24	12/30/24	BUY	2,273,000,000	2,273,000,000	0	2,273,000,000	0
MIZUHO TRIPARTY	01/02/25	12/31/24	12/31/24	BUY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	01/02/25	12/31/24	12/31/24	BUY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	01/02/25	12/31/24	12/31/24	BUY	1,577,000,000	1,577,000,000	0	1,577,000,000	0
					75,948,134,102	75,863,248,149	0	75,863,248,149	0
CHARIOT FUNDING LLC	03/04/25	12/04/24	12/04/24	CA_CASH_CLOSE	125,000,000	125,000,000	0	125,000,000	0
CHARIOT FUNDING LLC	03/24/25	12/24/24	12/24/24	CA_CASH_CLOSE	130,000,000	130,000,000	0	130,000,000	0
CHARIOT FUNDING LLC	03/14/25	12/16/24	12/16/24	CA_CASH_CLOSE	35,000,000	35,000,000	0	35,000,000	0
CHARIOT FUNDING LLC	03/20/25	12/20/24	12/20/24	CA_CASH_CLOSE	50,000,000	50,000,000	0	50,000,000	0
COLLATERALIZED COMMERCIAL PAPER FLEX CO LLC	03/05/25	12/05/24	12/05/24	CA_CASH_CLOSE	115,000,000	115,000,000	46,990	115,046,990	0
COLLATERALIZED COMMERCIAL PAPER FLEX CO LLC	03/10/25	12/10/24	12/10/24	CA_CASH_CLOSE	150,000,000	150,000,000	162,792	150,162,792	0
COLLATERALIZED COMMERCIAL PAPER FLEX CO LLC	03/10/25	12/09/24	12/09/24	CA_CASH_CLOSE	75,000,000	75,000,000	71,229	75,071,229	0
COLLATERALIZED COMMERCIAL PAPER FLEX CO LLC	03/24/25	12/24/24	12/24/24	CA_CASH_CLOSE	70,000,000	70,000,000	206,850	70,206,850	0
COLLATERALIZED COMMERCIAL PAPER V CO LLC	03/20/25	12/20/24	12/20/24	CA_CASH_CLOSE	45,000,000	45,000,000	110,075	45,110,075	0
COLLATERALIZED COMMERCIAL PAPER V CO LLC	03/25/25	12/26/24	12/26/24	CA_CASH_CLOSE	50,000,000	50,000,000	160,500	50,160,500	0
ECMC GROUP INC	12/01/54	12/01/24	12/01/24	CA_CASH_CLOSE	900,000	900,000	3,511	903,511	0
JUPITER SECURITIZATION CO LLC	03/11/25	12/11/24	12/11/24	CA_CASH_CLOSE	60,000,000	60,000,000	0	60,000,000	0
JUPITER SECURITIZATION CO LLC	03/10/25	12/10/24	12/10/24	CA_CASH_CLOSE	38,000,000	38,000,000	0	38,000,000	0
PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY	06/01/54	12/01/24	12/01/24	CA_CASH_CLOSE	1,605,000	1,605,000	6,307	1,611,307	0
STATE OF TEXAS	12/01/54	12/02/24	12/02/24	CA_CASH_CLOSE	195,000	195,000	0	195,000	0
					945,700,000	945,700,000	768,254	946,468,254	0
ABN AMRO BANK N.V.	12/09/24	12/02/24	12/02/24	DEPOSIT	1,270,000,000	1,270,000,000	0	1,270,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/09/24	12/02/24	12/02/24	DEPOSIT	1,270,000,000	1,270,000,000	0	1,270,000,000	0
RABOBANK NEW YORK	12/09/24	12/02/24	12/02/24	DEPOSIT	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/03/24	12/02/24	12/02/24	DEPOSIT	1,245,000,000	1,245,000,000	0	1,245,000,000	0
DNB BANK ASA NEW YORK	12/03/24	12/02/24	12/02/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
NORDEA BANK ABP	12/03/24	12/02/24	12/02/24	DEPOSIT	800,000,000	800,000,000	0	800,000,000	0
RABOBANK NEWYORK	12/10/24	12/03/24	12/03/24	DEPOSIT	620,000,000	620,000,000	0	620,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/04/24	12/03/24	12/03/24	DEPOSIT	1,290,000,000	1,290,000,000	0	1,290,000,000	0
DNB BANK ASA NEWYORK	12/04/24	12/03/24	12/03/24	DEPOSIT	1,100,000,000	1,100,000,000	0	1,100,000,000	0
NORDEA BANK ABP	12/04/24	12/03/24	12/03/24	DEPOSIT	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEWYORK	12/05/24	12/04/24	12/04/24	DEPOSIT	1,150,000,000	1,150,000,000	0	1,150,000,000	0
NORDEA BANK ABP	12/05/24	12/04/24	12/04/24	DEPOSIT	450,000,000	450,000,000	0	450,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/05/24	12/04/24	12/04/24	DEPOSIT	1,340,000,000	1,340,000,000	0	1,340,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/06/24	12/05/24	12/05/24	DEPOSIT	1,365,000,000	1,365,000,000	0	1,365,000,000	0
DNB BANK ASA NEWYORK	12/06/24	12/05/24	12/05/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
NORDEA BANK ABP	12/06/24	12/05/24	12/05/24	DEPOSIT	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEWYORK	12/09/24	12/06/24	12/06/24	DEPOSIT	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/09/24	12/06/24	12/06/24	DEPOSIT	1,350,000,000	1,350,000,000	0	1,350,000,000	0
ABN AMRO BANK N.V.	12/16/24	12/09/24	12/09/24	DEPOSIT	1,420,000,000	1,420,000,000	0	1,420,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/16/24	12/09/24	12/09/24	DEPOSIT	1,420,000,000	1,420,000,000	0	1,420,000,000	0
RABOBANK NEWYORK	12/16/24	12/09/24	12/09/24	DEPOSIT	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEWYORK	12/10/24	12/09/24	12/09/24	DEPOSIT	1,390,000,000	1,390,000,000	0	1,390,000,000	0
NORDEA BANK ABP	12/10/24	12/09/24	12/09/24	DEPOSIT	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/10/24	12/09/24	12/09/24	DEPOSIT	1,395,000,000	1,395,000,000	0	1,395,000,000	0
RABOBANK NEWYORK	12/17/24	12/10/24	12/10/24	DEPOSIT	650,000,000	650,000,000	0	650,000,000	0
DNB BANK ASA NEWYORK	12/11/24	12/10/24	12/10/24	DEPOSIT	1,400,000,000	1,400,000,000	0	1,400,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/11/24	12/10/24	12/10/24	DEPOSIT	1,425,000,000	1,425,000,000	0	1,425,000,000	0
NORDEA BANK ABP	12/11/24	12/10/24	12/10/24	DEPOSIT	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/12/24	12/11/24	12/11/24	DEPOSIT	1,435,000,000	1,435,000,000	0	1,435,000,000	0
NORDEA BANK ABP	12/12/24	12/11/24	12/11/24	DEPOSIT	975,000,000	975,000,000	0	975,000,000	0
DNB BANK ASA NEWYORK	12/12/24	12/11/24	12/11/24	DEPOSIT	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/13/24	12/12/24	12/12/24	DEPOSIT	1,480,000,000	1,480,000,000	0	1,480,000,000	0
DNB BANK ASA NEWYORK	12/13/24	12/12/24	12/12/24	DEPOSIT	1,480,000,000	1,480,000,000	0	1,480,000,000	0
NORDEA BANK ABP	12/13/24	12/12/24	12/12/24	DEPOSIT	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/16/24	12/13/24	12/13/24	DEPOSIT	1,480,000,000	1,480,000,000	0	1,480,000,000	0
NORDEA BANK ABP	12/16/24	12/13/24	12/13/24	DEPOSIT	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEWYORK	12/16/24	12/13/24	12/13/24	DEPOSIT	1,400,000,000	1,400,000,000	0	1,400,000,000	0
RABOBANK NEWYORK	12/23/24	12/16/24	12/16/24	DEPOSIT	890,000,000	890,000,000	0	890,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/23/24	12/16/24	12/16/24	DEPOSIT	1,525,000,000	1,525,000,000	0	1,525,000,000	0
ABN AMRO BANK N.V.	12/23/24	12/16/24	12/16/24	DEPOSIT	1,525,000,000	1,525,000,000	0	1,525,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/17/24	12/16/24	12/16/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/17/24	12/16/24	12/16/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
RABOBANK NEWYORK	12/26/24	12/17/24	12/17/24	DEPOSIT	655,000,000	655,000,000	0	655,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/18/24	12/17/24	12/17/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/18/24	12/17/24	12/17/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
NORDEA BANK ABP	12/19/24	12/18/24	12/18/24	DEPOSIT	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASA NEWYORK	12/19/24	12/18/24	12/18/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/19/24	12/18/24	12/18/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/20/24	12/19/24	12/19/24	DEPOSIT	1,545,000,000	1,545,000,000	0	1,545,000,000	0
NORDEA BANK ABP	12/20/24	12/19/24	12/19/24	DEPOSIT	600,000,000	600,000,000	0	600,000,000	0
DNB BANK ASA NEWYORK	12/20/24	12/19/24	12/19/24	DEPOSIT	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/23/24	12/20/24	12/20/24	DEPOSIT	1,570,000,000	1,570,000,000	0	1,570,000,000	0
NORDEA BANK ABP	12/23/24	12/20/24	12/20/24	DEPOSIT	600,000,000	600,000,000	0	600,000,000	0
DNB BANK ASA NEWYORK	12/23/24	12/20/24	12/20/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	01/02/25	12/23/24	12/23/24	DEPOSIT	1,600,000,000	1,600,000,000	0	1,600,000,000	0
RABOBANK NEWYORK	12/30/24	12/23/24	12/23/24	DEPOSIT	950,000,000	950,000,000	0	950,000,000	0
ABN AMRO BANK N.V.	01/02/25	12/23/24	12/23/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/26/24	12/23/24	12/23/24	DEPOSIT	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEWYORK	12/26/24	12/23/24	12/23/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	12/26/24	12/23/24	12/23/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
RABOBANK NEWYORK	01/02/25	12/26/24	12/26/24	DEPOSIT	670,000,000	670,000,000	0	670,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	12/27/24	12/26/24	12/26/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/27/24	12/26/24	12/26/24	DEPOSIT	1,100,000,000	1,100,000,000	0	1,100,000,000	0
DNB BANK ASA NEWYORK	12/27/24	12/26/24	12/26/24	DEPOSIT	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/30/24	12/27/24	12/27/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/30/24	12/27/24	12/27/24	DEPOSIT	800,000,000	800,000,000	0	800,000,000	0
RABOBANK NEWYORK	01/06/25	12/30/24	12/30/24	DEPOSIT	960,000,000	960,000,000	0	960,000,000	0
NORDEA BANK ABP	12/31/24	12/30/24	12/30/24	DEPOSIT	1,000,000,000	1,000,000,000	0	1,000,000,000	0
DNB BANK ASA NEWYORK	12/31/24	12/30/24	12/30/24	DEPOSIT	1,600,000,000	1,600,000,000	0	1,600,000,000	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO BANK, LTD., CANADA BRANCH	01/02/25	12/31/24	12/31/24	DEPOSIT	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	01/02/25	12/31/24	12/31/24	DEPOSIT	1,050,000,000	1,050,000,000	0	1,050,000,000	0
					76,840,000,000	76,840,000,000	0	76,840,000,000	0
ALBION CAPITAL LLC CPABS4	12/04/24	12/04/24	12/04/24	MATURITY	78,669,000	78,669,000	0	78,669,000	0
ANGLESEA FUNDING LLC PABS4	12/02/24	12/02/24	12/02/24	MATURITY	135,000,000	135,000,000	0	135,000,000	0
ANGLESEA FUNDING LLC PABS4	12/04/24	12/04/24	12/04/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PABS4	12/09/24	12/09/24	12/09/24	MATURITY	105,000,000	105,000,000	0	105,000,000	0
ANGLESEA FUNDING LLC PABS4	12/16/24	12/16/24	12/16/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PABS4	12/19/24	12/19/24	12/19/24	MATURITY	335,000,000	335,000,000	0	335,000,000	0
ANGLESEA FUNDING LLC PABS4	12/23/24	12/23/24	12/23/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PABS4	12/27/24	12/27/24	12/27/24	MATURITY	75,000,000	75,000,000	0	75,000,000	0
ANGLESEA FUNDING LLC PABS4	12/30/24	12/30/24	12/30/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
ATLANTIC ASSET SECUCPABS4	12/16/24	12/16/24	12/16/24	MATURITY	80,000,000	80,000,000	0	80,000,000	0
BPCE SA CP4-2CP4-2	12/16/24	12/16/24	12/16/24	MATURITY	175,000,000	175,000,000	0	175,000,000	0
BANK OF NEW YORK MECF	12/05/24	12/05/24	12/05/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
BANK OF NEW YORK MECF4-2	12/11/24	12/11/24	12/11/24	MATURITY	265,000,000	265,000,000	0	265,000,000	0
BARTON CAPITAL S.A.CPABS4	12/06/24	12/06/24	12/06/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
BEDFORD ROW FUNDING CORP	12/12/24	12/12/24	12/12/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BENNINGTON STARK CACPABS4	12/03/24	12/03/24	12/03/24	MATURITY	75,000,000	75,000,000	0	75,000,000	0
BENNINGTON STARK CACPABS4	12/10/24	12/10/24	12/10/24	MATURITY	186,941,000	186,941,000	0	186,941,000	0
BENNINGTON STARK CACPABS4	12/17/24	12/17/24	12/17/24	MATURITY	137,381,000	137,381,000	0	137,381,000	0
BENNINGTON STARK CACPABS4	12/23/24	12/23/24	12/23/24	MATURITY	122,000,000	122,000,000	0	122,000,000	0
BENNINGTON STARK CACPABS4	12/27/24	12/27/24	12/27/24	MATURITY	122,000,000	122,000,000	0	122,000,000	0
CHESHAM FINANCE LLC PABS4	12/02/24	12/02/24	12/02/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLC PABS4	12/16/24	12/16/24	12/16/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLC PABS4	12/23/24	12/23/24	12/23/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
CHESHAM FINANCE LLC PABS4	12/30/24	12/30/24	12/30/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLC PABS4	12/11/24	12/11/24	12/11/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
CHESHAM FINANCE LLC PABS4	12/18/24	12/18/24	12/18/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
CIESCO, LLC CPABS4-CPABS4	12/11/24	12/11/24	12/11/24	MATURITY	47,500,000	47,500,000	0	47,500,000	0
CREDIT AGRICOLE CORCDYAN	12/03/24	12/03/24	12/03/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
CREDIT AGRICOLE CORCDYAN	12/10/24	12/10/24	12/10/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
CREDIT AGRICOLE CORCDYAN	12/17/24	12/17/24	12/17/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
CREDIT AGRICOLE CORCDYAN	12/26/24	12/26/24	12/26/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA	12/09/24	12/09/24	12/09/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
SUMITOMO MITSUI TRUECD	12/13/24	12/13/24	12/13/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
GOTHAM FUNDING CORCPABS4	12/16/24	12/16/24	12/16/24	MATURITY	27,349,000	27,349,000	0	27,349,000	0
GOTHAM FUNDING CORCPABS4	12/27/24	12/27/24	12/27/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
GREAT BEAR FUNDING CPABS4	12/02/24	12/02/24	12/02/24	MATURITY	75,000,000	75,000,000	0	75,000,000	0
JUPITER SECURITIZATCPABS4	12/02/24	12/02/24	12/02/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
JUPITER SECURITIZATCPABS4	12/09/24	12/09/24	12/09/24	MATURITY	10,000,000	10,000,000	0	10,000,000	0
LA FAYETTE ASSET SECPABS4	12/11/24	12/11/24	12/11/24	MATURITY	62,757,000	62,757,000	0	62,757,000	0
LA FAYETTE ASSET SECPABS4	12/12/24	12/12/24	12/12/24	MATURITY	140,000,000	140,000,000	0	140,000,000	0
LMA-AMERICAS LLC CPCPABS4	12/03/24	12/03/24	12/03/24	MATURITY	360,900,000	360,900,000	0	360,900,000	0
LMA-AMERICAS LLC CPCPABS4	12/04/24	12/04/24	12/04/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
LONGSHIP FUNDING LLC PABS4	12/13/24	12/13/24	12/13/24	MATURITY	60,000,000	60,000,000	0	60,000,000	0
LONGSHIP FUNDING LLC PABS4	12/16/24	12/16/24	12/16/24	MATURITY	120,000,000	120,000,000	0	120,000,000	0
LONGSHIP FUNDING LLC PABS4	12/20/24	12/20/24	12/20/24	MATURITY	45,000,000	45,000,000	0	45,000,000	0
MUFG BANK LTD, CDYACDYAN	12/02/24	12/02/24	12/02/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
MUFG BANK LTD, CDYACDYAN	12/09/24	12/09/24	12/09/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
MUFG BANK LTD, CDYACDYAN	12/16/24	12/16/24	12/16/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
MUFG BANK LTD, CDYACDYAN	12/23/24	12/23/24	12/23/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
MUFG BANK LTD, CDYACDYAN	12/30/24	12/30/24	12/30/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
MANHATTAN ASSET FUNCPABS4	12/12/24	12/12/24	12/12/24	MATURITY	65,948,000	65,948,000	0	65,948,000	0
MATCHPOINT FINANCE CPABS4	12/04/24	12/04/24	12/04/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
MATCHPOINT FINANCE CPABS4	12/05/24	12/05/24	12/05/24	MATURITY	81,055,000	81,055,000	0	81,055,000	0
MATCHPOINT FINANCE CPABS4	12/06/24	12/06/24	12/06/24	MATURITY	105,400,000	105,400,000	0	105,400,000	0
MATCHPOINT FINANCE CPABS4	12/17/24	12/17/24	12/17/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
MATCHPOINT FINANCE CPABS4	12/19/24	12/19/24	12/19/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
MATCHPOINT FINANCE CPABS4	12/30/24	12/30/24	12/30/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
MATCHPOINT FINANCE CPABS4	12/31/24	12/31/24	12/31/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
MUFG BANK LTD, CPCP	12/09/24	12/09/24	12/09/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
NATIONAL AUSTRALIA BANK LTD	12/09/24	12/09/24	12/09/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
RIDGEFIELD FUNDING CPABS4	12/16/24	12/16/24	12/16/24	MATURITY	15,000,000	15,000,000	0	15,000,000	0
SHEFFIELD RECEIVABLE CPABS4	12/09/24	12/09/24	12/09/24	MATURITY	260,000,000	260,000,000	0	260,000,000	0
SHEFFIELD RECEIVABLE CPABS4	12/12/24	12/12/24	12/12/24	MATURITY	280,000,000	280,000,000	0	280,000,000	0
SHEFFIELD RECEIVABLE CPABS4	12/17/24	12/17/24	12/17/24	MATURITY	50,000,000	50,000,000	0	50,000,000	0
SHEFFIELD RECEIVABLES CO LLC	12/13/24	12/13/24	12/13/24	MATURITY	105,000,000	105,000,000	0	105,000,000	0
STARBIRD FUNDING COCPABS4	12/03/24	12/03/24	12/03/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
STARBIRD FUNDING COCPABS4	12/04/24	12/04/24	12/04/24	MATURITY	400,000,000	400,000,000	0	400,000,000	0
STARBIRD FUNDING COCPABS4	12/09/24	12/09/24	12/09/24	MATURITY	30,000,000	30,000,000	0	30,000,000	0
STARBIRD FUNDING COCPABS4	12/11/24	12/11/24	12/11/24	MATURITY	215,995,000	215,995,000	0	215,995,000	0
STARBIRD FUNDING COCPABS4	12/13/24	12/13/24	12/13/24	MATURITY	170,000,000	170,000,000	0	170,000,000	0
STARBIRD FUNDING COCPABS4	12/16/24	12/16/24	12/16/24	MATURITY	280,000,000	280,000,000	0	280,000,000	0
STARBIRD FUNDING COCPABS4	12/17/24	12/17/24	12/17/24	MATURITY	120,000,000	120,000,000	0	120,000,000	0
STARBIRD FUNDING COCPABS4	12/19/24	12/19/24	12/19/24	MATURITY	300,000,000	300,000,000	0	300,000,000	0
STARBIRD FUNDING COCPABS4	12/27/24	12/27/24	12/27/24	MATURITY	56,000,000	56,000,000	0	56,000,000	0
STARBIRD FUNDING COCPABS4	12/30/24	12/30/24	12/30/24	MATURITY	525,000,000	525,000,000	0	525,000,000	0
STARBIRD FUNDING COCPABS4	12/31/24	12/31/24	12/31/24	MATURITY	584,500,000	584,500,000	0	584,500,000	0
TOYOTA MOTOR CREDIT CORP	12/09/24	12/09/24	12/09/24	MATURITY	95,000,000	95,000,000	0	95,000,000	0
TRUIST BANK CDCD	12/02/24	12/02/24	12/02/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
TRUIST BANK CDCD	12/23/24	12/23/24	12/23/24	MATURITY	1,025,000,000	1,025,000,000	0	1,025,000,000	0
TRUIST BANK CDCD	12/30/24	12/30/24	12/30/24	MATURITY	1,100,000,000	1,100,000,000	0	1,100,000,000	0
UNITEDHEALTH GROUP CP4-2	12/02/24	12/02/24	12/02/24	MATURITY	152,000,000	152,000,000	0	152,000,000	0
UNITEDHEALTH GROUP CP4-2	12/18/24	12/18/24	12/18/24	MATURITY	40,000,000	40,000,000	0	40,000,000	0
UNITEDHEALTH GROUP CP4-2	12/19/24	12/19/24	12/19/24	MATURITY	330,000,000	330,000,000	0	330,000,000	0
UNITEDHEALTH GROUP CP4-2	12/20/24	12/20/24	12/20/24	MATURITY	250,000,000	250,000,000	0	250,000,000	0
UNITEDHEALTH GROUP CP4-2	12/23/24	12/23/24	12/23/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
UNITEDHEALTH GROUP CP4-2	12/26/24	12/26/24	12/26/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/02/24	12/02/24	12/02/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/02/24	12/02/24	12/02/24	MATURITY	1,818,000,000	1,818,000,000	0	1,818,000,000	0
MIZUHO TRIPARTY	12/03/24	12/03/24	12/03/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/03/24	12/03/24	12/03/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/03/24	12/03/24	12/03/24	MATURITY	2,004,000,000	2,004,000,000	0	2,004,000,000	0
MIZUHO TRIPARTY	12/04/24	12/04/24	12/04/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/04/24	12/04/24	12/04/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/04/24	12/04/24	12/04/24	MATURITY	2,000,000,000	2,000,000,000	0	2,000,000,000	0
MIZUHO TRIPARTY	12/05/24	12/05/24	12/05/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/05/24	12/05/24	12/05/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/05/24	12/05/24	12/05/24	MATURITY	2,366,000,000	2,366,000,000	0	2,366,000,000	0
MIZUHO TRIPARTY	12/06/24	12/06/24	12/06/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/06/24	12/06/24	12/06/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/06/24	12/06/24	12/06/24	MATURITY	1,787,000,000	1,787,000,000	0	1,787,000,000	0
MIZUHO TRIPARTY	12/09/24	12/09/24	12/09/24	MATURITY	700,000,000	700,000,000	0	700,000,000	0
HSBC TRIPARTY	12/09/24	12/09/24	12/09/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/09/24	12/09/24	12/09/24	MATURITY	2,407,000,000	2,407,000,000	0	2,407,000,000	0
MIZUHO TRIPARTY	12/10/24	12/10/24	12/10/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/10/24	12/10/24	12/10/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/10/24	12/10/24	12/10/24	MATURITY	2,420,000,000	2,420,000,000	0	2,420,000,000	0
MIZUHO TRIPARTY	12/11/24	12/11/24	12/11/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/11/24	12/11/24	12/11/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/11/24	12/11/24	12/11/24	MATURITY	2,164,000,000	2,164,000,000	0	2,164,000,000	0
MIZUHO TRIPARTY	12/12/24	12/12/24	12/12/24	MATURITY	650,000,000	650,000,000	0	650,000,000	0
HSBC TRIPARTY	12/12/24	12/12/24	12/12/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/12/24	12/12/24	12/12/24	MATURITY	2,357,000,000	2,357,000,000	0	2,357,000,000	0
MIZUHO TRIPARTY	12/13/24	12/13/24	12/13/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/13/24	12/13/24	12/13/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/13/24	12/13/24	12/13/24	MATURITY	1,885,000,000	1,885,000,000	0	1,885,000,000	0
MIZUHO TRIPARTY	12/16/24	12/16/24	12/16/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/16/24	12/16/24	12/16/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/16/24	12/16/24	12/16/24	MATURITY	2,296,000,000	2,296,000,000	0	2,296,000,000	0
MIZUHO TRIPARTY	12/17/24	12/17/24	12/17/24	MATURITY	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	12/17/24	12/17/24	12/17/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/17/24	12/17/24	12/17/24	MATURITY	2,314,000,000	2,314,000,000	0	2,314,000,000	0
MIZUHO TRIPARTY	12/18/24	12/18/24	12/18/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/18/24	12/18/24	12/18/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/18/24	12/18/24	12/18/24	MATURITY	2,394,000,000	2,394,000,000	0	2,394,000,000	0
MIZUHO TRIPARTY	12/19/24	12/19/24	12/19/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
HSBC TRIPARTY	12/19/24	12/19/24	12/19/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/19/24	12/19/24	12/19/24	MATURITY	1,769,000,000	1,769,000,000	0	1,769,000,000	0
MIZUHO TRIPARTY	12/20/24	12/20/24	12/20/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/20/24	12/20/24	12/20/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/20/24	12/20/24	12/20/24	MATURITY	2,454,000,000	2,454,000,000	0	2,454,000,000	0
MIZUHO TRIPARTY	12/23/24	12/23/24	12/23/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/23/24	12/23/24	12/23/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/23/24	12/23/24	12/23/24	MATURITY	2,490,000,000	2,490,000,000	0	2,490,000,000	0
MIZUHO TRIPARTY	12/26/24	12/26/24	12/26/24	MATURITY	436,000,000	436,000,000	0	436,000,000	0
HSBC TRIPARTY	12/26/24	12/26/24	12/26/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/26/24	12/26/24	12/26/24	MATURITY	2,000,000,000	2,000,000,000	0	2,000,000,000	0
MIZUHO TRIPARTY	12/27/24	12/27/24	12/27/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/27/24	12/27/24	12/27/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/27/24	12/27/24	12/27/24	MATURITY	2,063,000,000	2,063,000,000	0	2,063,000,000	0
MIZUHO TRIPARTY	12/30/24	12/30/24	12/30/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/30/24	12/30/24	12/30/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/30/24	12/30/24	12/30/24	MATURITY	1,837,000,000	1,837,000,000	0	1,837,000,000	0
MIZUHO TRIPARTY	12/31/24	12/31/24	12/31/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
HSBC TRIPARTY	12/31/24	12/31/24	12/31/24	MATURITY	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/31/24	12/31/24	12/31/24	MATURITY	2,273,000,000	2,273,000,000	0	2,273,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/02/24	12/02/24	12/02/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
RABOBANK NEW YORK	12/02/24	12/02/24	12/02/24	MATURITY	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	12/02/24	12/02/24	12/02/24	MATURITY	1,225,000,000	1,225,000,000	0	1,225,000,000	0
RABOBANK NEW YORK	12/03/24	12/03/24	12/03/24	MATURITY	550,000,000	550,000,000	0	550,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/02/24	12/02/24	12/02/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
DNB BANK ASA NEW YORK	12/02/24	12/02/24	12/02/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
NORDEA BANK ABP	12/02/24	12/02/24	12/02/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	12/09/24	12/09/24	12/09/24	MATURITY	1,270,000,000	1,270,000,000	0	1,270,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/09/24	12/09/24	12/09/24	MATURITY	1,270,000,000	1,270,000,000	0	1,270,000,000	0
RABOBANK NEW YORK	12/09/24	12/09/24	12/09/24	MATURITY	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/03/24	12/03/24	12/03/24	MATURITY	1,245,000,000	1,245,000,000	0	1,245,000,000	0
DNB BANK ASA NEW YORK	12/03/24	12/03/24	12/03/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
NORDEA BANK ABP	12/03/24	12/03/24	12/03/24	MATURITY	800,000,000	800,000,000	0	800,000,000	0
RABOBANK NEW YORK	12/10/24	12/10/24	12/10/24	MATURITY	620,000,000	620,000,000	0	620,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/04/24	12/04/24	12/04/24	MATURITY	1,290,000,000	1,290,000,000	0	1,290,000,000	0
DNB BANK ASA NEW YORK	12/04/24	12/04/24	12/04/24	MATURITY	1,100,000,000	1,100,000,000	0	1,100,000,000	0
NORDEA BANK ABP	12/04/24	12/04/24	12/04/24	MATURITY	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	12/05/24	12/05/24	12/05/24	MATURITY	1,150,000,000	1,150,000,000	0	1,150,000,000	0
NORDEA BANK ABP	12/05/24	12/05/24	12/05/24	MATURITY	450,000,000	450,000,000	0	450,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/05/24	12/05/24	12/05/24	MATURITY	1,340,000,000	1,340,000,000	0	1,340,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/06/24	12/06/24	12/06/24	MATURITY	1,365,000,000	1,365,000,000	0	1,365,000,000	0
DNB BANK ASA NEW YORK	12/06/24	12/06/24	12/06/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
NORDEA BANK ABP	12/06/24	12/06/24	12/06/24	MATURITY	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	12/09/24	12/09/24	12/09/24	MATURITY	1,200,000,000	1,200,000,000	0	1,200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/09/24	12/09/24	12/09/24	MATURITY	1,350,000,000	1,350,000,000	0	1,350,000,000	0
ABN AMRO BANK N.V.	12/16/24	12/16/24	12/16/24	MATURITY	1,420,000,000	1,420,000,000	0	1,420,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/16/24	12/16/24	12/16/24	MATURITY	1,420,000,000	1,420,000,000	0	1,420,000,000	0
RABOBANK NEW YORK	12/16/24	12/16/24	12/16/24	MATURITY	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	12/10/24	12/10/24	12/10/24	MATURITY	1,390,000,000	1,390,000,000	0	1,390,000,000	0
NORDEA BANK ABP	12/10/24	12/10/24	12/10/24	MATURITY	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/10/24	12/10/24	12/10/24	MATURITY	1,395,000,000	1,395,000,000	0	1,395,000,000	0
RABOBANK NEW YORK	12/17/24	12/17/24	12/17/24	MATURITY	650,000,000	650,000,000	0	650,000,000	0
DNB BANK ASA NEW YORK	12/11/24	12/11/24	12/11/24	MATURITY	1,400,000,000	1,400,000,000	0	1,400,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/11/24	12/11/24	12/11/24	MATURITY	1,425,000,000	1,425,000,000	0	1,425,000,000	0
NORDEA BANK ABP	12/11/24	12/11/24	12/11/24	MATURITY	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/12/24	12/12/24	12/12/24	MATURITY	1,435,000,000	1,435,000,000	0	1,435,000,000	0
NORDEA BANK ABP	12/12/24	12/12/24	12/12/24	MATURITY	975,000,000	975,000,000	0	975,000,000	0
DNB BANK ASA NEW YORK	12/12/24	12/12/24	12/12/24	MATURITY	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/13/24	12/13/24	12/13/24	MATURITY	1,480,000,000	1,480,000,000	0	1,480,000,000	0
DNB BANK ASA NEW YORK	12/13/24	12/13/24	12/13/24	MATURITY	1,480,000,000	1,480,000,000	0	1,480,000,000	0
NORDEA BANK ABP	12/13/24	12/13/24	12/13/24	MATURITY	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/16/24	12/16/24	12/16/24	MATURITY	1,480,000,000	1,480,000,000	0	1,480,000,000	0
NORDEA BANK ABP	12/16/24	12/16/24	12/16/24	MATURITY	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	12/16/24	12/16/24	12/16/24	MATURITY	1,400,000,000	1,400,000,000	0	1,400,000,000	0
RABOBANK NEW YORK	12/23/24	12/23/24	12/23/24	MATURITY	890,000,000	890,000,000	0	890,000,000	0

TRADING ACTIVITY FOR DECEMBER 31 2024

Description	Maturity Date	Trade Date	Settle Date	event type	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	12/23/24	12/23/24	12/23/24	MATURITY	1,525,000,000	1,525,000,000	0	1,525,000,000	0
ABN AMRO BANK N.V.	12/23/24	12/23/24	12/23/24	MATURITY	1,525,000,000	1,525,000,000	0	1,525,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/17/24	12/17/24	12/17/24	MATURITY	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/17/24	12/17/24	12/17/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
RABOBANK NEWYORK	12/26/24	12/26/24	12/26/24	MATURITY	655,000,000	655,000,000	0	655,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/18/24	12/18/24	12/18/24	MATURITY	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/18/24	12/18/24	12/18/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
NORDEA BANK ABP	12/19/24	12/19/24	12/19/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASA NEWYORK	12/19/24	12/19/24	12/19/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/19/24	12/19/24	12/19/24	MATURITY	1,500,000,000	1,500,000,000	0	1,500,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/20/24	12/20/24	12/20/24	MATURITY	1,545,000,000	1,545,000,000	0	1,545,000,000	0
NORDEA BANK ABP	12/20/24	12/20/24	12/20/24	MATURITY	600,000,000	600,000,000	0	600,000,000	0
DNB BANK ASA NEWYORK	12/20/24	12/20/24	12/20/24	MATURITY	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/23/24	12/23/24	12/23/24	MATURITY	1,570,000,000	1,570,000,000	0	1,570,000,000	0
NORDEA BANK ABP	12/23/24	12/23/24	12/23/24	MATURITY	600,000,000	600,000,000	0	600,000,000	0
DNB BANK ASA NEWYORK	12/23/24	12/23/24	12/23/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEWYORK	12/30/24	12/30/24	12/30/24	MATURITY	950,000,000	950,000,000	0	950,000,000	0
NORDEA BANK ABP	12/26/24	12/26/24	12/26/24	MATURITY	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEWYORK	12/26/24	12/26/24	12/26/24	MATURITY	1,500,000,000	1,500,000,000	0	1,500,000,000	0
MIZUHO BANK, LTD. NEWYORK BRANCH	12/26/24	12/26/24	12/26/24	MATURITY	1,500,000,000	1,500,000,000	0	1,500,000,000	0
MIZUHO BANK, LTD. NEWYORK BRANCH	12/27/24	12/27/24	12/27/24	MATURITY	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/27/24	12/27/24	12/27/24	MATURITY	1,100,000,000	1,100,000,000	0	1,100,000,000	0
DNB BANK ASA NEWYORK	12/27/24	12/27/24	12/27/24	MATURITY	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD., CANADA BRANCH	12/30/24	12/30/24	12/30/24	MATURITY	1,500,000,000	1,500,000,000	0	1,500,000,000	0
NORDEA BANK ABP	12/30/24	12/30/24	12/30/24	MATURITY	800,000,000	800,000,000	0	800,000,000	0
NORDEA BANK ABP	12/31/24	12/31/24	12/31/24	MATURITY	1,000,000,000	1,000,000,000	0	1,000,000,000	0
DNB BANK ASA NEWYORK	12/31/24	12/31/24	12/31/24	MATURITY	1,600,000,000	1,600,000,000	0	1,600,000,000	0
					144,395,395,000	144,395,395,000	0	144,395,395,000	0
ARIFL 2024-A A I	03/14/25	12/16/24	12/16/24	PAYDOWN	859,588	859,588	0	859,588	0
EFF 2024-3 A I	07/21/25	12/20/24	12/20/24	PAYDOWN	1,633,690	1,633,690	0	1,633,690	0
WLAKE 2024-2A A I	06/16/25	12/16/24	12/16/24	PAYDOWN	11,986,477	11,986,477	0	11,986,477	0
WLAKE 2024-3A A I	10/15/25	11/15/24	11/15/24	PAYDOWN	(6,365,320)	0	0	(6,365,320)	0
WLAKE 2024-3A A I	10/15/25	11/15/24	11/15/24	PAYDOWN	6,365,320	6,365,320	0	6,365,320	0
WLAKE 2024-3A A I	10/15/25	12/16/24	12/16/24	PAYDOWN	6,904,893	6,904,893	0	6,904,893	0
					21,384,648	27,749,968	0	21,384,648	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/02/24	12/02/24	SELL	4,246,893	4,246,893	0	4,246,893	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/04/24	12/04/24	SELL	17,257	17,257	0	17,257	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/05/24	12/05/24	SELL	508,980	508,980	0	508,980	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/09/24	12/09/24	SELL	3,259,875	3,259,875	0	3,259,875	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/11/24	12/11/24	SELL	2,840,960	2,840,960	0	2,840,960	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/12/24	12/12/24	SELL	1,585,164	1,585,164	0	1,585,164	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/16/24	12/16/24	SELL	4,353,576	4,353,576	0	4,353,576	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/18/24	12/18/24	SELL	24,875,177	24,875,177	0	24,875,177	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/20/24	12/20/24	SELL	58,427	58,427	0	58,427	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/23/24	12/23/24	SELL	3,130,397	3,130,397	0	3,130,397	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/26/24	12/26/24	SELL	202,703,539	202,703,539	0	202,703,539	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/27/24	12/27/24	SELL	2,117,837	2,117,837	0	2,117,837	0
DREYFUS GOVT CASH MGMT FUND	02/01/27	12/31/24	12/31/24	SELL	4,428,913	4,428,913	0	4,428,913	0
					254,126,995	254,126,995	0	254,126,995	0



1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308
(850) 488-4406

<https://prime.sbafla.com>

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 Hermes

The logo graphic for Federated Hermes, consisting of three horizontal blue bars of decreasing length, stacked vertically, with a small blue dot at the bottom right.



**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

**1801 HERMITAGE BOULEVARD, SUITE 100
TALLAHASSEE, FLORIDA 32308
(850) 488-4406**

**POST OFFICE BOX 13300
32317-3300**

**RON DESANTIS
GOVERNOR
CHAIR**

**JIMMY PATRONIS
CHIEF FINANCIAL OFFICER**

**JAMES UTHMEIER
ATTORNEY GENERAL**

**CHRIS SPENCER
EXECUTIVE DIRECTOR**

March 5, 2025

Representative Chip LaMarca
Alternating Chair
Joint Legislative Auditing Committee
200 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1300

Senator Jay Collins
Alternating Chair
Joint Legislative Auditing Committee
313 Senate Office Building
404 South Monroe Street
Tallahassee, Florida 32399-1100

Dear Representative LaMarca and Senator Collins:

Section 218.409(9), Florida Statutes, requires the Trustees to report to the Joint Legislative Auditing Committee that they have reviewed the Auditor General's Annual Financial Audit (Report No. 2025-073) of the Local Government Surplus Funds Trust Fund (now known as Florida PRIME™). The fund's Financial Audit for the fiscal years 2023 and 2024 was completed in December 2024. The Trustees are also required to certify that any necessary item(s) are being addressed by corrective action by the State Board of Administration (SBA). The Auditor General did not report any material deficiencies.

Please contact me if you have any questions.

Sincerely,

Chris Spencer
Executive Director

Attachment

Cc: Senator Jason Brodeur
Senator Tracie Davis
Senator Stan McClain
Senator Jason W.B. Pizzo
Senator Corey Simon
Senator Tom A. Wright
Representative Kimberly Daniels
Representative Peggy Gossett-Seidman
Representative Sam Greco
Representative Yvonne Hayes Hinson
Representative Rachel Saunders Plakon
Representative Taylor Michael Yarkosky
Kathy DuBose, Coordinator

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**STATE OF FLORIDA
STATE BOARD OF ADMINISTRATION
LOCAL GOVERNMENT SURPLUS
FUNDS TRUST FUND
(FLORIDA PRIME)**

(An External Investment Pool)

For the Fiscal Years Ended
June 30, 2024, and June 30, 2023



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and Executive Director of the State Board of Administration

Article IV, Section 4(e) of the State Constitution (1968), as amended, establishes the State Board of Administration. The SBA Board of Trustees is composed of the Governor, as Chair, the Chief Financial Officer, and the Attorney General. The Trustees delegate administrative and investment authority to an appointed Executive Director. During the audit period, Mr. Lamar Taylor served as Interim Executive Director through June 16, 2024, and Mr. Chris Spencer served as Executive Director thereafter.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Ranleigh Hudgens, CPA, and the audit was supervised by Joshua T. Barrett, CPA.

Please address inquiries regarding this report to Joshua T. Barrett, CPA, Audit Manager, by e-mail at joshuabarrett@aud.state.fl.us or by telephone at (850) 412-2804.

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

Printed copies of our reports may be requested by contacting us at:

State of Florida Auditor General

Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

STATE BOARD OF ADMINISTRATION
LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND (FLORIDA PRIME)
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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements prepared by the State Board of Administration (SBA) presented fairly, in all material respects, the net position of the Local Government Surplus Funds Trust Fund (Florida PRIME) and the changes in net position thereof in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

AUDIT OBJECTIVES AND SCOPE

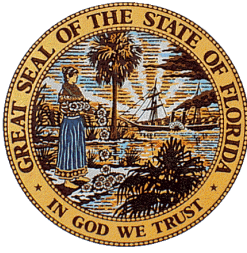
Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. In doing so we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to error or fraud, and designed and performed audit procedures responsive to those risks.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SBA's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida PRIME's ability to continue as a going concern for a reasonable period of time.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and Florida PRIME's investment policy.

The scope of this audit included an examination of Florida PRIME's basic financial statements as of and for the fiscal years ended June 30, 2024, and June 30, 2023.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME), as of and for the fiscal years ended June 30, 2024, and June 30, 2023, and the related notes to the financial statements, which collectively comprise Florida PRIME's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Florida PRIME, as of June 30, 2024, and June 30, 2023, and the respective changes in financial position thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of Florida PRIME and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I.A., the financial statements present only Florida PRIME and do not purport to, and do not, present fairly the financial position of the State of Florida as of June 30, 2024, and June 30, 2023, or the changes in its financial position for the years then ended in accordance with accounting principles

generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida PRIME's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Florida PRIME's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida PRIME's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS** on pages 5 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of the SBA's internal control over financial reporting relating to Florida PRIME and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SBA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SBA's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 13, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED JUNE 30, 2024, AND JUNE 30, 2023

The State Board of Administration (SBA) is responsible for the management of the Local Government Surplus Funds Trust Fund (Florida PRIME).¹ The SBA was established on June 21, 1929, pursuant to Chapter 14486, Laws of Florida (1929). The SBA was subsequently created as a constitutional body corporate on January 1, 1943, by Article IX, Section 16 of the State Constitution of 1885, as amended, and was continued as a body corporate by Article IV, Section 4(e) of the State Constitution (1968), as amended. The SBA is governed by the Governor, as Chair, the Chief Financial Officer, and the Attorney General.

As management of the SBA, we offer readers of Florida PRIME's financial statements this overview and analysis of Florida PRIME's financial results and position for the fiscal years ended June 30, 2024, and 2023. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements, which begin on page 10.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements provide financial information about Florida PRIME as an investment trust fund, a fiduciary fund type. Investment trust funds are accounted for using an economic resources measurement focus and the accrual basis of accounting. Earnings on investments are recognized as revenue when earned, and expenses are recorded when a liability is incurred.

The SBA presents the following Florida PRIME basic financial statements: Statements of Net Position and Statements of Changes in Net Position. The Statements of Net Position present information about the nature and amounts of Florida PRIME's assets and liabilities, with the difference reported as net position. The Statements of Changes in Net Position report the increase or decrease in net position during the year as a result of investment activities and participant contributions and withdrawals.

FINANCIAL SUMMARY

The following Condensed Statements of Net Position and Condensed Statements of Changes in Net Position summarize Florida PRIME's financial statements for each of the last three fiscal years.

¹ Since August 2009, the SBA has used the name "Florida PRIME" to refer to the Local Government Surplus Funds Trust Fund.

Condensed Statements of Net Position

(In Thousands)

	As of June 30,		
	2024	2023	2022
Total assets	\$ 25,514,236	\$ 21,502,753	\$ 18,746,343
Total liabilities	29,751	33,369	56,175
Net position	<u>\$ 25,484,485</u>	<u>\$ 21,469,384</u>	<u>\$ 18,690,168</u>

Condensed Statements of Changes in Net Position

(In Thousands)

	For the Fiscal Year Ended June 30,		
	2024	2023	2022
Changes in net position:			
Investment income	\$ 1,358,201	\$ 859,808	\$ 66,266
Investment expenses	(7,880)	(6,563)	(5,778)
Net income from investing activity	<u>1,350,321</u>	<u>853,245</u>	<u>60,488</u>
Settlements	13	-	95
Distributions paid and payable	(1,350,334)	(853,245)	(60,583)
Participant contributions	39,526,694	35,767,006	30,022,697
Reinvested distributions	1,350,392	853,213	60,546
Participant withdrawals	<u>(36,861,985)</u>	<u>(33,841,003)</u>	<u>(28,834,773)</u>
Changes in net position	<u>4,015,101</u>	<u>2,779,216</u>	<u>1,248,470</u>
Net position, July 1	21,469,384	18,690,168	17,441,698
Net position, June 30	<u>\$ 25,484,485</u>	<u>\$ 21,469,384</u>	<u>\$ 18,690,168</u>

FINANCIAL ANALYSIS

Assets

Total assets at the end of fiscal years 2024, 2023, and 2022 were \$25.5 billion, \$21.5 billion, and \$18.7 billion, respectively. The increase in total assets and net position in fiscal year 2024 was due primarily to participant contributions exceeding withdrawals by \$2.7 billion, while net income from investing activity added another \$1.4 billion. The increase in total assets and net position during fiscal year 2023 was mainly the result of participant contributions exceeding withdrawals by \$1.9 billion, while net income from investing activity added another \$853.2 million.

Liabilities

Total liabilities at the end of fiscal years 2024, 2023, and 2022 were \$29.8 million, \$33.4 million, and \$56.2 million, respectively. Liabilities decreased by \$3.6 million in fiscal year 2024 following a decrease of \$22.8 million in fiscal year 2023. The decrease in fiscal year 2024 was due to a decrease in a cash overdraft payable of \$6.3 million due to non-receipt of a registered deposit, offset by a \$2.3 million increase in unregistered deposits (deposits sent without prior notification to the SBA) and a \$413 thousand increase in other liabilities. Deposits sent in without being registered by participants are

recorded as liabilities until the depositor is identified and credit is awarded to the participant. The decrease in fiscal year 2023 was due to a \$44.9 million decrease in pending investment purchases, plus a decrease in a cash overdraft payable of \$3.6 million due to non-receipt of a registered deposit, offset by a \$25.5 million increase in unregistered deposits, and a \$195 thousand increase to other liabilities.

Net Position and Changes in Net Position

Florida PRIME's net position increased by \$4.0 billion (19 percent) to \$25.5 billion at June 30, 2024, from \$21.5 billion at June 30, 2023, following a \$2.8 billion (15 percent) increase in the previous fiscal year from \$18.7 billion.

Net income from investing activity of \$1.35 billion for the fiscal year ended June 30, 2024, was \$497.1 million higher than the \$853.2 million earned for fiscal year 2023, due to higher average participant balances and higher investment yields throughout the fiscal year. Net income from investing activity for fiscal year 2023 was \$792.7 million higher than the \$60.5 million earned for fiscal year 2022, due to higher average participant balances and significantly higher investment yields throughout the fiscal year.

Effective July 27, 2023, the Federal Reserve raised their target interest rate range to 5.25 to 5.5 percent, making it the highest level in more than 22 years. Rates were held steady throughout the rest of the fiscal year, as the Fed initiated a wait and see approach to the movement of inflation. The inflation rate for the twelve months ended June 30, 2024, was at 3.0 percent according to U.S. Department of Labor data published on July 11, 2024.

During fiscal year 2023, higher inflation persisted, with the inflation rate for the twelve months ended June 30, 2023, at 3.0 percent according to U.S. Labor Department data published on July 12, 2023. Although this was a two-year low, prices remained high after the 9.1 percent inflation rate from the previous year. This persistent inflation, among other factors, led the Fed to increase their target interest rate range by 0.75 percent three separate times in July, September, and early November 2022, before slowing down to a 0.50 percent increase in December 2022. In February, and again in March and May 2023, the Fed continued raising their target interest rate range but at a slower pace with 0.25 percent increases each time to end the fiscal year at 5.00 to 5.25 percent.

Total investment expenses of \$7.9 million increased approximately \$1.3 million during fiscal year 2024, due to an increase in investment management fees, SBA service charges, and bank fees and overdraft charges of \$785 thousand, \$337 thousand, and \$191 thousand, respectively. Investment expenses increased approximately \$785 thousand during fiscal year 2023 over 2022 because of an increase in investment management fees, SBA service charges, and bank fees and overdraft charges of \$411 thousand, \$267 thousand, and \$107 thousand, respectively. The increases in both fiscal years 2024 and 2023 were primarily due to higher average daily participant balances during the fiscal years. Total investment expenses in fiscal years 2024 and 2023 were 3.2 basis points and 3.1 basis points, respectively, or 0.032 and 0.031 percent of average assets under management.

FINANCIAL HIGHLIGHTS

Florida PRIME is governed by Chapters 215 and 218, Florida Statutes, and SBA Rules, Chapter 19-7, Florida Administrative Code. The purpose of Chapter 218, Part IV, Florida Statutes, is to promote, through State assistance, the maximization of net interest earnings on invested surplus funds of units of local government, based on the principles of investor protection, mandated transparency, and proper governance, with the goal of reducing the need for imposing additional taxes. The primary investment objectives, in priority order, are safety, liquidity, and competitive returns with minimization of risks.

Units of local government eligible to participate in Florida PRIME include, but are not limited to, any county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, State university, State college, community college, authority, board, public corporation, or any other political subdivision.

For the fiscal year ended June 30, 2024:

- Participant contributions increased 10.5 percent compared to the prior fiscal year, while participant withdrawals increased 8.9 percent. Total contributions exceeded total distributions for the period, resulting in net contributions of \$2.7 billion.
- Net income from investing activity increased \$497.1 million from the prior fiscal year, resulting in an average participant yield for the fiscal year of 5.7 percent, which was higher than the average participant yield of 4.05 percent for the prior fiscal year. The increase in net income from investing activity was due to higher average participant balances throughout the fiscal year and to the Fed raising the target range for the Federal Funds interest rate by 0.25 percent early in the fiscal year. This increase, effective July 27, 2023, raised the range to 5.25 to 5.50 percent. The target range remained at this level through June 30, 2024.
- The number of active participants increased from 770 to 809.

For the fiscal year ended June 30, 2023:

- Participant contributions increased 19.1 percent compared to the prior fiscal year, while participant withdrawals increased 17.4 percent. Total contributions exceeded total distributions for the period, resulting in net contributions of \$1.9 billion.
- Net income from investing activity increased \$792.7 million from the prior fiscal year, resulting in an average participant yield for the fiscal year of 4.05 percent, which was much higher than the average participant yield of 0.32 percent for the prior fiscal year. The increase in net income from investing activity was due to higher average participant balances throughout the fiscal year and to the Fed raising the target range for the Federal Funds interest rate multiple times during the fiscal year. The first increase on July 28, 2022, raised the rate to 2.25 to 2.50 percent, followed by six additional increases culminating with the latest increase to 5.00 to 5.25 percent on May 4, 2023.
- The number of active participants increased from 745 to 770.

CONTACT INFORMATION

These financial statements reflect only the transactions and balances for Florida PRIME. For additional information on Florida PRIME, please contact the State Board of Administration, Chief Financial Officer, 1801 Hermitage Boulevard, Suite 100, Tallahassee, Florida 32308 or visit SBA's website at <https://prime.sbafla.com>

BASIC FINANCIAL STATEMENTS

**State Board of Administration
Local Government Surplus Funds Trust Fund (Florida PRIME)
Statements of Net Position**

As of June 30, 2024, and June 30, 2023

(In Thousands)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS		
Cash and cash equivalents	\$ 5,539,453	\$ 4,180,000
Investments:		
Certificates of deposit	5,401,573	4,935,500
Commercial paper	12,266,096	10,536,483
Money market funds	3,251	636,694
Repurchase agreements	1,563,000	774,000
Domestic corporate bonds and notes	590,078	363,380
Municipal bonds and notes	44,420	14,850
Total investments	<u>19,868,418</u>	<u>17,260,907</u>
Interest receivable	106,338	61,817
Prepaid fees	25	24
Undistributed expenses	<u>2</u>	<u>5</u>
Total Assets	<u>25,514,236</u>	<u>21,502,753</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,750	7,648
Due to local governments	27,924	25,583
Distributions payable	<u>77</u>	<u>138</u>
Total Liabilities	<u>29,751</u>	<u>33,369</u>
NET POSITION		
Held in trust for pool participants	<u>\$ 25,484,485</u>	<u>\$ 21,469,384</u>

The accompanying notes to financial statements are an integral part of this statement.

**State Board of Administration
Local Government Surplus Funds Trust Fund (Florida PRIME)
Statements of Changes in Net Position**

Years Ended June 30, 2024, and June 30, 2023

(In Thousands)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ADDITIONS		
Income from investing activity:		
Investment income	\$ 1,358,201	\$ 859,808
Investment expenses:		
Investment management fees	(4,771)	(3,986)
Administrative service charges	(2,429)	(2,092)
Bank fees	(408)	(327)
Bank overdraft charges	(163)	(53)
Compliance review fees	(60)	(57)
Standard and Poor's rating maintenance fees	(49)	(48)
Investment expenses	(7,880)	(6,563)
Net income from investing activity	1,350,321	853,245
Settlements	13	-
Total Additions	<u>1,350,334</u>	<u>853,245</u>
DEDUCTIONS		
Distributions paid and payable	1,350,334	853,245
Total Deductions	<u>1,350,334</u>	<u>853,245</u>
SHARE TRANSACTIONS		
Participant contributions	39,526,694	35,767,006
Reinvested distributions	1,350,392	853,213
Participant withdrawals	(36,861,985)	(33,841,003)
Net Increase (Decrease) Resulting from Share Transactions	<u>4,015,101</u>	<u>2,779,216</u>
Increase (decrease) in net position	<u>4,015,101</u>	<u>2,779,216</u>
Net position, beginning of year	<u>21,469,384</u>	<u>18,690,168</u>
Net position, end of year	<u>\$ 25,484,485</u>	<u>\$ 21,469,384</u>

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of the significant accounting policies of the Local Government Surplus Funds Trust Fund (Florida PRIME) is presented to assist the reader in interpreting the financial statements. These policies should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The State Board of Administration (SBA) is responsible for the management of Florida PRIME. The SBA was established on June 21, 1929, pursuant to Chapter 14486, Laws of Florida (1929). The SBA was subsequently created as a constitutional body corporate on January 1, 1943, by Article IX, Section 16 of the State Constitution of 1885, as amended. The SBA was subsequently continued as a body corporate by Article IV, Section 4(e) of the State Constitution (1968), as amended. The SBA is composed of the Governor, as Chair, the Chief Financial Officer, and the Attorney General.

The Local Government Surplus Funds Trust Fund was created by act of the Florida Legislature effective October 1, 1977, (Chapter 218, Part IV, Florida Statutes). The law allowed the SBA to manage investments on an individual basis or to establish a pooled account. The funds were managed on an individual basis until January 1, 1982. On August 3, 2009, the SBA began using "Florida PRIME" when referring to the Local Government Surplus Funds Trust Fund.

Sections 218.40 through 218.415, Florida Statutes, and SBA Rules 19-7.002 through 19-7.016, Florida Administrative Code, promulgated pursuant to Section 218.405(4), Florida Statutes, govern the operation of Florida PRIME.

The assets and liabilities of Florida PRIME are included in the Annual Comprehensive Financial Report of the State of Florida. The accompanying financial statements present only Florida PRIME and are not intended to present fairly the financial position of the State of Florida and the results of its operations in conformity with generally accepted accounting principles.

B. Regulatory Oversight

Securities and Exchange Commission (SEC) Rule 2a-7 sets out certain requirements pertaining to money market funds required to register with the SEC under the Investment Company Act of 1940. Florida PRIME is not required to register (and has not registered) with the SEC; however, the fund is an external investment pool that has historically adopted operating procedures consistent with those required by SEC Rule 2a-7, which was significantly amended in 2014. In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, as codified in Section In5, *Investment Pools (External)*, which addresses for certain external investment pools like Florida PRIME and their participants, the accounting and financial reporting implications that result from the SEC Rule 2a-7 amendments.

GASB Codification Section In5 allows an external investment pool for financial reporting purposes to elect to measure all its investments at amortized cost if the pool meets certain criteria such as portfolio maturity, quality, diversification, and liquidity requirements, and transacts with its participants at a stable net asset value per share. Florida PRIME will seek to operate in a manner consistent with the

criteria and requirements of GASB Codification Section In5. Consequently, the SBA has elected to measure for financial reporting purposes all of Florida PRIME's investments at amortized cost.

C. Basis of Presentation

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles.

Florida PRIME is reported as an investment trust fund, a fiduciary fund type.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Under this method, earnings on investments, including interest income, are recognized as revenue when earned, and expenses are recognized when a liability is incurred.

E. Cash and Cash Equivalents

Florida PRIME reports as "Cash and cash equivalents" all cash on hand and on deposit in banks, including demand deposits, time deposits, and non-negotiable certificates of deposit.

F. Investments

Florida PRIME's investments are reported at amortized cost, consistent with GASB Codification Section In5. Fair values, for note disclosures, are calculated using quoted market prices. If quoted market prices are not readily available, alternative pricing methodologies may include the use of discounted cash flow models, broker bids, matrix-pricing, or cost/book value.

G. Method Used to Determine Participants' Shares Sold and Redeemed

Participants' shares are sold and redeemed in Florida PRIME at a stable net asset value per share and earnings are allocated at month-end using the amortized cost method, which is consistent with the method used to report Florida PRIME's investments. The amortized cost method calculates an investment's value by adjusting its acquisition cost for the accretion of discount or amortization of premium over the period from purchase to maturity.

H. Legally Binding Guarantees

The SBA has not provided or obtained any legally binding guarantees during the fiscal years ended June 30, 2024, and June 30, 2023, for Florida PRIME.

I. Involuntary Participation

There is no requirement under Florida Statutes for any local government or State agency to participate in Florida PRIME.

J. Frequency of Determining Fair Value of Shares

The fair value of the investments of Florida PRIME is determined daily by the custodian bank. Florida PRIME's Investment Policy Statement provides that the custodian will, on a daily basis, mark to market the portfolio holdings of Florida PRIME and communicate both the amortized cost price and the market price to the SBA and the investment manager. The Investment Policy Statement also provides that the investment manager performs daily compliance monitoring of the amortized cost price and market price. The SBA performs periodic oversight, at least monthly, of the investment manager's compliance monitoring. When the deviation between the fair value and amortized cost of Florida PRIME exceeds 0.50 percent, the Investment Policy Statement provides that the Executive Director of the SBA is to promptly consider what action, if any, should be initiated. When the Executive Director believes that 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, the Executive Director will cause Florida PRIME to take such action as deemed appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results. For the fiscal years ended June 30, 2024, and June 30, 2023, the ratio of fair value to amortized cost was 99.99 percent.

K. Limitations on Participant Contributions and Withdrawals

Florida PRIME currently has in place no limitations or restrictions on participant withdrawals, does not currently charge liquidity fees, and has not put in place a redemption gate. Each participant has the ability to withdraw 100 percent of its account balance any day Florida PRIME is open for business.

However, with respect to redemption gates, Section 218.409(8)(a), Florida Statutes, provides that the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of Florida PRIME, for 48 hours limit contributions to or withdrawals from Florida PRIME to ensure that the SBA can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.

With respect to liquidity fees, Section 218.409(4), Florida Statutes, provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials for Florida PRIME of the amount and purpose of such fees. At present, no such disclosure has been made or deemed necessary, as Florida PRIME does not charge liquidity fees.

L. Fees and Administrative Service Charges

Federated Hermes (Federated) is the investment manager for Florida PRIME. Federated charges the SBA an annual investment management fee based on the average daily net assets (i.e., average daily amortized cost) of Florida PRIME (excluding Federated money market fund balances), as follows:

First \$1 billion in Account Assets	3.5 basis points
Next \$1.5 billion in Account Assets	3.0 basis points
Next \$2.5 billion in Account Assets	2.5 basis points
Balance of Account Assets over \$5 billion	2.0 basis points

In accordance with SBA Rule 19-3.016(17), Florida Administrative Code, the SBA charges participants an administrative service charge to recover its costs related to operating Florida PRIME. Currently, the SBA service charge is 1.0 basis point (.0001) on total Florida PRIME assets.

Florida PRIME also incurs various bank fees (including transaction and overdraft charges), custody fees, performance analytics, credit rating maintenance, and compliance review fees. The compliance review fees resulted from the provisions of Section 218.405(3), Florida Statutes, which require that the trustees annually certify to the Joint Legislative Auditing Committee that Florida PRIME is in compliance with State law.

All fees and charges are taken out of the monthly earnings prior to the distribution of net earnings to participant balances each month.

M. New Accounting Standards

GASB Statements No. 99, *Omnibus 2022*, paragraphs 4-7 and 8-10, became effective for the fiscal year ended June 30, 2024. Florida PRIME’s statements of net position and statements of changes in net position are not affected by the adoption of the applicable GASB provisions, as Florida PRIME did not invest in derivative instruments and did not extend any exchange or exchange-like financial guarantees for the fiscal year ended June 30, 2024.

II. DEPOSITS AND INVESTMENTS

A. Deposits

Florida PRIME holds cash in deposit accounts at various financial institutions. These deposits totaled \$5.5 billion on June 30, 2024, and \$4.2 billion on June 30, 2023. Chapter 280, Florida Statutes, generally requires public funds to be deposited in a bank or savings association designated by the State of Florida Chief Financial Officer (State CFO) as a qualified public depository (QPD).

The State CFO determines the collateral requirements and collateral pledging level for each QPD following guidelines outlined in Department of Financial Services Rules, Chapter 69C-2, Florida Administrative Code, and Section 280.04, Florida Statutes. Eligible collateral includes Federal, federally guaranteed, state and local government obligations; corporate bonds; and letters of credit issued by a Federal Home Loan Bank. Other collateral may be eligible, with the State CFO’s permission.

At June 30, 2024, Florida PRIME held seven time deposits totaling \$5.5 billion that were exposed to custodial credit risk because they were uninsured and uncollateralized. Under the investment policy for Florida PRIME, the investment manager is allowed to invest in unsecured interest-bearing deposits with banks if they have capital, surplus, and undivided profits of over \$100,000,000, or if the Deposit Insurance Fund, which is administered by the Federal Deposit Insurance Corporation, insures the principal amount of the instrument. All time deposits were held in banks that met the \$100,000,000 requirement for capital, surplus, and undivided profits. All other deposits held in Florida PRIME totaled \$24.5 million and were covered by Federal deposit insurance or the State's collateral pool pursuant to Chapter 280, Florida Statutes.

GASB Codification Section In5 requires that deposits should either (1) be held by a depository institution with a credit rating within the highest category of short-term credit ratings (or its long-term equivalent category) or determined (based upon the qualifying external investment pool's analysis) to be of comparable quality, or (2) be insured or collateralized such that it is not exposed to custodial credit risk. The depositories holding the time deposits at June 30, 2024, met the first criteria.

At June 30, 2023, depositories holding the \$4.2 billion in time deposits met the first criteria specified above. Florida PRIME held no other deposits on June 30, 2023.

B. Investment Authority and Compliance

The SBA has the authority to administer and invest the funds of Florida PRIME in accordance with Chapter 218, Part IV, Florida Statutes. The statute states the SBA shall invest the moneys of Florida PRIME in the same manner and subject to the same restrictions as are set forth in Section 215.47, Florida Statutes, which identifies all authorized securities.

Section 215.47, Florida Statutes, includes a broad range of instruments to enable the SBA to administer its varied investment responsibilities. The Investment Policy Statement for Florida PRIME lists the following authorized principal investments:

- United States (U.S.) Treasury obligations.
- U.S. Government Agency obligations.
- Government securities, which are defined as 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.
- Insurance contracts, including guaranteed investment contracts, funding agreements, and annuities.
- Corporate debt securities, such as notes, bonds, debentures, commercial paper, interests in bank loans to companies, and demand instruments.
- Bank instruments (including Yankee and Eurodollar), such as bank accounts, time deposits, certificates of deposit, and bankers' 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.
- Asset-backed securities, which may be in the form of commercial paper, notes, or pass-through certificates.

- Municipal securities issued by states, counties, cities, and other political subdivisions and authorities.
- Foreign securities (i.e., U.S. dollar-denominated securities of issuers based outside the U.S.).
- Mortgage-backed securities representing interests in pools of mortgages. Mortgages may have fixed or adjustable interest rates.
- Private placements of 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 Investment Company Act of 1940 (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, and (III) a “qualified institutional buyer” as defined in Rule 144(a)(1) promulgated under the Securities Act, as long as Florida PRIME in the aggregate owns and invests on a discretionary basis at least \$100,000,000 in securities.
- Shares of registered investment companies that are money market mutual funds, including those that are affiliated with the Investment Manager, Federated.
- Special transactions, including repurchase agreements and delayed delivery transactions. Repurchase agreements are transactions 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. 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 but no later than seven days in the future.

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. This is accomplished by structuring the portfolio consistent with the diversification, maturity, liquidity, and credit quality conditions required by GASB Codification Section In5. In buying and selling portfolio securities for Florida PRIME, the Investment Manager will comply with the conditions imposed by GASB Codification Section In5; with the requirements imposed by any nationally recognized statistical rating organization (NRSRO) that rates Florida PRIME to ensure that it maintains a AAAM rating (or the equivalent); and with the investment limitations imposed by Section 215.47, Florida Statutes.

Per the Investment Policy Statement, 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 when:

- The deviation between the fair value and amortized cost of Florida PRIME exceeds 0.25 percent, the Investment Policy Statement requires that the Investment Manager establish a formal action plan. The Investment Policy Statement also requires that the Investment Oversight Group review the formal action plan and prepare a recommendation for the Executive Director’s consideration.
- The deviation between the fair value and amortized cost of Florida PRIME exceeds 0.50 percent, the Investment Policy Statement provides that the Executive Director is to promptly consider what action, if any, will be initiated. When the Executive Director believes that 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, the Executive Director will cause Florida PRIME to take such action as deemed appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.

C. Summary of Investment Holdings

The following tables provide a summary of the par value or share amount, carrying value, fair value, range of interest rates, and range of maturity dates for each major investment classification as of June 30, 2024, and June 30, 2023 (expressed in thousands):

As of June 30, 2024					
Investment Type	Par	Carrying Value	Fair Value	Range of Interest Rates ⁽¹⁾	Range of Maturity Dates
Time deposits ⁽²⁾	\$ 5,515,000	\$ 5,515,000	\$ 5,515,000	5.31%-5.33%	7/1/24-7/3/24
Certificates of deposit	5,403,500	5,401,573	5,402,897	5.15%-6.05%	7/2/24-6/10/25
Commercial paper	12,363,691	12,266,096	12,262,327	4.88%-5.98%	7/1/24-6/24/25
Money market funds	3,251	3,251	3,251	5.19%	N/A ⁽³⁾
Repurchase agreements	1,563,000	1,563,000	1,563,000	5.33%	7/1/24
Domestic corporate bonds and notes	590,078	590,078	590,311	5.45%-5.91%	10/21/24-3/1/62 ⁽⁴⁾
Municipal bonds and notes	44,420	44,420	44,420	5.40%-5.74%	2/1/27-12/1/59 ⁽⁵⁾
Totals	\$ 25,482,940	\$ 25,383,418	\$ 25,381,206		

- (1) The coupon rate in effect at June 30, 2024, is reported. If a security is discounted, the purchase yield is reported. The 7-day yield as of June 30, 2024, is reported for the money market funds. The yields fluctuate daily.
- (2) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.
- (3) Money market funds do not have a specified maturity date.
- (4) Florida PRIME has 11 positions in domestic corporate bonds and notes that it may tender for 100 percent of the principal amount, plus accrued interest with a minimum of 7 days prior notification to the trustee of the bonds or notes. The maturity dates on these positions range from September 1, 2041, to March 1, 2062.
- (5) Florida PRIME has 4 positions in municipal bonds and notes that it may tender for 100 percent of the principal amount, plus accrued interest with a minimum of prior notification period to the trustee of the bonds or notes ranging from 7 to 35 days. The maturity dates on these positions range from February 1, 2027, to December 1, 2059.

As of June 30, 2023					
Investment Type	Par	Carrying Value	Fair Value	Range of Interest Rates ⁽¹⁾	Range of Maturity Dates
Time deposits ⁽²⁾	\$ 4,180,000	\$ 4,180,000	\$ 4,180,000	5.05%-5.08%	7/3/23-7/6/23
Certificates of deposit	4,935,500	4,935,500	4,935,009	4.07%-6.05%	7/5/23-7/10/24
Commercial paper	10,580,581	10,536,483	10,536,039	3.94%-5.83%	7/3/23-5/16/24
Money market funds	636,459	636,694	636,333	5.00%-5.19%	N/A ⁽³⁾
Repurchase agreements	774,000	774,000	774,000	5.06%	7/3/23
Domestic corporate bonds and notes	363,380	363,380	363,365	5.12%-5.26%	12/15/23-3/1/62 ⁽⁴⁾
Municipal bonds and notes	14,850	14,850	14,850	5.41%	2/1/27-12/1/59 ⁽⁵⁾
Totals	\$ 21,484,770	\$ 21,440,907	\$ 21,439,596		

- (1) The coupon rate in effect at June 30, 2023, is reported. If a security is discounted, the purchase yield is reported. The 7-day yield as of June 30, 2023, is reported for the money market funds. The yields fluctuate daily.
- (2) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.
- (3) Money market funds do not have a specified maturity date.
- (4) Florida PRIME has 18 positions in domestic corporate bonds and notes that it may tender for 100 percent of the principal amount, plus accrued interest with a minimum of 7 days prior notification to the trustee of the bonds or notes. The maturity dates on these positions range from September 1, 2037, to March 1, 2062.
- (5) Florida PRIME has three positions in municipal bonds and notes that it may tender for 100 percent of the principal amount, plus accrued interest with a minimum of 35 days prior notification to the trustee of the bonds or notes. The maturity dates on these positions are February 1, 2027, and December 1, 2059.

D. Investments, Fair Value Hierarchy

Florida PRIME's investments are carried at amortized cost, but fair value is reported in certain note disclosures as required by GAAP. Florida PRIME's investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs for an asset.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a pricing methodology that uses evaluation models, such as matrix pricing, to value securities based on a security's relationship to benchmark quoted prices. Debt securities classified in Level 3 of the fair value hierarchy are subject to being priced by an alternative pricing source utilizing discounted cash flow models and broker bids, or may have an estimated fair value equal to cost, due to the absence of an independent pricing source.

Certain investments, such as time deposits, money market funds (with a stable NAV of \$1 per share), and repurchase agreements, are carried at cost or amortized cost.

Florida PRIME has the following fair value measurements as of June 30, 2024, and June 30, 2023 (expressed in thousands):

		Fair Value Measurements Using		
		Quoted Prices in Active Market for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
	Total Fair Value June 30, 2024			
Investments by fair value level:				
Debt securities:				
Certificates of deposit	\$ 5,402,897	\$ -	\$ 5,104,463	\$ 298,434
Commercial paper	12,262,327	-	12,022,327	240,000
Domestic corporate bonds and notes	590,311	-	590,311	-
Municipal bonds and notes	44,420	-	44,420	-
Total investments measured at fair value	18,299,955	\$ -	\$ 17,761,521	\$ 538,434
Other investments carried at cost or amortized cost:				
Time deposits ⁽¹⁾	5,515,000			
Money market funds	3,251			
Repurchase agreements	1,563,000			
Total investments	\$ 25,381,206			

(1) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.

		Fair Value Measurements Using		
		Quoted Prices in Active Market for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
	Total Fair Value June 30, 2023			
Investments by fair value level:				
Debt securities:				
Certificates of deposit	\$ 4,935,009	\$ -	\$ 4,835,009	\$ 100,000
Commercial paper	10,536,039	-	10,181,039	355,000
Money market funds	630,746	630,746	-	-
Domestic corporate bonds and notes	363,365	-	363,365	-
Municipal bonds and notes	14,850	-	14,850	-
Total investments measured at fair value	16,480,009	\$ 630,746	\$ 15,394,263	\$ 455,000
Other investments carried at cost or amortized cost:				
Time deposits ⁽¹⁾	4,180,000			
Money market funds	5,587			
Repurchase agreements	774,000			
Total investments	\$ 21,439,596			

(1) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.

E. Investment Credit Risk and Concentration of Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer.

Pursuant to the Investment Policy Statement in effect at June 30, 2024, investment credit risk and concentration of credit risk of debt securities were managed as follows:

- The Investment Manager will purchase 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 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.
- 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 portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments, and ratings of designated NRSROs.
- The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in GASB Codification Section In5. First, at least 50 percent 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. Second, exposure to any single non-governmental issuer will not exceed 5 percent (at the time a security is purchased) and exposure to any single money market mutual fund will not exceed 10 percent of Florida PRIME assets.

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. The Investment Manager will not be required to make reassessments if Florida PRIME disposes of the security (or the security matures) within five business days of the downgrade.

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 affected 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.

Florida PRIME's credit quality ratings were as follows at June 30, 2024, and June 30, 2023 (fair values expressed in thousands):

Ratings ⁽¹⁾		Fair Value of Florida PRIME Investments as of June 30, 2024					
S&P	Moody's	Total	Certificates of Deposit	Commercial Paper	Money Market Funds	Repurchase Agreements	Corporate and Municipal Bonds and Notes
AAAam		\$ 3,251	\$ -	\$ -	\$ 3,251	\$ -	\$ -
A-1		12,179,572	-	12,018,505	-	-	161,067
AA		147,030	-	-	-	-	147,030
A		308,714	-	-	-	-	308,714
	P-1	243,822	-	243,822	-	-	-
	Aaa	17,920	-	-	-	-	17,920
Not rated ⁽¹⁾	Not rated ⁽¹⁾	5,502,897	5,402,897	-	-	100,000	-
		<u>18,403,206</u>	<u>\$ 5,402,897</u>	<u>\$ 12,262,327</u>	<u>\$ 3,251</u>	<u>\$ 100,000</u>	<u>\$ 634,731</u>
		1,463,000	Repurchase agreements ⁽²⁾				
		<u>5,515,000</u>	Time deposits ⁽³⁾				
		<u>\$ 25,381,206</u>	Total				

(1) Ratings by S&P or Moody's indicative of the greatest amount of credit risk are presented. If both ratings indicate the same degree of credit risk, S&P ratings are reported. If only one of the two rating agencies provided a rating, that rating is reported. If neither rating agency provided a security specific credit rating, "Not rated" is reported. All the investments presented as "Not rated" had short-term issuer credit ratings that met Florida PRIME's investment and GASB Codification Section In5 guidelines.

(2) U.S. guaranteed obligations and collateral for repurchase agreements that the U.S. government explicitly guarantees do not require disclosure of credit quality.

(3) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.

Ratings ⁽¹⁾		Fair Value of Florida PRIME Investments as of June 30, 2023					
S&P	Moody's	Total	Certificates of Deposit	Commercial Paper	Money Market Funds	Repurchase Agreements	Corporate and Municipal Bonds and Notes
AAAam		\$ 636,333	\$ -	\$ -	\$ 636,333	\$ -	\$ -
A-1		10,062,281	-	10,062,281	-	-	-
AA		170,125	-	-	-	-	170,125
A		98,110	-	-	-	-	98,110
	P-2 ⁽²⁾	473,758	-	473,758	-	-	-
	Aa	9,995	-	-	-	-	9,995
Not rated ⁽¹⁾	Not rated ⁽¹⁾	5,134,994	4,935,009	-	-	100,000	99,985
		<u>16,585,596</u>	<u>\$ 4,935,009</u>	<u>\$ 10,536,039</u>	<u>\$ 636,333</u>	<u>\$ 100,000</u>	<u>\$ 378,215</u>
		674,000	Repurchase agreements ⁽³⁾				
		<u>4,180,000</u>	Time deposits ⁽⁴⁾				
		<u>\$ 21,439,596</u>	Total				

(1) Ratings by S&P or Moody's indicative of the greatest amount of credit risk are presented. If both ratings are the same, S&P ratings are reported. If only one of the two rating agencies provided a rating, that rating is reported. If neither rating agency provided a security specific credit rating, "Not rated" is reported. All of the investments presented as "Not rated" had short-term issuer credit ratings that met Florida PRIME's investment and GASB Codification Section In5 guidelines.

(2) Per GASB Codification Section In5, if an external investment pool is aware that a security has multiple ratings and the rating categories conflict, the following provision applies. If the security has more than two ratings, the security should be considered to be in the highest category of ratings as determined by at least two ratings. The securities presented with a P-2 rating have two additional credit ratings in the highest category of ratings with other NRSRO's.

(3) U.S. guaranteed obligations and collateral for repurchase agreements that the U.S. government explicitly guarantees do not require disclosure of credit quality.

(4) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.

With respect to the concentration of credit risk at June 30, 2024, Florida PRIME had exposure of more than 5 percent to each of the following issuers (carrying values and fair values expressed in thousands):

As of June 30, 2024				
Issuer Name	Carrying Value	Percent of Portfolio Carrying Value	Fair Value	Percent of Portfolio Fair Value
ABN Amro Bank N.V. ^{(1),(3)}	\$ 1,275,000	5.02%	\$ 1,275,000	5.02%
Australia & New Zealand Banking Group, Ltd. ^{(1),(3)}	\$ 1,275,000	5.02%	\$ 1,275,000	5.02%
Bank of America Corporation ^{(1),(2)}	\$ 1,959,000	7.72%	\$ 1,958,693	7.72%
Cooperatieve Rabobank U.A. ^{(1),(3)}	\$ 1,275,000	5.02%	\$ 1,275,000	5.02%

- (1) Under GASB Codification Section In5, liquidations are not required for exposures over 5 percent if the overage is caused by participant account movements (i.e., a decrease in overall participant balances caused by subsequent net participant withdrawals). The excess exposure was caused by participant account movements.
- (2) For Bank of America Corporation, \$1.3 billion is held in a repurchase agreement. Per GASB Codification Section In5, repurchase agreements are considered to be the acquisition of the underlying securities if the repurchase agreement is fully collateralized. This repurchase agreement was fully collateralized by U.S. government guaranteed securities. Excluding this repurchase agreement, Florida PRIME's exposure to Bank of America Corporation was 2.54 percent of both the carrying value and the fair value.
- (3) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.

At June 30, 2023, Florida PRIME had exposure of more than 5 percent to each of the following issuers (carrying values and fair values expressed in thousands):

As of June 30, 2023				
Issuer Name	Carrying Value	Percent of Portfolio Carrying Value	Fair Value	Percent of Portfolio Fair Value
Australia & New Zealand Banking Group, Ltd. ^{(1),(3)}	\$ 1,090,000	5.08%	\$ 1,090,000	5.08%
Bank of America Corporation ^{(1),(2)}	\$ 1,174,000	5.48%	\$ 1,173,245	5.47%
Bank of Montreal ⁽¹⁾	\$ 1,080,000	5.04%	\$ 1,080,437	5.04%
Canadian Imperial Bank of Commerce ⁽¹⁾	\$ 1,089,798	5.08%	\$ 1,089,934	5.08%
Cooperatieve Rabobank U.A. ^{(1),(3)}	\$ 1,090,000	5.08%	\$ 1,090,000	5.08%
Sumitomo Mitsui Trust Holdings Inc. ⁽¹⁾	\$ 1,083,892	5.06%	\$ 1,083,966	5.06%

- (1) Under GASB Codification Section In5, liquidations are not required for exposures over 5 percent if the overage is caused by participant account movements (i.e., a decrease in overall participant balances caused by subsequent net participant withdrawals). The excess exposure was caused by participant account movements.
- (2) For Bank of America Corporation, \$524 million is held in a repurchase agreement. Per GASB Codification Section In5, repurchase agreements are considered to be the acquisition of the underlying securities if the repurchase agreement is fully collateralized. This repurchase agreement was fully collateralized by U.S. government guaranteed securities. Excluding this repurchase agreement, Florida PRIME's exposure to Bank of America Corporation was 3.03 percent of both the carrying value and the fair value.
- (3) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.

F. Investments, Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the SBA will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The SBA's policy is that custodial credit risk will be minimized through the use of trust accounts maintained at top tier third-party custodian banks. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, separate and apart from the assets of the custodian banks.

The SBA engaged BNY (Custodian) to provide asset safekeeping, custody, fund accounting, and performance measurement services to Florida PRIME. At June 30, 2024, and June 30, 2023, all investments, except those in money market funds in which the SBA invests (i.e., in commingled funds with other investors), were held in the SBA's name by the SBA's custodial bank.

G. Investments, Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Pursuant to the Investment Policy Statement, the Investment Manager will target a dollar-weighted average maturity (DWAM) 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 DWAM when it expects interest rates to rise and extend Florida PRIME's DWAM when it expects interest rates to fall. The Investment Manager will exercise reasonable care to maintain a DWAM of 60 days or less for Florida PRIME. For purposes of calculating DWAM, the maturity of an adjustable rate security generally will be the period remaining until its next interest rate reset date.

Presented below are the investments held in Florida PRIME at June 30, 2024, and June 30, 2023, at fair value (expressed in thousands), with the DWAM for each security type:

As of June 30, 2024

Investment Type	Fair Value	Dollar Weighted Average Maturity (in Days)⁽¹⁾
Time deposits ⁽²⁾	\$ 5,515,000	2
Certificates of deposit ⁽³⁾	5,402,897	74
Commercial paper ⁽³⁾	12,262,327	54
Money market funds ⁽⁴⁾	3,251	1
Repurchase agreements	1,563,000	1
Domestic corporate bonds and notes	590,311	85
Municipal bonds and notes	44,420	24
Total	<u>\$ 25,381,206</u>	
Portfolio dollar-weighted average maturity (DWAM)		45

- (1) Interest rate reset dates are used in the calculation of the DWAM.
- (2) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.
- (3) Certificates of deposit and commercial paper include domestic and U.S. dollar denominated foreign issues.
- (4) The DWAM of the underlying securities in the money market fund at June 30, 2024, was 44 days. However, the money market fund provided daily liquidity.

As of June 30, 2023

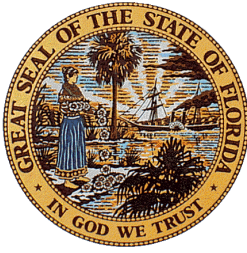
Investment Type	Fair Value	Dollar Weighted Average Maturity (in Days)⁽¹⁾
Time deposits ⁽²⁾	\$ 4,180,000	4
Certificates of deposit ⁽³⁾	4,935,009	85
Commercial paper ⁽³⁾	10,536,039	32
Money market funds ⁽⁴⁾	636,333	3
Repurchase agreements	774,000	3
Domestic corporate bonds and notes	363,365	6
Municipal bonds and notes	14,850	35
Total	<u>\$ 21,439,596</u>	
Portfolio dollar-weighted average maturity (DWAM)		37

- (1) Interest rate reset dates are used in the calculation of the DWAM.
- (2) Time deposits are included in "Cash and cash equivalents" on the Statements of Net Position.
- (3) Certificates of deposit and commercial paper include domestic and U.S. dollar denominated foreign issues.
- (4) The DWAM of the underlying securities in the two money market funds at June 30, 2023, ranged from 3 to 27 days. However, the money market funds provided daily liquidity.

GASB Codification Section In5 also requires the portfolio of a qualifying external investment pool to maintain a weighted average life (WAL) of 120 days or less. A weighted average life measure expresses the average length of time that each dollar of principal remains unpaid without considering the maturity shortening features used in calculating the DWAM. Pursuant to the Investment Policy Guidelines, the Investment Manager will exercise reasonable care to maintain a maximum WAL within the range of 90 to 120 days for Florida PRIME. The WAL for Florida PRIME at both June 30, 2024, and June 30, 2023, was 81 days.

H. Investments, Foreign Currency Risk

Investment policy guidelines prohibit the Investment Manager from purchasing investments denominated in foreign currency, therefore all Florida PRIME securities are U.S. dollar denominated. Florida PRIME was not exposed to foreign currency risk during the fiscal years ended June 30, 2024, and June 30, 2023.



Sherrill F. Norman, CPA
Auditor General

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Florida PRIME's basic financial statements, and have issued our report thereon dated December 13, 2024, included under the heading **INDEPENDENT AUDITOR'S REPORT**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SBA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SBA's internal control. Accordingly, we do not express an opinion on the effectiveness of the SBA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Florida PRIME's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Florida PRIME's financial statements are free from material misstatement, we performed tests of the SBA's compliance with certain provisions of laws, rules, regulations, contracts, and policies, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SBA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SBA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 13, 2024

Global Governance Mandates

March 5, 2025
QUARTERLY UPDATE

Protecting Florida's Investments Act (PFIA)
Scrutinized Companies that Boycott Israel
MacBride Principles and Northern Ireland
Cuba/Syria Proxy Voting Safeguards
Venezuela Prohibited Investments
Prohibited Investments in China

Florida Statutes



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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.

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, one of the largest public pension funds 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.

Section 1: Protecting Florida's Investments Act (PFIA)

Summary

On June 8, 2007, the 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.

As of November 10, 2023, the list of sectors subject to Iranian scrutinized operations was expanded to include the energy, petrochemical, financial, construction, manufacturing, textile, mining, metals, shipping, shipbuilding, and port sectors of Iran. The SBA is working with our external research providers to implement new screens to identify revenue and investment thresholds that capture scrutinized business operations in the expanded sector list for Iran. Future quarterly reports will include any companies identified under the expanded methodology for the Iran Terrorism Sectors List.

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. Note, the PFIA only applies to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

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, the 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 portions of the PFIA are discontinued if the United States revokes all sanctions imposed against the government of Sudan, or if the Congress or President of the United States affirmatively and unambiguously states, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that:
 - a. The Darfur genocide has been halted for at least 12 months; or
 - b. The government of Sudan has honored 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; or
 - c. Mandatory divestment of the type provided for by the PFIA interferes with the conduct of U.S. foreign policy.
11. Relevant Iran portions of the PFIA are discontinued if both of the following occur:
 - a. The Congress and President of the United States affirmatively and unambiguously state, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism; and
 - b. The United States revokes all sanctions imposed against the government of Iran.
12. 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.
13. 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 F.S. 215.473.

14. 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 Terrorism Sectors List.” Additionally, F.S. 215.473(3)(e)(2) now exempts Exchange Traded Funds from the provisions of the PFIA.
15. 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.
16. As of July 1, 2016, and further enhanced as of November 10, 2023, the requirements for the expiration of PFIA divestment protocol were amended and new quarterly reporting requirements were implemented. Florida Statutes require the following criteria for discontinuing Iran portions of the PFIA:
 - a. The Congress and President of the United States affirmatively and unambiguously state, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism; and
 - b. The United States revokes all sanctions imposed against the government of Iran.

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 the energy, petrochemical, financial, construction, manufacturing, textile, mining, metals, shipping, shipbuilding, or port sectors of Iran, 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 that can be clearly linked to a company with scrutinized active business operations. The SBA has used a 50 percent ownership threshold in determining whether 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 company actions to discontinue its active business operations, or details regarding 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. **ISS-ESG (formerly IW Financial or IWF).** On January 5, 2017, Institutional Shareholder Services (ISS) announced its acquisition of IW Financial. IWF, in partnership with Conflict Securities Advisory Group (CSAG), has been a long-time provider of information on the business ties of publicly traded companies in Sudan and Iran.

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:

- 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)
- Dept. of Energy, Energy Information Administration (EIA)
- Congressional Research Service (CRS), Library of Congress

Other Sources:

- SBA External Investment Managers
- U.S. Federal Sanctions Laws covering State Sponsors of Terror
- Non-Governmental Organizations (NGOs)

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, Florida Statutes [Sudan] or Section 215.473 (4)(t)1, Florida Statutes [Iran]. Upon SBA review, a preponderance of the evidence supports 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, Florida Statutes [Sudan] or Section 215.473, (4)(t)1, Florida Statute [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.

SUDAN Changes since the Previous PFIA Quarterly Report

(See the following page for IRAN changes.)

Companies added to the **Sudan** Scrutinized List this quarter:

- **Soar Wind Ltd**
 - Added as a majority-owned subsidiary of a scrutinized company, Aviation Industry Corporation of China (AVIC)

Companies removed from the **Sudan** Scrutinized List this quarter:

- **Engen Botswana**
 - Engen was a majority-owned subsidiary of a scrutinized company, Petroliaam Nasional (Petronas), but Petronas sold its stake in the company.

Companies added to the **Sudan** Continued Examination List this quarter:

- **None**

Companies removed from the **Sudan** Continued Examination List this quarter:

- **None**

IRAN Changes since the Previous PFIA Quarterly Report

(See the previous page for SUDAN changes.)

Companies added to the **Iran** Scrutinized List this quarter:

- **PowerChina Hebei Engineering Corp Ltd**
 - Added as a majority-owned subsidiary of a scrutinized company under the expanded Iran Terrorism Sectors divestment statute (Power Construction Corporation of China)
- **PowerChina Construction Group Ltd**
 - Added as a majority-owned subsidiary of a scrutinized company under the expanded Iran Terrorism Sectors divestment statute (Power Construction Corporation of China)

Companies removed from the **Iran** Scrutinized List this quarter:

- **Japan Post Bank Co Ltd**
 - Japan Post Bank Co Ltd provided a comprehensive response to the SBA and demonstrated that it did not have operations in Iran in violation of Florida Statutes.

Companies added to the **Iran** Continued Examination List this quarter:

- **None**

Companies removed from the **Iran** Continued Examination List this quarter:

- **None**

Quarterly Status Update Regarding Potential IRAN Expiration
Florida Statutes, 215.473 (5) EXPIRATION (b) subparagraphs 1. and 2.

Florida Statutes require a quarterly update on events relating to the status of expiration clauses 1 and 2, which are copied below in their entirety:

F.S. 215.473(5)(b): If both of the following occur, the board may no longer scrutinize companies according to subparagraph (1)(dd)4., may no longer assemble the Scrutinized Companies with Activities in the Iran Terrorism Sectors List, and shall cease engagement, investment prohibitions, and divestment:

1. The Congress and President of the United States affirmatively and unambiguously state, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism;

Update:

See comments in Section 2, below.

And

2. The United States revokes all sanctions imposed against the government of Iran.

Update:

February 4, 2025: President Trump issued a National Security Presidential Memorandum directing U.S. agencies to tighten enforcement of existing U.S. economic sanctions against the Islamic Republic of Iran and to impose new sanctions and other measures against the country. The Memorandum directs the Secretary of the Treasury and other officials to, among other things, impose a “robust and continual sanctions enforcement campaign,” to “issue updated guidance to all relevant business sectors,” and to consider requiring financial institutions to conduct additional due diligence on Iran-related transactions.

Sources:

<https://www.whitehouse.gov/presidential-actions/2025/02/national-security-presidential-memorandum-nsprm-2/>

<https://www.sullcrom.com/insights/memo/2025/February/President-Trump-Directs-Maximum-Pressure-Campaign-Against-Iran>

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
Aviation Industry Corporation of China (AVIC)	China	September 24, 2019
AviChina Industry & Technology	China	June 4, 2019
AVIC International Finance Ltd	China	September 24, 2019
AVIC International Holdings Ltd (formerly listed as AVIC International)	China	June 4, 2019
Bank of Kunlun Co Ltd	China	March 7, 2018
Chennai Petroleum Corp Ltd	India	September 19, 2007
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petrochemical Corporation (Sinopec Group)	China	December 3, 2019
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Petroleum Engineering Corp	China	March 7, 2018
Cirrus Aircraft Ltd	Cayman Islands	September 24, 2024
CNPC Capital Company Limited	China	June 14, 2017
CNPC Finance HK Ltd	China	March 26, 2024
CNPC General Capital Ltd	China	June 26, 2012
CNPC Global Capital Limited	China	December 15, 2020
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
FACC AG	Austria	June 4, 2019
Harbin Electric Co. Ltd.	China	September 19, 2007
Hindustan Petroleum Corporation Ltd	India	June 13, 2018
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
IndOil Global BV	Netherlands	September 24, 2024
Jiangxi Hongdu Aviation	China	September 19, 2007
Kimanis Power Sdn Bhd	Malaysia	September 24, 2024
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd	Hong Kong	September 19, 2007
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

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Pengerang LNG Two Sdn Bhd	Malaysia	September 24, 2024
Perseus Mining Ltd	Australia	August 23, 2022
PetroChina	China	September 19, 2007
Petroliaam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Group Bhd	Malaysia	June 16, 2011
Petronas Chemicals Derivatives Sdn Bhd	Malaysia	September 24, 2024
Petronas Chemicals Glycols Sdn Bhd	Malaysia	September 24, 2024
Petronas Chemicals Olefins Sdn Bhd	Malaysia	September 24, 2024
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd	China	September 24, 2013
Sinopec Century Bright Capital Investment Ltd	China	December 3, 2019
Sinopec Engineering Group Co Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2018 Ltd	China	December 15, 2020
Sinopec Group Overseas Development 2017 Ltd	China	September 11, 2019
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2015 Ltd	China	December 15, 2020
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Kantons Holdings Ltd	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation	China	April 14, 2009
Sinopec Oilfield Service Corp	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
Soar Wind Ltd	China	March 5, 2025
Societe Metallurgique D'imiter	Morocco	November 9, 2010
# of Sudan Scrutinized Companies	62	

The following companies were removed from the **SUDAN Scrutinized List** during the quarter:

Removed Company	Country of Incorporation
<i>Engen Botswana</i>	<i>Botswana</i>

Table 2: Continued Examination of Companies with Possible Business Operations in SUDAN
(New companies on the list are shaded and in bold.)

Continued Examination Company: Sudan	Country of Incorporation
Bharat Heavy Electricals, Ltd	India
China Gezhouba Group Company Ltd	China
Dongfeng Motor Group Co Ltd	China
Dongan Motor (aka Harbin Dongan Auto Engine)	China
Glencore Xstrata PLC	Switzerland
Pan African Resources Plc	South Africa
Power Construction Corporation of China Ltd. (fka Sinohydro)	China
Shanghai Electric Group Co.	China
# of Sudan Continued Examination Companies	8

The following companies were **removed** from the **SUDAN Continued Examination List** during the quarter:

Removed Company	Country of Incorporation
<i>No companies were removed this quarter.</i>	

Table 3: Scrutinized Companies with Activities in the IRAN Terrorism Sectors*New companies on the list are shaded and in bold.*

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Bank of Kunlun Co Ltd	China	March 7, 2018
China BlueChemical Ltd.	China	March 19, 2013
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Oilfield Services Ltd.	China	June 16, 2011
China Petrochemical Corporation (Sinopec Group)	China	December 3, 2019
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Petroleum Engineering Corp	China	March 7, 2018
China Railway Group Limited	China	September 24, 2024
CNOOC Ltd.	China	June 16, 2011
CNOOC Energy Technology & Services Ltd	China	June 15, 2021
CNOOC Finance Limited	China	September 24, 2013
CNOOC Finance (2003) Limited	China	December 17, 2024
CNOOC Finance (2011) Limited	China	December 17, 2024
CNOOC Finance (2012) Limited	China	December 17, 2024
CNOOC Finance (2013) Limited	China	December 17, 2024
CNOOC Finance (2014) ULC	China	October 17, 2017
CNOOC Finance (2015) Australia PTY Ltd	China	December 17, 2024
CNOOC Finance (2015) USA LLC	China	December 17, 2024
CNPC Capital Company Limited	China	June 14, 2017
CNPC Finance HK Ltd	China	March 26, 2024
CNPC General Capital Ltd	China	December 6, 2016
CNPC Global Capital Limited	China	December 15, 2020
CNPC HK Overseas Capital Ltd.	China	June 16, 2011
COSL Finance (BVI) Limited	China	September 24, 2013
COSL Singapore Capital Ltd	Singapore	December 4, 2018
Engineers India Limited	India	September 24, 2024
Gazprom	Russia	September 19, 2007
Gazprom Neft	Russia	September 16, 2008
Gazprom Promgaz	Russia	June 4, 2019
GPN Capital SA	Luxembourg	June 4, 2019
Hindustan Petroleum Corporation Ltd	India	June 13, 2018
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
IndOil Global BV	Netherlands	September 24, 2024
Kunlun Energy Company Ltd.	Hong Kong	September 19, 2007
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Moscow Integrated Power Co PJSC	Russia	September 24, 2024
Mosenergo	Russia	September 16, 2008
Norinco International Cooperation Ltd	China	September 24, 2024
Offshore Oil Engineering Co	China	December 17, 2024
OGK-2 PJSC	Russia	September 24, 2024
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007
PowerChina Hebei Engineering Corp Ltd	China	March 5, 2025
PowerChina Construction Group Ltd	China	March 5, 2025
Power Construction Corporation of China Ltd	China	September 24, 2024
Sberbank Russia PJSC	Russia	September 24, 2024
Sinopec Capital 2013 Ltd.	China	March 18, 2014
Sinopec Century Bright Capital Investment Ltd	China	December 3, 2019
Sinopec Engineering Group Co Ltd.	China	March 18, 2014
Sinopec Group Overseas Development 2018 Ltd	China	December 15, 2020
Sinopec Group Overseas Development 2017 Ltd	China	September 11, 2019
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2015 Ltd	China	December 15, 2020
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Kantons Holdings Ltd	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation	China	September 29, 2015
Sinopec Oilfield Service Corp	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
Territorial Generating Company No 1	Russia	June 4, 2019
# of Iran Scrutinized Companies	60	

The following companies were removed from the **IRAN Scrutinized List** during the quarter:

Removed Company	Country of Incorporation
<i>Japan Post Bank Co Ltd</i>	<i>Japan</i>

Table 4: Continued Examination of Companies with Possible Business Operations in IRAN*New companies on the list are shaded and in bold.*

Continued Examination Company: Iran	Country of Incorporation
China Nonferrous Metal Industry's Foreign Engineering and Construction	China
GS Engineering & Construction Corp.	South Korea
GS Holdings	South Korea
Petronet LNG Ltd.	India
# of Iran Continued Examination Companies	4

The following companies were removed from the **IRAN Continued Examination List** during the quarter:

Removed Company	Country of Incorporation
No companies were removed this 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.

As of November 10, 2023, the list of sectors subject to Iranian scrutinized operations was expanded to include the energy, petrochemical, financial, construction, manufacturing, textile, mining, metals, shipping, shipbuilding, and port sectors of Iran. In 2024, the SBA engaged in a series of correspondence with companies regarding compliance with the new legislation.

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	Removed from Sudan Scrutinized and CE Lists
Bharat Heavy Electricals Limited	Yes; October 4, 2007	Moved to Sudan Continued Examination List
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
China Railway Group Limited	No	Iran Scrutinized Classification Continues
CNOOC Ltd	Yes; October 28, 2008	Iran Scrutinized Classification Continues
Daelim Industrial Co Ltd.	Yes, November 13, 2018	Removed from Iran Scrutinized List
Dongfeng Motor Group Co. Ltd.	No	Moved to Sudan Continued Examination List
Electricity Generating Public Co	No	Removed from Sudan Scrutinized List
Engineers India Limited	No	Iran Scrutinized Classification Continues
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	Removed from Iran Scrutinized and CE Lists
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 from Iran Scrutinized List

Company	Company Responsive to SBA Communications	Status
Japan Post Bank Co Ltd	Yes; December 5, 2024	Removed from Iran Scrutinized List
Kencana Petroleum	Yes; October 31, 2008	Removed from Sudan Scrutinized and CE Lists
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	Removed from Iran Scrutinized and CE Lists
Lundin Petroleum AB	Yes; October 17, 2008	Removed from Sudan Scrutinized List
Lundin International SA	No	Removed from Sudan Scrutinized List
Malaysia Marine & Heavy Engineering Holdings Bhd	Yes; November 14, 2014	Sudan Scrutinized Classification Continues
Mangalore Refinery & Petrochemicals Ltd	Yes; March 8, 2013	Iran & Sudan Scrutinized Classification Continues
MISC Bhd	Yes; August 23, 2018; Jan 10, 2019; May 16, 2022	Sudan Scrutinized Classification Continues
Norinco International Cooperation Ltd	No	Iran 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 Scrutinized and CE Lists
Perseus Mining Ltd	Yes; September 27, 2022	Sudan Scrutinized Classification Continues
PetroChina	Yes; December 22, 2008	Iran & Sudan Scrutinized Classification Continues
Petroleo Brasileiro (Petrobras)	Yes; January 13, 2010	Removed from Iran Scrutinized List
Petroleum Nasional (Petronas)	Yes; July 6, 2015	Sudan Scrutinized Classification Continues
Power Construction Corporation of China Ltd	No	Iran Scrutinized Classification Continues
Putrajaya Management Sdn Bhd	Yes; September 5, 2014	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
Sberbank Russia PJSC	No	Iran Scrutinized Classification Continues
Sinopec Century Bright Capital	Yes; June 4, 2020	Iran & Sudan Scrutinized Classification Continues
Sinopec Kantons Holdings Ltd.	No	Iran & Sudan Scrutinized Classification Continues
Sinopec Shanghai Petrochemical Company	No	Iran & 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 List
VINCI SA	Yes; November 6, 2024	Removed from Iran Scrutinized List
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.

As of November 10, 2023, the list of sectors subject to Iranian scrutinized operations was expanded to include the energy, petrochemical, financial, construction, manufacturing, textile, mining, metals, shipping, shipbuilding, and port sectors of Iran. In 2024, the SBA engaged in a series of correspondence with companies regarding compliance with the new legislation.

Company	Company Responsive to SBA Communications	Continued Examination Status
Actividades de Construccion 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	Removed from Iran List
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
Bollore Group	No	Removed from Sudan CE
Costain Group PLC	Yes; November 5, 2007	Removed from Iran List
Daelim Industrial Co Ltd.	Yes, November 13, 2018	Removed from Iran 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
Hitachi Ltd	Yes	Removed from Iran CE List
Hitachi Construction Machinery Co Ltd	Yes; July 8, 2024	Removed from Iran CE List
ICSA India Limited	No	Removed from Sudan List
INA-Industrija Nafta DD Zagreb	Yes; April 15, 2014	Removed from Iran List
Itochu Corp	Yes; May 9, 2008 September 5, 2024	Removed from Iran List Removed from Iran CE 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	Removed from Iran List

Company	Company Responsive to SBA Communications	Continued Examination Status
Marubeni Corporation	Yes; September 27, 2024	Removed from Iran CE List
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	Removed from Sudan List
Nam Fatt	No	Removed from Sudan List
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	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	Removed from Iran CE List
Siemens AG	Yes; October 22, 2009 October 8, 2010 November 7, 2018; March 2019 June 2019; July 2019; February 2021	Added to Sudan Scrutinized List on 6/4/19. Removed from Sudan Scrutinized List on 7/12/19 and Sudan CE List on 3/9/21
SNC - Lavalin Group Inc.	Yes; September 25, 2007	Removed from Iran List
Sony Group Corporation	Yes; June 7, 2024	Removed from Iran CE List
Sudan Telecommunications (Sudatel)	No	Removed from Sudan CE Classification
Sumitomo Mitsui Financial Group Inc	Yes; June 7, 2024	Removed from Iran CE List
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	Removed from Sudan CE Classification
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	Removed from Iran CE List

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 direct State of Florida governmental entities.

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 Florida 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).

November 10, 2023—The Florida Legislature convened a special session on Iran and expanded the sectors subject to Iranian scrutinized operations to include the energy, petrochemical, financial, construction, manufacturing, textile, mining, metals, shipping, shipbuilding, and port sectors of Iran.

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
December 8, 2015
March 29, 2016
August 2, 2016
December 6, 2016
March 14, 2017
June 14, 2017
October 17, 2017
December 13, 2017
March 7, 2018
June 13, 2018
September 11, 2018
December 4, 2018
January 29, 2019
June 4, 2019

July 12, 2019
September 24, 2019
December 3, 2019
May 28, 2020
September 22, 2020
December 15, 2020
March 9, 2021
June 15, 2021
September 21, 2021
December 20, 2021
March 29, 2022
June 22, 2022
August 23, 2022
January 17, 2023
May 23, 2023
October 25, 2023
December 19, 2023
March 26, 2024
April 9, 2024
June 12, 2024
September 24, 2024
December 17, 2024
March 5, 2025

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:

Scrutinized Company - Current and Historical ** denotes companies no longer on the Prohibited Company list	Divestment by Company
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
Unilever PLC	\$103,398,808.02
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
Hindustan Petroleum Corporation Ltd	\$10,916,213.94
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
Hindustan Unilever	\$6,586,698.50
Storebrand ASA	\$4,103,182.48
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
Perseus Mining Ltd	\$586,998.71
Petrobras Energia (Participaciones) **	\$298,632.08

FACC AG	\$285,343.11
Dongfeng Motor Group**	\$158,623.49
Electricity Generating Public Company**	\$121,321.38
AVIC International Holdings Ltd	\$50,827.53
Gazprom Neft	\$37,892.73
TOTAL DIVESTMENT	\$1,432,225,534.47

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
Aviation Industry Corporation of China (AVIC)	Sudan	China	September 24, 2019	Yes
AviChina Industry & Technology	Sudan	China	June 4, 2019	Yes
AVIC International Finance Ltd	Sudan	China	September 24, 2019	Yes
AVIC International Holdings Ltd (formerly listed as AVIC International)	Sudan	China	June 4, 2019	Yes
Bank of Kunlun Co Ltd	Sudan & Iran	China	March 7, 2018	Yes
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 Petrochemical Corporation (Sinopec Group)	Sudan & Iran	China	December 3, 2019	Yes
China Petroleum & Chemical Corp (CPCC) Sinopec	Sudan & Iran	China	September 19, 2007	Yes
China Petroleum Engineering Corp	Sudan & Iran	China	March 7, 2018	Yes
China Railway Group Limited	Iran	China	September 24, 2024	Yes
Cirrus Aircraft Ltd	Sudan	Cayman Islands	September 24, 2024	Yes
CNOOC Ltd	Iran	China	June 16, 2011	Yes
CNOOC Energy Technology & Services Ltd	Iran	China	June 15, 2021	Yes
CNOOC Finance Limited	Iran	China	September 24, 2013	Yes
CNOOC Finance (2003) Limited	Iran	China	December 17, 2024	Yes
CNOOC Finance (2011) Limited	Iran	China	December 17, 2024	Yes
CNOOC Finance (2012) Limited	Iran	China	December 17, 2024	Yes
CNOOC Finance (2013) Limited	Iran	China	December 17, 2024	Yes
CNOOC Finance (2014) ULC	Iran	China	October 17, 2017	Yes
CNOOC Finance (2015) Australia PTY Ltd	Iran	China	December 17, 2024	Yes
CNOOC Finance (2015) USA LLC	Iran	China	December 17, 2024	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
CNPC Capital Company Limited	Sudan & Iran	China	June 14, 2017	Yes
CNPC Finance HK Ltd	Sudan & Iran	China	March 26, 2024	Yes
CNPC General Capital Ltd	Sudan & Iran	China	June 26, 2012	Yes
CNPC Global Capital Limited	Sudan & Iran	China	December 15, 2020	Yes
CNPC HK Overseas Capital Ltd	Sudan & Iran	China	June 16, 2011	Yes
COSL Finance (BVI) Limited	Iran	China	September 24, 2013	Yes
COSL Singapore Capital Ltd	Iran	Singapore	December 4, 2018	Yes
Daqing Huake Group Co Ltd	Sudan	China	March 25, 2008	Yes
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Engineers India Limited	Iran	India	September 24, 2024	Yes
FACC AG	Sudan	Austria	June 4, 2019	Yes
Gazprom	Iran	Russia	September 19, 2007	Yes
Gazprom Neft	Iran	Russia	September 16, 2008	Yes
Gazprom Promgaz	Iran	Russia	June 4, 2019	Yes
GPN Capital SA	Iran	Luxembourg	June 4, 2019	Yes
Harbin Electric Co. Ltd.	Sudan	China	September 19, 2007	Yes
Hindustan Petroleum Corporation Ltd	Sudan & Iran	India	June 13, 2018	Yes
Indian Oil Corp Ltd (IOCL)	Sudan & Iran	India	September 19, 2007	Yes
IndOil Global BV	Sudan & Iran	India	September 24, 2024	Yes
Jiangxi Hongdu Aviation	Sudan	China	September 19, 2007	Yes
Kimanis Power Sdn Bhd	Sudan	Malaysia	September 24, 2024	Yes
KLCC Property Holdings Bhd	Sudan	Malaysia	April 14, 2009	Yes
Kunlun Energy Company Ltd.	Sudan & Iran	Hong Kong	September 19, 2007	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

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Malaysia Marine & Heavy Engineering Holdings Bhd	Sudan	Malaysia	March 18, 2014	Yes
MISC Bhd	Sudan	Malaysia	September 19, 2007	Yes
Moscow Integrated Power Co PJSC	Iran	Russia	September 24, 2024	Yes
Mosenergo	Iran	Russia	September 16, 2008	Yes
Norinco International Cooperation Ltd	Iran	China	September 24, 2024	Yes
Offshore Oil Engineering Co	Iran	China	December 17, 2024	Yes
OGK-2 PJSC	Iran	Russia	September 24, 2024	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
Pengerang LNG Two Sdn Bhd	Sudan	Malaysia	September 24, 2024	Yes
Perseus Mining Ltd	Sudan	Australia	August 23, 2022	Yes
PetroChina	Sudan & Iran	China	September 19, 2007	Yes
Petrolia Nasional (Petronas)	Sudan	Malaysia	September 19, 2007	Yes
Petronas Capital Limited	Sudan	Malaysia	September 19, 2007	Yes
Petronas Chemicals Group Bhd	Sudan	Malaysia	June 16, 2011	Yes
Petronas Chemicals Derivatives Sdn Bhd	Sudan	Malaysia	September 24, 2024	Yes
Petronas Chemicals Glycols Sdn Bhd	Sudan	Malaysia	September 24, 2024	Yes
Petronas Chemicals Olefins Sdn Bhd	Sudan	Malaysia	September 24, 2024	Yes
Petronas Dagangan Bhd	Sudan	Malaysia	September 19, 2007	Yes
Petronas Gas Berhad	Sudan	Malaysia	September 19, 2007	Yes
Petronas Global Sukuk	Sudan	Malaysia	August 2, 2016	Yes
PowerChina Hebei Engineering Corp Ltd	Iran	China	March 5, 2025	Yes
PowerChina Construction Group Ltd	Iran	China	March 5, 2025	Yes
Power Construction Corporation of China Ltd	Iran	China	September 24, 2024	Yes
Putrajaya Management Sdn Bhd	Sudan	Malaysia	March 18, 2014	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Sberbank Russia PJSC	Iran	Russia	September 24, 2024	Prior to 9/23/2025
Sinopec Capital 2013 Ltd	Sudan & Iran	China	September 24, 2013	Yes
Sinopec Century Bright Capital Investment Ltd	Sudan & Iran	China	December 3, 2019	Yes
Sinopec Engineering Group Co Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2018 Ltd	Sudan & Iran	China	December 15, 2020	Yes
Sinopec Group Overseas Development 2017 Ltd	Sudan & Iran	China	September 11, 2019	Yes
Sinopec Group Overseas Development 2016 Ltd	Sudan & Iran	China	August 2, 2016	Yes
Sinopec Group Overseas Development 2015 Ltd	Sudan & Iran	China	December 15, 2020	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	Sudan & Iran	China	April 14, 2009	Yes
Sinopec Oilfield Service Corp	Sudan & Iran	China	March 25, 2008	Yes
Sinopec Shanghai Petrochemical	Sudan & Iran	China	September 19, 2007	Yes
Societe Metallurgique D'imiter	Sudan	Morocco	November 9, 2010	Yes
Soar Wind Ltd	Sudan	China	March 5, 2025	Yes
Territorial Generating Company No 1	Iran	Russia	June 4, 2019	Yes
# of Prohibited Investments	91	-	-	

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

Removed Company	Country of Incorporation
<i>Engen Botswana</i>	<i>Botswana</i>
<i>Japan Post Bank Co Ltd</i>	<i>Japan</i>

Table 8: SBA Holdings in Prohibited Investments Subject to Divestment

The SBA has the following holdings in companies on the **Prohibited Investments List** (Table 7) in accounts subject to the PFIA divestiture requirements. Sberbank was added as of the September 24, 2024 quarterly report -- requiring the holdings to be fully divested no later than September 23, 2025. This deadline may be delayed, subject to the U.S. freeze on trading Russian securities. (Holdings and market values below are as of January 31, 2025.)

Segment	Security Description	Market Value	Units/Shares
EQUITIES	SBERBANK OF RUSSIA PJSC	\$890,072.47	7,924,834

As of the previous quarterly report, the SBA had holdings in one company on the **Scrutinized Companies that Boycott Israel List** (Table 9). Storebrand ASA was added as of the December 17, 2024 quarterly report—requiring the holdings to be fully divested no later than December 16, 2025. As of this quarterly update, the SBA’s portfolio managers have sold all Storebrand ASA holdings in affected accounts.

Date	Security Description	Action	Market Value	Units/Shares
11/1/24 - 1/31/25	STOREBRAND ASA	Sold	\$4,103,182.48	384,118

Summary of Progress, SBA Investment Manager Engagement Efforts

On August 20, 2007, the SBA sent letters to 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 [Global Governance Mandates](#) section of the SBA's website. Please observe the electronic report's notes page for important clarifying explanations of included data.

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.

Section 2: Prohibited Investments by the SBA, Companies that Boycott Israel

Section 215.4725 F.S.

Summary

In 2016, the SBA was directed by state law to create a "scrutinized companies that boycott Israel" list, composed of companies that participate in a boycott of Israel including actions that limit commercial relations with Israel or Israeli-controlled territories in a discriminatory manner. The SBA is prohibited from acquiring direct holdings of the companies on this list. The law requires the SBA to use best efforts in identifying companies that boycott Israel, publish the list on a quarterly basis, send written notice to the companies, engage with the SBA's external managers concerning holdings of the companies on the list, and publish a list of the SBA's directly-held securities and certain other information detailed below.

UPDATE: During the 2023 session, the legislature revised section 215.4725, Florida Statutes, **requiring divestment of companies on the *Scrutinized Companies that Boycott Israel* list within 12 months, if engagement efforts fail.** Previously, there was only a prohibition on further purchases of companies on the list. Section 215.4725 F.S. applies only to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

The 2023 statutory changes also expanded the term, "boycott of Israel", to include the following:

The term includes taking adverse action, including changes to published commercial financial ratings, risk ratings, and controversy ratings based on nonpecuniary factors, to inflict economic harm on Israel or persons or entities doing business in Israel or in Israeli-controlled territories. The term includes trade practices that are prohibited by federal regulations issued in compliance with 50 U.S.C. s. 4842 and does not include trade practices that are preempted by federal law.

Primary Requirements of Section 215.4725 F.S.

1. Identification of companies

As required by statute, the SBA will make best efforts to identify all scrutinized companies in which the SBA has indirect or direct holdings or possibly could have holdings in the future. The SBA reviews publicly available information, including from NGOs, non-profits, government entities and research firms. SBA staff is also frequently in contact with other institutional investors regarding anti-BDS efforts. Since the law went into effect, SBA staff has communicated with several stakeholder groups in our efforts to learn more about individual company activities and determine whether they meet the criteria of the Florida statute.

SBA contracts with external research providers to obtain information on companies that are potentially engaging in BDS activities, and SBA staff incorporates the information in making a final determination of scrutinized status based on Florida statute. External research providers sell their research to a variety of subscribers, and they do not compile their lists specific to Florida law. The SBA currently contracts with ISS and MSCI. Companies that use ESG investment policies in a broadly applied manner are generally not considered by SBA to be acting in a "discriminatory manner" toward Israel.

Using various information sources, the SBA has developed two separate categorizations of a company's status for consideration under this law.

"Scrutinized" — Information provided by an external research provider, publicly available information or information from the company itself or another reliable source indicates that a company meets the classification of a Scrutinized Company as defined by Florida law.

"Continued Examination" — Information suggests but does not clearly demonstrate that a company's activities are a boycott of Israel. The SBA is unable to definitively categorize the company's activities as

scrutinized without further research to resolve the ambiguity. For companies classified as “Continued Examination,” the SBA will begin an engagement process to clarify each firm’s current business relationships.

The following definitions are provided by Florida Statutes to assist in company identification:

“Scrutinized companies” means companies that boycott Israel or engage in a boycott of Israel.

“Boycott Israel” means refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. A statement by a company that it is participating in a boycott of Israel, or that it has initiated a boycott in response to a request for a boycott of Israel or in compliance with, or in furtherance of, calls for a boycott of Israel, may be considered by the State Board of Administration to be evidence that a company is participating in a boycott of Israel. The term includes taking adverse action, including changes to published commercial financial ratings, risk ratings, and controversy ratings based on nonpecuniary factors, to inflict economic harm on Israel or persons or entities doing business in Israel or in Israeli-controlled territories. The term includes trade practices that are prohibited by federal regulations issued in compliance with 50 U.S.C. s. 4842 and does not include trade practices that are preempted by federal law.

“Direct holdings” are company securities held directly by the SBA or accounts in which SBA owns all interest (such as non-commingled funds).

“Indirect holdings” are company securities that are held in collective investment with other investors, such as commingled funds and mutual funds.

2. Publish and reporting

By the first meeting of the Trustees of the SBA after August 1, 2016, the SBA will publicly release the *Scrutinized Companies that Boycott Israel* list and thereafter provide quarterly updates of the list based on evolving information and events.

The SBA shall file a report with each member of the Board of Trustees of the SBA, the Speaker of the Florida House of Representatives, and the President of the Florida Senate within 30 days after the list is created and shall make the report publicly available. At each quarterly trustee meeting thereafter, the SBA shall file a publicly available report to these persons. The quarterly reports will include:

- a. A summary of correspondence with companies engaged by the SBA as required above.
- b. All prohibited investments (Scrutinized Companies list).
- c. Any progress made with respect to requests of SBA's external managers to remove scrutinized companies from indirect holdings or create similar funds devoid of such holdings.
- d. A list of all publicly held securities held directly by the SBA.

Actions taken in compliance with this section must be adopted and incorporated into the Investment Policy Statement as provided in Section 215.4725, F.S.

3. Engagement

The SBA is required to determine the companies on the *Scrutinized Companies that Boycott Israel* list in which the SBA has direct or indirect holdings. For each company newly identified after August 1, 2016, the public fund shall send a written notice informing the company of its scrutinized company status and that it may become subject to investment prohibition by the public fund. The notice must inform the company of the opportunity to clarify its activities regarding the boycott of Israel and encourage the company to cease the boycott of Israel within 90 days to avoid qualifying for investment prohibition or divestment.

If, within 90 days after the public fund's first engagement with a company pursuant to this paragraph, the company ceases a boycott of Israel, the company shall be removed from the *Scrutinized Companies that Boycott Israel* list, and the provisions of this section shall cease to apply to that company unless that company resumes a boycott of Israel.

4. Divestment

The requirement to divest of any entity on the *Scrutinized Companies that Boycott Israel* list was added as of the 2023 Florida Statutes, and includes the following: if, after 90 days following the SBA's first engagement, the company continues to boycott Israel, the public fund must sell, redeem, divest, or withdraw all publicly traded securities of the company from the public fund within 12 months after the company's most recent appearance on the Scrutinized Companies that Boycott Israel List.

5. Prohibition

The SBA may not acquire directly held securities of companies on the *Scrutinized Companies that Boycott Israel* list. Indirect holdings are exempt from the prohibition (such as commingled accounts, index funds and mutual funds). The SBA will submit letters to the managers of such investment funds which hold companies from the Scrutinized Companies list requesting that they consider removing the companies from the fund or creating a similar fund devoid of such holdings. SBA shall replace applicable investments in the similar fund devoid of such holdings in an expedited timeframe subject to prudent investing standards if the manager complies with such a request. Exchange-traded funds are also exempted from the prohibition and divestment requirements, without the requirement to contact the fund management. A cessation of the investment prohibition and divestment is allowed if the fund has evidence that the assets under management become equal or less than 99.5% of the hypothetical fund value assuming no investment prohibition had occurred. This must be reported to the parties listed in "Publish and reporting" and updated semi-annually for the cessation to be authorized.

Table 9: *Scrutinized Companies that Boycott Israel**New companies on the list are shaded and in bold.*

Scrutinized Company that Boycott Israel	Country of Incorporation	Date of Initial Scrutinized Classification	Full Divestment
Betsah Invest SA	Luxembourg	August 2, 2016	Yes
Betsah SA	Luxembourg	August 2, 2016	Yes
Cactus SA	Luxembourg	August 2, 2016	Yes
Co-operative Group Limited	United Kingdom	September 26, 2017	Yes
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	Turkey	August 2, 2016	Yes
Storebrand ASA	Norway	December 17, 2024	Yes
Unilever PLC (Ben & Jerry's parent company)	United Kingdom	July 29, 2021	Yes
Hindustan Unilever Ltd	India	July 29, 2021	Yes
PT Unilever Indonesia Tbk	Indonesia	July 29, 2021	Yes
Unilever Bangladesh Ltd	Bangladesh	July 29, 2021	Yes
Unilever Capital Corp (Unilever PLC bond issuance)	United States	July 29, 2021	Yes
Unilever Caribbean Ltd	Trinidad and Tobago	July 29, 2021	Yes
Unilever Consumer Care Ltd	Bangladesh	July 29, 2021	Yes
Unilever Côte d'Ivoire	Ivory Coast	July 29, 2021	Yes
Unilever Finance Netherlands BV (Unilever PLC bond issuance)	Netherlands	July 29, 2021	Yes
Unilever Ghana Ltd	Ghana	July 29, 2021	Yes
Unilever Nigeria Plc	Nigeria	July 29, 2021	Yes
Unilever Pakistan Foods Ltd	Pakistan	July 29, 2021	Yes
# of Companies that Boycott Israel	18		

The following companies were removed from the **Scrutinized Companies that Boycott Israel List**

Removed Company	Country of Incorporation
No companies were removed this quarter.	

Table 10: Continued Examination Companies that Boycott Israel*New companies on the list are shaded and in bold.*

Continued Examination Company: Israel	Country of Incorporation
MSCI Inc	USA

The following companies were **removed** from the
Companies that Boycott Israel Continued Examination List during the quarter:

Removed Company	Country of Incorporation
Morningstar, Inc (Sustainalytics)	United States

Table 11: Correspondence & Engagement Efforts

In accordance with Section 215.4725, F.S., the SBA began to engage companies on the Scrutinized Companies that Boycott Israel and Continued Examination lists. The SBA sent letters to each company per the requirements of the law. 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
Airbnb	Yes, multiple dates	Removed from Scrutinized List
Aldi	No	Removed from Continued Examination List
ASN Bank NV	No	Removed from Continued Examination List
Betsah Invest SA	No	Remains on Scrutinized List
Betsah SA	No	Remains on Scrutinized List
Cactus SA	No	Remains on Scrutinized List
Cooperative Group Gomersall	No	Removed from Scrutinized List
Co-operative Group Ltd	No	Remains on Scrutinized List
Danske Bank	Yes, multiple dates	Removed from Continued Examination List
Dexia	Yes, multiple dates	Removed from Continued Examination List
FreedomCall Ltd	Yes, November 4, 2016	Removed from Scrutinized List
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	No	Remains on Scrutinized List
HEMA BV	No	Removed from Continued Examination List
Itochu Corp	Yes, September 2, 2024	Removed from Continued Examination List
Karsten Farms	No	Removed from Continued Examination List
Morningstar, Inc (Sustainalytics)	Yes, multiple dates	Removed from Scrutinized List
MSCI Inc	Yes, multiple dates	Remains on the Continued Examination List
Storebrand ASA	Yes, September 4, 2024	Remains on Scrutinized List

Company	Company Responsive to SBA Communications	Status
U2u Consult NV	Yes, December 29, 2016	Removed from Scrutinized List
Unilever PLC	Yes, multiple dates (including August 24, 2023 response)	Remains on Scrutinized List

Section 3: Investments in Publicly Traded Companies Operating in Northern Ireland (Section 215.4702 F.S.)

Summary

The SBA is subject to s. 215.4702, Florida Statutes (F.S.) (“MacBride Principles”), which directs the SBA to notify publicly traded companies of support for the MacBride Principles, inquire regarding the actions a company has taken in support of or furtherance of the MacBride Principles, and encourage publicly traded companies with certain business operations in Northern Ireland to adopt the MacBride Principles. In addition, the SBA will also demonstrate support for the MacBride Principles through its proxy voting authority.

Requirements of the Law

As defined by the Northern Ireland statute, “publicly traded company” is any business organization having equity securities listed on a national or an international exchange that is regulated by a national or an international regulatory authority. In addition, “operating” is defined as actively engaging in commerce geographically in Northern Ireland through the acquisition, development, maintenance, ownership, sale, possession, lease, or operation of equipment, facilities, personnel, products, services, or personal property.

Publishing and Reporting

In making the determination specified in subsection (2) of 215.4702, F.S., the SBA may, to the extent it deems appropriate, rely on available public information, including information provided by nonprofit organizations, research firms, international organizations, and government entities.

The SBA is encouraged to determine which publicly traded companies, in which the Florida Retirement System Trust Fund is invested, operate in Northern Ireland. If the SBA determines that a publicly traded company meets such criteria, it is encouraged to engage with the company and determine its support for the MacBride Principles. SBA staff annually reviews the list of companies that meet the definition of publicly traded companies operating in Northern Ireland, and periodically engages those firms.

Update: During Q4 2021, the SBA conducted an engagement with all owned firms determined to have operations in Northern Ireland. The SBA sent letters to 219 firms, encouraging support for and adoption of the MacBride Principles.

Section 4: Companies Operating in Cuba or Syria
(Section 215.471 F.S.)

Summary

The Free Cuba Act of 1993 was passed by the Florida Legislature in accordance with federal law. Chapter 215.471 of the Florida Statutes prohibits the SBA from investing in: (1)(a) any institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, doing business in or with Cuba, or with agencies or instrumentalities thereof in violation of federal law; and (1)(b) any institution or company domiciled outside of the United States if the President of the United States has applied sanctions against the foreign country in which the institution or company is domiciled. Section (2)(a) states the SBA may not be a fiduciary with respect to voting on, and may not have the right to vote in favor of, any proxy resolution advocating expanded U.S. trade with Cuba or Syria.

Requirements of the Law

In order to comply with this law, the U.S. State Department and/or the Treasury Department's Office of Foreign Assets Control (OFAC) are contacted periodically to confirm that no sanctions have been implemented. Since the Act's inception, sanctions have never been issued against any country. During the fiscal year ending June 30, 2021, there were no shareowner proposals related to expanding trade with Cuba or Syria.

Section 5: Companies Operating in Venezuela

During the 2018 session, the Florida Legislature passed HB 359, prohibiting certain investments related to the Venezuelan government. The bill was signed into law by Governor Rick Scott and is effective July 1, 2018.

Florida Statute, 215.471 now requires that:

The State Board of Administration shall divest any investment under s. 121.151 and ss. 215.44-215.53, and is prohibited from investment in stocks, securities, or other obligations of:

(c)1. Any institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, doing business in or with the government of Venezuela, or with any agency or instrumentality thereof, in violation of federal law. The term “government of Venezuela” means the government of Venezuela, its agencies or instrumentalities, or any company that is majority-owned or controlled by the government of Venezuela.

2. The Governor may waive the requirements of this paragraph if the existing regime in Venezuela collapses and there is a need for immediate aid to Venezuela before the convening of the Legislature or for other humanitarian reasons as determined by the Governor.

Florida Statute 215.472 addresses state agencies and requires that:

Notwithstanding any other provision of law, each state agency, as defined in s. 216.011, is prohibited from investing in: (3)(a) Any financial institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States which, directly or through the United States or foreign subsidiary, extends credit of any kind or character, advances funds in any manner, or purchases or trades any goods or services with the government of Venezuela, or any company doing business in or with the government of Venezuela, in violation of federal law. The term “government of Venezuela” means the government of Venezuela, its agencies or instrumentalities, or any company that is majority-owned or controlled by the government of Venezuela.

(b) The Governor may waive the requirements of this subsection if the existing regime in Venezuela collapses and there is a need for immediate aid to Venezuela before the convening of the Legislature or for other humanitarian reasons as determined by the Governor.

On August 16th, 2017, the Trustees of the State Board of Administration set forth a resolution condemning the oppression of the Venezuelan citizens under the current regime and set language to be included in the State Board of Administration’s Investment Policy Statement (Florida Retirement System Defined Benefit Plan) upon review of the Investment Advisory Council, and in accordance with s.215.475(2) Florida Statutes. The resolution included the following:

1. **Prohibited Investments.** Until such time as the SBA determines it is otherwise prudent to do so, the SBA is prohibited from investing in:

- (a) any financial institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, which directly or through a United States or foreign subsidiary and in violation of federal law, makes any loan, extends credit of any kind or character, advances funds in any manner, or purchases or trades any goods or services in or with the government of Venezuela; and
- (b) any securities issued by the government of Venezuela or any company that is majority-owned by the government of Venezuela.

2. **Proxy Voting.** The SBA will not vote in favor of any proxy resolution advocating the support of the Maduro Regime in Venezuela.

Section 6: Prohibited Investments in China

Summary

During the 2024 legislative session, Florida Statutes were amended to include a section on Prohibited Foreign Investments, F.S. 215.4735, which prohibits the State Board of Administration (SBA) and the Florida Retirement System Trust Fund from acquiring or maintaining direct holdings in companies that are majority-owned by China.

The Prohibited Foreign Investments statute requires that the SBA:

1. Initiate, no later than June 1, 2024, a review of all current direct holdings to determine which direct holdings, if any, include securities of a Chinese company. "Chinese company" is defined as a company that is publicly known to be majority-owned by China (i.e., the government of the People's Republic of China, the Chinese Communist Party, the Chinese military, or any instrumentality thereof, or any combination thereof.)
2. Develop, no later than September 1, 2024, a divestment plan for all direct holdings in Chinese companies.
3. Complete divestment from direct holdings in Chinese companies included in the divestment plan no later than September 1, 2025, or at such later time if necessary for the board to implement the divestment plan consistent with the fiduciary standards set forth in s. 215.47(10).

The SBA's initial screen resulted in 547 securities that were determined to be majority-owned by China and placed on the Prohibited Investments in China List. Going forward, the SBA and its portfolio managers may not acquire, on behalf of the Florida Retirement System Trust Fund, direct holdings of any companies on the Prohibited Investments in China List. Any current holdings by the SBA are to be divested no later than September 1, 2025.

As of this quarterly update (March 5, 2025), an additional six companies have been added to the Prohibited Investments in China List, bringing the total to 576 companies. No companies were removed this quarter. New and existing companies are provided on the SBA's website, as noted below.

Due to the large number of individual securities and the volume of information, the Prohibited Investments in China List has been posted to the SBA's website and will be updated quarterly, in coordination with publication of the Global Governance Mandates report. The list of prohibited Chinese majority-owned securities can be found on the SBA's Global Governance Mandates webpage:

<https://www.sbafla.com/governance/global-governance-mandates/>

For more information, please contact:

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Investment Programs & Governance
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governance@sbafla.com



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), 215.47(10) and 112.662(1)-(3), Florida Statutes.

On August 23, 2022, the Board adopted a Resolution directing the following policy language be included in this Investment Policy Statement:

1. STANDARD OF CARE AND EVALUATION OF INVESTMENTS

- (a) The evaluation by the Board of an investment decision must be based only on pecuniary factors. As used in this section, “pecuniary factor” means a factor that the board prudently determines is expected to have a material effect on the risk and return of an investment based on appropriate investment horizons consistent with the fund’s investment objectives and funding policy. Pecuniary factors do not include the consideration of the furtherance of social, political, or ideological interests.
- (b) The board may not subordinate the interests of the participants and beneficiaries to other objectives and may not sacrifice investment return or take on additional investment risk to promote any non-pecuniary factors. The weight given to any pecuniary factor by the board should appropriately reflect a prudent assessment of its impact on risk and returns.
- (c) In the case of a conflict with this section and any other provision of Florida law, Florida law shall prevail.

2. PROXY VOTING - When deciding whether to exercise shareholder rights and when exercising such rights, including the voting of proxies, the board:

- (a) Must act prudently and solely in the interests of participants and beneficiaries and for the exclusive purpose of providing benefits to participants and beneficiaries and defraying the reasonable expenses of the Florida Retirement System Defined Benefit Pension Plan.
- (b) May not subordinate the interests of the participants and beneficiaries to other objectives and may not sacrifice investment return or take on additional investment risk to promote non-pecuniary factors.
- (c) In the case of a conflict with this section and any other provision of Florida law, Florida law shall prevail.

3. INTERNAL REVIEW

The State Board of Administration will organize and conduct a comprehensive review and prepare a report of the governance policies over the voting practices of the Florida Retirement System Defined Benefit Pension Plan, to include an operational review of decision-making in vote decisions and adherence to the fiduciary standards of the Fund. The State Board of Administration will ensure compliance with the updated Investment Policy Statement and adherence to the proxy voting requirements through the review process of this resolution. The State Board of Administration will submit its report to the Trustees no later than December 15, 2023.

The State Board of Administration will file and submit to the Governor, the Attorney General, the Chief Financial Officer, the President of the Senate and the Speaker of the House of Representatives a comprehensive report detailing and reviewing the governance policies concerning decision making in vote decisions and adherence to the fiduciary standards required under Section 112.662, Fla. Statutes, including the exercise of shareholder rights. The SBA will submit this report by December 15, 2023 and by December 15 of each odd-numbered year thereafter.

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 IAC will review formal asset allocation studies every three-years or less on an as-needed basis.

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 4.8% per annum (compounded and net of investment expenses) should be attained. 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 10-year investment horizon there is an 80 percent probability that the Target Portfolio will experience a compound annual real return between 0.1% and 9.2% and a 90 percent probability that the Target Portfolio will experience a compound annual real return between -1.4% and 10.6%.

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	95 th Percentile Real Return
1 Year	-14.8%	-10.4%	18.8%	22.9%
3 Years	-6.3%	-3.9%	13.1%	15.4%
5 Years	-4.0%	-2.0%	11.1%	13.0%
7 Years	-2.5%	-0.9%	10.1%	11.6%
10 Years	-1.4%	0.1%	9.2%	10.6%

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.

The Executive Director shall prudently execute the transition from the Target Asset Allocation in Table 2 of the Investment Policy Statement, effective January 17, 2023, to the New Target Asset Allocation in Table 2 below.

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

Asset Class	Target Allocation	Policy Range Low	Policy Range High
Global Equity	45%	35%	60%
Fixed Income	21%	12%	30%
Active Credit	7%	2%	12%
Real Estate	12%	8%	20%
Private Equity	10%	6%	20%
Strategic Investments	4%	2%	14%
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.

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

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.

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	\$ 7,367	3.62%	\$ 5,275	2.97%
25 th Percentile	\$ 7,977	3.87%	\$ 7,497	3.49%
Median	\$ 8,539	4.20%	\$ 9,744	3.99%
75 th Percentile	\$ 9,080	4.59%	\$ 13,041	4.47%
90 th Percentile	\$ 9,601	4.98%	\$ 13,149	4.91%

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 Index ex China ex Hong Kong Investable Market Index <u>MSCI All Country World Investable Market Index (ACWI-IMI)</u> , in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect securities and other investments prohibited by Florida law and SBA policy or that would be prohibited by Florida law if acquired as of the date of the measurement of such Index notwithstanding that the securities or investments were actually acquired before such date
Fixed Income	The Bloomberg U.S. Aggregate Bond Index
Active Credit	Floating based on public/private mix: (1) High Yield – Bloomberg U.S. High Yield Index; (2) Bank Loans – LSTA Leveraged Loan Index; (3) Emerging Market Debt, adjusted to reflect securities and other investments prohibited by Florida law and SBA policy – Bloomberg Emerging Market Local Currency Government 10% Country Capped, Bloomberg Emerging Market USD Sovereign, and Bloomberg Emerging Market USD Corporate; and (4) Private Credit - LSTA Leveraged Loan Index + 1.75%

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 83.3%, 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 16.7%, plus a fixed return premium of 150 basis points per annum ³
Private Equity	Global Equity Target Index, plus a fixed premium return of 250 basis points per annum
Strategic Investments	Floating based on sub-category weights: (1) Hedge Funds - Secured Overnight Financing Rate (SOFR) + 3%; (2) Real Assets – CPI + 4%; (3) Insurance Linked Securities – Swiss RE CAT Bond Total Return Index; and (4) Opportunistic Strategies – Shall be assessed against an appropriate benchmark
Cash Equivalents	Bloomberg Barclays U.S. Treasury Bill: 1-3 Months Index

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 Active Credit and 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 Active Credit and Private Market (Real Estate, Private Equity and Strategic Investments) Under and Overweights to Public Market (Global Equity and Fixed Income) Table 2 Target Allocations

Public Market Asset Classes	Float Allocation Limit	Private Market Asset Classes			
		Active Credit	Real Estate	Private Equity	Strategic Investments
Global Equity	N/A	67%	65%	100%	35%
Fixed Income	N/A	33%	35%	0%	65%

3 Core RE Non-Core RE

$$(83.3\% * \text{NFI-ODCE}) + [16.7\% * (\text{NFI-ODCE} + 150 \text{ bps})]$$

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, Strategic Investments, and Cash Equivalents asset classes shall be assessed relative to both the applicable index in Table 4 and:

- For Private Equity, the joint Cambridge Associates Global Private Equity and Venture Capital Index pooled return at peer group weights.
- For Strategic Investments, a weighted average of individual portfolios' benchmarks.
- For Cash Equivalents, the iMoneyNet First Tier Institutional Money Market Funds Net Index

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 Credit and Bank Loans (within the Active Credit asset class), 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:

- Reduce the volatility of FRS Pension Plan assets and improve the FRS Pension Plan's Sharpe Ratio, over five-year measurement periods.
- Outperform the FRS Pension Plan during periods of significant market declines.
- 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.

Other Guidelines

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.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2016-36, Laws of Florida, an act relating to companies that boycott Israel. Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.4725(5), Florida Statutes.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2018-125, Laws of Florida, an act relating to state investments in or with the government of Venezuela. Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.475(3)(a), Florida Statutes.

Subsection 215.475(3)(a) Florida Statutes is consistent with the Resolution adopted by the Trustees of the Board on August 16, 2017. At that meeting, the Board also included in the Resolution the specific direction that the SBA include in this Investment Policy Statement upon review of the IAC in accordance with Section 215.475(2) Florida Statutes, the following: “The SBA will not vote in favor of any proxy resolution advocating the support of the Maduro Regime in Venezuela.”

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2024-187, Laws of Florida, an act relating to investments in certain Chinese companies (as defined therein). Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.4735(3), 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.
- The reports listed in No. 3 above (Internal Review).

X. IMPLEMENTATION SCHEDULE

This policy statement shall be effective upon adoption by Trustees.

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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.

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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), 215.47(10) and 112.662(1)-(3), Florida Statutes.

On August 23, 2022, the Board adopted a Resolution directing the following policy language be included in this Investment Policy Statement:

1. STANDARD OF CARE AND EVALUATION OF INVESTMENTS

- (a) The evaluation by the Board of an investment decision must be based only on pecuniary factors. As used in this section, “pecuniary factor” means a factor that the board prudently determines is expected to have a material effect on the risk and return of an investment based on appropriate investment horizons consistent with the fund’s investment objectives and funding policy. Pecuniary factors do not include the consideration of the furtherance of social, political, or ideological interests.
- (b) The board may not subordinate the interests of the participants and beneficiaries to other objectives and may not sacrifice investment return or take on additional investment risk to promote any non-pecuniary factors. The weight given to any pecuniary factor by the board should appropriately reflect a prudent assessment of its impact on risk and returns.
- (c) In the case of a conflict with this section and any other provision of Florida law, Florida law shall prevail.

2. PROXY VOTING - When deciding whether to exercise shareholder rights and when exercising such rights, including the voting of proxies, the board:

- (a) Must act prudently and solely in the interests of participants and beneficiaries and for the exclusive purpose of providing benefits to participants and beneficiaries and defraying the reasonable expenses of the Florida Retirement System Defined Benefit Pension Plan.
- (b) May not subordinate the interests of the participants and beneficiaries to other objectives and may not sacrifice investment return or take on additional investment risk to promote non-pecuniary factors.
- (c) In the case of a conflict with this section and any other provision of Florida law, Florida law shall prevail.

3. INTERNAL REVIEW

The State Board of Administration will organize and conduct a comprehensive review and prepare a report of the governance policies over the voting practices of the Florida Retirement System Defined Benefit Pension Plan, to include an operational review of decision-making in vote decisions and adherence to the fiduciary standards of the Fund. The State Board of Administration will ensure compliance with the updated Investment Policy Statement and adherence to the proxy voting requirements through the review process of this resolution. The State Board of Administration will submit its report to the Trustees no later than December 15, 2023.

The State Board of Administration will file and submit to the Governor, the Attorney General, the Chief Financial Officer, the President of the Senate and the Speaker of the House of Representatives a comprehensive report detailing and reviewing the governance policies concerning decision making in vote decisions and adherence to the fiduciary standards required under Section 112.662, Fla. Statutes, including the exercise of shareholder rights. The SBA will submit this report by December 15, 2023 and by December 15 of each odd-numbered year thereafter.

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 IAC will review formal asset allocation studies every three-years or less on an as-needed basis.

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 4.8% per annum (compounded and net of investment expenses) should be attained. 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 10-year investment horizon there is an 80 percent probability that the Target Portfolio will experience a compound annual real return between 0.1% and 9.2% and a 90 percent probability that the Target Portfolio will experience a compound annual real return between -1.4% and 10.6%.

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	95 th Percentile Real Return
1 Year	-14.8%	-10.4%	18.8%	22.9%
3 Years	-6.3%	-3.9%	13.1%	15.4%
5 Years	-4.0%	-2.0%	11.1%	13.0%
7 Years	-2.5%	-0.9%	10.1%	11.6%
10 Years	-1.4%	0.1%	9.2%	10.6%

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.

The Executive Director shall prudently execute the transition from the Target Asset Allocation in Table 2 of the Investment Policy Statement, effective January 17, 2023, to the New Target Asset Allocation in Table 2 below.

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

Asset Class	Target Allocation	Policy Range Low	Policy Range High
Global Equity	45%	35%	60%
Fixed Income	21%	12%	30%
Active Credit	7%	2%	12%
Real Estate	12%	8%	20%
Private Equity	10%	6%	20%
Strategic Investments	4%	2%	14%
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.

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

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.

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	\$	7,367	3.62%	\$ 5,275 2.97%
25 th Percentile	\$	7,977	3.87%	\$ 7,497 3.49%
Median	\$	8,539	4.20%	\$ 9,744 3.99%
75 th Percentile	\$	9,080	4.59%	\$ 13,041 4.47%
90 th Percentile	\$	9,601	4.98%	\$ 13,149 4.91%

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 Index ex China ex Hong Kong Investable Market Index, in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect securities and other investments prohibited by Florida law and SBA policy or that would be prohibited by Florida law if acquired as of the date of the measurement of such Index notwithstanding that the securities or investments were actually acquired before such date
Fixed Income	The Bloomberg U.S. Aggregate Bond Index
Active Credit	Floating based on public/private mix: (1) High Yield – Bloomberg U.S. High Yield Index; (2) Bank Loans – LSTA Leveraged Loan Index; (3) Emerging Market Debt, adjusted to reflect securities and other investments prohibited by Florida law and SBA policy – Bloomberg Emerging Market Local Currency Government 10% Country Capped, Bloomberg Emerging Market USD Sovereign, and Bloomberg Emerging Market USD Corporate; and (4) Private Credit - LSTA Leveraged Loan Index + 1.75%

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 83.3%, 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 16.7%, plus a fixed return premium of 150 basis points per annum ³
Private Equity	Global Equity Target Index, plus a fixed premium return of 250 basis points per annum
Strategic Investments	Floating based on sub-category weights: (1) Hedge Funds - Secured Overnight Financing Rate (SOFR) + 3%; (2) Real Assets – CPI + 4%; (3) Insurance Linked Securities – Swiss RE CAT Bond Total Return Index; and (4) Opportunistic Strategies – Shall be assessed against an appropriate benchmark
Cash Equivalents	Bloomberg Barclays U.S. Treasury Bill: 1-3 Months Index

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 Active Credit and 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 Active Credit and Private Market (Real Estate, Private Equity and Strategic Investments) Under and Overweights to Public Market (Global Equity and Fixed Income) Table 2 Target Allocations

Public Market Asset Classes	Float Allocation Limit	Private Market Asset Classes			
		Active Credit	Real Estate	Private Equity	Strategic Investments
Global Equity	N/A	67%	65%	100%	35%
Fixed Income	N/A	33%	35%	0%	65%

³ Core RE Non-Core RE
 $(83.3\% * \text{NFI-ODCE}) + [16.7\% * (\text{NFI-ODCE} + 150 \text{ bps})]$

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, Strategic Investments, and Cash Equivalents asset classes shall be assessed relative to both the applicable index in Table 4 and:

- For Private Equity, the joint Cambridge Associates Global Private Equity and Venture Capital Index pooled return at peer group weights.
- For Strategic Investments, a weighted average of individual portfolios' benchmarks.
- For Cash Equivalents, the iMoneyNet First Tier Institutional Money Market Funds Net Index

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 Credit and Bank Loans (within the Active Credit asset class), 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:

- Reduce the volatility of FRS Pension Plan assets and improve the FRS Pension Plan's Sharpe Ratio, over five-year measurement periods.
- Outperform the FRS Pension Plan during periods of significant market declines.
- 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.

Other Guidelines

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.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2016-36, Laws of Florida, an act relating to companies that boycott Israel. Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.4725(5), Florida Statutes.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2018-125, Laws of Florida, an act relating to state investments in or with the government of Venezuela. Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.475(3)(a), Florida Statutes.

Subsection 215.475(3)(a) Florida Statutes is consistent with the Resolution adopted by the Trustees of the Board on August 16, 2017. At that meeting, the Board also included in the Resolution the specific direction that the SBA include in this Investment Policy Statement upon review of the IAC in accordance with Section 215.475(2) Florida Statutes, the following: “The SBA will not vote in favor of any proxy resolution advocating the support of the Maduro Regime in Venezuela.”

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2024-187, Laws of Florida, an act relating to investments in certain Chinese companies (as defined therein). Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.4735(3), 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.
- The reports listed in No. 3 above (Internal Review).

X. IMPLEMENTATION SCHEDULE

This policy statement shall be effective upon adoption by Trustees.

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**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

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**JAMES UTHMEIER
ATTORNEY GENERAL**

**CHRIS SPENCER
EXECUTIVE DIRECTOR**

MEMORANDUM

TO: Chris Spencer, Executive Director

FROM: Brittany Adams Long, Assistant General Counsel

DATE: February 20, 2025

SUBJECT: Agenda Item for the Trustees Meeting, March 5, 2025

Ratification of the Complaint filed by the SBA in *State Board of Administration of Florida v. Target Corporation, et al.*, filed on February 20, 2025, in the U.S. District Court for the Middle District of Florida

ACTION REQUESTED:

It is requested that the Board of Trustees of the State Board of Administration (SBA) ratify the Complaint filed by the SBA in *State Board of Administration of Florida v. Target Corporation, et al.*, filed on February 20, 2025, in the U.S. District Court for the Middle District of Florida.

IN THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FT. MYERS DIVISION

STATE BOARD OF ADMINISTRATION OF
FLORIDA,

Plaintiff,

v.

TARGET CORPORATION, BRIAN C.
CORNELL, DAVID P. ABNEY, DOUGLAS
M. BAKER, JR., GEORGE S. BARRETT,
GAIL K. BOUDREAUX, ROBERT L.
EDWARDS, MELANIE L. HEALEY,
DONALD R. KNAUSS, CHRISTINE A.
LEAHY, MONICA C. LOZANO, GRACE
PUMA, DERICA W. RICE, AND DMITRI
L. STOCKTON,

Defendants.

No. 2:25-cv-_____

JURY TRIAL DEMANDED

**CLASS ACTION COMPLAINT FOR VIOLATION OF SECTIONS 10(b), 14(a)
& 20(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 10b-5
& 14a-9 PROMULGATED THEREUNDER**

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I. PRELIMINARY STATEMENT

1. This case is related to an action currently pending in this Court captioned *Craig v. Target Corp.*, No. 2:23-cv-599-JLB-KCD (M.D. Fl.). This action arises out of the same operative facts as *Craig v. Target Corp.* Aside from changes in the identity of Plaintiffs (and corresponding changes throughout) and the addition of class allegations, the substance of this complaint matches the substance of the first amended complaint in *Craig*. This case is also related to another class action currently pending in this Court captioned *City of Riviera Beach Police Pension Fund v. Target Corp.*, No. 2:25-cv-00085 (M.D. Fla.). That action asserts “substantially the same claim or claims” as this case for purposes of 15 U.S.C. § 78u-4(a)(3)(A)(ii).

2. Target Corporation—the self-proclaimed store of the “boomer mom who drives a minivan and lives in the suburbs,” Susan Berfield, *Target’s Future Will Be Decided by Kids*, BLOOMBERG (July 7, 2016), <https://tinyurl.com/ycypw6w5>—and its Board of Directors betrayed both Target’s core customer base of working families and its investors by making false and misleading statements about Target’s Environmental, Social and Governance (ESG) and Diversity, Equity, and Inclusion (DEI) mandates that led to its disastrous 2023 children-and-family themed LGBT-Pride campaign (the “2023 LGBT-Pride Campaign”).

3. Target’s 2023 LGBT-Pride Campaign was exceptionally offensive to Target customers for obvious and apparent reasons. Target marketed the Campaign at families and children and sold highly inappropriate merchandise such as transgender “tuck-friendly” women’s swimsuits with “extra crotch coverage,” sold in XXS sizes.

The Campaign provoked immense consumer backlash and boycotts that caused Target's sales to fall for the first time in six years and wiped out over \$25 billion in Target's market capitalization—leading Target's stock to experience its longest losing streak in 23 years.

4. Target's CEO Brian Cornell and its Board of Directors did not oversee or disclose the obvious risks of Target's 2023 LGBT-Pride Campaign and the ESG/DEI initiatives which it advanced, but they told investors that they did. In doing so, they deceived Target investors as to the true nature of the risks of their investments and caused them to unknowingly support Target's Board and management in their misuse of investor funds to serve its divisive political and social goals—and ultimately cost investors billions.

5. Cornell and current and former members of Target's Board of Directors (the "Board") have violated Sections 10(b) and 14(a) of the Exchange Act and Rules 10b-5 and 14a-9 promulgated thereunder by making or causing Target to issue misleading statements to investors:

- Target's 2021 and 2022 Annual Reports misleadingly omitted that Target was subject to the risk of consumer boycotts because of its ESG/DEI initiatives like the 2023 LGBT-Pride Campaign.
- Target's 2022 and 2023 Proxy Statements falsely and misleadingly stated that Target's Board and its committees (i) oversaw social and political issues and risks arising from Target's pursuit of ESG/DEI mandates, (ii)

adopted Target’s ESG/DEI mandates in order to advance shareholder value, and (iii) proposed executive compensation plans that were aligned with shareholder value.

- Target and its CEO & Board Chairman Brian C. Cornell misleadingly downplayed the scope of consumer boycotts after they began.

Plaintiff respectfully seeks damages and declaratory relief for these violations, individually and on behalf of all others similarly situated.

* * *

6. Target portrays itself as the store of working families. Berfield, *supra*. But as Target’s formerly loyal customer base now recognizes, Target’s Board and management for years spent Target’s valuable financial and reputational capital on the pursuit of ESG/DEI initiatives of personal interest to the Board, Target’s management, and a coterie of left-wing “stakeholders” behind the facade of Target’s classic, all-American middle-class brand. They did so while falsely and misleadingly portraying the risks of this strategy to Target’s shareholders in order to artificially inflate Target’s stock price and secure the Board’s re-election and insulate itself from accountability.

7. The bill came due in May 2023, when Target faced immense customer backlash to a campaign Target undertook as a result of one of its hallmark ESG and DEI initiatives—Target’s now infamous children-and-family-themed LGBT-“Pride Month” marketing and sales campaign. The 2023 LGBT-Pride Campaign was the

most ambitious and extreme “Pride Month” campaign in Target’s history and was certain—if not intended—to prompt a strong adverse reaction from Target’s customers. It featured extensive marketing and products directed to children as young as newborns and highlighted products by a “Satanist-inspired” designer. It embroiled Target in the culture war and caused Target to experience record stock declines and foregone sales, costing investors billions.

8. The Defendants’ misconduct began when, after Defendant Brian C. Cornell took over as Chairman of Target’s Board (“Chairman”) and Chief Executive Officer (“CEO”) in 2014, Target adopted several ESG and DEI mandates that materially affected Target’s corporate strategy and business performance under the guise of working with “stakeholders.”

9. The Board and Target’s management consistently invoked “stakeholders” to justify ESG/DEI mandates that the Board and Target’s management were also personally interested in. For one component of those ESG/DEI mandates, LGBT activism, Target was at the beck and call of pro-LGBT stakeholder organizations like the Human Rights Campaign and GLAAD. Even Target’s focus on its “guests” (customers) was skewed by management to serve “stakeholder” interests in ESG/DEI initiatives rather than legitimate guest preferences.

10. After extended lobbying and other activism by pro-LGBT stakeholder organizations, Target adopted an early version of its Pride Month campaigns,

publishing a “Pride Manifesto” in 2015, *#TakePride With Target*, TARGET (June 8, 2015), <https://tinyurl.com/4y772d85>; *Target’s Pride Manifesto Video Transcript*, TARGET (June 8, 2015), <https://tinyurl.com/mu4837bw>.

11. In 2016, Target became “the central battleground of a vitriolic national debate over transgender rights” after Target published an antagonistic response to North Carolina’s transgender bathroom law. Hayley Peterson, *The Target Boycott is Spiraling Out of Control*, BUS. INSIDER (Apr. 26, 2016), <https://tinyurl.com/2s4xhz7v>; see also Rachel Abrams, *Target Steps Out in Front of Bathroom Choice Debate*, N.Y. TIMES (Apr. 27, 2016), <https://tinyurl.com/2vhfnc39>.

12. Under Target’s ESG/DEI motivated LGBT activism, Target also adopted “supplier diversity” targets, including for a majority of certain collections to be made by “LGBTQIA+ creators and brands.” *2022 Target Environmental, Social and Governance Report*, TARGET, at 45, 51 (2022), <https://tinyurl.com/mkh5dekj> (the “2022 ESG Report”).

13. Target made other substantial ESG/DEI commitments in response to “stakeholder” demands. In 2020, Target committed to an expressly race-based hiring plan by pledging to “increase representation of Black team members across the Company by 20 percent” over three years through changes to its advancement, retention, and hiring plans. Press Release, TARGET, *Target Releases Workforce Diversity Report; Plans to Increase Representation of Black Team Members Across the Company by 20 Percent*, (Sept. 10, 2020), <https://tinyurl.com/42p6uxxf>.

14. Target also launched an ESG/DEI initiative called “Target Forward” that, among other mandates, committed Target to work toward ensuring that “100% of suppliers [] have policies and programs to advance gender equity.” *Target Forward: Our Sustainability Strategy*, TARGET, <https://tinyurl.com/td7rd42k> (last accessed Aug. 3, 2023).

15. Target experienced customer and investor backlash to these initiatives. After Target’s outspoken opposition to the North Carolina transgender bathroom law, several boycotts of Target were organized, *see* Phil Wahba, *Nearly 1 Million Sign Pledge to Boycott Target Over Bathroom Policy*, FORTUNE (Apr. 28, 2016), <https://tinyurl.com/msfjn85s>, which “cost the company millions in lost sales and added expenses” after “[s]hopper traffic and same-store sales started sliding for the first time in years . . . and the company was forced to spend \$20 million installing single-occupancy bathrooms in all its stores to give critics of the policy more privacy.” Hayley Peterson, *The Target Boycott Cost More Than Anyone Expected — and the CEO Was Blindsided*, BUS. INS. (Apr. 6, 2017), <https://tinyurl.com/bdh99pj5>.

16. Shareholders, consumer groups, and conservative commentators repeatedly warned Target that its ESG/DEI initiatives and LGBT activism would cause it to lose customers.

17. In Target’s 2022 and 2023 Annual Proxy Statements, the Board assured Plaintiff and other investors that it was monitoring for social and political risks created by the ESG/DEI mandates that the Board and Target management had imposed on

the company. In reality, the Board, both itself and through the applicable Board committees, only monitored risks it perceived from *failing to achieve its self-imposed ESG/DEI mandates*. These “risks” were definably *not* “social or political” risks of ESG/DEI mandates—neither according to Target’s definition nor by how a reasonable investor would understand the phrase’s meaning—but instead were “risks” driven by Target and a select group of nonprofit-organization “stakeholders” that Target worked with to adopt those very ESG/DEI mandates. These “stakeholder”-driven “risks” were a pretext for Target to adopt ESG/DEI mandates, not a good-faith oversight of the social and political risks of adopting ESG and DEI motivated corporate policies.

18. Even if these “stakeholder”-driven risks could be defined as “social and political” risks to ESG/DEI mandates, the Board still misrepresented its oversight because the Board monitored only one side—i.e., whether it would face backlash from having *too little* ESG and DEI, and not whether its divisive ESG/DEI mandates would create social and political risk such as customer backlash.

19. Defendants knew their ESG/DEI mandates were a double-edged sword that risked backlash. After all, Target itself experienced significant backlash from its customers after Target became the face of corporate opposition to North Carolina’s transgender bathroom law in 2016, and the risk environment for Target’s and other companies’ LGBT marketing campaigns was becoming more volatile. Defendants knew companies like Walt Disney and Anheuser-Busch were experiencing immense

backlash to similar LGBT marketing initiatives. Given this risk environment, peer companies included the risk of backlash in their oversight of the social and political risks to their ESG/DEI mandates. Not so with Defendants.

20. Despite the evident risks to Target's ESG/DEI mandates, and despite the obvious and well-known risks of Target's planned exceptional and aggressive LGBT "Pride Month" campaign upcoming in May and June 2023, Target failed to disclose that Target was subject to backlash from consumers because of its ESG/DEI mandates and the upcoming LGBT campaign.

21. This misrepresentation of the Target Board's risk-oversight strategy, and its catastrophic revelation in the 2023 LGBT-Pride Campaign, rendered other essential aspects of Target's 2022 and 2023 Annual Proxy Statements misleading as well. The 2022 and 2023 Annual Proxy Statements similarly misrepresented that Target adopted ESG/DEI mandates to advance shareholder value when, in reality, Target adopted and pursued ESG/DEI mandates for the collateral interests of Defendants and Target officers who had disabling conflicts of interest that prevented them from seeking the best interests of Target shareholders.

22. The 2022 and 2023 Annual Proxy Statements also misled investors by stating that Target's proposed executive compensation plans were aligned with shareholder value when, in reality, they included substantial incentive payments to executives for meeting ambiguous and subjective "DEI progress" mandates.

23. Relying on these proxy statements, at Target’s 2022 and 2023 annual meetings Target shareholders re-elected Target’s Board, turned down multiple proposals via shareholder vote to reform the Board’s risk oversight functions, and approved executive compensation plans that incentivized Target’s officers to implement DEI programs like the 2023 LGBT-Pride Campaign.

24. Unbeknownst to investors, the Board’s and management’s years of failing to oversee the risks of their adoption of ESG and DEI mandates (and misleading investors both as to that failure and to the risks of those mandates) had made Target a house built on sand—liable to catastrophe. As a result of its aggressive ESG and DEI programs unchecked by Board oversight, Target developed an LGBT-“Pride” marketing and sales campaign that spared no one, not even toddlers.

25. No rational board of directors or management of a retailer with a core customer base of working families would have approved such a nationwide campaign; nonetheless, Target’s officials pursued it.

26. Target’s teams planning for and preparing the 2023 LGBT Pride Campaign recklessly disregarded the risk of consumer backlash. One team member stated: “I will make sales tank.” *See*, WASH. EXAM., *infra*.

27. The rain and the floods came in May 2023, when loyal Target shoppers discovered in the aisles products like:

- “LGBT Pride: Kids’ Clothing,” modeled by very young children with rainbow Mickey Mouse symbols, *see LGBT Pride: Kids Clothing*, TARGET, <https://tinyurl.com/2rpxw8ec> (last accessed Aug. 3, 2023);
- “T-shirts that say ‘Pride Adult Drag Queen “Katya,”’ ‘Trans people will always exist!’ and ‘Girls Gays Theys,’” Shannon Thaler, *Target’s Reputation Takes Hit over Children’s LGBTQ Clothing, Survey Shows*, N.Y. POST (May 24, 2023), <https://tinyurl.com/mry5eknm>;
- “[S]wimsuits with clothing tags that describe the items as having a ‘light binding effect’ on breasts and ‘tuck-friendly construction’ for male genitalia” with “extra crotch coverage,” Abigail Anthony, *Target Reportedly Moving ‘Pride’ Items to Back of Store to Avoid the Bud Light Treatment*, NAT’L REV. (May 23, 2023), <https://tinyurl.com/2s3m5vva>, with even pro-Target “fact-checkers” admitting the suits were available in “quite small” sizes, down to “extra, extra small,” Hannah Hudnall, *Target’s ‘Tuck-Friendly’ Swimsuit Is Made for Adults, Not Kids*, USA TODAY (May 26, 2023), <https://tinyurl.com/4eesw4f2>; and
- Designs like “Cure Transphobia, Not Trans People” produced by the “Satanist-Inspired” brand Abprallen, which is known for other designs that “glorif[y] violence” against so-called “transphobes,” such as “designs showing the phrases ‘We Bash Back’ with a heart-shaped mace in the trans-flag colors, ‘Transphobe Collector’ with a skull, and

‘Homophobe Headrest’ with skulls beside a pastel guillotine,” Abigail Anthony, *Target Knew of Satanist-Inspired Merchandise When It Partnered with LGBT Brand, Designer Claims*, NAT’L REV. (May 24, 2023), <https://tinyurl.com/2dvffpfz>.

28. Pro-Target “fact-checkers” further acknowledged that “[t]he Pride apparel for kids, adults and pets was located together.” *Target’s Pride Collection Features ‘Tuck-Friendly’ Swimsuits for Adults, Not Kids*, AP (May 23, 2023), <https://tinyurl.com/bdz42h9h>.

29. After immense customer backlash to Target’s LGBT-Pride campaign resulted in customer boycotts of Target, Target lost \$10 billion in market valuation over May 18–28, 2023 due to parents’ backlash over the company’s LGBT-themed clothing line for children, its “longest losing streak in 23 years.” Ronny Reyes, *Target Loses \$10B in 10 Days as Stocks Fall Following Boycott over LGBTQ-Friendly Kids Clothing*, N.Y. POST (May 28, 2023), <https://tinyurl.com/yc8r99rt>; James Rogers, *Target’s stock, on its longest losing streak in 23 years, downgraded at JPMorgan*, MARKET WATCH (June 1, 2023), <https://tinyurl.com/2vexy7z8>. Between May 17 and October 6, Target erased more than \$25 billion in market capitalization. Target’s stock value remains depressed.

30. Plaintiff is a state agency responsible for managing public pension funds that is a Target shareholder. Plaintiff owns Target stock and has suffered damages from the record decline in Target’s stock. Plaintiff stands to face further harm if

Defendants continue to make misleading statements about Target's ESG/DEI mandates and LGBT activism.

31. Plaintiff makes these allegations based upon personal knowledge as to Plaintiff and Plaintiff's own acts and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, interviews with a former Target employee, a review of Target's public documents and statements made by Defendants, U.S. Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Target Corporation, analysts' reports and advisories about the company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations herein after a reasonable opportunity for discovery.

II. PARTIES

32. Plaintiff State Board of Administration of Florida (SBA) is primarily responsible for investing the proceeds of the Florida Retirement System Pension Plan, administering the Florida Retirement System Investment Plan, managing the Florida Hurricane Catastrophe Fund, and running Florida PRIME, as well as investing the proceeds of more than 25 other funds directed to the SBA by the Florida Legislature. The SBA maintains its principal offices at 1801 Hermitage Boulevard, Tallahassee, Florida 32308.

33. Florida Attorney General James Uthmeier represents the SBA in this matter along with undersigned co-counsel. Attorney General Uthmeier is a member of the Board of Trustees of the SBA. Attorney General Uthmeier's representation in this matter will assist in seeking critical corporate governance reforms and in the recovery of losses suffered by the Florida Retirement System Pension Plan caused by Target's actions.

34. Plaintiff SBA is a Target shareholder. SBA held 787,694 shares of Target stock on March 8, 2022. SBA purchased Target stock multiple times between March 9, 2022, and August 16, 2023. *See* Exhibit A (detailing SBA's transaction history during the class period). SBA continues to hold Target stock.

35. Defendant Target is a Minnesota corporation with principal executive offices at 1000 Nicollet Mall, Minneapolis, MN, 55403-2542. Target's common stock trades in an efficient market on the New York Stock Exchange (NYSE) under the trading symbol "TGT." Target issued the 2021 Annual Report, 2022 Annual Report, the 2022 Annual Proxy Statement (the "2022 Proxy"), and the 2023 Annual Proxy Statement (the "2023 Proxy").

36. Defendant Brian C. Cornell has served as Target's Chairman and Chief Executive Officer at all relevant times, including when Target issued the 2021 and 2022 Annual Reports and 2022 and 2023 Proxy Statements. Defendant Cornell resides in Minnesota.

37. Defendant David P. Abney is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Abney resides in Georgia.

38. Defendant Douglas M. Baker, Jr. is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Baker resides in Minnesota.

39. Defendant George S. Barrett is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Barrett resides in Ohio.

40. Defendant Gail K. Boudreaux is a Target director and was a Target director when Target issued 2022 and 2023 Proxy Statements. Defendant Boudreaux resides in Indiana.

41. Defendant Robert L. Edwards is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Edwards resides in Idaho.

42. Defendant Melanie L. Healey is a former Target director and was a Target director when Target issued 2022 and 2023 Proxy Statements. Defendant Healey resides in Ohio.

43. Defendant Donald R. Knauss is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Knauss resides in Texas.

44. Defendant Christine A. Leahy is a Target director and was a Target director when Target issued 2022 and 2023 Proxy Statements. Defendant Leahy resides in Illinois.

45. Defendant Monica C. Lozano is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Lozano resides in California.

46. Defendant Grace Puma is a Target director and was a Target director when Target issued the 2023 Proxy Statement. Defendant Puma resides in Florida.

47. Defendant Derica W. Rice is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Rice resides in Rhode Island.

48. Defendant Dmitri L. Stockton is a Target director and was a Target director when Target issued the 2022 and 2023 Proxy Statements. Defendant Stockton resides in North Carolina.

49. The foregoing defendants who are or were Target directors are hereinafter referred to as the “Director Defendants.”

III. JURISDICTION AND VENUE

50. The claims asserted herein arise under Section 10(b) of the Exchange Act (15 U.S.C. § 78j(b)) and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5), Section 14(a) of the Securities Exchange Act of 1934 (15 U.S.C. § 78n(a)) and Rule

14a-9 promulgated thereunder (17 C.F.R. § 240.14a-9), and Section 20(a) of the Securities Exchange Act of 1934 (15 U.S.C. § 78t-1).

51. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

52. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Defendant Target conducts business in this Judicial District. Defendant Target sent the violative proxy statements to shareholders in this district. Defendants have minimum contacts with the United States. Defendants Target, Cornell, Abney, Baker, Barrett, Boudreaux, Edwards, Healey, Knauss, Leahy, Lozano, Puma, Rice, and Stockton each reside in the United States. Defendant Target, of which each Director Defendant was or is a director, conducts its internal affairs and business in the United States.

53. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mail, interstate telephone communications, and the facilities of the national securities markets.

IV. CONFIDENTIAL WITNESS

54. The Confidential Witness¹ previously held a senior marketing position at Target. The Confidential Witness oversaw marketing efforts for a large region of Target stores. The Confidential Witness did not leave Target's employment until after the 2023 LGBT-Pride Campaign. The Confidential Witness provided information regarding Target's planning and implementation process for the 2023 LGBT-Pride Campaign and Target's response to consumer backlash after the Campaign began.

V. CONTROL PERSON ALLEGATIONS

55. By reason of the Director Defendants' positions with Target as directors and, with respect to Defendant Cornell, his insider position with Target as CEO, the Director Defendants and Defendant Cornell possessed the power and authority to control the contents of Target's proxy statements and annual reports. The Director Defendants and Defendant Cornell were provided with copies of Target's proxy statements and had the ability and opportunity to prevent their issuance or cause them to be corrected.

56. Because of their positions with Target, and their access to material, non-public information available to them, but not to the public, the Director Defendants

¹ In an effort to protect the identities of the knowledge witness who has come forward on a confidential basis, Plaintiff has not pleaded all available information concerning job titles, locations, and starting and ending dates of employment when providing such information would be tantamount to revealing the witness's identity. Plaintiff will provide such information to the Court *in camera* if the Court so requests.

knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading.

VI. SUBSTANTIVE FACTUAL ALLEGATIONS

57. Target's 2022 Annual Report recognized that the company's core customer base is "families." Target Corp., 2022 Annual Report (Form 10-K) at 1 (Mar. 8, 2023), <https://tinyurl.com/3jtfx4v> (the "2022 Annual Report"). Management recognized in bold letters the serious risk to the company's financial prospects if that core customer base were to have a negative perception of the corporation: "**Our continued success is dependent on positive perceptions of Target which, if eroded, could adversely affect our business and our relationships with our guests and team members.**" *Id.* at 8 (emphasis in original); *see also* Nathaniel Meyersohn, *How Target Is Trying to Woo Moms and Dads*, CNN BUS. (Feb. 21, 2019), <https://tinyurl.com/yetr4hzn> ("Parents are crucial to Target's success because they spend more every year than shoppers without children, the company says.").

58. But at the same time, Target was undercutting its resiliency to that core risk by adopting divisive and extreme ESG and DEI motivated mandates, failing to oversee the risks of doing so, such as the risk of triggering a customer backlash, and misleading investors about both the mandates and these risks.

A. Under Defendant Cornell as Board Chairman and CEO, Target Undertook ESG/DEI Motivated LGBT Activism to Benefit “Stakeholders”

59. After Defendant Cornell began his tenure as Chairman and CEO as the “first outsider ever tapped to lead the company in its more than 100-year history,” Allison Kaplan & Burl Gilyard, *2019 Person of the Year: Brian Cornell*, TWIN CITIES BUS. (Dec. 1, 2019), <https://tinyurl.com/2bp68nea>, Target began adopting increasingly aggressive and costly ESG/DEI commitments that purported to benefit various company “stakeholders.” These commitments included Target’s activism on behalf of LGBT issues, which Target marketed as among its ESG/DEI initiatives.

1. Target Adopted “Stakeholder”-Oriented Corporate Governance and Undertook ESG/DEI Initiatives

60. After Defendant Cornell began his tenure, Target adopted ESG/DEI mandates under the guise of concern for “stakeholders” and stakeholder-aligned corporate governance.

a. Usage of “stakeholders” in the corporate context

61. Though the term “stakeholder” has a broad definition in general, “[i]n the corporate context . . . [i]t is used to refocus corporate decision-makers on constituencies other than their shareholders.” SEC Comm’r Hester M. Peirce, *My Beef with Stakeholders: Remarks at the 17th Annual SEC Conference*, Center for Corporate Reporting and Governance, Sept. 21, 2018, <https://tinyurl.com/2p8cf788>.

62. When companies invoke non-shareholder stakeholder constituencies like “employees” or “suppliers,” *id.*, they often are referring to social-policy issues often

raised by social-policy activists. *See* Jennifer Laidlaw & Esther Whieldon, ‘*Stakeholder capitalism, the buzzword at Davos*, S&P GLOB. (Feb. 8, 2021), <https://tinyurl.com/ybd76n2v> (defining “stakeholder capitalism” as “the idea that companies are responsible for their role in society”). As a recent example, after The Walt Disney Company received “pressure” from activists like “Equality Florida” and the “AIDS Healthcare Foundation – a rabble-rousing nonprofit group,” Gene Maddaus, *After ‘Don’t Say Gay,’ a Weakened Disney Hopes to Limit the Damage*, VARIETY (Oct. 5, 2022), <https://tinyurl.com/yc86usxy>, Disney announced its opposition to Florida’s so-called “Don’t Say Gay” bill by invoking stakeholders like “LGBTQ+ members of the Disney family[] as well as the LGBTQ+ community in Florida and across the country.” Press Release, THE WALT DISNEY CO., Statement on Disney’s Support for the LGBTQ+ Community (Mar. 11, 2022), <https://tinyurl.com/5cr8wj5j>.

63. Social-policy activists regularly characterize their issue-oriented campaigns with companies as being of “stakeholder” concern. *See, e.g.*, Lauren Costello & Marie Froehlicher, *Creating Visibility and Positive Recognition – LGBTQ+ Inclusion in the Workplace*, S&P GLOB. (June 29, 2022), <https://tinyurl.com/3zxnujsf> (surveying “stakeholder” interest in “companies . . . foster[ing] an inclusive culture for the LGBTQ+ community”).

64. Social-policy activists also seize on companies’ disclosures of their commitments to stakeholder interests. “By committing to goals of responsible citizenship, companies allow stakeholders . . . to hold them accountable to their

inclusive ideals.” Leo E. Strine Jr. & Joey Zwillinger, *What Milton Friedman Missed About Social Inequality*, N.Y. TIMES (Sept. 10, 2020), <https://tinyurl.com/yc8kjam9>. As SEC Commissioner Hester Peirce has described, such commitments by companies “introduce new pressure points that activists—or *stakeholders* as some prefer to call them—can use to strong-arm uncooperative companies into instituting policies more conducive to the activists’ agendas or punish companies that fail to fall in line.” SEC Comm’r Hester M. Peirce, Statement on Environmental, Social, and Governance Disclosures for Investment Advisers and Investment Companies, May 25, 2022, <https://tinyurl.com/5abtk5ec> (emphasis added).

65. In the corporate context, “stakeholder” interests overwhelmingly correspond to ESG/DEI issues. “Stakeholder capitalism” is a “buzzword among major players in the ESG world.” S&P GLOB., *supra*, ¶ 62; *see also* Peirce, My Beef With Stakeholders, *supra* (“[T]he ‘S’ in ESG could just as well stand for ‘stakeholder.’”). Companies’ invocation of “stakeholders” often serves as a reference point for “political and other nonrational forces operating on directors.” Robert T. Miller, *How Would Directors Make Business Decisions Under Stakeholder Model?*, 77 BUS. LAW. 773, 797–98 (2023). Though the term “stakeholder” alone is “perfectly vacuous,” its usage in corporate governance often refers to the “broad and deep agreement” on “a largely progressive political agenda that emphasizes issues such as climate change, environmental concerns, racial and gender diversity, economic equality, systematic racism, and so on.” *Id.*

b. Target's embrace of stakeholder interests

66. Defendant Cornell signed, in his capacity as Target “Chairman & CEO,” the Business Roundtable’s controversial 2019 “Statement on the Purpose of a Corporation” (the “BRT Statement”), in which he pledged to make “a fundamental commitment to all of our stakeholders,” that “[e]ach of our stakeholders is essential,” and to “commit to deliver value to all of them.” *Statement on the Purpose of a Corporation*, BUS. ROUNDTABLE (Aug. 19, 2019), <https://tinyurl.com/2z24skvy>; *see generally* Stephen M. Bainbridge, *Making Sense of the Business Roundtable’s Reversal on Corporate Purpose*, 46 J. CORP. L. 285, 285–89 (2021).

67. As Professor Bainbridge explains, the BRT Statement was controversial because state corporate law traditionally requires that directors “put shareholder interests ahead of those of other stakeholders,” and “the vast majority of stakeholders have interests that collide with shareholders.” Bainbridge, *supra*, at 287, 309 n.147 (internal quotation marks omitted). For this reason, corporate-law scholars have commented that the BRT Statement “infer[s] that the [signatories] plan to protect stakeholders beyond what would be called for by shareholder value maximization.” Lucian A. Bebchuk & Roberto Tallarita, *The Illusory Promise of Stakeholder Governance*, 106 CORNELL L. REV. 91, 127 (2020). The BRT Statement’s declaration of “all constituencies as ‘essential[]’ suggest[s] that the statement does not accord shareholders any priority over other constituencies.” *Id.* Moreover, the Business Roundtable described the statement as “a call to action to ensure the benefits of

capitalism are shared more broadly,” which “suggest[s] that implementing the commitments expressed in the statement will lead to a redistribution among constituencies relative to the current allocation of value.” *Id.*

68. Backing up Defendant Cornell’s commitments to manage Target in alignment with “stakeholder” value, Target has stated that the Board’s “governance and management systems” also “fully implement the [BRT] Statement of Purpose.”

69. After Defendant Cornell signed the BRT Statement, a Target shareholder submitted a proposal under the SEC’s Rule 14a-8 requesting that the Board provide its “perspective regarding whether and how our Company’s governance and management systems can or must be altered to fully implement the [BRT] Statement of Purpose.” *Target Corp.*, 2021 WL 429126, at *1 (SEC No-Action Letter Feb. 5, 2021); *see generally* 17 C.F.R. § 240.14a-8 (describing shareholder proposals under the SEC’s Rule 14a-8).

70. In briefings filed with the SEC opposing the shareholder proposal, Target argued that it could exclude the proposal from its proxy statement because Target had already “substantially implemented” the proposal. *Id.* at *2. Target explained that the Board’s Governance Committee “reviewed the [BRT] Statement of Purpose and the Company’s governance and management systems” in January 2021. *Id.* at *4, *7. “Based on this review, the Committee determined that the Company’s governance and management systems already fully implement the Statement of Purpose and therefore

do not need to be altered in order to fully implement the Statement of Purpose.” *Id.* at *7.

71. Target further stated that the Board’s “ongoing consideration of various stakeholders in its governance decisions and oversight of the Company’s business and strategy” was “core to the Company’s governance.” *Id.* at *5. Target also described “the view that a company should be committed to delivering value to all stakeholders, not just its shareholders” as being at the “core of the Company’s values.” *Id.*

72. To demonstrate its “full[] implement[ation]” of the BRT Statement, Target listed examples of its initiatives aimed at each stakeholder group mentioned in the BRT Statement. *Id.* at *6. Target has also since updated several of these examples via its annual social-responsibility reports (variously titled the “Corporate Responsibility Report” (2020 & 2021), “Environmental, Social and Governance Report” (2022), and “Sustainability and Governance Report” (2023)), which “report on environmental, social and governance performance issues most important to our business stakeholders.” Target Corp., 2020 Proxy Statement (Schedule 14A) at 16, <https://tinyurl.com/yy9n3tsh>.

73. The initiatives that Target identifies as responsive to each of the BRT Statement’s “stakeholder” interests, and which Target describes as being at the “core of the Company’s values” and governance, include initiatives that correspond directly to progressive positions on ESG/DEI matters.

74. Environment. The BRT Statement included “protecting the environment by embracing sustainable practices.” Among other commitments, Target has responded by making commitments on climate change. Defendant Cornell has announced that Target would achieve “net zero” carbon emissions by both the company and its supply chain by 2040—a commitment in line or better than the most progressive of “net zero” commitments recommended by the United Nations. Target 2021 Corporate Responsibility Report, at 5, 13 (2021), <https://tinyurl.com/26vwwymw>.

75. Supporting communities. The BRT Statement included “the communities in which we work” as a relevant stakeholder group. In response, Target noted its investments in groups “that expand economic opportunity equitably, enabling communities to determine their own future.” *Target Corp., supra*, at *6. Target “focus[es] on championing an inclusive society to help communities thrive, including directing philanthropic spending to communities of color to advance racial equity.” *Diversity, Equity & Inclusion*, TARGET, <https://tinyurl.com/yuewh9tv> (last accessed July 13, 2023). Target’s largest published such investment is in “racial equity,” which includes “investing \$2 billion in Black-owned businesses by 2025.” 2022 ESG Report at 3. Target also noted that it has provided “pro bono consulting services for BIPOC-owned small business [sic] in the Minneapolis-St. Paul cities.” *Target Corp., supra*, at *6.

76. Suppliers. The BRT Statement included “[d]ealing fairly and equitably with our suppliers” as a relevant stakeholder interest. Among other things, Target responded by noting its “Supplier Diversity” policy. *Target Corp., supra*, at *6. Target annually touts its growing spend with “diverse-owned suppliers,” which it defines as “suppliers that are at least 51% owned, controlled, and operated by women, BIPOC, LGBTQIA+, veterans or people with disabilities.” 2022 ESG Report at 51; *see also* 2021 Target Corporate Responsibility Report at 33–34, TARGET, <https://tinyurl.com/26vwwymw> (the “2021 CR Report”).

77. Employees. The BRT Statement included “[i]nvesting in our employees” as a relevant stakeholder interest. Among other things, Target touted its “diversity & inclusion” or DEI programming. *Target Corp., supra*, at *6. Target’s DEI initiatives include highly racially divisive concepts and other divisive social issues.

78. Defendant Cornell has declared Target “an anti-racist organization.” 2022 ESG Report at 3. In 2020, Target committed to an expressly race-based hiring plan by pledging to “increase representation of Black team members across the Company by 20 percent” over three years through changes to its advancement, retention, and hiring plans. Press Release, *Target Releases Workforce Diversity Report; Plans to Increase Representation of Black Team Members Across the Company by 20 Percent*, TARGET (Sept. 10, 2020), <https://tinyurl.com/42p6uxxf>.

79. Responding to the BRT Statement, Target also noted its employee benefit plans. After the Supreme Court’s 2022 decision in *Dobbs v. Jackson Women’s Health*

Organization, Target expanded its employee-benefit plans to compensate employees' out-of-state travel to obtain abortions. Sarah Nassauer & Anna Wilde Mathews, *Walmart, Target Show Divergence on Companies' Abortion Coverage*, WALL ST. J. (July 1, 2022), <https://tinyurl.com/3km47b5j>.

80. Target has received a 100/100 score from the LGBT activist group Human Rights Campaign for its “Three LGBTQ Internal Training and Education Best Practices,” and “LGBTQ Corporate Social Responsibility,” among other metrics. *Target Corp.*, HUM. RTS. CAMPAIGN, <https://tinyurl.com/4ktavtbb> (last visited November 22, 2023).

81. Target includes pro-transgender policies as part of its “company value” of “inclusivity,” welcoming its employees to “use the restroom or fitting room facility that corresponds with their gender identity.” Press Release, TARGET, Continuing to Stand for Inclusivity (Apr. 19, 2016), <https://tinyurl.com/2rccr9du>.

82. According to Target's DEI objectives, Target's Chief Diversity & Inclusion Officer and Vice President of Human Resources, Kiera Fernandez, has stated that even if an employee “do[esn't] believe in” Target's DEI initiatives, he or she “still ha[s] to do it to be part of this company.” Sarah Weaver, *Resurfaced Video Shows Target Diversity Chief Suggesting Employees May 'Leave' If They Think Differently*, DAILY CALLER (May 30, 2023), <https://tinyurl.com/ypw5zs4h>. “[Each employee] will be responsible for these behaviors, values, and expectations.” *Id.*

83. Fernandez also stated during a panel appearance, in her capacity as a Target officer, that companies and diversity officers should “feel more called to push and . . . resolve to be provocative” on DEI issues in the workplace. Twin Cities Business Talks, *Diversity, Equity, and Inclusion: BIPOC Women Rise to Leadership*, YOUTUBE, at 23:18–35 (June 28, 2021), <https://tinyurl.com/24zzn5xp>. Fernandez then stated that “[t]he number one thing that I would encourage white women to do is take the [DEI] learnings that you’ve invested to better understand and use your voice so the woman of color in the room doesn’t always have to be the woman that calls out transgression.” *Id.* at 57:26–49.

84. Fernandez also lauded “such a strong commitment from our CEO,” Defendant Cornell, to these DEI issues. *Id.* at 13:10–23.

85. In a blog post for Target, Fernandez characterized Target’s DEI mandates as an “infrastructure . . . that allow[s] you to integrate DE&I into your ecosystem in a way that truly drives your business.” *Target’s Kiera Fernandez Shares How We’re Championing Diversity, Equity, and Inclusion Outside Our Walls*, TARGET (Aug. 3, 2021), <https://tinyurl.com/2e9nkyz6>.

86. Defendant Cornell also stated that Target’s DEI commitments were “the right thing for society.” Fortune Editors, *Target CEO: DEI has ‘fueled much of our growth over the last 9 years’*, YAHOO FIN. (May 17, 2023), <https://tinyurl.com/2shnh5yu>.

87. Customers. The BRT Statement included “delivering value to our customers” as a relevant stakeholder interest. Among other things, Target touted how

its partnerships with “diverse suppliers and underrepresented businesses in an effort to create broader, more inclusive assortments at Target to give our guests the products and brands they want and deserve.” *Target Corp.*, *supra*, at *6.

88. Target characterizes many of its ESG/DEI initiatives as customer or “guest”-oriented and uses the “guest” stakeholder category to launch additional ESG/DEI initiatives.

89. Target’s social-responsibility reports describe how Target views the “guest” stakeholder category as an “opportunity for us to show *our* authenticity” and to “lead the design and retail industry in inclusion and create waves of change.” 2021 CR Report at 35 (emphasis added); *see also* 2022 ESG Report at 44.

90. Target characterized its “community” stakeholder investment of \$2 billion with black-owned businesses as also aimed to “create more equitable experiences for our Black guests.” Target Statement, *supra*.

91. Target has implemented product selection processes aimed at “addressing racialized design approaches by reimagining products, systems and experiences that help avoid micro-aggressions, implicit bias and systemic forms of racism.” 2022 ESG Report at 45.

c. Role of “stakeholders” in Target’s governance

92. Target has established an elaborate “stakeholder” input governance structure overseen by the Board’s Governance & Sustainability Committee.

93. The 2022 Proxy and 2023 Proxy described the allocation of “ESG matters”-oversight to Target’s management, which included its responsibility to “instill ESG-related priorities into our business operations” and “regularly engage[] with the Governance & Sustainability Committee and the full Board” on “the topics of most significance to our stakeholders”:

At the management level, our ESG matters are led and coordinated by our Senior Vice President, Corporate Responsibility, who reports to a member of our Leadership Team and regularly engages with the Governance & Sustainability Committee and the full Board. The Senior Vice President, Corporate Responsibility is responsible for:

- conducting regular priority assessments to determine the topics of most significance to our stakeholders;
- collaborating with our Leadership Team to instill ESG-related priorities into our business operations, including product design and development, sourcing and supply chain operations, human capital management, and our new store development; and
- developing ESG-related goals and managing our ESG data, measurement, and reporting.

2023 Proxy at 16, <https://tinyurl.com/36jffa5c>. The 2022 Proxy Statement was substantially similar. 2022 Proxy at 16, <https://tinyurl.com/y5sf6ajy>.

94. Target’s management describes this structure in its 2022 ESG Report and 2021 CR Report, which were produced under the Board’s and the Governance & Sustainability Committee’s oversight. *See* 2022 Target ESG Report at 56; 2021 2021 CR Report at 63.

95. In these reports and on a designated section of Target’s website, Target describes how it “regularly . . . engag[es] key stakeholders and seek[s] their insights to identify, understand and validate key issues affecting our business.” *Sustainability &*

Governance Priorities, TARGET, <https://tinyurl.com/2xnt7ny9> (last visited Nov. 23, 2023).

96. The 2022 ESG report laid out Target’s approach, which grounded Target’s ESG/DEI mandates in a series of benefits to its “business and our stakeholders”:

ESG Priorities

We aim to center our business strategy, investments, engagement and reporting on the environmental, social and governance (ESG) topics that are most important to our business *and our stakeholders* across our value chain.

As we seek to accelerate our progress – and leverage our size and scale to benefit people, the planet, and our business – our ESG priorities guide our actions in a cohesive, compelling, and risk-minded manner.

2022 Target ESG Report at 8 (emphasis added).

97. Under the heading “Stakeholder Engagement,” Target discussed how it uses “stakeholders[’] . . . valued perspectives to inform our approach to systemic change.” *Id.* at 9.

98. In its 2022 ESG Report, Target summarized its “stakeholder engagement” for “Guests” as including “[e]levating equity in supply chains and communities,” “[n]on-discrimination,” and “[r]esponsible marketing.” 2022 ESG Report at 9.

99. The 2022 ESG Report also described that Target maintains a position titled “Director of Inclusive Products,” which is responsible for advancing “social sustainability within our owned brands.” 2022 ESG Report at 44. The Director’s job

includes working with stakeholders to select Target merchandise based on Target's ESG/DEI initiatives. The Director is tasked with "working with internal teams" (like Target's internal Pride+ Business Council discussed *infra*, which has helped produce Target's Pride campaign merchandise) "as well as brands, trade groups, certification bodies, diversity organizations, and medical and academic institutions, to map social strategies to business priorities." *Id.*

100. Target's 2021 CR Report similarly described that Target "seek[s] to center our strategy, investments, internal and external engagement, and reporting on the ESG topics that are most material to our business *and our stakeholders* across our value chain." 2021 Target CR Report at 15.

101. The 2021 CR Report also notably included in the "Topics Raised" with "Guests" section "Diverse and inclusive marketing" and "Sustainable and inclusive products." *Id.*

102. Under this ESG governance framework, overseen by the Board and the Governance & Sustainability Committee, Target has dutifully adopted the ESG and DEI mandates sought by social-policy activists.

103. These "stakeholders" include the nonprofit social and environmental activist entity As You Sow, *see e.g., Target Agrees to Plastic Elimination Goal, AS YOU SOW* (May 5, 2021), <https://tinyurl.com/bddarcuc>; the climate activist nonprofit charity the Carbon Disclosure Project, *Target Corporation CDP Climate Change Questionnaire*, CARBON DISCLOSURE PROJECT (Aug. 2022),

<https://tinyurl.com/tv88ewmj> (last visited Aug. 3, 2023); and the climate activist nonprofit Ceres, *see Target, U.S. Bank Join Ceres Company Network*, CERES (Aug. 31, 2017), <https://tinyurl.com/bddcy4np>; among others.

104. Target’s website lists a variety of “partners helping drive [their] climate and energy goals,” including Anthesis, Apparel Impact Institute (AII), Arbor Day Foundation, Aspen Institute’s Cargo Owners for Zero Emissions Vessels (coZEV), Business Ambition for 1.5°C, Business for Social Responsibility (BSR), CDP, Ceres, Clean Energy Buyers Association (CEBA), Gold Standard, Race to Zero, Science Based Targets Initiative, Sustainable Apparel Coalition (SAC), The Nature Conservancy, UNFCCC Fashion Industry Charter on Climate Action, World Resources Institute (WRI), and World Wildlife Fund (WWF). *Climate and Energy, TARGET*, <https://tinyurl.com/33rux5ps> (last visited Aug. 3, 2023).

105. Target has also worked with stakeholders who use *de minimis* stockholdings, often having acquired shares for the primary purpose of advancing their social or political goals, who utilize the SEC’s Rule 14a-8 to exert pressure on companies by placing shareholder proposals before all company shareholders at stockholder meetings.

106. Target agreed with As You Sow to implement a proposal that would expand Target’s disclosure of its DEI programs. *Target Corp: Greater Disclosure of Material Corporate Diversity, Equity, and Inclusion*, AS YOU SOW (Dec. 21, 2022), <https://tinyurl.com/nhz9kbv6>.

107. Target partnered with social activist group Article One to “identify [Target’s] most salient human rights risks.” 2021 CR Report at 19. Based on this assessment, Target’s “Salient Human Rights Risk Areas” in 2019 for Target included “DE&I,” “Diverse and inclusive merchandise assortment and marketing promotions,” and “Diverse workforce and equitable hiring and development practices.” *Human Rights*, TARGET, <https://tinyurl.com/3szb9tf4> (last accessed Aug. 3, 2023).

108. Target partners with many other left-wing stakeholders, including organizations that advocate for LGBT issues and campaigns.

2. Target Engages in LGBT Activism as One of Its ESG/DEI Initiatives Aimed at Pro-LGBT “Stakeholders”

109. Companies increasingly treat “[t]he LGBT community as a stakeholder in communicating corporate social responsibility.” Marta Szyndlar & Emilia Wąsikiewicz-Firlej, *The LGBT Community as a Stakeholder in Communicating Corporate Social Responsibility: An Analysis of Selected Case Studies*, 19 SCRIPTA NEO. POS. 191 (2019); *see also* Disney Statement, *supra*.

110. Target has directly partnered with pro-LGBT stakeholder organizations on ESG/DEI mandates.

111. In response to the BRT Statement’s stakeholder group of “employees,” Target touted its “PRIDE+ Business Council,” a group of Target employees who work to “represent[] . . . the LGBTQIA+ community at Target.” *Target Corp.*, *supra*, at 9.

112. Between 2016 and the present, Target donated millions to an organization called “GLSEN” (pronounced “glisten”), which “Promotes LGBT

Activism in Schools.” Bill Pan, *Target Donated Millions of Dollars to Group That Promotes LGBT Activism in Schools*, THE EPOCH TIMES (May 26, 2023), <https://tinyurl.com/2mxc4tub>.

113. Among other things, GLSEN’s mission includes undermining parents’ federal and state constitutional and statutory rights by directing public schools to withhold “any information that may reveal a student’s gender identity to others, including [to] parents or guardian[s].” Hannah Grossman, *Target Partners with Org Pushing for Kids’ Genders to be Secretly Changed in Schools Without Parental Consent, ‘We . . . Continue to Support Their Mission,’ Target Corporation Said About GLSEN*, FOX NEWS (May 26, 2023), <https://tinyurl.com/28kckdjp>.

114. A 2020 GLSEN guide states:

Students may not be ready for their parents or guardians to know about their gender identity or expression, or that they are expressing their affirmed gender at school. Before contacting the parent or guardian of a transgender or nonbinary student, school staff should clarify with the student whether to use their gender affirming name and the pronouns that correspond to their gender identity, or whether to use their legal name when corresponding with a parent/guardian.

Model Local Education Agency Policy on Transgender and Nonbinary Students, GLSEN & NAT’L CTR. FOR TRANSGENDER EQUAL. at 5 (Oct. 2020), <https://tinyurl.com/7nsw3zkn>.

115. Target management apparently supports this mission. By funding GLSEN, Target is subsidizing GLSEN’s policy of promoting “secret gender transitions for kids.” Laurel Duggan, *Major Children’s Clothing Retailers Poured Money*

into LGBT Group That Promotes Secret Gender Transitions For Children, DAILY CALLER (May 30, 2023), <https://tinyurl.com/2p8wf5nc>.

116. Target has stated: “We’re proud to partner with GLSEN for more than a decade . . . Target annually supports GLSEN and its mission to create affirming, accessible and antiracist spaces for LGBTQIA+ students.” *LGBTQIA+ Team Members & Guests*, TARGET, <https://tinyurl.com/4pct4z37> (last visited Nov. 22, 2023).

117. Target included GLSEN promotions on displays next to merchandise during the 2023-LGBT Pride Campaign.

118. Target’s marketing senior executive Carlos Saavedra serves as treasurer at GLSEN. Hannah Grossman, *Target Marketing VP Holds Senior Position at Org Pushing Secretive Transgender Policies in K-12 Schools*, FOX NEWS (May 29, 2023), <https://tinyurl.com/38yjn67v>.

119. Target’s current Executive Vice President and Chief Food and Beverage Officer, Rick Gomez, serves on the Board of GLSEN, *GLSEN Welcomes New Leaders to National Board of Directors*, GLSEN (June 13, 2022), <https://tinyurl.com/4kz9ze9u>, and has accepted an award from GLSEN on behalf of Target, @GLSEN, X (f.k.a. TWITTER) (October 21, 2016, 10:49 PM), <https://tinyurl.com/yc36hwbj>. Prior to being named to his current role in February 2021, Gomez served in senior marketing roles relevant to executing Target’s LGBT activism. As senior vice president of brand and category marketing, Gomez was reportedly responsible for “leading marketing efforts across all merchandise categories . . . and seasonal marketing for campaigns.”

Rick Gomez, THE ORG, <https://tinyurl.com/fd49ah9k> (last visited Nov. 22, 2023). As executive vice president, chief marketing and digital officer for Target and a member of its executive leadership team, he was reportedly responsible for “overseeing marketing and media strategy, creative, guest research, e-commerce, digital strategy, and corporate responsibility.” *Id.*

120. Target has partnered with the LGBT stakeholder organization Gay & Lesbian Alliance Against Defamation (GLAAD). Among other actions, Target has partnered with GLAAD to “show their allyship with the LGBTQIA+ community and support of [GLAAD’s] Spirit Day,” which aims to highlight “LGBT youth.” *Target Encourages LGBTQIA+ youth to #TakePride for Spirit Day*, GLAAD (Oct. 22, 2021), <https://tinyurl.com/3dpa8tnu>.

121. Target has partnered with the LGBT stakeholder organizations the Human Rights Campaign, discussed below, and the National Gay & Lesbian Chamber of Commerce.

122. Target has partnered with the Family Equality Council, which was founded in 1979 as the “Gay Fathers Coalition” and is an activist on LGBT issues. *Who We Are*, FAM. EQUAL. COUN., <https://tinyurl.com/34rr9wjm> (last visited Nov. 11, 2023). Target has donated proceeds from the sale of its LGBT-Pride merchandise to the organization and partnered with the Council “for more than a decade.” STAR TRIB., *supra*.

123. Target has partnered with Out & Equal, an activist organization that works on LGBT issues in the workplace. *Who We Are*, OUT & EQUAL, <https://tinyurl.com/55647vu7> (last visited Nov. 12, 2023).

124. Target also partners with other LGBT stakeholder organizations: “We also continue to support local, regional and national LGBTQIA+ organizations throughout the year.” *LGBTQIA+ Team Members & Guests*, *supra*, ¶ 116.

125. To date, Target has never stated it partnered with any organizations opposed to the sale of LGBT-themed or Pride merchandise.

126. For years, Target has undertaken LGBT activism as part of its “stakeholder” governance and ESG/DEI initiatives. Target’s LGBT activism has been motivated by and responsive to pro-LGBT “stakeholders” who claim to hold the company accountable to its pro-LGBT public stances.

127. In 2010, after news media reported that Target made a political contribution to a political action committee supporting a Republican candidate’s campaign for Minnesota governor, several left-of-center groups condemned Target for supporting a candidate who purportedly opposed LGBT rights.

128. The Human Rights Campaign proclaimed that despite Target’s “model employment policies for LGBT people,” Target’s donation “was a slap in the face” to the LGBT community, and placed a full-page ad in the Minnesota Star-Tribune calling on Target to “make it right.” Press Release, HUM. RTS. CAMPAIGN, Target Corporation Message to LGBT Community: We Won’t Make it Right (Aug. 16,

2010), <https://tinyurl.com/rumkt2ha>; *You Can't Have it Both Ways: Target and Best Buy Fund Anti-LGBT Rights Candidate in Minnesota*, NAT'L ORG. FOR WOM. (Aug. 2, 2010), <https://tinyurl.com/8fw8ma5m>. The Human Rights Campaign also dropped Target from its "Buying for Equality" consumer guide. *HRC Drops Target*, THE ADVOC. (Aug. 20, 2010), <https://tinyurl.com/5md23xac>.

129. The liberal activist group MoveOn.org released a TV advertisement calling on customers to "Boycott Target" and directed viewers to a website titled "targetboycott.org." Jeanne Cummings, *MoveOn Calls for Boycott of Target*, POLITICO (Aug. 18, 2010), <https://tinyurl.com/2h9mkren>.

130. A group of pro-ESG/DEI investment activists and nonprofits—consisting of the Pride Foundation, the Tides Foundation, Walden Asset Management, Calvert Asset Management, and Trillium Asset Management, among others—sponsored a shareholder proposal labeling Target's political contribution to the PAC as "ironic[]" given Target's reputation for "forward-looking policies and benefits for gay and lesbian employees" and calling for the independent members of the Board to "review" Target's political contributions. *Target Corp.* at 35–36 (Feb. 28, 2011) *available at* <https://tinyurl.com/y3zm2zjt>.

131. After stakeholder pressure began, Target's then-CEO issued an apology stating he was "genuinely sorry" for how the company's actions were received by stakeholders and committed to setting up a review process for future contributions. Jack Crosby, *Target Apologizes for Giving to Group Backing Emmer*, STAR TRIB. (Aug. 6,

2010), <https://tinyurl.com/u6rh62td>. The CEO also pledged to consult stakeholders including “a group of companies and partner organizations for a dialogue focused on diversity and inclusion in the workplace, including GLBT issues.” Scott Stiffler, *Target hits the LGBT market, with much-improved aim*, WASH. BLADE (Nov. 29, 2019), <https://tinyurl.com/yvbx33>.

132. Target also responded by making changes to its political giving policy “to evolve” after the controversy. Speaking with the LGBT media outlet the *Washington Blade*, a Target spokesperson stated that, after considering the perspectives of “our team members, our guess, or other stakeholders,” Target had “evolve[d]” and made “changes [that] are really reflective of that perspective that we gained over the 2010 election cycle.” Chris Johnson, *Target enacts new political giving policies*, WASH. BLADE (Feb. 17, 2011), <https://tinyurl.com/yeymrffuu>. In its briefings before the SEC, Target also argued that its changes to its political giving policy “satisfied the essential objective” of the ESG/DEI stakeholders’ shareholder proposal. *Target Corp.*, *supra* ¶ 130, at 26.

133. Just over a year later, Target launched its first reported gay-themed merchandise and announced it would donate the proceeds of the merchandise sales to one of its stakeholders, the pro-LGBT activist group Family Equality Council. Janet Moore, *Line of Target T-shirts to Support Gay Pride*, STAR TRIB. (May 22, 2012), <https://tinyurl.com/2h6fue4a>. The campaign bore the slogan, “Wear It With Pride” shirts included rainbow-hued designs such as “Love is love,” and “Harmony.” *Id.*

134. A Target spokeswoman explained that, over the course of the previous year, Target “heard from our team members and guests that they’d like to see an assortment of Pride merchandise available at Target,” and was led by Target’s “LGBTQA Business Council.” *Id.*

135. Stakeholders remained frustrated that Target had not taken a formal position on gay marriage. Asked about the issue during one of Target’s annual meetings, Target’s CEO stated that the company would “remain neutral.” *Target Corp. Says It’s Neutral on Minnesota’s Gay Marriage Amendment*, GRAND FORKS HER. (June 9, 2011), <https://tinyurl.com/49emcr3p>.

136. In August 2014, Target announced it had signed an amicus brief “in support of marriage equality.” Press Release, TARGET, *Target Signs Amicus Brief on Marriage Equality* (Aug. 5, 2014), <https://tinyurl.com/3dm3x5ba>. Target’s then-Executive Vice President and Chief Human Resources Officer stated that while “the issues [the brief] addresses have significant impact on businesses,” “*it is more than that*” and we agreed that now is the right time to more directly share our views on this issue.” *Id.* (emphasis added).

137. Stakeholders praised Target’s announcement of its pro-LGBT position. *See, e.g.*, Press Release, HUM. RTS. CAMPAIGN, *Target Signs on to Brief Supporting Marriage Equality Cases* (Aug. 5, 2014), <https://tinyurl.com/2dhvcd6v>.

138. After the Supreme Court’s decision in *Obergefell v. Hodges* in June 2015, Target LGBT stakeholders like the Human Rights Campaign called on companies to

take action in support of LGBT interests to take press their advantage. *See, e.g.,* Jake Miller, *After Supreme Court win, LGBT Activists Look Beyond Same-Sex Marriage*, CBS NEWS (July 1, 2015), <https://tinyurl.com/5c4ae3tc>.

139. Target continued its shift in favor of LGBT public policy in 2015 by publicly endorsing the federal Equality Act, declaring that “Target proudly stands with the LGBT community through all that we do.” *Stronger Together: Target Signs on in Support of the Equality Act*, TARGET (Sept. 10, 2015), <https://tinyurl.com/34wmwhyj>. Target’s endorsement was in support of a Human Rights Campaign initiative to build support for the legislation. Press Release, HUM. RTS. CAMPAIGN, *With Endorsement from Target, Corporate Support for Equality Act Continues to Grow* (Sept. 15, 2015), <https://tinyurl.com/25myfzpy>.

140. Target also announced in 2015 that it would be “deepening its long-standing support” of the Human Rights Campaign by becoming a national platinum partner of the organization. *Id.* As of November 2023, Target remains one of only 19 corporate national platinum partners of the organization. *Corporate Partners*, HUM. RTS. CAMPAIGN, <https://tinyurl.com/yck2cfc3> (last visited Nov. 24, 2023).

141. Also in 2015, Target introduced its “Pride Manifesto,” which it described as “a year-round commitment to creating an inclusive culture.” *Stronger Together, supra*. Target also asked its employees to espouse this belief. *#TakePride With Target*, TARGET (June 8, 2015), <https://tinyurl.com/4y772d85>; *Target’s Pride Manifesto Video Transcript*, TARGET (June 8, 2015), <https://tinyurl.com/mu4837bw>. Target’s Executive Vice

President and Chief Corporate Social Responsibility Officer Laysha Ward declared: “We’re making our message loud and clear: Target proudly stands with the LGBT community, both as a team member and team player through all that we do.” Curtis M. Wong, *Target’s New Pride Commercial*, HUFFINGTON POST (June 9, 2015), <https://tinyurl.com/yc8dcuec>.

142. Beginning in 2015, Target also introduced rainbow-themed merchandise under its #TakePride campaign. *Id.* The campaign received widespread praise from pro-LGBT stakeholders. *See, e.g.,* GLSEN, FACEBOOK (June 9, 2015), <https://tinyurl.com/mupu42pe> (“Target’s new #TakePride campaign . . . create[s] a message about awareness and equality”); Perez Hilton (@ThePerezHilton), X (f.k.a. TWITTER) (June 22, 2016), <https://tinyurl.com/mpn46b2t> (“Thank you, @Target, for putting this in your stores! The homophobes can’t handle our shine!”).

143. Also in 2015, Target announced it would eliminate gender labels on children’s toys and other merchandise, i.e., labels for “boys” and “girls” or blue and pink coloring. Target stated it was doing so because “guests have raised important questions about a handful of signs in our stores based on gender,” and that Target would be “phas[ing] out gender-based signage.” Kathryn Robinson, *Target Ditches Gender Labels on Toys, Home and Entertainment*, NBC NEWS (Aug. 9, 2015), <https://tinyurl.com/5ae89es4>. Commenters noted stakeholder organizations had been calling for the move. *See* Christia S. Brown, *Target Is Right on Target About the Use of Gender Labels*, PSYCH. TODAY (Aug. 14, 2015), <https://tinyurl.com/y269av33>.

144. After North Carolina enacted legislation in 2016 limiting multi-occupancy bathrooms and locker rooms to occupants of the same sex, as defined on occupants' birth certificate, LGBT stakeholders called on companies to respond. *See, e.g.,* Press Release, HUM. RTS. CAMPAIGN, *More Than 100 Major CEOs & Business Leaders Urge North Carolina to Repeal Anti-LGBT Law* (Mar. 31, 2016), <https://tinyurl.com/4rtmzt9p>.

145. Target responded to LGBT stakeholders' calls for action. In April 2016, Target published a blog post responding to "proposed laws in several states" and stating: "[W]e welcome transgender team members and guests to use the restroom or fitting room facility that corresponds with their gender identity." Continuing to Stand for Inclusivity, *supra*.

146. LGBT stakeholders rallied around Target's announcement. The Human Rights Campaign published a post stating "Target's announcement, however, takes a decisive step beyond on-paper policies, serving to publicly affirm transgender people at a time when our dignity and safety are under daily attack." Beck Bailey, *Target Affirms Trans-Inclusive Policies, Makes Powerful Statement During Surge of Anti-LGBT Bills*, HUM. RTS. CAMPAIGN (Apr. 20, 2016), <https://tinyurl.com/4k3fpzte>.

147. Despite consumer backlash to Target's response to the North Carolina transgender law, *see, infra*, Part VI.B, Target doubled down on its LGBT activism, continuing to hold LGBT-"Pride Month" and other campaigns.

148. For Target's 2020 Pride Month campaign, Target's Pride+ Business Council worked with Target designers to offer Pride-themed merchandise including "more than 90 products online and in nearly 500 stores across the country, with apparel in extended sizes, accessories, swimwear and more." Press Release, TARGET, *Here's How Target's Helping Guests and Team Members Honor Pride Month* (June 11, 2020), <https://tinyurl.com/2p9svfev>.

149. For Target's 2021 Pride Month campaign, Target donated a portion of the proceeds from the sale of Pride merchandise to GLSEN. Lex Gabrielle, *Target Launches Pride Clothing Line For The Entire Family*, DIPLY (Aug. 16, 2021), <https://tinyurl.com/27ts23hz>.

150. Target's 2021 Pride Month campaign was "developed by Target designers alongside the company's Pride+ Business Council." Palmer Haasch, *TikTok Users Are Roasting Pride Month Merchandise from Giant Corporations, Targeting 'Rainbow Capitalism'*, BUS. INS. (May 4, 2021), <https://tinyurl.com/2uwv3es7>.

151. Target's 2021 Pride collection "received considerable backlash" from certain LGBT stakeholders for being insufficiently aggressive. "Users on social media called the collection homophobic because they felt the merchandise was out of touch. . . . TikTok user Julia Handra (53,000 followers) called the collection performative, saying "[Target] slapped some rainbows on a T-shirt and called themselves an ally." Gabriela Farcia-Astolfi, *Why Target Revamped Its 2022 Pride Collection After Criticism*, GLOSSY (June 24, 2022), <https://tinyurl.com/3c48ww92>.

152. For Target’s 2022 Pride Month campaign, Target recognized and responded to LGBT stakeholders’ criticisms of the 2021 campaign. A Target spokesperson announced that for the 2022 campaign, “[f]or the first time, Target partnered with brands and designers outside of the company for exclusive Pride Month collection collaborations.” *Id.* LGBT stakeholders responded positively. “Refinery 29 reported the collection was ‘Queer-TikTok approved’” as favorable reviews posted as TikTok videos reached two million views. *Id.*

153. Target also adopted pro-LGBT “supplier diversity” targets. In the 2022 ESG Report, Target stated that “59% of our Pride assortment was designed with and by LGBTQIA+ creators and brands” as part of Target’s overall strategy that sources from “suppliers that are at least 51% owned, controlled and operated by women, BIPOC, LGBTQIA+, veterans or people with disabilities.” 2022 ESG Report at 45, 51.

154. In 2022, Target signed a business statement coordinated by the Human Rights Campaign opposing the State of Florida’s “Parental Rights Act,” which it characterized as “anti-LGBTQ legislation.” Henry Berg-Brousseau, *Marriott, Hilton, American Airlines and AirBnb Join 150+ Major U.S. Companies to Oppose Anti-LGBTQ+ Legislation in Florida*, HUM. RTS. CAMPAIGN (Feb. 28, 2022), <https://tinyurl.com/46njx8zh>.

155. Target also launched a campaign to censor books writing on LGBT issues from a conservative perspective.

156. This campaign began in 2020, when Target removed a book from its stores in response to a Twitter user accusing Target of platforming “transphobia.” See Madeline Osburn, *Target Swiftly Bans Book on Behalf of Anonymous Twitter User Crying ‘Transphobia’*, THE FEDERALIST (Nov. 13, 2020), <https://tinyurl.com/5xdhvdff>.

157. After predictable “political backlash” to this move, Target reversed its decision to remove the book. Charles Bowyer & Jerry Bowyer, *Target Hits Books*, NAT’L REV. (July 30, 2021), <https://tinyurl.com/mrxhsbwu>.

158. However, Target then quietly introduced official content-based bookselling “guidelines” that systematically banned the sale of numerous conservative and right-of-center books, including those they had just put back on the shelves in response to political backlash. *Id.*

159. Banned books included Mark Levin’s THE DEMOCRAT PARTY HATES AMERICA (2023), see Paul Bedard, *Target Bans Mark Levin Book, Scared of Offending Democrats*, WASH. EXAMINER (July 5, 2023), <https://tinyurl.com/yhahvhda>; Abigail Shrier’s IRREVERSIBLE DAMAGE (2020), see Charles Bowyer & Jerry Bowyer, *supra*; Dr. Deborah Soh’s THE END OF GENDER (2020), see *id.*; and Matt Walsh’s JOHNNY THE WALRUS (2022), see Dave Urbanski, *Matt Walsh Says His Best-Selling ‘Johnny the Walrus’ Book Was Removed from Amazon’s LGBTQ Section As Well As Target’s Website: ‘The Canceling Begins’*, BLAZE MEDIA (Dec. 10, 2021), <https://tinyurl.com/bdz9hrne>.

160. The foregoing examples of LGBT activism by Target continued in substantial form when Target issued the 2022 Annual Report, 2022 Proxy, and 2023 Proxy.

B. Target's LGBT Activism Repeatedly Provoked Consumer Backlash and Subjected Target to Social and Political Risks

161. Consumers have repeatedly responded negatively to Target's LGBT activism, harming the company's reputation, marketing, and ultimately earnings, and leading to investor losses. Target's LGBT activism has also subjected Target to mounting social and political risks.

162. As early as 2011, Target was aware that the perception that Target was engaged in LGBT activism could harm the company by causing a negative reaction by Target consumers. In litigation surrounding a pro-LGBT group's canvassing support for gay marriage in California in front of Target stores, one of Target's briefs included testimony by one of its employees at a California store. The employee stated:

Some guests have told us they are offended by the controversial pro-gay marriage messaging of the solicitors, and that they assume Target promotes the same view. . . . One guest informed us that they were going to return everything they have bought because they were offended by the group. Many mothers with children have complained about the sensitive nature of the solicitors' messaging.

Zack Ford, *Court Documents: Target Fears Customers Will Think It Promotes Same-Sex Marriage*, THINK PROGRESS (Mar. 26, 2011), <https://tinyurl.com/yku8fw58>.

163. Target's first LGBT-themed merchandise campaign in 2012 provoked backlash from social and political leaders, who in turn notified consumers of Target's controversial actions.

164. Family Research Council President Tony Perkins stated that Target's campaign wasn't "'very smart,' especially in conservative states, where [Target] does the biggest business" and called on listeners to "Let Target know that its agenda isn't your style. Log on to target.com, scroll down, and click 'Contact Us.'" Brian Tashman, *American Family Association, Family Research Council Attack Target for Selling 'Pride' T-Shirts*, RIGHT WING WATCH (May 23, 2012), <https://tinyurl.com/vdtamvpz>.

165. The American Family Association released an "action alert" stating "Target is joining President Obama in ramming same-sex marriage down the throats of the American people" and calling on readers to "[s]end an email to Target['s] Chairman" to "[l]et him know that a majority of Americans oppose same-sex marriage and are able to use their pocketbooks to voice their opposition to companies that support it." *Id.*

166. After Target joined amicus briefs supporting gay marriage in 2014, several groups, including the National Organization for Marriage, the Liberty Counsel, and American Decency Association organized a consumer protest in response. National Organization for Marriage President Brian Brown stated:

Target and other companies need to be forced to realize that it is their alignment with the radical cause of redefining marriage that is "bad for business" . . . So I'm announcing a new boycott today, against Target, for insulting consumers like you and me. The brief they signed in court this week insinuates that people like you and me, who would vote to uphold traditional marriage, as akin to segregationists and racial bigots. Would you want to shop at a place that viewed you in that way?

Who's Targeting Whom?, NAT'L ASSOC. FOR MARRIAGE (Aug. 7, 2014), <https://tinyurl.com/457wdsue>. The petition associated with the protest reportedly received double its targeted number of signatures. See Alfred Verhoeven, *Boycotts As a Marketing Instrument*, MARKETING THE RAINBOW, <https://tinyurl.com/49twwna7> (last visited November 21, 2023); Lucas Grindley, *NOM Aims Low on Boycott of Target Over Support for Marriage Equality*, THE ADVOC. (Aug. 8, 2014), <https://tinyurl.com/44afvc67>.

167. Target's initiative to eliminate "boys" and "girls" labeling on toys and other merchandise also sparked backlash from social and political commentators, who called on consumers to respond.

168. The Reverend Franklin Graham, president of the Billy Graham Evangelistic Association, published a Facebook post that was liked by over 102,000 users that stated: "I think Target may be forgetting who has made their stores strong. It's not gender-neutral people out there—it's working American families, fathers and mothers with boys and girls they love" and "let Target know what you think. Let them know that you are perfectly willing to shop where the genders God created are appreciated." Franklin Graham, FACEBOOK (June 9, 2015), <https://tinyurl.com/4zsemtk4>.

169. The popular conservative commentator Matt Walsh explained how Target's preference of stakeholders over its consumers led to the decision. Citing news media accounts of Target stakeholders, Walsh explained that "[a] few hypersensitive,

hyperliberal parents complained that gender segregation in the toy department makes kids feel ‘deflated’ and ‘chastised,’ and Target made the change to accommodate them. The sensitivities of the 0.0001 percent outweighed the concerns of the 99.999 percent, as usual.” Matt Walsh, *Yes, Target, I Do Want My Daughter To Conform To Her Gender*, THE BLAZE (Aug. 13, 2015), <https://tinyurl.com/4v2n6xh8>.

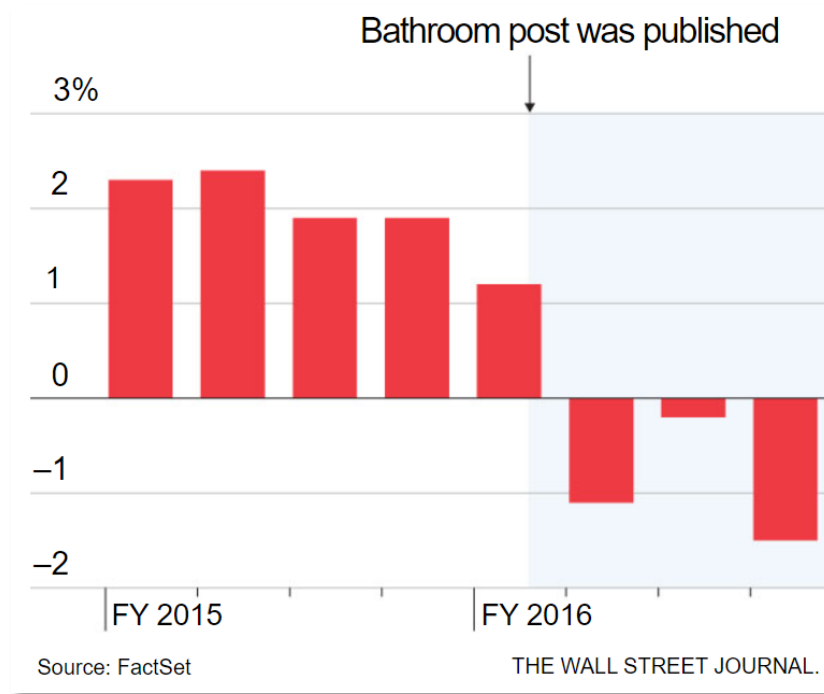
170. The risks and harms to Target’s reputation from its LGBT activism boiled over into massive consumer backlash when Target published its transgender bathroom post responding to North Carolina’s 2016 bill. Target provoked outrage and experienced significant losses because of its response to a law passed by the North Carolina legislature that limited bathroom access to the sex listed on one’s birth certificate.

171. Target “botched” its response to the North Carolina law by publishing a blog post, which was reportedly not reviewed by senior management, “welcoming transgender employees and shoppers to use restrooms and fitting rooms corresponding with their gender identities” and changing Target’s signature “red bullseye logo into a gay-pride rainbow.” Khadeeja Safdar, *How Target Botched Its Response to the North Carolina Bathroom Law*, WALL ST. J. (Apr. 5, 2017), <https://tinyurl.com/ycyddz93>.

172. In response, more than 1.5 million people pledged to boycott Target over its transgender bathroom policy after a campaign from the American Family Association and other groups. *Id.* The group LifeSiteNews “put up billboards in Oklahoma urging customers to #FlushTarget and drove a truck with that message to

stores near Target’s headquarters in May,” and “[p]rotesters attended Target’s June shareholder meeting to speak out against the policy.” *Id.*

173. Target’s same-store sales growth fell in each of the next three quarters after publishing the blog post in April 2019:



Id.

174. After the massive backlash to Target’s blog post, “[a]t Target’s Minneapolis headquarters, executives scrambled to control the damage,” which, “[a]fter an internal review, executives determined . . . was the tipping point for some stores” in several markets, leading to Target closing those stores. *Id.*

175. After the incident, Defendant Cornell reportedly admitted to Target staff that “Target didn’t adequately assess the risk, and the ensuing backlash was self-inflicted,” but “it was too late to reverse course.” *Id.*

176. Nonetheless, Defendant Cornell publicly defended the decision, stating: “We took a stance, and we’re going to continue to embrace our belief of diversity and inclusion, just how important that is to our company.” Travis M. Andrews, *Target CEO Responds to Nationwide Boycott of the Store Over Transgender Bathroom Policy*, WASH. POST (May 13, 2016), <https://tinyurl.com/36xtbjec>.

177. The cost of Target’s “botched” response to the North Carolina law was steep. Target’s sales fell in each quarter following the blog post and, in response, Target was forced to “spend \$20 million to add private bathrooms to the stores that didn’t have them” and “embark[] on a multibillion-dollar revamp” of the stores that were falling behind as a result. Safdar, *supra*.

178. Consumer backlash resulting from Target’s transgender bathroom policy lasted into 2017 and 2018. At the same time, Target continued to face consumer backlash and social and political blowback from its Pride Month campaigns and LGBT merchandise.

179. Conservative commentators responded negatively to Target’s 2018 Pride Month Campaign. A Family Research Council representative stated: “I would think Target would have learned their lesson about participating in aggressive LGBT activism from the backlash they received from their open bathroom policy last year, yet they seem not to have learned that lesson,” and Target didn’t “understand that those people who signed up to boycott Target are not going to be any happier with the

Take Pride merchandise that they're offering.” *Target at It Again, Pushing Pro-LGBT Agenda*, CBN (May 12, 2017), <https://tinyurl.com/2tw2aa37>.

180. According to several online accounts, Target employees at many stores regularly received complaints from customers about LGBT-Pride merchandise during the 2021 and 2022 Pride Month campaigns and afterward.

181. In a viral video from 2021, a Target guest confronted a Target employee about its Pride merchandise, asking “Do you guys support the satanic pride propaganda?” The Target employee replied, “Yeah both. Satan and Pride.” Taylor Henderson, *A Target Employee Shut Down This Pride Month Heckler in the Best Way*, YAHOO NEWS (Nov. 10, 2021), <https://tinyurl.com/2mbjzz53> (video embedded). The guest responded by asking the Target employee, “[w]hat’s God gonna think of that?” The employee answered, “I don’t believe in God.” *Id.* The guest later stated, “God will judge you guys.” The Target employee responded: “[H]e can’t if I don’t believe in him.” *Id.*

182. During Target’s 2022 Pride campaign, Target sold transgender-related merchandise in sizes small enough for children to wear such as “chest binders” and “packing underwear,” produced by the designer “TomboyX.” Nicole Russell, *Target Normalizes Transgender Lifestyle*, THE DAILY SIGNAL (May 13, 2022), <https://tinyurl.com/2mce5x66>. Among many others, conservative commentator Allie Beth Stuckey announced she boycotted Target over its offering this merchandise.

Allie Beth Stuckey, YOUTUBE, *One Year of My Target Boycott (& They're Queerer Than Ever)*, May 15, 2023, <https://tinyurl.com/2vp5weru>.

183. Target experienced customer complaints because of these items. For example, one Target employee stated in an online forum for Target employees that there was “a lady at our store who had a fit over the compression tops” and “[s]tarted screaming at me, another tm [team member, i.e. Target employee], and a manager that we were selling items that were ‘binding our children’s genitals.’” Another commented that another guest “complain[ed] about our[] [Pride assortment]” and ask “how could anyone shop there with it being shoved in their faces[?]”

184. Target’s stock price has declined during “Pride Month,” which is ordinarily the month of June, in three of the last four years.

C. Despite Increasing Risks, Target Drastically Expanded Its LGBT Activism with the 2023 LGBT-Pride Campaign.

185. In 2023, Target LGBT stakeholder the Human Rights Campaign declared a “state of emergency” over alleged “anti-LGBTQ” laws and sentiment mounting across the country. Claire Thornton, *‘State of emergency’: LGBTQ Americans Given Dire Warning from Human Rights Campaign*, USA TODAY (June 6, 2023), <https://tinyurl.com/zb24r758>. Despite escalating backlash to Target and other companies’ similar LGBT activism, Target doubled down on its LGBT activism by planning its most aggressive LGBT-Pride Month campaign yet by far with the 2023 LGBT-Pride Campaign.

1. There Was Abundant Risk of Consumer Backlash to LGBT Activism among Similarly Situated Companies.

186. In April 2023, a month before Target began the LGBT-Pride Campaign, a consumer boycott of the brand Bud Light over its LGBT marketing campaign cost the brand over 25 percent in sales. Daniel Newman, *Bud Light Sales Continue to Plummet After Transgender Marketing Controversy*, ST. LOUIS POST-DISPATCH (May 1, 2023), <https://tinyurl.com/59skyrrsm>.

187. Similar boycotts and backlash over LGBT and other ESG/DEI marketing and product campaigns also hit other companies before Target's 2023 Pride Campaign, including:

- Nike, *see* Lauren Thomas, *Nike Shares Fall as Backlash Erupts Over New Ad Campaign Featuring Colin Kaepernick*, CNBC (Sept. 4, 2018), <https://tinyurl.com/ypwazzpu>;
- Gillette, *see* Katie Pavlich, *Woke to Broke: Gillette Loses Billions After Anti-Men, Transgender Shaving Ads*, TOWNHALL (Aug. 1, 2019), <https://tinyurl.com/2dt6c7fb>;
- National Football League, *see* Daniel Roberts, *Poll: 33% of NFL Fans 'Purportedly Stopped Watching' This Season*, YAHOO NEWS (Jan. 8, 2018), <https://tinyurl.com/3vcc7nah>;
- Netflix, *see* Staff and Agencies, *Cuties Controversy Sparks #CancelNetflix Campaign*, THE GUARDIAN (Sept. 11, 2020), <https://tinyurl.com/4x3ssn9x>;

- Major League Baseball, *see* Andrew Solender, *Republicans Vow Boycott, Retaliation Against MLB Over Pulled All-Star Game*, FORBES (Apr. 2, 2021), <https://tinyurl.com/452weztf>;
- The Walt Disney Company, *see* Andrew Stiles, *Disney Stock Down 33 Percent Since CEO Instigated Feud with DeSantis*, WASH. FREE BEACON (May 24, 2023), <https://tinyurl.com/ycwztnea>;
- Jack Daniel's, *see* Aleks Phillips, *Jack Daniels Faces Boycott Calls Over LGBT Campaign: 'Lost a Loyal Drinker,'* NEWSWEEK (Apr. 6, 2023), <https://tinyurl.com/2c43bx4>; and
- National Basketball Association, *see* Clay Travis, *NBA is America's First Bud Light-Style Fiasco But You're Not Supposed to Know That*, FOX NEWS (July 8, 2023), <https://tinyurl.com/522a45pc>;

188. Numerous companies, including Target competitors and similarly positioned companies and brands, faced concurrent backlash with Target for this year's LGBT-themed campaigns, such as:

- Walmart, *see* Giulia Carbonaro, *Walmart Under Fire for LGBTQ+ Merchandise After Target Retreats*, NEWSWEEK (May 24, 2023), <https://tinyurl.com/4d9ywpvk>;
- Kohl's, *see* Lee Brown, *Kohl's Latest Retailer Facing Boycott Calls for Selling Pride Onesie for Babies: 'Time for a Bud-Lighting,'* N.Y. POST (May 29, 2023), <https://tinyurl.com/3ta2c3cj>;

- PetSmart, *see* Aubrie Spady, *PetSmart Faces Boycott Calls for ‘Pride Dog Bikini,’ Donations to Group Pushing Gender Ideology on Students*, FOX NEWS (June 1, 2023), <https://tinyurl.com/2nsp3dve>;
- Starbucks, *see* Amelia Lucas, *Starbucks Union Claims Dozens of Stores Aren’t Allowed to Decorate for Pride*, CNBC (June 13, 2023), <https://tinyurl.com/4w27hksw>;
- Cracker Barrel, *see* Kristopher J. Brooks, *Cracker Barrel Faces Boycott Call for Celebrating Pride Month*, CBS NEWS (June 9, 2023), <https://tinyurl.com/nst84fx>;
- The North Face, *see* Danni Button, *North Face is Latest Target of Backlash After Pride Celebration Ad*, THE STREET (May 25, 2023), <https://tinyurl.com/4ffft7x5>;
- LEGO, *see* Shannon Thaler, *LEGO Becomes Latest Company Facing Boycotts Over Its ‘Transgender Building Sets’*, N.Y. POST (June 1, 2023), <https://tinyurl.com/2p85wpyn>; and
- Adidas, *see* Jessica Guynn, *Is Adidas Having a Bud Light Moment? Transgender Pride Swimsuit Touches Off Controversy*, USA TODAY (May 19, 2023), <https://tinyurl.com/5ee6ftcj>.

189. Political risk to ESG/DEI initiatives was also increasingly evident. To date, at least 99 so-called “ESG backlash” bills have been filed in state legislatures, and anti-ESG bills have become law in at least 16 states. Ross Kerber, *Business Fights Back*

as Republican State Lawmakers Push Anti-ESG Agenda, REUTERS (Apr. 24, 2023), <https://tinyurl.com/yfea62s5>; Adam Aton & Avery Ellfeldt, *States Shrug Off Warnings, Plow Ahead with Anti-ESG Laws*, E&E NEWS (June 22, 2023), <https://tinyurl.com/5yhpwvxy>.

190. Numerous companies have recognized anti-ESG backlash as a material social and political risk arising from their pursuit of ESG goals. *See, infra*, ¶¶ 269–272. And it is an emerging consensus among board-focused advisers and publications that directors should oversee anti-ESG risks. *See, e.g.*, Isabel Gottlieb, *Anti-ESG Backlash is Phenomenon Boards Must Tackle, Lipton Says*, BLOOMBERG LAW (July 27, 2023), <https://tinyurl.com/yb4p45wn>; Brooke Goodlett et al., *The “Anti-ESG” Movement: Balancing Conflicting Stakeholder Concerns and Inconsistent Regulatory Regimes*, DLA PIPER (Feb. 21, 2023), <https://tinyurl.com/2rp9j44d>.

2. Defendant Cornell and Target Commit to LGBT Activism, Ignore Risks & Develop Target’s Most Aggressive and Offensive LGBT-Pride Campaign Yet.

191. Target and executives were aware of these mounting risks but displayed no sign of accounting for these risks or changing course.

192. The President of the American Family Association twice visited Target’s headquarters and requested that Target rescind its transgender bathroom policy but was “rebuffed” each time. *Methodist Bishops, Meet Brian Cornell*, AM. FAMILY ASSOC. (June 28, 2017), <https://tinyurl.com/bdhz2kt9>.

193. Defendant Cornell wrote off the consumer backlash to Target's transgender policy as "a lot of tough feedback." *Safdar, supra*. Nonetheless, he doubled down by committing to "continue to embrace our belief of diversity and inclusion" via Pride campaigns and other forms of LGBT activism. *Id.*

194. Target was especially aware of the risks of its LGBT activism because of the backlash Bud Light had recently received and continued to receive. A Target insider stated that "given the current situation with Bud Light, the company is terrified of a Bud Light situation." Brian Flood, *Target Holds 'Emergency' Meeting over LGBTQ Merchandise in Some Stores to Avoid 'Bud Light Situation,'* FOX NEWS (May 23, 2023), <https://tinyurl.com/3wuz7rdj>.

195. Target representatives admitted to Plaintiff Inspire that "the environment seems to have changed" with respect to Target's LGBT-Pride Month campaigns.

196. Target and Defendant Cornell's reckless approach to the risk of consumer backlash because of Target's LGBT activism continued in the leadup to the 2023 LGBT-Pride Campaign, which was Target's most aggressive and offensive yet.

197. Unlike prior years' campaigns, Defendant Cornell publicly lauded Target's "teams who have been working so hard on our plans for Pride." *See, infra*, ¶ 409.

198. One member of Target's "teams" was Target's current "Senior LGBTGQIA+ Segmentation Strategist & Pride Lead," Erik Thompson, who announced that he was "[h]onored to . . . lead Target's LGBTQIA+ multicultural

merchandising strategy and Pride businesses for the company and the LGBTQIA+ & Allied communities across the the [sic] nation” and that it was “[t]ime to whip out the Glitter & Hellfire flamethrowers and rip that old world to shreds darlings.” Luke Gentile, *Target’s Newest Pride Strategist Bringing a Whole New LGBT Spirit to Christmas*, WASH. EXAM. (Nov. 16, 2023), <https://tinyurl.com/4xeeu2js>.

199. When Thompson was asked if he would hurt Target’s sales, he responded “Yes. Yes I will make sales tank.” Amanda Harding, *Target Promotes ‘GayCruella’ To ‘LGBTQIA+ Segmentation Strategist’ Amid Abysmal Sales From Pride Backlash*, THE DAILY WIRE (Nov. 15, 2023), <https://tinyurl.com/3b2u7w3j>. Thompson has been employed by Target in several corporate roles and has worked for the company since June 2014. *Id.*

200. The Confidential Witness recounted that decisions about the content of the 2023 LGBT-Pride Campaign were made at the senior-executive level and that the Campaign was a “big priority for Minneapolis.” He explained that decisions about which merchandise would be included in the 2023 LGBT-Pride Campaign “came from HQ.” He stated that decisions to sell LGBT-themed children’s apparel and “tuck-friendly” women’s swimsuits “came down from the top.”

201. Target’s 2023 LGBT-Pride Campaign was different than previous years’ “Pride Month” displays. The Confidential Witness explained that the 2023 LGBT-Pride Campaign was more expansive and aggressive than previous years’ “Pride Month” displays. In previous years, “Pride Month” related merchandise was relegated

to a small display in the “men’s” section of stores. For the 2023 LGBT-Pride Campaign, senior executives directed stores to make the display “an entire department” and “move the Pride stuff forward” to the “front and center when you walk into the store.”

202. Compounding the more prominent displays, for the 2023-LGBT Pride Campaign Target contracted with new suppliers for its LGBT-Pride merchandise that were exotic and bizarre. This was reportedly done to meet Target’s supplier diversity targets, which Target elsewhere lauded for the fact that its Pride assortment was “designed with and by LGBTQIA+ creators and brands.” Target also promoted the 2023 Pride Month more extensively than in previous years. Finally, as discussed below, Target included for the first time certain pro-LGBT children’s material and marketing materials directed at children.

203. The Confidential Witness described how senior executives’ decisions to undertake the 2023 LGBT-Pride Campaign and make it more prominent were deliberate, explaining that nothing was spontaneously decided on, and everything was thought through.” Target’s corporate “mantra now” was to “stick [its] nose so far out . . . even at the risk of alienating certain customers” and “without thinking [if] this is going too far.” It was not enough to offer LGBT-themed merchandise, Target executives viewed it as their role to “push the envelope.”

204. The 2023 LGBT-Pride Campaign was one of Target’s ESG/DEI initiatives. As Defendant Cornell later recounted, the Campaign was “part of our

commitment to support a diverse team, which helps us serve a diverse set of guests.”

Q2 2023 Target Corp Earnings Call Transcript, *infra*.

D. Target’s Disastrous 2023 LGBT-“Pride” Campaign Triggered Consumer Boycotts that Cost Investors Billions

205. In May 2023, Target undertook its now infamous 2023 LGBT-Pride Campaign, in which it marketed rainbow themed LGBT-Pride merchandise and GLSEN signs to families and children and offered shockingly offensive merchandise that provoked immense consumer backlash. The Campaign was the most ambitious and extreme in Target’s history and was certain to prompt intensely negative reactions from the working-class-family customers upon whose “positive perceptions” Target’s sales—and stock price—depended.

1. Target Rolls Out the 2023 LGBT-Pride Campaign

206. In May 2023, Target began stocking its stores with LGBT-themed clothing targeted at children and families and others.

207. For the 2023 LGBT-Pride Campaign, “Target followed a protocol that many advocates see as essential to corporate declarations of support, especially in the aftermath of Black Lives Matter protests. The retailer partnered with independent LGBTQ+ designers and advocacy organizations on apparel, swimwear, footwear, accessories, toys and messaging, with uplifting, supportive and sometimes defiant slogans. Signage was vivid and large, and displays were placed at the front of the store.” Daphne Howland, *How Target went from loud and proud – to silent*, RETAIL DIVE (June 5, 2023), <https://tinyurl.com/vhuf8duy>.

208. Target’s website listed over 100 products under the category “LGBT Pride: Kids’ Clothing,” which are often modeled by very young children and almost always feature themes designed to attract and interest them, like rainbow Mickey Mouse symbols. *LGBT Pride: Kids Clothing*, TARGET, <https://tinyurl.com/2rpxw8ec> (last visited Aug. 3, 2023).

209. The 2023 LGBT-Pride Campaign also extended to brick-and-mortar stores. News reports state that “[t]here was plenty of LGBTQ merch in Target’s children’s section,” and Target also stocked “T-shirts that say ‘Pride Adult Drag Queen “Katya,”’ ‘Trans people will always exist!’ and ‘Girls Gays Theys.’” Shannon Thaler, *Target’s Reputation Takes Hit Over Children’s LGBTQ Clothing*, *supra*.

210. No child was too young for Target, which advertised and sold LGBT-themed products like onesies, bibs, and overalls aimed at newborns and toddlers.

211. Target displayed signage and promotions for GLSEN next to children’s Pride merchandise:



RETAIL DIVE, *supra*.

212. Target also stocked other controversial merchandise in the LGBT-Pride Campaign, including extra-extra-small “swimsuits with clothing tags that describe the items as having a ‘light binding effect’ on breasts and ‘tuck-friendly construction’ for male genitalia” with “extra crotch coverage.” Abigail Anthony, *Target Reportedly Moving ‘Pride’ Items, supra*. See below:



Will Potter, *Target Takes ‘Emergency’ Action to ‘Avoid a Bud Light Situation’ and Removes ‘Tuck-Friendly’ Women’s Swimwear and LGBTQ Products from Display in Southern Stores— as CEO Defends the Line*, DAILY MAIL UK (May 23, 2023), <https://tinyurl.com/ms74wm48>.

213. Former Target Vice Chairman Gerald Storch stated “that tuck swimsuit” was “where the big mistake was made.” Agustin Hays, *Former Target exec reveals the ‘one item’ that sparked consumer firestorm*, FOX NEWS (June 3, 2023), <https://tinyurl.com/5ftxtbhs> (internal brackets omitted). While other companies might “show the rainbow,” Target’s “tuck swimsuit . . . really made the difference versus the competitors.” *Id.*

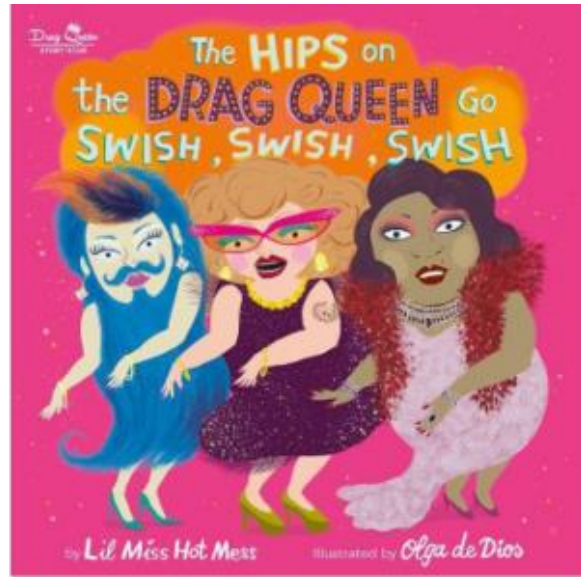
214. Target’s Pride merchandise offerings also included “pride toddler legging.” Will Hild, X (f.k.a. TWITTER), (Nov. 2, 2023) <https://twitter.com/WillHild/status/1720084164035449156>.

215. Other Pride merchandise marketed at children reportedly included rainbow sports bras modeled by young boys:



Woke Alert: Target, CONSUMERS RES., <https://consumersresearch.org/woke-alert/target/> (last visited Nov. 6, 2023).

216. Target also sold pro-LGBT children's books, including titles such as "I'm Not A Girl," "Are You a Boy or Are You a Girl?" and "The Hips on the Drag Queen Go Swish, Swish, Swish":



Id.

217. Videos filmed by consumers showed that some of the Pride merchandise depicted the outlines of naked men and women. Oli London (@OliLondonTV), X (f.k.a. TWITTER), May 10, 2023, <https://tinyurl.com/9cm25ub2>.

218. Target also knowingly stocked merchandise by “Satanist-Inspired” brand Abprallen for its pride collection, according to its designer Erik Carnell. Abigail Anthony, *Target Knew of Satanist-Inspired Merchandise*, *supra*.

219. Abprallen is known for designs that “glorif[y] violence” against so-called transphobes, such as “designs showing the phrases ‘We Bash Back’ with a heart-shaped mace in the trans-flag colors, ‘Transphobe Collector’ with a skull, and ‘Homophobe Headrest’ with skulls beside a pastel guillotine.” Abigail Anthony, *Target Partners with Satanist Brand to Create Items for ‘PRIDE’ Collection*, NAT’L REV. (May 22, 2023), <https://tinyurl.com/bdsbf9c9>. See below:



Homophobe Headrest, ABPRALLEN, <https://tinyurl.com/bddmh3yy> (last accessed Aug. 3, 2023).

220. Abprallen’s other designs also include divisive imagery, including “pentagrams, horned skulls and other Satanic products,” Siddharth Cavale, *Target Removing Some LGBTQ Merchandise Following Customer Backlash*, REUTERS (May 24, 2023), <https://tinyurl.com/y7j8hvcw>, and one design “featuring the slogan ‘Satan Respects Pronouns’ and a horned ram representing Baphomet—a half-human, half-animal deity that is both male and female.” Helen Reid, *Target Pride Backlash Exposes ‘Rainbow Capitalism’ Problem, Designer Says*, REUTERS (May 31, 2023), <https://tinyurl.com/35b9wxw2>. See below:



Abprallen (@abprallenuk), INSTAGRAM (May 29, 2023), <https://tinyurl.com/5ef2c9p7>.

221. According to an Instagram post by Carnell, Target “was fully aware of the brand’s Satanist-inspired merchandise.” Abigail Anthony, *Target Knew of Satanist-Inspired Merchandise, supra*. In the post, Carnell wrote:

When I was approached to create products for Target they told me that my work such as ‘Satan Respects Pronouns’ wouldn’t be a good fit, they were observant enough and had the necessary critical thinking skills to realise [sic] that my use of occult imagery is as harmless as any horror movie targeted towards adults but wanted my collection for adults to be a bit less gothic.

222. According to Carnell, the Abprallen designs Target sold included a fanny pack with the statement “We Belong Everywhere,” a tote that says “Too Queer For Here,” and a sweatshirt with a serpent that says “Cure Transphobia, Not Trans People.” BrieAnna J. Frank, *British Brand, not Target, sells ‘Satan Respects Pronouns’ Shirt: Fact Check*, USA TODAY (May 25, 2023), <https://tinyurl.com/bdhwcnee>.

223. Consumers stated that they were enraged by the foregoing merchandise and the revelation of the “LGBTQIA+ designers and brands” like Abprallen that Target partnered with.

224. Many consumers uploaded videos of offensive merchandise they saw at Target online on social media websites, and several videos were viewed millions of times.

225. As news of the 2023 LGBT-Pride Campaign began circulating, consumers began calling for boycotts, with messages like “Target deserves the Bud Light treatment,” Ariel Zilber, *Target’s ‘tuck-friendly’ swimwear for kids sparks outcry: ‘Bud Light 2.0’*, N.Y. POST (May 19, 2023), <https://tinyurl.com/kpdaakze>. “Graham Allen, host of the conservative *Dear America* podcast, posted several viral tweets urging his nearly 300,000 followers to boycott Target” including: “Target does NOT deserve our business” alongside a TikTok video of an angered customer displaying how extensive Target’s Pride line was. Conor Murray, *Target Removes Pride Items After Conservative Firestorm—Sparkling Criticism From LGBTQ Groups*, FORBES (May 24, 2023), <https://tinyurl.com/yv66r442>. “As of Thursday afternoon, videos on TikTok with the hashtag #boycotttarget had attracted nearly 25 million views.” Sarah Nassauer, *Target to Pull Some LGBT-Themed Merchandise After Customer Backlash*, WALL ST. J. (May 24, 2023), <https://tinyurl.com/mkykyz4>.

226. A rap song titled “Boycott Target” reached #1 on iTunes sales in the United States. Shannon Thaler, *‘Boycott Target’ Song over Retailer’s LGBTQ ‘Agenda’*

Tops iTunes — But Rappper Still Claims He’s ‘Shadow-Banned,’ N.Y. POST (May 30, 2023), <https://tinyurl.com/52kevs6f>. The song’s video features a rapper showing sexualized merchandise aimed at children in an actual Target store while encouraging customers not to shop at Target. See Forgiato Blow, *Boycott Target “Official Music Video”*, YOUTUBE (May 25, 2023), <https://tinyurl.com/48t2kp42>.

227. The foregoing consumer backlash prompted the largest boycott and reduced consumer demand for Target in recent history, perhaps ever, leading to billions in investor losses.

2. The 2023 LGBT-Pride Campaign & Consumer Boycotts Caused Target Massive Financial and Reputational Harm

228. Prior to the complete revelation of the 2023 LGBT-Pride Campaign and consumer backlash to it, Target’s stock was priced at around \$160.96 on May 17, 2023. Between May 17 and October 6, investors would wipe out more than \$25 billion in Target’s market capitalization.

229. News reports stated that Target lost \$10 billion in market valuation over May 18–28, 2023 due to parents’ backlash over the company’s LGBT-themed clothing line for children. Ronny Reyes, *Target Loses \$10B in 10 Days as Stocks Fall Following Boycott over LGBTQ-Friendly Kids Clothing*, N.Y. POST (May 28, 2023), <https://tinyurl.com/yc8r99rt>. Target’s stock value remains depressed.

230. Market observers similarly noted that Target stock endured “its longest losing streak in 23 years.” Sabrina Escobar, *Target Isn’t the Only Retailer Facing Anti-Pride Backlash*, BARRON’S (June 1, 2023), <https://tinyurl.com/yc6zn8bc>.

231. In May, “Target’s market value [fell] over \$12 billion to \$61.77 billion. . . . Mid-month the market value was over \$74 billion.” David Rutz, *Target May Have ‘Lost Control of the Narrative’ As Financial Losses, LGBT Anger Mount: Consumer Researchers*, FOX NEWS (May 31, 2023), <https://tinyurl.com/3bn2t5cz>.

232. JPMorgan downgraded Target’s stock, citing “recent company controversies” as part of the explanation that “could turn “Target’s traffic negative after an impressive run of 12 consecutive positive quarters.” Caroline Downey, *JPMorgan Downgrades Target Stock amid Backlash over LGBT Merchandise*, NAT’L REV. (June 2, 2023), <https://tinyurl.com/4jp8mrdf>. Wells Fargo analysts said the 2023 LGBT-Pride Campaign “‘generated a meaningful amount of negative in-store and social media attention’ that adds uncertainty to its already challenged near-term prospects and may be hurting store traffic.” RETAIL DIVE, *supra*.

233. This dramatic and sudden loss in company market capitalization is a direct and predictable result of management’s calculated decisions to promote sexualized material to children, and the Board’s lack of oversight thereof, as a means of virtue signaling to culturally extreme “stakeholders” at the expense of the corporation’s core customer group of families and parents, whose reputational views are paramount, as Target itself has recognized. “We call our customers ‘guests,’ [and] there is outrage on their part,” stated one Target insider who has worked there for nearly two decades. *Target Holds ‘Emergency’ Meeting*, *infra*.

234. As one investment fund described, Target's stock price drop was "primarily driven by customers and public reaction to in-store promotions for the month of June." Soumya Eswaran, *Here's Why Target Corporation (TGT) Declined in Q2*, YAHOO FIN. (Aug. 2, 2023), <https://tinyurl.com/mpu6vj65>.

235. Management's program to alienate the corporation's core customer base by promoting sexualized products for young children has caused catastrophic reputational harm. Target "took 53rd place on the 2023 Axios Harris Poll 100 corporate reputation rankings released Tuesday — the same day the chain yanked some of its Pride merch off store shelves after the pro-LGBTQ messages caused violent outbursts among customers." Shannon Thaler, *Target's Reputation Takes Hit over Children's LGBTQ Clothing, Survey Shows*, N.Y. POST (May 24, 2023), <https://tinyurl.com/mry5eknm>. "Target's 21-spot drop was the third-largest on the list." *Id.*

236. On August 16, 2023, Target reported its earnings for the second quarter of 2023, which included the months of May, June, and July during which the LGBT-Pride Campaign occurred. Target reported that its comparable sales fell for the first time in six years, declining 5.4 percent in the quarter. Press Release, TARGET CORP., *Target Corporation Reports Second Quarter Earnings* (Aug. 16, 2023), <https://tinyurl.com/3jxezp2j>. Digital comparable sales fell 10.5 percent. *Id.*

237. On Target's second quarter earnings call, Target Chief Growth Officer Christina Hennington called consumer backlash to the 2023 LGBT-Pride Campaign—

“the strong reaction to this year’s Pride assortment”—a “headwind” that negatively affected earnings. Edited Transcript, Q2 2023 Target Corp Earnings Call, TARGET (Aug. 16, 2023), <https://tinyurl.com/3mbmwn8t>.

238. Target’s stock continued to decline throughout the summer and fall. By October 6, 2023, Target’s stock price hit a low of \$105.01 per share.

239. On November 15, 2023, Target reported its earnings for the third quarter of 2023. Target’s comparable sales continued to fall, declining 4.9 percent, and digital comparable sales fell 6 percent. Press Release, TARGET, *A Closer Look at Target’s Q3 2023* (Nov. 15, 2023), <https://tinyurl.com/377nfhdhp>.

240. Target’s LGBT-Pride Campaign put it at the center of the culture-war spotlight, unsurprisingly bringing it under regulatory scrutiny from both ends of the political spectrum.

241. After Target announced the changes to the LGBT-Pride Campaign as a result of customer backlash discussed *infra*, a group of fifteen state attorneys general wrote a letter to Defendant Cornell expressing their concern that Target’s decision to reduce its commitment to the LGBT-themed marketing strategy might “set back the march for social progress and LGBTQIA+ equality.” Letter from Andrea Joy Campbell, Attorney General of Massachusetts, and fourteen other state attorneys general to Brian C. Cornell, Chairman and CEO, Target Corp. 2 (June 16, 2023), <https://tinyurl.com/29r5emzc>.

242. Instead, the attorneys general “urge[d] Target to double down on inclusivity[] [and] reject hate in all its forms,” and insinuated that Target’s reported changes to the marketing strategy might run afoul of public accommodation laws that “demand that customers be treated equally.” *Id.* at 3.

243. On July 6, 2023, a different group of seven state attorneys general sent a letter to Mr. Cornell expressing their concern for Target’s “promotion and sale of potentially harmful products to minors, related potential interference with parental authority in matters of sex and gender identity, and possible violation of fiduciary duties by the company’s directors and officers.” Letter from Todd Rokita, Attorney General of Indiana, and six other state attorneys general to Brian C. Cornell, Chairman and CEO, Target Corp. 1 (July 6, 2023), <https://tinyurl.com/4h5yyxac>.

244. The attorneys general suggested that “Target’s ‘Pride’ campaign and financial support to organizations such as GLSEN . . . raise concerns under our States’ child-protection and parental-rights laws,” including laws penalizing the “sale or distribution . . . of obscene matter” and “material harmful to minors.” *Id.* at 1, 3. In addition to expressing concerns about the campaign’s lawfulness under child-protection and parental-rights laws, the attorneys general noted their states’ beneficial interests as Target shareholders and indicated that “Target’s directors and officers may be negligent in undertaking the ‘Pride’ campaign.” *Id.* at 3.

3. Target Management's Irrational & Inconsistent Responses to Consumer Boycotts

245. Initially, Target and its officers repeatedly emphasized “safety”—not legitimate consumer backlash, boycotts, or declining sales—as the reason for any response or changes to the 2023 LGBT-Pride Campaign.

246. On May 24, 2023, Target management issued a press release, “Target Statement on 2023 Pride Collection,” in which it both announced changes to the LGBT-Pride Campaign due to consumer backlash and further doubled down on Target’s commitment to it:

For more than a decade, Target has offered an assortment of products aimed at celebrating Pride Month. Since introducing this year’s collection, we’ve experienced threats impacting our team members’ sense of safety and well-being while at work. Given these volatile circumstances, we are making adjustments to our plans, including removing items that have been at the center of the most significant confrontational behavior. Our focus now is on moving forward with our continuing commitment to the LGBTQIA+ community and standing with them as we celebrate Pride Month and throughout the year.

Press Release, *Target Statement on 2023 Pride Collection*, TARGET (May 24, 2023), <https://tinyurl.com/yns9wz9>.

247. In its press release, Target announced it would be “removing [certain Pride-related] items,” citing “threats impacting our team members’ sense of safety and well-being while at work.” *Id.*

248. A Target spokeswoman elsewhere elaborated that “people have confronted workers in stores, knocked down Pride merchandise displays, and put threatening posts on social media with video from inside stores.” Nassauer, *supra*.

249. Defendant Cornell also sent a companywide email addressing Target employees and “the LGBTQIA+ community” with a similar “safety”-related explanation for the changes:

This has been a very hard day for Target, and it follows many difficult days of deliberation and decision-making.

To our team in Stores: thank you for steadfastly representing our values. No one is better at working through uncomfortable situations in service to an inclusive guest experience.

What you’ve seen in recent days went well beyond discomfort, and it has been gut-wrenching to see what you've confronted in our aisles.

To our team in the service centers, thank you for your patience and professionalism through high volumes of angry, abusive and threatening calls. I recognize how difficult and even frightening those interactions can be, and thank you for the composure with which you've fielded those comments.

To the teams who have been working so hard on our plans for Pride - and now are showing incredible agility as we adjust - thank you. Your efforts will ensure we can still show up and celebrate Pride in meaningful ways.

To the LGBTQIA+ community, one of the hardest parts in all of this was trying to contemplate how the adjustments we're making to alleviate these threats to our team’s physical and psychological safety would impact you and your wellbeing and psychological safety. We stand with you now and will continue to do so - not just during Pride Month, but each and every day.

Those were the two guiding principles when it came time for us to act: do all we can to keep our team safe, and do all we can to honor our commitment and connection to the LGBTQIA+ community.

From a host of difficult alternatives, we have sincerely sought the best path forward, finding ways to recognize Pride Month, while making adjustments to prioritize safety. As always, we’re stronger together, and I want you to know that I’m committed to doing all I can, and all we can as a company, to support a culture across the country of care, empathy,

equity and simple civility, in hopes that we'll not have to face these kinds of agonizing decisions in the future.

Thank you for the care you've shown each other, our frontline teams and the LGBTQIA+ community.

Dominick Reuter, *Target CEO defends the decision to remove Pride displays and pledges to support the LGBTQ community. Read his letter to employees.*, BUS. INS. (May 25, 2023), <https://tinyurl.com/yehdhduv>.

250. Defendant Cornell later elaborated on this purported "safety" rationale by stating the improbable view that the threats to Target employees' safety were greater during the consumer backlash to the 2023 LGBT-Pride Campaign than during the George Floyd-inspired riots Target faced during the summer of 2020. In an interview with CNBC's Becky Quick, Cornell stated:

I've seen natural disasters, we've seen the impact of Covid leading into the pandemic, some of the violence that took place after George Floyd's murder. But I would tell you, Becky, what I saw back in May is the first time since I've been in this job where I had store team members saying it's not safe to come to work.

CNBC Transcript: Target CEO Brian Cornell Speaks with Becky Quick from the CNBC Evolve Global Summit, CNBC (Nov. 2, 2023), <https://tinyurl.com/4zkspb2z>.

251. This view was improbable because Target faced such violent criminal conduct during the Floyd riots that it was forced to "temporarily close 175 of its locations across the U.S." Lisette Voytko, *Target Closes 175 Stores Nationwide In Wake Of George Floyd Protests, Looting*, FORBES (May 31, 2020), <https://tinyurl.com/sk3b48ej>. By contrast, Target did not close any of its locations in response to the backlash to the 2023 LGBT-Pride Campaign.

252. Belying Target and Defendant Cornell’s stated rationale, on the same day as Target’s statement, a Target insider stated that Target’s internal reporting systems lacked evidence of threats. “[A]n LGBTQ employee” that spoke with Business Insider “said there was no mention of safety in the display-removal instructions they received via an internal messaging system.” Dominick Reuter, *Target Workers Say the Abrupt Removal of Pride Month Displays Has Alienated Some LGBTQ Employees*, BUS. INS. (May 24, 2023), <https://tinyurl.com/2f8f4t7e>. Instead, the employee stated that “[t]he communication provided to us explicitly said the decision to move these items was to replace them with swimwear to better meet our sales goals. Not once was safety mentioned.” *Id.*

253. Instead of threats, Target employees reported receiving calls and emails from guests “accusing the company of ‘grooming’ and ‘indoctrinating’ kids with the selection of Pride-themed apparel.” *Id.*

254. Further belying Target and Defendant Cornell’s stated rationale for moving the products, a Target insider stated that Target directed stores in politically conservative areas to “relocate[] Pride sections to avoid the kind of backlash Bud Light has received” as early as May 19—five days before Target’s May 24 statement. *Target Holds ‘Emergency’ Meeting, supra.*

255. A TikTok video of a Target employee moving Pride merchandise on May 22 further appears to confirm that Target began relocating Pride merchandise prior to Target’s May 24 statement. The video was captioned: “A guest complained about the

Pride section so they had to move it.” MaryJane (@siswiththattiktok), TIKTOK (May 22, 2023), <https://tinyurl.com/2v5mz4jz>.

256. Target employees posting on online employee forums provided their suspicions that Cornell’s statement was pretextual. “The ‘threats’ were all social media posts and not actual ‘threats’ being made on a serious basis,” said one commenter in an online Target employee forum. “Sure, there were unruly guests, but not any moreso than other years, and certainly no actual credible physical threats to stores in any capacity,” the commenter continued. Another said that Cornell was “lying through his teeth!”

257. Target provided no documentary evidence of violent threats to employees’ safety caused by *opposition* to the 2023 LGBT-Pride Campaign. Target stores were, however, reportedly subject to violent threats, including bomb threats, from *pro-LGBT* extremists at stores in Ohio, Utah, Pennsylvania, Oklahoma, New York, New Hampshire, Vermont, and Louisiana. Brian Flood, *Target Stores Received Bomb Threats Accusing Retailer of Betraying LGBTQ Community Amid Woke Backlash*, FOX NEWS (June 13, 2023), <https://tinyurl.com/565t3cdc>. One bomb threat letter written to a Vermont store proclaimed that Target “betray[ed] the LGBTQ+ community.” *Id.* Another letter to a Louisiana Target indicated the author intended to bomb Target locations because of Target’s “intolerance”:

You are pathetic cowards who bowed to the wishes of far right extremists We will not tolerate intolerance or indifference. If you are not with us then you are against us. That is why we placed a bomb in each of your locations.

Id.

258. Just days after the May 24 statement, Target expanded the number of stores pulling back its Pride merchandise beyond just the stores purportedly receiving “threats” and also pulled back specific items of offensive merchandise across the entire United States. “Employee sources in six states tell Insider that the order came down on Thursday to stores across the US, less than a week after a similar directive to Target locations in Southern states where front-end Pride displays were taken down and moved to low-traffic areas of the store.” Dominick Reuter, *Target Is Expanding Removal of Pride Merchandise Across the Country, Workers Say, in a Potential Win for Anti-LGBTQ Protestors*, BUS. INS. (May 27, 2023). The employees also stated that Target specifically stopped providing its line of “transgender-friendly swimsuits.” *Id.*

259. One employee who was a member of Target’s Pride+ Business Council explained that “the expanded order applies to locations that the company previously told the council would not be affected” and that the order “got far more overreaching than originally portrayed.” *Id.*

260. Target and Defendant Cornell later revealed their true reasons for re-locating Pride merchandise to less prominent areas in the store: it was never because of supposed violent “threats” by conservative opponents of the Campaign, but instead was done to mitigate the consumer backlash and lost sales resulting from the ill-advised 2023 LGBT-Pride Campaign.

261. Target executives admitted the negative effects of the consumer backlash on the Q2 2023 earnings call. *See, supra*, ¶ 239.

262. Defendant Cornell also admitted the consumer backlash and blamed it on the timing and prominent location of the Pride merchandise in the store. In the CNBC interview, he explained that Target exposed itself to consumer backlash because “we set the presentation much earlier than everyone else” by beginning in May, and because the display “was very prominent.” *CNBC Transcript, supra*.

263. Target executives also admitted that, in the future, they planned to mitigate the risk of consumer backlash by re-locating Pride merchandise to less prominent areas of the store, just as they did after customer backlash to the 2023 LGBT-Pride Campaign.

264. In the CNBC interview, Cornell stated:

So as we go forward, we’ll time [the Pride campaign] differently. Next year, you’ll see Pride on June 1. It’s not gonna be the first thing you see in our store, but we’ll present it appropriately. We’ll curate our assortment much more carefully and we’ll probably design most of it ourselves. So we’ll take that learning and bring it forward.

CNBC Transcript, supra.

265. Target executives also committed to making changes to future Pride campaigns beyond relevant merchandise’s prominence in stores. Hennington stated that “the reaction is a signal for us to pause, adapt, and learn so that our future approach to these moments balances celebration, inclusivity, and broad-based appeal.” Q2 2023 Earnings Call Transcript, *supra*. Defendant Cornell stated that, in

the future, Target would be “leveraging our digital experience”—a reference to offering fewer in-store Pride merchandise—and “reconsidering the mix of own brands, national brands, and external partners within these assortments,” a reference to the offensive merchandise produced by Target’s “external partners” like Abprallen. *Id.*

266. Defendant Cornell stated in his CNBC interview that Target would “manage these moments [like the Pride Campaign] very differently.” *CNBC Transcript, supra.*

VII. DEFENDANTS’ MATERIAL FALSE AND MISLEADING STATEMENTS AND OMISSIONS.

A. Defendants Cornell and Target Failed to Disclose Risk of Consumer Boycotts Caused by Its ESG/DEI Initiatives in the 2021 & 2022 Annual Reports

1. Target Was Subject to Risks From Consumer Backlash to Its ESG/DEI initiatives like the 2023 LGBT-Pride Campaign.

267. An increasingly relevant and material risk that companies face is the risk that consumers will react strongly and negatively to companies’ pursuit of ESG/DEI mandates, and that those negative reactions will impair the companies’ stock prices.

268. As companies have increasingly adopted ESG/DEI mandates to serve various stakeholders and undertaken business strategies to achieve them, they have also often experienced backlash from their customers, many of whom oppose ESG/DEI mandates.

269. To comply with the federal securities laws, companies that have committed to ESG and DEI-related mandates often disclose that their material risks

include backlash from their customers. *See* Andrew Ramonas, *Citi, Valero, ADT Flag New Investment Risk: the Anti-ESG Effect*, BLOOMBERG L. (Mar. 15, 2023), <https://tinyurl.com/mhnfw9ca>; Emma Williams, *What Are the Risks of Social Washing?*, MORNINGSTAR (Aug. 19, 2022) <https://tinyurl.com/bdh75kbn> (stating that adopting ESG goals “[i]nvariably [] means alienating certain groups while appeasing others” and “lead[s] to backlash from both sides of a debate” that can “result in social risks being poorly managed or even elevated”).

270. For example, ADT Inc.’s 2022 Form 10-K described risks related to its ESG initiatives even-handedly. First, the company described the risks it faced from failing to “achieve” its ESG goals, i.e., risks it faced from stakeholders who support ESG mandates, and thus would react negatively to ADT “fail[ing]” to “achieve” ESG mandates:

If we are unable to provide sufficient disclosure about our ESG practices, or if we fail to establish and achieve the objectives of our ESG program, which could include targets or commitments, consistent with investor, customer, employee, or other stakeholder expectations, we may not be viewed as an attractive investment, service provider, workplace, or business, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

ADT Inc., Annual Report (Form 10-K) at 47 (Feb. 28, 2023), <https://tinyurl.com/4h36vhmz>. The company immediately followed this language with a description of risks to their pursuit of ESG mandates from the other side, that is, risks arising from the company’s pursuit of ESG goals in the first place:

In addition, there exists certain “anti-ESG” sentiment among some individuals and government institutions. As we continue to establish our

ESG related initiatives, we could face a negative reaction or legislation that impedes our activities or reflects poorly upon the Company, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Id.

271. In its 2022 Form 10-K, State Street Corp., which has adopted a variety of ESG and DEI mandates, similarly described risks arising from a backlash to its ESG practices:

[P]ublic criticism levelled at ESG investing practices could result in reduced investor demand for ESG-related products, which could in turn negatively effect [sic] our assets under management and resulting fee revenues.

State Street Corp., 2022 Annual Report (Form 10-K) at 42–43, <https://tinyurl.com/bdhf9hpb> (emphasis added).

272. Other companies that have adopted ESG and DEI goals have described the risk of backlash similarly. *See, e.g.*, Citigroup, Inc., 2022 Annual Report (Form 10-K) at 44 <https://tinyurl.com/57ump2hm> (“Citi also faces potentially conflicting anti-ESG initiatives”); Valero Energy Corp., 2022 Annual Report (Form 10-K) at 20, <https://tinyurl.com/3tksmrmy> (“‘anti-ESG’ focused activism and investment funds[] may result in additional strains on company resources.”); The Carlyle Grp., Inc., 2022 Annual Report (Form 10-K) at 68, <https://tinyurl.com/3ehnk6jw> (“Conversely, anti-ESG sentiment has also gained momentum”).

273. Other companies have also disclosed when they engage in “Pride Month” campaigns. *See, e.g.*, Southwest Airlines Co., Current Report (Form 8-K), Ex. 99.1 (July 27, 2023), *available at* <https://tinyurl.com/2sw8bjjy>; Nasdaq, Inc., 2023

Proxy Statement (Schedule 14A) at 67 (June 15, 2023), *available at* <https://tinyurl.com/v9hxf5e4>; Anheuser-Busch InBev SA/NV, Current Report (Form 6-K) at 47 (Feb. 26, 2021), *available at* <https://tinyurl.com/34nsv83c>.

274. One of the ESG/DEI mandates that subjected Target to the risk of consumer boycotts was Target’s 2023 LGBT-Pride Campaign. Customers previously boycotted Target in response to Target’s pro-LGBT activism in 2016. *See, supra*, ¶¶ 178–183. Customers threatened to boycott Target during other years’ “Pride Month” campaigns and after other instances of Target’s LGBT activism. *See, supra*, Part VI.B.

275. In its annual and quarterly filings with the SEC, Target was required to provide investors with direct and honest disclosure of the actual risk—known to Target’s Board and management—that customers would react increasingly negatively to its increasingly assertive ESG/DEI initiatives. Under Item 105 of Regulation S-K promulgated by the Securities and Exchange Commission, Target was required to disclose in a section titled “Risk Factors” those “material factors that make an investment . . . speculative or risky” and to “[c]oncisely explain how each risk affects the [company] or [its] securities.” 17 C.F.R. § 229.105(a), (b). Here, Target and its stock were subject to a specific and material risk of consumer backlash to its ESG and DEI initiatives—including, in particular, to its Pride Month campaigns. This risk was increasing in probability and severity because Target, under Cornell’s leadership, was doubling down on those initiatives in the face of known and adverse customer sentiment toward them.

2. In the 2021 Annual Report, Target Misrepresented and Failed to Disclose that It Was Subject to Increasing Risks of Consumer Backlash to Its ESG/DEI Initiatives.

276. The Class Period Begins on March 9, 2022. On that day, Target issued its 2021 Annual Report. In the Risk Factors section of its 2021 Annual Report on Form 10-K, Target said the following regarding the risks stemming from its ESG/DEI mandates:

We believe that one of the reasons our shareholders, guests, team members, and vendors choose Target is the reputation we have built over many years for serving those constituencies and the communities in which we operate. *To be successful in the future, we must continue to preserve Target's reputation.* Our reputation is based in large part on perceptions, both about us and others with whom we do business, and broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of Target. It may be difficult to *control negative publicity*, regardless of whether it is accurate. Target's responses to crises and *our position or perceived lack of position* on environmental, social, and governance (ESG) matters, such as sustainability, responsible sourcing, and diversity, equity, and inclusion (DE&I), and any perceived lack of transparency about those matters, could harm our reputation. While reputations may take decades to build, negative incidents involving us or others with whom we do business can quickly erode trust and confidence and can result in consumer boycotts, workforce unrest or walkouts, government investigations, or litigation. For example, we have a limited ability to end our relationship with CVS, which leases space to operate their clinics and pharmacies within our stores. If our guests have negative experiences with or unfavorably view CVS or other companies with whom we have relationships, it could cause them to reduce or stop their business with us. Negative reputational incidents could adversely affect our business and results of operations, including through lost sales, loss of new store and development opportunities, or team member retention and recruiting difficulties.

Target Corp., Annual Report (Form 10-K) at 7 (Mar. 9, 2022), <https://tinyurl.com/4np2bzry> (hereinafter the "2021 Annual Report").

277. This statement was incorporated by reference into Target's quarterly reports on Form 10-Q filed with the SEC on May 27, 2022, August 6, 2022, and November 23, 2022, with each report stating that "[t]here have been no material changes to the risk factors described" in the 2021 Annual Report.

278. Target's disclosure of the risks stemming from its ESG/DEI mandates in the 2021 Annual Report and subsequent 2021 quarterly reports was materially false and misleading.

279. Target neglected to mention the known risk of adverse customer and stockholder reactions to its ESG/DEI mandates in general, and its "Pride Month" campaigns in particular, which rendered its generic statement about its "position or perceived lack of position" concerning those matters materially misleading.

280. Target neglected to mention that the known risk of those reactions was not being monitored or addressed by the Board, and that Target was thus not attempting to "preserve Target's reputation" or "control negative publicity" with respect to adverse customer reactions to its ESG/DEI initiatives.

281. Target failed to disclose, as required by Item 105, the known risk of adverse customer reaction to its ESG/DEI mandates and to the Pride Month campaigns it intended to continue with increasing intensity. Target concealed the known risk of adverse customer sentiment toward its ESG and DEI initiatives in a blunderbuss description statement that failed to identify it.

3. In the 2022 Annual Report, Target Misrepresented and Failed to Disclose that It Was Subject to Risks from Customer Backlash to Its ESG/DEI initiatives.

282. Although it was misleading, at least the 2021 Annual Report mentioned some risk associated with Target's ESG/DEI mandates. Target's 2022 Annual Report was even worse. With the disastrous 2023 LGBT-Pride Campaign just two months away, the 2022 Annual Report broke with Target's earlier statements and inexplicably failed to make any mention of these risks at all.

283. Target released its 2022 Annual Report on Form 10-K March 8, 2023. 2022 Annual Report at 68. Under the heading "Item 1A. Risk Factors," the Report purported to disclose "the material risks we face." *Id.* at 7.

284. Unlike the 2021 Annual Report, the 2022 Annual Report made no mention of "ESG" or "DEI" in its discussion of reputational risks that could lead to "consumer boycotts." 2022 Annual Report at 8. A comparison is provided below, with the relevant removed language from the 2021 Report highlighted in red and underlined:

2021 Annual Report "Consumer Boycott" Language

To be successful in the future, we must continue to preserve Target's reputation. Our reputation is based in large part on perceptions . . . It may be difficult to control negative publicity, regardless of whether it is accurate. Target's responses to crises and our position or perceived lack of position on environmental, social, and governance (ESG) matters, such as sustainability, responsible sourcing, and diversity, equity, and inclusion (DE&I), and any perceived lack of transparency about those matters, could harm our reputation. While reputations may take decades to build, negative incidents involving us or others with whom we do business can quickly erode trust and confidence and can result in

consumer boycotts, workforce unrest or walkouts, government investigations, or litigation.

2022 Annual Report “Consumer Boycott” Language

To be successful in the future, we must continue to preserve Target's reputation. Our reputation is largely based on perceptions. It may be difficult to address negative publicity across media channels, regardless of whether it is accurate. Negative incidents involving us, our workforce, or others with whom we do business could quickly erode trust and confidence and result in consumer boycotts, workforce unrest or walkouts, government investigations, and litigation.

2021 Annual Report at 7; 2022 Annual Report at 8. The 2022 Report provides no disclosure of ESG/DEI backlash as a “negative incident” that could result in consumer boycotts.

285. Also unlike the 2021 Annual Report, the 2022 Annual Report made no mention of any risks whatsoever caused by Target’s ESG/DEI mandates. *Id.* Instead, the 2022 Annual Report stated the opposite: that the only risks stemming from Target’s ESG/DEI mandates came from Target failing to adequately “achieve” such mandates. The 2022 Annual Report provided:

[S]takeholder expectations regarding environmental, social, and governance matters continue to evolve and are not uniform. We have established, and may continue to establish, various goals and initiatives on these matters, including with respect to diversity, equity, and inclusion topics. We cannot guarantee that we will achieve these goals and initiatives. Any failure, or perceived failure, by us to achieve these goals and initiatives or to otherwise meet evolving and varied stakeholder expectations could adversely affect our reputation and result in legal and regulatory proceedings against us.

2022 Annual Report at 8.

286. These statements were incorporated by reference into Target’s quarterly reports on Form 10-Q filed with the SEC on May 26, 2023 and August 25, 2023, with each report stating that “[t]here have been no material changes to the risk factors” described in the 2022 Annual Report.

287. Target’s failure to mention the risk of adverse customer and shareholder reactions to its ESG/DEI mandates in the 2022 Annual Report is exceptional considering the fact that the 2023 LGBT-Pride Campaign was just two months away. The 2023 LGBT-Pride Campaign was also an ESG/DEI mandate, *see, supra*, ¶ 205, that subjected Target to the risk of customer boycotts. Target was subject to even greater risk of customer boycotts with the 2023 LGBT-Pride Campaign because it was more extreme than prior “Pride Month” campaigns, featuring Satanist-inspired designs and, for the first time, certain LGBT materials directed specifically toward children. It was all but calculated to offend Target’s customer base.

288. At the time Target issued the 2022 Annual Report, Target employees were planning and beginning to implement the 2023 LGBT-Pride Campaign. Target management knew of the planned LGBT-Pride Campaign.

289. It was likely that the 2023 LGBT-Pride Campaign would make Target subject to material risk, *see, supra*, Part VI.C and Target management was aware of these risks. Target management experienced the risks of Target’s LGBT activism after the boycotts Target’s response to the North Carolina transgender law and incidents of consumer backlash to previous Pride Month displays. *See, supra*, ¶¶ 172-185.

290. Target management also indicated its awareness of risks of consumer backlash to the 2023-LGBT Pride Campaign when it reportedly told Target's partner Abprallen that the design "'Satan Respects Pronouns' wouldn't be a good fit." *See, supra*, ¶ 221.

291. Nonetheless, Target failed to disclose the risk that its ESG/DEI initiatives could harm its reputation, let alone disclose any information about the upcoming LGBT-Pride Campaign in its 2022 Annual Report.

292. The risk of consumer boycotts because of Target's ESG/DEI mandates was also material because it risked Target's reputation with its customers, which Target declared "[o]ur continued success is dependent on." 2021 Annual Report at 7.

293. The risk disclosure in the 2022 Annual Report and subsequent quarterly reports was materially false and misleading.

294. Target made no mention of the known risk of adverse customer reactions to its DEI/ESG mandates, which was necessary to make what it did say about "stakeholder expectations" not misleading.

295. Target made no mention of the known risk of the 2023 LGBT-Pride campaign, which was assured to cause adverse customer reactions, which was necessary to make what it did say about "stakeholder expectations" not misleading.

296. Target neglected to mention that that known risk was not being monitored or addressed by the Board, and that Target was thus not attempting to manage "stakeholder expectations" in that respect.

297. Target failed to disclose, as required by Item 105, the known risks posed by its DEI/ESG mandates and the 2023 LGBT-Pride campaign.

B. Defendants Cornell and Target Misleadingly Downplayed the Severity of Consumer Backlash to the 2023 LGBT-Pride Campaign

298. Shortly after calls for consumer boycotts began Target took certain remedial measures to remove offensive merchandise to less prominent locations in displaying stores. Target and Defendant Cornell each issued statements explaining that Target did this because of “threats” to employee safety. But in reality, Target did so because the consumer backlash to these items was immense and was already harming Target metrics like store traffic. By offering a false and misleading reason for Target’s relocation of offensive LGBT-Pride merchandise, Defendant Cornell and Target downplayed the material risk and harms Target was facing because of calls for consumer boycotts.

299. The allegations of Defendant Cornell and Target’s statements in paragraphs 246 and 249 are repeated and realleged as if fully set forth herein.

300. As later revealed by Defendant Cornell and other Target executives’ admissions that Target’s 2023 LGBT-Pride Campaign was too prominent and that future campaigns would be less prominent in the store (*see, supra*, ¶¶ 260–266) Target in fact removed LGBT-Pride related merchandise because it caused consumer backlash and boycotts that harmed Target’s sales and other financial metrics.

301. However, Target released a press statement and Defendant Cornell sent an email to staff and circulated to the public that stated Target removed the certain

Pride-themed merchandise because of “threats” to Target employees by consumers who were offended by the merchandise. *See, supra*, ¶¶ 251–259.

302. Target and Defendant Cornell’s statements were pretextual and misleading. The violent threats Target reportedly received were threats from pro-LGBT activists angry that Target was removing or demoting the merchandise at all.

303. Target and Defendant Cornell’s statements that Target removed the offending merchandise for “threat”-related reasons were false and pretextual reasons that downplayed the extent of the consumer backlash to the merchandise.

304. Instead of truthfully revealing to investors the existence of consumer backlash and boycotts in response to the 2023-LGBT Pride Campaign, Defendants Cornell and Target offered a statement that lacked rational basis for justifying Target’s decision to remove the merchandise and misled investors about the harm Target was experiencing.

C. Target’s Board Assured Investors of its Oversight of “Social and Political Issues and Risks” to Target’s ESG/DEI Initiatives in the 2022 and 2023 Proxy Statements

305. In Target’s 2022 and 2023 annual proxy statements, Target assured investors that the Board monitored “social and political issues and risks” arising from the company’s ESG mandates. In reality, the Board—both itself and through the applicable Board committees—oversaw only the risks Target perceived from *failing to achieve Target’s ESG and DEI mandates*.

306. These latter risks are definably *not* social or political risks—under both Target’s definition and how a reasonable investor would understand the meaning of the phrase “social and political issues and risks.”

307. Even if they were social and political risks, the Board misrepresented its oversight because it monitored only one side—i.e., whether it would face backlash from *too little* ESG and DEI, and not whether it would incur backlash from its customers because of its aggressive, divisive, and extreme ESG and DEI mandates.

1. Relevant Statements in Target’s 2022 Proxy and 2023 Proxy.

308. Target issued the 2022 Proxy on April 25, 2022 and 2023 Proxy on May 1, 2023. *See* 2022 Proxy at 6, <https://tinyurl.com/y5sf6ajy>; 2023 Proxy at 6, <https://tinyurl.com/36jffa5c>.

309. In nearly identical language, the 2022 Proxy and the 2023 Proxy each described the Board’s key role in risk oversight:

Risk oversight

Oversight of the various risks we face in implementing our strategy is an integral and continuous part of the Board’s oversight of our business. The Board, each Committee, and management have specific roles and responsibilities with respect to those risks.

The Board and its Committees

The Board provides oversight of overall risks and seeks to ensure that our Leadership Team has processes in place to appropriately manage risk. Strategic risks are emphasized within that overall risk oversight responsibility because they are an integral and ongoing part of the Board’s oversight of our business. For example, our principal strategic risks are reviewed as part of the Board’s regular discussion and consideration of our strategy, including the development and monitoring of specific initiatives and their overall alignment with our strategy. Similarly, at

every meeting the Board reviews the principal factors influencing our operating results, including the competitive environment, and discusses with our Leadership Team the major events, activities, and challenges affecting Target.

2023 Proxy at 14. The 2022 Proxy was substantially similar. 2022 Proxy at 14.

310. The 2022 Proxy and 2023 Proxy also each emphasized the significance of “ESG matters” to the Board’s risk oversight and described the Board’s allocation of oversight of those matters throughout the Board and its committees:

Sustainability & ESG

We engage with a diverse group of stakeholders around the world, including the people who manufacture the products we sell, the Team Members who welcome our guests, the communities where we work, the nonprofits that work with us, and the investors who make our work possible. Their perspectives are one of a variety of factors we consider as we analyze which ESG matters to prioritize in determining and evaluating our sustainability strategy. . . . Given the breadth of ESG matters for a company of our size and scale, oversight of those issues is allocated throughout the Board and its Committees:

Board

- Sustainability and ESG strategy (through oversight of our business strategy and annual strategic priorities)
- Sustainability and ESG risks (through oversight of our business strategy and top enterprise risks)
- Reputation management
- Crisis management and response

Audit & Risk Committee

- Supply chain ESG matters, including vendor human capital and responsible sourcing practices

Governance & Sustainability Committee

- Overall approach to significant sustainability and ESG matters (including strategy, prioritization, monitoring, and external reporting)

- Social and political issues and risks not allocated to other Committees
- Philanthropy and community engagement
- Policies and practices regarding public policy advocacy and political activities

2023 Proxy at 15–16. The 2022 Proxy was substantially similar. *See* 2022 Proxy at 15–16.

311. While the 2022 Proxy and 2023 Proxy were clear that each of Target’s Board, the Audit & Risk Committee, and the Governance & Sustainability Committee were responsible for oversight of various “ESG matters,” only the Governance & Sustainability Committee was described as overseeing “social” and “political” issues and risks.

312. In discussing the Board Committees’ roles in “fulfilling the oversight and other responsibilities delegated by the Board,” the 2022 Proxy and 2023 Proxy each also referenced Target’s “Board Committee Charters” and directed shareholders to “current cop[ies]” of such charters “available on Target’s website.” 2022 Proxy at 12, 75; 2023 Proxy at 12, 78.

313. The Board’s Governance & Sustainability Committee Charter further described the Committee’s ESG and political and social risk oversight responsibilities:

ESG & Corporate Responsibility Matters. Oversee the Corporation’s overall approach to environmental, social & governance and corporate responsibility matters, including:

- identification of the ESG-related topics that are most relevant and important to the Corporation and any goals or aspirations related thereto;

- *social and political issues and risks impacting the Corporation* (other than the human capital matters overseen by the Compensation & Human Capital Management Committee and the supply chain matters overseen by the Audit & Risk Committee);
- the Corporation’s philanthropy and community engagement activities;
- external reporting on ESG and corporate responsibility matters

Public Advocacy and Political Activities. Oversee the Corporation’s policies and practices regarding public policy advocacy and political activities, including the process for selecting issues for engagement, lobbying activities, political contributions with corporate funds (including support of other organizations that may engage in political activity), and the activities of any political action committee organized by the Corporation.

Target Governance & Sustainability Committee Charter at 2–3 (emphasis added), available at <https://tinyurl.com/mwrdkuzs>.

314. As its charter describes, the Governance & Sustainability Committee’s oversight responsibility for “social and political issues and risks impacting the Corporation” is distinct from the Committee’s other responsibilities, including the Committee’s oversight of the “identification of ESG-related topics,” “philanthropy and community engagement,” and even “public advocacy and political activities.” *Id.*

315. As its charter also describes, the Governance & Sustainability Committee’s oversight responsibility for “social and political issues and risks impacting the Corporation” is also distinct from “human capital matters overseen by the Compensation & Human Capital Management Committee” and “supply chain matters overseen by the Audit & Risk Committee.” *Id.*

2. Target’s 2022 Proxy and 2023 Proxy Represented to Investors that the Board Oversaw Social and Political Risks Arising from Backlash to its ESG & DEI Initiatives.

316. The 2022 and 2023 Proxy Statements’ assurances that the Governance & Sustainability Committee oversaw the “social and political issues and risks” of Target’s ESG matters was false and misleading. The Governance & Sustainability Committee did not oversee social and political issues and risks arising from Target’s ESG matters. Instead, the Committee oversaw Target’s engagement with “stakeholders” to advance ESG/DEI-aligned goals—regardless of social or political issues or risks created or enhanced by Target’s pursuit of them.

317. The Governance & Sustainability Committee was established in September 2021 as part of the Board’s overhaul of its committee structure. 2022 Target ESG Report at 56.

318. In its 2022 ESG Report, Target explained that the Board’s “revised structure and charters for the committees were guided by . . . external trends in corporate governance.” Target also asserted that its committee oversight allocation aligned with other companies, stating: “we believe the changes appropriately reflect

how companies are adjusting to current expectations of Board oversight of ESG matters.” *Id.*

319. The Governance & Sustainability Committee was preceded by the Governance Committee. *See* 2022 Proxy at 63 (describing the position of Governance & Sustainability Committee as “formerly Governance Committee Chair”); *id.* at 75 (erroneously still referring to the nomination of director candidates to the Governance & Sustainability Committee as the “Governance Committee”).

320. The predecessor Governance Committee lacked express oversight responsibility for social and political issues and risks created by ESG matters.

321. With respect to oversight of Target’s ESG matters, the old Governance Committee “[a]ddresse[d] ESG topics on a consolidated basis by allocating responsibilities for ESG topics among the Board and its Committees . . . and [by] overseeing our overall approach to corporate responsibility.” Target Corp., 2021 Proxy Statement and Notice of Annual Meeting of Shareholders at 18 (June 9, 2021), <https://tinyurl.com/yukm87zw> (the “2021 Proxy”).

322. The old Governance Committee also oversaw management’s responsibility to “instill ESG-related priorities into our business operations, including product design and development” and other business tasks. 2021 Proxy at 18.

323. According to the old Governance Committee’s charter, the Governance Committee’s oversight responsibilities did not include any oversight of “risk.” Target Corp., Governance Committee Charter, <https://tinyurl.com/4c394dk4>.

324. Target’s previous proxy statements did not mention “risk” in the old Governance Committee’s ESG-oversight responsibilities. *See, e.g.*, 2021 Proxy at 18.

325. The Board’s 2021 overhaul of its committee structure eliminated the Governance Committee and established the “Governance & Sustainability” Committee and added ESG risk-oversight to its portfolio.

326. The Governance & Sustainability Committee retained many of the previous Governance Committee’s responsibilities, including to “[o]versee the Corporation’s overall approach to environmental, social & governance and corporate responsibility matters.” Governance & Sustainability Committee Charter at 2.

327. With the Board’s 2021 committee-structure overhaul, the Governance & Sustainability was allocated the new responsibility to “oversee . . . *social and political issues and risks*” of Target’s “ESG & Corporate Responsibility Matters.” Governance & Sustainability Charter, *supra*, at 2–3 (emphasis added).

328. Both the 2022 Proxy and the 2023 Proxy highlighted the Governance & Sustainability Committee’s new ESG oversight responsibility for social and political issues and risks.

329. Target touted the Board’s new committee structure as a way for the Board to “enhance its approach to oversight of risk and ESG matters by reallocating to its committees oversight responsibility” for ESG and DEI matters. 2022 Target ESG Report at 56.

330. The foregoing background to the Governance & Sustainability’s ESG-risk oversight responsibilities and context of Target’s intended alignment with corporate best practices supports the meaning of overseeing “social and political issues and risks” that includes the social and political risks of both adopting ESG/DEI mandates and failing to adopt them, as other companies have done.

331. To a reasonable investor, the phrase “social and political issues and risks” means issues and risks that could negatively affect their investment returns that relate to current social and political issues, usually arising from popular cultural movements, political campaigns, or governments. *See, e.g.,* James Chen, *Political Risk*, INVESTOPEDIA (Mar. 24, 2020), <https://tinyurl.com/cp4zyc5s> (“Political risk is the risk an investment’s returns could suffer as a result of political changes”); Robert Ludke, *Understanding and Mitigating Social Risk*, RISK MGMT. (Apr. 1, 2021), <https://tinyurl.com/c5esaz3a> (“[S]ocial risk . . . can be defined as the exposure to adverse consequences stemming from population-based activities and negative public perception.”); David F. Larcker & Brian Tayan, *Blindsided By Social Risk: How Do Companies Survive a Storm of Their Own Making?*, ROCK CTR. FOR CORP. GOVERNANCE AT STAN. U. at 1 & n.1 (July 21, 2020), *available at* <https://tinyurl.com/5cxr8wwj> (“Social risk . . . describes events that impair a company’s social capital,” which includes “the goodwill or positive perception of a company among its stakeholders that contributes economic value through dimensions such as purchase intent by customers.”).

332. In proxy statements, companies regularly define their boards’ oversight of social and political issues and risks to include a broad set of material risks, including “social, political, reputational, and security risk,” Kosmos Energy Ltd., 2016 Definitive Proxy Statement (Apr. 29, 2016), <https://tinyurl.com/mvvt5ffm>, “public perception,” *see* The Williams Companies, Inc., 2022 Definitive Proxy Statement (Mar. 17, 2022), <https://tinyurl.com/382x66zv>, and specific public policies that affect the company, *see* Equity Residential, 2022 Definitive Proxy Statement (Apr. 18, 2022), <https://tinyurl.com/36d563b5> (discussing “key political issues for the Company, such as Section 1031 exchange rules, rental relief payments, eviction moratoriums and rent control measures”); *see also* Brody Mullins, *Government Posing Greater Risk to Corporate Profits, Chamber Study Finds*, WALL ST. J. (Apr. 11, 2023), <https://tinyurl.com/2s3nyprn> (citing 327,357 instances in which companies in the S&P 500 “mention[ed] political risks in annual reports” in 2021).

333. An increasingly relevant social and political risk that companies manage is the risk of social and political backlash to their pursuit of ESG/DEI mandates, and companies that have committed to ESG/DEI mandates often disclose such risks in their securities filings. *See, supra*, ¶¶ 268–272.

334. In its 2022 Form 10-K, State Street Corp.—in addition to disclosing ESG backlash risks discussed *supra*—similarly described ESG-backlash risk as “political issues”:

Views on ESG practices . . . have *also become political issues*, which can amplify the reputational risks associated with such allegations. . . . We

are, therefore, subject to related risks of non-compliance with relevant legal requirements, including fines, penalties, lawsuits, regulatory sanctions, difficulties in obtaining governmental approvals, limitations on our business activities or reputational harm, any of which may be significant. . . . Moreover, aside from any governmental enforcement or litigation activity, public criticism levelled at ESG investing practices could result in reduced investor demand for ESG-related products, which could in turn negatively effect [sic] our assets under management and resulting fee revenues.

State Street Corp., *supra*, at 42–43, <https://tinyurl.com/bdhf9hpb> (emphasis added).

335. A reasonable investor would understand the phrase “social and political issues and risks” to mean any material risks to Target arising from social or political responses to Target’s business activities.

336. In the 2022 Proxy and 2023 Proxy, Target touted its extensive commitment to ESG mandates—and even broadcast the Governance & Sustainability Committee’s oversight of “social and political issues and risks” under the heading “Oversight areas for ESG matters.” A reasonable investor would conclude that the Committee was overseeing material risks relating to Target’s adoption and implementation of ESG goals, including the risk of public backlash to Target’s pursuit of ESG mandates.

337. The 2022 Proxy and 2023 Proxy clearly distinguished the Committee’s oversight of “social and political issues and risks” arising from ESG matters from the Committee’s other responsibilities of identifying ESG priorities and overseeing Target’s “public policy activities” and “political activities.” The statements’ precise distinction that the Governance & Sustainability Committee oversaw the “social and

political issues and risks” under “*ESG matters*” at least communicated that the Committee oversaw *any* material risk that arose from Target’s pursuit of ESG mandates—regardless of which side of the political spectrum it came from.

3. Target’s Board Did Not Oversee Social or Political Risks to ESG Matters.

338. Contrary to what a reasonable investor would understand “social and political issues and risks” to mean, and unlike the boards of the companies discussed *supra* and other public companies, Target’s Board—both directly and through its Governance & Sustainability Committee—instead oversaw only the issues and risks arising from the corporation’s perceived failure to achieve its ESG and DEI mandates.

339. Rather than overseeing social and political issues and risks to protect shareholder interests by serving Target’s customers, as the 2022 Proxy and 2023 Proxy represented, the *actual* oversight responsibility Target’s Board and the Governance & Sustainability Committee exercised focused on potential negative responses by “stakeholders” to Target’s perceived failure to achieve ESG and DEI mandates. *See, supra*, Part VI.A.

340. Target elaborated on the meaning of this “stakeholder expectations”-driven ESG and DEI risk in its 2022 Annual Report (which Target and Director Defendants caused Target to issue):

[S]takeholder expectations regarding environmental, social, and governance matters continue to evolve and are not uniform. We have established, and may continue to establish, various goals and initiatives on these matters, including with respect to diversity, equity, and inclusion topics. We cannot guarantee that we will achieve these goals and initiatives. *Any*

failure, or perceived failure, by us to achieve these goals and initiatives or to otherwise meet evolving and varied stakeholder expectations could adversely affect our reputation and result in legal and regulatory proceedings against us.

Target Corp., 2022 Annual Report (Form 10-K) at 8 (emphasis added).

341. In the foregoing annual reports, Target identified as its principal ESG-matter risk as the failure to meet “stakeholder expectations” concerning its ESG and DEI commitments could adversely affect the company—including via a social risk, e.g., “harm our reputation,” and political risks, e.g., “legal and regulatory proceedings.” Target Corp., 2022 Annual Report, *supra*, at 8.

342. While Target’s definition of these “stakeholder expectation”-based risks share similar impacts with social and political risks (such as reputational harm and legal and regulatory proceedings), risks arising from failure to meet “stakeholder expectations” are definably not “social or political issues and risks.”

343. Instead, such “stakeholder expectation” risk is a separate category of risk that arises from negative responses by “stakeholders,” such as those described *supra* Part VI.A, to Target’s failure (whether actual or perceived) to achieve the ESG and DEI mandates it has adopted.

344. The “stakeholders” to which Target ascribes these risks are not social or political classes or entities whose responses would create social or political risk, such as regulators or Target customers reacting to Target as participants in social or political movements, but a discrete and ascertainable group of nonprofit stakeholder activists

and organizations which Target consults—and even delegates responsibility to—in making its ESG and DEI commitments.

345. Target’s engagement with these activists and organizations is not oversight of “social or political issues or risks” arising from Target’s adoption of ESG and DEI commitments because the purpose of Target’s engagements with them is to adopt and implement those very ESG and DEI mandates regardless of the social or political issues or risks they create for Target.

346. As evidenced by the Board’s, the Governance & Sustainability Committee’s, and Target’s focus on “stakeholders” under its ESG risk framework, the Governance & Sustainability Committee did not oversee social and political issues and risks as the 2022 Proxy and 2023 Proxy represented.

347. The sole example of oversight by the Governance & Sustainability Committee Target has provided involved “reports” on “ESG matters” by “our Senior Vice President, Corporate Responsibility, who reports to a member of our Leadership Team and regularly engages with the Governance & Sustainability Committee and the full Board.” 2023 Proxy at 16. None of the Senior Vice President for Corporate Responsibility’s functions involve the oversight or consideration of backlash to ESG/DEI risks. Instead, they involve partnering with “stakeholders” and “instill[ing] ESG-related priorities into our business.” *See, supra*, ¶ 93.

348. Moreover, the 2023 LGBT-Pride Campaign was so egregiously offensive to Target's core customer base that no reasonable Board oversight of social and political issues and risks of ESG matters would have permitted it to go forward.

349. The fact that Target engaged in the uniquely controversial 2023 LGBT-Pride Campaign is prima facie evidence of the Board's lack of oversight of social and political issues and risks.

4. Alternatively, Target's Board Only Oversaw Perceived Social or Political Risks to *Not* Adopting ESG Matters.

350. Even if a reasonable investor would consider the Target Board's focus on its "stakeholder expectations" version of ESG/DEI risk oversight to include oversight of social and political issues or risks to it pursuit of ESG and DEI goals, the Board's selective focus on the social and political issues and risks of only issues associated with the political left rendered misleading the 2022 and 2023 proxy statements' representations that the Board oversaw "social and political issues and risks."

351. Instead of overseeing social and political issues and risks relating to ESG mandates in good faith regardless of the ideological valence of those risks, the Board and the Governance & Sustainability Committee only oversaw risks arising from one end of the political spectrum.

352. The 2022 Proxy's and 2023 Proxy's statements that the Governance & Sustainability Committee oversaw "social and political issues and risks" of ESG matters were a pretext for the Board's and management's one-track focus on social and political issues associated with liberal views.

353. A reasonable investor would conclude that the Governance & Sustainability Committee’s oversight of “social and political issues and risks” related to ESG matters would include *any* material risk related to Target’s ESG mandates, whether from Target’s “failure to achieve” its ESG mandates or from Target’s pursuit of ESG mandates in the first place.

354. Contrary to what a reasonable investor would understand “social and political issues and risks” to mean, and unlike the boards of the companies discussed *supra* and other public companies, Target’s Board—both directly and through its Governance & Sustainability Committee—instead oversaw only the issues and risks arising from Target’s perceived *failure to achieve* its ESG and DEI mandates.

355. Target’s ESG/DEI mandates align with one end of the political spectrum: the left. The Governance & Sustainability Committee’s exclusive focus on the perceived risks of Target’s “failure to achieve” its ESG and DEI mandates therefore focused on risks arising from one end of the political spectrum. But to a reasonable investor, “social and political issues and risks” can arise from *any* part of the political spectrum—just as the backlash to Target’s LGBT Pride campaign evidenced.

356. Target further demonstrated its oversight of only left-wing ESG risks, rather than material social or political issues or risks generally, by engaging in an ideologically motivated campaign to restrict books on LGBT issues from a conservative perspective from its stores and other sales platforms. *See, supra*, ¶¶ 155–

159. Target engaged in and continues to engage in this campaign for no rational purpose despite ongoing political backlash, which suggests the Board has not overseen social and political risks.

357. Target management's self-identified "stakeholders," *see, supra*, Part VI.A, skew heavily in a distinct and left-wing ideological direction and do not appear to include any culturally or socially conservative groups that would be closer to representative of the average Target shopper and the potential source of social or political risks.

358. The 2022 Proxy's and 2023 Proxy's assurance of the Board's oversight of "social and political issues and risks" arising from Target's ESG mandates conveyed to investors that the Board oversaw material social and political issues and risks of all kinds related to their ESG mandates. However, the Board only oversaw perceived issues and risks from one side of the spectrum.

359. Alternatively, even if the phrase "social and political issues and risks" meant only left-wing, pro-ESG "issues and risks," the 2022 Proxy and 2023 Proxy were still misleading because they omitted to state the material fact that those were the issues that the Board viewed as material social and political issues and risks arising from Target's ESG mandates.

D. Target's Board Assured Investors that Target's ESG/DEI Initiatives Aimed to Increase Shareholder Value

360. In the 2022 Proxy and the 2023 Proxy, the Board represented that Target adopted ESG and DEI mandates in order to advance shareholder value.

361. But in public comments and other documents, Target’s officers admitted the presence of collateral, non-shareholder interests in Target’s adoption and pursuit of ESG and DEI commitments.

362. In the 2022 Proxy and 2023 Proxy, Target repeatedly asserted that the Board acted to advance shareholder interests across all Company transactions, including with respect to its ESG/DEI mandates.

363. The 2022 Proxy and 2023 Proxy both communicated that “the Board prefers to maintain the flexibility to determine which leadership structure best serves *the interests of Target and our shareholders.*” 2022 Proxy at 10; 2023 Proxy at 10 (emphasis added).

364. The 2022 Proxy and 2023 Proxy also stated that the Board, through its Audit & Risk Committee, would, with respect to conflicted transactions between Target and its directors or executive officers, act to “prohibit any transaction it determines to be inconsistent with the interests of Target and its shareholders.” 2022 Proxy at 17; 2023 Proxy at 18.

365. The 2022 Proxy and 2023 Proxy stated that the Board’s capital allocation strategy “[f]ully invest[s] in opportunities to profitably grow our business, create sustainable long-term value, and maintain our current operations and assets.” 2022 Proxy at 17; 2023 Proxy at 17.

366. These representations were material because a reasonable investor would have understood these statements to clarify that, despite Target’s commitment of

significant business resources to ESG/DEI mandates and the Board's and management's preferred political and social agendas, the Board and management remained focused on shareholder value.

367. But Defendant Cornell and numerous Target officers admitted that Target's ESG and DEI mandates were formulated and enforced to serve collateral "stakeholder" interests.

368. In an interview on May 17, 2023, Defendant Cornell stated that Target's DEI commitments were "the right thing for society." *See, supra*, ¶86.

369. In Target's 2022 ESG Report and 2021 CR Report among other filings, Target repeatedly asserted that its management, as overseen by the Board, managed the company for collateral stakeholder benefits. *See, supra*, ¶¶ Part VI.A.

370. Target's chief diversity officer's comments on Target's DEI goals as an "infrastructure . . . that allows you to integrate DE&I into your ecosystem in a way that truly drives your business" revealed that Target's DEI goals *drove Target's business* rather than serving the subordinate role of advancing shareholder value. *See, supra*, ¶83.

371. According to Target's own financial disclosures and credible media and financial reports, Target's DEI mandates demonstrably did not contribute to Target's growth. Target's 2023 Proxy definitively declared: "growth was driven primarily by traffic growth as guests increasingly chose Target as a convenient, reliable one-stop shop." 2023 Proxy at 43. In the 2022 Annual Report, Defendant Cornell attributed

Target's strength in store traffic to its merchandising program, which involved "being able to flex into the merchandise categories and channels that are most relevant to guests." 2022 Annual Report at 5. Target's merchandising program was focused on consumer purchasing patterns, switching when needed into "frequency categories like food & beverage, essentials and beauty grew quickly as guests on tighter budgets prioritized basics," and then switching back to "discretionary choices, [with customers] purchasing nearly \$55 billion in apparel, home and hardlines in 2022." *Id.* Defendant Cornell stated that "[t]his flexibility and focus on guests consistently delivers growth." *Id.* Nothing in these descriptions of Target's growth mentioned DEI.

372. Independent financial analysts attribute Target's growth before the 2023 LGBT-Pride Campaign to its e-commerce strategy and investments. "According to [Target's] earnings release, in Q3 ending Oct. 30, its digital comparable sales grew 29% after leaping 155% in Q3 of 2020. In comparison, Amazon's Q3 net sales grew 15% and Walmart's Q3 U.S. e-commerce sales grew 8%." Kunal Chopra, *What Target is Doing Right In the Pandemic Era E-Commerce Race?*, FORBES (Feb. 3, 2022), <https://tinyurl.com/m7m9fs93>. See also Tricia McKinnon, *Target's eCommerce Strategy, Why it's Outperforming*, INDIGO9DIGITAL (Mar. 9, 2023), <https://tinyurl.com/2f72f7bv> ("For several years Target has made investments in its digital business. Those investments are now paying dividends. . . . Its business model which is centered around one stop shopping as well as its omni-channel offerings are

just a few of the areas Target has excelled in.”). These reports also did not mention DEI.

373. Target’s focus on collateral social-value stakeholder interests is also revealed by the fact the Board and management delegated the implementation of Target’s ESG and DEI mandates to Target officials who could not do implement those mandates in good faith consistent with shareholder interests because the officials suffered from disabling personal conflicts of interest, including with some of the very activists that Target partnered with in adopting and pursuing the ESG and DEI mandates.

374. For example, Target senior executive Carlos Saavedra served as treasurer at GLSEN, and Target’s Executive Vice President and Chief Food and Beverage Officer, Rick Gomez, served on the Board of GLSEN. *See, supra*, ¶¶118–119. These positions would have imposed conflicting duties on those officers and precluded them from implementing Target’s ESG and DEI mandates related to GLSEN and the 2023 LGBT-Pride Campaign in good faith to advance shareholder interests.

375. Target’s chief diversity officer also indicated her personal commitment to advancing “racial equity” for its own sake, even if it was “provocative,” and singled out “white women” for special obligations to this cause. *See, supra*, ¶ 83.

376. This conduct indicates and reveals that the 2022 Proxy’s and 2023 Proxy’s statements that Board oversaw Target’s ESG and DEI mandates to advance shareholder interests were misleading because, in reality, the Board delegated the

execution of these mandates to executives who could not advance shareholder value in good faith.

E. Target's Board Claimed Executive Compensation Plans Were Designed to Align with Shareholder Value

377. In seeking shareholders' approval of Target's executive compensation plans, the 2022 Proxy and 2023 Proxy represented that the plans aligned executives' incentives with maximizing shareholder value. In reality, Target's executive compensation was designed to substantially incentivize executives to pursue Target's DEI mandates.

378. The 2023 Proxy outlined Target's "Executive compensation guiding principles," which provided, in full:

We believe executive compensation should be *directly linked to performance and long-term value creation for our shareholders*. With that in mind, three principles guide our compensation program:

- Deliver on our pay for performance philosophy in support of our strategy.
- Provide a framework that encourages *outstanding financial results* and shareholder returns over the long-term.
- Attract, retain, and motivate a premier management team to sustain our distinctive brand and its competitive advantage in the marketplace.

2023 Proxy at 39 (emphasis added). The 2023 Proxy further elaborated on Target's "long-standing belief that our executive compensation should directly reflect our organization's performance *with substantial emphasis on creating long-term value for our shareholders*. *Id.* (emphasis added). Target also attested that "[t]he pay programs described throughout [the 2023 Proxy] align with our pay for performance philosophy

and are structured based on financial and operational performance and shareholder outcomes.” *Id.* at 38.

379. A reasonable investor would understand these representations to mean that Target’s executive compensation was substantially aligned with advancing Target shareholders’ pecuniary interests in Target’s stock performance, as measured by quantifiable financial performance metrics.

380. In reality, however, Target awarded substantial amounts of executive compensation based on its executives’ “performance” of satisfying ambiguous and subjective DEI goals.

381. Buried within multiple layers of the 2023 Proxy and scattered from its discussion of executive-compensation principles, a close reading of the 2023 Proxy reveals that substantial sums of executives’ compensation were not connected to shareholder value at all, but instead were based on Target’s own internal and subjective assessment of executives’ performance along DEI metrics.

382. Under the heading “Pay for performance,” a footnote described that Target’s executive compensation included a component ambiguously (and innocuously) labeled “STIP” (an acronym the 2023 Proxy never defined, but which stands for “Short Term Incentive Plan”). 2023 Proxy at 39. The 2023 Proxy elaborated on the STIP component of executive compensation in a text box that followed immediately below this footnote, labeled with the subheading “How annual CEO pay is tied to performance”:

The following pay elements are performance-based and represent a significant percentage of Annual TDC:

- STIP — Payouts range from 0% to 200% of goal depending on Sales, Incentive Operating Income, and the assessment of the team scorecard

Id. at 40.

383. In a following section under the heading “Incentive measures and actual performance,” the 2023 Proxy further provided: “Our STIP is based on a combination of absolute *financial goals* and progress made toward key strategic priorities.” *Id.* at 41 (emphasis added).

384. Tables accompanying this section and others provided further that the “Team scorecard” component of “STIP” receives a 33% “Weight.” *Id.* at 41, 43.

385. The investor-reader following along in the 2023 Proxy would, so far, understand that Target aligned its executive compensation with shareholder value, defined under quantifiable performance-based financial metrics; that executive compensation includes a component called STIP; and that STIP is a performance-based measure based on “financial goals and progress made toward key strategic priorities.”

386. These statements were misleading in light of a final section that was buried below and scattered from the 2023 Proxy’s initial declaration that executive compensation was aligned with shareholder value.

387. In a different section, under a heading titled “Fiscal 2022 team scorecard assessment,” the 2023 Proxy described that the “team scorecard component of the

STIP . . . emphasized the business outcomes we expect from the execution of strategic priorities.” *Id.* at 44. Those priorities, or “specific team scorecard progress indicators,” included that executives “advance[d] progress on our new three-year enterprise DE&I goals.” *Id.* at 44. Target’s DEI goals—or any other nonfinancial goals or subjective measurements—were not mentioned in Target’s guidelines for executive compensation.

388. Moreover, the section provided that this “team scorecard assessment” affected not only the STIP component of Target’s executive compensation plan, but also “provides a general structure for discussing and measuring performance” of executives for compensation purposes. *Id.* at 44. This is in direct conflict with Target’s “guiding principle[]” of alignment with Target shareholders’ pecuniary interests in Target’s stock performance, as measured by quantifiable financial performance metrics.

389. The 2022 Proxy made substantially the same representations as the 2023 Proxy regarding the alignment of Target’s executive compensation with shareholder value, and the allegations *supra* paragraphs 378–388 are repeated and re-alleged here with respect to the 2022 Proxy.

390. The 2022 Proxy stated the same “guiding principles” for executive compensation, including to “encourage[] outstanding financial results and shareholder returns over the long-term.” 2022 Proxy at 40.

391. The 2022 Proxy expressed Target’s “long-standing belief that our executive compensation should directly reflect our organization's performance with substantial emphasis on the creation of long-term value for our shareholders.” *Id.* at 37.

392. The 2022 Proxy also stated that “[t]he pay programs described throughout our CD&A align with our pay for performance philosophy and are structured based on financial and operational performance and shareholder outcomes.” *Id.* at 35.

393. Like the 2023 Proxy, the 2022 Proxy also failed to describe the STIP component of executive compensation with specificity or connection to its executive compensation principles, describing it under the heading “How annual CEO pay is tied to performance” as “STIP — Payouts range from 0% to 200% of goal depending on Sales, Incentive Operating Income, and the assessment of the Team Scorecard.” *Id.* at 37.

394. When the 2022 Proxy described the Team Scorecard, it stated that the STIP component was based, in part, on “[p]ositive progress on three-year enterprise DE&I goals,” including because “[w]e met or exceeded our ambitious goals for representation, advancement, and experience” and “[w]e increased promotion and reduced turnover rates for people of color.” *Id.* at 43.

395. This buried, scattered, and conflicting information in the 2023 Proxy and 2022 Proxy rendered Target's representation that its executive compensation was aligned with shareholder value misleading.

VIII. CLASS ACTION ALLEGATIONS

396. Plaintiff SBA brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and 23(b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Target common stock between March 9, 2022 and August 16, 2023 (the "Class Period") and who were damaged thereby (the "Class").

397. Excluded from the Class are Defendants, the officers and directors of Target, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

398. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Target's shares actively traded on the New York Stock Exchange. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Target shares were traded publicly during the Class Period on the New York Stock Exchange. Record owners and other members of the Class may be identified from records maintained by Target or its transfer agent and may be

notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

399. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

400. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

401. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- a. whether the federal securities laws were violated by Defendants' acts as alleged herein;
- b. whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Target; and
- c. to what extent the members of the Class have sustained damages and the proper measure of damages.

402. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively

small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

IX. RULE 10b-5 SCIENTER AND RULE 14a-9 NEGLIGENCE ALLEGATIONS.

403. The facts pleaded herein establish the relevant Defendants' required states of mind for pleading violations of Rule 10b-5 and Rule 14a-9. Plaintiff's claims under Rule 14a-9 do not require proof of scienter.

1. Defendant Cornell

404. Defendant Cornell had a motive to mislead Target's investors as to the risks associated with Target's ESG/DEI mandates because his compensation was based in part on Target's advancement of subjective ESG/DEI goals like that which the 2023 LGBT-Pride Campaign intended to accomplish.

405. Defendant Cornell's signing of the 2019 BRT Statement demonstrated his awareness that he and Target were committed to "stakeholder" benefits that excluded oversight of social and political risks of backlash to such stakeholder benefits. Knowing that both he and Target would manage Target to benefit "stakeholders," Defendant Cornell knew that he, Target, and the Board would fail to oversee risks from groups excluded from Target's definition of "stakeholders."

406. Defendant Cornell was aware that he and Target's Board did not oversee risks of backlash to Target's ESG/DEI mandates because he viewed those mandates as part of his role and implemented them for their social value regardless of risk.

Cornell stated that CEOs “have to be the role models that drive change ... [and] use [their] voice on a national level, as [they] impact civic discussions and policy.” Melissa Repko, *Target CEO Brian Cornell Says George Floyd’s Murder Pushed Him to Do More About Racial Equity, Diversity*, CNBC (Apr. 28, 2021), <https://tinyurl.com/yd3ud3m9>.

407. Defendant Cornell knew Target was subject to customer backlash from its activism on LGBT political issues because he served on the Board and as CEO during Target’s response to the North Carolina transgender bathroom law, during which he admitted Target “didn’t adequately assess risk,” causing consumer backlash that caused Target significant losses.

408. Defendant Cornell knew of the risk of customer backlash to Target’s ESG and DEI activism. As CEO, Defendant Cornell was privy to Target positions on ESG and DEI matters and their effect on the company. After Target’s “botched” response to the 2016 North Carolina transgender law, company policy reportedly required that all “public pronouncements on hot-button issues may not be made without Mr. Cornell’s consent.” Safdar, *supra*.

409. Defendant Cornell admitted his awareness of “backlash” to corporate “social justice” efforts. An interview with Defendant Cornell published May 17, 2023 provided the following:

[Interviewer 1]: What’s your take on some of the pushback now on you know, so called “woke” capitalism ... We saw so many CEOs like yourself stand up during this really challenging time in our society, when a lot kind of bubbled to the surface. ... We saw a lot of statements, a lot of partnerships sparked different programs and initiatives. **And now we're seeing a lot of backlash, not just on the social justice side, but**

kind of woke capitalism in general. What is your take on it? How do you approach it? How do you answer those criticisms?

[Defendant Cornell]: You know, I start every day thinking about our company purpose and our company culture. So when we think about purpose at Target, it's really about helping all the families, and that "all" word is really important. How to discover that little bit of joy in everyday life. Our brand is all about delighting and taking care of the families we serve, and all those families, most of America shops at Target. So we want to do the right thing to support families across the country. **And when it's true to our purpose and true to our culture, we lean in. And I'm really proud of the work we've done in the DE&I space.** Now, the fact that we talked about almost 2,000 stores, well, half of those stores are run by female store directors. Over 40% of our store directors are diverse. That component is so important, but it also reflects the consumer we serve. And when your team, your leadership represents the consumer you serve, I think good things happen. So I can see the benefits for our shareholders. **I know that focus on diversity and inclusion and equity has fueled much of our growth over the last nine years.** But when you walk into a store and you feel at home, and it represents the community, it makes a huge difference. . . . **I think those are just good business decisions, and it's the right thing for society, and it's the great thing for our brand.**

[Interviewer 2]: Okay, but Brian, that was very compelling. You gave a very compelling answer to Michal's question without saying anything about politics or politicians. But what we're talking about is a political movement here that's trying to take what you just described, and turn it into a wedge issue. **You exist in the political world. How do you deal with that?** Do you just do what you just did there and stay out of it? How do you deal with what's happening in politics?

[Interviewer 1]: I should point out you're in Florida right now. Good thing you're not with Disney. But still?

. . .

[Defendant Cornell]: I go back to, we start with what's right for the company purpose and that focus on families. We think about what's right for our team, and what's consistent with our culture. And Alan, when we do that, I think we make really good decisions. And we add value for our shareholders. And that's part of why we've seen explosive top-line growth. So, I think the facts are in, the results for us, and the

things we've done from a DE&I standpoint, it's adding value, it's helping us drive sales, it's building greater engagement with both our teams and our guests. And those are just the right things for our business today.

Fortune Editors, *Target CEO: DEI Has 'Fueled Much of Our Growth Over the Last 9 Years,'* Fortune (May 17, 2023), <https://tinyurl.com/2e5whjsp>.

410. Defendant Cornell was aware of the “teams working on Pride” prior to the campaign’s launch. Given the 2023 LGBT-Pride Campaign’s patently offensive content, Defendant Cornell would have been aware of the risks of consumer backlash to the campaign.

411. Defendant Cornell knew about the Board’s lack of oversight of ESG/DEI risk because he managed a senior executive team that pushed the 2023 LGBT-Pride Campaign without regard for those risks. The Confidential Witness recounted that decisions about the content of the 2023 LGBT-Pride Campaign were made at the senior-executive level and that the Campaign was a “big priority for Minneapolis” and executives saw it as their role to “push the envelope” on social issues. *See, supra*, ¶¶ 200-203.

412. Defendant Cornell also acknowledged his awareness of the heightened risk of consumer backlash to the 2023 LGBT-Pride Campaign because of the increasingly hostile consumer environment for LGBT marketing strategies. Cornell stated he was aware that Target made the 2023 LGBT-Pride Campaign “prominent in an environment where people had points of view” against LGBT marketing strategies like the campaign. *CNBC Transcript, supra*.

413. Defendant Cornell had or was severely reckless in not knowing about Target’s contracting with the “Satanist-inspired” brand Abprallen. Defendant Cornell indicated he was aware of problems with Target’s “external partners within [the 2023 LGBT-Pride Campaign’s] assortments,” *see, supra*, ¶ 265, a reference to the offensive merchandise produced by Target’s “external partners” like Abprallen.

2. Defendant Target

414. Defendant Target knew by and through Defendant Cornell, who was responsible for the 2021 and 2022 Annual Reports and 2022 and 2023 Proxy Statements, that Target was subject to the material risk of consumer boycotts in response to Target’s ESG/DEI mandates and the 2023 LGBT-Pride Campaign; that Target’s Board did not oversee those risks; that Target was not being managed to advanced shareholder value; and that Target’s executive compensation was not aligned with shareholder value.

415. Defendant Target knew of the risks of the 2023 LGBT-Pride Campaign because its agents knew of Target’s contracting with a Satanist-inspired brand Abprallen and the offensive nature of his designs, *see, supra*, ¶¶ 218, 221, and witnessed and reported customer complaints to prior years’ “Pride Month” campaigns, *see, supra*, Part VI.B, among other conduct described in the foregoing.

3. All Director Defendants.

416. By virtue of their positions with Target, the Director Defendants were provided with copies of Target’s 2022 and 2023 Proxy Statements and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of

their positions with Target, and their access to material, non-public information available to them, but not to the public, the Director Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading.

417. The Director Defendants were also aware or should have been aware of red flags pertaining to Target being subject to the risks caused by consumer backlash to its ESG/DEI mandates.

418. The Director Defendants were also aware or should have been aware of red flags pertaining to the Board's oversight of social and political risks of Target's ESG and DEI goals, including risks relating to pursuing "stakeholder" value over shareholder value, and incentivizing its executives to pursue these goals via executive compensation plans.

419. The Director Defendants would specifically have been on notice that Target was subject to the risk due to its activism on LGBT political issues because Target was recently the subject of a large customer boycott organized after Target entered the political fray on *another* LGBT political issue, namely, Target's response to the North Carolina transgender bathroom law. *See, supra*, ¶¶ 170–177.

420. The Director Defendants would have also been on notice to the risk of customer boycotts against consumer-facing companies like Target that undertook

LGBT-issue oriented campaigns, like the boycott Target experienced for its stance on transgender issues in 2016. *See, supra*, ¶¶ 186-200.

421. The Director Defendants would have been on notice that Target faced risk of backlash because of Target’s customer base of working and middle-class families and Target’s revenue share from stores located in culturally conservative areas. *See, supra*, ¶ 258 (discussing “Southern” stores)

422. The Director Defendants had or should have had notice of growing “anti-ESG” backlash by consumers and governments. *See, supra*, ¶ 189.

423. Director Defendants had or should have had notice of the risk of customer backlash to the LGBT-Pride Campaign because Target delegated the execution of Target’s business strategy to officers who had known and publicly disclosed disabling conflicts of interest that prevented them from being able to execute Target’s ESG and DEI-related business strategies in good faith. *See, supra*, ¶¶ 118–119.

4. Individual Director Defendants

424. Defendants Barrett, Healey, Leahy, Lozano, and Stockton knew the Board failed to oversee social and political risks to Target’s ESG and DEI activism because they served on the Governance & Sustainability Committee at all relevant times.

425. Defendants Edwards, Healey, Knauss, and Rice knew Target was subject to significant social and political risk from its activism on LGBT political issues

because they served on the Board during Target's response to the North Carolina transgender bathroom law and the ensuing consumer backlash.

426. Defendant Abney knew or should have known that he and Target were committed to "stakeholder" benefits that excluded oversight of social and political risks of backlash to such stakeholder benefits because he also signed the BRT Statement.

427. Defendant Abney knew or should have known that he failed to oversee the risks of backlash to Target's ESG/DEI mandates because he had pre-committed himself in favor of those mandates. In 2022, Defendant Abney stated that ESG "will be a requirement" and "a standard practice for all companies." "[T]hose that don't [prioritize ESG in their operations] will be left behind." *The Future of ESG: Predictions from Fortune 500 Leaders*, TEAM DEED (June 10, 2022), <https://tinyurl.com/ce93nxm9>.

428. Defendant Baker had a motive to downplay anti-ESG risks like consumer backlash against ESG/DEI mandates because he had financial interests in highlighting pro-ESG risks. Baker is a co-founder of an ESG-centered private equity partnership, E2SG. E2SG, <https://e2sgpartners.com/> (last visited Nov. 17, 2023). In a 2020 interview on GreenBiz, Baker discussed ESG and at one point was asked how he addresses ESG issues on quarterly earnings calls. Baker failed to mention negative risks to ESG initiatives. GreenBiz, *Ecolab CEO Doug Baker on How Business Can Drive Positive Change at Scale*, YOUTUBE (Feb. 20, 2020), <https://tinyurl.com/y2fa4fra>.

429. Defendant Knauss knew or should have known that the Board failed to oversee the risk of backlash to ESG/DEI mandates and the 2023 LGBT-Pride Campaign because his public record demonstrated his commitment to advancing those causes. As CEO of Clorox, Defendant Knauss “was the first Fortune 500 CEO to address more than 2,000 LGBT workers and their allies at the annual Out & Equal Workplace Summit.” Simone Strydom, *Celebrating Clorox LGBT Allies With Tom Johnson*, THE CLOROX CO. (June 30, 2014), <https://tinyurl.com/3j97z7xd>. Defendant Knauss was also celebrated “as an advocate for [DEI] for more than three decades . . . [and] the Jackie Robinson Foundation awarded [him] the annual national ROBIE award for leadership in promoting workforce diversity. Julene Snyder, *\$50 Million Gift Creates The Knauss School of Business*, USD NEWS LETTER (Dec. 4, 2021), <https://tinyurl.com/2ceraspy>.

430. Defendant Lozano knew that the Board failed to oversee social and political risks to Target’s DEI activism because she touted that very activism and made no allowance for risk of backlash in her opening letter to the 2023 Proxy. She lauded Target’s “leader[ship] in DE&I” and declared the company’s “progress on equitable business decisions aimed at increasing relevance with diverse guests” (a reference to Target’s LGBT Pride campaigns). 2023 Proxy at 3. She further announced that “The Board fully supports these efforts” and that the Board was “committ[ed] to . . . meeting or exceeding” (and therefore in no circumstance failing to meet) “Target’s 2022-2024 DE&I goals.” *Id.*

431. Defendant Lozano knew or should have known that the Board failed to oversee the risks of backlash to Target’s ESG/DEI mandates because all of Lozano’s public record indicates her alignment with pro-ESG/DEI “stakeholders.” Lozano has highlighted her efforts to ethnically “diversify” corporate boards. Regents of the University of California, Minutes of the Investments Committee at 8 (Jan. 21, 2020), <https://tinyurl.com/5x7wznfr>. Defendant Lozano also serves on the board of the Weingart Foundation, a private grantmaking foundation that “provides grants and loans to left-progressive and left-of-center organizations that focus on immigration, race relations, economic matters, and youth organizing” and has funded pro-LGBT stakeholder organizations like the ACLU and Planned Parenthood. *Weingart Foundation*, INFLUENCEWATCH, <https://tinyurl.com/myhnbxck> (last visited Nov. 21, 2023). She also previously served on the boards of other left-leaning organizations including the Rockefeller Foundation, the University of California Board of Regents, UnidosUS (formerly the National Council of La Raza), and Governor Gavin Newsom’s Jobs and Economic Recovery Task Force.

432. Defendant Rice was aware of the risks of backlash to Target’s LGBT activism because he was on the board of The Walt Disney Company, which has itself recently faced multiple instances of anti-ESG backlash before Target’s in May/June 2023. *See e.g.*, Allison Prang, *An Anti-ESG Activist Investor Presses for Changes at Apple and Disney*, WALL ST. J. (Sept. 20, 2022), <https://tinyurl.com/3dau4jsb>; *Florida Moves to*

Curtail Disney World's Powers as "Don't Say Gay" Feud Advances, CBS NEWS (Jan. 6, 2023), <https://tinyurl.com/4bh9en3y>.

X. RULE 10B-5 LOSS CAUSATION

433. Plaintiff was damaged as a result of Defendants' misleading statements. Defendants knowingly and recklessly engaged in a scheme to deceive the market by issuing a series of materially false and misleading statements (and omitting material facts).

434. The declines in Target's stock price beginning May 17, 2023, including, but not limited to, the declines summarized below, are directly attributable to the market absorbing information correcting Defendants' misrepresentations and omissions and/or the materialization of risks concealed by Defendants from Target's investors and shareholders.

435. Plaintiff suffered substantial economic losses as the price of Target's stock fell in response to the issuance of partial corrective disclosures and/or the materialization of risks concealed by the Defendants from Target's investors and shareholders. The following corrective disclosures caused Target's stock to drop, thereby damaging investors, are representative, not exclusive, of the partial corrective disclosures and/or the materialization of concealed risks that led to Plaintiff's and damages for which relief is sought in this matter.

436. When Plaintiff SBA purchased Target stock at multiple times during the class period, as detailed in SBA's class representative certification attached as Exhibit

A, the price of Target's common stock was artificially inflated as a direct result of the Defendants' material misrepresentations and omissions regarding the 2023 LGBT-Pride Campaign the Board's oversight social and political issues and risks arising from Target's ESG and DEI mandates and the consistency of those mandates with Target's representations that it and its executive compensation plans were aligned shareholder value. When these misstatements and omissions were revealed and risks materialized when Target's customers responded by boycotting the store in response to the LGBT-Pride Campaign, Target's stock price fell immensely.

437. Target's stock prices at the time of some of Plaintiff's relevant purchases before the consumer boycotts of Target for the 2023 LGBT-Pride Campaign materialized risks are as follows:

Purchase Date	Closing Price
April 28, 2022	\$235.03
September 19, 2022	\$163.54
November 1, 2022	\$163.52

438. The true value of Target's stock on each of these dates—as evidenced by its sharp drop to \$124.12 on June 12, 2023 in the midst of the immense consumer backlash described above and enduring low value in the months after consumer boycotts began—was significantly less than Plaintiff's purchase values.

1. Losses After the Partial Corrective Disclosures and/or Risk Materialization Events of the Consumer Boycotts Provoked by the 2023 LGBT-Pride Campaign

439. The long-lasting and growing consumer boycotts launched in response to Target's 2023-LGBT Pride Campaign were gradually accumulating partial corrective

disclosures and/or risk materialization events that revealed (i) Target was subject to risks from its ESG/DEI initiatives, (ii) Target was subject to risks from the Campaign itself, (iii) that the Board did not oversee risks arising from its ESG/DEI initiatives, (iv) the Board did not adopt its ESG/DEI initiatives to enhance shareholder value, and (v) that Target was subject to immense and financially material consumer backlash, not merely isolated threats.

440. After Target's 2023 LGBT-Pride Campaign began, risks gradually materialized and it was gradually disclosed that consumers were outraged and responding by boycotting Target and encouraging others to do the same via social media and other media diffusion.

441. On May 18, the American Family Association, one of the leading organizations supporting the boycott, published a blog post encouraging consumers to "officially join with the 1.57 million others who have pledged to boycott Target." Monica Cole, *Target Indoctrinates Youth*, AM. FAM. ASSOC. (May 18, 2023), <https://tinyurl.com/mtnd7tt4>. Target's stock began its record decline that same day.

442. Defendants Cornell and Target contributed to the gradually emerging disclosure of the consumer backlash and the fact of Target's failure to oversee ESG/DEI risks by implementing the 2023 LGBT-Pride Campaign by issuing statements on May 24 that admitted controversy surrounding the Campaign.

443. Defendants Cornell and Target's additional misrepresentations in their May 24 statements downplaying the scope and intensity of the consumer backlash to

the 2023 LGBT-Pride Campaign negatively affected the market's ability to process information about the backlash and prolonged the period of the corrective disclosure.

444. Over time, as the market progressively realized the scope and intensity of the consumer backlash, from May 17 to June 14, Target's stock declined from closing prices of \$160.96 to \$124.12. Target's stock remained low, closing at \$125.05 on the eve of Target's Q2 2023 earnings call discussed below.

445. Target's peers did not see similar stock declines during the same period. From May 17, 2023, to June 14, 2023, Walmart Inc. common stock (NYSE: WMT) increased from a price of \$149.53 to \$156.87. Costco Wholesale Corporation (NASDAQ: COST) saw its common stock increase from \$495 to \$527.20 over the same period. Kroger (NYSE: KR) stock fell from \$49.25 to \$47.21 during the same period, which was a 4% drop (compared to Target's nearly 19% decline during the same period).

446. Widespread consumer boycotts and news related to their growth continued periodically from June through November 2023 and continue today.

447. Defendants concealed the true financial condition of the company, its true risk management and oversight procedures, and material risks to Target's value.

448. These misstatements and omissions caused financial loss to Plaintiff and other shareholders.

2. Losses After the Partial Corrective Disclosure of Target's Q2 2023 Earnings Report Release and Investor Call

449. Defendant Cornell and other executives revealed additional information as to the scope and effect of the consumer backlash to the 2023 LGBT-Pride Campaign on Target's Q2 2023 Earnings Report call on August 16, 2023. *See, supra*, ¶¶ 236–237, 260–265. On the earnings call, Defendants and other Target executives revealed that the 2023 LGBT-Pride Campaign harmed the company's earnings and other financial metrics. This disclosure establishes the end of the Class Period.

450. On the call, Defendants also revealed that Target's removal and relocation of LGBT Pride-themed merchandise aimed to mitigate the strategic errors Target made with the 2023 LGBT-Pride Campaign rather than just respond to isolated threats. *Id.*

451. From the day before the Q2 2023 earnings report release, August 15, 2023, to October 6, 2023, Target stock fell from closing prices of \$125.05 to \$105.01 per share.

452. Defendants concealed the true financial condition of the Company, its true risk management and oversight procedures, and material risks to Target's value.

453. These misstatements and omissions caused financial loss to Plaintiff and other shareholders.

XI. RULE 14A-9 TRANSACTION AND LOSS CAUSATION

A. Transaction Causation: Shareholders' Re-election of Directors on the Basis of Their Proclaimed ESG-Risk Management Competencies was an Essential Link to the LGBT-Pride Campaign

454. As a result of Target's issuing the misleading 2022 Proxy, Target shareholders voted to reelect Defendants Cornell, Abney, Baker, Barrett, Boudreaux, Edwards, Healey, Knauss, Leahy, Lozano, Rice, and Stockton to the Board.

455. As a result of Target's issuing the misleading 2023 Proxy, Target shareholders voted to reelect Defendants Cornell, Abney, Baker, Barrett, Boudreaux, Edwards, Knauss, Leahy, Lozano, Puma, Rice, and Stockton to the Board.

456. The re-election of Target's directors in 2022 and 2023 were each essential links in causing the LGBT-Pride Campaign and the resulting losses to Plaintiff and other Target shareholders.

1. The 2022 Annual Meeting

457. Given the likely time it would have taken for Target management to plan and execute the 2023 LGBT-Pride Campaign, Board-level oversight of the social and political risks of the LGBT-Pride Campaign occurred after the 2022 Annual Meeting, which was held on June 8, 2022.

458. The 2022 Annual Meeting squarely presented the issue of the Board's oversight of ESG and DEI matters.

459. The 2022 Annual Meeting was the first meeting after Target's Board overhauled its Board Committee structure to establish the Governance & Sustainability Committee and was therefore the first opportunity shareholders had to

consider director candidates in light of the Governance & Sustainability Committee's purported oversight of social and political issues and risks.

460. In the 2022 Proxy, unlike in previous proxy statements, Target also employed a line item in its director "skills and diversity matrix" that highlighted the director-candidates' skill of "ESG Understanding," or "[k]nowledge or experience that contributes to the Board's understanding of one or more ESG matters affected by our business," and awarded the attribute to nine of the eleven non-company employee directors on the Board—each of whom shareholders re-elected at the 2022 Annual Meeting. 2022 Proxy at 22.

461. Unlike in previous proxy statements, the 2022 Proxy's matrix also included the director skill of "Reputation Management," defined as "[e]xperience in community relations, public service, government affairs, corporate governance," and marked all eleven of the independent directors as having that skill. *Id.* at 22.

462. The re-election of Defendants Cornell, Abney, Baker, Barrett, Boudreaux, Edwards, Healey, Knauss, Leahy, Lozano, Rice, and Stockton to the Board enabled the 2023 LGBT-Pride Campaign by electing a Board that failed to oversee the Campaign's risks or mitigate those risks.

463. Defendants' conduct in allowing the preparation of the 2023 LGBT-Pride Campaign and failing to oversee social and political issues and risks preceded and continued after their election to the Board at the 2022 Annual Meeting.

464. Plaintiff would have voted against the election of Defendants to the Board if they had been told the truth of the Board's allowing of the 2023 LGBT-Pride Campaign and lack of oversight of social and political issues and risks.

2. The 2023 Annual Meeting

465. The 2023 Annual Meeting was held on June 14, 2023, amid the LGBT-Pride Campaign customer backlash and during Target's lingering stock-price decline.

466. Given the intense focus on the LGBT-Pride Campaign at the time of the 2023 Annual Meeting, the Target Board's purported oversight of social and political issues and risks was a central issue of the directors' reelection.

467. The 2023 Proxy called for directors' re-election by expanding on the 2022 Proxy's attribute of "ESG Understanding" with an attribute labeled "ESG," which denoted the directors' "[e]xperience in strategies supporting sustainable long-term value creation or any matters included in our ESG priorities; actively supervising someone performing similar functions; or on a board of directors overseeing any matters included in our ESG priorities." 2023 Proxy at 22.

468. The 2023 Proxy marked ten of the eleven independent directors with this new "ESG" attribute in calling for their re-election. *Id.* at 23.

469. The 2023 Proxy's director skills and diversity matrix also notably updated its definition of "Reputation Management" to include "[e]xperience in . . . crisis response" (and still marked ten of the eleven independent directors as having this now-revised skill). 2023 Proxy at 22 (emphasis added).

470. The 2023 Proxy also added language to each of the Defendants' biographies not previously included in Target's proxy statements, noting Defendants' skills that "enhanc[e] the Board's collective oversight capability." 2023 Proxy at 23–29.

471. The 2023 Proxy's biographies for Defendants Abney, Baker, Barrett, Boudreaux, Knauss, Leahy, Lozano, Rice, and Stockton also each included new language highlighting their "risk management, reputation management, and ESG skills." *Id.*

472. The biographies for the other directors also included similar new language: Defendant Cornell's biography highlighted his "skills . . . including . . . risk management, reputation management, and ESG," Director Puma's bio mentioned her "risk management" and "ESG skills" (but omitted any "reputation management" skills), and Defendant Edwards's bio mentioned only "risk management" and "reputation management" skills. *Id.* at 25, 26, 28.

473. These representations put into issue the Board's competence to manage social and political issues and risks arising from Target's pursuit of ESG and DEI mandates and contributed to shareholders re-electing directors on that basis.

474. Instead of stopping the ongoing LGBT-Pride Campaign and attempting to reverse the damage caused by the LGBT-Pride Campaign, immediately after the directors were reelected, Target continued the LGBT-Pride Campaign and continues

to sell products associated with the Campaign, causing further damage to Target's stock price and enabling continuing consumer backlash.

475. While each of the director nominees was elected at the 2023 Annual Meeting, shareholder voting support for the all director nominees in the aggregate declined compared to the 2022 Annual Meeting.

476. The election of Defendants Cornell, Abney, Baker, Barrett, Boudreaux, Edwards, Healey, Knauss, Leahy, Lozano, Puma, Rice, and Stockton to the Board enabled the 2023 LGBT-Pride Campaign by electing a Board that failed to oversee the Campaign's risks or mitigate those risks.

477. Defendants Cornell, Abney, Baker, Barrett, Boudreaux, Edward, Healey, Knauss, Leahy, Lozano, Rice, and Stockton's conduct in allowing the preparation of the 2023 LGBT-Pride Campaign and failing to oversee social and political issues and risks preceded and continued after their election to the Board at the 2022 Annual Meeting.

478. Plaintiff would have voted against the re-election of Defendants to the Board if they had been told the truth of the Board's allowing of the 2023 LGBT-Pride Campaign and lack of oversight of social and political issues and risks.

B. Transaction Causation: Shareholders' Rejection of Good-Governance Shareholder Proposals on the Basis of the Board's Proclaimed ESG-Risk Management Competencies Was an Essential Link to the 2023 LGBT-Pride Campaign.

479. As a result of Target's misleading 2022 and 2023 Proxy Statements, shareholders voted to reject good-governance proposals that would have increased

board accountability and enabled enhanced oversight of ESG/DEI initiatives like the 2023 LGBT-Pride Campaign. Specifically, the proposals considered would have allowed shareholders to more easily nominate candidates for election to the Board and separate the positions of CEO and Board Chairman currently combined and held by Defendant Cornell.

480. Had Target been forthcoming about its Board's and Defendant Cornell's failures of risk oversight and these proposals been adopted, Target would not have failed to oversee ESG/DEI risks.

481. Contrary to claims that shareholder proposals are non-binding, "[e]very proposal carries the implied threat to directors that their failure to respond to that proposal in the desired fashion will result in a coordinated effort to have those directors removed." Letter from Austin Knudsen, Attorney General of Montana and 20 other state attorneys general, to BlackRock, JPMorgan, Goldman Sachs, and 50 other asset managers (Mar. 30, 2023), <https://tinyurl.com/3usc3c22>. The largest proxy advisors, ISS and Glass Lewis, whose recommendations control up to 16 percent of the vote at most public companies, see Stephen Choi, Jill E. Fisch & Marcel Kahan, *The Power of Proxy Advisors: Myth or Reality?*, 590 EMORY L.J. 870, 900 (2010), caution companies and directors in their voting guidelines that they will strongly consider voting against directors at companies that fail to respond to shareholder proposals that receive broad shareholder support. As a result, shareholder proposals that receive a majority vote are often successful in securing company commitments. Glass Lewis, *2023 Policy*

Guidelines, GLASS, LEWIS & CO. at 18 (2022), <https://tinyurl.com/5etdnwmh>; *see* Institutional S'holder Servs., *United States Proxy Voting Guidelines 2022*, ISS GOVERNANCE at 17 (Dec. 13, 2022), <https://tinyurl.com/399bprwm> (“Directors should respond to investor input, such as that expressed through . . . significant support for shareholder proposals (whether binding or non-binding)”).

482. As a result of Target issuing of the misleading 2022 Proxy, Target shareholders rejected a proposal to enable shareholders to more easily nominate candidates for election to the Board (the “Director Nomination Proposal”).

483. The Director Nomination Proposal explained that Target’s bylaws required that, in order for a shareholder or group of shareholders to be eligible to nominate a candidate for election to the Board, the shareholder or group must own at least 3 percent of Target’s outstanding stock and, in the case of a group, not exceed more than 20 shareholders. 2022 Proxy at 69.

484. The Director Nomination Proposal requested that the Board instead “enable as many shareholders as may be needed [] combine their shares” in order to nominate director candidates. *Id.*

485. Noting that the proposed change would “serve[] as a guardrail to make sure that management elects the best directors” by improving shareholders’ remedies if Target’s “management does not engage in good faith,” the Proposal concluded that “[c]ompetition is good for our board of directors.” *Id.*

486. The Board opposed the Director Nomination Proposal and recommended that Target shareholders vote against it. *Id.* at 69–70.

487. In advocating its opposition, the Board reiterated it was “committed to being accountable to shareholders and has shown that commitment through both its policies and practices.” *Id.* at 70.

488. In reliance on the 2022 Proxy and the Board’s representation of its competence as to risk management, shareholders defeated this proposal.

489. This was an essential link to the LGBT Pride Campaign because it further insulated the Board from accountability and enabled to Board to fail to oversee social and political issues and risks.

490. As a result of Target’s mailing of the 2023 Proxy, Target shareholders also rejected a proposal to separate the positions of CEO and Board Chairman (the “Independent Chairman Proposal”).

491. The Independent Chairman Proposal noted that Target had not yet adopted this corporate governance “best practice” and that Target’s current arrangement allowed the Chairman/CEO to “ignore the advice and feedback” from independent directors, suggesting Target “does not take the role of lead director seriously.” 2023 Proxy at 71.

492. In recommending that shareholders vote against the proposal, the 2023 Proxy stated:

The Board believes that its current leadership structure and governance practices provide effective, independent oversight without mandating a

predetermined Board leadership structure . . . The Lead Independent Director role provides effective, independent leadership through its clearly defined and robust set of roles and responsibilities.

Id. at 71–72. In reliance on the 2023 Proxy and the Board’s representation of its competence as to risk management, shareholders defeated this proposal.

493. This was also an essential link to the LGBT Pride Campaign because it permitted Defendant Cornell to maintain immense influence over the Board, which would enable any attempt by Defendant Cornell to prevent the Board’s oversight of social and political issues and risks arising from his management’s engagement in the LGBT-Pride Campaign.

494. Defendant Cornell was a driving force behind Target’s ESG/DEI initiatives and LGBT activism and exercised immense influence over the Board. Cornell has been Chairman during *all but one* of the current directors’ nominations to the board. Despite the backlash invited by Cornell’s management to Target’s previous LGBT activism, Target’s Board has carved out exceptions to company rules to Mr. Cornell greater discretion in his capacity as CEO. In September 2022 Target’s board of directors eliminated the company’s mandatory retirement age for the CEO position in order to allow Mr. Cornell to continue serving as CEO years after he turns 65. Charity L. Scott, *Target CEO Brian Cornell to Stay Three More Years*, WALL ST. J. (Sept. 7, 2022), <https://tinyurl.com/3u9zj7hn>.

495. The Independent Chairman Proposal would have removed Defendant Cornell from the Board and thereby removed a chief source of Target's pro-ESG/DEI initiatives, allowing for improved oversight.

C. Separate and Independent Transaction & Loss Causation: Shareholders' Approval of Unauthorized and Excess Executive Compensation Was An Essential Link to the LGBT-Pride Campaign & Independently Caused Loss.

496. At both the 2022 and 2023 annual meetings, shareholders approved "Say on Pay" items for Target's executive compensation plan proposals in reliance on misleading statements and disclosures in the 2022 and 2023 Proxy Statements. At each meeting, shareholders approved the following resolution:

Resolved, that the shareholders approve the compensation awarded to the NEOs, as described in the [Proxy Statement], tabular disclosures, and other narrative executive compensation disclosures in the 2023 [or, in the case of the 2022 Proxy, 2022] Proxy Statement.

497. Shareholders' approval of each executive compensation plan was an essential link in causing the LGBT-Pride Campaign and Plaintiff's losses resulting from it.

498. Both the executive compensation plans approved by shareholders materially incentivized Target executives to advance Target's DEI goals, which the 2023 LGBT-Pride Campaign also advanced.

499. For the executive compensation approved at the 2022 annual meeting, performance along the "three-year enterprise DE&I goals" on which Target's executive compensation was based included meeting spending targets with "diverse suppliers," such as the "LGBTQIA+-owned suppliers" Target mentioned in its 2022

ESG Report. Press Release, *Inside Target's 2019-2021 Diversity, Equity & Inclusion Journey – and Where We're Going Next* (Mar. 7, 2022), <https://tinyurl.com/m5hbm64s>.

500. For the executive compensation approved at the 2023 meeting, performance along the “three-year enterprise DE&I goals” on which Target’s executive compensation was based included Target’s goal to “increase relevance with diverse guests” and “offer more products from diverse suppliers.” *Id.*

501. Named Executive Officers (NEOs), including Defendant Cornell, also would have reasonably expected that engaging in the 2023 LGBT-Pride Campaign would improve their outcomes under the Team Scorecard for DEI progress, and thereby materially increase their compensation.

502. The shareholder approval of each of the executive compensation plans in the 2022 Proxy and 2023 Proxy, respectively, also authorized the execution of corporate spending that caused an independent harm to Target and Target shareholders by paying Target NEOs unauthorized compensation and excess compensation.

503. In reliance on the misleading executive compensation disclosures, Target paid NEOs (including Defendant Cornell) executive compensation that was not validly approved by shareholders. At the 2022 annual meeting, Target shareholders approved over \$42.8 million in compensation to Target NEOs. 2022 Proxy at 53. At the 2023 annual meeting, Target shareholders approved over \$36.9 million. 2023 Proxy at 53.

504. In the 2022 executive compensation plan, NEOs received over \$2.5 million in STIP payouts for the “team scorecard component” that included progress on DEI goals. 2022 Proxy at 53. In 2023, they received nearly \$1.5 million. 2023 Proxy at 53.

505. Target secured shareholder approval of these sums via misleading proxy statements that tainted the shareholder approval process and renders these amounts unauthorized by shareholders.

506. The payment by Target of such unauthorized and excess sums harmed Target shareholders, including Plaintiff, by interfering in Target’s proper corporate governance, wasting corporate assets, and incentivizing value-destroying behavior by Target’s executives.

D. Loss Causation

507. Plaintiff repeats and realleges the allegations in paragraphs 433 through 452 as if fully set forth herein.

508. In the 2024 Proxy Statement, Target announced its plans to hold a 2025 Annual Meeting. Target Corporation, 2024 Proxy Statement, <https://tinyurl.com/2p9pazru> (last accessed Feb. 17, 2025).

509. Evidence suggests that, despite Target’s and Defendant Cornell’s purported recognition of the losses caused by the 2023 LGBT-Pride Campaign, the Pride marketing and merchandise Target is planning to produce and offer will continue to be offensive to consumers and inspire backlash.

510. Target reportedly promoted self-titled “gaycruella” Erik Thompson (who has said he “will make Target sales tank”) to the title of “Senior LGBTQIA+ Segmentation Strategist & Pride Lead” in November 2023. *See, supra*, ¶ 198.

511. Target has continued to market and sell LGBT-themed content, encouraging consumers to “show your love and support for the LGBTQIA+ community” by buying and displaying products such as “Pride Christmas Decorative Nutcracker” holding a “BIPOC transgender pride flag,” which prompted another round of backlash from conservative commentators and consumers online. *See, e.g.,* Valerie Richardson, ‘Pride Nutcracker’: Target reignites boycott calls with Christmas Pride line, WASH. TIMES (Nov. 21, 2023), <https://tinyurl.com/3t4cu69z>.

512. Target’s 2024 Proxy Statement continued to state that the Governance & Sustainability Committee would oversee “social and political issues and risks.” Target Corporation, 2024 Proxy Statement, <https://tinyurl.com/2p9pazru> (last accessed Feb. 17, 2025). Board’s oversight of the social and political risks of Target’s ESG/DEI mandates. These misleading statements would affect the re-election of directors at the 2025 Annual Meeting.

513. All Plaintiff continues to hold its stock and will be entitled to vote at the 2025 Annual Meeting.

514. The re-election of the Board at the 2025 Annual Meeting would cause investors further losses as a signal that Target will continue to conduct “Pride Month” campaigns and cause investors losses.

XII. APPLICABILITY OF PRESUMPTION OF RELIANCE

515. As a shareholder eligible to vote at Target's annual meetings, Plaintiff relied on Defendants' misstatements and omissions in the 2022 and 2023 Proxy Statements.

516. As a result of the misconduct alleged herein (Defendants' misstatements and omissions), the market for Target securities was artificially inflated. Under such circumstances, the presumptions of reliance available under the "fraud-on-the-market" theory and *Affiliated Ute* apply. See *Affiliated Ute Citizens of Utah v. U.S.*, 406 U.S. 128 (1972).

517. Plaintiff justifiably expected the Defendants to disclose material information as required by law and SEC regulations in Target's periodic filings with the SEC and in the Company's other statements directed to its investors. The Defendants were under a fiduciary duty to make such disclosures. Thus, reliance by Plaintiff should be presumed with respect to the Defendants' omissions of material information as established under the *Affiliated Ute* presumption of reliance.

518. The market for Target's securities was, at all times, an efficient market that promptly digested current information with respect to Target from all publicly available sources and reflected such information in the prices of Target's securities. When Plaintiff purchased Target stock and throughout the period of their ownership:

- (a) Target's stock met the requirements for listing and was listed on the New York Stock Exchange;

- (b) As a regulated issuer, Target filed periodic public reports with the SEC;
- (c) Target's securities volume was substantial;
- (d) Target was followed by various analysts employed by major Wall Street brokerage firms, who wrote reports which were distributed to the sales force and certain customers of the brokerage firms and which were available to various automated data retrieval services; and
- (e) The market price of Target securities reacted efficiently to new information entering the market.

519. The foregoing facts demonstrate the existence of an efficient market for trading of Target securities and support the application of the fraud-on-the-market theory.

520. Plaintiff relied on the integrity of the market price for the buying of their securities and are entitled to a presumption of reliance with respect to the Defendants' misstatements and omissions alleged in this Complaint.

521. Had Plaintiff known of the material adverse information not disclosed by the Defendants or been aware of the truth behind the Defendants' material misstatements, Plaintiff would not have engaged in the buying of their securities detailed herein to buy their securities at artificially inflated prices.

XIII. INAPPLICABILITY OF PSLRA SAFE HARBOR

522. The statutory safe harbor applicable to forward-looking statements under certain circumstances does not apply to any of the false or misleading statements pleaded in this Complaint. The statements complained of were not forward-looking statements nor were they identified as forward-looking statements when made. Rather, the false or misleading statements complained of in this Complaint concerned historical and/or current facts and conditions existing at the time the statements were made.

523. To the extent that any of the false or misleading statements alleged herein can be construed as forward-looking statements, they were not accompanied by any meaningful cautionary language identifying important facts that could cause actual results to differ materially from those in the purportedly forward-looking statements.

524. Alternatively, to the extent the statutory safe harbor would otherwise apply to any forward-looking statements pleaded herein, Defendants Cornell and Target are liable for those false or misleading forward-looking statements because at the time each of those statements was made, the speaker(s) knew the statement was false or misleading.

XIV. CLAIMS FOR RELIEF

Count One (Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder)

525. Plaintiff repeats and realleges the allegations in Paragraphs 1 through 523 as if fully set forth herein.

526. Plaintiff brings this claim as a direct claim against Defendants Cornell and Target for violation of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

527. Rule 10b-5 (17 C.F.R. § 240.10b-5), promulgated under Section 10(b) of the Exchange Act, provides:

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange, (a) To employ any device, scheme, or artifice to defraud, (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

528. Defendant Cornell signed and Defendant Target issued the misleading 2021 and 2022 Annual Reports. Defendant Cornell caused to be issued and Defendant Target issued the misleading 2022 and 2023 Proxy Statements.

529. Prior to the relevant Plaintiff's purchases of Target stock, Defendants Cornell and Target disseminated to investors the false and misleading 2021 Annual Report and subsequent quarterly reports, the 2022 Annual Report, the 2022 Proxy, and the 2023 Proxy, which Defendants Cornell and Target knew or were severely reckless in not knowing that each made false and misleading statements of material facts and which failed to state material facts necessary to make the statements that

were made not misleading in violation of Section 10(b) of the Exchange Act and Rule 10b-5.

530. As a result of the Defendants' preparation, review, and dissemination of the 2022 Proxy and 2023 Proxy, Plaintiff has suffered substantial harm. By reason of such misconduct, the Defendants are liable pursuant to Section 10(b) of the Exchange Act and Rule 10b-5.

Count Two
(Violations of Section 14(a) of the Exchange Act and Rule 14a-9 Promulgated Thereunder)

531. Plaintiff repeats and realleges the allegations in Paragraphs 1 through 523 as if fully set forth herein.

532. Plaintiff brings this claim as a direct claim against Defendant Target and the Director Defendants for violation of Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder.

533. Rule 14a-9 (17 C.F.R. § 240.14a-9), promulgated under § 14(a) of the Exchange Act, provides:

No solicitation subject to this regulation shall be made by means of any proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

534. The Director Defendants caused to be issued and Defendant Target issued the misleading 2022 and 2023 Proxy Statements soliciting shareholder votes on their behalf.

535. When Plaintiff purchased the stock and throughout the period of his ownership, the Director Defendants and Target disseminated the false and misleading 2022 Proxy and 2023 Proxy, which made false and misleading statements of material facts and which failed to state material facts necessary to make the statements that were made not misleading in violation of Section 14(a) of the Exchange Act and Rule 14a-9.

536. As a result of the Defendants' preparation, review, and dissemination of the 2022 Proxy and 2023 Proxy, Plaintiff has suffered substantial harm.

537. Because of such misconduct, the Defendants are liable pursuant to Section 14(a) of the Exchange Act and Rule 14a-9.

Count Three
(Violations of Section 20(a) of the Exchange Act Against the Director Defendants)

538. Plaintiff repeats and realleges the allegations in Paragraphs 1 through 523 as if fully set forth herein.

539. During the period Plaintiff owned Target stock, the Director Defendants had and exercised the power to control the general affairs of Target, participated in the management and operation of Target, and conducted and participated, directly and indirectly, in the conduct of Target's business affairs.

540. Because of their senior positions, the Director Defendants knew the adverse non-public information about the development of the 2023 LGBT-Pride Campaign and the Board's failure to oversee it and the social and political risks that Target's proxy statements proclaimed the Board oversaw.

541. As directors and, with respect to Defendant Cornell, as CEO of a publicly owned company, the Director Defendants had a duty to disseminate accurate and truthful information with respect to Target's governance and operations, and to correct promptly any proxy statements issued by Target that were or had become materially false or misleading.

542. Because of their positions of control and authority as directors and senior officer, the Director Defendants were able to, and did, control the contents of the proxy statement Target disseminated in the marketplace during the Plaintiff's period of ownership. Throughout that period, the Director Defendants exercised their power and authority to cause Target to engage in the loss-causing acts complained of herein.

543. The Director Defendants, therefore, were "controlling persons" of Target within the meaning of Section 20(a) of the Exchange Act.

544. In this capacity, they participated in the conduct alleged which artificially inflated the market price of Target securities.

545. Each of the Director Defendants, therefore, acted as a controlling person of Target. Each of the Director Defendants had the power to direct the actions of, and

exercised the same to cause, Target to engage in the unlawful acts and conduct complained of herein.

546. Each of the Director Defendants exercised control over the general operations of Target and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff complains.

547. Because of the above conduct, the Director Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Target.

XV. REQUEST FOR RELIEF

548. Plaintiff respectfully request that this Court provide the following relief:

- A. A determination that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- B. A declaration that Defendants Cornell and Target violated Section 10(b) and Section 14(a) of the Exchange Act; that Target and the Director Defendants violated Section 14(a) of the Exchange Act; and that Director Defendants violated Section 20(a) of the Exchange Act;
- C. An order awarding to Plaintiff and the other Class members the damages they have sustained as a result of the violations set forth above from each Defendant, jointly and severally;
- D. A declaration that Target's 2023 director election was void;
- E. Permanent injunctive relief requiring Target and Defendants who are current Target directors to comply with Section 14(a) of the Exchange Act, and the regulations thereunder, by fully disclosing their plans and purposes concerning their monitoring of ESG/DEI backlash risk in the upcoming 2025 annual proxy statement to ensure a lawful board election in 2025; and
- F. Such other and further relief as the Court deems just and proper, including reasonable attorney's fees and costs.

XV. JURY DEMAND

549. Plaintiff demands a trial by jury.

Dated: February 20, 2025

Respectfully submitted,

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Counsel for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that on February 20, 2025, a true and correct copy of the foregoing was filed with the Court's CM/ECF system, which will provide service to all parties who have registered with CM/ECF and filed an appearance in this action.

/s/ Jonathan Berry
JONATHAN BERRY



STATE BOARD OF ADMINISTRATION
OF FLORIDA

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JAMES UTHMEIER
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CHRIS SPENCER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Trustees of the State Board of Administration of Florida
FROM: Chris Spencer, Executive Director *CMS*
DATE: March 5, 2025
SUBJECT: Request Establishment of Litigation Reserve Fund

The State Board of Administration is launching an effort to enhance engagement and advocacy for corporate governance reforms in public corporations in which the Board is a shareholder. As part of this effort, we anticipate an increase in securities litigation initiated by the Board.

Given the complexity and scope of the claims at issue, securing specialized legal expertise is essential to effectively represent the interests of our beneficiaries. Retaining external counsel will ensure that we have the necessary resources to pursue litigation efficiently and in alignment with fiduciary responsibilities. Additionally, collaboration with the Florida Attorney General's Office will strengthen our legal position and enhance the state's ability to recover funds where applicable.

We anticipate that some of the suits initiated by the Board may not include an anticipation of a monetary recovery for damages against which external counsel may seek legal expenses through contingency fee agreement. Despite the lack of a recovery for damages, these suits are nonetheless vitally important to the advancement of corporate governance reforms at public corporations which enhance long-term shareholder value.

The Board requests the approval to establish a Litigation Reserve Fund to provide additional budget allocation for the purpose of paying legal fees, expert consultations, and other litigation related expenses. Monies expended from the Litigation Reserve Fund will be reimbursed upon recovery of fees and expenses at the conclusion of litigation.

Recommended Action: Approval to establish a Litigation Reserve Fund (Fund) of up to \$20 million from the unencumbered balance of the SBA Administrative Expense Fund for Fiscal Year 2024-2025 and to carry-forward the Fund through subsequent fiscal years, subject to availability of funds, and authorize the SBA to establish operating budget authority on an as-needed basis to expend funds for the purpose of engaging external counsel and the Florida Attorney General's Office for litigation related to claims initiated on behalf of the Florida Retirement System Pension Plan. Upon recovery of attorney fees and expenses at the conclusion of such litigation the Fund will be reimbursed from those recoveries.

THE STATE BOARD OF ADMINISTRATION OF FLORIDA

**A RESOLUTION DIRECTING THE REVISION OF
THE DELEGATED AUTHORITY OF THE
EXECUTIVE DIRECTOR, EXPANSION OF THE
SECURITIES LITIGATION POOL, AND
AMENDMENT OF THE SECURITIES LITIGATION
POLICY**

March 5, 2025

**A RESOLUTION DIRECTING THE REVISION OF THE
DELEGATED AUTHORITY OF THE EXECUTIVE DIRECTOR,
EXPANSION OF THE SECURITIES LITIGATION POOL, AND
AMENDMENT OF THE SECURITIES LITIGATION POLICY**

WHEREAS, it is the duty of the State Board of Administration to responsibly and prudently invest the assets of the Florida Retirement System Trust Fund (the "FRS Trust Fund"); and

WHEREAS, in investing such assets, the State Board of Administration may acquire the ownership of publicly traded securities for the FRS Trust Fund; and

WHEREAS, stock ownership rights, including rights associated with shareholder litigation, are financial assets that must be managed in accordance with the fiduciary standard of care required by Florida law; and

WHEREAS, §§ 215.47(10), 112.656 and 112.662, Fla. Stat., provide that when deciding whether to invest and when investing the assets of any fund, the State Board of Administration must make decisions based solely on pecuniary factors and may not subordinate the interests of the participants and beneficiaries of the fund to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor; the State Board of Administration shall discharge its duties with respect to a plan solely in the interest of its participants and beneficiaries; and that the State Board of Administration shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A) through (C).

The term "pecuniary factor" means a factor that the State Board of Administration prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objectives and funding policy. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

WHEREAS, § 112.662(3), Fla. Stat., provides that when deciding whether to exercise shareholder rights or when exercising such rights, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any non-pecuniary factor.

WHEREAS, where there is a reasonable expectation that actions are likely to enhance the value of an investment, after taking into account the costs involved, shareholder activism (including shareholder litigation) is consistent with the SBA's fiduciary obligations under Florida law; and

WHEREAS, the State Board of Administration wishes to enhance its shareholder litigation capabilities for the purpose of advancing and promoting corporate economic recoveries and/or corporate governance reforms that enhance the value of an investment for the FRS Trust Fund through such litigation.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE STATE BOARD OF ADMINISTRATION:

1. **Amendment to Rule 19-3.016, F.A.C.** The State Board of Administration shall initiate rulemaking to amend Rule 19-3.016, Florida Administrative Code, to delegate to the Executive Director the authority to bring suit, file claims, or take legal action or participate in proceedings in the name of the Board, or to defend the Board in any suit, claim or other legal action or proceeding against the Board; and to manage, settle and/or recover any claim or other legal action or proceeding brought by or against the Board. The Executive Director will provide notice to the Trustees of the Board no less than 5 business days prior to filing a complaint in the name of the Board.

2. **Expansion of Litigation Pool.** The State Board of Administration shall expand its existing securities litigation counsel pool and shall solicit proposals to participate in such pool

from law firms with experience in securities litigation, particularly those focusing on litigation in the furtherance of improvements to corporate governance policies consistent with the fiduciary standard of care applicable to the SBA under Florida law and established Corporate Governance Principles and Proxy Voting Guidelines of the State Board of Administration.

3. **Conforming Policy Changes.** The State Board of Administration shall amend Policy 10-033 related to securities litigation to update the process for the evaluation and initiation of potential litigation to include criteria for evaluating derivative or other suits, in which the advancement of corporate governance policies is a priority in lieu of, or in addition to, any direct economic recovery for the FRS Trust Fund. The policy shall include an appropriate consideration for the enhancement of long-term shareholder value of such corporate governance focused cases in accordance with the fiduciary duty of the State Board of Administration. In all such cases, the advancement of corporate governance policies shall be consistent with the fiduciary standard of care applicable to the SBA under Florida law and established Corporate Governance Principles and Proxy Voting Guidelines of the State Board of Administration.

4. **Establish a Litigation Reserve Fund.** The State Board of Administration shall establish a litigation reserve fund in support of litigation related to claims initiated on behalf of the Florida Retirement System Pension Plan. Upon recovery of attorney fees and expenses at the conclusion of such litigation, the litigation fund will be reimbursed from those recoveries.

IN TESTIMONY WHEREOF, the Trustees of the State Board of Administration have hereunto subscribed their names and caused the Official Seal of the State of Florida to be hereunto affixed in the City of Tallahassee on this 5th day of March, 2025.

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**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

**1801 Hermitage Boulevard
Tallahassee, Florida 32308
(850) 488-4406**

**Post Office Box 13300
32317-3300**

**RON DESANTIS
GOVERNOR
CHAIR**

**JIMMY PATRONIS
CHIEF FINANCIAL OFFICER**

**JAMES UTHMEIER
ATTORNEY GENERAL**

**CHRIS SPENCER
EXECUTIVE DIRECTOR**

MEMORANDUM

TO: Chris Spencer, Executive Director

FROM: Brittany Adams Long, Assistant General Counsel

DATE: February 20, 2025

SUBJECT: Agenda Item for the Trustees Meeting, March 5, 2025

Request approval of, and authority to file, a Notice of Proposed Rule amending Rule 19-3.016, Florida Administrative Code (Executive Director), to update the delegated authority of the Executive Director regarding the State Board of Administration's participation in legal actions

RULE 19-3.016 (Executive Director)

ACTION REQUESTED:

It is requested that the Board of Trustees approve the filing of a Notice of Proposed Rule and approve filing for adoption with the Department of State, Rule 19-3.016, Florida Administrative Code (Executive Director), if no member of the public timely requests a rule development workshop or timely requests a rule hearing or, if a hearing or workshop is requested but no Notice of Change is needed.

The purpose and effect of the amendment to Rule 19-3.016, Florida Administrative Code, is to set forth the authority for the Executive Director to bring suit, file claims, or take legal action or proceedings in the name of the Board, or to defend the Board in any suit, claim, or other legal action or proceeding against the Board; and to manage, settle, and/or recover any claim or other legal action or proceeding brought by or against the Board, and to require the Executive Director to provide notice to the Trustees of the Board no less than 5 business days prior to filing a complaint in the name of the Board.

There will be no impact on economic growth, job creation or employment, private-sector investment or business competitiveness, and no increase in regulatory costs resulting from the proposed rule amendments. No legislative action is required.

ATTACHMENT:

Notice of Proposed Rule, Rule 19-3.016, Florida Administrative Code

Notice of Proposed Rule

STATE BOARD OF ADMINISTRATION

RULE NO.: RULE TITLE:

19-3.016 Executive Director

PURPOSE AND EFFECT: The State Board of Administration of Florida proposes to amend Rule 19-3.016, Florida Administrative Code, to set forth the authority for the Executive Director to bring suit, file claims, or take legal action or proceedings in the name of the Board, or to defend the Board in any suit, claim, or other legal action or proceeding against the Board; and to manage, settle, and/or recover any claim or other legal action or proceeding brought by or against the Board, and to require the Executive Director to provide notice to the Trustees of the Board no less than 5 business days prior to filing a complaint in the name of the Board. There are no other rules incorporating this proposed amended rule. The proposed amendment does not have an impact on any other rules. Legislative ratification of the rule amendment is not required.

SUMMARY: Rule 19-3.016, Florida Administrative Code, is being amended to update the delegated authority of the Executive Director regarding the State Board of Administration's participation in legal actions.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: Based on its analysis of the rule amendment, as well as the fact that the Agency is not a regulatory agency, the State Board of Administration has determined that the rules do not meet the statutory threshold for ratification by the legislature. There will be no impact on economic growth, job creation or employment, private-sector investment, or business competitiveness, and no increase in regulatory costs resulting from the proposed rule amendments.

Any person who wishes to provide information regarding a statement of estimated regulatory costs or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 215.52, 215.62(5), 215.835, 215.84(5), 216.345(3), 218.412, FS.

LAW IMPLEMENTED: 112.061, 215.44, 215.441, 215.515, 215.69, 215.84, 216.345, 218.409, FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: Friday, April 4, 2025, 9:00 a.m.

PLACE: Hermitage Room, the Hermitage Centre, 1801 Hermitage Blvd., Tallahassee, Florida 32308.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Brittany Adams Long, Assistant General Counsel, State Board of Administration, 1801 Hermitage Blvd., Tallahassee, Florida 32308, (850) 413-1181, brittany.long@sbafla.com.

THE FULL TEXT OF THE PROPOSED RULE IS:

19-3.016 Executive Director.

The Executive Director, who shall act as the Board's chief administrative and investment officer, shall be selected by and serve at the pleasure of the Board. The Board has hereby delegated authority to act in the following areas to the Executive Director or his or her designee:

(1) To negotiate, enter into, execute, amend and terminate purchases, contracts, leases, lease-purchases, licenses and agreements relating to real, personal and mixed property, services, commodities and capital outlay items required for the day-to-day operations of the Board.

- (2) To negotiate, enter into, execute, amend and terminate contracts, agreements, license applications, account opening or maintenance documents, and all related documents as necessary and/or appropriate to carry out the administrative, investment and debt functions of the Board.
- (3) To control and disburse funds to carry out the constitutional and statutory duties of the Board.
- (4) Make final decisions on all personnel matters, including discipline, involving Board employees.
- (5) To transfer funds between categories of approved funds provided no category is increased or decreased by more than five percent of the total approved budget by all action taken.
- (6) To transfer funds between object codes of a category of approved funds without limitation.
- (7) To add, delete, reclassify and transfer authorized salaried positions so long as the total approved and budgeted positions are not exceeded.
- (8) Authorize and pay travel expenses and per diem under Section 112.061, F.S. Authorize and pay membership dues under Section 216.345, F.S., when such membership is essential to the statutory duties and responsibilities of the Board or, with respect to constitutional duties and responsibilities of the Board, when such membership is essential to the constitutional duties and responsibilities of the Board.
- (9) To act as custodian of the records and property of the Board.
- (10) To act as agent for service of process, as representative to organizations in which the Board is a member or officer and as official liaison with agencies or other bodies of the State, other states, the Federal Government and the public.
- (11) To bring suit, file claims, or take legal action or proceedings in the name of the Board, or to defend the Board in any suit, claim, or other legal action or proceeding against the Board; and to manage, settle, and/or recover any claim or other legal action or proceeding brought by or against the Board. The Executive Director will provide notice to the Trustees of the Board no less than 5 business days prior to filing a complaint in the name of the Board. To immediately bring to the Board, in writing, and secure the Board's approval of any proposed legal action to be taken by or on behalf of the Board, except in defense of litigation instituted against the Board. However, where the emergent nature of a matter requires immediate action and it is not possible to present the matter to a regular or special meeting of the Board, then the Executive Director may take appropriate legal action subject to ratification at the next regular or special meeting of the Board.
- (12)(a) To issue declaratory statements pursuant to Section 120.565, F.S.;
- (b) To review and execute, or to delegate the authority to review and execute, all final orders issued pursuant to Section 120.569 and 120.57, F.S.;
- (c) To grant variances and waivers from rules pursuant to Section 120.542, F.S.;
- (d) To initiate all rule development.
- (e) To adopt, implement, modify and terminate internal procedures, policies and guidelines.
- (13) To perform or facilitate such other functions as may be necessary or appropriate to supervise, direct, conduct and administer the day-to-day duties of the State Board of Administration as authorized by law or by rules and policies adopted by the Board.
- (14) The Executive Director shall keep each member of the Board advised of controversial or major policy issues arising in the State Board of Administration and shall place such matters upon its agenda when directed by any member of the Board.
- (15) The management and the execution of the investment and debt responsibilities of the Board shall be under the direction and supervision of the Executive Director, subject to such limitations and restrictions as may be prescribed by the Board.
- (16) To authorize and designate futures and options markets as authorized in Section 215.47, F.S.
- (17) To assess and collect fees for authorized services provided by the Board for certain services performed for any agency, judicial branch or fund and to deposit the fees in and to expend funds from the Administrative Expense Trust Fund. The services for which fees may be assessed and collected include but are not limited to the following:
 - (a) Processing of interest rate waiver applications.
 - (b) Collecting of undistributed account balances.
 - (c) Escrow restructuring.
 - (d) Reproduction fees.
 - (e) Fees paid for the services of General Counsel relating to private non-trust related entities.

(f) Equitable surcharges on investment earnings.

(g) Administration and legal work fees.

(h) These fees may be deposited in the Administrative Expense Trust Fund and expended only for lawful purposes of the Board.

Rulemaking Authority 215.52, 215.62(5), 215.835, 215.84(5), 216.345(3), 218.412 FS. Law Implemented 112.061, 215.44(2)(b), 215.441, 215.515, 215.69, 215.84, 216.345(2), 218.409(7) FS. History—New 7-13-75, Amended 4-10-84, 12-25-85, Formerly 19-3.16, Amended 12-11-89, 10-21-90, 6-4-91, 6-16-94, 10-15-13.

NAME OF PERSON ORIGINATING PROPOSED RULE: Chris Spencer, Executive Director

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Trustees of the State Board of Administration.

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 5, 2025

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: February 21, 2025.

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STATE OF FLORIDA

JAMES UTHMEIER
ATTORNEY GENERAL

February 24, 2025

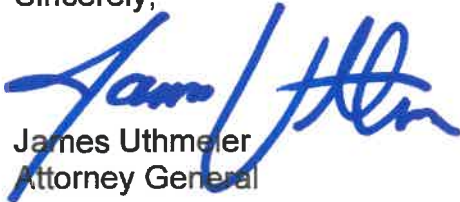
Mr. Peter Jones
Investment Advisory Council
100 Turner Street
Clearwater, Florida 33756

Dear Mr. Jones:

Pursuant to section 215.444, Florida Statutes, it is my pleasure to nominate you for reappointment to serve on the State Board of Administration Investment Advisory Council. Your appointment will be on the next SBA agenda for confirmation by the Board of Trustees of the State Board of Administration. Your term will begin 03/05/25 and expire on 03/05/29.

Thank you for your willingness to continue serving.

Sincerely,



James Uthmeier
Attorney General

cc: Chris Spencer

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MINUTES
INVESTMENT ADVISORY COUNCIL
December 9, 2024

A hybrid meeting of the Investment Advisory Council (IAC) was held on Monday, September 16, 2024, via Microsoft Teams. The attached transcript of the December 9, 2024, meeting is hereby incorporated into these minutes by this reference.

Members Present:

Attended In Person:

Ken Jones
Peter Jones
Vinny Olmstead
John Goetz
Peter Collins
Tere Canida
Jeff Jackson

Attended Virtually:

Freddie Figgers
Gary Wendt

Not In Attendance

SBA Employees:

Chris Spencer
Paul Groom
Marco Perzichilli
Subhasis Das
Loren de Mey
John Bradley
Lynne Gray
Dan Beard

Lamar Taylor
Jim Treanor
Trent Webster
Terrance Davis
Todd Ludgate
Tim Taylor
John Mogg
Mike McCauley

Consultants:

John Calcaterra, Albourne
David Tatkow, Albourne
Katherine Rossi, Albourne
Eva Sibirzeff, Albourne

Katie Comstock, Aon
Phil Kivarkis, Aon (via Teams)
Ryan Morris, Mercer
Jay Love, Mercer

WELCOME/CALL TO ORDER/APPROVAL OF MINUTES

Ken Jones, Chair, called the meeting to order at 11:02am. Ken requested a motion to approve the September 16, 2024, IAC meeting minutes. Tere Canida moved to approve the minutes. Peter Collins seconded the motion. All in favor. The September 16, 2024, IAC meeting minutes were approved.

OPENING REMARKS/REPORTS

Chris Spencer, Executive Director, gave an update on the FRS Actuarial Assumptions Conference, explaining that an increase in both longevity and the assumption of payroll growth will result in a slight overall increase in contributions towards the plan. He also informed the IAC that the SBA is conducting a risk/return review of cryptocurrency investments at the request of CFO Patronis. Chris then discussed the

SBA's legislative bill which seeks to expand the legal list in Chapter 215 to include NAV loans and CFO loans for Private Equity. He also stated that Mercer is conducting their review of the incentive compensation plan, the results of which are expected to be presented at the March IAC meeting.

Lamar Taylor, Chief Investment Officer, reviewed the performance of major mandates. Both the CAT Fund and Florida PRIME outperformed the benchmark over the 1-year period by 25bps and 42bps respectively. The Investment Plan continued to slightly underperform the benchmark due to active equity and stable value, however, it has had strong absolute performance. Global Equity matched the benchmark over the 1-year period but underperformed over the quarter by 27bps. Fixed Income nearly matched the benchmark over the quarter and outperformed over the 1-year period by 55bps. Real Estate outperformed the benchmark over the 1-year period by almost 200bps despite a -6.2% absolute return. Private Equity has continued to underperform relative to the public market benchmark, however, it has outperformed the Cambridge peer-based secondary benchmark over all periods. Strategic Investments has also performed well on an absolute basis but underperformed the benchmark due to growth hedge fund performance. Lamar noted that the new Active Credit asset class only has official performance as of quarter ending September 30, 2024. Lamar answered questions from Ken Jones, Chair, and introduced the SBA's new Senior Investment Policy Officer, Marco Perzichilli.

SBA/AON CHINA EXPOSURE DISCUSSION & RECOMMENDATION

Katie Comstock, Aon, explained that the Total Fund's current exposure to China and Hong Kong is 1.2%, most of which is via Global Equity. Aon conducted an analysis to determine the impact of varying exposure to China within Global Equity's policy target. Katie and Phil Kivarkis, Aon, discussed the analysis methods and assumptions, stating that they studied the current exposure, eliminating the exposure, and doubling the exposure. There were three scenarios studied across short-term and long-term periods: the worst-case scenario in which the Chinese equity market goes immediately to zero with no recovery; expected-case scenario which reflects the capital market assumptions; and best-case scenario, based on the best calendar year return for Chinese equities (54% in 2017) followed by 25% for year 2, 15% for year 3, and expected returns for subsequent years.

Katie reviewed the results of the analysis and its key takeaways. In the expected case scenario, there's only a +/- 2bps impact to the Total Fund return when eliminating or doubling the exposure to China. When the current exposure and double exposure are studied in the best-case and worst-case scenarios, there is roughly a 2 to 1 downside/upside trade-off over both the short-term and long-term. At the current Total Fund exposure of 1.22%, the immediate impact in a worst-case scenario is -1.28% and 0.54% in a best-case scenario. The downside to upside ratio remains the same if the exposure is doubled to 2.43% but with nearly double the impact: -2.55% in a worst-case scenario and 1.10% in a best-case scenario. There was discussion amongst the IAC members regarding the possibility of the best-case scenario increasing past the assumed 50% return. Katie and Lamar Taylor answered questions from IAC members regarding how the policy exposure to China would be reallocated within Global Equity if it were eliminated. After discussion between the IAC members, Aon, and the SBA investment team, it was clarified that eliminating the exposure would only zero weight Global Equity's target benchmark to China and would not prevent active managers from investing in China if they decide the risk/return is attractive. After further discussion, Tere Canida made a motion to move the China and Hong Kong exposure to zero within Global Equity's index and reallocate the exposure across the other countries in the index. Peter Collins seconded the motion. The motion passed by a majority vote.

STRATEGIC INVESTMENTS ASSET CLASS REVIEW

Trent Webster, Senior Investment Officer – Strategic Investments, provided an overview of Strategic Investments’ policy objectives and the historical role of the asset class. Strategic Investments currently makes up 6.2% of the Total Fund with a policy target of 4%. Trent discussed the portfolio and performance. He also reviewed recent activity over the past year, including the asset class allocation and restructuring, and the hiring of a new consultant, Albourne.

Subhasis Das, Senior Portfolio Manager, discussed the hedge fund portfolio which is 1.8% of the Total Fund. The portfolio is currently 75% diversifying/25% growth with diversifying strategies expected to increase. The portfolio has underperformed over the 1 and 3-year periods but outperformed over the longer-term periods. Subhasis then reviewed the insurance portfolio which is currently 0.8% of the Total Fund with a target of up to 1%. He explained the rise in premium rates since 2017 and discussed the exceedance probability curve. Subhasis and Trent answered questions from IAC members.

Terrance Davis, Senior Portfolio Manager, reviewed the infrastructure allocation which makes up 1.5% of the Total Fund with a target of 1%. Infrastructure has outperformed the benchmark over the quarter, 1-year, and since inception periods. He also discussed the allocation’s exposure by geography and strategy. Terrance then briefly reviewed the innovation portfolio, and the legacy assets now housed in Private Equity and Real Estate, including the Florida Growth Fund and cross-asset class funds. Trent and John Bradley answered a question from Peter Collins regarding the Florida Growth Fund.

Loren de Mey, Senior Portfolio Manager, reviewed the activist strategies which are 35% of the opportunistic portfolio. She discussed the strategies performance, exposure, and opportunities in Japan. Loren then reviewed the timberland strategies which are 12% of the opportunistic portfolio. She explained that though Timberland has underperformed, returns are improving. She then discussed geographic exposure and opportunities to increase revenue with the current timberland investments. Loren and Trent answered questions from IAC members.

John Calcaterra, Albourne, discussed the hedge fund portfolio’s exposure, noting that the majority is within relative value and multi-strategy which is in line with what Albourne would advise for the mandate. John explained that the portfolio’s performance has more closely tracked the benchmark as recent changes have been to the portfolio. He also highlighted how the portfolio has been modified to be a more diversifying mandate within the Total Fund.

David Tatkov, Albourne, provided an overview of infrastructure trends over the years. He also explained how the infrastructure portfolio has outperformed both equities and the index of other managers over most vintage years. He then discussed vintage year allocations and Albourne’s positive outlook on infrastructure.

FIXED INCOME ASSET CLASS REVIEW

Todd Ludgate, Senior Investment Officer – Fixed Income, discussed Fixed Income’s role within the Total Fund, the Fixed Income team, and the benchmark composition. Todd provided an overview of Fixed Income’s allocation which is 64% active and 36% passive. The team internally manages about \$49 billion of the \$65 billion assets under management. Todd reviewed the internal active core portfolio, noting that it has outperformed the benchmark over all periods; the internal passive portfolio; the cash enhanced portfolio; and the liquidity portfolio. Todd and Lamar Taylor answered questions from Peter Collins

regarding the liquidity portfolio. Todd then briefly discussed the \$16 billion that Fixed Income manages for the CAT Fund. Regarding Fixed Income's external managers, Todd explained that they have performed well over all periods. He also provided an overview of the securities lending portfolio, noting that the net earnings increased over the last year after several years of a downward trend. Regarding portfolio risk, Todd stated that annualized active risk has been stable. He then explained that the overall Fixed Income portfolio has outperformed the benchmark over all time periods, though valuations will make it difficult to achieve the same returns going forward. Todd also discussed the asset class's accomplishments over the past year and future objectives. Todd answered questions from IAC members regarding recruitment.

Ryan Morris, Mercer, discussed the goals of the asset class. He also explained that Fixed Income uses more passive management than peers and has a lower duration due to the benchmark. Jay Love, Mercer, added that Fixed Income uses more passive internal management while peers use more active internal management. Jay echoed Todd's comment that Fixed Income has produced consistent excess returns, though, he explained they do rank lower in relation to peers due to a more modest level of risk. Jay answered questions regarding the possibility of producing higher returns if the risk level is increased.

ASSET CLASS SIO UPDATES

John Bradley, Senior Investment Officer – Private Equity, provided an update on the market, noting that US buyout activity was up 60% over Q3, the highest it's been since 2021. John explained that 2024 is expected to be the 8th consecutive year that the asset class has had positive net cash flows. Regarding performance, Private Equity outperformed over the long-term but underperformed over the short-term relative to the public market benchmark. John also explained that of the sub-strategies, the US buyout portfolio led while growth and venture lagged. He then provided an overview of commitment activity and answered questions from IAC members.

Tim Taylor, Senior Investment Officer – Global Equity, discussed the continued strength of the equity markets which were up 18% YTD as of September 30, 2024, with developed international markets and emerging markets beating the US. Global Equity underperformed the benchmark over the quarter by 27bps, matched the benchmark over the 1-year period, underperformed over the 3-year period due to a difficult 1Q 2022, and outperformed over the longer-term periods. Tim explained that all active aggregates underperformed over the quarter. He then provided an update on Global Equity's initiatives.

Lynne Gray, Senior Investment Officer – Real Estate, provided an update on the market. She explained that returns seem to be stabilizing gradually as ODCE's total return over the quarter was positive after 8 quarters of negative values. Regarding performance, Real Estate has outperformed the benchmark over all time periods, driven by the core portfolio. Lynne discussed recent transaction activity, portfolio composition, property and geographic diversification, leverage, and the credit facility program. Lynne answered questions from IAC members.

John Mogg, Senior Investment Officer – Active Credit, discussed the market, noting that when out of court restructurings and distressed exchanges are included, default rates are nearing levels last seen during the GFC. John provided an overview of the final multi-asset credit portfolio construction framework which will be 80% active/20% passive. The passive exposure has been implemented and manager searches are underway for the active exposure. He then discussed the new private credit portfolio construction framework which will target about 50% in senior lending strategies. John also noted that the new private credit consultant is Aksia. John presented private credit's legacy performance vs the new LSTA + 175 benchmark and answered questions from IAC members.

Dan Beard, Chief of Defined Contribution Programs, provided a brief overview of the Investment Plan, explaining that as of December 6th, market close, assets had increased to \$18.9 billion. He then discussed plan choice statistics, membership, asset allocation, and the MyFRS Financial Guidance program.

Mike McCauley, Senior Officer – Investment Programs & Governance, discussed shareholder proposal voting statistics, noting that they are expecting volume to go down and quality to go up due to political changes at the SEC. He also noted that the 2024 Annual Corporate Governance Summary is included in the materials. Mike answered a question from Peter Collins.

MAJOR MANDATE PERFORMANCE REVIEW

Katie Comstock, Aon, briefly discussed asset allocation and the progress made towards the new policy targets. She then provided an overview of the performance of the FRS Pension Plan, FRS Investment Plan, and Florida PRIME.

AUDIENCE COMMENTS/PROPOSED 2025 MEETING DATES/CLOSING REMARKS/ADJOURN

Ken Jones, Chair, noted the proposed 2025 IAC meeting dates. There being no further questions or items for discussion, the meeting was adjourned at 3:02pm.

Ken Jones, Chair

Date

STATE OF FLORIDA
STATE BOARD OF ADMINISTRATION

INVESTMENT ADVISORY COUNCIL

PUBLIC MEETING

PAGES 1 - 208

Monday, December 9, 2024

11:02 a.m. - 3:02 p.m.

LOCATION:

1801 Hermitage Blvd.
Tallahassee, FL

Stenographically Reported By:

TRACY BROWN

APPEARANCES:

John Goetz
Vinny Olmstead
Ken Jones, Chair
Gary Wendt (appearing remotely)
Lamar Taylor
Chris Spencer
Peter Jones
Paul Groom
Jeff Jackson
Tere Canida
Freddie Figgers (appearing remotely)
Jim Treanor
Trent Webster
Subasis Das
Terrance Davis
Loren de Mey
John Calcaterra
Eva Sibirzeff
Katherine Rossi
David Tatkow
Lynne Gray
Katie Comstock
Todd Ludgate
Jay Love
Ryan Morris
John Bradley
Dan Beard
John Mogg
Mike McCauley
Tim Taylor
Amy Walker
Audrey Milnes
Marissa Hicks

CERTIFICATE OF REPORTER

208

1 Thereupon,

2 The following proceedings began at
3 11:02 a.m.:

4 **MR. CHAIR:** Okay. Good morning, everyone.
5 Thank you all for being here.

6 I believe we do have a quorum, Chris.

7 **MR. SPENCER:** That's correct.

8 **MR. CHAIR:** And just for the record,
9 Freddie Figgers and Gary Wendt are, I believe,
10 online this morning, so --

11 Can you guys hear us okay?

12 **MR. FIGGERS:** Yes, sir.

13 **MR. WEBSTER:** I can.

14 **MR. CHAIR:** Gary, I know you're not shy.
15 If we couldn't, you'd let us know, so
16 appreciate that.

17 So we're going to start -- call the
18 meeting to order. It's 11 o'clock. We're
19 going to go ahead and do the approval of the
20 minutes from the last meeting.

21 Are there any comments or any questions on
22 the minutes from the last meeting?

23 Seeing none, do I have a motion to approve
24 the meeting minutes from last meeting?

25 **MS. CANIDA:** So moved.

1 **MR. COLLINS:** I second.

2 **MR. CHAIR:** Okay. Moved and seconded.

3 Is there any opposition?

4 Okay. Minutes are adopted by unanimous
5 consent.

6 The second item on the agenda, we're going
7 to go to opening remarks and hear from our
8 executive director Chris Spencer.

9 Chris?

10 **MR. SPENCER:** Thank you, Chairman. So
11 just a couple of updates from the last time
12 that the IAC met. A big one that happened over
13 the last three months, the FRS Actuarial
14 Assumption Conference met and consents on the
15 assumptions that are going to feed into
16 contribution rates for the next fiscal year.

17 The key takeaways from the Assumption
18 Conference, this was one of the -- every --
19 periodically, they do an experience study where
20 they look at -- on the actuarial basis, you
21 know, longevity of plan participants, life
22 expectancy, that sort of thing. So they
23 adopted the results of the -- of the experience
24 study. What that resulted in was a longer life
25 expectancy that they're seeing in male cohorts,

1 particularly in special risk male cohorts.
 2 That obviously has an effect on projecting out
 3 what the liabilities are going to be from the
 4 plan.

5 They also increased the assumption of
 6 payroll growth from a 3.25 percent to a
 7 3.5 percent over the long run. That ends up
 8 resulting in a slight decrease in the amount of
 9 contributions that go into the plan. But the
 10 increase in longevity resulted in increase in
 11 contributions. So all in all, we netted with
 12 what will be a slightly -- increase in
 13 contributions that will occur towards the plan.

14 You may recall from our last meeting that
 15 we -- from the management side, we have
 16 consistently recommended for some
 17 methodological changes to the assumption -- to
 18 the assumptions conference, number one being
 19 going to a level dollar versus a percent of pay
 20 methodology. As far as looking forward to, you
 21 know, measuring what we expect payroll growth
 22 to be. That change was not made at the
 23 conference. And we will work with the
 24 conference next year to see if that's something
 25 that might be entertained next year.

1 Also shortening the amortization of the
 2 unfunded actual liability to a period of 10
 3 years or 15 years, lower than the current 20
 4 years. That also was not consented on during
 5 this assumptions conference. But there was
 6 some willingness, some indication from the
 7 conferees to look at that issue next year. So
 8 we'll work with the conference next year on
 9 looking at trying to shorten that UAL
 10 amortization period and also addressing a
 11 potential move -- which is more of a policy
 12 shift -- a potential move to a level dollar
 13 from the current percent of pay methodology
 14 that's been used.

15 Overall, as a result of all of that, the
 16 smooth versus the market valuation for the
 17 plan, the smooth valuation of the plan is
 18 decreasing from 81.4 percent down to
 19 80.7 percent. But the market valuation of the
 20 plan has increased from an 82.4 percent to an
 21 83.7 percent. That's based on the prior year's
 22 10.3 percent outperformance, which is, again,
 23 well above what our 6.7 percent assumed rate of
 24 return is.

25 That's also a key takeaway. They did not

1 increase our assumed rate of return, so they
 2 maintained it, which is what we had recommended
 3 as well. So we're very happy with that.

4 So all in all, good results coming out of
 5 the Assumption Conference. And that will then
 6 feed into the General Appropriations Act next
 7 year for what contribution rates will go into
 8 the plan.

9 Additionally, we received a letter back
 10 towards the end of October from CFO Patronis
 11 requesting that our professional staff do a
 12 review on the risk and return of cryptocurrency
 13 investments. So just providing the update to
 14 the IAC that we are doing that review
 15 currently. We don't have anything completed at
 16 this time.

17 As a reminder, we -- because
 18 cryptocurrency is not included in our legal
 19 list in Chapter 215, that's not something that
 20 we can directly invest in. Historically, we
 21 have had exposure in blockchain-related
 22 investments and cryptocurrency-related
 23 investments through private equity, for
 24 example. Also for any publicly traded
 25 companies, like Coinbase, that may be in this

1 space, we have exposure there. But we are
 2 doing the risk and return analysis right now on
 3 cryptocurrency investments and we'll have an
 4 update for you when that's completed at the
 5 next meeting, probably, in March.

6 And then additionally, our legislative
 7 agenda. It's always a constantly refining
 8 process of boiling down what we're going to be
 9 asking the legislature to consider as it
 10 relates to us for next year.

11 Originally, we had talked about doing
 12 several different bills, including two public
 13 records exemption bills. After reviewing what
 14 our priorities are and trying to be as succinct
 15 as possible in what our requests will be to
 16 legislature, we decided to abandon the two
 17 public records exemptions issues for the year.
 18 It doesn't have any real material effect to the
 19 way that we are currently conducting business.
 20 And instead, focuses on the private equity
 21 related alternative, investments related bill
 22 that we're trying to expand our authority and
 23 our current legal list to include things like
 24 NAV loans and CFO loans in the private equity
 25 list.

1 I'd also mentioned at the last meeting
 2 that we were anticipating bringing the results
 3 of the Mercer's investment comp- -- or
 4 incentive compensation plan review that we have
 5 underway. We were anticipating bringing that
 6 to this meeting. There's still some work being
 7 done on that. So instead, we anticipate
 8 bringing that forward to the March IAC meeting.
 9 And there will be a compensation subcommittee
 10 meeting that will occur prior to that. And so
 11 we'll send around updates on when those will
 12 occur. Mercer is still continuing to do their
 13 review. And we'll have some updates for
 14 everybody at that point.

15 And then lastly, the agenda for today, Aon
 16 is here, as they always are, but in person with
 17 a robust team to go over the results of the
 18 review that they have been conducting at our
 19 request on our risk, our exposure, and
 20 potential mitigation strategies for total
 21 exposure in China. And they are the -- I
 22 believe, the immediate following agenda item
 23 after Lamar's opening remarks. And they'll
 24 provide a presentation.

25 There will be an action item that the IAC

1 will need to do -- to vote on, you know, moving
 2 forward with making changes to the IPS as a
 3 result of the discussion that will occur today
 4 once you've had a chance to hear and then
 5 discuss the results of the Aon analysis that's
 6 been performed. And so we will request that
 7 there be some action taken by the IAC after
 8 that.

9 And then as far as deep dives go today, on
 10 deck, we've got strategic investments and fixed
 11 income. So we'll be really excited to hear
 12 from the team over here about everything that
 13 they're working on. And that will conclude our
 14 agenda for the day. Hopefully it should be a
 15 robust and very fulfilling afternoon that we
 16 will be here together.

17 Go to Lamar.

18 **MR. CHAIR:** Thanks, Chris.

19 Lamar.

20 **MR. TAYLOR:** Great.

21 **MR. WENDT:** -- questions. Wendt.
 22 Question from Wendt.

23 Chris, you said several times "we" decided
 24 before, "we" decided to pull, "we" decided to
 25 drop this, "we" decided to do this. Who is

1 "we"?

2 **MR. SPENCER:** So, in -- on the legislative
3 agenda issue, that was -- we went -- after we
4 had discussed here at the IAC what -- the
5 proposals that we were going to pursue, we went
6 and met with members of the legislature,
7 legislative staff. Based on the conversations
8 that we had, it seemed, as far as the most
9 efficient use of time, that we would focus in
10 on the substantive bill, which was the 215
11 legal list changes.

12 We can -- we're open to any discussion if
13 there's a desire from the IAC to continue to
14 push for the public records exemption issues.
15 But just as a refresher on what those two were,
16 we were looking at clarifying two existing
17 public records exemptions that currently
18 already, generally speaking, apply for us but
19 just trying to clarify them, one, as it relates
20 to which aspects of real estate transactions
21 and other alternative investment transactions
22 are exempt from public record under a specific
23 119 exemption versus under a trade secret
24 exemption. And the other was to -- was to
25 create a separate public records exemption for

1 our cybersecurity. And particularly around our
2 cybersecurity planning material, which is
3 currently argued by many in the legislature as
4 already to apply to us. We wanted to have a
5 separate specific exemption for that.

6 Based on those initial conversations, it
7 seemed that the best use of our time and
8 resources would be to focus in on the 215 legal
9 list changes.

10 **MR. WENDT:** Okay. So we, as members of
11 the administration's organization -- looked
12 this stuff, that's who you talked to?

13 **MR. SPENCER:** Yeah. That was -- when I
14 say "we," what I mean is management here at the
15 State Board of Administration.

16 **MR. WENDT:** All right. Thank you.

17 **MR. CHAIR:** Okay. Any other comments or
18 questions?

19 Okay. Lamar, over to you.

20 **MR. TAYLOR:** Good morning. And I'm sure
21 folks will let me know if you can't hear me.

22 Let's see.

23 So before I jump into the numbers a little
24 bit, a brief recap of the markets over the
25 quarter ending, which were largely favorable

1 for both equities and fixed income. Started
 2 out a little choppy with some economic news
 3 that surprised, I guess, to the negative a bit,
 4 particularly, with respect to unemployment,
 5 which led to some maybe volatility in the
 6 equity markets and some spreads widening out.
 7 But as the quarter progressed, that economic
 8 news tended to kind of become less and less
 9 problematic and more benign, and more of a view
 10 that the Fed was going to engineer something
 11 they hadn't really done in a long time, if
 12 ever, which is engineer a soft landing.

13 So the general prognosis around rates
 14 continuing to decline. Unemployment, not
 15 necessarily, you know, tipping up
 16 problematically. And so what you saw is rates
 17 dip. So the 10-year came in something like 60
 18 basis points. And the short end came in close
 19 to a hundred basis points. At the same time,
 20 equity markets rallied. And so you had US and
 21 international markets up 6 and 7 percent
 22 respectively.

23 So overall, the quarter ended up pretty
 24 well for us, given our exposure to both equity
 25 and fixed income in some markets. It did

1 pretty well over the quarter.

2 Interestingly, since the quarter,
 3 especially once you removed some of the
 4 uncertainty around the election, things have
 5 gotten even better. So equity markets in
 6 particular have continued to rally. And I
 7 think if you look at the S&P, I think it's up
 8 almost 2 percent since November, which is
 9 something like 24 percent annualized. And if
 10 you look at the Nasdaq, for example, I think
 11 it's up over 2 percent, something like close to
 12 30 percent on an annualized basis. So pretty
 13 much our risk on markets and spreads continue
 14 to be -- credit spreads continue to be pretty
 15 near historic heights. And so you kind of have
 16 to wonder, where do we go from here?

17 Looking at performance overall, I'm going
 18 to try to do a little better job this time
 19 explaining the numbers. Unfortunately, there
 20 are a lot of numbers, and continuing to try to
 21 think about how to present them in ways that
 22 are digestible to the IAC.

23 So I'm going to start out by flipping --
 24 there's a page in your books that looks like
 25 this. And that is a sort of a more vertical

1 way of sort of outlining performance across our
 2 major mandates. And so it's the Cat Fund,
 3 Florida PRIME, investment plan, and the pension
 4 plan. And then the asset classes and the
 5 pension plan. And it lays out the managed
 6 return, that is the return we actually obtained
 7 over the quarter in that mandate or asset
 8 class. Then it has the benchmark return. And
 9 then it shows the difference, the over/under
 10 benchmark. And if it's positive, we
 11 outperformed. And if it's negative, we
 12 underperformed. And not only did we do that,
 13 we highlight it in yellow and in red to just
 14 make sure, sort of, to really put a fine point
 15 on it.

16 So what we did is we took all of that
 17 information and we kind of broke it up into two
 18 charts here.

19 So this chart, the first chart which says
 20 Managed Return, that is the top line of each
 21 one of those mandates on that sheet I just
 22 referenced. So that's the return we actually
 23 obtained over the quarter, the one-month,
 24 three-month, one-year, three-year, et cetera,
 25 period of time. And then if you look at this,

1 this is the active return. We call that the
 2 active return. That's just simply the
 3 difference between what we actually earned and
 4 the benchmark return. So that's our
 5 performance above or below benchmark. And so
 6 that's there to kind of just give you a
 7 snapshot view of the performance over these
 8 various different time periods. And I'll just
 9 really kind of work from this first chart here,
 10 management terms.

11 So if you look at our major mandates, I'm
 12 going to start with the Cat Fund and Florida
 13 PRIME. These are primarily our fixed income
 14 mandates. They have done and continue to do
 15 very well in light of the environment for fixed
 16 income. And so the Cat Fund continues to
 17 perform well. One-year performance up
 18 5.68 percent.

19 Florida PRIME also continuing to do well
 20 in light of this current rate environment. So
 21 I think their current deal is something like
 22 4.8 percent. But it continues to do well
 23 overall. And against the benchmark, up 42
 24 basis points on a one year (audio disruption).

25 The fund balance of Florida PRIME is about

1 28.5 billion, I think. And there's a lot of
 2 cyclicity to it. So it spikes when local
 3 governments get their tax revenues. And so in
 4 the fall, up to about late November, the
 5 balance grows, and then it spins down once you
 6 cross the year and these governments start
 7 spending their money.

8 Each year it's been tipping up at a higher
 9 and higher peak. So last year, I think it was
 10 \$28.8 billion as a peak. This year we might
 11 actually see an all-time high in terms of
 12 Florida PRIME. Performance for the investment
 13 plan continues to be strong on an absolute
 14 basis. One-year performance is 23.1 percent;
 15 three years, 5.16 percent. So good, absolute
 16 performance.

17 And if I switch to this -- sorry. If I
 18 switch to this active return, it's still
 19 slightly below benchmark on those one- and
 20 three-year periods of time. Same story as last
 21 quarter, largely attributable to active equity
 22 investments, which have been underweight in the
 23 Magnificent Seven. And to some degree, stable
 24 value, which in light of -- in the wake of
 25 rising rates, are generally going to

1 underperform. Tends to lag those rising rate
 2 environments. And so the performance is
 3 largely attributable to exposures and active
 4 equity and stable value.

5 And so if we switch to the pension plan in
 6 terms of performance over the one -- the
 7 quarter and the one-year and three-year, I'm
 8 going to think -- or talk in terms of
 9 performance over the quarter ending for the
 10 public market asset classes, so global equity
 11 and fixed income, and then kind of switch to
 12 longer periods of time for the private market
 13 asset classes.

14 So if you look at global equity for the
 15 quarter, it's up 6.5 percent, 30 percent good
 16 return -- absolute return for the year.
 17 3.95 percent if you look at it on a relative
 18 basis. Slightly underperforming the benchmark
 19 over the quarter ending. Flat against the
 20 benchmark of the one-year period of time.
 21 Quarter ending performance is largely a
 22 function of being underweight China. In the
 23 emerging market space, China did very, very
 24 well over the first part of the quarter ending
 25 September 30 as a function of a lot of stimulus

1 that was added to the Chinese equities markets.
 2 It's since come back. If you look at the
 3 performance of Chinese equity since the
 4 election, it's been not so good. So that
 5 performance has kind of come back in over the
 6 period of time.

7 Fixed income, again, for the quarter
 8 ending, it's 5.19 percent, 11.05 percent for
 9 the year on a relative basis, that is, as
 10 compared to benchmark. It's basically flat on
 11 the quarter. Almost 200 basis points above
 12 benchmark for the year. Again, that goes back
 13 to some of the volatility that you saw over the
 14 quarter. So with sort of -- the rates that
 15 came in quite a bit. So rates dropped pretty
 16 well as folks continue to believe the Fed's
 17 going to continue to cut rates. And you saw
 18 this kind of volatility with spread. So early
 19 on, the quarter spreads widened, but they
 20 tighten pretty significantly at the end of the
 21 quarter. As a result, fixed income was flat
 22 for the quarter ending.

23 I would note that for the one-year number,
 24 11.05 percent in fixed income. And if you
 25 think about where we were four years ago, to

1 see an 11.05 percent return in fixed income,
 2 that's pretty amazing when you -- when you stop
 3 and think about it.

4 So switching to the private market, that
 5 asset classes, starting with real estate. Real
 6 estate continues to struggle on an absolute
 7 basis. So down for the one-year period, 6.2
 8 percent. But on a relative basis, doing quite
 9 well. So it continues to beat its benchmark by
 10 almost 200 basis points over the one year. And
 11 a little over one and a quarter basis points on
 12 the three-year period of time. So a lot of
 13 that outperformance is really attributable to
 14 our exposure to industrial properties,
 15 particularly industrial properties in the
 16 south, and our exposure to student housing and
 17 manufactured housing in the multifamily
 18 portfolio, as well as our exposure to core
 19 externally managed funds overall. So very -- a
 20 good relative performance. But real estate
 21 generally, not surprising, continues to
 22 struggle on an absolute basis.

23 We're starting to hopefully see maybe a
 24 turn in some of the valuations, particularly in
 25 multifamily, as I've looked at quarter over

1 quarter, while those valuations continue to
 2 decline, they're not declining as much as they
 3 have over the previous quarter. So maybe,
 4 maybe getting to some leveling off in real
 5 estate. Office continues to be a drag, not
 6 surprisingly, not only for our portfolio, but
 7 for the benchmark and other portfolios as well.

8 As we look at private equity, private
 9 equity continues to perform solidly on an
 10 absolute basis up almost 7 percent for the
 11 one-year period of time, 5.2 percent on a
 12 three-year. It trails its public market
 13 benchmark by a wide mark on the one- and
 14 three-year basis. And the story continues to
 15 be the same, as these public market equity --
 16 public market equities continue to rally and
 17 rally quite significantly, then that's going to
 18 continue to show a drag on the relative
 19 performance in private equity as those marks or
 20 lags are relative to those public market
 21 valuations.

22 Not only that, and as I mentioned last
 23 time, it's the comps themselves that create a
 24 little bit of dispersion there. What you're
 25 seeing is a lot of the run-up in the rallies in

1 global equities as a function of a large cap,
 2 particularly the Magnificent Seven. And those
 3 aren't the comps that private equity is comped
 4 to. They tend to be comped to the much more
 5 small cap firms like this, in the Russell 2000.

6 If you look at -- and these are basically
 7 based on June numbers -- the June 30 numbers in
 8 private equity. If you look at the returns to
 9 the Russell 2000 from March to June, you'll see
 10 that they actually declined. I think they were
 11 down, like, 10 percent for that quarter period
 12 of time. Whereas the large cap was actually up
 13 something like 11 or 12 percent. And you saw
 14 that dispersion.

15 What we're seeing, and particularly since
 16 after the election, is quite the opposite.
 17 You're sort of seeing a rotation in public
 18 markets. And if you look at the valuation in
 19 public markets since the end of September,
 20 particularly since after the election, it's
 21 been a -- it's been a good rally. Large caps
 22 have been up, but small caps have been up even
 23 more. I think on an annualized basis, small
 24 caps Russell II is something like almost
 25 45 percent on an annualized basis in small

1 caps.

2 So, again, not only that, I think the rate
3 environment should be pretty positive for a lot
4 of these private companies as the Fed has cut
5 rates 75 basis points since September. And so
6 I think -- I'm hoping to see some green shoots
7 in this space where we're going to see some
8 better activity in terms of comps in
9 performance in private equity.

10 But I do want to draw your attention to
11 this slide, again. If you look at that green
12 line down there, kind of towards the bottom of
13 the page, that is private equity's benchmark --
14 a private equity's performance compared to its
15 peer-based benchmark, which is the Cambridge
16 benchmark. So that is kind of how we're doing
17 relative to how other allocators like ourselves
18 are doing in this space. And you can see we're
19 beating the pants off of that benchmark.

20 So when you think about the implementation
21 perspective, we are very much doing what we
22 expect to and better. It's just that when
23 you're looking at an opportunity cost to
24 capital, which is the public market space, it's
25 lagging. Private equity is a long-term asset

1 class. You're in these funds for 10 years or
2 more. You're not really looking at one- to
3 three-year performance. At the end of the day,
4 we're going to -- we expect to get a premium
5 over public markets. We've gotten that premium
6 in the past, and we expect we'll continue to
7 get it in the future.

8 **MR. CHAIR:** Lamar, how lagged are the
9 private equity returns on the chart here? I
10 mean, I know it's through September 24, but
11 you're lagging, what, two quarters still?

12 **MR. TAYLOR:** Between three and six months.
13 So between one and two quarters generally.

14 Most of the -- most of it -- it's probably
15 closer to the three-month period than the
16 six-month, but we do have some fund to funds,
17 particularly in venture where you're going to
18 see those longer lags, about six months.

19 **MR. CHAIR:** So these numbers are really
20 from the middle of this year, earlier this --

21 **MR. TAYLOR:** Yeah, June, June-ish, June
22 30th.

23 **MR. CHAIR:** Second quarter.

24 **MR. TAYLOR:** And then so strategic
25 investments, again, solid absolute performance

1 for the one-year and three-year periods.
 2 Underperforming on a relative basis. You know,
 3 strategic, like active credit is going under
 4 sort of a -- sort of a rebranding or
 5 redevelopment here as we pulled the private
 6 credit exposures out of strategic investments.
 7 And so some of this performance is going to be
 8 skewed a little bit, given the fact that it's
 9 going to have some of that private credit
 10 exposure for -- historically, but since, really
 11 April, doesn't. So a lot of the
 12 underperformance currently is really
 13 attributable to some growth hedge funds that
 14 we've since redeemed from. And really over the
 15 one-year period of time, we've got some active
 16 exposure which has done very, very well for us
 17 over the holding period, but they tend to lag
 18 the public markets as they rally in this space.
 19 So some of that relative performance over the
 20 near term is really attributable to hedge funds
 21 and the activist exposure.

22 And then in active credit, our newest
 23 asset class, we only have official performance
 24 for the quarter ending September 30. But we've
 25 got historical performance in the materials

1 that John Mogg will go through where we show a
 2 pretty good absolute performance, but also as
 3 we created that asset class, we switched from
 4 what was a composite set of benchmarks, kind of
 5 almost fund by fund, to sort of benchmarking
 6 them against public market comps of the LSTA
 7 plus 175 basis points. And as you look at that
 8 comp over the one-year period of time, that's
 9 been a very, very fast rabbit, largely a
 10 function of spreads in those spaces tightening
 11 pretty substantially in light of the demand for
 12 that credit, that paper, relative to the
 13 spreads in private markets. And so those
 14 spreads press at a faster rate. And John
 15 Mogg's got some information on that.

16 And so you've kind of seen that LSTA
 17 benchmark has sort of -- has been a pretty
 18 tough benchmark to beat over the one-year
 19 period of time, but we expect to beat that on a
 20 go-forward basis. Not only that, John's going
 21 to have quite a bit of information of how we're
 22 continuing to build that asset class out
 23 through our multi-active -- multi-credit
 24 exposure, multi-asset credit exposure. They've
 25 been very active in talking with managers in

1 that space and as we look to build that out.

2 **MR. CHAIR:** Lamar, one more question. On
3 the active credit side, the managers that we're
4 invested with, do we have -- even though it's a
5 newer asset class for us, do we have historical
6 performance of the managers that we're invested
7 in? Is that what you were just talking about?

8 **MR. TAYLOR:** Yes. And that is in John's
9 presentation. And we compare that against the
10 LSTA plus one- -- that is the new benchmark,
11 the LSTA plus 175. What that exposure is, all
12 of that historical private credit performance
13 is listed out there over this time period.

14 **MR. CHAIR:** Okay. I'll take a look at
15 that when we get into it.

16 **MR. TAYLOR:** I think that was all of my
17 comments. I would like to take just a brief
18 moment and introduce our newest member of the
19 team, Marco Perzichilli, who's at the very end.
20 Marco is our newest hire. If you all remember
21 John Benton, John Benton was our senior
22 investment policy officer. John retired
23 earlier this year, and I'm very pleased that we
24 were able to recruit Marco to the position.

25 Marco comes to us from a long history in

1 the investment space, working with a large
2 stable value fund, and then also with a very
3 large and prominent hedge fund for a while as
4 well. So very happy to have Marco for the
5 team.

6 **MR. CHAIR:** Welcome.

7 **MR. PERZICHILLI:** Thank you.

8 **MR. TAYLOR:** And that's all I've got.

9 **MR. CHAIR:** Okay. Thank you, Lamar.

10 Any other comments or questions from the
11 IAC? Quiet group this morning, guys. It's
12 11:30.

13 Okay. We're going to move on to agenda
14 item three with Katie and the Aon team to talk
15 about our China exposure.

16 And I would say just at the outset, I'll
17 reserve some comments for later, but this is a
18 very -- it's a very important area that we've
19 been talking about for a long time. And I know
20 a lot of people have a lot of strong feelings
21 on it one way or another. So what I would
22 encourage is that as we get into this
23 discussion, I don't want this to be death by
24 PowerPoint, no offense, Katie. I do think that
25 we should have an interactive discussion on

1 this. So to the extent that we've got
2 questions, is it okay if we jump in and ask as
3 you go along?

4 **MS. COMSTOCK:** Yes. Please do.

5 **MR. CHAIR:** Okay. Great.

6 So, again, this is probably one of the
7 most important things we've taken up as an IAC
8 for several years now. So I do want to have a
9 robust discussion. There's a lot of dynamics
10 involved in this issue. I've looked at this,
11 I've covered it, you know, with Chris and with
12 Lamar in the last week or so. I've got a
13 handful of questions I'd like to ask. I think
14 it was very well done, but I do think that this
15 still bears some more discussion. So with
16 that, without any more comments from IAC
17 members, Katie.

18 **MS. COMSTOCK:** Great. Thank you and good
19 morning, everyone. For some of the newer
20 faces, my name is Katie Comstock, I'm with Aon
21 Investments. And we serve as the general
22 investment consultant to the State Board of
23 Administration.

24 So what we have today, as was just
25 previewed, is the analysis that we foreshadowed

1 at the last meeting with the goal of studying
2 the potential impact of varying the exposure to
3 China in the investment -- in the policy for
4 the FRS. We worked with the SBA's investment
5 team, as well as Aon's investment policy
6 services team. Phillip Kivarkis is on the
7 line. He heads up that team. He's also the
8 one individual that was here as we went through
9 our asset allocation and the asset liability
10 study as well. So if you hear him chime in,
11 that is who it is.

12 The first part of this deck is really
13 covering the assumptions and the approach that
14 we took. And I do want to spend a few minutes
15 on this because I think it's important to make
16 sure that we're all on the same page on how we
17 approached modeling this. It's a very
18 challenging thing to model and predict what may
19 happen. And so we had to make some assumptions
20 and we had to be firm in the approach. And so
21 to make sure that we're all in the same place
22 going into this, I think is important.

23 So page 167, it looks like, of the bigger
24 packet, highlights the various methods and
25 assumptions. So first, again, the variable

1 that we are studying is the exposure to China
 2 in the policy statement. We're not trying to
 3 study what may or may not happen or the
 4 probability of those things. We've had to make
 5 assumptions on that. But we're studying the
 6 varying exposure to the Chinese equity market.
 7 That exposure is via public equity. This is
 8 where the bulk of the FRS's exposure is
 9 directly. And we studied both the current --
 10 the current exposure, eliminating that
 11 exposure, going to zero, and then also doubling
 12 the exposure to China as was requested at the
 13 last meeting.

14 With that exposure, when we did eliminate
 15 it, we reallocated it to the rest of the global
 16 markets pro rata. And then when we doubled it,
 17 we pulled pro rata from the rest of the
 18 global -- from the global equity markets. And
 19 we'll cover that here in a little bit as well.

20 For the assumptions, we did use the -- we
 21 took the same custom approach as we normally do
 22 through the asset allocation study by taking
 23 information from three different providers to
 24 get an average assumptions. We also use the
 25 same assumption for China and Hong Kong. And

1 then the analysis that we took, first, was just
 2 looking through our long-term capital market
 3 assumptions. We call that the mean variance
 4 analysis of looking at the trade-offs between
 5 risk and reward. And then we looked at some
 6 deterministic scenarios, what we call a
 7 best-case and a worst-case scenario and that --
 8 close to the bottom, the scenarios that we ran
 9 both -- ran both an expected case, best and
 10 worst. And I'll touch on that in a little bit,
 11 what those scenarios were.

12 All right. So the exposure that we're
 13 talking about, this is the same information
 14 from the last meeting. The top right-hand
 15 chart reflects the exposure that global equity
 16 markets have to both China and Hong Kong. In
 17 aggregate, it's about 2.7 percent of the global
 18 equity market. When we apply that to the FRS's
 19 total fund policy that has 45 percent long-term
 20 target to public equity, that results in about
 21 1.2 percent exposure at the total fund level.
 22 And so that's the current exposure. When we
 23 talk about the exposure to China, we're talking
 24 about 1.2 percent of the total fund. When we
 25 eliminate that, obviously it goes to zero in

1 that scenario. And when we double it, that'll
2 go to 2.4 percent of the total fund.

3 On the following page, we highlight the
4 assumptions. Again, this is the custom
5 assumptions for the FRS. The two -- you know,
6 the two columns I focus on are the middle ones,
7 that's the expected nominal return and
8 volatility. And then we highlighted China in
9 the black row there. So you can see a little
10 bit higher expected return relative to both
11 emerging markets, ex China and international
12 developed markets with an associated higher
13 expected volatility.

14 **MR. GOETZ:** Mr. Chairman, can I jump in
15 with the first question?

16 **MR. CHAIR:** Please.

17 **MR. GOETZ:** Katie, the expected -- could
18 you just remind the IAC how the expected
19 nominal return is actually calculated outside
20 the United States? We know inside the United
21 States, it's the -- kind of the -- I call it
22 the dividend and growth based on economic
23 assumptions. But those numbers are so very
24 close to each other, if you look at them, that
25 I think the calculation when you're outside the

1 United States is a little different than that
2 core calculation.

3 Could you explain to us how that nominal
4 return is estimated?

5 **MS. COMSTOCK:** Yeah. And I may phone a
6 friend here, too, so Phil, chime in. But
7 what -- the way we develop our capital market
8 assumption is we actually start with the global
9 market and do a dividend discount model with
10 that build-up approach. And then we look at
11 the associated correlations in beta of the
12 different subcategories relative to that. And
13 so China having a higher beta relative to
14 global equity markets, here it's coming up with
15 a very similar long-term expected return of 5.6
16 as global equity markets but a higher
17 volatility.

18 **MR. GOETZ:** So then using that logic,
19 what's happened is the valuations, right, of
20 the Magnificent Seven, has lowered the expected
21 return -- the global return because it's such a
22 high weight in that. But then we take that
23 assumption and then we just use beta
24 calculations and risk calculations to move it
25 off of that.

1 Therefore -- and I'm just saying this to
2 the rest of the IAC -- therefore even if the
3 China valuations fell in half, the expected
4 return would be the same. Or if they doubled,
5 they'd be the same. That's the way the math
6 works.

7 **MR. CHAIR:** Are you agreeing or not
8 agreeing with that, Katie? I agree with it,
9 but I'm curious to get your thought.

10 **MS. COMSTOCK:** Yeah. On how these
11 assumptions are developed. So there is a
12 valuation component, correct, to the global
13 equity.

14 **MR. GOETZ:** Just to the goal, right?

15 **MS. COMSTOCK:** Right.

16 **MR. GOETZ:** Which we know that number --
17 I'm just pointing out for everyone. Jim knows
18 this, right? That number, the expected return,
19 the global valuation has come down primarily
20 because of the rise of a relatively small set
21 of very large market caps in the global ACWI,
22 as we reviewed last meeting. Then if you just
23 come off of that with beta, then these can't
24 move. You see what I mean?

25 **MR. KIVARKIS:** That is true. If I may,

1 that is true, the valuations will play a role.
2 Again, we set the global equity assumption
3 based on all country world index and that --
4 even that index has heavy components to those
5 mega caps that you described in the Magnificent
6 Seven. So I think as those appreciate, the --
7 all else equal, the expected return for ACWI
8 would decrease. It is going to be subject to
9 valuation. And then from there, we use those
10 beta adjustments, as you can see in that -- in
11 that last column, to create the various
12 components of the global public equity index.

13 **MR. GOETZ:** So what that means, and I
14 just, I'm trying to -- I mean, I know this is
15 regularly used logic, so I'm not -- again, I
16 just want the IAC to understand, you know, how
17 we calculated the return. You could make an
18 argument, and I'm going to make the argument,
19 that if you separately looked at small cap
20 United States and you said, I'll do that from
21 grassroots, not by a beta to the global, that
22 you would have a higher expected return if you
23 did a dividend discount model for small caps.
24 That is also true for China. Those are the two
25 biggest outliers in the world of valuation

1 today. But this calculation makes it look like
2 nothing has happened to the dispersion
3 evaluations in the calculated return.

4 **MR. CHAIR:** Your point is it's
5 artificially lowered by the fact that --

6 **MR. GOETZ:** I mean, it's all a question of
7 methodology. In the long, long, long run,
8 right, you could argue that there's real merit
9 to this methodology. I'm just pointing out
10 that what's really happened, as Tim has pointed
11 out the last couple meetings, we have a big
12 dislocation that's driving that expected return
13 today, and that we're not separately moving
14 these other pieces of the global equity market
15 to adjust for the big dispersion evaluations.
16 That's why the expected return will always look
17 very similar. It's just because of the
18 methodology.

19 **MR. CHAIR:** I think that's the right way.
20 Yeah, I think that's the intellectually honest
21 way to think about it. You can't ignore the
22 fact that those are -- have huge, huge driving
23 factors on the return numbers with this, you
24 know, very, very small concentrated number of
25 companies. There's no doubt. Okay.

1 **MS. COMSTOCK:** Thank you.

2 So this -- so you're right, these are the
3 long term -- and I preface this: This is
4 looking out 10 years, similar to how we
5 approach the asset allocation study. Now to
6 that point, however, we did study different
7 scenarios and we studied them also across both
8 short term and long term periods of time.

9 First, going to those scenarios, though,
10 I'm going to start actually in the middle here
11 with the expected case. And, again, that will
12 line up with those capital market assumptions
13 that we just -- that we just spoke about. But
14 it really isn't the expected case that drove
15 this conversation. It was, what is the risk or
16 what is the opportunity cost in a worst case or
17 a best case scenario. Now these are the
18 scenarios that we came up with and we had to
19 balance being credible and having something to
20 base these scenarios off of without being too
21 speculative. There are a number of variables.
22 There's a lot of uncertainty on knock-on
23 effects of a worst and best case scenario. So
24 I preface this with: We isolated the Chinese
25 equity performance. And in each of these

1 scenarios, we kept the rest of the asset
2 classes, not only the rest of global equities,
3 but the rest of the asset classes as a base
4 case.

5 So in the worst case scenarios, moving to
6 the left, we base this off of a Russia/Ukraine
7 scenario where we have the Chinese equity
8 market going to zero right away and having no
9 recovery.

10 On the flip side, in the best case, we
11 looked back at prior calendar years on looking
12 at Chinese equity performance In 2017. The
13 best calendar year return was 54 percent. And
14 so we based our best case scenario off of that
15 for the short term. And then when we extended
16 it out to a longer term period, we extended
17 that strong performance to showing a 25 percent
18 return following a good first year, and then a
19 15 percent positive year return for the third
20 year, and then expected returns thereafter.

21 So that is the -- that is how we are
22 defining these scenarios. And so all of this
23 analysis that you'll see are going to be based
24 off of these over what we've terming "worst,
25 "expected" and "best" case scenarios.

1 And so here's a summary of the takeaways.
2 And we have the analysis in the following
3 section. But at the very high level, we start
4 with that mean variance, looking at the capital
5 market assumptions. We likely expect, given
6 the magnitude at the total fund level,
7 1 percent -- just north of 1 percent. And the
8 very minimal difference in expected risk return
9 between time and the rest of global equity
10 markets. The expected impact on total fund
11 risk and reward is immaterial. It's plus or
12 minus two basis points if you were to eliminate
13 China relative to current exposure or if you
14 were to double China based on current exposure.
15 So that's the base case, maybe not unexpected,
16 again, given the size and the expected
17 difference between long-term risk return and
18 assumptions.

19 That's when we did the scenario -- the
20 next thing that we did is a scenario analysis.
21 And the middle column talks -- looks at an
22 immediate kind of shock or a stress test. And
23 you can think of this as a one-year period.
24 And what we did was we looked at, in your
25 current exposure, if we were to have a worst

1 case scenario -- so all else equal, but China
 2 goes to zero, does not recover -- we would
 3 expect the total fund to be about 1.3 percent
 4 worse off. Based on that worst-case scenario
 5 in your current exposure.

6 The flip side and the best-case scenario,
 7 if China would be up 50 percent all else base
 8 case, we would expect the portfolio to be
 9 better off by about 50 basis points. And so
 10 that kind of downside to upside ratios about
 11 two-to-one based on these scenarios. And that
 12 logically makes sense because the downside,
 13 we're assuming China goes down 100 percent.
 14 And the flip side, in the best case, we're
 15 assuming China goes up by about 50 percent by
 16 about half as much.

17 The ratio stays the same when we look at
 18 that -- the same similar deterministic scenario
 19 analysis over the long term. So we extend this
 20 out over a 10-year period. And based on
 21 current exposure, you know, the downside side
 22 annualized, we would expect the total fund to
 23 be worse off by about 19 basis points.

24 On the flip side, in the best case
 25 scenario, we would expect the total fund to be

1 better off by about nine basis points annually.
 2 So, again, it's that similar two-to-one,
 3 downside side, upside ratio.

4 And then if you were to double exposure,
 5 obviously there's more exposure so more
 6 sensitivity to the total fund but that ratio
 7 stays the same when we look at the trade-offs.

8 So now I'll put some numbers -- and please
 9 interrupt as there are questions. I'll put
 10 some numbers around this analysis.

11 So the first one, again, looking at
 12 capital market assumptions here long term
 13 10-year risk and reward. The first top part of
 14 this table shows the weights, just to put the
 15 numbers behind what we're talking about. So
 16 the first column there shows your baseline,
 17 about 2.7 percent exposure within public
 18 equity. This lines up with the 1.2 percent
 19 exposure to the total fund. Then obviously if
 20 you eliminate that, that gets re-weighted to
 21 the rest of global equity markets. And then
 22 the third column is doubling that exposure. So
 23 China would be about 5.4 percent of global
 24 equity and the rest of those regions would be
 25 pro rata decreased.

1 Then we show what the long-term impact is
 2 on expectations for both global equity and the
 3 total fund. I'm going to jump all the way down
 4 to the total fund expectations. And that's
 5 where you can see that two basis points. So
 6 current exposure -- current portfolio, we're
 7 expecting a long-term return of 6.24 percent, a
 8 risk of 11.24 percent. Eliminating that policy
 9 exposure has a decrease in expected risk and
 10 return about two basis points. And then
 11 doubling it, it flips it to the other side,
 12 increase risk, increase expected return.

13 This next page shows the same information,
 14 but just in chart format. And so --

15 **MR. COLLINS:** Can you go -- I'm sorry --

16 **MS. COMSTOCK:** Yes.

17 **MR. COLLINS:** -- Mr. Chairman.

18 Can you go back to that last slide?

19 So walk me through this on emerging
 20 markets ex China. So you're saying that the
 21 first column, ACWI, is without China? Or are
 22 you saying the second column is without China?

23 **MS. COMSTOCK:** The second column is
 24 without China. We just break out -- in the
 25 first column, this is your current policy

1 exposure and is reflective of the weights in
 2 the all-country world IMI index. We're just
 3 breaking out China from emerging markets so you
 4 can see where we're making changes in the other
 5 scenarios.

6 **MR. COLLINS:** So am I correct in saying
 7 that by taking them out, you're only losing
 8 exposure to 20 basis points worth of potential
 9 exposure in the ACWI on the emerging markets
 10 line?

11 **MS. COMSTOCK:** From a weight
 12 perspective --

13 **MR. COLLINS:** Yeah.

14 **MS. COMSTOCK:** -- yeah. In global equity,
 15 it's 2.7 percent of global equity.

16 **MR. COLLINS:** China.

17 **MS. COMSTOCK:** China.

18 **MR. COLLINS:** Yeah. Okay. Thanks.

19 **MS. COMSTOCK:** So any other questions?

20 Like, you know, this is just, again, a
 21 graphical depiction of that. The main takeaway
 22 here is that by either eliminating or doubling
 23 China, an expected case scenario, the impact is
 24 pretty immaterial. We're talking about two
 25 basis points of expected risk and reward

1 impact.

2 All right. Now moving on to the
3 deterministic scenarios. And this is where we
4 get into the best and worst case. And so this
5 is what we're referring to as kind of an
6 immediate shock, a short term. You can think
7 of it as a one-year period. And what this
8 table on the left-hand side of this page, this
9 matrix, is reflecting are the scenarios at the
10 top. So the worst case, reflective of a
11 negative 100 percent return for China; an
12 expected case, those are capital market
13 assumptions; and then a best case on the far
14 right, a plus-50 percent return in year one for
15 China.

16 And then on the vertical column there on
17 the far left, these are the exposures that we
18 studied. So zero exposure to China, your
19 current baseline -- and these are the weights
20 at the total fund level. So that's the
21 1.2 percent you have today, exposure to China.
22 And then if you were to double that at the
23 total fund, it would be 2.4 percent. And so
24 everything in these boxes is showing the delta
25 from your current expectations. So the middle

1 box means you have the policy today, you don't
2 make any changes, so there's going to be no
3 impact.

4 If you were to move left and we were to
5 say, you know, with our current exposure today,
6 1.2 percent and we get a worst-case scenario,
7 China goes to zero, everything else performs as
8 expected, the total fund will be worse off by
9 about 1.3 percent -- 1.28 percent.

10 Moving to the right in a best-case
11 scenario, everything else performs the same and
12 is up 50 percent, the portfolio will be better
13 off by about 50 basis points.

14 **MR. GOETZ:** Mr. Chairman, could I jump in
15 on that one, too?

16 **MR. CHAIR:** Please.

17 **MR. GOETZ:** You know, obviously, that math
18 is all symmetric, right? But it starts from
19 the 50 percent being the absolute best.

20 To loosen everyone up, just go to page
21 180, which is a few pages further. And you see
22 how much emerging markets, and particularly
23 China, has underperformed the greater market,
24 the broader market, since October 2009. I'm
25 not going to defend where China and emerging

1 markets were in 2009. They were probably a
 2 little bit expensive. But the ACWI index,
 3 again, because of these effects, is now almost
 4 300 percent above that point relative to
 5 emerging markets.

6 So if China caught up, what's happened to
 7 the rest of the world from a valuation
 8 standpoint, that wouldn't be a 50 percent rise,
 9 that would be a 300 percent rise. I'm just
 10 trying to loosen everyone up.

11 **UNIDENTIFIED SPEAKER:** Very hard to do.

12 **MS. CANIDA:** But --

13 **MR. GOETZ:** No, no, no, but it has
 14 happened. Again, whenever I get to
 15 300 percent, just because of the fact that I
 16 was in Asia when it happened, Japan rose
 17 relative to the rest of the world 300 percent
 18 over their boom period, okay. That -- and
 19 there are reasons, as I pointed out in the last
 20 meeting.

21 This is 300 percent outperformance by a
 22 whole index, but dominated by even higher than
 23 300 percent outperformance in a small set of
 24 stocks. Okay. So all I'm saying is that the
 25 index, which is what we're looking at 424 on

1 this page, 180, the index could be what has the
 2 problem evaluation. Because your expected
 3 return over the long run is always 7,
 4 8 percent. But when something outperforms by
 5 this magnitude, one should ask: Is that a
 6 sustainable outperformance? Same thing for
 7 underperformance.

8 So just loosening people up. I understand
 9 the 50 percent and how it was calculated, but
 10 that does not confine the outcomes. Zero
 11 confines the outcomes on that outside. There
 12 is nothing worse than zero in that range of
 13 outcomes that's mathematically correct.

14 So I'm just pointing out, again, if we say
 15 50 percent is the absolute limit on the right,
 16 we say it's symmetric in terms of probability,
 17 then this is correct. But if you said the
 18 probability of zero is greater -- is less than
 19 100, and you say the probability of 50 and
 20 above is greater than zero, you'd have to
 21 reconsider how you weighted the cases.

22 **MR. CHAIR:** So you're saying the best
 23 case, we should run a higher number than
 24 50 percent.

25 **MR. GOETZ:** It's been experienced in

1 history. That's all I'm saying.

2 **MR. CHAIR:** It's an arbitrary number,
3 right? Sure. I understand.

4 **MR. GOETZ:** I understand zero's the worst.

5 **MR. CHAIR:** Yeah.

6 **MR. GOETZ:** But it's -- it's an asymmetry
7 that isn't actually, again, mathematically, in
8 my opinion, Katie, very rigorous. Right. And
9 I know -- I just -- I'm just trying to loosen
10 us up. I really share the fact that we don't
11 have to make a decision to grow China, so I'm
12 not -- unfortunately, I just want the IAC to
13 just be completely awake in terms of how we're
14 making this decision.

15 **MS. CANIDA:** Can I ask --

16 **MR. CHAIR:** Please.

17 **MS. CANIDA:** -- Mr. Chairman?

18 I agree with what you're pointing out, but
19 to further waken (sic) us up, I think you have
20 to look at some things underneath these
21 valuations. It's not pure investment
22 valuations set for this. So just, let's be
23 waken up and we need think about that, too.

24 **MR. COLLINS:** What do you think about
25 that?

1 **MS. CANIDA:** I think, you know, not just
2 pure, like you would look at a stock or small
3 cap, you have a lot of things from a macro rule
4 law, rule of investment world that's going to
5 this that are different than some of the other
6 investments.

7 **MR. CHAIR:** I want to go back to a
8 different slide for a minute. And, Peter, you
9 touched on this, on 173. I still have a hard
10 time comprehending 8.1 to 8.3, 20 basis point
11 difference, eliminating China from emerging
12 markets. Is that possible? It doesn't -- I
13 mean, obviously unless your numbers are wrong,
14 it is. But I guess the question I've got is,
15 it's got to be more than 20 basis points I
16 would think on the emerging markets. Or am I
17 just misreading that chart?

18 **MR. TAYLOR:** And, Katie, correct me if I'm
19 wrong. I think that's just reflective of
20 taking the 2.7 percent and reallocating it
21 across all of the exposures in global equity --

22 **MS. COMSTOCK:** Right.

23 **MR. TAYLOR:** -- not just the emerging
24 markets. So if you were to take that
25 2.7 percent and reallocate it only to emerging

1 markets, you'd see a commensurate 2.7 percent
2 increase to emerging markets. But you're
3 reallocating it across --

4 **MR. GOETZ:** Right.

5 **MR. TAYLOR:** -- United States,
6 international and emerging, which is why --
7 you're doing it a pro rata, so --

8 **MR. COLLINS:** But if you're taking 2.7 out
9 of China, what percentage of that 2.7 is
10 emerging markets?

11 **MS. COMSTOCK:** All of that is considered
12 emerging markets.

13 **MR. COLLINS:** Okay. So if you take the
14 2.7 and then you distribute it across all --
15 everything, not just emerging markets, that's
16 not really apples to apples either.

17 **MS. COMSTOCK:** Well, there's different
18 approaches and that would be a decision if you
19 were to decide to eliminate, you could either
20 re-weight and you could see then you'd be
21 slightly overweight to US and international
22 relative to the world and slightly underweight
23 to emerging. Or you could put it all into
24 emerging markets and you would have the same
25 regional exposure but then you'd have some

1 higher exposure to other --

2 **MR. COLLINS:** So you're saying that that's
3 an asset allocation question?

4 **MS. COMSTOCK:** It would be part -- that
5 would be -- yeah, that would be something that
6 you all would need to decide.

7 **MR. TAYLOR:** And that is something -- we
8 had discussed that, in terms of the analysis,
9 how to have Aon frame it, should we think of it
10 in terms of reallocating only to emerging
11 markets or across the board. And correct me if
12 I'm wrong, the MSCI, I believe, when you look
13 at an ex China exposure, it's basically rating
14 across all exposures. So from a -- if we were
15 to think about what the benchmark or what sort
16 of a past replication of that strategy, I think
17 it's your -- my recollection, I can be wrong,
18 my recollection is we're taking that 2.7 and
19 redistributing across the world, not just
20 emerging markets, which I think also kind of
21 makes some sense in the sense that otherwise
22 you're taking 2.7 percent and forcing it into
23 maybe some of the less efficient areas right
24 now, particularly India, which has seen a huge
25 increase in influx in capital allocation, in

1 part because of this favor of China. So kind
2 of forcing that into a relatively small subset
3 of exposures on balance, we just said, well,
4 let's redistribute across the world. But it's
5 something that can be --

6 **MR. GOETZ:** And just one point on that,
7 again, mathematically, because we're using the
8 same expected return, virtually the same
9 expected return, doesn't matter --

10 **MS. COMSTOCK:** Right.

11 **MR. GOETZ:** -- to the total basis points
12 calculation anyway, Peter. But -- and that's
13 where I'm going to agree with what was just
14 said. Reality is India, relative to China, has
15 tripled. So to reallocate to India from China
16 from an evaluation standpoint, I'm not a big
17 fan of that either.

18 **MR. COLLINS:** Well, but the other thing I
19 would say is India tripling just buttresses
20 your comment earlier that 50 isn't the top,
21 right?

22 **MR. GOETZ:** Right. But, again, you know,
23 we can make a decision based upon principle as
24 well, which is what Tere just mentioned. As a
25 board member, I have no trouble with us making

1 that decision. I'm just, you know, fighting
2 the math, making sure we realize that the risk
3 of taking the China out completely probably is
4 foregone return, in my personal opinion, in
5 terms of a range of others.

6 **MR. CHAIR:** Did you run the top at a
7 higher number?

8 **MS. COMSTOCK:** We certainly can.

9 **MR. CHAIR:** I'm assuming it's just math,
10 right?

11 **MS. COMSTOCK:** Oh, yeah.

12 **MR. CHAIR:** It'll just incrementally go up
13 as you raise it every percentage point, so --
14 but I'd like to see what it is. I mean, unless
15 there is some asymmetric threshold, at which
16 point you get above, let's say China's
17 300 percent, does that then somehow
18 exponentially increase the other returns? I
19 think the answer is no, I think it's just math,
20 but I think we should take a look at it.

21 **MR. COLLINS:** But I agree with Tere's
22 comment, too. I mean, all things aren't equal,
23 right, in markets, right? And there are some
24 strong headwinds in that particular market that
25 maybe aren't there in India, right, rule of law

1 and what have you, that could keep you -- could
2 contribute to keeping you from getting the 300
3 or 100 or 150, right?

4 **MR. TAYLOR:** So, Mr. Chair, and I guess
5 maybe the value -- I think at the end of the
6 day, what we ultimately believed, that the
7 value of this exercise was to just show you the
8 asymmetry, right? And so it doesn't
9 necessarily matter what topline performance you
10 want to assume. While zero is a lower bound,
11 zero has a material lasting effect on a
12 go-forward basis on returns. And because of
13 the qualitative aspects around the allocation
14 decision that create the uncertainty today,
15 this was just simply an exercise of showing
16 that you've got downside asymmetry. And the
17 question is, are you getting paid to take it,
18 right?

19 And so I think that is ultimately --
20 that's kind of what we're trying to get at.
21 Because there's any number of ways we can run
22 the math, we can look at the numbers, we can
23 look at volatility, but at the end of the day,
24 the question is, are we getting paid to take
25 this asymmetry risk in light of the dynamic

1 sort of global environment that we're seeing
2 it? And so while it's true you could have a
3 significant run-up in China. I guess a number
4 of questions, what's the catalyst for it?

5 I think, you know, there's some -- as you
6 look at returns historically, particularly in
7 emerging markets, but China, a lot of it's
8 benefited from the fact that China was admitted
9 to the World Trade Organization, the MSCI put
10 China in the benchmark. So a lot of that
11 capital flow -- so something that's cheap is
12 going to stay cheap until the market finds it,
13 right? And the market found it largely through
14 a lot of the very beneficial global embracing
15 of China as an economic story in the WTO and
16 through the MSCI, including in benchmarks.

17 That has kind of reversed a little bit in
18 terms of sentiment globally as well as China's
19 own economic story has kind of changed. So as
20 we look at this trade-off, and I think that's
21 what the numbers are trying to show here is we
22 can run the math in a number of different ways,
23 the question is, do we feel like, given where
24 the market today is, and the sentiment today
25 is, and the uncertainty today is, particularly

1 around the geopolitics, are we going to get
 2 paid to take this exposure? At least are we
 3 going to get paid to take it -- at least are we
 4 going to get paid to essentially force the
 5 exposure by a policy weight to it? And we'll
 6 come to that in a minute, but I think that's
 7 ultimately the question.

8 Putting it -- having a policy weight to it
 9 to some degree is going to force an allocation
 10 there even though we might be active in that
 11 space, managers run their exposures relative to
 12 an active risk budget. And so if it's in the
 13 allocation from a policy weight, there's likely
 14 to be some exposure. If you take it out, it
 15 doesn't mean you can't have exposure there. It
 16 just means that maybe your conviction should
 17 be -- if you're going to have an exposure, your
 18 conviction should be greater, because you're
 19 going to make the decision. Our managers are
 20 going to make the decision. Are they going
 21 to -- are we going to get paid for them taking
 22 that active risk?

23 And I think that's ultimately -- so this
 24 is, that's really the nature of -- this is just
 25 the -- this was just the catalyst for the

1 conversation. But I think everything you
 2 raised is 100 percent right. Nobody knows what
 3 the future is, but there's -- there's an
 4 asymmetry to the downside and the geopolitics
 5 that create that risk.

6 **MR. COLLINS:** So going back to John's
 7 comment on page 180, you could argue that China
 8 was given a big lift, like you said, getting
 9 into the WTO and they -- yet they still managed
 10 to underperform the MS- -- the other index by
 11 two and a half times, right? And now I agree
 12 with you, that sentiment. I mean, everything
 13 you read about -- there's court cases going on
 14 now in the WTO and China, what China isn't
 15 doing that they should be doing to abide by the
 16 rules and the regulations of the WTO. I think
 17 instead of lift, now you've got a headwind,
 18 right?

19 So I agree with John that you can get
 20 three times, like India just did, but I don't
 21 think any of us sitting here today, maybe some
 22 do, think that China is set up for that in the
 23 coming years.

24 **MR. GOETZ:** No. And I think predicting
 25 the future is very dangerous, so I was just

1 really pointing out that if you were thinking
 2 in terms of risks, long term, I would argue
 3 that the rule of law of risk, the Taiwan risk,
 4 et cetera have existed through this entire
 5 period. We are now obsessed about it in the
 6 press, in social media, et cetera. That risk
 7 hasn't -- it's changed primarily because of
 8 US's view towards China. And that's what
 9 happened with Russia, right, with Western world
 10 response to the Ukraine invasion.

11 So I just was pointing out, you shouldn't
 12 eliminate -- for purposes of this discussion,
 13 don't eliminate the possibility that it is the
 14 outperforming market over the next 10 years.
 15 The GDP is way underrepresented by this
 16 valuation, right? There are many, many
 17 strengths that are trying to replace sourcing.
 18 Everyone's trying to replace sourcing from
 19 China and they're replacing it in the United
 20 States in semiconductors at around double the
 21 cost what you do in China. So there are some
 22 real strengths there that if you, in your mind
 23 say, oh, it's just not worth it because it's
 24 too risky, I think that could, in a reasonable
 25 set of probabilities, mean you underperform the

1 ACWI global index. That's my only point.

2 I don't want to predict that
 3 underperformance, if we make this decision to
 4 wipe it out. I'm just pointing out that we
 5 shouldn't go in there blindly assuming it can't
 6 outperform, because that's what we're basically
 7 doing by the math. That's why I made the
 8 point -- the first point. We're assuming the
 9 expected return is the same across all the --
 10 basically because they're just torquing the
 11 beta a little bit. That's it.

12 So if you start with that assumption,
 13 nothing matters, but that's not really the
 14 constraint on the range of outcomes. You know,
 15 I just wanted everyone to know that. And then
 16 we can make that decision. We can say, China's
 17 not worth the risk given how crazy things are
 18 becoming in the world, including our view of
 19 global trade. I'm talking about United States'
 20 view of global trade, not China's view of
 21 global trade. China likes global trade more
 22 than we do now, so do the Europeans, which is
 23 interesting. We used to be the champions of
 24 global trade. Fascinates me.

25 **MR. T. TAYLOR:** Mr. Chairman.

1 **MR. CHAIR:** Vice Chairman.

2 **MR. T. TAYLOR:** Mr. Chairman, can I make a
3 point?

4 **MR. CHAIRMAN:** Please.

5 **MR. T. TAYLOR:** Yeah, I just want to point
6 out, and I think Lamar touched on it, you know,
7 the proposal to zero weight China, we're not
8 prohibiting investment managers from making the
9 active -- to invest there. So we're not
10 removing China from our opportunity set. I
11 feel like that's important to point out.
12 Managers will still have the opportunity to
13 invest in the --

14 **UNIDENTIFIED SPEAKER:** Active management.

15 **MR. T. TAYLOR:** Active management, yeah.

16 **MR. CHAIR:** Vice Chair Jones.

17 **MR. JONES:** Yeah, I'm just curious. We
18 can make our own -- we will make our own
19 decision. But your other pension plan clients,
20 would they -- what is their discussion looking
21 like?

22 **MS. COMSTOCK:** Similar. Some have been
23 mandated. You've probably seen some of the
24 headlines. We're starting just to see some
25 take it out of passive and go active. You

1 know, I think one neighbor of yours has
2 recently -- obviously you saw that headline. I
3 work with another plan that has taken it out of
4 their passive and have allowed their active
5 managers to continue.

6 If you look at, you know, the full
7 opportunity set, it's fewer, all right. You
8 see the headlines where people have made
9 decisions on China, but we are starting to see
10 some policy decisions on it. So we think the
11 conversation is going to continue. And it
12 sometimes makes it easier when it's mandated
13 because then you have a mandate that you have
14 to follow rather than making these active
15 decisions, investment decisions, because it is,
16 to your point, very hard to predict the future.
17 This is an analysis that -- it's a starting
18 point. We can model anything. But it's very
19 challenging to try to predict what's going to
20 happen and how, so -- we're starting to see
21 some movement of some of your peers, but not
22 all. There's a number that still are
23 maintaining the full opportunity set across
24 both passive and active. So not a very clear
25 answer, but --

1 **MR. CHAIR:** How many are doing it? In an
 2 effort to get a more clear answer. Are you
 3 seeing -- I mean, is it of the -- let's say you
 4 represent, I don't know, 50 clients; half of
 5 them, 10 of them?

6 **MS. COMSTOCK:** Less than half, probably.

7 **MR. CHAIR:** Less than half?

8 **MS. COMSTOCK:** Yeah. Probably five to 10
 9 of -- I mean, I know maybe three or four that
 10 have -- that I personally have touched that
 11 have had the conversation and three I think
 12 that have actually made a decision to do
 13 something.

14 **MR. JONES:** But you don't know the
 15 geography subset of her clients?

16 **MR. CHAIR:** That was my next question.

17 **MS. CANIDA:** I do have a question. The
 18 ones that have mandated it, do they still allow
 19 the active manager to pursue it or --

20 **MS. COMSTOCK:** Sorry. When I meant
 21 mandated, it was by statute.

22 **MS. CANIDA:** Okay.

23 **MR. CHAIR:** Legislatively mandated.

24 **MS. COMSTOCK:** Legislatively mandated,
 25 yeah. Thank you.

1 **MR. CHAIR:** Got it.

2 One other question I've got is, in your
 3 worst case where Beijing decides everybody's
 4 zero or somebody makes that decision in China,
 5 and then you're showing a down -- you know, a
 6 drawdown of whatever the number is, one -- you
 7 know, one-and-change percent.

8 Did you also change the expected return
 9 analysis based on that as it relates to SBA
 10 here? Because I assume that -- I don't care
 11 what anybody says, if China is zero, whether
 12 it's, you know, economic policy from Beijing or
 13 for some other reason, there's going to be more
 14 of a correlation than just China, I presume.
 15 And so if you keep your expected return
 16 analysis constant at the end, but China's zero,
 17 that's just not a realistic scenario, right?
 18 Is that a valid point or am I thinking about
 19 that --

20 **MS. COMSTOCK:** No. Absolutely. We would
 21 agree with you. That is how we ran the
 22 analysis because it was -- it was hard to put a
 23 number on what the rest of the global equity
 24 market would do.

25 **MR. CHAIR:** So how did you predict that

1 future on that expected return analysis?

2 **MS. COMSTOCK:** So we used the -- we use
3 the base case. So this would give a -- kind of
4 somewhat of an insight if you look at the top
5 row here.

6 **MR. CHAIR:** No, what I meant was -- sorry.
7 Not to interrupt. But you say, use the base
8 case. The base case doesn't think about China
9 being at zero, I presume. You're still taking
10 the base case at the expected return analysis
11 that you do normally for the rest of it, but
12 China's now zero. So how does that impact the
13 expected return number?

14 **MS. COMSTOCK:** That would be the -- if you
15 look at baseline, worst-case scenario, about 20
16 basis points annualized. So that's on page
17 174.

18 **MR. CHAIR:** So you're saying that if China
19 goes to zero, it's a 20 basis point hit
20 overall?

21 **MS. COMSTOCK:** And everything else stays
22 the same.

23 **MR. CHAIR:** Yeah, but it's not going to,
24 right? Okay. I just want to be sure that
25 we're clear on that point. Okay.

1 **MS. COMSTOCK:** Right. It's a relative
2 thing, right. And that's -- and when -- when
3 we started this, it was, well, what is a
4 realistic scenario and there were so many
5 different variables and uncertainties that it
6 was -- it didn't seem very prudent to come up
7 with a single scenario to say if China goes to
8 zero, this is how everything else is going to
9 go.

10 **MR. CHAIR:** I mean, at some point, it's
11 all correlated, right? I mean, most of it is.
12 There's a few things that are uncorrelated, but
13 most of it's going to be correlated, I would
14 think.

15 Peter.

16 **MR. COLLINS:** Yeah. I was just going to
17 suggest we get off this topic and keep going.

18 **MR. CHAIR:** Okay. I think you've got some
19 more, so keep going, Katie.

20 **MS. COMSTOCK:** I mean, this was the last
21 piece that we hit on. And, you know, I think I
22 would just reiterate, you know, two points:
23 That this was a starting point to model
24 potentially how the total fund could be
25 impacted. We can model anything. And kind of

1 what it does come down to is this is the
 2 quant -- there are shortcomings and there's
 3 only so far that this can take you. It will
 4 come back to that qualitative, the risk
 5 tolerance of the IAC and views on policy.

6 And then the other thing that both Lamar
 7 and Tim highlighted as well was that from a
 8 policy perspective, there is still the
 9 opportunity for active managers to be making
 10 those decisions to have exposure and take
 11 advantage of opportunities and mitigate risks
 12 if the decision was to eliminate China.

13 So this is the last slide. This was the
 14 longer term impact. Same scenarios, and it's
 15 just looking at over the long term what would
 16 the impact be on total fund expectations. So,
 17 again, that's similar -- you know, two-to-one
 18 downside/upside but, again, these are based on
 19 these scenarios that we ran.

20 So I will pause and let you all discuss --

21 **MR. COLLINS:** What's our percentage active
 22 versus passive today in China?

23 **MR. TAYLOR:** We're 100 percent.

24 **MR. COLLINS:** 100 percent active. So if
 25 we eliminated passive, we wouldn't be

1 eliminating any exposure?

2 **MR. TAYLOR:** Again, it's the policy weight
 3 that we're -- and this is where Tim, I think,
 4 can provide a little bit greater insight in
 5 terms of how the active managers manage and the
 6 extent to which if we include -- if we have a
 7 policy exposure to China, one -- there should
 8 be some expectation we are going to have
 9 exposure to China because the managers don't
 10 want to queue too far away from what they're
 11 going to be prepared to do.

12 **MR. COLLINS:** Sure.

13 **MR. TAYLOR:** And so having the policy
 14 exposure would indicate that we would have
 15 exposure, just because of the way that active
 16 managers manage.

17 **MR. CHAIR:** So -- just quickly. So to
 18 Peter's point, I was going to ask a very
 19 similar version of that question. So when I
 20 walk out of here today, we go back home and
 21 somebody says, Hey, great IAC meeting today,
 22 you guys eliminated China exposure. What was
 23 it before and after? What was it at 9 o'clock
 24 this morning? What is it at 3 o'clock this
 25 afternoon? What's the answer?

1 **MR. T. TAYLOR:** Well, you know, with
 2 global, if we were given a target and then
 3 we're given a risk budget to operate around
 4 that target -- so if you -- if a country that's
 5 you know, 15 or 20 percent of our target, we
 6 will probably have roughly 15 to 20 percent.

7 So, for example, China, for our emerging
 8 market managers, China's -- let's say it's
 9 20 percent of their benchmark. I think it's a
 10 little less now. Some managers, if they really
 11 like China, they'll have maybe 22, 23 percent
 12 or more. But if they really don't like China,
 13 you know, really negative, some managers will
 14 still have, you know, 17 to 18 percent in China
 15 because they don't want to deviate too much
 16 from that benchmark return. They want to
 17 control risk relative to that benchmark return.

18 So by removing China from our benchmark
 19 and from our targets, yes, we will probably
 20 have some managers, most likely quantitative
 21 managers and their active managers, all in --
 22 entirely active in emerging markets,
 23 100 percent active now in emerging markets.
 24 Most likely, the quantitative managers will
 25 look and say, okay, China's not on our

1 benchmark anymore, it will go down. And if
 2 they like China, maybe they'll have some. But
 3 they could have zero weight in there.

4 So my thought is, yes, if we signify that
 5 China's not in your benchmark anymore, we will
 6 have less in China, but we'll still have the
 7 opportunity for some managers -- active
 8 managers to invest there if they really like
 9 China. If they find it attractive, they've
 10 evaluated --

11 **MR. COLLINS:** The people looking for
 12 John's 300.

13 **MR. T. TAYLOR:** Yeah. So they've looked
 14 at the risk of the investment, actively looked
 15 at the risk, they've actively evaluated
 16 forecasts of the return, say, yeah, I think
 17 that's a good risk. That's a good return,
 18 risk/reward ratio and all that for your
 19 portfolio.

20 So I hope that's responsive.

21 **MR. CHAIR:** So if we've got exposure to
 22 Carlyle Fund 42, whatever the heck they're on
 23 these days, or Blackstone or KKR, call it
 24 whatever it is, and they're still deploying
 25 capital into private equity investments in

1 Asia, China in particular, and we've got an LP
2 position in those funds, does this change that?

3 **MR. T. TAYLOR:** No.

4 **MR. CHAIR:** Not at all.

5 **MR. T. TAYLOR:** My understanding is this
6 will only be applicable to global equities'
7 target benchmark, so we would have a zero
8 waiting in China for our target benchmark for
9 global equity only.

10 **MR. CHAIR:** That's right. Got it.

11 **MR. COLLINS:** Go ahead. I'm sorry.

12 **MR. JONES:** I'm just curious from the SBA
13 standpoint, is there any PR angle on this where
14 it sounds better to not have any exposure into
15 China at all? Is that playing into it at all
16 or this just simply a separate discussion from
17 it?

18 **MR. TAYLOR:** I think we've looked at this
19 strictly as risk versus reward. And the
20 question is, do we think we're going to get
21 paid to have the exposure in light of the risk
22 involved? Which is kind of why I think
23 we've -- because not only -- I do want to take
24 a brief detour and come back to this zero, this
25 goose egg as a likely scenario. While there is

1 high correlation to where you've got US
2 companies with a lot of exposure to China, so
3 the likelihood that you'd see a Russia-type
4 event that brings that exposure to zero, I do
5 think is unlikely. You could have a slow
6 bleed. But don't discount the possibility that
7 the United States government could tell us to
8 have zero exposure to China. It has the same
9 impact on us, because we're going to be forced
10 to get out, and it may be when we're forced to
11 get out, everybody else is forced to get out,
12 and those -- and that hits the returns, and
13 that scenario could also be pretty --

14 **MR. CHAIR:** Predicting the future of the
15 House and the Senate, are you?

16 **MR. TAYLOR:** Well, so nothing -- who
17 knows. But we've seen it. I mean, last year,
18 our own legislature prohibited us from
19 investing in state-owned entities, right? So
20 this regulatory risk is real. It's increasing.
21 And it's another angle in terms of how this
22 exposure could hinder us in things that are
23 beyond our control. And so there's that.

24 But there's the possibility that, again,
25 on a go-forward basis, even though the

1 companies may be great, they could be great
 2 companies, they could be generating tons of
 3 profitability within China, but if the capital
 4 flows aren't going there, then you've got the
 5 valuation problems because capital flows aren't
 6 going there. And so we don't know how to -- so
 7 this is -- and it's a function of the
 8 geopolitics around the fact that it's now --
 9 unlike it was really prior to the pandemic,
 10 where there was a fairly benign view about
 11 China and its place in the global markets, that
 12 we could -- the globe could somehow bring China
 13 into its fold, and China would sort of ease up
 14 under human rights issues and so on and so
 15 forth, that the power of the economic story
 16 would drive these reforms. That didn't pan
 17 out.

18 And what happened is it's been very
 19 apparent China is a competitor economically.
 20 It's a competitor politically, it's a
 21 competitor militarily. And I think those --
 22 that recognition has -- I think that's
 23 definitely become apparent. And I think
 24 there's likely to be more action taken in
 25 response to that reality that is going to

1 make -- you know, that could have risks in
 2 terms of impacting our returns.

3 This is not -- this is unprecedented in
 4 the standpoint when you think about global
 5 power, this was not the case in the Soviet
 6 Union. There was no commensurate economic
 7 story for the Soviet Union. And so when you
 8 had this sort of, you know, geopolitical
 9 competition in a bipolar scenario, you really
 10 didn't have the experiment here. And so now
 11 you're sort of seeing this develop real time.
 12 And so the real question is, do we think we're
 13 going to get paid to just have this exposure?
 14 Which is all -- a long way of coming back
 15 around to, you can't predict the future. We
 16 cannot predict -- we have no idea how this is
 17 going to pan out. And so what we're not saying
 18 is we don't want any China exposure. We're not
 19 saying we want zero China exposure. What we're
 20 saying is like, you, active manager, if you
 21 have conviction around that space, then you
 22 should do it. But we're not going to force you
 23 to have exposure there because the way you
 24 manage the portfolio to mitigate risk.

25 **MR. SPENCER:** I'll just put an emphasis

1 on -- to Lamar's point. You know, we don't --
 2 again, we can't predict the future, right?
 3 Things, though, directionally seem, as far as
 4 relations between the United States and China,
 5 only to be deteriorating. How much of a
 6 deterioration, whether that's significant or
 7 whether that's just continued gradual
 8 deterioration from an economic policy, trade
 9 policy and outright diplomatic policy, that --
 10 hard to predict how that's going to look in the
 11 future. But it's far more likely that it's
 12 going to continue on its current trajectory,
 13 that it's going to improve and substantively
 14 change more to the upside to reduce that risk
 15 that, to Lamar's point, that we may in the
 16 future have markets shut off from access for
 17 us, whether it's from federal policy or state
 18 policy.

19 When we look at the performance from
 20 China, I mean, the numbers show it just hasn't
 21 performed as well, particularly in recent
 22 years, with the exception of the recent
 23 quarter. So looking at our exposure to China,
 24 the risk that we have there of the situation
 25 continuing to deteriorate from a geopolitical

1 risk standpoint, we look at this to say, how
 2 can we try to mitigate that risk? And the
 3 likelihood of going to zero, acknowledged as
 4 while being unlikely, it's still more likely
 5 than with a country like India, just given the
 6 geopolitical risk. Even if that likelihood is
 7 1, 2, 3 percent, it's -- you know, might be
 8 1 percent for India, who knows what happens in
 9 the future with India. But it could be 5 or
 10 6 percent with China, depending on any
 11 potential scenarios of a conflict over Taiwan
 12 or any other type of conflict.

13 So I think all of those are significant
 14 factors that we looked at when we were going
 15 through this evaluation with Aon. And the
 16 reality of that geopolitical risk is something
 17 that's very, very real. And the regulatory
 18 impacts that would come to us, whether it's
 19 from federal policy, state policy, Chinese
 20 policy, all of these are material factors that
 21 we have to evaluate when we're trying to
 22 determine what kind of course of action should
 23 we take.

24 **MS. CANIDA:** And I think, Chris, going on
 25 that same argument, you're talking about, you

1 know, today we have a 1.4 exposure going -- so
 2 we're talking about a small exposure anyway, so
 3 it's not like we're talking about
 4 eliminating --

5 **MR. JONES:** So I don't have a better
 6 crystal ball, and I don't disagree with the
 7 comments. My hesitation would be that we have
 8 conviction in our active managers, otherwise
 9 you wouldn't have hired them. And they're not
 10 seeing things any differently than we are
 11 probably. And so if we have conviction in
 12 those active managers, I'm hesitant to dictate
 13 how they manage the money because that's why we
 14 chose them.

15 **MR. COLLINS:** I agree with you. And what
 16 I would say is, and I was telling Ken this off
 17 the side, I've been on this board for 10 years
 18 and we've seen multiple times where people come
 19 and say, oh, we've got to get rid of petroleum
 20 stocks or you got to get -- if you're not --
 21 you know, you can't invest in companies that,
 22 you know, aren't moving to carbon neutral or
 23 whatever it is. And I think that -- I always
 24 look at that as you want to have as many tools
 25 in the toolbox as you can to go do what you're

1 supposed to do, which is to be a fiduciary and
 2 get the best risk adjusted return you can get.
 3 And I think when we start saying, you can't do
 4 this, you can't do that, that's bad.

5 What I think we're saying here is, hey,
 6 we're going to free you up. We're just going
 7 to eliminate it from the index. But we're not
 8 saying you can't invest there, right? And I
 9 think that that's the best stance that we can
 10 take. Because the minute we start doing this
 11 and start limiting those investment options, I
 12 think that's the slippery slope that we don't
 13 want to go down.

14 And so I support removing it from the
 15 index. I think it's -- it's the right thing to
 16 do. And to answer Ken's question, you did,
 17 said we don't really know what the effect will
 18 be, but it'll be pretty telling in the next
 19 year to see what those managers look like and
 20 see if they -- you know, there's going to be
 21 some that, you know, think, well, we could
 22 make -- we're going to do well because it's
 23 depressed and they're going to go on a run, but
 24 there's a lot of people that'll probably say,
 25 good, I'm out. But we don't know that. But we

1 shouldn't know that, because that's -- to
 2 Peter's point, that's what we're hiring the
 3 active managers to do as they know it better
 4 than we do.

5 We have a narrow view of the world, right?
 6 And that view is how we perceive China, right?
 7 That's not how the rest of the world perceives
 8 China necessarily, right? And, you know,
 9 there's a lot of countries that, you know, like
 10 China. So we do have a narrow view of the
 11 world. I happen to think it's the right view,
 12 but I'm sitting as an American, right?

13 And so, again, I would say that I think
 14 that this is the responsible way to do it. And
 15 to -- and we don't know what the impact will
 16 be, but it's better than saying, you can't do
 17 this.

18 **MR. CHAIR:** I agree. Vinny, I see you
 19 have your mic --

20 **MR. OLMSTEAD:** Just so I understand. What
 21 we're debating here is 2.7 percent. If we
 22 agree with this policy ultimately, we think it
 23 will go from somewhere between zero and
 24 2.7 percent because we think folks will pull
 25 back. We don't think there's another

1 consequence that people will double down or do
 2 more with investing in China, correct? Is that
 3 a fair way to categorize -- I'm trying to ask
 4 Ken's question a different way, which is right
 5 now we have 2.7 percent, we think it will go
 6 somewhere sub 2.7 percent, but probably not all
 7 the way down to zero.

8 **MR. T. TAYLOR:** Yeah. My understanding is
 9 the 2.7 percent is a percentage of global
 10 equity.

11 **MR. OLMSTEAD:** Right.

12 **MR. T. TAYLOR:** So just one asset class,
 13 as a percentage of the fund, I think it's more
 14 like 1.7 percent.

15 **MS. COMSTOCK:** Correct. In your direction
 16 of travel, that's would be expected. I can't
 17 guarantee that, obviously, but that would be --

18 **MR. OLMSTEAD:** Got it. And there's no
 19 other -- I'm just trying to ask the, you know,
 20 odd question. No one -- because I'm -- because
 21 I'm not being benchmarked against it, there's
 22 no reason for me to double down or to try to be
 23 different or to increase my exposure to China.
 24 You would think that they would -- the natural
 25 thing would, which intuitively would be is to

1 pull back, right?

2 **MR. T. TAYLOR:** Yeah. I think most
3 likely, let's say -- and our target's
4 2.7 percent now. And I think as of yester- --
5 or as of Friday, we're maybe at 2.4 percent in
6 China. If we move it down to zero, that weight
7 will fall down, too. Won't be a zero, but it
8 will come down, yes.

9 **MR. CHAIR:** Appreciate that, Vinny.

10 **MR. GOETZ:** Mr. Chairman, just one last
11 comment on math just to loosen us up, and I
12 really mean that.

13 **MR. CHAIR:** We're getting pretty loose
14 these days. I like it. Great.

15 **MR. GOETZ:** Yeah. The reality of the
16 disaster case, you know, which we're worried
17 about, even including direct intervention and
18 flows and so far, that's more the markets
19 trying to guess and flows moving around. But
20 if we did have direct intervention in flows and
21 this escalated, which is what our nightmare is,
22 and we're saying, why don't we just get rid of
23 that 1.7 percent risk in the -- in the total
24 pension, the reality -- and you alluded to it,
25 Mr. Chairman -- that that isn't how it would

1 turn out. Because Apple generates the majority
2 of the devices we buy from them in China, I
3 would suspect Apple would be down 40 percent or
4 so. And then that's because we've owned
5 Hanhai -- we sold it recently because it's got
6 the AI hype in it, but --

7 **MR. CHAIR:** Well, look at even Jabil
8 Circuit. I mean, they're producing how many
9 components for the iPhone, right? Public
10 company in Tampa, Florida.

11 **MR. GOETZ:** So as -- you know, if we're
12 really trying to do that, that severe macro
13 risk, we haven't done that in this analysis,
14 and we won't be eliminating it by taking out
15 the measly 1.7 percent we have invested. I
16 just wanted to -- because if we really worry
17 about that, then I would argue that the
18 Magnificent Seven risk is pretty extreme, and
19 that would cause you to reallocate away from an
20 overweight, which ACWI has.

21 So, Tim, could I just throw out to you as
22 a hypothesis, if you really want to let the
23 managers loose, you would eliminate all the
24 regional allocations and just let them put the
25 money where they individually think it's best

1 put. I'm just being extreme again. Just being
 2 consistent with Peter's flavor. That would be
 3 what you would do actually. I know as a global
 4 equity manager, that moving that far away from
 5 the index is very hard to -- but you know it,
 6 too. So, you know, I'm just pointing out that
 7 right now, the global equity manager is being
 8 tethered to the Magnificent Seven and forcing
 9 their flow to the Magnificent Seven even though
 10 they don't want it. Exactly reciprocal of
 11 what's going on in China. So I just want to
 12 point out to everyone that we can't eliminate
 13 this China debacle risk by doing this.

14 **MR. SPENCER:** Mr. Chairman --

15 **MR. CHAIR:** I was just going to say -- in
 16 the context of not loosening us up, we're going
 17 to tighten this up a little bit because we're
 18 28 minutes over the time allotment on the
 19 agenda. But, Chris, go ahead and then we'll
 20 go -- bring it in for a landing.

21 **MR. SPENCER:** Just something quick to add
 22 on that. I completely agree on the comments
 23 you just made. I think that, you know, one of
 24 the things -- and we have Marco here on the
 25 team who is spearheading a lot of this

1 effort -- significantly improving our analytics
 2 on factor exposure across the entire portfolio
 3 is a priority that we're working on now. We
 4 view this initiative right here, this decision
 5 that is before you much -- this is much more
 6 high level, right. Setting what the policy
 7 weight should be for this. It's not at the
 8 same time going to figure out what should be
 9 any kind of limitation, if any, or any kind of
 10 adjustments that we're making on factor
 11 exposure to China. There's all kinds of
 12 different exposure to China from revenue
 13 generated from China, from Jabil to Apple to
 14 companies that we aren't even thinking about.
 15 But as we're developing our analytics and
 16 improving those over the next year, we may have
 17 more discussion about this, about what that
 18 looks like.

19 From a policy perspective, we're trying to
 20 address this. This is -- there's multiple
 21 steps that are going to come in this
 22 conversation about what this risk should look
 23 like with our exposure to China. And then also
 24 just for our own awareness, better educating
 25 ourselves what our real exposure looks like to

1 China when we get all this analytics put
2 together.

3 **MR. CHAIR:** Thank you, Chris. Appreciate
4 it.

5 Any more comments before we -- sorry.
6 Somebody online. Gary?

7 Hi, Gary. Go ahead.

8 **MR. WENDT:** I'd like to call the question.

9 **MR. CHAIR:** So do we have a motion on the
10 table right now for adoption?

11 **MR. TAYLOR:** No. And I guess someone
12 would need to make one. And I guess we
13 would -- we would say that a motion that I
14 think would encapsulate the conversation is
15 recommending that --

16 **MR. CHAIR:** The removal of China from the
17 index.

18 **MR. TAYLOR:** From our policy weight. So
19 from our benchmark exposure to China, taking
20 China policy weight, benchmark exposure in the
21 public markets to zero. Doesn't mean --
22 doesn't mean we can't invest in China.

23 **MR. CHAIR:** Right. I just want to be
24 clear on that because I think we've had a big
25 discussion today about we're not investing in

1 China anymore. I don't think that's what we're
2 doing. We're talking about benchmark weighting
3 on the index, bringing that to zero.

4 So whoever is taking notes, to codify that
5 motion, if somebody can articulately --

6 **MR. TAYLOR:** And I guess maybe -- and this
7 is something that we will, in light of --
8 depending on what this motion comes out. If
9 the recommendation is to have zero benchmark
10 exposure to China, we will need to come back in
11 March and reflect that in the investment policy
12 statement to show it. Because right now, we
13 have our target benchmark for global equity is
14 the ACWI IMI, which currently includes China.
15 If we were to do this, the recommendation would
16 be the MSCI ACWI ex China. I mean, I think
17 that's --

18 **MS. COMSTOCK:** Yeah. There's -- that was
19 what we studied. There's MSCI all country
20 world ex China, ex Hong Kong.

21 **MR. CHAIR:** Both correct, China and Hong
22 Kong?

23 **MR. TAYLOR:** China and Hong Kong.

24 **MS. COMSTOCK:** And one other point, too,
25 just want to, that would line up with the

1 second column there, so that China weight would
2 be redistributed across US, international and
3 other emerging markets, and not be all
4 reallocated to emerging markets. Just because
5 that was a decision.

6 **MR. CHAIR:** Okay. So Gary wanted to call
7 the question. I think we need to have a motion
8 on the table that we were debating before we
9 can do that, I think, with rules of order. So
10 I'll entertain a motion.

11 **MS. CANIDA:** I move that we move the
12 benchmark China exposure to zero.

13 **MR. CHAIR:** I believe that's all the
14 motion would be, correct?

15 **UNIDENTIFIED SPEAKER:** In the index.

16 **MR. CHAIR:** In the index, correct.

17 **MR. TAYLOR:** Making sure that everybody --
18 China and Hong Kong. So we include Hong Kong
19 in that. So moving China and Hong Kong
20 exposure to zero in the index and reallocating
21 that exposure across the other countries in the
22 MSCI index.

23 **MR. CHAIR:** Okay.

24 **MR. COLLINS:** I would second that.

25 **MR. CHAIR:** Okay. Motion's been made and

1 seconded.

2 All those in favor, signify by saying aye.

3 (Members reply aye.)

4 **MR. CHAIR:** All those opposed, like sign.

5 **MR. GOETZ:** Aye.

6 **MR. WENDT:** No.

7 **MR. CHAIR:** Okay. So motion carries by a
8 vote of two nays and seven yays. Okay.

9 Got that?

10 Okay. Good.

11 Okay. We're going to move on to the next
12 item, item four, strategic investment asset
13 class review. We are going to start with
14 Trent. Looking out across to see your face
15 there, Trent.

16 **MR. WEBSTER:** A lot of us.

17 **MR. CHAIR:** And I'll just note, it's
18 12:30. I know we had that last discussion
19 allocated till noon and you've got 12:00 to
20 1:10 for everybody, so not saying to rush --

21 **MR. WEBSTER:** We'll do our best.

22 **MR. CHAIR:** Keep it in mind and we'll go
23 from there.

24 So, Trent. Go ahead. Thanks.

25 **MR. WEBSTER:** Yeah. Not a problem. First

1 of all, I'd like to introduce to the IAC,
 2 everybody in to the room to our senior
 3 portfolio managers. To my right is
 4 Mr. Subhasis Das. To his right is Mr. Terrance
 5 Davis. And to his right is Ms. Loren de Mey.
 6 And so they're going to lead the discussion on
 7 our investments this afternoon. I'll talk
 8 about the total asset class. But if you have
 9 any questions on the investment, feel free to
 10 ask.

11 So these are our current strategic
 12 investments policy objectives. And they are to
 13 reduce the volatility and improve the
 14 risk-adjusted return of the total fund, to
 15 outperform during the total fund significant
 16 market declines. And also that third point
 17 here, which I want to spend a little bit of
 18 time on, and that is to increase the
 19 flexibility by investing in new strategies and
 20 opportunistically across different asset
 21 classes.

22 So strategic investments came into being
 23 in 2007. And for a little bit of history for
 24 people who are relatively new here, there were
 25 several reasons why the asset class came into

1 being. One of them actually arose out of a
 2 study that we did in 2004-2005 on commodities.
 3 And at that time, if you'll remember, if you
 4 were active in the markets, commodities were a
 5 big thing. Jim Rogers was traveling around the
 6 world on his bike and his leather jacket. We
 7 had all sorts of things going on in
 8 commodities. And we made it -- we took a
 9 pretty hard look at making a 5 percent
 10 allocation to commodities and decided against
 11 it. We didn't do it.

12 But upon -- after that exercise, upon
 13 reflection, the powers that be at the time
 14 thought, well, if you think about anything
 15 that's new and coming into the total fund, it's
 16 actually quite highly disruptive. So if you
 17 bring something new in, you probably don't have
 18 any staff who have any experience with it, you
 19 probably don't have the infrastructure, you
 20 probably don't have a consultant. The idea was
 21 that, okay, well, maybe instead of doing this
 22 highly disruptive thing that could be very
 23 costly, including transition costs, why don't
 24 we create this structure or this area or this
 25 new thing where we can put new things into

1 them? And if it works, great. We can expand
2 it. We can put more into that new thing and
3 then maybe one day, it can go off and become a
4 different asset class.

5 So you have kind of a petri dish or an
6 incubator where you could do new things without
7 taking a whole lot of risk. And so in 2003 --
8 as a real-life example of that in 2003, we made
9 our first investments into private credit. We
10 got very active in private credit in 2007 and
11 2008 when private credit wasn't a thing. It
12 has since become a thing and now you have
13 allocations to private credit. And so we, as
14 an organization, made a decision to make an
15 allocation to active credit which includes
16 private credit and since spun out and is a new
17 asset class. And that's one of the reasons why
18 strategic came into being for new investments,
19 new things, and as an incubator for new asset
20 classes.

21 We're also a repository for investments
22 that might not fit elsewhere. So one of the
23 things this industry does as a form of habit is
24 it likes to bucket things. So there's equity,
25 there's fixed income, real estate, et cetera,

1 et cetera, et cetera. Well, what if there's
2 something new? Like, should you exclude it if
3 it's not a bucket? Maybe that -- you can do
4 something that's kind of off the run. And so
5 that was another reason why strategic came into
6 being.

7 And finally, it was also meant to be a
8 home for cross asset class strategies. We're
9 not really doing this a whole lot anymore. We
10 might do it in the future. But, you know,
11 10-some years ago, and actually still today,
12 but we were investing in funds that may have
13 done private equity in real state. Funds that
14 did private equity and private credit. Funds
15 that -- and we had the Florida Growth Fund as
16 well which still sits with us at the legacy
17 funds, but future funds will be in private
18 equity.

19 So kind of where does it sit? And so the
20 idea was, well, maybe you can have a place
21 where process of class funds could be
22 domiciled. The truth is that we didn't
23 actually find a whole lot of those and so we
24 made a decision during the asset allocation
25 with Aon last year was that if something was

1 mostly private credit, it would sit in private
 2 credit. If it was mostly private equity, it
 3 would sit in private equity. If it was mostly
 4 real estate, it would sit in real estate. So
 5 we're not really doing a whole lot of that
 6 anymore. But that's kind of the historical
 7 roles and the objectives for strategic.

8 So currently the target for the asset
 9 class is 4 percent. But we're actually a
 10 little high at 6.2 percent. But of that
 11 6.2 percent, 1 percent of the total fund is in
 12 what we call legacy assets. And the legacy
 13 assets are those private equity and those cross
 14 asset class funds that we were investing in.
 15 So they'll go down. So we're currently just
 16 under 13 billion with 47 relationships managing
 17 69 funds.

18 The other thing that's a little different
 19 about what we're doing today compared to what
 20 we did in the past is that I used to put a
 21 graph up like here with all the 20 or 21
 22 different strategies we used to invest in. And
 23 we would manage this portfolio holistically.
 24 And that was one of the mandates that we had
 25 when we first started this. And 10, 12, 15

1 years ago, when -- a \$100 billion fund, and we
 2 had \$2 to \$3 billion, we would take a look --
 3 you know, it made some sense where maybe you'd
 4 want to do more infrastructure than hedge funds
 5 or more private credit than timber or whatever.
 6 But as the fund grew and our asset allocation
 7 grew, that 2. -- 2 to 3 billion became
 8 \$23 billion. And so we decided as an
 9 organization to kind of put some targets on the
 10 things that we do at the total fund level.

11 So whereas a couple years ago, a chart
 12 like this might be our starting point for
 13 discussions on allocation within strategic,
 14 instead today, what this is is just more
 15 informative just to see where we are.

16 From a performance standpoint, this is
 17 our -- we've been lagging the last few years
 18 in -- for some things because we've been doing
 19 a lot of different things. Some things are
 20 outperforming, some things are underperforming.
 21 We'll talk about it in a little bit. And if
 22 you look at the total fund -- now these numbers
 23 by the way, as Lamar had stated, you know, in
 24 his preamble, these also can be private credit
 25 as well. So, if you think about, you know, the

1 strategic, which is blue bars and the total
 2 fund, the gray bars, through its history,
 3 strategic investments has mostly been not
 4 equity. We've had a significant minor exposure
 5 but most of the exposure has been elsewhere.
 6 The total fund's been mostly in equity fund.
 7 So for the most part, we've been able to
 8 relatively keep pace with the total fund.

9 Over the last -- or this calendar year, we
 10 have been a source of funds for the total fund.
 11 We have distributed back over a billion
 12 dollars, but we've been pretty -- part of the
 13 reason for that is we've been pretty quiet.
 14 And the reason why we've been pretty quiet over
 15 the last few quarters is because of the asset
 16 allocation we went through, the restructuring
 17 the asset class went through, and also because
 18 we've hired the good people at Albourne, which
 19 they can come and sit here on the table if they
 20 so wish.

21 There we go. Thank you.

22 So we've hired Albourne as our consultant.
 23 We expect this fiscal year to remain quiet, but
 24 then we expect it to accelerate into the back
 25 half of the calendar year of 2025.

1 And one of the things that we're going to
 2 do, as you can see here, our pipeline isn't --
 3 or is -- there's not that much in our pipeline.
 4 We expect that pipeline to be populated, have
 5 much more in the pipeline over the next, you
 6 know, 18 -- over 18 months or so, including in
 7 hedge funds.

8 And I will pass it over to my colleague,
 9 Mr. Subhasis Das, who will take us into hedge
 10 funds.

11 **MR. DAS:** Good afternoon. I'm Subhasis
 12 Das with the strategic investments group.

13 So with -- hedge funds are, as you can
 14 see, our return target is SOFR plus three. One
 15 thing to keep in mind is while we've invested
 16 in hedge funds for the last 10-plus years, we
 17 now for the first time, have an up-to target,
 18 which is 2 percent. Formerly, as Trent pointed
 19 out, we would flex across all the different
 20 things we could do and we never had a fixed
 21 allocation to hedge funds. So that's worth
 22 pointing out.

23 In terms of the objectives, primarily the
 24 function is diversification, which is
 25 quantified in terms of correlation to the FRS

1 of less than .5 and a drawdown capture of .25
 2 during significant market declines. And by
 3 "market declines," references to equity markets
 4 for the most part.

5 One thing worth pointing out that hedge
 6 funds present a wider investment universe
 7 through exposure to a large number of systemic
 8 and idiosyncratic market opportunities. As we
 9 know, like most other pension funds, the total
 10 fund is dominated by equity risk. And really
 11 our hedge fund portfolio is designed to reduce
 12 that risk while earning roughly 6 to 8 percent
 13 return over the longer time period.

14 The reason why hedge funds have a role
 15 here is the flexibility enables them to tap
 16 into some unique sources of alpha using tools
 17 such as chart selling, derivatives, and even
 18 leverage to a larger extent than they might be
 19 used elsewhere. Specifically, certain
 20 strategies give you a chance to take advantage
 21 of changing market regimes. For example, the
 22 relative value and macro strategies give you a
 23 chance to capitalize on varying fiscal and
 24 monetary policies. The long-short security
 25 selection-oriented strategies exploit high

1 cross-sectional dispersion and corporate events
 2 and financial distress serving as tailwinds for
 3 credit and event-driven and even activist
 4 funds.

5 We've already mentioned that the target is
 6 up to 2.8 percent. Currently we're at 1.8.
 7 Current allocation is definitely more towards
 8 diversifying type strategies versus growth. We
 9 have eight to ten -- eight hedge funds and two
 10 fund-to-funds. We, again, as Trent mentioned
 11 earlier, we expect to be much more active in
 12 the hedge fund space over the next 15 to 24
 13 months. And we should see -- expect to see
 14 five to 10 more funds.

15 This pie chart shows the current
 16 distribution of strategies within the hedge
 17 fund portfolio. And just pointing out that the
 18 blue portions of the pie are the diversifying
 19 strategies while the gray ones are like the
 20 more growth-oriented ones. We expect that
 21 diversifying strategies piece to grow over the
 22 next 18 to 24 months as we reallocate to newer
 23 hedge funds.

24 And also worth pointing out that over the
 25 longer period of time, we have moved away to

1 some extent from the long-short equity type
2 hedge funds.

3 Performance-wise, we have lagged slightly
4 in the one- and three-year basis, but have
5 outperformed on the longer time periods.

6 So referring back to the objective of
7 capturing less than 25 percent of the downside
8 during market declines, these are instances
9 where the FRS has gone down during market
10 decline. And as you can see, the hedge fund
11 portfolio has captured less of the downside
12 compared to the rest of the fund.

13 Specifically, you can see that the diversifying
14 strategies have done even better than hedge
15 funds as a whole.

16 On this slide, what we are showing is that
17 the rolling three-year correlation to hedge
18 funds to the FRS has significantly gone down
19 over time. Part of it reflects, as I said
20 before, the reduced exposure to market
21 directionality within the hedge fund portfolio
22 reduction of some of the equity long-short
23 funds and so on and so forth. So we believe we
24 are well positioned to meet the diversification
25 requirement that we saw in the objectives early

1 on.

2 That's really all I had on hedge funds,
3 but wanted to pause to see if you have any
4 questions.

5 **MR. CHAIR:** A quick question. On slide
6 201, you have return target SOFR plus three.
7 Is that -- when was that target determined?

8 **MR. WEBSTER:** Yeah, that was during the
9 asset allocation exercise we did with Aon. All
10 those three objectives --

11 **MR. CHAIR:** Okay. So given where we are
12 today in sort of forecasting, right? Nobody's
13 got a crystal ball, but is it still SOFR plus
14 three?

15 **MR. WEBSTER:** Yes.

16 **MR. CHAIR:** It is?

17 **MR. WEBSTER:** My opinion is that we should
18 be somewhere within striking distance of the
19 total fund with this portfolio. Maybe you
20 don't outperform the total fund, but if you
21 think about the FRS generating 6 to 8 percent
22 return over the intermediate term, my belief is
23 that hedge funds should do that. And we've
24 underperformed on that. And we've made some
25 pretty significant adjustments. But from my

1 perspective, if you can get a return of 6 to
 2 8 percent approximating the total fund, and
 3 you're relatively uncorrelated, that pushes you
 4 out onto the security market line and is
 5 beneficial for the total organization.

6 **MR. CHAIR:** And just generally speaking,
 7 hedge fund manager, what kind of fee deals are
 8 we getting these days? I mean, getting better
 9 than market fee deals because of who we are, or
 10 are they just saying, hey, this is the deal and
 11 that's the deal?

12 **MR. WEBSTER:** Well --

13 **MR. CHAIR:** You're hesitating there. Come
 14 on.

15 **UNIDENTIFIED SPEAKER:** He's hedging.

16 **MR. CHAIR:** He's hedging, yeah.

17 **MR. WEBSTER:** We negotiate to the best of
 18 our abilities.

19 **MR. CHAIR:** So, I mean, I'm not trying to
 20 put you on the spot, but I kind of am. So on
 21 average, how much -- if it's standard -- and we
 22 don't do hedge funds anymore for some good
 23 reasons, but --

24 **MR. WEBSTER:** I would say -- so it's a
 25 fair question, right? So in the past, I would

1 say we've been slightly below market. And
 2 there's -- you get -- you get -- basically if
 3 you are in the capacity constrained strategy
 4 take it or leave it, I mean, it just is.

5 **MR. CHAIR:** Even with the State of
 6 Florida?

7 **MR. WEBSTER:** Yes.

8 **MR. CHAIR:** Capacity constraints --

9 **MR. WEBSTER:** That's been my experience,
 10 yes. And you've seen things that have been
 11 high demand, the terms have gotten tighter and
 12 tighter and tighter. In other things that
 13 we're looking at today, our belief is that the
 14 smaller end of the market, there is a fair
 15 amount of room to negotiate.

16 **MR. CHAIR:** And so what do the typical
 17 economics look like right now today for fees on
 18 hedge funds? Is it sort of what it has been?
 19 Is it compressed at all? I mean, just if you
 20 had to put an average on it, what does it look
 21 like?

22 **MR. WEBSTER:** So the part -- so if you
 23 look at our portfolio, I would say it's been
 24 about the same, right?

25 **MR. CHAIR:** What is that? Is that like

1 one and a half and 15? Is it --

2 **MR. WEBSTER:** Yeah, somewhere around
3 there.

4 **MR. CHAIR:** Okay.

5 **MR. WEBSTER:** Yeah, yeah. But if you look
6 at the market as a whole, because all the
7 money's gone into pod shops and platforms, you
8 would say that in general, fees have gone up in
9 hedge funds. So relatively speaking, we're
10 probably paying less what the average person is
11 in hedge funds today because of the shift,
12 because so much money has gone into these pod
13 shops and they're very, very high expense
14 things. We've done well, and we haven't -- but
15 we haven't been there, but on a fee standpoint.

16 **MR. TREANOR:** Yeah, the other thing I
17 would add, though, is that there are different
18 share classes. And so if we lock up our money,
19 we can get a better fee arrangement, which is
20 fine in private equity where the assets are
21 liquid. But in hedge funds, where the
22 underlying assets are liquid, that can be
23 somewhat of a dangerous game if other people
24 are getting out and you can't.

25 **MR. CHAIR:** So just a better gating

1 strategy?

2 **MR. TREANOR:** Yeah. And everyone has
3 different gates and different ways of getting
4 it out, but we do pretty good. But I think to
5 Trent's point, like the better the manager, the
6 less it matters who we are.

7 **MR. WEBSTER:** Yeah. And I think -- I
8 think Jim has a point because in other
9 strategies like -- or interact with strategy,
10 we're very dogmatic about fees in that we're
11 really -- we're very dogmatic in advantageous
12 fees. But what we have found is that in the
13 hedge fund world, like Jim said, is that we get
14 periods of stress and suddenly these things
15 become ATMs. If you're at the bottom of that
16 liability chain you are at a disadvantage.

17 **MR. CHAIR:** So are we typically looking at
18 the higher share class to get better gating?

19 **MR. WEBSTER:** Not necessarily. No, no,
20 no, no, no. But I think in those -- in
21 those -- we have seen examples where we
22 haven't -- where things have fallen through,
23 where we've been saying, okay, everything is --
24 up to now has been one or two years, but we can
25 only get in at the three-year lock. We've seen

1 that. And we haven't gone to that, but we're
2 not taking disadvantageous fees. But it's
3 our -- we've been talking to a lot of newer
4 funds, we think that those are more open, you
5 have more room to negotiate those types of
6 strategy.

7 **MR. CHAIR:** And those are like sub a
8 billion dollar funds --

9 **MR. WEBSTER:** Yeah.

10 **MR. CHAIR:** -- basically, typically?

11 **MR. WEBSTER:** Yes.

12 **MR. CHAIR:** Okay. Got it.

13 **MR. WEBSTER:** There's certain parts of --
14 there's certain parts of the hedge fund market
15 that we believe have been neglected and there
16 are advantageous opportunities for us if we
17 decide to go.

18 **MR. CHAIR:** I would encourage you to get
19 to -- I mean, you guys know this, but that's --
20 you know, we look at this from our side of it
21 from on the private side where I live, you
22 know, we always look at, you know -- and once
23 private credit funds hit four, five, six
24 billion dollars, it got -- you know, everything
25 got a little bit compressed, right, in terms of

1 returns. So looking at these sub billion, sub
2 750 even in some cases, type funds, you're
3 going to find good managers, you know, better
4 values there.

5 **MR. WEBSTER:** Yeah. Well, we agree.

6 **MR. CHAIR:** Okay. Okay.

7 **MR. DAS:** Yeah, no. I would just say that
8 we try to the best of our ability to get the
9 best deal we can for the State of Florida.
10 Sometimes we'll say, yeah, you have the
11 advantage of having us as a client and we try
12 our best.

13 I'm now going to move on to our insurance
14 book. So what that is, is we started
15 researching the space in 2015 as one of the
16 ways in which to meet our diversification
17 objectives. And currently, the targets that
18 were set in the asset allocation -- as a result
19 of the asset allocation study that Trent
20 mentioned is 1 percent of the fund. We are
21 currently at .8. We started really slow in
22 2018 with just \$100 million in a couple of
23 managers. And this was a result of the fact
24 that, if you remember, 2017 was when Hurricane
25 Harvey and Maria hit the US and premium rates

1 started going up, so we figured that that was a
 2 good time to make a small investment so that we
 3 could kind of increase that as and when we saw
 4 the opportunity. Over the next five years, it
 5 has successively gone up.

6 Rates overall are still at a very
 7 attractive level, but more on that later. One
 8 thing worth pointing out is along with property
 9 Cat exposure, we also have some exposure to
 10 life settlements. We have specifically one
 11 portfolio dedicated to that. So that's a
 12 little different from property Cat. And over
 13 time, we are looking at adding more specialty
 14 exposure possibly through Lloyds of London in
 15 the shape of marine, maybe some casualty,
 16 cyber, all of other types of insurance risk.

17 So the near-term performance, as you can
 18 see, has been good, but that's reflective of
 19 the year 2023, where other than Idalia, there
 20 wasn't any major hurricane that hit the US.
 21 And so that's where that is coming from.

22 And another thing probably worth pointing
 23 out for the longer term is these are
 24 time-weighted returns you're seeing here.
 25 Given that we started with just 100 million and

1 then successively increased the exposure, the
 2 IRR, which is -- looks a little better, is
 3 probably the better way to measure performance.

4 In terms of the distribution of risk
 5 geography wise, Florida -- rather, I should
 6 say, US hurricane risk is by far the dominant
 7 category. It's purely a reflection of the fact
 8 that it's the best paid risk by far, so if in a
 9 portfolio of risk that just -- yeah, it is the
 10 market that managers are used to.

11 **MR. COLLINS:** Can I ask you a question on
 12 this?

13 **MR. DAS:** Yes.

14 **MR. COLLINS:** How -- explain the
 15 investment to me. I know it's in insurance,
 16 but how did you do -- it's a fund or several
 17 funds --

18 **MR. DAS:** Yes.

19 **MR. COLLINS:** -- or insurance companies
 20 directly or how are you doing?

21 **MR. DAS:** No, no. These are all funds.
 22 So within the fund, you can have Cat bonds.
 23 For the most part, what we have are privately
 24 negotiated reinsurance contracts. That's what
 25 our managers mostly hold. We do have one --

1 **MR. COLLINS:** So they're aggregating
2 capital going into these specific markets --

3 **MR. DAS:** Correct.

4 **MR. COLLINS:** -- providing insurance,
5 right? Reinsurance, essentially.

6 **MR. DAS:** Right.

7 **MR. COLLINS:** And how big is the fund?

8 **MR. DAS:** You mean the manager's funds
9 or --

10 **MR. COLLINS:** Yeah.

11 **MR. DAS:** -- our allocation?

12 **MR. COLLINS:** No, no, no, not your
13 allocation.

14 **MR. DAS:** So we have some which are, yeah,
15 the total AUM is in the 7 to 8 billion. We are
16 with some very household names in that space
17 for the most part.

18 **MR. WEBSTER:** So just to give you some
19 framework here. So at the end of 2023, I think
20 the entire reinsurance market was a
21 \$550 billion market.

22 **MR. COLLINS:** Right.

23 **MR. WEBSTER:** The alternative
24 investment -- like the alternative invest, like
25 us, is about 80 billion and about half of that

1 is Cat bonds. So the markets that Subhasis was
2 referring to, sort of the negotiated
3 transactions, is about a \$40 billion market.
4 And so our funds range from anywhere from, I
5 think it's 2 billion to 8 billion, something
6 like that.

7 **MR. COLLINS:** So what's the other
8 90 percent of the market that makes that up?

9 **MR. WEBSTER:** Well, that will be
10 reinsurance companies, primary.

11 **MR. COLLINS:** Just direct reinsurance
12 companies?

13 **MR. WEBSTER:** Yeah, be like Swiss Re,
14 Munich Re, those people.

15 **MR. COLLINS:** Lloyds, whatever.

16 **MR. WEBSTER:** Yeah. That's right.

17 **MR. COLLINS:** Okay.

18 **MR. DAS:** One other thing I'd like to
19 point out is just the geography and type of
20 risk is not always indicative of the total risk
21 in the portfolio because you might be pretty
22 remote from the first loss versus very close to
23 the first loss. So that's one thing I would --

24 So, for example, like the US hurricane
25 risk, not all of it is really close to the

1 first loss, would be way up the risk tower.

2 What we are showing here is the Guy
3 Carpenter Rate Online Index. What that is is
4 it measures the change in dollars paid for
5 coverage on a year-by-year basis to a
6 consistent program base. So essentially, it
7 shows you the pricing in the market, that is,
8 the rates, premium rates in the market for
9 catastrophe insurance over time.

10 As you can see here, from 2011-ish, call
11 it, to 2016, rates kept going down and that was
12 a reflection of the fact that there were no
13 large hurricanes that hit the US and rates just
14 declined as a response to that. And then you
15 get to 2017, when they started to go up with,
16 as I mentioned earlier, Harvey and Maria and
17 then of late, as you know, we've had Ian and
18 Helene and Milton and so on and so forth.

19 The spreads on the Cat bond index, for
20 example, started in the 1200 bps in the 2009
21 range and fell to nearly 400 bps in 2015.
22 Currently, they're in the 800 bps range.

23 The current market is -- while the best
24 market may have been January 1 of 2023, it's
25 sort of in that same area. So we view the

1 market as still being very attractive in terms
2 of the premium rates you can earn on these
3 contracts.

4 What I'm showing here is the exceedance
5 probability curve or the EP curve as it's
6 called popularly. It shows the probability of
7 various levels of loss being exceeded. So for
8 example, in this particular graph, the 15.8
9 that you see on top, that tells you that
10 there's a 90 percent probability that your
11 returns will be worse than 15.8. That's the
12 projected maximum return you're going to earn
13 from the portfolio.

14 **MR. WEBSTER:** Assuming a normal
15 distribution of events.

16 **MR. DAS:** Right. I mean, it's not --
17 there's not a normality assumption because it's
18 done through simulations, but it's a
19 10,000-event simulation that's done and then
20 that whole thing is put into a distribution.

21 **MR. CHAIR:** Who runs the simulation?
22 Sorry.

23 **MR. DAS:** The managers do. So that is
24 what -- so the way they evaluate it is they'll
25 look at the distribution, look at the expected

1 mean and the no loss and you can look at the
2 99th percentile distribution of returns. It
3 just gives you a total risk picture of the
4 portfolio.

5 **MR. WEBSTER:** So this is the aggregated
6 portfolio. And really what's notable about
7 this is if we'd done this five years ago, it
8 would have been lower to the left. Like, it
9 would have been further down into the left
10 quadrant -- bottom left quadrant. This has
11 moved upward to reflect the higher rates and
12 the lower risk of loss.

13 **MR. DAS:** And the last thing I'll say is
14 that we here have aggregated across our four
15 managers and kind of make -- you have to make
16 an assumption in order to do that, otherwise
17 the math gets pretty complicated. And the
18 assumption is that they're all correlated --
19 have a correlation of one to each other, which
20 is not that far from the actual reality, but it
21 is something that we have to assume to make
22 this kind of aggregated EP curve, which is the
23 weighted average of all the risk positions that
24 each of our managers have.

25 Yeah, and that's really all I had. I'm

1 happy to take any question.

2 **MR. CHAIR:** Are there different models
3 that get run within the industry or is there
4 one just sort of standard-bearer model? Or
5 does Lloyds run one and a bunch of reinsured
6 guys in the Bahamas run another one? I mean,
7 how does it work?

8 **MR. DAS:** No. So there are two major risk
9 model providers, AIR and RMS. So almost
10 every -- not almost, every manager starts with
11 that -- one of those two, or sometimes even
12 both. And then they layer on their
13 assumptions. So some may have the assumption
14 that, oh, social inflation is going to be X,
15 much higher than what is reflected in these
16 numbers, and they'll apply an adjustment to the
17 portfolio and -- before they come up with their
18 final allocations.

19 **MR. CHAIR:** So this is one of those two
20 industry standards?

21 **MR. DAS:** Correct. It's probably a
22 combination of both, to be honest with you.
23 Most insurers will take a look at both.

24 **MR. WEBSTER:** Then adjust it for whatever
25 adjustments the managers made to their own

1 model.

2 **MR. CHAIR:** Sure.

3 **MR. WEBSTER:** That's an aggregation of our
4 portfolio.

5 **MR. CHAIR:** Okay.

6 **MR. DAS:** And the way they do those
7 adjustments is how we believe they add value.
8 So we'll question them about what adjustments
9 have you made, how do they reflect the market
10 and so on and so forth.

11 **MR. CHAIR:** Thank you.

12 **MR. DAVIS:** Good afternoon, IAC. Terrance
13 Davis again. Going to go through the
14 infrastructure allocation.

15 So currently, we're a target of 1 percent
16 to the FRS, that's the target. We are over
17 allocated at 1.5. So going forward, we are
18 focused less on poor, more on smaller
19 opportunistic, even, you know, emerging
20 markets, if you will, of investments.
21 Infrastructure also includes transportation
22 assets; think railcars, aircraft, shipping.

23 **MR. CHAIR:** Is it 1.5 because the assets
24 have done so well and they're now a higher
25 percentage of the total value or because we

1 just over allocated?

2 **MR. DAVIS:** So, Trent, as he said earlier,
3 when all of strategic investments were
4 opportunistic and now we have buckets to fill,
5 but, Trent --

6 **MR. WEBSTER:** Yeah, that was -- that was a
7 determination out of the asset allocation
8 exercise.

9 **MR. CHAIR:** So it went from -- we set the
10 target higher at 1.5 or --

11 **MR. WEBSTER:** We never had a target.

12 **MR. CHAIR:** We never had a target.

13 **MR. WEBSTER:** It was within strategic,
14 which was this amorphous bucket of things. And
15 now that we've set it, were above what (audio
16 disruption) -- we will actually -- we actually
17 will expect that to come down pretty
18 significantly over the next year. Not what --

19 **MR. COLLINS:** There's a range, right?
20 There's a range?

21 **MR. WEBSTER:** Yes, yes.

22 **MR. COLLINS:** You're not out of range,
23 you're just not at target?

24 **MR. WEBSTER:** We've got a huge range.

25 **MR. COLLINS:** Yeah.

1 **MR. WEBSTER:** They set it for us. So
 2 you're right, Peter. And the way I kind of
 3 look at it is that this is -- this is where
 4 we're moving towards.

5 **MR. CHAIR:** Okay. Thank you.

6 **MR. DAVIS:** The next chart shows the
 7 performance of the asset class. And as you can
 8 see, the past quarter or year, and even since
 9 inception, we've beat the benchmark, which is a
 10 mixture of market plus real return for some of
 11 the strategies. Transportation is on a real
 12 return, so that's CPI plus 400 basis points.

13 **MR. OLMSTEAD:** I have a quick question.
 14 So when you say "infrastructure," you're
 15 talking about transportation, core plus.
 16 You're not talking about, like, data centers
 17 and any of that type of infrastructure?

18 **MR. DAVIS:** They are in there as well.

19 **MR. OLMSTEAD:** They are in there.

20 **MR. DAVIS:** Yes.

21 **MR. OLMSTEAD:** And how's the thought
 22 process -- I mean, just what's going on in that
 23 particular space? Just curious on that.

24 **MR. WEBSTER:** Well, so there's a lot of
 25 demand for data centers, as you know. There's

1 a lot of capital for data centers, as you know.
 2 We see -- and, again, Lynne may have a
 3 different opinion. We see these as very
 4 expensive, generally, but necessary. So what
 5 we're -- we tend to invest with managers that
 6 are not core, they tend to be more core-plus or
 7 value-add. I would say that our exposure to
 8 data centers is probably less than the average
 9 plan.

10 **MR. OLMSTEAD:** Because I imagine if you go
 11 back three years from now, the dataset for all
 12 that space has taken off quite a bit.

13 **MR. WEBSTER:** Yeah. Areas that we like,
 14 like for -- to play that thing. We like power
 15 better. It's the same --

16 **MR. OLMSTEAD:** Yeah, it's the same. Yeah.
 17 Exactly. Yeah.

18 **MR. WEBSTER:** Same thing. But there are
 19 some very interesting opportunities in power.
 20 And there are some -- we're taking a look at,
 21 there's some things in power that are being
 22 driven by noneconomic actors which provide very
 23 interesting return profile for those of us who
 24 are economic actors.

25 **MR. OLMSTEAD:** And they're starting to

1 overlap a lot, too, which is interesting.

2 **MR. WEBSTER:** Yeah. Yeah.

3 **MR. OLMSTEAD:** Especially funds. Okay.
4 Just wanted to clarify.

5 **MR. DAVIS:** So on this chart, you'll see
6 the geography of our infrastructure exposure
7 dominated -- or dominated by North America
8 currently. We do have plans to increase our
9 European exposure.

10 Here's the exposure by strategy, core
11 plus, value-add. We intend to increase that
12 over time. Transportation is 40-something
13 percent, 43 percent to be accurate.

14 Oh, any questions on infrastructure?
15 Apologize for breezing through. I know we're
16 over time.

17 Here's the innovation portfolio. These
18 are newer strategies or strategies that don't
19 fit in the FRS. So some of the current
20 investments in our innovation portfolio are
21 land, banking spectrum. Basically
22 real-estate-in-the-skies spectrum. Currently
23 researching mitigation banking. And as Trent
24 mentioned in the presentation, we have pitched
25 an art fund.

1 **MR. CHAIR:** On the spectrum side, is that
2 US spectrum or Canadian spectrum?

3 **MR. DAVIS:** US.

4 **MR. CHAIR:** US only?

5 **MR. DAVIS:** Yes, sir.

6 Here's the performance of the innovation.
7 It's still relatively new. Only one investment
8 in there as the spectrum portfolio, which, you
9 know, it's not much to talk about right there.

10 **MR. JONES:** And, pardon me, what is the
11 benchmark? How do you come up with a benchmark
12 for innovation?

13 **MR. WEBSTER:** Okay. So if you want to go
14 back, Terrance, on this. So this was
15 benchmarked -- this is a -- it's a fund from a
16 manager who does spectrum from broadly in their
17 other fund. So for something like this, in
18 their broad fund, we benchmarked it to a market
19 benchmark plus a premium of 300 basis points.
20 That's what we do generally for infrastructure,
21 right? So if you think of infrastructure as
22 private equity, private equity has a public
23 markets benchmark plus a premium. That's what
24 we do in infrastructure as well. That's what
25 we're doing in active credit with bank loans

1 plus a premium.

2 In this spectrum fund, it had the same
3 benchmark because it was essentially the
4 same -- it was the same investments. It was
5 exactly the same investments across different
6 funds. It's kind of funky in the near term and
7 we just see that -- just happens with us. So
8 I'd just like point out, that's 1 percent of
9 the total strategic investment.

10 **MR. TREANOR:** Yeah. And let me add
11 quickly, this asset class was created in 2000.
12 It was really to house things that couldn't fit
13 anywhere else and was much more opportunistic.
14 Over time, I think, you know, we're trying to
15 strike the right balance but putting a little
16 more discipline. And that's why you're seeing
17 targets for infrastructure and things like that
18 where, you know, maybe get better defined swim
19 lanes. But we don't want to lose an
20 opportunistic -- we see a good idea, we still
21 want to be able to execute on it. But I think,
22 you know, we're trying to get a little more
23 disciplined, too, about how we invest and the
24 sources around that.

25 **MR. WEBSTER:** And the S&P infrastructure

1 index has gone like this last year. And these
2 are marked to market -- or marked to valuation.

3 **MR. DAVIS:** And the legacy assets that are
4 domiciled in private equity or real estate,
5 these include the Florida Growth Fund, GP
6 entities, you know, investments in those GP
7 states, and funds that invest in different
8 asset classes, currently 1 percent of the FRS,
9 and they are in runoff.

10 **MR. COLLINS:** Can I ask a question about
11 the Florida Growth Fund? Does that include the
12 JP Morgan fund as well?

13 **MR. WEBSTER:** Yes.

14 **MR. COLLINS:** Okay. So it's both. It's
15 Hamilton Lane and JP Morgan?

16 **MR. WEBSTER:** Yes. We just use that
17 phrase, right, generically.

18 **MR. COLLINS:** Generically.

19 **MR. WEBSTER:** And so all future funds will
20 be in the private equity asset class. But we
21 house it in strategic (audio disruption) past
22 because it was part of us, so --

23 **MR. COLLINS:** Okay. We had a
24 presentation -- again, I've been on this board
25 a long time. So I remember the presentation

1 when I think it was Hamilton Lane came in and
 2 we were talking about performance. Are we
 3 continuing to allocate? Where -- as I
 4 understood it, the last investment we made was
 5 not with Hamilton, but it was with JP. And
 6 where are they in their capital cycle for that
 7 fund?

8 **MR. WEBSTER:** I think JP Morgan is in the
 9 second or third year of their -- and we're
 10 still getting capital calls for it, but all
 11 future ones will go to --

12 **MR. COLLINS:** I mean, are they 50 percent
 13 invested?

14 **MR. BRADLEY:** Yeah, I think they're 60,
 15 70 percent invested.

16 **MR. COLLINS:** Okay.

17 **MR. BRADLEY:** So they'll be back
 18 requesting us to look at the new tranche
 19 beginning of the year.

20 **MR. COLLINS:** I got you.

21 **MR. CHAIR:** What was the size of the
 22 tranche?

23 **MR. WEBSTER:** It was 250.

24 **MR. BRADLEY:** 250 and two tranches. And
 25 so they've invested tranche one and they're 60,

1 65 percent into tranche two.

2 **MR. CHAIR:** Total 250 between both?

3 **UNIDENTIFIED SPEAKER:** The first one was
 4 125.

5 **MR. COLLINS:** Mr. Chairman, when they do
 6 come back, just for the benefit of the board,
 7 I'd like us to review that program, not just
 8 necessarily them, but the whole program and see
 9 how it's doing and see those numbers and see
 10 the --

11 **MR. CHAIR:** Duly noted, yeah.

12 **MR. OLMSTEAD:** We covered that some last
 13 meeting, right?

14 **UNIDENTIFIED SPEAKER:** Yeah.

15 **MR. DAVIS:** Lastly, the legacy assets
 16 portfolio. Again, they're all on runoff. So I
 17 don't have much comments about that.

18 Any questions?

19 **MS. de MEY:** Loren de Mey. I'm going to
 20 cover the activist and timber strategies.

21 So first up, we have the activist
 22 strategies. The activist strategies currently
 23 reside in the opportunistic portfolio. So it
 24 represents about 35 percent of the
 25 opportunistic portfolio for about 1.7 billion

1 in capital. These strategies can really be
 2 thought of as beta-plus strategies. And,
 3 historically, they've resided with strategic
 4 because they have structures that are similar
 5 to hedge funds, including some concentrations.
 6 Some of the managers can hedge, although the
 7 majority tend to be long only.

8 And when we're looking at managers here,
 9 structure's important. So we tend to focus on
 10 alignment with the investment manager. And
 11 then this is a space where we will consider
 12 lockups when a manager is pursuing an activist
 13 strategy that will take time to effectuate
 14 change. So we're comfortable with lockups
 15 here.

16 This next slide shows the performance.
 17 You can see we're slightly underperforming for
 18 the one-year period but outperforming for some
 19 of the longer time periods.

20 This next slide shows our exposure by
 21 sector. Now this is across all of our managers
 22 in this space so it's five managers. And you
 23 can see, the majority of our exposures is in
 24 industrials and technologists.

25 This next slide shows the exposure by

1 geography. As you can see, the majority of our
 2 exposure is in the US, for North America,
 3 53 percent. And then 34 percent to Europe.

4 **MR. CHAIR:** What's an example of one of
 5 the fund managers in the activist category,
 6 like just for instance of?

7 **MS. de MEY:** Sure. So in the US, we have
 8 P2 advisers and Starboard. In Europe, it's
 9 Sevia and EQMC. And then we have one manager
 10 that used to reside in private equity, but we
 11 reclassified it as an activist strategy, which
 12 is Mill Road.

13 **MR. CHAIR:** Mill Road.

14 And so primarily just those five?

15 **MS. de MEY:** Yes, those five.

16 And then going forward, we'll continue to
 17 review both the US and European portfolios.
 18 And we have started to look at some activist
 19 funds in both Japan and Korea. So Trent
 20 actually did a trip, I guess it was about a
 21 month ago now, to both Japan and Korea because
 22 there have been some corporate governance
 23 reforms in both countries, so it's making it
 24 sort of a more attractive area to be investing
 25 in this space going forward.

1 And then India, as well, the rise of
2 shareholders have been expanding in that
3 country. So that's on our radar as well.

4 I'll pause here on the activists before I
5 go into timber if anyone has any questions
6 here.

7 Okay. I'll move on to timber. So timber
8 land is currently .3 percent of the total fund.
9 In dollar terms, it's about \$580 million or 12
10 percent of the opportunistic portfolio. We do
11 have two investment managers within timber, so
12 we invest through separate accounts with each
13 one. It's representing about 560,000 acres
14 primarily in the US. We do have some exposure
15 to Chile as well.

16 We'll see on this next page return supply.
17 But we are starting to see some improvement
18 there.

19 So this shows the performance. For the
20 one year, you can see we're underperforming the
21 benchmark. The benchmark is the NCREIF Timber
22 Index. And really for the one-year period, our
23 exposure in South America or Chile really
24 underperformed. And then also some of our
25 southern exposures. So there was a mill

1 actually in Perry, Florida that closed that's
2 impacting our timber property that's currently
3 in Florida.

4 **MR. COLLINS:** I have a question,
5 Mr. Chairman.

6 **MR. CHAIR:** Please.

7 **MR. COLLINS:** So I've been an investor in
8 timber land for a long time and I think the
9 thesis is -- you said 60 percent comes from
10 growth, like, at 7 percent a year or something
11 depending on the tree, that -- you know, the
12 growth rate of the trees.

13 **MS. de MEY:** Yes.

14 **MR. COLLINS:** But the market, the other
15 40 percent is unbelievably volatile, right?

16 **MS. de MEY:** Correct.

17 **MR. COLLINS:** The spot pricing, you know,
18 we saw that through COVID. I mean, it was
19 incredible and then it was terrible. And then
20 demand and sawmills and, you know, access to it
21 in certain areas isn't cheap, right? So, it's
22 chucking -- so you're getting dinged on the
23 price.

24 Todd, how do you view this after having
25 now been in this for a while? How do you view

1 this asset class overall? And is -- is it
2 worth it?

3 **MR. WEBSTER:** It's a good question. And
4 it's a question that we have been asking
5 ourselves as well.

6 So when we originally went into this, it
7 was expected to be a CPI. It was expected to
8 exceed the return objective to the total fund,
9 which at the time was -- CPI was five. It
10 hasn't done it. So in that sense, it has
11 underperformed.

12 Having said that, it's -- over the last
13 few years, you've now seen an acceleration.
14 There are some questions, you know, about, you
15 know, some of the valuations and, you know. So
16 it's not something that has lit our fire, to
17 say the least. We're mildly bullish going
18 forward. We do think that there's been some
19 developments that have been positive on the
20 margin. So I would say that if somebody even
21 gave us an offer we couldn't refuse, we
22 wouldn't. But it is one where we kind of --
23 it's lagged our -- like I said, it's lagged our
24 expectation.

25 **MR. COLLINS:** Yeah. Okay. Thanks.

1 **MR. WEBSTER:** It's also -- just also
2 just -- it's also -- like, we could have
3 1 percent in this and it's totally like we
4 don't. That's part of our reflection. We've
5 done nothing new since the first allocations 12
6 years ago.

7 **MS. de MEY:** I was just going to add that
8 we don't have an explicit target to timber. So
9 it's currently residing in the opportunity
10 bucket. So there's not a target we're trying
11 to hit.

12 **MR. CHAIR:** And you're not actively
13 evaluating any new investments?

14 **MS. de MEY:** I mean, we'll meet with
15 managers just so we kind of know what's going
16 on in the space. Like there's some managers,
17 like, based in Brazil, just to understand,
18 like, what's going on in the different markets.

19 **MR. CHAIR:** But you're not seriously
20 looking to deploy more capital right now?

21 **MR. WEBSTER:** No.

22 **MS. de MEY:** Not currently, no.

23 This next slide shows the exposure by
24 geography. And as you can see, the majority is
25 in the US South with additional exposure in the

1 Northwest, some in the Northeast. And then we
2 do have that South American exposure in Chile.

3 So some of the things going on in timber,
4 we said we're not allocating to the sector, but
5 we have seen some opportunities to increase
6 revenue with our current investments. So what
7 we've been seeing over the last few years,
8 there are opportunities for carbon credit sales
9 with our properties and then also solar
10 options.

11 So with the solar options, these solar
12 developers are reaching out to owners of timber
13 where they'll pay us a revenue for those
14 options. And then as they're going through the
15 approval process for their solar development,
16 if they decide to exercise the option, say,
17 within the end of that period, which is
18 typically about five years, typically the
19 exercise price would be a substantial premium
20 to the current value of the timber length. So
21 we currently have with both investment managers
22 some of each. So we've been having carbon
23 credit sales as well as solar options. We
24 haven't had anything exercised yet, but we're
25 receiving revenue for both carbon credit and

1 solar options across the two managers.

2 **MR. COLLINS:** So explain the solar option.
3 Is it that they're just cutting down trees and
4 putting up solar farms?

5 **MS. de MEY:** Yes.

6 **MR. COLLINS:** Yeah.

7 **MS. de MEY:** Yeah. So the manager --
8 basically the solar developer, you know, will
9 pay as they're going through that approval
10 process of --

11 **MR. COLLINS:** The carbon -- the carbon
12 people don't like that.

13 **MS. de MEY:** No.

14 **MR. WEBSTER:** But they'll pay five to ten
15 times more.

16 **MR. COLLINS:** Yeah.

17 **MR. WEBSTER:** It's pretty mind blowing.

18 **MR. CHAIR:** It's kind of like an
19 anti-timber strategy is what it sounds like.

20 **MR. WEBSTER:** Pretty much, yeah.

21 **MR. COLLINS:** Well, certainly anti-carbon
22 set-off strategy.

23 **MR. CHAIR:** Certainly that, yes.

24 **MR. DAVIS:** Louisiana, you'll see pipeline
25 easements, pipeline entitlement type options as

1 well as beekeeping revenue. There's all kinds
2 of little things you can do with timber to get
3 extra revenue. Hunting license revenue.

4 **MR. COLLINS:** If you're working on
5 beekeeping revenue, I would say that we should
6 really question the strategy overall if we're
7 looking for bees to help us get to our number.

8 **MR. CHAIR:** We'll have a separate meeting
9 about that.

10 **MS. de MEY:** And then we are expecting
11 mill capacity in the South to expand, so there
12 are additional mills that should be coming
13 online that should help with demand. But then
14 as you mentioned a few minutes ago, it is --
15 it's still volatile because it depends on the
16 economy so you have --

17 **MR. CHAIR:** Very cyclical.

18 **MS. de MEY:** Yes. Demand from housing,
19 demand from remodeling, so all that will play
20 into it, so that continues to be --

21 **MR. WEBSTER:** So are there any questions
22 before we move on to our consultant?

23 **MR. CHAIR:** Any questions from the
24 committee? I think we kind of did them along
25 the way, so --

1 Okay. You're going to move on to
2 Albourne?

3 **MR. CALCATERRA:** Great. I'm John
4 Calcaterra, senior portfolio analyst at
5 Albourne. Great to be here today. Very
6 excited to work with you all going forward.

7 So we have a brief overview of hedge fund
8 industry and performance in the portfolio.
9 Here we have index level performance through
10 9-30. We covered a lot of this already in the
11 prepared remarks. The takeaway here is it's
12 been a fairly good year for equity performance,
13 regional volatility notwithstanding.

14 Here we have performance of Albourne's
15 proprietary weighted hedge fund indices. The
16 way this slide's broken down, at the top you
17 see the hedge fund universal, which is a proxy
18 for the overall broad hedge fund industry. We
19 then break it down into super and sub
20 strategies. The takeaway here is that given
21 the performance of equity beta, what you've
22 seen is the more equity sensitive strategies
23 outperform the lower beta and more defensive
24 hedge fund strategy peers. Also note that
25 insurance is once again at the top of this

1 chart as well.

2 Here we have a slide looking at portfolio
3 performance against various benchmarks. And
4 then we also have a graph of the portfolio's
5 drawdown versus the HFRI fund-to-fund composite
6 as well as a factor benchmark. We've touched
7 upon performance already. I think the
8 important thing to note with this particular
9 slide is that the portfolio has exhibited
10 shallower drawdowns versus the HFRI
11 fund-to-fund composite, as well as the factor
12 benchmark as well. And I think that's
13 important to note, given that the objective of
14 this portfolio is to diversify away from risks
15 that exist elsewhere within the SBA portfolio.

16 Looking at a bottom-up aggregation of
17 strategy and regional exposure. I know that
18 the pie charts here are a little hard to read.
19 One thing I'll highlight is here on the left,
20 you have the aggregated super strategy
21 exposure. And I think it's important to note
22 here that the majority of the current hedge
23 fund portfolio's exposure is within relative
24 value and multi-strat. I think, you know, this
25 makes sense given the nature of this mandate to

1 be, you know, lower beta in terms of exposure
2 to equity-sensitive strategies. And, you know,
3 this is what we would advise in terms of
4 constructing this type of mandate.

5 In terms of overall performance against
6 the strategic target, here we have the
7 inception date performance of the hedge fund
8 portfolio plotted against a SOFR plus three
9 target. You know, what you'll see is over
10 time, the portfolio has historically tracked
11 this benchmark. Though one thing to note, you
12 know, given the changing nature of the mandate
13 that's taken place over the last, you know,
14 some-odd years, what you'll see is a more
15 narrow band in the more recent time frame as
16 this portfolio now more closely tracks that
17 benchmark.

18 Then lastly, we touched a little bit on
19 this already during Subhasis' piece, but what
20 you can see here is rolling beta of the
21 portfolio as well as rolling correlation of the
22 portfolio against the MSCI ACWI. You know,
23 what I'd highlight here is on the chart on the
24 left, you can see the dramatic decline within
25 beta to MSCI ACWI over the recent time period.

1 Again, this is emblematic of the changing
2 mandate of the overall portfolio to be a more
3 diversifying type hedge fund mandate within the
4 overall SBA portfolio.

5 Here we have our quarterly strategy
6 forecast. If there's no other questions, what
7 I'm going to do in the interest of time is turn
8 it over to my colleague, David, to talk about
9 infrastructure.

10 **MR. CHAIR:** Okay. David.

11 **MR. TATKOW:** Great. David Tatkow, senior
12 portfolio consultant. Pleasure to meet you as
13 well.

14 On the infrastructure side, a few comments
15 we'd note. This has really become a very
16 institutionalized asset class. We go back 10
17 years, there was a lot less institutional
18 capital infrastructure. You can see the chart
19 on the right shows the growth of that. A
20 little bit of pullback in fundraising more
21 recently, but overall, the asset class has
22 grown. And like many other things, that
23 compresses the spreads. And so we do believe
24 areas, like focusing more on the middle market
25 side as well as value additive side, makes

1 sense within infrastructure. And it does sound
2 like that's where staff has been looking at as
3 well.

4 We did a comparison looking at the
5 two-period performance. And this -- all those
6 red dots on the top represent performance, if
7 you were to run a performance report as of that
8 period. We did a comparison to two things.
9 One, versus public markets. And we said, if
10 you had not invested your cash flows into your
11 managers, if you instead took those cash flows
12 and put those into a public equity index, in
13 this case, the DJI -- it gives the name of that
14 public -- but we thought relevant public equity
15 index, what would that performance have been?
16 And that's one of those dotted lines. I think
17 it's the green -- the dash-dotted line. That's
18 one comparison.

19 So a spread between your actual
20 performance. And that says, what am I adding
21 versus putting these cash flows in public
22 equities. The other line is a comparison to a
23 benchmark of other infrastructure managers.
24 That, we're getting more at manager selection.
25 So if you had not invested in your current

1 group of managers, if you instead had invested
 2 in a benchmark by vintage of managers, what
 3 would that performance have been? That's what
 4 we call the pooled mean benchmark, that's what
 5 that line shows.

6 So in both cases, spread to equities as
 7 well as spread to other options that you could
 8 have had in the infrastructure space, we do see
 9 a positive spread. So speaking to manager
 10 selection here effectively.

11 We looked year-by-year, performance of
 12 different vintage years by IRR, performance of
 13 different vintage years by DPI, distributed
 14 capital. In most vintage years, there is an
 15 outperformance here versus both that pooled
 16 mean benchmark we talked about, which is the
 17 index of other managers, as well as versus
 18 equities. So, you know, it doesn't seem to be
 19 variation -- seems to be evaluated on a
 20 year-by-year basis. Less of a trend
 21 necessarily on a distributed paying capital,
 22 but overall, not much to say there as well.

23 Looking at vintage year allocations,
 24 ideally in a private markets portfolio, year by
 25 year, there are different opportunities so you

1 don't want to see everything in one vintage
 2 year. Other than one large initial or
 3 allocation made many years back, that's that
 4 big blue area you see on top, there is a spread
 5 of vintage years represented in the portfolio,
 6 which you could say is a good thing. And
 7 overall, we do, as a firm, give outlooks on
 8 infrastructure. And generally work -- we're
 9 pretty positive on infrastructure. We think
 10 that there are some great themes in terms of
 11 energy transition and decarbonization.
 12 Obviously, this is a NASA class that benefits
 13 or can participate in inflationary time periods
 14 so it can be a diversified portfolio. So for a
 15 number of reasons, we're very positive on this
 16 asset class.

17 That's all I had. Any questions on either
 18 the infrastructure or the hedge funds side from
 19 us?

20 **MR. CHAIR:** Any questions from members of
 21 the IAC?

22 I think we're all set. Thank you, Dave.

23 I think we're done with item four now.

24 Do we want to take a quick -- I mean, a
 25 relative quick lunch break here? I think we've

1 got some lunch in the other room.

2 **MR. SPENCER:** You want to propose a time?

3 **MR. CHAIR:** Yeah. Why don't we say, what
4 time? I think it's 1:30 now. So, I mean,
5 let's say 15 minutes. I think 15 minutes at
6 the most if that's okay with everybody.

7 Okay. Great. We'll take a break. Thank
8 you.

9 (Recess from 1:30 p.m. to 1:52 p.m.)

10 **MR. CHAIR:** Okay. Okay. We've still got
11 a quorum. So we're going to go ahead and
12 reconvene at 1:50. And we're going to move on
13 to fixed income asset class review, so Todd.

14 **MR. LUDGATE:** All right. I promise this
15 will be a shallow deep dive, so we'll move very
16 expeditiously and try and make up as much time
17 as we can.

18 **MR. CHAIR:** Thank you.

19 **MR. LUDGATE:** Okay. So what do we do in
20 fixed income? Obviously, we try and drive
21 returns that exceed the benchmark. We provide
22 liquidity diversification for the equity risk
23 in the portfolio, manage the cash of the total
24 fund, the securities lending of the total fund
25 and manage passive funds. So we have a lot of

1 things that we do in fixed income.

2 This is pretty similar to last year's
3 presentation, so, again, I'll try and move
4 quickly.

5 Our organization chart. You can see here,
6 we have 17 staff members, one fully staffed.
7 And average experience level of 23 years. Four
8 sleeves, external management oversight, a new
9 sleeve, which is systems reporting and
10 analytics, our internal active core portfolio,
11 and then kind of everything else. Trading,
12 short-term portfolio management, our middle
13 office.

14 Assets under management in the division,
15 65 billion, including both internal and
16 external. And we also do some other functions
17 as well. We process any lottery requests, debt
18 service, and then as I mentioned, the
19 securities lending oversight.

20 I'll skip 256.

21 Composition to the benchmark. With a
22 duration of about six years, yield on the
23 benchmark is 4.238. It's gone up since the
24 increase in rates, it's now about 4.6 percent.

25 And the last line there, we have 13,700

1 members in the index, so it's very complex. It
 2 provides us a lot of opportunity to drive
 3 alpha, but it does require a very big lift on
 4 the data and analytics front.

5 So the characteristics of our allocation,
 6 and this is just for the pension plan assets,
 7 it's about \$40 billion. We're about two-thirds
 8 active. So that's the dark blue on the left.
 9 And then we break that into our
 10 diversification. Doesn't show very well on the
 11 screen, but our light orange is our internal
 12 active core, about 35 percent of that
 13 allocation. The dark orange are our core
 14 managers, external. And then the blue is our
 15 core-plus managers. So about 26 billion of
 16 active management well diversified across our
 17 pool.

18 Then we'll speak to our internal
 19 capabilities here. The internal, we manage
 20 about 49 billion of the 65 billion I mentioned.
 21 Our internal active core portfolio has
 22 9 billion of assets under management. We have
 23 two senior PMs and five portfolio managers on
 24 the strategy. It is a moderate risk strategy
 25 designed to be the foundation of the asset

1 class, which allows us to build our external
 2 management portfolio on top of that to complete
 3 the total asset class in terms of the search
 4 for alpha.

5 The performance, the active performance of
 6 the internal active core portfolio has been
 7 very good over time, really over all the time
 8 periods shown. So it's been very exemplary.
 9 And the team is to be commended for this.

10 As I mentioned, we manage the passive
 11 funds internally. They have done a good job of
 12 that and tracked the benchmark well over time,
 13 \$14.5 billion of assets under management there.

14 The cash pool, which is the
 15 interest-earning and cash vehicle for all the
 16 participating FRS portfolios, has generated
 17 good outperformance over time while maintaining
 18 excellent safety and liquidity, and so that
 19 portfolio has done quite well over time.

20 Cash-enhanced portfolio also in the cash
 21 bucket run, just a little bit hotter to
 22 generate some extra return over that FRS cash
 23 pool. We have about just under 800 million in
 24 that portfolio. That's generated good relative
 25 performance over time in the cash pool.

1 Liquidity portfolio. We managed this at
 2 the -- at the direction of the IPAA group,
 3 Marco's group. We have about 2.3 billion
 4 managed to a treasury index, and this is meant
 5 to be an ultra liquid portfolio that we can use
 6 to manage really any sort of need, whether it
 7 be intra-month or to provide liquidity. This
 8 one has had some modest underperformance over
 9 time and it has been relatively stable of late
 10 with the absence of the exception of the
 11 benchmark change which we went through earlier
 12 this year.

13 **MR. COLLINS:** Todd, how often is that
 14 facility being used?

15 **MR. LUDGATE:** It has not been used since I
 16 came to the SBA in December of 2022. So it has
 17 not been used much of late. I'm sure that
 18 Lamar can provide more context. Although I
 19 will say before you chime in, Lamar, my
 20 expectation is they will be utilized more in
 21 the future as, A, the percentage of fixed
 22 income and the total fund grows. And then B,
 23 at some point the equity market has to stop
 24 only going one way.

25 I don't know if you have anything to add

1 there, Lamar?

2 **MR. TAYLOR:** No, I think that's -- the
 3 idea is it's an additional layer of liquidity
 4 that we add. We also have an equivalent
 5 liquidity portfolio on top of global equity.
 6 So they run sort of a matched book in that
 7 regard. So it's just another way for us, as we
 8 look at maintaining liquidity to pay benefits,
 9 if we've got significant bouts of market
 10 volatility, particularly in equities, all of
 11 the equity liquidity portfolios largely
 12 futures, that those liquidity books have been
 13 very, very liquid in times of stress. And so
 14 it gives us an opportunity and ability to pay
 15 benefits, to reallocate, to rebalance as
 16 necessary without having to take -- you know,
 17 sell in the down markets. It just gives us
 18 that ability.

19 **MR. COLLINS:** Yeah. Is this -- does this
 20 count against your overall target in fixed
 21 income?

22 **MR. LUDGATE:** I'm not sure what --

23 **MR. COLLINS:** Does this count towards the
 24 total target weighting in the portfolio -- in
 25 the -- in the overall asset allocation or is

1 this separate from fixed income?

2 **MR. LUDGATE:** This is separate.

3 Moving on, the Cat Fund. We manage about
4 16 billion for the Cat Fund in a variety of
5 pools, which I won't go through. Obviously the
6 IAC received a presentation on the Cat Fund in
7 the not too distant past. Right now we have
8 five different pools.

9 I'll just skip to the second page. And
10 the comment is that generally the performance
11 has been good over time through a variety of
12 benchmark and objective changes, which is
13 understandable given the varying needs of these
14 pools of capital, depending upon whatever the
15 hurricane season decides to bring us.

16 Moving on to our external managers for the
17 pension fund, and I'll just skip to the point
18 on 271, which is our external managers have
19 done very well over time. We have constructed
20 a quality book which has delivered exactly what
21 we needed to put on top of our internal active
22 core portfolio and complete the asset class and
23 deliver the alpha that's been asked of us.

24 Securities lending, the fixed income
25 global equity and active credit asset classes

1 participate in our securities lending program.

2 We have a very safe securities lending program
3 that reinvests in money market-type
4 instruments. About 114 billion lendable in the
5 most recent fiscal year, utilization was about
6 8 percent. And a very happy note that our
7 securities lending income went up last year
8 after a trend of going down for quite some
9 time. So part of it was the market rebounding
10 a little bit, part of it was efficiency
11 improvements and optimization in our program
12 that we were able to drive. So happy to see
13 that that rebound.

14 Regarding the fixed income portfolio
15 positioning, the portfolio, as one would
16 expect, is overweight spread product, which is
17 a classic position for a fixed income asset
18 class to be. I would say that positioning is
19 relatively modest given current valuations and
20 will be, you know, pressed further once
21 valuations become more attractive.

22 The portfolio is close to neutral to
23 overall duration and curve position. We had a
24 curve steepener on at the asset class level
25 before, that trade has generally played out.

1 And so we are close to neutral on both of those
2 measures.

3 Regarding risk, the only thing I'll say on
4 the right is the annualized active risk
5 compared to the risk budget lines you can see
6 in orange and blue is below that. But it's
7 below that because it's been very stable. And
8 during a period of stress, you will see those
9 lines move up much closer to those. And that's
10 classic within fixed income to sit at very low
11 levels of active risk for quite some time and
12 then all of a sudden overnight it becomes very
13 different, so -- comment on that.

14 And then this is the total fixed income
15 pension plan performance. Performance has been
16 very good over time, delivered strong alpha for
17 the benefit of the pension fund. As I said at
18 the last IAC, it's been an amazing run in the
19 last 12, 18, 24 months. Those relative returns
20 are going to be somewhat difficult to replicate
21 going forward, especially given the current
22 valuation environment -- which I'll touch on a
23 little bit in just a minute.

24 Regarding monetary policy, I won't say
25 much, you know, everyone has already talked

1 about the Fed ad nauseam. So what I will do is
2 skip straight to the spread chart on 283.

3 I've talked about valuations. What we've
4 done is, in the very attractively-colored
5 orange and blue lines, show you the investment
6 grade corporate in the blue and the investment
7 grade securitized index in the orange relative
8 to their long run average. You can see that
9 the corporate line is well, well, well below
10 long run average. We might make a run at
11 all-time highs depending upon what we get in
12 the near -- in the near term. The securitized
13 line is a little bit rich. Not much, but much
14 closer to fair valuations. So what we're
15 seeing both in our internal book and external
16 book is you're seeing managers express their
17 active risk in the securitized space as opposed
18 to the corporate space. And I expect that to
19 continue until the corporate market adjusts to
20 a more rational valuation.

21 So what have we done? In the last year,
22 we have deployed \$10 billion as part of the
23 asset allocation rebalance. We executed a core
24 management approach, hired some new core
25 managers, talked about the securities lending

1 program transition with non-cash collateral.
 2 We've adjusted the Cat funds to meet their
 3 current needs and we've hired two new staff
 4 members, a senior PM for our external
 5 management book and a trader PM for internal
 6 management.

7 And what are we doing going forward?
 8 We're always looking to refine the asset class
 9 to deliver the alpha that's being asked, and
 10 that's always objective number one for us. We
 11 also are attempting to recruit some staff
 12 members. We have one recruitment currently
 13 running for the data and analytics role. We
 14 will likely launch another recruitment through
 15 year-end. So we expect that to be a primary
 16 activity in calendar year 2025.

17 So, I hope that was fast enough.

18 **MR. CHAIR:** That was very good. That was
 19 great. Fifteen minutes -- for a one-hour
 20 presentation in 13 minutes. Awesome.

21 When you guys recruit, are you going
 22 through search firms? Is it word of mouth? Is
 23 it -- how do you find people these days in a
 24 tight labor market for high capacity or
 25 high-brain capacity people like what you're

1 looking for?

2 **MR. LUDGATE:** It is difficult, that's for
 3 sure. We're not utilizing a search firm. We
 4 do tap our own networks in order to get the
 5 word out. And it's -- you know, to be fair, I
 6 think recruiting to Tallahassee has its
 7 challenges. But we do the very best we can to
 8 try and find people that are really interested
 9 in working for a mission-driven organization
 10 like the SBA.

11 **MR. CHAIR:** Yeah. Okay. Peter?

12 **MR. COLLINS:** Speaking of that, how --
 13 salaries, I mean, we're competitive?

14 **MR. LUDGATE:** My personal view is the
 15 salary component of the total compensation plan
 16 is competitive.

17 **MR. COLLINS:** Meaning the bonus isn't?

18 **MR. LUDGATE:** That would be correct.

19 **MR. COLLINS:** Okay.

20 **MR. CHAIR:** I was going to ask that
 21 question myself.

22 **MR. LUDGATE:** Yeah. I've had recruitments
 23 where the indication from prospective
 24 candidates is, the salary's fine, but not so
 25 much on --

1 **MR. CHAIR:** So you've had that actual
2 conversation with recruits that say, I love it
3 here, I think the mission's great, Tallahassee,
4 okay, maybe, maybe not, but incentive comp is
5 lacking relative to other similarly-sized funds
6 and geographies?

7 **MR. LUDGATE:** Yes.

8 **MR. CHAIR:** Okay.

9 **MR. LUDGATE:** Multiple times.

10 **MR. CHAIR:** Okay. Good to know.

11 Okay. Any other questions from IAC
12 members on fixed income?

13 **MR. LUDGATE:** I'll turn it over to our
14 consultant then for their comments.

15 **MR. CHAIR:** Great.

16 **MR. LOVE:** And we'll keep real brief here
17 as well. I'm Jay Love with Mercer, and Ryan
18 Morris. I'm going to let Ryan do the -- kind
19 of the quick high-level hitting the high points
20 and then I'll make a couple of comments.

21 **MR. MORRIS:** Yeah. Just to take it
22 straight from the IPS, end of the day, all
23 asset classes should be invested in managers to
24 either achieve or exceed their benchmark, and
25 to be appropriately compensated for risk. The

1 other element of that is that all asset classes
2 need to consider efficiencies as well as cost,
3 and the SBA is tasked with also taking
4 advantage of passive management in order to
5 isolate those fees.

6 Realistically to that point, there's not
7 really much to really dive into. I'll give it
8 to Jay here pretty quick to go through the
9 results. I mean, broadly speaking, at a high
10 level overview, you all do utilize a little bit
11 more passive investment, management exposure,
12 so you do have a little bit lower fees. You do
13 have a little bit lower of a duration given
14 that shifted benchmark that we talked about
15 earlier.

16 So, Jay, I'll turn it over to you just now
17 and talk about --

18 **MR. LOVE:** Yeah, I'm not going to read the
19 results here, can you go back? We talked about
20 you being -- using a little bit more passive
21 than peers. I think the other thing is your
22 internal/external split. So relative to your
23 peers, you do use a little more internal
24 management. What's interesting is you use it
25 primarily on the passive side, whereas your

1 peers generally go external for passive and
 2 kind of vice versa. So your external
 3 management is a little higher than your peers.
 4 Your peers tend to use a little bit more active
 5 internal management. So, it's a little bit of
 6 a different swing there. And something to
 7 consider.

8 Because the other area that I would
 9 comment on is your excess return performance,
 10 as Todd was just going through, is quite solid
 11 relative to the benchmark. I'll say what's
 12 notable is that you have much higher
 13 efficiency, I'll say it that way, in terms of
 14 your excess returns relative to the risk you're
 15 taking are quite good. When we compare your
 16 active performance relative to kind of the peer
 17 groups, though, your rankings of just the raw
 18 excess returns are a little lower than you
 19 might expect. So you're very consistent in
 20 terms of adding value for the level of risk
 21 you're taking.

22 I think there's -- we've had discussions
 23 in years past about, could you take a little
 24 more risk and earn a little bit higher return?
 25 I think that's kind of still kind of out there.

1 I think there have been some changes,
 2 adjustments made to try and eke out a little
 3 more excess return, but I think that's still
 4 kind of noticeable when you look at the
 5 long-term results.

6 But to Todd's point, in which I very much
 7 agree with, you have a program that generates
 8 very consistent excess returns at very, kind
 9 of, I won't to say modest risk, very reasonable
 10 levels of risk.

11 Those are the high points.

12 **MR. CHAIR:** Thank you. Any questions
 13 from --

14 **MR. GOETZ:** Just a question on that. The
 15 spreads have come in a ton, right, on
 16 corporates. So I get the point, Jay, but from
 17 a timing step --

18 **MR. LOVE:** This is the time.

19 **MR. GOETZ:** Okay. Just making sure we're
 20 consistent here. All right.

21 **MR. CHAIR:** Fair point.

22 **MR. TAYLOR:** Can I ask a question?

23 **MR. CHAIR:** Please, Lamar.

24 **MR. TAYLOR:** So -- and that's a great --
 25 Jay, when you're looking at across excess

1 returns, you're comparing to the same
 2 benchmarks? So the -- so the Bloomberg ag or
 3 are there multiple -- are they different
 4 benchmarks? Because I think the way we manage,
 5 for example -- and John's going to talk about
 6 multi-asset credit and how yield being in that
 7 asset class as opposed to, say, in fixed
 8 income. So I mean, how do you standardize
 9 relative --

10 **MR. LOVE:** Yeah, it's a little bit tricky
 11 because you were using that intermediate ag
 12 benchmark for a while. So it's not quite
 13 apples to apples, but I'm -- so we can't quite
 14 make the exact comparison, but I'm fairly
 15 confident we would probably find that, you
 16 know, you're more -- you have higher
 17 information ratios, more return per unit risk,
 18 probably a little bit less excess return
 19 than -- again, it's not a low level, but I
 20 think if you kind of standardize a little bit
 21 higher risk level, you can probably generate
 22 higher returns.

23 **MR. CHAIR:** Any other questions?

24 Thank you, guys. I appreciate the
 25 information. And thank you for speeding it

1 along a little bit.

2 Okay. We're going to move to agenda item
 3 six for more asset class SIO updates. First is
 4 John.

5 **MR. BRADLEY:** Thank you.

6 Good afternoon, everyone. So I will start
 7 with a look at the PE market. So we continue
 8 to see some positive momentum as it relates to
 9 deal flow and exits. Quarter three US buyout
 10 activity was up 60 percent year over year. And
 11 it was actually the highest quarterly activity
 12 that we've seen in three years. So it was the
 13 highest since 2021. This trend -- we also saw
 14 this trend across Europe, Europe rebounding,
 15 but not in Asia. And so Asia has continued to
 16 move in the opposite direction, which is
 17 largely due to weakness in China.

18 There's not much change in purchase price
 19 or leverage multiples.

20 PE fundraising continues to remain very
 21 challenging. And so the average private equity
 22 fund is in market today for about 18 months.
 23 And so it shows you how tough fundraising is.
 24 Our portfolio was up slightly. Was up almost
 25 1 percent for the second quarter. And then

1 through mid-November, our 2024 cash flow was a
 2 net positive \$450 million. So even in this
 3 period of low activity and below average
 4 distributions, we've continued to remain
 5 self-funding. And I think 2024 will actually
 6 end as our eighth straight year of positive net
 7 cash flow, which is nice to see.

8 All right. A little different colors but
 9 I guess I'd say congrats to IAC member Olmstead
 10 on his Gators victory over the Seminoles. And
 11 so it's been a few years since I have been on
 12 the losing side of our annual wager.

13 **MR. COLLINS:** That's really ugly.

14 **MR. BRADLEY:** Peter, my unbiased opinion
 15 is I agree.

16 **MR. COLLINS:** Yeah. I'm saying that
 17 unbiased.

18 **MR. CHAIR:** The last chart had orange and
 19 blue on it, too.

20 **MR. BRADLEY:** I think we'll see that trend
 21 reverse here, hopefully --

22 **MR. CHAIR:** I think so as well.

23 **MR. COLLINS:** We should suspend all
 24 meetings until the next game.

25 **MR. CHAIR:** Agreed.

1 **MR. BRADLEY:** Yeah, so congrats
 2 nonetheless.

3 So asset class performance versus the
 4 public market plus a premium, it does continue
 5 to struggle over the one- and three-year
 6 measurement periods. But it is strong
 7 nonetheless over longer time periods. And
 8 Lamar touched on it, but the relative
 9 underperformance versus the public market
 10 continues to remain attributable to what's
 11 working in the public market benchmark. So
 12 largely large cap stocks.

13 And so small cap stocks, which is our
 14 valuation comp set, through the same period
 15 have performed dramatically different. In
 16 fact, the -- as of this June 30 date, the
 17 three-year number for the Russell II was
 18 negative three and a half percent and so it
 19 just shows you the difference. You know, I
 20 think the good news is that we've outperformed
 21 small cap public stocks over all these time
 22 periods. And as Lamar said, small cap has
 23 started to perform and come back a bit so, you
 24 know, from my perspective there's at least hope
 25 that this will eventually lead to this

1 short-term performance gap closing a bit.

2 So, from a sub-strategy perspective, US
3 buyouts led performance for us for the past
4 year with a return of 10.5 percent. Growth and
5 venture assets continue to lag. I would say
6 that we've seen performance stabilize. And
7 we've seen valuation stabilize over the past
8 few quarters with venture and growth equity.
9 And those two do still remain our strongest
10 performing sub-asset classes over longer time
11 periods and since inception.

12 Then lastly, here's our commitment
13 activity for the past. So far this year, so
14 through November -- through the first 11 months
15 of this year -- we've committed 1.4 billion to
16 17 funds and 15 co-investments. See
17 902 million went to 10 buyout funds 129 million
18 to three venture funds. We've committed 175 to
19 two distress funds, 99 million across two
20 secondary funds, and then 130 million was
21 committed to 12 co-investments. And then we
22 can see from a geographic perspective, the vast
23 majority of those commitments went to the US
24 with 14 percent allocated to Europe and zero
25 allocated to Asia so far during the year.

1 **MR. COLLINS:** Can I ask you a question
2 going back to the page on returns? You know,
3 when you see the 6.2 versus 20.9, you've got an
4 illiquid asset class, right? And we're -- I
5 don't think you're marking every fund to market
6 on an annual basis. What goes into the
7 6.2 percent calculation?

8 **MR. BRADLEY:** I would say today, there's a
9 very standardized valuation process that our
10 GPs go through. And so the evaluation process
11 is a -- you know, it starts with the operating
12 performance of the business. The comp set is a
13 mixture of private market companies that have
14 transacted in the past maybe 12 months and what
15 those have traded for plus a mix of public
16 comps. And so what we've seen is the companies
17 actually have not performed poorly. Our
18 companies are still growing, they're still
19 hitting budgets.

20 What we've seen, though, is those public
21 market comps have been very tough. And we've
22 kind of treaded water from a performance
23 perspective because operations and portfolios
24 have done well, but those public market comps
25 have trended downwards over the last three

1 years and so they're losing ground every
2 quarter when they mark the portfolios.

3 **MR. COLLINS:** So somebody's looking at --
4 and that's relative to sort of the last
5 valuation you came in at, right, in those
6 companies?

7 **MR. BRADLEY:** Correct, yeah.

8 **MR. COLLINS:** Right. So the market's
9 looking -- they're looking at the market and
10 they're saying, hey, the market's down
11 15 percent average EBITDA, multiple is X, so
12 that's what I'm going to apply to my company.
13 And that's your methodology that you're pushing
14 on them?

15 **MR. BRADLEY:** It's the GP's methodology.
16 We make sure that they consistently apply
17 whatever methodology that they use. But I'd
18 say it's even more narrow than that. They
19 might say, hey, I have an enterprise software
20 business that focuses on small retail stores.
21 And so they would look in the public market and
22 say, can I find any companies that look like
23 this? And they might find two or three,
24 probably in the Russell II or even the Russell
25 Microcap. And then those companies would

1 remain kind of the comp set for this business
2 as they move forward. So it's not a broad look
3 at the market. It's what businesses in the
4 public market look like mine that are my peers
5 that I can then use that valuation at that
6 quarter end and apply it to my business.

7 **MR. COLLINS:** I mean, you could argue
8 quarterly valuations in private equity are
9 somewhat meaningless, right? I mean, because
10 you can hold that asset for a long time or you
11 could sell it tomorrow to a secondary or
12 something like that. It's just -- it's hard to
13 see that value fluctuating quarterly and really
14 believing in it from quarter to quarter.

15 **MR. BRADLEY:** I would agree. I would
16 agree. I think when we look at performance --
17 short-term performance, there's some things you
18 can take from it. It's really, why is the
19 portfolio performing how it is versus the
20 benchmark. And I would be worried if it was,
21 our portfolio companies are underperforming,
22 we're not meeting budgets.

23 **MR. COLLINS:** Yeah.

24 **MR. BRADLEY:** You seeing deterioration
25 across these businesses in the economy, I'd say

1 today that's not the case, it's simply the
2 public market benchmark has just performed
3 differently than our concept. And I don't
4 think anyone in our portfolio has NVIDIA in
5 their comp set when they value their business,
6 right? So --

7 **MR. COLLINS:** But if the market's up
8 20 percent this month, and you're
9 underperforming at 5 -- 1400 basis points,
10 that's a snapshot in time, right? It's not
11 real value. Because you could hold that
12 company for two more years, the market rebounds
13 and you sell and you -- the actual valuation
14 that contributed to the 6.2 percent could be
15 doubled by then.

16 **MR. BRADLEY:** That's correct, yes.

17 **MR. COLLINS:** I mean, I know you're then
18 capturing it in that time period, but I just --
19 I don't get hung up on the one-year -- three
20 years, sort of, but I don't get hung up on the
21 quarterly or the one-year valuations.

22 **MR. GOETZ:** To that point, Peter, I
23 wonder, I mean, this is just throwing it out,
24 you know, the market can be crazy, right? And
25 then you're just trying to keep up with a crazy

1 benchmark. I mean, that's partly what's going
2 on.

3 **MR. COLLINS:** Right.

4 **MR. GOETZ:** Would it be useful to the IAC
5 to have some kind of absolute multiple of
6 EBITDA or something in the portfolio? I don't
7 know if that's even calculable. I mean some
8 more absolute valuation --

9 **MR. COLLINS:** The only way I would --
10 well, I'll let John answer.

11 **MR. BRADLEY:** Yeah. I mean, it would
12 be -- it might be very difficult to calculate
13 that. So we -- we can think through how we
14 might show better valuation in our portfolio
15 versus the benchmark that we show.

16 **MR. GOETZ:** Or even just what you're
17 buying it at or, you know, something that is
18 more absolute-ish. Because that's what you're
19 saying, Peter, it makes no sense to mark things
20 up and down based upon --

21 **MR. COLLINS:** Yeah, I'm not getting spun
22 up on the one year on the 14 percent
23 underperformance.

24 **MR. GOETZ:** Yeah, yeah.

25 **MR. BRADLEY:** Yeah, I mean -- yeah, I

1 guess unless that one-year underperformance was
 2 something that was, like, structurally wrong
 3 with our portfolio, right? If it came on -- if
 4 it came on the back of some bankruptcies, some
 5 zeros, then that performance is going to
 6 persist, right? It's going to roll through,
 7 regardless, to every time period.

8 **MR. COLLINS:** Right. But you're not
 9 having that.

10 **MR. BRADLEY:** We're not having that,
 11 correct, yeah.

12 **MR. COLLINS:** I mean, things are slowing
 13 down, valuations are, you know -- even though
 14 the public market's way up, it's not a broad
 15 public market that's way up that's causing that
 16 disparity in those returns.

17 The other thing you could do is you could
 18 have a rolling MOIC, right? Or a rolling IRR,
 19 right?

20 **MR. BRADLEY:** Yeah. We could also just --
 21 I mean, so I guess, too, you need to remember,
 22 this is an opportunity cost benchmark, right?
 23 So it's the cost of not putting these equity
 24 dollars into the public markets. But I think
 25 the benchmark's fair. We could also show

1 versus other, maybe, benchmarks that look a bit
 2 more like our portfolio from a size and style
 3 perspective, get a sense of how they're
 4 performing.

5 **MR. TREANOR:** Yeah, I think it's pretty
 6 reasonable. I agree with Peter's comments. I
 7 mean, I think that -- you know, we care
 8 about -- you know, to the degree where John's
 9 supposed to be 10 percent of the fund, we want
 10 to make sure he's worth 10 percent and the
 11 valuation's at least close to what we think is
 12 right. The nice thing about private equity is
 13 that the managers only get paid when we get
 14 paid first. So there's no high watermark, it's
 15 not like a hedge fund. So that gives us a
 16 little bit more comfort that we're aligned
 17 pretty well on that piece of it.

18 **MR. CHAIR:** Also, do you know, are
 19 these -- I guess, time weighted might be the
 20 wrong word. But if you look at 20 -- call it
 21 21 percent versus 6 percent, right? And you're
 22 taking into account exits in that same one-year
 23 period versus companies that are not having
 24 exits in our portfolio, I mean, is that skewing
 25 that number at all or no?

1 **MR. BRADLEY:** I don't --

2 **MR. CHAIR:** Because obviously on an exit,
3 right, you -- in theory, your IRR is really --
4 you know. You know what it is and you know
5 that that's where the bulk of the performance
6 is going to come. It's not by quarterly
7 earnings in an operating business. Maybe it
8 could be, I mean, but typically not, right?
9 You're going to get the IRR hit when you sell
10 the business and it goes for 9.7 times EBITDA
11 and you went in it five and a half times, you
12 know, levered, whatever. So I'm wondering if
13 there's a mismatch there on the qualitative
14 aspect of that number.

15 **MR. BRADLEY:** Yeah, I don't think as much
16 in these --

17 **MR. CHAIR:** Okay.

18 **MR. BRADLEY:** So we do with fees. So what
19 we're not doing is we're not -- you know, we're
20 not showing you September numbers because we
21 don't have them. So we're waiting -- we're
22 actually matching the time periods. And so I'm
23 not quite sure. We do see that when we --

24 **MR. CHAIR:** Does that question make sense?

25 **MR. BRADLEY:** It does. Because if we were

1 reporting which we do, in some of the total
2 fund numbers when we report September PE
3 numbers --

4 **MR. CHAIR:** Right.

5 **MR. BRADLEY:** -- it's really June that's
6 pulled forward, right? And so it's pulled
7 forward and we try to adjust for exits and
8 purchases but it's not perfect. And so in
9 those numbers, yes, there's some impact.

10 **MR. CHAIR:** Right. I think to Peter's
11 point earlier -- and we, on the private side of
12 it, we've got, I don't know, got 65 third-party
13 managers that manage capital for us and we
14 don't even look at quarterly numbers. I mean,
15 we do, but we really don't because of exactly
16 for this reason. So a little bit less
17 meaningful.

18 Anything else, John?

19 **MR. BRADLEY:** That's all I had unless
20 there's any other questions.

21 **MR. COLLINS:** I made him go back. He was
22 already at the end and I made him go back.

23 **MR. CHAIR:** Okay. Okay. Thank you, John.

24 **MR. BRADLEY:** Yeah. I appreciate it.

25 **MR. CHAIR:** Tim.

1 **MR. T. TAYLOR:** Thank you, Mr. Chairman.

2 I'll start -- I'll just talk briefly about the
3 market environment. As we've mentioned already
4 many times during today's meeting, equity
5 markets are doing great. They continued a
6 strong run in 2024. They posted a 7 percent
7 return. And for the year-to-date ending
8 September, they were up 18 percent. Now
9 they're about up 20, 21 percent.

10 In the quarter, the continued increase was
11 driven by recent laggards. So what hasn't
12 worked actually started to work in the Q -- in
13 the third quarter. International developed
14 markets and emerging countries were both up
15 about 8 percent. That beat the 6 percent
16 return in the US. So a great return all
17 around, but it's been a long time since the US
18 has not outperformed.

19 IT lagged in the third quarter as
20 enthusiasm over AI, at least temporarily,
21 waned. The interest has come back since the
22 end of the quarter. Interest rates worldwide
23 were reduced by central banks. That propelled
24 real estate and utilities stocks.

25 In terms of the asset class, we had a

1 managed return of 6.55 percent in the quarter.

2 It was under a benchmark of 6.81 percent, so
3 very strong return by 27 basis points. For the
4 trailing one-year period, we're just in line
5 with the benchmark. And I'll tell you the
6 truth, I'm fine with that because the benchmark
7 was up about 31 percent for the last year.

8 For the three year, we're still
9 underweight. We continue to be negatively
10 impacted by a challenging first quarter of '22.
11 That period, that challenging quarter, is going
12 to roll off in the next few months. That's a
13 very welcome thing. Our performance, we're
14 getting a lot of traction in getting some of
15 that back. For all periods five years and
16 greater, we are above the benchmark.

17 In the lower part of the slide there, our
18 active risk or the standard deviation of our
19 excess returns has decreased over the one- and
20 three-year periods, mainly due to decreasing
21 market volatility. And we continue to see that
22 this quarter, volatility is really down in the
23 equity markets.

24 This page, it's page 314, provides some
25 detail about the performance of our active

1 aggregates. Q3 was very difficult for active
2 managers. Every active aggregate we had
3 underperformed. The largest degree of
4 underperformance came from emerging markets and
5 US small cap.

6 In the EM, it was mentioned earlier, China
7 rallied strongly. We are underweight China and
8 that hurt.

9 In US small cap, basically fundamentals
10 were ignored. The Russell 2000 was up
11 9 percent in the quarter. So a strong
12 annualized return. But stocks with no to
13 negative earnings led the path in the
14 sentiment-driven market spurred on by lower
15 interest rate expectations. So in general, it
16 was a low quality rally across the entire
17 equity market.

18 The last page I have today to share with
19 you is an update on our initiatives. During
20 the quarter, we finalized an emerging market
21 search. We funded two new mandates. We also
22 completed a dedicated global equity
23 quantitative manager search. And we funded
24 that new strategy in the existing quarters in
25 Q4. I want to mention also, we're consistently

1 researching solutions that can be deployed by
2 our internal portfolio management team. At the
3 end of the quarter, 56 percent of the assets in
4 global equity were internally managed.

5 Finally, near the bottom of the page, I
6 mentioned that we have raised \$13.4 billion
7 year to date, so this year through September,
8 as we helped to implement the revised FRS asset
9 allocation policy Todd mentioned just a few
10 minutes ago, about 10 billion. We also
11 provided beneficiary payments on top of that,
12 maybe another \$3 billion.

13 So that's what I have, Mr. Chairman.

14 **MR. CHAIR:** Thank you.

15 Any other questions? Or any questions, I
16 should say?

17 **MR. T. TAYLOR:** Thank you.

18 **MR. CHAIR:** Lynne, real estate.

19 **MS. GRAY:** All right. Good afternoon.

20 I'll open with a few comments about the market
21 as well. We think that the third quarter may
22 actually be an inflection point marking the end
23 of this post-COVID property bust. For the
24 first time in eight quarters, ODCE's total
25 return for the quarter was actually positive.

1 It was anemic, but it was positive.

2 Just to tell you where we've been from the
3 midpoint, which was the second quarter of 2022,
4 to the third quarter of this year, ODCE values
5 have declined, ranging from 7 to 38 percent.
6 Office, not surprisingly, is leading the pack
7 with the largest decline of 38 percent,
8 followed by residential at 18, industrial 12,
9 and retail just under 8 percent. And so while
10 we think that values may be stabilizing
11 gradually, I wouldn't paint the picture with a
12 broad brush because, as you know, office, for
13 example, may still face some headwinds and we
14 still may see further declines.

15 Lamar touched on performance in his
16 opening remarks, but I'll just add to that with
17 showing our performance in the upper left side
18 relative to the benchmark. We have
19 outperformed over all time periods, even with
20 the one year at a negative 7 percent. Over the
21 short term, we've been impacted by the office
22 portfolio and the multifamily portfolio
23 negatively. But over the long term, our
24 industrial and specialty property type within
25 the core portfolio have been drivers of

1 performance.

2 On the right side, we're showing the
3 components of return with the income and
4 appreciation. You'll note that just the income
5 component has been steady over all time
6 periods.

7 And now just a little bit about --

8 **MR. COLLINS:** Can I ask a quick question
9 on that?

10 **MS. GRAY:** Oh, sure.

11 **MR. COLLINS:** The multifamily --

12 **MS. GRAY:** Yeah.

13 **MR. COLLINS:** -- you said it had been
14 negative. Is that a geographic issue?

15 **MS. GRAY:** Well, yeah. We have seen more
16 on the West Coast with it.

17 **MR. COLLINS:** Okay.

18 **MR. CHAIR:** If you took that out, would it
19 be positive? You just took out the West Coast?
20 Or, like, let's say you took out California,
21 Illinois and -- take your pick of those states,
22 would it have been better? I mean, presumably
23 it would have been better.

24 **MS. GRAY:** It would have improved. I
25 think that there still may be pockets, like in

1 Austin, for example, where we've seen some
2 declines.

3 **MR. CHAIR:** Right.

4 **MS. GRAY:** Okay. So what have we been
5 doing since we last met? We've been busy
6 actually. Starting on the left side of the
7 page, I'll share with you what we've done in
8 principal investments, which again, is our
9 direct-owned portfolio. We've acquired two
10 properties. One is an industrial property in
11 Charleston, South Carolina. And then below
12 that, we have a retail property, which is our
13 first investment in a programmatic venture with
14 a partner to acquire unanchored strip centers.
15 So we're pretty excited about that venture.

16 And then, if you'll notice, we actually
17 sold an office property. This is an office
18 property in Phoenix that we developed with a JV
19 partner, which dates back to 2007 where we
20 began site work, broke ground in 2008.
21 Substantial completion in 2009. And we are
22 very happy to exit at this time.

23 We also made another credit facility loan,
24 which was on a cold storage investment in the
25 portfolio. On the right, we had externally

1 managed commitments. We had two commitments.
2 One to -- \$150 million commitment to an
3 opportunistic global fund, which is focused on
4 investing in highly automated state-of-the-art
5 cold storage facilities.

6 The second is an add-on to an existing
7 core plus fund that focuses on residential,
8 industrial, and alternative property types.

9 This we've seen before, that shows our
10 investment vehicle and risk profile of the
11 portfolio. I think the one thing that you may
12 note that is a little different is that this
13 time we have no REITs in the portfolio. We
14 fully divested up the REITs.

15 Property type and geographic
16 diversification, the portfolio is well
17 diversified across both. We have had an uptick
18 in the industrial and retail, slightly down on
19 office, residential. And going forward, our
20 focus is to increase our residential exposure,
21 along with other, which is the alternative
22 property types, the data centers, self-storage,
23 et cetera.

24 **MR. CHAIR:** Real quick on the geographic.
25 Do you anticipate continuing to lessen the

1 exposure on the west? Is that a trend or is
2 that just because you sold a few things?

3 **MS. GRAY:** Well, we have been focused on
4 other regions than the West Coast because of
5 our exposure, in particular in California as
6 well, so that has been a conscious decision.

7 **MR. CHAIR:** You're actively trying to take
8 that geographic exposure down or is it just
9 going to be attrition in the portfolio as you
10 sell assets?

11 **MS. GRAY:** Acquiring in other regions and
12 selling if the opportunity presents itself.

13 **MR. COLLINS:** You've got to read between
14 the lines on that answer.

15 **MR. CHAIR:** Why I asked the question
16 twice.

17 **MS. GRAY:** This is the modified Collins
18 leverage.

19 **MR. CHAIR:** Is that what that officially
20 is called now? Is that the official name?

21 **MS. GRAY:** It's modified, so --

22 **MR. CHAIR:** Modified Collins leveraged.

23 **MS. GRAY:** It's what we usually see.

24 **MR. COLLINS:** -- under leveraged.

25 **MR. CHAIR:** I would second that.

1 **MS. GRAY:** We are in line with ODCE at
2 27 percent. To the right, you'll see the
3 principal investment debt maturities. We have
4 some maturities through 2024 that we have
5 extended or exercised an option or will be
6 paying off the balance. And then working our
7 way with either refinance or payoffs as
8 maturities come up, noting that our -- on the
9 bottom right, you'll see the weighted average
10 cost of debt with fixed, floating, and across
11 the total portfolio. And then on the right,
12 you'll see diversification between fixed and
13 floating rate debt.

14 **MR. CHAIR:** And what are typically the
15 terms on the debt on your chart on the left,
16 the weighted average cost of debt? What is
17 that? Those are construction loans, those are
18 semi-perms?

19 **MS. GRAY:** So the fixed would be permanent
20 loans. For example, in 2026, we have a fixed
21 rate loan on a large portfolio that has -- I
22 think, the rate is three and a quarter on that.

23 **MR. CHAIR:** They're amortizing our IOs?

24 **MS. GRAY:** That one, I'm going to put a
25 pin in that and get back with you. I would

1 say, IO. Typically, that, in the past, has
2 been -- we had very few that were amortizing.

3 **MR. CHAIR:** And an average tenure is?

4 **MS. GRAY:** Ten years.

5 **MR. CHAIR:** Ten years.

6 **MS. GRAY:** Uh-huh. Typically I think that
7 we were -- I was -- I was reviewing the debt
8 and -- in the portfolio and we actually did a
9 15-year loan on a multifamily deal that's
10 coming up in a couple of years and it had under
11 4 percent for fixed rate. So I think that that
12 was great.

13 **MR. CHAIR:** And all just single asset
14 recourse?

15 **MS. GRAY:** Yes.

16 **MR. COLLINS:** How much of the, what you're
17 extending, is based on where the market is that
18 you would otherwise exit it?

19 **MS. GRAY:** Well, we would -- the one that
20 we're extending today is a well-leased office
21 building that has a quality credit tenant.

22 **MR. COLLINS:** But in the market, it
23 wouldn't sell just because the office --

24 **MS. GRAY:** It would not sell at a price
25 that we would want it to sell at.

1 **MR. COLLINS:** Right. But from an
2 operating standpoint, it's cash flowing and
3 you're fine?

4 **MS. GRAY:** Exactly.

5 **MR. COLLINS:** Right.

6 **MS. GRAY:** Yeah, if we could -- if we
7 could refinance with permanent debt, we would
8 but it's not accretive today.

9 **MR. COLLINS:** Right.

10 **MS. GRAY:** Even with the profile of the
11 building and the quality of the tenant,
12 long-term lease for a credit tenant.

13 **MR. COLLINS:** So we have this internal
14 loan facility, right?

15 **MS. GRAY:** We do.

16 **MR. COLLINS:** Do you look at that as an
17 alternative on some of this?

18 **MS. GRAY:** We did but we had -- one of the
19 things with --

20 **MR. COLLINS:** Or are they too expensive?

21 **MS. GRAY:** Well, it's a daily simple SOFR
22 plus a margin on that, which is attractive, for
23 example, for construction. It would not be
24 accretive for that investment. And we did
25 evaluate that for that one particular

1 investment, but the size of the loan that we
2 would need exceeds the -- what we can do for
3 the credit facility.

4 **MR. COLLINS:** Well, I would say, don't put
5 your capital at risk. In that case, what
6 you're talking about, where it's an operating
7 asset and it's cash flowing, you know, it all
8 depends on the long-term view on that market,
9 or maybe the asset class, but the market. And,
10 you know, if you've got a great tenant -- great
11 credit tenant, but they've only got two years
12 left on the lease, and they're going to come
13 back to you in two years -- you know, sometimes
14 you're putting off the inevitable.

15 **MS. GRAY:** Yeah. No. For this one, the
16 good thing with this is that they are long-term
17 leases, early in the term, with credit tenants
18 that most people see every day.

19 **MR. COLLINS:** Yeah. And I would argue,
20 hold on to it.

21 **MS. GRAY:** We -- yeah.

22 **MR. COLLINS:** Yeah.

23 **MS. GRAY:** It's in a partnership, too, so
24 we have partner considerations as well.

25 **MR. CHAIR:** Which market is that in?

1 **MS. GRAY:** It's in Atlanta.

2 **MR. CHAIR:** Atlanta. Okay.

3 **MS. GRAY:** Midtown.

4 **MR. CHAIR:** I know the asset. Yeah.
5 Okay.

6 **MS. GRAY:** Okay. Well, let's move on
7 then.

8 And there's the credit facility. So the
9 credit facility, as a reminder, was established
10 to provide downstream loans to properties in
11 the portfolio. To date, we've closed
12 730 million, we have another 81 in progress,
13 for a total activity of just over \$800 million
14 in the facility.

15 Questions?

16 **MR. COLLINS:** What's your average LTV on
17 that?

18 **MS. GRAY:** Per loan, just 57 percent.

19 **MR. COLLINS:** Oh, I'm sorry.

20 **MS. GRAY:** Yeah, it's right there.

21 **MR. COLLINS:** You actually have a column
22 for it. Sorry.

23 **MS. GRAY:** It's grayed -- right there for
24 us on the chart.

25 **MR. COLLINS:** Yeah.

1 **MR. CHAIR:** Okay. Any other questions?
 2 Thank you, Lynne. Appreciate it. Good
 3 information.

4 John?

5 **MR. MOGG:** Yeah. Good afternoon. I've
 6 got a couple of slides on the market, and then
 7 I'll jump into some of the recent activity,
 8 both in multi-asset credit and private credit.

9 So just kicking off here, we heard from
 10 Lamar and Todd, credit spreads have compressed
 11 significantly. We've seen that across
 12 investment grade high yield, CLOs, bank loans.
 13 Seen record issuance this year in the bank loan
 14 market, surpassed the record that we saw in
 15 2017. A lot of that's really come from
 16 repricing and extensions. And there's been,
 17 you know, an insatiable demand from CLOs for
 18 new bank loans. So that's really compressed
 19 spreads in.

20 On the private side, we've seen,
 21 especially in the middle market -- and we have
 22 a slide on this that I'll show you -- there's
 23 still about a 200 basis point premium over the
 24 liquid loan market.

25 Default rates, the default rates are

1 staying around the 2 percent, 2.5 percent
 2 levels. It's a little misleading when you add
 3 in these distressed exchanges and out-of-court
 4 restructurings. You've probably read about LME
 5 transactions, liability management exercises.
 6 That's really leading to a higher distress
 7 default rate all in, which is around four and a
 8 half to 5 percent, which is getting close to
 9 levels we saw back in the GFC.

10 The other thing that we're keeping an eye
 11 on here is just the impact of the elections.
 12 You know, there's been significant talk
 13 regarding tariffs and immigration changes,
 14 cost-cutting, et cetera, and it will impact
 15 certain industries. We've been talking to all
 16 of our managers just to understand how this is
 17 impacting their underwriting standards. It's
 18 likely, you know, we won't see the impacts of
 19 these changes for probably 18, 24 months. It's
 20 just something to keep an eye on next.

21 **MR. COLLINS:** Go back on that, the
 22 4.6 percent.

23 **MR. MOGG:** Yeah.

24 **MR. COLLINS:** GFC wasn't much higher than
 25 that?

1 **MR. MOGG:** I'd have to go back and get the
2 number. The GFC rate was higher than that.

3 **MR. COLLINS:** Yeah. I would think it
4 would be substantially higher than that. I
5 don't know. I mean, maybe it's just I'm
6 remembering a really bad time from some scars.

7 **MR. MOGG:** Yeah, but the whole point is,
8 you know, the headline default number really
9 doesn't reflect the out-of-court restructurings
10 and the distressed exchanges, which we think
11 makes the default rate even higher.

12 So this is the point I mentioned earlier.
13 This is something put together by our private
14 credit consultant, AXIA. This tracks middle
15 market direct lenders versus the levered loan
16 market. They define middle market as 15 to
17 75 million in EBITDA. And so you can see at
18 times -- you've seen the premium compressed,
19 but we're back today currently at around a 200
20 basis point premium of the leverage loan
21 market. One of the points that was made
22 earlier in the meeting, at the upper end of the
23 market, you are seeing that premium shrink for
24 the very large private credit funds that are
25 competing with the bank loan market.

1 Next up, this slide here also came from
2 AXIA that just shows borrower health, which
3 shows interest rate coverage. This is for
4 North America. AXIA has about 3200 mid-market
5 lenders. They have underlying loan level data
6 that they track. And so here you can see at
7 underwriting, about 11 percent of borrowers
8 we're below 1.5 times EBITDA interest rate
9 coverage. Today, it's around 37 percent.

10 The EBITDA here is used as a proxy for
11 cash flow, but, you know, with the documents
12 being significantly weaker today, when you add
13 back EBITDA add-backs and things like that,
14 these numbers would probably look a lot worse.

15 So, this is just a refresher on the active
16 credit asset class. 7 percent target to active
17 credit, 3 percent to multi-asset credit, and
18 4 percent to private credit. We have done a
19 lot of work on the multi-asset credit piece
20 over the last six months or so. We worked
21 closely with Mercer on a risk budgeting study.
22 We took our targeted alpha and tracking error
23 and our benchmark and we used that to allocate
24 our tracking error across a new portfolio
25 construction framework. The metrics are laid

1 out here. So high level, it's roughly going to
 2 be about 80 percent active, 20 percent passive.
 3 This next slide breaks that out a little bit
 4 further.

5 For the 20 percent passive piece, we've
 6 made some progress getting money to work. We
 7 hired an EM debt passive manager and a US high
 8 yield passive manager. This largely will fill
 9 out the passive exposure. That amount could go
 10 up or down depending on the searches that we do
 11 and high yield and EM debt. If we find
 12 attractive managers that have generated alpha,
 13 we might scale down the passive, but this is
 14 the initial model.

15 And then on the active side, MAC sector
 16 rotators. Sector rotators are those managers
 17 that can rotate amongst bank loans, high yield
 18 and EM debt. And so right now, we're currently
 19 in the process -- we've done a bunch of
 20 screening, worked closely with Mercer and have
 21 had a bunch of calls and meetings for both MAC
 22 managers and bank loan managers. We look to
 23 wrap up our on-site diligence in the next two
 24 weeks. And we'll look to making out probably
 25 two to three bank loan managers and three MAC

1 sector rotator managers.

2 And then early next year -- and that money
 3 will probably get to work, some -- you know,
 4 depending on legal contracting, et cetera,
 5 probably get to work sometime in early second
 6 quarter of next year.

7 And then the phase two of the
 8 implementation will be EM debt and high yield.
 9 We'll look to kick that off early next year and
 10 then start, you know, a similar process with
 11 screening manager visits, et cetera.

12 On the private credit side, we've laid
 13 out -- so this is the current portfolio of
 14 construction, split between core and satellite.
 15 The core piece is really the senior lending
 16 piece. Currently it's only a 20 percent
 17 allocation within the private credit portfolio.
 18 The rest is across kind of the sub-strategies.
 19 With our new portfolio construction framework,
 20 we're looking to target about 50 percent in
 21 senior lending strategies, more
 22 income-oriented, less volatility, top of the
 23 capital structure. And then we'll have a range
 24 of about 40 to 70 percent around that that we
 25 can ramp up or down depending on the

1 opportunity set. And then you can see the
2 sub-strategies that will opportunistically
3 allocate within private credit.

4 **MR. JONES:** Pardon me, John. I'm looking
5 back on the previous page. I'm not an expert
6 on this at all. But the passive emerging
7 market debt and the US high yield, I would have
8 thought security selection would be critical in
9 those two asset classes. I'm wondering if your
10 default rate is any higher in that?

11 **MR. MOGG:** Yeah, it's a great point and
12 you're spot on. So the manager for both of
13 these has been able to, you know, meet the
14 benchmark or exceed by a few basis points over
15 time. But I agree, I mean, as we've done it --
16 you know, initially we were thinking of doing
17 passive in bank loans as well, but as we did
18 all the screening and really digging into this
19 with managers, we found that in all of these
20 areas, there is an opportunity to generate
21 alpha and to avoid defaults and other risks.

22 So, you know, I wouldn't be surprised to
23 see next year when we kick off the active
24 searches for EM debt and high yield if we find
25 a really good pool of candidates, we might

1 scale the passive back. But the passive also,
2 you know, was able -- we were able to get some
3 money into the ground, you know, get started
4 with it.

5 And then lastly on private credit, we
6 continue to look for ways to reposition the
7 portfolio. So current portfolio and private
8 credit, 20 percent. In senior lending, we're
9 pushing towards more of a 50 percent target.
10 And so we're just thinking about ways that we
11 can reposition the portfolio to achieve those
12 targets to be more senior in the capital
13 structure. And we think we can generate really
14 attractive risk adjusted returns. We expect to
15 have more information on this at the March
16 meeting, so more to come on that.

17 And then the last point, AXIA is our new
18 private credit consultant. We've transitioned
19 from our previous consultant. We've got all
20 the data migrated over to AXIA. We've updated
21 our pricing models. And then the one thing we
22 really like about AXIA is they have a lot of
23 loan level details. So we can really dig into
24 the portfolio and see EBITDA migration. We can
25 see extensions, amendments to loan docs. So a

1 lot more information that helps us in, you
2 know, hiring new managers, but also in
3 monitoring our existing managers.

4 And then lastly, this color scheme is a
5 little bit better than the previous ones.

6 **MR. CHAIR:** Nice work.

7 **MR. MOGG:** We show -- this is the legacy
8 private credit portfolio. As Lamar mentioned,
9 we show the benchmark here, which is LSTA plus
10 175, that's the new benchmark for private
11 credit in the active credit allocation. So we
12 show that, it's performed in line with that
13 over time, you know, except for the one year
14 when loans did exceptionally well.

15 And that's it. Happy to answer any
16 questions.

17 **MR. CHAIR:** All right. Thanks, John.

18 Anybody have any questions?

19 **MR. GOETZ:** Just one on the market. You
20 know, we note these spreads and then your page
21 328, it kind of jumped out at me, to be honest.
22 You said, you know, as we expect, but to see
23 that if we had a hundred basis point base rate
24 rise, we'd have roughly half below one and a
25 half coverage.

1 **MR. MOGG:** Yeah.

2 **MR. GOETZ:** How does that -- how does that
3 look over a long period of time in your
4 experience? That's just a big chunk, isn't it?

5 **MR. MOGG:** Yeah, it is. You know, I'd
6 have to go back and look. I'm sure we can get
7 AXIA to run the numbers. They've got the data
8 that goes back pretty far. So we can certainly
9 run that. But you're right, that is -- that's
10 pretty high.

11 **MR. GOETZ:** So your inclination is to
12 continue to move up the capital stack?

13 **MR. MOGG:** Yeah, exactly. That's exactly
14 right. And, you know, we're -- you know, we'll
15 show in the March meeting, we've spent a lot of
16 time on US and European direct lending and
17 looking at not only geography, but, you know,
18 lower mid-market, mid-market, upper market and
19 being very thoughtful about how the pieces fit
20 together, looking at what the spreads are at
21 the upper end of the market versus mid-market
22 and lower market.

23 And, you know, certainly, there's a
24 trade-off, right. At the larger end of the
25 market you have, you know, more established

1 companies, much more stable EBITDA and
 2 earnings. As you go down into mid-market, it
 3 becomes a little bit more volatile, but you've
 4 got tighter documents. So we're being very
 5 thoughtful about how all those pieces fit
 6 together when we design the portfolio.

7 And the other thing to mention is that
 8 these will mostly be separately managed
 9 accounts, but they'll be in a drawdown feature
 10 so that, you know, we're not taking outsized
 11 vintage year risk, you know, next year if we
 12 were to allocate it, it's drawn down over time.
 13 So if the market changes, you can take
 14 advantage of that.

15 **MR. CHAIR:** Yeah. Thanks, John.
 16 Appreciate it.

17 Up next, Dan.

18 **MR. BEARD:** Good afternoon. So I'll be
 19 pretty quick through these slides. Pretty much
 20 my regular slides on the quarterly basis.

21 So quickly here, this is just a snapshot
 22 of where we were as of September 30th. For
 23 assets, a quick update on that, we're at
 24 18.9 billion, and that's as of market close
 25 Friday.

1 Here, plan choice, no changes here of the
 2 14,500 who have either made a choice this
 3 fiscal year or had a choice period end this
 4 fiscal year. You still have seven out of every
 5 10 new hires that are enrolling in the
 6 investment plan, either by default or active
 7 election.

8 Membership still continues to grow.
 9 Again, that's all fueled by the default change
 10 back in 2018.

11 I won't go through the performance, Lamar
 12 covered that at the beginning.

13 So of our 18 billion in assets, majority
 14 of it is in the retirement date funds.
 15 Retirement date funds make up about 52 percent.
 16 That's also the default fund where if a person
 17 defaults to the investment plan, they're going
 18 into one of their retirement date or target
 19 date funds based on their age.

20 This is just an allocation of the
 21 retirement fund assets.

22 And then MyFRS Financial Guidance program,
 23 which is the other part that I oversee for all
 24 FRS members. Again, you have -- you know, chat
 25 is really increasing. Our members like to use

1 that to talk to the financial planners. As
 2 well as website hits is going up, went up for
 3 the past 12 months. And a little decrease in
 4 some of the calls as well as workshop
 5 attendance.

6 Happy to answer any questions.

7 **MR. CHAIR:** That's a record, 180 seconds.
 8 Perfect. No, we appreciate the information.
 9 It's good to see the website traffic and the
 10 chats and the online help going up. That's
 11 going to decrease overhead costs probably of
 12 having call centers and people physically
 13 picking up phones, so that's good news.

14 Okay. And I think last we have Mike.

15 **MR. McCAULEY:** Yes. Good afternoon. I'll
 16 try to break that record.

17 **MR. CHAIR:** Good luck.

18 **MR. McCAULEY:** Just the normal, you know,
 19 charts and tables that we include. Kind of a
 20 side-by-side with respect to the fiscal year.
 21 Q3 is a pretty light quarter, relatively higher
 22 proportion of emerging market boats primarily
 23 in China. But all stable patterns, nothing
 24 really of note.

25 Skip over these couple of kind of

1 market-oriented ones.

2 The last three slides are the shareholder
 3 proposal voting that we update each quarter.
 4 Not much really to kind of point out at this
 5 point in the fiscal year. We've only had about
 6 50 proposals to date. The -- kind of the
 7 biggest open question will be what kind of
 8 effect the political changes primarily at the
 9 SEC will have on both the volume of shareholder
 10 proposals and the quality. So we're kind of
 11 expecting that the volume will likely go down,
 12 at least incrementally, and the quality will go
 13 up. I think that's maybe half hope and half
 14 expectation, but we'd like to see more
 15 proposals that are oriented towards economic
 16 value and financial value. And that could
 17 change the pattern of our support probably most
 18 significantly in the governance pillar, but
 19 perhaps some of the other E&S as well.

20 We included a copy of the fiscal year '24
 21 annual governance summary. It was right behind
 22 the standing report. So that basically goes
 23 into a little bit more detail in the deeper
 24 dive that we did earlier in the year. It gives
 25 a little more narrative on the process and some

1 of the operations.

2 And that is all I have. I'm happy to
3 answer any questions.

4 **MR. CHAIR:** Any other questions for Mike?

5 **MR. COLLINS:** Just one. Are you seeing
6 the China issue come up with other plans in any
7 governance way?

8 **MR. McCAULEY:** Not really within a
9 governance realm. There have been some
10 shareholder proposals that deal with that kind
11 of geopolitical risk. We've had kind of a
12 mixed result. We've supported some and opposed
13 others. And it's a very minor -- it's only a
14 handful of (audio disruption) so it's a unique
15 market in a lot of ways.

16 **MR. CHAIR:** Okay. Any other questions?

17 Okay, Mike. Thanks a lot. Appreciate it.
18 Move on to agenda number seven. Katie.

19 **MS. COMSTOCK:** Great. Thank you.

20 Much of this has been covered already, so
21 I'll hit the slides that have not yet been
22 covered.

23 For the four major mandates, starting with
24 the pension plan. Here I'll hit on just the
25 asset allocation, just showing progress towards

1 the new long-term targets. Here you can see at
2 the end of the quarter, assets were above
3 200 billion ending at \$205.2 billion. Equities
4 are now closer to that long-term target of
5 45 percent. Fixed income at the long-term
6 target of 21.

7 And then moving down -- just down this
8 chart at the bottom, private equities nearing
9 long-term target of 10 percent, real estate 12
10 percent, strategic investments moving the
11 opposite direction, you heard from Trent,
12 moving towards that 4 percent long-term
13 targets. And active credit has a long-term
14 target of seven. But here, you know, in line
15 with policy and trending towards what was
16 approved at the last asset allocation study.

17 In terms of returns, total FRS pension
18 plan performance net of fees as shown on the
19 lightest of the teal bars here on the left-hand
20 column. You've heard a strong quarter for both
21 equities and bonds. The portfolio was up four
22 and a half percent. Aside from real estate,
23 each of the other assets also generated
24 positive performance. And that has been -- has
25 led into longer term results. You can see very

1 strong returns, a little bit of a dip in the
 2 three-year, that includes 2022 when rates
 3 started hiking, and both equities and bonds had
 4 a pretty negative year. But over the long
 5 term, you know, really strong annualized
 6 performance.

7 The relative performance has struggled
 8 near term. We talk about this. What's driving
 9 this is largely private equity.

10 We did add this attribution slide here.
 11 What this is doing is showing what's
 12 contributing to the relative performance. So
 13 this is a one-year period and a five-year
 14 period. On the left-hand side, the bottom bar
 15 shows that the total fund has underperformed
 16 its benchmark by about 2.7 percent or 266 basis
 17 points. And you can see that's coming from
 18 private equity underperforming its primary
 19 benchmark.

20 I would echo what Mr. Collins said
 21 earlier, don't get too concerned about this
 22 very near-term performance. We need to
 23 understand what's driving it and make sure
 24 we're comfortable with that. But if you look
 25 to the right-hand chart, this is the five-year

1 period. This is more along the lines of what
 2 we'd expect and what we see. And if you were
 3 to look at a 10-year period, you would see each
 4 of those bars would be positive, meaning each
 5 of your asset classes are outperforming their
 6 respective benchmarks and contributing to the
 7 total fund's outperformance.

8 The last thing I would comment on, just on
 9 the private equity piece, is that we've been
 10 here before. But back in 2012, it's been a
 11 while, private equity did also underperform the
 12 private equity benchmark by close to 30
 13 percentage points that we're seeing now. This
 14 also works in the opposite direction as well.
 15 It wasn't too long ago in 2021 when private
 16 equity was significantly outperforming public
 17 markets. So there's a lot of noise in the
 18 short-term performance numbers when we do have
 19 a public market benchmark. We do think it's
 20 the correct private primary private equity
 21 benchmark, but again, it will create some noise
 22 like this and that's why we use other
 23 benchmarks as well that Lamar pointed out and
 24 that John pointed out earlier about using pure
 25 benchmarks and IRR.

1 Flipping ahead to look at relative to
 2 peers. Here, again, a similar story, though,
 3 with the policy change, you can see that the
 4 FRS's exposures are more in line with peer
 5 allocations at 48 percent global equity
 6 compared to peers at 45. Slight underweight to
 7 alternatives still if you were to add up the
 8 active credit, strategic and private equity,
 9 that would be about five percentage points
 10 underweight relative to the peer group. As we
 11 move towards that long-term target, you'll get
 12 aligned with peers. That's not the goal, but
 13 it does -- it does help us understand when
 14 performance deviates from the peer median. And
 15 that's what we're looking at.

16 This slide is how has the total FRS
 17 performed relative to this peer group? Again,
 18 this is the top largest pension plans in the
 19 US. Those numbers at the bottom show where the
 20 FRS has ranked over each of these time periods,
 21 so very strong ranks above median across all
 22 time periods and the top quartile for the long
 23 term. A lot of this can be contributed (sic)
 24 to the large allocation to public equity
 25 relative to peers.

1 And despite having an underweight to US,
 2 which has really outperformed over the near
 3 term, the active management and the allocation
 4 has kept up and has outperformed the peer
 5 group. So strong performance relative to peers
 6 for this time period.

7 Okay. Moving on to the investment plan.
 8 The total returns there at the top were covered
 9 here. What I did want to point out is that we
 10 did get updated peer information from CEM
 11 benchmarking, and that's in the bottom table
 12 there. This is a peer benchmark provider.
 13 They produced two peer groups: One's a broader
 14 group of US pension plans and corporate plans.
 15 And then one's a more customized peer group
 16 that has 18 peers. And so we compare a few
 17 different things. One is just the absolute
 18 returns, so you can see 8.9 percent. This is
 19 through the end of 2023. A little bit below
 20 it, the peers have returned. This is due to
 21 where participants are allocating their
 22 dollars. Many of these plans -- some of these
 23 plans with corporate have stock and some have
 24 more exposure to US equity compared to your
 25 plan. So that's a headwind when you look at

1 absolute performance.

2 The net returns, we've spoken about some
3 of this for the FRS, include underperformance
4 from equity managers, as well as stable
5 value-add, that the peer group had a five-year
6 outperformance of about 10 basis points.

7 And then on the expense ratio here, the
8 total FRS expense ratio is about 28 basis
9 points, 27.8 exactly. That has come down since
10 2019, so it's moving in a positive direction.
11 When we compare that to the peer group, it
12 looks more expensive for the participants.
13 Now, if you look under that, some of that --
14 most of that difference has to do with where,
15 again, participants are allocating their
16 dollars. Your peers have more dollars
17 allocated to lower cost index funds, and so
18 that's going to drive the difference of the
19 cost.

20 When we look at each one of your options
21 compared to -- and those are the options costs,
22 compared to the peers of relatively managed,
23 similar strategy, the FRS offers lower cost
24 options than peers. And then also, the FRS
25 also subsidizes the administrative costs of

1 100 percent of those. So your participants are
2 getting an extremely competitive deal compared
3 to peers, even though these numbers don't
4 capture that fully in this.

5 And I think that's where I can stop. The
6 Cat operating funds were covered earlier.

7 And then I'll just end on Florida PRIME.
8 Here, again, Lamar covered this at the outset,
9 but strong, you know, returns benefiting from
10 higher rates. And then when we look at it
11 relative to the benchmark, this portfolio has
12 outperformed its peer group over all of these
13 time periods, and it's done so at a lower level
14 of volatility as well.

15 **MR. CHAIR:** Great. Thank you, Katie.

16 Any questions from IAC members?

17 I appreciate you doing a quicker
18 summation. Thank you.

19 Okay. We're onto the final agenda item
20 right now, and that is the proposed meeting
21 dates for 2025. If you look in the back of
22 your calendar here, we've got four meetings:
23 March 3rd, June 3rd, September 9th, and
24 December 16th. The reason that there's nothing
25 highlighted in yellow is because those cabinet

1 meetings have not been set yet for '25, but
 2 they're usually typically the week after we
 3 have our IAC meetings, so those will be out
 4 shortly.

5 And then, do we have any public -- any
 6 members signed up for public comment? No?
 7 Okay. Skip over.

8 Any closing comments from Lamar or Chris?

9 Okay. Thanks everybody for your
 10 participation today and we'll adjourn the
 11 meeting. Thank you.

12 (Meeting concluded at 3:02 p.m.)

13 * * *

1 CERTIFICATE OF REPORTER

2
 3
 4 **STATE OF FLORIDA**

5 **COUNTY OF LEON**

6 I, Tracy Brown, certify that I was
 7 authorized to and did stenographically report
 8 the foregoing proceedings, and that the
 9 transcript is a true and complete record of my
 10 stenographic notes.

11
 12 Dated this 10th day of January, 2025.

13
 14
 15 

16 TRACY BROWN
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 18 Tbrown567@comcast.net
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ACTING ATTORNEY GENERAL
CHRIS SPENCER
EXECUTIVE DIRECTOR

Dear Chief Financial Officer Patronis,

I am pleased to submit to you the completed analysis conducted by the professional investment team of the State Board of Administration (Board) as requested by your October 29, 2024 letter concerning the feasibility, risk, and potential benefits of directing a portion of the state retirement system monies into digital assets.

While digital assets are not authorized for direct investments under section 215.47, Florida Statutes, the Board has experience investing indirectly in digital assets and digital asset related opportunities across multiple asset classes, including private equity and global public equity investments. The performance record of these investments includes several positive outcomes that contributed meaningful value to the beneficiaries of the pension fund.

The Board views the role of digital assets in the pension fund with optimism. We believe the Trump Administration's accommodative approach to digital assets will likely mitigate ongoing regulatory concerns over time and could very likely result in continued capital in-flow into the space. This may have the effect of dampening the characteristically high level of volatility around digital asset prices over time.

We do not believe digital assets should serve as an asset class unto themselves within the pension fund at this time. As outlined in the analysis, the possible roles for digital assets in an investment portfolio include: cash substitute, reserve asset, capital asset, or diversifier and hedge. To date, the strongest argument for including digital assets in an investment portfolio would be as a diversifier and hedge. Unfortunately, however, the data presently indicate there is substantial correlation between digital assets (cryptocurrency in particular) and equity volatility and market factors. This generally means, as noted in the analysis, the diversification benefits of digital assets "have tended to fade when they are needed most." For these reasons, we do not believe it to be prudent at this time to establish a *dedicated* strategy of direct digital asset exposure for the pension plan.

Nevertheless, digital assets continue to show promise as an *opportunistic* investment option for the pension fund. Our approach to this space will be to continue our existing investment strategy by identifying opportunities broadly in digital assets and related ventures and evaluating those opportunities, case-by-case, for potential investment.

We look forward to the continued development of the digital asset marketplace, and the investment professionals of the Board continue to evaluate opportunities to further engage in digital asset related investments as they arise. Please do not hesitate to contact me should you have any questions regarding this analysis.

Sincerely,

A handwritten signature in blue ink, appearing to read "CS", is written over a horizontal line.

Chris Spencer



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MEMORANDUM

TO: Chris Spencer, Executive Director
Lamar Taylor, Chief Investment Officer

FROM: Marco Perzichilli, Senior Investment Policy Officer

DATE: February 11, 2025

SUBJECT: **Report on the Feasibility, Risk, and Potential Benefits of
FRS Allocation to Digital Assets**

Background

In a letter to the Executive Director of the Florida State Board of Administration (SBA) Chris Spencer dated October 29th, 2024, Chief Financial Officer Jimmy Patronis requested the SBA produce a report on the feasibility, risk, and potential benefits of directing a portion of the state retirement system monies into digital asset classes. Herein the SBA provides such a report, focused particularly on the FRS Defined Benefit Plan (the "Plan").

Following an executive summary, the rest of the report is structured as follows: First we describe the different channels through which digital asset investments can take place. We then discuss which of those channels the SBA has utilized to date and what the results have been. With respect to the most topical of those channels -- direct token exposure -- we proceed to analyze the possible roles it may fill in a pension plan portfolio. This is followed by a discussion of the Plan's current opportunity set for digital asset investment and what, if anything, constrains it. Lastly, in light of the foregoing, the report discusses whether a strategic allocation to digital assets is feasible before offering concluding remarks.

Executive Summary

The main findings of this report are as follows:

- The SBA believes in the future of digital assets and that they can play a role in an investment portfolio. Over the last several years it has been an indirect investor in the space, with several very noteworthy positive outcomes.
- Owing to fundamental characteristics that vary considerably by channel, the SBA does not view digital assets as a bona fide asset class unto themselves and assesses that present circumstances don't support specifying a strategic allocation to them.
- Assets/investments generally serve one or more of the following functions within a portfolio: cash substitute, reserve asset, capital asset, diversifier, and hedge. With respect to direct exposure to cryptographic tokens, and without regard to permissibility under Section 215.47, Florida Statutes, the SBA assesses that:
 - A role as a cash substitute for the Plan is not feasible.
 - A role as a reserve asset for the Plan is not tenable because by its nature the Plan does not generally invest in reserve assets.
 - A role as a capital asset for the Plan is not recommended at this time because of difficulty in identifying and estimating forward return drivers.
 - A role as a diversifier for the Plan is not recommended at this time because of excessive volatility and an unfavorable correlation profile to equity risks.
 - A role as a hedge for the Plan is not recommended at this time because of the mostly procyclical behavior tokens presently exhibit.
- The SBA is actively monitoring for changes in the above conditions that might alter these conclusions. Several positive developments that warrant close observation include:
 - The increasing acknowledgement and acceptance of Bitcoin's potential as a reserve asset, with particular relevance to corporate treasuries, government treasuries, and monetary authorities.
 - The ongoing moderation in the volatility profile of certain prominent cryptographic tokens.
- Regardless of merit or feasibility of direct exposure to cryptographic tokens, the SBA continues to believe indirect exposure is warranted as an element of its venture capital portfolio.

Modalities of Digital Asset Investment

The landscape for investments in digital assets and the related ecosystem is highly diverse and, in many cases, tends to defy basic efforts at categorization. As relates solely to the Plan, however, the SBA views most digital asset investment opportunities as generally belonging to one of four basic categories: private/venture equity, public equity, thematic management, and direct token exposure.

Each of these four categories present opportunities for investment that vary substantially in their inherent characteristics, and consequently do not share a coherent set of associated risk premia. For this reason, the SBA does not view digital assets as a bona-fide asset class unto itself.

Private/Venture Equity

The private/venture equity channel comprises investments in private enterprises that are focused on leveraging the use cases for digital assets and blockchain technology. The enterprises are generally in the startup, growth, or expansion stages.

Outcomes in venture capital are generally characterized by high returns for a select few portfolio companies that ultimately find traction for their products/services offset against a number that ultimately do not. Venture investments related to digital assets tend to share these same characteristics. Thus, the digital asset investment opportunities that fall within the private/venture equity category are generally underwritten using the standard investment processes of the Private Equity team at the SBA. That team's processes are designed to identify and retain managers who are skilled at early identification of emerging trends and disruptive technologies, of which digital assets are but one example.

Public Equity

The public equity channel comprises investments in publicly traded enterprises that are focused on leveraging the use cases for digital assets and blockchain technology. The enterprises are generally larger and have an established market position and mature operations.

Some enterprises in the digital asset space are so successful that they ultimately make a public offering of their shares. To the extent one of these companies is included in one of the benchmarks the SBA manages its passive US and global portfolios against, then the SBA will own the company in a passive portfolio (Microstrategy, Inc. and Coinbase Global Inc. are examples). For companies not included in one of Global Equity's benchmarks, the Global Equity team at the SBA (and all the external managers that the Plan has retained) can evaluate the investment opportunity according to their usual processes. Relative to the other modalities of digital asset investment, public equity can be expected to exhibit markedly slower growth, lower volatility, higher liquidity, and more stable and predictable operating metrics.

Thematic Management

The thematic management channel comprises participation in funds where the investment strategies employed are narrowly focused on participating in or facilitating the market for digital assets. Funds in this space often seek to capitalize on specific expertise to generate returns through active trading strategies, capital/balance sheet provision or digital asset origination (e.g. staking, mining).

Opportunities in the thematic management category can vary rather widely in terms of characteristics. On one end of the spectrum, there will be opportunities that involve specialized skill in otherwise competitive activities like digital asset trading, mining or staking that may be able to produce relatively stable, bond-like returns. On the other hand, there can be venture-like opportunities present as well, which will tend to exhibit higher loss rates but large returns on a much lower proportion of successful transactions. Staff on the SBA's Strategic Investments team have substantial experience in evaluating

investments like these where broader markets lack familiarity with the investment proposition's underlying economics.

Direct Token Exposure

The category of direct token exposure refers to seeking direct exposure to the price fluctuations of digital assets, regardless of whether it is obtained through control over entries on a distributed ledger, collective investment vehicles, or derivatives. The possible rationales for – and investment characteristics of – assuming explicit price exposure to cryptographic tokens in an investment portfolio is explored later in this document.

Present and Historic Plan Exposure to Digital Assets

The Plan has been indirectly investing in the digital asset ecosystem for at least the last four years. The Plan's earliest such investments were made through its interests in venture capital funds, which in turn invested in a variety of digital asset enterprises and blockchain-based projects. Notable among these portfolio companies are Coinbase Global, Inc. and Solana Labs. Coinbase ultimately became a publicly listed company in April 2021, and the Plan's position is now largely under the purview of the SBA's Global Equity team.

Table 1 details some unofficial performance metrics concerning the Plan's investments in digital assets undertaken through the private/venture equity channel. As shown by the total value to paid-in capital metric (TVPI), the Fund's investments have generated over 11x value growth to date. The sums concerned are clearly quite meaningful to the Plan, and a substantial portion of these gains have been fully realized. The Private Equity team at the SBA continues to look for new opportunities in the digital asset space.

Table 1: Private Equity Digital Asset Performance Metrics

<u>Cost</u>	<u>Realized</u>	<u>Unrealized</u>	<u>Total Value</u>	<u>DPI</u>	<u>TVPI</u>
\$72.13MM	\$539.19MM	\$268.29MM	\$807.48MM	7.48	11.20

The SBA does not separately track performance for digital asset investments undertaken through the public equity channel. However, in general the SBA is not significantly underweight applicable benchmarks in any category relevant to digital assets, and performance of such categories has generally been strong.

The Plan has not undertaken any noteworthy digital asset investments through the thematic management or direct token exposure channels to date. In the case of thematic management this is largely because the SBA hasn't yet encountered an opportunity that satisfies its criteria. In the case of direct token exposure, the reasons are discussed in the following few sections.

The Role of direct token exposure in the Investment Portfolio

We now turn to an examination of the possible roles direct price exposure to digital assets could serve in the Plan's portfolio. Generally, these are as a cash substitute, reserve asset,

capital asset, and diversifier/hedge. Accordingly, when we refer to digital assets in this section, we are primarily referring to holdings that deliver exposure to price movements of tokens.

Cash Substitute

Because the digital asset revolution has its roots in facilitating payments, it is only natural to ask whether, in the context of a pension fund, digital assets can serve as a substitute for making payments or invoicing and settling transactions. Schar (2020) is a comprehensive resource for understanding the roles and characteristics of money and how digital assets fit in.

Table 2 lays out where the various types of money derive their value from. Note that commodity money is the only type of money that possesses intrinsic value (i.e. value in use). Relatively few digital assets are designed to have any value in use (Ethereum is one example that is) and nearly all digital assets by their nature avoid the need to trust a third party (a defining feature of credit money). To the extent digital assets can be used as money then, that value is generally fiat (sic) in nature and derives from what Schar calls the liquidity premium – the ability to readily trade the digital asset for goods and services.

Table 2: Components of Value by Money Type

	Intrinsic	Promise	Premium
Commodity Money	✓		✓
Credit Money		✓	✓
Fiat Money			✓

Source: Adapted from Schar (2020)

There are two conceivable reasons why a pension fund might prefer to invoice and settle using digital assets as opposed to its local currency: wider acceptance (liquidity premium) or superior operational characteristics (e.g. time to settle). While there are indeed some limited cases of superior operational characteristics, digital assets are not imminently positioned to compete with local currency in terms of breadth of acceptance. Thus, use of digital assets as a cash substitute in the context of a pension fund is not considered practical at this time.

Reserve Asset

Reserve assets are assets generally held for the sake of liquidity, capital preservation and for ensuring favorable terms for convertibility when faced with uncertainty. For many foreign countries, US Dollars check this box. Historically, however, it is gold that is most often associated with this role. Reserve assets are, by their nature, generally devoid of risk premia that would attract long-horizon, return-seeking investors like pension funds. Reserve assets like gold then are – unsurprisingly – not part of the Plan’s strategic asset allocation. Thus, even if certain digital assets gain acceptance as reserve assets, it will not necessarily imply a role for them in the Plan’s portfolio. Of course, in other contexts (e.g.

treasury functions), safety, liquidity, and convertibility may be more important than the ability to earn risk premia, and digital assets may ultimately work well in those contexts.

All that said, the path to monetary reserve status for digital assets isn't entirely clear. Proponents of Bitcoin, for instance, are quick to point out its many conceptual similarities to gold. However, to the extent this analogy is apt, it also suggests practical *limits* to Bitcoin's usefulness as a monetary reserve asset. As described by Merhling (n.d.), it was precisely the inelasticity of the gold supply that eventually disqualified it from a role as the backbone of modern reserve-based banking. The prevalence of mobile capital and elastic credit more-or-less demands that there be elasticity with respect to the supply of monetary reserve assets as well.

Capital Asset

Capital assets form the backbone of the Plan's portfolio. These are assets held specifically for their ability to generate income or appreciation. The investor's expectation for such income or appreciation must generally be formulated with respect to an economic proposition of one sort or another to avoid being arbitrary. This could be as straightforward as receipt of contractual cash flows or as nebulous as a low-priority legal claim to a portion of proceeds from liquidation of an enterprise.

Most digital assets do not produce income for their owners; they must be sold to generate cash flow. The sales price that a digital asset commands will be a function of both supply and demand, but because a key feature of digital assets is predictable and/or formulaic supply, the main challenge is typically to estimate demand. When there is neither a value in use nor an income stream associated with a particular digital asset, this means the demand will be economically unanchored and determined mostly by prevailing sentiment. It is difficult to form long-run expectations about the returns of such assets, to say the least.

Diversifier/Hedge

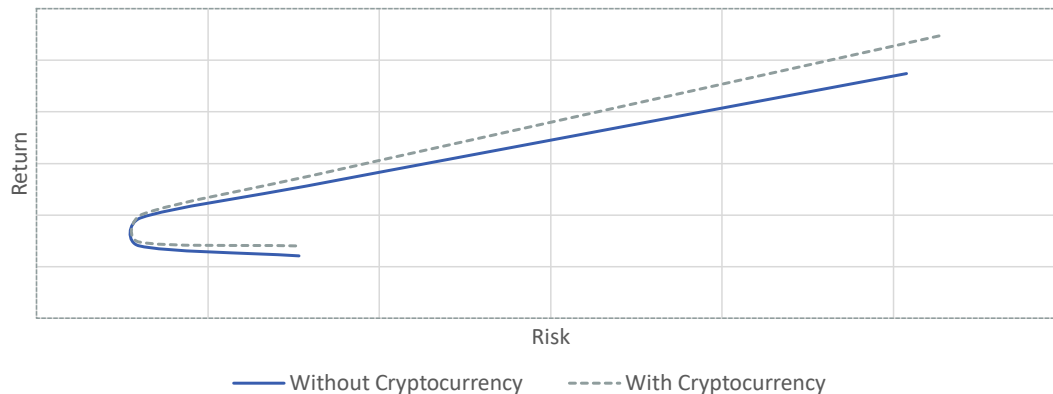
Perhaps the strongest potential role for digital assets in the Plan's portfolio would be as a diversifier and/or a hedge. To provide a quantitative sense of how price exposure to digital assets might be accretive to a portfolio, we've assembled a representative data set of returns for cryptocurrencies and liquid proxies for common asset classes. Statistics describing this data set for daily and monthly frequencies can be found in Appendix A, in Table 3 and Table 4, respectively.

These data show that direct exposure to tokens can generally be characterized by exceedingly high levels of return, exceedingly high levels of risk, and modest amounts of co-movement with other asset classes. However, because tokens' exceptional returns have historically been accompanied by equally exceptional volatility, direct exposure to tokens hasn't generally delivered risk-adjusted returns meaningfully in excess of equities.

Given these high returns and modest correlations though, it should come as no surprise that ex post facto analyses will tend show that improvements in risk-adjusted returns could have

been obtained had the Plan included direct exposure to cryptocurrency. Figure 1 illustrates how the inclusion of cryptocurrency in the investable universe would shift the efficient frontier in a Markowitz framework using the sample data: the entire curve would shift upward while simultaneously getting steeper. This implies higher levels of return at every equivalent level of risk.

Figure 1: The Efficient Frontier with Cryptocurrency



It is important to remember that knowledge of the ex post facto characteristics behind Figure 1 would have been impossible at the time a past decision to invest would have had to be made. Furthermore, while the full-sample correlations of cryptocurrency to other asset classes have been perhaps surprisingly low, there is more to the story. Intuitively, many market participants understand that cryptocurrency has tended to perform best in environments of high and rising risk appetite, but such a relationship isn't evident in the data at first glance.

Figure 2: Bitcoin vs. High Beta / Low Vol Ratio

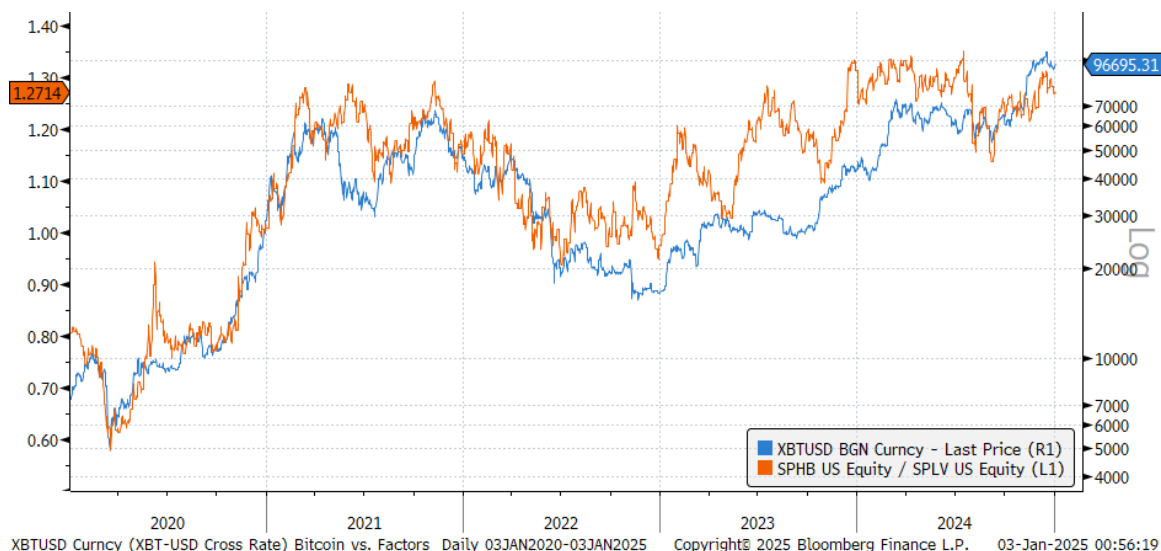
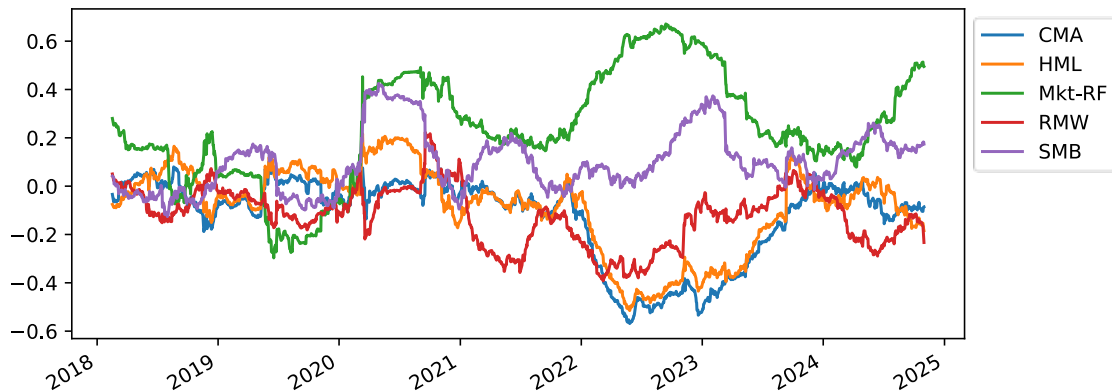


Figure 2 illustrates one such way this co-movement can be understood. It shows how the price of Bitcoin has tracked the ratio of high-beta stocks to low-volatility stocks in the post-

pandemic world. Essentially, this chart conveys that Bitcoin has functioned as a levered play on volatile stocks. We can expand on the notion conveyed by Figure 2 with somewhat more rigor, however, by analyzing cryptocurrency with respect to common conceptions of equity factors¹. Accordingly, in Figure 3 we show the rolling 6-month correlations of Bitcoin to the factors from the widely known Fama-French 5-factor model (French, 2024; Fama & French, 1993).

There are a few things to note in Figure 3. First, the correlations are clearly time-varying. Second, there is a clear structural break at the onset of the COVID-19 pandemic, whereafter marked relationships between the factors and cryptocurrency develop. Lastly, – and most importantly – we can see that the Fama-French market factor experiences periods of substantial correlation with Bitcoin, *and those periods tend to correspond with higher market stress*. Another way of saying this is that the diversification benefits of Bitcoin have tended to fade when they’re needed most.

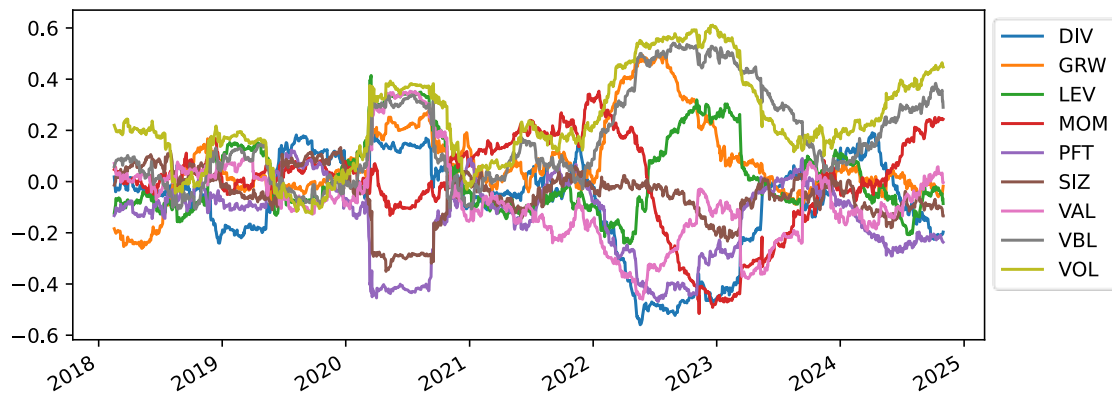
Figure 3: Rolling 6-Month Correlation of Bitcoin to Fama-French Factors



A similar pattern can be observed when conducting the same analysis against the more diverse equity style factors from Bloomberg’s MAC2 risk model. Not only are similar structural breaks observed, but the periods of high factor correlation are further elucidated by the greater factor granularity: the volatility factor is clearly seen to exhibit periods of meaningful correlation, confirming the suspicions earlier raised by Figure 2. Increasing correlation to equity risk has not gone totally unnoticed. These concerns were raised in Carrano (2023) and Vojtko & Javorská (2024), for instance.

¹ See Appendix A for information on the sources and definitions of the factors charted above.

Figure 4: Rolling 6-Month Correlation of Bitcoin to Bloomberg MAC2 Factors



Lastly, digital assets may have a role to play in the portfolio as a hedge. To the extent a given digital asset is no one else's liability and is decentralized in terms of control, it ought naturally to be able to serve as a countercyclical, haven asset. However, this potential has so far gone unrealized and digital assets have tended to behave oppositely – exhibiting procyclical sensitivity to volatility, sentiment, and liquidity conditions. See, for instance, Selmi et. al. (2022) for a literature review of Bitcoin's hedging properties.

In this section we've explored some possible roles that direct token exposure can play in a pension portfolio like that of the Plan. We have seen that digital assets are not presently viable as a cash substitute. We have also discussed that to the extent they function as reserve assets they aren't natural investments for a long-horizon, risk-seeking pension fund. Further, as capital assets, most digital assets lack both cash flow and an economic anchor by which assessments of their future demand – and therefore value – can be made. In the role of diversifiers, digital assets do exhibit a lot of promise but also suffer from excessive volatility and increasing correlation with existing portfolio risk factors. And lastly, as a hedge, digital assets have empirically been characterizable by procyclical behavior in contrast to their theorized countercyclical behavior. By and large, then, the present case for including direct exposure to token prices in the Fund is by no means compelling.

Current Opportunities & Constraints

As mentioned above, the SBA is continually evaluating digital asset investment opportunities for the Plan through private/venture equity and public equity channels. Additionally, the Strategic Investment team continues to evaluate opportunities for investment in thematic management strategies and opportunities for direct token exposure. Regarding the later two modalities, there are a number of primarily legal constraints the SBA must be mindful of when considering investment.

The SBA's General Counsel Office (GCO) has, from time to time, made evaluations of certain aspects of the legal and regulatory environment applicable to digital asset investments either already made by the Plan or being considered by the Plan. Analysis by the GCO has found that the Plan is generally authorized to invest in certain digital assets

indirectly through alternative investment vehicles (e.g. interests in limited partnerships) and that the legal risks of doing so are within the SBA's and the Plan's tolerance for legal risk. However, the same sort of investments, if made directly by the Plan, would introduce several areas of potential concern. While a full analysis is beyond the scope of this document, at a high level they include:

- whether the plan is permitted direct investments in such assets under Florida law generally, or Florida Statutes §215.47 more specifically,
- whether, given the significant federal regulatory uncertainty that surrounds the status of most tokens, an unexpected determination could impair their value or expose the Plan or the SBA to liability, and
- whether the Plan's custodian could satisfy all the requirements direct investment might entail, including compliance with Florida Statutes §215.50.

Feasibility of a Strategic Allocation to Digital Assets

While the SBA and the Plan have undertaken a wide variety of digital asset investments in recent years, these investments have taken place as a result of organically evaluating opportunities within the Plan's existing asset class structure. As mentioned earlier, the SBA does not believe that digital assets are a bona-fide asset class unto themselves.

For the sake of argument, however, if the SBA did decide that digital assets were a bona-fide asset class warranting a strategic allocation, it would imply a number of things with respect to the SBA's current processes and the Fund's governance, including but not limited to:

- Amending the Fund's IPS to establish the new asset class
- Formulating long term capital market assumptions
- Conducting an asset allocation study to determine how to revise the targets of the preexisting asset classes to fund the new asset class
- Staffing the new asset class with investment professionals
- Selecting an appropriate benchmark
- Establishing a relevant risk budget
- Establishing rebalancing thresholds and ranges

As a result, the bar to elevate a particular type of investment to a bona-fide asset class is quite high. So while it is of course possible to elevate digital assets to a bona-fide asset class, the SBA and the Fund are not limited in their ability to undertake digital asset investments under the status quo asset classes in any way that would justify the very real burdens of doing so.

Conclusion

The SBA is following the rapid pace of developments on the digital asset landscape with great interest. The SBA has been – and will continue to be – actively seeking opportunities

to invest in digital assets. The vast majority of the ways of doing so are available to the Plan and the SBA without issue.

Additionally, the SBA continues to actively monitor the evolving landscape and empirical characteristics of prominent cryptographic tokens for changes that might allow for a role in the Plan portfolio as a cash substitute, capital asset, diversifier, or hedge.

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APPENDIX A

Table 3: Summary Statistics for Tokens, Daily Frequency

	$\mu[R]^{\dagger}$	$\sigma[R]^{\dagger}$	Empirical Sharpe	Crypto Index	Bitcoin	Ethereum	US Large Cap	Commodities	Gold	US IG	BMADM635 Index	BDCs	Real Estate	Global Equity	US HY	Leveraged Loans	T-Bills
Crypto Index	59%	75%	0.79	1.00													
Bitcoin	62%	69%	0.91	0.87	1.00												
Ethereum	67%	87%	0.77	0.93	0.76	1.00											
US Large Cap	16%	20%	0.80	0.28	0.25	0.27	1.00										
Commodities	6%	15%	0.39	0.15	0.13	0.14	0.29	1.00									
Gold	11%	15%	0.73	0.11	0.12	0.11	0.09	0.40	1.00								
US IG	1%	5%	0.25	0.03	0.03	0.02	0.02	-0.01	0.32	1.00							
BMADM635 Index	7%	10%	0.70	0.30	0.27	0.29	0.93	0.41	0.24	0.19	1.00						
BDCs	2%	24%	0.08	0.19	0.18	0.19	0.62	0.28	0.09	0.03	0.65	1.00					
Real Estate	4%	22%	0.19	0.19	0.19	0.18	0.76	0.22	0.15	0.18	0.76	0.64	1.00				
Global Equity	10%	16%	0.64	0.29	0.26	0.29	0.94	0.37	0.15	0.05	0.98	0.67	0.75	1.00			
US HY	1%	1%	1.18	0.06	0.06	0.05	0.09	0.04	0.07	0.04	0.11	0.07	0.08	0.12	1.00		
Leveraged Loans	3%	4%	0.85	0.09	0.07	0.10	0.38	0.18	0.03	0.06	0.45	0.46	0.42	0.48	0.04	1.00	
T-Bills	2%	0%	N/A	-0.01	0.01	-0.02	-0.01	-0.04	0.05	0.03	0.00	-0.03	-0.01	-0.01	0.11	-0.03	1.00

Based on daily return observations from 8/18/17-10/31/24

\dagger Annualized from daily data

Crypto Index=BB Galaxy Crypto Index, Bitcoin=Bitcoin Spot Price Return, Ethereum=Ethereum Spot Price Return, US Large Cap=Bloomberg US Large Cap Total Return Index, Commodities=Bloomberg Commodity Total Return Index, Gold=Bloomberg Commodity Total Return Index (Gold SubIndex), US IG=Bloomberg US Aggregate Total Return Index, BMADM635 Index=60% Bloomberg DM Large-Map Cap Index + 35% Global Agg Index +5% BB Commodity, BDCs=VanEck BDC Income ETF (Business Development Companies), Real Estate=Vanguard Real Estate ETF, Global Equity=Custom Iran and Sudan-Free MSCI ACWI IMI, US HY=Bloomberg US Corporate High Yield ex Hong Kong ex Macau Idx, Leveraged Loans=Morningstar LSTA US Leveraged Loan Index, T-Bills=Bloomberg Barclays Treasury 1-3 Month Index

Table 4: Summary Statistics for Tokens, Monthly Frequency

	$\mu[R]^\dagger$	$\sigma[R]^\dagger$	Empirical Sharpe	Crypto Index	Bitcoin	Ethereum	US Large Cap	Commodities	Gold	US IG	BMADM635 Index	BDCs	Real Estate	Global Equity	US HY	Leveraged Loans	T-Bills
Crypto Index	68%	103%	0.66	1.00													
Bitcoin	76%	82%	0.92	0.79	1.00												
Ethereum	74%	102%	0.72	0.85	0.70	1.00											
US Large Cap	15%	17%	0.88	0.34	0.35	0.40	1.00										
Commodities	5%	14%	0.38	0.18	0.16	0.21	0.45	1.00									
Gold	11%	13%	0.83	0.13	0.17	0.13	0.16	0.14	1.00								
US IG	1%	6%	0.23	0.19	0.19	0.18	0.44	-0.06	0.40	1.00							
BMADM635 Index	8%	12%	0.64	0.35	0.35	0.40	0.97	0.49	0.27	0.57	1.00						
BDCs	2%	24%	0.07	0.22	0.20	0.26	0.74	0.51	-0.09	0.21	0.73	1.00					
Real Estate	3%	19%	0.18	0.29	0.28	0.31	0.81	0.39	0.20	0.57	0.84	0.72	1.00				
Global Equity	10%	16%	0.64	0.35	0.35	0.40	0.98	0.51	0.20	0.46	0.99	0.77	0.82	1.00			
US HY	1%	1%	0.73	0.01	0.01	-0.02	0.11	-0.01	0.17	0.28	0.16	0.01	0.22	0.13	1.00		
Leveraged Loans	5%	6%	0.87	0.25	0.26	0.32	0.61	0.51	0.06	0.16	0.63	0.82	0.60	0.66	0.03	1.00	
T-Bills	2%	1%	3.16	-0.06	-0.04	-0.10	0.02	-0.19	0.23	0.16	0.04	-0.06	-0.01	0.03	0.36	0.03	1.00

Based on monthly return observations from 8/31/2017-10/31/2024

† Annualized from monthly data

Crypto Index=BB Galaxy Crypto Index, Bitcoin=Bitcoin Spot Price Return, Ethereum=Ethereum Spot Price Return, US Large Cap=Bloomberg US Large Cap Total Return Index, Commodities=Bloomberg Commodity Total Return Index, Gold=Bloomberg Commodity Total Return Index (Gold SubIndex), US IG=Bloomberg US Aggregate Total Return Index, BMADM635 Index=60% Bloomberg DM Large-Map Cap Index + 35% Global Agg Index +5% BB Commodity, BDCs=VanEck BDC Income ETF (Business Development Companies), Real Estate=Vanguard Real Estate ETF, Global Equity=Custom Iran and Sudan-Free MSCI ACWI IMI, US HY=Bloomberg US Corporate High Yield ex Hong Kong ex Macau Idx, Leveraged Loans=Morningstar LSTA US Leveraged Loan Index, T-Bills=Bloomberg Barclays Treasury 1-3 Month Index

Table 5: Fama/French 5 Factor Descriptions

Abbreviation	Description
SMB	<i>Small Minus Big</i> is the average return on the nine small stock portfolios minus the average return on the nine big stock portfolios.
HML	<i>High Minus Low</i> is the average return on two value portfolios minus the average return on two growth portfolios.
RMW	<i>Robust Minus Weak</i> is the average return on two robust operating profitability portfolios minus the average return on two weak operating profitability portfolios.
CMA	<i>Conservative Minus Aggressive</i> is the average return on two conservative investment portfolios minus the average return on two aggressive investment portfolios.
Mkt-Rf	The excess return on the market over the one-month Treasury bill rate.

Source: French (2024) and Fama & French (1993).

Table 6: Bloomberg MAC2 Style Factor Descriptions

Abbreviation	Description
MOM	<i>Momentum</i> separates stocks that have outperformed over the past year and those that have underperformed.
VAL	<i>Value</i> is a composite metric that differentiates “rich” and “cheap” stocks. Bloomberg combines fundamental and analyst consensus data to calculate this factor.
DIV	<i>Dividend Yield</i> is another dimension of value, but distinct enough to be a standalone factor.
SIZ	Size is a composite metric distinguishing between large and small stocks.
VBL	<i>Earnings Variability</i> gauges how consistent earnings, cash flows, and sales have been in recent years.
PFT	Profitability studies firms’ profit margins to differentiate between money makers and money losers.
VOL	Volatility differentiates more volatile stocks and less volatile ones by quantifying “volatile” from several different angles.
GRW	Growth aims to capture the difference between high and low growers by using historical fundamental and forward-looking analyst data.
LEV	Leverage is a composite metric to gauge a firm’s level of leverage.

Source: Cahan & Ji (2016) & Bloomberg

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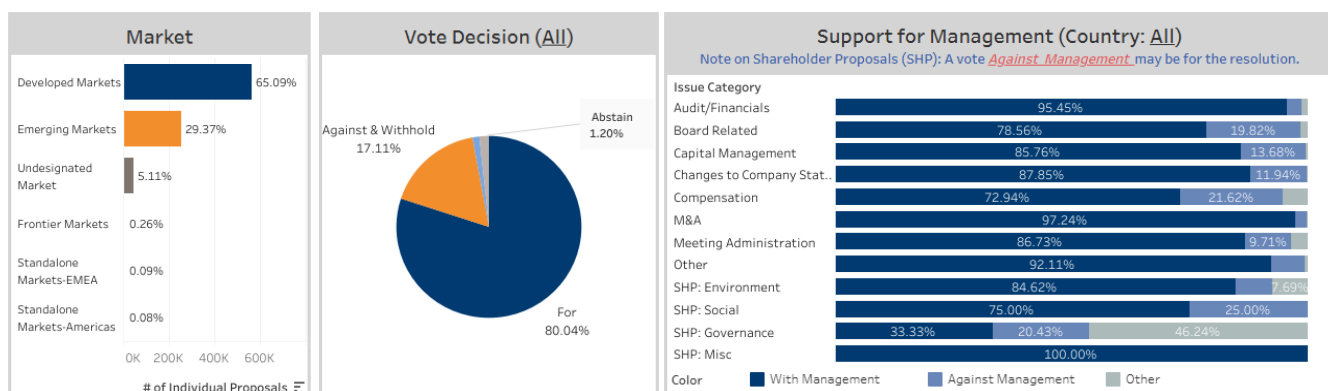
MEMORANDUM

To: Chris Spencer
From: Michael McCauley
Date: February 12, 2025
Subject: Quarterly Standing Report - Investment Programs & Governance (IP&G)

GLOBAL PROXY VOTING & OPERATIONS

During the fourth quarter of 2024, SBA staff cast votes at 1,552, meetings worldwide, voting on ballot items including director elections, audit firm ratification, executive compensation plans, mergers & acquisitions, and a variety of other management and shareowner proposals. These votes involved 8,809 distinct voting items—voting 82.4% “For” and 15.6% “Against/Withheld,” with the remaining 2% involving abstentions. Of all votes cast, 15.6% were “Against” the management-recommended vote. SBA proxy voting occurred in 51 countries, with the top five by meeting volume comprised of China (500), India (211), United States (190), Japan (61), and South Korea (29).

The charts below detail the market segment and summary breakdown of all proxy votes made between October 1, 2024, and December 31, 2024:



CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP

The most recent meeting of the Corporate Governance & Proxy Voting Oversight Group (Proxy Committee) occurred on December 18, 2024, and the next meeting will be held on March 25, 2025. The Proxy Committee continues to review 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), and other statutory investment restrictions related to China, Israel and Venezuela. At the most recent meeting, the Committee reviewed a proposed proxy voting guideline covering oversight of artificial intelligence (AI) business activities.

LEADERSHIP & SPEAKING EVENTS

Staff periodically participates in investor and corporate governance conferences and other meetings. Typically, these events include significant involvement by the largest asset owners and managers, corporate directors, senior members of management, and other key investor or regulatory stakeholders. The following items detail involvement at events that occurred most recently:

- In late January, SBA staff participated in a quarterly Board meeting of the Council of Institutional Investors (CII), covering membership and organizational issues. Ahead of this meeting, SBA staff participated in the closing bell ceremony at the Nasdaq stock exchange.
- In early March, SBA staff will participate in CII's Spring Conference, which will cover a wide variety of corporate governance and proxy voting topics and celebrate the organization's 40th Anniversary. Staff will participate in a quarterly Board of Directors meeting and attend numerous panel discussions and breakout sessions during the event, including the Spring meeting of its Proxy Voter Group.

ACTIVE OWNERSHIP & CORPORATE ENGAGEMENT

The SBA actively engages portfolio companies throughout the year, addressing corporate governance concerns, reviewing forthcoming proxy voting items, and seeking opportunities to improve alignment with the interests of our beneficiaries. Since December 2024, SBA staff conducted engagement meetings with a few companies owned (or with investor groups owning the same companies) within Florida Retirement System (FRS) portfolios, including Natural Gas Services Group, and Air Products & Chemicals (and Mantle Ridge LP).

HIGHLIGHTED PROXY VOTE(S)

Proxy Contest at Air Products & Chemicals, Inc. (APD) with Mantle Ridge LP—Meeting Date 1/23/25

APD is one of the world's largest chemical producers and distributors by market capitalization. The company specializes in the manufacturing and distribution of chemicals across a variety of industries, including chemicals, metals, electronics, medical, and food industries. The 2025 annual shareholder meeting was contested, with Mantle Ridge LP and its affiliates seeking to replace four of the nine incumbent board members, including its Chief Executive Officer. Mantle Ridge owned approximately 1.8% of APD's outstanding shares, valued at over \$1 billion, and launched a campaign to nominate and elect four candidates to the board. Mantle Ridge argued the new board members were needed as part of a corporate reset allowing for a reassessment of CEO Seifollah Ghasemi's control over the company and facilitate a succession process that would bring Mr. Eduardo Menezes in as the new CEO. Mantle Ridge also noted persistent under-performance, poor execution of high-risk, low-return projects, and succession failures despite a backdrop of favorable industry trends.

Mr. Menezes is renowned as a distinguished leader in the industrial gases sector, with more than three decades of experience. Additionally, Mantle Ridge criticized APD's board for its poor capital allocation, failed succession planning, and overall corporate governance practices. Mantle Ridge also scrutinized the effectiveness of the current management team, particularly regarding its organizational structure and the projects it has chosen to undertake. There has been a significant structural shift in the company, especially in its ability to allocate capital effectively and de-risk projects to a higher standard. This recent strategy, called the "Two-Pillar Growth Strategy," has failed to meet industry standards and was a central pillar in shareowners' view of the proposed board nominees. Some of the projects that Mantle Ridge has critically observed include NEOM, Louisiana Blue, and World Energy.

The two largest proxy advisory firms, Glass Lewis & Co. (GLC) and Institutional Shareholder Services (ISS), supported Mantle Ridge's campaign to elect four director nominees to Air Products' board, citing compelling

reasons for change. Glass Lewis criticized Air Products' leadership for poor capital allocation, strategic missteps, and a prolonged and ineffective CEO succession plan, which left the company vulnerable to value erosion. After evaluating the points listed above, as well as other issues raised, the SBA staff voted in favor of all four of Mantle Ridge's director nominees. Since the proxy contest, incumbent CEO Seifi Ghasemi has departed and has been replaced by Mantle Ridge's CEO designee Eduardo Menezes. It is too early to gauge any impact to company and stock performance since the date of the proxy contest.

REGULATORY AND MARKET DEVELOPMENTS

SEC Investigates "Empty Voting" Allegations at Masimo Corporation

The Securities and Exchange Commission (SEC) has initiated an investigation into RTW Investments, a \$6.5 billion fund specializing in life sciences, concerning its involvement in an "empty voting" scheme to manipulate the board election during the health-care technology firm's recent proxy battle. This inquiry is part of a broader series of events involving Masimo, its founder Joe Kiani, and activist investor Politan Capital Management. In September 2024, during Masimo's annual shareholder meeting, two board nominees from Politan Capital Management were elected, replacing two of the company's directors, including founder and CEO Joe Kiani. Following this outcome, Kiani resigned from his positions. In October 2024, Masimo filed a lawsuit against Joe Kiani and RTW Investments, alleging they engaged in an "empty voting" strategy to manipulate the outcome of the proxy vote. The tactic of "empty voting" involves artificially increasing voting power by purchasing shares while simultaneously taking offsetting short positions, thereby influencing the vote without significant economic risk. In December 2024, the SEC launched an investigation into RTW Investments' role in the alleged "empty voting" scheme. RTW has stated it is cooperating with the SEC and emphasized that an investigation does not necessarily imply wrongdoing. Concurrently, Masimo terminated Joe Kiani's employment and filed a lawsuit accusing him of violating federal securities laws by allegedly conspiring with RTW to manipulate the board election. Masimo claims in its lawsuit that the empty voting strategy set up Kiani and RTW as an insider group and therefore had a legal obligation to disclose material changes in their Masimo holdings. Under insider-trading laws, Kiani and RTW are also obliged to disgorge any short-swing profits made through the alleged scheme.

NASDAQ Repeals Board Diversity Rule

The Nasdaq Stock Market filed a rule change with the SEC on January 21, 2025, to repeal its board diversity disclosure requirements, following a December 11, 2024, decision by the U.S. Court of Appeals for the Fifth Circuit that struck down these rules. Effective February 4, 2025, Nasdaq-listed companies are no longer required to disclose board diversity data but may continue to do so voluntarily. The now-repealed rules, approved by the SEC in 2021, mandated that Nasdaq-listed companies disclose the gender, racial, and LGBTQ+ composition of their boards and either meet diversity targets or explain why they did not. The Fifth Circuit ruled that the SEC lacked the authority to impose such requirements under the Securities Exchange Act, arguing that disclosure rules must be related to protecting investors and maintaining market integrity. The decision follows a trend of federal courts striking down regulatory rules, reflecting increased judicial scrutiny of administrative authority. Nasdaq has stated it will not seek further review, and with a shift in SEC leadership and a Republican majority on the Commission, an appeal is unlikely. However, many public companies have been disclosing board diversity information independently, and institutional investors, as well as shareholder advisory firms like ISS and Glass Lewis, continue to emphasize board diversity. Companies must now determine their approach to diversity disclosures based on internal policies, investor expectations, and stakeholder interests.

American Airlines Lawsuit tied to ESG and DEI Investments

In June 2023, Bryan Spence, a pilot employed by American Airlines, initiated a class-action lawsuit against American Airlines, Inc., and the American Airlines Employee Benefits Committee (EBC), alleging they breached fiduciary duties by allowing investment managers, particularly BlackRock, to prioritize ESG considerations over financial returns in the company's 401(k) retirement plan by engaging in proxy voting and shareholder activism

to advance ESG objectives, potentially compromising the financial returns of the retirement plan. The lawsuit *Spence v. American Airlines* revolves around ESG (Environmental, Social, and Governance) investments and fiduciary duties under ERISA. American Airlines moved to dismiss the case, arguing that ESG considerations were only used when financially relevant and that their investment strategy aligned with industry practices. However, in February 2024, Judge Reed O'Connor denied the motion, allowing the case to proceed, ruling that Spence had alleged a breach of fiduciary duty. The core of Spence's argument was that by permitting investment managers to pursue ESG strategies, the defendants failed to act solely in the best financial interests of the plan participants, as mandated by ERISA. Spence claimed that the defendants breached their duties of loyalty and prudence by not adequately monitoring the investment managers' activities and by allowing non-pecuniary factors to influence investment decisions.

By May 2024, the court certified the class, representing all plan participants since 2017. The defendants then filed a motion for summary judgment in June 2024, seeking to dismiss the case without trial, but the judge rejected it, stating material issues remained regarding whether ESG objectives improperly influenced investment decisions. They also contended that Spence had not demonstrated any actual financial harm resulting from the inclusion of ESG factors in the investment strategy. The case went to trial in late 2024, where Spence's legal team argued that American Airlines allowed ESG goals to take precedence over financial returns, leading to suboptimal investment performance. The defense countered that ESG factors were financially material and aligned with fiduciary duties. In January 2025, Judge O'Connor ruled against American Airlines, finding that they breached their fiduciary duty of loyalty under ERISA by allowing ESG considerations to influence their investment strategy instead of solely prioritizing plan participants' financial interests.

Proxy Advisors Update Benchmark Voting Guidelines for 2025

Glass Lewis & Co. (GLC) has updated its standard (aka "benchmark") proxy voting policies for 2025, emphasizing oversight in key areas. The firm will focus on the management and governance of artificial intelligence (AI), particularly where poor board oversight leads to material harm for shareowners. In such cases, Glass Lewis will assess how well the board manages AI-related risks, issues, and disclosures, potentially recommending votes against directors if oversight is inadequate.

As part of this policy position, GLC encourages all companies that develop or use AI in their operations to disclose the board's role in AI oversight and how companies are ensuring their directors are fully versed on this issue. For re-domiciliation proposals, GLC will evaluate factors such as changes in shareholder rights, corporate statutes, fiduciary standards, and corporate governance provisions, with heightened scrutiny for proposals involving tax havens or changes at controlled companies. Companies must ensure independent directors make recommendations without undue influence from controlling shareholders and seek votes from disinterested shareholders when applicable. Regarding shareholder proposals (SHPs), GLC expects boards to engage and disclose actions taken when proposals receive significant support, between 30% and 50% of votes. Additionally, for change-in-control (CIC) provisions and executive pay programs, companies allowing discretion over unvested awards must provide clear justifications for their decisions. These updates reflect a stronger focus on corporate governance, transparency, and shareholder rights.

Institutional Shareholder Service (ISS) has also proposed several updates to its 2025 proxy voting guidelines. For short-term poison pills, which last one year or less and do not require shareholder approval, ISS has clarified the factors it will assess to determine whether the adoption of such a pill was reasonable or constitutes a governance failure, potentially leading to a recommendation against directors. This change enhances transparency around existing evaluation criteria. Regarding environmental shareholder proposals, ISS will consider how a company's current disclosures on policies and risk management align with widely accepted reporting frameworks when deciding whether to support such proposals.

In the area of executive compensation, ISS has historically viewed a reliance on time-vesting equity awards as a concern when there is a pay-for-performance misalignment. However, in response to investor feedback, ISS is considering a future policy change for 2026 or later that would reduce this concern. For now, starting with the 2025 proxy season, ISS will increase scrutiny of performance-vesting equity awards, particularly in cases where pay-for-performance misalignment is evident. Companies with inadequate disclosure or poorly designed awards may face adverse vote recommendations. ISS has clarified its expectations for “robust” claw back policies, stating that compliance with the minimum requirements of the Dodd-Frank rules is insufficient. While Dodd-Frank claw back rules apply only to performance-vesting awards, ISS expects companies to extend their policies to cover both time-vesting and performance-vesting awards. Companies with policies that do not include time-based awards may face negative evaluations in ISS’s say-on-pay recommendations. To improve voting outcomes, companies are advised to amend their policies to include time-based awards. Some companies have already adopted broader claw back policies that address individual misconduct and apply to both equity and cash awards.

Glass Lewis & Co. Study on Director Commitments

Director commitments policies have become more common in U.S. companies, aiming to reduce risks from overcommitted directors, promote board refreshment, and ensure directors dedicate sufficient time to oversight responsibilities. Institutional investors increasingly consider these policies in their evaluations, prompting more companies to adopt them. An analysis of 50 S&P 500 companies revealed that as of the 2024 proxy season, 73.5% of Russell 1000 companies disclosed such policies, a 3.5% increase from 2023. Many of these policies now include numerical limits on directorships, with the most common limit being three external boards for non-employee directors, while CEOs and executives are often limited to one or two additional boards. Policies also frequently apply stricter limits for directors on audit committees, with provisions typically capping membership on external audit committees at two, reflecting increased investor concerns regarding risk oversight in areas like AI and cybersecurity. Some policies use flexible language, allowing boards discretion, while others set strict limits with requirements for compliance within a specified period. About 66% of companies included exceptions, enabling directors to seek board approval before taking on new commitments or requiring review by governance committees. The implementation of these policies has led to board refreshment, with some directors reducing their commitments or stepping down from positions. In cases like Motorola Solutions, a director exceeded the commitment limit and was not re-nominated, underscoring how such policies can influence governance decisions. The overall trend shows that these policies are becoming best practices, helping companies improve oversight, address investor concerns, and protect shareholder value by fostering active and engaged boards.

Institutional Shareholder Services (ISS) Excludes Consideration of Diversity Factors in U.S. Director Elections

In an atypical change, ISS departed from its annual policy review by also excluding the consideration of diversity factors in the voting analysis on U.S. board members (either their re-election or initial nomination). An excerpt from the press release states, “In the United States, there recently has been increased attention on diversity, equity, and inclusion (DEI) practices, including the issuance last month of Presidential Executive Orders on DEI. We anticipate that institutional investors and U.S. companies will have a range of perspectives on DEI, including whether and how companies can or should adapt their specific policies and practices to the evolving market and governmental activity. ISS will indefinitely halt consideration of certain diversity factors in making vote recommendations with respect to directors at U.S. companies under its proprietary Benchmark and Specialty policies.” And that “...ISS will no longer consider the gender and racial and/or ethnic diversity of a company’s board when making vote recommendations with respect to the election or re-election of directors at U.S. companies under its Benchmark and Specialty policies.”

SEC Rescinds Prior Staff Legal Bulletin from Late 2021

On February 12, 2025, the SEC's Division of Corporation Finance (Corp Fin) issued Staff Legal Bulletin No. 14M (SLB 14M), which rescinds the previous Staff Legal Bulletin No. 14L (SLB 14L) and reinstates earlier guidance on shareholder proposals under Rule 14a-8 of the Securities Exchange Act of 1934. This bulletin provides updated information for companies and shareholders regarding the exclusion of shareholder proposals from proxy materials. SLB 14M rescinds SLB 14L, which had previously provided guidance on the application of Rule 14a-8(i)(5) and Rule 14a-8(i)(7).

The Division has re-examined the Commission's statements on these matters and decided to revert to prior guidance—reinstating sections from earlier guidance, specifically from Staff Legal Bulletins No. 14J and No. 14K, concerning: 1) micromanagement as a basis for exclusion under Rule 14a-8(i)(7); 2) the application of Rule 14a-8(i)(7) to proposals addressing senior executive and/or director compensation; and 3) the use of images in shareholder proposals and the 500-word limit under Rule 14a-8(d). SLB 14M also emphasizes that while the staff has provided a suggested format for proof of ownership letters, this format is not mandatory. Companies are encouraged to apply a plain meaning approach when reviewing these letters and not to seek exclusion of proposals based on technicalities if the proof of ownership sufficiently demonstrates the requisite minimum ownership requirements. Lastly, the bulletin acknowledges the increasing use of email for submitting proposals and related communications. It advises both shareholders and companies to seek confirmation of receipt when sending emails to ensure timely delivery and to avoid disputes regarding submission deadlines.

Commissioner Caroline A. Crenshaw issued a statement expressing concern over the timing of SLB 14M's release, noting that it introduces changes in the midst of the current shareholder proposal process, which could create undue costs and uncertainty for investors and corporations. Although its full impact is yet to be determined, market observers have noted that the new SLB will likely reduce both the number of shareholder proposals accepted by the SEC (and that are then voted on by investors) and the nature of future proposals, resulting in less prescriptive proposals on corporate practices.



STATE BOARD OF ADMINISTRATION
OF FLORIDA

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GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

JOHN GUARD
ACTING ATTORNEY GENERAL

CHRIS SPENCER
EXECUTIVE DIRECTOR

MEMORANDUM

To: SBA Trustees
Chris Spencer, Executive Director

From: Maureen M. Hazen, General Counsel & Chief Ethics Officer

Date: February 10, 2025

Subject: Office of General Counsel: Standing Report
For Period November 1, 2024 – January 31, 2025

SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 24 new agreements – including 1 new Active Credit investment; 14 new Private Equity investments; and 16 Real Estate investment transactions; (ii) 538 contract amendments, addenda or renewals; and (iii) 1 termination. This includes work on closing the sale of funds for the Active Credit asset class.

SBA Litigation.

(a) Passive. As of January 31, 2025, the SBA was monitoring (as an actual or putative passive member of the class) 702 securities class actions. During the period from November 1, 2024 – January 31, 2025, the SBA collected recoveries in the amount of \$1,198,862.19 as a passive member in 53 securities class actions. In addition, during this period, the SBA received \$1,187,928 in a LIBOR claim.

(b) FRS Investment Plan. During the period covered by this report, 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 4 Final Orders, received notice of filing of 0 new cases and continued to litigate 10 cases that were pending during the periods covered by previous reports.

Other Matters.

(a) Public Records. During the period covered by this report, the General Counsel's Office received 52 new public records requests, provided responses to 50 requests and continues to work on 8 open requests.

(b) SBA Rule Activities. During the period covered by this report, the SBA engaged in the following rules activities:

(i) For the for the Florida Hurricane Catastrophe Fund: Rule 19-8.010 (Reimbursement Contract).

The Notice of Proposed Rule 19-8.010, amending this rule, was approved by the Board of Trustees on September 24, 2024. The Notice of Proposed Rule was published in the Florida Administrative Register on September 25, 2024. This rule sets forth the Reimbursement Contract for the 2025-2026 contract year (June 1, 2025-May 31, 2026). The Rule became effective November 13, 2024.

(ii) For the for the Florida Hurricane Catastrophe Fund: Rule 19-8.029 (Insurer Reporting Requirements and Responsibilities).

On October 8, 2024, a Notice of Development of Rulemaking was filed and announced in the Florida Administrative Register (FAR) for proposed amendments to rule 19-8.029, Florida Administrative Code. The subject area was insurer exposure and loss reporting requirements for the 2025-2026 contract year and insurer responsibilities. A rule development workshop was announced in this notice and set for October 22, 2024. On October 22, 2024, a Notice of Meeting/Workshop Hearing was published in the FAR notifying the public of a public workshop on October 30, 2024, regarding the claims-paying capacity estimates and proposed amendments to rule 19.029, Florida Administrative Code. On November 22, 2024, the rules were approved through the contract staffing process and General Counsel's Office. On December 10, 2024, a Notice of Meeting/Workshop was published in the FAR notifying the public that the Trustees of the SBA would be meeting on December 17, 2024, to authorize the Florida Hurricane Catastrophe Fund to file a Notice of Proposed Rule for Rule 19-8.029, Florida Administrative Code, and to file this rule for adoption if no Notice of Change is needed. The Trustees met and approved the agenda item. A Notice of Proposed Rule was filed and published December 18, 2024. The rule became effective February 4, 2025.

(c) Ethics & Gifts. During the period covered by this report, the General Counsel's Office reviewed ethics and gifts issues in the ordinary course.



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CHRIS SPENCER
EXECUTIVE DIRECTOR

MEMORANDUM

DATE: February 12, 2025

TO: Chris Spencer, Executive Director

FROM: Sooni Raymaker, Chief Risk & Compliance Officer *SR*

SUBJECT: Trustee and Audit Committee Report – February 2025

The following is a summary report of Risk Management and Compliance (RMC) activities and initiatives completed or in progress since the last dated report of November 2024 to the current period. All RMC activities, reviews, controls, and processes are continuing to operate effectively and as expected during this reporting period.

The role of the RMC unit is to assist the Executive Director in maintaining an appropriate and effective risk management and compliance program to identify, monitor and mitigate key investment and operational risks. RMC, along with all business units, plays a critical role in developing and enhancing the enterprise-wide system of internal controls. RMC proactively works with the Executive Director 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.

Compliance Exceptions

No material compliance exceptions were reported during the period.

Enterprise Risk Management (ERM)

The Risk and Compliance Committee (RCC) met on February 12, 2025, and reviewed updated Risk Response Plans and associated key risk indicator metrics. Plans are based on the major business model functions of Enterprise Oversight & Governance, Investment Management, and Organizational Operations and alignment with SBA Strategic Objectives. The Plans also include vital functions for each high-level process, vital signs (metrics), risk assessment results, and current controls or activity to help mitigate those risks.

Risk Response Plan updates followed the November 13, 2024 RCC review of results from the biennial Enterprise Risk Assessment conducted last fall. Following RCC review and risk ownership assignment,

ERM and risk owners met to revise Plans and metrics as appropriate. These meetings resulted in enhanced identification and cross-functional management of enterprise-level risks.

ERM is currently in the process of implementing a software platform tool to track enterprise level risks and associated management activities. ERM is working closely with the Office of Internal Audit and Information Security to ensure risks and controls are appropriately identified and documented in the system.

Trading and Investment Oversight Group (TOG)

TOG conducted its quarterly oversight meeting in January 2025 and reviewed internal trading activity, compliance reports, trading counterparty oversight updates and other standard trading information reports.

Additional topics discussed included: launch of a daily Compliance Dashboard; updates related to the restriction on China State Owned Entities; and preparations related to the SEC treasury security clearing requirements.

External Manager Operational Due Diligence (ODD)

During this reporting period, the ODD team reviewed and commented on seven consultant operational due diligence reports on investment managers as part of the investment approval process, which represents approximately \$1.2 billion in potential investments. The team reviewed ten real estate property acquisitions which represents approximately \$800 million in new investments. The team also sampled eight Private Equity co-investments. Recommendations around enhanced documentation and process transparency for co-investments were provided and discussed with the asset class. The eight co-investments represent approximately \$85 million in new investments. A secondary sale involving multiple funds was also finalized during the period.

Thirty-two new consultant ODD reports were added to the Manager Operational Risk Oversight page for use by the asset classes since the last meeting.

Investment Compliance – Public Markets (IC)

During the reporting period, Investment Compliance reviewed nine investment guidelines for internal and external public market portfolios, which included the onboarding of three new accounts.

The team was involved with the Florida PRIME Financial Audit conducted by the Auditor General's Office and the Fixed Income Asset Credit Monitoring Audit conducted by the Office of Internal Audit. Both audits were finalized during this reporting period with no material issues noted.

The Investment Compliance team finalized their extensive review and updated reporting on compliance monitoring of statutory compliance guidelines. A compliance dashboard was created that provides daily reporting of statutory compliance reviews, counterparty exposure, counterparty credit monitoring, and Japan holdings related to regulatory requirements.

Performance Reporting & Analytics (PRA)

In addition to normal responsibilities, the PRA team continues to focus on the implementation of the performance analytics platform discussed in previous updates. The project team's focus is on extensive validation testing for complex calculations, such as policy weights and other reconciliation rules. Results of these tests continue to show good results. More comprehensive validations will be undertaken in the coming months to ensure a seamless migration of all portfolios, composites, and benchmarks. The migration and conversion process requires a large amount of historical data consisting of over five million data comparisons across various databases.

The team has also been focused on fully implementing the performance aspects of the asset allocation changes that went into effect last year. With the recent funding of the High Yield account in the Active Credit Asset Class, PRA has officially begun performance tracking, including key benchmark calculations for Active Credit, Multi-Asset Credit, and Emerging Market Debt. This process included reconciling many files to ensure proper methodology and correct benchmark calculations.

Policy Administration

Consistent with the newly implemented policy framework, in early November, document owners began using the redesigned workflows for the development and revision of policies and internal investment portfolio guidelines. During the review period, revisions were made to three policies and six investment guidelines. Two new investment guidelines were also implemented using the new processes.

Personal Investment Activity (PIA)

During the period (November 1 – January 31)), there were 301 requests for pre-clearance by SBA employees, with 208 being approved, 88 being denied (due to blackout restrictions), and 5 being retracted (not traded). There was one violation during the period. The violation was the result of a non pre-cleared purchase of a single-stock ETF by an employee.

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Fourth Quarter 2024 Major Mandates Performance Review

State Board of Administration of
Florida

March 3, 2025

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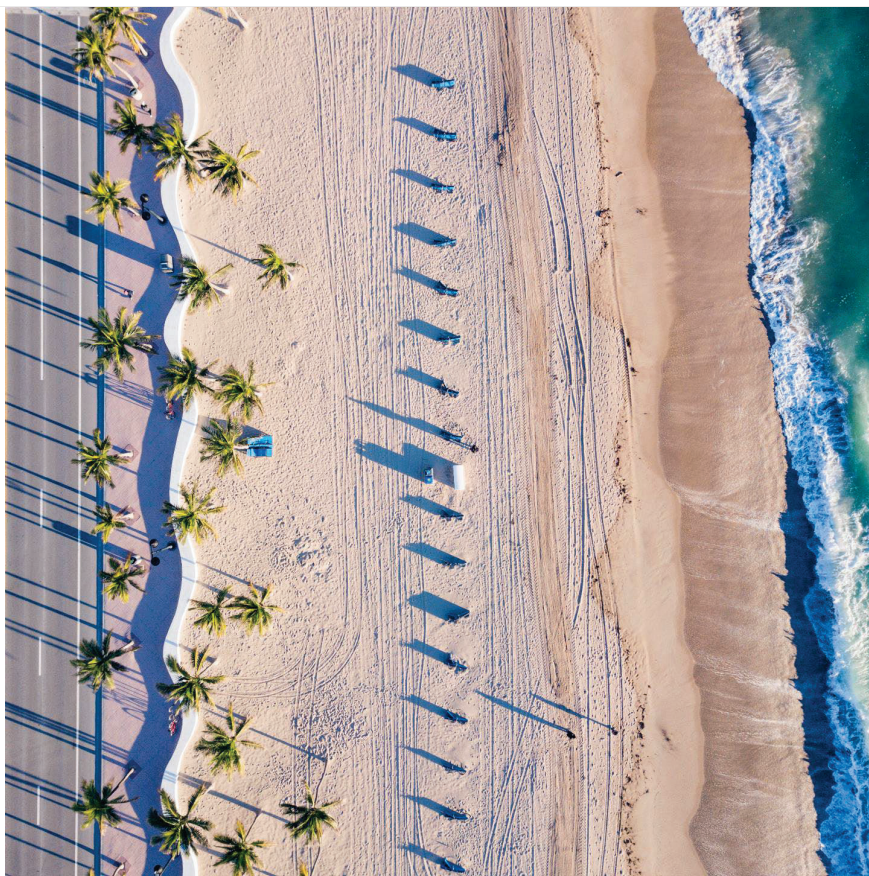


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Executive Summary

Quarter Ending December 31, 2024

- Each of the major mandates produced favorable returns relative to the respective benchmarks over the short- and long-term trailing periods as of December 31, 2024
- The Pension Fund outperformed the Performance Benchmark over the five-, and ten-year periods.
- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over trailing five-, and ten-year periods.
- The CAT Funds' performance is strong over long-term periods
- Florida PRIME has continued to outperform its benchmark over both short- and long-term time periods.



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Pension Plan: Executive Summary

As of December 31, 2024

- The Pension Plan ended fourth quarter 2024 at \$201.7 billion, a decrease of \$3.5 billion due to a -0.9% net return over the quarter
- The Pension Plan lagged its benchmark over the near term, but has outperformed over the trailing five- and ten-year periods
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan outperformed over the one-, ten- and fifteen-year periods
- The total plan is well diversified across seven broad asset classes.
 - 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 daily 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 Investments 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.



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FRS Pension Plan Change in Market Value

Periods Ending December 31, 2024

Summary of Cash Flows		
	Fourth Quarter	Fiscal Year to Date*
Beginning Market Value	\$205,187,550,687	\$198,228,790,282
+/- Net Contributions/(Withdrawals)	-\$1,531,301,599	-\$3,500,325,814
Investment Earnings	-\$1,922,566,120	\$7,005,218,501
= Ending Market Value	\$201,733,682,968	\$201,733,682,968
Net Change	-\$3,453,867,719	\$3,504,892,687

*Period July 2024 – December 2024



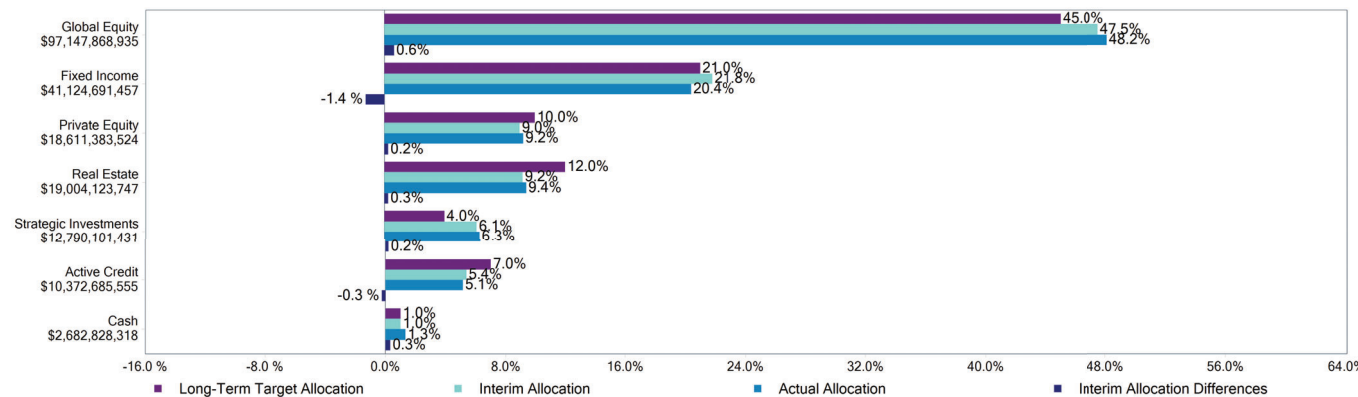
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Asset Allocation as of December 31, 2024

Total Fund Assets = \$201.7 Billion

	Market Value \$	Current Allocation %	Interim Allocation %	Long-Term Target Allocation %	Minimum Allocation %	Maximum Allocation %
Total Fund	201,733,682,968	100.0	100.0	100.0		
Global Equity	97,147,868,935	48.2	47.5	45.0	35.0	60.0
Fixed Income	41,124,691,457	20.4	21.8	21.0	12.0	30.0
Private Equity	18,611,383,524	9.2	9.0	10.0	6.0	20.0
Real Estate	19,004,123,747	9.4	9.2	12.0	8.0	20.0
Strategic Investments	12,790,101,431	6.3	6.1	4.0	2.0	14.0
Active Credit	10,372,685,555	5.1	5.4	7.0	2.0	12.0
Cash	2,682,828,318	1.3	1.0	1.0	0.3	5.0



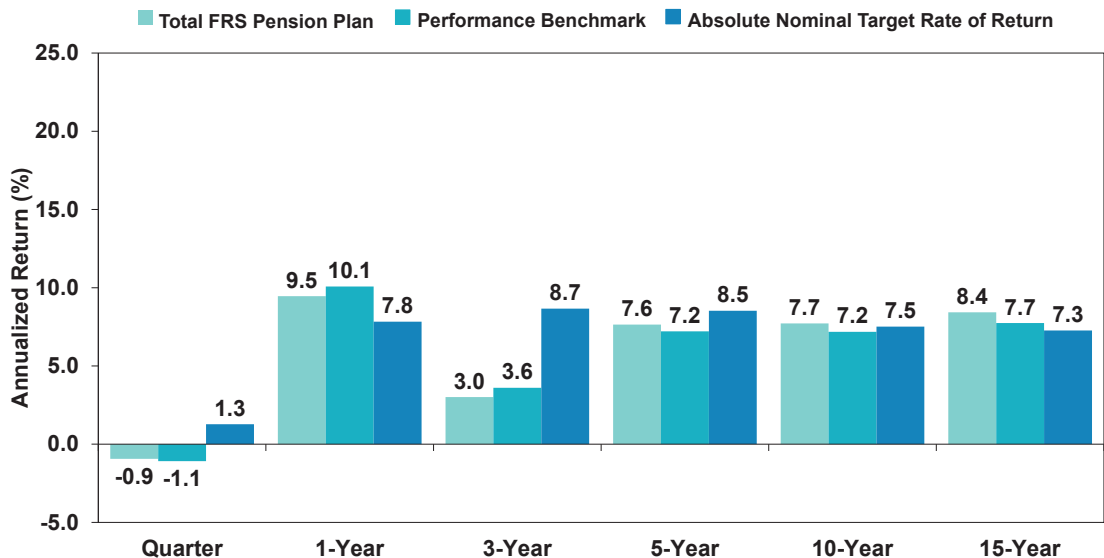
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FRS Pension Plan Investment Results

Periods Ending December 31, 2024



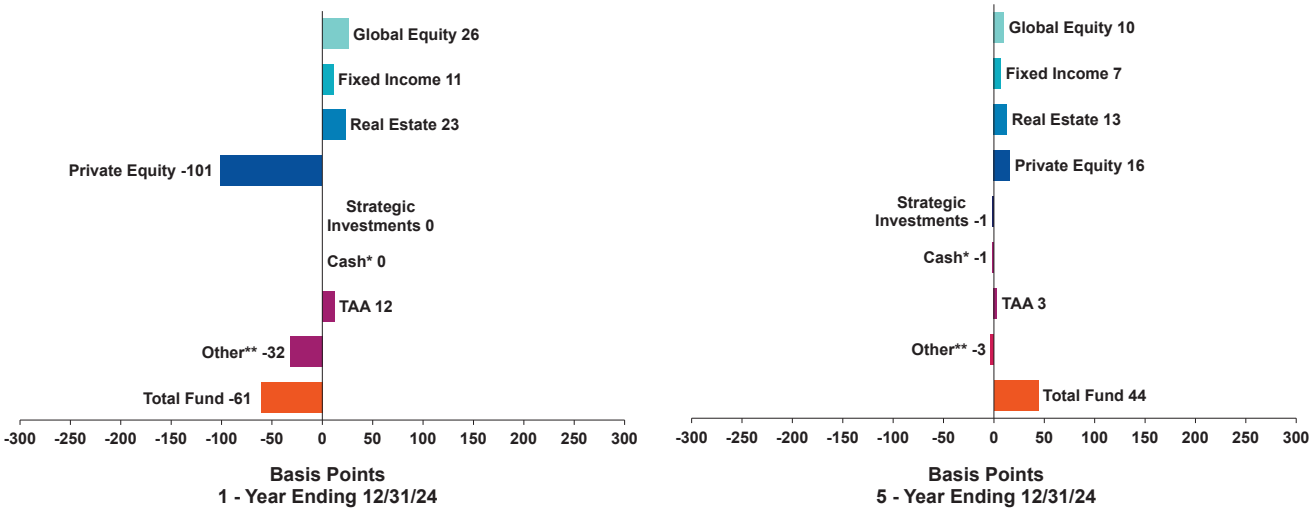
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FRS Pension Plan Attribution

As of December 31, 2024



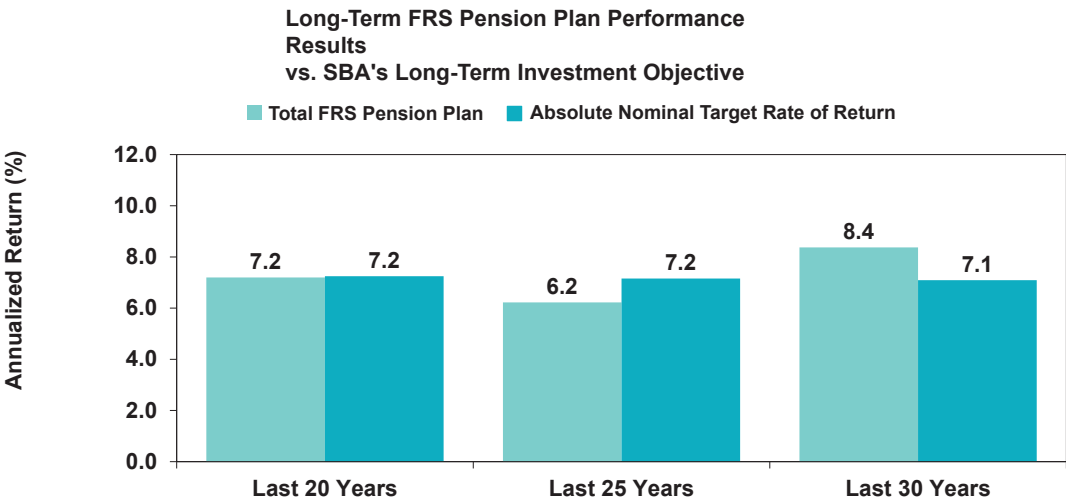
*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

**Other includes transition accounts, liquidity portfolios, accounts outside of C&CC, and unexplained differences due to methodology.

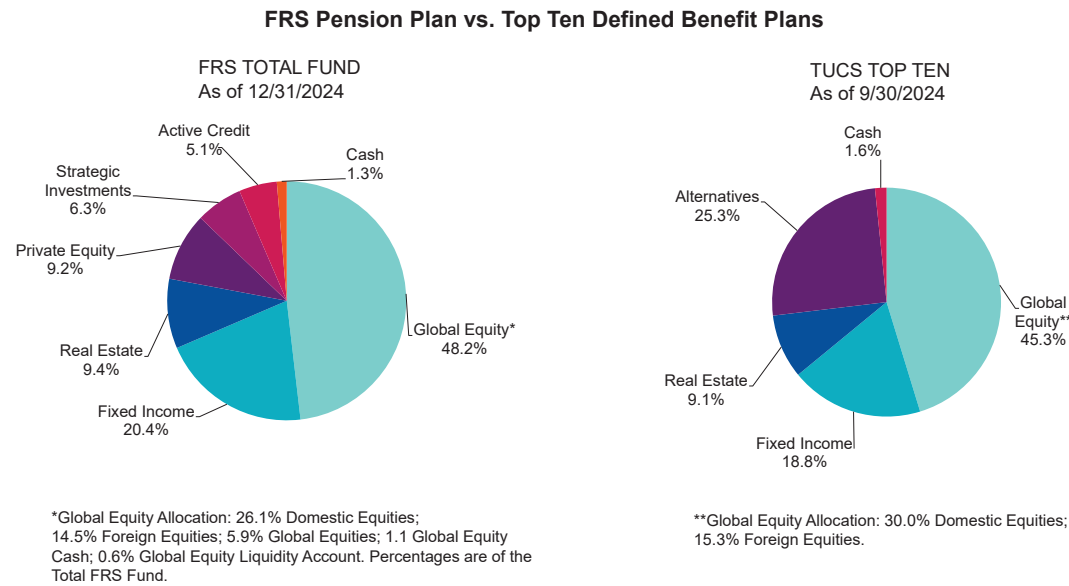


FRS Pension Plan Investment Results

Periods Ending December 31, 2024



Comparison of Asset Allocation (TUCS Top Ten)

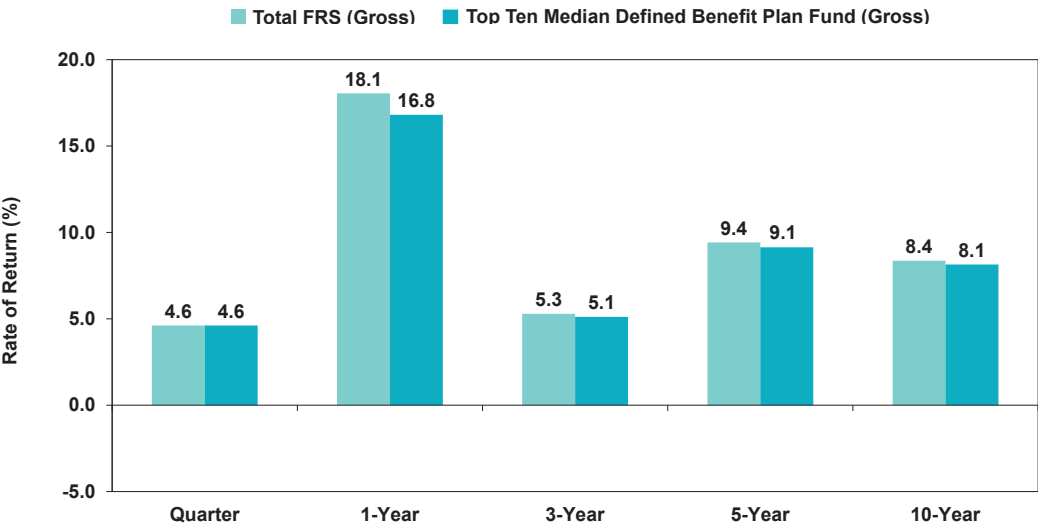


Note: The data set includes \$2,104 billion in total assets. The median fund size was \$172 billion, and the average fund size was \$210 billion.
Note: Due to rounding, percentage totals displayed may not sum perfectly.

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FRS Results Relative to TUCS Top Ten Defined Benefit Plans

Periods Ending September 30, 2024



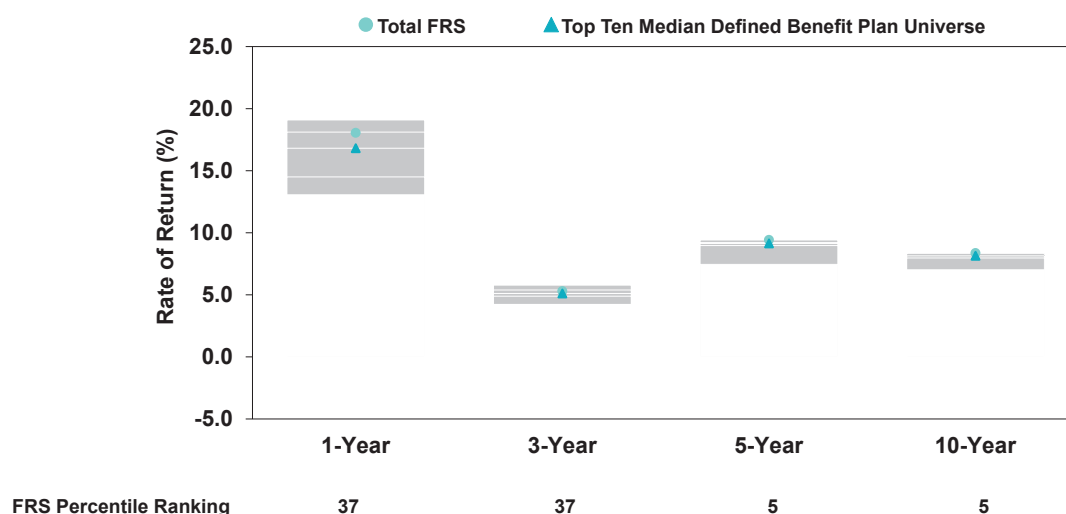
Note: The date
Note: Due to rounding, percentage totals displayed may not sum perfectly.
Note: TUCS data as of 12/31/24 not available at time of reporting



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Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS)

Periods Ending September 30, 2024



Note: The data set includes \$2,104 billion in total assets. The median fund size was \$172 billion, and the average fund size was \$210 billion.

Note: Due to rounding, percentage totals displayed may not sum perfectly.

Note: TUCS data as of 12/31/24 not available at time of reporting



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Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the long-term. Nearer term relative performance has trailed primarily driven by public equity options and stable value.
- The FRS Investment Plan's total expense ratio is in line with peer defined contribution plans, based on year-end 2023 data. The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. Communication and education 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.
- Management fees are lower than the median as represented by eVestment'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.



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Total Investment Plan Returns & Cost

Periods Ending 12/31/24*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	12.6%	3.4%	7.4%	7.3%
<i>Total Plan Aggregate Benchmark**</i>	12.8	3.9	7.4	7.2
FRS Investment Plan vs. Total Plan Aggregate Benchmark	-0.2	-0.5	0.0	0.1

Periods Ending 12/31/2023***

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	8.9%	-0.2%	0.28%*****
<i>Peer Group</i>	9.4	0.1	0.24
FRS Investment Plan vs. Peer Group	-0.5	-0.3	-0.04

*Returns shown are net of fees.

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

***Source: 2023 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 2023 Survey that included 120 U.S. defined contribution plans with assets ranging from \$114 million to \$63.2 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 18 DC plans including corporate and public plans with assets between \$3.4 - \$26.9 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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CAT Fund: Executive Summary

- Returns are picking up modestly given the currently higher interest-rate environment
- All CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Portfolio Guidelines appropriately constrain 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 Portfolio Guidelines are revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

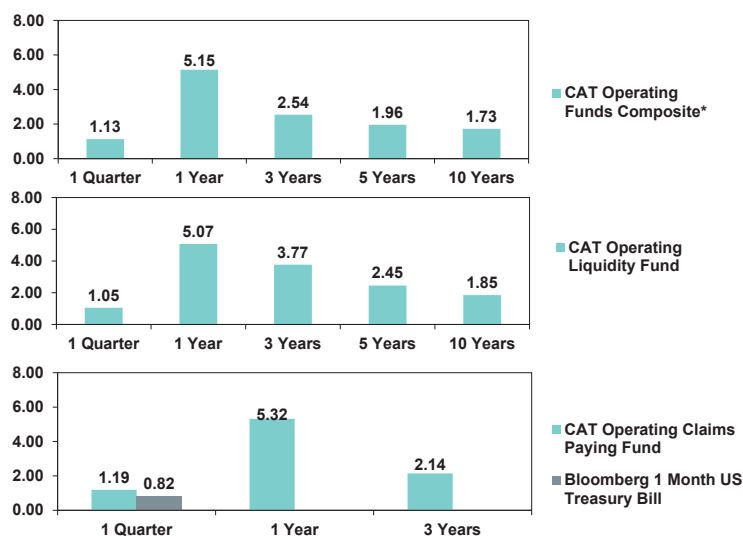


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CAT Operating Funds Investment Results

Periods Ending December 31, 2024



*CAT Operating Funds: Beginning March 2008, the returns for the CAT Operating Funds reflect marked-to-market returns. Prior to that time, cost-based returns are used. Beginning February 2018, the CAT Operating Funds were split into two different sub funds, the CAT Fund Operating Liquidity Fund and the CAT Fund Operating Claims Paying Fund. Performance for each sub fund is shown below.



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Florida PRIME: 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 has been strong over short- and long-term time periods, outperforming its performance benchmark over the trailing one-, three-, five-, and ten-year time periods.
- As of December 31, 2024, the total market value of Florida PRIME was \$32.6 billion.
- Aon Investments USA Inc., 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.

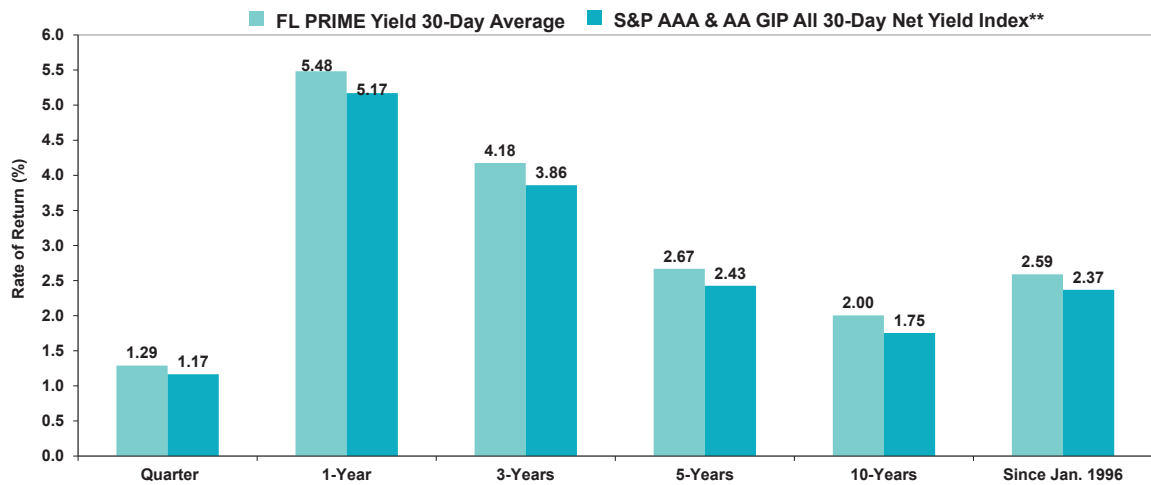


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Florida PRIME Investment Results

Periods Ending December 31, 2024



*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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Appendix

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FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Median Mutual Fund Fee**
Domestic Equity	0.18%	0.85%
International & Global Equity	0.30%	0.85%
Diversified Bonds	0.17%	0.50%
Target Date	0.16%	0.26%
Stable Value	0.08%	0.47%
Inflation Protected Securities	0.35%	0.39%

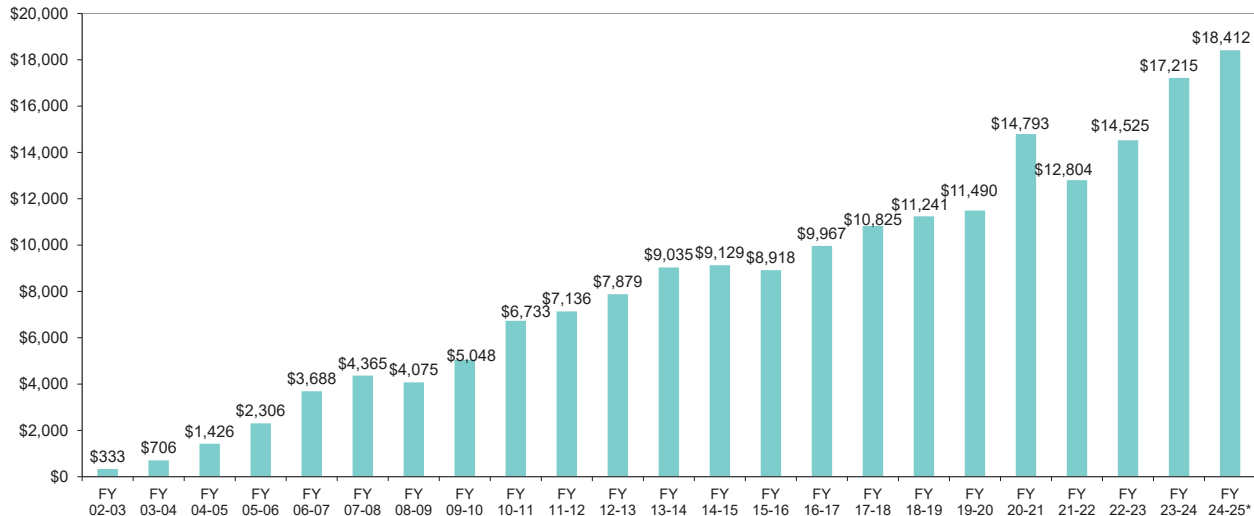
*Average fee of multiple products in category as of 12/31/2024.

**Source: Aon's mutual fund expense analysis as of 12/31/2024.

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Investment Plan Fiscal Year End Assets Under Management

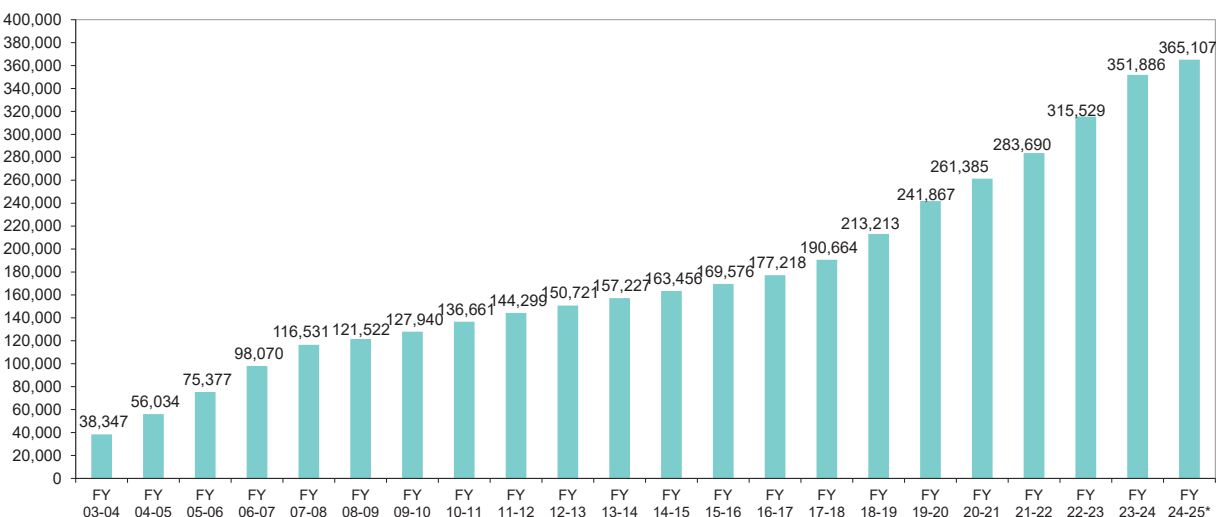


*Period Ending 12/31/24
Source: Investment Plan Administrator



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Investment Plan Membership



*Period Ending 12/31/24
Source: Investment Plan Administrator



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Florida Hurricane Catastrophe Funds Background and Details

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- The CAT Operating Funds, along CAT 2020 A and CAT 2024 A Fund are internally managed portfolios.
 - CAT 2013 A Fund was liquidated during 4Q 2020
 - CAT 2016 A Fund was liquidated during 3Q 2021
- As of December 31, 2024, the total value of:
 - The CAT Operating Funds was \$11.7 billion
 - The CAT 2020 A Fund was \$2.3 billion
 - The CAT 2024 A Fund was \$1.0 billion
- History of the CAT Funds Benchmarks: *Beginning February 2018, the CAT Fund Operating Liquidity Fund was benchmarked to the B of A Merrill Lynch 3-6 Month U.S. Treasury Bill Index, and the CAT Fund Operating Claims Paying Fund benchmarked to a blend of 35% of the Bank of America Merrill Lynch 1-3 Year AA U.S. Corporate Bond Index and 65% of Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index. Beginning January 2021, the CAT Fund Operating Liquidity Fund was benchmarked to Bloomberg U.S. Treasuries Bills 3-6 Months & U.S. Treasury Bills 6-9 Months Custom Blend Index. This benchmark is comprised of 60% off the 3-6 month U.S. Treasury Bills and 40% 6-9 month U.S. Treasury Bills., and the CAT Fund Operating Claims Paying Fund is benchmarked Bloomberg U.S. Treasury 1-3 Years & Corporate AA+ ex 144A Reg S Custom Blend Index. This benchmark is comprised of 65% 1-3 year Treasury and 35% of 1-3 year Corporate AA or better excluding 144A and Reg S Securities.*

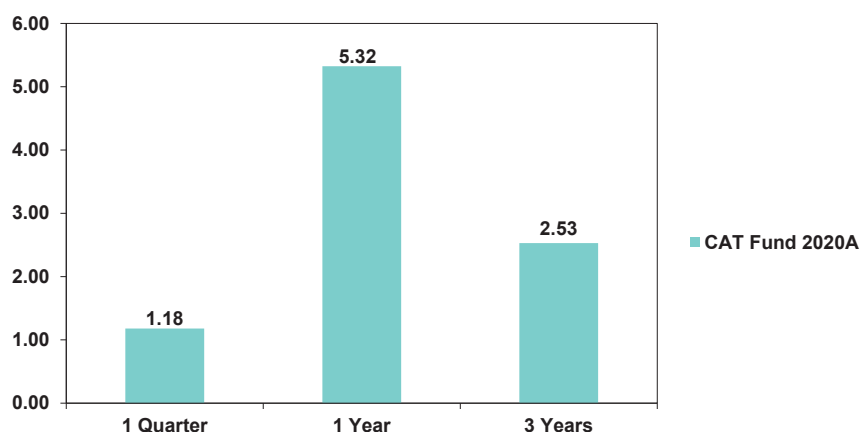


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CAT 2020A Funds Investment Results

Period Ending December 31, 2024



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CAT Operating Funds Characteristics

Period Ending December 31, 2024

CAT Operating Fund

Maturity Analysis	
1 to 30 Days	67.00%
31 to 60 Days	12.07
61 to 90 Days	1.83
91 to 120 Days	2.60
121 to 150 Days	1.41
151 to 180 Days	3.02
181 to 270 Days	6.95
271 to 365 Days	3.41
366 to 455 Days	1.71
>= 456 Days	0.00
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	60.78%
AA	4.79
A	34.44
Baa	0.00
Other	0.00
Total % of Portfolio	100.01%

CAT 2020A Fund

Maturity Analysis	
1 to 30 Days	26.79%
31 to 60 Days	16.56
61 to 90 Days	22.72
91 to 120 Days	13.55
121 to 150 Days	13.17
151 to 180 Days	7.21
181 to 270 Days	0.00
271 to 365 Days	0.00
366 to 455 Days	0.00
>= 456 Days	0.00
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	50.16%
AA	0.86
A	48.98
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%

CAT 2024A Fund

Maturity Analysis	
1 to 30 Days	12.84%
31 to 60 Days	7.34
61 to 90 Days	12.14
91 to 120 Days	9.19
121 to 150 Days	6.80
151 to 180 Days	7.11
181 to 270 Days	20.04
271 to 365 Days	24.54
366 to 455 Days	0.00
>= 456 Days	0.00
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	63.99%
AA	0.00
A	36.01
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%



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Florida PRIME Characteristics

Quarter Ending December 31, 2024

As of 12/31/24	Fourth Quarter	One Year
Opening Balance	\$24,046,466,198	\$27,847,195,537
Participant Deposits	\$19,076,124,797	\$40,520,146,710
Gross Earnings	\$325,963,930	\$1,421,109,248
Participant Withdrawals	(\$10,827,130,288)	(37,160,585,203)
Fees	(\$2,199,009)	(8,640,664)
Closing Balance	\$32,619,225,628	\$32,619,225,628
Change	\$8,572,759,430	\$4,772,030,091

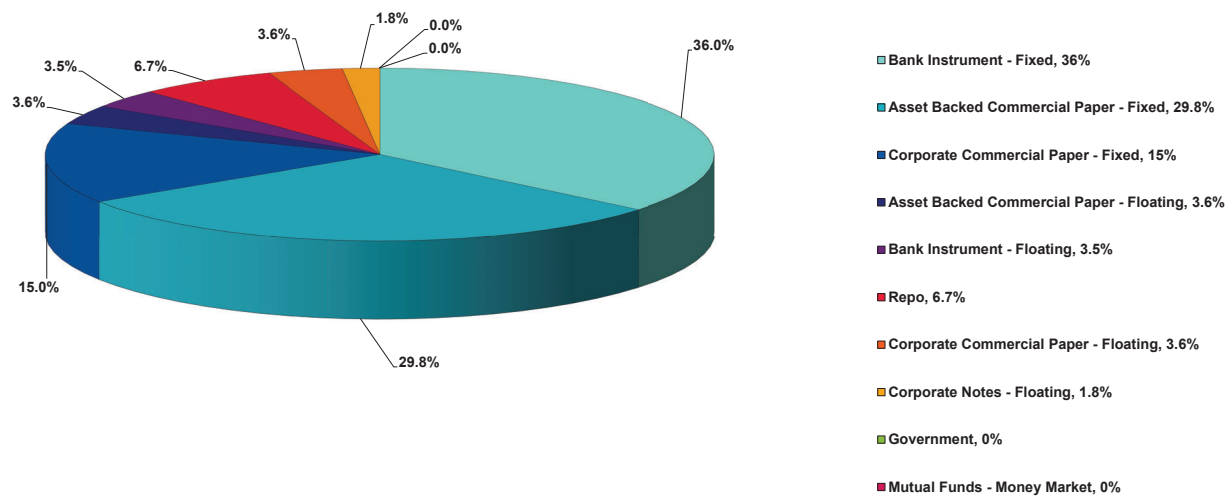


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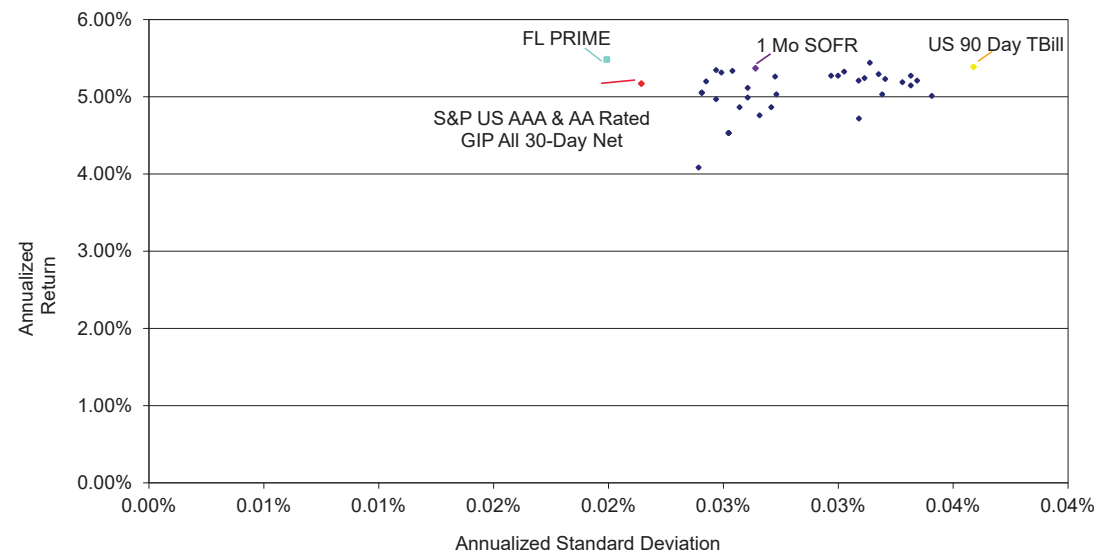
Florida PRIME Characteristics

Quarter Ending December 31, 2024

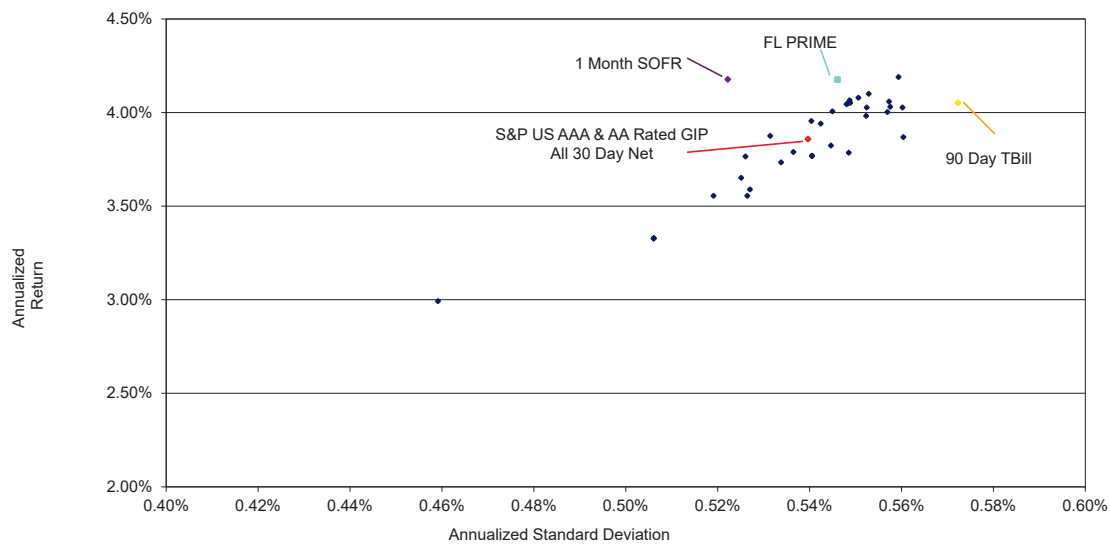


Florida PRIME Risk vs. Return

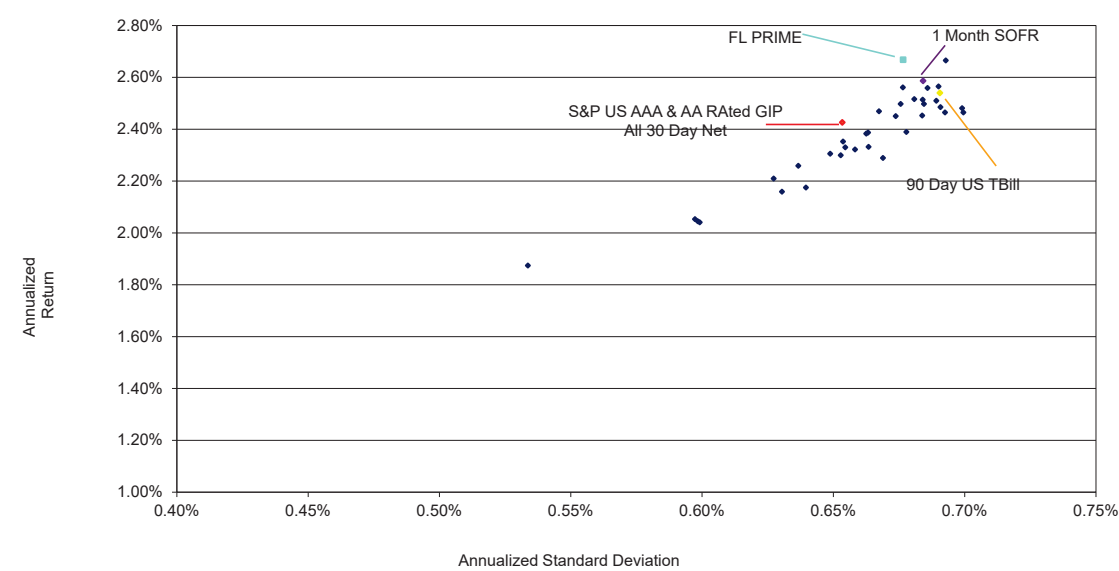
1 Years Ending December 31, 2024



Florida PRIME Risk vs. Return 3 Years Ending December 31, 2024

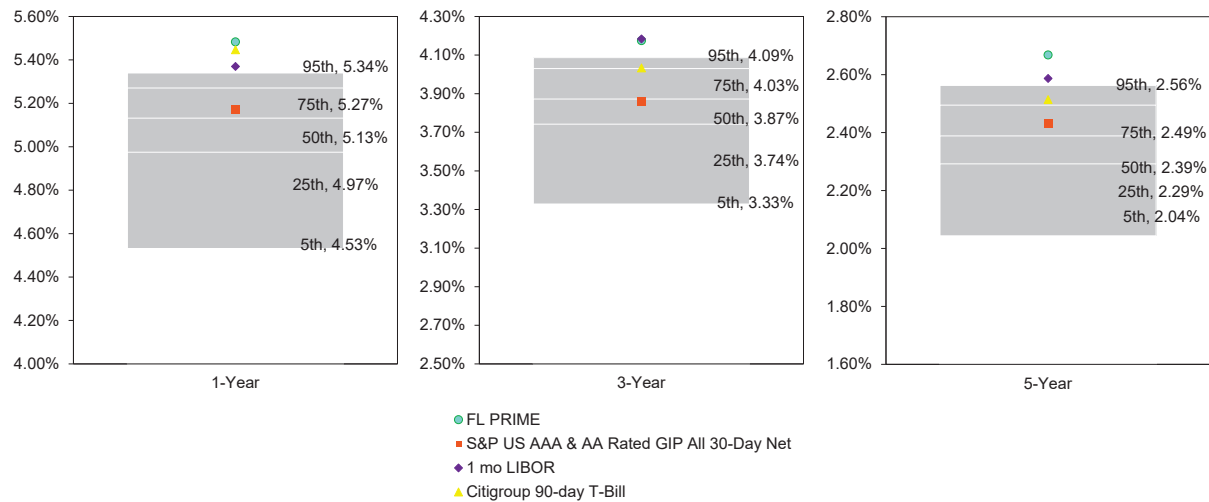


Florida PRIME Risk vs. Return 5 Years Ending December 31, 2024



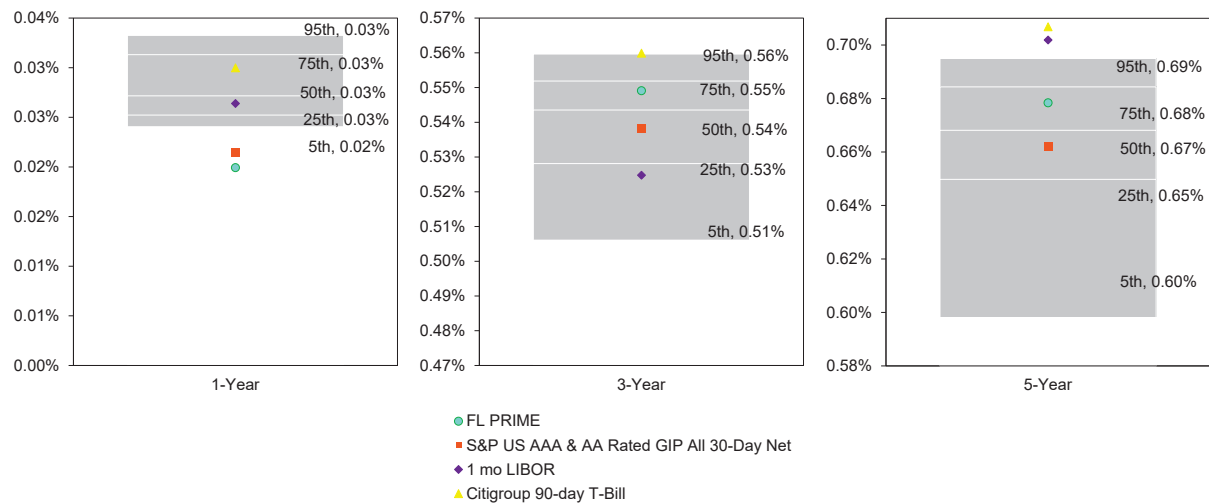
Return Distribution

Periods Ending December 31, 2024



Standard Deviation Distribution

Periods Ending December 31, 2024



Florida PRIME Characteristics

Period Ending December 31, 2024

Effective Maturity Schedule	
1-7 Days	54.0%
8 - 30 Days	5.9%
31 - 90 Days	26.0%
91 - 180 Days	7.3%
181+ Days	6.8%
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
A-1+	57.6%
A-1	42.4%
Total % of Portfolio:	100.0%



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Chicago, IL 60601
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Quarterly Investment Review

FRS Pension Plan

Fourth Quarter 2024

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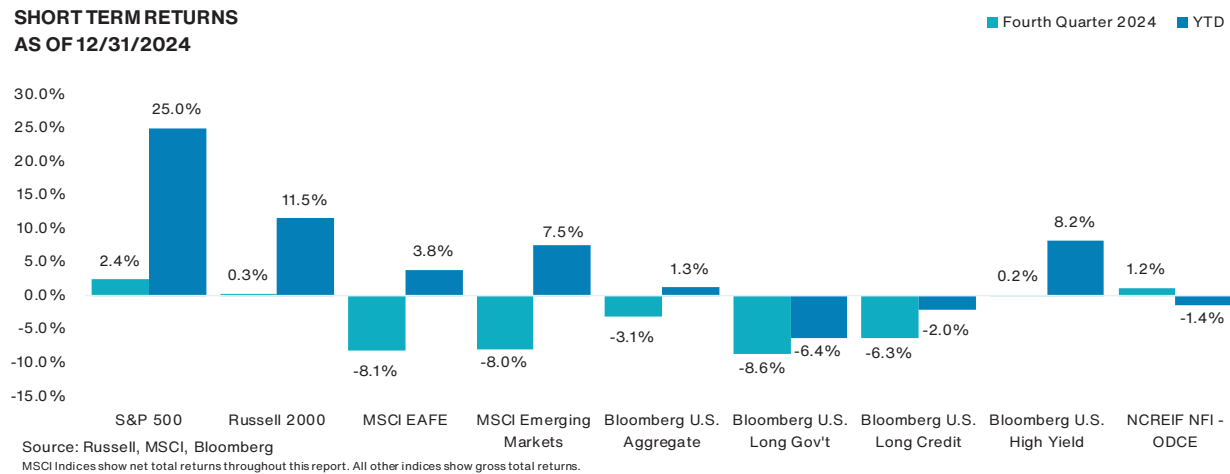


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Market Environment



Market Highlights

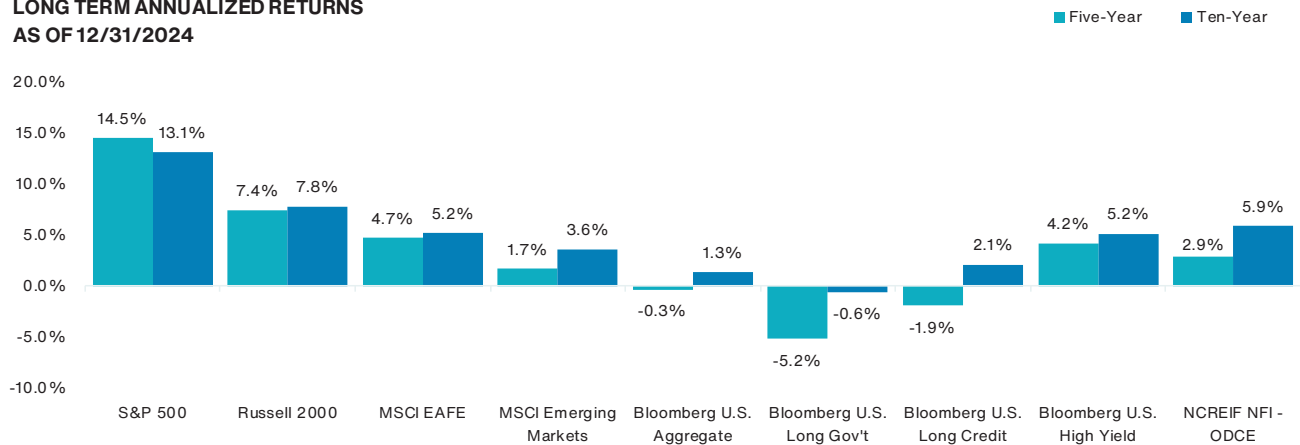


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Market Highlights

LONG TERM ANNUALIZED RETURNS AS OF 12/31/2024



Source: Russell, MSCI, Bloomberg

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Market Highlights

Returns of the Major Capital Markets						
	Fourth Quarter	YTD	1-Year	3-Year ¹	Period Ending 12/31/2024	
					5-Year ¹	10-Year ¹
Equity						
MSCI All Country World IMI	-1.24%	16.37%	16.37%	4.90%	9.67%	9.00%
MSCI All Country World	-0.99%	17.49%	17.49%	5.44%	10.06%	9.23%
Dow Jones U.S. Total Stock Market	2.71%	23.88%	23.88%	7.91%	13.78%	12.48%
Russell 3000	2.63%	23.81%	23.81%	8.01%	13.86%	12.55%
S&P 500	2.41%	25.02%	25.02%	8.94%	14.53%	13.10%
Russell 2000	0.33%	11.54%	11.54%	1.24%	7.40%	7.82%
MSCI All Country World ex-U.S. IMI	-7.81%	5.23%	5.23%	0.50%	4.12%	4.91%
MSCI All Country World ex-U.S.	-7.60%	5.53%	5.53%	0.82%	4.10%	4.80%
MSCI EAFE	-8.11%	3.82%	3.82%	1.65%	4.73%	5.20%
MSCI EAFE (Local Currency)	-0.62%	11.28%	11.28%	6.33%	7.55%	7.14%
MSCI Emerging Markets	-8.01%	7.50%	7.50%	-1.92%	1.70%	3.64%
Equity Factors						
MSCI World Minimum Volatility (USD)	-3.75%	11.53%	11.53%	3.04%	5.34%	7.92%
MSCI World High Dividend Yield	-5.63%	8.91%	8.91%	4.84%	6.33%	7.30%
MSCI World Quality	-3.15%	18.85%	18.85%	7.27%	13.82%	13.15%
MSCI World Momentum	0.29%	30.56%	30.56%	6.60%	12.38%	12.54%
MSCI World Enhanced Value	-4.48%	5.90%	5.90%	4.96%	6.18%	6.19%
MSCI World Equal Weighted	-4.55%	8.26%	8.26%	2.03%	6.18%	7.11%
MSCI World Index Growth	3.85%	26.16%	26.16%	7.12%	14.89%	13.18%
MSCI USA Minimum Volatility (USD)	-2.26%	15.99%	15.99%	4.97%	8.16%	10.38%
MSCI USA High Dividend Yield	-4.18%	11.66%	11.66%	4.71%	7.32%	9.07%
MSCI USA Quality	-0.62%	24.03%	24.03%	9.34%	15.45%	15.00%
MSCI USA Momentum	1.38%	32.33%	32.33%	6.18%	11.86%	13.33%
MSCI USA Enhanced Value	-2.48%	7.35%	7.35%	1.85%	6.37%	7.45%
MSCI USA Equal Weighted	0.01%	14.75%	14.75%	3.86%	10.18%	9.94%
MSCI USA Growth	8.47%	35.99%	35.99%	10.72%	19.64%	16.84%

Returns of the Major Capital Markets						
	Fourth Quarter	YTD	1-Year	3-Year ¹	Period Ending 12/31/2024	
					5-Year ¹	10-Year ¹
Fixed Income						
Bloomberg Global Aggregate	-5.10%	-1.69%	-1.69%	-4.52%	-1.96%	0.15%
Bloomberg U.S. Aggregate	-3.06%	1.25%	1.25%	-2.41%	-0.33%	1.35%
Bloomberg U.S. Long Gov't	-8.60%	-6.37%	-6.37%	-11.91%	-5.17%	-0.61%
Bloomberg U.S. Long Credit	-6.26%	-2.01%	-2.01%	-6.76%	-1.92%	2.11%
Bloomberg U.S. Long Gov't/Credit	-7.42%	-4.15%	-4.15%	-9.20%	-3.26%	0.99%
Bloomberg U.S. TIPS	-2.88%	1.84%	1.84%	-2.30%	1.87%	2.24%
Bloomberg U.S. High Yield	0.17%	8.19%	8.19%	2.92%	4.21%	5.17%
Bloomberg Global Treasury ex U.S.	-7.44%	-5.59%	-5.59%	-7.49%	-4.45%	-1.28%
JP Morgan EMBI Global (Emerging Markets)	-2.12%	5.73%	5.73%	-0.82%	0.35%	3.08%
Commodities						
Bloomberg Commodity Index	-0.45%	5.38%	5.38%	4.05%	6.77%	1.28%
Goldman Sachs Commodity Index	3.81%	9.25%	9.25%	9.63%	7.12%	1.24%
Hedge Funds						
HFRI Fund-Weighted Composite ²	1.49%	9.83%	9.83%	4.41%	7.00%	5.26%
HFRI Fund of Funds ²	2.30%	9.40%	9.40%	3.19%	5.28%	3.81%
Real Estate						
NAREIT U.S. Equity REITS	-6.21%	8.73%	8.73%	-2.20%	4.27%	5.73%
NCREIF NFI - ODCE	1.16%	-1.43%	-1.43%	-2.32%	2.87%	5.88%
FTSE Global Core Infrastructure Index	-5.50%	9.81%	9.81%	1.67%	4.23%	6.16%
Private Equity						
Burgiss Private IQ Global Private Equity ³			5.14%	4.60%	13.68%	12.67%

¹ MSCI Indices show net total returns throughout this report. All other indices show gross total returns.
² Periods are annualized.
³ Latest 5 months of HFR data are estimated by HFR and may change in the future.
⁴ Burgiss Private IQ Global Private Equity data is as of June 30, 2024

Source: Russell, MSCI, Bloomberg

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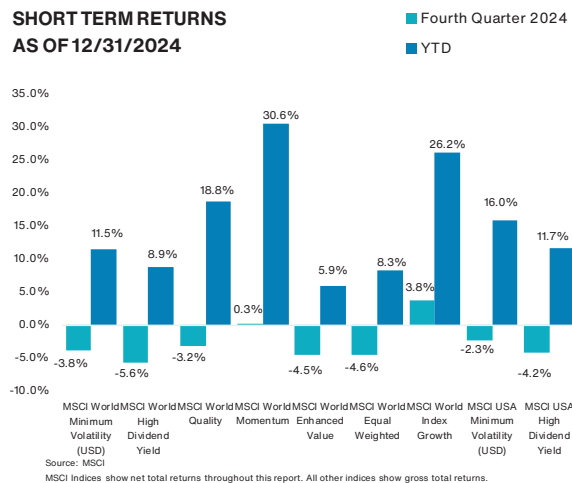


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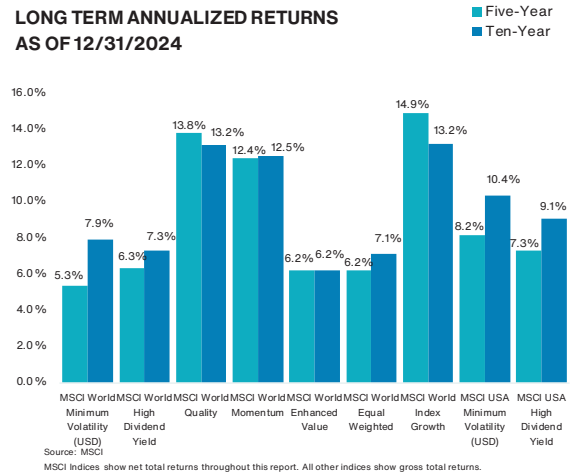
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Factor Indices

SHORT TERM RETURNS
AS OF 12/31/2024



LONG TERM ANNUALIZED RETURNS
AS OF 12/31/2024



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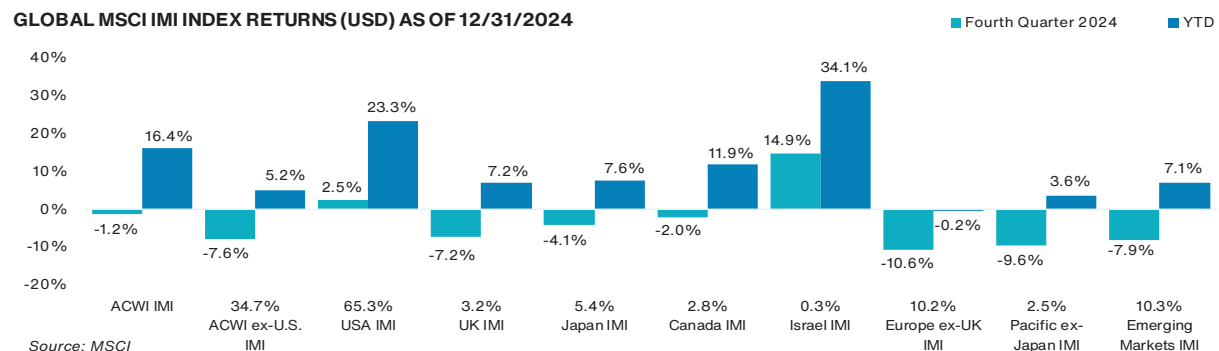


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Global Equity Markets

GLOBAL MSCI IMI INDEX RETURNS (USD) AS OF 12/31/2024



- In Q4 2024, the U.S. economy showed signs of strength while global equity markets fell. The S&P 500 increased by 2.4% over the quarter while Global equities (excluding the U.S.) fell by 7.5%, with developed markets posting a marginal decline of 0.1%, outperforming emerging markets, which decreased by 7.8%. Following Fed's December meeting, a sharp correction in U.S. markets led to the CBOE Volatility Index (VIX) rising to 27.6 before reverting to 17.4 and staying below its 20-year average of 19.1.
- Across international markets, all regions posted negative returns (except U.S. and Israel). The strength of the U.S. dollar against major currencies over the quarter further contributed towards negative returns by other major economies. The MSCI USA IMI equities outperformed with a return of 2.5%. Consumer Discretionary (12.0%) and Communication Services (8.8%) were the best performing sectors.
- Europe ex-UK IMI was the worst performer with a return of -10.6% over the quarter. Real Estate (-16.8%) and Consumer Staples (-16.5%) were the worst-performing sectors.

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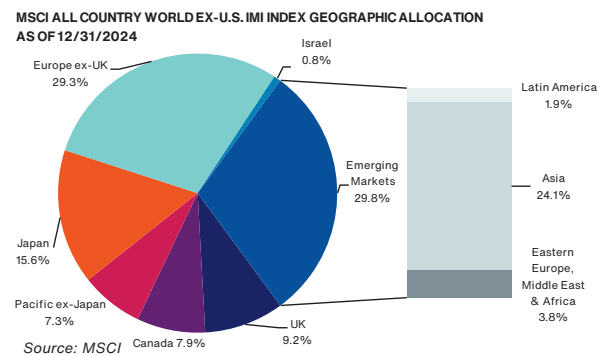
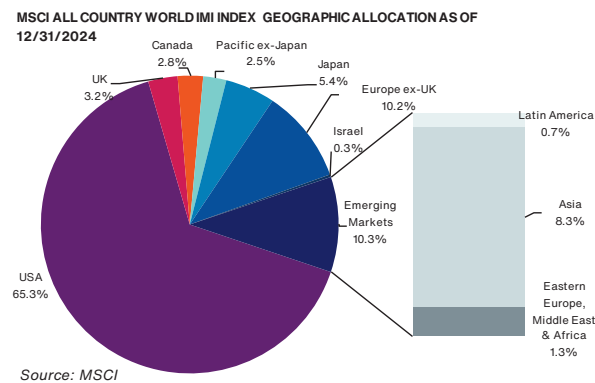


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Global Equity Markets

Below is the country/region breakdown of the global and international equity markets as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index, respectively.

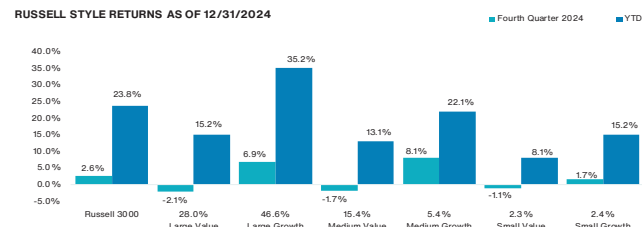
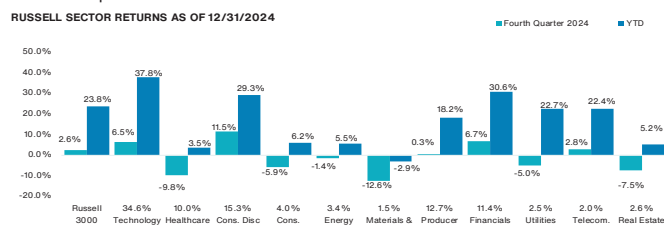


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U.S. Equity Markets

- The S&P 500 Index continued making new highs throughout the quarter in response to lowering interest rates by the Federal Reserve, range-bound inflation, better than expected economic growth, and a post-election "relief rally," delivering 2.4% during the quarter. The NASDAQ Composite Index outperformed over the quarter with a return of 6.3%.
- Political developments dominated the quarter with U.S. elections delivering a clear mandate favouring the Republicans and President-elect Donald Trump.
- The U.S. economy grew at an annualized rate of 3.1% in the third quarter of 2024, higher than the economists expected 2.8% and above the previous quarter's annualized growth rate of 3.0%. The acceleration was largely boosted by strong exports, consumer and federal government spending.
- The Russell 3000 Index rose 2.6% during the fourth quarter and 23.8% on a YTD basis. Consumer Discretionary (11.5%) and Financials (6.7%) were the best performers while Materials & Processing (-12.6%) and Healthcare (-9.8%) were the worst performers.
- On a style basis, growth outperformed value across market capitalizations over the quarter. Medium-cap stocks outperformed Small and Large-cap stocks in growth style, while Large-cap value stocks underperformed Medium and Small-cap value.
- over the quarter.



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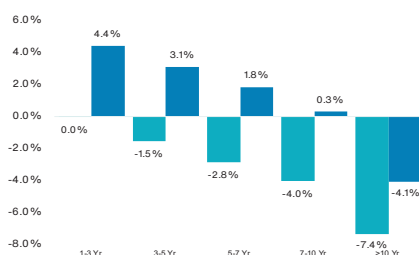


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U.S. Fixed Income Markets

BLOOMBERG AGGREGATE RETURNS BY MATURITY AS OF 12/31/2024



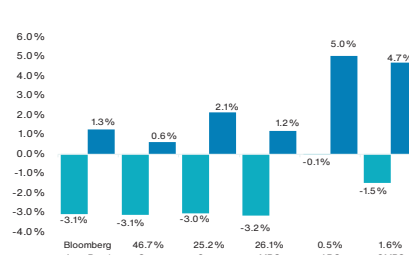
Source: FactSet

BLOOMBERG AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS AS OF 12/31/2024



Source: FactSet

BLOOMBERG AGGREGATE RETURNS BY SECTOR AS OF 12/31/2024



Source: FactSet

- The U.S. Fed cut its benchmark interest rate twice over the quarter by 0.25% each to a range of 4.25%- 4.50%. In its December 2024 meeting, the Federal Open Market Committee (FOMC) stated that the risks to achieving its employment and inflation targets are fairly balanced. The latest Fed "dot plot," showed FOMC members projecting a reduction of only half a percentage point in interest rates for 2025 with the rate expected to decline to 3% beyond 2027.
- The Bloomberg U.S. Aggregate Bond Index fell by 3.1% over the quarter and is up by 1.3% on a YTD basis.
- Across durations, almost all maturities finished the quarter in negative territory with longer maturities falling more.
- Within investment-grade bonds, lower-quality issues generally underperformed higher-quality issues, with A-rated bonds returning -3.3% during the quarter. High-yield bonds rose by 0.2%. On a YTD basis, high-yield bonds have outperformed indicating an increase in risk appetite.

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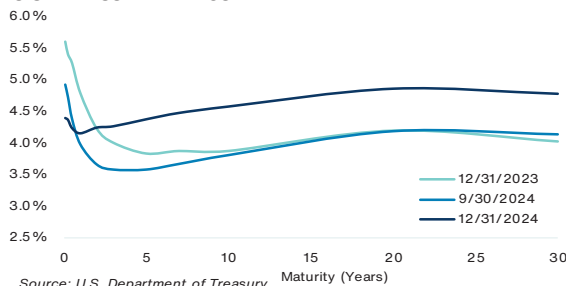


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U.S. Fixed Income Markets

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

- U.S. Treasury yields generally rose across maturities as the yield curve shifted upwards over the quarter (except for less than 1-year maturities). The 10-year Treasury yield rose by 77bps to 4.58%, and the 30-year Treasury yield rose by 64bps to 4.78% over the quarter.
- U.S. headline consumer price index (CPI) rose to 2.7% year-on-year in November, in line with the economists' expectations and above October's reading of 2.6%. U.S. core inflation, which excludes energy and food prices, rose by 3.3% year-on-year in November, the same as the previous month and in line with economist expectations.
- The 10-year TIPS yield rose by 61bps over the quarter to 2.24%.

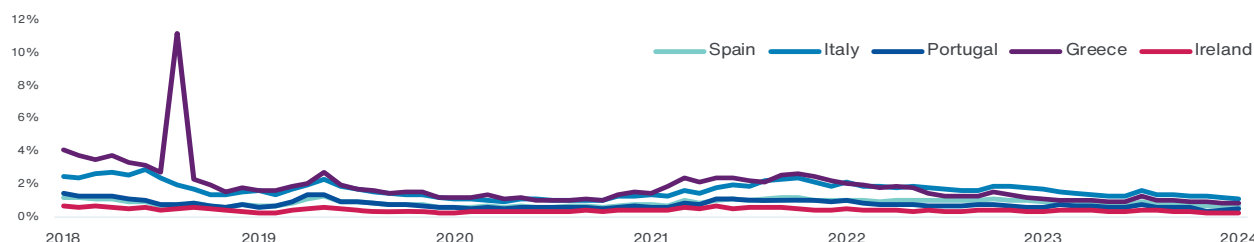


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European Fixed Income Markets

EUROZONE PERIPHERAL BOND SPREADS (10-YEAR SPREADS OVER GERMAN BUNDS)



Source: FactSet

- European government bond spreads over 10-year German bunds narrowed across the Euro Area. Over Q4 2024, the European Central Bank (ECB) reduced its policy interest rate twice by 0.25% each to 3.0%, marking four rate cuts in 2024. The bank also revised its economic growth projections downwards from those made in September, now forecasting growth rates of 0.7% for 2024, 1.1% for 2025, and 1.4% for 2026. Additionally, headline inflation is expected to rise to 2.4% in 2024, 2.1% in 2025, and 1.9% in 2026.
- Greek and Italian government bond yields rose by 13bps and 7bps to 3.23% and 3.51%, respectively over the quarter while Portugal government bond yields rose by 14bps to 2.84%. Irish and Spain government bond yields rose by 16bps and 12bps to 2.63% and 3.04%, respectively over the quarter.
- German bund yields rose by 24bps to 2.35% over the quarter.
- Eurozone headline inflation gathered pace as the CPI increased 2.3% year-on-year in November, higher than the 2.0% increase recorded in October but lower than economists' expectations of 2.4%. Core inflation rose 2.7% year-on-year in November, the same as the previous month and below economists' expectations.



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Credit Spreads

Spread (bps)	12/31/2024	9/30/2024	12/31/2023	Quarterly Change (bps)	YTD
U.S. Aggregate	34	36	42	-2	-8
Long Gov't	0	0	2	0	-2
Long Credit	100	108	117	-8	-17
Long Gov't/Credit	50	55	62	-5	-12
MBS	43	42	47	0	-4
CMBS	80	93	126	-13	-46
ABS	44	64	68	-20	-24
Corporate	80	89	99	-9	-19
High Yield	287	295	323	-8	-36
Global Emerging Markets	219	244	294	-25	-75

Source: FactSet, Bloomberg

- Credit markets fell amid lowering risk tolerance sentiment, with spreads generally narrowing.
- High Yield and Global Emerging Markets spreads narrowed by 8bps and 25bps, respectively. Meanwhile, ABS spreads narrowed by 20bps.



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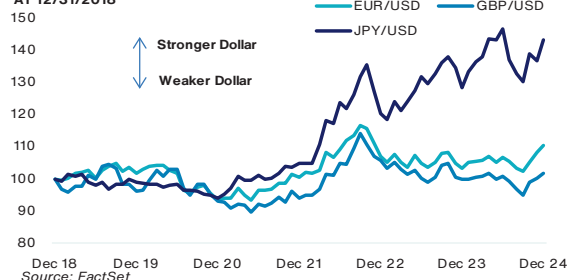
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Currency

TRADE WEIGHTED U.S. DOLLAR INDEX
(2006 = 100)



U.S. DOLLAR RELATIVE TO EUR, GBP AND JPY REBASED TO 100
AT 12/31/2018



- The U.S. Dollar appreciated against all major currencies over the quarter. On a trade-weighted basis, the U.S. dollar appreciated by 6.5%.
- Sterling depreciated by 7.1% against the U.S. dollar. In its November meeting, the Bank of England (BoE) reduced its policy interest rate by 0.25% to 4.75%. The BoE has indicated a weakness in near-term activity indicators, projecting zero GDP growth for the fourth quarter of 2024, a revision from the previously anticipated growth of 0.3%. The MPC also expressed uncertainty about how the measures announced in the Autumn budget and the trade policy of the incoming U.S. administration will affect the overall economic outlook.
- The U.S. dollar appreciated by 7.8% against the euro and by 9.9% against the yen.

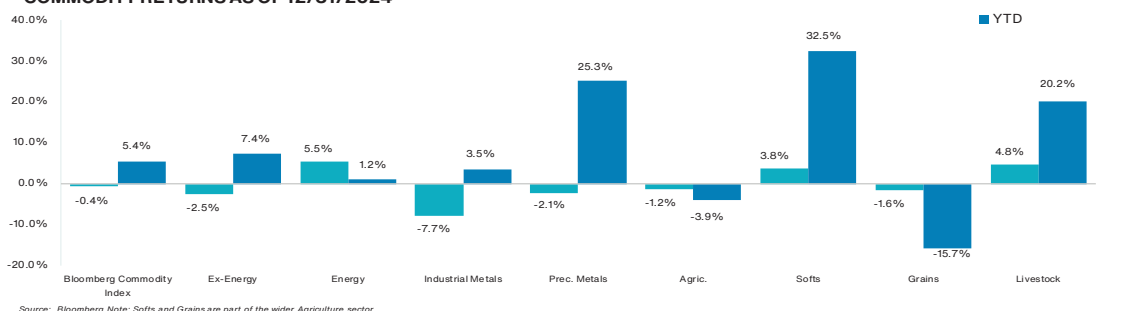


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Commodities

COMMODITY RETURNS AS OF 12/31/2024



- Commodity prices fell over the quarter (except Energy, Livestock & Softs sub-sector) with the Bloomberg Commodity Index returning -0.4%.
- The Industrial Metals sector was the worst performer over the quarter at -7.7%. The price of Copper fell by 10.9% to U.S.\$8,706/MT.
- The Energy sector rose the most over the quarter at 5.5%. The price of WTI crude oil rose by 5.2% to U.S.\$72/B.
- The OPEC+ members have agreed to postpone the 2.2 million barrels planned increases in oil production until the end of March 2025, phasing out the adjustments gradually by the end of September 2026.

Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

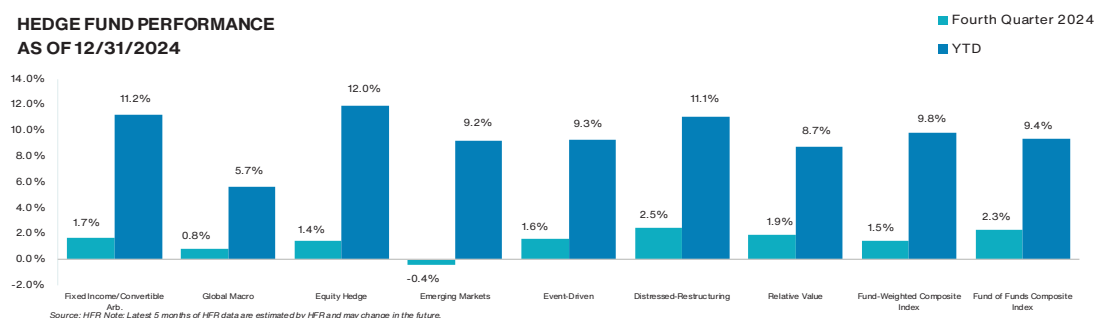


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Hedge Funds Market Overview

HEDGE FUND PERFORMANCE AS OF 12/31/2024



- Hedge fund performance was generally positive over the quarter.
- The HFRI Fund-Weighted Composite produced a return of 1.5% and the HFRI Fund of Funds Composite Index produced a return of 2.3% over the quarter.
- Over the quarter, Distressed Restructuring was the best performer with a return of 2.5%.
- Emerging Markets was the worst performer with a return of -0.4% over the quarter.
- On a YTD basis, Equity Hedge has outperformed all other strategies while Global Macro has performed the worst.

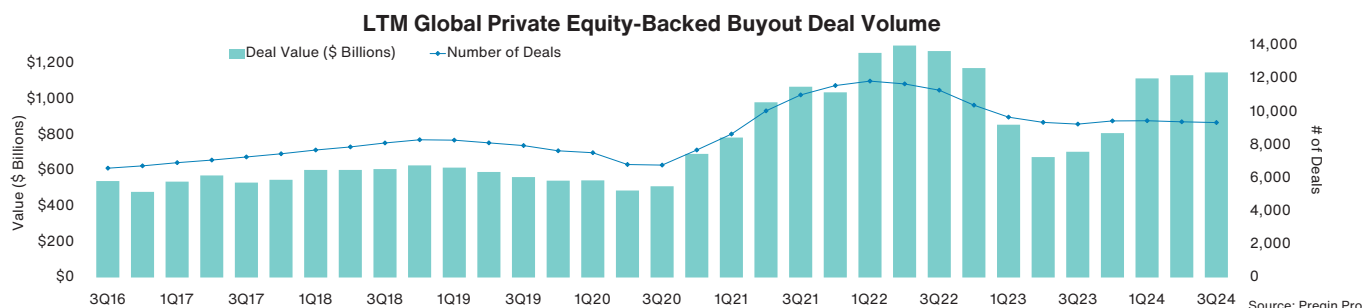
Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.



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Private Equity Overview Third Quarter 2024



- **Fundraising:** In Q3 2024, \$211.4 billion was raised by 605 funds, which was a decrease of 11.3% on a capital basis and a decrease of 4.6% by number of funds over the prior quarter. Dry powder stood at \$3.2 trillion at the end of the quarter, equal to the prior quarter, but an increase of 20.8% compared to the five-year average.¹
- **Buyout:** Global private equity-backed buyout deals totaled \$200.4 billion in Q3 2024, which was a decrease on a capital basis of 0.7% compared to Q2 2024 and a decrease of 13.4% compared to the five-year quarterly average.¹ On a TTM basis, median U.S. private equity EV/EBITDA multiples reached 15.0x at the end of Q3 2024, a meaningful jump above the 13.3x seen at the end of 2023 and up from the five-year average (11.8x). In Europe, on a TTM basis, median private equity EV/EBITDA multiples reached 12.1x at the end of Q3 2024, above the 11.0x multiple seen at the end of 2023 and above the five-year average of 11.7x.² Globally, buyout exit value totaled \$106.7 billion across 641 deals during the quarter, up from \$101.6 billion in value from 599 deals during the prior quarter. Through Q3 2024, YTD exit value across buyout transactions equaled 63.3% of 2023's total value.¹
- **Venture:** During the quarter, 2,794 U.S. venture-backed transactions totaling \$37.5 billion were completed, which was a decrease of 32.3% on a capital basis and a decrease of 23.7% by deal count over the prior quarter, which saw 3,661 deals completed totaling \$55.5 billion. This was also a decrease of 31.4% on a capital basis compared to the five-year quarterly average of \$54.7 billion. Total U.S. venture-backed exit value decreased during the quarter, totaling approximately \$10.4 billion across an estimated 327 completed transactions. This compares to \$39.6 billion of value across 271 exits in Q3 2023. Q3 2024 exit value was meaningfully below the five-year quarterly average of \$68.3 billion from 352 transactions.³

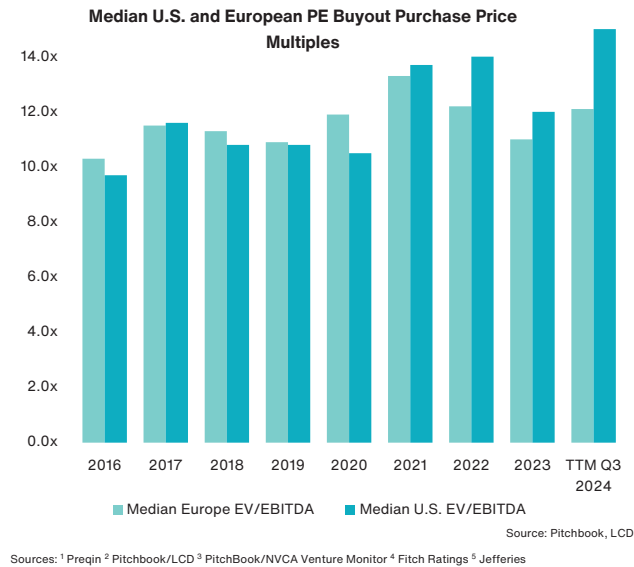
Sources: ¹ Preqin ² Pitchbook/LCD ³ Pitchbook/NVCA Venture Monitor ⁴ Fitch Ratings ⁵ Jefferies
Notes: FY=Fiscal year ended 12/31; YTD=Year to date; LTM=Last 12 months (aka trailing 12 months); PPM=Purchase Price Multiples: Total Purchase Price ÷ EBITDA.



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Private Equity Overview



- **Mezzanine:** 7 funds closed on \$3.3 billion during the quarter, an increase from the prior quarter's total of \$1.5 billion raised by 6 funds. However, this represented a decrease of 49.6% from the five-year quarterly average of \$6.5 billion. Estimated dry powder was \$52.4 billion at the end of Q3 2024, down from \$58.2 billion at the end of the Q4 2023.¹
- **Distressed Debt/Special Situations:** The TTM U.S. high-yield default rate was 1.94% as of September 2024, which was down slightly from June 2024's TTM rate of 2.34%.⁴ During the quarter, \$16.4 billion was raised by 11 funds, up significantly from the \$4.5 billion raised by 13 funds during Q2 2024. Dry powder was estimated at \$131.0 billion at the end of Q3 2024, which was down 22.4% from year-end 2023. This was down from the five-year average level of \$150.8 billion.¹
- **Secondaries:** 17 funds raised \$30.3 billion during Q3 2024, up substantially from the \$16.9 billion raised by 21 funds in Q2 2024. This was an increase compared to the five-year quarterly average of \$14.7 billion.¹ The average discount rate for LP buyout and venture capital portfolios finished 1H 2024 at 6.0% and 30.0%, respectively.⁵
- **Infrastructure:** \$15.5 billion of capital was raised by 17 funds in Q3 2024 compared to \$19.3 billion of capital raised by 28 funds in Q2 2024. The 10 largest funds in market are currently seeking a combined \$176.3 billion in capital. Infrastructure managers completed 518 deals for an aggregate deal value of \$100.5 billion in Q3 2024, an increase compared to 429 deals totaling \$64.9 billion completed in Q2 2024.¹
- **Natural Resources:** During Q3 2024, 9 funds closed on \$2.5 billion compared to 8 funds closing on \$2.5 billion during the prior quarter. 62 energy and utilities buyout deals were completed in Q3 2024 totaling \$9.7 billion, an increase, on a capital basis, compared to 63 completed deals totaling \$4.2 billion in Q2 2024.¹



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Total Fund



Highlights

Executive Summary

- The Total Fund outperformed the Performance Benchmark over the trailing five- and ten-year periods.
- The Fund ended the fourth quarter of 2024 outperforming the performance benchmark by 0.2%
- The fund is well diversified across seven broad asset classes. A new Multi-Asset Credit investment sleeve was inceptioned 9/1/24 in the Active Credit Composite
- 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 Investments 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

- The Total Fund outperformed the Performance Benchmark over longer trailing periods of 5 years and 10 years

Asset Allocation

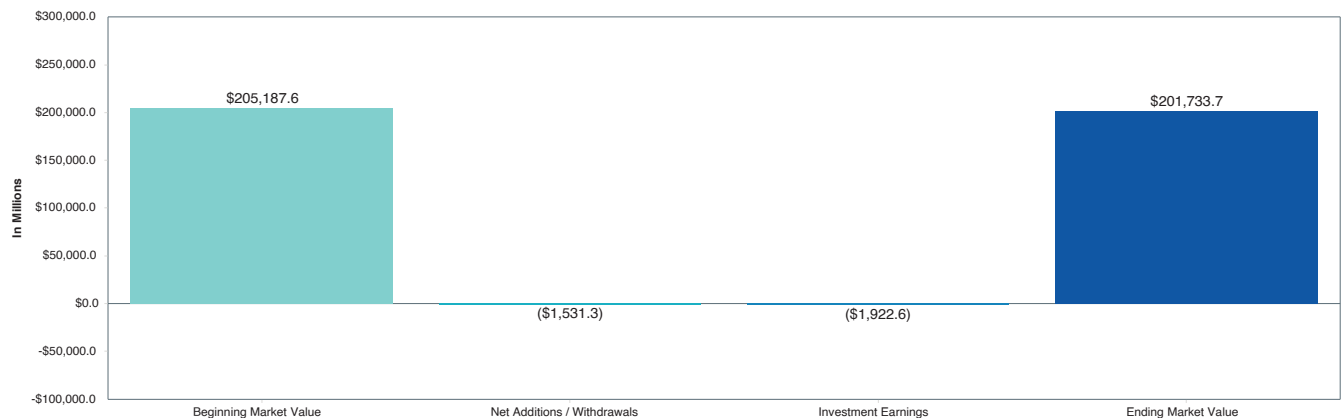
- The Fund assets total \$201.7 billion as of December 31, 2024, which represents a \$3.4 billion decrease since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges and in line with the current policy at quarter-end.



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Total Plan Asset Summary

As of December 31, 2024



Summary of Cash Flows

	1 Quarter	1 Year	3 Years
Total Fund			
Beginning Market Value	205,187,550,687	190,429,563,717	206,437,287,703
+ Additions / Withdrawals	-1,531,301,599	-6,540,032,008	-21,195,650,908
+ Investment Earnings	-1,922,566,120	17,844,151,259	16,492,046,172
= Ending Market Value	201,733,682,968	201,733,682,968	201,733,682,968

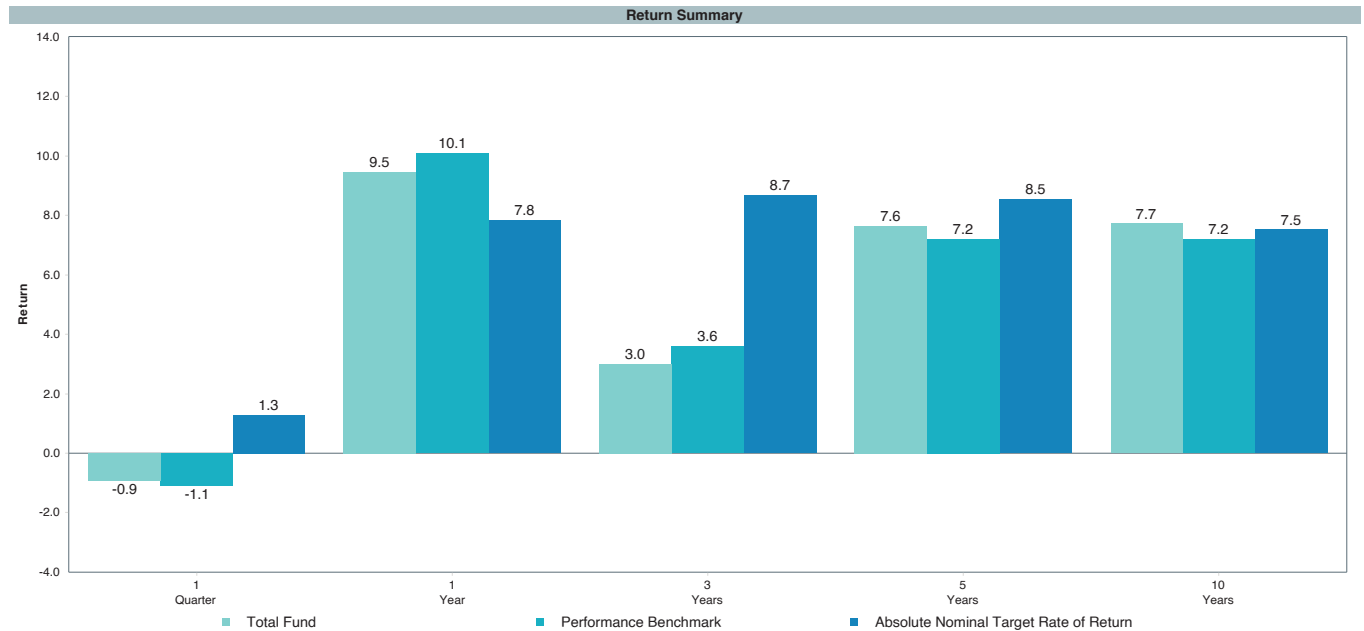


*Period July 2023 - Present

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Total Plan Performance Summary

As of December 31, 2024



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Asset Allocation & Performance

As of December 31, 2024

	Allocation			Performance %				
	Market Value \$	%	Policy %	1 Quarter	1 Year	3 Years	5 Years	10 Years
Total Fund	201,733,682,968	100.0	100.0	-0.9 (54)	9.5 (36)	3.0 (42)	7.6 (19)	7.7 (17)
Performance Benchmark				-1.1 (59)	10.1 (23)	3.6 (19)	7.2 (34)	7.2 (31)
Absolute Nominal Target Rate of Return				1.3 (2)	7.8 (72)	8.7 (1)	8.5 (6)	7.5 (20)
Global Equity*	97,147,868,935	48.2	47.7	-0.8	16.9	4.9	9.9	9.4
Asset Class Target				-1.2	16.4	4.9	9.7	9.0
Domestic Equities	52,588,394,684	26.1		2.6	23.7	8.0	13.8	12.4
Asset Class Target				2.6	23.8	8.0	13.9	12.5
Foreign Equities	29,163,172,847	14.5		-6.4	7.0	0.5	4.7	5.6
Asset Class Target				-7.6	5.0	0.5	4.1	4.9
Global Equities	11,962,513,404	5.9		-0.1	17.6	5.8	9.5	9.2
Benchmark				-0.5	18.2	6.0	10.7	9.7
Fixed Income	41,124,691,457	20.4	21.9	-2.9	2.3	-0.7	0.6	1.7
Asset Class Target				-3.1	1.5	-1.1	0.1	1.4
Private Equity	18,611,383,524	9.2	9.1	1.7	8.1	2.9	15.9	15.2
Asset Class Target				-0.7	18.9	7.8	12.6	12.0
Real Estate	19,004,123,747	9.4	9.2	-1.0	-5.8	-0.5	3.4	6.1
Asset Class Target				0.1	-7.8	-1.5	2.0	5.1
Strategic Investments	12,790,101,431	6.3	6.2	2.0	9.4	7.1	7.8	7.0
Short-Term Target				0.6	9.1	7.4	7.9	6.4
Active Credit	10,372,685,555	5.1	4.9	-2.8				
Asset Class Target				2.1				
Cash**	2,682,828,318	1.3		0.8	5.2	3.3	2.1	1.6
Bloomberg 1-3 Year Gov/Credit Index				0.0	4.4	1.7	1.6	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.

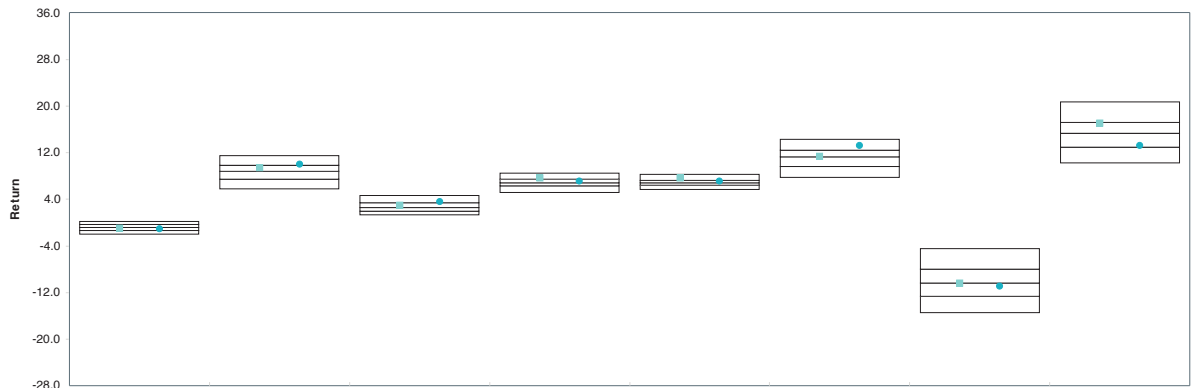
**Performance for the Cash & Central Custody and Enhanced Cash Composite is shown.

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Plan Sponsor Peer Group Analysis

As of December 31, 2024



	1 Quarter	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Total Fund	-0.9 (54)	9.5 (36)	3.0 (42)	7.6 (19)	7.7 (17)	11.4 (47)	-10.4 (51)	17.2 (27)
Performance Benchmark	-1.1 (59)	10.1 (23)	3.6 (19)	7.2 (34)	7.2 (31)	13.3 (12)	-10.9 (58)	13.3 (73)
5th Percentile	0.2	11.5	4.7	8.5	8.3	14.4	-4.4	20.7
1st Quartile	-0.3	9.8	3.4	7.5	7.3	12.4	-8.0	17.2
Median	-0.9	8.9	2.6	6.9	6.8	11.3	-10.3	15.3
3rd Quartile	-1.4	7.5	2.0	6.4	6.4	9.6	-12.7	13.0
95th Percentile	-2.0	5.8	1.3	5.1	5.7	7.8	-15.5	10.2
Population	71	70	66	63	59	194	192	226

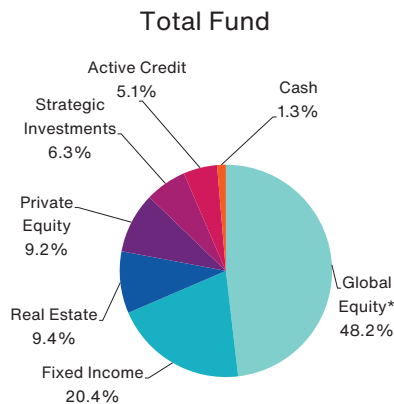
Parenttheses contain percentile rankings.
Universe: All Public Plans > \$1B-Total Fund



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Universe Asset Allocation Comparison¹

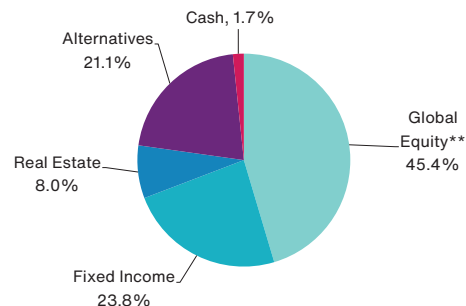
As of December 31, 2024



*Global Equity Allocation: 26.1% Domestic Equities; 14.5% Foreign Equities; 5.9% Global Equities; 1.1 Global Equity Cash; 0.6% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

¹Allocations may not sum too 100.0% due to rounding.

BNY Mellon Public Funds > \$1B Net Universe



**Global Equity Allocation: 29.6% Domestic Equities; 14.3% Foreign Equities.

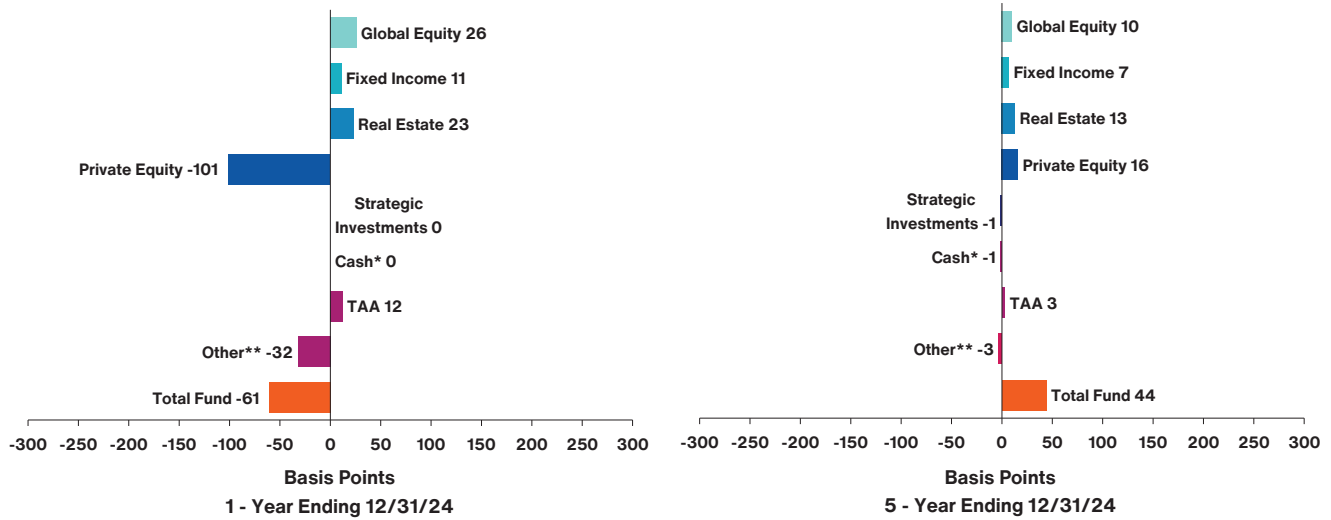


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Attribution

As of December 31, 2024



*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 transition accounts, liquidity portfolios, accounts outside of C&CC, and unexplained differences due to methodology.

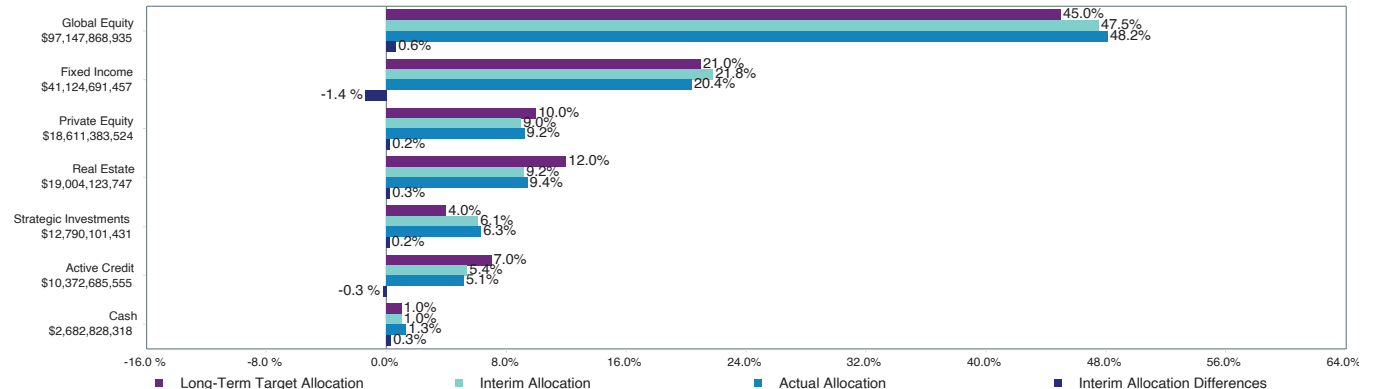


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Asset Allocation Compliance

As of December 31, 2024

	Market Value \$	Current Allocation %	Interim Allocation %	Long-Term Target Allocation %	Minimum Allocation %	Maximum Allocation %
Total Fund	201,733,682,968	100.0	100.0	100.0		
Global Equity	97,147,868,935	48.2	47.5	45.0	35.0	60.0
Fixed Income	41,124,691,457	20.4	21.8	21.0	12.0	30.0
Private Equity	18,611,383,524	9.2	9.0	10.0	6.0	20.0
Real Estate	19,004,123,747	9.4	9.2	12.0	8.0	20.0
Strategic Investments	12,790,101,431	6.3	6.1	4.0	2.0	14.0
Active Credit	10,372,685,555	5.1	5.4	7.0	2.0	12.0
Cash	2,682,828,318	1.3	1.0	1.0	0.3	5.0



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Global Equity

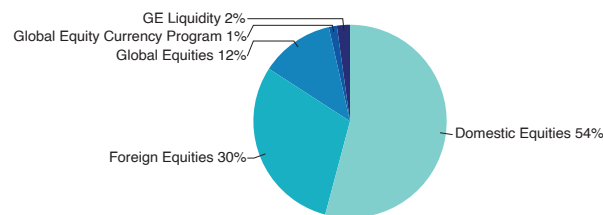
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Global Equity* Portfolio Overview

As of December 31, 2024

Current Allocation
December 31, 2024 : \$97,148M



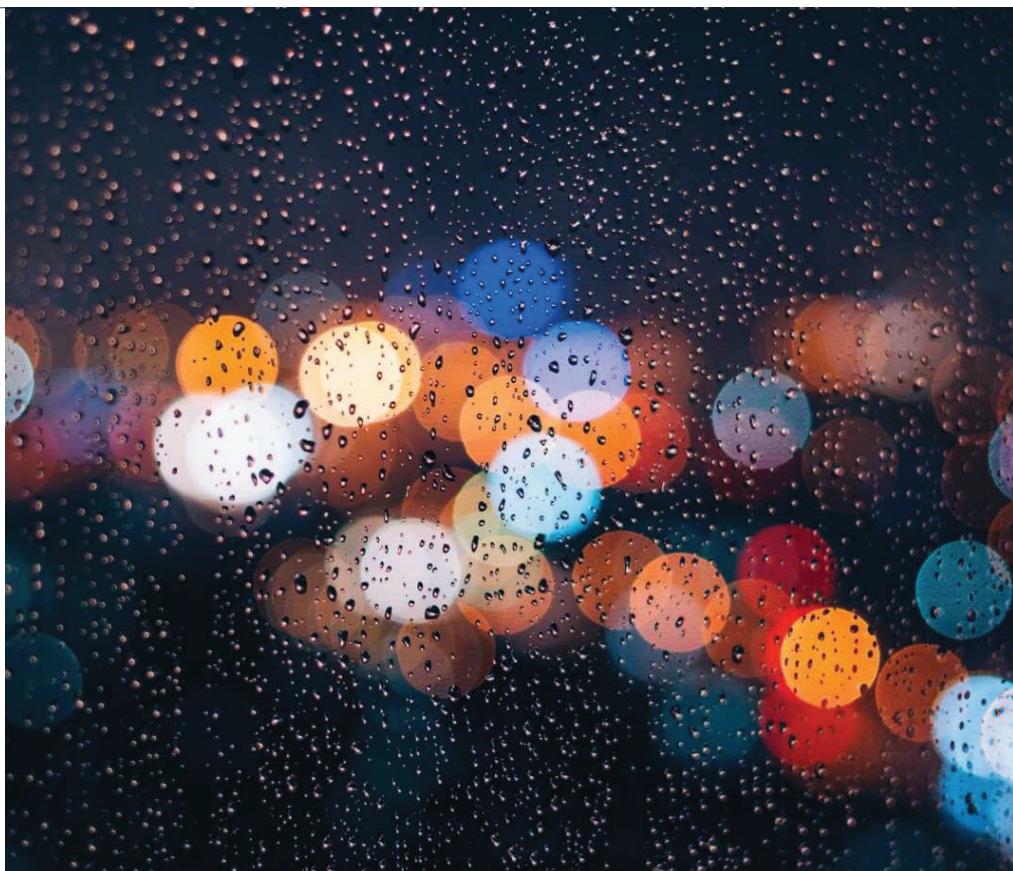
Return Summary



* 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.



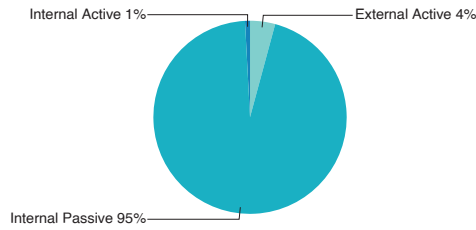
Domestic Equities



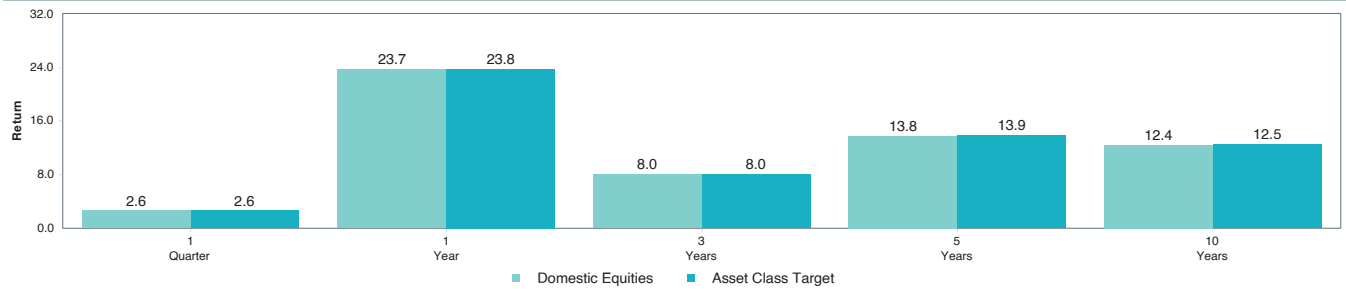
Domestic Equities Portfolio Overview

As of December 31, 2024

Current Allocation
December 31, 2024 : \$52,588M



Return Summary

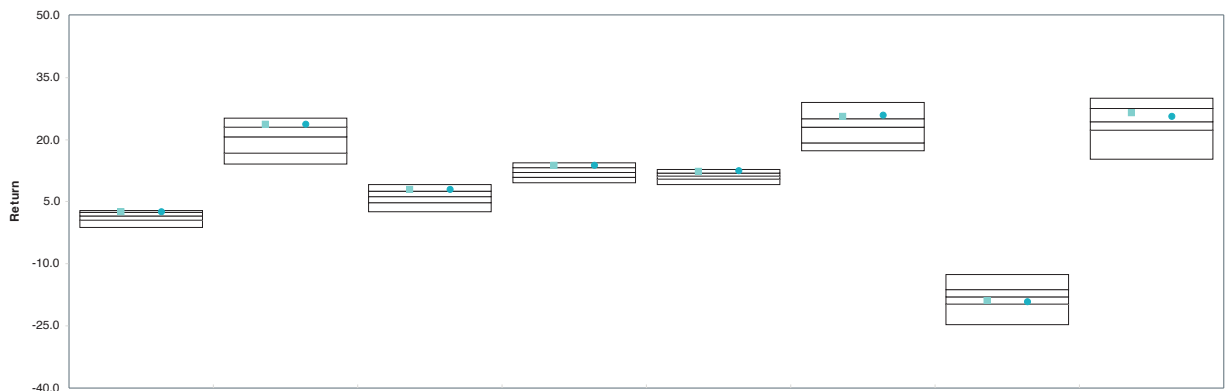


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Domestic Equities Peer Group Analysis

As of December 31, 2024



	1 Quarter	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Domestic Equities	2.6 (18)	23.7 (19)	8.0 (15)	13.8 (17)	12.4 (16)	25.6 (20)	-18.9 (61)	26.6 (30)
Asset Class Target	2.6 (15)	23.8 (19)	8.0 (15)	13.9 (17)	12.5 (13)	26.0 (19)	-19.2 (65)	25.7 (39)
5th Percentile	2.9	25.2	9.1	14.4	12.9	28.9	-12.5	30.0
1st Quartile	2.5	23.0	7.6	13.2	11.9	25.1	-16.2	27.5
Median	1.5	20.7	6.3	12.1	11.1	23.0	-17.9	24.3
3rd Quartile	0.5	16.7	4.7	10.9	10.4	19.3	-19.8	22.2
95th Percentile	-1.2	14.1	2.6	9.6	9.2	17.3	-24.6	15.3
Population	54	53	48	43	38	51	52	56

Parenteses contain percentile rankings.

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Foreign Equities

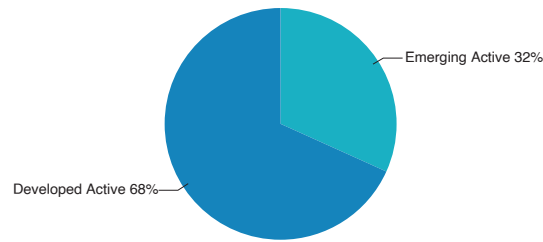
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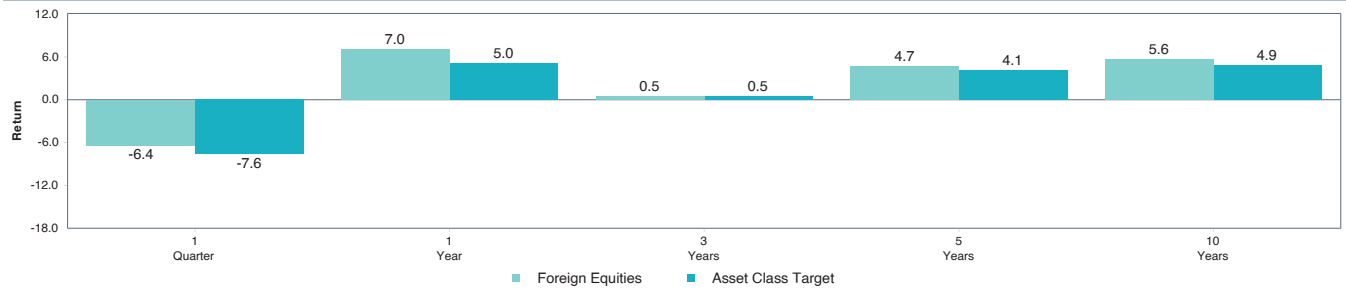
Foreign Equities Portfolio Overview

As of December 31, 2024

Current Allocation
December 31, 2024 : \$29,163M



Return Summary

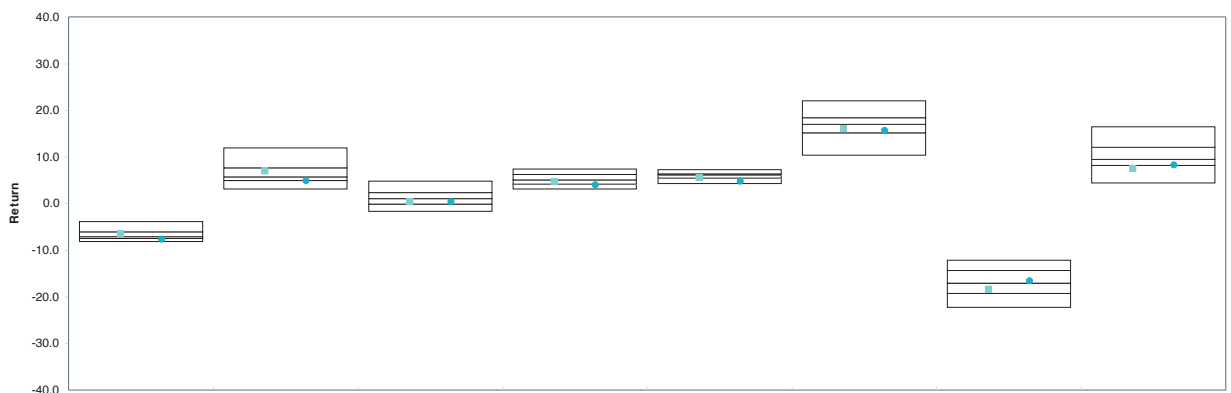


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Foreign Equities Peer Group Analysis

As of December 31, 2024



	1 Quarter	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Foreign Equities	-6.4 (31)	7.0 (36)	0.5 (67)	4.7 (59)	5.6 (70)	16.1 (66)	-18.4 (67)	7.6 (79)
Asset Class Target	-7.6 (81)	5.0 (75)	0.5 (67)	4.1 (78)	4.9 (92)	15.7 (74)	-16.6 (43)	8.4 (69)
5th Percentile	-3.8	12.0	4.8	7.5	7.3	22.1	-12.2	16.5
1st Quartile	-6.0	7.7	2.4	6.3	6.4	18.4	-14.4	12.2
Median	-7.1	5.8	1.1	5.1	6.1	17.0	-17.1	9.5
3rd Quartile	-7.5	5.0	0.0	4.3	5.5	15.3	-19.2	8.3
95th Percentile	-8.2	3.2	-1.6	3.2	4.3	10.4	-22.2	4.5
Population	51	51	49	46	42	51	54	56

Parentheses contain percentile rankings.

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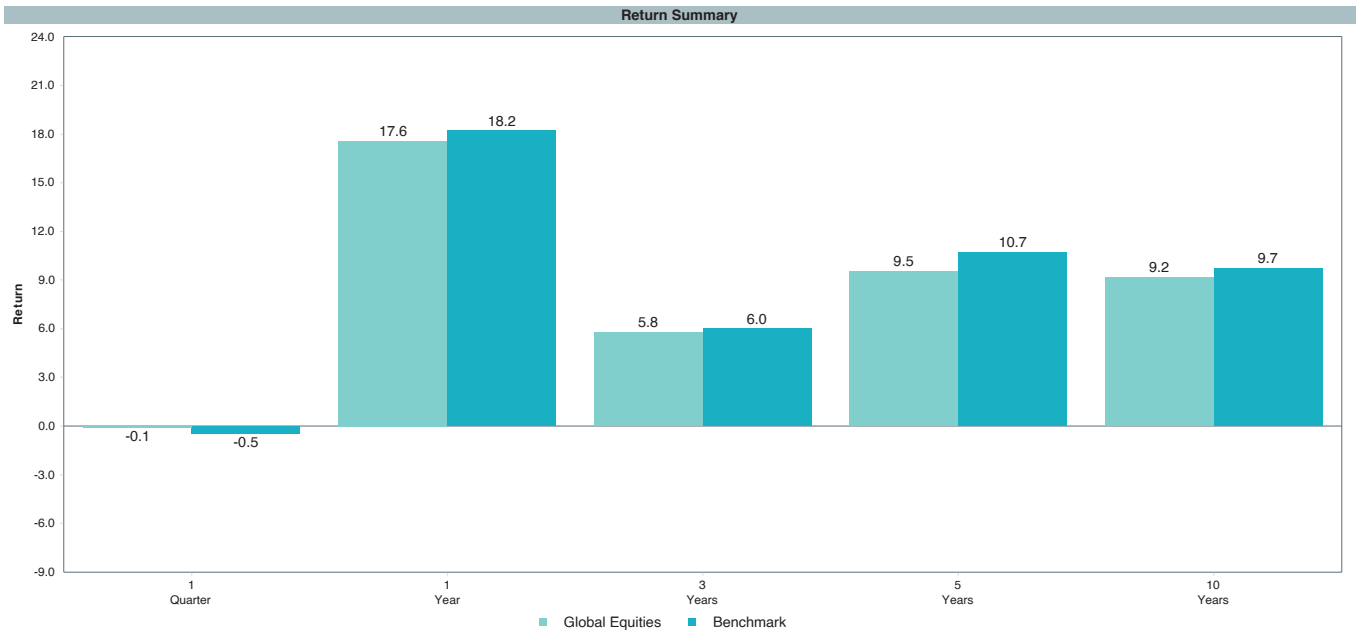
Global Equities

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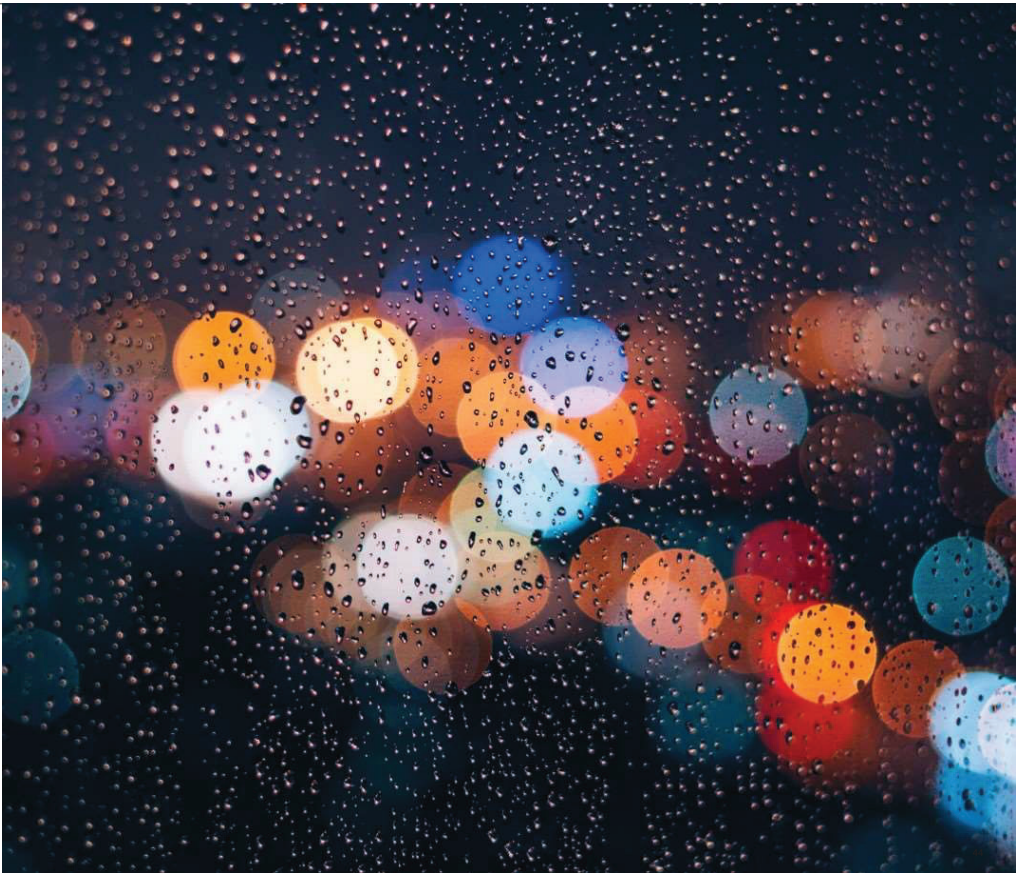


Global Equities Performance Summary

As of December 31, 2024

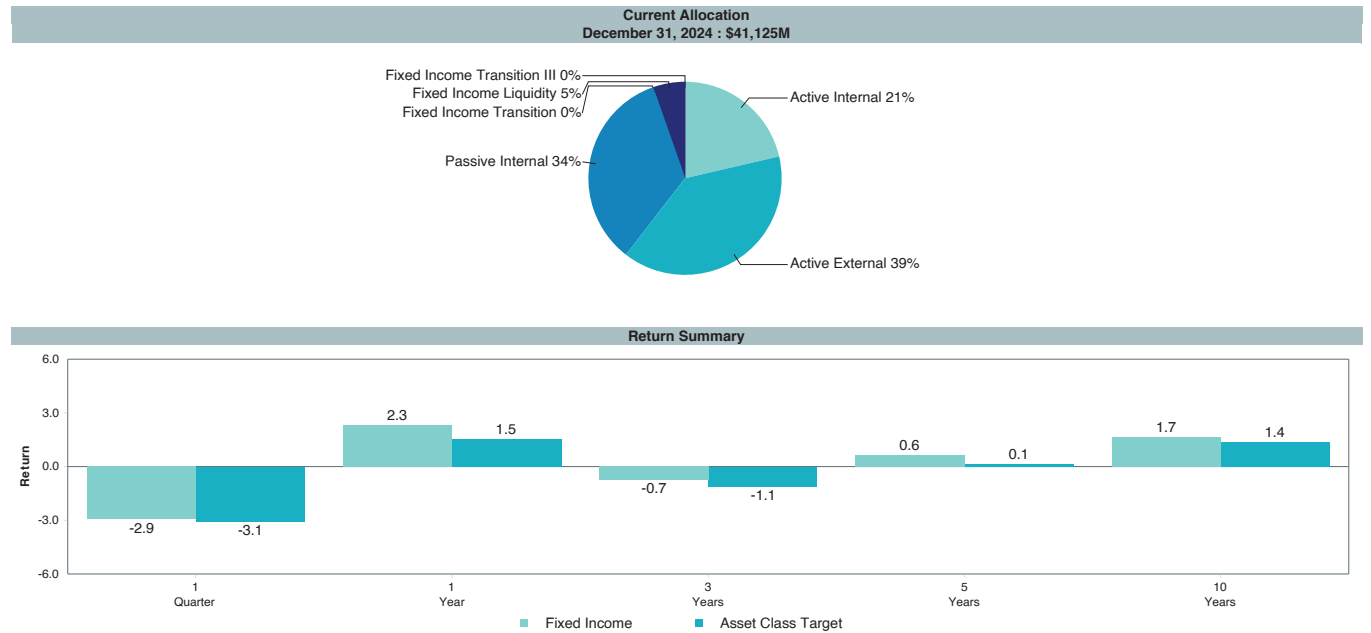


Fixed Income



Fixed Income Portfolio Overview

As of December 31, 2024

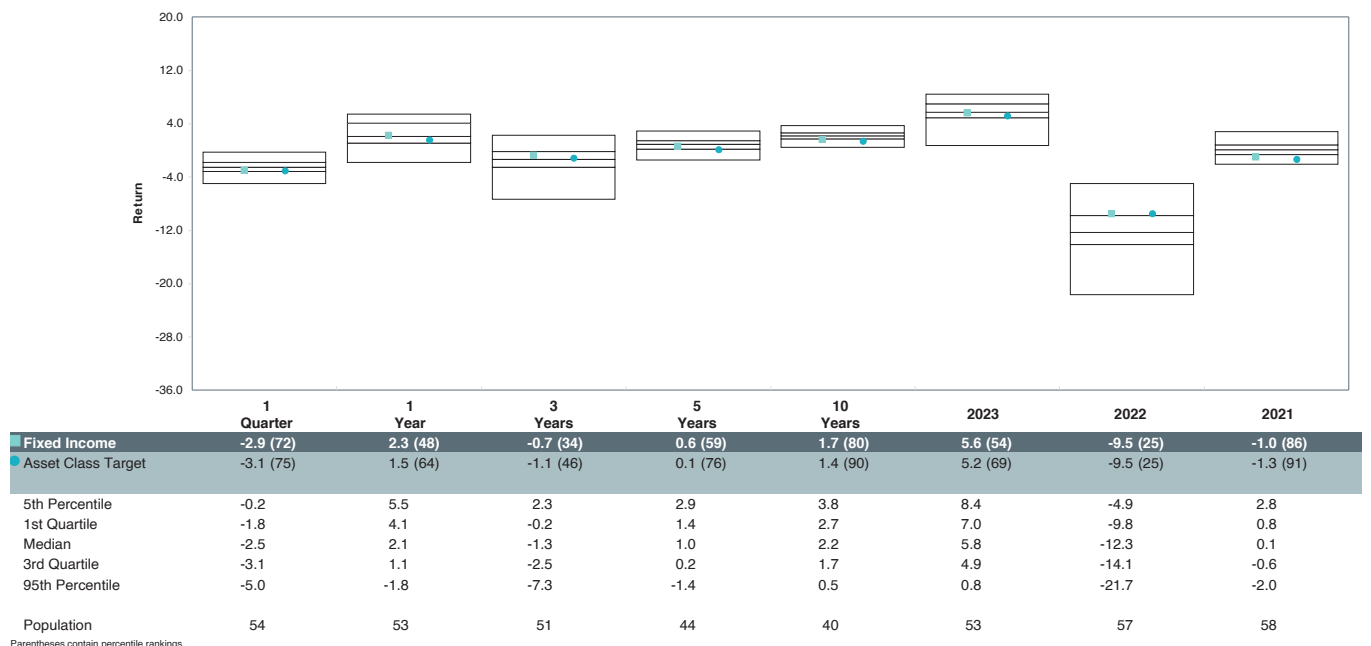


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Fixed Income Peer Group Analysis

As of December 31, 2024



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Private Equity

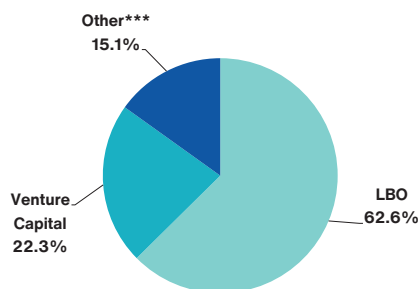
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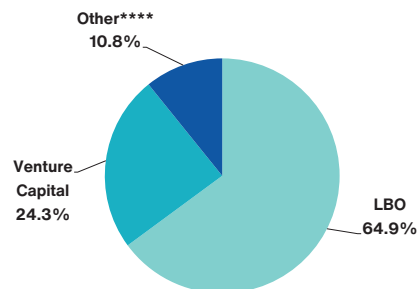
Private Equity Asset Allocation Overview

As of December 31, 2024

FRS Private Equity by Market Value*



Preqin Private Equity Strategies by Market Value**



*Allocation data is as of December 31, 2024.

**Allocation data is as of June 30, 2019, 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 \$4.8 trillion.

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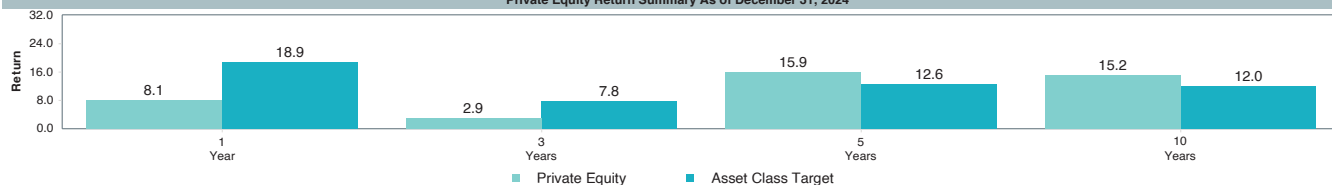
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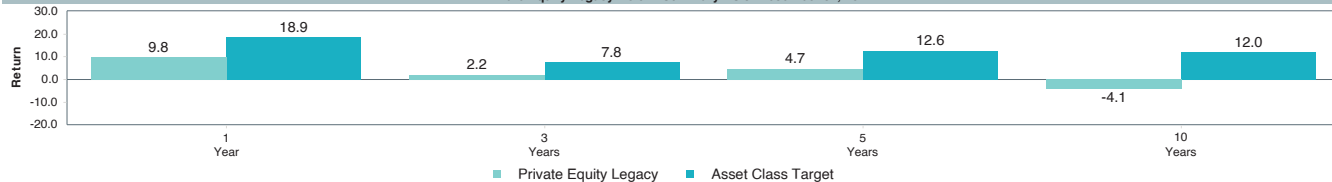
Private Equity Time-Weighted Investment Results

As of December 31, 2024

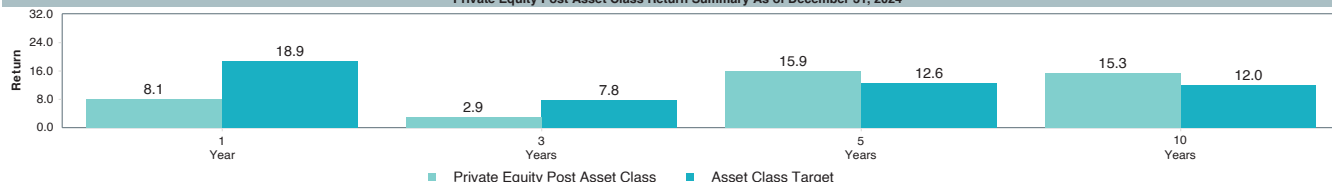
Private Equity Return Summary As of December 31, 2024



Private Equity Legacy Return Summary As of December 31, 2024



Private Equity Post Asset Class Return Summary As of December 31, 2024

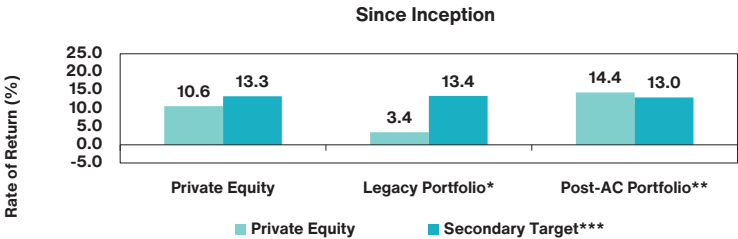
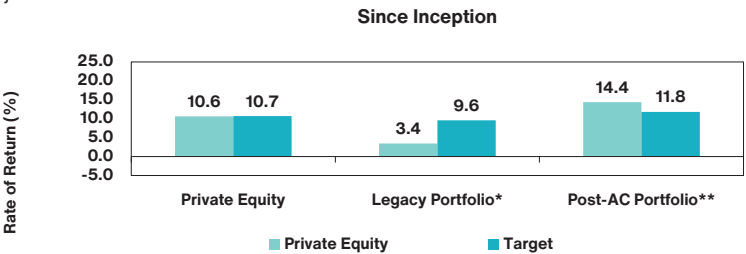


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Dollar-Weighted Investment Results

As of December 31, 2024

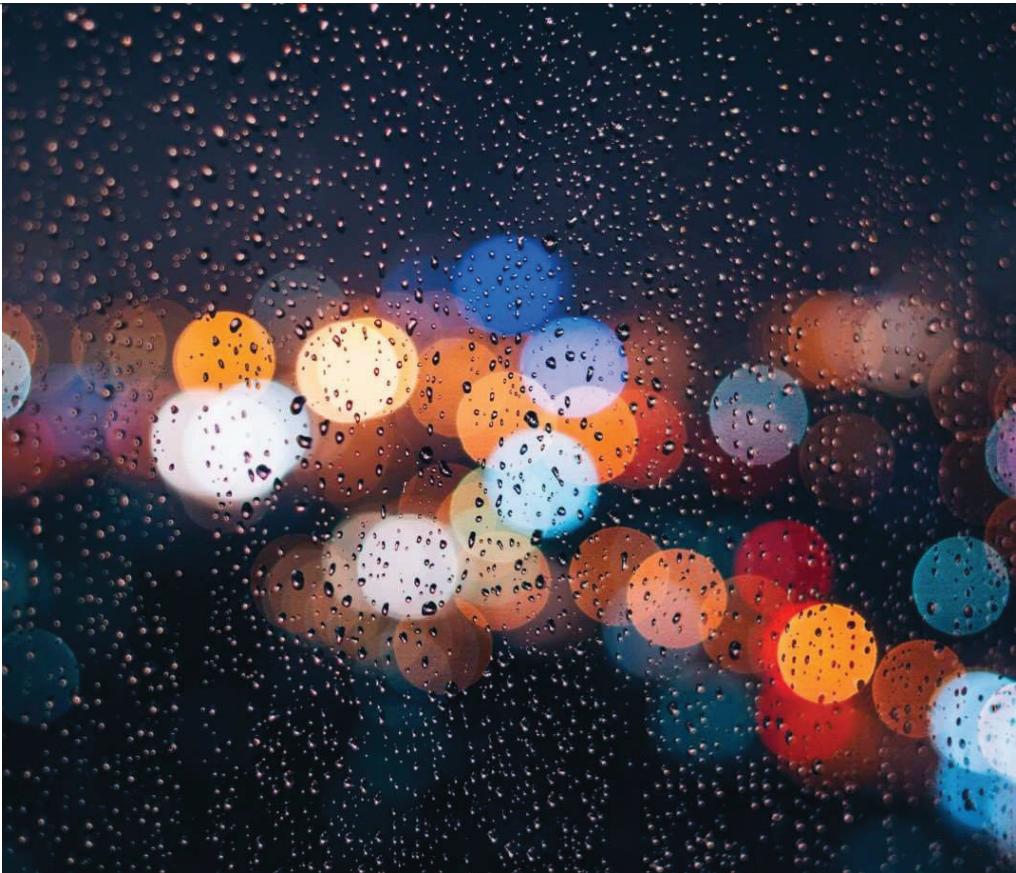


*The Inception Date for the Legacy Portfolio is January 1989.
**The Inception Date for the Post-AC Portfolio is September 2000.
***The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.



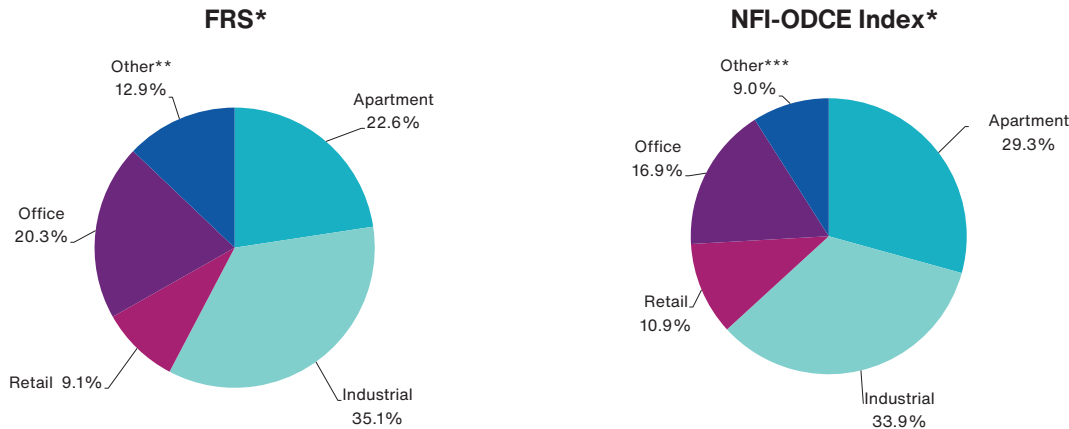
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Real Estate



Real Estate Asset Allocation Overview

As of December 31, 2024



*Property Allocation data is as of September 30, 2024. 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.

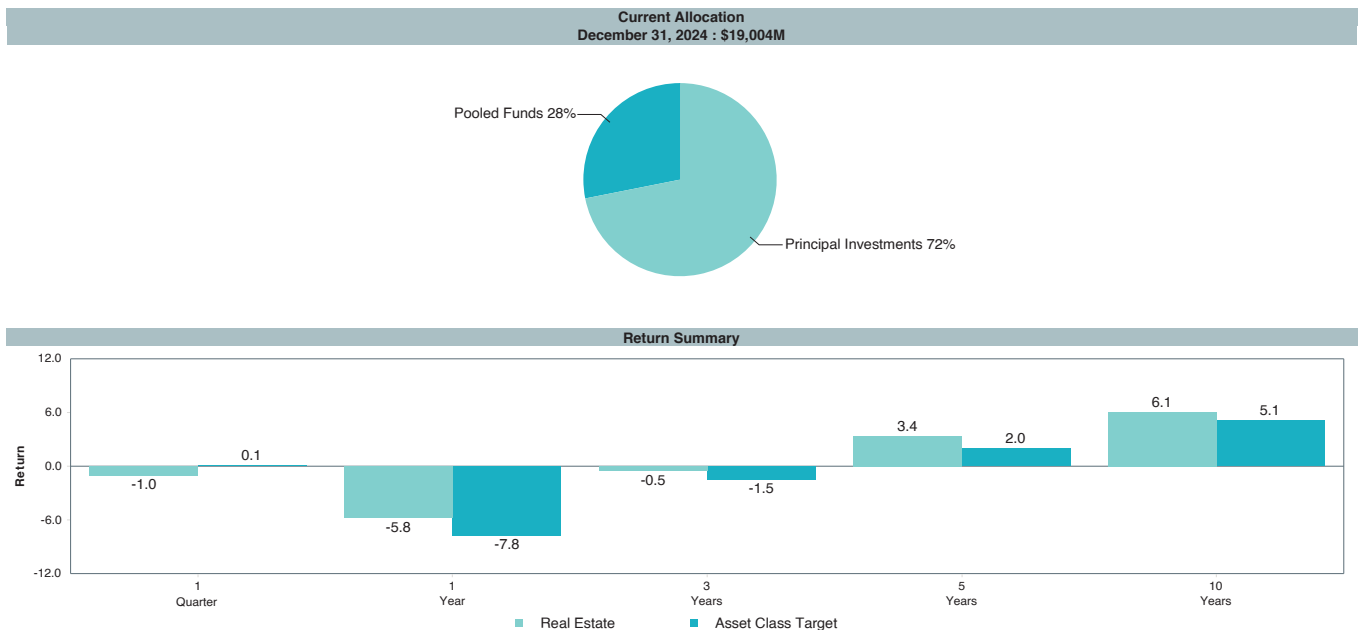
***Other for the NFI-ODCE Index consists of Hotel, Senior Living, Healthcare, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.



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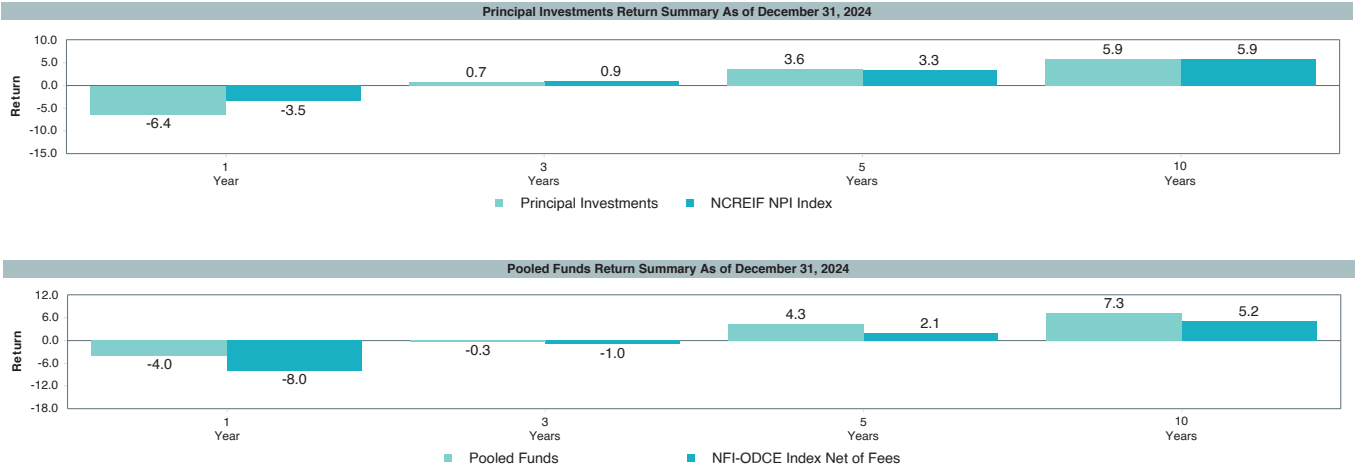
Real Estate Portfolio Overview

As of December 31, 2024

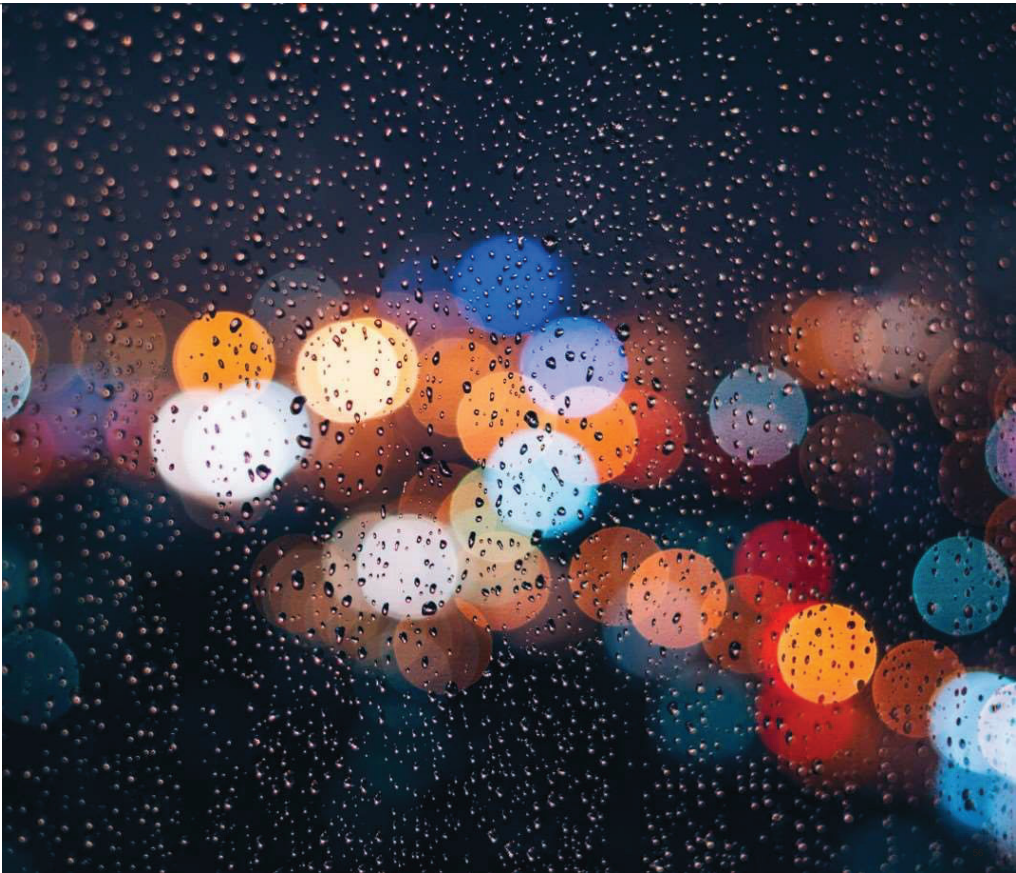


Real Estate Performance Overview

As of December 31, 2024



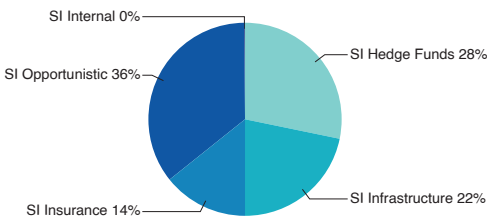
Strategic Investments



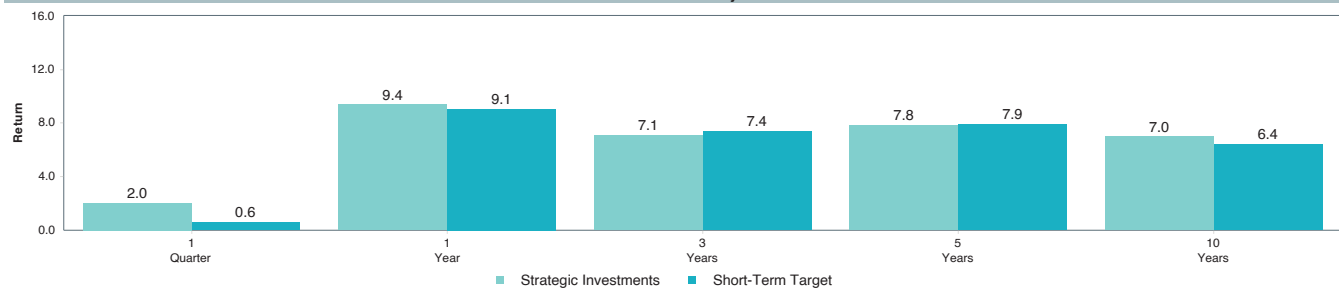
Strategic Investments Portfolio Overview

As of December 31, 2024

Current Allocation
December 31, 2024 : \$12,790M



Return Summary



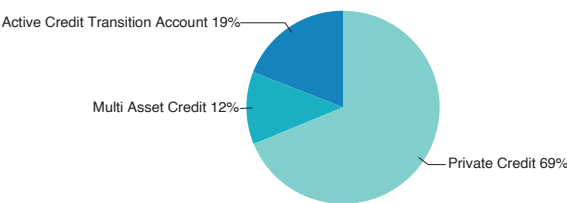
Active Credit



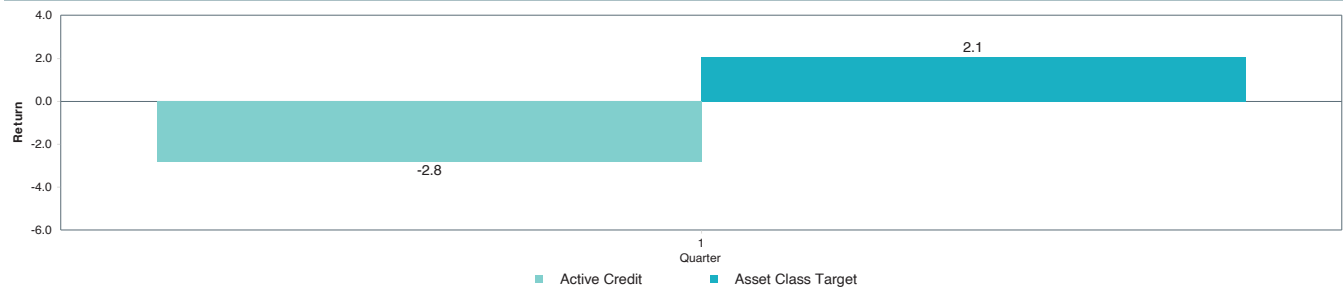
Active Credit Portfolio Overview

As of December 31, 2024

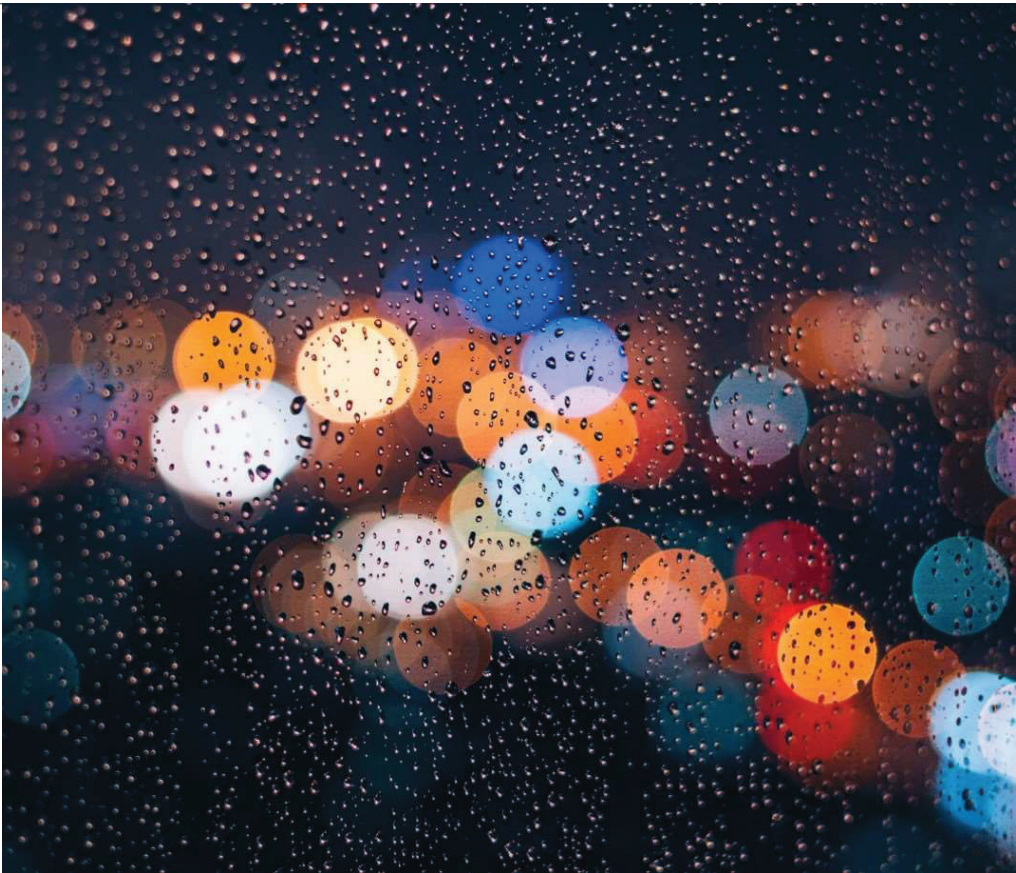
Current Allocation
December 31, 2024 : \$10,373M



Return Summary

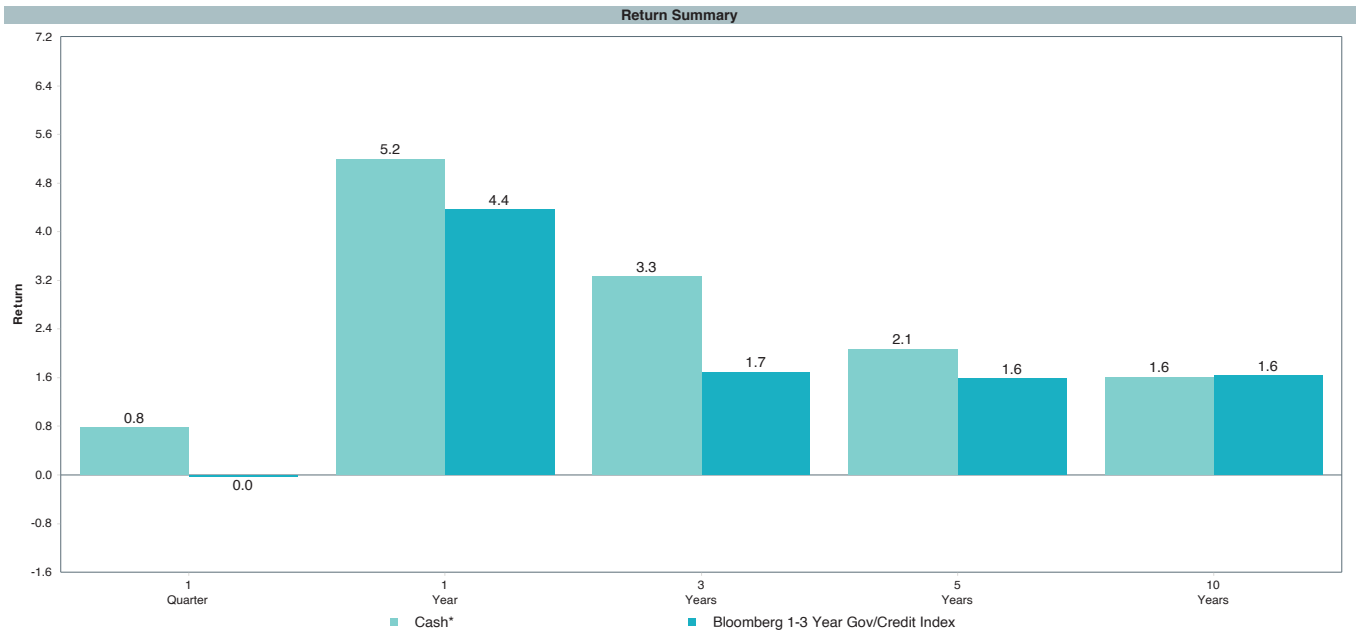


Cash



Cash Performance Summary

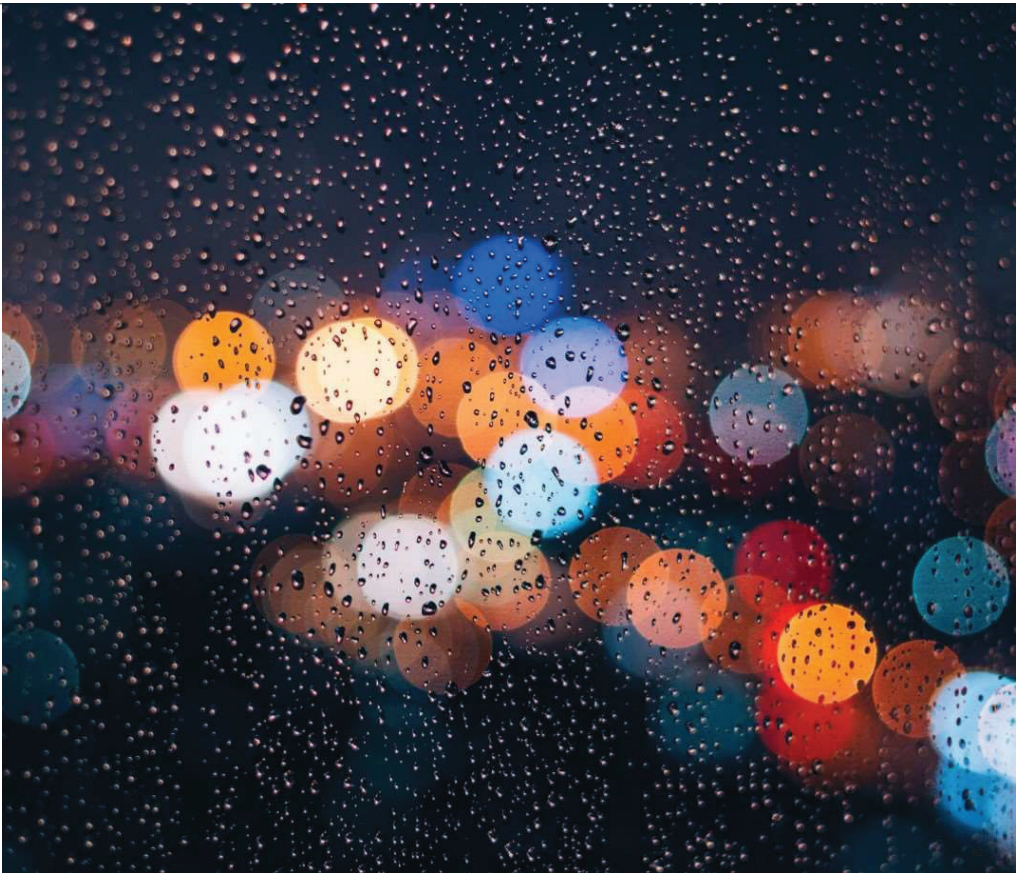
As of December 31, 2024



*Performance for the Cash & Central Custody and Enhanced Cash Composite is shown.



Appendix



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 Bank of America Merrill Lynch 3-Month US Treasury 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. Please refer to section VII. Performance Measurement in the FRS Defined Benefit Plan Investment Policy Statement for more details on the calculation of the Performance Benchmark. 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 (MSCI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect securities and other investments prohibited by Florida law or that would be prohibited by Florida law if acquired as of the date of measurement of such Index notwithstanding that the securities or investments were actually acquired before such date. 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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Appendix

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, 4.0% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmarks. Prior to July 1, 2018, a Performance Benchmark-Long-term, 4.5% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmark.

Total Active Credit

Performance Benchmark- Floating based on public/private mix: (1) High Yield – Bloomberg U.S. High Yield Index; (2) Bank Loans – LSTA Leveraged Loan Index; (3) Emerging Market Debt, adjusted to reflect securities and other investments prohibited by Florida law and SBA policy – Bloomberg Emerging Market Local Currency Government 10% Country Capped, Bloomberg Emerging Market USD Sovereign, and Bloomberg Emerging Market USD Corporate; and (4) Private Credit - LSTA Leveraged Loan Index + 1.75%

Total Cash

Performance Benchmark- Bloomberg Barclays U.S. Treasury Bill: 1-3 month index. Prior to October 1, 2020, it was the Bank of America Merrill Lynch 3-Month US Treasury Index. Prior to July 1, 2018 it was 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

Bloomberg EM Local Currency Government 10% Country Capped Index measures the performance of fixed-rate, local currency emerging market treasury Countries. Securities must have at least one year remaining until final maturity.

Bloomberg EM USD Corporate- Aims to measure US dollar denominated debt issued by emerging market corporations

Bloomberg EM USD Sovereign- Aims to include US dollar-denominated debt issued by emerging market sovereigns, government guaranteed, and 100% government owned emerging market issuers

Bloomberg U.S. Corporate High Yield Bond Index- Measures the USD denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below

Bloomberg 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.

Bloomberg U.S. Treasury Bill: 1-3 month Index- Consists of U.S. Treasury Bills that have a remaining maturity of greater than or equal to 1 month and less than 3 months

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).

Morningstar LSTA Leveraged Loan Index- A market-value weighted index designed to measure the performance of the US leveraged loan, consisting of senior secured, USD denominated, a minimum initial term of 1 year, a base rate +125, and minimum issue size of \$50 million

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.



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Appendix

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.



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Appendix

Description of Universes

Total Fund- A universe comprised of 150 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 \$2.0 trillion as of quarter-end and the average market value was \$13.2 billion.

Domestic Equity- A universe comprised of 52 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 \$1.0 trillion as of quarter-end and the average market value was \$18.5 billion.

Foreign Equity- A universe comprised of 55 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 \$1.0 trillion as of quarter-end and the average market value was \$18.5 billion.

Fixed Income- A universe comprised of 55 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 \$1.1 trillion as of quarter-end and the average market value was \$19.5 billion.

Real Estate- A universe comprised of 42 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 \$1.0 trillion as of quarter-end and the average market value was \$24.1 billion.

Private Equity- An appropriate universe for private equity is unavailable.

Strategic Investments- An appropriate universe for strategic investments is unavailable.

Active Credit- An appropriate universe for strategic investments is unavailable.



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Appendix

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.

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.



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Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.



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Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisors' investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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200 East Randolph Street
Suite 700
Chicago, IL 60601
ATTN: Aon Investments Compliance Officer



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Quarterly
Investment Review

FRS Investment Plan

Fourth Quarter 2024

Investment advice and consulting services provided by Aon Investments USA Inc.

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FRS Investment Plan

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Asset Allocation & Performance

As of December 31, 2024

	Allocation		Performance %				
	Market Value \$	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	18,412,091,391	100.0	-0.5	12.6	3.4	7.4	7.3
<i>Total Plan Aggregate Benchmark</i>			-0.5	12.8	3.9	7.4	7.2
Retirement Date	9,588,848,670	52.1					
FRS Retirement Fund	601,963,086	3.3	-2.1 (72)	6.1 (83)	0.5 (73)	4.2 (30)	4.5 (66)
<i>Retirement Custom Index</i>			-2.2 (78)	5.0 (89)	0.5 (74)	3.9 (65)	4.4 (74)
FRS 2020 Retirement Date Fund	483,667,113	2.6	-1.8 (47)	6.9 (98)	0.8 (77)	4.6 (76)	5.2 (67)
<i>2020 Retirement Custom Index</i>			-2.0 (62)	5.5 (99)	0.8 (77)	4.4 (79)	5.1 (71)
FRS 2025 Retirement Date Fund	1,006,983,220	5.5	-1.6 (16)	8.1 (72)	1.3 (65)	5.3 (62)	6.0 (53)
<i>2025 Retirement Custom Index</i>			-1.7 (34)	6.9 (95)	1.4 (59)	5.2 (63)	5.8 (58)
FRS 2030 Retirement Date Fund	1,217,508,584	6.6	-1.4 (5)	10.2 (33)	2.3 (32)	6.2 (58)	6.8 (46)
<i>2030 Retirement Custom Index</i>			-1.5 (6)	9.2 (74)	2.4 (24)	6.2 (57)	6.6 (53)
FRS 2035 Retirement Date Fund	1,261,813,583	6.9	-1.3 (5)	11.9 (25)	3.1 (20)	7.0 (69)	7.4 (48)
<i>2035 Retirement Custom Index</i>			-1.3 (8)	11.1 (59)	3.2 (14)	7.0 (64)	7.2 (66)
FRS 2040 Retirement Date Fund	1,209,035,965	6.6	-1.2 (12)	12.9 (51)	3.5 (42)	7.6 (83)	7.8 (60)
<i>2040 Retirement Custom Index</i>			-1.2 (13)	12.2 (75)	3.6 (33)	7.6 (80)	7.7 (71)
FRS 2045 Retirement Date Fund	1,253,387,722	6.8	-1.1 (13)	13.4 (71)	3.7 (60)	7.9 (89)	8.1 (73)
<i>2045 Retirement Custom Index</i>			-1.2 (14)	12.8 (83)	3.8 (54)	8.0 (89)	8.0 (90)
FRS 2050 Retirement Date Fund	943,303,071	5.1	-1.1 (15)	13.6 (77)	3.9 (58)	8.2 (87)	8.3 (71)
<i>2050 Retirement Custom Index</i>			-1.2 (17)	13.0 (89)	4.0 (50)	8.2 (87)	8.1 (87)

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Asset Allocation & Performance

As of December 31, 2024

	Allocation		Performance %				
	Market Value \$	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
FRS 2055 Retirement Date Fund	770,946,782	4.2	-1.1 (17)	13.6 (82)	4.0 (55)	8.4 (86)	8.3 (76)
2055 Retirement Custom Index			-1.2 (21)	13.0 (90)	4.0 (55)	8.3 (90)	8.1 (95)
FRS 2060 Retirement Date Fund	743,146,231	4.0	-1.1 (26)	13.6 (89)	4.0 (59)	8.4 (100)	-
2060 Retirement Custom Index			-1.2 (28)	13.0 (98)	4.0 (59)	8.3 (100)	-
FRS 2065 Retirement Date Fund	97,093,313	0.5	-1.1 (26)	13.6 (89)	-	-	-
2065 Retirement Custom Index			-1.2 (28)	13.0 (98)	-	-	-
Stable Value	1,259,672,773	6.8					
FRS Stable Value Fund	1,259,672,773	6.8	0.8 (38)	3.1 (48)	2.5 (57)	-	-
ICE BofA US Treasuries 1-3 Year Index			-0.1 (93)	4.1 (7)	1.5 (93)	-	-
Real Assets	143,232,700	0.8					
FRS Inflation Sensitive Fund	143,232,700	0.8	-3.7	2.4	-1.1	2.6	2.5
FRS Custom Multi-Assets Index			-3.9	2.2	-0.3	2.5	2.8
Fixed Income	573,103,267	3.1	-2.1 (9)	3.5 (10)	-1.0 (13)	0.9 (14)	2.3 (8)
Total Bond Index			-2.2 (9)	2.7 (20)	-1.2 (15)	0.6 (23)	2.0 (20)
FRS U.S. Bond Enhanced Index Fund	228,385,993	1.2	-3.0 (54)	1.6 (60)	-2.2 (46)	-0.2 (63)	1.4 (64)
Blmbg. U.S. Aggregate Index			-3.1 (60)	1.3 (83)	-2.4 (62)	-0.3 (75)	1.3 (72)
FRS Diversified Income Fund	344,717,275	1.9	-2.0 (8)	3.5 (16)	-1.1 (19)	1.0 (23)	2.6 (13)
FRS Diversified Income Custom Index			-2.2 (11)	2.0 (72)	-1.5 (39)	0.5 (52)	2.1 (35)



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Asset Allocation & Performance

As of December 31, 2024

	Allocation		Performance %				
	Market Value \$	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
Domestic Equity	4,417,474,511	24.0	2.4 (31)	22.3 (31)	7.4 (35)	13.1 (30)	12.0 (23)
Total U.S. Equities Index			2.6 (27)	23.2 (29)	7.8 (29)	13.4 (27)	12.0 (23)
FRS U.S. Stock Market Index Fund	2,169,288,177	11.8	2.6 (27)	23.8 (26)	8.0 (24)	13.9 (21)	12.6 (14)
Russell 3000 Index			2.6 (27)	23.8 (27)	8.0 (25)	13.9 (22)	12.5 (16)
FRS U.S. Stock Fund	2,248,186,334	12.2	1.9 (37)	19.9 (41)	6.6 (44)	-	-
Russell 3000 Index			2.6 (27)	23.8 (27)	8.0 (25)	-	-
International/Global Equity	832,848,402	4.5	-7.1 (44)	6.4 (39)	0.6 (44)	5.1 (30)	6.1 (18)
Total Foreign and Global Equities Index			-6.8 (38)	6.8 (36)	1.1 (37)	4.9 (34)	5.5 (31)
FRS Foreign Stock Index Fund	295,959,516	1.6	-7.7 (61)	5.1 (50)	0.6 (45)	4.3 (45)	5.2 (40)
MSCI All Country World ex-U.S. IMI Index			-7.6 (59)	5.2 (49)	0.5 (46)	4.1 (48)	4.9 (46)
FRS Foreign Stock Fund	171,044,733	0.9	-7.6 (59)	6.4 (39)	-1.5 (64)	4.2 (46)	5.8 (22)
MSCI AC World ex USA (Net)			-7.6 (59)	5.5 (46)	0.8 (42)	4.1 (48)	4.8 (50)
FRS Global Stock Fund	365,844,153	2.0	-3.0 (57)	14.1 (40)	2.0 (58)	10.9 (21)	11.2 (7)
MSCI AC World Index (Net)			-1.0 (32)	17.5 (25)	5.4 (29)	10.1 (28)	9.2 (25)
FRS Self-Dir Brokerage Acct	1,596,911,068	8.7					

The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Diversified Income 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 1/2/2014. No performance calculations will be made for the SDBA.



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Asset Allocation & Performance

As of December 31, 2024

	Performance %									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FRS Investment Plan	12.6	15.7	-15.1	14.1	13.1	20.5	-5.7	16.4	8.0	-0.9
<i>Total Plan Aggregate Benchmark</i>	<i>12.8</i>	<i>15.4</i>	<i>-13.8</i>	<i>14.2</i>	<i>11.7</i>	<i>20.0</i>	<i>-5.8</i>	<i>15.5</i>	<i>8.5</i>	<i>-1.3</i>
Retirement Date										
FRS Retirement Fund	6.1 (83)	8.6 (81)	-11.8 (36)	9.6 (1)	10.2 (38)	14.8 (36)	-3.7 (69)	10.8 (24)	6.2 (18)	-2.6 (100)
<i>Retirement Custom Index</i>	<i>5.0 (89)</i>	<i>8.2 (92)</i>	<i>-10.7 (12)</i>	<i>8.9 (9)</i>	<i>9.6 (61)</i>	<i>14.5 (40)</i>	<i>-3.8 (69)</i>	<i>10.4 (41)</i>	<i>6.2 (18)</i>	<i>-1.8 (87)</i>
FRS 2020 Retirement Date Fund	6.9 (98)	9.0 (98)	-12.1 (7)	10.5 (10)	10.5 (69)	16.3 (67)	-4.4 (51)	14.0 (29)	7.4 (22)	-2.1 (100)
<i>2020 Retirement Custom Index</i>	<i>5.5 (99)</i>	<i>9.1 (98)</i>	<i>-11.1 (4)</i>	<i>10.0 (22)</i>	<i>10.2 (72)</i>	<i>16.0 (73)</i>	<i>-4.5 (53)</i>	<i>13.3 (49)</i>	<i>7.1 (25)</i>	<i>-1.6 (85)</i>
FRS 2025 Retirement Date Fund	8.1 (72)	10.3 (94)	-13.0 (14)	11.7 (14)	11.4 (72)	18.2 (75)	-5.2 (51)	16.1 (25)	8.0 (22)	-1.7 (79)
<i>2025 Retirement Custom Index</i>	<i>6.9 (95)</i>	<i>10.8 (89)</i>	<i>-11.9 (6)</i>	<i>11.3 (24)</i>	<i>11.2 (74)</i>	<i>17.8 (82)</i>	<i>-5.3 (56)</i>	<i>15.5 (39)</i>	<i>7.6 (26)</i>	<i>-1.5 (72)</i>
FRS 2030 Retirement Date Fund	10.2 (33)	12.5 (89)	-13.7 (15)	12.8 (29)	12.0 (76)	19.8 (80)	-6.0 (46)	18.0 (27)	8.5 (20)	-1.3 (60)
<i>2030 Retirement Custom Index</i>	<i>9.2 (74)</i>	<i>12.8 (85)</i>	<i>-12.7 (7)</i>	<i>12.4 (40)</i>	<i>12.0 (76)</i>	<i>19.4 (82)</i>	<i>-6.0 (47)</i>	<i>17.3 (46)</i>	<i>8.0 (28)</i>	<i>-1.5 (63)</i>
FRS 2035 Retirement Date Fund	11.9 (25)	14.3 (91)	-14.5 (8)	13.8 (66)	12.6 (85)	21.1 (81)	-6.7 (45)	19.8 (21)	9.1 (16)	-1.4 (54)
<i>2035 Retirement Custom Index</i>	<i>11.1 (59)</i>	<i>14.4 (91)</i>	<i>-13.6 (3)</i>	<i>13.4 (72)</i>	<i>12.7 (84)</i>	<i>20.8 (87)</i>	<i>-6.8 (46)</i>	<i>18.9 (48)</i>	<i>8.3 (37)</i>	<i>-1.7 (62)</i>
FRS 2040 Retirement Date Fund	12.9 (51)	15.7 (94)	-15.2 (9)	14.6 (80)	13.3 (77)	22.5 (77)	-7.5 (51)	20.9 (24)	9.2 (14)	-1.4 (49)
<i>2040 Retirement Custom Index</i>	<i>12.2 (75)</i>	<i>15.8 (94)</i>	<i>-14.4 (5)</i>	<i>14.3 (85)</i>	<i>13.4 (75)</i>	<i>22.1 (82)</i>	<i>-7.5 (51)</i>	<i>20.4 (42)</i>	<i>8.6 (45)</i>	<i>-1.7 (65)</i>
FRS 2045 Retirement Date Fund	13.4 (71)	16.9 (90)	-15.8 (12)	15.4 (90)	13.8 (77)	23.4 (81)	-8.0 (57)	21.5 (24)	9.4 (25)	-1.5 (52)
<i>2045 Retirement Custom Index</i>	<i>12.8 (83)</i>	<i>16.7 (94)</i>	<i>-15.0 (9)</i>	<i>15.1 (91)</i>	<i>13.9 (75)</i>	<i>23.0 (87)</i>	<i>-8.0 (57)</i>	<i>21.2 (41)</i>	<i>8.9 (38)</i>	<i>-1.7 (64)</i>
FRS 2050 Retirement Date Fund	13.6 (77)	17.5 (89)	-16.0 (11)	16.1 (88)	14.0 (75)	24.0 (82)	-8.4 (66)	21.6 (26)	9.5 (24)	-1.5 (61)
<i>2050 Retirement Custom Index</i>	<i>13.0 (89)</i>	<i>17.2 (93)</i>	<i>-15.1 (4)</i>	<i>15.8 (94)</i>	<i>14.1 (72)</i>	<i>23.6 (83)</i>	<i>-8.4 (66)</i>	<i>21.3 (49)</i>	<i>8.9 (42)</i>	<i>-1.7 (66)</i>
FRS 2055 Retirement Date Fund	13.6 (82)	17.8 (89)	-16.0 (12)	16.4 (86)	14.3 (69)	24.1 (88)	-8.4 (60)	21.5 (40)	9.3 (35)	-1.4 (53)
<i>2055 Retirement Custom Index</i>	<i>13.0 (90)</i>	<i>17.2 (92)</i>	<i>-15.1 (2)</i>	<i>16.0 (92)</i>	<i>14.1 (79)</i>	<i>23.7 (90)</i>	<i>-8.4 (60)</i>	<i>21.3 (56)</i>	<i>8.9 (39)</i>	<i>-1.7 (64)</i>



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Asset Allocation & Performance

As of December 31, 2024

	Performance %									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FRS 2060 Retirement Date Fund	13.6 (89)	17.8 (93)	-16.0 (7)	16.4 (80)	14.5 (78)	24.2 (-)	-8.3 (-)	-	-	-
<i>2060 Retirement Custom Index</i>	<i>13.0 (98)</i>	<i>17.2 (96)</i>	<i>-15.1 (1)</i>	<i>16.0 (89)</i>	<i>14.1 (81)</i>	<i>23.7 (-)</i>	<i>-8.4 (-)</i>	-	-	-
FRS 2065 Retirement Date Fund	13.6 (89)	-	-	-	-	-	-	-	-	-
<i>2065 Retirement Custom Index</i>	<i>13.0 (98)</i>	-	-	-	-	-	-	-	-	-
Stable Value										
FRS Stable Value Fund	3.1 (48)	2.7 (78)	1.8 (62)	-	-	-	-	-	-	-
<i>ICE BofA US Treasuries 1-3 Year Index</i>	<i>4.1 (7)</i>	<i>4.3 (12)</i>	<i>-3.6 (94)</i>	-	-	-	-	-	-	-
Real Assets										
FRS Inflation Sensitive Fund	2.4	2.5	-7.7	12.8	4.0	13.0	-5.5	8.1	6.0	-7.9
<i>FRS Custom Multi-Assets Index</i>	<i>2.2</i>	<i>2.9</i>	<i>-5.9</i>	<i>11.5</i>	<i>2.3</i>	<i>13.0</i>	<i>-5.5</i>	<i>8.1</i>	<i>6.2</i>	<i>-5.0</i>
Fixed Income	3.5 (10)	7.1 (15)	-12.4 (16)	-0.3 (15)	8.0 (55)	9.8 (22)	-0.1 (36)	4.4 (22)	4.7 (12)	0.3 (59)
<i>Total Bond Index</i>	<i>2.7 (20)</i>	<i>6.7 (24)</i>	<i>-11.9 (13)</i>	<i>-0.7 (27)</i>	<i>7.2 (84)</i>	<i>9.2 (48)</i>	<i>-0.1 (30)</i>	<i>3.9 (43)</i>	<i>4.3 (17)</i>	<i>0.1 (71)</i>
FRS U.S. Bond Enhanced Index Fund	1.6 (60)	5.9 (55)	-13.1 (34)	-1.7 (68)	7.8 (63)	8.7 (61)	0.0 (23)	3.6 (59)	2.7 (66)	0.7 (26)
<i>Blmbg. U.S. Aggregate Index</i>	<i>1.3 (83)</i>	<i>5.5 (75)</i>	<i>-13.0 (30)</i>	<i>-1.5 (62)</i>	<i>7.5 (72)</i>	<i>8.7 (61)</i>	<i>0.0 (24)</i>	<i>3.5 (63)</i>	<i>2.6 (67)</i>	<i>0.5 (36)</i>
FRS Diversified Income Fund	3.5 (16)	7.7 (11)	-13.2 (47)	-0.1 (21)	8.6 (55)	11.0 (18)	-0.5 (40)	5.3 (28)	5.7 (15)	0.1 (47)
<i>FRS Diversified Income Custom Index</i>	<i>2.0 (72)</i>	<i>6.9 (45)</i>	<i>-12.5 (23)</i>	<i>-0.3 (31)</i>	<i>7.6 (75)</i>	<i>10.0 (41)</i>	<i>-0.4 (36)</i>	<i>4.2 (69)</i>	<i>4.9 (33)</i>	<i>0.2 (43)</i>
Domestic Equity	22.3 (31)	27.1 (23)	-20.4 (69)	24.6 (58)	20.0 (35)	30.1 (38)	-6.5 (49)	20.8 (49)	13.7 (30)	0.7 (32)
<i>Total U.S. Equities Index</i>	<i>23.2 (29)</i>	<i>25.7 (29)</i>	<i>-19.1 (62)</i>	<i>25.9 (44)</i>	<i>18.9 (38)</i>	<i>30.0 (38)</i>	<i>-6.5 (49)</i>	<i>19.6 (57)</i>	<i>14.9 (23)</i>	<i>-0.5 (42)</i>
FRS U.S. Stock Market Index Fund	23.8 (26)	26.0 (27)	-19.2 (62)	25.7 (46)	21.0 (31)	31.1 (28)	-5.2 (36)	21.2 (43)	12.9 (35)	0.6 (32)
<i>Russell 3000 Index</i>	<i>23.8 (27)</i>	<i>26.0 (28)</i>	<i>-19.2 (63)</i>	<i>25.7 (46)</i>	<i>20.9 (31)</i>	<i>31.0 (28)</i>	<i>-5.2 (36)</i>	<i>21.1 (46)</i>	<i>12.7 (37)</i>	<i>0.5 (33)</i>
FRS U.S. Stock Fund	19.9 (41)	30.2 (16)	-22.4 (76)	22.9 (65)	-	-	-	-	-	-
<i>Russell 3000 Index</i>	<i>23.8 (27)</i>	<i>26.0 (28)</i>	<i>-19.2 (63)</i>	<i>25.7 (46)</i>	-	-	-	-	-	-



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Asset Allocation & Performance

As of December 31, 2024

	Performance %									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
International/Global Equity	6.4 (39)	17.1 (40)	-18.2 (54)	9.5 (49)	15.2 (40)	23.7 (38)	-13.5 (33)	28.6 (49)	4.5 (44)	-2.6 (47)
Total Foreign and Global Equities Index	6.8 (36)	16.4 (45)	-16.8 (46)	9.8 (47)	11.7 (51)	22.3 (47)	-14.0 (39)	27.3 (58)	4.9 (41)	-4.4 (54)
FRS Foreign Stock Index Fund	5.1 (50)	16.0 (48)	-16.6 (45)	8.6 (53)	11.5 (51)	22.3 (47)	-14.7 (46)	28.3 (51)	5.3 (38)	-4.4 (54)
MSCI All Country World ex-U.S. IMI Index	5.2 (49)	15.6 (51)	-16.6 (45)	8.5 (53)	11.1 (53)	21.6 (53)	-14.8 (47)	27.8 (54)	4.4 (44)	-4.6 (55)
FRS Foreign Stock Fund	6.4 (39)	16.1 (48)	-22.7 (74)	2.8 (71)	25.3 (17)	27.4 (21)	-14.9 (49)	31.2 (40)	1.0 (68)	-0.5 (36)
MSCI AC World ex USA (Net)	5.5 (46)	15.6 (51)	-16.0 (42)	7.8 (56)	10.7 (55)	21.5 (54)	-14.2 (41)	27.2 (59)	4.5 (43)	-5.7 (59)
FRS Global Stock Fund	14.1 (40)	25.0 (23)	-25.6 (70)	18.1 (45)	33.8 (23)	30.5 (25)	-5.6 (21)	29.3 (18)	2.2 (84)	5.6 (12)
MSCI AC World Index (Net)	17.5 (25)	22.2 (33)	-18.4 (49)	18.5 (40)	16.3 (45)	26.6 (47)	-9.4 (52)	24.0 (41)	7.9 (47)	-2.4 (57)

The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Diversified Income Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.



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Asset Allocation - FRS Investment Plan

As of December 31, 2024

Asset Allocation as of 12/31/2024								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Stable Value	Brokerage	Total	% of Total
FRS Retirement Fund	104,139,614	55,982,567	315,428,657	126,412,248			601,963,086	3.3%
FRS 2020 Retirement Date Fund	99,151,758	53,687,050	219,101,202	111,727,103			483,667,113	2.6%
FRS 2025 Retirement Date Fund	251,745,805	134,935,752	383,660,607	236,641,057			1,006,983,220	5.5%
FRS 2030 Retirement Date Fund	426,128,004	230,109,122	333,597,352	227,674,105			1,217,508,584	6.6%
FRS 2035 Retirement Date Fund	543,841,654	292,740,751	228,388,258	196,842,919			1,261,813,583	6.9%
FRS 2040 Retirement Date Fund	581,546,299	313,140,315	147,502,388	166,846,963			1,209,035,965	6.6%
FRS 2045 Retirement Date Fund	634,214,187	342,174,848	121,578,609	155,420,077			1,253,387,722	6.8%
FRS 2050 Retirement Date Fund	487,687,688	262,238,254	87,727,186	105,649,944			943,303,071	5.1%
FRS 2055 Retirement Date Fund	398,579,486	214,323,205	71,698,051	86,346,040			770,946,782	4.2%
FRS 2060 Retirement Date Fund	384,206,602	206,594,652	69,112,600	83,232,378			743,146,231	4.0%
FRS 2065 Retirement Date Fund	50,197,243	26,991,941	9,029,678	10,874,451			97,093,313	0.5%
Total Retirement Date Funds	\$ 3,961,438,340	\$ 2,132,918,457	\$ 1,986,824,587	\$ 1,507,667,285	\$ -	\$ -	\$ 9,588,848,669	52.1%
FRS Stable Value Fund					1,259,672,773		1,259,672,773	6.9%
Total Stable Value	\$ -	\$ -	\$ -	\$ -	\$ 1,259,672,773	\$ -	\$ 1,259,672,773	6.9%
FRS Inflation Adjusted Multi-Assets Fund				143,232,699	-		143,232,699	0.8%
Total Real Assets	\$ -	\$ -	\$ -	\$ 143,232,699	\$ -	\$ -	\$ 143,232,699	0.8%
FRS U.S. Bond Enhanced Index Fund			228,385,993				228,385,993	1.2%
FRS Diversified Income Fund			344,717,275				344,717,275	1.9%
Total Fixed Income	\$ -	\$ -	\$ 573,103,267	\$ -	\$ -	\$ -	\$ 573,103,267	3.1%
FRS U.S. Stock Market Index Fund	2,169,288,177						2,169,288,177	11.8%
FRS U.S. Stock Fund	2,248,186,334						2,248,186,334	12.2%
Total Domestic Equity	\$ 4,417,474,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,417,474,511	24.0%
FRS Foreign Stock Index Fund		295,959,516					295,959,516	1.6%
FRS Global Stock Fund		365,844,153					365,844,153	2.0%
FRS Foreign Stock Fund		171,044,733					171,044,733	0.9%
Total International/Global Equity	\$ -	\$ 832,848,402	\$ -	\$ -	\$ -	\$ -	\$ 832,848,402	4.5%
FRS Self-Dir Brokerage Acct						1,596,911,068	1,596,911,068	8.7%
Total Self-Dir Brokerage Acct						\$ 1,596,911,068	\$ 1,596,911,068	8.7%
Total Portfolio	\$ 8,378,912,850	\$ 2,965,766,858	\$ 2,559,927,854	\$ 1,650,899,984	\$ 1,259,672,773	\$ 1,596,911,068	\$ 18,412,091,389	100.0%
Percent of Total	45.5%	16.1%	13.9%	9.0%	6.8%	8.7%	100.0%	

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.



Investment advice and consulting services provided by Aon Investments USA Inc.

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Multi Time Period Statistics

As of December 31, 2024

	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	3.41	12.61	0.02	0.69	-0.64	100.72	103.68
FRS Retirement Fund	0.53	9.77	-0.29	0.65	0.09	101.36	101.00
FRS 2020 Retirement Date Fund	0.79	10.07	-0.26	0.71	-0.03	99.49	99.59
FRS 2025 Retirement Date Fund	1.26	10.85	-0.19	0.79	-0.22	98.73	99.72
FRS 2030 Retirement Date Fund	2.28	11.97	-0.07	0.79	-0.20	99.67	100.60
FRS 2035 Retirement Date Fund	3.06	12.96	0.00	0.81	-0.18	100.27	101.20
FRS 2040 Retirement Date Fund	3.51	13.77	0.04	0.85	-0.12	100.75	101.51
FRS 2045 Retirement Date Fund	3.74	14.43	0.06	0.91	-0.08	101.52	102.31
FRS 2050 Retirement Date Fund	3.88	14.75	0.07	0.94	-0.07	101.68	102.46
FRS 2055 Retirement Date Fund	3.96	14.96	0.08	1.00	0.03	102.73	103.31
FRS 2060 Retirement Date Fund	3.97	14.95	0.08	0.99	0.04	102.73	103.25
FRS 2065 Retirement Date Fund	-	-	-	-	-	-	-
FRS Stable Value Fund	2.53	0.16	-3.14	0.42	-3.48	62.93	-
FRS Inflation Sensitive Fund	-1.05	9.10	-0.49	1.06	-0.70	93.82	99.32
FRS U.S. Bond Enhanced Index Fund	-2.24	7.92	-0.75	0.26	0.68	101.80	100.06
FRS Diversified Income Fund	-1.09	7.46	-0.64	0.65	0.66	99.28	95.63
FRS U.S. Stock Market Index Fund	8.04	17.82	0.31	0.03	1.30	100.10	99.97
FRS U.S. Stock Fund	6.60	18.94	0.23	2.14	-0.52	101.59	107.44
FRS Foreign Stock Index Fund	0.58	17.12	-0.11	2.46	0.08	107.34	107.00
FRS Global Stock Fund	1.99	18.16	-0.01	3.65	-0.83	100.21	114.75
FRS Foreign Stock Fund	-1.54	17.98	-0.21	4.66	-0.45	109.24	119.92

The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Diversified Income Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.



11

Multi Time Period Statistics

As of December 31, 2024

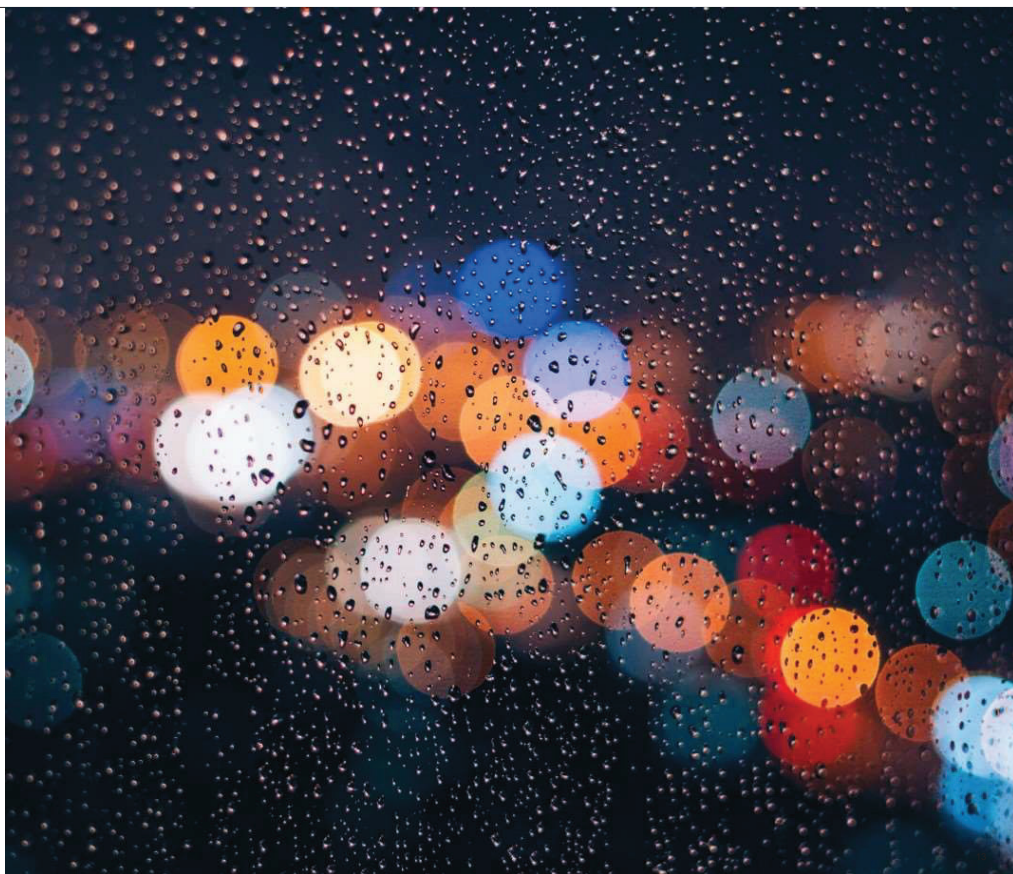
	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio	5 Years Up Market Capture	5 Years Down Market Capture
FRS Investment Plan	7.36	13.13	0.42	0.69	-0.04	101.67	102.79
FRS Retirement Fund	4.19	9.42	0.22	0.60	0.46	101.83	100.02
FRS 2020 Retirement Date Fund	4.57	10.05	0.25	0.67	0.19	99.87	98.75
FRS 2025 Retirement Date Fund	5.26	11.14	0.30	0.71	0.02	99.36	98.98
FRS 2030 Retirement Date Fund	6.22	12.38	0.35	0.71	-0.03	99.77	99.81
FRS 2035 Retirement Date Fund	7.00	13.46	0.39	0.72	-0.06	99.99	100.25
FRS 2040 Retirement Date Fund	7.56	14.43	0.41	0.74	-0.05	100.22	100.56
FRS 2045 Retirement Date Fund	7.94	15.24	0.42	0.77	-0.04	100.72	101.25
FRS 2050 Retirement Date Fund	8.22	15.70	0.43	0.80	-0.02	100.76	101.23
FRS 2055 Retirement Date Fund	8.38	15.90	0.43	0.83	0.15	101.67	101.84
FRS 2060 Retirement Date Fund	8.41	15.89	0.43	0.83	0.18	101.73	101.77
FRS 2065 Retirement Date Fund	-	-	-	-	-	-	-
FRS Stable Value Fund	-	-	-	-	-	-	-
FRS Inflation Sensitive Fund	2.60	9.47	0.06	1.04	0.13	98.74	97.28
FRS U.S. Bond Enhanced Index Fund	-0.20	6.51	-0.38	0.24	0.55	102.29	100.75
FRS Diversified Income Fund	0.98	6.77	-0.18	1.38	0.38	108.28	102.55
FRS U.S. Stock Market Index Fund	13.91	18.83	0.66	0.03	1.54	100.10	99.95
FRS U.S. Stock Fund	-	-	-	-	-	-	-
FRS Foreign Stock Index Fund	4.26	17.98	0.19	1.98	0.10	103.97	104.04
FRS Global Stock Fund	10.88	19.16	0.51	4.07	0.25	107.62	106.68
FRS Foreign Stock Fund	4.22	18.80	0.18	4.65	0.08	109.12	109.73

The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Diversified Income Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.



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Appendix



Benchmark Descriptions

Retirement Date Benchmarks - A weighted average composite of the underlying components' benchmarks for each fund.

ICE BofA US Treasuries 1-3 Year Index - An unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

FRS Custom Multi-Assets Index - A monthly weighted composite of underlying indices for each TIPS and Real Assets fund. These indices include Barclays U.S. TIPS Index, MSCI AC World Index and the Bloomberg Commodity Total Return Index, NAREIT Developed Index, S&P Global Infrastructure Index, S&P Global Natural Resources 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.

FRS Diversified Income Custom Index - A monthly rebalanced blend of 80% Barclays U.S. Aggregate Bond Index and 20% 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.

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 24 emerging countries, excluding the U.S. market.

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 23 developed and 24 emerging countries, but excluding the U.S.

MSCI All Country World Index - A capitalization-weighted index of stocks representing approximately 47 developed and emerging countries, including the U.S. and Canadian markets.



Descriptions of Universes

Retirement Date Funds - Target date universes calculated and provided by Lipper.

FRS Stable Value Fund - A stable value universe calculated and provided by Lipper.

FRS U.S. Bond Enhanced Index Fund - A broad market core fixed income universe calculated and provided by Lipper.

FRS Diversified Income Fund - A broad market core plus fixed income universe calculated and provided by Lipper.

FRS U.S. Stock Market Index Fund - A multi-cap U.S. equity universe calculated and provided by Lipper.

FRS U.S. Stock Fund - A multi-cap U.S. equity universe calculated and provided by Lipper.

FRS Foreign Stock Index Fund - A foreign blend universe calculated and provided by Lipper.

FRS Foreign Stock Fund - A foreign blend universe calculated and provided by Lipper.

FRS Global Stock Fund - A global stock universe calculated and provided by Lipper.



Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.



Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisor's investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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