

MEETING OF THE STATE BOARD OF ADMINISTRATION

GOVERNOR DESANTIS AS CHAIR
CHIEF FINANCIAL OFFICER PATRONIS
ATTORNEY GENERAL MOODY

October 25, 2023

To View Agenda Items, Click on the Following Link:

www.sbafla.com

- ITEM 1. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$86,700,000 STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF NORTH FLORIDA DORMITORY REVENUE BONDS, SERIES (TO BE DETERMINED)**

(See Attachment 1)

ACTION REQUIRED

- ITEM 2. 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 SECOND QUARTER OF 2023, (SECTION 218.409(6)(a)1, F.S.)**

(See Attachment 2)

ACTION REQUIRED

- ITEM 3. REQUEST APPROVAL OF FLORIDA PRIME 2023 BEST PRACTICES REVIEW**

(See Attachment 3)

ACTION REQUIRED

- ITEM 4. REQUEST APPROVAL OF 2023 LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND STATUTORY COMPLIANCE REVIEW**

(See Attachment 4)

ACTION REQUIRED

- ITEM 5. 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 5)

ACTION REQUIRED

ITEM 6. REQUEST APPROVAL OF REVISIONS TO THE STATE BOARD OF ADMINISTRATION'S CORPORATE GOVERNANCE PRINCIPLES AND PROXY VOTING GUIDELINES

Adding language to SBA's Corporate Governance and Proxy Voting Guidelines which conform to HB 3-Government and Corporate Activism, effective July 1, 2023. The revised materials also include updated references to relevant rules and materials.

(See Attachment 6)

ACTION REQUIRED

ITEM 7. REQUEST APPROVAL OF THE REVISIONS TO THE INVESTMENT POLICY STATEMENT FOR THE FLORIDA RETIREMENT SYSTEM PENSION PLAN AS REQUIRED UNDER S. 215.475(2), F.S.

The Investment Policy Statement, required pursuant to s. 215.475, is the principal vehicle through which the Trustees establish an investment objective(s), asset allocation, and address associated policy issues for the FRS Pension Plan.

- A. Adding language to Investment Policy Statement which conforms to House Bill 3 – Government and Corporate Activism effective July 1, 2023. HB 3 revises provisions relating to the investment of retirement system and trust fund assets, associated governance policies, and certain related reporting requirements. The State Board of Administration (SBA) is required to 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.
- B. This past year, the State Board of Administration (SBA) staff and SBA investment consultants performed in-depth analyses of the Pension Plan's assets and liabilities (asset liability study), the structure of the Strategic Investments asset class, and overall asset allocation. The purpose of these analyses was to reassess the Pension Plan's investment policy and asset allocation considering the latest actuarial study and capital market expectations. Prior to recommended changes in the Investment Policy Statement being presented to the Trustees, the Interim Executive Director of the Board presented such changes to the Investment Advisory Council for review on June 27, 2023. The Investment Advisory Council approved the proposed investment policy and asset allocation changes which materially reduces the Pensions Plan's risk while maintaining the level of its investment return. The proposed changes to the Investment Policy Statement will be implemented over a reasonable period of time based upon market conditions and liquidity.

(See Attachments 7A and 7B)

ACTION REQUIRED

ITEM 8. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE FOR FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT, AND TO FILE THIS RULE, ALONG WITH THE INCORPORATED FORMS, FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED

(See Attachment 8)

ACTION REQUIRED

Meeting of the State Board of Administration

October 25, 2023

Page 3

ITEM 9. REQUEST APPOINTMENT OF THE CHAIR FOR THE FLORIDA COMMISSION ON HURRICANE LOSS PROJECTION METHODOLOGY

Each year, the SBA is required by Section 627.0628(2)(d), F.S., to appoint a Commission member to serve as Chair. It is recommended that Steve Paris be appointed to serve as Chair. A copy of Mr. Paris' biography and a list of all Commission members are provided.

(See Attachment 9)

ACTION REQUIRED

ITEM 10. APPOINTMENT(S) - FLORIDA HURRICANE CATASTROPHE FUND ADVISORY COUNCIL

(See Attachment 10)

ACTION REQUIRED

ITEM 11. REQUEST ANNUAL APPROVAL OF THE CHARTER OF THE AUDIT COMMITTEE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA (CHARTER)

Pursuant to Sections 215.44, F.S., the Audit Committee was created to assist the Board in fulfilling its oversight responsibilities. The Charter was last approved in August 2022. There are no changes to the Charter approved by the Audit Committee on August 21, 2023.

(See Attachment 11)

ACTION REQUIRED

ITEM 12. QUARTERLY REPORTS PURSUANT TO SECTION 215.44 (2)(e), FLORIDA STATUTES

- **Interim Executive Director & CIO 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)
- **Investment Advisory Council Recommendation to amend and include Interim Executive Director/CIO in the Incentive Compensation Plan**

(See Attachment 12)

ACTION REQUIRED

ITEM 13. APPOINTMENT(S) – INVESTMENT ADVISORY COUNCIL

(See Attachment 13)

ACTION REQUIRED

- ITEM 14. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA DETERMINING THAT THE ISSUANCE OF PRE-EVENT REVENUE BONDS WOULD MAXIMIZE THE CAPACITY OF THE FLORIDA HURRICANE CATASTROPHE FUND (THE "FUND") AND THE ABILITY OF THE FUND TO MEET FUTURE OBLIGATIONS; REQUESTING THE STATE BOARD OF ADMINISTRATION FINANCE CORPORATION ISSUE PRE-EVENT REVENUE BONDS, FROM TIME TO TIME, IN AN AGGREGATE PRINCIPAL AMOUNT UP TO, BUT NOT EXCEEDING, \$3.8 BILLION IF IN THE DETERMINATION OF THE PRESIDENT OF THE CORPORATION, SUCH ISSUANCE IS NECESSARY TO MAXIMIZE THE ABILITY OF THE FLORIDA HURRICANE CATASTROPHE FUND TO MEET FUTURE OBLIGATIONS.

(See Attachment 14)

ACTION REQUIRED

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

Governor DeSantis, Chair
Chief Financial Officer Patronis
Attorney General Moody
J. Ben Watkins, III
Gina Wilson, President


- ITEM 1. REQUEST ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF PRE-EVENT REVENUE BONDS OR NOTES, FROM TIME TO TIME, IN AN AGGREGATE PRINCIPAL AMOUNT UP TO BUT NOT EXCEEDING \$3,800,000,000 UPON DETERMINATION OF THE CORPORATION PRESIDENT THAT ISSUANCE IS NECESSARY.**

(See Attachment 1 [Resolution and Exhibits A-F] of the meeting of the State Board of Administration on)

ACTION REQUIRED

This Page Intentionally Left Blank

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

TO: Lamar Taylor
FROM: Ben Alonzo 
SUBJECT: Fiscal Sufficiency
DATE: October 2, 2023

**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$86,700,000
STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF NORTH FLORIDA
DORMITORY REVENUE BONDS, SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$86,700,000 State of Florida, Board of Governors, University of North Florida Dormitory Revenue Bonds, Series (to be determined) (the "Bonds"), for the purpose of financing the construction of a student housing facility on the main campus of the University, to fund capitalized interest, to fund a debt service reserve account, if necessary, and to pay costs associated with the issuance and sale of the Bonds.

The Bonds will be issued pursuant to an Authorizing Resolution and Sale Resolution adopted by the Governor and Cabinet on September 18, 2023 (together, the "Resolution").

The University of North Florida Financing Corporation has heretofore issued University of North Florida Financing Corporation Capital Improvement Refunding Revenue Bonds and Notes (Housing Project), Series 2016 (the "Prior Lien Obligations"), which are secured by a first lien on the gross revenues of the existing housing facilities.

The principal of and interest due on the Bonds shall be secured by the revenues of the University of North Florida's housing system derived from the new student housing facility, after deducting operating expenses, and by the revenues of the housing system derived from the existing housing facilities, after deducting operating expenses and the amounts needed for the payment of debt service and any other obligations due on the Prior Lien Obligations (the "Pledged Revenues"), as described in the Resolution.

A study of this proposal and the estimates of revenue expected to accrue from the Pledged Revenues indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT
EXCEEDING \$86,700,000 STATE OF FLORIDA, BOARD OF GOVERNORS,
UNIVERSITY OF NORTH FLORIDA DORMITORY
REVENUE BONDS, SERIES (TO BE DETERMINED)**

WHEREAS, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding \$86,700,000 State of Florida, Board of Governors, University of North Florida Dormitory Revenue Bonds, Series (to be determined) (the "Bonds"), for the purpose of financing the construction of a student housing facility on the main campus of the University, to fund capitalized interest, to fund a debt service reserve account, if necessary, and to pay costs associated with the issuance and sale of the Bonds; and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

WHEREAS, the Bonds will be issued in one or more series pursuant to an Authorizing Resolution and Sale Resolution adopted by the Governor and Cabinet on September 18, 2023 (together, the "Resolution"); and,

WHEREAS, the Bonds do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government, and neither the State nor any unit of local government shall be liable thereon; and,

WHEREAS, the proceeds of the Bonds shall be and constitute trust funds and shall be used and applied solely in the manner and for the purposes provided in the Resolution; and,

WHEREAS, the University of North Florida shall not have the power to pledge the credit, the revenues, or the taxing power of the State or of any unit of local government, and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government shall be deemed to be pledged to the payment of the Bonds; and,

WHEREAS, the University of North Florida Financing Corporation has heretofore issued University of North Florida Financing Corporation Capital Improvement Refunding Revenue Bonds and Notes (Housing Project), Series 2016 (the "Prior Lien Obligations"), which are secured by a first lien on the gross revenues of the existing housing facilities; and,

WHEREAS, the principal of and interest due on the Bonds shall be secured by the revenues of the housing system derived from the new student housing facility, after deducting operating expenses, and by the revenues of the housing system derived from the existing housing facilities, after deducting operating expenses and the amounts needed for the payment of debt service and any other obligations due on the Prior Lien Obligations (the "Pledged Revenues"), as described in the Resolution; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the Division, has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

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

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding \$86,700,000 State of Florida, Board of Governors, University of North Florida Dormitory Revenue Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

ADOPTED October 25, 2023

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Lamar Taylor, Interim Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held October 25, 2023, approving the fiscal sufficiency of an amount not exceeding \$86,700,000 State of Florida, Board of Governors, University of North Florida Dormitory Revenue Bonds, Series (to be determined).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida this 25th day of October 2023.

Lamar Taylor, Interim Executive Director & CIO

(SEAL)



J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA DIVISION OF BOND FINANCE

RON DeSANTIS
GOVERNOR

ASHLEY MOODY
ATTORNEY GENERAL

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

WILTON SIMPSON
COMMISSIONER OF AGRICULTURE

September 20, 2023

Mr. Lamar Taylor
Interim Executive Director
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding \$86,700,000 State of Florida, Board of Governors, University of North Florida Dormitory Revenue Bonds, Series (to be determined)

Dear Mr. Taylor:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of October 24, 2023.

The proposed bonds will be secured by a first lien on the revenues of the housing system after deducting operating expenses. Housing system revenues will be derived primarily from student rental income. In any fiscal year in which the University of North Florida Financing Corporation Capital Improvement Refunding Revenue Bonds and Notes (Housing Project), Series 2016 (the "Prior Lien Obligations") remain outstanding, the pledge on the portion of the net revenues of the housing system derived from the existing housing facilities will be after deducting debt service on the Prior Lien Obligations. There are currently \$85.3 million of Prior Lien Obligations outstanding and the Financing Corporation has closed its lien on the net revenues of the existing housing facilities.

The bonds will be issued to finance the construction of a student housing facility on the main campus of the university, to fund capitalized interest, to fund a debt service reserve account, if necessary, and to pay costs associated with the issuance and sale of the bonds.

The bonds will be issued in one or more series pursuant to the authorizing resolution and sale resolutions adopted by the Governor and Cabinet on September 18, 2023.

September 20, 2023
Page Two

The following documents are enclosed for your consideration:

Enclosure 1: an estimated coverage table for the program;

Enclosure 2: an estimated debt service schedule for the proposed bonds;

Enclosure 3: a copy of the authorizing resolution adopted by the Governor and Cabinet on September 18, 2023, authorizing the issuance of the proposed bonds; and

Enclosure 4: a copy of the sale resolution adopted by the Governor and Cabinet on September 18, 2023, authorizing the sale of the proposed bonds.

A draft of the fiscal sufficiency resolution should be sent to Kristy Mock and Whitney Fason of this office for review. Should you have any questions, please contact either myself or Kristy Mock at 488-4782. Your consideration of this matter is appreciated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Kimberly J. Nichols for", is written over the typed name "J. Ben Watkins III".

J. Ben Watkins III
Director

JBW:km

Enclosures

cc: Ben Alonzo
Janie Knight
Sharon Vice
Alex Nottingham

**STATE OF FLORIDA, BOARD OF GOVERNORS
UNIVERSITY OF NORTH FLORIDA
DORMITORY REVENUE BONDS
Series (to be determined)**

ESTIMATED DEBT SERVICE COVERAGE¹

Existing Housing System ²			New Housing Facility				Estimated Debt Service on Proposed Bonds ⁶				
Operating Expenses	Debt Service on Prior Lien Obligations ³	Surplus Revenues ⁴	Operating Revenues	Current Expenses	Net Revenue	Pledged Revenues ⁵	Principal	Interest	Capitalized Interest	Total	Coverage
(11,553,252)	\$ (9,083,273)	\$ 2,869,632				\$ 2,869,632					n/a
(10,189,058)	(9,086,331)	2,301,242				2,301,242					n/a
(9,623,822)	(9,085,960)	7,503,024				7,503,024					n/a
(10,899,308)	(9,082,027)	3,371,511				3,371,511					n/a
(10,985,668)	(9,084,148)	3,304,555				3,304,555					n/a
(12,166,547)	\$ (9,086,874)	\$ 4,614,540	\$ -	\$ -	\$ -	\$ 4,614,540	\$ -	\$ 3,034,500	\$ (3,034,500)	\$ -	n/a
(13,919,029)	(9,084,887)	3,896,710	-	-	-	3,896,710	-	4,551,750	(4,551,750)	-	n/a
(14,699,383)	(8,070,463)	5,256,732	4,863,682	(1,215,757)	3,647,926	8,904,658	1,425,000	4,551,750	-	5,976,750	1.49x
(15,160,051)	(8,066,949)	5,640,374	5,290,833	(1,252,229)	4,038,604	9,678,978	1,500,000	4,476,938	-	5,976,938	1.62x
(15,614,853)	(8,075,799)	6,042,744	5,449,558	(1,289,796)	4,159,762	10,202,506	1,580,000	4,398,188	-	5,978,188	1.71x
(16,083,298)	(7,522,233)	7,019,866	5,613,045	(1,328,490)	4,284,555	11,304,421	1,665,000	4,315,238	-	5,980,238	1.89x
(16,565,797)	(7,522,659)	7,455,703	5,781,436	(1,368,345)	4,413,092	11,868,795	1,750,000	4,227,825	-	5,977,825	1.99x
(17,062,771)	(7,517,131)	7,910,583	5,954,879	(1,409,395)	4,545,484	12,456,067	1,845,000	4,135,950	-	5,980,950	2.08x
(17,574,654)	(6,789,479)	9,101,066	6,133,526	(1,451,677)	4,681,849	13,782,915	1,940,000	4,039,088	-	5,979,088	2.31x
(18,101,894)	(6,788,096)	9,579,166	6,317,531	(1,495,227)	4,822,304	14,401,470	2,040,000	3,937,238	-	5,977,238	2.41x
(18,644,951)	(6,774,533)	10,083,747	6,507,057	(1,540,084)	4,966,973	15,050,720	2,150,000	3,830,138	-	5,980,138	2.52x
(19,204,299)	(6,772,157)	10,591,870	6,702,269	(1,586,286)	5,115,983	15,707,853	2,260,000	3,717,263	-	5,977,263	2.63x
(19,780,428)	(4,937,542)	12,947,406	6,903,337	(1,633,875)	5,269,462	18,216,868	2,380,000	3,598,613	-	5,978,613	3.05x
(20,373,841)	(4,954,212)	13,467,285	7,110,437	(1,682,891)	5,427,546	18,894,831	2,505,000	3,473,663	-	5,978,663	3.16x
(20,985,057)	(4,952,271)	14,021,870	7,323,750	(1,733,378)	5,590,372	19,612,243	2,635,000	3,342,150	-	5,977,150	3.28x
(21,614,608)	-	19,543,366	7,543,463	(1,785,379)	5,758,083	25,301,449	2,775,000	3,203,813	-	5,978,813	4.23x
(22,263,046)	-	20,129,667	7,769,767	(1,838,941)	5,930,826	26,060,493	2,920,000	3,058,125	-	5,978,125	4.36x
(22,930,938)	-	20,733,557	8,002,860	(1,894,109)	6,108,751	26,842,308	3,075,000	2,904,825	-	5,979,825	4.49x
(23,618,866)	-	21,355,564	8,242,946	(1,950,932)	6,292,013	27,647,577	3,235,000	2,743,388	-	5,978,388	4.62x
(24,327,432)	-	21,996,231	8,490,234	(2,009,460)	6,480,774	28,477,004	3,405,000	2,573,550	-	5,978,550	4.76x
(25,057,255)	-	22,656,117	8,744,941	(2,069,744)	6,675,197	29,331,314	3,585,000	2,394,788	-	5,979,788	4.91x
(25,808,973)	-	23,335,801	9,007,289	(2,131,836)	6,875,453	30,211,254	3,775,000	2,206,575	-	5,981,575	5.05x
(26,583,242)	-	24,035,875	9,277,508	(2,195,791)	7,081,716	31,117,591	3,970,000	2,008,388	-	5,978,388	5.21x
(27,380,739)	-	24,756,951	9,555,833	(2,261,665)	7,294,168	32,051,119	4,180,000	1,799,963	-	5,979,963	5.36x
(28,202,161)	-	25,499,660	9,842,508	(2,329,515)	7,512,993	33,012,653	4,400,000	1,580,513	-	5,980,513	5.52x
(29,048,226)	-	26,264,650	10,137,783	(2,399,401)	7,738,383	34,003,032	4,630,000	1,349,513	-	5,979,513	5.69x
(29,919,673)	-	27,052,589	10,441,917	(2,471,383)	7,970,534	35,023,123	4,870,000	1,106,438	-	5,976,438	5.86x
(30,817,263)	-	27,864,167	10,755,174	(2,545,524)	8,209,650	36,073,817	5,130,000	850,763	-	5,980,763	6.03x
(31,741,781)	-	28,700,092	11,077,830	(2,621,890)	8,455,940	37,156,032	5,395,000	581,438	-	5,976,438	6.22x
(32,694,034)	-	29,561,095	11,410,165	(2,700,547)	8,709,618	38,270,712	5,680,000	298,200	-	5,978,200	6.40x
							\$ 86,700,000	\$ 88,290,563	\$ (7,586,250)	\$ 167,404,313	

Revenues have been provided by the University. Fiscal Year 2022-23 historical revenue and expense data is preliminary and subject to change. No representation is made that the amounts shown will be collected. Operating expenses are overhead paid to the University.

Revenues were adversely impacted by the effects of COVID-19, which reduced capacity and demand for the Housing System. Fiscal Year 2019-20 Pledged Revenues were reduced by approximately \$2.94 million as a result of partial semester following the closure of the Existing Housing Facilities. Fiscal Year 2020-21 Pledged Revenues include \$12.5 million of federal stimulus funds transferred from the University to the Housing System.

The University of North Florida Financing Corporation Capital Improvement Refunding Revenue Bonds and Notes (Housing Project), Series 2016, (the "Prior Lien Obligations") currently outstanding in the principal amount of

Revenues from the existing housing facilities after deducting operating expenses and the debt service on the Prior Lien Obligations.

Revenues from the existing housing system and the gross revenues of the new facility after deducting current expenses.

Bonded on the par amount of \$86.7 million and a 5.25% interest rate. Interest during construction will be paid from bond proceeds ("capitalized interest"). The construction of the new on-campus housing facility is anticipated to be

BOND DEBT SERVICE

State of Florida
Board of Governors
University of North Florida
Dromitory Revenue Bonds, Series 2023A

Preliminary Calculations for Fiscal Sufficiency

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
07/01/2024			3,034,500.00	3,034,500.00
07/01/2025			4,551,750.00	4,551,750.00
07/01/2026	1,425,000	5.250%	4,551,750.00	5,976,750.00
07/01/2027	1,500,000	5.250%	4,476,937.50	5,976,937.50
07/01/2028	1,580,000	5.250%	4,398,187.50	5,978,187.50
07/01/2029	1,665,000	5.250%	4,315,237.50	5,980,237.50
07/01/2030	1,750,000	5.250%	4,227,825.00	5,977,825.00
07/01/2031	1,845,000	5.250%	4,135,950.00	5,980,950.00
07/01/2032	1,940,000	5.250%	4,039,087.50	5,979,087.50
07/01/2033	2,040,000	5.250%	3,937,237.50	5,977,237.50
07/01/2034	2,150,000	5.250%	3,830,137.50	5,980,137.50
07/01/2035	2,260,000	5.250%	3,717,262.50	5,977,262.50
07/01/2036	2,380,000	5.250%	3,598,612.50	5,978,612.50
07/01/2037	2,505,000	5.250%	3,473,662.50	5,978,662.50
07/01/2038	2,635,000	5.250%	3,342,150.00	5,977,150.00
07/01/2039	2,775,000	5.250%	3,203,812.50	5,978,812.50
07/01/2040	2,920,000	5.250%	3,058,125.00	5,978,125.00
07/01/2041	3,075,000	5.250%	2,904,825.00	5,979,825.00
07/01/2042	3,235,000	5.250%	2,743,387.50	5,978,387.50
07/01/2043	3,405,000	5.250%	2,573,550.00	5,978,550.00
07/01/2044	3,585,000	5.250%	2,394,787.50	5,979,787.50
07/01/2045	3,775,000	5.250%	2,206,575.00	5,981,575.00
07/01/2046	3,970,000	5.250%	2,008,387.50	5,978,387.50
07/01/2047	4,180,000	5.250%	1,799,962.50	5,979,962.50
07/01/2048	4,400,000	5.250%	1,580,512.50	5,980,512.50
07/01/2049	4,630,000	5.250%	1,349,512.50	5,979,512.50
07/01/2050	4,870,000	5.250%	1,106,437.50	5,976,437.50
07/01/2051	5,130,000	5.250%	850,762.50	5,980,762.50
07/01/2052	5,395,000	5.250%	581,437.50	5,976,437.50
07/01/2053	5,680,000	5.250%	298,200.00	5,978,200.00
	86,700,000		88,290,562.50	174,990,562.50



**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**

**ASHLEY MOODY
ATTORNEY GENERAL**

**LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER**

October 25, 2023

Representative Michael A. Caruso
Alternating Chair
Joint Legislative Auditing Committee
200 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1300

Senator Jason W. B. Pizzo
Alternating Chair
Joint Legislative Auditing Committee
222 Senate Office Building
404 South Monroe Street
Tallahassee, Florida 32399-1100

Dear Representative Caruso and Senator Pizzo:

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 April 1, 2023, through June 30, 2023, 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,

Lamar Taylor
Interim Executive Director & Chief Investment Officer

Attachments

cc: Senator Jason Brodeur
Senator Tracie Davis
Senator Nick DiCeglie
Senator Corey Simon
Representative Daniel Antonio "Danny" Alvarez, Sr.
Representative Christopher Benjamin
Representative Peggy Gossset-Seidman
Representative Dianne "Ms Dee" Hart
Representative Vicki L. Lopez
Kathy DuBose, Coordinator



MONTHLY SUMMARY REPORT

State Board of Administration of Florida

April 2023

CONTENTS

3	INTRODUCTION
3	DISCLOSURE OF MATERIAL IMPACTS
3	FACTS-AT-A-GLANCE
4	PORFOLIO MANAGER COMMENTARY
5	PORTFOLIO COMPOSITION
6	FUND PERFORMANCE
7	PRIME ACCOUNT SUMMARY
8	INVENTORY OF HOLDINGS
14	PARTICIPANT CONCENTRATION
15	COMPLIANCE
16	TRADE ACTIVITY

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 April 1, 2023, through April 30, 2023, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

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 April 30, 2023)

Total Participants
764

Florida PRIME™
Total Participant Balance
\$21,999,370,422

Total Number of Accounts
1,412

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

While liquidity products such as money market funds and local government investment pools (LGIPs) invest in banks, it is not a symbiotic relationship. We often compete for clients. Not that we root for them to fail. Their health is critical to the financial system—a fact not lost on the Federal Reserve, U.S. Treasury and FDIC. The latter briefly seized and then sold troubled First Republic Bank to JP Morgan. While the deposits are secured, and at this time we don't see further contagion in the banking system, it's been a stressful time for customers there and at any regional bank. That's why we feel cash management should be about more than financial gain. We want people and institutions to thrive, and seeking the best return on their cash, with the least amount of anxiety, can be a large part of that, especially those in or close to retirement.

Indeed, the Fed's extraordinarily low rates of the last two decades have been particularly hard on savers, so every bit helps. Along with seeking stability of principal, we think part of the appeal of money funds, LGIPs and similar alternatives is their potential to deliver more "bits" in the form of attractive yields. Interest rates on deposit products, such as a savings account or a money market deposit account (MMDA), generally have not kept up with the rate hikes of this Fed cycle, while money market vehicles across the industry have. Why? Because banks chose administered interest rates based on business calculations. In contrast, liquidity products operate in the marketplace, in which yields on most securities tend to track the rise in Fed rates.

We believe this is at the heart of the recent outflows from bank deposits and inflows to liquidity products. Institutions have been actively moving around money since the first hike, but individuals and retail clients typically are slower to act. The bank stress initiated by the collapse of Silicon Valley Bank likely caused them to take a closer look at the interest rates on their accounts, especially those greater than the

FDIC-insured \$250,000. But the trend began about six months ago.

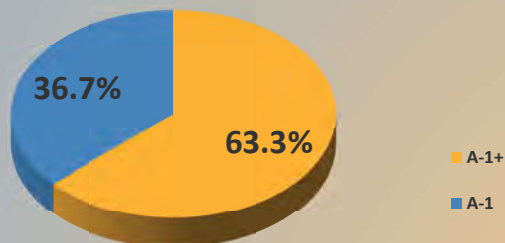
But in any case, we think the relative yield advantage should remain for sometime. The Fed likely will raise rates another 0.25% in May, and hold them higher for longer. Liquidity products likely will stay elevated, too. If this monetary policy cycle were a baseball game, we may just be in the third or fourth inning.

In regards to the Debt Ceiling deal, it's hard to tell if U.S. House of Representatives Speaker Kevin McCarthy's bill raising the debt ceiling is a step back or forward. He catered to the hardline Republicans by including many spending cuts that Democrats and the Biden administration have essentially ignored. Tax receipts have been decent, probably pushing the Treasury's X date into July, though we expect Secretary Yellen to hold with her June date prediction. The latest political theater does not change our belief that a deal will emerge to either kick the can or raise the limit. We believe both the liquidity industry and Federated Hermes are prepared.

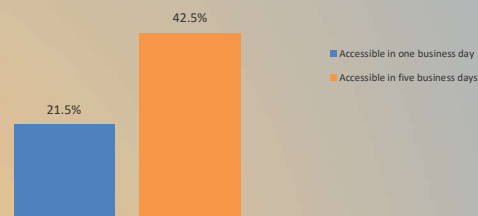
In April, assets of the Pool were down \$500 million to \$22 billion as the seasonal outflow period is underway. The yield of the portfolio was 5.09%. Its Weighted Average Maturity (WAM) was unchanged at 22 days; its Weighted Average Life came in by 2 days to 78 days. Trades were focused in the short end of the fixed-rate security market and on floating-rate instruments due to the likelihood of another 25 basis-point hike from the Fed, which would take place at the May Federal Open Market Committee meeting. At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 4.89%, 5.06%, 5.03% and 4.77%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.04%, 5.22%, 5.35% and 5.34%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 5.06%, 5.30%, 5.41% and 5.37%, respectively.

PORTFOLIO COMPOSITION FOR APRIL 2023

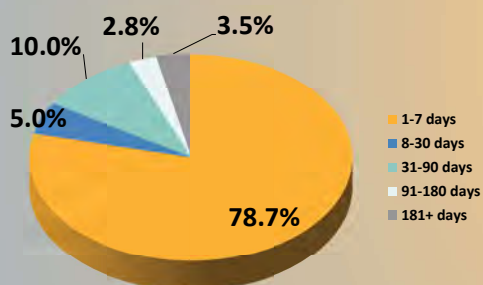
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Cooperatieve Rabobank UA	5.0%
2. Canadian Imperial Bank of Commerce	5.0%
3. ABN Amro Bank NV	4.9%
4. Bank of Nova Scotia, Toronto	4.9%
5. Mizuho Financial Group, Inc.	4.9%
6. Australia & New Zealand Banking Group, Melbourne	4.9%
7. Credit Agricole Group	4.6%
8. DNB Bank ASA	4.6%
9. Toronto Dominion Bank	4.5%
10. Royal Bank of Canada	4.3%

Average Effective Maturity (WAM)

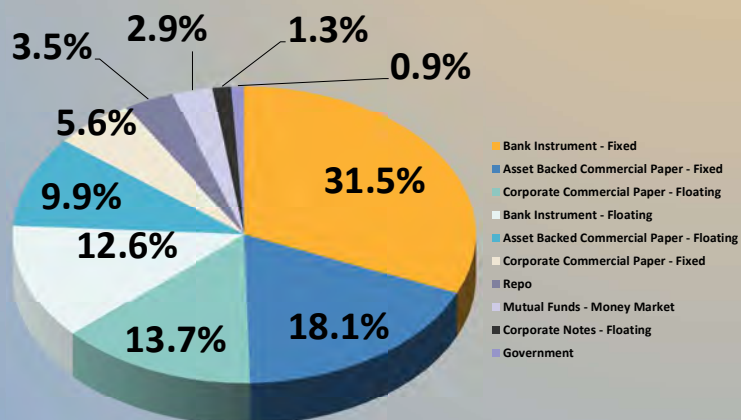
22 Days

Weighted Average Life (Spread WAL)

78 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH APRIL 2023

Florida PRIME Performance Data			
	Annualized Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	5.18%	4.92%	0.26%
Three Months	5.00%	4.69%	0.31%
One Year	3.32%	2.90%	0.42%
Three Years	1.25%	1.03%	0.22%
Five Years	1.65%	1.42%	0.23%
Ten Years	1.12%	0.91%	0.22%
Since 1/96	2.42%	2.20%	0.22%

Note: Net asset value at month end: \$21,998.7 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

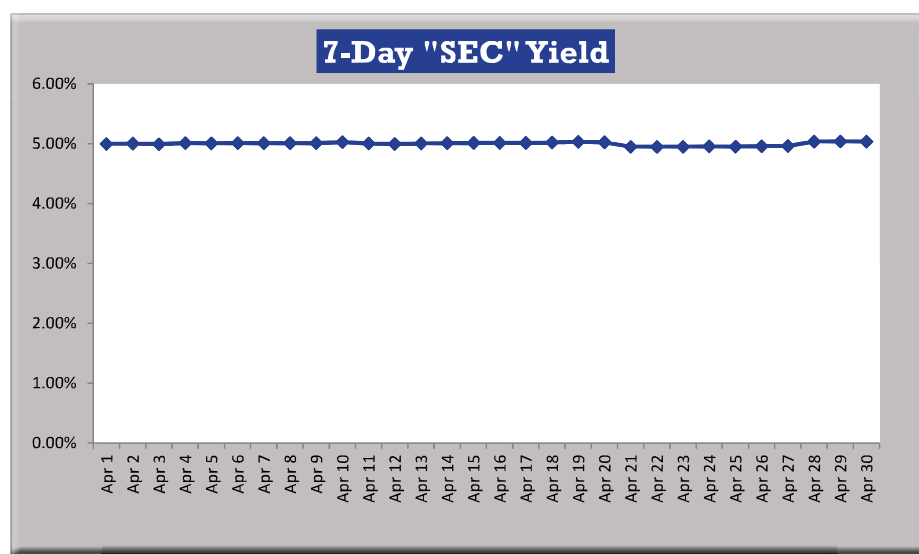
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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 APRIL 2023

Summary of Cash Flows		
Opening Balance (04/01/23)	\$	22,468,838,613
Participant Deposits		1,799,948,870
Gross Earnings		92,557,109
Participant Withdrawals		(2,361,363,037)
Fees		(611,133)
Closing Balance (04/30/23)	\$	21,999,370,422
Net Change over Month	\$	(469,468,191)

Detailed Fee Disclosure			
April		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$	182,078.05	0.98
Federated Investment Management Fee		363,453.94	1.96
BNY Mellon Custodial Fee**		46,672.82	0.25
Bank of America Transfer Agent Fee		10,275.27	0.06
S&P Rating Maintenance Fee		3,945.21	0.02
Audit/External Review Fees		4,707.69	0.03
Total Fees	\$	611,132.98	3.30

*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 \$22,234,104,518.

**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 APRIL 2023

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	5.00	9/1/2060	5/3/2023	3,000,000	5.07	\$3,000,000	\$3,000,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	4.83	5/1/2023		435,000,000	4.90	\$435,000,000	\$435,000,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	4.87	5/5/2023		650,000,000	4.94	\$650,000,000	\$650,000,000	\$0
AJC Capital, LLC, Jan 01, 2042	VARIABLE RATE DEMAND NOTE	5.00	1/1/2042	5/4/2023	5,530,000	5.00	\$5,530,000	\$5,530,000	\$0
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/22/2023		52,045,000	5.32	\$51,864,577	\$51,870,094	\$5,517
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/2/2023		50,000,000	4.90	\$49,973,167	\$49,973,189	\$22
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/2/2023		100,000,000	4.90	\$99,946,333	\$99,946,378	\$45
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/2/2023		50,000,000	4.92	\$49,973,111	\$49,973,189	\$78
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/2/2023		14,000,000	4.97	\$13,992,409	\$13,992,493	\$84
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/3/2023		100,000,000	4.90	\$99,932,917	\$99,932,958	\$41
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/24/2023		85,000,000	5.11	\$83,989,350	\$83,929,984	-\$59,366
Anglesea Funding LLC, Oct 18, 2023	COMMERCIAL PAPER ASSET	5.21	10/18/2023	5/1/2023	100,000,000	5.28	\$100,000,000	\$100,000,000	\$0
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/4/2023		59,000,000	5.09	\$58,950,833	\$58,952,220	\$1,387
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/1/2023		40,000,000	5.27	\$39,805,444	\$39,809,449	\$4,004
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/27/2023		40,000,000	5.29	\$39,672,567	\$39,672,567	\$0
Archer I LLC, Jun 01, 2060	VARIABLE RATE DEMAND NOTE	5.00	6/1/2060	5/4/2023	18,000,000	5.07	\$18,000,000	\$18,000,000	\$0
Australia & New Zealand Banking Group, Melbourne TD	TIME DEPOSIT	4.83	5/2/2023		1,075,000,000	4.90	\$1,075,000,000	\$1,075,000,000	\$0
BNG Bank N.V. CP4-2	COMMERCIAL PAPER - 4-2		5/8/2023		100,000,000	4.97	\$99,864,167	\$99,864,917	\$750
BWF Forge TL Properties Owner LLC, May 01, 2059	VARIABLE RATE DEMAND NOTE	5.00	5/1/2059	5/4/2023	28,500,000	5.00	\$28,500,000	\$28,500,000	\$0
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	4.80	5/1/2023		523,000,000	4.87	\$523,000,000	\$523,000,000	\$0
Bank of America N.A., Apr 19, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.54	4/19/2024	5/1/2023	101,000,000	5.62	\$101,000,000	\$101,000,000	\$0
Bank of America N.A., Dec 15, 2023	VARIABLE RATE BANK NOTE	5.01	12/15/2023	5/1/2023	100,000,000	5.08	\$100,000,000	\$99,817,243	-\$182,757
Bank of America, N.A. CD	CERTIFICATE OF DEPOSIT	5.44	2/7/2024		100,000,000	5.44	\$100,000,000	\$99,975,430	-\$24,570
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.47	1/8/2024		75,000,000	5.47	\$75,000,000	\$75,008,573	\$8,573
Bank of Montreal, 5.015%, Oct 11, 2023	COMMERCIAL PAPER INTEREST BEARING	5.02	10/11/2023		90,000,000	5.02	\$90,000,000	\$89,903,800	-\$96,200
Bank of Montreal, Apr 12, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.49	4/12/2024	5/1/2023	100,000,000	5.57	\$100,000,000	\$100,075,395	\$75,395
Bank of Montreal, Dec 05, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.56	12/5/2023	5/1/2023	110,000,000	5.64	\$110,000,000	\$110,226,981	\$226,981
Bank of Montreal, Dec 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.56	12/5/2023	5/1/2023	100,000,000	5.64	\$100,000,000	\$100,206,346	\$206,346
Bank of Montreal, Jan 05, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.57	1/5/2024	5/1/2023	105,000,000	5.65	\$104,999,942	\$105,209,024	\$209,082
Bank of Montreal, Jan 05, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.41	1/5/2024	5/1/2023	50,000,000	5.49	\$50,000,000	\$50,045,429	\$45,429
Bank of Montreal, May 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.32	5/15/2023	5/1/2023	100,000,000	5.39	\$100,000,000	\$100,017,382	\$17,382
Bank of Montreal, Sep 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.51	9/15/2023	5/1/2023	100,000,000	5.59	\$100,000,000	\$100,145,534	\$145,534
Bank of Nova Scotia, Toronto, Aug 21, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.46	8/21/2023	5/1/2023	25,000,000	5.54	\$25,000,000	\$25,028,120	\$28,120
Bank of Nova Scotia, Toronto, Dec 13, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.51	12/13/2023	5/1/2023	100,000,000	5.59	\$100,000,000	\$100,000,000	\$0
Bank of Nova Scotia, Toronto, Dec 27, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.43	12/27/2023	5/1/2023	85,000,000	5.51	\$85,000,000	\$85,083,828	\$83,828
Bank of Nova Scotia, Toronto, Feb 13, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.20	2/13/2024	5/1/2023	30,000,000	5.27	\$29,995,747	\$29,965,110	-\$30,637
Bank of Nova Scotia, Toronto, Jan 08, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.41	1/8/2024	5/1/2023	65,000,000	5.49	\$65,000,000	\$65,000,000	\$0
Bank of Nova Scotia, Toronto, Jan 23, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.25	1/23/2024	5/1/2023	155,000,000	5.32	\$155,000,000	\$154,964,170	-\$35,830
Bank of Nova Scotia, Toronto, Jul 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.39	7/5/2023	5/1/2023	50,000,000	5.46	\$50,000,000	\$50,000,000	\$0
Bank of Nova Scotia, Toronto, Jul 07, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.48	7/7/2023	5/1/2023	57,000,000	5.56	\$57,000,000	\$57,051,510	\$51,510
Bank of Nova Scotia, Toronto, May 08, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.31	5/8/2023	5/1/2023	99,000,000	5.38	\$99,000,000	\$99,010,734	\$10,734

See notes at end of table.

INVENTORY OF HOLDINGS FOR APRIL 2023

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, Nov 10, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.15	11/10/2023	5/1/2023	80,000,000	5.22	\$80,000,000	\$79,964,794	-\$35,206
Bank of Nova Scotia, Toronto, Oct 23, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.41	10/23/2023	5/1/2023	75,000,000	5.49	\$75,000,000	\$75,087,728	\$87,728
Bank of Nova Scotia, Toronto, Sep 21, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.36	9/21/2023	5/1/2023	150,000,000	5.43	\$150,000,000	\$150,133,659	\$133,659
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/2/2023		100,000,000	5.09	\$99,944,444	\$99,946,378	\$1,934
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/4/2023		50,000,000	4.90	\$49,959,750	\$49,959,759	\$9
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/11/2023		19,750,000	5.01	\$19,714,840	\$19,715,075	\$235
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/1/2023		100,000,000	5.24	\$99,515,500	\$99,523,150	\$7,650
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/20/2023		50,000,000	5.25	\$49,622,375	\$49,621,934	-\$442
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/15/2023		75,000,000	5.11	\$73,885,021	\$73,820,075	-\$64,946
Bedford Row Funding Corp., Dec 27, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.41	12/27/2023	5/1/2023	70,000,000	5.49	\$70,000,000	\$70,000,000	\$0
Bedford Row Funding Corp., Oct 30, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.22	10/30/2023	5/1/2023	75,000,000	5.29	\$75,000,000	\$75,000,000	\$0
Bedford Row Funding Corp., Sep 25, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.24	9/25/2023	5/1/2023	70,000,000	5.31	\$70,000,000	\$70,014,278	\$14,278
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2023		100,000,000	5.09	\$98,706,944	\$98,625,931	-\$81,013
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.25	2/5/2024		75,000,000	5.25	\$75,000,000	\$74,876,608	-\$123,392
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		4/18/2024		75,000,000	5.56	\$71,095,867	\$71,233,817	\$137,950
Canadian Imperial Bank of Commerce, Apr 01, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.51	4/1/2024	5/1/2023	150,000,000	5.59	\$150,000,000	\$150,185,225	\$185,225
Canadian Imperial Bank of Commerce, Apr 11, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.46	4/11/2024	5/1/2023	208,000,000	5.54	\$208,000,000	\$208,153,962	\$153,962
Canadian Imperial Bank of Commerce, Dec 11, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.61	12/11/2023	5/1/2023	100,000,000	5.69	\$100,000,000	\$100,259,515	\$259,515
Canadian Imperial Bank of Commerce, Jan 18, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.25	1/18/2024	5/1/2023	115,000,000	5.32	\$115,000,000	\$114,968,856	-\$31,144
Canadian Imperial Bank of Commerce, Mar 06, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.06	3/6/2024	5/1/2023	100,000,000	5.13	\$100,000,000	\$99,756,342	-\$243,658
Canadian Imperial Bank of Commerce, Mar 27, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.51	3/27/2024	5/1/2023	100,000,000	5.59	\$100,000,000	\$100,000,000	\$0
Canadian Imperial Bank of Commerce, Sep 06, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.37	9/6/2023	5/1/2023	50,000,000	5.44	\$50,000,000	\$50,072,519	\$72,519
Canadian Imperial Bank of Commerce, Sep 11, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.37	9/11/2023	5/1/2023	120,000,000	5.44	\$120,000,000	\$120,158,550	\$158,550
Cancara Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/14/2023		103,000,000	5.20	\$102,315,536	\$102,319,302	\$3,765
Chad J. Himmel Irrevocable Trust No. 1, Jul 01, 2048	VARIABLE RATE DEMAND NOTE	5.00	7/1/2048	5/4/2023	5,290,000	5.00	\$5,290,000	\$5,290,000	\$0
Chariot Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/1/2023		100,000,000	4.88	\$99,959,917	\$99,959,800	-\$117
Chariot Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/1/2023		50,000,000	4.99	\$49,979,583	\$49,979,900	\$317
Chariot Funding LLC, Jul 10, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.12	7/10/2023	5/1/2023	150,000,000	5.19	\$150,000,000	\$150,024,122	\$24,122
Chariot Funding LLC, May 19, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.43	5/19/2023	5/1/2023	50,000,000	5.51	\$50,000,000	\$50,015,221	\$15,221
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/3/2023		430,000,000	4.91	\$429,710,944	\$429,711,719	\$775
Chesham Finance LLC Series VII CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/3/2023		25,000,000	4.99	\$24,982,986	\$24,983,240	\$253
Citibank N.A., New York, Jul 21, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.22	7/21/2023	5/1/2023	200,000,000	5.29	\$200,000,000	\$200,057,824	\$57,824
City Furniture, Inc., Aug 01, 2044	VARIABLE RATE DEMAND NOTE	5.04	8/1/2044	5/4/2023	77,000,000	5.04	\$77,000,000	\$77,000,000	\$0
Collateralized Commercial Paper FLEX Co., LLC, Aug 31, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		8/31/2023		70,000,000	5.20	\$70,000,000	\$69,950,437	-\$49,564
Collateralized Commercial Paper FLEX Co., LLC, May 09, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.27	5/9/2023	5/1/2023	75,000,000	5.34	\$75,000,000	\$75,008,041	\$8,041
Collateralized Commercial Paper FLEX Co., LLC, Nov 02, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.34	11/2/2023	5/1/2023	50,000,000	5.41	\$50,000,000	\$50,005,302	\$5,302
Collateralized Commercial Paper FLEX Co., LLC, Oct 05, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.01	10/5/2023	5/1/2023	80,000,000	5.08	\$80,000,000	\$79,936,742	-\$63,258
Collateralized Commercial Paper V Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		6/27/2023		125,000,000	5.05	\$123,983,333	\$123,931,250	-\$52,083
Collateralized Commercial Paper V Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		7/12/2023		50,000,000	5.16	\$49,483,333	\$49,461,459	-\$21,875

INVENTORY OF HOLDINGS FOR APRIL 2023

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, Aug 14, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.04	8/14/2023	5/1/2023	50,000,000	5.11	\$50,000,000	\$49,995,918	-\$4,083
Collateralized Commercial Paper V Co. LLC, Aug 22, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.06	8/22/2023	5/1/2023	134,000,000	5.13	\$134,000,000	\$134,000,000	\$0
Collateralized Commercial Paper V Co. LLC, Jul 13, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.14	7/13/2023	5/1/2023	100,000,000	5.21	\$100,000,000	\$100,025,125	\$25,125
Collateralized Commercial Paper V Co. LLC, Sep 15, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.03	9/15/2023	5/1/2023	70,000,000	5.10	\$70,000,000	\$69,974,679	-\$25,321
Commonwealth Bank of Australia, Mar 21, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.46	3/21/2024	5/1/2023	50,000,000	5.54	\$50,000,000	\$50,000,000	\$0
Cooperatieve Rabobank UA TD	TIME DEPOSIT	4.83	5/1/2023		590,000,000	4.90	\$590,000,000	\$590,000,000	\$0
Cooperatieve Rabobank UA TD	TIME DEPOSIT	4.83	5/4/2023		500,000,000	4.90	\$500,000,000	\$500,000,000	\$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.00	5/9/2023		100,000,000	5.07	\$100,000,000	\$100,003,337	\$3,337
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.82	5/3/2023		350,000,000	4.89	\$350,000,000	\$350,000,000	\$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.80	5/1/2023		500,000,000	4.87	\$500,000,000	\$500,000,000	\$0
DNB Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		5/5/2023		100,000,000	4.91	\$99,905,889	\$99,907,900	\$2,011
DNB Bank ASA TDCAY	TIME DEPOSIT - CAYMAN	4.80	5/1/2023		900,000,000	4.87	\$900,000,000	\$900,000,000	\$0
Dino P.Kanelos Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5.00	9/1/2041	5/4/2023	4,515,000	5.00	\$4,515,000	\$4,515,000	\$0
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	4.76	5/1/2023		6,562,994	4.83	\$6,562,994	\$6,562,994	\$0
Export Development Canada CP	COMMERCIAL PAPER		8/8/2023		25,000,000	5.09	\$24,653,625	\$24,647,179	-\$6,446
Export Development Canada CP	COMMERCIAL PAPER		11/9/2023		55,000,000	5.24	\$53,510,417	\$53,465,431	-\$44,985
Fairway Finance Co. LLC, Jun 01, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.51	6/1/2023	5/1/2023	60,000,000	5.59	\$60,000,000	\$60,000,000	\$0
Fairway Finance Co. LLC, Jun 09, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.36	6/9/2023	5/1/2023	85,000,000	5.43	\$85,000,000	\$85,035,957	\$35,957
Federated Hermes Institutional Prime Value Obligations Fund - Class IS	MUTUAL FUND MONEY MARKET	4.97	5/1/2023	5/1/2023	630,872,087	4.97	\$631,124,436	\$630,809,000	-\$315,436
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	5.00	8/1/2045	5/4/2023	9,995,000	5.00	\$9,995,000	\$9,995,000	\$0
Glencove Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/23/2023		80,000,000	5.25	\$79,361,600	\$79,365,955	\$4,355
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/1/2023		67,903,000	4.89	\$67,875,726	\$67,875,776	\$51
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/20/2023		35,000,000	5.29	\$34,734,632	\$34,736,384	\$1,752
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/6/2023		50,000,000	5.31	\$49,504,542	\$49,504,350	-\$192
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/12/2023		100,000,000	5.32	\$98,920,833	\$98,920,833	-\$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/20/2023		47,300,000	5.35	\$46,732,926	\$46,733,907	\$981
Great Bear Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/9/2023		25,000,000	4.98	\$24,962,569	\$24,962,883	\$313
HSBC Securities (USA), Inc. Repo Tri Party Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	4.81	5/1/2023		100,000,000	4.87	\$100,000,000	\$100,000,000	\$0
HW Hellman Building, L.P., Mar 01, 2062	VARIABLE RATE DEMAND NOTE	5.00	3/1/2062	5/4/2023	50,000,000	5.00	\$50,000,000	\$50,000,000	\$0
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/1/2023		15,000,000	4.88	\$14,993,988	\$14,993,970	-\$18
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/4/2023		66,750,000	4.92	\$66,696,155	\$66,696,278	\$123
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/4/2023		150,000,000	4.92	\$149,879,000	\$149,879,276	\$275
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/13/2023		64,350,000	5.24	\$63,928,186	\$63,928,268	\$82
Lamar Avenue Trust, Dec 01, 2037	VARIABLE RATE DEMAND NOTE	5.00	12/1/2037	5/4/2023	4,445,000	5.00	\$4,445,000	\$4,445,000	\$0
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/2/2023		100,000,000	4.89	\$99,946,444	\$99,945,589	-\$855
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/2/2023		50,000,000	4.90	\$49,973,167	\$49,972,795	-\$372
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/4/2023		50,000,000	4.90	\$49,959,750	\$49,959,117	-\$633
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/9/2023		80,000,000	4.97	\$79,880,467	\$79,879,562	-\$904
MUFG Bank Ltd. ECD (USD)	EURO CERTIFICATE OF DEPOSIT	4.84	5/8/2023		125,000,000	4.91	\$125,000,000	\$125,000,000	\$0
MUFG Bank Ltd., May 25, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.07	5/25/2023	5/1/2023	300,000,000	5.14	\$300,000,000	\$300,003,186	\$3,186
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/20/2023		10,000,000	5.39	\$9,922,708	\$9,925,152	\$2,444
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/5/2023		75,000,000	5.36	\$74,261,917	\$74,270,417	\$8,500
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.84	5/17/2023		415,000,000	4.91	\$415,000,000	\$414,964,791	-\$35,209

See notes at end of table.

INVENTORY OF HOLDINGS FOR APRIL 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.84	5/19/2023		150,000,000	4.91	\$150,000,000	\$149,984,820	-\$15,180
Mizuho Bank Ltd. TD	TIME DEPOSIT	4.82	5/1/2023		450,000,000	4.89	\$450,000,000	\$450,000,000	\$0
Mizuho Bank Ltd., Jul 27, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.18	7/27/2023	5/1/2023	50,000,000	5.25	\$50,000,000	\$50,009,659	\$9,659
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	4.80	5/1/2023		150,000,000	4.87	\$150,000,000	\$150,000,000	\$0
Morofsky Legacy Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5.04	9/1/2041	5/4/2023	6,260,000	5.04	\$6,260,000	\$6,260,000	\$0
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		6/15/2023		50,000,000	3.88	\$49,752,333	\$49,665,734	-\$86,600
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		6/15/2023		62,500,000	3.88	\$62,190,000	\$62,082,167	-\$107,833
National Bank of Canada, Montreal, Mar 06, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.06	3/6/2024	5/1/2023	50,000,000	5.13	\$50,000,000	\$49,892,143	-\$107,858
Nordea Bank Abp, Jun 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.23	6/15/2023	5/1/2023	225,000,000	5.30	\$225,000,000	\$225,073,026	\$73,026
Nordea Bank Abp, Sep 26, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.23	9/26/2023	5/1/2023	160,000,000	5.30	\$160,000,000	\$160,078,661	\$78,661
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/26/2024		25,000,000	5.24	\$24,055,875	\$24,007,152	-\$48,723
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/26/2023		50,000,000	5.40	\$49,569,792	\$49,576,675	\$6,883
Old Line Funding, LLC, Aug 02, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.15	8/2/2023	5/1/2023	10,000,000	5.22	\$10,000,000	\$10,000,000	\$0
Old Line Funding, LLC, Aug 21, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		8/21/2023		115,000,000	5.13	\$113,188,910	\$113,135,620	-\$53,290
Old Line Funding, LLC, Aug 25, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.02	8/25/2023	5/1/2023	50,000,000	5.09	\$50,000,000	\$50,000,000	\$0
Old Line Funding, LLC, Aug 25, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.02	8/25/2023	5/1/2023	100,000,000	5.09	\$100,000,000	\$100,000,000	\$0
Old Line Funding, LLC, Jul 24, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		7/24/2023		75,000,000	5.16	\$74,101,000	\$75,000,000	\$899,000
Old Line Funding, LLC, Jun 20, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.37	6/20/2023	5/1/2023	15,000,000	5.44	\$15,000,000	\$15,003,735	\$3,735
Old Line Funding, LLC, Jun 26, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.34	6/26/2023	5/1/2023	100,000,000	5.41	\$100,000,000	\$100,000,000	\$0
Old Line Funding, LLC, Nov 28, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.09	11/28/2023	5/1/2023	55,000,000	5.16	\$55,000,000	\$54,946,473	-\$53,527
Old Line Funding, LLC, Oct 30, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.32	10/30/2023	5/1/2023	100,000,000	5.39	\$100,000,000	\$100,000,000	\$0
Overbaugh Family (2016) Survivorship Trust, Apr 01, 2042	VARIABLE RATE DEMAND NOTE	5.00	4/1/2042	5/4/2023	7,015,000	5.00	\$7,015,000	\$7,015,000	\$0
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		3/20/2024		45,000,000	5.53	\$42,854,062	\$42,899,842	\$45,780
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		8/23/2023		100,000,000	4.06	\$98,735,750	\$98,344,125	-\$391,625
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		10/31/2023		51,000,000	5.52	\$49,621,895	\$49,625,321	\$3,426
Royal Bank of Canada, Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.08	7/14/2023		10,000,000	4.09	\$10,000,000	\$9,969,538	-\$30,462
Royal Bank of Canada, New York Branch, Jan 09, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.38	1/9/2024	5/1/2023	100,000,000	5.45	\$100,000,000	\$100,000,000	\$0
Royal Bank of Canada, New York Branch, Jan 10, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.35	1/10/2024	5/1/2023	100,000,000	5.42	\$100,000,000	\$100,057,761	\$57,761
Royal Bank of Canada, New York Branch, Nov 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.58	11/15/2023	5/1/2023	60,000,000	5.66	\$60,000,000	\$60,130,348	\$130,348
Royal Bank of Canada, New York Branch, Sep 01, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.39	9/1/2023	5/1/2023	100,000,000	5.46	\$100,000,000	\$100,093,211	\$93,211
Royal Bank of Canada, Sep 01, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.39	9/1/2023	5/1/2023	100,000,000	5.46	\$100,000,000	\$100,093,211	\$93,211
Scheel Investments, LLC, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5.00	9/1/2041	5/4/2023	6,720,000	5.00	\$6,720,000	\$6,720,000	\$0
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		5/9/2023		30,000,000	4.99	\$29,955,083	\$29,955,230	\$147
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/7/2023		50,000,000	5.24	\$49,716,667	\$49,716,111	-\$556
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/14/2023		80,000,000	5.23	\$79,466,289	\$79,462,738	-\$3,551
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/21/2023		100,000,000	5.50	\$99,197,500	\$99,223,900	\$26,400

See notes at end of table.

INVENTORY OF HOLDINGS FOR APRIL 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/27/2023		100,000,000	5.45	\$99,116,667	\$99,133,333	\$16,666
Sheffield Receivables Company LLC, Jun 20, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.00	6/20/2023	5/1/2023	150,000,000	5.07	\$150,000,000	\$150,000,000	\$0
Sheffield Receivables Company LLC, May 23, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.01	5/23/2023	5/1/2023	100,000,000	5.08	\$100,000,000	\$100,000,000	\$0
Societe Generale, Paris CP4-2	COMMERCIAL PAPER - 4-2		5/4/2023		150,000,000	5.04	\$149,876,250	\$149,879,025	\$2,775
State Street Bank and Trust Co., Jun 06, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.35	6/6/2023	5/1/2023	150,000,000	5.42	\$150,000,000	\$150,053,805	\$53,805
Sumitomo Mitsui Trust Bank Ltd., Jul 10, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.18	7/10/2023	5/1/2023	205,000,000	5.25	\$205,000,000	\$205,055,065	\$55,065
Sumitomo Mitsui Trust Bank Ltd., Jul 13, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.11	7/13/2023	5/1/2023	100,000,000	5.18	\$100,000,000	\$100,011,374	\$11,374
Svenska Handelsbanken, Stockholm, Oct 02, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.25	10/2/2023	5/1/2023	200,000,000	5.32	\$200,000,000	\$200,088,778	\$88,778
Svenska Handelsbanken, Stockholm, Sep 25, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.22	9/25/2023	5/1/2023	150,000,000	5.29	\$150,000,000	\$150,049,070	\$49,070
Taxable Tender Option Bond Trust 2021-MIZ9064TX, (Series 2021-MIZ-9064TX), 11/01/2056	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.29	11/1/2056	5/4/2023	6,500,000	5.29	\$6,500,000	\$6,500,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9084TX, (Series 2022-MIZ-9084TX), 02/01/2027	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.29	2/1/2027	5/4/2023	5,150,000	5.29	\$5,150,000	\$5,150,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9094TX, (Series 2022-MIZ-9094TX), 12/01/2059	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.29	12/1/2059	5/4/2023	3,800,000	5.29	\$3,800,000	\$3,800,000	\$0
The Debra B. Kennedy Irrevocable Trust, May 01, 2048	VARIABLE RATE DEMAND NOTE	5.00	5/1/2048	5/4/2023	4,420,000	5.00	\$4,420,000	\$4,420,000	\$0
The Greathouse 2021 Children's Trust, Dec 01, 2046	VARIABLE RATE DEMAND NOTE	5.00	12/1/2046	5/4/2023	13,625,000	5.00	\$13,625,000	\$13,625,000	\$0
The Linda E. Krejssek Life Insurance Trust, Sep 01, 2037	VARIABLE RATE DEMAND NOTE	5.00	9/1/2037	5/4/2023	5,490,000	5.00	\$5,490,000	\$5,490,000	\$0
The Mark E. Potteiger Irrevocable Life Insurance Trust, Jun 01, 2048	VARIABLE RATE DEMAND NOTE	4.92	6/1/2048	5/4/2023	4,025,000	4.92	\$4,025,000	\$4,025,000	\$0
The Tammi R. Sitz Irrevocable Life Insurance Trust, Nov 01, 2046	VARIABLE RATE DEMAND NOTE	5.00	11/1/2046	5/4/2023	5,950,000	5.00	\$5,950,000	\$5,950,000	\$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/19/2023		80,000,000	5.20	\$79,088,889	\$79,060,462	-\$28,426
Thunder Bay Funding, LLC, Aug 02, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.15	8/2/2023	5/1/2023	75,000,000	5.22	\$75,000,000	\$75,000,000	\$0
Thunder Bay Funding, LLC, Aug 21, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.06	8/21/2023	5/1/2023	75,000,000	5.13	\$75,000,000	\$75,000,000	\$0
Thunder Bay Funding, LLC, Aug 22, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.06	8/22/2023	5/1/2023	25,000,000	5.13	\$25,000,000	\$24,993,810	-\$6,190
Thunder Bay Funding, LLC, Jul 20, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.20	7/20/2023	5/1/2023	50,000,000	5.27	\$50,000,000	\$50,000,000	\$0
Thunder Bay Funding, LLC, Mar 01, 2024	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.06	3/1/2024	5/1/2023	50,000,000	5.13	\$50,000,000	\$50,000,000	\$0
Thunder Bay Funding, LLC, Nov 03, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		11/3/2023		50,000,000	5.18	\$48,700,625	\$48,681,100	-\$19,525
Toronto Dominion Bank	CALLABLE CERTIFICATE OF DEPOSIT		1/25/2024		50,000,000	5.25	\$50,000,000	\$49,912,281	-\$87,719
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	2.80	5/5/2023		100,000,000	2.82	\$100,000,000	\$99,957,353	-\$42,647
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	3.01	6/7/2023		50,000,000	3.03	\$50,000,000	\$49,884,418	-\$115,583
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	3.75	6/15/2023		60,000,000	3.77	\$60,000,000	\$59,889,836	-\$110,164
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.07	7/18/2023		90,000,000	4.08	\$90,000,000	\$89,741,021	-\$258,980
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.44	2/13/2024		80,000,000	5.44	\$80,000,000	\$79,984,238	-\$15,762
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		5/31/2023		100,000,000	2.92	\$99,741,500	\$99,548,083	-\$193,417
Toronto Dominion Bank, 5.35%	CALLABLE COMMERCIAL PAPER	5.35	2/6/2024		90,000,000	5.35	\$90,000,000	\$89,958,255	-\$41,745
Toronto Dominion Bank, Apr 29, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.40	4/29/2024	5/1/2023	100,000,000	5.48	\$100,000,000	\$100,000,000	\$0

See notes at end of table.

INVENTORY OF HOLDINGS FOR APRIL 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toronto Dominion Bank, Dec 06, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.53	12/6/2023	5/1/2023	150,000,000	5.61	\$150,000,000	\$150,259,191	\$259,191
Toronto Dominion Bank, Jun 09, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.35	6/9/2023	5/1/2023	125,000,000	5.42	\$125,000,000	\$125,054,765	\$54,765
TotalEnergies Capital Canada Ltd. CP4-2	COMMERCIAL PAPER - 4-2		5/1/2023		41,200,000	4.90	\$41,183,417	\$41,183,270	-\$147
TotalEnergies Capital S.A. CP4-2	COMMERCIAL PAPER - 4-2		8/1/2023		50,000,000	5.09	\$49,353,472	\$49,329,327	-\$24,146
Toyota Credit Canada Inc., May 03, 2023	VARIABLE RATE COMMERCIAL PAPER	5.51	5/3/2023	5/1/2023	25,000,000	5.59	\$25,000,000	\$25,001,947	\$1,947
Toyota Credit De Puerto Rico Corp., May 17, 2023	VARIABLE RATE COMMERCIAL PAPER	5.51	5/17/2023	5/1/2023	50,000,000	5.59	\$50,000,000	\$50,015,562	\$15,562
U.S. Treasury Floater, 04/30/2023	US TREASURY FLOATING RATE NOTE	5.16	4/30/2023	4/30/2023	100,000,000	5.23	\$100,000,044	\$100,000,000	-\$44
U.S. Treasury Floater, 04/30/2023	US TREASURY FLOATING RATE NOTE	5.16	4/30/2023	4/30/2023	75,000,000	5.23	\$75,000,029	\$75,000,000	-\$29
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		6/1/2023		50,000,000	5.53	\$49,745,000	\$49,750,053	\$5,053
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/15/2023		50,000,000	5.39	\$49,650,000	\$49,659,600	\$9,600
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/21/2023		100,000,000	5.39	\$99,212,500	\$99,233,800	\$21,300
Westpac Banking Corp. Ltd., Sydney, Aug 28, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.48	8/28/2023	5/1/2023	40,000,000	5.56	\$40,000,000	\$40,050,691	\$50,691
Westpac Banking Corp. Ltd., Sydney, Jan 02, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.34	1/2/2024	5/1/2023	80,000,000	5.41	\$80,000,000	\$80,046,451	\$46,451
Westpac Banking Corp. Ltd., Sydney, Oct 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.26	10/5/2023	5/1/2023	140,000,000	5.32	\$140,001,500	\$140,079,339	\$77,840
Wylie Bice Life Insurance Trust, Aug 01, 2046	VARIABLE RATE DEMAND NOTE	5.00	8/1/2046	5/4/2023	7,625,000	5.00	\$7,625,000	\$7,625,000	\$0
Total Value of Assets					22,006,088,081		\$21,971,042,957	\$21,972,448,062	\$1,405,105

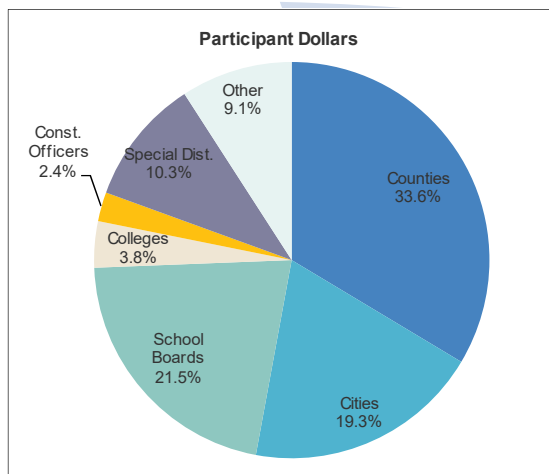
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

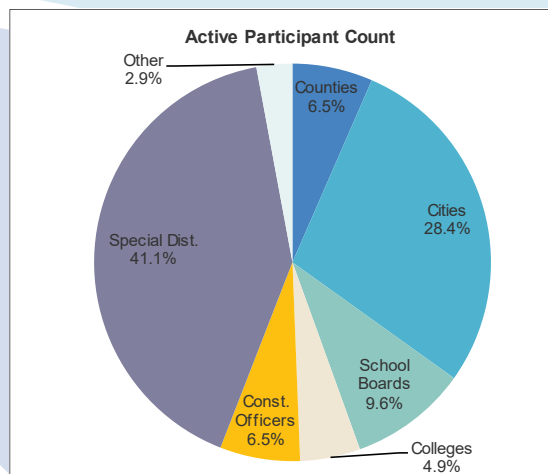
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - AS OF APRIL 2023

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	99.9%	Colleges & Universities	3.8%	4.9%
Top 10	31.0%	1.3%	Top 10	3.3%	1.3%
\$100 million or more	71.8%	7.8%	\$100 million or more	1.8%	0.3%
\$10 million up to \$100 million	25.2%	20.1%	\$10 million up to \$100 million	1.7%	1.5%
\$1 million up to \$10 million	2.7%	19.3%	\$1 million up to \$10 million	0.2%	1.2%
Under \$1 million	0.3%	52.7%	Under \$1 million	0.01%	2.0%
Counties	33.6%	6.5%	Constitutional Officers	2.4%	6.5%
Top 10	25.9%	1.3%	Top 10	1.5%	1.3%
\$100 million or more	31.9%	2.4%	\$100 million or more	0.5%	0.1%
\$10 million up to \$100 million	1.6%	1.5%	\$10 million up to \$100 million	1.5%	1.2%
\$1 million up to \$10 million	0.1%	1.1%	\$1 million up to \$10 million	0.3%	1.6%
Under \$1 million	0.0%	1.6%	Under \$1 million	0.0%	3.6%
Municipalities	19.3%	28.3%	Special Districts	10.3%	41.1%
Top 10	6.8%	1.3%	Top 10	6.0%	1.3%
\$100 million or more	7.3%	1.5%	\$100 million or more	4.5%	0.8%
\$10 million up to \$100 million	11.0%	8.6%	\$10 million up to \$100 million	4.9%	4.0%
\$1 million up to \$10 million	1.0%	6.5%	\$1 million up to \$10 million	0.7%	6.4%
Under \$1 million	0.1%	11.7%	Under \$1 million	0.2%	29.9%
School Boards	21.5%	9.6%	Other	9.1%	2.9%
Top 10	13.7%	1.3%	Top 10	8.8%	1.3%
\$100 million or more	17.4%	2.1%	\$100 million or more	8.4%	0.7%
\$10 million up to \$100 million	3.9%	2.9%	\$10 million up to \$100 million	0.7%	0.4%
\$1 million up to \$10 million	0.2%	1.7%	\$1 million up to \$10 million	0.1%	0.8%
Under \$1 million	0.0%	2.8%	Under \$1 million	0.0%	1.1%



Total Fund Value: \$21,999,370,422



Total Active Participant Count: 752

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

COMPLIANCE WITH INVESTMENT POLICY FOR APRIL 2023

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
Unregistered securities must be eligible for sale to Accredited Investors or Qualified Purchasers.	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
<u>Demand Feature and Guarantor Diversification</u>	
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 APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ANGLESEA FUNDING LLC PABS4	04/11/23	04/04/23	04/04/23	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	04/11/23	04/04/23	04/04/23	25,000,000	24,976,472	0	24,976,472	0
ANGLESEA FUNDING LLC PABS4	04/18/23	04/11/23	04/11/23	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	04/18/23	04/11/23	04/11/23	25,000,000	24,976,472	0	24,976,472	0
ANGLESEA FUNDING LLC PABS4	04/18/23	04/11/23	04/11/23	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	04/18/23	04/11/23	04/11/23	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	04/19/23	04/12/23	04/12/23	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	04/19/23	04/12/23	04/12/23	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	04/19/23	04/12/23	04/12/23	50,000,000	49,952,944	0	49,952,944	0
ANGLESEA FUNDING LLC PABS4	04/19/23	04/12/23	04/12/23	15,000,000	14,985,883	0	14,985,883	0
ANGLESEA FUNDING LLC PABS4	04/25/23	04/18/23	04/18/23	50,000,000	49,953,042	0	49,953,042	0
ANGLESEA FUNDING LLC PABS4	04/26/23	04/19/23	04/19/23	50,000,000	49,953,042	0	49,953,042	0
ANGLESEA FUNDING LLC PABS4	04/26/23	04/19/23	04/19/23	15,000,000	14,985,913	0	14,985,913	0
ANGLESEA FUNDING LLC PABS4	05/02/23	04/18/23	04/18/23	50,000,000	49,905,889	0	49,905,889	0
ANGLESEA FUNDING LLC PABS4	05/02/23	04/24/23	04/24/23	50,000,000	49,946,333	0	49,946,333	0
ANGLESEA FUNDING LLC PABS4	05/02/23	04/24/23	04/24/23	50,000,000	49,946,333	0	49,946,333	0
ANGLESEA FUNDING LLC PABS4	05/02/23	04/25/23	04/25/23	50,000,000	49,953,042	0	49,953,042	0
ANGLESEA FUNDING LLC PABS4	05/03/23	04/26/23	04/26/23	50,000,000	49,953,042	0	49,953,042	0
ANGLESEA FUNDING LLC PABS4	05/03/23	04/26/23	04/26/23	50,000,000	49,953,042	0	49,953,042	0
ANGLESEA FUNDING LLC	10/18/23	04/20/23	04/21/23	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC	10/18/23	04/20/23	04/21/23	50,000,000	50,000,000	0	50,000,000	0
ANTALIS S.A., CPABS4CPABS4	05/04/23	04/03/23	04/03/23	50,000,000	49,784,722	0	49,784,722	0
ANTALIS S.A., CPABS4CPABS4	05/04/23	04/03/23	04/03/23	9,000,000	8,961,250	0	8,961,250	0
ANTALIS S.A., CPABS4CPABS4	06/01/23	04/04/23	04/04/23	40,000,000	39,668,111	0	39,668,111	0
ANTALIS S.A., CPABS4CPABS4	06/27/23	04/28/23	05/01/23	40,000,000	39,672,567	0	39,672,567	0
BANK OF AMERICA NA FEDL01+71 BP	04/19/24	04/06/23	04/06/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA NA FEDL01+71 BP	04/19/24	04/06/23	04/06/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA NA FEDL01+71 BP	04/19/24	04/06/23	04/06/23	1,000,000	1,000,000	0	1,000,000	0
BANK OF MONTREAL	04/12/24	04/11/23	04/11/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL	04/12/24	04/11/23	04/12/23	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL S.A., CPABS4	04/25/23	04/24/23	04/24/23	14,000,000	13,998,126	0	13,998,126	0
BARTON CAPITAL S.A., CPABS4	05/04/23	04/27/23	04/27/23	50,000,000	49,953,042	0	49,953,042	0
BARTON CAPITAL S.A., CPABS4	05/11/23	04/17/23	04/17/23	19,750,000	19,685,088	0	19,685,088	0
BARTON CAPITAL S.A., CPABS4	06/01/23	04/04/23	04/04/23	50,000,000	49,586,750	0	49,586,750	0
BARTON CAPITAL S.A., CPABS4	06/01/23	04/04/23	04/04/23	50,000,000	49,586,750	0	49,586,750	0
BARTON CAPITAL S.A., CPABS4	06/20/23	04/21/23	04/21/23	50,000,000	49,572,500	0	49,572,500	0
BEDFORD ROW FUNDING CORP	10/30/23	04/18/23	04/18/23	50,000,000	50,000,000	0	50,000,000	0
BEDFORD ROW FUNDING CORP	10/30/23	04/18/23	04/18/23	25,000,000	25,000,000	0	25,000,000	0
BNG BANK N.Y., CP4-2CP4-2	04/17/23	04/03/23	04/03/23	50,000,000	49,906,472	0	49,906,472	0
BNG BANK N.Y., CP4-2CP4-2	04/17/23	04/03/23	04/03/23	50,000,000	49,906,472	0	49,906,472	0
BNG BANK N.Y., CP4-2CP4-2	04/24/23	04/17/23	04/17/23	50,000,000	49,953,139	0	49,953,139	0
BNG BANK N.Y., CP4-2CP4-2	04/24/23	04/17/23	04/17/23	50,000,000	49,953,139	0	49,953,139	0
BNG BANK N.Y., CP4-2CP4-2	05/08/23	04/24/23	04/24/23	50,000,000	49,904,917	0	49,904,917	0
BNG BANK N.Y., CP4-2CP4-2	05/08/23	04/24/23	04/24/23	50,000,000	49,904,917	0	49,904,917	0
CANADIAN IMPERIAL BCP4-2	04/18/24	04/19/23	04/20/23	25,000,000	23,669,378	0	23,669,378	0
CANADIAN IMPERIAL BCP4-2	04/18/24	04/19/23	04/20/23	50,000,000	47,338,756	0	47,338,756	0
CANADIAN IMPERIAL BANK OF COMMERCE	04/11/24	04/12/23	04/13/23	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BANK OF COMMERCE	04/11/24	04/12/23	04/13/23	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BANK OF COMMERCE	04/11/24	04/12/23	04/13/23	8,000,000	8,000,000	0	8,000,000	0
CANADIAN IMPERIAL BANK OF COMMERCE	04/11/24	04/12/23	04/13/23	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BANK OF COMMERCE	04/11/24	04/12/23	04/13/23	50,000,000	50,000,000	0	50,000,000	0
CANCARA ASSET SECURCPABS4	06/14/23	04/28/23	04/28/23	50,000,000	49,667,736	0	49,667,736	0
CANCARA ASSET SECURCPABS4	06/14/23	04/28/23	04/28/23	50,000,000	49,667,736	0	49,667,736	0
CANCARA ASSET SECURCPABS4	06/14/23	04/28/23	04/28/23	3,000,000	2,980,064	0	2,980,064	0
CHARIOT FUNDING LLC PABS4	04/19/23	04/18/23	04/18/23	20,977,000	20,974,191	0	20,974,191	0
CHARIOT FUNDING LLC PABS4	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0
CHARIOT FUNDING LLC PABS4	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0
CHARIOT FUNDING LLC PABS4	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0
CHARIOT FUNDING LLC PABS4	05/01/23	04/28/23	04/28/23	50,000,000	49,979,958	0	49,979,958	0
CHARIOT FUNDING LLC PABS4	05/01/23	04/28/23	04/28/23	50,000,000	49,979,958	0	49,979,958	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/03/23	04/03/23	50,000,000	49,993,292	0	49,993,292	0



www.sbafla.com/prime 17



www.sbafla.com/prime 19

20 *Florida PRIMETM Monthly Summary Report - April 2023*



www.sbafla.com/prime **21**



22 *Florida PRIMETM Monthly Summary Report - April 2023*

TRADING ACTIVITY FOR APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT INDUSTRIEL ECP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
CREDIT INDUSTRIEL ECP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
CREDIT INDUSTRIEL ECP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
CREDIT INDUSTRIEL ECP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
CREDIT INDUSTRIEL ECP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
DNB BANK ASA	05/05/23	04/28/23	04/28/23	50,000,000	49,952,944	0	49,952,944	0
DNB BANK ASA	05/05/23	04/28/23	04/28/23	50,000,000	49,952,944	0	49,952,944	0
GLENCOVE FUNDING LLCPCABS4	06/23/23	04/24/23	04/24/23	50,000,000	49,572,500	0	49,572,500	0
GLENCOVE FUNDING LLCPCABS4	06/23/23	04/24/23	04/24/23	30,000,000	29,743,500	0	29,743,500	0
GOTHAM FUNDING CORPCPABS4	05/01/23	04/28/23	04/28/23	50,000,000	49,979,917	0	49,979,917	0
GOTHAM FUNDING CORPCPABS4	05/01/23	04/28/23	04/28/23	17,903,000	17,895,809	0	17,895,809	0
GOTHAM FUNDING CORPCPABS4	07/06/23	04/06/23	04/06/23	50,000,000	49,346,569	0	49,346,569	0
GOTHAM FUNDING CORPCPABS4	07/12/23	04/14/23	04/14/23	50,000,000	49,359,694	0	49,359,694	0
GOTHAM FUNDING CORPCPABS4	07/12/23	04/14/23	04/14/23	50,000,000	49,359,694	0	49,359,694	0
GOTHAM FUNDING CORPCPABS4	07/20/23	04/14/23	04/14/23	47,300,000	46,637,274	0	46,637,274	0
GREAT BEAR FUNDING CPABS4	04/11/23	04/03/23	04/03/23	50,000,000	49,946,222	0	49,946,222	0
GREAT BEAR FUNDING CPABS4	04/18/23	04/11/23	04/11/23	25,000,000	24,976,472	0	24,976,472	0
GREAT BEAR FUNDING CPABS4	05/09/23	04/18/23	04/18/23	25,000,000	24,928,542	0	24,928,542	0
JUPITER SECURITIZATCPABS4	04/20/23	04/19/23	04/19/23	50,000,000	49,993,306	0	49,993,306	0
JUPITER SECURITIZATCPABS4	04/20/23	04/19/23	04/19/23	50,000,000	49,993,306	0	49,993,306	0
JUPITER SECURITIZATCPABS4	04/24/23	04/21/23	04/21/23	50,000,000	49,979,958	0	49,979,958	0
JUPITER SECURITIZATCPABS4	04/24/23	04/21/23	04/21/23	50,000,000	49,979,958	0	49,979,958	0
JUPITER SECURITIZATCPABS4	04/24/23	04/21/23	04/21/23	50,000,000	49,979,958	0	49,979,958	0
JUPITER SECURITIZATCPABS4	04/24/23	04/21/23	04/21/23	42,878,000	42,860,813	0	42,860,813	0
JUPITER SECURITIZATCPABS4	04/25/23	04/24/23	04/24/23	50,000,000	49,993,306	0	49,993,306	0
JUPITER SECURITIZATCPABS4	04/25/23	04/24/23	04/24/23	50,000,000	49,993,306	0	49,993,306	0
JUPITER SECURITIZATCPABS4	04/25/23	04/24/23	04/24/23	50,000,000	49,993,306	0	49,993,306	0
JUPITER SECURITIZATCPABS4	04/26/23	04/25/23	04/25/23	50,000,000	49,993,319	0	49,993,319	0
JUPITER SECURITIZATCPABS4	04/26/23	04/25/23	04/25/23	50,000,000	49,993,319	0	49,993,319	0
JUPITER SECURITIZATCPABS4	04/26/23	04/25/23	04/25/23	50,000,000	49,993,319	0	49,993,319	0
JUPITER SECURITIZATCPABS4	04/26/23	04/25/23	04/25/23	50,000,000	49,993,319	0	49,993,319	0
JUPITER SECURITIZATCPABS4	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0
JUPITER SECURITIZATCPABS4	04/28/23	04/27/23	04/27/23	11,200,000	11,198,504	0	11,198,504	0
JUPITER SECURITIZATCPABS4	05/01/23	04/28/23	04/28/23	15,000,000	14,993,988	0	14,993,988	0
JUPITER SECURITIZATCPABS4	05/04/23	04/18/23	04/18/23	50,000,000	49,892,444	0	49,892,444	0
JUPITER SECURITIZATCPABS4	05/04/23	04/18/23	04/18/23	50,000,000	49,892,444	0	49,892,444	0
JUPITER SECURITIZATCPABS4	05/04/23	04/18/23	04/18/23	50,000,000	49,892,444	0	49,892,444	0
JUPITER SECURITIZATCPABS4	05/04/23	04/20/23	04/20/23	50,000,000	49,905,889	0	49,905,889	0
JUPITER SECURITIZATCPABS4	05/04/23	04/20/23	04/20/23	16,750,000	16,718,473	0	16,718,473	0
LMA-AMERICAS LLC CPCPABS4	06/13/23	04/21/23	04/21/23	50,000,000	49,622,375	0	49,622,375	0
LMA-AMERICAS LLC CPCPABS4	06/13/23	04/21/23	04/21/23	14,350,000	14,241,622	0	14,241,622	0
LONGSHIP FUNDING LLCPCABS4	04/12/23	04/05/23	04/05/23	50,000,000	49,953,042	0	49,953,042	0
LONGSHIP FUNDING LLCPCABS4	04/13/23	04/06/23	04/06/23	50,000,000	49,953,139	0	49,953,139	0
LONGSHIP FUNDING LLCPCABS4	04/20/23	04/13/23	04/13/23	45,000,000	44,957,825	0	44,957,825	0
LONGSHIP FUNDING LLCPCABS4	04/24/23	04/17/23	04/17/23	42,000,000	41,960,637	0	41,960,637	0
LONGSHIP FUNDING LLCPCABS4	04/25/23	04/18/23	04/18/23	50,000,000	49,953,139	0	49,953,139	0
LONGSHIP FUNDING LLCPCABS4	04/27/23	04/20/23	04/20/23	50,000,000	49,953,236	0	49,953,236	0
LONGSHIP FUNDING LLCPCABS4	04/27/23	04/20/23	04/20/23	20,000,000	19,981,294	0	19,981,294	0
LONGSHIP FUNDING LLCPCABS4	05/02/23	04/24/23	04/24/23	50,000,000	49,946,444	0	49,946,444	0
LONGSHIP FUNDING LLCPCABS4	05/02/23	04/24/23	04/24/23	50,000,000	49,946,444	0	49,946,444	0
LONGSHIP FUNDING LLCPCABS4	05/02/23	04/25/23	04/25/23	50,000,000	49,953,042	0	49,953,042	0
LONGSHIP FUNDING LLCPCABS4	05/04/23	04/27/23	04/27/23	50,000,000	49,953,042	0	49,953,042	0
LONGSHIP FUNDING LLCPCABS4	05/09/23	04/18/23	04/18/23	50,000,000	49,857,375	0	49,857,375	0
LONGSHIP FUNDING LLCPCABS4	05/09/23	04/18/23	04/18/23	30,000,000	29,914,425	0	29,914,425	0
MIZUHO BANK LTD/NEW YORK NY	07/27/23	04/13/23	04/13/23	50,000,000	50,000,000	0	50,000,000	0
ROYAL BANK OF CANADCP4-2	03/20/24	04/20/23	04/20/23	45,000,000	42,801,563	0	42,801,563	0
SHEFFIELD RECEIVABLCABS4	05/09/23	04/11/23	04/11/23	30,000,000	29,885,667	0	29,885,667	0
SHEFFIELD RECEIVABLCABS4	06/14/23	04/04/23	04/04/23	50,000,000	49,496,097	0	49,496,097	0
SHEFFIELD RECEIVABLCABS4	06/14/23	04/04/23	04/04/23	30,000,000	29,697,658	0	29,697,658	0
SOCIETE GENERALE SA	04/17/23	04/14/23	04/14/23	50,000,000	49,979,958	0	49,979,958	0
SOCIETE GENERALE SA	04/17/23	04/14/23	04/14/23	50,000,000	49,979,958	0	49,979,958	0
SOCIETE GENERALE SA	04/17/23	04/14/23	04/14/23	50,000,000	49,979,958	0	49,979,958	0
SOCIETE GENERALE SA	04/17/23	04/14/23	04/14/23	50,000,000	49,979,958	0	49,979,958	0
SOCIETE GENERALE SA	04/17/23	04/14/23	04/14/23	50,000,000	49,979,958	0	49,979,958	0
SOCIETE GENERALE SA	04/17/23	04/14/23	04/14/23	50,000,000	49,979,958	0	49,979,958	0
SOCIETE GENERALE, PCP4-2	04/26/23	04/25/23	04/25/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE, PCP4-2	04/26/23	04/25/23	04/25/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE, PCP4-2	04/26/23	04/25/23	04/25/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE SA	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE SA	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE SA	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0

TRADING ACTIVITY FOR APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SOCIETE GENERALE SA	04/27/23	04/26/23	04/26/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE SA	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE SA	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE SA	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
SOCIETE GENERALE SA	04/28/23	04/27/23	04/27/23	50,000,000	49,993,319	0	49,993,319	0
SUMITOMO MITSUI TRUST BANK LTD/ NEW YORK	07/13/23	04/10/23	04/11/23	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUST BANK LTD/ NEW YORK	07/13/23	04/10/23	04/11/23	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BANK, AP SOFRRATE 60BP	04/29/24	04/27/23	04/27/23	50,000,000	50,000,000	0	50,000,000	0
2 BDLB								
TORONTO DOMINION BANK, AP SOFRRATE 60BP	04/29/24	04/27/23	04/27/23	50,000,000	50,000,000	0	50,000,000	0
2 BDLB								
TOTALENERGIES CAPITCP4-2	05/01/23	04/24/23	04/24/23	41,200,000	41,161,306	0	41,161,306	0
UNITEDHEALTH GROUP,CP4-2	04/24/23	04/21/23	04/21/23	50,000,000	49,979,833	0	49,979,833	0
UNITEDHEALTH GROUP,CP4-2	04/25/23	04/24/23	04/24/23	50,000,000	49,993,278	0	49,993,278	0
UNITEDHEALTH GROUP,CP4-2	04/26/23	04/25/23	04/25/23	50,000,000	49,993,278	0	49,993,278	0
UNITEDHEALTH GROUP,CP4-2	04/27/23	04/26/23	04/26/23	50,000,000	49,993,278	0	49,993,278	0
UNITEDHEALTH GROUP,CP4-2	04/27/23	04/26/23	04/26/23	50,000,000	49,993,278	0	49,993,278	0
UNITEDHEALTH GROUP,CP4-2	04/27/23	04/26/23	04/26/23	50,000,000	49,993,278	0	49,993,278	0
UNITEDHEALTH GROUP,CP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,278	0	49,993,278	0
UNITEDHEALTH GROUP,CP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,278	0	49,993,278	0
UNITEDHEALTH GROUP,CP4-2	04/28/23	04/27/23	04/27/23	50,000,000	49,993,278	0	49,993,278	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/03/23	04/03/23	4,122,521	4,122,521	0	4,122,521	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/05/23	04/05/23	2,971,792	2,971,792	0	2,971,792	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/10/23	04/10/23	2,249,961	2,249,961	0	2,249,961	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/14/23	04/14/23	308,874	308,874	0	308,874	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/17/23	04/17/23	2,167,248	2,167,248	0	2,167,248	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/19/23	04/19/23	8,898,217	8,898,217	0	8,898,217	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/24/23	04/24/23	2,464,891	2,464,891	0	2,464,891	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/28/23	04/28/23	25,724	25,724	0	25,724	0
MIZUHO TRIPARTY	04/04/23	04/03/23	04/03/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/04/23	04/03/23	04/03/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/04/23	04/03/23	04/03/23	178,000,000	178,000,000	0	178,000,000	0
MIZUHO TRIPARTY	04/05/23	04/04/23	04/04/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/05/23	04/04/23	04/04/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/05/23	04/04/23	04/04/23	306,000,000	306,000,000	0	306,000,000	0
MIZUHO TRIPARTY	04/06/23	04/05/23	04/05/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/06/23	04/05/23	04/05/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/06/23	04/05/23	04/05/23	228,000,000	228,000,000	0	228,000,000	0
MIZUHO TRIPARTY	04/10/23	04/06/23	04/06/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/10/23	04/06/23	04/06/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/10/23	04/06/23	04/06/23	352,000,000	352,000,000	0	352,000,000	0
MIZUHO TRIPARTY	04/11/23	04/10/23	04/10/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/11/23	04/10/23	04/10/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/11/23	04/10/23	04/10/23	487,000,000	487,000,000	0	487,000,000	0
MIZUHO TRIPARTY	04/12/23	04/11/23	04/11/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/12/23	04/11/23	04/11/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/12/23	04/11/23	04/11/23	435,000,000	435,000,000	0	435,000,000	0
MIZUHO TRIPARTY	04/13/23	04/12/23	04/12/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/13/23	04/12/23	04/12/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/13/23	04/12/23	04/12/23	206,000,000	206,000,000	0	206,000,000	0
MIZUHO TRIPARTY	04/14/23	04/13/23	04/13/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/14/23	04/13/23	04/13/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/14/23	04/13/23	04/13/23	181,000,000	181,000,000	0	181,000,000	0
MIZUHO TRIPARTY	04/17/23	04/14/23	04/14/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/17/23	04/14/23	04/14/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/17/23	04/14/23	04/14/23	337,000,000	337,000,000	0	337,000,000	0
MIZUHO TRIPARTY	04/18/23	04/17/23	04/17/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/18/23	04/17/23	04/17/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/18/23	04/17/23	04/17/23	287,000,000	287,000,000	0	287,000,000	0
MIZUHO TRIPARTY	04/19/23	04/18/23	04/18/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/19/23	04/18/23	04/18/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/19/23	04/18/23	04/18/23	353,000,000	353,000,000	0	353,000,000	0
MIZUHO TRIPARTY	04/20/23	04/19/23	04/19/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/20/23	04/19/23	04/19/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/20/23	04/19/23	04/19/23	277,000,000	277,000,000	0	277,000,000	0
MIZUHO TRIPARTY	04/21/23	04/20/23	04/20/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/21/23	04/20/23	04/20/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/21/23	04/20/23	04/20/23	212,000,000	212,000,000	0	212,000,000	0
MIZUHO TRIPARTY	04/24/23	04/21/23	04/21/23	150,000,000	150,000,000	0	150,000,000	0

TRADING ACTIVITY FOR APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
HSBC TRIPARTY	04/24/23	04/21/23	04/21/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/24/23	04/21/23	04/21/23	145,000,000	145,000,000	0	145,000,000	0
MIZUHO TRIPARTY	04/25/23	04/24/23	04/24/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/25/23	04/24/23	04/24/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/25/23	04/24/23	04/24/23	156,000,000	156,000,000	0	156,000,000	0
MIZUHO TRIPARTY	04/26/23	04/25/23	04/25/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/26/23	04/25/23	04/25/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/26/23	04/25/23	04/25/23	277,000,000	277,000,000	0	277,000,000	0
MIZUHO TRIPARTY	04/27/23	04/26/23	04/26/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/27/23	04/26/23	04/26/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/27/23	04/26/23	04/26/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	04/28/23	04/27/23	04/27/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/28/23	04/27/23	04/27/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/28/23	04/27/23	04/27/23	424,000,000	424,000,000	0	424,000,000	0
MIZUHO TRIPARTY	05/01/23	04/28/23	04/28/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/01/23	04/28/23	04/28/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/01/23	04/28/23	04/28/23	523,000,000	523,000,000	0	523,000,000	0
Total Buys				38,947,717,228	38,925,696,404	0	38,925,696,404	0
Cash Closes								
ANGLESEA FUNDING LLC	07/05/23	04/04/23	04/04/23	75,000,000	75,000,000	304,729	75,304,729	0
ANGLESEA FUNDING LLC	07/28/23	04/21/23	04/21/23	100,000,000	100,000,000	316,056	100,316,056	0
BWF FORGE TL PROPERTIES OWNER LLC	05/01/59	04/03/23	04/03/23	1,500,000	1,500,000	0	1,500,000	0
Total Cash Closes				176,500,000	176,500,000	620,785	177,120,785	0
Deposits								
RABOBANK NEWYORK	04/10/23	04/03/23	04/03/23	520,000,000	520,000,000	0	520,000,000	0
ABN AMRO BANK N.V.	04/10/23	04/03/23	04/03/23	400,000,000	400,000,000	0	400,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/04/23	04/03/23	04/03/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/04/23	04/03/23	04/03/23	500,000,000	500,000,000	0	500,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	04/11/23	04/04/23	04/04/23	1,100,000,000	1,100,000,000	0	1,100,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/05/23	04/04/23	04/04/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/05/23	04/04/23	04/04/23	525,000,000	525,000,000	0	525,000,000	0
RABOBANK NEWYORK	04/12/23	04/05/23	04/05/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/06/23	04/05/23	04/05/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/06/23	04/05/23	04/05/23	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	04/13/23	04/06/23	04/06/23	330,000,000	330,000,000	0	330,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/10/23	04/06/23	04/06/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/10/23	04/06/23	04/06/23	525,000,000	525,000,000	0	525,000,000	0
ABN AMRO BANK N.V.	04/14/23	04/10/23	04/10/23	350,000,000	350,000,000	0	350,000,000	0
ABN AMRO BANK N.V.	04/17/23	04/10/23	04/10/23	420,000,000	420,000,000	0	420,000,000	0
RABOBANK NEWYORK	04/17/23	04/10/23	04/10/23	600,000,000	600,000,000	0	600,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/11/23	04/10/23	04/10/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/11/23	04/10/23	04/10/23	500,000,000	500,000,000	0	500,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	04/18/23	04/11/23	04/11/23	1,100,000,000	1,100,000,000	0	1,100,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/12/23	04/11/23	04/11/23	530,000,000	530,000,000	0	530,000,000	0
RABOBANK NEWYORK	04/19/23	04/12/23	04/12/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/13/23	04/12/23	04/12/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/13/23	04/12/23	04/12/23	525,000,000	525,000,000	0	525,000,000	0
ABN AMRO BANK N.V.	04/14/23	04/13/23	04/13/23	330,000,000	330,000,000	0	330,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/14/23	04/13/23	04/13/23	750,000,000	750,000,000	0	750,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/14/23	04/13/23	04/13/23	470,000,000	470,000,000	0	470,000,000	0
ABN AMRO BANK N.V.	04/21/23	04/14/23	04/14/23	680,000,000	680,000,000	0	680,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/17/23	04/14/23	04/14/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/17/23	04/14/23	04/14/23	470,000,000	470,000,000	0	470,000,000	0
RABOBANK NEWYORK	04/24/23	04/17/23	04/17/23	600,000,000	600,000,000	0	600,000,000	0
ABN AMRO BANK N.V.	04/24/23	04/17/23	04/17/23	425,000,000	425,000,000	0	425,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/18/23	04/17/23	04/17/23	750,000,000	750,000,000	0	750,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/18/23	04/17/23	04/17/23	475,000,000	475,000,000	0	475,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	04/25/23	04/18/23	04/18/23	1,100,000,000	1,100,000,000	0	1,100,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/19/23	04/18/23	04/18/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/19/23	04/18/23	04/18/23	480,000,000	480,000,000	0	480,000,000	0
RABOBANK NEWYORK	04/20/23	04/19/23	04/19/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/20/23	04/19/23	04/19/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/20/23	04/19/23	04/19/23	350,000,000	350,000,000	0	350,000,000	0
RABOBANK NEWYORK	04/27/23	04/20/23	04/20/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/21/23	04/20/23	04/20/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/21/23	04/20/23	04/20/23	490,000,000	490,000,000	0	490,000,000	0

TRADING ACTIVITY FOR APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ABN AMRO BANK N.V.	04/28/23	04/21/23	04/21/23	650,000,000	650,000,000	0	650,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/24/23	04/21/23	04/21/23	460,000,000	460,000,000	0	460,000,000	0
ABN AMRO BANK N.V.	05/01/23	04/24/23	04/24/23	435,000,000	435,000,000	0	435,000,000	0
RABOBANK NEW YORK	05/01/23	04/24/23	04/24/23	590,000,000	590,000,000	0	590,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/25/23	04/24/23	04/24/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/25/23	04/24/23	04/24/23	300,000,000	300,000,000	0	300,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/02/23	04/25/23	04/25/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/26/23	04/25/23	04/25/23	550,000,000	550,000,000	0	550,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/26/23	04/25/23	04/25/23	400,000,000	400,000,000	0	400,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/27/23	04/26/23	04/26/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/27/23	04/26/23	04/26/23	400,000,000	400,000,000	0	400,000,000	0
RABOBANK NEW YORK	05/04/23	04/27/23	04/27/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/28/23	04/27/23	04/27/23	465,000,000	465,000,000	0	465,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/28/23	04/27/23	04/27/23	450,000,000	450,000,000	0	450,000,000	0
ABN AMRO BANK N.V.	05/05/23	04/28/23	04/28/23	650,000,000	650,000,000	0	650,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/01/23	04/28/23	04/28/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/01/23	04/28/23	04/28/23	450,000,000	450,000,000	0	450,000,000	0
Total Deposits				32,470,000,000	32,470,000,000	0	32,470,000,000	0
Maturities								
ANGLESEA FUNDING LLC PABS4	04/03/23	04/03/23	04/03/23	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC PABS4	04/06/23	04/06/23	04/06/23	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC PABS4	04/11/23	04/11/23	04/11/23	75,000,000	75,000,000	0	75,000,000	0
ANGLESEA FUNDING LLC PABS4	04/12/23	04/12/23	04/12/23	95,000,000	95,000,000	0	95,000,000	0
ANGLESEA FUNDING LLC PABS4	04/18/23	04/18/23	04/18/23	175,000,000	175,000,000	0	175,000,000	0
ANGLESEA FUNDING LLC PABS4	04/19/23	04/19/23	04/19/23	165,000,000	165,000,000	0	165,000,000	0
ANGLESEA FUNDING LLC PABS4	04/24/23	04/24/23	04/24/23	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PABS4	04/25/23	04/25/23	04/25/23	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC PABS4	04/26/23	04/26/23	04/26/23	65,000,000	65,000,000	0	65,000,000	0
ANTALIS S.A, CPABS4CPABS4	04/03/23	04/03/23	04/03/23	59,000,000	59,000,000	0	59,000,000	0
ANTALIS S.A, CPABS4CPABS4	04/06/23	04/06/23	04/06/23	25,000,000	25,000,000	0	25,000,000	0
BANK OF AMERICA N.ACD	04/25/23	04/25/23	04/25/23	110,000,000	110,000,000	0	110,000,000	0
BANK OF AMERICA N.ACD	04/27/23	04/27/23	04/27/23	250,000,000	250,000,000	0	250,000,000	0
BOFA SECURITIES INC AP SOFRRATE +52 BP	04/12/23	04/12/23	04/12/23	105,000,000	105,000,000	0	105,000,000	0
BOFA SECURITIES, INCP4-2	04/24/23	04/24/23	04/24/23	200,000,000	200,000,000	0	200,000,000	0
BANK OF MONTREAL CPCP4-2	04/03/23	04/03/23	04/03/23	167,000,000	167,000,000	0	167,000,000	0
BARTON CAPITAL S.A,CPABS4	04/04/23	04/04/23	04/04/23	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL S.A,CPABS4	04/25/23	04/25/23	04/25/23	144,000,000	144,000,000	0	144,000,000	0
BEDFORD ROW FUNDINGCPABS4	04/21/23	04/21/23	04/21/23	25,000,000	25,000,000	0	25,000,000	0
BEDFORD ROW FUNDING CORP	04/27/23	04/27/23	04/27/23	100,000,000	100,000,000	0	100,000,000	0
BENNINGTON STARK CACPABS4	04/03/23	04/03/23	04/03/23	140,000,000	140,000,000	0	140,000,000	0
BNG BANK N.V, CP4-2CP4-2	04/03/23	04/03/23	04/03/23	100,000,000	100,000,000	0	100,000,000	0
BNG BANK N.V, CP4-2CP4-2	04/17/23	04/17/23	04/17/23	100,000,000	100,000,000	0	100,000,000	0
BNG BANK N.V, CP4-2CP4-2	04/24/23	04/24/23	04/24/23	100,000,000	100,000,000	0	100,000,000	0
CANCARA ASSET SECURCPABS4	04/27/23	04/27/23	04/27/23	50,000,000	50,000,000	0	50,000,000	0
CANCARA ASSET SECURCPABS4	04/28/23	04/28/23	04/28/23	78,000,000	78,000,000	0	78,000,000	0
CHARIOT FUNDING LLC PABS4	04/03/23	04/03/23	04/03/23	150,000,000	150,000,000	0	150,000,000	0
CHARIOT FUNDING LLC PABS4	04/18/23	04/18/23	04/18/23	200,000,000	200,000,000	0	200,000,000	0
CHARIOT FUNDING LLC PABS4	04/19/23	04/19/23	04/19/23	20,977,000	20,977,000	0	20,977,000	0
CHARIOT FUNDING LLC PABS4	04/27/23	04/27/23	04/27/23	150,000,000	150,000,000	0	150,000,000	0
CHESHAM FINANCE LLC PABS4	04/03/23	04/03/23	04/03/23	500,000,000	500,000,000	0	500,000,000	0
CHESHAM FINANCE LLC PABS4	04/04/23	04/04/23	04/04/23	500,000,000	500,000,000	0	500,000,000	0
CHESHAM FINANCE LLC PABS4	04/05/23	04/05/23	04/05/23	500,000,000	500,000,000	0	500,000,000	0
CHESHAM FINANCE LLC PABS4	04/12/23	04/12/23	04/12/23	455,000,000	455,000,000	0	455,000,000	0
CHESHAM FINANCE LLC PABS4	04/19/23	04/19/23	04/19/23	400,000,000	400,000,000	0	400,000,000	0
CHESHAM FINANCE LLC PABS4	04/26/23	04/26/23	04/26/23	425,000,000	425,000,000	0	425,000,000	0
CHESHAM FINANCE LLC PABS4	04/03/23	04/03/23	04/03/23	25,000,000	25,000,000	0	25,000,000	0
COLLATERALIZED COMMERCIAL PAPER FLEX CO LLC	04/05/23	04/05/23	04/05/23	150,000,000	150,000,000	0	150,000,000	0
COLLATERALIZED COMMERCIAL PAPER V CO LLC	04/03/23	04/03/23	04/03/23	85,000,000	85,000,000	0	85,000,000	0
CREDIT AGRICOLE CORCP	04/03/23	04/03/23	04/03/23	200,000,000	200,000,000	0	200,000,000	0
CREDIT AGRICOLE CORCDYAN	04/06/23	04/06/23	04/06/23	200,000,000	200,000,000	0	200,000,000	0
CREDIT AGRICOLE CORCDYAN	04/10/23	04/10/23	04/10/23	500,000,000	500,000,000	0	500,000,000	0
CREDIT AGRICOLE CORCDYAN	04/13/23	04/13/23	04/13/23	300,000,000	300,000,000	0	300,000,000	0
CREDIT AGRICOLE CORCDYAN	04/17/23	04/17/23	04/17/23	500,000,000	500,000,000	0	500,000,000	0
CREDIT AGRICOLE CORCDYAN	04/20/23	04/20/23	04/20/23	25,000,000	25,000,000	0	25,000,000	0
CREDIT AGRICOLE CORCDYAN	04/24/23	04/24/23	04/24/23	400,000,000	400,000,000	0	400,000,000	0

TRADING ACTIVITY FOR APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT INDUSTRIEL ECP4-2	04/04/23	04/04/23	04/04/23	702,000,000	702,000,000	0	702,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/05/23	04/05/23	04/05/23	678,000,000	678,000,000	0	678,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/06/23	04/06/23	04/06/23	999,200,000	999,200,000	0	999,200,000	0
CREDIT INDUSTRIEL ECP4-2	04/10/23	04/10/23	04/10/23	675,000,000	675,000,000	0	675,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/11/23	04/11/23	04/11/23	630,000,000	630,000,000	0	630,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/12/23	04/12/23	04/12/23	1,104,000,000	1,104,000,000	0	1,104,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/13/23	04/13/23	04/13/23	1,056,000,000	1,056,000,000	0	1,056,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/14/23	04/14/23	04/14/23	1,002,000,000	1,002,000,000	0	1,002,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/17/23	04/17/23	04/17/23	1,010,000,000	1,010,000,000	0	1,010,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/18/23	04/18/23	04/18/23	940,000,000	940,000,000	0	940,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/19/23	04/19/23	04/19/23	965,000,000	965,000,000	0	965,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/20/23	04/20/23	04/20/23	955,000,000	955,000,000	0	955,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/21/23	04/21/23	04/21/23	990,000,000	990,000,000	0	990,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/24/23	04/24/23	04/24/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/25/23	04/25/23	04/25/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/26/23	04/26/23	04/26/23	980,000,000	980,000,000	0	980,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/27/23	04/27/23	04/27/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
CREDIT INDUSTRIEL ECP4-2	04/28/23	04/28/23	04/28/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
SUMITOMO MITSUI TRUECD	04/12/23	04/12/23	04/12/23	100,000,000	100,000,000	0	100,000,000	0
GOTHAM FUNDING CORPCPABS4	04/10/23	04/10/23	04/10/23	28,372,000	28,372,000	0	28,372,000	0
GREAT BEAR FUNDING CPABS4	04/03/23	04/03/23	04/03/23	35,000,000	35,000,000	0	35,000,000	0
GREAT BEAR FUNDING CPABS4	04/11/23	04/11/23	04/11/23	50,000,000	50,000,000	0	50,000,000	0
GREAT BEAR FUNDING CPABS4	04/18/23	04/18/23	04/18/23	25,000,000	25,000,000	0	25,000,000	0
GTA FUNDING LLC CPACPABS4	04/04/23	04/04/23	04/04/23	40,000,000	40,000,000	0	40,000,000	0
JUPITER SECURITIZATCPABS4	04/04/23	04/04/23	04/04/23	47,000,000	47,000,000	0	47,000,000	0
JUPITER SECURITIZATCPABS4	04/20/23	04/20/23	04/20/23	100,000,000	100,000,000	0	100,000,000	0
JUPITER SECURITIZATCPABS4	04/24/23	04/24/23	04/24/23	192,878,000	192,878,000	0	192,878,000	0
JUPITER SECURITIZATCPABS4	04/25/23	04/25/23	04/25/23	150,000,000	150,000,000	0	150,000,000	0
JUPITER SECURITIZATCPABS4	04/26/23	04/26/23	04/26/23	200,000,000	200,000,000	0	200,000,000	0
JUPITER SECURITIZATCPABS4	04/27/23	04/27/23	04/27/23	50,000,000	50,000,000	0	50,000,000	0
JUPITER SECURITIZATCPABS4	04/28/23	04/28/23	04/28/23	11,200,000	11,200,000	0	11,200,000	0
LMA-AMERICAS LLC CPCPABS4	04/18/23	04/18/23	04/18/23	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLC CPCPABS4	04/25/23	04/25/23	04/25/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/05/23	04/05/23	04/05/23	75,000,000	75,000,000	0	75,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/06/23	04/06/23	04/06/23	75,000,000	75,000,000	0	75,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/12/23	04/12/23	04/12/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/13/23	04/13/23	04/13/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/20/23	04/20/23	04/20/23	45,000,000	45,000,000	0	45,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/24/23	04/24/23	04/24/23	42,000,000	42,000,000	0	42,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/25/23	04/25/23	04/25/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCABS4	04/27/23	04/27/23	04/27/23	70,000,000	70,000,000	0	70,000,000	0
MUFG BANK LTD, CDYACDYAN	04/12/23	04/12/23	04/12/23	200,000,000	200,000,000	0	200,000,000	0
NATIONAL AUSTRALIA BANK LTD	04/06/23	04/06/23	04/06/23	150,000,000	150,000,000	0	150,000,000	0
SHEFFIELD RECEIVABLECPABS4	04/04/23	04/04/23	04/04/23	70,000,000	70,000,000	0	70,000,000	0
SOCIETE GENERALE SA	04/17/23	04/17/23	04/17/23	350,000,000	350,000,000	0	350,000,000	0
SOCIETE GENERALE, PCP4-2	04/26/23	04/26/23	04/26/23	200,000,000	200,000,000	0	200,000,000	0
SOCIETE GENERALE SA	04/27/23	04/27/23	04/27/23	200,000,000	200,000,000	0	200,000,000	0
SOCIETE GENERALE SA	04/28/23	04/28/23	04/28/23	200,000,000	200,000,000	0	200,000,000	0
TOTALENERGIES CAPITCP4-2	04/24/23	04/24/23	04/24/23	41,200,000	41,200,000	0	41,200,000	0
UNITEDHEALTH GROUP,CP4-2	04/04/23	04/04/23	04/04/23	200,000,000	200,000,000	0	200,000,000	0
UNITEDHEALTH GROUP,CP4-2	04/24/23	04/24/23	04/24/23	50,000,000	50,000,000	0	50,000,000	0
UNITEDHEALTH GROUP,CP4-2	04/25/23	04/25/23	04/25/23	50,000,000	50,000,000	0	50,000,000	0
UNITEDHEALTH GROUP,CP4-2	04/26/23	04/26/23	04/26/23	50,000,000	50,000,000	0	50,000,000	0
UNITEDHEALTH GROUP,CP4-2	04/27/23	04/27/23	04/27/23	150,000,000	150,000,000	0	150,000,000	0
UNITEDHEALTH GROUP,CP4-2	04/28/23	04/28/23	04/28/23	150,000,000	150,000,000	0	150,000,000	0
UNITED STATES TREASURY FLOATING RATE NOTE	04/30/23	04/30/23	04/30/23	175,000,000	175,000,000	0	175,000,000	0
VICTORY RECEIVABLESCPABS4	04/13/23	04/13/23	04/13/23	16,162,000	16,162,000	0	16,162,000	0
VICTORY RECEIVABLESCPABS4	04/26/23	04/26/23	04/26/23	35,000,000	35,000,000	0	35,000,000	0
MIZUHO TRIPARTY	04/03/23	04/03/23	04/03/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/03/23	04/03/23	04/03/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/03/23	04/03/23	04/03/23	604,000,000	604,000,000	0	604,000,000	0
MIZUHO TRIPARTY	04/04/23	04/04/23	04/04/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/04/23	04/04/23	04/04/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/04/23	04/04/23	04/04/23	178,000,000	178,000,000	0	178,000,000	0
MIZUHO TRIPARTY	04/05/23	04/05/23	04/05/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/05/23	04/05/23	04/05/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/05/23	04/05/23	04/05/23	306,000,000	306,000,000	0	306,000,000	0

TRADING ACTIVITY FOR APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO TRIPARTY	04/06/23	04/06/23	04/06/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/06/23	04/06/23	04/06/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/06/23	04/06/23	04/06/23	228,000,000	228,000,000	0	228,000,000	0
MIZUHO TRIPARTY	04/10/23	04/10/23	04/10/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/10/23	04/10/23	04/10/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/10/23	04/10/23	04/10/23	352,000,000	352,000,000	0	352,000,000	0
MIZUHO TRIPARTY	04/11/23	04/11/23	04/11/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/11/23	04/11/23	04/11/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/11/23	04/11/23	04/11/23	487,000,000	487,000,000	0	487,000,000	0
MIZUHO TRIPARTY	04/12/23	04/12/23	04/12/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/12/23	04/12/23	04/12/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/12/23	04/12/23	04/12/23	435,000,000	435,000,000	0	435,000,000	0
MIZUHO TRIPARTY	04/13/23	04/13/23	04/13/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/13/23	04/13/23	04/13/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/13/23	04/13/23	04/13/23	206,000,000	206,000,000	0	206,000,000	0
MIZUHO TRIPARTY	04/14/23	04/14/23	04/14/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/14/23	04/14/23	04/14/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/14/23	04/14/23	04/14/23	181,000,000	181,000,000	0	181,000,000	0
MIZUHO TRIPARTY	04/17/23	04/17/23	04/17/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/17/23	04/17/23	04/17/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/17/23	04/17/23	04/17/23	337,000,000	337,000,000	0	337,000,000	0
MIZUHO TRIPARTY	04/18/23	04/18/23	04/18/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/18/23	04/18/23	04/18/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/18/23	04/18/23	04/18/23	287,000,000	287,000,000	0	287,000,000	0
MIZUHO TRIPARTY	04/19/23	04/19/23	04/19/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/19/23	04/19/23	04/19/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/19/23	04/19/23	04/19/23	353,000,000	353,000,000	0	353,000,000	0
MIZUHO TRIPARTY	04/20/23	04/20/23	04/20/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/20/23	04/20/23	04/20/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/20/23	04/20/23	04/20/23	277,000,000	277,000,000	0	277,000,000	0
MIZUHO TRIPARTY	04/21/23	04/21/23	04/21/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/21/23	04/21/23	04/21/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/21/23	04/21/23	04/21/23	212,000,000	212,000,000	0	212,000,000	0
MIZUHO TRIPARTY	04/24/23	04/24/23	04/24/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/24/23	04/24/23	04/24/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/24/23	04/24/23	04/24/23	145,000,000	145,000,000	0	145,000,000	0
MIZUHO TRIPARTY	04/25/23	04/25/23	04/25/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/25/23	04/25/23	04/25/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/25/23	04/25/23	04/25/23	156,000,000	156,000,000	0	156,000,000	0
MIZUHO TRIPARTY	04/26/23	04/26/23	04/26/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/26/23	04/26/23	04/26/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/26/23	04/26/23	04/26/23	277,000,000	277,000,000	0	277,000,000	0
MIZUHO TRIPARTY	04/27/23	04/27/23	04/27/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/27/23	04/27/23	04/27/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/27/23	04/27/23	04/27/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	04/28/23	04/28/23	04/28/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	04/28/23	04/28/23	04/28/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	04/28/23	04/28/23	04/28/23	424,000,000	424,000,000	0	424,000,000	0
RABOBANK NEW YORK	04/03/23	04/03/23	04/03/23	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	04/03/23	04/03/23	04/03/23	400,000,000	400,000,000	0	400,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	04/04/23	04/04/23	04/04/23	1,125,000,000	1,125,000,000	0	1,125,000,000	0
RABOBANK NEW YORK	04/05/23	04/05/23	04/05/23	600,000,000	600,000,000	0	600,000,000	0
ABN AMRO BANK N.V.	04/06/23	04/06/23	04/06/23	335,000,000	335,000,000	0	335,000,000	0
ABN AMRO BANK N.V.	04/10/23	04/10/23	04/10/23	385,000,000	385,000,000	0	385,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/03/23	04/03/23	04/03/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/03/23	04/03/23	04/03/23	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	04/10/23	04/10/23	04/10/23	520,000,000	520,000,000	0	520,000,000	0
ABN AMRO BANK N.V.	04/10/23	04/10/23	04/10/23	400,000,000	400,000,000	0	400,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/04/23	04/04/23	04/04/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/04/23	04/04/23	04/04/23	500,000,000	500,000,000	0	500,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	04/11/23	04/11/23	04/11/23	1,100,000,000	1,100,000,000	0	1,100,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/05/23	04/05/23	04/05/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/05/23	04/05/23	04/05/23	525,000,000	525,000,000	0	525,000,000	0
RABOBANK NEW YORK	04/12/23	04/12/23	04/12/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/06/23	04/06/23	04/06/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/06/23	04/06/23	04/06/23	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	04/13/23	04/13/23	04/13/23	330,000,000	330,000,000	0	330,000,000	0

TRADING ACTIVITY FOR APRIL 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DNB BANK ASA, GRAND CAYMAN BRANCH	04/10/23	04/10/23	04/10/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/10/23	04/10/23	04/10/23	525,000,000	525,000,000	0	525,000,000	0
ABN AMRO BANK N.V.	04/14/23	04/14/23	04/14/23	350,000,000	350,000,000	0	350,000,000	0
ABN AMRO BANK N.V.	04/17/23	04/17/23	04/17/23	420,000,000	420,000,000	0	420,000,000	0
RABOBANK NEW YORK	04/17/23	04/17/23	04/17/23	600,000,000	600,000,000	0	600,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/11/23	04/11/23	04/11/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/11/23	04/11/23	04/11/23	500,000,000	500,000,000	0	500,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	04/18/23	04/18/23	04/18/23	1,100,000,000	1,100,000,000	0	1,100,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/12/23	04/12/23	04/12/23	530,000,000	530,000,000	0	530,000,000	0
RABOBANK NEW YORK	04/19/23	04/19/23	04/19/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/13/23	04/13/23	04/13/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/13/23	04/13/23	04/13/23	525,000,000	525,000,000	0	525,000,000	0
ABN AMRO BANK N.V.	04/14/23	04/14/23	04/14/23	330,000,000	330,000,000	0	330,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/14/23	04/14/23	04/14/23	750,000,000	750,000,000	0	750,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/14/23	04/14/23	04/14/23	470,000,000	470,000,000	0	470,000,000	0
ABN AMRO BANK N.V.	04/21/23	04/21/23	04/21/23	680,000,000	680,000,000	0	680,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/17/23	04/17/23	04/17/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/17/23	04/17/23	04/17/23	470,000,000	470,000,000	0	470,000,000	0
RABOBANK NEW YORK	04/24/23	04/24/23	04/24/23	600,000,000	600,000,000	0	600,000,000	0
ABN AMRO BANK N.V.	04/24/23	04/24/23	04/24/23	425,000,000	425,000,000	0	425,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/18/23	04/18/23	04/18/23	750,000,000	750,000,000	0	750,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/18/23	04/18/23	04/18/23	475,000,000	475,000,000	0	475,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	04/25/23	04/25/23	04/25/23	1,100,000,000	1,100,000,000	0	1,100,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/19/23	04/19/23	04/19/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/19/23	04/19/23	04/19/23	480,000,000	480,000,000	0	480,000,000	0
RABOBANK NEW YORK	04/20/23	04/20/23	04/20/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/20/23	04/20/23	04/20/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/20/23	04/20/23	04/20/23	350,000,000	350,000,000	0	350,000,000	0
RABOBANK NEW YORK	04/27/23	04/27/23	04/27/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/21/23	04/21/23	04/21/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/21/23	04/21/23	04/21/23	490,000,000	490,000,000	0	490,000,000	0
ABN AMRO BANK N.V.	04/28/23	04/28/23	04/28/23	650,000,000	650,000,000	0	650,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/24/23	04/24/23	04/24/23	460,000,000	460,000,000	0	460,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/25/23	04/25/23	04/25/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/25/23	04/25/23	04/25/23	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/26/23	04/26/23	04/26/23	550,000,000	550,000,000	0	550,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/26/23	04/26/23	04/26/23	400,000,000	400,000,000	0	400,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/27/23	04/27/23	04/27/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/27/23	04/27/23	04/27/23	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	04/28/23	04/28/23	04/28/23	465,000,000	465,000,000	0	465,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	04/28/23	04/28/23	04/28/23	450,000,000	450,000,000	0	450,000,000	0
Total Maturities				71,733,989,000	71,733,989,000	0	71,733,989,000	0
Sells								
CANADIAN IMPERIAL BANK OF COMMERCE/NEW YORK NY	05/08/23	04/12/23	04/13/23	50,000,000	50,012,035	22,111	50,034,146	12,035
CANADIAN IMPERIAL BANK OF COMMERCE/NEW YORK NY	05/08/23	04/12/23	04/13/23	50,000,000	50,012,035	22,111	50,034,146	12,035
CANADIAN IMPERIAL BANK OF COMMERCE/NEW YORK NY	05/08/23	04/12/23	04/13/23	50,000,000	50,012,035	22,111	50,034,146	12,035
CANADIAN IMPERIAL BANK OF COMMERCE/NEW YORK NY	05/08/23	04/12/23	04/13/23	50,000,000	50,012,035	22,111	50,034,146	12,035
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/04/23	04/04/23	4,420,179	4,420,179	0	4,420,179	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/06/23	04/06/23	1,187,158	1,187,158	0	1,187,158	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/11/23	04/11/23	1,981,662	1,981,662	0	1,981,662	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/12/23	04/12/23	1,999,534	1,999,534	0	1,999,534	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/13/23	04/13/23	65,055	65,055	0	65,055	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/18/23	04/18/23	769,889	769,889	0	769,889	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/20/23	04/20/23	2,793,378	2,793,378	0	2,793,378	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/21/23	04/21/23	5,407,559	5,407,559	0	5,407,559	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/25/23	04/25/23	3,729,718	3,729,718	0	3,729,718	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/26/23	04/26/23	516,349	516,349	0	516,349	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	04/27/23	04/27/23	81,660	81,660	0	81,660	0
Total Sells				222,952,140	223,000,280	88,444	223,088,724	48,140



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

www.sbafla.com/prime

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.



MONTHLY SUMMARY REPORT

State Board of Administration of Florida

May 2023

CONTENTS

3	INTRODUCTION
3	DISCLOSURE OF MATERIAL IMPACTS
3	FACTS-AT-A-GLANCE
4	PORFOLIO MANAGER COMMENTARY
5	PORTFOLIO COMPOSITION
6	FUND PERFORMANCE
7	PRIME ACCOUNT SUMMARY
8	INVENTORY OF HOLDINGS
14	PARTICIPANT CONCENTRATION
15	COMPLIANCE
16	TRADE ACTIVITY

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 May 1, 2023, through May 31, 2023, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

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 May 31, 2023)

Total Participants
766

Florida PRIME™
Total Participant Balance
\$21,631,761,302

Total Number of Accounts
1,415

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

Now that the U.S. debt limit is likely to be suspended until January 2025, we turn our attention to the aftermath. The brinkmanship wasn't rhetorical, as most political posturing tends to be. It had material repercussions. Investors gave up real money as the dislocation in the Treasury market led them to hold more cash. It also prompted most to avoid securities maturing around the Treasury Department's estimated default date, instead trading for lower-yielding Treasuries maturing before or after. For that matter, the federal government also lost because it had to offer higher rates to borrowers for those undersold securities.

Cash managers have no time to fume about that now. In the near term, we have to navigate the swiftly changing yield curve to find value. Cash/deposit alternatives, such as money market funds and state pools, increased liquidity out of caution. That amount now needs to be put to work.

The industry also must prepare for a flood of government securities. In the coming months, the Treasury Dept. will play catch up by issuing billions worth of securities to replenish its coffers and make whole the federal accounts in which it redeemed or suspended investments, such as the Civil Service Retirement and Disability Fund. Of course, the lion's share of the new issuance will go to servicing the debt and spending. Some estimates put that amount as high as \$1 trillion. As the most liquid and sought-after securities in the world, these new Treasuries will find homes, but potentially in unpredictable ways.

While this development complicates trading and planning, it should be nothing money managers can't handle. However, some pundits have voiced concern that the feeding frenzy of government securities will drain liquidity from the markets. The story goes something like this: As a vast number of people,

institutions, banks and others lend an unusually large amount to the U.S., their cash reserves will dwindle faster than typical. At the very least, this could widen the margin for error for managing their cash flows; at the worst, it could hamper their ability to deal with a crisis.

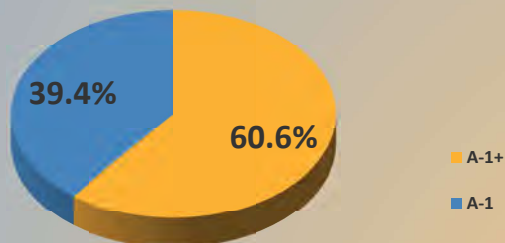
We don't think the situation is dire, but it just so happens there's a set of market participants with plenty of cash and happy to help. Flush with liquidity from massive inflows and prudent management, money funds and state pools should be able to absorb much of the massive issuance.

We hope the resolution of the debt ceiling impasse means the cloud obscuring the direction of monetary policy will dissipate soon. In our opinion, the Federal Reserve will not cut rates this year, though it is possible it will raise them. For now, we project that at its June meeting the Federal Open Market Committee will pause to assess the impact of its aggressive tightening cycle.

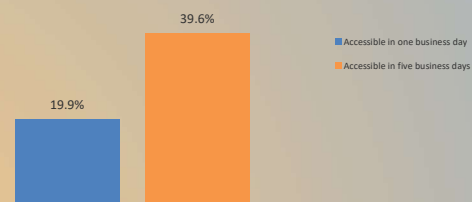
In May, assets of the Pool were down \$300 million to \$21.6 billion as the seasonal outflow period continued. The yield of the portfolio rose 26 basis points to 5.35%, reflecting the Fed rate hike early in the month. To capture the increasing rates, the portfolio manager extended the target range of its Weighted Average Maturity (WAM) from 20-30 days to 25-35. The portfolio's actual WAM at the end of the month moved out by five days to 27, while its Weighted Average Life was unchanged at 78. Trades were focused along the short end of the yield curve up to 1-year. Fixed-rate commercial paper exhibited more value than variable-rate instruments in the month. At the end of May, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.16%, 5.41%, 5.45% and 5.18%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.13%, 5.45%, 5.63% and 5.71%, respectively;

PORTFOLIO COMPOSITION FOR MAY 2023

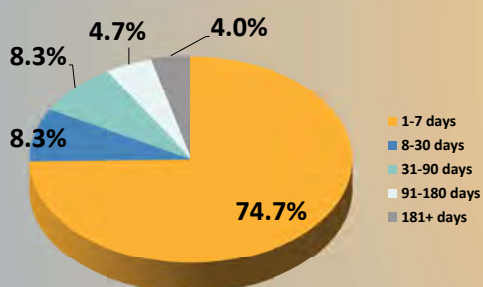
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. ABN Amro Bank NV	5.0%
2. Canadian Imperial Bank of Commerce	5.0%
3. Cooperatieve Rabobank UA	5.0%
4. Bank of Nova Scotia, Toronto	5.0%
5. Australia & New Zealand Banking Group, Melbourne	5.0%
6. Royal Bank of Canada	5.0%
7. Mizuho Financial Group, Inc.	4.9%
8. Bank of Montreal	4.8%
9. DNB Bank ASA	4.6%
10. Credit Agricole Group	4.3%

Average Effective Maturity (WAM)

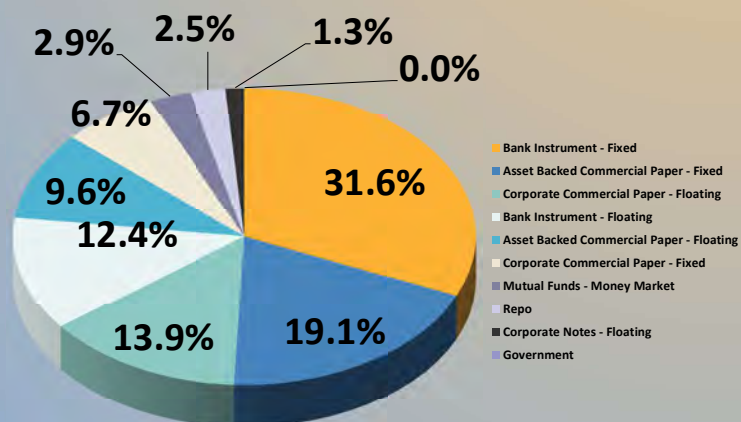
27 Days

Weighted Average Life (Spread WAL)

78 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH MAY 2023

Florida PRIME Performance Data			
	Annualized Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	5.36%	4.87%	0.48%
Three Months	5.16%	4.74%	0.42%
One Year	3.70%	3.27%	0.43%
Three Years	1.38%	1.16%	0.23%
Five Years	1.71%	1.48%	0.23%
Ten Years	1.17%	0.95%	0.22%
Since 1/96	2.43%	2.21%	0.22%

Note: Net asset value at month end: \$ 21,629.4 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.,

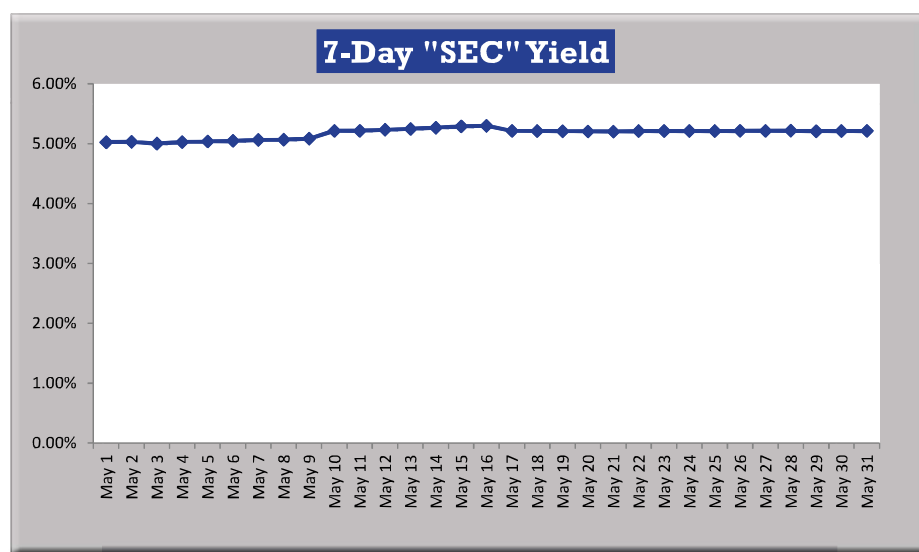
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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 MAY 2023

Summary of Cash Flows		
Opening Balance (05/01/23)	\$	21,999,370,422
Participant Deposits		1,872,559,386
Gross Earnings		97,101,058
Participant Withdrawals		(2,336,743,274)
Fees		(526,290)
Closing Balance (05/31/23)	\$	21,631,761,302
Net Change over Month	\$	(367,609,120)

Detailed Fee Disclosure			
May		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$	185,080.21	1.02
Federated Investment Management Fee		304,468.76	1.67
BNY Mellon Custodial Fee**		22,343.35	0.12
Bank of America Transfer Agent Fee		5,456.42	0.03
S&P Rating Maintenance Fee		4,076.71	0.02
Audit/External Review Fees		4,864.62	0.03
Total Fees	\$	526,290.07	2.89

*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 \$21,815,565,862.

**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 MAY 2023

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	5.17	9/1/2060	6/7/2023	3,000,000	5.24	\$3,000,000	\$3,000,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	5.08	6/2/2023		290,000,000	5.15	\$290,000,000	\$290,000,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	5.08	6/6/2023		800,000,000	5.15	\$800,000,000	\$800,000,000	\$0
AJC Capital, LLC, Jan 01, 2042	VARIABLE RATE DEMAND NOTE	5.15	1/1/2042	6/1/2023	5,530,000	5.15	\$5,530,000	\$5,530,000	\$0
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/1/2023		40,000,000	5.17	\$39,994,344	\$39,994,396	\$51
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/6/2023		200,000,000	5.17	\$199,830,333	\$199,831,134	\$801
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/9/2023		95,000,000	5.21	\$94,878,400	\$94,879,398	\$998
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/24/2023		85,000,000	5.11	\$84,372,700	\$84,329,860	-\$42,840
Anglesea Funding LLC, Oct 18, 2023	COMMERCIAL PAPER ASSET	5.46	10/18/2023	6/1/2023	100,000,000	5.54	\$100,000,000	\$100,000,000	\$0
	BACKED CALLABLE								
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/1/2023		40,000,000	5.27	\$39,994,278	\$39,994,362	\$85
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/7/2023		56,300,000	5.16	\$56,244,388	\$56,244,169	-\$219
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/27/2023		40,000,000	5.29	\$39,844,900	\$39,844,450	-\$450
Archer I LLC, Jun 01, 2060	VARIABLE RATE DEMAND NOTE	5.17	6/1/2060	6/1/2023	18,000,000	5.24	\$18,000,000	\$18,000,000	\$0
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/12/2023		80,000,000	5.21	\$79,863,467	\$79,864,294	\$827
Australia & New Zealand Banking Group, Melbourne TD	TIME DEPOSIT	5.08	6/6/2023		1,075,000,000	5.15	\$1,075,000,000	\$1,075,000,000	\$0
BNG Bank N.V. CP4-2	COMMERCIAL PAPER - 4-2		6/5/2023		100,000,000	5.15	\$99,929,583	\$99,930,083	\$500
BWF Forge TL Properties Owner LLC, May 01, 2059	VARIABLE RATE DEMAND NOTE	5.17	5/1/2059	6/1/2023	28,500,000	5.17	\$28,500,000	\$28,500,000	\$0
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	5.80	5/28/2024		100,000,000	5.80	\$100,000,000	\$100,014,620	\$14,620
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	5.05	6/1/2023		273,000,000	5.12	\$273,000,000	\$273,000,000	\$0
Bank of America N.A., Apr 19, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.79	4/19/2024	6/1/2023	101,000,000	5.87	\$101,000,000	\$101,089,596	\$89,596
Bank of America N.A., Dec 15, 2023	VARIABLE RATE BANK NOTE	5.26	12/15/2023	6/1/2023	100,000,000	5.33	\$100,000,000	\$99,889,485	-\$110,515
Bank of America, N.A. CD	CERTIFICATE OF DEPOSIT	5.44	2/7/2024		100,000,000	5.44	\$100,000,000	\$99,760,832	-\$239,168
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.47	1/8/2024		75,000,000	5.47	\$75,000,000	\$74,835,660	-\$164,340
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.82	5/28/2024		100,000,000	5.81	\$100,000,000	\$100,047,971	\$47,971
Bank of Montreal, 5.015%, Oct 11, 2023	COMMERCIAL PAPER INTEREST BEARING	5.02	10/11/2023		90,000,000	5.02	\$90,000,000	\$89,851,087	-\$148,913
Bank of Montreal, Apr 12, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.74	4/12/2024	6/1/2023	100,000,000	5.82	\$100,000,000	\$100,052,148	\$52,148
Bank of Montreal, Dec 05, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.81	12/5/2023	6/1/2023	110,000,000	5.89	\$110,000,000	\$110,209,872	\$209,872
Bank of Montreal, Dec 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.81	12/5/2023	6/1/2023	100,000,000	5.89	\$100,000,000	\$100,190,793	\$190,793
Bank of Montreal, Jan 05, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.82	1/5/2024	6/1/2023	105,000,000	5.90	\$104,999,950	\$105,218,351	\$218,401
Bank of Montreal, Jan 05, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.66	1/5/2024	6/1/2023	50,000,000	5.74	\$50,000,000	\$50,054,816	\$54,816
Bank of Montreal, Jun 14, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.71	6/14/2023	6/1/2023	100,000,000	5.79	\$100,000,000	\$99,981,859	-\$18,141
Bank of Montreal, May 03, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.66	5/3/2024	6/1/2023	100,000,000	5.74	\$100,000,000	\$100,000,000	\$0
Bank of Montreal, Sep 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.76	9/15/2023	6/1/2023	100,000,000	5.84	\$100,000,000	\$100,120,076	\$120,076
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.40	11/15/2023		120,000,000	5.47	\$120,000,000	\$119,887,255	-\$112,745
Bank of Nova Scotia, Toronto, Aug 21, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.71	8/21/2023	6/1/2023	25,000,000	5.79	\$25,000,000	\$25,022,935	\$22,935
Bank of Nova Scotia, Toronto, Dec 13, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.76	12/13/2023	6/1/2023	100,000,000	5.84	\$100,000,000	\$100,169,786	\$169,786
Bank of Nova Scotia, Toronto, Dec 27, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.68	12/27/2023	6/1/2023	85,000,000	5.76	\$85,000,000	\$85,103,243	\$103,243
Bank of Nova Scotia, Toronto, Feb 13, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.45	2/13/2024	6/1/2023	30,000,000	5.53	\$29,996,230	\$29,974,368	-\$21,862
Bank of Nova Scotia, Toronto, Jan 08, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.66	1/8/2024	6/1/2023	65,000,000	5.74	\$65,000,000	\$65,070,608	\$70,608
Bank of Nova Scotia, Toronto, Jan 23, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.50	1/23/2024	6/1/2023	155,000,000	5.58	\$155,000,000	\$154,953,139	-\$46,861

See notes at end of table.

INVENTORY OF HOLDINGS FOR MAY 2023

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, Jul 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.64	7/5/2023	6/1/2023	50,000,000	5.72	\$50,000,000	\$50,020,179	\$20,179
Bank of Nova Scotia, Toronto, Jul 07, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.73	7/7/2023	6/1/2023	57,000,000	5.81	\$57,000,000	\$57,029,871	\$29,871
Bank of Nova Scotia, Toronto, Nov 10, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.40	11/10/2023	6/1/2023	80,000,000	5.48	\$80,000,000	\$80,001,978	\$1,978
Bank of Nova Scotia, Toronto, Oct 23, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.66	10/23/2023	6/1/2023	75,000,000	5.74	\$75,000,000	\$75,084,198	\$84,198
Bank of Nova Scotia, Toronto, Sep 21, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.61	9/21/2023	6/1/2023	150,000,000	5.69	\$150,000,000	\$150,123,602	\$123,602
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/1/2023		100,000,000	5.24	\$99,985,750	\$99,985,989	\$239
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/9/2023		22,947,000	5.20	\$22,917,743	\$22,917,829	\$86
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/13/2023		50,000,000	5.22	\$49,914,333	\$49,907,628	-\$6,705
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/13/2023		25,000,000	5.22	\$24,953,597	\$24,953,814	\$217
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/20/2023		50,000,000	5.25	\$49,857,500	\$49,856,917	-\$584
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/15/2023		75,000,000	5.11	\$74,222,583	\$74,153,708	-\$68,875
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/13/2023		125,000,000	5.48	\$121,968,194	\$121,826,979	-\$141,216
Bedford Row Funding Corp., Dec 27, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.66	12/27/2023	6/1/2023	70,000,000	5.74	\$70,000,000	\$70,076,007	\$76,007
Bedford Row Funding Corp., Oct 30, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.47	10/30/2023	6/1/2023	75,000,000	5.55	\$75,000,000	\$75,024,003	\$24,003
Bedford Row Funding Corp., Sep 25, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.49	9/25/2023	6/1/2023	70,000,000	5.57	\$70,000,000	\$70,023,390	\$23,390
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2023		100,000,000	5.09	\$99,156,111	\$99,090,839	-\$65,272
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.25	2/5/2024		75,000,000	5.25	\$75,000,000	\$74,705,520	-\$294,480
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		4/18/2024		75,000,000	5.56	\$71,457,767	\$71,331,258	-\$126,509
Canadian Imperial Bank of Commerce, Apr 01, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.76	4/1/2024	6/1/2023	150,000,000	5.84	\$150,000,000	\$150,166,332	\$166,332
Canadian Imperial Bank of Commerce, Apr 11, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.71	4/11/2024	6/1/2023	208,000,000	5.79	\$208,000,000	\$208,130,387	\$130,387
Canadian Imperial Bank of Commerce, Dec 11, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.86	12/11/2023	6/1/2023	100,000,000	5.94	\$100,000,000	\$100,217,267	\$217,267
Canadian Imperial Bank of Commerce, Jan 18, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.50	1/18/2024	6/1/2023	115,000,000	5.58	\$115,000,000	\$115,017,542	\$17,542
Canadian Imperial Bank of Commerce, Mar 06, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.31	3/6/2024	6/1/2023	100,000,000	5.38	\$100,000,000	\$99,764,275	-\$235,725
Canadian Imperial Bank of Commerce, Mar 27, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.76	3/27/2024	6/1/2023	100,000,000	5.84	\$100,000,000	\$100,113,002	\$113,002
Canadian Imperial Bank of Commerce, Sep 06, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.62	9/6/2023	6/1/2023	50,000,000	5.70	\$50,000,000	\$50,072,681	\$72,681
Canadian Imperial Bank of Commerce, Sep 11, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.62	9/11/2023	6/1/2023	120,000,000	5.70	\$120,000,000	\$120,183,112	\$183,112
Cancara Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/14/2023		103,000,000	5.20	\$102,796,117	\$102,795,036	-\$1,081
Cancara Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/15/2023		29,000,000	5.20	\$28,938,375	\$28,938,121	-\$254
Chad J. Himmel Irrevocable Trust No. 1, Jul 01, 2048	VARIABLE RATE DEMAND NOTE	5.15	7/1/2048	6/1/2023	5,290,000	5.15	\$5,290,000	\$5,290,000	\$0
Chariot Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/15/2023		200,000,000	5.22	\$199,573,333	\$199,574,916	\$1,583
Chariot Funding LLC, Jul 10, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.38	7/10/2023	6/1/2023	150,000,000	5.45	\$150,000,000	\$150,024,201	\$24,201
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/7/2023		400,000,000	5.17	\$399,604,111	\$399,604,108	-\$3
Citibank N.A., New York, Jul 21, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.48	7/21/2023	6/1/2023	200,000,000	5.56	\$200,000,000	\$200,065,682	\$65,682
City Furniture, Inc., Aug 01, 2044	VARIABLE RATE DEMAND NOTE	5.16	8/1/2044	6/1/2023	77,000,000	5.16	\$77,000,000	\$77,000,000	\$0
Collateralized Commercial Paper FLEX Co., LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/27/2023		100,000,000	5.70	\$97,270,000	\$97,240,000	-\$30,000
Collateralized Commercial Paper FLEX Co., LLC, Aug 31, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		8/31/2023		70,000,000	5.20	\$70,000,000	\$69,921,784	-\$78,216
Collateralized Commercial Paper FLEX Co., LLC, Nov 02, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.59	11/2/2023	6/1/2023	50,000,000	5.67	\$50,000,000	\$50,007,970	\$7,970
Collateralized Commercial Paper FLEX Co., LLC, Oct 05, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.26	10/5/2023	6/1/2023	80,000,000	5.33	\$80,000,000	\$79,961,738	-\$38,262

INVENTORY OF HOLDINGS FOR MAY 2023

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 CPABS3A3	COMMERCIAL PAPER - ABS 3A3		6/27/2023		125,000,000	5.05	\$124,542,500	\$124,517,375	-\$25,125
Collateralized Commercial Paper V Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		7/12/2023		50,000,000	5.16	\$49,710,667	\$49,693,867	-\$16,800
Collateralized Commercial Paper V Co. LLC, Aug 14, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.29	8/14/2023	6/1/2023	50,000,000	5.36	\$50,000,000	\$49,999,227	-\$774
Collateralized Commercial Paper V Co. LLC, Aug 22, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.31	8/22/2023	6/1/2023	134,000,000	5.38	\$134,000,000	\$133,996,666	-\$3,334
Collateralized Commercial Paper V Co. LLC, Jul 13, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.39	7/13/2023	6/1/2023	100,000,000	5.46	\$100,000,000	\$100,017,796	\$17,796
Collateralized Commercial Paper V Co. LLC, Sep 15, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5.28	9/15/2023	6/1/2023	70,000,000	5.35	\$70,000,000	\$69,981,508	-\$18,492
Commonwealth Bank of Australia, Mar 21, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.71	3/21/2024	6/1/2023	50,000,000	5.79	\$50,000,000	\$50,088,494	\$88,494
Cooperative Rabobank UA TD	TIME DEPOSIT	5.08	6/1/2023		490,000,000	5.15	\$490,000,000	\$490,000,000	\$0
Cooperative Rabobank UA TD	TIME DEPOSIT	5.08	6/6/2023		590,000,000	5.15	\$590,000,000	\$590,000,000	\$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.39	8/2/2023		105,000,000	5.46	\$105,000,000	\$105,029,755	\$29,755
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.39	8/1/2023		100,000,000	5.46	\$100,000,000	\$100,029,778	\$29,778
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.05	6/1/2023		500,000,000	5.12	\$500,000,000	\$500,000,000	\$0
Credit Agricole Corporate and Investment Bank CP	COMMERCIAL PAPER		8/1/2023		35,381,000	5.45	\$35,058,050	\$35,068,592	\$10,542
Credit Agricole Corporate and Investment Bank CP	COMMERCIAL PAPER		8/1/2023		100,000,000	5.45	\$99,087,222	\$99,117,017	\$29,795
DNB Bank ASA TD	TIME DEPOSIT	5.05	6/1/2023		900,000,000	5.12	\$900,000,000	\$900,000,000	\$0
DNB Nor Bank ASA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.45	11/22/2023		100,000,000	5.53	\$100,000,000	\$99,940,560	-\$59,440
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.40	11/17/2023		100,000,000	5.47	\$100,000,000	\$99,920,007	-\$79,993
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CP4-2	COMMERCIAL PAPER - 4-2		6/1/2023		100,000,000	5.18	\$99,985,861	\$99,986,206	\$345
Dino P Kanelos Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5.15	9/1/2041	6/1/2023	4,515,000	5.15	\$4,515,000	\$4,515,000	\$0
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	4.99	6/1/2023		5,295,408	5.06	\$5,295,408	\$5,295,408	\$0
Export Development Canada CP	COMMERCIAL PAPER		8/8/2023		25,000,000	5.09	\$24,765,688	\$24,751,265	-\$14,423
Export Development Canada CP	COMMERCIAL PAPER		11/9/2023		55,000,000	5.24	\$53,762,500	\$53,683,300	-\$79,200
Fairway Finance Co. LLC, Jun 01, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.76	6/1/2023	6/1/2023	60,000,000	5.84	\$60,000,000	\$60,000,988	\$988
Fairway Finance Co. LLC, Jun 09, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.61	6/9/2023	6/1/2023	85,000,000	5.69	\$85,000,000	\$85,009,325	\$9,325
Federated Hermes Institutional Prime Value Obligations Fund - Class IS	MUTUAL FUND MONEY MARKET	5.25	6/1/2023	6/1/2023	630,872,087	5.25	\$631,124,436	\$630,745,913	-\$378,523
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	5.25	8/1/2045	6/1/2023	9,995,000	5.25	\$9,995,000	\$9,995,000	\$0
GTA Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/15/2023		100,000,000	5.50	\$97,536,000	\$97,418,400	-\$117,600
Glencove Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/23/2023		80,000,000	5.25	\$79,737,800	\$79,737,646	-\$154
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/20/2023		35,000,000	5.29	\$34,899,861	\$34,900,425	\$564
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/6/2023		50,000,000	5.31	\$49,741,500	\$49,740,600	-\$900
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/12/2023		100,000,000	5.32	\$99,395,667	\$99,391,467	-\$4,200
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/20/2023		47,300,000	5.35	\$46,958,389	\$46,954,250	-\$4,139
HSBC Securities (USA), Inc. Repo Tri Party Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	5.06	6/1/2023		100,000,000	5.13	\$100,000,000	\$100,000,000	\$0
HW Hellman Building, L.P., Mar 01, 2062	VARIABLE RATE DEMAND NOTE	5.17	3/1/2062	6/1/2023	50,000,000	5.17	\$50,000,000	\$50,000,000	\$0
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/6/2023		25,000,000	5.21	\$24,978,667	\$24,978,892	\$225
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/12/2023		40,000,000	5.22	\$39,931,733	\$39,932,147	\$413
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/15/2023		100,000,000	5.22	\$99,786,667	\$99,787,458	\$791
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/13/2023		64,350,000	5.24	\$64,230,792	\$64,231,187	\$395
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/4/2023		31,000,000	5.40	\$30,706,146	\$30,699,541	-\$6,605
Lamar Avenue Trust, Dec 01, 2037	VARIABLE RATE DEMAND NOTE	5.15	12/1/2037	6/1/2023	4,445,000	5.15	\$4,445,000	\$4,445,000	\$0

See notes at end of table.

INVENTORY OF HOLDINGS FOR MAY 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/6/2023		50,000,000	5.16	\$49,957,667	\$49,957,525	-\$142
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/7/2023		100,000,000	5.16	\$99,901,222	\$99,900,833	-\$389
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/20/2023		10,000,000	5.39	\$9,970,833	\$9,971,550	\$717
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/5/2023		75,000,000	5.36	\$74,620,104	\$74,622,292	\$2,188
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2023		100,000,000	5.45	\$99,087,222	\$99,088,428	\$1,206
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.38	8/15/2023		100,000,000	5.45	\$100,000,000	\$99,994,923	-\$5,077
Mizuho Bank Ltd. TD	TIME DEPOSIT	5.07	6/1/2023		700,000,000	5.14	\$700,000,000	\$700,000,000	\$0
Mizuho Bank Ltd., Jul 27, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.44	7/27/2023	6/1/2023	50,000,000	5.52	\$50,000,000	\$50,014,849	\$14,849
Mizuho Bank Ltd., Sep 12, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.40	9/12/2023	6/1/2023	200,000,000	5.48	\$200,000,000	\$200,000,000	\$0
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	5.06	6/1/2023		150,000,000	5.13	\$150,000,000	\$150,000,000	\$0
Morofsky Legacy Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5.17	9/1/2041	6/1/2023	6,260,000	5.17	\$6,260,000	\$6,260,000	\$0
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		6/15/2023		50,000,000	3.88	\$49,922,604	\$49,894,917	-\$27,688
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		6/15/2023		62,500,000	3.88	\$62,403,125	\$62,368,646	-\$34,479
National Bank of Canada, Montreal, Mar 06, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.31	3/6/2024	6/1/2023	50,000,000	5.38	\$50,000,000	\$49,904,894	-\$95,106
Nordea Bank Abp, Jun 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.48	6/15/2023	6/1/2023	225,000,000	5.56	\$225,000,000	\$225,028,762	\$28,762
Nordea Bank Abp, Sep 26, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.48	9/26/2023	6/1/2023	160,000,000	5.56	\$160,000,000	\$160,052,957	\$52,957
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/26/2024		25,000,000	5.24	\$24,170,000	\$24,073,833	-\$96,167
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/26/2023		50,000,000	5.40	\$49,810,417	\$49,814,245	\$3,828
Old Line Funding, LLC, Aug 02, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.41	8/2/2023	6/1/2023	10,000,000	5.49	\$10,000,000	\$10,000,332	\$332
Old Line Funding, LLC, Aug 21, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		8/21/2023		115,000,000	5.13	\$113,708,614	\$111,850,150	-\$1,858,464
Old Line Funding, LLC, Aug 25, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.28	8/25/2023	6/1/2023	50,000,000	5.35	\$50,000,000	\$49,993,094	-\$6,907
Old Line Funding, LLC, Aug 25, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.28	8/25/2023	6/1/2023	100,000,000	5.35	\$100,000,000	\$99,986,187	-\$13,813
Old Line Funding, LLC, Jul 24, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		7/24/2023		75,000,000	5.16	\$74,442,000	\$75,000,000	\$558,000
Old Line Funding, LLC, Nov 27, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.46	11/27/2023	6/1/2023	100,000,000	5.54	\$100,000,000	\$100,000,000	\$0
Old Line Funding, LLC, Nov 28, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.35	11/28/2023	6/1/2023	55,000,000	5.42	\$55,000,000	\$54,959,940	-\$40,060
Old Line Funding, LLC, Oct 30, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.58	10/30/2023	6/1/2023	100,000,000	5.66	\$100,000,000	\$100,037,884	\$37,884
Overbaugh Family (2016) Survivorship Trust, Apr 01, 2042	VARIABLE RATE DEMAND NOTE	5.15	4/1/2042	6/1/2023	7,015,000	5.15	\$7,015,000	\$7,015,000	\$0
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		3/20/2024		45,000,000	5.53	\$43,070,625	\$42,988,672	-\$81,953
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		8/23/2023		100,000,000	4.06	\$99,092,333	\$98,768,467	-\$323,866
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		10/31/2023		51,000,000	5.52	\$49,866,398	\$49,826,082	-\$40,316
Royal Bank of Canada, Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.08	7/14/2023		10,000,000	4.09	\$10,000,000	\$9,984,389	-\$15,611
Royal Bank of Canada, New York Branch, Jan 09, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.63	1/9/2024	6/1/2023	100,000,000	5.71	\$100,000,000	\$100,097,002	\$97,002
Royal Bank of Canada, New York Branch, Jan 10, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.60	1/10/2024	6/1/2023	100,000,000	5.68	\$100,000,000	\$100,078,622	\$78,622
Royal Bank of Canada, New York Branch, Nov 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.83	11/15/2023	6/1/2023	60,000,000	5.91	\$60,000,000	\$60,117,507	\$117,507
Royal Bank of Canada, New York Branch, Sep 01, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.64	9/1/2023	6/1/2023	100,000,000	5.72	\$100,000,000	\$100,082,887	\$82,887
Royal Bank of Canada, Sep 01, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.64	9/1/2023	6/1/2023	100,000,000	5.72	\$100,000,000	\$100,082,887	\$82,887
Scheel Investments, LLC, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5.15	9/1/2041	6/1/2023	6,720,000	5.15	\$6,720,000	\$6,720,000	\$0
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/7/2023		50,000,000	5.24	\$49,950,417	\$49,950,709	\$292

See notes at end of table.

INVENTORY OF HOLDINGS FOR MAY 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/14/2023		80,000,000	5.23	\$79,841,022	\$79,840,058	-\$965
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/21/2023		100,000,000	5.50	\$99,687,917	\$99,695,792	\$7,875
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/27/2023		100,000,000	5.45	\$99,602,500	\$99,608,650	\$6,150
Sheffield Receivables Company LLC, Jun 20, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.25	6/20/2023	6/1/2023	150,000,000	5.32	\$150,000,000	\$150,005,960	\$5,960
Sheffield Receivables Company LLC, Oct 03, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.37	10/3/2023	6/1/2023	100,000,000	5.44	\$100,000,000	\$100,000,000	\$0
Sheffield Receivables Company LLC, Sep 20, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5.38	9/20/2023	6/1/2023	50,000,000	5.45	\$50,000,000	\$49,995,969	-\$4,032
Societe Generale, Paris CP4-2	COMMERCIAL PAPER - 4-2		7/31/2023		100,000,000	5.48	\$99,091,778	\$99,117,025	\$25,247
State Street Bank and Trust Co., Jun 06, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.61	6/6/2023	6/1/2023	150,000,000	5.69	\$150,000,000	\$150,010,011	\$10,011
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.10	6/6/2023		75,000,000	5.17	\$75,000,000	\$75,000,350	\$350
Sumitomo Mitsui Trust Bank Ltd., Jul 10, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.43	7/10/2023	6/1/2023	205,000,000	5.51	\$205,000,000	\$205,048,259	\$48,259
Sumitomo Mitsui Trust Bank Ltd., Jul 13, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.36	7/13/2023	6/1/2023	100,000,000	5.43	\$100,000,000	\$100,016,483	\$16,483
Svenska Handelsbanken, Stockholm, Oct 02, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.51	10/2/2023	6/1/2023	200,000,000	5.59	\$200,000,000	\$200,136,588	\$136,588
Svenska Handelsbanken, Stockholm, Sep 25, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.48	9/25/2023	6/1/2023	150,000,000	5.56	\$150,000,000	\$150,092,102	\$92,102
Taxable Tender Option Bond Trust 2021-MIZ9064TX, (Series 2021-MIZ-9064TX), 11/01/2056	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.42	11/1/2056	6/1/2023	6,500,000	5.42	\$6,500,000	\$6,500,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9084TX, (Series 2022-MIZ-9084TX), 02/01/2027	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.42	2/1/2027	6/1/2023	5,150,000	5.42	\$5,150,000	\$5,150,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9094TX, (Series 2022-MIZ-9094TX), 12/01/2059	MUNICIPAL VARIABLE RATE DEMAND NOTE	5.42	12/1/2059	6/1/2023	3,800,000	5.42	\$3,800,000	\$3,800,000	\$0
The Debra B. Kennedy Irrevocable Trust, May 01, 2048	VARIABLE RATE DEMAND NOTE	5.15	5/1/2048	6/1/2023	4,420,000	5.15	\$4,420,000	\$4,420,000	\$0
The Greathouse 2021 Children's Trust, Dec 01, 2046	VARIABLE RATE DEMAND NOTE	5.15	12/1/2046	6/1/2023	13,625,000	5.15	\$13,625,000	\$13,625,000	\$0
The Linda E. Krejssek Life Insurance Trust, Sep 01, 2037	VARIABLE RATE DEMAND NOTE	5.15	9/1/2037	6/1/2023	5,490,000	5.15	\$5,490,000	\$5,490,000	\$0
The Mark E. Potteiger Irrevocable Life Insurance Trust, Jun 01, 2048	VARIABLE RATE DEMAND NOTE	5.15	6/1/2048	6/1/2023	4,025,000	5.15	\$4,025,000	\$4,025,000	\$0
The Tammi R. Sitz Irrevocable Life Insurance Trust, Nov 01, 2046	VARIABLE RATE DEMAND NOTE	5.15	11/1/2046	6/1/2023	5,950,000	5.15	\$5,950,000	\$5,950,000	\$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/19/2023		80,000,000	5.20	\$79,455,556	\$79,432,035	-\$23,520
Thunder Bay Funding, LLC, Aug 02, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.41	8/2/2023	6/1/2023	75,000,000	5.49	\$75,000,000	\$75,001,366	\$1,366
Thunder Bay Funding, LLC, Aug 21, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.32	8/21/2023	6/1/2023	75,000,000	5.39	\$75,000,000	\$74,986,798	-\$13,202
Thunder Bay Funding, LLC, Aug 22, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.32	8/22/2023	6/1/2023	25,000,000	5.39	\$25,000,000	\$24,995,549	-\$4,451
Thunder Bay Funding, LLC, Jul 20, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.46	7/20/2023	6/1/2023	50,000,000	5.54	\$50,000,000	\$50,000,501	\$501
Thunder Bay Funding, LLC, Mar 01, 2024	COMMERCIAL PAPER ASSET BACKED CALLABLE	5.32	3/1/2024	6/1/2023	50,000,000	5.39	\$50,000,000	\$49,918,955	-\$81,045
Thunder Bay Funding, LLC, Nov 03, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		11/3/2023		50,000,000	5.18	\$48,927,500	\$48,809,850	-\$117,650
Toronto Dominion Bank	CALLABLE CERTIFICATE OF DEPOSIT		1/25/2024		50,000,000	5.25	\$50,000,000	\$49,816,673	-\$183,328
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	3.01	6/7/2023		50,000,000	3.03	\$50,000,000	\$49,978,618	-\$21,382
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	3.75	6/15/2023		60,000,000	3.77	\$60,000,000	\$59,962,717	-\$37,283
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4.07	7/18/2023		90,000,000	4.08	\$90,000,000	\$89,857,422	-\$142,578

See notes at end of table.

INVENTORY OF HOLDINGS FOR MAY 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5.44	2/13/2024		80,000,000	5.44	\$80,000,000	\$79,788,153	-\$211,847
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		5/16/2024		60,000,000	5.80	\$56,791,275	\$56,825,205	\$33,930
Toronto Dominion Bank, 5.35%	CALLABLE COMMERCIAL PAPER	5.35	2/6/2024		90,000,000	5.35	\$90,000,000	\$89,772,885	-\$227,115
Toronto Dominion Bank, Apr 29, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.66	4/29/2024	6/1/2023	100,000,000	5.74	\$100,000,000	\$99,972,763	-\$27,237
Toronto Dominion Bank, Dec 06, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.79	12/6/2023	6/1/2023	150,000,000	5.87	\$150,000,000	\$150,232,608	\$232,608
Toronto Dominion Bank, Jun 09, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5.61	6/9/2023	6/1/2023	125,000,000	5.69	\$125,000,000	\$125,012,454	\$12,454
TotalEnergies Capital S.A. CP4-2	COMMERCIAL PAPER - 4-2		8/1/2023		50,000,000	5.09	\$49,578,056	\$49,546,970	-\$31,086
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		10/25/2023		50,000,000	5.59	\$48,903,625	\$48,884,434	-\$19,191
Toyota Credit De Puerto Rico Corp., Dec 05, 2023	VARIABLE RATE COMMERCIAL PAPER	5.46	12/5/2023	6/1/2023	50,000,000	5.54	\$50,000,000	\$50,000,000	\$0
Toyota Credit De Puerto Rico Corp., Dec 11, 2023	VARIABLE RATE COMMERCIAL PAPER	5.46	12/11/2023	6/1/2023	25,000,000	5.54	\$25,000,000	\$25,000,000	\$0
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		6/1/2023		75,000,000	5.14	\$74,989,438	\$74,989,471	\$33
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		6/1/2023		97,000,000	5.15	\$96,986,312	\$96,986,382	\$70
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		6/1/2023		50,000,000	5.53	\$49,992,500	\$49,992,981	\$481
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/15/2023		50,000,000	5.39	\$49,890,625	\$49,893,313	\$2,688
Victory Receivables Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/21/2023		100,000,000	5.39	\$99,693,750	\$99,701,042	\$7,292
Westpac Banking Corp. Ltd., Sydney, Aug 28, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.73	8/28/2023	6/1/2023	40,000,000	5.81	\$40,000,000	\$40,041,290	\$41,290
Westpac Banking Corp. Ltd., Sydney, Jan 02, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.59	1/2/2024	6/1/2023	80,000,000	5.67	\$80,000,000	\$80,070,570	\$70,570
Westpac Banking Corp. Ltd., Sydney, Oct 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5.51	10/5/2023	6/1/2023	140,000,000	5.58	\$140,001,190	\$140,074,280	\$73,089
Wyllie Bice Life Insurance Trust, Aug 01, 2046	VARIABLE RATE DEMAND NOTE	5.15	8/1/2046	6/1/2023	7,625,000	5.15	\$7,625,000	\$7,625,000	\$0
Total Value of Assets					21,656,800,495		\$21,618,061,264	21,616,428,548	-\$1,632,716

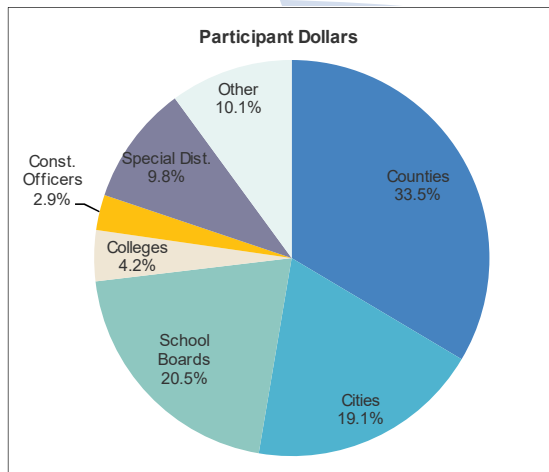
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

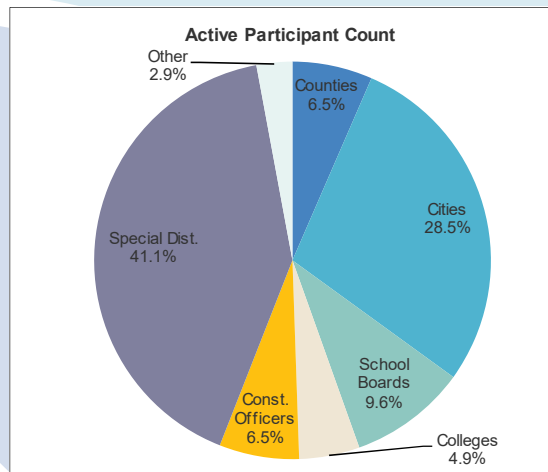
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - AS OF MAY 2023

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	99.7%	Colleges & Universities	4.2%	4.9%
Top 10	31.9%	1.3%	Top 10	3.6%	1.3%
\$100 million or more	70.9%	7.3%	\$100 million or more	2.1%	0.3%
\$10 million up to \$100 million	25.9%	20.2%	\$10 million up to \$100 million	1.8%	1.6%
\$1 million up to \$10 million	2.9%	19.8%	\$1 million up to \$10 million	0.2%	1.1%
Under \$1 million	0.3%	52.5%	Under \$1 million	0.01%	2.0%
Counties	33.5%	6.5%	Constitutional Officers	2.9%	6.5%
Top 10	26.1%	1.3%	Top 10	1.8%	1.3%
\$100 million or more	31.3%	2.3%	\$100 million or more	1.0%	0.1%
\$10 million up to \$100 million	2.0%	1.5%	\$10 million up to \$100 million	1.5%	1.3%
\$1 million up to \$10 million	0.2%	1.2%	\$1 million up to \$10 million	0.3%	1.6%
Under \$1 million	0.0%	1.6%	Under \$1 million	0.0%	3.4%
Municipalities	19.1%	28.4%	Special Districts	9.8%	41.0%
Top 10	6.8%	1.3%	Top 10	5.8%	1.3%
\$100 million or more	6.3%	1.2%	\$100 million or more	4.0%	0.7%
\$10 million up to \$100 million	11.7%	8.8%	\$10 million up to \$100 million	4.9%	3.7%
\$1 million up to \$10 million	1.1%	6.8%	\$1 million up to \$10 million	0.7%	6.6%
Under \$1 million	0.1%	11.7%	Under \$1 million	0.2%	30.0%
School Boards	20.5%	9.5%	Other	10.1%	2.9%
Top 10	13.3%	1.3%	Top 10	9.8%	1.3%
\$100 million or more	16.9%	2.1%	\$100 million or more	9.3%	0.7%
\$10 million up to \$100 million	3.3%	2.9%	\$10 million up to \$100 million	0.6%	0.4%
\$1 million up to \$10 million	0.2%	1.7%	\$1 million up to \$10 million	0.1%	0.8%
Under \$1 million	0.0%	2.8%	Under \$1 million	0.0%	1.1%



Total Fund Value: \$21,631,761,302



Total Active Participant Count: 754

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

COMPLIANCE WITH INVESTMENT POLICY FOR MAY 2023

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
Unregistered securities must be eligible for sale to Accredited Investors or Qualified Purchasers.	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
<u>Demand Feature and Guarantor Diversification</u>	
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 MAY 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ANGLESEA FUNDING LLC PABS4	05/05/23	05/04/23	05/04/23	30,000,000	29,995,758	0	29,995,758	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/02/23	05/02/23	50,000,000	49,951,292	0	49,951,292	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/02/23	05/02/23	50,000,000	49,951,292	0	49,951,292	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/02/23	05/02/23	50,000,000	49,951,292	0	49,951,292	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/02/23	05/02/23	50,000,000	49,951,292	0	49,951,292	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/02/23	05/02/23	50,000,000	49,951,292	0	49,951,292	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/02/23	05/02/23	50,000,000	49,951,292	0	49,951,292	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/05/23	05/05/23	50,000,000	49,971,778	0	49,971,778	0
ANGLESEA FUNDING LLC PABS4	05/09/23	05/05/23	05/05/23	50,000,000	49,971,778	0	49,971,778	0
ANGLESEA FUNDING LLC PABS4	05/16/23	05/09/23	05/09/23	50,000,000	49,950,514	0	49,950,514	0
ANGLESEA FUNDING LLC PABS4	05/16/23	05/09/23	05/09/23	50,000,000	49,950,514	0	49,950,514	0
ANGLESEA FUNDING LLC PABS4	05/23/23	05/16/23	05/16/23	50,000,000	49,950,611	0	49,950,611	0
ANGLESEA FUNDING LLC PABS4	05/23/23	05/16/23	05/16/23	50,000,000	49,950,611	0	49,950,611	0
ANGLESEA FUNDING LLC PABS4	05/30/23	05/23/23	05/23/23	50,000,000	49,950,611	0	49,950,611	0
ANGLESEA FUNDING LLC PABS4	05/30/23	05/23/23	05/23/23	50,000,000	49,950,611	0	49,950,611	0
ANGLESEA FUNDING LLC PABS4	06/01/23	05/25/23	05/25/23	40,000,000	39,960,411	0	39,960,411	0
ANGLESEA FUNDING LLC PABS4	06/06/23	05/30/23	05/30/23	50,000,000	49,950,514	0	49,950,514	0
ANGLESEA FUNDING LLC PABS4	06/06/23	05/30/23	05/30/23	50,000,000	49,950,514	0	49,950,514	0
ANGLESEA FUNDING LLC PABS4	06/06/23	05/30/23	05/30/23	50,000,000	49,950,514	0	49,950,514	0
ANGLESEA FUNDING LLC PABS4	06/06/23	05/30/23	05/30/23	50,000,000	49,950,514	0	49,950,514	0
ANGLESEA FUNDING LLC PABS4	06/09/23	05/09/23	05/09/23	50,000,000	49,779,556	0	49,779,556	0
ANGLESEA FUNDING LLC PABS4	06/09/23	05/09/23	05/09/23	45,000,000	44,801,600	0	44,801,600	0
ANTALIS S.A. CPABS4CPABS4	05/24/23	05/17/23	05/17/23	50,000,000	49,950,611	0	49,950,611	0
ANTALIS S.A. CPABS4CPABS4	05/24/23	05/17/23	05/17/23	14,470,000	14,455,707	0	14,455,707	0
ANTALIS S.A. CPABS4CPABS4	05/31/23	05/24/23	05/24/23	50,000,000	49,950,611	0	49,950,611	0
ANTALIS S.A. CPABS4CPABS4	05/31/23	05/24/23	05/24/23	3,010,000	3,007,027	0	3,007,027	0
ANTALIS S.A. CPABS4CPABS4	06/07/23	05/31/23	05/31/23	50,000,000	49,950,611	0	49,950,611	0
ANTALIS S.A. CPABS4CPABS4	06/07/23	05/31/23	05/31/23	6,300,000	6,293,777	0	6,293,777	0
ATLANTIC ASSET SECUCPABS4	06/12/23	05/12/23	05/12/23	50,000,000	49,779,556	0	49,779,556	0
ATLANTIC ASSET SECUCPABS4	06/12/23	05/12/23	05/12/23	30,000,000	29,867,733	0	29,867,733	0
BANK OF AMERICA N.ACD	05/28/24	05/26/23	05/26/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA N.ACD	05/28/24	05/26/23	05/26/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL/CHICAGO IL	06/14/24	05/15/23	05/16/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL/CHICAGO IL	06/14/24	05/15/23	05/16/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL CDCDYAN	05/28/24	05/26/23	05/26/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL CDCDYAN	05/28/24	05/26/23	05/26/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL	05/03/24	05/03/23	05/03/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL	05/03/24	05/03/23	05/03/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIACDYAN	11/15/23	05/16/23	05/16/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIACDYAN	11/15/23	05/16/23	05/16/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIACDYAN	11/15/23	05/16/23	05/16/23	20,000,000	20,000,000	0	20,000,000	0
BARTON CAPITAL S.A.CPABS4	05/15/23	05/12/23	05/12/23	30,000,000	29,987,325	0	29,987,325	0
BARTON CAPITAL S.A.CPABS4	05/31/23	05/03/23	05/03/23	50,000,000	49,801,667	0	49,801,667	0
BARTON CAPITAL S.A.CPABS4	06/09/23	05/03/23	05/03/23	22,947,000	22,826,719	0	22,826,719	0
BARTON CAPITAL S.A.CPABS4	06/13/23	05/31/23	05/31/23	25,000,000	24,953,597	0	24,953,597	0
BARTON CAPITAL S.A.CPABS4	06/13/23	05/31/23	06/01/23	50,000,000	49,914,333	0	49,914,333	0
BEDFORD ROW FUNDINGCPABS4	11/13/23	05/17/23	05/17/23	50,000,000	48,685,000	0	48,685,000	0
BEDFORD ROW FUNDINGCPABS4	11/13/23	05/17/23	05/17/23	50,000,000	48,685,000	0	48,685,000	0
BEDFORD ROW FUNDINGCPABS4	11/13/23	05/17/23	05/17/23	25,000,000	24,342,500	0	24,342,500	0
BNG BANK N.V. CP4-2CP4-2	05/15/23	05/08/23	05/08/23	50,000,000	49,950,806	0	49,950,806	0
BNG BANK N.V. CP4-2CP4-2	05/15/23	05/08/23	05/08/23	25,000,000	24,975,403	0	24,975,403	0
BNG BANK N.V. CP4-2CP4-2	05/22/23	05/15/23	05/15/23	50,000,000	49,950,806	0	49,950,806	0
BNG BANK N.V. CP4-2CP4-2	06/05/23	05/22/23	05/22/23	50,000,000	49,901,417	0	49,901,417	0
BNG BANK N.V. CP4-2CP4-2	06/05/23	05/22/23	05/22/23	50,000,000	49,901,417	0	49,901,417	0
CANCARA ASSET SECURCPABS4	06/15/23	05/02/23	05/02/23	29,000,000	28,819,233	0	28,819,233	0
CHARIOT FUNDING LLC PABS4	05/02/23	05/01/23	05/01/23	50,000,000	49,993,319	0	49,993,319	0
CHARIOT FUNDING LLC PABS4	05/02/23	05/01/23	05/01/23	50,000,000	49,993,319	0	49,993,319	0
CHARIOT FUNDING LLC PABS4	05/02/23	05/01/23	05/01/23	50,000,000	49,993,319	0	49,993,319	0
CHARIOT FUNDING LLC PABS4	05/03/23	05/02/23	05/02/23	50,000,000	49,993,319	0	49,993,319	0
CHARIOT FUNDING LLC PABS4	05/03/23	05/02/23	05/02/23	22,641,000	22,637,975	0	22,637,975	0
CHARIOT FUNDING LLC PABS4	05/05/23	05/04/23	05/04/23	50,000,000	49,992,972	0	49,992,972	0
CHARIOT FUNDING LLC PABS4	05/05/23	05/04/23	05/04/23	32,091,000	32,086,489	0	32,086,489	0
CHARIOT FUNDING LLC PABS4	05/10/23	05/09/23	05/09/23	50,000,000	49,992,972	0	49,992,972	0
CHARIOT FUNDING LLC PABS4	05/10/23	05/09/23	05/09/23	1,775,000	1,774,751	0	1,774,751	0
CHARIOT FUNDING LLC PABS4	05/12/23	05/11/23	05/11/23	50,000,000	49,992,972	0	49,992,972	0
CHARIOT FUNDING LLC PABS4	05/12/23	05/11/23	05/11/23	2,067,000	2,066,709	0	2,066,709	0
CHARIOT FUNDING LLC PABS4	05/15/23	05/12/23	05/12/23	50,000,000	49,978,917	0	49,978,917	0
CHARIOT FUNDING LLC PABS4	05/15/23	05/12/23	05/12/23	50,000,000	49,978,917	0	49,978,917	0
CHARIOT FUNDING LLC PABS4	05/15/23	05/12/23	05/12/23	50,000,000	49,978,917	0	49,978,917	0
CHARIOT FUNDING LLC PABS4	05/15/23	05/12/23	05/12/23	20,687,000	20,678,277	0	20,678,277	0
CHARIOT FUNDING LLC PABS4	06/15/23	05/03/23	05/03/23	50,000,000	49,694,222	0	49,694,222	0
CHARIOT FUNDING LLC PABS4	06/15/23	05/03/23	05/03/23	50,000,000	49,694,222	0	49,694,222	0
CHARIOT FUNDING LLC PABS4	06/15/23	05/03/23	05/03/23	50,000,000	49,694,222	0	49,694,222	0
CHARIOT FUNDING LLC PABS4	06/15/23	05/03/23	05/03/23	50,000,000	49,694,222	0	49,694,222	0
CHESHAM FINANCE LLC PABS4	05/10/23	05/03/23	05/03/23	50,000,000	49,950,903	0	49,950,903	0
CHESHAM FINANCE LLC PABS4	05/10/23	05/03/23	05/03/23	50,000,000	49,950,903	0	49,950,903	0
CHESHAM FINANCE LLC PABS4	05/10/23	05/03/23	05/03/23	50,000,000	49,950,903	0	49,950,903	0



www.sbafla.com/prime 17



www.sbafla.com/prime 19



20 *Florida PRIMETM Monthly Summary Report - May 2023*



www.sbafla.com/prime **21**

22 *Florida PRIMETM Monthly Summary Report - May 2023*



www.sbafla.com/prime **23**

TRADING ACTIVITY FOR MAY 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SOCIETE GENERALE,PCDYAN	05/15/23	05/08/23	05/08/23	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE,PCDYAN	05/15/23	05/08/23	05/08/23	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE,PCDYAN	05/15/23	05/08/23	05/08/23	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE,PCDYAN	05/15/23	05/08/23	05/08/23	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	06/06/23	05/10/23	05/10/23	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	06/06/23	05/10/23	05/10/23	25,000,000	25,000,000	0	25,000,000	0
TORONTO DOMINION BACP4-2	05/16/24	05/25/23	05/25/23	50,000,000	47,280,354	0	47,280,354	0
TORONTO DOMINION BACP4-2	05/16/24	05/25/23	05/25/23	10,000,000	9,456,071	0	9,456,071	0
TOYOTA CREDIT CANADCP	10/25/23	05/02/23	05/03/23	50,000,000	48,694,792	0	48,694,792	0
TOYOTA CREDIT DE PUERTO RICO CORP	12/05/23	05/10/23	05/11/23	50,000,000	50,000,000	0	50,000,000	0
TOYOTA CREDIT DE PUERTO RICO CORP	12/11/23	05/10/23	05/11/23	25,000,000	25,000,000	0	25,000,000	0
UNITEDHEALTH GROUP,CP4-2	05/16/23	05/15/23	05/15/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	05/16/23	05/15/23	05/15/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	05/16/23	05/15/23	05/15/23	35,000,000	34,995,071	0	34,995,071	0
UNITEDHEALTH GROUP,CP4-2	05/17/23	05/16/23	05/16/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	05/30/23	05/25/23	05/26/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	05/30/23	05/25/23	05/26/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	05/30/23	05/25/23	05/26/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	05/30/23	05/25/23	05/26/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	05/30/23	05/25/23	05/26/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	05/30/23	05/25/23	05/26/23	15,000,000	14,991,550	0	14,991,550	0
UNITEDHEALTH GROUP,CP4-2	05/31/23	05/30/23	05/30/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	05/31/23	05/30/23	05/30/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	05/31/23	05/30/23	05/30/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	05/31/23	05/30/23	05/30/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/01/23	05/26/23	05/26/23	50,000,000	49,957,667	0	49,957,667	0
UNITEDHEALTH GROUP,CP4-2	06/01/23	05/26/23	05/26/23	47,000,000	46,960,207	0	46,960,207	0
UNITEDHEALTH GROUP,CP4-2	06/01/23	05/31/23	05/31/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/01/23	05/31/23	05/31/23	25,000,000	24,996,479	0	24,996,479	0
VICTORY RECEIVABLES,CPAB54	05/08/23	05/01/23	05/01/23	15,000,000	14,985,504	0	14,985,504	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/01/23	05/01/23	4,817,390	4,817,390	0	4,817,390	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/04/23	05/04/23	597,315	597,315	0	597,315	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/08/23	05/08/23	2,512,691	2,512,691	0	2,512,691	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/10/23	05/10/23	773,447	773,447	0	773,447	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/11/23	05/11/23	933,933	933,933	0	933,933	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/15/23	05/15/23	7,869,408	7,869,408	0	7,869,408	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/18/23	05/18/23	1,211,998	1,211,998	0	1,211,998	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/22/23	05/22/23	4,069,393	4,069,393	0	4,069,393	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/25/23	05/25/23	4,074,795	4,074,795	0	4,074,795	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/30/23	05/30/23	3,305,342	3,305,342	0	3,305,342	0
MIZUHO TRIPARTY	05/02/23	05/01/23	05/01/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/02/23	05/01/23	05/01/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/02/23	05/01/23	05/01/23	40,000,000	40,000,000	0	40,000,000	0
MIZUHO TRIPARTY	05/03/23	05/02/23	05/02/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/03/23	05/02/23	05/02/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/03/23	05/02/23	05/02/23	258,000,000	258,000,000	0	258,000,000	0
MIZUHO TRIPARTY	05/04/23	05/03/23	05/03/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/04/23	05/03/23	05/03/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/04/23	05/03/23	05/03/23	164,000,000	164,000,000	0	164,000,000	0
MIZUHO TRIPARTY	05/05/23	05/04/23	05/04/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/05/23	05/04/23	05/04/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/05/23	05/04/23	05/04/23	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	05/08/23	05/05/23	05/05/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/08/23	05/05/23	05/05/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/08/23	05/05/23	05/05/23	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	05/09/23	05/08/23	05/08/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/09/23	05/08/23	05/08/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/09/23	05/08/23	05/08/23	165,000,000	165,000,000	0	165,000,000	0
MIZUHO TRIPARTY	05/10/23	05/09/23	05/09/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/10/23	05/09/23	05/09/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/10/23	05/09/23	05/09/23	187,000,000	187,000,000	0	187,000,000	0
MIZUHO TRIPARTY	05/11/23	05/10/23	05/10/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/11/23	05/10/23	05/10/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/11/23	05/10/23	05/10/23	278,000,000	278,000,000	0	278,000,000	0
MIZUHO TRIPARTY	05/12/23	05/11/23	05/11/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/12/23	05/11/23	05/11/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/12/23	05/11/23	05/11/23	304,000,000	304,000,000	0	304,000,000	0
MIZUHO TRIPARTY	05/15/23	05/12/23	05/12/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/15/23	05/12/23	05/12/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/15/23	05/12/23	05/12/23	160,000,000	160,000,000	0	160,000,000	0
MIZUHO TRIPARTY	05/16/23	05/15/23	05/15/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/16/23	05/15/23	05/15/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/16/23	05/15/23	05/15/23	627,000,000	627,000,000	0	627,000,000	0
MIZUHO TRIPARTY	05/17/23	05/16/23	05/16/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/17/23	05/16/23	05/16/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/17/23	05/16/23	05/16/23	620,000,000	620,000,000	0	620,000,000	0
MIZUHO TRIPARTY	05/18/23	05/17/23	05/17/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/18/23	05/17/23	05/17/23	100,000,000	100,000,000	0	100,000,000	0

TRADING ACTIVITY FOR MAY 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	05/18/23	05/17/23	05/17/23	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	05/19/23	05/18/23	05/18/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/19/23	05/18/23	05/18/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/19/23	05/18/23	05/18/23	239,000,000	239,000,000	0	239,000,000	0
MIZUHO TRIPARTY	05/22/23	05/19/23	05/19/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/22/23	05/19/23	05/19/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/22/23	05/19/23	05/19/23	430,000,000	430,000,000	0	430,000,000	0
MIZUHO TRIPARTY	05/23/23	05/22/23	05/22/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/23/23	05/22/23	05/22/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/23/23	05/22/23	05/22/23	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	05/24/23	05/23/23	05/23/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/24/23	05/23/23	05/23/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/24/23	05/23/23	05/23/23	170,000,000	170,000,000	0	170,000,000	0
MIZUHO TRIPARTY	05/25/23	05/24/23	05/24/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/25/23	05/24/23	05/24/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/25/23	05/24/23	05/24/23	143,000,000	143,000,000	0	143,000,000	0
MIZUHO TRIPARTY	05/26/23	05/25/23	05/25/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/26/23	05/25/23	05/25/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/26/23	05/25/23	05/25/23	441,000,000	441,000,000	0	441,000,000	0
MIZUHO TRIPARTY	05/30/23	05/26/23	05/26/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/30/23	05/26/23	05/26/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/30/23	05/26/23	05/26/23	400,000,000	400,000,000	0	400,000,000	0
MIZUHO TRIPARTY	05/31/23	05/30/23	05/30/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/31/23	05/30/23	05/30/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/31/23	05/30/23	05/30/23	106,000,000	106,000,000	0	106,000,000	0
MIZUHO TRIPARTY	06/01/23	05/31/23	05/31/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/01/23	05/31/23	05/31/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/01/23	05/31/23	05/31/23	273,000,000	273,000,000	0	273,000,000	0
Total Buys				43,316,875,712	43,286,264,409	0	43,286,264,409	0
Cash Closes								
OLD LINE FUNDING LLC	06/26/23	05/17/23	05/17/23	100,000,000	100,000,000	318,139	100,318,139	0
OLD LINE FUNDING LLC	06/20/23	05/10/23	05/10/23	15,000,000	15,000,000	44,996	15,044,996	0
Total Cash Closes				115,000,000	115,000,000	363,135	115,363,135	0
Deposits								
DNB BANK ASA, GRAND CAYMAN BRANCH	05/11/23	05/10/23	05/10/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/11/23	05/10/23	05/10/23	360,000,000	360,000,000	0	360,000,000	0
RABOBANK NEW YORK	05/18/23	05/11/23	05/11/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/12/23	05/11/23	05/11/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/12/23	05/11/23	05/11/23	360,000,000	360,000,000	0	360,000,000	0
ABN AMRO BANK N.V.	05/19/23	05/12/23	05/12/23	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/15/23	05/12/23	05/12/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/15/23	05/12/23	05/12/23	350,000,000	350,000,000	0	350,000,000	0
RABOBANK NEW YORK	05/22/23	05/15/23	05/15/23	585,000,000	585,000,000	0	585,000,000	0
ABN AMRO BANK N.V.	05/22/23	05/15/23	05/15/23	785,000,000	785,000,000	0	785,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/16/23	05/15/23	05/15/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/16/23	05/15/23	05/15/23	350,000,000	350,000,000	0	350,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/23/23	05/16/23	05/16/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/17/23	05/16/23	05/16/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/17/23	05/16/23	05/16/23	360,000,000	360,000,000	0	360,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/18/23	05/17/23	05/17/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/18/23	05/17/23	05/17/23	770,000,000	770,000,000	0	770,000,000	0
RABOBANK NEW YORK	05/25/23	05/18/23	05/18/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/19/23	05/18/23	05/18/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/19/23	05/18/23	05/18/23	770,000,000	770,000,000	0	770,000,000	0
ABN AMRO BANK N.V.	05/26/23	05/19/23	05/19/23	295,000,000	295,000,000	0	295,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/22/23	05/19/23	05/19/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/22/23	05/19/23	05/19/23	900,000,000	900,000,000	0	900,000,000	0
RABOBANK NEW YORK	05/30/23	05/22/23	05/22/23	580,000,000	580,000,000	0	580,000,000	0
ABN AMRO BANK N.V.	05/30/23	05/22/23	05/22/23	785,000,000	785,000,000	0	785,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/23/23	05/22/23	05/22/23	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/23/23	05/22/23	05/22/23	900,000,000	900,000,000	0	900,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/30/23	05/23/23	05/23/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/24/23	05/23/23	05/23/23	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/24/23	05/23/23	05/23/23	900,000,000	900,000,000	0	900,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/25/23	05/24/23	05/24/23	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/25/23	05/24/23	05/24/23	900,000,000	900,000,000	0	900,000,000	0
RABOBANK NEW YORK	06/01/23	05/25/23	05/25/23	490,000,000	490,000,000	0	490,000,000	0
DNB BANK ASA NEW YORK	05/26/23	05/25/23	05/25/23	1,000,000	1,000,000	0	1,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/26/23	05/25/23	05/25/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/26/23	05/25/23	05/25/23	900,000,000	900,000,000	0	900,000,000	0
ABN AMRO BANK N.V.	06/02/23	05/26/23	05/26/23	290,000,000	290,000,000	0	290,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/30/23	05/26/23	05/26/23	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/30/23	05/26/23	05/26/23	900,000,000	900,000,000	0	900,000,000	0
RABOBANK NEW YORK	06/06/23	05/30/23	05/30/23	590,000,000	590,000,000	0	590,000,000	0

TRADING ACTIVITY FOR MAY 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/06/23	05/30/23	05/30/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
ABN AMRO BANK N.V.	06/06/23	05/30/23	05/30/23	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	05/31/23	05/30/23	05/30/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/31/23	05/30/23	05/30/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/01/23	05/31/23	05/31/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/01/23	05/31/23	05/31/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	05/08/23	05/01/23	05/01/23	435,000,000	435,000,000	0	435,000,000	0
RABOBANK NEW YORK	05/08/23	05/01/23	05/01/23	590,000,000	590,000,000	0	590,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/02/23	05/01/23	05/01/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/02/23	05/01/23	05/01/23	460,000,000	460,000,000	0	460,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/09/23	05/02/23	05/02/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/03/23	05/02/23	05/02/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/03/23	05/02/23	05/02/23	250,000,000	250,000,000	0	250,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/04/23	05/03/23	05/03/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/04/23	05/03/23	05/03/23	370,000,000	370,000,000	0	370,000,000	0
RABOBANK NEW YORK	05/11/23	05/04/23	05/04/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/05/23	05/04/23	05/04/23	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/05/23	05/04/23	05/04/23	365,000,000	365,000,000	0	365,000,000	0
ABN AMRO BANK N.V.	05/08/23	05/05/23	05/05/23	350,000,000	350,000,000	0	350,000,000	0
ABN AMRO BANK N.V.	05/12/23	05/05/23	05/05/23	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/08/23	05/05/23	05/05/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/08/23	05/05/23	05/05/23	360,000,000	360,000,000	0	360,000,000	0
ABN AMRO BANK N.V.	05/15/23	05/08/23	05/08/23	785,000,000	785,000,000	0	785,000,000	0
RABOBANK NEW YORK	05/15/23	05/08/23	05/08/23	585,000,000	585,000,000	0	585,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/09/23	05/08/23	05/08/23	550,000,000	550,000,000	0	550,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/09/23	05/08/23	05/08/23	300,000,000	300,000,000	0	300,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/16/23	05/09/23	05/09/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/10/23	05/09/23	05/09/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/10/23	05/09/23	05/09/23	360,000,000	360,000,000	0	360,000,000	0
Total Deposits				44,606,000,000	44,606,000,000	0	44,606,000,000	0
Maturities								
ALBION CAPITAL LLC CPAB54	05/22/23	05/22/23	05/22/23	52,045,000	52,045,000	0	52,045,000	0
ANGLESEA FUNDING LLC PAB54	05/02/23	05/02/23	05/02/23	214,000,000	214,000,000	0	214,000,000	0
ANGLESEA FUNDING LLC PAB54	05/03/23	05/03/23	05/03/23	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PAB54	05/05/23	05/05/23	05/05/23	30,000,000	30,000,000	0	30,000,000	0
ANGLESEA FUNDING LLC PAB54	05/09/23	05/09/23	05/09/23	400,000,000	400,000,000	0	400,000,000	0
ANGLESEA FUNDING LLC PAB54	05/16/23	05/16/23	05/16/23	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PAB54	05/23/23	05/23/23	05/23/23	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLC PAB54	05/30/23	05/30/23	05/30/23	100,000,000	100,000,000	0	100,000,000	0
ANTALIS S.A. CPAB54CPAB54	05/04/23	05/04/23	05/04/23	59,000,000	59,000,000	0	59,000,000	0
ANTALIS S.A. CPAB54CPAB54	05/24/23	05/24/23	05/24/23	64,470,000	64,470,000	0	64,470,000	0
ANTALIS S.A. CPAB54CPAB54	05/31/23	05/31/23	05/31/23	53,010,000	53,010,000	0	53,010,000	0
BANK OF MONTREAL	05/15/23	05/15/23	05/15/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF NOVA SCOTIA/HOUSTON	05/08/23	05/08/23	05/08/23	99,000,000	99,000,000	0	99,000,000	0
BARTON CAPITAL S.A. CPAB54	05/02/23	05/02/23	05/02/23	100,000,000	100,000,000	0	100,000,000	0
BARTON CAPITAL S.A. CPAB54	05/04/23	05/04/23	05/04/23	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL S.A. CPAB54	05/11/23	05/11/23	05/11/23	19,750,000	19,750,000	0	19,750,000	0
BARTON CAPITAL S.A. CPAB54	05/15/23	05/15/23	05/15/23	30,000,000	30,000,000	0	30,000,000	0
BARTON CAPITAL S.A. CPAB54	05/31/23	05/31/23	05/31/23	50,000,000	50,000,000	0	50,000,000	0
BNG BANK N.V. CP4-2CP4-2	05/08/23	05/08/23	05/08/23	100,000,000	100,000,000	0	100,000,000	0
BNG BANK N.V. CP4-2CP4-2	05/15/23	05/15/23	05/15/23	75,000,000	75,000,000	0	75,000,000	0
BNG BANK N.V. CP4-2CP4-2	05/22/23	05/22/23	05/22/23	50,000,000	50,000,000	0	50,000,000	0
CHARIOT FUNDING LLC	05/19/23	05/19/23	05/19/23	50,000,000	50,000,000	0	50,000,000	0
CHARIOT FUNDING LLC CPAB54	05/01/23	05/01/23	05/01/23	150,000,000	150,000,000	0	150,000,000	0
CHARIOT FUNDING LLC CPAB54	05/02/23	05/02/23	05/02/23	150,000,000	150,000,000	0	150,000,000	0
CHARIOT FUNDING LLC CPAB54	05/03/23	05/03/23	05/03/23	72,641,000	72,641,000	0	72,641,000	0
CHARIOT FUNDING LLC CPAB54	05/05/23	05/05/23	05/05/23	82,091,000	82,091,000	0	82,091,000	0
CHARIOT FUNDING LLC CPAB54	05/10/23	05/10/23	05/10/23	51,775,000	51,775,000	0	51,775,000	0
CHARIOT FUNDING LLC CPAB54	05/12/23	05/12/23	05/12/23	52,067,000	52,067,000	0	52,067,000	0
CHARIOT FUNDING LLC CPAB54	05/15/23	05/15/23	05/15/23	170,687,000	170,687,000	0	170,687,000	0
CHESHAM FINANCE LLC CPAB54	05/03/23	05/03/23	05/03/23	430,000,000	430,000,000	0	430,000,000	0
CHESHAM FINANCE LLC CPAB54	05/10/23	05/10/23	05/10/23	400,000,000	400,000,000	0	400,000,000	0
CHESHAM FINANCE LLC CPAB54	05/17/23	05/17/23	05/17/23	450,000,000	450,000,000	0	450,000,000	0
CHESHAM FINANCE LLC CPAB54	05/24/23	05/24/23	05/24/23	400,000,000	400,000,000	0	400,000,000	0
CHESHAM FINANCE LLC CPAB54	05/31/23	05/31/23	05/31/23	400,000,000	400,000,000	0	400,000,000	0
CHESHAM FINANCE LLC CPAB54	05/03/23	05/03/23	05/03/23	25,000,000	25,000,000	0	25,000,000	0
COLLATERALIZED COMMERCIAL PAPER FLEX CO LLC	05/09/23	05/09/23	05/09/23	75,000,000	75,000,000	0	75,000,000	0
CREDIT AGRICOLE CORCDYAN	05/09/23	05/09/23	05/09/23	100,000,000	100,000,000	0	100,000,000	0
CREDIT AGRICOLE CORCDYAN	05/03/23	05/03/23	05/03/23	350,000,000	350,000,000	0	350,000,000	0
CREDIT AGRICOLE CORCDYAN	05/01/23	05/01/23	05/01/23	500,000,000	500,000,000	0	500,000,000	0

TRADING ACTIVITY FOR MAY 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT AGRICOLE CORCDYAN	05/10/23	05/10/23	05/10/23	350,000,000	350,000,000	0	350,000,000	0
CREDIT AGRICOLE CORCDYAN	05/25/23	05/25/23	05/25/23	225,000,000	225,000,000	0	225,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/02/23	05/02/23	05/02/23	961,000,000	961,000,000	0	961,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/03/23	05/03/23	05/03/23	975,000,000	975,000,000	0	975,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/04/23	05/04/23	05/04/23	966,000,000	966,000,000	0	966,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/05/23	05/05/23	05/05/23	941,000,000	941,000,000	0	941,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/08/23	05/08/23	05/08/23	940,000,000	940,000,000	0	940,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/09/23	05/09/23	05/09/23	963,000,000	963,000,000	0	963,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/10/23	05/10/23	05/10/23	983,000,000	983,000,000	0	983,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/11/23	05/11/23	05/11/23	995,000,000	995,000,000	0	995,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/12/23	05/12/23	05/12/23	1,018,000,000	1,018,000,000	0	1,018,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/15/23	05/15/23	05/15/23	957,000,000	957,000,000	0	957,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/16/23	05/16/23	05/16/23	990,000,000	990,000,000	0	990,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/17/23	05/17/23	05/17/23	948,000,000	948,000,000	0	948,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/18/23	05/18/23	05/18/23	979,000,000	979,000,000	0	979,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/19/23	05/19/23	05/19/23	918,000,000	918,000,000	0	918,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/22/23	05/22/23	05/22/23	977,000,000	977,000,000	0	977,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/23/23	05/23/23	05/23/23	955,000,000	955,000,000	0	955,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/24/23	05/24/23	05/24/23	955,000,000	955,000,000	0	955,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/25/23	05/25/23	05/25/23	957,000,000	957,000,000	0	957,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/26/23	05/26/23	05/26/23	920,000,000	920,000,000	0	920,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/30/23	05/30/23	05/30/23	921,000,000	921,000,000	0	921,000,000	0
CREDIT INDUSTRIEL ECP4-2	05/31/23	05/31/23	05/31/23	966,000,000	966,000,000	0	966,000,000	0
DNB BANK ASA	05/05/23	05/05/23	05/05/23	100,000,000	100,000,000	0	100,000,000	0
MUFG BANK LTD, ECD ECD	05/08/23	05/08/23	05/08/23	125,000,000	125,000,000	0	125,000,000	0
GOTHAM FUNDING CORPCPABS4	05/01/23	05/01/23	05/01/23	67,903,000	67,903,000	0	67,903,000	0
GREAT BEAR FUNDING CPABS4	05/09/23	05/09/23	05/09/23	25,000,000	25,000,000	0	25,000,000	0
GREAT BEAR FUNDING CPABS4	05/12/23	05/12/23	05/12/23	50,000,000	50,000,000	0	50,000,000	0
JUPITER SECURITIZATCPABS4	05/01/23	05/01/23	05/01/23	15,000,000	15,000,000	0	15,000,000	0
JUPITER SECURITIZATCPABS4	05/03/23	05/03/23	05/03/23	42,229,000	42,229,000	0	42,229,000	0
JUPITER SECURITIZATCPABS4	05/04/23	05/04/23	05/04/23	216,750,000	216,750,000	0	216,750,000	0
JUPITER SECURITIZATCPABS4	05/05/23	05/05/23	05/05/23	154,037,000	154,037,000	0	154,037,000	0
JUPITER SECURITIZATCPABS4	05/09/23	05/09/23	05/09/23	130,905,000	130,905,000	0	130,905,000	0
JUPITER SECURITIZATCPABS4	05/10/23	05/10/23	05/10/23	35,132,000	35,132,000	0	35,132,000	0
JUPITER SECURITIZATCPABS4	05/12/23	05/12/23	05/12/23	25,073,000	25,073,000	0	25,073,000	0
JUPITER SECURITIZATCPABS4	05/15/23	05/15/23	05/15/23	25,965,000	25,965,000	0	25,965,000	0
LONGSHIP FUNDING LLCPCABS4	05/02/23	05/02/23	05/02/23	150,000,000	150,000,000	0	150,000,000	0
LONGSHIP FUNDING LLCPCABS4	05/04/23	05/04/23	05/04/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCABS4	05/09/23	05/09/23	05/09/23	230,000,000	230,000,000	0	230,000,000	0
LONGSHIP FUNDING LLCPCABS4	05/11/23	05/11/23	05/11/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCABS4	05/16/23	05/16/23	05/16/23	130,000,000	130,000,000	0	130,000,000	0
LONGSHIP FUNDING LLCPCABS4	05/30/23	05/30/23	05/30/23	50,000,000	50,000,000	0	50,000,000	0
MUFG BANK LTD/NEW YORK NY	05/25/23	05/25/23	05/25/23	300,000,000	300,000,000	0	300,000,000	0
MATCHPOINT FINANCE CPABS4	05/09/23	05/09/23	05/09/23	25,000,000	25,000,000	0	25,000,000	0
MIZUHO BANK LTD, CDCDYAN	05/17/23	05/17/23	05/17/23	415,000,000	415,000,000	0	415,000,000	0
MIZUHO BANK LTD, CDCDYAN	05/19/23	05/19/23	05/19/23	150,000,000	150,000,000	0	150,000,000	0
SHEFFIELD RECEIVABLECPABS4	05/09/23	05/09/23	05/09/23	30,000,000	30,000,000	0	30,000,000	0
SHEFFIELD RECEIVABLES CO LLC	05/23/23	05/23/23	05/23/23	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCP4-2	05/04/23	05/04/23	05/04/23	150,000,000	150,000,000	0	150,000,000	0
SOCIETE GENERALE, PCP4-2	05/11/23	05/11/23	05/11/23	250,000,000	250,000,000	0	250,000,000	0
SOCIETE GENERALE SA	05/18/23	05/18/23	05/18/23	300,000,000	300,000,000	0	300,000,000	0
SOCIETE GENERALE SA	05/25/23	05/25/23	05/25/23	350,000,000	350,000,000	0	350,000,000	0
SOCIETE GENERALE SA	05/30/23	05/30/23	05/30/23	250,000,000	250,000,000	0	250,000,000	0
SOCIETE GENERALE SA	05/31/23	05/31/23	05/31/23	225,000,000	225,000,000	0	225,000,000	0
SOCIETE GENERALE, PCDYAN	05/15/23	05/15/23	05/15/23	300,000,000	300,000,000	0	300,000,000	0
TORONTO DOMINION BACDYAN	05/05/23	05/05/23	05/05/23	100,000,000	100,000,000	0	100,000,000	0
TORONTO DOMINION BACP4-2	05/31/23	05/31/23	05/31/23	100,000,000	100,000,000	0	100,000,000	0
TOTALENERGIES CAPITCP4-2	05/01/23	05/01/23	05/01/23	41,200,000	41,200,000	0	41,200,000	0
TOYOTA CREDIT CANADA INC	05/03/23	05/03/23	05/03/23	25,000,000	25,000,000	0	25,000,000	0
TOYOTA CREDIT DE PUERTO RICO CORP	05/17/23	05/17/23	05/17/23	50,000,000	50,000,000	0	50,000,000	0
UNITEDHEALTH GROUP,CP4-2	05/16/23	05/16/23	05/16/23	135,000,000	135,000,000	0	135,000,000	0
UNITEDHEALTH GROUP,CP4-2	05/17/23	05/17/23	05/17/23	50,000,000	50,000,000	0	50,000,000	0
UNITEDHEALTH GROUP,CP4-2	05/30/23	05/30/23	05/30/23	215,000,000	215,000,000	0	215,000,000	0
UNITEDHEALTH GROUP,CP4-2	05/31/23	05/31/23	05/31/23	150,000,000	150,000,000	0	150,000,000	0
VICTORY RECEIVABLESCPABS4	05/08/23	05/08/23	05/08/23	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	05/01/23	05/01/23	05/01/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/01/23	05/01/23	05/01/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/01/23	05/01/23	05/01/23	523,000,000	523,000,000	0	523,000,000	0
MIZUHO TRIPARTY	05/02/23	05/02/23	05/02/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/02/23	05/02/23	05/02/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/02/23	05/02/23	05/02/23	40,000,000	40,000,000	0	40,000,000	0
MIZUHO TRIPARTY	05/03/23	05/03/23	05/03/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/03/23	05/03/23	05/03/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/03/23	05/03/23	05/03/23	258,000,000	258,000,000	0	258,000,000	0

TRADING ACTIVITY FOR MAY 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO TRIPARTY	05/04/23	05/04/23	05/04/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/04/23	05/04/23	05/04/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/04/23	05/04/23	05/04/23	164,000,000	164,000,000	0	164,000,000	0
MIZUHO TRIPARTY	05/05/23	05/05/23	05/05/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/05/23	05/05/23	05/05/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/05/23	05/05/23	05/05/23	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	05/08/23	05/08/23	05/08/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/08/23	05/08/23	05/08/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/08/23	05/08/23	05/08/23	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	05/09/23	05/09/23	05/09/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/09/23	05/09/23	05/09/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/09/23	05/09/23	05/09/23	165,000,000	165,000,000	0	165,000,000	0
MIZUHO TRIPARTY	05/10/23	05/10/23	05/10/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/10/23	05/10/23	05/10/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/10/23	05/10/23	05/10/23	187,000,000	187,000,000	0	187,000,000	0
MIZUHO TRIPARTY	05/11/23	05/11/23	05/11/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/11/23	05/11/23	05/11/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/11/23	05/11/23	05/11/23	278,000,000	278,000,000	0	278,000,000	0
MIZUHO TRIPARTY	05/12/23	05/12/23	05/12/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/12/23	05/12/23	05/12/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/12/23	05/12/23	05/12/23	304,000,000	304,000,000	0	304,000,000	0
MIZUHO TRIPARTY	05/15/23	05/15/23	05/15/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/15/23	05/15/23	05/15/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/15/23	05/15/23	05/15/23	160,000,000	160,000,000	0	160,000,000	0
MIZUHO TRIPARTY	05/16/23	05/16/23	05/16/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/16/23	05/16/23	05/16/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/16/23	05/16/23	05/16/23	627,000,000	627,000,000	0	627,000,000	0
MIZUHO TRIPARTY	05/17/23	05/17/23	05/17/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/17/23	05/17/23	05/17/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/17/23	05/17/23	05/17/23	620,000,000	620,000,000	0	620,000,000	0
MIZUHO TRIPARTY	05/18/23	05/18/23	05/18/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/18/23	05/18/23	05/18/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/18/23	05/18/23	05/18/23	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	05/19/23	05/19/23	05/19/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/19/23	05/19/23	05/19/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/19/23	05/19/23	05/19/23	239,000,000	239,000,000	0	239,000,000	0
MIZUHO TRIPARTY	05/22/23	05/22/23	05/22/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/22/23	05/22/23	05/22/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/22/23	05/22/23	05/22/23	430,000,000	430,000,000	0	430,000,000	0
MIZUHO TRIPARTY	05/23/23	05/23/23	05/23/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/23/23	05/23/23	05/23/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/23/23	05/23/23	05/23/23	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	05/24/23	05/24/23	05/24/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/24/23	05/24/23	05/24/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/24/23	05/24/23	05/24/23	170,000,000	170,000,000	0	170,000,000	0
MIZUHO TRIPARTY	05/25/23	05/25/23	05/25/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/25/23	05/25/23	05/25/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/25/23	05/25/23	05/25/23	143,000,000	143,000,000	0	143,000,000	0
MIZUHO TRIPARTY	05/26/23	05/26/23	05/26/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/26/23	05/26/23	05/26/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/26/23	05/26/23	05/26/23	441,000,000	441,000,000	0	441,000,000	0
MIZUHO TRIPARTY	05/30/23	05/30/23	05/30/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/30/23	05/30/23	05/30/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/30/23	05/30/23	05/30/23	400,000,000	400,000,000	0	400,000,000	0
MIZUHO TRIPARTY	05/31/23	05/31/23	05/31/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	05/31/23	05/31/23	05/31/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	05/31/23	05/31/23	05/31/23	106,000,000	106,000,000	0	106,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/11/23	05/11/23	05/11/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/11/23	05/11/23	05/11/23	360,000,000	360,000,000	0	360,000,000	0
RABOBANK NEWYORK	05/18/23	05/18/23	05/18/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/12/23	05/12/23	05/12/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/12/23	05/12/23	05/12/23	360,000,000	360,000,000	0	360,000,000	0
ABN AMRO BANK N.V.	05/19/23	05/19/23	05/19/23	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/15/23	05/15/23	05/15/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/15/23	05/15/23	05/15/23	350,000,000	350,000,000	0	350,000,000	0
RABOBANK NEWYORK	05/22/23	05/22/23	05/22/23	585,000,000	585,000,000	0	585,000,000	0
ABN AMRO BANK N.V.	05/22/23	05/22/23	05/22/23	785,000,000	785,000,000	0	785,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/16/23	05/16/23	05/16/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/16/23	05/16/23	05/16/23	350,000,000	350,000,000	0	350,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/23/23	05/23/23	05/23/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/17/23	05/17/23	05/17/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/17/23	05/17/23	05/17/23	360,000,000	360,000,000	0	360,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/18/23	05/18/23	05/18/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/18/23	05/18/23	05/18/23	770,000,000	770,000,000	0	770,000,000	0
RABOBANK NEWYORK	05/25/23	05/25/23	05/25/23	500,000,000	500,000,000	0	500,000,000	0

TRADING ACTIVITY FOR MAY 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DNB BANK ASA, GRAND CAYMAN BRANCH	05/19/23	05/19/23	05/19/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/19/23	05/19/23	05/19/23	770,000,000	770,000,000	0	770,000,000	0
ABN AMRO BANK N.V.	05/26/23	05/26/23	05/26/23	295,000,000	295,000,000	0	295,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/22/23	05/22/23	05/22/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/22/23	05/22/23	05/22/23	900,000,000	900,000,000	0	900,000,000	0
RABOBANK NEW YORK	05/30/23	05/30/23	05/30/23	580,000,000	580,000,000	0	580,000,000	0
ABN AMRO BANK N.V.	05/30/23	05/30/23	05/30/23	785,000,000	785,000,000	0	785,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/23/23	05/23/23	05/23/23	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/23/23	05/23/23	05/23/23	900,000,000	900,000,000	0	900,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/30/23	05/30/23	05/30/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/24/23	05/24/23	05/24/23	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/24/23	05/24/23	05/24/23	900,000,000	900,000,000	0	900,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/25/23	05/25/23	05/25/23	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/25/23	05/25/23	05/25/23	900,000,000	900,000,000	0	900,000,000	0
DNB BANK ASA NEW YORK	05/26/23	05/26/23	05/26/23	1,000,000	1,000,000	0	1,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/26/23	05/26/23	05/26/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/26/23	05/26/23	05/26/23	900,000,000	900,000,000	0	900,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/30/23	05/30/23	05/30/23	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/30/23	05/30/23	05/30/23	900,000,000	900,000,000	0	900,000,000	0
DNB BANK ASA NEW YORK	05/31/23	05/31/23	05/31/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/31/23	05/31/23	05/31/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	05/01/23	05/01/23	05/01/23	435,000,000	435,000,000	0	435,000,000	0
RABOBANK NEW YORK	05/01/23	05/01/23	05/01/23	590,000,000	590,000,000	0	590,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/02/23	05/02/23	05/02/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
RABOBANK NEW YORK	05/04/23	05/04/23	05/04/23	500,000,000	500,000,000	0	500,000,000	0
ABN AMRO BANK N.V.	05/05/23	05/05/23	05/05/23	650,000,000	650,000,000	0	650,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/01/23	05/01/23	05/01/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/01/23	05/01/23	05/01/23	450,000,000	450,000,000	0	450,000,000	0
ABN AMRO BANK N.V.	05/08/23	05/08/23	05/08/23	435,000,000	435,000,000	0	435,000,000	0
RABOBANK NEW YORK	05/08/23	05/08/23	05/08/23	590,000,000	590,000,000	0	590,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/02/23	05/02/23	05/02/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/02/23	05/02/23	05/02/23	460,000,000	460,000,000	0	460,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/09/23	05/09/23	05/09/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/03/23	05/03/23	05/03/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/03/23	05/03/23	05/03/23	250,000,000	250,000,000	0	250,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/04/23	05/04/23	05/04/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/04/23	05/04/23	05/04/23	370,000,000	370,000,000	0	370,000,000	0
RABOBANK NEW YORK	05/11/23	05/11/23	05/11/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/05/23	05/05/23	05/05/23	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/05/23	05/05/23	05/05/23	365,000,000	365,000,000	0	365,000,000	0
ABN AMRO BANK N.V.	05/08/23	05/08/23	05/08/23	350,000,000	350,000,000	0	350,000,000	0
ABN AMRO BANK N.V.	05/12/23	05/12/23	05/12/23	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/08/23	05/08/23	05/08/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/08/23	05/08/23	05/08/23	360,000,000	360,000,000	0	360,000,000	0
ABN AMRO BANK N.V.	05/15/23	05/15/23	05/15/23	785,000,000	785,000,000	0	785,000,000	0
RABOBANK NEW YORK	05/15/23	05/15/23	05/15/23	585,000,000	585,000,000	0	585,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/09/23	05/09/23	05/09/23	550,000,000	550,000,000	0	550,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/09/23	05/09/23	05/09/23	300,000,000	300,000,000	0	300,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	05/16/23	05/16/23	05/16/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA, GRAND CAYMAN BRANCH	05/10/23	05/10/23	05/10/23	1,000,000,000	1,000,000,000	0	1,000,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	05/10/23	05/10/23	05/10/23	360,000,000	360,000,000	0	360,000,000	0
Total Maturities				87,950,730,000	87,950,730,000	0	87,950,730,000	0
Sells								
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/02/23	05/02/23	2,658,192	2,658,192	0	2,658,192	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/03/23	05/03/23	2,924,719	2,924,719	0	2,924,719	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/05/23	05/05/23	355,746	355,746	0	355,746	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/09/23	05/09/23	2,019,402	2,019,402	0	2,019,402	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/12/23	05/12/23	3,451,226	3,451,226	0	3,451,226	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/16/23	05/16/23	5,490,371	5,490,371	0	5,490,371	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/17/23	05/17/23	1,507,910	1,507,910	0	1,507,910	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/19/23	05/19/23	221,150	221,150	0	221,150	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/23/23	05/23/23	3,746,801	3,746,801	0	3,746,801	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/24/23	05/24/23	1,304,799	1,304,799	0	1,304,799	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/26/23	05/26/23	3,347,738	3,347,738	0	3,347,738	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	05/31/23	05/31/23	4,405,244	4,405,244	0	4,405,244	0
Total Sells				31,433,298	31,433,298	0	31,433,298	0



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

www.sbafla.com/prime

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





MONTHLY SUMMARY REPORT

State Board of Administration of Florida

June 2023

CONTENTS

3	INTRODUCTION
3	DISCLOSURE OF MATERIAL IMPACTS
3	FACTS-AT-A-GLANCE
4	PORFOLIO MANAGER COMMENTARY
5	PORTFOLIO COMPOSITION
6	FUND PERFORMANCE
7	PRIME ACCOUNT SUMMARY
8	INVENTORY OF HOLDINGS
14	PARTICIPANT CONCENTRATION
15	COMPLIANCE
16	TRADE ACTIVITY

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 June 1, 2023, through June 30, 2023, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

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 June 30, 2023)

Total Participants
770

Florida PRIME™
Total Participant Balance
\$21,469,384,429

Total Number of Accounts
1,418

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

After 10 straight swings at the economy in the form of rate hikes, in June the Federal Reserve did not raise the fed funds target range. Instead, it updated its blueprint for the tightening cycle, the Summary of Economic Projections (SEP), to suggest more hikes to come.

This was a shrewd move. Policymakers not only bought time to assess the economic impact of those 500 basis points of hikes and the effect of the debt ceiling debacle, but also they reset market expectations. The latter is crucial. Even though the Fed hiked in March and continued to talk tough about inflation, investors didn't buy it. In April and May, they forecast rate cuts in the second half of this year. It didn't make much sense to us, but it distorted the shape of the Treasury yield curve. Longer-dated government securities weren't paying enough, compelling cash managers to stay short.

In the new SEP "dot plot," Fed policymakers forecast the median fed funds rate to climb to 5.6% by year-end. That would require at least two more 25 basis-point hikes—an expectation shared by 12 of 18 voters—with one likely to come at July's meeting. The markets finally relented. The short end of the curve is returning to normality, with 6-month Treasuries yielding more than 1- or 3-month. Contributing to the normalization is the Treasury Department's flood of issuance to refill its tank after running on fumes. And lest you think the dive that the headline Personal Consumption Expenditures Index (PCE) took in May (plunging from 4.3% in April to 3.8%) will persuade policymakers to cut, core PCE (which strips out volatile energy and food prices and has more credence with the Fed) barely budged, just slipping from 4.7% to 4.6%.

The broad market of non-Treasury/agency

instruments, such as commercial and bank paper, largely brushed off the potential for government default, and yields have been strong.

Libor no more

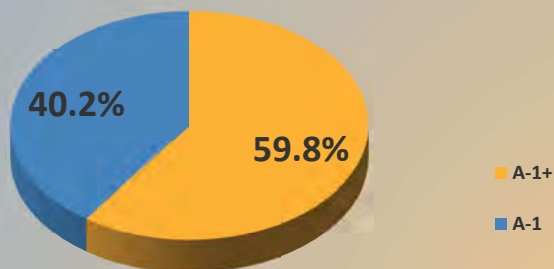
The biggest news of all this month could be that the dollar-dominated London interbank offered rate (LIBOR) officially ended and no one cared. As of June 30, the Intercontinental Exchange Benchmark Administration will no longer publish it. This benchmark was a stalwart of setting short-term interest rates between major global banks for decades, until it was revealed it had been manipulated during the Global Financial Crisis. In the U.S., the approved benchmark rate is the Secured Overnight Financing Rate (SOFR).

In June, assets of the Pool were down \$200 million to \$21.4 billion as the seasonal outflow period continued. The yield of the portfolio rose 5 basis points to 5.40%, reflecting the Fed rate hike early in the month. Over the month, the portfolio's Weighted Average Maturity (WAM) moved out by 10 days to 37 and its Weighted Average Life increased by 5 days 82 days. Trades were focused along the short end of the yield curve up, especially in the 1- to 2-month area ahead of the Fed's July policy-setting meeting. The portfolio manager also found value in securities in the 9- to 12-month space in both fixed- and floating-rate commercial paper.

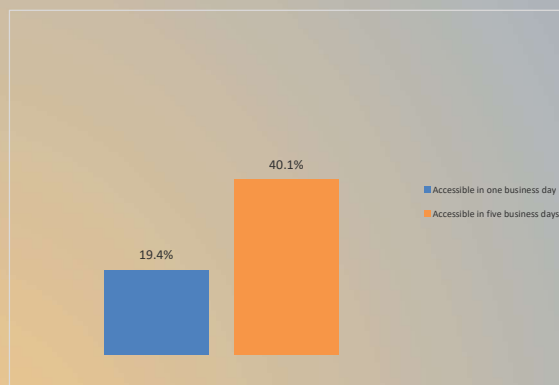
At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.14%, 5.32%, 5.45% and 5.42%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.21%, 5.47%, 5.67% and 5.93%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 5.26%, 5.53%, 5.81% and 6.04%, respectively.

PORTFOLIO COMPOSITION FOR JUNE 2023

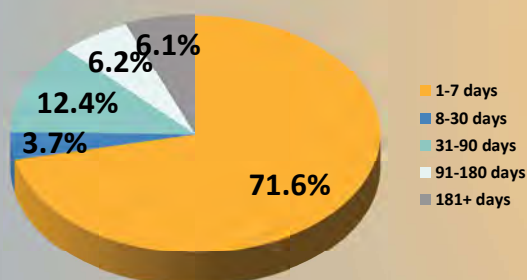
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Royal Bank of Canada	5.1%
2. Australia & New Zealand Banking Group, Melbourne	5.1%
3. Canadian Imperial Bank of Commerce	5.1%
4. Cooperatieve Rabobank UA	5.1%
5. Sumitomo Mitsui Trust Holdings, Inc.	5.1%
6. Bank of Montreal	5.0%
7. ABN Amro Bank NV	4.9%
8. Bank of Nova Scotia, Toronto	4.8%
9. Societe Generale, Paris	4.0%
10. Toronto Dominion Bank	3.9%

Average Effective Maturity (WAM)

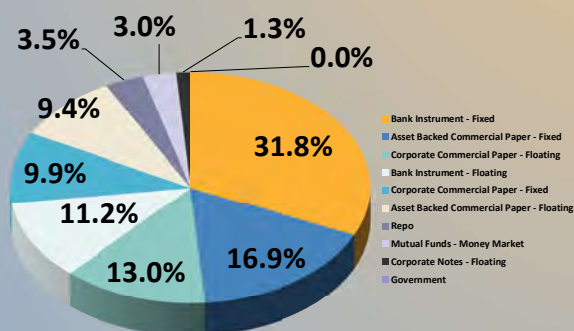
37 Days

Weighted Average Life (Spread WAL)

81 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH JUNE 2023

Florida PRIME Performance Data			
	Annualized Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	5.46%	5.15%	0.31%
Three Months	5.33%	4.98%	0.35%
One Year	4.05%	3.63%	0.42%
Three Years	1.51%	1.28%	0.23%
Five Years	1.76%	1.53%	0.23%
Ten Years	1.21%	0.99%	0.22%
Since 1/96	2.43%	2.22%	0.22%

Note: Net asset value at month end: \$ 21,500.1 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.,

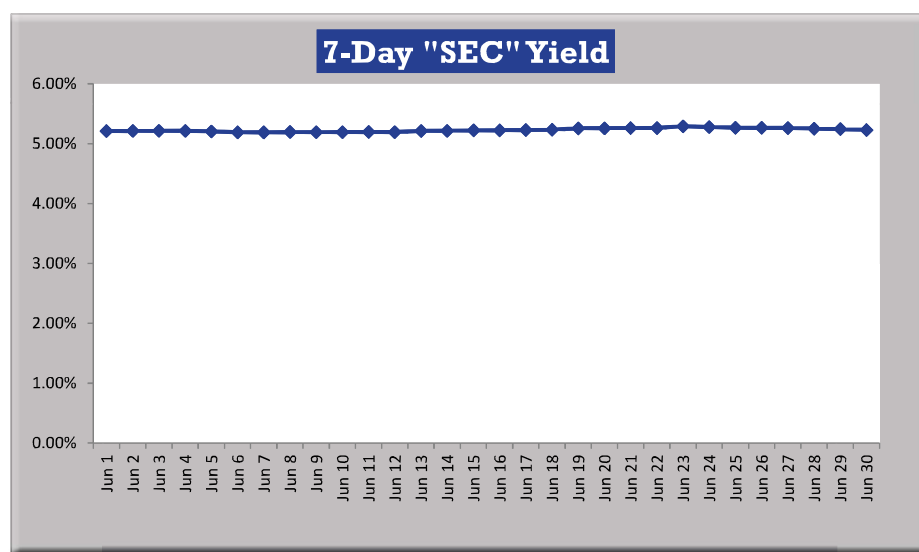
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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 JUNE 2023

Summary of Cash Flows		
Opening Balance (06/01/23)	\$	21,631,761,302
Participant Deposits		2,434,262,324
Gross Earnings		95,404,512
Participant Withdrawals		(2,691,487,692)
Fees		(556,017)
Closing Balance (06/30/23)	\$	21,469,384,429
Net Change over Month	\$	(162,376,873)

Detailed Fee Disclosure			
June		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$	177,960.91	0.99
Federated Investment Management Fee		340,155.13	1.89
BNY Mellon Custodial Fee**		23,183.09	0.13
Bank of America Transfer Agent Fee		6,064.68	0.03
S&P Rating Maintenance Fee		3,945.21	0.02
Audit/External Review Fees		4,707.69	0.03
Total Fees	\$	556,016.71	3.10

*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 \$21,550,572,865.

**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 JUNE 2023

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	5	9/1/2060	7/5/2023	3,000,000	5	\$3,000,000	\$3,000,000	\$0
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	5	7/3/2023		1,050,000,000	5	\$1,050,000,000	\$1,050,000,000	\$0
AJC Capital, LLC, Jan 01, 2042	VARIABLE RATE DEMAND NOTE	5	1/1/2042	7/6/2023	5,530,000	5	\$5,530,000	\$5,530,000	\$0
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/24/2023		85,000,000	5	\$84,721,200	\$84,706,410	-\$14,790
Anglesea Funding LLC, Oct 18, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	10/18/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,000,000	\$0
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/5/2023		117,400,000	5	\$117,317,005	\$117,316,940	-\$65
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/6/2023		75,000,000	5	\$74,936,375	\$74,936,288	-\$88
Archer I LLC, Jun 01, 2060	VARIABLE RATE DEMAND NOTE	5	6/1/2060	7/6/2023	18,000,000	5	\$18,000,000	\$18,000,000	\$0
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/21/2023		85,000,000	5	\$84,742,167	\$84,744,101	\$1,934
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/2/2023		100,000,000	5	\$99,518,750	\$99,519,667	\$917
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/4/2023		70,000,000	5	\$69,644,750	\$69,642,504	-\$2,246
Australia & New Zealand Banking Group, Melbourne TD	TIME DEPOSIT	5	7/5/2023		1,090,000,000	5	\$1,090,000,000	\$1,090,000,000	\$0
BMO Harris Bank, N.A. CD	CERTIFICATE OF DEPOSIT	6	12/13/2023		50,000,000	6	\$50,000,000	\$50,005,550	\$5,550
BMW US Capital LLC CP4-2	COMMERCIAL PAPER - 4-2		7/25/2023		50,000,000	5	\$49,821,528	\$49,822,292	\$764
BNG Bank N.V. CP4-2	COMMERCIAL PAPER - 4-2		7/11/2023		75,000,000	5	\$74,883,812	\$74,883,767	-\$46
BWF Forge TL Properties Owner LLC, May 01, 2059	VARIABLE RATE DEMAND NOTE	5	5/1/2059	7/6/2023	28,500,000	5	\$28,500,000	\$28,500,000	\$0
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	6	5/28/2024		100,000,000	6	\$100,000,000	\$99,828,510	-\$171,490
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	6	6/7/2024		104,000,000	6	\$104,000,000	\$103,817,921	-\$182,079
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	6	6/17/2024		125,000,000	6	\$125,000,000	\$124,799,191	-\$200,809
Bank of America N.A. CD	CERTIFICATE OF DEPOSIT	6	12/13/2023		20,000,000	6	\$20,000,000	\$19,996,800	-\$3,200
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	5	7/3/2023		524,000,000	5	\$524,000,000	\$524,000,000	\$0
Bank of America N.A., Apr 19, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	4/19/2024	7/3/2023	101,000,000	6	\$101,000,000	\$101,130,748	\$130,748
Bank of America N.A., Dec 15, 2023	VARIABLE RATE BANK NOTE	5	12/15/2023	7/3/2023	100,000,000	5	\$100,000,000	\$99,984,780	-\$15,220
Bank of America, N.A. CD	CERTIFICATE OF DEPOSIT	5	2/7/2024		100,000,000	5	\$100,000,000	\$99,687,398	-\$312,602
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	1/8/2024		75,000,000	5	\$75,000,000	\$74,850,684	-\$149,316
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	6	5/28/2024		100,000,000	6	\$100,000,000	\$99,926,109	-\$73,891
Bank of Montreal, 5.015%, Oct 11, 2023	COMMERCIAL PAPER INTEREST BEARING	5	10/11/2023		90,000,000	5	\$90,000,000	\$89,876,356	-\$123,644
Bank of Montreal, Apr 12, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	4/12/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,085,180	\$85,180
Bank of Montreal, Dec 05, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	12/5/2023	7/3/2023	110,000,000	6	\$110,000,000	\$110,183,855	\$183,855
Bank of Montreal, Dec 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	12/5/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,167,141	\$167,141
Bank of Montreal, Jan 05, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	1/5/2024	7/3/2023	105,000,000	6	\$104,999,956	\$105,187,821	\$187,864
Bank of Montreal, Jan 05, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	1/5/2024	7/3/2023	50,000,000	6	\$50,000,000	\$50,049,620	\$49,620
Bank of Montreal, Jun 14, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	6/14/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,003,191	\$3,191
Bank of Montreal, May 03, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	5/3/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,000,977	\$977
Bank of Montreal, Sep 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	9/15/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,100,506	\$100,506
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	11/15/2023		120,000,000	5	\$120,000,000	\$119,893,817	-\$106,183
Bank of Nova Scotia, Toronto, Aug 21, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	8/21/2023	7/3/2023	25,000,000	6	\$25,000,000	\$25,015,474	\$15,474
Bank of Nova Scotia, Toronto, Dec 13, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	12/13/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,154,022	\$154,022

See notes at end of table.

INVENTORY OF HOLDINGS FOR JUNE 2023

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, Dec 27, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	12/27/2023	7/3/2023	85,000,000	6	\$85,000,000	\$85,095,254	\$95,254
Bank of Nova Scotia, Toronto, Feb 13, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5	2/13/2024	7/3/2023	30,000,000	6	\$29,996,668	\$29,980,722	-\$15,946
Bank of Nova Scotia, Toronto, Jan 08, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	1/8/2024	7/3/2023	65,000,000	6	\$65,000,000	\$65,062,115	\$62,115
Bank of Nova Scotia, Toronto, Jan 23, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	1/23/2024	7/3/2023	155,000,000	6	\$155,000,000	\$155,007,868	\$7,868
Bank of Nova Scotia, Toronto, Jul 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	7/5/2023	7/3/2023	50,000,000	6	\$50,000,000	\$50,003,191	\$3,191
Bank of Nova Scotia, Toronto, Jul 07, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	7/7/2023	7/3/2023	57,000,000	6	\$57,000,000	\$57,006,212	\$6,212
Bank of Nova Scotia, Toronto, Nov 10, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	11/10/2023	7/3/2023	80,000,000	5	\$80,000,000	\$80,009,974	\$9,974
Bank of Nova Scotia, Toronto, Oct 23, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	10/23/2023	7/3/2023	75,000,000	6	\$75,000,000	\$75,074,065	\$74,065
Bank of Nova Scotia, Toronto, Sep 21, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	9/21/2023	7/3/2023	150,000,000	6	\$150,000,000	\$150,104,748	\$104,748
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/31/2023		50,000,000	5	\$49,769,222	\$49,773,786	\$4,564
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/4/2023		10,000,000	6	\$9,947,500	\$9,948,764	\$1,264
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/15/2023		75,000,000	5	\$74,529,458	\$74,493,809	-\$35,650
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/13/2023		125,000,000	5	\$122,516,111	\$122,392,861	-\$123,250
Bedford Row Funding Corp., Dec 27, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	6	12/27/2023	7/3/2023	70,000,000	6	\$70,000,000	\$70,061,870	\$61,870
Bedford Row Funding Corp., Oct 30, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5	10/30/2023	7/3/2023	75,000,000	6	\$75,000,000	\$75,019,852	\$19,852
Bedford Row Funding Corp., Sep 25, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5	9/25/2023	7/3/2023	70,000,000	6	\$70,000,000	\$70,025,968	\$25,968
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2023		100,000,000	5	\$99,564,444	\$99,535,378	-\$29,066
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	2/5/2024		75,000,000	5	\$75,000,000	\$74,695,655	-\$304,346
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		4/18/2024		75,000,000	6	\$71,786,767	\$71,537,106	-\$249,661
Canadian Imperial Bank of Commerce, Apr 01, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	4/1/2024	7/3/2023	150,000,000	6	\$150,000,000	\$150,172,839	\$172,839
Canadian Imperial Bank of Commerce, Apr 11, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	4/11/2024	7/3/2023	208,000,000	6	\$208,000,000	\$208,150,498	\$150,498
Canadian Imperial Bank of Commerce, Dec 11, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	12/11/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,199,316	\$199,316
Canadian Imperial Bank of Commerce, Jan 18, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	1/18/2024	7/3/2023	115,000,000	6	\$115,000,000	\$115,056,510	\$56,510
Canadian Imperial Bank of Commerce, Mar 06, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	3/6/2024	7/3/2023	100,000,000	5	\$100,000,000	\$99,838,584	-\$161,416
Canadian Imperial Bank of Commerce, Mar 27, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	3/27/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,116,734	\$116,734
Canadian Imperial Bank of Commerce, Sep 06, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	9/6/2023	7/3/2023	50,000,000	6	\$50,000,000	\$50,047,397	\$47,397
Canadian Imperial Bank of Commerce, Sep 11, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	9/11/2023	7/3/2023	120,000,000	6	\$120,000,000	\$120,119,760	\$119,760
Chad J. Himmel Irrevocable Trust No. 1, Jul 01, 2048	VARIABLE RATE DEMAND NOTE	5	7/1/2048	7/6/2023	5,290,000	5	\$5,290,000	\$5,290,000	\$0
Chariot Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/21/2023		125,000,000	6	\$123,426,458	\$123,431,646	\$5,188
Chariot Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/27/2023		103,000,000	6	\$101,609,672	\$101,608,143	-\$1,528
Chariot Funding LLC, Jul 10, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5	7/10/2023	7/3/2023	150,000,000	5	\$150,000,000	\$150,008,513	\$8,513
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/3/2023		105,000,000	5	\$104,955,463	\$104,955,734	\$272
Chesham Finance LLC Series III CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/5/2023		460,000,000	5	\$459,674,167	\$459,676,468	\$2,302
Citibank N.A., New York, Jul 21, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	7/21/2023	7/3/2023	200,000,000	6	\$200,000,000	\$200,036,582	\$36,582
Citigroup Global Markets, Inc. CP4-2	COMMERCIAL PAPER - 4-2		12/5/2023		75,000,000	6	\$73,179,708	\$73,155,021	-\$24,687
Citigroup Global Markets, Inc. CP4-2	COMMERCIAL PAPER - 4-2		12/6/2023		191,000,000	6	\$186,322,330	\$186,270,872	-\$51,458
City Furniture, Inc., Aug 01, 2044	VARIABLE RATE DEMAND NOTE	5	8/1/2044	7/6/2023	77,000,000	5	\$77,000,000	\$77,000,000	\$0

INVENTORY OF HOLDINGS FOR JUNE 2023

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 CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/27/2023		100,000,000	6	\$97,725,000	\$97,687,500	-\$37,500
Collateralized Commercial Paper FLEX Co., LLC, Jan 02, 2024	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	6	1/2/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,000,000	\$0
Collateralized Commercial Paper FLEX Co., LLC, Nov 02, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	6	11/2/2023	7/3/2023	50,000,000	6	\$50,000,000	\$50,005,809	\$5,809
Collateralized Commercial Paper FLEX Co., LLC, Oct 05, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5	10/5/2023	7/3/2023	80,000,000	5	\$80,000,000	\$79,980,307	-\$19,693
Collateralized Commercial Paper V Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		7/12/2023		50,000,000	5	\$49,917,333	\$49,914,950	-\$2,383
Collateralized Commercial Paper V Co. LLC, Aug 14, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5	8/14/2023	7/3/2023	50,000,000	5	\$50,000,000	\$50,002,871	\$2,871
Collateralized Commercial Paper V Co. LLC, Aug 22, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5	8/22/2023	7/3/2023	134,000,000	5	\$134,000,000	\$134,012,244	\$12,244
Collateralized Commercial Paper V Co. LLC, Jul 13, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5	7/13/2023	7/3/2023	100,000,000	5	\$100,000,000	\$100,007,817	\$7,817
Collateralized Commercial Paper V Co. LLC, Sep 15, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	5	9/15/2023	7/3/2023	70,000,000	5	\$70,000,000	\$69,996,541	-\$3,459
Commonwealth Bank of Australia, Mar 21, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	3/21/2024	7/3/2023	50,000,000	6	\$50,000,000	\$50,046,541	\$46,541
Cooperatieve Rabobank UA TD	TIME DEPOSIT	5	7/5/2023		590,000,000	5	\$590,000,000	\$590,000,000	\$0
Cooperatieve Rabobank UA TD	TIME DEPOSIT	5	7/6/2023		500,000,000	5	\$500,000,000	\$500,000,000	\$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	8/2/2023		105,000,000	5	\$105,000,000	\$105,025,303	\$25,303
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	8/1/2023		100,000,000	5	\$100,000,000	\$100,023,371	\$23,371
Credit Agricole Corporate and Investment Bank CP	COMMERCIAL PAPER		8/1/2023		35,381,000	5	\$35,214,316	\$35,222,556	\$8,240
Credit Agricole Corporate and Investment Bank CP	COMMERCIAL PAPER		8/1/2023		100,000,000	5	\$99,528,889	\$99,552,178	\$23,289
DNB Bank ASA TD	TIME DEPOSIT	5	7/3/2023		500,000,000	5	\$500,000,000	\$500,000,000	\$0
DNB Nor Bank ASA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	11/22/2023		100,000,000	6	\$100,000,000	\$99,931,852	-\$68,148
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	11/17/2023		100,000,000	5	\$100,000,000	\$99,922,764	-\$77,236
Dino P Kanelos Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5	9/1/2041	7/6/2023	4,515,000	5	\$4,515,000	\$4,515,000	\$0
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	5	7/3/2023		5,586,700	5	\$5,586,700	\$5,586,700	\$0
Export Development Canada CP	COMMERCIAL PAPER		8/8/2023		25,000,000	5	\$24,867,563	\$24,860,169	-\$7,394
Export Development Canada CP	COMMERCIAL PAPER		11/9/2023		55,000,000	5	\$53,991,667	\$53,931,167	-\$60,500
Federated Hermes Institutional Prime Value Obligations Fund - Class IS	MUTUAL FUND MONEY MARKET	5	7/3/2023	7/3/2023	630,872,087	5	\$631,124,436	\$630,745,913	-\$378,523
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	5	8/1/2045	7/6/2023	9,995,000	5	\$9,995,000	\$9,995,000	\$0
GTA Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/15/2023		100,000,000	6	\$97,976,000	\$97,870,967	-\$105,033
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/6/2023		50,000,000	5	\$49,956,917	\$49,957,609	\$692
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/12/2023		100,000,000	5	\$99,827,333	\$99,829,667	\$2,334
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/20/2023		47,300,000	5	\$47,163,356	\$47,164,538	\$1,182
Great Bear Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/7/2023		11,000,000	5	\$10,989,113	\$10,989,156	\$43
HSBC Securities (USA), Inc. Repo Tri Party Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	5	7/3/2023		100,000,000	5	\$100,000,000	\$100,000,000	\$0
HW Hellman Building, L.P., Mar 01, 2062	VARIABLE RATE DEMAND NOTE	5	3/1/2062	7/6/2023	50,000,000	5	\$50,000,000	\$50,000,000	\$0
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2023		100,000,000	5	\$99,537,778	\$99,535,378	-\$2,400
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/21/2023		170,000,000	6	\$167,859,983	\$167,869,783	\$9,799
Jupiter Securitization Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/22/2023		100,000,000	6	\$98,726,000	\$98,730,667	\$4,667
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/4/2023		31,000,000	5	\$30,841,771	\$30,840,053	-\$1,718
Lamar Avenue Trust, Dec 01, 2037	VARIABLE RATE DEMAND NOTE	5	12/1/2037	7/6/2023	4,445,000	5	\$4,445,000	\$4,445,000	\$0

See notes at end of table.

INVENTORY OF HOLDINGS FOR JUNE 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/5/2023		125,000,000	5	\$124,911,806	\$124,912,084	\$278
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/5/2023		50,000,000	5	\$49,964,583	\$49,964,834	\$250
Longship Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/7/2023		125,000,000	5	\$124,875,799	\$124,876,771	\$973
MUFG Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	6	9/12/2023		135,000,000	6	\$135,000,000	\$135,023,702	\$23,702
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/5/2023		75,000,000	5	\$74,945,729	\$74,947,250	\$1,521
Matchpoint Finance plc CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2023		100,000,000	5	\$99,528,889	\$99,535,378	\$6,489
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	8/15/2023		100,000,000	5	\$100,000,000	\$100,020,615	\$20,615
Mizuho Bank Ltd. TD	TIME DEPOSIT	5	7/3/2023		450,000,000	5	\$450,000,000	\$450,000,000	\$0
Mizuho Bank Ltd., Jul 27, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	7/27/2023	7/3/2023	50,000,000	6	\$50,000,000	\$50,008,991	\$8,991
Mizuho Bank Ltd., Sep 12, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	9/12/2023	7/3/2023	200,000,000	5	\$200,000,000	\$200,035,362	\$35,362
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	5	7/3/2023		150,000,000	5	\$150,000,000	\$150,000,000	\$0
Morofsky Legacy Irrevocable Trust, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5	9/1/2041	7/6/2023	6,260,000	5	\$6,260,000	\$6,260,000	\$0
National Bank of Canada, Montreal, Mar 06, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	5	3/6/2024	7/3/2023	50,000,000	5	\$50,000,000	\$49,919,292	-\$80,708
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		7/3/2023		250,000,000	5	\$249,894,479	\$249,894,105	-\$374
Nordea Bank Abp, Sep 26, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	9/26/2023	7/3/2023	160,000,000	6	\$160,000,000	\$160,060,114	\$60,114
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/26/2024		25,000,000	5	\$24,273,750	\$24,180,854	-\$92,896
Old Line Funding, LLC, Aug 21, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		8/21/2023		115,000,000	5	\$114,181,072	\$114,112,468	-\$68,604
Old Line Funding, LLC, Aug 25, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	8/25/2023	7/3/2023	50,000,000	5	\$50,000,000	\$49,999,265	-\$735
Old Line Funding, LLC, Aug 25, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	8/25/2023	7/3/2023	100,000,000	5	\$100,000,000	\$99,998,530	-\$1,470
Old Line Funding, LLC, Jan 04, 2024	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	6	1/4/2024	7/3/2023	30,000,000	6	\$30,000,000	\$30,000,000	\$0
Old Line Funding, LLC, Jul 24, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		7/24/2023		75,000,000	5	\$74,752,000	\$74,741,450	-\$10,550
Old Line Funding, LLC, Nov 27, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	11/27/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,000,056	\$56
Old Line Funding, LLC, Nov 28, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	11/28/2023	7/3/2023	55,000,000	5	\$55,000,000	\$54,978,210	-\$21,790
Old Line Funding, LLC, Oct 30, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	6	10/30/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,029,850	\$29,850
Overbaugh Family (2016) Survivorship Trust, Apr 01, 2042	VARIABLE RATE DEMAND NOTE	5	4/1/2042	7/6/2023	7,015,000	5	\$7,015,000	\$7,015,000	\$0
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		3/20/2024		45,000,000	6	\$43,267,500	\$43,132,860	-\$134,640
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		8/23/2023		100,000,000	4	\$99,416,500	\$99,216,100	-\$200,400
Royal Bank of Canada CP4-2	COMMERCIAL PAPER - 4-2		10/31/2023		51,000,000	6	\$50,088,673	\$50,052,254	-\$36,418
Royal Bank of Canada, Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4	7/14/2023		10,000,000	4	\$10,000,000	\$9,995,363	-\$4,637
Royal Bank of Canada, New York Branch, Jan 09, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	1/9/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,109,952	\$109,952
Royal Bank of Canada, New York Branch, Jan 10, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	1/10/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,093,642	\$93,642
Royal Bank of Canada, New York Branch, Nov 15, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	11/15/2023	7/3/2023	60,000,000	6	\$60,000,000	\$60,100,178	\$100,178
Royal Bank of Canada, New York Branch, Sep 01, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	9/1/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,062,450	\$62,450
Royal Bank of Canada, Sep 01, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	9/1/2023	7/3/2023	100,000,000	6	\$100,000,000	\$100,062,450	\$62,450
Scheel Investments, LLC, Sep 01, 2041	VARIABLE RATE DEMAND NOTE	5	9/1/2041	7/6/2023	6,720,000	5	\$6,720,000	\$6,720,000	\$0
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/24/2023		45,500,000	5	\$45,342,267	\$45,340,416	-\$1,850

See notes at end of table.

INVENTORY OF HOLDINGS FOR JUNE 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/7/2023		50,000,000	6	\$49,477,708	\$49,479,242	\$1,533
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/15/2023		100,000,000	6	\$98,838,583	\$98,833,236	-\$5,347
Sheffield Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/2/2023		80,000,000	6	\$78,859,467	\$78,851,738	-\$7,729
Sheffield Receivables Company LLC, Oct 03, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5	10/3/2023	7/3/2023	100,000,000	5	\$100,000,000	\$99,989,884	-\$10,116
Sheffield Receivables Company LLC, Sep 18, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5	9/18/2023	7/3/2023	150,000,000	5	\$150,000,000	\$150,000,000	\$0
Sheffield Receivables Company LLC, Sep 20, 2023	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	5	9/20/2023	7/3/2023	50,000,000	5	\$50,000,000	\$50,001,247	\$1,247
Societe Generale, Paris CP4-2	COMMERCIAL PAPER - 4-2		7/31/2023		100,000,000	5	\$99,538,444	\$99,563,072	\$24,628
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	6	9/14/2023		200,000,000	6	\$200,000,000	\$200,037,866	\$37,866
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	6	9/26/2023		100,000,000	6	\$100,000,000	\$100,008,583	\$8,583
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	7/5/2023		280,000,000	5	\$280,000,000	\$280,000,140	\$140
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	7/7/2023		100,000,000	5	\$100,000,000	\$100,000,000	\$0
Sumitomo Mitsui Trust Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		9/12/2023		100,000,000	6	\$98,876,639	\$98,898,428	\$21,789
Sumitomo Mitsui Trust Bank Ltd., Jul 10, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	7/10/2023	7/3/2023	205,000,000	6	\$205,000,000	\$205,014,469	\$14,469
Sumitomo Mitsui Trust Bank Ltd., Jul 13, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	5	7/13/2023	7/3/2023	100,000,000	5	\$100,000,000	\$100,006,794	\$6,794
Svenska Handelsbanken, Stockholm, Oct 02, 2023	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	10/2/2023	7/3/2023	200,000,000	6	\$200,000,000	\$200,122,604	\$122,604
Svenska Handelsbanken, Stockholm, Sep 25, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	5	9/25/2023	7/3/2023	150,000,000	6	\$150,000,000	\$150,075,786	\$75,786
Taxable Tender Option Bond Trust 2021-MIZ9064TX, (Series 2021-MIZ-9064TX), 11/01/2056	MUNICIPAL VARIABLE RATE DEMAND NOTE	5	11/1/2056	7/6/2023	6,500,000	5	\$6,500,000	\$6,500,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9084TX, (Series 2022-MIZ-9084TX), 02/01/2027	MUNICIPAL VARIABLE RATE DEMAND NOTE	5	2/1/2027	7/6/2023	5,150,000	5	\$5,150,000	\$5,150,000	\$0
Taxable Tender Option Bond Trust 2022-MIZ9094TX, (Series 2022-MIZ-9094TX), 12/01/2059	MUNICIPAL VARIABLE RATE DEMAND NOTE	5	12/1/2059	7/6/2023	3,200,000	5	\$3,200,000	\$3,200,000	\$0
The Debra B. Kennedy Irrevocable Trust, May 01, 2048	VARIABLE RATE DEMAND NOTE	5	5/1/2048	7/6/2023	4,420,000	5	\$4,420,000	\$4,420,000	\$0
The Greathouse 2021 Children's Trust, Dec 01, 2046	VARIABLE RATE DEMAND NOTE	5	12/1/2046	7/6/2023	13,625,000	5	\$13,625,000	\$13,625,000	\$0
The Linda E. Krejssek Life Insurance Trust, Sep 01, 2037	VARIABLE RATE DEMAND NOTE	5	9/1/2037	7/6/2023	5,490,000	5	\$5,490,000	\$5,490,000	\$0
The Tammi R. Sitz Irrevocable Life Insurance Trust, Nov 01, 2046	VARIABLE RATE DEMAND NOTE	5	11/1/2046	7/6/2023	5,950,000	5	\$5,950,000	\$5,950,000	\$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/19/2023		80,000,000	5	\$79,788,889	\$79,783,189	-\$5,700
Thunder Bay Funding, LLC, Aug 21, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	8/21/2023	7/3/2023	75,000,000	5	\$75,000,000	\$75,000,044	\$44
Thunder Bay Funding, LLC, Aug 22, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	8/22/2023	7/3/2023	25,000,000	5	\$25,000,000	\$25,000,039	\$39
Thunder Bay Funding, LLC, Dec 27, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE	6	12/27/2023	7/3/2023	75,000,000	6	\$75,000,000	\$74,988,457	-\$11,543
Thunder Bay Funding, LLC, Mar 01, 2024	COMMERCIAL PAPER ASSET BACKED CALLABLE	5	3/1/2024	7/3/2023	50,000,000	5	\$50,000,000	\$49,928,527	-\$71,473
Thunder Bay Funding, LLC, Nov 03, 2023	COMMERCIAL PAPER ASSET BACKED CALLABLE		11/3/2023		50,000,000	5	\$49,133,750	\$49,034,350	-\$99,400
Toronto Dominion Bank	CALLABLE CERTIFICATE OF DEPOSIT		1/25/2024		50,000,000	5	\$50,000,000	\$49,815,312	-\$184,688
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	4	7/18/2023		90,000,000	4	\$90,000,000	\$89,945,301	-\$54,699

See notes at end of table.

INVENTORY OF HOLDINGS FOR JUNE 2023

Security Name	Security Classification	Cpn	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	6	7/3/2024		118,500,000	6	\$118,500,000	\$118,796,250	\$296,250
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	6	7/10/2024		97,000,000	6	\$97,000,000	\$97,019,400	\$19,400
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	5	2/13/2024		80,000,000	5	\$80,000,000	\$79,751,457	-\$248,543
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		5/16/2024		60,000,000	6	\$57,065,525	\$56,966,550	-\$98,975
Toronto Dominion Bank, 5.35%	CALLABLE COMMERCIAL PAPER	5	2/6/2024		90,000,000	5	\$90,000,000	\$89,758,337	-\$241,663
Toronto Dominion Bank, Apr 29, 2024	VARIABLE RATE CERTIFICATE OF DEPOSIT	6	4/29/2024	7/3/2023	100,000,000	6	\$100,000,000	\$100,000,541	\$541
Toronto Dominion Bank, Dec 06, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	12/6/2023	7/3/2023	150,000,000	6	\$150,000,000	\$150,234,251	\$234,251
TotalEnergies Capital S.A. CP4-2	COMMERCIAL PAPER - 4-2		8/1/2023		50,000,000	5	\$49,782,222	\$49,769,111	-\$13,111
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		10/25/2023		50,000,000	6	\$49,127,375	\$49,122,013	-\$5,362
Toyota Credit De Puerto Rico Corp., Dec 05, 2023	VARIABLE RATE COMMERCIAL PAPER	5	12/5/2023	7/3/2023	50,000,000	6	\$50,000,000	\$50,000,000	\$0
Toyota Credit De Puerto Rico Corp., Dec 11, 2023	VARIABLE RATE COMMERCIAL PAPER	5	12/11/2023	7/3/2023	25,000,000	6	\$25,000,000	\$25,000,000	\$0
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		7/3/2023		400,000,000	5	\$399,830,667	\$399,831,132	\$465
UnitedHealth Group, Inc. CP4-2	COMMERCIAL PAPER - 4-2		7/7/2023		74,000,000	5	\$73,926,904	\$73,927,192	\$288
Westpac Banking Corp. Ltd., Sydney, Aug 28, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	8/28/2023	7/3/2023	40,000,000	6	\$40,000,000	\$40,031,278	\$31,278
Westpac Banking Corp. Ltd., Sydney, Jan 02, 2024	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	1/2/2024	7/3/2023	80,000,000	6	\$80,000,000	\$80,068,218	\$68,218
Westpac Banking Corp. Ltd., Sydney, Oct 05, 2023	VARIABLE RATE COMMERCIAL PAPER - 4-2	6	10/5/2023	7/3/2023	140,000,000	6	\$140,000,909	\$140,070,987	\$70,078
Wylie Bice Life Insurance Trust, Aug 01, 2046	VARIABLE RATE DEMAND NOTE	5	8/1/2046	7/6/2023	7,625,000	5	\$7,625,000	\$7,625,000	\$0
Total Value of Assets					21,484,769,787		\$21,440,117,795	\$21,439,595,667	-\$522,128

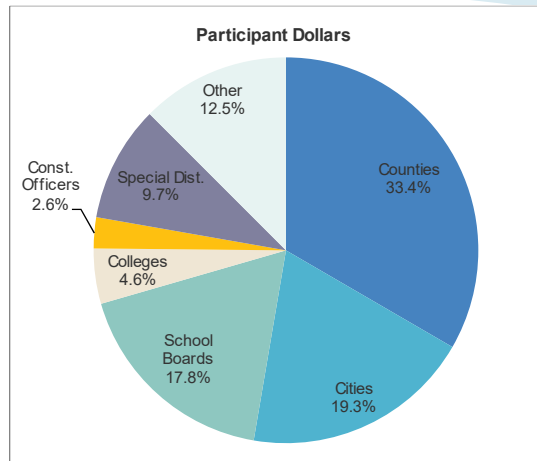
Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

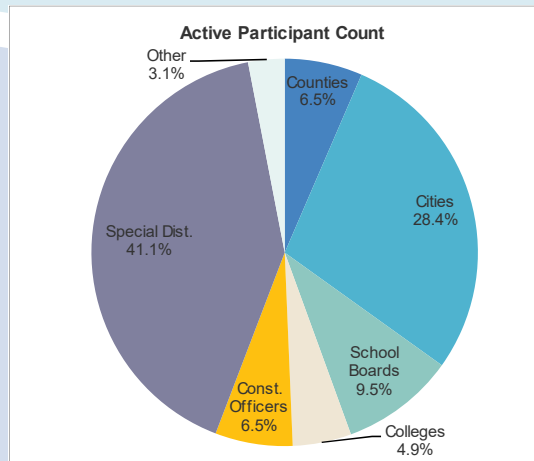
² Amortized cost is calculated using a straight line method.

PARTICIPANT CONCENTRATION DATA - AS OF JUNE 2023

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	99.7%	Colleges & Universities	4.6%	4.9%
Top 10	32.4%	1.3%	Top 10	4.1%	1.3%
\$100 million or more	72.5%	7.9%	\$100 million or more	3.0%	0.4%
\$10 million up to \$100 million	24.2%	19.3%	\$10 million up to \$100 million	1.4%	1.5%
\$1 million up to \$10 million	2.9%	19.8%	\$1 million up to \$10 million	0.2%	1.1%
Under \$1 million	0.3%	52.6%	Under \$1 million	0.01%	2.0%
Counties	33.4%	6.5%	Constitutional Officers	2.6%	6.5%
Top 10	26.2%	1.3%	Top 10	1.5%	1.3%
\$100 million or more	31.3%	2.2%	\$100 million or more	0.5%	0.1%
\$10 million up to \$100 million	1.9%	1.5%	\$10 million up to \$100 million	1.8%	1.2%
\$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%	1.6%	Under \$1 million	0.0%	3.4%
Municipalities	19.3%	28.3%	Special Districts	9.7%	41.0%
Top 10	6.9%	1.3%	Top 10	5.8%	1.3%
\$100 million or more	6.9%	1.3%	\$100 million or more	5.4%	1.2%
\$10 million up to \$100 million	11.3%	8.7%	\$10 million up to \$100 million	3.3%	3.2%
\$1 million up to \$10 million	1.0%	6.6%	\$1 million up to \$10 million	0.8%	6.6%
Under \$1 million	0.1%	11.6%	Under \$1 million	0.2%	30.0%
School Boards	17.8%	9.5%	Other	12.5%	3.0%
Top 10	11.6%	1.3%	Top 10	12.2%	1.3%
\$100 million or more	13.7%	1.9%	\$100 million or more	11.7%	0.8%
\$10 million up to \$100 million	3.9%	2.9%	\$10 million up to \$100 million	0.7%	0.4%
\$1 million up to \$10 million	0.3%	2.0%	\$1 million up to \$10 million	0.1%	0.7%
Under \$1 million	0.0%	2.8%	Under \$1 million	0.0%	1.2%



Total Fund Value: \$21,469,384,429



Total Active Participant Count: 756

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

COMPLIANCE WITH INVESTMENT POLICY FOR JUNE 2023

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
Unregistered securities must be eligible for sale to Accredited Investors or Qualified Purchasers.	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
<u>Demand Feature and Guarantor Diversification</u>	
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 JUNE 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ANGLESEA FUNDING LLC/PABS4	06/08/23	06/01/23	06/01/23	50,000,000	49,950,514	0	49,950,514	0
ANGLESEA FUNDING LLC/PABS4	06/08/23	06/01/23	06/01/23	10,000,000	9,990,103	0	9,990,103	0
ANTALIS S.A. CPABS4/CPABS4	06/14/23	06/07/23	06/07/23	28,980,000	28,951,374	0	28,951,374	0
ANTALIS S.A. CPABS4/CPABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
ANTALIS S.A. CPABS4/CPABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
ANTALIS S.A. CPABS4/CPABS4	06/21/23	06/14/23	06/14/23	46,000,000	45,954,383	0	45,954,383	0
ANTALIS S.A. CPABS4/CPABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,514	0	49,950,514	0
ANTALIS S.A. CPABS4/CPABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,514	0	49,950,514	0
ANTALIS S.A. CPABS4/CPABS4	06/28/23	06/21/23	06/21/23	46,110,000	46,064,364	0	46,064,364	0
ANTALIS S.A. CPABS4/CPABS4	07/05/23	06/28/23	06/28/23	50,000,000	49,950,514	0	49,950,514	0
ANTALIS S.A. CPABS4/CPABS4	07/05/23	06/28/23	06/28/23	50,000,000	49,950,514	0	49,950,514	0
ANTALIS S.A. CPABS4/CPABS4	07/05/23	06/28/23	06/28/23	17,400,000	17,382,779	0	17,382,779	0
ANTALIS S.A. CPABS4/CPABS4	07/06/23	06/29/23	06/29/23	50,000,000	49,950,514	0	49,950,514	0
ANTALIS S.A. CPABS4/CPABS4	07/06/23	06/29/23	06/29/23	25,000,000	24,975,257	0	24,975,257	0
ATLANTIC ASSET SECUC/PABS4	06/20/23	06/12/23	06/12/23	50,000,000	49,943,556	0	49,943,556	0
ATLANTIC ASSET SECUC/PABS4	06/20/23	06/12/23	06/12/23	30,000,000	29,966,133	0	29,966,133	0
ATLANTIC ASSET SECUC/PABS4	07/21/23	06/16/23	06/16/23	50,000,000	49,747,222	0	49,747,222	0
ATLANTIC ASSET SECUC/PABS4	07/21/23	06/16/23	06/16/23	35,000,000	34,823,056	0	34,823,056	0
ATLANTIC ASSET SECUC/PABS4	08/02/23	06/30/23	06/30/23	50,000,000	49,759,375	0	49,759,375	0
ATLANTIC ASSET SECUC/PABS4	08/02/23	06/30/23	06/30/23	50,000,000	49,759,375	0	49,759,375	0
ATLANTIC ASSET SECUC/PABS4	08/04/23	06/20/23	06/20/23	50,000,000	49,673,750	0	49,673,750	0
ATLANTIC ASSET SECUC/PABS4	08/04/23	06/20/23	06/20/23	20,000,000	19,869,500	0	19,869,500	0
BMW US CAPITAL LLC CP4-2	07/25/23	06/27/23	06/27/23	50,000,000	49,800,111	0	49,800,111	0
BMO HARRIS BANK N.C.D	12/13/23	06/12/23	06/12/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA N.ACD	06/07/24	06/09/23	06/09/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA N.ACD	06/07/24	06/09/23	06/09/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA N.ACD	06/07/24	06/09/23	06/09/23	4,000,000	4,000,000	0	4,000,000	0
BANK OF AMERICA N.ACD	06/17/24	06/12/23	06/12/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA N.ACD	06/17/24	06/12/23	06/12/23	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA N.ACD	06/17/24	06/12/23	06/12/23	25,000,000	25,000,000	0	25,000,000	0
BANK OF AMERICA N.ACD	12/13/23	06/16/23	06/16/23	20,000,000	20,000,000	0	20,000,000	0
BARTON CAPITAL S.A.CPABS4	06/09/23	06/08/23	06/08/23	50,000,000	49,992,958	0	49,992,958	0
BARTON CAPITAL S.A.CPABS4	06/20/23	06/13/23	06/13/23	50,000,000	49,950,125	0	49,950,125	0
BARTON CAPITAL S.A.CPABS4	06/20/23	06/13/23	06/13/23	25,000,000	24,975,063	0	24,975,063	0
BARTON CAPITAL S.A.CPABS4	07/31/23	06/01/23	06/01/23	50,000,000	49,553,333	0	49,553,333	0
BARTON CAPITAL S.A.CPABS4	08/04/23	06/05/23	06/06/23	10,000,000	9,911,500	0	9,911,500	0
BENNINGTON STARK CACPABS4	06/16/23	06/09/23	06/09/23	35,000,000	34,965,224	0	34,965,224	0
BENNINGTON STARK CACPABS4	06/23/23	06/16/23	06/16/23	43,995,000	43,951,372	0	43,951,372	0
BENNINGTON STARK CACPABS4	06/30/23	06/23/23	06/23/23	44,245,000	44,201,124	0	44,201,124	0
BNG BANK N.V. CP4-2CP4-2	06/12/23	06/05/23	06/05/23	50,000,000	49,950,806	0	49,950,806	0
BNG BANK N.V. CP4-2CP4-2	06/12/23	06/05/23	06/05/23	50,000,000	49,950,806	0	49,950,806	0
BNG BANK N.V. CP4-2CP4-2	06/12/23	06/05/23	06/05/23	50,000,000	49,950,806	0	49,950,806	0
BNG BANK N.V. CP4-2CP4-2	06/20/23	06/12/23	06/12/23	50,000,000	49,943,333	0	49,943,333	0
BNG BANK N.V. CP4-2CP4-2	06/20/23	06/12/23	06/12/23	50,000,000	49,943,333	0	49,943,333	0
BNG BANK N.V. CP4-2CP4-2	06/20/23	06/12/23	06/12/23	50,000,000	49,943,333	0	49,943,333	0
BNG BANK N.V. CP4-2CP4-2	06/27/23	06/20/23	06/20/23	50,000,000	49,950,806	0	49,950,806	0
BNG BANK N.V. CP4-2CP4-2	06/27/23	06/20/23	06/20/23	50,000,000	49,950,806	0	49,950,806	0
BNG BANK N.V. CP4-2CP4-2	07/11/23	06/27/23	06/27/23	50,000,000	49,901,417	0	49,901,417	0
BNG BANK N.V. CP4-2CP4-2	07/11/23	06/27/23	06/27/23	25,000,000	24,950,708	0	24,950,708	0
CHARIOT FUNDING LLC/PABS4	09/21/23	06/09/23	06/09/23	50,000,000	49,211,333	0	49,211,333	0
CHARIOT FUNDING LLC/PABS4	09/21/23	06/09/23	06/09/23	50,000,000	49,211,333	0	49,211,333	0
CHARIOT FUNDING LLC/PABS4	09/21/23	06/09/23	06/09/23	25,000,000	24,605,667	0	24,605,667	0
CHARIOT FUNDING LLC/PABS4	09/27/23	06/14/23	06/14/23	50,000,000	49,203,750	0	49,203,750	0
CHARIOT FUNDING LLC/PABS4	09/27/23	06/14/23	06/14/23	50,000,000	49,203,750	0	49,203,750	0
CHARIOT FUNDING LLC/PABS4	09/27/23	06/14/23	06/14/23	3,000,000	2,952,225	0	2,952,225	0
CHESHAM FINANCE LLC/PABS4	06/14/23	06/07/23	06/07/23	50,000,000	49,950,514	0	49,950,514	0
CHESHAM FINANCE LLC/PABS4	06/14/23	06/07/23	06/07/23	50,000,000	49,950,514	0	49,950,514	0
CHESHAM FINANCE LLC/PABS4	06/14/23	06/07/23	06/07/23	50,000,000	49,950,514	0	49,950,514	0
CHESHAM FINANCE LLC/PABS4	06/14/23	06/07/23	06/07/23	50,000,000	49,950,514	0	49,950,514	0
CHESHAM FINANCE LLC/PABS4	06/14/23	06/07/23	06/07/23	50,000,000	49,950,514	0	49,950,514	0
CHESHAM FINANCE LLC/PABS4	06/14/23	06/07/23	06/07/23	10,000,000	9,990,103	0	9,990,103	0
CHESHAM FINANCE LLC/PABS4	06/14/23	06/07/23	06/07/23	50,000,000	49,950,514	0	49,950,514	0
CHESHAM FINANCE LLC/PABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/21/23	06/14/23	06/14/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	06/28/23	06/21/23	06/21/23	50,000,000	49,950,417	0	49,950,417	0
CHESHAM FINANCE LLC/PABS4	07/03/23	06/27/23	06/27/23	50,000,000	49,957,583	0	49,957,583	0



www.sbafla.com/prime 19

20 *Florida PRIMETM Monthly Summary Report - June 2023*



www.sbafla.com/prime **21**



22 *Florida PRIMETM Monthly Summary Report - June 2023*



www.sbafla.com/prime **23**

TRADING ACTIVITY FOR JUNE 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
TORONTO DOMINION BACDYAN	07/03/24	06/29/23	06/29/23	18,500,000	18,500,000	0	18,500,000	0
TORONTO DOMINION BACDYAN	07/10/24	06/29/23	06/29/23	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BACDYAN	07/10/24	06/29/23	06/29/23	47,000,000	47,000,000	0	47,000,000	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/16/23	06/16/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/16/23	06/16/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/16/23	06/16/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/16/23	06/16/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/16/23	06/16/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/16/23	06/16/23	50,000,000	49,971,833	0	49,971,833	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/16/23	06/16/23	15,000,000	14,991,550	0	14,991,550	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/14/23	06/14/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/14/23	06/14/23	20,000,000	19,980,244	0	19,980,244	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/20/23	06/20/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/20/23	06/20/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/20/23	06/20/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/20/23	06/20/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/20/23	06/20/23	42,000,000	41,994,085	0	41,994,085	0
UNITEDHEALTH GROUP,CP4-2	06/22/23	06/21/23	06/21/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/22/23	06/21/23	06/21/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/22/23	06/21/23	06/21/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/22/23	06/21/23	06/21/23	50,000,000	49,992,958	0	49,992,958	0
UNITEDHEALTH GROUP,CP4-2	06/22/23	06/21/23	06/21/23	45,000,000	44,993,663	0	44,993,663	0
UNITEDHEALTH GROUP,CP4-2	06/26/23	06/23/23	06/23/23	50,000,000	49,978,875	0	49,978,875	0
UNITEDHEALTH GROUP,CP4-2	06/26/23	06/23/23	06/23/23	50,000,000	49,978,875	0	49,978,875	0
UNITEDHEALTH GROUP,CP4-2	06/26/23	06/23/23	06/23/23	50,000,000	49,978,875	0	49,978,875	0
UNITEDHEALTH GROUP,CP4-2	06/26/23	06/23/23	06/23/23	50,000,000	49,978,875	0	49,978,875	0
UNITEDHEALTH GROUP,CP4-2	06/26/23	06/23/23	06/23/23	50,000,000	49,978,875	0	49,978,875	0
UNITEDHEALTH GROUP,CP4-2	06/29/23	06/21/23	06/21/23	50,000,000	49,943,556	0	49,943,556	0
UNITEDHEALTH GROUP,CP4-2	06/29/23	06/21/23	06/21/23	50,000,000	49,943,556	0	49,943,556	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	25,000,000	24,975,306	0	24,975,306	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/03/23	06/26/23	06/26/23	25,000,000	24,975,306	0	24,975,306	0
UNITEDHEALTH GROUP,CP4-2	07/07/23	06/30/23	06/30/23	50,000,000	49,950,611	0	49,950,611	0
UNITEDHEALTH GROUP,CP4-2	07/07/23	06/30/23	06/30/23	24,000,000	23,976,293	0	23,976,293	0
VICTORY RECEIVABLESCPAB54	06/23/23	06/22/23	06/22/23	43,601,000	43,594,860	0	43,594,860	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/01/23	06/01/23	5,364,509	5,364,509	0	5,364,509	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/05/23	06/05/23	3,585,926	3,585,926	0	3,585,926	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/12/23	06/12/23	10,336,164	10,336,164	0	10,336,164	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/15/23	06/15/23	3,030,620	3,030,620	0	3,030,620	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/20/23	06/20/23	4,531,716	4,531,716	0	4,531,716	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/26/23	06/26/23	3,356,402	3,356,402	0	3,356,402	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/29/23	06/29/23	955,918	955,918	0	955,918	0
MIZUHO TRIPARTY	06/02/23	06/01/23	06/01/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/02/23	06/01/23	06/01/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/02/23	06/01/23	06/01/23	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	06/05/23	06/02/23	06/02/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/05/23	06/02/23	06/02/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/05/23	06/02/23	06/02/23	248,000,000	248,000,000	0	248,000,000	0
MIZUHO TRIPARTY	06/06/23	06/05/23	06/05/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/06/23	06/05/23	06/05/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/06/23	06/05/23	06/05/23	241,000,000	241,000,000	0	241,000,000	0
MIZUHO TRIPARTY	06/07/23	06/06/23	06/06/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/07/23	06/06/23	06/06/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/07/23	06/06/23	06/06/23	760,000,000	760,000,000	0	760,000,000	0
MIZUHO TRIPARTY	06/08/23	06/07/23	06/07/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/08/23	06/07/23	06/07/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/08/23	06/07/23	06/07/23	363,000,000	363,000,000	0	363,000,000	0
MIZUHO TRIPARTY	06/09/23	06/08/23	06/08/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/09/23	06/08/23	06/08/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/09/23	06/08/23	06/08/23	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	06/12/23	06/09/23	06/09/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/12/23	06/09/23	06/09/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/12/23	06/09/23	06/09/23	222,000,000	222,000,000	0	222,000,000	0
MIZUHO TRIPARTY	06/13/23	06/12/23	06/12/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/13/23	06/12/23	06/12/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/13/23	06/12/23	06/12/23	309,000,000	309,000,000	0	309,000,000	0
MIZUHO TRIPARTY	06/14/23	06/13/23	06/13/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/14/23	06/13/23	06/13/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/14/23	06/13/23	06/13/23	276,000,000	276,000,000	0	276,000,000	0

TRADING ACTIVITY FOR JUNE 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO TRIPARTY	06/15/23	06/14/23	06/14/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/15/23	06/14/23	06/14/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/15/23	06/14/23	06/14/23	149,000,000	149,000,000	0	149,000,000	0
MIZUHO TRIPARTY	06/16/23	06/15/23	06/15/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/16/23	06/15/23	06/15/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/16/23	06/15/23	06/15/23	448,000,000	448,000,000	0	448,000,000	0
MIZUHO TRIPARTY	06/20/23	06/16/23	06/16/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/20/23	06/16/23	06/16/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/20/23	06/16/23	06/16/23	440,000,000	440,000,000	0	440,000,000	0
MIZUHO TRIPARTY	06/21/23	06/20/23	06/20/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/21/23	06/20/23	06/20/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/21/23	06/20/23	06/20/23	186,000,000	186,000,000	0	186,000,000	0
MIZUHO TRIPARTY	06/22/23	06/21/23	06/21/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/22/23	06/21/23	06/21/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/22/23	06/21/23	06/21/23	139,000,000	139,000,000	0	139,000,000	0
MIZUHO TRIPARTY	06/23/23	06/22/23	06/22/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/23/23	06/22/23	06/22/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/23/23	06/22/23	06/22/23	451,000,000	451,000,000	0	451,000,000	0
MIZUHO TRIPARTY	06/26/23	06/23/23	06/23/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/26/23	06/23/23	06/23/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/26/23	06/23/23	06/23/23	350,000,000	350,000,000	0	350,000,000	0
MIZUHO TRIPARTY	06/27/23	06/26/23	06/26/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/27/23	06/26/23	06/26/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/27/23	06/26/23	06/26/23	218,000,000	218,000,000	0	218,000,000	0
MIZUHO TRIPARTY	06/28/23	06/27/23	06/27/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/28/23	06/27/23	06/27/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/28/23	06/27/23	06/27/23	171,000,000	171,000,000	0	171,000,000	0
MIZUHO TRIPARTY	06/29/23	06/28/23	06/28/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/29/23	06/28/23	06/28/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/29/23	06/28/23	06/28/23	141,000,000	141,000,000	0	141,000,000	0
MIZUHO TRIPARTY	06/30/23	06/29/23	06/29/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/30/23	06/29/23	06/29/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/30/23	06/29/23	06/29/23	142,000,000	142,000,000	0	142,000,000	0
MIZUHO TRIPARTY	07/03/23	06/30/23	06/30/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	07/03/23	06/30/23	06/30/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	07/03/23	06/30/23	06/30/23	524,000,000	524,000,000	0	524,000,000	0
Total Buys				44,594,560,255	44,561,847,015	0	44,561,847,015	0
Cash Closes								
COLLATERALIZED COMMERCIAL PAPER FLEX CO LLC	08/31/23	06/27/23	06/27/23	70,000,000	70,000,000	1,469,183	71,469,183	0
MARK E POTTEIGER IRREVOCABLE LIFE INSURANCE TRUST	06/01/48	06/21/23	06/21/23	4,025,000	4,025,000	11,319	4,036,319	0
MIZUHO FLOATER/RESIDUAL TRUST	12/01/59	06/15/23	06/15/23	600,000	600,000	1,257	601,257	0
OLD LINE FUNDING LLC	08/02/23	06/26/23	06/26/23	10,000,000	10,000,000	36,058	10,036,058	0
THUNDER BAY FUNDING LLC	07/20/23	06/08/23	06/08/23	50,000,000	50,000,000	128,931	50,128,931	0
THUNDER BAY FUNDING LLC	08/02/23	06/20/23	06/20/23	75,000,000	75,000,000	202,813	75,202,813	0
Total Cash Closes				209,625,000	209,625,000	1,849,560	211,474,560	0
Deposits								
RABOBANK NEW YORK	06/08/23	06/01/23	06/01/23	485,000,000	485,000,000	0	485,000,000	0
DNB BANK ASA NEW YORK	06/02/23	06/01/23	06/01/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/02/23	06/01/23	06/01/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	06/09/23	06/02/23	06/02/23	270,000,000	270,000,000	0	270,000,000	0
DNB BANK ASA NEW YORK	06/05/23	06/02/23	06/02/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/05/23	06/02/23	06/02/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/06/23	06/05/23	06/05/23	350,000,000	350,000,000	0	350,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/06/23	06/05/23	06/05/23	700,000,000	700,000,000	0	700,000,000	0
RABOBANK NEW YORK	06/13/23	06/06/23	06/06/23	580,000,000	580,000,000	0	580,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/13/23	06/06/23	06/06/23	1,070,000,000	1,070,000,000	0	1,070,000,000	0
ABN AMRO BANK N.V.	06/13/23	06/06/23	06/06/23	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	06/07/23	06/06/23	06/06/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/07/23	06/06/23	06/06/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/08/23	06/07/23	06/07/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/08/23	06/07/23	06/07/23	700,000,000	700,000,000	0	700,000,000	0
RABOBANK NEW YORK	06/15/23	06/08/23	06/08/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/09/23	06/08/23	06/08/23	975,000,000	975,000,000	0	975,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/09/23	06/08/23	06/08/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	06/16/23	06/09/23	06/09/23	280,000,000	280,000,000	0	280,000,000	0
DNB BANK ASA NEW YORK	06/12/23	06/09/23	06/09/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/12/23	06/09/23	06/09/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/13/23	06/12/23	06/12/23	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/13/23	06/12/23	06/12/23	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/20/23	06/13/23	06/13/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
RABOBANK NEW YORK	06/20/23	06/13/23	06/13/23	550,000,000	550,000,000	0	550,000,000	0
ABN AMRO BANK N.V.	06/20/23	06/13/23	06/13/23	800,000,000	800,000,000	0	800,000,000	0

TRADING ACTIVITY FOR JUNE 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DNB BANK ASA NEW YORK	06/14/23	06/13/23	06/13/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/14/23	06/13/23	06/13/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/15/23	06/14/23	06/14/23	700,000,000	700,000,000	0	700,000,000	0
RABOBANK NEW YORK	06/22/23	06/15/23	06/15/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/16/23	06/15/23	06/15/23	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/16/23	06/15/23	06/15/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	06/26/23	06/16/23	06/16/23	280,000,000	280,000,000	0	280,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/20/23	06/16/23	06/16/23	710,000,000	710,000,000	0	710,000,000	0
DNB BANK ASA NEW YORK	06/20/23	06/16/23	06/16/23	300,000,000	300,000,000	0	300,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/27/23	06/20/23	06/20/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
RABOBANK NEW YORK	06/27/23	06/20/23	06/20/23	575,000,000	575,000,000	0	575,000,000	0
ABN AMRO BANK N.V.	06/26/23	06/20/23	06/20/23	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/21/23	06/20/23	06/20/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/22/23	06/21/23	06/21/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/22/23	06/21/23	06/21/23	675,000,000	675,000,000	0	675,000,000	0
RABOBANK NEW YORK	06/29/23	06/22/23	06/22/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/23/23	06/22/23	06/22/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/23/23	06/22/23	06/22/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/26/23	06/23/23	06/23/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/26/23	06/23/23	06/23/23	720,000,000	720,000,000	0	720,000,000	0
ABN AMRO BANK N.V.	07/03/23	06/26/23	06/26/23	1,050,000,000	1,050,000,000	0	1,050,000,000	0
DNB BANK ASA NEW YORK	06/27/23	06/26/23	06/26/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/27/23	06/26/23	06/26/23	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	07/05/23	06/27/23	06/27/23	1,090,000,000	1,090,000,000	0	1,090,000,000	0
RABOBANK NEW YORK	07/05/23	06/27/23	06/27/23	590,000,000	590,000,000	0	590,000,000	0
DNB BANK ASA NEW YORK	06/28/23	06/27/23	06/27/23	450,000,000	450,000,000	0	450,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/28/23	06/27/23	06/27/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/29/23	06/28/23	06/28/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/29/23	06/28/23	06/28/23	500,000,000	500,000,000	0	500,000,000	0
RABOBANK NEW YORK	07/06/23	06/29/23	06/29/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/30/23	06/29/23	06/29/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/30/23	06/29/23	06/29/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	07/03/23	06/30/23	06/30/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	07/03/23	06/30/23	06/30/23	450,000,000	450,000,000	0	450,000,000	0
Total Deposits				35,500,000,000	35,500,000,000	0	35,500,000,000	0
Maturities								
ANGLESEA FUNDING LLC PABS4	06/01/23	06/01/23	06/01/23	40,000,000	40,000,000	0	40,000,000	0
ANGLESEA FUNDING LLC PABS4	06/06/23	06/06/23	06/06/23	200,000,000	200,000,000	0	200,000,000	0
ANGLESEA FUNDING LLC PABS4	06/08/23	06/08/23	06/08/23	60,000,000	60,000,000	0	60,000,000	0
ANGLESEA FUNDING LLC PABS4	06/09/23	06/09/23	06/09/23	95,000,000	95,000,000	0	95,000,000	0
ANTALIS S.A. CPABS4 CPABS4	06/01/23	06/01/23	06/01/23	40,000,000	40,000,000	0	40,000,000	0
ANTALIS S.A. CPABS4 CPABS4	06/07/23	06/07/23	06/07/23	56,300,000	56,300,000	0	56,300,000	0
ANTALIS S.A. CPABS4 CPABS4	06/14/23	06/14/23	06/14/23	28,980,000	28,980,000	0	28,980,000	0
ANTALIS S.A. CPABS4 CPABS4	06/21/23	06/21/23	06/21/23	146,000,000	146,000,000	0	146,000,000	0
ANTALIS S.A. CPABS4 CPABS4	06/27/23	06/27/23	06/27/23	40,000,000	40,000,000	0	40,000,000	0
ANTALIS S.A. CPABS4 CPABS4	06/28/23	06/28/23	06/28/23	146,110,000	146,110,000	0	146,110,000	0
ATLANTIC ASSET SECUCPABS4	06/12/23	06/12/23	06/12/23	80,000,000	80,000,000	0	80,000,000	0
ATLANTIC ASSET SECUCPABS4	06/20/23	06/20/23	06/20/23	80,000,000	80,000,000	0	80,000,000	0
BARTON CAPITAL S.A. CPABS4	06/01/23	06/01/23	06/01/23	100,000,000	100,000,000	0	100,000,000	0
BARTON CAPITAL S.A. CPABS4	06/09/23	06/09/23	06/09/23	72,947,000	72,947,000	0	72,947,000	0
BARTON CAPITAL S.A. CPABS4	06/13/23	06/13/23	06/13/23	75,000,000	75,000,000	0	75,000,000	0
BARTON CAPITAL S.A. CPABS4	06/20/23	06/20/23	06/20/23	125,000,000	125,000,000	0	125,000,000	0
BENNINGTON STARK CACPABS4	06/16/23	06/16/23	06/16/23	35,000,000	35,000,000	0	35,000,000	0
BENNINGTON STARK CACPABS4	06/23/23	06/23/23	06/23/23	43,995,000	43,995,000	0	43,995,000	0
BENNINGTON STARK CACPABS4	06/30/23	06/30/23	06/30/23	44,245,000	44,245,000	0	44,245,000	0
BNG BANK N.V. CP4-2CP4-2	06/05/23	06/05/23	06/05/23	100,000,000	100,000,000	0	100,000,000	0
BNG BANK N.V. CP4-2CP4-2	06/12/23	06/12/23	06/12/23	150,000,000	150,000,000	0	150,000,000	0
BNG BANK N.V. CP4-2CP4-2	06/20/23	06/20/23	06/20/23	150,000,000	150,000,000	0	150,000,000	0
BNG BANK N.V. CP4-2CP4-2	06/27/23	06/27/23	06/27/23	100,000,000	100,000,000	0	100,000,000	0
CANCARA ASSET SECURCPABS4	06/14/23	06/14/23	06/14/23	103,000,000	103,000,000	0	103,000,000	0
CANCARA ASSET SECURCPABS4	06/15/23	06/15/23	06/15/23	29,000,000	29,000,000	0	29,000,000	0
CHARIOT FUNDING LLC CPABS4	06/15/23	06/15/23	06/15/23	200,000,000	200,000,000	0	200,000,000	0
CHESHAM FINANCE LLC CPABS4	06/07/23	06/07/23	06/07/23	400,000,000	400,000,000	0	400,000,000	0
CHESHAM FINANCE LLC CPABS4	06/14/23	06/14/23	06/14/23	410,000,000	410,000,000	0	410,000,000	0
CHESHAM FINANCE LLC CPABS4	06/21/23	06/21/23	06/21/23	400,000,000	400,000,000	0	400,000,000	0
CHESHAM FINANCE LLC CPABS4	06/28/23	06/28/23	06/28/23	450,000,000	450,000,000	0	450,000,000	0
COLLATERALIZED COMMCPABS3	06/27/23	06/27/23	06/27/23	125,000,000	125,000,000	0	125,000,000	0
CREDIT AGRICOLE CORCDYAN	06/27/23	06/27/23	06/27/23	350,000,000	350,000,000	0	350,000,000	0
CREDIT AGRICOLE CORCDYAN	06/01/23	06/01/23	06/01/23	500,000,000	500,000,000	0	500,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/02/23	06/02/23	06/02/23	1,015,000,000	1,015,000,000	0	1,015,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/05/23	06/05/23	06/05/23	990,000,000	990,000,000	0	990,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/06/23	06/06/23	06/06/23	1,035,000,000	1,035,000,000	0	1,035,000,000	0

TRADING ACTIVITY FOR JUNE 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT INDUSTRIEL ECP4-2	06/07/23	06/07/23	06/07/23	1,058,000,000	1,058,000,000	0	1,058,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/08/23	06/08/23	06/08/23	978,000,000	978,000,000	0	978,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/09/23	06/09/23	06/09/23	948,000,000	948,000,000	0	948,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/12/23	06/12/23	06/12/23	938,000,000	938,000,000	0	938,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/13/23	06/13/23	06/13/23	938,000,000	938,000,000	0	938,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/14/23	06/14/23	06/14/23	925,000,000	925,000,000	0	925,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/15/23	06/15/23	06/15/23	970,000,000	970,000,000	0	970,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/16/23	06/16/23	06/16/23	948,000,000	948,000,000	0	948,000,000	0
CREDIT INDUSTRIEL ET COMMERCIAL/NEW YORK	06/20/23	06/20/23	06/20/23	935,000,000	935,000,000	0	935,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/21/23	06/21/23	06/21/23	915,000,000	915,000,000	0	915,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/22/23	06/22/23	06/22/23	905,000,000	905,000,000	0	905,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/23/23	06/23/23	06/23/23	905,000,000	905,000,000	0	905,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/26/23	06/26/23	06/26/23	950,000,000	950,000,000	0	950,000,000	0
CREDIT INDUSTRIEL ET COMMERCIAL/NEW YORK	06/27/23	06/27/23	06/27/23	965,000,000	965,000,000	0	965,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/28/23	06/28/23	06/28/23	965,000,000	965,000,000	0	965,000,000	0
CREDIT INDUSTRIEL ECP4-2	06/29/23	06/29/23	06/29/23	1,079,000,000	1,079,000,000	0	1,079,000,000	0
CREDIT INDUSTRIEL ET COMMERCIAL/NEW YORK	06/30/23	06/30/23	06/30/23	1,055,000,000	1,055,000,000	0	1,055,000,000	0
DZ BANK AG DEUTSCHECP4-2	06/01/23	06/01/23	06/01/23	100,000,000	100,000,000	0	100,000,000	0
FAIRWAY FINANCE CO LLC	06/01/23	06/01/23	06/01/23	60,000,000	60,000,000	0	60,000,000	0
FAIRWAY FINANCE CO LLC	06/09/23	06/09/23	06/09/23	85,000,000	85,000,000	0	85,000,000	0
GLENCOVE FUNDING LLCPCBS4	06/23/23	06/23/23	06/23/23	80,000,000	80,000,000	0	80,000,000	0
GOTHAM FUNDING CORPCPBS4	06/20/23	06/20/23	06/20/23	35,000,000	35,000,000	0	35,000,000	0
JUPITER SECURITIZATCPBS4	06/06/23	06/06/23	06/06/23	25,000,000	25,000,000	0	25,000,000	0
JUPITER SECURITIZATCPBS4	06/12/23	06/12/23	06/12/23	40,000,000	40,000,000	0	40,000,000	0
JUPITER SECURITIZATCPBS4	06/15/23	06/15/23	06/15/23	100,000,000	100,000,000	0	100,000,000	0
JUPITER SECURITIZATCPBS4	06/26/23	06/26/23	06/26/23	198,068,000	198,068,000	0	198,068,000	0
LMA-AMERICAS LLC CPCPBS4	06/13/23	06/13/23	06/13/23	64,350,000	64,350,000	0	64,350,000	0
LONGSHIP FUNDING LLCPCBS4	06/06/23	06/06/23	06/06/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCBS4	06/07/23	06/07/23	06/07/23	100,000,000	100,000,000	0	100,000,000	0
LONGSHIP FUNDING LLCPCBS4	06/13/23	06/13/23	06/13/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCBS4	06/14/23	06/14/23	06/14/23	100,000,000	100,000,000	0	100,000,000	0
LONGSHIP FUNDING LLCPCBS4	06/16/23	06/16/23	06/16/23	84,000,000	84,000,000	0	84,000,000	0
LONGSHIP FUNDING LLCPCBS4	06/20/23	06/20/23	06/20/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCBS4	06/21/23	06/21/23	06/21/23	50,000,000	50,000,000	0	50,000,000	0
LONGSHIP FUNDING LLCPCBS4	06/27/23	06/27/23	06/27/23	50,000,000	50,000,000	0	50,000,000	0
MANHATTAN ASSET FUNCPBS4	06/20/23	06/20/23	06/20/23	10,000,000	10,000,000	0	10,000,000	0
MUFG BANK LTD, CPCP	06/20/23	06/20/23	06/20/23	40,000,000	40,000,000	0	40,000,000	0
NATIONAL AUSTRALIA CP4-2	06/15/23	06/15/23	06/15/23	112,500,000	112,500,000	0	112,500,000	0
NORDEA BANK ABP	06/15/23	06/15/23	06/15/23	225,000,000	225,000,000	0	225,000,000	0
OLD LINE FUNDING, LCPBS4	06/26/23	06/26/23	06/26/23	50,000,000	50,000,000	0	50,000,000	0
SHEFFIELD RECEIVBLCPBS4	06/07/23	06/07/23	06/07/23	50,000,000	50,000,000	0	50,000,000	0
SHEFFIELD RECEIVBLCPBS4	06/14/23	06/14/23	06/14/23	80,000,000	80,000,000	0	80,000,000	0
SHEFFIELD RECEIVBLCPBS4	06/21/23	06/21/23	06/21/23	100,000,000	100,000,000	0	100,000,000	0
SHEFFIELD RECEIVBLCPBS4	06/27/23	06/27/23	06/27/23	100,000,000	100,000,000	0	100,000,000	0
SHEFFIELD RECEIVABLES COM	06/20/23	06/20/23	06/20/23	150,000,000	150,000,000	0	150,000,000	0
SOCIETE GENERALE, PCP4-2	06/02/23	06/02/23	06/02/23	300,000,000	300,000,000	0	300,000,000	0
SOCIETE GENERALE, PCP4-2	06/06/23	06/06/23	06/06/23	310,000,000	310,000,000	0	310,000,000	0
SOCIETE GENERALE SA	06/07/23	06/07/23	06/07/23	300,000,000	300,000,000	0	300,000,000	0
SOCIETE GENERALE SA	06/08/23	06/08/23	06/08/23	400,000,000	400,000,000	0	400,000,000	0
SOCIETE GENERALE SA	06/12/23	06/12/23	06/12/23	265,000,000	265,000,000	0	265,000,000	0
SOCIETE GENERALE SA	06/13/23	06/13/23	06/13/23	250,000,000	250,000,000	0	250,000,000	0
SOCIETE GENERALE SA	06/14/23	06/14/23	06/14/23	250,000,000	250,000,000	0	250,000,000	0
SOCIETE GENERALE SA	06/15/23	06/15/23	06/15/23	250,000,000	250,000,000	0	250,000,000	0
SOCIETE GENERALE SA	06/16/23	06/16/23	06/16/23	300,000,000	300,000,000	0	300,000,000	0
SOCIETE GENERALE, PCP4-2	06/21/23	06/21/23	06/21/23	300,000,000	300,000,000	0	300,000,000	0
SOCIETE GENERALE, PCP4-2	06/22/23	06/22/23	06/22/23	300,000,000	300,000,000	0	300,000,000	0
SOCIETE GENERALE SA	06/23/23	06/23/23	06/23/23	300,000,000	300,000,000	0	300,000,000	0
STATE STREET BANK & TRUST CO	06/06/23	06/06/23	06/06/23	150,000,000	150,000,000	0	150,000,000	0
SUMITOMO MITSUI TRUCDYAN	06/06/23	06/06/23	06/06/23	75,000,000	75,000,000	0	75,000,000	0
SUMITOMO MITSUI TRUCDYAN	06/22/23	06/22/23	06/22/23	100,000,000	100,000,000	0	100,000,000	0
SUMITOMO MITSUI TRUCDYAN	06/27/23	06/27/23	06/27/23	200,000,000	200,000,000	0	200,000,000	0
SUMITOMO MITSUI TRUCDYAN	06/30/23	06/30/23	06/30/23	100,000,000	100,000,000	0	100,000,000	0
TORONTO DOMINION BACDYAN	06/07/23	06/07/23	06/07/23	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BANK SOFRRATE + 55BP DAILY	06/09/23	06/09/23	06/09/23	125,000,000	125,000,000	0	125,000,000	0
TORONTO DOMINION BACDYAN	06/15/23	06/15/23	06/15/23	60,000,000	60,000,000	0	60,000,000	0
UNITEDHEALTH GROUP,CP4-2	06/01/23	06/01/23	06/01/23	222,000,000	222,000,000	0	222,000,000	0
UNITEDHEALTH GROUP,CP4-2	06/20/23	06/20/23	06/20/23	315,000,000	315,000,000	0	315,000,000	0
UNITEDHEALTH GROUP,CP4-2	06/21/23	06/21/23	06/21/23	362,000,000	362,000,000	0	362,000,000	0
UNITEDHEALTH GROUP,CP4-2	06/22/23	06/22/23	06/22/23	245,000,000	245,000,000	0	245,000,000	0
UNITEDHEALTH GROUP,CP4-2	06/26/23	06/26/23	06/26/23	250,000,000	250,000,000	0	250,000,000	0
UNITEDHEALTH GROUP,CP4-2	06/29/23	06/29/23	06/29/23	100,000,000	100,000,000	0	100,000,000	0
VICTORY RECEIVABLESCPBS4	06/15/23	06/15/23	06/15/23	50,000,000	50,000,000	0	50,000,000	0
VICTORY RECEIVABLESCPBS4	06/21/23	06/21/23	06/21/23	100,000,000	100,000,000	0	100,000,000	0

TRADING ACTIVITY FOR JUNE 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
VICTORY RECEIVABLESCPAB54	06/23/23	06/23/23	06/23/23	43,601,000	43,601,000	0	43,601,000	0
MIZUHO TRIPARTY	06/01/23	06/01/23	06/01/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/01/23	06/01/23	06/01/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/01/23	06/01/23	06/01/23	273,000,000	273,000,000	0	273,000,000	0
MIZUHO TRIPARTY	06/02/23	06/02/23	06/02/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/02/23	06/02/23	06/02/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/02/23	06/02/23	06/02/23	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	06/05/23	06/05/23	06/05/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/05/23	06/05/23	06/05/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/05/23	06/05/23	06/05/23	248,000,000	248,000,000	0	248,000,000	0
MIZUHO TRIPARTY	06/06/23	06/06/23	06/06/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/06/23	06/06/23	06/06/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/06/23	06/06/23	06/06/23	241,000,000	241,000,000	0	241,000,000	0
MIZUHO TRIPARTY	06/07/23	06/07/23	06/07/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/07/23	06/07/23	06/07/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/07/23	06/07/23	06/07/23	760,000,000	760,000,000	0	760,000,000	0
MIZUHO TRIPARTY	06/08/23	06/08/23	06/08/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/08/23	06/08/23	06/08/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/08/23	06/08/23	06/08/23	363,000,000	363,000,000	0	363,000,000	0
MIZUHO TRIPARTY	06/09/23	06/09/23	06/09/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/09/23	06/09/23	06/09/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/09/23	06/09/23	06/09/23	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	06/12/23	06/12/23	06/12/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/12/23	06/12/23	06/12/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/12/23	06/12/23	06/12/23	222,000,000	222,000,000	0	222,000,000	0
MIZUHO TRIPARTY	06/13/23	06/13/23	06/13/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/13/23	06/13/23	06/13/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/13/23	06/13/23	06/13/23	309,000,000	309,000,000	0	309,000,000	0
MIZUHO TRIPARTY	06/14/23	06/14/23	06/14/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/14/23	06/14/23	06/14/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/14/23	06/14/23	06/14/23	276,000,000	276,000,000	0	276,000,000	0
MIZUHO TRIPARTY	06/15/23	06/15/23	06/15/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/15/23	06/15/23	06/15/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/15/23	06/15/23	06/15/23	149,000,000	149,000,000	0	149,000,000	0
MIZUHO TRIPARTY	06/16/23	06/16/23	06/16/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/16/23	06/16/23	06/16/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/16/23	06/16/23	06/16/23	448,000,000	448,000,000	0	448,000,000	0
MIZUHO TRIPARTY	06/20/23	06/20/23	06/20/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/20/23	06/20/23	06/20/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/20/23	06/20/23	06/20/23	440,000,000	440,000,000	0	440,000,000	0
MIZUHO TRIPARTY	06/21/23	06/21/23	06/21/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/21/23	06/21/23	06/21/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/21/23	06/21/23	06/21/23	186,000,000	186,000,000	0	186,000,000	0
MIZUHO TRIPARTY	06/22/23	06/22/23	06/22/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/22/23	06/22/23	06/22/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/22/23	06/22/23	06/22/23	139,000,000	139,000,000	0	139,000,000	0
MIZUHO TRIPARTY	06/23/23	06/23/23	06/23/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/23/23	06/23/23	06/23/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/23/23	06/23/23	06/23/23	451,000,000	451,000,000	0	451,000,000	0
MIZUHO TRIPARTY	06/26/23	06/26/23	06/26/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/26/23	06/26/23	06/26/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/26/23	06/26/23	06/26/23	350,000,000	350,000,000	0	350,000,000	0
MIZUHO TRIPARTY	06/27/23	06/27/23	06/27/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/27/23	06/27/23	06/27/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/27/23	06/27/23	06/27/23	218,000,000	218,000,000	0	218,000,000	0
MIZUHO TRIPARTY	06/28/23	06/28/23	06/28/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/28/23	06/28/23	06/28/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/28/23	06/28/23	06/28/23	171,000,000	171,000,000	0	171,000,000	0
MIZUHO TRIPARTY	06/29/23	06/29/23	06/29/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/29/23	06/29/23	06/29/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/29/23	06/29/23	06/29/23	141,000,000	141,000,000	0	141,000,000	0
MIZUHO TRIPARTY	06/30/23	06/30/23	06/30/23	150,000,000	150,000,000	0	150,000,000	0
HSBC TRIPARTY	06/30/23	06/30/23	06/30/23	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	06/30/23	06/30/23	06/30/23	142,000,000	142,000,000	0	142,000,000	0
RABOBANK NEW YORK	06/01/23	06/01/23	06/01/23	490,000,000	490,000,000	0	490,000,000	0
ABN AMRO BANK N.V.	06/02/23	06/02/23	06/02/23	290,000,000	290,000,000	0	290,000,000	0
RABOBANK NEW YORK	06/06/23	06/06/23	06/06/23	590,000,000	590,000,000	0	590,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/06/23	06/06/23	06/06/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
ABN AMRO BANK N.V.	06/06/23	06/06/23	06/06/23	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	06/01/23	06/01/23	06/01/23	900,000,000	900,000,000	0	900,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/01/23	06/01/23	06/01/23	700,000,000	700,000,000	0	700,000,000	0
RABOBANK NEW YORK	06/08/23	06/08/23	06/08/23	485,000,000	485,000,000	0	485,000,000	0
DNB BANK ASA NEW YORK	06/02/23	06/02/23	06/02/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/02/23	06/02/23	06/02/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	06/09/23	06/09/23	06/09/23	270,000,000	270,000,000	0	270,000,000	0

TRADING ACTIVITY FOR JUNE 2023

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DNB BANK ASA NEW YORK	06/05/23	06/05/23	06/05/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/05/23	06/05/23	06/05/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/06/23	06/06/23	06/06/23	350,000,000	350,000,000	0	350,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/06/23	06/06/23	06/06/23	700,000,000	700,000,000	0	700,000,000	0
RABOBANK NEW YORK	06/13/23	06/13/23	06/13/23	580,000,000	580,000,000	0	580,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/13/23	06/13/23	06/13/23	1,070,000,000	1,070,000,000	0	1,070,000,000	0
ABN AMRO BANK N.V.	06/13/23	06/13/23	06/13/23	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	06/07/23	06/07/23	06/07/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/07/23	06/07/23	06/07/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/08/23	06/08/23	06/08/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/08/23	06/08/23	06/08/23	700,000,000	700,000,000	0	700,000,000	0
RABOBANK NEW YORK	06/15/23	06/15/23	06/15/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/09/23	06/09/23	06/09/23	975,000,000	975,000,000	0	975,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/09/23	06/09/23	06/09/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	06/16/23	06/16/23	06/16/23	280,000,000	280,000,000	0	280,000,000	0
DNB BANK ASA NEW YORK	06/12/23	06/12/23	06/12/23	600,000,000	600,000,000	0	600,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/12/23	06/12/23	06/12/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/13/23	06/13/23	06/13/23	300,000,000	300,000,000	0	300,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/13/23	06/13/23	06/13/23	700,000,000	700,000,000	0	700,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/20/23	06/20/23	06/20/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
RABOBANK NEW YORK	06/20/23	06/20/23	06/20/23	550,000,000	550,000,000	0	550,000,000	0
ABN AMRO BANK N.V.	06/20/23	06/20/23	06/20/23	800,000,000	800,000,000	0	800,000,000	0
DNB BANK ASA NEW YORK	06/14/23	06/14/23	06/14/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/14/23	06/14/23	06/14/23	700,000,000	700,000,000	0	700,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/15/23	06/15/23	06/15/23	700,000,000	700,000,000	0	700,000,000	0
RABOBANK NEW YORK	06/22/23	06/22/23	06/22/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/16/23	06/16/23	06/16/23	400,000,000	400,000,000	0	400,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/16/23	06/16/23	06/16/23	700,000,000	700,000,000	0	700,000,000	0
ABN AMRO BANK N.V.	06/26/23	06/26/23	06/26/23	280,000,000	280,000,000	0	280,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/20/23	06/20/23	06/20/23	710,000,000	710,000,000	0	710,000,000	0
DNB BANK ASA NEW YORK	06/20/23	06/20/23	06/20/23	300,000,000	300,000,000	0	300,000,000	0
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD.	06/27/23	06/27/23	06/27/23	1,075,000,000	1,075,000,000	0	1,075,000,000	0
RABOBANK NEW YORK	06/27/23	06/27/23	06/27/23	575,000,000	575,000,000	0	575,000,000	0
ABN AMRO BANK N.V.	06/26/23	06/26/23	06/26/23	800,000,000	800,000,000	0	800,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/21/23	06/21/23	06/21/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/22/23	06/22/23	06/22/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/22/23	06/22/23	06/22/23	675,000,000	675,000,000	0	675,000,000	0
RABOBANK NEW YORK	06/29/23	06/29/23	06/29/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/23/23	06/23/23	06/23/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/23/23	06/23/23	06/23/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/26/23	06/26/23	06/26/23	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/26/23	06/26/23	06/26/23	720,000,000	720,000,000	0	720,000,000	0
DNB BANK ASA NEW YORK	06/27/23	06/27/23	06/27/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/27/23	06/27/23	06/27/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/28/23	06/28/23	06/28/23	450,000,000	450,000,000	0	450,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/28/23	06/28/23	06/28/23	700,000,000	700,000,000	0	700,000,000	0
DNB BANK ASA NEW YORK	06/29/23	06/29/23	06/29/23	500,000,000	500,000,000	0	500,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/29/23	06/29/23	06/29/23	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASA NEW YORK	06/30/23	06/30/23	06/30/23	250,000,000	250,000,000	0	250,000,000	0
MIZUHO BANK, LTD. NEW YORK BRANCH	06/30/23	06/30/23	06/30/23	500,000,000	500,000,000	0	500,000,000	0
Total Maturities				80,026,096,000	80,026,096,000	0	80,026,096,000	0
Sells								
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/02/23	06/02/23	3,704,440	3,704,440	0	3,704,440	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/06/23	06/06/23	1,900,056	1,900,056	0	1,900,056	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/07/23	06/07/23	2,665,147	2,665,147	0	2,665,147	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/08/23	06/08/23	250,386	250,386	0	250,386	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/09/23	06/09/23	5,725,815	5,725,815	0	5,725,815	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/13/23	06/13/23	49,179	49,179	0	49,179	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/14/23	06/14/23	4,015,443	4,015,443	0	4,015,443	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/16/23	06/16/23	4,093,716	4,093,716	0	4,093,716	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/21/23	06/21/23	562,086	562,086	0	562,086	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/22/23	06/22/23	2,085,366	2,085,366	0	2,085,366	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/23/23	06/23/23	1,519,496	1,519,496	0	1,519,496	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/27/23	06/27/23	1,094,883	1,094,883	0	1,094,883	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/28/23	06/28/23	2,266,920	2,266,920	0	2,266,920	0
DREYFUS GOVT CASH MGMT FUND	03/01/27	06/30/23	06/30/23	937,030	937,030	0	937,030	0
Total Sells				30,869,963	30,869,963	0	30,869,963	0



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

www.sbafla.com/prime

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



This Page Intentionally Left Blank



Florida PRIME™ Best Practices Review

Florida State Board of Administration (SBA)

June 2023

(This page left blank intentionally)

Table of Contents

Executive Summary	1
2023 Participant Survey Results	2
Federated Hermes Onsite Visit	3
Communication Update: Banking and Financial Sector	4
Investment Policy Statement Review	5

(This page left blank intentionally)

Executive Summary

Aon Investments (Aon) conducts a Best Practices Review of Florida PRIME on an annual basis. In this report, we review the 2023 Participant Survey responses, provide a review of our onsite visit to Federated Hermes, provide an update on participant communication, and recap the annual Investment Policy Statement Review.

Based on our review, we continue to believe that Florida PRIME is being managed in a manner consistent with best practices and in consideration of participants' best interests. We do not have any recommendations as a result of this review.

2023 Participant Survey Highlights

On a regular basis, the SBA conducts a survey of Florida PRIME participants to gain a better understanding of the participant base, current usage of available services, and overall satisfaction. The survey also seeks to gauge interest across several factors and to ensure awareness of participant needs and preferences.

During the release of the 2022 survey, a technical glitch prevented reminder emails to be sent to participants and only 11 responses were received. Therefore, the Participant survey was resent in the Fall of 2022 and received 39 responses. This is closer to a more normal response rate, though lower than previous years which is not unexpected given the circumstances.

A diversified group of governmental units responded to the survey, primarily representing counties, special districts, municipalities, and school boards, with respondents roughly evenly split between investment decision-makers and personnel in account operations. Of the respondents, 44% have one account with Florida PRIME and 21% have 2 accounts. The survey indicated that approximately 65% of respondents have a balance of over \$10 million with Florida PRIME, and another 16% indicated having between \$1 million and \$10 million with the pool. These numbers are generally in line with previous surveys.

The survey includes questions that relate to how and why participants utilize other competing and complementary liquidity vehicles. Of the respondents, over 65% indicated that their organization has a policy that dictates a maximum allowable allocation to a single investment pool or money market fund. Of those with a policy limit, approximately 65% are restricted to allocating 50% or less to any single governmental investment pool or money market fund. Relatedly, when asked what prevents an organization from using Florida PRIME as the primary source of cash management, 28% indicated that investment policy restrictions are a major reason and another 13% indicated it is a moderate reason. The greatest response was 46% of respondents who indicated that diversification needs of the cash portfolio was a major or moderate reason. The aggregated responses did suggest that an unattractive current yield was not much of a reason, which was slightly different than previous years. Inadequate participant disclosures, costs, functionality/operational features and lack of additional investment product offerings were all highly selected as not reasons at all for not using Florida PRIME as a primary source of cash management.

When asked about other investment vehicles used in the past 12 months for cash management, respondents indicated the most used vehicle aside from Florida PRIME is an SEC registered money market fund at 52%. The next most common vehicle was peer fund, the Florida Education Investment Trust Fund at 35%, followed by Bank Certificates of Deposits at 30% of respondents. These results are like previous years. The survey also asked respondents to rank how competing investment services have added value to the respondent organizations' investment goals. Consistent with last year, respondents

indicated that yield was the most appealing feature, followed by risk, defined as perceived risk levels adjusted for the level of return. Ease of use and cost were ranked the lowest in terms of value add from competing investment services, followed closely by client service and available funds.

The survey questions surrounding current services related to Florida PRIME continue to receive strong feedback. Related to the Florida PRIME website, 79% of respondents indicated that they visit the site at least once a month and 100% responded that they find the website functionality as very easy to use. The survey also indicated that the majority of participants continue to utilize the website primarily to access account balances/statements and transactions, and approximately 45% of respondents utilize the website to access the Monthly Summary Reports. When asked about the usefulness of multiple communication pieces, the responses also continue to be favorable. The survey indicated that respondents rated the following communications as very useful: monthly account statements (95%), e-mail notifications of withdrawals (80%) and changes to bank instructions (79%). Further, respondents found the following to be at least somewhat useful: Periodic eNotices (45%), Monthly Summary Reports (24%), and Weekly Market Commentary (58%). Lastly, respondents indicated fantastic satisfaction with the Florida PRIME representatives, with 100% of respondents indicating the representatives were very courteous, very knowledgeable and very responsive.

Overall, the survey results continue to be positive from both operational and service-related perspectives. Responses related to the use of competing investment vehicles continue to indicate SEC money market funds as the primary vehicle, with indications of yield and risk being top of mind, but notably, that a large percentage of respondents' organizations have investment policies limiting available funds to invest in a single entity and/or seek diversification from a single cash management source. Generally, the survey indicates a strong level of satisfaction with the management of the Florida PRIME portfolio. The large majority (98%) of respondents indicated that they are very likely or extremely likely to recommend Florida PRIME to a colleague or other governmental investor. We continue to believe the survey is a great mechanism to obtain feedback from Florida PRIME participants, as well as to express the SBA's awareness and receptiveness to the participant's needs and wants.

Federated Hermes Onsite

The SBA contracts Federated Hermes (“Federated”) to provide investment services for Florida PRIME and therefore it is crucial to maintain an up-to-date understanding of the business and favorable outlook on a go-forward basis. The objective of the onsite due diligence meetings is to conduct a comprehensive review of Federated’s business, personnel and processes, and specifically those that directly impact the management of the Florida PRIME portfolio. Aon and SBA Staff conduct onsite meetings at Federated’s offices on a periodic basis. The prior visit occurred in April 2017 and thus, it was determined an onsite visit was due to be completed. SBA Staff and Aon representatives went onsite to Federated’s headquarters in Pittsburgh, PA on April 19, 2023.

Attendance at the meeting included the Senior Officer of Investment Programs & Governance and the Chief Risk and Compliance Officer at the SBA and from Aon a fixed income researcher and general consultant relationship manager. The meeting included dedicated time with fourteen senior Federated professionals from multiple areas of the firm and included time with President & CEO, Chris Donahue, and President of Federated Securities Corp., Paul Uhlman. Additionally, the key personnel that touch the Florida PRIME portfolio daily were present for the duration of the meeting, including the relationship manager, portfolio manager and head of trading.

We continue to find Federated to be among the most highly regarded money market managers in the industry. The most recent onsite meeting reinforces our confidence in Federated’s capabilities of managing the Florida PRIME portfolio, staying apprised and ahead of the ongoing changes in the money market and related industries, and importantly, safeguarding the assets of the pool’s participants. The Federated team is a long-tenured leader in the local government investment pool arena, is responsive to the needs of Florida PRIME and is a proven partner for the SBA.

Below we provide a brief summary of the agenda topics and the surrounding discussion.

Corporate Overview

As previously reported, Federated Investors acquired a majority interest in Hermes Investment Management, a London-based firm, in July of 2018. The acquisition was complimentary in nature to legacy-Federated’s business and had little impact on the services provided for FL PRIME. Federated continues to be a highly regarded institutional money market fund manager and a leader in liquidity and fixed income management. As of December 31, 2022, the firm had \$668.9 billion in assets under management and 1,961 employees. Approximately 70% of the assets managed are liquidity assets and over 20% are managed in Treasury Pool assets which highlights the focus of the firm’s capabilities. Additionally, the firm manages assets across all 50 states, and specifically local government investment pools (LGIPs) in 38 states, which speaks to their experience serving investors like Florida SBA. Also of

importance is that Federated's revenue sources are diversified across money market, fixed income, equity, and recently alternative/multi-asset investment products through the Hermes acquisition.

Federated employs a deep team of 120 liquidity and fixed income investment professionals, including 48 portfolio managers, 46 analysts and 26 traders. The portfolio management team averages 21 years of experience and 16 years at Federated, speaking to the team's stability and experience. Additionally, the firm is active in the industry across multiple venues, evidenced by the conferences attended, market expertise and the in-depth coverage of passed and proposed regulations and rules. This work instills confidence in the guidance and management of the Florida PRIME portfolio. Overall, we find Federated to be a high-quality and proactive player in the money market space with a stable and strong organization.

Enterprise Risk Management

Measurements of Risk / Monitoring / Resolution

The Enterprise Risk Management (ERM) division develops, implements, and maintains the risk management programs for Federated. This covers investment matters, administration, operations and distribution. Importantly, ERM is independent of the Investment Department, with the Chief Risk Officer reporting directly to Chief Legal Officer, who in turn reports directly to the Chief Executive Officer of Federated. Additionally, the team meets independently with the Fund Trustees and Board of Directors. The Chief Risk Officer oversees a robust ERM team and has developed several risk committees which are embedded within each business unit. Each committee develops a charter which is reviewed and updated on a regular basis to ensure the activities and attention of the committee remain appropriate and effective. The committees have developed a systematic scoring process which assesses probability and severity of impact of identified risks. The scoring process allows Federated to assess different strategies and better prepare and manage assets. The risks are dynamically evaluated and reassessed on a regular basis. Additionally, Federated's internal audit periodically reviews the risk committees' processes to ensure their appropriateness and effectiveness.

Cybersecurity Vigilance and Controls

Federated also provided an update on the Firm's Cybersecurity efforts. Federated's Information Security Group team is comprised of eight individuals who report to the Information Security Manager, who in turn reports to the Director of Cybersecurity and ultimately to the Chief Information Security Officer. Federated's cybersecurity program The Cybersecurity Framework aligns with the National Institute of Standards and Technology (NIST) framework, it is robust with multiple layers of security and regular internal and external evaluations. All employees are required to take cybersecurity awareness course and anti-phishing training and cybersecurity awareness is factored into employees' performance evaluations.

Business Continuity

Federated's Business Continuity team manages the communications network and information technology infrastructure. Security of client and Federated information is managed at multiple levels at the firm. The Firm has dedicated Business Continuity committees that report directly to the Director of Technology.

Federated utilizes a dual data center architecture located on separate power grids to support the business and each are designed for 100% daily workload capacity. All satellite offices connect to both data centers, reducing risk by allowing all critical daily functions to run smoothly in the event of an emergency. Federated has several business continuity plans throughout the company which are tested on an annual basis. Additionally, Federated reviews all third-party organizations they partner with to ensure information and data is handled in an appropriate and secure manner, and that their vendors' business continuity plans are up to Federated's standards. Post-Covid, all associates have laptops which provides maximum flexibility for a hybrid work environment and enhances their ability to avoid business disruption. Overall, we find Federated's risk management and information security infrastructure and procedures to be robust and in line with industry best practices.

Portfolio Update

Portfolio Review

Senior Portfolio Manager for the Florida PRIME pool, Paige Wilhelm, led a short discussion on the Florida PRIME portfolio. The pool is managed with the goal of providing safety, liquidity and competitive returns while minimizing risk. Ms. Wilhelm provided an update on the investment strategy, as well as Federated's view of the current and expected money market investment landscape. The Florida PRIME portfolio continues to perform favorably and competitively and has provided the safety and liquidity characteristics needed by its participants. Overall, the Florida PRIME portfolio continues to be managed successfully and in a thoughtful and prudent manner.

Trading

Tracey Lusk, Head of Global Liquidity Markets lead the discussion on Federated's trading practices. The Federated trading team is well tenured, with 10 traders dedicated to liquidity portfolios. Each trader is cross-trained which allows them to step in on a different portfolio if needed. The trading process begins with the development of the investment strategy, which is followed by thorough credit analysis before trading takes place. When trading, the team utilizes a best execution policy for selecting brokers and has a committee that meets quarterly and oversees the broker selection practices. All trades are entered into FedPorts, Federated's proprietary order management system, for pre- and post-trade compliance. FedPorts is customized by role in portfolio management (i.e. compliance, trading, credit analysis, portfolio management, etc.) which offers a strong level of compliance. Trading Operations is separated from the trading functions and monitors all trades from initiation through settlement and confirms trade details with counterparties. The trading team works together with Federated's other business units to execute Florida PRIME's investment strategy on a seamless basis.

Compliance

The Federated Compliance Department is responsible for the development of compliance programs for the investment management function and monitors investment activities and operations for compliance with applicable regulations, client guidelines and corporate standards.

Specific to Florida PRIME, this team is responsible for monitoring the portfolio's investment activities and operations for compliance with the Investment Policy Statement and applicable guidelines, such as GASB 79. The Compliance Department, in conjunction with the Business Information Services Division (BISD) and Global Investment Operations (GIO) develop, update, and implement automated tests within the trading system to assure trading compliance with Policy. Proprietary system, FedPorts, allows Federated to create a set of rules specifically for the Florida PRIME portfolio. These rules and automated tests are constantly updated and reviewed to ensure they are in line with the governing policies and regulations of Florida PRIME.

Every trade that is generated runs through compliance. Should any trade placed not comply with the set of rules, a notice of either 'Warn,' 'Fail' or 'Stop' will be received and will need to be rectified before the trade can be processed. Each notice has a different level of importance and corresponding parameter on who can validate the trade.

Overall, we believe Federated has implemented a straightforward and efficient system to ensure guidelines are followed and escalation procedures are effective. The compliance program the Federated Compliance Department has developed has been successful in the management of the investment pool and in maintaining compliance with the applicable Florida PRIME regulations and policy.

Legislation Discussion

Before concluding the meeting, David McCandless, Corporate Counsel for Federated, provided a very comprehensive overview of the relevant legislative landscape. David and his team meet regularly with lawmakers and SEC representatives to offer perspective, insight into the money management business and suggestions on rule or bill proposals. Currently, while there are several proposed bills and rules, it is too early and there is too much uncertainty for any action on the part of Florida PRIME. As has been the case over the years, Federated continues to be a very active participant in the industry and a crucial aide to the SBA in staying current with the relevant rules and regulations, as well as with the guidance and best practices that comes from the Governmental Accounting Standards Board.

Separate Aon Due Diligence

Aon Investments has a team of over 130 individuals dedicated to investment manager research covering traditional and alternative asset classes, including the money market and short-term bond markets. Independent of the Florida PRIME-related Federated due diligence visit, Aon covers Federated from a research and monitoring perspective and specifically has buy-rated two of Federated's money market strategies (Government Obligations and Prime Obligations funds). The Florida PRIME portfolio has, from time-to-time invested in these funds periodically to manage short-term liquidity needs. A buy-rating from Aon means that the strategy has gone through a very comprehensive quantitative and qualitative due diligence process that includes review of the following seven key factors: business, team, process, risk management, performance, terms & conditions, and operational due diligence. While this due diligence is

not specific to Florida PRIME, it is relevant and reinforces our conviction in Federated Hermes' ability to manage participants' assets prudently and effectively.

Conclusion

The onsite meeting provided a comprehensive overview of the firm and access to Federated's senior professionals. The meeting reinforced our confidence in Federated's capabilities with regard to the people, processes, risk management and technology that support the management of Florida PRIME and we continue to have confidence in Federated's ability to manage and safeguard the assets of Florida PRIME participants.

Communication Update: Banking and Financial Sector

Among the strengths of Florida PRIME is the level of communication with participants and transparency into the management of the asset pool. During the first quarter of 2023 as the regional banking crisis was playing out in the U.S, Federated Hermes was proactive in offering commentary around the situation and specifically context for the Florida PRIME portfolio's investments.

In addition to the weekly commentary, Federated posted additional and timely updates on exposure to the failed banks (zero exposure) and context around Florida PRIME's investments. Importantly, the communication piece posted March 31st and titled "Market Update on the Banking and Financial Service Sectors" reminded readers of Florida PRIME's goals and objectives, as well as the makeup of the investment opportunity set. The importance of this piece was to remind participants that Florida PRIME is focused on the safety, liquidity, and competitive returns with minimization of risks, which means investing in short-term, high-quality securities. The link to the current events is that the bank and financial services sector is responsible for a large supply of securities in money markets, primarily through commercial paper, certificates of deposits and repurchase agreements. These offerings meet the high standards for investment and thus Florida PRIME has roughly two-thirds of its assets invested in securities tied to the sector. The communication piece put this in perspective noting that the prime money fund industry holds between 40-80% in the banking and financial services sector.

We highlight this commentary as it is an ongoing reminder of the comprehensive, prudent and transparent management of the Florida PRIME portfolio. The communication offered participants 1) transparency into the portfolio's holdings in light of the market situation, 2) context related to money markets and specifically the large presence of the bank and financial services sector and 3) assurance that the goals and objectives of Florida PRIME are at the forefront of investment decisions.

Investment Policy Review

As part of Aon's Best Practices Review we conduct a review of the Florida PRIME Investment Policy Statement (IPS). The objective of the IPS is to set forth the objectives, strategy, guidelines, and overall responsibilities for the oversight and prudent investment of Florida PRIME assets. The purpose of the periodic review is to ensure the document reflects the evolving investment portfolio, current legal and regulatory developments, and best practices. A well-written and unambiguous document is critical to the success of any investment program.

Following the 2023 review, Aon continues to find the IPS to be comprehensive and appropriate for the management and oversight of Florida PRIME. The topics covered continue to be relevant and critical to the success of the management of the pool's assets. The investment objective of the pool and the roles and responsibilities are clearly defined. The IPS provides the necessary specifics and supplemental guidelines for a clear understanding of the investment strategy, making direct and clear reference to the appropriate GASB guidelines for appropriate fiduciaries to follow and understand. We believe the IPS thoroughly defines the risks that are associated with investing in Florida PRIME and find the detailed control procedures provide the comfort of prudent safe-keeping and oversight of assets. The SBA has been diligent with staying current with overall best practices in managing the Florida PRIME assets and has consistently ensured the IPS is up to date with the current regulatory, legal, and investment environments.

Overall, we continue to believe the Florida PRIME IPS is robust and in line with the goals and objectives of the investment pool and continue to find the Policy to be an effective guiding document for the management of Florida PRIME.

Reply to: Tallahassee

June 2, 2023

**LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND
2023 STATUTORY COMPLIANCE REVIEW**

The Local Government Surplus Funds Trust Fund (Trust Fund or Fund) administered by the State Board of Administration (Board) was created in 1977, is governed by Part IV of Chapter 218, Florida Statutes, titled Investment of Local Government Surplus Funds, and is now known as “Florida PRIME.”

THE STATUTE

Section 218.405(3), Florida Statutes, requires the Trustees of the State Board of Administration, constituted per section 215.44(1) (“Trustees”), to make a two-part annual certification, as follows:

The trustees shall annually certify to the Joint Legislative Auditing Committee that the trust fund is in compliance with the requirements of this part and that the trustees have conducted a review of the trust fund and determined that the management of the trust fund is in accord with best investment practices.
(Emphasis added.)

This is the fifteenth annual statutory review of the Fund under section 218.405(3). There were no substantive amendments to Part IV, Chapter 218, Florida Statutes, during the 2023 Legislative session.

SCOPE OF REVIEW

This review addresses the first part of the annual certification and examines whether the Trust Fund, defined at section 218.403(9) as “the pooled investment fund created by Section 218.405 and known as the Local Government Surplus Funds Trust Fund,” is “in compliance with the requirements of this part.” “This part” refers to Part IV of Chapter 218, Florida Statutes, which includes sections 218.40 – 218.415, Florida Statutes.

JACKSONVILLE
245 Riverside Ave.
Suite 510
Jacksonville, FL 32202
T: 904.353.6410
F: 904.353.7619

ST. PETERSBURG
100 Second Ave. South
Suite 501-S
St. Petersburg, FL 33701
T: 727.245.0820
F: 727.290.4057

TALLAHASSEE
106 East College Ave.
Suite 1500
Tallahassee, FL 32301
T: 850.222.5702
F: 850.224.9242

TAMPA
301 West Platt St.
Suite 364
Tampa, FL 33606
T: 813.775.2331

WEST PALM BEACH
360 South Rosemary Ave.
Suite 1100
West Palm Beach, FL 33401
T: 561.640.0820
F: 561.640.8202

The scope of this review is compliance with sections 218.40 – 218.412, Florida Statutes, during the time period May 17, 2022, through May 31, 2023. The remainder of Part IV, Chapter 218 – section 218.415 - covers local government investment policies, which are not within the scope of this review.

The second part of the certification required by section 218.405(3) – the determination that the Fund is in accord with best investment practices – is being performed separately by Aon Hewitt Investment Consulting, Inc.

PURPOSE

As set out at section 218.401, Florida Statutes, the intent of Part IV of Chapter 218 is:

[T]o promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of 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 definition of surplus funds, found at section 218.403(8), includes:

[A]ny funds in any general or special account or fund of a unit of local government, or funds held by an independent trustee on behalf of a unit of local government, which in reasonable contemplation will not be immediately needed for the purposes intended.

By its terms, participation in the Fund is limited to units of local government, defined at section 218.403(11) as:

... any governmental entity within the state not part of state government and shall include, but not be limited to, the following and the officers thereof: any county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, authority, board, public corporations, or any other political subdivision of the state.

This broad definition of “units of local government” includes authorities, boards and public corporations, in addition to the entities specifically enumerated in the above statutory language.

Section 218.407(2), Florida Statutes, requires each prospective Fund participant to determine whether participation in the Fund is in the entity’s interest. The Florida PRIME enrollment materials require each participant to certify that it is authorized to invest in the Fund. The

enrollment materials advise participants that the SBA is not responsible for independently verifying whether a local government entity is authorized to participate in the Fund.

CREATION, OBJECTIVES

The Trust Fund is created at section 218.405, Florida Statutes,

(1) There is hereby created a Local Government Surplus Funds Trust Fund to be administered by the board and to be composed of local government surplus funds deposited therein by units of local government under the procedures established in this part. The board may contract with a professional money management firm to manage the trust fund.

The Board has contracted with a professional money management firm, Federated Investment Counseling, Inc. (Federated), to manage the Trust Fund.

(2) The primary objectives, in priority order, of investment activities shall be safety, liquidity, and competitive returns with minimization of risks.

(3) (Certification requirement, cited above)

(4) The board may adopt rules to administer the provisions of this section.

RULES

Sections 218.405(4) and 218.412 permit the Board to promulgate rules as may be needed to administer the Trust Fund. The Board has adopted such rules at Chapter 19-7, Florida Administrative Code. Most of these rules were adopted in 1982, with substantial revisions adopted by rule in 2002 and 2010. The Investment Policy Statement (IPS) is also incorporated into SBA Rules. Amendments to the Investment Policy Statement for the Fund were approved by the SBA Trustees on May 4, 2021 and adopted as a rule. No changes have been made to the IPS since 2021, and no changes were made to Chapter 19-7 during the review period.

INTERACTION WITH LOCAL GOVERNMENT AUTHORITIES

Section 218.407 sets out the requirements that must be met by a unit of local government before surplus funds may be deposited in the Trust Fund:

(1) Prior to any determination by the governing body that it is in the interest of the unit of local government to deposit surplus funds in the trust fund, the board or a professional money management firm must provide to the governing body enrollment materials, including a trust fund profile containing impartial

educational information describing the administration and investment policy of the trust fund, including, but not limited to:

- (a) All rights and conditions of participation, including potential restrictions on withdrawals.**
- (b) The historical performance, investment holdings, credit quality, and average maturity of the trust fund investments.**
- (c) The applicable administrative rules.**
- (d) The rate determination processes for any deposit or withdrawal.**
- (e) Any fees, charges, penalties, and deductions that apply to the account.**
- (f) The most recently published financial statements or independent audits, if available, prepared under generally accepted accounting principles.**
- (g) A disclosure statement for signature by the appropriate local government official.**

The Board, with Federated, has created enrollment materials which include a Trust Fund profile and education information which appear to be impartial and to accurately describe the administration and investment policies of the Trust Fund and which meet the specific requirements of the above section.

All materials are provided to participants and potential participants at the Board's web site: www.sbafla.com at the Florida PRIME link, or directly at www.sbafla.com/prime. The New Participant Enrollment Guide, the current Investment Policy Statement, the Earnings Allocation description and the applicable rules are included under the "Enrollment Materials" tab, as are two form documents that must be executed by a new participant: the Disclosure Statement and the Authorizing Resolution. These materials track the statutory information required by section 218.407(1).

(2) Upon review of the enrollment materials and upon determination by the governing body that it is in the interest of the unit of local government to deposit surplus funds in the trust fund, a resolution by the governing body and the signed acceptance of the disclosure statement by the local government official, who may be the chief financial or administrative officer of the local government, shall be filed with the board and, if appropriate, a copy shall be provided to a professional money management firm authorizing investment of its surplus funds in the trust fund established by this part. The resolution shall name:

- (a) The local government official, who may be the chief financial or administrative officer of the local government, or**

(b) An independent trustee holding funds on behalf of the unit of local government, responsible for deposit and withdrawal of such funds.

The safeguards set forth in section 218.407(1) and (2) are intended to ensure that participants are fully informed about the nature, purpose, stability and processes of the Fund. Signed disclosure statements are on file for Fund participants, acknowledging receipt of the information.

(3) The board or a professional money management firm shall, upon the filing of the resolution, invest the moneys in the trust fund in the same manner and subject to the same restrictions as are set forth in s.215.47. All units of local government that qualify to be participants in the trust fund shall have surplus funds deposited into a pooled investment account

Section 215.47, Florida Statutes, details the types of investments permitted for all Board funds, including Florida PRIME. Pursuant to section 218.409(2)(a), the Fund also must be invested in accordance with the current written investment policy, which must be updated annually. Substantive changes to section 215.47 were enacted in the 2023 Legislative Session; however, the effects of those changes are beyond the scope of this review. Part two of the certification required by section 218.405(3), being conducted by Aon Hewitt Investment Consulting, Inc., determines whether the Fund's management is in accord with best investment practices and whether the specific holdings of the Fund are in accord with all statutory requirements including section 215.47 (cross-referenced in 218.405(3)) as implemented in the current PRIME Investment Policy Statement.

ADMINISTRATION OF THE TRUST FUND

218.409 Administration of the trust fund.—

(1) Upon receipt of the items specified in s. 218.407 from the local governing body, the board or a professional money management firm shall accept all wire transfers of funds into the trust fund. The board or a professional money management firm shall also wire-transfer invested local government funds to the local government upon request of the local government official named in the resolution.

A clearing account maintained by Bank of America, which is a qualified public depository, accepts money transmitted to the Board and transfers to BNY Mellon, as the custodian.

(2)(a)The trustees shall ensure that the board or a professional money management firm administers the trust fund on behalf of the participants. The board or a professional money management firm shall have the power to invest such funds in accordance with a written investment policy. The investment

policy shall be updated annually to conform to best investment practices. The standard of prudence to be used by investment officials shall be the fiduciary standards as set forth in s. 215.47(10), which shall be applied in the context of managing an overall portfolio. Portfolio managers acting in accordance with written procedures and an investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this part.

The Board administers the Trust Fund on behalf of the participants and handles accounting, statements, monthly reporting and compiling and maintaining enrollment materials, and has contracted with professional money management firm Federated to act as the Investment Manager and to invest the Trust Fund funds in accordance with the Investment Policy Statement. Federated also interacts with participants to answer inquiries and facilitates Standard and Poor's ratings. BNY Mellon acts as custodian of all assets of the Fund, processes all trades made by Federated, and does valuation and pricing for the Fund. The Investment Policy Statement was last updated by the Trustees effective May 4, 2021. The IPS is reviewed and approved annually; however, no changes were deemed necessary in 2023. The IPS is posted at the Fund website tab "Risk Management and Oversight," and under the "Enrollment Materials" tab as a separate item and is also included in the New Participant Enrollment Guide.

(2)(b) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business on behalf of the trust fund. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the board.

All Board employees are required to complete training to ensure that Board officers and employees involved in the investment process are able to recognize and avoid personal business activity that could conflict with the Trust Fund program or impair their ability to make impartial decisions. Human Relations notifies the Inspector General of any training non-compliance, and the Inspector General ensures that all required employee training for the cycle is completed.

A course cycle sets out when mandatory employee training courses must be completed. Use of Information Technology Resources, Ethics, Harassment Prevention, Incident Management

Framework, Insider Trading, and Personal Investment Activity training are required every year; Public Records and Sunshine Law training are required every two years; and Confidential Information and Fiduciary Duties training is required every four years. New SBA employees are required to take all mandatory courses at the time they start working for the SBA. All required courses for the fiscal year rotation were completed for the review period.

SBA Employees and investment officials are required to disclose material interests in financial institutions with which they also conduct Trust Fund business, and any personal financial or investment positions that could be related to performance of the Trust Fund portfolio. The Inspector General ensures that any trading or investment activity by individual employees complies with applicable SBA policies.

Policy 10-041 establishes a set of internal controls governing the personal investment activity of all SBA employees, including OPS employees and interns. Policy 10-041 was substantially updated in 2021, in conjunction with the implementation of the StarCompliance Personal Investment Compliance (PIC) system. The PIC system provides automated pre-clearance of personal trades and a standardized method to report and certify Covered Accounts and holdings, including private investments. SBA employees are now required to submit pre-clearance requests in the PIC system, and receive approval prior to trading in any securities, as defined by Section 2(a)1 of the Securities Act of 1933, except certain exempt securities or assets (e.g., FDIC money markets, municipal bonds, insurance products, etc.). (See SBA Policy 10-041, *Definitions*, p. 4-6.) Risk Management & Compliance offered two agency-wide training sessions prior to the implementation of the StarCompliance system. A recording of the training was also made available on SBA's "WorkSmart Portal" for employees who could not attend either of the training sessions in person.

Additional revisions to Policy 10-041 in 2021 included a change to the threshold for disclosing material ownership interests in financial institutions or investment organizations with which they conduct business on behalf of the SBA. Prior to the revision, employees were required to disclose a material ownership interest valued at \$20,000 or greater. Effective December 1, 2021, the ownership interest amount was changed to 5% or greater and must be reported within 15 calendar days of acquisition.

Policy 10-044 addresses insider trading. This policy was also revised in 2021, to include reporting procedures for material nonpublic information. "Material" information, as it relates to securities transactions, is defined generally as information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a significant effect on the price of a company's securities. Information is "nonpublic" until it has been effectively communicated to the marketplace and it can be demonstrated that the information is generally public.

SBA employees must report material nonpublic information through the StarCompliance system. The information is then sent immediately to the Chief Risk & Compliance Officer for review. This information is used to maintain a “Restricted List” of securities, which are ineligible for trading by SBA employees on behalf of SBA funds or personal accounts, without prior written approval from the Chief Risk & Compliance Officer.

(2)(c) The board or a professional money management firm and all employees have an affirmative duty to immediately disclose any material impact to the trust fund to the participants. To ensure such disclosure, a system of internal controls shall be established by the board, which shall be documented in writing as part of the investment policy. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls shall also include formal escalation reporting guidelines for all employees. The guidelines shall establish procedures to address material impacts on the trust fund that require reporting and action.

The Board has developed a process and document to be used by professional money manager Federated to certify that it operates in compliance with applicable ethics requirements. Federated Hermes Inc. Chief Compliance Officer, Stephen Van Meter, and Chief Investment Officer for Global Liquidity Markets, Deborah A. Cunningham, executed certifications of Compliance with Ethics Principles on January 30, 2023, and January 31, 2023, respectively.

Policy 10-040 (Ethics) provides comprehensive ethical requirements for all employees of the SBA, including PRIME, which are more stringent than the statutory requirements under Chapter 112, Part III, Florida Statutes. SBA management and staff have an affirmative duty to immediately escalate and report directly to the Executive Director & CIO, the Inspector General, or the General Counsel any “employee or contractual party fraud or misconduct (whether actual or suspected), employee or contractual party material error that adversely affects SBA or client assets or interests, misrepresentation or omission of material information in internal and external reporting and client communications, and violations of laws, rules or SBA policies.” The Inspector General then is required to investigate.

In order to remain consistent with Policy 10-041, Policy 10-040 was also revised in 2021. The ownership threshold for a material interest in financial institutions and investment organizations was revised from \$20,000 to 5%. The definition of Primary Staff under Policy 10-040 was also revised. The policy requires Primary SBA Staff involved in the selection or disposition of an investment manager/investment fund or the direct acquisition or disposition of a private market real estate investment to execute the appropriate Conflict of Interest Certification. Primary SBA Staff includes all of the following: individuals participating in the search and making the final

evaluation and recommendation of the investment partner or manager, their supervisor, if applicable, the related Senior Investment Officer, the Deputy Chief Investment Officer, and the Executive Director & CIO.

The SBA internet and intranet home pages include an employee toll-free fraud hotline number which allows employees to anonymously report any concerns with regard to any aspect of SBA functions, including the Trust Fund. This number is also included in all contracts with external service providers, in order to report any potential problems in these relationships. The hotline is operated by an independent company and is available 24 hours a day, 7 days a week. The Inspector General receives any reports from the hotline and copies these to the Chief Risk and Compliance Officer. There were no fraud reports to the hotline number during the review period.

The Investment Policy Statement at Section IX, Controls and Escalation Procedures, imposes extensive reporting, monitoring and escalation requirements on the executive director, all employees, the Fund custodian, the Investment Manager, an independent investment consultant and any third party used to materially implement the Fund. The IPS requires the Executive Director to develop policies and procedures to maintain an appropriate and effective risk management and compliance program, which identifies, evaluates and manages risks within business units and at the enterprise level. The Executive Director is required to appoint a Chief Risk and Compliance Officer, whose selection, compensation, and termination are to be affirmed by the Board. This position assists the Executive Director in fulfilling the Controls and Escalation Procedures, and has been staffed in accordance with SBA policy.

Also, in accordance with the IPS, the Executive Director has organized an Investment Oversight Group (IOG) to regularly review, document and formally escalate compliance exceptions and events that might have a material impact on the Trust Fund. The minutes of its meetings, with a list of participants, are posted to the Fund website. The IOG meets and reports monthly to the Executive Director.

As discussed below, the Auditor General conducts an annual Financial Audit of PRIME, and the IPS requires the audit to include testing for compliance with the IPS, pursuant to Florida law. The most recent Financial Audit (Report No. 2023-060, December 2022) is available on the Florida PRIME website under the tab, "Audits."

The IPS also requires the Trustees to review and approve management summaries of material impacts on the Fund and any actions or escalations, along with any required actions thereon. The Monthly Summary Reports, which are provided on the website, constitute these management summaries. (See further discussion on the contents of this Report under section 218.409(6).) As reflected in the quarterly reports to the Joint Legislative Auditing Committee, the Trustees have reviewed and approved the monthly summary reports.

The safeguards summarized above indicate stringent standards of education, review and disclosure designed to prevent the loss of funds from fraud, error, misrepresentation, market changes or imprudent actions by the Board or a money manager, and have ensured the Trust Fund is administered in accordance with what is required by statute.

(2)(d) The investment policy shall be reviewed and approved annually by the trustees or when market changes dictate, and in each event the investment policy shall be reviewed by the Investment Advisory Council.

The Investment Policy Statement was approved by the Trustees, without change on August 23, 2022.

(3) The board or a professional money management firm may purchase such surety or other bonds as may be necessary for its officials in order to protect the trust fund. A reserve fund may be established to fulfill this purpose. However, any reserve must be a portion of the management fee and must be fully disclosed, including its purpose, in the enrollment materials at the time a unit of local government considers participation. Further, any change in the amount to be charged for a reserve must have a reasonable notice period to allow any participant to withdraw from the trust fund prior to the new reserve charge being imposed.

No surety or other bonds have been purchased to protect the Trust Fund, and there is no reserve fund.

(4) The board or a professional money management firm shall purchase investments for a pooled investment account in which all participants share pro rata in the capital gain, income, or losses, subject to any penalties for early withdrawal. Any provisions for penalties, including their purpose, must be disclosed in the enrollment materials. Any change in the amount to be charged for a penalty must have a reasonable notice period to allow any participant to withdraw from the trust fund prior to the new penalty charge being imposed. A system shall be developed by the board, and disclosed in the enrollment materials, subject to annual approval by the trustees, to keep account balances current and to apportion pooled investment earnings to individual accounts.

All participants in the Trust Fund share pro rata in all capital gains, income or losses, as set out in the Description of Investment Pool Earnings Allocation, posted to the website. This system is designed to keep account balances current and to apportion pooled investment earnings to individual accounts.

(5) The board shall keep a separate account, designated by name and number of each participating local government. A maximum number of accounts allowed for each participant may be established by the board. Individual transactions and totals of all investments, or the share belonging to each participant, shall be recorded in the accounts.

Separate accounts are kept for each participant. The Board has not established a limit on the number of accounts a participant may have.

(6)(a)The board or a professional money management firm shall provide a report, at a minimum monthly or upon the occurrence of a material event, to every participant having a beneficial interest in the trust fund, the board's executive director, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The report shall include:

1. Reports of any material impacts on the trust fund and any actions or escalations taken by staff to address such impacts. The trustees shall provide quarterly a report to the Joint Legislative Auditing Committee that the trustees have reviewed and approved the monthly reports and actions taken, if any, to address any impacts.

2. A management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month. This management summary shall be prepared in a manner that will allow anyone to ascertain whether investment activities during the reporting period have conformed to investment policies. Such reporting shall be in conformance with best market practices. The board or a professional money management firm shall furnish upon request the details of an investment transaction to any participant, the trustees, and the Investment Advisory Council.

A document titled "Monthly Summary Report" is produced monthly and made available at the Florida PRIME website to address the above requirements. The most recent Monthly Summary Report was posted for April 30, 2023. The Monthly Summary Report complies with the requirements of Paragraph (6)(a).

The quarterly reports of the Trustees to the Joint Legislative Auditing Committee showing that the Trustees have reviewed and approved the monthly reports and taken responsive action, per the above, are memorialized in the agendas of the meetings of the Trustees of the State Board of Administration, posted to the SBA website.

(6)(b) The market value of the portfolio shall be calculated daily. Withdrawals from the trust fund shall be based on a process that is transparent to participants and will ensure that advantages or disadvantages do not occur to parties making deposits or withdrawals on any particular day. A statement of the market value and amortized cost of the portfolio shall be issued to participants in conjunction with any deposits or withdrawals. In addition, this information shall be reported monthly with the items in paragraph (a) to participants, the trustees, and the Investment Advisory Council...

The market value of the Fund portfolio is calculated daily by BNY Mellon and posted on the website the next day. The Information Statement and Operating Procedures, posted to the website as part of the New Participant Enrollment Guide, sets out the operating procedures for the Fund, including hours of operation, holidays and timing of transactions. These procedures are transparent and appear to ensure, to the extent possible, that disadvantages do not occur to parties making deposits or withdrawals on particular days, as each participant has equal access to the transaction system. A statement of the market value and amortized cost of the portfolio is available at all times to participants on the website, and participants receive monthly individual account statements.

...The review of the investment portfolio, in terms of value and price volatility, shall be performed with practices consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

Compliance with the above part of section 218.409(6)(b) will be determined in part two of the annual certification, conducted by Aon Hewitt Investment Consulting, Inc.

...Additional reporting may be made to pool participants through regular and frequent ongoing multimedia educational materials and communications, including, but not limited to, historical performance, investment holdings, amortized cost and market value of the trust fund, credit quality, and average maturity of the trust fund investment.

Additional materials are available on the Trust Fund website and are provided through the monthly reports. Board staff are available for direct communication with participants for any questions regarding their accounts.

(7) Costs incurred in carrying out the provisions of this part shall be deducted from the interest earnings accruing to the trust fund. Such deductions shall be prorated among the participant local governments in the percentage that each participant's deposits bear to the total trust fund. The remaining interest earned

shall be distributed monthly to participants according to the amount invested. Except for costs, the board or a professional money management firm may not transfer the interest or use the interest for any other purpose, including, but not limited to, making up investment losses.

The above statutory requirement was present in the law before substantive revisions in 2008 and has been discussed in previous reviews because it is theoretically problematic: If fund investment values were to decline sufficiently in a given month, there would be no interest from which to pay costs, and the literal requirements of this provision could not be met within a given month. Staff has reviewed this issue and updated last year's analysis in the following statement:

The Florida PRIME total expense ratio is approximately 3.30 basis points (or 0.0330%), with the SBA's portion of the total fees equal to 1.0 basis point (or 0.01%). Historical asset levels with an average annual balance of \$16.2 billion over the last 5 years have been more than sufficient to generate adequate fees to cover all administrative, operational, compliance and investment management charges. All pool charges have continued to be reported within the Monthly Summary Report, including the actual monthly line-item fees.

(8)(a) The principal, and any part thereof, of each and every account constituting the trust fund shall be subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action shall 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 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 prior to the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.

In the time period covered by this review, the principal of all accounts in the Trust Fund has been paid at any time requested by a participant and there have been no events causing the Executive Director to limit contributions or withdrawals.

(8)(b) An order to withdraw funds may not be issued upon any account for a larger amount than the share of the particular account to which it applies; and

if such order is issued, the responsible official shall be personally liable under his or her bond for the entire overdraft resulting from the payment if made.

In the time period covered by this review, there have been no orders to withdraw funds for a larger amount than the share of a particular account.

(9) The Auditor General shall conduct an annual financial audit of the trust fund, which shall include testing for compliance with the investment policy. The completed audit shall be provided to the participants, the board, the trustees, the Investment Advisory Council, and the Joint Legislative Auditing Committee. As soon as practicable, but no later than 30 days after completion of the audit, the trustees shall report to the Joint Legislative Auditing Committee that the trustees have reviewed the audit of the trust fund and shall certify that any necessary items are being addressed by a corrective action plan that includes target completion dates.

The Auditor General annual financial audit of the Trust Fund, Report No. 2023-060, for the fiscal years ended June 30, 2022 and June 30, 2021 was completed in December 2022. The audit did not disclose any deficiencies in internal control over Florida PRIME's financial reporting that were considered to be material weaknesses. The report noted no instances of noncompliance or other matters required to be reported under Government Auditing Standards, and included as audit objectives determining if the SBA had complied with various provisions of laws, rules, contracts, the IPS, and other guidelines that are material to the financial statements.

AUTHORIZATION TO PROVIDE ASSISTANCE

218.411 Authorization for state technical and advisory assistance.

(1) The board is authorized, upon request, to assist local governments in investing funds that are temporarily in excess of operating needs by:

(a) Explaining investment opportunities to such local governments through publication and other appropriate means.

(b) Acquainting such local governments with the state's practice and experience in investing short-term funds.

(c) Providing, in cooperation with the Department of Economic Opportunity, technical assistance to local governments in investment of surplus funds.

(2) The board may establish fees to cover the cost of such services, which shall be paid by the unit of local government requesting such service. Such fees shall

be deposited to the credit of the appropriation or appropriations from which the costs of providing the services have been paid or are to be charged.

The education offerings of the Fund have been discontinued, and there have been no instances of the SBA providing technical assistance to a fund participant in this review period.

218.412 Rulemaking authority.—

The board may adopt rules as it deems necessary to carry out the provisions of this part for the administration of the trust fund.

As noted above, the Board has adopted rules for the administration of the Fund at Chapter 19-7, Florida Administrative Code.

OTHER SECTIONS OF PART IV, CHAPTER 218

Part IV of Chapter 218, Florida Statutes, covers other facets of investment of local government funds, such as local government investment policies (Section 218.415). Because this review, as mandated by Section 218.405, is of the pooled investment fund created by 218.405 only, these sections are not a part of this review.

CONCLUSION

Based on the foregoing, this review finds that the Local Government Surplus Funds Trust Fund, Florida PRIME, is in compliance with the requirements of Sections 218.40 – 218.412, Florida Statutes.

This Page Intentionally Left Blank

Global Governance Mandates

October 24, 2023 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

Florida Statutes



Table of Contents

Section 1: Protecting Florida’s Investments Act (PFIA)	3
Primary Requirements of the PFIA	3
Definition of a Scrutinized Company	5
SBA Scrutinized Companies Identification Methodology	5
SUDAN Changes since the Previous PFIA Quarterly Report	7
IRAN Changes since the Previous PFIA Quarterly Report	8
Quarterly Status Update Regarding Potential IRAN Expiration	9
Table 1: Scrutinized Companies with Activities in SUDAN	10
Table 2: Continued Examination Companies with Activities in SUDAN	12
Table 3: Scrutinized Companies with Activities in the IRAN Petroleum Energy Sector	13
Table 4: Continued Examination Companies with Petroleum Energy Activities in IRAN	15
Table 5: Correspondence & Engagement Efforts with Scrutinized Companies	16
Table 6: Correspondence & Engagement Efforts with Continued Examination Companies	18
Key Dates for PFIA Activities	20
Summary of Investments Sold, Redeemed, Divested or Withdrawn	21
Table 7: List of Prohibited Investments (Scrutinized Companies)	22
Table 8: SBA Holdings in Prohibited Investments Subject to Divestment	26
Summary of Progress, SBA Investment Manager Engagement Efforts	26
Listing of All Publicly Traded Securities (Including Equity Investments)	26
 Section 2: Prohibited Investments by the SBA, Companies that Boycott Israel	 27
Primary Requirements of Section 215.4725 F.S.	27
Table 9: Scrutinized Companies that Boycott Israel	29
Table 10: Continued Examination Companies that Boycott Israel	30
Table 11: Correspondence & Engagement Efforts	31
 Section 3: Investments in Publicly Traded Companies Operating in Northern Ireland	 32
Section 4: Companies Operating in Cuba or Syria	33
Section 5: Companies Operating in Venezuela	34

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, the fourth-largest public pension fund in the nation, reflects our commitment to responsible fiscal management.

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

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

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. 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 either of the following occurs:
 - a. 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 the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism; or
 - 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 Petroleum Energy Sector 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, the requirements for the expiration of PFIA divestment protocol were amended and new quarterly reporting requirements were implemented. Florida Statutes eliminated the following criteria for discontinuing Iran portions of the PFIA: The Congress or President of the United States affirmatively and unambiguously declares, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that mandatory divestment of the type provided for in this section interferes with the conduct of United States foreign policy.

Definition of a Scrutinized Company

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

Sudan:

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

Iran:

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

Affiliates of companies with scrutinized business operations are also subject to the requirements of the PFIA. An affiliated company is generally defined as any other company that either directly or indirectly controls, is controlled by or is under common control with the company conducting scrutinized active business operations. Control generally means the power to exercise a controlling influence over the management or policies of a company. As well, many companies have parent-subsidary relationships whereby a parent company may own several other companies. In such cases, the SBA has included any known parent and/or subsidiaries 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 what a company has actually done, if anything, to discontinue its active business operations or if it has pursued humanitarian efforts (applicable to Sudan only).

SBA Scrutinized Companies Identification Methodology

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

1. **EIRIS Conflict Risk Network (CRN).** In May 2013, the Conflict Risk Network became part of EIRIS, a global provider of environmental, social, governance, and ethical performance of companies. EIRIS provides services to more than 150 asset owners and managers globally, with a staff of over 60, based primarily in London. CRN was formerly known as the Sudan Divestment Task Force (SDTF).

2. **MSCI ESG Research (MSCI).** MSCI delivers corporate governance analysis and research to institutional investors. Through its ESG Research unit, MSCI offers screening services with specific and unique components of state law pertaining to investments in sanctioned countries, including Sudan and Iran.
3. **ISS-Ethix (formerly IW Financial or IWF).** On January 5, 2017, Institutional Shareholder Services (ISS) announced its acquisition of IW Financial. Going forward, ISS-Ethix will be the ESG arm of ISS, providing environmental and social research for responsible investing. 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.
4. **Sustainalytics, Inc.** Sustainalytics provides environmental, social and governance research and analysis, sustainability benchmarks, and investment services, and is the result of the merger between Jantzi Research, Inc. and Sustainalytics in 2009. Sustainalytics' company database, "Sustainalytics Global Platform," covers business operations in both Iran and Sudan.

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

Company disclosures:

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

Investment/Finance Organizations:

- 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, no other information sources clearly contradict the conclusions of the External Research Providers.
2. **"Continued Examination"** — At least one External Research Provider indicates that a company meets the classification of a Scrutinized Company as defined by the PFIA as set forth in Section 215.473, (1)(t)1., 2., or 3, 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:

- None

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

- **AVIC Electromechanical Systems Co Ltd**
 - No longer publicly traded. Delisted from the Shenzhen Stock Exchange.
- **China Avionics Systems**
 - No longer a majority owned subsidiary of a scrutinized company.
- **Kunlun Financial Leasing Co Ltd**
 - No longer publicly traded. Bonds have matured.

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:

- None

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

- **Kunlun Financial Leasing Co Ltd**
 - No longer publicly traded. Bonds have matured.

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 either of the following occurs, the board may no longer scrutinize companies according to subparagraph (1)(v)4., may no longer assemble the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, and shall cease engagement, investment prohibitions, and divestment:

1. 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 the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism;

Update:

June 2023: The Office of the Director of National Intelligence produced the *Iran's Nuclear Weapons Capability and Terrorism Monitoring Act of 2022*.

Source: <https://www.dni.gov/files/ODNI/documents/assessments/Iran-Nuclear-Weapons-Capability-and-Terrorism-Monitoring-Act-of-2022.pdf>

Or

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

Update:

No significant changes since prior report.

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
CNPC Capital Company Limited	China	June 14, 2017
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
Engen Botswana	Botswana	March 24, 2015
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
Jiangxi Hongdu Aviation	China	September 19, 2007
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
Perseus Mining Ltd	Australia	August 23, 2022
PetroChina	China	September 19, 2007
Petroliaam Nasional (Petronas)	Malaysia	September 19, 2007

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
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 2014 Ltd	China	March 7, 2018
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2012 Ltd	China	March 7, 2018
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
Societe Metallurgique D'imiter	Morocco	November 9, 2010
# of Sudan Scrutinized Companies	56	

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

Removed Company	Country of Incorporation
<i>AVIC Electromechanical Systems Co Ltd</i>	<i>China</i>
<i>China Avionics Systems</i>	<i>China</i>
<i>Kunlun Financial Leasing Co Ltd</i>	<i>China</i>

Table 2: Continued Examination Companies with Activities 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 removed this quarter.</i>	

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

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
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
CNOOC Ltd.	China	June 16, 2011
CNOOC Curtis Funding No.1 Pty Ltd	Australia	October 17, 2017
CNOOC Energy Technology & Services Ltd	China	June 15, 2021
CNOOC Finance Limited	China	September 24, 2013
CNOOC Nexen Finance	Canada	October 17, 2017
CNPC Capital Company Limited	China	June 14, 2017
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
Engen Botswana	Botswana	March 24, 2015
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
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd.	Hong Kong	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013
MISC Bhd	Malaysia	September 19, 2007
Mosenergo	Russia	September 16, 2008
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007
Petrolia Nasional (Petronas)	Malaysia	September 19, 2007

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
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 2014 Ltd	China	March 7, 2018
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2012 Ltd	China	March 7, 2018
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	56	

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

Removed Company	Country of Incorporation
<i>Kunlun Financial Leasing Co Ltd</i>	<i>China</i>

Table 4: Continued Examination Companies with Petroleum Energy Activities 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 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.

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
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
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
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

Company	Company Responsive to SBA Communications	Status
Lundin International SA	No	Removed from Sudan Scrutinized List
Malaysia Marine & Heavy Engineering Holdings Bhd	Yes; November 14, 2014	Iran & Sudan Scrutinized Classification Continues
Mangalore Refinery & Petrochemicals Ltd	Yes; March 8, 2013	Iran & Sudan Scrutinized Classification Continues
MISC Bhd	Yes; August 23, 2018; Jan 10, 2019; May 16, 2022	Iran & Sudan Scrutinized Classification Continues
Norsk Hydro	Yes; November 30, 2007	Removed from Iran Scrutinized List
Oil & Natural Gas Corp (ONGC)	Yes; July 23, 2014	Iran & Sudan Scrutinized Classification Continues
OMV AG	Yes; November 6, 2007 and April 14, 2010	Removed from Iran 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	Iran & Sudan Scrutinized Classification Continues
Putrajaya Management Sdn Bhd	Yes; September 5, 2014	Iran & Sudan Scrutinized Classification Continues
Ranhill Bhd	Yes; October 22, 2008	Removed from Sudan Scrutinized List
Repsol YPF	Yes; October 15, 2007; January 2013	Removed from Iran Scrutinized and CE Lists
Royal Dutch Shell PLC	Yes; October 5, 2007; January 27, 2011; April 13, 2011	Removed from Iran Scrutinized and CE Lists
Sinopec 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
Wärtsilä Oyj	Yes; December 4, 2007	Moved to Sudan Continued Examination List

Table 6: Correspondence & Engagement Efforts with Continued Examination Companies

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

Company	Company Responsive to SBA Communications	Continued Examination Status
Actividades de Construcción y Servicios S.A.(ACS)	No	Removed from Iran List
Aggreko PLC	Yes; January 28, 2008	Removed from Iran List
Air Liquide	Yes; November 30, 2007 January 28, 2008	Removed from Iran List
Aker Solutions ASA (fka Aker Kvaerner ASA)	No	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
Bolloré 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
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	Removed from Iran List
JGC Corp	Yes; October 1, 2007	Removed from Iran List
La Mancha Resources	Yes; October 21, 2008	Removed from Sudan List
Linde AG	Yes; November 14, 2007	Removed from Iran List
Liquefied Natural Gas LNG	No	Removed from Iran 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

Company	Company Responsive to SBA Communications	Continued Examination Status
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
Sudan Telecommunications (Sudatel)	No	Removed from Sudan CE Classification
Technip	Yes; April 30, 2010 and November 30, 2010	Removed from Iran CE Classification
The Weir Group PLC	Yes; November 16, 2007	Removed from Iran and Sudan Lists
Total SA	Yes; October 12, 2007	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).

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 24, 2023

Summary of Investments Sold, Redeemed, Divested or Withdrawn

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

Cumulative Divestment	
Royal Dutch Shell**	\$215,784,700.79
Total SA**	\$214,536,015.45
Petroleo Brasileiro SA (Petrobras) **	\$206,135,264.10
ENI**	\$141,403,034.78
CNOOC Ltd	\$131,737,735.86
Gazprom (a.k.a. OAO Gazprom)	\$71,275,453.14
Alstom**	\$65,897,698.67
Repsol YPF**	\$53,420,179.87
Statoil ASA** (fka: StatoilHydro)	\$46,792,677.58
China Petroleum and Chemical Corp (CPCC) Sinopec	\$38,455,440.48
PetroChina	\$25,723,158.75
Inpex Corp.**	\$24,835,110.63
MISC Bhd	\$16,448,397.44
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
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
** denotes companies no longer on the Prohibited Company list	\$1,318,664,916.97

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
CNOOC Ltd	Iran	China	June 16, 2011	Yes
CNOOC Curtis Funding No.1 Pty Ltd	Iran	Australia	October 17, 2017	Yes
CNOOC Energy Technology & Services Ltd	Iran	China	June 15, 2021	Yes
CNOOC Finance Limited	Iran	China	September 24, 2013	Yes
CNOOC Nexen Finance	Iran	Canada	October 17, 2017	Yes
CNPC Capital Company Limited	Sudan & Iran	China	June 14, 2017	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

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Engen Botswana	Sudan & Iran	Botswana	March 24, 2015	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
Jiangxi Hongdu Aviation	Sudan	China	September 19, 2007	Yes
KLCC Property Holdings Bhd	Sudan & Iran	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
Malaysia Marine & Heavy Engineering Holdings Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
MISC Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Mosenergo	Iran	Russia	September 16, 2008	Yes
Oil India Ltd	Sudan	India	September 18, 2012	Yes
Oil & Natural Gas Corp (ONGC)	Sudan & Iran	India	September 19, 2007	Yes
ONGC Videsh Limited (OVL)	Sudan & Iran	India	March 18, 2014	Yes
Perseus Mining Ltd	Sudan	Australia	August 23, 2022	Yes
PetroChina	Sudan & Iran	China	September 19, 2007	Yes
Petrolia Nasional (Petronas)	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Capital Limited	Sudan & Iran	Malaysia	September 19, 2007	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Petronas Chemicals Bhd	Sudan & Iran	Malaysia	June 16, 2011	Yes
Petronas Dagangan Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Gas Berhad	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Global Sukuk	Sudan & Iran	Malaysia	August 2, 2016	Yes
Putrajaya Management Sdn Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
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 2014 Ltd	Sudan & Iran	China	March 7, 2018	Yes
Sinopec Group Overseas Development 2013 Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2012 Ltd	Sudan & Iran	China	March 7, 2018	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
Territorial Generating Company No 1	Iran	Russia	June 4, 2019	Yes
# of Prohibited Investments	71	-	-	

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

<i>Removed Company</i>	<i>Country of Incorporation</i>
<i>AVIC Electromechanical Systems Co Ltd</i>	<i>China</i>
<i>China Avionics Systems</i>	<i>China</i>
<i>Kunlun Financial Leasing Co Ltd</i>	<i>China</i>

Table 8: SBA Holdings in Prohibited Investments Subject to Divestment

The SBA currently has no holdings in companies on the Prohibited Investments List in accounts subject to the PFIA divestiture requirements.

Summary of Progress, SBA Investment Manager Engagement Efforts

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

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

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

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

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

Listing of All Publicly Traded Securities (Including Equity Investments)

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

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
Betsah Invest SA	Luxembourg	August 2, 2016
Betsah SA	Luxembourg	August 2, 2016
Cactus SA	Luxembourg	August 2, 2016
Co-operative Group Limited	United Kingdom	September 26, 2017
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	Turkey	August 2, 2016
Unilever PLC (Ben & Jerry's parent company)	United Kingdom	July 29, 2021
Hindustan Unilever Ltd	India	July 29, 2021
PT Unilever Indonesia Tbk	Indonesia	July 29, 2021
Unilever Bangladesh Ltd	Bangladesh	July 29, 2021
Unilever Capital Corp (Unilever PLC bond issuance)	United States	July 29, 2021
Unilever Caribbean Ltd	Trinidad and Tobago	July 29, 2021

Scrutinized Company that Boycott Israel	Country of Incorporation	Date of Initial Scrutinized Classification
Unilever Consumer Care Ltd	Bangladesh	July 29, 2021
Unilever Côte d'Ivoire	Ivory Coast	July 29, 2021
Unilever Finance Netherlands BV (Unilever PLC bond issuance)	Netherlands	July 29, 2021
Unilever Ghana Ltd	Ghana	July 29, 2021
Unilever Nigeria Plc	Nigeria	July 29, 2021
Unilever Pakistan Foods Ltd	Pakistan	July 29, 2021
# of Companies that Boycott Israel	17	

No companies were removed from the **Scrutinized Companies that Boycott Israel List** during the quarter.

9/21/2021: Unilever PLC (and all tradeable subsidiaries) were added to the *Scrutinized Companies that Boycott Israel* list on July 29, 2021. Florida Statutes address the termination of business activities and limitation of commercial relations in Israeli-controlled territories that were present in recent actions by Ben & Jerry's, a wholly owned subsidiary of Unilever PLC. The company letter of July 19, 2021 announced plans to stop selling its ice cream in the West Bank and Gaza. Ben & Jerry's also plans to terminate its license, as of year-end 2022, with the Israeli partner who has manufactured and distributed Ben & Jerry's products in Israel since 1987.

6/29/2022: Unilever announced it had reached a new arrangement for Ben & Jerry's products in Israel. The company sold its Ben & Jerry's business interests in Israel to Avi Zinger, the owner of American Quality Products Ltd (AQP), the current Israel-based licensee. Soon after this announcement, Ben & Jerry's sued parent company Unilever regarding the agreement. On July 14, 2022, Ben & Jerry's and Unilever announced plans to seek mediation over the disputed sale of the ice cream maker's Israeli business to a local licensee. Pending resolution of the mediation process and any related BDS activities, Unilever and affiliates remain on the Scrutinized Companies that Boycott Israel List at this time.

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
<i>Morningstar (Sustainalytics)</i>	United States
<i>Siemens AG</i>	Germany

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
Cactus SA	No	Remains on Scrutinized List
Betsah Invest SA	No	Remains on Scrutinized List
Betsah SA	No	Remains on Scrutinized List
FreedomCall Ltd	Yes, November 4, 2016	Removed from Scrutinized List
Co-operative Group Ltd	No	Remains on Scrutinized List
Cooperative Group Gomersall	No	Removed from Scrutinized List
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	No	Remains on Scrutinized List
U2u Consult NV	Yes, December 29, 2016	Removed from Scrutinized List
Danske Bank	Yes, multiple dates	Removed from Continued Examination List
Dexia	Yes, multiple dates	Removed from Continued Examination List
Aldi	No	Removed from Continued Examination List
ASN Bank NV	No	Removed from Continued Examination List
HEMA BV	No	Removed from Continued Examination List
Karsten Farms	No	Removed from Continued Examination List
Airbnb	Yes, multiple dates	Removed from Scrutinized List
Unilever PLC	Yes, multiple dates	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.

For more information, please contact:

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

or send an email to:
governance@sbafla.com



This Page Intentionally Left Blank

Corporate Governance Principles & Proxy Voting Guidelines

FY2023-2024



Table of Contents

INTRODUCTION	1
THE BOARD OF DIRECTORS	9
INVESTOR PROTECTIONS	19
CORPORATE STRUCTURE	26
COMPENSATION	38
BUSINESS CONDUCT	45
MUTUAL FUND VOTING	49

About the SBA

The State Board of Administration (SBA) of Florida is an agency of Florida state government that provides a variety of investment services to governmental entities. The SBA has three Trustees: The Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. All three of the Trustees of the Board are elected statewide to their respective positions as Governor, Chief Financial Officer, and Attorney General. SBA 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 Board of Trustees appoints nine members to serve on the Investment Advisory Council (IAC). The IAC provides independent oversight of SBA's funds and major investment responsibilities.

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 strives to meet the highest ethical, fiduciary, and professional standards while performing its mission, with a continued emphasis on keeping operating and investment management costs as low as possible for the benefit of Florida taxpayers.

General Inquiries:

1801 Hermitage Blvd., Suite 100

Tallahassee, FL 32308

Phone: +850-488-4406

Fax: +850-413-1255

Email: governance@sbafla.com

Website: www.sbafla.com

© 2023 All material appearing in this document is copyright unless otherwise stated. The SBA takes care to ensure all information is correct at time of publication, but the publisher accepts no responsibility or liability for the accuracy of any information contained in the report.

INTRODUCTION

The State Board of Administration (SBA) of Florida manages one of the largest U.S. pension funds and other non-pension trust funds with assets spanning domestic and international capital markets. Our primary function is to represent the interests of our beneficiaries so that they will see fair returns on their investment; therefore, we have a clear interest in promoting the success of companies in which we invest. To ensure returns for our beneficiaries, we support the adoption of internationally recognized governance structures for public companies. This includes a basic and unabridged set of shareowner rights, strong independent boards, performance-based executive compensation, accurate accounting and audit practices, and transparent board procedures and policies covering issues such as succession planning and meaningful shareowner participation. All proposals are evaluated through a common lens by considering both how the proposal might impact the company's financial health as well as its impact on shareowner rights.

Corporate Governance Principles

The SBA believes that, as a long-term investor, good corporate governance practices serve to protect and enhance our long-term portfolio values.¹ In furtherance of this, and in accordance with Section 112.662, Florida Statutes, when deciding whether to exercise shareholder rights or when exercising such rights, including the voting of proxies, only pecuniary factors may be considered and the interests of the participants and beneficiaries may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The term "pecuniary factor" means a factor that the plan administrator, named fiduciary, board, or board of trustees prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system or plan. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

Other regulations affecting proxy voting are: 1) the U.S. Securities & Exchange Commission's (SEC) Rule 206(4)-6 under the Investment Advisors Act, promulgated in 2003, and 2) the Department of Labor (DOL) — Employee Benefits Security Administration (EBSA) rule, "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights," most recently modified and effective in early 2023. This SEC Rule made it, "fraudulent for an investment adviser to exercise proxy voting authority without having procedures reasonably designed to ensure that the adviser votes in the best interest of its clients. In the rule's adopting release, the SEC confirmed that an adviser owes fiduciary duties of care and loyalty to its clients with respect to all services undertaken on its client's behalf, including proxy voting."² The adopting release states, "The duty of care requires an adviser with proxy voting authority to monitor corporate events and to vote the proxies. To satisfy its duty of loyalty, the adviser must cast the proxy votes in a manner consistent with the best interest of its clients and must not subrogate client interests for its own."³ DOL regulation recognizes that when a plan's assets include shares of stock, the fiduciary duty to manage plan assets includes the management of shareholder rights related to those shares, such as the right to vote proxies. Under this guidance, proxy voting should be treated like any other financial asset, executed in the best interest of beneficiaries in accordance with written guidelines.⁴ However, these sources of legal authority are persuasive, and in the event of any conflict between Florida law and any such persuasive legal authority, Florida law prevails.

¹ CFA Centre for Financial Market Integrity, "The Corporate Governance of Listed Companies: A Manual for Investors," 2009.

² The Conference Board, "The Separation of Ownership from Ownership," 2013.

³ "Proxy Voting by Investment Advisers," SEC Final Rule adopted January 31, 2003, effective April 14, 2003; www.sec.gov/rules/final/ia-2106.htm.

⁴ 29 CFR § 2550.404a-1(d) - Investment duties.

Managing stock ownership rights and the proxy vote includes the establishment of written proxy voting guidelines, which must include voting policies on issues likely to be presented, procedures for determining votes that are not covered or which present conflicts of interest for plan sponsor fiduciaries, procedures for ensuring that all shares held on record date are voted, and procedures for documentation of voting records. The following corporate governance principles and proxy voting guidelines are primarily designed to cover publicly traded equity securities. Other investment forms, such as privately held equity, limited liability corporations, privately held REITs, etc., are not specifically covered by individual guidelines, although broad application of the principles and guidelines can be used for these more specialized forms of equity investments.

The primary role of shareowners within the corporate governance system is in some ways limited, although critical. Shareowners have the duty to communicate with management and encourage them to align their processes with corporate governance best practices. This means shareowners have two primary obligations: 1) to monitor the performance of the company and 2) to protect their right to act when it is necessary.

In the 1930s, Benjamin Graham and David Dodd succinctly described the agenda for corporate governance activity by stating that shareowners should focus their attention on matters where the interest of the officer and the stockholders may be in conflict. This includes questions about preserving the full integrity and value of the characteristics of ownership appurtenant to shares of common stock. For example, the right to vote may be diluted by a classified board or by dual class capitalization, and the right to transfer the stock to a willing buyer at a mutually agreeable price may be abrogated by the adoption of a poison pill.

Since management and board composition change over time, while shareowners continue their investment, shareowners must ensure that the corporate governance structure of companies will allow them to exercise their ownership rights permanently. Good corporate management is not an excuse or rationale upon which institutional investors may relinquish their ownership rights and responsibilities.

The proxy voting system must be an even playing field. Neither management nor shareowners should be able to dominate or influence voting dynamics. A 2006 article analyzed the corporate governance implications of the decoupling of voting power and economic ownership through methods such as vote trading and equity swaps, methods largely hidden from public view and not captured by current regulation or disclosure rules. This method has been used by finance-savvy activist hedge funds, for example, who have borrowed shares just before the record date to better support proposals they favor, reversing the transactions after the record date. The SBA believes that enhanced disclosure rules are critical to reveal hidden control of voting power.⁵

Management needs protection from the market's frequent focus on the short-term to concentrate on long-term returns, productivity, and competitiveness. Shareowners need protection from coercive takeover tactics and directors with personal agendas. Ideal governance provisions should provide both sides with adequate protection. They should be designed to give management the flexibility and continuity it needs to make long-term plans, to permit takeover bids in cases where management performance is depressing long-term value, to ensure that management is accountable to shareowners, and to prevent coercive offers that force shareowners to take limited short-term gains.

⁵ Hu, Henry T.C. and Black, Bernard S., "Empty Voting and Hidden (Morphable) Ownership: Taxonomy, Implications, and Reforms". As published in *Business Lawyer*, Vol. 61, pp. 1011-1070, 2006 Available at SSRN: <http://ssrn.com/abstract=887183>. Also, Christoffersen, S.E.K., Geczy, C.C., Musto, D.K., and Reed, A.V. 2006, "Vote Trading and Information Aggregation."

A study on shareowner activism and corporate governance in the United States found that shareowner opposition has slowed the spread of takeover defenses, such as staggered boards, that require shareowner approval. However, shareowners have failed in their efforts to get companies to roll back takeover defenses and, perhaps more importantly, managers frequently ignore even a majority shareowner vote in favor of a proposal.⁶

Global Standards of Corporate Governance

The SBA believes strongly that good corporate governance practices are important to encourage investments in countries and companies in a globalized economy where gaining access to capital markets is increasingly viewed as critical. Empirical evidence demonstrates the relationship between corporate valuation and corporate governance structures, finding that foreign institutional investors invested lower amounts in firms with higher insider control, lower transparency, and are domiciled in countries with weak investor protections.⁷ A comparative analysis of corporate governance in US and international firms shows that the ability of controlling shareowners to extract private benefits is strongly determined by a country's investor protection. Thus, if investor protection is weaker, improvements in firm-level governance will be costlier for the controlling shareowner.⁸

Many countries, international organizations, and prominent institutional investors have developed and implemented international policies on corporate governance and proxy voting issues (e.g., the Organization for Economic Co-operation and Development, and the International Corporate Governance Network).⁹ Many of these promulgated guidelines recognize that each country need not adopt a "one-size-fits-all" code of practice. However, SBA expects all capital markets to exhibit basic and fundamental structures that include the following:

1. Corporate Objective

The overriding objective of the corporation should be to maximize the returns to its shareowners over time. Where other considerations affect this objective, they should be clearly stated and disclosed. To achieve this objective, the corporation should endeavor to ensure the long-term viability of its business.

2. Communications & Reporting

Corporations should disclose accurate, adequate, and timely information, in particular meeting market guidelines where they exist, to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sale of shares. Material developments and foreseeable risk factors, and matters related to corporate governance should be routinely disseminated to shareowners. Shareowners, the board, and management should discuss corporate governance issues. Where appropriate, these parties should converse with government and regulatory representatives, as well as other concerned bodies, to resolve disputes, if possible, through negotiation, mediation, or arbitration. For example, investors should have the right to sponsor resolutions and convene extraordinary meetings. Formal procedures outlining how shareowners can communicate with board members should be implemented at all companies and be clearly disclosed.

3. Voting Rights

Corporations' ordinary shares should feature one vote for each share. Corporations should act to ensure the owners' rights to vote and apply this principle to all shareowners regardless of their size. Shareowners

⁶ Black, B., 1998. "Shareowner Activism and Corporate Governance in the United States."

⁷ Christian Leuz, Karl V. Lins, and Francis E. Warnock, "Do Foreigners Invest Less in Poorly Governed Firms?" *The Review of Financial Studies*, 22 (2009).

⁸ Aggrawal, Reena et al, 2007, "Differences in Governance Practices between US and Foreign Firms: Measurement, Causes, and Consequences", Charles A. Dice Center for Research in Financial Economics, Working Paper 2007-14.

⁹ Organization for Economic Co-operation & Development (OECD), "Corporate Governance Factbook," 2023.

should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or absentia. Votes should be cast by custodians or nominees, in a manner agreed upon with the beneficial owner of the shares. Impediments to cross border voting should be eliminated. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and should have effective means of redress.¹⁰

4. Corporate Boards

The Board of Directors, or Supervisory Board, as an entity, and each of its members, as individuals, is a fiduciary for all shareowners, and they should be accountable to the shareowner body as a whole. Each member should stand for election on a regular basis, preferably with annual election cycles. Corporations should disclose upon appointment to the board, and thereafter in each annual report or proxy statement, information on the identities, core competencies, professional or other backgrounds, factors affecting independence, other commitments, and overall qualifications of board members and nominees to enable investors to weigh the value that they add to the company. Information on the appointment procedure should also be disclosed annually. Boards should include a sufficient number of independent, non-executive members with appropriate qualifications. Responsibilities should include monitoring and contributing effectively to the strategy and performance of management, staffing key committees of the board, and influencing the conduct of the board. Accordingly, independent non-executives should comprise no fewer than three (3) members and as much as a substantial majority. Audit, Compensation and Nomination committees should be composed entirely of independent non-executives.

5. Executive & Director Compensation

Remuneration of corporate directors or supervisory board members and key executives should be aligned with the interests of shareowners. Corporations should disclose in each annual report or proxy statement the board's policies on remuneration and, preferably, the remuneration of individual board members and top executives; so that shareowners can judge whether corporate pay policies and practices meet this standard. Broad-based employee share ownership plans or other profit-sharing programs are effective market mechanisms that promote employee participation.

6. Strategic Planning

Major strategic modifications to the core business of a corporation should not be made without prior shareowner approval of the proposed modification. Equally, major corporate changes that, in substance or effect, materially dilute the equity or erode the economic interests or share ownership rights of existing shareowners should not be made without prior shareowner approval of the proposed change. Shareowners should be given sufficient information about any such proposal early enough to allow them to make an informed judgment and exercise their voting rights.

7. Voting Responsibilities

The exercise of ownership rights by all shareowners, including institutional investors should be facilitated. Institutional investors acting in a fiduciary capacity should disclose their overall corporate governance and voting policies with respect to their investments, including the procedures that they have in place for deciding on the use of their voting rights. Institutional investors acting in a fiduciary capacity should disclose how they manage material conflicts of interest that may affect the exercise of key ownership rights regarding their investments. Shareowners, including institutional investors, should be allowed to consult with each other on issues concerning their basic shareowner rights, subject to exceptions to prevent abuse. The corporate governance framework should be complemented by an effective approach that addresses and promotes the provision of analysis or advice by analysts, brokers, rating agencies, and others that is

¹⁰ Organization for Economic Cooperation & Development (OECD), Role of Institutional Investors in Promoting Good Corporate Governance, January 11, 2012.

relevant to decisions by investors, free from material conflicts of interest that might compromise the integrity of their analysis or advice.

Pecuniary Factors

In accordance with Section 112.662, Florida Statutes, when deciding whether to exercise shareholder rights or when exercising such rights, including the voting of proxies, only pecuniary factors may be considered and the interests of the participants and beneficiaries may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The term “pecuniary factor” means a factor that the plan administrator, named fiduciary, board, or board of trustees prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system or plan. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

Active Strategies & Company Engagement

The objective of SBA corporate governance engagement is to improve the governance structures at companies in which the SBA owns significant shares to enhance the value of SBA equity holdings.

A study on the evolution of shareowner activism in the United States affirms that activism by investors has increased considerably since the mid-1980s due to the involvement of public pension funds and institutional shareowners. The study identifies the potential to enhance value of investments as the main motive for active participation in the monitoring of corporations. However, as shareowner activism entails concentrated costs and widely disbursed benefits, only investors with large positions are likely to obtain a large enough return on their investment to justify the costs.¹¹

The two primary obligations of shareowners are to monitor the performance of the companies and to protect their right to act when necessary. The SBA has neither the time nor resources to micromanage companies in which it holds publicly traded stock. Furthermore, the legal duties of care and loyalty rest with the corporate Board of Directors, not with the shareowners. For these reasons, the SBA views its role as one of fostering improved management and accountability within the companies in which we own shares. Other recent SBA corporate governance activities have included dealing with conflicts of interest within organizations with which we do business.

Voting proxies is a fiduciary responsibility, and proxies should be treated like any other financial asset, executed in the best interest of beneficiaries and not for the furtherance of any social, political or ideological interests. Florida Law may prohibit investment in companies or mandate reporting on certain investments due to geopolitical, ethnic, religious, or other factors. Compliance with these laws and any related reporting requirements have similarities to corporate governance issues and are consolidated organizationally.

Consistent with prudent and responsible investment policy, all or some of the following measures may be instituted when a corporation is found by the SBA to be under-performing market indices or in need of corporate governance reform:

- The SBA will discuss the corporate governance deficiencies with a representative and/or the Board of Directors. Deficiencies may occur in the form of policies or actions, and often result from the failure to adopt policies that sufficiently protect shareowner assets or rights. The SBA may request to be informed of the progress in ameliorating such deficiencies.
- Under SEC Rule 14(a) 8, shareowner proposals may be submitted to companies with identified performance deficiencies. Shareowners' proposals will be used to place significant issues on a

¹¹ Gillan, Stuart L. and Laura T. Starks, 2007, “The Evolution of Shareowner Activism in the United States”, *Journal of Applied Corporate Finance*, Volume 19, Number 1, Winter 2007, Published by Morgan Stanley.

company's meeting ballot to allow all shareowners to approve or disapprove of significant issues and voice the collective displeasure of company owners.¹²

- Any other strategies to achieve desired corporate governance improvements as necessary.

Investor engagement can be classified into three categories, including "Extensive," "Moderate," and "Basic." Extensive engagement is defined as multiple instances of focused interaction with a company on issues identified with a view to changing the company's behavior. The engagements were systematic and begun with a clear goal in mind. Moderate engagement is defined as more than one interaction with a company on issues identified. The engagement was somewhat systematic, but the specific desired outcome may not have been clear at the outset. Basic engagement is defined as direct contact with companies, but engagement tended to be ad-hoc and reactive. Such engagement may not have pursued the issue beyond the initial contact with the company and includes supporting letters authored by other investors or groups.

In addition to overseeing the corporate governance of companies in which we invest, the SBA must also govern the accessibility of our own records by these companies. As a beneficial owner of over 10,000 publicly traded companies, the SBA has elected to be an objecting beneficial owner, or an "OBO." By being an OBO, the SBA does not give permission to a financial intermediary to release our name and address to public companies that we are invested in. This keeps our holdings or trading strategies confidential and allows us to avoid unwanted solicitations.

Recent developments have led many to believe that the distinction between OBO and non-objecting beneficial owners or "NOBOs" should be eliminated. However, the SEC is likely to be cautious in seeking to change the current framework in significant ways.¹³ Strong opponents to an elimination of OBO and NOBO distinction are brokers and banks, who have a large incentive to ward off this change due to fee income derived from forwarding proxy materials.

While shareowner communication can be very important, steps must be taken to address the distinction between OBO and NOBO companies and to respect the privacy of beneficial owners involved. Proposals that eliminate the possibility of anonymity are not supported. It is necessary for any changes made to the current system to accommodate the strong privacy interests of current OBO firms, such as SBA.

Disclosure of Proxy Voting Decisions

SBA discloses all proxy voting decisions once they have been made, typically a few calendar days prior to the date of the shareowner meeting. Disclosing proxy votes prior to the meeting date improves the transparency of our voting decisions. Historical proxy votes are available electronically on the SBA's website.¹⁴

Proxy Voting and Securities Lending

SBA participates in securities lending to enhance the return on its investment portfolios. In the process of lending securities, the legal rights attached to those shares are transferred to the borrower of the securities during the period that the securities are on loan. As a result, SBA's right to exercise proxy voting on loaned securities is forfeited unless those affected shares have been recalled from the borrower in a timely manner (i.e., on, or prior to, the share's record date). SBA has a fiduciary duty to exercise its right to vote proxies and to recall shares on loan when it is in the best interest of our beneficiaries. The ability to vote in

¹² Rule 14a-8 is an SEC rulemaking promulgated under the Securities Exchange Act of 1934 and offers a set of procedural requirements governing how and when shareowners may submit resolutions for inclusion in a corporation's proxy statement.

¹³ Beller, Alan L. and Janet L. Fisher. "The OBO/NOBO Distinction in Beneficial Ownership: Implications for Shareowner Communications and Voting." Council of Institutional Investors. February 2010.

¹⁴ Reporting is publicly available at www.sbafla.com, including real time voting decisions prior to shareowner meetings.

corporate meetings is an asset of the fund which needs to be weighed against the incremental returns of the securities lending program.

Although SBA shall reserve the right to recall the shares on a timely basis prior to the record date for the purpose of exercising voting rights for domestic as well as international securities, the circumstances required to recall loaned securities are expected to be atypical. Circumstances that lead SBA to recall shares include, but are not limited to, occasions when there are significant voting items on the ballot such as mergers or proxy contests or instances when SBA has actively pursued coordinated efforts to reform the company's governance practices, such as submission of shareholder proposals or conducting an extensive engagement. In each case, the direct monetary impact of recalled shares will be considered and weighed against the discernible benefits of recalling shares to exercise voting rights. However, because companies are not required to disclose an upcoming meeting and its agenda items in advance of the record date, it usually is not possible to recall shares on loan.

THE BOARD OF DIRECTORS

Of the voting items that come before shareowners, the matters of the board and its operation are the most pivotal. Shareowners must be able to elect and maintain a board of directors whose main charge is to monitor management on the behalf of shareowners, but who will also sufficiently heed majority shareowner input on matters of substantial importance. These voting items concern the election of the board members, as well as chairmanship and committee service, and the processes that govern the frequency, setting and outcome of elections. The nominees' qualifications, performance, and overall contribution to the board skillset are of great importance to shareowners casting votes on the elections of individuals, particularly in cases of proxy contests.

SBA votes with the intent of electing candidates who are qualified and able to effectively contribute, and we support election processes that allow shareowners in the aggregate to exercise meaningful control over who may serve as board members and under what circumstances. We favor transparent election procedures and structures that sufficiently allow for shareowners to elect and consequently hold directors accountable for their performance.

ELECTION OF DIRECTORS: CASE-BY-CASE

Director elections are of the most important voting decisions that shareowners make. Directors function as the representatives of shareowners and serve a critical role in monitoring management. The SBA generally considers a nominee's qualifications, relevant industry experience, independence, performance, and overall contribution to the board when assessing election votes.¹⁵ At the board level, we consider the applicability of differing backgrounds, experiences, and knowledge, and other appropriate categories. In cases where a proxy contest has resulted in more nominees than available board seats, it's important to assess each candidate's relative expertise and experience, as well as differences in strategic vision if applicable.

The SBA may vote against (i.e., "withhold" support for) director nominees for one or more of the following reasons:

Poor performance or oversight in duties of the board or board committees – including poor performance in board service at other public companies. Board members exhibiting poor performance may have failed to appropriately monitor or discipline management in cases where failed strategies continue to be implemented or when the board refuses to consider views from a large majority of shareowners, analysts, and market participants. In the case of a breakdown of proper board oversight, SBA is likely to vote against all or most members of the board, and in cases where a dissident has launched a proxy contest, SBA may be supportive of the dissident nominees if they present with appropriate qualifications and strategies, as discussed below. Shareowners sometimes target under-performing directors through "vote no" campaigns. An empirical study found that "vote no" campaigns are an effective tool to voice concerns with a particular director and often successfully pressure the company to act.¹⁶ This underscores that performance is an essential component of governance and should be considered when evaluating director elections.

¹⁵ The SBA generally does not consider age as a rationale for withholding votes. Length of service on a board is sometimes a factor in determining independence for a director but is not used to justify a withhold vote except in rare instances with unusual circumstances. See the guideline for "Limits on board service".

¹⁶ Diane Del Guercio, Laura Seery, and Tracie Woidtke, "Do Boards Pay Attention when Institutional Investor Activists 'Just Vote No,'" available at <http://ssrn.com/abstract=575242>. The study finds a forced CEO turnover rate of 25 percent in firms targeted with "vote no" campaigns.

Boards are expected to conduct internal and external evaluations of their own functioning to assess how well they are performing their responsibilities.¹⁷ These evaluations can be particularly helpful for committees as well, such as in assessing audit committee performance. The audit committee is responsible for independent oversight of the company's financial statements and, in the absence of a separate risk committee, is also often responsible for risk oversight.¹⁸ Regular self-assessments are critical to a productive audit committee. The SBA will consider the audit committee's performance, especially as it relates to oversight and risk management, when voting on individual committee members. Evidence of poor audit committee performance are financial restatements, including as a result of option backdating, unremediated material weaknesses, and attempts to limit auditor liability through auditor engagement contracts. The severity, breadth, chronological sequence and duration of financial restatements, and the company's efforts at remediation will be examined in determining whether withhold votes are warranted.

Likewise, the function of the nominating and governance committees will be assessed by considering how the committees have approached implementation of governance rules and the impact on shareowners' rights, particularly in cases of bylaw amendments or votes on shareowner and management proposals. When a company goes public with a dual or multi-class share structure without a sunset provision on unequal voting rights such as in the case of an IPO or spinoff, SBA may withhold votes from or vote against directors. Bylaws that create supermajority voting thresholds or limit shareowner rights are generally undesirable but depends on the context of the individual company. This committee also is responsible for board nominations, and SBA judges this function by the qualifications of the nominees. This committee should try to seek candidates that are diversified not only in backgrounds, experience and knowledge, but in all other aspects appropriate for the individual company and should disclose these efforts to shareowners.

Members of the compensation committee are judged in accordance with the aspects of the compensation philosophy, plan, and implementation. Compensation that is out of line with respect to magnitude, peers, or performance is problematic, as are plans that reward compensation without appropriate performance-based conditions or feature undesirable elements such as gross-ups or single-trigger severance packages.

We may withhold support for individual directors if there are indications that directors are failing or failed to understand company risk exposures and/or take reasonable steps to mitigate the effects of the risk, leading to large losses.

Restricting shareowner rights or failing to sufficiently act on shareowner input – such as ignoring a shareowner proposal that received majority support of votes cast or attempting to block or limit the ability of shareowners to file precatory or binding proposals or adopt or amend bylaws

Serving on too many boards ("over-boarding") – generally a director who serves on more than 3 company boards and who is employed in a full-time position.¹⁹ Directors with significant outside responsibilities such as serving as CEO of a public company should not exceed one external board

¹⁷ A paper by the Global Corporate Governance Forum recommends using board evaluations as open communication to focus on inadequacies, identify strategic priorities and become more efficient through the review of policies and procedures [GCGF, Board Performance Evaluation].

¹⁸ SEC Rule 10A-3 under the Exchange Act mandates that stock exchanges adopt listing standards that require that each member of the audit committee of a listed company has (1) not received compensation from the issuer other than for board services and (2) is not an "affiliated person" of the issuer that either controls, is controlled by, or is under common control with the issuer.

¹⁹ See Fich, Eliezer M. and Anil Shivdasani, 2006, "Are Busy Boards Effective Monitors?," The Journal of Finance, Vol. 61, No. 2, pp. 689-724 (36), Blackwell Publishing. This study of U.S. industrial firms between 1989 and 1995, found that when a majority of outside directors serve on three or more boards, firms exhibit lower market-to-book ratios, as well as weaker operating profitability. When a majority of outside directors are over boarded, the sensitivity of CEO turnover to performance is significantly lower than when a majority of outside directors are not busy. Investors react positively to the departure of over boarded directors, while firms, whose directors acquire an additional board seat and become over boarded, end up experiencing negative abnormal returns.

membership.²⁰ Surveys of directors have indicated that the average board membership requires over 250 hours of active, committed work, making service on multiple boards difficult for executives, particularly CEOs, and leading to many investors embracing similar limits as the SBA. When seeking to improve board composition, boards should choose well-qualified candidates who are not already committed to serving as a director on more than three boards.

Poor attendance at meetings without just cause – less than 75 percent attendance rate.

Lack of independence – most markets should have independent board representation that meets a minimum two thirds threshold. Independence is defined as having no business, financial or personal affiliation with the firm other than being a member of its board of directors. Directors or nominees that are affiliated with outside companies that conduct business with the company, have significant outside links to senior management, were previously employed by the company or are engaged directly or indirectly in related-party transactions are highly likely to be considered non-independent, depending on the materiality of the circumstances. At controlled companies (where an investor controls a majority of a firm's equity capital); support may be withheld from directors at boards with less than a one-third proportion of independent directors.

Boards without adequate independence from management may suffer from conflicts of interest and impaired judgment in their decision-making. In addition to poor transparency, directors with ties to management may be perceived to be less willing and able to effectively evaluate and scrutinize company strategy and performance. SBA scrutinizes management nominees to the board, because of the conflict of interest inherent in serving on the board, which in turn is charged with overseeing the performance of senior management. In most markets, we support the CEO of the company as the only reasonable management team member to serve on the board.

Lack of disclosures – because there are differences in each market as to disclosures and voting procedures for director elections, SBA considers practices in the local market, but does not compromise on fundamental tenets such as the right to elect individual directors (as opposed to a slate as a whole) and the need for proof that director candidates can provide independent oversight of management. Global markets increasingly depend on the homogenization of better governance standards to increase shareowner value and liquidity in emerging markets. The protection of fundamental voting rights may be at odds with local market customs in the short run²¹, but through voting the SBA aims to encourage companies to adopt minimum-level best practices throughout the portfolio of holdings.

In certain markets where the quality and depth of disclosures about the nominees are less than desirable, we work with other investors to advocate for improvements in these markets as a matter of course. In a few markets, the directors may be proposed as a group in a single bundled voting item, preventing a vote on each director, which is considered a very poor practice in developed economies.

When nominees are bundled or insufficient information is disclosed, we typically oppose the item. When appropriate information is disclosed, we make voting decisions based on the qualifications of

²⁰ Neil Roland, "Directors at troubled companies overbooked, research firm claims" Financial Week, February 25, 2009. This article gives examples of over-boarding problems at struggling U.S. financial institutions. State Board of Administration (SBA) of Florida, "Time is Money," study on over-boarded directors and company performance, 2018.

²¹ For instance, Italy amended its "Consolidated Financial Act" to mandate that Italian issuers reserve a certain number of board seats for candidates presented by minority shareowners. This mandate affects Board of Director elections, Supervisory Board elections, and Board of Statutory Auditor elections. See, "Italian Issuers-Guidelines for the election of the Board of Directors (or Supervisory Board) or Board of Statutory Auditors," Trevisan & Associati February 19, 2009 available at http://www.trevisanlaw.it/en_mask.html?5 (last visited March 2, 2009).

the nominee, the performance of the nominee on this or other boards, if applicable, and the needs of the board considering the other nominees' overall skillset.

Minimal or no stock ownership – regarding industry or market peers. Companies should adopt a policy covering stock ownership for directors and annually review compliance among members. Certain markets have laws prohibiting ownership or discourage ownership among directors as a potential conflict of interest, so SBA is more nuanced in assessing directors on these markets.

Proxy contests are less typical election events, only occurring in a small fraction of director elections, but require shareowners to judge between competing views of strategic direction for the company. When analyzing proxy contests, the SBA focuses on two central questions: (1) Have the dissidents demonstrated that change is warranted at the company, and if so, (2) will the dissidents be better able to affect such change versus the incumbent board?

When dissidents seek board control with a majority of nominees, they face a high burden of proof and must provide a well-reasoned and detailed business plan, including the dissidents' strategic initiatives, a transition plan that describes how the dissidents will affect change in control, and the identification of a qualified and credible new management team. The SBA compares the detailed dissident plan against the incumbents' plan and compares the dissidents' proposed board and management team against the incumbent team.

Usually dissidents run a "short slate", which seeks to place just a few nominees on the board, not a majority. In these cases, the SBA places a lower burden of proof on the dissidents. In such cases, the SBA's policy does not necessarily require the dissidents to provide a detailed plan of action or proof that its plan is preferable to the incumbent plan. Instead, the dissidents must prove that change is preferable to the status quo and that the dissident slate will add value to board deliberations, including by considering the issues from a viewpoint different from current management, among other factors.

PROXY ACCESS: FOR

Proxy access is an important mechanism for shareowners with substantial holdings to nominate directors directly in the company's proxy materials. Generally, we support proposals that have reasonable share ownership (3% or less) and holding history (three years or less) requirements, allow shareowners to aggregate holdings for joint nominations (permitting groups of at least 20 shareowners), cap the number of shareowner nominees at the greater of two or at least 20% of the board seats, and feature other procedural elements that are not unduly burdensome on shareowners seeking to make nominations. The SBA may vote against proposals which contain burdensome or otherwise restrictive requirements, such as ownership or holding thresholds which are set at impractical levels.

SEPARATE CHAIRMAN & CHIEF EXECUTIVE OFFICER (CEO): CASE-BY-CASE

Because the board's main responsibility is to monitor management on behalf of shareowners, it is generally desirable for the chairman of the board to be an independent director, as opposed to the current CEO or a non-independent director such as a former CEO. Most academic evidence concludes that there is more benefit to shareowners when the chair is an independent director.²² SBA typically supports proposals to

²² Grinstein, Yaniv and Valles Arellano, Yearim, "Separating the CEO from the Chairman Position: Determinants and Changes after the New Corporate Governance Regulation." March 2008; Lorsch, Jay and Zelleke, Andy, "Should the CEO Be the Chairman?" MIT Sloan Management Review, 2005; Ryan Krause, Semadeni, Matthew, "Apprentice, Departure, and Demotion: An Examination of the Three Types of CEO-Board Chair Separation," Academy of Management Journal 55(6), 2012; Tonello, Matteo, John C. Wilcox, and June Eichbaum, "The Role of the Board in Turbulent Times: CEO Succession Planning." The Corporate Board, August 2009; Lucier, Chuck, Steven Wheeler, and Rolf Habbel, "The Era of the Inclusive Leader." The Corporate Board, September/October 2007; "Chairing the Board: The

provide for an independent board chairman; however, in certain cases where strong performance and governance provisions are evident, SBA may support the status quo of a serving combined CEO and chairman.

When considering whether to support a separate CEO and chairman proposal, SBA considers factors such as if there is a designated, independent lead director with the authority to develop and set the agenda for meetings and to lead sessions outside the presence of the executive chair, as well as short and long-term corporate performance on an absolute and peer-relative basis. To maintain board accountability, the SBA will not endorse the combined role of CEO and chair unless there is a strong, empowered lead director, superior company performance, and exemplary governance practices in other areas such as shareowner rights and executive compensation.

MAJORITY VOTING FOR DIRECTOR ELECTIONS: FOR

Proxy contests are rare; most elections feature uncontested elections where the number of directors nominated equals the number of board seats. When plurality voting is used as the voting standard in uncontested elections, the members are guaranteed election, no matter how few shareowners supported them. The SBA supports a majority voting standard for uncontested elections because it adds the requirement that a majority of shareowners must vote for each member to be considered duly elected. We prefer for the board to make this requirement in the bylaws of the company, not as a board policy. Policies that require the board members failing to achieve majority support to offer a resignation, which in turn may or may not be accepted by the board or committee, are not acceptable alternatives to a true majority vote standard for uncontested elections.

The SBA strongly endorses the majority voting election standard for the meaningful accountability it affords shareowners and because it provides another element to the system of checks and balances of power within the corporate structure. In contested elections, however, plurality voting remains the most effective voting standards, so all bylaws should specify that the majority voting standard applies only to uncontested elections.

ANNUAL ELECTIONS / NON-CLASSIFIED BOARD: FOR

A classified, or staggered, board is one in which directors are divided into three “classes” with each director serving three-year terms. All directors on a non-classified board serve one-year terms and the entire board is re-elected each year. The SBA opposes classified boards and their provisions because we believe that annual accountability will ultimately lead to increased corporate performance. Classified boards decrease corporate accountability by protecting directors from election on an annual basis. Alternatively, the SBA supports changing from a staggered board structure to annual elections for all directors.

Studies performed by economists at the SEC and by academics support the view that classified boards are contrary to shareowner interests, showing negative effects on share value for companies that adopt classified boards.²³ While classified board proponents cite stability, independence, and long-term strategic

Case for Independent Leadership in Corporate North America,” Policy Briefing No. 4, Millstein Center for Corporate Governance & Performance, Yale School of Management, 2009.

²³ For example, the SEC studied the impact of 649 anti-takeover proposals submitted between 1979 and 1985. The proposals consisted of fair price provisions, institution of supermajority vote requirements, classified board proposals, and authorization of blank check preferred stock. Stocks within the group showed an average loss in value of 1.31 percent. The study also found that the proposals were most harmful when implemented at firms that have higher insider and lower institutional shareholdings.

risk taking as justification for staggered boards, recent research has shown little evidence of such benefits.^{24,25}

REQUIRE MAJORITY OF INDEPENDENT DIRECTORS: FOR

SBA supports a majority independence requirement because shareowners are best served when the board includes a significant number of independent outside directors who will represent their interests without personal conflict. The most important role of the board is to objectively evaluate the performance of senior management, so outside directors with relevant, substantial industry qualifications are most likely to perform well in this role.

SBA considers local market practices but is likely to vote against current members if less than a majority of independent directors exists. In developed markets, we expect a supermajority of independent directors and consider a two-to-one ratio of independent directors to inside and affiliated directors to be a reasonable standard and will withhold support from individual director nominee who are not independent in those circumstances. Furthermore, SBA supports restricting service on compensation, audit, and governance/nominating committees to independent outside directors only.

ESTABLISH OR SET MEMBERSHIP OF BOARD COMMITTEES: CASE-BY-CASE

SBA supports the audit, compensation, and governance/nominating committees being composed solely of independent board members. Independent directors face fewer conflicts of interests and are better prepared to protect shareowner interests.²⁶

Some proposals seek to add committees on specific issues such as risk management, sustainability issues, and even specific issues such as technology and cybersecurity. When voting on proposals suggesting the establishment of new board committees, we assess the rationale for the committee and the process for handling discussions and decisions on such topics currently in place at the company. We support formation of committees that would protect or enhance shareowner rights when the company's current practices are failing to do so adequately.

In most markets, SBA expects board to have key committees such as compensation, nominating/governance, and audit committees. SBA generally encourages companies, especially financial companies, to have a standing enterprise risk management committee of the board with formal risk management oversight responsibilities.²⁷ We may withhold support for individual directors if there are indications that directors failed to understand company risk exposures and/or failed to take reasonable steps to mitigate the effects of the risk, leading to large losses.

Shareowner advisory committees may advise the board on shareowner concerns and create formal means of communication between company stockholders and company management. SBA generally

²⁴ Faleye, Olubunmi, "Classified Boards, Stability, and Strategic Risk Taking," *Financial Analysts Journal*, Volume 65, No. 1, 2009. Also see, Lucian A. Bebchuk, "The Myth That Insulating Boards Serves Long-Term Value," *Columbia Law Review*, Vol. 113, October 2013 and Bebchuk, Lucian, Cohen, Alma, and Wang, Charles C.Y. ; "Staggered Boards and the Wealth of Shareholders: Evidence from a Natural Experiment," Harvard Law School John M. Olin Center Discussion Paper No.

²⁵ June, 2010; Gompers, Paul A., Joy L. Ishii, and Andrew Metrick, "Corporate Governance and Equity Prices," National Bureau of Economic Research Working Paper No. W8449, August 2001; Bates, Thomas W., David A. Becher and Michael L. Lemmon, 2007, "Board Classification and Managerial Entrenchment from the Market for Corporate Control", electronic copy available at: <http://ssrn.com/abstract=923408>; Jiraporn, Pornsit and Yixin Liu, 2008, "Capital Structure, Staggered Boards, and Firm Value," *Financial Analyst Journal*, Volume 64, Number 1.

²⁶ T Aggraval, Reena et al, 2007, "Differences in Governance Practices between US and Foreign Firms: Measurement, Causes, and Consequences", Charles A. Dice Center for Research in Financial Economics, Working Paper 2007-14

²⁷ In 2004, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) defined Enterprise Risk Management (ERM) as, "a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives."

supports advisory committee proposals, particularly those intended to improve poor corporate governance practices.

SBA is typically unsupportive of proposals that specify establishment of a governmental party committee (as seen in certain proposals to add a Communist party committee for Chinese or Hong Kong state-owned entities) without disclosing board decision-making processes or the respective responsibilities of the party organization and the board. Companies should disclose as much relevant information on the interaction between the company and the government party committee as possible to help shareowners understand the company's decision-making process—particularly in those circumstances where the board allows the party committee to make material decisions. SBA generally votes against such proposals as they may erode the ability of shareowner-elected directors to govern the firm and sever the ties of accountability between the board and shareowners.

CUMULATIVE VOTING: CASE-BY-CASE

Cumulative voting generally is useful to minority shareowners at companies where a large or controlling shareowner or block of shareowners that may act in concert (such as a family-owned company) exists. It guarantees that minority shareowners will be able to elect at least one of their preferred candidates to the board of directors, even if the candidate does not win a majority vote. In contrast, only majority shareowners are guaranteed board representation at companies without cumulative voting.

The SBA will examine proposals to adopt cumulative voting considering the company's ownership profile (particularly whether there is a majority or near majority voting block) and the presence of other governance provisions such as proxy access and majority voting election requirements that directly address the voting process. A majority vote election standard ensures board accountability in uncontested elections and in some cases mitigates the need for cumulative voting. Although majority voting is meaningful in uncontested elections, it can convolute voting outcomes in contested elections. Cumulative voting, on the other hand, is meaningful primarily in contested elections, and therefore pairs well with proxy access provisions at controlled companies.

The SBA is likely to support cumulative voting proposals at majority-controlled companies to ensure that a single shareowner or small group of shareowners is unable to control voting outcomes in full. The SBA may vote against proposals to adopt cumulative voting if the company has no large shareowner blocks that aggregate easily to majority control and has adopted a full majority voting in elections bylaw (not a resignation policy), as well as proxy access or a similar structure that proactively encourages shareowners to nominate directors to the company's ballot.

REIMBURSE SHAREOWNERS FOR PROXY EXPENSES: CASE-BY-CASE

SBA generally supports proposals requiring reimbursement of proxy solicitation costs for successful dissident nominees. The expenses associated with promoting incumbent directors in a proxy contest are paid by the company, and for parity, dissidents elected by shareowners should have this benefit as well.

In some circumstances at firms with no reimbursement policy, dissidents are reimbursed only for proxy solicitation expenses if they gain control of the company and seek shareowner approval for the use of company funds to reimburse themselves for the costs of solicitation. SBA would typically support reimbursement of reasonable costs in these instances.

CONFIDENTIAL VOTING: FOR

SBA supports greater transparency in election tabulations and the use of independent tabulators and inspectors, and we support to concept of end-to-end vote confirmation so that shareowners can be confident that their vote was correctly cast and counted. However, we are respectful of shareowners who may prefer anonymity. In a confidential voting system, only vote tabulators and inspectors of elections may examine individual proxies and ballots—management and shareholders are given only voting totals. The SBA supports resolutions requesting that corporations adopt a policy of confidential voting combined with the use of independent vote tabulators and inspectors of elections because it is the best way to guarantee confidentiality. However, the SBA generally does not support resolutions calling for confidential voting if they lack an independent inspector requirement.

In the absence of such policies, shareowners can vote confidentially by registering their shares with third parties as objecting beneficial owners (OBOs), allowing anonymity in the voting process. In an open voting system, management can determine who has voted against its director nominees (or proposals) and then re-solicit those shareowners before the final vote count. As a result of the re-solicitation, shareowners may be pressured to change their vote. On the positive side, many companies are increasing their interactions with shareowners before the voting occurs through expanded proxy solicitation conversations and other paths of engagement.

MINIMUM STOCK OWNERSHIP: FOR

The SBA typically supports proposals that require directors to own a reasonable minimum amount of company stock.²⁸ The SBA will consider voting against directors who own no company stock and have served on the board for more than one year. One of the best ways for directors to align their interests with those of the shareowners is to own stock in the corporation, and since director fees are typically paid partially in stock, retention guidelines encourage long-term ownership of these shares. SBA typically expects non-employee directors to maintain ownership of a number of shares having a market value equal to five times their annual retainer.

Boards should establish a policy and annually review and identify the positions covered by directors and executives. The annual review should also provide information to shareowners on whether guidelines are met and describe any action taken for non-compliance. The guidelines should identify what compensation types may be considered as ownership and what holdings are not (such as hedged positions).

NOMINEE QUALIFICATIONS: CASE-BY-CASE

SBA may support proposals concerning nominee qualifications if there is justification for doing so and the criteria include reasonable limits, restrictions, or requirements.

Some boards of directors may unilaterally implement changes to their corporate bylaws or articles aimed at restricting the ability of shareowners to nominate director candidates who receive third-party compensation or payments for serving as a director candidate or for service as a director of the company. Such restrictive director qualification requirements may deter legitimate investor efforts to seek board representation via a proxy contest and could exclude highly qualified individuals from being candidates for board service. When such provisions are adopted without shareowner ratification, the SBA may withhold support from members of the full board of directors or members of the governance committee

²⁸ Executive stock ownership is covered in the executive compensation section of these guidelines.

serving at the time of the bylaw amendment. However, SBA does support disclosure of all compensation and payments made by a third-party to nominees or directors.

LIMITS ON BOARD SERVICE: AGAINST

The SBA generally votes AGAINST proposals to limit the service of outside directors. While refreshing a board with new outside directors often brings in fresh ideas and a healthy mix of director experience that benefit shareowners, we do not believe arbitrary limits such as tenure limits and mandatory retirement ages are appropriate ways to achieve that goal. They preclude a board's more nuanced examination of its members' contributions and could harm shareowners' interests by preventing some experienced and knowledgeable directors from serving on the board. Age limits are a form of discrimination.

Boards of directors should evaluate director tenure as part of the analysis of a director's independence and overall performance. Some studies indicate a correlation between director tenure and firm performance. A study of companies in the U.S. found that the relationship between average director tenure and firm value was negatively correlated, but highly dependent on tenure levels over time.²⁹

SET BOARD SIZE: CASE-BY-CASE

The voting decision for these proposals depends on who is making the proposal and why. On occasion, management proposals seek to limit a shareowner's ability to alter the size of the board, while at the same time, allowing management to increase or decrease the size of the board at its discretion. Corporate management argues that the purpose of such proposals is to prevent a dominant shareowner from taking control of the board by drastically increasing the number of directors and electing its own nominees to fill the newly created vacancies. Other scenarios may include a board's downsizing in response to business changes or acquisitions. The SBA generally supports such proposals when a reasonable rationale is presented for the change. We prefer a shareowner vote for any changes in board size because the directors serving are representatives of the shareowners, and they should collectively determine the size of the board. Often, state law supersedes corporate bylaws by specifying minimum and maximum board size, as well as the process governing changes in board size.

REQUIRE MORE NOMINEES THAN BOARD SEATS: AGAINST

SBA opposes shareowner proposals requiring two candidates per board seat. Proxy access is a preferable mechanism for shareowners to nominate directors when necessary.

DIRECTOR LIABILITY AND/OR INDEMNIFICATION: CASE-BY-CASE (AND ACCORDING TO STATE LAWS)

Indemnification literally means "to make whole." When a corporation indemnifies its directors and officers, the directors are covered by the company or insured by a purchased policy against certain legal expenses, damages and judgments incurred because of lawsuits relating to their corporate actions. SBA may vote in favor if the covered acts provide that a "good faith" standard was satisfied. The SBA votes against such proposals if coverage expands beyond legal expenses and applies to acts that are more serious violations of fiduciary obligation, such as negligence or violating the duty of care.

²⁹ Huang, Sterling, "Board Tenure and Firm Performance," INSEAD Business School, May 2013.

SUPPORT SHAREOWNER COMMUNICATIONS WITH THE BOARD: FOR

The SBA generally supports shareowners' proposals requesting that the board establish a procedure for shareowners to communicate directly with the board, such as through creating an office of the board of directors, unless the company has done all the following:

- Established a communication structure that goes beyond the exchange requirements to facilitate the exchange of information between shareowners and members of the board;
- Disclosed information with respect to this structure to its shareowners;
- Heeded majority-supported shareowner proposals or a majority withhold vote on a director nominee;
- Established an independent chairman or a lead/presiding director. This individual must be made available for periodic consultation and direct communication with major shareowners.

ADOPT TWO-TIERED (SUPERVISORY/MANAGEMENT) BOARD STRUCTURE: CASE-BY-CASE

Companies in some countries have a two-tiered board structure, comprising a supervisory board of non-executive directors and a management board with executive directors. The supervisory board oversees the actions of the management board, while the management board is responsible for the company's daily operations. At companies with two-tiered boards, shareowners elect members to the supervisory board only; the supervisory board appoints management board members. In Austria, Brazil, the Czech Republic, Germany, Peru, Poland, Portugal, and Russia, two-tiered boards are the norm. They are also permitted by Company law in France and Spain.

The merits of the new structure will be weighed against the merits of the old structure in terms of its ability to represent shareowners' interests adequately, provide for optimal governance structure, and to generate higher shareowner value.

RATIFY ACTIONS TAKEN BY BOARD DURING PAST YEAR: CASE-BY-CASE

Many countries require that shareowners discharge the board or management for actions taken in the previous year. In most cases, discharge is a routine item and does not preclude future shareowner action if wrongdoing is discovered.³⁰ Unless there is clear evidence of negligence or action counter to shareowners' interests, the SBA will typically support the proposals. However, in the United States, given the unusual nature of discharge proposals, the SBA will typically vote against proposals that would limit the board or management from any future legal options.

APPROVE PROPOSED/COMPLETED TRANSACTIONS BETWEEN DIRECTORS AND COMPANY: CASE-BY-CASE

Transactions between a parent company and its subsidiary, or a company's dealings with entities that employ the company's directors, are usually classified as related-party transactions and are subject to company law or stock exchange listing requirements that mandate shareowner approval. Shareowner approval of these transactions is critical as they are meant to protect shareowners against abuses of power. Transactions should be completed at arm's length and not benefit directors and/or insiders at company or shareowners' expense. We also support reviews of director transactions by independent committees.

³⁰ In June 2008, Manifest and Morley Fund Management analyzed governance practices in continental Europe and issued a report that emphasized the country specific implications of discharging directors. "Directors' Liability Discharge Proposals: The Implications for Shareowners" stressed that the nature and scope of directors' liabilities vary by jurisdiction. "Each market has its own rules, regulations and best practice guidelines against which informed decisions should be measured and carefully weighed." One similarity noted in the report was that "in all the markets covered by the study, a failure to grant a discharge from liability does not have an immediate effect on the liability of directors, but merely leaves the possibility open for the company to initiate an action for liability."

INVESTOR PROTECTIONS

Investor protections encompass voting items that impact the ability of shareowners to access information needed to make prudent decisions about ownership and to exercise their rights to influence the board, election processes, and governance structure of the company. These items fall into categories relating to audits, disclosures, anti-takeover defenses and vote related mechanisms. SBA is committed to strong investor rights across all these domains and will exercise our votes to protect and strengthen the rights of shareowners in these crucial areas.

While SBA is deferential to the company and board on many issues affecting the operations of the firm whenever prudent, we are not deferential when it comes to the ability to exercise shareowner responsibilities, which includes monitoring the firm and the board of directors and acting to support change when it is warranted. We require and therefore will support strong audit functioning and detailed disclosures in a variety of areas. Strong investor rights, as well as policies that do not allow board entrenchment, are necessary for investors to protect share value.

Auditors

RATIFICATION OF AUDITORS: CASE-BY-CASE

Most major companies around the world use one of the major international auditing firms to conduct their audits. As such, concerns about the quality and objectivity of the audit are typically minimal, and the reappointment of the auditor is usually a routine matter. In the United States, companies are not legally required to allow shareowners to ratify the selection of auditors; however, a growing number are doing so. Typically, proxy statements disclose the name of the company's auditor and state that the board is responsible for selection of the firm.

The auditor's role in safeguarding investor interests is critical. Independent auditors have an important public trust, for it is the auditor's impartial and professional opinion that assures investors that a company's financial statements are accurate.³¹ Therefore, the practice of auditors providing non-audit services to companies must be closely scrutinized. While large auditors may have internal barriers to ensure that there are no conflicts of interest, an auditor's ability to remain objective becomes questionable when fees paid to the auditor for non-audit services such as management consulting, general bookkeeping, and special situation audits exceed the standard annual audit fees. In addition to ensuring that the auditor is free from conflicts of interest with the company, it is also important to ensure the quality of the work that is being performed.³²

One of the major threats to high quality financial reporting and audit quality is the risk of material financial fraud. Several studies have analyzed the nature, extent, and characteristics of fraudulent financial reporting, as well as the negative consequences for investors and management.³³ The studies' authors noted that auditing standards place a responsibility on auditors to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

³¹ Hollis Ashbaugh-Skaife, et al, The Effect of SOX Internal Control Deficiencies on Firm Risk and Cost of Equity June 10, 2008.

³² Joseph Carcello & Chan Li, "Costs and Benefits of Requiring an Engagement Partner Signature: Recent Experience in the United Kingdom," Corporate Governance Center at the University of Tennessee, Working Paper, 2012. This study found that when an audit partner's name is included within the audit report, the quality of the audit increases, along with auditor fees.

³³ Mark S. Beasley, Joseph V. Carcello, Dana R. Hermanson, and Terry L. Neal, "An Analysis of Alleged Auditor Deficiencies in SEC Fraud Investigation: 1998-2010," University of Tennessee Corporate Governance Center, May 2013. Also see, Committee of Sponsoring Organizations of the Treadway Commission (COSO), "Fraudulent Financial Reporting: 1998-2007, An Analysis of U.S. Public Companies," 2010.

SBA generally supports proposals to ratify auditors unless there is reason to believe that the auditing firm has become complacent in its duties, or its independence has been compromised.³⁴ SBA believes all publicly held corporations should rotate their choice of auditors periodically. Shareowners should be given the opportunity to review the performance of the auditors annually and ratify the board's selection of an auditor for the coming year.³⁵

The audit committee should oversee the firm's interaction with the external auditor and disclose any non-audit fees completed by the auditor. Audit committees should disclose all factors considered when selecting or reappointing an audit firm, information related to negotiating auditor fees, the tenure of the current external audit firm, and a description of how the audit committee oversees and evaluates the work of their external auditor. Serial or significant restatements are potential indications of a poorly performing auditor, audit committee, or both.

APPOINT INTERNAL STATUTORY AUDITORS (JAPAN, HONG KONG, SOUTH KOREA): FOR

Most votes for auditors in Japan are to approve internal statutory auditors (also known as corporate auditors) rather than external auditors. Statutory auditors have the right to attend board meetings, although not to vote, and the obligation to cooperate with the external auditor and to approve its audit. They are required by law to keep board members informed of the company's activities, but this has become a largely symbolic function. They do not have the ability to remove directors from office. Internal auditors serve for terms of four years and may be renominated an indefinite number of times. While many investors view statutory auditors in a positive light, they are not substitutes for independent directors.

In Japan, at least half of internal auditors must be independent. While companies have complied with the technical requirements of the law, many have ignored its spirit. It is in shareowners' interests to improve the audit and oversight functions in Japan and to increase the accountability of companies to shareowners. Therefore, the SBA will not support internal auditors specified as independent but with a past affiliation with the company. When a statutory auditor attends fewer than 75 percent of board and auditor meetings, without a reasonable excuse, the SBA will generally vote against the auditor's appointment.

In other capital markets, such as South Korea, proposals seeking shareowner approval for statutory auditors' fees are not controversial. Generally, management should disclose details of all fees paid to statutory auditors well in advance of the meeting date so that shareowners can make informed decisions about statutory auditor remuneration requests. In any market, SBA may vote against the appointment of the auditor if necessary information about the auditors and fees has not been appropriately disclosed.

REMOVE/ACCEPT RESIGNATION OF AUDITORS: CASE-BY-CASE

SBA seeks to ensure auditors have not been pressured to resign in retaliation for their opinions or for providing full disclosure.

³⁴ Jonath Stanley, Auburn University, "Is the Audit Fee Disclosure a Leading Indicator of Clients' Business Risk?," American Association of Accountants Quarterly Journal, 2011. For example, non-audit fees, primarily tax and other consulting fees, can exceed audit fee revenue by a large margin, impairing an audit firm's objectivity. This study examined about 5,000 small sized companies over a seven-year period and concluded that rising audit fees were a leading indicator for future deterioration in financial performance as measured by firms' return on assets, determined by both earnings and cash flows.

³⁵ Under Rule 10A-3(b)(2) of the Securities Exchange Act of 1934, as amended, the audit committee, "must be directly responsible for the appointment, compensation, retention and oversight," of the independent auditor. Section 303A.06 of the New York Stock Exchange Listed Company Manual requires that the audit committees of its listed companies satisfy the requirements of Rule 10A-3. As a result of these requirements, audit committee charters normally include the responsibility for and total discretion to select, evaluate, compensate, and oversee the work of any registered public accounting firm engaged in preparing or issuing audit report(s).

AUDITOR INDEMNIFICATION AND LIMITATION OF LIABILITY: CASE-BY-CASE

Auditor indemnification and limitation of liability are evaluated on an individual basis. Factors to be assessed by the SBA include:

- the terms of the auditor agreement and degree to which it impacts shareowners' rights;
- motivation and rationale for establishing the agreements;
- quality of disclosure; and
- historical practices in the audit area.

SBA will consider voting against auditor ratification if the auditor engagement contract includes provisions for alternative dispute resolution, liability caps, and caps on punitive damages (or the exclusion of punitive damages). Such limitations on liability and indemnification shift the risk from the auditor to the company, and therefore, the shareowners. The staff of the Securities and Exchange Commission (SEC) has stated that it believes caps on punitive damages in audit contracts are not in the public interest and compromises auditor independence.³⁶ SBA will also consider voting against audit committee members if they have diminished the value or independence of the audit, such as when a company has entered into an agreement with its auditor requiring alternative dispute resolution or punitive liability caps.

APPROVE ACCOUNTING TRANSACTIONS (OTHER THAN DIVIDEND): CASE-BY-CASE

In many international markets, proposals to approve accounting transfers are common and are often required to maintain specified balances in accounts as required by relevant market law. Companies are required to keep specific amounts in each of their reserves. Additionally, companies may, in some instances, be required by law to present shareowners with a special auditors' report confirming the presence or absence of any non-tax-deductible expenses, as well as the transfer of these to the company's taxable income if applicable. In the absence of any contentious matters, the SBA is generally in favor.

AUDIT FIRM ROTATION, TERM RESTRICTIONS, AND SCOPE OF ENGAGEMENT PROPOSALS: CASE-BY-CASE

These shareowner proposals typically ask companies to adopt practices that are thought to help preserve auditor independence, such as prohibiting the auditor from providing non-audit services or capping the level of non-audit services and/or requiring periodic rotation of the audit firm. These practices are expected to help maintain a neutral and independent auditor by making the auditor's relationship with the company less lucrative.³⁷

While term limits may result in higher audit fees, the positive impact would be that a new auditor would periodically provide a fresh look at the company's accounting practices. A practice of term limits also ensures that the audit won't see the company as a never-ending client, and perhaps will be more inclined to flag questionable practices. Despite attracting a lot of attention, mandatory audit rotation has not been required by regulators or by exchange listing standards.³⁸ SBA weighs the aspects of the individual situation and proposal terms when making voting decisions concerning audit rotation, considering the length of tenure for the auditor, the level of audit and non-audit fees, and the history of audit quality. A history of restatements or atypical fees increases the likelihood of SBA supporting these proposals. Most companies

³⁶ U.S. Securities and Exchange Commission, Office of the Chief Accountant: Application of the Commission's Rules on Auditor Independence – Frequently Asked Questions, December 13, 2004.

³⁷ Max H. Bazerman, George Loewenstein, and Don A. Moore, "Why Good Accountants Do Bad Audits." Harvard Business Review, Vol. 80, Issue 11, Nov. 1, 2002.

³⁸ The Conference Board Commission on Public Trust and Private Enterprise, "Corporate Governance: Principles, Recommendations and Specific Best Practice Suggestions." Parts 2 and 3, Jan. 9, 2003. PCAOB Concept Release No. 2011-006. August 16, 2011. http://pcaobus.org/Rules/Rulesmaking/Docket037/Release_2011-006.pdf. Jackson, Modrich, and Roebuck, "Mandatory Audit Firm Rotation and Audit Quality," 2007; Chung, H., "Selective Mandatory Rotation and Audit Quality: An Empirical Investigation of Auditor Designation Policy in Korea," 2004. Also see, Martinez and Reis, "Audit Firm Rotation and Earnings Management in Brazil," 2010.

seek shareowner ratification of the auditor, and the lack of this provision would also increase the likelihood of SBA supporting a reasonable proposal.

Disclosures

COMPANY REPORTS OR DISCLOSURES: CASE-BY-CASE

Often, shareowner proposals do not request that companies take a specific action, but instead simply request information in the form of reports or disclosures on their policies or actions. Disclosure requests cover a variety of topics. SBA considers supporting disclosure requests when there is a reasonable expectation that the information would help investors make better risk assessments and for topics that cover issues that could have a substantial impact on shareowner value. We evaluate the company's existing disclosures on the topic and weigh the benefit from additional disclosures against the cost to the company, which includes not just the direct cost of compiling information but potential of disclosing sensitive or competitively damaging information. For each proposal, the SBA considers whether such information is already publicly provided by the company, and we do not support redundant proposal requests.

Common disclosure requests and SBA's evaluation process:

- Greenhouse gas emissions—Companies are already required by the Securities and Exchange Commission (SEC) to disclose material expected capital expenditures when operating in locales with greenhouse gas emission standards. Companies may also be required to disclose risk factors regarding existing or pending legislation that relates to climate change and assess whether such regulation will likely have any material effect on the company's financial condition or results, the impact of which is not limited to negative consequences but should include new opportunities as well.
- Energy efficiency—SBA considers the current level of disclosure related to energy efficiency policies, initiatives, and performance measures; the company's level of participation in voluntary energy efficiency programs and initiatives; the company's compliance with applicable legislation and/or regulations regarding energy efficiency; and the company's energy efficiency policies and initiatives relative to industry peers.
- Water supply and conservation—Companies should disclose crucial water supply issues, as well as contingency planning to ensure adequate supply for anticipated company demand levels. SBA often supports proposals seeking disclosure of water supply dependency or preparation of a report pertaining to sustainable water supply for company operations.
- Political contributions and expenditure—Companies should disclose the amount and rationales for making donations to political campaigns, political action committees (PACs), and other trade groups or special interest organizations. SBA typically considers the following factors:
 - Recent significant controversy or litigation related to the company's political contributions or governmental affairs;
 - The public availability of a company policy on political contributions and trade association spending, including the types of organizations supported;
 - The business rationale for supporting political organizations;
 - The board oversight and compliance procedures related to such expenditures of corporate assets.
- Operations in protected or sensitive areas—such operations may expose companies to increased oversight and the potential for associated risk and controversy. The SBA generally supports requests for reports outlining potential environmental damage from operations in protected regions unless operations in the specified regions are not permitted by current laws or regulations, the company does not currently have operations or plans to develop operations in protected regions, or the

company provides disclosure on its operations and environmental policies in these regions comparable to industry peers.

- Community impact assessments—Controversies, fines, and litigation can have a significant negative impact on a company's financials, public reputation, and even ability to operate. Companies operating in areas where potential impact is a concern often develop internal controls aimed at mitigating exposure to these risks by enforcing, and in many cases, exceeding local regulations and laws. SBA considers proposals to report on company policies in this area by evaluating the company's current disclosures, industry norms, and the potential impact and severity of risks associated with the company's operations.
- Supply chain risks—Often these proposals seek information for better understanding risks to the company through their materials purchasing and labor practices. For example, allegations of sweatshop labor or child labor can harm sales and reputation, so knowledge of the company's policies for preventing these practices are highly relevant to shareowners. SBA considers the terms of the proposal against the current company disclosures and industry standards, as well as the potential severity of risks.

Anti-takeover Defenses

ADVANCE NOTICE REQUIREMENTS FOR SHAREOWNER PROPOSALS/NOMINATIONS: CASE-BY-CASE

SBA generally supports proposals that allow shareowners to submit proposals as close to the meeting date as reasonably possible and within the broadest window possible. Requests to shrink the window and/or move advance notice deadlines to as early as 150 days or 180 days prior to meetings have been presented by a number of company boards in recent years. Such early deadlines hinder shareowners' ability to make proposals and go beyond what is reasonably required for sufficient board notice. In addition, many companies now request shareowner approval of "second generation advance notice bylaws", which require shareowner nominees to submit company-prepared director questionnaires.³⁹ While the SBA appreciates increased disclosure of the qualifications of nominees (and incumbents), we disapprove of such requirements if they serve to frustrate shareowner-proposed nominees.

AMEND BYLAWS WITHOUT SHAREOWNER CONSENT: AGAINST

The SBA does not support proposals giving the board exclusive authority to amend the bylaws. We also discourage board members from taking such unilateral actions and may withhold votes from board members that do so. Shareowners should be party to any such decisions, a view supported by Delaware courts where a majority of U.S. firms are domiciled.⁴² If unusual circumstances necessitate such action, at a minimum, unilateral adoption should incorporate a sunset provision or a near-term window for eventual shareowner approval.

RESTRICT LEGAL RECOURSE METHODS: AGAINST

The SBA generally opposes restrictions on shareowner ability to pursue options of legal recourse. This includes binding or forced arbitration, fee-shifting, and exclusive forum bylaws.⁴⁰ Standard access to the court system is a fundamental shareowner right. SBA generally votes against proposals to establish

³⁹ Weingarten, Marc and Erin Magnor, "Second Generation Advance Notification Bylaws" Harvard Law School Corporate Governance Forum, March 17, 2009.

⁴² Claudia H. Allen, "Delaware Corporations – Can Delaware Forum Selection Clauses in Charters or Bylaws Keep Litigation in the Court of Chancery?," April 18, 2011. Early adopters of the exclusive forum provision chose to enact bylaw provisions without seeking shareowner approval. However, the *Galaviz v. Berg* decision by the U.S. District Court for Northern California if Oracle's exclusive forum provision was unenforceable, in part due to Oracle's failure to bring the provision before shareowners.

⁴⁰ In a March 2010 opinion, the Delaware Court of Chancery provided an opportunity for any Delaware corporation to establish the Court as the exclusive forum for "intra-entity" corporate disputes, such as claims of breach of fiduciary duty. Such claims have been used to overturn directors' business judgments on mergers, and other matters. Subsequently, a number of U.S. companies have decided to bring the exclusive forum provision to a shareowner vote, and others have amended their charter or by-law provisions.

exclusive forum and supports proposals requesting that exclusive forum provisions be ratified by shareowners. SBA will critically examine the company's rationale for limiting shareowners' rights to legal remedy, including choice of venue and any material harm that may have been caused by related litigation outside its jurisdiction of incorporation in making a voting decision.

POISON PILLS: AGAINST

Poison pills used to be the most prevalent takeover defense among S&P 500 companies, but their utilization has steadily declined since 2002. The vast majority of pills were instituted after November 1985, when the Delaware Supreme Court upheld a company's right to adopt a poison pill without shareowner approval in *Moran v. Household International, Inc.* Poison pills are financial devices that, when triggered by potential acquirers, do one or more of the following: (1) dilute the acquirer's equity holdings in the target company; (2) dilute the acquirer's voting interests in the target company; or (3) dilute the acquirer's equity holdings in a post-merger company. Generally, poison pills accomplish these tasks by issuing rights or warrants to shareowners that are essentially worthless unless triggered by a hostile acquisition attempt. They are often referred to by the innocuous but misleading name "shareowner rights plans".

The SBA supports proposals asking a company to submit its poison pill for shareowner ratification and generally votes against proposals approving or creating a poison pill. The best defense against hostile takeovers is not necessarily a poison pill, but an effective board making prudent financial and strategic decisions for the company.⁴¹ SBA will consider voting against board members that adopt or renew a poison pill unless the pill is subject to shareowner ratification within a year of adoption or renewal.

LIMIT WRITTEN CONSENT: CASE-BY-CASE

The SBA votes against proposals to unduly restrict or prohibit shareowners' ability to take action by written consent and supports proposals to allow or make easier shareowner action by written consent. Most states allow shareowners to take direct action such as adopting a shareowner resolution or electing directors through a consent solicitation, which does not involve a physical meeting. Alternatively, consent solicitations can be used to call special meetings and vote on substantive items taking place at the meeting itself.

LIMIT SPECIAL MEETINGS: CASE-BY-CASE

The SBA votes against proposals that unduly restrict or prohibit a shareowner's ability to call special meetings. We generally support proposals that make it easier for shareowners to call special meetings. Most states' corporate statutes allow shareowners to call a special meeting when they want to present certain matters before the next annual meeting. The percentage of shareowner votes required to force the corporation to call the meeting often depends on the state's statutes, as does the corporation's ability to limit or deny altogether a shareowner's right to call a special meeting.

SUPERMAJORITY VOTE REQUIREMENTS: AGAINST

The SBA does not support shareowner proposals that require supermajority voting thresholds. Supermajority requirements can be particularly burdensome if combined with a requirement for the vote result to be calculated using the number of shares outstanding (rather than the votes cast). There have been many instances when a company's requirements called for a proposal to be supported by eighty percent of shares outstanding but failed because just under eighty percent of shares outstanding were voted. This can be particularly problematic for resolutions to approve mergers and other significant business combinations.

⁴¹ Srinidhi, Bin and Sen, Kaustav, "Effect of Poison Pills on Value Relevance of Earnings."

Voting results should simply be determined by a majority vote of the disinterested shares.⁴² SBA supports simple majority voting requirements based on shares voted for the passage of any resolution, ordinary or extraordinary, and regardless of whether proposed by management or shareowners.

ADOPT SUPERVOTING RIGHTS ("TIME-PHASED VOTING"): AGAINST

Time-phased voting involves the granting of super-voting rights to shareowners who have held their stock for some specified period, commonly for a period of 3-5 years.⁴³ The practice is intended to be a reward for long-term shareowners and to make the votes of entities with a short-term focus relatively less effective. However, differential voting rights distort the commensurate relationship between ownership and voting power, and however well-intentioned, the practice ultimately risks harm to companies and their shareowners. By undermining the fundamental connection between voting power and economic interest, it increases risk to investors rather than reducing it. Further, it creates murkiness in the voting process where transparency is already lacking. While we value our right to vote and at times would even have increased rights under such a policy as a long-term owner, we do not wish to subvert the economic process for our own benefit, and we are concerned the practice has potential for significant harm and abuse. We do not endorse any practice that undermines the fundamental link between ownership and determination: one share, one vote.

LIMIT VOTING RIGHTS: AGAINST

The SBA supports maximization of shareowners' voting rights at corporations. Any attempts to restrict or impair shareowner voting rights, such as caps on voting rights, holding period requirements, and restrictions to call special meetings, will be opposed.

ABSTENTION VOTING TABULATION: CASE-BY-CASE

Abstentions should count for quorum purposes but should be excluded from voting statistics reporting percentages for and against. Some companies request to count abstentions in with against votes when reporting tabulations. This practice makes for inaccurate voting statistics and defies the intentions of the shareowners casting their votes. We strongly support abstention tabulation for matters of quorum satisfaction only.

TABULATING VOTES: CASE-BY-CASE

The SBA supports proposals that allow for independent third parties to examine and tabulate ballots. We support practices of end-to-end vote confirmation for accuracy and security in casting votes.

ESTABLISH A DISTINCTION FAVORING REGISTERED HOLDERS/BENEFICIAL HOLDERS: AGAINST

An extremely small and shrinking percentage of shareowners hold shares in registered form, nearing only one percent of shares outstanding. SBA does not believe any preference or distinction in ownership holding mechanism is necessary or useful. We oppose the adoption of any policy using distinctions among shareowners based on how shares are held.

⁴² Ravid, S. Abraham and Matthew I. Spiegel, "Toehold Strategies, Takeover Laws and Rival Bidders." *Journal of Banking and Finance*, Vol. 23, No. 8, 1999, pp. 1219-1242.

⁴³ Under SEC Rule 19c-4, firms are generally prohibited from utilizing several forms of stock that deviate from a one-share, one-vote standard. Such instances include tracking stocks, different stock classes with asymmetric voting rights (e.g., dual class shares), shares with time-phased voting rights as well as shares of stock with capped voting or even no rights whatsoever. However, under an amendment to the Rule made in 1994, most U.S. companies are exempted from such restrictions under circumstances.

CORPORATE STRUCTURE

These proposals seek to make some change in the corporate structure and are often operational in nature. In every case, SBA decides by considering the impact of the change on the financial value and health of the company, as well as its impact on shareowner rights. These proposals include corporate restructurings, capital structure changes, changes to the articles of incorporation and other various operational items. While many of these proposals are routine, they are not inconsequential. Some have profound impact on shareowner value and rights. Shareowners should have the opportunity to approve any issuance of shares or securities that carry equity-like claims or rights. Furthermore, companies may bundle non-routine items with routine items to obtain a more favorable outcome, so the SBA must examine these proposals on a case-by-case basis. SBA may vote against bundled items in any case if the bundle includes highly negative components.

MERGERS/ACQUISITIONS/SPINOFFS: CASE-BY-CASE

SBA evaluates these proposals based on the economic merits of the proposal and anticipated synergies or advantages. We also consider opinions of financial advisors. Support for the proposal may be mitigated by potential conflicts between management's interests and those of shareowners and negative impacts on corporate governance and shareowner rights. The SBA may oppose the proposal if there is a significant lack of information to make an informed voting decision.

For any proposal, the following items are evaluated:

- Economic merits and anticipated synergies;
- Independence of board, or special committee, recommending the transaction;
- Process for identifying, selecting, and negotiating with partners;
- Independence of financial advisor and financial opinion for the transaction;
- Tax and regulatory impacts;
- Corporate governance changes;
- Aggregate valuation of the proposal.

APPRAISAL RIGHTS: FOR

SBA generally supports proposals to restore or provide shareowners with rights of appraisal. In many states, mergers and other corporate restructuring transactions are subject to appraisal rights. Rights of appraisal provide shareowners who are not satisfied with the terms of certain corporate transactions the right to demand a judicial review to determine a fair value for their shares. If a majority of shareowners approve a given transaction, the exercise of appraisal rights by a minority of shareowners will not necessarily prevent the transaction from taking place. Therefore, if a small minority of shareowners succeed in obtaining what they believe is a fair value, appraisal rights may benefit all shareowners. If enough shareowners dissented and if the courts found a transaction's terms were unfair, such rights could prevent a transaction that other shareowners had already approved.

ASSET PURCHASES/SALES: CASE-BY-CASE

Boards may propose a shareowner vote on the sale or purchase of significant assets; sometimes these proposals are part of a strategy shift driven by changes in the marketplace, problematic corporate performance, or activist-investor campaigns. The SBA evaluates asset purchase proposals on a case-by-case basis, considering the following factors:

- Transaction price;
- Fairness opinion;
- Financial and strategic benefits;

- Impact on the balance sheet and working capital;
- The negotiation history and process;
- Conflicts of interest;
- Other alternatives for the business; and
- Non-completion risk.

APPROVE REORGANIZATION OF DIVISION OR DEPARTMENT/ARRANGEMENT SCHEME, LIQUIDATION: CASE-BY-CASE

Resolutions approving corporate reorganizations or restructurings range from the routine shuffling of subsidiaries within a group to major rescue programs for ailing companies. Such resolutions are usually supported unless there are clear conflicts of interest among the various parties or negative impact on shareowners' rights. In the case of routine reorganizations of assets or subsidiaries within a group, the primary focus with the proposed changes is to ensure that shareowner value is being preserved, including the impact of the reorganization on the control of group assets, final ownership structure, relative voting power of existing shareowners if the share capital is being adjusted, and the expected benefits arising from the changes. Options are far more limited in the case of a distress restructuring of a company or group as shareowners often have few choices and little time. In most of these instances, the company has a negative asset value, and shareowners would have no value remaining after liquidation. SBA seeks to ensure that the degree of dilution proposed is consistent with the claims of outside parties and is commensurate with the relative commitments of other company shareowners.

APPROVE SPECIAL PURPOSE ACQUISITION COMPANY (SPAC) TRANSACTION: CASE-BY-CASE

A SPAC is a pooled investment vehicle designed to invest in private-equity type transactions, particularly leveraged buyouts. SPACs are shell companies that have no operations at the time of their initial public offering but are intended to merge with or acquire other companies. Most SPACs grant shareowners voting rights to approve proposed business combinations. SBA evaluates these proposals based on their financial impact as well as their impact on shareowners' ability to maintain and exercise their rights.

FORMATION OF HOLDING COMPANY: CASE-BY-CASE

The SBA evaluates proposals to create a parent holding company on a case-by-case basis, considering the rationale for the change, any financial, regulatory or tax benefits, and impact on capital and ownership structure. SBA may vote against proposals that result in increases in common or preferred stock in excess of the allowable maximum or adverse changes in shareowner rights.

APPROVE A "GOING DARK" TRANSACTION: CASE-BY-CASE

Deregistrations, or "going-dark" transactions, occur rarely, whereby companies cease SEC reporting but continue to trade publicly. Such transactions are intended to reduce the number of shareowners below three hundred and are typically achieved either by a reverse stock split (at a very high ratio with fractional shares resulting from the reverse split being cashed out), by a reverse/forward stock split (with fractional shares resulting from the reverse split being cashed out), or through a cash buyout of shares from shareowners owning less than a designated number of shares (tender offer or odd-lot stock repurchase). Such transactions allow listed companies to de-list from their stock exchange and to terminate the registration of their common stock under the Securities & Exchange Act of 1934, so that, among other things, they do not have to comply with the requirements of the Sarbanes-Oxley Act of 2002.⁴⁴ Companies

⁴⁴ "Why Do Firms Go Dark? Causes and Economic Consequences of Voluntary SEC Deregistrations," Christian Leuz, Alexander Triantis and Tracy Wang, Finance Working Paper Number 155/2007, European Corporate Governance Institute, March 2008.

seeking this approval tend to be smaller capitalization firms and those with lower quality financial accounting. SBA would consider the impact of the lack of disclosure and oversight and loss of liquidity and shareowner rights in making a decision.

LEVERAGED BUYOUT (LBO): CASE-BY-CASE

A leveraged buyout is a takeover of a company using borrowed funds, normally by management or a group of investors. Most often, the target company's assets serve as security for the loan taken out by the acquiring firm, which repays the loan out of cash flow of the acquired company. SBA may support LBOs when shareowners receive a fair value including an appropriate premium over the current market value of their shares.

When the acquirer is a controlling shareowner, legal rulings have imposed a higher standard of review to ensure that this type of transaction, referred to as an entire fairness review, is fair to existing shareowners. Typically, investor protections include review by an independent committee of the board and/or approval by a majority of the remaining shareowners. Whether a buyout is pursued by a controlling shareowner can impact the valuation and premiums, with one study finding that buyouts in which an independent committee reviewed the deal terms produced 14 percent higher average premiums for investors.⁴⁵ However, deals requiring majority-of-the-minority ratification did not significantly impact the level of premium paid to investors. Researchers found that the size of the premium paid changed depending on who initiated the transaction, with significantly lower premiums associated with deals initiated by management. As well, the study's findings mimic other empirical evidence demonstrating that 'go-shop' provisions, whereby additional bidders are solicited, were ineffective and may be used to camouflage under-valued management buyouts.⁴⁶

NET OPERATING LOSS CARRY-FORWARD (NOL) & ACQUISITION RESTRICTIONS: CASE-BY-CASE

Companies may seek approval of amendments to their certificate of incorporation intended to restrict certain acquisitions of its common stock to preserve net operating loss carry-forwards (or "NOLs"). NOLs can represent a significant asset for the company, one that can be effective at reducing future taxable income. Section 382 of the Internal Revenue Code of 1986 imposes limitations on the future use of the company's NOLs if the company undergoes an ownership change; therefore, some companies seek to limit certain transactions by adopting ownership limits. Firms often utilize a shareowner rights plan (poison pill) in conjunction with NOL-oriented acquisition restrictions.

While stock ownership limitations may allow the company to maximize use of its NOLs to offset future income, they may significantly restrict certain shareowners from increasing their ownership stake in the company. Such ownership limitations can be viewed as an anti-takeover device. Though these restrictions on shareowners are undesirable, SBA often supports proposals when firms seek restrictions solely to protect NOLs. We review the company's corporate governance structure and other control protections in conjunction with the proposal and weigh the negative impact of the restrictions against the financial value of the NOLs (relative to the firm's market capitalization) in making a decision.

CHANGE OF CORPORATE FORM (GERMANY, AUSTRALIA, NEW ZEALAND): CASE-BY-CASE

This proposal seeks shareowner approval to convert the company from one corporate form to another. Examples of different corporate forms include the following: Inc., LLP, PLP, LLC, AG, SE. The SBA generally

⁴⁵ Matthew Cain, and Steven Davidoff, "Form Over Substance? The Value of Corporate Process and Management Buyouts," August 2010.

⁴⁶ Adonis Antoniadis, Charles Calomiris, and Donna M Hitscherich, "No Free Shop: Why Target Companies in MBOs and Private Equity Transactions Sometimes Choose Not to Buy 'Go-Shop' Options," November 2013; Guhan Subramanian, "Go-Shops vs. No-Shops in Private Equity Deals: Evidence and Implications," *The Business Lawyer*, Volume 63, May 2008.

votes FOR such proposals unless there are concerns with the motivation or financial impact of a change to a firm's corporate structure.

Public Benefit Corporations (PBC) are for-profit corporations that have also adopted a public benefit purpose embedded in its certificate of incorporation. This public benefit is intended to have positive effects on a category of person(s), entities, or communities other than the financial interests of shareowners. When deciding to support or oppose resolutions to convert to a PBC, expected (or actual) accruals to shareholder value will be the primary consideration. Additionally, the SBA will consider company-specific characteristics, the stated rationale for such structure, and the impact on shareholders' rights.

Capital Structure

CHANGE AUTHORIZED SHARE CAPITAL: CASE-BY-CASE

The SBA generally supports authorized share capital increases up to 100 percent of the current number of outstanding shares. We will consider additional increases if management demonstrates a reasonable use. It is important that publicly held corporations have authorization for shares needed for ordinary business purposes, including raising new capital, funding reasonable executive compensation programs, business acquisitions, and facilitating stock splits and stock dividends. Increases beyond 100 percent of the current number of outstanding shares will be scrutinized to ensure its use will benefit shareowners. We apply a stricter standard if the company has not stated a use for the additional shares or has significant levels of previously authorized shares still available for issue. Proposals that include shares with unequal voting rights will likely be opposed.

In the case of rights offerings, SBA considers the dilution and extent to which issued rights may be subscribed, both by SBA individually and other shareowners collectively, and how that may affect or adversely concentrate the level of control if a large single shareowner exists. Proposals to reduce authorized share capital can result from a variety of corporate actions, ranging from routine accounting measures to reductions pertaining to a significant corporate restructuring in the face of bankruptcy. These proposals can vary significantly from market to market because of local laws and accounting standards. In all instances, the SBA considers whether the reduction in authorized share capital is for legitimate corporate purposes and not to be used as an anti-takeover tactic.

STOCK SPLIT OR REVERSE STOCK SPLIT: FOR

Typically, the SBA supports reasonable proposals for stock splits or reverse stock splits. These proposals often seek to scale back the cost of each share into what is traditionally thought of as a comfortable price and trading zone, which seeks to influence the psychology of the market's perception of price more than anything else. Reverse stock splits may be requested to ensure a company's shares will not be subject to delisting by their exchange's standards, often following a significant negative shock to the share price.

DUAL CLASS STOCK: AGAINST

SBA opposes dual class share structures. The one share, one vote principle is essential to proper functioning of capitalism; dual class shares distort the commensurate relationship between economic interest and voting power and ultimately risk harm to companies and their shareowners.⁴⁷ Several academic studies

⁴⁷ Bebchuk, Lucian Arye, Kraakman, Reinier H. and Triantis, George G., "Stock Pyramids, Cross-Ownership, and Dual Class Equity: The Creation and Agency Costs of Separating Control from Cash Flow Rights". As published in CONCENTRATED CORPORATE OWNERSHIP, R. Morck, Ed., pp. 445-460, 2000 Available at SSRN: <http://ssrn.com/abstract=147590>. Masulis, Ronald W., Wang, Cong and Xie, Fei, "Agency Problems at Dual-Class Companies" (November 12, 2006). Available at SSRN: <http://ssrn.com/abstract=961158>. Tinaikar, Surjit, "The Voluntary Disclosure Effects of Separating Control Rights from Cash Flow Rights" (November 2006). Available at SSRN: <http://ssrn.com/abstract=951547>.

have documented an array of value-destroying effects stemming directly from dual class share structures.⁴⁸⁴⁹ SBA will support proposals asking companies to move away from dual class structures. SBA may withhold votes or cast votes against the election of directors in cases where a company completes an IPO with a dual or multi-class share structure without a reasonable sunset provision on the unequal voting rights. We will generally support proposals that provide for the disclosure of voting results broken down by share class when dual class structures exist.

APPROVE GENERAL SHARE ISSUANCE WITH PRE-EMPTIVE RIGHTS: CASE-BY-CASE

General issuance requests under both authorized and conditional capital systems allow companies to issue shares to raise funds for general financing purposes. Approval of such requests gives companies sufficient flexibility to carry out ordinary business activities without having to bear the expense of calling shareholder meetings for every issuance. Pre-emptive rights guarantee current shareholders the first opportunity to purchase shares of new issuances of stock in the class they own in an amount proportional to the percentage of the class they already own. SBA generally supports issuance requests with preemptive rights when the amount of shares requested is less than the unissued ordinary share capital or one-third of the issued ordinary share capital. Issuance authority should be limited to a five-year timeframe. SBA also considers the issue price and any potential pricing discounts, as well as past issuance practices at the company, in judging the appropriateness of the terms and potential for misuse (such as granting large blocks at a discount to a third party). If insufficient information is disclosed about the issuance and conditions of its implementation, SBA may vote against authorization. Proposals that include shares with unequal voting rights will likely be opposed.

APPROVE GENERAL SHARE ISSUANCE WITHOUT PREEMPTIVE RIGHTS: CASE-BY-CASE

Companies may need the ability to raise funds for routine business contingencies without the expense of carrying out a rights issue. Such contingencies include, but are not limited to, facilitating stock compensation plans, small acquisitions, or payment for services. Recognizing that shareholders suffer dilution because of issuances, authorizations should be limited to a fixed number of shares or a percentage of capital at the time of issuance. The SBA generally supports issuance requests without pre-emptive rights up to a maximum of 20 percent above current levels of issued capital. Proposals that include shares with unequal voting rights will likely be opposed.

APPROVE ISSUE OF PREFERRED SHARES: CASE-BY-CASE

"Preferred share" typically refers to a class of stock that provides preferred dividend distributions and preferred liquidation rights as compared to common stock; however, preferred shares typically do not carry voting rights. SBA typically votes against preferred share issues that carry voting rights, include conversion rights, or have "blank check" ability. We typically support issuances without conversion or voting rights when the company demonstrates legitimate financial needs. Blank check preferred stock gives the board of directors the power to issue shares of preferred stock at their discretion, with voting, conversion,

⁴⁸ Kastiel, Kobi, "Executive Compensation in Controlled Companies," Harvard Law School Working Paper, October 2014. Claessens, Stijn & Fan, Joseph P.H. & Lang, Larry, 2002. "The Benefits and Costs of Group Affiliation: Evidence from East Asia," CEPR Discussion Papers 3364, C.E.P.R. Discussion Papers, revised. Bennedsen, Morten and Nielsen, Kasper Meisner, "The Principle of Proportional Ownership, Investor Protection and Firm Value in Western Europe" (October 2009). ECGI - Finance Working Paper No. 134/2006 Available at SSRN: <http://ssrn.com/abstract=941054>. Gompers, Paul A., Ishii, Joy L. and Metrick, Andrew, "Extreme Governance: An Analysis of Dual-Class Companies in the United States" (May 1, 2008). AFA 2005 Philadelphia Meetings Available at SSRN: <http://ssrn.com/abstract=562511> or DOI: 10.2139/ssrn.562511. Cremers, Martijn and Allen Ferrell, "Thirty Years of Corporate Governance: Firms Valuation & Stock Returns" (September 2009). Yale ICF Working Paper No. 09-09. Available at <http://ssrn.com/abstract=1279650>. Puttonen, Vesa, Ikaheimo, Seppo and Ratilainen, Tuomas, "External Corporate Governance and Performance - Evidence from the Nordic Countries" (January 30, 2007) Available at SSRN: <http://ssrn.com/abstract=960431>. Jiraporn, Pornsit, 2005, "An Empirical Analysis of Corporate Takeover Defenses and Earnings Management: Evidence from the U.S.," Applied financial Economics (University of Warwick, U.K.), Vol. 15, No. 5, pp. 293-303. Li, Kai, Ortiz-Molina, Hernan and Zhao, Shelly, "Do Voting Rights Affect Institutional Investment Decisions? Evidence from Dual-Class Firms" (November 2007). Available at SSRN: <http://ssrn.com/abstract=950295>. Dimitrov, Valentin and Jain, Prem C., "Recapitalization of One Class of Common Stock into Dual-class: Growth and Long-run Stock Returns" (September 1, 2004). Available at SSRN: <http://ssrn.com/abstract=422080> or DOI: 10.2139/ssrn.422080.

distribution, and other rights set by the board at the time of issuance. Blank check preferred stock can be used for sound corporate purposes like raising capital, stock acquisition, employee compensation, or stock splits or dividends. However, blank check preferred stock is also suited for use as an entrenchment device. The company could find a “white knight,” sell the knight a large block of shares, and defeat any possible takeover attempt. With such discretion outside the control of common stock shareowners, the SBA typically opposes any proposals to issue blank check preferred stock.

RESTRUCTURE/RECAPITALIZE: CASE-BY-CASE

These proposals deal with the alteration of a corporation’s capital structure, such as an exchange of bonds for stock. The SBA is in favor of recapitalizations when our overall investment position is protected during the restructuring process.

TARGETED SHARE PLACEMENT: CASE-BY-CASE

SBA typically supports shareowner proposals requesting that companies first obtain shareowner authorization before issuing voting stock, warrants, rights, or other securities convertible into voting stock, to any person or group, unless the voting rights at stake in the placement represent less than 5 percent of existing voting rights.

SHARE REPURCHASE: CASE-BY-CASE

When a company has excess cash, SBA’s preferred method for distributing it to shareowners is through adopting a quarterly dividend. Dividends are an effective means for returning cash and serve as an important signal to the market of earnings stability. Because dividend adoptions and subsequent changes are scrutinized, they serve as an important marker of a company’s commitment to return cash to shareowners. Repurchases on the other hand require no commitment to ongoing return of profits to shareowners. Repurchased shares often end up being granted to executives as part of stock compensation packages; this common use of cash is paying compensation and not a form of profit return to owners. Because of this, SBA strongly prefers dividend adoption over share repurchases. We support repurchases only in cases of unusual cash accumulation, such as from a divestiture of assets. Cash flows from operations that have an expected long-term generation pattern should be committed to owners through quarterly dividends. Repurchases are also supported if the rationale is that management believes the stock is undervalued. Companies should not commit to long term repurchases at any market price; evidence shows that many companies tend to repurchase shares at market-highs with these plans and generally buy at inopportune times. Compensation programs should not depend upon metrics that are impacted by repurchases, or metrics should at least be adjusted to account for the impact of repurchases so that compensation is not affected by these programs.

DECLARE DIVIDENDS: FOR

Declaring a dividend is a preferred use of cash and method of releasing profits to shareowners. SBA generally supports dividend declarations unless the payout is unreasonably low, or the dividends are not sustainable by reserves and cash flow. Payouts less than 30 percent of net income for most markets are considered low.

TRACKING STOCK: CASE-BY-CASE

The SBA closely examines the issuance of tracking stock shares, particularly corporate governance rights attached to those shares. Normally, tracking stock is a separate class of common stock that “tracks” the performance of an individual business of a company. Tracking stock represents an equity claim on the

cash flows of the tracked business as opposed to legal ownership of the company's assets. Tracking stock is generally created through a charter amendment and provides for different classes of common stock, subject to shareowner approval. Due to their unique equity structure, we examine closely all the following issues when determining our support for such proposals: corporate governance features of tracking stock (including voting rights, if any), distribution method (share dividend or initial public offering), conversion terms and structure of stock-option plans tied to tracking stock.

APPROVE ISSUE OF BONDS, DEBENTURES, AND OTHER DEBT INSTRUMENTS: FOR

Generally, SBA supports debt issuance of reasonable amounts for the purpose of financing future growth and corporate needs. Debt issues may also add a beneficial monitoring component, making managers more accountable for corporate performance because if the company does not perform well financially, the company may not be able to meet its financial obligations. Studies have also examined the relationship between firms' capital structure and the quality of their corporate governance mechanisms, confirming that corporations use debt in place of corporate governance tools.⁵⁰ While the SBA recognizes the need to employ various tools to minimize agency costs and align management interests with shareowner interests, corporations must not abdicate their corporate governance duties by expanding leverage.

When companies seek to issue convertible debt or debt with warrants, SBA considers the impact of the potential conversion on existing shareowners' rights when making a decision. We may also support limits on conversion rights to prevent significant dilution of SBA's ownership.

PRIVATE PLACEMENTS: CASE-BY-CASE

Private placement is a method of raising capital through the sale of securities to a relatively small number of investors rather than a public offering. Investors involved in private placement offerings typically include large banks, mutual funds, insurance companies and pension funds. Because the private placement is offered to a limited number of investors, detailed financial information is not always disclosed and the need for a prospectus is waived. Moreover, in the United States, the authority does not have to be registered with the Securities and Exchange Commission. The SBA evaluates private placements on a case-by-case basis, voting against if the private placement contains extraordinary voting rights or if it may be used in some other way as an anti-takeover defense.

⁵⁰ Marquardt, Carol, "Managing EPS Through Accelerated Share Repurchases: Compensation Versus Capital Market Incentives." Baruch College-CUNY, September 2007.

Operational Items

ADJOURN MEETING: CASE-BY-CASE

SBA generally votes against proposals to provide management with the authority to adjourn an annual or special meeting absent compelling reasons to support the proposal. The SBA may support proposals that relate specifically to soliciting votes for a merger or transaction if we support that merger or transaction.

TRANSACT OTHER BUSINESS: AGAINST

This proposal provides a forum for addressing resolutions that may be brought up at the annual shareowner meeting. In most countries, the item is a formality and does not require a shareowner vote, but companies in certain countries include permission to transact other business as a voting item. This discretion is overly broad, and it is against the best interest of shareowners to give directors unbound permission to make corporate decisions without broad shareowner approval. Because most shareowners vote by proxy and would not know what issues will be raised under this item, SBA does not support this proposal.

AMEND SHAREOWNERS' MEETING QUORUM REQUIREMENTS: CASE-BY-CASE

SBA supports quorums of a simple majority. We do not support super-majority quorum requirements.

AMEND BYLAWS OR ARTICLES OF ASSOCIATION: CASE-BY-CASE

The SBA considers the merits of the proposed amendment and its potential impact on shareowner rights and value. Different amendments should not be presented in a bundled format, which would prevent shareowners from making individual decisions on each provision. We may not support a bundled proposal that contains a mix of desirable and undesirable features.

NAME CHANGE: FOR

Changing a company's name is a major step that has likely gone through extensive management consideration and/or marketing research. SBA generally supports these proposals.

RECEIVE/APPROVE/AMEND REPORTS AND AUDITED ACCOUNTS FOR PREVIOUS FINANCIAL REPORTING PERIODS: CASE-BY-CASE

Generally, SBA supports these proposals unless we are aware of serious concerns about the accounting principles used or doubt the integrity of the company's auditor. Annual audits of a firm's financial statements should be mandatory and carried out by an independent auditor.

CHANGE METHOD OF PREPARING ACCOUNTS/DISTRIBUTING FINANCIAL STATEMENTS TO SHAREOWNERS: CASE-BY-CASE

If the changes have been instituted by a nationwide regulation, they will be approved. Otherwise, they will be scrutinized to ensure they are not damaging to our interests. For instance, managers may seek to reclassify accounts to enhance their perceived performance. If this is the case, then managers may earn more in performance-based compensation without adding actual value to the firm.

ADOPT OR CHANGE STAKE DISCLOSURE REQUIREMENT(S): CASE-BY-CASE

Proposals may be submitted to conform to recent changes in home market disclosure laws or other regulations. However, proposed levels that are below typical market standards are often only a pretext for an anti-takeover defense. Low disclosure levels may require a greater number of shareowners to disclose

their ownership, causing a greater burden to shareowners and to the company. Positions of more than five percent are significant, however, and would be supported by SBA.

ACCESS TO PRELIMINARY VOTING TABULATIONS CONCERNING SHAREOWNER PROPOSALS: CASE-BY-CASE

The SBA supports equal access by management and shareowner proponents to preliminary voting results of shareowner proposals. Some proponents are concerned that companies may receive preliminary voting results and use the information to target shareowner engagement at a disadvantage to the proponent. Generally, the SBA will not support restricting access to this voting data to either party. Some proposals seek to restrict access while others may seek to place conditions on using the information.

RESTRICT INTER-SHAREOWNER COMMUNICATIONS: AGAINST

The ability to dialogue assists shareowners in seeing each other's perspective and helps owners exercise their rights in a free, capitalist market. SBA would not typically support restrictions beyond those of market regulators. In U.S. markets, the SEC has established enforceable guidelines that govern communications from shareowners or other parties for the purposes of soliciting proxies or pursuing corporate takeover measures.

CHANGE DATE OF FISCAL YEAR-END: FOR

Companies may seek shareowner approval to change their fiscal year end. Most countries require companies to hold their annual shareowners meeting within a certain period after the close of the fiscal year. While the SBA typically supports this routine proposal, opposition may be considered in cases where the company is seeking the change solely to postpone its annual meeting.

AUTHORIZE DIRECTORS TO MAKE APPLICATION FOR ONE OR MORE EXCHANGE LISTINGS: FOR

SBA generally supports proposals to authorize secondary share listings, absent evidence that important shareowner rights will not be harmed or restricted to an unreasonable extent. Secondary listings may provide additional funding in other capital markets and/or increase share liquidity.

SET OR CHANGE DATE OR PLACE OF ANNUAL MEETING: FOR

Flexibility is necessary in time and location of board meetings. As such, the SBA typically supports proposals that provide reasonable discretion to the board for scheduling a shareowner meeting. SBA would not support changes if their impact would potentially inhibit participation by shareowners.

CHANGE/SET PROCEDURE FOR CALLING BOARD MEETINGS: CASE-BY-CASE

The SBA embraces full disclosure regarding the procedures for calling board meetings. Therefore, we typically vote FOR improvements in these procedures and the disclosure of these procedures.

ALLOW DIRECTORS TO VOTE ON MATTERS IN WHICH THEY ARE INTERESTED: CASE-BY-CASE

Generally, SBA does not support these proposals unless it is shown that the directors' interests are not material, or the proposal conforms to federal regulations or stock exchange requirements.

CHANGE QUORUM REQUIREMENT FOR BOARD MEETINGS: CASE-BY-CASE

SBA may support reasonable changes in quorum requirements for board meetings. We would not support a quorum of less than fifty percent.

REINCORPORATION TO A DIFFERENT STATE: CASE-BY-CASE

Corporations may change the state in which they are incorporated as a way of changing minimum or mandatory governance provisions. A corporation having no business contacts or connections in a state may nonetheless choose that state as its place of incorporation and that state's laws will determine certain aspects of its internal governance structure. The ability of corporations to choose their legal domicile has led many states to compete for revenue from corporate fees and taxes by enacting management-friendly incorporation codes. This competition has encouraged states to support an array of antitakeover devices and provide wide latitude in restricting the rights of shareowners.

Many companies changed their state of incorporation to Delaware since the 1980s because they viewed it as having a predictable and favorable legal climate for management. In 2007, North Dakota changed its laws of incorporation to create an environment of corporate governance best practices and strong shareowner rights. SBA will support proposals to shift the state of incorporation to states with net improvements in shareowner protections; however, the opportunity to increase shareowner rights will be weighed against the costs and potential disruption of changing the state of incorporation.⁵¹

OFFSHORE REINCORPORATION: CASE-BY-CASE

In some circumstances the costs of a corporation's reincorporation may outweigh the benefits, primarily tax and other financial advantages. Reincorporation can also result in the loss of shareowner rights, financial penalties, future detrimental tax treatment, litigation, or lost business. The SBA evaluates reincorporation proposals by examining the economic costs and benefits and comparing governance and regulatory provisions between the locations.

CONTROL SHARE ACQUISITION PROVISIONS: CASE-BY-CASE

Control share acquisition statutes function by denying shares their voting rights when they contribute to ownership in excess of certain thresholds. Voting rights for those shares exceeding set ownership limits may only be restored by approval of either a majority or supermajority of disinterested shares. Thus, control share acquisition statutes effectively require a hostile bidder to put its offer to a shareowner vote or risk voting disenfranchisement if the bidder continues buying up a large block of shares. SBA supports proposals to opt out of control share acquisition statutes unless doing so would enable the completion of a takeover that would be detrimental to shareowners. SBA opposes proposals to amend the charter to include control share acquisition provisions or limit voting rights.

CONTROL SHARE CASH-OUT PROVISIONS: FOR

Control share cash-out statutes give dissident shareowners the right to "cash-out" of their position in a company at the expense of the shareowner who has taken a control position. When an investor crosses a preset threshold level, the remaining shareowners are given the right to sell their shares to the acquirer, who must buy them at the highest acquiring price. SBA typically supports proposals to opt out of control share cash-out statutes.

⁵¹ Subramanian, Guhan, "The Influence of Anti-takeover Statutes on Incorporation Choice: Evidence on the 'Race' Debate and Anti-takeover Overreaching." Harvard NOM Research Paper No. 01-10, December 2001.

OPT-OUT OF DISGORGEMENT PROVISIONS: FOR

Disgorgement provisions require an acquirer or potential acquirer of more than a certain percentage of a company's stock to disgorge (or pay back) to the company any profits realized from the sale of that company's stock purchased 24 months before achieving control status. All sales of company stock by the acquirer occurring within a certain period (between 18 months and 24 months) prior to the investor's gaining control status are subject to these recapture-of-profits provisions. SBA supports proposals to opt out of state disgorgement provisions.

ANTI-GREENMAIL: FOR

Greenmail payments are targeted share repurchases by management of company stock from individuals or groups seeking control of the company. They are one of the most wasteful entrenchment devices available to management. Since only the hostile party receives payment, usually at a substantial premium over the market value of his shares, the practice is discriminatory to all other shareowners of the company. With greenmail, management transfers significant sums of corporate cash to one entity for the purpose of fending off a hostile takeover. SBA supports proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.

FAIR PRICE AND SIMILAR PROVISIONS IN TWO-TIERED TENDER OFFERS: CASE-BY-CASE

SBA supports proposals to adopt a fair price provision if the shareowners' vote requirement embedded in the provisions is no more than a majority of the disinterested shares. The SBA will vote against all other management fair price proposals. SBA also will typically support shareowner proposals to lower the shareowners' vote requirement embedded in existing fair price provisions.

FAIR PRICE PROVISION: CASE-BY-CASE

Fair price provisions are a variation on standard supermajority voting requirements for mergers, whereby shareowners vote before a significant business combination can be affected. Fair price provisions add a third option, allowing a bidder to consummate a merger without board approval or a shareowner vote if the offer satisfies the price requirements stipulated in the provision. Fair price provisions are normally adopted as amendments to a corporation's charter. The provisions normally include a super majority lock-in, a clause requiring a super majority shareowner vote to alter or repeal the provisions itself. We typically support management proposals to adopt a fair price provision, if the shareowner vote requirement imbedded in the provision is no more than a majority of the disinterested shares. We generally support shareowner proposals to lower the shareowner vote requirement imbedded in existing fair price provisions.

OPT OUT OF ANTI-TAKEOVER LAW: FOR

The SBA does not support corporations opting into state anti-takeover laws (e.g., Delaware). Such laws may prohibit an acquirer from making a well-financed bid for a target, which provides a premium to shareowners. We support proposals to opt out of state anti-takeover laws.

APPROVE STAKEHOLDER PROVISIONS: AGAINST

Stakeholder provisions or laws permit directors to weigh the interests of constituencies other than shareowners, including bondholders, employees, creditors, customers, suppliers, the surrounding community, and even society, in the process of corporate decision making. The SBA does not support proposals for the board to consider non-shareowner constituencies or other nonfinancial effects when evaluating making important corporate decisions, such as a merger or business combination.

Evaluating the impact on non-shareowner constituencies provides a board with an explicit basis, approved by the shareowners, which it may invoke to reject a purchase offer that may be attractive in purely financial terms. Some state laws also allow corporate directors to consider non-financial effects, whether the companies have adopted such a charter or bylaw provision. SBA would support proposals to opt-out of such provisions.

COMPENSATION

Compensation is an area that merits oversight from investors, as it exemplifies the delicate principal-agent relationship between shareowners and directors. Directors create compensation plans, often with the assistance of compensation consultants, which aim to motivate performance and retain management. Ultimately, it is the shareowners that bear the cost of these plans, and as average compensation packages have climbed steadily in value in recent years, shareowners have concern over the level of pay, the lack of disclosure, the role of compensation advisers, and the loyalty of board members to shareowners' interests over those of management. Voting against plans with exorbitant pay or poor design is an important shareowner duty, and engagement with companies on their plans and features is a meaningful way for shareowners to protect value and contribute to oversight of their agents.⁵²

ADOPT OR AMEND STOCK AWARD OR OPTION PLAN: CASE-BY-CASE

The SBA supports compensation structures that provide incentives to directors, managers, and other employees by aligning their performance and economic interests with those of the shareowners. Therefore, we evaluate incentive-based compensation plans on reasonableness of the total cost to shareowners and the incentive aspects of the plan, as well as the overall design and transparency of the program.

Stock-based incentive plans should require some financial risk. Proper and full disclosure is essential for shareowners to assess the degree of pay-for-performance inherent in plans. Some companies disclose metrics and thresholds that are inappropriately low and easy to attain; other companies refrain from disclosing metrics and/or thresholds at all. When there is insufficient disclosure on plan metrics and compensation levels appear out of line with peers or problematic pay practices are used, SBA will not support the plan.

For plans to provide proper incentives, executive compensation should be linked directly with the performance of the business. Typically, companies use peer groups when developing compensation packages to make peer-relative assessments of performance. A company's choice of peers can have a significant impact on the ultimate scope and scale of executive compensation, and in many cases, companies set executive compensation at or above the fiftieth percentile of the peer group.⁵³ Problematic issuer-developed peer groups may exhibit the following red flags: 1) too many firms listed (more than 15); 2) bias toward "peers" that are substantially larger and/or more profitable;⁵⁴ 3) peer groups with unusually high CEO pay, particularly if not direct competitors; 4) groups with too many industries and geographic markets included; and 5) unexplained year-to-year peer group changes. When the basis of compensation uses benchmarks and relative comparisons to an inappropriate peer group selection, SBA is unlikely to support the compensation plan.

When making voting decisions, we look for reasonable compensation levels, both on an absolute basis and relative to peers, alignment between pay and performance, disclosure of performance metrics and thresholds, and fair plan administration practices. We may vote against compensation plans for the following reasons:

- High compensation levels on an absolute or peer-relative basis
- Disconnect between pay and performance

⁵² CFA Centre for Financial Market Integrity, "The Compensation of Senior Executives at Listed Companies: A Manual for Investors," 2007.

⁵³ Bizjak, M. John, Lemmon, L. Michael, and Naveen, Lalitha. 2000 "Has the Use of Peer Groups Contributed to Higher Pay and Less Efficient Compensation?" ⁵⁶ Faulkender, Michael W. and Yang, Jun, "Inside the Black Box: The Role and Composition of Compensation Peer Groups," (March 15, 2007). AFA 2008 New Orleans Meetings Paper.

⁵⁴ Albuquerque, Ana M., De Franco, Gus and Verdi, Rodrigo S., "Peer Choice in CEO Compensation," (July 21, 2009). Available at SSRN: <http://ssrn.com/abstract=1362047>.

- Poor disclosure of performance metrics, thresholds, and targets
- Heavy reliance on time-based instead of performance-based vesting
- Imbalance between long-term and short-term incentive program payments
- Large, guaranteed payments
- Failure to modify compensation award metrics for accounting adjustments or the impact of stock repurchases (buybacks)
- “Long-term” plans with overly short performance measurement and payout periods
- Excessive severance or single-trigger change-in-control packages
- Plans that cover non-employee consultants or advisors
- Inappropriate peer group selections resulting in outsized or misaligned pay
- Excessive perquisites
- Lack of stock ownership guidelines for executives
- Tax gross-ups, evergreen issues, or option repricing practices are permitted
- Accelerated or unreasonable vesting provisions
- Dividend payments are made or allowed to accrue on unvested or unearned awards
- Lack of an independent compensation committee or egregious consultant practices
- Poor committee response to investor concerns, proposals or engagements, especially insufficient response to recent low vote outcomes on compensation plan items including say-on-pay votes.

ADVISORY VOTE ON EXECUTIVE COMPENSATION: CASE-BY-CASE

Say-on-pay votes are required in several markets, including the U.S., U.K., Australia, the Netherlands, Sweden, Norway, and Spain. These advisory votes allow investors to provide feedback on the administration of a company’s pay program, typically on an annual basis (though in some markets, investors of some companies have voted for lesser frequencies of two or three years). Say-on-pay advisory votes add value because investors can seek accountability if the administration of an approved plan proves to be poor. The combination of compensation plan votes and annual say-on-pay advisory votes allow investors to approve the plans and still weigh in on the actual administration of those plans on a regular basis. SBA uses similar criteria for evaluating say-on-pay proposals as detailed in the “Adopt or amend stock incentive plan” guideline.

ADOPT BONUS 162(M) PLAN (U.S.): CASE-BY-CASE

SBA reviews proposals to adopt performance-based cash bonus plans for executives on a case-by-case basis. These plans are put to a shareowner vote to preserve the tax deductibility of compensation in excess of \$1 million for the five most highly compensated executives, pursuant to section 162(m) of the Internal Revenue Code. A vote against these plans does not necessarily prevent the bonus from being paid, but only precludes the ability to take a tax deduction.⁵⁵ SBA will vote against these proposals under any of these conditions: misalignment of pay and performance, lack of defined or acceptable performance criteria, or unlimited or excessively high maximum pay-outs.

ADOPT OR AMEND EMPLOYEE STOCK PURCHASE PLAN: CASE-BY-CASE

Employee stock purchase plans (ESPP) are normally broad-based equity plans that allow employees to purchase stock via regular payroll deductions, often at a reduced price. Equity-based compensation can be a useful tool in aligning the interests of management and employees with those of the shareowners. ESPPs provide low-cost financing for corporate stock and can improve employee productivity, both of which should, in theory, lead to increased shareowner value. Numerous studies favorably link ESPPs with improved corporate performance.⁵⁷ SBA considers the plan’s salient features, such as use of evergreen

⁵⁵ “Section 162(m) Requirements, Implications and Practical Concerns,” Exequity, September 2008; 2006 Employee Stock Purchase Plan Report, Equilar, Inc., 2006.

provisions, purchase limits/discounts, pay deductions, matching contributions, holding requirements, tax deductibility, the size and cost of the plan, as well as the company's overall use of equity compensation, in making voting decisions. The plan is generally accepted if the combined amount of equity used across all programs is deemed reasonable.

LINKING PAY WITH PERFORMANCE: CASE-BY-CASE

These proposals would require the company to closely link pay with performance, using performance measures that are mandated in the proposal language or that must be presented to investors by the company for pre-approval.

When the performance measures are mandated by the proposal language, SBA typically supports proposals that reasonably and fairly align pay with specific performance metrics, require detailed disclosures, or mandate adherence to fair compensation practices. We are less likely to support proposals that require metrics that are a degree removed from ultimate performance measures, such as proposals that require pay to be linked to performance on specific social mandates, absent a compelling argument for their usage.

SBA supports meaningful investor oversight of executive compensation practices and generally supports proposals requiring shareowner approval of specific performance metrics in equity compensation plans. SBA supports prior disclosure of performance metrics including quantifiable performance measures, numerical formulas, and other payout schedules covering at least a majority of all performance-based compensation awards to any named executive officers.

OPTION REPRICING: CASE-BY-CASE, TYPICALLY AGAINST

Option repricing is a contravening of the incentive aspect of plans. If the company has a history of repricing underwater options, SBA is unlikely to vote in support. There are very rare instances where repricing is acceptable, but several strict conditions must be met including a dramatic decline in stock value due to serious macroeconomic or industry-wide concerns and the necessity to reprice options to retain and motivate employees.

RECOUP BONUSES OR INCENTIVE COMPENSATION THROUGH CLAWBACK PROVISIONS: CASE-BY-CASE

Most commonly, clawback provisions address situations where the company's restated financial statements show that an executive did not achieve the performance results necessary for the executive to receive a bonus or incentive compensation. SBA recognizes that clawback provisions are an important aspect of performance-based compensation plans. To align executive interests with the interests of shareowners, executives should be compensated for achieving performance benchmarks. Equally, an executive should not be rewarded if he or she does not achieve established performance goals. If restated financial statements reveal that the executive was falsely rewarded, he or she should repay any unjust compensation received.

SBA evaluates these proposals by taking into consideration the impact of the proposal in cases of fraud, misstatement, misconduct, and negligence, whether the company has adopted a formal recoupment policy, and if the company has chronic restatement history or material financial problems.

DISCLOSURE OF WORK BY COMPENSATION CONSULTANTS: FOR

External compensation consultants should be independent to ensure that advice is unbiased and uncompromised. Multiple business dealings or significant revenue from the company may impair the

independence of a pay consultant's opinions, advice, or recommendations to the compensation committee. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires that compensation committees analyze the independence of their compensation consultants and advisers and disclose any conflicts of interest concerning such consultants and advisers. Item 407(e)(3)(iv) of Regulation S-K codifies the SEC's proxy disclosure requirement with respect to compensation consultant conflicts of interest, applicable to proxies filed in 2013 and thereafter.⁵⁶ Compensation committees are required to assess whether the consultant's work raises any conflicts of interest and, if so, disclose to investors information about the nature of any such conflict and how the conflict is being addressed. SBA generally supports proposals seeking disclosure regarding the company, board, or compensation committee's use of compensation consultants, such as company name, business relationships, fees paid, and identification of any potential conflicts of interest. Additionally, compensation consultants should not be eligible as consultants or advisors on any stock incentive plan at the company.

RESTRICT EXECUTIVE PAY: CASE-BY-CASE

SBA supports levels of compensation that are consistent with the goal of aligning management's interests with shareowners' interests. Absolute limits may inhibit the compensation committee's ability to fulfill its duties. When the company's executive compensation and performance have been reasonable and in line with that of peers, SBA is unlikely to support proposals seeking an arbitrary cap.

HEDGING AND PLEDGING COMPANY STOCK: CASE-BY-CASE

Companies are increasingly adopting policies that prohibit insiders, such as board directors and senior executives, from hedging the value of their company equity or pledging company shares as collateral to margin accounts. Hedging is a strategy to offset or reduce the risk of price fluctuations for an asset or equity. Stock-based compensation or open-market purchases of company stock should serve to align executives' or directors' interests with shareowners. Hedging of company stock through a covered call, 'cashless' collar, forward sale, equity swap, or other derivative transactions can sever the alignment with shareowners' interests. Some researchers have found negative stock price performance associated with certain hedging activities.⁵⁷ Pledging of company stock as collateral for a loan may have a detrimental impact on shareowners if the officer or director is forced to sell company stock, for example, to meet a margin call. The forced sale of significant amounts of company stock may negatively impact the company's stock price and may also violate a company's insider trading policies and 10b5-1 trading plans. In addition, pledging of shares may be utilized as part of hedging or monetization strategies that could potentially immunize an executive against economic exposure to the company's stock, even while maintaining voting rights. Such strategies may also serve to significantly alter incentives embedded within long-term compensation plans. SBA generally supports proposals designed to prohibit named executive officers from engaging in derivative or speculative transactions involving company stock, including hedging, holding stock in a margin account, or pledging large amounts of stock as collateral for a loan. SBA will evaluate the company's historical practices, level of disclosure, and current policies on the use of company stock.

PROHIBIT TAX GROSS-UPS: FOR

Tax gross-ups are reimbursements to senior executives paid by the company to cover an executive's tax liability. Tax gross-ups are an unjustifiably costly practice to shareowners; it generally takes at least \$2.50 and as much as \$4 to cover each \$1 of excise tax that must be "grossed-up."⁵⁸ SBA generally supports

⁵⁶ Securities and Exchange Commission Final Rule, "Listing Standards for Compensation Committees," adopted June 20, 2012, effective July 27, 2012.

⁵⁷ J. Carr Bettis, John M. Bizjak, and Swaminathan L. Kalpathy, "Why Do Insiders Hedge Their Ownership and Options? An Empirical Examination," Social Science Research Network, March 2010.

⁵⁸ "New Study on Tax Gross-ups," Risk & Governance Weekly, 12/5/08.

proposals for companies to adopt a policy of not providing tax gross-up payments to executives, except in situations where gross-ups are provided pursuant to a plan, policy, or arrangement applicable to management employees of the company, such as a relocation or expatriate tax equalization policy.

REQUIRE SUPERMAJORITY OF INDEPENDENT BOARD MEMBERS TO APPROVE CEO COMPENSATION: AGAINST

SBA generally votes against proposals to seek approval of an amendment to the bylaws to provide that a company's CEO's compensation must be approved by a supermajority of all independent directors of the board. Proponents of this proposal argue that approval of this proposal would ensure that the company provides a CEO pay package that is widely supported by its independent directors, increasing the likelihood that the company's independent directors are kept informed of and feel shared responsibility for CEO compensation decisions. However, SBA supports the compensation committee members as sufficient to be the knowledgeable arbiters of compensation plan terms, metrics, and pay-outs.

MANDATORY HOLDING PERIODS: CASE-BY-CASE

SBA supports proposals asking companies to adopt substantial mandatory holding periods for their executives, as well as requiring executives to meet stock ownership retention of at least a majority of shares granted or otherwise transferred in executive compensation arrangements. When making voting decisions, SBA considers whether the company has any holding period or officer ownership requirements in place and how actual stock ownership of executive officers compares to the proposal's suggested holding period and the company's present ownership or retention requirements.

EXECUTIVE SEVERANCE AGREEMENTS OR GOLDEN PARACHUTES: CASE-BY-CASE

SBA examines a variety of factors that influence the voting decision in each circumstance, such as:

- The value of the pay-outs in relation to annual salary plus certain benefits for each covered employee as well as the equity value of the overall transaction;
- The scope of covered employees along with their tenures and positions before and after the transaction, as well as other new or existing employment agreements in connection with the transaction;
- The scope of change in control agreement as it relates to the nature of the transaction;
- The use of tax gross-ups;
- Features that allow accelerated vesting of prior equity awards or automatic removal of performance-based conditions for vesting awards;
- For new or outside executives, the lack of sunset provisions; and
- The type of "trigger" necessary for plan pay-outs. Single triggers involve just a change in control; double triggers require a change in control and termination of employment.

Ideally, a golden parachute should not incentivize the executive to sacrifice ongoing opportunities with the surviving firm and should be triggered by a mechanism that is outside of the control of management. Likewise, careful structuring can enhance shareowner value and result in higher takeover bids; exorbitant pay-outs may discourage acquirers from seeking the company as a target and result in a lower shareowner value. Plans that include excessive potential pay-outs, single triggers, overly broad change in control applications, and/or accelerated vesting features are typically not supported by the SBA. Occasionally, more detrimental features such as single triggers or overly broad application of the plan to lower-level employees may warrant withholding votes from compensation committee members in addition to an against vote on the golden parachute plan. Some research indicates that firms adopting golden

parachutes experience reductions in enterprise value, as well as negative abnormal stock returns, both during the inter-volume period of adoption and thereafter.⁵⁹

Some executives may receive provision for severance packages, vested shares, salary, bonuses, perquisites, and pension benefits even after death.⁶⁰ Most public companies include death benefits with other types of termination-related pay due their CEOs, with variations for whether the person is fired, becomes disabled or dies in office. Death benefits may be layered on top of pensions, vested stock awards and deferred compensation, which for most CEOs already amount to large sums. Though not all companies provide it, the most common posthumous benefit is acceleration of unvested stock options and grants of restricted stock; these accelerated vesting provisions are not supported by SBA proxy voting guidelines. SBA supports their removal from compensation frameworks.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS (SERPS): CASE-BY-CASE

SERPs are non-qualified, executive-only retirement plans under which the company provides an additional retirement benefit to supplement what is offered under the employee-wide plan where contribution levels are capped. SERPs are different from typical qualified pension plans in two ways. First, they do not receive the favorable tax deductions enjoyed by qualified plans. The company pays taxes on the income it must generate to pay the executive in retirement. Therefore, some critics contend that the executive's tax obligation is shifted to the company. Second, SERPs typically guarantee fixed payments to the executive for life. Unlike defined contribution plans, SERPs transfer the risk of investment performance entirely to the firm. Even if the company or its investment performs poorly, the executive is entitled to receive specified stream of payments.⁶¹ SBA may support proposals to limit their usage if there is evidence of abuse in the SERP program or post-employment benefits that indicate the company is operating the program in excess of peers. SBA also supports the limitation of SERP formulas to base compensation, rather than the extension to variable compensation or other enhancements, and we do not endorse the practice of granting additional years of service that were not worked.

PRE-ARRANGED TRADING PLANS (10b5-1 PLANS): CASE-BY-CASE

The SBA generally supports proposals calling for certain principles regarding the use of prearranged trading plans (10b5-1 plans) for executives. These principles include:

- Adoption, amendment, or termination of a 10b5-1 Plan are disclosed within two business days in a Form 8-K;
- Amendment or early termination of a 10b5-1 Plan is allowed only under extraordinary circumstances, as determined by the board;
- Multiple, overlapping 10b5-1 plans should be prohibited;
- Plans provide that ninety days must elapse between adoption or amendment of a 10b5-1 Plan and initial trading under the plan;
- Reports on Form 4 must identify transactions made pursuant to a 10b5-1 Plan;
- An executive may not trade in company stock outside the 10b5-1 Plan; and
- Trades under a 10b5-1 Plan must be handled by a broker who does not handle other securities transactions for the executive.

⁵⁹ Lucian A Bebchuk, Alma Cohen, and Charles C. Y. Wang, "Golden Parachutes and the Wealth of Shareholders," Harvard Law and Economics Discussion Paper No. 683 (October 2012).

⁶⁰ "Companies Promise CEOs Lavish Posthumous Paydays," Wall Street Journal, June 10, 2008.

⁶¹ Bebchuk, Lucian Arye and Fried, Jesse M., "Pay without Performance: Overview of the Issues" . Journal of Corporation Law, Vol. 30, No. 4, pp. 647-673, 2005.

Also see Bebchuk, Lucian A., Cohen, Alma, and Spamann, Holger, "The Wages of Failure" (Working Draft, November 22, 2009).

Boards of companies that have adopted 10b5-1 plans should adopt policies covering plan practices, periodically monitor plan transactions, and ensure that company policies cover plan use in the context of guidelines or requirements on equity hedging, pledging, holding, and ownership.

DIRECTOR COMPENSATION: CASE-BY-CASE

Non-employee director compensation should be composed of a mix of cash and stock awards, where market practices do not prohibit such a mix. Director compensation plans are evaluated by comparing the cash compensation plus the approximate value of the equity-based compensation per director to a peer group with similar size and enterprise value. The initial compensation that is provided to new directors is also considered. The cash retainer and equity compensation are adequate compensation for board service; therefore, SBA does not support retirement benefits for non-employee directors. We encourage stock ownership by directors and believe directors should own an equity interest in the companies upon which boards they are members. However, we do not support a specific minimum or absolute ownership levels.

BUSINESS CONDUCT

SBA often engages with companies outside of the proxy voting process, speaking directly to corporate and board representatives about business conduct decisions relevant to shareowner value, such as in the guidelines discussed below. Most of the guidelines in this section cover proposals that are submitted by shareowners rather than management, but these issues impact most companies regardless of whether they have had shareowner proposals submitted. Therefore, engagement is an extremely effective and important tool for mitigating the widespread and systematic risks inherent in these issues.

SBA considers the vote on these proposals to be an important part of the communication process with management. We support these proposals when their adoption seems prudent considering the current circumstances and the proposed actions may reasonably be considered to have a cost-effective, protective impact on shareowner value. These topics cover risks such as product safety, environmental impact, and human rights abuses—areas where investors have experienced significant share value losses over time due to missteps in management of these risks. It is our fiduciary duty to engage companies and make prudent voting decisions in the presence of substantial risks, by supporting reasonable proposals and maintaining a dialogue with companies on these topics.

PRODUCT SAFETY: CASE-BY-CASE

Inadequate product safety standards can be catastrophic to brand and market value through lost sales, fines, and legal liability. Failure to implement effective safety standards, and to enforce them throughout the supply chain, creates a risk that is difficult to overstate. Generally, SBA supports reasonable proposals requesting increased disclosure regarding oversight procedures, product safety risks, or the use of potentially dangerous or toxic materials in company products. Proposals asking the company to cease using certain production methods or materials will be evaluated based on the merits of the case supporting the actions called for in the proposal. SBA also considers current regulations, recent significant controversy, litigation and/or fines, and the current level of disclosure by the company.

FACILITY SAFETY (NUCLEAR AND CHEMICAL PLANT SAFETY): CASE-BY-CASE

Resolutions requesting that companies report on risks associated with their operations and/or facilities are examined on a case-by-case basis, by considering the company's compliance with applicable regulations and guidelines; the level of existing disclosure related to security and safety policies, procedures, and compliance monitoring; and the existence of recent, significant violations, fines, or controversy related to the safety and security of the company's operations or facilities.

Some shareowner-sponsored resolutions ask a company to cease production associated with the use of depleted uranium munitions or nuclear weapons components and delivery systems, including disengaging from current and proposed contracts. Such contracts are monitored by government agencies, serve multiple military and non-military uses, and withdrawal from these contracts could have a negative impact on the company's business. SBA evaluates these proposals on a case-by case basis, but generally leaves decisions on the risk of engaging in certain lines of business up to the board, absent compelling a rationale to intervene.

ANIMAL TESTING AND WELFARE POLICIES: CASE-BY-CASE

Some resolutions ask companies to report on animal welfare conditions or to make changes in procedures relating to the treatment of animals. SBA examines each proposal in the context of current regulations, consumer sentiment, company disclosures, available technology and potential alternatives to the

company's present procedures, and the feasibility and cost impact of the proposal when making a voting determination.

ENERGY AND ENVIRONMENT: CASE-BY-CASE

The SBA examines each proposal in the context of current regulations, company practices, and company disclosures when making a voting determination. The SBA evaluates such proposals, considering whether the company has clearly disclosed its current policies and action plans, as well as an analysis of the potential for regulatory and business risks in their operations. Proposals that request a company engage in specific environmental actions are evaluated on the potential to contribute to improved shareowner value.

Marketing, Sales, and Business Policies

RESTRICTIONS ON PRODUCT SALES, PRICING AND MARKETING: CASE-BY-CASE

Absent compelling arguments that product marketing or pricing has potential to cause damage such as through increased liability or reputational concern, SBA generally allows management to determine appropriate business strategies and marketing tactics.

PRIVACY AND CENSORSHIP: CASE-BY-CASE

As technology has changed, consumers have become more dependent on products that generate significant amounts of personal data, raising concerns over susceptibility to both government surveillance and invasive corporate marketing. In some markets, freedom to access information on the internet is impaired by government decree. Shareowners may make proposals asking companies to limit their own use of consumer-generated data or prohibit access to the data by other entities, such as governments. Proposals may also ask companies to cease certain business lines in countries where governments demand access to the data or the blocking of certain information. Such restrictions may not only violate human rights, but they also decrease the quality of service provided by companies and threaten the integrity of the industry. Proposals may also ask companies to provide reports on their practices and policies related to these concerns.

The SBA generally votes in favor of reasonable, disclosure-based resolutions relating to policies on data collection and internet access, unless the company already meets the disclosure provisions requested in the proposal. SBA considers the level of current applicable disclosure on the topic, the history of stakeholder engagement, nature and scope of the company's operations, applicable legislation, and the company's history of controversy and litigation as it pertains to human rights. SBA generally does not support proposals asking companies to modify or restrict their business operations in certain markets, unless under extraordinary circumstances where a considerable threat to the company's operations or reputation exists.

OPERATIONS IN HIGH-RISK MARKETS: CASE-BY-CASE

Shareowners may propose that companies adopt guidelines for doing business with or investing in countries where there is a pattern of ongoing egregious and systematic violations of human rights. Shareowners of companies operating in regions that are politically unstable, including terrorism-sponsoring states, sometimes propose ceasing operations or re-reporting on operations in high-risk markets. Such concerns focus on how these business activities or investment may, in truth or by perception, support potentially dangerous and/or oppressive governments, and further, may lead to potential company reputational, regulatory, or supply chain risks. In accordance with §215.471(2) of Florida Statutes, the SBA votes against all proposals advocating increased United States trade with Cuba, Syria or Venezuela, and SBA will not vote in favor of any proxy resolution advocating the support of the Maduro regime in

Venezuela per resolution of the Trustees of the State Board of Administration. SBA is also prohibited by state law from investing in companies doing certain types of business in Iran and Sudan.

SBA votes on a CASE-BY-CASE basis when evaluating requests to review and report on the company's potential financial and reputation risks associated with operations in high-risk markets, such as a terrorism-sponsoring state or otherwise, considering:

- Compliance with Florida state law;
- Compliance with U.S. sanctions and laws;
- Consideration of other international policies, standards, and laws;
- The nature, purpose, and scope of the operations and business involved that could be affected by social or political disruption;
- Current disclosure of applicable risk assessments and risk management procedures; and
- Whether the company has been recently involved in significant controversies or violations in high-risk markets.

CONFLICT MINERALS: CASE-BY-CASE

As a part of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC mandates that public companies using 'conflict minerals' annually report on the scope of their due diligence of their suppliers, in addition to making disclosures about any payments made to foreign governments for the acquisition or production of these resources. SBA evaluates the scope of proposals going beyond the reports required by the SEC, as well as the economic rationale, and compares it to the expected compliance costs in making a voting decision.

POLITICAL NEUTRALITY: CASE-BY-CASE

These resolutions call for companies to maintain political neutrality. They may also propose that appearance of coercion in encouraging its employees to make political contributions be avoided. The SBA examines proposals requesting the company to affirm political non-partisanship in the workplace on a case-by-case basis. We generally vote against such resolutions provided that the company complies with laws governing corporate political activities and the company has procedures in place to ensure that employee contributions to company-sponsored political action committees (PACs) are strictly voluntary and not coercive.

Codes of Conduct

CODES OF CONDUCT: CASE-BY-CASE

Workplace codes of conduct are designed to safeguard workers' rights in the international marketplace. Advocates of workplace codes of conduct encourage corporations to adopt global corporate standards that ensure minimum wages and safe working conditions for workers at in developing countries. U.S. companies that outsource portions of their manufacturing operations to foreign companies are expected to ensure that the products received from those contractors do not involve the use of forced labor, child labor, or sweatshop labor. A number of companies have implemented vendor standards, which include independent monitoring programs with respected local human rights and religious organizations to strengthen compliance with international human rights norms. Failure to manage the risks to workers' safety and human rights can result in boycotts, litigation, and stiff penalties.

When compliance is deemed necessary, SBA favors incorporation of operational monitoring, code enforcement, and robust disclosure mechanisms.⁶² SBA prefers to see companies with supply-chain risks

⁶² "Incorporating Labor and Human Rights Risk into Investment Decisions." Aaron Bernstein, Harvard Labor and Worklife Program, Occasional Paper Series No. 2, September, 2008.

proactively engage an independent monitoring organization to provide objective oversight and publicly disclose such evaluation.

NORTHERN IRELAND (MACBRIDE PRINCIPLES): FOR

The MacBride Principles call on companies with operations in Northern Ireland to promote fair employment practices. Signatories of the MacBride Principles agree to make reasonable, good faith efforts to abolish all differential employment criteria whose effect is discrimination based on religion. SBA supports adoption and implementation of the MacBride Principles, along with fair and transparent employment practices by firms operating in Northern Ireland.

MUTUAL FUND VOTING

Like shareowners of publicly held corporations, shareowners of mutual funds are allowed a voice in fund governance. While some funds proscribe annual meetings in their charter documents, all funds must call special meetings of shareowners to amend substantive governance matters such as board composition, investment advisory agreements, distribution agreements, and changes to fundamental investment restrictions. To this end, mutual fund managers issue and solicit proxies like the way that stock corporations do.

Mutual fund proxies raise issues that differ substantially from those found in the proxies of public companies. Though mutual fund proxy holders are also frequently asked to elect trustees and ratify auditors, most of the other agenda items are related to the special nature of this type of security. As with elections of directors of corporations, it is preferable to see mechanisms that promote independence, accountability, responsiveness, and competence regarding the mutual fund. There is evidence demonstrating a positive link between the quality of a mutual fund's board and its future performance and Sharpe ratio.⁶³ SBA's voting approach on mutual fund resolutions is like that of our approach on publicly traded company resolutions in that votes are cast with an intention of maximizing value and preserving or enhancing investor rights.

Fund Objective and Structure

The principal investment strategy identifies the financial market asset class or sub-sector in which the fund typically invests, e.g., the fund normally invests at least eighty percent of its assets in stocks included in the S&P 500. A fundamental investment restriction identifies prohibited activities, e.g., the fund may not invest more than twenty-five percent of the value of its total assets in the securities of companies primarily engaged in any one industry.

Beyond a fund's investment objectives, fund structure may also affect shareowner value. Most investment funds are open-end investment companies, meaning that they have no set limit on the number of shares that they may issue. A change in fee structure or fundamental investment policy requires the approval of a majority of outstanding voting securities of the fund, which under the Federal Investment Company Act of 1940 is defined as the affirmative vote of the lesser of either sixty-seven percent or more of the shares of the fund represented at the meeting, if at least 50 percent of all outstanding shares are represented at the meeting, or fifty percent or more of the outstanding shares of the fund entitled to vote at the meeting. Failure to reach this "1940 Act majority" subjects the funds to additional solicitation and administrative expenses.

ELECTION OF DIRECTORS: CASE-BY-CASE

Like the election of directors of corporations, it is preferable to see mechanisms that promote independence, accountability, responsiveness, and competence within the mutual fund. Votes on director nominees should be determined on a case-by-case basis, considering the following factors:

- Director independence and qualifications, including relevant skills and experience;
- Past performance relative to its peers;
- Board structure;
- Attendance at board and committee meetings ;
- Number of mutual funds' boards and/or corporate boards (directorships) upon which a nominee sits; and

⁶³ Carl R. Chen and Ying Huang, "Mutual Fund Governance and Performance: A Quantile Regression Analysis of Morningstar's Stewardship Grade," *Corporate Governance: An International Review*, 2011, 19(4): 311-333.

- If a proxy contest, Strategy of the incumbents versus the dissidents.

SBA typically withholds votes from directors if:

- They've attended less than 75 percent of the board and committee meetings without a valid reason for the absences;
- They've ignored a shareowner proposal that was approved by a majority of the shares voting;
- They are non-independent directors and sit on the audit or nominating committees;
- They are non-independent directors, and the full board serves as the audit or nominating committee, or the company does not have one of these committees; or
- The audit committee did not provide annual auditor ratification, especially in the case of substantial non-audit fees or other poor governance practices.

CONVERTING CLOSED-END FUND TO OPEN-END FUND: CASE-BY-CASE

The SBA evaluates conversion proposals on a case-by-case basis, considering the following factors:

- Rationale for the change;
- Past performance as a closed-end fund;
- Market in which the fund invests;
- Measures taken by the board to address the discount; and
- Past shareowner activism, board activity, and votes on related proposals.

INVESTMENT ADVISORY AGREEMENTS: CASE-BY-CASE

Votes on investment advisory agreements are determined by considering the following factors:

- Proposed and current fee schedules;
- Fund category/investment objective;
- Performance benchmarks;
- Share price performance as compared with peers;
- Resulting fees relative to peers; and
- Assignments (where the advisor undergoes a change of control).

When considering a new investment advisory agreement or an amendment to an existing agreement, the proposed fee schedule should be compared with those fees paid by funds with similar investment objectives. Any increase in advisory fees of more than 10 percent of the prior year's fees are judged to determine the long-term impact on shareowner value, and management must offer a detailed, specific, and compelling argument justifying such a request.

APPROVE NEW CLASSES OR SERIES OF SHARES: FOR

The SBA generally votes FOR the establishment of new classes or series of shares. Boards often seek authority for a new class or series of shares for the fund to grow the fund's assets. The ability to create classes of shares enables management to offer different levels of services linked to the class or series of shares that investors purchase. Also, fee structures can be varied and linked to the series of shares, which allows investors to choose the purchasing method best suited to their needs. The board can use separate classes and series of shares to attract a greater number of investors and increase the variety of services offered by the fund.

CHANGE FUND'S INVESTMENT OBJECTIVE OR CLASSIFICATION: CASE-BY-CASE

Votes on changes in a fund's objective or classification are determined on a case-by-case basis, considering the following factors:

- Potential competitiveness;
- Current and potential returns;
- Risk of concentration; and
- Consolidation in target industry.

AUTHORIZE THE BOARD TO HIRE OR TERMINATE SUB-ADVISORS WITHOUT SHAREOWNER APPROVAL: AGAINST

SBA generally opposes proposals authorizing the board to hire or terminate sub-advisors without shareowner approval. Typically, the management company will seek authority, through the investment advisor, to hire or terminate a new sub-advisor, modify the length of a contract, or modify the sub-advisory fees on behalf of the fund. These investment decisions are normally made with majority shareowner approval, as determined by Section 15 of the Investment Company Act of 1940. However, funds may apply to the SEC for exemptions to this rule, and the SEC often grants these exemptions. These exemptions are usually structured so that they do not apply to the investment sub-advisory agreement that is in place at the time but apply to any future sub-advisory agreement into which the fund enters.

MERGERS: CASE-BY-CASE

The SBA generally evaluates mergers and acquisitions on a case-by-case basis, determining whether the transaction enhances shareowner value by considering:

- Resulting fee structure;
- Performance of both funds;
- Continuity of management personnel; and
- Changes in corporate governance and the impact on shareowner rights.

CHANGE DOMICILE: CASE-BY-CASE

The SBA votes on fund re-incorporations on a case-by-case basis by considering the regulations and fundamental policies applicable to management investment companies in both states. Shareowner rights can be particularly limited in certain states, including Delaware, Maryland, and Massachusetts.⁶⁴

AMENDMENTS TO THE CHARTER: CASE-BY-CASE

The SBA votes on changes to the charter document on a case-by-case basis, considering the following factors:

- The potential impact and/or improvements, including changes to competitiveness or risk;
- The standards within the state of incorporation; and
- Other regulatory standards and implications.

The SBA generally opposes of the following changes:

- Removal of shareowner approval requirement to reorganize or terminate the trust or any of its series;
- Removal of shareowner approval requirement for amendments to the new declaration of trust;

⁶⁴ Lucian Bebchuk and Alma Cohen, "Firms' Decisions Where to Incorporate." National Bureau of Economic Research Working Paper 9107, August 2002.

- Removal of shareowner approval requirement to amend the fund's management contract, allowing the contract to be modified by the investment manager and the trust management, as permitted by the 1940 Act;
- Allow the trustees to impose other fees in addition to sales charges on investment in a fund, such as deferred sales charges and redemption fees that may be imposed upon redemption of a fund's shares;
- Removal of shareowner approval requirement to engage in and terminate sub-advisory arrangements; and
- Removal of shareowner approval requirement to change the domicile of the fund.
-

SHAREOWNER PROPOSALS TO ESTABLISH DIRECTOR OWNERSHIP REQUIREMENT: CASE-BY-CASE

The SBA generally favors the establishment of a director ownership requirement and considers a director nominee's investment in the fund as a critical factor in evaluating his or her candidacy. This decision should be made on an individual basis and not according to an inflexible standard. If the director has invested in one fund of the family, he/she is considered to own stock in the fund.

SHAREOWNER PROPOSALS TO TERMINATE INVESTMENT ADVISOR: CASE-BY-CASE

Votes on shareowner proposals to terminate the investment advisor considering the following factors:

- Performance of the fund;
- The fund's history of shareowner relations; and
- Performance of other funds under the advisor's management.

ASSIGN TO THE USUFRUCTUARY (BENEFICIARY), INSTEAD OF THE TRUSTEE, THE VOTING RIGHTS APPURTENANT TO SHARES HELD IN TRUST: CASE-BY-CASE

The SBA votes against if the company assigns voting rights to a foundation allied to management.

SHAREOWNER PROPOSALS TO ADOPT A POLICY TO REFRAIN FROM INVESTING IN COMPANIES THAT SUBSTANTIALLY CONTRIBUTE TO GENOCIDE OR CRIMES AGAINST HUMANITY: CASE-BY-CASE

The SBA will evaluate such proposals with an adherence to the requirements and intent of Florida law, including but not limited to the Protecting Florida's Investments Act, which prohibits investment in companies involved in proscribed activities in Sudan or Iran, and other laws covering companies with policies on or investments in countries such as Cuba, Northern Ireland, and Israel.

FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PLAN INVESTMENT POLICY STATEMENT

I. DEFINITIONS

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

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

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

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

II. OVERVIEW OF THE FRS AND SBA

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

III. THE BOARD

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

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

The Board shall discharge its fiduciary duties in accordance with the Florida statutory fiduciary standards of care as contained in Sections 215.44(2)(a), ~~and~~ 215.47(10) 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 4.08% 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 ~~15~~10-year investment horizon there is an 80 percent probability that the Target Portfolio will experience a compound annual real return between ~~0.47~~1% and ~~8.73~~9.2% and a 90 percent probability that the Target Portfolio will experience a compound annual real return between ~~-0.16~~54% and ~~9~~10.96%.

Table 1: Expected Risk in New Target Asset Allocation Real Returns

<u>Time Horizon</u>	<u>5th Percentile Real Return</u>	<u>10th Percentile Real Return</u>	<u>90th Percentile Real Return</u>	<u>95th Percentile Real Return</u>
<u>1 Year</u>	<u>-14.8%</u>	<u>-10.4%</u>	<u>18.8%</u>	<u>22.9%</u>
<u>3 Years</u>	<u>-6.3%</u>	<u>-3.9%</u>	<u>13.1%</u>	<u>15.4%</u>
<u>5 Years</u>	<u>-4.0%</u>	<u>-2.0%</u>	<u>11.1%</u>	<u>13.0%</u>
<u>7 Years</u>	<u>-2.5%</u>	<u>-0.9%</u>	<u>10.1%</u>	<u>11.6%</u>
<u>10 Years</u>	<u>-1.4%</u>	<u>0.1%</u>	<u>9.2%</u>	<u>10.6%</u>

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

<u>Time Horizon</u>	<u>5th Percentile Real Return</u>	<u>10th Percentile Real Return</u>	<u>90th Percentile Real Return</u>	<u>95th Percentile Real Return</u>
<u>10 Years</u>	<u>-1.78%</u>	<u>-0.42%</u>	<u>9.71%</u>	<u>11.22%</u>
<u>15 Years</u>	<u>-0.65%</u>	<u>0.47%</u>	<u>8.73%</u>	<u>9.96%</u>
<u>20 Years</u>	<u>0.03%</u>	<u>1.00%</u>	<u>8.16%</u>	<u>9.22%</u>

25 Years	0.49%	1.37%	7.77%	8.71%
30 Years	0.84%	1.64%	7.48%	8.34%

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 3%	35 45%	60 70%
Fixed Income	2 18%	1 20%	30 26%
<u>Active Credit</u>	<u>7</u> %	<u>2</u> %	<u>12</u> %
Real Estate	12 0%	4 8%	20 16%
Private Equity	10 6%	6 2%	20 12%
Strategic Investments	4 12%	2 0%	14 16%
Cash Equivalents	1%	0.25%	5%
Total Fund	100%	--	--

For purposes of determining compliance with these policy ranges, an asset class is considered to be an aggregation of one or more portfolios with substantially the same principal asset type.² An asset type is a category of investment instrument such as common stock or bond. -For example, all of the

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.

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 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: Estimate of Net Cash Outflow New Target Asset Allocation (\$ millions/% Fund)

	<u>In 5 Years</u>		<u>In 10 Years</u>	
<u>10th Percentile</u>	<u>\$7,367</u>	<u>3.62%</u>	<u>\$5,275</u>	<u>2.97%</u>
<u>25th Percentile</u>	<u>\$7,977</u>	<u>3.87%</u>	<u>\$7,497</u>	<u>3.49%</u>
<u>Median</u>	<u>\$8,539</u>	<u>4.20%</u>	<u>\$9,744</u>	<u>3.99%</u>
<u>75th Percentile</u>	<u>\$9,080</u>	<u>4.59%</u>	<u>\$13,041</u>	<u>4.47%</u>
<u>90th Percentile</u>	<u>\$9,601</u>	<u>4.98%</u>	<u>\$13,149</u>	<u>4.91%</u>

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

	<u>In 5 Years</u>		<u>In 10 Years</u>	
10th Percentile	\$ 4,851	3.67%	\$ 3,497	3.14%
25th Percentile	\$ 6,776	4.15%	\$ 6,329	4.03%
Median	\$ 7,466	4.54%	\$ 8,523	4.60%
75th Percentile	\$ 8,079	5.04%	\$ 11,561	5.22%
90th Percentile	\$ 10,690	5.96%	\$ 12,895	6.27%

VII. PERFORMANCE MEASUREMENT

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

Table 4: Authorized Target Indices

Asset Class	Index
Global Equity	A custom version of the MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect securities and other investments prohibited by Florida law 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 Barelays Bloomberg Capital U.S. Intermediate Aggregate Bond Index
<u>Active Credit</u>	<u>Floating based on public/private mix: (1) High Yield – Bloomberg 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%</u>
Real Estate	The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 76.5 <u>83.3</u> %, 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 <u>16.7</u> %, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%³
Private Equity	The MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida's Investments Act <u>Global Equity Target Index</u> , plus a fixed premium return of 325 <u>00</u> basis points per annum

$$\begin{array}{l}
 \begin{array}{c} 3 \\ \hline \end{array} \quad \begin{array}{cc} \text{Core RE} & \text{Non-Core RE} \end{array} \\
 \begin{array}{c} \text{---} \end{array} \\
 \begin{array}{c} (83.3\% * \text{NFI-ODCE}) + [16.7\% * (\text{NFI-ODCE} + 150 \text{ bps})] \end{array} \\
 \hline
 \begin{array}{c} 3 \\ \hline \end{array} \quad \begin{array}{ccc} \text{Core RE} & \text{Non-Core RE} & \text{Public RE} \end{array} \\
 \begin{array}{c} \text{---} \end{array} \\
 \begin{array}{c} (76.5\% * \text{NFI-ODCE}) + [13.5\% * (\text{NFI-ODCE} + 150 \text{ bps})] + (10\% * \text{REIT Index}) \end{array}
 \end{array}$$

Strategic Investments	<u>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</u> A weighted average of individual portfolio level benchmark returns
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 Private Market (Real Estate, Private Equity and Strategic Investments) Under and Overweights to Public Market (Global Equity, Fixed Income and Cash) Table 2 Target Allocations

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

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

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

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.
~~the CPI, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (Consumer Price Index—All Urban Consumers), plus 4.0%.~~
- 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~~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:

- ~~Generate long-term incremental returns in excess of a 4.0% annualized real rate of return, commensurate with risk.~~
- Reduce the volatility of FRS Pension Plan assets and improve the FRS Pension Plan's ~~risk-adjusted return~~Sharpe Ratio, over ~~multiple market cycles~~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.”

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 January 1, 2024~~approval by the Trustees.

This Page Intentionally Left Blank

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	95th 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 cash flows (benefit payments less employer and employee contributions) and associated

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.

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 Investable Market Index (ACWI 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 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 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%

$$\begin{array}{c}
 \text{3} \quad \text{Core RE} \qquad \qquad \qquad \text{Non-Core RE} \\
 \underbrace{\hspace{1.5cm}} \quad \underbrace{\hspace{2.5cm}} \\
 (83.3\% * \text{NFI-ODCE}) + [16.7\% * (\text{NFI-ODCE} + 150 \text{ bps})]
 \end{array}$$

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.”

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 January 1, 2024.

This Page Intentionally Left Blank

Memo

TO: Lamar Taylor, Interim Executive Director & CIO

THRU: Gina Wilson, Chief Operating Officer, FHCF

FROM: Mary Linzee Branham, Director of Legal and Risk Operations, FHCF

DATE: September 29, 2023

SUBJECT: Trustees Meeting, October 25, 2023

Request approval of, and authority to file, a Notice of Proposed Rule for Rule 19-8.010, F.A.C., Reimbursement Contract, and to file the Rule along with the incorporated forms for adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no Notice of Change is needed.

BACKGROUND AND SUMMARY OF RULE AND INCORPORATED FORMS CHANGES:

The Florida Hurricane Catastrophe Fund (FHCF) provides reimbursement to insurers writing residential property insurance in Florida for a portion of their hurricane losses. All admitted insurers covering residential property in Florida must obtain coverage from the FHCF, which is provided through the Reimbursement Contract.

The SBA has a statutory deadline of February 1 for adoption of the Reimbursement Contract for the contract year that begins on June 1 and runs through the following May 31.

The proposed rule adopts the Reimbursement Contract for the 2024-2025 contract year.

In addition to updating the dates to reflect the 2024-2025 contract year, the proposed rule makes the following substantive editorial changes to the Reimbursement Contract:

- Article X. Subsection (2)(b): The language concerning administrative supervision is deleted to reduce any ambiguity over the SBA's contractual obligations concerning administrative supervision. Administrative supervision is typically a confidential process strictly between a company and the Office of Insurance Regulation.

- Article X. Subsection (2)(b)2.: The language concerning the failure to pay the full annual provisional Reimbursement Premium by the due date resulting in a drop down to the 45 percent Coverage Level is amended to “may” instead of “shall” to allow for greater flexibility and clarifies that the SBA makes such determination.
- Article X. Subsections (2)(b)3. and 4.: The language requiring a state regulator, receiver, or rehabilitator to provide a letter of assurance to the FHCF concerning the available resources to pay the Reimbursement Premium by August 1st and/or failure to provide a letter of assurance will result in a default to 45 percent Coverage Level is deleted. Such letter is unlikely in practice and therefore, obsolete.
- Article X. Subsection (3)(b)3.c.: The language addressing administrative supervision is deleted and replaced with “in receivership” to reflect the changes made throughout the Reimbursement Contract to recognize that administrative supervision is typically a confidential process between a company and the Office of Insurance Regulation.
- Article XI. Subsection (3)(c): The language allowing for an adjuster or appraiser to investigate to determine Losses is deleted.

A complete copy of the Summary of Changes is attached.

EXTERNAL INTEREST: The Notice of Rule Development was published in the *Florida Administrative Register* on June 27, 2023, Vol. 49, No. 124. The Rule Development Workshop was held on July 11, 2023. Representatives of the FHCF and Paragon attended and presented the rule and incorporated forms. The rule and forms were presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on July 11, 2023.

ACTION REQUESTED: It is requested that the proposed amendments to this rule, along with the incorporated forms, be presented to the Cabinet Aides on October 18, 2023, and to the State Board of Administration Trustees on October 25, 2023, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH AGENDA ITEM A:

- Summary of Changes, Rule 19-8.010, F.A.C.
- Notice of Proposed Rule, Rule 19-8.010, F.A.C.
- **Rule 19-8.010, F.A.C., Reimbursement Contract**
- 2024 Incorporated Forms: **FHCF-2024K**, Reimbursement Contract; **FHCF-2024K-1**, Appendix A

The rule and all forms show the proposed amendments with new language underscored and deleted language ~~stricken through~~.

Rule 19-8.010, F.A.C., and Incorporated Forms
2024-2025 Contract Year
Summary of Changes
(as of June 21, 2023)

Rule

19-8.010, Reimbursement Contract

New: Subsection (1)(a) is added to incorporate the Reimbursement Contract, including Amendments and Addenda, for the 2024-2025 Contract Year.

New: Subsection (1)(b) is added to incorporate Appendix A for the 2024-2025 Contract Year.

Renumbered: Former subsection (1) is renumbered as subsection (2).

Deleted: Subsection (2), relating to the Reimbursement Contract for the 2022-2023 Contract Year, is deleted as obsolete.

Deleted: Subsection (4), relating to the revisions to subparagraphs Sections 215.555(2)(p) and (5)(e) that was necessary for the implementation of Senate Bill 1058, after the Reimbursement Contract for the 2022-2023 Year Contract was adopted, is deleted as obsolete. Changes are now implemented in the incorporated forms.

Incorporated Forms

Rule 19-8.010, F.A.C., Incorporated Forms

FHCF-2024K, Reimbursement Contract

Throughout: Technical changes to update references to the 2024-2025 Contract Year dates and nonsubstantive editorial or grammatical changes are made throughout the Contract.

ARTICLE V – DEFINITIONS

Subsection (12): The definition of “Covered Policy” is amended to clarify that a company will be deemed to be able to accurately report data if the company submits the required data as specified in the Data Call applies to all covered policies and not just subparagraph (b)3., the coverage amount that the homeowner requests from the collateral protection insurer.

ARTICLE VI – EXCLUSIONS

Subsection (17): The exclusion for any liability of the company for extra contractual obligations or liabilities in excess of original policy limits is amended to clarify that interest, not just penalties, are also excluded from FHCF coverage.

ARTICLE X – REPORTS AND REMITTANCES

Subsection (2)(b): The language concerning administrative supervision is deleted to reduce any ambiguity over the SBA's contractual obligations concerning administrative supervision. Administrative supervision is typically a confidential process strictly between a company and the Office of Insurance Regulation.

Subsection (2)(b)1.: The language concerning any outstanding premium due from a company in receivership is amended to reflect the change from date of State action to "date of receivership" to be consistent with changes throughout deleting references to administrative supervision.

Subsection (2)(b)2.: The language concerning the failure to pay the full annual provisional Reimbursement Premium by the due date resulting in a drop down to the 45 percent Coverage Level is amended to "may" instead of "shall" to allow for greater flexibility and clarifies that the SBA makes such determination.

Subsections (2)(b)3. and 4.: The language requiring a state regulator, receiver, or rehabilitator to provide a letter of assurance to the FHCF concerning the available resources to pay the Reimbursement Premium by August 1st and/or failure to provide a letter of assurance will result in a default to 45 percent Coverage Level is deleted. Such letter is unlikely in practice and therefore, obsolete.

Subsection (3)(b)2.: The language concerning when FHCF reimbursements will be issued is amended to add the word "paid" before Ultimate Net Loss information for clarity.

Subsection (3)(b)3.c.: The language addressing administrative supervision is deleted and replaced with "in receivership" to reflect the changes made throughout the Reimbursement Contract to recognize that administrative supervision is typically a confidential process between a company and the Office of Insurance Regulation.

Subsection (3)(b)4.: The language concerning errors in a Company's reported exposure under the Data Call is amended to allow for flexibility to consider other factors when addressing whether a resubmission will be required.

ARTICLE XI – COMMUTATION

Subsection (3)(c): The language allowing for an adjuster or appraiser to investigate to determine Losses is deleted.

ARTICLE XVI – INSOLVENCY OF THE COMPANY

The language allowing reimbursements to proceed if an agreement is entered into between the receiver specifying that all data and computer systems required for FHCF exposure and claims examinations will be maintained until the completion of the company's exposure and claims examinations is deleted as any agreement would need court approval and if the receiver has the required data, it does not need to be maintained on an insolvent company's system.

APPENDIX A

Technical changes to update references to the 2024-2025 Contract Year dates and nonsubstantive editorial changes are made to Appendix A.

Notice of Proposed Rule

STATE BOARD OF ADMINISTRATION

RULE NO.: RULE TITLE:

19-8.010: Reimbursement Contract

PURPOSE AND EFFECT: The State Board of Administration of Florida, Florida Hurricane Catastrophe Fund, seeks to amend the rule listed above to implement Section 215.555, F.S.

SUMMARY: Rule 19-8.010, F.A.C., is being amended to adopt the 2024-2025 Reimbursement Contract, including Addenda.

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: Upon review of the proposed changes to this rule and the incorporated forms, the State Board of Administration of Florida has determined that the rule does not meet the requirements for ratification by the legislature. The changes to the rule do not have an adverse impact on small business and do not directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate within 1 year of implementation. The changes to the rule also do not directly or indirectly have an adverse impact on economic growth, private sector job creation or employment, or private sector investment, business competitiveness or innovation or increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.

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: 215.555(3), F.S.

LAW IMPLEMENTED: 215.555(2), (3), (4), (5), (6), (7), (10), (16), F.S.

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: September 20, 2023, 9:00 a.m. (ET) to 10:00 a.m. (ET).

PLACE: Conference Call in Number: 1(872)242-7651, Phone Conference ID: 342-430-414#.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Mary Linzee Branham, Florida Hurricane Catastrophe Fund, 1801 Hermitage Blvd., Tallahassee, FL 32308, (850) 413-1335, marylinzee.branham@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Mary Linzee Branham at the number or email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

19-8.010 Reimbursement Contract.

(1)(a) The reimbursement contract for the 2024-2025 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2024K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC # () and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/23 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2024 through May 31, 2025.

~~(b) Appendix A, for the 2024-2025 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, required by Section 215.555(5)(e), F.S., which is called Form FHCF-2024K-1 “Appendix A to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/23 is hereby adopted and incorporated by reference into this rule. This appendix is effective from June 1, 2024 through May 31, 2025.~~

~~(2)(4)(a) The reimbursement contract for the 2023-2024 contract year, <http://www.flrules.org/Gateway/reference.asp?No=Ref-14788>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2023K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 10/22 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2023 through May 31, 2024.~~

~~(b) Appendix A, for the 2023-2024 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-14789>, required by Section 215.555(5)(e), F.S., which is called Form FHCF-2023K-1 “Appendix A to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 10/22 is hereby adopted and incorporated by reference into this rule. This appendix is effective from June 1, 2023 through May 31, 2024.~~

~~(2)(a) The reimbursement contract for the 2022-2023 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-13637>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2022K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 11/21 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2022 through May 31, 2023.~~

~~(b) Addendum No. 1, which includes Appendix A, for the 2022-2023 contract year, <http://www.flrules.org/Gateway/reference.asp?No=Ref-14590>, required by Section 215.555(5)(e), F.S., which is called Form FHCF 2022K-1 “Addendum No. 1 to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 08/22 is hereby adopted and incorporated by reference into this rule. This addendum is effective from June 1, 2022 through May 31, 2023.~~

~~(3) The reimbursement contract form may be obtained by accessing the FHCF website at <https://fhcf.sbafla.com> ~~www.sbafla.com/fhcf~~; by submitting a written request to the State Board of Administration at P. O. Box 13300, Tallahassee, Florida 32317-3300; or by calling (850)413-1335.~~

~~(4)(a) Subsection 215.555(2), F.S., specifies definitions to be used in Section 215.555, F.S. SB 1058 as enacted during the 2022 Regular Session of the Florida Legislature added paragraph 215.555(2)(p), F.S. to define the term “unsound insurer” as “...an insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), F.S., or an insurer placed in receivership under Chapter 631, F.S.” In addition, SB 1058 as enacted amends Section 215.555(5)(e), F.S., revising requirements for coverage under the Florida Hurricane Catastrophe Fund of certain policies assumed by an authorized insurer or Citizens Property Insurance Corporation.~~

~~(b) The purpose of the subsection of this rule is to implement the revisions to subparagraphs Sections 215.555(2)(p) and (5)(e) only for the 2022-2023 Reimbursement Contract, including Addendum 1, and without consideration of the dates on which the Reimbursement Contract was executed or took effect.~~

~~Rulemaking Authority 215.555(3) FS. Law Implemented 215.555 FS. History—New 5-31-94, Amended 8-29-95, 5-19-96, 6-19-97, 5-28-98, 5-17-99, 9-13-99, 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 11-13-05, 5-10-06, 9-5-06, 5-8-07, 8-13-07, 6-8-08, 9-2-08, 3-30-09, 8-23-09, 3-29-10, 8-8-10, 12-12-10, 9-11-11, 12-19-11, 11-18-12, 12-2-13, 11-12-14, 6-2-15, 1-3-16, 11-9-16, 12-6-17, 1-29-19, 9-17-19, 11-12-19, 11-17-20, 11-10-21, 8-18-22, 10-11-22, X-XX-23.~~

NAME OF PERSON ORIGINATING PROPOSED RULE: Gina Wilson, FHCF Chief Operating Officer, State Board of Administration of Florida.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: The Trustees of the State Board of

Administration of Florida.

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: August 22, 2023

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: June 27, 2023

19-8.010 Reimbursement Contract.

(1)(a) The reimbursement contract for the 2024-2025 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2024K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/23 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2024 through May 31, 2025.

(b) Appendix A, for the 2024-2025 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, required by Section 215.555(5)(e), F.S., which is called Form FHCF-2024K-1 “Appendix A to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/23 is hereby adopted and incorporated by reference into this rule. This appendix is effective from June 1, 2024 through May 31, 2025.

(2)(a) The reimbursement contract for the 2023-2024 contract year, <http://www.flrules.org/Gateway/reference.asp?No=Ref-14788>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2023K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 10/22 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2023 through May 31, 2024.

(b) Appendix A, for the 2023-2024 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-14789>, required by Section 215.555(5)(e), F.S., which is called Form FHCF-2023K-1 “Appendix A to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 10/22 is hereby adopted and incorporated by reference into this rule. This appendix is effective from June 1, 2023 through May 31, 2024.

~~(2)(a) The reimbursement contract for the 2022-2023 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-13637>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2022K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 11/21 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2022 through May 31, 2023.~~

~~(b) Addendum No. 1, which includes Appendix A, for the 2022-2023 contract year, <http://www.flrules.org/Gateway/reference.asp?No=Ref-14590>, required by Section 215.555(5)(e), F.S., which is called Form FHCF-2022K-1 “Addendum No. 1 to Reimbursement Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 08/22 is hereby adopted and incorporated by reference into this rule. This addendum is effective from June 1, 2022 through May 31, 2023.~~

(3) The reimbursement contract form may be obtained by accessing the FHCF website at <https://fhcf.sbafla.com> ~~www.sbafla.com/fhcf~~; by submitting a written request to the State Board of Administration at P. O. Box 13300, Tallahassee, Florida 32317-3300; or by calling (850)413-1335.

~~(4)(a) Subsection 215.555(2), F.S., specifies definitions to be used in Section 215.555, F.S. SB 1058 as enacted during the 2022 Regular Session of the Florida Legislature added paragraph 215.555(2)(p), F.S. to define the term “unsound insurer” as “...an insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), F.S., or an insurer placed in receivership under Chapter 631, F.S.” In addition, SB 1058 as enacted amends Section 215.555(5)(e), F.S., revising requirements for coverage under the Florida Hurricane Catastrophe Fund of certain policies assumed by an authorized insurer or Citizens Property Insurance Corporation.~~

~~(b) The purpose of the subsection of this rule is to implement the revisions to subparagraphs Sections 215.555(2)(p) and (5)(e) only for the 2022-2023 Reimbursement Contract, including Addendum 1, and without consideration of the dates on which the Reimbursement Contract was executed or took effect.~~

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555 FS. History—New 5-31-94, Amended 8-29-95, 5-19-96, 6-19-97, 5-28-98, 5-17-99, 9-13-99, 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 11-13-05, 5-10-06, 9-5-06, 5-8-07, 8-13-07, 6-8-08, 9-2-08, 3-30-09, 8-23-09, 3-29-10, 8-8-10, 12-12-10, 9-11-11, 12-19-11, 11-18-12, 12-2-13, 11-12-14, 6-2-15, 1-3-16, 11-9-16, 12-6-17, 1-29-19, 9-17-19, 11-12-19, 11-17-20, 11-10-21, 8-18-22, 10-11-22, [X-XX-23](#).

REIMBURSEMENT CONTRACT

Coverage Effective: June 1, ~~2023~~2024
("Contract")

This Contract is between:

«Legal_Name»
("Company")

NAIC # «NAIC_»

and

THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA ("SBA")
WHICH ADMINISTERS THE FLORIDA HURRICANE CATASTROPHE FUND ("FHCF")

PREAMBLE

Section 215.555, Florida Statutes, creates the FHCF and directs the SBA to administer the FHCF. This Contract, consisting of the principal document entitled Reimbursement Contract, addressing the mandatory FHCF coverage, and Appendix A, is subject to Section 215.555, Florida Statutes, and to any administrative rule adopted pursuant thereto, and is not intended to be in conflict therewith.

In consideration of the promises set forth in this Contract, the parties agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

As a condition precedent to the SBA's obligations under this Contract, the Company shall report to the SBA in a specified format the business it writes which is described in this Contract as Covered Policies. The terms of this Contract shall determine the rights and obligations of the parties. This Contract provides reimbursement to the Company under certain circumstances, as described herein, and does not provide or extend insurance or reinsurance coverage to any person, firm, corporation or other entity. The SBA shall reimburse the Company for its Ultimate Net Loss on Covered Policies, which were in force and in effect at the time of the Covered Event causing the Loss, in excess of the Company's Retention as a result of each Covered Event commencing during the Contract Year, to the extent funds are available, all as hereinafter defined.

ARTICLE II - PARTIES TO THE CONTRACT

This Contract is solely between the Company, an Authorized Insurer or any entity writing Covered Policies under Section 627.351, Florida Statutes, in the State of Florida, and the SBA. In no instance shall any insured of the Company, any claimant against an insured of the Company, or any other third party have any rights under this Contract, except as provided in Article XVI. The SBA will disburse funds only to the Company, except as provided for in Article XVI. The Company shall not, without the prior approval of the Florida Office of Insurance Regulation, sell, assign, or transfer to any third party, in return for a fee or other consideration any sums the FHCF pays under this Contract or the right to receive such sums.

ARTICLE III – TERM; EXECUTION

(1) Term

This Contract applies to Losses from Covered Events which commence during the period from 12:00:01 a.m., Eastern Time, June 1, ~~2023~~2024, to 12:00 midnight, Eastern Time, May 31, ~~2024~~2025 (the “Contract Year”). The SBA shall not be liable for Losses from Covered Events which commence after the effective time and date of expiration or termination. Should this Contract expire or terminate while a Covered Event is in progress, the SBA shall be responsible for such Covered Event in progress in the same manner and to the same extent it would have been responsible had the Contract expired the day following the conclusion of the Covered Event in progress.

(2) Mandatory Nature of this Contract

(a) Statutory Requirement

This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code (F.A.C.), in fulfillment of the statutory requirement that the SBA enter into a Contract with each Company writing Covered Policies in Florida. Under Section 215.555(4)(a), Florida Statutes, the SBA must enter into such a Contract with each such Company, and each such Company must enter into the Contract as a condition of doing business in Florida. Under Section 215.555(16)(c), Florida Statutes, Companies writing Covered Policies must execute the Contract by March 1 of the immediately preceding Contract Year.

(b) Duty to Provide a Fully and Timely Executed Copy of this Contract to the FHCF Administrator

The Company must provide a fully executed copy of this Contract in electronic form to the Administrator no later than the March 1 statutory deadline for execution, or, in the case of a New Participant, no later than 30 days after the New Participant began writing Covered Policies.

(3) Contract Deemed Executed Notwithstanding Execution Errors

Except with respect to New Participants, this Contract is deemed to have been executed by the Company as of the March 1 statutory deadline, notwithstanding the fact that the Coverage Level election in Article XXI(1)(b) may be invalid, and notwithstanding the fact that the person purporting to execute the Contract on the part of the Company may have lacked the requisite authority. With respect to New Participants, this Contract is deemed to have been executed by the New Participant as of the date on which the New Participant began writing Covered Policies; coverage shall be determined as provided in paragraphs (c) and (d). Execution of this Contract by or on behalf of an entity that does not write Covered Policies is void. If the Company failed to timely submit an executed copy of this Contract, or if the executed Contract includes an invalid Coverage Level election under Article XXI, the Company's Coverage Level shall be deemed as follows:

- (a) For a Company that is a member of a National Association of Insurance Commissioners (NAIC) group, the same Coverage Level selected by the other Companies of the same NAIC group shall be deemed. If executed Contracts for none of the members of an NAIC group have been received by the FHCF Administrator, the Coverage Level from the prior Contract Year shall be deemed.
- (b) For a Company that is not a member of an NAIC group under which other Companies are active participants in the FHCF, the Coverage Level from the prior Contract Year shall be deemed.
- (c) For a New Participant that is a member of an NAIC group, the same Coverage Level selected by the other Companies of the same NAIC group shall be deemed.
- (d) For a New Participant that is not a member of an NAIC group under which other Companies are active participants in the FHCF, the 45 percent, 75 percent, or 90 percent Coverage Levels may be selected if the FHCF Administrator receives executed Contracts within 30 calendar days after the effective date of the first Covered Policy, otherwise, the 45 percent Coverage Level shall be deemed to have been selected.

ARTICLE IV - LIABILITY OF THE FHCF

- (1) The SBA shall reimburse the Company with respect to each Covered Event commencing during the Contract Year in the amount of Ultimate Net Loss paid by the Company in excess of the Company's Retention, as adjusted pursuant to the definition of Retention in Article V, multiplied by the applicable Coverage Level, plus 10 percent of the reimbursed Losses as a Loss Adjustment Expense Allowance, the total of which shall not exceed the Company's Limit.
- (2) Section 215.555(4)(c)1., Florida Statutes, provides that the obligation of the FHCF with respect to all Contracts covering a particular Contract Year shall not exceed the Actual Claims-Paying Capacity of the FHCF up to a specified dollar limit.

- (3) In order to assure that reimbursements do not exceed the statutory limit on the obligation of the FHCF provided in Section 215.555(4)(c)1., Florida Statutes, the SBA shall, upon the occurrence of a Covered Event, evaluate the potential Losses to the FHCF and the FHCF's capacity at the time of the event. The initial Projected Payout Multiple used to reimburse the Company for its Losses shall not exceed the Projected Payout Multiple as calculated based on the capacity needed to provide the FHCF's coverage. If it appears that the Estimated Claims-Paying Capacity may be exceeded, the SBA shall reduce the projected payout factors or multiples for determining each participating insurer's projected payout uniformly among all insurers to reflect the Estimated Claims-Paying Capacity.
- (4) Reimbursement amounts shall not be reduced by reinsurance paid or payable to the Company from other sources. Once the Company's Limit has been exhausted, the Company will not be entitled to further reimbursements.

ARTICLE V - DEFINITIONS

As used in this Contract, the following words and phrases are defined to mean:

- (1) **Actual Claims-Paying Capacity of the FHCF**
This term means the sum of the Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the amount the SBA is able to raise through the issuance of revenue bonds under Section 215.555(6), Florida Statutes.
- (2) **Actuarially Indicated**
This term means an amount determined according to principles of actuarial science to be adequate, but not excessive, in the aggregate, to pay current and future obligations and expenses of the fund, including additional amounts if needed to pay debt service on revenue bonds and to provide required debt service coverage in excess of the amounts required to pay actual debt service on revenue bonds, and determined according to principles of actuarial science to reflect each insurer's relative exposure to hurricane losses.
- (3) **Additional Living Expense (ALE)**
ALE Losses covered by the FHCF are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on how the coverage is provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the FHCF.
- (4) **Administrator**
This term means the entity with which the SBA contracts to perform administrative tasks associated with the operations of the FHCF. The current Administrator is Paragon Strategic Solutions Inc.
- (5) **Authorized Insurer**
This term is defined in Section 624.09(1), Florida Statutes.

(6) **Balance of the Fund as of December 31 or Fund Balance**

This term means the amount of assets available to pay claims resulting from Covered Events which occurred during the Contract Year, not including any pre-event or post-event bonds, reinsurance, or proceeds from other financing mechanisms.

(7) **Borrowing Capacity**

This term means the amount of funds which are able to be raised by the issuance of revenue bonds or through other financing mechanisms, less bond issuance expenses and reserves.

(8) **Citizens Property Insurance Corporation (Citizens)**

This term means Citizens Property Insurance Corporation as created under Section 627.351(6), Florida Statutes. For the purposes of the FHCF, Citizens incorporates two accounts, (a) the coastal account and (b) the personal lines and commercial lines accounts. Each account is treated by the FHCF as if it were a separate participating insurer with its own reportable exposures, Reimbursement Premium, Retention, and Ultimate Net Loss.

(9) **Commutation**

This term means the estimation, payment, and complete discharge of all future obligations for Losses, regardless of future loss development. The final Commutation shall constitute a complete and final release of all obligations of the SBA with respect to Losses. Commutation may be per Covered Event or by Contract Year as determined by the FHCF.

(10) **Covered Event**

This term means any one storm declared to be a hurricane by the National Hurricane Center which causes insured losses in Florida. A Covered Event begins when a hurricane causes damage in Florida while it is a hurricane and continues throughout any subsequent downgrades in storm status by the National Hurricane Center regardless of whether the hurricane makes landfall. Any storm, including a tropical storm, which does not become a hurricane is not a Covered Event.

(11) **Coverage Level**

This term means the level of reimbursement (90 percent, 75 percent, or 45 percent), as elected by the Company under Article XXI or deemed under Article III(3), which is used in determining reimbursement under Article IV.

(12) **Covered Policy**

(a) Covered Policy, as defined in Section 215.555(2)(c), Florida Statutes, is further clarified to mean only that portion of a binder, policy or contract of insurance that insures real or personal property located in the State of Florida to the extent such policy insures a Residential Structure or the contents of a Residential Structure, located in the State of Florida.

(b) Covered Policy also includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interest, in an amount at least equal to

1. the coverage for the dwelling in place under the lapsed homeowner's policy,
2. the coverage amount that the homeowner has been notified of by the collateral protection insurer, or
3. the coverage amount that the homeowner requests from the collateral protection insurer, if such collateral protection insurance policy can be accurately reported as required in Section 215.555(5), Florida Statutes.

(c) A Company will be deemed to be able to accurately report data if the company submits the required data as specified in the Data Call adopted under Rule 19-8.029, F.A.C.

~~(c)~~(d) Covered Policy does not include any policy or exposure excluded under Article VI.

(13) Deductible Buy-Back Policy

This term means a specific policy that provides coverage to a policyholder for some portion of the policyholder's deductible under a policy issued by another insurer.

(14) Estimated Claims-Paying Capacity of the FHCF

This term means the sum of the projected Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the most recent estimate of the Borrowing Capacity of the FHCF, determined pursuant to Section 215.555(4)(c), Florida Statutes.

(15) Excess Policy

This term means, for the purposes of this Contract, a policy that provides insurance protection for large commercial property risks and that provides a layer of coverage above a primary layer (which is insured by a different insurer) that acts much the same as a very large deductible.

(16) Insurer Group

For purposes of the Coverage Level election in Section 215.555(4)(b), Florida Statutes, Insurer Group means the group designation assigned by the NAIC for regulatory purposes. A Company is a member of a group as designated by the NAIC until such Company is assigned another group designation or is no longer a member of a group.

(17) Limit

This term means the maximum amount that a Company may recover under this Contract, calculated by multiplying the Company's Reimbursement Premium by the Payout Multiple.

(18) Loss

This term means an incurred loss under a Covered Policy from a Covered Event, including Additional Living Expenses not to exceed 40 percent of the insured value of a Residential Structure or its contents and amounts paid as fees on behalf of or inuring to the benefit of a policyholder. The term Loss does not include allocated or unallocated loss adjustment expenses or any item for which this Contract does not provide reimbursement pursuant to the exclusions in Article VI.

(19) Loss Adjustment Expense Allowance

(a) The Loss Adjustment Expense Allowance is equal to 10 percent of the reimbursed Losses under this Contract as provided in Article IV, pursuant to Section 215.555(4)(b)1., Florida Statutes.

(b) The Loss Adjustment Expense Allowance is included in, and not in addition to, the Limit applicable to a Company.

(20) New Participant

This term means a Company that begins writing Covered Policies on or after the beginning of the Contract Year. A Company that removes Covered Policies from Citizens or an Unsound Insurer pursuant to an assumption agreement effective on or after June 1 and had written no other Covered Policies before June 1 is also considered a New Participant.

(21) Payout Multiple

This term means the multiple as calculated in accordance with Section 215.555(4)(c), Florida Statutes, which is derived by dividing the actual single season Claims-Paying Capacity of the FHCF by the total aggregate industry Reimbursement Premium for the FHCF for the Contract Year billed as of December 31 of the Contract Year. The final Payout Multiple is determined once Reimbursement Premiums have been billed as of December 31 and the amount of bond proceeds has been determined.

(22) Premium Formula

This term means the Formula developed pursuant to Section 215.555(5)(b), Florida Statutes, and approved by the SBA Trustees for the purpose of determining the Actuarially Indicated Reimbursement Premium to be paid to the FHCF.

(23) Projected Payout Multiple

The Projected Payout Multiple is used to calculate a Company's projected payout pursuant to Section 215.555(4)(d)2., Florida Statutes. The Projected Payout Multiple is derived by dividing the estimated single season Claims-Paying Capacity of the FHCF by the estimated total aggregate industry Reimbursement Premium for the FHCF for the Contract Year. The Company's Reimbursement Premium as paid to the SBA for the Contract Year is multiplied by the Projected Payout Multiple to estimate the Company's coverage from the FHCF for the Contract Year.

(24) Reimbursement Premium or Premium

These terms mean the amount to be paid by the Company, as determined by multiplying each \$1,000 of insured value reported by the Company in accordance with Section 215.555(5)(b), Florida Statutes, by the rate as derived from the Premium Formula, as described in Rule 19-8.028, F.A.C.

(25) Residential Structure

In general, this term means a unit or building used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the same Covered Policy and any other structures covered under endorsements associated with the Covered Policy covering the Residential Structure.

- (a) With respect to a unit or home insured under a personal lines residential policy form, such unit or home is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of its occupancy.
- (b) With respect to a condominium structure or complex insured under a commercial lines policy, such structure is deemed to have a habitational occupancy and to be a Residential Structure, regardless of the term of occupancy of individual units.
- (c) A single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and is insured under a commercial lines policy, is considered a Residential Structure if 50 percent or more of the total insured value of the structure is used for habitational occupancies.
- (d) Residential Structures do not include any structures excluded under Article VI.

(26) Retention

This term means the amount of Losses from a Covered Event which must be incurred by the Company before it is eligible for reimbursement from the FHCF.

- (a) When the Company incurs Losses from one or two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the Covered Events.
- (b) When the Company incurs Losses from more than two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the two Covered Events causing the largest Losses for the Company. For each other Covered Event resulting in Losses, the Company's Retention shall be reduced to one-third of its full Retention.
 - 1. All reimbursement of Losses for each Covered Event shall be based on the Company's full Retention until December 31 of the Contract Year. Adjustments to reflect a reduction to one-third of the full Retention shall be made on or after January 1 of the Contract Year provided the Company reports its Losses as specified in this Contract.
 - 2. Adjustments to the Company's Retention shall be based upon its paid and outstanding Losses as reported on the Company's Proof of Loss Reports, but shall not include incurred but not reported Losses. The Company's Proof of Loss Reports shall be used to determine which Covered Events constitute the Company's two largest Covered Events. After this initial determination, any subsequent adjustments shall be made quarterly by the SBA only if the Proof of Loss Reports reveal that loss development patterns have resulted in a change in the order of Covered Events entitled to the reduction to one-third of the full Retention.

- (c) The Company's full Retention is established in accordance with the provisions of Section 215.555(2)(e), Florida Statutes, and shall be determined by multiplying the Retention Multiple by the Company's Reimbursement Premium for the Contract Year.

(27) Retention Multiple

- (a) The Retention Multiple is applied to the Company's Reimbursement Premium to determine the Company's Retention. The Retention Multiple for the ~~2023~~/2024/2025 Contract Year shall be equal to \$4.5 billion, adjusted based upon the reported exposure for the ~~2021~~/2022/2023 Contract Year to reflect the percentage growth in exposure to the FHCF since 2004, divided by the estimated total industry Reimbursement Premium at the 90 percent Coverage Level for the Contract Year as determined by the SBA.
- (b) The Retention Multiple shall be adjusted to reflect the Coverage Level elected by the Company under this Contract as follows:
1. If the Company elects the 90 percent Coverage Level, the adjusted Retention Multiple is 100 percent of the amount determined under paragraph (a);
 2. If the Company elects the 75 percent Coverage Level, the adjusted Retention Multiple is 120 percent- of the amount determined under paragraph (a); or
 3. If the Company elects the 45 percent Coverage Level, the adjusted Retention Multiple is 200 percent of the amount determined under paragraph (a).

(28) Ultimate Net Loss

- (a) This term means all Losses under Covered Policies in force at the time of a Covered Event prior to the application of the Company's Retention and Coverage Level and excluding loss adjustment expense and any exclusions under Article VI.
- (b) In calculating the Company's Ultimate Net Loss, the amounts described in paragraph (a) shall be reduced by the deductibles applicable under the policy to the hurricane loss, without recognition of any credit earned or reduction to the deductible under the policy applied by the Company. The deductibles must first be applied to the portion of the Loss covered by the FHCF.
- (c) Salvages and all other recoveries, excluding reinsurance recoveries, shall be first deducted from such Loss to arrive at the amount of liability attaching hereunder.
- (d) All salvages, recoveries or payments recovered or received subsequent to a Loss settlement under this Contract shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto.
- (e) The SBA shall be subrogated to the rights of the Company to the extent of its reimbursement of the Company. The Company agrees to assist and cooperate with the SBA in all respects as regards such subrogation. The Company further agrees to undertake such actions as may be necessary to enforce

its rights of salvage and subrogation, and its rights, if any, against other insurers as respects any claim, loss, or payment arising out of a Covered Event.

(29) Unsound Insurer

This term means an insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), Florida Statutes, or an insurer placed in receivership under Chapter 631, Florida Statutes.

ARTICLE VI – EXCLUSIONS

This Contract does not provide reimbursement for:

- (1) Any losses not defined as being within the scope of a Covered Policy, including any loss other than a loss under the first-party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.
- (2) Any policy which excludes wind or hurricane coverage.
- (3) Any Excess Policy or Deductible Buy-Back Policy that requires individual ratemaking, as determined by the FHCF.
- (4) (a) Any policy for Residential Structures that provides a layer of coverage underneath an Excess Policy issued by a different insurer;
(b) Any policy providing a layer of windstorm or hurricane coverage for a structure(s) above or below a layer of windstorm or hurricane coverage under a separate policy issued by a different insurer, or any other circumstance in which two or more insurers provide primary windstorm or hurricane coverage for a structure(s) using separate policy forms;
(c) Any other policy providing a layer of windstorm or hurricane coverage for a structure(s) below a layer of self-insured windstorm or hurricane coverage for the same structure(s); or
(d) The exclusions in this subsection do not apply to primary quota share policies written by Citizens Property Insurance Corporation under Section 627.351(6)(c)2., Florida Statutes.
- (5) Any liability of the Company attributable to losses for fair rental value, loss of rent or rental income, or business interruption.
- (6) Any collateral protection policy that does not meet the definition of Covered Policy as defined in Article V(12)(b).
- (7) Any reinsurance assumed by the Company.
- (8) Hotels, motels, timeshares, shelters, camps, retreats, or other similar structures. This exclusion does not apply to any policy identified as covering a residential condominium association or to any policy on

which the insured is a residential condominium association, unless it is classified and rated as a hotel, motel, timeshare, shelter, camp, retreat or other similar structure.

- (9) Retail, office, mercantile, or manufacturing facilities, or other similar structures.
- (10) Any exposure for condominium or homeowner associations if no Residential Structures are insured under the policy.
- (11) Commercial healthcare facilities and nursing homes; however, a nursing home which is an integral part of a retirement community consisting primarily of habitational structures that are not nursing homes will not be subject to this exclusion.
- (12) Any exposure under commercial policies covering only appurtenant structures or structures that do not function as a habitational structure (e.g., a policy covering only the pool of an apartment complex).
- (13) Policies covering only Additional Living Expense.
- (14) Any exposure for barns or barns with apartments or living quarters.
- (15) Any exposure for builders risk coverage or new Residential Structures under construction.
- (16) Any exposure for vehicles, recreational vehicles, golf carts, or boats (including boat related equipment requiring licensing).
- (17) Any liability of the Company for extra contractual obligations or liabilities in excess of original policy limits. This exclusion includes, but is not limited to, amounts paid as bad faith awards, punitive damages awards, or other court-imposed fines, sanctions, [interest](#), or penalties; or other amounts in excess of the coverage limits under the Covered Policy.
- (18) Any losses paid in excess of a policy's hurricane limit in force at the time of the Covered Event, including individual coverage limits (i.e., building, appurtenant structures, contents, and additional living expense), or other amounts paid as the result of a voluntary expansion of coverage by the insurer, including, but not limited to, a discount on or waiver of an applicable deductible. This exclusion includes overpayments of a specific individual coverage limit even if total payments under the policy are within the aggregate policy limit.
- (19) Any losses paid under a policy for Additional Living Expense, written as a time element coverage, in excess of the Additional Living Expense exposure reported for that policy under the Data Call (unless policy limits have changed effective after June 30 of the Contract Year).
- (20) Any losses which the Company's claims files do not adequately support. Claim file support shall be deemed adequate if in compliance with the Records Retention Requirements outlined on the Form FHCF-L1B (Proof of Loss Report) applicable to the Contract Year.

- (21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.
- (22) Losses in excess of the aggregate limits of liability specified in Article IV and in Section 215.555(4)(c), Florida Statutes.
- (23) Any liability assumed by the Company from Pools, Associations, and Syndicates. Exception: Covered Policies assumed from Citizens under the terms and conditions of an executed assumption agreement between the Company and Citizens are covered by this Contract.
- (24) All liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.
- (25) Property losses that are proximately caused by any peril other than a Covered Event, including, but not limited to, fire, theft, flood or rising water, or windstorm that does not constitute a Covered Event, or any liability of the Company for loss or damage caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination from any cause, whether direct or indirect, proximate or remote, and regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (26) Losses from water damage including flood, surface water, waves, tidal water, overflow of a body of water, storm surge, or spray from any of these, whether or not driven by wind.
- (27) A policy providing personal property coverage separate from coverage of personal property included in a homeowner's, mobile homeowner's, condominium unit owner's, or tenant's policy or other policy covering a Residential Structure, or in an endorsement to such a policy. Also excluded is a personal property endorsement to a policy that excludes windstorm or hurricane coverage or to any other type of policy that does not meet the definition of covered policy.
- (28) Endorsements predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:

(a) An endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure if it meets the description in subparagraph 1 and if the conditions in subparagraph 2 are met.

1. For purposes of this exemption, a Specialized Fine Arts Risk endorsement is an endorsement that:

- a. Insures works of art, of rarity, or of historic value, such as paintings, works on paper, etchings, art glass windows, pictures, statuary, sculptures, tapestries, antique furniture, antique silver, antique rugs, rare books or manuscripts, jewelry, or other similar items;
- b. Charges a minimum premium of \$500; and
- c. Insures scheduled items valued, in the aggregate, at no less than \$100,000.

2. The insurer offers specialized loss prevention services or other collector services designed to prevent or minimize loss, or to value or inventory the Specialized Fine Arts for insurance purposes, such as:

- a. Collection risk assessments;
- b. Fire and security loss prevention;
- c. Warehouse inspections to protect items stored off-site;
- d. Assistance with collection inventory management; or
- e. Collection valuation reviews.

(b) An endorsement generally used by the Company to cover personal property which could include property of a collectible nature, including fine arts, as further described in this paragraph, either on a scheduled basis or written under a blanket limit, and not covering anything other than personal property. All such endorsements are subject to the exclusion provided in this paragraph when the endorsement limit equals or exceeds \$500,000. Generally, such collectible property has unusually high values due to its investible, artistic, or unique intrinsic nature. The class of property covered under such an endorsement represents an unusually high exposure value and such endorsement is intended to provide coverage for a class or classes of property that is not typical for the contents coverage under residential property insurance policies. In many cases property may be located at various locations either in or outside the state of Florida or the location of the property may change from time to time. The investment nature of such property distinguishes this type of exposure from the typical contents associated with a Covered Policy.

(29) Any losses under liability coverages.

ARTICLE VII - MANAGEMENT OF CLAIMS AND LOSSES

The Company shall investigate and settle or defend all claims and Losses. All payments of claims or Losses by the Company within the terms and limits of the appropriate coverage parts of Covered Policies shall be binding on the SBA, subject to the terms of this Contract, including the provisions in Article XIV relating to inspection of records and examinations.

ARTICLE VIII – REIMBURSEMENT ADJUSTMENTS

Section 215.555(4)(d) and (e), Florida Statutes, provides the SBA with the right to seek the return of excess reimbursements which have been paid to the Company along with interest thereon. Excess reimbursements are those payments made to the Company by the SBA that are in excess of the Company's coverage under the Contract Year. Excess reimbursements may result from adjustments to the Projected Payout Multiple or the Payout Multiple, incorrect exposure (Data Call) submissions or resubmissions, incorrect calculation of Reimbursement Premium or Retention, incorrect Proof of Loss Reports, incorrect calculation of reinsurance recoveries, or subsequent readjustment of policyholder claims, including subrogation and salvage, or any combination of the foregoing. The Company will be sent an invoice showing the due date for adjustments along with the interest due thereon through the due date. The applicable interest rate for interest charges will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. For balances paid after the invoice due date, interest will accrue at this rate plus 5 percent.

ARTICLE IX - REIMBURSEMENT PREMIUM

- (1) The Company shall, in a timely manner, pay the SBA its Reimbursement Premium for the Contract Year. The Reimbursement Premium for the Contract Year shall be calculated in accordance with Section 215.555, Florida Statutes, with any rules promulgated thereunder, and with Article X(2).
- (2) The Company's Reimbursement Premium is based on its June 30 exposure in accordance with Article X, except as provided for New Participants under Article X, and is not adjusted to reflect an increase or decrease in exposure for Covered Policies effective after June 30 nor is the Reimbursement Premium adjusted when the Company cancels policies or is liquidated or otherwise changes its business status (merger, acquisition, or termination) or stops writing new business (continues in business with its policies in a runoff mode). Similarly, new business written after June 30 will not increase or decrease the Company's FHCF Reimbursement Premium or impact its FHCF coverage. FHCF Reimbursement Premiums are required of all Companies based on their writing Covered Policies in Florida as of June 30, and each Company's FHCF coverage as based on the definition in Section 215.555(2)(m), Florida Statutes, shall exist for the entirety of the Contract Year regardless of exposure changes, except as provided for New Participants under Article X.

- (3) Since the calculation of the Actuarially Indicated Premium assumes that the Companies will pay their Reimbursement Premiums timely, interest charges will accrue under the following circumstances. A Company may choose to estimate its own Reimbursement Premium installments. However, if the Company's estimation is less than the provisional Reimbursement Premium billed, an interest charge will accrue on the difference between the estimated Reimbursement Premium and the final Reimbursement Premium. If a Company estimates its first installment, the Administrator shall bill that estimated Reimbursement Premium as the second installment as well, which will be considered as an estimate by the Company. No interest will accrue regarding any provisional Reimbursement Premium if paid as billed by the FHCF's Administrator, except in the case of an estimated second installment as set forth in this Article. Also, if a Company makes an estimation that is higher than the provisional Reimbursement Premium billed but is less than the final Reimbursement Premium, interest will not accrue. If the Reimbursement Premium payment is not received from a Company when it is due, an interest charge will accrue on a daily basis until the payment is received. Interest will also accrue on Reimbursement Premiums resulting from submissions or resubmissions finalized after December 1 of the Contract Year. An interest credit will be applied for any Reimbursement Premium which is overpaid as either an estimate or as a provisional Reimbursement Premium. Interest shall not be credited past December 1 of the Contract Year. The applicable interest rate for interest credits and charges will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. For balances paid after the invoice due date, interest will accrue at this rate plus 5 percent.

ARTICLE X - REPORTS AND REMITTANCES

(1) Exposures

- (a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall report to the SBA, unless otherwise provided in Rule 19-8.029, F.A.C., no later than the statutorily required date of September 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its insured values under Covered Policies as of June 30 of the Contract Year as outlined in the annual reporting of insured values form, FHCF-D1A (Data Call) adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.
- (b) If the Company first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year, the Company shall report to the SBA, no later than February 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its insured values under Covered Policies as of November 30 of the Contract Year as outlined in the Supplemental

Instructions for New Participants section of the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.

- (c) If the Company first begins writing Covered Policies on December 1 through and including May 31 of the Contract Year, the Company shall not report its exposure data for the Contract Year to the SBA.
- (d) The requirement that a report is due on a certain date means that the report shall be received by the SBA no later than 4 p.m. Eastern Time on the due date. Reports sent to the FHCF Administrator will be returned to the sender. Reports not in the physical possession of the SBA by 4 p.m., Eastern Time, on the applicable due date are late.

(2) Reimbursement Premium

- (a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall pay the FHCF its Reimbursement Premium in installments due on or before August 1, October 1, and December 1 of the Contract Year in amounts to be determined by the FHCF. However, if the Company's Reimbursement Premium for the prior Contract Year was less than \$5,000, the Company's full provisional Reimbursement Premium, in an amount equal to the Reimbursement Premium paid in the prior year, shall be due in full on or before August 1 of the Contract Year. The Company will be invoiced for amounts due, if any, beyond the provisional Reimbursement Premium payment, on or before December 1 of the Contract Year.
- (b) ~~If the Company is under administrative supervision, or if any control or~~ oversight of the Company has been transferred through any legal ~~or regulatory~~ action to a ~~state regulator or~~ court appointed receiver ~~or rehabilitator~~ (referred to ~~in the aggregate~~ as "~~state action~~receivership"):
 - 1. The full annual provisional Reimbursement Premium as billed and any outstanding balances will be due and payable no later than on August 1 ~~or the date that such State action occurs after August 1 or the date of receivership~~ of the Contract Year.
 - 2. Failure by such Company to pay the full annual provisional Reimbursement Premium as specified in subparagraph 1. by the applicable due date ~~shall~~may result in the 45 percent Coverage Level being deemed by the SBA for the complete Contract Year regardless of the level selected for the Company through the execution of this Contract and regardless of whether a Covered Event occurred or triggered coverage. As such, the annual provisional Reimbursement Premium owed by the Company will be adjusted to reflect the 45 percent Coverage Level for the Contract Year.
 - 3. ~~Subparagraphs 1. and 2. do not apply if the state regulator, receiver, or rehabilitator provides a letter of assurance to the FHCF stating that the Company will have the resources~~

~~and will pay the full Reimbursement Premium for the Coverage Level selected through the execution of this Contract.~~

~~4. When control or oversight has been transferred, in whole or in part, through a legal or regulatory action, the controlling management of the Company shall specify by August 1 or as soon thereafter as possible (but not to exceed two weeks after any regulatory or legal action) in a letter to the FHCF as to the Company's intentions to either pay the full FHCF Reimbursement Premium as specified in subparagraph 1., to default to the 45 percent Coverage Level being deemed as specified in subparagraph 2., or to provide the assurances as specified in subparagraph 3.~~

- (c) A New Participant that first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year shall pay the FHCF a provisional Reimbursement Premium of \$1,000 no later than 30 days from the date the New Participant began writing Covered Policies. The Administrator shall calculate the Company's actual Reimbursement Premium for the period based on its actual exposure as of November 30 of the Contract Year, as reported on or before February 1 of the Contract Year. To recognize that New Participants have limited exposure during this period, the actual Reimbursement Premium as determined by processing the Company's exposure data shall then be divided in half, the provisional Reimbursement Premium shall be credited, and the resulting amount shall be the total Reimbursement Premium due for the Company for the remainder of the Contract Year. However, if that amount is less than \$1,000, then the Company shall pay \$1,000. The Reimbursement Premium payment is due no later than April 1 of the Contract Year. The Company's Retention and coverage will be determined based on the total Reimbursement Premium due as calculated above.
- (d) A New Participant that first begins writing Covered Policies on or after December 1 through and including May 31 of the Contract Year shall pay the FHCF a Reimbursement Premium of \$1,000 no later than 30 days from the date the New Participant began writing Covered Policies.
- (e) The requirement that the Reimbursement Premium is due on a certain date means that the Reimbursement Premium shall be remitted by wire transfer or ACH and shall have been credited to the FHCF's account, as set out on the invoice sent to the Company, on the due date applicable to the particular installment.
- (f) Except as required by Section 215.555(7)(c), Florida Statutes, or as described in the following sentence, Reimbursement Premiums, together with earnings thereon, received in a given Contract Year will be used only to pay for Losses attributable to Covered Events occurring in that Contract Year or for Losses attributable to Covered Events in subsequent Contract Years and will not be

used to pay for past Losses or for debt service on post-event revenue bonds issued pursuant to Section 215.555(6)(a)1., Florida Statutes. Reimbursement Premiums and earnings thereon may be used for payments relating to such revenue bonds in the event emergency assessments are insufficient. If Reimbursement Premiums or earnings thereon are used for debt service on post-event revenue bonds, then the amount of the Reimbursement Premiums or earnings thereon so used shall be returned, without interest, to the Fund when emergency assessments or other legally available funds remain available after making payment relating to the post-event revenue bonds and any other purposes for which emergency assessments were levied.

(3) Losses

(a) In General

Losses resulting from a Covered Event commencing during the Contract Year shall be reported by the Company and reimbursed by the FHCF as provided herein and in accordance with the Statute, this Contract, and any rules adopted pursuant to the Statute. For a Company participating in a quota share primary insurance agreement(s) with Citizens Property Insurance Corporation Coastal Account, Citizens and the Company shall report only their respective portion of Losses under the quota share primary insurance agreement(s). Pursuant to Section 215.555(4)(c), Florida Statutes, the SBA is obligated to pay for Losses not to exceed the Actual Claims-Paying Capacity of the FHCF, up to the limit in accordance with Section 215.555(4)(c)1., Florida Statutes, for any one Contract Year.

(b) Loss Reports

1. At the direction of the SBA, the Company shall report its projected Ultimate Net Loss from each Covered Event to provide information to the SBA in determining any potential liability for possible reimbursable Losses under the Contract on the Interim Loss Report, Form FHCF-L1A, adopted for the Contract Year under Rule 19-8.029, F.A.C. Interim Loss Reports (including subsequent Interim Loss Reports if required by the SBA) will be due in no less than fourteen days from the date of the notice from the SBA that such a report is required.
2. FHCF reimbursements will be issued based on [paid](#) Ultimate Net Loss information reported by the Company on the Proof of Loss Report, Form FHCF-L1B, adopted for the Contract Year under Rule 19-8.029, F.A.C.
 - a. To qualify for reimbursement, the Proof of Loss Report must have the electronic signatures of two executive officers authorized by the Company to sign or submit the report.
 - b. The Company must also submit a Detailed Claims Listing, Form FHCF-DCL, adopted for the Contract Year under Rule 19-8.029, F.A.C., at the same time it submits its first Proof of Loss Report for a specific Covered Event that qualifies the Company for reimbursement

- under that Covered Event, and must be prepared to supply a Detailed Claims Listing for any subsequent Proof of Loss Report upon request.
- c. While the Company may submit a Proof of Loss Report requesting reimbursement at any time following a Covered Event, the Company shall submit a mandatory Proof of Loss Report for each Covered Event no later than December 31 of the Contract Year during which the Covered Event occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of reimbursements or advances already received, and shall include a Detailed Claims Listing if requested by the SBA.
 - d. Updated Proof of Loss Reports for each Covered Event are due quarterly thereafter until the Commutation process described in Article XI is completed. The Company shall submit its quarterly Proof of Loss Reports with an “as of” date not more than sixty days prior to the applicable quarter-end date, and shall include a Detailed Claims Listing if requested by the SBA.
3. The SBA, except as noted below, will determine and pay, within 30 days or as soon as practicable after receiving Proof of Loss Reports, the reimbursement amount due based on Losses paid by the Company to date and adjustments to this amount based on subsequent quarterly information. The adjustments to reimbursement amounts shall require the SBA to pay, or the Company to return, amounts reflecting the most recent determination of Losses.
- a. The SBA shall have the right to consult with all relevant regulatory agencies to seek all relevant information, and shall consider any other factors deemed relevant, prior to the issuance of reimbursements.
 - b. The SBA shall require commercial self-insurance funds established under Section 624.462, Florida Statutes, to submit contractor receipts to support paid Losses reported on a Proof of Loss Report, and the SBA may hire an independent consultant to confirm Losses, prior to the issuance of reimbursements.
 - c. The SBA shall have the right to conduct a claims examination prior to the issuance of any advances or reimbursements requested by Companies that have been placed ~~under regulatory supervision by a State or where control has been transferred through any legal or regulatory proceeding to a state regulator or court appointed receiver or rehabilitator~~ in receivership.
4. All Proof of Loss Reports qualifying for reimbursement will be compared with the FHCF’s exposure data to establish the facial reasonableness of the reports. The SBA may also review the results of current and prior Contract Year exposure and claims examinations to determine the

reasonableness of the reported Losses. Except as noted in subparagraph 5., Companies meeting these tests for reasonableness will be scheduled for reimbursement. Companies not meeting these tests for reasonableness will be handled on a case-by-case basis and will be contacted to provide specific information regarding their individual book of business. The discovery of errors in a Company's reported exposure under the Data Call may require a resubmission of the current Contract Year Data Call before the Company's request for reimbursement or advance will be fully processed by the Administrator ~~which, as since~~ the Data Call impacts the Company's Reimbursement Premium, Retention, and coverage for the Contract Year. ~~A resubmission will be required before the Company's request for reimbursement or an advance will be fully processed by the Administrator.~~

(c) Loss Reimbursement Calculations

1. In general, the Company's paid Ultimate Net Losses must exceed its full Retention for a specific Covered Event before any reimbursement is payable from the FHCF for that Covered Event. As described in Article V(26)(b), Retention adjustments will be made on or after January 1 of the Contract Year. No interest is payable on additional payments to the Company due to this type of Retention adjustment. Each Company, including entities created pursuant to Section 627.351(6), Florida Statutes, incurring reimbursable Losses will receive the amount of reimbursement due under the individual Company's Contract up to the amount of the Company's payout. If more than one Covered Event occurs in any one Contract Year, any reimbursements due from the FHCF shall take into account the Company's Retention for each Covered Event. However, the Company's reimbursements from the FHCF for all Covered Events occurring during the Contract Year shall not exceed, in aggregate, the Projected Payout Multiple or Payout Multiple, as applicable, times the individual Company's Reimbursement Premium for the Contract Year.
2. Reserve established. The SBA will establish a reserve for the outstanding reimbursable Losses for the previous Contract Year, based on the length of time the Losses have been outstanding, the amount of Losses already paid, the percentage of incurred Losses still unpaid, and any other factors specific to the loss development of the Covered Events involved.

(4) Advances

- (a) The SBA may make advances for loss reimbursements as defined herein, at market interest rates, to the Company in accordance with Section 215.555(4)(e), Florida Statutes. An advance is an early reimbursement which allows the Company to continue to pay claims in a timely manner. Advances will be made based on the Company's paid and reported outstanding Losses for Covered Policies (excluding all incurred but not reported Losses) as reported on a Proof of Loss Report, and shall

include a Loss Adjustment Expense Allowance as calculated by the FHCF. In order to be eligible for an advance, the Company must submit its exposure data for the Contract Year as required under subsection (1) of this Article. Except as noted below, advances, if approved, will be made as soon as practicable after the SBA receives a written request, signed by two officers of the Company, for an advance of a specific amount and any other information required for the specific type of advance under paragraphs (c) and (d). All reimbursements due to the Company shall be offset against any amount of outstanding advances plus the interest due thereon.

- (b) For advances or excess advances, which are advances that are in excess of the amount to which the Company is entitled, the market interest rate shall be the prime rate as published in the Wall Street Journal on the first business day of the Contract Year. This rate will be adjusted annually on the first business day of each subsequent Contract Year, regardless of whether the Company executes subsequent Contracts. All interest charged will commence on the date the SBA issues a disbursement for an advance and will cease on the date upon which the FHCF has received the Company's Proof of Loss Report for the Covered Event for which the Company qualifies for reimbursement. If such reimbursement is less than the amount of outstanding advances issued to the Company, interest will continue to accrue on the outstanding balance of the advances until subsequent Proof of Loss Reports qualify the Company for reimbursement under any Covered Event equal to or exceeding the amount of any outstanding advances. Interest shall be billed on a periodic basis. If it is determined that the Company received funds in excess of those to which it was entitled, the interest as to those sums will not cease on the date of the receipt of the Proof of Loss Report but will continue until the Company reimburses the FHCF for the overpayment.
- (c) If the Company has an outstanding advance balance as of December 31 of this or any other Contract Year, the Company is required to have an actuary certify outstanding and incurred but not reported Losses as reported on the applicable December Proof of Loss Report.
- (d) The specific type of advances enumerated in Section 215.555, Florida Statutes, follow.
 - 1. Advances to Companies to prevent insolvency, as defined under Article XVI.
 - a. Section 215.555(4)(e)1., Florida Statutes, provides that the SBA shall advance to the Company amounts necessary to maintain the solvency of the Company, up to 50 percent of the SBA's estimate of the reimbursement due to the Company.
 - b. In addition to the requirements outlined in subparagraph (4)(a), the requirements for an advance to a Company to prevent insolvency are that the Company demonstrates it is likely to qualify for reimbursement and that the immediate receipt of moneys from the SBA is

likely to prevent the Company from becoming insolvent, and the Company provides the following information:

- i. Current assets;
 - ii. Current liabilities other than liabilities due to the Covered Event;
 - iii. Current surplus as to policyholders;
 - iv. Estimate of other expected liabilities not due to the Covered Event; and
 - v. Amount of reinsurance available to pay claims for the Covered Event under other reinsurance treaties.
- c. The SBA's final decision regarding an application for an advance to prevent insolvency shall be based on whether or not, considering the totality of the circumstances, including the SBA's obligations to provide reimbursement for all Covered Events occurring during the Contract Year, granting an advance is essential to allowing the entity to continue to pay additional claims for a Covered Event in a timely manner.
2. Advances to entities created pursuant to Section 627.351(6), Florida Statutes.
- a. Section 215.555(4)(e)2., Florida Statutes, provides that the SBA may advance to an entity created pursuant to Section 627.351(6), Florida Statutes, up to 90 percent of the lesser of the SBA's estimate of the reimbursement due or the entity's share of the actual aggregate Reimbursement Premium for that Contract Year, multiplied by the current available liquid assets of the FHCF.
 - b. In addition to the requirements outlined in paragraph (4)(a), the requirements for an advance to entities created pursuant to Section 627.351(6), Florida Statutes, are that the entity must demonstrate to the SBA that the advance is essential to allow the entity to pay claims for a Covered Event.
3. Advances to limited apportionment companies.
- Section 215.555(4)(e)3., Florida Statutes, provides that the SBA may advance the amount of estimated reimbursement payable to limited apportionment companies.
- (e) In determining whether or not to grant an advance and the amount of an advance, the SBA:
1. Shall determine whether its assets available for the payment of obligations are sufficient and sufficiently liquid to fulfill its obligations to other Companies prior to granting an advance;
 2. Shall review and consider all the information submitted by such Companies;

3. Shall review such Companies' compliance with all requirements of Section 215.555, Florida Statutes;
 4. Shall consult with all relevant regulatory agencies to seek all relevant information;
 5. Shall review the damage caused by the Covered Event and when that Covered Event occurred;
 6. Shall consider whether the Company has substantially exhausted amounts previously advanced;
 7. Shall consider any other factors deemed relevant; and
 8. Shall require commercial self-insurance funds established under section 624.462, Florida Statutes, to submit a copy of written estimates of expenses in support of the amount of advance requested.
- (f) Any amount advanced by the SBA shall be used by the Company only to pay claims of its policyholders for the Covered Event which has precipitated the immediate need to continue to pay additional claims as they become due.

(5) Inadequate Data Submissions

If exposure data or other information required to be reported by the Company under the terms of this Contract are not received by the FHCF in the format specified by the FHCF or is inadequate to the extent that the FHCF requires resubmission of data, the Company will be required to pay the FHCF a resubmission fee of \$1,000 for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be \$2,000. If the Company's examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be \$2,000. A resubmission of exposure data may delay the processing of the Company's request for reimbursement or an advance.

(6) Confidential Information/Trade Secret Information

Pursuant to the provisions of Section 215.557, Florida Statutes, the reports of insured values under Covered Policies by ZIP Code submitted to the SBA pursuant to Section 215.555, Florida Statutes, are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution. If the Company submits other information to the FHCF intending to seek trade secret protection, as defined in Section 812.081, Florida Statutes, such information must be clearly marked "Trade Secret" and comply with all provisions of Florida law to protect such disclosure.

ARTICLE XI – COMMUTATION

(1) Timeframe for Commutation Process

- (a) The Company and SBA may mutually agree to initiate and complete a Commutation agreement for zero dollars at any time. Such zero-dollar Commutation, once completed, eliminates the mandatory FHCF Proof of Loss reporting requirements for the applicable Covered Event(s) for all reporting periods after the completion of the Commutation.
- (b) The Company and SBA may mutually agree to initiate the Commutation process after 36 months and prior to 60 months after the end of the Contract Year subject to the provisions in this Article.
- (c) Provided the Company and SBA do not mutually initiate the Commutation process in subparagraph (a) or (b), the Commutation process will begin upon the later to occur: 60 months after the end of the Contract Year or upon completion of the FHCF claims examination for the Company and the resolution of all outstanding examination issues.

(2) Final FHCF Proof of Loss Report(s)

- (a) No less than 36 months or more than 60 months after the end of the Contract Year, the Company shall file a final Proof of Loss Report for each Covered Event during the Contract Year, except for a Company that has entered into a Commutation agreement as described in sub-subparagraph (1)(a).
- (b) The final Proof of Loss Report must include the following supporting documentation:
 - 1. All paid Losses, outstanding Losses, and incurred but not reported Losses, which are not finally settled and which may be reimbursable Losses under this Contract.
 - 2. Requested supporting documentation (at a minimum, an adjuster's summary report or equivalent details) and a copy of a written opinion on the present value of the outstanding Losses and incurred but not reported Losses by the Company's certifying actuary.
- (c) Increases in reported paid, outstanding, or incurred but not reported Losses on original or corrected Proof of Loss Report filings received later than 60 months after the end of the Contract Year shall not be eligible for reimbursement or Commutation.

(3) The Loss Valuation Process

Subject to the timeframes outlined in sub-paragraph (1), if the Company has submitted a Proof of Loss Report indicating that it exceeds or expects to exceed its Retention, the Company and the SBA, or their respective representatives, shall attempt to agree upon the present value of all outstanding Losses, both reported and incurred but not reported, resulting from Covered Events during the Contract Year.

- (a) The Loss valuation process may only begin after all other issues arising under this Contract have been resolved, including completion of the claims examination, and shall be suspended pending resolution of any such issues that arise during the Loss valuation process.
- (b) Payment by the SBA of its portion of any amount or amounts so mutually agreed and certified by the Company's certifying actuary shall constitute a complete and final release of the SBA in respect of all Losses, both reported and unreported, under this Contract.
- (c) If agreement on present value cannot be reached within 90 days of the FHCF's receipt of the final Proof of Loss Report, including supporting documentation in sub-subparagraph (2)(b), or completion of the claims examination, whichever is later, the Company and the SBA may mutually appoint an actuary, ~~adjuster, or appraiser to investigate and~~ to determine such Losses. If both parties then agree, the SBA shall pay its portion of the amount so determined to be the present value of such Losses.
- (d) If the parties fail to agree on the valuation of any Losses, any difference in valuation of the Loss shall be settled by a panel of three actuaries, as provided in this subparagraph. Either the SBA or the Company may initiate the process under this subparagraph by providing written notice to the other party stating that the parties are at an impasse with respect to valuation of Losses and specifying the dollar amounts in dispute.
 - 1. One actuary shall be chosen by each party, and the third actuary shall be chosen by those two actuaries. If either party does not appoint an actuary within 30 days after the initiation of the process, the other party may appoint two actuaries. If the two actuaries fail to agree on the selection of an independent third actuary within 30 days of their appointment, each of them shall name two, of whom the other shall decline one and the decision shall be made by drawing lots.
 - 2. All of the actuaries shall be regularly engaged in the valuation of property claims and losses and shall be members of the Casualty Actuarial Society and of the American Academy of Actuaries.
 - 3. None of the actuaries shall be under the control of either party to this Contract.
 - 4. Each party shall submit a written statement related to its valuation of Losses to the panel of actuaries and the opposing party no later than 30 days after the appointment of the third actuary. Within 15 days after receiving the other party's submission, a party may submit its written response to the panel of actuaries and the other party. After the appointment of the third actuary, a party may not communicate with the panel or any member of the panel except in writing simultaneously furnished to all members of the panel and the opposing party. Any member of

- the panel may present questions to be answered by both parties, which shall be answered in writing and simultaneously furnished to the members of the panel and the opposing party or, at the discretion of the panel, may be provided in a meeting or teleconference attended by both parties and all members of the panel.
5. The written decision of a majority of the panel as to the disagreement over the valuation of Losses identified in the written notice of impasse, when filed with the parties hereto, shall be final and binding on both parties.
- (e) The reasonable and customary expense of the actuaries and of the Commutation (as a result of sub-paragraph (3)(c) and subparagraph (d)) shall be equally divided between the two parties. Said Commutation shall take place in Tallahassee, Florida, unless some other place is mutually agreed upon by the Company and the SBA.
- (f) Upon full execution of the Commutation agreement and the issuance of the final reimbursement payment, if any, each party, on behalf of its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys and its legal representatives, unconditionally and completely releases and forever discharges the other party, its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys, and its legal representatives from any and all past, present, and future rights, liabilities, and obligations including, but not limited to, payments, claims, debts, demands, causes of action, costs, disbursements, fees, attorneys' fees, expenses, damages, injuries, or losses of every kind, whether known or unknown, reported or unreported, or fixed or contingent, relating to or arising out of this Contract.

ARTICLE XII - TAXES

In consideration of the terms under which this Contract is issued, the Company agrees to make no deduction in respect of the Reimbursement Premium herein when making premium tax returns to the appropriate authorities. Should any taxes be levied on the Company in respect of the Reimbursement Premium herein, the Company agrees to make no claim upon the SBA for reimbursement in respect of such taxes.

ARTICLE XIII - ERRORS AND OMISSIONS

Any inadvertent delay, omission, or error on the part of the SBA shall not be held to relieve the Company from any liability which would attach to it hereunder if such delay, omission, or error had not been made.

ARTICLE XIV - INSPECTION OF RECORDS

The Company shall allow the SBA to inspect, examine, and verify, at reasonable times, all records of the Company relating to the Covered Policies under this Contract, including Company files concerning claims,

Losses, or legal proceedings regarding subrogation or claims recoveries which involve this Contract, including premium, loss records and reports involving exposure data or Losses under Covered Policies. This right by the SBA to inspect, examine, and verify shall survive the completion and closure of an exposure examination or claims examination file and the termination of the Contract. The Company shall have no right to re-open an exposure or claims examination once closed and the findings have been accepted by the Company; any re-opening shall be at the sole discretion of the SBA. If the State Board of Administration Finance Corporation has issued revenue bonds and relied upon the exposure and Loss data submitted and certified by the Company as accurate to determine the amount of bonding needed, the SBA may choose not to require, or accept, a resubmission if the resubmission will result in additional reimbursements to the Company. The SBA may require any discovered errors, inadvertent omissions, and typographical errors associated with the data reporting of insured values, discovered prior to the closing of the file and acceptance of the examination findings by the Company, to be corrected to reflect the proper values. The Company shall retain its records in accordance with the requirements for records retention regarding exposure reports and claims reports outlined herein, and in any administrative rules adopted pursuant to Section 215.555, Florida Statutes. Companies writing covered collateral protection policies, as defined in definition (12)(b) of Article V, must be able to provide documentation that the policy covers personal residences, protects both the borrower's and lender's interest, and that the coverage is in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy, the coverage amount that the homeowner has been notified of by the collateral protection insurer, or the coverage amount that the homeowner requests from the collateral protection insurer.

(1) Purpose of FHCF Examination

The purpose of the examinations conducted by the SBA is to evaluate the accuracy of the FHCF exposure or Loss data reported by the Company. However, due to the limited nature of the examination, it cannot be relied upon as an assurance that a Company's data is reported accurately or in its entirety. The Company should not rely on the FHCF to identify every type of reporting error in its data. In addition, the reporting requirements are subject to change each Contract Year so it is the Company's responsibility to be familiar with the applicable Contract Year requirements and to incorporate any changes into its data for that Contract Year. It is also the Company's responsibility to ensure that its data is reported accurately and to comply with Florida Statutes and any applicable rules when reporting exposure data. The examination report is not intended to provide a legal determination of the Company's compliance.

(2) Examination Requirements for Exposure Verification

The Company shall retain complete and accurate records, in policy level detail, of all exposure data submitted to the SBA in any Contract Year until the SBA has completed its examination of the Company's exposure submissions. The Company shall also retain complete and accurate records of any completed exposure examination for any Contract Year in which the Company incurred Losses until the completion of the claims examination and Commutation for that Contract Year. The records to be retained are outlined in the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C. A complete list of records to be retained for the exposure examination is set forth in Form FHCF-EAP1, adopted for the Contract Year under Rule 19-8.029, F.A.C.

(3) Examination Requirements for Loss Reports

The Company shall retain complete and accurate records of all reported Losses and/or advances submitted to the SBA until the SBA has completed its examination of the Company's reimbursable Losses and Commutation for the Contract Year (if applicable) has been concluded. The records to be retained are set forth as part of the Proof of Loss Report, Form FHCF-L1B and Form FHCF-LAP1, both adopted for the Contract Year under Rule 19-8.029, F.A.C.

(4) Examination Procedures

- (a) The FHCF will send an examination notice letter to the Company providing the commencement date of the examination, the site of the examination, any accommodation requirements of the examiner, and the reports and data which must be assembled by the Company and forwarded to the FHCF. The Company shall be prepared to choose one location in which to be examined, unless otherwise specified by the SBA.
- (b) The reports and data are required to be forwarded to the FHCF as set forth in an examination notice letter. The information is then forwarded to the examiner. If the FHCF receives accurate and complete records as requested, the examiner will contact the Company to inform the Company as to what policies or other documentation will be required once the examination begins. Any records not required to be provided to the examiner in advance shall be made available at the time the examination begins. Any records to support reported exposure or Losses which are provided after the examination has been completed will, at the SBA's discretion, result in an additional examination of exposure and/or Loss records or an extension or expansion of the examination. All costs associated with such additional examination or with the extension or expansion of the original examination shall be borne by the Company.
- (c) At the conclusion of the examiner's work and the management review of the examiner's report, findings, recommendations, and work papers, the FHCF will forward an examination report to the Company.

- (d) Within 30 days from the date of the letter accompanying the examination report, the Company must provide a written response to the FHCF. The response must indicate whether the Company agrees with the findings and recommendations of the examination report. If the Company disagrees with any examination findings or recommendations, the reason for the disagreement must be outlined in the response and the Company must provide supporting information to support its objection. An extension of 30 days may be granted if the Company can show that the need for additional time is due to circumstances beyond the reasonable control of the Company. No response is required if the examination report does not include any findings or recommendations.
- (e) If the Company accepts the examination findings and recommendations, and there is no recommendation for additional information, the examination report will be finalized and the exam file closed.
- (f) If the Company disputes the examiner's findings, the areas in dispute will be resolved by a meeting or a conference call between the Company and FHCF management.
- (g)
 - 1. If the recommendation of the examiner is to resubmit the Company's exposure data for the Contract Year in question, then the FHCF will send the Company a letter outlining the process for resubmission and including a deadline to resubmit. Once the resubmission is received, the FHCF's Administrator calculates a revised Reimbursement Premium for the Contract Year which has been examined. The SBA shall then review the resubmission with respect to the examiner's findings and accept the resubmission or contact the Company with any questions regarding the resubmission. Once the SBA has accepted the resubmission as a sufficient response to the examiner's findings, the exam is closed.
 - 2. If the recommendation of the examiner is to give the Company the option to either resubmit the exposure data or to pay the estimated Reimbursement Premium difference, then the FHCF will send the Company a letter outlining the process for resubmission or for paying the estimated Reimbursement Premium difference and including a deadline for the resubmission or the payment to be received by the FHCF's Administrator. If the Company chooses to resubmit, the same procedures outlined in Article XIV(4) apply.
- (h) If the recommendation of the examiner is to update the Company's Proof of Loss Report(s) for the Contract Year under review, the FHCF will send the Company a letter outlining the process for submitting the Proof of Loss Report(s) and including a deadline to file. Once the Proof of Loss Report(s) is received by the FHCF's Administrator, the FHCF's Administrator will calculate a revised reimbursement. The SBA shall then review the submitted Proof of Loss Report(s) with respect to the examiner's findings and accept the Proof of Loss Report(s) as filed or contact the

Company with any questions. Once the SBA has accepted the corrected Proof of Loss Report(s) as a sufficient response to the examiner's findings, the exam is closed.

- (i) The examiner's list of errors is made available in the examination report sent to the Company. Given that the examination was based on a sample of the Company's policies or claims rather than the whole universe of the Company's Covered Policies or reported claims, the error list is not intended to provide a complete list of errors but is intended to indicate what information needs to be reviewed and corrected throughout the Company's book of Covered Policy business or claims information to ensure more complete and accurate reporting to the FHCF.

(5) Costs of the Examinations

The costs of the examinations shall be borne by the SBA. The SBA shall be reimbursed by the Company for any reasonable and customary additional examination expenses incurred as a result of a Company's failure to provide requested information. All requested information must be complete and accurate.

ARTICLE XV – OFFSETS

The SBA reserves the right to offset amounts payable to the SBA from the Company, including amounts payable under the Reimbursement Contract for any Contract Year and also including the Company's full Reimbursement Premium for the current Contract Year (regardless of installment due dates), against any (1) Reimbursement Premium refunds under any Contract Year, (2) reimbursement or advance amounts, or (3) amounts agreed to in a Commutation agreement, which are due and payable to the Company from the SBA as a result of the liability of the SBA.

ARTICLE XVI - INSOLVENCY OF THE COMPANY

For the purpose of this Contract, a Company is insolvent when an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction. No reimbursements will be made until the FHCF has completed and closed its examination of the insolvent Company's Losses, ~~unless an agreement is entered into by the court appointed receiver specifying that all data and computer systems required for FHCF exposure and claims examinations will be maintained until completion of the Company's exposure and claims examinations.~~ Only those Losses supported by the examination will be reimbursed. Pursuant to Section 215.555(4)(g), Florida Statutes, the FHCF is required to pay reimbursement moneys due an insolvent insurer to the Florida Insurance Guaranty Association (FIGA) for the benefit of Florida policyholders. In light of the need for an immediate infusion of funds to enable policyholders of insolvent companies to be paid for their claims, the SBA may enter into agreements with FIGA allowing exposure and claims examinations to take place immediately without the usual notice and response time limitations and allowing the FHCF to make reimbursements (net of any amounts payable to the SBA from

the Company or FIGA) to FIGA before the examinations are completed. Such agreements must ensure the availability of the necessary records and adequate security must be provided so that if the FHCF determines that it overpaid FIGA on behalf of the Company, that the funds will be repaid to the FHCF by FIGA within a reasonable time.

ARTICLE XVII - TERMINATION

The FHCF and the obligations of both parties under this Contract can be terminated only as may be provided by law or applicable rules.

ARTICLE XVIII – VIOLATIONS

(1) Statutory Provisions

- (a) Section 215.555(10), Florida Statutes, provides that any violation of Section 215.555, Florida Statutes, or of rules adopted under that section, constitutes a violation of the Florida Insurance Code. This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code, under the authority of that section of Florida Statutes.
- (b) Section 215.555(11), Florida Statutes, authorizes the SBA to take any action necessary to enforce the rules and the provisions and requirements of this Contract, required by and adopted pursuant to Section 215.555, Florida Statutes.

(2) Noncompliance

- (a) As used in this Article, the term “noncompliance” means the failure of the Company to meet any applicable requirement of Section 215.555, Florida Statutes, or of any rule adopted under the authority of that section of Florida Statutes, including, but not limited to, any failure to meet a deadline for an FHCF payment, Data Call submissions or resubmissions, Loss reporting or Commutation documentation, or a deadline related to SBA examination requirements. The Company remains in a state of noncompliance as long as the Company fails to meet the applicable requirement(s).
- (b) If the Company is in a state of noncompliance, the SBA reserves the right to withhold any payments or advances due to the Company until the SBA determines that the Company is no longer in a state of noncompliance.

ARTICLE XIX - APPLICABLE LAW

This Contract shall be governed by and construed according to the laws of the State of Florida in respect of any matter relating to or arising out of this Contract.

ARTICLE XX – DUE DATES

If any due date provided in this Contract is a Saturday, Sunday or a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or a legal State of Florida or federal holiday.

ARTICLE XXI – REIMBURSEMENT CONTRACT ELECTIONS

(1) Coverage Level

For purposes of determining reimbursement (if any) due the Company under this Contract and in accordance with the Statute, the Company has the option to elect a 45 percent or 75 percent or 90 percent Coverage Level under this Contract. If the Company is a member of an NAIC group, all members must elect the same Coverage Level, and the individual executing this Contract on behalf of the Company, by placing his or her initials in the box under (a) below, affirms that the Company has elected the same Coverage Level as all members of its NAIC group. If the Company is an entity created pursuant to Section 627.351, Florida Statutes, the Company must elect the 90 percent Coverage Level. The Company shall not be permitted to change its Coverage Level after the March 1 statutory deadline for execution of the Contract. The Company shall be permitted to change its Coverage Level upon timely execution of the Contract for the next Contract Year, but may not reduce its Coverage Level if revenue bonds issued under Section 215.555(6), Florida Statutes, are outstanding.

The Coverage Level elected by the Company for the prior Contract Year effective June 1, ~~2022~~2023 was as follows: «Legal_Name» - «~~2022~~2023_Coverage_Option»

(a) **NAIC Group Affirmation:** Indicate if the Company is part of an NAIC Group (enter Yes or No):

(b) **Coverage Level Election:** The Company hereby elects the following Coverage Level for the Contract Year from 12:00:01 a.m., Eastern Time, June 1, ~~2023~~2024, to 12:00 a.m., Eastern Time, May 31, ~~2024~~2025, (the individual executing this Contract on behalf of the Company shall place his or her initials in the box to the left of the percentage elected for the Company):

45%

OR

75%

OR

90%

(2) Additional Living Expense (ALE) Written as Time Element Coverage

If your Company writes Covered Policies that provide ALE coverage on a time element basis (i.e., coverage is based on a specific period of time as opposed to a stated dollar limit), you must initial the ‘Yes – Time Element ALE’ box below. If your Company does not write time element ALE coverage, initial ‘No – Time Element ALE’ box below.

<div style="border: 1px solid black; width: 120px; height: 35px; margin: 0 auto;"></div> <p>Yes – Time Element ALE</p>	OR	<div style="border: 1px solid black; width: 120px; height: 35px; margin: 0 auto;"></div> <p>No – Time Element ALE</p>
---	-----------	--

ARTICLE XXII – COMPANY COVERAGE OF UNSOUND INSURERS

If a Company seeks to provide coverage for Covered Policies of an Unsound Insurer, pursuant to Section 215.555(5)(e), Florida Statutes, the Company may, subject to the provisions mutually agreed to below, obtain coverage for such policies under its Reimbursement Contract with the FHCF or accept an assignment of the Unsound Insurer’s Reimbursement Contract with the FHCF. Prior to the date the Company takes a transfer of policies from an Unsound Insurer, the Company shall select one of the options below using Appendix A and submit to the SBA as instructed.

(1) Providing Coverage for an Unsound Insurer’s Policies Under Company’s FHCF Reimbursement Contract

- (a) If a Covered Event has occurred prior to the transfer of policies from an Unsound Insurer to the Company, the Company must accept an assignment of the Unsound Insurer’s FHCF Reimbursement Contract and cannot cover such policies under the Company’s Reimbursement Contract through an assumption of the Unsound Insurer’s Covered Policies. Only in those situations where a Covered Event has not occurred shall the Company be able to obtain coverage under its own FHCF Reimbursement Contract for those policies assumed from an Unsound Insurer.
- (b) Responsibilities relating to the assumption of an Unsound Insurer’s Covered Policies by the Company:
 - 1. The Company shall accurately report the exposure and loss data related to Covered Policies assumed from the Unsound Insurer.
 - a. For an assumption of an Unsound Insurer’s Covered Policies that occurs on or before June 30, ~~2023~~2024, the Company shall report the exposure in effect for such policies as of June 30, ~~2023~~2024. This includes assumed policies renewed with the Company on or before June 30, ~~2023~~2024. As outlined in the Data Call, all such policies must be combined with the Company’s Covered policies written as its direct business and reported as a single submission due September 1, ~~2023~~2024.

- b. For an assumption of Covered Policies from an Unsound Insurer to the Company that occurs after June 30, ~~2023~~2024, and before December 1, ~~2023~~2024, the Company shall report exposure in effect for such policies as of June 30, ~~2023~~2024, and the SBA shall treat all such policies as if they were in effect as of June 30, ~~2023~~2024 for the Company. The Company shall report assumed Covered Policies based on their status at June 30, ~~2023~~2024, in a single Data Call file combined with the Company's Covered Policies written as its direct business based on the requirements outlined in the Data Call. The combined Data Call file is due on September 1, ~~2023~~2024, or a maximum 60 days from the date of the assumption, whichever is later. If the Company's Data Call file has been previously submitted to the SBA, the Company will be required to resubmit its initial Data Call.
 - c. If the Company is unable to submit the combined Data Call file by September 1, ~~2023~~2024, the Company must initially submit its Data Call file with all of its direct written Covered Policies that were in effect as of June 30, ~~2023~~2024 (prior to the assumption of additional Covered Policies from an Unsound Insurer) by September 1, ~~2023~~2024. The Company will then need to resubmit the combined Data Call file no later than 60 days from the date of the assumption.
 - d. If a policy assumed by the Company from the Unsound Insurer is not reported in the Company's Data Call file, Losses under that policy may not be included in Losses reported to the SBA unless the Company is able to resubmit the Data Call file to include such omitted policies.
 - e. For an assumption of an Unsound Insurer's Covered Policies on or after December 1, ~~2023~~2024, through and including May 31 of the Contract Year, the Company is not required to report its assumed policies to the SBA until the subsequent Contract Year based on the status of the policy at June 30 of that subsequent Contract Year.
 - f. Except as noted above, for purposes of reporting Losses to the SBA, the Company shall report all Losses including those associated with Covered Policies assumed from the Unsound Insurer on Forms FHCF-L1A and FHCF-L1B as required under the Contract.
2. The FHCF Reimbursement Premium for all Covered Policies assumed from the Unsound Insurer by the Company shall be due on December 1, ~~2023~~2024, or within 15 days of being invoiced by the SBA, whichever is later. The total Reimbursement Premium resulting from the reporting of exposure on the Company's Covered Policies and the Reimbursement Premium

associated with Covered Policies assumed by the Company from the Unsound Insurer shall be combined to determine the Company's retention and its share of the FHCF's capacity.

3. An administrative fee of \$1,000 shall apply to each resubmission of exposure data for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be \$2,000. If the first examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be \$2,000. Resubmission fees shall be invoiced along with the Reimbursement Premium billing discussed in (b) above.
4. The Company shall ensure that the books and records related to the Covered Policies assumed from the Unsound Insurer are preserved and accessible to the SBA for its exposure and claims examinations. The Company shall retain data related to the FHCF examinations as required in Forms FHCF-D1A, FHCF-DCL, FHCF-EAP1, and FHCF-LAP1 for the exposure assumed from the Unsound Insurer.
5. The Company is required to provide the SBA with a complete listing of all assumed policies, including Covered Policies and other policies not covered by the FHCF. As outlined in the Data Call, the listing must include each policy number and the policy's effective and expiration dates. In addition to the policy listing, the Company must provide an agreement between the Company and the Unsound Insurer that supports the number of policies assumed.

(2) Acceptance of an Assignment of an Unsound Insurer's FHCF Reimbursement Contract

(a) Responsibilities relating to assigned Reimbursement Contracts:

1. The Company, pursuant to Section 215.555(5)(e), Florida Statutes, has the rights and duties of the Unsound Insurer for such transferred Covered Policies.
2. The Company is responsible for the Reimbursement Premiums due under the assigned Reimbursement Contract. Should any Reimbursement Premium be owed at the time paid Losses for Covered Policies under the assigned Reimbursement Contract exceed the Retention under the assigned Reimbursement Contract, all Reimbursement Premiums (as well as any applicable fees and interest) shall be offset before the issuance of any reimbursement payment.
3. The Company has the responsibility to report all exposure and Loss information for Covered Policies under the assigned Reimbursement Contract separately for each assigned Reimbursement Contract pursuant to the reporting requirements specified in the Reimbursement Contract. If the Unsound Insurer has already submitted the required Data Call, the Company has the responsibility of filing any resubmissions as necessary.

4. The Company has the responsibility to ensure that the books and records related to the assigned Reimbursement Contract are preserved and accessible to the SBA for its exposure and claims examinations. The Company has the responsibility to retain data related to FHCF examinations as required in FHCF-D1A, FHCF-DCL, FHCF-EAP1, and FHCF-LAP1 for each assigned Reimbursement Contract.
- (b) The Company will not be reimbursed by the SBA for any Losses occurring prior to the date it first provides coverage for such transferred policies. Reimbursements for those Losses shall be made to the Unsound Insurer, the court-appointed receiver, or the applicable guaranty association, as provided by statute.

ARTICLE XXIII – SIGNATURES

Approved by:

Paragon Strategic Solutions Inc., on Behalf of the State Board of Administration of the State of Florida
and as Administrator of the Florida Hurricane Catastrophe Fund.

By: _____
Date

Authority to sign on behalf of the Company:

The person signing this Contract on behalf of the Company hereby represents that he or she is an officer of the Company, acting within his or her authority to enter into this Contract on behalf of the Company, with the requisite authority to bind the Company and make the representations on behalf of the Company as set forth in this Contract.

«Legal_Name»

Printed Name and Title

By: _____
Signature Date

**APPENDIX A
to
REIMBURSEMENT CONTRACT**

(Contract)

between

<< Legal Name >>
("Company")

NAIC #

and

**THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA (SBA)
WHICH ADMINISTERS THE FLORIDA HURRICANE CATASTROPHE FUND (FHCF)**

Pursuant to Section 215.555(5)(e), Florida Statutes

With reference to

Name of Unsound Insurer ("Unsound Insurer")

We, the undersigned, being officers of the Company, acting within our authority, hereby make the following election with reference to the Unsound Insurer named above:

(Check appropriate box and provide date of transfer below):

| ☐

Company elects to obtain FHCF coverage for the Unsound Insurer's Covered Policies by including such Covered Policies under Company's ~~2023~~2024 FHCF Reimbursement Contract.

Date policies assumed by Company:_____

| ☐

Company elects to obtain FHCF coverage for the Unsound Insurer's Covered Policies by accepting an assignment of the Unsound Insurer's ~~2023~~2024 FHCF Reimbursement Contract.

Date Reimbursement Contract assigned to Company:_____

By: _____

By: _____

Typed Name: _____

Typed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

RETURN COMPLETED FORM TO:

Paragon Strategic Solutions Inc.
8200 Tower, 5600 West 83rd Street, Suite 1100
Minneapolis, MN 55437

This Page Intentionally Left Blank

Memo

TO: Lamar Taylor, Interim Executive Director & CIO

THRU: Gina Wilson, Chief Operating Officer, FHCF

FROM: Mary Linzee Branham, Director of Legal & Risk Operations, FHCF

DATE: September 29, 2023

SUBJECT: Trustees Meeting, October 25, 2023

Request appointment of the chair for the Florida Commission on Hurricane Loss Projection Methodology.

BACKGROUND: The Florida Commission on Hurricane Loss Projection Methodology is an independent commission that establishes standards for and reviews computer models used by insurers to project hurricane losses. The commission is administratively housed within the SBA and staffed by the staff of the Florida Hurricane Catastrophe Fund.

Section 627.0628(2)(d), F.S., requires the SBA to annually appoint a commission member to serve as Chair. It is requested that Steve Paris, the current Vice-Chair, be appointed to serve as Chair for the 2023-2024 year.

ACTION REQUESTED: It is requested that the proposed appointment of Steve Paris as Chair of the Florida Commission on Hurricane Loss Projection Methodology for the 2023-2024 year, be presented to the State Board of Administration Trustees on October 25, 2023.

ATTACHMENTS TO BE INCLUDED:

- Steve Paris biography
- List of current members of the Florida Commission on Hurricane Loss Projection Methodology

This Page Intentionally Left Blank

Stephen P. (Steve) Paris, Ph.D., ASA

1017 Academic Way, Room 404A
Florida State University
Tallahassee, FL 32306-4510

sparis@fsu.edu
(850) 644-2202 (Office)
(850) 294-2252 (Cell)

Personal

Academic Credentials

Ph.D., (Pure) Mathematics, LSU, Baton Rouge, Louisiana	May 1995
Dissertation: Link Theory: <i>Applications to Real Algebraic Curves</i>	
Advisor: Patrick M. Gilmer	
M.S., (Pure) Mathematics, FSU, Tallahassee, Florida	December 1990
B.S., Mathematics, Louisiana Tech University, Ruston, Louisiana	August 1988

Professional Credentials

Associate of the Society of Actuaries (ASA)	November 2010
---	---------------

Academic Experience

Teaching Professor, FSU	December 2020 – present
Coordinator of Actuarial Science, FSU	March 2006 – present
Assistant Professor of Mathematics, FSU	August 2003 – March 2006
Assistant Professor of Mathematics, NLU / ULM	August 1995 – August 2000

Professional Experience

Actuarial Consultant (Pensions), Watson Wyatt & Company	August 2000 – August 2003
---	---------------------------

Teaching

Awards and Highlights

Received FSU Undergraduate Teaching Award (2 times)	2010, 2017
Received LSU Outstanding Graduate Student Teaching Award	1995

Teaching (Continued)

Selected Accomplishments as Coordinator of FSU Actuarial Science

Sole Instructor of All Actuarial Science Courses from January 2006 to January 2015

Substantially Increased Enrollment, Graduates, and Actuarial Exam Passing Rates

Revised Content for FSU's FM and FAM-L Courses

Developed Three New FSU Actuarial Science Courses

Actuarial Models II (A Course for SOA Exam ALTAM)

Short-Term Actuarial Math I (A Course for SOA Exam FAM-S)

Short-Term Actuarial Math II (A Course for SOA Exam ASTAM)

Faculty Advisor for FSU Undergraduate Actuarial Science Club

Regularly Supervise Two Undergraduate Students and One Graduate Student Assigned to Assist with FSU Actuarial Science

Scholarly Activity

Refereed Research Publications

1. Recruiting and Advising Challenges in Actuarial Science (with B. Case and Y. Guan), *PRIMUS: Problems, Resources, and Issues in Mathematics Undergraduate Studies*, 2014, Vol 24(9-10): 891-903
2. An Examination of the Current State of Retirement Savings (with C. Cole and K. McCullough), *Journal of Insurance Issues*, 2006, Vol 29(2): 107-131
3. Rokhlin's inequalities for real algebraic curves and an extremal property, *Man. Math.* 98 (1999), 447-452
4. An extremal property of Rokhlin's inequality for real algebraic curves, *Math. Ann.* 304 (1996), 613-620

Scholarly Activity (Continued)

Other Scholarly Activity

Passed Actuarial Exams EA-1A (now EA-1) and EA-2A (now EA-2F)
(Joint Board for the Enrollment of Actuaries Exams)

Regularly Organize and Attend Several Conferences and Meetings Each Year
(Recent History)

Society of Actuaries Teaching Conferences
Annual Joint AMS/MAA Mathematics Meetings
International Association of Black Actuaries Annual Meetings
Organization of Latino Actuaries Meetings
NCCI Annual Issues Symposium

Reviewer of Several Textbooks

Service

Departmental Service

Serve / Served on Various Departmental Committees
Actuarial Scholarship Recipient Committee
Student Societies Committee
Quality Enhancement Review Committee
Ph.D. Dissertation and Honors Thesis Committees
Specialized Faculty Evaluation Committee
Unit Assessment and SACS Committee
Faculty Recruitment Committee

Professional Service

Member (Vice-Chair) of Florida Commission on Hurricane Loss Projection Methodology
<https://www.sbafla.com/method/Home.aspx>

Serve / Served on Various Professional Committees
Mathematical Association of America (MAA) Investments Committee
MAA Consultant for University Actuarial Science Program Review
Society of Actuaries Advisory Panel
Society of Actuaries Teaching Conference Committee (Inaugural Member)
International Association of Black Actuaries Actuarial Ambassador Program
(Pilot Program Launched in Partnership with FSU Actuarial Science)

Service (Continued)

Recent Student Service

Annually Organize a Jobs Fair Connecting Approximately 200 Actuarial Science Majors with over 40 Actuarial Employers (See List of Employers in Outreach Section Below)

Established and Oversee Exam Fee Reimbursement Program for Actuarial Science Majors

Actively Seek Scholarship Opportunities for Students (Scholarships Recently Won Include)

- Southeast Actuaries Conference Scholarship

- The Actuarial Foundation Curtis E. Huntington Memorial Scholarship

- The Actuarial Foundation Actuarial Diversity Scholarship

- International Association of Black Actuaries Foundation Actuarial Scholarship

- D.W. Simpson's Actuarial Science Scholarship

- John and Evelyn Baugh Scholarship (an Internal FSU Scholarship)

- Betty Anne Case Scholarship in Actuarial Science (an Internal FSU Scholarship)

Regularly Organize Presentations to Actuarial Science Majors from Practicing Actuaries

Regularly Organize Social Functions for Students

- Annual Football Tailgate Party (Coincides with Parent's Weekend)

- Annual Spring Crawfish Boil (Coincides with FSU's Spring Football Game)

- Happy Hours and Social/Dinner Functions (Held Sporadically Throughout Year)

Outreach

High School Outreach

Recruit and Educate Mathematically Gifted Local Students about Actuarial Profession

Corporate Outreach

Maintain and Cultivate Relationships with Actuarial Employers, including

- Aetna, Aflac, Alfa Insurance, AllState, American Academy of Actuaries, Aon Hewitt, Ascensus, BlueCross BlueShield of Mississippi, BlueCross BlueShield of Tennessee, CareSource, Capital Health Plan, Centene Corporation, Cigna, Citizens Insurance, CUNA Mutual Group, Elevance Health, Ernst & Young, Florida Blue, Florida OIR, Hannover Life Reinsurance, Humana, Lincoln Financial Group, Main Street America Group, Mercer, Milliman, National Council on Compensation Insurance (NCCI), New York Life Insurance, NextEra Energy, Oliver Wyman, Pinnacle Actuarial Resources, Protective Life Insurance, Rating Dynamics, Safepoint Insurance, Sagicor Life Insurance, Senior Life Insurance, State Farm Insurance, Transamerica Corporation, Travelers Insurance, Wakely Consulting Group, WellCare Health Plans, Willis Towers Watson

Florida Commission on Hurricane Loss Projection Methodology Members

Name	Statutory Position (627.0628(2)(b), F.S.)
Timothy L. Barnett, FCAS, CPCU, Are (CFO Appointment – original appointment 8/20/20, subsequently reappointed)	Industry Actuary
Patricia Born, Ph.D. (CFO Appointment – original appointment 11/19/19, subsequently reappointed)	Insurance Finance Expert
Tasha Carter	Insurance Consumer Advocate (Date took Office 8/2/19)
Tim Cerio	President, CEO and Executive Director, Citizens Property Insurance Corporation (Date took Office 2/1/23)
Peggy Cheng, ACAS (Insurance Commissioner Appointment – 3/7/23)	OIR Actuary
Kevin Guthrie	Director, Division of Emergency Management (Date took Office 5/1/21)
Gary Leavens, Ph.D. (CFO Appointment – 7/28/23)	Computer System Design Expert
Sean Martin, Ph.D., P.E. (Governor Appointment – 9/2/22)	Licensed Professional Structural Engineer
Steve Paris, Ph.D., ASA Vice Chair (CFO Appointment – original appointment 8/15/17, subsequently reappointed)	Statistics Expert
Hugh E. Willoughby, Ph.D. (CFO Appointment – original appointment 5/11/06, subsequently reappointed)	Meteorology Expert
Gina Wilson, ARe, CPA, CPM, CPCU	Chief Operating Officer, Florida Hurricane Catastrophe Fund (Date took Office 3/1/21)
Vacant	FHCF Advisory Council Actuary

As of 8/1/23

This Page Intentionally Left Blank

Item 10 – Appointment(s) – Florida Hurricane Catastrophe Advisory Council

Name

Amy Godsey
Kathy Hurta

Appointed by:

Governor
Attorney General

This Page Intentionally Left Blank

AMY GODSEY

2563 Bishops Green Trail * Tallahassee, FL 32312 * 850-519-8483 * Amy.Godsey@em.myflorida.com *
AmyGodsey6907@gmail.com

Qualifications: Over 15 years of experience in the emergency management and meteorological community with the Florida Division of Emergency Management in Tallahassee, Florida. More than 350 hours of emergency management training, 40 hours of continuing meteorological training, and over 10,000 hours of disaster experience. Proficient in multiple emergency management roles, including Planning Section Chief, Operations Section Chief and Liaison Officer on Type 3 Incident Management Teams and in the State Emergency Operations Center. An award winning and respected leader in the Florida emergency management community. Outstanding interpersonal and presentation skills. 13 years of supervisory experience.

Professional Experience

Deputy Bureau Chief – Bureau of Response

February 1, 2022 - Present

Florida Division of Emergency Management (FDEM), Tallahassee, Florida
Full-Time Employee

A Deputy Bureau Chief assumes a lead role in the Division's Bureau of Response functions in the absence of the Bureau Chief and provides leadership guidance and recommendations related to all manner of Response activities, programs and policies. During activations of the Emergency Operations Center, this position leads and manages the State Meteorology Unit within the Planning Section, and prepares weather briefings and presentations for government officials using data gathered from all pertinent sources and schedules staffing to accomplish State Emergency Response Team objectives.

The duties and responsibilities for the position include, but are not limited to, the following:

- Coordinate weather-related training, public education campaigns, publications, and correspondence that represents the Florida Division of Emergency Management.
- Supervise the development and maintenance of budgetary and strategic plan tasks, reports and updates as required.
- Conduct and participate in conferences, trainings, meetings and workshops relating to emergency management planning and response.
- Oversee the development and implementation of steps to enhance the capabilities of the Operations Section to coordinate with other Units, Bureaus and Counties to ensure the Operational Readiness of the State Emergency Operations Center (including activities related to activation and operation of the State Emergency Operations Center).

Chief State Meteorologist

January 15, 2010 – January 31, 2022

Florida Division of Emergency Management (FDEM), Tallahassee, Florida
Full-Time Employee

Overview: The Chief State Meteorologist serves as the manager of the State Meteorological Support Unit (SMSU), which is the fundamental link between the State Emergency Operations Center and all

atmospheric and physical science entities. The Unit is highly technical in nature, monitoring forecast products and advisories from multiple sources compiled into common formats for internal and external distribution via briefings, summaries, and other data output reports to interpret their potential impact on active incidents and operations statewide.

The State Meteorologist activities and responsibilities focus around three main objectives:

- **Non-emergency Program Oversight**

State Watch Officer/Deputy Operations Chief responsibilities:

- Assume the role of a Watch Commander in the State Watch Office, or State Warning Point, and be responsible for supervising Operations Officers.
- Ensure all communications and computer equipment assigned to the Operations Section are fully mission capable, and ensure that proper notifications are made to State and local response and recovery organizations in compliance with incident notification procedures.
- Maintain procedures and conduct training for personnel in the Operations Section, to include but not limited to intelligence gathering responsibilities, proper use of communications equipment and Emergency Alert System, and proper incident recording and dissemination.
- Provide training workshops and/or reference material to County Warning Point/911 dispatch centers on notification guidelines to the State Watch Office and State level communications equipment.
 - Updated State Watch Office Guide for Public Safety Answering Points (PSAPs) for printed release in 2018 and 2021.
 - Assist in evaluated and non-evaluated Nuclear Power Plant Drills and Exercises by taking emergency notification messages and participating in emergency operations briefings.
 - Ensure continuity of operations by certifying the operational readiness of staff and back-up equipment.

Chief State Meteorologist responsibilities:

- In addition to the duties described for the Deputy State Meteorologist, the Chief State Meteorologist position is often involved in several programs that serve to enhance the Division's preparedness, response, recovery and mitigation capabilities.
- Provide technical assistance to state, regional, local and private agencies and organizations on natural hazards related issues and data.
- Assist in the development, analysis and interpretation of natural hazards information to be used for emergency planning applications, exercises and training opportunities.
- Coordinate all weather-related public education campaigns, publications and correspondence that represent the Division.
- Participate in conferences, meetings and workshops.
 - Brief Division leadership and County emergency managers on potential weather hazards.
 - Participate in trainings and workshops at State and National conventions.
- Perform administrative duties as assigned.
- Provide guidance, supervision, training and oversight of direct employees and student interns.

- **Activation Role in the State Emergency Operations Center (SEOC)**

- When the SEOC is activated, the State Meteorologist is one of the most important members of the State Emergency Response Team (SERT) and requires extensive knowledge of the Incident Command System (ICS).
- Serve as a Deputy Operations Chief in the State Emergency Operations Center and facilitate the mission management and information flow to the Operations Chief and/or State Emergency Response Team Chief. This includes training of Operations Support staff, quality control and appropriate routing of mission assignments, and coordination with Emergency Support Functions to ensure the needs of the survivors and first responders are met efficiently.
- Responsible for collecting, analyzing and disseminating weather hazards faced by first responders and to provide decision support services for local and state level officials.
- Serve as a subject matter expert to ensure that the SERT has the weather data needed to make decisions and carry out missions.
- Participate in interagency conference calls and briefings that are composed of the SERT, executive leadership, federal partners and the Governor of the State of Florida on hydrologic and meteorological topics.
- Coordinate with the Public Information Officer and Governor Communications Staff to update the media and residents of Florida on weather-related events during an emergency, and participate in press conferences or media interviews.
- Provide meteorological input into Governor's Executive Orders and Federal Emergency Declaration Requests.
- Provide training and oversight of qualified mutual aid meteorologists from other state and federal agencies.
- **Interagency Coordination**
 - Serve on state and national advisory boards as a subject matter expert.
 - Liaison with 7 National Weather Service (NWS) Forecast Offices, 2 NWS Regional Offices, 3 NWS National Centers, 5 Florida Water Management Districts, the US Geological Survey, US Army Corps of Engineers, university researchers and the State Emergency Response Team (SERT).
 - Ensure accurate and timely dissemination of information to key partners for all hazards, including hydro-meteorological and technological hazards.
 - Collaborate with the operational-science and social-science communities to enhance or create products for forecast or warning operations.
 - Contribute to FEMA and NOAA after-action reports and service assessments.
 - Routine correspondence with Dr. Betty Morrow and the National Hurricane Center on the Hurricane Forecast Improvement Project and storm surge products (during experimental phase).
 - Partner with University of South Florida for real-time evacuation behavior studies to understand contributing and limiting factors for evacuees in order to target appropriate messaging.
 - Participate in Integrated Warning Teams (IWT) and regional emergency management meetings.
 - Coordinate conference calls and decision support information during high-impact events with NWS forecast offices and national centers.

- Served as the liaison (2017-2019) between FDEM and Florida Forest Service (FFS) for the creation of monthly wildfire summaries and firefighting costs related to the Fire Management Assistance Grant threshold to FDEM executive staff, FDEM Recovery staff, and ESF 4/9 agencies.
- Numerous speaking and outreach events, including, but not limited to: Florida Emergency Preparedness Association Meetings, American Meteorological Society/National Weather Association local chapter meetings and national conferences, Florida Governor's Hurricane Conference, State Agency Quarterly Safety Meetings, International Delegation visits to the State Emergency Operations Center, Public-Private Sector Disaster Preparedness Summit, Florida Wildfire Summit, Current Issues in Emergency Management Summits, Severe Weather Awareness Week Public Service Announcements, Family Café Convention for Families of Children with Disabilities, and private and public school appearances.

Notable Accomplishments:

- COVID-19 Response Activation (March 2020 – June 2021)
 - Deputy Operations Chief (March 2020 – April 2021)
 - Provide oversight and guidance of WebEOC mission management and coordinate with sections and branches to reflect current status and appropriate documentation.
 - Assisted in the development of a COVID-specific mission assignment guide for commonly requested items and resources for Operations Support staff.
 - Integration into SERT Logistics (April – May 2020)
 - Assist in vendor outreach for Personal Protective Equipment (PPE) and medical supplies.
 - Secured quotes, vetted proposals, and coordinated purchase orders for PPE supplies needed.
 - Provide routine updates on tracking and delivery information and validate invoices for goods received.
 - FDOH Nursing Home Strike Teams (May – June 2020)
 - Assist the Florida Department of Health with the coordination of statewide regional strike teams for testing of residents and staff at nursing homes.
 - Ordering and delivery of supply materials to teams across the state.
 - Branch Chief – COVID State Testing Sites (August 2020 – May 2021)
 - From May – August 2020, assisted the COVID Field Operations Unit with the administration of State-run COVID testing sites and purchasing/shipment of supplies to several locations.
 - In August 2020 and continuing through May 2021, assumed the role of Testing Branch Chief.
 - Performed a regional restructuring and consolidation of state funded testing sites to ensure consistent operations and guidelines among multiple site platforms (drive-through, walk-up, private sector “pop-up” sites)
 - Recruitment and training of new team members into the new organizational structure of the Testing Branch to reduce workload on individual team members.
 - Implemented new or updated initiatives as directed by the SERT Chief or State Coordinating Officer (SCO).
 - Principal advisor to the SERT Chief and SCO for the closure and reopening of testing sites due to tropical weather hazards.
 - Streamlined reporting requirements and recording platform through the use of surveys.

- Coordination of mobilization, conversion to walk-up or trailer configuration, right-sizing and demobilization of test sites.
- Assisted in the development and enhancement of an internal Cost Tracker and Cost Projection worksheet for use in FEMA Project worksheets and legislative inquiries.
- Unit Leader – Mobile Vaccination Unit Program (April – June 2021)
 - Provided oversight and guidance to team members within the SEOC, field liaisons and vendor contacts on operational priorities, issues and procedures.
 - Coordinated new or remedial training as necessary for new vendor teams.
 - Successfully expanded program from an initial inventory of 8 buses/units and 4 “door to door” teams to 36 units and 5 door-to-door teams within 2 months.
 - Ensure vaccination totals were captured and uploaded to Salesforce reporting dashboards.
 - Provided validation of invoices for services rendered.
- WeatherSTEM Legislative Appropriation Project (2019-current)
 - Contract manager for the WeatherSTEM Florida Severe Weather Mesonet, a legislative appropriation project funded via HB2889 (2019), HB2693 (2020), and HB2427 (2021).
 - Develop budget, Scope of Work and Purchase Order for \$970,000 for the installation and maintenance of 50 weather stations in each fiscal year.
 - Coordinate with local officials on site selection, installation, execution of a Memorandum of Agreement (MOA), and/or address any issues or questions related to the project.
 - Validate and submit invoices for payment within designated timeframes in accordance with the Scope of Work and FDEM financial policies.
- State Meteorology decision support services (2010-2020)
 - Enhanced look and usability of State Meteorological products to fit the needs and knowledge base of users.
 - Collaborated and provided input on high-resolution statewide graphics utilizing Q-GIS software.
 - Added additional graphical content such as probability gages and event-specific threat bars to briefing packages utilizing Microsoft PowerPoint.
 - Hurricane Irma (September 2017)
 - Coordinated with the National Hurricane Center, US Army Corps of Engineers and South Florida Water Management District and advised senior leadership in the State EOC on potential impacts to Lake Okeechobee and surrounding communities from storm surge and elevated pool levels.
 - Assumed the role of lead planner and liaison between the State EOC, State Law Enforcement, local law enforcement and Fire Chiefs, Florida Department of Transportation (FDOT), State of Georgia, Southeast River Forecast Center and deployed National Weather Service hydrologist on planning for the potential closure of Interstate 75 due to flooding from the Santa Fe River.
 - Coordinated conference calls with Florida Department of Law Enforcement, county and city emergency management, fire chiefs, police chiefs and sheriffs for response actions and state resources.
 - Assisted FDOT with establishing “benchmarks” for the notification and closure of Interstate 75 based on river observations and rate of rise.
 - Served as the principal advisor to the Secretary of FDOT in implementing closure.

- Assisted FDOT with identifying detour routes in North Florida based on river flooding affecting additional State and US Highways in the region.
 - Provided the Executive Office of the Governor talking points and key information for use in press releases and the Governor's public remarks.
 - Supported Florida National Guard and State Logistics on identifying targets for pre-staged resources. Provided decision support services to Logistical Staging Areas (LSAs) in Monroe County (Florida Keys) due to additional weather impacts and effects from "King" tides.
 - Assisted in contingency planning for multiple storm paths (from Irma) and additional potential impacts to Florida from Hurricane Maria, Hurricane Nate and Tropical Storm Philippe.
 - Assisted State GIS and Reconnaissance Unit identify pre-storm and post-storm aerial survey targets.
- 2012 Republican National Convention/Hurricane Isaac
 - Twice daily briefings to convention officials, the Florida Governor, Florida Cabinet, Florida Secretary of State and Hillsborough County Government during the week prior to the start of the Convention on the potential threat to Florida from Hurricane Isaac.
 - Created infographics and brochures for Convention officials to deliver to arriving delegates about hurricane hazards and the danger of storm surge, tornadoes and rip currents.
 - Involved in the decision-making meetings, and based on the potential hazards, resulted in the postponement of the Convention by one day.
- Deepwater Horizon Oil Spill
 - Activated in the State EOC for a 4-month period (April – August 2010) as the Lead Meteorologist to coordinate with NOAA on available forecast and observation resources.
 - Coordinated with local National Weather Service offices to produce high-resolution heat index maps for beach cleanup crews.
 - Wrote executive level "white papers" on the Loop Current.
 - Coordinated with the National Hurricane Center to provide an information bulletin on tropical cyclones interacting with the oil spill.
 - Collection of work and coordination noted as a "best practice" in the After-Action review of the event.
- Training and Exercise
 - FDEM Approved Instructor for G-271 Hazardous Weather and Flooding Preparedness, G-272 Warning Coordination, G-358 Evacuation and Re-Entry Planning, G-361 Flood Fight Operations, and L-102 Science for Disasters.
 - Design and implementation of the annual Statewide Hurricane Exercise in conjunction with the Training and Exercise Unit from 2009-present.
 - Create storm scenario(s), produce text and graphical products that mimic National Weather Service and National Hurricane Center products, and create briefing videos to enhance participant's exercise experience and knowledge of storm hazards and decision support products.
 - Evaluate staff response to unique situations and exercise objectives.
 - Train new staff and/or augmentation staff on responsibilities and expectations of the SERT in a hurricane event.

- Assist county and state exercise planners with planning documents and realistic incidents based on the potential impacts of the storm that may assist with reaching exercise objectives.
- Emergency Management Accreditation Program (EMAP)
 - Serve as the point of contact for response-related standards to the Division's Accreditation Manager.
 - Responsible for gathering pertinent documentation from several program areas and consolidating into one shared portal.
 - Compiled a progress chart for standard operating procedure compliance.
 - Responsible for authoring justification statements for each standard assigned for use by the National Emergency Management Association EMAP assessment team.

Deputy State Meteorologist

August 18, 2008 – January 14, 2010

Florida Division of Emergency Management, Tallahassee, Florida

Career Service Full-Time Employee

In addition to the duties of the Meteorologist Intern, this position will:

- Provide input into the Daily Situation Report and any incidents in which weather would impact preparedness or response operations.
- Prepare special briefing packets for hazardous weather threatening Florida, such as tropical cyclones, severe weather, flooding, winter weather, etc. and disseminate to various state agency and county emergency management partners to ensure situational awareness.
- Research and provide meteorological information into planning documents, briefing packages, or other Division reports to ensure situational awareness and threat vulnerabilities.
- Prepare and present forecast briefings with a focus on short and long-term weather threats to agency staff and leadership on a regular basis.
- Assist in training of meteorology interns, including instruction of technical procedures necessary for completion of weather-related reports.
- Compile and archive weather data from damaging events for use in disaster declaration requests, training materials and capability assessments.
- Assist in the development, analysis and interpretation of natural hazards information sources for emergency planning applications, exercises and training opportunities.

Notable accomplishments:

- River Flood Situational Awareness Mapping
 - Created a “one-stop shop” flooding map during the North Florida flooding event in Spring 2009 for briefing and elected leadership situational awareness.
 - Map generated to show hydrograph information for over 30 river sites onto a single image.
 - Produced a map displaying the river gage points Google Earth as a KML where river channels could be color-coded based on stage.
 - Color-coded triangle icons placed at the gage sites -- upward facing if the river point was rising, downward facing if the gage point was receding, and circular if the point was cresting.
 - Provided a way to track the flood wave between gage points.
 - Labelled each gage point with the forecast crest date and time.
 - Noted as a “best practice” and used by the Southeast River Forecast Center as a model for decision support services throughout their region.

- Field deployments
 - Crystal River and Turkey Point Nuclear Power Plant exercises
 - Served in several roles including Liaison Officer, Plans Chief and Documentation Unit Leader.
 - Relayed plant information, press releases and other pertinent documentation to the State Emergency Operations Center.
 - Spring 2009 floods
 - Deployed to the western Panhandle as Planning Section Chief and meteorologist.
 - Responsible for staff accountability, daily action planning, report gathering and morning situational awareness briefings for field staff.
 - Assisted on joint Preliminary Damage Assessment teams surveying damage and assigning damage level thresholds and estimated property loss values.

Meteorologist Intern

July 12, 2006 – August 17, 2008

Florida Division of Emergency Management

OPS Part-Time July 12, 2006-December 8, 2006

OPS Full-Time December 9, 2006-August 17, 2008

- Gather, interpret, and disseminate weather-related data and reports in an operational setting as a member of the State Meteorological Support Unit.
- Provide daily analysis of meteorological data to determine weather-related threats to the State of Florida from various federal, state and academic meteorological sources.
- Responsible for the dissemination and timely delivery of the suite of State Meteorological Support Unit reports and briefing packets.
 - Compose a daily statewide all-weather-hazards situation report and disseminate to all state government and county emergency management agencies.
 - Compose a bi-weekly 5-day statewide weather outlook/forecast and disseminate to various government offices and emergency managers.
- Update Division's website with current weather information using HTML.
- Assist in outreach events and publications.
- Independently perform special assignments related to meteorological topics as directed.

Student Meteorologist

January 2003 – December 2005

WFSU, Florida State University

Volunteer Position

- Participated in live 30-minute student-led weather broadcasts, viewable on local television.
- "Team Leader" during the Summer and Fall 2004 terms.
 - Responsible for the production and on-air talent capabilities of the FSU Weather Show.
 - Prepare weather graphics for all segments.
 - Conduct a briefing with on-air talent prior to broadcast to ensure consistency and situational awareness/forecast reasoning.
- Proficient in filming and video editing.

Education

Bachelor of Science in Meteorology, Minor in Physics

Florida State University, December 2006

Awards

2018 Tropical Meteorology Award, Florida Governor's Hurricane Conference, May 2018. Awarded to an individual that has made outstanding or substantial contributions to the advancement of knowledge, application or understanding of the hurricane forecasting and warning process in the State of Florida.

Response Bureau Award, Florida Division of Emergency Management, August 2021. Awarded for excellence and enhancement of the Response Bureau for COVID response activities.

Extreme Ownership Award, Florida Division of Emergency Management, September 2021. Awarded for COVID response activities.

Certifications

Florida Certified Contract Manager, Department of Management Services. November 2019

American Radio Relay League (ARRL) Amateur Radio Technician Class License. June 2017

Florida All-Hazards Incident Management Team – Liaison Officer. February 2016

Level 1 Professional Continuity Practitioner – Emergency Management Institute, Continuity of Operations Excellence Series. January 2015

Florida Professional Emergency Manager, Florida Emergency Preparedness Association. January 2012

Professional Development Series, Emergency Management Institute. February 2011

Publications/Conference Proceedings

"Irma Panel Discussion I: Successes and Challenges in Risk Communication"

Florida Governor's Hurricane Conference, West Palm Beach, Florida, May 2018.

"From Hermine to Matthew Part I: Social Media Hype to Awareness", "From Hermine to Matthew Part II: Storm Surge Warnings and 1st Florida Hurricane Landfall in More Than a Decade", & "Effective Communications During Hurricane Response"

Florida Governor's Hurricane Conference, West Palm Beach, Florida, May 2017.

"Integrating Meteorology into Emergency Management"

Interdepartmental Hurricane Conference, Jacksonville, Florida, February 2015.

"When Weather Matters: Improving Forecasts and Warnings Through Social Science" American Meteorological Society, Austin, Texas, January 2013.

"Conversations with Professionals"

American Meteorological Society Student Conference, Austin, Texas, January 2013.

"Florida's Severe Weather Awareness Guide"

Florida Division of Emergency Management, 2010, 2011, 2012, 2015, 2017.

Committees

National Emergency Management Association- Interagency Coordinating Committee on Hurricanes	2010-present
Florida Silver Jackets/State Hazard Mitigation Program	2011-2015
The Florida Sea Grant Advisory Committee	2010-2016
American Meteorological Society Board for Operational Government Meteorologists	2012-2016
National Tsunami Hazard Mitigation Program Committee – Warning and Coordination Subcommittee, Mitigation and Education Subcommittee	2014-2016
The Florida Automated Weather Network Advisory Council	2010-2014

Professional References

Linda McWhorter
Bureau Chief of Preparedness
Florida Division of Emergency Management
850-528-7528
Linda.McWhorter@em.myflorida.com

Christopher Eliadis
Emergency Operations Manager
Brevard County Emergency Management
727-612-8263
Chris.Eliadis@BrevardFL.gov

Tiffany O'Connor
Liaison to the National Hurricane Center
Federal Emergency Management Agency
407-412-8139
Tiffany.OConnor@fema.dhs.gov

Tom Johnstone
Meteorologist-in-Charge
National Weather Service – Wilmington
615-210-1707
Thomas.Johnstone@noaa.gov



STATE OF FLORIDA

**ASHLEY MOODY
ATTORNEY GENERAL**

September 15, 2023

Gina Wilson, Chief Operating Officer
Florida Hurricane Catastrophe Fund
PO Box 13300
Tallahassee, Florida 32317

Dear Ms. Wilson:

Pursuant to section 215.555(8), Florida Statutes, it is my pleasure to nominate Ms. Kathy Hurta for appointment to serve on the State Board of Administration (SBA) Florida Hurricane Catastrophe Fund Advisory Council as Actuary.

I request this appointment be placed on the next SBA Agenda for confirmation by the State Board of Administration.

Ms. Hurta's contact information is listed below.

Mail: 1470 West Carmen Avenue, #304
Chicago, IL 60640
Email: kathleenhurta@gmail.com
Phone: 708-717-0212

Sincerely,

A handwritten signature in blue ink that reads "Ashley Moody".

Ashley Moody
Attorney General

cc: Lamar Taylor
Kathy Hurta

This Page Intentionally Left Blank

Kathy Hurta, FCAS

Chicago, IL
(708) 717-0212

kathleenhurta@gmail.com

- | | | |
|---------------|-------------------------------------|-------------------------------|
| KEY | • Actuarial analysis | • Strong analytical skills |
| SKILLS | • Personal lines ratemaking | • Data & technical expertise |
| | • Catastrophe modeling expertise | • Team building & leadership |
| | • PML / catastrophe risk management | • Strong communication skills |

EXPERIENCE

Allstate Insurance Company

Actuary, Catastrophe Modeling & Analytics, September 2017 – Present

Lead a team responsible for advancing the use of catastrophe models across the enterprise, primarily for hurricane and wildfire

- Collaborate with and advise business partners on value and appropriate use of catastrophe models for pricing, underwriting and product management
- Manage resources and budget to support data and technology needs of catastrophe modeling team
- Evaluated wildfire risk tools, recommended tools for pricing and underwriting in western states; serving as catastrophe risk subject matter expert in insurance product design for wildfire
- Orchestrated development and delivery of hurricane risk management tool to incorporate modeled cost of risk. Tool enabled identification of pricing issue in significant state shortly after new insurance product release.
- Redesigned exposure forecasting process for reinsurance placement and PML/catastrophe risk projections. Reduced timeline by three weeks and increased consistency across states and units.
- Drove a cross-functional team to improve monitoring of exposure versus plan and to increase consistency across units to achieve more rigorous governance of catastrophe risk
- Liaison to reinsurance broker's catastrophe modeling team for two years; partnered with broker to manage catastrophe modeling for reinsurance placement and to evaluate cat model use for reinsurance
- Strengthened talent development via improved training on key catastrophe risk concepts and use of catastrophe models for insurance product management and risk & return management
- Owned talent acquisition for broader team for two years; improved assessment of analytical skills

Associate Actuary, Catastrophe Modeling & Analytics, June 2014 – September 2017

Led a team responsible for PML measurement and analysis

- Drove implementation of exposure data repository, which warehouses property data for catastrophe modeling across brands in a central system and is updated daily. Reduced timelines to create catastrophe modeling exposures and downstream modeling by one month.
- Led measurement and analysis of actual and projected PML/catastrophe risk, gross and net of reinsurance, including analysis of segments driving PML and impact of model updates and reinsurance program updates. Ensured appropriate governance and presented to leadership routinely.
- Produced analyses of hurricane risk and advised insurance product managers on strategic growth opportunities in hurricane exposed areas
- Evaluated use of catastrophe models for severe convective storm and winter storm for ratemaking
- Delivered modeled catastrophe loss estimates for rating agency surveys and meetings and for internal analysis for capital management and risk & return management

Pricing Manager, Allstate Business Insurance – Line Management, March 2012 – June 2014

Developed and led a new team responsible for rating plan development and analysis for product development and line management. Lines included commercial auto, businessowners, commercial package, commercial property/fire, general liability, inland marine, crime, and commercial umbrella.

- Identified need for additional commercial data sources for ratemaking and analytics; influenced data strategy. Partnered with Technology, advised and served as subject matter expert on development of two new data sources. Oversaw user acceptance testing. Data sources are still the primary data sources for this unit today.
- Partnered with product managers and third party to redesign the businessowners product for profitable growth and to establish businessowners as a lead commercial line. Rate plan design utilized predictive modeling.
- Oversaw predictive modeling of commercial auto rate plan to improve rate segmentation
- Led loss analysis of segments to identify underwriting actions to improve profitability in the commercial package line

Pricing Manager, Allstate Business Insurance – Property & Liability, January 2011 – March 2012

Led ratemaking for commercial property & liability lines including rate level indications, rate filings and analytical support for state product managers. Lines included businessowners, commercial package, commercial property/fire, general liability, inland marine, crime, and commercial umbrella.

- Delivered rate filings for new products in seven lines of business in 50 jurisdictions. Successfully addressed objections from regulators.
- Managed and motivated team through time of significant organizational change
- Directed development of training programs on property products and data sources for actuarial and technician teams to modernize commercial property pricing team

Research & Competitive Intelligence Manager, Consumer Household, June 2008 – January 2011

Developed and led a new team responsible for rating plan development and competitive intelligence for motorcycle, motorhome, boats, renters, condos, landlords, manufactured home, and personal umbrella

- Led redesigns of rating plans for motorcycle, landlords, boats, and renters using predictive modeling and competitive analysis of market leaders
- Modernized competitive analysis of rates, coverage, and underwriting policies

Pricing Supervisor & Senior Analyst, Allstate Home & Auto, June 2006 – June 2008**Research & Development Senior Analyst, Allstate Home & Auto, March 2005 – June 2006****Pricing Analyst, Allstate Home & Auto, May 2002 – March 2005**

- Supervised and trained junior and entry level actuarial analysts
- Analyzed rate level indications, designed rating plan revisions, and created rate filings to maintain profitability and gain competitive position in personal auto and homeowners in multiple states including New Jersey and Louisiana. Introduced credit-based rating for personal auto, a new personal auto rate plan and net cost of reinsurance for property lines in New Jersey.
- Collaborated with product managers to monitor strategic initiatives
- Built predictive models for state specific versions of personal auto rate plan redesign

EDUCATION

Illinois Wesleyan University, B.A., Mathematics & Computer Science

CREDENTIALS

Fellow, Casualty Actuarial Society



**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

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

POST OFFICE BOX 13300
TALLAHASSEE, FLORIDA
32317-3300

RON DESANTIS
GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR & CIO

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

A. PURPOSE:

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

B. AUTHORITY:

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

C. MEMBERSHIP:

The Committee shall consist of three (3) members appointed by the Board. Members shall be appointed for four (4) year terms. After the expiration of their four year term, the member must request a reappointment letter from the Board. Members will be permitted to serve while the Board considers the reappointment request, and the term of any affirmative reappointment will be deemed to have commenced upon the expiration of the term of a previous appointment. As Board members change, they will be given the opportunity to reappoint the current member or appoint another member.

Any vacancy shall be filled for the remainder of the unexpired term. Per statute, the persons appointed must have relevant knowledge and expertise as determined by the Board.

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

Approved by the Audit Committee on August 21, 2023
Approved by the Trustees on

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

D. MEMBERSHIP QUALIFICATIONS:

The Committee members are appointed by the Board pursuant to Section 215.44(2)(c), Florida Statutes. At the time of his or her appointment, each member shall be independent and financially literate according to the following standards:

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

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

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

The Board shall endeavor to ensure at least one member is deemed to meet the requirements of an “audit committee financial expert” as defined by the corporate governance rules and regulations of the SEC, to the extent practical. The Board shall also endeavor to ensure at least one member is deemed to have investment literacy consistent with a current working knowledge of investment products commonly used by institutional investors.

New members will receive formal orientation training on the purpose and mandate of the Committee and on the SBA’s objectives.

Members will conduct themselves in accordance with the SBA Code of Ethics as is required of all SBA management and staff.

E. MEETINGS AND COMMUNICATIONS:

The Committee shall meet four (4) times annually, or more frequently as deemed necessary by the Committee. All Committee members are expected to attend each meeting in person or via teleconference or video conference. The Committee may not conduct any meeting with fewer than two (2) members present, and approval and/or action on any item by two (2) or more members of the Committee shall constitute approval and/or action on any item by the Committee. The Committee may ask members of the SBA management or others to attend meetings and provide pertinent information as necessary. The CAE, in conjunction with the Committee chair and the Executive Director & CIO, will ensure that meeting agendas and appropriate briefing materials are prepared and provided in advance to the Committee and SBA management. Minutes of all Committee meetings will be prepared and approved.

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

F. REPORTING RESPONSIBILITIES:

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

G. DUTIES AND RESPONSIBILITIES:

The primary duties and responsibilities of the Committee are to:

1. Financial Reporting

- Review the annual financial statements of all Trust Funds required to be audited and any certification, report, opinion, or review rendered by internal or external auditors.
- Inquire as to the external auditors' independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and clarity of financial disclosures practices used or proposed to be adopted by SBA.
- Inquire as to the external auditors' views about whether management's choices of accounting principles are conservative, moderate or aggressive from the perspective of

income, asset and liability recognition, and whether those principles are common practices or a minority practice.

- Review, in consultation with the external auditors and the CAE, the integrity of SBA's financial reporting processes.

2. Internal Controls and Risk Assessment

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

3. Compliance

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

4. Enterprise Risk Management

- Review the SBA's risk profile.
- Review quarterly reports on enterprise risk management activities from the CRCO.

- Review significant risk exposures and control issues, including fraud risks, governance issues, and other matters as needed.
- Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.
- Review the results of the externally commissioned governance, risk and compliance review as it pertains to enterprise risk management activities,.

5. Internal Audit

- Review and approve annually, in consultation with the Executive Director & CIO and the CAE, the OIA Charter, annual audit plan, budget, staffing, and organizational structure of the internal audit department. Confirm and assure the independence and objectivity of the OIA.
- Receive internal audit reports and a progress report on the approved annual audit plan on a periodic basis.
- Assist the Board in decisions regarding the appointment and removal of the CAE.
- Review periodic internal and no less frequently than every five years self-assessment with independent external validation of quality assurance reviews required by the Standards.
- Inquire of the CAE whether any internal audit engagements or non-audit engagements have been completed but not reported to the Committee; if so, inquire whether any matters of significance arose from such work.
- Obtain reasonable assurance that management has acted on the results and recommendations of internal and external audit engagements, the Committee will regularly review reports on the progress of implementing approved management action plans and audit recommendations resulting from completed audit engagements.

6. External Audit

- Search, select, and engage external audit firms by approving:
 - Scope of work for competitive solicitations
 - Selection process
 - External audit firms selected by the evaluation team chaired by the CAE or the CAE's designee)

- Meet, as needed, with the representatives of the Auditor General and other external auditors regarding the proposed scope and approach of their external auditing functions and subsequently the results of their audit of the SBA.
- Meet, as needed, with representatives of Office of Program Policy Analysis and Government Accountability (OPPAGA) regarding its review of the performance of the SBA.
- Review with management the results of all audits, including any difficulties encountered by the auditors or disputes with management during the course of their audit. External auditors will be consulted, as needed.

7. Other Responsibilities

- Review and assess the adequacy of the Committee Charter no less than annually, and request Board approval for the proposed changes.
- Challenge internal and external auditors to ensure that the SBA has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.
- Commission an SBA governance, risk management and compliance (GRC) program evaluation and performance improvement analysis (including the adequacy of the combined assurance being provided and assessment of the internal audit function and their utilization of external auditors/consultants as needed) to be performed by an external provider no less frequently than every five years and incorporating input from SBA management.
 - The independent assessor should interview at least one Committee member.
- Directing the CAE to conduct investigations into any matters within its scope of responsibility and obtaining advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities.

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



**STATE BOARD OF ADMINISTRATION
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

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

Date: August 21, 2023
To: Board of Trustees
From: Mark Thompson, Audit Committee Chair
Subject: Quarterly Audit Committee Report

The State Board of Administration's Audit Committee met on August 21, 2023. Please see the attached agenda for the items discussed. Also please see the attached Office of Internal Audit Quarterly Report presented to the Audit Committee at the meeting.

STATE BOARD OF ADMINISTRATION
Audit Committee Open Meeting
Agenda
August 21, 2023
9:00 A.M. – Conclusion of Business

1. Call to Order
2. Approve minutes of closed and open meetings held on May 22, 2023
3. SBA Interim Executive Director & CIO status report
 - SBA Update: Investment performance, risks, opportunities and challenges
4. Funston Presentation of the GRC Assessment
5. Status update of the Meradia project
6. Chief Risk & Compliance Officer Quarterly Report
7. Annual Review of the Charters
 - a. Audit Committee
 - b. Office of Internal Audit
8. Proposed Revised Annual Audit Plan
9. Office of Internal Audit Quarterly Report
10. Office of Interim Inspector General Quarterly Report
 - Status of Inspector General Position
11. Other items of interest
12. Closing remarks of the Audit Committee Chair and Members
13. Adjournment



Office of Internal Audit (OIA) Quarterly Report to the Audit Committee

August 21, 2023

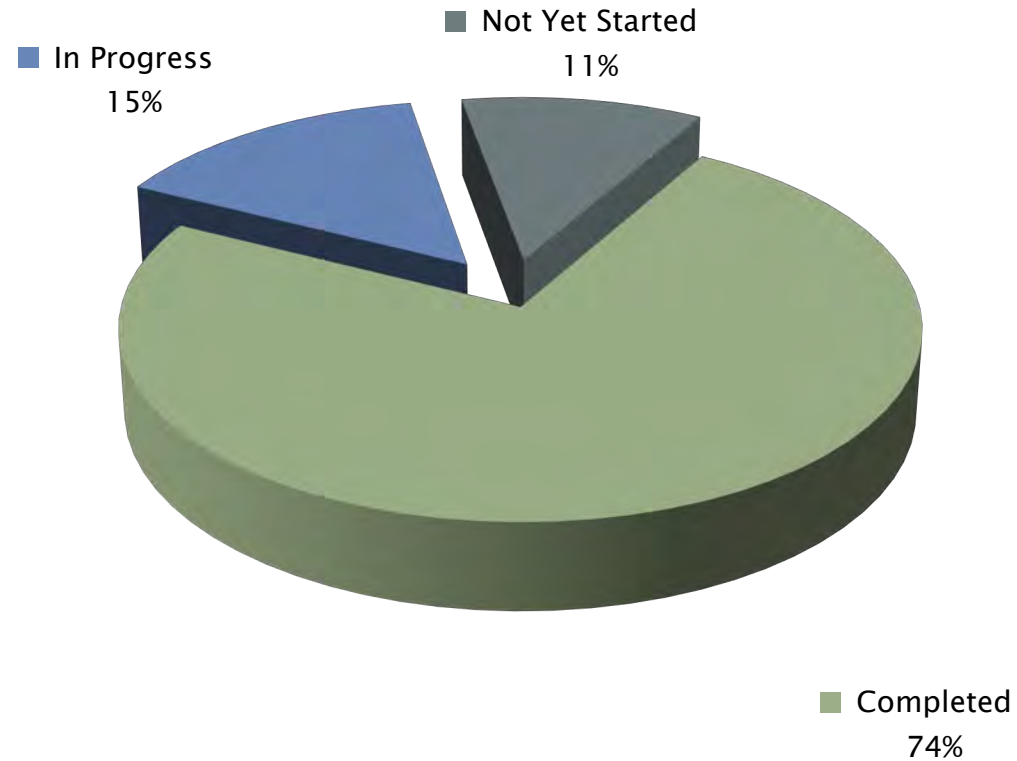
Table of Contents

Status of the FY 2022-23 Annual Audit Plan	• Percent of the Annual Audit Plan delivered	4
	• Internal Audit and Advisory Engagements	5
	• External Engagement Oversight	6
	• Special Projects, Risk Assessment, Annual Audit Plan & QAR	7
Completed Projects & Status of Management Action Plans/ Recommendations	• Status of Management Action Plans – Audit Projects	9
	• Status of Recommendations – Advisory Projects	10
	• Real Estate Externally Managed Search and Selection Audit	11
Data Analytics	• Data Analytics Update – Strategic Goals and Maturity Model	13-14
Other FY 2022-23 Metrics	• Budget to Actual Comparison FY 2022-23	16
	• Professional Staff Training FY 2022-23	17
	• Results of Client Surveys FY 2022-23	18-19
Other Items	• Proposed OIA Strategic Plan	21
	• Other Items for Discussion	22
Appendices	Open Audit Recommendations and Action Plans	Appendix A
	OIA Report #2023-05 Real Estate Externally Managed Search and Selection Audit	Appendix B

Status of the FY 2022–2023 Annual Audit Plan



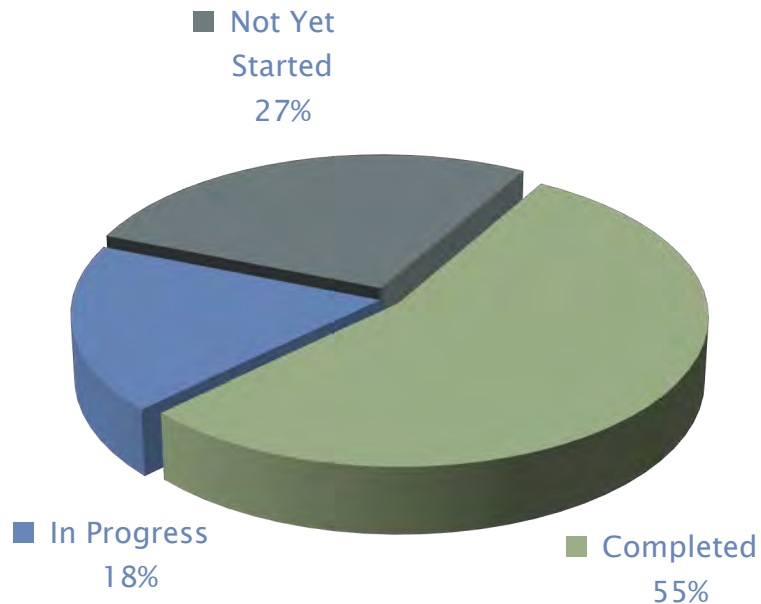
Percent of the FY 2022–23 Revised Annual Audit Plan Delivered



In Progress does not include the external projects listed on slide 6 for the FY23–24 AAP that have already started during this FY

Status of the FY 2022–23 Annual Audit Plan

Internal Audit and Advisory Engagements



Highlighted: Completed since prior quarterly report.

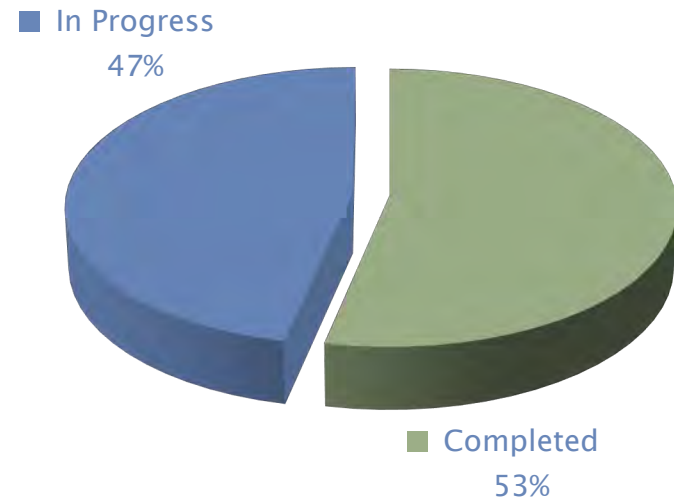
<u>Projects Status</u>	<u>Type</u>	<u>Planned Timing</u>
Completed		
Performance Reports for Alternative Investments	OIA Operational Audit	Q1
Identity and Access Management Advisory	OIA Advisory	Q1
Public Market External Manager Oversight	OIA Operational Audit	Q1-Q2
Cybersecurity Incident Response Plan	OIA Operational Audit	Q2
Periodic Follow-up Audit	OIA Operational Audit	Q2-Q4
External Real Estate-Search/Selection	OIA Operational Audit	Q3
In Progress		
Vendor Management	OIA Operational Audit	Q4
Public Market Manager Search/Selection (GE/FI)*	OIA Operational Audit	Q4
Not Started		
Critical Programming Documentation	OIA Advisory	Q3
Payroll	OIA Operational Audit	Q4
Incentive Compensation	OIA Operational Audit	Q4

*This audit is in the FY 2023–24 Annual Audit Plan. Planning for the Public Manager Search/Selection began in May.

Status of the FY 2022–23 Annual Audit Plan

► External Engagement Oversight

<u>Project Status</u>	<u>Service Provider</u>	<u>Type</u>	<u>Planned Timing</u>
Completed			
Florida Retirement System (FRS) Trust Fund	Crowe	External Financial Statement Audit for FY21-22	Q1/Q2
FRS Investment Plan Trust Fund	Crowe	External Financial Statement Audit for FY21-22	Q1/Q2
Florida Hurricane Catastrophe Fund	Crowe	External Financial Statement Audit for FY21-22	Q1/Q2
Network Security Assessment, outsourced	Peraton	External IT Assessment	Q1/Q2
Florida PRIME Financial Statement Audit	Auditor General	External Financial Statement Audit for FY21-22	Q1/Q3
FRS Biennial Review	OPPAGA	External Review	Q1/Q3
Florida Growth Fund Initiative	OPPAGA	External Review	Q1/Q3
AG Statewide Financial Statement Audit	Auditor General	External Financial Statement Audit for FY21-22	Q1/Q3
In Progress			
AG Financial Systems – PSFS, Eagle, PRIME	Auditor General	External Operational Audit	Q2/Q3
AG Operational Audit – FHCF	Auditor General	External Operational Audit	TBD
Florida Retirement System (FRS) Trust Fund	Crowe	External Financial Statement Audit for FY22-23	Q1/Q2
FRS Investment Plan Trust Fund	Crowe	External Financial Statement Audit for FY22-23	Q1/Q2
Florida PRIME Financial Statement Audit	Auditor General	External Financial Statement Audit for FY22-23	Q1/Q2
Florida Hurricane Catastrophe Fund	Crowe	External Financial Statement Audit for FY22-23	Q1/Q2
Network Security Assessment, outsourced	Peraton	External IT Assessment	Q1/Q2
Not Started			
None			

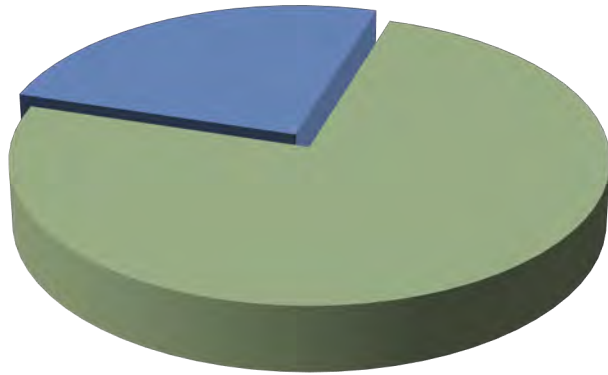


Note: All the audits shown as in progress are included in the FY 2023–24 Annual Audit Plan, however they began interim work/planning in FY 2022–23.

Status of the FY 2022–23 Annual Audit Plan

- Special Projects, Risk Assessments, Annual Audit Plan and QAR

In Progress,
25%



Completed,
75%

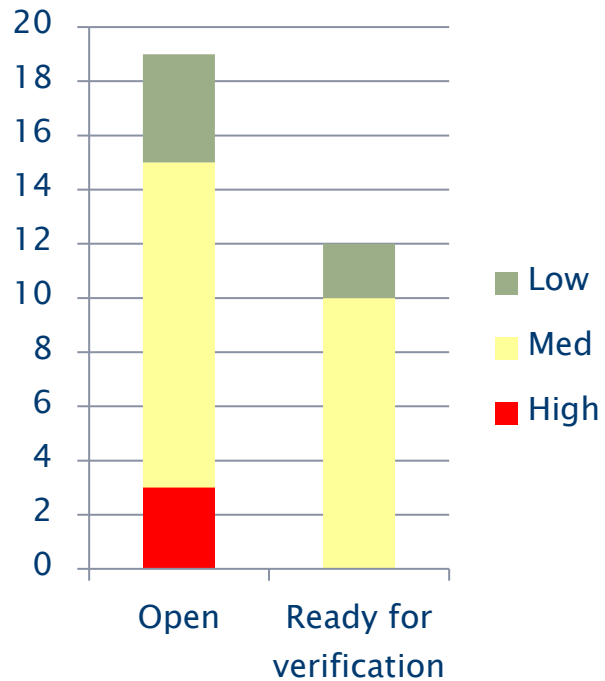
Highlighted: Completed since
prior quarterly report.

<u>Project Status</u>	<u>Type</u>	<u>Planned Timing</u>
Completed		
Annual Quality Assessment Review - Self-Assessment	OIA Quality Assurance	Q2/Q3
Annual Risk Assessment	OIA Risk Assessment	Q4
Annual Audit Plan	OIA Risk Assessment	Q4
GRC Assessment	OIA Special Projects	Q2/Q3
Continuous Risk Assessment	OIA Risk Assessment	Q1-Q4
Complimentary User Entity Control Testing Validation	OIA Special Projects	Q1-Q4
In Progress		
Meradia Phase 2 – Middle Office Modernization Project	OIA Special Projects	Q2/Q3
AuditBoard Configuration Updates and New Templates	OIA Special Projects	Q1-Q4
Not Started		
None		

Status of Management Action Plans/Recommendations



Status of Management Action Plans–Audits



For details, see Appendix A.

Changes highlighted in yellow

Report Title	Report Date	Risk Rating for Open Recs			Status		
		High	Med	Low	Open	Ready for verification	Verified during Qtr
Procure to Pay Operational Audit	6/30/2020		2			2	
Real Estate Direct Owned Operational Audit	10/6/2020		1		1		
AG – ITGC and PRIME 2020	10/16/2020		2			2	
AG – ITGC and PRIME 2020 Confidential	10/16/2020		3			3	
AG – FRS Investment Plan Operational Audit 2021	2/22/2021		2			2	
Business Continuity and Disaster Recovery Operational Audit	3/19/2021		1		1		
Private Equity Operational Audit 2021	9/9/2021		1	2	2	1	
Derivatives Collateral and Cash Management Operational Audit	3/31/2022			1	1		
Performance Reports for Alternative Investments Operational Audit	9/19/2022	2	2		4		
Public Market External Manager Monitoring Audit	1/9/2023		1	1	1	1	
Cybersecurity Incident Response Plan Operational Audit	5/10/2023	1	6	2	8	1	
Real Estate Externally Managed Portfolios Search and Selection Audit	5/31/2023		1		1		
		3	22	6	19	12	
		10%	71%	19%	61%	39%	

Management Action Plans relate to findings from audits performed by internal **or external** auditors. The OIA monitors and performs follow-up procedures on the management action plans in accordance with the IIA Standard 2500. A1. In certain cases, follow-up procedures are performed by external auditors.

Status of Recommendations – Advisory Projects

Report Title	Report Date	Status		
		Open	Closed per Mgmt	Considered ¹ in ARA
Network Security Assessment 2018 (BDO) ²	11/15/2018	1		
Network Security Assessment 2019 (BDO) ²	11/21/2019	1	1	
CIS CSC Framework Gap Assessment Advisory ¹	3/19/2020	8		
Network Security Assessment 2020 (BDO) ²	1/5/2021	8		
Security Configuration and Vulnerability Management Advisory ¹	8/3/2021	14		
Network Security Assessment 2021 (BDO) ²	2/2/2022	17	11	
Identity and Access Management Advisory ¹	9/27/2022	6		
Network Security Assessment 2022 (Peraton) ²	11/14/2022	25	4	
Governance, Risk Management, and Compliance Assessment (Funston) ¹	6/26/2023	29	8	
		109	24	

Changes highlighted in yellow

Advisory Recommendations made by OIA or external consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The OIA monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1.

¹At the advice of the Audit Committee, the OIA closes Advisory Recommendations that management represented as “complete” once the OIA has considered those in the annual risk assessment.

²Recommendations will be reviewed for remediation and closure as part of the subsequent Network Security Assessment.

Real Estate Externally Managed Search and Selection Audit

We completed the Real Estate Externally Managed Search and Selection Audit. Our risk-based audit assessed the existence, adequacy and effectiveness of key internal controls, the efficiency of operations, and compliance with relevant policies and procedures for the processes for the period July 1, 2021 to January 31, 2023. We performed data analytics on select data for the same period. In certain cases, we reviewed information after our cut-off date to provide updated information. *For detailed flowcharts of these processes, see the appendix included in the report.*

Legend for Control Effectiveness Rating	# of Key Controls
Effective	27
Improvement Needed	1
Not Effective	0
Not Tested (tested in other audits, etc.)	4
Total Key Controls	32



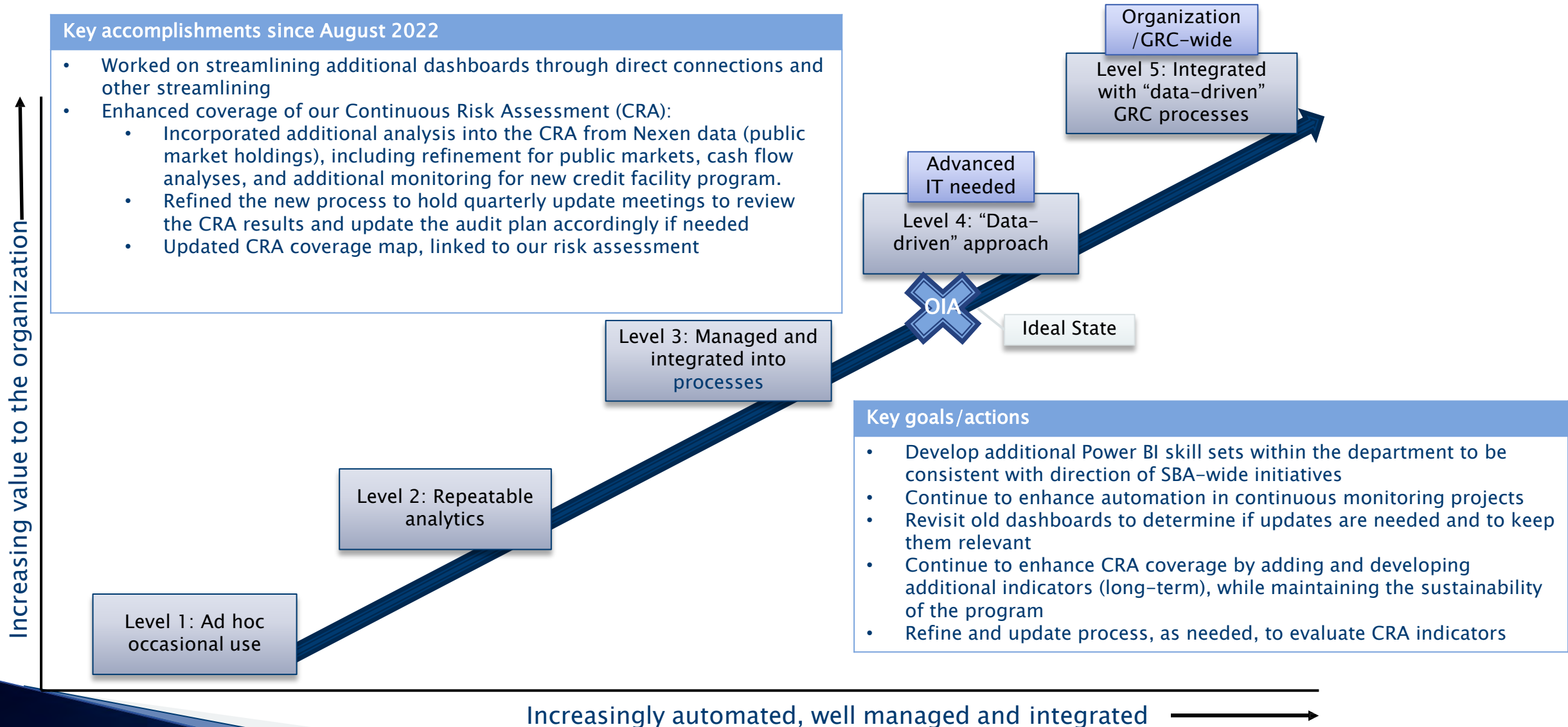
Observations:		Status of Action Plan:
1	Medium	In progress

Data Analytics >>

OIA Data Analytics Strategic Goals

1. Risk Assessments	2. Engagement Planning and Execution	3. Continuous Monitoring or Auditing
<p>A. Use data analytics to identify high risk areas to include in OIA's annual audit plan</p> <p>B. Refine <u>Develop</u> continuous monitoring of key risk indicators to determine if changes to the annual audit plan are needed (continuous risk assessment)</p>	<p>A. Utilize existing continuous analytics across the program to further support engagement planning and execution</p>	<p>A. Continue to evaluate critical success factors for the program to improve the quality and use of OIA's continuous monitoring and data analytics. <u>Evaluate old dashboards to determine opportunities to update and/or incorporate into OIA's internal assessments</u></p> <p>B. Evaluate the potential use of Robotics Process Automation for continuous audit projects.</p>
4. Overall Program Goals		
<p>A. <u>Continue to support sustainability of continuous analytics through additional automation, live connections, and support of SBA's use of data analytics tools and data governance.</u></p> <p>B. <u>Support the SBA's data governance efforts, which will have a trickle-down effect to enterprise-wide data, including OIA's data analytics.</u></p>		

OIA Data Analytics Maturity Model & Progress



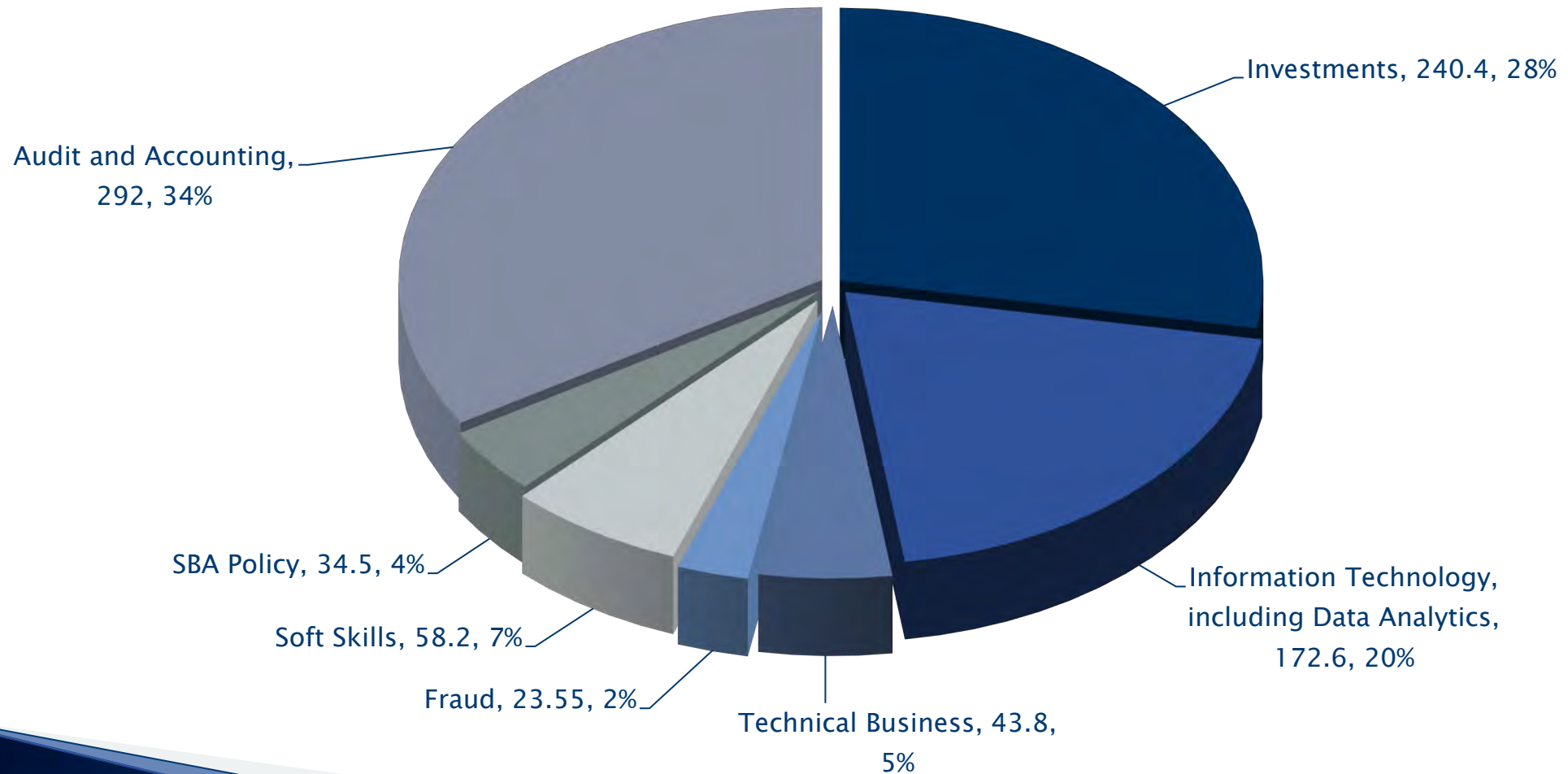
FY 2022–23 OIA Metrics >>>

Budget to Actual Comparison FY 2022–23

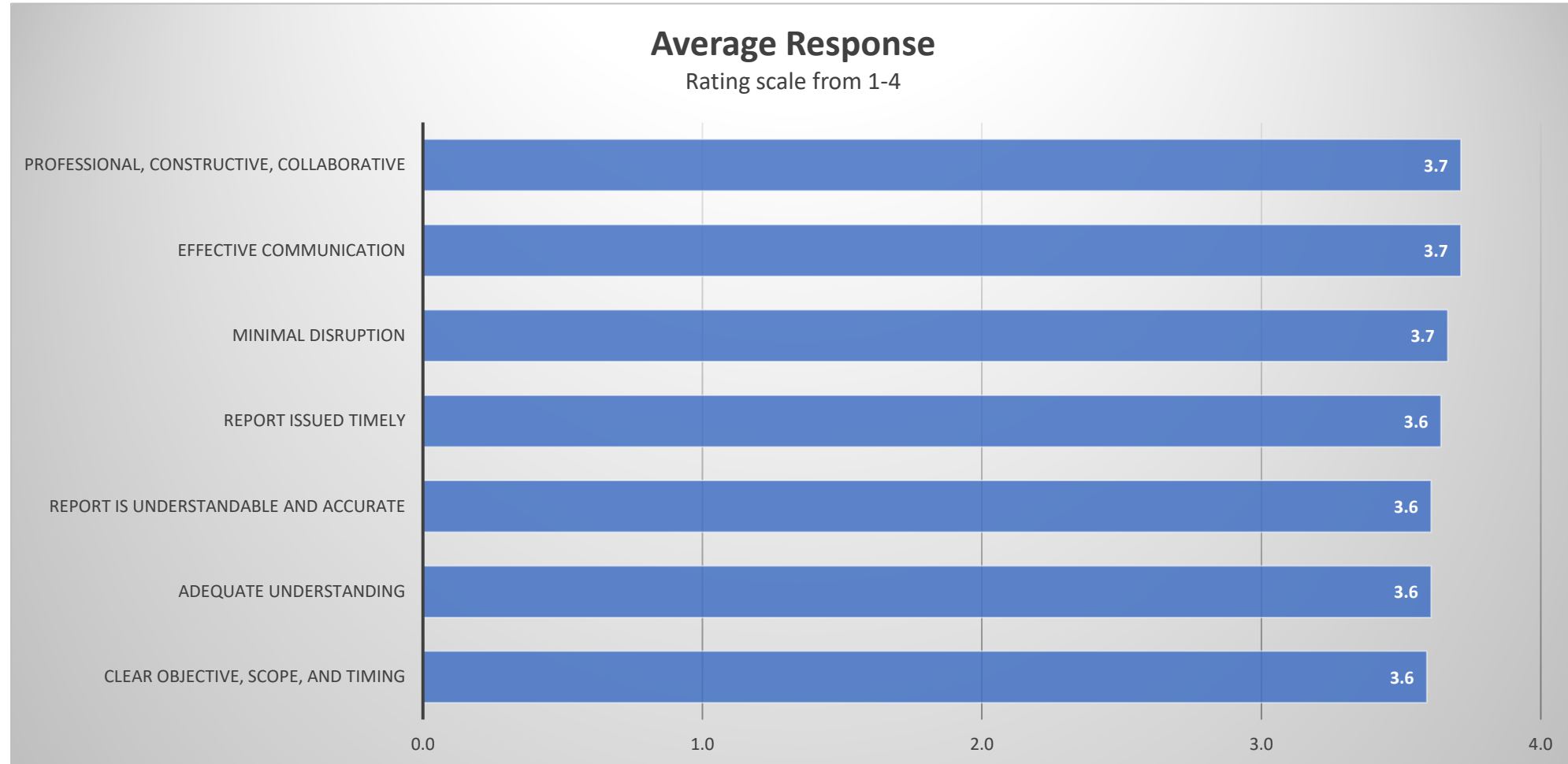
Category	Budget	Percent	Actual	Percent	Budget to Actual Over / Under	Explanation for any difference greater than 1%
Audit/Advisory Projects	5,382	44.19%	5,214	41.07%	3.12%	Under budget due to new staff and more time spent on training. Also, additional time spent on Special Projects due to the Meradia project.
Quality Assessment Review	152	1.25%	56	0.44%	0.81%	
Oversight of External Auditors	320	2.63%	474	3.73%	-1.11%	Over budget due to onboarding new Network Security Assessment vendor, Peraton.
Special Projects	738	6.06%	980	6.78%	-1.66%	Over budget due to the unexpected time requested for the Meradia project.
Risk Assessment	301	2.47%	412	3.25%	-0.78%	
Audit Committee	288	2.36%	211	1.66%	0.70%	
Leave and Holidays	2,810	23.07%	2,802	22.07%	1.00%	
Continuing Education	996	8.18%	1,205	9.49%	-1.31%	New staff, so additional time spent on training.
Administrative	1,193	9.79%	1,342	10.57%	-0.78%	
Total	12,180	100%	12,696	100%		

Professional Staff Training FY 2022-23

Training Hours by Type



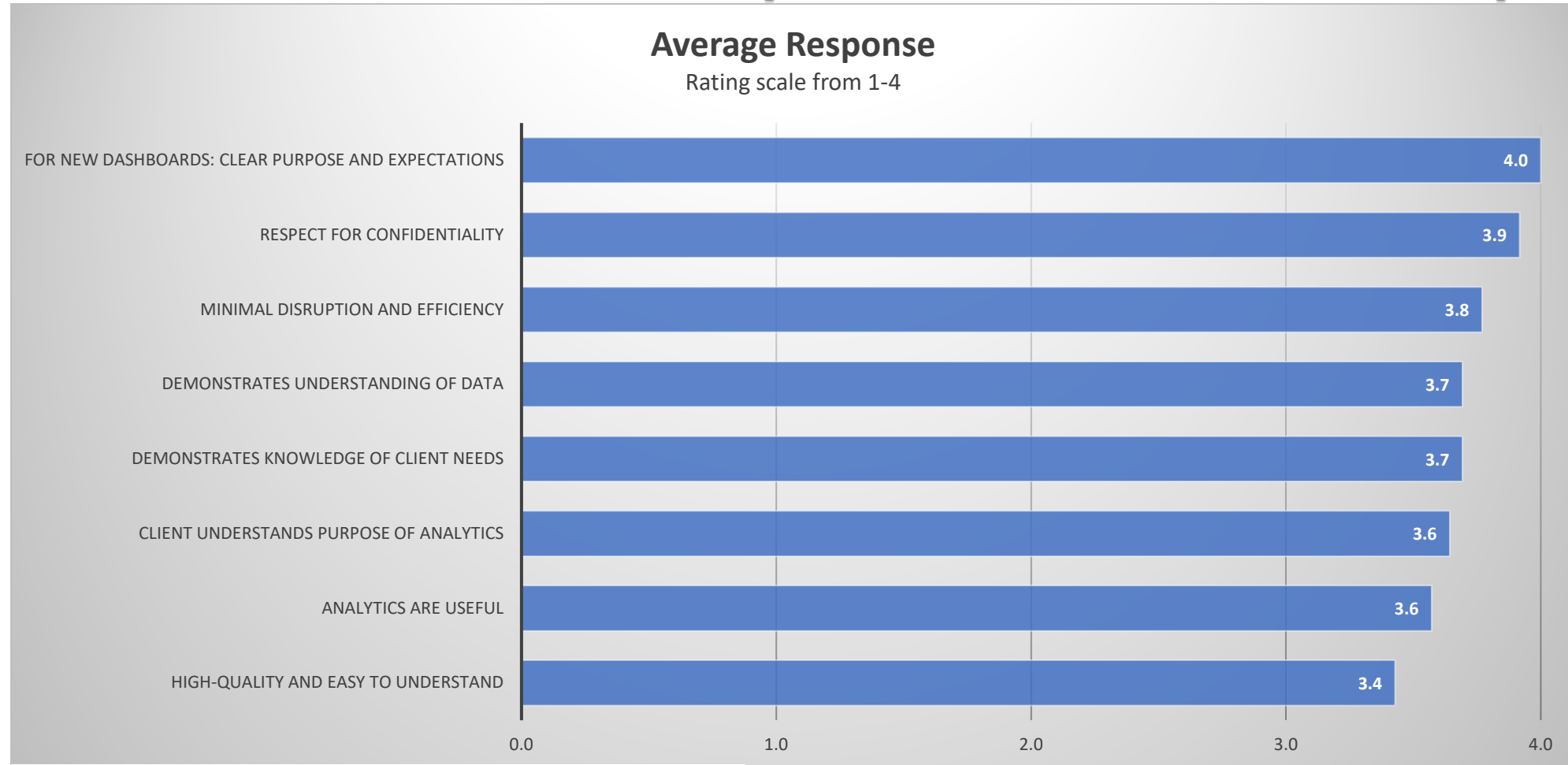
2022-23 Client Survey Results: Audit



Legend:

- 4 – Excellent
- 3 – Good
- 2 – Fair
- 1 – Poor

2022–23 Client Survey Results: Data Analytics



Legend:

4 – Strongly Agree

3 – Agree

2 – Disagree

1 – Strongly Disagree

Note: Surveys for all continuous analytics are sent annually. Continuous analytics that were put into production after completion of the annual survey, if any, will be reflected in the following year survey results.

Other OIA Activities >>

Proposed OIA Strategic Plan

SBA Goals	OIA Strategic Objectives	Supporting Initiatives	Expected Timing
Cultivate Talent and Leadership	Attract, retain, and develop highly effective audit professionals.	Each staff member to obtain at least one of the certifications listed as preferred in their respective position description.	Varies by staff
		Staff who have not attended SBA's Toastmasters become members and attend meetings. <i>(Also ties to the results from the SBA employee survey)</i>	Monthly
		Request a new FTE for a Senior IT Auditor during budgeting process for FY24-25.	May 2024
	Enhance OIA staff understanding of the SBA and the financial services industry.	Attend all SBA offered informational sessions.	Various dates
Enhance SBA Brand Value	Sustain strong relationships with peers in the financial services industry and auditing profession.	Attend SBA sponsored ITCI trainings, including Understanding Investments & Derivatives and Emerging Issues.	Nov 2023 & Feb 2024
		At least two members of OIA attend each APPFA conference.	May & Nov each year
		Attend audit-related conferences/lunch trainings.	Various dates
		During pre-planning for projects, utilize the new template to consider stakeholders communication preferences.	Various dates
Enhance Operating Effectiveness	Enhance use of technology internal and external to the OIA.	Add introduction section to the entrance conference agenda for stakeholders and OIA to provide their backgrounds.	Various dates
		OIA to attend training on Microsoft Power BI. (Also ties to the SBA goal – Increase Quantitative-driven Decisions)	As offered by the SBA
		Transition recommendation monitoring from Tableau to AuditBoard. (QAR Self-Assessment)	By Nov 2023
		Use AuditBoard to develop dashboards for reporting to the Audit Committee. (Funston GRC Assessment)	By May 2024
		Utilize AuditBoard to document the self-assessment components (both with and without the independent validation) of the QAIP program as a separate audit in the system. (QAR Self-Assessment)	By July 2024
		Utilize AuditBoard for performing consulting projects. (QAR Self-Assessment)	By June 2024
		Develop a template within AuditBoard for “Flash Audits”.	By December 2023
	Enhance the risk assessment process.	Budget for and acquire the AuditBoard risk module to cease use of the ERM module in Logic Manager.	FY2024-25
		Contribute to SBA's Data Modernization through participation in the Meradia project throughout the life of the project.	End of FY2024-25
		Develop a risk assurance map, a graphical representation of risks and coverage, covering all high-risk areas in the annual audit plan for presentation to the Audit Committee. <i>(Funston GRC Assessment)</i>	By May 2024
		Broaden staff input on risk assessment beyond senior management and conduct personal interviews in high-risk areas during risk assessments. <i>(Funston GRC Assessment)</i>	Mar-Apr 2024
		Obtain input from the Senior Management group on the annual audit plan for inclusion in the presentation prior to Audit Committee approval. <i>(Funston GRC Assessment)</i>	Mar-Apr 2024

Other Items for Discussion

- New employee starting August 25, 2023
 - Sudeshna Aich, IT Audit Manager
- Audit Committee upcoming 2023 meeting
 - November 20, 2023
- Audit Committee Proposed 2024 Meeting Dates
 - February 12
 - May 20
 - August 12
 - November 18
- Upcoming in 2024
 - OIA has agreed to host the November 2024 APPFA conference in Tallahassee

Questions/Comments



This Page Intentionally Left Blank



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

ASHLEY MOODY
ATTORNEY GENERAL

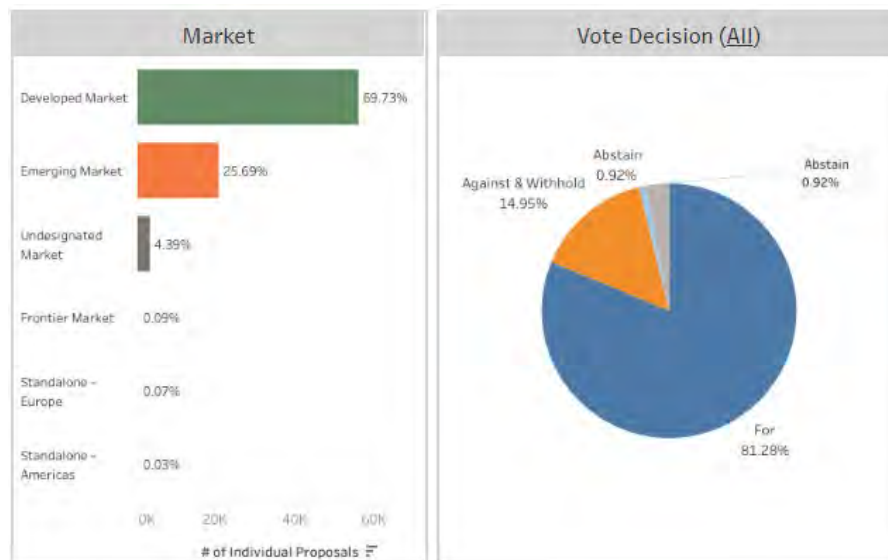
LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

MEMORANDUM

To: Lamar Taylor
From: Michael McCauley
Date: September 5, 2023
Subject: Quarterly Standing Report - Investment Programs & Governance

GLOBAL PROXY VOTING & OPERATIONS

During the second quarter of 2023, SBA staff cast votes at 7,232 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 80,329 distinct voting items—voting 81.3% “For” and 15.0% “Against/Withheld,” with the remaining 3.7% involving abstentions. Of all votes cast, 15.0% were “Against” the management-recommended vote. SBA proxy voting occurred in fifty-two countries, with the top five by meeting volume comprised of United States (2,259), Japan (1,012), China (1,000), India (194), and South Korea (16). The charts below detail the market segment and summary breakdown of all proxy votes made between April 1, 2023, and June 30, 2023:



The SBA votes over 100,000 proxy ballot items annually, the vast majority of which are considered routine governance items, such as financial statement and dividend approval, auditor ratification, etc. During fiscal year 2022-23, staff cast votes at 12,203 companies worldwide, an all-time high for the SBA, 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 116,460 distinct voting items—voting 81% “For” and 15.7% “Against”, with the remaining 3.3% involving abstentions. Of all votes cast, 15.8%

were “Against” the management-recommended-vote. SBA proxy voting was conducted across 70 countries, with the top five countries comprised of the United States (2,837 votes), China (2,192), Japan (1,320), India (865), and South Korea (559).

The SBA actively engages portfolio companies throughout the year, addressing corporate governance concerns and seeking opportunities to improve alignment with the interests of our beneficiaries. Highlights from the 2023 U.S. proxy season included the continued focus and critical voting on the level and form of executive compensation, “over-boarded” directors continued to receive investor opposition, and further declines in shareowner support for some types of environmental and social topic proposals. The table below provides more detail on the volume and proportion of primary ballot items voted on by staff during Fiscal Year 2023:

Corporate Governance Voting Categories	# of Individual Items Voted by SBA Staff	% of Total SBA Proxy Votes
Board Related	59,715	51.4%
Audit/Financials	19,131	16.5%
Compensation	14,651	12.6%
Capital Management	8,852	7.6%
Changes to Company Statutes	5,423	4.7%
Meeting Administration	2,911	2.5%
Other	2,849	2.5%
M&A	1,363	1.2%
SHP: Governance	727	0.6%
SHP: Social	277	0.2%
SHP: Environment	210	0.2%
SHP: Compensation	116	0.1%
SHP: Misc	20	0.0%

CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP

The most recent meeting of the Corporate Governance & Proxy Voting Oversight Group (Proxy Committee) occurred on June 29, 2023, and the next meeting will be held on September 26, 2023. 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 requirements related to Israel and Venezuela.

LEADERSHIP & SPEAKING EVENTS

Staff periodically participates in investor and corporate governance conferences and other meetings. Typically, these events include significant involvement by corporate directors, senior members of management, and other key investor or regulatory stakeholders. The following items detail involvement at events that occurred recently:

- In August, SBA staff participated in an International Coalition for Equal Votes (ICEV) engagement meeting with staff members of Baker MacKenzie to discuss market perspectives on companies with multiple classes of stock.

- In August, SBA staff participated as a speaker in an online seminar offered by Equilar, Inc., discussing a range of executive compensation topics including pay design, long-term incentive plans (LTIPs), and the new for 2023 Compensation Actually Paid (CAP) corporate disclosures.
- In September, SBA staff participated in the Fall Conference of the Council of Institutional Investors (CII) covering a variety of governance and investment issues. Staff also participated in a quarterly meeting of the CII Board of Directors.

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 late May 2023, SBA staff conducted engagement meetings with companies owned within Florida Retirement System (FRS) portfolios, including JPMorgan Chase.

2023 UNITED STATES PROXY SEASON REVIEW

The SBA's corporate governance activities are solely focused on enhancing share value and ensuring that public companies are accountable to their shareowners, with effective boards of directors, transparent company disclosures, accurate financial reporting, and policies that serve to protect and enhance the value of SBA investments. The SBA's focus is on the bottom line, and we gear all companies in which we invest towards policies and practices that lead to improved financial performance. Greater transparency of data and information is supported when possible and all votes are cast as a link to shareowner value.

The SBA's proxy voting decisions are based on pecuniary factors to promote the best risk adjusted returns for its beneficiaries. The SBA's corporate governance principles and proxy voting guidelines are applied consistently across all types of investment strategies, accounts, and fund assets that have a proxy voting component. To ensure returns for our beneficiaries, we support the adoption of internationally recognized governance structures for public companies. This includes a basic and unabridged set of shareowner rights, strong independent boards, performance-based executive compensation, accurate accounting and audit practices, and transparent board procedures and policies covering issues such as succession planning and meaningful shareowner participation.

Highlights from the 2023 U.S. proxy season included the continued focus and critical voting on the level and form of executive compensation, "over-boarded" directors continued to receive investor opposition, and further declines in shareowner support for some types of environmental and social topic proposals.

The voting categories detailed below pertain to SBA proxy voting at all U.S. shareowner meetings conducted from July 1, 2022, through June 30, 2023:

Director Elections—the SBA supported 83.4% of all board nominees at U.S. companies within the Russell 3000 stock index, an increase of 7.4% from last fiscal year. For comparison, GLC recommended their clients support 84.9% of all similar directors. The largest driver of the SBA's withheld (against) votes was board nominees serving on too many boards simultaneously ("over-boarded" directors), poor board practices and related disclosures, as well as related-party transactions. GLC tracked more than 685 companies in their coverage universe that amended advance notice bylaws in response to universal proxy. Separately, 250 firms proposed amendments to their certificates of incorporation to adopt officer exculpation provisions. While the SBA's director support figure rose in 2023, this year is the fifth consecutive proxy season of declining support for directors being elected at companies within the S&P 500 stock index. According to GLC, directors at the largest 500 U.S. companies received 95.6% average support, compared to 96.1% and 95.9% in the 2021 and 2022 proxy

seasons, respectively. Only two individual directors at S&P 500-listed firms failed to receive majority support in the 2023 season.

Auditor Ratification—the SBA ratified 99.1% of all external auditors among U.S. companies within the Russell 3000 stock index, a slight increase of 0.4% from last fiscal year. Although the ratification of auditors is viewed as a routine voting decision, typically receiving over 95% support from investors, lately some audit firms have failed to receive majority levels of support. Many investors, including the SBA, review the split between audit and non-audit fees charged by external auditors to gauge the type and breakdown of work performed by audit firms. When there are high non-audit charges, especially when the non-audit work pertains to general (non-audit) accounting services, an external auditor's independence and objectivity can be impaired. One of the SBA's proxy advisors, Glass, Lewis & Co., noted, "After several years of companies going public via IPO or SPAC-mergers, we observed a more than 2.5x increase in companies with concerning material weaknesses or restatements; likely due, in part, to many such companies in the early stages of developing strong internal controls."

Mergers & Acquisitions—the SBA supported 100% of all merger/acquisition proposals globally, an increase of 4.6% from last fiscal year.

Executive Compensation & Say-on-Pay (SOP)—the SBA supported 36.4% of all compensation related ballot items at U.S. companies within the Russell 3000 stock index, a decrease of 13.1% from last fiscal year. Within the same company universe, the SBA supported 46.3% of all SOP ballot items, an increase of 4.5% from last fiscal year. Investors continued to focus on the level of equity grants and the overall size of compensation packages, especially those pay packages involving "mega-grants" and/or one-time retention awards. GLC noted that the number of equity plan proposals failing to receive majority support hit a new 5-year high water mark and more than doubled since 2022. GLC observed, "Problematic board decisions to shield equity plan award recipients from the loss in share value may have had shareholders on edge when weighing equity plan proposals. At a time of continued market volatility, the practice of rescuing underwater stock options through repricing and exchange programs — in some cases without shareholder approval — increased." This year also saw the initial corporate reporting of new pay vs. performance disclosures and compensation actually paid ("CAP"). Approximately 22% of all U.S. companies reporting through the first half of the year reported negative CEO CAP for the most recent fiscal year completed and declined significantly when the annual amounts for the three-year reporting period were aggregated (going from 22% to 1%).

Shareowner Resolutions—the SBA supported 37% of shareowner-proposed ballot resolutions at U.S. companies within the Russell 3000 stock index, a decrease of 26.1% and follows on the 25% decrease year over year in 2022. For the third year in a row, the total number of shareowner proposals submitted at U.S. companies increased by about 2% to a total of 889 filed resolutions in 2023. Focusing only on those proposals that went to a vote, there was a 12% increase in volume in 2023, which followed a 30% increase in 2022. Market convention is to classify resolutions by topic, into "environmental" issues (e.g., corporate water use, emissions goal setting, etc.), "social" issues (e.g., human capital, lobbying activity, sanctions, etc.), and "governance" issues (e.g., board structure, anti-takeover devices, shareowner rights, etc.). When all shareowner resolutions are broken down into the environmental, social, and governance (E, S, and G) proposal categories, the SBA supported 11.3%, 19.2%, and 56.8% of all resolutions, respectively. These figures represent year over year declines of 61.5% for environmental resolutions, 54.7% for social resolutions, and 1.7% for governance related resolutions. These sharp declines in support follow last year's similar declines, with the SBA supporting 29.4%, 42.3%, and 57.4% of all resolutions, respectively. These support figures represent year over year declines of 46.5% for environmental resolutions, 43% for social resolutions, and 15.4% for governance related resolutions.

Shareowner resolutions, as opposed to management resolutions, typically represent less than 1% of total SBA proxy voting actions each year. Virtually all shareowner proposals are “precatory,” or advisory in nature, and are therefore not legally binding on corporate boards or management. As well, a sizable proportion of all filed proposals are withdrawn by proponents and not actually voted on by all a company’s shareowners. This can result from acceptable engagement activities and company commitments regarding the issues presented by the resolution. In 2023, over 54% of all shareowner proposals submitted were voted on, compared with 50% of submitted proposals voted on in 2022.

The significant declines in SBA support were due primarily to changes made by the SEC in November 2021, when staff policies on how shareowner submitted ballot resolutions were changed. This change caused the volume and scope of resolutions to change in the first half of 2022, with many voted proposals exhibiting more narrow and prescriptive characteristics in both 2022 and 2023. As a result, the average support for most types of shareowner proposals declined significantly, dropping from 36% in 2020 to 31% in 2022 and continuing to drop to approximately 23% in the first half of 2023. Concurrently, the number of resolutions receiving majority support declined as well. Only twenty-five shareowner proposals received majority support in 2023, down from 55 in 2022. Less than 3% of all shareowner proposals voted on by investors received majority support.

Among all proposals, the top five topics included (not in the order of frequency): 1) Independent Chair; 2) Climate Change; 3) Nondiscrimination and Diversity related; 4) Shareholder approval of certain Severance Agreements; and 5) Special meetings procedural requirements. The top five proposals represented 43% of all shareholder proposals. GLC noted, “For the first time, governance-related proposals were not the most frequent type of proposal that went to a vote, having been outnumbered by social-related proposals. The drop in corporate governance-related proposals, which often receive significant shareholder support, is part of the reason for the decline in overall shareholder support.” Also, the number of resolutions focused on climate change rose sharply, tied to greenhouse gas emissions and more specific disclosures, although their average support declined year over year. Lastly, shareowner proposals related to executive compensation increased significantly, up 108% from 2022 levels, due primarily to investor attempts to require shareholder approval of certain executive severance agreements.

Proxy Contests—during the fiscal year, SBA staff voted on a total of fifteen contested board elections globally, supporting management board proposals 67% of the time. Other ballot items received mixed SBA support, with the highest support for mergers and acquisition and issues involving shareholder meeting administration.

HIGHLIGHTED PROXY VOTES

Cano Health—at their June 15, 2023, annual meeting, a group of three former directors filed a competing proxy statement at Cano Health, urging shareholders to withhold votes from the two incumbent nominees standing for reelection. Due to numerous governance concerns and the company’s lagging financial performance, SBA staff withheld support for the two directors up for election. The company’s concerning governance provisions include a classified board (which allowed for only two of the six board members to stand for election this year), and supermajority vote requirements to adopt, amend, or repeal the bylaws. The adverse provisions are not subject to a sunset requirement, which is also preferred by investors. As of the June annual meeting, the company’s total-stock-return (TSR) was negative 85% over the last year.

T. Rowe Price Small-Cap Stock Fund, Inc – at the fund’s July 24, 2023, annual meeting, SBA staff supported the four directors up for election. When considering the full 9-member board, seven directors are classified as independent which meets the SBA policy and market best practice two thirds minimum. Further, the chair of the board is independent. We did note that the board has not established a compensation committee. The SBA

Proxy Voting Guidelines state the importance of independent committees: “In most markets, SBA expects board to have key committees such as compensation, nominating/governance, and audit committees.” While the SBA maintains the stance that an independent compensation committee is key to implementing an effective compensation program, given that it is common for mutual funds to lack compensation committees, the majority independence of the board, and the nominating and audit committees are made up entirely of independent directors support for all nominees was warranted.

First American Funds Treasury Obligations Fund (Money Market Fund)—for the special meeting held on August 21, 2023, SBA staff voted in favor of a proposal to approve the Board’s plan of reorganization. As part of the reorganization, each series of First American Funds, Inc. would be merged into a corresponding series of First American Funds Trust with the target funds' shareholders receiving shares of the acquiring funds on a NAV-for-NAV basis. Staff had no concerns with the proposal.

REGULATORY AND MARKET DEVELOPMENTS

On July 26, 2023, the Securities and Exchange Commission (SEC) adopted a final rule requiring the disclosure of material cybersecurity incidents and cybersecurity risk management, strategy, and governance by public companies, including foreign private issuers. The final regulation allows for a delay in reporting, but only when the US Attorney General concludes that disclosure would pose a substantial risk to national security or public safety. The rules amend Form 8-K to add Item 1.05, which requires registrants to disclose a material cybersecurity incident within four business days of determining that the incident is material. The rules require companies to describe the processes they use to assess, identify, and manage cybersecurity risks, as well as the board’s oversight of such risks and management’s role in assessing and managing such risks. The SEC said the rules are intended to make sure that registrants disclose material cybersecurity information and provide investors with more consistent, comparable, and decision-useful information.

Study Finds Dual Class Share Structures Associated with Lower Performance

An empirical review of stock price performance by the Council of Institutional Investors (CII) Research and Education Fund (CII-REF) found that U.S. dual-class companies with concurrent use of a classified board structure, and that have been publicly traded for five or more years, had average annualized returns significantly lower than broad stock indices. These companies had an average annualized return of 3.7%, compared to 5.5% for small- and medium-capitalization U.S. companies, and 10.9% for the U.S. total equity market over the 2018-2023 period. Companies with dual-class structures and classified boards that went public more recently than five years had an annualized return of -22.32% since the date they went public. Dual-class (or even multi-class) share structures involve more than one class of stock with voting rights that are disproportionate to the percentage ownership of the company. Classified boards stagger the terms of director elections, most commonly exhibiting 3-year terms, with only a subset of the entire board of directors standing for (re) election at any given time. The CII-REF study also found that among all publicly traded U.S. companies, those with dual-class structures are more likely to have classified boards than companies with single-class structures (50% versus 39.8%). SBA corporate governance principles and proxy voting guidelines strictly oppose both structures. SBA proxy voting patterns have attempted to curb or eliminate their use, primarily through the support and/or submission of shareholder proposals to adopt annual election cycles (i.e., to “de-stagger” the board of directors) and the adoption of sunset provisions whenever dual/multi-class share structure are present.



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

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR
& CHIEF INVESTMENT OFFICER

MEMORANDUM

To: SBA Trustees
Lamar Taylor, Interim Executive Director & CIO

From: Maureen M. Hazen, General Counsel

Date: September 5, 2023

Subject: Office of General Counsel: Standing Report
For Period June 1, 2023 – August 31, 2023

A handwritten signature in blue ink, reading "Maureen M. Hazen".

SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 29 new agreements – including 1 new Investment Management Agreement for Global Equity; 10 Private Equity investments; 2 Strategic Investments; and 4 for Real Estate; and (ii) 297 contract amendments, addenda or renewals; and (iii) one (1) termination for Global Equity.

SBA Litigation.

(a) Passive. As of August 31, 2023, the SBA was monitoring (as an actual or putative passive member of the class) 631 securities class actions. During the period covered by this report, the SBA collected recoveries in the amount of \$678,671.93 as a passive member in 34 securities class actions.

(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 5 Final Orders, received notice of filing of 2 new cases (including one at DOAH), and continued to litigate 8 cases that were pending during the periods covered by previous reports (including one case at DOAH and one appellate case).

Other Matters.

(a) Public Records. During the period covered by this report, the General Counsel's Office received 40 new public records requests and provided responses to 32 requests. As of August 31, 2023, the General Counsel's Office continues to work on 7 open requests.

(b) SBA Rule Activities. During the period covered by this report, the SBA engaged in the following rules activities:

(i) Rules for the FRS Investment Plan: Rule Chapter 19-11, F.A.C. Revisions now have been adopted for the following rules: 19-11.001 -Definitions; 19-11.002 - Beneficiary Designations and Distributions for FRS Investment Plan; 19-11.006 - Enrollment Procedures for New Hires; 19-11.007 - Second Election Enrollment Procedures for the Florida Retirement System Retirement Programs; 19-11.008 – Forfeitures; 19-11.009 - Reemployment with an FRS-Participating Employer after Retirement; 19-11.011 - Employer and Employee Contributions and ABO or Present Value Transfer Procedures; and 19-11.012 - Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan

Approval had been given at the May 23, 2023 Cabinet Meeting to file a Notice of Proposed Rule (NOPR) for the amendments to the above rules. On May 26, 2023, the rules were submitted to OFARR for final sign off. OFARR had no comments so the NOPR was published in the Florida Administrative Register on June 5, 2023, and the rules were sent to JAPC for approval on the same date (JAPC has 21 days after the NOPR is published to give comments). JAPC gave its approval and the amendments were filed for adoption with the Bureau of Administrative Code. The rule amendments now are effective.

The changes made are as follows:

Rule 19-11.001- Definitions.

Rule 19-11.001 is being amended to add definitions for “default”/“default election” and “electronic signature.” Also, the definition for “member” is being revised to include a terminated DROP member who has effectuated a rollover.

Rule 19-11.002- Beneficiary Designations and Distributions for FRS Investment Plan.

Rule 19-11.002 is being amended to set forth the most recent versions of the General Retirement Plan Enrollment Form and the 2nd Election Enrollment Form.

Rule 19-11.006- Enrollment Procedures for New Hires.

Rule 19-11.006 is being amended to update procedures for various classes to enroll in the Florida Retirement System (“FRS”). The latest versions of the various enrollment forms also are being adopted. Finally, the rule is being amended to state that if a member's enrollment is incomplete, the election will not be processed, and the member will need to submit a new election.

Rule 19-11.007- Second Election Enrollment Procedures for the Florida Retirement System Retirement Programs.

Rule 19-11.007 is being amended to emphasize that members that are on unpaid leave cannot use their election until they return to FRS-covered employment and are earning salary and service credit. The rule also is being amended to adopt the latest versions of the second election enrollment forms.

Rule 19-11.008- Forfeitures.

Rule 19-11.008 is being amended to state that if a member, who had separated from service at a time in which he or she had an unvested account balance, returns to FRS-covered employment within 5 years of date of termination, that member will receive the unvested funds together with any earnings or losses those funds experienced while being in the FRS Core Plus Bond Fund. The rule also notes that if a member leaves FRS employment after vesting in the Investment Plan but before vesting in any transferred Pension Plan benefit, the member will only be able to receive his or her vested Investment Plan benefit. However, if the member takes a distribution of any Investment Plan funds, the member will immediately be considered "retired" and will forfeit any unvested Pension Plan funds, as well as any earnings on such funds and any service credit related thereto.

Rule 19-11.009- Reemployment with an FRS-Participating Employer after Retirement.

Rule 19-11.009, F.A.C. is being amended to adopt the most recent version of the Certification Form that is used by prospective FRS employees to certify their FRS retirement status.

Rule 19-11.011- Employer and Employee Contributions and ABO or Present Value Transfer Procedures.

Rule 19-11.011 is being amended to make some editorial revisions and to indicate that newly hired employees with prior FRS service who either elect or default into the FRS Investment Plan will have their Pension Plan accumulated benefit obligation ("ABO") calculated and transferred to their Investment Plan account..

Rule 19-11.012- Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan.

Rule 19-11.012, F.A.C. is being amended to adopt the latest version of the applicable rollover forms

(ii) Rules for the CAT Fund:

A Rule Development Workshop was held on July 11, 2023, concerning the proposed changes to the Florida Hurricane Catastrophe Fund (FHCF) Reimbursement Contract for the contract year beginning June 1, 2024. There is a statutory deadline of February 1, 2024, for the SBA to adopt the contract form for the upcoming year. The proposed rule and changes were presented to the FHCF Advisory Council on July 11, 2023, for approval. SBA staff intended to present the draft Rule 19-8.010 and the Reimbursement Contract before the SBA Trustees at the meeting on October 24, 2023.

RULE REVISIONS:

Rule 19-8.010, Reimbursement Contract, F.A.C., Proposed Revisions Pending SBA Trustee Approval:

Subsection (1)(a) is added to incorporate the Reimbursement Contract, including Amendments and Addenda, for the 2024-2025 Contract Year.

Subsection (1)(b) is added to incorporate Appendix A for the 2024-2025 Contract Year.

Former subsection (1) is renumbered as subsection (2).

Subsection (2), relating to the Reimbursement Contract for the 2022-2023 Contract Year, is deleted as obsolete.

Subsection (4), relating to the revisions to subparagraphs Sections 215.555(2)(p) and (5)(e) that was necessary for the implementation of Senate Bill 1058, after the Reimbursement Contract for the 2022-2023 Year Contract was adopted, is deleted as obsolete. Changes are now implemented in the incorporated forms.

Revisions to Forms Incorporated by Reference in Rule 19-8.010, Reimbursement Contract, F.A.C., Pending SBA Trustee Approval:

FHCF-2024K, Reimbursement Contract

Throughout: Technical changes to update references to the 2024-2025 Contract Year dates and non-substantive editorial or grammatical changes are made throughout the Contract.

ARTICLE V – Definitions

Subsection (12): The definition of “Covered Policy” is amended to clarify that a company will be deemed to be able to accurately report data if the company submits the required data as specified in the Data Call applies to all covered policies and not just subparagraph (b)3., the coverage amount that the homeowner requests from the collateral protection insurer.

ARTICLE VI – Exclusions

Subsection (17): The exclusion for any liability of the company for extra contractual obligations or liabilities in excess of original policy limits is amended to clarify that interest, not just penalties, are also excluded from FHCF coverage.

ARTICLE X – Reports and Remittances

Subsection (2)(b): The language concerning administrative supervision is deleted to reduce any ambiguity over the SBA's contractual obligations concerning administrative supervision. Administrative supervision is typically a confidential process strictly between a company and the Office of Insurance Regulation.

Subsection (2)(b)1.: The language concerning any outstanding premium due from a company in receivership is amended to reflect the change from date of State action to "date of receivership" to be consistent with changes throughout deleting references to administrative supervision.

Subsection (2)(b)2.: The language concerning the failure to pay the full annual provisional Reimbursement Premium by the due date resulting in a drop down to the 45 percent Coverage Level is amended to "may" instead of "shall" to allow for greater flexibility and clarifies that the SBA makes such determination.

Subsections (2)(b)3. and 4.: The language requiring a state regulator, receiver, or rehabilitator to provide a letter of assurance to the FHCF concerning the available resources to pay the Reimbursement Premium by August 1st and/or failure to provide a letter of assurance will result in a default to 45 percent Coverage Level is deleted. Such letter is unlikely in practice and therefore, obsolete.

Subsection (3)(b)2.: The language concerning when FHCF reimbursements will be issued is amended to add the word "paid" before Ultimate Net Loss information for clarity.

Subsection (3)(b)3.c.: The language addressing administrative supervision is deleted and replaced with "in receivership" to reflect the changes made throughout the Reimbursement Contract to recognize that administrative supervision is typically a confidential process between a company and the Office of Insurance Regulation.

Subsection (3)(b)4.: The language concerning errors in a Company's reported exposure under the Data Call is amended to allow for flexibility to consider other factors when addressing whether a resubmission will be required.

ARTICLE XI – Commutation

Subsection (3)(c): The language allowing for an adjuster or appraiser to investigate to determine Losses is deleted.

ARTICLE XVI – Insolvency of the Company

The language allowing reimbursements to proceed if an agreement is entered into between the receiver specifying that all data and computer systems required for FHCF exposure and claims examinations will be maintained until the completion of the company's exposure and claims examinations is deleted as any agreement would need court approval

and if the receiver has the required data, it does not need to be maintained on an insolvent company's system.

APPENDIX A

Technical changes to update references to the 2024-2025 Contract Year dates and non-substantive editorial changes are made to Appendix A.

(c) Legislative Reviews. During the period covered by this report, the General Counsel's Office continued work on implementation of HB 3.



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

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE
DIRECTOR &
CHIEF INVESTMENT OFFICER

MEMORANDUM

DATE: September 5, 2023

TO: SBA Trustees
Lamar Taylor, Interim Executive Director & CIO

FROM: Maureen M. Hazen, General Counsel and Interim Inspector General

SUBJECT: Quarterly Report on SBA Inspector General Activities

A handwritten signature in blue ink, reading "Maureen M. Hazen".

The SBA's Inspector General, Ken Chambers, retired on March 31, 2022, and I have been serving as Acting Inspector General since his departure. The SBA Inspector General (IG) is responsible for serving as the organization's ethics officer; conducting certain internal investigations; and handling special projects as directed by the Executive Director & CIO.

Ethics and Training

- Mandatory ethics training and certification of compliance are required for all SBA employees on an annual basis. The on-line training covers gifts, conflicts of interest, financial disclosure, outside employment, lobbyist/principal restrictions, honorarium related events, etc. In addition to ethics training, mandatory training is required annually for all employees in the areas of harassment prevention, personal investment activity, insider trading, incident management framework, and use of information technology resources. Employees are also required to complete training courses for public records and the Sunshine Law every other year (these were required in 2022) and a fiduciary responsibility course every 4 years. The deadline for completing the courses was June 30, 2023, and all SBA employees are in compliance. New employees are required to take all of the mandatory training courses (which also includes a fiduciary responsibility course) within 30 days of their start date. In addition to the annual mandatory training classes, employees are also required to complete quarterly on-line training courses concerning cyber security awareness.
- During the period from June 1, 2023 to September 4, 2023, no instances were reported to the Inspector General concerning non-compliance with the SBA gift policy.

SBA Fraud Hotline and Investigations

Since July 2006, the SBA has utilized an independent provider of SBA Fraud Hotline services. Through an 800 number, SBA employees, service providers, and others may anonymously report tips or information related to fraud, theft, or financial misconduct. The telephone number and information is prominently displayed on the SBA intranet home page. Additionally, the hotline information is available on the SBA internet site as part of the SBA contact page, and online reporting is available. In September, 2021, the SBA transitioned to a new hotline service provider, EthicsGlobal.

During the quarter, I received one complaint on the Hotline. I investigated this complaint and found that there was no violation of SBA policies. In addition, the General Counsel's Office reviewed facts surrounding certain SBA travel and concluded that there was no violation of law or SBA policies.

Financial Disclosure Forms

The Commission on Ethics requires certain state employees and officials who meet the reporting requirement to file an annual Financial Disclosure Form. The Financial Disclosure Forms for 2022 were due to the Commission by July 1, 2023. All current SBA employees who met this requirement have filed a Financial Disclosure Form with the Commission on Ethics.



**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

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

MEMORANDUM

DATE: August 10, 2023

TO: Lamar Taylor, Interim Executive Director & CIO

FROM: Sooni Raymaker, Chief Risk & Compliance Officer *SR*

SUBJECT: Trustee and Audit Committee Report – August 2023

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 May 2023 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 & CIO in maintaining an appropriate and effective risk management and compliance program to identify, monitor and mitigate key investment and operational risks. RMC plays a critical role in developing and enhancing the enterprise-wide system of internal controls. RMC proactively works with the Executive Director & CIO and designees to ensure issues are promptly and thoroughly addressed by management.

SBA senior management has created a culture of risk management and compliance through the governance structure, allocation of budgetary resources, policies and associated training and awareness. Management is committed to ethical practices and to serving the best interests of the SBA's clients.

Compliance Exceptions

No material compliance exceptions were reported during the period.

Enterprise Risk Management (ERM)

The Risk & Compliance Committee (RCC) held its quarterly meeting August 9, 2023. ERM presented updates to Risk Response Plans, developed by designated risk owners and ERM. Plans are based on the major business model functions of Enterprise Oversight & Governance, Investment Management, and Organizational Operations. Plans include vital functions for each high-level process, vital signs (metrics), risk assessment results, risk tolerance levels, and current controls or activity to help mitigate those risks. The RCC reviewed in detail Plans for Information Security and Information Technology, presented by the Director of Information Technology and Senior Information Technology Officer, respectively. Plan refinement is ongoing in response to changes in risk and mitigation efforts. Additionally, the RCC

reviewed the Gartner 2023 Emerging Risk Report and received updates on Operational Due Diligence and Audit activity across the SBA.

Trading and Investment Oversight

On July 20, 2023, TOG conducted its quarterly oversight meeting and reviewed internal trading activity, compliance reports, trading counterparty oversight updates and other standard trading information reports. An update on the industry move to T+1 settlement was given, and Financial Operations confirmed the SBA will be ready for T+1 that becomes effective May 2024. TOG also reviewed updates related to the June 30, 2023, discontinuation of LIBOR. SBA holdings related to LIBOR will remain for a few months as the coupons come due. TOG was also updated on the statute change that increased the 20% limit in alternative investments for Total Fund to 30% and the monitoring of this limit.

External Manager Operational Due Diligence (ODD)

During this reporting period, the ODD team reviewed and commented on thirteen consultant operational due diligence reports on investment managers as part of the investment approval process, which represents approximately \$2.4 billion in potential investments. The team reviewed two real estate property acquisitions which represents approximately \$285 million in new investments. Two real estate credit facility loans were reviewed which represent approximately \$97.5 million. Twenty-eight new consultant ODD reports were added to the Manager Operational Risk Oversight page for use by the asset classes since the last meeting. The team participated in the Global Equity Emerging Markets Large Cap Search with ten investment managers.

The broker/dealer Investment Protection Principles certification (IPP) forms were distributed to the broker/dealers in early May 2023. The receipt of the forms is ongoing. The broker/dealer IPP requirement will be reviewed by an internal SBA work group to evaluate.

The Florida Asset Manager Evaluation (FLAME) portal was opened for annual certification submissions in April with a due date of May 31, 2023. As of the date of this report, most of the certifications have been received. Follow-up is ongoing to obtain the outstanding submissions and review of annual certifications received is underway.

Mercer was engaged to conduct five ODD reviews prior to June 30, 2023. Four have been completed and one is still under review with the manager. The ODD team conducted three separate ODD onsite meetings with external investment managers in June.

Public Market Compliance (PMC)

During the reporting period, PMC reviewed five investment guidelines for internal and external accounts, which included the onboarding of four new public market portfolios.

The SBA Designated Futures, Options and Swap Exchanges list was reviewed and updated for Fiscal Year 23-24 with an effective date of June 30, 2023.

Performance Reporting & Analytics (PRA)

The SBA has enlisted the services of a consultant to assess investment performance, performance attribution, and risk analytics processes, among other items, to support the organization's strategic goals. The purpose of this engagement is to identify areas of improvement and opportunities within the SBA architecture to bolster investment performance and analytics. With assistance of the consultant, the PRA team is evaluating performance and risk data to move forward through the Performance Maturity Model. In addition to efficiently overseeing SBA's official performance measurement provider, the PRA team's mandate will include the ability to calculate internal investment book of record based, bottom-up performance as well.

The objective of this project is to enhance quantitative decision-making by expanding analytics for portfolio construction, monitoring, and refining core key performance indicators. In addition, the project aims to improve operating effectiveness by evaluating the systems architecture, enhancing data management practice, and reducing technical debt.

The PRA team has begun the second phase of this project. Over the course of the following three months, the PRA team will be diligently engaged in testing data in Eagle Model Office. This testing process aims to solidify understanding of all new centers used within the Eagle Pace environment, as well as to practice calculating investment book of record data and verifying accounting book of record data against the information provided by the official performance measurement provider.

Policy Activity and Regulatory Monitoring

Since the last report, revisions were implemented to thirteen SBA policies to add the responsibilities of the Deputy Chief Investment Officer. The Valuation Policy was also updated with the custodian bank's new Global Pricing Guidelines for Florida SBA.

Investment portfolio guidelines were revised for three Florida Hurricane Catastrophe Fund (FHCF) portfolios to modify limits such as maturity, sectors, and permitted securities and to add guidelines to be applied, pending a resolution to the US debt ceiling crisis. Guidelines for a new FHCF Administrative Expense account were also developed and implemented.

On the regulatory front, SBA exposures to companies conducting business in certain designated Japanese business sectors continued to be monitored daily, to ensure compliance with the Japanese Foreign Exchange and Foreign Trade Act's 1% reporting threshold for share ownership or voting rights held. The semi-annual Periodic Report for June 30 was filed with the Japanese Ministry of Finance within the 30-day deadline on 7/25/23.

No amended Large Trader filing of SEC Form 13H was required for the quarter ended 6/30/23. The information reported on the December 2022 annual filing remains unchanged.

A review of internal policies and guidelines was also conducted to formulate a list of documents that will be updated for provisions contained in Florida House Bill 3, which requires that the SBA make investment decisions based solely on pecuniary factors.

Personal Investment Activity (PIA)

During the period (May 1 – July 31), there were 277 requests for pre-clearance by SBA employees, with 200 being approved, 75 being denied (due to blackout restrictions), and 2 being retracted (not traded). There were no violations during the period. Additionally, with the recent (and still ongoing) transition of TD Ameritrade accounts to Charles Schwab, the personal investment compliance system is now receiving automated broker confirmations on approximately 75% of covered accounts reported by SBA colleagues.

Semi-annual Certifications covering the period January 1 – June 30, 2023, were sent out on July 3rd with a due date of 30 days after notification.



Second Quarter 2023 Major Mandates Performance Review

State Board of Administration of
Florida

September 19, 2023

Investment advice and consulting services provided by Aon Investments USA, Inc.
To protect the confidential and proprietary information included in this material, it
may not be disclosed or provided to any third parties without the approval of Aon.

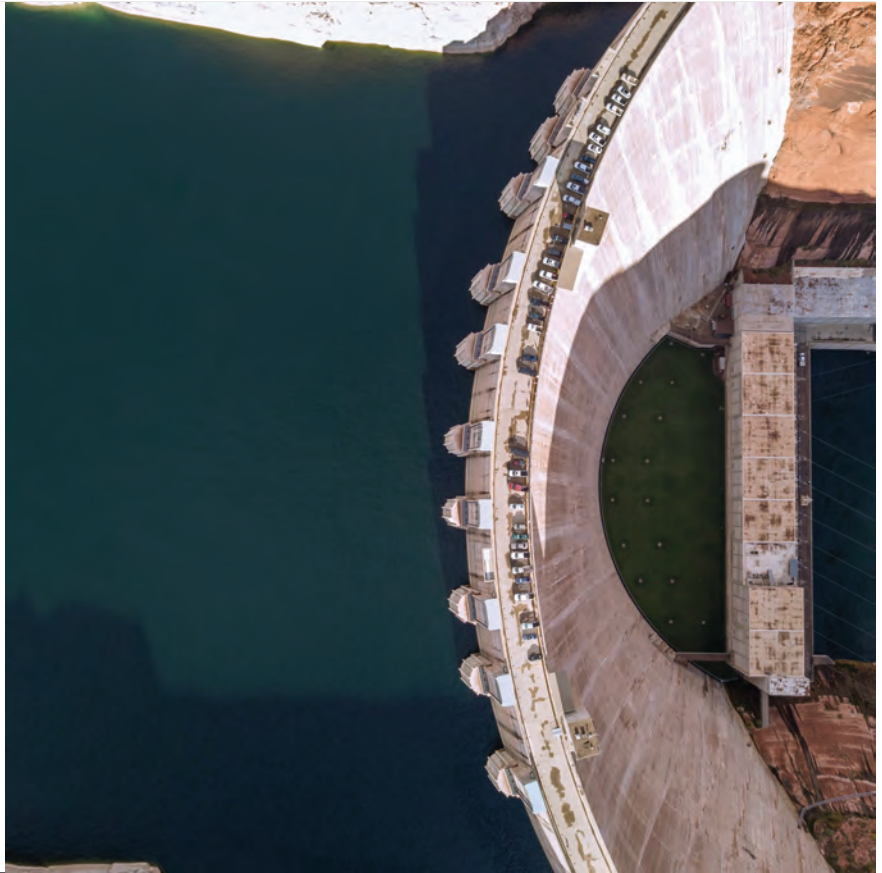


Table of Contents

1

Executive Summary

2

Pension Plan Review

3

Investment Plan Review

4

CAT Fund Review

5

Florida PRIME Review

6

Appendix

Executive Summary

- The major mandates each produced generally strong returns relative to their respective benchmarks over both short- and long-term time periods ending June 30, 2023.
- The Pension Plan outperformed its Performance Benchmark over the trailing three-, five-, ten-, and fifteen- year periods.
 - Over the trailing five-year period, Private Equity and Global Equity were the leading contributors to relative returns
- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing quarter, one-, and ten-year periods.
- The CAT Funds' performance is strong over long-term periods, outperforming the benchmark over the trailing one-, three-, five- and ten-year periods.
- Florida PRIME has continued to outperform its benchmark over both short- and long-term time periods.

(This page is left blank intentionally)

Pension Plan: Executive Summary

- The Pension Plan assets totaled \$185.7 billion as of June 30, 2023, which represents a \$2.9 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, outperformed over the trailing three-, five-, ten-, and fifteen- year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan outperformed over the trailing quarter, one-year and ten-year time periods and underperformed over the trailing three-, and five-year time periods as inflation has surged recently.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
 - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
 - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
 - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.



Investment advice and consulting services provided by Aon Investments USA Inc.

5

FRS Pension Plan Change in Market Value

Periods Ending 6/30/2023

Summary of Cash Flows		
	Second Quarter	Fiscal YTD*
Beginning Market Value	\$182,833,561,628	\$179,954,710,565
+/- Net Contributions/(Withdrawals)	\$(1,802,677,377)	\$(7,421,995,419)
Investment Earnings	\$4,678,382,510	\$13,176,551,615
= Ending Market Value	\$185,709,266,761	\$185,709,266,761
Net Change	\$2,875,705,133	\$5,754,556,196

*Period July 2022 – June 2023



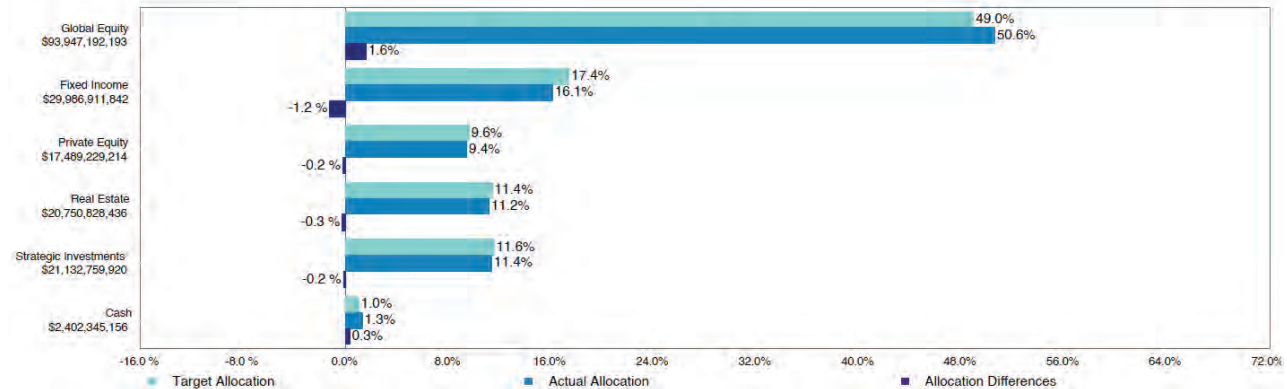
Investment advice and consulting services provided by Aon Investments USA Inc.

6

Asset Allocation as of 6/30/2023

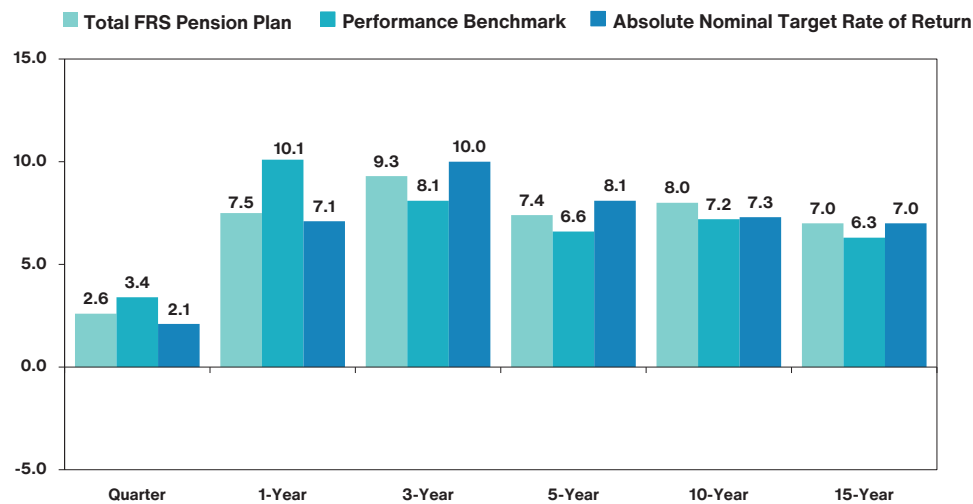
Total Fund Assets = \$185.7 Billion

	Market Value \$	Current Allocation %	Target Allocation %	Minimum Allocation %	Maximum Allocation %
Total Fund	185,709,266,761	100.0	100.0		
Global Equity	93,947,192,193	50.6	49.0	45.0	70.0
Fixed Income	29,986,911,842	16.1	17.4	10.0	26.0
Private Equity	17,489,229,214	9.4	9.6	2.0	12.0
Real Estate	20,750,828,436	11.2	11.4	4.0	16.0
Strategic Investments	21,132,759,920	11.4	11.6	0.0	16.0
Cash	2,402,345,156	1.3	1.0	0.3	5.0



FRS Pension Plan Investment Results

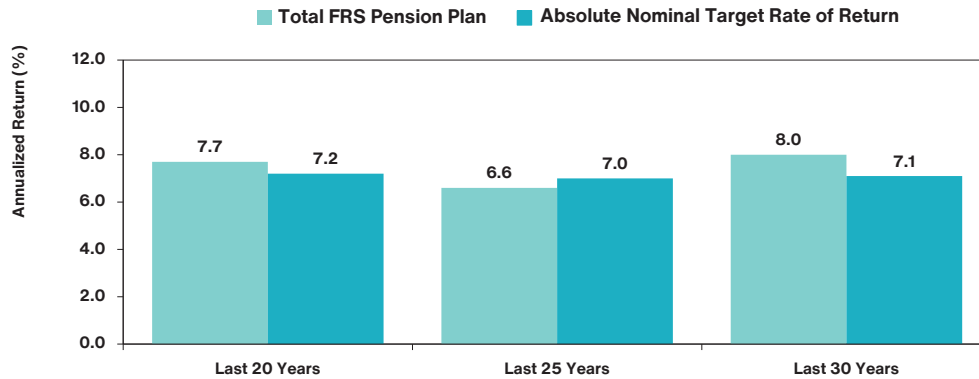
Periods Ending 6/30/2023



FRS Pension Plan Investment Results

Periods Ending 6/30/2023

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



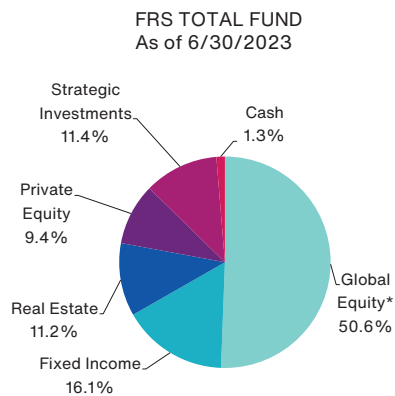
AON

Investment advice and consulting services provided by Aon Investments USA Inc.

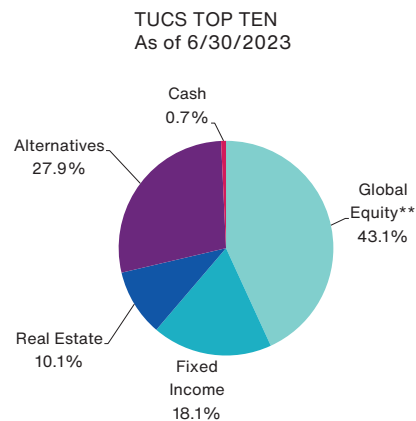
9

Comparison of Asset Allocation (TUCS Top Ten)

FRS Pension Plan vs. Top Ten Defined Benefit Plans



*Global Equity Allocation: 25.7% Domestic Equities; 17.1% Foreign Equities; 6.8% Global Equities; 1.1% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.



**Global Equity Allocation: 27.4% Domestic Equities; 15.7% Foreign Equities.

Note: The data set includes \$1,978 billion in total assets. The median fund size was \$186 billion and the average fund size was \$198 billion.
Note: Due to rounding, percentage totals displayed may not sum perfectly.

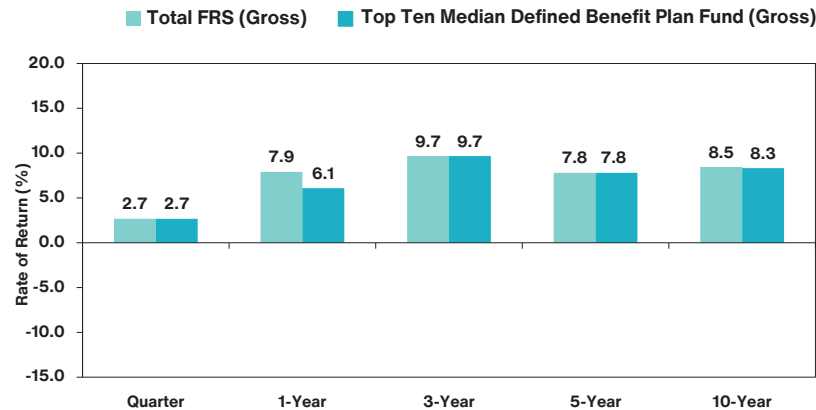
AON

Investment advice and consulting services provided by Aon Investments USA Inc.

10

FRS Results Relative to TUCS Top Ten Defined Benefit Plans

Periods Ending 6/30/2023



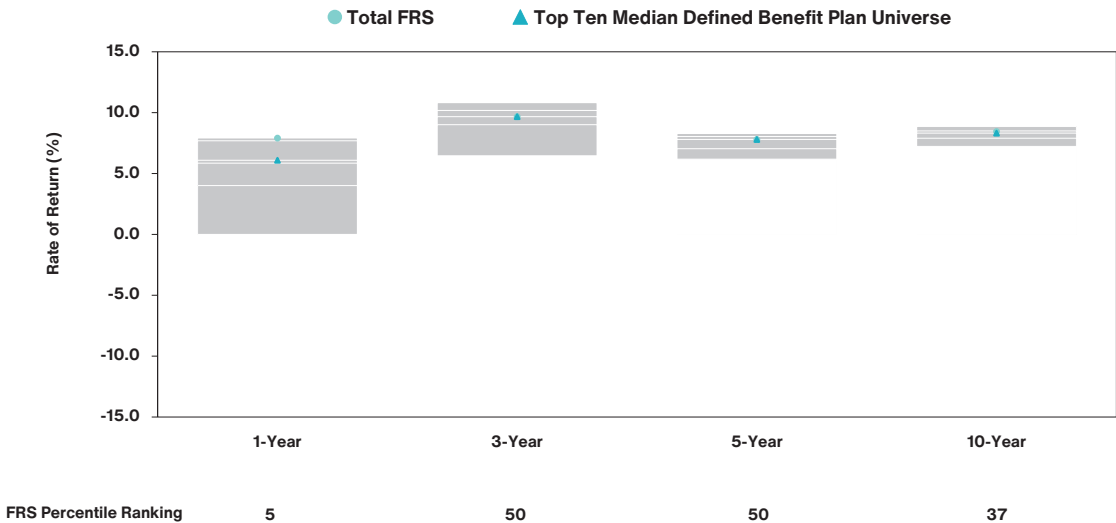
Note: The data set includes \$1,978 billion in total assets. The median fund size was \$186 billion and the average fund size was \$198 billion.
Note: Due to rounding, percentage totals displayed may not sum perfectly.



Investment advice and consulting services provided by Aon Investments USA Inc.

Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS)

Periods Ending 6/30/2023



Note: The data set includes \$1,978 billion in total assets. The median fund size was \$186 billion and the average fund size was \$198 billion.



Investment advice and consulting services provided by Aon Investments USA Inc.

Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing quarter, one-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is in line with peer defined contribution plans, based on year-end 2022 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 Morningstar's mutual fund universe for every investment category with the exception of Inflation Protected Securities.
- 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.



Investment advice and consulting services provided by Aon Investments USA Inc.

13

Total Investment Plan Returns & Cost

Periods Ending 6/30/2023*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	10.8%	7.7%	6.1%	7.0%
<i>Total Plan Aggregate Benchmark**</i>	10.4	7.7	6.1	6.8
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.4	0.0	0.0	0.2

Periods Ending 12/31/2021***

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	11.3%	0.2%	0.27%*****
<i>Peer Group</i>	11.4	0.2	0.25
FRS Investment Plan vs. Peer Group	-0.1	0.0	0.00

*Returns shown are net of fees.

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

***Source: 2022 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 2022 Survey that included 123 U.S. defined contribution plans with assets ranging from \$129 million to \$73.8 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 \$4.0 - \$27.8 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.



Investment advice and consulting services provided by Aon Investments USA Inc.

14

CAT Fund: Executive Summary

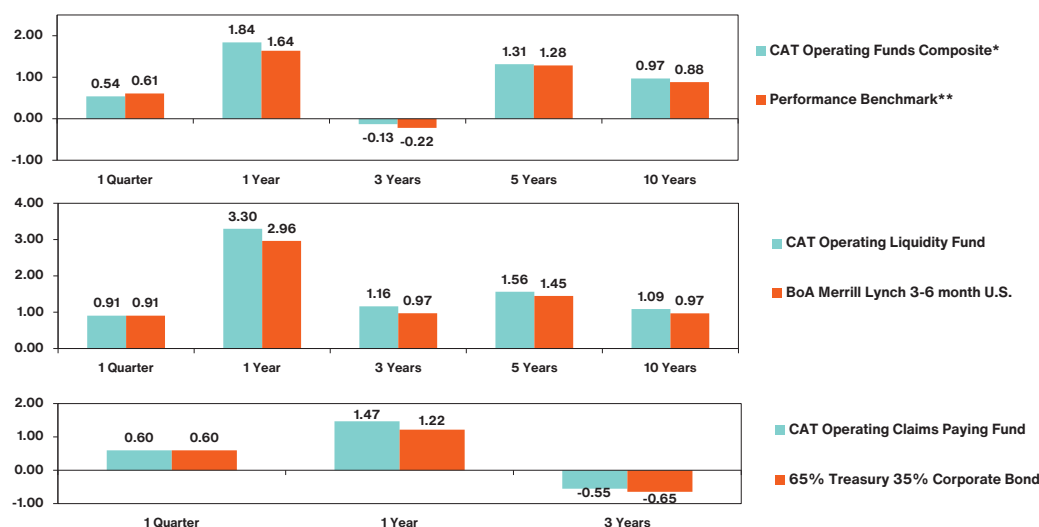
- Returns on an absolute basis are modest and negative near term given the rising rate environment and previously low interest rate environment.
- All CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Portfolio Guidelines appropriately constrain the 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.
- Over both short and long-term periods, the relative performance of the CAT Operating Funds has been favorable as they have outperformed the Performance Benchmark over the trailing one-, three-, five- and ten-year time periods.



Investment advice and consulting services provided by Aon Investments USA Inc.

15

CAT Operating Funds Investment Results Periods Ending 6/30/2023



*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.

**Performance Benchmark: Effective November 1, 2022, the CAT Fund Operating Liquidity Fund is benchmarked to the net-of-fees total return of the portfolio. Beginning January 1, 2021, the CAT Fund Operating Liquidity Fund was benchmarked to the Bloomberg U.S. Treasury Bills 3-6 Months & U.S. Treasury Bills 6-9 Months Custom Blend Index. This benchmark is comprised of 60% of 3-6 month U.S. Treasury Bills and 40% 6-9 month U.S. Treasury Bills. 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. Effective October 1, 2022, the CAT Operating Claims Paying Fund is benchmarked to the net-of-fees total return of the portfolio. Beginning January 1, 2021, the CAT Operating Claims Paying Fund was benchmarked to the Bloomberg U.S. Treasury 1-3 Years & Corporate AA+ ex 144A with Reg S Custom Blend Index. This benchmark is comprised of 65% 1-3 year U.S. Treasury and 35% of 1-3 year Corporate AA or better excluding 144A and Reg S securities. Beginning February 2018, the CAT Fund Operating Claims Paying Fund benchmark is 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. Additional benchmark history can be found in the appendix.



Investment advice and consulting services provided by Aon Investments USA Inc.

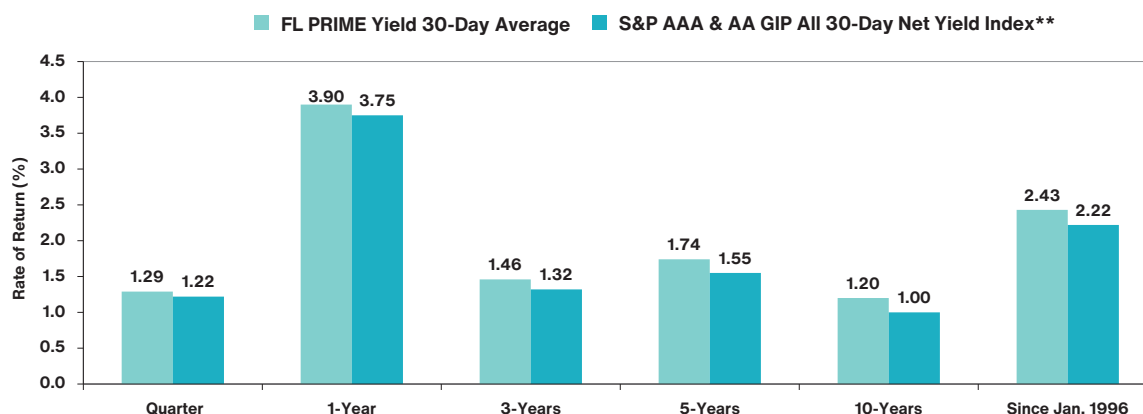
16

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 quarter and trailing one-, three-, five-, and ten-year time periods.
- As of June 30, 2023, the total market value of Florida PRIME was \$21.5 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.

Florida PRIME Investment Results

Periods Ending 6/30/2023

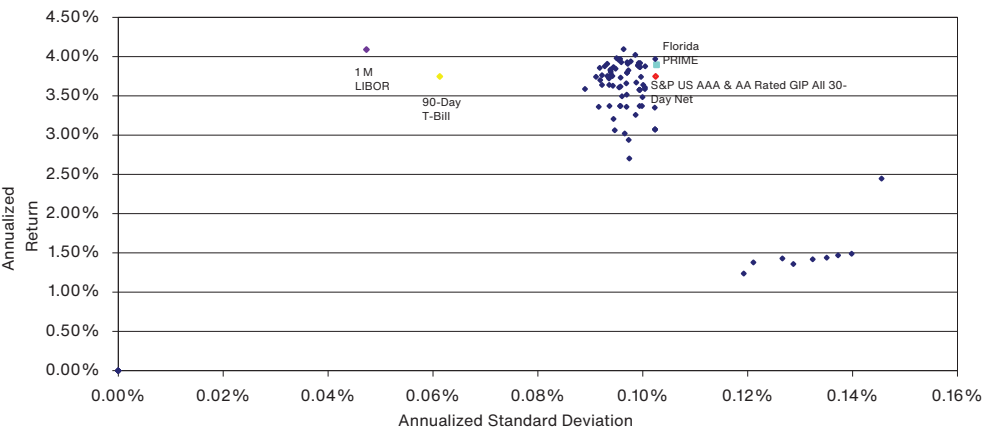


*Returns less than one year are not annualized.

**S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

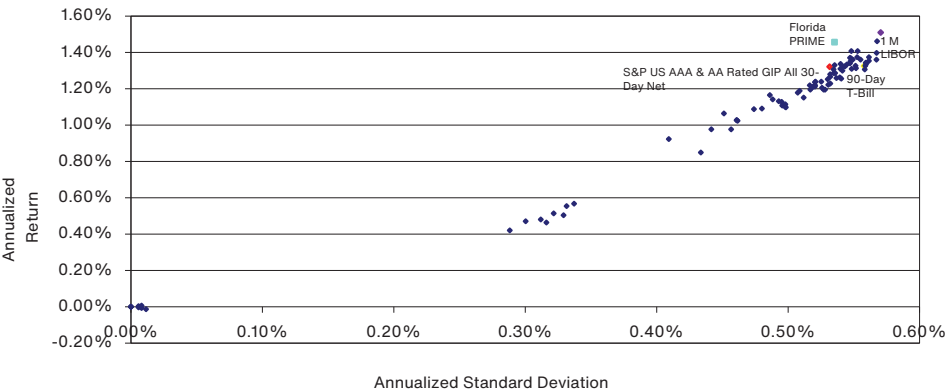
Florida PRIME Risk vs. Return

1 Years Ending 6/30/2023

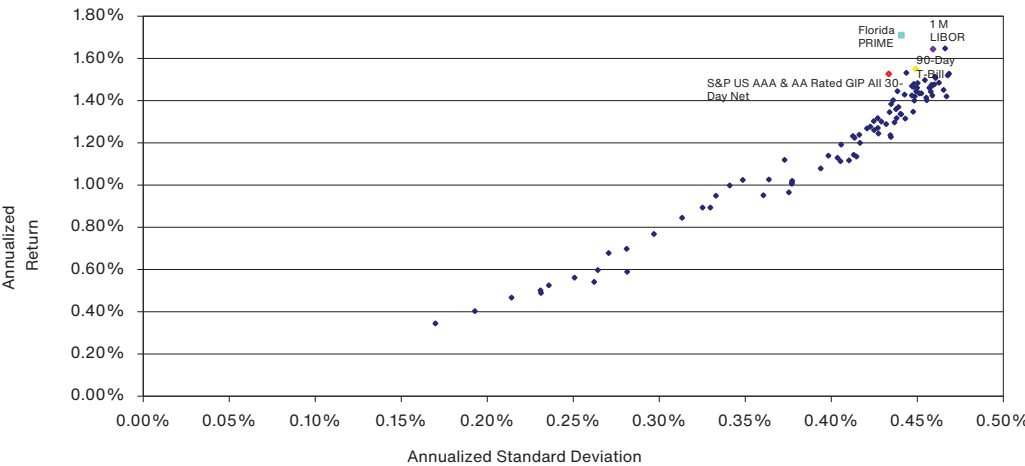


Florida PRIME Risk vs. Return

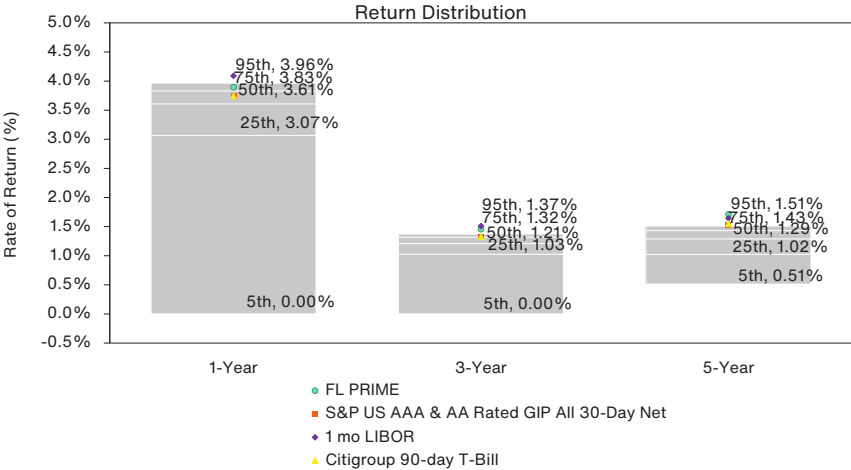
3 Years Ending 6/30/2023



Florida PRIME Risk vs. Return 5 Years Ending 6/30/2023

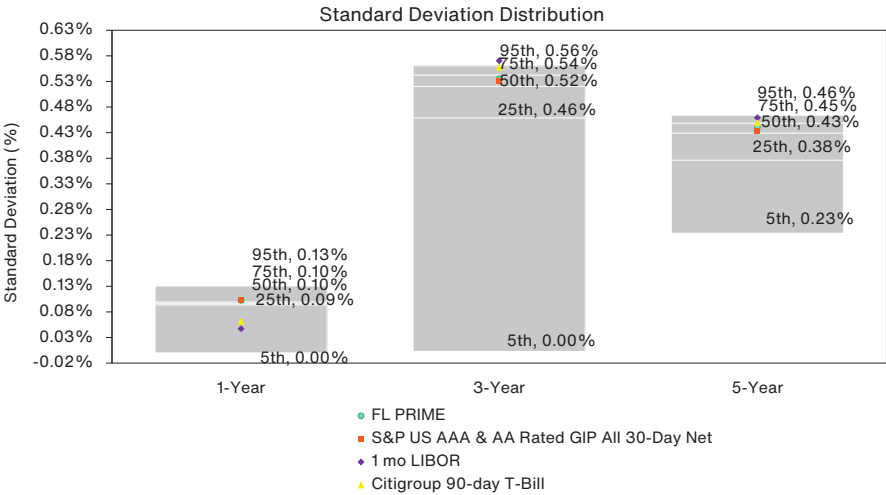


Return Distribution Periods Ending 6/30/2023



Standard Deviation Distribution

Periods Ending 6/30/2023



(This page is left blank intentionally)

Appendix

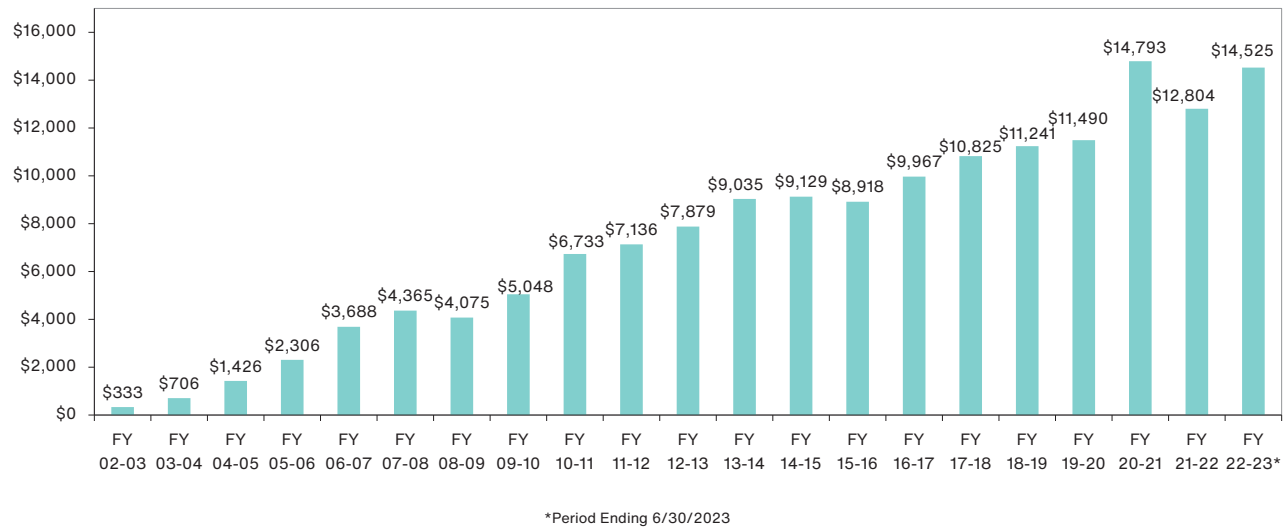
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Domestic Equity	0.20%	0.84%
International & Global Equity	0.29%	0.94%
Diversified Bonds	0.13%	0.45%
Target Date	0.14%	0.35%
Stable Value	0.08%	0.40%
Inflation Protected Securities	0.36%	0.34%

*Average fee of multiple products in category as of 6/30/2023.

**Source: Aon's annual mutual fund expense analysis as of 6/30/2022.

Investment Plan Fiscal Year End Assets Under Management



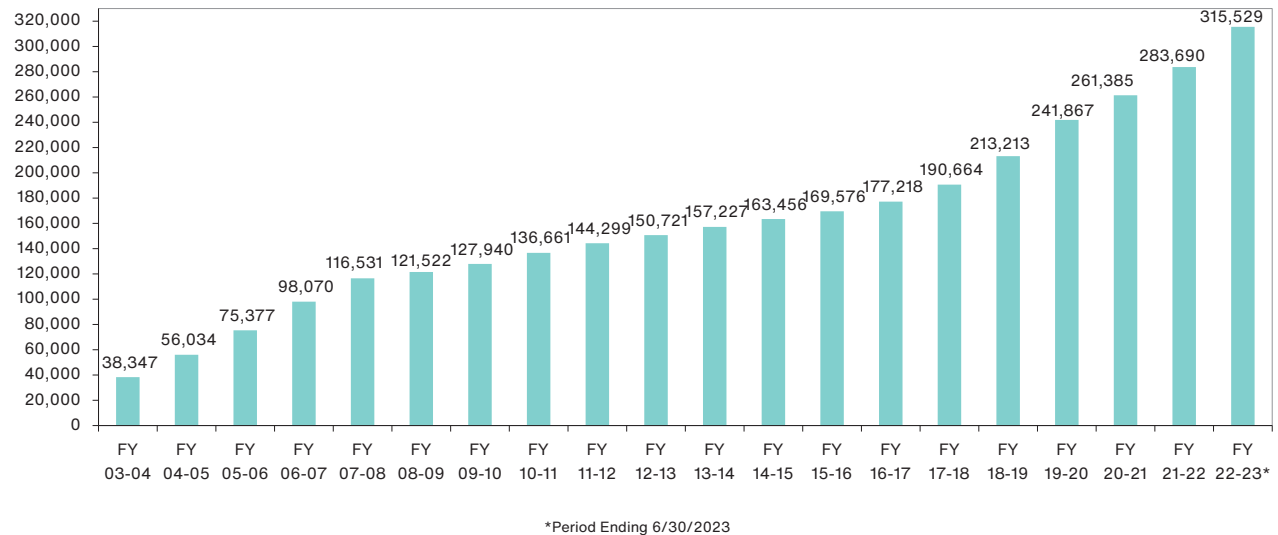
Source: Investment Plan Administrator



Investment advice and consulting services provided by Aon Investments USA Inc.

27

Investment Plan Membership



Source: Investment Plan Administrator



Investment advice and consulting services provided by Aon Investments USA Inc.

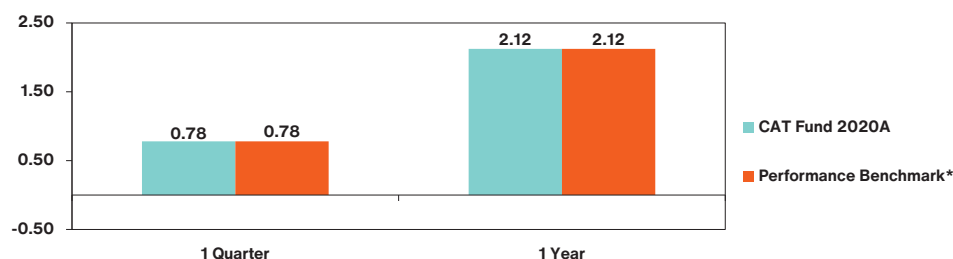
28

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 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 June 30, 2023, the total value of:
 - The CAT Operating Funds was \$11.6 billion
 - The CAT 2020 A Fund was \$3.4 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.*

CAT 2020 A Funds Investment Results

Period Ending 6/30/2023



CAT Operating Funds Characteristics

Period Ending 6/30/2023

Maturity Analysis	
1 to 30 Days	28.65%
31 to 60 Days	3.23
61 to 90 Days	1.57
91 to 120 Days	0.23
121 to 150 Days	5.64
151 to 180 Days	4.31
181 to 270 Days	8.30
271 to 365 Days	8.98
366 to 455 Days	7.28
>= 456 Days	31.81
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	67.45%
AA	11.73
A	20.82
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%



Investment advice and consulting services provided by Aon Investments USA Inc.

31

CAT 2020 A Fund Characteristics

Period Ending 6/30/2023

Maturity Analysis	
1 to 30 Days	37.58%
31 to 60 Days	3.34
61 to 90 Days	3.17
91 to 120 Days	2.42
121 to 150 Days	8.59
151 to 180 Days	6.87
181 to 270 Days	5.89
271 to 365 Days	11.09
366 to 455 Days	8.60
>= 456 Days	12.45
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	56.94%
AA	7.62
A	35.44
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%



Investment advice and consulting services provided by Aon Investments USA Inc.

32

Florida PRIME Characteristics

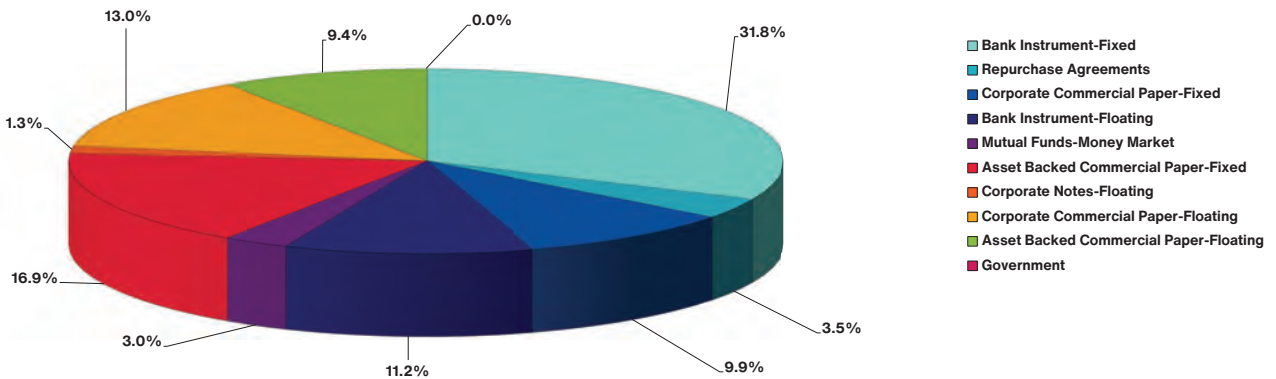
Quarter Ending 6/30/2023

As of 6/30/2023	Second Quarter	Fiscal YTD*
Opening Balance	\$22,468,838,613	\$18,690,168,082
Participant Deposits	\$6,106,770,580	\$35,767,028,590
Gross Earnings	\$285,062,679	\$859,679,319
Participant Withdrawals	(\$7,389,594,003)	(33,841,002,555.00)
Fees	(\$1,693,440)	(6,489,006.00)
Closing Balance	\$21,469,384,429	\$21,469,384,429
Change	(\$999,454,184)	\$2,779,216,347

*Period July 2022 – June 2023

Florida PRIME Characteristics

Quarter Ending 6/30/2023



Florida PRIME Characteristics

Period Ending 6/30/2023

Effective Maturity Schedule	
1-7 Days	71.6%
8 - 30 Days	3.7%
31 - 90 Days	12.4%
91 - 180 Days	6.2%
181+ Days	6.1%
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
A-1+	59.8%
A-1	40.2%
Total % of Portfolio:	100.0%



Investment advice and consulting services provided by Aon Investments USA Inc.

35

Legal Disclosures and Disclaimers

Investment advice and consulting services provided by Aon Investments USA Inc. The information contained herein is given as of the date hereof and does not purport to give information as of any other date. The delivery at any time shall not, under any circumstances, create any implication that there has been a change in the information set forth herein since the date hereof or any obligation to update or provide amendments hereto.

This document is not intended to provide, and shall not be relied upon for, accounting, legal or tax advice. Any accounting, legal, or taxation position described in this presentation is a general statement and shall only be used as a guide. It does not constitute accounting, legal, and tax advice and is based on Aon Investments' understanding of current laws and interpretation.

Aon Investments disclaims any legal liability to any person or organization for loss or damage caused by or resulting from any reliance placed on that content. Aon Investments reserves all rights to the content of this document. No part of this document may be reproduced, stored, or transmitted by any means without the express written consent of Aon Investments.

Aon Investments USA Inc. is a federally registered investment advisor with the U.S. Securities and Exchange Commission. Aon Investments is also registered with the Commodity Futures Trading Commission as a commodity pool operator and a commodity trading advisor and is a member of the National Futures Association. The Aon Investments ADV Form Part 2A disclosure statement is available upon written request to:

Aon Investments USA Inc.
200 E. Randolph Street
Suite 700
Chicago, IL 60601
ATTN: Aon Investments Compliance Officer

© Aon plc 2022. All rights reserved.



Investment advice and consulting services provided by Aon Investments USA Inc.
20230601 11:02:28

36

AON

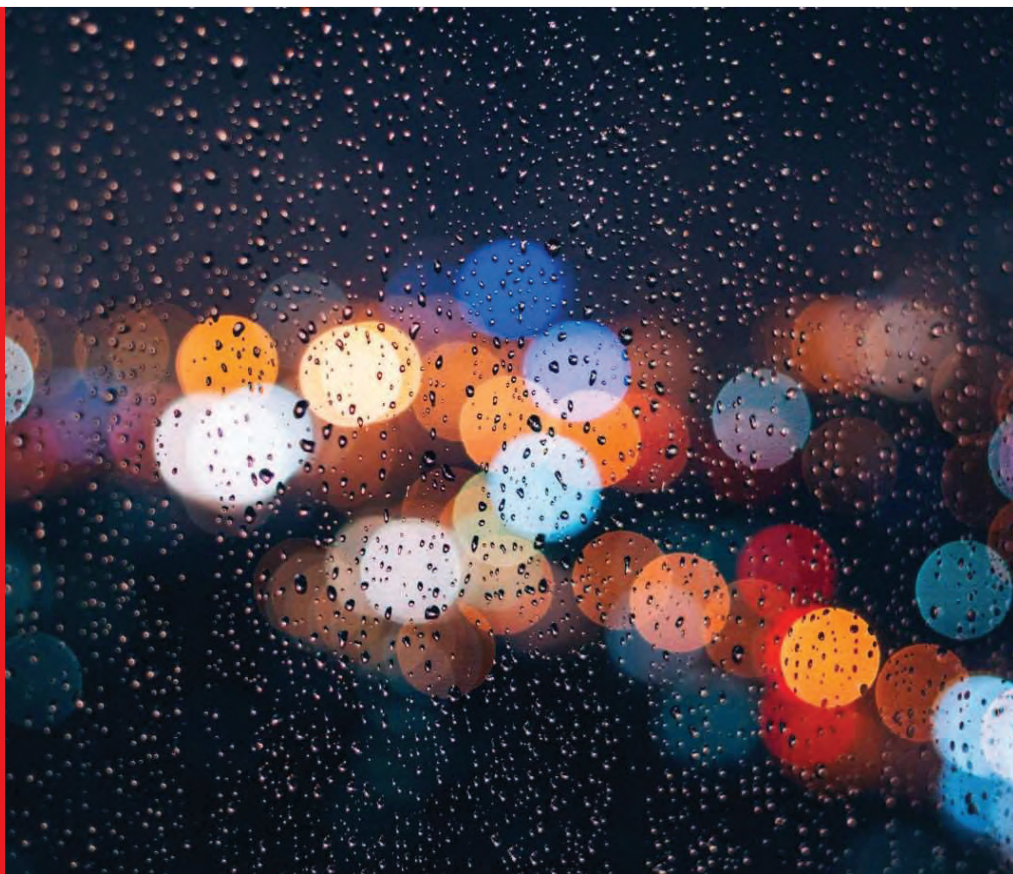
Quarterly Investment Review

FRS Pension Plan

Second Quarter 2023

Investment advice and consulting services provided by Aon Investments USA Inc.

Nothing in this document should be construed as legal or investment advice. Please consult with your independent professional for any such advice. To protect the confidential and proprietary information included in this material, it may not be disclosed or provided to any third parties without the approval of Aon.



(This page is left blank intentionally)

Table Of Contents

1	Market Environment	5
2	Total Fund	22
3	Global Equity	32
4	Domestic Equities	34
5	Foreign Equities	38
6	Global Equities	42
7	Fixed Income	44
8	Private Equity	48
9	Real Estate	52
10	Strategic Investments	56
11	Cash	58
12	Appendix	60



(This page is left blank intentionally)

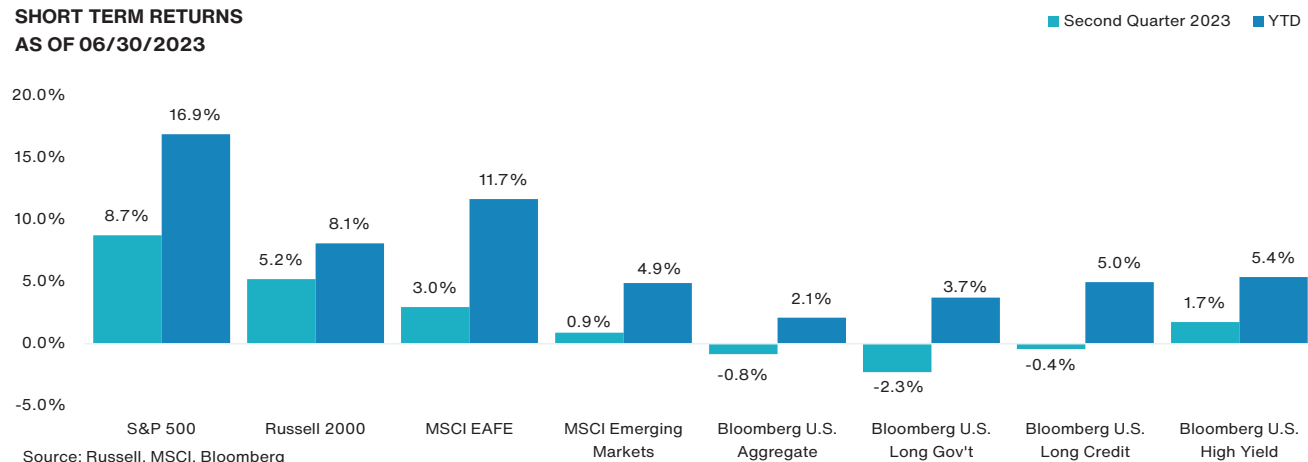
Market Environment

AON



Market Highlights

SHORT TERM RETURNS AS OF 06/30/2023



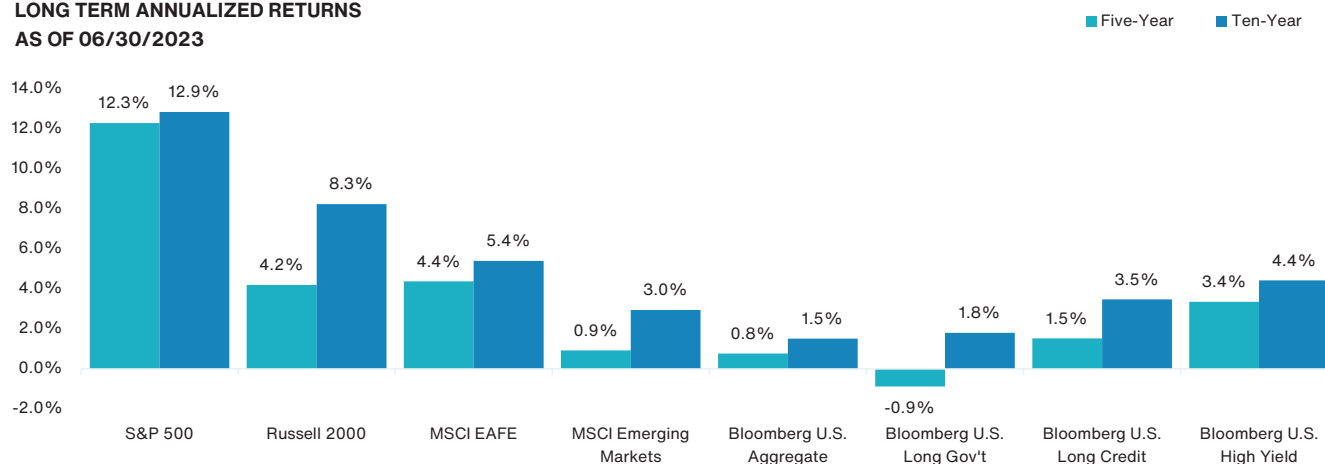
Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

AON

Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc.
2850365-ARC

Market Highlights

LONG TERM ANNUALIZED RETURNS AS OF 06/30/2023



Source: Russell, MSCI, Bloomberg

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.

AON

Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc.
2850360-NRC

7

Market Highlights

Returns of the Major Capital Markets					
	Second Quarter	YTD	1-Year	3-Year ¹	Period Ending 06/30/2023
					5-Year ¹ 10-Year ¹
Equity					
MSCI All Country World IMI	5.89%	13.25%	16.14%	10.97%	7.65% 8.62%
MSCI All Country World	6.18%	13.93%	16.53%	10.99%	8.10% 8.75%
Dow Jones U.S. Total Stock Market	8.39%	16.24%	18.90%	13.74%	11.26% 12.24%
Russell 3000	8.39%	16.17%	18.95%	13.89%	11.39% 12.34%
S&P 500	8.74%	16.89%	19.59%	14.60%	12.31% 12.86%
Russell 2000	5.21%	8.09%	12.31%	10.82%	4.21% 8.26%
MSCI All Country World ex-U.S. IMI	2.38%	9.10%	12.47%	7.33%	3.38% 4.88%
MSCI All Country World ex-U.S.	2.44%	9.47%	12.72%	7.22%	3.52% 4.75%
MSCI EAFE	2.95%	11.67%	18.77%	8.93%	4.39% 5.41%
MSCI EAFE (Local Currency)	4.28%	12.10%	17.50%	11.73%	6.42% 7.67%
MSCI Emerging Markets	0.90%	4.89%	1.75%	2.32%	0.93% 2.95%
Equity Factors					
MSCI World Minimum Volatility (USD)	1.79%	4.13%	7.44%	6.35%	6.48% 8.41%
MSCI World High Dividend Yield	2.37%	4.35%	9.03%	10.62%	7.13% 7.58%
MSCI World Quality	9.83%	21.58%	24.60%	13.11%	13.19% 12.99%
MSCI World Momentum	4.34%	3.13%	10.14%	6.44%	8.16% 10.96%
MSCI World Enhanced Value	5.21%	11.30%	16.04%	13.07%	4.76% 7.22%
MSCI World Index Growth	10.50%	27.27%	26.66%	11.31%	12.08% 12.29%
MSCI USA Minimum Volatility (USD)	2.65%	3.98%	7.99%	8.92%	9.06% 10.92%
MSCI USA High Dividend Yield	1.46%	0.73%	6.35%	10.70%	7.78% 10.00%
MSCI USA Quality	11.70%	23.40%	24.90%	13.73%	14.31% 14.62%
MSCI USA Momentum	4.35%	-0.06%	8.70%	4.72%	7.29% 12.58%
MSCI USA Enhanced Value	1.95%	4.52%	7.18%	12.27%	5.64% 9.28%
MSCI USA Equal Weighted	4.56%	8.76%	13.66%	13.09%	8.85% 10.70%
MSCI USA Growth	13.87%	33.68%	29.69%	13.56%	15.47% 15.87%

Returns of the Major Capital Markets					
	Second Quarter	YTD	1-Year	3-Year ¹	Period Ending 06/30/2023
					5-Year ¹ 10-Year ¹
Fixed Income					
Bloomberg Global Aggregate	-1.53%	1.43%	-1.32%	-4.96%	-1.09% 0.20%
Bloomberg U.S. Aggregate	-0.84%	2.09%	-0.94%	-3.96%	0.77% 1.52%
Bloomberg U.S. Long Gov't	-2.29%	3.73%	-6.79%	-12.02%	-0.88% 1.81%
Bloomberg U.S. Long Credit	-0.42%	4.97%	1.06%	-6.06%	1.53% 3.48%
Bloomberg U.S. Long Gov't/Credit	-1.29%	4.39%	-2.56%	-8.60%	0.66% 2.86%
Bloomberg U.S. TIPS	-1.42%	1.87%	-1.40%	-0.12%	2.49% 2.08%
Bloomberg U.S. High Yield	1.75%	5.38%	9.06%	3.13%	3.36% 4.43%
Bloomberg Global Treasury ex U.S.	-2.93%	0.09%	-2.77%	-7.04%	-3.23% -1.13%
JP Morgan EMBI Global (Emerging Market)	1.53%	3.81%	6.85%	-2.68%	0.82% 2.60%
Commodities					
Bloomberg Commodity Index	-2.56%	-7.79%	-9.61%	17.82%	4.73% -0.99%
Goldman Sachs Commodity Index	-2.73%	-7.54%	-14.22%	25.11%	2.76% -3.52%
Hedge Funds					
HFRI Fund-Weighted Composite ²	2.24%	3.45%	5.09%	8.16%	4.98% 4.71%
HFRI Fund of Funds ³	1.52%	2.27%	3.67%	5.04%	3.32% 3.39%
Real Estate					
NAREIT U.S. Equity REITS	2.62%	5.37%	-0.13%	8.91%	4.55% 6.42%
FTSE Global Core Infrastructure Index	0.06%	-0.98%	-1.42%	6.89%	6.36% 7.45%
Private Equity					
Burgiss Private iQ Global Private Equity ³			-1.81%	19.78%	17.13% 15.20%

MSCI Indices show net total returns throughout this report. All other indices show gross total returns.

¹ Periods are annualized.

² Latest 5 months of HFR data are estimated by HFR and may change in the future.

³ Burgiss Private iQ Global Private Equity data is as at September 30, 2022

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.

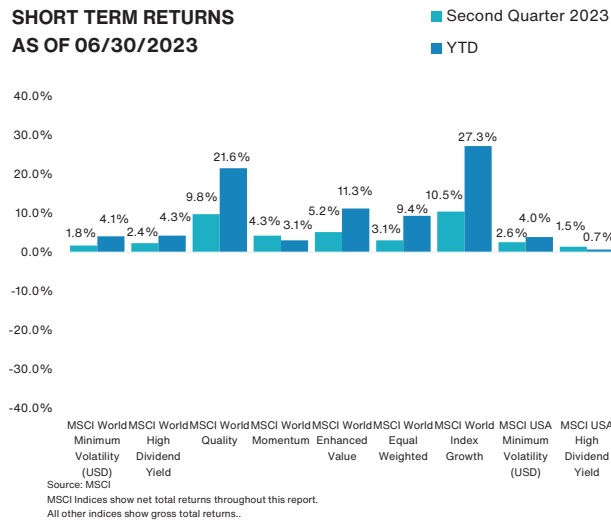
AON

Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc.
2850360-NRC

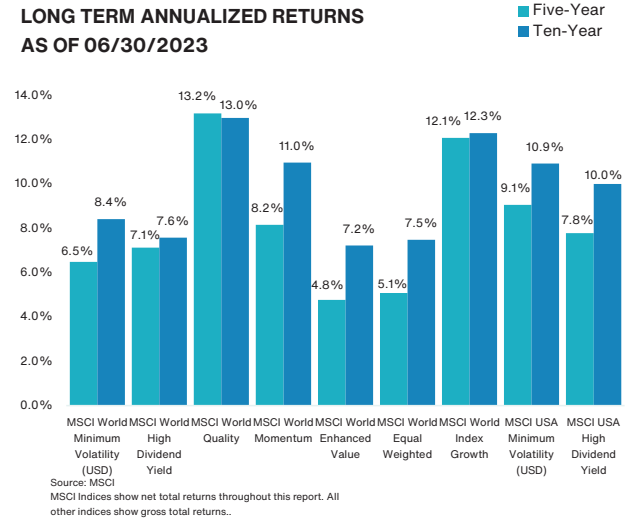
8

Factor Indices

SHORT TERM RETURNS AS OF 06/30/2023



LONG TERM ANNUALIZED RETURNS AS OF 06/30/2023



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.

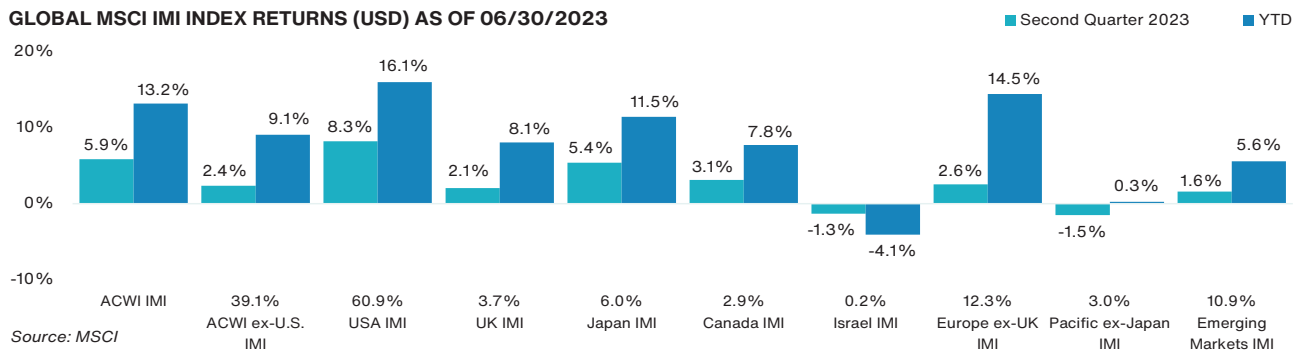


Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc.
2850360-NRC

9

Global Equity Markets

GLOBAL MSCI IMI INDEX RETURNS (USD) AS OF 06/30/2023



- In Q2 2023, equity markets rose as high-interest rate concerns abated, with inflation also cooling down in major economies. Volatility fell throughout the quarter as the CBOE Volatility Index (VIX) fell to 13.6 in June from 18.7 in the previous quarter, staying below its 20-year average of 19.2. Yields trended higher as major central banks indicated higher interest rates to bring inflation down to around a 2% target. The MSCI All Country World Investable Market Index (ACWI IMI) returned 5.9% for the quarter and was also up 13.2% on a YTD basis.
- Across international markets, generally all the regions were strong over the quarter. All regions apart from Israel and Pacific ex-Japan posted positive returns.
- U.S. IMI equities were the best regional performer with a return of 8.3%. Economically sensitive sectors including Information Technology and Consumer Discretionary outperformed.

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.



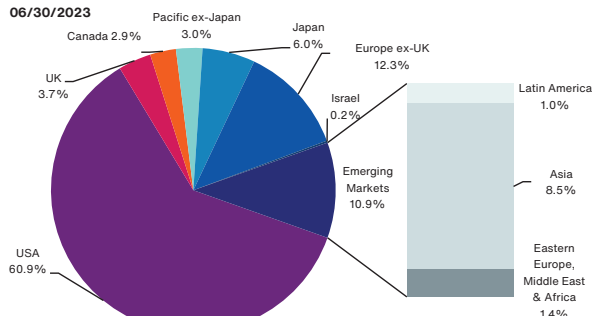
Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc.
2850360-NRC

10

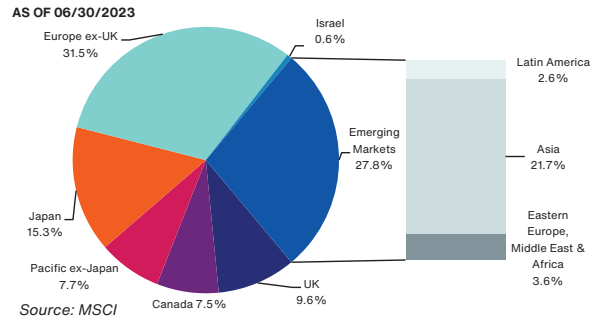
Global Equity Markets

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.

MSCI ALL COUNTRY WORLD IMI INDEX GEOGRAPHIC ALLOCATION AS OF 06/30/2023



MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX GEOGRAPHIC ALLOCATION AS OF 06/30/2023

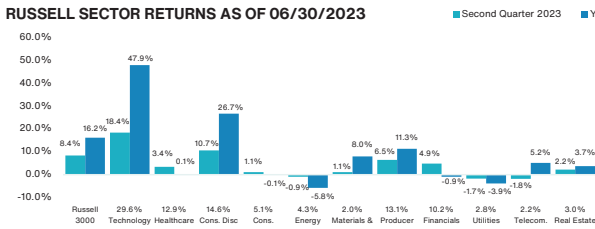


Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc. 2850360-NRC

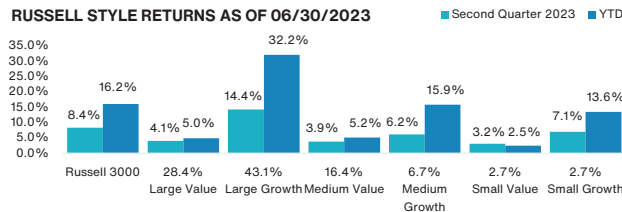
U.S. Equity Markets

- U.S. equities had a strong quarter with the S&P 500 index rising by 8.7% as high-interest rate concerns abated, with inflation also cooling down in major economies.
- The U.S. Senate passed the debt ceiling bill with strong bipartisan support of 63-36 votes to avoid a default in the world's largest economy. Previously, the bill was passed in the House of Representatives with a margin of 314-117 votes. The agreement imposes restrictions on government spending, introduces new welfare reforms, and reins in perceived government overreach, whilst not including any new taxes.
- The Cyberspace Administration of China banned U.S.-based chipmaker Micron Technology's products, in China's biggest measure against a U.S. semiconductor group, citing "security risks to China's critical information infrastructure supply chain".
- The U.S. economy expanded by 2.0% year-on-year in the first quarter, higher than economists' forecasts of 1.4% but lower than the 2.6% recorded in the previous quarter. Increased consumer spending fueled by a strong labor market and rising wages helped offset business investment and housing declines.
- The Russell 3000 Index rose 8.4% during the second quarter and rose 16.2% on a YTD basis. Technology (18.4%) and Consumer Discretionary (10.7%) were the best performers while Telecommunication Services (-1.8%) and Utilities (-1.7%) were the worst performers.
- Large-cap stocks outperformed both in growth and value. On a style basis, growth outperformed value across market capitalizations over the quarter.

RUSSELL SECTOR RETURNS AS OF 06/30/2023



RUSSELL STYLE RETURNS AS OF 06/30/2023



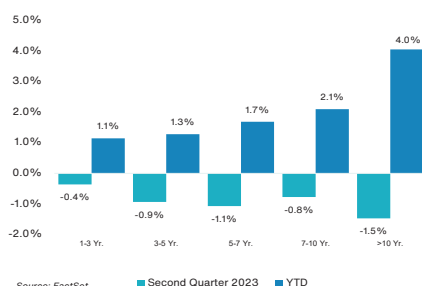
Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.



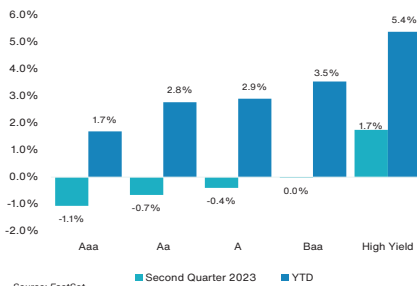
Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc. 2850360-NRC

U.S. Fixed Income Markets

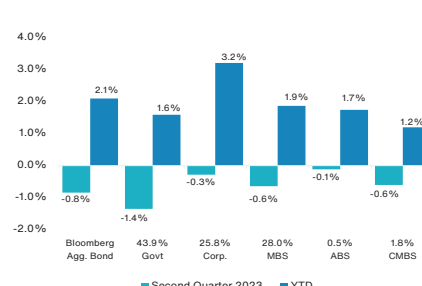
BLOOMBERG AGGREGATE RETURNS BY MATURITY AS OF 06/30/2023



BLOOMBERG AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS AS OF 06/30/2023



BLOOMBERG AGGREGATE RETURNS BY SECTOR AS OF 06/30/2023



- The U.S. Federal Reserve (Fed) increased its benchmark interest rate by 25bps to a range of 5.0%-5.25% over the quarter, the highest level since 2007. Fed Chair Jerome Powell indicated that the central bank intends to carry out further monetary tightening to bring persistently high inflation under control but defended the current pause citing "potential headwinds" from the banking crisis.
- The Bloomberg U.S. Aggregate Bond Index was down 0.8% over the quarter but was up 2.1% on a YTD basis.
- Across durations, all maturities finished the quarter in negative territory.
- Within investment-grade bonds, lower-credit quality generally outperformed higher-quality issues, with Baa bonds remaining flat. High-yield bonds rose by 1.7%.

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.

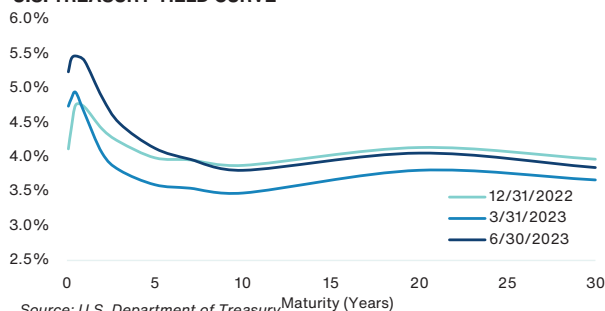


Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc. 2850360-NRC

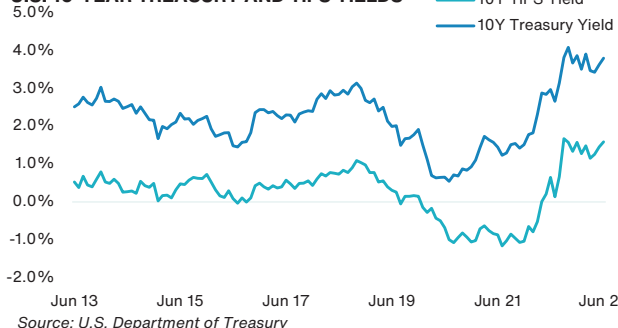
13

U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



U.S. 10-YEAR TREASURY AND TIPS YIELDS



- U.S. Treasury yields rose significantly across maturities as the yield curve shifted upwards over the quarter. The 10-year Treasury yield was up by 33bps to 3.81%, and the 30-year Treasury yield was up by 18bps to 3.85% over the quarter.
- The U.S. annual consumer price index (CPI) eased to its lowest level since March 2021 as it rose by 4.0% in May, sharply down from the 4.9% recorded in April and coming in lower than economists' expectations of a 4.1% increase.
- The 10-year TIPS yield rose by 43bps over the quarter to 1.59%.

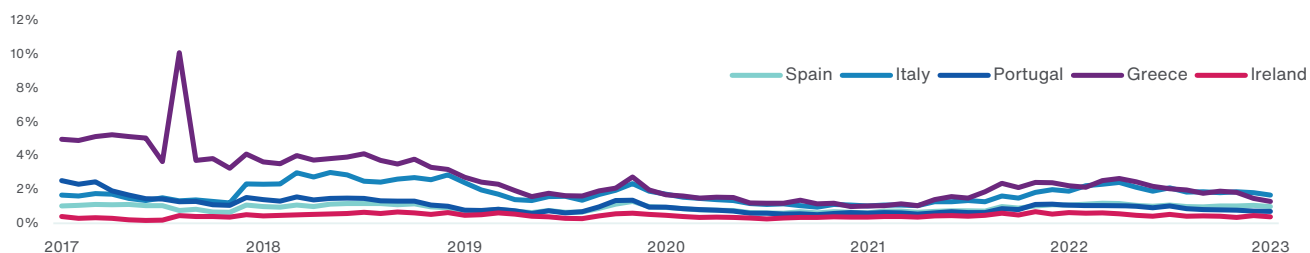


Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc. 2850360-NRC

14

European Fixed Income Markets

EUROZONE PERIPHERAL BOND SPREADS (10-YEAR SPREADS OVER GERMAN BUNDS)



- European government bond spreads over 10-year German bunds narrowed across the Euro Area. The European Central Bank (ECB) raised its benchmark interest rates by 50bps to 3.5% over the quarter, its highest level since 2001, and indicated another potential rate increase in July. The ECB president Christine Lagarde indicated that policymakers "still have ground to cover" and that the inflation outlook remains "to remain too high for too long", with inflation not returning to its target level of 2% even by 2025.
- Greek and Italian government bond yields fell by 52bps and 5bps to 3.71% and 4.09%, respectively over the quarter whilst Irish and Spanish government bond yields rose by 5bps and 4bps to 2.80% and 3.40%, respectively.
- German bund yields rose by 8bps to 2.41% over the quarter.
- Eurozone inflation fell to 5.5% year-on-year in June, the slowest pace since January 2022, decelerating from the 6.1% recorded in May and lower than economists' expectations of a 5.6% increase. Sharp falls in energy prices, along with a slowdown in food, alcohol, tobacco, and industrial goods inflation were the main drivers.

Credit Spreads

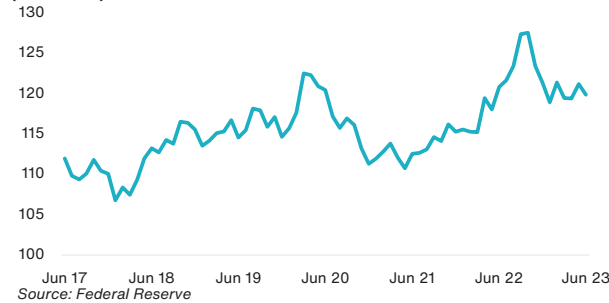
Spread (bps)	6/30/2023	3/31/2023	12/31/2022	Quarterly Change (bps)	YTD
U.S. Aggregate	49	57	51	-8	-2
Long Gov't	1	2	2	-1	-1
Long Credit	148	159	157	-11	-9
Long Gov't/Credit	79	86	87	-7	-8
MBS	52	63	51	-11	1
CMBS	134	142	120	-8	14
ABS	68	85	76	-17	-8
Corporate	123	138	130	-15	-7
High Yield	390	455	469	-65	-79
Global Emerging Markets	320	352	332	-32	-12

Source: FactSet, Bloomberg

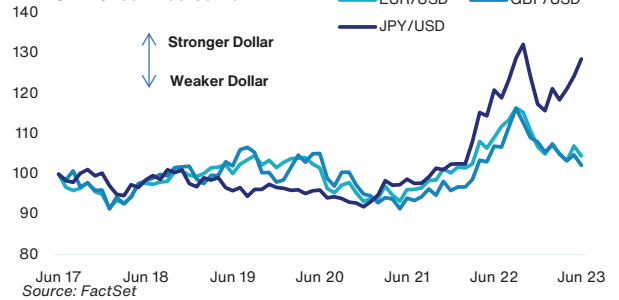
- Credit markets rose amid risk-taking sentiment during the quarter, with spreads narrowing.
- High Yield and Global Emerging Markets spreads narrowed by 65bps and 32bps respectively. Meanwhile, Long Govt/Credit and Long Govt spreads narrowed by 7bps and 1bp respectively.

Currency

TRADE WEIGHTED U.S. DOLLAR INDEX
(2006 = 100)



U.S. DOLLAR RELATIVE TO EUR, GBP AND JPY
REBASED TO 100 AT 06/30/2017



- The U.S. Dollar weakened against all major currencies (except for yen) over the quarter. On a trade-weighted basis, the U.S. dollar appreciated by 0.3% as a sharp appreciation against the yen offset the losses against the sterling and the euro.
- Sterling appreciated by 2.7% against the U.S. dollar. The Bank of England (BoE) raised its benchmark interest rate by 75bps to 5.0% over the quarter, touching its highest level since 2008. Andrew Bailey, the BoE governor, indicated that the central bank is "committed to returning inflation to the 2 percent target and will make the decisions necessary to achieve that."
- The U.S. dollar depreciated by 0.4% against the Euro but appreciated by 8.6% against the yen.

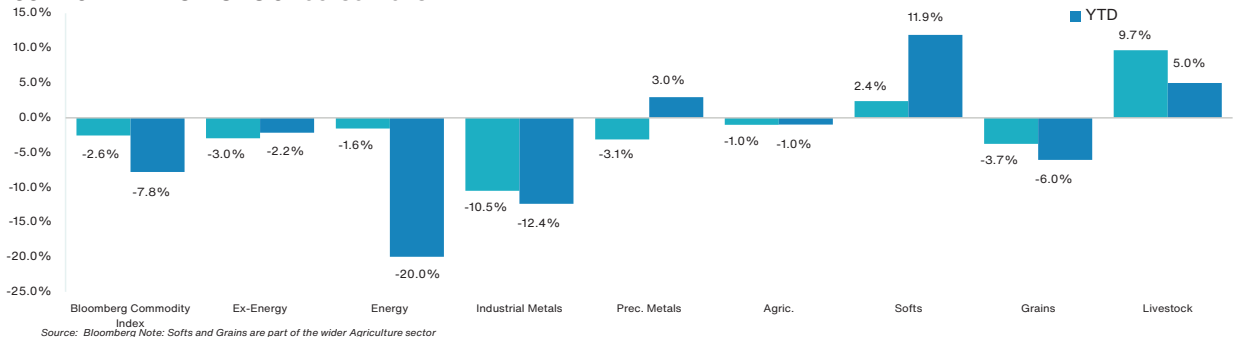
AON

Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc.
2850360-NRC

17

Commodities

COMMODITY RETURNS AS OF 06/30/2023



- Commodity prices fell over the quarter with the Bloomberg Commodity Index falling by 2.6% for the quarter.
- The energy sector fell 1.6% over the quarter and 20.0% on a YTD basis. The price of WTI crude oil was down by 6.6% to U.S.\$71.0B.
- Industrial Metals fell the most over the quarter at -10.5%.
- Meanwhile, Opec+ announced a surprise oil production cut of 1M barrels a day in July, which could be extended further. Saudi Arabia will lead the entire production cut to boost oil prices as other Opec+ members were spared from making additional cuts this year. The production quotas of several African nations and Russia are set to be lowered from January 2024.

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.

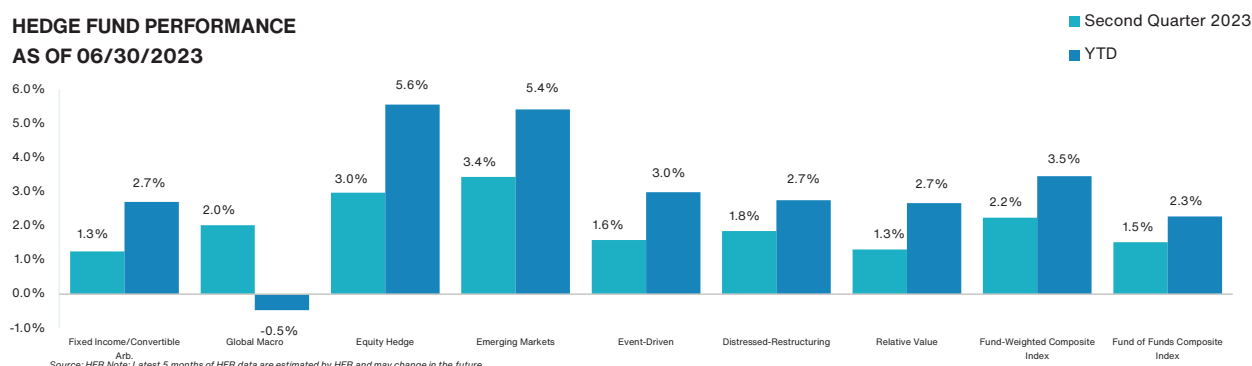
AON

Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc.
2850360-NRC

18

Hedge Funds Market Overview

HEDGE FUND PERFORMANCE AS OF 06/30/2023



- Hedge fund performance was positive over the quarter.
- The HFRI Fund-Weighted Composite and HFRI Fund of Funds Composite Index produced returns of 2.2% and 1.5% over the quarter, respectively.
- Over the quarter, the Emerging Markets strategy was the best performer with a return of 3.4%.
- Fixed income/ Convertible Arb. was the worst performer with a return of 1.25% over the quarter.
- On a YTD basis, Equity Hedge has outperformed all other strategies whilst Global Macro have performed the worst.

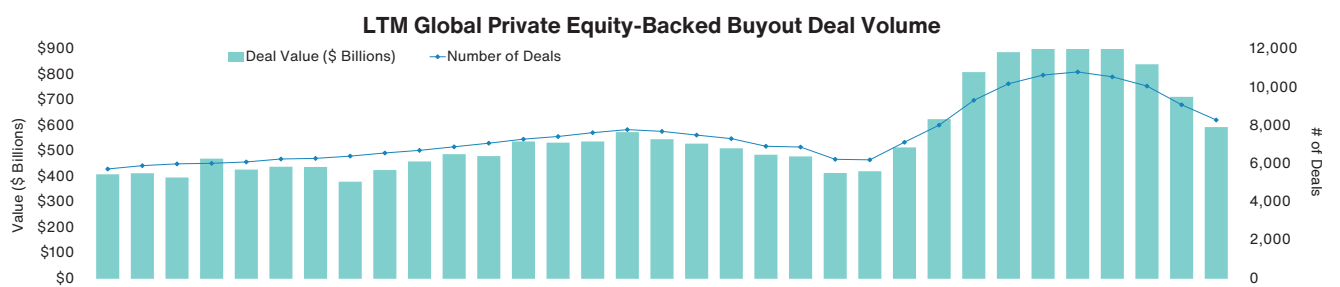
Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

AON

Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc. 2850360-NRC

19

Private Equity Overview – First Quarter 2023



- Fundraising:** In Q1 2023, \$232.9B was raised by 470 funds, which was a decrease of 5.1% on a capital basis and a decrease of 36.9% by number of funds from the prior quarter. Dry powder stood at \$3.1T at the end of the quarter, an increase of 1.0% and 27.4% compared to year-end 2022 and the five-year average, respectively.¹
- Buyout:** Global private equity-backed buyout deals totaled \$126.2 billion in Q1 2023, which was an increase on a capital basis of 9.0% compared to Q4 2022 but a decrease of 21.6% compared to the five-year quarterly average.¹ At the end of the quarter, the average purchase price multiple for all U.S. LBOs was 12.4x EBITDA, up from year-end 2022's average of 11.9x and up from the five-year average (11.3x). Large cap purchase price multiples stood at 12.4x, up compared to the full-year 2022 level of 11.8x. The average purchase price multiple across European transactions greater than €1.0B averaged 10.7x EBITDA on an LTM basis as of Q1 2023, down from the 11.1x multiple seen at year-end 2022. Purchase prices for transactions of €500.0M or greater decreased from 10.7x in 2022 to 10.1x on an LTM basis ending Q1 2023.² Globally, buyout exit value totaled \$27.3B across 379 deals during the quarter, significantly lower than the \$113.2B in value from 460 deals during Q1 2022.¹
- Venture:** During the quarter, 2,856 venture-backed transactions totaling \$37.0B were completed, which was a decrease on both a capital and deal count basis over the prior quarter's total of \$41.1B across 3,586 deals. This was also a decrease of 30.1% compared to the five-year quarterly average of \$53.0B. Total U.S. venture-backed exit value continued to slow, totaling approximately \$5.8B across an estimated 300 completed transactions in Q1 2023, down substantially from \$32.2B across 397 exits in Q1 2022.³

Sources: ¹ Preqin ² Standard & Poor's ³ PitchBook/NVCA Venture Monitor ⁴ Fitch Ratings ⁵ Jefferies

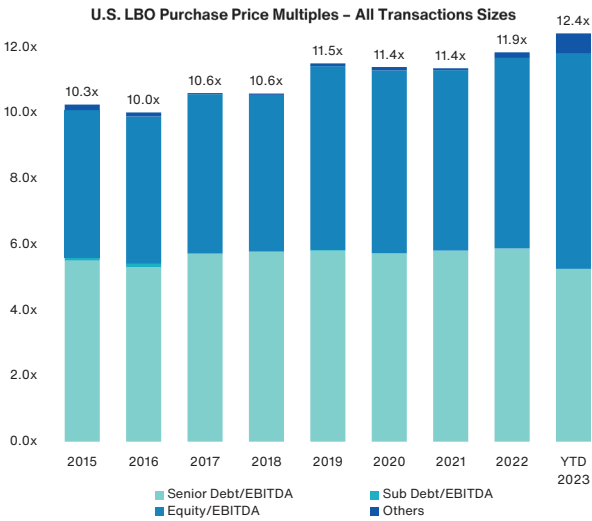
Notes: FY=Fiscal year ended 12/31; YTD=Year to date; LTM=Last 12 months (aka trailing 12 months); PPM=Purchase Price Multiples: Total Purchase Price + EBITDA.

AON

Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc. 2850360-NRC

20

Private Equity Overview – First Quarter 2023



Source: S&P

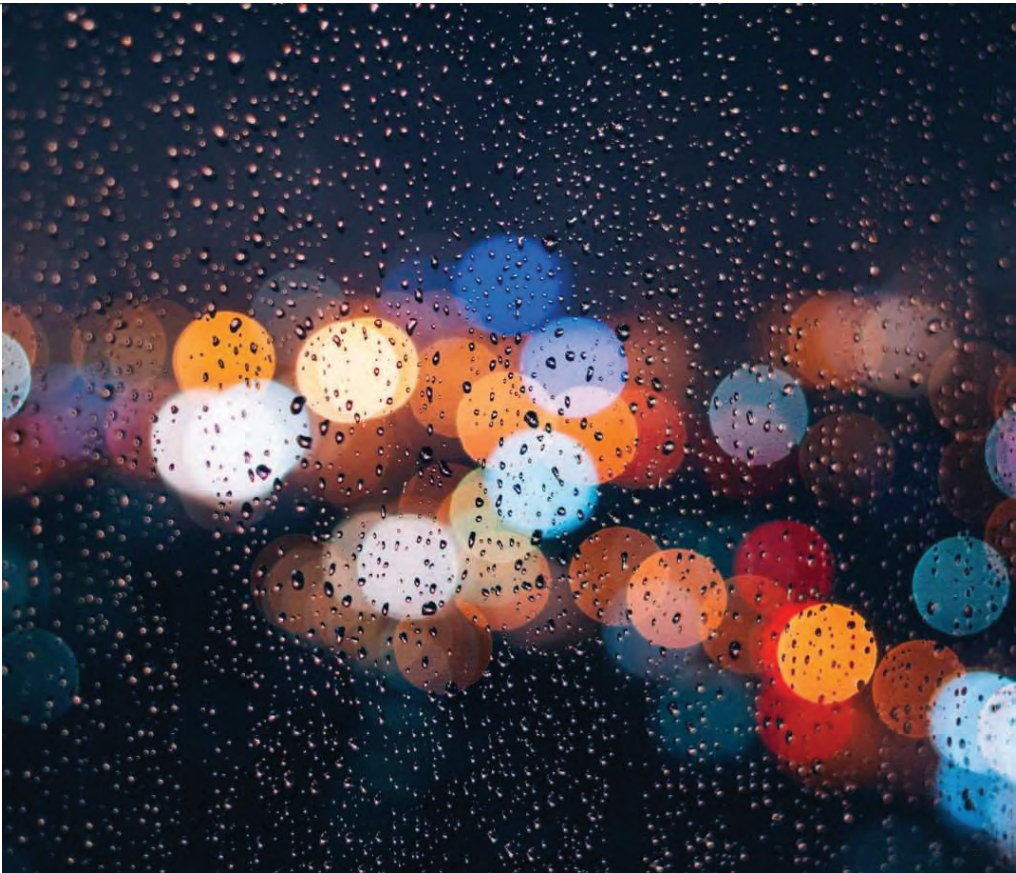
- **Mezzanine:** 8 funds closed on \$25.7 billion during the year. This was an increase from the prior quarter's total of \$4.3 billion raised by 10 funds and represented an increase of 285.9% from the five-year quarterly average of \$5.4 billion. Estimated dry powder was \$63.8 billion at the end of Q1 2023, down from \$66.6 billion at the end of the prior quarter.¹
- **Distressed Debt:** The TTM U.S. high-yield default rate was 1.8% as of March 2023, which was up from December 2022's TTM rate of 1.3%. Fitch expects the high-yield default rate to trend higher through 2023.⁴ During the quarter, \$9.1 billion was raised by 12 funds, down from the \$15.8 billion raised by 21 funds during Q4 2022. Dry powder was estimated at \$149.8 billion at the end of Q1 2023, which was up 2.0% from Q4 2022. This remained above the five-year annual average level of \$140.2 billion.¹
- **Secondaries:** 15 funds raised \$33.4 billion during Q1 2023, up substantially from the \$11.8 billion raised by 22 funds in Q1 2022. This was an increase of 218.6% compared to the five-year average of \$10.5 billion.¹ The average discount rate for LP buyout and venture capital portfolios finished the year at 10.0% and 30.0%, respectively. Buyout pricing improved by 200 basis points while venture pricing was flat compared to year-end 2022.⁵
- **Infrastructure:** \$2.7 billion of capital was raised by 10 funds in Q1 2023 compared to \$33.3 billion of capital raised by 32 partnerships in Q4 2022. At the end of the quarter, dry powder stood at \$309.0 billion, down from Q4 2022's total of \$325.7 billion. Infrastructure managers completed 453 deals for an aggregate deal value of \$71.0 billion in the first quarter compared to 649 deals totaling \$110.0 billion in Q4 2022.¹
- **Natural Resources:** During Q1 2023, 3 funds closed on \$1.0 billion compared to 9 funds totaling \$2.2 billion in Q1 2022. Energy and utilities industry managers completed 50 deals totaling \$3.4 billion in Q1 2023, an increase, on a volume basis, compared to 47 deals totaling \$7.8 billion completed in Q4 2022.¹

Sources: ¹ Preqin ² Standard & Poor's ³ PitchBook/NVCA Venture Monitor ⁴ Fitch Ratings ⁵ Jefferies



Private and Confidential | Investment advice and consulting services provided by Aon Investment USA Inc. 2850360-NRC

Total Fund



Highlights

Executive Summary

- The Total Fund outperformed the Performance Benchmark over the trailing three-, five-, and ten-year periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon 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 the trailing three-, five-, and ten-year periods.

Asset Allocation

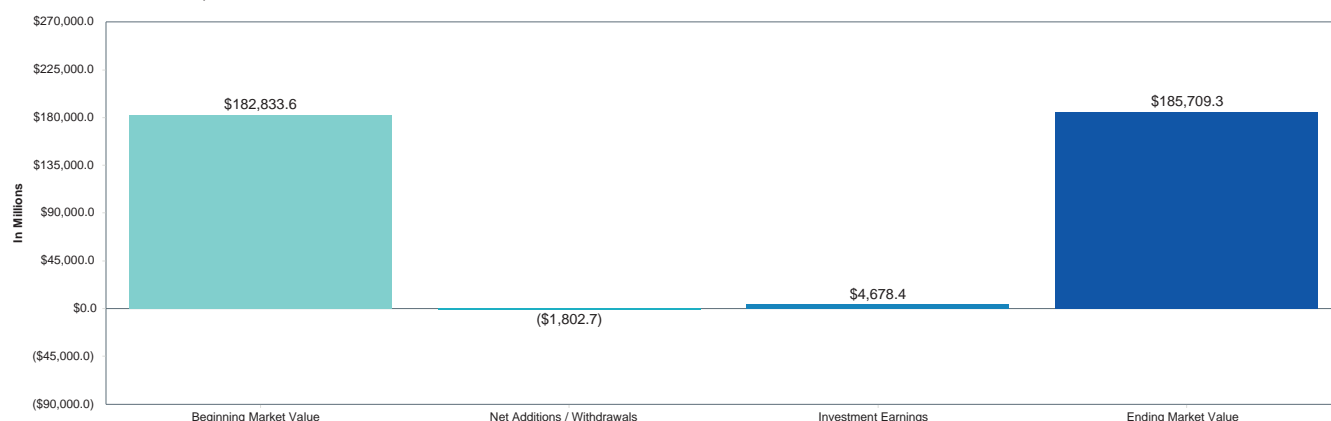
- The Fund assets total \$185.7 billion as of June 30, 2023, which represents a \$2.9 billion increase since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges and in line with the current policy at quarter-end.

AON

23

Total Plan Asset Summary

As of June 30, 2023



Summary of Cash Flows

	1 Quarter	Fiscal YTD*
Total Fund		
Beginning Market Value	182,833,561,628	179,954,710,565
+ Additions / Withdrawals	-1,802,677,377	-7,421,995,419
+ Investment Earnings	4,678,382,510	13,176,551,615
= Ending Market Value	185,709,266,761	185,709,266,761

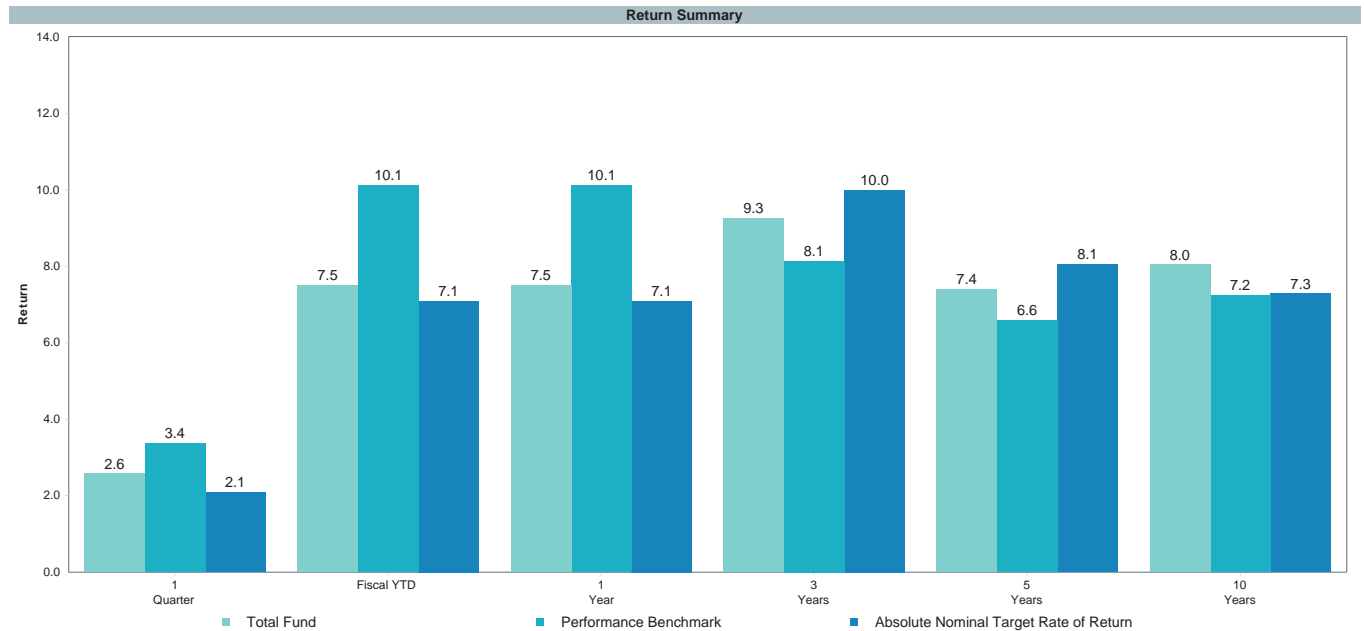
AON

*Period July 2022 - Present

24

Total Plan Performance Summary

As of June 30, 2023



AON

25

Asset Allocation & Performance

As of June 30, 2023

	Allocation			Performance %					
	Market Value \$	%	Policy %	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Total Fund	185,709,266,761	100.0	100.0	2.6 (53)	7.5 (54)	7.5 (54)	9.3 (23)	7.4 (14)	8.0 (9)
Performance Benchmark				3.4 (12)	10.1 (3)	10.1 (3)	8.1 (58)	6.6 (38)	7.2 (42)
Absolute Nominal Target Rate of Return				2.1 (84)	7.1 (63)	7.1 (63)	10.0 (15)	8.1 (4)	7.3 (41)
Global Equity*	93,947,192,193	50.6	49.0	5.9	16.5	16.5	11.0	8.0	9.1
Asset Class Target				5.9	16.1	16.1	11.0	7.7	8.6
Domestic Equities	47,648,330,897	25.7		8.3	18.8	18.8	14.1	11.3	12.2
Asset Class Target				8.4	19.0	19.0	13.9	11.4	12.3
Foreign Equities	31,684,093,180	17.1		2.5	13.4	13.4	7.1	3.9	5.6
Asset Class Target				2.4	12.4	12.4	7.3	3.4	4.9
Global Equities	12,614,124,203	6.8		5.7	17.1	17.1	10.4	7.8	8.8
Benchmark				6.6	17.8	17.8	11.6	8.7	9.3
Fixed Income	29,986,911,842	16.1	17.4	-0.7	-0.3	-0.3	-2.5	1.1	1.6
Asset Class Target				-0.7	-0.6	-0.6	-2.9	0.8	1.3
Private Equity	17,489,229,214	9.4	9.6	-0.3	-5.6	-5.6	25.4	18.6	16.9
Asset Class Target				6.6	19.1	19.1	14.0	10.7	11.8
Real Estate	20,750,828,436	11.2	11.4	-3.0	-2.1	-2.1	9.2	7.2	9.1
Asset Class Target				-3.0	-3.5	-3.5	7.4	6.3	8.2
Strategic Investments	21,132,759,920	11.4	11.6	1.5	5.0	5.0	9.8	6.9	7.3
Short-Term Target				2.8	8.3	8.3	9.3	6.9	6.3
Cash**	2,402,345,156	1.3		0.7	2.8	2.8	0.6	1.1	0.8
Bloomberg 1-3 Year Gov/Credit Index				-0.4	0.5	0.5	-0.9	1.1	1.0

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.

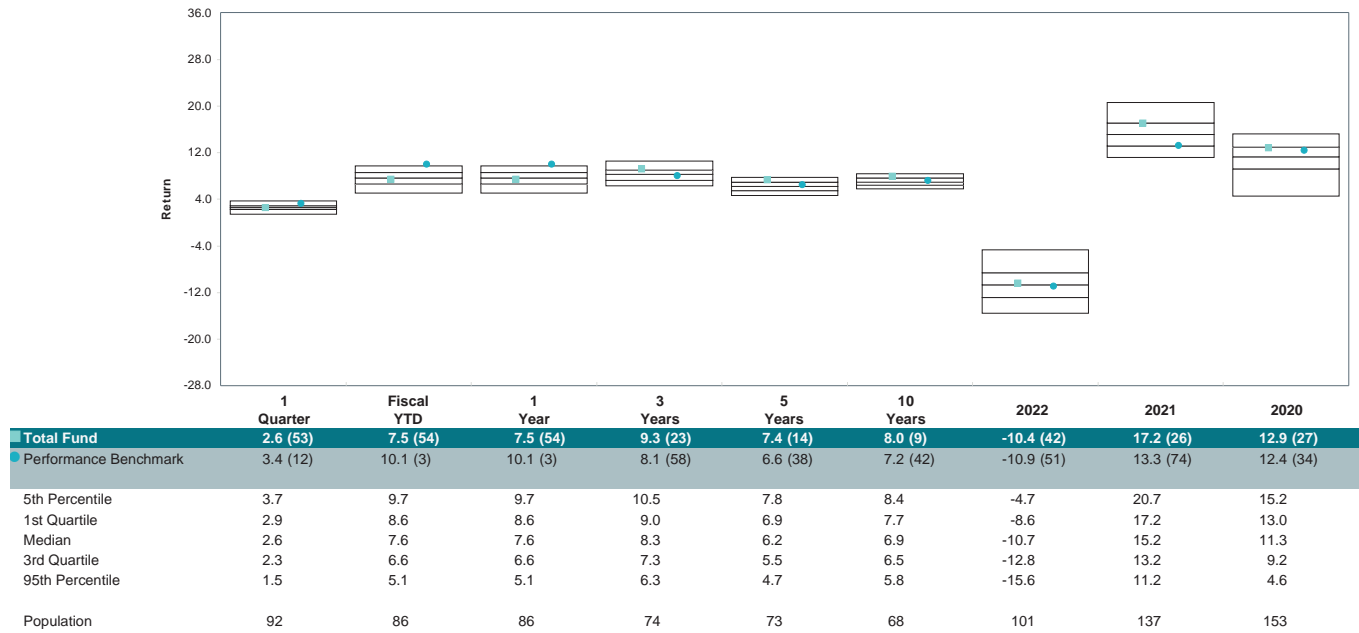
**Performance for the Cash & Central Custody and Enhanced Cash Composite is shown.

AON

26

Plan Sponsor Peer Group Analysis

As of June 30, 2023

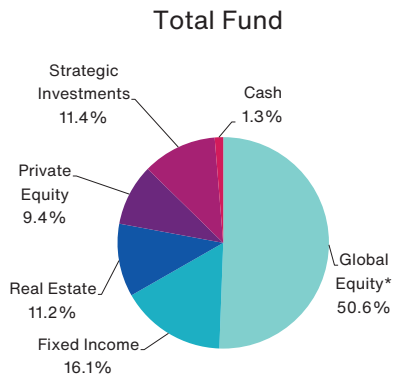


Population
Parentheses contain percentile rankings.
Universe: All Public Plans > \$1B-Total Fund

27

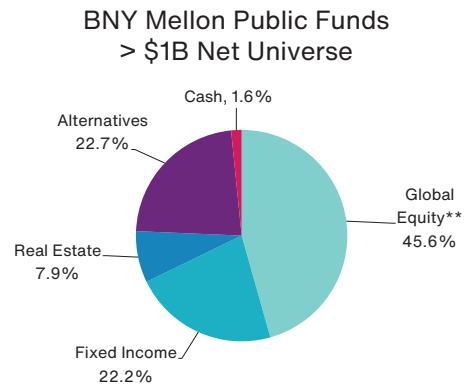
Universe Asset Allocation Comparison¹

As of June 30, 2023



*Global Equity Allocation: 25.7% Domestic Equities; 17.1% Foreign Equities; 6.8% Global Equities; 1.1% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

¹Allocations may not sum too 100.0% due to rounding.



**Global Equity Allocation: 29.5% Domestic Equities; 16.2% Foreign Equities.

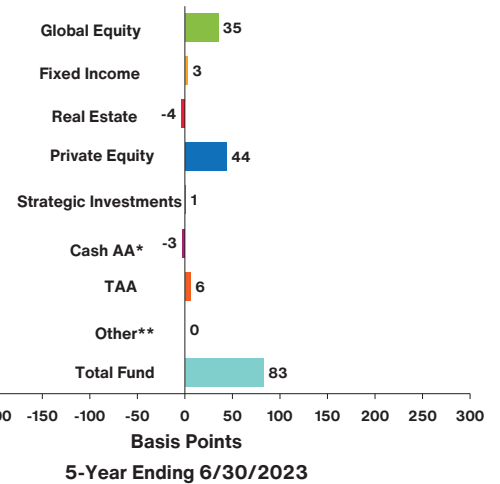
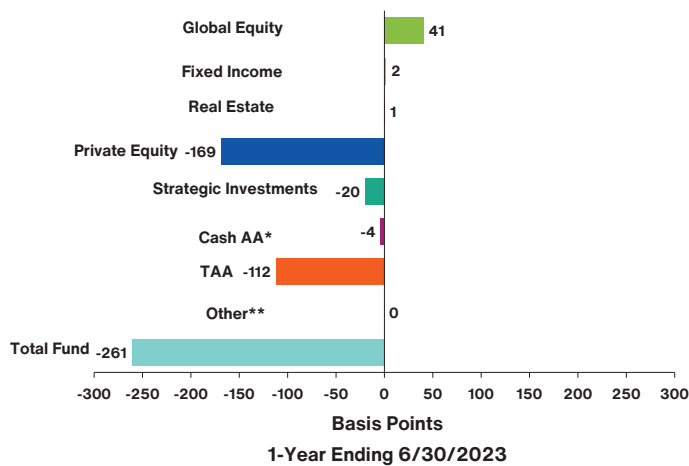


Investment advice and consulting services provided by Aon Investments USA Inc.

28

Attribution

As of June 30, 2023



*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.
 **Other includes legacy accounts and unexplained differences due to methodology.

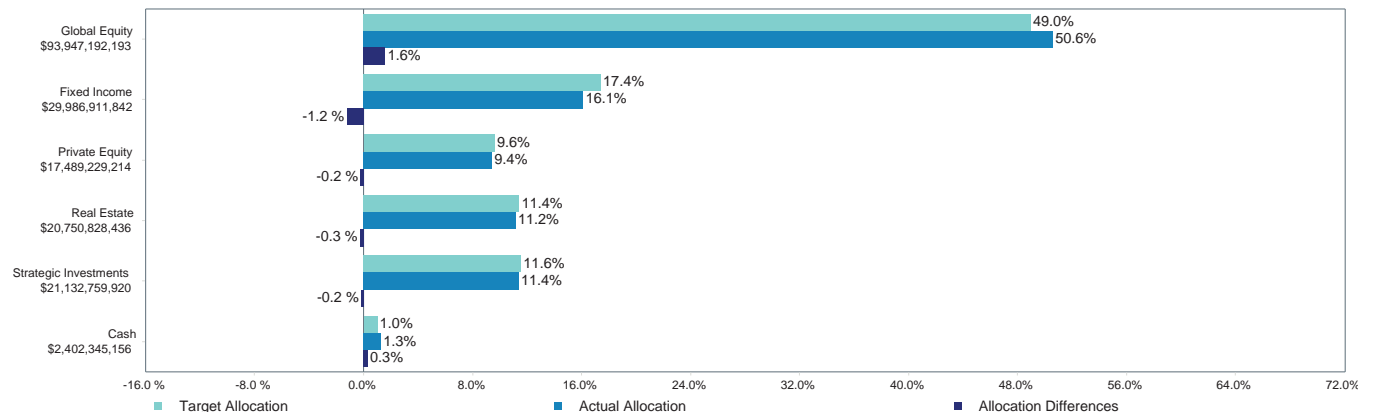


Investment advice and consulting services provided by Aon Investments USA Inc.

Asset Allocation Compliance

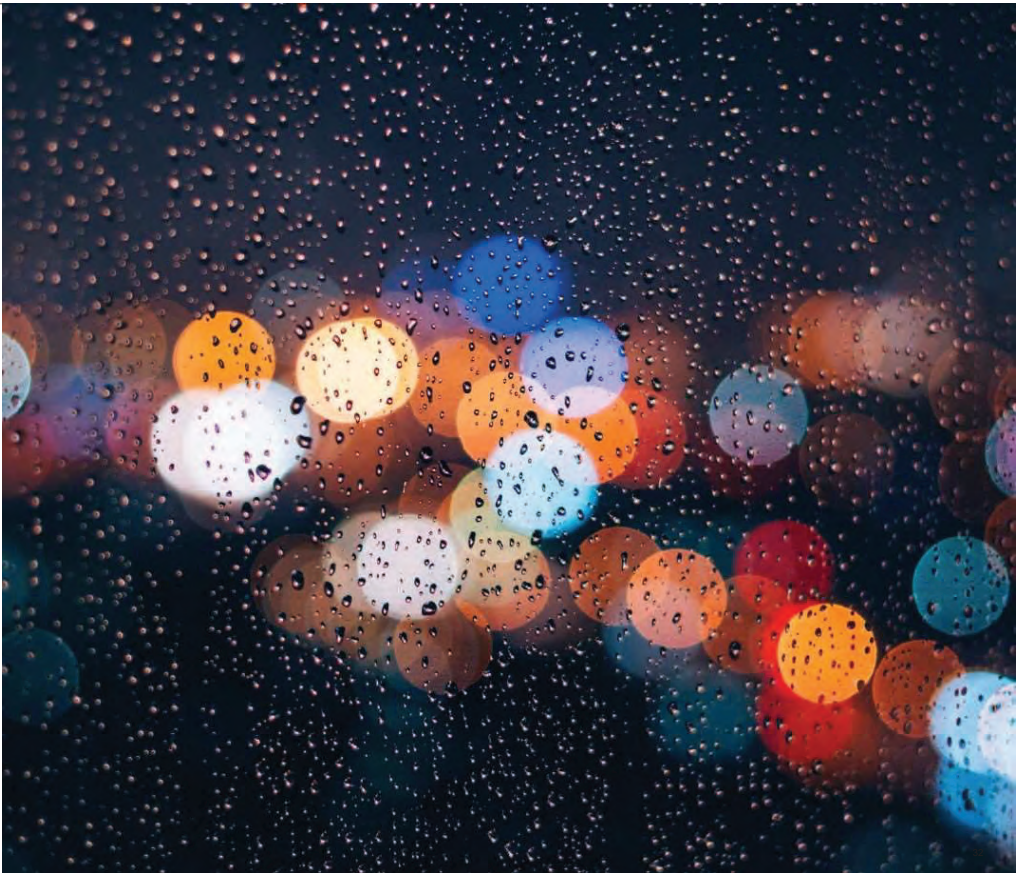
As of June 30, 2023

	Market Value \$	Current Allocation %	Target Allocation %	Minimum Allocation %	Maximum Allocation %
Total Fund	185,709,266,761	100.0	100.0		
Global Equity	93,947,192,193	50.6	49.0	45.0	70.0
Fixed Income	29,986,911,842	16.1	17.4	10.0	26.0
Private Equity	17,489,229,214	9.4	9.6	2.0	12.0
Real Estate	20,750,828,436	11.2	11.4	4.0	16.0
Strategic Investments	21,132,759,920	11.4	11.6	0.0	16.0
Cash	2,402,345,156	1.3	1.0	0.3	5.0



(This page is left blank intentionally)

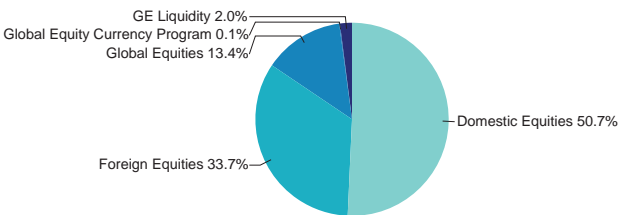
Global Equity



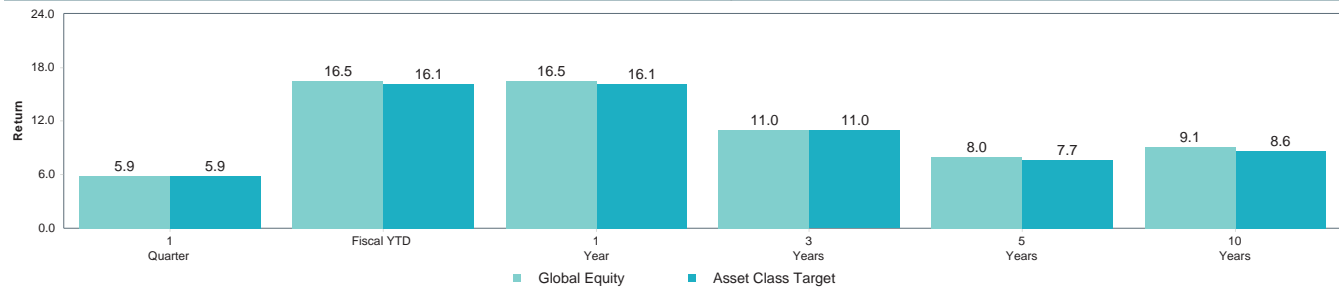
Global Equity* Portfolio Overview

As of June 30, 2023

Current Allocation
June 30, 2023 : \$93,947M



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.

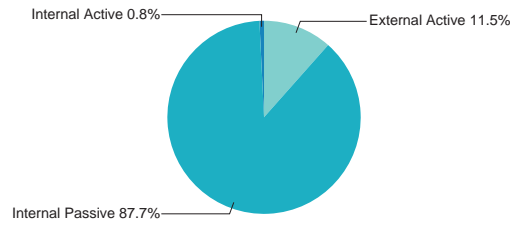
Domestic Equities



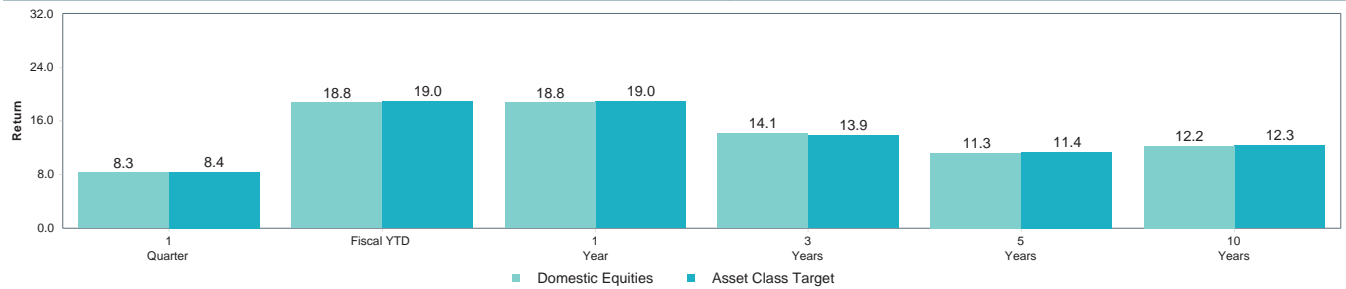
Domestic Equities Portfolio Overview

As of June 30, 2023

Current Allocation
June 30, 2023 : \$47,648M



Return Summary



AON

35

As of June 30, 2023



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Domestic Equities	8.3 (18)	18.8 (15)	18.8 (15)	14.1 (35)	11.3 (18)	12.2 (16)	-18.9 (61)	26.6 (30)	19.9 (40)
Asset Class Target	8.4 (14)	19.0 (11)	19.0 (11)	13.9 (39)	11.4 (17)	12.3 (16)	-19.2 (65)	25.7 (39)	20.9 (29)
5th Percentile	8.7	20.1	20.1	15.8	12.3	12.8	-12.5	30.0	26.4
1st Quartile	8.0	18.5	18.5	14.6	11.0	12.0	-16.2	27.5	21.5
Median	6.9	17.3	17.3	13.4	10.0	11.3	-17.9	24.3	18.9
3rd Quartile	5.6	14.1	14.1	12.1	8.9	10.2	-19.6	22.6	16.1
95th Percentile	4.8	11.2	11.2	9.9	7.6	8.6	-24.1	15.7	10.0
Population	50	47	47	44	41	37	52	56	55

Parentheses contain percentile rankings.

AON

36

(This page is left blank intentionally)

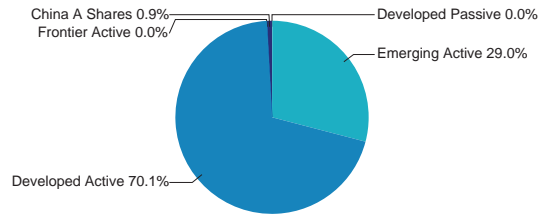
Foreign Equities



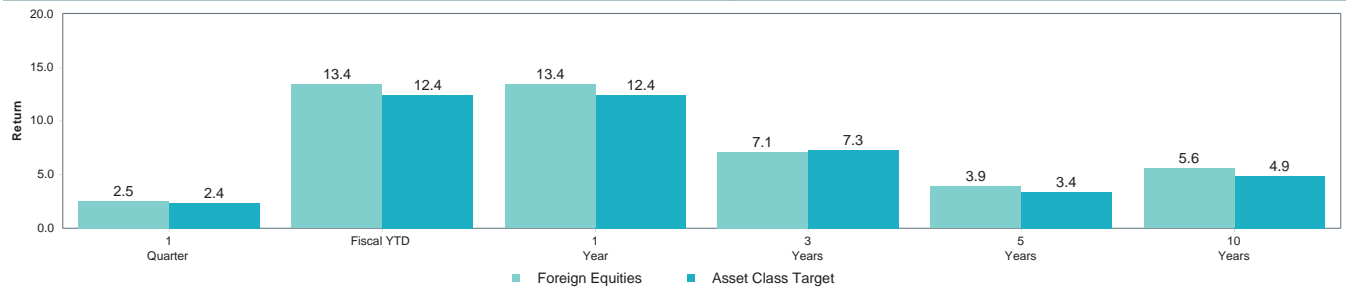
Foreign Equities Portfolio Overview

As of June 30, 2023

Current Allocation
June 30, 2023 : \$31,684M



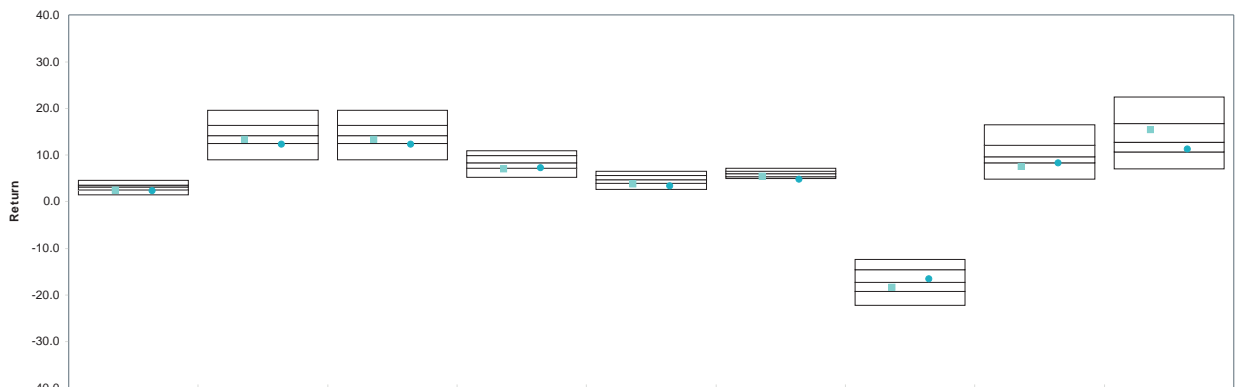
Return Summary



AON

39

As of June 30, 2023



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Foreign Equities	2.5 (75)	13.4 (66)	13.4 (66)	7.1 (76)	3.9 (78)	5.6 (70)	-18.4 (66)	7.6 (80)	15.4 (34)
Asset Class Target	2.4 (83)	12.4 (76)	12.4 (76)	7.3 (70)	3.4 (88)	4.9 (97)	-16.6 (41)	8.4 (71)	11.3 (64)
5th Percentile	4.6	19.7	19.7	11.0	6.5	7.2	-12.4	16.5	22.4
1st Quartile	3.5	16.5	16.5	9.9	5.7	6.6	-14.6	12.2	16.8
Median	3.1	14.2	14.2	8.3	4.8	6.0	-17.3	9.6	12.8
3rd Quartile	2.5	12.5	12.5	7.2	4.0	5.4	-19.2	8.3	10.7
95th Percentile	1.5	9.0	9.0	5.2	2.7	5.0	-22.2	4.9	7.1
Population	51	50	50	46	45	42	54	56	58

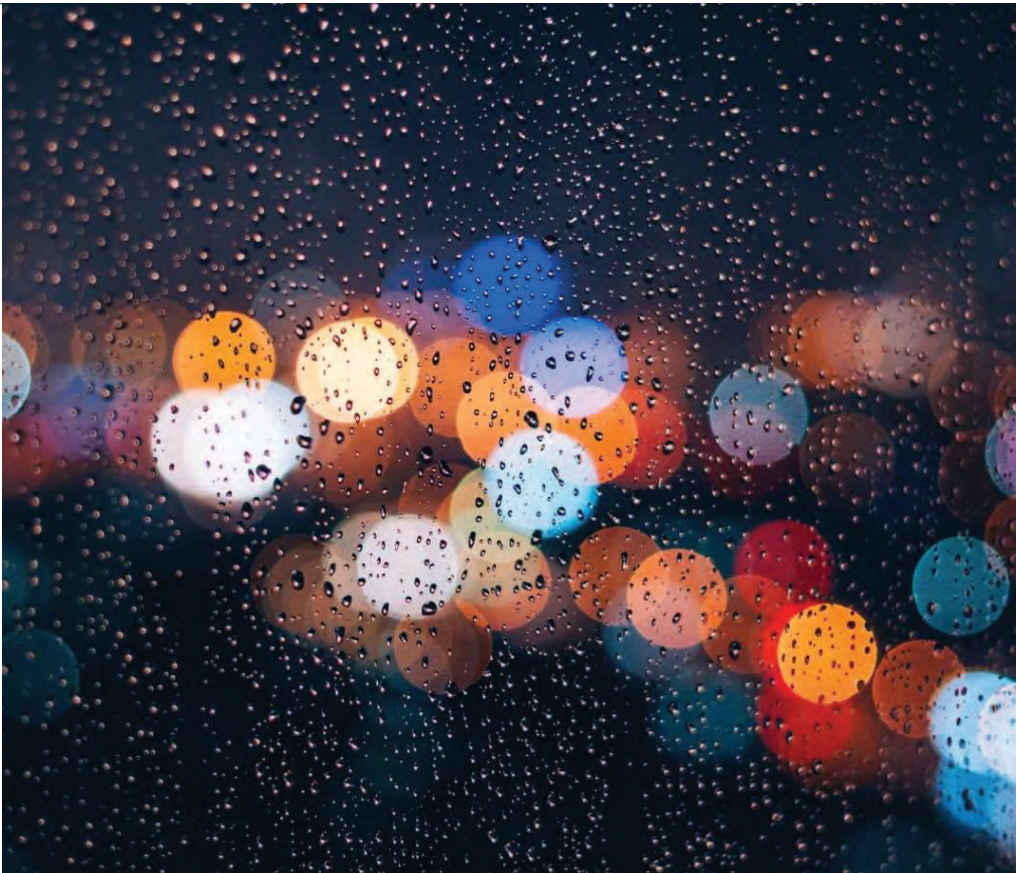
Parentheses contain percentile rankings.

AON

40

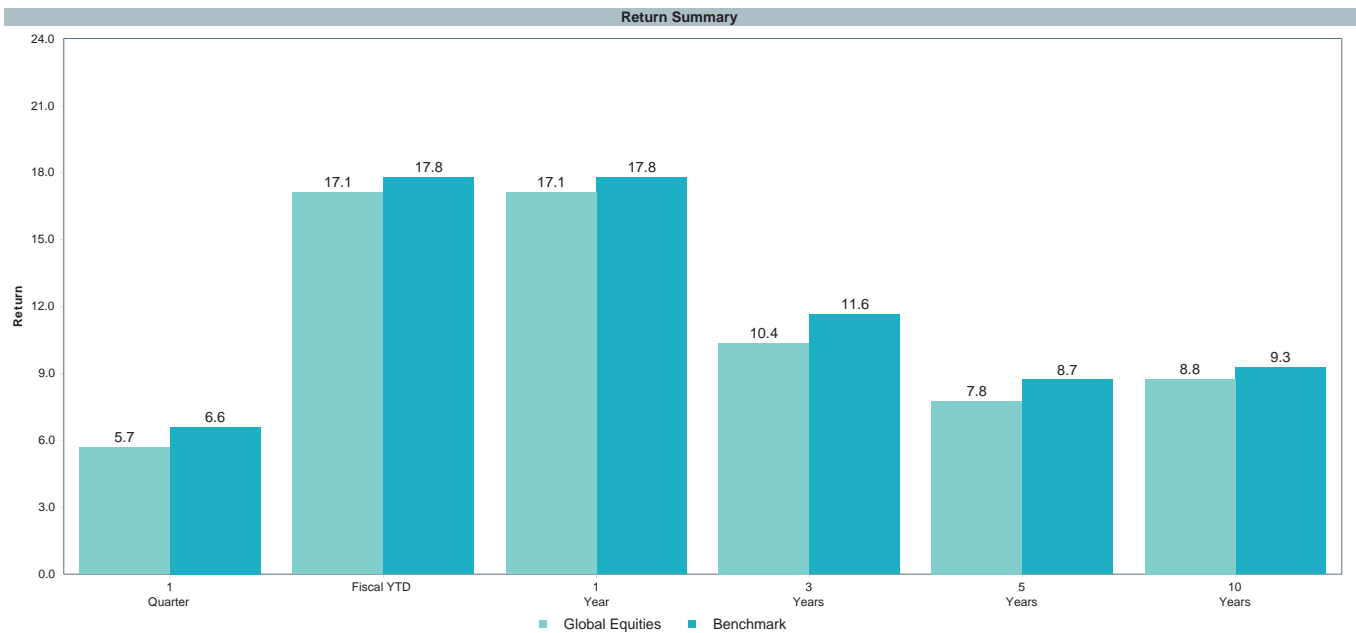
(This page is left blank intentionally)

Global Equities



Global Equities Performance Summary

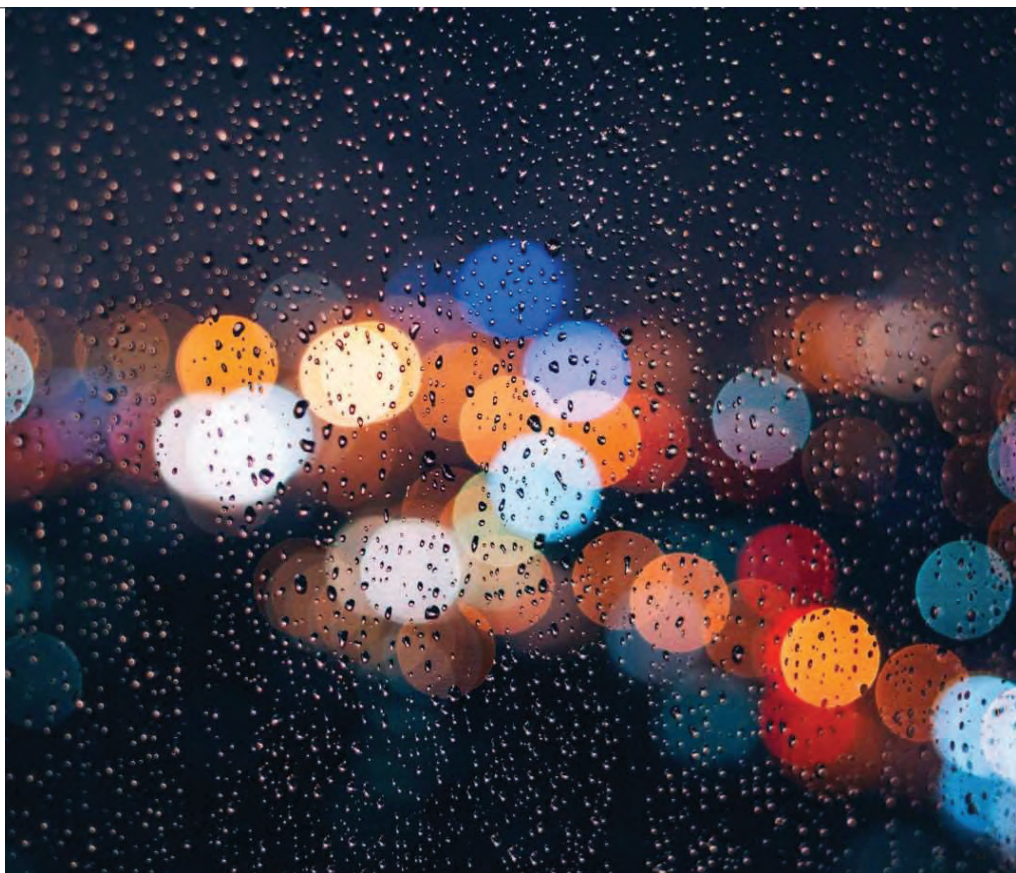
As of June 30, 2023



AON

Fixed Income

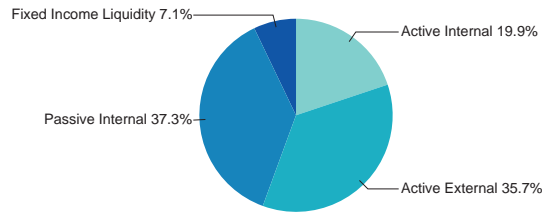
AON



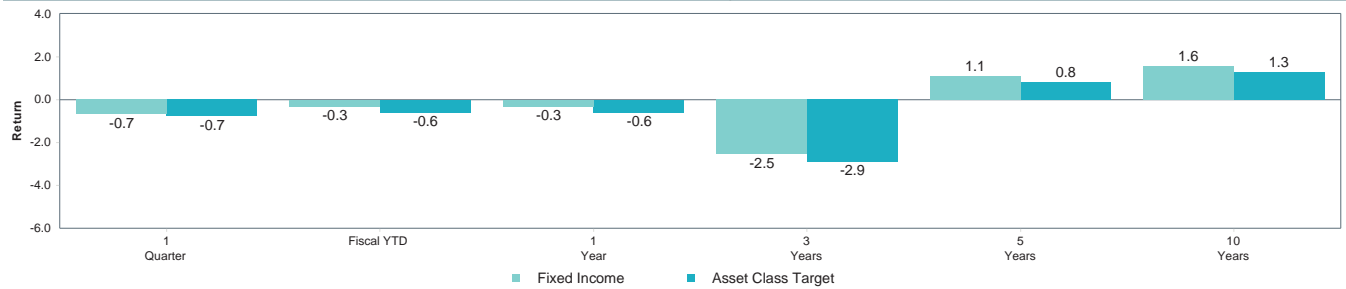
Fixed Income Portfolio Overview

As of June 30, 2023

Current Allocation
June 30, 2023 : \$29,987M



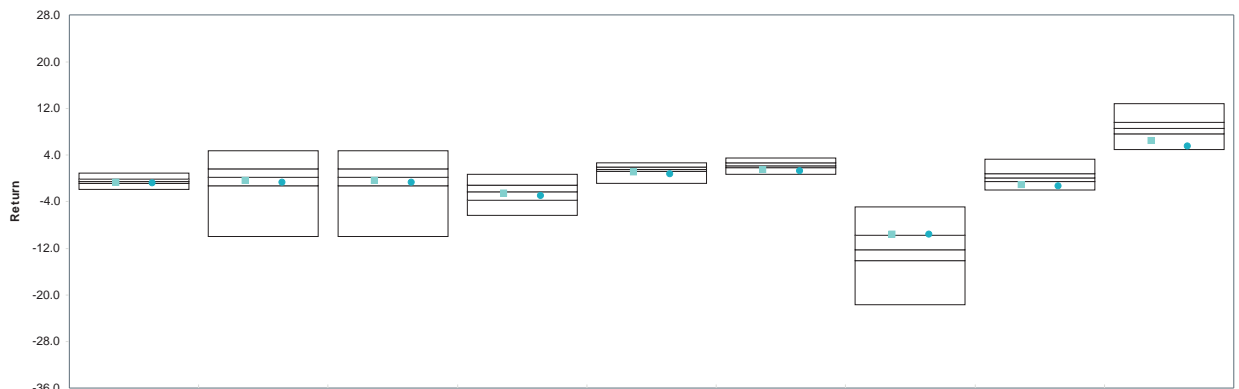
Return Summary



AON

45

As of June 30, 2023



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Fixed Income	-0.7 (65)	-0.3 (59)	-0.3 (59)	-2.5 (55)	1.1 (80)	1.6 (89)	-9.5 (25)	-1.0 (86)	6.6 (87)
Asset Class Target	-0.7 (67)	-0.6 (64)	-0.6 (64)	-2.9 (63)	0.8 (85)	1.3 (92)	-9.5 (25)	-1.3 (91)	5.6 (90)
5th Percentile	1.0	4.8	4.8	0.8	2.7	3.5	-4.9	3.3	12.9
1st Quartile	-0.1	1.6	1.6	-1.2	2.0	2.7	-9.8	0.8	9.7
Median	-0.5	0.2	0.2	-2.3	1.5	2.2	-12.3	0.1	8.6
3rd Quartile	-0.9	-1.3	-1.3	-3.7	1.2	1.9	-14.1	-0.6	7.7
95th Percentile	-1.9	-9.9	-9.9	-6.3	-0.8	0.7	-21.7	-2.0	4.9
Population	53	52	52	47	43	41	57	58	59

Parentheses contain percentile rankings.

AON

46

(This page is left blank intentionally)

AON

47

Private Equity

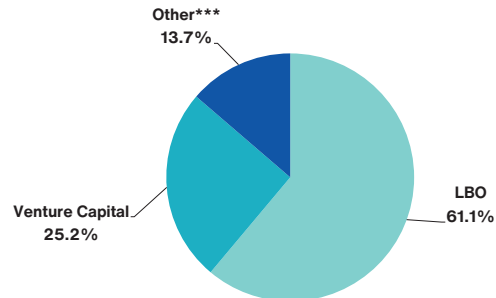
AON



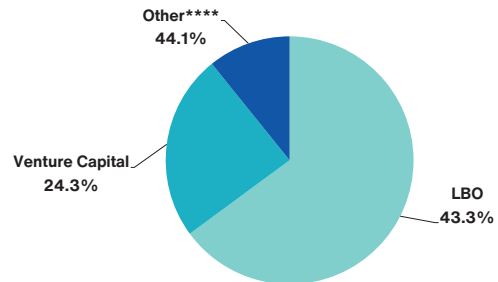
Private Equity Asset Allocation Overview

As of June 30, 2023

FRS Private Equity by Market Value*



Preqin Private Equity Strategies by Market Value**



*Allocation data is as of June 30, 2023.

**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.

AON

Investment advice and consulting services provided by Aon Investments USA Inc.

49

Private Equity Time-Weighted Investment Results

As of June 30, 2023

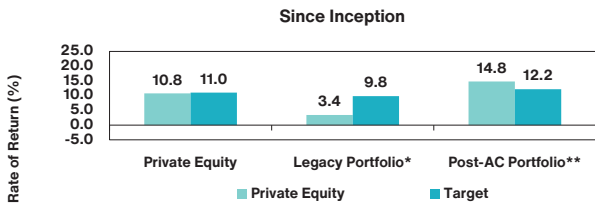


AON

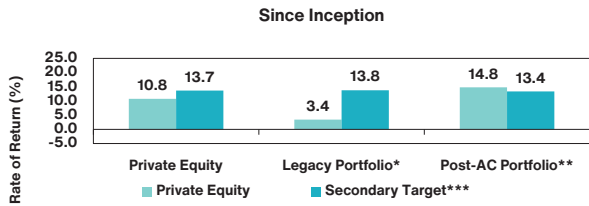
50

Dollar-Weighted Investment Results

As of June 30, 2023



As of June 30, 2023



*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.



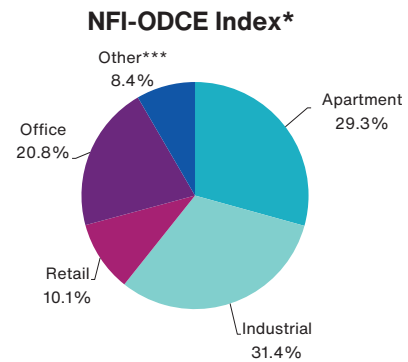
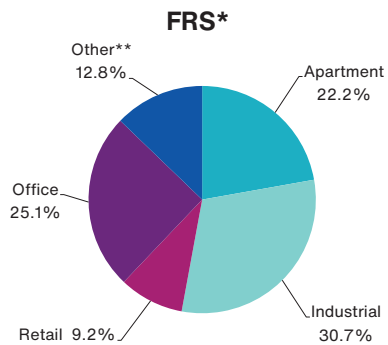
Investment advice and consulting services provided by Aon Investments USA Inc.

Real Estate



Real Estate Asset Allocation Overview

As of June 30, 2023



*Property Allocation data is as of March 31, 2023. 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.

AON

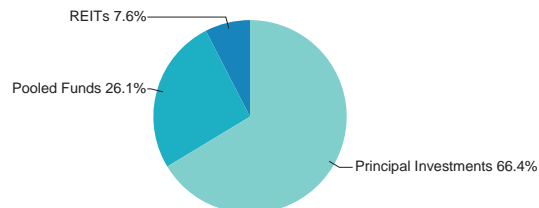
Investment advice and consulting services provided by Aon Investments USA Inc.

53

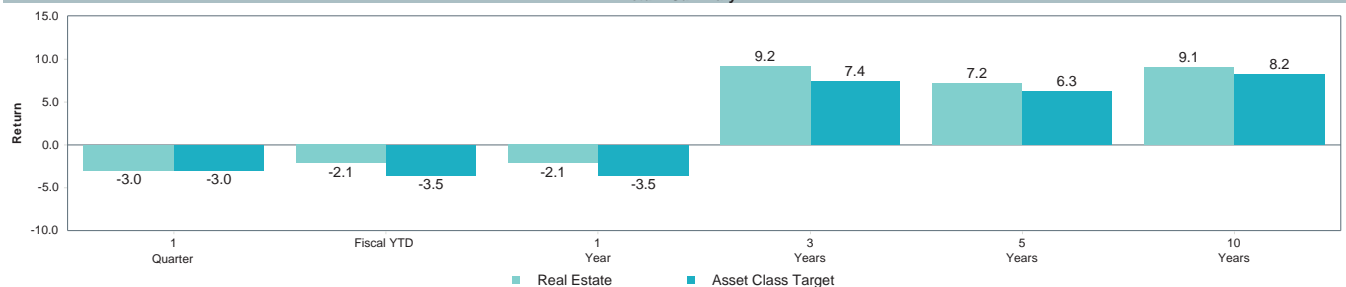
Real Estate Portfolio Overview

As of June 30, 2023

Current Allocation
June 30, 2023 : \$20,751M



Return Summary

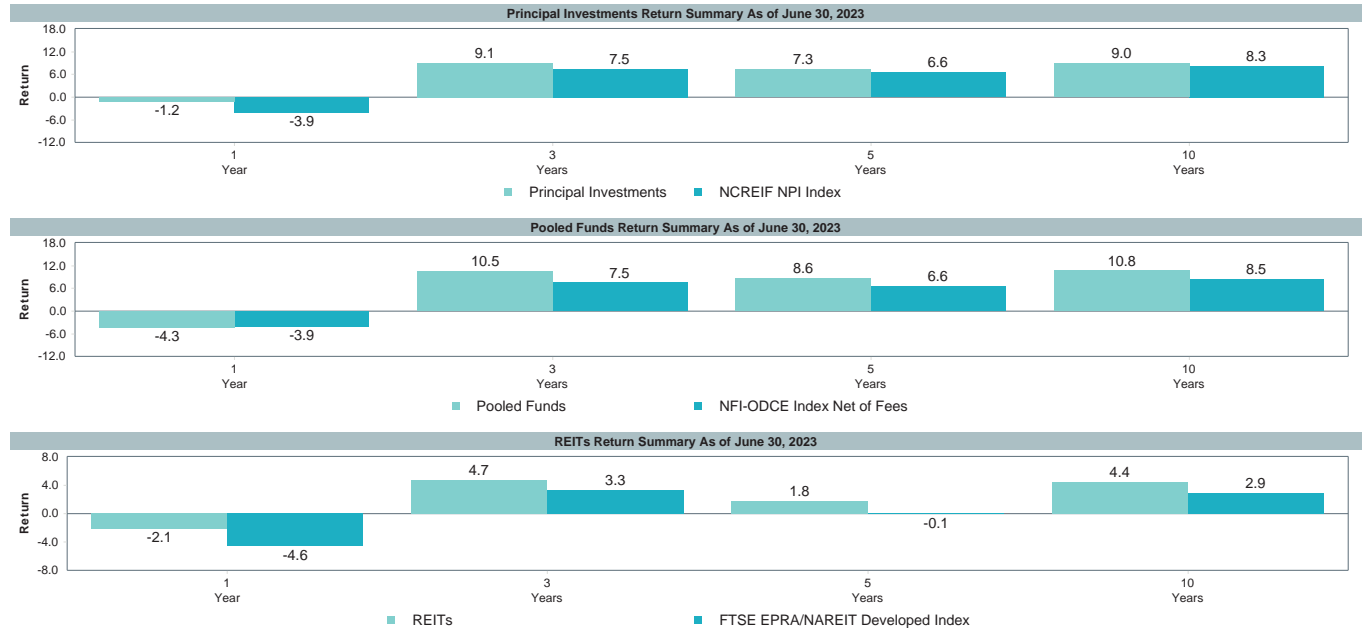


AON

54

Real Estate

As of June 30, 2023



AON

Strategic Investments

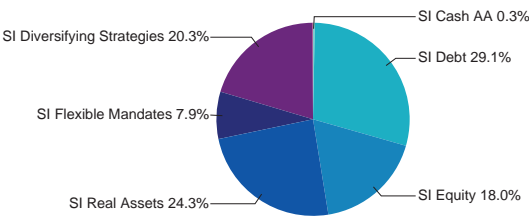
AON



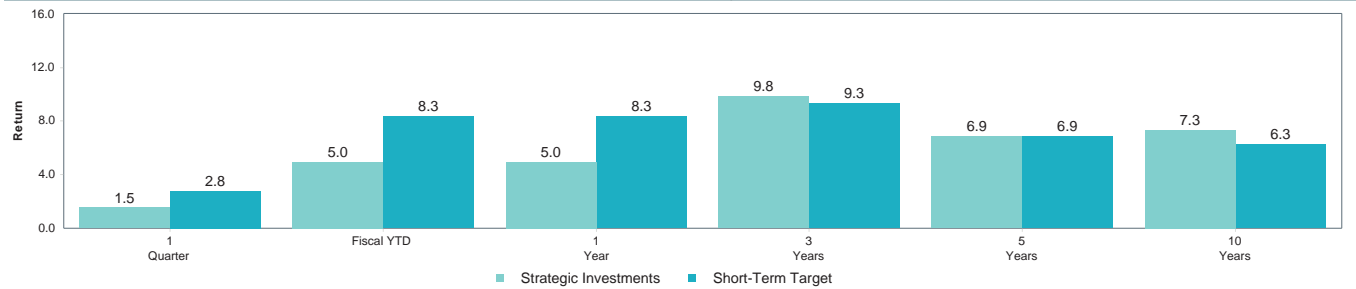
Strategic Investments Portfolio Overview

As of June 30, 2023

Current Allocation
June 30, 2023 : \$21,133M



Return Summary

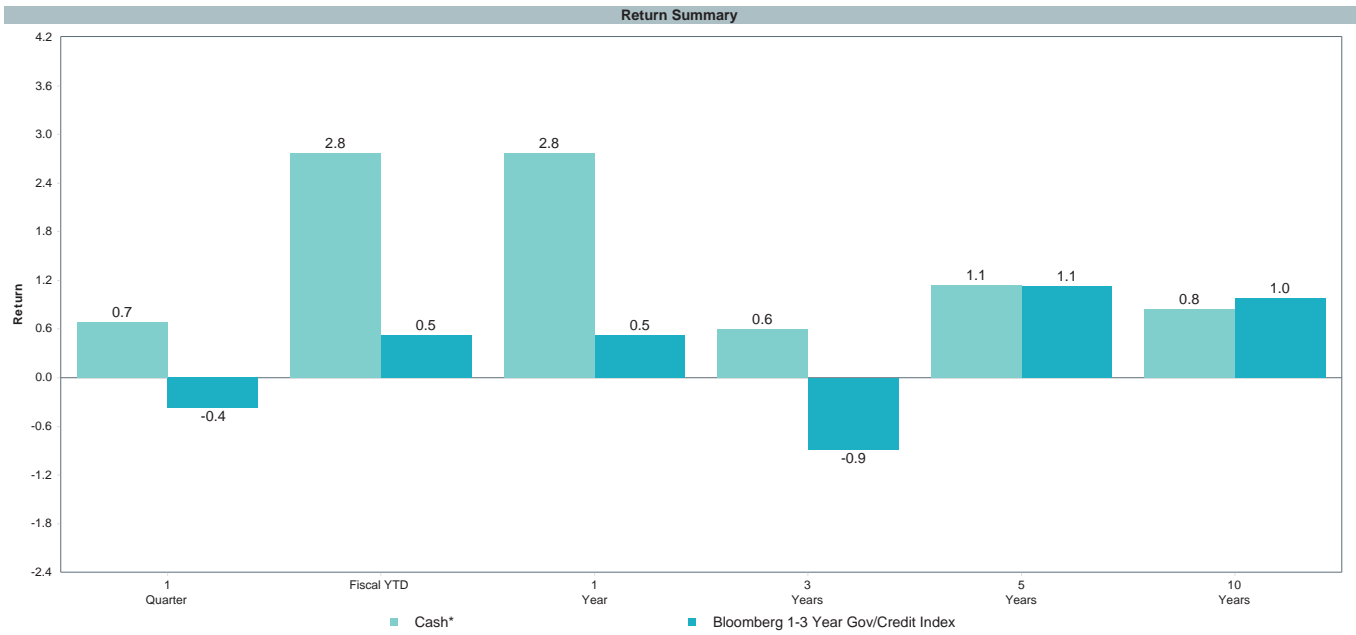


Cash



Cash Performance Summary

As of June 30, 2023



*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).



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 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.



Appendix

Description of Benchmarks

Bloomberg Barclays 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

Barclays Capital U.S. Intermediate Aggregate Bond Index- A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

Consumer Price Index (CPI)- The CPI, an index consisting of a fixed basket of goods bought by the typical consumer and used to measure consumer inflation.

FTSE EPRA/NAREIT Developed Index- An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate. This index covers the four primary core asset classes (Industrial, Retail, Office, and Apartment).

MSCI All Country World Investable Market Index- A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. This investable market index contains constituents from the large, mid, and small cap size segments and targets a coverage range around 99% of free-float adjusted market capitalization.

NCREIF ODCE Property Index- The NCREIF ODCE is a capitalization-weighted, gross of fee, time-weighted return index. The index is a summation of open-end funds, which NCREIF defines as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests.

Russell 3000 Index- A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This represents most publicly traded, liquid U.S. stocks.

Appendix

Description of Universes

Total Fund- A universe comprised of 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.

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.

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.

The information contained herein is confidential and proprietary and provided for informational purposes only. It is not complete and does not contain certain material information about making investments in securities including important disclosures and risk factors. All securities transactions involve substantial risk of loss. Under no circumstances does the information in this report represent a recommendation to buy or sell stocks, limited partnership interests, or other investment instruments.

The data contained in these reports is compiled from statements provided by custodian(s), record-keeper(s), and/or other third-party data provider(s). This document is not intended to provide, and shall not be relied upon for, accounting and legal or tax advice. Aon Investments has not conducted additional audits and cannot warrant its accuracy or completeness. We urge you to carefully review all custodial statements and notify Aon Investments with any issues or questions you may have with respect to investment performance or any other matter set forth herein.

The mutual fund information found in this report is provided by Thomson Reuters Lipper and Aon Investments cannot warrant its accuracy or timeliness. Thomson Reuters Lipper Global Data Feed provides comprehensive coverage of mutual fund information directly to Investment Metrics, Aon Investments' performance reporting vendor, via the PARis performance reporting platform. Thomson Reuters Lipper is the data provider chosen by Investment Metrics, and as such, Aon Investments has no direct relationship with Thomson Reuters Lipper.

Refer to Hedge Fund Research, Inc. www.hedgefundresearch.com for information on HFR indices.

FTSE International Limited ("FTSE") © FTSE 2017. "FTSE®" and "FTSE4Good®" are trademarks of the London Stock Exchange Group companies and are used by FTSE International Limited under license. The FTSE indices are calculated by FTSE International Limited in conjunction with Indonesia Stock Exchange, Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., Singapore Exchange Securities Trading Limited and the Stock Exchange of Thailand (the "Exchanges"). All intellectual property rights in the FTSE/ASEAN Index vest in FTSE and the Exchanges. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Aon Investments USA Inc. ("Aon Investments") is a federally registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). Aon Investments is also registered with the Commodity Futures Trade Commission as a commodity pool operator and a commodity trading advisor, and is a member of the National Futures Association. The Aon Investments ADV Form Part 2A disclosure statement is available upon written request to:

Aon Investments USA Inc.
200 East Randolph Street
Suite 700
Chicago, IL 60601
ATTN: Aon Investments Compliance Officer

AON

67

AON

Quarterly Investment Review

FRS Investment Plan

Second Quarter 2023

Investment advice and consulting services provided by Aon Investments USA Inc.

Nothing in this document should be construed as legal or investment advice. Please consult with your independent professional for any such advice. To protect the confidential and proprietary information included in this material, it may not be disclosed or provided to any third parties without the approval of Aon.

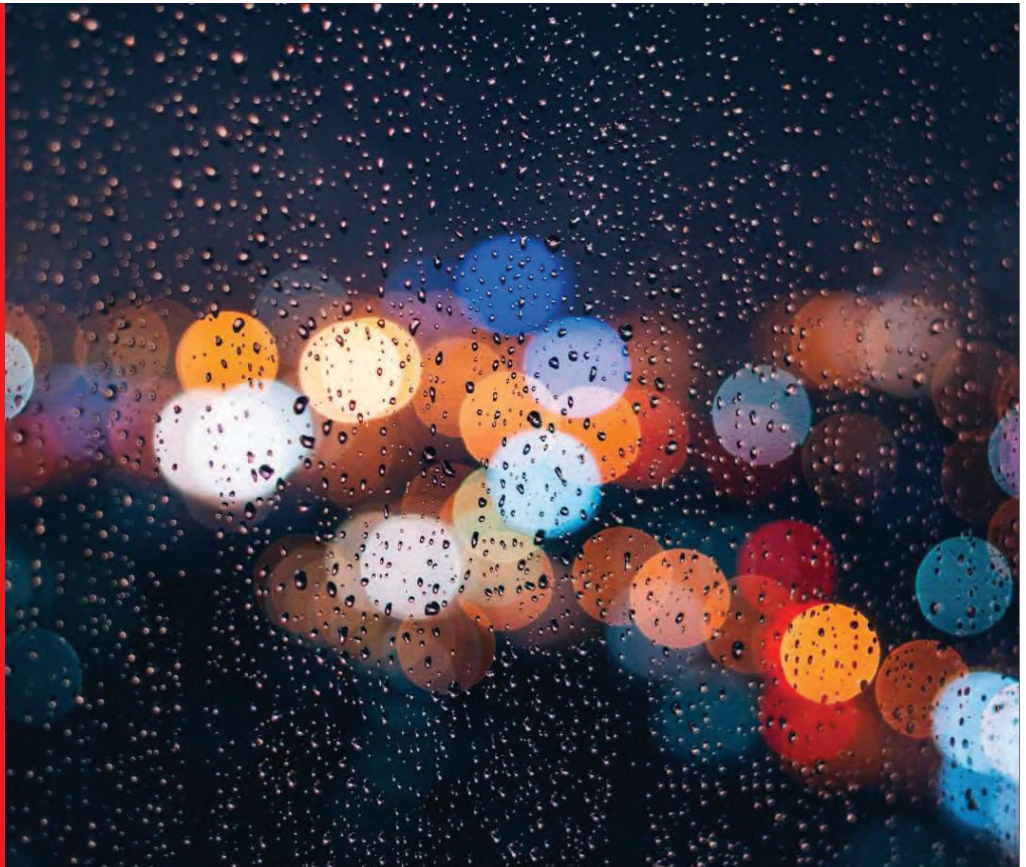
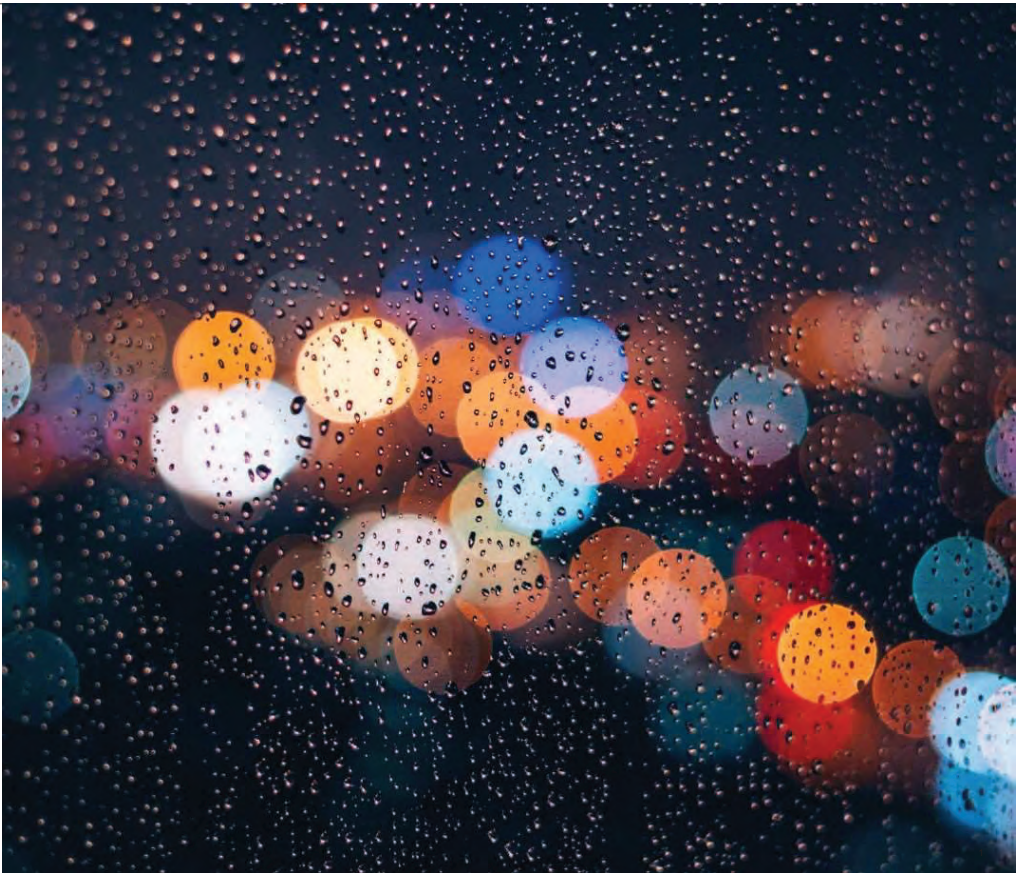


Table Of Contents

1	FRS Investment Plan	1
2	Appendix	11



FRS Investment Plan



Asset Allocation & Performance

As of June 30, 2023

	Allocation		Performance %					
	Market Value \$	%	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	14,524,940,986	100.0	4.0	9.7	10.8	7.7	6.1	7.0
<i>Total Plan Aggregate Benchmark</i>			3.8	8.9	10.4	7.7	6.1	6.8
Retirement Date	7,118,223,084	49.0						
FRS Retirement Fund	612,776,602	4.2	1.0 (79)	4.8 (68)	3.7 (78)	4.1 (2)	4.3 (17)	4.5 (48)
<i>Retirement Custom Index</i>			0.7 (81)	4.1 (90)	4.0 (77)	3.8 (5)	4.1 (21)	4.2 (65)
FRS 2020 Retirement Date Fund	472,314,889	3.3	1.2 (93)	5.2 (89)	4.3 (95)	4.8 (13)	4.6 (55)	5.4 (87)
<i>2020 Retirement Custom Index</i>			1.2 (93)	4.9 (92)	5.3 (90)	4.8 (13)	4.6 (55)	5.2 (99)
FRS 2025 Retirement Date Fund	897,299,614	6.2	1.8 (77)	6.1 (77)	5.7 (83)	5.8 (5)	5.2 (46)	6.2 (56)
<i>2025 Retirement Custom Index</i>			2.0 (73)	6.1 (77)	7.3 (66)	6.0 (4)	5.3 (39)	6.1 (68)
FRS 2030 Retirement Date Fund	946,337,844	6.5	2.6 (77)	7.4 (77)	7.6 (85)	6.9 (10)	5.7 (58)	6.9 (61)
<i>2030 Retirement Custom Index</i>			2.7 (75)	7.2 (79)	9.0 (65)	7.0 (8)	5.7 (55)	6.8 (72)
FRS 2035 Retirement Date Fund	937,786,016	6.5	3.2 (82)	8.5 (80)	9.2 (87)	7.7 (39)	6.1 (78)	7.5 (54)
<i>2035 Retirement Custom Index</i>			3.2 (82)	8.2 (83)	10.4 (75)	7.8 (37)	6.1 (71)	7.3 (79)
FRS 2040 Retirement Date Fund	879,640,367	6.1	3.7 (87)	9.6 (82)	10.7 (93)	8.5 (66)	6.4 (79)	7.8 (76)
<i>2040 Retirement Custom Index</i>			3.7 (87)	9.2 (90)	11.7 (81)	8.5 (62)	6.5 (78)	7.7 (84)
FRS 2045 Retirement Date Fund	898,019,635	6.2	4.2 (90)	10.5 (83)	12.0 (90)	9.1 (66)	6.7 (84)	8.1 (89)
<i>2045 Retirement Custom Index</i>			4.1 (90)	9.9 (87)	12.6 (84)	9.2 (63)	6.7 (84)	7.9 (94)
FRS 2050 Retirement Date Fund	630,477,330	4.3	4.5 (88)	10.9 (81)	12.6 (91)	9.7 (60)	6.9 (81)	8.2 (84)
<i>2050 Retirement Custom Index</i>			4.3 (90)	10.2 (88)	13.2 (87)	9.7 (60)	7.0 (81)	8.1 (87)



Asset Allocation & Performance

As of June 30, 2023

	Allocation		Performance %					
	Market Value \$	%	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
FRS 2055 Retirement Date Fund	469,421,767	3.2	4.6 (87)	11.2 (82)	13.1 (88)	9.9 (55)	7.1 (82)	8.3 (96)
<i>2055 Retirement Custom Index</i>			4.3 (91)	10.3 (90)	13.3 (87)	9.8 (64)	7.0 (86)	8.1 (100)
FRS 2060 Retirement Date Fund	374,149,020	2.6	4.6 (91)	11.2 (86)	13.1 (95)	10.0 (68)	7.2 (-)	-
<i>2060 Retirement Custom Index</i>			4.3 (98)	10.3 (99)	13.3 (95)	9.8 (73)	7.0 (-)	-
Stable Value	1,389,124,783	9.6						
FRS Stable Value Fund	1,389,124,783	9.6	0.7 (69)	1.3 (74)	2.3 (68)	-	-	-
<i>ICE BofA US Treasuries 1-3 Year Index</i>			-0.6 (100)	1.0 (100)	0.1 (100)	-	-	-
Real Assets	177,634,113	1.2						
FRS Inflation Sensitive Fund	177,634,113	1.2	-1.1	0.9	-1.6	4.8	2.9	2.4
<i>FRS Custom Multi-Assets Index</i>			-1.4	0.2	-1.0	4.5	2.8	2.4
Fixed Income	532,609,512	3.7	-0.3 (13)	2.7 (23)	0.7 (16)	-2.5 (13)	1.5 (14)	2.1 (9)
<i>Total Bond Index</i>			-0.5 (23)	2.4 (48)	0.6 (18)	-2.8 (18)	1.2 (25)	1.9 (31)
FRS U.S. Bond Enhanced Index Fund	213,828,040	1.5	-0.8 (56)	2.4 (47)	-0.7 (56)	-3.9 (69)	0.8 (57)	1.6 (57)
<i>Blmbg. U.S. Aggregate</i>			-0.8 (66)	2.1 (74)	-0.9 (70)	-4.0 (71)	0.8 (62)	1.5 (68)
FRS Core Plus Bond Fund	318,781,472	2.2	-0.1 (14)	3.0 (28)	1.1 (21)	-2.2 (21)	1.7 (26)	2.5 (14)
<i>FRS Custom Core-Plus Fixed Income Index</i>			-0.4 (34)	2.6 (55)	1.0 (25)	-2.7 (33)	1.4 (44)	2.2 (38)



Asset Allocation & Performance

As of June 30, 2023

	Allocation		Performance %					
	Market Value \$	%	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
Domestic Equity	3,375,171,486	23.2	8.5 (23)	16.9 (23)	19.9 (25)	13.6 (49)	10.2 (37)	11.9 (25)
Total U.S. Equities Index			8.2 (29)	15.9 (29)	18.8 (34)	14.1 (40)	10.5 (33)	11.8 (27)
FRS U.S. Stock Market Index Fund	1,529,006,915	10.5	8.4 (25)	16.2 (28)	19.0 (32)	13.9 (43)	11.4 (19)	12.4 (15)
Russell 3000 Index			8.4 (25)	16.2 (28)	19.0 (32)	13.9 (43)	11.4 (20)	12.3 (16)
FRS U.S. Stock Fund	1,846,164,571	12.7	9.0 (17)	18.9 (17)	22.3 (16)	13.2 (52)	-	-
Russell 3000 Index			8.4 (25)	16.2 (28)	19.0 (32)	13.9 (43)	-	-
International/Global Equity	745,472,595	5.1	3.0 (39)	11.0 (37)	13.8 (46)	8.0 (41)	4.6 (28)	6.2 (18)
Total Foreign and Global Equities Index			2.8 (42)	9.7 (48)	13.0 (49)	7.8 (42)	4.0 (37)	5.5 (31)
FRS Foreign Stock Index Fund	265,066,844	1.8	2.6 (48)	10.0 (44)	12.7 (51)	7.7 (43)	3.7 (40)	5.3 (37)
MSCI All Country World ex-U.S. IMI Index			2.4 (52)	9.1 (53)	12.5 (53)	7.3 (46)	3.4 (46)	5.0 (46)
FRS Foreign Stock Fund	161,828,728	1.1	2.2 (56)	12.2 (26)	15.8 (36)	5.5 (62)	4.3 (34)	6.3 (17)
MSCI AC World ex USA Index (Net)			2.4 (51)	9.5 (50)	12.7 (51)	7.2 (48)	3.5 (43)	4.7 (52)
FRS Global Stock Fund	318,577,023	2.2	6.3 (28)	17.3 (20)	19.6 (22)	10.8 (39)	10.2 (9)	11.2 (6)
MSCI AC World Index (Net)			6.2 (29)	13.9 (34)	16.5 (37)	11.0 (37)	8.1 (30)	8.8 (34)
FRS Self-Dir Brokerage Acct	1,186,705,413	8.2						

The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Core Plus Bond 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.

AON

4

Asset Allocation & Performance

As of June 30, 2023

	Performance %									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FRS Investment Plan	-15.1	14.1	13.1	20.5	-5.7	16.4	8.0	-0.9	4.9	15.2
Total Plan Aggregate Benchmark	-13.8	14.2	11.7	20.0	-5.8	15.5	8.5	-1.3	4.9	14.6
Retirement Date										
FRS Retirement Fund	-11.8 (36)	9.6 (1)	10.2 (38)	14.8 (36)	-3.7 (69)	10.8 (24)	6.2 (18)	-2.6 (100)	4.4 (69)	3.5 (88)
Retirement Custom Index	-10.7 (12)	8.9 (9)	9.6 (61)	14.5 (40)	-3.8 (69)	10.4 (41)	6.2 (18)	-1.8 (87)	3.6 (85)	3.4 (88)
FRS 2020 Retirement Date Fund	-12.1 (7)	10.5 (10)	10.5 (69)	16.3 (67)	-4.4 (51)	14.0 (29)	7.4 (22)	-2.1 (100)	4.4 (100)	9.6 (98)
2020 Retirement Custom Index	-11.1 (4)	10.0 (22)	10.2 (72)	16.0 (73)	-4.5 (53)	13.3 (49)	7.1 (25)	-1.6 (85)	3.9 (100)	9.7 (98)
FRS 2025 Retirement Date Fund	-13.0 (14)	11.7 (14)	11.4 (72)	18.2 (75)	-5.2 (51)	16.1 (25)	8.0 (22)	-1.7 (79)	4.5 (100)	13.7 (77)
2025 Retirement Custom Index	-11.9 (6)	11.3 (24)	11.2 (74)	17.8 (82)	-5.3 (56)	15.5 (39)	7.6 (26)	-1.5 (72)	4.2 (100)	13.8 (76)
FRS 2030 Retirement Date Fund	-13.7 (15)	12.8 (29)	12.0 (76)	19.8 (80)	-6.0 (46)	18.0 (27)	8.5 (20)	-1.3 (60)	4.5 (96)	18.1 (64)
2030 Retirement Custom Index	-12.7 (7)	12.4 (40)	12.0 (76)	19.4 (82)	-6.0 (47)	17.3 (46)	8.0 (28)	-1.5 (63)	4.4 (96)	18.2 (64)
FRS 2035 Retirement Date Fund	-14.5 (8)	13.8 (66)	12.6 (85)	21.1 (81)	-6.7 (45)	19.8 (21)	9.1 (16)	-1.4 (54)	4.4 (100)	22.0 (58)
2035 Retirement Custom Index	-13.6 (3)	13.4 (72)	12.7 (84)	20.8 (87)	-6.8 (46)	18.9 (48)	8.3 (37)	-1.7 (62)	4.3 (100)	22.0 (58)
FRS 2040 Retirement Date Fund	-15.2 (9)	14.6 (80)	13.3 (77)	22.5 (77)	-7.5 (51)	20.9 (24)	9.2 (14)	-1.4 (49)	4.4 (96)	22.3 (58)
2040 Retirement Custom Index	-14.4 (5)	14.3 (85)	13.4 (75)	22.1 (82)	-7.5 (51)	20.4 (42)	8.6 (45)	-1.7 (65)	4.3 (96)	22.4 (58)
FRS 2045 Retirement Date Fund	-15.8 (12)	15.4 (90)	13.8 (77)	23.4 (81)	-8.0 (57)	21.5 (24)	9.4 (25)	-1.5 (52)	4.4 (100)	22.3 (70)
2045 Retirement Custom Index	-15.0 (9)	15.1 (91)	13.9 (75)	23.0 (87)	-8.0 (57)	21.2 (41)	8.9 (38)	-1.7 (64)	4.3 (100)	22.4 (70)
FRS 2050 Retirement Date Fund	-16.0 (11)	16.1 (88)	14.0 (75)	24.0 (82)	-8.4 (66)	21.6 (26)	9.5 (24)	-1.5 (61)	4.4 (95)	22.3 (66)
2050 Retirement Custom Index	-15.1 (4)	15.8 (94)	14.1 (72)	23.6 (83)	-8.4 (66)	21.3 (49)	8.9 (42)	-1.7 (66)	4.3 (96)	22.4 (66)
FRS 2055 Retirement Date Fund	-16.0 (12)	16.4 (86)	14.3 (69)	24.1 (88)	-8.4 (60)	21.5 (40)	9.3 (35)	-1.4 (53)	4.4 (100)	22.3 (86)
2055 Retirement Custom Index	-15.1 (2)	16.0 (92)	14.1 (79)	23.7 (90)	-8.4 (60)	21.3 (56)	8.9 (39)	-1.7 (64)	4.3 (100)	22.4 (85)
FRS 2060 Retirement Date Fund	-16.0 (7)	16.4 (80)	14.5 (78)	24.2 (-)	-8.3 (-)	-	-	-	-	-
2060 Retirement Custom Index	-15.1 (1)	16.0 (89)	14.1 (81)	23.7 (-)	-8.4 (-)	-	-	-	-	-

AON

5

Asset Allocation & Performance

As of June 30, 2023

	Performance %									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Stable Value										
FRS Stable Value Fund	1.8 (60)	-	-	-	-	-	-	-	-	-
<i>ICE BofA US Treasuries 1-3 Year Index</i>	-3.6 (97)	-	-	-	-	-	-	-	-	-
Real Assets										
FRS Inflation Sensitive Fund	-7.7	12.8	4.0	13.0	-5.5	8.1	6.0	-7.9	3.2	-9.1
<i>FRS Custom Multi-Assets Index</i>	-5.9	11.5	2.3	13.0	-5.5	8.1	6.2	-5.0	1.8	-8.9
Fixed Income	-12.4 (16)	-0.3 (15)	8.0 (55)	9.8 (22)	-0.1 (36)	4.4 (22)	4.7 (12)	0.3 (59)	4.7 (77)	-1.1 (24)
<i>Total Bond Index</i>	-11.9 (13)	-0.7 (27)	7.2 (84)	9.2 (47)	-0.1 (30)	3.9 (42)	4.3 (18)	0.1 (72)	4.9 (76)	-1.2 (25)
FRS U.S. Bond Enhanced Index Fund	-13.1 (34)	-1.7 (68)	7.8 (63)	8.7 (61)	0.0 (23)	3.6 (58)	2.7 (66)	0.7 (26)	6.2 (29)	-2.0 (63)
<i>Blmbg. U.S. Aggregate</i>	-13.0 (30)	-1.5 (62)	7.5 (72)	8.7 (61)	0.0 (24)	3.5 (63)	2.6 (66)	0.5 (37)	6.0 (39)	-2.0 (66)
FRS Core Plus Bond Fund	-13.2 (47)	-0.1 (22)	8.6 (55)	11.0 (18)	-0.5 (40)	5.3 (28)	5.7 (15)	0.1 (47)	4.6 (73)	0.8 (14)
<i>FRS Custom Core-Plus Fixed Income Index</i>	-12.5 (23)	-0.3 (31)	7.6 (75)	10.0 (41)	-0.4 (36)	4.2 (69)	4.9 (33)	0.2 (43)	5.1 (50)	0.8 (14)
Domestic Equity	-20.4 (69)	24.6 (57)	20.0 (35)	30.1 (38)	-6.5 (49)	20.8 (49)	13.7 (30)	0.7 (32)	11.5 (47)	35.2 (43)
<i>Total U.S. Equities Index</i>	-19.1 (62)	25.9 (44)	18.9 (38)	30.0 (38)	-6.5 (49)	19.6 (57)	14.9 (23)	-0.5 (42)	11.1 (51)	34.0 (52)
FRS U.S. Stock Market Index Fund	-19.2 (63)	25.7 (46)	21.0 (31)	31.1 (28)	-5.2 (36)	21.2 (43)	12.9 (35)	0.6 (32)	12.6 (31)	33.6 (56)
<i>Russell 3000 Index</i>	-19.2 (63)	25.7 (46)	20.9 (31)	31.0 (28)	-5.2 (36)	21.1 (46)	12.7 (37)	0.5 (33)	12.6 (33)	33.6 (56)
FRS U.S. Stock Fund	-22.4 (76)	22.9 (65)	-	-	-	-	-	-	-	-
<i>Russell 3000 Index</i>	-19.2 (63)	25.7 (46)	-	-	-	-	-	-	-	-

AON

6

Asset Allocation & Performance

As of June 30, 2023

	Performance %									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
International/Global Equity	-18.2 (54)	9.5 (49)	15.2 (40)	23.7 (38)	-13.5 (32)	28.6 (49)	4.5 (44)	-2.6 (47)	-3.2 (43)	21.6 (36)
<i>Total Foreign and Global Equities Index</i>	-16.8 (46)	9.8 (47)	11.7 (51)	22.3 (47)	-14.0 (39)	27.3 (58)	4.9 (41)	-4.4 (54)	-3.0 (42)	20.6 (41)
FRS Foreign Stock Index Fund	-16.6 (45)	8.6 (53)	11.5 (51)	22.3 (47)	-14.7 (45)	28.3 (51)	5.3 (38)	-4.4 (54)	-4.5 (57)	20.5 (42)
<i>MSCI All Country World ex-U.S. IMI Index</i>	-16.6 (45)	8.5 (53)	11.1 (53)	21.6 (53)	-14.8 (47)	27.8 (54)	4.4 (44)	-4.6 (55)	-4.2 (53)	21.0 (39)
FRS Foreign Stock Fund	-22.7 (74)	2.8 (71)	25.3 (17)	27.4 (21)	-14.9 (49)	31.2 (40)	1.0 (68)	-0.5 (36)	-2.3 (35)	20.6 (41)
<i>MSCI AC World ex USA Index (Net)</i>	-16.0 (42)	7.8 (56)	10.7 (55)	21.5 (54)	-14.2 (41)	27.2 (59)	4.5 (43)	-5.7 (59)	-3.9 (48)	15.3 (56)
FRS Global Stock Fund	-25.6 (70)	18.1 (45)	33.8 (23)	30.5 (25)	-5.6 (21)	29.3 (18)	2.2 (84)	5.6 (12)	3.7 (53)	27.1 (43)
<i>MSCI AC World Index (Net)</i>	-18.4 (49)	18.5 (40)	16.3 (45)	26.6 (47)	-9.4 (52)	24.0 (41)	7.9 (47)	-2.4 (57)	4.2 (47)	22.8 (66)

The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Core Plus Bond Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

AON

7

Asset Allocation - FRS Investment Plan

As of June 30, 2023

Asset Allocation as of 6/30/2023								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Stable Value	Brokerage	Total	% of Total
FRS Retirement Fund	90,078,161	82,724,841	200,990,726	238,982,875			612,776,602	4.2%
FRS 2020 Retirement Date Fund	88,795,199	82,182,791	137,915,947	163,420,951			472,314,889	3.3%
FRS 2025 Retirement Date Fund	223,427,604	206,378,911	238,681,697	228,811,402			897,299,614	6.2%
FRS 2030 Retirement Date Fund	284,847,691	262,135,583	219,550,380	179,804,190			946,337,844	6.5%
FRS 2035 Retirement Date Fund	323,536,175	298,215,953	184,743,845	131,290,042			937,786,016	6.5%
FRS 2040 Retirement Date Fund	339,541,182	313,151,971	138,983,178	87,964,037			879,640,367	6.1%
FRS 2045 Retirement Date Fund	373,576,168	344,839,540	105,068,297	74,535,630			898,019,635	6.2%
FRS 2050 Retirement Date Fund	273,627,161	252,190,932	50,438,186	54,221,050			630,477,330	4.3%
FRS 2055 Retirement Date Fund	205,137,312	189,176,972	34,267,789	40,839,694			469,421,767	3.2%
FRS 2060 Retirement Date Fund	163,503,122	150,782,055	27,312,878	32,550,965			374,149,020	2.6%
Total Retirement Date Funds	\$ 2,366,069,775	\$ 2,181,779,549	\$ 1,337,952,924	\$ 1,232,420,836	\$ -	\$ -	\$ 7,118,223,084	49.0%
FRS Stable Value Fund					1,389,124,783		1,389,124,783	9.6%
Total Stable Value	\$ -	\$ -	\$ -	\$ -	\$ 1,389,124,783	\$ -	\$ 1,389,124,783	9.6%
FRS Inflation Sensitive Fund				177,634,113	-		177,634,113	1.2%
Total Real Assets	\$ -	\$ -	\$ -	\$ 177,634,113	\$ -	\$ -	\$ 177,634,113	1.2%
FRS U.S. Bond Enhanced Index Fund			213,828,040				213,828,040	1.5%
FRS Core Plus Bond Fund			318,781,472				318,781,472	2.2%
Total Fixed Income	\$ -	\$ -	\$ 532,609,512	\$ -	\$ -	\$ -	\$ 532,609,512	3.7%
FRS U.S. Stock Market Index Fund	1,529,006,915						1,529,006,915	10.5%
FRS U.S. Stock Fund	1,846,164,571						1,846,164,571	12.7%
Total Domestic Equity	\$ 3,375,171,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,375,171,486	23.2%
FRS Foreign Stock Index Fund		265,066,844					265,066,844	1.8%
FRS Global Stock Fund		318,577,023					318,577,023	2.2%
FRS Foreign Stock Fund		161,828,728					161,828,728	1.1%
Total International/Global Equity	\$ -	\$ 745,472,595	\$ -	\$ -	\$ -	\$ -	\$ 745,472,595	5.1%
FRS Self-Dir Brokerage Acct						1,186,705,413	1,186,705,413	8.2%
Total Self-Dir Brokerage Acct						\$ 1,186,705,413	\$ 1,186,705,413	8.2%
Total Portfolio	\$ 5,741,241,261	\$ 2,927,252,143	\$ 1,870,562,437	\$ 1,410,054,949	\$ 1,389,124,783	\$ 1,186,705,413	\$ 14,524,940,986	100.0%
Percent of Total	39.5%	20.2%	12.9%	9.7%	9.6%	8.2%	100.0%	

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund and Core Plus Bond Fund use pre hire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

AON

Investment advice and consulting services provided by Aon Investments USA Inc.

8

Multi Time Period Statistics

As of June 30, 2023

	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	7.67	12.74	0.54	0.70	0.00	102.32	103.67
FRS Retirement Fund	4.11	9.39	0.34	0.60	0.44	102.81	101.45
FRS 2020 Retirement Date Fund	4.83	9.86	0.40	0.68	-0.01	99.04	98.67
FRS 2025 Retirement Date Fund	5.82	10.89	0.46	0.75	-0.23	98.37	98.93
FRS 2030 Retirement Date Fund	6.86	11.99	0.51	0.75	-0.14	99.31	99.72
FRS 2035 Retirement Date Fund	7.69	12.98	0.54	0.76	-0.12	99.83	100.35
FRS 2040 Retirement Date Fund	8.48	13.95	0.56	0.79	-0.06	100.26	100.70
FRS 2045 Retirement Date Fund	9.14	14.82	0.58	0.84	-0.03	101.05	101.82
FRS 2050 Retirement Date Fund	9.70	15.30	0.60	0.87	0.00	101.16	101.87
FRS 2055 Retirement Date Fund	9.94	15.55	0.61	0.93	0.17	102.36	102.91
FRS 2060 Retirement Date Fund	9.97	15.54	0.61	0.93	0.20	102.39	102.80
FRS Stable Value Fund	-	-	-	-	-	-	-
FRS Inflation Sensitive Fund	4.84	8.74	0.43	1.05	0.27	100.71	98.07
FRS U.S. Bond Enhanced Index Fund	-3.90	6.28	-0.81	0.25	0.31	103.00	101.10
FRS Core Plus Bond Fund	-2.20	6.34	-0.52	0.80	0.59	105.74	99.15
FRS U.S. Stock Market Index Fund	13.92	18.46	0.73	0.02	1.28	100.07	99.98
FRS U.S. Stock Fund	13.22	19.59	0.67	2.63	-0.15	101.56	104.70
FRS Foreign Stock Index Fund	7.68	17.91	0.43	2.14	0.21	105.56	105.67
FRS Global Stock Fund	10.77	20.05	0.55	-	-	-	-
FRS Foreign Stock Fund	5.47	19.05	0.31	-	-	-	-

The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Core Plus Bond Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

AON

9

Multi Time Period Statistics

As of June 30, 2023

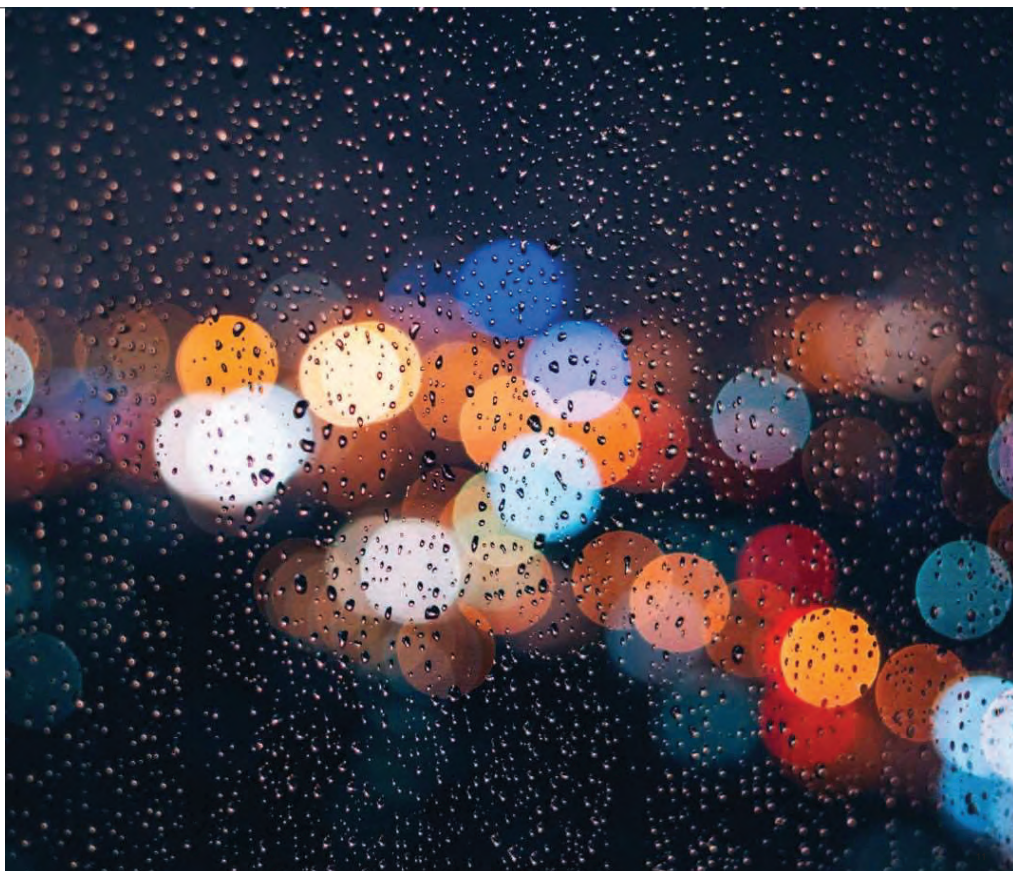
	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio	5 Years Up Market Capture	5 Years Down Market Capture
FRS Investment Plan	6.15	13.30	0.40	0.67	0.21	102.76	103.07
FRS Retirement Fund	4.29	9.03	0.34	0.55	0.27	102.56	102.19
FRS 2020 Retirement Date Fund	4.64	9.87	0.35	0.60	-0.01	100.00	100.04
FRS 2025 Retirement Date Fund	5.17	11.12	0.37	0.65	-0.14	99.41	99.87
FRS 2030 Retirement Date Fund	5.67	12.38	0.38	0.65	-0.11	99.77	100.20
FRS 2035 Retirement Date Fund	6.06	13.49	0.39	0.67	-0.10	99.99	100.45
FRS 2040 Retirement Date Fund	6.43	14.57	0.39	0.69	-0.07	100.22	100.60
FRS 2045 Retirement Date Fund	6.71	15.48	0.40	0.72	-0.03	100.69	101.13
FRS 2050 Retirement Date Fund	6.95	16.03	0.40	0.75	0.00	100.72	101.06
FRS 2055 Retirement Date Fund	7.11	16.23	0.41	0.79	0.17	101.64	101.65
FRS 2060 Retirement Date Fund	7.16	16.23	0.41	-	-	-	-
FRS Stable Value Fund	-	-	-	-	-	-	-
FRS Inflation Sensitive Fund	2.94	9.37	0.19	1.07	0.14	102.04	101.18
FRS U.S. Bond Enhanced Index Fund	0.83	5.56	-0.10	0.22	0.29	102.30	101.62
FRS Core Plus Bond Fund	1.67	6.05	0.05	1.37	0.24	109.20	106.36
FRS U.S. Stock Market Index Fund	11.44	19.38	0.58	0.04	1.08	100.14	100.00
FRS U.S. Stock Fund	-	-	-	-	-	-	-
FRS Foreign Stock Index Fund	3.72	18.22	0.21	1.80	0.23	104.21	103.27
FRS Global Stock Fund	10.16	19.62	0.51	-	-	-	-
FRS Foreign Stock Fund	4.29	19.16	0.23	-	-	-	-



The returns for the Retirement Date Funds, Inflation Sensitive Fund, and Core Plus Bond Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

10

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 Custom Core-Plus Fixed Income 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 Core Plus Bond 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-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.

The information contained herein is confidential and proprietary and provided for informational purposes only. It is not complete and does not contain certain material information about making investments in securities including important disclosures and risk factors. All securities transactions involve substantial risk of loss. Under no circumstances does the information in this report represent a recommendation to buy or sell stocks, limited partnership interests, or other investment instruments.

The data contained in these reports is compiled from statements provided by custodian(s), record-keeper(s), and/or other third-party data provider(s). This document is not intended to provide, and shall not be relied upon for, accounting and legal or tax advice. Aon Investments has not conducted additional audits and cannot warrant its accuracy or completeness. We urge you to carefully review all custodial statements and notify Aon Investments with any issues or questions you may have with respect to investment performance or any other matter set forth herein.

The mutual fund information found in this report is provided by Thomson Reuters Lipper and Aon Investments cannot warrant its accuracy or timeliness. Thomson Reuters Lipper Global Data Feed provides comprehensive coverage of mutual fund information directly to Investment Metrics, Aon Investments' performance reporting vendor, via the PARis performance reporting platform. Thomson Reuters Lipper is the data provider chosen by Investment Metrics, and as such, Aon Investments has no direct relationship with Thomson Reuters Lipper.

Refer to Hedge Fund Research, Inc. www.hedgefundresearch.com for information on HFR indices.

FTSE International Limited ("FTSE") © FTSE 2017. "FTSE®" and "FTSE4Good®" are trademarks of the London Stock Exchange Group companies and are used by FTSE International Limited under license. The FTSE indices are calculated by FTSE International Limited in conjunction with Indonesia Stock Exchange, Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., Singapore Exchange Securities Trading Limited and the Stock Exchange of Thailand (the "Exchanges"). All intellectual property rights in the FTSE/ASEAN Index vest in FTSE and the Exchanges. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Aon Investments USA Inc. ("Aon Investments") is a federally registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). Aon Investments is also registered with the Commodity Futures Trade Commission as a commodity pool operator and a commodity trading advisor, and is a member of the National Futures Association. The Aon Investments ADV Form Part 2A disclosure statement is available upon written request to:

Aon Investments USA Inc.
200 East Randolph Street
Suite 700
Chicago, IL 60601
ATTN: Aon Investments Compliance Officer



Dear Governor DeSantis, Attorney General Moody and CFO Patronis:

On September 19, 2023, I chaired the meeting of the State Board of Administration's (SBA's) Investment Advisory Council (IAC). I have been nominated by the IAC to communicate our recommendation that we provide incentive compensation for the Interim Executive Director and Chief Investment Officer (Interim ED&CIO). This is based upon our assessment of performance and the fact that the current ineligibility for performance compensation by an "interim" CIO did not contemplate such an extended period in an interim role.

During the IAC's September 19th meeting, Vinny Olmstead, the Chair of the IAC's Compensation Subcommittee, reported that on September 12, 2023, the Subcommittee discussed its evaluation of the SBA's Interim ED&CIO, Lamar Taylor, who has fully performed the duties of ED&CIO, albeit with an interim status. Vinny further reported that the Subcommittee's overall evaluation of 3.5 out of 4.0 reflected solid performance for Mr. Taylor over the last fiscal year in each of the areas of (a) overall mission, (b) people, (c) efficiencies/infrastructure/operations, and (d) interaction with committees. The Subcommittee's evaluation of Mr. Taylor, along with Mr. Taylor's self-assessment, are included in the materials for the Subcommittee's public meeting and are located on the SBA's website here: [September 12, 2023 IAC Compensation Subcommittee Meeting Materials.pdf \(sbafla.com\)](https://sbafla.com/September12,2023IACCompensationSubcommitteeMeetingMaterials.pdf)

Vinny also reported that the Subcommittee recommended that given the length of Mr. Taylor's tenure as the Interim ED&CIO, and his performance during that period of time, he should be awarded incentive compensation which has historically been associated with these duties. Furthermore, prior to Mr. Taylor's appointment to the role of Interim ED&CIO, he was in a role that was eligible for incentive compensation. However, currently, only a permanent ED&CIO is eligible for incentive compensation pursuant to the incentive compensation plan applicable to Mr. Taylor, and it would require an amendment by the Trustees to include the role of Interim ED&CIO as an incentive eligible position.

Upon hearing Vinny's report, the full IAC discussed the matter and unanimously agreed that given Mr. Taylor's performance since his appointment and given the length of his tenure in the Interim ED&CIO role, he should be awarded incentive compensation for at least the most recently concluded performance period, if not the last two performance periods.

As you know, 85% of incentive plan award is quantitative and based on fund performance. As such, a decision to include the position of Interim Executive Director in the plan will drive a compensation payout that is largely formulaic and non-discretionary. However, 15% of the incentive compensation is awarded based on whether the incumbent's performance is viewed as below, meeting or exceeding expectations. I would note for the Trustee's consideration on this aspect of the plan, that Mr. Taylor's performance as evaluated by the Compensation Subcommittee exceeded expectations as indicated above. It is worth noting that incentive performance is based on underlying pay so a package with incentive for Lamar is still less than the likely amount for a permanent appointment.

Please feel free to reach out to me if you have any questions, or if I can be of any further assistance. I am generally reachable on my cell phone 203-228-2583 or email Goetz@Pzena.com. Thank you for your consideration.

John Goetz
Chairman, IAC

This Page Intentionally Left Blank

**AMENDED AND RESTATED
STATE BOARD OF ADMINISTRATION
OF FLORIDA**

INCENTIVE COMPENSATION PLAN

FOR THE EXECUTIVE DIRECTOR

(AMENDED AND RESTATED EFFECTIVE AS OF JULY 1, 2021)

**STATE BOARD OF ADMINISTRATION
OF FLORIDA
INCENTIVE COMPENSATION PLAN
FOR THE EXECUTIVE DIRECTOR**

TABLE OF CONTENTS

	<u>Page</u>
Article 1. Establishment, Objectives, and Effective Date	1
Article 2. Definitions.....	1
Article 3. Administration	4
Article 4. Eligibility and Participation	4
Article 5. Incentive Opportunity	5
Article 6. Determination and Payment of Incentive Awards	6
Article 7. Termination of Employment.....	8
Article 8. Rights of Employees	9
Article 9. Amendment, Modification, and Termination	9
Article 10. Legal Status.....	9
Article 11. Funding	10
Article 12. Withholding	10
Article 13. Successors	10
Article 14. Legal Construction.....	10

WHEREAS, the State Board of Administration of Florida Incentive Compensation Plan for the Executive Director & CIO (the “Plan”) was established on June 23, 2015 and was effective as of July 1, 2015;

WHEREAS, the objectives of the Plan are to promote the financial success of the Florida Retirement System Trust Fund (the “Trust Fund”) by implementing a performance-based incentive plan that will align participant rewards with stakeholder goals and interests, motivate and reward the Participant for the achievement of the Trust Fund’s financial objectives and other State Board of Administration (the “SBA”) objectives and assist in attracting and retaining the participant by increasing the SBA’s competitive position to be more comparable to the outside market;

WHEREAS, there is a desire to amend the Plan, effective as of July 1, 2021, to modify Section 2.9 expanding the definition of “Executive Director” thereby allowing any such person covered by this term to be a participant in and receive performance-based incentives under the Plan and to remove the Plan provisions requiring the delayed payment of lump sum payments and deferred payments if the Trust Fund has a negative return on an absolute basis for certain fiscal years; and

WHEREAS, it is intended that after these Plan amendments, all incentive awards will continue to be paid in the calendar year in which such awards are no longer subject to a “substantial risk of forfeiture” and, accordingly, such incentive awards will remain exempt from Internal Revenue Code sections 409A and 457(f) under the short-term deferral exemption;

NOW THEREFORE, the Plan is hereby amended to read as follows:

Article 1. Establishment, Objectives, and Effective Date

1.1 Establishment of Plan. The State Board of Administration of Florida (“SBA”) establishes this incentive compensation plan to be known as the “State Board of Administration of Florida Incentive Compensation Plan for the Executive Director & CIO” (the “Plan”) on June 23, 2015.

1.2 Objectives of the Plan. The objectives of the Plan are to promote the financial success of the Florida Retirement System Trust Fund (the “Trust Fund”) by implementing a performance-based incentive plan that will align Participant rewards with stakeholder goals and interests, motivate and reward the Participant for the achievement of the Trust Fund’s financial objectives and other SBA objectives and assist in attracting and retaining the Participant by increasing the SBA’s competitive position to be more comparable to the outside market.

1.3 Effective Date. The Plan is hereby effective as of July 1, 2015, is amended and restated as of July 1, 2021, and shall remain in effect, subject to amendment or termination as provided herein.

Article 2. Definitions

Whenever used in the Plan, the following capitalized terms shall have the meanings set forth below:

2.1 “Active Risk Compliance Exception” shall mean incurring active risk equal to or in excess of the Total Fund Trust Fund escalation standard as set forth in the Trust Fund IPS, SBA Policy 10-060,, as amended from time to time, measured over the Performance Period.

2.2 “Board” shall mean the Board of Trustees of SBA.

2.3 “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.4 “Deferred Award” shall mean the portion of an Incentive Award that is deferred and remains subject to a substantial risk of forfeiture until paid in accordance with Section 6.3.

2.5 “Disabling Conduct” shall mean:

(a) The Participant is convicted of a felony or has engaged in a dishonest act, misappropriation of funds, embezzlement, criminal conduct or common law fraud; or

(b) The Participant has engaged in any willful act or violation of SBA Policy that materially damages or materially prejudices the SBA or the Trust Fund or has engaged in conduct or activities materially damaging to the property, business or reputation of the SBA.

2.6 “Disability” shall mean a Participant (a) is unable to fulfill the duties of the position of Executive Director by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant's employer. The date of Disability shall be determined by the Board upon receipt of proof or evidence of Disability.

2.7 “Effective Date” shall mean July 1, 2015.

2.8 “Eligible Position” shall mean the Executive Director of the SBA.

2.9 “Executive Director” shall mean an Executive Director, Interim Executive Director, Executive Director & CIO, an Interim Executive Director & CIO, or any other person who functionally serves as the Executive Director as described in Section 215.441, Fla. Stat., notwithstanding his or her formal title.

2.10 “Incentive Award” shall mean all or a portion of the Incentive Opportunity earned by and granted to the Participant based on the achievement of Organizational Financial Performance and, Individual Performance as determined in accordance with Article 6.

2.11 “Incentive Opportunity” shall mean an incentive award opportunity granted to the Participant and contingent upon the achievement of designated Organizational Financial Performance and, potentially, Individual Performance and the Participant’s continued services to the SBA.

2.12 “Individual Performance” shall mean performance that is measured by qualitative factors and/or individual financial or individual quantitative factors.

2.13 “Organizational Financial Performance” shall mean performance that is measured by financial and quantitative performance and attributable to the SBA as an organization and which must include performance at or in excess of the Trust Fund Value Added Threshold (as defined herein) consistent with the conditions precedent set forth in Section 5.1 of this Plan.

2.14 “Participant” shall mean an employee in the Eligible Position.

2.15 “Payment Determination Date” shall mean the date on which the SBA’s independent external auditor or independent external consultant verifies the SBA’s calculation of the portion of the Incentive Award attributable to Organizational Financial Performance and/or the portion of the Incentive Award attributable to Individual Performance. The SBA’s calculation of Organizational Financial Performance shall be (A) based on the asset valuations presented in the Trust Fund’s financial statements presented in accordance with U.S. GAAP and audited by an independent and nationally recognized auditing firm in good standing and (B) supported by an annual letter from the officer of the Master Custodian who is responsible for the Master Custodian’s performance analytics affiliate or unit (or successor performance analytics provider) that reports the relevant performance metrics for the Performance Period. For the avoidance of doubt, in any Plan Year, there could be different Payment Determination Dates for the portion of the Incentive Award attributable to Organizational Financial Performance and for the portion of the Incentive Award attributable to Individual Performance.

2.16 “Performance Period” shall mean, for each Plan Year, (i) for determining Organizational Financial Performance, the most recent rolling three-year period for Trust Fund investment performance that begins on July 1 and ends on June 30; provided, however, for Plan Years ending 2016 and 2017, a shorter Performance Period will be the most recent one-year period and the most recent rolling two-year period, respectively, and (ii) for the Individual Performance, performance that begins on July 1 and ends on June 30

of every Plan Year, each subject to the provisions of Section 4.2 hereof; provided, however, in the event the Participant is newly hired from outside the SBA or promoted or transferred from within the SBA into the Eligible Position during a Plan Year, then the Performance Period for that Participant shall begin on the later of (A) the first day of the quarter following the date the Participant began employment in the Eligible Position and (B) the applicable dates in (i) and (ii) above.

2.17 “Plan” shall mean this State Board of Administration of Florida Incentive Compensation Plan for the Executive Director, as it may be amended from time to time.

2.18 “Plan Year” shall mean the SBA’s fiscal year (i.e. July 1 – June 30).

2.19 “Retirement Eligible” shall mean the Participant’s attainment of age 65.

2.20 “Salary” shall mean the actual gross base salary of the Participant as of the later of the beginning date of the Plan Year or the beginning date of the Participant’s employment in the Eligible Position. For the avoidance of doubt, Salary excludes all incentive, bonus, health insurance premiums, retirement contributions or other compensation and other payments and reimbursements made to or on behalf of the Participant by the SBA.

2.21 “SBAA Trust Fund” shall mean the State Board of Administration Administrative Expense Trust Fund.

2.22 “Trust Fund IPS” shall mean the Florida Retirement System Defined Benefit Investment Policy Statement approved by the Trustees from time to time, pursuant to section 215.475, Fla. Stat.

2.23 “Trust Fund Value Added Threshold” shall mean the investment performance of the Trust Fund, determined and calculated pursuant to SBA Policies 10-062 and 20-511 and using final numbers and asset values derived from the Trust Fund’s annual financial statements that are audited by the SBA’s independent external auditors, that exceeds the return on the Trust Fund’s total fund benchmark, determined and calculated with reference to the Target Portfolio as defined and described in the Trust Fund IPS by 5 basis points.

Article 3. Administration

3.1 Administrative Authority. Except as limited by law or by governing statutes, investment policy statements or other policies applicable to the SBA and/or the Trust Fund, and subject to the provisions herein, the Board shall have full power to interpret and administer the Plan, including to: (a) approve the size of Incentive Opportunity, Organizational Financial Performance (and categories and weightings thereof and thereunder), Individual Performance (and categories and weightings thereof and thereunder), each as may be modified in the Appendix from time to time; and the specific Incentive Award attributable only to Individual Performance ; (b) determine the terms and conditions of Incentive Awards in a manner consistent with the Plan; (c) construe and interpret the Plan and any Incentive Award or any agreement or instrument entered into

under the Plan; (d) establish, amend, or waive rules and regulations for the Plan's administration and processes in a manner consistent with the Plan; and (e) amend the terms and conditions of any outstanding Incentive Award attributable solely to Individual Performance.

3.2 Decisions Binding. All determinations and decisions made by the Board pursuant to the provisions of the Plan and all related instructions and resolutions of the Board shall be final, conclusive, and binding on the Participant and his or her estate and beneficiaries.

Article 4. Eligibility and Participation

4.1 Eligibility. Except as provided in Section 4.2 below, the Participant shall be eligible to participate in the Plan if the Participant is employed in the Eligible Position on any day during the Plan Year.

4.2 Mid-Cycle Hires and Promotions. A Participant who begins employment in the Eligible Position during a Plan Year will be entitled to receive a portion of the Incentive Award pro-rated as follows: (i) if the Executive Director begins employment in the Eligible Position on or after July 1 but no later than October 1, then the Executive Director will become a Participant on October 1, and the Participant's award opportunity will be prorated to 75% of the Incentive Opportunity for such Plan Year; (ii) if the Executive Director begins employment in the Eligible Position on or after October 1 but no later than January 1, then the Executive Director will become a Participant on January 1, and the Participant's award opportunity will be prorated to 50% of the Incentive Opportunity for such Plan Year; (iii) if the Executive Director begins employment in the Eligible Position on or after January 1 but no later than April 1, the Executive Director will become a Participant on April 1, and the Participant's award opportunity will be prorated to 25% of the Incentive Opportunity for such Plan Year; (iv) if the Executive Director begins employment in the Eligible Position after April 1 of a Plan Year, he/she will not become a Participant until the beginning of the next Plan Year (assuming he or she is employed in the Eligible Position on July 1 of such next Plan Year); and (v) if the Participant leaves the Eligible Position during a Plan Year and begins employment with the SBA in a position not covered by this Plan, the Participant's Incentive Opportunity for the partial Plan Year will be prorated based on the number of completed calendar quarters worked in the Eligible Position during that Plan Year. For the avoidance of doubt, if the Participant was promoted from an SBA position that participates in any SBA incentive plan other than this Plan (the "Other Position") into the Eligible Position, the Participant shall be entitled to participate in and receive any incentive award that may be granted to the Participant during the time he or she was employed by the SBA in the Other Position, in accordance with the terms of such other award.

Article 5. Incentive Opportunity

5.1 Initial Trigger of Incentive Opportunity. Notwithstanding any other provision of this Plan or any other component of Organizational Financial Performance or Individual Performance, the Participant will not be entitled to any Incentive Award for a Plan Year unless the SBA during the Performance Period applicable to Organizational Financial Performance (i) meets or exceeds the Trust Fund Value Added Threshold and (ii) did not have an Active Risk Compliance Exception.

5.2 Assignment of Incentive Opportunity. The Eligible Position will be assigned an Incentive Opportunity expressed as a percentage of the Participant's Salary for achieving Organizational Financial Performance and Individual Performance for the Performance Period. Incentive Awards are capped at the maximum Incentive Opportunity. A range will be established for both Organizational Financial Performance and Individual Performance from a threshold to target level and from target to a maximum level for outstanding performance, and performance levels for Organizational Financial Performance that fall between ranges will be interpolated, mathematically, with no discretion by the Board. For the avoidance of doubt, as long as the conditions precedent in Section 5.1 are satisfied, the Incentive Award for Organizational Financial Performance will be calculated mathematically and will not be subject to the discretion or approval of the Board. Performance (whether Organizational Financial Performance or Individual Performance) below the threshold will earn no incentive. Performance (whether Organizational Financial Performance or Individual Performance) exceeding maximum level for each category thereunder will not earn additional Incentive Awards.

5.3 Organizational Financial Performance and Individual Performance. Prior to the start of the applicable Plan Year, the Board shall establish and set forth in an Appendix to the Plan for the upcoming Plan Year, as may be revised from time to time, which Appendix shall be attached hereto and incorporated by reference herein, the Organizational Financial Performance, the Individual Performance and certain established categories thereof, and the weightings of each of the Organizational Financial Performance, Individual Performance and any established categories thereunder. In the event the Board does not establish or revise the Appendix prior to the start of the Plan Year, the then effective Appendix shall be deemed to be re-established and re-adopted for the upcoming Plan Year.

5.4 No Adjustments. Once established, Organizational Financial Performance, Individual Performance, the established categories thereunder and their respective weightings shall remain in effect for the applicable Plan Year, except as provided in Section 4.2. For the avoidance of doubt, if any measure under Organizational Financial Performance, Individual Performance or any established category thereunder is established as a benchmark for a Plan Year, then the measure shall be based on the asset benchmarks set forth in the Trust Fund IPS for each such relevant time period.

Article 6. Determination and Payment of Incentive Awards

6.1 Value of Incentive Awards. Subject to the terms and conditions of the Plan,

the value of the Participant's Incentive Award is based upon (i) the achievement of the Organizational Financial Performance as calculated in Section 5.2 hereof, and (ii) the Board's determination of the Individual Performance based upon the criteria in the Appendix. Actual payment of any Incentive Award is contingent upon the Participant's continued employment with the SBA through the date such Incentive Award is paid, except as provided in Article 7. Except as provided in Article 7, a Participant whose employment terminates before such payment date will not be entitled to an Incentive Award.

6.2 Entitlement; Approval and Payment. The Participant shall be entitled to receive that portion of the Incentive Award that is attributable to Organizational Financial Performance as set forth in Section 5.2 hereof. The Board shall determine and approve the portion of the Incentive Award attributable to Individual Performance for the Participant. Incentive Awards (consisting of Organizational Financial Performance and the Individual Performance determined and approved by the Board) shall be paid as follows, except as otherwise set forth below: 50% of the Incentive Award will be paid to the Participant in a lump sum as soon as practicable following the Payment Determination Date, but in no event later than December 31 of that calendar year (the "Lump Sum"), and 50% of the Incentive Award will be treated as a "Deferred Award" subject to the terms of Section 6.3. For the avoidance of doubt, if the Board does not make a determination and approve the portion of the Incentive Award attributable to Individual Performance, such inaction shall not have any effect on the Payment Determination Date for the portion of the Incentive Award attributable to Organizational Financial Performance, subject to Section 7.3; provided, however, no Lump Sum payment attributable to Individual Performance shall be made after December 31 of such calendar year.

6.3 Deferred Awards and Other Provisions.

(a) Deferred Awards will be credited to a hypothetical account ("Deferred Award Account") on the SBAA Trust Fund's books in the Participant's name as of the date that the corresponding Lump Sum is paid to the Participant. A separate Deferred Award Account (or sub-account thereof) will be established with respect to each Performance Period for which an Incentive Award is calculated. No amounts will be set aside in trust or otherwise removed from the reach of the SBA and the SBAA Trust Fund's creditors. Participants will be unsecured creditors of the SBA with respect to such amounts (and any earnings on those amounts) until actually paid.

(b) The Deferred Award Accounts will be credited monthly as of the last day of each month with an amount equal to total return otherwise earned by the SBAA Trust Fund for such Performance Period. The Deferred Award Account balance will earn the same return as the other funds in the SBAA Trust Fund and consistent with the investment guidelines for the SBAA Trust Fund. The Board may in its discretion determine an alternate return measure for Deferred Award Account balances effective for future Plan Years.

(c) The Deferred Award credited to the Participant as of the first anniversary of the Payment Determination Date on which the Deferred Award was earned, plus any unpaid earnings thereon, will be paid in a lump sum to the Participant as soon as practicable

following such first anniversary date, but in no event later than December 31 of that calendar year; provided, however, that the Participant must be employed by the SBA at the time such award is paid.

(d) Participants forfeit all Deferred Award Accounts upon termination of employment with SBA for any reason, other than for death or Disability. In the case of termination upon death or Disability the balance of the Participant's Deferred Awards shall be paid to the Participant (or in the event of death, his or her estate) as soon as practicable following the date of such termination event (i.e. the date of death or Disability), but in no event later than December 31 of the calendar year containing that date.

6.4 One-Time Vesting and Payment Upon Becoming Retirement Eligible. Notwithstanding anything to the contrary and subject to Section 7.3, upon the date the Participant becomes Retirement Eligible (the "Retirement Eligible Date") while employed in the Eligible Position and regardless of whether the Participant actually retires, the balance of the Participant's Deferred Awards shall be paid to the Participant as soon as practicable following the Retirement Eligible Date, but in no event later than December 31 of the calendar year containing that date. For the avoidance of doubt, the accelerated vesting and payment provided under this Section 6.4 shall only apply, if at all, to the Participant one time and does not apply if the Participant is or becomes Retirement Eligible prior to, or during, his or her first Plan Year of participation in the Plan.

Article 7. Termination of Employment

7.1 Termination of Employment Due to Death or Disability. In the event that a Participant terminates employment due to death or Disability, the Participant (or, in the event of death, the Participant's estate) shall be entitled to the payout of the Incentive Award for the Plan Year in which termination occurred based on the SBA's achievement of Organizational Financial Performance for such Plan Year. Any earned Incentive Award shall be calculated prorata based upon the Participant's Salary paid for time worked during the Plan Year on a daily basis through the date of such termination event. The Participant (or, in the event of death, the Participant's estate) shall be entitled to payment of the entire pro-rata portion of any earned Incentive Award (i.e. the Deferred Award portion) as soon as practicable following the applicable Payment Determination Date for such Plan Year, but in no event later than December 31 of the calendar year in which such termination event occurs.

7.2 Termination of Employment for Other Reasons and Other Conditions. The payment of an Incentive Award (whether Lump Sum or, Deferred Award is conditioned on the Participant being in continuous employment with SBA from the grant date of the Incentive Opportunity through the date of payment for that Incentive Award. In the event that a Participant incurs a termination of employment from SBA for any reason other than death or Disability the Participant's participation shall immediately end and no unpaid Incentive Award for any Plan Year shall be payable to the Participant.

7.3 Forfeiture upon Disabling Conduct. Notwithstanding anything to the contrary, if the Participant is terminated for Disabling Conduct from the SBA prior to

payment of any and all Incentive Awards, including Lump Sums and, Deferred Awards, the Participant will immediately and automatically, without any action on the part of the Participant or the SBA, forfeit his or her right to the payment of such awards.

Article 8. Rights of Employees

8.1 Employment. Nothing in the Plan shall interfere with or limit in any way the right of the Board to terminate the Participant's employment at any time, nor confer upon the Participant any right to continue in the employ of SBA.

8.2 Participation. The Participant shall not have the right to be selected to participate, or, having been so selected, to receive a future Incentive Award. Neither the Participant nor his or her beneficiaries shall have any right to receive a distribution under the Plan except in accordance with the terms of the Plan.

8.3 Nontransferability. No interest of any person in an Incentive Award, or right to receive a distribution under the Plan, shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive a distribution be taken, either voluntarily or involuntarily for the satisfaction of the debts of, or other obligations or claims against, such person.

Article 9. Amendment, Modification, and Termination

The Board may at any time terminate, amend, modify, or suspend this Plan. However, following the end of a Plan Year in which there was an Incentive Award, no such termination, amendment, modification, or suspension of the Plan shall adversely affect in any material way the payment of the Incentive Award or any portion thereof without the consent of the Participant entitled to payment of the Incentive Award.

Article 10. Legal Status

10.1 Compliance with Code Section 409A. It is intended that this Plan and the Incentive Awards paid under this Plan shall be exempt from Code section 409A pursuant to the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4) (the "Short-Term Deferral Exemption"). All Incentive Awards are paid in the calendar year in which such awards are vested and, accordingly, the Incentive Awards do not constitute deferred compensation and fall outside the scope of Code section 409A. Further, in the case of a Deferred Award, such amount remains continuously subject to a "substantial risk of forfeiture" at all times from the beginning of the applicable Performance Period through the last day of the additional deferral period, as described in Section 6.2 or 6.3, as applicable. As a result, each amount also is paid shortly following the date in which such award vests and falls outside the scope of Code section 409A in accordance with the Short-Term Deferral Exemption.

10.2 Compliance with Code Section 457(f). In the case of a Deferred Award, until the lapse of the additional deferral periods and payment of the Deferred Award Account in accordance with Section 6.3, such Deferred Award Account remains continuously subject to a “substantial risk of forfeiture” at all times from the beginning of the Plan Year through the applicable payment date and is not subject to income inclusion under Code section 457(f).

10.3 Compliance with ERISA. The Plan constitutes a governmental plan within the meaning of Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) as well as a “bonus program” in accordance with Department of Labor Regulation Section 2510.3-2(c) that does not constitute an “employee pension benefit plan” and, therefore, the Plan is not subject to the ERISA.

10.4 Administrative Compliance. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered in a manner consistent with the intentions set forth above in Sections 10.1, 10.2, and 10.3.

Article 11. Funding

The amounts under this Plan shall be paid from the general assets of the SBA and the SBAA Trust Fund, and the Participant shall have no right, title, or interest in or to investments, if any, which SBA or the SBAA Trust Fund may make to assist it in meeting its obligations under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a fiduciary relationship between SBA, the SBAA Trust Fund and the Participant or any other person. To the extent that any person acquires a right to receive a payment from SBA or the SBAA Trust Fund under this Plan, such right shall be no greater than the right of an unsecured creditor.

Article 12. Withholding

SBA shall have the power and the right to deduct, withhold, or require a Participant to remit to SBA an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

Article 13. Successors

All obligations of SBA under the Plan with respect to Incentive Awards granted hereunder shall be binding on any successor to SBA, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the operations and/or assets of SBA.

Article 14. Legal Construction

14.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

14.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

14.3 Requirements of Law. The payments of Incentive Awards and Deferred Award Accounts under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

14.4 Governing Law. The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Florida.

IN WITNESS WHEREOF, State Board of Administration of Florida has approved and adopted this Amended and Restated State Board of Administration of Florida Incentive Compensation Plan for the Executive Director , effective as of July 1, 2021, at a public meeting of the Board on this 25th day of October, 2023.

STATE BOARD OF ADMINISTRATION OF FLORIDA

Dated: _____
By: _____
Ron DeSantis
Governor as Chairman

Dated: _____
By: _____
Jimmy Patronis
Chief Financial Officer

Dated: _____
By: _____
Ashley Moody
Attorney General

APPENDIX TO

STATE BOARD OF ADMINISTRATION
OF FLORIDA

INCENTIVE COMPENSATION PLAN

FOR THE EXECUTIVE DIRECTOR & CIO

As used in this Appendix:

(i) “Maximum” shall mean 50 basis points of Value Added (as defined below).

(ii) “Target” shall mean 25 basis points of Value Added.

(iii) “Threshold” shall mean 5 basis points of Value Added.

(iv) “Value Added” shall mean the extent, in basis points, that investment performance of the Trust Fund, determined and calculated pursuant to SBA Policies 10-062 and 20-511 and using final numbers and asset values derived from the Trust Fund’s annual financial statements that are audited by the SBA’s independent external auditors, exceeds the return on the Trust Fund’s total fund benchmark, determined and calculated with reference to the Target Portfolio described in Trust Fund IPS.

As set forth in Articles 5 and 6 of the Plan, the Incentive Opportunity shall be as follows:

	Incentive as a % of Salary			
	Mix	Threshold	Target	Maximum
Total Incentive Opportunity	100%	17.500%	35.000%	52.500%
Organization Financial Performance	85%	14.875%	29.750%	44.625%
Individual Performance	15%	Up to 2.625%	Up to 5.250%	Up to 7.875%

As set forth in Articles 5 and 6 of the Plan, the Incentive Opportunity shall be adjusted for instances where Value Added exceeds the Threshold but otherwise falls between the ranges set forth above. In those instances, the Incentive Opportunity as a percentage of Salary shall be interpolated mathematically in accordance with the attached table. For the avoidance of doubt, in no instance shall the Incentive Opportunity as a percentage of Salary exceed the Maximum.

Organizational Financial Performance

The Organizational Financial Performance for the Executive Director & CIO will be measured by the Value Added. There is no Incentive Opportunity for Organizational Financial Performance unless Value Added exceeds Threshold (as described in Section 5.1 of the Plan). The targeted level of Incentive Opportunity for Organizational Financial Performance for the Executive Director & CIO is Target. The Incentive Opportunity for Organizational Financial Performance is capped at Maximum, and there is no Incentive Opportunity for Value Added that exceeds Maximum.

As indicated in the above chart, Organizational Financial Performance shall constitute 85% of the Incentive Opportunity, as adjusted for instances where Value Added exceeds Threshold but otherwise fall within the ranges set forth above.

Individual Performance

Individual Performance shall be determined based on the following categories to be equally weighted, and the Board, in its discretion, may consider recommendations from the IAC that bear on the Participant's performance in these categories:

- Overall mission
- People
- Efficiencies/Infrastructure/Operations
- Interactions with the IAC, Participant Local Government Advisory Council and Audit Committee

In determining that portion of the Incentive Award attributable to Individual Performance, the maximum amount that may be awarded and approved is that percentage (up to 15% of the Incentive Opportunity – i.e. 7.875% of Salary) that corresponds to the Threshold, Target or Maximum amounts used to calculate Organizational Financial Performance (e.g. see chart above) but also including in such capped amount any interpolation therein in the event Organizational Financial Performance falls between ranges as contemplated by Section 5.2 of the Plan. [For example, if the 15 bps of value was added to the total fund benchmark for the Trust Fund (i.e. between the Threshold and the Target), the maximum of the portion of the Incentive Award attributable to Individual Performance would be 3.9375% of Salary].

Interpolation Table:

	Value Added	Defined	Interpolated
	(bps)	% of Salary	% of Salary
Threshold	5	17.50%	17.5%
	6		18.4%
	7		19.3%
	8		20.1%
	9		21.0%
	10		21.9%
	11		22.8%
	12		23.6%
	13		24.5%
	14		25.4%
	15		26.3%
	16		27.1%
	17		28.0%
	18		28.9%
	19		29.8%
	20		30.6%
	21		31.5%
	22		32.4%
	23		33.3%
	24		34.1%
Target	25	35.00%	35.0%
	26		35.7%
	27		36.4%
	28		37.1%
	29		37.8%
	30		38.5%
	31		39.2%
	32		39.9%
	33		40.6%
	34		41.3%
	35		42.0%
	36		42.7%
	37		43.4%
	38		44.1%
	39		44.8%
	40		45.5%
	41		46.2%
	42		46.9%
	43		47.6%
	44		48.3%
	45		49.0%
	46		49.7%
	47		50.4%
	48		51.1%
	49		51.8%
Max	50	52.50%	52.5%
Above	50		52.5%

This Page Intentionally Left Blank

MINUTES
INVESTMENT ADVISORY COUNCIL
COMPENSATION SUBCOMMITTEE CONFERENCE CALL
September 12, 2023

A meeting of the Investment Advisory Council (IAC) Compensation Subcommittee was held on Tuesday, September 12, 2023, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida. The attached transcript of the September 12, 2023, meeting is hereby incorporated into these minutes by this reference.

IAC Members: Vinny Olmstead, Chair (via Teams)
John Goetz (via Teams)
Peter Collins (via Teams)

SBA Employees: Lamar Taylor, Interim Executive Director & CIO (via Teams)
Paul Groom
Amy Pacey
Teresa Jackson
Alyson Beyer

Consultants: Josh Wilson – Mercer (via Teams)

WELCOME/CALL TO ORDER/APPROVAL OF MINUTES

Vinny Olmstead, Chair, called the meeting to order at 1:05pm. The approval of the September 6, 2022, and February 13, 2023, IAC Compensation Subcommittee minutes was deferred until later in the meeting. Vinny explained that the purpose of today's meeting is to discuss Lamar Taylor's performance evaluation as Interim Executive Director & CIO.

OPENING REMARKS

Lamar Taylor, Interim Executive Director & CIO, gave an update on performance, noting that performance at the end of the fiscal year was up 7.5%, 261 bps behind target. He explained that this is due to a lag in private market valuations. Lamar commented on Hurricane Idalia which hit the area on August 30, stating that while they are still waiting on preliminary information, they do not expect any significant impacts to the Hurricane Catastrophe Fund.

Lamar discussed the Governance Risk and Compliance review that was recently conducted by Funston, which found that the SBA is a high performing organization that takes risk and compliance seriously. The review produced over 40 recommendations that will be implemented over the next 5 years. Lamar also provided an overview on the results of the employee engagement survey conducted through Glint, noting that the SBA's engagement score was 3 points above the benchmark. After Vinny Olmstead, Chair, inquired about the frequency of the survey, Lamar explained that it's done periodically but there is not a set schedule; however, he stated that it may be beneficial to do it more frequently to see if any

progress has been made. Lamar also answered a question from Vinny regarding how the fiscal year's performance would affect the SBA investment team's compensation.

Vinny Olmstead, Chair, requested a motion to approve both the September 6, 2022, and February 13, 2023, meeting minutes. Peter Collins made a motion to approve the minutes. Vinny seconded. All in favor. The September 6, 2022, and February 13, 2023, meeting minutes were approved.

DISCUSSION OF EVALUATION OF PERFORMANCE OF INTERIM ED/CIO

Lamar Taylor explained that while he has been in the role of Interim Executive Director & CIO since October 2021, this is his first formal evaluation. Josh Wilson, Mercer, explained that the results were compiled from a questionnaire completed by each of the Compensation Subcommittee members, in which they rated Lamar according to a four-point scale on five categories: People, Efficiencies/Infrastructure, Interaction with Committees, and Individual Rating. Josh went over the results and comments for each category, noting that Lamar received very strong scores all around. John Goetz noted that no one rated Lamar below a 3 (met expectations) on any of the categories. Josh agreed that it was a very favorable response while leaving room for improvement. Lamar thanked everyone for their consideration, stating that he is always open to feedback. Regarding a comment that an evaluation should be done by direct reports, Josh referred to Lamar's earlier remarks on the employee engagement survey that had also produced favorable results.

Vinny Olmstead, Chair, suggested that the full IAC participate in Lamar's evaluation in the future to provide more constructive results and comments. Peter Collins and John Goetz agreed. Lamar stated that he would check whether the plan would have to be amended to extend participation to the full IAC. Vinny congratulated Lamar on the evaluation results and Lamar thanked everyone once again.

SBA COMPENSATION UPDATE

Lamar Taylor, Interim Executive Director & CIO, provided an update on the previously agreed upon efforts to adjust the pay scale target to the median of peers. In July, a market adjustment was implemented which moved most employees closer to the median target for their respective pay grades. Lamar noted that there will still be a merit cycle in December that should move everyone even closer to the target and commented that he believed this would benefit recruitment and retention. He noted that the SBA's flexible approach of allowing employees to occasionally work remotely when needed, seems to be working. There was some discussion between Lamar, Josh Wilson, and the Compensation Subcommittee regarding remote work trends.

Lamar also outlined changes that had been made to the Incentive Compensation Plan: increased membership to include the Financial Operations team and lawyers; removed the rule that if the period gets negative absolute performance but positive relevant performance, you must wait two consecutive quarters before getting paid; and added flexibility to provide waivers of unintended consequences when first vetted with the IAC. Lamar noted that over the next year they hope to present the recommendations for increasing the incentive compensation payout percentages. Lamar, Josh Wilson, Amy Pacey, Teresa Jackson, and Paul Groom answered questions from the Compensation Subcommittee regarding pay grades, compensation, and turnover.

OTHER BUSINESS/AUDIENCE COMMENTS/CLOSING REMARKS/ADJOURNMENT

The Compensation Subcommittee inquired about Lamar's compensation and discussed his inability to receive incentive compensation as Interim. After discussion between Josh Wilson, Mercer, and the Compensation Subcommittee, it was requested that Josh prepare a recommendation on incentive compensation for Lamar, covering both the current year and prior year. Following a review of Mercer's recommendation, Vinny Olmstead, Chair, and John Goetz will prepare a memo to the Trustees recommending that Lamar receive incentive compensation since he has been in the interim role for an extended period.

There being no further questions or items for discussion, the meeting was adjourned at 2:13pm.

Vinny Olmstead, Chair
IAC Compensation Subcommittee

Date

This Page Intentionally Left Blank

MINUTES
INVESTMENT ADVISORY COUNCIL
September 19, 2023

A hybrid meeting of the Investment Advisory Council (IAC) was held on Tuesday, September 19, 2023, via Microsoft Teams. The attached transcript of the September 19, 2023, meeting is hereby incorporated into these minutes by this reference.

Members Present:	John Goetz Ken Jones Pat Neal Gary Wendt Freddie Figgers	Tere Canida Peter Collins Vinny Olmstead Peter Jones
SBA Employees:	Lamar Taylor John Benton Todd Ludgate John Bradley Dan Beard Jon Yeatman	Paul Groom Mike McCauley Tim Taylor John Mogg Kevin Moose
Consultants:	Katie Comstock, Aon Phil Kivarkis, Aon Sheila Ryan, Cambridge	Ryan Morris, Mercer Jay Love, Mercer Ankur Dadhanian, Hamilton Lane

WELCOME/CALL TO ORDER/APPROVAL OF MINUTES

John Goetz, Chair, called the meeting to order at 1:00pm. John requested a motion to approve the June 27, 2023, IAC meeting minutes. Pat Neal moved to approve the minutes. Tere Canida seconded the motion. All in favor. The June 27, 2023, minutes were approved.

OPENING REMARKS/REPORTS

Lamar Taylor, Interim Executive Director & CIO, reminded all present to use the microphones and to identify themselves when speaking. Lamar provided an update on the FRS Pension Plan performance, stating that the fiscal year ended up 7.5%, 261 bps behind target due to a lag in private market valuations. Likewise, calendar year-to-date returns are 6.61%, 92 bps below benchmark. Lamar also spoke on the market and inflation.

Lamar informed the IAC that the asset allocation changes approved at the last IAC meeting will be presented at the October Cabinet meeting for the Trustees' approval. Lamar also discussed the recent Hurricane Idalia, commenting that it is not expected to significantly impact the Hurricane Catastrophe Fund. Lamar answered questions from IAC members regarding preparations for the new asset allocation. Gary Wendt encouraged the investment team to be selective in choosing advisors in private credit, noting that there is high competition in that area.

FRS PENSION PLAN RISK BUDGET REVIEW

John Benton, Senior Investment Policy Officer, provided background on risk budgeting and how the SBA utilizes it. He explained that due to the new asset allocation and benchmarking, the risk budget policy needs to be revised. John answered questions from IAC members.

Katie Comstock, Aon, briefly explained Aon's risk budget review process, noting that a more comprehensive review was done this time. Katie provided an overview of the recommendations to the active risk policy, which include more active management and flexibility in Fixed Income; a conservative starting point for the new Active Credit asset class; and increasing the active risk budget for Cash.

Katie reviewed the recommendations for the active/passive mix. There are no recommended changes to Global Equity. For Fixed Income, Aon recommends widening the passive band to 15% - 45%, allowing for flexibility and more active management.

Katie then reviewed the current active risk standards versus realized active risk, noting that Fixed Income's realized active risk is significantly below the current monitoring standard. Katie explained that Aon recommends slightly reducing Fixed Income's monitoring standard (from 1.00% to 0.85%) and escalation standard (from 1.50% to 1.25%), noting that this should be revisited in 12-18 months since the portfolio will be changing. There was discussion amongst Katie, Lamar Taylor, and IAC members.

Katie gave an overview of the information ratio and the current information ratio standards. She explained that Aon recommended an increase in Fixed Income's information ratio standard (from 0.25 to 0.35) and an information ratio standard of 0.20 for the new Active Credit asset class. Katie and Lamar answered questions from IAC members regarding the implied excess returns. John Goetz summarized the thoughts of the IAC, stating that they think the performance could have been better had the SBA fully utilized the risk budget.

FIXED INCOME ASSET CLASS REVIEW

Todd Ludgate, Senior Investment Officer – Fixed Income, provided an overview of Fixed Income's role, team, assets, and asset allocation. Todd also discussed the benchmark, commenting that the yield increased 1.2% in the past year. He noted that the benchmark contains about 10,000 securities, but Fixed Income does not hold all of them. Todd also reviewed the structure of Fixed Income's Defined Benefit allocation.

Jon Yeatman, Senior Portfolio Manager – Active Core, provided an overview of internal active core. Regarding active core's performance, he commented that efforts were being made to increase the security selection alpha over the past year. Jon discussed the passive funds, FRS cash pool, cash enhanced, and FI liquidity portfolios. Todd provided a brief overview of the \$15 billion AUM that Fixed Income manages for the Florida Hurricane Catastrophe Fund, under their direction.

Kevin Moose, Senior Portfolio Manager – External Management, provided background on the role of the external managers and how they are ranked. He discussed performance and its drivers, noting that they outperformed the benchmark this year by 83 bps. Todd and Kevin answered a question from Peter Jones regarding tracking error. Todd briefly went over the Securities Lending program, noting that earnings have been decreasing over the years due to structural changes within the market. Todd and Mike McCauley, Senior Officer of Investment Programs & Governance, answered questions from IAC members.

Todd provided an overview of the total Fixed Income portfolio, risk, and performance, stating that the asset class had beaten its benchmark over all time periods. Kevin discussed inflation and monetary

policy as drivers of Fixed Income's performance; Todd briefly discussed the increase in yields; and Jon spoke on excess returns, noting that the past year was one of the most volatile in history for securitized excess returns. Kevin also discussed the divergence of Central Bank monetary policy and GDP forecasts.

John Goetz, Chair, requested that Todd move ahead to the future of Fixed Income. Todd discussed preparations for the benchmark changes and Fixed Income's initiatives going forward, including refining the asset class construction and working with Strategic Investments on the new Active Credit asset class.

Jay Love, Mercer, commented that Fixed Income has been doing well and agreed with the idea of increasing Fixed Income's active risk. Ryan Morris, Mercer, briefly discussed guiding principles, benchmarks, and observations. Regarding performance, all portfolios have beaten their benchmarks over all time periods except for the internal passive portfolio over the 1-year period. Ryan then explained Mercer's ratings for managers. Todd answered a question from Peter Collins regarding Fixed Income's risk bucket.

FLORIDA GROWTH FUND REVIEW

Sheila Ryan, Cambridge, provided an overview of the Florida Growth Fund, noting that as of June 2022, the SBA has invested about 0.3% of its authorized 1.5% of net trust fund assets in technology and growth businesses. Sheila discussed the results of the January 2023 OPPAGA report, commenting that, since the program's inception, 97.5% of the investments made are in companies/funds with a presence in Florida. Sheila explained that the opportunity set has grown significantly due to an increase in GP's moving to Florida during the pandemic. Sheila provided a brief update on the program's two managers: Hamilton Lane and JP Morgan. Regarding performance, while all the tranches outperformed the public market equivalent benchmarks, two of the tranches (FGF I, Tranche I and FGF II, Tranche II) did not meet the return objective of 300 bps over the public market equivalent benchmarks. Questions from the IAC were answered by Sheila; Lamar Taylor; John Mogg, Strategic Investments; and Ankur Dadhanian, Hamilton Lane.

Overall, the program is successfully meeting its objectives. Gary Wendt and Peter Collins both expressed a wish to see the program expand, and Peter suggested adding another manager that can help reach out to more technology businesses and universities. John Goetz, Chair, and Tere Canida agreed, and Vinny Olmstead provided suggestions on how the Florida Growth Fund could reach out more. Lamar thanked the IAC members for their feedback.

IAC COMPENSATION SUBCOMMITTEE UPDATE

John Goetz, Chair, requested to move ahead to the IAC Compensation Subcommittee Update before continuing to the Asset Class SIO Updates.

Vinny Olmstead, IAC Compensation Subcommittee Chair, provided a summary of the September 12, 2023, IAC Compensation Subcommittee meeting, including the results of Lamar Taylor's evaluation as Interim Executive Director & CIO. The results of the evaluation were compiled by Josh Wilson, Mercer, based on ratings from the Compensation Subcommittee on several categories: overall mission, people, efficiencies/infrastructure/operations, and interaction with committees. Lamar met or exceeded expectations in all categories with an overall score of 3.5 out of 4. Vinny also discussed an update that Lamar provided on efforts to target the median base compensation of peers, noting that the SBA had successfully begun moving closer to that target with the recent market pay adjustments in July.

Vinny explained that the Compensation Subcommittee meeting produced two recommendations: to expand participation in Lamar's evaluation to include the full IAC to provide more constructive results; and to make Lamar eligible for incentive compensation. Vinny explained that Lamar is currently not receiving incentive compensation due to the interim nature of his role, however, the Compensation Subcommittee believes that this should change due to the extended period of Lamar's appointment as interim. As such, Vinny proposed that the full IAC recommend to the Trustees that the incentive compensation plan be amended to include the role of Interim Executive Director & CIO and to retroactively effect the changes back to at least July 1, 2022. A motion was put forward by Tere Canida to approve the two recommendations. The motion was seconded. All in favor. The motion was approved. After a brief discussion between IAC members and Lamar Taylor, it was decided that Lamar would work with John Goetz to draft a letter presenting the two recommendations, to be included in the materials for the next Trustees meeting.

ASSET CLASS SIO UPDATES

Tim Taylor, Senior Investment Officer – Global Equity, thanked Meghan Brown for stepping in for him as Acting Senior Investment Officer over the past several months while he was on extended leave. He also thanked Jim Treanor and Lamar Taylor for their continued support. Tim provided an overview of the Global Equity market, noting that they have had strong returns year-to-date. Regarding performance, Global Equity underperformed its benchmark for the 2Q 2023 by 7 bps but beat its benchmark over the calendar year by 30 bps. Tim also discussed recent initiatives. Lamar Taylor thanked Meghan and the Global Equity team for their work while Tim was out of the office. Lamar and John Goetz, Chair, welcomed Tim back.

John Bradley, Senior Investment Officer – Private Equity, provided an update on the Private equity markets, noting that while activity was down in both Q1 and Q2, it appeared to be turning around in the current quarter. John also spoke on performance, stating that while the one-year performance was below benchmark by 150 bps due to private market lags, long-term performance has remained strong. He also discussed sub strategy performance and commitments. John answered questions from IAC members.

Lamar Taylor, Interim Executive Director & CIO, provided the Real Estate update, discussing the Real Estate market and performance. While Real Estate was below its year-to-date benchmark, it exceeded the benchmark over the three-year period. Lamar discussed the new master credit facility and the future implementation of a long-term fixed rate facility. He also briefly went over Real Estate's asset allocation, returns, property and geographic diversification, leverage, and recent activity. Lamar answered questions from IAC members.

John Mogg, Senior Portfolio Manager – Strategic Investments, presented the Strategic Investments update on behalf of Trent Webster. John provided an overview of Strategic Investments' performance, explaining that the fiscal year's underperformance of 300 bps is largely due to inflation. John discussed the upcoming asset allocation changes, specifically to private credit and the new Multi-Asset Credit asset class that will be co-managed with Fixed Income. John answered questions from IAC members.

John Goetz, Chair, requested to skip past the Investment Plan update this meeting due to time constraints. Dan Beard, Chief of Defined Contribution Programs only noted that the plan continues to grow as participating employers hire more and most of those hires default to the Investment Plan.

MAJOR MANDATES PERFORMANCE REVIEW

Katie Comstock, Aon, provided an overview on the performance of the Pension Plan, the Investment Plan, the Florida Hurricane Catastrophe Fund, and Florida PRIME.

AUDIENCE COMMENTS/CLOSING REMARKS/ADJOURN

John Goetz, Chair, encouraged IAC members try to attend future Investment Advisory Council meetings in person when possible. There being no further questions or items for discussion, the meeting was adjourned at 4:21 pm.

John Goetz, Chair

Date

This Page Intentionally Left Blank

Item 13 – Appointment(s) - Investment Advisory Council

<u>Name</u>	<u>Council</u>	<u>Appointed By:</u>
Ken Jones	Investment Advisory Council	Chief Financial Officer
John Goetz	Investment Advisory Council	Chief Financial Officer
Tere Canida	Investment Advisory Council	Governor

This Page Intentionally Left Blank



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

September 20, 2023

Mr. Ken Jones
Third Lake Partners
1600 East 8th Avenue, Suite A-132
Tampa, Florida 33605

Dear Mr. Jones:

Pursuant to s. 215.444, Florida Statutes, it is my pleasure to nominate you for appointment to serve on the State Board of Administration (SBA) Investment Advisory Council. Your nomination will be placed on the next SBA agenda for confirmation by the Board of Trustees. Upon confirmation, your term will begin immediately, and expire on December 12, 2027.

I sincerely appreciate your willingness to serve, and I know you will be an asset to the Council. Lamar Taylor, Interim Executive Director and CIO of the SBA will contact you regarding your duties and responsibilities as a member.

Please do not hesitate to contact me if I can be of assistance.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Patronis".

Jimmy Patronis
Chief Financial Officer

/jw
c: Lamar Taylor

This Page Intentionally Left Blank



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

September 20, 2023

Mr. John Goetz
320 Park Avenue, 8th Floor.
New York, NY 10022

Dear Mr. Goetz:

Pursuant to s. 215.444, Florida Statutes, it is my pleasure to nominate you for appointment to serve on the State Board of Administration (SBA) Investment Advisory Council. Your nomination will be placed on the next SBA agenda for confirmation by the Board of Trustees. Upon confirmation, your term will begin immediately, and expire on December 12, 2026.

I sincerely appreciate your willingness to serve, and I know you will be an asset to the Council. Lamar Taylor, Interim Executive Director and CIO of the SBA will contact you regarding your duties and responsibilities as a member.

Please do not hesitate to contact me if I can be of assistance.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Patronis".

Jimmy Patronis
Chief Financial Officer

/jw

c: Lamar Taylor

This Page Intentionally Left Blank



John P. Goetz

John P. Goetz was appointed our President, Co-Chief Investment Officer in June 2007, and became a member of our Board of Directors in May 2011. Mr. Goetz joined us in 1996 as Director of Research and has been Co-Chief Investment Officer since 2005. Previously, Mr. Goetz held a range of key positions at Amoco Corporation for over 14 years, most recently as the Global Business Manager for Amoco's \$1 billion polypropylene business, where he had bottom-line responsibility for operations and development worldwide. Prior positions at Amoco included strategic planning, joint venture investments and project financing in various oil and chemical businesses. Prior to joining Amoco, Mr. Goetz had been employed by The Northern Trust Company and Bank of America. He earned a B.A. summa cum laude in Mathematics and Economics from Wheaton College in 1979 and an M.B.A. from the Kellogg School at Northwestern University in 1982.

PZena

Corporate Information

Address:

320 Park Avenue
8th Floor
New York, NY 10022
United States
Phone: 1-212-355-1600
Fax: 1-212-308-0010
Web url: www.pzena.com

Career History

Board Member Pzena Investment Mgmt Inc, 5/2011-PRESENT
Co-Pres/Co-Chief Invsmt Ofcr Pzena Investment Mgmt Inc, 6/2007-PRESENT
Co-Chief Invsmt Ofcr/Mng Principal Pzena Investment Mgmt LLC, PRESENT
Board Member Pzena Investment Mgmt LLC, PRESENT
Co-Chief Investment Officer Pzena Investment Mgmt Inc, 1/2005-6/2007
Dir:Research Pzena Investment Mgmt LLC, 1/1996-1/2005
Co-Chief Investment Officer Pzena Investment Mgmt LLC, 1/2005-UNKNOWN
Bank of America, FORMER
Northern Trust Co, FORMER
Global Business Manager Amoco Corp, FORMER

Personal Information

Education

Kellogg Graduate School of Management MBA, UNKNOWN-1/1982
Wheaton College/MA BACHELOR'S DEGREE, UNKNOWN-1/1979

Memberships

Board Memberships

Pzena Investment Mgmt LLC Board Member, PRESENT
Pzena Investment Mgmt Inc Board Member, 5/2011-PRESENT

John Goetz

Current Employment(1996 to current):

Co-Chief Chief Investment Officer, Pzena Investment Management, New York

- 23 years of Public Equity investment management. Original partner with Rich Pzena in 1996 Deep Value investment management startup, currently managing \$37 billion globally.
- Senior portfolio manager for the Global, International, European, Emerging Markets and Japan Focused Value strategies. Originally served as Director of Research to build and train the research team.
- Firm leadership role as member of Executive Committee and principal in charge of the investment team and performance.
- Lead investment contact for international clients, including endowments, foundations, sovereign wealth funds, national and local government entities (public funds).

Prior Employment (1982 to 1996):

Amoco Corporation (global oil and chemical company), Chicago, London, Hong Kong, Atlanta

- Various international managerial assignments in strategic planning, joint venture investments and project financing.
- Final assignment was as Global Business Manager for Amoco's global \$1 billion polypropylene business unit.
- Before joining Amoco, Mr. Goetz worked at The Northern Trust Company and Bank of America.

Education:

- B.A. summa cum laude in Mathematics and Economics from Wheaton College, 1979
- M.B.A. with distinction, Kellogg School at Northwestern University (Austin Fellow) 1982

Board Service:

- Pzena Investment Management Director since 2011 (public company board)
- MedSend Director since 2010. (Christian medical missions organization providing financial support to medical professionals serving in underprivileged parts of the world)
- Prior board service in other faith based philanthropic organizations and education.

Interests:

- Helping the least fortunate parts of society (e.g Bowery Mission New York City)
- Motorsports

Homes:

- Weston, CT
- Windermere, FL

Philanthropic Boards:

- The Bowery Mission, New York (Current)
- MedSend International (Former)

Biography – Tere Alvarez Canida

Tere Alvarez Canida currently serves as Principal and Portfolio Manager of Cito Capital Group, LLC, a multi-family office registered as an investment advisor with the SEC. Prior to her role at Cito Capital Group, Tere served as President and Portfolio Manager (1985-2016) of Taplin, Canida & Habacht, LLC (TCH), an investment management firm specializing in institutional fixed income account management with assets under management of approximately \$10 billion at the time of its sale in 2008 to what is now Bank of Montreal (BMO). TCH managed client assets for public and corporate pension funds, endowments, foundations and hospitals. Tere was responsible for the firm's strategy, investment policy and managing client portfolios along with the firm's other portfolio managers.

Prior to founding TCH in 1985, Ms. Canida was Vice President and Senior Investment Officer for Southeast Bank Trust Company. She holds a bachelor's degree from Georgetown University and an MBA from George Washington University. Ms. Canida was awarded the CFA designation in 1983.

Ms. Canida currently serves on the Board of Directors of Kemper Corporation (NYSE: KMPR), a publicly traded company based in Chicago, Illinois. She sits on the company's Investment and Audit Committees, the latter of which she chairs. She previously served on the Board of Directors of Infinity Property and Casualty Corporation (IPCC), a publicly traded company based in Birmingham, Alabama, from 2009 until the sale of the company in 2018. She chaired the Investment Committee and led the ad hoc Board Committee responsible for the selection of IPCC's new CEO. She also served on the Audit and the Compensation Committee during her tenure as a Director of Infinity.

She also served on the Board of Advisors for the Georgetown University Edmund A. Walsh School of Foreign Service. Previously, she served on the Board of Directors of New America Alliance (NAA) and the National Association of Securities Professionals (NASP). Her work has earned her the honor of being named one of the most influential Hispanics in the U.S. by Hispanic Business and inducted into the National Association of Securities Professionals Hall of Fame. In 2018, she was honored for her leadership as a "Top Latino Board Director" by Latino Leaders magazine.

This Page Intentionally Left Blank

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA DETERMINING THAT THE ISSUANCE OF PRE-EVENT REVENUE BONDS WOULD MAXIMIZE THE CAPACITY OF THE FLORIDA HURRICANE CATASTROPHE FUND (THE "FUND") AND THE ABILITY OF THE FUND TO MEET FUTURE OBLIGATIONS; REQUESTING THE STATE BOARD OF ADMINISTRATION FINANCE CORPORATION ISSUE PRE-EVENT REVENUE BONDS, FROM TIME TO TIME, IN AN AGGREGATE PRINCIPAL AMOUNT UP TO, BUT NOT EXCEEDING, \$3.8 BILLION AS PROVIDED HEREIN; RATIFYING THE MASTER TRUST INDENTURE AND THE PLEDGE AND SECURITY AGREEMENT PREVIOUSLY ENTERED INTO; AUTHORIZING THE EXECUTION AND DELIVERY OF SUPPLEMENTAL INDENTURES, PRELIMINARY OFFICIAL STATEMENTS AND OFFICIAL STATEMENTS, AND PURCHASE CONTRACTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 215.555, Florida Statutes (the "Act"), created the Florida Hurricane Catastrophe Fund (the "Fund"), a trust fund administered by the State Board of Administration of Florida (the "Board"), for the purpose of establishing a program to provide insurers who write covered policies, as defined in the Section 215.555(2)(c), Florida Statutes (the "Covered Policies"), with reimbursement for a portion of their catastrophic hurricane losses; and

WHEREAS, the Fund is authorized pursuant to Section 215.555(5), Florida Statutes, to collect reimbursement premiums from insurers writing Covered Policies (the "Insurers") and to enter into annual reimbursement contracts with participating Insurers requiring payment by the Insurers of reimbursement premiums and payment by the Fund to reimburse Insurers for claims paid for hurricane damage; and

WHEREAS, the Fund is authorized to levy emergency assessments pursuant to Section 215.555(6)(b), Florida Statutes, on premiums for certain property and casualty insurance policies; and

WHEREAS, pursuant to the Act, moneys derived from reimbursement premiums and emergency assessments may be pledged to secure revenue bonds issued pursuant to the Act; and

WHEREAS, the Act created the State Board of Administration Finance Corporation (the "Corporation"), with the authority to issue pre-event revenue bonds, which includes other financial obligations, for the benefit of the Fund; and

WHEREAS, the issuance of such pre-event revenue bonds for the benefit of the Fund by the Corporation is authorized by Sections 215.555(6)(a)1. and 215.555(6)(d)2.d., Florida Statutes, when a determination has been made that such action would maximize the ability of the Fund to meet future obligations; and

WHEREAS, through an invitation to negotiate issued by the Board on behalf of the Fund, a syndicate of underwriters was selected to serve on the Fund's financial services team (collectively, the "Underwriters"); and

WHEREAS, the Board desires to authorize the Corporation to issue pre-event revenue bonds, from time to time, in an aggregate principal amount up to, but not exceeding, \$3.8 billion.

NOW, THEREFORE, BE IT RESOLVED by the State Board of Administration of Florida, as the governing body of the Fund, as follows:

1. The Series 2023A Bonds may be issued in multiple Series. With respect to each Series of the Series 2023A Bonds authorized hereby, the Board hereby determines, as required pursuant to Sections 215.555(6)(a)1. and 215.555(6)(d)2.d., Florida Statutes, that the issuance of pre-event revenue bonds, which includes other financial obligations such as revenue notes, will maximize the ability of the Fund to meet future obligations. In making this determination, pursuant to Rule 19-8.013(4)(d), Florida Administrative Code, the Board considered the projected Fund balance; the reserves for mitigation appropriations; the estimated amounts needed for the administration of the Fund; the projected amounts of future reimbursement premiums; the projected amounts of earnings on collected reimbursement premiums; the projected frequency and magnitude of future covered events; the current and projected interest rates on revenue bonds; the current and projected market conditions for the sale of revenue bonds; the projected credit ratings for the Fund and for revenue bonds issued on behalf of the Fund; the current and projected availability of bond insurance or other credit enhancement for revenue bonds; the costs of issuance of revenue bonds; the debt service requirements of the revenue bonds; the estimated value, both monetary and non-monetary, of the issuance of pre-event revenue bonds on the costs of post-event bonds in terms of benchmark pricing, secondary market trading, investor education, confidence of insurers and reinsurers in the Fund's ability to issue revenue bonds post-event; market education, and document preparation; and other

relevant factors. In addition, as provided in Rule 19-8.013(4)(b), Florida Administrative Code, all of the hereinafter defined Series 2023A Bonds shall be investment grade.

2. The Board hereby requests the Corporation to issue and sell up to, but not exceeding, \$3.8 billion in aggregate principal amount of State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Series 2023A Bonds") for provision of liquidity for losses in the event of future hurricanes. In accordance with the provisions of this resolution, particularly Section 9 hereof, the Series 2023A Bonds may be issued in multiple Series, from time to time, and may be known by such other name or Series designation or designations as is necessary or desirable to distinguish one Series from another. The Series 2023A Bonds, or a Series thereof, may be secured by a Special Reserve Account.

3. With respect to each Series of the Series 2023A Bonds authorized hereby, the Board hereby confirms and ratifies the Pledge and Security Agreement, dated as of June 1, 2006, as amended, and attached hereto as Exhibit A, between the Fund and the Corporation and confirms and ratifies its prior pledge of revenues to the repayment of debt of the Corporation as provided in the documents approved by the Board on May 31, 2006, as supplemented or amended, including but not limited to the pledge of revenues from reimbursement premiums collected pursuant to Section 215.555(5), Florida Statutes, and revenues from emergency assessments, if any, levied pursuant to Section 215.555(6)(b), Florida Statutes. With respect to each Series of the Series 2023A Bonds authorized hereby, the Corporation is authorized to execute any further pledge to the extent determined by the Corporation to be necessary and any pledge to debt of the Corporation shall be to the extent provided for in the documents executed by the Board and by the Corporation in relation to the issuance of such debt of the Corporation.

4. With respect to each Series of the Series 2023A Bonds authorized hereby, the Board hereby confirms and ratifies the Master Trust Indenture, dated as of June 1, 2006, as amended and supplemented, particularly as amended by the Seventh Supplemental Indenture, dated March 1, 2016, each between the Corporation and Regions Bank (as successor to Wells Fargo Bank, N.A.), as Master Trustee, attached hereto as Exhibit B; and, with respect to the initial Series of the Series 2023A Bonds, authorizes the execution and implementation of the Ninth Supplemental Indenture, in the form attached hereto as Exhibit C. The documents approved herein shall be subject to completion with such changes, insertions, or deletions as may be approved by an officer of the Corporation, and the execution or certification of such document by an officer of the Corporation shall be conclusive evidence of any such approval. Additionally, the Corporation is authorized to amend or revise, or authorize the amendment or revisions of any other documents relating to debt of the Corporation which has previously been approved or authorized by the Corporation.

5. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the Board hereby designates Citigroup Global Markets, Inc. as bookrunning senior

managing Underwriter and BofA Securities, Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Wells Fargo Bank, National Association, as co-senior managing Underwriters (with the bookrunning senior managing Underwriter, collectively the "Senior Managing Underwriters") for the issuance of such Series 2023A Bonds, as described in paragraph 2 above. The Corporation is authorized to define, re-define, designate and re-designate the roles of the Underwriters (including removing any Underwriter) in connection with their participation in the sale of the initial Series of the Series 2023A Bonds to the extent not inconsistent with this resolution. The Corporation is authorized to define, re-define, designate and re-designate the roles of the Senior Managing Underwriters (including removing any Senior Managing Underwriter) in connection with their participation in the sale of the initial Series of the Series 2023A Bonds or in the sale of any subsequent Series of the Series 2023A Bonds.

6. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the Board hereby authorizes and directs the Corporation to negotiate, approve, execute and deliver a contract for the sale of such Series 2023A Bonds, as described in paragraph 2 above, to the Underwriters (the "Purchase Contract") in the form attached hereto as Exhibit D. The Purchase Contract shall contain such terms and provisions as are customary for obligations such as the initial Series of the Series 2023A Bonds subject to completion with such changes, insertions or deletions as may be approved by an officer of the Corporation and which are not inconsistent with this resolution, and the execution of the Purchase Contract by an officer of the Corporation shall be conclusive evidence of such approval. The officers, employees, and Trustees of the Board and the Fund are authorized to execute or endorse the Purchase Contract and are authorized to take all actions necessary to fulfill the obligations of the Board thereunder.

7. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the Board hereby authorizes and directs the Corporation to cause the preparation, execution and delivery of a preliminary official statement, an official statement, and any other disclosure document relating to such Series of the Series 2023A Bonds which is determined by the Corporation to be necessary or desirable, in substantially the same form as the preliminary official statement attached hereto as Exhibit E with such changes, insertions or deletions as may be necessary to satisfy any regulatory requirements, to update the financial, demographic and statistical data therein with respect to the Fund and the Corporation and to appropriately describe such Series of the Series 2023A Bonds as may be approved by an officer of the Corporation and which are not inconsistent with this resolution. The execution of the official statement by the Corporation related to such Series of the Series 2023A Bonds shall be conclusive evidence of such approval. The officers, employees, and Trustees of the Board and the Fund are also authorized to execute and deliver, on behalf of the Board, the official statement and any other disclosure document, and any certificates in connection with any official statement and any other disclosure document and any amendment thereto, as they determine are necessary or appropriate. The Board hereby further authorizes and directs the Corporation to cause the preparation,

execution and delivery of a continuing disclosure agreement relating to the initial Series of the Series 2023A Bonds, in substantially the form attached hereto as Exhibit F, with such changes, insertions or deletions as may be approved by an officer of the Corporation, and the execution of such document by an officer of the Corporation shall be conclusive evidence of any such approval, which continuing disclosure agreement shall comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The officers, employees, and Trustees of the Board and the Fund are authorized to execute or endorse such continuing disclosure agreement and are authorized to take all actions necessary to fulfill the obligations of the Board thereunder.

8. With respect to the initial Series of the Series 2023A Bonds authorized hereby, any and all moneys in the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Subaccount of the Interest Account of the Bond Fund relating to the Series 2023A Bonds, the Subaccount of the Principal Account of the Bond Fund relating to the Series 2023A Bonds, the Subaccount of the Sinking Fund Account of the Bond Fund relating to the Series 2023A Bonds and any other account or subaccount designated by the President of the Corporation or other authorized officer of the Corporation may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President of the Corporation or other authorized officer of the Corporation. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such Series 2023A Bonds as may be designated by the President of the Corporation or other authorized officer of the Corporation. The President of the Corporation or other authorized officer of the Corporation is authorized to redeem such Series 2023A Bonds.

9. The Corporation may determine that it is in the best interest of the Corporation that the Series 2023A Bonds be issued in multiple Series from time to time rather than at one time, and in such names and/or Series designation or designations as is necessary or desirable to distinguish one Series from another; provided that in no event may the cumulative aggregate principal amount of the Series 2023A Bonds issued by the Corporation pursuant to this resolution exceed \$3.8 billion. In addition to elsewhere provided for in this resolution, in the event the Series 2023A Bonds are issued in multiple Series from time to time, the following provisions shall be applicable to each subsequent Series of Series 2023A Bonds:

(a) Each subsequent Series may be issued as fixed rate or variable rate indebtedness and may be secured by a Special Reserve Account, as determined by the Corporation to be in the best interest of the Corporation, the execution of such Series of Series 2023A Bonds by the President of the Corporation being conclusive evidence of the determination thereof.

(b) The Board authorizes the execution and implementation of a Supplemental Indenture in connection with each subsequent Series of the Series 2023A Bonds, in the

form attached hereto as Exhibit C, with such changes, insertions, or deletions as may be approved by the Corporation, and the execution or certification of such document by an officer of the Corporation being conclusive evidence of such approval. Additionally, in connection therewith, the Corporation is authorized to amend or revise, or authorize the amendment or revisions of any other documents relating to debt of the Corporation which has previously been approved or authorized by the Corporation.

(c) The Corporation is authorized to define, re-define, designate and re-designate the roles of the Underwriters (including removing any Underwriter) in connection with their participation in the sale of each subsequent Series of the Series 2023A Bonds to the extent not inconsistent with this resolution. The Corporation is also authorized to define, re-define, designate and re-designate the roles of the Senior Managing Underwriters (including removing any Senior Managing Underwriter) in connection with their participation in the sale of each subsequent Series of the Series 2023A Bonds.

(d) The Board hereby authorizes and directs the Corporation to negotiate, approve, execute and deliver a Purchase Contract for the sale of each subsequent Series of the Series 2023A Bonds to the Underwriters in the form attached hereto as Exhibit D. The purchase contract shall contain such terms and provisions as are customary for such obligations with such changes, insertions or deletions as may be approved by an officer of the Corporation and which are not inconsistent with this resolution, and the execution of the purchase contract by an officer of the Corporation shall be conclusive evidence of such approval. The officers, employees, and Trustees of the Board and the Fund are authorized to execute or endorse such purchase contract and are authorized to take all actions necessary to fulfill the obligations of the Board thereunder.

(e) The Board hereby authorizes and directs the Corporation to approve, execute and deliver a preliminary official statement, official statement and any other disclosure document deemed required by the Corporation for each subsequent Series of the Series 2023A Bonds in the form of the preliminary official statement attached hereto as Exhibit E with such changes, insertions and deletions as may be necessary to satisfy any regulatory requirements, to update the financial, demographic and statistical data therein with respect to the Fund and the Corporation and to appropriately describe each such Series of the Series 2023A Bonds as may be approved by an officer of the Corporation and which are not inconsistent with this resolution. The execution of an official statement by the Corporation related to each such Series of the Series 2023A Bonds shall be conclusive evidence of such approval. The officers, employees, and Trustees of the Board and the Fund are also authorized to execute and deliver, on behalf of the Board, an official statement and any other disclosure document, and any certificates in connection with any official statement and any other disclosure document and any amendment thereto, as they determine are necessary or appropriate. The Board hereby further authorizes and directs the Corporation to cause the preparation, execution and delivery of a continuing disclosure agreement relating to each subsequent Series of the Series 2023A Bonds, in the form of the continuing

disclosure agreement attached hereto as Exhibit F, with such changes, insertions or deletions as may be approved by the Corporation, and the execution of such document by an officer of the Corporation shall be conclusive evidence of such approval, which continuing disclosure agreement shall comply with the Rule. The officers, employees, and Trustees of the Board and the Fund are authorized to execute or endorse each continuing disclosure agreement and are authorized to take all actions necessary to fulfill the obligations of the Board thereunder.

(f) With respect to each subsequent Series of the Series 2023A Bonds, any and all moneys in the applicable account of the Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Subaccount of the Interest Account of the Bond Fund relating to such subsequent Series of the Series 2023A Bonds, the Subaccount of the Principal Account of the Bond Fund relating to such subsequent Series of the Series 2023A Bonds, the Subaccount of the Sinking Fund Account of the Bond Fund relating to such subsequent Series of the Series 2023A Bonds and any other account or subaccount designated by the President of the Corporation or other authorized officer of the Corporation, including any moneys in a reserve account established for such subsequent Series of the Series 2023A Bonds, may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President of the Corporation or other authorized officer of the Corporation. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such subsequent Series of the Series 2023A Bonds. The President of the Corporation or other authorized officer of the Corporation is authorized to redeem such subsequent Series of the Series 2023A Bonds.

(g) In connection with each subsequent Series of the Series 2023A Bonds authorized hereby, the officers, employees and Trustees of the Board and the Fund and the members of the board of directors and the officers of the Corporation are hereby authorized and directed, jointly and severally, to execute the named documents and to execute such additional agreements, documents, instruments, assents, acceptances, assignments, financing statements, and approvals as they determine to be necessary and to do any and all things which they may deem necessary or advisable in order to consummate the transactions contemplated by this resolution.

10. In connection with the initial Series of the Series 2023A Bonds authorized hereby, the officers, employees and Trustees of the Board and the Fund and the members of the board of directors and the officers of the Corporation are hereby authorized and directed, jointly and severally, to execute the named documents and to execute such additional agreements, documents, instruments, assents, acceptances, assignments, financing statements, and approvals as they determine to be necessary and to do any and all things which they may deem necessary or advisable in order to consummate the transactions contemplated by this resolution.

11. All resolutions, or parts thereof, or other official actions of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

12. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED THIS 25th day of October, 2023.

STATE OF FLORIDA

COUNTY OF LEON

I, _____, of the State Board of Administration of Florida, in and for the County and State aforesaid, do hereby certify that the above and foregoing is a true and correct copy of the resolution passed and adopted by the State Board of Administration of Florida on the 25th day of October, 2023.

IN WITNESS WHEREOF, I hereunto set my hand and official seal of the State Board of Administration of Florida this ____ day of _____, 2023.

Title

(SEAL)

EXHIBIT A

Pledge and Security Agreement

EXHIBIT B

Master Trust Indenture

EXHIBIT C

Form of Ninth Supplemental Indenture

EXHIBIT D

Form of Purchase Contract

EXHIBIT E

Form of Preliminary Official Statement

EXHIBIT F

Form of Continuing Disclosure Agreement

PLEDGE AND SECURITY AGREEMENT

among

**FLORIDA HURRICANE CATASTROPHE
FUND FINANCE CORPORATION,**

FLORIDA HURRICANE CATASTROPHE FUND

and

**WELLS FARGO BANK, N.A.,
Master Trustee**

Dated as of June 1, 2006

TABLE OF CONTENTS

1			
2			
3			Page
4			
5	Section 1.	<i>Defined Terms.....</i>	2
6	Section 2.	<i>Issuance of Parity Obligations.....</i>	4
7	Section 3.	<i>Pledge; Delivery of Pledged Collateral.....</i>	4
8	Section 4.	<i>Special Covenants</i>	7
9	Section 5.	<i>Investment of Pledged Collateral.....</i>	8
10	Section 6.	<i>FHCF Remains Liable.....</i>	8
11	Section 7.	<i>Representations and Warranties.....</i>	9
12	Section 8.	<i>Covered Events Relief Fund.....</i>	9
13	Section 9.	<i>Rights of the Corporation and the Master Trustee</i>	11
14	Section 10.	<i>Remedies.</i>	11
15	Section 11.	<i>Further Assurances</i>	12
16	Section 12.	<i>Master Trustee May Perform.....</i>	12
17	Section 13.	<i>Indemnity and Expenses.....</i>	13
18	Section 14.	<i>Amendment.....</i>	14
19	Section 15.	<i>Termination of Pledge Agreement.</i>	15
20	Section 16.	<i>Notices.....</i>	15
21	Section 17.	<i>No Waiver; Remedies.....</i>	16
22	Section 18.	<i>Conflict.....</i>	16
23	Section 19.	<i>Rights of the Master Trustee.</i>	16
24	Section 20.	<i>Members, Officers and Employees of the State Board of Administration and the Corporation Not Liable.....</i>	17
25			
26	Section 21.	<i>Separate Accounts and Records.....</i>	17
27	Section 22.	<i>Transfers to FHCF.....</i>	17
28	Section 23.	<i>Severability.</i>	18
29	Section 24.	<i>Governing Law.....</i>	18
30	Section 25.	<i>Headings</i>	18
31	Section 26.	<i>Counterparts</i>	18

1
2 THIS PLEDGE AND SECURITY AGREEMENT, dated as of June 1, 2006 (this "Pledge
3 Agreement"), is made by and among the State Board of Administration of the State of Florida,
4 acting as the governing body and administrator of the Florida Hurricane Catastrophe Fund (the
5 "State Board of Administration"), a trust fund established for bond covenants, indentures or
6 resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of
7 Florida (the "FHCF"), Florida Hurricane Catastrophe Fund Finance Corporation, a public
8 benefits corporation, which is an instrumentality of the State of Florida (the "Corporation"), and
9 Wells Fargo Bank, N. A., Jacksonville, Florida, a national banking association duly incorporated
10 under the laws of the United States of America, in its capacity as master trustee (the "Master
11 Trustee") under the Master Indenture (hereinafter defined),

12 WITNESSETH:

13 WHEREAS, Section 215.555, Florida Statutes (the "Act") creates the FHCF and provides
14 that the FHCF will be administered by the State Board of Administration; and

15 WHEREAS, the Act provides that the FHCF will reimburse certain insurers for a portion
16 of their catastrophic hurricane losses, subject to the limitations on such reimbursements set forth
17 in the Act, in order to create additional insurance capacity sufficient to ameliorate the current
18 dangers to the economy of the State of Florida and to the public health, safety and welfare of its
19 citizens posed by a lack of an orderly private market for property insurance; and

20 WHEREAS, the Act creates the Corporation to provide a mechanism for the cost-
21 effective and efficient issuance of bonds necessary to enable the FHCF to carry out the purposes
22 of the Act; and

23 WHEREAS, the purpose of such bonds is to fund reimbursements through the FHCF to
24 pay for the costs of construction, reconstruction, repair, restoration and other costs associated
25 with damage to properties of policyholders of covered policies due to the occurrence of a
26 hurricane; and

27 WHEREAS, the Act provides for the payment by certain insurers of reimbursement
28 premiums and for the payment of emergency assessments in the amounts and under the
29 circumstances set forth in the Act and authorizes the pledge of all or any portion of the revenues
30 derived from such reimbursement premiums and emergency assessments, together with the
31 interest earnings thereon, to the payment of the principal of and redemption premium, if any, and
32 interest on bonds issued by the Corporation for the benefit of the FHCF; and

33 WHEREAS, the Board of Directors of the Corporation has duly authorized the execution
34 and delivery of a master trust indenture, dated as of June 1, 2006 (the "Master Trust Indenture"
35 and, as supplemented and amended, the "Master Indenture"), by and between the Corporation
36 and the Master Trustee, pursuant to which the Corporation will issue and incur Parity
37 Obligations secured by a pledge of and security interest in its Net Receipts; and

38 WHEREAS, in order to provide for the prompt payment of the principal of and
39 redemption premium, if any, and interest on the Parity Obligations issued by the Corporation and

1 for the performance by the Corporation of its other obligations under the Master Indenture, the
2 State Board of Administration has determined to pledge to the Corporation, and grant to the
3 Corporation a security interest in, all of the right, title and interest of the FHCF in and to the
4 Pledged Collateral (as hereinafter defined); and

5 WHEREAS, pursuant to the Master Indenture, the Corporation will, for the benefit of the
6 owners of the Parity Obligations, pledge and assign in the Master Indenture to the Master Trustee
7 all of the Corporation's right, title and interest (including the right to enforce the same and the
8 right to receive the Pledged Collateral) in and to this Pledge Agreement (subject to the
9 reservation of certain rights of the Corporation);

10 NOW, THEREFORE, in consideration of the premises and in order to induce the
11 Corporation to execute and deliver the Master Indenture, to issue Parity Obligations under the
12 Master Indenture and to transfer certain proceeds of such Parity Obligations to the State Board of
13 Administration, upon the issuance thereof, for the purposes permitted by the Act, the State Board
14 of Administration, the Corporation and the Master Trustee hereby agree as follows:

15 Section 1. *Defined Terms.* Capitalized terms not defined herein shall have the
16 meanings ascribed to such terms in the Master Trust Indenture. For the purposes hereof, unless
17 the context otherwise indicates, the following words and terms shall have the following
18 meanings:

19 "Contract Year" means the term of the reimbursement contracts between the State Board
20 of Administration and insurers writing Covered Policies.

21 "Corpus Earnings" means the income derived from the investment of the Corpus of the
22 FHCF.

23 "Corpus of the FHCF" means, as of a particular date, the sum of (i) the unrestricted net
24 assets held by the FHCF on the last day of the preceding Fiscal Year, (ii) the Reimbursement
25 Premiums and Reimbursement Premium Earnings held by the FHCF in the then current Fiscal
26 Year that are in excess of the amounts required for deposit to the credit of the accounts and
27 subaccounts in the Revenue Fund in accordance with the provisions of Section 502 of the Master
28 Trust Indenture and as shall be required for application in accordance with the provisions of
29 Sections 503 and 504 of the Master Trust Indenture, and (iii) without duplication, the amount of
30 the Reimbursement Premiums released in accordance with the provisions of Section 3(f) hereof
31 and Section 503(e)(ii)(Y) of the Master Trust Indenture and the amount of the Emergency
32 Assessments released in accordance with the provisions of Section 503(e)(ii)(Z) of the Master
33 Trust Indenture, in each case, from the pledge and security interest granted by this Pledge
34 Agreement. Proceeds of Bonds do not constitute a portion of the Corpus of the FHCF for
35 purposes of this definition.

36 "Covered Event" means Covered Event as defined in the Act.

37 "Covered Events Relief Fund" means the Florida Hurricane Catastrophe Fund Covered
38 Events Relief Fund created and so designated by Section 8 hereof.

39 "Covered Policy" means Covered Policy as defined in the Act.

1 “Current Expenses of the FHCF” means the current expenses for the operation of the
2 FHCF, including, without limiting the generality of the foregoing, all administrative expenses,
3 salaries and other compensation, personnel expenses properly chargeable to the FHCF, fees and
4 expenses incurred for professional consultants and fiduciaries, refunds related to over-payments
5 of Reimbursement Premiums or refunds of interest related to loss reimbursements or
6 overpayments of Reimbursement Premiums, the premiums, fees and costs of procuring
7 reinsurance for the FHCF, all operating transfers or contributions required by the Act, including
8 operating transfers or contributions pursuant to Section 215.555(7)(c) of the Act, and all Current
9 Expenses of the FHCF so identified in this Pledge Agreement or in a resolution adopted by the
10 State Board of Administration; but Current Expenses of the FHCF shall not include (i)
11 depreciation or amortization, (ii) any deposit to any fund, account and subaccount established
12 under the Master Indenture or any Supplemental Indenture or any payment of principal,
13 redemption premium, if any, and interest on any Bonds from any such fund, account and
14 subaccount, (iii) any debt service payment in respect of Parity Debt or Subordinated
15 Indebtedness, or (iv) payments or advances to insurers writing Covered Policies in the State for
16 hurricane losses pursuant to reimbursement contracts entered into with such insurers by the State
17 Board of Administration pursuant to the Act.

18 “Emergency Assessments” means the money paid or payable to the Corporation or the
19 FHCF from the emergency assessments levied with respect to assessable lines insurance as
20 provided from time to time by the Act. There shall be included within the ambit of “Emergency
21 Assessments” any interest, penalty or surcharge paid or payable on late payments of such
22 emergency assessments.

23 “Emergency Assessment Earnings” means the income derived from the investment of
24 Emergency Assessments.

25 “Fiscal Year” means the fiscal year of the FHCF, which shall be the period beginning on
26 July 1 of each year and ending on June 30 of the following year, unless the Master Trustee is
27 notified in writing by an Authorized Officer of the State Board of Administration of a change in
28 such period, in which case the Fiscal Year shall be the period set forth in such notice.

29 “Other Pledged Money” means any money derived from any fees, premiums,
30 assessments or other levies paid or payable to the FHCF or the Corporation, including the
31 income derived from the investment thereof, pursuant to any law enacted, after the date of
32 delivery of this Pledge Agreement, by the Legislature of the State, to the extent that such money
33 is permitted or required by law to be pledged and used for the payment of the principal of and
34 redemption premium, if any, and interest on Parity Obligations.

35 “Pledged Collateral” for any particular period means the excess of Reimbursement
36 Premiums and Reimbursement Premium Earnings over the payment of Current Expenses of the
37 FHCF, Emergency Assessments, Emergency Assessment Earnings, the net proceeds of, and
38 investment income on such proceeds of, Parity Obligations, net payments to or for the account of
39 the Corporation derived from Derivative Agreements and Other Pledged Money. There shall be
40 included within the ambit of “Pledged Collateral”: (i) all certificates and instruments, if any,
41 from time to time representing or evidencing any of the Pledged Collateral, (ii) all interest,
42 dividends, cash, instruments or other Property from time to time received, receivable or

1 otherwise distributed in respect of or in exchange for any or all of the Pledged Collateral and (iii)
2 all proceeds of any or all of the Pledged Collateral. There shall be excluded from the ambit of
3 "Pledged Collateral" the Corpus of the FHCF and Corpus Earnings, the net proceeds of Parity
4 Obligations disbursed by the FHCF for losses, or advances for losses, from Covered Events, and
5 Reimbursement Premiums and Reimbursement Premium Earnings released pursuant to Section
6 3(f) hereof and Section 503(e)(ii)(Y) of the Master Trust Indenture and Emergency Assessments
7 and Emergency Assessment Earnings released pursuant to Section 503(e)(ii)(Z) of the Master
8 Trust Indenture, in each case, from the pledge and security interest granted hereby. In the case of
9 the net proceeds of Parity Obligations, the pledge and security interest granted by this Pledge
10 Agreement shall be effective only pending their disbursement by the FHCF for losses, or
11 advances for losses, from Covered Events and shall be in favor of the Owners or Holders only of
12 the Series of Parity Obligations (or Parity Obligations that refunded the Parity Obligations) from
13 which such proceeds were derived.

14 "Reimbursement Premiums" means the money paid or payable to the FHCF from
15 reimbursement premiums levied from time to time under the Act. There shall be included within
16 the ambit of "Reimbursement Premiums" any interest, penalty or surcharge paid or payable on
17 late payments of such reimbursement premiums.

18 "Reimbursement Premium Earnings" means the income derived from the investment of
19 Reimbursement Premiums.

20 Section 2. *Issuance of Parity Obligations.* Subject to the provisions of the Master
21 Indenture, the Corporation hereby agrees that, upon the written request of the State Board of
22 Administration, accompanied by such certificates or other documentation, upon which the
23 Corporation may rely, as shall be necessary for the Corporation to comply with the provisions of
24 the Master Trust Indenture, particularly the provisions of Section 208 and, in the case of Parity
25 Obligations issued or incurred under the Master Trust Indenture (except for the Bonds issued
26 pursuant to Supplement No. 1 and Supplement No. 2) , Section 704, including, without
27 limitation, any certificate as to the Premium and Assessment Revenue Available for Debt
28 Service, the Corporation will issue and incur its Parity Obligations for any purpose permitted by
29 the Act.

30 The Corporation further agrees that it will make such transfers or deposits of the proceeds
31 of Parity Obligations as are required by Parity Resolutions.

32 Section 3. *Pledge; Delivery of Pledged Collateral.* (a) In consideration of the
33 issuance and incurrence by the Corporation of its Parity Obligations and the deposits or transfers
34 of the proceeds thereof in accordance with the corresponding Parity Resolutions, the State Board
35 of Administration hereby pledges, assigns, transfers and hypothecates to the Corporation, and
36 grants to the Corporation a security interest in, all of the right, title and interest of the FHCF in
37 and to the Pledged Collateral, whether now owned or hereafter acquired, whether in possession
38 of the FHCF or the Corporation or the Master Trustee or a Depository, all as security for the
39 prompt and full payment when due of the principal of and redemption premium, if any, and
40 interest on all Parity Obligations and any other amounts required to be paid by the Corporation
41 under the Master Indenture.

1 (b) The State Board of Administration hereby agrees to prepare, execute and file such
2 financing statements or amendments to existing financing statements or continuations thereof as
3 shall be necessary, in the Opinion of Counsel, to evidence the security interest in the Pledged
4 Collateral granted herein.

5 (c) (i) In general, the State Board of Administration shall deliver to the Master
6 Trustee so much of the Pledged Collateral as shall be held by the FHCF and as shall be required
7 for deposit to the credit of the accounts and subaccounts in the Revenue Fund in accordance with
8 the provisions of Section 502 of the Master Indenture and as shall be required for application in
9 accordance with the provisions of Sections 503, 504 and 804 of the Master Indenture or, if any
10 Parity Obligations have been declared due and payable pursuant to Section 803 of the Master
11 Indenture, in accordance with the provisions of Section 804 and Section 805(b) of the Master
12 Indenture.

13 (ii) In particular, the State Board of Administration shall deliver to the Master
14 Trustee, not later than the last business day of each month (or more often if required in order for
15 the Corporation to pay or provide for payment of debt service and other amounts due on Parity
16 Obligations), the following that have been received or realized as of the [25th] day of such month
17 (A) all Emergency Assessments and Emergency Assessment Earnings and (B) taking into
18 account the balance to the credit of (I) the Reimbursement Premiums Account and the Pre-Event
19 Bonds Investment Income Account in the Revenue Fund and (II) the subaccounts established for
20 Pre-Event Parity Obligations in the various accounts in the Bond Fund, so much of the
21 Reimbursement Premiums and Reimbursement Premium Earnings, net of the Current Expenses
22 of the FHCF, as shall enable the Master Trustee to make all of the deposits required by Section
23 503(a), (b) and (c) of the Master Trust Indenture for the entire current Fiscal Year; provided that,
24 in the event any of the Outstanding Pre-Event Parity Obligations are Variable Rate Indebtedness,
25 such Obligations shall be assumed, for purposes of the amount to be transferred, to bear interest
26 for the balance of the Fiscal Year at the rate described in paragraph (ii) of the definition of Debt
27 Service Requirement in the Master Trust Indenture.

28 (iii) In the event that the State Board of Administration receives a notice from
29 the Master Trustee, pursuant to Section 503(d)(i) of the Master Indenture, to the effect that the
30 amounts on deposit in the Revenue Fund were insufficient to make the deposits or payments
31 required by Section 504(a), (b) and (c) (or any of them) of the Master Indenture, the State Board
32 of Administration shall deliver to the Master Trustee (i) so much of the investment income from
33 the investment of proceeds of Pre-Event Bonds theretofore realized by the FHCF in such Fiscal
34 Year, and (ii) to the extent a deficiency remains, so much of the proceeds of the Pre-Event
35 Bonds, as are required to provide the Master Trustee with sufficient funds to make such deposits
36 or payments.

37 (d) The obligation of the State Board of Administration to deliver the Pledged
38 Collateral to the Master Trustee, in the amounts sufficient and at the times required for the
39 Corporation to comply with the provisions of Sections 503, 504, 804 and 805 of the Master
40 Indenture, shall be absolute and unconditional. The State Board of Administration shall perform
41 such obligation without demand and without abatement, deduction or set-off, notwithstanding
42 any rights or claims which the FHCF might otherwise have against the Corporation, the Master
43 Trustee, any Bond Registrar or any other Person.

1 (e) The State Board of Administration hereby agrees that, so long as any Parity
2 Obligations are Outstanding and any notice from the Master Trustee referred to in subsection (c)
3 above has not been withdrawn, no Reimbursement Premiums or Reimbursement Premium
4 Earnings will be advanced or paid to insurers writing Covered Policies as reimbursement
5 payments under reimbursement contracts for reimbursable losses.

6 (f) Except during the continuation of an Event of Default, immediately following the
7 date on which the amounts on deposit to the credit of the accounts and subaccounts in the
8 Revenue Fund, taking into account the amounts to the credit of the various subaccounts in the
9 various accounts (except the balance to the credit of the Parity Common Reserve Account and
10 any Special Reserve Account) in the Bond Fund are sufficient for the Master Trustee to make (i)
11 the transfer to the Corporation or a Depositary for the account of the Corporation of the balance
12 of the amount required for the payment of the Current Expenses of the Corporation in the current
13 Fiscal Year in accordance with the provisions of Section 503(b) of the Master Trust Indenture
14 and (ii) the deposits or payments of the amounts required by Section 504(a), (b) and (c) of the
15 Master Trust Indenture in the current Fiscal Year with respect to the Parity Obligations then
16 Outstanding, any Reimbursement Premiums, Reimbursement Premium Earnings and investment
17 income from the investment of proceeds of Pre-Event Bonds held by the FHCF on such date in
18 such Fiscal Year in excess of such requirements for such Fiscal Year shall be released from the
19 pledge and security interest granted herein, any Reimbursement Premiums, Reimbursement
20 Premium Earnings and investment income from the investment of proceeds of Pre-Event Bonds
21 received by the FHCF after such date in such Fiscal Year shall not be required to be delivered to
22 the Master Trustee, and all Reimbursement Premiums, Reimbursement Premium Earnings and
23 the investment income from the investment of proceeds of Pre-Event Bonds so released or no
24 longer required to be delivered to the Master Trustee in such Fiscal Year may be used by the
25 FHCF for any purpose permitted by the Act; provided that, in the event any of the Outstanding
26 Pre-Event Parity Obligations are Variable Rate Indebtedness, such Obligations shall be assumed,
27 for purposes of this subsection (f), to bear interest for the balance of the Fiscal Year at the rate
28 described in paragraph (ii) of the definition of Debt Service Requirement in the Master Trust
29 Indenture.

30 (g) The State Board of Administration and the Corporation hereby acknowledge that
31 the Office of Insurance Regulation has received from the Corporation and the FHCF a notice
32 that, simultaneously with the execution and delivery of this Pledge Agreement, Bonds are being
33 issued by the Corporation and the FHCF has no agreements in effect with local governments,
34 and, therefore, as provided by the Act, for so long as the Corporation shall have any Parity
35 Obligations Outstanding, the FHCF shall have no right, title or interest in or to the Emergency
36 Assessments and the Emergency Assessment Earnings, except as provided in the FHCF's
37 agreements with the Corporation. This Pledge Agreement with the Corporation is one such
38 agreement, and, by the terms hereof, the FHCF shall collect and receive the Emergency
39 Assessments subject to the pledge and security interest granted in Section 3(a) to the Master
40 Trustee for the benefit of the Owners and Holders of Parity Obligations and to the obligation
41 imposed by Section 3(c)(i) and (ii) to transfer to the Master Trustee all of the Emergency
42 Assessments so collected and received. Simultaneously with the execution and delivery of this
43 Pledge Agreement, the Corporation will assign to the Master Trustee as security for the Parity
44 Obligations, all of the Corporation's right, title and interest in and to this Pledge Agreement
45 (except for those certain rights under this Pledge Agreement that are set forth in the granting

1 clauses of the Master Indenture). The State Board of Administration hereby consents to such
2 assignment and agrees that the Master Trustee may enforce any and all rights, privileges and
3 remedies of the Corporation under or with respect to this Pledge Agreement, including those
4 rights reserved by the Corporation.

5 Section 4. *Special Covenants.* The State Board of Administration hereby covenants
6 that:

7 (a) (i) the moneys on deposit in any fund, account or subaccount maintained by the
8 Master Trustee or the State Board of Administration in connection with any Parity Tax-Exempt
9 Obligations, whether or not such moneys were derived from the proceeds of the sale of such
10 Parity Tax-Exempt Obligations or any other source, will not be used in any manner that would
11 cause such Parity Tax-Exempt Obligations to be "arbitrage bonds" within the meaning of Section
12 148 of the Code or bonds not described under Section 103(a) of the Code; and

13 (ii) no portion of the proceeds of any Parity Tax-Exempt Obligations will be
14 used in a manner that would cause such Parity Tax-Exempt Obligations to be "private activity
15 bonds" within the meaning of Section 141(a) of the Code, unless at the time of the issuance of
16 such private activity bonds there shall be delivered to the Master Trustee, the State Board of
17 Administration and the Corporation an opinion of bond counsel to the effect that (A) the interest
18 on such private activity bonds will not be includable in the gross income of the owners thereof
19 for federal income tax purposes and (B) that the issuance of such private activity bonds will not
20 impair the federal income tax status of any other Parity Tax-Exempt Obligations then
21 Outstanding;

22 (b) within thirty (30) days after receipt of the audit report mentioned below but in no
23 event later than two hundred seventy (270) days after the end of each Fiscal Year, the State
24 Board of Administration will file with the Master Trustee and with each Owner or Holder who
25 may have so requested of the State Board of Administration in writing, a copy of the Audited
26 Financial Statements, prepared in accordance with generally accepted accounting principles, of
27 the FHCF and the Corporation as of the end of such Fiscal Year accompanied by the opinion of
28 an Auditor;

29 (c) not later than ninety (90) days after the end of each Fiscal Year, commencing with
30 the Fiscal Year ending on June 30, 2007, the State Board of Administration shall file with the
31 Master Trustee an Officer's Certificate demonstrating that the Revenue Available for Debt
32 Service for the prior Fiscal Year (set forth in such Certificate) was not less than the greater of (i)
33 one hundred twenty-five percent (125%) of the principal and interest that became due and
34 payable in such Fiscal Year on Parity Obligations and (ii) one hundred percent (100%) of the
35 principal and interest that became due and payable in such Fiscal Year for Parity Obligations and
36 Subordinated Indebtedness for such Fiscal Year (both such calculations set forth in such
37 Certificate); provided, however, that if the State Board of Administration is unable to deliver
38 such an Officer's Certificate, the State Board of Administration covenants to take all actions
39 permitted by law or under this Pledge Agreement, including (A) petitioning the Legislature of
40 the State for any amendment or amendments to the Act deemed appropriate by the State Board of
41 Administration, (B) cooperating with the Corporation in connection with any action to increase
42 collections of Pledged Collateral, and (C) retaining a Consultant within thirty (30) days to make

1 recommendations to increase the Revenue Available for Debt Service in the following Fiscal
2 Year to the levels required or, if in the opinion of the Consultant the attainment of such levels is
3 impracticable, to the highest levels attainable. Any Consultant so retained shall be required to
4 submit such recommendations within sixty (60) days after being so retained. The State Board of
5 Administration agrees that it will, to the extent permitted by law, follow, or cause to be followed,
6 the recommendations of any Consultant so retained. For purposes of the Officer's Certificate
7 described in this subsection, there may be subtracted from the amount of the interest otherwise
8 includable in the amounts described in clauses (i) and (ii) above an amount equal to the sum of
9 the interest on Parity Obligations paid during such Fiscal Year from (Y) the Capitalized Interest
10 Account in the Bond Fund and (Z) without duplication, investment income on and proceeds of
11 Pre-Event Parity Obligations. The Officer's Certificate described in this subsection (c) may be
12 provided jointly by an Authorized Officer of the State Board of Administration and an
13 Authorized Officer of the Corporation; and

14 (d) the State Board of Administration will take such action, in addition to the specific
15 actions prescribed by this Pledge Agreement, as may be necessary and permitted under the Act to
16 ensure the full and timely payment of debt service on Pre-Event Parity Bonds following a
17 withdrawal from the Pre-Event Parity Obligations Account of the Covered Events Relief Fund of
18 all or any portion of the proceeds of such Bonds.

19 Section 5. *Investment of Pledged Collateral.* The State Board of Administration
20 shall enter into agreements with either the Master Trustee or a Depositary or Depositaries for the
21 investment of any money derived from the Pledged Collateral and deposited in any of the funds
22 or accounts established under the Master Indenture or this Pledge Agreement or give the Master
23 Trustee and any Depositary written directions respecting the investment of such money, subject,
24 however, to the lien, assignment and pledge effected hereby and to the provisions of Article VI
25 of the Master Indenture. The Master Trustee hereby agrees to enter into such agreements and
26 follow such directions respecting the investment of any money required or permitted to be
27 invested under the Master Indenture, subject, however, to the lien, assignment and pledge
28 effected hereby and to the provisions of Article VI of the Master Indenture.

29 Section 6. *FHCF Remains Liable.* Anything herein to the contrary notwithstanding,
30 (a) the FHCF shall remain liable under the reimbursement contracts entered into by the State
31 Board of Administration with insurers writing Covered Policies in the State to the extent set forth
32 therein and to perform all of its duties and obligations thereunder to the same extent as if this
33 Pledge Agreement had not been executed, (b) the execution and delivery of this Pledge
34 Agreement shall not release the FHCF from any of its duties or obligations under such
35 reimbursement contracts, (c) neither the Corporation nor the Master Trustee shall (i) have any
36 obligation or liability under such reimbursement contracts by reason of this Pledge Agreement or
37 (ii) be obligated to perform any of the obligations or duties of the FHCF or the State Board of
38 Administration thereunder; provided, however, nothing in this Section shall relieve the FHCF of
39 its obligation to deliver to the Master Trustee the Pledged Collateral to the extent required by
40 Section 3 hereof, and (d) the FHCF shall remain liable, notwithstanding any release from the
41 pledge and security interest created by this Pledge Agreement of portions of the Pledged
42 Collateral as provided in Section 3(f), to make timely and sufficient transfers of Pledged
43 Collateral to the Master Trustee to enable the Corporation to make timely and sufficient payment
44 of all amounts due under the Master Indenture.

1 Section 7. *Representations and Warranties.* The State Board of Administration
2 hereby represents and warrants that: (i) the obligations of the FHCF under this Pledge
3 Agreement shall not constitute a debt of the State or any political subdivision thereof nor a
4 pledge of the faith and credit of the State or any political subdivision thereof within the meaning
5 of any constitutional or statutory provision; (ii) the FHCF does not have the power or authority to
6 levy any tax; (iii) the FHCF owns the Pledged Collateral free and clear of any lien, security
7 interest, pledge or encumbrance except for the liens, security interests and pledges created by this
8 Pledge Agreement and by the Master Indenture; (iv) no effective financing statement or other
9 instrument similar in effect covering all or any part of the Pledged Collateral is on file in any
10 recording office; (v) this Pledge Agreement creates a valid, enforceable and perfected security
11 interest in favor of the Corporation in the Pledged Collateral, securing the payment of the Parity
12 Obligations, and all actions necessary or desirable to establish and protect such pledge have been
13 duly taken; and (vi) no authorization, approval or other action by, and no notice to or filing with,
14 any governmental authority or regulatory body is required either (A) for the grant by the State
15 Board of Administration of the security interest granted herein or for the execution, delivery or
16 performance of this Pledge Agreement by the State Board of Administration, or (B) for the
17 perfection of or the exercise by the Corporation and the Master Trustee of their respective rights
18 and remedies hereunder. Unless the State Board of Administration shall have previously advised
19 the Corporation and the Master Trustee in writing that one or more of the above statements is no
20 longer true, the State Board of Administration shall be deemed to have represented and
21 warranted to the Corporation and the Master Trustee on all dates subsequent to the date of
22 execution hereof that the statements contained herein are true and correct.

23 Section 8. *Covered Events Relief Fund.* (a) A special fund is hereby established
24 with the State Board of Administration and designated the "Florida Hurricane Catastrophe Fund
25 Covered Events Relief Fund" and within the Covered Events Relief Fund there are hereby
26 established special accounts, one for Post-Event Parity Obligations and one for Pre-Event Parity
27 Obligations, and, within each of the special accounts, there are hereby established special
28 subaccounts for each Series of Post-Event Bonds and Pre-Event Bonds, respectively (unless the
29 applicable Supplemental Indenture provides for the commingling of proceeds in a single
30 subaccount), each to be designated the "[Bond Series and letter] Covered Events Relief
31 Subaccount" (each, a "Proceeds Subaccount"). Upon the issuance or incurrence of each Series
32 of Parity Obligations that are Post-Event Parity Obligations, the net proceeds thereof shall be
33 transferred by the Corporation to the State Board of Administration, for the account of the
34 FHCF, and shall be deposited by the State Board of Administration in the appropriate Proceeds
35 Subaccount of the Post-Event Parity Obligations Proceeds Account, to be held by the FHCF for
36 disbursement for reimbursement payments, and advances of such payments, under
37 reimbursement contracts for reimbursable losses caused by a Covered Event. Upon the issuance
38 or incurrence of each Series of Parity Obligations that are Pre-Event Parity Obligations, the net
39 proceeds thereof shall be transferred by the Corporation to the State Board of Administration, for
40 the account of the FHCF, and shall be deposited by the State Board of Administration in the
41 appropriate Proceeds Subaccount of the Pre-Event Parity Obligations Proceeds Account to be
42 held by the FHCF in reserve for disbursement for reimbursement payments, and advances of
43 such payments, under reimbursement contracts for reimbursable losses caused by a future
44 Covered Event.

1 (b) Money in the Covered Events Relief Fund may, subject to Section 4(a) hereof and
2 Section 502(c) of the Master Trust Indenture, be invested in any investment authorized under
3 Section 215.47, Florida Statutes, as amended from time to time, or any successor statute.
4 Investments acquired with money in or credited to any Proceeds Subaccount shall be deemed at
5 all times to be part of such Subaccount. Any loss realized upon the disposition or maturity of
6 such investments shall be charged against such Subaccount unless otherwise directed by the
7 State Board of Administration. The interest accruing on any such investments and any profit
8 realized upon the disposition or maturity of such investments shall be credited to such
9 Subaccount unless otherwise directed by the State Board of Administration.

10 (c) In the case of the special Proceeds Subaccounts created for Post-Event Parity
11 Obligations, payment of the reimbursable losses caused by a Covered Event occurring during a
12 Contract Year shall be made from the appropriate Proceeds Subaccount or Subaccounts. All
13 such payments shall be subject to the provisions and restrictions set forth in this Pledge
14 Agreement, including Section 4(a) hereof, and the Master Indenture, and the State Board of
15 Administration shall not cause or agree to permit to be paid from any such Subaccount any sums
16 except in accordance with such provisions and restrictions. When all reimbursement payments
17 under reimbursement contracts for reimbursable losses caused by a Covered Event have been
18 paid, which fact shall be evidenced by delivery to the Master Trustee of an Officer's Certificate
19 of the State Board of Administration, the balance in the related Proceeds Subaccount shall be
20 transferred as the Corporation may direct or as may be provided in the applicable Supplemental
21 Indenture.

22 (d) (i) In the case of each special Proceeds Subaccount created for Pre-Event
23 Parity Obligations,

24 (A) the FHCF shall, in accordance with the provisions of
25 Section 3(c)(iii), transfer to the Master Trustee for the account of the Corporation, from time to
26 time from each such Subaccount the investment income on proceeds of Pre-Event Parity
27 Obligations or from proceeds of Pre-Event Parity Obligations, amounts sufficient for the Master
28 Trustee to pay the Current Expenses of the Corporation not provided for from Reimbursement
29 Premiums or otherwise and to make timely the deposits required by Section 504(a) and (b) and,
30 if applicable, Section 504(c), in respect of the related Series of Pre-Event Parity Obligations, and

31 (B) other than as provided in Section 3(c), no withdrawals from
32 any such Subaccount for any other purpose than described in clause (A) may be made prior to
33 the occurrence of a Covered Event except that withdrawals may be made to redeem or defease
34 any Pre-Event Parity Obligations in accordance with the terms of the applicable Parity
35 Resolution.

36 (ii) Proceeds of Pre-Event Parity Obligations may be withdrawn from a Proceeds
37 Subaccount following the occurrence of a Covered Event, provided that an Authorized Officer of
38 the State Board of Administration shall deliver to the Master Trustee prior to the first such
39 withdrawal an Officer's Certificate certifying the following:

40 (A) The aggregate amount and monthly schedule of
41 withdrawals from such Subaccount anticipated to be made as a result of the Covered Event,

1 (B) That an amount, stated in such Certificate and equal to the
2 difference between the balance then to the credit of the applicable Subaccount for such Pre-Event
3 Parity Obligations in the Interest Account in the Bond Fund and the interest, estimated in such
4 Certificate and calculated in the event that any of the Outstanding Pre-Event Parity Obligations
5 are Variable Rate Indebtedness at the rate described in paragraph (ii) of the definition of Debt
6 Service Requirement in the Master Trust Indenture, to become due and payable in the next six
7 months on a principal amount of Pre-Event Parity Obligations equal to the aggregate amount of
8 the withdrawals anticipated to be made as set forth in (A) above, shall have been withdrawn from
9 the proceeds of such Pre-Event Parity Obligations credited to such Subaccount or otherwise
10 transferred to the Master Trustee, and in any case deposited to the credit of the appropriate
11 subaccount in the Interest Account for such Pre-Event Parity Obligations,

12 (C) That, taking into account all of the anticipated withdrawals
13 described in (A) above, such Officer estimates that there will be sufficient Revenue Available for
14 Debt Service to make full and timely payment of debt service on the Pre-Event Parity
15 Obligations as the same shall become due and payable, and

16 (D) That notice of such withdrawal has been provided to the
17 State Board of Administration and that such notice contained the information included in clauses
18 (A), (B) and (C) above and an estimate, based upon factors deemed reasonable and appropriate
19 by the certifying Authorized Officer, of the aggregate increase, if any, in the Emergency
20 Assessment percentage necessary to be levied to provide for the estimated annual Debt Service
21 Requirement for each future Fiscal Year on a principal amount of the Pre-Event Parity
22 Obligations equal to the aggregate amount of the anticipated withdrawals described in (A) above.

23 (iii) When all of the Pre-Event Parity Obligations authorized by a
24 Supplemental Indenture shall have been paid or defeased (whether through a refunding or
25 otherwise) in accordance with such Supplemental Indenture, which fact shall be evidenced by
26 delivery to the Master Trustee of an Officer's Certificate of the State Board of Administration,
27 the balance in the related Proceeds Subaccount shall be transferred as the Corporation may direct
28 or as may be provided in the applicable Supplemental Indenture.

29 Section 9. *Rights of the Corporation and the Master Trustee.* Neither the
30 Corporation nor the Master Trustee shall be liable for any failure to collect or realize upon all or
31 any part of the Pledged Collateral, or for any delay in so doing, and neither the Corporation nor
32 the Master Trustee shall be under any obligation to take any action whatsoever with regard to the
33 Pledged Collateral except to the extent set forth in this Pledge Agreement, in the Master
34 Indenture and in any indenture supplemental thereto. If an Event of Default shall have occurred
35 and be continuing, the Master Trustee, as assignee pursuant to the Master Indenture of all the
36 Corporation's right, title and interest in and to this Pledge Agreement, may, without notice,
37 exercise all rights, privileges or options pertaining to the Pledged Collateral as if it were the
38 absolute owner of such Pledged Collateral, upon such terms and conditions as it may determine,
39 all without liability except to account for the Pledged Collateral actually received by it.

40 Section 10. *Remedies.* (a) Upon the happening and continuance of any Event of
41 Default, then and in every such case the Master Trustee may proceed, and upon the written
42 request of the Owners or Holders of not less than a majority in aggregate principal amount of the

1 Parity Obligations then Outstanding (subject to any limitations on or alternative provisions for
2 the giving of such requests as may be established in any indenture supplemental to the Master
3 Indenture) shall proceed, subject to the provisions of Section 902 of the Master Indenture, to
4 protect and enforce its rights and the rights of the Owners or Holders of the Parity Obligations
5 under applicable laws and under this Pledge Agreement by such suits, actions or special
6 proceedings in equity or at law, or by proceedings in the office of any board or officer having
7 jurisdiction, either for the specific performance of any covenant or Pledge Agreement contained
8 herein or in aid or execution of any power herein granted or for the enforcement of any proper
9 legal or equitable remedy, as the Master Trustee, being advised by counsel, chosen by the Master
10 Trustee, shall deem most effectual to protect and enforce such rights, including but not limited
11 to:

12 (i) Suit upon all or any part of the Pledged Collateral;

13 (ii) Civil action to require any Person holding money, documents or other
14 property pledged to secure payment of amounts due or to become due on the Parity Obligations
15 to account as if it were the trustee of an express trust for the Owners and Holders;

16 (iii) Civil action to enjoin any acts or things, which may be unlawful or in
17 violation of the rights of the Owners and Holders; and

18 (iv) Enforcement of any other right of the Owners and Holders conferred by
19 law or hereby.

20 (b) Regardless of the happening of an Event of Default, the Master Trustee, if
21 requested in writing by the Owners or Holders of not less than a majority of the aggregate
22 principal amount of the Parity Obligations then Outstanding (subject to any limitations on or
23 alternative provisions for the giving of such requests as may be established in any Supplemental
24 Indenture) shall proceed, subject to the provisions of Section 902 of the Master Indenture, to
25 institute and maintain such suits and proceedings as it may be advised shall be necessary or
26 expedient (i) to prevent any impairment of the security hereunder by any acts which may be
27 unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Owners and
28 Holders, provided that such request and the action to be taken by the Master Trustee are not in
29 conflict with any applicable law or the provisions hereof and, in the sole judgment of the Master
30 Trustee, are not unduly prejudicial to the interest of the Owners and Holders not making such
31 request.

32 Section 11. *Further Assurances.* The State Board of Administration shall, at any time
33 and from time to time upon the written request of the Master Trustee, execute and deliver such
34 further documents and do such further acts and things as the Master Trustee may reasonably
35 request in order to effect the purposes of this Pledge Agreement.

36 Section 12. *Master Trustee May Perform.* If the FHCF fails to perform any agreement
37 contained herein, the Master Trustee may itself perform, or cause performance of, such
38 agreement, and the expenses of the Master Trustee incurred in connection therewith shall be
39 payable by the FHCF as Current Expenses of the FHCF.

1 Section 13. *Indemnity and Expenses.* (a) To the extent permitted by law, the State
2 Board of Administration agrees to indemnify the Corporation and the Master Trustee from and
3 against any and all claims, losses and liabilities (collectively referred to hereinafter as "Losses")
4 of whatsoever nature (including, but not limited to, reasonable attorneys' fees, litigation and
5 court costs, amounts paid in settlement and amounts paid to discharge judgments) directly or
6 indirectly resulting from, arising out of or related to one or more Claims, as hereinafter defined,
7 excluding any such Loss or Claim that arises out of an act of negligence or willful misconduct of
8 any member, officer, director, agent, or employee of the Corporation or the Master Trustee. The
9 word "Claims" as used herein shall mean all claims, lawsuits, causes of action and other legal
10 actions and proceedings of whatsoever nature, including, but not limited to, claims, lawsuits,
11 causes of action and other legal actions and proceedings brought against the Corporation or the
12 Master Trustee or to which the Corporation or the Master Trustee is a party, that directly or
13 indirectly result from, arise out of or relate to the execution, delivery or performance of this
14 Pledge Agreement, the Master Indenture or any related instruments or documents. The
15 obligations of the State Board of Administration under this Section 13(a) shall apply to all
16 Losses or Claims, or both, that result from, arise out of, or are related to any event, occurrence,
17 condition or relationship prior to termination of this Pledge Agreement, whether such Losses or
18 Claims, or both, are asserted prior to termination of this Pledge Agreement or thereafter. The
19 Corporation or the Master Trustee, as the case may be, shall reimburse the State Board of
20 Administration for payments made by the State Board of Administration pursuant to this Section
21 13(a) to the extent of any proceeds, net of all expenses of collection, actually received by the
22 Corporation or the Master Trustee from any insurance covering such Claims with respect to the
23 Losses sustained. The Corporation and the Master Trustee shall have the duty to claim any such
24 insurance proceeds and the Corporation and the Master Trustee shall assign their respective
25 rights to such proceeds, to the extent of such required reimbursement, to the State Board of
26 Administration. In case any action shall be brought against the Corporation or the Master
27 Trustee in respect of which indemnity may be sought against the State Board of Administration,
28 then the Corporation or the Master Trustee, as the case may be, shall promptly notify the State
29 Board of Administration in writing. Failure to notify the State Board of Administration shall not
30 relieve it from any liability that it may have other than on account of this Pledge Agreement.
31 The State Board of Administration shall have the right to assume the investigation and defense of
32 any such action, including the employment of counsel, which counsel shall be satisfactory to the
33 indemnified parties, and the payment of all expenses. The Corporation shall have the right to
34 employ separate counsel in any such action and participate in the investigation and defense
35 thereof, and the reasonable fees and expenses of such counsel shall be paid by the State Board of
36 Administration. The Master Trustee shall have the right to employ separate counsel in any such
37 action and participate in the investigation and defense thereof, but the fees and expenses of such
38 counsel shall be paid by the Master Trustee, unless the employment of such counsel has been
39 authorized by the State Board of Administration or the Master Trustee has concluded in good
40 faith that there may be legal defenses available to it that are different from or in addition to those
41 available to the State Board of Administration, in which case the Master Trustee shall have the
42 right to designate and retain separate counsel in such action and the reasonable fees and expenses
43 of such counsel shall be paid by the State Board of Administration. If no such authorization or
44 conclusion in good faith is made and the State Board of Administration assumes the defense of
45 such action, the State Board of Administration shall not be liable for the fees and expenses of any
46 counsel for the Master Trustee incurred thereafter in connection with such action. In no event

1 shall the State Board of Administration be liable for the fees and expenses of more than one
2 counsel for the Master Trustee in connection with any one action or separate but similar or
3 related actions in the same jurisdiction arising out of the same general allegations or
4 circumstances, unless the retaining of additional counsel has been specifically authorized by the
5 State Board of Administration. All payments made by the State Board of Administration
6 pursuant to this Section 13(a) shall be Current Expenses of the FHCF.

7 (b) The State Board of Administration shall pay to the Corporation and the Master
8 Trustee the amount of any and all reasonable expenses, including the reasonable fees and
9 disbursements of their respective counsel and of any consultants and agents, which the
10 Corporation or the Master Trustee may incur in connection with (i) the administration of this
11 Pledge Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection
12 from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of
13 any of the rights of the Corporation or the Master Trustee hereunder or (iv) the failure by the
14 FHCF to perform or observe any of the provisions hereof. All such expenses pursuant to this
15 Section 13(b) shall be payable by the FHCF as Current Expenses of the FHCF.

16 Section 14. *Amendment.* This Pledge Agreement may, without the consent of or
17 notice to any of the Owners or Holders, be amended, from time to time, to:

18 (a) cure any ambiguity or formal defect or omission in this Pledge Agreement or in
19 any supplement hereto;

20 (b) correct or supplement any provisions herein which may be inconsistent with any
21 other provisions herein or make any other provisions with respect to matters which do not
22 materially or adversely affect the interests of the Owners and the Holders;

23 (c) grant to or confer upon the Master Trustee for the benefit of the Owners and the
24 Holders any additional rights, remedies, powers, authority or security that may lawfully be
25 granted to or conferred upon the Owners and the Holders or the Master Trustee;

26 (d) add conditions, limitations and restrictions on the State Board of Administration
27 to be observed thereafter; or

28 (e) make any amendment or modification to this Pledge Agreement resulting from
29 the elimination of any restriction on the use of Reimbursement Premiums under the Code to pay
30 or to secure debt service on Tax-Exempt Parity Obligations to the extent the elimination of such
31 restriction is permitted by any administrative pronouncement of the Internal Revenue Service
32 (including a private letter ruling) addressed to the Corporation, the FHCF, or any successor of
33 either, or to the extent such elimination of such use restriction is permitted (based upon an
34 Opinion of Counsel) by the Code; or

35 (f) make any other change that, in the opinion of the Master Trustee, which may rely
36 upon certificates of Consultants and Opinions of Counsel for such purpose, shall not materially
37 adversely affect the security for the Parity Obligations.

38 Before entering into any amendment under this Section 14, the Master Trustee shall be
39 entitled to receive, and in so doing shall be fully protected in relying upon, an Opinion of

Counsel to the effect the any such proposed amendment is authorized or permitted under this Pledge Agreement.

Other than amendments referred to in the preceding paragraph of this Section and subject to the terms and provisions and limitations contained in Section 1102 of the Master Indenture and not otherwise, the Owners and Holders of not less than a majority in aggregate principal amount of the Parity Obligations then Outstanding, shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by the State Board of Administration, the Corporation and the Master Trustee of such supplements and amendments hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, nothing in this Section shall permit or be construed as permitting a supplement or amendment which would impair the pledge and security interest granted by this Pledge Agreement.

Section 15. *Termination of Pledge Agreement.* This Pledge Agreement shall (i) remain in full force and effect until payment in full of the Parity Obligations, (ii) be binding upon the FHCF, its successors and assigns and (iii) inure to the benefit of the Corporation, the Master Trustee and their respective successors, transferees and assigns. Upon the payment in full of the Parity Obligations, the security interest granted herein shall terminate and all rights to the Pledged Collateral shall revert to the FHCF. Upon any such termination, the Master Trustee shall, at the FHCF's expense, execute and deliver to the FHCF such documents as the State Board of Administration shall reasonably request to evidence such termination.

Section 16. *Notices.* All notices, demands and requests to be given to or made hereunder by the Corporation, the State Board of Administration or the Master Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

Party

Address

Florida Hurricane Catastrophe Fund:

Florida Hurricane Catastrophe Fund
c/o State Board of Administration
1801 Hermitage Boulevard
Tallahassee, Florida 32308
Attention: Chief Operating Officer

1 Corporation: Florida Hurricane Catastrophe Fund
2 Finance Corporation
3 c/o State Board of Administration
4 1801 Hermitage Boulevard
5 Tallahassee, Florida 32308
6 Attention: Senior FHCF Officer

7 Master Trustee: Wells Fargo Bank, N.A.
8 7077 Bonneval Road, Suite 400
9 Jacksonville, FL 32216
10 Attention: Corporate Trust Department

11 Any such notice, demand or request may also be transmitted to the appropriate above-
12 mentioned party by telegram or telephone and shall be deemed to be properly given or made at
13 the time of such transmission if, and only if, such transmission of notice shall be confirmed in
14 writing and sent as specified above.

15 Any of such addresses may be changed at any time upon written notice of such change
16 sent by United States certified or registered mail, postage prepaid, to the other parties by the
17 party effecting the change.

18 Section 17. *No Waiver; Remedies.* No failure on the part of the Corporation or the
19 Master Trustee to exercise, and no delay in exercising, any right under this Pledge Agreement
20 shall operate as a waiver of such right, and no single or partial exercise of any right under this
21 Pledge Agreement shall preclude any further exercise of such right or the exercise of any other
22 right. The remedies provided in this Pledge Agreement are cumulative and not exclusive of any
23 remedies provided by law.

24 Section 18. *Conflict.* In the event that any part of this Pledge Agreement is
25 determined to be in conflict with the terms of the Master Indenture, the terms of the Master
26 Indenture shall govern to the extent of such conflict.

27 Section 19. *Rights of the Master Trustee.* Neither the Master Trustee nor any of its
28 officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable for any action
29 taken or omitted to be taken by it or any such officer, director, employee, agent, attorney-in-fact
30 or affiliate under or in connection with this Pledge Agreement (except for the Master Trustee's
31 or any such person's own negligence or willful misconduct). The Master Trustee undertakes to
32 perform only such duties as are expressly set forth herein. The Master Trustee may rely, and
33 shall be protected in acting or refraining from acting, upon any written notice, instruction or
34 request furnished to it hereunder and believed by it to be genuine and to have been signed or
35 presented by the proper party. The Master Trustee may consult with counsel of its choice and
36 shall have full and complete authorization and protection for any action taken or suffered by it
37 hereunder in good faith and in accordance with the opinion of such counsel. Notwithstanding
38 any provision to the contrary contained herein, the Master Trustee shall not be relieved of
39 liability arising in connection with its own negligence or willful misconduct.

1 Section 20. *Members, Officers and Employees of the State Board of Administration*
2 *and the Corporation Not Liable.* Neither the members, officers and employees of the State
3 Board of Administration nor the members of the Board of Directors or the officers and
4 employees of the Corporation shall be personally liable for any costs, losses, damages or
5 liabilities caused or subsequently incurred by the State Board of Administration or any member,
6 officer, employee or agent thereof in connection with or as a result of this Pledge Agreement.

7 Section 21. *Separate Accounts and Records.* The State Board of Administration and
8 the Corporation represent and covenant, each for itself, that:

9 (i) Each of them will maintain its respective books, financial records and
10 accounts (including, without limitation, inter-entity transaction accounts) in a manner so as to
11 identify separately the assets and liabilities of each such entity; each has observed and will
12 observe all applicable corporate or trust procedures and formalities, including where applicable,
13 the holding of regular periodic and special meetings of governing bodies, the recording and
14 maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if
15 any, adopted at such meetings; and all transactions and agreements between and among them
16 have reflected and will reflect the separate legal existence of each entity and have been and will
17 be formally documented in writing.

18 (ii) Each of them has paid and will pay its respective liabilities and losses
19 from its own respective separate assets, and has compensated and will compensate all
20 consultants, independent contractors and agents from its own funds for services provided to it by
21 such consultants, independent contractors and agents.

22 (iii) None of them has commingled or will commingle any of its assets, funds
23 or liabilities with the assets, funds or liabilities of any other person or entity. Each of them has
24 conducted and will conduct all business between itself and third parties in its own name and
25 separate and distinct from the others.

26 (iv) Neither the assets nor the creditworthiness of the FHCF will be held out as
27 being available for the payment of any liability of the Corporation, and vice versa. Assets will
28 not be transferred by the Corporation to or from the FHCF inconsistently with the Act or with
29 the intent to hinder, delay or defraud creditors.

30 (v) Each of them in its papers and in the statements of its officials has referred
31 and will refer to the others as separate and distinct legal entities; and will take no action that is
32 inconsistent with this Pledge Agreement or that would give any creditor of any of them cause to
33 believe either that any obligation incurred by it would be not only its obligation, but also of
34 another party, or that it were not or would not continue to remain an entity separate and distinct
35 from the others.

36 Section 22. *Transfers to FHCF.* Subject to the provisions of the Act, the Master
37 Indenture and this Pledge Agreement, all money received by the Corporation or the Master
38 Trustee which, together with other money available for the purposes of the Master Indenture,
39 exceeds the amount required for such purposes shall be transferred to the order of the FHCF not
40 later than the times provided therefor in the Master Indenture and in this Pledge Agreement.

1 Section 23. *Severability.* Any provision of this Pledge Agreement that is prohibited,
2 unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to
3 the extent of such prohibition, unenforceability or nonauthorization without invalidating the
4 remaining provisions of this Pledge Agreement or affecting the validity, enforceability or legality
5 of such provision in any other jurisdiction.

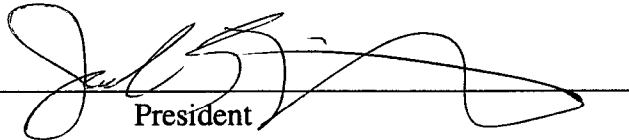
6 Section 24. *Governing Law.* This Pledge Agreement shall be governed by, and
7 construed and interpreted in accordance with, the domestic law of the State.

8 Section 25. *Headings.* Section headings in this Pledge Agreement are included for
9 convenience of reference only and shall not constitute a part of this Pledge Agreement for any
10 other purpose.

11 Section 26. *Counterparts.* This Pledge Agreement may be signed in any number of
12 counterpart copies, and all such copies shall constitute one and the same instrument.

1 IN WITNESS WHEREOF, the parties have caused this Pledge Agreement to be duly
2 executed and delivered as of the date first above written.

3 FLORIDA HURRICANE CATASTROPHE FUND
4 FINANCE CORPORATION

5 By: 
6 President

7 (SEAL)

8 Attest:

9 
10 Secretary
11

12 STATE BOARD OF ADMINISTRATION,
13 acting as the governing body and administrator of the
14 FLORIDA HURRICANE CATASTROPHE FUND

15 By: 
16 Executive Director

17 (SEAL)

18 Attest:

19 
20 Assistant General Counsel
21

22 WELLS FARGO BANK, N.A.
23 Master Trustee
24

25 By: _____
26 [Title]

27 (SEAL)

28 Attest:

29 _____
30 [Title]

1 IN WITNESS WHEREOF, the parties have caused this Pledge Agreement to be duly
2 executed and delivered as of the date first above written.

3 FLORIDA HURRICANE CATASTROPHE FUND
4 FINANCE CORPORATION

5 By: _____
6

7 (SEAL)

8 Attest:
9
10 _____
11

12 STATE BOARD OF ADMINISTRATION,
13 acting as the governing body and administrator of the
14 FLORIDA HURRICANE CATASTROPHE FUND

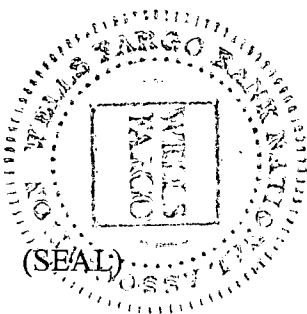
15 By: _____
16

17 (SEAL)

18 Attest:
19
20 _____
21

22 WELLS FARGO BANK, N.A.
23 Master Trustee

24 By:  _____
25 Brian P. Clark, Vice President



27 Attest:
28  _____
29 Title:

Table of Contents

Page

Article I. DEFINITIONS AND OTHER PROVISIONS CONCERNING INTERPRETATION

Section 101.	Definitions.....	5
Section 102.	Interpretation.....	19
Section 103.	Status of Parity Obligations	20

Article II. INDEBTEDNESS

Section 201.	Limitation on Incurrence of Indebtedness	20
Section 202.	Details of Bonds.....	21
Section 203.	Execution and Form of Bonds	22
Section 204.	Exchange of Bonds	22
Section 205.	Negotiability and Registration of Transfer of Bonds.....	22
Section 206.	Ownership of Bonds	23
Section 207.	Authentication of Bonds	23
Section 208.	Terms and Conditions for Incurrence of Indebtedness	23
Section 209.	Temporary Bonds.....	24
Section 210.	Mutilated, Destroyed, Lost or Stolen Bonds.....	25
Section 211.	Subordinated Indebtedness	25
Section 212.	Additional Restrictions	26

Article III. REDEMPTION

Section 301.	Redemption Generally	27
--------------	----------------------------	----

Article IV. COSTS OF ISSUANCE FUND

Section 401.	Costs of Issuance Fund	27
Section 402.	Payments from Costs of Issuance Fund	27
Section 403.	Requisitions from Costs of Issuance Fund.....	27
Section 404.	Reliance upon Requisitions.....	28
Section 405.	Disposition of Costs of Issuance Fund Balance.....	28

Article V. APPLICATION OF GROSS RECEIPTS AND NET RECEIPTS; FUNDS AND ACCOUNTS

Section 501.	Establishment of Funds and Accounts.....	28
Section 502.	Gross Receipts Received by the Corporation or the Master Trustee	30
Section 503.	Application of Money in Revenue Fund.....	30
Section 504.	Use of Money for Debt Service Accounts and Reserve Accounts	33
Section 505.	Application of Money in Interest Account and Capitalized Interest Account	34
Section 506.	Application of Money in Principal Account	35
Section 507.	Application of Money in Sinking Fund Account.....	35

1	Section 508.	Deposit and Application of Money in Parity Common Reserve	
2		Account and Any Special Reserve Account; Replenishment of	
3		Deficiencies.....	36
4	Section 509.	Application of Money in Redemption Account.....	38
5	Section 510.	Escheat	40
6	Section 511.	Cancellation of Bonds.....	40
7	Section 512.	Disposition of Fund Balances	40
8	Section 513.	Use of Available Funds.....	40
9	Article VI. DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS,		
10	INVESTMENT OF FUNDS AND COVENANT AS TO ARBITRAGE		
11	Section 601.	Security for Deposits.....	42
12	Section 602.	Investment of Money	42
13	Section 603.	Valuation.....	44
14	Section 604.	Covenant as to Arbitrage	45
15	Article VII. COVENANTS OF THE CORPORATION AND THE STATE		
16	Section 701.	Security; Restrictions on Encumbering Net Receipts; Payment of	
17	Principal and Interest		45
18	Section 702.	Covenants as to Existence, Etc	46
19	Section 703.	Limitations on Creation of Liens	47
20	Section 704.	Incurrence Test.....	47
21	Section 705.	Fiscal Year End Certificate.....	49
22	Section 706.	Filing of Audited Financial Statements, Certificate of No Default,	
23	Other Information		49
24	Section 707.	Annual Budget	50
25	Section 708.	State Covenant	50
26	Article VIII. DEFAULTS AND REMEDIES		
27	Section 801.	Extension of Interest Payment	50
28	Section 802.	Events of Default	51
29	Section 803.	Acceleration of Maturities	51
30	Section 804.	Remedies.....	52
31	Section 805.	Pro Rata Application of Funds.....	53
32	Section 806.	Effect of Discontinuance of Proceedings.....	55
33	Section 807.	Control of Proceedings	55
34	Section 808.	Restrictions Upon Action.....	55
35	Section 809.	Enforcement of Rights of Action.....	56
36	Section 810.	No Remedy Exclusive.....	56
37	Section 811.	Delay Not a Waiver	56
38	Section 812.	Notice of Default.....	56
39	Section 813.	Right to Enforce Payment of Parity Obligations Unimpaired	56
40	Section 814.	Remedies Subject to Provisions of Law	57
41	Article IX. THE MASTER TRUSTEE AND THE BOND REGISTRAR		
42	Section 901.	Acceptance of Trusts.....	57

1	Section 902.	Indemnification of Master Trustee as Condition for Remedial	
2	Action	58
3	Section 903.	Limitations on Obligations and Responsibilities of Master Trustee.....	58
4	Section 904.	Master Trustee Not Liable for Failure of Corporation to Act.....	59
5	Section 905.	Compensation and Indemnification of Master Trustee and Bond	
6	Registrar	59	
7	Section 906.	Monthly Statements from Master Trustee	59
8	Section 907.	Master Trustee May Rely on Certificates	60
9	Section 908.	Notice of Default.....	60
10	Section 909.	Master Trustee Not Responsible for Recitals	60
11	Section 910.	Master Trustee Protected in Relying on Certain Documents.....	60
12	Section 911.	Master Trustee May Pay Taxes and Assessments	61
13	Section 912.	Resignation and Removal of Master Trustee and Bond	
14	Registrar	Subject to Appointment of Successor	61
15	Section 913.	Resignation of Master Trustee	61
16	Section 914.	Removal of Master Trustee.....	61
17	Section 915.	Appointment of Successor Master Trustee	62
18	Section 916.	Vesting of Duties in Successor Master Trustee	63
19	Section 917.	Removal and Resignation of Bond Registrar.....	63

20 Article X. EXECUTION OF INSTRUMENTS BY OWNERS AND HOLDERS, PROOF
21 OF OWNERSHIP OF BONDS OR PARITY DEBT, AND DETERMINATION OF
22 CONCURRENCE OF OWNERS AND HOLDERS

23	Section 1001.	Execution of Instruments	64
24	Section 1002.	Preservation of Information; Communications.....	64
25	Section 1003.	Credit Provider as Owner or Holder	65

26 Article XI. SUPPLEMENTS AND AMENDMENTS

27	Section 1101.	Supplemental Indentures Without Consent	65
28	Section 1102.	Supplemental Indentures With Consent.....	67
29	Section 1103.	Supplemental Indentures Part of Master Indenture	68
30	Section 1104.	Not a Supplemental Indenture	68
31	Section 1105.	Responsibilities of the Master Trustee.....	68

32 Article XII. DEFEASANCE

33	Section 1201.	Release of Master Indenture	69
----	---------------	-----------------------------------	----

34 Article XIII. MISCELLANEOUS PROVISIONS

35	Section 1301.	Successorship of Corporation	70
36	Section 1302.	Successorship of Depositary and Bond Registrar	70
37	Section 1303.	Manner of Giving Notice	70
38	Section 1304.	Substitute Mailing.....	71
39	Section 1305.	Parties, Bond Registrar, Owners and Holders Alone Have Rights	
40	Under Master Indenture	71
41	Section 1306.	Effect of Partial Invalidity	71
42	Section 1307.	Effect of Covenants; Governing Law	72

1	Section 1308. No Recourse Against Members, Officers or Employees of	
2	Corporation or State Board of Administration.....	72
3	Section 1309. Dealing in Parity Obligations.....	72
4	Section 1310. Headings	72
5	Section 1311. Further Authority	72
6	Section 1312. Payments Due on Non-Business Days.....	73
7	Section 1313. Multiple Counterparts	73
8		

THIS MASTER TRUST INDENTURE (this “Master Indenture”), made and entered into as of the first day of June 1, 2006, by and between Florida Hurricane Catastrophe Fund Finance Corporation, a public benefits corporation, which is an instrumentality of the State of Florida (the “Corporation”), and Wells Fargo Bank, N.A., Jacksonville, Florida, a national banking association duly incorporated under the laws of the United States of America, and being duly qualified to accept and administer the trusts created hereby (the “Master Trustee”),

WITNESSETH:

WHEREAS, Section 215.555, Florida Statutes, as amended (the “Act”), creates the Florida Hurricane Catastrophe Fund, a trust fund established for bond covenants, Master Indentures or resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of Florida (the “FHCF”); and

WHEREAS, the Act provides that the FHCF will be administered by the State Board of Administration of Florida (in its capacity as the governing body and administrator of the FHCF, the State Board of Administration) and that the FHCF will reimburse certain insurers for a portion of their catastrophic hurricane losses, subject to the limitations on such reimbursements set forth in the Act, in order to create additional insurance capacity sufficient to ameliorate the current dangers to the economy of the State and to the public health, safety and welfare of its citizens posed by a lack of an orderly private market for property insurance; and

WHEREAS, the Act creates the Corporation as a public benefits corporation, which is an instrumentality of the State of Florida, to provide a mechanism for the cost-effective and efficient issuance of bonds necessary to enable the FHCF to carry out the purposes of the Act; and

WHEREAS, the purpose of such bonds is to fund reimbursements through the FHCF to pay for the costs of construction, reconstruction, repair, restoration and other costs associated with damage to properties of policyholders of covered policies due to the occurrence of a hurricane; and

WHEREAS, the Act provides for the payment by certain insurers of reimbursement premiums, and for the remittance of emergency assessments from certain policyholders, in the amounts and under the circumstances set forth in the Act and authorizes the pledge of all or any portion of the revenues derived from such reimbursement premiums and emergency assessments, together with the interest earnings thereon, to the payment of the principal of and redemption premium, if any, and interest on bonds issued by the Corporation for the benefit of the FHCF; and

WHEREAS, the Act provides that revenue bonds may not be issued under the Act until validated under Florida Statutes, Chapter 75, and that the validation of at least the first issue of obligations incurred under the Act shall be appealed to the Florida Supreme Court; and

WHEREAS, the Circuit Court of the Second Judicial Circuit of Florida (the “Circuit Court”) validated on November 12, 1996 bonds in the aggregate principal amount of not exceeding \$10 billion, a pledge agreement (“1996 pledge agreement”), a master trust Master Indenture (“1996 master trust Master Indenture”), and related resolutions adopted by the State

1 Board of Administration for the FHCF and by the Board of Directors of the Corporation (“1996
2 resolutions”); and

3 WHEREAS, Florida Supreme Court affirmed on September 18, 1997 the order of the
4 Circuit Court and concluded that “the Florida Hurricane Finance Corporation acted within its
5 authority and complied with all requirements of the law in the issuance of the Hurricane
6 Catastrophe Relief Revenue Bonds;” and

7 WHEREAS, the Corporation obtained from the Internal Revenue Service a private letter
8 ruling dated July 2, 1998 to the effect that the interest on bonds issued by the Corporation and
9 secured by emergency assessments and, to a limited extent, reimbursement premiums would be
10 exempt from federal income tax, and such ruling, limited in term to five years, was renewed on
11 June 13, 2003 through June 30, 2008; and

12 WHEREAS, the Florida Legislature has made several amendments to the Act since its
13 initial enactment in 1993, since validation in 1996 of the bonds, the 1996 master trust Master
14 Indenture, the 1996 pledge agreement and the 1996 resolutions and since receipt in 1998 of the
15 Internal Revenue Service private letter ruling, without vitiating the efficacy of any of the Circuit
16 Court validation, the Supreme Court affirmation of the Circuit Court validation or the private
17 letter ruling; and

18 WHEREAS, the Board of Directors of the Corporation has duly authorized the execution
19 and delivery of this Master Indenture with the Master Trustee, this Master Indenture being
20 intended to preserve the substance of the 1996 master trust indenture while reflecting the
21 provisions of the amendments to the Act since 1996 and the provisions of the Internal Revenue
22 Service private letter ruling and restricting the obligations that the Corporation may incur
23 hereunder to Parity Obligations (as hereinafter defined); and

24 WHEREAS, the State Board of Administration and the Board of Directors of the
25 Corporation have duly authorized the execution and delivery of a pledge and security agreement,
26 dated as of June 1, 2006 (the “Pledge Agreement”), by and among the State Board of
27 Administration, the Corporation and the Master Trustee, which agreement is intended to preserve
28 the substance of the 1996 pledge agreement and to conform to the provisions of the Act as
29 currently in effect, the private letter ruling and this Master Indenture, pursuant to which the State
30 Board of Administration has pledged and assigned to the Corporation certain revenues derived
31 from such reimbursement premiums and emergency assessments, together with the interest
32 earnings thereon, to the payment of the principal of and redemption premium, if any, and interest
33 on such bonds; and

34 WHEREAS, the Office of Insurance Regulation of the State of Florida and the Florida
35 Surplus Lines Service Office have each been notified that, simultaneously with the execution and
36 delivery of the Pledge Agreement and this Master Indenture, Bonds (hereinafter defined) are
37 being issued by the Corporation and that the FHCF has no agreements in effect with local
38 governments, and, therefore, until such date as the Corporation shall have no Bonds Outstanding
39 (hereinafter defined) and subject to the provisions of the Pledge Agreement, the FHCF shall have
40 no right, title or interest in or to such emergency assessments or the interest earnings thereon,
41 except as provided in the Pledge Agreement; and

1 WHEREAS, the Corporation desires to issue and incur its Parity Obligations pursuant to
2 the Act to provide funds to achieve the public purposes of the Act; and

3 WHEREAS, any Bonds issued and any Parity Debt (hereinafter defined) incurred under
4 this Master Indenture will be secured by a pledge of the Net Receipts (hereinafter defined) of the
5 Corporation; and

6 WHEREAS, pursuant to the Act, the Corporation is entering into this Master Indenture
7 for the purpose of authorizing the issuance of Bonds and the incurrence of Parity Debt and
8 securing the payment thereof by assigning its rights in and to the Net Receipts and certain of its
9 rights under the Pledge Agreement; and

10 WHEREAS, under the Constitution and laws of the State of Florida, including the Act,
11 the Corporation is authorized to enter into this Master Indenture, to issue the Bonds and incur
12 Parity Debt as hereinafter provided and to do or cause to be done all the acts and things herein
13 provided or required to be done as hereinafter covenanted; and

14 WHEREAS, all acts, conditions and things required by the Constitution and laws of the
15 State of Florida, including the Act, to happen, exist and be performed precedent to and in the
16 execution and delivery of this Master Indenture have happened, exist and have been performed
17 as so required to make this Master Indenture a valid and binding Master Indenture securing any
18 Bonds and any Parity Debt in accordance with its terms; and

19 WHEREAS, the Master Trustee agrees to accept and administer the trusts created hereby;

20 NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH that in
21 consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby
22 created, and of the issuance of Bonds and the incurrence of any Parity Debt as provided herein,
23 in any Supplemental Indenture (hereinafter defined) and in any Parity Debt Resolution
24 (hereinafter defined), and also for and in consideration of the sum of One Dollar in hand paid to
25 the Master Trustee at or before the execution and delivery of this Master Indenture, and for other
26 good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged,
27 and for the purpose of fixing and declaring the terms and conditions upon which Bonds are to be
28 issued, authenticated, delivered, secured and accepted by all persons who shall from time to time
29 be or become Owners (hereinafter defined), and to secure the payment of all Bonds at any time
30 issued and outstanding under this Master Indenture and any Parity Debt, and the interest and the
31 redemption premium, if any, thereon according to their tenor, purport and effect, and to secure
32 the performance and observance of all the covenants, agreements and conditions, express or
33 implied, therein and herein contained, the Corporation has executed and delivered this Master
34 Indenture, and by this Master Indenture has given, granted, bargained, aliened, remised, released,
35 conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant,
36 bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the
37 Master Trustee, and its successor or successors in trust:

38 1. All Net Receipts of the Corporation;

39 2. All right, title and interest of the Corporation in and to the Pledge Agreement
40 (except for those certain rights that are set forth in the next sentence of this clause), it being the

1 intent and purpose hereof that the assignment and transfer to the Master Trustee of the Pledged
2 Collateral (hereinafter defined) shall be effective and operative immediately and the Master
3 Trustee shall have the right to collect and receive from the FHCF the Pledged Collateral for
4 application in accordance with the provisions hereof at all times during the period from and after
5 the date of this Master Indenture until the indebtedness hereby secured shall have been fully paid
6 and discharged, all subject to the rights of the FHCF to the release of Reimbursement Premiums
7 and Reimbursement Premium Earnings and Emergency Assessments and Emergency
8 Assessment Earnings as provided in the Pledge Agreement and this Master Indenture. The
9 Corporation specifically reserves from this assignment the following rights: (a) to receive all
10 notices, opinions, certificates, copies of documents, instruments, reports and correspondence, and
11 evidence of certain actions by the State Board of Administration, acting on behalf of the FHCF,
12 required to be delivered to the Corporation under the Pledge Agreement; (b) to grant approvals
13 and consents and make determinations when required under the Pledge Agreement; (c) to be
14 indemnified pursuant to the Pledge Agreement; and (d) those exculpations from liability
15 conferred upon the members, officers and employees of the Corporation in the Pledge
16 Agreement; provided that the reservation of the aforementioned rights shall not prevent the
17 Master Trustee from enforcing the same on behalf of the Corporation, the Owners and the
18 Holders (hereinafter defined), and the Corporation is to remain liable to observe and perform all
19 the covenants, agreements and conditions, express or implied, therein and herein contained; and

20 3. All money and securities held by or on behalf of the Master Trustee in all of the
21 funds, accounts or subaccounts established pursuant to this Master Indenture, except those funds,
22 accounts and subaccounts that are expressly pledged in a Supplemental Indenture as security
23 only for the Series of Bonds authorized by such Supplemental Indenture or in a Parity Debt
24 Resolution as security only for the Parity Debt authorized by such Parity Debt Resolution, and,
25 in the case of Tax-Exempt Parity Obligations, except those funds, accounts and subaccounts that
26 are expressly set aside in a Supplemental Indenture or Parity Debt Resolution for the purpose of
27 making rebate, yield reduction or similar payments to the United States of America in order to
28 maintain the tax status of the Tax-Exempt Parity Obligations;

29 TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby
30 conveyed and assigned, or agreed or intended so to be, to the Master Trustee and its successor or
31 successors in trust and to them and their assigns forever; but

32 IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the benefit,
33 security and protection of all and singular the present and future Owners of the Bonds issued or
34 to be issued under and secured by this Master Indenture and the Holders of any Parity Debt
35 secured by this Master Indenture, without preference, priority or distinction as to lien or
36 otherwise, except as may otherwise be provided herein, of any one Bond or Parity Debt over any
37 other Bond or Parity Debt by reason of priority in their issue, sale or otherwise, all as herein
38 provided;

39 PROVIDED, HOWEVER, that if the Corporation, its successors or assigns, shall well
40 and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this
41 Master Indenture, of the principal of all Parity Obligations and the interest and any redemption
42 premium due or to become due thereon, at the times and in the manner mentioned in the Parity
43 Obligations and this Master Indenture, according to the true intent and meaning hereof and

1 thereof, and shall cause the payments to be made into the Bond Fund (hereinafter defined) or
2 otherwise as required under this Master Indenture, and shall pay or cause to be paid to the Master
3 Trustee all sums of money due or to become due to it in accordance with the terms and
4 provisions hereof and perform all of its other obligations hereunder, then, upon such
5 performance and payments, this Master Indenture and the rights hereby granted shall cease,
6 determine and become void, as provided in Article XII of this Master Indenture; otherwise this
7 Master Indenture to be and remain in full force and effect.

8 THIS MASTER INDENTURE FURTHER WITNESSETH and it is expressly declared
9 that all Bonds issued and secured hereunder and any Parity Debt secured hereunder are to be
10 issued, authenticated (if applicable), delivered and dealt with, the respective rights of all Owners
11 of the Bonds and Holders of Parity Debt are to be set forth, and all said property hereby given,
12 granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set-
13 over and pledged is to be dealt with and disposed of, under, upon and subject to the terms,
14 conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter
15 expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant,
16 with the Master Trustee and with the respective Owners and Holders, from time to time, of Parity
17 Obligations, or any part hereof, as follows:

18 Article I.

19
20 DEFINITIONS AND OTHER PROVISIONS
21 CONCERNING INTERPRETATION

22 Section 101. Definitions. For the purposes hereof, unless the context otherwise
23 indicates, the following words and phrases shall have the following meanings:

24 “Accreted Amount” means with respect to Capital Appreciation Bonds, the amount set
25 forth in the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds
26 as the amount representing the initial public offering price, plus the accumulated and
27 compounded interest on such Capital Appreciation Bonds.

28 “Act” means Section 215.555, Florida Statutes, as amended, or any successor statute.

29 “Audited Financial Statements” means the combined financial statements of the FHCF
30 and the Corporation for a 12-month period, or for such other period for which an audit has been
31 performed, that have been audited and reported upon by an Auditor in accordance with generally
32 accepted auditing standards.

33 “Auditor” means an independent certified public accountant or firm of independent
34 public accountants selected by the State Board of Administration.

35 “Authorized Officer of the Corporation” means each person who is authorized by
36 resolution of the Governing Body of the Corporation to perform the duties imposed on an
37 Authorized Officer of the Corporation by this Master Indenture and whose name is filed with the
38 Master Trustee for such purpose.

1 “Authorized Officer of the State Board of Administration” means each person who is
2 authorized by resolution of the Governing Body of the FHCF to perform the duties imposed on
3 an Authorized Officer of the State Board of Administration by this Master Indenture and whose
4 name is filed with the Master Trustee for such purpose.

5 “Balloon Indebtedness” means Indebtedness twenty-five percent (25%) or more of the
6 principal payments of which are due in a single Fiscal Year, which portion of the principal is not
7 required by the documents pursuant to which such Indebtedness is incurred to be amortized by
8 payment or redemption prior to such year.

9 “Bond” or “Bonds” means the bonds or notes issued under the provisions hereof and
10 secured on a parity with each other and any Parity Debt by this Master Indenture.

11 “Bond Fund” means the Florida Hurricane Catastrophe Fund Finance Corporation Bond
12 Fund created and so designated by Section 501(b) hereof.

13 “Bond Registrar” means, with respect to any Series of Bonds, the Bond Registrar at the
14 time serving as such under the Supplemental Indenture authorizing the issuance of such Series,
15 whether the original or a successor Bond Registrar.

16 “Business Day” means a day on which the Corporation, the Fund, the Master Trustee and
17 each Bond Registrar are open for the purpose of conducting their businesses.

18 “Capital Appreciation Bonds” means Bonds the interest on which is compounded at the
19 rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such
20 Bonds and is payable upon redemption or on the maturity date of such Bonds. Nothing in this
21 Master Indenture shall prohibit the Corporation from designating in such Supplemental Indenture
22 any such Bonds by a name other than Capital Appreciation Bonds.

23 “Capitalized Interest Account” means the account in the Bond Fund created and so
24 designated by Section 501 hereof.

25 “Code” means the Internal Revenue Code of 1986, as amended, and all regulations
26 promulgated thereunder.

27 “Consultant” means a firm or firms which are not, and no member, director, officer,
28 trustee or employee of which is, an officer, director, trustee or employee of the Corporation, the
29 FHCF, the State Board of Administration or the State, and which has a national reputation for
30 having the skill and experience necessary to render the particular report or recommendations
31 required by the provision hereof in which such requirement appears.

32 “Contract Year” means the term of the reimbursement contracts between the State Board
33 of Administration and insurers writing Covered Policies.

34 “Corporation” means the Florida Hurricane Catastrophe Fund Finance Corporation, a
35 public benefits corporation, which is an instrumentality of the State, and its legal successors.

1 “Corpus Earnings” means Corpus Earnings as defined in Section 1 of the Pledge
2 Agreement.

3 “Costs of Issuance” means those costs that are payable from Bond proceeds with respect
4 to the authorization, sale and issuance of Bonds, deposits to the funds, accounts and subaccounts
5 established by this Master Indenture and any Supplemental Indenture, underwriting fees,
6 auditors' or accountants' fees, printing costs, costs of reproducing documents, filing and
7 recording fees, fees and expenses of fiduciaries, legal fees and charges, professional consultants'
8 fees, costs of credit ratings, fees and charges for the execution, transportation and safekeeping of
9 Bonds, governmental charges, costs of entering into Derivative Agreements, obtaining
10 Investment Obligations and establishing or obtaining Credit Facilities, and other costs, charges
11 and fees in connection with the foregoing.

12 “Costs of Issuance Fund” means the Florida Hurricane Catastrophe Fund Finance
13 Corporation Costs of Issuance Fund created and so designated by Section 401 hereof.

14 “Covered Event” means Covered Event as defined in the Act.

15 “Credit Facility” means a line of credit, letter of credit, standby bond purchase
16 agreement, bond insurance policy or similar liquidity or credit facility established or obtained in
17 connection with the issuance of any Bonds, incurrence of any other Parity Debt or incurrence of
18 any Subordinated Indebtedness.

19 “Credit Provider” means the Person providing a Credit Facility, as designated in the
20 Supplemental Indenture authorizing the issuance of a Series of Bonds or in the Parity Debt
21 Resolution authorizing the incurrence of Parity Debt or in the Subordinated Indebtedness
22 Resolution authorizing the incurrence of Subordinated Indebtedness.

23 “Cross-over Date” means, with respect to Cross-over Refunding Indebtedness, the date
24 on which the principal portion of the related Cross-over Refunded Indebtedness is to be paid or
25 redeemed from the proceeds of such Cross-over Refunding Indebtedness.

26 “Cross-over Refunded Indebtedness” means Indebtedness refunded by Cross-over
27 Refunding Indebtedness.

28 “Cross-over Refunding Indebtedness” means Indebtedness issued for the purpose of
29 refunding other Indebtedness if the proceeds of such Cross-over Refunding Indebtedness are
30 irrevocably deposited in escrow to secure the payment on the applicable redemption date or
31 maturity date of the Cross-over Refunded Indebtedness, and the earnings on such escrow deposit
32 (i) are required to be applied to pay interest on such Cross-over Refunding Indebtedness until the
33 Cross-over Date and (ii) shall not be used directly or indirectly to pay interest on the Cross-over
34 Refunded Indebtedness.

35 “Current Expenses of the Corporation” means all expenses incurred by the Corporation in
36 the administration of the Corporation, including, without limiting the generality of the foregoing,
37 arbitrage rebate and penalties, all administrative expenses, salaries and other compensation,
38 personnel expenses properly chargeable to the Corporation, fees and expenses incurred for
39 professional consultants and fiduciaries, including the fees and expenses of the Master Trustee

1 and any Bond Registrar, and all Current Expenses of the Corporation so identified in this Master
2 Indenture, a Parity Resolution, a Subordinated Indebtedness Resolution or any other resolution
3 adopted by the Governing Body of the Corporation, but Current Expenses of the Corporation
4 shall not include (i) depreciation or amortization, (ii) any deposit to any fund, account and
5 subaccount established under this Master Indenture or any Supplemental Indenture or any
6 payment of principal, redemption premium, if any, and interest on any Bonds from any such
7 fund, account and subaccount or (iii) any debt service payment in respect of Parity Debt or
8 Subordinated Indebtedness.

9 "Current Interest Bonds" means Bonds the interest on which is payable on the Interest
10 Payment Dates provided therefor in the Supplemental Indenture authorizing the issuance of such
11 Bonds.

12 "Debt Service Coverage Ratio" means, for any period of time, the ratio determined by
13 dividing the Premium and Assessment Revenue Available for Debt Service by the Maximum
14 Debt Service Requirement.

15 "Debt Service Requirement" means, for any period of twelve (12) consecutive calendar
16 months for which such determination is made, the aggregate of the payments to be made in
17 respect of principal and interest (whether or not separately stated) on Outstanding Indebtedness
18 during such period, also taking into account:

19 (i) with respect to Balloon Indebtedness, the amount of principal which would be
20 payable in such period if such principal were amortized from the date of incurrence thereof over
21 a period of thirty (30) years on a level debt service basis, at an interest rate equal to the current
22 market rate for a fixed rate, 30-year obligation, set forth in an opinion, delivered to the Master
23 Trustee, of a banking institution or an investment banking institution, selected by the
24 Corporation and knowledgeable in municipal finance, as the interest rate at which the Person
25 that incurred such Indebtedness could reasonably expect to borrow the same by incurring
26 Indebtedness with the same term as assumed above; provided, however, that if the date of
27 calculation is within twelve (12) calendar months of the actual final maturity of such
28 Indebtedness, the full amount of principal payable at maturity shall be included in such
29 calculation;

30 (ii) with respect to Indebtedness which is Variable Rate Indebtedness, the interest on
31 such Indebtedness shall be calculated at the rate which is equal to the average of the actual
32 interest rates which were in effect (weighted according to the length of the period during which
33 each such interest rate was in effect) for the most recent twelve-month period immediately
34 preceding the date of calculation for which such information is available (or shorter period if
35 such information is not available for a twelve-month period), except that with respect to new
36 Variable Rate Indebtedness, the interest rate on such Indebtedness on the date of its incurrence
37 shall be calculated at the lesser of (a) the initial rate at which such Indebtedness is incurred and
38 (b) the rate certified by a banking institution or an investment banking institution, selected by
39 the Corporation and knowledgeable in municipal finance, as being the average rate such
40 Indebtedness would have borne for the most recent twelve-month period immediately preceding
41 the date of calculation if such Indebtedness had been outstanding for such period, and thereafter
42 shall be calculated as set forth above; provided, however, that if the Corporation enters into a

1 Derivative Agreement with respect to such Indebtedness, the interest on such Indebtedness shall
2 be calculated as set forth in clause (iv) below;

3 (iii) with respect to any Credit Facility, (a) to the extent that such Credit Facility has
4 not been used or drawn upon, the principal and interest relating to the reimbursement obligation
5 for such Credit Facility shall not be included in the Debt Service Requirement and (b) to the
6 extent that such Credit Facility shall have been drawn upon, the payment provisions of such
7 Credit Facility with respect to repayment of principal and interest thereon shall be included in
8 the Debt Service Requirement;

9 (iv) with respect to Derivative Indebtedness, the interest on such Indebtedness during
10 any Derivative Period thereunder shall be calculated by adding (a) the amount of interest
11 payable by the Corporation pursuant to its terms and (b) the amount payable by the Corporation
12 under the Derivative Agreement and subtracting (c) the amount payable by the Derivative
13 Agreement Counterparty at the rate specified in the Derivative Agreement, except that to the
14 extent that the Derivative Agreement Counterparty has defaulted on its payment obligations
15 under the Derivative Agreement, the amount of interest payable by the Corporation from the
16 date of default shall be the interest calculated as if such Derivative Agreement had not been
17 executed;

18 (v) subject to the provisions of clause (iv) above, to the extent that any Indebtedness
19 incurred pursuant to this Master Indenture requires that the Corporation pay the principal of or
20 interest on such Indebtedness in any currency or currencies other than United States dollars, in
21 calculating the amount of the Debt Service Requirement, the currency or currencies in which
22 the Corporation is required to pay shall be converted to United States dollars using a conversion
23 rate equal to the applicable conversion rate in effect on a date that is not more than thirty (30)
24 days prior to the date on which such Indebtedness is incurred;

25 (vi) in the case of Indebtedness a feature of which is an option on behalf of the
26 Owners or Holders to tender to the Corporation or the Master Trustee, or any agent of either, all
27 or a portion of such Indebtedness, the options of such Owners or Holders shall be ignored,
28 provided that such Indebtedness shall have the benefit of a Credit Facility and the institution or
29 a guarantor of its obligations shall have ratings from at least two of the Rating Agencies in not
30 less than one of the two highest short-term rating categories (without gradations such as plus or
31 minus); and

32 (vii) in the case of Indebtedness, having the benefit of a Credit Facility that provides
33 for a term loan facility that requires the payment of the Principal of such Indebtedness in one (1)
34 year or more, such Indebtedness shall be considered Balloon Indebtedness and shall be assumed
35 to have the maturity schedule provided clause (i)(a) of this definition;

36 provided, however, that interest shall be excluded from the determination of Debt Service
37 Requirement to the extent that provision for payment of the same is made from the proceeds of
38 the Indebtedness or otherwise provided so as to be available for deposit into the Capitalized
39 Interest Account or similar account not later than the date of delivery of and payment for such
40 Indebtedness or the reissuance date of any Pre-Event Parity Obligations reissued Post-Event as
41 Parity Obligations; and provided further that, notwithstanding the foregoing, the aggregate of the

1 payments to be made with respect to principal of and interest on Outstanding Indebtedness shall
2 not include principal and/or interest payable from Qualified Escrow Funds.

3 “Defeasance Obligations” means, unless modified by the terms of a Parity Resolution, (i)
4 noncallable, nonprepayable Government Obligations, (ii) evidences of ownership of a
5 proportionate interest in specified noncallable, nonprepayable Government Obligations, which
6 Government Obligations are held by a bank or trust company organized and existing under the
7 laws of the United States of America or any state or territory thereof in the capacity of custodian,
8 (iii) Defeased Municipal Obligations and (iv) evidences of ownership of a proportionate interest
9 in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by
10 a bank or trust company organized and existing under the laws of the United States of America
11 or any state or territory thereof in the capacity of custodian.

12 “Defeased Municipal Obligations” means, to the extent from time to time permitted by
13 law, obligations of state or local government municipal bond issuers rated in the highest rating
14 category by any two Rating Agencies and provision for the payment of the principal of and
15 redemption premium, if any, and interest on which shall have been made by irrevocable deposit
16 with a trustee or escrow agent of noncallable, nonprepayable Government Obligations, which
17 Government Obligations are held by a bank or trust company organized and existing under the
18 laws of the United States of America or any state or territory thereof in the capacity as custodian,
19 the maturing principal of and interest on which Government Obligations, when due and payable,
20 shall have been verified by an independent certified public accountant or firm of independent
21 certified public accountants to be sufficient to pay the principal of and redemption premium, if
22 any, and interest on such obligations of state or local government municipal bond issuers.

23 “Depository” means one or more banks or trust companies or other institutions, including,
24 the Master Trustee, duly authorized by law to engage in the banking business and designated by
25 the Corporation as a depository of moneys under this Master Indenture.

26 “Derivative Agreement” means (i) any contract known as or referred to or which
27 performs the function of an interest rate swap agreement, currency swap agreement, forward
28 payment conversion agreement or futures contract; (ii) any contract providing for payments
29 based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock
30 or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv)
31 any type of contract called, or designed to perform the function of, interest rate floors or caps,
32 options, puts or calls or to hedge or minimize any type of financial risk, including, without
33 limitation, payment, currency, rate or other financial risk; and (v) any other type of contract or
34 arrangement that the Corporation determines is to be used, or is intended to be used, to manage
35 or reduce the cost of Indebtedness, to convert any element of Indebtedness from one form to
36 another, to maximize or increase investment return, to minimize investment return risk or to
37 protect against any type of financial risk or uncertainty.

38 “Derivative Agreement Counterparty” means, with respect to a Derivative Agreement,
39 the Person that is identified in such agreement as the counterparty to, or contracting party with,
40 the Corporation.

1 “Derivative Agreements Account” means the account in the Revenue Fund created and so
2 designated by Section 501 hereof.

3 “Derivative Indebtedness” means Indebtedness or any portion thereof with respect to
4 which the Corporation shall have entered into a Derivative Agreement.

5 “Derivative Period” means the period during which a Derivative Agreement is in effect.

6 “Emergency Assessment Base” means the total of direct written premium reported for all
7 assessable lines of insurance under the Act.

8 “Emergency Assessments” means Emergency Assessments as defined in Section 1 of the
9 Pledge Agreement.

10 “Emergency Assessments Account” means the account in the Revenue Fund created and
11 so designated by Section 501 hereof.

12 “Emergency Assessment Earnings” means Emergency Assessment Earnings as defined in
13 Section 1 of the Pledge Agreement.

14 “Event of Default” means any one or more of those events set forth in Section 802
15 hereof.

16 “FHCF” means Florida Hurricane Catastrophe Fund, a trust fund established for bond
17 covenants, indentures or resolutions within the meaning of Section 19(f)(3), Article III of the
18 State Constitution, and its legal successors.

19 “Fiscal Year” means the fiscal year of the FHCF, which shall be the period beginning on
20 July 1 of each year and ending on June 30 of the following year, unless the Master Trustee is
21 notified in writing by an Authorized Officer of the State Board of Administration of a change in
22 such period, in which case the Fiscal Year shall be the period set forth in such notice. The
23 Corporation shall have the same Fiscal Year as the FHCF.

24 “Fitch” means Fitch Inc., and its legal successors, provided that references to “Fitch” are
25 effective only so long as Fitch is a Rating Agency.

26 “Governing Body” means, with respect to the Corporation, its board of directors or other
27 board of individuals or designees in which the powers of the Corporation are vested under the
28 Act. With respect to the FHCF, “Governing Body” means the State Board of Administration.

29 “Government Obligations” means direct obligations of, and obligations the principal of
30 and interest on which are unconditionally guaranteed by, the United States of America.

31 “Gross Receipts” means all revenues, income, receipts and money (other than proceeds of
32 borrowing) received in any period by or on behalf of the Corporation, including, without
33 limitation, (a) Emergency Assessments, (b) Emergency Assessment Earnings, (c)
34 Reimbursement Premiums, (d) Reimbursement Premium Earnings, (e) Other Pledged Money, (f)
35 proceeds derived from (i) securities and other investments and (ii) contract rights and other rights

1 and assets now or hereafter owned, held or possessed by the Corporation and (g) interest or
2 investment income on all investments, including investments of proceeds of any Pre-Event
3 Indebtedness incurred by the Corporation.

4 “Holder” means the holder or owner of Parity Debt.

5 “Incurrence Test” means the test for the incurrence for Parity Obligations established by
6 Section 704.

7 “Indebtedness” means all obligations incurred or assumed by any Person:

8 (i) for payments of principal and interest with respect to borrowed money, including
9 any obligation to repay a Credit Provider for moneys drawn to pay and retire Indebtedness; and

10 (ii) for payments under leases which are required to be capitalized in accordance with
11 generally accepted accounting principles and under installment sale or conditional sale
12 contracts; and

13 (iii) for payments under installment sale or conditional sale contracts.

14 provided, however, that Indebtedness shall include only Parity Obligations and Subordinated
15 Indebtedness and that any obligation constituting Indebtedness to pay a Credit Provider for
16 moneys drawn to purchase, but not pay and retire, indebtedness shall constitute Indebtedness
17 only to the extent such payments are in excess of any scheduled payments of principal and
18 interest required to be made to such Credit Provider as an Owner or Holder of such Indebtedness.

19 “indebtedness” means all indebtedness for any of the following:

20 (i) for payments of principal and interest with respect to borrowed money;

21 (ii) for payments on leases which are required to be capitalized in accordance with
22 generally accepted accounting principles; and

23 (iii) for payments on installment sale or conditional sale contracts.

24 “Interest Account” means the account in the Bond Fund created and so designated by
25 Section 501 hereof.

26 “Interest Payment Date” means, with respect to any Series of Bonds, each of the interest
27 payment dates provided for in the Supplemental Indenture authorizing the issuance of such
28 Series.

29 “Investment Obligations” means any investment authorized under Section 215.47,
30 Florida Statutes, as amended from time to time, or any successor statute.

31 “Lien” means any mortgage, deed of trust or pledge of, security interest in or
32 encumbrance on any Property of the Corporation that secures any indebtedness incurred by the
33 Corporation.

1 “Master Indenture” means the Master Trust Indenture as supplemented.

2 “Master Trust Indenture” means this Master Trust Indenture, dated as of June 1, 2006, as
3 amended.

4 “Master Trustee” means Wells Fargo Bank, N.A., Jacksonville, Florida, and its
5 successors in the trusts created under this Master Indenture.

6 “Maximum Debt Service Requirement” means at the date of calculation the greatest Debt
7 Service Requirement for the current or any succeeding Fiscal Year.

8 “Moody’s” means Moody’s Investors Service, Inc., and its legal successors, provided that
9 references to “Moody’s” are effective only so long as Moody’s is a Rating Agency.

10 “Net Receipts” for any particular period means the excess of Gross Receipts after the
11 payment of Current Expenses of the Corporation for such period.

12 “Officer’s Certificate” means a certificate signed by an Authorized Officer of the
13 Corporation or an Authorized Officer of the State Board of Administration, as the case may be.

14 Each Officer’s Certificate presented pursuant to this Master Indenture shall state that it is
15 being delivered pursuant to (and shall identify the section or subsection of), and shall incorporate
16 by reference and use in all appropriate instances all terms defined in, this Master Indenture. Each
17 Officer’s Certificate shall state that (i) the terms thereof are in compliance with the requirements
18 of the section or subsection pursuant to which such Officer’s Certificate is delivered or shall state
19 in reasonable detail the nature of any non-compliance and the steps being taken to remedy such
20 non-compliance and (ii) it is being delivered together with any opinions, schedules, statements or
21 other documents required in connection therewith. Each Officer’s Certificate may state that the
22 certification is made to the best knowledge of such officer.

23 “Opinion of Counsel” means an opinion in writing signed by (i) an attorney or firm of
24 attorneys, selected by the Corporation and not unacceptable to the Master Trustee, or (ii) an
25 attorney employed by the State or any agency thereof whose duties include responsibility for
26 legal matters of the Corporation. Such opinion may rely on Officer’s Certificates and other
27 Opinions of Counsel and may contain customary exceptions and qualifications.

28 “Other Pledged Money” means Other Pledged Money as defined in Section 1 of the
29 Pledge Agreement.

30 “Outstanding”, when used with reference to Bonds, means, as of a particular date, all
31 Bonds theretofore authenticated and delivered under this Master Indenture, except:

32 (a) Bonds theretofore cancelled by any Bond Registrar or delivered to any
33 Bond Registrar or the Master Trustee for cancellation;

34 (b) Bonds in exchange for or in lieu of which other Bonds have been
35 authenticated and delivered under this Master Indenture; and

1 (c) Bonds paid or deemed to have been paid in accordance with the
2 defeasance or like provisions of the Supplemental Indenture delivered in connection with the
3 issuance of such Bonds;

4 provided, however, that in determining whether the Owners of the requisite principal amount of
5 outstanding Bonds have given any request, demand, authorization, direction, notice, consent or
6 waiver hereunder, Bonds owned by or under the control of the Corporation or the FHCF or any
7 other obligor upon the Bonds shall be disregarded and deemed not to be outstanding, except that
8 the term "obligor upon the Bonds" shall not include any Credit Provider unless otherwise
9 provided in a Supplemental Indenture, and except that, in determining whether the Master
10 Trustee shall be protected in relying upon any such request, demand, authorization, direction,
11 notice, consent or waiver, only Bonds which the Master Trustee knows to be so owned or
12 controlled shall be so disregarded. Bonds so owned or controlled which have been pledged in
13 good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the
14 Master Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is
15 not the Corporation, the FHCF or any other obligor upon the Bonds except a Credit Provider.

16 The Corporation may provide in a Parity Resolution as to when any Parity Obligations
17 that are Variable Rate Indebtedness shall be deemed no longer to be Outstanding hereunder in a
18 manner not inconsistent with the above definition.

19 The Corporation may provide in a Parity Debt Resolution as to when any Parity Debt
20 shall be deemed no longer to be outstanding hereunder in a manner not inconsistent with the
21 above definition.

22 When used with reference to Indebtedness other than Parity Obligations, "Outstanding"
23 means, as of a particular date, all Indebtedness deemed to be outstanding under the documents
24 pursuant to which it was incurred.

25 "Owner" means a Person in whose name a Bond is registered in the registration books
26 provided for in Section 205 hereof.

27 "Parity Common Reserve Account" means the account in the Bond Fund created and so
28 designated by Section 501 hereof.

29 "Parity Common Reserve Account Requirement" means, with respect to all Parity
30 Obligations secured by the Parity Common Reserve Account, the least of the following: (i) the
31 sum of ten percent (10%) of the stated principal amount of each Series of Bonds secured by the
32 Parity Common Reserve Account (adjusted as provided in the Code), (ii) the Maximum Annual
33 Debt Service Requirement on all such Outstanding Parity Obligations, and (iii) one hundred
34 twenty-five percent (125%) of the average annual Debt Service Requirements on all such Parity
35 Obligations. The Parity Common Reserve Account Requirement may be satisfied with cash,
36 Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing,
37 as the Corporation may determine from time to time.

38 "Parity Debt" means all Parity Obligations incurred or assumed by the Corporation and
39 not evidenced by Bonds which (a) is designated as Parity Debt in the documents pursuant to
40 which it was incurred, (b) is incurred in compliance with the provisions of Section 704 hereof or

1 is a reimbursement obligation for a Credit Facility supporting Parity Obligations incurred in
2 compliance with the provisions of Section 704 hereof, and (c) may be accelerated only in
3 compliance with the procedures set forth in Section 803 hereof.

4 “Parity Debt Resolution” means the resolution and any other documents, instruments or
5 agreements adopted or executed by the Corporation providing for the incurrence of Parity Debt.

6 “Parity Obligations” means Bonds and Parity Debt.

7 “Parity Resolution” means a Supplemental Indenture or a Parity Debt Resolution, or both,
8 as the case may be, authorizing the issuance of a Series of Bonds or the incurrence of Parity
9 Debt.

10 “Parity Tax-Exempt Obligations” means Tax-Exempt Bonds and Tax-Exempt Parity
11 Debt.

12 “Person” includes an individual, association, unincorporated organization, corporation,
13 limited liability company, partnership, joint venture, trust, state trust fund, unincorporated
14 organization, and a government or an agency or a political subdivision thereof, as well as natural
15 persons.

16 “Pledge Agreement” means the Pledge and Security Agreement, dated as of June 1, 2006,
17 by and among the Corporation, the State Board of Administration and the Master Trustee,
18 including any amendments or supplements thereto.

19 “Pledged Collateral” means Pledged Collateral as defined in Section 1 of the Pledge
20 Agreement.

21 “Predecessor Bonds” of any particular Bond means every previous Bond evidencing all
22 or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this
23 definition, any Bond authenticated and delivered under Section 210 hereof in lieu of a lost,
24 destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or
25 stolen Bond.

26 “Post-Event” when used in connection with Bonds, other Parity Obligations or the
27 proceeds thereof refers to the issuance of Parity Obligations following the occurrence of a
28 Covered Event (i) to pay reimbursement at levels promised in reimbursement contracts for which
29 moneys credited to the Corpus of the Fund are insufficient, as authorized by the provisions (other
30 than the last sentence) of Section 215.555(6)(a)1 of the Act or (ii) to refund other Post-Event
31 Indebtedness or to refund Pre-Event Indebtedness issued or incurred prior to such Covered
32 Event.

33 “Pre-Event” when used in connection with Bonds, other Parity Obligations or the
34 proceeds thereof refers to the issuance of Parity Obligations “in the absence of” a Covered Event,
35 as authorized by the last sentence of Section 215.555(6)(a)1 of the Act.

36 “Pre-Event Bonds Investment Account” means the account in the Revenue Fund created
37 and so designated by Section 501 hereof.

1 “Premium and Assessment Revenue Available For Debt Service” means the pro forma
2 amount, indicated in an Officer’s Certificate of the State Board of Administration delivered to
3 the Master Trustee, that is certified by such Officer to be the excess, over the Current Expenses
4 of the FHCF and the Current Expenses of the Corporation, of the sum of (a) the amount of
5 Revenues from Reimbursement Premiums and Reimbursement Premium Earnings received by
6 the FHCF in any 12 consecutive months of the last 18 calendar months preceding the date of
7 such Certificate, taking into consideration and adjusted for (1) any changes in the Act or other
8 applicable law or regulation (described in such Officer’s Certificate) that would prospectively
9 affect the amount of such Reimbursement Premiums to be received in the current or future Fiscal
10 Years, and (2) any actuarially indicated adjustments to the Reimbursement Premiums that have
11 been determined for, or are reasonably expected to take effect subsequent to the applicable 12-
12 month period and in, the current or following Fiscal Year, as shall be set forth in such Officer’s
13 Certificate, and (b) the amount of Revenues from Emergency Assessments, such amount being
14 the product obtained by multiplying (1) the maximum assessment percentage permitted by the
15 Act on the date of such Certificate by (2) the most recently available 12-month Emergency
16 Assessment Base, all as demonstrated in such Officer’s Certificate.

17 “Principal” means (a) with respect to any Capital Appreciation Bond, the Accreted
18 Amount thereof (the difference between the stated amount to be paid at maturity and the
19 Accreted Amount being deemed unearned interest), except as used in connection with the
20 authorization and issuance of Bonds and with the order of priority of payments of Bonds after an
21 Event of Default, in which case “principal” means the initial public offering price of a Capital
22 Appreciation Bond and the difference between the Accreted Amount and the initial public
23 offering price shall be deemed to be interest and (b) with respect to any Current Interest Bond,
24 the principal amount of such Bond payable at maturity or in satisfaction of a Sinking Fund
25 Requirement, if applicable.

26 “Principal Account” means the account in the Bond Fund created and so designated by
27 Section 501 hereof.

28 “Property” means any and all rights, titles and interests in and to any and all property
29 whether real or personal, tangible or intangible and wherever situated.

30 “Qualified Escrow Funds” means amounts deposited in a segregated escrow fund or
31 other similar fund or account established in connection with Indebtedness, which amounts in
32 such fund or account are required by the documents establishing such fund or account to be
33 applied to the payment obligations with respect to principal of or interest on the the
34 Indebtedness.

35 “Rating Agencies” means each of Fitch, Moody’s, S&P and any other nationally
36 recognized statistical rating organization that has, at the request of the State Board of
37 Administration, a rating in effect for the Bonds.

38 “Redemption Account” means the account in the Bond Fund created and so designated
39 by Section 501 hereof.

1 “Redemption Price” means, with respect to any Indebtedness or portion thereof, the
2 principal amount of such Indebtedness or portion called for redemption plus the applicable
3 premium, if any, payable upon redemption thereof.

4 “Regular Record Date” means, with respect to any Series of Bonds, the regular record
5 date, if any, provided for in the Supplemental Indenture authorizing the issuance of such Series.

6 “Reimbursement Premiums” means Reimbursement Premiums as defined in Section 1 of
7 the Pledge Agreement.

8 “Reimbursement Premiums Account” means the account in the Revenue Fund created
9 and so designated by Section 501 hereof.

10 “Reimbursement Premium Earnings” means Reimbursement Premium Earnings as
11 defined in Section 1 of the Pledge Agreement.

12 “Reserve Alternative Instrument” means an irrevocable insurance policy or surety bond
13 or an irrevocable letter of credit, guaranty or other facility deposited in the Parity Common
14 Reserve Account or a Special Reserve Account in lieu of or in partial substitution for the deposit
15 of cash and Investment Obligations in satisfaction of the Parity Common Reserve Account
16 Requirement or a Special Reserve Account Requirement.

17 “Revenue Available For Debt Service” means, for any period of time, the excess of
18 Revenues, including the investment income from the investment of the proceeds of any Pre-
19 Event Parity Obligations (but not any other Parity Obligations), over the sum of the Current
20 Expenses of the FHCF and the Current Expenses of the Corporation.

21 “Revenue Fund” means the Florida Hurricane Catastrophe Fund Finance Corporation
22 Revenue Fund created and so designated by Section 501(a) hereof.

23 “Revenues” means revenues of the FHCF and the Corporation, as determined in
24 accordance with generally accepted accounting principles, including, without limitation,
25 Reimbursement Premiums, Reimbursement Premium Earnings, Emergency Assessments,
26 Emergency Assessment Earnings and the income derived from the investment of the proceeds of
27 any Pre-Event Parity Obligations (but not any other Indebtedness); provided, however, that (i) no
28 determination thereof shall take into account any gain or loss resulting from the extinguishment
29 of Indebtedness and (ii) no determination thereof shall take into account the value of any
30 Derivative Agreement or any payments made by the Derivative Agreement Counterparty in
31 accordance with the terms of such Derivative Agreement; provided further, however, that
32 Revenues shall not include (I) the income from the investment of Qualified Escrow Funds or of
33 proceeds of Pre-Event Indebtedness to the extent such income is applied to the payment of
34 interest on Indebtedness which is excluded from the determination of the Debt Service
35 Requirement and (II) the proceeds of any Indebtedness.

36 “S&P” means Standard & Poor’s Rating Services, and its legal successors, provided that
37 references to S&P are effective only so long as S&P is a Rating Agency.

1 “Securities Depository” means The Depository Trust Company, New York, New York,
2 or any other recognized securities depository selected by the Corporation, which maintains a
3 book-entry system in respect of a Series of Bonds, and shall include any substitute for or
4 successor to the securities depository initially acting as Securities Depository.

5 “Securities Depository Nominee” means, as to any Securities Depository, such Securities
6 Depository or the nominee of such Securities Depository in whose name there shall be registered
7 on the registration books maintained by the Bond Registrar the Bond certificates to be delivered
8 to and immobilized at such Securities Depository during the continuation of participation with
9 such Securities Depository in its book-entry system.

10 “Serial Bonds” means the Bonds of any Series that are stated to mature in annual or
11 semiannual installments.

12 “Series,” whenever used herein with respect to Bonds, means all of the Bonds designated
13 as being of the same series.

14 “Short-Term Indebtedness” means all Indebtedness incurred for borrowed money, other
15 than the current portion of Indebtedness and other than Short-Term Indebtedness excluded from
16 this definition as provided in the definition of Indebtedness, for any of the following:

17 (i) money borrowed for an original term, or renewable at the option of the borrower
18 for a period from the date originally incurred, of one year or less;

19 (ii) leases which are capitalized in accordance with generally accepted accounting
20 principles having an original term, or renewable at the option of the lessee for a period from the
21 date originally incurred, of one year or less; and

22 (iii) installment sale or conditional sale contracts having an original term of one year
23 or less.

24 “Sinking Fund Account” means the account in the Bond Fund created and so designated
25 by the provisions of Section 501 hereof.

26 “Sinking Fund Requirement” means, with respect to any Series of Bonds, the Sinking
27 Fund Requirement provided in the Supplemental Indenture authorizing the issuance of such
28 Series.

29 “Special Reserve Account” means a special debt service reserve account created by a
30 Parity Resolution as a debt service reserve account only for the particular Parity Obligations
31 authorized by such Parity Resolution.

32 “Special Reserve Account Requirement” means the amount to be deposited or maintained
33 in a Special Reserve Account pursuant to the Parity Resolution creating such Special Reserve
34 Account. The Special Reserve Account Requirement may be satisfied with cash, Investment
35 Obligations, a Reserve Alternative Instrument or any combination of the foregoing, as the
36 Corporation may determine from time to time.

1 “State” means the State of Florida.

2 “State Board of Administration” means the State Board of Administration, acting as the
3 governing and administrator of the FHCF, and its legal successors.

4 “State Covenant” means the State’s covenant recited in Section 708 hereof.

5 “Subordinated Indebtedness” means Indebtedness the terms of which shall provide that it
6 shall be subordinate and junior in right of payment to the prior payment in full of Parity
7 Obligations to the extent and in the manner set forth in Section 211 hereof.

8 “Subordinated Indebtedness Resolution” means the resolution and any other documents,
9 instruments or agreements adopted or executed by the Corporation providing for the incurrence
10 of Subordinated Indebtedness. If the Subordinated Indebtedness shall have the benefit of a
11 Credit Facility, the reimbursement obligation for such Credit Facility shall provide for
12 repayments on a subordinated basis and the term Subordinated Indebtedness Resolution shall
13 include any reimbursement agreement or similar repayment agreement executed and delivered
14 by the Corporation in connection with the provision of such Credit Facility for such
15 Subordinated Indebtedness.

16 “Supplemental Indenture” means a resolution of the Governing Body of the Corporation
17 authorizing any particular Series of Bonds, together with a Supplemental Indenture executed and
18 delivered by the Corporation in connection with the issuance of such Series of Bonds, that is
19 required to be executed and delivered by the terms of this Master Indenture prior to the issuance
20 of such Series.

21 “Tax-Exempt Bonds” means all Bonds so identified in the Supplemental Indenture
22 authorizing the issuance of such Bonds.

23 “Tax-Exempt Parity Debt” means all Parity Debt so identified in the Parity Debt
24 Resolution authorizing the incurrence of such Parity Debt.

25 “Tax-Exempt Parity Obligations” means collectively all Tax-Exempt Bonds and all
26 Parity Debt.

27 “Term Bonds” means the Bonds of any Series, other than Serial Bonds, that are
28 designated as such in the Supplemental Indenture authorizing the issuance of such Series.

29 “Variable Rate Indebtedness” means any portion of Indebtedness the interest rate on
30 which is not established at the time of incurrence at a fixed or constant rate until maturity.

31 Section 102. Interpretation. (a) Any reference herein to any officer or member of the
32 Corporation or the State Board of Administration shall include those who succeed to their
33 functions, duties or responsibilities pursuant to or by operation of law or who are lawfully
34 performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include all other genders.

(c) Unless the context otherwise indicates, the word “including” means “including without limitation” and the word “or” is used in its inclusive sense.

(d) Where the character or amount of any asset, liability or item of income or expense is required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes hereof or of any agreement, document or certificate executed and delivered in connection with or pursuant to this Master Indenture, the same shall be done in accordance with generally accepted accounting principles.

(e) Headings of articles and sections herein and in the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(f) Provisions calling for the redemption of Indebtedness or the calling of Indebtedness for redemption do not mean or include the payment of Indebtedness at its stated maturity or maturities.

(g) Unless otherwise provided by a Supplemental Indenture, all times refer to Eastern Time.

Section 103. Status of Parity Obligations. PARITY OBLIGATIONS ISSUED UNDER THIS MASTER INDENTURE SHALL NOT CONSTITUTE A DEBT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF NOR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE CORPORATION DOES NOT HAVE THE POWER OR AUTHORITY TO LEVY ANY TAX.

Article II.

INDEBTEDNESS

Section 201. Limitation on Incurrence of Indebtedness. (a) The Corporation may incur Indebtedness by issuing Bonds or incurring Parity Debt hereunder or by creating Subordinated Indebtedness under any other document. The principal amount of Parity Obligations evidencing Indebtedness that may be created hereunder and the principal amount of Indebtedness created under other documents are not limited, except as limited by the provisions hereof, including Section 704, or the provisions of any Parity Resolution. Parity Obligations issued or incurred hereunder or Indebtedness otherwise incurred by the Corporation shall constitute the special and limited obligations of the Corporation payable from the Net Receipts of the Corporation.

(b) No Bonds may be issued nor Parity Debt incurred under this Master Indenture except in accordance with the provisions of this Article. The principal of and the interest on and the redemption premium, if any, on all Parity Obligations issued and incurred

under the provisions of this Master Indenture shall be payable solely from the moneys and assets pledged by this Master Indenture and the respective Supplemental Indentures for their payment. All covenants, agreements and provisions of this Master Indenture shall be for the benefit and security of all present and future Owners and Holders without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided or as provided in any Parity Resolution, of any one Parity Obligation over any other Parity Obligation by reason of priority in the issue, sale or negotiation thereof, or otherwise.

(c) Parity Obligations shall be issued or incurred in such forms as may from time to time be created by Parity Resolutions permitted hereunder. Each Parity Obligation or series of Parity Obligations shall be created by a different Parity Resolution and shall be designated in such a manner as will differentiate such Parity Obligation from any other Parity Obligation.

(d) The Corporation and the Master Trustee may from time to time enter into a Supplemental Indenture or the Corporation may from time to time adopt a Parity Debt Resolution in order to create Parity Obligations hereunder. Each such Parity Resolution shall, with respect to a Parity Obligation evidencing Indebtedness created thereby, set forth the date thereof, and the date or dates on which the principal of and redemption premium, if any, and interest on such Parity Obligation shall be payable, and the form of such Parity Obligation and such other terms and provisions as shall conform with the provisions hereof.

(e) With respect to Parity Obligations created hereunder, simultaneously with or prior to the execution, authentication and delivery of such Parity Obligations evidencing such Indebtedness pursuant to this Master Indenture:

(i) All requirements and conditions to the issuance of such Parity Obligations, if any, set forth in the Parity Resolution or in this Master Indenture shall have been complied with and satisfied, as provided in an Officer's Certificate, a certified copy of which shall be delivered to the Master Trustee;

(ii) The Corporation shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (1) registration of such Parity Obligations under the Securities Act of 1933, as amended, and qualification of this Master Indenture or the Parity Resolution under the Trust Master Indenture Act of 1939, as amended, are not required, or, if such registration or qualification is required, that all applicable registration and qualification provisions of said acts have been complied with, and (2) the Master Indenture and the Parity Obligations are valid, binding and enforceable obligations of the Corporation in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally and usual equity principles.

Section 202. Details of Bonds. Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The Corporation shall by Supplemental Indenture authorize such Series and shall specify, to the extent appropriate, (1) the authorized principal amount of such Series, (2) the purposes to be financed with the proceeds of such Series, or the Bonds or other indebtedness to be refunded or refinanced with the proceeds thereof, including costs of issuance; (3) the creation of a debt service reserve account for such Series, if

1 any; (4) the date and terms of maturity or maturities of the Bonds of such Series, or the dates of
2 payment of the Bonds on the demand of the Owner thereof; (5) the interest rate or rates of the
3 Bonds of such Series, which may include variable, adjustable, convertible or other rates, original
4 issue discount, Capital Appreciation Bonds, Current Interest Bonds, municipal multipliers or
5 other deferred interest arrangements and zero interest rate Bonds, provided that the interest cost
6 of such Series shall never exceed for such Series the maximum interest rate, if any, permitted by
7 law in effect at the time such Series is issued; (6) the Interest Payment Dates for such Series of
8 Bonds; (7) the denominations, numbering, lettering and series designation of such Series of
9 Bonds; (8) the Bond Registrar or paying agents and place or places of payment of such Bonds;
10 (9) the Redemption Prices for such Series of Bonds and any terms of redemption not inconsistent
11 with the provisions of this Master Indenture, which may include redemption at the election of the
12 Owner thereof to the extent permitted by law; (10) the amount and date of each mandatory
13 redemption requirement, if any, for such Series of Bonds; (11) the use to be made of the
14 proceeds of such Series of Bonds, including deposits required to be made into the appropriate
15 account of the Costs of Issuance Fund, the Capitalized Interest Account, the Interest Account and
16 any debt service reserve account; and (12) any other terms or provisions applicable to the Series
17 of Bonds not inconsistent with the provisions of this Master Indenture or the Act. All of the
18 foregoing may be added by a Supplemental Indenture executed and delivered by the Corporation
19 and the Master Trustee at any time or from time to time prior to the issuance of such Series of
20 Bonds.

21 Section 203. Execution and Form of Bonds. The definitive Bonds are issuable as
22 permitted or required and shall be executed as provided by the respective Supplemental
23 Indenture providing for the issuance of Bonds of any Series. Bonds may be issued under a book-
24 entry system and held by a Securities Depository. All Bonds may have endorsed thereon such
25 legends or text as may be necessary or appropriate to conform to the applicable rules and
26 regulations of any governmental authority or any securities exchange on which the Bonds may
27 be listed or to any requirement of law with respect thereto.

28 Section 204. Exchange of Bonds. Bonds may, at the option of the Owner thereof, be
29 exchanged, as provided by the Supplemental Indenture pursuant to which such Bonds were
30 issued, for an equal aggregate principal amount of Bonds of the same Series and maturity, of any
31 authorized denomination or denominations, bearing interest at the same rate and in the same
32 form as the Bonds surrendered for exchange. The Corporation shall make provision for the
33 exchange of Bonds at the designated corporate trust office of the Bond Registrar.

34 Section 205. Negotiability and Registration of Transfer of Bonds. The Bond Registrar
35 shall keep books for the registration and the registration of transfer of the Series of Bonds as to
36 which it is Bond Registrar as provided in this Master Indenture. The registration books shall be
37 available at all reasonable times for inspection by the Corporation and any Owner of such Bonds
38 and may be copied by either of the foregoing and their agents or representatives.

39 The Bond Registrar shall evidence acceptance of the duties, responsibilities and
40 obligations of the Bond Registrar under this Master Indenture and the applicable Supplemental
41 Indenture by the execution of the certificate of authentication on the related Series of Bonds.

1 Section 206. Ownership of Bonds. The Corporation, the Master Trustee, the Bond
2 Registrar and any agent of the Corporation, the Master Trustee or the Bond Registrar, may treat
3 the person in whose name any Bond is registered, including any Securities Depository Nominee,
4 as the Owner of such Bond for the purpose of receiving payment of the principal of and
5 premium, if any, and interest on such Bond, and for all other purposes whatsoever, whether or
6 not such Bond be overdue, and, to the extent permitted by law, neither the Corporation, the
7 Master Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary.

8 Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a
9 certificate of authentication substantially in the form set forth in the Supplemental Indenture
10 pursuant to which such Bonds are issued, duly executed as provided in the Supplemental
11 Indenture, shall be entitled to any benefit or security under this Master Indenture. No Bond shall
12 be valid or become obligatory for any purpose unless and until such certificate of authentication
13 on the Bond has been duly executed and dated as provided in the Supplemental Indenture, and
14 such certificate upon any such Bond shall be conclusive evidence that such Bond has been duly
15 authenticated and delivered under this Master Indenture. The certificate of authentication on any
16 Bond shall be deemed to have been duly executed and dated if signed by an authorized officer of
17 the party authorized under the Supplemental Indenture but it shall not be necessary that the same
18 officer sign the certificate of authentication on all of the Bonds or any Series thereof that may be
19 issued hereunder at any one time.

20 Section 208. Terms and Conditions for Incurrence of Indebtedness. (a) The
21 Corporation covenants and agrees that it will not incur any Indebtedness if, after giving effect to
22 all other Indebtedness incurred by the Corporation, such Indebtedness could not be incurred
23 pursuant to this Section 208. Indebtedness may be incurred only in the manner and pursuant to
24 the terms set forth in the following subsections.

25 (b) Parity Obligations may be incurred if, prior to incurrence thereof, the
26 Corporation shall file or cause to be filed with the Master Trustee an Officer's Certificate (which
27 may rely upon certificates or other evidence prepared by the officials of the Fund) demonstrating
28 and stating that the Incurrence Test, if applicable by its terms, will be met with respect to such
29 separate issuance of Parity Obligations. The Corporation may incur Parity Obligations in one or
30 more separate issuances, which Parity Obligations may be issued in any form or combination of
31 forms permitted by this Master Indenture.

32 (c) Before any Bonds shall be issued or Parity Debt incurred, the Corporation
33 shall execute and deliver a Supplemental Indenture or adopt a Parity Resolution authorizing the
34 issuance of such Bonds or the incurrence of such Parity Debt, fixing the amount and the details
35 thereof as provided in Section 202 hereof and describing in brief and general terms the purpose
36 for issuing such Parity Obligations. Bonds may be issued and Parity Debt may be incurred for
37 any purpose permitted under the Act.

38 (d) The Supplemental Indenture may determine to use the Parity Common
39 Reserve Account or to establish a Special Reserve Account for such Series of Bonds and fix the
40 provisions with respect thereto or not to establish any debt service reserve account.

1 (e) The Bonds of each Series shall be designated "Florida Hurricane
2 Catastrophe Fund Finance Corporation Hurricane Catastrophe Revenue Bonds [Notes],
3 [Refunding] Series" (inserting the year such Bonds are issued and any other distinctive
4 letter or number), shall be stated to mature, subject to the right of prior redemption as therein set
5 forth, on the date or dates specified therein, in such year or years not later than thirty (30) years
6 from their date, shall bear interest at a rate or rates not exceeding the maximum rate then
7 permitted by law, shall be numbered and shall have such redemption provisions (subject to the
8 provisions of Article III of this Master Indenture), all as provided in the Supplemental Indenture.
9 Except as to any differences in the maturities thereof or in the rate or rates of interest or the
10 provisions for redemption or the provisions regarding the respective accounts and subaccounts
11 within the Interest Account, the Principal Account, the Sinking Fund Account and the
12 Redemption Account, and any provisions with respect to the Parity Common Reserve Account or
13 a Special Reserve Account, all such Bonds shall be on a parity with each other and any Parity
14 Debt and shall be entitled to the same benefit and security of this Master Indenture, including, in
15 particular, the pledge of Net Receipts.

16 (f) The proceeds (including accrued interest) of the Parity Obligations shall
17 be applied simultaneously with the delivery thereof the Bonds as provided in the Parity
18 Resolution for the particular Parity Obligations.

19 (g) In the case of Parity Obligations issued to refund Outstanding Parity
20 Obligations, the Corporation may direct the Master Trustee (i) to withdraw moneys and
21 Investment Obligations from the appropriate accounts in the Revenue Fund and from
22 subaccounts in the Principal Account, Interest Account and Parity Common Reserve Account or
23 Special Reserve Account to the extent that, following the issuance of such refunding Parity
24 Obligations and the defeasance of such refunded Parity Obligations, such moneys and
25 Investment Obligations would be in excess of the requirements of this Master Indenture and (ii)
26 to set aside such moneys and Investment Obligations so withdrawn, together with proceeds of
27 the refunding Parity Obligations and any other moneys provided by the Corporation, to effect the
28 defeasance of such refunded Parity Obligations in accordance with the provisions of the Parity
29 Resolution applicable to the refunded Parity Obligations.

30 (h) Subordinated Indebtedness may be incurred subject to the provisions of
31 Section 211 hereof.

32 Section 209. Temporary Bonds. Until the definitive Bonds of any Series are ready for
33 delivery, there may be executed, and upon direction of the Corporation, the Bond Registrar shall
34 deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as
35 to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in
36 denominations permitted by the applicable Supplemental Indenture for the definitive Bonds,
37 substantially of the tenor hereinabove set forth, with such appropriate omissions, insertions and
38 variations as may be required. The Corporation shall cause the definitive Bonds to be prepared
39 and to be executed and delivered to the Bond Registrar, and the Bond Registrar, upon
40 presentation to it of any temporary Bond, shall cancel the same or cause the same to be canceled
41 and shall authenticate and deliver, in exchange therefor, at the place designated by the Owner,
42 without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same
43 aggregate principal amount, maturing on the same date and bearing interest at the same rate as

1 the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall be entitled to
2 the same benefit of this Master Indenture, as the definitive Bonds to be issued and authenticated
3 hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready
4 for exchange, interest on temporary Bonds shall be paid when due and notation of such payment
5 shall be endorsed thereon.

6 Section 210. Mutilated, Destroyed, Lost or Stolen Bonds. The Corporation shall cause
7 to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like date,
8 number and tenor in exchange and substitution for and upon the cancellation of any mutilated
9 Bond, or in lieu of and in substitution for any destroyed, lost or stolen Bond, and the Owner shall
10 pay the reasonable expenses and charges of the Corporation in connection therewith. Prior to the
11 delivery of a substitute Bond, the Owner of any Bond which was destroyed, lost or stolen shall
12 file with the Bond Registrar evidence satisfactory to it of the destruction, loss or theft of such
13 Bond and of the Owner's ownership thereof and shall furnish to the Corporation and to the Bond
14 Registrar such security or indemnity as may be required by them to save each of them harmless
15 from all risks, however remote.

16 Every Bond issued pursuant to the provisions of this Section in exchange or substitution
17 for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional
18 contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Bonds are
19 found at any time or are enforceable by anyone, and shall be entitled to all the benefits and
20 security hereof equally and proportionately with any and all other Bonds of the same Series duly
21 issued under this Master Indenture.

22 Section 211. Subordinated Indebtedness. (a) Subordinated Indebtedness may be
23 incurred by the Corporation from time to time for any purpose for which Parity Obligations may
24 be issued under Section 208 hereof. Except to the extent otherwise expressly provided in this
25 Master Indenture, Subordinated Indebtedness shall be issued in compliance, to the extent
26 applicable, with the provisions of Section 208 hereof setting forth certain terms and conditions
27 for the issuance of Bonds.

28 In addition, the following conditions must be met for the issuance of Subordinated
29 Indebtedness:

30 (1) The Corporation shall adopt a Subordinated Indebtedness Resolution
31 authorizing the incurrence of any such Subordinated Indebtedness and setting
32 forth the amount and details thereof.

33 (2) Any such Subordinated Indebtedness shall be incurred pursuant to the
34 provisions of the Act.

35 (b) In the event (1) any Subordinated Indebtedness is declared or otherwise becomes due
36 and payable before its stated maturity because of the occurrence of an event of default occurring
37 under the documents pursuant to which such Subordinated Indebtedness was incurred, and such
38 declaration has not been rescinded and annulled, or (2) any Event of Default under this Master
39 Indenture shall occur and be continuing with respect to Parity Obligations and (i) written notice
40 of such default shall have been given to the Corporation and (ii) judicial proceedings shall be

1 commenced in respect of such Event of Default within 180 days in the case of a default in
2 payment of principal of or interest on Parity Obligations and within 90 days in the case of any
3 other default after the giving of such notice, then the Owners and Holders shall be entitled to
4 receive payment in full of all principal, premium and interest on all Parity Obligations before the
5 holders of the Subordinated Indebtedness are entitled to receive any payment on account of
6 principal or interest upon such Subordinated Indebtedness, and to that end the Owners and
7 Holders shall be entitled to receive for application in payment thereof any payment or
8 distribution of any kind or character, whether in cash or property or securities, which may be
9 payable or deliverable in any such proceedings in respect of the Subordinated Indebtedness after
10 giving effect to any concurrent payment or distribution in respect of such Parity Obligations.

11 Nothing contained in the definition "Subordinated Indebtedness" or elsewhere in this
12 Master Indenture, or in any Subordinated Indebtedness, shall (1) affect the obligation of the
13 Corporation to make, or prevent the Corporation from making, at any time except during the
14 continuance of any Event of Default under this Master Indenture, payments of principal of or
15 premium, if any, or interest on the Subordinated Indebtedness or of amounts to be available as a
16 sinking fund for such Subordinated Indebtedness, or (2) prevent the application by the Master
17 Trustee or any paying agent of any moneys held by the Master Trustee or such paying agent in
18 trust for the benefit of the holders of the Subordinated Indebtedness as to which notice of
19 redemption shall have been mailed or published at least once prior to the happening of an Event
20 of Default under this Master Indenture, to the payment of or on account of the principal of and
21 premium, if any, and interest on such Subordinated Indebtedness, or (3) prevent the application
22 by the Master Trustee or any paying agent of any moneys deposited, prior to the happening of
23 any Event of Default under this Master Indenture, with the Master Trustee or such paying agent
24 in trust for the purpose of paying a specified installment or installments of interest on the
25 Subordinated Indebtedness, to the payment of such installments of interest on such Subordinated
26 Indebtedness.

27 The Corporation's obligation to pay any and all amounts to the Derivative Agreement
28 Counterparty with respect to Derivative Indebtedness, other than its regularly scheduled payment
29 liability, shall constitute Subordinated Indebtedness.

30 Section 212. Additional Restrictions. A Parity Resolution or a Subordinated
31 Indebtedness Resolution may establish restrictions, in addition to those established in this Master
32 Indenture, including additional restrictions as to the application of Net Receipts after the
33 payments required by Section 504(a), (b) and (c) hereof and additional restrictions on the
34 incurrence of Indebtedness in addition to those set forth in Section 704 hereof.

Article III.

REDEMPTION

Section 301. Redemption Generally. The Bonds of any Series issued under this Master Indenture may be made subject to redemption, at such times and prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Bonds.

Article IV.

COSTS OF ISSUANCE FUND

Section 401. Costs of Issuance Fund. A special fund is hereby established with the Master Trustee and designated the "Florida Hurricane Catastrophe Fund Finance Corporation Costs of Issuance Fund". The proceeds of any Series of Bonds to be used for Costs of Issuance shall be deposited upon the delivery of such Series of Bonds in a separate account to be established by the Supplemental Indenture providing for the issuance of such Series of Bonds.

The money in the Costs of Issuance Fund shall be held by the Master Trustee in trust and, pending application to the payment of Costs of Issuance, or transfer as provided herein or in any Supplemental Indenture, shall, to the extent permitted by law, be subject to a lien and charge in favor of the Owners of the Series of Bonds, and shall be held for the security of such Owners.

Section 402. Payments from Costs of Issuance Fund. All Costs of Issuance incurred in connection with a Series of Bonds shall be paid from the relevant account in the Costs of Issuance Fund.

Section 403. Requisitions from Costs of Issuance Fund. Payments from the Costs of Issuance Fund shall be made in accordance with the provisions of this Section. Before any payment shall be made, there shall be filed with the Master Trustee a requisition, signed by an Authorized Officer of the Corporation, stating or identifying:

- (a) the number of such requisition,
- (b) the respective amounts to be paid,
- (c) the name of the Person to whom such payment is due,
- (d) that the obligation in the stated amount has been incurred by the Person to whom such payment is due, is presently due and payable, and is a proper charge against the Costs of Issuance Fund that has not been paid, and
- (e) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such Person to receive payment of, the amount stated in such requisition has been filed or attached or, if any of the foregoing has been filed or attached, that the same either has been or will be satisfied or discharged or that provisions have been made

(which shall be specified) to protect adequately the Master Trustee and the Owners from incurring any loss as a result of the same.

Any requisition filed with the Master Trustee may be accompanied by a certificate of an Authorized Officer of the State Board of Administration, together with such documents or writings as such Authorized Officer shall deem necessary or appropriate, certifying or verifying the accuracy of any of the matters or items contained in such requisition.

Upon receipt of each requisition, the Master Trustee shall pay the obligations set forth in such requisition out of money in the applicable account in the Costs of Issuance Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Master Trustee designated for such purpose by the Master Trustee. If for any reason the Corporation should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Master Trustee and thereupon the Master Trustee shall not make such payment.

Section 404. Reliance upon Requisitions. All requisitions and certifications received by the Master Trustee as conditions of payment from the Costs of Issuance Fund may be conclusively relied upon by the Master Trustee. Such requisitions and certifications shall be retained by the Master Trustee for a period of time not less than that required by the law of the State for the retention of public records and shall be subject at all reasonable times to examination by the Corporation, the State Board of Administration and the Owners of Bonds then Outstanding.

Section 405. Disposition of Costs of Issuance Fund Balance. When all Costs of Issuance related to a Series of Bonds have been paid, which fact shall be evidenced to the Master Trustee by an Officer's Certificate delivered to the Master Trustee by an Authorized Officer of the Corporation, the Master Trustee shall transfer any money then remaining in the relevant account in the Costs of Issuance Fund as directed in writing by an Authorized Officer of the Corporation, and the Corporation may apply the same, subject to Section 604 hereof, for any purpose permitted under the Act which will not cause the interest on any Series of Tax-Exempt Bonds to become includable in the gross income of the Owners thereof for federal income tax purposes.

Article V.

APPLICATION OF GROSS RECEIPTS AND NET RECEIPTS; FUNDS AND ACCOUNTS

Section 501. Establishment of Funds and Accounts. In addition to the Costs of Issuance Fund, there are hereby established the following funds and accounts:

(a) Florida Hurricane Catastrophe Fund Finance Corporation Revenue Fund, in which there are established four special accounts to be known as the Emergency Assessments Account, the Reimbursement Premiums Account, the Pre-Event Bonds Investment Income Account and the Derivative Agreements Account; and

1 (b) Florida Hurricane Catastrophe Fund Finance Corporation Bond Fund, in
2 which there are established six special accounts to be known as the Capitalized Interest Account,
3 the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account
4 and the Parity Common Reserve Account.

5 A Parity Resolution may provide for the creation of a Special Reserve Account for the
6 Parity Obligations authorized by such Parity Resolution and for the deposit of amounts to and the
7 withdrawal of amounts from such Special Reserve Account. A Special Reserve Account may be
8 established with and maintained by the Master Trustee in the Bond Fund or by a Depositary in
9 which case the Account shall be deemed to be part of the Bond Fund, as the Corporation may
10 determine. A Parity Resolution may also provide for the creation of such other accounts and
11 subaccounts as the Corporation may determine for the Parity Obligations authorized by such
12 Parity Resolution.

13 The Revenue Fund and the Bond Fund and the accounts and subaccounts therein shall be
14 established with and held by the Master Trustee.

15 The money in the Bond Fund and all of the accounts and subaccounts therein established
16 pursuant to this Article V shall be held in trust and applied as hereinafter provided and, pending
17 such application, the money in the Bond Fund and the accounts and subaccounts therein shall be
18 subject to a pledge, charge and lien in favor of the Owners of the respective Series of Bonds
19 issued and Outstanding under this Master Indenture and for the further security of such Owners,
20 except as otherwise provided herein or in any Supplemental Indenture.

21 Each Supplemental Indenture shall provide, to the extent applicable, for the creation of a
22 separate subaccount within the Capitalized Interest Account, the Interest Account, the Principal
23 Account, the Redemption Account and the Sinking Fund Account with respect to each Series of
24 Bonds, which subaccounts shall bear the designation of such Series of Bonds. A Supplemental
25 Indenture may provide that the Bonds authorized thereby may be additionally secured by the
26 Parity Common Reserve Account or a Special Reserve Account or it may provide that there shall
27 not be any debt service reserve account established in respect of such Series of Bonds. If a
28 Series of Bonds shall be additionally secured by a Special Reserve Account or shall not be
29 additionally secured by any debt service reserve account, such Series of Bonds shall have no
30 claim on the Parity Common Reserve Account.

31 Each Parity Debt Resolution may provide for the creation of such funds and accounts as
32 the Corporation may determine, including an account for the payment of interest as mentioned in
33 Section 504(a) hereof, an account or accounts for the payment of principal, whether at maturity
34 or pursuant to an amortization requirement, as mentioned in Section 504(b) hereof or a debt
35 service reserve account, which may be the Parity Common Reserve Account or a Special
36 Reserve Account, as mentioned in Section 504(c) hereof.

37 Each Parity Resolution shall be filed with the Master Trustee on or prior to the date of
38 issuance of any Parity Obligations and shall contain or be accompanied by a schedule of
39 payments with respect to such Parity Obligations.

1
2 Section 502. Gross Receipts Received by the Corporation or the Master Trustee.

3 Except as hereinafter provided, all Gross Receipts and all proceeds of any Derivative
4 Agreement received by the Corporation or the Master Trustee for the account of the Corporation
5 shall be deposited when received in the Revenue Fund as follows:

6 (a) Emergency Assessments and Emergency Assessment Earnings shall be
7 deposited to the credit of the Emergency Assessments Account;

8 (b) Reimbursement Premiums and Reimbursement Premium Earnings shall be
9 deposited to the credit of the Reimbursement Premiums Account;

10 (c) investment income from the investment of proceeds of Pre-Event Bonds
11 shall be deposited to the credit of the Pre-Event Bonds Investment Income Account; and

12 (d) proceeds of any Derivative Agreement shall be deposited to the credit of
13 the Derivative Agreements Account.

14 No money deposited in any of the Emergency Assessments Account, the Reimbursement
15 Premiums Account, the Pre-Event Bonds Investment Income Account, the Derivative
16 Agreements Account or any other account or subaccount established in the Revenue Fund shall
17 be commingled with, and instead shall be segregated from, money deposited to the credit of the
18 any other such Account or any other account or subaccount established in the Revenue Fund.

19 A Parity Resolution may provide for the creation of such other accounts or subaccounts
20 in the Revenue Fund as the Corporation may determine for the deposit of any other Gross
21 Receipts received by the Corporation or the Master Trustee for the account of the Corporation,
22 including, without limitation, any Other Pledged Money, and may also establish restrictions, in
23 addition to those established in this Master Indenture, as to the deposit of such Gross Receipts to
24 such accounts or subaccounts and the application of amounts deposited therein.

25 Section 503. Application of Money in Revenue Fund. (a) Except as hereinafter
26 provided, moneys in the Revenue Fund shall be withdrawn by the Master Trustee at the times
27 and in the amounts provided herein or in Parity Resolutions but only in the manner and order
28 specified in this Master Indenture.

29 (b) The Master Trustee shall withdraw immediately from the Reimbursement
30 Premiums Account, and, to the extent the amount is insufficient for the purpose, from the Pre-
31 Event Bonds Investment Account, and transfer to the Corporation, or, if so directed in writing by
32 an Authorized Officer of the Corporation, to a Depositary for the account of the Corporation, the
33 balance of the amount included in the Corporation's annual budget (which may be revised from
34 time to time), delivered to the Master Trustee pursuant to Section 707 hereof, for the payment of
35 Current Expenses of the Corporation in the current Fiscal Year and not previously so transferred.
36 Current Expenses of the Corporation shall be a first charge against the Revenue Fund and shall
37 be paid by the Corporation from the amount so transferred from the Revenue Fund; provided,
38 however, that nothing in this Master Indenture shall prevent the Corporation from paying any

1 Current Expenses of the Corporation from moneys to the credit of the Emergency Assessments
2 Account or any other funds legally available to the Corporation for such purpose to the extent
3 that moneys to the credit of the Reimbursement Premiums Account and the Pre-Event Bonds
4 Investment Account are insufficient for the purpose. The Current Expenses of the Corporation
5 shall be paid by the Corporation as the same become due and payable in conformity with the
6 applicable budgetary and payment procedures of the Corporation.

7 (c) (i) At such time or times as are specifically provided for in this Master
8 Indenture, in any Parity Resolution or in any Derivative Agreement, the Master Trustee shall
9 withdraw from the Revenue Fund the amounts necessary to make the deposits or payments
10 required by Section 504(a), (b) and (c) hereof.

11 (ii) So long as any Post-Event Bonds or Post-Event Parity Debt is
12 Outstanding, the Master Trustee shall withdraw from the Emergency Assessments Account the
13 amounts necessary to make the deposits or payments required by Section 504(a), (b) or (c)
14 hereof with respect to such Post-Event Bonds or Post-Event Parity Debt, and, if and to the
15 extent that the amounts on deposit to the credit of the Emergency Assessments Account are
16 insufficient to make such deposits or payments, the Master Trustee shall withdraw from the
17 Reimbursement Premiums Account, the Derivative Agreements Account or any other account
18 or subaccount established in the Revenue Fund, in the order of priority provided for in the
19 Supplemental Indenture or Parity Debt Resolution authorizing the issuance or incurrence of
20 such Post-Event Bonds or Post-Event Parity Debt, as the case may be, the amounts necessary to
21 satisfy such deposits or payments.

22 (iii) So long as any Bonds (other than Post-Event Bonds) or Parity Debt
23 (other than Post-Event Parity Debt), including Pre-Event Bonds, is Outstanding, the Master
24 Trustee shall withdraw, immediately following any withdrawal required by subsection (b), from
25 the Reimbursement Premiums Account and, subsequent to such withdrawal, from the Pre-Event
26 Bonds Investment Income Account, the Derivative Agreements Account or any other account or
27 subaccount established in the Revenue Fund (other than the Emergency Assessments Account)
28 in the order of priority provided for in the Supplemental Indenture or Parity Debt Resolution
29 authorizing the issuance or incurrence of such Bonds or Parity Debt, as the case may be, the
30 amounts necessary to make the deposits or payments required by Section 504(a), (b) or (c)
31 hereof with respect to such Bonds or Parity Debt, and, if and to the extent that the amounts on
32 deposit to the credit of the Reimbursement Premiums Account, the Pre-Event Bonds Investment
33 Income Account, the Derivative Agreements Account or any other account or subaccount
34 established in the Revenue Fund are insufficient to make such deposits or payments, the Master
35 Trustee shall withdraw from the Emergency Assessments Account the amounts necessary to
36 satisfy such deposits or payments; provided, however, in the case of Pre-Event Bonds, the
37 Master Trustee shall draw first from the Reimbursement Premiums Account and then from the
38 Pre-Event Bonds Investment Income Account, prior to making any withdrawal from any of such
39 other Accounts or any other account or subaccount.

40 (d)(i) If at any time the amounts on deposit to the credit of the accounts and
41 subaccounts established in the Revenue Fund are insufficient to make the deposits or payments
42 required by Section 504(a), (b) or (c) hereof with respect to Post-Event Bonds and Post-Event
43 Parity Debt then Outstanding, the Master Trustee (1) shall give prompt written notice of such

1 deficiency to the State Board of Administration and the Corporation and (2) shall, in accordance
2 with Sections 502(b) and 503(c)(i) hereof, deposit any Reimbursement Premiums and
3 Reimbursement Premium Earnings thereafter received from the FHCF in the Reimbursement
4 Premiums Account for application in accordance Section 504(a), (b) and (c) hereof.

5 (ii) If, after the date on which the Master Trustee receives any Reimbursement
6 Premiums and Reimbursement Premium Earnings pursuant to clause (i) and prior to the dates on
7 which the deposits or payments are required to be made pursuant to Section 504(a), (b) or (c)
8 hereof, the Master Trustee receives any Emergency Assessments and Emergency Assessment
9 Earnings, the Master Trustee shall (X) deposit such Emergency Assessments and Emergency
10 Assessment Earnings to the credit of the Emergency Assessments Account for application in
11 accordance with Section 504(a), (b) and (c) hereof, (Y) release from the Reimbursement
12 Premiums Account and transfer to the FHCF an amount equal to the amount of Emergency
13 Assessments and Emergency Assessment Earnings so received and deposited by the Master
14 Trustee in the Emergency Assessments Account and (Z) if the amounts then on deposit to the
15 credit of the accounts and subaccounts established in the Revenue Fund are sufficient to make all
16 the deposits or payments required by Section 504(a), (b) and (c) hereof, transfer to the FHCF
17 from any Emergency Assessments and Emergency Assessment Earnings the amount in excess of
18 such requirements of Section 504(a), (b) and (c) hereof, as certified in an Officer's Certificate
19 delivered to the Master Trustee by the State Board of Administration.

20 (e) Except during the continuation of an Event of Default, immediately
21 following the date on which the amounts on deposit to the credit of the accounts and subaccounts
22 in the Revenue Fund are sufficient for the Master Trustee to make (i) the transfer to the
23 Corporation or a Depositary for the account of the Corporation of the amount required for the
24 payment of the Current Expenses of the Corporation in the then current Fiscal Year in
25 accordance with the provisions of Section 503(b) hereof and (ii) the deposits or payments of the
26 amounts required by Section 504(a), (b) and (c) hereof in the then current Fiscal Year with
27 respect to the Parity Obligations then Outstanding, (Y) any Reimbursement Premiums and
28 Reimbursement Premium Earnings held by the Master Trustee in the Revenue Fund on such date
29 in such Fiscal Year in excess of such requirements for such Fiscal Year shall be delivered to the
30 FHCF and be used for any purpose permitted by the Act, and (Z) any Emergency Assessments,
31 Emergency Assessment Earnings and Other Pledged Money held by the Master Trustee in the
32 Revenue Fund on such date in such Fiscal Year in excess of such requirements for the remainder
33 of such Fiscal Year and for the next succeeding Fiscal Year shall, except as otherwise provided
34 for by subsection (d)(ii) hereof, be transferred by the Master Trustee to the Bond Fund for
35 application in accordance with the provisions of Section 504(a) and (b) hereof, unless an
36 Authorized Officer of the State Board of Administration delivers to the Master Trustee an
37 Officer's Certificate certifying that the amount of Emergency Assessments and Emergency
38 Assessment Earnings on deposit with the Master Trustee in the appropriate accounts and
39 subaccounts in the Bond Fund (excluding the Parity Common Reserve Account and any Special
40 Reserve Account) for Post-Event Parity Obligations is sufficient to pay the debt service thereon
41 for the remainder of such Fiscal Year and for the next succeeding Fiscal Year and that there are
42 no deficiencies in the amounts required to be on deposit in the Parity Common Reserve Account,
43 any Special Reserve Account or any account or subaccount in the Bond Fund established for Pre-
44 Event Parity Obligations, in which event such Emergency Assessments and Emergency

1 Assessment Earnings will be transferred by the Master Trustee as directed in such Officer's
2 Certificate.

3 Any funds transferred from any account or subaccount in the Revenue Fund in
4 accordance with this paragraph (e), other than transfers made to any account or subaccount of the
5 Bond Fund, shall no longer be subject to the pledge of, security interest in and lien upon the Net
6 Receipts created by this Master Indenture.

7 Section 504. Use of Money for Debt Service Accounts and Reserve Accounts. The
8 amounts withdrawn from the Revenue Fund in accordance with Section 503(c) hereof shall be
9 applied by the Master Trustee in the following manner and order:

10 (a) (i) At such time or times as provided in the Parity Resolutions, the Master
11 Trustee shall (A) deposit the amounts required by the Supplemental Indentures to be deposited in
12 the appropriate subaccounts in the Interest Account and (B) deliver the amounts required by the
13 Parity Debt Resolutions to be deposited with or paid to the appropriate Persons designated in
14 such Parity Debt Resolutions for the payment of interest on the related Parity Debt in accordance
15 with such Parity Debt Resolutions, and (ii) if a Derivative Agreement provides for any payments
16 thereunder by the Corporation relating to interest on Parity Obligations constituting Derivative
17 Indebtedness, then, at such time or times as provided in the Derivative Agreement, the Master
18 Trustee shall deliver, to or for the account of the Derivative Agreement Counterparty or other
19 appropriate Person designated in the Derivative Agreement, the amount required by such
20 Derivative Agreement (but not any termination payment) to be paid thereunder by the
21 Corporation, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits
22 and payments, such deposits and payments shall be made to each such subaccount in the Interest
23 Account and to each appropriate Person designated in such Parity Debt Resolutions or Derivative
24 Agreement ratably according to the amount so required to be deposited or paid.

25 (b) At such time or times as provided in the Parity Resolutions, the Master
26 Trustee shall (i) deposit the amounts required by the Supplemental Indentures to be deposited in
27 the appropriate subaccounts in the Principal Account and the Sinking Fund Account and (ii)
28 deliver the amounts required by the Parity Debt Resolutions to be deposited with or paid to the
29 appropriate Persons designated in such Parity Debt Resolutions for the payment of the principal
30 of Parity Debt, whether at maturity or pursuant to an amortization requirement, in accordance
31 with such Parity Debt Resolutions, provided that if there shall not be sufficient Net Receipts to
32 satisfy all such deposits and payments, such deposits and payments shall be made to each such
33 subaccount in the Principal Account and the Sinking Fund Account and to each appropriate
34 Person designated in such Parity Resolutions ratably according to the amount so required to be
35 deposited or paid.

36 (c) At such time or times as provided in the Parity Resolutions, if the amount
37 in the Parity Common Reserve Account is less than the Parity Common Reserve Account
38 Requirement or the amount in any Special Reserve Account is less than the applicable Special
39 Reserve Account Requirement, the Master Trustee shall (i) deposit the amounts required by this
40 Master Indenture to make up such deficiency in the Parity Common Reserve Account and (ii)
41 deposit, or deliver to the appropriate Depositary for deposit, the amounts required by any
42 Supplemental Indenture or Parity Debt Resolution to make up any deficiency in any Special

1 Reserve Account, provided that if there shall not be sufficient Net Receipts to satisfy all such
2 deposits, such deposits shall be made among the Parity Common Reserve Account and each
3 Special Reserve Account ratably according to the amounts so required to be deposited.

4 (d) To the extent that investment earnings are credited to the Interest Account,
5 the Principal Account, the Sinking Fund Account or any subaccount therein in accordance with
6 Section 602 hereof or amounts are credited thereto as a result of the application of the proceeds
7 of a Series of Bonds or a transfer of investment earnings on any other fund or account held by
8 the Master Trustee, or otherwise, future deposits to such accounts or subaccounts shall be
9 reduced by the respective amounts so credited.

10 (e) The Corporation may provide in a Subordinated Indebtedness Resolution
11 for the deposit or payment of Net Receipts for the purpose of paying the interest on or principal
12 of Subordinated Indebtedness or in a Derivative Agreement for the making of payments or
13 repayments thereunder, including any termination payment, on a subordinated basis, but only
14 after the making of the deposits or payments required by paragraphs (a), (b) and (c) of this
15 Section 504. Each Subordinated Indebtedness Resolution shall be filed with the Master Trustee
16 on or prior to the date of incurrence of any Subordinated Indebtedness and shall contain or be
17 accompanied by a schedule of payments with respect to such Subordinated Indebtedness,
18 including any scheduled payments (to the extent determinable) under a Derivative Agreement.

19 (f) The Corporation may provide in a Parity Resolution or a Subordinated
20 Indebtedness Resolution for a disposition of Net Receipts for the purpose of paying amounts
21 owing to a Credit Provider, but only after the making of the deposits or payments required by
22 paragraphs (a), (b) and (c) of this Section 504.

23 (g) The calculation of the amounts to be deposited or required to be deposited
24 pursuant to this Section 504 shall be the responsibility of the Master Trustee, which shall deliver
25 copies of such calculations to the Corporation and the State Board of Administration not less
26 than three (3) Business Days prior to any withdrawal from the Revenue Fund pursuant to Section
27 503(c) hereof.

28 Section 505. Application of Money in Interest Account and Capitalized Interest
29 Account. Unless otherwise provided by a Supplemental Indenture, not later than 10:00 A.M. on
30 each Interest Payment Date, date for the payment of Defaulted Interest or date upon which Bonds
31 are to be redeemed, or on such other date as may be specified in the applicable Supplemental
32 Indenture, the Master Trustee shall withdraw from the applicable subaccount in the Interest
33 Account and wire transfer to the Bond Registrar, in Federal Reserve or other immediately
34 available funds, the amounts required for paying interest on the respective Bonds on such date.
35 The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners
36 as provided in the Supplemental Indentures.

37 Unless otherwise provided by a Supplemental Indenture, on the date of issuance of any
38 Series of Parity Obligations, an Authorized Officer of the Corporation shall deliver to the Master
39 Trustee a schedule of transfers to be made from the applicable subaccount of the Capitalized
40 Interest Account to the applicable subaccount of the Interest Account. The Master Trustee shall
41 make such transfers as required by the schedule of such Authorized Officer of the Corporation.

1 Unless otherwise provided by a Supplemental Indenture, if the amounts transferred from
2 the accounts and subaccounts in the Revenue Fund are insufficient to satisfy the amounts
3 required to be deposited in the Interest Account as provided in Section 504 hereof, or if the
4 balance in the Interest Account on the Business Day next preceding an Interest Payment Date is
5 insufficient to pay the interest coming due on the Bonds on such Interest Payment Date, the
6 Master Trustee shall, not later than such Interest Payment Date, transfer an amount sufficient to
7 cure the same, drawing upon funds in the Parity Common Reserve Account, if any, securing such
8 Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

9 Section 506. Application of Money in Principal Account. Unless otherwise provided
10 by a Supplemental Indenture, not later than 10:00 A.M. on each principal payment date, the
11 Master Trustee shall withdraw from the applicable subaccount in the Principal Account and wire
12 transfer to the Bond Registrar, in Federal Reserve or other immediately available funds, the
13 amount necessary to pay the principal of the related Serial Bonds at their respective maturities.
14 The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners
15 as provided in the Supplemental Indentures.

16 Unless otherwise provided by a Supplemental Indenture, if on any date there is money in
17 the Principal Account and no Serial Bonds are then Outstanding or if on any principal payment
18 date money remains therein after the payment of the principal of Serial Bonds then due, the
19 Master Trustee shall withdraw such money therefrom and shall apply the same in the following
20 order: (a) deposit into the Sinking Fund Account the amount then required to be deposited
21 thereto pursuant to Section 504 hereof, (b) deposit, if and to the extent determined by an
22 Authorized Officer of the Corporation, into the Parity Common Reserve Account or in one or
23 more Special Reserve Accounts such amounts as may be determined by an Authorized Officer of
24 the Corporation in order to make the amounts on deposit therein equal to the Parity Common
25 Reserve Account Requirement or the Special Reserve Account Requirement, as the case may be,
26 and (c) transfer to the FHCF all remaining amounts for any use permitted or authorized by the
27 Act.

28 Unless otherwise provided by a Supplemental Indenture, if the amounts transferred from
29 the accounts and subaccounts in the Revenue Fund are insufficient to satisfy the amounts
30 required to be deposited in the Principal Account as provided in Section 504 hereof, or if the
31 balance in the Principal Account on the Business Day next preceding a principal payment date is
32 insufficient to pay the principal coming due on the Serial Bonds on such principal payment date,
33 the Master Trustee shall, not later than such principal payment date, transfer an amount sufficient
34 to cure the same, drawing upon funds in the Parity Common Reserve Account, if any, securing
35 such Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

36 Section 507. Application of Money in Sinking Fund Account. Unless otherwise
37 provided by a Supplemental Indenture, not later than 10:00 A.M. on each mandatory sinking
38 fund redemption date, the Master Trustee shall withdraw from the applicable subaccount in the
39 Sinking Fund Account and wire transfer to the Bond Registrar, in Federal Reserve or other
40 immediately available funds, the amount necessary to pay the principal of the related Term
41 Bonds on their respective mandatory sinking fund redemption dates. The Bond Registrar shall
42 remit or otherwise set aside the amount due and payable to the Owners as provided in the
43 Supplemental Indentures.

1 Money held for the credit of the subaccounts in the Sinking Fund Account shall be
2 applied to the retirement, purchase, redemption or payment of Term Bonds in the manner
3 provided in the applicable Supplemental Indentures. If the amounts transferred from the
4 accounts and subaccounts in the Revenue Fund are insufficient to satisfy the amounts required to
5 be deposited in the Sinking Fund Account as provided in Section 504 hereof, or if the balance in
6 the Sinking Fund Account on the Business Day next preceding a sinking fund payment date is
7 insufficient to retire the Term Bonds on such date as required by a Supplemental Indenture, the
8 Master Trustee shall, not later than such sinking fund payment date, transfer an amount sufficient
9 to cure the same, drawing upon funds in the Parity Common Reserve Account, if any, securing
10 such Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

11 Section 508. Deposit and Application of Money in Parity Common Reserve Account
12 and Any Special Reserve Account; Replenishment of Deficiencies. (a) If a Parity Resolution
13 provides that the Parity Obligations issued thereunder are to be additionally secured by the Parity
14 Common Reserve Account, the Corporation shall deposit, from the proceeds of such Parity
15 Obligations or from any other available sources, concurrently with the delivery of and payment
16 for such Parity Obligations, to the Parity Common Reserve Account such amount as is required
17 to make the balance to the credit of such Account equal to the Parity Common Reserve Account
18 Requirement; provided, however, that in the case of Post-Event Parity Obligations, the initial
19 deposit required to the Parity Common Reserve Account to make the total amount to the credit of
20 such Account equal to the Parity Common Reserve Account Requirement may be funded from
21 Emergency Assessments and other Revenues (but not Reimbursement Premiums or
22 Reimbursement Premium Earnings) ratably over not more than thirty-six (36) months from the
23 date of delivery of such Parity Obligations. If a Parity Resolution provides that the Parity
24 Obligations issued thereunder are to be secured by a Special Reserve Account, the Corporation
25 shall fund, from the proceeds of such Parity Obligations or from any other available sources, at
26 the time or times and in the manner specified in the applicable Parity Resolution, such Special
27 Reserve Account in an amount equal to the Special Reserve Account Requirement for such
28 Parity Obligations.

29 (b) Unless the applicable Parity Resolution shall otherwise provide or modify
30 the following, the Corporation may deposit with the Master Trustee a Reserve Alternative
31 Instrument in satisfaction of all or any portion of the Parity Common Reserve Account
32 Requirement or may substitute a Reserve Alternative Instrument for all or any portion of the
33 cash or another Reserve Alternative Instrument credited to the Parity Common Reserve Account,
34 provided that the following minimum provisions have been fulfilled:

35 (i) The Reserve Alternative Instrument shall be payable (upon the giving of notice as
36 required thereunder) to remedy any deficiency in the appropriate subaccounts in the Interest
37 Account, the Principal Account and the Sinking Fund Account, or in an account for the payment
38 of interest as mentioned in Section 504(a) hereof, or in an account or accounts for the payment of
39 principal as mentioned in Section 504(b) hereof, in order to provide for the timely payment of
40 the principal (whether at maturity or pursuant to a Sinking Fund Requirement or an amortization
41 requirement therefor) of and interest on the Parity Obligations secured thereby.

42 (ii) The provider of a Reserve Alternative Instrument shall be (a) an insurance
43 company or other financial institution that has been assigned, for obligations insured by the

1 provider of the Reserve Alternative Instrument, a rating by at least two Rating Agencies in one
2 of the two highest rating categories (without regard to gradations by numerical modifier or
3 otherwise) or (b) a commercial bank, insurance company or other financial institution the
4 obligations payable or guaranteed by which have been assigned a rating by at least two Rating
5 Agencies in one of the two highest rating categories (without regard to gradations by numerical
6 modifier or otherwise).

7 (iii) If the Reserve Alternative Instrument is an unconditional irrevocable letter of credit
8 issued to the Master Trustee, the letter of credit shall be payable in one or more draws upon
9 presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds
10 insufficient funds to make a required payment of principal or interest on the Parity Obligations
11 having the benefit of the Parity Common Reserve Account. The draws shall be payable within
12 two days of presentation of the sight draft. The letter of credit shall be for a term of not less than
13 three years. The issuer of the letter of credit shall be required to notify the Corporation and the
14 Master Trustee, not later than 30 months prior to the stated expiration date of the letter of credit,
15 as to whether such expiration date shall be extended, and if so, shall indicate the new expiration
16 date. The Master Trustee is directed to draw upon the letter of credit prior to its expiration or
17 termination unless an acceptable replacement is in place or the Parity Common Reserve Account
18 is fully funded to the Parity Common Reserve Account Requirement.

19 (iv) The Master Trustee shall ascertain the necessity for a claim or draw upon the
20 Reserve Alternative Instrument and shall provide notice to the issuer of the Reserve Alternative
21 Instrument in accordance with its terms not later than three days (or such longer period as may
22 be necessary depending on the permitted time period for honoring a draw under the Reserve
23 Alternative Instrument) prior to each Interest Payment Date.

24 (v) Cash on deposit in the Parity Common Reserve Account shall be used (or
25 Investment Obligations purchased with such cash shall be liquidated and the proceeds applied as
26 required) prior to any drawing on any Reserve Alternative Instrument. If and to the extent that
27 more than one Reserve Alternative Instrument is deposited in the Parity Common Reserve
28 Account, drawings thereunder and repayments of costs associated therewith shall be made on a
29 pro rata basis, calculated by reference to the maximum amounts available thereunder.

30 (b) The Master Trustee shall use amounts in the Parity Common Reserve
31 Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to
32 make deposits, in the following order, in respect of all Parity Obligations additionally secured by
33 the Parity Common Reserve Account, to the appropriate subaccounts in the Interest Account, the
34 Principal Account and the Sinking Fund Account to remedy any deficiency therein as of any
35 Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date
36 as set forth in a Parity Resolution), or to pay the interest on or the principal of or amortization
37 requirements in respect of any Parity Debt when due, whenever and to the extent the money on
38 deposit for such purposes is insufficient.

39 (c) The Master Trustee shall use amounts in any Special Reserve Account
40 held by it to make transfers, or use moneys provided under a Reserve Alternative Instrument to
41 make deposits, in the following order, in respect of the particular Parity Obligations secured by
42 such Special Reserve Account, to the appropriate subaccounts in the Interest Account, the

1 Principal Account and the Sinking Fund Account to remedy any deficiency therein as of any
2 Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date
3 as set forth in a Parity Resolution) or to pay the interest on or the principal of or amortization
4 requirement in respect thereof on Parity Debt when due, whenever and to the extent the money
5 on deposit for such purposes is insufficient.

6 (d) Any deficiency in the Parity Common Reserve Account resulting from the
7 withdrawal of moneys therein shall be made up by depositing to the credit of such Account the
8 amount of such deficiency within one year following the date on which such withdrawal is made,
9 such deposit to be made pursuant to Section 504(c) hereof. Any deficiency in the Parity
10 Common Reserve Account resulting from a draw on a Reserve Alternative Instrument shall be
11 made up as provided in such Reserve Alternative Instrument or documentation relating thereto,
12 but any such deficiency must be made up by not later than the final date when such deficiency
13 would have been required to be made up if there had been a withdrawal of moneys from the
14 Parity Common Reserve Account rather than a draw on a Reserve Alternative Instrument.
15 Deficiencies, whether resulting from withdrawals or draws, may be satisfied through the deposit
16 of additional cash, the delivery of an additional Reserve Alternative Instrument or an increase in
17 the amount available to be drawn under a Reserve Alternative Instrument. Unless otherwise
18 provided in a Reserve Alternative Instrument or the documentation relating thereto, cash or
19 Investment Obligations on deposit to the credit of the Parity Common Reserve Account shall be
20 used to satisfy deficiencies, as provided in paragraph (b) of this Section, prior to any draw on a
21 Reserve Alternative Instrument.

22 (e) Unless a Reserve Alternative Instrument shall be in effect, if on any date
23 of valuation pursuant to Section 603 hereof, the amount on deposit in the Parity Common
24 Reserve Account is less than ninety percent (90%) of the Parity Common Reserve Account
25 Requirement, the Corporation shall deposit into the Parity Common Reserve Account within one
26 year following such date the amount required as of such date to cause the amount then on deposit
27 in the Parity Common Reserve Account to be equal to the Parity Common Reserve Account
28 Requirement. Any such deficiency may be satisfied through the deposit of additional cash, the
29 delivery of an additional Reserve Alternative Instrument or an increase in the amount available
30 to be drawn under a Reserve Alternative Instrument.

31 (f) Any deficiency in a Special Reserve Account resulting from the
32 withdrawal of moneys therein or a draw on a Reserve Alternative Instrument or resulting from a
33 valuation of the Investment Obligations therein pursuant to Section 603 hereof shall be made up
34 as provided in the Parity Resolution establishing such Special Reserve Account.

35 Section 509. Application of Money in Redemption Account. The Master Trustee shall
36 apply money in the Redemption Account to the purchase or redemption of Bonds as follows:

37 (a) Subject to the provisions of paragraph (c) of this Section, and if instructed
38 to do so by an Authorized Officer of the Corporation, the Master Trustee shall endeavor to
39 purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof are
40 then subject to redemption, at the most advantageous price obtainable with reasonable diligence,
41 provided that the purchase price of each Bond, plus accrued interest to the date of purchase, shall
42 not exceed the Redemption Price that would be payable on the next redemption date to the

1 Owners of such Bonds under the provisions of the applicable Supplemental Indenture plus
2 accrued interest to the redemption date if such Bond or such portion thereof were called for
3 redemption on such redemption date from the money in the applicable subaccount of the
4 Redemption Account. The Master Trustee shall pay the interest accrued on such Bonds or
5 portions thereof to the date of settlement from the applicable subaccount of the Interest Account
6 and the purchase price from the applicable subaccount of the Redemption Account, but no such
7 purchase shall be made by the Master Trustee from money in the applicable subaccount of the
8 Redemption Account within the period of forty-five (45) days immediately preceding any date
9 on which such Bonds or portions thereof are to be redeemed except from moneys other than the
10 moneys set aside in the applicable subaccount of the Redemption Account for the redemption of
11 Bonds.

12 (b) Subject to the provisions of paragraph (c) of this Section, the Master
13 Trustee shall call for redemption on a date permitted by the applicable Supplemental Indenture
14 such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust
15 the moneys then held in the applicable subaccount of the Redemption Account as nearly as may
16 be practicable; provided, however, that not less than One Hundred Thousand Dollars (\$100,000)
17 in principal amount of Bonds shall be called for redemption at any one time unless the Master
18 Trustee is so instructed by the Corporation in writing. The Master Trustee shall pay the accrued
19 interest on the Bonds or portions thereof to be redeemed to the date of redemption from the
20 applicable subaccount of the Interest Account and the Redemption Price of such Bonds or
21 portions thereof from the applicable subaccount of the Redemption Account. On or before the
22 redemption date, the Master Trustee shall withdraw from the Redemption Account and the
23 Interest Account and transfer to the Bond Registrar the respective amounts required to pay the
24 Redemption Price and accrued interest to the redemption date of the Bonds or portions thereof so
25 called for redemption.

26 (c) Money in the Redemption Account may be applied by the Master Trustee
27 in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then
28 Outstanding in accordance with the latest Officer's Certificate of an Authorized Officer of the
29 Corporation filed with the Master Trustee (i) designating one or more Series of Bonds to be
30 purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the
31 aggregate principal amount of Bonds of each Series to be purchased or redeemed, and (iii) unless
32 the Supplemental Indenture relating to the Bonds to be redeemed specifies the order of
33 redemption, designating the Bonds to be redeemed within each Series, and if such Bonds are
34 Term Bonds, the Fiscal Years in which future Sinking Fund Requirements are to be reduced as a
35 result of such redemption and the amount of such reduction in each such Fiscal Year. In the
36 event no such Certificate is filed and unless the Supplemental Indenture relating to the Bonds to
37 be redeemed specifies otherwise, (A) the Master Trustee shall apply such money to the purchase
38 of one or more Series of Bonds as it shall determine or to the redemption of Bonds bearing the
39 highest rate of interest, (B) if Bonds of more than one maturity bear the same interest rate, the
40 Master Trustee shall redeem such Bonds in the inverse order of maturities, and (C) if the Bonds
41 bearing the highest rate of interest are Term Bonds, the Master Trustee shall reduce Sinking
42 Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such
43 Term Bonds. All Bonds shall be redeemed as provided in the applicable Supplemental
44 Indenture.

1 Money held for the credit of the subaccounts in the Redemption Account shall be applied
2 to the purchase or redemption of Bonds in the manner provided in the applicable Supplemental
3 Indenture.

4 Section 510. Escheat. All money that the Master Trustee shall have withdrawn from
5 the Bond Fund or shall have received from any other source and set aside or delivered to the
6 Bond Registrar for the purpose of paying any of the Bonds hereby secured, either at maturity or
7 by purchase or call for redemption, shall be held in trust for the respective Owners.

8 Any money that is so set aside and that remains unclaimed by the Owners for a period of
9 30 months after the date on which such Bonds have become payable shall be treated as
10 abandoned property pursuant to the provisions of Section 717.1035, Florida Statutes, and the
11 Master Trustee or the Bond Registrar shall report and remit this property to the Unclaimed
12 Property Trust Fund established by and according to the requirements of Sections 717.117 to
13 717.124, inclusive, Florida Statutes, and thereafter the Owners shall look only to the Unclaimed
14 Property Trust Fund for payment and then only to the extent of the amounts so received, without
15 any interest thereon, and the Master Trustee, the Bond Registrar and the Corporation shall have
16 no responsibility with respect to such money.

17 Section 511. Cancellation of Bonds. Upon receipt of the same, the Bond Registrar shall
18 cancel all Bonds paid, redeemed or purchased by the Master Trustee or purchased by the
19 Corporation and delivered to the Bond Registrar, and all Bonds delivered to the Bond Registrar
20 in exchange for other Bonds or delivered to the Bond Registrar upon the transfer of any Bond if a
21 new Bond is delivered upon such transfer. The Bond Registrar shall certify to the Corporation
22 the details of all Bonds so canceled. All Bonds canceled under any of the provisions of this
23 Master Indenture either shall be delivered to the Corporation or destroyed by the Bond Registrar,
24 as the Corporation directs. Upon destruction of any Bonds, the Bond Registrar shall execute a
25 certificate in duplicate, describing the Bonds so destroyed; and one executed certificate shall be
26 filed with the Corporation and the other executed certificate shall be retained by the Bond
27 Registrar.

28 Section 512. Disposition of Fund Balances. After provision is made for the payment of
29 all Outstanding Parity Obligations, including the interest thereon and for the payment of all other
30 obligations, expenses and charges required to be paid under or in connection with this Master
31 Indenture and any Parity Resolution, and receipt by the Master Trustee of an Officer's Certificate
32 of an Authorized Officer of the Corporation to the effect that there are no other Master
33 Indentures, resolutions, bond orders or other agreements that impose a continuing lien on the
34 balances hereinafter mentioned, the Master Trustee shall pay all amounts in any fund, account or
35 subaccount then held by it under this Master Indenture to the FHCF. If the Corporation notifies
36 the Master Trustee that a continuing lien has been imposed on such balance by another indenture,
37 resolution, bond order or any other agreement, by court order or decree, or by law, the Master
38 Trustee shall, at the written direction of the Corporation, pay such balance to such person as is
39 entitled to receive the same by law or under the terms of such indenture, resolution, bond order,
40 agreement, or by court order or decree.

41 Section 513. Use of Available Funds. Nothing in this Master Indenture shall be
42 construed to prevent the Corporation from paying all or any part of the Current Expenses of the

1 Corporation from any money available to the Corporation for such purpose, or, subject to Section
2 604 hereof, from depositing in any fund or account created under, or subaccount created pursuant
3 to, the provisions of this Master Indenture or any fund or account created under or pursuant to a
4 Parity Debt Resolution or a Subordinated Indebtedness Resolution, any money available to the
5 Corporation for such deposit, except to the extent the Corporation is prohibited from making
6 such deposit by this Master Indenture, any Parity Resolution, any Subordinated Indebtedness
7 Resolution or otherwise.

Article VI.

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS,
INVESTMENT OF FUNDS AND COVENANT AS TO ARBITRAGE

Section 601. Security for Deposits. Any and all money received by the Corporation under the provisions of this Master Indenture shall be deposited as received with the Master Trustee or one or more other Depositaries as provided in this Master Indenture and shall, in the case of deposits with the Master Trustee, be trust funds under the terms hereof, and, shall not be subject to any lien or attachment by any creditor of the Corporation.

All money deposited with and held by the Master Trustee or any Depositary hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Corporation and the Owners, either (a) by lodging with a bank or trust company chosen by the Master Trustee or Depositary or, if then permitted by law, by setting aside under control of the trust department of the bank or trust company holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Master Trustee or any Depositary to give security for the deposit of any money with it for the payment of the principal of or the redemption premium, if any, or the interest on any Parity Obligations or Subordinated Indebtedness, or for the Master Trustee or any Depositary to give security for any money that shall be represented by Investment Obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Master Trustee or any Depositary shall be credited to the particular fund, account or subaccount to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all funds, accounts and subaccounts established under this Master Indenture and held by the Master Trustee shall, in accordance with the written directions of the Corporation, be continuously invested and reinvested by the Master Trustee or the Depositaries, whichever is applicable, in Investment Obligations to the extent practicable. Except as hereinafter provided in this Section with respect to the disposition of investment income, the particular investments to be made and other related matters in respect of investments shall, as to each Series of Bonds, be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Except as hereinafter provided in this Section with respect to the Parity Common Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder

thereof not later than the respective dates when the money held for the credit of such funds, accounts and subaccounts will be required for the purposes intended.

Investment Obligations in the Parity Common Reserve Account shall mature or be redeemable at the option of the Master Trustee not later than the final maturity date of the Parity Obligations to which such Parity Common Reserve Account is pledged.

Notwithstanding the foregoing, no Investment Obligations pertaining to any Series of Bonds in any fund, account or subaccount held by the Master Trustee or any Depositary shall mature on a date beyond the latest maturity date of the Bonds of such Series Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying Investment Obligations.

The Corporation shall cause the State Board of Administration either to enter into agreements with the Master Trustee or any Depositary for the investment of any money required or permitted to be invested under this Master Indenture or to give the Master Trustee or any Depositary written directions respecting the investment of such money, subject, however, to the provisions of this Article, and the Master Trustee or such Depositary shall then invest such money in accordance with such agreements or directions. The Master Trustee or any Depositary may request additional directions or authorization from the State Board of Administration or an Authorized Officer of the State Board of Administration in writing with respect to the proposed investment of money under the provisions of this Master Indenture. Upon receipt of such directions, the Master Trustee or any Depositary shall invest, subject to the provisions of this Article, such money in accordance with such directions or authorization. The Master Trustee shall have no liability for any losses on investments made in accordance with this Section.

Investment Obligations acquired with money in or credited to any fund, account or subaccount established under this Master Indenture shall be deemed at all times to be part of such fund, account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such fund, account or subaccount unless otherwise directed by a Supplemental Indenture. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to such fund, account or subaccount.

Any such interest accruing and any such profit realized shall be transferred upon the receipt thereof by the Depositaries or the Master Trustee, as the case may be, pursuant to the provisions of this Master Indenture and any Supplemental Indenture.

The Master Trustee shall sell or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so to provide money to make any payment from any fund, account or subaccount established under this Master Indenture. The Master Trustee shall not be liable or responsible for any loss resulting from any such action.

Whenever a transfer of money between two or more of the funds, accounts or subaccounts established under this Master Indenture is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value

1 determined at the time of such transfer in accordance with this Article, provided that the
2 Investment Obligations transferred are those in which money of the receiving fund, account or
3 subaccount could be invested on the date of such transfer.

4 For purposes of making any investment hereunder, the Master Trustee or any Depositary
5 may consolidate money held by it in any fund, account or subaccount with money in any other
6 fund, account or subaccount, except to the extent such consolidation is prohibited by this Master
7 Indenture, any Parity Resolution or any Subordinated Indebtedness Resolution. Transfers from
8 any fund, account or subaccount to the credit of any other fund, account or subaccount provided
9 for in this Master Indenture may be effectuated on the books and records of the Master Trustee,
10 the Corporation or any Depositary without any actual transfer of funds or liquidation of
11 investments. Investment Obligations purchased with consolidated funds shall be allocated to
12 each fund, account or subaccount on a pro-rata basis in accordance with the initial amount so
13 invested from each such fund, account or subaccount.

14 Unless otherwise directed by the State Board of Administration or an Authorized Officer
15 of the State Board of Administration, Investment Obligations may be purchased by the Master
16 Trustee or any Depositary through its own investment division or other bank facilities
17 established for such purpose.

18 Section 603. Valuation. For the purpose of determining the amount on deposit in any
19 fund, account or subaccount established under this Master Indenture, Investment Obligations in
20 which money in such fund, account or subaccount is invested shall be valued at cost.

21 All Investment Obligations in all of the funds, accounts and subaccounts established
22 under this Master Indenture shall be valued as of the Business Day immediately preceding each
23 Interest Payment Date. If a valuation is made by the Master Trustee, the Master Trustee shall
24 report the result of such valuation to the Corporation and the State Board of Administration as
25 soon as practicable following such valuation. In addition, Investment Obligations shall be
26 valued at any time requested by an Authorized Officer of the Corporation or an Authorized
27 Officer of the State Board of Administration on reasonable notice to the Master Trustee (which
28 period of notice may be waived or reduced by the Master Trustee at its sole discretion);
29 provided, however, that the Master Trustee shall not be required to value Investment Obligations
30 more than once in any calendar month.

31 Whenever, following a valuation described above, the value of the cash and Investment
32 Obligations in the Parity Common Reserve Account held by the Master Trustee, plus accrued
33 interest to the date of valuation, is less than ninety percent (90%) of the Parity Common Reserve
34 Account Requirement, the Master Trustee shall compute the amount by which the Parity
35 Common Reserve Account Requirement exceeds the balance in the Parity Common Reserve
36 Account, and shall immediately give the Corporation and the State Board of Administration
37 notice of such deficiency and the amount necessary to cure the same in accordance with Section
38 508 hereof. Whenever the value of the cash and Investment Obligations in the Parity Common
39 Reserve Account or a Special Reserve Account held by the Master Trustee, plus accrued interest
40 to the date of valuation, is greater than the Parity Common Reserve Account Requirement or the
41 Special Reserve Account Requirement, as the case may be, the Master Trustee shall compute the
42 amount by which the balance in the Parity Common Reserve Account or the Special Reserve

Account, as the case may be, exceeds the Parity Common Reserve Account Requirement or the Special Reserve Account Requirement, as the case may be, and shall transfer the excess in accordance with the provisions of the applicable Parity Resolution.

Section 604. Covenant as to Arbitrage. The Corporation covenants that so long as any Tax-Exempt Parity Obligations remain Outstanding, the money on deposit in any fund, account or subaccount maintained in connection with such Tax-Exempt Parity Obligations, regardless of whether such money was derived from the proceeds of the sale of such Tax-Exempt Parity Obligations or from any other sources, will not be used in a manner that would cause such Tax-Exempt Parity Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder. The Corporation further covenants and agrees to comply with the requirements of Section 148 of the Code and applicable regulations promulgated from time to time thereunder with respect to any Tax-Exempt Parity Obligations.

Article VII.

COVENANTS OF THE CORPORATION AND THE STATE

Section 701. Security; Restrictions on Encumbering Net Receipts; Payment of Principal and Interest. (a) Any Bond issued under this Master Indenture shall be a special and limited obligation of the Corporation payable solely from Net Receipts and money, Investment Obligations and Reserve Alternative Instruments held in the funds, accounts and subaccounts established under this Master Indenture and the income from such Investment Obligations and the investment of such money.

As security for the payment of the Bonds and any Parity Debt and the interest thereon and as authorized by the Act, the Corporation hereby (i) grants to the Master Trustee a pledge of, security interest in and lien upon its Net Receipts and (ii) assigns to the Master Trustee all its right, title and interest (including the right to enforce the same and the right to receive and collect the Pledged Collateral) in and to the Pledge Agreement (except for those certain rights that are set forth in the granting clauses of this Master Indenture).

In addition, as further security for the payment of each Series of Bonds and the interest thereon, the Corporation hereby grants to the Master Trustee a pledge of, security interest in and lien upon the money and Investment Obligations in any and all of the related accounts and subaccounts of the Bond Fund and the accounts and subaccounts established under the Supplemental Indenture authorizing the issuance of such Series.

The pledge, security interest and lien shall be effective and operate immediately, and the Master Trustee shall have the right to collect and receive the Net Receipts in accordance with the provisions hereof and the Pledged Collateral in accordance with the provisions of the Pledge Agreement at all times during the period from and after the date of delivery of the Bonds issued hereunder until the Bonds and all Parity Debt have been fully paid and discharged, including at all times after the institution and during the pendency of any bankruptcy or similar proceedings.

1 The aforementioned pledge, security interest and lien shall not impair or restrict the
2 ability of the Corporation to invest in securities and other forms of investment, subject to the
3 provisions of this Master Indenture.

4 The Corporation covenants that it will prepare and file such financing statements or
5 amendments to or terminations of existing financing statements as shall, in the Opinion of
6 Counsel, be necessary to comply with applicable law or as required due to changes in the Net
7 Receipts. In addition, if financing statements are filed pursuant to the requirements of the
8 preceding sentence, the Corporation covenants that it will, at least thirty (30) days prior to the
9 expiration of any financing statement, prepare and file such continuation statements of existing
10 financing statements as shall, in the Opinion of Counsel, be necessary to continue the security
11 interest evidenced thereby and shall provide to the Master Trustee written notice of such filing.
12 If the Master Trustee shall not have received such notice at least twenty-five (25) days prior to
13 the expiration date of any such financing statement, the Master Trustee shall prepare and file or
14 cause the Corporation to prepare and file such continuation statements in a timely manner.

15 (b) The Corporation covenants that it will not pledge or grant a security
16 interest in (except as provided in (a) above and as may be otherwise provided in this Master
17 Indenture) any of the Net Receipts.

18 (c) The Corporation covenants to pay or cause to be paid the principal of,
19 premium, if any, and interest on the Parity Obligations secured by this Master Indenture at the
20 places, on the dates and in the manner provided in this Master Indenture and in the Parity
21 Obligations according to the terms thereof whether at maturity, upon proceedings for
22 redemption, by acceleration or otherwise.

23 Section 702. Covenants as to Existence, Etc. The Corporation hereby covenants:

24 (a) Except as otherwise expressly provided herein, to preserve its corporate or
25 other legal existence and all its rights and licenses to the extent necessary or desirable in the
26 operation of its business and affairs and be qualified to do business in each jurisdiction where its
27 ownership of Property or the conduct of its business requires such qualification.

28 (b) To do all things reasonably necessary to conduct its affairs and carry on its
29 business and operations in such manner as to comply with any and all applicable laws of the
30 United States and the several states thereof and duly observe and conform to all valid orders,
31 regulations or requirements of any governmental authority relative to the conduct of its business
32 and the ownership of its Property; provided, however, that nothing herein contained shall require
33 it to comply with, observe and conform to any such law, order, regulation or requirement of any
34 governmental authority so long as the validity thereof or the applicability thereof to it shall be
35 contested in good faith.

36 (c) To pay promptly all lawful taxes, governmental charges and assessments
37 at any time levied or assessed upon or against it or its Property; provided, however, that it shall
38 have the right to contest in good faith any such taxes, charges or assessments or the collection of
39 any such sums and pending such contest may delay or defer payment thereof.

(d) To pay promptly or otherwise satisfy and discharge all of its indebtedness and all demands and claims against it as and when the same become due and payable, other than any thereof (exclusive of the Indebtedness created and Outstanding hereunder) whose validity, amount or collectibility is being contested in good faith.

(e) At all times to comply with all terms, covenants and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness.

Section 703. Limitations on Creation of Liens. (a) The Corporation agrees that it will not create or suffer to be created or permit the existence of any Lien upon the Net Receipts other than Permitted Liens as defined in clause (b) below.

(b) Permitted Liens shall consist of the following:

(i) Liens arising by reason of deposits by the Corporation to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(ii) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license;

(iii) the Lien of this Master Indenture;

(iv) any Lien securing all Parity Obligations on a pari passu basis;

(v) any Lien on Net Receipts securing Subordinated Indebtedness; and

(vi) any Lien securing the obligations of the Corporation under a Derivative Agreement which, if required by the provider of such Derivative Agreement, may be pari passu with the Lien on the Net Receipts securing the Parity Obligations created under this Master Indenture, so long as the notional amount of all Derivative Agreements secured by such pari passu Liens does not at any time exceed the aggregate amount of Parity Obligations then Outstanding and so long as the Corporation's obligation to make any termination payment constitutes Subordinated Indebtedness.

Section 704. Incurrence Test. Subsequent to the effective date of this Master Indenture and the Corporation's issuance of its \$1,350,025,000 Series 2006A Bonds in accordance with its Supplement No. 1 dated as of June 1, 2006 and its issuance of up to \$2,800,000,000 of Pre-Event Parity Bonds on or prior to August 1, 2006, all of which may be issued without compliance with the Incurrence Test established by this Section,

(a) The Corporation may incur Parity Obligations at one time or from time to time in any form or combination of forms permitted by this Master Indenture if, prior to the incurrence of such Parity Obligations, the Corporation shall file or cause to be filed with the Master Trustee an Officer's Certificate of the Corporation (which may rely upon certificates or

1 other documentation delivered by an Authorized Officer of the State Board of Administration)
2 certifying that (i) the Debt Service Coverage Ratio, taking into account the proposed additional
3 Parity Obligations, is not less than 1.25 and (ii) in the case of Post-Event Parity Obligations, the
4 product of the aggregate percentage rate of all Emergency Assessments (A) currently levied by
5 the Office of Insurance Regulation and (B) not currently levied by the Office of Insurance
6 Regulation but which the State Board of Administration has authorized and directed the Office of
7 Insurance Regulation to impose, in each case as of the date of such Certificate, multiplied by the
8 Emergency Assessment Base for the most recent 12-month period for which such information is
9 available, is not less than 100% of the Maximum Debt Service Requirement for all of the Post-
10 Event Parity Obligations, including the proposed additional Post-Event Parity Obligations, that
11 will be Outstanding immediately following the issuance of such proposed Post-Event Parity
12 Obligations.

13 (b) The Corporation may incur Parity Obligations for the purpose of refunding
14 or reissuing any Outstanding Indebtedness if, prior to the incurrence of such Parity Obligations,
15 (i) either (A) the Master Trustee receives an Officer's Certificate of the Corporation (which may
16 rely upon certificates or other documentation delivered by an Authorized Officer of the State
17 Board of Administration) stating that, taking into account the Parity Obligations proposed to be
18 incurred, the Parity Obligations to remain Outstanding after the refunding and the refunding of
19 the Outstanding Indebtedness proposed to be refunded, the Maximum Debt Service
20 Requirement will not be increased by more than five percent (5%), or (B) the Corporation files
21 or causes to be filed with the Master Trustee an Officer's Certificate of the Corporation (which
22 may rely upon certificates or other documentation delivered by an Authorized Officer of the
23 State Board of Administration) certifying that the Debt Service Coverage Ratio, taking into
24 account the Parity Obligations proposed to be incurred, the refunding of the Outstanding
25 Indebtedness proposed to be refunded and the Parity Obligations to remain Outstanding after the
26 refunding, is not less than 1.25, (ii) in the case of Post-Event Parity Obligations, the product of
27 the aggregate percentage rate of all Emergency Assessments (A) currently levied by the Office of
28 Insurance Regulation and (B) not currently levied by the Office of Insurance Regulation but
29 which the State Board of Administration has authorized and directed the Office of Insurance
30 Regulation to impose, in each case as of the date of such Certificate, multiplied by the
31 Emergency Assessment Base for the most recent 12-month period for which such information is
32 available, is not less than 100% of the Maximum Debt Service Requirement for all of the Post-
33 Event Parity Obligations, including the proposed additional Post-Event Parity Obligations, that
34 will be Outstanding immediately following the issuance of such proposed Post-Event Parity
35 Obligations, and (iii) the Master Trustee receives a report by a nationally-recognized verification
36 agent verifying the computations supporting the determinations in (i) and (ii) above.

37 (c) For purposes of demonstrating compliance with the Incurrence Test set
38 forth in subsection (a) or (b), the Corporation may (but is not required to) elect in the applicable
39 Supplemental Indenture to treat all Parity Obligations authorized in a Credit Facility (including,
40 for example and without limitation, a line of credit or a liquidity facility supporting a commercial
41 paper program), but not immediately issued or incurred under such Credit Facility, as subject to
42 such Incurrence Test as of a single date, notwithstanding that none, or less than all, of the
43 authorized principal amount of such Parity Obligations shall have been issued or incurred as of
44 such date.

1 (d) Short-Term Indebtedness may be incurred under this Master Indebtedness
2 as a Parity Obligation only in compliance with the Incurrence Test in subsection (a). In addition,
3 the Corporation may incur Short-Term Indebtedness as Subordinated Indebtedness under this
4 Master Indenture.

5 (e) Notwithstanding the foregoing provisions of this Section, nothing herein
6 contained shall preclude the Corporation from incurring any obligation under a Credit Facility.

7 (f) Notwithstanding the foregoing provisions of this Section, nothing herein
8 contained shall preclude the Corporation from entering into a Derivative Agreement either in
9 connection with Indebtedness or otherwise.

10 Section 705. Fiscal Year End Certificate. Not later than ninety (90) days after the end
11 of each Fiscal Year, commencing with the Fiscal Year ending on June 30, 2007, the Corporation
12 shall file with the Master Trustee an Officer's Certificate demonstrating and stating that the
13 Revenue Available for Debt Service for the prior Fiscal Year (set forth in such Certificate) was
14 not less than the greater of (i) one hundred twenty-five percent (125%) of the principal and
15 interest that became due and payable in such Fiscal Year on Parity Obligations and (ii) one
16 hundred percent (100%) of the principal and interest that became due and payable in such Fiscal
17 Year for Parity Obligations and Subordinated Indebtedness (both such calculations set forth in
18 such Certificate); provided, however, that if the Corporation is unable to deliver such an
19 Officer's Certificate, the Corporation covenants to take all actions permitted by law or under the
20 Pledge Agreement, including (A) petitioning the Legislature of the State for any amendment or
21 amendments to the Act deemed appropriate by the Governing Body of the Corporation, (B)
22 cooperating with the State Board of Administration in connection with any action to increase
23 collections of Pledged Collateral and (C) retaining a Consultant within thirty (30) days to make
24 recommendations to increase the Revenue Available for Debt Service in the following Fiscal
25 Year to the levels required or, if in the opinion of the Consultant the attainment of such levels is
26 impracticable, to the highest levels attainable. Any Consultant so retained shall be required to
27 submit such recommendations within sixty (60) days after being so retained. The Corporation
28 agrees that it will, to the extent permitted by law, follow, or cause to be followed, the
29 recommendations of any Consultant so retained. For purposes of the Officer's Certificate
30 described in this Section, there may be subtracted from the amount of the interest otherwise
31 includable in the amounts described in clauses (i) and (ii) above an amount equal to the sum of
32 the interest on Parity Obligations paid during such Fiscal Year from (Y) the Capitalized Interest
33 Account in the Bond Fund and (Z) without duplication, investment income on and proceeds of
34 Pre-Event Parity Obligations. The Officer's Certificate described in this Section 705 may be
35 provided jointly by an Authorized Officer of the Corporation and an Authorized Officer of the
36 State Board of Administration.

37 Section 706. Filing of Audited Financial Statements, Certificate of No Default, Other
38 Information. The Corporation covenants that it will:

39 (a) Within thirty (30) days after receipt of the audit report mentioned below
40 but in no event later than two hundred seventy (270) days after the end of each Fiscal Year, file
41 with the Master Trustee and with each Owner or Holder who may have so requested of the
42 Corporation in writing, a copy of the Audited Financial Statements as of the end of such Fiscal

1 Year accompanied by the opinion of an Auditor. Such Audited Financial Statements shall be
2 prepared in accordance with generally accepted accounting principles.

3 (b) Within thirty (30) days after receipt of the audit report mentioned above
4 but in no event later than two hundred seventy (270) days after the end of each fiscal reporting
5 period, file with the Master Trustee and with each Owner or Holder who may have so requested
6 or on whose behalf the Master Trustee may have so requested, an Officer's Certificate of an
7 Authorized Officer of the Corporation and a report of an Auditor stating, to the best knowledge
8 of the signers, whether the Corporation is in default in the performance of any covenant
9 contained in this Master Indenture and, if so, specifying each such default of which the signers
10 may have knowledge and whether each such default has been corrected. If any default has not
11 been remedied then such report of such independent certified public accountant or firm of
12 independent certified public accountants shall identify what, if any, corrective action will be
13 taken to cure such default.

14 (c) If an Event of Default shall have occurred and be continuing, file with the
15 Master Trustee such other financial statements and information concerning its operations and
16 financial affairs as the Master Trustee may from time to time reasonably request, excluding
17 specifically personnel records.

18 Section 707. Annual Budget. The Corporation covenants that on or before the first
19 (1st) day of each Fiscal Year the Governing Body will adopt a budget for such Fiscal Year. The
20 Corporation shall promptly file copies of such annual budget with the State Board of
21 Administration and the Master Trustee and with each Owner and Holder who may have so
22 requested of the Corporation in writing. To the extent possible, the Corporation shall prepare its
23 annual budget so that it will be possible to determine from such budget the Current Expenses of
24 the Corporation and the amounts to be deposited to the credit of the various funds, accounts and
25 subaccounts created by this Master Indenture.

26 Section 708. State Covenant. The Corporation incorporates herein the State's covenant
27 with the Owners of Outstanding Bonds that the State will not limit or alter the denial of authority
28 to file a petition in bankruptcy, or the rights vested in the FHCF or the Corporation to fulfill the
29 terms of any agreements made with the Owners, or in any way impair the rights and remedies of
30 such Owners so long as any such Bonds of the Corporation remain Outstanding unless adequate
31 provision has been made for the payment of such Bonds pursuant to the documents authorizing
32 the issuance of such Bonds.

33 Article VIII.

34 35 DEFAULTS AND REMEDIES

36 Section 801. Extension of Interest Payment. If the time for the payment of the interest
37 on any Parity Obligation is extended, whether or not such extension is by or with the consent of
38 the Corporation, such interest so extended shall not be entitled in case of default hereunder to the
39 benefit or security of this Master Indenture and in such case the Owner of the Bond or the Holder
40 of any Parity Debt for which the time for payment of interest was extended shall be entitled only
41 to the payment in full of the principal of all Parity Obligations then Outstanding and of interest

1 for which the time for payment shall not have been extended. The time for the payment of the
2 interest on any Parity Obligation shall not be extended in respect of any Parity Obligation
3 covered by a Credit Facility without the consent of the Credit Provider.

4 Section 802. Events of Default. Each of the following events is hereby declared an
5 Event of Default with respect to Parity Obligations:

6 (a) the Corporation shall fail to make any payment of the principal of and the
7 redemption premium, if any, on any of the Bonds or any Parity Debt when and as the same shall
8 be due and payable, either at maturity or by redemption or otherwise;

9 (b) the Corporation shall fail to make any payment of the interest on any of
10 the Bonds or any Parity Debt when and as the same shall be due and payable;

11 (c) an event of default shall have occurred under any Supplemental Indenture
12 or the Master Trustee shall have received written notice from any Holder of an event of default
13 under any Parity Debt Resolution;

14 (d) the Corporation shall fail duly to perform, observe or comply with any
15 covenant or agreement on its part under this Master Indenture for a period of thirty (30) days
16 after the date on which written notice of such failure, requiring the same to be remedied, shall
17 have been given to the Corporation by the Master Trustee; provided, however, that if such failure
18 be such that it cannot be corrected within thirty (30) days after the receipt of such notice, it shall
19 not constitute an Event of Default if corrective action is instituted within such 30-day period and
20 diligently pursued until the Event of Default is corrected;

21 (e) the Corporation shall fail to make any required payment with respect to
22 any Subordinated Indebtedness or other indebtedness (other than any Bond, Parity Debt or
23 Subordinated Indebtedness), whether such indebtedness now exists or shall hereafter be created,
24 and any period of grace with respect thereto shall have expired, or an event of default as defined
25 in any mortgage, indenture or instrument under which there may be issued, or by which there
26 may be secured or evidenced, any indebtedness, whether such indebtedness now exists or shall
27 hereafter be created, shall occur, which event of default shall not have been waived by the holder
28 of such mortgage, indenture or instrument or a trustee acting on its behalf, and as a result of such
29 failure to pay or other event of default such indebtedness shall have been accelerated and such
30 acceleration, in the opinion of the Master Trustee, does or could materially adversely affect the
31 Owners of Bonds and the Holders of Parity Debt; or

32 (f) the State shall (i) amend, alter, repeal or fail to comply with the State
33 Covenant as in effect on the date hereof, or (ii) enact a moratorium or other similar law affecting
34 the Bonds.

35 Section 803. Acceleration of Maturities. Upon the happening and continuance for a
36 period of not less than one hundred eighty (180) days of any Event of Default described in
37 Section 802(a) or (b) hereof, then and in every case the Master Trustee may, and upon the
38 written request of the Owners or Holders of not less than a majority in aggregate principal
39 amount of the Parity Obligations then Outstanding shall, by a notice in writing to the
40 Corporation, declare the principal of all the Parity Obligations then Outstanding (if not then due

1 and payable) to be due and payable immediately, and upon such declaration the same shall
2 become and be immediately due and payable, anything contained in the Parity Obligations, this
3 Master Indenture or any Parity Resolution to the contrary notwithstanding; provided, however,
4 that if at any time after the principal of the Parity Obligations shall have been so declared to be
5 due and payable, and before the entry of final judgment or decree in any suit, action or
6 proceeding instituted on account of such default, or before the completion of the enforcement of
7 any other remedy under this Master Indenture, moneys shall have accumulated sufficient to pay
8 the principal of all matured Parity Obligations and all arrears of interest, if any, upon all the
9 Parity Obligations then Outstanding (except the principal of any Parity Obligations not then due
10 and payable by their terms and the interest accrued on such Parity Obligations since the last
11 interest payment date) and sufficient to satisfy the sinking fund requirement, if any, for any Term
12 Parity Obligations then Outstanding, for the then current Fiscal Year, and the charges,
13 compensation, expenses, disbursements, advances and liabilities of the Master Trustee and all
14 other amounts then payable by the Corporation hereunder shall have been paid or a sum
15 sufficient to pay the same shall have been deposited with the Master Trustee or any Bond
16 Registrar and every other default known to the Master Trustee in the observance or performance
17 of any covenant, condition, agreement or provision contained in the Bonds, any Parity Debt, this
18 Master Indenture or any Parity Resolution (other than a default in the payment of the principal of
19 such Parity Obligations then due and payable only because of a declaration under this Section)
20 shall have been remedied to the satisfaction of the Master Trustee, then and in every such case
21 the Master Trustee shall, by written notice to the Corporation, rescind and annul such declaration
22 and its consequences, but no such rescission or annulment shall extend to or affect any
23 subsequent Event of Default or impair any right consequent thereon.

24 Section 804. Remedies. (a) Upon the happening and continuance of any Event of
25 Default, then and in every such case the Master Trustee may proceed, and upon the written
26 request of the Owners or Holders of not less than a majority in aggregate principal amount of the
27 Parity Obligations then Outstanding shall proceed, subject to the provisions of Section 902
28 hereof, to protect and enforce its rights and the rights of the Owners or Holders of the Parity
29 Obligations under applicable laws and under this Master Indenture by such suits, actions or
30 special proceedings in equity or at law, or by proceedings in the office of any board or officer
31 having jurisdiction, either for the specific performance of any covenant or agreement contained
32 herein or in aid or execution of any power herein granted or for the enforcement of any proper
33 legal or equitable remedy, as the Master Trustee, being advised by counsel, chosen by the Master
34 Trustee, shall deem most effectual to protect and enforce such rights, including but not limited
35 to:

36 (i) Enforcement of the right of the Owners and Holders to collect and enforce the
37 payment of amounts due or becoming due under the Parity Obligations;

38 (ii) Suit upon all or any part of the Parity Obligations;

39 (iii) Civil action to require any Person holding moneys, documents or other property
40 pledged to secure payment of amounts due or to become due on the Parity Obligations to
41 account as if it were the trustee of an express trust for the Owners and Holders;

1 (iv) Civil action to enjoin any acts or things, which may be unlawful or in violation of
2 the rights of the Owners and Holders;

3 (v) Enforcement of any other right of the Owners and Holders conferred by law or
4 hereby; and

5 (vi) Enforcement of the provisions of the Pledge Agreement.

6 (b) Regardless of the happening of an Event of Default, the Master Trustee, if
7 requested in writing by the Owners or Holders of not less than a majority of the aggregate
8 principal amount of the Parity Obligations then Outstanding, shall, subject to Section 902 hereof,
9 institute and maintain such suits and proceedings as it may be advised shall be necessary or
10 expedient (i) to prevent any impairment of the security hereunder by any acts which may be
11 unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Owners and
12 Holders, provided that such request and the action to be taken by the Master Trustee are not in
13 conflict with any applicable law or the provisions hereof and, in the sole judgment of the Master
14 Trustee, are not unduly prejudicial to the interest of the Owners and Holders not making such
15 request.

16 Section 805. Pro Rata Application of Funds. Anything in this Master Indenture to the
17 contrary notwithstanding, if at any time the money deposited with the Master Trustee pursuant to
18 Section 502 hereof or pursuant to any remedial action is not sufficient to pay the interest on or
19 the principal of the Parity Obligations as the same become due and payable (either by their terms
20 or by acceleration of maturities under the provisions of Section 803 hereof), such money,
21 together with any money then available or thereafter becoming available for such purposes,
22 whether through the exercise of the remedies provided for in this Article or otherwise, shall, after
23 payment of the accrued and unpaid fees, costs and expenses of the Master Trustee, be applied as
24 follows:

25 (a) if the principal of all Parity Obligations shall not have become or shall not
26 have been declared due and payable, all such money shall be applied as follows:

27 first: to the payment to the persons entitled thereto of all installments of
28 interest on the Parity Obligations or regularly scheduled payments to a Derivative
29 Agreement Counterparty with respect to Derivative Indebtedness then due and
30 payable in the order in which such installments became due and payable and, if
31 the amount available shall not be sufficient to pay in full any particular
32 installment, then to the payment, ratably according to the amounts due on such
33 installment, to the persons entitled thereto, without any discrimination or
34 preference except as to any difference in the respective rates of interest specified
35 in such Parity Obligations;

36 second: to the payment to the persons entitled thereto of the unpaid
37 principal of any Parity Obligations that shall have become due and payable (other
38 than Parity Obligations deemed to have been paid pursuant to the provisions of
39 Section 1201 hereof), in the order of their due dates, with interest on the overdue
40 principal at a rate equal to the rate on such Parity Obligations, and, if the amount

1 available shall not be sufficient to pay in full the principal of Parity Obligations
2 due and payable on any particular date, then to the payment ratably according to
3 the amount of such principal due on such date, to the persons entitled thereto
4 without any discrimination or preference; and

5 third: to the payment of the interest on and the principal of Parity
6 Obligations, to the purchase and retirement of Parity Obligations, and to the
7 redemption of Parity Obligations, all in accordance with the provisions of this
8 Master Indenture and any Parity Resolution.

9 (b) If the principal of all Parity Obligations shall have become or shall have
10 been declared due and payable, all such money shall be applied to the payment of principal and
11 interest then due upon such Parity Obligations and regularly scheduled payments to a Derivative
12 Agreement Counterparty with respect to Derivative Indebtedness, without preference or priority
13 of principal over interest or of interest over principal, or of any installment of interest over any
14 other installment of interest, or of any Bond or Parity Debt over any other Bond or Parity Debt,
15 ratably, according to the amounts due respectively for principal and interest, to the persons
16 entitled thereto without any discrimination or privilege.

17 (c) If the principal of all Parity Obligations shall have been declared due and
18 payable and if such declaration shall thereafter have been rescinded and annulled under the
19 provisions of Section 803 hereof, then, subject to the provisions of paragraph (b) of this Section
20 in the event that the principal of all Parity Obligations shall later become due and payable or be
21 declared due and payable, the money then remaining on deposit with the Master Trustee and
22 thereafter accruing shall be applied in accordance with the provisions of paragraph (a) of this
23 Section.

24 Whenever money is to be applied by the Master Trustee pursuant to the provisions of this
25 Section: (a) such money shall be applied by the Master Trustee at such times and from time to
26 time as the Master Trustee in its sole discretion shall determine, having due regard for the
27 amount of money available for such application and the likelihood of additional money
28 becoming available for such application in the future, (b) setting aside such money as provided
29 herein in trust for the proper purpose shall constitute proper application by the Master Trustee,
30 and (c) the Master Trustee shall incur no liability whatsoever to the Corporation, to any Owner
31 or Holder or to any other Person for any delay in applying any such money so long as the Master
32 Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately
33 applies the same in accordance with such provisions of this Master Indenture as may be
34 applicable at the time of application by the Master Trustee. Whenever the Master Trustee
35 exercises such discretion in applying such money, it shall fix the date (which shall be an Interest
36 Payment Date unless the Master Trustee shall deem another date more suitable) upon which such
37 application is to be made and upon such date interest on the amounts of principal to be paid on
38 such date shall cease to accrue. The Master Trustee shall give such notice as it may deem
39 appropriate of the fixing of any such date and shall not be required to make payment to the
40 Owner of any Bond or the Holder of any Parity Debt until such Bond or Parity Debt is
41 surrendered to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

1 Section 806. Effect of Discontinuance of Proceedings. If any proceeding taken by the
2 Master Trustee or Owners or Holders on account of any Event of Default is discontinued or
3 abandoned for any reason, then and in every such case, the Corporation, the Master Trustee and
4 the Owners and the Holders shall be restored to their former positions and rights hereunder, and
5 all rights, remedies, powers and duties of the Master Trustee shall continue as though no
6 proceedings had been taken.

7 Section 807. Control of Proceedings. Anything in this Master Indenture to the contrary
8 notwithstanding, the Owners or Holders of a majority in aggregate principal amount of Parity
9 Obligations at any time Outstanding shall have the right, subject to the provisions of Section 902
10 hereof, by an instrument or concurrent instruments in writing executed and delivered to the
11 Master Trustee, to direct the method and place of conducting all remedial proceedings to be
12 taken by the Master Trustee hereunder, provided that such direction shall be in accordance with
13 law and the provisions of this Master Indenture, and, in the sole judgment of the Master Trustee,
14 is not unduly prejudicial to the interest of any Owners or Holders not joining in such direction,
15 and provided further, that the Master Trustee shall have the right to decline to follow any such
16 direction if the Master Trustee in good faith shall determine that the proceeding so directed
17 would involve it in personal liability, and provided further that nothing in this Section shall
18 impair the right of the Master Trustee in its discretion to take any other action hereunder which it
19 may deem proper and which is not inconsistent with such direction by the Owners or Holders.

20 Section 808. Restrictions Upon Action. Except as provided in Section 813 hereof, no
21 Owner or Holder shall have any right to institute any suit, action or proceeding in equity or at
22 law on any Bond or Parity Debt or for the execution of any trust hereunder or for any other
23 remedy hereunder unless such Owner or Holder previously shall (a) has given to the Master
24 Trustee written notice of the Event of Default on account of which suit, action or proceeding is to
25 be instituted, (b) has requested the Master Trustee to take action after the right to exercise such
26 powers or right of action, as the case may be, shall have accrued, (c) has afforded the Master
27 Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or
28 to institute such action, suit or proceedings in its or their name, and (d) has offered to the Master
29 Trustee reasonable security and satisfactory indemnity against the costs, expenses and liabilities
30 to be incurred therein or thereby, and the Master Trustee shall have refused or neglected to
31 comply with such request within a reasonable time. Such notification, request and offer of
32 indemnity are hereby declared in every such case, at the option of the Master Trustee, to be
33 conditions precedent to the execution of the powers and trusts of this Master Indenture or to any
34 other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without
35 complying therewith, the Owners or Holders of not less than a majority in aggregate principal
36 amount of Parity Obligations then Outstanding may institute any such suit, action or proceeding
37 in their own names for the benefit of all Owners or Holders. It is understood and intended that,
38 except as otherwise above provided, no one or more Owners or Holders shall have any right in
39 any manner whatsoever by his or their action to affect, disturb or prejudice the security of this
40 Master Indenture or to enforce any right hereunder except in the manner provided, that all
41 proceedings at law or in equity shall be instituted, had and maintained in the manner herein
42 provided and for the benefit of all Owners and Holders and that any individual rights of action or
43 other right given to one or more of such Owners or Holders by law are restricted by this Master
44 Indenture to the rights and remedies herein provided.

1 Section 809. Enforcement of Rights of Action. All rights of action (including the right
2 to file proof of claim) under this Master Indenture or under any Bonds and any Parity Debt may
3 be enforced by the Master Trustee without the possession of any Bonds and any Parity Debt or
4 the production thereof in any proceedings relating thereto, and any such suit or proceedings
5 instituted by the Master Trustee shall be brought in its name as Master Trustee, without the
6 necessity of joining as plaintiffs or defendants any Owners or Holders, and any recovery of
7 judgment shall be for the equal benefit of the Owners or Holders, subject to the provisions of
8 Section 801 hereof.

9 Section 810. No Remedy Exclusive. No remedy herein conferred upon or reserved to
10 the Master Trustee or to the Owners or Holders is intended to be exclusive of any other remedy
11 or remedies herein provided, and each and every such remedy shall be cumulative and shall be in
12 addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

13 Section 811. Delay Not a Waiver. No delay or omission by the Master Trustee or of
14 any Owner or Holder in the exercise of any right or power accruing upon any default shall impair
15 any such right or power or shall be construed to be a waiver of any such default or any
16 acquiescence therein, and every power or remedy given by this Master Indenture to the Master
17 Trustee and to the Owners or Holders may be exercised from time to time and as often as may be
18 deemed expedient.

19 The Master Trustee may, and upon written request of the Owners or Holders of not less
20 than a majority in principal amount of the Parity Obligations then Outstanding shall, waive any
21 Event of Default which in its opinion has been remedied before the entry of final judgment or
22 decree in any suit, action or proceeding instituted by it under the provisions of this Master
23 Indenture or before the completion of the enforcement of any other remedies under this Master
24 Indenture; provided, however, that, except under the circumstances set forth in Section 803
25 hereof for the rescission and annulment of a declaration of acceleration, a default in the payment
26 of the principal of, premium, if any, or interest on any Bond or Parity Debt, when the same shall
27 become due and payable by the terms thereof or upon call for redemption, may not be waived
28 without the written consent of the Owners of all the Bonds or the Holders of all the Parity Debt
29 (with respect to which such payment default exists) at the time Outstanding; and provided
30 further, however, that no such waiver shall extend to or affect any other existing or subsequent
31 Event of Default or impair any rights or remedies consequent thereon.

32 Section 812. Notice of Default. The Master Trustee shall mail to (a) all Owners at their
33 addresses as they appear on the registration books and (b) to all Holders who shall have filed
34 their names with the Master Trustee for such purpose, written notice of the occurrence of any
35 Event of Default within ten (10) days after the Master Trustee has notice, pursuant to the
36 provisions of Section 908 hereof, that any such Event of Default shall have occurred. The
37 Master Trustee shall not be subject to any liability to any Owner or Holder by reason of its
38 failure to mail any such notice.

39 Section 813. Right to Enforce Payment of Parity Obligations Unimpaired. Nothing in
40 this Article shall affect or impair the right of any Owner or Holder to enforce the payment of the
41 principal of and interest on his Bonds or Parity Debt or the obligation of the Corporation to pay

1 the principal of and interest on each Bond and Parity Debt to the Owner or Holder thereof at the
2 time and place specified in said Bond or Parity Debt.

3 Section 814. Remedies Subject to Provisions of Law. All rights, remedies and powers
4 provided by this Article may be exercised only to the extent that the exercise thereof does not
5 violate any applicable provision of law, and all the provisions of this Article are intended to be
6 subject to all applicable mandatory provisions of law which may be controlling and to be limited
7 to the extent necessary so that they will not render this Master Indenture or the provisions hereof
8 invalid or unenforceable under the provisions of any applicable law.

9 Article IX.

10 THE MASTER TRUSTEE AND THE BOND REGISTRAR
11

12 Section 901. Acceptance of Trusts. The Master Trustee by execution hereof accepts
13 and agrees to fulfill the trusts imposed upon it by this Master Indenture, but only upon the terms
14 and conditions set forth in this Article and subject to the provisions of this Master Indenture, to
15 all of which the Corporation, the Master Trustee and the respective Owners of the Bonds and any
16 Holders of Parity Debt agree. Prior to the occurrence of any Event of Default and after the
17 curing of all such Events of Default that may have occurred, the Master Trustee shall perform
18 such duties and only such duties of the Master Trustee as are specifically set forth in this Master
19 Indenture. Upon the occurrence and during the continuation of any Event of Default, the Master
20 Trustee shall use the same degree of care and skill in their exercise as a prudent person would
21 exercise or use under the circumstances in the conduct of such person's own affairs.

22 No provision of this Master Indenture or any Parity Resolution shall be construed to
23 relieve the Master Trustee from liability for its own negligent action, its own negligent failure to
24 act, or its own willful misconduct, except that:

25 (a) prior to any such Event of Default hereunder, and after the curing of any Event of
26 Default that may have occurred:

27 (i) the duties and obligations of the Master Trustee shall be determined solely
28 by the express provisions of this Master Indenture, and the Master Trustee shall not be
29 liable except for the performance of such duties and obligations of the Master Trustee as
30 are specifically set forth in this Master Indenture, and no implied covenants or obligations
31 shall be read into this Master Indenture against the Master Trustee, and

32 (ii) in the absence of bad faith on its part, the Master Trustee may
33 conclusively rely, as to the accuracy of the statements and the correctness of the opinions
34 expressed therein, upon any certificate or opinion furnished to it conforming to the
35 requirements of this Master Indenture, but in the case of any such certificate or opinion
36 by which any provision hereof is specifically required to be furnished to the Master
37 Trustee, the Master Trustee shall be under a duty to examine the same to determine
38 whether or not it conforms to the requirements of this Master Indenture; and

39 (b) at all times, regardless of whether or not any such Event of Default shall exist:

1 (i) the Master Trustee shall not be liable for any error of judgment made in
2 good faith by a responsible officer or officers of the Master Trustee unless it shall be
3 proved that the Master Trustee was negligent in ascertaining the pertinent facts, and

4 (ii) the Master Trustee shall not be liable with respect to any action taken or
5 omitted to be taken by it in good faith in accordance with the direction of the Owners and
6 Holders of not less than twenty-five percent (25%) or a majority, as this Master Indenture
7 shall require, in aggregate principal amount of the Parity Obligations then Outstanding
8 relating to the time, method and place of conducting any proceeding for any remedy
9 available to the Master Trustee, or exercising any power conferred upon the Master
10 Trustee under this Master Indenture.

11 None of the provisions contained in this Master Indenture shall require the Master
12 Trustee to expend or risk its own funds or otherwise incur individual financial liability in the
13 performance of any of its duties or in the exercise of any of its rights or powers.

14 Section 902. Indemnification of Master Trustee as Condition for Remedial Action. The
15 Master Trustee shall be under no obligation to institute any suit or to take any remedial
16 proceeding (including, but not limited to, the acceleration of the maturity date of all Parity
17 Obligations under this Master Indenture) under this Master Indenture or the Pledge Agreement or
18 to enter any appearance or in any way defend in any suit in which it may be made defendant, or
19 to take any steps in the execution of any of the trusts hereby created or in the enforcement of any
20 rights and powers under this Master Indenture or the Pledge Agreement, until it shall be
21 indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees
22 and other reasonable disbursements, and against all liability. The Master Trustee nevertheless
23 may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be
24 done by it as such Master Trustee, without indemnity, and in such case the Corporation, at the
25 request of the Master Trustee, shall reimburse the Master Trustee as Current Expenses of the
26 Corporation for all costs, expenses, outlays and counsel fees and other reasonable disbursements
27 properly incurred in connection therewith. If the Corporation shall fail to make such
28 reimbursement, the Master Trustee may reimburse itself from any money in its possession under
29 the provisions of this Master Indenture and shall be entitled to a preference therefor over any
30 Parity Obligations Outstanding.

31 Section 903. Limitations on Obligations and Responsibilities of Master Trustee. The
32 Master Trustee shall be under no obligation to effect or maintain insurance or to renew any
33 policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the
34 Corporation, or to report, or make or file claims or proof of loss for, any loss or damage insured
35 against or that may occur, or to keep itself informed or advised as to the payment of any taxes or
36 assessments, or to require any such payment to be made. Except as to the acceptance of the
37 trusts under this Master Indenture, the Master Trustee shall have no responsibility in respect of
38 the validity or sufficiency of this Master Indenture, or in respect of the validity of Bonds or
39 Parity Debt or the due execution or issuance thereof. The Master Trustee shall be under no
40 obligation to see that any duties herein imposed upon the Corporation, the Bond Registrar, any
41 consultant, any Depositary other than a Master Trustee Depositary, or any party other than itself,
42 or any covenants herein contained on the part of any party other than itself to be performed, shall

1 be done or performed, and the Master Trustee shall be under no obligation for failure to see that
2 any such duties or covenants are so done or performed.

3 Section 904. Master Trustee Not Liable for Failure of Corporation to Act. The Master
4 Trustee shall not be liable or responsible because of the failure of the Corporation or of any of its
5 employees or agents to make any collections or deposits or to perform any act herein required of
6 the Corporation or because of the loss of any money arising through the insolvency or the act or
7 default or omission of any Depositary other than the Master Trustee or a Depositary in which
8 such money shall have been deposited by the Master Trustee under the provisions of this Master
9 Indenture. The Master Trustee shall not be responsible for the application of any of the proceeds
10 of Bonds or Parity Debt or any other money deposited with it and paid out, withdrawn or
11 transferred hereunder if such application, payment, withdrawal or transfer shall be made in
12 accordance with the provisions of this Master Indenture. The immunities and exemptions from
13 liability of the Master Trustee hereunder shall extend to its directors, officers, employees and
14 agents.

15 Section 905. Compensation and Indemnification of Master Trustee and Bond Registrar.
16 Subject to the provisions of any contract between the Corporation and the Master Trustee or any
17 Bond Registrar relating to the compensation of the Master Trustee or such Bond Registrar, the
18 Corporation shall pay to the Master Trustee and such Bond Registrar from Gross Receipts
19 reasonable compensation for all services performed by them hereunder and also all their
20 reasonable expenses, charges and other disbursements and those of their attorneys, agents and
21 employees incurred in and about the administration and the performance of their powers and
22 duties hereunder and, to the extent permitted by law, shall indemnify and save the Master
23 Trustee and the Bond Registrar harmless against any liabilities that they may incur in the proper
24 exercise and performance of their powers and duties hereunder. If the Corporation shall fail to
25 cause any payment required by this Section to be made, the Master Trustee or any Bond
26 Registrar may make such payment from any money in its possession under the provisions of this
27 Master Indenture and shall be entitled to a preference therefor over any Parity Obligations
28 Outstanding. The Corporation covenants that it shall promptly deposit or cause to be deposited
29 to the credit of the respective fund, account or subaccount the amount withdrawn therefrom by
30 the Master Trustee to make any such payment.

31 Section 906. Monthly Statements from Master Trustee. It shall be the duty of the
32 Master Trustee, on or before the 10th day of each month, to file with the Corporation a statement
33 setting forth in respect of the preceding calendar month:

34 (a) the amount withdrawn or transferred by it and the amount deposited with
35 it on account of each fund, account or subaccount held by it under the provisions of this Master
36 Indenture,

37 (b) the amount on deposit with it at the end of such month in each such fund,
38 account or subaccount,

39 (c) a brief description of all obligations held by it as an investment of money
40 in each such fund, account or subaccount,

1 (d) the amount applied to the payment, purchase or redemption of Bonds
2 under the provisions of Article V of this Master Indenture and a description of the Bonds or
3 portions thereof so paid, purchased or redeemed, and

4 (e) any other information that the Corporation may reasonably request.

5 All records and files pertaining to Bonds in the custody of the Master Trustee not
6 otherwise restricted or excluded from disclosure by the terms of this Master Indenture, including,
7 without limitation, Section 1002 hereof, shall be open at all reasonable times to the inspection of
8 the Corporation and its agents and representatives.

9 Section 907. Master Trustee May Rely on Certificates. If at any time it shall be
10 necessary or desirable for the Master Trustee to make any investigation respecting any fact
11 preparatory to taking or not taking any action or doing or not doing anything as such Master
12 Trustee, and in any case in which this Master Indenture provides for permitting or taking any
13 action, the Master Trustee may rely upon any certificate required or permitted to be filed with it
14 under the provisions of this Master Indenture, and any such certificate shall be evidence of such
15 fact or protect the Master Trustee in any action that it may or may not take or in respect of
16 anything it may or may not do, in good faith, by reason of the supposed existence of such fact.
17 Except as otherwise provided in this Master Indenture, any request, notice, certificate or other
18 instrument from the Corporation to the Master Trustee shall be deemed to have been signed by
19 the proper party or parties if signed by any Authorized Officer of the Corporation, and the
20 Master Trustee may accept and rely upon a certificate signed by any Authorized Officer of the
21 Corporation as to any action taken by the Corporation.

22 Section 908. Notice of Default. Except upon the happening of any Event of Default
23 specified in clauses (a), (b) and (c) of Section 802 hereof, the Master Trustee shall not be obliged
24 to take notice or be deemed to have notice of any Event of Default under this Master Indenture
25 unless specifically notified in writing of such Event of Default by the Corporation or the Owners
26 and Holders of not less than twenty-five percent (25%) in aggregate principal amount of Parity
27 Obligations then Outstanding.

28 Section 909. Master Trustee Not Responsible for Recitals. The recitals, statements and
29 representations contained herein and in the Bonds shall be taken and construed as made by and
30 on the part of the Corporation and not by the Master Trustee, and the Master Trustee assumes
31 and shall be under no responsibility for the correctness of the same.

32 Section 910. Master Trustee Protected in Relying on Certain Documents. The Master
33 Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or
34 not proceeding, in good faith, reasonably and in according with the terms of this Master
35 Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement,
36 affidavit, requisition, bond or other paper or document that it shall in good faith reasonably
37 believe to be genuine and to have been adopted or signed by the proper board or person or to
38 have been prepared and furnished pursuant to any of the provisions of this Master Indenture, or
39 upon the written opinion of any attorney, consultant or accountant believed by the Master
40 Trustee to be qualified in relation to the subject matter, and the Master Trustee shall be under no
41 duty to make any investigation or inquiry as to any statements contained or matters referred to in

1 any such instrument. The Master Trustee shall not be under any obligation to see to the
2 recording or filing of this Master Indenture or otherwise to the giving to any person of notice of
3 the provisions hereof.

4 Section 911. Master Trustee May Pay Taxes and Assessments. In case the Corporation
5 shall fail to pay or cause to be paid any lawful tax, assessment or governmental charge or other
6 charge upon any part of the Corporation to the extent, if any, that the Corporation may be
7 deemed by the Master Trustee liable for same, the Master Trustee may pay from sources
8 provided under this Master Indenture such tax, assessment or governmental charge, without
9 prejudice, however, to any rights of the Master Trustee or the Owners or Holders arising in
10 consequence of such failure; and any amount at any time so paid under this Section shall be
11 repaid upon demand by the Master Trustee by the Corporation from Gross Receipts, but the
12 Master Trustee shall be under no obligation to make any such payment from sources provided in
13 this Master Indenture unless it shall have available or be provided with adequate funds for the
14 purpose of such payment.

15 Section 912. Resignation and Removal of Master Trustee and Bond Registrar Subject
16 to Appointment of Successor. No resignation or removal of the Master Trustee or any Bond
17 Registrar and no appointment of a successor Master Trustee or successor Bond Registrar
18 pursuant to this Article shall become effective until the acceptance of appointment by the
19 successor Master Trustee under Section 915 hereof or the successor Bond Registrar under
20 Section 917 hereof, as the case may be.

21 Section 913. Resignation of Master Trustee. Subject to the provisions of Section 912
22 hereof, the Master Trustee may resign and thereby become discharged from the trusts hereby
23 created, by notice in writing given to the Corporation, and mailed, postage prepaid, at the Master
24 Trustee's expense, to each Owner and Holder, not less than sixty (60) days before such
25 resignation is to take effect, but such resignation shall take effect immediately upon the
26 appointment of a new Master Trustee hereunder if such new Master Trustee shall be appointed
27 before the time limited by such notice and shall then accept the trusts hereof.

28 Section 914. Removal of Master Trustee. The Master Trustee may be removed at any
29 time by an instrument or concurrent instruments in writing, (i) executed by the Owners and
30 Holders of not less than a majority in aggregate principal amount of Parity Obligations then
31 Outstanding and filed with the Corporation, or (ii) so long as no Event of Default shall have
32 occurred and be continuing, a resolution adopted or an instrument executed by the Corporation,
33 not less than sixty (60) days before such removal is to take effect as stated in said resolution,
34 instrument or instruments. A photographic copy of any resolution, instrument or instruments
35 filed with the Corporation under the provisions of this paragraph, duly certified by the Secretary
36 of the Corporation as having been received by the Corporation, shall be delivered promptly by
37 the Corporation to the Master Trustee.

38 The Master Trustee may also be removed at any time for acting or proceeding in
39 violation of, or for failing to act or proceed in accordance with, any provisions of this Master
40 Indenture with respect to the duties and obligations of the Master Trustee by any court of
41 competent jurisdiction upon the application of the Corporation or the Owners and Holders of not

1 less than twenty-five percent (25%) in aggregate principal amount of Parity Obligations then
2 Outstanding.

3 Section 915. Appointment of Successor Master Trustee. If at any time hereafter the
4 Master Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting,
5 or the bank or trust company acting as Master Trustee shall be taken over by any governmental
6 official, agency, department or board, the position of Master Trustee shall thereupon become
7 vacant. If the position of Master Trustee shall become vacant for any reason, the Corporation
8 shall appoint a Master Trustee to fill such vacancy. A successor Master Trustee shall not be
9 required if the Master Trustee shall sell or assign substantially all of its corporate trust business
10 and the vendee or assignee shall continue in the corporate trust business, or if a transfer of the
11 corporate trust department of the Master Trustee is required by operation of law, provided that
12 such vendee, assignee or transferee (i) is a bank or trust company within or without the State
13 which is duly authorized to exercise corporate trust powers and subject to examination by federal
14 or State authority, (ii) has good standing, and (iii) has a combined capital, surplus and undivided
15 profits aggregating not less than One Hundred Million Dollars (\$100,000,000) (or whose
16 obligations hereunder are guaranteed by a bank, banking association or trust company duly
17 authorized to exercise corporate trust powers and subject to examination by federal or state
18 authority, of good standing, and having at the time of the appointment of such Master Trustee, a
19 combined capital, surplus and undivided profits of at least such amount). The Corporation shall
20 mail notice of any such appointment made by it, postage prepaid, to all Owners and Holders.

21 At any time within one year after any such vacancy shall have occurred, the Owners and
22 Holders of not less than twenty-five percent (25%) in principal amount of Parity Obligations then
23 Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners
24 and Holders and filed with the Corporation, may nominate a successor Master Trustee, which the
25 Corporation shall appoint and which shall supersede any Master Trustee theretofore appointed by
26 the Corporation. Photographic copies, duly certified by the Secretary of the Corporation as
27 having been received by the Corporation, of each such instrument shall be delivered promptly by
28 the Secretary of the Corporation to the predecessor Master Trustee and to the Master Trustee so
29 appointed by the Owners and the Holders.

30 If no appointment of a successor Master Trustee shall be made pursuant to the foregoing
31 provisions of this Section, any Owner or Holder or any retiring Master Trustee may apply to any
32 court of competent jurisdiction to appoint a successor Master Trustee. Such court may
33 thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a
34 successor Master Trustee.

35 Any successor Master Trustee hereafter appointed (i) shall be a bank or trust company
36 within the State which is duly authorized to exercise corporate trust powers and subject to
37 examination by federal or State authority, (ii) shall be of good standing and (iii) shall have a
38 combined capital, surplus and undivided profits aggregating not less than One Hundred Million
39 Dollars (\$100,000,000) (or whose obligations hereunder are guaranteed by a bank, banking
40 association or trust company duly authorized to exercise corporate trust powers and subject to
41 examination by federal or state authority, of good standing, and having at the time of the
42 appointment of such Master Trustee, a combined capital, surplus and undivided profits of at least
43 such amount).

1 Section 916. Vesting of Duties in Successor Master Trustee. Every successor Master
2 Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also
3 to the Corporation and the State Board of Administration, an instrument in writing accepting
4 such appointment under this Master Indenture and the Pledge Agreement, and thereupon such
5 successor Master Trustee, without any further act, shall become fully vested with all the rights,
6 immunities and powers, and subject to all the duties and obligations, of its predecessor; but such
7 predecessor shall nevertheless, on the written request of its successor or of the Corporation and
8 upon payment of the expenses, charges and other disbursements of such predecessor that are
9 payable pursuant to the provisions of Section 905 hereof, execute and deliver an instrument
10 transferring to such successor Master Trustee all the rights, immunities and powers of such
11 predecessor under this Master Indenture and the Pledge Agreement; and every predecessor
12 Master Trustee shall deliver all property and money held by it under this Master Indenture and
13 the Pledge Agreement to its successor. Should any instrument in writing from the Corporation or
14 the State Board of Administration be required by any successor Master Trustee for more fully
15 and certainly vesting in such Master Trustee the rights, immunities, powers and trusts vested or
16 intended to be vested by this Master Indenture and the Pledge Agreement in the predecessor
17 Master Trustee, any such instrument in writing shall and will, on request, be executed,
18 acknowledged and delivered by the Corporation or the State Board of Administration, as the case
19 may be.

20 Section 917. Removal and Resignation of Bond Registrar. A Bond Registrar may be
21 removed at anytime, with or without cause, by the Corporation, upon thirty (30) days' written
22 notice by the Corporation to such Bond Registrar. A copy of such written notice shall be
23 delivered promptly by the Corporation to the Master Trustee. Upon receipt of such notice the
24 Master Trustee shall cause notice of such removal to be mailed, postage prepaid, to the Owners
25 not less than sixty (60) days before such removal is to take effect.

26 A Bond Registrar may resign and thereby become discharged from the duties, obligations
27 and responsibilities of Bond Registrar under this Master Indenture, by written notice delivered to
28 the Corporation and the Master Trustee. Upon receipt of such notice the Master Trustee shall
29 cause notice of such resignation to be mailed, postage prepaid, at such Bond Registrar's expense,
30 to the Owners not less than sixty (60) days before such resignation is to take effect, but such
31 resignation shall take effect immediately upon the appointment of a new Bond Registrar
32 hereunder if such new Bond Registrar shall be appointed before the time limited by such notice
33 and shall then accept the duties, obligations and responsibilities of Bond Registrar under this
34 Master Indenture. If at any time thereafter a Bond Registrar shall resign, be removed, be
35 dissolved or otherwise become incapable of acting, or the entity acting as Bond Registrar shall be
36 taken over by any governmental official, agency, department or board, the position of Bond
37 Registrar shall thereupon become vacant. If the position of Bond Registrar shall become vacant
38 for any reason, the Corporation shall appoint a Bond Registrar to fill such vacancy. A successor
39 Bond Registrar shall not be required if a Bond Registrar shall sell or assign substantially all of its
40 business and the vendee or assignee shall be qualified in the sole judgment of the Corporation to
41 carry out the duties, obligations and responsibilities of Bond Registrar under this Master
42 Indenture. The Corporation shall promptly deliver written notice of any such appointment by it
43 to the Master Trustee and mail such notice, postage prepaid, to all Owners.

Article X.

EXECUTION OF INSTRUMENTS BY OWNERS AND HOLDERS,
PROOF OF OWNERSHIP OF BONDS OR PARITY DEBT, AND
DETERMINATION OF CONCURRENCE OF OWNERS AND HOLDERS

Section 1001. Execution of Instruments. Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture to be signed or executed by any Owners or Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or Holders or their attorneys or legal representatives or legal representative of his estate if the Owner or Holder is deceased. Proof of the execution of any such instrument and of the ownership of Parity Obligations shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the Master Trustee and the Corporation with regard to any action taken by either under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification, by any officer in any jurisdiction who by the laws thereof has power to take affidavits within such jurisdictions, to the effect that such instrument was subscribed and sworn to before him or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 205 hereof. The ownership or holding of Parity Debt shall be proved as provided in the related Parity Debt Resolution.

Nothing contained in this Article shall be construed as limiting the Master Trustee to such proof, it being intended that the Master Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner or Holder shall bind every future Owner or Holder of the same Bond or Parity Debt in respect of anything done by the Master Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Master Trustee shall not be required to recognize any person as an Owner or Holder or to take any action at an Owner's or Holder's request unless such Bonds or Parity Debt shall be deposited with it.

Section 1002. Preservation of Information; Communications. (a) The Master Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Owners received by the Master Trustee from the Bond Registrar.

(b) If an Owner which is a Securities Depository Nominee or the Owners of not less than ten percent (10%) in aggregate principal amount of Bonds then Outstanding which are not Securities Depository Nominees (hereinafter collectively referred to as "applicants") apply in writing to the Master Trustee and furnish reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Owners with respect to

1 their rights under this Master Indenture or under the Bonds and such application is accompanied
2 by a copy of the form of communication which such applicants propose to transmit, then the
3 Master Trustee shall, within five (5) Business Days after receipt of such application, at its
4 election, either

5 (i) afford such applicants access to the information preserved at the time by
6 the Master Trustee in accordance with paragraph (a) of this Section, or

7 (ii) inform such applicants as to the approximate number of Owners whose
8 names and addresses appear in the information preserved at the time by the Master
9 Trustee in accordance with paragraph (a) of this Section, and as to the approximate cost
10 of mailing to such Owners the form of communication, if any, specified in such
11 application.

12 If the Master Trustee shall elect not to afford such applicants access to such information,
13 the Master Trustee shall, upon the written request of such applicants, mail to each Owner whose
14 name and address appears in the information preserved at the time by the Master Trustee in
15 accordance with paragraph (a) of this Section a copy of the form of communication which is
16 specified in such request, with reasonable promptness after a tender to the Master Trustee of the
17 material to be mailed and of payment, or provision for the payment, of the reasonable expenses
18 of mailing.

19 (c) Every Owner, by receiving and holding one or more Bonds, agrees with
20 the Corporation and the Master Trustee that neither the Corporation nor the Master Trustee shall
21 be held accountable by reason of the disclosure of any such information as to the names and
22 addresses of the Owners in accordance with paragraph (b) of this Section, regardless of the
23 source from which such information was derived, and that the Master Trustee shall not be held
24 accountable by reason of mailing any material pursuant to a request made under such paragraph.

25 Section 1003. Credit Provider as Owner or Holder. Notwithstanding any provision of
26 this Master Indenture to the contrary, a Parity Resolution may provide that a Credit Provider
27 providing credit enhancement or substitution for the payment of principal and interest with
28 respect to the Bonds of a Series or Parity Debt shall be deemed to be the Owner of such Bonds or
29 Holder of such Parity Debt, for all purposes of this Master Indenture, including, without
30 limitation, Article VIII and Article XI, and the Pledge Agreement, in the proportion that the
31 aggregate principal amount of Bonds of such Series or of such Parity Debt then Outstanding for
32 which such Credit Provider is providing credit enhancement or substitution bears to the
33 aggregate principal amount of all Parity Obligations then Outstanding, to the exclusion and in
34 lieu of the Owners of such Bonds or Holders of such Parity Debt.

35 Article XI.

36 SUPPLEMENTS AND AMENDMENTS

37
38 Section 1101. Supplemental Indentures Without Consent. The Corporation and the
39 Master Trustee may, from time to time and at any time, without the consent of or notice to any of
40 the Owners or Holders, execute and deliver Supplemental Indentures hereto (which

Supplemental Indentures shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Master Indenture:

(a) to cure any ambiguity or formal defect or omission herein, or any conflict between the provisions hereof and of the Pledge Agreement or of any Parity Resolution delivered to the Master Trustee at the same time as the Corporation delivers this Master Indenture, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Master Indenture, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Master Indenture, or

(b) to grant or to confer upon the Master Trustee, for the benefit of the Owners or Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, the Holders or the Master Trustee, or

(c) to add to the provisions of this Master Indenture other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the Corporation in this Master Indenture other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power herein reserved to or conferred upon the Corporation, or

(e) to permit the qualification of this Master Indenture under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation so determines, to add to this Master Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(f) to provide for the issuance of Bonds in bearer form, or

(g) to provide for the issuance of Bonds under a book-entry system, or

(h) to obtain a Credit Facility, Reserve Alternative Instrument, a Derivative Agreement, or other credit enhancement; provided, however, that no Rating Agency shall reduce or withdraw its rating on any of the Parity Obligations then Outstanding as a consequence of any such provision of such Supplemental Indenture, or

(i) to make any amendment or modification to this Master Indenture (including any modification to the Incurrence Test) resulting from the elimination of any restriction on the use of Reimbursement Premiums under the Code to pay or to secure debt service on Tax-Exempt Parity Obligations to the extent the elimination of such restriction is permitted by any administrative pronouncement of the Internal Revenue Service (including a private letter ruling) addressed to the Corporation, the FHCF, or any successor of either, or to the extent such elimination of such use restriction is permitted (based upon an Opinion of Counsel) by the Code, or

(j) to enable the Corporation to comply with its obligations, covenants and agreements made in Section 604 or in any Parity Resolution for the purpose of maintaining the

1 tax status of interest on any Tax-Exempt Parity Obligations, provided that such change shall not
2 materially adversely affect the security for any Parity Obligations, or

3 (k) to make any other change that, in the opinion of the Master Trustee, which
4 may, but is not required to, rely upon one or more of affirmation of ratings by the Rating
5 Agencies, certificates of Consultants and Opinions of Counsel for such purpose, shall not
6 materially adversely affect the security for the Parity Obligations.

7 Section 1102. Supplemental Indentures With Consent. Subject to the terms and
8 provisions contained in this Section, and not otherwise, the Owners and Holders of not less than
9 a majority in aggregate principal amount of the Parity Obligations then Outstanding shall have
10 the right, from time to time, anything contained in this Master Indenture to the contrary
11 notwithstanding, to consent to and approve the execution and delivery of such Supplemental
12 Indentures as are deemed necessary or desirable by the Corporation for the purpose of
13 modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or
14 provisions contained in this Master Indenture or in any Supplemental Indenture hereto; provided,
15 however, that nothing herein contained shall permit, or be construed as permitting (a) an
16 extension of the maturity of the principal of or the interest on any Bond or Parity Debt without
17 the consent of the Owner of such Bond or the Holder of such Parity Debt, (b) a reduction in the
18 principal amount of any Bond or Parity Debt or the redemption premium or the rate of interest
19 thereon without the consent of the Owner of such Bond or the Holder of such Parity Debt, (c) the
20 creation of a security interest in or a pledge of Net Receipts other than the security interest and
21 pledge created by this Master Indenture without the consent of the Owners of all Bonds
22 Outstanding and the Holders of all Parity Debt Outstanding, (d) a preference or priority of any
23 Bond or Parity Debt over any other Bond or Parity Debt without the consent of the Owners of all
24 Bonds Outstanding and the Holders of all Parity Debt Outstanding or (e) a reduction in the
25 aggregate principal amount of the Parity Obligations required for consent to such Supplemental
26 Indenture without the consent of the Owners of all Bonds Outstanding and the Holders of all
27 Parity Debt Outstanding. Nothing herein contained, however, shall be construed as making
28 necessary the approval by Owners or Holders of the execution and delivery of any Supplemental
29 Indenture as authorized in Section 1101 hereof.

30 If at any time the Corporation and the Master Trustee determine that it is necessary or
31 desirable to execute and deliver any Supplemental Indenture for any of the purposes of this
32 Section, the Master Trustee shall cause notice of the proposed execution of the Supplemental
33 Indenture to be mailed, postage prepaid, to all Owners at their addresses as they appear on the
34 registration books and to all Holders in accordance with the related Parity Debt Resolution. Such
35 notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state
36 that copies thereof are on file at the designated corporate trust office of the Master Trustee for
37 inspection by all Owners and Holders. The Master Trustee shall not, however, be subject to any
38 liability to any Owner or Holder by reason of its failure to cause the notice required by this
39 Section to be mailed and any such failure shall not affect the validity of such Supplemental
40 Indenture when consented to and approved as provided in this Section.

41 Whenever, at any time within three years after the date of the mailing of such notice, the
42 Corporation delivers to the Master Trustee an instrument or instruments in writing purporting to
43 be executed by the Owners or Holders of not less than a majority in aggregate principal amount

1 of Parity Obligations then Outstanding, which instrument or instruments shall refer to the
2 proposed Supplemental Indenture described in such notice and shall specifically consent to and
3 approve the execution and delivery thereof in substantially the form of the copy thereof referred
4 to in such notice, thereupon, but not otherwise, the Corporation and the Master Trustee may
5 execute and deliver such Supplemental Indenture in substantially such form, without liability or
6 responsibility to any Owner or Holder whether or not such Owner or Holder shall have
7 consented thereto.

8 If the Owners or Holders of not less than a majority in aggregate principal amount of
9 Parity Obligations Outstanding at the time of the execution and delivery of such Supplemental
10 Indenture have consented to and approved the execution and delivery thereof as herein provided,
11 to the extent permitted by law, no Owner or Holder shall have any right to object to the
12 execution and delivery of such Supplemental Indenture, to object to any of the terms and
13 provisions contained therein or the operation thereof, to question the propriety of the execution
14 and delivery thereof, or to enjoin or restrain the Corporation and the Master Trustee from
15 executing and delivering the same or from taking any action pursuant to the provisions thereof.

16 Section 1103. Supplemental Indentures Part of Master Indenture. Any Supplemental
17 Indenture executed and delivered in accordance with the provisions of this Article shall
18 thereafter form a part of this Master Indenture, and this Master Indenture shall be and be deemed
19 to be modified and amended in accordance therewith. Thereafter the respective rights, duties and
20 obligations under the Master Indenture of the Corporation, the Master Trustee, any Bond
21 Registrar and all Owners of Bonds and Holders of Parity Debt then Outstanding shall thereafter
22 be determined, exercised and enforced in all respects under the provisions of this Master
23 Indenture as so modified and amended. If any Supplemental Indenture is executed and
24 delivered, Bonds issued thereafter and Parity Debt incurred thereafter may contain an express
25 reference to such Supplemental Indenture, if deemed necessary or desirable by the Corporation.

26 Section 1104. Not a Supplemental Indenture. For purpose of this Article, a
27 Supplemental Indenture or Parity Debt Resolution that relates only to a particular Series of
28 Bonds issued hereunder or Parity Debt incurred under a Parity Debt Resolution and that does not
29 purport to alter or amend the rights or security of any Owners of any Bonds of any other Series
30 issued hereunder or any Holder of any Parity Debt incurred under a Parity Debt Resolution shall
31 not be deemed or considered to be a Supplemental Indenture for purposes of this Article.

32 Section 1105. Responsibilities of the Master Trustee. The Master Trustee shall be
33 entitled to receive, and shall be fully protected in relying upon, an opinion of counsel, who may
34 be Bond Counsel for the Corporation, as conclusive evidence that any proposed supplemental
35 indenture does or does not comply with the provisions of this Master Trust Indenture, and that it
36 is or is not proper for it, under the provisions of this Article, to execute and deliver such
37 supplemental indenture.

Article XII.

DEFEASANCE

Section 1201. Release of Master Indenture. When:

(a) the Bonds and any Parity Debt shall have become due and payable in accordance with their terms or otherwise as provided in this Master Indenture, and the whole amount of the principal and the interest and premium, if any, so due and payable upon all Parity Obligations shall be paid, or

(b) if the Bonds and any Parity Debt shall not have become due and payable in accordance with their terms, the Master Trustee or the Bond Registrar shall hold sufficient money or Defeasance Obligations, or a combination of money and Defeasance Obligations, the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all Parity Obligations then Outstanding to the maturity date or dates of such Parity Obligations or to the date or dates specified for the redemption thereof, as verified by a nationally recognized independent certified public accountant, and, if Bonds or any Parity Debt are to be called for redemption, irrevocable instructions to call the Bonds or Parity Debt for redemption shall have been given by the Corporation to the Master Trustee, and

(c) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the Corporation;

then and in that case the right, title and interest of the Master Trustee in the funds, accounts and subaccounts mentioned in this Master Indenture shall thereupon cease, determine and become void and, upon being furnished with an opinion, in form and substance satisfactory to the Master Trustee, of counsel approved by the Master Trustee, to the effect that all conditions precedent to the release of this Master Indenture have been satisfied, the Master Trustee shall release this Master Indenture and shall execute such documents to evidence such release as may be required by such counsel and shall turn over to the Corporation any surplus in, and all balances remaining in, all funds, accounts and subaccounts other than money held for the redemption or payment of Parity Obligations; otherwise, this Master Indenture shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by the Master Trustee or the Bond Registrar as hereinabove provided, (i) in addition to the requirements set forth in Article III of this Master Indenture, the Master Trustee, within thirty (30) days after such Defeasance Obligations shall have been deposited with it, shall cause a notice signed by the Master Trustee to be mailed, postage prepaid, to all Owners of Bonds and to all Holders of Parity Debt, setting forth (a) the date or dates, if any, designated for the redemption of the Parity Obligations, (b) a description of the Defeasance Obligations so held by it, and (c) that this Master Indenture has been released in accordance with the provisions of this Section, and (ii) (a) the Master Trustee shall nevertheless retain such rights, powers and privileges under this Master Indenture as may be necessary and convenient in respect of the Bonds and any Parity Debt for the payment of the principal, interest and any premium for which

1 such Defeasance Obligations have been deposited and (b) the Bond Registrar shall retain such
2 rights, powers and privileges under this Master Indenture as may be necessary and convenient
3 for the registration, transfer and exchange of Bonds; and provided, further, however, that failure
4 to mail such notice to any Owner or to the Owners, or to any such Holder or to such Holders, or
5 any defect in such notice so mailed, shall not affect the validity of the proceedings for the release
6 of this Master Indenture.

7 All money and Defeasance Obligations held by the Master Trustee (or any Bond
8 Registrar) pursuant to this Section shall be held in trust and applied to the payment, when due, of
9 the obligations payable therewith.

10 Article XIII.

11 MISCELLANEOUS PROVISIONS

12
13 Section 1301. Successorship of Corporation. In the event the Corporation for any reason
14 shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants,
15 stipulations, obligations and agreements contained in this Master Indenture by or on behalf of or
16 for the benefit of the Corporation shall bind or inure to the benefit of the successor or successors
17 of the Corporation from time to time and any officer, board, commission, authority, agency or
18 instrumentality to whom or to which any power or duty affecting such covenants, stipulations,
19 obligations and agreements shall be transferred by or in accordance with law, and the term
20 "Corporation" as used in this Master Indenture shall include such successor or successors.

21 Section 1302. Successorship of Depositary and Bond Registrar. Any bank or trust
22 company with or into which a Depositary or Bond Registrar may be merged or consolidated, or
23 to which the assets and business of such Depositary or Bond Registrar may be sold, shall be
24 deemed the successor of such Depositary or Bond Registrar for the purposes of this Master
25 Indenture. If the position of any Depositary shall become vacant for any reason or the position
26 of Bond Registrar shall become vacant for any reason not provided for by Section 917 hereof,
27 the Corporation shall appoint a bank or trust company to fill such vacancy within thirty (30) days
28 thereafter; provided, however, that if the Corporation shall fail to appoint such Depositary or
29 Bond Registrar within such period, the Master Trustee shall make such appointment.

30 Section 1303. Manner of Giving Notice. All notices, demands and requests to be given
31 to or made hereunder by the Corporation or the Master Trustee shall be given or made in writing
32 and shall be deemed to be properly given or made if sent by United States certified or registered
33 mail, return receipt requested postage prepaid, addressed as follows:

34 (a) As to the Corporation--

35 Florida Hurricane Catastrophe Fund
36 Finance Corporation
37 c/o State Board of Administration of the
38 State of Florida
39 1801 Hermitage Boulevard
40 Tallahassee, Florida 32308
41 Attention: President

1 (b) As to the Master Trustee--

2 Wells Fargo Bank, N.A.
3 7077 Bonneval Road, Suite 400
4 Jacksonville, FL 32216
5 Attention: Corporate Trust Department

6 Any such notice, demand or request may also be transmitted to the appropriate above-
7 mentioned party by telephone or electronic transmission and shall be deemed to be properly
8 given or made at the time of such transmission if, and only if, such transmission of notice shall
9 be confirmed in writing and sent as specified above.

10 Any of such addresses may be changed at any time upon written notice of such change
11 sent by United States certified or registered mail, postage prepaid, to the other parties by the
12 party effecting the change.

13 All documents received by the Master Trustee under the provisions of this Master
14 Indenture, or photographic copies thereof, shall be retained in its possession until this Master
15 Indenture shall be released under the provisions of Section 1201 hereof, subject at all reasonable
16 times to the inspection of the Corporation, any Owner, any Holder and the agents and
17 representatives thereof.

18 Section 1304. Substitute Mailing. If, because of the temporary or permanent suspension
19 of postal service, the Corporation or the Master Trustee shall be unable to mail any notice
20 required to be given by the provisions of this Master Indenture, the Corporation or the Master
21 Trustee shall give notice in such other manner as in the judgment of the Corporation or the
22 Master Trustee shall most effectively approximate mailing, and the giving of notice in such
23 manner shall for all purposes of this Master Indenture be deemed to be in compliance with the
24 requirement for the mailing thereof.

25 Section 1305. Parties, Bond Registrar, Owners and Holders Alone Have Rights Under
26 Master Indenture. Except as herein otherwise expressly provided, nothing in this Master
27 Indenture, express or implied, is intended or shall be construed to confer upon any person, firm
28 or corporation, other than the Master Trustee, any Bond Registrar, the Corporation, the Owners
29 and the Holders any right, remedy or claim, legal or equitable, under or by reason of this Master
30 Indenture or any provision thereof, this Master Indenture and all its provisions all being intended
31 to be and being for the sole and exclusive benefit of the Master Trustee, the Corporation, any
32 Bond Registrar, the Owners and the Holders.

33 Section 1306. Effect of Partial Invalidity. In case any one or more of the provisions of
34 this Master Indenture or the Bonds or any Parity Debt shall for any reason be held to be illegal or
35 invalid, such illegality or invalidity shall not affect any other provisions of this Master Indenture
36 or the Bonds or any Parity Debt, but this Master Indenture and the Parity Obligations shall be
37 construed and enforced as if such illegal or invalid provisions had not been contained therein. In
38 case any covenant, stipulation, obligation or agreement contained in the Parity Obligations or
39 this Master Indenture shall for any reason be held to be in violation of law, then such covenant,

1 stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or
2 agreement of the Corporation to the full extent permitted by law.

3 Section 1307. Effect of Covenants; Governing Law. All covenants, stipulations,
4 obligations and agreements of the Corporation contained in this Master Indenture shall be
5 deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full
6 extent permitted by the Constitution and laws of the State. This Master Indenture is executed
7 and delivered with the intent that the laws of the State shall govern this construction.

8 Section 1308. No Recourse Against Members, Officers or Employees of Corporation or
9 State Board of Administration. No recourse under, or upon, any statement, obligation, covenant
10 or agreement contained in this Master Indenture, or in any Bond or Parity Debt hereby secured,
11 or in any document or certification whatsoever, or under any judgment obtained against the
12 Corporation or the State Board of Administration, or by the enforcement of any assessment, or
13 by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under
14 any circumstances, shall be had against any member, officer or employee of the Corporation or
15 the State Board of Administration, either directly or through the Corporation of the FHCF for the
16 payment for or to, the Corporation or any receiver of it, or for, or to, any Owner or Holder or
17 otherwise, of any sum that may be due and unpaid upon any such Bond or Parity Debt. Any and
18 all personal liability of every nature, whether at common law or in equity or by statute or by
19 constitution or otherwise, of any such member, officer or employee to respond by reason of any
20 act or omission on his or her part or otherwise, for the payment for, or to, the Corporation or any
21 receiver of either of them, or for, or to, any Owner, Holder or otherwise, of any sum that may
22 remain due and unpaid upon the Bonds or any Parity Debt hereby secured or any of them, is
23 hereby expressly waived and released as an express condition of, and in consideration for, the
24 execution and delivery of this Master Indenture, the issuance of the Bonds and the incurrence of
25 any Parity Debt.

26 Section 1309. Dealing in Parity Obligations. The Master Trustee and any Bond
27 Registrar, and their directors, officers, employees or agents, and any officer, employee or agent
28 of the Corporation, may in good faith, buy, sell, own, hold and deal in any Parity Obligations and
29 may join in any action which any Owner or Holder may be entitled to take with like effect as if
30 such Master Trustee were not a Master Trustee and such bank or trust company were not a Bond
31 Registrar under this Master Indenture or as if such officer, employee or agent of the Corporation
32 did not serve in such capacity.

33 Section 1310. Headings. Any heading preceding the text of the several articles hereof,
34 any table of contents or marginal notes appended to copies hereof, shall be solely for
35 convenience of reference and shall not constitute a part of this Master Indenture, nor shall they
36 affect its meaning, construction or effect.

37 Section 1311. Further Authority. The officers, attorneys and other agents or employees
38 of the Corporation are hereby authorized to do all acts and things required of them by this Master
39 Indenture for the full, punctual and complete performance of all of the terms, covenants and
40 agreements contained in the Parity Obligations and this Master Indenture.

1 Section 1312. Payments Due on Non-Business Days. Except as otherwise provided in a
2 Parity Resolution, if the date for making any payment or the last day for performance of any act
3 or the exercising of any right as provided in this Master Indenture is not a Business Day, such
4 payment may be made or act performed or right exercised on the next Business Day with the
5 same force and effect as if done on the date provided in this Master Indenture.

6 Section 1313. Multiple Counterparts. This Master Indenture may be executed in
7 multiple counterparts, each of which shall be regarded for all purposes as an original, and such
8 counterparts shall constitute but one and the same instrument.

**FLORIDA HURRICANE CATASTROPHE FUND
FINANCE CORPORATION**

(SEAL)

Tracy Allen
Secretary

By: _____
[Title]

Attest:

[Title]

1 IN WITNESS WHEREOF, the Corporation has caused these presents to be signed in its
2 name and on its behalf and attested by its duly authorized officers and to evidence its acceptance
3 of the trusts hereby created, the Master Trustee has caused these presents to be signed in its name
4 and on its behalf and attested by its duly authorized officers, all of as of the day and year first
5 above written.

6 FLORIDA HURRICANE CATASTROPHE FUND
7 FINANCE CORPORATION

8 By: _____
9

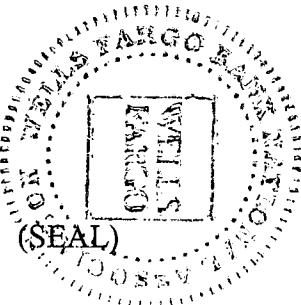
10 (SEAL)

11 Attest:

12 _____
13

14 WELLS FARGO BANK, N.A.,
15 as Master Trustee

16 By: 
17 Brian P. Clark, Vice President



19 Attest:

20 
21 Title:

SEVENTH SUPPLEMENTAL INDENTURE

by and between

STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

and

**REGIONS BANK
(successor to Wells Fargo Bank, N.A.),
as Master Trustee**

Dated as of March 1, 2016

**Authorizing and Securing
\$1,200,000,000
State Board of Administration Finance Corporation
Revenue Bonds, Series 2016A**

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

SECTION 101.	MEANING OF WORDS AND TERMS	3
SECTION 102.	RULES OF CONSTRUCTION	4

ARTICLE II AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF THE SERIES 2016A BONDS

SECTION 201.	LIMITATION ON ISSUANCE OF SERIES 2016A BONDS	5
SECTION 202.	FORM AND NUMBERING OF SERIES 2016A BONDS	5
SECTION 203.	DETAILS OF SERIES 2016A BONDS.	5
SECTION 204.	EXECUTION AND FORM OF SERIES 2016A BONDS	7
SECTION 205.	EXCHANGE OF SERIES 2016A BONDS	8
SECTION 206.	NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2016A BONDS	9
SECTION 207.	OWNERSHIP OF SERIES 2016A BONDS	9
SECTION 208.	AUTHORIZATION OF SERIES 2016A BONDS	10

ARTICLE III REDEMPTION OF SERIES 2016A BONDS

SECTION 301.	MAKE-WHOLE REDEMPTION OF SERIES 2016A BONDS	13
SECTION 302.	NOTICE OF REDEMPTION	13

ARTICLE IV ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS, APPLICATION OF NET RECEIPTS AND INVESTMENT OF FUNDS

SECTION 401.	ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS	15
SECTION 402.	APPLICATION OF NET RECEIPTS	15
SECTION 403.	INVESTMENT OF MONEY	16
SECTION 404.	PAYMENT OF PRINCIPAL AND INTEREST	17
SECTION 405.	STATE COVENANT	18

ARTICLE V THE MASTER TRUSTEE

SECTION 501.	ACCEPTANCE OF DUTIES BY MASTER TRUSTEE	19
--------------	--	----

ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE AND SUPPLEMENTAL
INDENTURES

SECTION 601.	AMENDMENT OF MASTER TRUST INDENTURE.....	20
SECTION 602.	AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS	20
SECTION 603.	MODIFICATION OF SUPPLEMENT NO. 7 WITH CONSENT OF OWNERS.....	21
SECTION 604.	EXCLUSION OF SERIES 2016A BONDS	22
SECTION 605.	RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE	23

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701.	QUALIFIED ESCROW FUNDS.....	24
--------------	-----------------------------	----

ARTICLE VIII.
MISCELLANEOUS PROVISIONS

SECTION 801.	MANNER OF GIVING NOTICE	25
SECTION 802.	SUBSTITUTE NOTICE	25
SECTION 803.	CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 7.....	26
SECTION 804.	EFFECT OF PARTIAL INVALIDITY	26
SECTION 805.	EFFECT OF COVENANTS: GOVERNING LAW	26
SECTION 806.	HEADINGS	26
SECTION 807.	FURTHER AUTHORITY	26
SECTION 808.	PAYMENT DUE ON NON-BUSINESS DAYS.....	26
SECTION 809.	MULTIPLE COUNTERPARTS.....	27
Exhibit A	Form of Series 2016A Bonds	A-1

SEVENTH SUPPLEMENTAL INDENTURE

THIS SEVENTH SUPPLEMENTAL INDENTURE, dated as of March 1, 2016 ("Supplement No. 7"), by and between the State Board of Administration Finance Corporation, an instrumentality of the State of Florida (the "Corporation"), and Regions Bank (successor to Wells Fargo Bank, N.A.), a state banking corporation existing under the laws of the State of Alabama and having a corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the "Master Trustee"),

WITNESSETH:

WHEREAS, Section 215.555, Florida Statutes, as amended (the "Act") creates the Florida Hurricane Catastrophe Fund, a trust fund established for bond covenants, indentures or resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of Florida (the "FHCF"), and provides that the FHCF will be administered by the State Board of Administration of the State of Florida (in its capacity as the governing body and administrator of the FHCF, the "State Board of Administration"); and

WHEREAS, the Corporation has executed and delivered a Master Trust Indenture, dated as of June 1, 2006 (the "Master Trust Indenture" and as supplemented and amended, the "Master Indenture"), by and between the Corporation and the Master Trustee, which authorizes the Corporation to issue Parity Obligations (as defined in the Master Indenture) in accordance with the provisions thereof and hereof; and

WHEREAS, the Corporation issued on July 6, 2006, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,350,025,000 (the "Series 2006A Bonds") in accordance with the Master Indenture and a First Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds; and

WHEREAS, the Corporation issued on July 21, 2006, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$2,800,000,000 (the "Series 2006B Notes") in accordance with the Master Indenture and a Second Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the

FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events (as defined in the Act) occurring in the Contract Year ended May 31, 2007 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006B Notes, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2006B Notes; and

WHEREAS, the Corporation issued in October 2007, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$3,500,000,000 (the "Series 2007A Notes"), in accordance with the Master Indenture and a Third Supplemental Indenture (the "Third Supplemental Indenture") for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2008 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2007A Notes; and

WHEREAS, the Corporation issued on July 31, 2008, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$625,000,000 (the "Series 2008A Bonds"), in accordance with the Master Indenture and a Fourth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2008A Bonds; and

WHEREAS, the Corporation issued on May 25, 2010, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$675,920,000 (the "Series 2010A Bonds"), in accordance with the Master Indenture and a Fifth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2010A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2010A Bonds; and

WHEREAS, the Corporation issued on April 23, 2013, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$2,000,000,000 (the "Series 2013A Bonds"), in accordance with the Master Indenture and a Sixth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2014 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) and pay certain expenses incurred in connection with the issuance of the Series 2013A Bonds; and

WHEREAS, the Corporation has now determined to issue a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,200,000,000 (the "Series 2016A Bonds"), in accordance with the Master Indenture and this Supplement No. 7 for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ending May 31, 2016 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2016A Bonds; and

WHEREAS, the Series 2006A Bonds, the Series 2006B Notes, the Series 2007A Notes and the Series 2008A Bonds have been retired, the Series 2010A Bonds have been defeased, and the Series 2016A Bonds shall be issued on a parity basis with the Outstanding Series 2013A Bonds; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 101. MEANING OF WORDS AND TERMS. Unless otherwise required by the context, words and terms used herein which are defined, or the definitions of which are incorporated by reference, in the Master Indenture or the form of the Series 2016A Bonds shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings herein; provided that where the Master Indenture provides that a word or term defined in the Master Indenture may be modified by a Supplemental Indenture and such word or term is defined herein, the definition herein shall control:

"Bond Counsel" means a firm of lawyers, selected by the Corporation, nationally recognized for legal expertise in matters relating to municipal bonds.

"Bond Registrar" means the institution serving at the time as Master Trustee.

"Closing" means the delivery of and payment for the Series 2016A Bonds.

"Closing Date" means the date of the Closing.

"Defaulted Interest" means Defaulted Interest as defined in Section 203 hereof.

"Interest Payment Date" means each July 1 and January 1, the first interest payment date being July 1, 2016.

"Principal Payment Date" means July 1.

"Regular Record Date" means the June 15 and December 15 next preceding each Interest Payment Date.

"Serial Bonds" means the Series 2016A Bonds that are stated to mature on July 1, 2019 and July 1, 2021

"Series 2016A Account of the Costs of Issuance Fund" means the account created and designated by Section 401 hereof.

"Series 2016A Bonds" means the State Board of Administration Finance Corporation Revenue Bonds, Series 2016A, issued pursuant to Section 208 of the Master Indenture and Section 208 of this Supplement No. 7.

"Series 2016A Subaccount of the Interest Account" means the subaccount created and so designated by Section 401 hereof.

"Series 2016A Subaccount of the Principal Account" means the subaccount created and so designated by Section 401 hereof.

"Special Record Date" means a date fixed by the Master Trustee for the payment of Defaulted Interest pursuant to Section 203 hereof.

SECTION 102. RULES OF CONSTRUCTION. The Rule of Construction contained in the Master Indenture shall control the construction of this Supplement No. 7, mutatis mutandis, except as otherwise provided herein.

ARTICLE II
AUTHORIZATION, FORM, ISSUANCE, DELIVERY
AND REGISTRATION OF THE SERIES 2016A BONDS

SECTION 201. LIMITATION ON ISSUANCE OF SERIES 2016A BONDS. No Series 2016A Bonds may be issued under the provisions of this Supplement No. 7 except in accordance with the provisions of the Master Indenture and this Article.

SECTION 202. FORM AND NUMBERING OF SERIES 2016A BONDS. The Series 2016A Bonds are issuable in fully registered form in denominations of \$5,000 and any integral multiple thereof, shall be lettered "RA-", shall be numbered from 1 consecutively upward and shall be substantially in the form set forth in Exhibit A hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Master Indenture or this Supplement No. 7.

SECTION 203. DETAILS OF SERIES 2016A BONDS.

(a) The Series 2016A Bonds shall be dated the date of their delivery, shall bear interest until their payment, such interest to the maturity thereof being payable semi-annually on each January 1 and July 1, the first interest payment date being July 1, 2016, at the rates and shall be stated to mature on July 1 in the years (without right of prior redemption), all as set forth in Section 208 hereof.

(b) Each Series 2016A Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (i) authenticated upon an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Series 2016A Bond interest is in default, such Series 2016A Bond shall bear interest from the date to which interest has been paid.

(c) Both the principal of and the interest on the Series 2016A Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Series 2016A Bond shall be made by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Regular Record Date (i) by check mailed to the Owner at his address as it appears on such registration books or (ii) by wire transfer to any Owner of Series 2016A Bonds in the aggregate principal amount of \$1,000,000 or more that requests such method of payment and has furnished the necessary instructions and information to the Bond Registrar. Payment of the principal of all Series 2016A

Bonds shall be made upon the presentation and surrender of such Series 2016A Bonds at the designated corporate trust office of the Bond Registrar as the same become due and payable (whether at maturity or by acceleration or otherwise).

(d) Any interest on any Series 2016A Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the Corporation, at its election in each case, as provided in paragraph 1 or 2 below:

(1) The Corporation may elect to make payment of any Defaulted Interest on the Series 2016A Bonds to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation shall notify the Master Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2016A Bond and the date of the proposed payment (which date shall be such as will enable the Master Trustee to comply with the next sentence hereof), and at the same time, the Corporation shall deposit with the Master Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Master Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subparagraph provided. Thereupon the Master Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be neither more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Master Trustee of the notice of the proposed payment. The Master Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, such expense to be paid from Gross Receipts or any moneys available to the Corporation for such purpose, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given by first-class mail, postage prepaid, to each Owner at such Owner's address as it appears in the registration books maintained under Section 206 hereof not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Series 2016A Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following paragraph (2).

(2) The Corporation may make payment of any Defaulted Interest on the Series 2016A Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Corporation to the Master Trustee of the proposed payment pursuant to this subparagraph, such payment shall be deemed practicable by the Master Trustee.

Subject to the foregoing provisions of this Section 203, each Series 2016A Bond delivered under this Supplement No. 7 upon registration of, transfer of, in exchange for, or in lieu of any other Series 2016A Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2016A Bond and each such Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 204. EXECUTION AND FORM OF SERIES 2016A BONDS.

(a) The Series 2016A Bonds shall be signed by, or bear the facsimile signatures of, the President and the Secretary of the Corporation and the corporate seal of the Corporation shall be impressed, or a facsimile thereof printed, on the Series 2016A Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Series 2016A Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any Series 2016A Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

(b) The definitive Series 2016A Bonds are issuable as permitted or required by this Supplement No. 7. All Series 2016A Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Series 2016A Bonds may be listed or to any requirement of law with respect thereto.

(c) The Series 2016A Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2016A Bonds are stated to mature, in the aggregate principal amount of the Series 2016A Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), shall be issued and delivered as directed by DTC. The book-entry system shall evidence ownership of the Series 2016A Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Series 2016A Bond and interest with respect thereto shall be payable to Cede & Co. or

any other person appearing in the registration books of the Corporation kept by the Bond Registrar as the Owner of such Series 2016A Bond or its registered assigns or legal representatives. Transfer of principal and interest payments to participants of DTC shall be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2016A Bonds by participants of DTC shall be the responsibility of such participants and other nominees of such beneficial owners. The Corporation, the Bond Registrar and the Master Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

(d) In the event that (i) DTC determines not to continue to act as Securities Depository for the Series 2016A Bonds or (ii) the Corporation determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2016A Bonds would adversely affect the interests of the beneficial owners of the Series 2016A Bonds, or (iii) an Event of Default shall occur with respect to the Series 2016A Bonds and is continuing and the beneficial owners of a majority in principal amount of the Series 2016A Bonds shall advise DTC to cease acting as Securities Depository, the Corporation shall discontinue the book-entry system with DTC. If the Corporation identifies another qualified Securities Depository to replace DTC, the Corporation shall make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the Outstanding Series 2016A Bonds, and the references to DTC or Cede & Co. in this Supplement No. 7 shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Corporation fails to identify another qualified Securities Depository to replace DTC, the Corporation shall deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any integral multiple thereof in exchange for the Outstanding Series 2016A Bonds as required by DTC.

SECTION 205. EXCHANGE OF SERIES 2016A BONDS. (a) Series 2016A Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Series 2016A Bonds of the same maturity, of any denomination or denominations authorized by this Supplement No. 7, bearing interest at the same rate and in the same form as the Series 2016A Bonds surrendered for exchange.

(b) The Corporation shall make provision for the exchange of Series 2016A Bonds at the designated corporate trust office of the Bond Registrar.

SECTION 206. NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2016A BONDS. (a) The institution at the time serving as Master Trustee under the Master Indenture shall be and is hereby appointed Bond Registrar for the Series 2016A Bonds under this Supplement No. 7.

(b) The Bond Registrar shall keep books for the registration and the registration of transfer of Series 2016A Bonds as to which it is Bond Registrar as provided in this Supplement No. 7. The registration books shall be available at all reasonable times for inspection by the Corporation and any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

(c) The Bond Registrar shall evidence acceptance of the duties, responsibilities and obligations of the Bond Registrar under this Supplement No. 7 by the execution of the certificate of authentication on the Series 2016A Bonds.

(d) The transfer of any Series 2016A Bond may be registered only upon the books kept for the registration and registration of transfer of Series 2016A Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar. No transfer of any Series 2016A Bond shall alter the ownership of such Bond for purposes of this Supplement No. 7 unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Series 2016A Bond or Series 2016A Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Supplement No. 7, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

(e) In all cases in which Series 2016A Bonds shall be exchanged or the transfer of Series 2016A Bonds shall be registered hereunder, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Series 2016A Bonds in accordance with the provisions of this Supplement No. 7. All Series 2016A Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. No service charge shall be made for any registration, transfer or exchange of Series 2016A Bonds, but the Corporation and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2016A Bonds.

SECTION 207. OWNERSHIP OF SERIES 2016A BONDS. The Corporation, the Master Trustee, the Bond Registrar and any agent of the Corporation, the Master Trustee or the Bond Registrar, may treat the person in whose name any Series

2016A Bond is registered, including any Securities Depository Nominee, as the absolute Owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Corporation, the Master Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary.

SECTION 208. AUTHORIZATION OF SERIES 2016A BONDS. There shall be issued under and secured by the Master Indenture and this Supplement No. 7 Series 2016A Bonds of the Corporation in the aggregate principal amount of One Billion Two Hundred Million and 00/100 Dollars (\$1,200,000,000.00) for the purpose of providing funds, together with other available funds, to enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by any Covered Events in the Contract Year ending May 31, 2016 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act. The Series 2016A Bonds shall be designated "State Board of Administration Finance Corporation Revenue Bonds, Series 2016A". The Series 2016A Bonds are Pre-Event Parity Obligations and Pre-Event Bonds entitled to the benefits of the covenants and agreements in the Pledge Agreement, the Master Trust Indenture and this Supplement No. 7.

The Series 2016A Bonds shall be stated to mature (subject to the right of prior redemption, if any, as provided in Article III hereof) on July 1 of the following years, and shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months), payable semi-annually on each January 1 and July 1, the first interest payment date being July 1, 2016, until their respective maturities, at the following rates:

<u>Year of Maturity</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$550,000,000	2.163%
2021	650,000,000	2.638

The Series 2016A Bonds shall be executed substantially in the form and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication, but before the Series 2016A Bonds shall be authenticated and delivered to the purchasers thereof, there shall be filed with the Master Trustee, in addition to the items required to be delivered to the Master Trustee pursuant to Section 208 of the Master Indenture, the following:

(a) a copy, certified by an Authorized Officer of the State Board of Administration to be a true and correct copy, of the resolution of the State Board of Administration determining that the Series 2016A Bonds should be issued in the absence of a hurricane in order to maximize the ability of the FHCF to meet future obligations, as contemplated by the last sentence of Section 215.555(6)(a)1. of the Act;

(b) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Master Trust Indenture;

(c) an executed counterpart of this Supplement No. 7;

(d) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Pledge Agreement;

(e) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the resolution of the Corporation (which resolution may be incorporated in this Supplement No. 7), approving the award of the Series 2016A Bonds and directing the authentication and delivery of such Bonds to or upon the order of the underwriters therein named upon payment of the purchase price therein set forth, plus the accrued interest (if any) thereon; provided, however, that the final determination of any of the details of such Bonds, including the purchase price therefor, may be delegated by such resolution to one or more Authorized Officers of the Corporation to the extent set forth therein;

(f) an Officer's Certificate of the Corporation (which may rely upon certificates or other documentation delivered by an Authorized Officer of the State Board of Administration) evidencing compliance with the requirements of Section 704 of the Master Indenture;

(g) an opinion or opinions of special counsel to the Corporation to the effect that (1) this Supplement No. 7, the Master Indenture and the Pledge Agreement have each been duly and validly authorized, executed and delivered by the Corporation and are each valid and binding agreements of the Corporation enforceable in accordance with their respective terms, (2) no provision of the Master Indenture, this Supplement No. 7 or the Pledge Agreement results in or constitutes a default under any agreement, indenture or other instrument to which the Corporation is a party or by which the Corporation may be bound and of which such special counsel to the Corporation has knowledge, (3) the Corporation's execution and delivery of the Master Indenture, this Supplement No. 7 and the Pledge Agreement and execution and issuance of the Series 2016A Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, and (4) the form, terms, execution, issuance and delivery of the Series 2016A Bonds have been duly and validly authorized by the Corporation;

(h) an opinion or opinions of counsel to the State Board of Administration to the effect that (1) the Pledge Agreement has been duly and validly authorized, executed and delivered by the State Board of Administration, acting as the governing body and administrator of the FHCF, and is a valid and binding agreement of the FHCF enforceable in accordance with its terms, (2) the execution and delivery of the Pledge Agreement and compliance with the provisions on the part of the State Board of

Administration contained therein will not, to the best knowledge of such counsel, constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, and (3) the State Board of Administration's execution and delivery of the Pledge Agreement are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected;

- (i) an opinion of Bond Counsel relating to the Series 2016A Bonds; and
- (j) such other documents as are required to be delivered to the Master Trustee pursuant to this Supplement No. 7.

When the documents mentioned in the Master Indenture and subparagraphs (a) through (j), inclusive, above shall have been filed with the Master Trustee, and when the Series 2016A Bonds shall have been executed and authenticated as required by this Supplement No. 7, the Series 2016A Bonds shall be delivered to or upon the order of the purchasers thereof, but only upon the deposit with the Master Trustee or the State Board of Administration, as the case may be, of the purchase price of the Series 2016A Bonds and the accrued interest, if any, thereon.

Simultaneously with the Closing, from the proceeds of the Series 2016A Bonds (net of Underwriters' discount), which is equal to \$1,197,848,797.17, (i) \$1,196,611,867.17, together with \$3,388,132.83 of other legally available funds of the FHCF, shall be deposited with the State Board of Administration, for the account of the FHCF, and be deposited to the credit of the Series 2016A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund established pursuant to Section 8 of the Pledge Agreement, and (ii) \$1,236,930.00 shall be deposited with the Master Trustee into the Series 2016A Account of the Costs of Issuance Fund to pay or reimburse the Corporation for paying the Costs of Issuance associated with the issuance of the Series 2016A Bonds. Of such \$1,197,848,797.17 proceeds, \$12,000,000.00 shall represent the good faith deposit received by the Corporation, via deposit with the State Board of Administration, from the Underwriters of the Series 2016A Bonds.

ARTICLE III REDEMPTION OF SERIES 2016A BONDS

SECTION 301. MAKE-WHOLE REDEMPTION OF SERIES 2016A BONDS. The Series 2016A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2016A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2016A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the Series 2016A Bonds are to be redeemed, discounted to the date on which the Series 2016A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 20 basis points for the 2019 maturity and 25 basis points for the 2021 maturity; plus, in each case, accrued and unpaid interest on the Series 2016A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available prior to the pricing date of the refunding bonds or prior to the redemption date if no refunding bonds are issued (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the refunding bonds pricing date, if issued, or if no refunding bonds are issued, from the redemption date to the maturity date of the Series 2016A Bonds to be redeemed. The Corporation shall confirm in writing to the Master Trustee the amount of principal and interest and the Make-Whole Redemption Price to be paid under this Section.

SECTION 302. NOTICE OF REDEMPTION. When redemption of Series 2016A Bonds is authorized pursuant to the provisions hereof, the Trustee shall give to the Owners of Series 2016A Bonds to be redeemed notice, at the expense of the Corporation, of the redemption of the Series 2016A Bonds. Notice of such redemption of the Series 2016A Bonds shall be given by mail, postage prepaid, not more than thirty (30) days or fewer than fifteen (15) days prior to said date of redemption, to the Owners of any Series 2016A Bonds to be redeemed. Such notice shall state: (i) the CUSIP numbers of all Series 2016A Bonds being redeemed, (ii) the original issue date of such Series 2016A Bonds, (iii) the maturity date and rate of interest borne by each Series 2016A Bond being redeemed, (iv) the redemption date, (v) the date on which such notice is mailed, (vi) if less than all Outstanding Series 2016A Bonds are to be redeemed, the bond number (and, in the case of a partial redemption of any Series 2016A Bond, the principal amount) of each Series 2016A Bond to be redeemed, (vii) that on such redemption date there shall become due and payable upon each Series 2016A Bond to be redeemed the Make-Whole Redemption Price thereof or the Make-Whole Redemption Price of the specified portions

of the principal thereof in the case of Series 2016A Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, and (viii) that the Series 2016A Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment at the designated corporate trust office of the Trustee at an address specified. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect. Such mailing shall not be a condition precedent to such redemption, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the Series 2016A Bonds for which proper notice was given.

In the case of redemption of the Series 2016A Bonds, the Corporation will select the maturities of the Series 2016A Bonds to be redeemed. If the Series 2016A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the Series 2016A Bonds shall be effected by the Bond Registrar among owners on a pro-rata basis subject to minimum authorized denominations. The particular Series 2016A Bonds to be redeemed shall be determined by the Bond Registrar, using such method as it shall deem fair and appropriate. If the Series 2016A Bonds are registered in book-entry only form and so long as DTC is the sole registered owner of the Series 2016A Bonds, if less than all of the Series 2016A Bonds of a maturity are called for prior redemption, the particular Series 2016A Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures; provided that, so long as the Series 2016A Bonds are held in book-entry form, the selection for redemption of such Series 2016A Bonds shall be made in accordance with the operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Bond Registrar pursuant to DTC operational arrangements. If the Bond Registrar does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the Series 2016A Bonds will be selected for redemption in accordance with DTC procedures by lot. It is the Corporation's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Corporation and the Beneficial Owners be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, the Corporation can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2016A Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Series 2016A Bonds will be selected for redemption in accordance with DTC procedures by lot.

ARTICLE IV
ESTABLISHMENT OF ACCOUNTS AND
SUBACCOUNTS, APPLICATION OF NET RECEIPTS
AND INVESTMENT OF FUNDS

SECTION 401. ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS. The following accounts and subaccounts are hereby established:

- (a) Series 2016A Subaccount of the Interest Account of the Bond Fund;
- (b) Series 2016A Subaccount of the Principal Account of the Bond Fund; and
- (c) Series 2016A Account of the Costs of Issuance Fund.

The account and subaccounts mentioned above shall be established with and held by the Master Trustee pursuant to the Master Indenture and this Supplement No. 7 for the benefit of the Owners of the Series 2016A Bonds.

SECTION 402. APPLICATION OF NET RECEIPTS. On or before the dates set forth below, so long as any of the Series 2016A Bonds is Outstanding, the Master Trustee shall withdraw, immediately following any withdrawal required by Section 503(b) of the Master Trust Indenture, from the Reimbursement Premiums Account in the Revenue Fund and, subsequent to such withdrawal, from the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund (other than the Emergency Assessments Account) in the order specified below, the amounts necessary to make the deposits or payments required by Sections 503(c)(iii) and 504 of the Master Trust Indenture, and, if and to the extent that the amounts on deposit to the credit of the Reimbursement Premiums Account, the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund are insufficient to make such deposits or payments, the Master Trustee shall withdraw from the Emergency Assessments Account in the Revenue Fund the amounts necessary to satisfy such deposits or payments; provided, however, in the case of the Series 2016A Bonds, the Master Trustee shall draw first from the Reimbursement Premiums Account, then from the Pre-Event Bonds Investment Income Account and then from the Series 2016A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, prior to making any withdrawal from any of such other Accounts or any other account or subaccount, and the Master Trustee shall apply such amounts to the various subaccounts specified herein in the following order:

- (a) into the Series 2016A Subaccount of the Interest Account, on the Business Day immediately preceding each Interest Payment Date, an amount equal to the interest payable on the Series 2016A Bonds on such Interest Payment Date; and

(b) into the Series 2016A Subaccount of the Principal Account, on the Business Day immediately preceding each Principal Payment Date, an amount equal to the principal of the Series 2016A Bonds coming due on such Principal Payment Date.

SECTION 403. INVESTMENT OF MONEY. (a) Money held for the credit of the subaccounts established hereunder on deposit with the Master Trustee shall be continuously invested and reinvested by the Master Trustee, at the written direction of the Corporation, in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts will be required for the purposes intended. No Investment Obligations in any such subaccount may mature beyond the latest maturity date of any Series 2016A Bonds Outstanding at the time such Investment Obligations are deposited.

(b) Investment Obligations acquired with money in or credited to any subaccount established hereunder shall be deemed at all times to be part of such subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations to the credit of such subaccounts shall be credited to such respective subaccounts.

(c) Any such interest accruing and any such profit realized from the subaccounts established hereunder shall be transferred upon the receipt thereof by the Corporation or the Master Trustee, as the case may be, pursuant to the provisions of the Master Indenture and this Supplement No. 7.

(d) An Authorized Officer of the Corporation shall give to the Master Trustee written directions respecting the investment of any money required to be invested hereunder; subject, however, to the provisions of this Section 403, and the Master Trustee shall then invest such money in Investment Obligations as so directed. The Master Trustee may request in writing additional directions or authorization from an Authorized Officer of the Corporation with respect to the proposed investment of money. Upon receipt of such directions, the Master Trustee shall invest, subject to the provisions of this Section 403, such money in accordance with such directions.

(e) The Master Trustee shall sell at the fair market price or, acting in a commercially reasonable manner, reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so in order to provide money to make any payment from any such subaccount. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(f) Whenever a transfer of money between two or more of the subaccounts is permitted or required, such transfer may be made as a whole or value determined at the time of such transfer in accordance with Article VI of the Master Indenture; provided that the Investment Obligations transferred are those in which money of the receiving subaccount could be invested at the date of such transfer.

SECTION 404. PAYMENT OF PRINCIPAL AND INTEREST. (a) The Corporation covenants that it will promptly pay the principal of and the interest on every Series 2016A Bond issued under the provisions of this Supplement No. 7 at the places, on the dates and in the manner provided herein and in the Series 2016A Bonds, according to the true intent and meaning thereof and in accordance with the provisions of the Master Indenture and this Supplement No. 7. The Series 2016A Bonds shall constitute Bonds and Parity Obligations under the Master Indenture and shall be secured by the trust estate set forth in the Master Indenture. The Corporation further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Supplement No. 7 and the Master Indenture, or in any Series 2016A Bond executed, authenticated and delivered hereunder or in any proceedings of the Corporation pertaining thereto. The Corporation represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2016A Bonds authorized hereby and to pledge the Net Receipts in the manner and to the extent in the Master Indenture set forth; that all action on its part for the issuance of the Series 2016A Bonds has been duly and effectively taken; and that such Series 2016A Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the Corporation payable according to their terms.

(b) Subject to the provisions of Sections 503 and 504 of the Master Indenture, on the Business Day preceding each Interest Payment Date or Interest Payment Date and Principal Payment Date, the Master Trustee shall first set aside an amount sufficient to pay the interest on the Series 2016A Bonds becoming due and payable on such Interest Payment Date, and then an amount sufficient to pay the principal of the Series 2016A Bonds becoming due and payable on such Principal Payment Date, and shall make payments as provided herein and in the forms of the Series 2016A Bonds.

(c) At such time as to enable the Bond Registrar to make payments of interest on the Series 2016A Bonds in accordance with Section 203(c) hereof, the Master Trustee shall withdraw from the Series 2016A Subaccount of the Interest Account and make available to the Bond Registrar the amounts required to pay interest on the Series 2016A Bonds on the next succeeding Interest Payment Date. At such time as to enable the Bond Registrar to make payments of principal of the Series 2016A Bonds, the Master Trustee shall withdraw from the Series 2016A Subaccount of the Principal Account the amount required to pay the Series 2016A Bonds on the next succeeding Principal Payment Date and make the same available to the Bond Registrar for the payment of the Series 2016A

Bonds in accordance with the provisions of Section 203(c) hereof and in the manner provided in the forms of the Series 2016A Bonds.

(d) The Series 2016A Bonds shall not be secured by the Parity Common Reserve Account.

SECTION 405. STATE COVENANT. The Corporation acknowledges that Section 708 of the Master Indenture constitutes an important security provision of the Series 2016A Bonds, and confirms that the acknowledgement set forth in this Section 405 has been included as a result of negotiations with the underwriters of the Series 2016A Bonds.

ARTICLE V
THE MASTER TRUSTEE

SECTION 501. ACCEPTANCE OF DUTIES BY MASTER TRUSTEE.

The Master Trustee by execution hereof accepts and agrees to perform the duties and fulfill the trusts imposed upon it by this Supplement No. 7.

**ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE
AND SUPPLEMENTAL INDENTURES**

SECTION 601. AMENDMENT OF MASTER TRUST INDENTURE. Notwithstanding Section 503(e) of the Master Trust Indenture and Section 3(f) of the Pledge Agreement or in any other provision of the Master Indenture or the Pledge Agreement to the contrary, the State Board of Administration will transfer Reimbursement Premiums to the Master Trustee in an amount sufficient to provide for interest payments on Pre-Event Parity Obligations payable or projected to be payable during the period commencing on the first day of the Fiscal Year next succeeding the then current Fiscal Year referenced in Section 503(e)(ii)(Y) of the Master Trust Indenture and Section 3(f)(ii) of the Pledge Agreement and ending on the date that the Reimbursement Premiums to be transferred or otherwise available to the Master Trustee under the Pledge Agreement with respect to such next succeeding Fiscal Year are projected to be sufficient to provide for the transfers provided for in Section 504(a) of the Master Trust Indenture for such next succeeding Fiscal Year for all Outstanding Pre-Event Parity Obligations.

SECTION 602. AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS. The Corporation and the Master Trustee may, from time to time and at any time, without the consent of or notice to any of the Owners of the Series 2016A Bonds, execute and deliver such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Supplement No. 7:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Supplement No. 7 or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Supplement No. 7;

(b) to grant or to confer upon the Master Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Master Trustee;

(c) to add to the covenants and agreements of the Corporation in this Supplement No. 7 other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power herein reserved to or conferred upon the Corporation;

(d) to permit the qualification of this Supplement No. 7 under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation so determines, to add to this Supplement No. 7 or any supplemental indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law;

(e) to provide for the issuance of Series 2016A Bonds in bearer form; or

(f) to make any other change that, in the opinion of the Trustee, which may, but is not required to, rely upon one or more of affirmation of ratings by the Rating Agencies, certificates of Consultants and Opinions of Counsel for such purpose, shall not materially adversely affect the security for the Parity Obligations.

SECTION 603. MODIFICATION OF SUPPLEMENT NO. 7 WITH CONSENT OF OWNERS. (a) Subject to the terms and provisions contained in this Section 603, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2016A Bonds then Outstanding shall have the right, from time to time, anything contained in this Supplement No. 7 to the contrary notwithstanding, to consent to and approve the adoption by the Corporation and the acceptance by the Master Trustee of such supplemental indentures as shall be deemed necessary or desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Supplement No. 7 or in any supplemental indenture hereto; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2016A Bond without the consent of the Owner of such Series 2016A Bond, (b) a reduction in the principal amount of any Series 2016A Bond or the rate of interest on any Series 2016A Bond without the consent of the Owner of such Series 2016A Bond, (c) the creation of a pledge of Net Receipts other than the lien and pledge created by the Master Indenture without the consent of the Owners of all Series 2016A Bonds, (d) a preference or priority of any Series 2016A Bond over any other Series 2016A Bond without the consent of the Owners of all Series 2016A Bonds, or (e) a reduction in the aggregate principal amount of Series 2016A Bonds required for consent to such supplemental indenture without the consent of the Owners of all Series 2016A Bonds. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the execution and delivery of any supplemental indenture as authorized in Section 602 hereof.

(b) The Master Trustee shall, at the expense of the Corporation, such expense to be paid from Gross Receipts or from any other available moneys, cause notice of the proposed execution and delivery of such supplemental indenture to be mailed, first class, postage prepaid, to all Owners of the Series 2016A Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Master Trustee for inspection by

all Owners. The Master Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section 603, and any such failure shall not affect the validity of such supplemental indenture when approved and consented to as provided in this Section 603.

(c) Whenever, at any time within three years after the date of the mailing of such notice, the Corporation shall deliver to the Master Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2016A Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Corporation and the Master Trustee may execute and deliver such supplemental indenture in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

(d) If the Owners of not less than a majority in aggregate principal amount of the Series 2016A Bonds Outstanding at the time of the execution of such supplemental indenture have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the execution and delivery of such supplemental indenture, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the Corporation or the Master Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution and delivery of any supplemental indenture pursuant to the provisions of this Section 603 or Section 602 hereof, this Supplement No. 7 shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Supplement No. 7 of the Corporation, the Master Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Supplement No. 7, as so modified and amended.

SECTION 604. EXCLUSION OF SERIES 2016A BONDS. Series 2016A Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Series 2016A Bonds provided for in this Article VI, and the Corporation as Owner of such Series 2016A Bonds shall not be entitled to consent or take any other action provided for in this Article VI. At the time of any consent or other action taken under this Article VI, the Corporation shall furnish the Master Trustee an Officer's Certificate, upon which the Master Trustee may rely, describing all Series 2016A Bonds so to be excluded.

SECTION 605. RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE. The Master Trustee and the Corporation shall be entitled to exercise their discretion in determining whether or not any proposed supplemental indenture or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Corporation, the rights and interests of the Owners, and the rights, obligations and interests of the Master Trustee. The Master Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be Bond Counsel for the Corporation, as conclusive evidence that any such proposed supplemental indenture does or does not comply with the provisions of this Supplement No. 7, and that it is or is not proper for it, under the provisions of this Article VI, to execute and deliver such supplemental indenture.

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701. QUALIFIED ESCROW FUNDS. Notwithstanding any provisions herein to the contrary, any and all moneys in the Series 2016A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Series 2016A Subaccount of the Interest Account of the Bond Fund, the Series 2016A Subaccount of the Principal Account of the Bond Fund and any other account or subaccount designated by the President or other authorized officer may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President or other authorized officer. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such Series 2016A Bonds as may be designated by the President or other authorized officer of the Corporation.

**ARTICLE VIII.
MISCELLANEOUS PROVISIONS**

SECTION 801. MANNER OF GIVING NOTICE. All notices, demands and requests to be given to or made hereunder by the Corporation, the Master Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the Corporation--

State Board of Administration Finance Corporation
c/o State Board of Administration of the State of Florida
1801 Hermitage Boulevard
Tallahassee, Florida 32308
Attention: President

(b) As to the Master Trustee or Bond Registrar--

Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States certified or registered mail, postage prepaid, to the other parties by the party effecting the change.

SECTION 802. SUBSTITUTE NOTICE. If, because of the temporary or permanent suspension of postal service, the Corporation, the Master Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplement No. 7, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Supplement No. 7 be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 803. CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 7. Except as herein otherwise expressly provided, nothing in this Supplement No. 7, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Corporation, the Master Trustee, the Bond Registrar and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplement No. 7 or any provision being intended to be and being for the sole and exclusive benefit of the Corporation, the Master Trustee, the Bond Registrar and the Owners.

SECTION 804. EFFECT OF PARTIAL INVALIDITY. All covenants, stipulations, obligations and agreements of the Corporation contained in this Supplement No. 7 shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent permitted by the Constitution and laws of the State. In case any one or more of the provisions of this Supplement No. 7 or the Series 2016A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplement No. 7 or the Series 2016A Bonds, but this Supplement No. 7 and the Series 2016A Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplement No. 7 or the Series 2016A Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation to the full extent permitted by law.

SECTION 805. EFFECT OF COVENANTS: GOVERNING LAW. This Supplement No. 7 is executed and delivered with the intent that the laws of the State shall govern this construction.

SECTION 806. HEADINGS. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplement No. 7, nor shall they affect its meaning, construction or effect.

SECTION 807. FURTHER AUTHORITY. The officers, attorneys and other agents or employees of the Corporation are hereby authorized to do all acts and things required of them by this Supplement No. 7 for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2016A Bonds and this Supplement No. 7.

SECTION 808. PAYMENT DUE ON NON-BUSINESS DAYS. In the case of the Series 2016A Bonds, if the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplement No. 7 is not a Business Day, such payment may be made or act performed or right exercised

on the next Business Day with the same force and effect as if done on the date provided in this Supplement No. 7.

SECTION 809. MULTIPLE COUNTERPARTS. This Supplement No. 7 may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

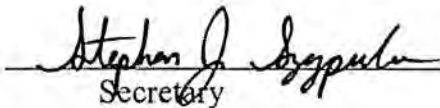
IN WITNESS WHEREOF, the Corporation and the Master Trustee have caused this Supplement No. 7 to be executed in their respective names by their respective duly authorized officers all as of the date first written above.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

(SEAL.)

By: 
President

ATTEST:

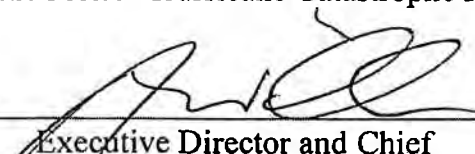

Secretary

**REGIONS BANK, as
Master Trustee**

By: 
Vice President and Trust Officer

Acknowledged By:

**STATE BOARD OF ADMINISTRATION
OF THE STATE OF FLORIDA,**
acting as the governing body and administrator
of the Florida Hurricane Catastrophe Fund

By: 
Executive Director and Chief
Investment Officer

NINTH SUPPLEMENTAL INDENTURE

by and between

STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

and

**REGIONS BANK
(successor to Wells Fargo Bank, N.A.),
as Master Trustee**

Dated as of [MONTH] 1, 2023

**Authorizing and Securing
\$ _____
State Board of Administration Finance Corporation
Revenue Bonds, Series 2023A
(Taxable)**

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

SECTION 101.	MEANING OF WORDS AND TERMS	4
SECTION 102.	RULES OF CONSTRUCTION	5

ARTICLE II AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF THE SERIES 2023A BONDS

SECTION 201.	LIMITATION ON ISSUANCE OF SERIES 2023A BONDS.....	6
SECTION 202.	FORM AND NUMBERING OF SERIES 2023A BONDS	6
SECTION 203.	DETAILS OF SERIES 2023A BONDS.....	6
SECTION 204.	EXECUTION AND FORM OF SERIES 2023A BONDS.....	8
SECTION 205.	EXCHANGE OF SERIES 2023A BONDS.....	9
SECTION 206.	NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2023A BONDS	9
SECTION 207.	OWNERSHIP OF SERIES 2023A BONDS	10
SECTION 208.	AUTHORIZATION OF SERIES 2023A BONDS.....	11

ARTICLE III REDEMPTION OF SERIES 2023A BONDS

SECTION 301.	MAKE WHOLE REDEMPTION OF SERIES 2023A BONDS	14
SECTION 302.	NOTICE OF REDEMPTION	14

ARTICLE IV ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS, APPLICATION OF NET RECEIPTS AND INVESTMENT OF FUNDS

SECTION 401.	ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS.....	16
SECTION 402.	APPLICATION OF NET RECEIPTS	16
SECTION 403.	INVESTMENT OF MONEY	17
SECTION 404.	PAYMENT OF PRINCIPAL AND INTEREST.....	18
SECTION 405.	STATE COVENANT	19

ARTICLE V THE MASTER TRUSTEE

SECTION 501.	ACCEPTANCE OF DUTIES BY MASTER TRUSTEE.....	20
--------------	---	----

ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE AND SUPPLEMENTAL
INDENTURES

SECTION 601.	AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS	21
SECTION 602.	MODIFICATION OF SUPPLEMENT NO. 9 WITH CONSENT OF OWNERS	21
SECTION 603.	EXCLUSION OF SERIES 2023A BONDS	23
SECTION 604.	RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE.....	23

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701.	QUALIFIED ESCROW FUNDS	24
--------------	------------------------------	----

ARTICLE VIII.
MISCELLANEOUS PROVISIONS

SECTION 801.	MANNER OF GIVING NOTICE	25
SECTION 802.	SUBSTITUTE NOTICE	25
SECTION 803.	CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 9	26
SECTION 804.	EFFECT OF PARTIAL INVALIDITY	26
SECTION 805.	GOVERNING LAW	26
SECTION 806.	HEADINGS	26
SECTION 807.	FURTHER AUTHORITY	26
SECTION 808.	PAYMENT DUE ON NON-BUSINESS DAYS	26
SECTION 809.	MULTIPLE COUNTERPARTS	27
Exhibit A	Form of Series 2023A Bonds.....	A-1

NINTH SUPPLEMENTAL INDENTURE

THIS NINTH SUPPLEMENTAL INDENTURE, dated as of [MONTH] 1, 2023 ("Supplement No. 9"), by and between the State Board of Administration Finance Corporation, an instrumentality of the State of Florida (the "Corporation"), and Regions Bank (successor to Wells Fargo Bank, N.A.), a state banking corporation existing under the laws of the State of Alabama and having a corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the "Master Trustee"),

WITNESSETH:

WHEREAS, Section 215.555, Florida Statutes (the "Act") creates the Florida Hurricane Catastrophe Fund, a trust fund established for bond covenants, indentures or resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of Florida (the "FHCF"), and provides that the FHCF will be administered by the State Board of Administration of Florida (in its capacity as the governing body and administrator of the FHCF, the "State Board of Administration"); and

WHEREAS, the Corporation has executed and delivered a Master Trust Indenture, dated as of June 1, 2006 (the "Master Trust Indenture" and as supplemented and amended, particularly as amended by the Seventh Supplemental Indenture, dated as of March 1, 2016, the "Master Indenture"), by and between the Corporation and the Master Trustee, which authorizes the Corporation to issue Parity Obligations (as defined in the Master Indenture) in accordance with the provisions thereof and hereof; and

WHEREAS, the Corporation issued on July 6, 2006, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,350,025,000 (the "Series 2006A Bonds") in accordance with the Master Indenture and a First Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds; and

WHEREAS, the Corporation issued on July 21, 2006, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$2,800,000,000 (the "Series 2006B Notes") in accordance with the Master Indenture and a Second Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by

any Covered Events (as defined in the Act) occurring in the Contract Year ended May 31, 2007 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006B Notes, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2006B Notes; and

WHEREAS, the Corporation issued in October 2007, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$3,500,000,000 (the "Series 2007A Notes"), in accordance with the Master Indenture and a Third Supplemental Indenture (the "Third Supplemental Indenture") for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2008 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2007A Notes; and

WHEREAS, the Corporation issued on July 31, 2008, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$625,000,000 (the "Series 2008A Bonds"), in accordance with the Master Indenture and a Fourth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2008A Bonds; and

WHEREAS, the Corporation issued on May 25, 2010, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$675,920,000 (the "Series 2010A Bonds"), in accordance with the Master Indenture and a Fifth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2010A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2010A Bonds; and

WHEREAS, the Corporation issued on April 23, 2013, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$2,000,000,000 (the "Series 2013A Bonds"), in accordance with the Master Indenture and a Sixth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide

funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2014 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2013A Bonds; and

WHEREAS, the Corporation issued on March 8, 2016, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,200,000,000 (the "Series 2016A Bonds"), in accordance with the Master Indenture and a Seventh Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2016 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) and pay certain expenses incurred in connection with the issuance of the Series 2016A Bonds; and

WHEREAS, the Corporation issued on September 16, 2020, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$3,500,000,000 (the "Series 2020A Bonds"), in accordance with the Master Indenture and an Eighth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2021 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) and pay certain expenses incurred in connection with the issuance of the Series 2020A Bonds; and

WHEREAS, the Corporation has now determined to issue a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$_____ (the "Series 2023A Bonds"), in accordance with the Master Indenture and this Supplement No. 9 for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by [any Covered Events occurring in the Contract Year ending May 31, 2024 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act,] and (ii) pay certain expenses incurred in connection with the issuance of the Series 2023A Bonds; and

WHEREAS, the Series 2006A Bonds, the Series 2006B Notes, the Series 2007A Notes, the Series 2008A Bonds, the Series 2010A Bonds, the Series 2013A Bonds and the Series 2016A Bonds have been retired and the Series 2023A Bonds shall be issued on a parity basis with the Outstanding Series 2020A Bonds; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 101. MEANING OF WORDS AND TERMS. Unless otherwise required by the context, words and terms used herein which are defined, or the definitions of which are incorporated by reference, in the Master Indenture or the form of the Series 2023A Bonds shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings herein; provided that where the Master Indenture provides that a word or term defined in the Master Indenture may be modified by a Supplemental Indenture and such word or term is defined herein, the definition herein shall control:

"Bond Counsel" means a firm of lawyers, selected by the Corporation, nationally recognized for legal expertise in matters relating to municipal bonds.

"Bond Registrar" means the institution serving at the time as Master Trustee.

"Closing" means the delivery of and payment for the Series 2023A Bonds.

"Closing Date" means the date of the Closing.

"Defaulted Interest" means Defaulted Interest as defined in Section 203 hereof.

"Interest Payment Date" means each July 1 and January 1, the first interest payment date being _____ 1, 2024.

"Make Whole Period" means the period between the date of redemption of the Series 2023A Bonds to be redeemed pursuant to Section 301(b) of this Supplement No. 9 and the maturity thereof.

"Principal Payment Date" means July 1 in which principal of the Serial Bonds comes due.

"Regular Record Date" means the June 15 and December 15 next preceding each Interest Payment Date.

"Serial Bonds" means the Series 2023A Bonds that are stated to mature on July 1 in the years ____, ____ and ____.

"Series 2023A Account of the Costs of Issuance Fund" means the account created and designated by Section 401 hereof.

"Series 2023A Bonds" means the State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable), issued pursuant to Section 208 of the Master Indenture and Section 208 of this Supplement No. 9.

"Series 2023A Subaccount of the Interest Account" means the subaccount created and so designated by Section 401 hereof.

"Series 2023A Subaccount of the Principal Account" means the subaccount created and so designated by Section 401 hereof.

"Series 2023A Subaccount of the Sinking Fund Account" means the subaccount created and so designated by Section 401 hereof.

"Special Record Date" means a date fixed by the Master Trustee for the payment of Defaulted Interest pursuant to Section 203 hereof.

SECTION 102. RULES OF CONSTRUCTION. The Rule of Construction contained in the Master Indenture shall control the construction of this Supplement No. 9, mutatis mutandis, except as otherwise provided herein.

ARTICLE II
AUTHORIZATION, FORM, ISSUANCE, DELIVERY
AND REGISTRATION OF THE SERIES 2023A BONDS

SECTION 201. LIMITATION ON ISSUANCE OF SERIES 2023A BONDS. No Series 2023A Bonds may be issued under the provisions of this Supplement No. 9 except in accordance with the provisions of the Master Indenture and this Article.

SECTION 202. FORM AND NUMBERING OF SERIES 2023A BONDS. The Series 2023A Bonds are issuable in fully registered form in denominations of \$1,000 and any integral multiple thereof, shall be lettered "RA-", shall be numbered from 1 consecutively upward and shall be substantially in the form set forth in Exhibit A hereto and made a part hereof, with such appropriate variations, deletions and insertions as are permitted or required by the Master Indenture or this Supplement No. 9.

SECTION 203. DETAILS OF SERIES 2023A BONDS. (a) The Series 2023A Bonds shall be dated the date of their delivery, shall bear interest until their payment, such interest to the maturity thereof being payable semiannually on each July 1 and January 1, the first interest payment date being _____ 1, 2024, at the rates and shall be stated to mature on July 1 in the years, all as set forth in Section 208 hereof. [The Series 2023A Bonds shall be issued as Serial Bonds as provided in Section 208 hereof.]

(b) Each Series 2023A Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (i) authenticated upon an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Series 2023A Bond interest is in default, such Series 2023A Bond shall bear interest from the date to which interest has been paid.

(c) Both the principal of and the interest on the Series 2023A Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Series 2023A Bond shall be made by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Regular Record Date (i) by check mailed to the Owner at his address as it appears on such registration books or (ii) by wire transfer to any Owner of Series 2023A Bonds in the aggregate principal amount of \$1,000,000 or more that requests such method of payment and has furnished the necessary instructions and information to the Bond Registrar. Payment of the principal of all Series 2023A Bonds shall be made upon the presentation and surrender of such Series 2023A Bonds at the designated corporate trust office of the Bond Registrar as the same become due and payable (whether at maturity or by acceleration or otherwise).

(d) Any interest on any Series 2023A Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the Corporation, at its election in each case, as provided in paragraph 1 or 2 below:

(1) The Corporation may elect to make payment of any Defaulted Interest on the Series 2023A Bonds to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation shall notify the Master Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2023A Bond and the date of the proposed payment (which date shall be such as will enable the Master Trustee to comply with the next sentence hereof), and at the same time, the Corporation shall deposit with the Master Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Master Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subparagraph provided. Thereupon the Master Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be neither more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Master Trustee of the notice of the proposed payment. The Master Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, such expense to be paid from Gross Receipts or any moneys available to the Corporation for such purpose, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given by first-class mail, postage prepaid, to each Owner at such Owner's address as it appears in the registration books maintained under Section 206 hereof not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Series 2023A Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following paragraph (2).

(2) The Corporation may make payment of any Defaulted Interest on the Series 2023A Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the

Corporation to the Master Trustee of the proposed payment pursuant to this subparagraph, such payment shall be deemed practicable by the Master Trustee.

Subject to the foregoing provisions of this Section 203, each Series 2023A Bond delivered under this Supplement No. 9 upon registration of, transfer of, in exchange for, or in lieu of any other Series 2023A Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2023A Bond and each such Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 204. EXECUTION AND FORM OF SERIES 2023A BONDS.

(a) The Series 2023A Bonds shall be signed by, or bear the facsimile signatures of, the President and the Secretary of the Corporation and the corporate seal of the Corporation shall be impressed, or a facsimile thereof printed, on the Series 2023A Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Series 2023A Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any Series 2023A Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

(b) The definitive Series 2023A Bonds are issuable as permitted or required by this Supplement No. 9. All Series 2023A Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Series 2023A Bonds may be listed or to any requirement of law with respect thereto.

(c) The Series 2023A Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2023A Bonds are stated to mature, in the aggregate principal amount of the Series 2023A Bonds (provided that if the aggregate principal amount of any single maturity exceeds \$500,000,000, separate bond certificates shall be issued for each \$500,000,000 and any amount in excess thereof) stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), shall be issued and delivered as directed by DTC. The book-entry system shall evidence ownership of the Series 2023A Bonds in the principal amount of \$1,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Series 2023A Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing in the registration books of the Corporation kept by the Bond Registrar as the Owner of such Series 2023A Bond or its registered assigns or legal representatives. Transfer of principal and interest payments to participants of DTC shall be the responsibility of DTC,

and transfer of principal and interest payments to beneficial owners of the Series 2023A Bonds by participants of DTC shall be the responsibility of such participants and other nominees of such beneficial owners. The Corporation, the Bond Registrar and the Master Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

(d) In the event that (i) DTC determines not to continue to act as Securities Depository for the Series 2023A Bonds or (ii) the Corporation determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2023A Bonds would adversely affect the interests of the beneficial owners of the Series 2023A Bonds, or (iii) an Event of Default shall occur with respect to the Series 2023A Bonds and is continuing and the beneficial owners of a majority in principal amount of the Series 2023A Bonds shall advise DTC to cease acting as Securities Depository, the Corporation shall discontinue the book-entry system with DTC. If the Corporation identifies another qualified Securities Depository to replace DTC, the Corporation shall make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the Outstanding Series 2023A Bonds, and the references to DTC or Cede & Co. in this Supplement No. 9 shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Corporation fails to identify another qualified Securities Depository to replace DTC, the Corporation shall deliver replacement bonds in the form of fully registered certificates in the denomination of \$1,000 or any integral multiple thereof in exchange for the Outstanding Series 2023A Bonds as required by DTC.

SECTION 205. EXCHANGE OF SERIES 2023A BONDS. (a) Series 2023A Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Series 2023A Bonds of the same maturity, of any denomination or denominations authorized by this Supplement No. 9, bearing interest at the same rate and in the same form as the Series 2023A Bonds surrendered for exchange.

(b) The Corporation shall make provision for the exchange of Series 2023A Bonds at the designated corporate trust office of the Bond Registrar.

SECTION 206. NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2023A BONDS. (a) The institution at the time serving as Master Trustee under the Master Indenture shall be and is hereby appointed Bond Registrar for the Series 2023A Bonds under this Supplement No. 9.

(b) The Bond Registrar shall keep books for the registration and the registration of transfer of Series 2023A Bonds as to which it is Bond Registrar as provided in this Supplement No. 9. The registration books shall be available at all reasonable times for inspection by the Corporation and any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

(c) The Bond Registrar shall evidence acceptance of the duties, responsibilities and obligations of the Bond Registrar under this Supplement No. 9 by the execution of the certificate of authentication on the Series 2023A Bonds.

(d) The transfer of any Series 2023A Bond may be registered only upon the books kept for the registration and registration of transfer of Series 2023A Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar. No transfer of any Series 2023A Bond shall alter the ownership of such Bond for purposes of this Supplement No. 9 unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Series 2023A Bond or Series 2023A Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Supplement No. 9, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

(e) In all cases in which Series 2023A Bonds shall be exchanged or the transfer of Series 2023A Bonds shall be registered hereunder, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Series 2023A Bonds in accordance with the provisions of this Supplement No. 9. All Series 2023A Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. No service charge shall be made for any registration, transfer or exchange of Series 2023A Bonds, but the Corporation and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2023A Bonds.

SECTION 207. OWNERSHIP OF SERIES 2023A BONDS. The Corporation, the Master Trustee, the Bond Registrar and any agent of the Corporation, the Master Trustee or the Bond Registrar, may treat the person in whose name any Series 2023A Bond is registered, including any Securities Depository Nominee, as the absolute Owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Corporation, the Master Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary.

SECTION 208. AUTHORIZATION OF SERIES 2023A BONDS. There shall be issued under and secured by the Master Indenture and this Supplement No. 9 Series 2023A Bonds of the Corporation in the aggregate principal amount of _____ and 00/100 Dollars (\$_____) for the purpose of providing funds, together with other available funds, to enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by any [Covered Events in the Contract Year ending May 31, 2024 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act]. The Series 2023A Bonds shall be designated "State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)". The Series 2023A Bonds are Pre-Event Parity Obligations and Pre-Event Bonds entitled to the benefits of the covenants and agreements in the Pledge Agreement, the Master Trust Indenture and this Supplement No. 9.

The Series 2023A Bonds shall be stated to mature (subject to the right of prior redemption, if any, as provided in Article III hereof) on July 1 of the following years, and shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months), payable semiannually on each July 1 and January 1, the first interest payment date being _____ 1, 2024, until their respective maturities, at the following rates:

Year of Maturity (July 1)	Principal Amount	Interest Rate
------------------------------	------------------	---------------

The Series 2023A Bonds shall be executed substantially in the form and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication, but before the Series 2023A Bonds shall be authenticated and delivered to the purchasers thereof, there shall be filed with the Master Trustee, in addition to the items required to be delivered to the Master Trustee pursuant to Section 208 of the Master Indenture, the following:

- (a) a copy, certified by an Authorized Officer of the State Board of Administration to be a true and correct copy, of the resolution of the State Board of Administration determining that the Series 2023A Bonds should be issued in the absence of a hurricane in order to maximize the ability of the FHCF to meet future obligations, as contemplated by the last sentence of Section 215.555(6)(a)1. of the Act;
- (b) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Master Trust Indenture;

- (c) an executed counterpart of this Supplement No. 9;
- (d) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Pledge Agreement;
- (e) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the resolution of the Corporation (which resolution may be incorporated in this Supplement No. 9), approving the award of the Series 2023A Bonds and directing the authentication and delivery of such Series 2023A Bonds to or upon the order of the underwriters therein named upon payment of the purchase price therein set forth, plus the accrued interest (if any) thereon; provided, however, that the final determination of any of the details of such Series 2023A Bonds, including the purchase price therefor, may be delegated by such resolution to one or more Authorized Officers of the Corporation to the extent set forth therein;
- (f) an Officer's Certificate of the Corporation (which may rely upon certificates or other documentation delivered by an Authorized Officer of the State Board of Administration) evidencing compliance with the requirements of Section 704 of the Master Indenture;
- (g) an opinion or opinions of special counsel to the Corporation to the effect that (1) this Supplement No. 9, the Master Indenture and the Pledge Agreement have each been duly and validly authorized, executed and delivered by the Corporation and are each valid and binding agreements of the Corporation enforceable in accordance with their respective terms, (2) no provision of the Master Indenture, this Supplement No. 9 or the Pledge Agreement results in or constitutes a default under any agreement, indenture or other instrument to which the Corporation is a party or by which the Corporation may be bound and of which such special counsel to the Corporation has knowledge, (3) the Corporation's execution and delivery of the Master Indenture, this Supplement No. 9 and the Pledge Agreement and execution and issuance of the Series 2023A Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, and (4) the form, terms, execution, issuance and delivery of the Series 2023A Bonds have been duly and validly authorized by the Corporation;
- (h) an opinion or opinions of counsel to the State Board of Administration to the effect that (1) the Pledge Agreement has been duly and validly authorized, executed and delivered by the State Board of Administration, acting as the governing body and administrator of the FHCF, and is a valid and binding agreement of the FHCF enforceable in accordance with its terms, (2) the execution and delivery of the Pledge Agreement and compliance with the provisions on the part of the State Board of Administration contained therein will not, to the best knowledge of such counsel, constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note,

resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, and (3) the State Board of Administration's execution and delivery of the Pledge Agreement is not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected;

- (i) an opinion of Bond Counsel relating to the Series 2023A Bonds; and
- (j) such other documents as are required to be delivered to the Master Trustee pursuant to this Supplement No. 9.

When the documents mentioned in the Master Indenture and subparagraphs (a) through (j), inclusive, above shall have been filed with the Master Trustee, and when the Series 2023A Bonds shall have been executed and authenticated as required by this Supplement No. 9, the Series 2023A Bonds shall be delivered to or upon the order of the purchasers thereof, but only upon the deposit with the Master Trustee or the State Board of Administration, as the case may be, of the purchase price of the Series 2023A Bonds and the accrued interest, if any, thereon.

Simultaneously with the Closing, the proceeds of the Series 2023A Bonds (net of Underwriters' discount of \$_____), which is equal to \$_____, together with \$_____ of other legally available funds of the FHCF, (i) \$_____ shall be deposited with the State Board of Administration, for the account of the FHCF, and be deposited to the credit of the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund established pursuant to Section 8 of the Pledge Agreement, and (ii) \$_____ shall be deposited with the Master Trustee into the Series 2023A Account of the Costs of Issuance Fund to pay or reimburse the Corporation for paying Costs of Issuance associated with the Series 2023A Bonds. Of such \$_____ proceeds, \$_____ shall represent the good faith deposit received by the Corporation, via deposit with the State Board of Administration, from the Underwriters of the Series 2023A Bonds.

ARTICLE III REDEMPTION OF SERIES 2023A BONDS

SECTION 301. MAKE WHOLE REDEMPTION OF SERIES 2023A BONDS. The Series 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2023A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2023A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the Series 2023A Bonds are to be redeemed, discounted to the date on which the Series 2023A Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus _____ (_____) basis points; plus, in each case, accrued and unpaid interest on the Series 2023A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, (i) the time-weighted interpolated average yield to maturity, assuming a 360-day year consisting of twelve 30-day months, for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H.15 that is publicly available not less than two (2) Business Days nor more than 45 calendar days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee most nearly equal to the period from the redemption date to the maturity date of such Series 2023A Bonds)) maturing immediately preceding and succeeding the Make Whole Period taking into account any Sinking Fund Requirements for such Series 2023A Bonds or (ii) if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury Securities adjusted to a constant maturity of one year. The Treasury Rate will be determined by the Corporation, and the Make-Whole Redemption Price shall be calculated by the Corporation and provided to the Trustee.

SECTION 302. NOTICE OF REDEMPTION. When redemption of Series 2023A Bonds is authorized pursuant to the provisions hereof, the Trustee shall give to the Owners of Series 2023A Bonds to be redeemed notice, at the expense of the Corporation, of the redemption of the Series 2023A Bonds. Notice of such redemption of the Series 2023A Bonds shall be given by mail, postage prepaid, not more than thirty (30) days or fewer than fifteen (15) days prior to said date of redemption, to the Owners of any Series 2023A Bonds to be redeemed. Such notice shall state: (i) the CUSIP numbers of all Series 2023A Bonds being redeemed, (ii) the original issue date of such Series 2023A Bonds, (iii) the maturity date and rate of interest borne by each Series 2023A Bond being redeemed, (iv) the redemption date, (v) the date on which such notice is mailed, (vi) if less than all Outstanding Series 2023A Bonds are to be redeemed, the bond number (and, in the case of a partial redemption of any Series 2023A Bond, the principal amount) of each

Series 2023A Bond to be redeemed, (vii) that on such redemption date there shall become due and payable upon each Series 2023A Bond to be redeemed the Redemption Price or Make-Whole Redemption Price thereof, as applicable, or the Redemption Price or Make-Whole Redemption Price, as applicable, of the specified portions of the principal or Sinking Fund Requirement thereof in the case of Series 2023A Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, and (viii) that the Series 2023A Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment at the designated corporate trust office of the Trustee at an address specified. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect. Such mailing shall not be a condition precedent to such redemption, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the Series 2023A Bonds for which proper notice was given.

In the case of redemption of the Series 2023A Bonds, the Corporation will select the maturities of the Series 2023A Bonds to be redeemed. If the Series 2023A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity or Sinking Fund Requirement of the Series 2023A Bonds shall be effected by the Bond Registrar among owners on a pro-rata basis subject to minimum authorized denominations. The particular Series 2023A Bonds to be redeemed shall be determined by the Bond Registrar, using such method as it shall deem fair and appropriate. If the Series 2023A Bonds are registered in book-entry only form and so long as DTC is the sole registered owner of the Series 2023A Bonds, if less than all of the Series 2023A Bonds of a maturity are called for prior redemption, the particular Series 2023A Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures; provided that, so long as the Series 2023A Bonds are held in book-entry form, the selection for redemption of such Series 2023A Bonds shall be made in accordance with the operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Bond Registrar pursuant to DTC operational arrangements. If the Bond Registrar does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the Series 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot. It is the Corporation's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Corporation and the Beneficial Owners be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, the Corporation can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2023A Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Series 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot.

ARTICLE IV
ESTABLISHMENT OF ACCOUNTS AND
SUBACCOUNTS, APPLICATION OF NET RECEIPTS
AND INVESTMENT OF FUNDS

SECTION 401. ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS. The following account and subaccounts are hereby established:

- (a) Series 2023A Subaccount of the Interest Account of the Bond Fund;
- (b) Series 2023A Subaccount of the Principal Account of the Bond Fund; and
- (c) Series 2023A Account of the Costs of Issuance Fund.

The account and subaccounts mentioned above shall be established with and held by the Master Trustee pursuant to the Master Indenture and this Supplement No. 9 for the benefit of the Owners of the Series 2023A Bonds.

SECTION 402. APPLICATION OF NET RECEIPTS. On or before the dates set forth below, so long as any of the Series 2023A Bonds are Outstanding, the Master Trustee shall withdraw, immediately following any withdrawal required by Section 503(b) of the Master Trust Indenture, from the Reimbursement Premiums Account in the Revenue Fund and, subsequent to such withdrawal, from the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund (other than the Emergency Assessments Account) in the order specified below, the amounts necessary to make the deposits or payments required by Sections 503(c)(iii) and 504 of the Master Trust Indenture, and, if and to the extent that the amounts on deposit to the credit of the Reimbursement Premiums Account, the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund are insufficient to make such deposits or payments, the Master Trustee shall withdraw from the Emergency Assessments Account in the Revenue Fund the amounts necessary to satisfy such deposits or payments; provided, however, in the case of the Series 2023A Bonds, the Master Trustee shall draw first from the Reimbursement Premiums Account, then from the Pre-Event Bonds Investment Income Account and then from the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, prior to making any withdrawal from any of such other Accounts or any other account or subaccount, and the Master Trustee shall apply such amounts to the various subaccounts specified herein in the following order:

- (a) into the Series 2023A Subaccount of the Interest Account, on the Business Day immediately preceding each Interest Payment Date, an amount equal to the interest payable on the Series 2023A Bonds on such Interest Payment Date; and

(b) into the Series 2023A Subaccount of the Principal Account, on the Business Day immediately preceding each Principal Payment Date, an amount equal to the principal of the Series 2023A Bonds coming due on such Principal Payment Date.

SECTION 403. INVESTMENT OF MONEY. (a) Money held for the credit of the subaccounts established hereunder on deposit with the Master Trustee shall be continuously invested and reinvested by the Master Trustee, at the written direction of the Corporation, in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts will be required for the purposes intended. No Investment Obligations in any such subaccount may mature beyond the latest maturity date of any Series 2023A Bonds Outstanding at the time such Investment Obligations are deposited.

(b) Investment Obligations acquired with money in or credited to any subaccount established hereunder shall be deemed at all times to be part of such subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations to the credit of such subaccounts shall be credited to such respective subaccounts.

(c) Any such interest accruing and any such profit realized from the subaccounts established hereunder shall be transferred upon the receipt thereof by the Corporation or the Master Trustee, as the case may be, pursuant to the provisions of the Master Indenture and this Supplement No. 9.

(d) An Authorized Officer of the Corporation shall give to the Master Trustee written directions respecting the investment of any money required to be invested hereunder; subject, however, to the provisions of this Section 403, and the Master Trustee shall then invest such money in Investment Obligations as so directed. The Master Trustee may request in writing additional directions or authorization from an Authorized Officer of the Corporation with respect to the proposed investment of money. Upon receipt of such directions, the Master Trustee shall invest, subject to the provisions of this Section 403, such money in accordance with such directions.

(e) The Master Trustee shall sell at the fair market price or, acting in a commercially reasonable manner, reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so in order to provide money to make any payment from any such subaccount. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(f) Whenever a transfer of money between two or more of the subaccounts is permitted or required, such transfer may be made as a whole or value determined at the time of such transfer in accordance with Article VI of the Master Indenture; provided that

the Investment Obligations transferred are those in which money of the receiving subaccount could be invested at the date of such transfer.

SECTION 404. PAYMENT OF PRINCIPAL AND INTEREST. (a) The Corporation covenants that it will promptly pay the principal of and the interest on every Series 2023A Bond issued under the provisions of this Supplement No. 9 at the places, on the dates and in the manner provided herein and in the Series 2023A Bonds, according to the true intent and meaning thereof and in accordance with the provisions of the Master Indenture and this Supplement No. 9. The Series 2023A Bonds shall constitute Bonds and Parity Obligations under the Master Indenture and shall be secured by the trust estate set forth in the Master Indenture. The Corporation further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Supplement No. 9 and the Master Indenture, or in any Series 2023A Bond executed, authenticated and delivered hereunder or in any proceedings of the Corporation pertaining thereto. The Corporation represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2023A Bonds authorized hereby and to pledge the Net Receipts in the manner and to the extent in the Master Indenture set forth; that all action on its part for the issuance of the Series 2023A Bonds has been duly and effectively taken; and that such Series 2023A Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the Corporation payable according to their terms.

(b) Subject to the provisions of Sections 503 and 504 of the Master Indenture, on the Business Day preceding each Interest Payment Date or Interest Payment Date and Principal Payment Date or date of a Sinking Fund Requirement, the Master Trustee shall first set aside an amount sufficient to pay the interest on the Series 2023A Bonds becoming due and payable on such Interest Payment Date, and then an amount sufficient to pay the principal and Sinking Fund Requirement of the Series 2023A Bonds becoming due and payable on such Principal Payment Date or date of such Sinking Fund Requirement, and shall make payments as provided herein and in the forms of the Series 2023A Bonds.

(c) At such time as to enable the Bond Registrar to make payments of interest on the Series 2023A Bonds in accordance with Section 203(c) hereof, the Master Trustee shall withdraw from the Series 2023A Subaccount of the Interest Account and make available to the Bond Registrar the amounts required to pay interest on the Series 2023A Bonds on the next succeeding Interest Payment Date. At such time as to enable the Bond Registrar to make payments of principal of the Series 2023A Bonds, the Master Trustee shall withdraw from the Series 2023A Subaccount of the Principal Account the amount required to pay the principal on the Series 2023A Bonds which are Serial Bonds on the next succeeding Principal Payment Date and make the same available to the Bond Registrar for the payment of the Series 2023A Bonds in accordance with the provisions of Section 203(c) hereof and in the manner provided in the form of the Series 2023A Bonds.

[(d) The Series 2023A Bonds shall not be secured by the Parity Common Reserve Account or any Special Reserve Account.]

SECTION 405. STATE COVENANT. The Corporation acknowledges that Section 708 of the Master Indenture constitutes an important security provision of the Series 2023A Bonds, and confirms that the acknowledgement set forth in this Section 405 has been included as a result of negotiations with the underwriters of the Series 2023A Bonds.

ARTICLE V
THE MASTER TRUSTEE

SECTION 501. ACCEPTANCE OF DUTIES BY MASTER TRUSTEE.

The Master Trustee by execution hereof accepts and agrees to perform the duties and fulfill the trusts imposed upon it by this Supplement No. 9.

ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE
AND SUPPLEMENTAL INDENTURES

SECTION 601. AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS. The Corporation and the Master Trustee may, from time to time and at any time, without the consent of or notice to any of the Owners of the Series 2023A Bonds, execute and deliver such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Supplement No. 9:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Supplement No. 9 or to modify, alter, amend, add to or rescind, in any particular order, any of the terms or provisions contained in this Supplement No. 9;

(b) to grant or to confer upon the Master Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Master Trustee;

(c) to add to the covenants and agreements of the Corporation in this Supplement No. 9 other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power herein reserved to or conferred upon the Corporation;

(d) to permit the qualification of this Supplement No. 9 under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation so determines, to add to this Supplement No. 9 or any supplemental indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law;

(e) to provide for the issuance of Series 2023A Bonds in bearer form; or

(f) to make any other change that, in the opinion of the Trustee, which may, but is not required to, rely upon one or more of affirmation of ratings by the Rating Agencies, certificates of Consultants and Opinions of Counsel for such purpose, shall not materially adversely affect the security for the Parity Obligations.

SECTION 602. MODIFICATION OF SUPPLEMENT NO. 9 WITH CONSENT OF OWNERS. (a) Subject to the terms and provisions contained in this Section 602, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2023A Bonds then Outstanding shall have the right, from time to time, anything contained in this Supplement No. 9 to the contrary notwithstanding,

to consent to and approve the adoption by the Corporation and the acceptance by the Master Trustee of such supplemental indentures as shall be deemed necessary or desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Supplement No. 9 or in any supplemental indenture hereto; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2023A Bond without the consent of the Owner of such Series 2023A Bond, (b) a reduction in the principal amount of any Series 2023A Bond or the rate of interest on any Series 2023A Bond without the consent of the Owner of such Series 2023A Bond, (c) the creation of a pledge of Net Receipts other than the lien and pledge created by the Master Indenture without the consent of the Owners of all Series 2023A Bonds, (d) a preference or priority of any Series 2023A Bond over any other Series 2023A Bond without the consent of the Owners of all Series 2023A Bonds, or (e) a reduction in the aggregate principal amount of Series 2023A Bonds required for consent to such supplemental indenture without the consent of the Owners of all Series 2023A Bonds. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the execution and delivery of any supplemental indenture as authorized in Section 601 hereof.

(b) The Master Trustee shall, at the expense of the Corporation, such expense to be paid from Gross Receipts or from any other available moneys, cause notice of the proposed execution and delivery of such supplemental indenture to be mailed, first class, postage prepaid, to all Owners of the Series 2023A Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Master Trustee for inspection by all Owners. The Master Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section 602, and any such failure shall not affect the validity of such supplemental indenture when approved and consented to as provided in this Section 602.

(c) Whenever, at any time within three years after the date of the mailing of such notice, the Corporation shall deliver to the Master Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2023A Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Corporation and the Master Trustee may execute and deliver such supplemental indenture in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

(d) If the Owners of not less than a majority in aggregate principal amount of the Series 2023A Bonds Outstanding at the time of the execution of such supplemental

indenture have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the execution and delivery of such supplemental indenture, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the Corporation or the Master Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution and delivery of any supplemental indenture pursuant to the provisions of this Section 602 or Section 601 hereof, this Supplement No. 9 shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Supplement No. 9 of the Corporation, the Master Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Supplement No. 9, as so modified and amended.

SECTION 603. EXCLUSION OF SERIES 2023A BONDS. Series 2023A Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Series 2023A Bonds provided for in this Article VI, and the Corporation as Owner of such Series 2023A Bonds shall not be entitled to consent or take any other action provided for in this Article VI. At the time of any consent or other action taken under this Article VI, the Corporation shall furnish the Master Trustee an Officer's Certificate, upon which the Master Trustee may rely, describing all Series 2023A Bonds so to be excluded.

SECTION 604. RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE. The Master Trustee and the Corporation shall be entitled to exercise their discretion in determining whether or not any proposed supplemental indenture or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Corporation, the rights and interests of the Owners, and the rights, obligations and interests of the Master Trustee. The Master Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be Bond Counsel for the Corporation, as conclusive evidence that any such proposed supplemental indenture does or does not comply with the provisions of this Supplement No. 9, and that it is or is not proper for it, under the provisions of this Article VI, to execute and deliver such supplemental indenture.

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701. QUALIFIED ESCROW FUNDS. Notwithstanding any provisions herein to the contrary, any and all moneys in the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Series 2023A Subaccount of the Interest Account of the Bond Fund, the Series 2023A Subaccount of the Principal Account of the Bond Fund, the Series 2023A Subaccount of the Sinking Fund Account of the Bond Fund and any other account or subaccount designated by the President or other authorized officer may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President or other authorized officer. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such Series 2023A Bonds as may be designated by the President or other authorized officer of the Corporation.

**ARTICLE VIII.
MISCELLANEOUS PROVISIONS**

SECTION 801. MANNER OF GIVING NOTICE. All notices, demands and requests to be given to or made hereunder by the Corporation, the Master Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the Corporation--

State Board of Administration Finance Corporation
c/o State Board of Administration of Florida
1801 Hermitage Boulevard
Tallahassee, Florida 32308
Attention: President

(b) As to the Master Trustee or Bond Registrar--

Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States certified or registered mail, postage prepaid, to the other parties by the party effecting the change.

SECTION 802. SUBSTITUTE NOTICE. If, because of the temporary or permanent suspension of postal service, the Corporation, the Master Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplement No. 9, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Supplement No. 9 be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 803. CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 9. Except as herein otherwise expressly provided, nothing in this Supplement No. 9, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Corporation, the Master Trustee, the Bond Registrar and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplement No. 9 or any provision being intended to be and being for the sole and exclusive benefit of the Corporation, the Master Trustee, the Bond Registrar and the Owners.

SECTION 804. EFFECT OF PARTIAL INVALIDITY. All covenants, stipulations, obligations and agreements of the Corporation contained in this Supplement No. 9 shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent permitted by the Constitution and laws of the State. In case any one or more of the provisions of this Supplement No. 9 or the Series 2023A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplement No. 9 or the Series 2023A Bonds, but this Supplement No. 9 and the Series 2023A Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplement No. 9 or the Series 2023A Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation to the full extent permitted by law.

SECTION 805. GOVERNING LAW. This Supplement No. 9 is executed and delivered with the intent that the laws of the State shall govern this construction.

SECTION 806. HEADINGS. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplement No. 9, nor shall they affect its meaning, construction or effect.

SECTION 807. FURTHER AUTHORITY. The officers, attorneys and other agents or employees of the Corporation are hereby authorized to do all acts and things required of them by this Supplement No. 9 for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2023A Bonds and this Supplement No. 9.

SECTION 808. PAYMENT DUE ON NON-BUSINESS DAYS. In the case of the Series 2023A Bonds, if the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplement No. 9 is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Supplement No. 9.

SECTION 809. MULTIPLE COUNTERPARTS. This Supplement No. 9 may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Corporation and the Master Trustee have caused this Supplement No. 9 to be executed in their respective names by their respective duly authorized officers all as of the date first written above.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

(SEAL)

By: _____
President

ATTEST:

Secretary

**REGIONS BANK, as
Master Trustee**

By: _____
Vice President

Acknowledged By:

**STATE BOARD OF ADMINISTRATION
OF FLORIDA,**
acting as the governing body and administrator
of the Florida Hurricane Catastrophe Fund

By: _____
Interim Executive Director and
Chief Investment Officer

EXHIBIT A

FORM OF SERIES 2023A BONDS

RA-

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
STATE BOARD OF ADMINISTRATION FINANCE CORPORATION
REVENUE BOND, SERIES 2023A (TAXABLE)**

Interest Rate
____%

Maturity Date
July 1, 20__

CUSIP
341271__

State Board of Administration Finance Corporation (the "Corporation"), an instrumentality of the State of Florida, for value received, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative (the "Owner"), on the Maturity Date set forth above, upon the presentation and surrender hereof, at the designated corporate trust office of Regions Bank (successor to Wells Fargo Bank, N.A.), in Jacksonville, Florida (the "Bond Registrar"), the principal sum of _____ DOLLARS (\$_____). The Corporation also promises to pay, but solely from said sources, interest on this bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, or it is authenticated prior to [January] 1, 2024 in which event it shall bear interest from its date, payable semiannually on each July 1 and January 1, the first interest payment date being _____ 1, 2024, at the Interest Rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this bond (or one or more Predecessor Bonds, as defined in the Master Indenture hereinafter defined) is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month preceding the calendar month in which an interest payment date occurs. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date (as defined in the Master Indenture) for the payment of such defaulted interest to be fixed by the Master Trustee (hereinafter mentioned), notice whereof being given to such Owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2023A Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Master Indenture. All such

payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond is one of a duly authorized series of revenue bonds of the Corporation, designated "State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)" (the "Series 2023A Bonds"), issued under and pursuant to the Constitution and laws of the State of Florida, including Section 215.555, Florida Statutes (the "Act"), a Master Trust Indenture, dated as of June 1, 2006 (as amended and supplemented, the "Master Indenture"), by and between the Corporation and Regions Bank (successor to Wells Fargo Bank, N.A.), Jacksonville, Florida, as master trustee (the "Master Trustee"), and the Ninth Supplemental Indenture, dated as of [MONTH] 1, 2023 ("Supplement No. 9"), by and between the Corporation and the Master Trustee. The Master Trustee is also the Bond Registrar for the Series 2023A Bonds. The Series 2023A Bonds are being issued for the purpose of providing funds, together with other available funds, to enable the FHCF to make reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by any [Covered Events occurring in the Contract Year ending May 31, 2024 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act].

The Series 2023A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in Supplement No. 9. One bond certificate with respect to each date on which the Series 2023A Bonds are stated to mature, in the aggregate principal amount of the Series 2023A Bonds (provided that with respect to the aggregate principal amount of any single maturity in excess of \$500,000,000, separate bond certificates are being issued for each \$500,000,000 and any amount in excess thereof) stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2023A Bonds in the principal amount of \$1,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to beneficial owners of the Series 2023A Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Corporation will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the Owner of this bond, notwithstanding the provisions hereinabove contained, payments of principal of and interest on this bond shall be made in accordance with the existing arrangements between the Bond Registrar and DTC.

The Corporation, the State Board of Administration, acting as the governing body and administrator of the FHCF, and the Master Trustee have entered into a Pledge and Security Agreement, dated as of June 1, 2006, as amended (the "Pledge Agreement"),

pursuant to which the State Board of Administration has pledged to the Corporation all of the right, title and interest of the FHCF in and to the Pledged Collateral (as defined in the Pledge Agreement), and has agreed to transfer directly to the Master Trustee the Pledged Collateral in such amounts and at such times as are required to provide for the timely payment of the principal of and interest on the Series 2023A Bonds.

The Series 2023A Bonds are special obligations of the Corporation secured by a pledge, security interest in and lien upon the Net Receipts (as defined in the Master Indenture) and an assignment of the Corporation's right, title and interest in and to the Pledge Agreement (subject to the reservation of certain rights of the Corporation). The Corporation is not obligated to pay the principal of or the interest on the Series 2023A Bonds except as provided in the Master Indenture from Net Receipts, and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of and the interest on the Series 2023A Bonds. The Corporation has no taxing power. The Master Indenture provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional bonds and Parity Debt (as defined in the Master Indenture) secured on a parity as to the pledge of Net Receipts with the Series 2023A Bonds. The Series 2023A Bonds are being issued on parity under the Master Indenture with the Corporation's Outstanding Revenue Bonds, Series 2020A.

The Master Indenture provides for the creation of a special fund designated "Florida Hurricane Catastrophe Fund Finance Corporation Bond Fund" (the "Bond Fund"). Pursuant to Supplement No. 9, special subaccounts have been created within the certain accounts of the Bond Fund with respect to the Series 2023A Bonds (the "Subaccounts"), which Subaccounts are charged with the payment of the principal of and the interest on the Series 2023A Bonds. Supplement No. 9 also provides for the deposit of Net Receipts to the credit of the Subaccounts to the extent and in the manner provided in the Master Indenture.

The Series 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price (as defined in Supplement No. 9).

Notice of any such redemption shall be given by mail, postage prepaid, not more than 30 days or fewer than 15 days prior to said date of redemption, to the Owners of any Series 2023A Bonds to be redeemed. Such notice shall specify, among other things: (1) that the whole or a designated portion of this Series 2023A Bond is to be redeemed, (2) the date of redemption, and (3) the place or places where the redemption will be made. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect.

Under the Master Indenture, in certain events of default, on the conditions, in the manner and with the effect, the principal of all Parity Obligations then outstanding may be declared to be and become due and payable prior to the stated maturities thereof, together with the interest accrued thereon.

Reference is made to the Master Indenture, Supplement No. 9 and the Pledge Agreement for a more complete statement of the provisions thereof and of the rights of the Corporation, the Master Trustee and the Owners of the Series 2023A Bonds. Copies of the Master Indenture, Supplement No. 9 and the Pledge Agreement shall be available for inspection by any Owner of the Bonds at all reasonable times at the designated corporate trust office of the Master Trustee. By the purchase and acceptance of this bond, the Owner hereof signifies assent to all of the provisions of the Master Indenture, Supplement No. 9 and the Pledge Agreement.

At the designated corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Master Indenture, Series 2023A Bonds may be exchanged for an equal aggregate principal amount of Series 2023A Bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its designated corporate trust office books for the registration of transfer of the Series 2023A Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Master Indenture upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the Owner hereof or such Owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Series 2023A Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate.

This bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Master Indenture and Supplement No. 9, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of the Uniform Commercial Code of Florida. This bond is issued with the intent that the laws of the State of Florida shall govern its construction.

Modifications or alterations of the Master Indenture and Supplement No. 9 or in any supplemental indenture thereto may be made only to the extent and in the circumstances permitted by the Master Indenture and Supplement No. 9, as the case may be.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Master Indenture and Supplement No. 9 have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Master Indenture or Supplement No. 9 until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the State Board of Administration Finance Corporation has caused this bond to be manually signed by its President and Secretary and its corporate seal to be impressed hereon, all as of the ____ day of _____ 20__.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

(SEAL)

President

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This bond is a Bond of the Series designated therein and issued under the provisions of the within-mentioned Master Indenture and Supplement No. 9.

Date of Authentication:

REGIONS BANK, as
Bond Registrar

_____, 20__

By: _____
Authorized Signatory

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Corporation or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

State Board of Administration Finance Corporation

\$ _____

Revenue Bonds, Series 2023A (Taxable)

XXXX, 2023

BOND PURCHASE CONTRACT

Citigroup Global Markets Inc. (the "Senior Manager"), acting for itself and on behalf of itself and BofA Securities, Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, and Wells Fargo Bank, National Association (collectively, including the Senior Manager, the "Underwriters"), offers to enter into the following agreement (the "Purchase Contract") with the State Board of Administration Finance Corporation (the "Corporation"). The offer made hereby is subject to acceptance thereof by execution of this Purchase Contract and its delivery, to the Senior Manager or counsel to the Underwriters at or prior to [__]:00 p.m., Eastern time, on the date hereof or such later date or time as may be mutually agreed upon by the Underwriters and the Corporation, and if not so accepted, will terminate. All capitalized undefined terms used herein shall have the meanings set forth in the hereinafter defined Indenture.

The Corporation acknowledges and agrees that (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Contract is an arm's-length commercial transaction between the Corporation and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Corporation, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Corporation with respect to the offering of the Bonds (as defined herein) or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the Corporation on other matters) or any other obligation to the Corporation, (iv) the Corporation has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds, (v) the Underwriters have financial and other interests that differ from those of the Corporation, and (vi) this Purchase Contract expresses the entire relationship among the parties hereto with respect to the Bonds hereinafter mentioned.

1. Upon the terms and conditions and upon the basis of the representations and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the Corporation for a bona fide offering to the public and the Corporation hereby agrees to sell and deliver to the Underwriters for such purpose, all (but not less than all) of the \$ _____ State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Bonds"). The Bonds will be dated the date of their delivery. The interest on the Bonds will be payable from their dated date semi-annually on each January 1 and July 1, beginning [January] 1, 2024. The purchase price for the Bonds is \$ _____ (which is the aggregate principal amount

of the Bonds, less an Underwriters' discount of \$_____). As used in this Purchase Contract, "Closing" shall mean the payment for and delivery of the Bonds and the other actions contemplated by this Purchase Contract to take place at the time of such payment and delivery.

The difference between the purchase price for the Bonds and the prices at which the Bonds are initially offered to the investing public set forth in Exhibit A, attached hereto, is herein referred to as the "Underwriters' Spread" and the components of the Underwriters' Spread are as they appear on the "Memorandum of Understanding of Pricing" in Exhibit A.

2. Prior to the date hereof, the Corporation has provided to the Underwriters for their review the Preliminary Official Statement of the Corporation relating to the Bonds, dated [DATE] (such Preliminary Official Statement including the cover page, inside cover page, and all exhibits and appendices thereto and attached hereto as Exhibit B, the "Preliminary Official Statement"). The Corporation hereby ratifies and approves the distribution of the Preliminary Official Statement by the Underwriters in connection with the offering for sale of the Bonds. The Corporation shall, at its expense, deliver, or cause to be delivered, to the Underwriters within seven (7) business days after the date hereof but not later than two (2) business days prior to the Closing and in sufficient time to accompany any confirmation that requests payment from any customer an electronic version (pdf) of the Official Statement (as defined below), in order to comply with all applicable rules of the Municipal Securities Rulemaking Board ("MSRB") and Rule 15c2-12(b)(4) of the Securities and Exchange Commission ("SEC"). The Underwriters agree that electronic delivery of the Official Statement satisfies the Corporation's delivery requirement.

As of the date of the Preliminary Official Statement, the Preliminary Official Statement was "deemed final" (except for permitted omissions) by the Corporation for purposes of SEC Rule 15c2-12(b)(1). The final Official Statement to be dated the date hereof (the "Official Statement") for purposes of Rule 15c2-12(b)(3) and (4) of the SEC, which will be certified to be final by the Corporation, will be in substantially the form of the Preliminary Official Statement, with such changes to the Preliminary Official Statement as are necessary to include the terms and provisions of this Purchase Contract.

From the date hereof until the end of the underwriting period (as hereinafter defined), if the Corporation becomes aware of any event which may make it necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not inaccurate, incomplete or misleading, the Corporation shall notify the Underwriters and if, in the reasonable opinion of the Corporation or the Underwriters, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the Corporation, at its expense (unless such amendment or supplement is as a result of misinformation provided by the Underwriters, in which case the expense shall be borne by the Underwriters), promptly shall prepare, in a form and in a manner approved by the Underwriters, an appropriate amendment or supplement thereto so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be inaccurate, incomplete or misleading.

The term "end of the underwriting period" means the later of (i) the date of the Closing, or (ii) the date on which the Underwriters do not retain an unsold balance of the Bonds for sale. Unless the Underwriters otherwise notify the Corporation in writing, the Corporation may treat the Closing as the end of the underwriting period.

The Bonds shall be as described in, and shall be issued and secured under, a resolution of the Corporation adopted on [October 25, 2023], and the provisions of a Master Trust Indenture dated as of June 1, 2006 (the "Master Indenture"), between the Corporation and Regions Bank, Jacksonville, Florida, as successor trustee to Wells Fargo Bank, N.A., as Master Trustee, as amended and supplemented, particularly as supplemented by the Ninth Supplemental Indenture dated as of [DATE] (the "Ninth Supplement," together with the Master Indenture, the "Indenture"), and pursuant to a Pledge and Security Agreement dated as of June 1, 2006, as amended (the "Pledge Agreement") among the State Board of Administration of Florida, as administrator of the Florida Hurricane Catastrophe Fund (the "FHCF") (in this capacity, the "State Board of Administration"), the Corporation and the Master Trustee. The Bonds shall be dated, shall mature on such dates and in such amounts, shall bear interest at the rates and with the redemption provisions as are set forth in Exhibit A attached hereto and shall have such other terms and provisions as are described in the Indenture.

The Senior Manager hereby represents that (a) it is authorized by each of the other Underwriters, as evidenced by the Agreement Among Underwriters (the "AAU") (or other agreement or written authorization) attached hereto as Exhibit C, to execute this Purchase Contract, to act on their behalf and to take such action as it may deem advisable with respect to all matters pertaining to this Purchase Contract; (b) the Senior Manager, and based solely on certifications made to the Senior Manager by the Underwriters other than the Senior Manager in the AAU, such other Underwriters are each registered as a municipal securities dealer under the Securities Exchange Act of 1934, as amended; (c) the Senior Manager has not, and, based solely on certifications made to the Senior Manager by the Underwriters other than the Senior Manager in the AAU, such other Underwriters have not been convicted or entered a plea of guilty or nolo contendere to fraud in a federal or state court, during the two year period immediately preceding the date of this Purchase Contract; and (d) it has provided to the Corporation a disclosure statement in a form agreed to by the Corporation and the Underwriters, which is attached as Exhibit E to this Purchase Contract. The payment for, acceptance of and execution and delivery of any receipt for the Bonds and any other instruments or documents at or in connection with the Closing shall be made solely by the Senior Manager, for and in the name and on behalf of the Underwriters and shall be valid and sufficient for all purposes and binding upon each of the Underwriters; *provided, however*, that none of such actions by the Senior Manager shall impose any obligation or liability upon the Senior Manager or any other Underwriter, other than an obligation or liability set forth expressly in this Purchase Contract.

The Senior Manager, on behalf of the Underwriters, shall deliver to the order of the Corporation an amount equal to \$_____ by wire transfer to be received by the Corporation no later than [__]:00 p.m. Eastern Time, on the date of execution of this Purchase Contract (such wire transfer being hereinafter referred to as the "Good Faith Wire"). If the Good Faith Wire is not

received in the amount and at the time set forth in this paragraph, the Corporation reserves the right to cancel this Purchase Contract. In the event the Corporation does not accept this offer or upon the failure of the Corporation to deliver the Bonds at the Closing, or if the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Purchase Contract, such Good Faith Wire shall be immediately returned to the Senior Manager. If the offer is hereby accepted, the Corporation agrees to hold the Good Faith Wire until Closing as security for the performance by the Underwriters at the Closing, and the Good Faith Wire shall be applied to the purchase price for the Bonds. Interest on the Good Faith Wire shall accrue solely to the benefit of the Corporation and shall not offset the amount due from the Underwriters at Closing. In the event the Underwriters fail to purchase the Bonds at the Closing, unless such failure is permitted as herein provided, the Good Faith Wire and the interest accrued thereon shall be retained by the Corporation as full liquidated damages for such failure and, except as set forth in Paragraphs 10 and 11 hereof, neither party hereto shall have any further rights against the other hereunder.

3. The Underwriters agree to make an initial public offering of all of the Bonds at not in excess of the public offering prices or yields set forth on the inside cover page of the Official Statement. If such offering does not result in the sale of all of the Bonds, the Underwriters may offer and sell the Bonds at prices lower or higher than the offering prices or yields set forth on the inside cover page of the Official Statement. A group of selected dealers may be created by the Underwriters.

4. The Corporation hereby authorizes the use by the Underwriters of the Indenture, the Pledge Agreement, the Preliminary Official Statement and the Official Statement, including any supplements or amendments thereto, in connection with the public offering and sale of the Bonds.

5. The Corporation hereby represents and agrees with the Underwriters that:

(a) the Corporation is a public benefits corporation and instrumentality of the State of Florida with the powers and authority set forth in Section 215.555, Florida Statutes, as amended and supplemented from time to time (the "Act");

(b) The Corporation has full legal right, power and authority to and has taken all necessary official actions to: (i) enter into this Purchase Contract (including, without limitation, the provisions of Section 11 hereof), (ii) enter into the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement dated as of the date of Closing between the Corporation and the State Board of Administration (the "Continuing Disclosure Agreement"), (iii) sell, issue and deliver the Bonds to the Underwriters as provided herein, (iv) use the proceeds from the sale of the Bonds for the purposes described in the Preliminary Official Statement and the Official Statement, (v) secure the Bonds as provided in the Indenture and the Pledge Agreement and to pledge the Trust Estate (as hereinafter defined) to the Master Trustee as provided in the Indenture, and (vi) carry out and consummate the transactions contemplated by this Purchase Contract, the

Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement and the Official Statement, and as of the date of Closing will be in compliance in all material respects with the terms of the Act, the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement;

(c) (1) By all necessary official actions, the Corporation has (i) duly authorized the execution and delivery of the Indenture, the Continuing Disclosure Agreement, and the Pledge Agreement, (ii) duly approved and authorized the distribution and use of the Preliminary Official Statement and the Official Statement, and (iii) duly authorized the execution and delivery of the Bonds and the performance by the Corporation of the obligations on its part contained or described in the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement, and this Purchase Contract, and the consummation by the Corporation of all other transactions contemplated thereby to be undertaken by the Corporation in connection with the issuance of the Bonds;

(2) Upon delivery and execution by the Corporation and the Master Trustee and assuming the due authorization, execution and delivery of the Ninth Supplement by the Master Trustee, the Ninth Supplement will constitute a legal, valid and binding obligation of the Corporation, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity. Upon execution by the Corporation and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto), this Purchase Contract, and the Continuing Disclosure Agreement will constitute the legal, valid and binding obligations of the Corporation, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity. Except as amended by the Seventh Supplemental Indenture, dated as of March 1, 2016 (the "Seventh Supplement"), neither the Master Indenture nor the Pledge Agreement has been amended since its execution as of June 1, 2006, and the Master Indenture and the Pledge Agreement constitute valid and binding obligations of the Corporation, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity;

(3) The Bonds, when issued and delivered to the Underwriters in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations of the Corporation, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity;

(d) To the best knowledge of the Corporation:

(1) The Corporation is not, and as of the Closing will not be, in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the Corporation is a party or to which the Corporation is otherwise subject, and no event has occurred and is continuing which would have a material adverse effect on the financial condition of the Corporation or which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this subparagraph would materially adversely affect the ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract;

(2) The execution and delivery of the Indenture, the Pledge Agreement, the Bonds, the Continuing Disclosure Agreement, and this Purchase Contract and compliance with the provisions on the part of the Corporation contained therein, will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the Corporation is a party or to which the Corporation is otherwise subject, which breach or default would materially adversely affect the authority or ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract, nor, to the best knowledge of the Corporation will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon the Trust Estate except as provided by the Bonds, the Indenture, and the Pledge Agreement;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required to be obtained by the Corporation for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Corporation of its obligations in connection with the issuance of the Bonds or for the execution and delivery of this Purchase Contract, the Indenture, the Continuing Disclosure Agreement, and the Pledge Agreement, have been duly obtained;

(f) The Bonds, when issued, executed and delivered in accordance with the Indenture and sold to the Underwriters as provided herein, will be entitled to the benefits of the Indenture and the Pledge Agreement; and upon such issuance, execution and

delivery, the Indenture will provide, for the benefit of the owners from time to time of the Bonds, a legally valid and binding pledge of and prior lien upon the moneys pledged by the State Board of Administration pursuant to the Pledge Agreement, consisting of the Reimbursement Premiums and earnings thereon, Emergency Assessments and earnings thereon, net proceeds of the Bonds until spent, investment earnings on proceeds of the Bonds and Other Pledged Money remaining after the payment of Current Expenses of the FHCF (the aforementioned moneys are collectively referred to as "Pledged Collateral" or the "Trust Estate"), subject only to the provisions of the Indenture and the Pledge Agreement permitting the application thereof on the terms and conditions set forth in the Indenture and the Pledge Agreement;

(g) As of the date hereof, except as described in the Preliminary Official Statement and the Official Statement or previously disclosed in writing to the Underwriters, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or, to the best knowledge of the Corporation, threatened against the Corporation, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge or collection of the Trust Estate pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of and lien upon the Trust Estate, or contesting or affecting the Corporation, the validity or enforceability of the Act in any respect relating to the authorization for the issuance of the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, this Purchase Contract, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Corporation, or any authority for the issuance of the Bonds, or the execution and delivery by the Corporation of the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, and this Purchase Contract;

(h) The Corporation will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (1) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions or to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Corporation shall not be required to (a) spend money, (b) execute a general or special consent to service of process, or (c) qualify to do business in connection with any such qualification or determination in any jurisdiction;

(i) As of the date of the Preliminary Official Statement and as of the date of this Purchase Contract, to the best knowledge of the Corporation, the Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a

material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) At the time of the Corporation's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to the third paragraph of Section 2 of this Purchase Contract), at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not, to the best knowledge of the Corporation, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(k) Any certificate signed by an authorized official of the Corporation and delivered to the Underwriters shall be deemed a representation by the Corporation to the Underwriters as to the statements made therein;

(l) The Corporation is not in default and has not been in default at any time after December 31, 1975 as to principal or interest with respect to an obligation issued or guaranteed by the Corporation which would require disclosure pursuant to Section 517.051, Florida Statutes, as amended;

(m) Except as described in the Preliminary Official Statement and the Official Statement, the Corporation has never failed to comply with any continuing disclosure obligations previously undertaken by the Corporation, if any, in accordance with the continuing disclosure requirements of Rule 15c2-12 of the SEC; and

(n) If the Official Statement is supplemented or amended pursuant to the third paragraph of Section 2 of this Purchase Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the underwriting period, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. On [DATE], or on such other date as may be mutually agreed upon by the Corporation and the Underwriters as the Closing date, the Corporation shall, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by immediately available funds to the order of the Corporation. Delivery and payment as aforesaid shall be made at such place as may be mutually agreed upon by the Corporation and the Underwriters. At or prior to 1:00 p.m. New York time on the Closing date, the Corporation shall deliver or cause to be delivered to the Underwriters through the facilities of The Depository Trust Company ("DTC"), New York, New

York, or through the Bond Registrar on behalf of DTC via its F.A.S.T. delivery system, the Bonds in definitive form (one typewritten Bond for each maturity, except as otherwise provided in the Indenture, and registered in the name of Cede & Co., as the nominee of DTC), duly executed and authenticated, together with the items identified in Section 9 below. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of the Bonds in accordance with the terms of this Purchase Contract. The Bonds shall be prepared and made available to the Underwriters at least 24 hours before the Closing date for purposes of inspection.

7. (a) The State Board of Administration, by execution of an endorsement and acceptance of this Purchase Contract, agrees to:

(i) furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (1) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions or to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the State Board of Administration shall not be required to (1) spend money, (2) execute a general or special consent to service of process, or (3) qualify to do business in connection with any such qualification or determination in any jurisdiction;

(ii) deliver to the Underwriters its certificate to the effect that the audited financial records of the FHCF for the fiscal years ended June 30, 2019 and June 30, 2018, contained in the Preliminary Official Statement and the Official Statement as Appendix B of each thereto, to the best of its knowledge, present fairly the financial position of the FHCF as of the dates indicated and the results of its operations for the periods specified, and other financial information and statistical data relating to the FHCF and included in the Preliminary Official Statement and the Official Statement are, to the best of its knowledge, true and correct as of the date hereof; and

(iii) certify at the Closing that all liens, encumbrances, covenants, conditions and restrictions, if any, to the real and personal property of the FHCF will not interfere with or impair the operations of the FHCF.

(b) The State Board of Administration, by execution of an endorsement and acceptance of this Purchase Contract, represents and agrees with the Underwriters that it has full legal right, power and authority to and has taken all necessary official actions to: (i) acknowledge and accept the provisions of this Purchase Contract, (ii) adopt appropriate resolutions authorizing and requesting the issuance and sale of the Bonds,

and (iii) carry out and consummate the transactions contemplated by this Purchase Contract, the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, and the Official Statement and other appropriate resolutions of the State Board of Administration and that the State Board of Administration has complied, as of the date of this Purchase Contract, and at the Closing will be in compliance in all material respects, with the obligations on its part in connection with the issuance of the Bonds contained in the Pledge Agreement and other appropriate resolutions of the State Board of Administration, the Bonds and this Purchase Contract, including execution of its endorsement and acceptance hereto;

(c) The State Board of Administration hereby represents and agrees with the Underwriters as follows:

(i) At the time of the State Board of Administration's endorsement and acceptance hereof, the portions of the Preliminary Official Statement relating to the State Board of Administration and the FHCF under the headings "AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS," "DEBT SERVICE COVERAGE," "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "INVESTMENT POLICY OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," "LITIGATION," "AUDITED FINANCIAL STATEMENTS," and "APPENDIX B - FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022" do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ii) At Closing, the portions of the Official Statement relating to the State Board of Administration and the FHCF under the headings "AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS," "DEBT SERVICE COVERAGE," "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "INVESTMENT POLICY OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," "LITIGATION," "AUDITED FINANCIAL STATEMENTS," and "APPENDIX B - FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022" will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(iii) Except as amended by the Seventh Supplement, the Pledge Agreement has not been amended since its execution as of June 1, 2006, and constitutes a legal, valid and binding obligation of the State Board of Administration, enforceable in accordance with its terms, subject to applicable

bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(d) The State Board of Administration hereby further represents and agrees with the Underwriters that, to the best knowledge of the State Board of Administration:

(i) The State Board of Administration is currently not, and as of the Closing will not be, in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this subparagraph would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement or this Purchase Contract;

(ii) The execution and delivery of the Pledge Agreement, the Bonds and this Purchase Contract and compliance with the provisions on the part of the State Board of Administration contained herein and therein will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement, or this Purchase Contract, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the FHCF except as provided by the Pledge Agreement;

(iii) as of the date hereof, and as of the date of Closing, except as otherwise described in the Preliminary Official Statement or the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or, to the best knowledge of the State Board of Administration, threatened against the State Board of Administration, affecting or seeking to

prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge or collection of the Pledged Collateral pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of and lien upon the Pledged Collateral, or contesting or affecting the authorization for the issuance of the Bonds, the appropriate resolutions of the State Board of Administration, this Purchase Contract, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any supplement or amendment thereto, or contesting the powers of the State Board of Administration, or any authority for the issuance of the Bonds, the adoption of the appropriate resolutions of the State Board of Administration or the acknowledgement and acceptance by the State Board of Administration of this Purchase Contract; and

(iv) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the State Board of Administration of its obligations in connection with the issuance of the Bonds under this Purchase Contract and the Pledge Agreement and which are required to be obtained by the State Board of Administration have been duly obtained.

8. The Underwriters shall have the right to cancel their obligations to purchase the Bonds if, between the date hereof and the date of Closing,

(a) legislation shall have been enacted by the Congress, or recommended by the President of the United States to the Congress for passage, or favorably reported for the passage of either House of Congress by any Committee of either House or proposed for consideration by a Conference Committee of the House and Senate, or passed by either House of Congress, with an effective date being prior to the date of issuance of the Bonds, or a decision by a court of the United States shall have been rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall have been made, the effect of which is that the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(b) a stop order, ruling or regulation by the Securities and Exchange Commission shall have been issued or made, the effect of which, in the reasonable opinion of Bond Counsel or Disclosure Counsel, is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or of the Securities

Exchange Act of 1934, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) there shall exist any event which either (A) makes untrue or incorrect any statement of material fact contained in the Official Statement or, (B) is not reflected in the Official Statement but should be reflected therein in order to make any statement of material fact contained therein, in light of the circumstances under which it was made, not misleading and, in either such event, after the Underwriters have notified the Corporation and given the Corporation a reasonable opportunity to correct or supplement the Official Statement to take into account the events referred to in (A) or (B) above, the Corporation refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the statement or information as supplemented is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(d) a war involving the United States shall have been declared or the escalation of war or major hostilities involving the United States, the effect of which on the financial markets of the United States is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(e) there shall be in force by the New York Stock Exchange a general suspension of trading securities, maximum or minimum prices for trading securities or maximum ranges or prices for securities, the effect of any of which on the financial markets of the United States is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(f) a general banking moratorium shall have been declared by federal, Florida or New York authorities such as would materially adversely affect the sale of the Bonds by the Underwriters or a material disruption in the commercial banking, securities settlement or clearance services shall have occurred which would materially adversely affect the ability to settle the purchase of the Bonds at Closing; or

(g) there shall have occurred since June 30, 2023, any material change in the financial affairs of the FHCF from that reflected in the audited financial records of the FHCF included in the Official Statement other than as disclosed in the Official Statement, and after the Underwriters have notified the Corporation and given the Corporation a reasonable opportunity to supplement or correct the Official Statement to reflect such change in the financial affairs of the FHCF, the Corporation refuses to permit the Official Statement to be supplemented or corrected, or such change in the financial affairs of the FHCF as reflected in the supplemented or corrected Official Statement is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(h) except as disclosed in the Preliminary Official Statement and any subsequent disclosure wire or document, agreed to by the parties hereto, an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or

administrative proceeding by any governmental body or board shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement or prohibiting the adoption or performance of the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, or any applicable resolutions of the Corporation or the State Board of Administration; or

(i) any of the underlying ratings on the Bonds or on the Corporation's outstanding Parity Obligations are withdrawn or modified downward; or

(j) there shall have occurred any outbreak or escalation of hostilities (whether or not foreseeable at the time of execution hereof) or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(k) except as disclosed in the Official Statement, any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, the Pledge Agreement, the Indenture, the Continuing Disclosure Agreement, the pledge or application of any moneys or securities provided for the payment of the Bonds, or the existence or powers of the Corporation, that would materially adversely affect the sale of the Bonds by the Underwriters; or

(l) the New York Stock Exchange, other national securities exchange or any governmental authority shall have (a) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities; generally, on the Bonds or similar obligations, or (b) materially increased restrictions in force as of the date hereof with respect, to the extension of credit by or the charge to the net capital requirements of underwriters or broker dealers in general, the effect of which on the financial markets of the United States is such as would materially adversely affect the sale of the Bonds by the Underwriters.

The Corporation shall have the right to cancel its obligation to sell the Bonds if, between the date hereof and the date of Closing, except as disclosed in the Preliminary Official Statement and any subsequent disclosure wire or document agreed to by the parties hereto, an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement or prohibiting the adoption or performance of the Indenture or any applicable resolutions of the Corporation or the State Board of Administration.

This Section 8 is not a complete list of conditions the existence of which give a party the right to cancel their obligations under this Purchase Contract or which otherwise excuses a party's

performance hereunder. Other such conditions may be provided for elsewhere in this Purchase Contract or may arise by operation of law. The Underwriters' right pursuant to subsections (d) through (f), inclusive, and (j) and (l) to cancel their obligations to purchase the Bonds shall be subject to the prior written consent of the Corporation, which consent shall not be unreasonably withheld.

9. The Underwriters have entered into this Purchase Contract in reliance upon the representations and agreements of the Corporation and the State Board of Administration contained herein, and in reliance upon the representations and agreements to be contained in the documents and instruments to be delivered at the Closing enumerated in subparagraph (d) below, and upon the performance by each of the Corporation and the State Board of Administration of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the joint and several obligations of the Underwriters under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds are conditioned upon the performance by each of the Corporation and the State Board of Administration of their respective obligations to be performed hereunder and the delivery of such documents and instruments enumerated herein in form and substance reasonable under the circumstances, at or prior to the Closing, and are also subject to the following additional conditions:

(a) The representations and agreements of the Corporation and the State Board of Administration contained herein shall be true, complete and correct to the best of their knowledge and belief on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of the Closing, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, and each applicable resolution of the Corporation and the State Board of Administration shall be in full force and effect in accordance with their respective terms and, except as described herein, shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended in any material respect, except as expressly authorized or contemplated in this Purchase Contract;

(c) At the time of the Closing, all official action of the Corporation and the State Board of Administration relating to this Purchase Contract and the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the State Board of Administration's resolution authorizing and requesting the issuance and sale of the Bonds, the Corporation's resolution authorizing the Preliminary Official Statement and the Official Statement, and the issuance of the Bonds, shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect; and

(d) At or prior to the Closing, each of the following shall have been made available to the Underwriters:

(1) The Official Statement, and each supplement or amendment, if any, thereto executed on behalf of the Corporation and the State Board of Administration by their respective authorized officials;

(2) Executed copies of the Indenture, Pledge Agreement, Continuing Disclosure Agreement, and certified copies of authorizing resolutions of the Corporation and the State Board of Administration;

(3) A final approving opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, addressed to the Corporation, dated the date of the Closing, in form and substance reasonable under the circumstances and substantially in the form attached to the Official Statement as Appendix E;

(4) An opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, addressed to the Corporation and the Underwriters, and dated the date of Closing, to the effect that:

(i) their final approving opinion referred to in Section 9(d)(3) hereof may be relied upon by the Underwriters to the same extent as if such opinion were addressed to the Underwriters;

(ii) (A) the information set forth in the Preliminary Official Statement, and the Official Statement under the headings: "INTRODUCTION," "AUTHORITY FOR THE ISSUANCE OF 2023A BONDS," "PLAN OF FINANCE," "DESCRIPTION OF THE 2023A BONDS" (excluding the sub-heading "Book-Entry-Only System"), "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," and "APPENDIX C" (other than the financial, statistical and demographic data included therein, as to all of which no opinion is expressed) insofar as such statements purport to be summaries of certain provisions of the Indenture, the Pledge Agreement, the Bonds, the Act, the Constitution and tax laws of the State of Florida, and provisions of the Internal Revenue Code of 1986, as amended, is correct as to matters of law and, constitute a fair statement or summary of the information purported to be summarized therein, and (B) the statements in the Preliminary Official Statement and the Official Statement on the cover relating to their opinion and under the heading "TAX MATTERS" are accurate statements or summaries of the matters set forth therein; and

(iii) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(5) An opinion of Nabors, Giblin & Nickerson, P.A., as counsel to the Corporation, addressed to the Underwriters, dated the date of Closing to the effect that based on certain certifications of the Corporation and its actual knowledge, it is of the opinion that:

(i) The Corporation is duly organized and has full legal right, power and authority to and has taken all necessary official actions to: (a) enter into this Purchase Contract, (b) adopt its resolution authorizing the issuance and sale of the Bonds, (c) enter into the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement, (d) sell, issue and deliver the Bonds to the Underwriters as provided in this Purchase Contract, (e) use the proceeds from the sale of the Bonds for the purposes described in the Official Statement, (f) secure the Bonds as provided in the Indenture and the Pledge Agreement and to pledge to the Master Trustee the Pledged Collateral as provided in the Indenture, and (g) carry out and consummate the transactions contemplated by this Purchase Contract, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, and the Official Statement, and, to the best of their knowledge, after due inquiry and upon reliance on a certificate of the President of the Corporation, as of the date hereof is in compliance in all material respects with the terms of the Act, the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement.

(ii) By all necessary official actions, the Corporation has (a) duly adopted its resolution authorizing the issuance and sale of the Bonds, (b) duly authorized the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement and this Purchase Contract, (c) duly authorized the distribution of the Preliminary Official Statement, and (d) duly authorized the execution and delivery of the Bonds and the performance by the Corporation of the obligations on its part contained or described in the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the Official Statement and this Purchase Contract, and the consummation by the Corporation of all other transactions contemplated thereby to be undertaken by the Corporation in connection with the issuance of the Bonds.

(iii) Upon execution and delivery by the Corporation and the Master Trustee and assuming the due authorization, execution and delivery of the Indenture by the Master Trustee, the Indenture will constitute a legal, valid and binding obligation of the Corporation, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity. Upon execution by the Corporation and the other parties thereto (and assuming

the due authorization, execution and delivery of such agreements by the other parties thereto), this Purchase Contract, the Pledge Agreement, and the Continuing Disclosure Agreement will constitute the legal, valid and binding obligations of the Corporation, enforceable in accordance with their respective terms; subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors' rights and (b) applicable laws and equitable principles that may affect remedies or injunctive or other equitable relief.

(iv) The Bonds, when issued and delivered to the Underwriters in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations of the Corporation, enforceable in accordance with their terms; subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors' rights and (b) applicable laws and equitable principles that may affect remedies or injunctive or other equitable relief.

(v) To the best of their knowledge, after due inquiry and upon reliance on a certificate from the President of the Corporation, the Corporation is not as of the date hereof in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the Corporation is a party or to which the Corporation is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this paragraph would materially adversely affect the ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract.

(vi) To the best of their knowledge, after due inquiry and upon reliance on a certificate from the President of the Corporation, the execution and delivery of the Indenture, the Pledge Agreement, the Bonds, the Continuing Disclosure Agreement, and this Purchase Contract and compliance with the provisions on the part of the Corporation contained therein, will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or relevant instrument to which the Corporation is

a party or to which the Corporation is otherwise subject, which breach or default would materially adversely affect the ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract, nor, to the best of their knowledge, will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon the Trust Estate except as provided by the Bonds, the Indenture, and the Pledge Agreement.

(vii) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required to be obtained by the Corporation for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Corporation of its obligations in connection with the issuance of the Bonds or for the execution and delivery of this Purchase Contract, the Indenture, the Continuing Disclosure Agreement and the Pledge Agreement, have been duly obtained.

(viii) The Bonds, when issued, executed and delivered in accordance with the Indenture and sold to the Underwriters as provided in this Purchase Contract, will be entitled to the benefits of the Indenture and the Pledge Agreement; and upon such issuance, execution and delivery, the Indenture will provide, for the benefit of the owners from time to time of the Bonds, a legally valid and binding pledge of and prior lien upon the moneys pledged by the State Board of Administration pursuant to the Pledge Agreement, consisting of the Pledged Collateral, and the balance of the Trust Estate, subject only to the provisions of the Indenture and the Pledge Agreement permitting the application thereof on the terms and conditions set forth in the Indenture and the Pledge Agreement.

(ix) To the best of their knowledge after inquiry and upon reliance on a certificate from the President of the Corporation, except as disclosed in the Preliminary Official Statement and the Official Statement, to the extent to which counsel has been advised or for which service of process has been made, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or threatened against the Corporation, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Trust

Estate or the lien on the Trust Estate, or contesting the completeness or accuracy of the Preliminary Official Statement, the Official Statement or any supplement or amendment thereto or contesting the powers of the Corporation or the authority for the issuance of the Bonds.

(6) An opinion of counsel to the State Board of Administration, addressed to the Underwriters and to Nabors, Giblin & Nickerson, P.A., Bond Counsel, dated the date of Closing, to the effect that:

(i) The State Board of Administration is duly organized and validly existing and has full legal right, power and authority to perform its obligations under the Pledge Agreement and the appropriate resolutions of the State Board of Administration and to perform its obligations under this Purchase Contract.

(ii) The State Board of Administration has duly adopted the resolution requesting the Corporation to issue the Bonds.

(iii) With respect to the information in the Preliminary Official Statement and the Official Statement, counsel has no reason to believe that the Preliminary Official Statement, as of its date and the date hereof, or the Official Statement, as of its date and the date of closing, (except for the financial and statistical data contained therein, as to which no view need be expressed) contained or contains an untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, except for, in the case of the Preliminary Official Statement, the omission of information permitted to be omitted pursuant to SEC Rule 15c2-12.

(iv) To the best knowledge of the counsel, the State Board of Administration is currently not in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the State Board of Administration is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this paragraph would materially adversely affect the ability of the State Board of Administration to perform

its obligations under the Pledge Agreement, the Bonds or this Purchase Contract.

(v) The execution and delivery of the Pledge Agreement, the Bonds and this Purchase Contract and compliance with the provisions on the part of the State Board of Administration contained therein will not, to the best knowledge of the Office of General Counsel, constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or this Purchase Contract, nor, to the best knowledge of the counsel, will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the FHCF except as provided by the Bonds and the Pledge Agreement, which lien, charge or other security interest or encumbrance would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or this Purchase Contract.

(vi) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the State Board of Administration of its obligations in connection with the issuance of the Bonds under this Purchase Contract and the Pledge Agreement and which are required to be obtained by the State Board of Administration have, to the best knowledge of the counsel, been duly obtained.

(vii) Except as disclosed in the Preliminary Official Statement and the Official Statement, to the extent to which the counsel has been advised or for which service of process has been made, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or threatened against the State Board of Administration, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the

Bonds or the collection of the Trust Estate or the lien on the Trust Estate, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or contesting the powers of the State Board of Administration or the authority for the issuance of the Bonds.

(viii) Except as disclosed in the Preliminary Official Statement and the Official Statement, to the extent to which counsel has been advised or for which service of process has been made, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or threatened against the Corporation, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Trust Estate or the lien on the Trust Estate, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or contesting the powers of the Corporation or the authority for the issuance of the Bonds.

(7) An opinion of Bryant Miller Olive P.A., Disclosure Counsel, addressed to the State Board of Administration and the Corporation with a reliance letter to the Underwriters, in form and substance satisfactory to the Corporation and the Senior Manager, substantially to the effect that, they have considered the information contained in the Preliminary Official Statement and the Official Statement and, based upon their review and discussions noted above, and in reliance upon the accuracy of the information contained in the aforementioned certificates and opinions, but without having undertaken any independent investigation of such information, nothing has come to their attention which leads them to believe that, as of their respective dates and as of the date of closing, the Preliminary Official Statement and the Official Statement contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(8) A certificate of the Corporation, dated the date of Closing, signed by the President or other appropriate official satisfactory to the Underwriters, to the effect that, to the best of its knowledge,

(i) each of the representations of the Corporation contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the date of the Closing as if made on such date;

(ii) the Corporation has performed all obligations to be performed hereunder as of the date of Closing;

(iii) except as disclosed in the Preliminary Official Statement or the Official Statement, no litigation is pending or, to the best knowledge of the Corporation, threatened, in any court or administrative body (A) to restrain or enjoin the issuance or delivery of any of the Bonds, (B) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, or this Purchase Contract, (C) in any way contesting the existence or powers of the Corporation, (D) to restrain or enjoin the collection of the Trust Estate pledged or to be pledged to pay the principal of, premium, if any, and interest, on the Bonds, (E) which may result in any material adverse change in the business, operations or the financial condition of the Corporation or (F) asserting that the Preliminary Official Statement or the Official Statement contain any untrue statement of a material fact or omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (but in lieu of such certificate, the Senior Manager may in its sole discretion accept an opinion of Bond Counsel, Counsel to the Corporation or both, acceptable to the Senior Manager in form and substance, that in the opinion of such counsel the issues raised in any such pending or threatened litigation are without substance or that the contentions of any plaintiffs therein are without merit); and

(iv) the Preliminary Official Statement as of its date and the date hereof and the Official Statement did not as of its date, and does not as of the date of Closing, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Preliminary Official Statement was to be used or the Official Statement is to be used, or which was or is necessary, as the case may be, in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

(9) The certificate of the State Board of Administration, dated the date of Closing, signed by the Executive Director or other appropriate official satisfactory to the Senior Manager in the form attached hereto as Exhibit D;

(10) Evidence that Fitch Ratings, Standard & Poor's Ratings Service and Moody's Investors Service have issued ratings for the Bonds which are not lower than "AA," "AA" and "Aa3," respectively;

(11) All certificates, documents and opinions required as conditions precedent to the issuance of the Bonds as set forth in the Indenture;

(12) The opinion of counsel to the Master Trustee, dated the Closing date and addressed to the Corporation, the Underwriters and Bond Counsel, in form and substance acceptable to the Corporation, the Underwriters, and Bond Counsel;

(13) A customary authorization and incumbency certificate, dated the Closing date, signed by authorized officers of the Master Trustee;

(14) A specimen bond;

(15) A copy of the Blanket Letter of Representations to DTC executed by the Corporation;

(16) A copy of any "blue sky" survey or legal investment memoranda indicating the jurisdictions in which the Bonds may be sold in compliance with the "blue sky" or securities laws of and as legal investments in the various jurisdictions;

(17) A certificate of Paragon Strategic Solutions Inc. in form and substance reasonably satisfactory to the Corporation and the Underwriters, to the effect that they consent to the references to them in the Preliminary Official Statement and the Official Statement and that the statements attributed to them in the Preliminary Official Statement and the Official Statement are accurate;

(18) An opinion of [____], Underwriters' Counsel, addressed to the Underwriters, and dated the date of Closing, to the effect that:

(i) The Bonds are exempt securities under the Securities Act of 1933, as amended, and the offer and sale of the Bonds do not require registration of any security under said Securities Act or qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(ii) Without having verified, or passed upon or assumed any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement (including, in each case, the Appendices thereto), and based upon the information made available to it in the course of its participation in the preparation of the Preliminary Official Statement and the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as of the date of the Closing, nothing has come to its attention that would cause it to believe that the Preliminary Official Statement, as of its date and as of the date of the Purchase Contract, or the Official Statement, as of its date and as of the date of the Closing, contained or contains any untrue statement of a

material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for, in the case of the Preliminary Official Statement, the omission of information permitted to be omitted pursuant to SEC Rule 15c2-12. (In rendering this opinion, such counsel need not express an opinion with respect to the information under the heading "TAX MATTERS" or in Appendices B, C, D or E, or information concerning The Depository Trust Company and the book-entry-only system of registration and global clearance procedures for the Bonds, information concerning sales to foreign investors, or financial, demographic and statistical data included in the Preliminary Official Statement or the Official Statement or, in each case, in the Appendices thereto.); and

(iii) Without expressing any opinion with respect to the authorization, execution, delivery or validity of the Continuing Disclosure Agreement with respect to the Bonds, dated as of [DATE] (the "Continuing Disclosure Agreement"), based upon the examination described above, such counsel is of the opinion that the continuing disclosure undertakings of the Corporation set forth in the Continuing Disclosure Agreement are sufficient for the Underwriters to reasonably determine that the requirements of Section (b)(5)(i) of Rule 15c2-12 with respect to the Bonds has been met; and

(19) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of Closing, of the Corporation's and the State Board of Administration's representations and agreements contained herein and of the statements and information contained in the Preliminary Official Statement and the Official Statement and the due performance or satisfaction by the Corporation on or prior to the date of Closing of all the agreements then to be performed and conditions then to be satisfied by it.

10. If the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, then this Purchase Contract shall terminate and neither the Underwriters nor the Corporation shall be under any further obligation hereunder, except that (i) the Good Faith Wire shall immediately be returned to the Senior Manager by the Corporation, unless the Corporation's failure to satisfy a condition precedent to the Underwriters' obligations was proximately and wrongfully caused by any of the Underwriters, and (ii) the respective obligations of the Corporation and the Underwriters set forth in Section 11 hereof shall continue in full force and effect. However, the

Underwriters may, in their sole discretion, waive one or more of the conditions imposed by this Purchase Contract and proceed with Closing.

11. (a) The Underwriters shall be under no obligation to pay, and the Corporation shall pay from the proceeds of the sale of the Bonds or other legally available funds of the Corporation, any expense incident to the performance of the Corporation's obligations hereunder including, but not limited to (i) the cost of preparation, printing and delivery of the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, and the electronic versions of the Preliminary Official Statement and the Official Statement and any supplement and amendments thereto; (ii) the cost of preparation and printing of the Bonds; (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel and Counsel to the Corporation and the State Board of Administration; (iv) initial fees for bond ratings; (v) fees and disbursements of Raymond James & Associates, Inc., for their services as financial advisor to the Corporation; and (vi) other reasonable costs of the Corporation incurred in connection with the marketing and issuance of the Bonds including reimbursement for costs of certain meals for employees, agents, and representatives of the Corporation and the State Board of Administration related to investor presentations; provided that the costs of printing described in (i) and (ii) above shall be paid by the Corporation only if the printers used are the printers designated and authorized by the Corporation. Upon the prior approval of the Corporation, in the event that the Underwriters incur or advance the cost of any expense for which the Corporation is responsible hereunder, the Corporation shall reimburse the Underwriter at or prior to Closing for such cost; if at Closing, reimbursement may be included in the expense component of the Underwriters' spread.

(b) The Underwriters shall pay any expense incident to the performance of the Underwriters' obligations hereunder including but not limited to: (i) the cost of preparation of the Agreement Among Underwriters, if any, and the Blue Sky and Legal Investment Surveys; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Bonds and the cost, if any, to continue the eligibility of the Bonds for investment; (iii) all expenses associated with obtaining CUSIP numbers for the Bonds; and (iv) all other expenses incurred by them or any of them in connection with the public offering of the Bonds and delivery of and the payment for the Bonds, including the fees and disbursements of Underwriters' Counsel.

12. Any notice or other communication to be given to the Corporation under this Purchase Contract may be given by delivering the same in writing to the Corporation, c/o State Board of Administration of Florida, P.O. Box 13300, Tallahassee, Florida 32317-3300 (for non-postal delivery, to 1801 Hermitage Boulevard, Hermitage Centre, Suite 100, Tallahassee, Florida 32308), Attention: Chief Operating Officer-FHCF; any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to: Citigroup Global Markets Inc. .

13. This Purchase Contract is made solely for the benefit of the Corporation, the State Board of Administration and the Underwriters (including the successors of any of the parties) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations contained in this Purchase Contract shall remain operative and in full force and

effect regardless of: (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

14. This Purchase Contract shall become effective upon the execution by the Senior Manager, for and on behalf of all of the Underwriters including the Senior Manager, and appropriate Corporation officials and the acceptance hereof by the State Board of Administration and shall be valid and enforceable at the time of such acceptance and shall be governed by and construed in accordance with the laws of the State of Florida. This Purchase Contract shall not be construed for or against any party because that party wrote it. Venue of any action arising out of or relating to this Purchase Contract shall be in Leon County, Florida.

15. Neither the Corporation, the State Board of Administration, nor any of the members thereof, nor any officer, agent or employee thereof, as the case may be, shall be charged personally by the Underwriters with any liability or held liable to the Underwriters under any term or provision of this Purchase Contract because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

16. This Purchase Contract may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed an original.

[Balance of page intentionally left blank.]

[Signature Page – Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

Done this XXX day of XXXX, 2023.

Citigroup Global Markets Inc., as representative of the
Underwriters

By:_____

Name:

Title:

[Signature Page - Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

Done this XXX day of XXXX, 2023.

STATE BOARD OF ADMINISTRATION FINANCE
CORPORATION

By:_____

Name: Gina Wilson

Title: President

[Signature Page - Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

ENDORSEMENT AND ACCEPTANCE

The undersigned hereby endorses and accepts the foregoing Bond Purchase Contract and agrees to be bound by the terms and conditions relating to it set forth therein as fully and to the same extent as if the undersigned were a party thereto.

Accepted at _____ p.m. Eastern Time, this XXX day of XXXX, 2023.

STATE BOARD OF ADMINISTRATION OF FLORIDA, AS
ADMINISTRATOR OF THE FLORIDA HURRICANE
CATASTROPHE FUND

By: _____

Name: E. Lamar Taylor

Title: Interim Executive Director and Chief Investment
Officer

EXHIBIT A

MEMORANDUM OF UNDERSTANDING AND PRICING

SCHEDULE I – Underwriters’ Spread Expenses (amounts may not add due to rounding)

<u>Spread:</u>	<u>Dollar Amount</u>	<u>Per Bond</u>
Average Takedown		
Expenses		
Total Underwriters’ Discount		

Expense Components

Underwriter’s Counsel		
CUSIP		
DTC		
DALCOMP/IPREO Bookrunner Fee		
DALCOMP News Service		
DALCOMP EOE & Services Tax		
Investor Roadshow Posting		
Travel & Out of Pocket		
Total Expenses		

SCHEDULE II – Terms of Bonds and Public Offering Prices and Yields

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Takedown</u>	<u>Initial CUSIP No.</u>
-------------------	-----------------------------	----------------------	--------------	-----------------	--------------------------

Purchase Price for the Bonds

Par Amount

Less: Underwriters’ Discount

Purchase Price

SCHEDULE III - Redemption

Make-Whole Redemption of Series 2023A Bonds. The Series 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2023A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2023A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the Series 2023A Bonds are to be redeemed, discounted to the date on which the Series 2023A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus __ basis points for the 20__ maturity, __ basis points for the 20__ maturity, __ basis points for the 20__ maturity, __ basis points for the 20__ maturity and __ basis points for the 20__ maturity; plus, in each case, accrued and unpaid interest on the Series 2023A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, (i) the time-weighted interpolated average yield to maturity, assuming a 360-day year consisting of twelve 30-day months, for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H.15 that is publicly available not less than two (2) Business Days nor more than 45 calendar days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee most nearly equal to the period from the redemption date to the maturity date of such Series 2023A Bonds)) maturing immediately preceding and succeeding the Make Whole Period or (ii) if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury Securities adjusted to a constant maturity of one year. The Treasury Rate will be determined by the Trustee.

SCHEDULE IV – Participation Split

Participation:

Citigroup Global Markets Inc.
BofA Securities, Inc.

J.P. Morgan Securities LLC
Morgan Stanley & Co. LLC
Wells Fargo Bank, National Association

Management Fee:

[Signature Page – Exhibit A to Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

Accepted and Agreed to this XXX day of XXXX, 2023.

Citigroup Global Markets Inc., as representative
of the Underwriters

By: _____

Name:

Title:

[Signature Page – Exhibit A to Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

STATE BOARD OF ADMINISTRATION FINANCE
CORPORATION

By: _____

Name: Gina Wilson

Title: President

NAMES AND ADDRESSES OF UNDERWRITERS

Citigroup Global Markets Inc.
200 S. Orange Ave., Suite 2170
Orlando, FL 32801

BofA Securities, Inc. 250 S. Park Avenue, Suite 400
Winter Park, FL 32789

J.P. Morgan Securities LLC
420 South Orange Ave., Suite 270
Orlando, FL 32801

Morgan Stanley & Co. LLC
2825 University Dr., Suite 400, 4th Floor
Coral Springs, Florida 33065

Wells Fargo Bank, National Association
100 South Ashley Drive Suite 820
Tampa, FL 33602

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

Agreement Among Underwriters

EXHIBIT D

GENERAL AND NON-LITIGATION CERTIFICATE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA

The undersigned, E. Lamar Taylor, being the duly appointed and qualified Interim Executive Director and Chief Investment Officer of the State Board of Administration of Florida (the "State Board of Administration") as administrator of the Florida Hurricane Catastrophe Fund (the "FHCF"), certifies on behalf of the State Board of Administration as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings given such terms in the Master Trust Indenture executed by the Corporation as of June 1, 2006, as amended and supplemented, particularly by the Ninth Supplemental Indenture dated as of [DATE] (collectively, the "Indenture").

2. (a) The audited financial records of the FHCF for the fiscal years ended June 30, 2023 and June 30, 2022, contained in the Preliminary Official Statement dated [DATE] (the "Preliminary Official Statement") as Appendix B thereto, to the best knowledge of the State Board of Administration, present fairly the financial position of the FHCF as of the dates indicated and the results of its operations for the periods specified, and other financial information and statistical data relating to the FHCF and included in the Preliminary Official Statement were true and correct as of the date thereof and of the date of sale of the Bonds. The audited financial records of the FHCF for the fiscal years ended June 30, 2023 and June 30, 2022, contained in the final Official Statement dated [DATE] (the "Official Statement") as Appendix B thereto, to the best knowledge of the State Board of Administration, present fairly the financial position of the FHCF as of the dates indicated and the results of its operations for the periods specified, and other financial information and statistical data relating to the FHCF and included in the Official Statement are true and correct as of the date hereof;

(b) To the best knowledge of the State Board of Administration, since June 30, 2023, no material adverse change has occurred in the financial position or results of operations of the FHCF except as set forth in or contemplated by the Official Statement and FHCF has not, since June 30, 2023, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and

(c) To the best knowledge of the State Board of Administration, all liens, encumbrances, covenants, conditions and restrictions, if any, to the real and personal property of the FHCF will not interfere with or impair the operations of the FHCF.

3. The portions of the Preliminary Official Statement and the Official Statement relating to the State Board of Administration and the Florida Hurricane Catastrophe Fund under the headings "AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS," "DEBT SERVICE COVERAGE," "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "INVESTMENT POLICY OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," "LITIGATION," "AUDITED FINANCIAL STATEMENTS," AND

“APPENDIX B – FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2023” do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. To the best knowledge of the State Board of Administration, except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation is pending or threatened, which may result in any material adverse change in the business, operations or financial condition of the FHCF.

4. To the best knowledge of the State Board of Administration, the representations of the State Board of Administration, as administrator of the FHCF, contained in the Purchase Contract, dated [DATE], entered into between Citigroup Global Markets Inc., as representative of the Underwriters named herein, and the Corporation, and acknowledged and accepted by the State Board of Administration, are true and correct in all material respects as of the date hereof and the State Board of Administration has performed all obligations to be performed thereunder as of the date of the Purchase Contract and as of the date hereof.

5. To the best knowledge of the State Board of Administration, except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or, to the best knowledge of the State Board of Administration, threatened, against the State Board of Administration affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, the imposition of Emergency Assessments, or the collection of the Pledged Collateral pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge and lien upon the Pledged Collateral, or contesting or affecting the authorization for the issuance of the Bonds, the appropriate resolutions of the State Board of Administration or the Purchase Contract, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the State Board of Administration or any authority for the issuance of the Bonds, the adoption of the appropriate resolutions of the State Board of Administration, or the acceptance by the State Board of Administration of the Purchase Contract.

6. Except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation or proceeding before any court or administrative body is pending or to the best knowledge of the State Board of Administration threatened, against the State Board of Administration contesting the due organization and valid existence of the State Board of Administration or the FHCF or the validity, due authorization and execution of the Bonds or attempting to limit, enjoin or otherwise restrict or prevent the State Board of Administration from functioning and collecting the Pledged Collateral.

7. The State Board of Administration has, by all necessary official actions, duly adopted the appropriate resolution of the State Board of Administration, has duly authorized and approved the Preliminary Official Statement and the Official Statement, has duly authorized and

requested the issuance of the Bonds by the Corporation, and the performance by the State Board of Administration of the obligations on its part in connection with the issuance of the Bonds and the Purchase Contract, and the consummation by the State Board of Administration of all applicable transactions contemplated by the Purchase Contract in connection with the issuance of the Bonds. The resolution of the State Board of Administration requesting sale and issuance of the Bonds has not been modified, amended or repealed as of the date hereof.

8. To the best knowledge of the State Board of Administration, the State Board of Administration is currently not in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the Pledged Collateral is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this paragraph would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or the Purchase Contract.

9. To the best knowledge of the State Board of Administration, the execution and delivery of the Bonds, the Pledge Agreement, and the Purchase Contract and compliance with the provisions on the part of the State Board of Administration contained therein will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the Pledged Collateral is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or the Purchase Contract nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon the Pledged Collateral except as provided by the Bonds and the Pledge Agreement.

10. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the State Board of Administration of its obligations in connection with the issuance of the Bonds under the Purchase Contract and the Pledge Agreement and which are required to be obtained by the State Board of Administration have been duly obtained.

[Balance of page intentionally left blank.]

11. This Certificate is executed in order to comply with the provisions of the Purchase Contract.

**STATE BOARD OF ADMINISTRATION OF
FLORIDA**

By: _____

Name: E. Lamar Taylor

Title: Interim Executive Director and Chief Investment
Officer

EXHIBIT E

UNDERWRITERS' DISCLOSURE STATEMENT

The undersigned, on behalf of Citigroup Global Markets Inc., as representative of the Underwriters in connection with the issuance by the State Board of Administration Finance Corporation (the "Corporation") of its State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Bonds"), does hereby certify as follows:

1. No finders were utilized in connection with the purchase of the Bonds by the Underwriters.

2. (a) The expense component of the Underwriters' gross spread is \$_____ per \$1,000 bond;

(b) The takedown component of the Underwriters' gross spread is \$____ per \$1,000 bond; and

(c) There is no management fee.

3. No other fee, retainer, bonus or compensation is expected to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by them, other than the fee paid to [____], as Underwriters' counsel, as specified in Exhibit C to the Bond Purchase Contract, dated [DATE].

4. The name and address of each of the Underwriters is as follows:

[See Exhibit A to the Bond Purchase Contract, dated DATE]

5. There is no selling group in connection with the sale of the Bonds.

[Balance of page intentionally left blank.]

[Signature Page - Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) –
Underwriters' Disclosure Statement]

IN WITNESS WHEREOF, I have hereunto set my hand this XXX day of XXXX, 2023.

Citigroup Global Markets Inc., as
representative of the Underwriters

By: _____
Name:
Title:

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2023

NEW ISSUE- BOOK ENTRY ONLY

RATINGS: Moody's: "___" (stable)

S & P: "___" (stable)

Fitch: "___" (stable)

See "RATINGS" herein

In the opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, interest on the 2023A Bonds is not excluded from gross income of the holders thereof for federal income tax purposes. See "TAX MATTERS" herein.

\$ _____ *

State of Florida

State Board of Administration Finance Corporation

Revenue Bonds, Series 2023A (Taxable)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The State Board of Administration Finance Corporation (the "Corporation") is issuing its Revenue Bonds, Series 2023A (Taxable) (the "2023A Bonds") pursuant to Section 215.555, Florida Statutes, as amended, and other applicable provisions of law, including administrative rules relating to the Florida Hurricane Catastrophe Fund (the "FHCF"), and certain resolutions of the Corporation and the State Board of Administration of Florida (the "SBA") as the administrator of the FHCF, adopted on **[October 24, 2023]**. **The 2023A Bonds shall not constitute a debt of the State of Florida.** The 2023A Bonds will be issued pursuant to a Master Trust Indenture, as amended and supplemented from time to time and in particular by a Ninth Supplemental Indenture (collectively, the "Master Indenture"), each with Regions Bank, Jacksonville, Florida (successor to Wells Fargo Bank, N.A.), as Master Trustee (the "Master Trustee"). See "PLAN OF FINANCE" herein.

The 2023A Bonds are being issued to provide funds, together with other available funds, to (i) enable the FHCF to make reimbursement payments to Participating Insurers for reimbursable Losses caused by any future Covered Events, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the 2023A Bonds.

The 2023A Bonds will be issued on a parity basis with each other and with the Corporation's Revenue Bonds, Series 2020A, outstanding in the principal amount of \$3,500,000,000 (the "2020A Bonds") and any future Parity Obligations. The 2023A Bonds and the 2020A Bonds are secured by a first lien pledge of the Pledged Collateral, which is described below, including, with respect to the 2023A Bonds only, the proceeds of the 2023A Bonds prior to expenditure thereof. The 2020A Bonds and the 2023A Bonds are not secured by any Reserve Account. See "INTRODUCTION" herein.

The Corporation is an instrumentality of the State of Florida (the "State") and its obligations are exclusively secured by the Pledged Collateral, which consists primarily of: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and (iii) Emergency Assessments and investment earnings thereon. The 2023A Bonds are additionally secured by the proceeds thereof pending their disbursement for losses from future Covered Events, as further described herein. The 2023A Bonds shall not constitute a debt of the State, and holders of the 2023A Bonds shall have recourse only against the Pledged Collateral. The Corporation has no general

taxing power nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Neither the credit, the revenues nor the taxing power of the State shall be deemed to be pledged to the payment of the 2023A Bonds.

The 2023A Bonds are subject to redemption as described herein.

Interest on the 2023A Bonds will be payable semiannually on January 1 and July 1 of each year, commencing [July 1, 2024], at the rates set forth on the inside cover. The 2023A Bonds will mature on July 1 in the years and principal amounts set forth on the inside cover. Individual purchases of 2023A Bonds will be made in denominations of \$1,000 or any integral multiple thereof. The Master Trustee will also serve as Bond Registrar with respect to the 2023A Bonds. So long as Cede & Co. is the registered owner of the 2023A Bonds, principal of and interest on the 2023A Bonds will be payable by the Master Trustee to The Depository Trust Company ("DTC"), which will in turn remit such payments to its participants for subsequent disbursement to Beneficial Owners of the 2023A Bonds, as more fully described herein. See "DESCRIPTION OF THE 2023A BONDS – Book-Entry-Only System" herein.

THIS COVER PAGE AND THE INSIDE COVER PAGE HERETO CONTAIN CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE 2023A BONDS. INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.

The 2023A Bonds are offered when, as and if issued by the Corporation and accepted by the Underwriters, subject to prior sale or withdrawal or modification of the offer without notice, and subject to receipt of an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the Corporation by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel to the Corporation. Certain legal matters will be passed upon for the FHCF by its internal counsel. Bryant Miller Olive P.A., Tampa, Florida, is serving as Disclosure Counsel. The Underwriters are represented by _____, _____. Raymond James & Associates, Inc. has served as Financial Advisor to the Corporation and the FHCF. The 2023A Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about _____, 2023.

[UNDERWRITERS]

Dated: _____, 2023

*Preliminary, subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND
INITIAL CUSIP NUMBERS**

\$_____ * REVENUE BONDS, SERIES 2023A (TAXABLE)

Maturity <u>(July 1)*</u>	Principal <u>Amount*</u>	Interest <u>Rate</u>	Yield	Initial <u>CUSIP No.**</u>
------------------------------	-----------------------------	-------------------------	-------	-------------------------------

\$_____ * _____% Term Bond due July 1, 20__*; Yield _____%; Initial CUSIP No. _____**

* Preliminary, subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for CUSIP Service. CUSIP numbers have been assigned by an independent company not affiliated with the Corporation and are provided solely for convenience and reference. The CUSIP numbers for the 2023A Bonds of a specific maturity are subject to change after the issuance of the 2023A Bonds. None of the Corporation, the Financial Advisor, the Underwriters, the Master Trustee or their agents takes any responsibility for the accuracy of such CUSIP numbers.

RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2023A Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The Corporation has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

ADDITIONAL INFORMATION

The 2023A Bonds are exempt from registration under the Securities Act of 1933, as amended. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Corporation, the SBA, the FHCF or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2023A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been furnished by the Corporation, the SBA, the FHCF and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Corporation, the SBA or the FHCF since the date hereof.

Neither the Securities and Exchange Commission nor any state securities commission or other governmental authority has approved or disapproved of these securities or determined that this Official Statement is truthful or complete. Any representation to the contrary is a criminal offense.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as "plan", "project", "expect", "anticipate", "intend", "believe", "estimate", "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any results, performances or achievements expressed or implied by such forward-looking statements. Except as specifically set forth herein, neither the Corporation, the SBA, nor the FHCF plans to issue any updates or revisions to those forward-looking statements due to changes in its expectations or subsequent events, conditions or circumstances on which such statements are based.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in the Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Regions Bank, as Master Trustee, has not provided, reviewed or approved any information in this Official Statement. Regions Bank makes no representation as to the contents, accuracy, fairness or completeness of this Official Statement. Regions Bank has not evaluated the risks or propriety of any investment in the 2023A Bonds; and Regions Bank makes no representation as to the suitability or investment quality of the 2023A Bonds for any investor, the technical or financial feasibility or performance of the Corporation's business, or compliance with any securities, tax or other laws or regulations, about all of which Regions Bank expresses no opinion and expressly disclaims the expertise to evaluate.

**INFORMATION CONCERNING OFFERING RESTRICTIONS
IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES**

REFERENCES IN THIS SECTION TO THE "CORPORATION" MEAN THE STATE BOARD OF ADMINISTRATION FINANCE CORPORATION AND REFERENCES TO "2023A BONDS" OR "SECURITIES" MEAN THE STATE BOARD OF ADMINISTRATION FINANCE CORPORATION REVENUE BONDS, SERIES 2023A (TAXABLE) (THE "2023A BONDS").

THE INFORMATION UNDER THIS CAPTION HAS BEEN FURNISHED BY THE UNDERWRITERS, AND THE CORPORATION MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION.

COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE 2023A BONDS IS THE RESPONSIBILITY OF THE UNDERWRITERS, AND THE CORPORATION SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. NO ACTION HAS BEEN TAKEN BY THE CORPORATION THAT WOULD PERMIT THE OFFERING OR SALE OF THE 2023A BONDS, OR POSSESSION OR DISTRIBUTION OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE 2023A BONDS, OR ANY INFORMATION RELATING TO THE PRICING OF THE 2023A BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

THE 2023A BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE 2023A BOND OF \$1,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 150 UNITS (BEING 150 2023A BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SECURITIES TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA") WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SECURITIES. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER TO ANY PERSON LOCATED WITHIN A MEMBER STATE OF THE EEA OF THE SECURITIES SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE CORPORATION OR ANY OF THE INITIAL PURCHASERS TO PRODUCE A PROSPECTUS OR SUPPLEMENT FOR SUCH AN OFFER. NEITHER THE CORPORATION NOR THE INITIAL PURCHASERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SECURITIES THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE INITIAL PURCHASERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SECURITIES CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY SECURITIES WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE

TO THE PUBLIC IN ANY MEMBER STATE OF THE EEA, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN "QUALIFIED INVESTORS" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION); OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER FOR ANY SUCH OFFER; PROVIDED THAT NO SUCH OFFER OF THE SECURITIES SHALL REQUIRE THE CORPORATION OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF SECURITIES TO THE PUBLIC" IN RELATION TO THE SECURITIES IN ANY MEMBER STATE OF THE EEA MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SECURITIES.

EACH SUBSCRIBER FOR OR PURCHASER OF THE 2023A BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS REGULATION. THE CORPORATION AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – THE 2023A BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER"), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21

OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY 2023A BONDS MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS. THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA") BY A PERSON AUTHORIZED UNDER THE FSMA.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THE 2023A BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (THE "FINSA"), AND NO APPLICATION HAS BEEN OR WILL BE MADE TO ADMIT THE 2023A BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2023A BONDS (1) CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA OR (2) HAS BEEN OR WILL BE FILED WITH OR APPROVED BY A SWISS REVIEW BODY PURSUANT TO ARTICLE 52 OF THE FINSA, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2023A BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE 2023A BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS* OR SUBSECTION 73.3(1) OF THE *SECURITIES ACT* (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*. ANY RESALE OF THE 2023A BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL

INSTRUMENT 33-105 UNDERWRITING CONFLICTS ("NI 33-105"), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

WARNING. THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE 2023A BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS DOCUMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) ("SFO"). THE 2023A BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS DOCUMENT OR ANY OTHER DOCUMENT, AND THIS DOCUMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN TO 'PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE 2023A BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO 2023A BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO 'PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE 2023A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO.25 OF 1948, AS AMENDED THE "FIEA"). IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS SINCE THE OFFERING CONSTITUTES THE PRIVATE PLACEMENT TO QUALIFIED INSTITUTIONAL INVESTORS ONLY AS PROVIDED FOR IN "I" OF ARTICLE 2, PARAGRAPH 3, ITEM 2 OF THE FIEA. A TRANSFEROR OF THE 2023A BONDS SHALL NOT TRANSFER OR RESELL THEM EXCEPT WHERE A TRANSFEREE IS A QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED UNDER ARTICLE 10 OF THE CABINET OFFICE ORDINANCE CONCERNING DEFINITIONS PROVIDED IN ARTICLE 2 OF THE FIEA (THE MINISTRY OF FINANCE ORDINANCE NO. 14 OF 1993, AS AMENDED).

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH KOREA

THIS OFFICIAL STATEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. THE 2023A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES

COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FSCMA"). THE 2023A BONDS MAY NOT BE OFFERED, REMARKETED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED, REMARKETED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF SOUTH KOREA AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FETL")) WITHIN ONE YEAR OF THE ISSUANCE OF THE 2023A BONDS, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE SOUTH KOREAN LAWS AND REGULATIONS, INCLUDING THE FSCMA AND THE FETL.

EACH OF THE UNDERWRITERS HAVE REPRESENTED AND AGREED THAT THEY HAVE NOT AND WILL NOT, DIRECTLY OR INDIRECTLY, SELL OR DELIVER ANY BONDS IN KOREA OR TO, OR, FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA) OR TO OTHERS FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE LAWS AND REGULATIONS OF KOREA.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE 2023A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA ("TAIWAN") AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND MAY NOT BE ISSUED, OFFERED, OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN OR RELEVANT LAWS AND REGULATIONS THAT REQUIRES A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN. THE 2023A BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE OUTSIDE TAIWAN BY INVESTORS RESIDING IN TAIWAN DIRECTLY, BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY TO THE EXTENT PERMITTED BY APPLICABLE LAWS OR REGULATIONS.

STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

BOARD OF DIRECTORS OF THE CORPORATION

Governor of the State of Florida, Ron DeSantis, Chairman
Chief Financial Officer of the State of Florida, Jimmy Patronis
Attorney General of the State of Florida, Ashley Moody
Director of the Division of Bond Finance, J. Ben Watkins, III
Chief Operating Officer of FHCF, Gina Wilson, CPM, ARe, CPCU

FLORIDA HURRICANE CATASTROPHE FUND

Gina Wilson, CPM, ARe, CPCU
Chief Operating Officer

Toma Wilkerson
Director of Operations

Mary Linzee Branham, J.D.
Director of Legal & Risk Operations

**BOND COUNSEL AND
SPECIAL COUNSEL TO THE CORPORATION**

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

FINANCIAL ADVISOR

Raymond James & Associates, Inc.
St. Petersburg, Florida

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS	4
General Legal Authority	4
The State Board of Administration Finance Corporation	4
The State Board of Administration of the State of Florida	5
The Florida Hurricane Catastrophe Fund	6
PLAN OF FINANCE	7
The 2023A Bonds and Other Liquidity	8
ESTIMATED SOURCES AND USES OF FUNDS	9
DESCRIPTION OF THE 2023A BONDS.....	10
General	10
Book-Entry-Only System	10
[Optional Redemption with Make-Whole Premium	10
Notice of Optional Redemption.....	11
PLEDGE AND SECURITY FOR THE 2023A BONDS	12
General	12
Withdrawal of 2023A Bond Proceeds	12
Pledge Agreement	13
Flow of Funds	15
Corpus and Corpus Earnings Not Pledged	17
No Bankruptcy.....	17
Non-Impairment.....	17
Additional Parity Obligations and Subordinate Indebtedness	17
DEBT SERVICE COVERAGE.....	18
Debt Service Coverage Requirement	20
Events of Default and Remedies.....	21
OPERATION OF THE FHCF	22
General	22
Administration of the FHCF	24
Limited Liability of the FHCF and Bonding Capacity Estimates and Assumptions.....	26
FHCF Financial Position – Basic Mechanics	29
Historical Summary of Revenues, Expenses and Changes in Net Position	31
Financial Impacts of Recent Hurricanes on the FHCF	32
Florida Insurance Market	33
Recent Legislative Actions	34
Reimbursement Premiums.....	36
Assessments	40
Collection of Assessments and Reimbursement Premiums from Companies in Receivership.....	45
INVESTMENT POLICY OF THE FHCF	46
[TO BE UPDATED]	46

FUTURE LEGISLATIVE AND REGULATORY CHANGES	49
LITIGATION	49
General	49
Previous Litigation	50
Validation Proceedings Pursuant to Florida Statutes.....	50
ENFORCEABILITY OF REMEDIES.....	51
TAX MATTERS.....	51
General.....	51
Certain U.S. Federal Income Tax Consequences to U.S. Holders	52
Information Reporting and Backup Withholding.....	53
Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders	53
LEGALITY FOR INVESTMENTS.....	54
APPROVAL OF LEGALITY	54
RATINGS	54
AUDITED FINANCIAL STATEMENTS.....	54
FINANCIAL ADVISOR.....	55
UNDERWRITING	55
CONTINUING DISCLOSURE.....	56
INFORMATION TECHNOLOGY SECURITY	56
ENVIRONMENTAL RISK FACTORS	56
MISCELLANEOUS.....	57

APPENDIX A	STATE OF FLORIDA – GENERAL INFORMATION
APPENDIX B	FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED [JUNE 30, 2023 AND JUNE 30, 2022]
APPENDIX C-1	DEFINITIONS
APPENDIX C-2	MASTER TRUST INDENTURE; SEVENTH SUPPLEMENTAL INDENTURE
APPENDIX C-3	FORM OF NINTH SUPPLEMENTAL INDENTURE
APPENDIX C-4	PLEDGE AND SECURITY AGREEMENT
APPENDIX D	PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES
APPENDIX E	FORM OF APPROVING OPINION
APPENDIX F	FORM OF CONTINUING DISCLOSURE AGREEMENT

OFFICIAL STATEMENT
Relating to

\$ _____ *

State of Florida

State Board of Administration Finance Corporation
Revenue Bonds, Series 2023A (Taxable)

INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover page and the Appendices, is to set forth certain information in connection with the offering of State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the “2023A Bonds”) being issued by the State Board of Administration Finance Corporation (the “Corporation”). All capitalized, undefined terms used in this Official Statement have the meanings given to them in “APPENDIX C-1, DEFINITIONS.”

The 2023A Bonds are being issued by the Corporation pursuant to Section 215.555, Florida Statutes, as amended (the “Act”), and other applicable provisions of law, including administrative rules of the Florida Hurricane Catastrophe Fund (the “FHCF” or “Fund”), and certain resolutions of the Corporation and the State Board of Administration of Florida as the administrator of the FHCF (in such capacity, the “SBA”) adopted on [October 24, 2023]. The Corporation has no business activities other than serving as a conduit issuer for the FHCF and facilitating the issuance of revenue bonds and other forms of indebtedness for the FHCF. See “AUTHORITY FOR THE ISSUANCE OF 2023A BONDS” herein.

The proceeds of the 2023A Bonds, together with other available funds, will be used to (i) provide funds to enable the FHCF to make reimbursement payments to Participating Insurers for reimbursable Losses caused by any future Covered Events, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the 2023A Bonds. The proceeds from the sale of the 2023A Bonds will be held and invested by the SBA and will not be commingled with the proceeds of the 2020A Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “INVESTMENT POLICY OF THE FHCF” herein.

The 2023A Bonds will be issued by the Corporation pursuant to a Master Trust Indenture dated as of June 1, 2006, as amended by a Seventh Supplemental Indenture, dated as of March 1, 2016 (the “Seventh Supplemental Indenture”), and as supplemented by a Ninth Supplemental Indenture, to be dated as of _____ 1, 20__ (collectively, the “Master Indenture”), each with Regions Bank, Jacksonville, Florida (successor to Wells Fargo Bank, N.A.), the Master Trustee, Paying Agent, Authenticating Agent and Bond Registrar (the “Master Trustee”). The 2023A Bonds will be issued on a parity basis with the Corporation’s Revenue Bonds, Series 2020A, outstanding in the principal amount of \$3,500,000,000 (the “2020A Bonds”), and any future Parity Obligations. The 2020A Bonds were issued as Pre-Event Parity Obligations.

The 2023A Bonds will be secured by Pledged Collateral consisting primarily of: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and

*Preliminary, subject to change.

(iii) Emergency Assessments (the “Assessments”) and investment earnings thereon, all pursuant to the Pledge and Security Agreement, dated as of June 1, 2006, among the Corporation, the FHCF and the Master Trustee (the “Pledge Agreement”). The 2023A Bonds are additionally secured by the proceeds of the 2023A Bonds prior to being withdrawn to reimburse Participating Insurers for Losses relating to any future Covered Events. As further described herein, certain Assessments previously levied by the Florida Office of Insurance Regulation (the “OIR”) on behalf of the FHCF are no longer needed and have all been terminated at the direction of the SBA. See “PLEDGE AND SECURITY FOR 2023A BONDS” herein for a discussion of the Pledge Agreement and the Pledged Collateral. The 2020A Bonds and the 2023A Bonds are not secured by any Reserve Account.

Pledged Collateral also includes net receipts from Derivative Agreements, if any, and other Pledged Money. There are no Derivative Agreements currently outstanding and the Corporation, the FHCF and the SBA do not expect to enter into any Derivative Agreements with respect to the 2023A Bonds or the 2020A Bonds. See “PLEDGE AND SECURITY FOR 2023A BONDS” herein for a discussion of the Pledge Agreement and the Pledged Collateral.

The Corporation is an instrumentality of the State of Florida (the “State”), and its obligations are exclusively secured by the Pledged Collateral. The 2023A Bonds shall not constitute a debt of the State, and holders of the 2023A Bonds shall have recourse only against the Pledged Collateral. The Corporation has no general taxing power nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Neither the credit, the revenues nor the taxing power of the State shall be deemed to be pledged to the payment of the 2023A Bonds.

Under the Pledge Agreement, the FHCF is required to transfer to the Master Trustee all Reimbursement Premiums (net of Current Expenses of the FHCF), investment earnings on proceeds of Outstanding Parity Obligations, including the 2023A Bonds, and any Assessments received by the FHCF. From these amounts, the Master Trustee will (i) from Reimbursement Premiums, pay the Current Expenses of the Corporation (which are insignificant) and provide for debt service on the 2020A Bonds and the 2023A Bonds accruing or coming due during the then-current Fiscal Year (to the extent not paid from investment earnings on proceeds of the 2020A Bonds and the 2023A Bonds), and (ii) transfer all Assessments to an account for the benefit of the Outstanding Parity Obligations.

Once Reimbursement Premiums in an amount sufficient to pay debt service on all Outstanding Parity Obligations payable or accruing during the then current Fiscal Year have been transferred to the Master Trustee, any Reimbursement Premiums and investment earnings on proceeds of Pre-Event Parity Obligations received by the FHCF from such date until the end of the Fiscal Year are released from the lien of the Pledge Agreement and Master Indenture. Once Reimbursement Premiums sufficient to pay such amounts have been transferred or are otherwise available to the Master Trustee, the requirement to transfer Reimbursement Premiums to the Master Trustee ceases for the remainder of the then current Fiscal Year and all Reimbursement Premiums in excess of such requirement that are in possession of the Master Trustee will be returned to the FHCF to be used for any purpose permitted under the Act. Reimbursement Premiums and investment earnings on Pre-Event Parity Obligations released from the lien of the Master Indenture and Pledge Agreement become part of the Corpus of the FHCF, are no longer pledged to payment of debt service on the 2023A Bonds, the 2020A Bonds or any other Outstanding Parity Obligations, and will be available to pay Losses resulting from Covered Events and any other lawful purpose of the FHCF. See “- Corpus and Corpus Earnings Not Pledged” below. To the extent moneys held by the Master Trustee are ever insufficient to provide for debt service on Outstanding Parity Obligations, the Master

Trustee will provide notice to the FHCF, which will transfer the Pledged Collateral to the Master Trustee at such times and in such amounts as necessary to provide for such debt service when due.

Unlike Reimbursement Premiums, Assessments remain subject to the lien of the Master Indenture and Pledge Agreement even after debt service for the Fiscal Year on Outstanding Parity Obligations has been deposited with the Master Trustee and the FHCF is required to continue to transfer any Assessments to the Master Trustee. Excess Assessments transferred to the Master Trustee may be released from the lien of the Pledge Agreement and Master Indenture if the SBA certifies to the Master Trustee that there are sufficient funds on deposit with the Master Trustee to provide for the payment of debt service when due on Post-Event Parity Obligations for the current and the next Fiscal Year. Upon the Master Trustee's receipt of such certificate, Assessments in excess of amounts needed to pay debt service on Post-Event Parity Obligations will be released from the lien of the Master Indenture and Pledge Agreement and will be returned to the FHCF. Such amounts will then be available for any other lawful purpose of the FHCF. See "PLEDGE AND SECURITY FOR 2023A BONDS – Flow of Funds" herein. As of the date hereof, there are no Post-Event Parity Bonds Outstanding and no Assessments are currently being levied.

The proceeds of the 2023A Bonds, together with certain other funds of the Corporation, will be deposited into and held in a separate account pursuant to the Pledge Agreement and invested by the SBA consistent with Section 215.47, Florida Statutes, as amended, as described herein, and withdrawn as needed to pay Participating Insurers for Losses relating to any future Covered Events. See "INVESTMENT POLICY OF THE FHCF" herein. The investment earnings on the 2023A Bonds will be part of the Pledged Collateral, and such earnings, along with earnings on proceeds of Parity Obligations, will be available and are expected to be used to pay debt service on the 2023A Bonds, the 2020A Bonds and any future Parity Obligations. The Corporation anticipates that if proceeds of the 2023A Bonds are used to reimburse Participating Insurers for Losses from any future Covered Events, it may refinance a corresponding portion of the 2023A Bonds in the approximate amount withdrawn through the issuance of Post-Event Parity Obligations. The timing of any such financing will depend upon a number of factors, including, but not limited to, when the proceeds are needed and market conditions. Further, debt service on the 2023A Bonds may be paid from Reimbursement Premiums, Assessments or other Pledged Collateral rather than refinancing such withdrawals with Post-Event Parity Obligations. See "PLAN OF FINANCE" and "PLEDGE AND SECURITY FOR 2023A BONDS – Additional Parity Obligations and Subordinate Indebtedness" herein for a description of the Incurrence Test.

The Corporation may issue additional Parity Obligations only upon satisfaction of the Incurrence Test and the other terms and conditions of the Master Indenture. The issuance of the 2023A Bonds will satisfy the Incurrence Test. See "PLEDGE AND SECURITY FOR 2023A BONDS – Additional Parity Obligations and Subordinate Indebtedness" and "APPENDIX C-2, MASTER TRUST INDENTURE – Section 704." The Pledge Agreement and the Master Indenture require the FHCF and the Corporation to take certain action if the Revenue Available for Debt Service during a Fiscal Year is insufficient to cover debt service on Outstanding debt of the Corporation by a certain amount (1.25 times the debt service on Outstanding Parity Obligations and 1.00 times the debt service on both the Outstanding Parity Obligations and any Subordinate Indebtedness). See "PLEDGE AND SECURITY FOR 2023A BONDS – Debt Service Coverage Requirement" herein and "APPENDIX C-2, MASTER TRUST INDENTURE – Section 705."

Forms of the Master Trust Indenture and the Seventh Supplemental Indenture, the Ninth Supplemental Indenture and the Pledge Agreement are set forth in Appendices C-2, C-3 and C-4, respectively. All references in this Official Statement to the Master Trust Indenture, the Ninth Supplemental Indenture and the Pledge Agreement are qualified in their entirety by reference to the final

executed documents. Copies of the final executed documents will be on file at the corporate office of the Master Trustee in Jacksonville, Florida.

AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS

General Legal Authority

The 2023A Bonds are being issued by the Corporation pursuant to the Act and other applicable provisions of law, including administrative rules of the FHCF, and resolutions of the Corporation and the SBA, adopted on **[October 24, 2023]**, authorizing the issuance and sale of up to, but not exceeding, \$_____ * aggregate principal amount of Bonds to be issued as Pre-Event Parity Obligations, which may be issued in one or more series, the first of which is the 2023A Bonds, and authorizing the execution and delivery of the Ninth Supplemental Indenture and confirming the pledge of revenue to the payment of debt of the Corporation pursuant to the Pledge Agreement.

The 2023A Bonds are being issued as Pre-Event Parity Obligations to provide a source of funds for the FHCF to reimburse Participating Insurers for Losses relating to any future Covered Events. Under the Act, a Pre-Event financing may be undertaken in the absence of a hurricane upon a determination that such action would maximize the ability of the FHCF to meet future obligations. The SBA has determined, by a resolution adopted on **[October 24, 2023]**, that the issuance of the 2023A Bonds will maximize the ability of the FHCF to meet its future obligations.

The State Board of Administration Finance Corporation

In 1996, the Corporation was created as a public benefits corporation under the Act and as an instrumentality of the State to provide a mechanism necessary for the cost-effective and efficient issuance of debt. In 2014, the Corporation (formerly known as the Florida Hurricane Catastrophe Fund Finance Corporation) adopted a resolution to amend its Articles of Incorporation and Bylaws to conform to the legislative action that changed its name and other statutory and constitutional changes that have occurred since the Corporation's creation. Under the Act, the Corporation has the power to issue bonds or notes and engage in such other financial transactions as are necessary to provide sufficient funds to achieve the purposes of the Act.

The proceeds of debt issued by the Corporation may be used to reimburse Participating Insurers pursuant to Reimbursement Contracts for Losses from Covered Events; to refinance or replace previously existing borrowings or financial arrangements; to pay interest on such debt; to fund reserves; to provide a source of funds to the FHCF to reimburse Participating Insurers for Losses from subsequent hurricanes that are Covered Events; to pay expenses incident to the issuance or sale of such debt; and for such other purposes relating to the financial obligations of the FHCF as the SBA may determine.

Under the Act, the Corporation has all of the powers of corporations under Chapter 607, Part I (Florida Business Corporation Act) and Chapter 617 (Florida Not For Profit Corporation Act), Florida Statutes, subject only to limitations of the Act, which include, among other things, a provision prohibiting the Corporation from filing for voluntary federal bankruptcy protection as long as the Corporation has any debt outstanding.

The Corporation is governed under the Act by a five-member Board of Directors consisting of the Governor or a designee, the Chief Financial Officer or a designee, the Attorney General or a designee, the

Director of the Division of Bond Finance of the State Board of Administration, and the Chief Operating Officer of the FHCF. The members of the Board of Directors of the Corporation and the expiration dates of their respective terms in office are set forth below.

<u>Member</u>	<u>Term Expires</u>
Ron DeSantis, Governor, Chairman	January 1, 2027
Jimmy Patronis, Chief Financial Officer	January 1, 2027
Ashley Moody, Attorney General	January 1, 2027
J. Ben Watkins, III, Director of the Division of Bond Finance	Indefinite
Gina Wilson, CPM, ARe, CPCU, Chief Operating Officer, FHCF	Indefinite

The officers of the Corporation and the expiration dates of their respective terms in office are set forth below:

<u>Officer</u>	<u>Term Expires</u>
Gina Wilson, CPM, ARe, CPCU, President	Indefinite
Joel Meyer, Treasurer	Indefinite
John Brenneis, Secretary	Indefinite

The Corporation has no administrative staff and uses the staff of the FHCF for administrative matters. The Corporation has no business activities other than serving as a conduit issuer for the FHCF and facilitating the issuance of revenue bonds and other forms of indebtedness of the FHCF. The Corporation is treated as a blended component unit of the FHCF for financial statement presentation purposes and does not issue separate financial statements from the FHCF. See "AUDITED FINANCIAL STATEMENTS" herein.

Upon issuance of the 2023A Bonds, the Outstanding Parity Obligations of the Corporation will consist solely of the 2020A Bonds and the 2023A Bonds. Parity Obligations of the Corporation, including the 2023A Bonds and the 2020A Bonds, are not debts of the State, and holders of Parity Obligations shall have recourse only against the Pledged Collateral. The Corporation has no general taxing power, nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Pursuant to the Act, the Corporation and its corporate existence will continue indefinitely until terminated by law; however, no such law shall take effect as long as the Corporation has any debt outstanding unless adequate provision has been made for payment of such debt.

The State Board of Administration of the State of Florida

The SBA was created by Article IX, Section 16 of the State Constitution of 1885, as amended, and is governed under Article IV, Section 4(e) of the Florida Constitution. The SBA is composed of the Governor, as Chairman, the Chief Financial Officer and the Attorney General. The members of the SBA and the dates of expiration of their respective terms are set forth below:

<u>Member</u>	<u>Term Expires</u>
Ron DeSantis, Governor as Chairman	January 1, 2027
Jimmy Patronis, Chief Financial Officer	January 1, 2027
Ashley Moody, Attorney General	January 1, 2027

As of the date hereof, all three members of the SBA serve on the Board of Directors of the Corporation.

The SBA fulfills a number of mandates set out under the Florida Constitution and State statutes, including the administration of the FHCF. The SBA appoints a nine-member advisory council (the "FHCF Advisory Council") that serves at the pleasure of the SBA to provide the SBA with information and advice in connection with its administration of the FHCF. As described in the Act, the membership of the FHCF Advisory Council consists of an actuary, a meteorologist, an engineer, a representative of insurers, a representative of insurance agents, a representative of reinsurers and three consumers who are required to be representatives of other affected professions and industries. The FHCF Advisory Council generally discusses policy matters but does not have decision-making authority over the FHCF. The SBA makes all final decisions.

The SBA is authorized under the Act to:

- enter into agreements for the issuance of debt upon the occurrence of Covered Events and a determination that the moneys in the FHCF are or will be insufficient to reimburse Participating Insurers at the coverage levels selected in the Reimbursement Contracts (the legal liability of the FHCF is limited to its Actual Claims-Paying Capacity as defined in Section 215.555(2)(m), Florida Statutes);
- direct the OIR to levy Assessments of up to 6% of premium for Losses generated during any Contract Year (as defined herein) and up to 10% of premium in the aggregate to serve as security for debt issued;
- enter into agreements for the issuance of debt in the absence of a Covered Event upon a determination that such issuance would maximize the ability of the FHCF to meet future obligations; and
- procure reinsurance from reinsurers acceptable to the OIR for the purpose of maximizing the capacity of the FHCF.

The Florida Hurricane Catastrophe Fund

The FHCF is a tax-exempt trust fund created by the State Legislature during a special session in November 1993 to address the after-effects from Hurricane Andrew on the insurance market. Hurricane Andrew caused insured and uninsured losses in excess of \$30 billion in the State in August 1992. As a result of these losses, 11 insurers were rendered insolvent, and numerous insurers announced plans to cancel or discontinue writing policies covering residential property in the State, threatening approximately 900,000 policyholders with loss of property coverage.

In recognition of these circumstances and the general trend of contraction in domestic and international reinsurance capacity in existence at that time, the State Legislature passed legislation creating the FHCF in November 1993 for the purpose of reimbursing insurers writing substantially all of the policies covering residential property in the State for a portion of their catastrophic hurricane losses. The FHCF is administered by the SBA. The FHCF is not a regulated insurance or reinsurance company under State law, does not issue insurance or reinsurance policies and is not required to have the loss reserves which are

required of insurers or reinsurers under State law. The FHCF is administered by the SBA and is not an independent department or administrative unit of the State as defined in Section 20.04, Florida Statutes.

FHCF plays an essential role in the State's insurance market by providing a stable and ongoing source of loss reimbursement for residential property insurers. The FHCF functions similar to a private reinsurer, collects premiums from residential property insurers and reimburses them for covered residential losses. The Internal Revenue Service has issued a private letter ruling concluding that the FHCF is an integral part of the State and is therefore not subject to federal income taxation. The Fund's tax-exempt status and operational efficiencies have generally allowed it to provide reimbursement coverage for less than the cost of comparable layers of private reinsurance, generating premium savings for Florida policyholders.

Participation in the FHCF is mandatory for substantially all insurers writing certain residential property insurance policies in the State (with limited exceptions), including the Citizens Property Insurance Corporation ("Citizens") and any joint underwriting association or similar entity created pursuant to law (each a "Participating Insurer"), and is a condition of doing business in the State. Insurers with less than \$10 million in aggregate exposure under certain residential property insurance policies are not required to participate in the FHCF.

Participation in the FHCF is established through annual Reimbursement Contracts with Participating Insurers that obligate the FHCF to reimburse such Participating Insurers for their respective Losses in excess of their share of an industry-wide loss-retention level. In exchange for this benefit, Participating Insurers pay the FHCF actuarially-indicated Reimbursement Premiums. The FHCF's maximum possible liability under Reimbursement Contracts for the current Contract Year ending May 31, 2024, is \$17 billion but the legal liability of the FHCF is limited to its Actual Claims-paying Capacity as defined in Section 215.555(2)(m), Florida Statutes. However, the maximum coverage provided by the FHCF has been changed by the legislature from time to time. See "OPERATION OF THE FHCF" herein for a discussion about the operation of the FHCF, Reimbursement Premiums and Assessments.

Paragon Strategic Solutions Inc. ("Paragon"), a wholly owned subsidiary of Aon PLC, provides actuarial and other support services to the FHCF, including services used by the FHCF to estimate losses and establish reserves for Covered Events and set the Reimbursement Premiums. See "OPERATION OF THE FHCF – Administration of the FHCF" for a description of such services.

PLAN OF FINANCE

The Corporation may issue its Parity Obligations as Pre-Event Parity Obligations or Post-Event Parity Obligations pursuant to the Master Trust Indenture and the Act. Pre-Event Parity Obligations are issued prior to the occurrence of a Covered Event, and the proceeds thereof are invested until such time as they may be withdrawn to reimburse Participating Insurers for Losses related to any future Covered Events. Pre-Event Parity Obligations may be issued in the absence of a hurricane upon a determination that such action would maximize the ability of the FHCF to meet future obligations. The Corporation has authorized the issuance and sale of up to, but not exceeding, \$_____ of aggregate principal amount of Bonds to be issued as Pre-Event Parity Obligations, which may be issued in one or more series, the first of which is the 2023A Bonds. The 2023A Bonds and the 2020A Bonds constitute Pre-Event Parity Obligations.

Post-Event Parity Obligations may be issued following the occurrence of a Covered Event (i) to reimburse Participating Insurers for Losses pursuant to Reimbursement Contracts when the Corpus of the FHCF is or will be insufficient to make such payments, or (ii) to refinance Pre-Event Parity Obligations or Post-Event Parity Obligations. There are currently no Post-Event Parity Bonds Outstanding.

The 2023A Bonds and Other Liquidity

The 2023A Bonds will be issued to supplement the FHCF's available cash balance, 2020A Bond proceeds, and reinsurance proceeds, if any, to provide an additional source of liquidity for the FHCF to reimburse Participating Insurers for Losses relating to any future Covered Events. Future Covered Events means hurricanes occurring in the Contract Year ending May 31, 2024 and any future Contract Years. Proceeds of the 2023A Bonds will not be used to pay reimbursements for prior Hurricanes, including, Irma, Michael, Ian or Idalia.

Proceeds of the 2023A Bonds will not be used to pay Participating Insurers for Losses relating to prior Covered Events (Hurricanes Irma, Michael, Ian and Idalia), but will be invested consistent with Section 215.47, Florida Statutes, as amended, and the FHCF's investment policy and will be withdrawn as needed to reimburse Participating Insurers for Losses incurred from any future Covered Events. See "INVESTMENT POLICY OF THE FHCF" herein. Proceeds of the 2023A Bonds, the 2020A Bonds and the FHCF available cash balance may be withdrawn in any order of priority to reimburse Participating Insurers in the event of any future Covered Events. See "PLEDGE AND SECURITY FOR THE 2023A BONDS – Withdrawal of 2023A Bond Proceeds" herein.

If proceeds of the 2023A Bonds are used to reimburse Participating Insurers for Losses from any future Covered Events, the Corporation may refinance a corresponding portion of the 2023A Bonds in the approximate amount withdrawn through the issuance of Post-Event Parity Obligations. The timing of any such refinancing will depend upon a number of factors, including, but not limited to, when proceeds are needed and market conditions. The issuance of any Post-Event Parity Obligations to redeem the 2023A Bonds will be subject to the Incurrence Test, which requires, among other things, that Assessments be ordered or levied in amounts estimated to be sufficient to pay debt service on such Post-Event Parity Obligations. See "PLEDGE AND SECURITY FOR 2023A BONDS – Additional Parity Obligations and Subordinate Indebtedness" herein. Further, the Corporation may pay debt service on the 2023A Bonds from Reimbursement Premiums, Assessments or other Pledged Collateral rather than refinancing such withdrawals with Post-Event Parity Obligations.

Over the last five years, the FHCF has purchased aggregate excess catastrophe reinsurance in the amount of \$1 billion for the Contract Year ended May 31, 2019, and \$0.92 billion for the Contract Year ended May 31, 2020.[Update?] No such risk transfer products have been in place since June 1, 2021 or are in place for the Contract Year ending May 31, 2024. Over the life of the 2023A Bonds, FHCF may purchase reinsurance or other risk transfer products, the premium or price of which products may be paid from Reimbursement Premiums for that year. When purchased, the premium or cost of reinsurance is factored into the actuarial formula used in determining the FHCF rates charged to Participating Insurers.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2023A Bonds, together with other legally available funds, are expected to be applied as shown below.

Sources of Funds:

Principal Amount of the 2023A Bonds	\$
Legally Available FHCF Funds ⁽¹⁾	
Total Sources	\$

Uses of Funds:

Deposit to 2023A Bonds Proceeds Subaccount ⁽¹⁾	\$
Costs of Issuance ⁽²⁾	
Underwriters' Discount	
Total Uses	\$

⁽¹⁾ The Corporation will provide an amount equal to the costs of issuance and Underwriters' discount from other legally available funds such that the initial deposit to the 2023A Bonds Proceeds Subaccount will be equal to the principal amount of the 2023A Bonds. Amounts on deposit in such Subaccount secure the 2023A Bonds prior to being withdrawn to reimburse Participating Insurers for Losses relating to any future Covered Events, as further described herein.

⁽²⁾ Includes legal fees, financial advisor fees, rating agency fees, and other miscellaneous expenses relating to the authorization and issuance of the 2023A Bonds.

[Remainder of page intentionally left blank]

DESCRIPTION OF THE 2023A BONDS

General

Interest on the 2023A Bonds will be payable semiannually on January 1 and July 1 of each year, commencing **[July 1, 2024]**, at the rates set forth on the inside cover page of this Official Statement. The 2023A Bonds will mature on July 1 in the years and the principal amounts set forth on the inside cover page of this Official Statement. Individual purchases of 2023A Bonds will be made in denominations of \$1,000 or any integral multiple thereof. The Master Trustee will also serve as Bond Registrar with respect to the 2023A Bonds.

Book-Entry-Only System

The Depository Trust Company ("DTC") will act as securities depository for the 2023A Bonds. The 2023A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's nominee name) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2023A Bonds, each in the aggregate principal amount of such maturity (provided that if the aggregate principal amount of any single maturity exceeds \$500,000,000, separate bond certificates shall be issued for each \$500,000,000 and any amount in excess thereof and subject to any DTC restrictions on the maximum principal amount of a bond certificate), and will be deposited with DTC. Beneficial interests in the 2023A Bonds may be held through DTC, Clearstream Banking, S.A. or Euroclear Bank SA/NV as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system. See "APPENDIX D, PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES" for a description of DTC, Clearstream Banking, S.A., Euroclear Bank SA/NV as operator of the Euroclear System, and certain of their responsibilities, and the provisions for registration and registration of transfer of the 2023A Bonds if the book-entry-only system of registration is discontinued.

[Optional Redemption with Make-Whole Premium

The 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2023A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2023A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the 2023A Bonds are to be redeemed, discounted to the date on which the 2023A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus twenty-five (25) basis points; plus, in each case, accrued and unpaid interest on the 2023A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, (i) the time-weighted interpolated average yield to maturity, assuming a 360-day year consisting of twelve 30-day months, for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H.15 that is publicly available not less than two (2) Business Days nor more than 45 calendar days prior to the redemption date (excluding inflation indexed securities) or, if such Statistical Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee most nearly equal to the period from the redemption date to the maturity date of such 2023A Bonds) maturing immediately preceding and succeeding the Make Whole Period taking into account any Sinking Fund Requirements for such 2023A

Bonds, or (ii) if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury Securities adjusted to a constant maturity of one year. The Treasury Rate will be determined by the Corporation, and the Make-Whole Redemption Price shall be calculated by the Corporation and provided to the Trustee.]

Notice of Optional Redemption

When redemption of 2023A Bonds is authorized pursuant to the provisions of the Master Indenture, the Trustee shall give to the owners of 2023A Bonds to be redeemed notice, at the expense of the Corporation, of the redemption of the 2023A Bonds. Notice of such redemption of the 2023A Bonds shall be given by mail, postage prepaid, not more than thirty (30) days or fewer than fifteen (15) days prior to said date of redemption, to the owners of any 2023A Bonds to be redeemed. Such notice shall state: (i) the CUSIP numbers of all 2023A Bonds being redeemed, (ii) the original issue date of such 2023A Bonds, (iii) the maturity date and rate of interest borne by each 2023A Bond being redeemed, (iv) the redemption date, (v) the date on which such notice is mailed, (vi) if less than all Outstanding 2023A Bonds are to be redeemed, the bond number (and, in the case of a partial redemption of any 2023A Bond, the principal amount) of each 2023A Bond to be redeemed, (vii) that on such redemption date there shall become due and payable upon each 2023A Bond to be redeemed at the Redemption Price or Make-Whole Redemption Price thereof, as applicable, or the Redemption Price or Make-Whole Redemption Price thereof, as applicable, of the specified portions of the principal or Sinking Fund Requirement thereof in the case of 2023A Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, and (viii) that the 2023A Bonds to be redeemed, whether as a whole or in part, are to be surrendered for at the designated corporate trust office of the Trustee at an address specified. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect. Such mailing shall not be a condition precedent to such redemption, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the 2023A Bonds for which proper notice was given.

In the case of redemption of the 2023A Bonds, the Corporation will select the maturities of the 2023A Bonds to be redeemed. If the 2023A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity or Sinking Fund Requirement of the 2023A Bonds shall be effected by the Bond Registrar among owners on a pro rata basis subject to minimum authorized denominations. The particular 2023A Bonds to be redeemed shall be determined by the Bond Registrar, using such method as it shall deem fair and appropriate. If the 2023A Bonds are registered in book-entry only form and so long as DTC is the sole registered owner of the 2023A Bonds, if less than all of the 2023A Bonds of a maturity are called for prior redemption, the particular 2023A Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided that, so long as the 2023A Bonds are held in book-entry form, the selection for redemption of such 2023A Bonds shall be made in accordance with the operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Bond Registrar pursuant to DTC operational arrangements. If the Bond Registrar does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot. It is the Corporation's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Corporation and the beneficial owners be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, the Corporation can provide no assurance that DTC, the

DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such basis. If the DTC operational arrangements do not allow for the redemption of the 2023A Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot.

PLEDGE AND SECURITY FOR THE 2023A BONDS

The 2023A Bonds shall not be deemed to constitute a debt of the State, and holders of the 2023A Bonds shall have recourse only against the Pledged Collateral. The Corporation has no general taxing power nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Neither the credit, the revenues nor the taxing power of the State shall be deemed to be pledged to the payment of the 2023A Bonds.

General

The 2023A Bonds are being issued on a parity basis with the Corporation's outstanding \$3,500,000,000 2020A Bonds and any future Parity Obligations, and are secured by a first lien pledge of the Pledged Collateral consisting primarily of: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and (iii) Emergency Assessments, if any, and investment earnings thereon. The 2023A Bonds are additionally secured by the proceeds thereof pending their disbursement for losses from any future Covered Events, as further described herein. Reimbursement Premiums and Assessments are discussed in detail in "OPERATION OF THE FHCF - Reimbursement Premiums" and "- Assessments" herein. Similarly, information relevant to investment of proceeds of Parity Obligations is discussed under the heading "INVESTMENT POLICY OF THE FHCF" herein.

The 2020A Bonds were, and the 2023A Bonds and any future Parity Obligations will be, issued pursuant to the Master Trust Indenture and secured thereby and by the Pledge Agreement. The 2020A Bonds and the 2023A Bonds are not secured by any Reserve Account.

Withdrawal of 2023A Bond Proceeds

All proceeds derived from the sale of the 2023A Bonds shall be deposited and held in a separate subaccount of the Covered Events Relief Fund (the "2023A Bonds Proceeds Subaccount") pursuant to the Pledge Agreement and will not be commingled with the proceeds of any other Parity Obligations, including the 2020A Bonds, or any other monies except interest earnings thereon. The 2023A Bonds will be secured by the proceeds of the 2023A Bonds prior to withdrawal to pay Losses relating to any future Covered Events. In the event of any future Covered Event, proceeds of the 2020A Bonds, the 2023A Bonds, and the FHCF's available cash balance may be withdrawn in any order of priority and used to pay Losses of Participating Insurers.

Amounts in the 2023A Bonds Proceeds Subaccount may also be withdrawn to pay debt service on the 2023A Bonds, provided, however, the Master Trustee shall draw first from the Reimbursement Premiums Account, then from the Pre-Event Bonds Investment Income Account and then from the 2023A Bonds Proceeds Subaccount. See "-Flow of Funds" herein.

Prior to making any withdrawals from the 2023A Bonds Proceeds Subaccount relating to a Covered Event, an authorized officer of the SBA must certify to the Master Trustee: (i) the expected aggregate

amount and monthly schedule for anticipated withdrawals to be made as a result of the Covered Event; (ii) that an amount equal to the estimated interest on the amount withdrawn to pay debt service on the Pre-Event Parity Obligations (including the 2020A Bonds and 2023A Bonds) when due will be deposited with the Master Trustee for credit to the Interest Account for the 2020A Bonds and the 2023A Bonds; (iii) taking into account the anticipated withdrawals, there will be sufficient revenues available to pay debt service on the 2020A Bonds and the 2023A Bonds when due; and (iv) notice of the anticipated withdrawals has been provided to the SBA along with an estimate of the Assessment percentage, if any, that would be necessary to provide for the estimated debt service in each Fiscal Year on debt in an amount equal to the aggregate withdrawals.

Holders of the 2023A Bonds will have no right to compel the withdrawal of the FHCF's available cash balance or proceeds of other Parity Obligations prior to the withdrawal of the proceeds of the 2023A Bonds. The proceeds of the 2020A Bonds and the 2023A Bonds are expected to be used to pay Losses of Participating Insurers upon the occurrence of one or more future Covered Events. However, the FHCF can use its accumulated fund balance or bond proceeds in any order to pay claims, and expects to use its accumulated cash first, prior to drawing down bond proceeds.

Pledge Agreement

Under the Pledge Agreement, the FHCF has pledged to the Corporation the Pledged Collateral, consisting primarily of the following items: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and (iii) Emergency Assessments, if any, and investment earnings thereon. The 2023A Bonds are additionally secured by the proceeds thereof prior to being withdrawn to reimburse Participating Insurers for Losses relating to any future Covered Events. See "OPERATION OF THE FHCF – Reimbursement Premiums" and "- Assessments" and "INVESTMENT POLICY OF THE FHCF" herein for more detailed discussions of Reimbursement Premiums, Assessments and investment of proceeds of Parity Obligations.

Reimbursement Premiums are collected by the FHCF on each August 1, October 1 and December 1. Although there is currently no Assessment, if one were levied in the future, such Assessment would be received by the FHCF continually throughout the year, with the largest amounts due to the FHCF on or about each May 15, August 15, November 15 and March 1. See "OPERATION OF THE FHCF – Assessments – Collection of Assessments" herein. Reimbursement Premiums (after provision for Current Expenses of the FHCF and the Corporation) and Assessments received by the FHCF will be transferred to the Master Trustee no less frequently than monthly. To the extent the foregoing is insufficient to provide for debt service on Outstanding Parity Obligations, the Master Trustee will provide notice to the FHCF, which will be required to transfer Pledged Collateral at such times and in such amounts as necessary to provide for such debt service.

The Pledge Agreement provides that any Reimbursement Premiums and earnings thereon are transferred to the Master Trustee net of the Current Expenses of the FHCF. Current Expenses of the FHCF include all administrative expenses, salaries and other compensation expenses; fees and expenses incurred for professional consultants and fiduciaries; refunds related to over-payments of Reimbursement Premiums or refunds of interest related to loss reimbursements or overpayments of Reimbursement Premiums; and the premiums, fees and costs of procuring reinsurance for the FHCF.

Current Expenses of the FHCF also include payments required by the Act to be appropriated for certain hurricane preparedness programs of local governments, state agencies, public and private educational institutions and non-profit organizations ("Mitigation Payments"). The Act requires that no less than \$10 million and no more than 35% of investment earnings of the Corpus of the FHCF be appropriated annually for such Mitigation Payments. The Act limits the required appropriation of investment earnings of the FHCF to \$10 million if the SBA determines that an appropriation in excess of that amount would jeopardize the actuarial soundness of the FHCF. In 2011, the Florida Legislature enacted Senate Bill 510 and House Bill 837 in 2022 extended the Hurricane Loss Mitigation Program through June 30, 2032. For Fiscal Year ended June 30, 2024, the FHCF appropriated \$10.0 million for Mitigation Payments.

As shown on the table below, Current Expenses of the FHCF (not including reinsurance premiums described herein) have ranged from \$22.2 million to \$25.2 million per year over the five Fiscal Years ended June 30, 2023 **[(unaudited)]**. These amounts include annual Mitigation Payments ranging from \$10 million to \$13.5 million.

Over the last five years, the FHCF purchased aggregate excess catastrophe reinsurance in the amount of \$1 billion for Contract Year ended May 31, 2019, and \$0.92 billion for the Contract Year ended May 31, 2020. No such risk transfer products are in place or expected to be in place for the Contract Year ending May 31, 2024. Over the life of the 2023A Bonds, FHCF may purchase reinsurance or other risk transfer products, the premium or price of such products may be paid from Reimbursement Premiums for that year however, such reinsurance is excluded from Pledged Collateral. Reinsurance expenses for premiums ceded to reinsurers are reported as an offset to premium revenue in the financial statements, and, when purchased, these expenses are factored into the actuarial formula used in determining the FHCF rates charged to Participating Insurers.

[Remainder of page intentionally left blank]

The following table details the Reimbursement Premiums included in Revenue Available for Debt Service, which consists of Reimbursement Premiums and investment earnings thereon net of the Current Expenses of the FHCF and the Corporation, which includes the costs of reinsurance.

Reimbursement Premium and Earnings Available for Debt Service
(dollars in thousands)

<u>Fiscal Years ended June 30</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	[Unaudited] <u>2023</u>
Total Reimbursement Premiums and Earnings ⁽¹⁾	\$1,114,682	\$1,187,643	\$1,205,987	\$1,211,528	\$1,406,899
Current Expenses of the FHCF and Corporation:					
Admin, Professional, Personnel, and Other	\$(6,223)	\$(6,237)	\$(6,774)	\$(6,293)	\$(6,837)
Investment Custodian and Bank Fees	(3,814)	(3,439)	(3,882)	(5,445)	(5,390)
Mitigation Expenses	(13,500)	(13,500)	(13,500)	(13,500)	(10,000)
Reinsurance Expenses ⁽²⁾	<u>(62,500)</u>	<u>(57,400)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Expenses	<u>\$(86,037)</u>	<u>\$(80,576)</u>	<u>\$(24,156)</u>	<u>\$(25,238)</u>	<u>\$(22,227)</u>
Reimbursement Premium and Earnings Available for Debt Service	\$1,028,645	\$1,107,067	\$1,181,831	\$1,186,290	\$1,384,672

(1) Total Reimbursement Premiums and Earnings include Reimbursement Premiums, interest on premium adjustments and interest on loss disbursement adjustments and advances.

(2) Reinsurance expenses are included as Current Expenses of the FHCF. The costs of procuring reinsurance are factored into the actuarial formula used in determining the Reimbursement Premiums charged to Participating Insurers. Reinsurance expenses for premiums ceded to reinsurers are reported as an offset to premium revenue in the FHCF's financial statements.

Source: Florida Hurricane Catastrophe Fund[; **information for the Fiscal Year ended June 30, 2023 is preliminary and unaudited**].

A copy of the Pledge Agreement is set forth in "APPENDIX C-4, PLEDGE AND SECURITY AGREEMENT."

Flow of Funds

The FHCF will transfer Reimbursement Premiums to the Master Trustee (after provision of Current Expenses of the FHCF) and Assessments, if any, in such amounts and at such times as provided for in the Master Indenture and Pledge Agreement which requires such transfer no less frequently than monthly until sufficient sums are on deposit therewith. Reimbursement Premiums for each Contract Year are due to the FHCF in three installments paid in August, October and December. All Reimbursement Premiums received by the Master Trustee will be deposited into the Reimbursement Premiums Account within the Revenue Fund.

To the extent the Master Trustee receives investment income on the proceeds of Pre-Event Parity Obligations or proceeds of any Derivative Agreements, such amounts will likewise be deposited to corresponding accounts created within the Revenue Fund. The Master Trustee will deposit all Assessments, if any, into the Assessments Account within the Revenue Fund. See "APPENDIX C-2, MASTER TRUST INDENTURE—Section 502." The Corporation, the FHCF and the SBA do not expect to enter into any Derivative Agreements with respect to the 2023A Bonds and no Derivative Agreements are currently outstanding.

Amounts in the Reimbursement Premiums Account will be used to pay debt service on the 2023A Bonds and any outstanding Parity Obligations after providing for Current Expenses of the Corporation.

Expenses of the Corporation are insignificant. The Corporation has no business activities other than serving as a conduit issuer for the FHCF and facilitating the issuance of revenue bonds and other forms of indebtedness of the FHCF. Current Expenses of the Corporation are anticipated to consist primarily of the fees and expenses due to the Master Trustee and the Bond Registrar and fees and expenses of the Corporation's auditors. The Corporation has no staff and only three officers that serve with no compensation: the President (Chief Operating Officer of the FHCF), the Treasurer (Manager of Financial Operations of the FHCF) and the Secretary (Assistant General Counsel of the SBA).

To the extent amounts on deposit in the Reimbursement Premiums Account are insufficient to provide for the debt service on the 2023A Bonds and other Pre-Event Parity Obligations or Current Expenses of the Corporation, the Master Trustee will transfer the necessary amounts from the investment earnings in the Pre-Event Bonds Investment Income Account, or proceeds of Pre-Event Bonds prior to making any withdrawal from any other account or subaccount.

Once Reimbursement Premiums in an amount sufficient to pay debt service on all Outstanding Parity Obligations payable or accruing during the then current Fiscal Year have been transferred to the Master Trustee, any Reimbursement Premiums and investment earnings on proceeds of Pre-Event Parity Obligations received by the FHCF from such date until the end of the Fiscal Year are released from the lien of the Pledge Agreement and Master Indenture. Once Reimbursement Premiums sufficient to pay such amounts have been transferred or are otherwise available to the Master Trustee, the requirement to transfer Reimbursement Premiums to the Master Trustee ceases for the remainder of the then current Fiscal Year and all Reimbursement Premiums in excess of such requirement that are in possession of the Master Trustee will be returned to the FHCF to be used for any purpose permitted under the Act. Reimbursement Premiums and investment earnings on Pre-Event Parity Obligations released from the lien of the Master Indenture and Pledge Agreement become part of the Corpus of the FHCF, are no longer pledged to payment of debt service on the 2023A Bonds, the 2020A Bonds or any other Outstanding Parity Obligations, and will be available to pay Losses resulting from Covered Events and any other lawful purpose of the FHCF. See "- Corpus and Corpus Earnings Not Pledged" below.

Unlike Reimbursement Premiums, Assessments remain subject to the lien of the Master Indenture and Pledge Agreement even after debt service for the Fiscal Year on Outstanding Parity Obligations has been deposited with the Master Trustee and the FHCF is required to continue to transfer any Assessments to the Master Trustee. Excess Assessments transferred to the Master Trustee may be released from the lien of the Pledge Agreement and Master Indenture if the SBA certifies to the Master Trustee that there are sufficient funds on deposit with the Master Trustee to provide for the payment of debt service when due on Post-Event Parity Obligations for the current and the next Fiscal Year. Upon the Master Trustee's receipt of such certificate, Assessments in excess of amounts needed to pay debt service on Post-Event Parity

Obligations will be released from the lien of the Master Indenture and Pledge Agreement and will be returned to the FHCF. Such amounts will then be available for any other lawful purpose of the FHCF. See "PLEDGE AND SECURITY FOR 2023A BONDS - Flow of Funds" herein. As of the date hereof, there are no Post-Event Parity Bonds Outstanding and no Assessments are currently being levied.

Corpus and Corpus Earnings Not Pledged

Reimbursement Premiums and Assessments released from the lien of the Pledge Agreement and the Master Indenture as described above will become part of the Corpus of the FHCF, which will be used to pay Losses resulting from Covered Events and for other lawful purposes of the FHCF. Neither the Corpus of the FHCF nor the earnings thereon is pledged to payment of debt service on the 2023A Bonds or any other Parity Obligations issued under the Master Indenture so that such amounts are available to pay Losses, unencumbered by the lien of the Master Indenture.

No Bankruptcy

As long as the Corporation has any debt outstanding, neither the FHCF nor the Corporation shall have the authority to file a voluntary petition under Chapter 9 of the Federal Bankruptcy Code or such corresponding chapter or sections as may be in effect, from time to time, and neither any public officer nor any organization, entity, or other person shall authorize the FHCF or the Corporation to be or become a debtor under Chapter 9 of the Federal Bankruptcy Code or such corresponding chapter or sections as may be in effect, from time to time, during any such period.

Non-Impairment

The State has covenanted under the Act with the holders of debt issued by the Corporation that the State will not repeal or abrogate the power of the SBA to direct OIR to levy the Assessments and to collect the proceeds of the revenues pledged to the payment of such debt so long as any such debt remains outstanding, unless adequate provision has been made for the payment of such debt pursuant to the documents authorizing the issuance of such debt.

Additional Parity Obligations and Subordinate Indebtedness

Parity Obligations. The Corporation may issue additional Parity Obligations if it certifies compliance with the Incurrence Test. The requirements necessary to certify compliance with the Incurrence Test differ depending on whether the Corporation intends to issue Pre-Event Parity Obligations, Post-Event Parity Obligations, or Parity Obligations to refund or reissue any indebtedness of the Corporation. For purposes of the Incurrence Test described below, Debt Service Requirement does not include principal and interest payable from Qualified Escrow Funds.

The Corporation may incur additional Pre-Event Parity Obligations if it first certifies to the Master Trustee that (i) the sum of (A) Reimbursement Premiums and Reimbursement Premium Earnings for 12 consecutive out of the most-recent 18 consecutive months, after certain permitted adjustments, and (B) the Assessment revenues that could be derived from multiplying the maximum Assessment percentage permitted under the Act on the date of such certification by the amount of premium on all Assessable Lines (as defined herein) for the most-recent 12-month period, divided by (ii) the Maximum Debt Service Requirement on all Parity Obligations, including the proposed issuance of Pre-Event Parity Obligations, is at least equal to 1.25.

The Corporation may incur Post-Event Parity Obligations if it certifies compliance with the Incurrence Test for issuing Pre-Event Parity Obligations and also establishes that sufficient Assessments are being collected or have been ordered on the date of such certification to be assessed to cover 100% of the Maximum Debt Service Requirement for all Outstanding Post-Event Parity Obligations and the proposed Post-Event Parity Obligations to be issued.

The Corporation may issue Parity Obligations to refund or reissue any indebtedness of the Corporation, if (A) after taking into account the Parity Obligations proposed to be incurred and the Parity Obligations to remain Outstanding after the proposed refunding or reissuance, the Maximum Debt Service Requirement will not be increased by more than five percent (5%), or (B) the Corporation certifies compliance with the Incurrence Test for issuing Pre-Event Parity Obligations after taking into account the Parity Obligations proposed to be incurred and the Parity Obligations to remain Outstanding after the proposed refunding or reissuance; provided, however, if Post-Event Parity Obligations are proposed to be issued to refund or reissue any Outstanding indebtedness of the Corporation, the Corporation must also certify the existence of the conditions required to issue Post-Event Parity Obligations. The Corporation is required to provide the Master Trustee with a verification report from a nationally-recognized verification agent supporting any determination made in (A) or (B) above with respect to any defeasance of Parity Obligations. See "APPENDIX C-2, MASTER TRUST INDENTURE - Section 704."

Subordinated Indebtedness. The Master Indenture also permits the Corporation to incur indebtedness which will be subordinate and junior in right of payment to the Parity Obligations issued under the Master Indenture. See "APPENDIX C-2, MASTER TRUST INDENTURE – Section 211." The Corporation has no outstanding indebtedness which is subordinate and junior to the Parity Obligations.

DEBT SERVICE COVERAGE

The following table shows historical debt service coverage on the Corporation's Revenue Bonds, Series 2010A issued in the original principal amount of \$675,925,000, as Post-Event Parity Obligations with a final maturity of July 1, 2016 and which were legally defeased on July 11, 2014 (the "2010A Bonds"), its Revenue Bonds, Series 2013A issued in the original principal amount of \$2,000,000,000, as Pre-Event Parity Obligations with a final maturity of July 1, 2020 (the "2013A Bonds"), its Revenue Bonds, Series 2016A issued in the original principal amount of \$1,200,000,000, as Pre-Event Parity Obligations with a final maturity of July 1, 2021 (the "2016A Bonds"), and its 2020A Bonds issued in the original principal amount of \$3,500,000,000, as Pre-Event Parity Obligations with a final maturity of July 1, 2030. Coverages shown reflect historical collections of Reimbursement Premiums, Assessments, and investment earnings on the proceeds of the 2010A Bonds, 2013A Bonds, 2016A Bonds and the 2020A Bonds.

[Remainder of page intentionally left blank]

Historical Debt Service Coverage*
Pre-Event and Post-Event Parity Obligations
(dollars in millions)

Fiscal Year	Reimbursement		Reimbursement		Pre-Event Proceeds Used for		Total Pre-Event Net		Total	
Ending	Premiums ⁽¹⁾	Assessments ⁽²⁾	Premiums and Assessments	Pre-Event Principal	Pre-Event Debt Service ⁽³⁾	Pre-Event Net Interest ⁽⁴⁾	Debt Service Coverage ⁽⁵⁾	Post-Event Debt Service	Parity Net Debt Service	Parity Net Debt Service Coverage
June 30										
2014	\$1,252.1	\$498.7	\$1,750.8	-	-	27.7	45.1x	373.7	401.5	4.4x
2015	1,251.3	256.9	1,508.2	-	-	40.8	30.5x	-	40.8	36.9x
2016	1,122.0	-	1,122.0	\$500.0	\$(500.0)	44.1	25.5x	-	44.1	25.5x
2017	1,048.8	-	1,048.8	-	-	46.8	22.4x	-	46.8	22.4x
2018	1,047.4	-	1,047.4	500.0	(500.0)	34.6	30.3x	-	34.6	30.3x
2019	1,028.6	-	1,028.6	550.0	(550.0)	-(6)	N/A ⁽⁶⁾	-	-(6)	N/A ⁽⁶⁾
2020	1,107.1	-	1,107.1	1,000.0	(1,000.0)	6.8	163.3x	-	6.8	163.3x
2021	1,182.1	-	1,182.1	-	-	60.7	19.5x	-	60.7	19.5x
2022	1,186.3	-	1,186.3	-	-	59.7	19.9x	-	59.7	19.9x
2023	1,385.0	-	1,385.0	-	-	-(6)	N/A ⁽⁶⁾	-	-(6)	N/A ⁽⁶⁾

(1) Reimbursement Premiums are net premium revenue, net of Current Expenses of the FHCF and the Corporation for Fiscal Years 2014-2023.

(2) The 2010A Bonds were legally defeased on July 11, 2014. The defeasance of the 2010A Bonds was funded through remaining proceeds of the 2010A Bonds and Assessments collected in prior years and is therefore not reflected in the table. Following the defeasance, the Assessment associated with the 2010A Bonds was eliminated on any policy issued or renewed on or after January 1, 2015.

(3) The proceeds of Pre-Event Bonds were used to pay debt service on Pre-Event Bonds at maturity.

(4) Fiscal Years 2014-2023 reflect actual interest expenses on Pre-Event Bonds net of actual investment earnings on the proceeds of the Pre-Event Bonds.

(5) Total Pre-Event Net Debt Service Coverage is calculated by dividing Reimbursement Premiums by Pre-Event Net Interest and excludes the impacts of Assessments, which were not used to pay debt service on Pre-Event Bonds in Fiscal Years 2014-2023.

(6) In Fiscal Years 2019 and 2023, investment earnings on the proceeds of Pre-Event Bonds were greater than interest expenses on Pre-Event Bonds, resulting in \$0 of net debt service.

Note: Principal and interest payments due on July 1 are included in the preceding fiscal year. Principal payments are on July 1. Interest payments are on January 1 and July 1.

* Totals may not add due to rounding.

Source: Florida Hurricane Catastrophe Fund.

The projections in the table below are based on estimates, subject to change, using various assumptions concerning interest rates, Reimbursement Premiums and investment earnings. The actual debt service coverage may be different than shown below. Additionally, the debt service coverage table assumes that the proceeds of Pre-Event Bonds are not used to reimburse Losses and are available to pay the principal thereof at maturity. No assurance is given that the proceeds of Pre-Event Bonds will not be withdrawn and used to reimburse Losses. Over the terms of the 2020A Bonds and 2023A Bonds, the Corporation expects the interest expense on those Bonds to exceed the investment earnings on the proceeds of the 2020A Bonds and 2023A Bonds. The interest expense that exceeds the investment earnings on the proceeds thereof is expected to be paid from Reimbursement Premiums.

Projected Debt Service Coverage*
Pre-Event Parity Obligations
(dollars in millions)
[To Be Updated]

Fiscal Year Ending June 30	Reimbursement Premiums and Assessments ⁽¹⁾⁽²⁾	Pre-Event Principal	Pre-Event Proceeds Available for Pre-Event Debt Service ⁽³⁾	Total Pre-Event Net Debt Service ⁽⁴⁾	Total Pre-Event Net Debt Service Coverage
2021	\$1,169.9	\$650.0	\$(650.0)	\$30.2	38.7x
2022	1,178.0	-	-	24.7	47.7x
2023	1,189.6	-	-	24.7	48.2x
2024	1,201.3	-	-	24.7	48.6x
2025	1,213.2	1,250.0	(1,250.0)	24.7	49.1x
2026	1,225.1	-	-	21.5	57.0x
2027	1,237.2	1,000.0	(1,000.0)	21.5	57.6x
2028	1,249.4	-	-	14.4	86.6x
2029	1,261.7	-	-	14.4	87.5x
2030	1,274.2	1,250.0	(1,250.0)	14.4	88.3x

(1) Reimbursement Premiums for Fiscal Years 2021-2030 are projections and have been reduced by projected Current Expenses of the FHCF and the Corporation and assume 1% exposure growth based on the average historical exposure growth from 2009 to 2019.

(2) No Assessments are currently being levied or projected to be levied.

(3) Prior to withdrawal, proceeds of Pre-Event Bonds are available to pay Pre-Event Bonds at maturity.

(4) Reflects actual interest expenses on 2020A Bonds and the projected interest expenses on the 2023A Bonds net of projected investment earnings at an assumed investment rate of 1.00%.

Note: Principal and interest payments due on July 1 are included in the preceding fiscal year. Principal payments are on July 1. Interest payments are on January 1 and July 1.

* Projected. Totals may not add due to rounding.

Source: Florida Hurricane Catastrophe Fund. Projected Reimbursement Premium information for Fiscal Years 2021-2030 provided by Paragon/FHCF.

Debt Service Coverage Requirement

Not later than ninety (90) days after the end of each Fiscal Year, the Corporation and the FHCF must certify that the Revenue Available for Debt Service for the prior Fiscal Year (which includes

investment earnings on proceeds of Pre-Event Parity Obligations), was at least equal to the greater of (i) one hundred twenty-five percent (125%) of the principal and interest (net of capitalized interest) that became due in such Fiscal Year on Parity Obligations and (ii) one hundred percent (100%) of the principal and interest (net of capitalized interest) that became due in such Fiscal Year for Parity Obligations and Subordinated Indebtedness. If the Corporation and the FHCF are unable to certify compliance with the foregoing, each of the Corporation and the FHCF has covenanted to take all actions permitted by law or under the Pledge Agreement, including increasing the rate of Assessment to increase collections of Pledged Collateral to satisfy the debt service coverage requirement. See "DEBT SERVICE COVERAGE – Debt Service Coverage Table" herein.

See "APPENDIX C-2, MASTER TRUST INDENTURE – Section 705" and "APPENDIX C-4, PLEDGE AND SECURITY AGREEMENT – Section 4(c)."

Events of Default and Remedies

Under the Master Indenture and the Pledge Agreement, each of the following is an event of default (an "Event of Default") with respect to any Outstanding Parity Obligations:

- The Corporation fails to pay the principal, redemption premium (if any) or interest on any of the 2023A Bonds or Parity Obligations when such amounts are due and payable;
- The occurrence of any event of default under a Supplemental Indenture or the Master Trustee shall have received notice from any holder of an event of default under any Parity Resolution;
- The Corporation fails to comply with any covenant or agreement under the Master Indenture (other than the covenant to pay principal, redemption premium (if any) and interest when due) and such failure is not cured (or if such noncompliance cannot be cured within the following time period, corrective action is not commenced) within thirty (30) days after the Corporation's receipt of written notice from the Master Trustee describing the Event of Default and requiring the default to be remedied;
- The Corporation fails to make any required payment with respect to Subordinated Indebtedness or any other indebtedness (other than Parity Obligations) and any applicable grace period has expired; and
- The State limits or alters the denial of authority of the Corporation to file a petition in bankruptcy, or the rights vested in the FHCF or the Corporation to fulfill the terms of any agreements made with the owners, or in any way impair the rights and remedies of such owners so long as any such Parity Obligations of the Corporation remain Outstanding unless adequate provision has been made for the payment of such Parity Obligations.
- Immediately upon any Event of Default, the Master Trustee may (and upon the written request of a majority in aggregate principal amount of the holders of Outstanding Parity Obligations, will) proceed to protect and enforce its rights and the rights of the holders of the Parity Obligations under the Master Indenture through any means available to it, including:

- Enforcement of the right of the owners and holders to collect and enforce the payment of amounts due or becoming due under the Parity Obligations;
- Suit upon all or any part of the Parity Obligations;
- Civil action to require any Person holding moneys, documents or other property pledged to secure payment of amounts due or to become due on the Parity Obligations to account as if it were the trustee of an express trust for the owners and holders of such Parity Obligations;
- Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Owners and holders;
- Enforcement of any other right of the owners and holders conferred by law or hereby; and
- Enforcement of the provisions of the Pledge Agreement.

Regardless of the happening of an Event of Default, the Master Trustee, if requested in writing by the owners or holders of not less than a majority of the aggregate principal amount of the Parity Obligations then Outstanding, shall, subject to the Master Trust Indenture, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Master Indenture by any acts which may be unlawful or in violation of the Master Indenture, or (ii) to preserve or protect the interests of the owners and holders, provided that such request and the action to be taken by the Master Trustee are not in conflict with any applicable law or the provisions of the Master Indenture and, in the sole judgment of the Master Trustee, are not unduly prejudicial to the interest of the owners and holders of Outstanding Parity Obligations.

In addition to the above-described remedies available upon any Event of Default, the Master Trustee may (and upon the written request of a majority in aggregate principal amount of the holders of Outstanding Parity Obligations, will) accelerate the payment of principal of Outstanding Parity Obligations not yet due and payable upon the Corporation's failure to pay the principal, redemption price (if any) and interest with respect to Parity Obligations for which such amounts are due and payable, and the continuation of such failure for 180 days thereafter. The Master Trustee shall rescind acceleration upon the Corporation's curing of a payment default.

See "APPENDIX C-2, MASTER TRUST INDENTURE – Sections 802-804."

OPERATION OF THE FHCF

General

The FHCF is a tax-exempt trust fund created by the State Legislature during a special session in November 1993 to address the after-effects from Hurricane Andrew on the insurance market. Hurricane Andrew caused insured and uninsured losses in excess of \$30 billion in the State in August 1992. As a result of these losses, 11 insurers were rendered insolvent, and numerous insurers announced plans to cancel or discontinue writing policies covering residential property, threatening approximately 900,000 policyholders with loss of property coverage.

In recognition of these circumstances and the general trend of contraction in domestic and international reinsurance capacity in existence at that time, the State Legislature passed the original Act and thereby created the FHCF in November 1993 for the purpose of reimbursing insurers writing substantially all of the policies covering residential property in the State for a portion of their catastrophic hurricane losses. FHCF plays an essential role in the State's insurance market by providing a stable and ongoing source of loss reimbursement for residential property insurers. The FHCF is administered by the SBA. The Internal Revenue Service has issued a private letter ruling concluding that the FHCF is an integral part of the State and is therefore not subject to federal income taxation. The Fund's tax-exempt status and operational efficiencies have generally allowed it to provide reimbursement coverage for less than the cost of comparable layers of private reinsurance, generating premium savings for Florida policyholders. The FHCF is not a regulated insurance or reinsurance company under State law, does not issue insurance or reinsurance policies and is not required to have the loss reserves which are required of insurers or reinsurers under State law.

FHCF Coverage. FHCF coverage is mandatory for substantially all insurers that write residential property insurance policies in the State, including Citizens, certain commercial self-insurance funds and any joint underwriting association or similar entity created pursuant to law (each a "Participating Insurer"), and is a condition of doing business in the State. Insurers with less than \$10 million in aggregate exposure under certain residential property insurance policies are not required to participate in the FHCF. There are currently 148 Participating Insurers for the Contract Year ending May 31, 2024. The maximum statutory liability or coverage being provided by the FHCF for the current Contract Year is \$17 billion. However, the maximum coverage provided by the FHCF has been changed by the legislature from time to time. No assurance can be given that the amount of coverage or maximum liability of the FHCF will not be changed in the future.

Participation in the FHCF is established through a Reimbursement Contract between the SBA and each Participating Insurer pursuant to which the insurer promises to pay annual, actuarially-indicated Reimbursement Premiums and the SBA promises to reimburse the insurer at one of three specified coverage levels (45 percent, 75 percent or 90 percent) selected by the Participating Insurer for Losses in excess of such insurer's share of an industry-wide loss-retention level (generally referred to as an insurer's "Retention"), plus a 10% loss adjustment expense ("LAE") allowance, which is within each insurer's limit and does not increase their total available limit with the FHCF. The legal liability of the FHCF is limited to its Actual Claims-paying Capacity as defined in Section 215.555(2)(m), Florida Statutes. The amount of Reimbursement Premiums paid to the FHCF by the Participating Insurers depends upon the coverage level selected. For the Contract Year ending May 31, 2024, approximately 89%, 0%, and 11% of the Participating Insurers selected a coverage level of 90 percent, 75 percent and 45 percent, respectively. See "OPERATION OF THE FHCF – Reimbursement Premiums - Collections" herein for a more detailed discussion of Participating Insurers' coverage selections. The portion of a Participating Insurer's Losses above its Retention that are not reimbursed by the FHCF due to the coverage level selected by such insurer effectively operates as that Participating Insurer's "co-payment" for such Losses.

Provisions in the FHCF's Reimbursement Contract provide for the commutation (i.e. final settlement) of losses for Covered Events 60 months after the end of the applicable Contract Year. Participating Insurers must submit a final proof of loss report, which is used to calculate the last reimbursement to the insurer. The FHCF and the insurer agree on a final payment and if agreement cannot be reached, the contract allows for settlement using a panel of three actuaries. Upon execution of a commutation agreement between the FHCF and the insurer and the issuance of the final payment, the

FHCF is completely released and discharged of all obligations under the Reimbursement Contract for any additional reimbursements.

Reimbursement Contracts are renewed annually on June 1 of each year for the ensuing Contract Year. The Act sets the FHCF aggregate Retention at \$4.5 billion to be adjusted annually to reflect increased exposure to the FHCF since 2004. Such adjustment is based upon the reported exposure for the Contract Year occurring two years before the particular Contract Year to reflect the percentage growth in exposure to the FHCF for covered policies since 2004, divided by the total estimated reimbursement premium for the Contract Year. Currently, taking into account such exposure growth since 2004, the aggregate Retention is projected to be \$9.067 billion for the Contract Year ending May 31, 2024. The FHCF aggregate Retention is allocated to each Participating Insurer based on such insurer's pro rata share of Reimbursement Premiums due for a Contract Year. A Participating Insurer's share of Retention applies in full to each of the two Covered Events causing the largest Losses for such Participating Insurer in a single Contract Year. For each other Covered Event causing Losses in the Contract Year, the insurer's share of Retention is reduced to one-third of its share of the full Retention. The Legislature can, and has in the past, reset the Retention by statute to a level lower than what it would have been had full exposure growth been taken into account. The last such reset was during the 2005 Legislative Session, when the retention was reset at the 2004 Contract Year level of \$4.5 billion instead of increasing to the \$4.96 billion level that accounted for growth.

Participating Insurers are prohibited from lowering their mandatory coverage percentage selections from one year to the next as long as any Post-Event Revenue Bonds are outstanding. There are no Post-Event Revenue Bonds outstanding at this time.

The coverage provided by the FHCF for any single Contract Year is limited to the lesser of the Actual Claims-paying Capacity of the FHCF or the statutory liability limit of \$17 billion, which is subject to adjustment based upon the increase in claims-paying capacity of the FHCF. See "Limited Liability of the FHCF and Bonding Capacity Estimates and Assumptions" herein. Based on computations by the FHCF's independent actuary and statutory limitations, the maximum liability of the FHCF with respect to its coverage for the Contract Year ending May 31, 2024 is \$17 billion.

Administration of the FHCF

The SBA has engaged Paragon as a consultant to provide administrative services to the FHCF. Paragon has served in this capacity since the inception of the FHCF and provides day-to-day support for a variety of activities including: coordinating the annual distribution and collection of the Reimbursement Contracts and insurer reporting requirements; processing reports of insured values; calculating, invoicing and collecting Reimbursement Premiums; and processing loss reimbursement payment requests. Paragon also provides actuarial consulting services to the FHCF which include the development of the annual ratemaking report and the actuarial formula used in determining the Reimbursement Premiums, as well as the FHCF's loss reserve analysis. Fees paid to Paragon for its services are considered Current Expenses of the FHCF under the Master Indenture and are reflected in the line item Administrative, Professional, Personnel and Other under "Historical Summary of Revenues, Expenses and Changes in Net Assets" herein.

Moneys in the FHCF may be expended, loaned or appropriated for payment of (i) obligations of the FHCF arising out of Reimbursement Contracts; (ii) debt service on any debt permitted under the Act; (iii) costs of mitigation programs under the Act; (iv) costs of procuring reinsurance; and (v) costs related to

the administration of the FHCF. In addition, the FHCF has the authority to enter into other capital market transactions, including, but not limited to, catastrophe bonds, futures and options contracts traded on a regulated exchange, industry loss warranties, and side-car arrangements, but has never done so.

Funding for the reimbursable Losses under Reimbursement Contracts comes predominantly from four sources: (i) the Corpus (accumulated fund balance) of the FHCF, (ii) Reimbursement Premiums, (iii) reinsurance contracts, if any, and (iv) the issuance of debt (either Pre-Event or Post-Event Bonds) by the Corporation for the benefit of the FHCF. In addition, Assessments that are not needed to pay debt service on the Parity Obligations may be used to pay reimbursable Losses.

Senior staff of the FHCF and officers of the Corporation include the following.

Gina Wilson, CPM, ARe, CPCU, is the Chief Operating Officer of the FHCF for the State Board of Administration, and the President of the Corporation. Ms. Wilson serves on the Florida Commission on Hurricane Loss Projection Methodology, and has the additional responsibility of overseeing the Insurance Capital Build-up Incentive Program, the Reinsurance to Assist Policyholders Program, and the Florida Optional Reinsurance Assistance Program. She has worked with the FHCF since October 1996, previously serving as the Senior Director of Operations and Examinations. She worked for the Florida Department of Insurance prior to joining the FHCF and has also worked as an auditor in the private industry. Ms. Wilson received her Bachelor of Business Administration from Georgia Southwestern University. She has met the State of Georgia requirements for licensing as a Certified Public Accountant and is member of the American Institute of Certified Public Accountants. Ms. Wilson also has the professional designations of Certified Public Manager (CPM) from Florida State University, Associate in Reinsurance (ARE), and Chartered Property and Casualty Underwriter (CPCU).

Toma Wilkerson is the Director of Operations of the FHCF. She is responsible for assisting the Chief Operating Officer in matters related to the management of the financial and administrative operations of the FHCF. Prior to her position as the Director of Operations she was the Director of the Division of Rehabilitation and Liquidation at the Florida Department of Financial Services where she directed the administration of insurance company insolvencies for seven years. Prior to being appointed as Division Director, she worked for the Florida Office of Insurance regulation for 18 years in various financial solvency positions, but most recently as the Director of Life and Health Financial Oversight. As the Director, she was responsible for the financial evaluation of Florida's life and health insurers.

Ms. Wilkerson has contributed to the field of insurance regulation since 1996 and has served on numerous National Association of Insurance Commissioners (NAIC) committees and workgroups. Ms. Wilkerson earned her Bachelor of Science degree in Management from the University of West Florida and has achieved the Certified Public Manager (CPM) designation.

John Brenneis is Assistant General Counsel of the SBA and the Secretary of the Corporation. As Assistant General Counsel, Mr. Brenneis' practice includes private equity and strategic investment funds, securities lending, repurchase agreements, reinsurance and bond finance. Prior to joining the SBA in 2011, Mr. Brenneis was the General Counsel of the Florida Department of Management Services beginning in 2007. He began his legal career in 1994, practicing law in Tallahassee and Atlanta. Mr. Brenneis received his Juris Doctorate degree and Bachelor of Science degrees in Accounting and Finance from the Florida State University and is a Certified Public Accountant.

Mary Linzee Branham is the Director of Legal and Risk Operations of the FHCF. She is responsible for assisting with and keeping the Chief Operating Officer apprised of all legal, risk management, legislative and rulemaking activities. She came to the FHCF in November 2019, after three and a half years as the Assistant Division Director of Division of Rehabilitation and Liquidation, eight years in private law practice and two years as an Assistant Public Defender in the Office of the Public Defender, Thirteenth Judicial Circuit. Ms. Branham earned her Bachelor of Arts degree in History, with a minor in Criminology, from the University of Florida and her Juris Doctorate from Florida State University College of Law. Ms. Branham is a member of the Florida Bar.

Joel Meyer is the Manager of Financial Operations of the FHCF. Mr. Meyer joined the FHCF in December 2017 and he is responsible for all matters related to the financial operations of the FHCF and the Corporation, as well as the administration of the Insurance Capital Build-up Incentive Program. Prior to joining the FHCF, Mr. Meyer was a Financial Administrator for the OIR, Division of Property and Casualty Financial Oversight, where his responsibilities included administrative and technical supervision of property and casualty staff in the examination, investigation and analysis of insurance companies' financial condition and oversight of the annual reinsurance data calls and catastrophe stress test of insurance companies. Mr. Meyer received his Bachelor of Arts degree in Economics from Lenoir-Rhyne University. He has earned the Professional in Insurance Regulation (PIR) designation from the NAIC and two state of Florida insurance licenses, which are currently in an inactive status. Prior to his work at OIR, Mr. Meyer worked in insurance and banking in the private sector.

Limited Liability of the FHCF and Bonding Capacity Estimates and Assumptions

Under the Act, the maximum liability of the FHCF to reimburse Participating Insurers for Losses attributable to any single Contract Year is limited to the lesser of (i) the Actual Claims-paying Capacity of the FHCF, and (ii) the statutory liability limit. For the Contract Year ending May 31, 2024, the FHCF estimates that its maximum statutory liability is \$17 billion.

Beginning with the Contract Year that ended May 31, 2011, the Act set the base-line statutory liability limit for coverage at \$17 billion. Prior to May 31, 2011, the Act had set a base-line statutory liability limit for coverage at \$15 billion but that limit was legislatively increased. The Corporation can provide no assurance that the base-line statutory liability limit for coverage will not be legislatively revised again.

The Act further provides that the base-line statutory liability limit for coverage of \$17 billion may be increased if the SBA determines that there is sufficient Estimated Claims-paying Capacity to provide coverage at \$17 billion of capacity for the then current Contract Year and coverage of an additional \$17 billion of capacity for the subsequent Contract Year. If the SBA makes such a determination, the Estimated Claims-paying Capacity for the particular Contract Year shall be determined by adding to the \$17 billion limit, one-half of the FHCF's Estimated Claims-paying Capacity in excess of \$34 billion. No such adjustments to the statutory limit for Claims-paying Capacity has ever been made. For the current Contract Year ending May 31, 2024, the maximum liability of the FHCF is \$17 billion.

The Estimated Claims-paying Capacity is the FHCF's projected fund balance as of December 31, plus any reinsurance purchased by the FHCF, plus estimated borrowing capacity for each year. The FHCF may issue revenue bonds under the Act in any year in which the FHCF is required to reimburse Participating Insurers for Losses in excess of the FHCF available fund balance. The maximum amount of bonding is limited to the debt which can be serviced based upon a 6% maximum Assessment percentage on direct written premium in any one year and no more than 10% in total.

The FHCF formulates estimates of its bonding capacity semi-annually with the assistance of its Financial Advisor and senior managing underwriters. The most recent bonding capacity estimates prepared in October 2023 show for the 2023 hurricane season an estimated aggregate bonding capacity of [\$_____] billion in Post-Event Parity Obligations. The projected FHCF fund balance of **[\$4.2 billion]** plus the remaining 2020A Bond proceeds of \$3.5 billion and the 2023A Bond proceeds of [\$_____] billion would result in a maximum need of Post-Event bonding of [\$_____] billion to meet its \$17 billion statutory maximum liability for the current Contract Year ending May 31, 2024.

The table below shows the estimated bonding needed following issuance of the 2023A Bonds to satisfy the FHCF's maximum statutory liability of \$17 billion and the estimated Assessment percentage necessary to pay the debt service on the estimated bonding need.

**FHCF Estimated Coverage Obligation and Funding Sources
for the Contract Year Ending May 31, 2024
(dollars in billions)
[To Be Updated]**

FHCF Coverage Obligation	\$17.0
Less: Projected FHCF Fund Balance for Contract Year Ending May 31, 2024	(4.2)
Less: Available 2020A Bond Proceeds	<u>(3.5)</u>
Net Amount Potentially Needed to Fully Fund Statutory Liability	9.3
Less: 2023A Bond Proceeds	[_____]
Potential Borrowing Need Net of Pre-Event Bond Proceeds	[_____]
Projected Assessment Percentage Required to Cover Potential Borrowing Need Including Repayment of 2020A Bonds and 2023A Bonds ⁽¹⁾	[_____]
Estimated FHCF Borrowing Capacity Over 12 Months ⁽²⁾	\$7.8

⁽¹⁾ Assumes that the FHCF will draw on its existing and projected Pre-Event Parity Obligations and issue Post-Event Parity debt of approximately \$12.8 billion structured for approximate 30-year level annual debt service. The Assessment percentage is derived from the 2022 assessment base of \$72.6 billion.

⁽²⁾ Estimate based on the October 2023 bonding capacity estimates.

Note: Amounts may not add due to rounding.

Source: FHCF and Raymond James & Associates, Inc.

The likelihood that the FHCF will be called on to reimburse losses up to its maximum contractual liability limit depends on several factors, but prominent among these are the insured value of property for which the coverage is provided by the FHCF and the likelihood of a major hurricane damaging or destroying such property. The following table shows the total insured values reported to the FHCF by Participating Insurers for the last five years and the annual percentage increase from the prior year. The

next table shows the Contract Year ending May 31, 2024 modeled losses for the FHCF for hurricanes of varying magnitude.

The incidence and severity of catastrophic hurricanes are inherently unpredictable. Coastal areas appear to be at the highest risk of hurricane damage based upon historical experience and loss model results. Coastal development over the years has significantly changed the risk profile of hurricane-prone coastal areas. According to the National Oceanic and Atmospheric Administration's Office of Coastal Management, over 76% **[update]** of Florida's population lives in coastal areas.

Total Insured Values

<u>Contract Year Ended May 31</u>	<u>Amount (in trillions)</u>	<u>Percentage Change</u>
2020	\$2.361	4.0%
2021	2.490	5.5
2022	2.661	6.9
2023	2.908	9.3
2024 ⁽¹⁾	3.158	8.6

⁽¹⁾ Projected.

Source: Paragon Strategic Solutions Inc.

Gross Residential Losses Per Event Contract Year Ending May 31, 2024

<u>Hurricane Magnitude⁽¹⁾</u>	<u>Probability</u>	<u>Losses Per Event (in billions)⁽²⁾</u>	<u>Estimated FHCF Liability Aggregate (in billions)⁽³⁾⁽⁴⁾</u>
1 in 10 years	10.00%	\$9.916	\$2.229
1 in 20 years	5.00	20.617	9.373
1 in 30 years	3.33	28.888	12.911
1 in 40 years	2.50	35.758	14.354
1 in 50 years	2.00	41.670	15.131

⁽¹⁾ Hurricane magnitude in this table refers to categorizing the relative frequency and destructiveness of a hurricane as compared to a base level of frequency and destructiveness. For example, a one in 40-year hurricane will occur less often and be more destructive than a one in 10-year hurricane.

⁽²⁾ The differences between the Losses Per Event and the Estimated FHCF Liability Aggregate is due to retention and "co-payment" requirements on the insurers of covered residential policies.

⁽³⁾ The estimate is aggregated for all FHCF Participating Insurers and is presented as if all of the Participating Insurers had uniform exposures and loss experiences. In actual practice, each participating insurer has its own retention and coverage limits based upon its actual exposures, and therefore each participating insurer has its own unique probabilities of triggering its FHCF coverage and reaching its FHCF coverage limit.

⁽⁴⁾ As further described in the section above, for the Contract Year ending May 31, 2024, the maximum liability of the FHCF is \$17 billion.

Source: Paragon Strategic Solutions Inc.

FHCF Financial Position – Basic Mechanics

Participating Insurers pay the FHCF a Reimbursement Premium based on their proportionate residential risk exposure share in the State. Participating Insurers must meet a specified level of losses before FHCF reimbursement begins (i.e. Retention); analogous to a deductible on an insurance policy – aggregate Industry Retention is projected to be \$9.067 billion for the current Contract Year ending May 31, 2024. After each Participating Insurer’s Retention is met, the FHCF reimburses each insurer for 45%, 75% or 90% of its covered residential losses depending on the Participating Insurer’s coverage selection – the Participating Insurer must pay the remaining portion (analogous to a co-payment on an insurance policy).

Reimbursement provided by the FHCF for any single Contract Year is limited to the lesser of the Actual Claims-paying Capacity of the FHCF or the statutory liability limit of \$17 billion. The FHCF’s limit is subject to adjustment based upon the increase in claims-paying capacity of the FHCF. The FHCF’s total liability for the current Contract Year ending May 31, 2024 is limited statutorily to \$17 billion and has been unchanged since 2013.

The following chart depicts the coverage that the FHCF projects to provide and all other sources for paying losses relative to the total storm losses that Participating Insurers could be required to pay for the current Contract Year. In the event of a large Covered Event, the Projected Fund Balance and Pre-Event Bond proceeds are available to pay claims, while the remaining balance of coverage would be provided for by Post-Event financing, if needed. The FHCF’s projected coverage for the 2023-2024 season (as of _____, _____) includes **[update figures]**:

- **[\$4.2 billion from projected year-end fund balance;**
- **\$3.5 billion from 2020A Bond proceeds;**
- **[\$___] billion from 2023A Bond proceeds; and**
- **[\$___] billion of potential Pre-Event/Post-Event bonding capacity.]**

[Remainder of page intentionally left blank]

		Ground Up Losses (\$ billions)	Probability
\$2.5 billion – Industry Co-Payments	\$1.5 billion – Pre-Event/Post-Event Bonding (if needed)	\$25.7	2.65%
	\$3.5 billion – 2020A Pre-Event Bonds	\$24.1	2.86%
	\$650 million – 2016A Pre-Event Bonds	\$20.4	3.62%
	\$11.4 billion – Projected Fund Balance (at December 31, 2020)	\$19.7	3.79%
	\$7.7 billion – Industry Retention	\$7.7	9.90%

[Table Above To Be Updated]

- Ground-up losses exclude 10% allowance for LAE in the amount of [\$___] billion [update].
- In this chart the relevant data are aggregated for FHCF Participating Insurers. The references to probabilities, probable maximum losses, and cash exhaustion are shown for illustrative purposes only. The probabilities in this chart are presented as if all of the Participating Insurers had uniform exposures and loss experiences. In actual practice, each participating insurer has its own retention and coverage limits based upon its actual exposures, and therefore each participating insurer has its own unique probability of triggering its FHCF coverage and reaching its FHCF coverage limit.
- The Estimated Claims-paying Capacity of the FHCF must take into account constraints in the financial markets that may limit the FHCF's ability to borrow funds, including the potential unwillingness of financial market participants to lend funds to the FHCF at the maximum limit under the Act. Credit market disruptions may limit the FHCF's borrowing capacity. Also, there can be no guarantee that sufficient market capacity will exist should the FHCF be required to issue a large amount of debt. If market constraints reduce the FHCF's Actual Claims-paying Capacity below the maximum statutory liability or

maximum contractual liability, the FHCF's liability under the Reimbursement Contract will be capped at the lower amount.

- Other issuers such as Citizens and the Florida Insurance Guaranty Association ("FIGA") may also seek to issue bonds payable from assessments similar to the FHCF's Assessments following the same hurricane event or events. The FHCF's future potential borrowing requirements may be large and there can be no guarantee that in the future there will be adequate financing capacity available to the FHCF following a major catastrophic event that would require post-event financing to fulfill statutory liability or to pay Pre-Event bondholders.

Historical Summary of Revenues, Expenses and Changes in Net Position

The following schedule shows the revenues, expenses and changes in net assets of the FHCF, derived from audited financial information of the FHCF and the Corporation for Fiscal Years ended June 30, 2019 through June 30, **[2022 and unaudited information for the Fiscal Year ended June 30, 2023]**. The Audited Financial Statements for the FHCF for Fiscal Years 2023 and 2022 are included in their entirety as "APPENDIX B, FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED **[JUNE 30, 2023 AND JUNE 30, 2022]**."

[Remainder of page intentionally left blank]

Florida Hurricane Catastrophe Fund
Historical Summary of Revenues, Expenses and Changes in Net Position
(in thousands)

<u>Fiscal Years Ended June 30</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	[Unaudited] <u>2023</u>
Total Operating Revenues	\$1,052,070	\$1,130,153	\$1,205,987	\$1,211,528	\$1,406,899
Operating Expenses					
Hurricane Losses ⁽¹⁾	3,950,000	1,500,000	1,300,000	-	9,795,617
Administrative, Professional, Personnel, and Other	6,266	6,280	6,774	6,293	6,837
Depreciation	<u>14</u>	<u>13</u>	15	16	17
Total Operating Expenses	<u>3,956,280</u>	<u>1,506,293</u>	1,306,789	6,309	9,802,471
Operating Income (Loss)	(2,904,210)	(376,140)	(100,802)	1,205,398	(8,395,572)
Total Non-operating Revenue ⁽²⁾	<u>505,445</u>	<u>453,103</u>	(42,258)	(477,123)	244,816
Income (Loss) before Transfers	(2,398,765)	76,962	(143,060)	728,275	(8,150,756)
Transfers to Other Funds ⁽³⁾	<u>(13,500)</u>	<u>(13,500)</u>	(13,500)	(13,500)	(10,000)
Change in Net Assets	(2,412,265)	63,462	(156,560)	714,775	(8,160,756)
Net Position, Beginning of Year	<u>12,700,503</u>	<u>10,288,238</u>	10,351,812	10,195,252	10,910,027
Net Position, End of Year	<u>\$10,288,238</u>	<u>\$10,351,700</u>	<u>\$10,195,252</u>	<u>\$10,910,027</u>	<u>\$2,749,271</u>

(1) This is an actuarial determined reserve for hurricane losses that is periodically adjusted based on actual results and actuarial analyses. For Hurricane Irma, Fiscal Year 2018 loss reserves of \$2.5 billion, Fiscal Year 2019 included additional loss reserves of \$2.5 billion and Fiscal Year 2020 included additional loss reserves of \$1.5 billion **[(unaudited)] [update]**. For Hurricane Michael, Fiscal Year 2019 included loss reserves of \$1.45 billion and that loss reserve remains unchanged in Fiscal Year 2023. See "Historical Payments of Claims" herein for the history of FHCF reimbursements paid to insurers since 2004.

(2) Increases to non-operating revenue were due primarily to an increase in investment income.

(3) Transfers to Other Funds are the funds appropriated by the Legislature for Mitigation Payments.

Source: Florida Hurricane Catastrophe Fund Audited Financial Statements for the Fiscal Years ended June 30, 2019 through June 30, **[2023. FHCF provided preliminary and unaudited information for the Fiscal Year ended June 30, 2023; such 2023 information is subject to change through the auditing process.]**

Financial Impacts of Recent Hurricanes on the FHCF

The FHCF has paid reimbursements to Participating Insurers for Losses from ten hurricanes since 2004 totaling approximately **[\$19.7]** billion. The most recent Losses, which are not yet fully reimbursed, are from Hurricanes Hurricane Michael in 2018, Hurricane Ian in 2022 **[and Hurricane Idalia in 2023]**. Hurricane Michael made landfall on October 10, 2018, at Mexico Beach, Florida as a major Category 5 hurricane. As of _____, _____, the FHCF's actuary, Paragon, estimates that the FHCF will incur total Losses of \$1.45 billion related to Hurricane Michael. This is an actuarial estimate and is subject to revision as additional information becomes available. Losses reimbursed by the FHCF for Hurricane Michael as of _____, _____ totaled **[\$1.0 billion]** and the remaining unpaid amount has been placed in reserve and deducted from the FHCF's projected fund balance available to pay claims.

On September 28, 2022, Hurricane Ian made landfall near Cayo Costa, Florida, as a category 4 hurricane. The FHCF's actuary estimates that the FHCF will incur total Losses of \$10 billion related to Hurricane Ian. This is an actuarial estimate and is subject to revision as additional information becomes available. Losses reimbursed by the FHCF for Hurricane Ian as of _____, _____ totaled [\$____] billion and the remaining unpaid amount has been placed in reserve and deducted from the FHCF's projected fund balance available to pay claims.

[On August 30, 2023, Hurricane Idalia made landfall near Keaton Beach, Florida, as a category 4 hurricane. The FHCF's actuary estimates that the FHCF will incur total Losses of \$30 million related to Hurricane Idalia. This is an actuarial estimate and is subject to revision as additional information becomes available. Losses reimbursed by the FHCF for Hurricane Idalia as of _____, _____ totaled [\$_____] million and the remaining unpaid amount has been placed in reserve and deducted from the FHCF's projected fund balance available to pay claims.]

. The Losses from these storms are subject to the commutation provisions in the Reimbursement Contract, as discussed in "OPERATION OF THE FHCF – FHCF Coverage" herein. After the reduction for unpaid Losses from Hurricanes Irma, Michael, Ian, and Idalia the FHCF has a projected December 31, 2023 fund balance of [\$4.2 billion] available to pay claims. These resources will be available to provide liquidity for the 2023 hurricane season and will be available to pay additional claims, if any, above the current actuarial estimates for Hurricanes Michael, Ian [and Idalia].

The table below shows the history of FHCF reimbursements paid to insurers since 2004.

Historical Payment of Claims

Hurricane Season	Covered Events	Number of Insurers Reimbursed	Total FHCF Reimbursement Paid
2004	Charley, Frances, Ivan, Jeanne	136	\$3.9 billion
2005	Dennis, Katrina, Wilma	114	\$5.5 billion
2017	Irma	96 [update]	\$7.0 billion ⁽¹⁾
2018	Michael	32 [update]	\$1.16 billion ⁽¹⁾
2022	Ian	32 [update]	\$1.89 billion ⁽¹⁾
2023	Idalia	32 [update]	\$0.0 billion ⁽¹⁾

⁽¹⁾ Represents losses paid through _____, _____. The current loss estimates for Hurricanes Michael, Ian [and Idalia] are \$1.45 billion, \$10 billion [and \$____ billion], respectively.

Florida Insurance Market

While the property insurance market in Florida is unique due to the State's geography and exposure to hurricanes, insurers have been impacted more by litigation, fraud and social inflation than by storm activity. In 2021, the State represented 6.9% of total homeowners' claims nationally, but 76% of homeowners' lawsuits. As a result, insurance companies have faced a higher risk of losses in Florida compared to other states, which has made the property insurance market in Florida more volatile and challenging for insurers to profitably operate in. In recent years, the Florida property insurance market has faced a number of challenges, including rising premiums, increased claims frequency, and a surge in fraudulent claims. In some cases, these challenges have led to many insurance companies withdrawing from the market, resulting in concerns regarding homeowner access to insurance. The State has responded

to these challenges with several statutory changes approved during special and regular sessions in order to eliminate abusive litigation practices, curtail insured losses, and promote long-term market stability. See " - Recent Legislative Actions" below.

As of December 31, 2022, there were approximately 7.3 million residential property insurance policies in Florida. Insurance companies in the State can be broadly categorized into four main groups: (i) large national carriers - e.g. Liberty Mutual, USAA; (ii) Florida-only subsidiaries of large national carriers - e.g. State Farm, Allstate, Travelers, and Nationwide all have Florida-only subsidiaries; (iii) stand-alone Florida-only companies that write business primarily in, or only in, Florida; and (iv) Citizens, the State-run insurer of last resort. In addition to these admitted market carriers, which are regulated as to premium rates and other matters by OIR, surplus lines carriers, which have unregulated rates and which are otherwise subject to less regulatory oversight by OIR, also write residential property insurance in Florida.

The dynamics of Florida's property and casualty insurance market are significantly influenced by the hurricane risks faced by the State. As a result, private insurance carriers, especially large national carriers, have long sought to manage their exposure in the State. The market today consists mainly of smaller companies who write all or most of their business in Florida (about 68% of the market as measured by direct written premium for personal lines in the State) and Citizens, whose Personal Accounts Line ("PLA"), Commercial Lines Account ("CLA") and Coastal Account (the "Coastal Account") aggregately write approximately 22% of the direct written premium for personal lines in the State). Large national carriers and their Florida-only subsidiaries account for the other 10% of the direct written premium of personal lines in the State.

In order to address the unique characteristics of its insurance market, the State has implemented a market framework designed to promote long-term market stability, including longstanding mechanisms and property insurance entities. FIGA, Citizens, and the FHCF all serve as distinct, yet integral parts of a highly regulated marketplace.

Recent Legislative Actions

To address many of the issues facing the Florida insurance market, the Florida Legislature has passed various laws aimed at maintaining a stable and healthy private property insurance market in the State. For example, in 2021, the Florida Legislature passed a bill that aimed to crack down on fraudulent insurance claims by increasing penalties for those who commit insurance fraud. Additionally, the State has also implemented measures to encourage insurers to stay in the market, such as providing tax credits and reducing regulatory burdens for insurers. The Florida Legislature also held two Special Sessions in 2022 relating to property insurance.

During a Special Session of the Florida Legislature held in May 2022, Senate Bill 2-D ("SB 2D") was passed and signed into law by the Governor. SB 2D included a \$150 million appropriation for the My Safe Florida Home Program, which provides hurricane mitigation inspections and matching grants for hurricane retrofitting for residential structures under a certain value. SB 2D also sought to alleviate perceived abuse in the residential insurance market in connection with roof replacements by regulating contractor solicitations and providing for separate roof deductibles. In addition, SB 2D made various changes relating to assignment of benefits by revising the definition of "assignment agreement" to include assignments executed by a party that inspects the property, clarifying that public adjuster fees are not an assignment agreement, clarifying the requirement to provide a notice of intent to initiate litigation before filing suit, requiring that a valid assignment of benefits must specify that the assignee will hold harmless

the assignor from all liabilities, including attorney's fees and by prohibiting the right to obtain attorney fees in suits arising out of a property insurance policy to persons other than a named or omnibus insured or a name beneficiary under the policy. SB 2D also provided that attorney fee multipliers may only be awarded under rare and exceptional circumstances with evidence that competent counsel could not be hired in a reasonable manner and that a defendant insurer may obtain attorney fees and costs associated with securing a dismissal without prejudice for failure to provide the required notice of intent to initiate litigation at least ten (10) days before filing a suit against a property insurer. The intended impact of these changes is to reduce the incentives to file frivolous lawsuits relating to property insurance in the State. SB 2D also created the Reinsurance to Assist Policyholders ("RAP") Program that was funded through an appropriation from the State's general revenue fund and offered insurers a \$2 billion reimbursement layer of reinsurance for hurricane losses below the mandatory layer of the FHCF. The RAP Program is administered and managed by the SBA. All eligible insurers are required to participate in the RAP Program for one year (either in 2022-23 or 2023-24). Approximately \$885 million of RAP coverage was utilized for the 2022 hurricane season, with the remaining \$1.1 billion of coverage available for the 2023 hurricane season. Insurers in the RAP Program do not pay a premium for RAP Program coverage, but must reduce rates to reflect savings resulting from their participation in the RAP Program. The RAP Program does not change the coverage offered by, or the liabilities of, the FHCF. In addition, SB 2D made various other changes relating to OIR's regulation of insurers.

During a Special Session of the Florida Legislature held in December 2022, Senate Bill 2-A ("SB 2A") was passed and signed into law by the Governor. SB 2A was a comprehensive piece of legislation that was intended to ensure that policyholders in the State have access to quality, affordable private market insurance. SB 2A created the Florida Optional Reinsurance ("FORA") Program that offered insurers four layers of temporary reinsurance below the mandatory layer of the FHCF, with the total amount of coverage limited to \$1 billion of funding provided from State general revenues plus the premiums paid to the program by participating insurers for the 2023 hurricane season. The FORA Program is administered by the SBA, and does not change the coverage offered by, or the liabilities of, the FHCF.

The State's bad faith law and jurisprudence are designed to hold insurers accountable for failing to fulfill their contractual obligation to indemnify the insured or beneficiary on a valid claim. SB 2A required an adverse adjudication that an insurer has breached an insurance contract before an insured can file bad faith litigation and provided a safe harbor within which an insurer may correct alleged bad faith acts and attempt settlement. The bill provided that acceptance of an offer of judgment or the payment of an appraisal award does not constitute an adverse adjudication. This is intended to have the effect of prohibiting a bad faith failure to settle action solely on the basis of the policyholder's successful recovery of additional claim proceeds through the insurance contract's appraisal process or acceptance of an offer of judgment. Moreover, SB 2A prohibited the assignment, in whole or in part, of any post-loss insurance benefit under any residential or commercial property insurance policy issued on or after January 1, 2023. The bill specified that assignment agreements under a residential property insurance policy or under a commercial property insurance policy are only valid on policies issued on or after July 1, 2019, and before January 1, 2023. SB 2A also reduced the claim filing deadline from two years to one year for a new or reopened claim, and from three years to 18 months for a supplemental claim. The bill also strengthened the regulatory authority of OIR by allowing OIR to subject any authorized insurer to a market condition examination after a hurricane under certain conditions relating to property insurance claims. The bill aimed to reduce excessive litigation by providing that one-way attorney fee statutes no longer apply to lawsuits related to residential or commercial insurance policies and reinstating the civil judgment statute to civil actions arising under a residential or commercial property insurance policy, thereby allowing joint offers of settlement in property insurance litigation contingent on acceptance from all joint offerees.

SB 2A also made various changes relating to Citizens, including creating uniform eligibility thresholds for new and renewal policyholders, prohibiting Citizens coverage for those with an offer of comparable insurance from an authorized insurer if that premium is not more than 20% greater than Citizens' rate, requiring flood insurance to qualify for Citizens' coverage (phased in over the next four years, with all policies requiring flood insurance by January 1, 2027) and allowing Citizens to combine its three accounts into one account upon eliminating all outstanding financial obligations.

Some initial benefits of the legislative changes described above are already being felt in the State insurance market. There are new insurers looking to enter the State, which is expected to increase competition among insurers and reduce the number of Citizens' policies.

Reimbursement Premiums

General. As a condition for doing business in Florida, each insurer writing residential property insurance in Florida must enter into a Reimbursement Contract with the SBA (with limited exceptions). The Reimbursement Contract generally provides that the FHCF will reimburse a Participating Insurer a certain percentage of its Losses above the insurer's share of the industry-wide Retention in exchange for the payment by the Participating Insurer of Reimbursement Premiums. The Contract Year for Reimbursement Contracts entered into by the FHCF begins on June 1 of each year and ends on May 31 of the following year. A Participating Insurer must enter into a Reimbursement Contract every Contract Year. For the Contract Year ending May 31, 2024, there are currently 148 Participating Insurers, including Citizens.

Each Reimbursement Contract requires the insurer to pay to the FHCF an actuarially-indicated premium for the reimbursement contemplated under the Reimbursement Contract. This Reimbursement Premium is a factor of the actuarially indicated rates multiplied by each \$1,000 of insured value reported to the SBA by the Participating Insurer to determine the total amount of Reimbursement Premiums due from the Participating Insurer under the Reimbursement Contract. Under the Reimbursement Contract, the Reimbursement Premiums paid for a Contract Year must be used to reimburse Participating Insurers for reimbursable Losses incurred in the current or subsequent Contract Years only or to pay debt service on Pre-Event Parity Obligations. Although the Reimbursement Premiums are also available to pay debt service on Post-Event Parity Obligations, the FHCF expects not to use Reimbursement Premiums for such purpose and, to the extent Reimbursement Premiums are used to pay debt service on Post-Event Parity Obligations, such use would be replenished with future Assessment revenues.

Reimbursement Premiums are paid to the SBA in three installments: August 1, October 1 and December 1 of each Contract Year. Reimbursement Premiums are deposited by Participating Insurers via wire transfer and/or ACH directly to an account in the name of the FHCF. Once deposited, Reimbursement Premiums are transferred to the Master Trustee at least monthly pursuant to the Pledge Agreement until debt service on the Outstanding Parity Obligations for such fiscal year has been paid or provided for. See "PLEDGE AND SECURITY FOR 2023A BONDS – Pledge Agreement" herein.

Since the total Reimbursement Premiums for any Participating Insurer are not determined until after its insured values have been received and processed, the first two payments of its Reimbursement Premiums in each Contract Year are estimated. Each estimated payment of Reimbursement Premiums is made in an amount equal to approximately one-third of the estimated total Reimbursement Premiums due from a Participating Insurer in the Contract Year. Once the actual Reimbursement Premiums due from the Participating Insurer for the Contract Year are determined, the amount of the final installment due on

December 1 is equal to the actual Reimbursement Premiums due from the Participating Insurer for the Contract Year less the two estimated payments of Reimbursement Premiums made by a Participating Insurer.

Due to the mismatch in the FHCF Contract Year that ends May 31 and the FHCF Fiscal Year that ends June 30, references to Reimbursement Premium throughout this document have been adjusted as needed to match Contract Year premiums to the Fiscal Year in which they are recorded in the Audited Financial Statements of the Fund. Reimbursement Premiums are shown as 1) net premium revenue, as shown in the FHCF Audited Financial Statements, which are premium revenues after a deduction for reinsurance expense; 2) Reimbursement Premium collections, which are net premium revenues that have been grossed up to include reinsurance expense; and 3) Reimbursement Premium revenue as shown on the Debt Service Coverage Table, which is net premium revenue that is net of the Current Expenses of the FHCF and the Corporation (Revenue Available for Debt Service).

The following table shows the ten Participating Insurers with the largest Reimbursement Premiums paid to the FHCF for the prior Contract Year ended May 31, 2023.

Reimbursement Premiums Paid By 10 Largest Participating Insurers

<u>Participating Insurers</u>	<u>Reimbursement Premiums (in millions)⁽¹⁾</u>	<u>Percentage of Reimbursement Premiums</u>
Citizens Property Insurance Corporation (Personal Lines and Commercial Lines Accounts)	\$201.8	14.51%
Universal Property and Casualty Insurance Company	137.3	9.87
Citizens Property Insurance Corporation (Coastal Account)	122.8	8.83
American Coastal Insurance Company	64.0	4.60
First Protective Insurance Company	63.6	4.58
Heritage Property and Casualty Insurance Company	46.6	3.35
Homeowners Choice Property and Casualty Insurance Company	41.4	2.98
Federal Insurance Company	40.0	2.88
State Farm Florida Insurance Company	39.8	2.86
United Property and Casualty Insurance Company	<u>35.6</u>	<u>2.56</u>
Total	\$796.0	57.01%

⁽¹⁾ Citizens Property Insurance Corporation has two separate Reimbursement Contracts with the FHCF. See "Reimbursement Premiums – Citizens as a Participating Insurer" herein.

Source: Paragon Strategic Solutions Inc.

Collections. Since 2001, the FHCF has collected over 99% **[update]** of Reimbursement Premiums, with the only exceptions being certain insurers that have been placed into receivership for purposes of liquidation. See "OPERATION OF THE FHCF - Collection of Assessments and Reimbursement Premiums from Companies in Receivership." Reimbursement Premiums collections vary from year to year as a result of annually-adopted changes in the actuarially-indicated Reimbursement Premiums charged to

Participating Insurers in Reimbursement Contracts. The annual premium change is a function of a number of factors, primarily Participating Insurers' coverage selection changes, growth in insured values, legislative changes, and rate changes. The largest contributing factor to the decline in the FHCF's reimbursement premium collections shown below was the FHCF's Participating Insurers' coverage selections. Historically, most insurers have selected the 90% coverage option; however, beginning in Fiscal Year 2016, the private risk transfer market offered abundant reinsurance capacity at historically low prices. As a result, the weighted average coverage selection dropped from 89.9% for the Contract Year ended May 31, 2015 to a low of 73.5% for the Contract Year ended May 31, 2019.

Lower levels of selected coverage impacts the overall aggregate coverage provided by the FHCF which is reflected in lower premium revenues. In 2019, global risk transfer pricing began to increase due to recent catastrophic events. As a result, the weighted average coverage selection increased to **[87.4% for the Contract Year ended May 31, 2024, which will be reflected in the Reimbursement Premiums collected for Fiscal Year ending June 30, 2024]**.

The following table shows Fiscal Year collections for the last five years and the annual percentage change.

Total Reimbursement Premium Collections

<u>Fiscal Year Ended June 30</u>	<u>Reimbursement Premium Collections⁽¹⁾ (in millions)</u>	<u>% Change of Reimbursement Premium Collections</u>	<u>Percentage of Reimbursement Premiums Collected</u>
2019	\$1,114.6	(1.0)%	100.00%
2020	1,187.5	6.5	99.90 ⁽²⁾
2021	1,206.20	1.5	100.00
2022	1,211.50	0.0	100.00
2023	1,406.69	0.2	100.00

(1) Reimbursement Premium collections are net premium revenues that are increased to account for reinsurance expense for Fiscal Years 2019-2023. The reinsurance accruals for Fiscal Years 2019-2023 are as follows: \$62.5 million of reinsurance premium accrual in Fiscal Year 2019 and \$57.4 million of reinsurance premium accrual in Fiscal Year 2020.

(2) Sawgrass Mutual Insurance Company was ordered into receivership and owes \$562,378 for outstanding premium for Contract Year ended May 31, 2018. Florida Specialty Insurance Company was ordered into receivership and owes \$1,256,000 for outstanding premium for the Contract Year ended May 31, 2020. The FHCF Contract Year begins on June 1 and ends on May 31 of the following year. **[update footnote]**

Source: Audited Financial Statements of the Florida Hurricane Catastrophe Fund (FHCF) for Fiscal Years 2019 through 2023. Includes prior year premium adjustments and interest on adjustments/advances. **[Should this last sentence be a footnote?]**

Cash Build-up Factor. In 2006, the Legislature amended the Act to require that Reimbursement Premiums include a "cash build-up factor" or surcharge designed to replenish the Corpus of the FHCF. The initial cash build-up factor was 25%. The Legislature removed the cash build-up factor in 2007 to ease the burden of increased insurance costs on property owners. In 2009, the cash build-up factor was reenacted

and equaled 5% for the Contract Year ended May 31, 2010, 10% for the Contract Year ended May 31, 2011, 15% for the Contract Year ended May 31, 2012, 20% for the Contract Year ending May 31, 2013, and 25% for the Contract Year ending May 31, 2014 and thereafter. Such amounts are included in Reimbursement Premium collections set forth in the table above. The cash build-up factor is retained in the Corpus of the FHCF. The projected amount of Reimbursement Premium revenue from the cash build-up factor for the Contract Year ending May 31, 2024 is \$290.0 million. The Corporation can provide no assurance that the cash build-up factor will not be legislatively repealed or revised again.

Citizens as a Participating Insurer. Citizens is an entity created by the State Legislature and controlled by the State and provides certain residential and commercial property and casualty insurance coverage to owners of certain properties in the State as specified in Section 627.351(6), Florida Statutes, as amended. Citizens is organized legally and financially into three separate accounts – the Coastal Account, which provides residential and commercial wind-only and multi-peril coverage in statutorily-designated coastal areas of the State, the PLA, which provides all-perils residential coverage throughout the State, and the CLA, which provides commercial-residential (i.e. apartment and condominium) coverage throughout the State. Citizens has two separate contracts with the FHCF – one for the Coastal Account and one for the combined PLA/CLA. Both accounts are statutorily mandated to elect the 90% coverage level annually on their Reimbursement Contracts with the FHCF. These accounts are treated as separate Participating Insurers in all respects by the FHCF. Although Citizens accounts for only two (2) of 148 Participating Insurers participating in the FHCF for the current Contract Year ending May 31, 2024, the total Reimbursement Premiums collected from Citizens' two accounts are substantial. Effective July 1, 2023, upon eliminating all outstanding financing obligations, Citizens is permitted by recent legislation to consolidate the PLA, the CLA and the Coastal Account into one account, known as the Citizens Account, for all of its revenues, assets, liabilities, losses, and expenses. A single account will allow Citizens to access its entire surplus to pay claims. If established, the Citizens Account is authorized to provide coverage to the same extent each of the three separate accounts may provide coverage under current law.

For the Contract Year ended May 31, 2023, the total Reimbursement Premiums from Citizens was \$324.6 million, or 23.33% of all Reimbursement Premiums collected during that Contract Year. Over the last five Contract Years, the amount is significantly higher than the \$146.1 million, or 13.24% of all Reimbursement Premiums collected during the Contract Year ended May 31, 2019. A significant portion of this increase in Reimbursement Premiums from Citizens is due, in part, to **[growth in policy count caused by several insurers entering insolvency and several other insurers no longer providing policies in the State]**.

All Participating Insurers, including Citizens, are entitled to a pro-rata share of the FHCF's Actual Claims-paying Capacity, based on such Participating Insurer's proportionate share of Reimbursement Premiums paid to the FHCF. Because Actual Claims-paying Capacity of the FHCF includes the amount of debt the FHCF is able to issue, the timing and amount of Losses sustained by Citizens could impact the timing and amount of debt issued by the FHCF to a greater extent than the timing and amount of Losses sustained by other Participating Insurers.

Enforcement of Payment of Reimbursement Premiums. The Act and applicable administrative rules relating to the FHCF provide that any violation of a Participating Insurer's obligation to pay Reimbursement Premiums, provide information necessary to verify the amount of Reimbursement Premiums due, or submit to examinations relating to Reimbursement Premiums constitutes a violation of the Florida Insurance Code. The FHCF may notify OIR of such violation, which may then take whatever action it deems appropriate to address the violation. In addition, failure to pay Reimbursement Premiums,

provide information or submit to examination, among other things, may subject the Participating Insurer to certain fines, interest charges and other penalties as specified in applicable administrative rules of the FHCF or OIR. Also, the FHCF has the right to offset amounts payable to the FHCF from a Participating Insurer, including the full Reimbursement Premium, against any (1) loss reimbursement or advance amounts, (2) any Reimbursement Premium refunds, and (3) any amounts agreed to in a commutation agreement, which are due to the Participating Insurer from the FHCF.

Assessments

General. Under the Act, if the SBA determines that the amount of revenue produced from Reimbursement Premiums is insufficient to fund the obligations, costs and expenses of the FHCF and the Corporation, including repayment of debt and required debt service coverage, the SBA will direct OIR to levy an Assessment on the premiums for all lines of insurance assessable under the Act (the "Assessable Lines"). Although an Assessment is not a tax, it functions like a broad-based insurance premium tax in many respects. It is essentially a charge on all assessable policies (and directly on policyholders, not insurance companies) that is collected with the premium and various taxes on all assessable policies and non-payment thereof permits an insurer to cancel the policy. There is no requirement for additional legislation to levy or approve future Assessments.

Assessable Lines include all property and casualty lines of insurance in Florida, except for those lines identified as medical malpractice, accident and health, workers' compensation, National Flood Insurance Program, National Crop Insurance Program and certain hospital self-insurance funds. Assessable Lines includes (i) insurance companies authorized by OIR to write insurance in Florida ("Admitted Lines Insurers"); (ii) insurance companies not so authorized ("Surplus Lines Insurers"), provided the insurance is obtained from certain agents licensed in Florida by OIR (each a "Surplus Lines Agent"); or (iii) independently pursuant to Section 626.938, Florida Statutes ("Independently Procured Coverage").

Under the Act, Assessments are collected from policyholders and are calculated as a percentage of premium. The same assessment percentage applies to all policies of Assessable Lines issued or renewed during the 12-month period beginning on the effective date of the Assessment. Assessments are assessed annually for so long as debt under the Act is Outstanding, are subject to annual adjustment by the SBA in order to meet debt obligations and are subject to both an annual and overall cap. There is a cap of 6% of premium that may be assessed in any one year with respect to obligations arising out of Losses attributable to any one Contract Year. The overall cap is 10% of premium.

While an insurer is liable under State law for all Assessments it collects from policyholders, the policyholders, not insurers, are required to pay the Assessments. Policyholders are liable for Assessments only to the extent policyholders wish to retain the insurance on which the Assessment is based. Insurers are required to treat the failure of a policyholder to pay the Assessment as a failure to pay premium, which permits an insurer to cancel the policy. Other than having their insurance policy cancelled for non-payment of premium, policyholders are not personally liable for payment of Assessments and are not subject to collection proceedings to pay the Assessment due. Pursuant to reports of OIR and Florida Surplus Lines Service Office (the "FSLSO"), historically, substantially all of the Assessments have been remitted to the FHCF on a timely basis.

Admitted Lines Insurers collect the Assessment from policyholders. Such insurers must remit Assessments directly to the FHCF based on a percentage of direct written premium for the preceding

calendar quarter, even if not yet collected. Surplus Lines Agents must also collect the Assessment from policyholders, but must remit the collected amounts to the FLSO at the same time such agents collect and remit to the FLSO the surplus lines tax. The FLSO invoices the Surplus Lines Agents quarterly with payments due 45 days from the last calendar day of the preceding quarter. Insureds obtaining Independently Procured Coverage are invoiced by the FLSO quarterly and must remit the Assessment within 45 days from the last calendar day of the preceding quarter, as directed by the FLSO at the same time the insured pays the surplus lines tax. While an insurer is not ultimately liable for uncollectible Assessments, the insurer must treat the failure to pay an Assessment as a failure to pay premium by the insured, which permits termination of the policy.

Each insurer is liable for all Assessments it collects from policyholders except to the extent the insurer is required to return collected Assessments when returning unearned premium. When an Admitted Lines Insurer is required to return unearned premium, it shall also return any collected Assessment attributable to the unearned premium. A credit adjustment to the collected Assessments may be made by such Admitted Lines Insurer to future remittances of Assessments, but the Admitted Lines Insurer is not entitled to a refund. In contrast to the Admitted Lines Insurers, Surplus Lines Agents and insureds obtaining Independently Procured Coverage may receive either a credit or refund of the collected Assessment attributable to returned unearned premium. Since 2003, approximately 89.3% **[update]** of premium on Assessable Lines relates to premium written by Admitted Lines Insurers. See "Historical Premium" below.

On May 31, 2006, the SBA adopted a resolution directing OIR to levy an Assessment on all Assessable Lines in the amount of 1%, effective beginning January 1, 2007. On June 12, 2006, OIR levied the Assessment in two orders: one directed at Admitted Lines Insurers, who are directly regulated by OIR, and the other directed at the FLSO to apply to Surplus Lines Agents and insureds obtaining Independently Procured Coverage. Amounts collected under this Assessment were used to pay debt service on or retire the 2006A Bonds, the 2008A Bonds and the 2010A Bonds. The Act permits the SBA to adjust an Assessment annually as necessary to pay debt service on revenue bonds provided the Corporation remains in compliance with all covenants under the Master Indenture, including without limitation covenants regarding debt service coverage and the exclusion of interest from federal income taxation. This Assessment was increased in 2010 to 1.3% of premiums on Assessable Lines. When the 2010A Bonds were legally defeased and there were no remaining unpaid hurricane Losses, upon direction of the SBA, the OIR issued Orders on July 21, 2014, terminating the Assessment for policies issued or renewed on or after January 1, 2015. See "PLEDGE AND SECURITY FOR THE 2023A BONDS - Flow of Funds" herein.

All previously levied Assessments were terminated effective July 21, 2014, on direct written premiums for policies issued or renewed on or after January 1, 2015. Although there is currently no assessment, if one were levied in the future, such assessment would be received by the FHCF continually throughout the year, with the largest amounts due to the FHCF on or about each May 15, August 15, November 15, and March 1. Historically, all payments of Assessments were made directly to an FHCF lock-box account held by an SBA custodian bank. Assessments held in this lock-box account were not commingled with any other moneys of the FHCF or SBA, and the payments were transferred to the Master Trustee at least monthly pursuant to the Pledge Agreement. See "PLEDGE AND SECURITY FOR 2023A BONDS – Pledge Agreement" herein. Late payments of collected Assessments could subject an Admitted Lines Insurer or Surplus Lines Agent, as the case may be, to delinquent interest and penalties.

OIR is responsible for verifying the accuracy and timeliness of the collection and remittance of Assessments. See "Collection of Assessments" herein for further discussion.

Historical Premium. The following chart shows the historical premium subject to the Assessments for all Assessable Lines.

Historical Premium Subject To Assessments

Calendar	Admitted Lines Direct Written Premium ⁽¹⁾	Surplus Lines and Independently Procured Coverage Premium	Total	% Increase
<u>Year</u>	<u>(in billions)</u>	<u>(in billions)</u>	<u>(in billions)</u>	<u>From Prior Year</u>
2013	\$33.73	\$4.21	\$37.93	4.81%
2014	35.09	4.22	39.30	3.61
2015	36.96	4.55	41.51	5.61
2016	39.07	4.62	43.69	5.26
2017	41.84	4.97	46.82	7.16
2018	44.86	5.54	50.40	7.66
2019	47.03	6.20	53.24	5.63
2020	48.83	7.07	55.89	4.98
2021	54.25	9.07	63.32	13.29
2022	61.03	11.57	72.60	14.66

(1) Aggregate premiums have been reduced to remove non-assessable premium that would ordinarily be exempt from assessments in the amount of \$0.18 billion for 2016. However, beginning in 2017, this allowed adjustment figure is unavailable. The average reduction to Direct Written Premium related to these adjustments was approximately 0.90%.

Note: Subject to change as company/agent adjustments are reported. Totals may not add due to rounding.

Source: OIR and FSLSO, unaudited.

[Remainder of page intentionally left blank]

Assessable Lines. The following constitute Assessable Lines subject to Assessments under the Act and applicable administrative rules of the FHCF:

- Fire
- Allied Lines
- Multiple Peril Crop
- Private Crop
- Farmowners Multiple Peril
- Homeowners Multiple Peril
- Commercial Multiple Peril (non-liability)
- Commercial Multiple Peril (liability)
- Mortgage Guaranty
- Ocean Marine
- Inland Marine
- Financial Guaranty
- Earthquake
- Other Liability - occurrence
- Other Liability – claims-made
- Products Liability
- Private Passenger Auto No-Fault (PIP)
- Other Private Passenger Auto Liability
- Commercial Auto No-Fault (PIP)
- Other Commercial Auto Liability
- Private Passenger Auto Physical Damage
- Commercial Auto Physical Damage
- Aircraft (all perils)
- Fidelity
- Surety
- Burglary and Theft
- Boiler and Machinery
- Credit
- Warranty
- Aggregate Write-Ins for other Lines of Business

Source: OIR, Market Research Unit.

[Remainder of page intentionally left blank]

Lines of insurance included in Assessable Lines may be modified by the State Legislature, subject to the covenant in the Act that the State will not impair the rights and remedies of owners of the 2023A Bonds. See "PLEDGE AND SECURITY FOR 2023A BONDS – Non-Impairment" herein. In addition, certain hospitals may form alliances to provide self-insurance which would not be subject to Assessments.

The following table provides a summary of the historical direct written premiums for the Admitted Lines and Surplus Lines by major categories of lines of insurance.

Historical Direct Written Premiums for Admitted Lines and Surplus Lines Insurers
(Dollars in billions)

Calendar	<u>Homeowner</u>		<u>Auto</u>		<u>All Other⁽¹⁾</u>		<u>Total</u>	
<u>Year</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
2013	\$8.82	23%	\$15.65	41%	\$13.46	35%	\$37.93	100%
2014	8.82	22	16.27	41	14.21	36	39.30	100
2015	8.95	22	17.74	43	14.82	35	41.51	100
2016	8.99	21	19.55	45	15.15	35	43.69	100
2017	9.35	20	21.72	46	15.74	34	46.82	100
2018	9.80	19	23.70	47	16.90	34	50.40	100
2019	10.34	19	24.19	45	18.70	35	53.24	100
2020	11.24	20	24.14	43	20.51	37	55.89	100
2021	12.51	20	26.94	43	23.86	38	63.32	100
2022	14.74	20	29.53	41	28.33	39	72.59	100

⁽¹⁾ No individual line of business in either the Admitted Lines or Surplus Lines market makes up over 10% of the total assessable premium.

Note: Aggregate premiums for admitted lines have been reduced to remove non-assessable premium that would ordinarily be exempt from assessments in the amount of \$0.18 billion each year, for 2015 and 2016. However beginning in 2017, this allowed adjustment figure is unavailable. The average reduction to Direct Written Premium related to these adjustments was approximately 0.90%.

Source: OIR and FLSO.

Collection of Assessments. OIR is responsible for verifying the accuracy and timely collection and remittance of Assessments. Information used by OIR in the verification process is transmitted directly to OIR by insurers for all Assessable Lines other than Surplus Lines and Independently Procured Coverage. Assessments relating to Surplus Lines and Independently Procured Coverage under Section 626.938, Florida Statutes are remitted as directed by the FLSO. The FLSO is required to assist the FHCF in ensuring the accurate and timely collection and remittance of the Assessments. OIR has the authority to enforce the collection and remittance of Assessments.

While an insurer is liable under State law for all Assessments it collects from policyholders, the policyholders, not insurers, are required to pay the Assessments. Policyholders are liable for Assessments only to the extent policyholders wish to retain the insurance on which the Assessment is based. Insurers are required to treat the failure of a policyholder to pay the Assessment as a failure to pay premium, which permits an insurer to cancel the policy. Other than having their insurance policy cancelled for non-payment of premium, policyholders are not personally liable for payment of Assessments and are not subject to

collection proceedings to pay the Assessment due. Pursuant to reports of OIR and FLSO, historically, substantially all of the Assessments have been remitted to the FHCF on a timely basis.

Overlapping Assessment Bases. Citizens also has the power under State law to levy assessments on substantially the same lines of insurance assessable by the FHCF. Pursuant to Citizens' enabling statutes, such assessments vary in amounts from not to exceed 2% for regular assessments related to the Coastal Account to not to exceed 10% for emergency assessments in each of Citizens' three accounts. Under the Citizens statute, policies and insurers subject to assessment (referred to as "subject lines of business") are all property and casualty insurance except for workers' compensation, medical malpractice, accident and health insurance, and insurance written under the National Flood Insurance Program or the National Crop Insurance Program. This listing is identical to the types of insurance subject to assessment by the FHCF, except that the FHCF statute does not refer to the National Crop Insurance Program. **[To be updated with language regarding a single 10% EA assessment once accounts are consolidated.]**

FIGA is another statutorily created entity with the power to levy assessments on property and casualty insurers and their policyholders. FIGA pays policyholder claims against certain insolvent property and casualty insurers. FIGA assessments are divided between two accounts – automobile liability and physical damage, and "all other insurance", which includes most property and casualty insurance written by admitted insurers other than workers' compensation and those lines excluded by Section 631.52, Florida Statutes.

FIGA funds each account with assessments on insurers writing policies covered by that account in an amount up to two (2) percent of the insurer's net written premium for the kinds of insurance included in that account. FIGA may impose an additional four percent (4%) annual emergency assessment on certain insurers in the "all other insurance" account for hurricane-related claims.

To the extent that the assessment bases of the FHCF, Citizens and FIGA overlap, policyholders will incur the cost of cumulative assessments imposed by such entities. **FIGA currently levies a 1.3% regular assessment through December 31, 2023 against its assessment base and an emergency assessment of 1.0% through the earlier of when the bonds which were issued by FIGA and secured thereby are no longer outstanding, or September 1, 2032, against its assessment base. Neither Citizens nor FHCF currently levies any assessments.**

Collection of Assessments and Reimbursement Premiums from Companies in Receivership

The risk of nonpayment or delinquent payment on the 2023A Bonds is dependent in part upon the amount of moneys received from Reimbursement Premiums and Assessments and the timeliness of their payment to the FHCF. The amount of moneys received from Reimbursement Premiums and Assessments (see "DEBT SERVICE COVERAGE - Debt Service Coverage Total Outstanding Parity Obligations" herein) and the timeliness of their payment to the FHCF are dependent in part on the solvency of insurers in that, under certain circumstances, the insolvency of an insurer could affect its ability to make such payments to the FHCF.

Under State law, when an insurer becomes insolvent, it is placed under the control of the Division of Rehabilitation and Liquidation of the Florida Department of Financial Services. State law establishes priorities for the payment of claims against an insurer in liquidation. Liabilities become fixed as of the date of filing the petition for liquidation. Holders of claims which are secured by a pledge of a particular asset and holders of claims described as special deposit claims may discharge their claim against the security

pledged or the special deposit, prior to other claims. Special deposit claims are claims secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons. To the extent that Assessments and Reimbursement Premiums are not considered secured claims or special deposit claims, they would likely be considered claims of general creditors.

After the payment of secured creditors and special deposit creditors, there are eleven additional classes of claims. All approved claims in a class must be paid in full before any payment is made to the next lower class. Within a class, all approved claims are paid equal pro-rata shares if there are not sufficient funds to pay the entire class in full. Claims of general creditors are sixth in the hierarchy of eleven classes of claims.

Although no assurance can be given as to the continued timeliness of payments of Reimbursement Premiums or Assessments, despite certain insurer insolvencies, including two that have not paid the Reimbursement Premiums, the FHCF has collected substantially all Reimbursement Premiums and Assessments billed to Participating Insurers during the past five Contract Years.

INVESTMENT POLICY OF THE FHCF

[TO BE UPDATED]

Upon the issuance of the 2023A Bonds, the FHCF expects to have four individual investment **[we do not see four listed in the bullets?]** portfolios, which are managed by SBA investment professionals with a conservative investment policy focusing on liquidity, safety of principal and competitive returns. The types of investment portfolios are described below:

- FHCF Operating Fund – Liquidity Fund: The liquidity fund portfolio holds funds used to reimburse insurers for losses for hurricanes occurring before 2023.
- FHCF Operating Fund – Claims-Paying Fund: The claims-paying fund is the first source of liquidity to pay for any reimbursements for hurricanes occurring in 2023 and beyond. In addition, expenses of the FHCF and any statutorily required appropriations are paid from this fund. SBA Finance Corporation Pre-Event Fund: Generally, these individual portfolios will hold any Pre-Event bond proceeds and will be used to pay claims after a hurricane event, if needed, and to pay debt service payments on the Pre-Event bonds as needed.
- SBA Finance Corporation Pre-Event Fund 2020A – This portfolio holds 2020A pre-event bond proceeds and will be used to pay claims after a hurricane event, if needed, and to pay debt service payments, including principal payments, on the pre-event bonds as needed.
- SBA Finance Corporation Pre-Event Fund 2023A – This portfolio will hold 2023A pre-event bond proceeds and will be used to pay claims after a hurricane event, if needed, and to pay debt service payments, including principal payments, on the pre-event bonds as needed.

Together, the aggregate market value of the FHCF's current portfolios is approximately \$15.1 billion as of June 30, 2023, and consists of 73% U.S. Treasury and U.S. Agency securities and 27% corporate securities. **[update]**

Upon issuance of the 2023A Bonds, it is expected that the proceeds of such 2023A Bonds will be invested in a similar manner as the FHCF Operating Fund – Claims-Paying Fund, in the 2023A portfolio. The Act authorizes the SBA to invest moneys in the FHCF pursuant to Sections 215.44-215.515, Florida

Statutes, which are the statutory provisions authorizing and governing the investment of other moneys held in trust by the SBA.

Under the Pledge Agreement, proceeds of the 2023A Bonds will be held in the 2023A Bonds Proceeds Subaccount established with the FHCF by the Pledge Agreement and will be invested pursuant to the investment policy to ensure the availability of those funds to reimburse Participating Insurers for Losses relating to any future Covered Events.

Moneys in the FHCF's portfolio may only be invested at the direction of the SBA in Investment Obligations, which are investments authorized under Section 215.47, Florida Statutes. The SBA investment policy covering FHCF assets is designed to provide adequate liquidity by using highly liquid short-term investment strategies. Liquidity is a primary concern for the FHCF since insurers may file claims weekly, and investment strategies are planned accordingly. The investment policy is periodically reviewed by the SBA and is subject to change.

Because permitted investments are exposed to changes due to market fluctuations, the daily net asset value (NAV) may be lower than par. The lower NAV may result in a lower market value than the original bond issue amount. Such a decline may result in insufficient funds being available, when needed, to pay Losses and other liabilities and expenses, including debt service on the Parity Obligations and the 2023A Bonds.

The primary investment objective of the FHCF's investment policies is defined by the following prioritized goals: (i) liquidity, so that reimbursement to insurers can be paid in a timely manner; (ii) safety of principal; and (iii) competitive returns. The FHCF's investment policies provide for a high level of liquidity such that assets can be converted to cash on a timely basis in order to match insurer loss reimbursement needs.

The FHCF's portfolios include only short-term, high quality and highly liquid fixed income securities. At the time of purchase, all investments must be rated by at least two of the three rating agencies, Moody's Investors Service ("Moody's"), S&P Global Ratings, a division of S&P Global Inc. ("S&P"), and Fitch Ratings ("Fitch"), except for money market mutual funds and repurchase agreements, which must have at least one rating. The minimum ratings for short-term investments are "P-1" by Moody's, "A-1" by S&P, and/or "F1" by Fitch. The minimum ratings for long-term investments are "A2" by Moody's, "A" by S&P, and/or "A" by Fitch. The FHCF's intent is to have a short-term portfolio that can provide ready liquidity at a price approximating amortized cost. Limiting the duration of investments in the portfolios is one important way that this goal can be achieved. Permitted fixed income securities and their diversification limits along with duration restrictions are described below:

FHCF Operating Funds – Liquidity Fund

- U.S. Treasury securities and U.S. Government Agency securities (at least 60% of total portfolio market value);
- Corporate and Municipal debt securities (not more than 40% of total portfolio market value);
- Not more than 35% of the total market value will be invested in a single federal agency or other Government-Sponsored Enterprise acting under federal authority
- Repurchase Agreements collateralized at least 102% with U.S. Government, Agency, or Agency Mortgage Backed Securities (not more than 25% of total portfolio market value).

- Final maturities shall not exceed 365 days, with the exception of commercial paper which shall not exceed 180 days.
- No more than 50% of total portfolio market value may be invested in fixed rate securities with remaining time to maturity exceeding 183 days.
- The dollar weighted average maturity to reset of the portfolios shall not exceed 60 days, calculated using the interest rate reset period for any Variable Rate Obligations ("VROs"), and the dollar weighted average final maturity of the portfolios shall not exceed 60 days, calculated using the stated legal maturity for any VROs.
- The maximum term for Repurchase Agreements shall not exceed one trading day.

As of _____, _____, the FHCF's Operating Funds – Liquidity Fund portfolio (which is a part of the Corpus of the FHCF) totals \$9.2 billion and has an average duration of 324 days. The FHCF Operating Funds – Liquidity Fund portfolio is currently 64% invested in U.S. Treasury and U.S. Government Agency securities and 36% invested in corporate securities. **[update]**

FHCF Operating Funds – Claims-Paying Fund

- U.S. Treasury securities and U.S. Government Agency securities (at least 50% of total portfolio market value);
- Corporate and Municipal debt securities (not more than 50% of total portfolio market value);
- Not more than 35% of the total market value will be invested in a single federal agency or other Government-Sponsored Enterprise acting under federal authority
- Repurchase Agreements collateralized at least 102% with U.S. Government, Agency, or Agency Mortgage Backed Securities (not more than 15% of total portfolio market value).
- Final maturities shall not exceed 60 days.
- No more than 75% of total portfolio market value may be invested in fixed rate securities with remaining time to maturity exceeding 730 days.
- The dollar weighted average maturity to reset of the portfolios shall not exceed 14 days, calculated using the interest rate reset period for any Variable Rate Obligations ("VROs"), and the dollar weighted average final maturity of the portfolios shall not exceed 14 days, calculated using the stated legal maturity for any VROs.
- The maximum term for Repurchase Agreements shall not exceed 30 days.

As of _____, _____, the FHCF's Operating Funds – Claims-Paying portfolio (which is a part of the Corpus of the FHCF) totals \$2.4 billion and has an average duration of 172 days. The FHCF Operating Funds – Liquidity Fund portfolio is currently 64% invested in U.S. Treasury and U.S. Government Agency securities and 36% invested in corporate securities. **[update]**

SBA Finance Corporation Series 2020A Portfolio

- U.S. Treasury securities and U.S. Government Agency securities (at least 50% of total portfolio market value);
- Corporate and Municipal debt securities (not more than 50% of total portfolio market value);
- Municipal securities will not represent more than 25% of total market value
- Final maturities shall not exceed 545 days, with the exception of commercial paper which shall not exceed 270 days.

- The dollar weighted average maturity to reset of the portfolio shall not exceed 180 days, calculated using the interest rate reset period for any Variable Rate Obligations ("VROs"), and the dollar

As of _____, the FHCF's SBA Finance Corporation Series 2020A portfolio (which consists of the net proceeds of the 2020A Bonds and interest earnings thereon) totals \$3.5 billion and has an average duration of 184 days. The FHCF SBA Finance Corporation Series 2020A portfolio is currently 56% invested in U.S. Treasury and U.S. Agency securities and 44% invested in corporate securities (all maturing prior to the final maturity of the 2020A Bonds on July 1, 2030). **[update]**

FUTURE LEGISLATIVE AND REGULATORY CHANGES

The FHCF is a tax-exempt trust fund created by state law (Section 215.555, Florida Statutes, referred to herein as the "FHCF statute"). The Florida Legislature has amended the FHCF statute more than 30 times since its original enactment in 1993. The most recent legislative changes occurred in 2022. **[There were no changes to the FHCF statute during the most recent session that ended May 5, 2023.]**

Future actions of the Florida Legislature could involve significant amendments to the FHCF statute or other aspects of Florida insurance law which could have an adverse impact on the FHCF's financial position, operations, assessment base, or tax-exempt status. However, the FHCF statute includes covenants of the State of Florida to the effect that it will not:

- (i) limit or alter the rights of the FHCF and the Corporation to fulfill the terms of any agreements made with holders of the Corporation's obligations, including holders of the 2023A Bonds, or
- (ii) impair in any way the rights and remedies of holders of the Corporation's obligations, including holders of the 2023A Bonds,

as long as such obligations of the Corporation remain outstanding unless adequate provision has been made for the payment of such obligations of the Corporation. The FHCF statute also includes the covenant of the State of Florida that it will not limit or alter provisions prohibiting the FHCF and the Corporation from filing a voluntary petition under Chapter 9 of the Federal Bankruptcy Code while such obligations, including the 2023A Bonds, are outstanding.

Regardless of any potential future legislative activity, the FHCF's ability to meet its obligations under the 2023A Bonds is protected by Article I, Section 10 of the Florida Constitution, which prohibits laws impairing the obligation of contracts. Therefore, based on the foregoing, any legislation that may be enacted in the future is not expected to have a material effect on the FHCF's ability to meet future obligations with respect to the 2023A Bonds or the Outstanding Parity Obligations.

LITIGATION

General

There is no litigation of any nature now pending against the Corporation or the SBA, or, to the best knowledge of the Corporation and the SBA, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2023A Bonds or in any way contesting or affecting the validity of the 2023A Bonds or any proceedings of the Corporation or the SBA taken with respect to the issuance or sale thereof.

There is no litigation of any nature now pending against the Corporation or the SBA, or, to the best knowledge of the Corporation or the SBA, threatened, that in any way questions or affects the validity of the pledge or application of any moneys or security provided for the payment of the 2023A Bonds.

Previous Litigation

After the FHCF's inception in 1993 and until final resolution of the issues in 1996, the FHCF was challenged by over 40 insurance companies on a number of grounds in civil and administrative actions in the State. The Circuit Court of the Second Judicial Circuit in and for Leon County, Florida upheld the constitutionality of the FHCF under the State Constitution. This decision was affirmed by decision of the First District Court of Appeal on August 1, 1995. The State Supreme Court affirmed the decisions of the circuit court and the appellate court by opinion dated June 27, 1996 in *American Bankers Insurance Company, et al. v. Chiles*, 675 So.2d 922 (Fla. 1996) ("*American Bankers*"). As a result of *American Bankers*, the plaintiffs' insurance companies dismissed all other civil and administrative actions.

The constitutionality of the FHCF under the United States Constitution was challenged by the Vesta Insurance Company in federal district court. The federal district court upheld the constitutionality of the FHCF on October 25, 1996 in *Vesta Fire Insurance Corporation, f/k/a Liberty National Fire Insurance Company, Vesta Insurance Corporation and Sheffield Insurance Corporation, Alabama corporations, Plaintiffs, v. State of Florida, Department of Insurance, William Nelson in his capacity as Insurance Commissioner, State Board of Administration, Ash Williams, Jr., in his capacity as Executive Director, Defendants*.

Validation Proceedings Pursuant to Florida Statutes

In July 1996, the Corporation adopted a resolution authorizing the execution and issuance of not to exceed \$10 billion in debt of the Corporation. The Act, as originally enacted, required that the Corporation validate the issuance of its bonds in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida (the "Circuit Court"), pursuant to Chapter 75, Florida Statutes. During the 2006 Legislative Session ended May 5, 2006, the Act was amended to remove the validation requirement.

On November 12, 1996, in connection with the original validation requirement, and pursuant to authority granted by the authorizing resolution, the Corporation filed a validation complaint in the Circuit Court. In accordance with the requirements of State law, the State Attorney for Leon County formally contested the validation, raising ten points in opposition. Several of the defenses asserted by the State Attorney were based upon the State Constitution including: (i) the FHCF was not properly created under Article III, Section 19(f)(1) of the State Constitution; (ii) the FHCF did not contain a sunset provision required by Article III, Section 19(f)(2) of the State Constitution; (iii) the Corporation's debt would pledge the State's credit in violation of Article VII, Sections 10 and 11(a) of the State Constitution and (iv) the revenues of the Corporation were tax revenues pledged to the debt without voter approval.

Following a properly noticed hearing, the Circuit Court found in favor of the Corporation, specifically rejecting the State's Attorney constitutional objections. The Circuit Court determined that the FHCF had been properly created and was exempt from the sunset requirement pursuant to Article III, Section 19(f)(3) of the State Constitution. Moreover, after determining that receipts of the FHCF were not State tax revenues, the Circuit Court found that debt of the Corporation, a "legal entity separate and distinct from the State and its agencies," would be payable solely from receipts of the FHCF. Therefore, debt of the Corporation would not pledge the full faith and credit of the State and did not require voter approval.

As then required by the Act, the State Attorney for Leon County filed a mandatory appeal directly with the State Supreme Court. In *State of Florida, et al. v. Florida Hurricane Catastrophe Fund Finance Corporation, et al.* (1997), the State Supreme Court affirmed the trial court's judgment.

The proceedings described in this section and the "Previous Litigation" section above are dispositive of any material State constitutional questions that could have been raised as to the FHCF, the Corporation and the 2023A Bonds. As a result of certain material changes to the Master Indenture and the Pledge Agreement since the conclusion of the validation proceedings described above, no representation can be made that the 2023A Bonds have been validated by the Circuit Court. However, as a result of the amendment to the Act in 2006 removing the validation requirement, validation of the 2023A Bonds is no longer a prerequisite to the valid issuance of the 2023A Bonds under the Act. See "APPROVAL OF LEGALITY" herein and "APPENDIX E, FORM OF APPROVING OPINION."

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the 2023A Bonds upon an Event of Default under the Master Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under the existing constitutional and statutory law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies specified in the Master Indenture and other remedies under applicable law may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2023A Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "PLEDGE AND SECURITY FOR 2023A BONDS—No Bankruptcy" herein for a discussion regarding the circumstances under which neither the FHCF nor the Corporation will have the ability to file a voluntary petition under Chapter 9 of the Federal Bankruptcy Code.

TAX MATTERS

General

The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the 2023A Bonds and is based on the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service ("IRS") and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the 2023A Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities

and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold 2023A Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the 2023A Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term "U.S. Holder" means a beneficial owner of a 2023A Bond who or which is: (i) an individual citizen or resident of the United States; (ii) a corporation, partnership or other entity treated as a corporation for U.S. federal income tax purposes created or organized under the laws of the United States or any political subdivision thereof or therein; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. Partnerships holding 2023A Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2023A Bonds, including their status as a U.S. Holder. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a 2023A Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF 2023A BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE 2023A BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE 2023A BONDS BEFORE DETERMINING WHETHER TO PURCHASE 2023A BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE 2023A BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

NON-U.S. HOLDERS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The 2023A Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the 2023A Bonds or original issue discount, if any, accruing on the 2023A Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of 2023A Bonds. An owner will recognize capital gain or loss on the redemption, sale, exchange or other taxable disposition of a 2023A Bond equal to the difference, if any, between the amount realized upon the disposition of such 2023A Bond (exclusive of any amount paid for accrued interest) and the owner's adjusted tax basis in the 2023A Bonds. Generally, a U.S. Holder's tax basis in the 2023A Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the 2023A Bonds has been held for more than one year. The deductibility of capital losses is subject to certain limitations.

Defeasance of the 2023A Bonds. Defeasance of any 2023A Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the 2023A Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes.

PROSPECTIVE PURCHASERS OF THE 2023A BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the 2023A Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the withholding or backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a 2023A Bond, will not be subject to U.S. federal income or withholding tax in respect of such 2023A Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a 2023A Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

LEGALITY FOR INVESTMENTS

By the terms of the Act, the 2023A Bonds are legal investments under the Act for all public bodies of the State, banks, trust companies, savings banks, savings associations, savings and loan associations, investment companies, administrators, executors, trustees, fiduciaries, insurance companies and associations, other persons carrying on an insurance business and all other persons who are now or may hereafter be authorized to invest in bonds or other obligations of the State. The 2023A Bonds also constitute eligible securities for deposit as collateral for the security of any State, county, municipal or other public funds.

APPROVAL OF LEGALITY

Legal matters incident to the authorization and validity of the 2023A Bonds are subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida. The form of opinion regarding the validity of the 2023A Bonds is attached to this Official Statement as "APPENDIX E, FORM OF APPROVING OPINION" and will be available at the time of delivery of the 2023A Bonds. The actual legal opinion to be delivered by Bond Counsel may vary from the text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or express any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Certain legal matters will be passed upon for the Corporation by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel to the Corporation. Certain legal matters will be passed upon for the SBA and the FHCF by their respective in-house counsels and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel, and for the Underwriters by _____, _____, _____.

RATINGS

Moody's, S&P and Fitch have assigned municipal long-term ratings of "___" (___ outlook), "___" (___ outlook), and "___" (___ outlook), respectively, to the 2023A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; S&P, 55 Water Street, New York, New York 10041; and Fitch, 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2023A Bonds.

AUDITED FINANCIAL STATEMENTS

The financial statements of the FHCF for the Fiscal Years ended June 30, 2023 and June 30, 2022 and the report thereon of Crowe LLP are included in this Official Statement as "APPENDIX B, FINANCIAL

STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED [JUNE 30, 2023 AND JUNE 30, 2022]." Such statements speak only as of their date. The Corporation is treated as a blended component unit of the FHCF. Accordingly, it does not issue separate stand-alone audited financial statements. Accounts of the Corporation and results of its operations are blended with those of the FHCF for financial statement presentation purposes. The financial statements of the FHCF, including the report of Crowe LLP, have been included in this Official Statement as public documents, and the consent of Crowe LLP to include such documents in this Official Statement was not requested. Crowe LLP has not been engaged to perform and has not performed since the date of its report included herein as APPENDIX B, any procedures on the combined financial statements addressed in that report. Crowe LLP also has not performed any procedures relating to this Official Statement or any other prospectus or offering memorandum.

FINANCIAL ADVISOR

Raymond James & Associates, Inc., St. Petersburg, Florida is serving as Financial Advisor to the Corporation and the FHCF with respect to the sale of the 2023A Bonds. The Financial Advisor assisted in matters relating to the planning, structuring and issuance of the 2023A Bonds. Raymond James & Associates, Inc. did not engage in any underwriting activities with regard to the issuance and sale of the 2023A Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the Corporation and SBA to provide continuing secondary market disclosure.

UNDERWRITING

The 2023A Bonds are being purchased by _____, on behalf of itself and _____ and _____ (collectively, the "Underwriters"). Subject to certain conditions set forth in a bond purchase agreement to be entered into between the Corporation and the Underwriters, the Underwriters have agreed to purchase the 2023A Bonds at a price of \$_____, which represents the par amount of the 2023A Bonds less an underwriting discount of \$_____.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Corporation and to persons and entities with relationships with the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Corporation. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express

independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

The Corporation and the SBA, acting as the governing body and administrator of the FHCF, will undertake, for the benefit of the owners of the 2023A Bonds, to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain enumerated events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access system ("EMMA"). Event notices also will be transmitted to the MSRB using EMMA. The form of the undertaking is set forth in "APPENDIX F, FORM OF CONTINUING DISCLOSURE AGREEMENT." This undertaking is being made in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule").

INFORMATION TECHNOLOGY SECURITY

Similar to other large organizations, the State relies on electronic systems and information technologies ("IT") to conduct operations. Protecting the State's IT infrastructure and data is essential to delivering government services.

The FHCF, as part of the SBA, protects its data and IT infrastructure through a multifaceted cybersecurity strategy. The FHCF's cybersecurity strategy includes a comprehensive set of security policies and procedures which are designed to guide staff in their cybersecurity responsibilities; a security awareness program, which educates staff on active cybersecurity threats and security best practices; and a risk-based threat and vulnerability management program, which is internally monitored. Additionally, the FHCF has implemented access and authentication protocols, which includes multi-factor authentication, and industry standard encryption to protect data in transit and at rest. As a further precaution, the FHCF's cybersecurity program is subjected to routine internal audits to evaluate the effectiveness of the program, as well as annual external audits and penetration testing to identify opportunities to improve its security posture. The FHCF's cybersecurity strategy is supported by administrative and technical controls which assist in identifying potential threats and preventing attacks that may target the FHCF's data and IT systems. In the event a cybersecurity issue arises, the FHCF has an incident response capability to quickly address such issues.

ENVIRONMENTAL RISK FACTORS

With more than 2,000 linear miles of coastline, Florida's weather and natural resources affect its economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches are responsible for attracting seasonal and permanent residents and tourists to the State. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, especially hurricanes. The State has mitigated its vulnerability to the impacts of hurricanes with a robust emergency response system, hardened infrastructure through building codes and coastal setbacks, and the establishment of the FHCF and Citizens to stabilize the property insurance market in the State. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption.

The State has effectively responded to past environmental events, such as multiple hurricanes and the 2010 oil spill in the Gulf of Mexico from the Deepwater Horizon oil drilling rig, and has a variety of resources available to respond to damage caused by such events. The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. In addition, upon a declaration of a state of emergency, Florida law provides the Governor broad spending authority to meet financial needs resulting from a disaster. The Division of Emergency Management ("DEM") was established as part of the State's structure to plan for and respond to both natural and manmade disasters. In addition to coordinating disaster response activities, DEM prepares and implements a statewide Comprehensive Emergency Management Plan and routinely conducts extensive exercises to test state and county emergency response capabilities. In January 2019, the Governor created the Office of Environmental Accountability and Transparency, led by the State's Chief Science Officer, within the Department of Environmental Protection to, in part, conduct scientific research that focuses on current and emerging environmental concerns most pressing to Floridians.

In 2019, the Governor created the position of Chief Resilience Officer to work with state agencies to, in part, develop and coordinate the implementation of a comprehensive statewide resilience plan with goals designed to mitigate and adapt to the environmental challenges facing Florida's communities.

The magnitude of the impact on the State's operations, economy, or financial condition from environmental risks is indeterminate and is unpredictable for future natural disasters like hurricanes, tropical storms, and naturally occurring phenomena like red tide. **[However, for the _____ Atlantic hurricane season, spanning June 1 to November 30, the National Oceanic and Atmospheric Association's Climate Prediction Center forecasts ____-____ named storms which is more activity than the average hurricane season that produces _____ named storms.] [update]** There can be no assurance that such risks will not adversely affect the operations, economy, or financial condition of the State.

MISCELLANEOUS

The references herein to the Act, the Master Trust Indenture, the Seventh Supplemental Indenture, the Ninth Supplemental Indenture, the Pledge Agreement, the 2023A Bonds, and other materials are brief descriptions of certain provisions thereof. Such descriptions do not purport to be complete, and for full and complete statements of such provisions reference is made to such instruments, documents and other materials, copies of which are on file with the Corporation and at the principal corporate trust office of the Master Trustee.

The information contained in this Official Statement has been compiled or prepared from information obtained from the Corporation, the SBA, the FHCF and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The execution and delivery of this Official Statement have been duly authorized by the Corporation and the SBA as Administrator of and on behalf of the FHCF.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

President

**STATE BOARD OF ADMINISTRATION OF
FLORIDA**, as Administrator of and on behalf of the
Florida Hurricane Catastrophe Fund

**Interim Executive Director and Chief Investment
Officer**

APPENDIX A

STATE OF FLORIDA – GENERAL INFORMATION

APPENDIX B

**FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND
FOR FISCAL YEARS ENDED [JUNE 30, 2023 AND JUNE 30, 2022]**

APPENDIX C-1

DEFINITIONS

APPENDIX C-2

MASTER TRUST INDENTURE; SEVENTH SUPPLEMENTAL INDENTURE

APPENDIX C-3

FORM OF NINTH SUPPLEMENTAL INDENTURE

APPENDIX C-4

PLEDGE AND SECURITY AGREEMENT

APPENDIX D

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

The information set forth in this APPENDIX D is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (DTC, Euroclear and Clearstream together, the "Clearing Systems") currently in effect. The information in this APPENDIX D concerning the Clearing Systems has been obtained from sources believed to be reliable, but the Corporation does not take any responsibility for the accuracy, completeness or adequacy of the information in this APPENDIX D. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Corporation will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein and in the Trust Agreement to the Bondholders, registered owners or owners (or similar terms) of the Bonds shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Bonds.

DTC Book-Entry-Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participant's accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in

"street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL OF OR INTEREST PAYMENT THEREON.

The Corporation and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of, or interest on, the Bonds, giving any notice permitted or required to be given to registered owners under the Trust Agreement, registering the transfer of the Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Corporation and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Corporation (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal of or interest on the Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Corporation; or other action taken by DTC as registered owner.

Global Clearance Procedures

Beneficial interests in the 2023A Bonds may be held through DTC, Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank SA/NV ("Euroclear") as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system.

Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. The 2023A Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such 2023A Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfer Procedures. Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected by DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time.

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The Corporation will not impose any fees in respect of holding the 2023A Bonds; however, holders of book-entry interests in the 2023A Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and Clearstream.

Initial Settlement. Interests in the 2023A Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the 2023A Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the 2023A Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the

business day following the date of delivery of the 2023A Bonds against payment (value as on the date of delivery of the 2023A Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the 2023A Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the 2023A Bonds following confirmation of receipt of payment to the Corporation on the date of delivery of the 2023A Bonds.

Secondary Market Trading. Secondary market trades in the 2023A Bonds will be settled by transfer of title to book-entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2020B Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the 2023A Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the 2023A Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the 2023A Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the 2023A Bonds, or to receive or make a payment or delivery of the 2023A Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information. It is expected that the 2023A Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The CUSIP numbers for the 2023A Bonds are set forth on the inside cover of the Official Statement.

General. Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

NEITHER THE CORPORATION NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY FOR THE PERFORMANCE BY EUROCLEAR OR CLEARSTREAM OR THEIR RESPECTIVE DIRECT OR INDIRECT PARTICIPANTS OR ACCOUNT HOLDERS OF THEIR RESPECTIVE OBLIGATIONS UNDER THE RULES AND PROCEDURES GOVERNING THEIR OPERATIONS OR THE ARRANGEMENTS REFERRED TO ABOVE.

APPENDIX E

FORM OF APPROVING OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the State Board of Administration Finance Corporation (the "Corporation") and the State Board of Administration of Florida (the "State Board of Administration") acting as the governing body and administrator of the Florida Hurricane Catastrophe Fund (the "FHCF") in connection with the issuance of its \$_____ aggregate principal amount of State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Bonds"). The Bonds are being issued pursuant the Master Trust Indenture and the Ninth Supplemental Indenture relating to the Bonds between the Corporation and Regions Bank, Jacksonville, Florida (successor to Wells Fargo Bank, N.A.), executed as of June 1, 2006 and _____ 1, _____, respectively (collectively, the "Indenture").

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Corporation and the State Board of Administration for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Indenture which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially, **[State Board Administration]**, or any successor Dissemination Agent designated in writing by the Corporation and which has filed with the Corporation a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Corporation, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a)

The Corporation shall, or shall cause the Dissemination Agent to, not later than each April 30th (or, if such date falls on a Saturday, Sunday or holiday, then the first business day thereafter), commencing June 30, 2024 with respect to the report for the 2023 fiscal year, provide to any Repository in the electronic format as required and deemed acceptable by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Corporation's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Corporation by telephone and in writing (which may be by e-mail) to remind the Corporation of its undertaking to provide

the Annual Report pursuant to Section 3(a). Upon such reminder, the Corporation shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Corporation will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;
- (ii) if the Dissemination Agent is other than the Corporation, unless waived, file a report with the Corporation certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing any Repository to which it was provided; and
- (iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Corporation irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Corporation's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Corporation and the FHCF for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Corporation's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated _____, 2023 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) Financial Information and Operating Data. For fiscal years ending on June 30, 2023 and thereafter, annual historical financial information and operating data shall be provided within nine months after the end of the FHCF's fiscal year. Such information shall include:

- (i) Historical Debt Service Coverage; and
- (ii) Tabular information set forth in the Official Statement entitled:

- a. "Historical Summary of Revenues, Expenses and Changes in Net Position,"
- b. "Reimbursement Premiums Paid by 10 Largest Participating Insurers"
- c. "Total Reimbursement Premium Collections,"
- d. "Historical Premium Subject to Assessments" and
- e. "Historical Direct Written Premiums for Admitted Lines and Surplus Lines Insurers."

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Corporation or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The Corporation reserve the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Corporation; provided that the Corporation and agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Corporation shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Corporation or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation or Obligated Person, any of which affect security holders, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Corporation or Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Corporation to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Corporation;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Corporation's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Corporation, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Corporation shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Corporation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Corporation pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the State Board of Administration of Florida.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Agreement, the Corporation may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Corporation, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the Corporation shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Corporation shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Corporation. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Agreement shall be deemed to prevent the Corporation from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Corporation chooses to include any information in

any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Corporation shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Corporation set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Corporation to comply with any provision of this Disclosure Agreement, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Corporation to comply with its obligations under this Disclosure Agreement; provided, however, the sole remedy under this Disclosure Agreement in the event of any failure of the Corporation to comply with the provisions of this Disclosure Agreement shall be an action to compel performance. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Corporation has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Corporation and shall not be deemed to be acting in any fiduciary capacity for the Corporation, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Corporation's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Corporation has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of the Corporation at all times.

The obligations of the Corporation under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Corporation.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

[Remainder of page intentionally left blank]

SECTION 13. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the Corporation, State Board Administration, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of _____, 2023

STATE BOARD OF ADMINISTRATION FINANCE
CORPORATION

By: _____
Name: Gina Wilson, CPM, ARe, CPCU
Title: President

STATE BOARD OF ADMINISTRATION OF
FLORIDA, on behalf of the
Florida Hurricane Catastrophe Fund, and as
Dissemination Agent

By: _____
Name: Lamar Taylor
Title: Interim Executive Director

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Corporation: State Board of Administration Finance Corporation and the State Board of Administration of Florida

Obligated Person: _____

Name(s) of Bond Issue(s): State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)

Date(s) of Issuance: _____

Date(s) of Disclosure: _____

Certificate:

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement between the Corporation and State Board of Administration, as Dissemination Agent. [The Corporation have notified the Dissemination Agent that it anticipates that the Annual Report will be filed by_____].

Dated:_____

STATE BOARD OF ADMINISTRATION OF
FLORIDA, as Dissemination Agent, on behalf of the
Corporation

cc:

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Corporation's and/or Other Obligated Person's Name:

Corporation's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: ____

____ Description of Notice Events (Check One):

1. ____ "Principal and interest payment delinquencies;"
2. ____ "Non-Payment related defaults, if material;"
3. ____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. ____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. ____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. ____ "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
7. ____ "Modifications to rights of securities holders, if material;"
8. ____ "Bond calls, if material, and tender offers;"
9. ____ "Defeasances;"
10. ____ "Release, substitution, or sale of property securing repayment of the Bonds, if material;"
11. ____ "Rating changes;"
12. ____ "An Event of Bankruptcy or similar event of an Obligated Person;"
13. ____ "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. ____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15. ____ "Incurrence of a Financial Obligation of the Corporation or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation or Obligated Person, any of which affect security holders, if material;"

16._____"Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Corporation or Obligated Person, any of which reflect financial difficulties;" and

17._____"Failure to provide annual financial information as required."

I hereby represent that I am authorized by the Corporation or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION AUTHORIZING THE
ISSUANCE AND NEGOTIATED SALE OF PRE-EVENT
REVENUE BONDS, FROM TIME TO TIME;
RATIFYING THE MASTER TRUST INDENTURE AND
THE PLEDGE AND SECURITY AGREEMENT
PREVIOUSLY ENTERED INTO BY THE
CORPORATION; AUTHORIZING THE EXECUTION
AND DELIVERY OF SUPPLEMENTAL INDENTURES,
PRELIMINARY OFFICIAL STATEMENTS AND
OFFICIAL STATEMENTS, AND PURCHASE
CONTRACTS IN CONNECTION THEREWITH; AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, Section 215.555, Florida Statutes (the "Act"), created the Florida Hurricane Catastrophe Fund (the "Fund"), a trust fund administered by the State Board of Administration of Florida (the "Board"), for the purpose of establishing a program to provide insurers who write covered policies, as defined in Section 215.555(2)(c), Florida Statutes, with reimbursement for a portion of their catastrophic hurricane losses; and

WHEREAS, the Act also created the State Board of Administration Finance Corporation (the "Corporation"), with the authority, pursuant to Sections 215.555(6)(a)1. and 215.555(6)(d)2.d., Florida Statutes, to issue pre-event revenue bonds, which includes other financial obligations, for the benefit of the Fund when a determination has been made that such action would maximize the ability of the Fund to meet future obligations; and

WHEREAS, a determination was made by the Board that the issuance of pre-event revenue bonds would maximize the ability of the Fund to meet future obligations; and

WHEREAS, the Corporation has previously issued pre-event bonds on September 16, 2020 (the "Series 2020A Bonds"), which are outstanding in the principal amount of \$3,500,000,000; and

WHEREAS, it is now necessary to issue and sell pre-event revenue bonds, from time to time, to provide liquidity in order to reimburse insurance companies for losses in the event of future hurricanes; and

WHEREAS, through an invitation to negotiate issued by the Board on behalf of the Fund, a syndicate of underwriters was selected to serve on the Fund's financial services team (collectively, the "Underwriters"); and

WHEREAS, the following factors require that pre-event revenue bonds issued by the Corporation receive extensive pre-sale marketing in a manner not likely to be available in a competitive sale:

- (a) The current market volatility and uncertain conditions in the global financial markets;
- (b) Since the size and structure of the financing will be determined by the capacity of the financial markets, a coordinated advanced pre-marketing effort with a pre-selected underwriting team is necessary;
- (c) The nature of and source of the security for the pre-event revenue bonds is complex; and
- (d) A large principal amount of pre-event revenue bonds is being sold for each maturity and in total; and

WHEREAS, considering the above, it is in the best interests of the Corporation to authorize at this time the negotiated sale of the pre-event revenue bonds; and

WHEREAS, it is hereby determined that the pre-event revenue bonds as authorized herein will be sold through negotiated sale; and

WHEREAS, it is necessary to delegate to the chief executive officer of the Corporation or her designee (the "President") the authority to consider, negotiate and approve the final terms of the sale and issuance of the pre-event revenue bonds, in one or more Series, from time to time, subject to certain restrictions set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the State Board of Administration Finance Corporation, as follows:

1. The Corporation hereby finds, determines and declares the matters hereinabove set forth.

2. The Corporation hereby authorizes the issuance and sale of up to, but not exceeding, \$3.8 billion aggregate principal amount of State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Series 2023A Bonds") as requested by the Board for provision of liquidity and reserves in anticipation of future hurricane losses. Each Series of the Series 2023A Bonds shall be issued on a parity basis with the Series 2020A Bonds and any previously issued Series of the Series 2023A Bonds, to the extent such Series 2020A Bonds and any previously issued Series of the Series 2023A Bonds are outstanding at the time of issuance of such Series of the Series 2023A Bonds. In accordance with the provisions hereof, particularly Sections 6 and 11 hereof, the Series 2023A Bonds may be issued in multiple Series, from time to time, and may be known by such other name or Series designation or designations as is authorized by the

President as necessary or desirable to distinguish one Series from another. In addition, all or a portion of the Series 2023A Bonds may be issued as revenue notes; in which case all references herein to the Series 2023A Bonds shall include such revenue notes.

3. With respect to each Series of the Series 2023A Bonds authorized hereby, the Corporation hereby confirms and ratifies the Pledge and Security Agreement, dated June 1, 2006, as amended, and attached hereto as Exhibit A (the "Pledge and Security Agreement"), between the Fund and the Corporation, as supplemented or amended, and confirms and ratifies its prior pledge of revenues to the repayment of debt of the Corporation as provided in the documents approved by the Corporation on May 31, 2006, as supplemented or amended, including but not limited to the pledge of reimbursement premiums levied pursuant to Section 215.555(5), Florida Statutes, and revenues from emergency assessments, if any, levied pursuant to Section 215.555(6)(b), Florida Statutes. The pledge of such revenues shall be as provided in the documents executed by the Corporation in relation to debt of the Corporation.

4. With respect to each Series of the Series 2023A Bonds authorized hereby, the Corporation hereby confirms and ratifies the Master Trust Indenture, dated June 1, 2006, as amended and supplemented, particularly as amended by the Seventh Supplemental Indenture, dated March 1, 2016 (collectively, the "Master Trust Indenture") and attached hereto as Exhibit B, each between the Corporation and Regions Bank (as successor to Wells Fargo Bank, N.A.).

5. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the Board has designated Citigroup Global Markets, Inc. as bookrunning senior managing Underwriter and BofA Securities, Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Wells Fargo Bank, National Association, as co-senior managing Underwriters (with the bookrunning senior managing Underwriter, collectively the "Senior Managing Underwriters") for the issuance of such Series of the Series 2023A Bonds. The selection of the Underwriters and the designation of the Senior Managing Underwriters are hereby confirmed, subject to the provisions of Section 6(b) below.

6. The President is hereby delegated the authority to consider, negotiate and approve the final terms of sale and the fiscal details of each Series of the Series 2023A Bonds, subject to compliance with the following:

(a) The Series 2023A Bonds shall be issued and sold in one or more Series, from time to time, all as determined by the President; provided in no event shall the cumulative aggregate principal amount of the Series 2023A Bonds exceed \$3.8 billion.

(b) Each Series of the Series 2023A Bonds shall be sold to the Underwriters pursuant to a purchase contract containing such terms and conditions which are not inconsistent with this resolution and which are approved by the

President (the "Purchase Contract"). The President is authorized to define, re-define, designate and re-designate the roles of the Underwriters (including removing any Underwriter) in connection with their participation in the sale of each Series of the Series 2023A Bonds to the extent not inconsistent with this resolution and the resolution of the Board relating to the Series 2023A Bonds. The President is further authorized to define, re-define, designate and re-designate the roles of the Senior Managing Underwriters (including removing any Senior Managing Underwriter) in connection with their participation in the sale of the initial Series of the Series 2023A Bonds; provided that with respect to each subsequent Series of the Series 2023A Bonds, the President, in her discretion, is further authorized to define, re-define, designate and re-designate the roles of the Senior Managing Underwriters (including removing any Senior Managing Underwriter) in connection with their participation in the sale of any such subsequent Series of the Series 2023A Bonds.

(c) The President is hereby authorized to approve the final terms of each Series of the Series 2023A Bonds, subject to the restrictions set forth herein, without need of further authorization of the Corporation. The maturities, interest rates, redemption provisions, sale prices, and other terms and details of each Series of the Series 2023A Bonds shall be consistent with the provisions of and shall be within the restrictions set forth in this resolution and shall, in the judgment of the President, best assist in the management of the Fund's market access risk. The President shall determine how much of each Series of the Bonds shall be sold.

(d) The President shall determine whether any Series of the Series 2023A Bonds shall be secured by a Special Reserve Account and what the amount of the applicable Special Reserve Account Requirement, if any, shall be.

7. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the Corporation hereby approves the form of and authorizes the execution and delivery of the Ninth Supplemental Indenture to the Master Trust Indenture. Such form of the Ninth Supplemental Indenture is attached hereto as Exhibit C. The document approved herein is subject to completion with such changes, insertions or deletions as may be approved by the President, and the execution or certification of such document shall be conclusive evidence of such approval. Additionally, the President is authorized to amend or revise any other documents relating to debt of the Corporation which have previously been approved or authorized by the Corporation.

8. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the Corporation hereby authorizes and directs the President to negotiate, approve, execute and deliver the Purchase Contract for the sale of such Series of the Series 2023A Bonds to the Underwriters in the form attached hereto as Exhibit D. The Purchase Contract shall contain such terms and provisions as are customary for such obligations subject to completion with such changes, insertions or deletions as may be approved by the President and which are not inconsistent with this resolution, and the execution thereof by the

President shall be conclusive evidence of such approval. The President shall have and is hereby acknowledged to have full power and authority to bind the Corporation with respect to the negotiation of the terms of the Purchase Contract.

9. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the Corporation hereby authorizes and directs the President to cause the preparation, execution and delivery of a preliminary official statement, an official statement, and any other disclosure document relating to such Series of the Series 2023A Bonds which is determined by the President to be necessary or desirable, in substantially the same form as the preliminary official statement attached hereto as Exhibit E with such changes, insertions or deletions as may be necessary to satisfy any regulatory requirements, to update the financial, demographic and statistical data therein with respect to the Fund and the Corporation and to appropriately describe such Series of the Series 2023A Bonds as may be approved by the President and which are not inconsistent with this resolution. The execution of the official statement by the Corporation related to such Series of the Series 2023A Bonds shall be conclusive evidence of such approval. The President is further authorized to certify or otherwise represent when the preliminary official statement shall be "deemed final" by the Corporation as of its date (except for permitted omissions), in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The President and any members of the board of directors of the Corporation are also authorized to execute and deliver to the Underwriters, on behalf of the Corporation, the official statement and such certificates in connection therewith and any amendment thereto, as they determine are necessary or appropriate. The distribution and use of the preliminary official statement and official statement by the Underwriters in connection with the issuance of the initial Series of the Series 2023A Bonds is further approved.

10. With respect to the initial Series of the Series 2023A Bonds authorized hereby, any and all moneys in the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Subaccount of the Interest Account of the Bond Fund relating to the Series 2023A Bonds, the Subaccount of the Principal Account of the Bond Fund relating to the Series 2023A Bonds, the Subaccount of the Sinking Fund Account of the Bond Fund relating to the Series 2023A Bonds and any other account or subaccount designated by the President or other authorized officer may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President or other authorized officer. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such Series 2023A Bonds as may be designated by the President or other authorized officer. The President or other authorized officer is authorized to redeem such Series 2023A Bonds.

11. The President may determine that it is in the best interest of the Corporation that the Series 2023A Bonds be issued in multiple Series, from time to time rather than at one time, and in such names and/or Series designation or designations as is necessary or

desirable to distinguish one Series from another; provided, in no event may the cumulative aggregate principal amount of the Series 2023A Bonds issued hereunder exceed \$3.8 billion. In addition to elsewhere provided for in this resolution, particularly Section 6 hereof, in the event the Series 2023A Bonds are issued in multiple Series from time to time, the following provisions shall be applicable to each subsequent Series of the Series 2023A Bonds:

(a) The Corporation hereby approves the form of and authorizes the execution and delivery of a Supplemental Indenture to the Master Trust Indenture in the form of the Ninth Supplemental Indenture attached hereto as Exhibit C, with such changes, insertions or deletions as may be approved by the President, and the execution or certification of such document shall be conclusive evidence of such approval. Additionally, in connection therewith, the President is authorized to amend or revise any other documents relating to debt of the Corporation which have previously been approved or authorized by the Corporation.

(b) The Corporation hereby authorizes and directs the President to negotiate, approve, execute and deliver a Purchase Contract for the sale of each subsequent Series of the Series 2023A Bonds to the Underwriters in the form of the Purchase Contract attached hereto as Exhibit D. The Purchase Contract for each subsequent Series of the Series 2023A Bonds shall contain such terms and provisions as are customary for such obligations with such changes, insertions or deletions as may be approved by the President and which are not inconsistent with this resolution, and the execution thereof by the President shall be conclusive evidence of such approval. The President shall have and is hereby acknowledged to have full power and authority to bind the Corporation with respect to the negotiation of the terms of each such purchase contract.

(c) The Corporation hereby authorizes and directs the President to cause the preparation, execution and delivery of a preliminary official statement, an official statement, and any other disclosure document relating to each subsequent Series of the Series 2023A Bonds which is determined by the President to be necessary or desirable, in substantially the same form as the preliminary official statement attached hereto as Exhibit E with such changes, insertions or deletions as may be necessary to satisfy any regulatory requirements, to update the financial, demographic and statistical data therein with respect to the Fund and the Corporation and to appropriately describe such subsequent Series of the Series 2023A Bonds as may be approved by the President and which are not inconsistent with this resolution. The execution of an official statement by the Corporation related to such subsequent Series of the Series 2023A Bonds shall be conclusive evidence of such approval. The President is further authorized to certify or otherwise represent when each preliminary official statement shall be "deemed final" by the Corporation as of its date (except for permitted omissions), in accordance with the Rule. The President and any members of the board of directors of the Corporation are also authorized to execute and deliver to the Underwriters, on behalf of the Corporation, each official statement and such

certificates in connection therewith and any amendment thereto, as they determine are necessary or appropriate. The distribution and use of each preliminary official statement or official statement by the Underwriters in connection with the original issuance of each subsequent Series of the Series 2023A Bonds is further approved.

(d) With respect to each subsequent Series of the Series 2023A Bonds authorized hereby, any and all moneys in the applicable account of the Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Subaccount of the Interest Account of the Bond Fund relating to such subsequent Series of the Series 2023A Bonds, the Subaccount of the Principal Account of the Bond Fund relating to such subsequent Series of the Series 2023A Bonds, the Subaccount of the Sinking Fund Account of the Bond Fund relating to such subsequent Series of the Series 2023A Bonds and any other account or subaccount designated by the President or other authorized officer, including any moneys in a reserve account established for such subsequent Series of the Series 2023A Bonds, may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President or other authorized officer. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such subsequent Series of the Series 2023A Bonds. The President or other authorized officer is authorized to redeem such subsequent Series of the Series 2023A Bonds.

(e) With respect to each subsequent Series of the Series 2023A Bonds authorized hereby, the President is hereby authorized to approve, execute and deliver a continuing disclosure agreement, in the form of the continuing disclosure agreement attached hereto as Exhibit F, with such changes, insertions and deletions as may be approved by the President, satisfying the requirements of the Rule. Execution of the continuing disclosure agreement by the President shall constitute conclusive approval of any such changes, insertions or deletions. The President and the other officers of the Corporation and the members of the board of directors of the Corporation are authorized to execute and deliver such continuing disclosure agreements and are authorized to take all actions necessary to fulfill the obligations of the Corporation thereunder.

(f) With respect to each subsequent Series of the Series 2023A Bonds authorized hereby, Regions Bank, previously designated as successor trustee under the Master Trust Indenture and as registrar and paying agent thereunder, is hereby confirmed for purposes of each subsequent Series of the Series 2023A Bonds, and is further authorized, upon approval of the President, to perform any additional duties as fiscal agent, elections agent or calculation agent in relation to each subsequent Series of the Series 2023A Bonds. The President is authorized to enter into any agreements necessary to continue the retention of such trustee or to authorize the trustee to perform any of the additional duties authorized herein. Alternatively, the President is authorized to retain one or more other firms to provide any of such services if determined by the President to be advisable.

(g) With respect to each subsequent Series of the Series 2023A Bonds authorized hereby, the President and the other officers of the Corporation and the members of the board of directors of the Corporation are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver the named documents and any and all other agreements, documents, instruments, assents, acceptances, assignments, financing statements and approvals which they may deem necessary or advisable in order to consummate the transactions contemplated by this resolution. In the absence or unavailability of the President, the Treasurer of the Corporation is authorized to take all actions provided herein of the President.

12. The President is hereby authorized and directed, upon sale of each Series of the Series 2023A Bonds, to provide the Office of Insurance Regulation and the Florida Surplus Lines Service Office any notice required pursuant to Section 215.555(6)(b)6., Florida Statutes.

13. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the President is hereby authorized to approve, execute and deliver a continuing disclosure agreement in the form attached as Exhibit F hereto, with such changes, insertions and deletions as may be approved by the President, which continuing disclosure agreement shall satisfy the requirements of the Rule. Execution of the continuing disclosure agreement by the President shall constitute conclusive approval of any such changes, insertions or deletions. The President and the other officers of the Corporation and the members of the board of directors of the Corporation are authorized to execute and deliver such continuing disclosure agreement and are authorized to take all actions necessary to fulfill the obligations of the Corporation thereunder.

14. With respect to the initial Series of the Series 2023A Bonds authorized hereby, Regions Bank, previously designated as successor trustee under the Master Trust Indenture and as registrar and paying agent thereunder, is hereby confirmed for purposes of such Series of the Series 2023A Bonds, and is further authorized, upon approval of the President, to perform any additional duties as fiscal agent, elections agent or calculation agent in relation to each Series of the Series 2023A Bonds. The President is authorized to enter into any agreements necessary to continue the retention of such trustee or to authorize the trustee to perform any of the additional duties authorized herein. Alternatively, the President is authorized to retain one or more other firms to provide any of such services if determined by the President to be advisable.

15. With respect to the initial Series of the Series 2023A Bonds authorized hereby, the President and the other officers of the Corporation and the members of the board of directors of the Corporation are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver the named documents and any and all other agreements, documents, instruments, assents, acceptances, assignments, financing statements and approvals which they may deem necessary or advisable in order to consummate the transactions contemplated by this resolution. In the absence or

unavailability of the President, the Treasurer of the Corporation is authorized to take all actions provided herein of the President.

16. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 25th day of October, 2023.

STATE OF FLORIDA

COUNTY OF LEON

I, John Brenneis, Secretary of the State Board of Administration Finance Corporation, do hereby certify that the above and foregoing is a true and correct copy of the resolution passed and adopted by the State Board of Administration Finance Corporation on the 25th day of October, 2023.

IN WITNESS WHEREOF, I hereunto set my hand and official seal of the State Board of Administration Finance Corporation this ____ day of _____, 2023.

(SEAL)

John Brenneis, Secretary
State Board of Administration Finance
Corporation

EXHIBIT A

Pledge and Security Agreement

EXHIBIT B

Master Trust Indenture

EXHIBIT C

Form of Ninth Supplemental Indenture

EXHIBIT D

Form of Purchase Contract

EXHIBIT E

Form of Preliminary Official Statement

EXHIBIT F

Form of Continuing Disclosure Agreement

EXHIBIT A

Pledge and Security Agreement

EXHIBIT B

Master Trust Indenture

EXHIBIT C

Form of Ninth Supplemental Indenture

EXHIBIT D

Form of Purchase Contract

EXHIBIT E

Form of Preliminary Official Statement

EXHIBIT F

Form of Continuing Disclosure Agreement

PLEDGE AND SECURITY AGREEMENT

among

**FLORIDA HURRICANE CATASTROPHE
FUND FINANCE CORPORATION,**

FLORIDA HURRICANE CATASTROPHE FUND

and

**WELLS FARGO BANK, N.A.,
Master Trustee**

Dated as of June 1, 2006

TABLE OF CONTENTS

1			
2			
3			Page
4			
5	Section 1.	<i>Defined Terms.....</i>	2
6	Section 2.	<i>Issuance of Parity Obligations.....</i>	4
7	Section 3.	<i>Pledge; Delivery of Pledged Collateral.....</i>	4
8	Section 4.	<i>Special Covenants</i>	7
9	Section 5.	<i>Investment of Pledged Collateral.....</i>	8
10	Section 6.	<i>FHCF Remains Liable.....</i>	8
11	Section 7.	<i>Representations and Warranties.....</i>	9
12	Section 8.	<i>Covered Events Relief Fund.....</i>	9
13	Section 9.	<i>Rights of the Corporation and the Master Trustee</i>	11
14	Section 10.	<i>Remedies.</i>	11
15	Section 11.	<i>Further Assurances</i>	12
16	Section 12.	<i>Master Trustee May Perform.....</i>	12
17	Section 13.	<i>Indemnity and Expenses.....</i>	13
18	Section 14.	<i>Amendment.....</i>	14
19	Section 15.	<i>Termination of Pledge Agreement.</i>	15
20	Section 16.	<i>Notices.....</i>	15
21	Section 17.	<i>No Waiver; Remedies.....</i>	16
22	Section 18.	<i>Conflict.....</i>	16
23	Section 19.	<i>Rights of the Master Trustee.</i>	16
24	Section 20.	<i>Members, Officers and Employees of the State Board of Administration and the Corporation Not Liable.....</i>	17
25			
26	Section 21.	<i>Separate Accounts and Records.....</i>	17
27	Section 22.	<i>Transfers to FHCF.....</i>	17
28	Section 23.	<i>Severability.</i>	18
29	Section 24.	<i>Governing Law.....</i>	18
30	Section 25.	<i>Headings</i>	18
31	Section 26.	<i>Counterparts</i>	18

1
2 THIS PLEDGE AND SECURITY AGREEMENT, dated as of June 1, 2006 (this "Pledge
3 Agreement"), is made by and among the State Board of Administration of the State of Florida,
4 acting as the governing body and administrator of the Florida Hurricane Catastrophe Fund (the
5 "State Board of Administration"), a trust fund established for bond covenants, indentures or
6 resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of
7 Florida (the "FHCF"), Florida Hurricane Catastrophe Fund Finance Corporation, a public
8 benefits corporation, which is an instrumentality of the State of Florida (the "Corporation"), and
9 Wells Fargo Bank, N. A., Jacksonville, Florida, a national banking association duly incorporated
10 under the laws of the United States of America, in its capacity as master trustee (the "Master
11 Trustee") under the Master Indenture (hereinafter defined),

12 WITNESSETH:

13 WHEREAS, Section 215.555, Florida Statutes (the "Act") creates the FHCF and provides
14 that the FHCF will be administered by the State Board of Administration; and

15 WHEREAS, the Act provides that the FHCF will reimburse certain insurers for a portion
16 of their catastrophic hurricane losses, subject to the limitations on such reimbursements set forth
17 in the Act, in order to create additional insurance capacity sufficient to ameliorate the current
18 dangers to the economy of the State of Florida and to the public health, safety and welfare of its
19 citizens posed by a lack of an orderly private market for property insurance; and

20 WHEREAS, the Act creates the Corporation to provide a mechanism for the cost-
21 effective and efficient issuance of bonds necessary to enable the FHCF to carry out the purposes
22 of the Act; and

23 WHEREAS, the purpose of such bonds is to fund reimbursements through the FHCF to
24 pay for the costs of construction, reconstruction, repair, restoration and other costs associated
25 with damage to properties of policyholders of covered policies due to the occurrence of a
26 hurricane; and

27 WHEREAS, the Act provides for the payment by certain insurers of reimbursement
28 premiums and for the payment of emergency assessments in the amounts and under the
29 circumstances set forth in the Act and authorizes the pledge of all or any portion of the revenues
30 derived from such reimbursement premiums and emergency assessments, together with the
31 interest earnings thereon, to the payment of the principal of and redemption premium, if any, and
32 interest on bonds issued by the Corporation for the benefit of the FHCF; and

33 WHEREAS, the Board of Directors of the Corporation has duly authorized the execution
34 and delivery of a master trust indenture, dated as of June 1, 2006 (the "Master Trust Indenture"
35 and, as supplemented and amended, the "Master Indenture"), by and between the Corporation
36 and the Master Trustee, pursuant to which the Corporation will issue and incur Parity
37 Obligations secured by a pledge of and security interest in its Net Receipts; and

38 WHEREAS, in order to provide for the prompt payment of the principal of and
39 redemption premium, if any, and interest on the Parity Obligations issued by the Corporation and

1 for the performance by the Corporation of its other obligations under the Master Indenture, the
2 State Board of Administration has determined to pledge to the Corporation, and grant to the
3 Corporation a security interest in, all of the right, title and interest of the FHCF in and to the
4 Pledged Collateral (as hereinafter defined); and

5 WHEREAS, pursuant to the Master Indenture, the Corporation will, for the benefit of the
6 owners of the Parity Obligations, pledge and assign in the Master Indenture to the Master Trustee
7 all of the Corporation's right, title and interest (including the right to enforce the same and the
8 right to receive the Pledged Collateral) in and to this Pledge Agreement (subject to the
9 reservation of certain rights of the Corporation);

10 NOW, THEREFORE, in consideration of the premises and in order to induce the
11 Corporation to execute and deliver the Master Indenture, to issue Parity Obligations under the
12 Master Indenture and to transfer certain proceeds of such Parity Obligations to the State Board of
13 Administration, upon the issuance thereof, for the purposes permitted by the Act, the State Board
14 of Administration, the Corporation and the Master Trustee hereby agree as follows:

15 Section 1. *Defined Terms.* Capitalized terms not defined herein shall have the
16 meanings ascribed to such terms in the Master Trust Indenture. For the purposes hereof, unless
17 the context otherwise indicates, the following words and terms shall have the following
18 meanings:

19 "Contract Year" means the term of the reimbursement contracts between the State Board
20 of Administration and insurers writing Covered Policies.

21 "Corpus Earnings" means the income derived from the investment of the Corpus of the
22 FHCF.

23 "Corpus of the FHCF" means, as of a particular date, the sum of (i) the unrestricted net
24 assets held by the FHCF on the last day of the preceding Fiscal Year, (ii) the Reimbursement
25 Premiums and Reimbursement Premium Earnings held by the FHCF in the then current Fiscal
26 Year that are in excess of the amounts required for deposit to the credit of the accounts and
27 subaccounts in the Revenue Fund in accordance with the provisions of Section 502 of the Master
28 Trust Indenture and as shall be required for application in accordance with the provisions of
29 Sections 503 and 504 of the Master Trust Indenture, and (iii) without duplication, the amount of
30 the Reimbursement Premiums released in accordance with the provisions of Section 3(f) hereof
31 and Section 503(e)(ii)(Y) of the Master Trust Indenture and the amount of the Emergency
32 Assessments released in accordance with the provisions of Section 503(e)(ii)(Z) of the Master
33 Trust Indenture, in each case, from the pledge and security interest granted by this Pledge
34 Agreement. Proceeds of Bonds do not constitute a portion of the Corpus of the FHCF for
35 purposes of this definition.

36 "Covered Event" means Covered Event as defined in the Act.

37 "Covered Events Relief Fund" means the Florida Hurricane Catastrophe Fund Covered
38 Events Relief Fund created and so designated by Section 8 hereof.

39 "Covered Policy" means Covered Policy as defined in the Act.

1 “Current Expenses of the FHCF” means the current expenses for the operation of the
2 FHCF, including, without limiting the generality of the foregoing, all administrative expenses,
3 salaries and other compensation, personnel expenses properly chargeable to the FHCF, fees and
4 expenses incurred for professional consultants and fiduciaries, refunds related to over-payments
5 of Reimbursement Premiums or refunds of interest related to loss reimbursements or
6 overpayments of Reimbursement Premiums, the premiums, fees and costs of procuring
7 reinsurance for the FHCF, all operating transfers or contributions required by the Act, including
8 operating transfers or contributions pursuant to Section 215.555(7)(c) of the Act, and all Current
9 Expenses of the FHCF so identified in this Pledge Agreement or in a resolution adopted by the
10 State Board of Administration; but Current Expenses of the FHCF shall not include (i)
11 depreciation or amortization, (ii) any deposit to any fund, account and subaccount established
12 under the Master Indenture or any Supplemental Indenture or any payment of principal,
13 redemption premium, if any, and interest on any Bonds from any such fund, account and
14 subaccount, (iii) any debt service payment in respect of Parity Debt or Subordinated
15 Indebtedness, or (iv) payments or advances to insurers writing Covered Policies in the State for
16 hurricane losses pursuant to reimbursement contracts entered into with such insurers by the State
17 Board of Administration pursuant to the Act.

18 “Emergency Assessments” means the money paid or payable to the Corporation or the
19 FHCF from the emergency assessments levied with respect to assessable lines insurance as
20 provided from time to time by the Act. There shall be included within the ambit of “Emergency
21 Assessments” any interest, penalty or surcharge paid or payable on late payments of such
22 emergency assessments.

23 “Emergency Assessment Earnings” means the income derived from the investment of
24 Emergency Assessments.

25 “Fiscal Year” means the fiscal year of the FHCF, which shall be the period beginning on
26 July 1 of each year and ending on June 30 of the following year, unless the Master Trustee is
27 notified in writing by an Authorized Officer of the State Board of Administration of a change in
28 such period, in which case the Fiscal Year shall be the period set forth in such notice.

29 “Other Pledged Money” means any money derived from any fees, premiums,
30 assessments or other levies paid or payable to the FHCF or the Corporation, including the
31 income derived from the investment thereof, pursuant to any law enacted, after the date of
32 delivery of this Pledge Agreement, by the Legislature of the State, to the extent that such money
33 is permitted or required by law to be pledged and used for the payment of the principal of and
34 redemption premium, if any, and interest on Parity Obligations.

35 “Pledged Collateral” for any particular period means the excess of Reimbursement
36 Premiums and Reimbursement Premium Earnings over the payment of Current Expenses of the
37 FHCF, Emergency Assessments, Emergency Assessment Earnings, the net proceeds of, and
38 investment income on such proceeds of, Parity Obligations, net payments to or for the account of
39 the Corporation derived from Derivative Agreements and Other Pledged Money. There shall be
40 included within the ambit of “Pledged Collateral”: (i) all certificates and instruments, if any,
41 from time to time representing or evidencing any of the Pledged Collateral, (ii) all interest,
42 dividends, cash, instruments or other Property from time to time received, receivable or

1 otherwise distributed in respect of or in exchange for any or all of the Pledged Collateral and (iii)
2 all proceeds of any or all of the Pledged Collateral. There shall be excluded from the ambit of
3 "Pledged Collateral" the Corpus of the FHCF and Corpus Earnings, the net proceeds of Parity
4 Obligations disbursed by the FHCF for losses, or advances for losses, from Covered Events, and
5 Reimbursement Premiums and Reimbursement Premium Earnings released pursuant to Section
6 3(f) hereof and Section 503(e)(ii)(Y) of the Master Trust Indenture and Emergency Assessments
7 and Emergency Assessment Earnings released pursuant to Section 503(e)(ii)(Z) of the Master
8 Trust Indenture, in each case, from the pledge and security interest granted hereby. In the case of
9 the net proceeds of Parity Obligations, the pledge and security interest granted by this Pledge
10 Agreement shall be effective only pending their disbursement by the FHCF for losses, or
11 advances for losses, from Covered Events and shall be in favor of the Owners or Holders only of
12 the Series of Parity Obligations (or Parity Obligations that refunded the Parity Obligations) from
13 which such proceeds were derived.

14 "Reimbursement Premiums" means the money paid or payable to the FHCF from
15 reimbursement premiums levied from time to time under the Act. There shall be included within
16 the ambit of "Reimbursement Premiums" any interest, penalty or surcharge paid or payable on
17 late payments of such reimbursement premiums.

18 "Reimbursement Premium Earnings" means the income derived from the investment of
19 Reimbursement Premiums.

20 Section 2. *Issuance of Parity Obligations.* Subject to the provisions of the Master
21 Indenture, the Corporation hereby agrees that, upon the written request of the State Board of
22 Administration, accompanied by such certificates or other documentation, upon which the
23 Corporation may rely, as shall be necessary for the Corporation to comply with the provisions of
24 the Master Trust Indenture, particularly the provisions of Section 208 and, in the case of Parity
25 Obligations issued or incurred under the Master Trust Indenture (except for the Bonds issued
26 pursuant to Supplement No. 1 and Supplement No. 2) , Section 704, including, without
27 limitation, any certificate as to the Premium and Assessment Revenue Available for Debt
28 Service, the Corporation will issue and incur its Parity Obligations for any purpose permitted by
29 the Act.

30 The Corporation further agrees that it will make such transfers or deposits of the proceeds
31 of Parity Obligations as are required by Parity Resolutions.

32 Section 3. *Pledge; Delivery of Pledged Collateral.* (a) In consideration of the
33 issuance and incurrence by the Corporation of its Parity Obligations and the deposits or transfers
34 of the proceeds thereof in accordance with the corresponding Parity Resolutions, the State Board
35 of Administration hereby pledges, assigns, transfers and hypothecates to the Corporation, and
36 grants to the Corporation a security interest in, all of the right, title and interest of the FHCF in
37 and to the Pledged Collateral, whether now owned or hereafter acquired, whether in possession
38 of the FHCF or the Corporation or the Master Trustee or a Depository, all as security for the
39 prompt and full payment when due of the principal of and redemption premium, if any, and
40 interest on all Parity Obligations and any other amounts required to be paid by the Corporation
41 under the Master Indenture.

1 (b) The State Board of Administration hereby agrees to prepare, execute and file such
2 financing statements or amendments to existing financing statements or continuations thereof as
3 shall be necessary, in the Opinion of Counsel, to evidence the security interest in the Pledged
4 Collateral granted herein.

5 (c) (i) In general, the State Board of Administration shall deliver to the Master
6 Trustee so much of the Pledged Collateral as shall be held by the FHCF and as shall be required
7 for deposit to the credit of the accounts and subaccounts in the Revenue Fund in accordance with
8 the provisions of Section 502 of the Master Indenture and as shall be required for application in
9 accordance with the provisions of Sections 503, 504 and 804 of the Master Indenture or, if any
10 Parity Obligations have been declared due and payable pursuant to Section 803 of the Master
11 Indenture, in accordance with the provisions of Section 804 and Section 805(b) of the Master
12 Indenture.

13 (ii) In particular, the State Board of Administration shall deliver to the Master
14 Trustee, not later than the last business day of each month (or more often if required in order for
15 the Corporation to pay or provide for payment of debt service and other amounts due on Parity
16 Obligations), the following that have been received or realized as of the [25th] day of such month
17 (A) all Emergency Assessments and Emergency Assessment Earnings and (B) taking into
18 account the balance to the credit of (I) the Reimbursement Premiums Account and the Pre-Event
19 Bonds Investment Income Account in the Revenue Fund and (II) the subaccounts established for
20 Pre-Event Parity Obligations in the various accounts in the Bond Fund, so much of the
21 Reimbursement Premiums and Reimbursement Premium Earnings, net of the Current Expenses
22 of the FHCF, as shall enable the Master Trustee to make all of the deposits required by Section
23 503(a), (b) and (c) of the Master Trust Indenture for the entire current Fiscal Year; provided that,
24 in the event any of the Outstanding Pre-Event Parity Obligations are Variable Rate Indebtedness,
25 such Obligations shall be assumed, for purposes of the amount to be transferred, to bear interest
26 for the balance of the Fiscal Year at the rate described in paragraph (ii) of the definition of Debt
27 Service Requirement in the Master Trust Indenture.

28 (iii) In the event that the State Board of Administration receives a notice from
29 the Master Trustee, pursuant to Section 503(d)(i) of the Master Indenture, to the effect that the
30 amounts on deposit in the Revenue Fund were insufficient to make the deposits or payments
31 required by Section 504(a), (b) and (c) (or any of them) of the Master Indenture, the State Board
32 of Administration shall deliver to the Master Trustee (i) so much of the investment income from
33 the investment of proceeds of Pre-Event Bonds theretofore realized by the FHCF in such Fiscal
34 Year, and (ii) to the extent a deficiency remains, so much of the proceeds of the Pre-Event
35 Bonds, as are required to provide the Master Trustee with sufficient funds to make such deposits
36 or payments.

37 (d) The obligation of the State Board of Administration to deliver the Pledged
38 Collateral to the Master Trustee, in the amounts sufficient and at the times required for the
39 Corporation to comply with the provisions of Sections 503, 504, 804 and 805 of the Master
40 Indenture, shall be absolute and unconditional. The State Board of Administration shall perform
41 such obligation without demand and without abatement, deduction or set-off, notwithstanding
42 any rights or claims which the FHCF might otherwise have against the Corporation, the Master
43 Trustee, any Bond Registrar or any other Person.

1 (e) The State Board of Administration hereby agrees that, so long as any Parity
2 Obligations are Outstanding and any notice from the Master Trustee referred to in subsection (c)
3 above has not been withdrawn, no Reimbursement Premiums or Reimbursement Premium
4 Earnings will be advanced or paid to insurers writing Covered Policies as reimbursement
5 payments under reimbursement contracts for reimbursable losses.

6 (f) Except during the continuation of an Event of Default, immediately following the
7 date on which the amounts on deposit to the credit of the accounts and subaccounts in the
8 Revenue Fund, taking into account the amounts to the credit of the various subaccounts in the
9 various accounts (except the balance to the credit of the Parity Common Reserve Account and
10 any Special Reserve Account) in the Bond Fund are sufficient for the Master Trustee to make (i)
11 the transfer to the Corporation or a Depositary for the account of the Corporation of the balance
12 of the amount required for the payment of the Current Expenses of the Corporation in the current
13 Fiscal Year in accordance with the provisions of Section 503(b) of the Master Trust Indenture
14 and (ii) the deposits or payments of the amounts required by Section 504(a), (b) and (c) of the
15 Master Trust Indenture in the current Fiscal Year with respect to the Parity Obligations then
16 Outstanding, any Reimbursement Premiums, Reimbursement Premium Earnings and investment
17 income from the investment of proceeds of Pre-Event Bonds held by the FHCF on such date in
18 such Fiscal Year in excess of such requirements for such Fiscal Year shall be released from the
19 pledge and security interest granted herein, any Reimbursement Premiums, Reimbursement
20 Premium Earnings and investment income from the investment of proceeds of Pre-Event Bonds
21 received by the FHCF after such date in such Fiscal Year shall not be required to be delivered to
22 the Master Trustee, and all Reimbursement Premiums, Reimbursement Premium Earnings and
23 the investment income from the investment of proceeds of Pre-Event Bonds so released or no
24 longer required to be delivered to the Master Trustee in such Fiscal Year may be used by the
25 FHCF for any purpose permitted by the Act; provided that, in the event any of the Outstanding
26 Pre-Event Parity Obligations are Variable Rate Indebtedness, such Obligations shall be assumed,
27 for purposes of this subsection (f), to bear interest for the balance of the Fiscal Year at the rate
28 described in paragraph (ii) of the definition of Debt Service Requirement in the Master Trust
29 Indenture.

30 (g) The State Board of Administration and the Corporation hereby acknowledge that
31 the Office of Insurance Regulation has received from the Corporation and the FHCF a notice
32 that, simultaneously with the execution and delivery of this Pledge Agreement, Bonds are being
33 issued by the Corporation and the FHCF has no agreements in effect with local governments,
34 and, therefore, as provided by the Act, for so long as the Corporation shall have any Parity
35 Obligations Outstanding, the FHCF shall have no right, title or interest in or to the Emergency
36 Assessments and the Emergency Assessment Earnings, except as provided in the FHCF's
37 agreements with the Corporation. This Pledge Agreement with the Corporation is one such
38 agreement, and, by the terms hereof, the FHCF shall collect and receive the Emergency
39 Assessments subject to the pledge and security interest granted in Section 3(a) to the Master
40 Trustee for the benefit of the Owners and Holders of Parity Obligations and to the obligation
41 imposed by Section 3(c)(i) and (ii) to transfer to the Master Trustee all of the Emergency
42 Assessments so collected and received. Simultaneously with the execution and delivery of this
43 Pledge Agreement, the Corporation will assign to the Master Trustee as security for the Parity
44 Obligations, all of the Corporation's right, title and interest in and to this Pledge Agreement
45 (except for those certain rights under this Pledge Agreement that are set forth in the granting

1 clauses of the Master Indenture). The State Board of Administration hereby consents to such
2 assignment and agrees that the Master Trustee may enforce any and all rights, privileges and
3 remedies of the Corporation under or with respect to this Pledge Agreement, including those
4 rights reserved by the Corporation.

5 Section 4. *Special Covenants.* The State Board of Administration hereby covenants
6 that:

7 (a) (i) the moneys on deposit in any fund, account or subaccount maintained by the
8 Master Trustee or the State Board of Administration in connection with any Parity Tax-Exempt
9 Obligations, whether or not such moneys were derived from the proceeds of the sale of such
10 Parity Tax-Exempt Obligations or any other source, will not be used in any manner that would
11 cause such Parity Tax-Exempt Obligations to be "arbitrage bonds" within the meaning of Section
12 148 of the Code or bonds not described under Section 103(a) of the Code; and

13 (ii) no portion of the proceeds of any Parity Tax-Exempt Obligations will be
14 used in a manner that would cause such Parity Tax-Exempt Obligations to be "private activity
15 bonds" within the meaning of Section 141(a) of the Code, unless at the time of the issuance of
16 such private activity bonds there shall be delivered to the Master Trustee, the State Board of
17 Administration and the Corporation an opinion of bond counsel to the effect that (A) the interest
18 on such private activity bonds will not be includable in the gross income of the owners thereof
19 for federal income tax purposes and (B) that the issuance of such private activity bonds will not
20 impair the federal income tax status of any other Parity Tax-Exempt Obligations then
21 Outstanding;

22 (b) within thirty (30) days after receipt of the audit report mentioned below but in no
23 event later than two hundred seventy (270) days after the end of each Fiscal Year, the State
24 Board of Administration will file with the Master Trustee and with each Owner or Holder who
25 may have so requested of the State Board of Administration in writing, a copy of the Audited
26 Financial Statements, prepared in accordance with generally accepted accounting principles, of
27 the FHCF and the Corporation as of the end of such Fiscal Year accompanied by the opinion of
28 an Auditor;

29 (c) not later than ninety (90) days after the end of each Fiscal Year, commencing with
30 the Fiscal Year ending on June 30, 2007, the State Board of Administration shall file with the
31 Master Trustee an Officer's Certificate demonstrating that the Revenue Available for Debt
32 Service for the prior Fiscal Year (set forth in such Certificate) was not less than the greater of (i)
33 one hundred twenty-five percent (125%) of the principal and interest that became due and
34 payable in such Fiscal Year on Parity Obligations and (ii) one hundred percent (100%) of the
35 principal and interest that became due and payable in such Fiscal Year for Parity Obligations and
36 Subordinated Indebtedness for such Fiscal Year (both such calculations set forth in such
37 Certificate); provided, however, that if the State Board of Administration is unable to deliver
38 such an Officer's Certificate, the State Board of Administration covenants to take all actions
39 permitted by law or under this Pledge Agreement, including (A) petitioning the Legislature of
40 the State for any amendment or amendments to the Act deemed appropriate by the State Board of
41 Administration, (B) cooperating with the Corporation in connection with any action to increase
42 collections of Pledged Collateral, and (C) retaining a Consultant within thirty (30) days to make

1 recommendations to increase the Revenue Available for Debt Service in the following Fiscal
2 Year to the levels required or, if in the opinion of the Consultant the attainment of such levels is
3 impracticable, to the highest levels attainable. Any Consultant so retained shall be required to
4 submit such recommendations within sixty (60) days after being so retained. The State Board of
5 Administration agrees that it will, to the extent permitted by law, follow, or cause to be followed,
6 the recommendations of any Consultant so retained. For purposes of the Officer's Certificate
7 described in this subsection, there may be subtracted from the amount of the interest otherwise
8 includable in the amounts described in clauses (i) and (ii) above an amount equal to the sum of
9 the interest on Parity Obligations paid during such Fiscal Year from (Y) the Capitalized Interest
10 Account in the Bond Fund and (Z) without duplication, investment income on and proceeds of
11 Pre-Event Parity Obligations. The Officer's Certificate described in this subsection (c) may be
12 provided jointly by an Authorized Officer of the State Board of Administration and an
13 Authorized Officer of the Corporation; and

14 (d) the State Board of Administration will take such action, in addition to the specific
15 actions prescribed by this Pledge Agreement, as may be necessary and permitted under the Act to
16 ensure the full and timely payment of debt service on Pre-Event Parity Bonds following a
17 withdrawal from the Pre-Event Parity Obligations Account of the Covered Events Relief Fund of
18 all or any portion of the proceeds of such Bonds.

19 Section 5. *Investment of Pledged Collateral.* The State Board of Administration
20 shall enter into agreements with either the Master Trustee or a Depositary or Depositaries for the
21 investment of any money derived from the Pledged Collateral and deposited in any of the funds
22 or accounts established under the Master Indenture or this Pledge Agreement or give the Master
23 Trustee and any Depositary written directions respecting the investment of such money, subject,
24 however, to the lien, assignment and pledge effected hereby and to the provisions of Article VI
25 of the Master Indenture. The Master Trustee hereby agrees to enter into such agreements and
26 follow such directions respecting the investment of any money required or permitted to be
27 invested under the Master Indenture, subject, however, to the lien, assignment and pledge
28 effected hereby and to the provisions of Article VI of the Master Indenture.

29 Section 6. *FHCF Remains Liable.* Anything herein to the contrary notwithstanding,
30 (a) the FHCF shall remain liable under the reimbursement contracts entered into by the State
31 Board of Administration with insurers writing Covered Policies in the State to the extent set forth
32 therein and to perform all of its duties and obligations thereunder to the same extent as if this
33 Pledge Agreement had not been executed, (b) the execution and delivery of this Pledge
34 Agreement shall not release the FHCF from any of its duties or obligations under such
35 reimbursement contracts, (c) neither the Corporation nor the Master Trustee shall (i) have any
36 obligation or liability under such reimbursement contracts by reason of this Pledge Agreement or
37 (ii) be obligated to perform any of the obligations or duties of the FHCF or the State Board of
38 Administration thereunder; provided, however, nothing in this Section shall relieve the FHCF of
39 its obligation to deliver to the Master Trustee the Pledged Collateral to the extent required by
40 Section 3 hereof, and (d) the FHCF shall remain liable, notwithstanding any release from the
41 pledge and security interest created by this Pledge Agreement of portions of the Pledged
42 Collateral as provided in Section 3(f), to make timely and sufficient transfers of Pledged
43 Collateral to the Master Trustee to enable the Corporation to make timely and sufficient payment
44 of all amounts due under the Master Indenture.

1 Section 7. *Representations and Warranties.* The State Board of Administration
2 hereby represents and warrants that: (i) the obligations of the FHCF under this Pledge
3 Agreement shall not constitute a debt of the State or any political subdivision thereof nor a
4 pledge of the faith and credit of the State or any political subdivision thereof within the meaning
5 of any constitutional or statutory provision; (ii) the FHCF does not have the power or authority to
6 levy any tax; (iii) the FHCF owns the Pledged Collateral free and clear of any lien, security
7 interest, pledge or encumbrance except for the liens, security interests and pledges created by this
8 Pledge Agreement and by the Master Indenture; (iv) no effective financing statement or other
9 instrument similar in effect covering all or any part of the Pledged Collateral is on file in any
10 recording office; (v) this Pledge Agreement creates a valid, enforceable and perfected security
11 interest in favor of the Corporation in the Pledged Collateral, securing the payment of the Parity
12 Obligations, and all actions necessary or desirable to establish and protect such pledge have been
13 duly taken; and (vi) no authorization, approval or other action by, and no notice to or filing with,
14 any governmental authority or regulatory body is required either (A) for the grant by the State
15 Board of Administration of the security interest granted herein or for the execution, delivery or
16 performance of this Pledge Agreement by the State Board of Administration, or (B) for the
17 perfection of or the exercise by the Corporation and the Master Trustee of their respective rights
18 and remedies hereunder. Unless the State Board of Administration shall have previously advised
19 the Corporation and the Master Trustee in writing that one or more of the above statements is no
20 longer true, the State Board of Administration shall be deemed to have represented and
21 warranted to the Corporation and the Master Trustee on all dates subsequent to the date of
22 execution hereof that the statements contained herein are true and correct.

23 Section 8. *Covered Events Relief Fund.* (a) A special fund is hereby established
24 with the State Board of Administration and designated the "Florida Hurricane Catastrophe Fund
25 Covered Events Relief Fund" and within the Covered Events Relief Fund there are hereby
26 established special accounts, one for Post-Event Parity Obligations and one for Pre-Event Parity
27 Obligations, and, within each of the special accounts, there are hereby established special
28 subaccounts for each Series of Post-Event Bonds and Pre-Event Bonds, respectively (unless the
29 applicable Supplemental Indenture provides for the commingling of proceeds in a single
30 subaccount), each to be designated the "[Bond Series and letter] Covered Events Relief
31 Subaccount" (each, a "Proceeds Subaccount"). Upon the issuance or incurrence of each Series
32 of Parity Obligations that are Post-Event Parity Obligations, the net proceeds thereof shall be
33 transferred by the Corporation to the State Board of Administration, for the account of the
34 FHCF, and shall be deposited by the State Board of Administration in the appropriate Proceeds
35 Subaccount of the Post-Event Parity Obligations Proceeds Account, to be held by the FHCF for
36 disbursement for reimbursement payments, and advances of such payments, under
37 reimbursement contracts for reimbursable losses caused by a Covered Event. Upon the issuance
38 or incurrence of each Series of Parity Obligations that are Pre-Event Parity Obligations, the net
39 proceeds thereof shall be transferred by the Corporation to the State Board of Administration, for
40 the account of the FHCF, and shall be deposited by the State Board of Administration in the
41 appropriate Proceeds Subaccount of the Pre-Event Parity Obligations Proceeds Account to be
42 held by the FHCF in reserve for disbursement for reimbursement payments, and advances of
43 such payments, under reimbursement contracts for reimbursable losses caused by a future
44 Covered Event.

1 (b) Money in the Covered Events Relief Fund may, subject to Section 4(a) hereof and
2 Section 502(c) of the Master Trust Indenture, be invested in any investment authorized under
3 Section 215.47, Florida Statutes, as amended from time to time, or any successor statute.
4 Investments acquired with money in or credited to any Proceeds Subaccount shall be deemed at
5 all times to be part of such Subaccount. Any loss realized upon the disposition or maturity of
6 such investments shall be charged against such Subaccount unless otherwise directed by the
7 State Board of Administration. The interest accruing on any such investments and any profit
8 realized upon the disposition or maturity of such investments shall be credited to such
9 Subaccount unless otherwise directed by the State Board of Administration.

10 (c) In the case of the special Proceeds Subaccounts created for Post-Event Parity
11 Obligations, payment of the reimbursable losses caused by a Covered Event occurring during a
12 Contract Year shall be made from the appropriate Proceeds Subaccount or Subaccounts. All
13 such payments shall be subject to the provisions and restrictions set forth in this Pledge
14 Agreement, including Section 4(a) hereof, and the Master Indenture, and the State Board of
15 Administration shall not cause or agree to permit to be paid from any such Subaccount any sums
16 except in accordance with such provisions and restrictions. When all reimbursement payments
17 under reimbursement contracts for reimbursable losses caused by a Covered Event have been
18 paid, which fact shall be evidenced by delivery to the Master Trustee of an Officer's Certificate
19 of the State Board of Administration, the balance in the related Proceeds Subaccount shall be
20 transferred as the Corporation may direct or as may be provided in the applicable Supplemental
21 Indenture.

22 (d) (i) In the case of each special Proceeds Subaccount created for Pre-Event
23 Parity Obligations,

24 (A) the FHCF shall, in accordance with the provisions of
25 Section 3(c)(iii), transfer to the Master Trustee for the account of the Corporation, from time to
26 time from each such Subaccount the investment income on proceeds of Pre-Event Parity
27 Obligations or from proceeds of Pre-Event Parity Obligations, amounts sufficient for the Master
28 Trustee to pay the Current Expenses of the Corporation not provided for from Reimbursement
29 Premiums or otherwise and to make timely the deposits required by Section 504(a) and (b) and,
30 if applicable, Section 504(c), in respect of the related Series of Pre-Event Parity Obligations, and

31 (B) other than as provided in Section 3(c), no withdrawals from
32 any such Subaccount for any other purpose than described in clause (A) may be made prior to
33 the occurrence of a Covered Event except that withdrawals may be made to redeem or defease
34 any Pre-Event Parity Obligations in accordance with the terms of the applicable Parity
35 Resolution.

36 (ii) Proceeds of Pre-Event Parity Obligations may be withdrawn from a Proceeds
37 Subaccount following the occurrence of a Covered Event, provided that an Authorized Officer of
38 the State Board of Administration shall deliver to the Master Trustee prior to the first such
39 withdrawal an Officer's Certificate certifying the following:

40 (A) The aggregate amount and monthly schedule of
41 withdrawals from such Subaccount anticipated to be made as a result of the Covered Event,

1 (B) That an amount, stated in such Certificate and equal to the
2 difference between the balance then to the credit of the applicable Subaccount for such Pre-Event
3 Parity Obligations in the Interest Account in the Bond Fund and the interest, estimated in such
4 Certificate and calculated in the event that any of the Outstanding Pre-Event Parity Obligations
5 are Variable Rate Indebtedness at the rate described in paragraph (ii) of the definition of Debt
6 Service Requirement in the Master Trust Indenture, to become due and payable in the next six
7 months on a principal amount of Pre-Event Parity Obligations equal to the aggregate amount of
8 the withdrawals anticipated to be made as set forth in (A) above, shall have been withdrawn from
9 the proceeds of such Pre-Event Parity Obligations credited to such Subaccount or otherwise
10 transferred to the Master Trustee, and in any case deposited to the credit of the appropriate
11 subaccount in the Interest Account for such Pre-Event Parity Obligations,

12 (C) That, taking into account all of the anticipated withdrawals
13 described in (A) above, such Officer estimates that there will be sufficient Revenue Available for
14 Debt Service to make full and timely payment of debt service on the Pre-Event Parity
15 Obligations as the same shall become due and payable, and

16 (D) That notice of such withdrawal has been provided to the
17 State Board of Administration and that such notice contained the information included in clauses
18 (A), (B) and (C) above and an estimate, based upon factors deemed reasonable and appropriate
19 by the certifying Authorized Officer, of the aggregate increase, if any, in the Emergency
20 Assessment percentage necessary to be levied to provide for the estimated annual Debt Service
21 Requirement for each future Fiscal Year on a principal amount of the Pre-Event Parity
22 Obligations equal to the aggregate amount of the anticipated withdrawals described in (A) above.

23 (iii) When all of the Pre-Event Parity Obligations authorized by a
24 Supplemental Indenture shall have been paid or defeased (whether through a refunding or
25 otherwise) in accordance with such Supplemental Indenture, which fact shall be evidenced by
26 delivery to the Master Trustee of an Officer's Certificate of the State Board of Administration,
27 the balance in the related Proceeds Subaccount shall be transferred as the Corporation may direct
28 or as may be provided in the applicable Supplemental Indenture.

29 Section 9. *Rights of the Corporation and the Master Trustee.* Neither the
30 Corporation nor the Master Trustee shall be liable for any failure to collect or realize upon all or
31 any part of the Pledged Collateral, or for any delay in so doing, and neither the Corporation nor
32 the Master Trustee shall be under any obligation to take any action whatsoever with regard to the
33 Pledged Collateral except to the extent set forth in this Pledge Agreement, in the Master
34 Indenture and in any indenture supplemental thereto. If an Event of Default shall have occurred
35 and be continuing, the Master Trustee, as assignee pursuant to the Master Indenture of all the
36 Corporation's right, title and interest in and to this Pledge Agreement, may, without notice,
37 exercise all rights, privileges or options pertaining to the Pledged Collateral as if it were the
38 absolute owner of such Pledged Collateral, upon such terms and conditions as it may determine,
39 all without liability except to account for the Pledged Collateral actually received by it.

40 Section 10. *Remedies.* (a) Upon the happening and continuance of any Event of
41 Default, then and in every such case the Master Trustee may proceed, and upon the written
42 request of the Owners or Holders of not less than a majority in aggregate principal amount of the

1 Parity Obligations then Outstanding (subject to any limitations on or alternative provisions for
2 the giving of such requests as may be established in any indenture supplemental to the Master
3 Indenture) shall proceed, subject to the provisions of Section 902 of the Master Indenture, to
4 protect and enforce its rights and the rights of the Owners or Holders of the Parity Obligations
5 under applicable laws and under this Pledge Agreement by such suits, actions or special
6 proceedings in equity or at law, or by proceedings in the office of any board or officer having
7 jurisdiction, either for the specific performance of any covenant or Pledge Agreement contained
8 herein or in aid or execution of any power herein granted or for the enforcement of any proper
9 legal or equitable remedy, as the Master Trustee, being advised by counsel, chosen by the Master
10 Trustee, shall deem most effectual to protect and enforce such rights, including but not limited
11 to:

12 (i) Suit upon all or any part of the Pledged Collateral;

13 (ii) Civil action to require any Person holding money, documents or other
14 property pledged to secure payment of amounts due or to become due on the Parity Obligations
15 to account as if it were the trustee of an express trust for the Owners and Holders;

16 (iii) Civil action to enjoin any acts or things, which may be unlawful or in
17 violation of the rights of the Owners and Holders; and

18 (iv) Enforcement of any other right of the Owners and Holders conferred by
19 law or hereby.

20 (b) Regardless of the happening of an Event of Default, the Master Trustee, if
21 requested in writing by the Owners or Holders of not less than a majority of the aggregate
22 principal amount of the Parity Obligations then Outstanding (subject to any limitations on or
23 alternative provisions for the giving of such requests as may be established in any Supplemental
24 Indenture) shall proceed, subject to the provisions of Section 902 of the Master Indenture, to
25 institute and maintain such suits and proceedings as it may be advised shall be necessary or
26 expedient (i) to prevent any impairment of the security hereunder by any acts which may be
27 unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Owners and
28 Holders, provided that such request and the action to be taken by the Master Trustee are not in
29 conflict with any applicable law or the provisions hereof and, in the sole judgment of the Master
30 Trustee, are not unduly prejudicial to the interest of the Owners and Holders not making such
31 request.

32 Section 11. *Further Assurances.* The State Board of Administration shall, at any time
33 and from time to time upon the written request of the Master Trustee, execute and deliver such
34 further documents and do such further acts and things as the Master Trustee may reasonably
35 request in order to effect the purposes of this Pledge Agreement.

36 Section 12. *Master Trustee May Perform.* If the FHCF fails to perform any agreement
37 contained herein, the Master Trustee may itself perform, or cause performance of, such
38 agreement, and the expenses of the Master Trustee incurred in connection therewith shall be
39 payable by the FHCF as Current Expenses of the FHCF.

1 Section 13. *Indemnity and Expenses.* (a) To the extent permitted by law, the State
2 Board of Administration agrees to indemnify the Corporation and the Master Trustee from and
3 against any and all claims, losses and liabilities (collectively referred to hereinafter as "Losses")
4 of whatsoever nature (including, but not limited to, reasonable attorneys' fees, litigation and
5 court costs, amounts paid in settlement and amounts paid to discharge judgments) directly or
6 indirectly resulting from, arising out of or related to one or more Claims, as hereinafter defined,
7 excluding any such Loss or Claim that arises out of an act of negligence or willful misconduct of
8 any member, officer, director, agent, or employee of the Corporation or the Master Trustee. The
9 word "Claims" as used herein shall mean all claims, lawsuits, causes of action and other legal
10 actions and proceedings of whatsoever nature, including, but not limited to, claims, lawsuits,
11 causes of action and other legal actions and proceedings brought against the Corporation or the
12 Master Trustee or to which the Corporation or the Master Trustee is a party, that directly or
13 indirectly result from, arise out of or relate to the execution, delivery or performance of this
14 Pledge Agreement, the Master Indenture or any related instruments or documents. The
15 obligations of the State Board of Administration under this Section 13(a) shall apply to all
16 Losses or Claims, or both, that result from, arise out of, or are related to any event, occurrence,
17 condition or relationship prior to termination of this Pledge Agreement, whether such Losses or
18 Claims, or both, are asserted prior to termination of this Pledge Agreement or thereafter. The
19 Corporation or the Master Trustee, as the case may be, shall reimburse the State Board of
20 Administration for payments made by the State Board of Administration pursuant to this Section
21 13(a) to the extent of any proceeds, net of all expenses of collection, actually received by the
22 Corporation or the Master Trustee from any insurance covering such Claims with respect to the
23 Losses sustained. The Corporation and the Master Trustee shall have the duty to claim any such
24 insurance proceeds and the Corporation and the Master Trustee shall assign their respective
25 rights to such proceeds, to the extent of such required reimbursement, to the State Board of
26 Administration. In case any action shall be brought against the Corporation or the Master
27 Trustee in respect of which indemnity may be sought against the State Board of Administration,
28 then the Corporation or the Master Trustee, as the case may be, shall promptly notify the State
29 Board of Administration in writing. Failure to notify the State Board of Administration shall not
30 relieve it from any liability that it may have other than on account of this Pledge Agreement.
31 The State Board of Administration shall have the right to assume the investigation and defense of
32 any such action, including the employment of counsel, which counsel shall be satisfactory to the
33 indemnified parties, and the payment of all expenses. The Corporation shall have the right to
34 employ separate counsel in any such action and participate in the investigation and defense
35 thereof, and the reasonable fees and expenses of such counsel shall be paid by the State Board of
36 Administration. The Master Trustee shall have the right to employ separate counsel in any such
37 action and participate in the investigation and defense thereof, but the fees and expenses of such
38 counsel shall be paid by the Master Trustee, unless the employment of such counsel has been
39 authorized by the State Board of Administration or the Master Trustee has concluded in good
40 faith that there may be legal defenses available to it that are different from or in addition to those
41 available to the State Board of Administration, in which case the Master Trustee shall have the
42 right to designate and retain separate counsel in such action and the reasonable fees and expenses
43 of such counsel shall be paid by the State Board of Administration. If no such authorization or
44 conclusion in good faith is made and the State Board of Administration assumes the defense of
45 such action, the State Board of Administration shall not be liable for the fees and expenses of any
46 counsel for the Master Trustee incurred thereafter in connection with such action. In no event

1 shall the State Board of Administration be liable for the fees and expenses of more than one
2 counsel for the Master Trustee in connection with any one action or separate but similar or
3 related actions in the same jurisdiction arising out of the same general allegations or
4 circumstances, unless the retaining of additional counsel has been specifically authorized by the
5 State Board of Administration. All payments made by the State Board of Administration
6 pursuant to this Section 13(a) shall be Current Expenses of the FHCF.

7 (b) The State Board of Administration shall pay to the Corporation and the Master
8 Trustee the amount of any and all reasonable expenses, including the reasonable fees and
9 disbursements of their respective counsel and of any consultants and agents, which the
10 Corporation or the Master Trustee may incur in connection with (i) the administration of this
11 Pledge Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection
12 from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of
13 any of the rights of the Corporation or the Master Trustee hereunder or (iv) the failure by the
14 FHCF to perform or observe any of the provisions hereof. All such expenses pursuant to this
15 Section 13(b) shall be payable by the FHCF as Current Expenses of the FHCF.

16 Section 14. *Amendment.* This Pledge Agreement may, without the consent of or
17 notice to any of the Owners or Holders, be amended, from time to time, to:

18 (a) cure any ambiguity or formal defect or omission in this Pledge Agreement or in
19 any supplement hereto;

20 (b) correct or supplement any provisions herein which may be inconsistent with any
21 other provisions herein or make any other provisions with respect to matters which do not
22 materially or adversely affect the interests of the Owners and the Holders;

23 (c) grant to or confer upon the Master Trustee for the benefit of the Owners and the
24 Holders any additional rights, remedies, powers, authority or security that may lawfully be
25 granted to or conferred upon the Owners and the Holders or the Master Trustee;

26 (d) add conditions, limitations and restrictions on the State Board of Administration
27 to be observed thereafter; or

28 (e) make any amendment or modification to this Pledge Agreement resulting from
29 the elimination of any restriction on the use of Reimbursement Premiums under the Code to pay
30 or to secure debt service on Tax-Exempt Parity Obligations to the extent the elimination of such
31 restriction is permitted by any administrative pronouncement of the Internal Revenue Service
32 (including a private letter ruling) addressed to the Corporation, the FHCF, or any successor of
33 either, or to the extent such elimination of such use restriction is permitted (based upon an
34 Opinion of Counsel) by the Code; or

35 (f) make any other change that, in the opinion of the Master Trustee, which may rely
36 upon certificates of Consultants and Opinions of Counsel for such purpose, shall not materially
37 adversely affect the security for the Parity Obligations.

38 Before entering into any amendment under this Section 14, the Master Trustee shall be
39 entitled to receive, and in so doing shall be fully protected in relying upon, an Opinion of

Counsel to the effect the any such proposed amendment is authorized or permitted under this Pledge Agreement.

Other than amendments referred to in the preceding paragraph of this Section and subject to the terms and provisions and limitations contained in Section 1102 of the Master Indenture and not otherwise, the Owners and Holders of not less than a majority in aggregate principal amount of the Parity Obligations then Outstanding, shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by the State Board of Administration, the Corporation and the Master Trustee of such supplements and amendments hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, nothing in this Section shall permit or be construed as permitting a supplement or amendment which would impair the pledge and security interest granted by this Pledge Agreement.

Section 15. *Termination of Pledge Agreement.* This Pledge Agreement shall (i) remain in full force and effect until payment in full of the Parity Obligations, (ii) be binding upon the FHCF, its successors and assigns and (iii) inure to the benefit of the Corporation, the Master Trustee and their respective successors, transferees and assigns. Upon the payment in full of the Parity Obligations, the security interest granted herein shall terminate and all rights to the Pledged Collateral shall revert to the FHCF. Upon any such termination, the Master Trustee shall, at the FHCF's expense, execute and deliver to the FHCF such documents as the State Board of Administration shall reasonably request to evidence such termination.

Section 16. *Notices.* All notices, demands and requests to be given to or made hereunder by the Corporation, the State Board of Administration or the Master Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

Party

Address

Florida Hurricane Catastrophe Fund:

Florida Hurricane Catastrophe Fund
c/o State Board of Administration
1801 Hermitage Boulevard
Tallahassee, Florida 32308
Attention: Chief Operating Officer

1 Corporation: Florida Hurricane Catastrophe Fund
2 Finance Corporation
3 c/o State Board of Administration
4 1801 Hermitage Boulevard
5 Tallahassee, Florida 32308
6 Attention: Senior FHCF Officer

7 Master Trustee: Wells Fargo Bank, N.A.
8 7077 Bonneval Road, Suite 400
9 Jacksonville, FL 32216
10 Attention: Corporate Trust Department

11 Any such notice, demand or request may also be transmitted to the appropriate above-
12 mentioned party by telegram or telephone and shall be deemed to be properly given or made at
13 the time of such transmission if, and only if, such transmission of notice shall be confirmed in
14 writing and sent as specified above.

15 Any of such addresses may be changed at any time upon written notice of such change
16 sent by United States certified or registered mail, postage prepaid, to the other parties by the
17 party effecting the change.

18 Section 17. *No Waiver; Remedies.* No failure on the part of the Corporation or the
19 Master Trustee to exercise, and no delay in exercising, any right under this Pledge Agreement
20 shall operate as a waiver of such right, and no single or partial exercise of any right under this
21 Pledge Agreement shall preclude any further exercise of such right or the exercise of any other
22 right. The remedies provided in this Pledge Agreement are cumulative and not exclusive of any
23 remedies provided by law.

24 Section 18. *Conflict.* In the event that any part of this Pledge Agreement is
25 determined to be in conflict with the terms of the Master Indenture, the terms of the Master
26 Indenture shall govern to the extent of such conflict.

27 Section 19. *Rights of the Master Trustee.* Neither the Master Trustee nor any of its
28 officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable for any action
29 taken or omitted to be taken by it or any such officer, director, employee, agent, attorney-in-fact
30 or affiliate under or in connection with this Pledge Agreement (except for the Master Trustee's
31 or any such person's own negligence or willful misconduct). The Master Trustee undertakes to
32 perform only such duties as are expressly set forth herein. The Master Trustee may rely, and
33 shall be protected in acting or refraining from acting, upon any written notice, instruction or
34 request furnished to it hereunder and believed by it to be genuine and to have been signed or
35 presented by the proper party. The Master Trustee may consult with counsel of its choice and
36 shall have full and complete authorization and protection for any action taken or suffered by it
37 hereunder in good faith and in accordance with the opinion of such counsel. Notwithstanding
38 any provision to the contrary contained herein, the Master Trustee shall not be relieved of
39 liability arising in connection with its own negligence or willful misconduct.

1 Section 20. *Members, Officers and Employees of the State Board of Administration*
2 *and the Corporation Not Liable.* Neither the members, officers and employees of the State
3 Board of Administration nor the members of the Board of Directors or the officers and
4 employees of the Corporation shall be personally liable for any costs, losses, damages or
5 liabilities caused or subsequently incurred by the State Board of Administration or any member,
6 officer, employee or agent thereof in connection with or as a result of this Pledge Agreement.

7 Section 21. *Separate Accounts and Records.* The State Board of Administration and
8 the Corporation represent and covenant, each for itself, that:

9 (i) Each of them will maintain its respective books, financial records and
10 accounts (including, without limitation, inter-entity transaction accounts) in a manner so as to
11 identify separately the assets and liabilities of each such entity; each has observed and will
12 observe all applicable corporate or trust procedures and formalities, including where applicable,
13 the holding of regular periodic and special meetings of governing bodies, the recording and
14 maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if
15 any, adopted at such meetings; and all transactions and agreements between and among them
16 have reflected and will reflect the separate legal existence of each entity and have been and will
17 be formally documented in writing.

18 (ii) Each of them has paid and will pay its respective liabilities and losses
19 from its own respective separate assets, and has compensated and will compensate all
20 consultants, independent contractors and agents from its own funds for services provided to it by
21 such consultants, independent contractors and agents.

22 (iii) None of them has commingled or will commingle any of its assets, funds
23 or liabilities with the assets, funds or liabilities of any other person or entity. Each of them has
24 conducted and will conduct all business between itself and third parties in its own name and
25 separate and distinct from the others.

26 (iv) Neither the assets nor the creditworthiness of the FHCF will be held out as
27 being available for the payment of any liability of the Corporation, and vice versa. Assets will
28 not be transferred by the Corporation to or from the FHCF inconsistently with the Act or with
29 the intent to hinder, delay or defraud creditors.

30 (v) Each of them in its papers and in the statements of its officials has referred
31 and will refer to the others as separate and distinct legal entities; and will take no action that is
32 inconsistent with this Pledge Agreement or that would give any creditor of any of them cause to
33 believe either that any obligation incurred by it would be not only its obligation, but also of
34 another party, or that it were not or would not continue to remain an entity separate and distinct
35 from the others.

36 Section 22. *Transfers to FHCF.* Subject to the provisions of the Act, the Master
37 Indenture and this Pledge Agreement, all money received by the Corporation or the Master
38 Trustee which, together with other money available for the purposes of the Master Indenture,
39 exceeds the amount required for such purposes shall be transferred to the order of the FHCF not
40 later than the times provided therefor in the Master Indenture and in this Pledge Agreement.

1 Section 23. *Severability.* Any provision of this Pledge Agreement that is prohibited,
2 unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to
3 the extent of such prohibition, unenforceability or nonauthorization without invalidating the
4 remaining provisions of this Pledge Agreement or affecting the validity, enforceability or legality
5 of such provision in any other jurisdiction.

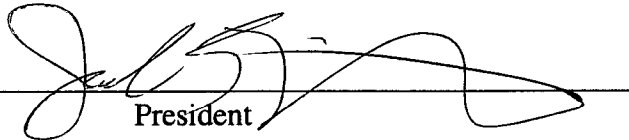
6 Section 24. *Governing Law.* This Pledge Agreement shall be governed by, and
7 construed and interpreted in accordance with, the domestic law of the State.

8 Section 25. *Headings.* Section headings in this Pledge Agreement are included for
9 convenience of reference only and shall not constitute a part of this Pledge Agreement for any
10 other purpose.

11 Section 26. *Counterparts.* This Pledge Agreement may be signed in any number of
12 counterpart copies, and all such copies shall constitute one and the same instrument.

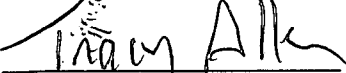
1 IN WITNESS WHEREOF, the parties have caused this Pledge Agreement to be duly
2 executed and delivered as of the date first above written.

3 FLORIDA HURRICANE CATASTROPHE FUND
4 FINANCE CORPORATION

5 By: 
6 President

7 (SEAL)

8 Attest:

9 
10 Secretary
11

12 STATE BOARD OF ADMINISTRATION,
13 acting as the governing body and administrator of the
14 FLORIDA HURRICANE CATASTROPHE FUND

15 By: 
16 Executive Director

17 (SEAL)

18 Attest:

19 
20 Assistant General Counsel
21

22 WELLS FARGO BANK, N.A.
23 Master Trustee
24

25 By: _____
26 [Title]

27 (SEAL)

28 Attest:

29 _____
30 [Title]

1 IN WITNESS WHEREOF, the parties have caused this Pledge Agreement to be duly
2 executed and delivered as of the date first above written.

3 FLORIDA HURRICANE CATASTROPHE FUND
4 FINANCE CORPORATION

5 By: _____
6

7 (SEAL)

8 Attest:
9
10 _____
11

12 STATE BOARD OF ADMINISTRATION,
13 acting as the governing body and administrator of the
14 FLORIDA HURRICANE CATASTROPHE FUND

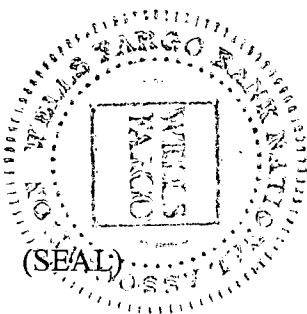
15 By: _____
16

17 (SEAL)

18 Attest:
19
20 _____
21

22 WELLS FARGO BANK, N.A.
23 Master Trustee

24 By:  _____
25 Brian P. Clark, Vice President



27 Attest:
28  _____
29 Title:

1 **MASTER TRUST INDENTURE**

2 **by and between**

3 **FLORIDA HURRICANE CATASTROPHE FUND**
4 **FINANCE CORPORATION**

5 **and**

6 **WELLS FARGO BANK, N.A.,**
7 **as Master Trustee**

8 **Dated as of June 1, 2006**

Table of Contents

Page

Article I. DEFINITIONS AND OTHER PROVISIONS CONCERNING INTERPRETATION

Section 101.	Definitions.....	5
Section 102.	Interpretation.....	19
Section 103.	Status of Parity Obligations	20

Article II. INDEBTEDNESS

Section 201.	Limitation on Incurrence of Indebtedness	20
Section 202.	Details of Bonds.....	21
Section 203.	Execution and Form of Bonds	22
Section 204.	Exchange of Bonds	22
Section 205.	Negotiability and Registration of Transfer of Bonds.....	22
Section 206.	Ownership of Bonds	23
Section 207.	Authentication of Bonds	23
Section 208.	Terms and Conditions for Incurrence of Indebtedness	23
Section 209.	Temporary Bonds.....	24
Section 210.	Mutilated, Destroyed, Lost or Stolen Bonds.....	25
Section 211.	Subordinated Indebtedness	25
Section 212.	Additional Restrictions	26

Article III. REDEMPTION

Section 301.	Redemption Generally	27
--------------	----------------------------	----

Article IV. COSTS OF ISSUANCE FUND

Section 401.	Costs of Issuance Fund	27
Section 402.	Payments from Costs of Issuance Fund	27
Section 403.	Requisitions from Costs of Issuance Fund.....	27
Section 404.	Reliance upon Requisitions.....	28
Section 405.	Disposition of Costs of Issuance Fund Balance.....	28

Article V. APPLICATION OF GROSS RECEIPTS AND NET RECEIPTS; FUNDS AND ACCOUNTS

Section 501.	Establishment of Funds and Accounts.....	28
Section 502.	Gross Receipts Received by the Corporation or the Master Trustee	30
Section 503.	Application of Money in Revenue Fund.....	30
Section 504.	Use of Money for Debt Service Accounts and Reserve Accounts	33
Section 505.	Application of Money in Interest Account and Capitalized Interest Account	34
Section 506.	Application of Money in Principal Account	35
Section 507.	Application of Money in Sinking Fund Account.....	35

1	Section 508.	Deposit and Application of Money in Parity Common Reserve	
2		Account and Any Special Reserve Account; Replenishment of	
3		Deficiencies.....	36
4	Section 509.	Application of Money in Redemption Account.....	38
5	Section 510.	Escheat	40
6	Section 511.	Cancellation of Bonds	40
7	Section 512.	Disposition of Fund Balances	40
8	Section 513.	Use of Available Funds.....	40
9	Article VI. DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS,		
10	INVESTMENT OF FUNDS AND COVENANT AS TO ARBITRAGE		
11	Section 601.	Security for Deposits.....	42
12	Section 602.	Investment of Money	42
13	Section 603.	Valuation.....	44
14	Section 604.	Covenant as to Arbitrage	45
15	Article VII. COVENANTS OF THE CORPORATION AND THE STATE		
16	Section 701.	Security; Restrictions on Encumbering Net Receipts; Payment of	
17	Principal and Interest		45
18	Section 702.	Covenants as to Existence, Etc	46
19	Section 703.	Limitations on Creation of Liens	47
20	Section 704.	Incurrence Test.....	47
21	Section 705.	Fiscal Year End Certificate.....	49
22	Section 706.	Filing of Audited Financial Statements, Certificate of No Default,	
23	Other Information		49
24	Section 707.	Annual Budget	50
25	Section 708.	State Covenant	50
26	Article VIII. DEFAULTS AND REMEDIES		
27	Section 801.	Extension of Interest Payment	50
28	Section 802.	Events of Default	51
29	Section 803.	Acceleration of Maturities	51
30	Section 804.	Remedies.....	52
31	Section 805.	Pro Rata Application of Funds.....	53
32	Section 806.	Effect of Discontinuance of Proceedings.....	55
33	Section 807.	Control of Proceedings	55
34	Section 808.	Restrictions Upon Action.....	55
35	Section 809.	Enforcement of Rights of Action.....	56
36	Section 810.	No Remedy Exclusive.....	56
37	Section 811.	Delay Not a Waiver	56
38	Section 812.	Notice of Default.....	56
39	Section 813.	Right to Enforce Payment of Parity Obligations Unimpaired	56
40	Section 814.	Remedies Subject to Provisions of Law	57
41	Article IX. THE MASTER TRUSTEE AND THE BOND REGISTRAR		
42	Section 901.	Acceptance of Trusts.....	57

1	Section 902.	Indemnification of Master Trustee as Condition for Remedial	
2	Action	58
3	Section 903.	Limitations on Obligations and Responsibilities of Master Trustee.....	58
4	Section 904.	Master Trustee Not Liable for Failure of Corporation to Act.....	59
5	Section 905.	Compensation and Indemnification of Master Trustee and Bond	
6	Registrar	59	
7	Section 906.	Monthly Statements from Master Trustee	59
8	Section 907.	Master Trustee May Rely on Certificates	60
9	Section 908.	Notice of Default.....	60
10	Section 909.	Master Trustee Not Responsible for Recitals	60
11	Section 910.	Master Trustee Protected in Relying on Certain Documents.....	60
12	Section 911.	Master Trustee May Pay Taxes and Assessments	61
13	Section 912.	Resignation and Removal of Master Trustee and Bond	
14	Registrar	Subject to Appointment of Successor	61
15	Section 913.	Resignation of Master Trustee	61
16	Section 914.	Removal of Master Trustee.....	61
17	Section 915.	Appointment of Successor Master Trustee	62
18	Section 916.	Vesting of Duties in Successor Master Trustee	63
19	Section 917.	Removal and Resignation of Bond Registrar.....	63

20 Article X. EXECUTION OF INSTRUMENTS BY OWNERS AND HOLDERS, PROOF
21 OF OWNERSHIP OF BONDS OR PARITY DEBT, AND DETERMINATION OF
22 CONCURRENCE OF OWNERS AND HOLDERS

23	Section 1001.	Execution of Instruments	64
24	Section 1002.	Preservation of Information; Communications.....	64
25	Section 1003.	Credit Provider as Owner or Holder	65

26 Article XI. SUPPLEMENTS AND AMENDMENTS

27	Section 1101.	Supplemental Indentures Without Consent	65
28	Section 1102.	Supplemental Indentures With Consent.....	67
29	Section 1103.	Supplemental Indentures Part of Master Indenture	68
30	Section 1104.	Not a Supplemental Indenture	68
31	Section 1105.	Responsibilities of the Master Trustee.....	68

32 Article XII. DEFEASANCE

33	Section 1201.	Release of Master Indenture	69
----	---------------	-----------------------------------	----

34 Article XIII. MISCELLANEOUS PROVISIONS

35	Section 1301.	Successorship of Corporation	70
36	Section 1302.	Successorship of Depositary and Bond Registrar	70
37	Section 1303.	Manner of Giving Notice	70
38	Section 1304.	Substitute Mailing.....	71
39	Section 1305.	Parties, Bond Registrar, Owners and Holders Alone Have Rights	
40	Under Master Indenture	71
41	Section 1306.	Effect of Partial Invalidity	71
42	Section 1307.	Effect of Covenants; Governing Law	72

1	Section 1308. No Recourse Against Members, Officers or Employees of	
2	Corporation or State Board of Administration.....	72
3	Section 1309. Dealing in Parity Obligations.....	72
4	Section 1310. Headings	72
5	Section 1311. Further Authority	72
6	Section 1312. Payments Due on Non-Business Days.....	73
7	Section 1313. Multiple Counterparts	73
8		

THIS MASTER TRUST INDENTURE (this “Master Indenture”), made and entered into as of the first day of June 1, 2006, by and between Florida Hurricane Catastrophe Fund Finance Corporation, a public benefits corporation, which is an instrumentality of the State of Florida (the “Corporation”), and Wells Fargo Bank, N.A., Jacksonville, Florida, a national banking association duly incorporated under the laws of the United States of America, and being duly qualified to accept and administer the trusts created hereby (the “Master Trustee”),

WITNESSETH:

WHEREAS, Section 215.555, Florida Statutes, as amended (the “Act”), creates the Florida Hurricane Catastrophe Fund, a trust fund established for bond covenants, Master Indentures or resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of Florida (the “FHCF”); and

WHEREAS, the Act provides that the FHCF will be administered by the State Board of Administration of Florida (in its capacity as the governing body and administrator of the FHCF, the State Board of Administration) and that the FHCF will reimburse certain insurers for a portion of their catastrophic hurricane losses, subject to the limitations on such reimbursements set forth in the Act, in order to create additional insurance capacity sufficient to ameliorate the current dangers to the economy of the State and to the public health, safety and welfare of its citizens posed by a lack of an orderly private market for property insurance; and

WHEREAS, the Act creates the Corporation as a public benefits corporation, which is an instrumentality of the State of Florida, to provide a mechanism for the cost-effective and efficient issuance of bonds necessary to enable the FHCF to carry out the purposes of the Act; and

WHEREAS, the purpose of such bonds is to fund reimbursements through the FHCF to pay for the costs of construction, reconstruction, repair, restoration and other costs associated with damage to properties of policyholders of covered policies due to the occurrence of a hurricane; and

WHEREAS, the Act provides for the payment by certain insurers of reimbursement premiums, and for the remittance of emergency assessments from certain policyholders, in the amounts and under the circumstances set forth in the Act and authorizes the pledge of all or any portion of the revenues derived from such reimbursement premiums and emergency assessments, together with the interest earnings thereon, to the payment of the principal of and redemption premium, if any, and interest on bonds issued by the Corporation for the benefit of the FHCF; and

WHEREAS, the Act provides that revenue bonds may not be issued under the Act until validated under Florida Statutes, Chapter 75, and that the validation of at least the first issue of obligations incurred under the Act shall be appealed to the Florida Supreme Court; and

WHEREAS, the Circuit Court of the Second Judicial Circuit of Florida (the “Circuit Court”) validated on November 12, 1996 bonds in the aggregate principal amount of not exceeding \$10 billion, a pledge agreement (“1996 pledge agreement”), a master trust Master Indenture (“1996 master trust Master Indenture”), and related resolutions adopted by the State

1 Board of Administration for the FHCF and by the Board of Directors of the Corporation (“1996
2 resolutions”); and

3 WHEREAS, Florida Supreme Court affirmed on September 18, 1997 the order of the
4 Circuit Court and concluded that “the Florida Hurricane Finance Corporation acted within its
5 authority and complied with all requirements of the law in the issuance of the Hurricane
6 Catastrophe Relief Revenue Bonds;” and

7 WHEREAS, the Corporation obtained from the Internal Revenue Service a private letter
8 ruling dated July 2, 1998 to the effect that the interest on bonds issued by the Corporation and
9 secured by emergency assessments and, to a limited extent, reimbursement premiums would be
10 exempt from federal income tax, and such ruling, limited in term to five years, was renewed on
11 June 13, 2003 through June 30, 2008; and

12 WHEREAS, the Florida Legislature has made several amendments to the Act since its
13 initial enactment in 1993, since validation in 1996 of the bonds, the 1996 master trust Master
14 Indenture, the 1996 pledge agreement and the 1996 resolutions and since receipt in 1998 of the
15 Internal Revenue Service private letter ruling, without vitiating the efficacy of any of the Circuit
16 Court validation, the Supreme Court affirmation of the Circuit Court validation or the private
17 letter ruling; and

18 WHEREAS, the Board of Directors of the Corporation has duly authorized the execution
19 and delivery of this Master Indenture with the Master Trustee, this Master Indenture being
20 intended to preserve the substance of the 1996 master trust indenture while reflecting the
21 provisions of the amendments to the Act since 1996 and the provisions of the Internal Revenue
22 Service private letter ruling and restricting the obligations that the Corporation may incur
23 hereunder to Parity Obligations (as hereinafter defined); and

24 WHEREAS, the State Board of Administration and the Board of Directors of the
25 Corporation have duly authorized the execution and delivery of a pledge and security agreement,
26 dated as of June 1, 2006 (the “Pledge Agreement”), by and among the State Board of
27 Administration, the Corporation and the Master Trustee, which agreement is intended to preserve
28 the substance of the 1996 pledge agreement and to conform to the provisions of the Act as
29 currently in effect, the private letter ruling and this Master Indenture, pursuant to which the State
30 Board of Administration has pledged and assigned to the Corporation certain revenues derived
31 from such reimbursement premiums and emergency assessments, together with the interest
32 earnings thereon, to the payment of the principal of and redemption premium, if any, and interest
33 on such bonds; and

34 WHEREAS, the Office of Insurance Regulation of the State of Florida and the Florida
35 Surplus Lines Service Office have each been notified that, simultaneously with the execution and
36 delivery of the Pledge Agreement and this Master Indenture, Bonds (hereinafter defined) are
37 being issued by the Corporation and that the FHCF has no agreements in effect with local
38 governments, and, therefore, until such date as the Corporation shall have no Bonds Outstanding
39 (hereinafter defined) and subject to the provisions of the Pledge Agreement, the FHCF shall have
40 no right, title or interest in or to such emergency assessments or the interest earnings thereon,
41 except as provided in the Pledge Agreement; and

1 WHEREAS, the Corporation desires to issue and incur its Parity Obligations pursuant to
2 the Act to provide funds to achieve the public purposes of the Act; and

3 WHEREAS, any Bonds issued and any Parity Debt (hereinafter defined) incurred under
4 this Master Indenture will be secured by a pledge of the Net Receipts (hereinafter defined) of the
5 Corporation; and

6 WHEREAS, pursuant to the Act, the Corporation is entering into this Master Indenture
7 for the purpose of authorizing the issuance of Bonds and the incurrence of Parity Debt and
8 securing the payment thereof by assigning its rights in and to the Net Receipts and certain of its
9 rights under the Pledge Agreement; and

10 WHEREAS, under the Constitution and laws of the State of Florida, including the Act,
11 the Corporation is authorized to enter into this Master Indenture, to issue the Bonds and incur
12 Parity Debt as hereinafter provided and to do or cause to be done all the acts and things herein
13 provided or required to be done as hereinafter covenanted; and

14 WHEREAS, all acts, conditions and things required by the Constitution and laws of the
15 State of Florida, including the Act, to happen, exist and be performed precedent to and in the
16 execution and delivery of this Master Indenture have happened, exist and have been performed
17 as so required to make this Master Indenture a valid and binding Master Indenture securing any
18 Bonds and any Parity Debt in accordance with its terms; and

19 WHEREAS, the Master Trustee agrees to accept and administer the trusts created hereby;

20 NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH that in
21 consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby
22 created, and of the issuance of Bonds and the incurrence of any Parity Debt as provided herein,
23 in any Supplemental Indenture (hereinafter defined) and in any Parity Debt Resolution
24 (hereinafter defined), and also for and in consideration of the sum of One Dollar in hand paid to
25 the Master Trustee at or before the execution and delivery of this Master Indenture, and for other
26 good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged,
27 and for the purpose of fixing and declaring the terms and conditions upon which Bonds are to be
28 issued, authenticated, delivered, secured and accepted by all persons who shall from time to time
29 be or become Owners (hereinafter defined), and to secure the payment of all Bonds at any time
30 issued and outstanding under this Master Indenture and any Parity Debt, and the interest and the
31 redemption premium, if any, thereon according to their tenor, purport and effect, and to secure
32 the performance and observance of all the covenants, agreements and conditions, express or
33 implied, therein and herein contained, the Corporation has executed and delivered this Master
34 Indenture, and by this Master Indenture has given, granted, bargained, aliened, remised, released,
35 conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant,
36 bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the
37 Master Trustee, and its successor or successors in trust:

38 1. All Net Receipts of the Corporation;

39 2. All right, title and interest of the Corporation in and to the Pledge Agreement
40 (except for those certain rights that are set forth in the next sentence of this clause), it being the

1 intent and purpose hereof that the assignment and transfer to the Master Trustee of the Pledged
2 Collateral (hereinafter defined) shall be effective and operative immediately and the Master
3 Trustee shall have the right to collect and receive from the FHCF the Pledged Collateral for
4 application in accordance with the provisions hereof at all times during the period from and after
5 the date of this Master Indenture until the indebtedness hereby secured shall have been fully paid
6 and discharged, all subject to the rights of the FHCF to the release of Reimbursement Premiums
7 and Reimbursement Premium Earnings and Emergency Assessments and Emergency
8 Assessment Earnings as provided in the Pledge Agreement and this Master Indenture. The
9 Corporation specifically reserves from this assignment the following rights: (a) to receive all
10 notices, opinions, certificates, copies of documents, instruments, reports and correspondence, and
11 evidence of certain actions by the State Board of Administration, acting on behalf of the FHCF,
12 required to be delivered to the Corporation under the Pledge Agreement; (b) to grant approvals
13 and consents and make determinations when required under the Pledge Agreement; (c) to be
14 indemnified pursuant to the Pledge Agreement; and (d) those exculpations from liability
15 conferred upon the members, officers and employees of the Corporation in the Pledge
16 Agreement; provided that the reservation of the aforementioned rights shall not prevent the
17 Master Trustee from enforcing the same on behalf of the Corporation, the Owners and the
18 Holders (hereinafter defined), and the Corporation is to remain liable to observe and perform all
19 the covenants, agreements and conditions, express or implied, therein and herein contained; and

20 3. All money and securities held by or on behalf of the Master Trustee in all of the
21 funds, accounts or subaccounts established pursuant to this Master Indenture, except those funds,
22 accounts and subaccounts that are expressly pledged in a Supplemental Indenture as security
23 only for the Series of Bonds authorized by such Supplemental Indenture or in a Parity Debt
24 Resolution as security only for the Parity Debt authorized by such Parity Debt Resolution, and,
25 in the case of Tax-Exempt Parity Obligations, except those funds, accounts and subaccounts that
26 are expressly set aside in a Supplemental Indenture or Parity Debt Resolution for the purpose of
27 making rebate, yield reduction or similar payments to the United States of America in order to
28 maintain the tax status of the Tax-Exempt Parity Obligations;

29 TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby
30 conveyed and assigned, or agreed or intended so to be, to the Master Trustee and its successor or
31 successors in trust and to them and their assigns forever; but

32 IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the benefit,
33 security and protection of all and singular the present and future Owners of the Bonds issued or
34 to be issued under and secured by this Master Indenture and the Holders of any Parity Debt
35 secured by this Master Indenture, without preference, priority or distinction as to lien or
36 otherwise, except as may otherwise be provided herein, of any one Bond or Parity Debt over any
37 other Bond or Parity Debt by reason of priority in their issue, sale or otherwise, all as herein
38 provided;

39 PROVIDED, HOWEVER, that if the Corporation, its successors or assigns, shall well
40 and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this
41 Master Indenture, of the principal of all Parity Obligations and the interest and any redemption
42 premium due or to become due thereon, at the times and in the manner mentioned in the Parity
43 Obligations and this Master Indenture, according to the true intent and meaning hereof and

1 thereof, and shall cause the payments to be made into the Bond Fund (hereinafter defined) or
2 otherwise as required under this Master Indenture, and shall pay or cause to be paid to the Master
3 Trustee all sums of money due or to become due to it in accordance with the terms and
4 provisions hereof and perform all of its other obligations hereunder, then, upon such
5 performance and payments, this Master Indenture and the rights hereby granted shall cease,
6 determine and become void, as provided in Article XII of this Master Indenture; otherwise this
7 Master Indenture to be and remain in full force and effect.

8 THIS MASTER INDENTURE FURTHER WITNESSETH and it is expressly declared
9 that all Bonds issued and secured hereunder and any Parity Debt secured hereunder are to be
10 issued, authenticated (if applicable), delivered and dealt with, the respective rights of all Owners
11 of the Bonds and Holders of Parity Debt are to be set forth, and all said property hereby given,
12 granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set-
13 over and pledged is to be dealt with and disposed of, under, upon and subject to the terms,
14 conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter
15 expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant,
16 with the Master Trustee and with the respective Owners and Holders, from time to time, of Parity
17 Obligations, or any part hereof, as follows:

18 Article I.

19
20 DEFINITIONS AND OTHER PROVISIONS
21 CONCERNING INTERPRETATION

22 Section 101. Definitions. For the purposes hereof, unless the context otherwise
23 indicates, the following words and phrases shall have the following meanings:

24 “Accreted Amount” means with respect to Capital Appreciation Bonds, the amount set
25 forth in the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds
26 as the amount representing the initial public offering price, plus the accumulated and
27 compounded interest on such Capital Appreciation Bonds.

28 “Act” means Section 215.555, Florida Statutes, as amended, or any successor statute.

29 “Audited Financial Statements” means the combined financial statements of the FHCF
30 and the Corporation for a 12-month period, or for such other period for which an audit has been
31 performed, that have been audited and reported upon by an Auditor in accordance with generally
32 accepted auditing standards.

33 “Auditor” means an independent certified public accountant or firm of independent
34 public accountants selected by the State Board of Administration.

35 “Authorized Officer of the Corporation” means each person who is authorized by
36 resolution of the Governing Body of the Corporation to perform the duties imposed on an
37 Authorized Officer of the Corporation by this Master Indenture and whose name is filed with the
38 Master Trustee for such purpose.

1 “Authorized Officer of the State Board of Administration” means each person who is
2 authorized by resolution of the Governing Body of the FHCF to perform the duties imposed on
3 an Authorized Officer of the State Board of Administration by this Master Indenture and whose
4 name is filed with the Master Trustee for such purpose.

5 “Balloon Indebtedness” means Indebtedness twenty-five percent (25%) or more of the
6 principal payments of which are due in a single Fiscal Year, which portion of the principal is not
7 required by the documents pursuant to which such Indebtedness is incurred to be amortized by
8 payment or redemption prior to such year.

9 “Bond” or “Bonds” means the bonds or notes issued under the provisions hereof and
10 secured on a parity with each other and any Parity Debt by this Master Indenture.

11 “Bond Fund” means the Florida Hurricane Catastrophe Fund Finance Corporation Bond
12 Fund created and so designated by Section 501(b) hereof.

13 “Bond Registrar” means, with respect to any Series of Bonds, the Bond Registrar at the
14 time serving as such under the Supplemental Indenture authorizing the issuance of such Series,
15 whether the original or a successor Bond Registrar.

16 “Business Day” means a day on which the Corporation, the Fund, the Master Trustee and
17 each Bond Registrar are open for the purpose of conducting their businesses.

18 “Capital Appreciation Bonds” means Bonds the interest on which is compounded at the
19 rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such
20 Bonds and is payable upon redemption or on the maturity date of such Bonds. Nothing in this
21 Master Indenture shall prohibit the Corporation from designating in such Supplemental Indenture
22 any such Bonds by a name other than Capital Appreciation Bonds.

23 “Capitalized Interest Account” means the account in the Bond Fund created and so
24 designated by Section 501 hereof.

25 “Code” means the Internal Revenue Code of 1986, as amended, and all regulations
26 promulgated thereunder.

27 “Consultant” means a firm or firms which are not, and no member, director, officer,
28 trustee or employee of which is, an officer, director, trustee or employee of the Corporation, the
29 FHCF, the State Board of Administration or the State, and which has a national reputation for
30 having the skill and experience necessary to render the particular report or recommendations
31 required by the provision hereof in which such requirement appears.

32 “Contract Year” means the term of the reimbursement contracts between the State Board
33 of Administration and insurers writing Covered Policies.

34 “Corporation” means the Florida Hurricane Catastrophe Fund Finance Corporation, a
35 public benefits corporation, which is an instrumentality of the State, and its legal successors.

1 “Corpus Earnings” means Corpus Earnings as defined in Section 1 of the Pledge
2 Agreement.

3 “Costs of Issuance” means those costs that are payable from Bond proceeds with respect
4 to the authorization, sale and issuance of Bonds, deposits to the funds, accounts and subaccounts
5 established by this Master Indenture and any Supplemental Indenture, underwriting fees,
6 auditors' or accountants' fees, printing costs, costs of reproducing documents, filing and
7 recording fees, fees and expenses of fiduciaries, legal fees and charges, professional consultants'
8 fees, costs of credit ratings, fees and charges for the execution, transportation and safekeeping of
9 Bonds, governmental charges, costs of entering into Derivative Agreements, obtaining
10 Investment Obligations and establishing or obtaining Credit Facilities, and other costs, charges
11 and fees in connection with the foregoing.

12 “Costs of Issuance Fund” means the Florida Hurricane Catastrophe Fund Finance
13 Corporation Costs of Issuance Fund created and so designated by Section 401 hereof.

14 “Covered Event” means Covered Event as defined in the Act.

15 “Credit Facility” means a line of credit, letter of credit, standby bond purchase
16 agreement, bond insurance policy or similar liquidity or credit facility established or obtained in
17 connection with the issuance of any Bonds, incurrence of any other Parity Debt or incurrence of
18 any Subordinated Indebtedness.

19 “Credit Provider” means the Person providing a Credit Facility, as designated in the
20 Supplemental Indenture authorizing the issuance of a Series of Bonds or in the Parity Debt
21 Resolution authorizing the incurrence of Parity Debt or in the Subordinated Indebtedness
22 Resolution authorizing the incurrence of Subordinated Indebtedness.

23 “Cross-over Date” means, with respect to Cross-over Refunding Indebtedness, the date
24 on which the principal portion of the related Cross-over Refunded Indebtedness is to be paid or
25 redeemed from the proceeds of such Cross-over Refunding Indebtedness.

26 “Cross-over Refunded Indebtedness” means Indebtedness refunded by Cross-over
27 Refunding Indebtedness.

28 “Cross-over Refunding Indebtedness” means Indebtedness issued for the purpose of
29 refunding other Indebtedness if the proceeds of such Cross-over Refunding Indebtedness are
30 irrevocably deposited in escrow to secure the payment on the applicable redemption date or
31 maturity date of the Cross-over Refunded Indebtedness, and the earnings on such escrow deposit
32 (i) are required to be applied to pay interest on such Cross-over Refunding Indebtedness until the
33 Cross-over Date and (ii) shall not be used directly or indirectly to pay interest on the Cross-over
34 Refunded Indebtedness.

35 “Current Expenses of the Corporation” means all expenses incurred by the Corporation in
36 the administration of the Corporation, including, without limiting the generality of the foregoing,
37 arbitrage rebate and penalties, all administrative expenses, salaries and other compensation,
38 personnel expenses properly chargeable to the Corporation, fees and expenses incurred for
39 professional consultants and fiduciaries, including the fees and expenses of the Master Trustee

1 and any Bond Registrar, and all Current Expenses of the Corporation so identified in this Master
2 Indenture, a Parity Resolution, a Subordinated Indebtedness Resolution or any other resolution
3 adopted by the Governing Body of the Corporation, but Current Expenses of the Corporation
4 shall not include (i) depreciation or amortization, (ii) any deposit to any fund, account and
5 subaccount established under this Master Indenture or any Supplemental Indenture or any
6 payment of principal, redemption premium, if any, and interest on any Bonds from any such
7 fund, account and subaccount or (iii) any debt service payment in respect of Parity Debt or
8 Subordinated Indebtedness.

9 "Current Interest Bonds" means Bonds the interest on which is payable on the Interest
10 Payment Dates provided therefor in the Supplemental Indenture authorizing the issuance of such
11 Bonds.

12 "Debt Service Coverage Ratio" means, for any period of time, the ratio determined by
13 dividing the Premium and Assessment Revenue Available for Debt Service by the Maximum
14 Debt Service Requirement.

15 "Debt Service Requirement" means, for any period of twelve (12) consecutive calendar
16 months for which such determination is made, the aggregate of the payments to be made in
17 respect of principal and interest (whether or not separately stated) on Outstanding Indebtedness
18 during such period, also taking into account:

19 (i) with respect to Balloon Indebtedness, the amount of principal which would be
20 payable in such period if such principal were amortized from the date of incurrence thereof over
21 a period of thirty (30) years on a level debt service basis, at an interest rate equal to the current
22 market rate for a fixed rate, 30-year obligation, set forth in an opinion, delivered to the Master
23 Trustee, of a banking institution or an investment banking institution, selected by the
24 Corporation and knowledgeable in municipal finance, as the interest rate at which the Person
25 that incurred such Indebtedness could reasonably expect to borrow the same by incurring
26 Indebtedness with the same term as assumed above; provided, however, that if the date of
27 calculation is within twelve (12) calendar months of the actual final maturity of such
28 Indebtedness, the full amount of principal payable at maturity shall be included in such
29 calculation;

30 (ii) with respect to Indebtedness which is Variable Rate Indebtedness, the interest on
31 such Indebtedness shall be calculated at the rate which is equal to the average of the actual
32 interest rates which were in effect (weighted according to the length of the period during which
33 each such interest rate was in effect) for the most recent twelve-month period immediately
34 preceding the date of calculation for which such information is available (or shorter period if
35 such information is not available for a twelve-month period), except that with respect to new
36 Variable Rate Indebtedness, the interest rate on such Indebtedness on the date of its incurrence
37 shall be calculated at the lesser of (a) the initial rate at which such Indebtedness is incurred and
38 (b) the rate certified by a banking institution or an investment banking institution, selected by
39 the Corporation and knowledgeable in municipal finance, as being the average rate such
40 Indebtedness would have borne for the most recent twelve-month period immediately preceding
41 the date of calculation if such Indebtedness had been outstanding for such period, and thereafter
42 shall be calculated as set forth above; provided, however, that if the Corporation enters into a

1 Derivative Agreement with respect to such Indebtedness, the interest on such Indebtedness shall
2 be calculated as set forth in clause (iv) below;

3 (iii) with respect to any Credit Facility, (a) to the extent that such Credit Facility has
4 not been used or drawn upon, the principal and interest relating to the reimbursement obligation
5 for such Credit Facility shall not be included in the Debt Service Requirement and (b) to the
6 extent that such Credit Facility shall have been drawn upon, the payment provisions of such
7 Credit Facility with respect to repayment of principal and interest thereon shall be included in
8 the Debt Service Requirement;

9 (iv) with respect to Derivative Indebtedness, the interest on such Indebtedness during
10 any Derivative Period thereunder shall be calculated by adding (a) the amount of interest
11 payable by the Corporation pursuant to its terms and (b) the amount payable by the Corporation
12 under the Derivative Agreement and subtracting (c) the amount payable by the Derivative
13 Agreement Counterparty at the rate specified in the Derivative Agreement, except that to the
14 extent that the Derivative Agreement Counterparty has defaulted on its payment obligations
15 under the Derivative Agreement, the amount of interest payable by the Corporation from the
16 date of default shall be the interest calculated as if such Derivative Agreement had not been
17 executed;

18 (v) subject to the provisions of clause (iv) above, to the extent that any Indebtedness
19 incurred pursuant to this Master Indenture requires that the Corporation pay the principal of or
20 interest on such Indebtedness in any currency or currencies other than United States dollars, in
21 calculating the amount of the Debt Service Requirement, the currency or currencies in which
22 the Corporation is required to pay shall be converted to United States dollars using a conversion
23 rate equal to the applicable conversion rate in effect on a date that is not more than thirty (30)
24 days prior to the date on which such Indebtedness is incurred;

25 (vi) in the case of Indebtedness a feature of which is an option on behalf of the
26 Owners or Holders to tender to the Corporation or the Master Trustee, or any agent of either, all
27 or a portion of such Indebtedness, the options of such Owners or Holders shall be ignored,
28 provided that such Indebtedness shall have the benefit of a Credit Facility and the institution or
29 a guarantor of its obligations shall have ratings from at least two of the Rating Agencies in not
30 less than one of the two highest short-term rating categories (without gradations such as plus or
31 minus); and

32 (vii) in the case of Indebtedness, having the benefit of a Credit Facility that provides
33 for a term loan facility that requires the payment of the Principal of such Indebtedness in one (1)
34 year or more, such Indebtedness shall be considered Balloon Indebtedness and shall be assumed
35 to have the maturity schedule provided clause (i)(a) of this definition;

36 provided, however, that interest shall be excluded from the determination of Debt Service
37 Requirement to the extent that provision for payment of the same is made from the proceeds of
38 the Indebtedness or otherwise provided so as to be available for deposit into the Capitalized
39 Interest Account or similar account not later than the date of delivery of and payment for such
40 Indebtedness or the reissuance date of any Pre-Event Parity Obligations reissued Post-Event as
41 Parity Obligations; and provided further that, notwithstanding the foregoing, the aggregate of the

1 payments to be made with respect to principal of and interest on Outstanding Indebtedness shall
2 not include principal and/or interest payable from Qualified Escrow Funds.

3 “Defeasance Obligations” means, unless modified by the terms of a Parity Resolution, (i)
4 noncallable, nonprepayable Government Obligations, (ii) evidences of ownership of a
5 proportionate interest in specified noncallable, nonprepayable Government Obligations, which
6 Government Obligations are held by a bank or trust company organized and existing under the
7 laws of the United States of America or any state or territory thereof in the capacity of custodian,
8 (iii) Defeased Municipal Obligations and (iv) evidences of ownership of a proportionate interest
9 in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by
10 a bank or trust company organized and existing under the laws of the United States of America
11 or any state or territory thereof in the capacity of custodian.

12 “Defeased Municipal Obligations” means, to the extent from time to time permitted by
13 law, obligations of state or local government municipal bond issuers rated in the highest rating
14 category by any two Rating Agencies and provision for the payment of the principal of and
15 redemption premium, if any, and interest on which shall have been made by irrevocable deposit
16 with a trustee or escrow agent of noncallable, nonprepayable Government Obligations, which
17 Government Obligations are held by a bank or trust company organized and existing under the
18 laws of the United States of America or any state or territory thereof in the capacity as custodian,
19 the maturing principal of and interest on which Government Obligations, when due and payable,
20 shall have been verified by an independent certified public accountant or firm of independent
21 certified public accountants to be sufficient to pay the principal of and redemption premium, if
22 any, and interest on such obligations of state or local government municipal bond issuers.

23 “Depository” means one or more banks or trust companies or other institutions, including,
24 the Master Trustee, duly authorized by law to engage in the banking business and designated by
25 the Corporation as a depository of moneys under this Master Indenture.

26 “Derivative Agreement” means (i) any contract known as or referred to or which
27 performs the function of an interest rate swap agreement, currency swap agreement, forward
28 payment conversion agreement or futures contract; (ii) any contract providing for payments
29 based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock
30 or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv)
31 any type of contract called, or designed to perform the function of, interest rate floors or caps,
32 options, puts or calls or to hedge or minimize any type of financial risk, including, without
33 limitation, payment, currency, rate or other financial risk; and (v) any other type of contract or
34 arrangement that the Corporation determines is to be used, or is intended to be used, to manage
35 or reduce the cost of Indebtedness, to convert any element of Indebtedness from one form to
36 another, to maximize or increase investment return, to minimize investment return risk or to
37 protect against any type of financial risk or uncertainty.

38 “Derivative Agreement Counterparty” means, with respect to a Derivative Agreement,
39 the Person that is identified in such agreement as the counterparty to, or contracting party with,
40 the Corporation.

1 “Derivative Agreements Account” means the account in the Revenue Fund created and so
2 designated by Section 501 hereof.

3 “Derivative Indebtedness” means Indebtedness or any portion thereof with respect to
4 which the Corporation shall have entered into a Derivative Agreement.

5 “Derivative Period” means the period during which a Derivative Agreement is in effect.

6 “Emergency Assessment Base” means the total of direct written premium reported for all
7 assessable lines of insurance under the Act.

8 “Emergency Assessments” means Emergency Assessments as defined in Section 1 of the
9 Pledge Agreement.

10 “Emergency Assessments Account” means the account in the Revenue Fund created and
11 so designated by Section 501 hereof.

12 “Emergency Assessment Earnings” means Emergency Assessment Earnings as defined in
13 Section 1 of the Pledge Agreement.

14 “Event of Default” means any one or more of those events set forth in Section 802
15 hereof.

16 “FHCF” means Florida Hurricane Catastrophe Fund, a trust fund established for bond
17 covenants, indentures or resolutions within the meaning of Section 19(f)(3), Article III of the
18 State Constitution, and its legal successors.

19 “Fiscal Year” means the fiscal year of the FHCF, which shall be the period beginning on
20 July 1 of each year and ending on June 30 of the following year, unless the Master Trustee is
21 notified in writing by an Authorized Officer of the State Board of Administration of a change in
22 such period, in which case the Fiscal Year shall be the period set forth in such notice. The
23 Corporation shall have the same Fiscal Year as the FHCF.

24 “Fitch” means Fitch Inc., and its legal successors, provided that references to “Fitch” are
25 effective only so long as Fitch is a Rating Agency.

26 “Governing Body” means, with respect to the Corporation, its board of directors or other
27 board of individuals or designees in which the powers of the Corporation are vested under the
28 Act. With respect to the FHCF, “Governing Body” means the State Board of Administration.

29 “Government Obligations” means direct obligations of, and obligations the principal of
30 and interest on which are unconditionally guaranteed by, the United States of America.

31 “Gross Receipts” means all revenues, income, receipts and money (other than proceeds of
32 borrowing) received in any period by or on behalf of the Corporation, including, without
33 limitation, (a) Emergency Assessments, (b) Emergency Assessment Earnings, (c)
34 Reimbursement Premiums, (d) Reimbursement Premium Earnings, (e) Other Pledged Money, (f)
35 proceeds derived from (i) securities and other investments and (ii) contract rights and other rights

1 and assets now or hereafter owned, held or possessed by the Corporation and (g) interest or
2 investment income on all investments, including investments of proceeds of any Pre-Event
3 Indebtedness incurred by the Corporation.

4 “Holder” means the holder or owner of Parity Debt.

5 “Incurrence Test” means the test for the incurrence for Parity Obligations established by
6 Section 704.

7 “Indebtedness” means all obligations incurred or assumed by any Person:

8 (i) for payments of principal and interest with respect to borrowed money, including
9 any obligation to repay a Credit Provider for moneys drawn to pay and retire Indebtedness; and

10 (ii) for payments under leases which are required to be capitalized in accordance with
11 generally accepted accounting principles and under installment sale or conditional sale
12 contracts; and

13 (iii) for payments under installment sale or conditional sale contracts.

14 provided, however, that Indebtedness shall include only Parity Obligations and Subordinated
15 Indebtedness and that any obligation constituting Indebtedness to pay a Credit Provider for
16 moneys drawn to purchase, but not pay and retire, indebtedness shall constitute Indebtedness
17 only to the extent such payments are in excess of any scheduled payments of principal and
18 interest required to be made to such Credit Provider as an Owner or Holder of such Indebtedness.

19 “indebtedness” means all indebtedness for any of the following:

20 (i) for payments of principal and interest with respect to borrowed money;

21 (ii) for payments on leases which are required to be capitalized in accordance with
22 generally accepted accounting principles; and

23 (iii) for payments on installment sale or conditional sale contracts.

24 “Interest Account” means the account in the Bond Fund created and so designated by
25 Section 501 hereof.

26 “Interest Payment Date” means, with respect to any Series of Bonds, each of the interest
27 payment dates provided for in the Supplemental Indenture authorizing the issuance of such
28 Series.

29 “Investment Obligations” means any investment authorized under Section 215.47,
30 Florida Statutes, as amended from time to time, or any successor statute.

31 “Lien” means any mortgage, deed of trust or pledge of, security interest in or
32 encumbrance on any Property of the Corporation that secures any indebtedness incurred by the
33 Corporation.

1 “Master Indenture” means the Master Trust Indenture as supplemented.

2 “Master Trust Indenture” means this Master Trust Indenture, dated as of June 1, 2006, as
3 amended.

4 “Master Trustee” means Wells Fargo Bank, N.A., Jacksonville, Florida, and its
5 successors in the trusts created under this Master Indenture.

6 “Maximum Debt Service Requirement” means at the date of calculation the greatest Debt
7 Service Requirement for the current or any succeeding Fiscal Year.

8 “Moody’s” means Moody’s Investors Service, Inc., and its legal successors, provided that
9 references to “Moody’s” are effective only so long as Moody’s is a Rating Agency.

10 “Net Receipts” for any particular period means the excess of Gross Receipts after the
11 payment of Current Expenses of the Corporation for such period.

12 “Officer’s Certificate” means a certificate signed by an Authorized Officer of the
13 Corporation or an Authorized Officer of the State Board of Administration, as the case may be.

14 Each Officer’s Certificate presented pursuant to this Master Indenture shall state that it is
15 being delivered pursuant to (and shall identify the section or subsection of), and shall incorporate
16 by reference and use in all appropriate instances all terms defined in, this Master Indenture. Each
17 Officer’s Certificate shall state that (i) the terms thereof are in compliance with the requirements
18 of the section or subsection pursuant to which such Officer’s Certificate is delivered or shall state
19 in reasonable detail the nature of any non-compliance and the steps being taken to remedy such
20 non-compliance and (ii) it is being delivered together with any opinions, schedules, statements or
21 other documents required in connection therewith. Each Officer’s Certificate may state that the
22 certification is made to the best knowledge of such officer.

23 “Opinion of Counsel” means an opinion in writing signed by (i) an attorney or firm of
24 attorneys, selected by the Corporation and not unacceptable to the Master Trustee, or (ii) an
25 attorney employed by the State or any agency thereof whose duties include responsibility for
26 legal matters of the Corporation. Such opinion may rely on Officer’s Certificates and other
27 Opinions of Counsel and may contain customary exceptions and qualifications.

28 “Other Pledged Money” means Other Pledged Money as defined in Section 1 of the
29 Pledge Agreement.

30 “Outstanding”, when used with reference to Bonds, means, as of a particular date, all
31 Bonds theretofore authenticated and delivered under this Master Indenture, except:

32 (a) Bonds theretofore cancelled by any Bond Registrar or delivered to any
33 Bond Registrar or the Master Trustee for cancellation;

34 (b) Bonds in exchange for or in lieu of which other Bonds have been
35 authenticated and delivered under this Master Indenture; and

(c) Bonds paid or deemed to have been paid in accordance with the defeasance or like provisions of the Supplemental Indenture delivered in connection with the issuance of such Bonds;

provided, however, that in determining whether the Owners of the requisite principal amount of outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by or under the control of the Corporation or the FHCF or any other obligor upon the Bonds shall be disregarded and deemed not to be outstanding, except that the term "obligor upon the Bonds" shall not include any Credit Provider unless otherwise provided in a Supplemental Indenture, and except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Master Trustee knows to be so owned or controlled shall be so disregarded. Bonds so owned or controlled which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Corporation, the FHCF or any other obligor upon the Bonds except a Credit Provider.

The Corporation may provide in a Parity Resolution as to when any Parity Obligations that are Variable Rate Indebtedness shall be deemed no longer to be Outstanding hereunder in a manner not inconsistent with the above definition.

The Corporation may provide in a Parity Debt Resolution as to when any Parity Debt shall be deemed no longer to be outstanding hereunder in a manner not inconsistent with the above definition.

When used with reference to Indebtedness other than Parity Obligations, "Outstanding" means, as of a particular date, all Indebtedness deemed to be outstanding under the documents pursuant to which it was incurred.

"Owner" means a Person in whose name a Bond is registered in the registration books provided for in Section 205 hereof.

"Parity Common Reserve Account" means the account in the Bond Fund created and so designated by Section 501 hereof.

"Parity Common Reserve Account Requirement" means, with respect to all Parity Obligations secured by the Parity Common Reserve Account, the least of the following: (i) the sum of ten percent (10%) of the stated principal amount of each Series of Bonds secured by the Parity Common Reserve Account (adjusted as provided in the Code), (ii) the Maximum Annual Debt Service Requirement on all such Outstanding Parity Obligations, and (iii) one hundred twenty-five percent (125%) of the average annual Debt Service Requirements on all such Parity Obligations. The Parity Common Reserve Account Requirement may be satisfied with cash, Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing, as the Corporation may determine from time to time.

"Parity Debt" means all Parity Obligations incurred or assumed by the Corporation and not evidenced by Bonds which (a) is designated as Parity Debt in the documents pursuant to which it was incurred, (b) is incurred in compliance with the provisions of Section 704 hereof or

1 is a reimbursement obligation for a Credit Facility supporting Parity Obligations incurred in
2 compliance with the provisions of Section 704 hereof, and (c) may be accelerated only in
3 compliance with the procedures set forth in Section 803 hereof.

4 “Parity Debt Resolution” means the resolution and any other documents, instruments or
5 agreements adopted or executed by the Corporation providing for the incurrence of Parity Debt.

6 “Parity Obligations” means Bonds and Parity Debt.

7 “Parity Resolution” means a Supplemental Indenture or a Parity Debt Resolution, or both,
8 as the case may be, authorizing the issuance of a Series of Bonds or the incurrence of Parity
9 Debt.

10 “Parity Tax-Exempt Obligations” means Tax-Exempt Bonds and Tax-Exempt Parity
11 Debt.

12 “Person” includes an individual, association, unincorporated organization, corporation,
13 limited liability company, partnership, joint venture, trust, state trust fund, unincorporated
14 organization, and a government or an agency or a political subdivision thereof, as well as natural
15 persons.

16 “Pledge Agreement” means the Pledge and Security Agreement, dated as of June 1, 2006,
17 by and among the Corporation, the State Board of Administration and the Master Trustee,
18 including any amendments or supplements thereto.

19 “Pledged Collateral” means Pledged Collateral as defined in Section 1 of the Pledge
20 Agreement.

21 “Predecessor Bonds” of any particular Bond means every previous Bond evidencing all
22 or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this
23 definition, any Bond authenticated and delivered under Section 210 hereof in lieu of a lost,
24 destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or
25 stolen Bond.

26 “Post-Event” when used in connection with Bonds, other Parity Obligations or the
27 proceeds thereof refers to the issuance of Parity Obligations following the occurrence of a
28 Covered Event (i) to pay reimbursement at levels promised in reimbursement contracts for which
29 moneys credited to the Corpus of the Fund are insufficient, as authorized by the provisions (other
30 than the last sentence) of Section 215.555(6)(a)1 of the Act or (ii) to refund other Post-Event
31 Indebtedness or to refund Pre-Event Indebtedness issued or incurred prior to such Covered
32 Event.

33 “Pre-Event” when used in connection with Bonds, other Parity Obligations or the
34 proceeds thereof refers to the issuance of Parity Obligations “in the absence of” a Covered Event,
35 as authorized by the last sentence of Section 215.555(6)(a)1 of the Act.

36 “Pre-Event Bonds Investment Account” means the account in the Revenue Fund created
37 and so designated by Section 501 hereof.

1 “Premium and Assessment Revenue Available For Debt Service” means the pro forma
2 amount, indicated in an Officer’s Certificate of the State Board of Administration delivered to
3 the Master Trustee, that is certified by such Officer to be the excess, over the Current Expenses
4 of the FHCF and the Current Expenses of the Corporation, of the sum of (a) the amount of
5 Revenues from Reimbursement Premiums and Reimbursement Premium Earnings received by
6 the FHCF in any 12 consecutive months of the last 18 calendar months preceding the date of
7 such Certificate, taking into consideration and adjusted for (1) any changes in the Act or other
8 applicable law or regulation (described in such Officer’s Certificate) that would prospectively
9 affect the amount of such Reimbursement Premiums to be received in the current or future Fiscal
10 Years, and (2) any actuarially indicated adjustments to the Reimbursement Premiums that have
11 been determined for, or are reasonably expected to take effect subsequent to the applicable 12-
12 month period and in, the current or following Fiscal Year, as shall be set forth in such Officer’s
13 Certificate, and (b) the amount of Revenues from Emergency Assessments, such amount being
14 the product obtained by multiplying (1) the maximum assessment percentage permitted by the
15 Act on the date of such Certificate by (2) the most recently available 12-month Emergency
16 Assessment Base, all as demonstrated in such Officer’s Certificate.

17 “Principal” means (a) with respect to any Capital Appreciation Bond, the Accreted
18 Amount thereof (the difference between the stated amount to be paid at maturity and the
19 Accreted Amount being deemed unearned interest), except as used in connection with the
20 authorization and issuance of Bonds and with the order of priority of payments of Bonds after an
21 Event of Default, in which case “principal” means the initial public offering price of a Capital
22 Appreciation Bond and the difference between the Accreted Amount and the initial public
23 offering price shall be deemed to be interest and (b) with respect to any Current Interest Bond,
24 the principal amount of such Bond payable at maturity or in satisfaction of a Sinking Fund
25 Requirement, if applicable.

26 “Principal Account” means the account in the Bond Fund created and so designated by
27 Section 501 hereof.

28 “Property” means any and all rights, titles and interests in and to any and all property
29 whether real or personal, tangible or intangible and wherever situated.

30 “Qualified Escrow Funds” means amounts deposited in a segregated escrow fund or
31 other similar fund or account established in connection with Indebtedness, which amounts in
32 such fund or account are required by the documents establishing such fund or account to be
33 applied to the payment obligations with respect to principal of or interest on the the
34 Indebtedness.

35 “Rating Agencies” means each of Fitch, Moody’s, S&P and any other nationally
36 recognized statistical rating organization that has, at the request of the State Board of
37 Administration, a rating in effect for the Bonds.

38 “Redemption Account” means the account in the Bond Fund created and so designated
39 by Section 501 hereof.

1 “Redemption Price” means, with respect to any Indebtedness or portion thereof, the
2 principal amount of such Indebtedness or portion called for redemption plus the applicable
3 premium, if any, payable upon redemption thereof.

4 “Regular Record Date” means, with respect to any Series of Bonds, the regular record
5 date, if any, provided for in the Supplemental Indenture authorizing the issuance of such Series.

6 “Reimbursement Premiums” means Reimbursement Premiums as defined in Section 1 of
7 the Pledge Agreement.

8 “Reimbursement Premiums Account” means the account in the Revenue Fund created
9 and so designated by Section 501 hereof.

10 “Reimbursement Premium Earnings” means Reimbursement Premium Earnings as
11 defined in Section 1 of the Pledge Agreement.

12 “Reserve Alternative Instrument” means an irrevocable insurance policy or surety bond
13 or an irrevocable letter of credit, guaranty or other facility deposited in the Parity Common
14 Reserve Account or a Special Reserve Account in lieu of or in partial substitution for the deposit
15 of cash and Investment Obligations in satisfaction of the Parity Common Reserve Account
16 Requirement or a Special Reserve Account Requirement.

17 “Revenue Available For Debt Service” means, for any period of time, the excess of
18 Revenues, including the investment income from the investment of the proceeds of any Pre-
19 Event Parity Obligations (but not any other Parity Obligations), over the sum of the Current
20 Expenses of the FHCF and the Current Expenses of the Corporation.

21 “Revenue Fund” means the Florida Hurricane Catastrophe Fund Finance Corporation
22 Revenue Fund created and so designated by Section 501(a) hereof.

23 “Revenues” means revenues of the FHCF and the Corporation, as determined in
24 accordance with generally accepted accounting principles, including, without limitation,
25 Reimbursement Premiums, Reimbursement Premium Earnings, Emergency Assessments,
26 Emergency Assessment Earnings and the income derived from the investment of the proceeds of
27 any Pre-Event Parity Obligations (but not any other Indebtedness); provided, however, that (i) no
28 determination thereof shall take into account any gain or loss resulting from the extinguishment
29 of Indebtedness and (ii) no determination thereof shall take into account the value of any
30 Derivative Agreement or any payments made by the Derivative Agreement Counterparty in
31 accordance with the terms of such Derivative Agreement; provided further, however, that
32 Revenues shall not include (I) the income from the investment of Qualified Escrow Funds or of
33 proceeds of Pre-Event Indebtedness to the extent such income is applied to the payment of
34 interest on Indebtedness which is excluded from the determination of the Debt Service
35 Requirement and (II) the proceeds of any Indebtedness.

36 “S&P” means Standard & Poor’s Rating Services, and its legal successors, provided that
37 references to S&P are effective only so long as S&P is a Rating Agency.

1 “Securities Depository” means The Depository Trust Company, New York, New York,
2 or any other recognized securities depository selected by the Corporation, which maintains a
3 book-entry system in respect of a Series of Bonds, and shall include any substitute for or
4 successor to the securities depository initially acting as Securities Depository.

5 “Securities Depository Nominee” means, as to any Securities Depository, such Securities
6 Depository or the nominee of such Securities Depository in whose name there shall be registered
7 on the registration books maintained by the Bond Registrar the Bond certificates to be delivered
8 to and immobilized at such Securities Depository during the continuation of participation with
9 such Securities Depository in its book-entry system.

10 “Serial Bonds” means the Bonds of any Series that are stated to mature in annual or
11 semiannual installments.

12 “Series,” whenever used herein with respect to Bonds, means all of the Bonds designated
13 as being of the same series.

14 “Short-Term Indebtedness” means all Indebtedness incurred for borrowed money, other
15 than the current portion of Indebtedness and other than Short-Term Indebtedness excluded from
16 this definition as provided in the definition of Indebtedness, for any of the following:

17 (i) money borrowed for an original term, or renewable at the option of the borrower
18 for a period from the date originally incurred, of one year or less;

19 (ii) leases which are capitalized in accordance with generally accepted accounting
20 principles having an original term, or renewable at the option of the lessee for a period from the
21 date originally incurred, of one year or less; and

22 (iii) installment sale or conditional sale contracts having an original term of one year
23 or less.

24 “Sinking Fund Account” means the account in the Bond Fund created and so designated
25 by the provisions of Section 501 hereof.

26 “Sinking Fund Requirement” means, with respect to any Series of Bonds, the Sinking
27 Fund Requirement provided in the Supplemental Indenture authorizing the issuance of such
28 Series.

29 “Special Reserve Account” means a special debt service reserve account created by a
30 Parity Resolution as a debt service reserve account only for the particular Parity Obligations
31 authorized by such Parity Resolution.

32 “Special Reserve Account Requirement” means the amount to be deposited or maintained
33 in a Special Reserve Account pursuant to the Parity Resolution creating such Special Reserve
34 Account. The Special Reserve Account Requirement may be satisfied with cash, Investment
35 Obligations, a Reserve Alternative Instrument or any combination of the foregoing, as the
36 Corporation may determine from time to time.

1 “State” means the State of Florida.

2 “State Board of Administration” means the State Board of Administration, acting as the
3 governing and administrator of the FHCF, and its legal successors.

4 “State Covenant” means the State’s covenant recited in Section 708 hereof.

5 “Subordinated Indebtedness” means Indebtedness the terms of which shall provide that it
6 shall be subordinate and junior in right of payment to the prior payment in full of Parity
7 Obligations to the extent and in the manner set forth in Section 211 hereof.

8 “Subordinated Indebtedness Resolution” means the resolution and any other documents,
9 instruments or agreements adopted or executed by the Corporation providing for the incurrence
10 of Subordinated Indebtedness. If the Subordinated Indebtedness shall have the benefit of a
11 Credit Facility, the reimbursement obligation for such Credit Facility shall provide for
12 repayments on a subordinated basis and the term Subordinated Indebtedness Resolution shall
13 include any reimbursement agreement or similar repayment agreement executed and delivered
14 by the Corporation in connection with the provision of such Credit Facility for such
15 Subordinated Indebtedness.

16 “Supplemental Indenture” means a resolution of the Governing Body of the Corporation
17 authorizing any particular Series of Bonds, together with a Supplemental Indenture executed and
18 delivered by the Corporation in connection with the issuance of such Series of Bonds, that is
19 required to be executed and delivered by the terms of this Master Indenture prior to the issuance
20 of such Series.

21 “Tax-Exempt Bonds” means all Bonds so identified in the Supplemental Indenture
22 authorizing the issuance of such Bonds.

23 “Tax-Exempt Parity Debt” means all Parity Debt so identified in the Parity Debt
24 Resolution authorizing the incurrence of such Parity Debt.

25 “Tax-Exempt Parity Obligations” means collectively all Tax-Exempt Bonds and all
26 Parity Debt.

27 “Term Bonds” means the Bonds of any Series, other than Serial Bonds, that are
28 designated as such in the Supplemental Indenture authorizing the issuance of such Series.

29 “Variable Rate Indebtedness” means any portion of Indebtedness the interest rate on
30 which is not established at the time of incurrence at a fixed or constant rate until maturity.

31 Section 102. Interpretation. (a) Any reference herein to any officer or member of the
32 Corporation or the State Board of Administration shall include those who succeed to their
33 functions, duties or responsibilities pursuant to or by operation of law or who are lawfully
34 performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include all other genders.

(c) Unless the context otherwise indicates, the word “including” means “including without limitation” and the word “or” is used in its inclusive sense.

(d) Where the character or amount of any asset, liability or item of income or expense is required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes hereof or of any agreement, document or certificate executed and delivered in connection with or pursuant to this Master Indenture, the same shall be done in accordance with generally accepted accounting principles.

(e) Headings of articles and sections herein and in the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(f) Provisions calling for the redemption of Indebtedness or the calling of Indebtedness for redemption do not mean or include the payment of Indebtedness at its stated maturity or maturities.

(g) Unless otherwise provided by a Supplemental Indenture, all times refer to Eastern Time.

Section 103. Status of Parity Obligations. PARITY OBLIGATIONS ISSUED UNDER THIS MASTER INDENTURE SHALL NOT CONSTITUTE A DEBT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF NOR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE CORPORATION DOES NOT HAVE THE POWER OR AUTHORITY TO LEVY ANY TAX.

Article II.

INDEBTEDNESS

Section 201. Limitation on Incurrence of Indebtedness. (a) The Corporation may incur Indebtedness by issuing Bonds or incurring Parity Debt hereunder or by creating Subordinated Indebtedness under any other document. The principal amount of Parity Obligations evidencing Indebtedness that may be created hereunder and the principal amount of Indebtedness created under other documents are not limited, except as limited by the provisions hereof, including Section 704, or the provisions of any Parity Resolution. Parity Obligations issued or incurred hereunder or Indebtedness otherwise incurred by the Corporation shall constitute the special and limited obligations of the Corporation payable from the Net Receipts of the Corporation.

(b) No Bonds may be issued nor Parity Debt incurred under this Master Indenture except in accordance with the provisions of this Article. The principal of and the interest on and the redemption premium, if any, on all Parity Obligations issued and incurred

1 under the provisions of this Master Indenture shall be payable solely from the moneys and assets
2 pledged by this Master Indenture and the respective Supplemental Indentures for their payment.
3 All covenants, agreements and provisions of this Master Indenture shall be for the benefit and
4 security of all present and future Owners and Holders without preference, priority or distinction
5 as to lien or otherwise, except as otherwise hereinafter provided or as provided in any Parity
6 Resolution, of any one Parity Obligation over any other Parity Obligation by reason of priority in
7 the issue, sale or negotiation thereof, or otherwise.

8 (c) Parity Obligations shall be issued or incurred in such forms as may from
9 time to time be created by Parity Resolutions permitted hereunder. Each Parity Obligation or
10 series of Parity Obligations shall be created by a different Parity Resolution and shall be
11 designated in such a manner as will differentiate such Parity Obligation from any other Parity
12 Obligation.

13 (d) The Corporation and the Master Trustee may from time to time enter into
14 a Supplemental Indenture or the Corporation may from time to time adopt a Parity Debt
15 Resolution in order to create Parity Obligations hereunder. Each such Parity Resolution shall,
16 with respect to a Parity Obligation evidencing Indebtedness created thereby, set forth the date
17 thereof, and the date or dates on which the principal of and redemption premium, if any, and
18 interest on such Parity Obligation shall be payable, and the form of such Parity Obligation and
19 such other terms and provisions as shall conform with the provisions hereof.

20 (e) With respect to Parity Obligations created hereunder, simultaneously with
21 or prior to the execution, authentication and delivery of such Parity Obligations evidencing such
22 Indebtedness pursuant to this Master Indenture:

23 (i) All requirements and conditions to the issuance of such Parity
24 Obligations, if any, set forth in the Parity Resolution or in this Master Indenture shall have been
25 complied with and satisfied, as provided in an Officer's Certificate, a certified copy of which
26 shall be delivered to the Master Trustee;

27 (ii) The Corporation shall have delivered to the Master Trustee an
28 Opinion of Counsel to the effect that (1) registration of such Parity Obligations under the
29 Securities Act of 1933, as amended, and qualification of this Master Indenture or the Parity
30 Resolution under the Trust Master Indenture Act of 1939, as amended, are not required, or, if
31 such registration or qualification is required, that all applicable registration and qualification
32 provisions of said acts have been complied with, and (2) the Master Indenture and the Parity
33 Obligations are valid, binding and enforceable obligations of the Corporation in accordance with
34 their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent
35 conveyance and other laws affecting creditors' rights generally and usual equity principles.

36 Section 202. Details of Bonds. Bonds authorized hereunder may be issued in one or
37 more Series that may be delivered from time to time. The Corporation shall by Supplemental
38 Indenture authorize such Series and shall specify, to the extent appropriate, (1) the authorized
39 principal amount of such Series, (2) the purposes to be financed with the proceeds of such Series,
40 or the Bonds or other indebtedness to be refunded or refinanced with the proceeds thereof,
41 including costs of issuance; (3) the creation of a debt service reserve account for such Series, if

1 any; (4) the date and terms of maturity or maturities of the Bonds of such Series, or the dates of
2 payment of the Bonds on the demand of the Owner thereof; (5) the interest rate or rates of the
3 Bonds of such Series, which may include variable, adjustable, convertible or other rates, original
4 issue discount, Capital Appreciation Bonds, Current Interest Bonds, municipal multipliers or
5 other deferred interest arrangements and zero interest rate Bonds, provided that the interest cost
6 of such Series shall never exceed for such Series the maximum interest rate, if any, permitted by
7 law in effect at the time such Series is issued; (6) the Interest Payment Dates for such Series of
8 Bonds; (7) the denominations, numbering, lettering and series designation of such Series of
9 Bonds; (8) the Bond Registrar or paying agents and place or places of payment of such Bonds;
10 (9) the Redemption Prices for such Series of Bonds and any terms of redemption not inconsistent
11 with the provisions of this Master Indenture, which may include redemption at the election of the
12 Owner thereof to the extent permitted by law; (10) the amount and date of each mandatory
13 redemption requirement, if any, for such Series of Bonds; (11) the use to be made of the
14 proceeds of such Series of Bonds, including deposits required to be made into the appropriate
15 account of the Costs of Issuance Fund, the Capitalized Interest Account, the Interest Account and
16 any debt service reserve account; and (12) any other terms or provisions applicable to the Series
17 of Bonds not inconsistent with the provisions of this Master Indenture or the Act. All of the
18 foregoing may be added by a Supplemental Indenture executed and delivered by the Corporation
19 and the Master Trustee at any time or from time to time prior to the issuance of such Series of
20 Bonds.

21 Section 203. Execution and Form of Bonds. The definitive Bonds are issuable as
22 permitted or required and shall be executed as provided by the respective Supplemental
23 Indenture providing for the issuance of Bonds of any Series. Bonds may be issued under a book-
24 entry system and held by a Securities Depository. All Bonds may have endorsed thereon such
25 legends or text as may be necessary or appropriate to conform to the applicable rules and
26 regulations of any governmental authority or any securities exchange on which the Bonds may
27 be listed or to any requirement of law with respect thereto.

28 Section 204. Exchange of Bonds. Bonds may, at the option of the Owner thereof, be
29 exchanged, as provided by the Supplemental Indenture pursuant to which such Bonds were
30 issued, for an equal aggregate principal amount of Bonds of the same Series and maturity, of any
31 authorized denomination or denominations, bearing interest at the same rate and in the same
32 form as the Bonds surrendered for exchange. The Corporation shall make provision for the
33 exchange of Bonds at the designated corporate trust office of the Bond Registrar.

34 Section 205. Negotiability and Registration of Transfer of Bonds. The Bond Registrar
35 shall keep books for the registration and the registration of transfer of the Series of Bonds as to
36 which it is Bond Registrar as provided in this Master Indenture. The registration books shall be
37 available at all reasonable times for inspection by the Corporation and any Owner of such Bonds
38 and may be copied by either of the foregoing and their agents or representatives.

39 The Bond Registrar shall evidence acceptance of the duties, responsibilities and
40 obligations of the Bond Registrar under this Master Indenture and the applicable Supplemental
41 Indenture by the execution of the certificate of authentication on the related Series of Bonds.

1 Section 206. Ownership of Bonds. The Corporation, the Master Trustee, the Bond
2 Registrar and any agent of the Corporation, the Master Trustee or the Bond Registrar, may treat
3 the person in whose name any Bond is registered, including any Securities Depository Nominee,
4 as the Owner of such Bond for the purpose of receiving payment of the principal of and
5 premium, if any, and interest on such Bond, and for all other purposes whatsoever, whether or
6 not such Bond be overdue, and, to the extent permitted by law, neither the Corporation, the
7 Master Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary.

8 Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a
9 certificate of authentication substantially in the form set forth in the Supplemental Indenture
10 pursuant to which such Bonds are issued, duly executed as provided in the Supplemental
11 Indenture, shall be entitled to any benefit or security under this Master Indenture. No Bond shall
12 be valid or become obligatory for any purpose unless and until such certificate of authentication
13 on the Bond has been duly executed and dated as provided in the Supplemental Indenture, and
14 such certificate upon any such Bond shall be conclusive evidence that such Bond has been duly
15 authenticated and delivered under this Master Indenture. The certificate of authentication on any
16 Bond shall be deemed to have been duly executed and dated if signed by an authorized officer of
17 the party authorized under the Supplemental Indenture but it shall not be necessary that the same
18 officer sign the certificate of authentication on all of the Bonds or any Series thereof that may be
19 issued hereunder at any one time.

20 Section 208. Terms and Conditions for Incurrence of Indebtedness. (a) The
21 Corporation covenants and agrees that it will not incur any Indebtedness if, after giving effect to
22 all other Indebtedness incurred by the Corporation, such Indebtedness could not be incurred
23 pursuant to this Section 208. Indebtedness may be incurred only in the manner and pursuant to
24 the terms set forth in the following subsections.

25 (b) Parity Obligations may be incurred if, prior to incurrence thereof, the
26 Corporation shall file or cause to be filed with the Master Trustee an Officer's Certificate (which
27 may rely upon certificates or other evidence prepared by the officials of the Fund) demonstrating
28 and stating that the Incurrence Test, if applicable by its terms, will be met with respect to such
29 separate issuance of Parity Obligations. The Corporation may incur Parity Obligations in one or
30 more separate issuances, which Parity Obligations may be issued in any form or combination of
31 forms permitted by this Master Indenture.

32 (c) Before any Bonds shall be issued or Parity Debt incurred, the Corporation
33 shall execute and deliver a Supplemental Indenture or adopt a Parity Resolution authorizing the
34 issuance of such Bonds or the incurrence of such Parity Debt, fixing the amount and the details
35 thereof as provided in Section 202 hereof and describing in brief and general terms the purpose
36 for issuing such Parity Obligations. Bonds may be issued and Parity Debt may be incurred for
37 any purpose permitted under the Act.

38 (d) The Supplemental Indenture may determine to use the Parity Common
39 Reserve Account or to establish a Special Reserve Account for such Series of Bonds and fix the
40 provisions with respect thereto or not to establish any debt service reserve account.

1 (e) The Bonds of each Series shall be designated "Florida Hurricane
2 Catastrophe Fund Finance Corporation Hurricane Catastrophe Revenue Bonds [Notes],
3 [Refunding] Series" (inserting the year such Bonds are issued and any other distinctive
4 letter or number), shall be stated to mature, subject to the right of prior redemption as therein set
5 forth, on the date or dates specified therein, in such year or years not later than thirty (30) years
6 from their date, shall bear interest at a rate or rates not exceeding the maximum rate then
7 permitted by law, shall be numbered and shall have such redemption provisions (subject to the
8 provisions of Article III of this Master Indenture), all as provided in the Supplemental Indenture.
9 Except as to any differences in the maturities thereof or in the rate or rates of interest or the
10 provisions for redemption or the provisions regarding the respective accounts and subaccounts
11 within the Interest Account, the Principal Account, the Sinking Fund Account and the
12 Redemption Account, and any provisions with respect to the Parity Common Reserve Account or
13 a Special Reserve Account, all such Bonds shall be on a parity with each other and any Parity
14 Debt and shall be entitled to the same benefit and security of this Master Indenture, including, in
15 particular, the pledge of Net Receipts.

16 (f) The proceeds (including accrued interest) of the Parity Obligations shall
17 be applied simultaneously with the delivery thereof the Bonds as provided in the Parity
18 Resolution for the particular Parity Obligations.

19 (g) In the case of Parity Obligations issued to refund Outstanding Parity
20 Obligations, the Corporation may direct the Master Trustee (i) to withdraw moneys and
21 Investment Obligations from the appropriate accounts in the Revenue Fund and from
22 subaccounts in the Principal Account, Interest Account and Parity Common Reserve Account or
23 Special Reserve Account to the extent that, following the issuance of such refunding Parity
24 Obligations and the defeasance of such refunded Parity Obligations, such moneys and
25 Investment Obligations would be in excess of the requirements of this Master Indenture and (ii)
26 to set aside such moneys and Investment Obligations so withdrawn, together with proceeds of
27 the refunding Parity Obligations and any other moneys provided by the Corporation, to effect the
28 defeasance of such refunded Parity Obligations in accordance with the provisions of the Parity
29 Resolution applicable to the refunded Parity Obligations.

30 (h) Subordinated Indebtedness may be incurred subject to the provisions of
31 Section 211 hereof.

32 Section 209. Temporary Bonds. Until the definitive Bonds of any Series are ready for
33 delivery, there may be executed, and upon direction of the Corporation, the Bond Registrar shall
34 deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as
35 to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in
36 denominations permitted by the applicable Supplemental Indenture for the definitive Bonds,
37 substantially of the tenor hereinabove set forth, with such appropriate omissions, insertions and
38 variations as may be required. The Corporation shall cause the definitive Bonds to be prepared
39 and to be executed and delivered to the Bond Registrar, and the Bond Registrar, upon
40 presentation to it of any temporary Bond, shall cancel the same or cause the same to be canceled
41 and shall authenticate and deliver, in exchange therefor, at the place designated by the Owner,
42 without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same
43 aggregate principal amount, maturing on the same date and bearing interest at the same rate as

1 the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall be entitled to
2 the same benefit of this Master Indenture, as the definitive Bonds to be issued and authenticated
3 hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready
4 for exchange, interest on temporary Bonds shall be paid when due and notation of such payment
5 shall be endorsed thereon.

6 Section 210. Mutilated, Destroyed, Lost or Stolen Bonds. The Corporation shall cause
7 to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like date,
8 number and tenor in exchange and substitution for and upon the cancellation of any mutilated
9 Bond, or in lieu of and in substitution for any destroyed, lost or stolen Bond, and the Owner shall
10 pay the reasonable expenses and charges of the Corporation in connection therewith. Prior to the
11 delivery of a substitute Bond, the Owner of any Bond which was destroyed, lost or stolen shall
12 file with the Bond Registrar evidence satisfactory to it of the destruction, loss or theft of such
13 Bond and of the Owner's ownership thereof and shall furnish to the Corporation and to the Bond
14 Registrar such security or indemnity as may be required by them to save each of them harmless
15 from all risks, however remote.

16 Every Bond issued pursuant to the provisions of this Section in exchange or substitution
17 for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional
18 contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Bonds are
19 found at any time or are enforceable by anyone, and shall be entitled to all the benefits and
20 security hereof equally and proportionately with any and all other Bonds of the same Series duly
21 issued under this Master Indenture.

22 Section 211. Subordinated Indebtedness. (a) Subordinated Indebtedness may be
23 incurred by the Corporation from time to time for any purpose for which Parity Obligations may
24 be issued under Section 208 hereof. Except to the extent otherwise expressly provided in this
25 Master Indenture, Subordinated Indebtedness shall be issued in compliance, to the extent
26 applicable, with the provisions of Section 208 hereof setting forth certain terms and conditions
27 for the issuance of Bonds.

28 In addition, the following conditions must be met for the issuance of Subordinated
29 Indebtedness:

30 (1) The Corporation shall adopt a Subordinated Indebtedness Resolution
31 authorizing the incurrence of any such Subordinated Indebtedness and setting
32 forth the amount and details thereof.

33 (2) Any such Subordinated Indebtedness shall be incurred pursuant to the
34 provisions of the Act.

35 (b) In the event (1) any Subordinated Indebtedness is declared or otherwise becomes due
36 and payable before its stated maturity because of the occurrence of an event of default occurring
37 under the documents pursuant to which such Subordinated Indebtedness was incurred, and such
38 declaration has not been rescinded and annulled, or (2) any Event of Default under this Master
39 Indenture shall occur and be continuing with respect to Parity Obligations and (i) written notice
40 of such default shall have been given to the Corporation and (ii) judicial proceedings shall be

1 commenced in respect of such Event of Default within 180 days in the case of a default in
2 payment of principal of or interest on Parity Obligations and within 90 days in the case of any
3 other default after the giving of such notice, then the Owners and Holders shall be entitled to
4 receive payment in full of all principal, premium and interest on all Parity Obligations before the
5 holders of the Subordinated Indebtedness are entitled to receive any payment on account of
6 principal or interest upon such Subordinated Indebtedness, and to that end the Owners and
7 Holders shall be entitled to receive for application in payment thereof any payment or
8 distribution of any kind or character, whether in cash or property or securities, which may be
9 payable or deliverable in any such proceedings in respect of the Subordinated Indebtedness after
10 giving effect to any concurrent payment or distribution in respect of such Parity Obligations.

11 Nothing contained in the definition "Subordinated Indebtedness" or elsewhere in this
12 Master Indenture, or in any Subordinated Indebtedness, shall (1) affect the obligation of the
13 Corporation to make, or prevent the Corporation from making, at any time except during the
14 continuance of any Event of Default under this Master Indenture, payments of principal of or
15 premium, if any, or interest on the Subordinated Indebtedness or of amounts to be available as a
16 sinking fund for such Subordinated Indebtedness, or (2) prevent the application by the Master
17 Trustee or any paying agent of any moneys held by the Master Trustee or such paying agent in
18 trust for the benefit of the holders of the Subordinated Indebtedness as to which notice of
19 redemption shall have been mailed or published at least once prior to the happening of an Event
20 of Default under this Master Indenture, to the payment of or on account of the principal of and
21 premium, if any, and interest on such Subordinated Indebtedness, or (3) prevent the application
22 by the Master Trustee or any paying agent of any moneys deposited, prior to the happening of
23 any Event of Default under this Master Indenture, with the Master Trustee or such paying agent
24 in trust for the purpose of paying a specified installment or installments of interest on the
25 Subordinated Indebtedness, to the payment of such installments of interest on such Subordinated
26 Indebtedness.

27 The Corporation's obligation to pay any and all amounts to the Derivative Agreement
28 Counterparty with respect to Derivative Indebtedness, other than its regularly scheduled payment
29 liability, shall constitute Subordinated Indebtedness.

30 Section 212. Additional Restrictions. A Parity Resolution or a Subordinated
31 Indebtedness Resolution may establish restrictions, in addition to those established in this Master
32 Indenture, including additional restrictions as to the application of Net Receipts after the
33 payments required by Section 504(a), (b) and (c) hereof and additional restrictions on the
34 incurrence of Indebtedness in addition to those set forth in Section 704 hereof.

Article III.

REDEMPTION

Section 301. Redemption Generally. The Bonds of any Series issued under this Master Indenture may be made subject to redemption, at such times and prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Bonds.

Article IV.

COSTS OF ISSUANCE FUND

Section 401. Costs of Issuance Fund. A special fund is hereby established with the Master Trustee and designated the "Florida Hurricane Catastrophe Fund Finance Corporation Costs of Issuance Fund". The proceeds of any Series of Bonds to be used for Costs of Issuance shall be deposited upon the delivery of such Series of Bonds in a separate account to be established by the Supplemental Indenture providing for the issuance of such Series of Bonds.

The money in the Costs of Issuance Fund shall be held by the Master Trustee in trust and, pending application to the payment of Costs of Issuance, or transfer as provided herein or in any Supplemental Indenture, shall, to the extent permitted by law, be subject to a lien and charge in favor of the Owners of the Series of Bonds, and shall be held for the security of such Owners.

Section 402. Payments from Costs of Issuance Fund. All Costs of Issuance incurred in connection with a Series of Bonds shall be paid from the relevant account in the Costs of Issuance Fund.

Section 403. Requisitions from Costs of Issuance Fund. Payments from the Costs of Issuance Fund shall be made in accordance with the provisions of this Section. Before any payment shall be made, there shall be filed with the Master Trustee a requisition, signed by an Authorized Officer of the Corporation, stating or identifying:

- (a) the number of such requisition,
- (b) the respective amounts to be paid,
- (c) the name of the Person to whom such payment is due,
- (d) that the obligation in the stated amount has been incurred by the Person to whom such payment is due, is presently due and payable, and is a proper charge against the Costs of Issuance Fund that has not been paid, and
- (e) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such Person to receive payment of, the amount stated in such requisition has been filed or attached or, if any of the foregoing has been filed or attached, that the same either has been or will be satisfied or discharged or that provisions have been made

(which shall be specified) to protect adequately the Master Trustee and the Owners from incurring any loss as a result of the same.

Any requisition filed with the Master Trustee may be accompanied by a certificate of an Authorized Officer of the State Board of Administration, together with such documents or writings as such Authorized Officer shall deem necessary or appropriate, certifying or verifying the accuracy of any of the matters or items contained in such requisition.

Upon receipt of each requisition, the Master Trustee shall pay the obligations set forth in such requisition out of money in the applicable account in the Costs of Issuance Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Master Trustee designated for such purpose by the Master Trustee. If for any reason the Corporation should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Master Trustee and thereupon the Master Trustee shall not make such payment.

Section 404. Reliance upon Requisitions. All requisitions and certifications received by the Master Trustee as conditions of payment from the Costs of Issuance Fund may be conclusively relied upon by the Master Trustee. Such requisitions and certifications shall be retained by the Master Trustee for a period of time not less than that required by the law of the State for the retention of public records and shall be subject at all reasonable times to examination by the Corporation, the State Board of Administration and the Owners of Bonds then Outstanding.

Section 405. Disposition of Costs of Issuance Fund Balance. When all Costs of Issuance related to a Series of Bonds have been paid, which fact shall be evidenced to the Master Trustee by an Officer's Certificate delivered to the Master Trustee by an Authorized Officer of the Corporation, the Master Trustee shall transfer any money then remaining in the relevant account in the Costs of Issuance Fund as directed in writing by an Authorized Officer of the Corporation, and the Corporation may apply the same, subject to Section 604 hereof, for any purpose permitted under the Act which will not cause the interest on any Series of Tax-Exempt Bonds to become includable in the gross income of the Owners thereof for federal income tax purposes.

Article V.

APPLICATION OF GROSS RECEIPTS AND NET RECEIPTS; FUNDS AND ACCOUNTS

Section 501. Establishment of Funds and Accounts. In addition to the Costs of Issuance Fund, there are hereby established the following funds and accounts:

(a) Florida Hurricane Catastrophe Fund Finance Corporation Revenue Fund, in which there are established four special accounts to be known as the Emergency Assessments Account, the Reimbursement Premiums Account, the Pre-Event Bonds Investment Income Account and the Derivative Agreements Account; and

1 (b) Florida Hurricane Catastrophe Fund Finance Corporation Bond Fund, in
2 which there are established six special accounts to be known as the Capitalized Interest Account,
3 the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account
4 and the Parity Common Reserve Account.

5 A Parity Resolution may provide for the creation of a Special Reserve Account for the
6 Parity Obligations authorized by such Parity Resolution and for the deposit of amounts to and the
7 withdrawal of amounts from such Special Reserve Account. A Special Reserve Account may be
8 established with and maintained by the Master Trustee in the Bond Fund or by a Depositary in
9 which case the Account shall be deemed to be part of the Bond Fund, as the Corporation may
10 determine. A Parity Resolution may also provide for the creation of such other accounts and
11 subaccounts as the Corporation may determine for the Parity Obligations authorized by such
12 Parity Resolution.

13 The Revenue Fund and the Bond Fund and the accounts and subaccounts therein shall be
14 established with and held by the Master Trustee.

15 The money in the Bond Fund and all of the accounts and subaccounts therein established
16 pursuant to this Article V shall be held in trust and applied as hereinafter provided and, pending
17 such application, the money in the Bond Fund and the accounts and subaccounts therein shall be
18 subject to a pledge, charge and lien in favor of the Owners of the respective Series of Bonds
19 issued and Outstanding under this Master Indenture and for the further security of such Owners,
20 except as otherwise provided herein or in any Supplemental Indenture.

21 Each Supplemental Indenture shall provide, to the extent applicable, for the creation of a
22 separate subaccount within the Capitalized Interest Account, the Interest Account, the Principal
23 Account, the Redemption Account and the Sinking Fund Account with respect to each Series of
24 Bonds, which subaccounts shall bear the designation of such Series of Bonds. A Supplemental
25 Indenture may provide that the Bonds authorized thereby may be additionally secured by the
26 Parity Common Reserve Account or a Special Reserve Account or it may provide that there shall
27 not be any debt service reserve account established in respect of such Series of Bonds. If a
28 Series of Bonds shall be additionally secured by a Special Reserve Account or shall not be
29 additionally secured by any debt service reserve account, such Series of Bonds shall have no
30 claim on the Parity Common Reserve Account.

31 Each Parity Debt Resolution may provide for the creation of such funds and accounts as
32 the Corporation may determine, including an account for the payment of interest as mentioned in
33 Section 504(a) hereof, an account or accounts for the payment of principal, whether at maturity
34 or pursuant to an amortization requirement, as mentioned in Section 504(b) hereof or a debt
35 service reserve account, which may be the Parity Common Reserve Account or a Special
36 Reserve Account, as mentioned in Section 504(c) hereof.

37 Each Parity Resolution shall be filed with the Master Trustee on or prior to the date of
38 issuance of any Parity Obligations and shall contain or be accompanied by a schedule of
39 payments with respect to such Parity Obligations.

1
2 Section 502. Gross Receipts Received by the Corporation or the Master Trustee.

3 Except as hereinafter provided, all Gross Receipts and all proceeds of any Derivative
4 Agreement received by the Corporation or the Master Trustee for the account of the Corporation
5 shall be deposited when received in the Revenue Fund as follows:

6 (a) Emergency Assessments and Emergency Assessment Earnings shall be
7 deposited to the credit of the Emergency Assessments Account;

8 (b) Reimbursement Premiums and Reimbursement Premium Earnings shall be
9 deposited to the credit of the Reimbursement Premiums Account;

10 (c) investment income from the investment of proceeds of Pre-Event Bonds
11 shall be deposited to the credit of the Pre-Event Bonds Investment Income Account; and

12 (d) proceeds of any Derivative Agreement shall be deposited to the credit of
13 the Derivative Agreements Account.

14 No money deposited in any of the Emergency Assessments Account, the Reimbursement
15 Premiums Account, the Pre-Event Bonds Investment Income Account, the Derivative
16 Agreements Account or any other account or subaccount established in the Revenue Fund shall
17 be commingled with, and instead shall be segregated from, money deposited to the credit of the
18 any other such Account or any other account or subaccount established in the Revenue Fund.

19 A Parity Resolution may provide for the creation of such other accounts or subaccounts
20 in the Revenue Fund as the Corporation may determine for the deposit of any other Gross
21 Receipts received by the Corporation or the Master Trustee for the account of the Corporation,
22 including, without limitation, any Other Pledged Money, and may also establish restrictions, in
23 addition to those established in this Master Indenture, as to the deposit of such Gross Receipts to
24 such accounts or subaccounts and the application of amounts deposited therein.

25 Section 503. Application of Money in Revenue Fund. (a) Except as hereinafter
26 provided, moneys in the Revenue Fund shall be withdrawn by the Master Trustee at the times
27 and in the amounts provided herein or in Parity Resolutions but only in the manner and order
28 specified in this Master Indenture.

29 (b) The Master Trustee shall withdraw immediately from the Reimbursement
30 Premiums Account, and, to the extent the amount is insufficient for the purpose, from the Pre-
31 Event Bonds Investment Account, and transfer to the Corporation, or, if so directed in writing by
32 an Authorized Officer of the Corporation, to a Depositary for the account of the Corporation, the
33 balance of the amount included in the Corporation's annual budget (which may be revised from
34 time to time), delivered to the Master Trustee pursuant to Section 707 hereof, for the payment of
35 Current Expenses of the Corporation in the current Fiscal Year and not previously so transferred.
36 Current Expenses of the Corporation shall be a first charge against the Revenue Fund and shall
37 be paid by the Corporation from the amount so transferred from the Revenue Fund; provided,
38 however, that nothing in this Master Indenture shall prevent the Corporation from paying any

1 Current Expenses of the Corporation from moneys to the credit of the Emergency Assessments
2 Account or any other funds legally available to the Corporation for such purpose to the extent
3 that moneys to the credit of the Reimbursement Premiums Account and the Pre-Event Bonds
4 Investment Account are insufficient for the purpose. The Current Expenses of the Corporation
5 shall be paid by the Corporation as the same become due and payable in conformity with the
6 applicable budgetary and payment procedures of the Corporation.

7 (c) (i) At such time or times as are specifically provided for in this Master
8 Indenture, in any Parity Resolution or in any Derivative Agreement, the Master Trustee shall
9 withdraw from the Revenue Fund the amounts necessary to make the deposits or payments
10 required by Section 504(a), (b) and (c) hereof.

11 (ii) So long as any Post-Event Bonds or Post-Event Parity Debt is
12 Outstanding, the Master Trustee shall withdraw from the Emergency Assessments Account the
13 amounts necessary to make the deposits or payments required by Section 504(a), (b) or (c)
14 hereof with respect to such Post-Event Bonds or Post-Event Parity Debt, and, if and to the
15 extent that the amounts on deposit to the credit of the Emergency Assessments Account are
16 insufficient to make such deposits or payments, the Master Trustee shall withdraw from the
17 Reimbursement Premiums Account, the Derivative Agreements Account or any other account
18 or subaccount established in the Revenue Fund, in the order of priority provided for in the
19 Supplemental Indenture or Parity Debt Resolution authorizing the issuance or incurrence of
20 such Post-Event Bonds or Post-Event Parity Debt, as the case may be, the amounts necessary to
21 satisfy such deposits or payments.

22 (iii) So long as any Bonds (other than Post-Event Bonds) or Parity Debt
23 (other than Post-Event Parity Debt), including Pre-Event Bonds, is Outstanding, the Master
24 Trustee shall withdraw, immediately following any withdrawal required by subsection (b), from
25 the Reimbursement Premiums Account and, subsequent to such withdrawal, from the Pre-Event
26 Bonds Investment Income Account, the Derivative Agreements Account or any other account or
27 subaccount established in the Revenue Fund (other than the Emergency Assessments Account)
28 in the order of priority provided for in the Supplemental Indenture or Parity Debt Resolution
29 authorizing the issuance or incurrence of such Bonds or Parity Debt, as the case may be, the
30 amounts necessary to make the deposits or payments required by Section 504(a), (b) or (c)
31 hereof with respect to such Bonds or Parity Debt, and, if and to the extent that the amounts on
32 deposit to the credit of the Reimbursement Premiums Account, the Pre-Event Bonds Investment
33 Income Account, the Derivative Agreements Account or any other account or subaccount
34 established in the Revenue Fund are insufficient to make such deposits or payments, the Master
35 Trustee shall withdraw from the Emergency Assessments Account the amounts necessary to
36 satisfy such deposits or payments; provided, however, in the case of Pre-Event Bonds, the
37 Master Trustee shall draw first from the Reimbursement Premiums Account and then from the
38 Pre-Event Bonds Investment Income Account, prior to making any withdrawal from any of such
39 other Accounts or any other account or subaccount.

40 (d)(i) If at any time the amounts on deposit to the credit of the accounts and
41 subaccounts established in the Revenue Fund are insufficient to make the deposits or payments
42 required by Section 504(a), (b) or (c) hereof with respect to Post-Event Bonds and Post-Event
43 Parity Debt then Outstanding, the Master Trustee (1) shall give prompt written notice of such

1 deficiency to the State Board of Administration and the Corporation and (2) shall, in accordance
2 with Sections 502(b) and 503(c)(i) hereof, deposit any Reimbursement Premiums and
3 Reimbursement Premium Earnings thereafter received from the FHCF in the Reimbursement
4 Premiums Account for application in accordance Section 504(a), (b) and (c) hereof.

5 (ii) If, after the date on which the Master Trustee receives any Reimbursement
6 Premiums and Reimbursement Premium Earnings pursuant to clause (i) and prior to the dates on
7 which the deposits or payments are required to be made pursuant to Section 504(a), (b) or (c)
8 hereof, the Master Trustee receives any Emergency Assessments and Emergency Assessment
9 Earnings, the Master Trustee shall (X) deposit such Emergency Assessments and Emergency
10 Assessment Earnings to the credit of the Emergency Assessments Account for application in
11 accordance with Section 504(a), (b) and (c) hereof, (Y) release from the Reimbursement
12 Premiums Account and transfer to the FHCF an amount equal to the amount of Emergency
13 Assessments and Emergency Assessment Earnings so received and deposited by the Master
14 Trustee in the Emergency Assessments Account and (Z) if the amounts then on deposit to the
15 credit of the accounts and subaccounts established in the Revenue Fund are sufficient to make all
16 the deposits or payments required by Section 504(a), (b) and (c) hereof, transfer to the FHCF
17 from any Emergency Assessments and Emergency Assessment Earnings the amount in excess of
18 such requirements of Section 504(a), (b) and (c) hereof, as certified in an Officer's Certificate
19 delivered to the Master Trustee by the State Board of Administration.

20 (e) Except during the continuation of an Event of Default, immediately
21 following the date on which the amounts on deposit to the credit of the accounts and subaccounts
22 in the Revenue Fund are sufficient for the Master Trustee to make (i) the transfer to the
23 Corporation or a Depositary for the account of the Corporation of the amount required for the
24 payment of the Current Expenses of the Corporation in the then current Fiscal Year in
25 accordance with the provisions of Section 503(b) hereof and (ii) the deposits or payments of the
26 amounts required by Section 504(a), (b) and (c) hereof in the then current Fiscal Year with
27 respect to the Parity Obligations then Outstanding, (Y) any Reimbursement Premiums and
28 Reimbursement Premium Earnings held by the Master Trustee in the Revenue Fund on such date
29 in such Fiscal Year in excess of such requirements for such Fiscal Year shall be delivered to the
30 FHCF and be used for any purpose permitted by the Act, and (Z) any Emergency Assessments,
31 Emergency Assessment Earnings and Other Pledged Money held by the Master Trustee in the
32 Revenue Fund on such date in such Fiscal Year in excess of such requirements for the remainder
33 of such Fiscal Year and for the next succeeding Fiscal Year shall, except as otherwise provided
34 for by subsection (d)(ii) hereof, be transferred by the Master Trustee to the Bond Fund for
35 application in accordance with the provisions of Section 504(a) and (b) hereof, unless an
36 Authorized Officer of the State Board of Administration delivers to the Master Trustee an
37 Officer's Certificate certifying that the amount of Emergency Assessments and Emergency
38 Assessment Earnings on deposit with the Master Trustee in the appropriate accounts and
39 subaccounts in the Bond Fund (excluding the Parity Common Reserve Account and any Special
40 Reserve Account) for Post-Event Parity Obligations is sufficient to pay the debt service thereon
41 for the remainder of such Fiscal Year and for the next succeeding Fiscal Year and that there are
42 no deficiencies in the amounts required to be on deposit in the Parity Common Reserve Account,
43 any Special Reserve Account or any account or subaccount in the Bond Fund established for Pre-
44 Event Parity Obligations, in which event such Emergency Assessments and Emergency

1 Assessment Earnings will be transferred by the Master Trustee as directed in such Officer's
2 Certificate.

3 Any funds transferred from any account or subaccount in the Revenue Fund in
4 accordance with this paragraph (e), other than transfers made to any account or subaccount of the
5 Bond Fund, shall no longer be subject to the pledge of, security interest in and lien upon the Net
6 Receipts created by this Master Indenture.

7 Section 504. Use of Money for Debt Service Accounts and Reserve Accounts. The
8 amounts withdrawn from the Revenue Fund in accordance with Section 503(c) hereof shall be
9 applied by the Master Trustee in the following manner and order:

10 (a) (i) At such time or times as provided in the Parity Resolutions, the Master
11 Trustee shall (A) deposit the amounts required by the Supplemental Indentures to be deposited in
12 the appropriate subaccounts in the Interest Account and (B) deliver the amounts required by the
13 Parity Debt Resolutions to be deposited with or paid to the appropriate Persons designated in
14 such Parity Debt Resolutions for the payment of interest on the related Parity Debt in accordance
15 with such Parity Debt Resolutions, and (ii) if a Derivative Agreement provides for any payments
16 thereunder by the Corporation relating to interest on Parity Obligations constituting Derivative
17 Indebtedness, then, at such time or times as provided in the Derivative Agreement, the Master
18 Trustee shall deliver, to or for the account of the Derivative Agreement Counterparty or other
19 appropriate Person designated in the Derivative Agreement, the amount required by such
20 Derivative Agreement (but not any termination payment) to be paid thereunder by the
21 Corporation, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits
22 and payments, such deposits and payments shall be made to each such subaccount in the Interest
23 Account and to each appropriate Person designated in such Parity Debt Resolutions or Derivative
24 Agreement ratably according to the amount so required to be deposited or paid.

25 (b) At such time or times as provided in the Parity Resolutions, the Master
26 Trustee shall (i) deposit the amounts required by the Supplemental Indentures to be deposited in
27 the appropriate subaccounts in the Principal Account and the Sinking Fund Account and (ii)
28 deliver the amounts required by the Parity Debt Resolutions to be deposited with or paid to the
29 appropriate Persons designated in such Parity Debt Resolutions for the payment of the principal
30 of Parity Debt, whether at maturity or pursuant to an amortization requirement, in accordance
31 with such Parity Debt Resolutions, provided that if there shall not be sufficient Net Receipts to
32 satisfy all such deposits and payments, such deposits and payments shall be made to each such
33 subaccount in the Principal Account and the Sinking Fund Account and to each appropriate
34 Person designated in such Parity Resolutions ratably according to the amount so required to be
35 deposited or paid.

36 (c) At such time or times as provided in the Parity Resolutions, if the amount
37 in the Parity Common Reserve Account is less than the Parity Common Reserve Account
38 Requirement or the amount in any Special Reserve Account is less than the applicable Special
39 Reserve Account Requirement, the Master Trustee shall (i) deposit the amounts required by this
40 Master Indenture to make up such deficiency in the Parity Common Reserve Account and (ii)
41 deposit, or deliver to the appropriate Depositary for deposit, the amounts required by any
42 Supplemental Indenture or Parity Debt Resolution to make up any deficiency in any Special

1 Reserve Account, provided that if there shall not be sufficient Net Receipts to satisfy all such
2 deposits, such deposits shall be made among the Parity Common Reserve Account and each
3 Special Reserve Account ratably according to the amounts so required to be deposited.

4 (d) To the extent that investment earnings are credited to the Interest Account,
5 the Principal Account, the Sinking Fund Account or any subaccount therein in accordance with
6 Section 602 hereof or amounts are credited thereto as a result of the application of the proceeds
7 of a Series of Bonds or a transfer of investment earnings on any other fund or account held by
8 the Master Trustee, or otherwise, future deposits to such accounts or subaccounts shall be
9 reduced by the respective amounts so credited.

10 (e) The Corporation may provide in a Subordinated Indebtedness Resolution
11 for the deposit or payment of Net Receipts for the purpose of paying the interest on or principal
12 of Subordinated Indebtedness or in a Derivative Agreement for the making of payments or
13 repayments thereunder, including any termination payment, on a subordinated basis, but only
14 after the making of the deposits or payments required by paragraphs (a), (b) and (c) of this
15 Section 504. Each Subordinated Indebtedness Resolution shall be filed with the Master Trustee
16 on or prior to the date of incurrence of any Subordinated Indebtedness and shall contain or be
17 accompanied by a schedule of payments with respect to such Subordinated Indebtedness,
18 including any scheduled payments (to the extent determinable) under a Derivative Agreement.

19 (f) The Corporation may provide in a Parity Resolution or a Subordinated
20 Indebtedness Resolution for a disposition of Net Receipts for the purpose of paying amounts
21 owing to a Credit Provider, but only after the making of the deposits or payments required by
22 paragraphs (a), (b) and (c) of this Section 504.

23 (g) The calculation of the amounts to be deposited or required to be deposited
24 pursuant to this Section 504 shall be the responsibility of the Master Trustee, which shall deliver
25 copies of such calculations to the Corporation and the State Board of Administration not less
26 than three (3) Business Days prior to any withdrawal from the Revenue Fund pursuant to Section
27 503(c) hereof.

28 Section 505. Application of Money in Interest Account and Capitalized Interest
29 Account. Unless otherwise provided by a Supplemental Indenture, not later than 10:00 A.M. on
30 each Interest Payment Date, date for the payment of Defaulted Interest or date upon which Bonds
31 are to be redeemed, or on such other date as may be specified in the applicable Supplemental
32 Indenture, the Master Trustee shall withdraw from the applicable subaccount in the Interest
33 Account and wire transfer to the Bond Registrar, in Federal Reserve or other immediately
34 available funds, the amounts required for paying interest on the respective Bonds on such date.
35 The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners
36 as provided in the Supplemental Indentures.

37 Unless otherwise provided by a Supplemental Indenture, on the date of issuance of any
38 Series of Parity Obligations, an Authorized Officer of the Corporation shall deliver to the Master
39 Trustee a schedule of transfers to be made from the applicable subaccount of the Capitalized
40 Interest Account to the applicable subaccount of the Interest Account. The Master Trustee shall
41 make such transfers as required by the schedule of such Authorized Officer of the Corporation.

1 Unless otherwise provided by a Supplemental Indenture, if the amounts transferred from
2 the accounts and subaccounts in the Revenue Fund are insufficient to satisfy the amounts
3 required to be deposited in the Interest Account as provided in Section 504 hereof, or if the
4 balance in the Interest Account on the Business Day next preceding an Interest Payment Date is
5 insufficient to pay the interest coming due on the Bonds on such Interest Payment Date, the
6 Master Trustee shall, not later than such Interest Payment Date, transfer an amount sufficient to
7 cure the same, drawing upon funds in the Parity Common Reserve Account, if any, securing such
8 Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

9 Section 506. Application of Money in Principal Account. Unless otherwise provided
10 by a Supplemental Indenture, not later than 10:00 A.M. on each principal payment date, the
11 Master Trustee shall withdraw from the applicable subaccount in the Principal Account and wire
12 transfer to the Bond Registrar, in Federal Reserve or other immediately available funds, the
13 amount necessary to pay the principal of the related Serial Bonds at their respective maturities.
14 The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners
15 as provided in the Supplemental Indentures.

16 Unless otherwise provided by a Supplemental Indenture, if on any date there is money in
17 the Principal Account and no Serial Bonds are then Outstanding or if on any principal payment
18 date money remains therein after the payment of the principal of Serial Bonds then due, the
19 Master Trustee shall withdraw such money therefrom and shall apply the same in the following
20 order: (a) deposit into the Sinking Fund Account the amount then required to be deposited
21 thereto pursuant to Section 504 hereof, (b) deposit, if and to the extent determined by an
22 Authorized Officer of the Corporation, into the Parity Common Reserve Account or in one or
23 more Special Reserve Accounts such amounts as may be determined by an Authorized Officer of
24 the Corporation in order to make the amounts on deposit therein equal to the Parity Common
25 Reserve Account Requirement or the Special Reserve Account Requirement, as the case may be,
26 and (c) transfer to the FHCF all remaining amounts for any use permitted or authorized by the
27 Act.

28 Unless otherwise provided by a Supplemental Indenture, if the amounts transferred from
29 the accounts and subaccounts in the Revenue Fund are insufficient to satisfy the amounts
30 required to be deposited in the Principal Account as provided in Section 504 hereof, or if the
31 balance in the Principal Account on the Business Day next preceding a principal payment date is
32 insufficient to pay the principal coming due on the Serial Bonds on such principal payment date,
33 the Master Trustee shall, not later than such principal payment date, transfer an amount sufficient
34 to cure the same, drawing upon funds in the Parity Common Reserve Account, if any, securing
35 such Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

36 Section 507. Application of Money in Sinking Fund Account. Unless otherwise
37 provided by a Supplemental Indenture, not later than 10:00 A.M. on each mandatory sinking
38 fund redemption date, the Master Trustee shall withdraw from the applicable subaccount in the
39 Sinking Fund Account and wire transfer to the Bond Registrar, in Federal Reserve or other
40 immediately available funds, the amount necessary to pay the principal of the related Term
41 Bonds on their respective mandatory sinking fund redemption dates. The Bond Registrar shall
42 remit or otherwise set aside the amount due and payable to the Owners as provided in the
43 Supplemental Indentures.

1 Money held for the credit of the subaccounts in the Sinking Fund Account shall be
2 applied to the retirement, purchase, redemption or payment of Term Bonds in the manner
3 provided in the applicable Supplemental Indentures. If the amounts transferred from the
4 accounts and subaccounts in the Revenue Fund are insufficient to satisfy the amounts required to
5 be deposited in the Sinking Fund Account as provided in Section 504 hereof, or if the balance in
6 the Sinking Fund Account on the Business Day next preceding a sinking fund payment date is
7 insufficient to retire the Term Bonds on such date as required by a Supplemental Indenture, the
8 Master Trustee shall, not later than such sinking fund payment date, transfer an amount sufficient
9 to cure the same, drawing upon funds in the Parity Common Reserve Account, if any, securing
10 such Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

11 Section 508. Deposit and Application of Money in Parity Common Reserve Account
12 and Any Special Reserve Account; Replenishment of Deficiencies. (a) If a Parity Resolution
13 provides that the Parity Obligations issued thereunder are to be additionally secured by the Parity
14 Common Reserve Account, the Corporation shall deposit, from the proceeds of such Parity
15 Obligations or from any other available sources, concurrently with the delivery of and payment
16 for such Parity Obligations, to the Parity Common Reserve Account such amount as is required
17 to make the balance to the credit of such Account equal to the Parity Common Reserve Account
18 Requirement; provided, however, that in the case of Post-Event Parity Obligations, the initial
19 deposit required to the Parity Common Reserve Account to make the total amount to the credit of
20 such Account equal to the Parity Common Reserve Account Requirement may be funded from
21 Emergency Assessments and other Revenues (but not Reimbursement Premiums or
22 Reimbursement Premium Earnings) ratably over not more than thirty-six (36) months from the
23 date of delivery of such Parity Obligations. If a Parity Resolution provides that the Parity
24 Obligations issued thereunder are to be secured by a Special Reserve Account, the Corporation
25 shall fund, from the proceeds of such Parity Obligations or from any other available sources, at
26 the time or times and in the manner specified in the applicable Parity Resolution, such Special
27 Reserve Account in an amount equal to the Special Reserve Account Requirement for such
28 Parity Obligations.

29 (b) Unless the applicable Parity Resolution shall otherwise provide or modify
30 the following, the Corporation may deposit with the Master Trustee a Reserve Alternative
31 Instrument in satisfaction of all or any portion of the Parity Common Reserve Account
32 Requirement or may substitute a Reserve Alternative Instrument for all or any portion of the
33 cash or another Reserve Alternative Instrument credited to the Parity Common Reserve Account,
34 provided that the following minimum provisions have been fulfilled:

35 (i) The Reserve Alternative Instrument shall be payable (upon the giving of notice as
36 required thereunder) to remedy any deficiency in the appropriate subaccounts in the Interest
37 Account, the Principal Account and the Sinking Fund Account, or in an account for the payment
38 of interest as mentioned in Section 504(a) hereof, or in an account or accounts for the payment of
39 principal as mentioned in Section 504(b) hereof, in order to provide for the timely payment of
40 the principal (whether at maturity or pursuant to a Sinking Fund Requirement or an amortization
41 requirement therefor) of and interest on the Parity Obligations secured thereby.

42 (ii) The provider of a Reserve Alternative Instrument shall be (a) an insurance
43 company or other financial institution that has been assigned, for obligations insured by the

1 provider of the Reserve Alternative Instrument, a rating by at least two Rating Agencies in one
2 of the two highest rating categories (without regard to gradations by numerical modifier or
3 otherwise) or (b) a commercial bank, insurance company or other financial institution the
4 obligations payable or guaranteed by which have been assigned a rating by at least two Rating
5 Agencies in one of the two highest rating categories (without regard to gradations by numerical
6 modifier or otherwise).

7 (iii) If the Reserve Alternative Instrument is an unconditional irrevocable letter of credit
8 issued to the Master Trustee, the letter of credit shall be payable in one or more draws upon
9 presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds
10 insufficient funds to make a required payment of principal or interest on the Parity Obligations
11 having the benefit of the Parity Common Reserve Account. The draws shall be payable within
12 two days of presentation of the sight draft. The letter of credit shall be for a term of not less than
13 three years. The issuer of the letter of credit shall be required to notify the Corporation and the
14 Master Trustee, not later than 30 months prior to the stated expiration date of the letter of credit,
15 as to whether such expiration date shall be extended, and if so, shall indicate the new expiration
16 date. The Master Trustee is directed to draw upon the letter of credit prior to its expiration or
17 termination unless an acceptable replacement is in place or the Parity Common Reserve Account
18 is fully funded to the Parity Common Reserve Account Requirement.

19 (iv) The Master Trustee shall ascertain the necessity for a claim or draw upon the
20 Reserve Alternative Instrument and shall provide notice to the issuer of the Reserve Alternative
21 Instrument in accordance with its terms not later than three days (or such longer period as may
22 be necessary depending on the permitted time period for honoring a draw under the Reserve
23 Alternative Instrument) prior to each Interest Payment Date.

24 (v) Cash on deposit in the Parity Common Reserve Account shall be used (or
25 Investment Obligations purchased with such cash shall be liquidated and the proceeds applied as
26 required) prior to any drawing on any Reserve Alternative Instrument. If and to the extent that
27 more than one Reserve Alternative Instrument is deposited in the Parity Common Reserve
28 Account, drawings thereunder and repayments of costs associated therewith shall be made on a
29 pro rata basis, calculated by reference to the maximum amounts available thereunder.

30 (b) The Master Trustee shall use amounts in the Parity Common Reserve
31 Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to
32 make deposits, in the following order, in respect of all Parity Obligations additionally secured by
33 the Parity Common Reserve Account, to the appropriate subaccounts in the Interest Account, the
34 Principal Account and the Sinking Fund Account to remedy any deficiency therein as of any
35 Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date
36 as set forth in a Parity Resolution), or to pay the interest on or the principal of or amortization
37 requirements in respect of any Parity Debt when due, whenever and to the extent the money on
38 deposit for such purposes is insufficient.

39 (c) The Master Trustee shall use amounts in any Special Reserve Account
40 held by it to make transfers, or use moneys provided under a Reserve Alternative Instrument to
41 make deposits, in the following order, in respect of the particular Parity Obligations secured by
42 such Special Reserve Account, to the appropriate subaccounts in the Interest Account, the

1 Principal Account and the Sinking Fund Account to remedy any deficiency therein as of any
2 Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date
3 as set forth in a Parity Resolution) or to pay the interest on or the principal of or amortization
4 requirement in respect thereof on Parity Debt when due, whenever and to the extent the money
5 on deposit for such purposes is insufficient.

6 (d) Any deficiency in the Parity Common Reserve Account resulting from the
7 withdrawal of moneys therein shall be made up by depositing to the credit of such Account the
8 amount of such deficiency within one year following the date on which such withdrawal is made,
9 such deposit to be made pursuant to Section 504(c) hereof. Any deficiency in the Parity
10 Common Reserve Account resulting from a draw on a Reserve Alternative Instrument shall be
11 made up as provided in such Reserve Alternative Instrument or documentation relating thereto,
12 but any such deficiency must be made up by not later than the final date when such deficiency
13 would have been required to be made up if there had been a withdrawal of moneys from the
14 Parity Common Reserve Account rather than a draw on a Reserve Alternative Instrument.
15 Deficiencies, whether resulting from withdrawals or draws, may be satisfied through the deposit
16 of additional cash, the delivery of an additional Reserve Alternative Instrument or an increase in
17 the amount available to be drawn under a Reserve Alternative Instrument. Unless otherwise
18 provided in a Reserve Alternative Instrument or the documentation relating thereto, cash or
19 Investment Obligations on deposit to the credit of the Parity Common Reserve Account shall be
20 used to satisfy deficiencies, as provided in paragraph (b) of this Section, prior to any draw on a
21 Reserve Alternative Instrument.

22 (e) Unless a Reserve Alternative Instrument shall be in effect, if on any date
23 of valuation pursuant to Section 603 hereof, the amount on deposit in the Parity Common
24 Reserve Account is less than ninety percent (90%) of the Parity Common Reserve Account
25 Requirement, the Corporation shall deposit into the Parity Common Reserve Account within one
26 year following such date the amount required as of such date to cause the amount then on deposit
27 in the Parity Common Reserve Account to be equal to the Parity Common Reserve Account
28 Requirement. Any such deficiency may be satisfied through the deposit of additional cash, the
29 delivery of an additional Reserve Alternative Instrument or an increase in the amount available
30 to be drawn under a Reserve Alternative Instrument.

31 (f) Any deficiency in a Special Reserve Account resulting from the
32 withdrawal of moneys therein or a draw on a Reserve Alternative Instrument or resulting from a
33 valuation of the Investment Obligations therein pursuant to Section 603 hereof shall be made up
34 as provided in the Parity Resolution establishing such Special Reserve Account.

35 Section 509. Application of Money in Redemption Account. The Master Trustee shall
36 apply money in the Redemption Account to the purchase or redemption of Bonds as follows:

37 (a) Subject to the provisions of paragraph (c) of this Section, and if instructed
38 to do so by an Authorized Officer of the Corporation, the Master Trustee shall endeavor to
39 purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof are
40 then subject to redemption, at the most advantageous price obtainable with reasonable diligence,
41 provided that the purchase price of each Bond, plus accrued interest to the date of purchase, shall
42 not exceed the Redemption Price that would be payable on the next redemption date to the

1 Owners of such Bonds under the provisions of the applicable Supplemental Indenture plus
2 accrued interest to the redemption date if such Bond or such portion thereof were called for
3 redemption on such redemption date from the money in the applicable subaccount of the
4 Redemption Account. The Master Trustee shall pay the interest accrued on such Bonds or
5 portions thereof to the date of settlement from the applicable subaccount of the Interest Account
6 and the purchase price from the applicable subaccount of the Redemption Account, but no such
7 purchase shall be made by the Master Trustee from money in the applicable subaccount of the
8 Redemption Account within the period of forty-five (45) days immediately preceding any date
9 on which such Bonds or portions thereof are to be redeemed except from moneys other than the
10 moneys set aside in the applicable subaccount of the Redemption Account for the redemption of
11 Bonds.

12 (b) Subject to the provisions of paragraph (c) of this Section, the Master
13 Trustee shall call for redemption on a date permitted by the applicable Supplemental Indenture
14 such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust
15 the moneys then held in the applicable subaccount of the Redemption Account as nearly as may
16 be practicable; provided, however, that not less than One Hundred Thousand Dollars (\$100,000)
17 in principal amount of Bonds shall be called for redemption at any one time unless the Master
18 Trustee is so instructed by the Corporation in writing. The Master Trustee shall pay the accrued
19 interest on the Bonds or portions thereof to be redeemed to the date of redemption from the
20 applicable subaccount of the Interest Account and the Redemption Price of such Bonds or
21 portions thereof from the applicable subaccount of the Redemption Account. On or before the
22 redemption date, the Master Trustee shall withdraw from the Redemption Account and the
23 Interest Account and transfer to the Bond Registrar the respective amounts required to pay the
24 Redemption Price and accrued interest to the redemption date of the Bonds or portions thereof so
25 called for redemption.

26 (c) Money in the Redemption Account may be applied by the Master Trustee
27 in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then
28 Outstanding in accordance with the latest Officer's Certificate of an Authorized Officer of the
29 Corporation filed with the Master Trustee (i) designating one or more Series of Bonds to be
30 purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the
31 aggregate principal amount of Bonds of each Series to be purchased or redeemed, and (iii) unless
32 the Supplemental Indenture relating to the Bonds to be redeemed specifies the order of
33 redemption, designating the Bonds to be redeemed within each Series, and if such Bonds are
34 Term Bonds, the Fiscal Years in which future Sinking Fund Requirements are to be reduced as a
35 result of such redemption and the amount of such reduction in each such Fiscal Year. In the
36 event no such Certificate is filed and unless the Supplemental Indenture relating to the Bonds to
37 be redeemed specifies otherwise, (A) the Master Trustee shall apply such money to the purchase
38 of one or more Series of Bonds as it shall determine or to the redemption of Bonds bearing the
39 highest rate of interest, (B) if Bonds of more than one maturity bear the same interest rate, the
40 Master Trustee shall redeem such Bonds in the inverse order of maturities, and (C) if the Bonds
41 bearing the highest rate of interest are Term Bonds, the Master Trustee shall reduce Sinking
42 Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such
43 Term Bonds. All Bonds shall be redeemed as provided in the applicable Supplemental
44 Indenture.

1 Money held for the credit of the subaccounts in the Redemption Account shall be applied
2 to the purchase or redemption of Bonds in the manner provided in the applicable Supplemental
3 Indenture.

4 Section 510. Escheat. All money that the Master Trustee shall have withdrawn from
5 the Bond Fund or shall have received from any other source and set aside or delivered to the
6 Bond Registrar for the purpose of paying any of the Bonds hereby secured, either at maturity or
7 by purchase or call for redemption, shall be held in trust for the respective Owners.

8 Any money that is so set aside and that remains unclaimed by the Owners for a period of
9 30 months after the date on which such Bonds have become payable shall be treated as
10 abandoned property pursuant to the provisions of Section 717.1035, Florida Statutes, and the
11 Master Trustee or the Bond Registrar shall report and remit this property to the Unclaimed
12 Property Trust Fund established by and according to the requirements of Sections 717.117 to
13 717.124, inclusive, Florida Statutes, and thereafter the Owners shall look only to the Unclaimed
14 Property Trust Fund for payment and then only to the extent of the amounts so received, without
15 any interest thereon, and the Master Trustee, the Bond Registrar and the Corporation shall have
16 no responsibility with respect to such money.

17 Section 511. Cancellation of Bonds. Upon receipt of the same, the Bond Registrar shall
18 cancel all Bonds paid, redeemed or purchased by the Master Trustee or purchased by the
19 Corporation and delivered to the Bond Registrar, and all Bonds delivered to the Bond Registrar
20 in exchange for other Bonds or delivered to the Bond Registrar upon the transfer of any Bond if a
21 new Bond is delivered upon such transfer. The Bond Registrar shall certify to the Corporation
22 the details of all Bonds so canceled. All Bonds canceled under any of the provisions of this
23 Master Indenture either shall be delivered to the Corporation or destroyed by the Bond Registrar,
24 as the Corporation directs. Upon destruction of any Bonds, the Bond Registrar shall execute a
25 certificate in duplicate, describing the Bonds so destroyed; and one executed certificate shall be
26 filed with the Corporation and the other executed certificate shall be retained by the Bond
27 Registrar.

28 Section 512. Disposition of Fund Balances. After provision is made for the payment of
29 all Outstanding Parity Obligations, including the interest thereon and for the payment of all other
30 obligations, expenses and charges required to be paid under or in connection with this Master
31 Indenture and any Parity Resolution, and receipt by the Master Trustee of an Officer's Certificate
32 of an Authorized Officer of the Corporation to the effect that there are no other Master
33 Indentures, resolutions, bond orders or other agreements that impose a continuing lien on the
34 balances hereinafter mentioned, the Master Trustee shall pay all amounts in any fund, account or
35 subaccount then held by it under this Master Indenture to the FHCF. If the Corporation notifies
36 the Master Trustee that a continuing lien has been imposed on such balance by another indenture,
37 resolution, bond order or any other agreement, by court order or decree, or by law, the Master
38 Trustee shall, at the written direction of the Corporation, pay such balance to such person as is
39 entitled to receive the same by law or under the terms of such indenture, resolution, bond order,
40 agreement, or by court order or decree.

41 Section 513. Use of Available Funds. Nothing in this Master Indenture shall be
42 construed to prevent the Corporation from paying all or any part of the Current Expenses of the

1 Corporation from any money available to the Corporation for such purpose, or, subject to Section
2 604 hereof, from depositing in any fund or account created under, or subaccount created pursuant
3 to, the provisions of this Master Indenture or any fund or account created under or pursuant to a
4 Parity Debt Resolution or a Subordinated Indebtedness Resolution, any money available to the
5 Corporation for such deposit, except to the extent the Corporation is prohibited from making
6 such deposit by this Master Indenture, any Parity Resolution, any Subordinated Indebtedness
7 Resolution or otherwise.

Article VI.

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS,
INVESTMENT OF FUNDS AND COVENANT AS TO ARBITRAGE

Section 601. Security for Deposits. Any and all money received by the Corporation under the provisions of this Master Indenture shall be deposited as received with the Master Trustee or one or more other Depositaries as provided in this Master Indenture and shall, in the case of deposits with the Master Trustee, be trust funds under the terms hereof, and, shall not be subject to any lien or attachment by any creditor of the Corporation.

All money deposited with and held by the Master Trustee or any Depositary hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Corporation and the Owners, either (a) by lodging with a bank or trust company chosen by the Master Trustee or Depositary or, if then permitted by law, by setting aside under control of the trust department of the bank or trust company holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Master Trustee or any Depositary to give security for the deposit of any money with it for the payment of the principal of or the redemption premium, if any, or the interest on any Parity Obligations or Subordinated Indebtedness, or for the Master Trustee or any Depositary to give security for any money that shall be represented by Investment Obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Master Trustee or any Depositary shall be credited to the particular fund, account or subaccount to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all funds, accounts and subaccounts established under this Master Indenture and held by the Master Trustee shall, in accordance with the written directions of the Corporation, be continuously invested and reinvested by the Master Trustee or the Depositaries, whichever is applicable, in Investment Obligations to the extent practicable. Except as hereinafter provided in this Section with respect to the disposition of investment income, the particular investments to be made and other related matters in respect of investments shall, as to each Series of Bonds, be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Except as hereinafter provided in this Section with respect to the Parity Common Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder

thereof not later than the respective dates when the money held for the credit of such funds, accounts and subaccounts will be required for the purposes intended.

Investment Obligations in the Parity Common Reserve Account shall mature or be redeemable at the option of the Master Trustee not later than the final maturity date of the Parity Obligations to which such Parity Common Reserve Account is pledged.

Notwithstanding the foregoing, no Investment Obligations pertaining to any Series of Bonds in any fund, account or subaccount held by the Master Trustee or any Depositary shall mature on a date beyond the latest maturity date of the Bonds of such Series Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying Investment Obligations.

The Corporation shall cause the State Board of Administration either to enter into agreements with the Master Trustee or any Depositary for the investment of any money required or permitted to be invested under this Master Indenture or to give the Master Trustee or any Depositary written directions respecting the investment of such money, subject, however, to the provisions of this Article, and the Master Trustee or such Depositary shall then invest such money in accordance with such agreements or directions. The Master Trustee or any Depositary may request additional directions or authorization from the State Board of Administration or an Authorized Officer of the State Board of Administration in writing with respect to the proposed investment of money under the provisions of this Master Indenture. Upon receipt of such directions, the Master Trustee or any Depositary shall invest, subject to the provisions of this Article, such money in accordance with such directions or authorization. The Master Trustee shall have no liability for any losses on investments made in accordance with this Section.

Investment Obligations acquired with money in or credited to any fund, account or subaccount established under this Master Indenture shall be deemed at all times to be part of such fund, account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such fund, account or subaccount unless otherwise directed by a Supplemental Indenture. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to such fund, account or subaccount.

Any such interest accruing and any such profit realized shall be transferred upon the receipt thereof by the Depositaries or the Master Trustee, as the case may be, pursuant to the provisions of this Master Indenture and any Supplemental Indenture.

The Master Trustee shall sell or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so to provide money to make any payment from any fund, account or subaccount established under this Master Indenture. The Master Trustee shall not be liable or responsible for any loss resulting from any such action.

Whenever a transfer of money between two or more of the funds, accounts or subaccounts established under this Master Indenture is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value

1 determined at the time of such transfer in accordance with this Article, provided that the
2 Investment Obligations transferred are those in which money of the receiving fund, account or
3 subaccount could be invested on the date of such transfer.

4 For purposes of making any investment hereunder, the Master Trustee or any Depositary
5 may consolidate money held by it in any fund, account or subaccount with money in any other
6 fund, account or subaccount, except to the extent such consolidation is prohibited by this Master
7 Indenture, any Parity Resolution or any Subordinated Indebtedness Resolution. Transfers from
8 any fund, account or subaccount to the credit of any other fund, account or subaccount provided
9 for in this Master Indenture may be effectuated on the books and records of the Master Trustee,
10 the Corporation or any Depositary without any actual transfer of funds or liquidation of
11 investments. Investment Obligations purchased with consolidated funds shall be allocated to
12 each fund, account or subaccount on a pro-rata basis in accordance with the initial amount so
13 invested from each such fund, account or subaccount.

14 Unless otherwise directed by the State Board of Administration or an Authorized Officer
15 of the State Board of Administration, Investment Obligations may be purchased by the Master
16 Trustee or any Depositary through its own investment division or other bank facilities
17 established for such purpose.

18 Section 603. Valuation. For the purpose of determining the amount on deposit in any
19 fund, account or subaccount established under this Master Indenture, Investment Obligations in
20 which money in such fund, account or subaccount is invested shall be valued at cost.

21 All Investment Obligations in all of the funds, accounts and subaccounts established
22 under this Master Indenture shall be valued as of the Business Day immediately preceding each
23 Interest Payment Date. If a valuation is made by the Master Trustee, the Master Trustee shall
24 report the result of such valuation to the Corporation and the State Board of Administration as
25 soon as practicable following such valuation. In addition, Investment Obligations shall be
26 valued at any time requested by an Authorized Officer of the Corporation or an Authorized
27 Officer of the State Board of Administration on reasonable notice to the Master Trustee (which
28 period of notice may be waived or reduced by the Master Trustee at its sole discretion);
29 provided, however, that the Master Trustee shall not be required to value Investment Obligations
30 more than once in any calendar month.

31 Whenever, following a valuation described above, the value of the cash and Investment
32 Obligations in the Parity Common Reserve Account held by the Master Trustee, plus accrued
33 interest to the date of valuation, is less than ninety percent (90%) of the Parity Common Reserve
34 Account Requirement, the Master Trustee shall compute the amount by which the Parity
35 Common Reserve Account Requirement exceeds the balance in the Parity Common Reserve
36 Account, and shall immediately give the Corporation and the State Board of Administration
37 notice of such deficiency and the amount necessary to cure the same in accordance with Section
38 508 hereof. Whenever the value of the cash and Investment Obligations in the Parity Common
39 Reserve Account or a Special Reserve Account held by the Master Trustee, plus accrued interest
40 to the date of valuation, is greater than the Parity Common Reserve Account Requirement or the
41 Special Reserve Account Requirement, as the case may be, the Master Trustee shall compute the
42 amount by which the balance in the Parity Common Reserve Account or the Special Reserve

Account, as the case may be, exceeds the Parity Common Reserve Account Requirement or the Special Reserve Account Requirement, as the case may be, and shall transfer the excess in accordance with the provisions of the applicable Parity Resolution.

Section 604. Covenant as to Arbitrage. The Corporation covenants that so long as any Tax-Exempt Parity Obligations remain Outstanding, the money on deposit in any fund, account or subaccount maintained in connection with such Tax-Exempt Parity Obligations, regardless of whether such money was derived from the proceeds of the sale of such Tax-Exempt Parity Obligations or from any other sources, will not be used in a manner that would cause such Tax-Exempt Parity Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder. The Corporation further covenants and agrees to comply with the requirements of Section 148 of the Code and applicable regulations promulgated from time to time thereunder with respect to any Tax-Exempt Parity Obligations.

Article VII.

COVENANTS OF THE CORPORATION AND THE STATE

Section 701. Security; Restrictions on Encumbering Net Receipts; Payment of Principal and Interest. (a) Any Bond issued under this Master Indenture shall be a special and limited obligation of the Corporation payable solely from Net Receipts and money, Investment Obligations and Reserve Alternative Instruments held in the funds, accounts and subaccounts established under this Master Indenture and the income from such Investment Obligations and the investment of such money.

As security for the payment of the Bonds and any Parity Debt and the interest thereon and as authorized by the Act, the Corporation hereby (i) grants to the Master Trustee a pledge of, security interest in and lien upon its Net Receipts and (ii) assigns to the Master Trustee all its right, title and interest (including the right to enforce the same and the right to receive and collect the Pledged Collateral) in and to the Pledge Agreement (except for those certain rights that are set forth in the granting clauses of this Master Indenture).

In addition, as further security for the payment of each Series of Bonds and the interest thereon, the Corporation hereby grants to the Master Trustee a pledge of, security interest in and lien upon the money and Investment Obligations in any and all of the related accounts and subaccounts of the Bond Fund and the accounts and subaccounts established under the Supplemental Indenture authorizing the issuance of such Series.

The pledge, security interest and lien shall be effective and operate immediately, and the Master Trustee shall have the right to collect and receive the Net Receipts in accordance with the provisions hereof and the Pledged Collateral in accordance with the provisions of the Pledge Agreement at all times during the period from and after the date of delivery of the Bonds issued hereunder until the Bonds and all Parity Debt have been fully paid and discharged, including at all times after the institution and during the pendency of any bankruptcy or similar proceedings.

1 The aforementioned pledge, security interest and lien shall not impair or restrict the
2 ability of the Corporation to invest in securities and other forms of investment, subject to the
3 provisions of this Master Indenture.

4 The Corporation covenants that it will prepare and file such financing statements or
5 amendments to or terminations of existing financing statements as shall, in the Opinion of
6 Counsel, be necessary to comply with applicable law or as required due to changes in the Net
7 Receipts. In addition, if financing statements are filed pursuant to the requirements of the
8 preceding sentence, the Corporation covenants that it will, at least thirty (30) days prior to the
9 expiration of any financing statement, prepare and file such continuation statements of existing
10 financing statements as shall, in the Opinion of Counsel, be necessary to continue the security
11 interest evidenced thereby and shall provide to the Master Trustee written notice of such filing.
12 If the Master Trustee shall not have received such notice at least twenty-five (25) days prior to
13 the expiration date of any such financing statement, the Master Trustee shall prepare and file or
14 cause the Corporation to prepare and file such continuation statements in a timely manner.

15 (b) The Corporation covenants that it will not pledge or grant a security
16 interest in (except as provided in (a) above and as may be otherwise provided in this Master
17 Indenture) any of the Net Receipts.

18 (c) The Corporation covenants to pay or cause to be paid the principal of,
19 premium, if any, and interest on the Parity Obligations secured by this Master Indenture at the
20 places, on the dates and in the manner provided in this Master Indenture and in the Parity
21 Obligations according to the terms thereof whether at maturity, upon proceedings for
22 redemption, by acceleration or otherwise.

23 Section 702. Covenants as to Existence, Etc. The Corporation hereby covenants:

24 (a) Except as otherwise expressly provided herein, to preserve its corporate or
25 other legal existence and all its rights and licenses to the extent necessary or desirable in the
26 operation of its business and affairs and be qualified to do business in each jurisdiction where its
27 ownership of Property or the conduct of its business requires such qualification.

28 (b) To do all things reasonably necessary to conduct its affairs and carry on its
29 business and operations in such manner as to comply with any and all applicable laws of the
30 United States and the several states thereof and duly observe and conform to all valid orders,
31 regulations or requirements of any governmental authority relative to the conduct of its business
32 and the ownership of its Property; provided, however, that nothing herein contained shall require
33 it to comply with, observe and conform to any such law, order, regulation or requirement of any
34 governmental authority so long as the validity thereof or the applicability thereof to it shall be
35 contested in good faith.

36 (c) To pay promptly all lawful taxes, governmental charges and assessments
37 at any time levied or assessed upon or against it or its Property; provided, however, that it shall
38 have the right to contest in good faith any such taxes, charges or assessments or the collection of
39 any such sums and pending such contest may delay or defer payment thereof.

(d) To pay promptly or otherwise satisfy and discharge all of its indebtedness and all demands and claims against it as and when the same become due and payable, other than any thereof (exclusive of the Indebtedness created and Outstanding hereunder) whose validity, amount or collectibility is being contested in good faith.

(e) At all times to comply with all terms, covenants and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness.

Section 703. Limitations on Creation of Liens. (a) The Corporation agrees that it will not create or suffer to be created or permit the existence of any Lien upon the Net Receipts other than Permitted Liens as defined in clause (b) below.

(b) Permitted Liens shall consist of the following:

(i) Liens arising by reason of deposits by the Corporation to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(ii) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license;

(iii) the Lien of this Master Indenture;

(iv) any Lien securing all Parity Obligations on a pari passu basis;

(v) any Lien on Net Receipts securing Subordinated Indebtedness; and

(vi) any Lien securing the obligations of the Corporation under a Derivative Agreement which, if required by the provider of such Derivative Agreement, may be pari passu with the Lien on the Net Receipts securing the Parity Obligations created under this Master Indenture, so long as the notional amount of all Derivative Agreements secured by such pari passu Liens does not at any time exceed the aggregate amount of Parity Obligations then Outstanding and so long as the Corporation's obligation to make any termination payment constitutes Subordinated Indebtedness.

Section 704. Incurrence Test. Subsequent to the effective date of this Master Indenture and the Corporation's issuance of its \$1,350,025,000 Series 2006A Bonds in accordance with its Supplement No. 1 dated as of June 1, 2006 and its issuance of up to \$2,800,000,000 of Pre-Event Parity Bonds on or prior to August 1, 2006, all of which may be issued without compliance with the Incurrence Test established by this Section,

(a) The Corporation may incur Parity Obligations at one time or from time to time in any form or combination of forms permitted by this Master Indenture if, prior to the incurrence of such Parity Obligations, the Corporation shall file or cause to be filed with the Master Trustee an Officer's Certificate of the Corporation (which may rely upon certificates or

1 other documentation delivered by an Authorized Officer of the State Board of Administration)
2 certifying that (i) the Debt Service Coverage Ratio, taking into account the proposed additional
3 Parity Obligations, is not less than 1.25 and (ii) in the case of Post-Event Parity Obligations, the
4 product of the aggregate percentage rate of all Emergency Assessments (A) currently levied by
5 the Office of Insurance Regulation and (B) not currently levied by the Office of Insurance
6 Regulation but which the State Board of Administration has authorized and directed the Office of
7 Insurance Regulation to impose, in each case as of the date of such Certificate, multiplied by the
8 Emergency Assessment Base for the most recent 12-month period for which such information is
9 available, is not less than 100% of the Maximum Debt Service Requirement for all of the Post-
10 Event Parity Obligations, including the proposed additional Post-Event Parity Obligations, that
11 will be Outstanding immediately following the issuance of such proposed Post-Event Parity
12 Obligations.

13 (b) The Corporation may incur Parity Obligations for the purpose of refunding
14 or reissuing any Outstanding Indebtedness if, prior to the incurrence of such Parity Obligations,
15 (i) either (A) the Master Trustee receives an Officer's Certificate of the Corporation (which may
16 rely upon certificates or other documentation delivered by an Authorized Officer of the State
17 Board of Administration) stating that, taking into account the Parity Obligations proposed to be
18 incurred, the Parity Obligations to remain Outstanding after the refunding and the refunding of
19 the Outstanding Indebtedness proposed to be refunded, the Maximum Debt Service
20 Requirement will not be increased by more than five percent (5%), or (B) the Corporation files
21 or causes to be filed with the Master Trustee an Officer's Certificate of the Corporation (which
22 may rely upon certificates or other documentation delivered by an Authorized Officer of the
23 State Board of Administration) certifying that the Debt Service Coverage Ratio, taking into
24 account the Parity Obligations proposed to be incurred, the refunding of the Outstanding
25 Indebtedness proposed to be refunded and the Parity Obligations to remain Outstanding after the
26 refunding, is not less than 1.25, (ii) in the case of Post-Event Parity Obligations, the product of
27 the aggregate percentage rate of all Emergency Assessments (A) currently levied by the Office of
28 Insurance Regulation and (B) not currently levied by the Office of Insurance Regulation but
29 which the State Board of Administration has authorized and directed the Office of Insurance
30 Regulation to impose, in each case as of the date of such Certificate, multiplied by the
31 Emergency Assessment Base for the most recent 12-month period for which such information is
32 available, is not less than 100% of the Maximum Debt Service Requirement for all of the Post-
33 Event Parity Obligations, including the proposed additional Post-Event Parity Obligations, that
34 will be Outstanding immediately following the issuance of such proposed Post-Event Parity
35 Obligations, and (iii) the Master Trustee receives a report by a nationally-recognized verification
36 agent verifying the computations supporting the determinations in (i) and (ii) above.

37 (c) For purposes of demonstrating compliance with the Incurrence Test set
38 forth in subsection (a) or (b), the Corporation may (but is not required to) elect in the applicable
39 Supplemental Indenture to treat all Parity Obligations authorized in a Credit Facility (including,
40 for example and without limitation, a line of credit or a liquidity facility supporting a commercial
41 paper program), but not immediately issued or incurred under such Credit Facility, as subject to
42 such Incurrence Test as of a single date, notwithstanding that none, or less than all, of the
43 authorized principal amount of such Parity Obligations shall have been issued or incurred as of
44 such date.

1 (d) Short-Term Indebtedness may be incurred under this Master Indebtedness
2 as a Parity Obligation only in compliance with the Incurrence Test in subsection (a). In addition,
3 the Corporation may incur Short-Term Indebtedness as Subordinated Indebtedness under this
4 Master Indenture.

5 (e) Notwithstanding the foregoing provisions of this Section, nothing herein
6 contained shall preclude the Corporation from incurring any obligation under a Credit Facility.

7 (f) Notwithstanding the foregoing provisions of this Section, nothing herein
8 contained shall preclude the Corporation from entering into a Derivative Agreement either in
9 connection with Indebtedness or otherwise.

10 Section 705. Fiscal Year End Certificate. Not later than ninety (90) days after the end
11 of each Fiscal Year, commencing with the Fiscal Year ending on June 30, 2007, the Corporation
12 shall file with the Master Trustee an Officer's Certificate demonstrating and stating that the
13 Revenue Available for Debt Service for the prior Fiscal Year (set forth in such Certificate) was
14 not less than the greater of (i) one hundred twenty-five percent (125%) of the principal and
15 interest that became due and payable in such Fiscal Year on Parity Obligations and (ii) one
16 hundred percent (100%) of the principal and interest that became due and payable in such Fiscal
17 Year for Parity Obligations and Subordinated Indebtedness (both such calculations set forth in
18 such Certificate); provided, however, that if the Corporation is unable to deliver such an
19 Officer's Certificate, the Corporation covenants to take all actions permitted by law or under the
20 Pledge Agreement, including (A) petitioning the Legislature of the State for any amendment or
21 amendments to the Act deemed appropriate by the Governing Body of the Corporation, (B)
22 cooperating with the State Board of Administration in connection with any action to increase
23 collections of Pledged Collateral and (C) retaining a Consultant within thirty (30) days to make
24 recommendations to increase the Revenue Available for Debt Service in the following Fiscal
25 Year to the levels required or, if in the opinion of the Consultant the attainment of such levels is
26 impracticable, to the highest levels attainable. Any Consultant so retained shall be required to
27 submit such recommendations within sixty (60) days after being so retained. The Corporation
28 agrees that it will, to the extent permitted by law, follow, or cause to be followed, the
29 recommendations of any Consultant so retained. For purposes of the Officer's Certificate
30 described in this Section, there may be subtracted from the amount of the interest otherwise
31 includable in the amounts described in clauses (i) and (ii) above an amount equal to the sum of
32 the interest on Parity Obligations paid during such Fiscal Year from (Y) the Capitalized Interest
33 Account in the Bond Fund and (Z) without duplication, investment income on and proceeds of
34 Pre-Event Parity Obligations. The Officer's Certificate described in this Section 705 may be
35 provided jointly by an Authorized Officer of the Corporation and an Authorized Officer of the
36 State Board of Administration.

37 Section 706. Filing of Audited Financial Statements, Certificate of No Default, Other
38 Information. The Corporation covenants that it will:

39 (a) Within thirty (30) days after receipt of the audit report mentioned below
40 but in no event later than two hundred seventy (270) days after the end of each Fiscal Year, file
41 with the Master Trustee and with each Owner or Holder who may have so requested of the
42 Corporation in writing, a copy of the Audited Financial Statements as of the end of such Fiscal

1 Year accompanied by the opinion of an Auditor. Such Audited Financial Statements shall be
2 prepared in accordance with generally accepted accounting principles.

3 (b) Within thirty (30) days after receipt of the audit report mentioned above
4 but in no event later than two hundred seventy (270) days after the end of each fiscal reporting
5 period, file with the Master Trustee and with each Owner or Holder who may have so requested
6 or on whose behalf the Master Trustee may have so requested, an Officer's Certificate of an
7 Authorized Officer of the Corporation and a report of an Auditor stating, to the best knowledge
8 of the signers, whether the Corporation is in default in the performance of any covenant
9 contained in this Master Indenture and, if so, specifying each such default of which the signers
10 may have knowledge and whether each such default has been corrected. If any default has not
11 been remedied then such report of such independent certified public accountant or firm of
12 independent certified public accountants shall identify what, if any, corrective action will be
13 taken to cure such default.

14 (c) If an Event of Default shall have occurred and be continuing, file with the
15 Master Trustee such other financial statements and information concerning its operations and
16 financial affairs as the Master Trustee may from time to time reasonably request, excluding
17 specifically personnel records.

18 Section 707. Annual Budget. The Corporation covenants that on or before the first
19 (1st) day of each Fiscal Year the Governing Body will adopt a budget for such Fiscal Year. The
20 Corporation shall promptly file copies of such annual budget with the State Board of
21 Administration and the Master Trustee and with each Owner and Holder who may have so
22 requested of the Corporation in writing. To the extent possible, the Corporation shall prepare its
23 annual budget so that it will be possible to determine from such budget the Current Expenses of
24 the Corporation and the amounts to be deposited to the credit of the various funds, accounts and
25 subaccounts created by this Master Indenture.

26 Section 708. State Covenant. The Corporation incorporates herein the State's covenant
27 with the Owners of Outstanding Bonds that the State will not limit or alter the denial of authority
28 to file a petition in bankruptcy, or the rights vested in the FHCF or the Corporation to fulfill the
29 terms of any agreements made with the Owners, or in any way impair the rights and remedies of
30 such Owners so long as any such Bonds of the Corporation remain Outstanding unless adequate
31 provision has been made for the payment of such Bonds pursuant to the documents authorizing
32 the issuance of such Bonds.

33 Article VIII.

34 35 DEFAULTS AND REMEDIES

36 Section 801. Extension of Interest Payment. If the time for the payment of the interest
37 on any Parity Obligation is extended, whether or not such extension is by or with the consent of
38 the Corporation, such interest so extended shall not be entitled in case of default hereunder to the
39 benefit or security of this Master Indenture and in such case the Owner of the Bond or the Holder
40 of any Parity Debt for which the time for payment of interest was extended shall be entitled only
41 to the payment in full of the principal of all Parity Obligations then Outstanding and of interest

1 for which the time for payment shall not have been extended. The time for the payment of the
2 interest on any Parity Obligation shall not be extended in respect of any Parity Obligation
3 covered by a Credit Facility without the consent of the Credit Provider.

4 Section 802. Events of Default. Each of the following events is hereby declared an
5 Event of Default with respect to Parity Obligations:

6 (a) the Corporation shall fail to make any payment of the principal of and the
7 redemption premium, if any, on any of the Bonds or any Parity Debt when and as the same shall
8 be due and payable, either at maturity or by redemption or otherwise;

9 (b) the Corporation shall fail to make any payment of the interest on any of
10 the Bonds or any Parity Debt when and as the same shall be due and payable;

11 (c) an event of default shall have occurred under any Supplemental Indenture
12 or the Master Trustee shall have received written notice from any Holder of an event of default
13 under any Parity Debt Resolution;

14 (d) the Corporation shall fail duly to perform, observe or comply with any
15 covenant or agreement on its part under this Master Indenture for a period of thirty (30) days
16 after the date on which written notice of such failure, requiring the same to be remedied, shall
17 have been given to the Corporation by the Master Trustee; provided, however, that if such failure
18 be such that it cannot be corrected within thirty (30) days after the receipt of such notice, it shall
19 not constitute an Event of Default if corrective action is instituted within such 30-day period and
20 diligently pursued until the Event of Default is corrected;

21 (e) the Corporation shall fail to make any required payment with respect to
22 any Subordinated Indebtedness or other indebtedness (other than any Bond, Parity Debt or
23 Subordinated Indebtedness), whether such indebtedness now exists or shall hereafter be created,
24 and any period of grace with respect thereto shall have expired, or an event of default as defined
25 in any mortgage, indenture or instrument under which there may be issued, or by which there
26 may be secured or evidenced, any indebtedness, whether such indebtedness now exists or shall
27 hereafter be created, shall occur, which event of default shall not have been waived by the holder
28 of such mortgage, indenture or instrument or a trustee acting on its behalf, and as a result of such
29 failure to pay or other event of default such indebtedness shall have been accelerated and such
30 acceleration, in the opinion of the Master Trustee, does or could materially adversely affect the
31 Owners of Bonds and the Holders of Parity Debt; or

32 (f) the State shall (i) amend, alter, repeal or fail to comply with the State
33 Covenant as in effect on the date hereof, or (ii) enact a moratorium or other similar law affecting
34 the Bonds.

35 Section 803. Acceleration of Maturities. Upon the happening and continuance for a
36 period of not less than one hundred eighty (180) days of any Event of Default described in
37 Section 802(a) or (b) hereof, then and in every case the Master Trustee may, and upon the
38 written request of the Owners or Holders of not less than a majority in aggregate principal
39 amount of the Parity Obligations then Outstanding shall, by a notice in writing to the
40 Corporation, declare the principal of all the Parity Obligations then Outstanding (if not then due

1 and payable) to be due and payable immediately, and upon such declaration the same shall
2 become and be immediately due and payable, anything contained in the Parity Obligations, this
3 Master Indenture or any Parity Resolution to the contrary notwithstanding; provided, however,
4 that if at any time after the principal of the Parity Obligations shall have been so declared to be
5 due and payable, and before the entry of final judgment or decree in any suit, action or
6 proceeding instituted on account of such default, or before the completion of the enforcement of
7 any other remedy under this Master Indenture, moneys shall have accumulated sufficient to pay
8 the principal of all matured Parity Obligations and all arrears of interest, if any, upon all the
9 Parity Obligations then Outstanding (except the principal of any Parity Obligations not then due
10 and payable by their terms and the interest accrued on such Parity Obligations since the last
11 interest payment date) and sufficient to satisfy the sinking fund requirement, if any, for any Term
12 Parity Obligations then Outstanding, for the then current Fiscal Year, and the charges,
13 compensation, expenses, disbursements, advances and liabilities of the Master Trustee and all
14 other amounts then payable by the Corporation hereunder shall have been paid or a sum
15 sufficient to pay the same shall have been deposited with the Master Trustee or any Bond
16 Registrar and every other default known to the Master Trustee in the observance or performance
17 of any covenant, condition, agreement or provision contained in the Bonds, any Parity Debt, this
18 Master Indenture or any Parity Resolution (other than a default in the payment of the principal of
19 such Parity Obligations then due and payable only because of a declaration under this Section)
20 shall have been remedied to the satisfaction of the Master Trustee, then and in every such case
21 the Master Trustee shall, by written notice to the Corporation, rescind and annul such declaration
22 and its consequences, but no such rescission or annulment shall extend to or affect any
23 subsequent Event of Default or impair any right consequent thereon.

24 Section 804. Remedies. (a) Upon the happening and continuance of any Event of
25 Default, then and in every such case the Master Trustee may proceed, and upon the written
26 request of the Owners or Holders of not less than a majority in aggregate principal amount of the
27 Parity Obligations then Outstanding shall proceed, subject to the provisions of Section 902
28 hereof, to protect and enforce its rights and the rights of the Owners or Holders of the Parity
29 Obligations under applicable laws and under this Master Indenture by such suits, actions or
30 special proceedings in equity or at law, or by proceedings in the office of any board or officer
31 having jurisdiction, either for the specific performance of any covenant or agreement contained
32 herein or in aid or execution of any power herein granted or for the enforcement of any proper
33 legal or equitable remedy, as the Master Trustee, being advised by counsel, chosen by the Master
34 Trustee, shall deem most effectual to protect and enforce such rights, including but not limited
35 to:

36 (i) Enforcement of the right of the Owners and Holders to collect and enforce the
37 payment of amounts due or becoming due under the Parity Obligations;

38 (ii) Suit upon all or any part of the Parity Obligations;

39 (iii) Civil action to require any Person holding moneys, documents or other property
40 pledged to secure payment of amounts due or to become due on the Parity Obligations to
41 account as if it were the trustee of an express trust for the Owners and Holders;

1 (iv) Civil action to enjoin any acts or things, which may be unlawful or in violation of
2 the rights of the Owners and Holders;

3 (v) Enforcement of any other right of the Owners and Holders conferred by law or
4 hereby; and

5 (vi) Enforcement of the provisions of the Pledge Agreement.

6 (b) Regardless of the happening of an Event of Default, the Master Trustee, if
7 requested in writing by the Owners or Holders of not less than a majority of the aggregate
8 principal amount of the Parity Obligations then Outstanding, shall, subject to Section 902 hereof,
9 institute and maintain such suits and proceedings as it may be advised shall be necessary or
10 expedient (i) to prevent any impairment of the security hereunder by any acts which may be
11 unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Owners and
12 Holders, provided that such request and the action to be taken by the Master Trustee are not in
13 conflict with any applicable law or the provisions hereof and, in the sole judgment of the Master
14 Trustee, are not unduly prejudicial to the interest of the Owners and Holders not making such
15 request.

16 Section 805. Pro Rata Application of Funds. Anything in this Master Indenture to the
17 contrary notwithstanding, if at any time the money deposited with the Master Trustee pursuant to
18 Section 502 hereof or pursuant to any remedial action is not sufficient to pay the interest on or
19 the principal of the Parity Obligations as the same become due and payable (either by their terms
20 or by acceleration of maturities under the provisions of Section 803 hereof), such money,
21 together with any money then available or thereafter becoming available for such purposes,
22 whether through the exercise of the remedies provided for in this Article or otherwise, shall, after
23 payment of the accrued and unpaid fees, costs and expenses of the Master Trustee, be applied as
24 follows:

25 (a) if the principal of all Parity Obligations shall not have become or shall not
26 have been declared due and payable, all such money shall be applied as follows:

27 first: to the payment to the persons entitled thereto of all installments of
28 interest on the Parity Obligations or regularly scheduled payments to a Derivative
29 Agreement Counterparty with respect to Derivative Indebtedness then due and
30 payable in the order in which such installments became due and payable and, if
31 the amount available shall not be sufficient to pay in full any particular
32 installment, then to the payment, ratably according to the amounts due on such
33 installment, to the persons entitled thereto, without any discrimination or
34 preference except as to any difference in the respective rates of interest specified
35 in such Parity Obligations;

36 second: to the payment to the persons entitled thereto of the unpaid
37 principal of any Parity Obligations that shall have become due and payable (other
38 than Parity Obligations deemed to have been paid pursuant to the provisions of
39 Section 1201 hereof), in the order of their due dates, with interest on the overdue
40 principal at a rate equal to the rate on such Parity Obligations, and, if the amount

1 available shall not be sufficient to pay in full the principal of Parity Obligations
2 due and payable on any particular date, then to the payment ratably according to
3 the amount of such principal due on such date, to the persons entitled thereto
4 without any discrimination or preference; and

5 third: to the payment of the interest on and the principal of Parity
6 Obligations, to the purchase and retirement of Parity Obligations, and to the
7 redemption of Parity Obligations, all in accordance with the provisions of this
8 Master Indenture and any Parity Resolution.

9 (b) If the principal of all Parity Obligations shall have become or shall have
10 been declared due and payable, all such money shall be applied to the payment of principal and
11 interest then due upon such Parity Obligations and regularly scheduled payments to a Derivative
12 Agreement Counterparty with respect to Derivative Indebtedness, without preference or priority
13 of principal over interest or of interest over principal, or of any installment of interest over any
14 other installment of interest, or of any Bond or Parity Debt over any other Bond or Parity Debt,
15 ratably, according to the amounts due respectively for principal and interest, to the persons
16 entitled thereto without any discrimination or privilege.

17 (c) If the principal of all Parity Obligations shall have been declared due and
18 payable and if such declaration shall thereafter have been rescinded and annulled under the
19 provisions of Section 803 hereof, then, subject to the provisions of paragraph (b) of this Section
20 in the event that the principal of all Parity Obligations shall later become due and payable or be
21 declared due and payable, the money then remaining on deposit with the Master Trustee and
22 thereafter accruing shall be applied in accordance with the provisions of paragraph (a) of this
23 Section.

24 Whenever money is to be applied by the Master Trustee pursuant to the provisions of this
25 Section: (a) such money shall be applied by the Master Trustee at such times and from time to
26 time as the Master Trustee in its sole discretion shall determine, having due regard for the
27 amount of money available for such application and the likelihood of additional money
28 becoming available for such application in the future, (b) setting aside such money as provided
29 herein in trust for the proper purpose shall constitute proper application by the Master Trustee,
30 and (c) the Master Trustee shall incur no liability whatsoever to the Corporation, to any Owner
31 or Holder or to any other Person for any delay in applying any such money so long as the Master
32 Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately
33 applies the same in accordance with such provisions of this Master Indenture as may be
34 applicable at the time of application by the Master Trustee. Whenever the Master Trustee
35 exercises such discretion in applying such money, it shall fix the date (which shall be an Interest
36 Payment Date unless the Master Trustee shall deem another date more suitable) upon which such
37 application is to be made and upon such date interest on the amounts of principal to be paid on
38 such date shall cease to accrue. The Master Trustee shall give such notice as it may deem
39 appropriate of the fixing of any such date and shall not be required to make payment to the
40 Owner of any Bond or the Holder of any Parity Debt until such Bond or Parity Debt is
41 surrendered to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

1 Section 806. Effect of Discontinuance of Proceedings. If any proceeding taken by the
2 Master Trustee or Owners or Holders on account of any Event of Default is discontinued or
3 abandoned for any reason, then and in every such case, the Corporation, the Master Trustee and
4 the Owners and the Holders shall be restored to their former positions and rights hereunder, and
5 all rights, remedies, powers and duties of the Master Trustee shall continue as though no
6 proceedings had been taken.

7 Section 807. Control of Proceedings. Anything in this Master Indenture to the contrary
8 notwithstanding, the Owners or Holders of a majority in aggregate principal amount of Parity
9 Obligations at any time Outstanding shall have the right, subject to the provisions of Section 902
10 hereof, by an instrument or concurrent instruments in writing executed and delivered to the
11 Master Trustee, to direct the method and place of conducting all remedial proceedings to be
12 taken by the Master Trustee hereunder, provided that such direction shall be in accordance with
13 law and the provisions of this Master Indenture, and, in the sole judgment of the Master Trustee,
14 is not unduly prejudicial to the interest of any Owners or Holders not joining in such direction,
15 and provided further, that the Master Trustee shall have the right to decline to follow any such
16 direction if the Master Trustee in good faith shall determine that the proceeding so directed
17 would involve it in personal liability, and provided further that nothing in this Section shall
18 impair the right of the Master Trustee in its discretion to take any other action hereunder which it
19 may deem proper and which is not inconsistent with such direction by the Owners or Holders.

20 Section 808. Restrictions Upon Action. Except as provided in Section 813 hereof, no
21 Owner or Holder shall have any right to institute any suit, action or proceeding in equity or at
22 law on any Bond or Parity Debt or for the execution of any trust hereunder or for any other
23 remedy hereunder unless such Owner or Holder previously shall (a) has given to the Master
24 Trustee written notice of the Event of Default on account of which suit, action or proceeding is to
25 be instituted, (b) has requested the Master Trustee to take action after the right to exercise such
26 powers or right of action, as the case may be, shall have accrued, (c) has afforded the Master
27 Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or
28 to institute such action, suit or proceedings in its or their name, and (d) has offered to the Master
29 Trustee reasonable security and satisfactory indemnity against the costs, expenses and liabilities
30 to be incurred therein or thereby, and the Master Trustee shall have refused or neglected to
31 comply with such request within a reasonable time. Such notification, request and offer of
32 indemnity are hereby declared in every such case, at the option of the Master Trustee, to be
33 conditions precedent to the execution of the powers and trusts of this Master Indenture or to any
34 other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without
35 complying therewith, the Owners or Holders of not less than a majority in aggregate principal
36 amount of Parity Obligations then Outstanding may institute any such suit, action or proceeding
37 in their own names for the benefit of all Owners or Holders. It is understood and intended that,
38 except as otherwise above provided, no one or more Owners or Holders shall have any right in
39 any manner whatsoever by his or their action to affect, disturb or prejudice the security of this
40 Master Indenture or to enforce any right hereunder except in the manner provided, that all
41 proceedings at law or in equity shall be instituted, had and maintained in the manner herein
42 provided and for the benefit of all Owners and Holders and that any individual rights of action or
43 other right given to one or more of such Owners or Holders by law are restricted by this Master
44 Indenture to the rights and remedies herein provided.

1 Section 809. Enforcement of Rights of Action. All rights of action (including the right
2 to file proof of claim) under this Master Indenture or under any Bonds and any Parity Debt may
3 be enforced by the Master Trustee without the possession of any Bonds and any Parity Debt or
4 the production thereof in any proceedings relating thereto, and any such suit or proceedings
5 instituted by the Master Trustee shall be brought in its name as Master Trustee, without the
6 necessity of joining as plaintiffs or defendants any Owners or Holders, and any recovery of
7 judgment shall be for the equal benefit of the Owners or Holders, subject to the provisions of
8 Section 801 hereof.

9 Section 810. No Remedy Exclusive. No remedy herein conferred upon or reserved to
10 the Master Trustee or to the Owners or Holders is intended to be exclusive of any other remedy
11 or remedies herein provided, and each and every such remedy shall be cumulative and shall be in
12 addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

13 Section 811. Delay Not a Waiver. No delay or omission by the Master Trustee or of
14 any Owner or Holder in the exercise of any right or power accruing upon any default shall impair
15 any such right or power or shall be construed to be a waiver of any such default or any
16 acquiescence therein, and every power or remedy given by this Master Indenture to the Master
17 Trustee and to the Owners or Holders may be exercised from time to time and as often as may be
18 deemed expedient.

19 The Master Trustee may, and upon written request of the Owners or Holders of not less
20 than a majority in principal amount of the Parity Obligations then Outstanding shall, waive any
21 Event of Default which in its opinion has been remedied before the entry of final judgment or
22 decree in any suit, action or proceeding instituted by it under the provisions of this Master
23 Indenture or before the completion of the enforcement of any other remedies under this Master
24 Indenture; provided, however, that, except under the circumstances set forth in Section 803
25 hereof for the rescission and annulment of a declaration of acceleration, a default in the payment
26 of the principal of, premium, if any, or interest on any Bond or Parity Debt, when the same shall
27 become due and payable by the terms thereof or upon call for redemption, may not be waived
28 without the written consent of the Owners of all the Bonds or the Holders of all the Parity Debt
29 (with respect to which such payment default exists) at the time Outstanding; and provided
30 further, however, that no such waiver shall extend to or affect any other existing or subsequent
31 Event of Default or impair any rights or remedies consequent thereon.

32 Section 812. Notice of Default. The Master Trustee shall mail to (a) all Owners at their
33 addresses as they appear on the registration books and (b) to all Holders who shall have filed
34 their names with the Master Trustee for such purpose, written notice of the occurrence of any
35 Event of Default within ten (10) days after the Master Trustee has notice, pursuant to the
36 provisions of Section 908 hereof, that any such Event of Default shall have occurred. The
37 Master Trustee shall not be subject to any liability to any Owner or Holder by reason of its
38 failure to mail any such notice.

39 Section 813. Right to Enforce Payment of Parity Obligations Unimpaired. Nothing in
40 this Article shall affect or impair the right of any Owner or Holder to enforce the payment of the
41 principal of and interest on his Bonds or Parity Debt or the obligation of the Corporation to pay

1 the principal of and interest on each Bond and Parity Debt to the Owner or Holder thereof at the
2 time and place specified in said Bond or Parity Debt.

3 Section 814. Remedies Subject to Provisions of Law. All rights, remedies and powers
4 provided by this Article may be exercised only to the extent that the exercise thereof does not
5 violate any applicable provision of law, and all the provisions of this Article are intended to be
6 subject to all applicable mandatory provisions of law which may be controlling and to be limited
7 to the extent necessary so that they will not render this Master Indenture or the provisions hereof
8 invalid or unenforceable under the provisions of any applicable law.

9 Article IX.

10 THE MASTER TRUSTEE AND THE BOND REGISTRAR
11

12 Section 901. Acceptance of Trusts. The Master Trustee by execution hereof accepts
13 and agrees to fulfill the trusts imposed upon it by this Master Indenture, but only upon the terms
14 and conditions set forth in this Article and subject to the provisions of this Master Indenture, to
15 all of which the Corporation, the Master Trustee and the respective Owners of the Bonds and any
16 Holders of Parity Debt agree. Prior to the occurrence of any Event of Default and after the
17 curing of all such Events of Default that may have occurred, the Master Trustee shall perform
18 such duties and only such duties of the Master Trustee as are specifically set forth in this Master
19 Indenture. Upon the occurrence and during the continuation of any Event of Default, the Master
20 Trustee shall use the same degree of care and skill in their exercise as a prudent person would
21 exercise or use under the circumstances in the conduct of such person's own affairs.

22 No provision of this Master Indenture or any Parity Resolution shall be construed to
23 relieve the Master Trustee from liability for its own negligent action, its own negligent failure to
24 act, or its own willful misconduct, except that:

25 (a) prior to any such Event of Default hereunder, and after the curing of any Event of
26 Default that may have occurred:

27 (i) the duties and obligations of the Master Trustee shall be determined solely
28 by the express provisions of this Master Indenture, and the Master Trustee shall not be
29 liable except for the performance of such duties and obligations of the Master Trustee as
30 are specifically set forth in this Master Indenture, and no implied covenants or obligations
31 shall be read into this Master Indenture against the Master Trustee, and

32 (ii) in the absence of bad faith on its part, the Master Trustee may
33 conclusively rely, as to the accuracy of the statements and the correctness of the opinions
34 expressed therein, upon any certificate or opinion furnished to it conforming to the
35 requirements of this Master Indenture, but in the case of any such certificate or opinion
36 by which any provision hereof is specifically required to be furnished to the Master
37 Trustee, the Master Trustee shall be under a duty to examine the same to determine
38 whether or not it conforms to the requirements of this Master Indenture; and

39 (b) at all times, regardless of whether or not any such Event of Default shall exist:

1 (i) the Master Trustee shall not be liable for any error of judgment made in
2 good faith by a responsible officer or officers of the Master Trustee unless it shall be
3 proved that the Master Trustee was negligent in ascertaining the pertinent facts, and

4 (ii) the Master Trustee shall not be liable with respect to any action taken or
5 omitted to be taken by it in good faith in accordance with the direction of the Owners and
6 Holders of not less than twenty-five percent (25%) or a majority, as this Master Indenture
7 shall require, in aggregate principal amount of the Parity Obligations then Outstanding
8 relating to the time, method and place of conducting any proceeding for any remedy
9 available to the Master Trustee, or exercising any power conferred upon the Master
10 Trustee under this Master Indenture.

11 None of the provisions contained in this Master Indenture shall require the Master
12 Trustee to expend or risk its own funds or otherwise incur individual financial liability in the
13 performance of any of its duties or in the exercise of any of its rights or powers.

14 Section 902. Indemnification of Master Trustee as Condition for Remedial Action. The
15 Master Trustee shall be under no obligation to institute any suit or to take any remedial
16 proceeding (including, but not limited to, the acceleration of the maturity date of all Parity
17 Obligations under this Master Indenture) under this Master Indenture or the Pledge Agreement or
18 to enter any appearance or in any way defend in any suit in which it may be made defendant, or
19 to take any steps in the execution of any of the trusts hereby created or in the enforcement of any
20 rights and powers under this Master Indenture or the Pledge Agreement, until it shall be
21 indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees
22 and other reasonable disbursements, and against all liability. The Master Trustee nevertheless
23 may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be
24 done by it as such Master Trustee, without indemnity, and in such case the Corporation, at the
25 request of the Master Trustee, shall reimburse the Master Trustee as Current Expenses of the
26 Corporation for all costs, expenses, outlays and counsel fees and other reasonable disbursements
27 properly incurred in connection therewith. If the Corporation shall fail to make such
28 reimbursement, the Master Trustee may reimburse itself from any money in its possession under
29 the provisions of this Master Indenture and shall be entitled to a preference therefor over any
30 Parity Obligations Outstanding.

31 Section 903. Limitations on Obligations and Responsibilities of Master Trustee. The
32 Master Trustee shall be under no obligation to effect or maintain insurance or to renew any
33 policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the
34 Corporation, or to report, or make or file claims or proof of loss for, any loss or damage insured
35 against or that may occur, or to keep itself informed or advised as to the payment of any taxes or
36 assessments, or to require any such payment to be made. Except as to the acceptance of the
37 trusts under this Master Indenture, the Master Trustee shall have no responsibility in respect of
38 the validity or sufficiency of this Master Indenture, or in respect of the validity of Bonds or
39 Parity Debt or the due execution or issuance thereof. The Master Trustee shall be under no
40 obligation to see that any duties herein imposed upon the Corporation, the Bond Registrar, any
41 consultant, any Depositary other than a Master Trustee Depositary, or any party other than itself,
42 or any covenants herein contained on the part of any party other than itself to be performed, shall

1 be done or performed, and the Master Trustee shall be under no obligation for failure to see that
2 any such duties or covenants are so done or performed.

3 Section 904. Master Trustee Not Liable for Failure of Corporation to Act. The Master
4 Trustee shall not be liable or responsible because of the failure of the Corporation or of any of its
5 employees or agents to make any collections or deposits or to perform any act herein required of
6 the Corporation or because of the loss of any money arising through the insolvency or the act or
7 default or omission of any Depositary other than the Master Trustee or a Depositary in which
8 such money shall have been deposited by the Master Trustee under the provisions of this Master
9 Indenture. The Master Trustee shall not be responsible for the application of any of the proceeds
10 of Bonds or Parity Debt or any other money deposited with it and paid out, withdrawn or
11 transferred hereunder if such application, payment, withdrawal or transfer shall be made in
12 accordance with the provisions of this Master Indenture. The immunities and exemptions from
13 liability of the Master Trustee hereunder shall extend to its directors, officers, employees and
14 agents.

15 Section 905. Compensation and Indemnification of Master Trustee and Bond Registrar.
16 Subject to the provisions of any contract between the Corporation and the Master Trustee or any
17 Bond Registrar relating to the compensation of the Master Trustee or such Bond Registrar, the
18 Corporation shall pay to the Master Trustee and such Bond Registrar from Gross Receipts
19 reasonable compensation for all services performed by them hereunder and also all their
20 reasonable expenses, charges and other disbursements and those of their attorneys, agents and
21 employees incurred in and about the administration and the performance of their powers and
22 duties hereunder and, to the extent permitted by law, shall indemnify and save the Master
23 Trustee and the Bond Registrar harmless against any liabilities that they may incur in the proper
24 exercise and performance of their powers and duties hereunder. If the Corporation shall fail to
25 cause any payment required by this Section to be made, the Master Trustee or any Bond
26 Registrar may make such payment from any money in its possession under the provisions of this
27 Master Indenture and shall be entitled to a preference therefor over any Parity Obligations
28 Outstanding. The Corporation covenants that it shall promptly deposit or cause to be deposited
29 to the credit of the respective fund, account or subaccount the amount withdrawn therefrom by
30 the Master Trustee to make any such payment.

31 Section 906. Monthly Statements from Master Trustee. It shall be the duty of the
32 Master Trustee, on or before the 10th day of each month, to file with the Corporation a statement
33 setting forth in respect of the preceding calendar month:

34 (a) the amount withdrawn or transferred by it and the amount deposited with
35 it on account of each fund, account or subaccount held by it under the provisions of this Master
36 Indenture,

37 (b) the amount on deposit with it at the end of such month in each such fund,
38 account or subaccount,

39 (c) a brief description of all obligations held by it as an investment of money
40 in each such fund, account or subaccount,

1 (d) the amount applied to the payment, purchase or redemption of Bonds
2 under the provisions of Article V of this Master Indenture and a description of the Bonds or
3 portions thereof so paid, purchased or redeemed, and

4 (e) any other information that the Corporation may reasonably request.

5 All records and files pertaining to Bonds in the custody of the Master Trustee not
6 otherwise restricted or excluded from disclosure by the terms of this Master Indenture, including,
7 without limitation, Section 1002 hereof, shall be open at all reasonable times to the inspection of
8 the Corporation and its agents and representatives.

9 Section 907. Master Trustee May Rely on Certificates. If at any time it shall be
10 necessary or desirable for the Master Trustee to make any investigation respecting any fact
11 preparatory to taking or not taking any action or doing or not doing anything as such Master
12 Trustee, and in any case in which this Master Indenture provides for permitting or taking any
13 action, the Master Trustee may rely upon any certificate required or permitted to be filed with it
14 under the provisions of this Master Indenture, and any such certificate shall be evidence of such
15 fact or protect the Master Trustee in any action that it may or may not take or in respect of
16 anything it may or may not do, in good faith, by reason of the supposed existence of such fact.
17 Except as otherwise provided in this Master Indenture, any request, notice, certificate or other
18 instrument from the Corporation to the Master Trustee shall be deemed to have been signed by
19 the proper party or parties if signed by any Authorized Officer of the Corporation, and the
20 Master Trustee may accept and rely upon a certificate signed by any Authorized Officer of the
21 Corporation as to any action taken by the Corporation.

22 Section 908. Notice of Default. Except upon the happening of any Event of Default
23 specified in clauses (a), (b) and (c) of Section 802 hereof, the Master Trustee shall not be obliged
24 to take notice or be deemed to have notice of any Event of Default under this Master Indenture
25 unless specifically notified in writing of such Event of Default by the Corporation or the Owners
26 and Holders of not less than twenty-five percent (25%) in aggregate principal amount of Parity
27 Obligations then Outstanding.

28 Section 909. Master Trustee Not Responsible for Recitals. The recitals, statements and
29 representations contained herein and in the Bonds shall be taken and construed as made by and
30 on the part of the Corporation and not by the Master Trustee, and the Master Trustee assumes
31 and shall be under no responsibility for the correctness of the same.

32 Section 910. Master Trustee Protected in Relying on Certain Documents. The Master
33 Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or
34 not proceeding, in good faith, reasonably and in according with the terms of this Master
35 Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement,
36 affidavit, requisition, bond or other paper or document that it shall in good faith reasonably
37 believe to be genuine and to have been adopted or signed by the proper board or person or to
38 have been prepared and furnished pursuant to any of the provisions of this Master Indenture, or
39 upon the written opinion of any attorney, consultant or accountant believed by the Master
40 Trustee to be qualified in relation to the subject matter, and the Master Trustee shall be under no
41 duty to make any investigation or inquiry as to any statements contained or matters referred to in

1 any such instrument. The Master Trustee shall not be under any obligation to see to the
2 recording or filing of this Master Indenture or otherwise to the giving to any person of notice of
3 the provisions hereof.

4 Section 911. Master Trustee May Pay Taxes and Assessments. In case the Corporation
5 shall fail to pay or cause to be paid any lawful tax, assessment or governmental charge or other
6 charge upon any part of the Corporation to the extent, if any, that the Corporation may be
7 deemed by the Master Trustee liable for same, the Master Trustee may pay from sources
8 provided under this Master Indenture such tax, assessment or governmental charge, without
9 prejudice, however, to any rights of the Master Trustee or the Owners or Holders arising in
10 consequence of such failure; and any amount at any time so paid under this Section shall be
11 repaid upon demand by the Master Trustee by the Corporation from Gross Receipts, but the
12 Master Trustee shall be under no obligation to make any such payment from sources provided in
13 this Master Indenture unless it shall have available or be provided with adequate funds for the
14 purpose of such payment.

15 Section 912. Resignation and Removal of Master Trustee and Bond Registrar Subject
16 to Appointment of Successor. No resignation or removal of the Master Trustee or any Bond
17 Registrar and no appointment of a successor Master Trustee or successor Bond Registrar
18 pursuant to this Article shall become effective until the acceptance of appointment by the
19 successor Master Trustee under Section 915 hereof or the successor Bond Registrar under
20 Section 917 hereof, as the case may be.

21 Section 913. Resignation of Master Trustee. Subject to the provisions of Section 912
22 hereof, the Master Trustee may resign and thereby become discharged from the trusts hereby
23 created, by notice in writing given to the Corporation, and mailed, postage prepaid, at the Master
24 Trustee's expense, to each Owner and Holder, not less than sixty (60) days before such
25 resignation is to take effect, but such resignation shall take effect immediately upon the
26 appointment of a new Master Trustee hereunder if such new Master Trustee shall be appointed
27 before the time limited by such notice and shall then accept the trusts hereof.

28 Section 914. Removal of Master Trustee. The Master Trustee may be removed at any
29 time by an instrument or concurrent instruments in writing, (i) executed by the Owners and
30 Holders of not less than a majority in aggregate principal amount of Parity Obligations then
31 Outstanding and filed with the Corporation, or (ii) so long as no Event of Default shall have
32 occurred and be continuing, a resolution adopted or an instrument executed by the Corporation,
33 not less than sixty (60) days before such removal is to take effect as stated in said resolution,
34 instrument or instruments. A photographic copy of any resolution, instrument or instruments
35 filed with the Corporation under the provisions of this paragraph, duly certified by the Secretary
36 of the Corporation as having been received by the Corporation, shall be delivered promptly by
37 the Corporation to the Master Trustee.

38 The Master Trustee may also be removed at any time for acting or proceeding in
39 violation of, or for failing to act or proceed in accordance with, any provisions of this Master
40 Indenture with respect to the duties and obligations of the Master Trustee by any court of
41 competent jurisdiction upon the application of the Corporation or the Owners and Holders of not

1 less than twenty-five percent (25%) in aggregate principal amount of Parity Obligations then
2 Outstanding.

3 Section 915. Appointment of Successor Master Trustee. If at any time hereafter the
4 Master Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting,
5 or the bank or trust company acting as Master Trustee shall be taken over by any governmental
6 official, agency, department or board, the position of Master Trustee shall thereupon become
7 vacant. If the position of Master Trustee shall become vacant for any reason, the Corporation
8 shall appoint a Master Trustee to fill such vacancy. A successor Master Trustee shall not be
9 required if the Master Trustee shall sell or assign substantially all of its corporate trust business
10 and the vendee or assignee shall continue in the corporate trust business, or if a transfer of the
11 corporate trust department of the Master Trustee is required by operation of law, provided that
12 such vendee, assignee or transferee (i) is a bank or trust company within or without the State
13 which is duly authorized to exercise corporate trust powers and subject to examination by federal
14 or State authority, (ii) has good standing, and (iii) has a combined capital, surplus and undivided
15 profits aggregating not less than One Hundred Million Dollars (\$100,000,000) (or whose
16 obligations hereunder are guaranteed by a bank, banking association or trust company duly
17 authorized to exercise corporate trust powers and subject to examination by federal or state
18 authority, of good standing, and having at the time of the appointment of such Master Trustee, a
19 combined capital, surplus and undivided profits of at least such amount). The Corporation shall
20 mail notice of any such appointment made by it, postage prepaid, to all Owners and Holders.

21 At any time within one year after any such vacancy shall have occurred, the Owners and
22 Holders of not less than twenty-five percent (25%) in principal amount of Parity Obligations then
23 Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners
24 and Holders and filed with the Corporation, may nominate a successor Master Trustee, which the
25 Corporation shall appoint and which shall supersede any Master Trustee theretofore appointed by
26 the Corporation. Photographic copies, duly certified by the Secretary of the Corporation as
27 having been received by the Corporation, of each such instrument shall be delivered promptly by
28 the Secretary of the Corporation to the predecessor Master Trustee and to the Master Trustee so
29 appointed by the Owners and the Holders.

30 If no appointment of a successor Master Trustee shall be made pursuant to the foregoing
31 provisions of this Section, any Owner or Holder or any retiring Master Trustee may apply to any
32 court of competent jurisdiction to appoint a successor Master Trustee. Such court may
33 thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a
34 successor Master Trustee.

35 Any successor Master Trustee hereafter appointed (i) shall be a bank or trust company
36 within the State which is duly authorized to exercise corporate trust powers and subject to
37 examination by federal or State authority, (ii) shall be of good standing and (iii) shall have a
38 combined capital, surplus and undivided profits aggregating not less than One Hundred Million
39 Dollars (\$100,000,000) (or whose obligations hereunder are guaranteed by a bank, banking
40 association or trust company duly authorized to exercise corporate trust powers and subject to
41 examination by federal or state authority, of good standing, and having at the time of the
42 appointment of such Master Trustee, a combined capital, surplus and undivided profits of at least
43 such amount).

1 Section 916. Vesting of Duties in Successor Master Trustee. Every successor Master
2 Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also
3 to the Corporation and the State Board of Administration, an instrument in writing accepting
4 such appointment under this Master Indenture and the Pledge Agreement, and thereupon such
5 successor Master Trustee, without any further act, shall become fully vested with all the rights,
6 immunities and powers, and subject to all the duties and obligations, of its predecessor; but such
7 predecessor shall nevertheless, on the written request of its successor or of the Corporation and
8 upon payment of the expenses, charges and other disbursements of such predecessor that are
9 payable pursuant to the provisions of Section 905 hereof, execute and deliver an instrument
10 transferring to such successor Master Trustee all the rights, immunities and powers of such
11 predecessor under this Master Indenture and the Pledge Agreement; and every predecessor
12 Master Trustee shall deliver all property and money held by it under this Master Indenture and
13 the Pledge Agreement to its successor. Should any instrument in writing from the Corporation or
14 the State Board of Administration be required by any successor Master Trustee for more fully
15 and certainly vesting in such Master Trustee the rights, immunities, powers and trusts vested or
16 intended to be vested by this Master Indenture and the Pledge Agreement in the predecessor
17 Master Trustee, any such instrument in writing shall and will, on request, be executed,
18 acknowledged and delivered by the Corporation or the State Board of Administration, as the case
19 may be.

20 Section 917. Removal and Resignation of Bond Registrar. A Bond Registrar may be
21 removed at anytime, with or without cause, by the Corporation, upon thirty (30) days' written
22 notice by the Corporation to such Bond Registrar. A copy of such written notice shall be
23 delivered promptly by the Corporation to the Master Trustee. Upon receipt of such notice the
24 Master Trustee shall cause notice of such removal to be mailed, postage prepaid, to the Owners
25 not less than sixty (60) days before such removal is to take effect.

26 A Bond Registrar may resign and thereby become discharged from the duties, obligations
27 and responsibilities of Bond Registrar under this Master Indenture, by written notice delivered to
28 the Corporation and the Master Trustee. Upon receipt of such notice the Master Trustee shall
29 cause notice of such resignation to be mailed, postage prepaid, at such Bond Registrar's expense,
30 to the Owners not less than sixty (60) days before such resignation is to take effect, but such
31 resignation shall take effect immediately upon the appointment of a new Bond Registrar
32 hereunder if such new Bond Registrar shall be appointed before the time limited by such notice
33 and shall then accept the duties, obligations and responsibilities of Bond Registrar under this
34 Master Indenture. If at any time thereafter a Bond Registrar shall resign, be removed, be
35 dissolved or otherwise become incapable of acting, or the entity acting as Bond Registrar shall be
36 taken over by any governmental official, agency, department or board, the position of Bond
37 Registrar shall thereupon become vacant. If the position of Bond Registrar shall become vacant
38 for any reason, the Corporation shall appoint a Bond Registrar to fill such vacancy. A successor
39 Bond Registrar shall not be required if a Bond Registrar shall sell or assign substantially all of its
40 business and the vendee or assignee shall be qualified in the sole judgment of the Corporation to
41 carry out the duties, obligations and responsibilities of Bond Registrar under this Master
42 Indenture. The Corporation shall promptly deliver written notice of any such appointment by it
43 to the Master Trustee and mail such notice, postage prepaid, to all Owners.

Article X.

EXECUTION OF INSTRUMENTS BY OWNERS AND HOLDERS,
PROOF OF OWNERSHIP OF BONDS OR PARITY DEBT, AND
DETERMINATION OF CONCURRENCE OF OWNERS AND HOLDERS

Section 1001. Execution of Instruments. Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture to be signed or executed by any Owners or Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or Holders or their attorneys or legal representatives or legal representative of his estate if the Owner or Holder is deceased. Proof of the execution of any such instrument and of the ownership of Parity Obligations shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the Master Trustee and the Corporation with regard to any action taken by either under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification, by any officer in any jurisdiction who by the laws thereof has power to take affidavits within such jurisdictions, to the effect that such instrument was subscribed and sworn to before him or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 205 hereof. The ownership or holding of Parity Debt shall be proved as provided in the related Parity Debt Resolution.

Nothing contained in this Article shall be construed as limiting the Master Trustee to such proof, it being intended that the Master Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner or Holder shall bind every future Owner or Holder of the same Bond or Parity Debt in respect of anything done by the Master Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Master Trustee shall not be required to recognize any person as an Owner or Holder or to take any action at an Owner's or Holder's request unless such Bonds or Parity Debt shall be deposited with it.

Section 1002. Preservation of Information; Communications. (a) The Master Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Owners received by the Master Trustee from the Bond Registrar.

(b) If an Owner which is a Securities Depository Nominee or the Owners of not less than ten percent (10%) in aggregate principal amount of Bonds then Outstanding which are not Securities Depository Nominees (hereinafter collectively referred to as "applicants") apply in writing to the Master Trustee and furnish reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Owners with respect to

1 their rights under this Master Indenture or under the Bonds and such application is accompanied
2 by a copy of the form of communication which such applicants propose to transmit, then the
3 Master Trustee shall, within five (5) Business Days after receipt of such application, at its
4 election, either

5 (i) afford such applicants access to the information preserved at the time by
6 the Master Trustee in accordance with paragraph (a) of this Section, or

7 (ii) inform such applicants as to the approximate number of Owners whose
8 names and addresses appear in the information preserved at the time by the Master
9 Trustee in accordance with paragraph (a) of this Section, and as to the approximate cost
10 of mailing to such Owners the form of communication, if any, specified in such
11 application.

12 If the Master Trustee shall elect not to afford such applicants access to such information,
13 the Master Trustee shall, upon the written request of such applicants, mail to each Owner whose
14 name and address appears in the information preserved at the time by the Master Trustee in
15 accordance with paragraph (a) of this Section a copy of the form of communication which is
16 specified in such request, with reasonable promptness after a tender to the Master Trustee of the
17 material to be mailed and of payment, or provision for the payment, of the reasonable expenses
18 of mailing.

19 (c) Every Owner, by receiving and holding one or more Bonds, agrees with
20 the Corporation and the Master Trustee that neither the Corporation nor the Master Trustee shall
21 be held accountable by reason of the disclosure of any such information as to the names and
22 addresses of the Owners in accordance with paragraph (b) of this Section, regardless of the
23 source from which such information was derived, and that the Master Trustee shall not be held
24 accountable by reason of mailing any material pursuant to a request made under such paragraph.

25 Section 1003. Credit Provider as Owner or Holder. Notwithstanding any provision of
26 this Master Indenture to the contrary, a Parity Resolution may provide that a Credit Provider
27 providing credit enhancement or substitution for the payment of principal and interest with
28 respect to the Bonds of a Series or Parity Debt shall be deemed to be the Owner of such Bonds or
29 Holder of such Parity Debt, for all purposes of this Master Indenture, including, without
30 limitation, Article VIII and Article XI, and the Pledge Agreement, in the proportion that the
31 aggregate principal amount of Bonds of such Series or of such Parity Debt then Outstanding for
32 which such Credit Provider is providing credit enhancement or substitution bears to the
33 aggregate principal amount of all Parity Obligations then Outstanding, to the exclusion and in
34 lieu of the Owners of such Bonds or Holders of such Parity Debt.

35 Article XI.

36 SUPPLEMENTS AND AMENDMENTS

37
38 Section 1101. Supplemental Indentures Without Consent. The Corporation and the
39 Master Trustee may, from time to time and at any time, without the consent of or notice to any of
40 the Owners or Holders, execute and deliver Supplemental Indentures hereto (which

Supplemental Indentures shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Master Indenture:

(a) to cure any ambiguity or formal defect or omission herein, or any conflict between the provisions hereof and of the Pledge Agreement or of any Parity Resolution delivered to the Master Trustee at the same time as the Corporation delivers this Master Indenture, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Master Indenture, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Master Indenture, or

(b) to grant or to confer upon the Master Trustee, for the benefit of the Owners or Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, the Holders or the Master Trustee, or

(c) to add to the provisions of this Master Indenture other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the Corporation in this Master Indenture other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power herein reserved to or conferred upon the Corporation, or

(e) to permit the qualification of this Master Indenture under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation so determines, to add to this Master Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(f) to provide for the issuance of Bonds in bearer form, or

(g) to provide for the issuance of Bonds under a book-entry system, or

(h) to obtain a Credit Facility, Reserve Alternative Instrument, a Derivative Agreement, or other credit enhancement; provided, however, that no Rating Agency shall reduce or withdraw its rating on any of the Parity Obligations then Outstanding as a consequence of any such provision of such Supplemental Indenture, or

(i) to make any amendment or modification to this Master Indenture (including any modification to the Incurrence Test) resulting from the elimination of any restriction on the use of Reimbursement Premiums under the Code to pay or to secure debt service on Tax-Exempt Parity Obligations to the extent the elimination of such restriction is permitted by any administrative pronouncement of the Internal Revenue Service (including a private letter ruling) addressed to the Corporation, the FHCF, or any successor of either, or to the extent such elimination of such use restriction is permitted (based upon an Opinion of Counsel) by the Code, or

(j) to enable the Corporation to comply with its obligations, covenants and agreements made in Section 604 or in any Parity Resolution for the purpose of maintaining the

1 tax status of interest on any Tax-Exempt Parity Obligations, provided that such change shall not
2 materially adversely affect the security for any Parity Obligations, or

3 (k) to make any other change that, in the opinion of the Master Trustee, which
4 may, but is not required to, rely upon one or more of affirmation of ratings by the Rating
5 Agencies, certificates of Consultants and Opinions of Counsel for such purpose, shall not
6 materially adversely affect the security for the Parity Obligations.

7 Section 1102. Supplemental Indentures With Consent. Subject to the terms and
8 provisions contained in this Section, and not otherwise, the Owners and Holders of not less than
9 a majority in aggregate principal amount of the Parity Obligations then Outstanding shall have
10 the right, from time to time, anything contained in this Master Indenture to the contrary
11 notwithstanding, to consent to and approve the execution and delivery of such Supplemental
12 Indentures as are deemed necessary or desirable by the Corporation for the purpose of
13 modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or
14 provisions contained in this Master Indenture or in any Supplemental Indenture hereto; provided,
15 however, that nothing herein contained shall permit, or be construed as permitting (a) an
16 extension of the maturity of the principal of or the interest on any Bond or Parity Debt without
17 the consent of the Owner of such Bond or the Holder of such Parity Debt, (b) a reduction in the
18 principal amount of any Bond or Parity Debt or the redemption premium or the rate of interest
19 thereon without the consent of the Owner of such Bond or the Holder of such Parity Debt, (c) the
20 creation of a security interest in or a pledge of Net Receipts other than the security interest and
21 pledge created by this Master Indenture without the consent of the Owners of all Bonds
22 Outstanding and the Holders of all Parity Debt Outstanding, (d) a preference or priority of any
23 Bond or Parity Debt over any other Bond or Parity Debt without the consent of the Owners of all
24 Bonds Outstanding and the Holders of all Parity Debt Outstanding or (e) a reduction in the
25 aggregate principal amount of the Parity Obligations required for consent to such Supplemental
26 Indenture without the consent of the Owners of all Bonds Outstanding and the Holders of all
27 Parity Debt Outstanding. Nothing herein contained, however, shall be construed as making
28 necessary the approval by Owners or Holders of the execution and delivery of any Supplemental
29 Indenture as authorized in Section 1101 hereof.

30 If at any time the Corporation and the Master Trustee determine that it is necessary or
31 desirable to execute and deliver any Supplemental Indenture for any of the purposes of this
32 Section, the Master Trustee shall cause notice of the proposed execution of the Supplemental
33 Indenture to be mailed, postage prepaid, to all Owners at their addresses as they appear on the
34 registration books and to all Holders in accordance with the related Parity Debt Resolution. Such
35 notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state
36 that copies thereof are on file at the designated corporate trust office of the Master Trustee for
37 inspection by all Owners and Holders. The Master Trustee shall not, however, be subject to any
38 liability to any Owner or Holder by reason of its failure to cause the notice required by this
39 Section to be mailed and any such failure shall not affect the validity of such Supplemental
40 Indenture when consented to and approved as provided in this Section.

41 Whenever, at any time within three years after the date of the mailing of such notice, the
42 Corporation delivers to the Master Trustee an instrument or instruments in writing purporting to
43 be executed by the Owners or Holders of not less than a majority in aggregate principal amount

1 of Parity Obligations then Outstanding, which instrument or instruments shall refer to the
2 proposed Supplemental Indenture described in such notice and shall specifically consent to and
3 approve the execution and delivery thereof in substantially the form of the copy thereof referred
4 to in such notice, thereupon, but not otherwise, the Corporation and the Master Trustee may
5 execute and deliver such Supplemental Indenture in substantially such form, without liability or
6 responsibility to any Owner or Holder whether or not such Owner or Holder shall have
7 consented thereto.

8 If the Owners or Holders of not less than a majority in aggregate principal amount of
9 Parity Obligations Outstanding at the time of the execution and delivery of such Supplemental
10 Indenture have consented to and approved the execution and delivery thereof as herein provided,
11 to the extent permitted by law, no Owner or Holder shall have any right to object to the
12 execution and delivery of such Supplemental Indenture, to object to any of the terms and
13 provisions contained therein or the operation thereof, to question the propriety of the execution
14 and delivery thereof, or to enjoin or restrain the Corporation and the Master Trustee from
15 executing and delivering the same or from taking any action pursuant to the provisions thereof.

16 Section 1103. Supplemental Indentures Part of Master Indenture. Any Supplemental
17 Indenture executed and delivered in accordance with the provisions of this Article shall
18 thereafter form a part of this Master Indenture, and this Master Indenture shall be and be deemed
19 to be modified and amended in accordance therewith. Thereafter the respective rights, duties and
20 obligations under the Master Indenture of the Corporation, the Master Trustee, any Bond
21 Registrar and all Owners of Bonds and Holders of Parity Debt then Outstanding shall thereafter
22 be determined, exercised and enforced in all respects under the provisions of this Master
23 Indenture as so modified and amended. If any Supplemental Indenture is executed and
24 delivered, Bonds issued thereafter and Parity Debt incurred thereafter may contain an express
25 reference to such Supplemental Indenture, if deemed necessary or desirable by the Corporation.

26 Section 1104. Not a Supplemental Indenture. For purpose of this Article, a
27 Supplemental Indenture or Parity Debt Resolution that relates only to a particular Series of
28 Bonds issued hereunder or Parity Debt incurred under a Parity Debt Resolution and that does not
29 purport to alter or amend the rights or security of any Owners of any Bonds of any other Series
30 issued hereunder or any Holder of any Parity Debt incurred under a Parity Debt Resolution shall
31 not be deemed or considered to be a Supplemental Indenture for purposes of this Article.

32 Section 1105. Responsibilities of the Master Trustee. The Master Trustee shall be
33 entitled to receive, and shall be fully protected in relying upon, an opinion of counsel, who may
34 be Bond Counsel for the Corporation, as conclusive evidence that any proposed supplemental
35 indenture does or does not comply with the provisions of this Master Trust Indenture, and that it
36 is or is not proper for it, under the provisions of this Article, to execute and deliver such
37 supplemental indenture.

Article XII.

DEFEASANCE

Section 1201. Release of Master Indenture. When:

(a) the Bonds and any Parity Debt shall have become due and payable in accordance with their terms or otherwise as provided in this Master Indenture, and the whole amount of the principal and the interest and premium, if any, so due and payable upon all Parity Obligations shall be paid, or

(b) if the Bonds and any Parity Debt shall not have become due and payable in accordance with their terms, the Master Trustee or the Bond Registrar shall hold sufficient money or Defeasance Obligations, or a combination of money and Defeasance Obligations, the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all Parity Obligations then Outstanding to the maturity date or dates of such Parity Obligations or to the date or dates specified for the redemption thereof, as verified by a nationally recognized independent certified public accountant, and, if Bonds or any Parity Debt are to be called for redemption, irrevocable instructions to call the Bonds or Parity Debt for redemption shall have been given by the Corporation to the Master Trustee, and

(c) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the Corporation;

then and in that case the right, title and interest of the Master Trustee in the funds, accounts and subaccounts mentioned in this Master Indenture shall thereupon cease, determine and become void and, upon being furnished with an opinion, in form and substance satisfactory to the Master Trustee, of counsel approved by the Master Trustee, to the effect that all conditions precedent to the release of this Master Indenture have been satisfied, the Master Trustee shall release this Master Indenture and shall execute such documents to evidence such release as may be required by such counsel and shall turn over to the Corporation any surplus in, and all balances remaining in, all funds, accounts and subaccounts other than money held for the redemption or payment of Parity Obligations; otherwise, this Master Indenture shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by the Master Trustee or the Bond Registrar as hereinabove provided, (i) in addition to the requirements set forth in Article III of this Master Indenture, the Master Trustee, within thirty (30) days after such Defeasance Obligations shall have been deposited with it, shall cause a notice signed by the Master Trustee to be mailed, postage prepaid, to all Owners of Bonds and to all Holders of Parity Debt, setting forth (a) the date or dates, if any, designated for the redemption of the Parity Obligations, (b) a description of the Defeasance Obligations so held by it, and (c) that this Master Indenture has been released in accordance with the provisions of this Section, and (ii) (a) the Master Trustee shall nevertheless retain such rights, powers and privileges under this Master Indenture as may be necessary and convenient in respect of the Bonds and any Parity Debt for the payment of the principal, interest and any premium for which

1 such Defeasance Obligations have been deposited and (b) the Bond Registrar shall retain such
2 rights, powers and privileges under this Master Indenture as may be necessary and convenient
3 for the registration, transfer and exchange of Bonds; and provided, further, however, that failure
4 to mail such notice to any Owner or to the Owners, or to any such Holder or to such Holders, or
5 any defect in such notice so mailed, shall not affect the validity of the proceedings for the release
6 of this Master Indenture.

7 All money and Defeasance Obligations held by the Master Trustee (or any Bond
8 Registrar) pursuant to this Section shall be held in trust and applied to the payment, when due, of
9 the obligations payable therewith.

10 Article XIII.

11 MISCELLANEOUS PROVISIONS

12
13 Section 1301. Successorship of Corporation. In the event the Corporation for any reason
14 shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants,
15 stipulations, obligations and agreements contained in this Master Indenture by or on behalf of or
16 for the benefit of the Corporation shall bind or inure to the benefit of the successor or successors
17 of the Corporation from time to time and any officer, board, commission, authority, agency or
18 instrumentality to whom or to which any power or duty affecting such covenants, stipulations,
19 obligations and agreements shall be transferred by or in accordance with law, and the term
20 "Corporation" as used in this Master Indenture shall include such successor or successors.

21 Section 1302. Successorship of Depositary and Bond Registrar. Any bank or trust
22 company with or into which a Depositary or Bond Registrar may be merged or consolidated, or
23 to which the assets and business of such Depositary or Bond Registrar may be sold, shall be
24 deemed the successor of such Depositary or Bond Registrar for the purposes of this Master
25 Indenture. If the position of any Depositary shall become vacant for any reason or the position
26 of Bond Registrar shall become vacant for any reason not provided for by Section 917 hereof,
27 the Corporation shall appoint a bank or trust company to fill such vacancy within thirty (30) days
28 thereafter; provided, however, that if the Corporation shall fail to appoint such Depositary or
29 Bond Registrar within such period, the Master Trustee shall make such appointment.

30 Section 1303. Manner of Giving Notice. All notices, demands and requests to be given
31 to or made hereunder by the Corporation or the Master Trustee shall be given or made in writing
32 and shall be deemed to be properly given or made if sent by United States certified or registered
33 mail, return receipt requested postage prepaid, addressed as follows:

34 (a) As to the Corporation--

35 Florida Hurricane Catastrophe Fund
36 Finance Corporation
37 c/o State Board of Administration of the
38 State of Florida
39 1801 Hermitage Boulevard
40 Tallahassee, Florida 32308
41 Attention: President

1 (b) As to the Master Trustee--

2 Wells Fargo Bank, N.A.
3 7077 Bonneval Road, Suite 400
4 Jacksonville, FL 32216
5 Attention: Corporate Trust Department

6 Any such notice, demand or request may also be transmitted to the appropriate above-
7 mentioned party by telephone or electronic transmission and shall be deemed to be properly
8 given or made at the time of such transmission if, and only if, such transmission of notice shall
9 be confirmed in writing and sent as specified above.

10 Any of such addresses may be changed at any time upon written notice of such change
11 sent by United States certified or registered mail, postage prepaid, to the other parties by the
12 party effecting the change.

13 All documents received by the Master Trustee under the provisions of this Master
14 Indenture, or photographic copies thereof, shall be retained in its possession until this Master
15 Indenture shall be released under the provisions of Section 1201 hereof, subject at all reasonable
16 times to the inspection of the Corporation, any Owner, any Holder and the agents and
17 representatives thereof.

18 Section 1304. Substitute Mailing. If, because of the temporary or permanent suspension
19 of postal service, the Corporation or the Master Trustee shall be unable to mail any notice
20 required to be given by the provisions of this Master Indenture, the Corporation or the Master
21 Trustee shall give notice in such other manner as in the judgment of the Corporation or the
22 Master Trustee shall most effectively approximate mailing, and the giving of notice in such
23 manner shall for all purposes of this Master Indenture be deemed to be in compliance with the
24 requirement for the mailing thereof.

25 Section 1305. Parties, Bond Registrar, Owners and Holders Alone Have Rights Under
26 Master Indenture. Except as herein otherwise expressly provided, nothing in this Master
27 Indenture, express or implied, is intended or shall be construed to confer upon any person, firm
28 or corporation, other than the Master Trustee, any Bond Registrar, the Corporation, the Owners
29 and the Holders any right, remedy or claim, legal or equitable, under or by reason of this Master
30 Indenture or any provision thereof, this Master Indenture and all its provisions all being intended
31 to be and being for the sole and exclusive benefit of the Master Trustee, the Corporation, any
32 Bond Registrar, the Owners and the Holders.

33 Section 1306. Effect of Partial Invalidity. In case any one or more of the provisions of
34 this Master Indenture or the Bonds or any Parity Debt shall for any reason be held to be illegal or
35 invalid, such illegality or invalidity shall not affect any other provisions of this Master Indenture
36 or the Bonds or any Parity Debt, but this Master Indenture and the Parity Obligations shall be
37 construed and enforced as if such illegal or invalid provisions had not been contained therein. In
38 case any covenant, stipulation, obligation or agreement contained in the Parity Obligations or
39 this Master Indenture shall for any reason be held to be in violation of law, then such covenant,

1 stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or
2 agreement of the Corporation to the full extent permitted by law.

3 Section 1307. Effect of Covenants; Governing Law. All covenants, stipulations,
4 obligations and agreements of the Corporation contained in this Master Indenture shall be
5 deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full
6 extent permitted by the Constitution and laws of the State. This Master Indenture is executed
7 and delivered with the intent that the laws of the State shall govern this construction.

8 Section 1308. No Recourse Against Members, Officers or Employees of Corporation or
9 State Board of Administration. No recourse under, or upon, any statement, obligation, covenant
10 or agreement contained in this Master Indenture, or in any Bond or Parity Debt hereby secured,
11 or in any document or certification whatsoever, or under any judgment obtained against the
12 Corporation or the State Board of Administration, or by the enforcement of any assessment, or
13 by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under
14 any circumstances, shall be had against any member, officer or employee of the Corporation or
15 the State Board of Administration, either directly or through the Corporation of the FHCF for the
16 payment for or to, the Corporation or any receiver of it, or for, or to, any Owner or Holder or
17 otherwise, of any sum that may be due and unpaid upon any such Bond or Parity Debt. Any and
18 all personal liability of every nature, whether at common law or in equity or by statute or by
19 constitution or otherwise, of any such member, officer or employee to respond by reason of any
20 act or omission on his or her part or otherwise, for the payment for, or to, the Corporation or any
21 receiver of either of them, or for, or to, any Owner, Holder or otherwise, of any sum that may
22 remain due and unpaid upon the Bonds or any Parity Debt hereby secured or any of them, is
23 hereby expressly waived and released as an express condition of, and in consideration for, the
24 execution and delivery of this Master Indenture, the issuance of the Bonds and the incurrence of
25 any Parity Debt.

26 Section 1309. Dealing in Parity Obligations. The Master Trustee and any Bond
27 Registrar, and their directors, officers, employees or agents, and any officer, employee or agent
28 of the Corporation, may in good faith, buy, sell, own, hold and deal in any Parity Obligations and
29 may join in any action which any Owner or Holder may be entitled to take with like effect as if
30 such Master Trustee were not a Master Trustee and such bank or trust company were not a Bond
31 Registrar under this Master Indenture or as if such officer, employee or agent of the Corporation
32 did not serve in such capacity.

33 Section 1310. Headings. Any heading preceding the text of the several articles hereof,
34 any table of contents or marginal notes appended to copies hereof, shall be solely for
35 convenience of reference and shall not constitute a part of this Master Indenture, nor shall they
36 affect its meaning, construction or effect.

37 Section 1311. Further Authority. The officers, attorneys and other agents or employees
38 of the Corporation are hereby authorized to do all acts and things required of them by this Master
39 Indenture for the full, punctual and complete performance of all of the terms, covenants and
40 agreements contained in the Parity Obligations and this Master Indenture.

1 Section 1312. Payments Due on Non-Business Days. Except as otherwise provided in a
2 Parity Resolution, if the date for making any payment or the last day for performance of any act
3 or the exercising of any right as provided in this Master Indenture is not a Business Day, such
4 payment may be made or act performed or right exercised on the next Business Day with the
5 same force and effect as if done on the date provided in this Master Indenture.

6 Section 1313. Multiple Counterparts. This Master Indenture may be executed in
7 multiple counterparts, each of which shall be regarded for all purposes as an original, and such
8 counterparts shall constitute but one and the same instrument.

**FLORIDA HURRICANE CATASTROPHE FUND
FINANCE CORPORATION**

(SEAL)

Tracy Allen
Secretary

By: _____
[Title]

Attest:

[Title]

1 IN WITNESS WHEREOF, the Corporation has caused these presents to be signed in its
2 name and on its behalf and attested by its duly authorized officers and to evidence its acceptance
3 of the trusts hereby created, the Master Trustee has caused these presents to be signed in its name
4 and on its behalf and attested by its duly authorized officers, all of as of the day and year first
5 above written.

6 FLORIDA HURRICANE CATASTROPHE FUND
7 FINANCE CORPORATION


8 By: _____
9

10 (SEAL)

11 Attest:

12 _____
13

14 WELLS FARGO BANK, N.A.,
15 as Master Trustee

16 By: 
17 Brian P. Clark, Vice President



19 Attest:

20 
21 Title:

SEVENTH SUPPLEMENTAL INDENTURE

by and between

STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

and

**REGIONS BANK
(successor to Wells Fargo Bank, N.A.),
as Master Trustee**

Dated as of March 1, 2016

**Authorizing and Securing
\$1,200,000,000
State Board of Administration Finance Corporation
Revenue Bonds, Series 2016A**

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

SECTION 101.	MEANING OF WORDS AND TERMS	3
SECTION 102.	RULES OF CONSTRUCTION	4

ARTICLE II AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF THE SERIES 2016A BONDS

SECTION 201.	LIMITATION ON ISSUANCE OF SERIES 2016A BONDS	5
SECTION 202.	FORM AND NUMBERING OF SERIES 2016A BONDS	5
SECTION 203.	DETAILS OF SERIES 2016A BONDS.	5
SECTION 204.	EXECUTION AND FORM OF SERIES 2016A BONDS	7
SECTION 205.	EXCHANGE OF SERIES 2016A BONDS	8
SECTION 206.	NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2016A BONDS	9
SECTION 207.	OWNERSHIP OF SERIES 2016A BONDS	9
SECTION 208.	AUTHORIZATION OF SERIES 2016A BONDS	10

ARTICLE III REDEMPTION OF SERIES 2016A BONDS

SECTION 301.	MAKE-WHOLE REDEMPTION OF SERIES 2016A BONDS	13
SECTION 302.	NOTICE OF REDEMPTION	13

ARTICLE IV ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS, APPLICATION OF NET RECEIPTS AND INVESTMENT OF FUNDS

SECTION 401.	ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS	15
SECTION 402.	APPLICATION OF NET RECEIPTS	15
SECTION 403.	INVESTMENT OF MONEY	16
SECTION 404.	PAYMENT OF PRINCIPAL AND INTEREST	17
SECTION 405.	STATE COVENANT	18

ARTICLE V THE MASTER TRUSTEE

SECTION 501.	ACCEPTANCE OF DUTIES BY MASTER TRUSTEE	19
--------------	--	----

ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE AND SUPPLEMENTAL
INDENTURES

SECTION 601.	AMENDMENT OF MASTER TRUST INDENTURE.....	20
SECTION 602.	AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS	20
SECTION 603.	MODIFICATION OF SUPPLEMENT NO. 7 WITH CONSENT OF OWNERS.....	21
SECTION 604.	EXCLUSION OF SERIES 2016A BONDS	22
SECTION 605.	RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE	23

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701.	QUALIFIED ESCROW FUNDS.....	24
--------------	-----------------------------	----

ARTICLE VIII.
MISCELLANEOUS PROVISIONS

SECTION 801.	MANNER OF GIVING NOTICE	25
SECTION 802.	SUBSTITUTE NOTICE	25
SECTION 803.	CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 7.....	26
SECTION 804.	EFFECT OF PARTIAL INVALIDITY	26
SECTION 805.	EFFECT OF COVENANTS: GOVERNING LAW	26
SECTION 806.	HEADINGS	26
SECTION 807.	FURTHER AUTHORITY	26
SECTION 808.	PAYMENT DUE ON NON-BUSINESS DAYS.....	26
SECTION 809.	MULTIPLE COUNTERPARTS.....	27
Exhibit A	Form of Series 2016A Bonds	A-1

SEVENTH SUPPLEMENTAL INDENTURE

THIS SEVENTH SUPPLEMENTAL INDENTURE, dated as of March 1, 2016 ("Supplement No. 7"), by and between the State Board of Administration Finance Corporation, an instrumentality of the State of Florida (the "Corporation"), and Regions Bank (successor to Wells Fargo Bank, N.A.), a state banking corporation existing under the laws of the State of Alabama and having a corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the "Master Trustee"),

WITNESSETH:

WHEREAS, Section 215.555, Florida Statutes, as amended (the "Act") creates the Florida Hurricane Catastrophe Fund, a trust fund established for bond covenants, indentures or resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of Florida (the "FHCF"), and provides that the FHCF will be administered by the State Board of Administration of the State of Florida (in its capacity as the governing body and administrator of the FHCF, the "State Board of Administration"); and

WHEREAS, the Corporation has executed and delivered a Master Trust Indenture, dated as of June 1, 2006 (the "Master Trust Indenture" and as supplemented and amended, the "Master Indenture"), by and between the Corporation and the Master Trustee, which authorizes the Corporation to issue Parity Obligations (as defined in the Master Indenture) in accordance with the provisions thereof and hereof; and

WHEREAS, the Corporation issued on July 6, 2006, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,350,025,000 (the "Series 2006A Bonds") in accordance with the Master Indenture and a First Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds; and

WHEREAS, the Corporation issued on July 21, 2006, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$2,800,000,000 (the "Series 2006B Notes") in accordance with the Master Indenture and a Second Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the

FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events (as defined in the Act) occurring in the Contract Year ended May 31, 2007 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006B Notes, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2006B Notes; and

WHEREAS, the Corporation issued in October 2007, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$3,500,000,000 (the "Series 2007A Notes"), in accordance with the Master Indenture and a Third Supplemental Indenture (the "Third Supplemental Indenture") for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2008 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2007A Notes; and

WHEREAS, the Corporation issued on July 31, 2008, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$625,000,000 (the "Series 2008A Bonds"), in accordance with the Master Indenture and a Fourth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2008A Bonds; and

WHEREAS, the Corporation issued on May 25, 2010, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$675,920,000 (the "Series 2010A Bonds"), in accordance with the Master Indenture and a Fifth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2010A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2010A Bonds; and

WHEREAS, the Corporation issued on April 23, 2013, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$2,000,000,000 (the "Series 2013A Bonds"), in accordance with the Master Indenture and a Sixth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2014 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) and pay certain expenses incurred in connection with the issuance of the Series 2013A Bonds; and

WHEREAS, the Corporation has now determined to issue a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,200,000,000 (the "Series 2016A Bonds"), in accordance with the Master Indenture and this Supplement No. 7 for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ending May 31, 2016 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2016A Bonds; and

WHEREAS, the Series 2006A Bonds, the Series 2006B Notes, the Series 2007A Notes and the Series 2008A Bonds have been retired, the Series 2010A Bonds have been defeased, and the Series 2016A Bonds shall be issued on a parity basis with the Outstanding Series 2013A Bonds; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 101. MEANING OF WORDS AND TERMS. Unless otherwise required by the context, words and terms used herein which are defined, or the definitions of which are incorporated by reference, in the Master Indenture or the form of the Series 2016A Bonds shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings herein; provided that where the Master Indenture provides that a word or term defined in the Master Indenture may be modified by a Supplemental Indenture and such word or term is defined herein, the definition herein shall control:

"Bond Counsel" means a firm of lawyers, selected by the Corporation, nationally recognized for legal expertise in matters relating to municipal bonds.

"Bond Registrar" means the institution serving at the time as Master Trustee.

"Closing" means the delivery of and payment for the Series 2016A Bonds.

"Closing Date" means the date of the Closing.

"Defaulted Interest" means Defaulted Interest as defined in Section 203 hereof.

"Interest Payment Date" means each July 1 and January 1, the first interest payment date being July 1, 2016.

"Principal Payment Date" means July 1.

"Regular Record Date" means the June 15 and December 15 next preceding each Interest Payment Date.

"Serial Bonds" means the Series 2016A Bonds that are stated to mature on July 1, 2019 and July 1, 2021

"Series 2016A Account of the Costs of Issuance Fund" means the account created and designated by Section 401 hereof.

"Series 2016A Bonds" means the State Board of Administration Finance Corporation Revenue Bonds, Series 2016A, issued pursuant to Section 208 of the Master Indenture and Section 208 of this Supplement No. 7.

"Series 2016A Subaccount of the Interest Account" means the subaccount created and so designated by Section 401 hereof.

"Series 2016A Subaccount of the Principal Account" means the subaccount created and so designated by Section 401 hereof.

"Special Record Date" means a date fixed by the Master Trustee for the payment of Defaulted Interest pursuant to Section 203 hereof.

SECTION 102. RULES OF CONSTRUCTION. The Rule of Construction contained in the Master Indenture shall control the construction of this Supplement No. 7, mutatis mutandis, except as otherwise provided herein.

ARTICLE II
AUTHORIZATION, FORM, ISSUANCE, DELIVERY
AND REGISTRATION OF THE SERIES 2016A BONDS

SECTION 201. LIMITATION ON ISSUANCE OF SERIES 2016A BONDS. No Series 2016A Bonds may be issued under the provisions of this Supplement No. 7 except in accordance with the provisions of the Master Indenture and this Article.

SECTION 202. FORM AND NUMBERING OF SERIES 2016A BONDS. The Series 2016A Bonds are issuable in fully registered form in denominations of \$5,000 and any integral multiple thereof, shall be lettered "RA-", shall be numbered from 1 consecutively upward and shall be substantially in the form set forth in Exhibit A hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Master Indenture or this Supplement No. 7.

SECTION 203. DETAILS OF SERIES 2016A BONDS.

(a) The Series 2016A Bonds shall be dated the date of their delivery, shall bear interest until their payment, such interest to the maturity thereof being payable semi-annually on each January 1 and July 1, the first interest payment date being July 1, 2016, at the rates and shall be stated to mature on July 1 in the years (without right of prior redemption), all as set forth in Section 208 hereof.

(b) Each Series 2016A Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (i) authenticated upon an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Series 2016A Bond interest is in default, such Series 2016A Bond shall bear interest from the date to which interest has been paid.

(c) Both the principal of and the interest on the Series 2016A Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Series 2016A Bond shall be made by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Regular Record Date (i) by check mailed to the Owner at his address as it appears on such registration books or (ii) by wire transfer to any Owner of Series 2016A Bonds in the aggregate principal amount of \$1,000,000 or more that requests such method of payment and has furnished the necessary instructions and information to the Bond Registrar. Payment of the principal of all Series 2016A

Bonds shall be made upon the presentation and surrender of such Series 2016A Bonds at the designated corporate trust office of the Bond Registrar as the same become due and payable (whether at maturity or by acceleration or otherwise).

(d) Any interest on any Series 2016A Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the Corporation, at its election in each case, as provided in paragraph 1 or 2 below:

(1) The Corporation may elect to make payment of any Defaulted Interest on the Series 2016A Bonds to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation shall notify the Master Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2016A Bond and the date of the proposed payment (which date shall be such as will enable the Master Trustee to comply with the next sentence hereof), and at the same time, the Corporation shall deposit with the Master Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Master Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subparagraph provided. Thereupon the Master Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be neither more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Master Trustee of the notice of the proposed payment. The Master Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, such expense to be paid from Gross Receipts or any moneys available to the Corporation for such purpose, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given by first-class mail, postage prepaid, to each Owner at such Owner's address as it appears in the registration books maintained under Section 206 hereof not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Series 2016A Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following paragraph (2).

(2) The Corporation may make payment of any Defaulted Interest on the Series 2016A Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Corporation to the Master Trustee of the proposed payment pursuant to this subparagraph, such payment shall be deemed practicable by the Master Trustee.

Subject to the foregoing provisions of this Section 203, each Series 2016A Bond delivered under this Supplement No. 7 upon registration of, transfer of, in exchange for, or in lieu of any other Series 2016A Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2016A Bond and each such Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 204. EXECUTION AND FORM OF SERIES 2016A BONDS.

(a) The Series 2016A Bonds shall be signed by, or bear the facsimile signatures of, the President and the Secretary of the Corporation and the corporate seal of the Corporation shall be impressed, or a facsimile thereof printed, on the Series 2016A Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Series 2016A Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any Series 2016A Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

(b) The definitive Series 2016A Bonds are issuable as permitted or required by this Supplement No. 7. All Series 2016A Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Series 2016A Bonds may be listed or to any requirement of law with respect thereto.

(c) The Series 2016A Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2016A Bonds are stated to mature, in the aggregate principal amount of the Series 2016A Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), shall be issued and delivered as directed by DTC. The book-entry system shall evidence ownership of the Series 2016A Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Series 2016A Bond and interest with respect thereto shall be payable to Cede & Co. or

any other person appearing in the registration books of the Corporation kept by the Bond Registrar as the Owner of such Series 2016A Bond or its registered assigns or legal representatives. Transfer of principal and interest payments to participants of DTC shall be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2016A Bonds by participants of DTC shall be the responsibility of such participants and other nominees of such beneficial owners. The Corporation, the Bond Registrar and the Master Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

(d) In the event that (i) DTC determines not to continue to act as Securities Depository for the Series 2016A Bonds or (ii) the Corporation determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2016A Bonds would adversely affect the interests of the beneficial owners of the Series 2016A Bonds, or (iii) an Event of Default shall occur with respect to the Series 2016A Bonds and is continuing and the beneficial owners of a majority in principal amount of the Series 2016A Bonds shall advise DTC to cease acting as Securities Depository, the Corporation shall discontinue the book-entry system with DTC. If the Corporation identifies another qualified Securities Depository to replace DTC, the Corporation shall make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the Outstanding Series 2016A Bonds, and the references to DTC or Cede & Co. in this Supplement No. 7 shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Corporation fails to identify another qualified Securities Depository to replace DTC, the Corporation shall deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any integral multiple thereof in exchange for the Outstanding Series 2016A Bonds as required by DTC.

SECTION 205. EXCHANGE OF SERIES 2016A BONDS. (a) Series 2016A Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Series 2016A Bonds of the same maturity, of any denomination or denominations authorized by this Supplement No. 7, bearing interest at the same rate and in the same form as the Series 2016A Bonds surrendered for exchange.

(b) The Corporation shall make provision for the exchange of Series 2016A Bonds at the designated corporate trust office of the Bond Registrar.

SECTION 206. NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2016A BONDS. (a) The institution at the time serving as Master Trustee under the Master Indenture shall be and is hereby appointed Bond Registrar for the Series 2016A Bonds under this Supplement No. 7.

(b) The Bond Registrar shall keep books for the registration and the registration of transfer of Series 2016A Bonds as to which it is Bond Registrar as provided in this Supplement No. 7. The registration books shall be available at all reasonable times for inspection by the Corporation and any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

(c) The Bond Registrar shall evidence acceptance of the duties, responsibilities and obligations of the Bond Registrar under this Supplement No. 7 by the execution of the certificate of authentication on the Series 2016A Bonds.

(d) The transfer of any Series 2016A Bond may be registered only upon the books kept for the registration and registration of transfer of Series 2016A Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar. No transfer of any Series 2016A Bond shall alter the ownership of such Bond for purposes of this Supplement No. 7 unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Series 2016A Bond or Series 2016A Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Supplement No. 7, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

(e) In all cases in which Series 2016A Bonds shall be exchanged or the transfer of Series 2016A Bonds shall be registered hereunder, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Series 2016A Bonds in accordance with the provisions of this Supplement No. 7. All Series 2016A Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. No service charge shall be made for any registration, transfer or exchange of Series 2016A Bonds, but the Corporation and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2016A Bonds.

SECTION 207. OWNERSHIP OF SERIES 2016A BONDS. The Corporation, the Master Trustee, the Bond Registrar and any agent of the Corporation, the Master Trustee or the Bond Registrar, may treat the person in whose name any Series

2016A Bond is registered, including any Securities Depository Nominee, as the absolute Owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Corporation, the Master Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary.

SECTION 208. AUTHORIZATION OF SERIES 2016A BONDS. There shall be issued under and secured by the Master Indenture and this Supplement No. 7 Series 2016A Bonds of the Corporation in the aggregate principal amount of One Billion Two Hundred Million and 00/100 Dollars (\$1,200,000,000.00) for the purpose of providing funds, together with other available funds, to enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by any Covered Events in the Contract Year ending May 31, 2016 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act. The Series 2016A Bonds shall be designated "State Board of Administration Finance Corporation Revenue Bonds, Series 2016A". The Series 2016A Bonds are Pre-Event Parity Obligations and Pre-Event Bonds entitled to the benefits of the covenants and agreements in the Pledge Agreement, the Master Trust Indenture and this Supplement No. 7.

The Series 2016A Bonds shall be stated to mature (subject to the right of prior redemption, if any, as provided in Article III hereof) on July 1 of the following years, and shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months), payable semi-annually on each January 1 and July 1, the first interest payment date being July 1, 2016, until their respective maturities, at the following rates:

<u>Year of Maturity</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$550,000,000	2.163%
2021	650,000,000	2.638

The Series 2016A Bonds shall be executed substantially in the form and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication, but before the Series 2016A Bonds shall be authenticated and delivered to the purchasers thereof, there shall be filed with the Master Trustee, in addition to the items required to be delivered to the Master Trustee pursuant to Section 208 of the Master Indenture, the following:

(a) a copy, certified by an Authorized Officer of the State Board of Administration to be a true and correct copy, of the resolution of the State Board of Administration determining that the Series 2016A Bonds should be issued in the absence of a hurricane in order to maximize the ability of the FHCF to meet future obligations, as contemplated by the last sentence of Section 215.555(6)(a)1. of the Act;

(b) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Master Trust Indenture;

(c) an executed counterpart of this Supplement No. 7;

(d) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Pledge Agreement;

(e) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the resolution of the Corporation (which resolution may be incorporated in this Supplement No. 7), approving the award of the Series 2016A Bonds and directing the authentication and delivery of such Bonds to or upon the order of the underwriters therein named upon payment of the purchase price therein set forth, plus the accrued interest (if any) thereon; provided, however, that the final determination of any of the details of such Bonds, including the purchase price therefor, may be delegated by such resolution to one or more Authorized Officers of the Corporation to the extent set forth therein;

(f) an Officer's Certificate of the Corporation (which may rely upon certificates or other documentation delivered by an Authorized Officer of the State Board of Administration) evidencing compliance with the requirements of Section 704 of the Master Indenture;

(g) an opinion or opinions of special counsel to the Corporation to the effect that (1) this Supplement No. 7, the Master Indenture and the Pledge Agreement have each been duly and validly authorized, executed and delivered by the Corporation and are each valid and binding agreements of the Corporation enforceable in accordance with their respective terms, (2) no provision of the Master Indenture, this Supplement No. 7 or the Pledge Agreement results in or constitutes a default under any agreement, indenture or other instrument to which the Corporation is a party or by which the Corporation may be bound and of which such special counsel to the Corporation has knowledge, (3) the Corporation's execution and delivery of the Master Indenture, this Supplement No. 7 and the Pledge Agreement and execution and issuance of the Series 2016A Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, and (4) the form, terms, execution, issuance and delivery of the Series 2016A Bonds have been duly and validly authorized by the Corporation;

(h) an opinion or opinions of counsel to the State Board of Administration to the effect that (1) the Pledge Agreement has been duly and validly authorized, executed and delivered by the State Board of Administration, acting as the governing body and administrator of the FHCF, and is a valid and binding agreement of the FHCF enforceable in accordance with its terms, (2) the execution and delivery of the Pledge Agreement and compliance with the provisions on the part of the State Board of

Administration contained therein will not, to the best knowledge of such counsel, constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, and (3) the State Board of Administration's execution and delivery of the Pledge Agreement are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected;

- (i) an opinion of Bond Counsel relating to the Series 2016A Bonds; and
- (j) such other documents as are required to be delivered to the Master Trustee pursuant to this Supplement No. 7.

When the documents mentioned in the Master Indenture and subparagraphs (a) through (j), inclusive, above shall have been filed with the Master Trustee, and when the Series 2016A Bonds shall have been executed and authenticated as required by this Supplement No. 7, the Series 2016A Bonds shall be delivered to or upon the order of the purchasers thereof, but only upon the deposit with the Master Trustee or the State Board of Administration, as the case may be, of the purchase price of the Series 2016A Bonds and the accrued interest, if any, thereon.

Simultaneously with the Closing, from the proceeds of the Series 2016A Bonds (net of Underwriters' discount), which is equal to \$1,197,848,797.17, (i) \$1,196,611,867.17, together with \$3,388,132.83 of other legally available funds of the FHCF, shall be deposited with the State Board of Administration, for the account of the FHCF, and be deposited to the credit of the Series 2016A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund established pursuant to Section 8 of the Pledge Agreement, and (ii) \$1,236,930.00 shall be deposited with the Master Trustee into the Series 2016A Account of the Costs of Issuance Fund to pay or reimburse the Corporation for paying the Costs of Issuance associated with the issuance of the Series 2016A Bonds. Of such \$1,197,848,797.17 proceeds, \$12,000,000.00 shall represent the good faith deposit received by the Corporation, via deposit with the State Board of Administration, from the Underwriters of the Series 2016A Bonds.

ARTICLE III REDEMPTION OF SERIES 2016A BONDS

SECTION 301. MAKE-WHOLE REDEMPTION OF SERIES 2016A BONDS. The Series 2016A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2016A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2016A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the Series 2016A Bonds are to be redeemed, discounted to the date on which the Series 2016A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 20 basis points for the 2019 maturity and 25 basis points for the 2021 maturity; plus, in each case, accrued and unpaid interest on the Series 2016A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available prior to the pricing date of the refunding bonds or prior to the redemption date if no refunding bonds are issued (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the refunding bonds pricing date, if issued, or if no refunding bonds are issued, from the redemption date to the maturity date of the Series 2016A Bonds to be redeemed. The Corporation shall confirm in writing to the Master Trustee the amount of principal and interest and the Make-Whole Redemption Price to be paid under this Section.

SECTION 302. NOTICE OF REDEMPTION. When redemption of Series 2016A Bonds is authorized pursuant to the provisions hereof, the Trustee shall give to the Owners of Series 2016A Bonds to be redeemed notice, at the expense of the Corporation, of the redemption of the Series 2016A Bonds. Notice of such redemption of the Series 2016A Bonds shall be given by mail, postage prepaid, not more than thirty (30) days or fewer than fifteen (15) days prior to said date of redemption, to the Owners of any Series 2016A Bonds to be redeemed. Such notice shall state: (i) the CUSIP numbers of all Series 2016A Bonds being redeemed, (ii) the original issue date of such Series 2016A Bonds, (iii) the maturity date and rate of interest borne by each Series 2016A Bond being redeemed, (iv) the redemption date, (v) the date on which such notice is mailed, (vi) if less than all Outstanding Series 2016A Bonds are to be redeemed, the bond number (and, in the case of a partial redemption of any Series 2016A Bond, the principal amount) of each Series 2016A Bond to be redeemed, (vii) that on such redemption date there shall become due and payable upon each Series 2016A Bond to be redeemed the Make-Whole Redemption Price thereof or the Make-Whole Redemption Price of the specified portions

of the principal thereof in the case of Series 2016A Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, and (viii) that the Series 2016A Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment at the designated corporate trust office of the Trustee at an address specified. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect. Such mailing shall not be a condition precedent to such redemption, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the Series 2016A Bonds for which proper notice was given.

In the case of redemption of the Series 2016A Bonds, the Corporation will select the maturities of the Series 2016A Bonds to be redeemed. If the Series 2016A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the Series 2016A Bonds shall be effected by the Bond Registrar among owners on a pro-rata basis subject to minimum authorized denominations. The particular Series 2016A Bonds to be redeemed shall be determined by the Bond Registrar, using such method as it shall deem fair and appropriate. If the Series 2016A Bonds are registered in book-entry only form and so long as DTC is the sole registered owner of the Series 2016A Bonds, if less than all of the Series 2016A Bonds of a maturity are called for prior redemption, the particular Series 2016A Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures; provided that, so long as the Series 2016A Bonds are held in book-entry form, the selection for redemption of such Series 2016A Bonds shall be made in accordance with the operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Bond Registrar pursuant to DTC operational arrangements. If the Bond Registrar does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the Series 2016A Bonds will be selected for redemption in accordance with DTC procedures by lot. It is the Corporation's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Corporation and the Beneficial Owners be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, the Corporation can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2016A Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Series 2016A Bonds will be selected for redemption in accordance with DTC procedures by lot.

ARTICLE IV
ESTABLISHMENT OF ACCOUNTS AND
SUBACCOUNTS, APPLICATION OF NET RECEIPTS
AND INVESTMENT OF FUNDS

SECTION 401. ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS. The following accounts and subaccounts are hereby established:

- (a) Series 2016A Subaccount of the Interest Account of the Bond Fund;
- (b) Series 2016A Subaccount of the Principal Account of the Bond Fund; and
- (c) Series 2016A Account of the Costs of Issuance Fund.

The account and subaccounts mentioned above shall be established with and held by the Master Trustee pursuant to the Master Indenture and this Supplement No. 7 for the benefit of the Owners of the Series 2016A Bonds.

SECTION 402. APPLICATION OF NET RECEIPTS. On or before the dates set forth below, so long as any of the Series 2016A Bonds is Outstanding, the Master Trustee shall withdraw, immediately following any withdrawal required by Section 503(b) of the Master Trust Indenture, from the Reimbursement Premiums Account in the Revenue Fund and, subsequent to such withdrawal, from the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund (other than the Emergency Assessments Account) in the order specified below, the amounts necessary to make the deposits or payments required by Sections 503(c)(iii) and 504 of the Master Trust Indenture, and, if and to the extent that the amounts on deposit to the credit of the Reimbursement Premiums Account, the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund are insufficient to make such deposits or payments, the Master Trustee shall withdraw from the Emergency Assessments Account in the Revenue Fund the amounts necessary to satisfy such deposits or payments; provided, however, in the case of the Series 2016A Bonds, the Master Trustee shall draw first from the Reimbursement Premiums Account, then from the Pre-Event Bonds Investment Income Account and then from the Series 2016A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, prior to making any withdrawal from any of such other Accounts or any other account or subaccount, and the Master Trustee shall apply such amounts to the various subaccounts specified herein in the following order:

- (a) into the Series 2016A Subaccount of the Interest Account, on the Business Day immediately preceding each Interest Payment Date, an amount equal to the interest payable on the Series 2016A Bonds on such Interest Payment Date; and

(b) into the Series 2016A Subaccount of the Principal Account, on the Business Day immediately preceding each Principal Payment Date, an amount equal to the principal of the Series 2016A Bonds coming due on such Principal Payment Date.

SECTION 403. INVESTMENT OF MONEY. (a) Money held for the credit of the subaccounts established hereunder on deposit with the Master Trustee shall be continuously invested and reinvested by the Master Trustee, at the written direction of the Corporation, in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts will be required for the purposes intended. No Investment Obligations in any such subaccount may mature beyond the latest maturity date of any Series 2016A Bonds Outstanding at the time such Investment Obligations are deposited.

(b) Investment Obligations acquired with money in or credited to any subaccount established hereunder shall be deemed at all times to be part of such subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations to the credit of such subaccounts shall be credited to such respective subaccounts.

(c) Any such interest accruing and any such profit realized from the subaccounts established hereunder shall be transferred upon the receipt thereof by the Corporation or the Master Trustee, as the case may be, pursuant to the provisions of the Master Indenture and this Supplement No. 7.

(d) An Authorized Officer of the Corporation shall give to the Master Trustee written directions respecting the investment of any money required to be invested hereunder; subject, however, to the provisions of this Section 403, and the Master Trustee shall then invest such money in Investment Obligations as so directed. The Master Trustee may request in writing additional directions or authorization from an Authorized Officer of the Corporation with respect to the proposed investment of money. Upon receipt of such directions, the Master Trustee shall invest, subject to the provisions of this Section 403, such money in accordance with such directions.

(e) The Master Trustee shall sell at the fair market price or, acting in a commercially reasonable manner, reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so in order to provide money to make any payment from any such subaccount. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(f) Whenever a transfer of money between two or more of the subaccounts is permitted or required, such transfer may be made as a whole or value determined at the time of such transfer in accordance with Article VI of the Master Indenture; provided that the Investment Obligations transferred are those in which money of the receiving subaccount could be invested at the date of such transfer.

SECTION 404. PAYMENT OF PRINCIPAL AND INTEREST. (a) The Corporation covenants that it will promptly pay the principal of and the interest on every Series 2016A Bond issued under the provisions of this Supplement No. 7 at the places, on the dates and in the manner provided herein and in the Series 2016A Bonds, according to the true intent and meaning thereof and in accordance with the provisions of the Master Indenture and this Supplement No. 7. The Series 2016A Bonds shall constitute Bonds and Parity Obligations under the Master Indenture and shall be secured by the trust estate set forth in the Master Indenture. The Corporation further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Supplement No. 7 and the Master Indenture, or in any Series 2016A Bond executed, authenticated and delivered hereunder or in any proceedings of the Corporation pertaining thereto. The Corporation represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2016A Bonds authorized hereby and to pledge the Net Receipts in the manner and to the extent in the Master Indenture set forth; that all action on its part for the issuance of the Series 2016A Bonds has been duly and effectively taken; and that such Series 2016A Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the Corporation payable according to their terms.

(b) Subject to the provisions of Sections 503 and 504 of the Master Indenture, on the Business Day preceding each Interest Payment Date or Interest Payment Date and Principal Payment Date, the Master Trustee shall first set aside an amount sufficient to pay the interest on the Series 2016A Bonds becoming due and payable on such Interest Payment Date, and then an amount sufficient to pay the principal of the Series 2016A Bonds becoming due and payable on such Principal Payment Date, and shall make payments as provided herein and in the forms of the Series 2016A Bonds.

(c) At such time as to enable the Bond Registrar to make payments of interest on the Series 2016A Bonds in accordance with Section 203(c) hereof, the Master Trustee shall withdraw from the Series 2016A Subaccount of the Interest Account and make available to the Bond Registrar the amounts required to pay interest on the Series 2016A Bonds on the next succeeding Interest Payment Date. At such time as to enable the Bond Registrar to make payments of principal of the Series 2016A Bonds, the Master Trustee shall withdraw from the Series 2016A Subaccount of the Principal Account the amount required to pay the Series 2016A Bonds on the next succeeding Principal Payment Date and make the same available to the Bond Registrar for the payment of the Series 2016A

Bonds in accordance with the provisions of Section 203(c) hereof and in the manner provided in the forms of the Series 2016A Bonds.

(d) The Series 2016A Bonds shall not be secured by the Parity Common Reserve Account.

SECTION 405. STATE COVENANT. The Corporation acknowledges that Section 708 of the Master Indenture constitutes an important security provision of the Series 2016A Bonds, and confirms that the acknowledgement set forth in this Section 405 has been included as a result of negotiations with the underwriters of the Series 2016A Bonds.

ARTICLE V
THE MASTER TRUSTEE

SECTION 501. ACCEPTANCE OF DUTIES BY MASTER TRUSTEE.

The Master Trustee by execution hereof accepts and agrees to perform the duties and fulfill the trusts imposed upon it by this Supplement No. 7.

ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE
AND SUPPLEMENTAL INDENTURES

SECTION 601. AMENDMENT OF MASTER TRUST INDENTURE.

Notwithstanding Section 503(e) of the Master Trust Indenture and Section 3(f) of the Pledge Agreement or in any other provision of the Master Indenture or the Pledge Agreement to the contrary, the State Board of Administration will transfer Reimbursement Premiums to the Master Trustee in an amount sufficient to provide for interest payments on Pre-Event Parity Obligations payable or projected to be payable during the period commencing on the first day of the Fiscal Year next succeeding the then current Fiscal Year referenced in Section 503(e)(ii)(Y) of the Master Trust Indenture and Section 3(f)(ii) of the Pledge Agreement and ending on the date that the Reimbursement Premiums to be transferred or otherwise available to the Master Trustee under the Pledge Agreement with respect to such next succeeding Fiscal Year are projected to be sufficient to provide for the transfers provided for in Section 504(a) of the Master Trust Indenture for such next succeeding Fiscal Year for all Outstanding Pre-Event Parity Obligations.

SECTION 602. AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS.

The Corporation and the Master Trustee may, from time to time and at any time, without the consent of or notice to any of the Owners of the Series 2016A Bonds, execute and deliver such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Supplement No. 7:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Supplement No. 7 or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Supplement No. 7;

(b) to grant or to confer upon the Master Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Master Trustee;

(c) to add to the covenants and agreements of the Corporation in this Supplement No. 7 other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power herein reserved to or conferred upon the Corporation;

(d) to permit the qualification of this Supplement No. 7 under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation so determines, to add to this Supplement No. 7 or any supplemental indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law;

(e) to provide for the issuance of Series 2016A Bonds in bearer form; or

(f) to make any other change that, in the opinion of the Trustee, which may, but is not required to, rely upon one or more of affirmation of ratings by the Rating Agencies, certificates of Consultants and Opinions of Counsel for such purpose, shall not materially adversely affect the security for the Parity Obligations.

SECTION 603. MODIFICATION OF SUPPLEMENT NO. 7 WITH CONSENT OF OWNERS. (a) Subject to the terms and provisions contained in this Section 603, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2016A Bonds then Outstanding shall have the right, from time to time, anything contained in this Supplement No. 7 to the contrary notwithstanding, to consent to and approve the adoption by the Corporation and the acceptance by the Master Trustee of such supplemental indentures as shall be deemed necessary or desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Supplement No. 7 or in any supplemental indenture hereto; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2016A Bond without the consent of the Owner of such Series 2016A Bond, (b) a reduction in the principal amount of any Series 2016A Bond or the rate of interest on any Series 2016A Bond without the consent of the Owner of such Series 2016A Bond, (c) the creation of a pledge of Net Receipts other than the lien and pledge created by the Master Indenture without the consent of the Owners of all Series 2016A Bonds, (d) a preference or priority of any Series 2016A Bond over any other Series 2016A Bond without the consent of the Owners of all Series 2016A Bonds, or (e) a reduction in the aggregate principal amount of Series 2016A Bonds required for consent to such supplemental indenture without the consent of the Owners of all Series 2016A Bonds. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the execution and delivery of any supplemental indenture as authorized in Section 602 hereof.

(b) The Master Trustee shall, at the expense of the Corporation, such expense to be paid from Gross Receipts or from any other available moneys, cause notice of the proposed execution and delivery of such supplemental indenture to be mailed, first class, postage prepaid, to all Owners of the Series 2016A Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Master Trustee for inspection by

all Owners. The Master Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section 603, and any such failure shall not affect the validity of such supplemental indenture when approved and consented to as provided in this Section 603.

(c) Whenever, at any time within three years after the date of the mailing of such notice, the Corporation shall deliver to the Master Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2016A Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Corporation and the Master Trustee may execute and deliver such supplemental indenture in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

(d) If the Owners of not less than a majority in aggregate principal amount of the Series 2016A Bonds Outstanding at the time of the execution of such supplemental indenture have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the execution and delivery of such supplemental indenture, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the Corporation or the Master Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution and delivery of any supplemental indenture pursuant to the provisions of this Section 603 or Section 602 hereof, this Supplement No. 7 shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Supplement No. 7 of the Corporation, the Master Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Supplement No. 7, as so modified and amended.

SECTION 604. EXCLUSION OF SERIES 2016A BONDS. Series 2016A Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Series 2016A Bonds provided for in this Article VI, and the Corporation as Owner of such Series 2016A Bonds shall not be entitled to consent or take any other action provided for in this Article VI. At the time of any consent or other action taken under this Article VI, the Corporation shall furnish the Master Trustee an Officer's Certificate, upon which the Master Trustee may rely, describing all Series 2016A Bonds so to be excluded.

SECTION 605. RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE. The Master Trustee and the Corporation shall be entitled to exercise their discretion in determining whether or not any proposed supplemental indenture or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Corporation, the rights and interests of the Owners, and the rights, obligations and interests of the Master Trustee. The Master Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be Bond Counsel for the Corporation, as conclusive evidence that any such proposed supplemental indenture does or does not comply with the provisions of this Supplement No. 7, and that it is or is not proper for it, under the provisions of this Article VI, to execute and deliver such supplemental indenture.

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701. QUALIFIED ESCROW FUNDS. Notwithstanding any provisions herein to the contrary, any and all moneys in the Series 2016A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Series 2016A Subaccount of the Interest Account of the Bond Fund, the Series 2016A Subaccount of the Principal Account of the Bond Fund and any other account or subaccount designated by the President or other authorized officer may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President or other authorized officer. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such Series 2016A Bonds as may be designated by the President or other authorized officer of the Corporation.

**ARTICLE VIII.
MISCELLANEOUS PROVISIONS**

SECTION 801. MANNER OF GIVING NOTICE. All notices, demands and requests to be given to or made hereunder by the Corporation, the Master Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the Corporation--

State Board of Administration Finance Corporation
c/o State Board of Administration of the State of Florida
1801 Hermitage Boulevard
Tallahassee, Florida 32308
Attention: President

(b) As to the Master Trustee or Bond Registrar--

Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States certified or registered mail, postage prepaid, to the other parties by the party effecting the change.

SECTION 802. SUBSTITUTE NOTICE. If, because of the temporary or permanent suspension of postal service, the Corporation, the Master Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplement No. 7, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Supplement No. 7 be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 803. CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 7. Except as herein otherwise expressly provided, nothing in this Supplement No. 7, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Corporation, the Master Trustee, the Bond Registrar and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplement No. 7 or any provision being intended to be and being for the sole and exclusive benefit of the Corporation, the Master Trustee, the Bond Registrar and the Owners.

SECTION 804. EFFECT OF PARTIAL INVALIDITY. All covenants, stipulations, obligations and agreements of the Corporation contained in this Supplement No. 7 shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent permitted by the Constitution and laws of the State. In case any one or more of the provisions of this Supplement No. 7 or the Series 2016A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplement No. 7 or the Series 2016A Bonds, but this Supplement No. 7 and the Series 2016A Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplement No. 7 or the Series 2016A Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation to the full extent permitted by law.

SECTION 805. EFFECT OF COVENANTS: GOVERNING LAW. This Supplement No. 7 is executed and delivered with the intent that the laws of the State shall govern this construction.

SECTION 806. HEADINGS. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplement No. 7, nor shall they affect its meaning, construction or effect.

SECTION 807. FURTHER AUTHORITY. The officers, attorneys and other agents or employees of the Corporation are hereby authorized to do all acts and things required of them by this Supplement No. 7 for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2016A Bonds and this Supplement No. 7.

SECTION 808. PAYMENT DUE ON NON-BUSINESS DAYS. In the case of the Series 2016A Bonds, if the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplement No. 7 is not a Business Day, such payment may be made or act performed or right exercised

on the next Business Day with the same force and effect as if done on the date provided in this Supplement No. 7.

SECTION 809. MULTIPLE COUNTERPARTS. This Supplement No. 7 may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

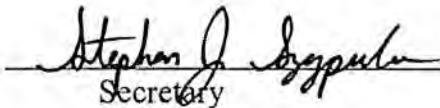
IN WITNESS WHEREOF, the Corporation and the Master Trustee have caused this Supplement No. 7 to be executed in their respective names by their respective duly authorized officers all as of the date first written above.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

(SEAL.)

By: 
President

ATTEST:

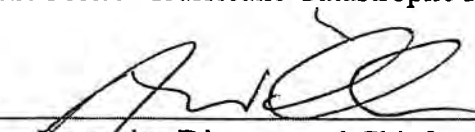

Secretary

**REGIONS BANK, as
Master Trustee**

By: 
Vice President and Trust Officer

Acknowledged By:

**STATE BOARD OF ADMINISTRATION
OF THE STATE OF FLORIDA,**
acting as the governing body and administrator
of the Florida Hurricane Catastrophe Fund

By: 
Executive Director and Chief
Investment Officer

NINTH SUPPLEMENTAL INDENTURE

by and between

STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

and

**REGIONS BANK
(successor to Wells Fargo Bank, N.A.),
as Master Trustee**

Dated as of [MONTH] 1, 2023

**Authorizing and Securing
\$ _____
State Board of Administration Finance Corporation
Revenue Bonds, Series 2023A
(Taxable)**

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

SECTION 101.	MEANING OF WORDS AND TERMS	4
SECTION 102.	RULES OF CONSTRUCTION	5

ARTICLE II AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF THE SERIES 2023A BONDS

SECTION 201.	LIMITATION ON ISSUANCE OF SERIES 2023A BONDS.....	6
SECTION 202.	FORM AND NUMBERING OF SERIES 2023A BONDS	6
SECTION 203.	DETAILS OF SERIES 2023A BONDS.....	6
SECTION 204.	EXECUTION AND FORM OF SERIES 2023A BONDS.....	8
SECTION 205.	EXCHANGE OF SERIES 2023A BONDS.....	9
SECTION 206.	NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2023A BONDS	9
SECTION 207.	OWNERSHIP OF SERIES 2023A BONDS	10
SECTION 208.	AUTHORIZATION OF SERIES 2023A BONDS.....	11

ARTICLE III REDEMPTION OF SERIES 2023A BONDS

SECTION 301.	MAKE WHOLE REDEMPTION OF SERIES 2023A BONDS	14
SECTION 302.	NOTICE OF REDEMPTION	14

ARTICLE IV ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS, APPLICATION OF NET RECEIPTS AND INVESTMENT OF FUNDS

SECTION 401.	ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS.....	16
SECTION 402.	APPLICATION OF NET RECEIPTS	16
SECTION 403.	INVESTMENT OF MONEY	17
SECTION 404.	PAYMENT OF PRINCIPAL AND INTEREST	18
SECTION 405.	STATE COVENANT	19

ARTICLE V THE MASTER TRUSTEE

SECTION 501.	ACCEPTANCE OF DUTIES BY MASTER TRUSTEE.....	20
--------------	---	----

ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE AND SUPPLEMENTAL
INDENTURES

SECTION 601.	AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS	21
SECTION 602.	MODIFICATION OF SUPPLEMENT NO. 9 WITH CONSENT OF OWNERS	21
SECTION 603.	EXCLUSION OF SERIES 2023A BONDS	23
SECTION 604.	RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE.....	23

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701.	QUALIFIED ESCROW FUNDS	24
--------------	------------------------------	----

ARTICLE VIII.
MISCELLANEOUS PROVISIONS

SECTION 801.	MANNER OF GIVING NOTICE	25
SECTION 802.	SUBSTITUTE NOTICE	25
SECTION 803.	CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 9	26
SECTION 804.	EFFECT OF PARTIAL INVALIDITY	26
SECTION 805.	GOVERNING LAW	26
SECTION 806.	HEADINGS	26
SECTION 807.	FURTHER AUTHORITY	26
SECTION 808.	PAYMENT DUE ON NON-BUSINESS DAYS	26
SECTION 809.	MULTIPLE COUNTERPARTS	27
Exhibit A	Form of Series 2023A Bonds.....	A-1

NINTH SUPPLEMENTAL INDENTURE

THIS NINTH SUPPLEMENTAL INDENTURE, dated as of [MONTH] 1, 2023 ("Supplement No. 9"), by and between the State Board of Administration Finance Corporation, an instrumentality of the State of Florida (the "Corporation"), and Regions Bank (successor to Wells Fargo Bank, N.A.), a state banking corporation existing under the laws of the State of Alabama and having a corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the "Master Trustee"),

WITNESSETH:

WHEREAS, Section 215.555, Florida Statutes (the "Act") creates the Florida Hurricane Catastrophe Fund, a trust fund established for bond covenants, indentures or resolutions within the meaning of Section 19(f)(3), Article III of the Constitution of the State of Florida (the "FHCF"), and provides that the FHCF will be administered by the State Board of Administration of Florida (in its capacity as the governing body and administrator of the FHCF, the "State Board of Administration"); and

WHEREAS, the Corporation has executed and delivered a Master Trust Indenture, dated as of June 1, 2006 (the "Master Trust Indenture" and as supplemented and amended, particularly as amended by the Seventh Supplemental Indenture, dated as of March 1, 2016, the "Master Indenture"), by and between the Corporation and the Master Trustee, which authorizes the Corporation to issue Parity Obligations (as defined in the Master Indenture) in accordance with the provisions thereof and hereof; and

WHEREAS, the Corporation issued on July 6, 2006, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,350,025,000 (the "Series 2006A Bonds") in accordance with the Master Indenture and a First Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds; and

WHEREAS, the Corporation issued on July 21, 2006, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$2,800,000,000 (the "Series 2006B Notes") in accordance with the Master Indenture and a Second Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by

any Covered Events (as defined in the Act) occurring in the Contract Year ended May 31, 2007 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2006B Notes, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2006B Notes; and

WHEREAS, the Corporation issued in October 2007, a series of Parity Obligations in the form of Bonds, designated for purposes of sale as notes, in the aggregate principal amount of \$3,500,000,000 (the "Series 2007A Notes"), in accordance with the Master Indenture and a Third Supplemental Indenture (the "Third Supplemental Indenture") for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2008 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2007A Notes; and

WHEREAS, the Corporation issued on July 31, 2008, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$625,000,000 (the "Series 2008A Bonds"), in accordance with the Master Indenture and a Fourth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2008A Bonds; and

WHEREAS, the Corporation issued on May 25, 2010, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$675,920,000 (the "Series 2010A Bonds"), in accordance with the Master Indenture and a Fifth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by Hurricanes Dennis, Katrina, Rita and Wilma pursuant to reimbursement contracts for the Contract Year ended May 31, 2006, subject to the limitations on such reimbursements set forth in the Act, (ii) pay capitalized interest on the Series 2010A Bonds, (iii) make a deposit to the credit of the Parity Common Reserve Account, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2010A Bonds; and

WHEREAS, the Corporation issued on April 23, 2013, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$2,000,000,000 (the "Series 2013A Bonds"), in accordance with the Master Indenture and a Sixth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide

funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2014 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the Series 2013A Bonds; and

WHEREAS, the Corporation issued on March 8, 2016, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$1,200,000,000 (the "Series 2016A Bonds"), in accordance with the Master Indenture and a Seventh Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2016 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) and pay certain expenses incurred in connection with the issuance of the Series 2016A Bonds; and

WHEREAS, the Corporation issued on September 16, 2020, a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$3,500,000,000 (the "Series 2020A Bonds"), in accordance with the Master Indenture and an Eighth Supplemental Indenture for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by any Covered Events occurring in the Contract Year ended May 31, 2021 or any subsequent Contract year, subject to the limitations on such reimbursements set forth in the Act, and (ii) and pay certain expenses incurred in connection with the issuance of the Series 2020A Bonds; and

WHEREAS, the Corporation has now determined to issue a series of Parity Obligations in the form of Bonds, in the aggregate principal amount of \$_____ (the "Series 2023A Bonds"), in accordance with the Master Indenture and this Supplement No. 9 for the purpose of providing funds, together with other available funds, to (i) maximize the ability of the FHCF to meet future obligations, specifically to provide funds to enable the FHCF to make reimbursement payments through the FHCF to participating insurers for reimbursable losses caused by [any Covered Events occurring in the Contract Year ending May 31, 2024 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act,] and (ii) pay certain expenses incurred in connection with the issuance of the Series 2023A Bonds; and

WHEREAS, the Series 2006A Bonds, the Series 2006B Notes, the Series 2007A Notes, the Series 2008A Bonds, the Series 2010A Bonds, the Series 2013A Bonds and the Series 2016A Bonds have been retired and the Series 2023A Bonds shall be issued on a parity basis with the Outstanding Series 2020A Bonds; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 101. MEANING OF WORDS AND TERMS. Unless otherwise required by the context, words and terms used herein which are defined, or the definitions of which are incorporated by reference, in the Master Indenture or the form of the Series 2023A Bonds shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings herein; provided that where the Master Indenture provides that a word or term defined in the Master Indenture may be modified by a Supplemental Indenture and such word or term is defined herein, the definition herein shall control:

"Bond Counsel" means a firm of lawyers, selected by the Corporation, nationally recognized for legal expertise in matters relating to municipal bonds.

"Bond Registrar" means the institution serving at the time as Master Trustee.

"Closing" means the delivery of and payment for the Series 2023A Bonds.

"Closing Date" means the date of the Closing.

"Defaulted Interest" means Defaulted Interest as defined in Section 203 hereof.

"Interest Payment Date" means each July 1 and January 1, the first interest payment date being _____ 1, 2024.

"Make Whole Period" means the period between the date of redemption of the Series 2023A Bonds to be redeemed pursuant to Section 301(b) of this Supplement No. 9 and the maturity thereof.

"Principal Payment Date" means July 1 in which principal of the Serial Bonds comes due.

"Regular Record Date" means the June 15 and December 15 next preceding each Interest Payment Date.

"Serial Bonds" means the Series 2023A Bonds that are stated to mature on July 1 in the years ____, ____ and ____.

"Series 2023A Account of the Costs of Issuance Fund" means the account created and designated by Section 401 hereof.

"Series 2023A Bonds" means the State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable), issued pursuant to Section 208 of the Master Indenture and Section 208 of this Supplement No. 9.

"Series 2023A Subaccount of the Interest Account" means the subaccount created and so designated by Section 401 hereof.

"Series 2023A Subaccount of the Principal Account" means the subaccount created and so designated by Section 401 hereof.

"Series 2023A Subaccount of the Sinking Fund Account" means the subaccount created and so designated by Section 401 hereof.

"Special Record Date" means a date fixed by the Master Trustee for the payment of Defaulted Interest pursuant to Section 203 hereof.

SECTION 102. RULES OF CONSTRUCTION. The Rule of Construction contained in the Master Indenture shall control the construction of this Supplement No. 9, mutatis mutandis, except as otherwise provided herein.

ARTICLE II
AUTHORIZATION, FORM, ISSUANCE, DELIVERY
AND REGISTRATION OF THE SERIES 2023A BONDS

SECTION 201. LIMITATION ON ISSUANCE OF SERIES 2023A BONDS. No Series 2023A Bonds may be issued under the provisions of this Supplement No. 9 except in accordance with the provisions of the Master Indenture and this Article.

SECTION 202. FORM AND NUMBERING OF SERIES 2023A BONDS. The Series 2023A Bonds are issuable in fully registered form in denominations of \$1,000 and any integral multiple thereof, shall be lettered "RA-", shall be numbered from 1 consecutively upward and shall be substantially in the form set forth in Exhibit A hereto and made a part hereof, with such appropriate variations, deletions and insertions as are permitted or required by the Master Indenture or this Supplement No. 9.

SECTION 203. DETAILS OF SERIES 2023A BONDS. (a) The Series 2023A Bonds shall be dated the date of their delivery, shall bear interest until their payment, such interest to the maturity thereof being payable semiannually on each July 1 and January 1, the first interest payment date being _____ 1, 2024, at the rates and shall be stated to mature on July 1 in the years, all as set forth in Section 208 hereof. [The Series 2023A Bonds shall be issued as Serial Bonds as provided in Section 208 hereof.]

(b) Each Series 2023A Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (i) authenticated upon an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Series 2023A Bond interest is in default, such Series 2023A Bond shall bear interest from the date to which interest has been paid.

(c) Both the principal of and the interest on the Series 2023A Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Series 2023A Bond shall be made by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Regular Record Date (i) by check mailed to the Owner at his address as it appears on such registration books or (ii) by wire transfer to any Owner of Series 2023A Bonds in the aggregate principal amount of \$1,000,000 or more that requests such method of payment and has furnished the necessary instructions and information to the Bond Registrar. Payment of the principal of all Series 2023A Bonds shall be made upon the presentation and surrender of such Series 2023A Bonds at the designated corporate trust office of the Bond Registrar as the same become due and payable (whether at maturity or by acceleration or otherwise).

(d) Any interest on any Series 2023A Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the Corporation, at its election in each case, as provided in paragraph 1 or 2 below:

(1) The Corporation may elect to make payment of any Defaulted Interest on the Series 2023A Bonds to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation shall notify the Master Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2023A Bond and the date of the proposed payment (which date shall be such as will enable the Master Trustee to comply with the next sentence hereof), and at the same time, the Corporation shall deposit with the Master Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Master Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subparagraph provided. Thereupon the Master Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be neither more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Master Trustee of the notice of the proposed payment. The Master Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, such expense to be paid from Gross Receipts or any moneys available to the Corporation for such purpose, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given by first-class mail, postage prepaid, to each Owner at such Owner's address as it appears in the registration books maintained under Section 206 hereof not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Series 2023A Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following paragraph (2).

(2) The Corporation may make payment of any Defaulted Interest on the Series 2023A Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the

Corporation to the Master Trustee of the proposed payment pursuant to this subparagraph, such payment shall be deemed practicable by the Master Trustee.

Subject to the foregoing provisions of this Section 203, each Series 2023A Bond delivered under this Supplement No. 9 upon registration of, transfer of, in exchange for, or in lieu of any other Series 2023A Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2023A Bond and each such Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 204. EXECUTION AND FORM OF SERIES 2023A BONDS.

(a) The Series 2023A Bonds shall be signed by, or bear the facsimile signatures of, the President and the Secretary of the Corporation and the corporate seal of the Corporation shall be impressed, or a facsimile thereof printed, on the Series 2023A Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Series 2023A Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any Series 2023A Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

(b) The definitive Series 2023A Bonds are issuable as permitted or required by this Supplement No. 9. All Series 2023A Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Series 2023A Bonds may be listed or to any requirement of law with respect thereto.

(c) The Series 2023A Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2023A Bonds are stated to mature, in the aggregate principal amount of the Series 2023A Bonds (provided that if the aggregate principal amount of any single maturity exceeds \$500,000,000, separate bond certificates shall be issued for each \$500,000,000 and any amount in excess thereof) stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), shall be issued and delivered as directed by DTC. The book-entry system shall evidence ownership of the Series 2023A Bonds in the principal amount of \$1,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Series 2023A Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing in the registration books of the Corporation kept by the Bond Registrar as the Owner of such Series 2023A Bond or its registered assigns or legal representatives. Transfer of principal and interest payments to participants of DTC shall be the responsibility of DTC,

and transfer of principal and interest payments to beneficial owners of the Series 2023A Bonds by participants of DTC shall be the responsibility of such participants and other nominees of such beneficial owners. The Corporation, the Bond Registrar and the Master Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

(d) In the event that (i) DTC determines not to continue to act as Securities Depository for the Series 2023A Bonds or (ii) the Corporation determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2023A Bonds would adversely affect the interests of the beneficial owners of the Series 2023A Bonds, or (iii) an Event of Default shall occur with respect to the Series 2023A Bonds and is continuing and the beneficial owners of a majority in principal amount of the Series 2023A Bonds shall advise DTC to cease acting as Securities Depository, the Corporation shall discontinue the book-entry system with DTC. If the Corporation identifies another qualified Securities Depository to replace DTC, the Corporation shall make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the Outstanding Series 2023A Bonds, and the references to DTC or Cede & Co. in this Supplement No. 9 shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Corporation fails to identify another qualified Securities Depository to replace DTC, the Corporation shall deliver replacement bonds in the form of fully registered certificates in the denomination of \$1,000 or any integral multiple thereof in exchange for the Outstanding Series 2023A Bonds as required by DTC.

SECTION 205. EXCHANGE OF SERIES 2023A BONDS. (a) Series 2023A Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Series 2023A Bonds of the same maturity, of any denomination or denominations authorized by this Supplement No. 9, bearing interest at the same rate and in the same form as the Series 2023A Bonds surrendered for exchange.

(b) The Corporation shall make provision for the exchange of Series 2023A Bonds at the designated corporate trust office of the Bond Registrar.

SECTION 206. NEGOTIABILITY AND REGISTRATION OF TRANSFER OF SERIES 2023A BONDS. (a) The institution at the time serving as Master Trustee under the Master Indenture shall be and is hereby appointed Bond Registrar for the Series 2023A Bonds under this Supplement No. 9.

(b) The Bond Registrar shall keep books for the registration and the registration of transfer of Series 2023A Bonds as to which it is Bond Registrar as provided in this Supplement No. 9. The registration books shall be available at all reasonable times for inspection by the Corporation and any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

(c) The Bond Registrar shall evidence acceptance of the duties, responsibilities and obligations of the Bond Registrar under this Supplement No. 9 by the execution of the certificate of authentication on the Series 2023A Bonds.

(d) The transfer of any Series 2023A Bond may be registered only upon the books kept for the registration and registration of transfer of Series 2023A Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar. No transfer of any Series 2023A Bond shall alter the ownership of such Bond for purposes of this Supplement No. 9 unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Series 2023A Bond or Series 2023A Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Supplement No. 9, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

(e) In all cases in which Series 2023A Bonds shall be exchanged or the transfer of Series 2023A Bonds shall be registered hereunder, the Corporation shall, if necessary, execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Series 2023A Bonds in accordance with the provisions of this Supplement No. 9. All Series 2023A Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. No service charge shall be made for any registration, transfer or exchange of Series 2023A Bonds, but the Corporation and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2023A Bonds.

SECTION 207. OWNERSHIP OF SERIES 2023A BONDS. The Corporation, the Master Trustee, the Bond Registrar and any agent of the Corporation, the Master Trustee or the Bond Registrar, may treat the person in whose name any Series 2023A Bond is registered, including any Securities Depository Nominee, as the absolute Owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Corporation, the Master Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary.

SECTION 208. AUTHORIZATION OF SERIES 2023A BONDS. There shall be issued under and secured by the Master Indenture and this Supplement No. 9 Series 2023A Bonds of the Corporation in the aggregate principal amount of _____ and 00/100 Dollars (\$_____) for the purpose of providing funds, together with other available funds, to enable the FHCF to make additional reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by any [Covered Events in the Contract Year ending May 31, 2024 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act]. The Series 2023A Bonds shall be designated "State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)". The Series 2023A Bonds are Pre-Event Parity Obligations and Pre-Event Bonds entitled to the benefits of the covenants and agreements in the Pledge Agreement, the Master Trust Indenture and this Supplement No. 9.

The Series 2023A Bonds shall be stated to mature (subject to the right of prior redemption, if any, as provided in Article III hereof) on July 1 of the following years, and shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months), payable semiannually on each July 1 and January 1, the first interest payment date being _____ 1, 2024, until their respective maturities, at the following rates:

Year of Maturity (July 1)	Principal Amount	Interest Rate
------------------------------	------------------	---------------

The Series 2023A Bonds shall be executed substantially in the form and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication, but before the Series 2023A Bonds shall be authenticated and delivered to the purchasers thereof, there shall be filed with the Master Trustee, in addition to the items required to be delivered to the Master Trustee pursuant to Section 208 of the Master Indenture, the following:

- (a) a copy, certified by an Authorized Officer of the State Board of Administration to be a true and correct copy, of the resolution of the State Board of Administration determining that the Series 2023A Bonds should be issued in the absence of a hurricane in order to maximize the ability of the FHCF to meet future obligations, as contemplated by the last sentence of Section 215.555(6)(a)1. of the Act;
- (b) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Master Trust Indenture;

- (c) an executed counterpart of this Supplement No. 9;
- (d) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the Pledge Agreement;
- (e) a copy, certified by the Secretary of the Corporation to be a true and correct copy, of the resolution of the Corporation (which resolution may be incorporated in this Supplement No. 9), approving the award of the Series 2023A Bonds and directing the authentication and delivery of such Series 2023A Bonds to or upon the order of the underwriters therein named upon payment of the purchase price therein set forth, plus the accrued interest (if any) thereon; provided, however, that the final determination of any of the details of such Series 2023A Bonds, including the purchase price therefor, may be delegated by such resolution to one or more Authorized Officers of the Corporation to the extent set forth therein;
- (f) an Officer's Certificate of the Corporation (which may rely upon certificates or other documentation delivered by an Authorized Officer of the State Board of Administration) evidencing compliance with the requirements of Section 704 of the Master Indenture;
- (g) an opinion or opinions of special counsel to the Corporation to the effect that (1) this Supplement No. 9, the Master Indenture and the Pledge Agreement have each been duly and validly authorized, executed and delivered by the Corporation and are each valid and binding agreements of the Corporation enforceable in accordance with their respective terms, (2) no provision of the Master Indenture, this Supplement No. 9 or the Pledge Agreement results in or constitutes a default under any agreement, indenture or other instrument to which the Corporation is a party or by which the Corporation may be bound and of which such special counsel to the Corporation has knowledge, (3) the Corporation's execution and delivery of the Master Indenture, this Supplement No. 9 and the Pledge Agreement and execution and issuance of the Series 2023A Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, and (4) the form, terms, execution, issuance and delivery of the Series 2023A Bonds have been duly and validly authorized by the Corporation;
- (h) an opinion or opinions of counsel to the State Board of Administration to the effect that (1) the Pledge Agreement has been duly and validly authorized, executed and delivered by the State Board of Administration, acting as the governing body and administrator of the FHCF, and is a valid and binding agreement of the FHCF enforceable in accordance with its terms, (2) the execution and delivery of the Pledge Agreement and compliance with the provisions on the part of the State Board of Administration contained therein will not, to the best knowledge of such counsel, constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note,

resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, and (3) the State Board of Administration's execution and delivery of the Pledge Agreement is not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected;

- (i) an opinion of Bond Counsel relating to the Series 2023A Bonds; and
- (j) such other documents as are required to be delivered to the Master Trustee pursuant to this Supplement No. 9.

When the documents mentioned in the Master Indenture and subparagraphs (a) through (j), inclusive, above shall have been filed with the Master Trustee, and when the Series 2023A Bonds shall have been executed and authenticated as required by this Supplement No. 9, the Series 2023A Bonds shall be delivered to or upon the order of the purchasers thereof, but only upon the deposit with the Master Trustee or the State Board of Administration, as the case may be, of the purchase price of the Series 2023A Bonds and the accrued interest, if any, thereon.

Simultaneously with the Closing, the proceeds of the Series 2023A Bonds (net of Underwriters' discount of \$_____), which is equal to \$_____, together with \$_____ of other legally available funds of the FHCF, (i) \$_____ shall be deposited with the State Board of Administration, for the account of the FHCF, and be deposited to the credit of the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund established pursuant to Section 8 of the Pledge Agreement, and (ii) \$_____ shall be deposited with the Master Trustee into the Series 2023A Account of the Costs of Issuance Fund to pay or reimburse the Corporation for paying Costs of Issuance associated with the Series 2023A Bonds. Of such \$_____ proceeds, \$_____ shall represent the good faith deposit received by the Corporation, via deposit with the State Board of Administration, from the Underwriters of the Series 2023A Bonds.

ARTICLE III REDEMPTION OF SERIES 2023A BONDS

SECTION 301. MAKE WHOLE REDEMPTION OF SERIES 2023A BONDS. The Series 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2023A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2023A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the Series 2023A Bonds are to be redeemed, discounted to the date on which the Series 2023A Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus _____ (_____) basis points; plus, in each case, accrued and unpaid interest on the Series 2023A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, (i) the time-weighted interpolated average yield to maturity, assuming a 360-day year consisting of twelve 30-day months, for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H.15 that is publicly available not less than two (2) Business Days nor more than 45 calendar days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee most nearly equal to the period from the redemption date to the maturity date of such Series 2023A Bonds)) maturing immediately preceding and succeeding the Make Whole Period taking into account any Sinking Fund Requirements for such Series 2023A Bonds or (ii) if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury Securities adjusted to a constant maturity of one year. The Treasury Rate will be determined by the Corporation, and the Make-Whole Redemption Price shall be calculated by the Corporation and provided to the Trustee.

SECTION 302. NOTICE OF REDEMPTION. When redemption of Series 2023A Bonds is authorized pursuant to the provisions hereof, the Trustee shall give to the Owners of Series 2023A Bonds to be redeemed notice, at the expense of the Corporation, of the redemption of the Series 2023A Bonds. Notice of such redemption of the Series 2023A Bonds shall be given by mail, postage prepaid, not more than thirty (30) days or fewer than fifteen (15) days prior to said date of redemption, to the Owners of any Series 2023A Bonds to be redeemed. Such notice shall state: (i) the CUSIP numbers of all Series 2023A Bonds being redeemed, (ii) the original issue date of such Series 2023A Bonds, (iii) the maturity date and rate of interest borne by each Series 2023A Bond being redeemed, (iv) the redemption date, (v) the date on which such notice is mailed, (vi) if less than all Outstanding Series 2023A Bonds are to be redeemed, the bond number (and, in the case of a partial redemption of any Series 2023A Bond, the principal amount) of each

Series 2023A Bond to be redeemed, (vii) that on such redemption date there shall become due and payable upon each Series 2023A Bond to be redeemed the Redemption Price or Make-Whole Redemption Price thereof, as applicable, or the Redemption Price or Make-Whole Redemption Price, as applicable, of the specified portions of the principal or Sinking Fund Requirement thereof in the case of Series 2023A Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, and (viii) that the Series 2023A Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment at the designated corporate trust office of the Trustee at an address specified. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect. Such mailing shall not be a condition precedent to such redemption, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the Series 2023A Bonds for which proper notice was given.

In the case of redemption of the Series 2023A Bonds, the Corporation will select the maturities of the Series 2023A Bonds to be redeemed. If the Series 2023A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity or Sinking Fund Requirement of the Series 2023A Bonds shall be effected by the Bond Registrar among owners on a pro-rata basis subject to minimum authorized denominations. The particular Series 2023A Bonds to be redeemed shall be determined by the Bond Registrar, using such method as it shall deem fair and appropriate. If the Series 2023A Bonds are registered in book-entry only form and so long as DTC is the sole registered owner of the Series 2023A Bonds, if less than all of the Series 2023A Bonds of a maturity are called for prior redemption, the particular Series 2023A Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures; provided that, so long as the Series 2023A Bonds are held in book-entry form, the selection for redemption of such Series 2023A Bonds shall be made in accordance with the operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Bond Registrar pursuant to DTC operational arrangements. If the Bond Registrar does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the Series 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot. It is the Corporation's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Corporation and the Beneficial Owners be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, the Corporation can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2023A Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Series 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot.

ARTICLE IV
ESTABLISHMENT OF ACCOUNTS AND
SUBACCOUNTS, APPLICATION OF NET RECEIPTS
AND INVESTMENT OF FUNDS

SECTION 401. ESTABLISHMENT OF ACCOUNTS AND SUBACCOUNTS. The following account and subaccounts are hereby established:

- (a) Series 2023A Subaccount of the Interest Account of the Bond Fund;
- (b) Series 2023A Subaccount of the Principal Account of the Bond Fund; and
- (c) Series 2023A Account of the Costs of Issuance Fund.

The account and subaccounts mentioned above shall be established with and held by the Master Trustee pursuant to the Master Indenture and this Supplement No. 9 for the benefit of the Owners of the Series 2023A Bonds.

SECTION 402. APPLICATION OF NET RECEIPTS. On or before the dates set forth below, so long as any of the Series 2023A Bonds are Outstanding, the Master Trustee shall withdraw, immediately following any withdrawal required by Section 503(b) of the Master Trust Indenture, from the Reimbursement Premiums Account in the Revenue Fund and, subsequent to such withdrawal, from the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund (other than the Emergency Assessments Account) in the order specified below, the amounts necessary to make the deposits or payments required by Sections 503(c)(iii) and 504 of the Master Trust Indenture, and, if and to the extent that the amounts on deposit to the credit of the Reimbursement Premiums Account, the Pre-Event Bonds Investment Income Account, the Derivative Agreements Account or any other account or subaccount established in the Revenue Fund are insufficient to make such deposits or payments, the Master Trustee shall withdraw from the Emergency Assessments Account in the Revenue Fund the amounts necessary to satisfy such deposits or payments; provided, however, in the case of the Series 2023A Bonds, the Master Trustee shall draw first from the Reimbursement Premiums Account, then from the Pre-Event Bonds Investment Income Account and then from the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, prior to making any withdrawal from any of such other Accounts or any other account or subaccount, and the Master Trustee shall apply such amounts to the various subaccounts specified herein in the following order:

- (a) into the Series 2023A Subaccount of the Interest Account, on the Business Day immediately preceding each Interest Payment Date, an amount equal to the interest payable on the Series 2023A Bonds on such Interest Payment Date; and

(b) into the Series 2023A Subaccount of the Principal Account, on the Business Day immediately preceding each Principal Payment Date, an amount equal to the principal of the Series 2023A Bonds coming due on such Principal Payment Date.

SECTION 403. INVESTMENT OF MONEY. (a) Money held for the credit of the subaccounts established hereunder on deposit with the Master Trustee shall be continuously invested and reinvested by the Master Trustee, at the written direction of the Corporation, in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts will be required for the purposes intended. No Investment Obligations in any such subaccount may mature beyond the latest maturity date of any Series 2023A Bonds Outstanding at the time such Investment Obligations are deposited.

(b) Investment Obligations acquired with money in or credited to any subaccount established hereunder shall be deemed at all times to be part of such subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations to the credit of such subaccounts shall be credited to such respective subaccounts.

(c) Any such interest accruing and any such profit realized from the subaccounts established hereunder shall be transferred upon the receipt thereof by the Corporation or the Master Trustee, as the case may be, pursuant to the provisions of the Master Indenture and this Supplement No. 9.

(d) An Authorized Officer of the Corporation shall give to the Master Trustee written directions respecting the investment of any money required to be invested hereunder; subject, however, to the provisions of this Section 403, and the Master Trustee shall then invest such money in Investment Obligations as so directed. The Master Trustee may request in writing additional directions or authorization from an Authorized Officer of the Corporation with respect to the proposed investment of money. Upon receipt of such directions, the Master Trustee shall invest, subject to the provisions of this Section 403, such money in accordance with such directions.

(e) The Master Trustee shall sell at the fair market price or, acting in a commercially reasonable manner, reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so in order to provide money to make any payment from any such subaccount. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(f) Whenever a transfer of money between two or more of the subaccounts is permitted or required, such transfer may be made as a whole or value determined at the time of such transfer in accordance with Article VI of the Master Indenture; provided that

the Investment Obligations transferred are those in which money of the receiving subaccount could be invested at the date of such transfer.

SECTION 404. PAYMENT OF PRINCIPAL AND INTEREST. (a) The Corporation covenants that it will promptly pay the principal of and the interest on every Series 2023A Bond issued under the provisions of this Supplement No. 9 at the places, on the dates and in the manner provided herein and in the Series 2023A Bonds, according to the true intent and meaning thereof and in accordance with the provisions of the Master Indenture and this Supplement No. 9. The Series 2023A Bonds shall constitute Bonds and Parity Obligations under the Master Indenture and shall be secured by the trust estate set forth in the Master Indenture. The Corporation further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Supplement No. 9 and the Master Indenture, or in any Series 2023A Bond executed, authenticated and delivered hereunder or in any proceedings of the Corporation pertaining thereto. The Corporation represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2023A Bonds authorized hereby and to pledge the Net Receipts in the manner and to the extent in the Master Indenture set forth; that all action on its part for the issuance of the Series 2023A Bonds has been duly and effectively taken; and that such Series 2023A Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the Corporation payable according to their terms.

(b) Subject to the provisions of Sections 503 and 504 of the Master Indenture, on the Business Day preceding each Interest Payment Date or Interest Payment Date and Principal Payment Date or date of a Sinking Fund Requirement, the Master Trustee shall first set aside an amount sufficient to pay the interest on the Series 2023A Bonds becoming due and payable on such Interest Payment Date, and then an amount sufficient to pay the principal and Sinking Fund Requirement of the Series 2023A Bonds becoming due and payable on such Principal Payment Date or date of such Sinking Fund Requirement, and shall make payments as provided herein and in the forms of the Series 2023A Bonds.

(c) At such time as to enable the Bond Registrar to make payments of interest on the Series 2023A Bonds in accordance with Section 203(c) hereof, the Master Trustee shall withdraw from the Series 2023A Subaccount of the Interest Account and make available to the Bond Registrar the amounts required to pay interest on the Series 2023A Bonds on the next succeeding Interest Payment Date. At such time as to enable the Bond Registrar to make payments of principal of the Series 2023A Bonds, the Master Trustee shall withdraw from the Series 2023A Subaccount of the Principal Account the amount required to pay the principal on the Series 2023A Bonds which are Serial Bonds on the next succeeding Principal Payment Date and make the same available to the Bond Registrar for the payment of the Series 2023A Bonds in accordance with the provisions of Section 203(c) hereof and in the manner provided in the form of the Series 2023A Bonds.

[(d) The Series 2023A Bonds shall not be secured by the Parity Common Reserve Account or any Special Reserve Account.]

SECTION 405. STATE COVENANT. The Corporation acknowledges that Section 708 of the Master Indenture constitutes an important security provision of the Series 2023A Bonds, and confirms that the acknowledgement set forth in this Section 405 has been included as a result of negotiations with the underwriters of the Series 2023A Bonds.

ARTICLE V
THE MASTER TRUSTEE

SECTION 501. ACCEPTANCE OF DUTIES BY MASTER TRUSTEE.

The Master Trustee by execution hereof accepts and agrees to perform the duties and fulfill the trusts imposed upon it by this Supplement No. 9.

ARTICLE VI
AMENDMENT TO MASTER TRUST INDENTURE
AND SUPPLEMENTAL INDENTURES

SECTION 601. AMENDMENT TO MASTER TRUST INDENTURE, AND SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF OWNERS. The Corporation and the Master Trustee may, from time to time and at any time, without the consent of or notice to any of the Owners of the Series 2023A Bonds, execute and deliver such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Supplement No. 9:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Supplement No. 9 or to modify, alter, amend, add to or rescind, in any particular order, any of the terms or provisions contained in this Supplement No. 9;

(b) to grant or to confer upon the Master Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Master Trustee;

(c) to add to the covenants and agreements of the Corporation in this Supplement No. 9 other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power herein reserved to or conferred upon the Corporation;

(d) to permit the qualification of this Supplement No. 9 under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation so determines, to add to this Supplement No. 9 or any supplemental indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law;

(e) to provide for the issuance of Series 2023A Bonds in bearer form; or

(f) to make any other change that, in the opinion of the Trustee, which may, but is not required to, rely upon one or more of affirmation of ratings by the Rating Agencies, certificates of Consultants and Opinions of Counsel for such purpose, shall not materially adversely affect the security for the Parity Obligations.

SECTION 602. MODIFICATION OF SUPPLEMENT NO. 9 WITH CONSENT OF OWNERS. (a) Subject to the terms and provisions contained in this Section 602, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2023A Bonds then Outstanding shall have the right, from time to time, anything contained in this Supplement No. 9 to the contrary notwithstanding,

to consent to and approve the adoption by the Corporation and the acceptance by the Master Trustee of such supplemental indentures as shall be deemed necessary or desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Supplement No. 9 or in any supplemental indenture hereto; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2023A Bond without the consent of the Owner of such Series 2023A Bond, (b) a reduction in the principal amount of any Series 2023A Bond or the rate of interest on any Series 2023A Bond without the consent of the Owner of such Series 2023A Bond, (c) the creation of a pledge of Net Receipts other than the lien and pledge created by the Master Indenture without the consent of the Owners of all Series 2023A Bonds, (d) a preference or priority of any Series 2023A Bond over any other Series 2023A Bond without the consent of the Owners of all Series 2023A Bonds, or (e) a reduction in the aggregate principal amount of Series 2023A Bonds required for consent to such supplemental indenture without the consent of the Owners of all Series 2023A Bonds. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the execution and delivery of any supplemental indenture as authorized in Section 601 hereof.

(b) The Master Trustee shall, at the expense of the Corporation, such expense to be paid from Gross Receipts or from any other available moneys, cause notice of the proposed execution and delivery of such supplemental indenture to be mailed, first class, postage prepaid, to all Owners of the Series 2023A Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Master Trustee for inspection by all Owners. The Master Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section 602, and any such failure shall not affect the validity of such supplemental indenture when approved and consented to as provided in this Section 602.

(c) Whenever, at any time within three years after the date of the mailing of such notice, the Corporation shall deliver to the Master Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2023A Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Corporation and the Master Trustee may execute and deliver such supplemental indenture in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

(d) If the Owners of not less than a majority in aggregate principal amount of the Series 2023A Bonds Outstanding at the time of the execution of such supplemental

indenture have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the execution and delivery of such supplemental indenture, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the Corporation or the Master Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution and delivery of any supplemental indenture pursuant to the provisions of this Section 602 or Section 601 hereof, this Supplement No. 9 shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Supplement No. 9 of the Corporation, the Master Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Supplement No. 9, as so modified and amended.

SECTION 603. EXCLUSION OF SERIES 2023A BONDS. Series 2023A Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Series 2023A Bonds provided for in this Article VI, and the Corporation as Owner of such Series 2023A Bonds shall not be entitled to consent or take any other action provided for in this Article VI. At the time of any consent or other action taken under this Article VI, the Corporation shall furnish the Master Trustee an Officer's Certificate, upon which the Master Trustee may rely, describing all Series 2023A Bonds so to be excluded.

SECTION 604. RESPONSIBILITIES OF MASTER TRUSTEE AND CORPORATION UNDER THIS ARTICLE. The Master Trustee and the Corporation shall be entitled to exercise their discretion in determining whether or not any proposed supplemental indenture or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Corporation, the rights and interests of the Owners, and the rights, obligations and interests of the Master Trustee. The Master Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be Bond Counsel for the Corporation, as conclusive evidence that any such proposed supplemental indenture does or does not comply with the provisions of this Supplement No. 9, and that it is or is not proper for it, under the provisions of this Article VI, to execute and deliver such supplemental indenture.

ARTICLE VII
QUALIFIED ESCROW FUNDS

SECTION 701. QUALIFIED ESCROW FUNDS. Notwithstanding any provisions herein to the contrary, any and all moneys in the Series 2023A Bonds Proceeds Subaccount of the Pre-Event Parity Obligations Account in the Covered Events Relief Fund, the Series 2023A Subaccount of the Interest Account of the Bond Fund, the Series 2023A Subaccount of the Principal Account of the Bond Fund, the Series 2023A Subaccount of the Sinking Fund Account of the Bond Fund and any other account or subaccount designated by the President or other authorized officer may be designated as Qualified Escrow Funds as provided in the Master Trust Indenture pursuant to a certificate of the President or other authorized officer. In the event of such designation, such Qualified Escrow Funds shall be used solely to pay principal of, redemption premium, if any, and interest on such Series 2023A Bonds as may be designated by the President or other authorized officer of the Corporation.

**ARTICLE VIII.
MISCELLANEOUS PROVISIONS**

SECTION 801. MANNER OF GIVING NOTICE. All notices, demands and requests to be given to or made hereunder by the Corporation, the Master Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the Corporation--

State Board of Administration Finance Corporation
c/o State Board of Administration of Florida
1801 Hermitage Boulevard
Tallahassee, Florida 32308
Attention: President

(b) As to the Master Trustee or Bond Registrar--

Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States certified or registered mail, postage prepaid, to the other parties by the party effecting the change.

SECTION 802. SUBSTITUTE NOTICE. If, because of the temporary or permanent suspension of postal service, the Corporation, the Master Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplement No. 9, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Supplement No. 9 be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 803. CORPORATION, MASTER TRUSTEE, BOND REGISTRAR AND OWNERS ALONE HAVE RIGHTS UNDER SUPPLEMENT NO. 9. Except as herein otherwise expressly provided, nothing in this Supplement No. 9, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Corporation, the Master Trustee, the Bond Registrar and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplement No. 9 or any provision being intended to be and being for the sole and exclusive benefit of the Corporation, the Master Trustee, the Bond Registrar and the Owners.

SECTION 804. EFFECT OF PARTIAL INVALIDITY. All covenants, stipulations, obligations and agreements of the Corporation contained in this Supplement No. 9 shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent permitted by the Constitution and laws of the State. In case any one or more of the provisions of this Supplement No. 9 or the Series 2023A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplement No. 9 or the Series 2023A Bonds, but this Supplement No. 9 and the Series 2023A Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplement No. 9 or the Series 2023A Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation to the full extent permitted by law.

SECTION 805. GOVERNING LAW. This Supplement No. 9 is executed and delivered with the intent that the laws of the State shall govern this construction.

SECTION 806. HEADINGS. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplement No. 9, nor shall they affect its meaning, construction or effect.

SECTION 807. FURTHER AUTHORITY. The officers, attorneys and other agents or employees of the Corporation are hereby authorized to do all acts and things required of them by this Supplement No. 9 for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2023A Bonds and this Supplement No. 9.

SECTION 808. PAYMENT DUE ON NON-BUSINESS DAYS. In the case of the Series 2023A Bonds, if the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplement No. 9 is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Supplement No. 9.

SECTION 809. MULTIPLE COUNTERPARTS. This Supplement No. 9 may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Corporation and the Master Trustee have caused this Supplement No. 9 to be executed in their respective names by their respective duly authorized officers all as of the date first written above.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

(SEAL)

By: _____
President

ATTEST:

Secretary

**REGIONS BANK, as
Master Trustee**

By: _____
Vice President

Acknowledged By:

**STATE BOARD OF ADMINISTRATION
OF FLORIDA,**
acting as the governing body and administrator
of the Florida Hurricane Catastrophe Fund

By: _____
Interim Executive Director and
Chief Investment Officer

EXHIBIT A

FORM OF SERIES 2023A BONDS

RA-

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
STATE BOARD OF ADMINISTRATION FINANCE CORPORATION
REVENUE BOND, SERIES 2023A (TAXABLE)**

Interest Rate
____%

Maturity Date
July 1, 20__

CUSIP
341271__

State Board of Administration Finance Corporation (the "Corporation"), an instrumentality of the State of Florida, for value received, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative (the "Owner"), on the Maturity Date set forth above, upon the presentation and surrender hereof, at the designated corporate trust office of Regions Bank (successor to Wells Fargo Bank, N.A.), in Jacksonville, Florida (the "Bond Registrar"), the principal sum of _____ DOLLARS (\$_____). The Corporation also promises to pay, but solely from said sources, interest on this bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, or it is authenticated prior to [January] 1, 2024 in which event it shall bear interest from its date, payable semiannually on each July 1 and January 1, the first interest payment date being _____ 1, 2024, at the Interest Rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this bond (or one or more Predecessor Bonds, as defined in the Master Indenture hereinafter defined) is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month preceding the calendar month in which an interest payment date occurs. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date (as defined in the Master Indenture) for the payment of such defaulted interest to be fixed by the Master Trustee (hereinafter mentioned), notice whereof being given to such Owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2023A Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Master Indenture. All such

payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond is one of a duly authorized series of revenue bonds of the Corporation, designated "State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)" (the "Series 2023A Bonds"), issued under and pursuant to the Constitution and laws of the State of Florida, including Section 215.555, Florida Statutes (the "Act"), a Master Trust Indenture, dated as of June 1, 2006 (as amended and supplemented, the "Master Indenture"), by and between the Corporation and Regions Bank (successor to Wells Fargo Bank, N.A.), Jacksonville, Florida, as master trustee (the "Master Trustee"), and the Ninth Supplemental Indenture, dated as of [MONTH] 1, 2023 ("Supplement No. 9"), by and between the Corporation and the Master Trustee. The Master Trustee is also the Bond Registrar for the Series 2023A Bonds. The Series 2023A Bonds are being issued for the purpose of providing funds, together with other available funds, to enable the FHCF to make reimbursement payments through the FHCF to participating insurers of reimbursable losses caused by any [Covered Events occurring in the Contract Year ending May 31, 2024 or any subsequent Contract Year, subject to the limitations on such reimbursements set forth in the Act].

The Series 2023A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in Supplement No. 9. One bond certificate with respect to each date on which the Series 2023A Bonds are stated to mature, in the aggregate principal amount of the Series 2023A Bonds (provided that with respect to the aggregate principal amount of any single maturity in excess of \$500,000,000, separate bond certificates are being issued for each \$500,000,000 and any amount in excess thereof) stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2023A Bonds in the principal amount of \$1,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to beneficial owners of the Series 2023A Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Corporation will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the Owner of this bond, notwithstanding the provisions hereinabove contained, payments of principal of and interest on this bond shall be made in accordance with the existing arrangements between the Bond Registrar and DTC.

The Corporation, the State Board of Administration, acting as the governing body and administrator of the FHCF, and the Master Trustee have entered into a Pledge and Security Agreement, dated as of June 1, 2006, as amended (the "Pledge Agreement"),

pursuant to which the State Board of Administration has pledged to the Corporation all of the right, title and interest of the FHCF in and to the Pledged Collateral (as defined in the Pledge Agreement), and has agreed to transfer directly to the Master Trustee the Pledged Collateral in such amounts and at such times as are required to provide for the timely payment of the principal of and interest on the Series 2023A Bonds.

The Series 2023A Bonds are special obligations of the Corporation secured by a pledge, security interest in and lien upon the Net Receipts (as defined in the Master Indenture) and an assignment of the Corporation's right, title and interest in and to the Pledge Agreement (subject to the reservation of certain rights of the Corporation). The Corporation is not obligated to pay the principal of or the interest on the Series 2023A Bonds except as provided in the Master Indenture from Net Receipts, and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of and the interest on the Series 2023A Bonds. The Corporation has no taxing power. The Master Indenture provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional bonds and Parity Debt (as defined in the Master Indenture) secured on a parity as to the pledge of Net Receipts with the Series 2023A Bonds. The Series 2023A Bonds are being issued on parity under the Master Indenture with the Corporation's Outstanding Revenue Bonds, Series 2020A.

The Master Indenture provides for the creation of a special fund designated "Florida Hurricane Catastrophe Fund Finance Corporation Bond Fund" (the "Bond Fund"). Pursuant to Supplement No. 9, special subaccounts have been created within the certain accounts of the Bond Fund with respect to the Series 2023A Bonds (the "Subaccounts"), which Subaccounts are charged with the payment of the principal of and the interest on the Series 2023A Bonds. Supplement No. 9 also provides for the deposit of Net Receipts to the credit of the Subaccounts to the extent and in the manner provided in the Master Indenture.

The Series 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price (as defined in Supplement No. 9).

Notice of any such redemption shall be given by mail, postage prepaid, not more than 30 days or fewer than 15 days prior to said date of redemption, to the Owners of any Series 2023A Bonds to be redeemed. Such notice shall specify, among other things: (1) that the whole or a designated portion of this Series 2023A Bond is to be redeemed, (2) the date of redemption, and (3) the place or places where the redemption will be made. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect.

Under the Master Indenture, in certain events of default, on the conditions, in the manner and with the effect, the principal of all Parity Obligations then outstanding may be declared to be and become due and payable prior to the stated maturities thereof, together with the interest accrued thereon.

Reference is made to the Master Indenture, Supplement No. 9 and the Pledge Agreement for a more complete statement of the provisions thereof and of the rights of the Corporation, the Master Trustee and the Owners of the Series 2023A Bonds. Copies of the Master Indenture, Supplement No. 9 and the Pledge Agreement shall be available for inspection by any Owner of the Bonds at all reasonable times at the designated corporate trust office of the Master Trustee. By the purchase and acceptance of this bond, the Owner hereof signifies assent to all of the provisions of the Master Indenture, Supplement No. 9 and the Pledge Agreement.

At the designated corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Master Indenture, Series 2023A Bonds may be exchanged for an equal aggregate principal amount of Series 2023A Bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its designated corporate trust office books for the registration of transfer of the Series 2023A Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Master Indenture upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the Owner hereof or such Owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Series 2023A Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate.

This bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Master Indenture and Supplement No. 9, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of the Uniform Commercial Code of Florida. This bond is issued with the intent that the laws of the State of Florida shall govern its construction.

Modifications or alterations of the Master Indenture and Supplement No. 9 or in any supplemental indenture thereto may be made only to the extent and in the circumstances permitted by the Master Indenture and Supplement No. 9, as the case may be.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Master Indenture and Supplement No. 9 have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Master Indenture or Supplement No. 9 until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the State Board of Administration Finance Corporation has caused this bond to be manually signed by its President and Secretary and its corporate seal to be impressed hereon, all as of the ____ day of _____ 20__.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

(SEAL)

President

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This bond is a Bond of the Series designated therein and issued under the provisions of the within-mentioned Master Indenture and Supplement No. 9.

Date of Authentication:

REGIONS BANK, as
Bond Registrar

_____, 20__

By: _____
Authorized Signatory

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Corporation or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

State Board of Administration Finance Corporation

\$ _____

Revenue Bonds, Series 2023A (Taxable)

XXXX, 2023

BOND PURCHASE CONTRACT

Citigroup Global Markets Inc. (the "Senior Manager"), acting for itself and on behalf of itself and BofA Securities, Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, and Wells Fargo Bank, National Association (collectively, including the Senior Manager, the "Underwriters"), offers to enter into the following agreement (the "Purchase Contract") with the State Board of Administration Finance Corporation (the "Corporation"). The offer made hereby is subject to acceptance thereof by execution of this Purchase Contract and its delivery, to the Senior Manager or counsel to the Underwriters at or prior to [__]:00 p.m., Eastern time, on the date hereof or such later date or time as may be mutually agreed upon by the Underwriters and the Corporation, and if not so accepted, will terminate. All capitalized undefined terms used herein shall have the meanings set forth in the hereinafter defined Indenture.

The Corporation acknowledges and agrees that (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Contract is an arm's-length commercial transaction between the Corporation and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Corporation, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Corporation with respect to the offering of the Bonds (as defined herein) or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the Corporation on other matters) or any other obligation to the Corporation, (iv) the Corporation has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds, (v) the Underwriters have financial and other interests that differ from those of the Corporation, and (vi) this Purchase Contract expresses the entire relationship among the parties hereto with respect to the Bonds hereinafter mentioned.

1. Upon the terms and conditions and upon the basis of the representations and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the Corporation for a bona fide offering to the public and the Corporation hereby agrees to sell and deliver to the Underwriters for such purpose, all (but not less than all) of the \$ _____ State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Bonds"). The Bonds will be dated the date of their delivery. The interest on the Bonds will be payable from their dated date semi-annually on each January 1 and July 1, beginning [January] 1, 2024. The purchase price for the Bonds is \$ _____ (which is the aggregate principal amount

of the Bonds, less an Underwriters' discount of \$_____). As used in this Purchase Contract, "Closing" shall mean the payment for and delivery of the Bonds and the other actions contemplated by this Purchase Contract to take place at the time of such payment and delivery.

The difference between the purchase price for the Bonds and the prices at which the Bonds are initially offered to the investing public set forth in Exhibit A, attached hereto, is herein referred to as the "Underwriters' Spread" and the components of the Underwriters' Spread are as they appear on the "Memorandum of Understanding of Pricing" in Exhibit A.

2. Prior to the date hereof, the Corporation has provided to the Underwriters for their review the Preliminary Official Statement of the Corporation relating to the Bonds, dated [DATE] (such Preliminary Official Statement including the cover page, inside cover page, and all exhibits and appendices thereto and attached hereto as Exhibit B, the "Preliminary Official Statement"). The Corporation hereby ratifies and approves the distribution of the Preliminary Official Statement by the Underwriters in connection with the offering for sale of the Bonds. The Corporation shall, at its expense, deliver, or cause to be delivered, to the Underwriters within seven (7) business days after the date hereof but not later than two (2) business days prior to the Closing and in sufficient time to accompany any confirmation that requests payment from any customer an electronic version (pdf) of the Official Statement (as defined below), in order to comply with all applicable rules of the Municipal Securities Rulemaking Board ("MSRB") and Rule 15c2-12(b)(4) of the Securities and Exchange Commission ("SEC"). The Underwriters agree that electronic delivery of the Official Statement satisfies the Corporation's delivery requirement.

As of the date of the Preliminary Official Statement, the Preliminary Official Statement was "deemed final" (except for permitted omissions) by the Corporation for purposes of SEC Rule 15c2-12(b)(1). The final Official Statement to be dated the date hereof (the "Official Statement") for purposes of Rule 15c2-12(b)(3) and (4) of the SEC, which will be certified to be final by the Corporation, will be in substantially the form of the Preliminary Official Statement, with such changes to the Preliminary Official Statement as are necessary to include the terms and provisions of this Purchase Contract.

From the date hereof until the end of the underwriting period (as hereinafter defined), if the Corporation becomes aware of any event which may make it necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not inaccurate, incomplete or misleading, the Corporation shall notify the Underwriters and if, in the reasonable opinion of the Corporation or the Underwriters, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the Corporation, at its expense (unless such amendment or supplement is as a result of misinformation provided by the Underwriters, in which case the expense shall be borne by the Underwriters), promptly shall prepare, in a form and in a manner approved by the Underwriters, an appropriate amendment or supplement thereto so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be inaccurate, incomplete or misleading.

The term "end of the underwriting period" means the later of (i) the date of the Closing, or (ii) the date on which the Underwriters do not retain an unsold balance of the Bonds for sale. Unless the Underwriters otherwise notify the Corporation in writing, the Corporation may treat the Closing as the end of the underwriting period.

The Bonds shall be as described in, and shall be issued and secured under, a resolution of the Corporation adopted on [October 25, 2023], and the provisions of a Master Trust Indenture dated as of June 1, 2006 (the "Master Indenture"), between the Corporation and Regions Bank, Jacksonville, Florida, as successor trustee to Wells Fargo Bank, N.A., as Master Trustee, as amended and supplemented, particularly as supplemented by the Ninth Supplemental Indenture dated as of [DATE] (the "Ninth Supplement," together with the Master Indenture, the "Indenture"), and pursuant to a Pledge and Security Agreement dated as of June 1, 2006, as amended (the "Pledge Agreement") among the State Board of Administration of Florida, as administrator of the Florida Hurricane Catastrophe Fund (the "FHCF") (in this capacity, the "State Board of Administration"), the Corporation and the Master Trustee. The Bonds shall be dated, shall mature on such dates and in such amounts, shall bear interest at the rates and with the redemption provisions as are set forth in Exhibit A attached hereto and shall have such other terms and provisions as are described in the Indenture.

The Senior Manager hereby represents that (a) it is authorized by each of the other Underwriters, as evidenced by the Agreement Among Underwriters (the "AAU") (or other agreement or written authorization) attached hereto as Exhibit C, to execute this Purchase Contract, to act on their behalf and to take such action as it may deem advisable with respect to all matters pertaining to this Purchase Contract; (b) the Senior Manager, and based solely on certifications made to the Senior Manager by the Underwriters other than the Senior Manager in the AAU, such other Underwriters are each registered as a municipal securities dealer under the Securities Exchange Act of 1934, as amended; (c) the Senior Manager has not, and, based solely on certifications made to the Senior Manager by the Underwriters other than the Senior Manager in the AAU, such other Underwriters have not been convicted or entered a plea of guilty or nolo contendere to fraud in a federal or state court, during the two year period immediately preceding the date of this Purchase Contract; and (d) it has provided to the Corporation a disclosure statement in a form agreed to by the Corporation and the Underwriters, which is attached as Exhibit E to this Purchase Contract. The payment for, acceptance of and execution and delivery of any receipt for the Bonds and any other instruments or documents at or in connection with the Closing shall be made solely by the Senior Manager, for and in the name and on behalf of the Underwriters and shall be valid and sufficient for all purposes and binding upon each of the Underwriters; *provided, however*, that none of such actions by the Senior Manager shall impose any obligation or liability upon the Senior Manager or any other Underwriter, other than an obligation or liability set forth expressly in this Purchase Contract.

The Senior Manager, on behalf of the Underwriters, shall deliver to the order of the Corporation an amount equal to \$_____ by wire transfer to be received by the Corporation no later than [__]:00 p.m. Eastern Time, on the date of execution of this Purchase Contract (such wire transfer being hereinafter referred to as the "Good Faith Wire"). If the Good Faith Wire is not

received in the amount and at the time set forth in this paragraph, the Corporation reserves the right to cancel this Purchase Contract. In the event the Corporation does not accept this offer or upon the failure of the Corporation to deliver the Bonds at the Closing, or if the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Purchase Contract, such Good Faith Wire shall be immediately returned to the Senior Manager. If the offer is hereby accepted, the Corporation agrees to hold the Good Faith Wire until Closing as security for the performance by the Underwriters at the Closing, and the Good Faith Wire shall be applied to the purchase price for the Bonds. Interest on the Good Faith Wire shall accrue solely to the benefit of the Corporation and shall not offset the amount due from the Underwriters at Closing. In the event the Underwriters fail to purchase the Bonds at the Closing, unless such failure is permitted as herein provided, the Good Faith Wire and the interest accrued thereon shall be retained by the Corporation as full liquidated damages for such failure and, except as set forth in Paragraphs 10 and 11 hereof, neither party hereto shall have any further rights against the other hereunder.

3. The Underwriters agree to make an initial public offering of all of the Bonds at not in excess of the public offering prices or yields set forth on the inside cover page of the Official Statement. If such offering does not result in the sale of all of the Bonds, the Underwriters may offer and sell the Bonds at prices lower or higher than the offering prices or yields set forth on the inside cover page of the Official Statement. A group of selected dealers may be created by the Underwriters.

4. The Corporation hereby authorizes the use by the Underwriters of the Indenture, the Pledge Agreement, the Preliminary Official Statement and the Official Statement, including any supplements or amendments thereto, in connection with the public offering and sale of the Bonds.

5. The Corporation hereby represents and agrees with the Underwriters that:

(a) the Corporation is a public benefits corporation and instrumentality of the State of Florida with the powers and authority set forth in Section 215.555, Florida Statutes, as amended and supplemented from time to time (the "Act");

(b) The Corporation has full legal right, power and authority to and has taken all necessary official actions to: (i) enter into this Purchase Contract (including, without limitation, the provisions of Section 11 hereof), (ii) enter into the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement dated as of the date of Closing between the Corporation and the State Board of Administration (the "Continuing Disclosure Agreement"), (iii) sell, issue and deliver the Bonds to the Underwriters as provided herein, (iv) use the proceeds from the sale of the Bonds for the purposes described in the Preliminary Official Statement and the Official Statement, (v) secure the Bonds as provided in the Indenture and the Pledge Agreement and to pledge the Trust Estate (as hereinafter defined) to the Master Trustee as provided in the Indenture, and (vi) carry out and consummate the transactions contemplated by this Purchase Contract, the

Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement and the Official Statement, and as of the date of Closing will be in compliance in all material respects with the terms of the Act, the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement;

(c) (1) By all necessary official actions, the Corporation has (i) duly authorized the execution and delivery of the Indenture, the Continuing Disclosure Agreement, and the Pledge Agreement, (ii) duly approved and authorized the distribution and use of the Preliminary Official Statement and the Official Statement, and (iii) duly authorized the execution and delivery of the Bonds and the performance by the Corporation of the obligations on its part contained or described in the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement, and this Purchase Contract, and the consummation by the Corporation of all other transactions contemplated thereby to be undertaken by the Corporation in connection with the issuance of the Bonds;

(2) Upon delivery and execution by the Corporation and the Master Trustee and assuming the due authorization, execution and delivery of the Ninth Supplement by the Master Trustee, the Ninth Supplement will constitute a legal, valid and binding obligation of the Corporation, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity. Upon execution by the Corporation and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto), this Purchase Contract, and the Continuing Disclosure Agreement will constitute the legal, valid and binding obligations of the Corporation, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity. Except as amended by the Seventh Supplemental Indenture, dated as of March 1, 2016 (the "Seventh Supplement"), neither the Master Indenture nor the Pledge Agreement has been amended since its execution as of June 1, 2006, and the Master Indenture and the Pledge Agreement constitute valid and binding obligations of the Corporation, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity;

(3) The Bonds, when issued and delivered to the Underwriters in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations of the Corporation, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity;

(d) To the best knowledge of the Corporation:

(1) The Corporation is not, and as of the Closing will not be, in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the Corporation is a party or to which the Corporation is otherwise subject, and no event has occurred and is continuing which would have a material adverse effect on the financial condition of the Corporation or which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this subparagraph would materially adversely affect the ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract;

(2) The execution and delivery of the Indenture, the Pledge Agreement, the Bonds, the Continuing Disclosure Agreement, and this Purchase Contract and compliance with the provisions on the part of the Corporation contained therein, will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the Corporation is a party or to which the Corporation is otherwise subject, which breach or default would materially adversely affect the authority or ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract, nor, to the best knowledge of the Corporation will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon the Trust Estate except as provided by the Bonds, the Indenture, and the Pledge Agreement;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required to be obtained by the Corporation for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Corporation of its obligations in connection with the issuance of the Bonds or for the execution and delivery of this Purchase Contract, the Indenture, the Continuing Disclosure Agreement, and the Pledge Agreement, have been duly obtained;

(f) The Bonds, when issued, executed and delivered in accordance with the Indenture and sold to the Underwriters as provided herein, will be entitled to the benefits of the Indenture and the Pledge Agreement; and upon such issuance, execution and

delivery, the Indenture will provide, for the benefit of the owners from time to time of the Bonds, a legally valid and binding pledge of and prior lien upon the moneys pledged by the State Board of Administration pursuant to the Pledge Agreement, consisting of the Reimbursement Premiums and earnings thereon, Emergency Assessments and earnings thereon, net proceeds of the Bonds until spent, investment earnings on proceeds of the Bonds and Other Pledged Money remaining after the payment of Current Expenses of the FHCF (the aforementioned moneys are collectively referred to as "Pledged Collateral" or the "Trust Estate"), subject only to the provisions of the Indenture and the Pledge Agreement permitting the application thereof on the terms and conditions set forth in the Indenture and the Pledge Agreement;

(g) As of the date hereof, except as described in the Preliminary Official Statement and the Official Statement or previously disclosed in writing to the Underwriters, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or, to the best knowledge of the Corporation, threatened against the Corporation, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge or collection of the Trust Estate pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of and lien upon the Trust Estate, or contesting or affecting the Corporation, the validity or enforceability of the Act in any respect relating to the authorization for the issuance of the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, this Purchase Contract, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Corporation, or any authority for the issuance of the Bonds, or the execution and delivery by the Corporation of the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, and this Purchase Contract;

(h) The Corporation will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (1) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions or to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Corporation shall not be required to (a) spend money, (b) execute a general or special consent to service of process, or (c) qualify to do business in connection with any such qualification or determination in any jurisdiction;

(i) As of the date of the Preliminary Official Statement and as of the date of this Purchase Contract, to the best knowledge of the Corporation, the Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a

material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) At the time of the Corporation's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to the third paragraph of Section 2 of this Purchase Contract), at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not, to the best knowledge of the Corporation, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(k) Any certificate signed by an authorized official of the Corporation and delivered to the Underwriters shall be deemed a representation by the Corporation to the Underwriters as to the statements made therein;

(l) The Corporation is not in default and has not been in default at any time after December 31, 1975 as to principal or interest with respect to an obligation issued or guaranteed by the Corporation which would require disclosure pursuant to Section 517.051, Florida Statutes, as amended;

(m) Except as described in the Preliminary Official Statement and the Official Statement, the Corporation has never failed to comply with any continuing disclosure obligations previously undertaken by the Corporation, if any, in accordance with the continuing disclosure requirements of Rule 15c2-12 of the SEC; and

(n) If the Official Statement is supplemented or amended pursuant to the third paragraph of Section 2 of this Purchase Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the underwriting period, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. On [DATE], or on such other date as may be mutually agreed upon by the Corporation and the Underwriters as the Closing date, the Corporation shall, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by immediately available funds to the order of the Corporation. Delivery and payment as aforesaid shall be made at such place as may be mutually agreed upon by the Corporation and the Underwriters. At or prior to 1:00 p.m. New York time on the Closing date, the Corporation shall deliver or cause to be delivered to the Underwriters through the facilities of The Depository Trust Company ("DTC"), New York, New

York, or through the Bond Registrar on behalf of DTC via its F.A.S.T. delivery system, the Bonds in definitive form (one typewritten Bond for each maturity, except as otherwise provided in the Indenture, and registered in the name of Cede & Co., as the nominee of DTC), duly executed and authenticated, together with the items identified in Section 9 below. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of the Bonds in accordance with the terms of this Purchase Contract. The Bonds shall be prepared and made available to the Underwriters at least 24 hours before the Closing date for purposes of inspection.

7. (a) The State Board of Administration, by execution of an endorsement and acceptance of this Purchase Contract, agrees to:

(i) furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (1) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions or to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the State Board of Administration shall not be required to (1) spend money, (2) execute a general or special consent to service of process, or (3) qualify to do business in connection with any such qualification or determination in any jurisdiction;

(ii) deliver to the Underwriters its certificate to the effect that the audited financial records of the FHCF for the fiscal years ended June 30, 2019 and June 30, 2018, contained in the Preliminary Official Statement and the Official Statement as Appendix B of each thereto, to the best of its knowledge, present fairly the financial position of the FHCF as of the dates indicated and the results of its operations for the periods specified, and other financial information and statistical data relating to the FHCF and included in the Preliminary Official Statement and the Official Statement are, to the best of its knowledge, true and correct as of the date hereof; and

(iii) certify at the Closing that all liens, encumbrances, covenants, conditions and restrictions, if any, to the real and personal property of the FHCF will not interfere with or impair the operations of the FHCF.

(b) The State Board of Administration, by execution of an endorsement and acceptance of this Purchase Contract, represents and agrees with the Underwriters that it has full legal right, power and authority to and has taken all necessary official actions to: (i) acknowledge and accept the provisions of this Purchase Contract, (ii) adopt appropriate resolutions authorizing and requesting the issuance and sale of the Bonds,

and (iii) carry out and consummate the transactions contemplated by this Purchase Contract, the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, and the Official Statement and other appropriate resolutions of the State Board of Administration and that the State Board of Administration has complied, as of the date of this Purchase Contract, and at the Closing will be in compliance in all material respects, with the obligations on its part in connection with the issuance of the Bonds contained in the Pledge Agreement and other appropriate resolutions of the State Board of Administration, the Bonds and this Purchase Contract, including execution of its endorsement and acceptance hereto;

(c) The State Board of Administration hereby represents and agrees with the Underwriters as follows:

(i) At the time of the State Board of Administration's endorsement and acceptance hereof, the portions of the Preliminary Official Statement relating to the State Board of Administration and the FHCF under the headings "AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS," "DEBT SERVICE COVERAGE," "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "INVESTMENT POLICY OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," "LITIGATION," "AUDITED FINANCIAL STATEMENTS," and "APPENDIX B - FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022" do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ii) At Closing, the portions of the Official Statement relating to the State Board of Administration and the FHCF under the headings "AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS," "DEBT SERVICE COVERAGE," "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "INVESTMENT POLICY OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," "LITIGATION," "AUDITED FINANCIAL STATEMENTS," and "APPENDIX B - FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022" will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(iii) Except as amended by the Seventh Supplement, the Pledge Agreement has not been amended since its execution as of June 1, 2006, and constitutes a legal, valid and binding obligation of the State Board of Administration, enforceable in accordance with its terms, subject to applicable

bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(d) The State Board of Administration hereby further represents and agrees with the Underwriters that, to the best knowledge of the State Board of Administration:

(i) The State Board of Administration is currently not, and as of the Closing will not be, in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this subparagraph would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement or this Purchase Contract;

(ii) The execution and delivery of the Pledge Agreement, the Bonds and this Purchase Contract and compliance with the provisions on the part of the State Board of Administration contained herein and therein will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement, or this Purchase Contract, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the FHCF except as provided by the Pledge Agreement;

(iii) as of the date hereof, and as of the date of Closing, except as otherwise described in the Preliminary Official Statement or the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or, to the best knowledge of the State Board of Administration, threatened against the State Board of Administration, affecting or seeking to

prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge or collection of the Pledged Collateral pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of and lien upon the Pledged Collateral, or contesting or affecting the authorization for the issuance of the Bonds, the appropriate resolutions of the State Board of Administration, this Purchase Contract, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any supplement or amendment thereto, or contesting the powers of the State Board of Administration, or any authority for the issuance of the Bonds, the adoption of the appropriate resolutions of the State Board of Administration or the acknowledgement and acceptance by the State Board of Administration of this Purchase Contract; and

(iv) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the State Board of Administration of its obligations in connection with the issuance of the Bonds under this Purchase Contract and the Pledge Agreement and which are required to be obtained by the State Board of Administration have been duly obtained.

8. The Underwriters shall have the right to cancel their obligations to purchase the Bonds if, between the date hereof and the date of Closing,

(a) legislation shall have been enacted by the Congress, or recommended by the President of the United States to the Congress for passage, or favorably reported for the passage of either House of Congress by any Committee of either House or proposed for consideration by a Conference Committee of the House and Senate, or passed by either House of Congress, with an effective date being prior to the date of issuance of the Bonds, or a decision by a court of the United States shall have been rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall have been made, the effect of which is that the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(b) a stop order, ruling or regulation by the Securities and Exchange Commission shall have been issued or made, the effect of which, in the reasonable opinion of Bond Counsel or Disclosure Counsel, is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or of the Securities

Exchange Act of 1934, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) there shall exist any event which either (A) makes untrue or incorrect any statement of material fact contained in the Official Statement or, (B) is not reflected in the Official Statement but should be reflected therein in order to make any statement of material fact contained therein, in light of the circumstances under which it was made, not misleading and, in either such event, after the Underwriters have notified the Corporation and given the Corporation a reasonable opportunity to correct or supplement the Official Statement to take into account the events referred to in (A) or (B) above, the Corporation refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the statement or information as supplemented is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(d) a war involving the United States shall have been declared or the escalation of war or major hostilities involving the United States, the effect of which on the financial markets of the United States is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(e) there shall be in force by the New York Stock Exchange a general suspension of trading securities, maximum or minimum prices for trading securities or maximum ranges or prices for securities, the effect of any of which on the financial markets of the United States is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(f) a general banking moratorium shall have been declared by federal, Florida or New York authorities such as would materially adversely affect the sale of the Bonds by the Underwriters or a material disruption in the commercial banking, securities settlement or clearance services shall have occurred which would materially adversely affect the ability to settle the purchase of the Bonds at Closing; or

(g) there shall have occurred since June 30, 2023, any material change in the financial affairs of the FHCF from that reflected in the audited financial records of the FHCF included in the Official Statement other than as disclosed in the Official Statement, and after the Underwriters have notified the Corporation and given the Corporation a reasonable opportunity to supplement or correct the Official Statement to reflect such change in the financial affairs of the FHCF, the Corporation refuses to permit the Official Statement to be supplemented or corrected, or such change in the financial affairs of the FHCF as reflected in the supplemented or corrected Official Statement is such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(h) except as disclosed in the Preliminary Official Statement and any subsequent disclosure wire or document, agreed to by the parties hereto, an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or

administrative proceeding by any governmental body or board shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement or prohibiting the adoption or performance of the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, or any applicable resolutions of the Corporation or the State Board of Administration; or

(i) any of the underlying ratings on the Bonds or on the Corporation's outstanding Parity Obligations are withdrawn or modified downward; or

(j) there shall have occurred any outbreak or escalation of hostilities (whether or not foreseeable at the time of execution hereof) or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as would materially adversely affect the sale of the Bonds by the Underwriters; or

(k) except as disclosed in the Official Statement, any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, the Pledge Agreement, the Indenture, the Continuing Disclosure Agreement, the pledge or application of any moneys or securities provided for the payment of the Bonds, or the existence or powers of the Corporation, that would materially adversely affect the sale of the Bonds by the Underwriters; or

(l) the New York Stock Exchange, other national securities exchange or any governmental authority shall have (a) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities; generally, on the Bonds or similar obligations, or (b) materially increased restrictions in force as of the date hereof with respect, to the extension of credit by or the charge to the net capital requirements of underwriters or broker dealers in general, the effect of which on the financial markets of the United States is such as would materially adversely affect the sale of the Bonds by the Underwriters.

The Corporation shall have the right to cancel its obligation to sell the Bonds if, between the date hereof and the date of Closing, except as disclosed in the Preliminary Official Statement and any subsequent disclosure wire or document agreed to by the parties hereto, an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement or prohibiting the adoption or performance of the Indenture or any applicable resolutions of the Corporation or the State Board of Administration.

This Section 8 is not a complete list of conditions the existence of which give a party the right to cancel their obligations under this Purchase Contract or which otherwise excuses a party's

performance hereunder. Other such conditions may be provided for elsewhere in this Purchase Contract or may arise by operation of law. The Underwriters' right pursuant to subsections (d) through (f), inclusive, and (j) and (l) to cancel their obligations to purchase the Bonds shall be subject to the prior written consent of the Corporation, which consent shall not be unreasonably withheld.

9. The Underwriters have entered into this Purchase Contract in reliance upon the representations and agreements of the Corporation and the State Board of Administration contained herein, and in reliance upon the representations and agreements to be contained in the documents and instruments to be delivered at the Closing enumerated in subparagraph (d) below, and upon the performance by each of the Corporation and the State Board of Administration of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the joint and several obligations of the Underwriters under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds are conditioned upon the performance by each of the Corporation and the State Board of Administration of their respective obligations to be performed hereunder and the delivery of such documents and instruments enumerated herein in form and substance reasonable under the circumstances, at or prior to the Closing, and are also subject to the following additional conditions:

(a) The representations and agreements of the Corporation and the State Board of Administration contained herein shall be true, complete and correct to the best of their knowledge and belief on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of the Closing, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, and each applicable resolution of the Corporation and the State Board of Administration shall be in full force and effect in accordance with their respective terms and, except as described herein, shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended in any material respect, except as expressly authorized or contemplated in this Purchase Contract;

(c) At the time of the Closing, all official action of the Corporation and the State Board of Administration relating to this Purchase Contract and the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the State Board of Administration's resolution authorizing and requesting the issuance and sale of the Bonds, the Corporation's resolution authorizing the Preliminary Official Statement and the Official Statement, and the issuance of the Bonds, shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect; and

(d) At or prior to the Closing, each of the following shall have been made available to the Underwriters:

(1) The Official Statement, and each supplement or amendment, if any, thereto executed on behalf of the Corporation and the State Board of Administration by their respective authorized officials;

(2) Executed copies of the Indenture, Pledge Agreement, Continuing Disclosure Agreement, and certified copies of authorizing resolutions of the Corporation and the State Board of Administration;

(3) A final approving opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, addressed to the Corporation, dated the date of the Closing, in form and substance reasonable under the circumstances and substantially in the form attached to the Official Statement as Appendix E;

(4) An opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, addressed to the Corporation and the Underwriters, and dated the date of Closing, to the effect that:

(i) their final approving opinion referred to in Section 9(d)(3) hereof may be relied upon by the Underwriters to the same extent as if such opinion were addressed to the Underwriters;

(ii) (A) the information set forth in the Preliminary Official Statement, and the Official Statement under the headings: "INTRODUCTION," "AUTHORITY FOR THE ISSUANCE OF 2023A BONDS," "PLAN OF FINANCE," "DESCRIPTION OF THE 2023A BONDS" (excluding the sub-heading "Book-Entry-Only System"), "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," and "APPENDIX C" (other than the financial, statistical and demographic data included therein, as to all of which no opinion is expressed) insofar as such statements purport to be summaries of certain provisions of the Indenture, the Pledge Agreement, the Bonds, the Act, the Constitution and tax laws of the State of Florida, and provisions of the Internal Revenue Code of 1986, as amended, is correct as to matters of law and, constitute a fair statement or summary of the information purported to be summarized therein, and (B) the statements in the Preliminary Official Statement and the Official Statement on the cover relating to their opinion and under the heading "TAX MATTERS" are accurate statements or summaries of the matters set forth therein; and

(iii) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(5) An opinion of Nabors, Giblin & Nickerson, P.A., as counsel to the Corporation, addressed to the Underwriters, dated the date of Closing to the effect that based on certain certifications of the Corporation and its actual knowledge, it is of the opinion that:

(i) The Corporation is duly organized and has full legal right, power and authority to and has taken all necessary official actions to: (a) enter into this Purchase Contract, (b) adopt its resolution authorizing the issuance and sale of the Bonds, (c) enter into the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement, (d) sell, issue and deliver the Bonds to the Underwriters as provided in this Purchase Contract, (e) use the proceeds from the sale of the Bonds for the purposes described in the Official Statement, (f) secure the Bonds as provided in the Indenture and the Pledge Agreement and to pledge to the Master Trustee the Pledged Collateral as provided in the Indenture, and (g) carry out and consummate the transactions contemplated by this Purchase Contract, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, and the Official Statement, and, to the best of their knowledge, after due inquiry and upon reliance on a certificate of the President of the Corporation, as of the date hereof is in compliance in all material respects with the terms of the Act, the Indenture, the Pledge Agreement, and the Continuing Disclosure Agreement.

(ii) By all necessary official actions, the Corporation has (a) duly adopted its resolution authorizing the issuance and sale of the Bonds, (b) duly authorized the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement and this Purchase Contract, (c) duly authorized the distribution of the Preliminary Official Statement, and (d) duly authorized the execution and delivery of the Bonds and the performance by the Corporation of the obligations on its part contained or described in the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the Official Statement and this Purchase Contract, and the consummation by the Corporation of all other transactions contemplated thereby to be undertaken by the Corporation in connection with the issuance of the Bonds.

(iii) Upon execution and delivery by the Corporation and the Master Trustee and assuming the due authorization, execution and delivery of the Indenture by the Master Trustee, the Indenture will constitute a legal, valid and binding obligation of the Corporation, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity. Upon execution by the Corporation and the other parties thereto (and assuming

the due authorization, execution and delivery of such agreements by the other parties thereto), this Purchase Contract, the Pledge Agreement, and the Continuing Disclosure Agreement will constitute the legal, valid and binding obligations of the Corporation, enforceable in accordance with their respective terms; subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors' rights and (b) applicable laws and equitable principles that may affect remedies or injunctive or other equitable relief.

(iv) The Bonds, when issued and delivered to the Underwriters in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations of the Corporation, enforceable in accordance with their terms; subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors' rights and (b) applicable laws and equitable principles that may affect remedies or injunctive or other equitable relief.

(v) To the best of their knowledge, after due inquiry and upon reliance on a certificate from the President of the Corporation, the Corporation is not as of the date hereof in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the Corporation is a party or to which the Corporation is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this paragraph would materially adversely affect the ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract.

(vi) To the best of their knowledge, after due inquiry and upon reliance on a certificate from the President of the Corporation, the execution and delivery of the Indenture, the Pledge Agreement, the Bonds, the Continuing Disclosure Agreement, and this Purchase Contract and compliance with the provisions on the part of the Corporation contained therein, will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or relevant instrument to which the Corporation is

a party or to which the Corporation is otherwise subject, which breach or default would materially adversely affect the ability of the Corporation to perform its obligations under the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, the Bonds or this Purchase Contract, nor, to the best of their knowledge, will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon the Trust Estate except as provided by the Bonds, the Indenture, and the Pledge Agreement.

(vii) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required to be obtained by the Corporation for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Corporation of its obligations in connection with the issuance of the Bonds or for the execution and delivery of this Purchase Contract, the Indenture, the Continuing Disclosure Agreement and the Pledge Agreement, have been duly obtained.

(viii) The Bonds, when issued, executed and delivered in accordance with the Indenture and sold to the Underwriters as provided in this Purchase Contract, will be entitled to the benefits of the Indenture and the Pledge Agreement; and upon such issuance, execution and delivery, the Indenture will provide, for the benefit of the owners from time to time of the Bonds, a legally valid and binding pledge of and prior lien upon the moneys pledged by the State Board of Administration pursuant to the Pledge Agreement, consisting of the Pledged Collateral, and the balance of the Trust Estate, subject only to the provisions of the Indenture and the Pledge Agreement permitting the application thereof on the terms and conditions set forth in the Indenture and the Pledge Agreement.

(ix) To the best of their knowledge after inquiry and upon reliance on a certificate from the President of the Corporation, except as disclosed in the Preliminary Official Statement and the Official Statement, to the extent to which counsel has been advised or for which service of process has been made, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or threatened against the Corporation, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Trust

Estate or the lien on the Trust Estate, or contesting the completeness or accuracy of the Preliminary Official Statement, the Official Statement or any supplement or amendment thereto or contesting the powers of the Corporation or the authority for the issuance of the Bonds.

(6) An opinion of counsel to the State Board of Administration, addressed to the Underwriters and to Nabors, Giblin & Nickerson, P.A., Bond Counsel, dated the date of Closing, to the effect that:

(i) The State Board of Administration is duly organized and validly existing and has full legal right, power and authority to perform its obligations under the Pledge Agreement and the appropriate resolutions of the State Board of Administration and to perform its obligations under this Purchase Contract.

(ii) The State Board of Administration has duly adopted the resolution requesting the Corporation to issue the Bonds.

(iii) With respect to the information in the Preliminary Official Statement and the Official Statement, counsel has no reason to believe that the Preliminary Official Statement, as of its date and the date hereof, or the Official Statement, as of its date and the date of closing, (except for the financial and statistical data contained therein, as to which no view need be expressed) contained or contains an untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, except for, in the case of the Preliminary Official Statement, the omission of information permitted to be omitted pursuant to SEC Rule 15c2-12.

(iv) To the best knowledge of the counsel, the State Board of Administration is currently not in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the State Board of Administration is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this paragraph would materially adversely affect the ability of the State Board of Administration to perform

its obligations under the Pledge Agreement, the Bonds or this Purchase Contract.

(v) The execution and delivery of the Pledge Agreement, the Bonds and this Purchase Contract and compliance with the provisions on the part of the State Board of Administration contained therein will not, to the best knowledge of the Office of General Counsel, constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement, indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the property or assets of the FHCF is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or this Purchase Contract, nor, to the best knowledge of the counsel, will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the FHCF except as provided by the Bonds and the Pledge Agreement, which lien, charge or other security interest or encumbrance would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or this Purchase Contract.

(vi) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the State Board of Administration of its obligations in connection with the issuance of the Bonds under this Purchase Contract and the Pledge Agreement and which are required to be obtained by the State Board of Administration have, to the best knowledge of the counsel, been duly obtained.

(vii) Except as disclosed in the Preliminary Official Statement and the Official Statement, to the extent to which the counsel has been advised or for which service of process has been made, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or threatened against the State Board of Administration, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the

Bonds or the collection of the Trust Estate or the lien on the Trust Estate, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or contesting the powers of the State Board of Administration or the authority for the issuance of the Bonds.

(viii) Except as disclosed in the Preliminary Official Statement and the Official Statement, to the extent to which counsel has been advised or for which service of process has been made, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or threatened against the Corporation, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Trust Estate or the lien on the Trust Estate, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or contesting the powers of the Corporation or the authority for the issuance of the Bonds.

(7) An opinion of Bryant Miller Olive P.A., Disclosure Counsel, addressed to the State Board of Administration and the Corporation with a reliance letter to the Underwriters, in form and substance satisfactory to the Corporation and the Senior Manager, substantially to the effect that, they have considered the information contained in the Preliminary Official Statement and the Official Statement and, based upon their review and discussions noted above, and in reliance upon the accuracy of the information contained in the aforementioned certificates and opinions, but without having undertaken any independent investigation of such information, nothing has come to their attention which leads them to believe that, as of their respective dates and as of the date of closing, the Preliminary Official Statement and the Official Statement contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(8) A certificate of the Corporation, dated the date of Closing, signed by the President or other appropriate official satisfactory to the Underwriters, to the effect that, to the best of its knowledge,

(i) each of the representations of the Corporation contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the date of the Closing as if made on such date;

(ii) the Corporation has performed all obligations to be performed hereunder as of the date of Closing;

(iii) except as disclosed in the Preliminary Official Statement or the Official Statement, no litigation is pending or, to the best knowledge of the Corporation, threatened, in any court or administrative body (A) to restrain or enjoin the issuance or delivery of any of the Bonds, (B) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, or this Purchase Contract, (C) in any way contesting the existence or powers of the Corporation, (D) to restrain or enjoin the collection of the Trust Estate pledged or to be pledged to pay the principal of, premium, if any, and interest, on the Bonds, (E) which may result in any material adverse change in the business, operations or the financial condition of the Corporation or (F) asserting that the Preliminary Official Statement or the Official Statement contain any untrue statement of a material fact or omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (but in lieu of such certificate, the Senior Manager may in its sole discretion accept an opinion of Bond Counsel, Counsel to the Corporation or both, acceptable to the Senior Manager in form and substance, that in the opinion of such counsel the issues raised in any such pending or threatened litigation are without substance or that the contentions of any plaintiffs therein are without merit); and

(iv) the Preliminary Official Statement as of its date and the date hereof and the Official Statement did not as of its date, and does not as of the date of Closing, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Preliminary Official Statement was to be used or the Official Statement is to be used, or which was or is necessary, as the case may be, in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

(9) The certificate of the State Board of Administration, dated the date of Closing, signed by the Executive Director or other appropriate official satisfactory to the Senior Manager in the form attached hereto as Exhibit D;

(10) Evidence that Fitch Ratings, Standard & Poor's Ratings Service and Moody's Investors Service have issued ratings for the Bonds which are not lower than "AA," "AA" and "Aa3," respectively;

(11) All certificates, documents and opinions required as conditions precedent to the issuance of the Bonds as set forth in the Indenture;

(12) The opinion of counsel to the Master Trustee, dated the Closing date and addressed to the Corporation, the Underwriters and Bond Counsel, in form and substance acceptable to the Corporation, the Underwriters, and Bond Counsel;

(13) A customary authorization and incumbency certificate, dated the Closing date, signed by authorized officers of the Master Trustee;

(14) A specimen bond;

(15) A copy of the Blanket Letter of Representations to DTC executed by the Corporation;

(16) A copy of any "blue sky" survey or legal investment memoranda indicating the jurisdictions in which the Bonds may be sold in compliance with the "blue sky" or securities laws of and as legal investments in the various jurisdictions;

(17) A certificate of Paragon Strategic Solutions Inc. in form and substance reasonably satisfactory to the Corporation and the Underwriters, to the effect that they consent to the references to them in the Preliminary Official Statement and the Official Statement and that the statements attributed to them in the Preliminary Official Statement and the Official Statement are accurate;

(18) An opinion of [_____], Underwriters' Counsel, addressed to the Underwriters, and dated the date of Closing, to the effect that:

(i) The Bonds are exempt securities under the Securities Act of 1933, as amended, and the offer and sale of the Bonds do not require registration of any security under said Securities Act or qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(ii) Without having verified, or passed upon or assumed any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement (including, in each case, the Appendices thereto), and based upon the information made available to it in the course of its participation in the preparation of the Preliminary Official Statement and the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as of the date of the Closing, nothing has come to its attention that would cause it to believe that the Preliminary Official Statement, as of its date and as of the date of the Purchase Contract, or the Official Statement, as of its date and as of the date of the Closing, contained or contains any untrue statement of a

material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for, in the case of the Preliminary Official Statement, the omission of information permitted to be omitted pursuant to SEC Rule 15c2-12. (In rendering this opinion, such counsel need not express an opinion with respect to the information under the heading "TAX MATTERS" or in Appendices B, C, D or E, or information concerning The Depository Trust Company and the book-entry-only system of registration and global clearance procedures for the Bonds, information concerning sales to foreign investors, or financial, demographic and statistical data included in the Preliminary Official Statement or the Official Statement or, in each case, in the Appendices thereto.); and

(iii) Without expressing any opinion with respect to the authorization, execution, delivery or validity of the Continuing Disclosure Agreement with respect to the Bonds, dated as of [DATE] (the "Continuing Disclosure Agreement"), based upon the examination described above, such counsel is of the opinion that the continuing disclosure undertakings of the Corporation set forth in the Continuing Disclosure Agreement are sufficient for the Underwriters to reasonably determine that the requirements of Section (b)(5)(i) of Rule 15c2-12 with respect to the Bonds has been met; and

(19) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of Closing, of the Corporation's and the State Board of Administration's representations and agreements contained herein and of the statements and information contained in the Preliminary Official Statement and the Official Statement and the due performance or satisfaction by the Corporation on or prior to the date of Closing of all the agreements then to be performed and conditions then to be satisfied by it.

10. If the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, then this Purchase Contract shall terminate and neither the Underwriters nor the Corporation shall be under any further obligation hereunder, except that (i) the Good Faith Wire shall immediately be returned to the Senior Manager by the Corporation, unless the Corporation's failure to satisfy a condition precedent to the Underwriters' obligations was proximately and wrongfully caused by any of the Underwriters, and (ii) the respective obligations of the Corporation and the Underwriters set forth in Section 11 hereof shall continue in full force and effect. However, the

Underwriters may, in their sole discretion, waive one or more of the conditions imposed by this Purchase Contract and proceed with Closing.

11. (a) The Underwriters shall be under no obligation to pay, and the Corporation shall pay from the proceeds of the sale of the Bonds or other legally available funds of the Corporation, any expense incident to the performance of the Corporation's obligations hereunder including, but not limited to (i) the cost of preparation, printing and delivery of the Indenture, the Continuing Disclosure Agreement, the Pledge Agreement, and the electronic versions of the Preliminary Official Statement and the Official Statement and any supplement and amendments thereto; (ii) the cost of preparation and printing of the Bonds; (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel and Counsel to the Corporation and the State Board of Administration; (iv) initial fees for bond ratings; (v) fees and disbursements of Raymond James & Associates, Inc., for their services as financial advisor to the Corporation; and (vi) other reasonable costs of the Corporation incurred in connection with the marketing and issuance of the Bonds including reimbursement for costs of certain meals for employees, agents, and representatives of the Corporation and the State Board of Administration related to investor presentations; provided that the costs of printing described in (i) and (ii) above shall be paid by the Corporation only if the printers used are the printers designated and authorized by the Corporation. Upon the prior approval of the Corporation, in the event that the Underwriters incur or advance the cost of any expense for which the Corporation is responsible hereunder, the Corporation shall reimburse the Underwriter at or prior to Closing for such cost; if at Closing, reimbursement may be included in the expense component of the Underwriters' spread.

(b) The Underwriters shall pay any expense incident to the performance of the Underwriters' obligations hereunder including but not limited to: (i) the cost of preparation of the Agreement Among Underwriters, if any, and the Blue Sky and Legal Investment Surveys; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Bonds and the cost, if any, to continue the eligibility of the Bonds for investment; (iii) all expenses associated with obtaining CUSIP numbers for the Bonds; and (iv) all other expenses incurred by them or any of them in connection with the public offering of the Bonds and delivery of and the payment for the Bonds, including the fees and disbursements of Underwriters' Counsel.

12. Any notice or other communication to be given to the Corporation under this Purchase Contract may be given by delivering the same in writing to the Corporation, c/o State Board of Administration of Florida, P.O. Box 13300, Tallahassee, Florida 32317-3300 (for non-postal delivery, to 1801 Hermitage Boulevard, Hermitage Centre, Suite 100, Tallahassee, Florida 32308), Attention: Chief Operating Officer-FHCF; any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to: Citigroup Global Markets Inc. .

13. This Purchase Contract is made solely for the benefit of the Corporation, the State Board of Administration and the Underwriters (including the successors of any of the parties) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations contained in this Purchase Contract shall remain operative and in full force and

effect regardless of: (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

14. This Purchase Contract shall become effective upon the execution by the Senior Manager, for and on behalf of all of the Underwriters including the Senior Manager, and appropriate Corporation officials and the acceptance hereof by the State Board of Administration and shall be valid and enforceable at the time of such acceptance and shall be governed by and construed in accordance with the laws of the State of Florida. This Purchase Contract shall not be construed for or against any party because that party wrote it. Venue of any action arising out of or relating to this Purchase Contract shall be in Leon County, Florida.

15. Neither the Corporation, the State Board of Administration, nor any of the members thereof, nor any officer, agent or employee thereof, as the case may be, shall be charged personally by the Underwriters with any liability or held liable to the Underwriters under any term or provision of this Purchase Contract because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

16. This Purchase Contract may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed an original.

[Balance of page intentionally left blank.]

[Signature Page – Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

Done this XXX day of XXXX, 2023.

Citigroup Global Markets Inc., as representative of the
Underwriters

By:_____

Name:

Title:

[Signature Page - Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

Done this XXX day of XXXX, 2023.

STATE BOARD OF ADMINISTRATION FINANCE
CORPORATION

By:_____

Name: Gina Wilson

Title: President

[Signature Page - Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

ENDORSEMENT AND ACCEPTANCE

The undersigned hereby endorses and accepts the foregoing Bond Purchase Contract and agrees to be bound by the terms and conditions relating to it set forth therein as fully and to the same extent as if the undersigned were a party thereto.

Accepted at _____ p.m. Eastern Time, this XXX day of XXXX, 2023.

STATE BOARD OF ADMINISTRATION OF FLORIDA, AS
ADMINISTRATOR OF THE FLORIDA HURRICANE
CATASTROPHE FUND

By:_____

Name: E. Lamar Taylor

Title: Interim Executive Director and Chief Investment
Officer

EXHIBIT A

MEMORANDUM OF UNDERSTANDING AND PRICING

SCHEDULE I – Underwriters' Spread Expenses (amounts may not add due to rounding)

<u>Spread:</u>	<u>Dollar Amount</u>	<u>Per Bond</u>
Average Takedown		
Expenses		
Total Underwriters' Discount		

Expense Components

Underwriter's Counsel		
CUSIP		
DTC		
DALCOMP/IPREO Bookrunner Fee		
DALCOMP News Service		
DALCOMP EOE & Services Tax		
Investor Roadshow Posting		
Travel & Out of Pocket		
Total Expenses		

SCHEDULE II – Terms of Bonds and Public Offering Prices and Yields

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Takedown</u>	<u>Initial CUSIP No.</u>
-------------------	-----------------------------	----------------------	--------------	-----------------	--------------------------

Purchase Price for the Bonds

Par Amount

Less: Underwriters' Discount

Purchase Price

SCHEDULE III - Redemption

Make-Whole Redemption of Series 2023A Bonds. The Series 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2023A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2023A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the Series 2023A Bonds are to be redeemed, discounted to the date on which the Series 2023A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus __ basis points for the 20__ maturity, __ basis points for the 20__ maturity, __ basis points for the 20__ maturity, __ basis points for the 20__ maturity and __ basis points for the 20__ maturity; plus, in each case, accrued and unpaid interest on the Series 2023A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, (i) the time-weighted interpolated average yield to maturity, assuming a 360-day year consisting of twelve 30-day months, for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H.15 that is publicly available not less than two (2) Business Days nor more than 45 calendar days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee most nearly equal to the period from the redemption date to the maturity date of such Series 2023A Bonds)) maturing immediately preceding and succeeding the Make Whole Period or (ii) if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury Securities adjusted to a constant maturity of one year. The Treasury Rate will be determined by the Trustee.

SCHEDULE IV – Participation Split

Participation:

Citigroup Global Markets Inc.
BofA Securities, Inc.

J.P. Morgan Securities LLC
Morgan Stanley & Co. LLC
Wells Fargo Bank, National Association

Management Fee:

[Signature Page – Exhibit A to Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

Accepted and Agreed to this XXX day of XXXX, 2023.

Citigroup Global Markets Inc., as representative
of the Underwriters

By: _____

Name:

Title:

[Signature Page – Exhibit A to Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)]

STATE BOARD OF ADMINISTRATION FINANCE
CORPORATION

By: _____

Name: Gina Wilson

Title: President

NAMES AND ADDRESSES OF UNDERWRITERS

Citigroup Global Markets Inc.
200 S. Orange Ave., Suite 2170
Orlando, FL 32801

BofA Securities, Inc. 250 S. Park Avenue, Suite 400
Winter Park, FL 32789

J.P. Morgan Securities LLC
420 South Orange Ave., Suite 270
Orlando, FL 32801

Morgan Stanley & Co. LLC
2825 University Dr., Suite 400, 4th Floor
Coral Springs, Florida 33065

Wells Fargo Bank, National Association
100 South Ashley Drive Suite 820
Tampa, FL 33602

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

Agreement Among Underwriters

EXHIBIT D

GENERAL AND NON-LITIGATION CERTIFICATE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA

The undersigned, E. Lamar Taylor, being the duly appointed and qualified Interim Executive Director and Chief Investment Officer of the State Board of Administration of Florida (the "State Board of Administration") as administrator of the Florida Hurricane Catastrophe Fund (the "FHCF"), certifies on behalf of the State Board of Administration as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings given such terms in the Master Trust Indenture executed by the Corporation as of June 1, 2006, as amended and supplemented, particularly by the Ninth Supplemental Indenture dated as of [DATE] (collectively, the "Indenture").

2. (a) The audited financial records of the FHCF for the fiscal years ended June 30, 2023 and June 30, 2022, contained in the Preliminary Official Statement dated [DATE] (the "Preliminary Official Statement") as Appendix B thereto, to the best knowledge of the State Board of Administration, present fairly the financial position of the FHCF as of the dates indicated and the results of its operations for the periods specified, and other financial information and statistical data relating to the FHCF and included in the Preliminary Official Statement were true and correct as of the date thereof and of the date of sale of the Bonds. The audited financial records of the FHCF for the fiscal years ended June 30, 2023 and June 30, 2022, contained in the final Official Statement dated [DATE] (the "Official Statement") as Appendix B thereto, to the best knowledge of the State Board of Administration, present fairly the financial position of the FHCF as of the dates indicated and the results of its operations for the periods specified, and other financial information and statistical data relating to the FHCF and included in the Official Statement are true and correct as of the date hereof;

(b) To the best knowledge of the State Board of Administration, since June 30, 2023, no material adverse change has occurred in the financial position or results of operations of the FHCF except as set forth in or contemplated by the Official Statement and FHCF has not, since June 30, 2023, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and

(c) To the best knowledge of the State Board of Administration, all liens, encumbrances, covenants, conditions and restrictions, if any, to the real and personal property of the FHCF will not interfere with or impair the operations of the FHCF.

3. The portions of the Preliminary Official Statement and the Official Statement relating to the State Board of Administration and the Florida Hurricane Catastrophe Fund under the headings "AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS," "DEBT SERVICE COVERAGE," "PLEDGE AND SECURITY FOR THE 2023A BONDS," "OPERATION OF THE FHCF," "INVESTMENT POLICY OF THE FHCF," "FUTURE LEGISLATIVE AND REGULATORY CHANGES," "LITIGATION," "AUDITED FINANCIAL STATEMENTS," AND

“APPENDIX B – FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2023” do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. To the best knowledge of the State Board of Administration, except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation is pending or threatened, which may result in any material adverse change in the business, operations or financial condition of the FHCF.

4. To the best knowledge of the State Board of Administration, the representations of the State Board of Administration, as administrator of the FHCF, contained in the Purchase Contract, dated [DATE], entered into between Citigroup Global Markets Inc., as representative of the Underwriters named herein, and the Corporation, and acknowledged and accepted by the State Board of Administration, are true and correct in all material respects as of the date hereof and the State Board of Administration has performed all obligations to be performed thereunder as of the date of the Purchase Contract and as of the date hereof.

5. To the best knowledge of the State Board of Administration, except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or, to the best knowledge of the State Board of Administration, threatened, against the State Board of Administration affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, the imposition of Emergency Assessments, or the collection of the Pledged Collateral pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge and lien upon the Pledged Collateral, or contesting or affecting the authorization for the issuance of the Bonds, the appropriate resolutions of the State Board of Administration or the Purchase Contract, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the State Board of Administration or any authority for the issuance of the Bonds, the adoption of the appropriate resolutions of the State Board of Administration, or the acceptance by the State Board of Administration of the Purchase Contract.

6. Except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation or proceeding before any court or administrative body is pending or to the best knowledge of the State Board of Administration threatened, against the State Board of Administration contesting the due organization and valid existence of the State Board of Administration or the FHCF or the validity, due authorization and execution of the Bonds or attempting to limit, enjoin or otherwise restrict or prevent the State Board of Administration from functioning and collecting the Pledged Collateral.

7. The State Board of Administration has, by all necessary official actions, duly adopted the appropriate resolution of the State Board of Administration, has duly authorized and approved the Preliminary Official Statement and the Official Statement, has duly authorized and

requested the issuance of the Bonds by the Corporation, and the performance by the State Board of Administration of the obligations on its part in connection with the issuance of the Bonds and the Purchase Contract, and the consummation by the State Board of Administration of all applicable transactions contemplated by the Purchase Contract in connection with the issuance of the Bonds. The resolution of the State Board of Administration requesting sale and issuance of the Bonds has not been modified, amended or repealed as of the date hereof.

8. To the best knowledge of the State Board of Administration, the State Board of Administration is currently not in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or any applicable judgment or decree, or any relevant loan agreement, indenture, bond, note or resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the Pledged Collateral is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, which breach or default covered by this paragraph would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or the Purchase Contract.

9. To the best knowledge of the State Board of Administration, the execution and delivery of the Bonds, the Pledge Agreement, and the Purchase Contract and compliance with the provisions on the part of the State Board of Administration contained therein will not constitute a material breach of or material default under any applicable constitutional provision, law, administrative regulation, judgment, decree, or any relevant loan agreement indenture, bond, note, resolution, agreement or other relevant instrument to which the State Board of Administration is a party or to which the State Board of Administration or any of the Pledged Collateral is otherwise subject, which breach or default would materially adversely affect the ability of the State Board of Administration to perform its obligations under the Pledge Agreement, the Bonds or the Purchase Contract nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon the Pledged Collateral except as provided by the Bonds and the Pledge Agreement.

10. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the State Board of Administration of its obligations in connection with the issuance of the Bonds under the Purchase Contract and the Pledge Agreement and which are required to be obtained by the State Board of Administration have been duly obtained.

[Balance of page intentionally left blank.]

11. This Certificate is executed in order to comply with the provisions of the Purchase Contract.

**STATE BOARD OF ADMINISTRATION OF
FLORIDA**

By: _____

Name: E. Lamar Taylor

Title: Interim Executive Director and Chief Investment
Officer

EXHIBIT E

UNDERWRITERS' DISCLOSURE STATEMENT

The undersigned, on behalf of Citigroup Global Markets Inc., as representative of the Underwriters in connection with the issuance by the State Board of Administration Finance Corporation (the "Corporation") of its State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Bonds"), does hereby certify as follows:

1. No finders were utilized in connection with the purchase of the Bonds by the Underwriters.

2. (a) The expense component of the Underwriters' gross spread is \$_____ per \$1,000 bond;

(b) The takedown component of the Underwriters' gross spread is \$____ per \$1,000 bond; and

(c) There is no management fee.

3. No other fee, retainer, bonus or compensation is expected to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by them, other than the fee paid to [____], as Underwriters' counsel, as specified in Exhibit C to the Bond Purchase Contract, dated [DATE].

4. The name and address of each of the Underwriters is as follows:

[See Exhibit A to the Bond Purchase Contract, dated DATE]

5. There is no selling group in connection with the sale of the Bonds.

[Balance of page intentionally left blank.]

[Signature Page - Bond Purchase Contract – State Board of
Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) –
Underwriters’ Disclosure Statement]

IN WITNESS WHEREOF, I have hereunto set my hand this XXX day of XXXX, 2023.

Citigroup Global Markets Inc., as
representative of the Underwriters

By: _____
Name:
Title:

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2023

NEW ISSUE- BOOK ENTRY ONLY

RATINGS: Moody's: "___" (stable)

S & P: "___" (stable)

Fitch: "___" (stable)

See "RATINGS" herein

In the opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, interest on the 2023A Bonds is not excluded from gross income of the holders thereof for federal income tax purposes. See "TAX MATTERS" herein.

\$ _____ *

State of Florida

State Board of Administration Finance Corporation

Revenue Bonds, Series 2023A (Taxable)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The State Board of Administration Finance Corporation (the "Corporation") is issuing its Revenue Bonds, Series 2023A (Taxable) (the "2023A Bonds") pursuant to Section 215.555, Florida Statutes, as amended, and other applicable provisions of law, including administrative rules relating to the Florida Hurricane Catastrophe Fund (the "FHCF"), and certain resolutions of the Corporation and the State Board of Administration of Florida (the "SBA") as the administrator of the FHCF, adopted on **[October 24, 2023]**. **The 2023A Bonds shall not constitute a debt of the State of Florida.** The 2023A Bonds will be issued pursuant to a Master Trust Indenture, as amended and supplemented from time to time and in particular by a Ninth Supplemental Indenture (collectively, the "Master Indenture"), each with Regions Bank, Jacksonville, Florida (successor to Wells Fargo Bank, N.A.), as Master Trustee (the "Master Trustee"). See "PLAN OF FINANCE" herein.

The 2023A Bonds are being issued to provide funds, together with other available funds, to (i) enable the FHCF to make reimbursement payments to Participating Insurers for reimbursable Losses caused by any future Covered Events, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the 2023A Bonds.

The 2023A Bonds will be issued on a parity basis with each other and with the Corporation's Revenue Bonds, Series 2020A, outstanding in the principal amount of \$3,500,000,000 (the "2020A Bonds") and any future Parity Obligations. The 2023A Bonds and the 2020A Bonds are secured by a first lien pledge of the Pledged Collateral, which is described below, including, with respect to the 2023A Bonds only, the proceeds of the 2023A Bonds prior to expenditure thereof. The 2020A Bonds and the 2023A Bonds are not secured by any Reserve Account. See "INTRODUCTION" herein.

The Corporation is an instrumentality of the State of Florida (the "State") and its obligations are exclusively secured by the Pledged Collateral, which consists primarily of: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and (iii) Emergency Assessments and investment earnings thereon. The 2023A Bonds are additionally secured by the proceeds thereof pending their disbursement for losses from future Covered Events, as further described herein. The 2023A Bonds shall not constitute a debt of the State, and holders of the 2023A Bonds shall have recourse only against the Pledged Collateral. The Corporation has no general

taxing power nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Neither the credit, the revenues nor the taxing power of the State shall be deemed to be pledged to the payment of the 2023A Bonds.

The 2023A Bonds are subject to redemption as described herein.

Interest on the 2023A Bonds will be payable semiannually on January 1 and July 1 of each year, commencing [July 1, 2024], at the rates set forth on the inside cover. The 2023A Bonds will mature on July 1 in the years and principal amounts set forth on the inside cover. Individual purchases of 2023A Bonds will be made in denominations of \$1,000 or any integral multiple thereof. The Master Trustee will also serve as Bond Registrar with respect to the 2023A Bonds. So long as Cede & Co. is the registered owner of the 2023A Bonds, principal of and interest on the 2023A Bonds will be payable by the Master Trustee to The Depository Trust Company ("DTC"), which will in turn remit such payments to its participants for subsequent disbursement to Beneficial Owners of the 2023A Bonds, as more fully described herein. See "DESCRIPTION OF THE 2023A BONDS – Book-Entry-Only System" herein.

THIS COVER PAGE AND THE INSIDE COVER PAGE HERETO CONTAIN CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE 2023A BONDS. INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.

The 2023A Bonds are offered when, as and if issued by the Corporation and accepted by the Underwriters, subject to prior sale or withdrawal or modification of the offer without notice, and subject to receipt of an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the Corporation by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel to the Corporation. Certain legal matters will be passed upon for the FHCF by its internal counsel. Bryant Miller Olive P.A., Tampa, Florida, is serving as Disclosure Counsel. The Underwriters are represented by _____, _____. Raymond James & Associates, Inc. has served as Financial Advisor to the Corporation and the FHCF. The 2023A Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about _____, 2023.

[UNDERWRITERS]

Dated: _____, 2023

*Preliminary, subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND
INITIAL CUSIP NUMBERS**

\$_____ * REVENUE BONDS, SERIES 2023A (TAXABLE)

<u>Maturity</u> <u>(July 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP No.**</u>
-------------------------------------	------------------------------------	--------------------------------	--------------	--------------------------------------

\$_____ * _____ % Term Bond due July 1, 20__*; Yield _____%; Initial CUSIP No. _____**

* Preliminary, subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for CUSIP Service. CUSIP numbers have been assigned by an independent company not affiliated with the Corporation and are provided solely for convenience and reference. The CUSIP numbers for the 2023A Bonds of a specific maturity are subject to change after the issuance of the 2023A Bonds. None of the Corporation, the Financial Advisor, the Underwriters, the Master Trustee or their agents takes any responsibility for the accuracy of such CUSIP numbers.

RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2023A Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The Corporation has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

ADDITIONAL INFORMATION

The 2023A Bonds are exempt from registration under the Securities Act of 1933, as amended. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Corporation, the SBA, the FHCF or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2023A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been furnished by the Corporation, the SBA, the FHCF and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Corporation, the SBA or the FHCF since the date hereof.

Neither the Securities and Exchange Commission nor any state securities commission or other governmental authority has approved or disapproved of these securities or determined that this Official Statement is truthful or complete. Any representation to the contrary is a criminal offense.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as "plan", "project", "expect", "anticipate", "intend", "believe", "estimate", "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any results, performances or achievements expressed or implied by such forward-looking statements. Except as specifically set forth herein, neither the Corporation, the SBA, nor the FHCF plans to issue any updates or revisions to those forward-looking statements due to changes in its expectations or subsequent events, conditions or circumstances on which such statements are based.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in the Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Regions Bank, as Master Trustee, has not provided, reviewed or approved any information in this Official Statement. Regions Bank makes no representation as to the contents, accuracy, fairness or completeness of this Official Statement. Regions Bank has not evaluated the risks or propriety of any investment in the 2023A Bonds; and Regions Bank makes no representation as to the suitability or investment quality of the 2023A Bonds for any investor, the technical or financial feasibility or performance of the Corporation's business, or compliance with any securities, tax or other laws or regulations, about all of which Regions Bank expresses no opinion and expressly disclaims the expertise to evaluate.

**INFORMATION CONCERNING OFFERING RESTRICTIONS
IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES**

REFERENCES IN THIS SECTION TO THE "CORPORATION" MEAN THE STATE BOARD OF ADMINISTRATION FINANCE CORPORATION AND REFERENCES TO "2023A BONDS" OR "SECURITIES" MEAN THE STATE BOARD OF ADMINISTRATION FINANCE CORPORATION REVENUE BONDS, SERIES 2023A (TAXABLE) (THE "2023A BONDS").

THE INFORMATION UNDER THIS CAPTION HAS BEEN FURNISHED BY THE UNDERWRITERS, AND THE CORPORATION MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION.

COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE 2023A BONDS IS THE RESPONSIBILITY OF THE UNDERWRITERS, AND THE CORPORATION SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. NO ACTION HAS BEEN TAKEN BY THE CORPORATION THAT WOULD PERMIT THE OFFERING OR SALE OF THE 2023A BONDS, OR POSSESSION OR DISTRIBUTION OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE 2023A BONDS, OR ANY INFORMATION RELATING TO THE PRICING OF THE 2023A BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

THE 2023A BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE 2023A BOND OF \$1,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 150 UNITS (BEING 150 2023A BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SECURITIES TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA") WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SECURITIES. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER TO ANY PERSON LOCATED WITHIN A MEMBER STATE OF THE EEA OF THE SECURITIES SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE CORPORATION OR ANY OF THE INITIAL PURCHASERS TO PRODUCE A PROSPECTUS OR SUPPLEMENT FOR SUCH AN OFFER. NEITHER THE CORPORATION NOR THE INITIAL PURCHASERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SECURITIES THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE INITIAL PURCHASERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SECURITIES CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY SECURITIES WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE

TO THE PUBLIC IN ANY MEMBER STATE OF THE EEA, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN "QUALIFIED INVESTORS" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION); OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER FOR ANY SUCH OFFER; PROVIDED THAT NO SUCH OFFER OF THE SECURITIES SHALL REQUIRE THE CORPORATION OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF SECURITIES TO THE PUBLIC" IN RELATION TO THE SECURITIES IN ANY MEMBER STATE OF THE EEA MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SECURITIES.

EACH SUBSCRIBER FOR OR PURCHASER OF THE 2023A BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS REGULATION. THE CORPORATION AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – THE 2023A BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER"), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21

OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY 2023A BONDS MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS. THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA") BY A PERSON AUTHORIZED UNDER THE FSMA.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THE 2023A BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (THE "FINSA"), AND NO APPLICATION HAS BEEN OR WILL BE MADE TO ADMIT THE 2023A BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2023A BONDS (1) CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA OR (2) HAS BEEN OR WILL BE FILED WITH OR APPROVED BY A SWISS REVIEW BODY PURSUANT TO ARTICLE 52 OF THE FINSA, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2023A BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE 2023A BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS* OR SUBSECTION 73.3(1) OF THE *SECURITIES ACT* (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*. ANY RESALE OF THE 2023A BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL

INSTRUMENT 33-105 UNDERWRITING CONFLICTS ("NI 33-105"), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

WARNING. THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE 2023A BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS DOCUMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) ("SFO"). THE 2023A BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS DOCUMENT OR ANY OTHER DOCUMENT, AND THIS DOCUMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN TO 'PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE 2023A BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO 2023A BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO 'PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE 2023A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO.25 OF 1948, AS AMENDED THE "FIEA"). IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS SINCE THE OFFERING CONSTITUTES THE PRIVATE PLACEMENT TO QUALIFIED INSTITUTIONAL INVESTORS ONLY AS PROVIDED FOR IN "I" OF ARTICLE 2, PARAGRAPH 3, ITEM 2 OF THE FIEA. A TRANSFEROR OF THE 2023A BONDS SHALL NOT TRANSFER OR RESELL THEM EXCEPT WHERE A TRANSFEREE IS A QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED UNDER ARTICLE 10 OF THE CABINET OFFICE ORDINANCE CONCERNING DEFINITIONS PROVIDED IN ARTICLE 2 OF THE FIEA (THE MINISTRY OF FINANCE ORDINANCE NO. 14 OF 1993, AS AMENDED).

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH KOREA

THIS OFFICIAL STATEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. THE 2023A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES

COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FSCMA"). THE 2023A BONDS MAY NOT BE OFFERED, REMARKETED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED, REMARKETED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF SOUTH KOREA AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FETL")) WITHIN ONE YEAR OF THE ISSUANCE OF THE 2023A BONDS, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE SOUTH KOREAN LAWS AND REGULATIONS, INCLUDING THE FSCMA AND THE FETL.

EACH OF THE UNDERWRITERS HAVE REPRESENTED AND AGREED THAT THEY HAVE NOT AND WILL NOT, DIRECTLY OR INDIRECTLY, SELL OR DELIVER ANY BONDS IN KOREA OR TO, OR, FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA) OR TO OTHERS FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE LAWS AND REGULATIONS OF KOREA.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE 2023A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA ("TAIWAN") AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND MAY NOT BE ISSUED, OFFERED, OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN OR RELEVANT LAWS AND REGULATIONS THAT REQUIRES A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN. THE 2023A BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE OUTSIDE TAIWAN BY INVESTORS RESIDING IN TAIWAN DIRECTLY, BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY TO THE EXTENT PERMITTED BY APPLICABLE LAWS OR REGULATIONS.

STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

BOARD OF DIRECTORS OF THE CORPORATION

Governor of the State of Florida, Ron DeSantis, Chairman
Chief Financial Officer of the State of Florida, Jimmy Patronis
Attorney General of the State of Florida, Ashley Moody
Director of the Division of Bond Finance, J. Ben Watkins, III
Chief Operating Officer of FHCF, Gina Wilson, CPM, ARe, CPCU

FLORIDA HURRICANE CATASTROPHE FUND

Gina Wilson, CPM, ARe, CPCU
Chief Operating Officer

Toma Wilkerson
Director of Operations

Mary Linzee Branham, J.D.
Director of Legal & Risk Operations

**BOND COUNSEL AND
SPECIAL COUNSEL TO THE CORPORATION**

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

FINANCIAL ADVISOR

Raymond James & Associates, Inc.
St. Petersburg, Florida

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS	4
General Legal Authority	4
The State Board of Administration Finance Corporation	4
The State Board of Administration of the State of Florida	5
The Florida Hurricane Catastrophe Fund	6
PLAN OF FINANCE	7
The 2023A Bonds and Other Liquidity	8
ESTIMATED SOURCES AND USES OF FUNDS	9
DESCRIPTION OF THE 2023A BONDS.....	10
General	10
Book-Entry-Only System	10
[Optional Redemption with Make-Whole Premium	10
Notice of Optional Redemption.....	11
PLEDGE AND SECURITY FOR THE 2023A BONDS	12
General	12
Withdrawal of 2023A Bond Proceeds	12
Pledge Agreement	13
Flow of Funds	15
Corpus and Corpus Earnings Not Pledged	17
No Bankruptcy	17
Non-Impairment.....	17
Additional Parity Obligations and Subordinate Indebtedness	17
DEBT SERVICE COVERAGE.....	18
Debt Service Coverage Requirement	20
Events of Default and Remedies.....	21
OPERATION OF THE FHCF	22
General	22
Administration of the FHCF	24
Limited Liability of the FHCF and Bonding Capacity Estimates and Assumptions.....	26
FHCF Financial Position – Basic Mechanics	29
Historical Summary of Revenues, Expenses and Changes in Net Position	31
Financial Impacts of Recent Hurricanes on the FHCF	32
Florida Insurance Market	33
Recent Legislative Actions	34
Reimbursement Premiums.....	36
Assessments	40
Collection of Assessments and Reimbursement Premiums from Companies in Receivership	45
INVESTMENT POLICY OF THE FHCF	46
[TO BE UPDATED]	46

FUTURE LEGISLATIVE AND REGULATORY CHANGES	49
LITIGATION	49
General	49
Previous Litigation	50
Validation Proceedings Pursuant to Florida Statutes.....	50
ENFORCEABILITY OF REMEDIES.....	51
TAX MATTERS.....	51
General.....	51
Certain U.S. Federal Income Tax Consequences to U.S. Holders	52
Information Reporting and Backup Withholding.....	53
Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders	53
LEGALITY FOR INVESTMENTS.....	54
APPROVAL OF LEGALITY	54
RATINGS	54
AUDITED FINANCIAL STATEMENTS.....	54
FINANCIAL ADVISOR.....	55
UNDERWRITING	55
CONTINUING DISCLOSURE.....	56
INFORMATION TECHNOLOGY SECURITY	56
ENVIRONMENTAL RISK FACTORS	56
MISCELLANEOUS.....	57

APPENDIX A	STATE OF FLORIDA – GENERAL INFORMATION
APPENDIX B	FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED [JUNE 30, 2023 AND JUNE 30, 2022]
APPENDIX C-1	DEFINITIONS
APPENDIX C-2	MASTER TRUST INDENTURE; SEVENTH SUPPLEMENTAL INDENTURE
APPENDIX C-3	FORM OF NINTH SUPPLEMENTAL INDENTURE
APPENDIX C-4	PLEDGE AND SECURITY AGREEMENT
APPENDIX D	PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES
APPENDIX E	FORM OF APPROVING OPINION
APPENDIX F	FORM OF CONTINUING DISCLOSURE AGREEMENT

OFFICIAL STATEMENT
Relating to

\$ _____ *

State of Florida

State Board of Administration Finance Corporation
Revenue Bonds, Series 2023A (Taxable)

INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover page and the Appendices, is to set forth certain information in connection with the offering of State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the “2023A Bonds”) being issued by the State Board of Administration Finance Corporation (the “Corporation”). All capitalized, undefined terms used in this Official Statement have the meanings given to them in “APPENDIX C-1, DEFINITIONS.”

The 2023A Bonds are being issued by the Corporation pursuant to Section 215.555, Florida Statutes, as amended (the “Act”), and other applicable provisions of law, including administrative rules of the Florida Hurricane Catastrophe Fund (the “FHCF” or “Fund”), and certain resolutions of the Corporation and the State Board of Administration of Florida as the administrator of the FHCF (in such capacity, the “SBA”) adopted on [October 24, 2023]. The Corporation has no business activities other than serving as a conduit issuer for the FHCF and facilitating the issuance of revenue bonds and other forms of indebtedness for the FHCF. See “AUTHORITY FOR THE ISSUANCE OF 2023A BONDS” herein.

The proceeds of the 2023A Bonds, together with other available funds, will be used to (i) provide funds to enable the FHCF to make reimbursement payments to Participating Insurers for reimbursable Losses caused by any future Covered Events, subject to the limitations on such reimbursements set forth in the Act, and (ii) pay certain expenses incurred in connection with the issuance of the 2023A Bonds. The proceeds from the sale of the 2023A Bonds will be held and invested by the SBA and will not be commingled with the proceeds of the 2020A Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “INVESTMENT POLICY OF THE FHCF” herein.

The 2023A Bonds will be issued by the Corporation pursuant to a Master Trust Indenture dated as of June 1, 2006, as amended by a Seventh Supplemental Indenture, dated as of March 1, 2016 (the “Seventh Supplemental Indenture”), and as supplemented by a Ninth Supplemental Indenture, to be dated as of _____ 1, 20__ (collectively, the “Master Indenture”), each with Regions Bank, Jacksonville, Florida (successor to Wells Fargo Bank, N.A.), the Master Trustee, Paying Agent, Authenticating Agent and Bond Registrar (the “Master Trustee”). The 2023A Bonds will be issued on a parity basis with the Corporation’s Revenue Bonds, Series 2020A, outstanding in the principal amount of \$3,500,000,000 (the “2020A Bonds”), and any future Parity Obligations. The 2020A Bonds were issued as Pre-Event Parity Obligations.

The 2023A Bonds will be secured by Pledged Collateral consisting primarily of: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and

*Preliminary, subject to change.

(iii) Emergency Assessments (the “Assessments”) and investment earnings thereon, all pursuant to the Pledge and Security Agreement, dated as of June 1, 2006, among the Corporation, the FHCF and the Master Trustee (the “Pledge Agreement”). The 2023A Bonds are additionally secured by the proceeds of the 2023A Bonds prior to being withdrawn to reimburse Participating Insurers for Losses relating to any future Covered Events. As further described herein, certain Assessments previously levied by the Florida Office of Insurance Regulation (the “OIR”) on behalf of the FHCF are no longer needed and have all been terminated at the direction of the SBA. See “PLEDGE AND SECURITY FOR 2023A BONDS” herein for a discussion of the Pledge Agreement and the Pledged Collateral. The 2020A Bonds and the 2023A Bonds are not secured by any Reserve Account.

Pledged Collateral also includes net receipts from Derivative Agreements, if any, and other Pledged Money. There are no Derivative Agreements currently outstanding and the Corporation, the FHCF and the SBA do not expect to enter into any Derivative Agreements with respect to the 2023A Bonds or the 2020A Bonds. See “PLEDGE AND SECURITY FOR 2023A BONDS” herein for a discussion of the Pledge Agreement and the Pledged Collateral.

The Corporation is an instrumentality of the State of Florida (the “State”), and its obligations are exclusively secured by the Pledged Collateral. The 2023A Bonds shall not constitute a debt of the State, and holders of the 2023A Bonds shall have recourse only against the Pledged Collateral. The Corporation has no general taxing power nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Neither the credit, the revenues nor the taxing power of the State shall be deemed to be pledged to the payment of the 2023A Bonds.

Under the Pledge Agreement, the FHCF is required to transfer to the Master Trustee all Reimbursement Premiums (net of Current Expenses of the FHCF), investment earnings on proceeds of Outstanding Parity Obligations, including the 2023A Bonds, and any Assessments received by the FHCF. From these amounts, the Master Trustee will (i) from Reimbursement Premiums, pay the Current Expenses of the Corporation (which are insignificant) and provide for debt service on the 2020A Bonds and the 2023A Bonds accruing or coming due during the then-current Fiscal Year (to the extent not paid from investment earnings on proceeds of the 2020A Bonds and the 2023A Bonds), and (ii) transfer all Assessments to an account for the benefit of the Outstanding Parity Obligations.

Once Reimbursement Premiums in an amount sufficient to pay debt service on all Outstanding Parity Obligations payable or accruing during the then current Fiscal Year have been transferred to the Master Trustee, any Reimbursement Premiums and investment earnings on proceeds of Pre-Event Parity Obligations received by the FHCF from such date until the end of the Fiscal Year are released from the lien of the Pledge Agreement and Master Indenture. Once Reimbursement Premiums sufficient to pay such amounts have been transferred or are otherwise available to the Master Trustee, the requirement to transfer Reimbursement Premiums to the Master Trustee ceases for the remainder of the then current Fiscal Year and all Reimbursement Premiums in excess of such requirement that are in possession of the Master Trustee will be returned to the FHCF to be used for any purpose permitted under the Act. Reimbursement Premiums and investment earnings on Pre-Event Parity Obligations released from the lien of the Master Indenture and Pledge Agreement become part of the Corpus of the FHCF, are no longer pledged to payment of debt service on the 2023A Bonds, the 2020A Bonds or any other Outstanding Parity Obligations, and will be available to pay Losses resulting from Covered Events and any other lawful purpose of the FHCF. See “- Corpus and Corpus Earnings Not Pledged” below. To the extent moneys held by the Master Trustee are ever insufficient to provide for debt service on Outstanding Parity Obligations, the Master

Trustee will provide notice to the FHCF, which will transfer the Pledged Collateral to the Master Trustee at such times and in such amounts as necessary to provide for such debt service when due.

Unlike Reimbursement Premiums, Assessments remain subject to the lien of the Master Indenture and Pledge Agreement even after debt service for the Fiscal Year on Outstanding Parity Obligations has been deposited with the Master Trustee and the FHCF is required to continue to transfer any Assessments to the Master Trustee. Excess Assessments transferred to the Master Trustee may be released from the lien of the Pledge Agreement and Master Indenture if the SBA certifies to the Master Trustee that there are sufficient funds on deposit with the Master Trustee to provide for the payment of debt service when due on Post-Event Parity Obligations for the current and the next Fiscal Year. Upon the Master Trustee's receipt of such certificate, Assessments in excess of amounts needed to pay debt service on Post-Event Parity Obligations will be released from the lien of the Master Indenture and Pledge Agreement and will be returned to the FHCF. Such amounts will then be available for any other lawful purpose of the FHCF. See "PLEDGE AND SECURITY FOR 2023A BONDS – Flow of Funds" herein. As of the date hereof, there are no Post-Event Parity Bonds Outstanding and no Assessments are currently being levied.

The proceeds of the 2023A Bonds, together with certain other funds of the Corporation, will be deposited into and held in a separate account pursuant to the Pledge Agreement and invested by the SBA consistent with Section 215.47, Florida Statutes, as amended, as described herein, and withdrawn as needed to pay Participating Insurers for Losses relating to any future Covered Events. See "INVESTMENT POLICY OF THE FHCF" herein. The investment earnings on the 2023A Bonds will be part of the Pledged Collateral, and such earnings, along with earnings on proceeds of Parity Obligations, will be available and are expected to be used to pay debt service on the 2023A Bonds, the 2020A Bonds and any future Parity Obligations. The Corporation anticipates that if proceeds of the 2023A Bonds are used to reimburse Participating Insurers for Losses from any future Covered Events, it may refinance a corresponding portion of the 2023A Bonds in the approximate amount withdrawn through the issuance of Post-Event Parity Obligations. The timing of any such financing will depend upon a number of factors, including, but not limited to, when the proceeds are needed and market conditions. Further, debt service on the 2023A Bonds may be paid from Reimbursement Premiums, Assessments or other Pledged Collateral rather than refinancing such withdrawals with Post-Event Parity Obligations. See "PLAN OF FINANCE" and "PLEDGE AND SECURITY FOR 2023A BONDS – Additional Parity Obligations and Subordinate Indebtedness" herein for a description of the Incurrence Test.

The Corporation may issue additional Parity Obligations only upon satisfaction of the Incurrence Test and the other terms and conditions of the Master Indenture. The issuance of the 2023A Bonds will satisfy the Incurrence Test. See "PLEDGE AND SECURITY FOR 2023A BONDS – Additional Parity Obligations and Subordinate Indebtedness" and "APPENDIX C-2, MASTER TRUST INDENTURE – Section 704." The Pledge Agreement and the Master Indenture require the FHCF and the Corporation to take certain action if the Revenue Available for Debt Service during a Fiscal Year is insufficient to cover debt service on Outstanding debt of the Corporation by a certain amount (1.25 times the debt service on Outstanding Parity Obligations and 1.00 times the debt service on both the Outstanding Parity Obligations and any Subordinate Indebtedness). See "PLEDGE AND SECURITY FOR 2023A BONDS – Debt Service Coverage Requirement" herein and "APPENDIX C-2, MASTER TRUST INDENTURE – Section 705."

Forms of the Master Trust Indenture and the Seventh Supplemental Indenture, the Ninth Supplemental Indenture and the Pledge Agreement are set forth in Appendices C-2, C-3 and C-4, respectively. All references in this Official Statement to the Master Trust Indenture, the Ninth Supplemental Indenture and the Pledge Agreement are qualified in their entirety by reference to the final

executed documents. Copies of the final executed documents will be on file at the corporate office of the Master Trustee in Jacksonville, Florida.

AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS

General Legal Authority

The 2023A Bonds are being issued by the Corporation pursuant to the Act and other applicable provisions of law, including administrative rules of the FHCF, and resolutions of the Corporation and the SBA, adopted on **[October 24, 2023]**, authorizing the issuance and sale of up to, but not exceeding, \$_____ * aggregate principal amount of Bonds to be issued as Pre-Event Parity Obligations, which may be issued in one or more series, the first of which is the 2023A Bonds, and authorizing the execution and delivery of the Ninth Supplemental Indenture and confirming the pledge of revenue to the payment of debt of the Corporation pursuant to the Pledge Agreement.

The 2023A Bonds are being issued as Pre-Event Parity Obligations to provide a source of funds for the FHCF to reimburse Participating Insurers for Losses relating to any future Covered Events. Under the Act, a Pre-Event financing may be undertaken in the absence of a hurricane upon a determination that such action would maximize the ability of the FHCF to meet future obligations. The SBA has determined, by a resolution adopted on **[October 24, 2023]**, that the issuance of the 2023A Bonds will maximize the ability of the FHCF to meet its future obligations.

The State Board of Administration Finance Corporation

In 1996, the Corporation was created as a public benefits corporation under the Act and as an instrumentality of the State to provide a mechanism necessary for the cost-effective and efficient issuance of debt. In 2014, the Corporation (formerly known as the Florida Hurricane Catastrophe Fund Finance Corporation) adopted a resolution to amend its Articles of Incorporation and Bylaws to conform to the legislative action that changed its name and other statutory and constitutional changes that have occurred since the Corporation's creation. Under the Act, the Corporation has the power to issue bonds or notes and engage in such other financial transactions as are necessary to provide sufficient funds to achieve the purposes of the Act.

The proceeds of debt issued by the Corporation may be used to reimburse Participating Insurers pursuant to Reimbursement Contracts for Losses from Covered Events; to refinance or replace previously existing borrowings or financial arrangements; to pay interest on such debt; to fund reserves; to provide a source of funds to the FHCF to reimburse Participating Insurers for Losses from subsequent hurricanes that are Covered Events; to pay expenses incident to the issuance or sale of such debt; and for such other purposes relating to the financial obligations of the FHCF as the SBA may determine.

Under the Act, the Corporation has all of the powers of corporations under Chapter 607, Part I (Florida Business Corporation Act) and Chapter 617 (Florida Not For Profit Corporation Act), Florida Statutes, subject only to limitations of the Act, which include, among other things, a provision prohibiting the Corporation from filing for voluntary federal bankruptcy protection as long as the Corporation has any debt outstanding.

The Corporation is governed under the Act by a five-member Board of Directors consisting of the Governor or a designee, the Chief Financial Officer or a designee, the Attorney General or a designee, the

Director of the Division of Bond Finance of the State Board of Administration, and the Chief Operating Officer of the FHCF. The members of the Board of Directors of the Corporation and the expiration dates of their respective terms in office are set forth below.

<u>Member</u>	<u>Term Expires</u>
Ron DeSantis, Governor, Chairman	January 1, 2027
Jimmy Patronis, Chief Financial Officer	January 1, 2027
Ashley Moody, Attorney General	January 1, 2027
J. Ben Watkins, III, Director of the Division of Bond Finance	Indefinite
Gina Wilson, CPM, ARe, CPCU, Chief Operating Officer, FHCF	Indefinite

The officers of the Corporation and the expiration dates of their respective terms in office are set forth below:

<u>Officer</u>	<u>Term Expires</u>
Gina Wilson, CPM, ARe, CPCU, President	Indefinite
Joel Meyer, Treasurer	Indefinite
John Brenneis, Secretary	Indefinite

The Corporation has no administrative staff and uses the staff of the FHCF for administrative matters. The Corporation has no business activities other than serving as a conduit issuer for the FHCF and facilitating the issuance of revenue bonds and other forms of indebtedness of the FHCF. The Corporation is treated as a blended component unit of the FHCF for financial statement presentation purposes and does not issue separate financial statements from the FHCF. See "AUDITED FINANCIAL STATEMENTS" herein.

Upon issuance of the 2023A Bonds, the Outstanding Parity Obligations of the Corporation will consist solely of the 2020A Bonds and the 2023A Bonds. Parity Obligations of the Corporation, including the 2023A Bonds and the 2020A Bonds, are not debts of the State, and holders of Parity Obligations shall have recourse only against the Pledged Collateral. The Corporation has no general taxing power, nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Pursuant to the Act, the Corporation and its corporate existence will continue indefinitely until terminated by law; however, no such law shall take effect as long as the Corporation has any debt outstanding unless adequate provision has been made for payment of such debt.

The State Board of Administration of the State of Florida

The SBA was created by Article IX, Section 16 of the State Constitution of 1885, as amended, and is governed under Article IV, Section 4(e) of the Florida Constitution. The SBA is composed of the Governor, as Chairman, the Chief Financial Officer and the Attorney General. The members of the SBA and the dates of expiration of their respective terms are set forth below:

<u>Member</u>	<u>Term Expires</u>
Ron DeSantis, Governor as Chairman	January 1, 2027
Jimmy Patronis, Chief Financial Officer	January 1, 2027
Ashley Moody, Attorney General	January 1, 2027

As of the date hereof, all three members of the SBA serve on the Board of Directors of the Corporation.

The SBA fulfills a number of mandates set out under the Florida Constitution and State statutes, including the administration of the FHCF. The SBA appoints a nine-member advisory council (the "FHCF Advisory Council") that serves at the pleasure of the SBA to provide the SBA with information and advice in connection with its administration of the FHCF. As described in the Act, the membership of the FHCF Advisory Council consists of an actuary, a meteorologist, an engineer, a representative of insurers, a representative of insurance agents, a representative of reinsurers and three consumers who are required to be representatives of other affected professions and industries. The FHCF Advisory Council generally discusses policy matters but does not have decision-making authority over the FHCF. The SBA makes all final decisions.

The SBA is authorized under the Act to:

- enter into agreements for the issuance of debt upon the occurrence of Covered Events and a determination that the moneys in the FHCF are or will be insufficient to reimburse Participating Insurers at the coverage levels selected in the Reimbursement Contracts (the legal liability of the FHCF is limited to its Actual Claims-Paying Capacity as defined in Section 215.555(2)(m), Florida Statutes);
- direct the OIR to levy Assessments of up to 6% of premium for Losses generated during any Contract Year (as defined herein) and up to 10% of premium in the aggregate to serve as security for debt issued;
- enter into agreements for the issuance of debt in the absence of a Covered Event upon a determination that such issuance would maximize the ability of the FHCF to meet future obligations; and
- procure reinsurance from reinsurers acceptable to the OIR for the purpose of maximizing the capacity of the FHCF.

The Florida Hurricane Catastrophe Fund

The FHCF is a tax-exempt trust fund created by the State Legislature during a special session in November 1993 to address the after-effects from Hurricane Andrew on the insurance market. Hurricane Andrew caused insured and uninsured losses in excess of \$30 billion in the State in August 1992. As a result of these losses, 11 insurers were rendered insolvent, and numerous insurers announced plans to cancel or discontinue writing policies covering residential property in the State, threatening approximately 900,000 policyholders with loss of property coverage.

In recognition of these circumstances and the general trend of contraction in domestic and international reinsurance capacity in existence at that time, the State Legislature passed legislation creating the FHCF in November 1993 for the purpose of reimbursing insurers writing substantially all of the policies covering residential property in the State for a portion of their catastrophic hurricane losses. The FHCF is administered by the SBA. The FHCF is not a regulated insurance or reinsurance company under State law, does not issue insurance or reinsurance policies and is not required to have the loss reserves which are

required of insurers or reinsurers under State law. The FHCF is administered by the SBA and is not an independent department or administrative unit of the State as defined in Section 20.04, Florida Statutes.

FHCF plays an essential role in the State's insurance market by providing a stable and ongoing source of loss reimbursement for residential property insurers. The FHCF functions similar to a private reinsurer, collects premiums from residential property insurers and reimburses them for covered residential losses. The Internal Revenue Service has issued a private letter ruling concluding that the FHCF is an integral part of the State and is therefore not subject to federal income taxation. The Fund's tax-exempt status and operational efficiencies have generally allowed it to provide reimbursement coverage for less than the cost of comparable layers of private reinsurance, generating premium savings for Florida policyholders.

Participation in the FHCF is mandatory for substantially all insurers writing certain residential property insurance policies in the State (with limited exceptions), including the Citizens Property Insurance Corporation ("Citizens") and any joint underwriting association or similar entity created pursuant to law (each a "Participating Insurer"), and is a condition of doing business in the State. Insurers with less than \$10 million in aggregate exposure under certain residential property insurance policies are not required to participate in the FHCF.

Participation in the FHCF is established through annual Reimbursement Contracts with Participating Insurers that obligate the FHCF to reimburse such Participating Insurers for their respective Losses in excess of their share of an industry-wide loss-retention level. In exchange for this benefit, Participating Insurers pay the FHCF actuarially-indicated Reimbursement Premiums. The FHCF's maximum possible liability under Reimbursement Contracts for the current Contract Year ending May 31, 2024, is \$17 billion but the legal liability of the FHCF is limited to its Actual Claims-paying Capacity as defined in Section 215.555(2)(m), Florida Statutes. However, the maximum coverage provided by the FHCF has been changed by the legislature from time to time. See "OPERATION OF THE FHCF" herein for a discussion about the operation of the FHCF, Reimbursement Premiums and Assessments.

Paragon Strategic Solutions Inc. ("Paragon"), a wholly owned subsidiary of Aon PLC, provides actuarial and other support services to the FHCF, including services used by the FHCF to estimate losses and establish reserves for Covered Events and set the Reimbursement Premiums. See "OPERATION OF THE FHCF – Administration of the FHCF" for a description of such services.

PLAN OF FINANCE

The Corporation may issue its Parity Obligations as Pre-Event Parity Obligations or Post-Event Parity Obligations pursuant to the Master Trust Indenture and the Act. Pre-Event Parity Obligations are issued prior to the occurrence of a Covered Event, and the proceeds thereof are invested until such time as they may be withdrawn to reimburse Participating Insurers for Losses related to any future Covered Events. Pre-Event Parity Obligations may be issued in the absence of a hurricane upon a determination that such action would maximize the ability of the FHCF to meet future obligations. The Corporation has authorized the issuance and sale of up to, but not exceeding, \$_____ of aggregate principal amount of Bonds to be issued as Pre-Event Parity Obligations, which may be issued in one or more series, the first of which is the 2023A Bonds. The 2023A Bonds and the 2020A Bonds constitute Pre-Event Parity Obligations.

Post-Event Parity Obligations may be issued following the occurrence of a Covered Event (i) to reimburse Participating Insurers for Losses pursuant to Reimbursement Contracts when the Corpus of the FHCF is or will be insufficient to make such payments, or (ii) to refinance Pre-Event Parity Obligations or Post-Event Parity Obligations. There are currently no Post-Event Parity Bonds Outstanding.

The 2023A Bonds and Other Liquidity

The 2023A Bonds will be issued to supplement the FHCF's available cash balance, 2020A Bond proceeds, and reinsurance proceeds, if any, to provide an additional source of liquidity for the FHCF to reimburse Participating Insurers for Losses relating to any future Covered Events. Future Covered Events means hurricanes occurring in the Contract Year ending May 31, 2024 and any future Contract Years. Proceeds of the 2023A Bonds will not be used to pay reimbursements for prior Hurricanes, including, Irma, Michael, Ian or Idalia.

Proceeds of the 2023A Bonds will not be used to pay Participating Insurers for Losses relating to prior Covered Events (Hurricanes Irma, Michael, Ian and Idalia), but will be invested consistent with Section 215.47, Florida Statutes, as amended, and the FHCF's investment policy and will be withdrawn as needed to reimburse Participating Insurers for Losses incurred from any future Covered Events. See "INVESTMENT POLICY OF THE FHCF" herein. Proceeds of the 2023A Bonds, the 2020A Bonds and the FHCF available cash balance may be withdrawn in any order of priority to reimburse Participating Insurers in the event of any future Covered Events. See "PLEDGE AND SECURITY FOR THE 2023A BONDS – Withdrawal of 2023A Bond Proceeds" herein.

If proceeds of the 2023A Bonds are used to reimburse Participating Insurers for Losses from any future Covered Events, the Corporation may refinance a corresponding portion of the 2023A Bonds in the approximate amount withdrawn through the issuance of Post-Event Parity Obligations. The timing of any such refinancing will depend upon a number of factors, including, but not limited to, when proceeds are needed and market conditions. The issuance of any Post-Event Parity Obligations to redeem the 2023A Bonds will be subject to the Incurrence Test, which requires, among other things, that Assessments be ordered or levied in amounts estimated to be sufficient to pay debt service on such Post-Event Parity Obligations. See "PLEDGE AND SECURITY FOR 2023A BONDS – Additional Parity Obligations and Subordinate Indebtedness" herein. Further, the Corporation may pay debt service on the 2023A Bonds from Reimbursement Premiums, Assessments or other Pledged Collateral rather than refinancing such withdrawals with Post-Event Parity Obligations.

Over the last five years, the FHCF has purchased aggregate excess catastrophe reinsurance in the amount of \$1 billion for the Contract Year ended May 31, 2019, and \$0.92 billion for the Contract Year ended May 31, 2020.**[Update?]** No such risk transfer products have been in place since June 1, 2021 or are in place for the Contract Year ending May 31, 2024. Over the life of the 2023A Bonds, FHCF may purchase reinsurance or other risk transfer products, the premium or price of which products may be paid from Reimbursement Premiums for that year. When purchased, the premium or cost of reinsurance is factored into the actuarial formula used in determining the FHCF rates charged to Participating Insurers.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2023A Bonds, together with other legally available funds, are expected to be applied as shown below.

Sources of Funds:

Principal Amount of the 2023A Bonds	\$
Legally Available FHCF Funds ⁽¹⁾	
Total Sources	\$

Uses of Funds:

Deposit to 2023A Bonds Proceeds Subaccount ⁽¹⁾	\$
Costs of Issuance ⁽²⁾	
Underwriters' Discount	
Total Uses	\$

⁽¹⁾ The Corporation will provide an amount equal to the costs of issuance and Underwriters' discount from other legally available funds such that the initial deposit to the 2023A Bonds Proceeds Subaccount will be equal to the principal amount of the 2023A Bonds. Amounts on deposit in such Subaccount secure the 2023A Bonds prior to being withdrawn to reimburse Participating Insurers for Losses relating to any future Covered Events, as further described herein.

⁽²⁾ Includes legal fees, financial advisor fees, rating agency fees, and other miscellaneous expenses relating to the authorization and issuance of the 2023A Bonds.

[Remainder of page intentionally left blank]

DESCRIPTION OF THE 2023A BONDS

General

Interest on the 2023A Bonds will be payable semiannually on January 1 and July 1 of each year, commencing **[July 1, 2024]**, at the rates set forth on the inside cover page of this Official Statement. The 2023A Bonds will mature on July 1 in the years and the principal amounts set forth on the inside cover page of this Official Statement. Individual purchases of 2023A Bonds will be made in denominations of \$1,000 or any integral multiple thereof. The Master Trustee will also serve as Bond Registrar with respect to the 2023A Bonds.

Book-Entry-Only System

The Depository Trust Company ("DTC") will act as securities depository for the 2023A Bonds. The 2023A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's nominee name) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2023A Bonds, each in the aggregate principal amount of such maturity (provided that if the aggregate principal amount of any single maturity exceeds \$500,000,000, separate bond certificates shall be issued for each \$500,000,000 and any amount in excess thereof and subject to any DTC restrictions on the maximum principal amount of a bond certificate), and will be deposited with DTC. Beneficial interests in the 2023A Bonds may be held through DTC, Clearstream Banking, S.A. or Euroclear Bank SA/NV as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system. See "APPENDIX D, PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES" for a description of DTC, Clearstream Banking, S.A., Euroclear Bank SA/NV as operator of the Euroclear System, and certain of their responsibilities, and the provisions for registration and registration of transfer of the 2023A Bonds if the book-entry-only system of registration is discontinued.

[Optional Redemption with Make-Whole Premium

The 2023A Bonds shall be subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, on any Business Day, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2023A Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2023A Bonds to be redeemed, not including any interest accrued and unpaid as of the date on which the 2023A Bonds are to be redeemed, discounted to the date on which the 2023A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus twenty-five (25) basis points; plus, in each case, accrued and unpaid interest on the 2023A Bonds to be redeemed to the redemption date. The "Treasury Rate" is, as of any redemption date, (i) the time-weighted interpolated average yield to maturity, assuming a 360-day year consisting of twelve 30-day months, for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H.15 that is publicly available not less than two (2) Business Days nor more than 45 calendar days prior to the redemption date (excluding inflation indexed securities) or, if such Statistical Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee most nearly equal to the period from the redemption date to the maturity date of such 2023A Bonds) maturing immediately preceding and succeeding the Make Whole Period taking into account any Sinking Fund Requirements for such 2023A

Bonds, or (ii) if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury Securities adjusted to a constant maturity of one year. The Treasury Rate will be determined by the Corporation, and the Make-Whole Redemption Price shall be calculated by the Corporation and provided to the Trustee.]

Notice of Optional Redemption

When redemption of 2023A Bonds is authorized pursuant to the provisions of the Master Indenture, the Trustee shall give to the owners of 2023A Bonds to be redeemed notice, at the expense of the Corporation, of the redemption of the 2023A Bonds. Notice of such redemption of the 2023A Bonds shall be given by mail, postage prepaid, not more than thirty (30) days or fewer than fifteen (15) days prior to said date of redemption, to the owners of any 2023A Bonds to be redeemed. Such notice shall state: (i) the CUSIP numbers of all 2023A Bonds being redeemed, (ii) the original issue date of such 2023A Bonds, (iii) the maturity date and rate of interest borne by each 2023A Bond being redeemed, (iv) the redemption date, (v) the date on which such notice is mailed, (vi) if less than all Outstanding 2023A Bonds are to be redeemed, the bond number (and, in the case of a partial redemption of any 2023A Bond, the principal amount) of each 2023A Bond to be redeemed, (vii) that on such redemption date there shall become due and payable upon each 2023A Bond to be redeemed at the Redemption Price or Make-Whole Redemption Price thereof, as applicable, or the Redemption Price or Make-Whole Redemption Price thereof, as applicable, of the specified portions of the principal or Sinking Fund Requirement thereof in the case of 2023A Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, and (viii) that the 2023A Bonds to be redeemed, whether as a whole or in part, are to be surrendered for at the designated corporate trust office of the Trustee at an address specified. Any such notice may be a conditional notice. In the event the conditions stated in such a notice have not been satisfied on the proposed redemption date, such redemption shall not occur and such notice shall be of no further force or effect. Such mailing shall not be a condition precedent to such redemption, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the 2023A Bonds for which proper notice was given.

In the case of redemption of the 2023A Bonds, the Corporation will select the maturities of the 2023A Bonds to be redeemed. If the 2023A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity or Sinking Fund Requirement of the 2023A Bonds shall be effected by the Bond Registrar among owners on a pro rata basis subject to minimum authorized denominations. The particular 2023A Bonds to be redeemed shall be determined by the Bond Registrar, using such method as it shall deem fair and appropriate. If the 2023A Bonds are registered in book-entry only form and so long as DTC is the sole registered owner of the 2023A Bonds, if less than all of the 2023A Bonds of a maturity are called for prior redemption, the particular 2023A Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided that, so long as the 2023A Bonds are held in book-entry form, the selection for redemption of such 2023A Bonds shall be made in accordance with the operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Bond Registrar pursuant to DTC operational arrangements. If the Bond Registrar does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot. It is the Corporation's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Corporation and the beneficial owners be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, the Corporation can provide no assurance that DTC, the

DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such basis. If the DTC operational arrangements do not allow for the redemption of the 2023A Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the 2023A Bonds will be selected for redemption in accordance with DTC procedures by lot.

PLEDGE AND SECURITY FOR THE 2023A BONDS

The 2023A Bonds shall not be deemed to constitute a debt of the State, and holders of the 2023A Bonds shall have recourse only against the Pledged Collateral. The Corporation has no general taxing power nor does it have the power to pledge the credit, the revenues or the taxing power of the State. Neither the credit, the revenues nor the taxing power of the State shall be deemed to be pledged to the payment of the 2023A Bonds.

General

The 2023A Bonds are being issued on a parity basis with the Corporation's outstanding \$3,500,000,000 2020A Bonds and any future Parity Obligations, and are secured by a first lien pledge of the Pledged Collateral consisting primarily of: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and (iii) Emergency Assessments, if any, and investment earnings thereon. The 2023A Bonds are additionally secured by the proceeds thereof pending their disbursement for losses from any future Covered Events, as further described herein. Reimbursement Premiums and Assessments are discussed in detail in "OPERATION OF THE FHCF - Reimbursement Premiums" and "- Assessments" herein. Similarly, information relevant to investment of proceeds of Parity Obligations is discussed under the heading "INVESTMENT POLICY OF THE FHCF" herein.

The 2020A Bonds were, and the 2023A Bonds and any future Parity Obligations will be, issued pursuant to the Master Trust Indenture and secured thereby and by the Pledge Agreement. The 2020A Bonds and the 2023A Bonds are not secured by any Reserve Account.

Withdrawal of 2023A Bond Proceeds

All proceeds derived from the sale of the 2023A Bonds shall be deposited and held in a separate subaccount of the Covered Events Relief Fund (the "2023A Bonds Proceeds Subaccount") pursuant to the Pledge Agreement and will not be commingled with the proceeds of any other Parity Obligations, including the 2020A Bonds, or any other monies except interest earnings thereon. The 2023A Bonds will be secured by the proceeds of the 2023A Bonds prior to withdrawal to pay Losses relating to any future Covered Events. In the event of any future Covered Event, proceeds of the 2020A Bonds, the 2023A Bonds, and the FHCF's available cash balance may be withdrawn in any order of priority and used to pay Losses of Participating Insurers.

Amounts in the 2023A Bonds Proceeds Subaccount may also be withdrawn to pay debt service on the 2023A Bonds, provided, however, the Master Trustee shall draw first from the Reimbursement Premiums Account, then from the Pre-Event Bonds Investment Income Account and then from the 2023A Bonds Proceeds Subaccount. See "-Flow of Funds" herein.

Prior to making any withdrawals from the 2023A Bonds Proceeds Subaccount relating to a Covered Event, an authorized officer of the SBA must certify to the Master Trustee: (i) the expected aggregate

amount and monthly schedule for anticipated withdrawals to be made as a result of the Covered Event; (ii) that an amount equal to the estimated interest on the amount withdrawn to pay debt service on the Pre-Event Parity Obligations (including the 2020A Bonds and 2023A Bonds) when due will be deposited with the Master Trustee for credit to the Interest Account for the 2020A Bonds and the 2023A Bonds; (iii) taking into account the anticipated withdrawals, there will be sufficient revenues available to pay debt service on the 2020A Bonds and the 2023A Bonds when due; and (iv) notice of the anticipated withdrawals has been provided to the SBA along with an estimate of the Assessment percentage, if any, that would be necessary to provide for the estimated debt service in each Fiscal Year on debt in an amount equal to the aggregate withdrawals.

Holders of the 2023A Bonds will have no right to compel the withdrawal of the FHCF's available cash balance or proceeds of other Parity Obligations prior to the withdrawal of the proceeds of the 2023A Bonds. The proceeds of the 2020A Bonds and the 2023A Bonds are expected to be used to pay Losses of Participating Insurers upon the occurrence of one or more future Covered Events. However, the FHCF can use its accumulated fund balance or bond proceeds in any order to pay claims, and expects to use its accumulated cash first, prior to drawing down bond proceeds.

Pledge Agreement

Under the Pledge Agreement, the FHCF has pledged to the Corporation the Pledged Collateral, consisting primarily of the following items: (i) Reimbursement Premiums and investment earnings thereon (after provision for Current Expenses of the FHCF and the Corporation), (ii) investment earnings on proceeds of Parity Obligations, including the 2023A Bonds, and (iii) Emergency Assessments, if any, and investment earnings thereon. The 2023A Bonds are additionally secured by the proceeds thereof prior to being withdrawn to reimburse Participating Insurers for Losses relating to any future Covered Events. See "OPERATION OF THE FHCF – Reimbursement Premiums" and "- Assessments" and "INVESTMENT POLICY OF THE FHCF" herein for more detailed discussions of Reimbursement Premiums, Assessments and investment of proceeds of Parity Obligations.

Reimbursement Premiums are collected by the FHCF on each August 1, October 1 and December 1. Although there is currently no Assessment, if one were levied in the future, such Assessment would be received by the FHCF continually throughout the year, with the largest amounts due to the FHCF on or about each May 15, August 15, November 15 and March 1. See "OPERATION OF THE FHCF – Assessments – Collection of Assessments" herein. Reimbursement Premiums (after provision for Current Expenses of the FHCF and the Corporation) and Assessments received by the FHCF will be transferred to the Master Trustee no less frequently than monthly. To the extent the foregoing is insufficient to provide for debt service on Outstanding Parity Obligations, the Master Trustee will provide notice to the FHCF, which will be required to transfer Pledged Collateral at such times and in such amounts as necessary to provide for such debt service.

The Pledge Agreement provides that any Reimbursement Premiums and earnings thereon are transferred to the Master Trustee net of the Current Expenses of the FHCF. Current Expenses of the FHCF include all administrative expenses, salaries and other compensation expenses; fees and expenses incurred for professional consultants and fiduciaries; refunds related to over-payments of Reimbursement Premiums or refunds of interest related to loss reimbursements or overpayments of Reimbursement Premiums; and the premiums, fees and costs of procuring reinsurance for the FHCF.

Current Expenses of the FHCF also include payments required by the Act to be appropriated for certain hurricane preparedness programs of local governments, state agencies, public and private educational institutions and non-profit organizations ("Mitigation Payments"). The Act requires that no less than \$10 million and no more than 35% of investment earnings of the Corpus of the FHCF be appropriated annually for such Mitigation Payments. The Act limits the required appropriation of investment earnings of the FHCF to \$10 million if the SBA determines that an appropriation in excess of that amount would jeopardize the actuarial soundness of the FHCF. In 2011, the Florida Legislature enacted Senate Bill 510 and House Bill 837 in 2022 extended the Hurricane Loss Mitigation Program through June 30, 2032. For Fiscal Year ended June 30, 2024, the FHCF appropriated \$10.0 million for Mitigation Payments.

As shown on the table below, Current Expenses of the FHCF (not including reinsurance premiums described herein) have ranged from \$22.2 million to \$25.2 million per year over the five Fiscal Years ended June 30, 2023 **[(unaudited)]**. These amounts include annual Mitigation Payments ranging from \$10 million to \$13.5 million.

Over the last five years, the FHCF purchased aggregate excess catastrophe reinsurance in the amount of \$1 billion for Contract Year ended May 31, 2019, and \$0.92 billion for the Contract Year ended May 31, 2020. No such risk transfer products are in place or expected to be in place for the Contract Year ending May 31, 2024. Over the life of the 2023A Bonds, FHCF may purchase reinsurance or other risk transfer products, the premium or price of such products may be paid from Reimbursement Premiums for that year however, such reinsurance is excluded from Pledged Collateral. Reinsurance expenses for premiums ceded to reinsurers are reported as an offset to premium revenue in the financial statements, and, when purchased, these expenses are factored into the actuarial formula used in determining the FHCF rates charged to Participating Insurers.

[Remainder of page intentionally left blank]

The following table details the Reimbursement Premiums included in Revenue Available for Debt Service, which consists of Reimbursement Premiums and investment earnings thereon net of the Current Expenses of the FHCF and the Corporation, which includes the costs of reinsurance.

Reimbursement Premium and Earnings Available for Debt Service
(dollars in thousands)

<u>Fiscal Years ended June 30</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	[Unaudited] <u>2023</u>
Total Reimbursement Premiums and Earnings ⁽¹⁾	\$1,114,682	\$1,187,643	\$1,205,987	\$1,211,528	\$1,406,899
Current Expenses of the FHCF and Corporation:					
Admin, Professional, Personnel, and Other	\$(6,223)	\$(6,237)	\$(6,774)	\$(6,293)	\$(6,837)
Investment Custodian and Bank Fees	(3,814)	(3,439)	(3,882)	(5,445)	(5,390)
Mitigation Expenses	(13,500)	(13,500)	(13,500)	(13,500)	(10,000)
Reinsurance Expenses ⁽²⁾	<u>(62,500)</u>	<u>(57,400)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Expenses	<u>\$(86,037)</u>	<u>\$(80,576)</u>	<u>\$(24,156)</u>	<u>\$(25,238)</u>	<u>\$(22,227)</u>
Reimbursement Premium and Earnings Available for Debt Service	\$1,028,645	\$1,107,067	\$1,181,831	\$1,186,290	\$1,384,672

⁽¹⁾ Total Reimbursement Premiums and Earnings include Reimbursement Premiums, interest on premium adjustments and interest on loss disbursement adjustments and advances.

⁽²⁾ Reinsurance expenses are included as Current Expenses of the FHCF. The costs of procuring reinsurance are factored into the actuarial formula used in determining the Reimbursement Premiums charged to Participating Insurers. Reinsurance expenses for premiums ceded to reinsurers are reported as an offset to premium revenue in the FHCF's financial statements.

Source: Florida Hurricane Catastrophe Fund[; **information for the Fiscal Year ended June 30, 2023 is preliminary and unaudited**].

A copy of the Pledge Agreement is set forth in "APPENDIX C-4, PLEDGE AND SECURITY AGREEMENT."

Flow of Funds

The FHCF will transfer Reimbursement Premiums to the Master Trustee (after provision of Current Expenses of the FHCF) and Assessments, if any, in such amounts and at such times as provided for in the Master Indenture and Pledge Agreement which requires such transfer no less frequently than monthly until sufficient sums are on deposit therewith. Reimbursement Premiums for each Contract Year are due to the FHCF in three installments paid in August, October and December. All Reimbursement Premiums received by the Master Trustee will be deposited into the Reimbursement Premiums Account within the Revenue Fund.

To the extent the Master Trustee receives investment income on the proceeds of Pre-Event Parity Obligations or proceeds of any Derivative Agreements, such amounts will likewise be deposited to corresponding accounts created within the Revenue Fund. The Master Trustee will deposit all Assessments, if any, into the Assessments Account within the Revenue Fund. See "APPENDIX C-2, MASTER TRUST INDENTURE—Section 502." The Corporation, the FHCF and the SBA do not expect to enter into any Derivative Agreements with respect to the 2023A Bonds and no Derivative Agreements are currently outstanding.

Amounts in the Reimbursement Premiums Account will be used to pay debt service on the 2023A Bonds and any outstanding Parity Obligations after providing for Current Expenses of the Corporation.

Expenses of the Corporation are insignificant. The Corporation has no business activities other than serving as a conduit issuer for the FHCF and facilitating the issuance of revenue bonds and other forms of indebtedness of the FHCF. Current Expenses of the Corporation are anticipated to consist primarily of the fees and expenses due to the Master Trustee and the Bond Registrar and fees and expenses of the Corporation's auditors. The Corporation has no staff and only three officers that serve with no compensation: the President (Chief Operating Officer of the FHCF), the Treasurer (Manager of Financial Operations of the FHCF) and the Secretary (Assistant General Counsel of the SBA).

To the extent amounts on deposit in the Reimbursement Premiums Account are insufficient to provide for the debt service on the 2023A Bonds and other Pre-Event Parity Obligations or Current Expenses of the Corporation, the Master Trustee will transfer the necessary amounts from the investment earnings in the Pre-Event Bonds Investment Income Account, or proceeds of Pre-Event Bonds prior to making any withdrawal from any other account or subaccount.

Once Reimbursement Premiums in an amount sufficient to pay debt service on all Outstanding Parity Obligations payable or accruing during the then current Fiscal Year have been transferred to the Master Trustee, any Reimbursement Premiums and investment earnings on proceeds of Pre-Event Parity Obligations received by the FHCF from such date until the end of the Fiscal Year are released from the lien of the Pledge Agreement and Master Indenture. Once Reimbursement Premiums sufficient to pay such amounts have been transferred or are otherwise available to the Master Trustee, the requirement to transfer Reimbursement Premiums to the Master Trustee ceases for the remainder of the then current Fiscal Year and all Reimbursement Premiums in excess of such requirement that are in possession of the Master Trustee will be returned to the FHCF to be used for any purpose permitted under the Act. Reimbursement Premiums and investment earnings on Pre-Event Parity Obligations released from the lien of the Master Indenture and Pledge Agreement become part of the Corpus of the FHCF, are no longer pledged to payment of debt service on the 2023A Bonds, the 2020A Bonds or any other Outstanding Parity Obligations, and will be available to pay Losses resulting from Covered Events and any other lawful purpose of the FHCF. See "- Corpus and Corpus Earnings Not Pledged" below.

Unlike Reimbursement Premiums, Assessments remain subject to the lien of the Master Indenture and Pledge Agreement even after debt service for the Fiscal Year on Outstanding Parity Obligations has been deposited with the Master Trustee and the FHCF is required to continue to transfer any Assessments to the Master Trustee. Excess Assessments transferred to the Master Trustee may be released from the lien of the Pledge Agreement and Master Indenture if the SBA certifies to the Master Trustee that there are sufficient funds on deposit with the Master Trustee to provide for the payment of debt service when due on Post-Event Parity Obligations for the current and the next Fiscal Year. Upon the Master Trustee's receipt of such certificate, Assessments in excess of amounts needed to pay debt service on Post-Event Parity

Obligations will be released from the lien of the Master Indenture and Pledge Agreement and will be returned to the FHCF. Such amounts will then be available for any other lawful purpose of the FHCF. See "PLEDGE AND SECURITY FOR 2023A BONDS - Flow of Funds" herein. As of the date hereof, there are no Post-Event Parity Bonds Outstanding and no Assessments are currently being levied.

Corpus and Corpus Earnings Not Pledged

Reimbursement Premiums and Assessments released from the lien of the Pledge Agreement and the Master Indenture as described above will become part of the Corpus of the FHCF, which will be used to pay Losses resulting from Covered Events and for other lawful purposes of the FHCF. Neither the Corpus of the FHCF nor the earnings thereon is pledged to payment of debt service on the 2023A Bonds or any other Parity Obligations issued under the Master Indenture so that such amounts are available to pay Losses, unencumbered by the lien of the Master Indenture.

No Bankruptcy

As long as the Corporation has any debt outstanding, neither the FHCF nor the Corporation shall have the authority to file a voluntary petition under Chapter 9 of the Federal Bankruptcy Code or such corresponding chapter or sections as may be in effect, from time to time, and neither any public officer nor any organization, entity, or other person shall authorize the FHCF or the Corporation to be or become a debtor under Chapter 9 of the Federal Bankruptcy Code or such corresponding chapter or sections as may be in effect, from time to time, during any such period.

Non-Impairment

The State has covenanted under the Act with the holders of debt issued by the Corporation that the State will not repeal or abrogate the power of the SBA to direct OIR to levy the Assessments and to collect the proceeds of the revenues pledged to the payment of such debt so long as any such debt remains outstanding, unless adequate provision has been made for the payment of such debt pursuant to the documents authorizing the issuance of such debt.

Additional Parity Obligations and Subordinate Indebtedness

Parity Obligations. The Corporation may issue additional Parity Obligations if it certifies compliance with the Incurrence Test. The requirements necessary to certify compliance with the Incurrence Test differ depending on whether the Corporation intends to issue Pre-Event Parity Obligations, Post-Event Parity Obligations, or Parity Obligations to refund or reissue any indebtedness of the Corporation. For purposes of the Incurrence Test described below, Debt Service Requirement does not include principal and interest payable from Qualified Escrow Funds.

The Corporation may incur additional Pre-Event Parity Obligations if it first certifies to the Master Trustee that (i) the sum of (A) Reimbursement Premiums and Reimbursement Premium Earnings for 12 consecutive out of the most-recent 18 consecutive months, after certain permitted adjustments, and (B) the Assessment revenues that could be derived from multiplying the maximum Assessment percentage permitted under the Act on the date of such certification by the amount of premium on all Assessable Lines (as defined herein) for the most-recent 12-month period, divided by (ii) the Maximum Debt Service Requirement on all Parity Obligations, including the proposed issuance of Pre-Event Parity Obligations, is at least equal to 1.25.

The Corporation may incur Post-Event Parity Obligations if it certifies compliance with the Incurrence Test for issuing Pre-Event Parity Obligations and also establishes that sufficient Assessments are being collected or have been ordered on the date of such certification to be assessed to cover 100% of the Maximum Debt Service Requirement for all Outstanding Post-Event Parity Obligations and the proposed Post-Event Parity Obligations to be issued.

The Corporation may issue Parity Obligations to refund or reissue any indebtedness of the Corporation, if (A) after taking into account the Parity Obligations proposed to be incurred and the Parity Obligations to remain Outstanding after the proposed refunding or reissuance, the Maximum Debt Service Requirement will not be increased by more than five percent (5%), or (B) the Corporation certifies compliance with the Incurrence Test for issuing Pre-Event Parity Obligations after taking into account the Parity Obligations proposed to be incurred and the Parity Obligations to remain Outstanding after the proposed refunding or reissuance; provided, however, if Post-Event Parity Obligations are proposed to be issued to refund or reissue any Outstanding indebtedness of the Corporation, the Corporation must also certify the existence of the conditions required to issue Post-Event Parity Obligations. The Corporation is required to provide the Master Trustee with a verification report from a nationally-recognized verification agent supporting any determination made in (A) or (B) above with respect to any defeasance of Parity Obligations. See "APPENDIX C-2, MASTER TRUST INDENTURE - Section 704."

Subordinated Indebtedness. The Master Indenture also permits the Corporation to incur indebtedness which will be subordinate and junior in right of payment to the Parity Obligations issued under the Master Indenture. See "APPENDIX C-2, MASTER TRUST INDENTURE – Section 211." The Corporation has no outstanding indebtedness which is subordinate and junior to the Parity Obligations.

DEBT SERVICE COVERAGE

The following table shows historical debt service coverage on the Corporation's Revenue Bonds, Series 2010A issued in the original principal amount of \$675,925,000, as Post-Event Parity Obligations with a final maturity of July 1, 2016 and which were legally defeased on July 11, 2014 (the "2010A Bonds"), its Revenue Bonds, Series 2013A issued in the original principal amount of \$2,000,000,000, as Pre-Event Parity Obligations with a final maturity of July 1, 2020 (the "2013A Bonds"), its Revenue Bonds, Series 2016A issued in the original principal amount of \$1,200,000,000, as Pre-Event Parity Obligations with a final maturity of July 1, 2021 (the "2016A Bonds"), and its 2020A Bonds issued in the original principal amount of \$3,500,000,000, as Pre-Event Parity Obligations with a final maturity of July 1, 2030. Coverages shown reflect historical collections of Reimbursement Premiums, Assessments, and investment earnings on the proceeds of the 2010A Bonds, 2013A Bonds, 2016A Bonds and the 2020A Bonds.

[Remainder of page intentionally left blank]

Historical Debt Service Coverage*
Pre-Event and Post-Event Parity Obligations
(dollars in millions)

Fiscal Year Ending	Reimbursement		Reimbursement		Pre-Event Proceeds Used for		Total Pre-Event Net		Total Parity Net	
<u>June 30</u>	<u>Premiums⁽¹⁾</u>	<u>Assessments⁽²⁾</u>	<u>Assessments</u>	<u>Pre-Event Principal</u>	<u>Pre-Event Debt Service⁽³⁾</u>	<u>Pre-Event Net Interest⁽⁴⁾</u>	<u>Debt Service Coverage⁽⁵⁾</u>	<u>Post-Event Debt Service</u>	<u>Debt Service</u>	<u>Debt Service Coverage</u>
2014	\$1,252.1	\$498.7	\$1,750.8	-	-	27.7	45.1x	373.7	401.5	4.4x
2015	1,251.3	256.9	1,508.2	-	-	40.8	30.5x	-	40.8	36.9x
2016	1,122.0	-	1,122.0	\$500.0	\$(500.0)	44.1	25.5x	-	44.1	25.5x
2017	1,048.8	-	1,048.8	-	-	46.8	22.4x	-	46.8	22.4x
2018	1,047.4	-	1,047.4	500.0	(500.0)	34.6	30.3x	-	34.6	30.3x
2019	1,028.6	-	1,028.6	550.0	(550.0)	-(6)	N/A ⁽⁶⁾	-	-(6)	N/A ⁽⁶⁾
2020	1,107.1	-	1,107.1	1,000.0	(1,000.0)	6.8	163.3x	-	6.8	163.3x
2021	1,182.1	-	1,182.1	-	-	60.7	19.5x	-	60.7	19.5x
2022	1,186.3	-	1,186.3	-	-	59.7	19.9x	-	59.7	19.9x
2023	1,385.0	-	1,385.0	-	-	-(6)	N/A ⁽⁶⁾	-	-(6)	N/A ⁽⁶⁾

(1) Reimbursement Premiums are net premium revenue, net of Current Expenses of the FHCF and the Corporation for Fiscal Years 2014-2023.

(2) The 2010A Bonds were legally defeased on July 11, 2014. The defeasance of the 2010A Bonds was funded through remaining proceeds of the 2010A Bonds and Assessments collected in prior years and is therefore not reflected in the table. Following the defeasance, the Assessment associated with the 2010A Bonds was eliminated on any policy issued or renewed on or after January 1, 2015.

(3) The proceeds of Pre-Event Bonds were used to pay debt service on Pre-Event Bonds at maturity.

(4) Fiscal Years 2014-2023 reflect actual interest expenses on Pre-Event Bonds net of actual investment earnings on the proceeds of the Pre-Event Bonds.

(5) Total Pre-Event Net Debt Service Coverage is calculated by dividing Reimbursement Premiums by Pre-Event Net Interest and excludes the impacts of Assessments, which were not used to pay debt service on Pre-Event Bonds in Fiscal Years 2014-2023.

(6) In Fiscal Years 2019 and 2023, investment earnings on the proceeds of Pre-Event Bonds were greater than interest expenses on Pre-Event Bonds, resulting in \$0 of net debt service.

Note: Principal and interest payments due on July 1 are included in the preceding fiscal year. Principal payments are on July 1. Interest payments are on January 1 and July 1.

* Totals may not add due to rounding.

Source: Florida Hurricane Catastrophe Fund.

The projections in the table below are based on estimates, subject to change, using various assumptions concerning interest rates, Reimbursement Premiums and investment earnings. The actual debt service coverage may be different than shown below. Additionally, the debt service coverage table assumes that the proceeds of Pre-Event Bonds are not used to reimburse Losses and are available to pay the principal thereof at maturity. No assurance is given that the proceeds of Pre-Event Bonds will not be withdrawn and used to reimburse Losses. Over the terms of the 2020A Bonds and 2023A Bonds, the Corporation expects the interest expense on those Bonds to exceed the investment earnings on the proceeds of the 2020A Bonds and 2023A Bonds. The interest expense that exceeds the investment earnings on the proceeds thereof is expected to be paid from Reimbursement Premiums.

Projected Debt Service Coverage*
Pre-Event Parity Obligations
(dollars in millions)
[To Be Updated]

Fiscal Year Ending June 30	Reimbursement Premiums and Assessments ⁽¹⁾⁽²⁾	Pre-Event Principal	Pre-Event Proceeds Available for Pre-Event Debt Service ⁽³⁾	Total Pre-Event Net Debt Service ⁽⁴⁾	Total Pre-Event Net Debt Service Coverage
2021	\$1,169.9	\$650.0	\$(650.0)	\$30.2	38.7x
2022	1,178.0	-	-	24.7	47.7x
2023	1,189.6	-	-	24.7	48.2x
2024	1,201.3	-	-	24.7	48.6x
2025	1,213.2	1,250.0	(1,250.0)	24.7	49.1x
2026	1,225.1	-	-	21.5	57.0x
2027	1,237.2	1,000.0	(1,000.0)	21.5	57.6x
2028	1,249.4	-	-	14.4	86.6x
2029	1,261.7	-	-	14.4	87.5x
2030	1,274.2	1,250.0	(1,250.0)	14.4	88.3x

(1) Reimbursement Premiums for Fiscal Years 2021-2030 are projections and have been reduced by projected Current Expenses of the FHCF and the Corporation and assume 1% exposure growth based on the average historical exposure growth from 2009 to 2019.

(2) No Assessments are currently being levied or projected to be levied.

(3) Prior to withdrawal, proceeds of Pre-Event Bonds are available to pay Pre-Event Bonds at maturity.

(4) Reflects actual interest expenses on 2020A Bonds and the projected interest expenses on the 2023A Bonds net of projected investment earnings at an assumed investment rate of 1.00%.

Note: Principal and interest payments due on July 1 are included in the preceding fiscal year. Principal payments are on July 1. Interest payments are on January 1 and July 1.

* Projected. Totals may not add due to rounding.

Source: Florida Hurricane Catastrophe Fund. Projected Reimbursement Premium information for Fiscal Years 2021-2030 provided by Paragon/FHCF.

Debt Service Coverage Requirement

Not later than ninety (90) days after the end of each Fiscal Year, the Corporation and the FHCF must certify that the Revenue Available for Debt Service for the prior Fiscal Year (which includes

investment earnings on proceeds of Pre-Event Parity Obligations), was at least equal to the greater of (i) one hundred twenty-five percent (125%) of the principal and interest (net of capitalized interest) that became due in such Fiscal Year on Parity Obligations and (ii) one hundred percent (100%) of the principal and interest (net of capitalized interest) that became due in such Fiscal Year for Parity Obligations and Subordinated Indebtedness. If the Corporation and the FHCF are unable to certify compliance with the foregoing, each of the Corporation and the FHCF has covenanted to take all actions permitted by law or under the Pledge Agreement, including increasing the rate of Assessment to increase collections of Pledged Collateral to satisfy the debt service coverage requirement. See "DEBT SERVICE COVERAGE – Debt Service Coverage Table" herein.

See "APPENDIX C-2, MASTER TRUST INDENTURE – Section 705" and "APPENDIX C-4, PLEDGE AND SECURITY AGREEMENT – Section 4(c)."

Events of Default and Remedies

Under the Master Indenture and the Pledge Agreement, each of the following is an event of default (an "Event of Default") with respect to any Outstanding Parity Obligations:

- The Corporation fails to pay the principal, redemption premium (if any) or interest on any of the 2023A Bonds or Parity Obligations when such amounts are due and payable;
- The occurrence of any event of default under a Supplemental Indenture or the Master Trustee shall have received notice from any holder of an event of default under any Parity Resolution;
- The Corporation fails to comply with any covenant or agreement under the Master Indenture (other than the covenant to pay principal, redemption premium (if any) and interest when due) and such failure is not cured (or if such noncompliance cannot be cured within the following time period, corrective action is not commenced) within thirty (30) days after the Corporation's receipt of written notice from the Master Trustee describing the Event of Default and requiring the default to be remedied;
- The Corporation fails to make any required payment with respect to Subordinated Indebtedness or any other indebtedness (other than Parity Obligations) and any applicable grace period has expired; and
- The State limits or alters the denial of authority of the Corporation to file a petition in bankruptcy, or the rights vested in the FHCF or the Corporation to fulfill the terms of any agreements made with the owners, or in any way impair the rights and remedies of such owners so long as any such Parity Obligations of the Corporation remain Outstanding unless adequate provision has been made for the payment of such Parity Obligations.
- Immediately upon any Event of Default, the Master Trustee may (and upon the written request of a majority in aggregate principal amount of the holders of Outstanding Parity Obligations, will) proceed to protect and enforce its rights and the rights of the holders of the Parity Obligations under the Master Indenture through any means available to it, including:

- Enforcement of the right of the owners and holders to collect and enforce the payment of amounts due or becoming due under the Parity Obligations;
- Suit upon all or any part of the Parity Obligations;
- Civil action to require any Person holding moneys, documents or other property pledged to secure payment of amounts due or to become due on the Parity Obligations to account as if it were the trustee of an express trust for the owners and holders of such Parity Obligations;
- Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Owners and holders;
- Enforcement of any other right of the owners and holders conferred by law or hereby; and
- Enforcement of the provisions of the Pledge Agreement.

Regardless of the happening of an Event of Default, the Master Trustee, if requested in writing by the owners or holders of not less than a majority of the aggregate principal amount of the Parity Obligations then Outstanding, shall, subject to the Master Trust Indenture, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Master Indenture by any acts which may be unlawful or in violation of the Master Indenture, or (ii) to preserve or protect the interests of the owners and holders, provided that such request and the action to be taken by the Master Trustee are not in conflict with any applicable law or the provisions of the Master Indenture and, in the sole judgment of the Master Trustee, are not unduly prejudicial to the interest of the owners and holders of Outstanding Parity Obligations.

In addition to the above-described remedies available upon any Event of Default, the Master Trustee may (and upon the written request of a majority in aggregate principal amount of the holders of Outstanding Parity Obligations, will) accelerate the payment of principal of Outstanding Parity Obligations not yet due and payable upon the Corporation's failure to pay the principal, redemption price (if any) and interest with respect to Parity Obligations for which such amounts are due and payable, and the continuation of such failure for 180 days thereafter. The Master Trustee shall rescind acceleration upon the Corporation's curing of a payment default.

See "APPENDIX C-2, MASTER TRUST INDENTURE – Sections 802-804."

OPERATION OF THE FHCF

General

The FHCF is a tax-exempt trust fund created by the State Legislature during a special session in November 1993 to address the after-effects from Hurricane Andrew on the insurance market. Hurricane Andrew caused insured and uninsured losses in excess of \$30 billion in the State in August 1992. As a result of these losses, 11 insurers were rendered insolvent, and numerous insurers announced plans to cancel or discontinue writing policies covering residential property, threatening approximately 900,000 policyholders with loss of property coverage.

In recognition of these circumstances and the general trend of contraction in domestic and international reinsurance capacity in existence at that time, the State Legislature passed the original Act and thereby created the FHCF in November 1993 for the purpose of reimbursing insurers writing substantially all of the policies covering residential property in the State for a portion of their catastrophic hurricane losses. FHCF plays an essential role in the State's insurance market by providing a stable and ongoing source of loss reimbursement for residential property insurers. The FHCF is administered by the SBA. The Internal Revenue Service has issued a private letter ruling concluding that the FHCF is an integral part of the State and is therefore not subject to federal income taxation. The Fund's tax-exempt status and operational efficiencies have generally allowed it to provide reimbursement coverage for less than the cost of comparable layers of private reinsurance, generating premium savings for Florida policyholders. The FHCF is not a regulated insurance or reinsurance company under State law, does not issue insurance or reinsurance policies and is not required to have the loss reserves which are required of insurers or reinsurers under State law.

FHCF Coverage. FHCF coverage is mandatory for substantially all insurers that write residential property insurance policies in the State, including Citizens, certain commercial self-insurance funds and any joint underwriting association or similar entity created pursuant to law (each a "Participating Insurer"), and is a condition of doing business in the State. Insurers with less than \$10 million in aggregate exposure under certain residential property insurance policies are not required to participate in the FHCF. There are currently 148 Participating Insurers for the Contract Year ending May 31, 2024. The maximum statutory liability or coverage being provided by the FHCF for the current Contract Year is \$17 billion. However, the maximum coverage provided by the FHCF has been changed by the legislature from time to time. No assurance can be given that the amount of coverage or maximum liability of the FHCF will not be changed in the future.

Participation in the FHCF is established through a Reimbursement Contract between the SBA and each Participating Insurer pursuant to which the insurer promises to pay annual, actuarially-indicated Reimbursement Premiums and the SBA promises to reimburse the insurer at one of three specified coverage levels (45 percent, 75 percent or 90 percent) selected by the Participating Insurer for Losses in excess of such insurer's share of an industry-wide loss-retention level (generally referred to as an insurer's "Retention"), plus a 10% loss adjustment expense ("LAE") allowance, which is within each insurer's limit and does not increase their total available limit with the FHCF. The legal liability of the FHCF is limited to its Actual Claims-paying Capacity as defined in Section 215.555(2)(m), Florida Statutes. The amount of Reimbursement Premiums paid to the FHCF by the Participating Insurers depends upon the coverage level selected. For the Contract Year ending May 31, 2024, approximately 89%, 0%, and 11% of the Participating Insurers selected a coverage level of 90 percent, 75 percent and 45 percent, respectively. See "OPERATION OF THE FHCF – Reimbursement Premiums - Collections" herein for a more detailed discussion of Participating Insurers' coverage selections. The portion of a Participating Insurer's Losses above its Retention that are not reimbursed by the FHCF due to the coverage level selected by such insurer effectively operates as that Participating Insurer's "co-payment" for such Losses.

Provisions in the FHCF's Reimbursement Contract provide for the commutation (i.e. final settlement) of losses for Covered Events 60 months after the end of the applicable Contract Year. Participating Insurers must submit a final proof of loss report, which is used to calculate the last reimbursement to the insurer. The FHCF and the insurer agree on a final payment and if agreement cannot be reached, the contract allows for settlement using a panel of three actuaries. Upon execution of a commutation agreement between the FHCF and the insurer and the issuance of the final payment, the

FHCF is completely released and discharged of all obligations under the Reimbursement Contract for any additional reimbursements.

Reimbursement Contracts are renewed annually on June 1 of each year for the ensuing Contract Year. The Act sets the FHCF aggregate Retention at \$4.5 billion to be adjusted annually to reflect increased exposure to the FHCF since 2004. Such adjustment is based upon the reported exposure for the Contract Year occurring two years before the particular Contract Year to reflect the percentage growth in exposure to the FHCF for covered policies since 2004, divided by the total estimated reimbursement premium for the Contract Year. Currently, taking into account such exposure growth since 2004, the aggregate Retention is projected to be \$9.067 billion for the Contract Year ending May 31, 2024. The FHCF aggregate Retention is allocated to each Participating Insurer based on such insurer's pro rata share of Reimbursement Premiums due for a Contract Year. A Participating Insurer's share of Retention applies in full to each of the two Covered Events causing the largest Losses for such Participating Insurer in a single Contract Year. For each other Covered Event causing Losses in the Contract Year, the insurer's share of Retention is reduced to one-third of its share of the full Retention. The Legislature can, and has in the past, reset the Retention by statute to a level lower than what it would have been had full exposure growth been taken into account. The last such reset was during the 2005 Legislative Session, when the retention was reset at the 2004 Contract Year level of \$4.5 billion instead of increasing to the \$4.96 billion level that accounted for growth.

Participating Insurers are prohibited from lowering their mandatory coverage percentage selections from one year to the next as long as any Post-Event Revenue Bonds are outstanding. There are no Post-Event Revenue Bonds outstanding at this time.

The coverage provided by the FHCF for any single Contract Year is limited to the lesser of the Actual Claims-paying Capacity of the FHCF or the statutory liability limit of \$17 billion, which is subject to adjustment based upon the increase in claims-paying capacity of the FHCF. See "Limited Liability of the FHCF and Bonding Capacity Estimates and Assumptions" herein. Based on computations by the FHCF's independent actuary and statutory limitations, the maximum liability of the FHCF with respect to its coverage for the Contract Year ending May 31, 2024 is \$17 billion.

Administration of the FHCF

The SBA has engaged Paragon as a consultant to provide administrative services to the FHCF. Paragon has served in this capacity since the inception of the FHCF and provides day-to-day support for a variety of activities including: coordinating the annual distribution and collection of the Reimbursement Contracts and insurer reporting requirements; processing reports of insured values; calculating, invoicing and collecting Reimbursement Premiums; and processing loss reimbursement payment requests. Paragon also provides actuarial consulting services to the FHCF which include the development of the annual ratemaking report and the actuarial formula used in determining the Reimbursement Premiums, as well as the FHCF's loss reserve analysis. Fees paid to Paragon for its services are considered Current Expenses of the FHCF under the Master Indenture and are reflected in the line item Administrative, Professional, Personnel and Other under "Historical Summary of Revenues, Expenses and Changes in Net Assets" herein.

Moneys in the FHCF may be expended, loaned or appropriated for payment of (i) obligations of the FHCF arising out of Reimbursement Contracts; (ii) debt service on any debt permitted under the Act; (iii) costs of mitigation programs under the Act; (iv) costs of procuring reinsurance; and (v) costs related to

the administration of the FHCF. In addition, the FHCF has the authority to enter into other capital market transactions, including, but not limited to, catastrophe bonds, futures and options contracts traded on a regulated exchange, industry loss warranties, and side-car arrangements, but has never done so.

Funding for the reimbursable Losses under Reimbursement Contracts comes predominantly from four sources: (i) the Corpus (accumulated fund balance) of the FHCF, (ii) Reimbursement Premiums, (iii) reinsurance contracts, if any, and (iv) the issuance of debt (either Pre-Event or Post-Event Bonds) by the Corporation for the benefit of the FHCF. In addition, Assessments that are not needed to pay debt service on the Parity Obligations may be used to pay reimbursable Losses.

Senior staff of the FHCF and officers of the Corporation include the following.

Gina Wilson, CPM, ARe, CPCU, is the Chief Operating Officer of the FHCF for the State Board of Administration, and the President of the Corporation. Ms. Wilson serves on the Florida Commission on Hurricane Loss Projection Methodology, and has the additional responsibility of overseeing the Insurance Capital Build-up Incentive Program, the Reinsurance to Assist Policyholders Program, and the Florida Optional Reinsurance Assistance Program. She has worked with the FHCF since October 1996, previously serving as the Senior Director of Operations and Examinations. She worked for the Florida Department of Insurance prior to joining the FHCF and has also worked as an auditor in the private industry. Ms. Wilson received her Bachelor of Business Administration from Georgia Southwestern University. She has met the State of Georgia requirements for licensing as a Certified Public Accountant and is member of the American Institute of Certified Public Accountants. Ms. Wilson also has the professional designations of Certified Public Manager (CPM) from Florida State University, Associate in Reinsurance (ARE), and Chartered Property and Casualty Underwriter (CPCU).

Toma Wilkerson is the Director of Operations of the FHCF. She is responsible for assisting the Chief Operating Officer in matters related to the management of the financial and administrative operations of the FHCF. Prior to her position as the Director of Operations she was the Director of the Division of Rehabilitation and Liquidation at the Florida Department of Financial Services where she directed the administration of insurance company insolvencies for seven years. Prior to being appointed as Division Director, she worked for the Florida Office of Insurance regulation for 18 years in various financial solvency positions, but most recently as the Director of Life and Health Financial Oversight. As the Director, she was responsible for the financial evaluation of Florida's life and health insurers.

Ms. Wilkerson has contributed to the field of insurance regulation since 1996 and has served on numerous National Association of Insurance Commissioners (NAIC) committees and workgroups. Ms. Wilkerson earned her Bachelor of Science degree in Management from the University of West Florida and has achieved the Certified Public Manager (CPM) designation.

John Brenneis is Assistant General Counsel of the SBA and the Secretary of the Corporation. As Assistant General Counsel, Mr. Brenneis' practice includes private equity and strategic investment funds, securities lending, repurchase agreements, reinsurance and bond finance. Prior to joining the SBA in 2011, Mr. Brenneis was the General Counsel of the Florida Department of Management Services beginning in 2007. He began his legal career in 1994, practicing law in Tallahassee and Atlanta. Mr. Brenneis received his Juris Doctorate degree and Bachelor of Science degrees in Accounting and Finance from the Florida State University and is a Certified Public Accountant.

Mary Linzee Branham is the Director of Legal and Risk Operations of the FHCF. She is responsible for assisting with and keeping the Chief Operating Officer apprised of all legal, risk management, legislative and rulemaking activities. She came to the FHCF in November 2019, after three and a half years as the Assistant Division Director of Division of Rehabilitation and Liquidation, eight years in private law practice and two years as an Assistant Public Defender in the Office of the Public Defender, Thirteenth Judicial Circuit. Ms. Branham earned her Bachelor of Arts degree in History, with a minor in Criminology, from the University of Florida and her Juris Doctorate from Florida State University College of Law. Ms. Branham is a member of the Florida Bar.

Joel Meyer is the Manager of Financial Operations of the FHCF. Mr. Meyer joined the FHCF in December 2017 and he is responsible for all matters related to the financial operations of the FHCF and the Corporation, as well as the administration of the Insurance Capital Build-up Incentive Program. Prior to joining the FHCF, Mr. Meyer was a Financial Administrator for the OIR, Division of Property and Casualty Financial Oversight, where his responsibilities included administrative and technical supervision of property and casualty staff in the examination, investigation and analysis of insurance companies' financial condition and oversight of the annual reinsurance data calls and catastrophe stress test of insurance companies. Mr. Meyer received his Bachelor of Arts degree in Economics from Lenoir-Rhyne University. He has earned the Professional in Insurance Regulation (PIR) designation from the NAIC and two state of Florida insurance licenses, which are currently in an inactive status. Prior to his work at OIR, Mr. Meyer worked in insurance and banking in the private sector.

Limited Liability of the FHCF and Bonding Capacity Estimates and Assumptions

Under the Act, the maximum liability of the FHCF to reimburse Participating Insurers for Losses attributable to any single Contract Year is limited to the lesser of (i) the Actual Claims-paying Capacity of the FHCF, and (ii) the statutory liability limit. For the Contract Year ending May 31, 2024, the FHCF estimates that its maximum statutory liability is \$17 billion.

Beginning with the Contract Year that ended May 31, 2011, the Act set the base-line statutory liability limit for coverage at \$17 billion. Prior to May 31, 2011, the Act had set a base-line statutory liability limit for coverage at \$15 billion but that limit was legislatively increased. The Corporation can provide no assurance that the base-line statutory liability limit for coverage will not be legislatively revised again.

The Act further provides that the base-line statutory liability limit for coverage of \$17 billion may be increased if the SBA determines that there is sufficient Estimated Claims-paying Capacity to provide coverage at \$17 billion of capacity for the then current Contract Year and coverage of an additional \$17 billion of capacity for the subsequent Contract Year. If the SBA makes such a determination, the Estimated Claims-paying Capacity for the particular Contract Year shall be determined by adding to the \$17 billion limit, one-half of the FHCF's Estimated Claims-paying Capacity in excess of \$34 billion. No such adjustments to the statutory limit for Claims-paying Capacity has ever been made. For the current Contract Year ending May 31, 2024, the maximum liability of the FHCF is \$17 billion.

The Estimated Claims-paying Capacity is the FHCF's projected fund balance as of December 31, plus any reinsurance purchased by the FHCF, plus estimated borrowing capacity for each year. The FHCF may issue revenue bonds under the Act in any year in which the FHCF is required to reimburse Participating Insurers for Losses in excess of the FHCF available fund balance. The maximum amount of bonding is limited to the debt which can be serviced based upon a 6% maximum Assessment percentage on direct written premium in any one year and no more than 10% in total.

The FHCF formulates estimates of its bonding capacity semi-annually with the assistance of its Financial Advisor and senior managing underwriters. The most recent bonding capacity estimates prepared in October 2023 show for the 2023 hurricane season an estimated aggregate bonding capacity of [\$_____] billion in Post-Event Parity Obligations. The projected FHCF fund balance of **[\$4.2 billion]** plus the remaining 2020A Bond proceeds of \$3.5 billion and the 2023A Bond proceeds of [\$_____] billion would result in a maximum need of Post-Event bonding of [\$_____] billion to meet its \$17 billion statutory maximum liability for the current Contract Year ending May 31, 2024.

The table below shows the estimated bonding needed following issuance of the 2023A Bonds to satisfy the FHCF's maximum statutory liability of \$17 billion and the estimated Assessment percentage necessary to pay the debt service on the estimated bonding need.

**FHCF Estimated Coverage Obligation and Funding Sources
for the Contract Year Ending May 31, 2024
(dollars in billions)
[To Be Updated]**

FHCF Coverage Obligation	\$17.0
Less: Projected FHCF Fund Balance for Contract Year Ending May 31, 2024	(4.2)
Less: Available 2020A Bond Proceeds	<u>(3.5)</u>
Net Amount Potentially Needed to Fully Fund Statutory Liability	9.3
Less: 2023A Bond Proceeds	[_____]
Potential Borrowing Need Net of Pre-Event Bond Proceeds	[_____]
Projected Assessment Percentage Required to Cover Potential Borrowing Need Including Repayment of 2020A Bonds and 2023A Bonds ⁽¹⁾	[_____]
Estimated FHCF Borrowing Capacity Over 12 Months ⁽²⁾	\$7.8

⁽¹⁾ Assumes that the FHCF will draw on its existing and projected Pre-Event Parity Obligations and issue Post-Event Parity debt of approximately \$12.8 billion structured for approximate 30-year level annual debt service. The Assessment percentage is derived from the 2022 assessment base of \$72.6 billion.

⁽²⁾ Estimate based on the October 2023 bonding capacity estimates.

Note: Amounts may not add due to rounding.

Source: FHCF and Raymond James & Associates, Inc.

The likelihood that the FHCF will be called on to reimburse losses up to its maximum contractual liability limit depends on several factors, but prominent among these are the insured value of property for which the coverage is provided by the FHCF and the likelihood of a major hurricane damaging or destroying such property. The following table shows the total insured values reported to the FHCF by Participating Insurers for the last five years and the annual percentage increase from the prior year. The

next table shows the Contract Year ending May 31, 2024 modeled losses for the FHCF for hurricanes of varying magnitude.

The incidence and severity of catastrophic hurricanes are inherently unpredictable. Coastal areas appear to be at the highest risk of hurricane damage based upon historical experience and loss model results. Coastal development over the years has significantly changed the risk profile of hurricane-prone coastal areas. According to the National Oceanic and Atmospheric Administration's Office of Coastal Management, over 76% **[update]** of Florida's population lives in coastal areas.

Total Insured Values

<u>Contract Year Ended May 31</u>	<u>Amount (in trillions)</u>	<u>Percentage Change</u>
2020	\$2.361	4.0%
2021	2.490	5.5
2022	2.661	6.9
2023	2.908	9.3
2024 ⁽¹⁾	3.158	8.6

⁽¹⁾ Projected.

Source: Paragon Strategic Solutions Inc.

Gross Residential Losses Per Event Contract Year Ending May 31, 2024

<u>Hurricane Magnitude⁽¹⁾</u>	<u>Probability</u>	<u>Losses Per Event (in billions)⁽²⁾</u>	<u>Estimated FHCF Liability Aggregate (in billions)⁽³⁾⁽⁴⁾</u>
1 in 10 years	10.00%	\$9.916	\$2.229
1 in 20 years	5.00	20.617	9.373
1 in 30 years	3.33	28.888	12.911
1 in 40 years	2.50	35.758	14.354
1 in 50 years	2.00	41.670	15.131

⁽¹⁾ Hurricane magnitude in this table refers to categorizing the relative frequency and destructiveness of a hurricane as compared to a base level of frequency and destructiveness. For example, a one in 40-year hurricane will occur less often and be more destructive than a one in 10-year hurricane.

⁽²⁾ The differences between the Losses Per Event and the Estimated FHCF Liability Aggregate is due to retention and "co-payment" requirements on the insurers of covered residential policies.

⁽³⁾ The estimate is aggregated for all FHCF Participating Insurers and is presented as if all of the Participating Insurers had uniform exposures and loss experiences. In actual practice, each participating insurer has its own retention and coverage limits based upon its actual exposures, and therefore each participating insurer has its own unique probabilities of triggering its FHCF coverage and reaching its FHCF coverage limit.

⁽⁴⁾ As further described in the section above, for the Contract Year ending May 31, 2024, the maximum liability of the FHCF is \$17 billion.

Source: Paragon Strategic Solutions Inc.

FHCF Financial Position – Basic Mechanics

Participating Insurers pay the FHCF a Reimbursement Premium based on their proportionate residential risk exposure share in the State. Participating Insurers must meet a specified level of losses before FHCF reimbursement begins (i.e. Retention); analogous to a deductible on an insurance policy – aggregate Industry Retention is projected to be \$9.067 billion for the current Contract Year ending May 31, 2024. After each Participating Insurer’s Retention is met, the FHCF reimburses each insurer for 45%, 75% or 90% of its covered residential losses depending on the Participating Insurer’s coverage selection – the Participating Insurer must pay the remaining portion (analogous to a co-payment on an insurance policy).

Reimbursement provided by the FHCF for any single Contract Year is limited to the lesser of the Actual Claims-paying Capacity of the FHCF or the statutory liability limit of \$17 billion. The FHCF’s limit is subject to adjustment based upon the increase in claims-paying capacity of the FHCF. The FHCF’s total liability for the current Contract Year ending May 31, 2024 is limited statutorily to \$17 billion and has been unchanged since 2013.

The following chart depicts the coverage that the FHCF projects to provide and all other sources for paying losses relative to the total storm losses that Participating Insurers could be required to pay for the current Contract Year. In the event of a large Covered Event, the Projected Fund Balance and Pre-Event Bond proceeds are available to pay claims, while the remaining balance of coverage would be provided for by Post-Event financing, if needed. The FHCF’s projected coverage for the 2023-2024 season (as of _____, _____) includes **[update figures]**:

- **[\$4.2 billion from projected year-end fund balance;**
- **\$3.5 billion from 2020A Bond proceeds;**
- **[\$___] billion from 2023A Bond proceeds; and**
- **[\$___] billion of potential Pre-Event/Post-Event bonding capacity.]**

[Remainder of page intentionally left blank]

		Ground Up Losses (\$ billions)	Probability
\$2.5 billion – Industry Co-Payments	\$1.5 billion – Pre-Event/Post-Event Bonding (if needed)	\$25.7	2.65%
	\$3.5 billion – 2020A Pre-Event Bonds	\$24.1	2.86%
	\$650 million – 2016A Pre-Event Bonds	\$20.4	3.62%
	\$11.4 billion – Projected Fund Balance (at December 31, 2020)	\$19.7	3.79%
	\$7.7 billion – Industry Retention	\$7.7	9.90%

[Table Above To Be Updated]

- Ground-up losses exclude 10% allowance for LAE in the amount of [\$___] billion [update].
- In this chart the relevant data are aggregated for FHCF Participating Insurers. The references to probabilities, probable maximum losses, and cash exhaustion are shown for illustrative purposes only. The probabilities in this chart are presented as if all of the Participating Insurers had uniform exposures and loss experiences. In actual practice, each participating insurer has its own retention and coverage limits based upon its actual exposures, and therefore each participating insurer has its own unique probability of triggering its FHCF coverage and reaching its FHCF coverage limit.
- The Estimated Claims-paying Capacity of the FHCF must take into account constraints in the financial markets that may limit the FHCF's ability to borrow funds, including the potential unwillingness of financial market participants to lend funds to the FHCF at the maximum limit under the Act. Credit market disruptions may limit the FHCF's borrowing capacity. Also, there can be no guarantee that sufficient market capacity will exist should the FHCF be required to issue a large amount of debt. If market constraints reduce the FHCF's Actual Claims-paying Capacity below the maximum statutory liability or

maximum contractual liability, the FHCF's liability under the Reimbursement Contract will be capped at the lower amount.

- Other issuers such as Citizens and the Florida Insurance Guaranty Association ("FIGA") may also seek to issue bonds payable from assessments similar to the FHCF's Assessments following the same hurricane event or events. The FHCF's future potential borrowing requirements may be large and there can be no guarantee that in the future there will be adequate financing capacity available to the FHCF following a major catastrophic event that would require post-event financing to fulfill statutory liability or to pay Pre-Event bondholders.

Historical Summary of Revenues, Expenses and Changes in Net Position

The following schedule shows the revenues, expenses and changes in net assets of the FHCF, derived from audited financial information of the FHCF and the Corporation for Fiscal Years ended June 30, 2019 through June 30, **[2022 and unaudited information for the Fiscal Year ended June 30, 2023]**. The Audited Financial Statements for the FHCF for Fiscal Years 2023 and 2022 are included in their entirety as "APPENDIX B, FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED **[JUNE 30, 2023 AND JUNE 30, 2022]**."

[Remainder of page intentionally left blank]

Florida Hurricane Catastrophe Fund
Historical Summary of Revenues, Expenses and Changes in Net Position
(in thousands)

<u>Fiscal Years Ended June 30</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	[Unaudited] <u>2023</u>
Total Operating Revenues	\$1,052,070	\$1,130,153	\$1,205,987	\$1,211,528	\$1,406,899
Operating Expenses					
Hurricane Losses ⁽¹⁾	3,950,000	1,500,000	1,300,000	-	9,795,617
Administrative, Professional, Personnel, and Other	6,266	6,280	6,774	6,293	6,837
Depreciation	<u>14</u>	<u>13</u>	15	16	17
Total Operating Expenses	<u>3,956,280</u>	<u>1,506,293</u>	1,306,789	6,309	9,802,471
Operating Income (Loss)	(2,904,210)	(376,140)	(100,802)	1,205,398	(8,395,572)
Total Non-operating Revenue ⁽²⁾	<u>505,445</u>	<u>453,103</u>	(42,258)	(477,123)	244,816
Income (Loss) before Transfers	(2,398,765)	76,962	(143,060)	728,275	(8,150,756)
Transfers to Other Funds ⁽³⁾	<u>(13,500)</u>	<u>(13,500)</u>	(13,500)	(13,500)	(10,000)
Change in Net Assets	(2,412,265)	63,462	(156,560)	714,775	(8,160,756)
Net Position, Beginning of Year	<u>12,700,503</u>	<u>10,288,238</u>	10,351,812	10,195,252	10,910,027
Net Position, End of Year	<u>\$10,288,238</u>	<u>\$10,351,700</u>	<u>\$10,195,252</u>	<u>\$10,910,027</u>	<u>\$2,749,271</u>

(1) This is an actuarial determined reserve for hurricane losses that is periodically adjusted based on actual results and actuarial analyses. For Hurricane Irma, Fiscal Year 2018 loss reserves of \$2.5 billion, Fiscal Year 2019 included additional loss reserves of \$2.5 billion and Fiscal Year 2020 included additional loss reserves of \$1.5 billion **[(unaudited)] [update]**. For Hurricane Michael, Fiscal Year 2019 included loss reserves of \$1.45 billion and that loss reserve remains unchanged in Fiscal Year 2023. See "Historical Payments of Claims" herein for the history of FHCF reimbursements paid to insurers since 2004.

(2) Increases to non-operating revenue were due primarily to an increase in investment income.

(3) Transfers to Other Funds are the funds appropriated by the Legislature for Mitigation Payments.

Source: Florida Hurricane Catastrophe Fund Audited Financial Statements for the Fiscal Years ended June 30, 2019 through June 30, **[2023. FHCF provided preliminary and unaudited information for the Fiscal Year ended June 30, 2023; such 2023 information is subject to change through the auditing process.]**

Financial Impacts of Recent Hurricanes on the FHCF

The FHCF has paid reimbursements to Participating Insurers for Losses from ten hurricanes since 2004 totaling approximately **[\$19.7]** billion. The most recent Losses, which are not yet fully reimbursed, are from Hurricanes Hurricane Michael in 2018, Hurricane Ian in 2022 **[and Hurricane Idalia in 2023]**. Hurricane Michael made landfall on October 10, 2018, at Mexico Beach, Florida as a major Category 5 hurricane. As of _____, _____, the FHCF's actuary, Paragon, estimates that the FHCF will incur total Losses of \$1.45 billion related to Hurricane Michael. This is an actuarial estimate and is subject to revision as additional information becomes available. Losses reimbursed by the FHCF for Hurricane Michael as of _____, _____ totaled **[\$1.0 billion]** and the remaining unpaid amount has been placed in reserve and deducted from the FHCF's projected fund balance available to pay claims.

On September 28, 2022, Hurricane Ian made landfall near Cayo Costa, Florida, as a category 4 hurricane. The FHCF's actuary estimates that the FHCF will incur total Losses of \$10 billion related to Hurricane Ian. This is an actuarial estimate and is subject to revision as additional information becomes available. Losses reimbursed by the FHCF for Hurricane Ian as of _____, _____ totaled [\$____] billion and the remaining unpaid amount has been placed in reserve and deducted from the FHCF's projected fund balance available to pay claims.

[On August 30, 2023, Hurricane Idalia made landfall near Keaton Beach, Florida, as a category 4 hurricane. The FHCF's actuary estimates that the FHCF will incur total Losses of \$30 million related to Hurricane Idalia. This is an actuarial estimate and is subject to revision as additional information becomes available. Losses reimbursed by the FHCF for Hurricane Idalia as of _____, _____ totaled [\$_____] million and the remaining unpaid amount has been placed in reserve and deducted from the FHCF's projected fund balance available to pay claims.]

. The Losses from these storms are subject to the commutation provisions in the Reimbursement Contract, as discussed in "OPERATION OF THE FHCF – FHCF Coverage" herein. After the reduction for unpaid Losses from Hurricanes Irma, Michael, Ian, and Idalia the FHCF has a projected December 31, 2023 fund balance of [\$4.2 billion] available to pay claims. These resources will be available to provide liquidity for the 2023 hurricane season and will be available to pay additional claims, if any, above the current actuarial estimates for Hurricanes Michael, Ian [and Idalia].

The table below shows the history of FHCF reimbursements paid to insurers since 2004.

Historical Payment of Claims

Hurricane Season	Covered Events	Number of Insurers Reimbursed	Total FHCF Reimbursement Paid
2004	Charley, Frances, Ivan, Jeanne	136	\$3.9 billion
2005	Dennis, Katrina, Wilma	114	\$5.5 billion
2017	Irma	96 [update]	\$7.0 billion ⁽¹⁾
2018	Michael	32 [update]	\$1.16 billion ⁽¹⁾
2022	Ian	32 [update]	\$1.89 billion ⁽¹⁾
2023	Idalia	32 [update]	\$0.0 billion ⁽¹⁾

⁽¹⁾ Represents losses paid through _____, _____. The current loss estimates for Hurricanes Michael, Ian [and Idalia] are \$1.45 billion, \$10 billion [and \$____ billion], respectively.

Florida Insurance Market

While the property insurance market in Florida is unique due to the State's geography and exposure to hurricanes, insurers have been impacted more by litigation, fraud and social inflation than by storm activity. In 2021, the State represented 6.9% of total homeowners' claims nationally, but 76% of homeowners' lawsuits. As a result, insurance companies have faced a higher risk of losses in Florida compared to other states, which has made the property insurance market in Florida more volatile and challenging for insurers to profitably operate in. In recent years, the Florida property insurance market has faced a number of challenges, including rising premiums, increased claims frequency, and a surge in fraudulent claims. In some cases, these challenges have led to many insurance companies withdrawing from the market, resulting in concerns regarding homeowner access to insurance. The State has responded

to these challenges with several statutory changes approved during special and regular sessions in order to eliminate abusive litigation practices, curtail insured losses, and promote long-term market stability. See " - Recent Legislative Actions" below.

As of December 31, 2022, there were approximately 7.3 million residential property insurance policies in Florida. Insurance companies in the State can be broadly categorized into four main groups: (i) large national carriers - e.g. Liberty Mutual, USAA; (ii) Florida-only subsidiaries of large national carriers - e.g. State Farm, Allstate, Travelers, and Nationwide all have Florida-only subsidiaries; (iii) stand-alone Florida-only companies that write business primarily in, or only in, Florida; and (iv) Citizens, the State-run insurer of last resort. In addition to these admitted market carriers, which are regulated as to premium rates and other matters by OIR, surplus lines carriers, which have unregulated rates and which are otherwise subject to less regulatory oversight by OIR, also write residential property insurance in Florida.

The dynamics of Florida's property and casualty insurance market are significantly influenced by the hurricane risks faced by the State. As a result, private insurance carriers, especially large national carriers, have long sought to manage their exposure in the State. The market today consists mainly of smaller companies who write all or most of their business in Florida (about 68% of the market as measured by direct written premium for personal lines in the State) and Citizens, whose Personal Accounts Line ("PLA"), Commercial Lines Account ("CLA") and Coastal Account (the "Coastal Account") aggregately write approximately 22% of the direct written premium for personal lines in the State). Large national carriers and their Florida-only subsidiaries account for the other 10% of the direct written premium of personal lines in the State.

In order to address the unique characteristics of its insurance market, the State has implemented a market framework designed to promote long-term market stability, including longstanding mechanisms and property insurance entities. FIGA, Citizens, and the FHCF all serve as distinct, yet integral parts of a highly regulated marketplace.

Recent Legislative Actions

To address many of the issues facing the Florida insurance market, the Florida Legislature has passed various laws aimed at maintaining a stable and healthy private property insurance market in the State. For example, in 2021, the Florida Legislature passed a bill that aimed to crack down on fraudulent insurance claims by increasing penalties for those who commit insurance fraud. Additionally, the State has also implemented measures to encourage insurers to stay in the market, such as providing tax credits and reducing regulatory burdens for insurers. The Florida Legislature also held two Special Sessions in 2022 relating to property insurance.

During a Special Session of the Florida Legislature held in May 2022, Senate Bill 2-D ("SB 2D") was passed and signed into law by the Governor. SB 2D included a \$150 million appropriation for the My Safe Florida Home Program, which provides hurricane mitigation inspections and matching grants for hurricane retrofitting for residential structures under a certain value. SB 2D also sought to alleviate perceived abuse in the residential insurance market in connection with roof replacements by regulating contractor solicitations and providing for separate roof deductibles. In addition, SB 2D made various changes relating to assignment of benefits by revising the definition of "assignment agreement" to include assignments executed by a party that inspects the property, clarifying that public adjuster fees are not an assignment agreement, clarifying the requirement to provide a notice of intent to initiate litigation before filing suit, requiring that a valid assignment of benefits must specify that the assignee will hold harmless

the assignor from all liabilities, including attorney's fees and by prohibiting the right to obtain attorney fees in suits arising out of a property insurance policy to persons other than a named or omnibus insured or a name beneficiary under the policy. SB 2D also provided that attorney fee multipliers may only be awarded under rare and exceptional circumstances with evidence that competent counsel could not be hired in a reasonable manner and that a defendant insurer may obtain attorney fees and costs associated with securing a dismissal without prejudice for failure to provide the required notice of intent to initiate litigation at least ten (10) days before filing a suit against a property insurer. The intended impact of these changes is to reduce the incentives to file frivolous lawsuits relating to property insurance in the State. SB 2D also created the Reinsurance to Assist Policyholders ("RAP") Program that was funded through an appropriation from the State's general revenue fund and offered insurers a \$2 billion reimbursement layer of reinsurance for hurricane losses below the mandatory layer of the FHCF. The RAP Program is administered and managed by the SBA. All eligible insurers are required to participate in the RAP Program for one year (either in 2022-23 or 2023-24). Approximately \$885 million of RAP coverage was utilized for the 2022 hurricane season, with the remaining \$1.1 billion of coverage available for the 2023 hurricane season. Insurers in the RAP Program do not pay a premium for RAP Program coverage, but must reduce rates to reflect savings resulting from their participation in the RAP Program. The RAP Program does not change the coverage offered by, or the liabilities of, the FHCF. In addition, SB 2D made various other changes relating to OIR's regulation of insurers.

During a Special Session of the Florida Legislature held in December 2022, Senate Bill 2-A ("SB 2A") was passed and signed into law by the Governor. SB 2A was a comprehensive piece of legislation that was intended to ensure that policyholders in the State have access to quality, affordable private market insurance. SB 2A created the Florida Optional Reinsurance ("FORA") Program that offered insurers four layers of temporary reinsurance below the mandatory layer of the FHCF, with the total amount of coverage limited to \$1 billion of funding provided from State general revenues plus the premiums paid to the program by participating insurers for the 2023 hurricane season. The FORA Program is administered by the SBA, and does not change the coverage offered by, or the liabilities of, the FHCF.

The State's bad faith law and jurisprudence are designed to hold insurers accountable for failing to fulfill their contractual obligation to indemnify the insured or beneficiary on a valid claim. SB 2A required an adverse adjudication that an insurer has breached an insurance contract before an insured can file bad faith litigation and provided a safe harbor within which an insurer may correct alleged bad faith acts and attempt settlement. The bill provided that acceptance of an offer of judgment or the payment of an appraisal award does not constitute an adverse adjudication. This is intended to have the effect of prohibiting a bad faith failure to settle action solely on the basis of the policyholder's successful recovery of additional claim proceeds through the insurance contract's appraisal process or acceptance of an offer of judgment. Moreover, SB 2A prohibited the assignment, in whole or in part, of any post-loss insurance benefit under any residential or commercial property insurance policy issued on or after January 1, 2023. The bill specified that assignment agreements under a residential property insurance policy or under a commercial property insurance policy are only valid on policies issued on or after July 1, 2019, and before January 1, 2023. SB 2A also reduced the claim filing deadline from two years to one year for a new or reopened claim, and from three years to 18 months for a supplemental claim. The bill also strengthened the regulatory authority of OIR by allowing OIR to subject any authorized insurer to a market condition examination after a hurricane under certain conditions relating to property insurance claims. The bill aimed to reduce excessive litigation by providing that one-way attorney fee statutes no longer apply to lawsuits related to residential or commercial insurance policies and reinstating the civil judgment statute to civil actions arising under a residential or commercial property insurance policy, thereby allowing joint offers of settlement in property insurance litigation contingent on acceptance from all joint offerees.

SB 2A also made various changes relating to Citizens, including creating uniform eligibility thresholds for new and renewal policyholders, prohibiting Citizens coverage for those with an offer of comparable insurance from an authorized insurer if that premium is not more than 20% greater than Citizens' rate, requiring flood insurance to qualify for Citizens' coverage (phased in over the next four years, with all policies requiring flood insurance by January 1, 2027) and allowing Citizens to combine its three accounts into one account upon eliminating all outstanding financial obligations.

Some initial benefits of the legislative changes described above are already being felt in the State insurance market. There are new insurers looking to enter the State, which is expected to increase competition among insurers and reduce the number of Citizens' policies.

Reimbursement Premiums

General. As a condition for doing business in Florida, each insurer writing residential property insurance in Florida must enter into a Reimbursement Contract with the SBA (with limited exceptions). The Reimbursement Contract generally provides that the FHCF will reimburse a Participating Insurer a certain percentage of its Losses above the insurer's share of the industry-wide Retention in exchange for the payment by the Participating Insurer of Reimbursement Premiums. The Contract Year for Reimbursement Contracts entered into by the FHCF begins on June 1 of each year and ends on May 31 of the following year. A Participating Insurer must enter into a Reimbursement Contract every Contract Year. For the Contract Year ending May 31, 2024, there are currently 148 Participating Insurers, including Citizens.

Each Reimbursement Contract requires the insurer to pay to the FHCF an actuarially-indicated premium for the reimbursement contemplated under the Reimbursement Contract. This Reimbursement Premium is a factor of the actuarially indicated rates multiplied by each \$1,000 of insured value reported to the SBA by the Participating Insurer to determine the total amount of Reimbursement Premiums due from the Participating Insurer under the Reimbursement Contract. Under the Reimbursement Contract, the Reimbursement Premiums paid for a Contract Year must be used to reimburse Participating Insurers for reimbursable Losses incurred in the current or subsequent Contract Years only or to pay debt service on Pre-Event Parity Obligations. Although the Reimbursement Premiums are also available to pay debt service on Post-Event Parity Obligations, the FHCF expects not to use Reimbursement Premiums for such purpose and, to the extent Reimbursement Premiums are used to pay debt service on Post-Event Parity Obligations, such use would be replenished with future Assessment revenues.

Reimbursement Premiums are paid to the SBA in three installments: August 1, October 1 and December 1 of each Contract Year. Reimbursement Premiums are deposited by Participating Insurers via wire transfer and/or ACH directly to an account in the name of the FHCF. Once deposited, Reimbursement Premiums are transferred to the Master Trustee at least monthly pursuant to the Pledge Agreement until debt service on the Outstanding Parity Obligations for such fiscal year has been paid or provided for. See "PLEDGE AND SECURITY FOR 2023A BONDS – Pledge Agreement" herein.

Since the total Reimbursement Premiums for any Participating Insurer are not determined until after its insured values have been received and processed, the first two payments of its Reimbursement Premiums in each Contract Year are estimated. Each estimated payment of Reimbursement Premiums is made in an amount equal to approximately one-third of the estimated total Reimbursement Premiums due from a Participating Insurer in the Contract Year. Once the actual Reimbursement Premiums due from the Participating Insurer for the Contract Year are determined, the amount of the final installment due on

December 1 is equal to the actual Reimbursement Premiums due from the Participating Insurer for the Contract Year less the two estimated payments of Reimbursement Premiums made by a Participating Insurer.

Due to the mismatch in the FHCF Contract Year that ends May 31 and the FHCF Fiscal Year that ends June 30, references to Reimbursement Premium throughout this document have been adjusted as needed to match Contract Year premiums to the Fiscal Year in which they are recorded in the Audited Financial Statements of the Fund. Reimbursement Premiums are shown as 1) net premium revenue, as shown in the FHCF Audited Financial Statements, which are premium revenues after a deduction for reinsurance expense; 2) Reimbursement Premium collections, which are net premium revenues that have been grossed up to include reinsurance expense; and 3) Reimbursement Premium revenue as shown on the Debt Service Coverage Table, which is net premium revenue that is net of the Current Expenses of the FHCF and the Corporation (Revenue Available for Debt Service).

The following table shows the ten Participating Insurers with the largest Reimbursement Premiums paid to the FHCF for the prior Contract Year ended May 31, 2023.

Reimbursement Premiums Paid By 10 Largest Participating Insurers

<u>Participating Insurers</u>	<u>Reimbursement Premiums (in millions)⁽¹⁾</u>	<u>Percentage of Reimbursement Premiums</u>
Citizens Property Insurance Corporation (Personal Lines and Commercial Lines Accounts)	\$201.8	14.51%
Universal Property and Casualty Insurance Company	137.3	9.87
Citizens Property Insurance Corporation (Coastal Account)	122.8	8.83
American Coastal Insurance Company	64.0	4.60
First Protective Insurance Company	63.6	4.58
Heritage Property and Casualty Insurance Company	46.6	3.35
Homeowners Choice Property and Casualty Insurance Company	41.4	2.98
Federal Insurance Company	40.0	2.88
State Farm Florida Insurance Company	39.8	2.86
United Property and Casualty Insurance Company	<u>35.6</u>	<u>2.56</u>
Total	\$796.0	57.01%

⁽¹⁾ Citizens Property Insurance Corporation has two separate Reimbursement Contracts with the FHCF. See "Reimbursement Premiums – Citizens as a Participating Insurer" herein.

Source: Paragon Strategic Solutions Inc.

Collections. Since 2001, the FHCF has collected over 99% **[update]** of Reimbursement Premiums, with the only exceptions being certain insurers that have been placed into receivership for purposes of liquidation. See "OPERATION OF THE FHCF - Collection of Assessments and Reimbursement Premiums from Companies in Receivership." Reimbursement Premiums collections vary from year to year as a result of annually-adopted changes in the actuarially-indicated Reimbursement Premiums charged to

Participating Insurers in Reimbursement Contracts. The annual premium change is a function of a number of factors, primarily Participating Insurers' coverage selection changes, growth in insured values, legislative changes, and rate changes. The largest contributing factor to the decline in the FHCF's reimbursement premium collections shown below was the FHCF's Participating Insurers' coverage selections. Historically, most insurers have selected the 90% coverage option; however, beginning in Fiscal Year 2016, the private risk transfer market offered abundant reinsurance capacity at historically low prices. As a result, the weighted average coverage selection dropped from 89.9% for the Contract Year ended May 31, 2015 to a low of 73.5% for the Contract Year ended May 31, 2019.

Lower levels of selected coverage impacts the overall aggregate coverage provided by the FHCF which is reflected in lower premium revenues. In 2019, global risk transfer pricing began to increase due to recent catastrophic events. As a result, the weighted average coverage selection increased to **[87.4% for the Contract Year ended May 31, 2024, which will be reflected in the Reimbursement Premiums collected for Fiscal Year ending June 30, 2024]**.

The following table shows Fiscal Year collections for the last five years and the annual percentage change.

Total Reimbursement Premium Collections

<u>Fiscal Year Ended June 30</u>	<u>Reimbursement Premium Collections⁽¹⁾ (in millions)</u>	<u>% Change of Reimbursement Premium Collections</u>	<u>Percentage of Reimbursement Premiums Collected</u>
2019	\$1,114.6	(1.0)%	100.00%
2020	1,187.5	6.5	99.90 ⁽²⁾
2021	1,206.20	1.5	100.00
2022	1,211.50	0.0	100.00
2023	1,406.69	0.2	100.00

(1) Reimbursement Premium collections are net premium revenues that are increased to account for reinsurance expense for Fiscal Years 2019-2023. The reinsurance accruals for Fiscal Years 2019-2023 are as follows: \$62.5 million of reinsurance premium accrual in Fiscal Year 2019 and \$57.4 million of reinsurance premium accrual in Fiscal Year 2020.

(2) Sawgrass Mutual Insurance Company was ordered into receivership and owes \$562,378 for outstanding premium for Contract Year ended May 31, 2018. Florida Specialty Insurance Company was ordered into receivership and owes \$1,256,000 for outstanding premium for the Contract Year ended May 31, 2020. The FHCF Contract Year begins on June 1 and ends on May 31 of the following year. **[update footnote]**

Source: Audited Financial Statements of the Florida Hurricane Catastrophe Fund (FHCF) for Fiscal Years 2019 through 2023. Includes prior year premium adjustments and interest on adjustments/advances. **[Should this last sentence be a footnote?]**

Cash Build-up Factor. In 2006, the Legislature amended the Act to require that Reimbursement Premiums include a "cash build-up factor" or surcharge designed to replenish the Corpus of the FHCF. The initial cash build-up factor was 25%. The Legislature removed the cash build-up factor in 2007 to ease the burden of increased insurance costs on property owners. In 2009, the cash build-up factor was reenacted

and equaled 5% for the Contract Year ended May 31, 2010, 10% for the Contract Year ended May 31, 2011, 15% for the Contract Year ended May 31, 2012, 20% for the Contract Year ending May 31, 2013, and 25% for the Contract Year ending May 31, 2014 and thereafter. Such amounts are included in Reimbursement Premium collections set forth in the table above. The cash build-up factor is retained in the Corpus of the FHCF. The projected amount of Reimbursement Premium revenue from the cash build-up factor for the Contract Year ending May 31, 2024 is \$290.0 million. The Corporation can provide no assurance that the cash build-up factor will not be legislatively repealed or revised again.

Citizens as a Participating Insurer. Citizens is an entity created by the State Legislature and controlled by the State and provides certain residential and commercial property and casualty insurance coverage to owners of certain properties in the State as specified in Section 627.351(6), Florida Statutes, as amended. Citizens is organized legally and financially into three separate accounts – the Coastal Account, which provides residential and commercial wind-only and multi-peril coverage in statutorily-designated coastal areas of the State, the PLA, which provides all-perils residential coverage throughout the State, and the CLA, which provides commercial-residential (i.e. apartment and condominium) coverage throughout the State. Citizens has two separate contracts with the FHCF – one for the Coastal Account and one for the combined PLA/CLA. Both accounts are statutorily mandated to elect the 90% coverage level annually on their Reimbursement Contracts with the FHCF. These accounts are treated as separate Participating Insurers in all respects by the FHCF. Although Citizens accounts for only two (2) of 148 Participating Insurers participating in the FHCF for the current Contract Year ending May 31, 2024, the total Reimbursement Premiums collected from Citizens' two accounts are substantial. Effective July 1, 2023, upon eliminating all outstanding financing obligations, Citizens is permitted by recent legislation to consolidate the PLA, the CLA and the Coastal Account into one account, known as the Citizens Account, for all of its revenues, assets, liabilities, losses, and expenses. A single account will allow Citizens to access its entire surplus to pay claims. If established, the Citizens Account is authorized to provide coverage to the same extent each of the three separate accounts may provide coverage under current law.

For the Contract Year ended May 31, 2023, the total Reimbursement Premiums from Citizens was \$324.6 million, or 23.33% of all Reimbursement Premiums collected during that Contract Year. Over the last five Contract Years, the amount is significantly higher than the \$146.1 million, or 13.24% of all Reimbursement Premiums collected during the Contract Year ended May 31, 2019. A significant portion of this increase in Reimbursement Premiums from Citizens is due, in part, to **[growth in policy count caused by several insurers entering insolvency and several other insurers no longer providing policies in the State]**.

All Participating Insurers, including Citizens, are entitled to a pro-rata share of the FHCF's Actual Claims-paying Capacity, based on such Participating Insurer's proportionate share of Reimbursement Premiums paid to the FHCF. Because Actual Claims-paying Capacity of the FHCF includes the amount of debt the FHCF is able to issue, the timing and amount of Losses sustained by Citizens could impact the timing and amount of debt issued by the FHCF to a greater extent than the timing and amount of Losses sustained by other Participating Insurers.

Enforcement of Payment of Reimbursement Premiums. The Act and applicable administrative rules relating to the FHCF provide that any violation of a Participating Insurer's obligation to pay Reimbursement Premiums, provide information necessary to verify the amount of Reimbursement Premiums due, or submit to examinations relating to Reimbursement Premiums constitutes a violation of the Florida Insurance Code. The FHCF may notify OIR of such violation, which may then take whatever action it deems appropriate to address the violation. In addition, failure to pay Reimbursement Premiums,

provide information or submit to examination, among other things, may subject the Participating Insurer to certain fines, interest charges and other penalties as specified in applicable administrative rules of the FHCF or OIR. Also, the FHCF has the right to offset amounts payable to the FHCF from a Participating Insurer, including the full Reimbursement Premium, against any (1) loss reimbursement or advance amounts, (2) any Reimbursement Premium refunds, and (3) any amounts agreed to in a commutation agreement, which are due to the Participating Insurer from the FHCF.

Assessments

General. Under the Act, if the SBA determines that the amount of revenue produced from Reimbursement Premiums is insufficient to fund the obligations, costs and expenses of the FHCF and the Corporation, including repayment of debt and required debt service coverage, the SBA will direct OIR to levy an Assessment on the premiums for all lines of insurance assessable under the Act (the "Assessable Lines"). Although an Assessment is not a tax, it functions like a broad-based insurance premium tax in many respects. It is essentially a charge on all assessable policies (and directly on policyholders, not insurance companies) that is collected with the premium and various taxes on all assessable policies and non-payment thereof permits an insurer to cancel the policy. There is no requirement for additional legislation to levy or approve future Assessments.

Assessable Lines include all property and casualty lines of insurance in Florida, except for those lines identified as medical malpractice, accident and health, workers' compensation, National Flood Insurance Program, National Crop Insurance Program and certain hospital self-insurance funds. Assessable Lines includes (i) insurance companies authorized by OIR to write insurance in Florida ("Admitted Lines Insurers"); (ii) insurance companies not so authorized ("Surplus Lines Insurers"), provided the insurance is obtained from certain agents licensed in Florida by OIR (each a "Surplus Lines Agent"); or (iii) independently pursuant to Section 626.938, Florida Statutes ("Independently Procured Coverage").

Under the Act, Assessments are collected from policyholders and are calculated as a percentage of premium. The same assessment percentage applies to all policies of Assessable Lines issued or renewed during the 12-month period beginning on the effective date of the Assessment. Assessments are assessed annually for so long as debt under the Act is Outstanding, are subject to annual adjustment by the SBA in order to meet debt obligations and are subject to both an annual and overall cap. There is a cap of 6% of premium that may be assessed in any one year with respect to obligations arising out of Losses attributable to any one Contract Year. The overall cap is 10% of premium.

While an insurer is liable under State law for all Assessments it collects from policyholders, the policyholders, not insurers, are required to pay the Assessments. Policyholders are liable for Assessments only to the extent policyholders wish to retain the insurance on which the Assessment is based. Insurers are required to treat the failure of a policyholder to pay the Assessment as a failure to pay premium, which permits an insurer to cancel the policy. Other than having their insurance policy cancelled for non-payment of premium, policyholders are not personally liable for payment of Assessments and are not subject to collection proceedings to pay the Assessment due. Pursuant to reports of OIR and Florida Surplus Lines Service Office (the "FSLSO"), historically, substantially all of the Assessments have been remitted to the FHCF on a timely basis.

Admitted Lines Insurers collect the Assessment from policyholders. Such insurers must remit Assessments directly to the FHCF based on a percentage of direct written premium for the preceding

calendar quarter, even if not yet collected. Surplus Lines Agents must also collect the Assessment from policyholders, but must remit the collected amounts to the FLSO at the same time such agents collect and remit to the FLSO the surplus lines tax. The FLSO invoices the Surplus Lines Agents quarterly with payments due 45 days from the last calendar day of the preceding quarter. Insureds obtaining Independently Procured Coverage are invoiced by the FLSO quarterly and must remit the Assessment within 45 days from the last calendar day of the preceding quarter, as directed by the FLSO at the same time the insured pays the surplus lines tax. While an insurer is not ultimately liable for uncollectible Assessments, the insurer must treat the failure to pay an Assessment as a failure to pay premium by the insured, which permits termination of the policy.

Each insurer is liable for all Assessments it collects from policyholders except to the extent the insurer is required to return collected Assessments when returning unearned premium. When an Admitted Lines Insurer is required to return unearned premium, it shall also return any collected Assessment attributable to the unearned premium. A credit adjustment to the collected Assessments may be made by such Admitted Lines Insurer to future remittances of Assessments, but the Admitted Lines Insurer is not entitled to a refund. In contrast to the Admitted Lines Insurers, Surplus Lines Agents and insureds obtaining Independently Procured Coverage may receive either a credit or refund of the collected Assessment attributable to returned unearned premium. Since 2003, approximately 89.3% **[update]** of premium on Assessable Lines relates to premium written by Admitted Lines Insurers. See "Historical Premium" below.

On May 31, 2006, the SBA adopted a resolution directing OIR to levy an Assessment on all Assessable Lines in the amount of 1%, effective beginning January 1, 2007. On June 12, 2006, OIR levied the Assessment in two orders: one directed at Admitted Lines Insurers, who are directly regulated by OIR, and the other directed at the FLSO to apply to Surplus Lines Agents and insureds obtaining Independently Procured Coverage. Amounts collected under this Assessment were used to pay debt service on or retire the 2006A Bonds, the 2008A Bonds and the 2010A Bonds. The Act permits the SBA to adjust an Assessment annually as necessary to pay debt service on revenue bonds provided the Corporation remains in compliance with all covenants under the Master Indenture, including without limitation covenants regarding debt service coverage and the exclusion of interest from federal income taxation. This Assessment was increased in 2010 to 1.3% of premiums on Assessable Lines. When the 2010A Bonds were legally defeased and there were no remaining unpaid hurricane Losses, upon direction of the SBA, the OIR issued Orders on July 21, 2014, terminating the Assessment for policies issued or renewed on or after January 1, 2015. See "PLEDGE AND SECURITY FOR THE 2023A BONDS - Flow of Funds" herein.

All previously levied Assessments were terminated effective July 21, 2014, on direct written premiums for policies issued or renewed on or after January 1, 2015. Although there is currently no assessment, if one were levied in the future, such assessment would be received by the FHCF continually throughout the year, with the largest amounts due to the FHCF on or about each May 15, August 15, November 15, and March 1. Historically, all payments of Assessments were made directly to an FHCF lock-box account held by an SBA custodian bank. Assessments held in this lock-box account were not commingled with any other moneys of the FHCF or SBA, and the payments were transferred to the Master Trustee at least monthly pursuant to the Pledge Agreement. See "PLEDGE AND SECURITY FOR 2023A BONDS – Pledge Agreement" herein. Late payments of collected Assessments could subject an Admitted Lines Insurer or Surplus Lines Agent, as the case may be, to delinquent interest and penalties.

OIR is responsible for verifying the accuracy and timeliness of the collection and remittance of Assessments. See "Collection of Assessments" herein for further discussion.

Historical Premium. The following chart shows the historical premium subject to the Assessments for all Assessable Lines.

Historical Premium Subject To Assessments

Calendar	Admitted Lines Direct Written Premium ⁽¹⁾	Surplus Lines and Independently Procured Coverage Premium	Total	% Increase
<u>Year</u>	<u>(in billions)</u>	<u>(in billions)</u>	<u>(in billions)</u>	<u>From Prior Year</u>
2013	\$33.73	\$4.21	\$37.93	4.81%
2014	35.09	4.22	39.30	3.61
2015	36.96	4.55	41.51	5.61
2016	39.07	4.62	43.69	5.26
2017	41.84	4.97	46.82	7.16
2018	44.86	5.54	50.40	7.66
2019	47.03	6.20	53.24	5.63
2020	48.83	7.07	55.89	4.98
2021	54.25	9.07	63.32	13.29
2022	61.03	11.57	72.60	14.66

(1) Aggregate premiums have been reduced to remove non-assessable premium that would ordinarily be exempt from assessments in the amount of \$0.18 billion for 2016. However, beginning in 2017, this allowed adjustment figure is unavailable. The average reduction to Direct Written Premium related to these adjustments was approximately 0.90%.

Note: Subject to change as company/agent adjustments are reported. Totals may not add due to rounding.

Source: OIR and FSLSO, unaudited.

[Remainder of page intentionally left blank]

Assessable Lines. The following constitute Assessable Lines subject to Assessments under the Act and applicable administrative rules of the FHCF:

- Fire
- Allied Lines
- Multiple Peril Crop
- Private Crop
- Farmowners Multiple Peril
- Homeowners Multiple Peril
- Commercial Multiple Peril (non-liability)
- Commercial Multiple Peril (liability)
- Mortgage Guaranty
- Ocean Marine
- Inland Marine
- Financial Guaranty
- Earthquake
- Other Liability - occurrence
- Other Liability – claims-made
- Products Liability
- Private Passenger Auto No-Fault (PIP)
- Other Private Passenger Auto Liability
- Commercial Auto No-Fault (PIP)
- Other Commercial Auto Liability
- Private Passenger Auto Physical Damage
- Commercial Auto Physical Damage
- Aircraft (all perils)
- Fidelity
- Surety
- Burglary and Theft
- Boiler and Machinery
- Credit
- Warranty
- Aggregate Write-Ins for other Lines of Business

Source: OIR, Market Research Unit.

[Remainder of page intentionally left blank]

Lines of insurance included in Assessable Lines may be modified by the State Legislature, subject to the covenant in the Act that the State will not impair the rights and remedies of owners of the 2023A Bonds. See "PLEDGE AND SECURITY FOR 2023A BONDS – Non-Impairment" herein. In addition, certain hospitals may form alliances to provide self-insurance which would not be subject to Assessments.

The following table provides a summary of the historical direct written premiums for the Admitted Lines and Surplus Lines by major categories of lines of insurance.

Historical Direct Written Premiums for Admitted Lines and Surplus Lines Insurers
(Dollars in billions)

Calendar	<u>Homeowner</u>		<u>Auto</u>		<u>All Other⁽¹⁾</u>		<u>Total</u>	
<u>Year</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
2013	\$8.82	23%	\$15.65	41%	\$13.46	35%	\$37.93	100%
2014	8.82	22	16.27	41	14.21	36	39.30	100
2015	8.95	22	17.74	43	14.82	35	41.51	100
2016	8.99	21	19.55	45	15.15	35	43.69	100
2017	9.35	20	21.72	46	15.74	34	46.82	100
2018	9.80	19	23.70	47	16.90	34	50.40	100
2019	10.34	19	24.19	45	18.70	35	53.24	100
2020	11.24	20	24.14	43	20.51	37	55.89	100
2021	12.51	20	26.94	43	23.86	38	63.32	100
2022	14.74	20	29.53	41	28.33	39	72.59	100

⁽¹⁾ No individual line of business in either the Admitted Lines or Surplus Lines market makes up over 10% of the total assessable premium.

Note: Aggregate premiums for admitted lines have been reduced to remove non-assessable premium that would ordinarily be exempt from assessments in the amount of \$0.18 billion each year, for 2015 and 2016. However beginning in 2017, this allowed adjustment figure is unavailable. The average reduction to Direct Written Premium related to these adjustments was approximately 0.90%.

Source: OIR and FLSO.

Collection of Assessments. OIR is responsible for verifying the accuracy and timely collection and remittance of Assessments. Information used by OIR in the verification process is transmitted directly to OIR by insurers for all Assessable Lines other than Surplus Lines and Independently Procured Coverage. Assessments relating to Surplus Lines and Independently Procured Coverage under Section 626.938, Florida Statutes are remitted as directed by the FLSO. The FLSO is required to assist the FHCF in ensuring the accurate and timely collection and remittance of the Assessments. OIR has the authority to enforce the collection and remittance of Assessments.

While an insurer is liable under State law for all Assessments it collects from policyholders, the policyholders, not insurers, are required to pay the Assessments. Policyholders are liable for Assessments only to the extent policyholders wish to retain the insurance on which the Assessment is based. Insurers are required to treat the failure of a policyholder to pay the Assessment as a failure to pay premium, which permits an insurer to cancel the policy. Other than having their insurance policy cancelled for non-payment of premium, policyholders are not personally liable for payment of Assessments and are not subject to

collection proceedings to pay the Assessment due. Pursuant to reports of OIR and FLSO, historically, substantially all of the Assessments have been remitted to the FHCF on a timely basis.

Overlapping Assessment Bases. Citizens also has the power under State law to levy assessments on substantially the same lines of insurance assessable by the FHCF. Pursuant to Citizens' enabling statutes, such assessments vary in amounts from not to exceed 2% for regular assessments related to the Coastal Account to not to exceed 10% for emergency assessments in each of Citizens' three accounts. Under the Citizens statute, policies and insurers subject to assessment (referred to as "subject lines of business") are all property and casualty insurance except for workers' compensation, medical malpractice, accident and health insurance, and insurance written under the National Flood Insurance Program or the National Crop Insurance Program. This listing is identical to the types of insurance subject to assessment by the FHCF, except that the FHCF statute does not refer to the National Crop Insurance Program. **[To be updated with language regarding a single 10% EA assessment once accounts are consolidated.]**

FIGA is another statutorily created entity with the power to levy assessments on property and casualty insurers and their policyholders. FIGA pays policyholder claims against certain insolvent property and casualty insurers. FIGA assessments are divided between two accounts – automobile liability and physical damage, and "all other insurance", which includes most property and casualty insurance written by admitted insurers other than workers' compensation and those lines excluded by Section 631.52, Florida Statutes.

FIGA funds each account with assessments on insurers writing policies covered by that account in an amount up to two (2) percent of the insurer's net written premium for the kinds of insurance included in that account. FIGA may impose an additional four percent (4%) annual emergency assessment on certain insurers in the "all other insurance" account for hurricane-related claims.

To the extent that the assessment bases of the FHCF, Citizens and FIGA overlap, policyholders will incur the cost of cumulative assessments imposed by such entities. **FIGA currently levies a 1.3% regular assessment through December 31, 2023 against its assessment base and an emergency assessment of 1.0% through the earlier of when the bonds which were issued by FIGA and secured thereby are no longer outstanding, or September 1, 2032, against its assessment base. Neither Citizens nor FHCF currently levies any assessments.**

Collection of Assessments and Reimbursement Premiums from Companies in Receivership

The risk of nonpayment or delinquent payment on the 2023A Bonds is dependent in part upon the amount of moneys received from Reimbursement Premiums and Assessments and the timeliness of their payment to the FHCF. The amount of moneys received from Reimbursement Premiums and Assessments (see "DEBT SERVICE COVERAGE - Debt Service Coverage Total Outstanding Parity Obligations" herein) and the timeliness of their payment to the FHCF are dependent in part on the solvency of insurers in that, under certain circumstances, the insolvency of an insurer could affect its ability to make such payments to the FHCF.

Under State law, when an insurer becomes insolvent, it is placed under the control of the Division of Rehabilitation and Liquidation of the Florida Department of Financial Services. State law establishes priorities for the payment of claims against an insurer in liquidation. Liabilities become fixed as of the date of filing the petition for liquidation. Holders of claims which are secured by a pledge of a particular asset and holders of claims described as special deposit claims may discharge their claim against the security

pledged or the special deposit, prior to other claims. Special deposit claims are claims secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons. To the extent that Assessments and Reimbursement Premiums are not considered secured claims or special deposit claims, they would likely be considered claims of general creditors.

After the payment of secured creditors and special deposit creditors, there are eleven additional classes of claims. All approved claims in a class must be paid in full before any payment is made to the next lower class. Within a class, all approved claims are paid equal pro-rata shares if there are not sufficient funds to pay the entire class in full. Claims of general creditors are sixth in the hierarchy of eleven classes of claims.

Although no assurance can be given as to the continued timeliness of payments of Reimbursement Premiums or Assessments, despite certain insurer insolvencies, including two that have not paid the Reimbursement Premiums, the FHCF has collected substantially all Reimbursement Premiums and Assessments billed to Participating Insurers during the past five Contract Years.

INVESTMENT POLICY OF THE FHCF

[TO BE UPDATED]

Upon the issuance of the 2023A Bonds, the FHCF expects to have four individual investment **[we do not see four listed in the bullets?]** portfolios, which are managed by SBA investment professionals with a conservative investment policy focusing on liquidity, safety of principal and competitive returns. The types of investment portfolios are described below:

- FHCF Operating Fund – Liquidity Fund: The liquidity fund portfolio holds funds used to reimburse insurers for losses for hurricanes occurring before 2023.
- FHCF Operating Fund – Claims-Paying Fund: The claims-paying fund is the first source of liquidity to pay for any reimbursements for hurricanes occurring in 2023 and beyond. In addition, expenses of the FHCF and any statutorily required appropriations are paid from this fund. SBA Finance Corporation Pre-Event Fund: Generally, these individual portfolios will hold any Pre-Event bond proceeds and will be used to pay claims after a hurricane event, if needed, and to pay debt service payments on the Pre-Event bonds as needed.
- SBA Finance Corporation Pre-Event Fund 2020A – This portfolio holds 2020A pre-event bond proceeds and will be used to pay claims after a hurricane event, if needed, and to pay debt service payments, including principal payments, on the pre-event bonds as needed.
- SBA Finance Corporation Pre-Event Fund 2023A – This portfolio will hold 2023A pre-event bond proceeds and will be used to pay claims after a hurricane event, if needed, and to pay debt service payments, including principal payments, on the pre-event bonds as needed.

Together, the aggregate market value of the FHCF's current portfolios is approximately \$15.1 billion as of June 30, 2023, and consists of 73% U.S. Treasury and U.S. Agency securities and 27% corporate securities. **[update]**

Upon issuance of the 2023A Bonds, it is expected that the proceeds of such 2023A Bonds will be invested in a similar manner as the FHCF Operating Fund – Claims-Paying Fund, in the 2023A portfolio. The Act authorizes the SBA to invest moneys in the FHCF pursuant to Sections 215.44-215.515, Florida

Statutes, which are the statutory provisions authorizing and governing the investment of other moneys held in trust by the SBA.

Under the Pledge Agreement, proceeds of the 2023A Bonds will be held in the 2023A Bonds Proceeds Subaccount established with the FHCF by the Pledge Agreement and will be invested pursuant to the investment policy to ensure the availability of those funds to reimburse Participating Insurers for Losses relating to any future Covered Events.

Moneys in the FHCF's portfolio may only be invested at the direction of the SBA in Investment Obligations, which are investments authorized under Section 215.47, Florida Statutes. The SBA investment policy covering FHCF assets is designed to provide adequate liquidity by using highly liquid short-term investment strategies. Liquidity is a primary concern for the FHCF since insurers may file claims weekly, and investment strategies are planned accordingly. The investment policy is periodically reviewed by the SBA and is subject to change.

Because permitted investments are exposed to changes due to market fluctuations, the daily net asset value (NAV) may be lower than par. The lower NAV may result in a lower market value than the original bond issue amount. Such a decline may result in insufficient funds being available, when needed, to pay Losses and other liabilities and expenses, including debt service on the Parity Obligations and the 2023A Bonds.

The primary investment objective of the FHCF's investment policies is defined by the following prioritized goals: (i) liquidity, so that reimbursement to insurers can be paid in a timely manner; (ii) safety of principal; and (iii) competitive returns. The FHCF's investment policies provide for a high level of liquidity such that assets can be converted to cash on a timely basis in order to match insurer loss reimbursement needs.

The FHCF's portfolios include only short-term, high quality and highly liquid fixed income securities. At the time of purchase, all investments must be rated by at least two of the three rating agencies, Moody's Investors Service ("Moody's"), S&P Global Ratings, a division of S&P Global Inc. ("S&P"), and Fitch Ratings ("Fitch"), except for money market mutual funds and repurchase agreements, which must have at least one rating. The minimum ratings for short-term investments are "P-1" by Moody's, "A-1" by S&P, and/or "F1" by Fitch. The minimum ratings for long-term investments are "A2" by Moody's, "A" by S&P, and/or "A" by Fitch. The FHCF's intent is to have a short-term portfolio that can provide ready liquidity at a price approximating amortized cost. Limiting the duration of investments in the portfolios is one important way that this goal can be achieved. Permitted fixed income securities and their diversification limits along with duration restrictions are described below:

FHCF Operating Funds – Liquidity Fund

- U.S. Treasury securities and U.S. Government Agency securities (at least 60% of total portfolio market value);
- Corporate and Municipal debt securities (not more than 40% of total portfolio market value);
- Not more than 35% of the total market value will be invested in a single federal agency or other Government-Sponsored Enterprise acting under federal authority
- Repurchase Agreements collateralized at least 102% with U.S. Government, Agency, or Agency Mortgage Backed Securities (not more than 25% of total portfolio market value).

- Final maturities shall not exceed 365 days, with the exception of commercial paper which shall not exceed 180 days.
- No more than 50% of total portfolio market value may be invested in fixed rate securities with remaining time to maturity exceeding 183 days.
- The dollar weighted average maturity to reset of the portfolios shall not exceed 60 days, calculated using the interest rate reset period for any Variable Rate Obligations ("VROs"), and the dollar weighted average final maturity of the portfolios shall not exceed 60 days, calculated using the stated legal maturity for any VROs.
- The maximum term for Repurchase Agreements shall not exceed one trading day.

As of _____, _____, the FHCF's Operating Funds – Liquidity Fund portfolio (which is a part of the Corpus of the FHCF) totals \$9.2 billion and has an average duration of 324 days. The FHCF Operating Funds – Liquidity Fund portfolio is currently 64% invested in U.S. Treasury and U.S. Government Agency securities and 36% invested in corporate securities. **[update]**

FHCF Operating Funds – Claims-Paying Fund

- U.S. Treasury securities and U.S. Government Agency securities (at least 50% of total portfolio market value);
- Corporate and Municipal debt securities (not more than 50% of total portfolio market value);
- Not more than 35% of the total market value will be invested in a single federal agency or other Government-Sponsored Enterprise acting under federal authority
- Repurchase Agreements collateralized at least 102% with U.S. Government, Agency, or Agency Mortgage Backed Securities (not more than 15% of total portfolio market value).
- Final maturities shall not exceed 60 days.
- No more than 75% of total portfolio market value may be invested in fixed rate securities with remaining time to maturity exceeding 730 days.
- The dollar weighted average maturity to reset of the portfolios shall not exceed 14 days, calculated using the interest rate reset period for any Variable Rate Obligations ("VROs"), and the dollar weighted average final maturity of the portfolios shall not exceed 14 days, calculated using the stated legal maturity for any VROs.
- The maximum term for Repurchase Agreements shall not exceed 30 days.

As of _____, _____, the FHCF's Operating Funds – Claims-Paying portfolio (which is a part of the Corpus of the FHCF) totals \$2.4 billion and has an average duration of 172 days. The FHCF Operating Funds – Liquidity Fund portfolio is currently 64% invested in U.S. Treasury and U.S. Government Agency securities and 36% invested in corporate securities. **[update]**

SBA Finance Corporation Series 2020A Portfolio

- U.S. Treasury securities and U.S. Government Agency securities (at least 50% of total portfolio market value);
- Corporate and Municipal debt securities (not more than 50% of total portfolio market value);
- Municipal securities will not represent more than 25% of total market value
- Final maturities shall not exceed 545 days, with the exception of commercial paper which shall not exceed 270 days.

- The dollar weighted average maturity to reset of the portfolio shall not exceed 180 days, calculated using the interest rate reset period for any Variable Rate Obligations ("VROs"), and the dollar

As of _____, the FHCF's SBA Finance Corporation Series 2020A portfolio (which consists of the net proceeds of the 2020A Bonds and interest earnings thereon) totals \$3.5 billion and has an average duration of 184 days. The FHCF SBA Finance Corporation Series 2020A portfolio is currently 56% invested in U.S. Treasury and U.S. Agency securities and 44% invested in corporate securities (all maturing prior to the final maturity of the 2020A Bonds on July 1, 2030). **[update]**

FUTURE LEGISLATIVE AND REGULATORY CHANGES

The FHCF is a tax-exempt trust fund created by state law (Section 215.555, Florida Statutes, referred to herein as the "FHCF statute"). The Florida Legislature has amended the FHCF statute more than 30 times since its original enactment in 1993. The most recent legislative changes occurred in 2022. **[There were no changes to the FHCF statute during the most recent session that ended May 5, 2023.]**

Future actions of the Florida Legislature could involve significant amendments to the FHCF statute or other aspects of Florida insurance law which could have an adverse impact on the FHCF's financial position, operations, assessment base, or tax-exempt status. However, the FHCF statute includes covenants of the State of Florida to the effect that it will not:

- (i) limit or alter the rights of the FHCF and the Corporation to fulfill the terms of any agreements made with holders of the Corporation's obligations, including holders of the 2023A Bonds, or
- (ii) impair in any way the rights and remedies of holders of the Corporation's obligations, including holders of the 2023A Bonds,

as long as such obligations of the Corporation remain outstanding unless adequate provision has been made for the payment of such obligations of the Corporation. The FHCF statute also includes the covenant of the State of Florida that it will not limit or alter provisions prohibiting the FHCF and the Corporation from filing a voluntary petition under Chapter 9 of the Federal Bankruptcy Code while such obligations, including the 2023A Bonds, are outstanding.

Regardless of any potential future legislative activity, the FHCF's ability to meet its obligations under the 2023A Bonds is protected by Article I, Section 10 of the Florida Constitution, which prohibits laws impairing the obligation of contracts. Therefore, based on the foregoing, any legislation that may be enacted in the future is not expected to have a material effect on the FHCF's ability to meet future obligations with respect to the 2023A Bonds or the Outstanding Parity Obligations.

LITIGATION

General

There is no litigation of any nature now pending against the Corporation or the SBA, or, to the best knowledge of the Corporation and the SBA, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2023A Bonds or in any way contesting or affecting the validity of the 2023A Bonds or any proceedings of the Corporation or the SBA taken with respect to the issuance or sale thereof.

There is no litigation of any nature now pending against the Corporation or the SBA, or, to the best knowledge of the Corporation or the SBA, threatened, that in any way questions or affects the validity of the pledge or application of any moneys or security provided for the payment of the 2023A Bonds.

Previous Litigation

After the FHCF's inception in 1993 and until final resolution of the issues in 1996, the FHCF was challenged by over 40 insurance companies on a number of grounds in civil and administrative actions in the State. The Circuit Court of the Second Judicial Circuit in and for Leon County, Florida upheld the constitutionality of the FHCF under the State Constitution. This decision was affirmed by decision of the First District Court of Appeal on August 1, 1995. The State Supreme Court affirmed the decisions of the circuit court and the appellate court by opinion dated June 27, 1996 in *American Bankers Insurance Company, et al. v. Chiles*, 675 So.2d 922 (Fla. 1996) ("*American Bankers*"). As a result of *American Bankers*, the plaintiffs' insurance companies dismissed all other civil and administrative actions.

The constitutionality of the FHCF under the United States Constitution was challenged by the Vesta Insurance Company in federal district court. The federal district court upheld the constitutionality of the FHCF on October 25, 1996 in *Vesta Fire Insurance Corporation, f/k/a Liberty National Fire Insurance Company, Vesta Insurance Corporation and Sheffield Insurance Corporation, Alabama corporations, Plaintiffs, v. State of Florida, Department of Insurance, William Nelson in his capacity as Insurance Commissioner, State Board of Administration, Ash Williams, Jr., in his capacity as Executive Director, Defendants*.

Validation Proceedings Pursuant to Florida Statutes

In July 1996, the Corporation adopted a resolution authorizing the execution and issuance of not to exceed \$10 billion in debt of the Corporation. The Act, as originally enacted, required that the Corporation validate the issuance of its bonds in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida (the "Circuit Court"), pursuant to Chapter 75, Florida Statutes. During the 2006 Legislative Session ended May 5, 2006, the Act was amended to remove the validation requirement.

On November 12, 1996, in connection with the original validation requirement, and pursuant to authority granted by the authorizing resolution, the Corporation filed a validation complaint in the Circuit Court. In accordance with the requirements of State law, the State Attorney for Leon County formally contested the validation, raising ten points in opposition. Several of the defenses asserted by the State Attorney were based upon the State Constitution including: (i) the FHCF was not properly created under Article III, Section 19(f)(1) of the State Constitution; (ii) the FHCF did not contain a sunset provision required by Article III, Section 19(f)(2) of the State Constitution; (iii) the Corporation's debt would pledge the State's credit in violation of Article VII, Sections 10 and 11(a) of the State Constitution and (iv) the revenues of the Corporation were tax revenues pledged to the debt without voter approval.

Following a properly noticed hearing, the Circuit Court found in favor of the Corporation, specifically rejecting the State's Attorney constitutional objections. The Circuit Court determined that the FHCF had been properly created and was exempt from the sunset requirement pursuant to Article III, Section 19(f)(3) of the State Constitution. Moreover, after determining that receipts of the FHCF were not State tax revenues, the Circuit Court found that debt of the Corporation, a "legal entity separate and distinct from the State and its agencies," would be payable solely from receipts of the FHCF. Therefore, debt of the Corporation would not pledge the full faith and credit of the State and did not require voter approval.

As then required by the Act, the State Attorney for Leon County filed a mandatory appeal directly with the State Supreme Court. In *State of Florida, et al. v. Florida Hurricane Catastrophe Fund Finance Corporation, et al.* (1997), the State Supreme Court affirmed the trial court's judgment.

The proceedings described in this section and the "Previous Litigation" section above are dispositive of any material State constitutional questions that could have been raised as to the FHCF, the Corporation and the 2023A Bonds. As a result of certain material changes to the Master Indenture and the Pledge Agreement since the conclusion of the validation proceedings described above, no representation can be made that the 2023A Bonds have been validated by the Circuit Court. However, as a result of the amendment to the Act in 2006 removing the validation requirement, validation of the 2023A Bonds is no longer a prerequisite to the valid issuance of the 2023A Bonds under the Act. See "APPROVAL OF LEGALITY" herein and "APPENDIX E, FORM OF APPROVING OPINION."

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the 2023A Bonds upon an Event of Default under the Master Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under the existing constitutional and statutory law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies specified in the Master Indenture and other remedies under applicable law may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2023A Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "PLEDGE AND SECURITY FOR 2023A BONDS—No Bankruptcy" herein for a discussion regarding the circumstances under which neither the FHCF nor the Corporation will have the ability to file a voluntary petition under Chapter 9 of the Federal Bankruptcy Code.

TAX MATTERS

General

The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the 2023A Bonds and is based on the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service ("IRS") and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the 2023A Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities

and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold 2023A Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the 2023A Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term "U.S. Holder" means a beneficial owner of a 2023A Bond who or which is: (i) an individual citizen or resident of the United States; (ii) a corporation, partnership or other entity treated as a corporation for U.S. federal income tax purposes created or organized under the laws of the United States or any political subdivision thereof or therein; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. Partnerships holding 2023A Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the 2023A Bonds, including their status as a U.S. Holder. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a 2023A Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF 2023A BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE 2023A BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE 2023A BONDS BEFORE DETERMINING WHETHER TO PURCHASE 2023A BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE 2023A BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

NON-U.S. HOLDERS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The 2023A Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the 2023A Bonds or original issue discount, if any, accruing on the 2023A Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of 2023A Bonds. An owner will recognize capital gain or loss on the redemption, sale, exchange or other taxable disposition of a 2023A Bond equal to the difference, if any, between the amount realized upon the disposition of such 2023A Bond (exclusive of any amount paid for accrued interest) and the owner's adjusted tax basis in the 2023A Bonds. Generally, a U.S. Holder's tax basis in the 2023A Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the 2023A Bonds has been held for more than one year. The deductibility of capital losses is subject to certain limitations.

Defeasance of the 2023A Bonds. Defeasance of any 2023A Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the 2023A Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes.

PROSPECTIVE PURCHASERS OF THE 2023A BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the 2023A Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the withholding or backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a 2023A Bond, will not be subject to U.S. federal income or withholding tax in respect of such 2023A Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a 2023A Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

LEGALITY FOR INVESTMENTS

By the terms of the Act, the 2023A Bonds are legal investments under the Act for all public bodies of the State, banks, trust companies, savings banks, savings associations, savings and loan associations, investment companies, administrators, executors, trustees, fiduciaries, insurance companies and associations, other persons carrying on an insurance business and all other persons who are now or may hereafter be authorized to invest in bonds or other obligations of the State. The 2023A Bonds also constitute eligible securities for deposit as collateral for the security of any State, county, municipal or other public funds.

APPROVAL OF LEGALITY

Legal matters incident to the authorization and validity of the 2023A Bonds are subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida. The form of opinion regarding the validity of the 2023A Bonds is attached to this Official Statement as "APPENDIX E, FORM OF APPROVING OPINION" and will be available at the time of delivery of the 2023A Bonds. The actual legal opinion to be delivered by Bond Counsel may vary from the text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or express any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Certain legal matters will be passed upon for the Corporation by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel to the Corporation. Certain legal matters will be passed upon for the SBA and the FHCF by their respective in-house counsels and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel, and for the Underwriters by _____, _____, _____.

RATINGS

Moody's, S&P and Fitch have assigned municipal long-term ratings of "___" (___ outlook), "___" (___ outlook), and "___" (___ outlook), respectively, to the 2023A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; S&P, 55 Water Street, New York, New York 10041; and Fitch, 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2023A Bonds.

AUDITED FINANCIAL STATEMENTS

The financial statements of the FHCF for the Fiscal Years ended June 30, 2023 and June 30, 2022 and the report thereon of Crowe LLP are included in this Official Statement as "APPENDIX B, FINANCIAL

STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND FOR FISCAL YEARS ENDED [JUNE 30, 2023 AND JUNE 30, 2022]." Such statements speak only as of their date. The Corporation is treated as a blended component unit of the FHCF. Accordingly, it does not issue separate stand-alone audited financial statements. Accounts of the Corporation and results of its operations are blended with those of the FHCF for financial statement presentation purposes. The financial statements of the FHCF, including the report of Crowe LLP, have been included in this Official Statement as public documents, and the consent of Crowe LLP to include such documents in this Official Statement was not requested. Crowe LLP has not been engaged to perform and has not performed since the date of its report included herein as APPENDIX B, any procedures on the combined financial statements addressed in that report. Crowe LLP also has not performed any procedures relating to this Official Statement or any other prospectus or offering memorandum.

FINANCIAL ADVISOR

Raymond James & Associates, Inc., St. Petersburg, Florida is serving as Financial Advisor to the Corporation and the FHCF with respect to the sale of the 2023A Bonds. The Financial Advisor assisted in matters relating to the planning, structuring and issuance of the 2023A Bonds. Raymond James & Associates, Inc. did not engage in any underwriting activities with regard to the issuance and sale of the 2023A Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the Corporation and SBA to provide continuing secondary market disclosure.

UNDERWRITING

The 2023A Bonds are being purchased by _____, on behalf of itself and _____ and _____ (collectively, the "Underwriters"). Subject to certain conditions set forth in a bond purchase agreement to be entered into between the Corporation and the Underwriters, the Underwriters have agreed to purchase the 2023A Bonds at a price of \$_____, which represents the par amount of the 2023A Bonds less an underwriting discount of \$_____.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Corporation and to persons and entities with relationships with the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Corporation. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express

independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

The Corporation and the SBA, acting as the governing body and administrator of the FHCF, will undertake, for the benefit of the owners of the 2023A Bonds, to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain enumerated events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access system ("EMMA"). Event notices also will be transmitted to the MSRB using EMMA. The form of the undertaking is set forth in "APPENDIX F, FORM OF CONTINUING DISCLOSURE AGREEMENT." This undertaking is being made in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule").

INFORMATION TECHNOLOGY SECURITY

Similar to other large organizations, the State relies on electronic systems and information technologies ("IT") to conduct operations. Protecting the State's IT infrastructure and data is essential to delivering government services.

The FHCF, as part of the SBA, protects its data and IT infrastructure through a multifaceted cybersecurity strategy. The FHCF's cybersecurity strategy includes a comprehensive set of security policies and procedures which are designed to guide staff in their cybersecurity responsibilities; a security awareness program, which educates staff on active cybersecurity threats and security best practices; and a risk-based threat and vulnerability management program, which is internally monitored. Additionally, the FHCF has implemented access and authentication protocols, which includes multi-factor authentication, and industry standard encryption to protect data in transit and at rest. As a further precaution, the FHCF's cybersecurity program is subjected to routine internal audits to evaluate the effectiveness of the program, as well as annual external audits and penetration testing to identify opportunities to improve its security posture. The FHCF's cybersecurity strategy is supported by administrative and technical controls which assist in identifying potential threats and preventing attacks that may target the FHCF's data and IT systems. In the event a cybersecurity issue arises, the FHCF has an incident response capability to quickly address such issues.

ENVIRONMENTAL RISK FACTORS

With more than 2,000 linear miles of coastline, Florida's weather and natural resources affect its economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches are responsible for attracting seasonal and permanent residents and tourists to the State. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, especially hurricanes. The State has mitigated its vulnerability to the impacts of hurricanes with a robust emergency response system, hardened infrastructure through building codes and coastal setbacks, and the establishment of the FHCF and Citizens to stabilize the property insurance market in the State. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption.

The State has effectively responded to past environmental events, such as multiple hurricanes and the 2010 oil spill in the Gulf of Mexico from the Deepwater Horizon oil drilling rig, and has a variety of resources available to respond to damage caused by such events. The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. In addition, upon a declaration of a state of emergency, Florida law provides the Governor broad spending authority to meet financial needs resulting from a disaster. The Division of Emergency Management ("DEM") was established as part of the State's structure to plan for and respond to both natural and manmade disasters. In addition to coordinating disaster response activities, DEM prepares and implements a statewide Comprehensive Emergency Management Plan and routinely conducts extensive exercises to test state and county emergency response capabilities. In January 2019, the Governor created the Office of Environmental Accountability and Transparency, led by the State's Chief Science Officer, within the Department of Environmental Protection to, in part, conduct scientific research that focuses on current and emerging environmental concerns most pressing to Floridians.

In 2019, the Governor created the position of Chief Resilience Officer to work with state agencies to, in part, develop and coordinate the implementation of a comprehensive statewide resilience plan with goals designed to mitigate and adapt to the environmental challenges facing Florida's communities.

The magnitude of the impact on the State's operations, economy, or financial condition from environmental risks is indeterminate and is unpredictable for future natural disasters like hurricanes, tropical storms, and naturally occurring phenomena like red tide. **[However, for the _____ Atlantic hurricane season, spanning June 1 to November 30, the National Oceanic and Atmospheric Association's Climate Prediction Center forecasts ____-____ named storms which is more activity than the average hurricane season that produces _____ named storms.] [update]** There can be no assurance that such risks will not adversely affect the operations, economy, or financial condition of the State.

MISCELLANEOUS

The references herein to the Act, the Master Trust Indenture, the Seventh Supplemental Indenture, the Ninth Supplemental Indenture, the Pledge Agreement, the 2023A Bonds, and other materials are brief descriptions of certain provisions thereof. Such descriptions do not purport to be complete, and for full and complete statements of such provisions reference is made to such instruments, documents and other materials, copies of which are on file with the Corporation and at the principal corporate trust office of the Master Trustee.

The information contained in this Official Statement has been compiled or prepared from information obtained from the Corporation, the SBA, the FHCF and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The execution and delivery of this Official Statement have been duly authorized by the Corporation and the SBA as Administrator of and on behalf of the FHCF.

**STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION**

President

**STATE BOARD OF ADMINISTRATION OF
FLORIDA**, as Administrator of and on behalf of the
Florida Hurricane Catastrophe Fund

**Interim Executive Director and Chief Investment
Officer**

APPENDIX A

STATE OF FLORIDA – GENERAL INFORMATION

APPENDIX B

**FINANCIAL STATEMENTS OF THE FLORIDA HURRICANE CATASTROPHE FUND
FOR FISCAL YEARS ENDED [JUNE 30, 2023 AND JUNE 30, 2022]**

APPENDIX C-1

DEFINITIONS

APPENDIX C-2

MASTER TRUST INDENTURE; SEVENTH SUPPLEMENTAL INDENTURE

APPENDIX C-3

FORM OF NINTH SUPPLEMENTAL INDENTURE

APPENDIX C-4

PLEDGE AND SECURITY AGREEMENT

APPENDIX D

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

The information set forth in this APPENDIX D is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (DTC, Euroclear and Clearstream together, the "Clearing Systems") currently in effect. The information in this APPENDIX D concerning the Clearing Systems has been obtained from sources believed to be reliable, but the Corporation does not take any responsibility for the accuracy, completeness or adequacy of the information in this APPENDIX D. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Corporation will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein and in the Trust Agreement to the Bondholders, registered owners or owners (or similar terms) of the Bonds shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Bonds.

DTC Book-Entry-Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participant's accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in

"street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL OF OR INTEREST PAYMENT THEREON.

The Corporation and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of, or interest on, the Bonds, giving any notice permitted or required to be given to registered owners under the Trust Agreement, registering the transfer of the Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Corporation and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Corporation (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal of or interest on the Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Corporation; or other action taken by DTC as registered owner.

Global Clearance Procedures

Beneficial interests in the 2023A Bonds may be held through DTC, Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank SA/NV ("Euroclear") as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system.

Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. The 2023A Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such 2023A Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfer Procedures. Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected by DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time.

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The Corporation will not impose any fees in respect of holding the 2023A Bonds; however, holders of book-entry interests in the 2023A Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and Clearstream.

Initial Settlement. Interests in the 2023A Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the 2023A Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the 2023A Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the

business day following the date of delivery of the 2023A Bonds against payment (value as on the date of delivery of the 2023A Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the 2023A Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the 2023A Bonds following confirmation of receipt of payment to the Corporation on the date of delivery of the 2023A Bonds.

Secondary Market Trading. Secondary market trades in the 2023A Bonds will be settled by transfer of title to book-entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2020B Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the 2023A Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the 2023A Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the 2023A Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the 2023A Bonds, or to receive or make a payment or delivery of the 2023A Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information. It is expected that the 2023A Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The CUSIP numbers for the 2023A Bonds are set forth on the inside cover of the Official Statement.

General. Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

NEITHER THE CORPORATION NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY FOR THE PERFORMANCE BY EUROCLEAR OR CLEARSTREAM OR THEIR RESPECTIVE DIRECT OR INDIRECT PARTICIPANTS OR ACCOUNT HOLDERS OF THEIR RESPECTIVE OBLIGATIONS UNDER THE RULES AND PROCEDURES GOVERNING THEIR OPERATIONS OR THE ARRANGEMENTS REFERRED TO ABOVE.

APPENDIX E

FORM OF APPROVING OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the State Board of Administration Finance Corporation (the "Corporation") and the State Board of Administration of Florida (the "State Board of Administration") acting as the governing body and administrator of the Florida Hurricane Catastrophe Fund (the "FHCF") in connection with the issuance of its \$_____ aggregate principal amount of State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable) (the "Bonds"). The Bonds are being issued pursuant the Master Trust Indenture and the Ninth Supplemental Indenture relating to the Bonds between the Corporation and Regions Bank, Jacksonville, Florida (successor to Wells Fargo Bank, N.A.), executed as of June 1, 2006 and _____ 1, _____, respectively (collectively, the "Indenture").

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Corporation and the State Board of Administration for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Indenture which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially, **[State Board Administration]**, or any successor Dissemination Agent designated in writing by the Corporation and which has filed with the Corporation a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Corporation, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a)

The Corporation shall, or shall cause the Dissemination Agent to, not later than each April 30th (or, if such date falls on a Saturday, Sunday or holiday, then the first business day thereafter), commencing June 30, 2024 with respect to the report for the 2023 fiscal year, provide to any Repository in the electronic format as required and deemed acceptable by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Corporation's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Corporation by telephone and in writing (which may be by e-mail) to remind the Corporation of its undertaking to provide

the Annual Report pursuant to Section 3(a). Upon such reminder, the Corporation shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Corporation will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;
- (ii) if the Dissemination Agent is other than the Corporation, unless waived, file a report with the Corporation certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing any Repository to which it was provided; and
- (iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Corporation irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Corporation's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Corporation and the FHCF for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Corporation's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated _____, 2023 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) Financial Information and Operating Data. For fiscal years ending on June 30, 2023 and thereafter, annual historical financial information and operating data shall be provided within nine months after the end of the FHCF's fiscal year. Such information shall include:

- (i) Historical Debt Service Coverage; and
- (ii) Tabular information set forth in the Official Statement entitled:

- a. "Historical Summary of Revenues, Expenses and Changes in Net Position,"
- b. "Reimbursement Premiums Paid by 10 Largest Participating Insurers"
- c. "Total Reimbursement Premium Collections,"
- d. "Historical Premium Subject to Assessments" and
- e. "Historical Direct Written Premiums for Admitted Lines and Surplus Lines Insurers."

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Corporation or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The Corporation reserve the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Corporation; provided that the Corporation and agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Corporation shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Corporation or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation or Obligated Person, any of which affect security holders, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Corporation or Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Corporation to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Corporation;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Corporation's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Corporation, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Corporation shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Corporation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Corporation pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the State Board of Administration of Florida.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Agreement, the Corporation may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Corporation, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the Corporation shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Corporation shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Corporation. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Agreement shall be deemed to prevent the Corporation from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Corporation chooses to include any information in

any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Corporation shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Corporation set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Corporation to comply with any provision of this Disclosure Agreement, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Corporation to comply with its obligations under this Disclosure Agreement; provided, however, the sole remedy under this Disclosure Agreement in the event of any failure of the Corporation to comply with the provisions of this Disclosure Agreement shall be an action to compel performance. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Corporation has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Corporation and shall not be deemed to be acting in any fiduciary capacity for the Corporation, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Corporation's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Corporation has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of the Corporation at all times.

The obligations of the Corporation under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Corporation.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

[Remainder of page intentionally left blank]

SECTION 13. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the Corporation, State Board Administration, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of _____, 2023

STATE BOARD OF ADMINISTRATION FINANCE
CORPORATION

By: _____
Name: Gina Wilson, CPM, ARe, CPCU
Title: President

STATE BOARD OF ADMINISTRATION OF
FLORIDA, on behalf of the
Florida Hurricane Catastrophe Fund, and as
Dissemination Agent

By: _____
Name: Lamar Taylor
Title: Interim Executive Director

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Corporation: State Board of Administration Finance Corporation and the State Board of Administration of Florida

Obligated Person: _____

Name(s) of Bond Issue(s): State Board of Administration Finance Corporation Revenue Bonds, Series 2023A (Taxable)

Date(s) of Issuance: _____

Date(s) of Disclosure: _____

Certificate:

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement between the Corporation and State Board of Administration, as Dissemination Agent. [The Corporation have notified the Dissemination Agent that it anticipates that the Annual Report will be filed by_____].

Dated:_____

STATE BOARD OF ADMINISTRATION OF
FLORIDA, as Dissemination Agent, on behalf of the
Corporation

cc:

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Corporation's and/or Other Obligated Person's Name:

Corporation's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: ____

____ Description of Notice Events (Check One):

1. ____ "Principal and interest payment delinquencies;"
2. ____ "Non-Payment related defaults, if material;"
3. ____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. ____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. ____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. ____ "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
7. ____ "Modifications to rights of securities holders, if material;"
8. ____ "Bond calls, if material, and tender offers;"
9. ____ "Defeasances;"
10. ____ "Release, substitution, or sale of property securing repayment of the Bonds, if material;"
11. ____ "Rating changes;"
12. ____ "An Event of Bankruptcy or similar event of an Obligated Person;"
13. ____ "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. ____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15. ____ "Incurrence of a Financial Obligation of the Corporation or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation or Obligated Person, any of which affect security holders, if material;"

16._____"Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Corporation or Obligated Person, any of which reflect financial difficulties;" and

17._____"Failure to provide annual financial information as required."

I hereby represent that I am authorized by the Corporation or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date: