

MEETING OF THE STATE BOARD OF ADMINISTRATION

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

December 6, 2016

To View Agenda Items, Click on the Following Link:

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AGENDA

- ITEM 1. REQUEST APPROVAL OF THE MINUTES OF THE SEPTEMBER 20, 2016 AND OCTOBER 25, 2016 CABINET MEETINGS.**

(See Attachments 1A – 1B)

ACTION REQUIRED

- ITEM 2. REQUEST APPROVAL OF A FISCAL DETERMINATION OF AN AMOUNT NOT EXCEEDING \$450,000,000 FLORIDA HOUSING FINANCE CORPORATION HOMEOWNER MORTGAGE REVENUE BONDS, 2017 PHASE ONE (MULTIPLE SERIES TO BE DETERMINED).**

(See Attachments 2A-2D)

ACTION REQUIRED

- ITEM 3. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE FOR AN AMENDMENT TO FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS, AND REPEAL OF FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.030, F.A.C., INSURER RESPONSIBILITIES, AND TO FILE THESE RULES, 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 Attachments 3A – 3M)

ACTION REQUIRED

- ITEM 4 REQUEST APPROVAL OF A 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.” (SECTION 218.409(6)(a)1, F.S.)**

(See Attachments 4A - 4D)

ACTION REQUIRED

- ITEM 5. QUARTERLY REPORTS PURSUANT TO SECTION 215.44 (2)(e), FLORIDA STATUTES**

- Executive Director & CIO Introductory Remarks and Standing Reports – *Ash Williams*
- Major Mandates Investment Performance Reports as of June 30, 2016 – *Kristen Doyle – Hewitt EnnisKnupp*
 - Florida Retirement System Pension Plan (DB)
 - Florida Retirement System Investment Plan (DC)
 - Florida PRIME (Local Government Surplus Funds Trust Fund) and Fund B
 - Florida Hurricane Catastrophe Fund (FHCF)

(See Attachments 5A – 5H)

- ITEM 6. EVALUATION AND REAFFIRMATION OF THE EXECUTIVE DIRECTOR.**

F.S. 215.441 provides that the State Board of Administration’s Executive Director must be reaffirmed annually by the Board of Trustees following the original appointment. Mr. Williams was appointed Executive Director in 2008.

(See Attachments 6A – 6C)

ACTION REQUIRED

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STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND
CABINET

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER
JEFF ATWATER
COMMISSIONER OF AGRICULTURE
ADAM PUTNAM

DATE: TUESDAY, SEPTEMBER 20, 2016

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER

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* * * *

1 **STATE BOARD OF ADMINISTRATION**

2
3 GOVERNOR SCOTT: Next I'd like to recognize
4 Ash Williams with the State Board of
5 Administration.

6 EXECUTIVE DIRECTOR WILLIAMS: Good afternoon,
7 Governor, Cabinet members.

8 By way of openers, an update on performance,
9 calendar year-end -- calendar year-to-date, the
10 Florida Retirement System Trust Fund is up 5.26%.
11 That's 5 bases points ahead of target.

12 We're \$2 billion ahead of where we started the
13 fiscal year. That is net of 5.1 billion and
14 retirement payment distributions.

15 Item 1, request approval of the minutes of the
16 August 2 Cabinet meeting.

17 GOVERNOR SCOTT: Is there a motion on the
18 item?

19 CFO ATWATER: So move.

20 GOVERNOR SCOTT: Is there a second?

21 ATTORNEY GENERAL BONDI: Second.

22 GOVERNOR SCOTT: Comments or objections?

23 (NO RESPONSE).

24 GOVERNOR SCOTT: Hearing none, the motion
25 carries.

1 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

2 Item 2, request approval of a fiscal
3 sufficiency in an amount not exceeding \$62 million
4 State of Florida Board of Governors, Florida
5 Atlantic University dorm revenue refunding bonds.

6 GOVERNOR SCOTT: Is there a motion on the
7 item?

8 ATTORNEY GENERAL BONDI: So move.

9 GOVERNOR SCOTT: Is there a second?

10 COMMISSIONER PUTNAM: Second.

11 GOVERNOR SCOTT: Comments or objections?

12 (NO RESPONSE).

13 GOVERNOR SCOTT: Hearing none, the motion
14 carries.

15 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

16 Item 3, request approval of a resolution of
17 the State Board of Administration of Florida making
18 the fiscal determination in connection with the
19 issuance of an amount not exceeding 3.8 million
20 Florida Housing Finance Corporation multifamily
21 mortgage revenue notes. These are for the
22 acquisition and rehab of multifamily housing in
23 Jacksonville, Duval County.

24 GOVERNOR SCOTT: Is there a motion on the
25 item?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 4, request approval of a resolution of the SBA making the fiscal determination in connection with the issuance of an amount not exceeding \$7 million Florida Housing Finance Corporation multifamily mortgage revenue notes. This relates to the Hickory Knoll acquisition and rehab multifamily housing facility in Ocala, Marion County.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So move.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 5, request approval of a resolution of the SBA making the fiscal determination in connection with the issuance of an amount not exceeding 5,590,000 Florida Housing Finance Corporation multifamily mortgage revenue bonds. This is the acquisition and rehab of the Century Park Affordable Multifamily Housing facility in Escambia County.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So move.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 6, request approval of a resolution of the State Board of Administration making the fiscal determination in connection with the issuance of an amount not exceeding \$7.25 million Florida Housing Finance Corporation multifamily mortgage revenue notes. These are notes associated with

1 Seminole Gardens, a multifamily affordable housing
2 complex in Sanford, Seminole County.

3 GOVERNOR SCOTT: Is there a motion on the
4 item?

5 ATTORNEY GENERAL BONDI: So move.

6 GOVERNOR SCOTT: Is there a second?

7 CFO ATWATER: Second.

8 GOVERNOR SCOTT: Comments or objections?

9 (NO RESPONSE).

10 GOVERNOR SCOTT: Hearing none, the motion
11 carries.

12 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

13 Item 7, request approval to file for notice
14 amendments to Rule 19-7.002 of Florida
15 Administrative Code. This is the investment policy
16 guidelines for Florida Prime or the participant
17 Local Government Fund -- I'm sorry, the Local
18 Government Surplus Funds Trust Fund. This is
19 essentially to bring it in compliance with current
20 SEC regulations.

21 GOVERNOR SCOTT: Is there a motion on the
22 item?

23 ATTORNEY GENERAL BONDI: So move.

24 GOVERNOR SCOTT: Is there a second?

25 CFO ATWATER: Second.

1 GOVERNOR SCOTT: Comments or objections?

2 (NO RESPONSE).

3 GOVERNOR SCOTT: Hearing none, the motion
4 carries.

5 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

6 Item 8, request approval of an authority to
7 file notice of a proposed rule for the Florida
8 Hurricane Catastrophe Fund reimbursement contract.
9 We've already held a workshop on this, no
10 controversy. No public comments have been received
11 since the workshop.

12 GOVERNOR SCOTT: Is there a motion on the
13 item?

14 ATTORNEY GENERAL BONDI: So move.

15 GOVERNOR SCOTT: Is there a second?

16 CFO ATWATER: Second.

17 GOVERNOR SCOTT: Comments or objections?

18 (NO RESPONSE).

19 GOVERNOR SCOTT: Hearing none, the motion
20 carries.

21 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

22 Item 9, request appointment of a chair for the
23 Florida Commission on Hurricane Loss Projection
24 Methodology. We would like to reappoint the
25 existing Chair, Lorilee Medders. She's eminently

1 qualified for this technical role and has done a
2 terrific job in it.

3 GOVERNOR SCOTT: Is there a motion on the
4 item?

5 ATTORNEY GENERAL BONDI: So moved.

6 GOVERNOR SCOTT: Is there a second?

7 CFO ATWATER: Second.

8 GOVERNOR SCOTT: Any comments or objections?

9 (NO RESPONSE).

10 GOVERNOR SCOTT: Hearing none, the motion
11 carries.

12 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

13 Item 10 is quarterly reports of the SBA. I
14 will cut to the chase here and say simply that we
15 had a four-hour Investment Advisory Council meeting
16 yesterday in which we went in depth into our two
17 largest liquid market classes: Global equities and
18 fixed income, both of which have outperformed and
19 done well over long periods of time.

20 To give you an idea of the complexity of some
21 of this, in the global equity portfolio alone we're
22 managing \$78 billion in that book, 11,000 different
23 securities in 77 countries and 52 currencies. And
24 what was interesting was we had a graphic showing
25 60 trailing 12-month periods, so five years of

1 one month trailing 12 months, looking at every one
2 of those data points. 59 of the 60 points, we were
3 outperforming benchmark.

4 So the Investment Advisory Council said, wait
5 a minute, this doesn't look right, it's too good,
6 something is wrong with us, we need to dig into
7 this. An hour and 15 minutes later the conclusion
8 was, wow, that's really good, it's just fine.
9 Thank you.

10 So at any rate, that was sort of the tone of
11 the meeting. I would also add that the control
12 environment, as evidenced by the materials in your
13 book, including the quarterly reports from our
14 General Counsel, minutes from IAC, the PLGAC, the
15 Audit Committee, our Inspector General, our Chief
16 Risk Management and Compliance Officer, all
17 indicate that the control environment is intact and
18 there are no exemptions of note.

19 We have with us Kristen Doyle who was -- it
20 just hit the wire a couple of hours ago, has just
21 been named one of the five most influential
22 consultants in the business by her peers in the
23 institutional management business. Kristen is with
24 us and can give a very high level recap on major
25 mandate performance, if that pleases the Board.

1 GOVERNOR SCOTT: You can be hired if you lived
2 in Florida, right? Why can't you move?

3 MS. DOYLE: Well, I have to say, we did a
4 little due diligence on Florida this summer. We
5 spent about eight days in the Tampa area with some
6 good friends, and I also had another friend who
7 just passed the Florida Bar and they just moved to
8 Jacksonville. So maybe one of these days,
9 Governor, I'll --

10 GOVERNOR SCOTT: You're going to get here.
11 You're in Chicago?

12 MS. DOYLE: I am.

13 GOVERNOR SCOTT: Golly.

14 ATTORNEY GENERAL BONDI: He knows where you
15 are.

16 GOVERNOR SCOTT: Think about it for a second,
17 the pay raise --

18 MS. DOYLE: You don't have to think about it
19 for too long.

20 GOVERNOR SCOTT: The crime rate.

21 MS. DOYLE: The pensions, the weather.

22 GOVERNOR SCOTT: The weather.

23 Congratulations --

24 MS. DOYLE: So with that --

25 GOVERNOR SCOTT: Congratulations, by the way.

1 MS. DOYLE: Thank you.

2 I will just spend, as I do, just a brief few
3 minutes on performance of the major mandates that
4 are managed by the SBA. These are numbers through
5 June 30th, 2016, for the total FRS Pension Fund.
6 For the quarter, the Pension Fund was up 1.3%,
7 which was a strong quarter by recent market
8 standards, matched the return of the performance
9 benchmark, what you see there in the blue bars.
10 This is the primary benchmark we use to measure
11 performance for the total fund.

12 For the one-year period, which is also the
13 fiscal year period, it produced a return of .6%,
14 driven mainly by strong absolute returns from fixed
15 income, private equity, and real estate. This
16 return significantly outperformed the performance
17 benchmark, which was slightly negative, as you can
18 see here. And if you look at based on sort of the
19 average market value for that period for the FRS,
20 that translates into about a billion dollars of
21 additional dollars for the pension plan over that
22 period of time.

23 Over the trailing periods, the total fund has
24 outperformed the performance benchmark over all of
25 those trailing periods you see here. And then over

1 longer time periods it has outperformed what we
2 call the absolute nominal target rate of return,
3 which is the CPI plus 5%, as you can see here.

4 Relative to peers, the FRS fell just short of
5 the median return, compared to the top ten defined
6 benefit funds for the one year period. This was
7 mainly due to an overweight to public equities
8 which struggled during the period, and underweight
9 to investment grade fixed income, which continued
10 to perform well as we saw rates continue to fall
11 over the one-year period.

12 Over all other periods shown here though, you
13 can see that the FRS is ranked in the
14 50th percentile or better.

15 I will continue to move, and if you have any
16 questions, please stop me.

17 So the investment plan here, the investment
18 plan underperformed its total plan benchmark for
19 the one-year period mainly due to underperformance
20 from just two fund options: The large cap
21 U. S. equity fund and the real assets funds, but as
22 you can see, has outperformed the benchmark over
23 all other trailing periods.

24 And then in the box on the bottom, relative to
25 peers, the investment plan fell short by about a

1 percent over the five-year period, mainly due to
2 the funds that the participant are choosing that
3 results in a higher allocation to cash and
4 short-term bonds relative to the peer plans that
5 we're showing here. And a big part of that are
6 dropped participants that typically take those
7 assets and invest them very conservatively.

8 The Cat Fund, again, low absolute returns as
9 we know from being invested in short-term bonds in
10 the low-yield environment that we are in; a
11 little bit of underperformance over the shorter
12 term, but continued out performance over the longer
13 terms.

14 And then for the Lawton Chiles Endowment Fund,
15 the negative performance you see here for the
16 one-year period was driven mainly by negative
17 returns from the global equity component, which
18 comprises 70% of the endowment assets. The
19 endowment continues to provide strong performance
20 both on a relative and an absolute basis though
21 over all of the longer time periods shown here.

22 And then lastly, the Florida Prime, in spite
23 of the low-yield environment, the Florida Prime has
24 managed to double and almost triple the return of
25 the benchmark which actually represents a

1 collection of returns from other local government
2 investment pools, and you see this for the quarter,
3 the 1-, the 3-, and the 5-year period, and then
4 continued out performance --

5 GOVERNOR SCOTT: How do you do that?

6 MS. DOYLE: -- over a long-term basis.

7 GOVERNOR SCOTT: How do you do that? If
8 you're not taking it just from -- are you taking
9 different risks?

10 EXECUTIVE DIRECTOR WILLIAMS: Cost.

11 GOVERNOR SCOTT: It's all costs?

12 MS. DOYLE: That's right.

13 GOVERNOR SCOTT: And so now all of these are
14 net of cost? Okay.

15 MS. DOYLE: These are all net of fees,
16 that's right.

17 GOVERNOR SCOTT: Okay.

18 MS. DOYLE: And that concludes my comments.
19 I'm happy to take any other questions.

20 GOVERNOR SCOTT: Anybody have any questions?

21 (NO RESPONSE).

22 GOVERNOR SCOTT: Thanks.

23 MS. DOYLE: Thank you.

24 GOVERNOR SCOTT: Move to Florida. How old are
25 your kids?

1 MS. DOYLE: I have a three year old.

2 GOVERNOR SCOTT: Can I talk to him and tell
3 him where Disney World is?

4 MS. DOYLE: Sure. He'll be happy to talk
5 back.

6 GOVERNOR SCOTT: Okay. I've got grandkids
7 that age, so I can talk to him.

8 Okay. Is that it, Ash?

9 EXECUTIVE DIRECTOR WILLIAMS: Yes.

10 GOVERNOR SCOTT: All right. Thanks, Ash.

11 You guys do a great job. Thank you very much.

12 This concludes today's meeting. Our next
13 meeting is October 4 in Tallahassee.

14 (WHEREUPON, THE MEETING WAS ADJOURNED).

15 * * * *

1 CERTIFICATE

2
3 STATE OF FLORIDA)
4 COUNTY OF LEON)

5 I, NANCY S. METZKE, RPR, FPR, certify that I
6 was authorized to and did stenographically report the
7 foregoing proceedings and that the transcript is a true
8 and complete record of my stenographic notes.

9 DATED this 30th day of September, 2016.

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11 _____
12 NANCY S. METZKE, RPR, FPR
13 Court Reporter
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STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND
CABINET

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER
JEFF ATWATER
COMMISSIONER OF AGRICULTURE
ADAM PUTNAM

DATE: TUESDAY, OCTOBER 25, 2016

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
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1 **STATE BOARD OF ADMINISTRATION**

2
3 GOVERNOR SCOTT: Next I'd like to recognize
4 Ash Williams with the State Board of
5 Administration. Hi, Ash.

6 EXECUTIVE DIRECTOR WILLIAMS: Governor,
7 Trustees, Cabinet members.

8 By way of update, calendar year to date 2016,
9 the Florida Retirement System Trust Fund has
10 returned 5.67%. That's 11 basis points ahead of
11 target. Net gain in the fund of \$2.2 billion;
12 that's net of distributions of 5.6 billion.

13 GOVERNOR SCOTT: Ash, that's calendar?

14 EXECUTIVE DIRECTOR WILLIAMS: Yes, sir, we
15 switched the time series to the longer of the
16 calendar or the fiscal year; and since we're past
17 fiscal year-end, we're at calendar.

18 So that's net of 5.6 billion in distributions
19 and leaves the fund with a balance of
20 \$144.2 billion.

21 Item 1, request approval of a fiscal
22 sufficiency of an amount not exceeding \$8.2 million
23 State of Florida, Board of Governors, Florida State
24 University parking facility revenue refunding
25 bonds.

1 GOVERNOR SCOTT: Is there a motion on the
2 item?

3 ATTORNEY GENERAL BONDI: So move.

4 GOVERNOR SCOTT: Is there a second?

5 CFO ATWATER: Second.

6 GOVERNOR SCOTT: Comments or objections?

7 (NO RESPONSE).

8 GOVERNOR SCOTT: Hearing none, the motion
9 carries.

10 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

11 Items 2 and 3 are both relating to affordable
12 housing transactions. Item 2, resolution of the
13 SBA making a fiscal determination in connection
14 with issuance of an amount not exceeding
15 \$10.6 million Florida Housing Finance Corporation
16 multifamily mortgage revenue bonds. This is
17 construction of a multifamily rental unit, The Park
18 at Wellington II in Pasco County.

19 GOVERNOR SCOTT: Go ahead and do 3.

20 EXECUTIVE DIRECTOR WILLIAMS: Very well.
21 Thank you.

22 Resolution of the SBA, a fiscal determination
23 in connection with issuance of \$17.95 million
24 Housing Finance Corporation multifamily mortgage
25 revenue notes. This is the Tuscany Cove I Project,

1 which is multifamily rental in Miami/Dade.

2 Items 2 and 3, request approval.

3 GOVERNOR SCOTT: Is there a motion on Items 2
4 and 3?

5 ATTORNEY GENERAL BONDI: So move.

6 GOVERNOR SCOTT: Is there a second?

7 CFO ATWATER: Second.

8 GOVERNOR SCOTT: Comments or objections?

9 (NO RESPONSE).

10 GOVERNOR SCOTT: Hearing none, the motions
11 carries.

12 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

13 Item 4, request approval of changes to the
14 charter of the Audit Committee of the State Board
15 of Administration. Periodically the Audit
16 Committee, in concert with our Chief Internal Audit
17 Executive and SBA management, reviews the charter,
18 makes adjustments as needed to bring it current.
19 That's what this is. It's certainly nothing
20 controversial.

21 GOVERNOR SCOTT: Is there a motion on the
22 item?

23 ATTORNEY GENERAL BONDI: So move.

24 GOVERNOR SCOTT: Is there a second?

25 CFO ATWATER: Second.

1 GOVERNOR SCOTT: Any comments or objections?

2 (NO RESPONSE).

3 GOVERNOR SCOTT: Hearing none, the motion
4 carries.

5 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

6 Item 5, request approval of revisions to the
7 Investment Policy Statement for the Florida
8 Retirement System Pension Plan as required under
9 Florida Statute 215.

10 This is follow-on to the September 19
11 Investment Advisory Council where a couple of
12 things were adopted unanimously. Number 1, we
13 clarified, and in my opinion, made more competitive
14 the secondary benchmark we use for private equity;
15 and we also put in place provisions to address the
16 new legislation related to the boycotting of
17 Israel.

18 GOVERNOR SCOTT: Is there a motion on the
19 item?

20 ATTORNEY GENERAL BONDI: So moved.

21 GOVERNOR SCOTT: Is there a second?

22 CFO ATWATER: Second.

23 GOVERNOR SCOTT: Comments or objections?

24 (NO RESPONSE).

25 GOVERNOR SCOTT: Hearing none, the motion

1 carries.

2 So 6 and 7 are the rules. Has everybody had a
3 chance to review them?

4 COMMISSIONER PUTNAM: Yes.

5 ATTORNEY GENERAL BONDI: Yes.

6 GOVERNOR SCOTT: Is there a motion on 6 and 7?

7 ATTORNEY GENERAL BONDI: So move.

8 GOVERNOR SCOTT: Is there a second?

9 CFO ATWATER: Second.

10 GOVERNOR SCOTT: Comments or objections?

11 (NO RESPONSE).


12 GOVERNOR SCOTT: Hearing none, the motion
13 carries.

14 EXECUTIVE DIRECTOR WILLIAMS: Thank you very
15 much.

16 GOVERNOR SCOTT: Thanks, Ash.

17
18
19 * * * *

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

TO: Ash Williams
FROM: Robert Copeland 
SUBJECT: Fiscal Determination
DATE: November 18, 2016

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$450,000,000 FLORIDA HOUSING FINANCE CORPORATION HOMEOWNER MORTGAGE REVENUE BONDS, 2017 PHASE ONE (MULTIPLE SERIES TO BE DETERMINED):

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$450,000,000 Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2017 Phase One (multiple series to be determined) (the "Bonds") to be used to fund below market rate mortgages for low, moderate or middle income homebuyers and may provide funds to refund outstanding series of Homeowner Mortgage Revenue Bonds that originally funded below market rate mortgages for low, moderate or middle income homebuyers.

The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE
OF AN AMOUNT NOT EXCEEDING \$450,000,000 FLORIDA HOUSING FINANCE
CORPORATION HOMEOWNER MORTGAGE REVENUE BONDS,
2017 PHASE ONE (MULTIPLE SERIES TO BE DETERMINED)**

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$450,000,000 Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2017 Phase One (multiple series to be determined) (the "Bonds") to be used to fund below market rate mortgages for low, moderate or middle income homebuyers and may provide funds to refund outstanding series of Homeowner Mortgage Revenue Bonds that originally funded below market rate mortgages for low, moderate or middle income homebuyers; and,

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

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

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

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

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

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

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

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that in connection with the issuance of the Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2017 Phase One (multiple series to be determined), in an amount not exceeding \$450,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

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

ADOPTED December 6, 2016

STATE OF FLORIDA)

:

COUNTY OF LEON)

I, Ashbel C. Williams, 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 December 6, 2016, making the fiscal determination in connection with the issuance of an amount not exceeding \$450,000,000 Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2017 Phase One (multiple 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 6th day of December 2016.

Ashbel C. Williams, Executive Director & CIO

(SEAL)

November 15, 2016

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

Subject: \$450,000,000 Florida Housing Finance Corporation, Homeowner
Mortgage Revenue Bonds (2017 Phase One Bonds [multiple series to be
determined])

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation (Florida Housing), I am submitting Preliminary Cash Flow Analyses for the approval of fiscal determination on the 2017 Phase One Bonds as required by statute. These Cash Flow Analyses have been prepared at Florida Housing's direction. Florida Housing may issue the 2017 Phase One Bonds in multiple series; under one or more master indentures; and at various times. In each case, the decision will be based on what is most economically and programmatically advantageous based upon the prevailing market conditions.

It is currently expected that approximately \$165.5 million of the \$450.00 million of bonds may provide funds to optionally refund multiple series of previously issued Homeowner Mortgage Revenue Bonds that originally funded mortgage loans to low and moderate income first-time homebuyers. These refunding bonds will only be issued if an acceptable level of debt service savings can be achieved. It is also expected that the remaining \$284.5million of bonds will be new money issuance used to generate new mortgages that will be pooled into new mortgage backed securities ("MBS"). If the aforementioned refundings are not implemented, the full \$450 million may be used to generate new mortgages that will be pooled into MBS.

Florida Housing may issue these bonds under its 1995 master indenture, the New Issue Bond Program (NIBP) master indenture or a newly created master indenture. As stated above, Florida Housing may issue the 2017 Phase One Bonds at one time or in multiple issuances if doing so is deemed advantageous based upon the prevailing market conditions. The cash flow analyses show there are sufficient annual revenues to meet the required debt service on the entire principal amount of the 2017 Phase One Bonds. For purposes of the cash flow analyses submitted here with, the following separate issuance scenarios have been assumed: 1) a combined refunding and new money issuance comprised of (a) the refunding bond issue of \$165.5 million and (b) new money bonds of \$284.5 million; 2) a refunding bond issue of \$165.5 million; and 3) \$450 million of new money bonds. Per the State Board of Administration's ("SBA") request, we will submit the cash flows separately.

Rick Scott, Governor

Board of Directors: Bernard "Barney" Smith, Chairman • Natacho Munilla, Vice Chairman
Renier Diaz de la Portilla • Ray Dubuque • John David Hawthorne Jr. • Brian Katz • Leonard Tylka • Howard Wheeler
Taylor Teepell, Florida Department of Economic Opportunity, Ex Officio

Executive Director: Stephen P. Auger

Florida Housing as a matter of long standing policy considers bidding its bonds competitively. Given the complex structure of this bond issue and current market conditions, Caine Mitter & Associates Incorporated ("Caine Mitter"), Florida Housing's independent registered municipal advisor, recommends that Florida Housing offer the 2017 Phase One Bonds through a negotiated sale. A copy of the Caine Mitter method of sale recommendation is appended. Certain parties to the transaction will be or have been selected competitively or through the RFP/RFQ process, including the master mortgage servicer, trustee, rebate analyst, independent registered municipal advisor, bond counsel, special counsel, and underwriter.

Please accept this letter as a request to the State Board of Administration for approval of fiscal determination of the anticipated 2017 Phase One Bonds. The following items are enclosed with this letter:

- Independent Registered Municipal Advisor Method of Sale letter
- Authorizing Board Resolution
- Draft Terms Memorandum and Program summary
- Preliminary Cash Flow Analyses

Please place this request on the December 6, 2016, agenda.

If there is any additional information or explanation needed, please feel free to call on us. The primary point of contact for the Florida Housing Finance Corporation is Melanie Weathers at 488-4197. However, please feel free to contact me for any information needed.

Sincerely,


Barbara E. Goltz
Chief Financial Officer

Enclosures

cc: Anthony Doheny
Stephen P. Auger

Rick Scott, Governor

Board of Directors: Bernard "Barney" Smith, Chairman • Natacha Munilla, Vice Chairman
Renier Diaz de la Portilla • Ray Dubuque • John David Howthorne Jr. • Brian Katz • Leonard Tylka • Howard Wheeler
Taylor Teepell, Florida Department of Economic Opportunity, Ex Officio

Executive Director: Stephen P. Auger

FLORIDA HOUSING FINANCE CORPORATION
HOMEOWNER MORTGAGE REVENUE BONDS
2017 PHASE ONE (Multiple Series to be Determined)

FISCAL DETERMINATION COVERAGE - NEW INDENTURE CASHFLOWS
\$450,000,000 - NEW MONEY
SEMI-ANNUAL BREAKOUT
0% FHA

PERIOD	GROSS REVENUES (Scheduled)	CAPITALIZED INTEREST DISTRIBUTION	CASH EXPENSES (Debt Service & Expenses)	RECEIPTS/EXPENSES RATIO
07/01/2017	2,147,834.79	5,136,451.07	7,284,285.86	1.00
01/01/2018	9,668,064.23		7,683,907.69	1.26
07/01/2018	12,897,809.14		12,075,388.83	1.07
01/01/2019	12,907,269.67		12,088,250.04	1.07
07/01/2019	12,916,945.56		12,096,312.16	1.07
01/01/2020	12,926,841.63		12,105,535.75	1.07
07/01/2020	12,936,963.02		12,117,818.83	1.07
01/01/2021	12,947,314.72		12,127,521.87	1.07
07/01/2021	12,957,902.06		12,139,401.54	1.07
01/01/2022	12,968,730.39		12,149,385.70	1.07
07/01/2022	12,979,805.30		12,160,672.20	1.07
01/01/2023	12,991,132.31		12,171,440.05	1.07
07/01/2023	13,002,717.08		12,187,556.98	1.07
01/01/2024	13,014,565.58		12,198,018.16	1.07
07/01/2024	13,026,683.84		12,208,654.97	1.07
01/01/2025	13,039,077.96		12,223,586.23	1.07
07/01/2025	13,051,754.08		12,234,273.19	1.07
01/01/2026	13,064,718.82		12,249,158.31	1.07
07/01/2026	13,077,978.67		12,263,741.49	1.07
01/01/2027	13,091,540.31		12,277,317.57	1.07
07/01/2027	13,105,410.63		12,289,203.82	1.07
01/01/2028	13,119,596.72		12,304,773.71	1.07
07/01/2028	13,134,105.76		12,317,948.14	1.07
01/01/2029	13,148,945.08		12,334,712.95	1.07
07/01/2029	13,164,122.12		12,349,000.16	1.07
01/01/2030	13,179,644.67		12,361,795.47	1.07
07/01/2030	13,195,520.61		12,377,095.77	1.07
01/01/2031	13,211,757.86		12,395,821.62	1.07
07/01/2031	13,228,364.76		12,411,893.51	1.07
01/01/2032	13,245,349.79		12,426,296.85	1.07
07/01/2032	13,262,721.28		12,441,668.24	1.07
01/01/2033	13,280,488.10		12,460,084.19	1.07
07/01/2033	13,298,659.55		12,480,457.38	1.07
01/01/2034	13,317,244.57		12,498,700.41	1.07
07/01/2034	13,336,252.64		12,513,805.81	1.07
01/01/2035	13,355,693.39		12,531,769.76	1.07
07/01/2035	13,375,576.64		12,551,504.59	1.07
01/01/2036	13,395,912.58		12,573,922.59	1.07

FLORIDA HOUSING FINANCE CORPORATION
HOMEOWNER MORTGAGE REVENUE BONDS
2017 PHASE ONE (Multiple Series to be Determined)

FISCAL DETERMINATION COVERAGE - NEW INDENTURE CASHFLOWS
\$450,000,000 - NEW MONEY
SEMI-ANNUAL BREAKOUT
0% FHA

PERIOD	GROSS REVENUES (Scheduled)	CAPITALIZED INTEREST DISTRIBUTION	CASH EXPENSES (Debt Service & Expenses)	RECEIPTS/EXPENSES RATIO
07/01/2036	13,416,711.31		12,592,932.15	1.07
01/01/2037	13,437,983.57		12,614,532.86	1.07
07/01/2037	13,459,739.97		12,632,437.94	1.07
01/01/2038	13,481,991.63		12,652,645.53	1.07
07/01/2038	13,504,749.88		12,674,061.16	1.07
01/01/2039	13,528,026.19		12,697,592.76	1.07
07/01/2039	13,551,832.30		12,717,146.90	1.07
01/01/2040	13,576,180.24		12,743,718.82	1.07
07/01/2040	13,601,082.43		12,766,127.37	1.07
01/01/2041	13,626,551.48		12,790,367.55	1.07
07/01/2041	13,652,600.19		12,815,345.50	1.07
01/01/2042	13,679,241.93		12,836,967.24	1.07
07/01/2042	13,706,490.16		12,861,021.17	1.07
01/01/2043	13,734,358.67		12,886,461.82	1.07
07/01/2043	13,762,861.50		12,917,196.10	1.07
01/01/2044	13,792,013.10		12,939,032.03	1.07
07/01/2044	13,821,828.35		12,966,058.77	1.07
01/01/2045	13,852,322.23		12,994,091.57	1.07
07/01/2045	13,883,510.17		13,027,029.32	1.07
01/01/2046	13,915,408.05		13,054,681.38	1.07
07/01/2046	13,948,032.09		13,081,572.59	1.07
01/01/2047	13,981,398.74		13,109,051.41	1.07
07/01/2047	11,674,792.83		17,211.13	678.33
12/01/2047	8,369,816.81		-	
TOTAL	804,930,539.73		740,049,965.45	

FLORIDA HOUSING FINANCE CORPORATION
Homeowner Mortgage Revenue Bonds - Special Program (NIBP)
2017 Phase One (Multiple Series to be Determined)

Fiscal Determination Coverage - OPEN INDENTURE Cashflows
NIBP Indenture and \$450,000,000 NEW MONEY
Semi-Annual Breakout
0% FHA

	Cash Flow Report - Column B	Draw from CAP I Reserve	Draw from the Master Revenue Fund of the Master Indenture			Cashflow Report - Columns C&D	
Period	Gross Revenues (Scheduled Receipts)	Capitalized Interest Distribution	Master Revenue Fund Distribution (Additions)	2017 PHASE ONE - Debt Service & Expenses	NIBP Indenture - Debt Service & Expenses	ALL Cash Expenses (Debt Service/Expenses)	Receipts / Expenses Ratio
07/01/2017	24,813,808.44	5,136,451.07		7,284,285.86	18,861,519.75	26,145,805.61	114.55%
01/01/2018	32,354,000.03			7,683,907.69	18,258,645.20	25,942,552.89	124.71%
07/01/2018	35,607,349.40			12,075,388.83	18,476,930.99	30,552,319.82	116.55%
01/01/2019	35,641,470.28			12,088,250.04	17,883,799.67	29,972,049.70	118.92%
07/01/2019	35,685,905.86			12,096,312.16	18,124,163.53	30,220,475.69	118.09%
01/01/2020	35,714,965.13			12,105,535.75	17,442,235.87	29,547,771.62	120.87%
07/01/2020	35,740,991.68			12,117,818.83	17,645,300.26	29,763,119.09	120.08%
01/01/2021	35,772,578.36			12,127,521.87	17,244,380.16	29,371,902.03	121.79%
07/01/2021	35,808,508.26			12,139,401.54	17,121,995.34	29,261,396.88	122.37%
01/01/2022	35,845,584.78			12,149,385.70	16,948,393.86	29,097,779.56	123.19%
07/01/2022	35,892,267.37			12,160,672.20	16,737,400.92	28,898,073.12	124.20%
01/01/2023	35,909,591.24			12,171,440.05	16,465,134.52	28,636,574.57	125.40%
07/01/2023	35,915,419.40			12,187,556.98	16,166,943.26	28,354,500.23	126.67%
01/01/2024	35,873,191.98			12,198,018.16	15,714,626.03	27,912,644.19	128.52%
07/01/2024	35,814,508.71			12,208,654.97	15,131,231.03	27,339,886.01	131.00%
01/01/2025	35,790,150.99			12,223,586.23	14,461,853.87	26,685,440.10	134.12%
07/01/2025	35,748,013.86			12,234,273.19	13,816,192.82	26,050,466.01	137.23%
01/01/2026	35,686,772.44			12,249,158.31	13,022,164.28	25,271,322.60	141.21%
07/01/2026	35,697,690.14			12,263,741.49	12,698,829.78	24,962,571.27	143.00%
01/01/2027	35,721,781.26			12,277,317.57	12,315,673.56	24,592,991.13	145.25%
07/01/2027	35,761,252.98			12,289,203.82	11,938,408.86	24,227,612.68	147.61%
01/01/2028	35,788,502.28			12,304,773.71	11,184,279.87	23,489,053.58	152.36%
07/01/2028	35,834,545.75			12,317,948.14	10,666,784.84	22,984,732.98	155.91%
01/01/2029	35,883,713.12			12,334,712.95	9,133,531.64	21,468,244.59	167.15%
07/01/2029	35,910,481.10			12,349,000.16	7,843,597.30	20,192,597.47	177.84%
01/01/2030	35,958,297.47			12,361,795.47	8,155,271.96	20,517,067.43	175.26%
07/01/2030	36,003,984.26			12,377,095.77	8,962,692.67	21,339,788.44	168.72%
01/01/2031	36,046,160.55			12,395,821.62	8,597,704.02	20,993,525.64	171.70%
07/01/2031	36,099,873.39			12,411,893.51	8,242,351.15	20,654,244.65	174.78%
01/01/2032	36,153,363.04			12,426,296.85	7,824,446.40	20,250,743.25	178.53%
07/01/2032	36,204,441.38			12,441,668.24	7,331,302.09	19,772,970.33	183.10%
01/01/2033	34,346,034.52			12,460,084.19	6,828,554.08	19,288,638.27	178.06%
07/01/2033	34,341,421.95			12,480,457.38	6,575,578.38	19,056,035.76	180.21%
01/01/2034	34,350,588.79			12,498,700.41	6,336,087.87	18,834,788.28	182.38%
07/01/2034	34,341,626.25			12,513,805.81	6,062,951.69	18,576,757.50	184.86%
01/01/2035	34,311,267.11			12,531,769.76	5,821,370.80	18,353,140.56	186.95%
07/01/2035	30,645,427.33			12,551,504.59	5,518,127.63	18,069,632.22	169.60%
01/01/2036	26,833,470.21			12,573,922.59	5,237,628.52	17,811,551.11	150.65%
07/01/2036	24,055,062.77			12,592,932.15	4,987,499.78	17,580,431.93	136.83%
01/01/2037	23,649,090.17			12,614,532.86	4,745,147.27	17,359,680.13	136.23%
07/01/2037	23,689,403.11			12,632,437.94	4,560,852.38	17,193,290.32	137.78%
01/01/2038	22,273,458.23			12,652,645.53	4,115,383.49	16,768,029.02	132.83%
07/01/2038	20,859,271.59			12,674,061.16	3,639,120.10	16,313,181.26	127.87%
01/01/2039	19,463,509.28			12,697,592.76	3,211,652.34	15,909,245.09	122.34%
07/01/2039	19,488,873.40			12,717,146.90	2,757,594.95	15,474,741.86	125.94%
01/01/2040	18,625,376.61			12,743,718.82	2,468,405.71	15,212,124.53	122.44%
07/01/2040	18,652,566.15			12,766,127.37	2,002,551.78	14,768,679.15	126.30%
01/01/2041	15,443,032.46			12,790,367.55	1,559,168.08	14,349,535.63	107.62%
07/01/2041	15,455,722.82			12,815,345.50	612,107.10	13,427,452.60	115.11%
01/01/2042	15,489,531.41			12,836,967.24	316,115.01	13,153,082.25	117.76%
07/01/2042	15,881,641.10			12,861,021.17	129,352.24	12,990,373.41	122.26%
01/01/2043	13,759,529.41			12,886,461.82	-	12,886,461.82	106.78%
07/01/2043	13,763,019.23			12,917,196.10	-	12,917,196.10	106.55%
01/01/2044	13,792,171.82			12,939,032.03	-	12,939,032.03	106.59%
07/01/2044	13,821,988.07			12,966,058.77	-	12,966,058.77	106.60%
01/01/2045	13,852,482.95			12,994,091.57	-	12,994,091.57	106.61%
07/01/2045	13,883,671.90			13,027,029.32	-	13,027,029.32	106.58%
01/01/2046	13,915,570.79			13,054,681.38	-	13,054,681.38	106.59%
07/01/2046	13,948,195.85			13,081,572.59	-	13,081,572.59	106.62%
01/01/2047	18,845,112.45			13,109,051.41	-	13,109,051.41	143.76%
TOTAL	\$ 1,758,787,611.61	\$ 5,136,451.07		\$ 740,032,754.32	\$ 534,698,490.23	\$ 1,274,731,244.55	

FLORIDA HOUSING FINANCE CORPORATION
Homeowner Mortgage Revenue Bonds
2017 Phase One (Multiple Series to be Determined)

Fiscal Determination Coverage - OPEN INDENTURE Cashflows
1995 Single Family Indenture and \$450,000,000 NEW MONEY
Semi-Annual Breakout
0% FHA

	Cash Flow Report - Column B	Draw from CAP I Reserve	Draw from the Master Revenue Fund of the Master Indenture			Cashflow Report - Columns C&D	
Period	Gross Revenues (Scheduled Receipts)	Capitalized Interest Distribution	Master Revenue Fund Distribution (Additions)	2017 PHASE ONE - Debt Service & Expenses	1995 Indenture - Debt Service & Expenses	ALL Cash Expenses (Debt Service/Expenses)	Receipts / Expenses Ratio
07/01/2017	17,220,774.27	6,252,480.78	410,517.23	7,284,285.86	15,743,307.93	23,027,593.79	103.72%
01/01/2018	26,656,206.13	-	62,496.19	7,683,907.69	12,878,786.42	20,562,694.11	129.94%
07/01/2018	30,058,270.12	-	2,254,811.49	12,075,388.83	18,055,842.99	30,131,231.82	107.24%
01/01/2019	30,168,854.43	-	633,168.72	12,088,250.04	13,872,754.66	25,961,004.70	118.65%
07/01/2019	30,192,763.05	-	1,914,803.23	12,096,312.16	17,325,661.37	29,421,973.53	109.13%
01/01/2020	30,207,323.70	-	639,317.65	12,105,535.75	14,425,095.00	26,530,630.75	116.27%
07/01/2020	30,192,427.35	-	1,402,956.62	12,117,818.83	16,034,926.92	28,152,745.75	112.23%
01/01/2021	30,186,703.13	-	626,831.62	12,127,521.87	14,438,592.57	26,566,114.44	115.99%
07/01/2021	30,209,111.95	-	586,218.40	12,139,401.54	13,864,647.36	26,004,048.90	118.43%
01/01/2022	30,236,631.01	-	539,168.49	12,149,385.70	12,840,016.21	24,989,401.91	123.16%
07/01/2022	27,024,708.41	-	563,914.30	12,160,672.20	12,486,742.94	24,647,415.14	111.93%
01/01/2023	27,059,779.62	-	477,357.40	12,171,440.05	12,392,115.20	24,563,555.25	112.11%
07/01/2023	27,084,900.80	-	450,890.04	12,187,556.98	12,306,695.76	24,494,252.74	112.42%
01/01/2024	27,110,230.79	-	375,205.11	12,198,018.16	11,796,275.37	23,994,293.54	114.55%
07/01/2024	27,136,496.89	-	358,977.49	12,208,654.97	11,745,555.35	23,954,210.33	114.78%
01/01/2025	27,163,339.16	-	341,782.04	12,223,586.23	11,725,660.22	23,949,246.45	114.85%
07/01/2025	27,188,764.19	-	324,616.48	12,234,273.19	11,607,470.20	23,841,743.39	115.40%
01/01/2026	27,217,003.80	-	311,478.01	12,249,158.31	11,509,714.00	23,758,872.31	115.87%
07/01/2026	27,246,006.44	-	288,232.86	12,263,741.49	11,369,603.45	23,633,344.94	116.51%
01/01/2027	27,284,399.97	-	278,006.71	12,277,317.57	11,275,029.73	23,552,347.31	117.03%
07/01/2027	27,310,759.18	-	258,668.87	12,289,203.82	11,133,185.05	23,422,388.87	117.71%
01/01/2028	27,338,243.61	-	243,346.98	12,304,773.71	10,856,995.21	23,161,768.93	119.08%
07/01/2028	26,412,210.62	-	232,906.89	12,317,948.14	10,346,458.05	22,664,406.19	117.56%
01/01/2029	25,343,122.87	-	-	12,334,712.95	8,890,635.42	21,225,348.37	119.40%
07/01/2029	25,369,912.61	-	-	12,349,000.16	8,766,021.58	21,115,021.84	120.15%
01/01/2030	25,401,745.03	-	-	12,361,795.47	8,637,996.68	20,999,792.15	120.96%
07/01/2030	25,431,879.59	-	-	12,377,095.77	8,497,003.01	20,874,098.79	121.83%
01/01/2031	25,454,405.18	-	-	12,395,821.62	8,347,654.66	20,743,476.28	122.71%
07/01/2031	25,488,877.14	-	-	12,411,893.51	8,155,350.70	20,567,244.21	123.93%
01/01/2032	25,508,492.09	-	-	12,426,296.85	7,939,237.20	20,365,534.05	125.25%
07/01/2032	25,532,458.57	-	-	12,441,668.24	7,695,832.93	20,137,501.17	126.79%
01/01/2033	25,559,485.17	-	-	12,460,084.19	7,235,450.49	19,695,534.68	129.77%
07/01/2033	25,588,980.16	-	-	12,480,457.38	6,901,647.42	19,382,104.80	132.02%
01/01/2034	25,616,670.39	-	-	12,498,700.41	6,490,136.05	18,988,836.47	134.90%
07/01/2034	25,619,377.66	-	-	12,513,805.81	6,036,534.47	18,550,340.28	138.11%
01/01/2035	25,539,369.52	-	-	12,531,769.76	5,540,406.85	18,072,176.60	141.32%
07/01/2035	24,409,588.99	-	-	12,551,504.59	4,927,217.33	17,478,721.92	139.65%
01/01/2036	21,954,285.81	-	-	12,573,922.59	4,404,617.85	16,978,540.44	129.31%
07/01/2036	20,818,354.18	-	-	12,592,932.15	4,061,858.75	16,654,790.90	125.00%
01/01/2037	17,846,134.32	-	-	12,614,532.86	3,770,643.96	16,385,176.82	108.92%
07/01/2037	17,381,371.79	-	-	12,632,437.94	3,788,677.20	16,421,115.14	105.85%
01/01/2038	17,302,328.57	-	-	12,652,645.53	3,776,401.45	16,429,046.98	105.32%
07/01/2038	17,325,418.92	-	-	12,674,061.16	3,781,675.93	16,455,737.09	105.28%
01/01/2039	17,352,777.46	-	-	12,697,592.76	3,795,864.59	16,493,457.35	105.21%
07/01/2039	17,380,813.24	-	-	12,717,146.90	3,803,770.44	16,520,917.34	105.20%
01/01/2040	17,409,421.72	-	-	12,743,718.82	3,805,489.56	16,549,208.38	105.20%
07/01/2040	17,438,720.61	-	-	12,766,127.37	3,821,105.52	16,587,232.89	105.13%
01/01/2041	17,468,651.58	-	-	12,790,367.55	3,830,331.23	16,620,698.77	105.10%
07/01/2041	17,499,302.48	-	-	12,815,345.50	3,842,915.17	16,658,260.67	105.05%
01/01/2042	17,530,585.05	-	-	12,836,967.24	3,849,187.70	16,686,154.94	105.06%
07/01/2042	17,562,633.75	-	-	12,861,021.17	3,852,473.49	16,713,494.66	105.08%
01/01/2043	17,595,345.74	-	-	12,886,461.82	3,864,425.31	16,750,887.13	105.04%
07/01/2043	17,628,856.00	-	-	12,917,196.10	3,874,840.89	16,792,036.99	104.98%
01/01/2044	17,663,062.47	-	-	12,939,032.03	3,883,737.30	16,822,769.34	104.99%
07/01/2044	17,698,084.49	-	-	12,966,058.77	3,896,318.46	16,862,377.23	104.96%
01/01/2045	17,733,867.68	-	-	12,994,091.57	3,902,263.23	16,896,354.80	104.96%
07/01/2045	17,770,503.03	-	-	13,027,029.32	3,926,683.56	16,953,712.88	104.82%
01/01/2046	17,807,904.84	-	-	13,054,681.38	3,939,180.13	16,993,861.51	104.79%
07/01/2046	16,889,180.52	936,282.50	716,252.67	13,081,572.59	5,010,750.38	18,092,322.97	102.48%
01/01/2047	16,348,185.00	-	1,348,777.14	13,109,051.41	3,715,457.80	16,824,509.21	105.19%
07/01/2047	13,862,693.80	1,750,525.00	88,172.77	17,211.13	15,362,856.79	15,380,067.92	102.09%
01/01/2048	6,704,402.49	-	9,665,092.48	-	13,174,198.27	13,174,198.27	124.25%
TOTAL	\$ 1,541,817,888.67	\$ 10,050,574.74	\$ 25,614,200.10	\$ 740,032,754.32	\$ 521,816,524.84	1,290,403,545.36	

Memo

TO: Ashbel C. Williams, Executive Director & CIO

THRU: Anne Bert, Chief Operating Officer, FHCF

FROM: Leonard E. Schulte, Director of Legal Analysis & Risk Evaluation, FHCF

DATE: November 21, 2016

SUBJECT: Trustees Meeting, December 6, 2016

Request approval of, and authority to file, a Notice of Proposed Rule for Florida Hurricane Catastrophe Fund Rules 19-8.029, F.A.C., Insurer Reporting Requirements, and 19-8.030, F.A.C., Insurer Responsibilities, and to file these rules 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.

ITEM A. SUMMARY AND REASONS FOR RULE CHANGES:

In general, Florida Hurricane Catastrophe Fund (FHCF) Rule 19-8.029, F.A.C., Insurer Reporting Requirements, provides requirements relating to insurer reporting of exposures and losses, and Rule 19-8.030, F.A.C., Insurer Responsibilities, provides requirements relating to examination of insurer exposures and losses. The proposed amendments to Rule 19-8.029, F.A.C., retitle the Rule as “Insurer Reporting Requirements and Responsibilities,” and consolidate material from both rules in a single revised rule. As amended, Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, adopts the Data Call and other applicable reporting requirements and examination instruction forms for the 2017-2018 contract year, deletes obsolete or duplicative material, and provides additional clarification. Because of the consolidation of material from both rules in a single rule, the repeal of Rule 19-8.030, Insurer Responsibilities, is also proposed.

SUMMARY OF INCORPORATED CHANGES:

1. Insurer Reporting Requirements (Rule 19-8.029, F.A.C.)

This rule adopts insurer data reporting requirements applicable to the 2017-2018 FHCF Contract Year, including the 2017 Data Call (Form FHCF-D1A). The rule also adopts the 2017-2018 Exposure Examination Advance Preparation Instructions (Form FHCF-EAP1) and Loss Reimbursement Examination Advance Preparation Instructions (Form FHCF-LAP1).

The rule also makes nonsubstantive editorial changes, deletes obsolete or duplicative material, and consolidates within this rule material formerly appearing as part of Rule 19-8.030, F.A.C., Insurer Responsibilities.

The rule also includes Data Call revisions to the Construction Mapping Worksheet used by certain insurers and adds a Mixed-Occupancy Single Structures Worksheet.

Additional detail is provided in the attached Summary of Changes.

2. Insurer Responsibilities (Rule 19-8.030, F.A.C.)

The repeal of this rule is proposed. Provisions from this rule that were not obsolete or duplicative have been included in revised Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities.

Additional detail is provided in the attached Summary of Changes.

EXTERNAL INTEREST: A rule development workshop was held on November 18, 2016. Representatives of the FHCF attended and presented the rules and incorporated forms. The notice of rule development was published in the *Florida Administrative Register* on November 4, 2016, Vol. 42, No. 216. The rules were presented, discussed, and approved by the FHCF Advisory Council at a public meeting on November 18, 2016.

ACTION REQUESTED: It is requested that these proposed rule amendments be presented to the Cabinet Aides on November 30, 2016, and to the State Board of Administration Trustees on December 6, 2016, with a request for approval of and authority to file a 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. A notice of the meeting of the Board is to be published in the *Florida Administrative Register* on November 22, 2016, Vol. 42, No. 227.

ATTACHMENTS TO BE INCLUDED WITH THE SBA AGENDA ITEM A:

- Notice of Meeting of Board as filed in the *Florida Administrative Register*.
- Summary of Changes for Rules 19-8.029 and 19-8.030, F.A.C.
- Notice of Proposed Rule.
- Rule 19-8.029, F.A.C., Insurer Reporting Requirements.
- 2017 Incorporated Forms: FHCF-D1A, “Florida Hurricane Catastrophe Fund 2017 Data Call” rev. XX/17; FHCF-L1A, “Contract Year 2017 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)” rev. XX/17; Form FHCF-L1B, “Contract Year 2017 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)” rev. XX/17; FHCF-DCL, “Florida Hurricane Catastrophe Fund Contract Year 2017 Detailed Claims Listing Instructions” rev. XX/17; FHCF C-1, “Florida Hurricane Catastrophe Fund Company Contact Information” rev. XX/17; FHCF-EAP1, “Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination—Contract Year 2017 Advance Preparation Instructions” rev. XX/17; FHCF-LAP1, “Florida Hurricane Catastrophe Fund (FHCF) Loss Reimbursement Examination—Contract Year 2017 Advance Preparation Instructions” rev. XX/17.
- Rule 19-8.030, F.A.C., Insurer Responsibilities.

The rules show the proposed amendments with new language underscored and deleted language ~~stricken through~~.

Rules 19-8.029 and 19-8.030, F.A.C., and Incorporated Forms
2017-2018 Contract Year
Summary of Changes as of November 17, 2016

General Description

In general, Florida Hurricane Catastrophe Fund (FHCF) Rule 19-8.029, F.A.C., Insurer Reporting Requirements, provides requirements relating to insurer reporting of exposures and losses, and Rule 19-8.030, F.A.C., Insurer Responsibilities, provides requirements relating to examination of insurer exposures and losses. The proposed amendments to Rule 19-8.029, F.A.C., retitle the Rule as “Insurer Reporting Requirements and Responsibilities,” and consolidate material from both rules in a single revised rule. As amended, Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, adopts the Data Call and other applicable reporting requirements and examination instruction forms for the 2017-2018 contract year, deletes obsolete or duplicative material, and provides additional clarification. Because of the consolidation of material from both rules in a single rule, the repeal of Rule 19-8.030, Insurer Responsibilities, is also proposed.

Rules

19-8.029, F.A.C. Insurer Reporting Requirements

The title of the Rule is changed to “Insurer Reporting Requirements and Responsibilities.”

- (1) Amended to provide that the purpose of the Rule is to specify certain deadlines and other requirements for FHCF participating insurers and to address confidentiality of certain information provided to the FHCF.
- (2) Amended to provide that the definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and incorporated forms. Definitions that are duplicative of definitions in the Reimbursement Contract are deleted, and definitions are provided for the terms “Contract Year” and “Insurer” or “Company.”
- (3) Provides requirements relating to execution of the Reimbursement Contract by a New Participant in the FHCF. This is the substance of former paragraphs (4)(b) and (c) of Rule 19-8.030, F.A.C. In addition, former paragraph (3)(a) is deleted as duplicative of language in the Reimbursement Contract and s. 215.555, F.S.
- (4) Former paragraph (3)(b), relating to confidentiality and trade secrets, is redesignated as subsection (4) and amended to provide additional clarity with respect to relevant statutory provisions. Former paragraph (3)(c) is deleted as duplicative of Rule 19-8.012, F.A.C., Procedures to Determine Ineligibility for Participation in the Florida Hurricane Catastrophe Fund

and to Determine Exemption from Participation in the Florida Hurricane Catastrophe Fund due to Limited Exposure. The bulk of former paragraph (3)(d) is deleted as duplicative of language in the Reimbursement Contract or the Data Call, and the remaining language relating to the deadline for submission of the Data Call is moved to the Data Call.

(5) Former subsection (4) is renumbered as subsection (5) and amended to adopt and incorporate by reference the 2017-2018 Data Call, Form FHCF-D1A. Provisions adopting and incorporating the Data Call forms for prior years are deleted as obsolete material.

(5) Former subsection (5) is deleted. Most of this material is duplicative of language in the Reimbursement Contract or loss reporting forms. Non-duplicative language from former paragraph (5)(a) has been moved to the Interim Loss Report form, and non-duplicative language from former paragraph (5)(c) has been moved to the Interim Loss Report and Proof of Loss forms.

(6) Amended to adopt and incorporate by reference the 2017-2018 Interim Loss Report form, Form FHCF-L1A; Proof of Loss Report form, Form FHCF-L1B; and Detailed Claims Listing Instructions, Form FHCF-DCL. Provisions adopting and incorporating these forms for prior years are deleted as obsolete material.

(7) Adopts and incorporates by reference the 2017-2018 Exposure Examination Advance Preparation Instructions, Form FHCF-EAP1 and Loss Reimbursement Examination Advance Preparation Instructions, Form FHCF-LAP1, provides for responses to examination reports, and specifies the consequences for failing to comply with these instructions. This provision is substantively the same as subsection (8) and paragraph (9)(c) of former Rule 19-8.030, except that provisions adopting and incorporating these forms for prior years are excluded as obsolete material.

(8) Former subsection (7), relating to company contact information, is renumbered as subsection (8) and amended to adopt a revised Company Contact Information form, Form FHCF C-1, and specify the address to which it must be sent.

(9) Specifies that if a deadline falls on a Saturday, Sunday, or legal holiday, the applicable due date is the next business day. This is the same as language in former paragraph (3)(d) and subsection (10) of former Rule 19-8.030.

(10) Amended to clarify where copies of forms may be obtained.

19-8.030, F.A.C., Insurer Responsibilities

Repealed. As described above, provisions that were not obsolete or duplicative have been consolidated into revised Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities.

Incorporated Forms

FORM FHCF-D1A rev. XX/17, Florida Hurricane Catastrophe Fund 2017 Data Call

In addition to updating references to apply to the 2017-2018 Contract Year and nonsubstantive editorial changes, the 2017 Data Call includes the following changes from the prior Data Call:

Important Changes in the 2017 Data Call. This section summarizes the two major changes in the 2017 Data Call:

- The Construction Mapping Worksheet (see page 29) has been revised to add a series of specific questions and to provide additional clarification.
- A Mixed-Occupancy Single Structures Worksheet (see page 33) has been added to facilitate the submission process of a company's proposed methodology for determining predominant use of mixed-occupancy structures insured under commercial policies.

FHCF WIRE (Web Insurer Reporting Engine). Language is added to require that *WIRE* submissions be signed off on by two officers no later than 4:00 PM Eastern Time on the applicable due date. This language previously appeared in former paragraph (3)(d) of Rule 19-8.029, F.A.C.

Resubmissions. Language is added to specify that the FHCF may grant an extension to the deadline for resubmission of data when the company can show that the need for additional time was due to factors beyond their control. This language previously appeared in paragraph (5)(d) of former Rule 19-8.030, F.A.C.

Single Structures with Habitational and Non-Habitational Occupancies. This section is revised to require that all insurers reporting commercial exposures to the FHCF must complete the Mixed-Occupancy Single Structures Worksheet and to provide that, on the basis of the worksheet, the company may be required to submit a proposed methodology for determining the predominant use of mixed-occupancy structures.

Officer Submission Statements. This section is amended to require that a Data Call submission be signed by two officers of the insurer, rather than by two executive officers.

File Layout and Description of Data Fields.

- Data field descriptions relating to ZIP Codes, reportable exposures, and non-reportable but covered exposures are amended to specify where certain information may be found on the FHCF website.
- The data field description relating to Citizens policy numbers is revised for clarity.

Reimbursement Contract Definitions and Exclusions. The sections of the Data Call that reprint selected definitions and exclusions as used in the Reimbursement Contract are updated to reflect the language of the 2017-2018 Reimbursement Contract adopted by Rule 19-8.010, F.A.C.

Citizens Property Insurance Corporation Coastal Account Quota Share Primary Insurance Reporting Requirements. Language is added to require that both Citizens and the private insurer retain copies of declaration pages and supporting claims documents. This language previously appeared in subsection (8) of former Rule 19-8.030, F.A.C.

Reference Guide. This listing is revised to specify that documents are available from the FHCF website (rather than both the FHCF website and the Paragon Strategic Solutions website), to add a reference to the Mixed-Occupancy Single Structures Worksheet, and to delete a reference to repealed Rule 19-8.030, F.A.C.

Construction Mapping Worksheet. The Construction Mapping Worksheet is revised as described above.

Mixed-Occupancy Single Structures Worksheet. The Mixed-Occupancy Single Structures Worksheet as described above is added.

FORM FHCF-LIA rev. XX/17, Contract Year 2017 Interim Loss Report

References are updated to apply to the 2017 Contract Year. Language which appeared in former paragraph (5)(a) of Rule 19-8.029, F.A.C., is added to specify that reported losses are expected to result from a good faith effort to be as accurate as possible, but are not binding, and language from former paragraph (5)(c) is added to require an officer to sign the submission. A website reference is revised to specify that documents are available from the FHCF website (rather than both the FHCF website and the Paragon Strategic Solutions website)

FORM FHCF-L1B rev. XX/17, Contract Year 2017 Proof of Loss Report

References are updated to apply to the 2017 Contract Year, the reference to the PCS catastrophe number has been deleted, language from former paragraph (5)(c) is added to require two officers to sign the submission, and a website reference is revised to specify that documents are available from the FHCF website (rather than both the FHCF website and the Paragon Strategic Solutions website).

FORM FHCF-DCL rev. XX/17, Contract Year 2017 Detailed Claims Listing Instructions

In addition to editorial changes for clarity, references are updated to apply to the 2017 Contract Year.

FORM FHCF-EAP1 rev. XX/17, Exposure Examination—Contract Year 2017 Advance Preparation Instructions

Instructions are provided on how to upload advance records, forms and endorsements, and underwriting and rating manuals to the FHCF *WIRE* online reporting system. References are updated to apply to the 2017 Contract Year.

FORM FHCF-LAP1 rev. XX/17, Loss Reimbursement Examination—Contract Year 2017 Advance Preparation Instructions

Additional instructions are provided for uploading of advance records. Claim file requirements are revised to allow for evidence to show that a loss was a result of a hurricane or its subsequent downgrade in storm status. References are updated to apply to the 2017 Contract Year.

FORM FHCF C-1 rev. XX/17, Company Contact Information

Revised to replace references to “executive officer” with “officer” and to change the term “insurer” to “company.”

Notice of Proposed Rule

STATE BOARD OF ADMINISTRATION

RULE NO.: RULE TITLE:

19-8.029: Insurer Reporting Requirements

19-8.030: Insurer Responsibilities

PURPOSE AND EFFECT: The State Board of Administration, Florida Hurricane Catastrophe Fund, seeks to amend Rule 19-8.029, F.A.C., Insurer Reporting Requirements, and to repeal Rule 19-8.030, F.A.C., Insurer Responsibilities, to implement Section 215.555, Florida Statutes.

SUMMARY: In general, Rule 19-8.029, F.A.C., Insurer Reporting Requirements, provides requirements relating to the reporting of exposures and losses, and Rule 19-8.030, F.A.C., Insurer Responsibilities, provides requirements relating to examination of insurer exposures and losses. The proposed amendments to Rule 19-8.029, F.A.C., retitle the Rule as "Insurer Reporting Requirements and Responsibilities," and consolidate material from both rules in a single revised rule. As amended, Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, adopts the Data Call and other applicable reporting requirements and examination instruction forms for the 2017-2018 contract year, deletes obsolete or duplicative material, and provides additional clarification. Because of the consolidation of material from both rules in a single rule, the repeal of Rule 19-8.030, F.A.C., Insurer Responsibilities, is also proposed.

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 these two rules and the incorporated forms, the State Board of Administration of Florida has determined that neither rule meets the requirements for ratification by the legislature. The changes to these rules 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 these rules 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 either 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), 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: January 4, 2017, 9:00 a.m. (ET) to 11:00 a.m. (ET).

PLACE: Room 116 (Hermitage Conference Room), 1801 Hermitage Blvd., Tallahassee, Florida 32308.

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: Donna Sirmons, Florida Hurricane Catastrophe Fund, 1801 Hermitage Boulevard, Tallahassee, FL

32308, (850) 413-1349, donna.sirmons@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: Donna Sirmons at the number or email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

19-8.029 Insurer Reporting Requirements and Responsibilities.

(1) Purpose. This rule specifies certain deadlines and other requirements for insurers that participate in the Florida Hurricane Catastrophe Fund (FHCF) and addresses ~~The purpose of this rule is to incorporate and adopt the annual reporting of insured values and the Loss Reporting Forms, to provide the time and place for submission of this required information and to address confidentiality of~~ certain information provided to the FHCF Florida Hurricane Catastrophe Fund.

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule and the forms referenced in this rule: ~~terms defined below will be capitalized in this rule.~~

(a) ~~Citizens Property Insurance Corporation or Citizens means the entity formed under Section 627.351(6), F.S., refers to two accounts, the coastal account and the personal lines and commercial lines accounts. Each account is treated by the FHCF as if it were a separate Participant participating insurer with its own reportable exposures, reimbursement premium, retention, and ultimate net loss.~~

(b) ~~Commutation Period means that period of time which is not less than 36 months or more than 60 months after the end of the Contract Year during which the loss occurrence took place. The Reimbursement Contract, adopted and incorporated into Rule 19-8.010, F.A.C., may provide for voluntary commutation earlier than the 36 month period under certain circumstances.~~

(a)(c) ~~“Contract Year” is defined in section 215.555(2), F.S. means the time period which begins at 12:00:01 a.m., Eastern Time, on June 1 of each calendar year and ends at 12:00 midnight, Eastern Time, on May 31 of the following calendar year.~~

(d) ~~Covered Policy is defined in Section 215.555(2)(c), F.S., and in the Reimbursement Contract adopted by and incorporated into Rule 19-8.010, F.A.C.~~

(e) ~~Data Call or Florida Hurricane Catastrophe Fund Data Call means the annual reporting of insured values Form FHCF D1A.~~

(f) ~~FHCF or Fund means the Florida Hurricane Catastrophe Fund.~~

(g) ~~Independent Consultant means the independent individual, firm, or organization with which the State Board of Administration of Florida (Board) contracts to prepare the premium formula and any other actuarial services for the FHCF, as determined under the contract with the consultant.~~

(h) ~~Loss Reporting Forms mean the FHCF L1A, FHCF L1B, and FHCF DCL.~~

(i) ~~New Participants means insurers which are granted a certificate of authority by the Department of Financial Services after the beginning of the FHCF’s Contract Year on June 1 and which write Covered Policies, or which already have a certificate of authority and begin writing Covered Policies on or after the beginning of the FHCF’s Contract Year on June 1 and did not or were not required to enter into a contract on June 1 of the Contract Year. A Company that enters into an assumption agreement with Citizens that includes Covered Policies and is effective on or after June 1 and had written no other Covered Policies on or before June 1 is also considered a New Participant.~~

(j) ~~Office of Insurance Regulation means that office within the Department of Financial Services and which was created in Section 20.121(3), F.S.~~

(b) “Insurer” or “Company” means an insurer that is required to enter into a Reimbursement Contract.

(k) WIRE means the Web Insurer Reporting Engine which is the secure web based system used for the reporting of insurer exposure data under the Data Call beginning with the 2014/2015 Contract Year.

(3) Duties of New Participants. A New Participant must designate a coverage level in the Reimbursement Contract, make any required selections therein, and return the fully executed Reimbursement Contract and

applicable Addenda within 30 calendar days after the effective date of its first Covered Policy Reporting of Insurer Exposure Data.

(a) ~~No later than September 1 of each Contract Year, authorized insurers and Citizens pursuant to Sections 215.555(5) and 627.351(6), F.S., shall report, online using WIRE, insured values reflecting wind exposure under Covered Policies by zip code and other relevant factors required to reflect each insurer's relative exposure to hurricane loss, valued as of June 30 of the current Contract Year, as required under the Data Call. Such other relevant factors shall be determined by the Independent Consultant consistent with principles of actuarial science and in conjunction with the development of the premium formula.~~

(4)(b) Confidentiality of reports containing insured values under Covered Policies. Section 215.557, F.S., enacted for the express purpose of protecting trade secret and proprietary information submitted to the FHCF by a Company participating insurers, protects the confidentiality of reports of insured values under Covered Policies by ZIP Code submitted pursuant to section 215.555, F.S., regardless of whether the information contained in such reports appears in the Data Call or in any other document information of the type submitted in the Data Call, examination workpapers, and examination reports. Such information is not subject to the provisions of sSection 119.07(1), F.S., or sSection 24(a), Article I of the Florida State Constitution. In addition, sections 812.081 and 815.045, F.S., provide for confidentiality of trade secret information. Confidential information data and trade secrets reported to the FHCF are protected to the extent allowed by law.

~~(c) Reporting Regarding Insurers Withdrawing from the State or Discontinuing the Writing of All Kinds of Insurance Prior to June 30 of Each Year. Insurers which discontinue writing insurance in Florida and have no remaining Covered Policy exposure as of June 30 of each Contract Year are required to petition for exemption from the Fund pursuant to Rule 19-8.012, F.A.C. Nothing in this rule shall be construed to conflict with the requirements of Section 624.430(1), F.S.~~

~~(d) Online reporting, using WIRE, is due by September 1 (or by the alternative date applicable to New Participants as outlined in subsection (4) below); this means that the report shall be received by the Board no later than 4:00 p.m., Eastern Time, on September 1. If September 1 is a Saturday, Sunday or legal holiday, then the applicable due date will be the day immediately following September 1 which is not a Saturday, Sunday or legal holiday. Reports sent to the FHCF Administrator in Minneapolis, Minnesota, will be returned to the sender. Submissions in WIRE must be electronically signed off on by 4:00 p.m., Eastern Time, on the applicable due date by two officers registered in the system or the submission will be late.~~

(5)(4) Data Call fForms. For the 2017/2018 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, "Florida Hurricane Catastrophe Fund 2017 Data Call," rev. xx/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.

~~(a) For the 2012/2013 Contract Year, the reporting shall be in accordance with Form FHCF D1A, "Florida Hurricane Catastrophe Fund 2012 Data Call," rev. 01/12, <http://www.flrules.org/gateway/reference.asp?No=Ref-01193> hereby adopted and incorporated by reference into this rule. The form may be obtained from the Fund's Administrator at the address stated in subsection (8) below. A new participant writing covered policies on or after June 1 but prior to December 1, shall report its actual exposure as of December 31 of the Contract Year on or before March 1 of the Contract Year, to the Administrator. For the 2012/2013 Contract Year, a New Participant had the option of reporting its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.~~

~~(b) For the 2013/2014 Contract Year, the reporting shall be in accordance with Form FHCF D1A, "Florida Hurricane Catastrophe Fund 2013 Data Call," rev. 02/13, <http://www.flrules.org/Gateway/reference.asp?No=Ref-02333>, hereby adopted and incorporated by reference into this rule. The form may be obtained from the Fund's Administrator at the address stated in subsection (8) below. A New Participant writing covered policies on or after June 1 but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year to the Administrator.~~

~~(c) For the 2014/2015 Contract Year, the reporting shall be in accordance with Form FHCF D1A, "Florida Hurricane Catastrophe Fund 2014 Data Call," rev. 04/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref->~~

03967, hereby adopted and incorporated by reference into this rule. The form may be obtained from the Fund's Administrator at the address stated in subsection (8) below. A New Participant writing Covered Policies on or after June 1 but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.

~~(d) For the 2015/2016 Contract Year, the reporting shall be in accordance with Form FHCF D1A, "Florida Hurricane Catastrophe Fund 2015 Data Call," rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05322>, hereby adopted and incorporated by reference into this rule. A New Participant writing Covered Policies on or after June 1 but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.~~

~~(e) For the 2016/2017 Contract Year, the reporting shall be in accordance with Form FHCF D1A, "Florida Hurricane Catastrophe Fund 2016 Data Call," rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06500>, hereby adopted and incorporated by reference into this rule. A New Participant writing Covered Policies on or after June 1, but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.~~

~~(5) Loss Reimbursement Reporting Requirements.~~

~~(a) As directed by the Board, after a covered event occurs, insurers shall report all their estimated ultimate net losses (as defined in the Reimbursement Contract, adopted and incorporated into Rule 19 8.010, F.A.C.) for Covered Policies on the Form FHCF L1A, "Florida Hurricane Catastrophe Fund Interim Loss Report," adopted in subsection (6) herein. The Board may request subsequent Interim Loss Reports. Prompt reporting in the format requested will aid the Board in determining whether to seek additional sources of funds to pay for reimbursable losses. The losses reported on the Interim Loss Report are expected to result from a good faith effort, using best business practices for the insurance industry, on the part of the insurer to report as accurately as possible. Preliminary reports will not be binding.~~

~~(b) Insurers shall report their ultimate net losses for each loss occurrence on the Form FHCF L1B, "Florida Hurricane Catastrophe Fund Proof of Loss Report," adopted in subsection (6) herein. Reimbursements by the Fund will be made on the basis of the Proof of Loss Report. While a Company may submit a Proof of Loss Report requesting reimbursement at any time following a loss occurrence, all Companies shall submit a mandatory Proof of Loss Report for each loss occurrence no earlier than December 1 and no later than December 31 of the Contract Year during which the Covered Event(s) occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of loss reimbursements or advances already received. After the mandatory December Proof of Loss Report, quarterly Proof of Loss Reports are required as outlined in Article X of the Reimbursement Contract.~~

~~(c) Companies must submit the FHCF L1A, Interim Loss Report, and FHCF L1B, Proof of Loss Report, electronically using the FHCF Online Claims System (available at www.sbafla.com/fhcf under Insurer Information, Online Claims). The Online Claims System will require an online signoff of one executive officer for an Interim Loss Report submission and two executive officers for a Proof of Loss Report submission. Officers performing the signoffs must be registered users. Advance registration is required to use the Online Claims System; instructions are included within the system.~~

~~(d) When required, Companies must submit a Detailed Claims Listing to support the losses reported in the FHCF L1A, Interim Loss Report (excluding incurred but not reported losses) and the FHCF L1B, Proof of Loss Report. The requirements and instructions for the Detailed Claims Listing are outlined in Form FHCF DCL, "Detailed Claims Listing Instructions," adopted in subsection (6) herein, for the applicable Contract Year. The Detailed Claims Listing, when required, must be uploaded through the FHCF Online Claims System (available at www.sbafla.com/fhcf under Insurer Information, Online Claims) at the same time as the Company's Proof of Loss Report submission.~~

~~(6) Loss Reporting Forms.~~

~~(a) For the 2017/2018 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, "Contract Year 2017 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," rev.~~

XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.

(b) For the 2017/2018 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, "Contract Year 2017 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.

(c) For the 2017/2018 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, "Contract Year 2017 Detailed Claims Listing Instructions," rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.

~~(a) For the 2015/2016 Contract Year, the applicable Interim Loss Report is the "Contract Year 2015 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," FHCF L1A, rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05323>, which is hereby adopted and incorporated by reference into this rule. The applicable Proof of Loss Report is the "Contract Year 2015 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," FHCF L1B, rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05329>, which is hereby adopted and incorporated by reference into this rule. The applicable Detailed Claims Listing Instructions is the "Contract Year 2015 Detailed Claims Listing Instructions," FHCF DCL, rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05325>, which is hereby adopted and incorporated by reference into this rule.~~

~~(b) For the 2016/2017 Contract Year, the applicable Interim Loss Report is the "Contract Year 2016 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," FHCF L1A, rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06501>, which is hereby adopted and incorporated by reference into this rule. The applicable Proof of Loss Report is the "Contract Year 2016 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," FHCF L1B, rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06502>, which is hereby adopted and incorporated by reference into this rule. The applicable Detailed Claims Listing Instructions is the "Contract Year 2016 Detailed Claims Listing Instructions," FHCF DCL, rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06503>, which is hereby adopted and incorporated by reference into this rule.~~

(7) Examination.

(a) Advance examination record requirements. Within 30 days after the date of the request for such information, a Company must provide the FHCF with the records indicated in the applicable Contract Year's "Exposure Examination Advance Preparation Instructions" or in the applicable Contract Year's "Loss Reimbursement Examination Advance Preparation Instructions." The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. For the 2017/2018 Contract Year, the applicable exposure examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination – Contract Year 2017 Advance Preparation Instructions," FHCF-EAP1, rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. The applicable loss examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Loss Reimbursement Examination – Contract Year 2017 Advance Preparation Instructions," FHCF-LAP1, rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.

(b) Response to the FHCF examination report. Within 30 days from the date of the letter accompanying the examination report, a Company must provide a written response to the FHCF. The response must indicate whether or not the Company agrees with the recommendations of the examination report. If the Company disagrees with the examination findings, the reason for the disagreement must be outlined in the response, and the Company must provide supporting information for the objection. The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. No response is required if the examination report does not include any findings or recommendations.

(c) Consequences for failure to meet the requirements contained in the FHCF-EAP1, "Exposure Examination

Advance Preparation Instructions” or the FHCF-LAP1, “Loss Reimbursement Examination Advance Preparation Instructions.” In addition to other penalties or consequences, the FHCF has the authority, pursuant to section 215.555(4)(f), F.S., to require that the Company pay for the following services under the circumstances specified herein:

1. If the Company is responsible for the delay of an examination, the inability to conduct an examination as scheduled, or the inability to complete an examination, the Company shall be required to reimburse the FHCF for all the usual and customary expenses connected to such delay, cancellation, or incompleteness.

2. If the FHCF finds any Company’s records or other necessary information to be inadequate or inadequately posted, recorded, or maintained, the FHCF may employ experts to reconstruct, rewrite, record, post, or maintain such records or information, at the expense of the Company being examined.

3. A Company required to reimburse the FHCF for costs as required in subparagraphs 1. and 2. is liable for interest on the amount owed to the FHCF from the date the FHCF pays such expenses until the date payment from the Company is received. The applicable interest rate will be the average rate earned by the SBA for the FHCF for the first four months of the current Contract Year plus 5%. The payment of reimbursements or refunds by the FHCF to the Company will be offset by any amounts owed by that Company to the FHCF under this paragraph.

~~(8)(7)~~ Company Contact Information. Companies must submit Form FHCF C-1, Company Contact Information, rev. XX/17 04/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>, which is hereby adopted and incorporated by reference into this rule, by March 1 preceding each Contract Year to the FHCF Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, Minnesota 55437. A New Participant must submit Form FHCF C-1 within 30 calendar days after ~~of~~ writing its first Covered Policy. This form must be updated by the Company as the information provided thereon changes. The FHCF shall have the right to rely upon the information provided by the Company to the FHCF on this form until receipt by the FHCF of a new properly completed and notarized Form FHCF C-1 from the Company.

(9) Deadlines. If any deadline provided for herein falls on a Saturday, Sunday or on a legal holiday, then the applicable due date will be the first business day immediately following the Saturday, Sunday or legal holiday.

~~(10)(8)~~ All the forms adopted and incorporated by reference in this rule may be obtained from the FHCF website at www.sbafla.com/fhcf or by contacting the ~~Administrator~~, Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, MN 55437, or from the FHCF website at www.sbafla.com/fhcf.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7), (15), 627.351(6), FS. History—New 5-17-99, Amended 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 5-10-06, 5-8-07, 6-8-08, 3-30-09, 8-2-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13; 4-24-14, 5-12-15, 3-13-16, XX-XX-17.

19-8.030 Insurer Responsibilities.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555, 627.351(6), FS. History—New 5-13-03, Amended 5-19-04, 5-29-05, 5-10-06, 5-8-07, 8-13-07, 6-8-08, 3-30-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13, 4-24-14, 5-12-15, 3-13-16, Repealed XX-XX-17.

NAME OF PERSON ORIGINATING PROPOSED RULE: Anne T. Bert, 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: December 06, 2016

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: November 4, 2016

Notice of Meeting/Workshop Hearing

STATE BOARD OF ADMINISTRATION

The Florida Hurricane Catastrophe Fund announces a public meeting to which all persons are invited.

DATE AND TIME: December 6, 2016, 9:00 a.m. (ET) to conclusion of the meeting.

PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Trustees of the State Board of Administration to authorize the Florida Hurricane Catastrophe Fund (the Fund) to file a Notice of Proposed Rule for two rules, Rule 19-8.029, F.A.C., Insurer Reporting Requirements, and Rule 19-8.030, F.A.C., Insurer Responsibilities, and to file these rules for adoption if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is needed. The rules and incorporated forms are available on the Fund's website: www.sbafla.com/fhcf. The Trustees may also address other general business.

A copy of the agenda may be obtained by contacting: Not available.

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: Donna Sirmons, Florida Hurricane Catastrophe Fund, at (850) 413-1349 or donna.sirmons@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).

19-8.029 Insurer Reporting Requirements and Responsibilities.

(1) Purpose. This rule specifies certain deadlines and other requirements for insurers that participate in the Florida Hurricane Catastrophe Fund (FHCF) and addresses ~~The purpose of this rule is to incorporate and adopt the annual reporting of insured values and the Loss Reporting Forms, to provide the time and place for submission of this required information and to address confidentiality of certain information provided to the FHCF~~ Florida Hurricane Catastrophe Fund.

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule and the forms referenced in this rule: ~~terms defined below will be capitalized in this rule.~~

~~(a) Citizens Property Insurance Corporation or Citizens means the entity formed under Section 627.351(6), F.S., refers to two accounts, the coastal account and the personal lines and commercial lines accounts. Each account is treated by the FHCF as if it were a separate Participant participating insurer with its own reportable exposures, reimbursement premium, retention, and ultimate net loss.~~

~~(b) Commutation Period means that period of time which is not less than 36 months or more than 60 months after the end of the Contract Year during which the loss occurrence took place. The Reimbursement Contract, adopted and incorporated into Rule 19-8.010, F.A.C., may provide for voluntary commutation earlier than the 36 month period under certain circumstances.~~

~~(a)(e) “Contract Year” is defined in section 215.555(2), F.S. means the time period which begins at 12:00:01 a.m., Eastern Time, on June 1 of each calendar year and ends at 12:00 midnight, Eastern Time, on May 31 of the following calendar year.~~

~~(d) Covered Policy is defined in Section 215.555(2)(c), F.S., and in the Reimbursement Contract adopted by and incorporated into Rule 19-8.010, F.A.C.~~

~~(e) Data Call or Florida Hurricane Catastrophe Fund Data Call means the annual reporting of insured values Form FHCF D1A.~~

~~(f) FHCF or Fund means the Florida Hurricane Catastrophe Fund.~~

~~(g) Independent Consultant means the independent individual, firm, or organization with which the State Board of Administration of Florida (Board) contracts to prepare the premium formula and any other actuarial services for the FHCF, as determined under the contract with the consultant.~~

~~(h) Loss Reporting Forms mean the FHCF L1A, FHCF L1B, and FHCF DCL.~~

~~(i) New Participants means insurers which are granted a certificate of authority by the Department of Financial Services after the beginning of the FHCF’s Contract Year on June 1 and which write Covered Policies, or which already have a certificate of authority and begin writing Covered Policies on or after the beginning of the FHCF’s Contract Year on June 1 and did not or were not required to enter into a contract on June 1 of the Contract Year. A Company that enters into an assumption agreement with Citizens that includes Covered Policies and is effective on or after June 1 and had written no other Covered Policies on or before June 1 is also considered a New Participant.~~

~~(j) Office of Insurance Regulation means that office within the Department of Financial Services and which was created in Section 20.121(3), F.S.~~

(b) “Insurer” or “Company” means an insurer that is required to enter into a Reimbursement Contract.

~~(k) WIRE means the Web Insurer Reporting Engine which is the secure web-based system used for the reporting of insurer exposure data under the Data Call beginning with the 2014/2015 Contract Year.~~

(3) Duties of New Participants. A New Participant must designate a coverage level in the Reimbursement Contract, make any required selections therein, and return the fully executed Reimbursement Contract and applicable Addenda within 30 calendar days after the effective date of its first Covered Policy ~~Reporting of Insurer Exposure Data.~~

~~(a) No later than September 1 of each Contract Year, authorized insurers and Citizens pursuant to Sections 215.555(5) and 627.351(6), F.S., shall report, online using WIRE, insured values reflecting wind exposure under Covered Policies by zip code and other relevant factors required to reflect each insurer’s relative exposure to hurricane loss, valued as of June 30 of the current Contract Year, as required under the Data Call. Such other relevant factors shall be determined by the Independent Consultant consistent with principles of actuarial science and in conjunction with the development of the premium formula.~~

(4)(b) Confidentiality of reports containing insured values under Covered Policies. Section 215.557, F.S., enacted for the express purpose of protecting trade secret and proprietary information submitted to the FHCF by a Company participating insurers, protects the confidentiality of reports of insured values under Covered Policies by ZIP Code submitted pursuant to section 215.555, F.S., regardless of whether the information contained in such reports appears in the Data Call or in any other document information of the type submitted in the Data Call, examination workpapers, and examination reports. Such information is not subject to the

provisions of ~~s~~Section 119.07(1), F.S., or ~~s~~Section 24(a), Article I of the Florida State Constitution. In addition, sections 812.081 and 815.045, F.S., provide for confidentiality of trade secret information. Confidential information ~~data~~ and trade secrets reported to the FHCF are protected to the extent allowed by law.

~~(c) Reporting Regarding Insurers Withdrawing from the State or Discontinuing the Writing of All Kinds of Insurance Prior to June 30 of Each Year. Insurers which discontinue writing insurance in Florida and have no remaining Covered Policy exposure as of June 30 of each Contract Year are required to petition for exemption from the Fund pursuant to Rule 19-8.012, F.A.C. Nothing in this rule shall be construed to conflict with the requirements of Section 624.430(1), F.S.~~

~~(d) Online reporting, using WIRE, is due by September 1 (or by the alternative date applicable to New Participants as outlined in subsection (4) below); this means that the report shall be received by the Board no later than 4:00 p.m., Eastern Time, on September 1. If September 1 is a Saturday, Sunday or legal holiday, then the applicable due date will be the day immediately following September 1 which is not a Saturday, Sunday or legal holiday. Reports sent to the FHCF Administrator in Minneapolis, Minnesota, will be returned to the sender. Submissions in WIRE must be electronically signed off on by 4:00 p.m., Eastern Time, on the applicable due date by two officers registered in the system or the submission will be late.~~

(5)(4) Data Call Forms. For the 2017/2018 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, “Florida Hurricane Catastrophe Fund 2017 Data Call,” rev. xx/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.

~~(a) For the 2012/2013 Contract Year, the reporting shall be in accordance with Form FHCF D1A, “Florida Hurricane Catastrophe Fund 2012 Data Call,” rev. 01/12, <http://www.flrules.org/gateway/reference.asp?No=Ref-01193> hereby adopted and incorporated by reference into this rule. The form may be obtained from the Fund’s Administrator at the address stated in subsection (8) below. A new participant writing covered policies on or after June 1 but prior to December 1, shall report its actual exposure as of December 31 of the Contract Year on or before March 1 of the Contract Year, to the Administrator. For the 2012/2013 Contract Year, a New Participant had the option of reporting its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.~~

~~(b) For the 2013/2014 Contract Year, the reporting shall be in accordance with Form FHCF D1A, “Florida Hurricane Catastrophe Fund 2013 Data Call,” rev. 02/13, <http://www.flrules.org/Gateway/reference.asp?No=Ref-02333>, hereby adopted and incorporated by reference into this rule. The form may be obtained from the Fund’s Administrator at the address stated in subsection (8) below. A New Participant writing covered policies on or after June 1 but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year to the Administrator.~~

~~(c) For the 2014/2015 Contract Year, the reporting shall be in accordance with Form FHCF D1A, “Florida Hurricane Catastrophe Fund 2014 Data Call,” rev. 04/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-03967>, hereby adopted and incorporated by reference into this rule. The form may be obtained from the Fund’s Administrator at the address stated in subsection (8) below. A New Participant writing Covered Policies on or after June 1 but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.~~

~~(d) For the 2015/2016 Contract Year, the reporting shall be in accordance with Form FHCF D1A, “Florida Hurricane Catastrophe Fund 2015 Data Call,” rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05322>, hereby adopted and incorporated by reference into this rule. A New Participant writing Covered Policies on or after June 1 but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.~~

~~(e) For the 2016/2017 Contract Year, the reporting shall be in accordance with Form FHCF D1A, “Florida Hurricane Catastrophe Fund 2016 Data Call,” rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06500>, hereby adopted and incorporated by reference into this rule. A New Participant writing Covered Policies on or after June 1, but prior to December 1, shall report its actual exposure as of November 30 of the Contract Year on or before February 1 of the Contract Year.~~

~~-(5) Loss Reimbursement Reporting Requirements.~~

~~(a) As directed by the Board, after a covered event occurs, insurers shall report all their estimated ultimate net losses (as defined in the Reimbursement Contract, adopted and incorporated into Rule 19-8.010, F.A.C.) for Covered Policies on the Form FHCF-L1A, “Florida Hurricane Catastrophe Fund Interim Loss Report,” adopted in subsection (6) herein. The Board may request subsequent Interim Loss Reports. Prompt reporting in the format requested will aid the Board in determining whether to seek additional sources of funds to pay for reimbursable losses. The losses reported on the Interim Loss Report are expected to result from a good faith effort, using best business practices for the insurance industry, on the part of the insurer to report as accurately as~~

possible. Preliminary reports will not be binding.

~~(b) Insurers shall report their ultimate net losses for each loss occurrence on the Form FHCF L1B, “Florida Hurricane Catastrophe Fund Proof of Loss Report,” adopted in subsection (6) herein. Reimbursements by the Fund will be made on the basis of the Proof of Loss Report. While a Company may submit a Proof of Loss Report requesting reimbursement at any time following a loss occurrence, all Companies shall submit a mandatory Proof of Loss Report for each loss occurrence no earlier than December 1 and no later than December 31 of the Contract Year during which the Covered Event(s) occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of loss reimbursements or advances already received. After the mandatory December Proof of Loss Report, quarterly Proof of Loss Reports are required as outlined in Article X of the Reimbursement Contract.~~

~~(c) Companies must submit the FHCF L1A, Interim Loss Report, and FHCF L1B, Proof of Loss Report, electronically using the FHCF Online Claims System (available at www.sbafla.com/fhcf under Insurer Information, Online Claims). The Online Claims System will require an online signoff of one executive officer for an Interim Loss Report submission and two executive officers for a Proof of Loss Report submission. Officers performing the signoffs must be registered users. Advance registration is required to use the Online Claims System; instructions are included within the system.~~

~~(d) When required, Companies must submit a Detailed Claims Listing to support the losses reported in the FHCF L1A, Interim Loss Report (excluding incurred but not reported losses) and the FHCF L1B, Proof of Loss Report. The requirements and instructions for the Detailed Claims Listing are outlined in Form FHCF DCL, “Detailed Claims Listing Instructions,” adopted in subsection (6) herein, for the applicable Contract Year. The Detailed Claims Listing, when required, must be uploaded through the FHCF Online Claims System (available at www.sbafla.com/fhcf under Insurer Information, Online Claims) at the same time as the Company’s Proof of Loss Report submission.~~

~~(6) Loss Reporting Forms.~~

~~(a) For the 2017/2018 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, “Contract Year 2017 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.~~

~~(b) For the 2017/2018 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, “Contract Year 2017 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.~~

~~(c) For the 2017/2018 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, “Contract Year 2017 Detailed Claims Listing Instructions,” rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule.~~

~~(a) For the 2015/2016 Contract Year, the applicable Interim Loss Report is the “Contract Year 2015 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” FHCF L1A, rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05323>, which is hereby adopted and incorporated by reference into this rule. The applicable Proof of Loss Report is the “Contract Year 2015 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” FHCF L1B, rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05329>, which is hereby adopted and incorporated by reference into this rule. The applicable Detailed Claims Listing Instructions is the “Contract Year 2015 Detailed Claims Listing Instructions,” FHCF DCL, rev. 05/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05325>, which is hereby adopted and incorporated by reference into this rule.~~

~~(b) For the 2016/2017 Contract Year, the applicable Interim Loss Report is the “Contract Year 2016 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” FHCF L1A, rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06501>, which is hereby adopted and incorporated by reference into this rule. The applicable Proof of Loss Report is the “Contract Year 2016 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” FHCF L1B, rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06502>, which is hereby adopted and incorporated by reference into this rule. The applicable Detailed Claims Listing Instructions is the “Contract Year 2016 Detailed Claims Listing Instructions,” FHCF DCL, rev. 03/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06503>, which is hereby adopted and incorporated by reference into this rule.~~

(7) Examination.

(a) Advance examination record requirements. Within 30 days after the date of the request for such information, a Company must provide the FHCF with the records indicated in the applicable Contract Year's "Exposure Examination Advance Preparation Instructions" or in the applicable Contract Year's "Loss Reimbursement Examination Advance Preparation Instructions." The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. For the 2017/2018 Contract Year, the applicable exposure examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination – Contract Year 2017 Advance Preparation Instructions," FHCF-EAP1, rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>, which is hereby adopted and incorporated by reference into this rule. The applicable loss examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Loss Reimbursement Examination – Contract Year 2017 Advance Preparation Instructions," FHCF-LAP1, rev. XX/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>, which is hereby adopted and incorporated by reference into this rule.

(b) Response to the FHCF examination report. Within 30 days from the date of the letter accompanying the examination report, a Company must provide a written response to the FHCF. The response must indicate whether or not the Company agrees with the recommendations of the examination report. If the Company disagrees with the examination findings, the reason for the disagreement must be outlined in the response, and the Company must provide supporting information for the objection. The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. No response is required if the examination report does not include any findings or recommendations.

(c) Consequences for failure to meet the requirements contained in the FHCF-EAP1, "Exposure Examination Advance Preparation Instructions" or the FHCF-LAP1, "Loss Reimbursement Examination Advance Preparation Instructions." In addition to other penalties or consequences, the FHCF has the authority, pursuant to section 215.555(4)(f), F.S., to require that the Company pay for the following services under the circumstances specified herein:

1. If the Company is responsible for the delay of an examination, the inability to conduct an examination as scheduled, or the inability to complete an examination, the Company shall be required to reimburse the FHCF for all the usual and customary expenses connected to such delay, cancellation, or incompleteness.

2. If the FHCF finds any Company's records or other necessary information to be inadequate or inadequately posted, recorded, or maintained, the FHCF may employ experts to reconstruct, rewrite, record, post, or maintain such records or information, at the expense of the Company being examined.

3. A Company required to reimburse the FHCF for costs as required in subparagraphs 1. and 2. is liable for interest on the amount owed to the FHCF from the date the FHCF pays such expenses until the date payment from the Company is received. The applicable interest rate will be the average rate earned by the SBA for the FHCF for the first four months of the current Contract Year plus 5%. The payment of reimbursements or refunds by the FHCF to the Company will be offset by any amounts owed by that Company to the FHCF under this paragraph.

~~(8)(7)~~ Company ~~c~~ontact ~~i~~nformation. Companies must submit Form FHCF C-1, Company Contact Information, rev. ~~XX/17~~ ~~04/14~~, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>, which is hereby adopted and incorporated by reference into this rule, by March 1 preceding each Contract Year ~~to the FHCF Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, Minnesota 55437.~~ A New Participant must submit Form FHCF C-1 within 30 calendar days ~~after~~ ~~of~~ writing its first Covered Policy. This form must be updated by the Company as the information provided thereon changes. The FHCF shall have the right to rely upon the information provided by the Company to the FHCF on this form until receipt by the FHCF of a new properly completed and notarized Form FHCF C-1 from the Company.

(9) Deadlines. If any deadline provided for herein falls on a Saturday, Sunday or on a legal holiday, then the applicable due date will be the first business day immediately following the Saturday, Sunday or legal holiday.

~~(10)(8)~~ All the forms adopted and incorporated by reference in this rule may be obtained from ~~the FHCF website at www.sbafla.com/fhcf or by contacting the:~~ Administrator, Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, MN 55437, ~~or from the FHCF website at www.sbafla.com/fhcf.~~

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7), (15), 627.351(6), FS. History—New 5-17-99, Amended 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 5-10-06, 5-8-07, 6-8-08, 3-30-09, 8-2-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13; 4-24-14, 5-12-15, 3-13-16, XX-XX-17.

Florida Hurricane Catastrophe Fund 20176 Data Call Instruction Sheet

Each authorized insurance ~~e~~Company writing Covered Policies in the state of Florida is required to pay a ~~#~~Reimbursement ~~p~~Premium to the Florida Hurricane Catastrophe Fund (FHCF). This ~~p~~Premium is based on the Reimbursement Premium Formula specifying the amount of ~~p~~Premium to be paid for each \$1,000 of insured value for Covered Policies in each Florida ZIP Code by ~~t~~Type of ~~b~~Business, ~~e~~Construction ~~t~~Type, ~~d~~Deductible ~~g~~Group, Year Built, Structure Opening Protection, and Roof Shape code combinations.

In order to perform the calculation, each ~~authorized insurance e~~Company must submit its total covered property exposure (wind/hurricane insurance in force) **by September 1, 20176** for insured values under Covered Policies **as of June 30, 20176**. Covered Policies are defined in subsection (10) of Article V of the FHCF Reimbursement Contract (see page 17 herein; a full copy of the Reimbursement Contract is available on-line at www.sbafla.com/fhcf under “FHCF Rules”).

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**** Important Changes in the 2017~~6~~ Data Call ****

1. Based on communications with Companies regarding their 2016 Construction Mapping Worksheets and related construction issues, the Worksheet has been revised. See page XX.
2. A Mixed-Occupancy Single Structures Worksheet has been added to facilitate the submission process of a proposed methodology for determining predominant use by Companies insuring such structures under a commercial policy. See pages X and XX.

**** FHCF WIRE (Web Insurer Reporting Engine) ****

WIRE is the secure web-based system used for the reporting of Company exposure data. All 2017~~6~~ Data Call submissions are to be filed online using WIRE. Submissions in WIRE must be electronically signed off on by two officers no later than 4:00 p.m. Eastern Time on the applicable due date or the submission will be considered late. Your eCompany should have an existing WIRE account and a WIRE Account Manager who was registered by the FHCF upon designation by your eCompany on its most recent Company Contact Information Form (Form FHCF C-1) submitted to Paragon Strategic Solutions Inc. Each eCompany is allowed a maximum of five WIRE users to perform submission functions on behalf of the eCompany. This number includes the Account Manager and at least two officers with the authority to certify and sign the submission statements. Your eCompany's Account Manager can remove existing WIRE users and can register new users. Registered users can access the WIRE system at www.sbafla.com/fhcfwire. Additional information, including instructions and tutorials, are available in the system.

**** Steps for Completing Data Call ****

1. Well in advance of preparing your eCompany's Data Call submission, the FHCF suggests that your eCompany's WIRE users verify that they can access the system. Users who experience difficulties may contact the State Board of Administration of Florida (SBA) at wire@sbafla.com or 850-413-1228.
2. **Mapping/methodology proposals should be received by the Administrator by August 1, 2017~~6~~.** Prior to making the actual Data Call submission in WIRE, request written approval from the Administrator for any proposed methodology required to be submitted in advance; specifically, a construction code mapping as described on page 10 and a proposed methodology for reporting single structures with a mix of exposure as described on page 5, if either condition is applicable. Also, request written approval from the Administrator for any reporting methodology not specifically outlined in the Data Call instructions. Any such requests will be initially reviewed for high-level reasonableness, followed by a detailed review during the FHCF's exposure reporting examination. Written requests should be sent to the Administrator at the following address:

Kathy Mackenthun, CPCU, ARe
Director – FHCF Administration
Paragon Strategic Solutions Inc.
8200 Tower
5600 West 83rd Street, Suite 1100
Minneapolis, MN 55437

OR

FHCFAdministrator@paragon.aonbenfield.com

3. A Data Call file must pass *WIRE* validation tests before it can be submitted. Your eCompany may upload a Data Call file to *WIRE* for validation beginning July 1st. After the file is uploaded, the system performs the validation tests and sends the results via email. The email will include a summary of any errors and/or warnings of potential errors noted in the file. If the file passes validation, it can be confirmed for submission or deleted and uploaded again later. If the file fails validation, it is automatically deleted from the system and your eCompany will have to upload a corrected file.

Data quality checks programmed in *WIRE* will help ensure that your eCompany's data is in the correct format and that it does not contain invalid codes and invalid ZIP-to-county code mappings. **However, please keep in mind that the system cannot identify errors caused by data which was coded incorrectly according to the policy details.** Such errors may require a resubmission. Any examination conducted by the SBA will be the final determinant of data quality.

4. Prior to confirming the Data Call file for submission, your eCompany may upload supporting information in *WIRE* (e.g., a cover letter). After a Data Call submission has been confirmed through *WIRE*, subsequent information to be provided in support of that submission must be sent directly to the Administrator at the address listed in Step 2.
5. After the Data Call file is confirmed for submission, the system will send an email notification to the eCompany's *WIRE* users designated as "Officers" to certify and sign the officer submission statements. Upon the sign-off of two officers, the submission is complete and no further changes can be made to the Data Call file as the automated processing of the data begins. *WIRE* will aggregate the data and transmit it to the Administrator for pPremium calculation. Any subsequent submission of the Data Call file (resubmission) is subject to FHCF approval and will incur a resubmission fee (see Resubmissions located in the Data Quality section of this Data Call).

Note: *WIRE* was designed to function as a means of file transmittal from the companies to the FHCF and not as a means of file storage and retrieval.

6. Summary of *WIRE* submission components (required unless specified below as optional):

	Via <i>WIRE</i> Tab
Data Call File (file of exposure data)*	Upload/Validate
Optional Supporting Documents (e.g., a cover letter)	Confirm/Submit
Submission Confirmation Form – requires the following:	Confirm/Submit
- Collateral Protection Reporting Selection	
- Written Explanation of Exposure Fluctuation (if applicable)	
- Submission Confirmation Statement	
Officer Submission Statements signed by two Executive Officers (see page 6)	Sign Officer Statements

*Note: All data for an individual eCompany should be submitted as one file, unless your eCompany has participated in a Citizens Property Insurance Corporation Coastal Account or Citizens Property Insurance Corporation Personal Lines and Commercial Lines Account assumption agreement (see page 24).

7. If your eCompany does not have Covered Policies as defined in subsection (10) of Article V of the FHCF-Reimbursement Contract (see page 17 herein), but was an active FHCF eCompany for the ~~2015/2016~~2017 eContract yYear, a letter requesting to petition for exemption from the FHCF must be returned to the Administrator at the address provided in 2. above no later than **September 1, 2017**.

Note: If your eCompany determines at a later time that it does have Covered Policies, or the SBA denies your eCompany's request for exemption from the FHCF, your eCompany will be subject to any fees and/or administrative action by the Florida Department of Financial Services (Department) for delinquent or inadequate exposure data as defined in this Data Call and/or your eCompany's Reimbursement Contract.

**** General Data Call Issues ****

Extensions

Data Call submissions ~~must be received~~ through WIRE must be electronically signed off on by two officers by 4:00 p.m. (ET), September 1, 2017~~6~~. Extensions will not be granted.

If you have any questions about the information to be supplied or about this Data Call, please do not hesitate to contact Holly Bertagnolli, Kathy Mackenthun, or Martin Helgestad of Paragon Strategic Solutions Inc. at 1-800-689-FUND (3863) or by email at FHCFAdministrator@paragon.aonbenfield.com. If you have any questions regarding WIRE, please contact the SBA at wire@sbafla.com or 850-413-1228.

**** Data Quality ****

Resubmissions

A eCompany submitting its Data Call file in noncompliance with the specifications herein could be required to resubmit its data. Any examination conducted by the SBA will be the final determinant of data quality. Any eCompany required to resubmit data will be allowed 30 calendar days to resubmit data (may be less than 30 days if the eCompany has been already notified by the SBA for an exam). A \$1,000 resubmission fee (for resubmissions that are not the result of an exam by the SBA) will be invoiced by the FHCF for each resubmission. An extension may be granted if a Company can show that the need for additional time is due to circumstances beyond their reasonable control.

If a resubmission is necessary as a result of an examination report issued by the SBA, the resubmission fee will be \$2,000. If a eCompany'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.

Explanation of Exposure Fluctuations

Compare your current year submission against your submission from the previous year to ensure increases or decreases in reported exposure are valid. The FHCF requires an explanation of exposure increases or decreases for specific FHCF types of business which meet either the combined dollar/percentage thresholds or the large dollar thresholds below. A comment field is included in the WIRE system for your eCompany to provide a brief explanation of such fluctuations when the Data Call file is confirmed for submission. While the degree of detail is left to the discretion of your eCompany, the explanation must provide detail beyond simply stating that "the data has been reviewed and is correct as submitted."

Type of Business	\$ Threshold		% Threshold		Large \$ Threshold
Commercial:	+/- \$ 25,000,000	and	+/- 40%	or	+/- \$ 200,000,000
Residential:	+/- \$ 50,000,000	and	+/- 40%	or	+/- \$ 1,000,000,000
Mobile Home:	+/- \$ 25,000,000	and	+/- 40%	or	+/- \$ 40,000,000
Tenants:					+/- \$ 20,000,000
Condominium Unit Owners:	+/- \$ 25,000,000	and	+/- 40%	or	+/- \$ 40,000,000

Rounding

Exposures must be reported in whole dollars and may be rounded to the nearest \$1,000, but no greater.

**** Covered Policies ****

Covered Policies are defined in Section 215.555(2)(c), Florida Statutes, as any insurance policy covering a ~~Residential~~ ~~Structure~~, or its contents, located in the State of Florida. Covered Policy is further defined in subsection (10) of Article V of the FHCF Reimbursement Contract (see page 17 herein), which includes personal lines residential coverages, commercial lines residential coverages, and mobile home coverages. **The FHCF provides reimbursement only for losses from policies with wind or hurricane coverage.**

All Covered Policies written by an individual ~~Insurer~~ must be reported even if they are written in areas eligible for coverage from Citizens Property Insurance Corporation Coastal Account or Citizens Property Insurance Corporation Personal Lines and Commercial Lines Accounts.

**** Single Structures with Habitational and Non-Habitational Occupancies ****

~~If a single structure written on a commercial policy is used for both habitational and non-habitational purposes and the predominant use is dwelling or habitational occupancies, report the exposure for the entire structure to the FHCF. The FHCF will reimburse losses for the entire structure as well.~~

~~Conversely, if the predominant use of such a structure is non-dwelling or non-habitational occupancies, do not report any exposure for the mixed-occupancy structure. [See Definition (27) and Exclusions (29) and (30) of the 2016 Reimbursement Contract included on pages 17-19 herein]. The FHCF will not reimburse losses for such structures.~~

~~For the purpose of determining whether the predominant use of a mixed-use single structure is reportable as a Residential Structure under this Data Call (i.e., to determine whether exposure for such a structure is reportable to the FHCF), the FHCF considers predominant use to be 50% or greater of the total insured value of the structure as justified by the company on the basis of number of floors, square footage, or other reasonable methodology.~~

All companies reporting FHCF Commercial type of business (code "1") exposure in response to this Data Call must complete the Mixed-Occupancy Single Structures Worksheet on page 33 herein. Completing the Worksheet will determine if your Company must also submit a **If your company writes policies for which this section is applicable, your company's proposed methodology for determining predominant use of mixed-occupancy structures, which must be provided to the Administrator on an annual basis prior to your eCompany's Data Call submission.** The proposal must include:

- ~~(1) A list of your company's class codes that could reasonably be expected to be used for mixed-occupancy structures that include habitational occupancies. Include a description of the type of property assigned to each code.~~
- ~~(2) For each code, indicate whether your company considers the code predominantly habitational or predominantly non-habitational based on the FHCF's description of predominant use above.~~
- ~~(3) Summarize the basis for your methodology (e.g., number of floors, square footage, etc.) and include any rating/underwriting rules that may be helpful.~~

**** June 30th “as of” Date ****

The data reported under this Data Call pertains to a eCompany’s insured values under Covered Policies as of June 30, 2017~~6~~. This data is used by the FHCF to calculate a eCompany’s premium, retention, and maximum FHCF coverage under the applicable Reimbursement Contract.

Although changes to coverage under a policy that are effective after June 30th do not impact reporting under the Data Call (including new policy issuance and policy terminations), the policy terms in effect at a time of loss will be considered in determining a eCompany’s losses eligible for reimbursement under the FHCF. For example, if a Covered Policy was written effective July 1, 2017~~6~~, exposure for that policy would not be included under the 2017~~6~~ Data Call submission, but losses under that policy would be reportable to the FHCF when the eCompany files its loss reports.

Given an “as of” date of June 30th and a statutory Data Call due date of September 1st, a eCompany must determine the date at which it can most accurately capture and report its data to include policy transactions with effective dates of June 30th or earlier, while still being able to meet the statutory Data Call due date. For example, a eCompany writes a policy with an effective date of June 29, 2017~~6~~, the transaction was processed by the eCompany on July 15, 2017~~6~~ and the eCompany compiled its data on July 20, 2017~~6~~. The FHCF would expect the policy to be reported since the policy was in effect on June 30th and the transaction was processed before the date the data was compiled. However, the FHCF recognizes that if a transaction was not processed far enough through a eCompany’s systems by the date on which the eCompany compiled its Data Call information, then that transaction would not necessarily be reflected in the eCompany’s original Data Call submission. Nonetheless, should the eCompany have to resubmit its Data Call at a later date, then the transaction should be included in the resubmitted data.

**** Retention of Records for SBA Examination ****

In accordance with Article XIII of the Reimbursement Contract and the SBA’s examination program, all records, including exposure filings (Data Call submission), policy files, and supporting documentation, must be retained along with computer runs produced to support the Data Call submission. Companies writing covered collateral protection policies, as defined in this Data Call, must be able to provide documentation that the policy covers 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. Such records must be retained until the SBA has completed its examination of your eCompany’s exposure submission and loss reports (applicable to the Data Call eContract yYear) and commutation for the eContract yYear (if applicable) has been concluded. The Data Call file must be retained and maintained so that, upon examination by the SBA, changes can be made to correct any errors which may be identified and to allow for a resubmission if required.

**** Officer Submission Statements ****

A Data Call submission is required to be signed by two ~~executive~~ officers in *WIRE*. The following are included in the online officer submission statements:

- I, the undersigned, do state that, to the best of my knowledge, the file submission provided to the SBA under Section 215.555(5)(c), Florida Statutes, is complete, accurate, and in compliance with the requirements of Section 215.555, Florida Statutes, and all Florida Administrative Code rules.
- I, the undersigned, acknowledge that the SBA may use the submitted file and related transmittals in the course of its examination of the captioned Company’s exposure reporting, as well as any applicable loss reporting examinations. I further understand that the exposure examination will require

documentation in addition to the items submitted herein. Said Company will retain and maintain complete and accurate records, in policy level detail, of all exposure data related to the generation and submission of this Data Call submission or resubmission until the SBA has completed its exposure and loss examinations of the Company's submission(s) and commutation for the eContract yYear (if applicable) has been concluded.

[This next certification will appear only for those companies identified by the user confirming and submitting the file in *WIRE* as writing collateral protection policies as described herein.]

- I, the undersigned, acknowledge that the captioned Company writes collateral protection policies covering personal residences in the State of Florida that protect both the borrower's and the lender's financial interest, in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy. I understand that, as referenced in Section 215.555(2)(c), Florida Statutes, for such policies to be covered by the FHCF, said Company must be able to accurately report exposure information for those policies as required in Section 215.555(5), Florida Statutes, and specifically, as outlined in this Data Call. Accordingly, I certify that, to the best of my knowledge, said Company:

Option 1: has collected all the information necessary for such policies to be covered by, and reported to, the FHCF, as outlined in this Statement and this Data Call, and has accordingly included collateral protection exposure covered by the FHCF in this Data Call submission.

Option 2: does not have available the data as required by the pPremium fFormula as specified in Section 215.555(5), Florida Statutes, and therefore is unable to accurately report its collateral protection exposure. I also understand that said Company is ineligible to collect any reimbursements from the FHCF for Losses occurring during this FHCF contract year from policies covering collateral protection exposure.

- I, the undersigned, am an ~~executive~~ officer of the captioned Company, acting within my authority in making these declarations, and I have conducted, or have had conducted, a diligent review of said Company's records and systems to determine the truth of these statements.

Florida Hurricane Catastrophe Fund 2017 Data Call

File Layout

The following fields must be provided in a pipe delimited text file. For the pipe “|” symbol, press the *Shift* key and the \ key.

Field #	Description	Min Length	Max Length	Type	Notes
1	Type of Business	1	1	Numeric	Only the codes on page 9 are acceptable.
2	Line of Business	1	1	Numeric	Only the codes on page 10 are acceptable.
3	Construction Type	1	2	Numeric	Only the codes on pages 10-11 are acceptable.
4	Deductible Group	2	2	Alpha-Numeric	Only the codes on pages 11-12 are acceptable.
5	County Code	1	3	Numeric	Only the codes on page 27 are acceptable.
6	ZIP Code	5	5	Numeric	At least 95% of exposure must have a valid ZIP Code.
7	Total Insured Risks	1	6	Numeric	Must be greater than zero.
8	Total Insured Value – Building*	1	12	Numeric	Report whole dollar amounts only (no decimals). If amount is zero, then enter 0. * Note that the sum of these four fields must be greater than zero.
9	Total Insured Value – Appurtenant Structures*	1	12	Numeric	
10	Total Insured Value – Contents*	1	12	Numeric	
11	Total Insured Value – ALE*	1	12	Numeric	
12	Year Built	1	4	Numeric	Enter 4-digit year; if unknown or the structure is a mobile home, enter 0.
13	Reserved for Future Use	1	1	Numeric	Enter 0.
14	Reserved for Future Use	1	1	Numeric	Enter 0.
15	Structure Opening Protection	1	1	Numeric	Only the codes on page 15 are acceptable.
16	Roof Shape	1	1	Numeric	Only the codes on page 15 are acceptable.
17	Policy Effective Date	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeros for single-digit months and days).
18	Policy Expiration Date	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeros for single-digit months and days).
19	Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only. See additional instructions on page 15.
20	Citizens Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only. See additional instructions on page 15.

Example: A record with the following information:

Field #	Description	Type	Entry
1	Type of Business	Residential	2
2	Line of Business	Homeowners	2
3	Construction Type	Frame	1
4	Deductible Group	\$2,000	RC
5	County Code		86
6	ZIP Code		33130
7	Total Insured Risks		5
8	Total Insured Value – Building		500000
9	Total Insured Value – App. Structures		100000
10	Total Insured Value – Contents		250000
11	Total Insured Value – ALE		50000
12	Year Built	Example: 2010	2010
13	NA		0
14	NA		0
15	Structure Opening Protection	No credit is given to policyholder	0
16	Roof Shape	Hip, Mansard, or Pyramid	1
17	Policy Effective Date		20170305
18	Policy Expiration Date		201870305
19	Policy Number		ABC000001234
20	Citizens Policy Number		FRJ000022222

Each record must have the following layout:

2|2|1|RC|86|33130|5|500000|100000|250000|50000|2010|0|0|0|1|20170305|201870305|ABC000001234|FRJ000022222

Description of Data Fields

The FHCF strongly encourages any individual involved in completing this Data Call to review the Reporting Clarifications on pages 20-22 herein.

1. Type of Business (TOB)

All exposure should be classified as one of the following FHCF TOBs. Exposure for scheduled personal property written under attachments, endorsements, and riders; any policy separately covering personal property; or any policy separately covering commercial residential contents should be reported as the FHCF TOB it is associated with. If the exposure is not associated with another policy, it should be reported as FHCF TOB “4” (Tenants), with the exception of mobile home related property, which must still be reported as FHCF TOB “3” (Mobile Home).

Type of Business	Code
Commercial	1
Residential	2
Mobile Home	3

Type of Business	Code
Tenants	4
Condominium Unit Owners	6

General TOB Instructions:

- **“Commercial”** should be used for commercial-habitational exposures such as apartment buildings and condominium complexes. Do not use this TOB for individual condominium unit owners.
- **“Mobile Home”** should be used for all mobile home coverages, regardless of the policy form on which coverage is written, including coverage provided to a person(s) renting a mobile home.

- **“Tenants”** should be used for policies providing property coverage to a person(s) entitled to occupy a dwelling unit (including a condominium unit) under a rental agreement. Do not use this TOB for any policy providing coverage to a person renting a mobile home. Exposure for scheduled personal property written under attachments, endorsements, and riders; any policy separately covering personal property; or any policy separately covering commercial residential contents should be reported as the FHCF TOB it is associated with. If the exposure is not associated with another policy, it should be reported as Tenants.
- **“Condominium Unit Owners”** should be used for individual condominium unit owners, whether owner or tenant occupied. Do not use this TOB for condominium complexes or multi-unit structures.

2. Line of Business

Exposure information for Covered Policies is to be reported using the following codes (use the code your eCompany deems most appropriate):

Line of Business	Code
Fire and Allied Lines	1
Homeowners Multiple Peril	2
Farmowners Multiple Peril	3

Line of Business	Code
Commercial Multiple Peril	4
Mobile Homeowners	5
Inland Marine	6

3. Construction Type

The FHCF’s construction codes and definitions are provided on page 26. Your company must use the applicable FHCF codes in its Data Call submission.

If your eCompany’s construction definitions do not closely match those of the FHCF, you must complete the Construction Mapping Worksheet on pages 29-30, submit it to the Administrator, and receive approval from the Administrator prior to submitting the Data Call file through *WIRE*. This will help your eCompany avoid a subsequent resubmission due to improper construction reporting. Once the Administrator has notified you in writing that your mapping is acceptable, you must complete the actual mapping so that only FHCF constructions are reported in your submission. The Construction Mapping Worksheet must be provided directly to the Administrator, not through *WIRE*. **If a mapping review is necessary for your eCompany, such a review must be done each year to ensure changes to the FHCF construction types have not affected the previously reviewed mapping.**

If your eCompany has policies for which no construction information is captured, exposure for such policies should be reported using the FHCF Unknown construction code “11” (or code “25” for mobile home exposure).

Residential

Construction Type	Code
Frame	1
Masonry	2
Masonry Veneer	10
Unknown (Non-Mobile Home)	11

Commercial, Condominium Unit Owners, Tenants

Construction Type	Code
Frame	1
Masonry	2
Masonry with Reinforced Concrete Roof	15
Superior	7
Superior with Reinforced Concrete Roof	16
Masonry Veneer	10
Unknown (Non-Mobile Home)	11

Mobile Home

Construction Type	Code
Mobile Home - Fully Tied Down, Mfg. before 7/13/94	21
Mobile Home - Fully Tied Down, Mfg. on or after 7/13/94 or documented to be in compliance with ANSI/ASCE 7-88	22
Mobile Home - Other than Fully Tied Down or Unknown	25

4. Deductible Group – Wind Including Hurricane Deductible, or Hurricane Deductible Only

Except as instructed for commercial-habitation policies below, report an FHCF percentage or dollar deductible code based on how the policy deductible is written. For example, a \$100,000 residential policy written with a 2% deductible must be reported with code R2, not code RC (\$1,501 to \$2,500 deductible), regardless of how the deductible is “stated” to the policyholder.

For any policy written with a percentage deductible and a minimum dollar deductible, always report the percentage deductible.

For commercial-habitation policies (regardless of the FHCF Type of Business under which the policy’s exposure is reported) written with a dollar-only deductible that is greater than \$50,000, the deductible amount must be converted to a percentage of the total insured building value (Data Call field 8) and reported to the FHCF as a percentage deductible.

For commercial-habitation policies covering multiple structures/contents under an indivisible aggregate deductible, report the full blanket deductible for each record reported.

Following are the FHCF deductible groups and codes:

Commercial

Deductible Group	Code
\$0 to \$2,500	CA
\$2,501 to \$7,500	CB
\$7,501 to \$15,000	CC
\$15,001 to \$50,000	CD
Greater than \$50,000 – Convert to a percentage	See % Ded. Groups

Deductible Group	Code
Less than or equal to 1%	C1
Greater than 1%, less than or equal to 2%	C2
Greater than 2%, less than or equal to 3%	C3
Greater than 3%, less than or equal to 4%	C4
Greater than 4%, less than or equal to 5%	C5
Greater than 5%, less than or equal to 6%	C6
Greater than 6%, less than or equal to 7%	C7
Greater than 7%, less than or equal to 8%	C8
Greater than 8%, less than 10%	C9
10% or Greater	C0

Residential, Tenants, or Condominium Unit Owners

Deductible Group	Code
\$0	RM
\$1 to \$500	RA
\$501 to \$1,500	RB
\$1,501 to \$2,500	RC
Greater than \$2,500	RD
Greater than \$50,000 – Convert to a percentage	See % Ded. Groups

Deductible Group	Code
Less than or equal to 1%	R1
Greater than 1%, less than or equal to 2%	R2
Greater than 2%, less than or equal to 3%	R3
Greater than 3%, less than or equal to 4%	R4
Greater than 4%, less than or equal to 5%	R5
Greater than 5%, less than or equal to 6%	R6
Greater than 6%, less than or equal to 7%	R7
Greater than 7%, less than or equal to 8%	R8
Greater than 8%, less than 10%	R9
10% or greater, less than 15%	R0
15% or Greater	RZ

Mobile Home

Deductible Group	Code
\$0	MM
\$1 to \$250	MA
\$251 to \$500	MB
Greater than \$500	MC
Greater than \$50,000 – Convert to a percentage	See % Ded. Groups

Deductible Group	Code
Less than or equal to 1%	M1
Greater than 1%, less than or equal to 2%	M2
Greater than 2%, less than or equal to 3%	M3
Greater than 3%, less than or equal to 4%	M4
Greater than 4%, less than or equal to 5%	M5
Greater than 5%, less than or equal to 6%	M6
Greater than 6%, less than or equal to 7%	M7
Greater than 7%, less than or equal to 8%	M8
Greater than 8%, less than 10%	M9
10% or Greater	M0

5. County Code

Florida county code specifying the location of each covered risk. All records must be coded with a valid Florida county code listed on page 27. There is no “unknown” county code. ZIP Codes and county codes must be cross-referenced to ensure that 95% of your eCompany’s aggregate exposure has a valid Florida ZIP Code to county code match. As the FHCF recognizes some ZIP Codes may span county boundaries, WIRE has been programmed to accept any county immediately bordering the county the FHCF considers to be the county in which a specific ZIP Code resides.

6. ZIP Code

The 5-digit ZIP Code location of each covered risk in Florida. A minimum of 95% of your eCompany’s aggregate exposure must be coded with valid Florida ZIP Codes. The FHCF ZIP Code database is as of January 2017⁶. If a record contains a ZIP Code that does not match the FHCF database, the rate applied will be based on the county code instead of the ZIP Code.

A listing of valid ZIP Codes and corresponding county codes and rating regions is available online [at www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under [Insurer Information and](#) the applicable Contract Year tab—at <http://fhcf.paragon.aonbenfield.com>.

7. Total Insured Risks (May not be less than zero.)

This is the total number of insured risks for each FHCF Covered Policy.

Reportable Exposure (Data Call Fields 8-11)

The only wind exposure that should be reported in response to this Data Call is summarized below. The exposure reportable to the FHCF is less inclusive than the coverage provided by the FHCF. Covered policies are defined in subsection (10) of Article V of the Reimbursement Contract. See page 17 herein. Examples of exposure to be reported to the FHCF are included in the Frequently Asked Questions document available online at www.sbafla.com/fhcf under [Insurer Information and the applicable Contract Year tab](#) at <http://fhcf.paragon.aonbenfield.com>.

- 1) The stated wind/hurricane policy limit (including any modifications by endorsement, attachment, or rider) for:
 - a. Dwelling (often referred to as Coverage A),
 - b. Appurtenant Structures (often referred to as Coverage B),
 - c. Contents (often referred to as Coverage C), and
 - d. Additional Living Expense (often referred to as Coverage D or Coverage E).
- 2) The full wind/hurricane limit for the dwelling limit/Additions and Alterations coverage (often referred to as Coverage A) on covered Condominium Unit Owners policies. The full limit is the total limit under the policy, regardless of whether that is the basic limit alone (e.g., \$1,000) or the basic limit plus an increased limit.
- 3) The wind/hurricane limit provided by a stand alone policy covering personal property [except for those items listed under the Non-Reportable (But Covered) Exposure section].
- 4) The additional wind/hurricane limit provided by attachments, endorsements, or riders for:
 - a. Scheduled personal property [except for those items listed under the Non-Reportable (But Covered) Exposure section],
 - b. Pool/screen enclosures, and
 - c. Building Additions and Alterations limit purchased on Renters/Tenants Policies [this is to be distinguished from Additions and Alterations coverage provided within the policy form as an additional coverage at no additional cost to the policyholder, which is considered a Non-Reportable (But Covered) Exposure].

Non-Reportable (But Covered) Exposure

Exposure from any additional coverages/coverage extensions written within the policy form are not reportable to the FHCF under this Data Call. The following list outlines exposures which are covered by the FHCF at the time of a covered Loss but are not reportable to the FHCF under this Data Call. Examples of exposure not to be reported to the FHCF are included in the Frequently Asked Questions document available online at www.sbafla.com/fhcf under [Insurer Information and the applicable Contract Year tab](#) at <http://fhcf.paragon.aonbenfield.com>.

- 1) Any type of Ordinance and Law coverage.
- 2) Any additional exposure for endorsements that specifically increase the limit of liability at the time of a covered Loss (e.g., guaranteed replacement cost or specified increase to the dwelling limit).
- 3) Any exposure for the following:
 - a. Computers or electronic data,
 - b. Debris removal,
 - c. Golf carts,
 - d. Grave markers,
 - e. Land,
 - f. Mold, fungi, or bacteria,

- g. Radio and TV antennas, satellite dishes, awnings, outdoor property on a commercial policy, or signs,
- h. Refrigerated property,
- i. Trees, shrubs, and plants, and
- j. Valuable papers, personal records, monies, or securities.

Not Covered/Excluded Exposure

Article VI of the 2017⁶ FHCF Reimbursement Contract outlines specific exclusions from FHCF coverage. Exclusions from Article VI which pertain to exposure reporting under this Data Call are included on pages 18-19 herein.

8. Total Insured Value - Building

This is the total insured building limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks.

9. Total Insured Value - Appurtenant Structures or Non-Habitational Structures

This is the total insured appurtenant structures limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks.

10. Total Insured Value - Contents

This is the total insured contents limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks.

11. Total Insured Value - Additional Living Expense (ALE)

This is the total insured ALE limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks. For ALE coverage provided as a specific dollar limit, report exposure values based on that limit, but not to exceed 40% of the Residential Structure (Coverage A) exposure or 40% of the contents (Coverage C) exposure. If ALE is written as a portion of Coverage A, 40% of Coverage A is the cap. If ALE is written as a portion of Coverage C, 40% of Coverage C is the cap. Note that if the ALE coverage written is less than 40%, ALE should be reported as written.

For covered policies written with ALE as a time element coverage, you must report ALE exposure in an amount not to exceed 40% of the Residential Structure or 40% of the contents exposure based on the type of policy (e.g., a homeowners policy is usually based on structure versus a renters policy based on contents).

Note that the 40% threshold is a statutory cap. If your eCompany provides coverage to its policyholders that is in excess of this cap, or if rounding of your building or contents exposure results in a higher ALE percentage, report no more than the cap when reporting ALE exposure to the FHCF.

12. Year Built

Enter the four-digit year of construction (e.g., 1989, 2014, etc.). If the year of construction is unknown or if the structure is a mobile home, enter a zero (0).

13. Reserved for Future Use – Enter 0

14. Reserved for Future Use – Enter 0

15. Structure Opening Protection

Enter the appropriate structure opening protection code from the table below based on whether or not your eCompany gives a structure opening protection credit to its policyholder for the dwelling unit being reported under this Data Call.

Structure Opening Protection	FHCF Code
No credit is given to policyholder	0
Credit is given to policyholder	5

16. Roof Shape

Enter the appropriate roof shape code from the table below.

Roof Shape	FHCF Code
Hip, Mansard, or Pyramid	1
Gable, Other, or Unknown	2

17. Policy Effective Date

Enter the effective date of the Covered Policy using the “yyyymmdd” format.

18. Policy Expiration Date

Enter the expiration date of the Covered Policy using the “yyyymmdd” format.

19. Policy Number

Enter the Covered Policy number.

If your eCompany assumed Covered Policies from Citizens, a second Data Call file must be submitted for the assumed policies which **have not renewed** onto your eCompany’s books by June 30, 2017 (as instructed on page 24). In that second file, enter zero for field #19 and report the Citizens policy number for the assumed policy in field #20.

20. Citizens Policy Number

If your eCompany **did not** assume any policies from Citizens (as discussed on page 24), enter a zero in this field for each record.

If your Company **did** assume policies from Citizens:

If a Covered Policy was assumed from Citizens effective For a policy assumed from July 1, 2016 through June 30, 2017, enter the Citizens policy number in this field.

If a Covered Policy was not assumed from Citizens effective For a policy that was not assumed from July 1, 2016 through June 30, 2017, enter a zero in this field.

Note that WIRE will not be able to detect if a company entered a Citizens Policy Number in this field, only that a number equal to or greater than zero was entered. Therefore, if a company is required to input a policy number in this field and opts instead to enter another number (e.g., zero), the error may be detected after the file is submitted through WIRE and a resubmission could be required.

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Attachments

- Article V - Definitions of Additional Living Expense, Covered Policy, Excess ~~Insurance~~ [Policy](#), and Residential Structures, as included in the Reimbursement Contract (page 17)
- Article VI - Excluded Exposures (pages 18-~~19~~)
- Reporting Clarifications (pages 20-~~22~~)
- Citizens Property Insurance Corporation Supplemental Reporting Requirement: Policies Written Under Section 627.351(6)(c)1.g., Florida Statutes (page 23)
- Citizens Property Insurance Corporation Takeouts Pursuant to Assumption Agreements (page 24)
- Citizens Property Insurance Corporation Coastal Account Quota Share Primary Insurance Reporting Requirements (page 25)
- Construction Codes (page 26)
- Florida County Codes (page 27)
- Reference Guide (page 28)
- [Construction Mapping Worksheet \(page 29-~~30~~\)](#)
- [Mixed-Occupancy Single Structures Worksheet \(page 33\)](#)
- Supplemental Instruction Sheet for New Participants (page 31)
(Sent only to ~~n~~[New](#) ~~p~~[Participants](#))

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Reimbursement Contract: Article V – Selected Definitions

(3) **Additional Living Expenses (ALE)**

ALE ~~losses~~ Losses covered by the FHCF are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on the coverage provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the FHCF.

(10) **Covered Policy or Covered Policies**

(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) Due to the specialized nature of the definition of Covered Policies, Covered Policies are not limited to only one line of business in the Company's annual statement required to be filed by Section 624.424, Florida Statutes. Instead, Covered Policies are found in several lines of business on the Company's annual statement. Covered Policies will at a minimum be reported in the Company's statutory annual statement as:

1. Fire
2. Allied Lines
3. Farmowners Multiple Peril
4. Homeowners Multiple Peril
5. Commercial Multiple Peril (non liability portion, covering condominiums and apartments)
6. Inland Marine

Note that where particular insurance exposures, e.g., mobile homes, are reported on an annual statement is not dispositive of whether or not the exposure is a Covered Policy.

(c) This definition applies only to the first-party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.

(d) 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 the coverage for the dwelling in place under the lapsed homeowner's policy, if such policy can be accurately reported as required in Section 215.555(5), Florida Statutes. A Company will be deemed to be able to accurately report data if the required data, as specified in the Premium Formula adopted in Section 215.555(5), Florida Statutes, is available.

(e) See Article VI for specific exclusions.

(13) **~~Excess Policies~~ Policy**

This term, for the purposes of this Contract, means 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.

(27) **Residential Structures**

This term means units or buildings used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the same policy and any other structures covered under endorsements associated with a policy covering a residential structure. For the purpose of this Contract, a single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and which is insured under a commercial policy, is considered a Residential Structure if 50% or more of the total insured value of the structure is used for habitational purposes. ***Covered Residential Structures do not include any structures listed under Article VI.***

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Reimbursement Contract: Article VI – Exclusions

The following selected exclusions from Article VI of the Reimbursement Contract pertain to exposure that should not be reported under this Data Call.

- (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 particular structure 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 single structure using separate policy forms; or
(c) Any other policy providing a layer of windstorm or hurricane coverage for a particular structure below a layer of self-insured windstorm or hurricane coverage for the same structure.
(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(10)(d).
- (7) Any reinsurance assumed by the Company.
- (8) Any exposure for hotels, motels, timeshares, shelters, camps, retreats, and any other rental property used solely for commercial purposes.
- (9) Any exposure for homeowner associations if no habitational structures are insured under the policy.
- (10) Any exposure for homes and condominium structures or units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period.
- (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 still under construction.
- (16) Any exposure for recreational vehicles, golf carts or boats (including boat related equipment) requiring licensing and written on a separate policy or endorsement.
- (21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.
- (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 Authorized Insurer and Citizens are covered by this Contract.

- (27) Policies and endorsements predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:
- (a) A policy or endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure ~~and/or contents thereof (other than such specialized fine arts items covered in the Specialized Fine Arts policy or endorsement)~~ 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 policy or endorsement is a policy or 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 inspection and must provide a specialized loss prevention service 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) A policy form or 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 policy forms or endorsements are subject to the exclusion provided in this paragraph when the policy or 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 a policy or endorsement represents an unusually high exposure value and such policy 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 exposure for a condominium structure insured on a commercial policy in which more than 50% of the individual units are non-owner occupied and rented out for 6 or more rental periods by different parties during the course of a 12-month period.
- (30) Any structure used exclusively or predominantly for non-dwelling or non-habitation occupancies.

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Reporting Clarifications

General Clarifications

1. *Aggregate Policy Limits (not applicable to Commercial Residential Policies)*

For policies that provide an aggregate limit without stating a specific limit for buildings, appurtenant structures, contents, or ALE exposures, report the exposure to the FHCF by allocating the total policy limit to the building field if the policy fits the definition of FHCF types of business Residential or Mobile Home, or to the contents field if the policy fits the definition of FHCF types of business Tenants or Condominium Unit Owners.

2. *Farmowners*

The only exposure under a Farmowners policy that is reportable to the FHCF is exposure for the dwelling, other private structures appurtenant to dwellings, household personal property, and additional living expense coverage. FHCF commercial codes for type of business and deductible may not be used.

3. *Multiple Rating Factors (Construction and Deductible) within the Building, Appurtenant Structures, Contents (including scheduled personal property), and ALE Limits*

If, within a policy, the limits above have different FHCF rating factors, exposure may be reported under one record using the rating factors applicable to the most exposure (e.g., if 70% of the exposure under such a policy is for Building coverage, report the rating factors applicable to the Building coverage). If your eCompany chooses to break such policies into multiple records for FHCF reporting, you must do so consistently across your non-commercial book of business.

This clarification is also applicable to the Year Built, Structure Opening Protection, and Roof Shape fields. For commercial policies covered by the FHCF, see Commercial-Habitational Clarification #1 below.

Commercial-Habitational Clarifications

The only commercial policies covered by the FHCF are those covering habitational structures (e.g., apartments and condominiums).

1. *Multiple Rating Factors (Construction and Deductible) within the Building (dwelling), Non-Habitational Structures, Contents, and ALE Limits of a commercial policy*

One Occupied Dwelling Structure: If, within a commercial policy, the limits above have different rating factors (e.g., a superior masonry apartment building, a frame guardhouse, and a masonry pool), exposure may be reported under one record using the rating factors applicable to the dwelling structure. If your eCompany chooses to break such policies into multiple records to report different constructions and deductibles to the FHCF, you must do so consistently across your commercial book of business.

Multiple Occupied Dwelling Structures: If, within a commercial policy, several occupied dwelling structures are insured and those structures are in multiple ZIP Codes, a separate record must be reported for each ZIP Code with the exposure applicable to that specific ZIP Code.

If multiple occupied dwelling structures insured under one policy are in the same ZIP Code and have shared non-habitational structures with different rating factors, your eCompany may report the exposure for the non-habitational structures as appurtenant to the dwelling structure your eCompany deems most appropriate.

This clarification, in its entirety, is also applicable to the Year Built, Structure Opening Protection, and Roof Shape fields.

2. *Commercial Policies Covering Farms*

For commercial farms with habitation exposure that is written on a commercial policy form, report the exposure as “Residential” type of business, with the exception of any mobile home related exposure. Dwelling mobile home exposure on the policy, including the contents therein and scheduled personal property, must be reported as “Mobile Home” type of business.

3. *Commercial Policies Covering a Variety of Risks (other than Farm coverage)*

For a commercial policy covering both commercial habitation exposures and incidental non-commercial habitation exposures (i.e., single-family homes, condominium unit owners, tenants coverage, and mobile homes) in the same ZIP Code, all non-mobile home related exposure may be reported under one record using FHCF type of business “Commercial.” The construction, deductible, Year Built, Structure Opening Protection, and Roof Shape codes applicable to the commercial habitation exposure should be reported for that record. Any mobile home exposure, regardless of the type of policy under which it is written, must be reported to the FHCF as type of business Mobile Home and with the applicable mobile home construction and deductible codes.

Should your eCompany choose to report the exposure under such a policy as multiple records (e.g., an apartment building reported as Commercial, the CEO’s home reported as Residential, and the president’s condominium reported as Condominium Unit Owners), the decision to do so must be applied consistently to all such policies, and the Data Call codes applicable to each record/type of business must be reported.

Note that if the exposures are in different ZIP Codes, the exposures under the single commercial policy must be reported as separate records using the ZIP Code applicable to each exposure(s).

4. *Blanket Limits*

For a multiple location policy with a blanket limit, report the lesser of the full blanket limit or the full wind exposure value for each risk/building/exposure. The eCompany must maintain a copy of the Statement of Values to support the policy exposure reported in order for the SBA to confirm correct reporting during examination.

5. *Blanket Deductibles*

For a policy covering multiple structures/contents under an indivisible aggregate deductible, report each risk/building/exposure with the full blanket deductible amount.

6. *Multiple Location Policy with Non-Florida Risk*

For a multiple location policy with non-Florida risk, report the lesser of the full policy limit or the full wind exposure value for each Florida risk/building/exposure. The eCompany must maintain a copy of the Statement of Values to support the policy exposure reported in order for the SBA to confirm correct reporting during examination.

7. *Policies with a Mix of Commercial Habitation & Non-Habitation Structures*

Only report exposure which directly covers, or is used in relation to, covered habitation structures. “Used in relation to” is defined as any structure that is used solely by the occupants (or their guests) of the habitation structure. If you are unable to make this determination for a structure, do not report the exposure for that structure in your Data Call submission. Refer to the other clarifications herein with respect to blanket limits or blanket deductibles.

8. *Multiple Family Dwellings on a Commercial Policy & FHCF Type of Business (TOB)*

Two, three, and four-family dwellings should be reported with an FHCF TOB based on how your eCompany rates the dwellings (either Residential or Commercial FHCF TOB). Dwellings housing

more than four families should be reported as FHCF TOB Commercial. For a commercial policy covering exposure that falls under multiple FHCF types of business, see Commercial-Habitational Clarification #3 herein.

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Citizens Property Insurance Corporation Supplemental Reporting Requirement: Policies Written Under Section 627.351(6)(c)1.g., Florida Statutes

If Citizens Property Insurance Corporation (Citizens) has written policies under Section 627.351(6)(c)1.g., Florida Statutes, and permits a Citizens policyholder to select a building/Coverage A limit of liability less than 80% of the replacement cost, Citizens must include the additional three fields in the table below in its Data Call submission, even though the specific fields may not apply to every policy.

Additional Data Call File Layout

Field #	Description	Min Length	Max Length	Type	Notes
21	Full Replacement Cost - Building/Coverage A	1	12	Numeric	See description below this table. Enter zeros if none.
22	Building/Coverage A Limit as a Percentage of the Full Replacement Cost	1	3	Numeric	Report percentage (1% to 100%) in whole numbers. For example, 75% would be reported as 75 (see description below this table). Enter 100 if not applicable.
23	Application of Deductible	1	1	Alpha	Only the codes on this page (below) are acceptable.

Example

- Full building replacement cost: \$200,000.
- Policyholder selects a policy form/endorsement that allows the policyholder to select a building limit of liability that is 75% of the full replacement cost.
- As a result, the policyholder has purchased a building limit of \$150,000, which is the amount to be reported in Field #8 (Total Insured Value - Building) of this Data Call.

Description of Additional Fields

21. Full Replacement Cost - Building

This is the full replacement cost of the building for a policy or multiple policies with the same Data Call codes (\$200,000 for the example above).

22. Building Coverage Limit as a Percentage of the Full Replacement Cost

This is the percentage (in whole numbers, no decimals) of the selected limit of liability in comparison to the full replacement cost (75 for the example above).

23. Application of Deductible

This field indicates how a percentage deductible is applied. In other words, if the policy has a 2% deductible, is the 2% applied to the amount of selected building limit (2% of \$150,000 in the example above) or the replacement cost (2% of the \$200,000 in the example above)? Enter the appropriate code from the following table:

Application of Deductible	FHCF Code
Percentage of Selected Limit	L
Percentage of Replacement Cost	R
Dollar Deductible or Not Applicable	D

Florida Hurricane Catastrophe Fund

20176 Data Call

Citizens Property Insurance Corporation Takeouts Pursuant to Assumption Agreements

For purposes of reporting exposure, calculating ~~R~~Reimbursement ~~P~~Premium, and determining ~~R~~Retention, all FHCF exposure removed from Citizens Property Insurance Corporation Coastal Account and/or Citizens Property Insurance Corporation Personal Lines and Commercial Lines Accounts pursuant to an assumption agreement under Sections 627.351(6)(q)3. and 627.3511, Florida Statutes, shall be treated as the exposure of the assuming ~~insurer~~Company.

~~Insurers~~Companies engaged in assumption agreements from July 1, 20165 through June 30, 20176 with either Citizens entity shall submit **separate** data files to the FHCF in the format specified herein. If your ~~e~~Company engaged in assumption agreements with both Citizens entities, three files would be submitted in response to this Data Call. One file must contain the ~~insurer's~~Company's FHCF exposure from direct written premiums. The exposure assumed from either Citizens entity which is renewed by June 30, 20176 must be included (including the Citizens policy number in Field #20) with the direct portion. The other two file(s) must contain the FHCF exposure which was assumed from each Citizens entity (one file for each entity) and which was not renewed onto your ~~e~~Company's book by June 30, 20176.

Note: All data for an individual ~~e~~Company must be submitted using the FHCF WIRE system before the Administrator can calculate your ~~e~~Company's ~~P~~Premium.

For the purpose of this Data Call, each Citizens entity shall submit all of its FHCF exposure not subject to assumption agreements (including any assumed policies which the policyholders opted out of the assumption on or before June 30, 20176 and those policies were not assumed by another ~~e~~Company prior to June 30, 20176) in the format specified herein using the WIRE system. In addition, each Citizens entity shall report all FHCF exposure removed from the applicable Citizens entity which, as of June 30, 20176, had not been renewed onto the assuming ~~insurer's~~ Company's policy forms. Such a file is required for each assumption ~~e~~Company. Each file shall be uploaded through the WIRE system in the Data Call format specified herein.

The FHCF will compare the file(s) submitted by an assumption ~~e~~Company against the file(s) submitted by Citizens and the assumption ~~e~~Company will be required to explain discrepancies.

Regarding opt outs, the assuming ~~e~~Company must report all assumed policies under this Data Call unless Citizens has notified the assuming ~~e~~Company on or prior to June 30, 20176 that a policy is eligible for an opt out. In such cases, Citizens shall report those policies under its Data Call submission. Furthermore, any untagging or retroactive coverage changes subsequent to June 30th will not be considered by the FHCF and will not impact Data Call reporting for Citizens or the assuming ~~insurer~~ Company.

All exposure files requested from the two Citizens entities and ~~insurers~~ Companies engaged in removing exposure from either Citizens entity pursuant to an assumption agreement are subject to examination by the SBA.

Florida Hurricane Catastrophe Fund

20176 Data Call

Citizens Property Insurance Corporation Coastal Account Quota Share Primary Insurance Reporting Requirements

Section 627.351(6)(c)2.f, Florida Statutes, requires that “For all eligible risks covered under quota share primary insurance agreements, the exposure and coverage levels for both the corporation and authorized insurers shall be reported by the corporation to the Florida Hurricane Catastrophe Fund. For all policies of eligible risks covered under such agreements, the corporation and the authorized insurer must maintain complete and accurate records for the purpose of exposure and loss reimbursement audits as required by fund rules. The corporation and the authorized insurer shall each maintain duplicate copies of policy declaration pages and supporting claims documents.” [Copies of policy declaration pages and supporting claims documents must also be retained.](#)

Citizens Property Insurance Corporation Coastal Account (referred to hereafter on this page as Citizens) shall report, as part of its Data Call submission, the following quota share primary insurance exposure data for all insurers engaged in quota share primary insurance agreements with Citizens:

Additional Data Call File Layout

Field #	Description	Min Length	Max Length	Type	Notes
24	NAIC of Quota Share Insurer	5	5	Numeric	
25	Percentage of Hurricane Coverage Retained by Citizens	2	2	Numeric	Percentage of Citizens’ retained hurricane coverage as set forth in the quota share primary insurance agreement between Citizens and an insurer.

Individual ~~insurers~~ [Companies](#) shall not report these additional fields to the FHCF.

Based on the data provided under these two fields, the FHCF shall:

- Calculate the aggregate FHCF ~~p~~Premium, based on the Reimbursement Premium Formula as discussed on page 1 of this Data Call, by ~~insurer~~ [Company](#);
- Based upon the specified Citizens’ percentage of hurricane coverage, allocate the applicable share of FHCF ~~p~~Premium to Citizens and to each ~~insurer~~ [Company](#);
- The allocated ~~p~~Premium from above will be added to the FHCF ~~p~~Premium calculated from non-quota share primary insurance for Citizens and for each ~~insurer~~ [Company](#) participating in a quota share primary insurance agreement(s) with Citizens; and
- This aggregate ~~p~~Premium shall be used for the calculation of ~~r~~Retentions and FHCF reimbursements.

When reporting loss information to the FHCF, Citizens and ~~insurers~~ [Companies](#) will be required to report only their respective portion of ~~l~~Losses under quota share primary insurance agreements.

Florida Hurricane Catastrophe Fund

20176 Data Call

FHCF Construction Codes

The construction code identifies the material with which the building is constructed.

Construction Type/Definition	FHCF Code
<i>Frame</i> Buildings where the exterior walls are wood or other combustible materials, including wood iron-clad, stucco on wood, or plaster on combustible supports. Also includes aluminum or plastic siding over frame. If a eCompany's definition of frame includes hardiboard, FHCF Frame construction should be used ¹ .	1
<i>Masonry</i> Buildings where the exterior walls are constructed of masonry, non-combustible, or fire resistive materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or other non-combustible materials.	2
<i>Masonry with Reinforced Concrete Roof</i> Construction meeting the definition of FHCF Masonry construction, as outlined above, and having a reinforced concrete roof.	15
<i>Superior</i> Masonry, non-combustible, or fire resistive construction where one of the following additional conditions exist: <ul style="list-style-type: none"> ▪ Roof deck has a minimum thickness of 2 inches with roof supports having a minimum dimension of 6 inches; or ▪ Floors and roof constructed of 2 inches of masonry on steel supports or documented to be constructed of 22 gauge metal or heavier on steel supports; or ▪ Roof assembly is documented to have a UL wind uplift classification of 90 or equivalent. Or A building of any construction which is 6 or more stories.	7
<i>Superior with Reinforced Concrete Roof</i> Construction meeting the definition of FHCF Superior construction, as outlined above, and having a reinforced concrete roof.	16
<i>Masonry Veneer</i> Buildings with exterior walls of combustible construction veneered with brick, masonry, or stone. If a eCompany's definition of veneer includes hardiboard, FHCF Masonry Veneer construction should be used ¹ .	10
<i>Unknown</i> Construction information not collected for the policy or the reportable exposure. Not valid for mobile home or mobile home-related exposure.	11
<i>Mobile Home - Fully Tied Down, manufactured before 7/13/94²</i> Mobile/Manufactured Housing, manufactured before 7/13/94, which has anchors and tie-downs as required by Section 320.8325, Florida Statutes, and Florida Administrative Code rules promulgated thereunder.	21
<i>Mobile Home - Fully Tied Down, manufactured on or after 7/13/94²</i> Mobile/Manufactured Housing which has anchors and tie-downs as required by Section 320.8325, Florida Statutes, and Florida Administrative Code rules promulgated thereunder, and was manufactured on or after 7/13/94 or is documented to be in compliance with ANSI/ASCE 7-88.	22
<i>Mobile Home – Other than Fully Tied Down or Unknown</i> Mobile home is not fully tied down, the nature of any tie downs is unknown, or tie down information is not available.	25

¹If your eCompany has a specific rate for hardiboard construction (i.e., a rate other than frame or veneer), a proposed mapping must be submitted to the FHCF Administrator as specified on page 10 herein.

²If you are uncertain whether a mobile home was manufactured on or after 7/13/94, use the manufactured before 7/13/94 code "21." If your eCompany only tracks the year built and not the month, and the year built is 1994, use code "21."

Florida Hurricane Catastrophe Fund

20176 Data Call

Florida County Codes*

County Code	County Name	County Code	County Name	County Code	County Name
1	Alachua	49	Hardee	93	Okeechobee
3	Baker	51	Hendry	95	Orange
5	Bay	53	Hernando	97	Osceola
7	Bradford	55	Highlands	99	Palm Beach
9	Brevard	57	Hillsborough	101	Pasco
11	Broward	59	Holmes	103	Pinellas
13	Calhoun	61	Indian River	105	Polk
15	Charlotte	63	Jackson	107	Putnam
17	Citrus	65	Jefferson	109	St. Johns
19	Clay	67	Lafayette	111	St. Lucie
21	Collier	69	Lake	113	Santa Rosa
23	Columbia	71	Lee	115	Sarasota
27	De Soto	73	Leon	117	Seminole
29	Dixie	75	Levy	119	Sumter
31	Duval	77	Liberty	121	Suwannee
33	Escambia	79	Madison	123	Taylor
35	Flagler	81	Manatee	125	Union
37	Franklin	83	Marion	127	Volusia
39	Gadsden	85	Martin	129	Wakulla
41	Gilchrist	86	Miami-Dade	131	Walton
43	Glades	87	Monroe	133	Washington
45	Gulf	89	Nassau		
47	Hamilton	91	Okaloosa		

* Derived from the Federal Information Processing Standards (FIPS) Codes.

Florida Hurricane Catastrophe Fund

20176 Data Call

Reference Guide

The FHCF is dedicated to making information pertaining to the FHCF as readily available as possible, and has posted a considerable amount of information on the Internet through ~~both~~ the FHCF (www.sbafla.com/fhcf/) and Paragon (<http://fhcf.paragon.aonbenfield.com>) web sites at www.sbafla.com/fhcf.

The following are sample documents/information available on-line:

- Bonding Estimates
- FHCF Calendar
- Company Contact Information Form (Insurer Contacts)
- ~~Construction Mapping Worksheet~~
- [Mixed-Occupancy Single Structures Worksheet](#)
- Coverage Selections & Premium Calculations
- Data Call
- Examination Information
- Frequently Asked Questions
- Link: FEMA
- Link: Florida Administrative Register
- Link: Florida Department of Financial Services
- Link: Online Sunshine
- Loss Reimbursement Preparedness Program
- Loss Reports
- Member Handbook
- Projected Payout Multiple
- Ratemaking Formula Report and Addendum(s), as applicable
- Rates and Retention Multiples
- Reimbursement Contract and Addendum(s), as applicable
- Rule 19-8.010: Reimbursement Contract
- Rule 19-8.012: Ineligibility/Exemption from the FHCF
- Rule 19-8.013: Revenue Bonds
- Rule 19-8.028: Reimbursement Premium Formula
- Rule 19-8.029: Insurer Reporting Requirements [and Responsibilities](#)
- ~~Rule 19-8.030: Insurer Responsibilities~~
- Section 215.555, Florida Statutes

Florida Hurricane Catastrophe Fund 20176 Data Call

Construction Mapping Worksheet

If your eCompany's construction definitions do not closely match the FHCF's definitions, the eCompany is required (per page 10 of the 20176 Data Call) to complete and submit this construction mapping worksheet to the FHCF Administrator, Paragon Strategic Solutions Inc., and receive approval prior to initiating the Data Call submission process. An electronic version of the worksheet is available at <http://fhcf.paragon.aonbenfield.com> — www.sbafla.com/fhcf under [Insurer Information and the 2016/2017/2018 eContract yYear documents section tab](#). Submit this completed worksheet to the Administrator at the following address: by email at FHCFAdministrator@paragon.aonbenfield.com by August 1, 2017.

Kathy Mackenthun, CPCU, ARe

Director — FHCF Administration

Paragon Strategic Solutions Inc.

8200 Tower

5600 West 83rd Street, Suite 1100

Minneapolis, MN 55437

OR

FHCFAdministrator@paragon.aonbenfield.com

Company Name: _____

SECTION I

QUESTIONS		ENTER Y OR N
1	If your company insures individual multi-story buildings, such as condominiums or apartments, does your company capture the number of stories?	
2	If your company insures individual condominium unit owners, does your company capture the number of stories of the building in which the unit is located?	

QUESTIONS		ENTER Y OR N
1	Does your Company insure individual multi-story habitational buildings under commercial policies (e.g., condominium structures or apartment buildings)? If yes, complete Question #1; if no, proceed to Question #2.	Select Y or N
▲	- Does your Company capture* the number of stories? If no, proceed to Question #2.	Select Y or N
▲	- Does your Company insure buildings with 6 or more stories?	Select Y or N
▲	- If your Company insures buildings with 6 or more stories, have you included FHCF Superior construction in your mapping for commercial policies?	Select Y or N NA
2	Does your Company insure individual condominium unit owners or tenants? If yes, complete Question #2; if no, proceed to Question #3.	Select Y or N

▲	- Does your Company capture* the number of stories of the building in which an individual condominium or tenant unit is located? If no, proceed to Question #3.	Select Y or N
▲	- Does your Company insure units within buildings with 6 or more stories?	Select Y or N
▲	- If your Company insures condominium or tenant units within buildings which are 6 or more stories, have you included FHCF <i>Superior</i> construction in your mapping for condominium unit owners and/or tenants policies?	Select Y or N NA
3	This question pertains to whether your Company captures* if certain structures have a reinforced concrete roof.	
▲	- Does your Company capture* whether habitational buildings insured under commercial policies (e.g., condominium structures or apartment buildings) have a reinforced concrete roof?	Select Y or N
▲	- Does your Company capture* whether the buildings housing individual condominium or tenant units have a reinforced concrete roof?	Select Y or N
▲	- If your Company answered yes to either of the two immediately preceding questions, have you included FHCF <i>Masonry with Reinforced Concrete Roof</i> and/or FHCF <i>Superior with Reinforced Concrete Roof</i> construction in your mapping?	Select Y or N NA

* "Capture," as used in the table above, means your Company collects the relative information at some point during the application or underwriting process, regardless of whether such information is used by your Company or whether or not it has been entered into your Company's computer system(s).

SECTION II

Instructions: Enter the eCompany's construction types and definitions, as printed in the eCompany's underwriting manual, and eCompany construction codes if your eCompany uses a coding system, into the table provided on the next page. Then enter the FHCF construction code proposed for reporting each of your eCompany's construction types based on the FHCF construction definitions on page 26 of the 20176 Data Call. Indicate whether which FHCF type(s) of business each definition and/or code is applicable to personal lines (P), commercial lines (C), or both (B) by entering a P, C, or B Com, Res, MH, Ten, Condo, or a combination of those types of business in the first column. Be sure to include all construction types for both personal and commercial lines of business that could be applicable to your eCompany's Data Call submission.

Florida Hurricane Catastrophe Fund
20176 Data Call

Construction Mapping Worksheet

ENTER P (PERSONAL); C (COMMERCIAL); OR B (BOTH) <u>FHCF</u> <u>TYPE(S) OF</u> <u>BUSINESS (COM,</u> <u>RES, MH, TEN,</u> <u>CONDO)</u>	COMPANY CONSTRUCTION TYPES (e.g., FRAME)	COMPANY CONSTRUCTION DEFINITIONS	COMPANY CONSTRUCTION CODE (e.g., F=FRAME)	MAPPED TO FHCF CODE

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ENTER P (PERSONAL), C (COMMERCIAL), OR B (BOTH) FHCF TYPE(S) OF BUSINESS (COM, RES, MH, TEN, CONDO)	COMPANY CONSTRUCTION TYPES (e.g., FRAME)	COMPANY CONSTRUCTION DEFINITIONS	COMPANY CONSTRUCTION CODE (e.g., F=FRAME)	MAPPED TO FHCF CODE

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Florida Hurricane Catastrophe Fund
2017 Data Call
Mixed-Occupancy Single Structures Worksheet

Company Name(s): _____

ALL COMPANIES reporting FHCF Commercial type of business (code “1”) exposure under the 2017 Data Call MUST COMPLETE THIS WORKSHEET and email it to the FHCF Administrator, Paragon Strategic Solutions Inc., at FHCFAdministrator@paragon.aonbenfield.com by August 1, 2017.

An electronic version of the worksheet is available at www.sbafla.com/fhcf under Insurer Information and the 2017/2018 Contract Year tab.

SECTION I – Significance of Mixed-Occupancy Structures

If a single structure is insured under a commercial policy and is used for both habitational and non-habitational purposes, it is necessary, pursuant to the terms of the Reimbursement Contract, for your Company to determine the predominant use of such structures:

- If a structure is predominantly habitational, it is covered by the FHCF and is reportable under the Data Call.
- If a structure is predominantly non-habitational, it is not covered by the FHCF and is not reportable under the Data Call.

The FHCF considers predominant use to be 50% or greater of the total insured value of the structure on the basis of number of floors, square footage, or other reasonable methodology as justified by the Company.

While such mixed-occupancy structures are often a mix of mercantile and apartment or habitational condominium units, a condominium structure can also contain short term rentals excluded from FHCF coverage. Specifically, Article VI(10) of the 2017 Reimbursement Contract excludes:

“Any exposure for homes and condominium structures or units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period.”

For example, a 100-unit condominium with 60 units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period would be considered predominantly non-habitational and would not be covered by, or reportable to, the FHCF.

Mixed-Occupancy Single Structures Worksheet

SECTION II – Verification of Mixed-Occupancy Structures

QUESTIONS		ENTER Y OR N
1	Does your Company insure mixed-occupancy single structures under commercial policies that include habitational dwelling units (e.g., apartment buildings with mercantile, mercantile buildings with apartments, etc.)?	Select Y or N
2	Does your Company insure condominium structures? If no, proceed to SECTION III.	Select Y or N
	(a) Does your Company insure condominium structures with non-owner occupied units? If no, proceed to SECTION III.	Select Y or N
	(b) Does your Company have an underwriting restriction on the number of times individual non-owner occupied units can be rented out during a 12-month period?	Select Y or N
	(c) If you answered yes to the preceding question, enter in the box to the right the maximum number of times non-owner occupied units may be rented during a 12-month period.	

SECTION III – Mixed-Occupancy Methodology Requirements

A proposed methodology for determining predominant use of mixed-occupancy single structures insured under commercial policies must be submitted to, and approved by, Paragon prior to your Company making its 2017 Data Call submission through WIRE if any of the following apply:

- The answer to SECTION II Question #1 is yes,
- The answer to SECTION II Question #2(b) is no, or
- The answer to SECTION II Question #2(c) is 6 or more.

Your Company's proposed methodology must include the following:

- (1) A list of your Company's class codes which **could reasonably be expected** to be used for mixed-occupancy structures that include habitational occupancies. The list should not be a complete list of all codes from your Company's underwriting manuals (e.g., Code 0702 - Other Offices and Banks, which is unlikely to include habitational occupancies).
 - Include a description of the type of property assigned to each code (e.g., Code 0311, Apartments with Mercantile – up to 10 units).
 - For each code, indicate whether your Company considers the code predominantly habitational or predominantly non-habitational based on the FHCF's description of predominant use in SECTION I.
 - Summarize the basis for your methodology used to determine predominant occupancy (e.g., number of floors, square footage, etc.) and include any rating/underwriting rules that may be helpful.

- (2) If you answered “no” to SECTION II Question #2(a), provide a copy of the applicable pages from your Company’s underwriting manual/guidelines stating that condominium structures cannot include non-owner occupied units.
- (3) If you answered “yes” to SECTION II Question #2(b), provide a copy of the applicable pages from your Company’s underwriting manual/guidelines showing the maximum number of times individual units can be rented out during the course of a 12-month period.
- (4) If you answered “yes” to SECTION II Question #2(a) and entered a number equal to or greater than 6 for Question #2(c), provide an explanation of how your Company tracks the occupancy. In other words, how does your Company track the percentage of units that are non-owner occupied and could be rented out 6 or more times during the course of a 12-month period to determine if a condominium structure is predominantly habitational or non-habitational.

The items listed above must be included as part of your Company’s proposed methodology with this completed worksheet.

Florida Hurricane Catastrophe Fund

20176 Data Call

Supplemental Instruction Sheet for New Participants

As explained on page one of this Data Call, each ~~authorized insurance company~~ Authorized Insurer writing Covered Policies in the state of Florida is required to pay a ~~Reimbursement~~ Premium to the Florida Hurricane Catastrophe Fund (FHCF). This includes ~~New~~ Participants to the FHCF. Rule 19-8.028, Reimbursement Premium Formula, Florida Administrative Code (F.A.C.), defines ~~New~~ Participants as companies:

“which are granted a certificate of authority by the Department of Financial Services after the beginning of the FHCF’s Contract Year on June 1 and which write Covered Policies, or which already have a certificate of authority and begin writing Covered Policies on or after the beginning of the FHCF’s Contract Year on June 1 and did not or were not required to enter into a contract on June 1 of the Contract Year. A Company that enters into an assumption agreement with Citizens that includes Covered Policies and is effective on or after June 1 and had written no other Covered Policies on or before June 1 is also considered a New Participant.”

Rule 19-8.028, F.A.C., requires that a ~~New~~ Participant report its insured values under Covered Policies **as of November 30, 20176** by February 1, 20187. To comply with this requirement, please use the 20176 Data Call instructions, keeping the following points in mind:

- All references to data as of June 30, 20176 should be as of November 30, 20176 for ~~New~~ Participants.
- The Data Call submission for ~~New~~ Participants is due by February 1, 20187. Extensions will not be granted.
- All references to exposure fluctuations from the prior year may be disregarded.

New ~~Participants~~ Participants that were engaged in assumption agreements with Citizens Property Insurance Corporation from June 1, 2016 through November 30, 20176, must also comply with the requirements under the Citizens Property Insurance Corporation Takeouts Pursuant to Assumption Agreements section on page 24 of this Data Call, and again, with the references to June 30, 20176 changed to November 30, 20176.

If you have any questions about the information to be supplied as a ~~New~~ Participant, please do not hesitate to contact Holly Bertagnolli, Martin Helgestad, or Kathy Mackenthun of Paragon Strategic Solutions Inc. at 1-800-689-FUND (3863) or FHCFAdministrator@paragon.aonbenfield.com.

DRAFT 11/7/2016

**Contract Year ~~2016~~ 2017 Interim Loss Report
Florida Hurricane Catastrophe Fund (FHCF)**

Company Name: _____ **Co. NAIC No.:** _____

Group NAIC No. (if applicable): _____ **Losses as of (most current data available):** _____

HURRICANE: _____ **~~PCS~~ CAT. NO.:** _____ **Report Due Date (see schedule below):** _____

ESTIMATED ULTIMATE NET LOSSES ON COVERED POLICIES

	Commercial- Residential	Residential	Mobile Home	Tenants	Condominium Unit Owners	Total
Paid Loss*						
Outstanding Loss*						
IBNR (unknown losses)*						
TOTAL*						

SCHEDULE OF REPORT DUE DATES

If the FHCF determines that an Interim Loss Report is required due to the occurrence of a Covered Event, all ~~participants~~ Companies in the FHCF shall be notified of the required filing and the applicable due date (not less than fourteen days from the notice date). The FHCF will notify ~~participants~~ Companies if subsequent Interim Loss Reports are required or if a Detailed Claims Listing (refer to the Contract Year ~~2016~~ 2017 Form FHCF-DCL) must be provided to the FHCF. Reported Losses are expected to result from a good faith effort, using best business practices for the insurance industry, on the part of the Company to report as accurately as possible. Losses reported under the Interim Loss Report will not be binding.

SUBMISSION INSTRUCTIONS

The Interim Loss Report (and a Detailed Claims Listing if requested) must be submitted electronically through the FHCF Online Claims System at www.sbafla.com/fhcf, under Insurer Information, Online Claims. Users will input the required fields directly into the system and an officer must sign off on each Interim Loss Report online prior to submission. Advance registration (including officers) is required for the Online Claims System; instructions are included on the system web site.

* Report Ultimate Net Losses only (report in whole dollars, rounded only to the nearest whole dollar, with the exception of IBNR). Do not include Loss Adjustment Expenses. If your ~~e~~Company has negative IBNR numbers, report the negatives; do not net with the Outstanding Loss numbers. See Article V of the Reimbursement Contract for the definitions of Covered Event, Covered Policy, and Ultimate Net Loss. See Article VI of the Reimbursement Contract for specific coverage exclusions. Copies of this Interim Loss Report, the Reimbursement Contract, and additional information can be found on the Internet at www.sbafla.com/fhcf ~~or http://fhcf.paragon-aonbenfield.com.~~

Signature: _____ **~~Executive~~Officer** **Title:** _____ **Date:** _____

Printed or Typed Name of ~~Executive~~Officer: _____

Contract Year ~~2016~~ 2017 Proof of Loss Report Florida Hurricane Catastrophe Fund (FHCF)

Company Name: _____ Co. NAIC No.: _____

Group NAIC No. (if applicable): _____ Losses as of (most current data available): _____

HURRICANE: _____ ~~PGS-CAT. NO.:~~ _____ Report Due Date: _____

SECTION I - MANDATORY

ULTIMATE NET LOSSES ON COVERED POLICIES

	Commercial-Residential	Residential	Mobile Home	Tenants	Condominium Unit Owners	Total
A. Paid Loss*						
B. Outstanding Loss*						
C. IBNR (unknown losses)*						
D. TOTAL*						

* Report Ultimate Net Losses only (report in whole dollars, rounded only to the nearest whole dollar, with the exception of IBNR). Do not include Loss Adjustment Expenses. If your Company has negative IBNR numbers, report the negatives; do not net with the Outstanding Loss numbers. See Article V of the Reimbursement Contract for the definitions of Covered Event, Covered Policy, and Ultimate Net Loss. See Article VI of the Reimbursement Contract for specific coverage exclusions. Copies of this Proof of Loss Report, the Reimbursement Contract, and additional information can be found on the Internet at www.sbafla.com/fhcf or <http://fhcf.paragon.aonbenfield.com>.

SECTION II - OPTIONAL

ESTIMATED RECOVERABLE FROM THE FHCF

Section II is provided for your Company's use only. The FHCF will calculate loss reimbursements based on the information provided under Section I above.

		<u>Incurring Basis</u>
A. Incurred Ultimate Net Loss	(Sec. I.D)	
B. Less Actual Retention		
C. Subtotal (minimum of -0-)	(A - B)	
D. Elected Coverage Percentage		
E. Ultimate Net Loss Excess Retention	(C x D)	
F. LAE (5% of Incurred Losses in Excess of Retention)	(E x 5%)	
G. Estimated Recoverable from the FHCF on Incurred Basis**	(E + F)	

**Estimated recoverables are limited by your Company's share of the claims-paying capacity of the FHCF, as limited pursuant to Section 215.555(4)(c), Florida Statutes.

		<u>Paid Basis</u>
A. Paid Ultimate Net Loss	(Sec. I.A)	
B. Less Actual Retention		
C. Subtotal (minimum of -0-)	(A - B)	
D. Elected Coverage Percentage		
E. Ultimate Net Loss Excess of Retention	(C x D)	
F. LAE (5% of Paid Losses in Excess of Retention)	(E x 5%)	
G. Total Estimated Recoverable	(E + F)	
H. Previous Reimbursements		
I. <u>Estimated</u> Recoverable from the FHCF this request**	(G - H)	

Company Name: _____

Hurricane: _____

SECTION III - MANDATORY

SIGNATURES

We, the undersigned, do state that, to the best of our knowledge, all data reported under Section I of this Proof of Loss Report is accurate and is for losses under FHCF Covered Policies incurred by the named Company (Company) for the named hurricane. All reported information is subject to examination by the State Board of Administration of Florida (SBA). We are each, respectively, ~~executive~~ officers of the Company, acting within our authority in making this declaration, and we have conducted, or have had conducted, a thorough review of the Company's records and systems to determine the truth of this statement.

Signature: _____ ~~Executive Officer~~ Title: _____ Date: _____

Printed or Typed Name of ~~Executive Officer~~: _____

Signature: _____ ~~Executive Officer~~ Title: _____ Date: _____

Printed or Typed Name of ~~Executive Officer~~: _____

RECORDS RETENTION REQUIREMENTS

Companies reporting ~~l~~osses and receiving reimbursements or advances from the FHCF for paid ~~l~~osses from Covered Events are subject to examination by the FHCF or its agents pursuant to the Reimbursement Contract entered into between the Company and the FHCF. Therefore, all Companies shall retain complete and accurate records (including the Detailed Claims Listing – see below) of all losses ~~paid by reported to~~ the FHCF until the FHCF has completed its examination of the Company and commutation for the Contract Year (if applicable) has been concluded. All records, correspondence, and supporting documentation, must be available with computer runs produced containing the information below. Upon notice of an examination, the Company will be required to provide a current Form FHCF-L1B (Proof of Loss Report) and the following information along with the information outlined in Form FHCF-LAP1 "Loss Reimbursement Examination Advance Preparation Instructions" for the applicable Contract Year.

1. Detailed Claims Listing (see Contract Year ~~2016-2017~~ Form FHCF-DCL for file formatting requirements) which supports the ~~l~~osses reported on the Proof of Loss Report including:

- | | | | |
|----------------------------|-------------------------|---|---|
| • Claim number | • FHCF type of business | • ZIP e Code | • Paid l oss – contents |
| • Date of l oss | • County code | • Paid l oss – habitational building | • Paid l oss – a Additional l iving e Expense |
| • Policy number | • County name | • Paid l oss – appurtenant structure | • Outstanding l oss reserve |
| • Policy effective date | | | |

2. Claim files which include documentation of the following:

- | | | |
|---|--|--|
| • First notice of l oss | • Payment history | • Evidence of salvage received |
| • Claim number | • Policy number and location of property | • Evidence of whether the deductible was applied |
| • Date of l oss | • Amount of l oss a Adjustment e Expense | • Receipts for any a Additional l iving e Expenses paid |
| • Amount of l oss for each category of coverage (building, appurtenant structure, contents, and a Additional l iving e Expense) | • All adjuster estimates, including public adjuster estimates if provided to the Company | • Evidence to show the l oss was a direct result of a hurricane |
| • Claim description | • Copies of checks for payment of l osses | |
| • Documentation of policyholder's legal fees and/or public adjuster fees paid, if provided to the Company | | |

3. Additional detail on the loss examination requirements can be accessed on the Internet at www.sbafla.com/fhcf.

SUBMISSION INSTRUCTIONS

A Company must submit an initial Detailed Claims Listing to support the ~~l~~osses reported in the Proof of Loss Report 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 should be prepared to supply a Detailed Claims Listing for any subsequent Proof of Loss Report as required by Rule 19-8.029, Florida Administrative Code, or upon the request of the FHCF. The Proof of Loss Report and Detailed Claims Listing must be submitted electronically through the FHCF Online Claims System at www.sbafla.com/fhcf, under ~~Insurer Information, Online Claims~~ Online Reporting. Users will input the required fields of Section

I of the Proof of Loss Report directly into the system and will upload the associated Detailed Claims Listing. and two officers must sign off on each Proof of Loss Report online prior to submission. Advance registration (including officers) is required for the Online Claims System; instructions are included on the system web site.

Florida Hurricane Catastrophe Fund

Contract Year ~~2016~~ 2017 Detailed Claims Listing Instructions

A eCompany participating in the Florida Hurricane Catastrophe Fund (FHCF) must submit a Detailed Claims Listing (as described below) to support the Losses reported in the Proof of Loss Report. If requested by the FHCF, a Detailed Claims Listing supporting the Losses reported in the Interim Loss Report may be required. Note that Incurred But Not Reported (IBNR) Losses are not to be included in the Detailed Claims Listing. A Detailed Claims Listing is required:

1. When the eCompany submits its first Proof of Loss Report for a specific Covered Event that qualifies the eCompany for reimbursement under that Covered Event;
2. Annually at each year-end until the earlier of completion of the FHCF commutation process or until all claims and Losses resulting from the Covered Event are fully discharged, including any adjustments to such Losses due to salvage or other recoveries;
3. Upon notice of a Loss reimbursement examination by the FHCF;
4. Upon request of the FHCF in support of any other filed Proof of Loss Report; and
5. Upon request of the FHCF in support of an Interim Loss Report.

File Layout

The Detailed Claims Listing, which supports the Losses reported ~~in the Proof of Loss Report~~ for a specific hurricane, must match the aggregate total amounts for paid Losses and outstanding Losses reported on page 1 of the Proof of Loss Report (or the Interim Loss Report if requested by the FHCF). The Detailed Claims Listing must be provided in a pipe delimited text file containing the following fields in the order listed. (For the pipe “|” symbol, press the *Shift* key and the \ key.) **Policy numbers in the Detailed Claims Listing must be in the same format as policy numbers provided in the FHCF Data Call submission.**

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Claim Number	1	20	Special	Include characters A-Z, 0-9, and “-” only
2	Date of Loss	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeroes for single-digit months and days)
3	Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only ; must match the policy numbers and format provided in the 2016 <u>2017</u> Data Call file for policies required to be reported at 6/30/ 46 <u>17</u>
4	Policy Effective Date	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeroes for single-digit months and days)
5	FHCF Type of Business Code	1	1	Numeric	Only use the codes on pg 9-X of the Contract Year 2016 <u>2017</u> FHCF Data Call
6	County Code	1	3	Numeric	Only use the codes on pg 27-XX of the Contract Year 2016 <u>2017</u> FHCF Data Call
7	County Name	3	20	Special	Include characters A-Z and “-” only
8	ZIP Code	5	5	Numeric	
9	Paid Loss – Habitational Building*	1	12	Numeric	Report whole dollar amounts only (no decimals). If an amount is zero, then enter 0.
10	Paid Loss – Appurtenant Structures *	1	12	Numeric	
11	Paid Loss – Contents *	1	12	Numeric	
12	Paid Loss – Additional Living Expense *	1	12	Numeric	
13	Outstanding Loss Reserve	1	12	Numeric	

DRAFT 11/7/2016

*Note: A breakdown of paid losses is required.

Example: A record with the following information:

FIELD #	DESCRIPTION	TYPE	ENTRY
1	Claim Number		336733
2	Date of Loss		201670910
3	Policy Number		HCP5670996
4	Policy Effective Date		201670215
5	FHCF Type of Business Code	Residential	2
6	County Code		49
7	County Name		HARDEE
8	ZIP Code		33890
9	Paid Loss – Habitational Building		12100
10	Paid Loss – Appurtenant Structures		3600
11	Paid Loss – Contents		8000
12	Paid Loss – Additional Living Expense		1500
13	Outstanding Loss Reserve		5000

Sample record layout:

336733|201670910|HCP5670996|201670215|2|49|HARDEE|33890|12100|3600|8000|1500|5000

You must provide a separate Detailed Claims Listing to support the ~~Proof of Loss Report(s)~~ Losses reported for each event hurricane.

Reporting Losses for policies assumed from Citizens Property Insurance Corporation (Citizens)

If your eCompany receives reimbursement from the FHCF for HLosses on policies assumed from Citizens and the policies, subsequent to the reimbursement, revert back to Citizens, then your eCompany must deduct those HLosses from all future Proof of Loss Reports submitted to the FHCF.

Remittance of Required Documents

The Detailed Claims Listing(s) must be submitted via the FHCF Online Claims System at the same time the associated Proof of Loss Report(s) is filed. The Online Claims System is available at www.sbafla.com/fhcf under ~~Insurer Information, Online Claims~~ Online Reporting.

Retention of Records

Your eCompany is required to maintain records of all HLosses ~~paid by~~ reported to the FHCF until the FHCF has completed its examination of the eCompany and commutation for the Contract Year (if applicable) has been concluded. The records retention requirement, as stipulated in the Proof of Loss Report, page 2, requires the eCompany to maintain all records, including the Detailed Claims Listing, correspondence, and supporting documentation to support each Proof of Loss Report submitted to the FHCF.

Florida Hurricane Catastrophe Fund

Company Contact Information

Please cross out incorrect contact information on left and note the changes on the right. Include e-mail addresses. If a P.O. Box address is given, correct it with a street address. If you are a New Participant and are completing this form for the first time, fill in all information on the right. Please have the form notarized and signed by two different officers even if all information is correct. Mail the original copy back to the address below.

Deleted "executive" from before "officers"

Ms. Holly Bertagnolli

FHCF Administration

Paragon Strategic Solutions Inc.

8200 Tower - 5600 West 83rd Street, Suite 1100

Minneapolis, MN 55437

NAIC Company Name

Executive

ContactName

Title

CompanyName

AddressLine1

AddressLine2

AddressLine3

AddressLine4

LastLine

Telephone:

Ext:

Facsimile:

E-mail:

Accounting

ContactName

Title

CompanyName

AddressLine1

AddressLine2

AddressLine3

AddressLine4

LastLine

Telephone:

Ext:

Facsimile:

E-mail:

NAIC Company Name

Claims

ContactName

Title

CompanyName

AddressLine1

AddressLine2

AddressLine3

AddressLine4

LastLine

*Telephone:**Ext:**Facsimile:**E-mail:***Contracts**

ContactName

Title

CompanyName

AddressLine1

AddressLine2

AddressLine3

AddressLine4

LastLine

*Telephone:**Ext:**Facsimile:**E-mail:***Data Calls/Web Insurer Reporting Engine (WIRE) Account Manager**

ContactName

Title

CompanyName

AddressLine1

AddressLine2

AddressLine3

AddressLine4

LastLine

*Telephone:**Ext:**Facsimile:**E-mail:*

NAIC Company Name

Replaced "insurer" with "Company"

I am an officer of said Company, acting within my authority and within the scope of my customary and usual corporate responsibilities in designating the Company contacts listed on this form, FHCF C-1, Company Contact Information.

BY: _____

Deleted "executive" from before "officer"

Capitalized "company"

TYPED/PRINTED NAME: _____

TITLE: _____

DATE: _____

STATE OF _____: COUNTY OF _____:

Before the undersigned authority personally appeared _____, who affirmed or on oath says that he or she signed the foregoing FHCF C-1 Company Contact Information.

Affirmed or Sworn to and subscribed before me this _____ day of _____, by _____, who is personally known to me or who has produced _____ as identification.

(Official Notary Signature and Seal)

Replaced "insurer" with "Company"

I am an officer of said Company, acting within my authority and within the scope of my customary and usual corporate responsibilities in designating the Company contacts listed on this form, FHCF C-1, Company Contact Information.

BY: _____

Deleted "executive" from before "officer"

Capitalized "company"

TYPED/PRINTED NAME: _____

TITLE: _____

DATE: _____

STATE OF _____: COUNTY OF _____:

Before the undersigned authority personally appeared _____, who affirmed or on oath says that he or she signed the foregoing FHCF C-1 Company Contact Information.

Affirmed or Sworn to and subscribed before me this _____ day of _____, by _____, who is personally known to me or who has produced _____ as identification.

(Official Notary Signature and Seal)

FLORIDA HURRICANE CATASTROPHE FUND (FHCF)
EXPOSURE EXAMINATION – CONTRACT YEAR 20162017
ADVANCE PREPARATION INSTRUCTIONS

The following instructions are provided to help your eCompany prepare for the FHCF's examination.

ADVANCE RECORDS

Your eCompany is required to submit information and records in advance to allow the examiner to prepare for the on-site review and to ensure the examination begins as scheduled. A checklist has been set up in the eCompany's WIRE account. Advance information and records must be submitted using the WIRE checklist in the format/file type specified in the instructions that follow. To access the checklist: log in to WIRE (<https://www.sbafla.com/fhcfwire/>), click the 'Exposure Exams' navigation tab, and select the applicable eContract yYear and the eCompany name/exam type from the drop-down menus.

There are two parts of the checklist which must be completed before the entire records package can be submitted to the FHCF: 1) Exam Location and Contacts, and 2) Upload Advance Records. Detailed instructions for each part are provided below. After all of the required components have been entered/uploaded, open PART 2 of the checklist and click the 'Submit' button beside the 'Required Records Checklist Report' to send the records to the FHCF. The records package must be submitted to the FHCF on or before the deadline specified in the notice letter.

PART 1: EXAMINATION LOCATION AND CONTACTS

The examiner will travel to one location to conduct the examination. In the entry fields provided, enter the street address of the office location best suited for the on-site review. Next, enter the name and contact information of the person who will serve as the exam coordinator and the name and contact information of a company executive. All examination correspondence, including the examination findings and report will be directed to the designated coordinator. You must complete ALL required fields before saving and closing the section.

PART 2: UPLOAD ADVANCE RECORDS

Prepare the records and applicable attachments that follow according to the ~~file types and~~ specifications outlined below and upload ~~them each to~~ PART 2 of the WIRE checklist using the designated 'Upload' button located to the right of the appropriate record title. IMPORTANT: WIRE will retain only one file for each record type (the last file uploaded). Subsequent uploads will overwrite any previously uploaded file, regardless of a difference in filename. A description of allowable file types and an indicator on whether the item is required is included in the checklist next to the title for each advance record. Y The 'Submit' button located at the bottom of the checklist will not engage until all required components have been entered/uploaded. be allowed to submit the records unless all required items are uploaded in the correct file format. Once required/applicable records are uploaded, click the title 'Required Records Checklist Report' to print a copy of the completed checklist for your records. To submit the uploaded records, You must click the 'Submit' button to send the checklist and records to the FHCF, beside the 'Required Records Checklist Report.' Once the records package has been submitted, additional uploads are prohibited.

1. OPERATIONS QUESTIONNAIRE

Download the questionnaire worksheet from the WIRE checklist. Answer all questions based on covered policies in force for the Contract Year being examined and save the completed questionnaire in its original Excel format (xls orxlsx) before uploading it to the WIRE checklist. The individual(s)

responsible for preparing the questionnaire should be available to answer questions once the examiner arrives on-site.

Attachments for Operations Questionnaire

Based on your response to some questions, you may be required to provide additional information in a separate file, or attachment. If so, save each attachment as a separate file, then combine all attachment files into a single zip file to upload it to the *WIRE* checklist.

2. CONSTRUCTION MAPPING WORKSHEET

A completed eConstruction mMapping wWorksheet must be uploaded to the *WIRE* checklist. If your eCompany submitted a eConstruction mMapping wWorksheet to Paragon for approval prior to the Data Call submission, you must upload the approved worksheet. If not, download the worksheet from the *WIRE* checklist. Complete it in its entirety and upload it as a doc, docx or pdf file to the checklist.

Construction Mapping Approval Letter from Paragon

If your eCompany received an approval letter from Paragon for its eConstruction mMapping wWorksheet, upload a pdf file of the approval to the *WIRE* checklist.

3. FORMS AND ENDORSEMENTS

Provide a list of all forms and endorsements used (as of the Data Call date) for all eCovered pPolicies. The list must include the form and endorsement numbers and titles, and must be saved as an Excel file (xls or xlsx) worksheet or workbook (if the list is divided among multiple worksheets) and uploaded to the *WIRE* checklist.

Forms and Endorsements Specimen Copies

Save each form and/or endorsement specimen as a separate file, then combine all into a single zip file to upload to the *WIRE* checklist. If possible, limit specimen file names to 50 characters or less. DO NOT scan all forms and endorsements into one multi-page pdf file.

4. WINDSTORM MITIGATION FEATURES MAPPING

Provide a list of windstorm mitigation features for sStructure eOpening pProtection and rRoof sShape, the definition of each feature, and the applicable FHCF code used to report each feature. The list must be saved as an xls, xlsx, doc, docx, or pdf file and uploaded to the *WIRE* checklist.

5. STATUTORY PAGE 14 (FLORIDA DWP)

Provide a copy of the annual statement page with the direct written premiums for Florida for the period ending December 31, ~~2015~~2016. Save as a single pdf file and upload it to the *WIRE* checklist.

6. DIRECT WRITTEN PREMIUM REPORT

Provide a report for the period ending December 31, ~~2015~~2016, which supports your ecompany's total direct written premium for all lines where any policy or coverage subject to the FHCF may be written. Lines of business that should always be included in this report are Fire, Allied Lines, Farmowners Multiple Peril, Homeowners Multiple Peril, Commercial Multiple Peril (non-liability portion) and Inland Marine. If your eCompany writes inland marine endorsements and the premium is included under a line of business other than Line 9 for Inland Marine, identify these policies separately in the report by using FHCF line of business code 6 or provide a notation in field 9 of the report designating that the policy has an endorsement. For lines of business that include premium for both commercial and residential policies (e.g., Fire and Allied Lines), distinguish between the different policies using the FHCF type of business/line of business codes. The Direct Written Premium Report must include all policies needed to reconcile to the line item total on the annual statement regardless of whether the policies are covered by the FHCF. Also, if there are differences between the premiums listed on Statutory Page 14 and the Direct Written Premium Report, provide a

schedule detailing the reconciling items in the section titled ‘Cover Letter and Other Support Files’ on the *WIRE* checklist.

The Direct Written Premium Report must be by individual policy, sorted by type and line of business, must be provided in a pipe delimited text file (txt), and must contain the fields in the order listed in the table below. **Policy numbers in the Data Call File and Direct Written Premium Report must be formatted alike. If not, an explanation on how to match the policies is required.**

#	DESCRIPTION	TYPE	NOTES
1	Type of Business	Numeric	Only use the codes on pg 9-x of the 2016-2017 FHCF Data Call
2	Line of Business	Numeric	Only use the codes on pg 10-x of the 2016-2017 FHCF Data Call
3	Policy Effective Date	Numeric or Date/Time	Numeric Format: yyyyymmdd Date/Time Format: month/day/year Effective Date must be in one field and the numeric format must have 8 characters
4	Policy Expiration Date	Numeric or Date/Time	Numeric Format: yyyyymmdd Date/Time Format: month/day/year Expiration Date must be in one field and the numeric format must have 8 characters
5	Direct Written Premium	Numeric	
6	Policy Number	Special	Use the same policy number and format as used in the Data Call File; include characters A-Z, 0-9, and “-” only.
7	Notation Designating FHCF Covered Policies	Text	If available
8	Notation Designating Policy Written with Ex-wind Endorsement	Text	If available
9	Notation Designating Policy has Endorsement for Scheduled Personal Property	Text	If applicable
10	Class Code	Numeric	If applicable (typically applies to Commercial policies only)

7. UNDERWRITING AND RATING MANUALS

The examiner will need to review a copy of your eCompany’s underwriting manual and rating manual for policies covered by the FHCF effective June 30, ~~2016~~2017. Your eCompany is required to have this available when the examiner is on-site; however, we would prefer that it be provided in advance. You may save a copy as a pdf to upload to the *WIRE* checklist, or if there are two separate files, you ~~may-should~~ combine them both into a single zip file ~~to-before~~ uploading to ensure both are retained. ~~At the time of upload, you will be prompted to enter-Your company should provide~~ the name and email address of a contact that is familiar with these manuals.

8. COVER LETTER AND OTHER SUPPORT FILES

A cover letter is not required; however, if there is any additional information related to the advance records or the examination that your eCompany wishes to bring to the attention of the examiner, it may be noted in a cover letter, saved as a doc, docx, or pdf file and uploaded to the *WIRE* checklist. If you wish to provide additional support files, combine all files (including the cover letter) into a single zip file before uploading.

ON-SITE REQUIREMENTS

In order for the examiner to properly conduct and expedite an early conclusion of the Exposure Examination, the exam coordinator should ensure that the examiner has access to items 1-4 below on the first day and throughout the duration of the on-site visit.

1. EQUIPMENT AND SPACE

The examiner will need a private working space and an internet connection.

2. COMPANY PERSONNEL

The exam coordinator may wish to provide names of persons whom the examiner can contact directly for answers to the many questions the examination generates.

3. REQUIRED RECORDS TO HAVE AVAILABLE ON-SITE

The examiner will request applications and declaration pages to be available for review on-site. If policy files are in more than one location, your eCompany is responsible for coordinating the retrieval of the files to one central location. The files must contain at least the following information:

- a. Insured's Name
- b. Address and ZIP Code for location of property insured
- c. Policy Number
- d. Policy Period
- e. Construction Type
- f. Deductible Group
- g. County Code
- h. Total Insured Values
- i. Year Built
- j. Evidence to support the reported rRoof sShape code
- k. Evidence to support a reinforced concrete roof, if applicable
- l. Evidence to show a credit is given to the policyholder for sStructure oOpening pProtection
- m. A copy of the Residential Property Insurance Checklist required by the Office of Insurance Regulation Rule 690-167.013, F.A.C. (This requirement applies to homeowners', mobile homeowners', dwelling or condominium unit owners' policies)
- n. All applicable endorsements and policy changes
- o. Underwriting manual and rating manual for policies covered by the FHCF, if not already provided in advance through WIRE.

Online policy files may be acceptable for the review of residential lines of business if the items listed above are viewable on the online system, if the system is the same system that produces the company's dec pages, and if the examiner determines the system information is reliable. If the examiner determines the online system cannot be used for policy review, then your eCompany must provide the physical policy files including the applications and underwriting files.

For review of commercial policies, the complete policy files, including underwriting files, applications, commercial class codes, and statement of values are required.

4. ADDITIONAL ON-SITE REQUIREMENTS

- a. Companies writing commercial policies covering single structures that contain a mix of both commercial-habitation and commercial non-habitation or business occupancies, are required to submit a proposed methodology for determining predominant use, as defined in the Data Call, to the FHCF Administrator on an annual basis before the September 1st deadline. Your eCompany must be able to identify these types of policies and individuals familiar with your eCompany's class codes and underwriting guidelines must be available to answer questions during the examination.
- b. If your eCompany's reported exposure includes collateral protection policies covered by the FHCF, a copy of the lapsed homeowner's policy or the equivalent of a dec page must be available for the examiner's review in addition to the dec page for the policy in force at June 30, 20162017.

POST-EXAM REQUIREMENTS

The examiner or the FHCF may request additional information and/or documentation following the completion of the on-site review. All records, including exposure filings (Data Call submission), policy files, and supporting documentation must be retained until the FHCF has completed its examination of

your eCompany's exposure submission and Loss reports (applicable to the Data Call Contract Year) and commutation for the Contract Year (if applicable) has been concluded.

SPECIAL EXAMS RELATED TO CITIZENS PROPERTY INSURANCE CORPORATION (CITIZENS)

1. REQUIREMENT FOR EACH CITIZENS ENTITY ENGAGED IN TAKEOUTS PURSUANT TO ASSUMPTION AGREEMENTS

In addition to the Data Call file for FHCF exposure from direct written premiums and the separate Data Call files for FHCF exposure assumed from Citizens pursuant to an assumption agreement which, as of June 30, ~~2016~~2017, had not renewed onto the assuming ~~insurers'~~ Company's policy forms, the following information must be provided for each assumption occurring July 1, ~~2015-2016~~ through June 30, ~~2016~~2017:

- a. A separate file that includes a list of all policies that were assumed by each eCompany on the date of the assumption. This file must include the policy number, contract number/eCompany identifier, assumption date, total insured value, indicator for policies insuring short-term rentals as defined in exclusion (10) in Article VI of the FHCF Reimbursement Contract, indicator for policies written without wind coverage, indicator for policies cancelled on or before June 30, ~~2016~~2017, date untagged by Citizens and policy effective/expiration date.
- b. For each individual assumption, provide a list of all policies untagged by Citizens after the assumption date up to, and including, June 30, ~~2016~~2017. The file must include the policy number, the assumption date, and the date the policy was untagged.
- c. A copy of the assumption agreement between Citizens and the assuming eCompany along with copies of exhibits to show the number of policies assumed.

FLORIDA HURRICANE CATASTROPHE FUND (FHCF)
LOSS REIMBURSEMENT EXAMINATION – CONTRACT YEAR ~~2016~~2017
ADVANCE PREPARATION INSTRUCTIONS

Company:

Date of Examination:

Advance Records Due:

Events: (Event Name)
(Event Name)
(Event Name)

The following instructions are provided to help your eCompany prepare for the FHCF's examination. If you have questions pertaining to the preparation and submission of required records, or about the activities or work processes of the examiner which cannot be adequately answered by the examiner, please call ~~Gina Wilson~~Stephen Szypula, Director of Examinations, at (850) 413-1348.

ADVANCE RECORDS

Your eCompany is required to submit records in advance of the examiner's on-site review to allow the examiner to fully prepare and to ensure the examination begins as scheduled. Your eCompany is required to upload all advance records to the FHCF Online Claims System (www.sbafla.com/fhcf, in 'Online Reporting' module, select 'FHCF Online Claims'), ~~Insurer Information, Online Claims~~ no later than (insert date). Be certain the records submitted are prepared using the specific form or file format given in the instructions below. The FHCF will send your eCompany a Required Records Checklist and an Operations Questionnaire. Be sure to submit these records in the same file format and file type as it was sent to your eCompany (e.g., the Operations Questionnaire should be uploaded as a Microsoft Excel document).

1. REQUIRED RECORDS CHECKLIST

The Checklist, provided as an attachment in the Notice email, should be completed by the eCompany to ensure that all advance records are submitted and should be uploaded to the FHCF Online Claims System with the remainder of the required advance records. Using the drop-down options located to the right of the list of required records, the eCompany should indicate whether each of the records is included or not included. The eCompany should also designate the office location where the on-site examination should take place and provide complete contact information for the Exam Coordinator, Executive Contact, Claims Contact, and Actuarial Contact. All examination correspondence will be directed through the Exam Coordinator you have designated, including the Examination Report, unless otherwise noted on the checklist. The Exam Coordinator will be contacted periodically by the examiner to help facilitate the preparation of information needed for the examination.

2. OPERATIONS QUESTIONNAIRE

The electronic questionnaire form should be completed in its entirety. The individual(s) responsible for preparing the questionnaire should be available to answer questions once the examiner arrives on-site.

3. PROOF OF LOSS REPORT

Submit a separate Proof of Loss Report using Form FHCF-L1B for each event listed above. The report must include your eCompany's most recent Loss information.

4. DETAILED CLAIMS LISTING

Provide a separate Detailed Claims Listing to support each Proof of Loss Report submitted. The Detailed Claims Listing, which supports the Hosses reported in the Proof of Loss Report(s), by hurricane, must match the aggregate total amounts for paid Hosses and outstanding Hosses reported on page 1 of the Proof of Loss Report. The Detailed Claims Listing must be prepared using the instructions in the 2016-2017 Detailed Claims Listing Instructions (Form FHCF-DCL).

5. CLAIMS PROCESS MEMO

Provide a written narrative of your eCompany's hurricane claims paying process. The narrative should start with how a claim is originated to the time a claim is paid. Please indicate the name and title of primary employees with responsibilities in the process.

6. INCURRED BUT NOT REPORTED (IBNR)

Provide documentation to support the amount of IBNR reported in each Proof of Loss Report.

7. LIST OF CLAIMS WITH SALVAGE

Provide a listing of all FHCF covered claims where salvage was received. This listing must be provided in a pipe delimited text file containing the following fields in the order listed. (For the pipe “|” symbol, press the *Shift* key and the \ key.)

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Claim Number	1	20	Special	Include characters A-Z, 0-9, and “-” only; the formatting must match the claim numbers provided in the Detailed Claims Listing
2	Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only; the formatting must match the policy numbers provided in the <u>2016-2017</u> Data Call File
3	Salvage Received	1	12	Numeric	

8. MULTI-STATE POLICY LISTING

Provide a listing of all FHCF covered commercial policies in effect during the 2016-2017 hurricane season that have exposures written with Florida and non-Florida locations on the same policy. This list includes all policies regardless of whether or not a claim was reported to the FHCF for the policy and must be provided in a pipe delimited text file containing the following fields in the order listed.

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only; the formatting must match the policy numbers provided in the <u>2016-2017</u> Data Call File
2	FHCF Type of Business Code	1	1	Numeric	Only use the codes on pg <u>9-x</u> of the <u>2016-2017</u> FHCF Data Call

9. MULTI-RISK POLICY LISTING

Provide a listing of all FHCF covered commercial policies in effect during the ~~2016-2017~~ hurricane season that have both covered and non-covered risks written on the same policy. This list includes all policies regardless of whether or not a claim was reported for the policy and must be provided in a pipe delimited text file containing the following fields in the order listed.

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Policy Number	1	30	Special	Include characters A-Z, 0-9, and "-" only; the formatting must match the policy numbers provided in the 2016-2017 Data Call File
2	FHCF Type of Business Code	1	1	Numeric	Only use the codes on pg 9-x of the 2016-2017 FHCF Data Call

10. SINGLE STRUCTURES POLICY LISTING

Provide a listing of all FHCF ~~e~~Covered ~~p~~Policies in effect during the ~~2016-2017~~ hurricane season that insure single structure(s) that are used for both habitational and non-habitational purposes. This listing includes all policies regardless of whether or not a claim was reported for the policy and must be provided in a pipe delimited text file containing the following fields in the order listed.

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Policy Number	1	30	Special	Include characters A-Z, 0-9, and "-" only; the formatting must match the policy numbers provided in the 2016-2017 Data Call File
2	FHCF Type of Business Code	1	1	Numeric	Only use the codes on pg 9-x of the 2016-2017 FHCF Data Call
3	Class Code	1	10	Alpha-Numeric	Only numbers and letters are acceptable

ON-SITE REQUIREMENTS

In order for the examiner to properly conduct and expedite an early conclusion of the Loss Reimbursement Examination, the Exam Coordinator should ensure that the examiner has access to the following items on the first day and throughout the duration of the on-site visit.

1. EQUIPMENT AND SPACE

The examiner will need a private working space and an internet connection.

2. COMPANY PERSONNEL

The Exam Coordinator may wish to provide names of persons whom the examiner can contact directly for answers to the many questions the examination generates.

3. REQUIRED RECORDS TO HAVE AVAILABLE ON-SITE

The examiner will also be requesting claims and policy files to be available once the examiner arrives on-site. If the files are in more than one location, your ~~e~~Company is responsible for coordinating the retrieval of the files to one central location. The files should be made available upon request and should contain at least the following information:

Claim File (the complete file)

- First notice of ~~H~~Loss
- Claim number
- Date of ~~H~~Loss
- Amount of ~~H~~Loss for each category of coverage (building, appurtenant structure, contents, and ~~a~~Additional ~~H~~Living ~~e~~Expense)
- Claim description

- f. Policy number and location of property
- g. Amount of Hloss aAdjustment eExpense
- h. Copies of checks for payment of Hlosses
- i. All adjuster's estimates, including Public Adjuster estimates if provided to the eCompany
- j. Payment history
- k. Evidence of salvage received, if any
- l. Evidence of whether the deductible was applied
- m. Receipts for any aAdditional Hiving eExpenses paid
- n. Evidence to show the Hloss was a direct result of a hurricane or its subsequent downgrades in storm status
- o. Documentation of policyholder's legal fees and/or Public Adjuster fees paid, if provided to the eCompany

Policy File (the complete file in effect at the time of loss)

- a. Policy Declarations
- b. Insured's Name
- c. Address and ZIP Code for location of property insured
- d. Policy Number
- e. Policy Period
- f. Construction Type
- g. Deductible Group
- h. County Code
- i. County Name
- j. Total Insured Values
- k. Evidence to support occupancy is owner occupied or non-owner occupied
- l. All applicable forms, endorsements, and policy changes/transactional history

If your eCompany retains claims and/or policy files on an online system, this will be acceptable for the review of residential lines of business as long as the items listed above are available on that system and the examiner determines the system information can be relied upon. If the examiner determines the online system cannot be used for the review, then the examiner will need claims and/or policy files including the application and underwriting files for the specific policies being reviewed. Also, if the eCompany's online system is not the same system that produces the eCompany's dec pages, then the actual policy files will need to be provided to the examiner.

For any commercial policies reviewed, you are required to provide the complete policy file, underwriting file, application, commercial class codes, and statement of values.

4. ADDITIONAL ON-SITE REQUIREMENTS

The eCompany may be required to provide a walkthrough of the claims process once the examiner arrives on-site. The examiner will coordinate with the eCompany prior to arriving on-site and provide directions on performing the walkthrough. The eCompany should make prior arrangements for the examiner to conduct this walkthrough with the necessary personnel. Be certain an individual familiar with the eCompany's claims process is available to answer questions before and during the examination.

Also, provide the examiner with a copy of the claims manual for claims covered by the FHCF and the name of a contact familiar with this manual. It is preferable that the claims manual be provided in electronic format.

19-8.030 Insurer Responsibilities.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555, 627.351(6), FS. History—New 5-13-03, Amended 5-19-04, 5-29-05, 5-10-06, 5-8-07, 8-13-07, 6-8-08, 3-30-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13, 4-24-14, 5-12-15, 3-13-16, Repealed XX-XX-17.



**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

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

**POST OFFICE BOX 13300
32317-3300**

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

October 25, 2016

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

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

Dear Representative Raulerson and Senator Abruzzo:

Pursuant to section 218.409(6)(a)1, Florida Statutes, the trustees of the State Board of Administration 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 July 2016 through September 2016, 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,

A handwritten signature in blue ink, which appears to read "Ashbel C. Williams".

Ashbel C. Williams
Executive Director & CIO

ACW/jk
Attachments

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



MONTHLY SUMMARY REPORT

July 2016

State Board of Administration of Florida

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Past performance is no guarantee of future results.

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

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

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

INTRODUCTION

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

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

This report, which covers the period from July 1, 2016, through July 31, 2016, 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 July 31, 2016)

Total Participants
764

Florida PRIME™ Assets
\$7,817,207,530

Total Number of Accounts
1,451

FACTS-AT-A-GLANCE

Florida 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

MARKET CONDITIONS

The statement released by the Federal Reserve following its policy-setting meetings is intentionally ambiguous so as not to tip its hand or rattle markets if it does not take action on rates, as was the case last week. One trick of the trade for deciphering “Fedspeak” is to look for what is not said. The lack of any mention in last week’s statement of the surprise U.K. vote to leave the European Union is a good sign. Most expected the Fed to cite global sources of volatility and weakness as factors for why it did not hike rates. Not only does the absence of a Brexit reference suggest that Chair Janet Yellen and company were not spooked by the global volatility that followed, it also lends more weight to their optimism about the signs of strength in the U.S. economy. The domestic economy must be doing well if it is able to overshadow concerns the Fed might have about the U.K. split.

Economic statistics over the last month exceeded most expert’s expectations, especially those concerning employment, housing and consumers. Even certain measures of inflation are finally warming up. All of this is why we continue to be of the opinion the Fed likely will raise the target rate by 25 basis points sometime this year.

The optimistic tone of the Federal Open Market Committee (FOMC) statement could hardly come at a better time for cash managers, considering the uncertainty for money markets as the Oct. 14 implementation date of the SEC’s money fund reforms creeps closer. While the requirement that institutional prime and tax-free money funds float their net asset value (NAV) is at the heart of the changes, cash managers are currently more concerned about whether or not clients in their prime products will move funds to government ones. That unknown has most prime funds being conservative and favoring liquidity, all of which has narrowed spreads. We have our weighted average maturity targeted at 40-50 days for government portfolios and 35-45 for prime, but specifically for what we believe to be the core assets of each

portfolio. The London interbank offered rate has risen across the curve.

Federated’s broad strategy for this unique time in U.S. financial history is to have a bucket for all participants to transfer their funds into, including government, private, retail and separate accounts. And we stick to our opinion that spreads for prime portfolios will eventually grow enough to entice some clients back into them.

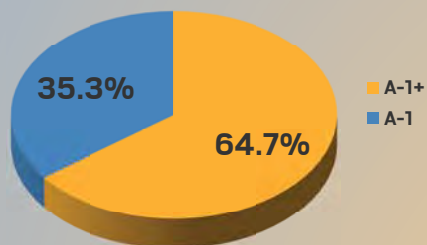
It is worth noting that the New York Fed’s reverse repo program will be crucial to this period. If cash flows to government securities are so great as to push down their yields to extremely low levels, cash managers can instead go to the Fed at a floor of 25 basis points, as long as they have access to this facility, as we do. This program has been, and continues to be, vital to nightly operations.

INVESTMENT STRATEGY

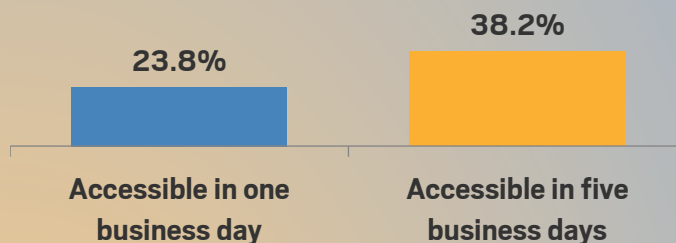
LIBOR’s rise over the month—I-month increasing 4 basis points, 3-month at 13 basis points and 1-year at 20 basis points—due to the aforementioned expectations for reform and an increase in rates benefited the yield of the portfolio. It rose a basis point to 0.67%. As local governments continued to collect 2016 tax revenue, the Pool’s assets under management (AUM) grew \$27.8 million to \$7.8 billion. The Pool’s actual WAM was in by 2 days to 37 days and the weighted average life (WAL) moved out one day to 59 days. As will be the case for the days ahead of the SEC reform, we continue to use it to our advantage because Florida Prime’s steady asset base allows us to pick up additional yield by purchasing bank and commercial paper out beyond the Oct. 14 implementation date. This led us to significantly reduce holdings in money market instruments, dropping 19% to 10% of total holdings. Other changes were: 3% increase of fixed-rate bank paper/instruments; 4% increase in repo and a 1% increase in variable-rate paper and commercial paper, each.

PORTFOLIO COMPOSITION FOR JULY 2016

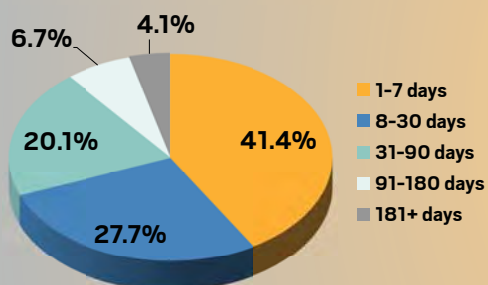
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Federated Institutional Prime Obligations Fund	9.6%
2. Royal Bank of Canada	5.0%
3. BNP Paribas SA	5.0%
4. Mitsubishi UFJ Financial Group, Inc.	4.8%
5. Svenska Handelsbanken, Stockholm	4.8%
6. Standard Chartered PLC	4.7%
7. Mizuho Financial Group, Inc.	4.4%
8. JPMorgan Chase & Co.	4.2%
9. Canadian Imperial Bank of Commerce	3.7%
10. Wells Fargo & Co.	3.7%

Average Effective Maturity (WAM)

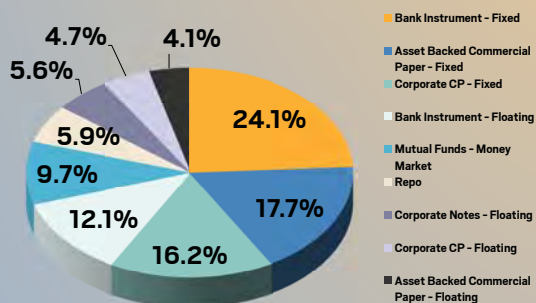
36.9 Days

Weighted Average Life (Spread WAM)

59.1 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH JULY 31, 2016

Florida PRIME Performance Data			
	Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	0.64%	0.40%	0.24%
Three Months	0.64%	0.38%	0.25%
One Year	0.46%	0.24%	0.21%
Three Years	0.27%	0.12%	0.15%
Five Years	0.27%	0.10%	0.16%
Ten Years	1.22%	1.09%	0.13%
Since 1/96	2.71%	2.50%	0.21%

Note: Net asset value at month end: \$7,818 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

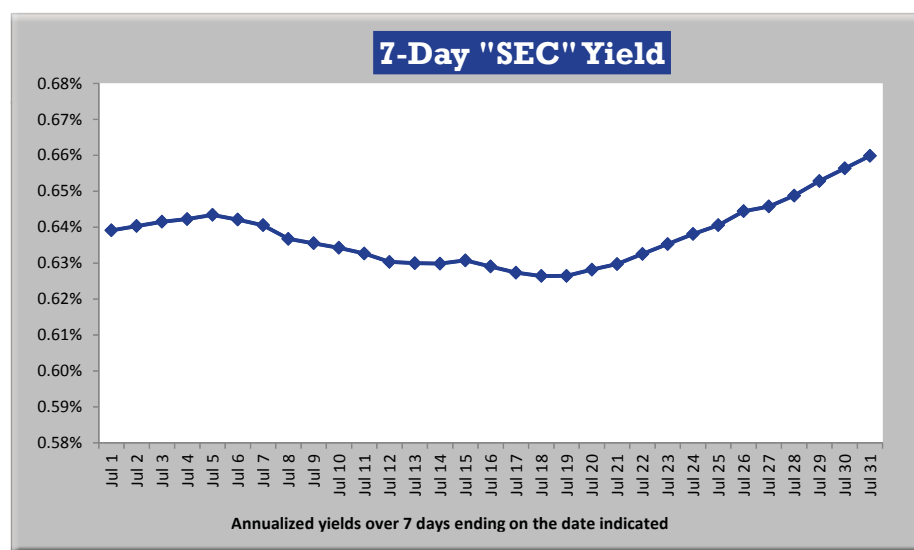
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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 JULY 2016

Summary of Cash Flows		
Opening Balance (07/01/16)	\$	7,789,430,977
Participant Deposits		953,567,529
Gross Earnings		4,203,003
Participant Withdrawals		(929,993,979)
Fees		(136,419)
Fee Holiday*		136,419
Closing Balance (07/31/16)	\$	7,817,207,530
Net Change over Month	\$	27,776,553

*Beginning January 1, 2016, all monthly pool expenses incurred are offset using proceeds from liquidity redemption fees charged to participants in 2008. The total amount of fees offset since January 2016 is \$865,331. The redemption reserve account balance at month end is \$1,391,911. Once the redemption fee reserve account is exhausted, pool charges will be reinstituted.

Detailed Fee Disclosure***		
July 2016	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 65,485.19	1.01
Federated Investment Management Fee	48,569.96	0.75
BNY Mellon Custodial Fee**	8,558.23	0.13
Bank of America Transfer Agent Fee	5,966.33	0.09
S&P Rating Maintenance Fee	3,811.48	0.06
Audit/External Review Fees	4,027.54	0.06
Total Fees	\$ 136,418.73	2.10

*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 \$7,803,319,254.

**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.

*** Beginning January 1, 2016, all monthly pool expenses incurred are offset using proceeds from liquidity redemption fees charged to participants in 2008. Once the redemption fee reserve account is exhausted, pool charges will be reinstituted.

INVENTORY OF HOLDINGS FOR JULY 2016

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		11/9/2016		95,000,000	0.88	\$94,766,247	\$94,852,410	\$86,163
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		1/18/2017		20,000,000	0.99	\$19,906,772	\$19,927,532	\$20,760
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		2/1/2017		34,000,000	1.15	\$33,801,313	\$33,857,652	\$56,339
ASB Finance Ltd., Nov 30, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.82	11/30/2016	8/2/2016	50,000,000	0.83	\$50,000,000	\$50,007,200	\$7,200
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/23/2016		42,000,000	0.58	\$41,983,375	\$41,985,621	\$2,246
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/6/2016		50,000,000	0.92	\$49,837,500	\$49,842,917	\$5,417
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/2/2016		65,510,000	0.46	\$65,506,725	\$65,506,827	\$102
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/4/2016		20,000,000	0.46	\$19,998,500	\$19,998,537	\$37
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/18/2016		14,120,000	0.55	\$14,115,764	\$14,116,407	\$643
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2016		100,000,000	0.31	\$99,997,500	\$99,996,375	-\$1,125
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/22/2016		100,000,000	0.61	\$99,960,000	\$99,968,667	\$8,667
Australia & New Zealand Banking Group, Melbourne CP4-2	COMMERCIAL PAPER - 4-2		12/22/2016		50,000,000	0.89	\$49,823,583	\$49,818,311	-\$5,272
Australia & New Zealand Banking Group, Melbourne, Dec 20, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.85	12/20/2016	8/22/2016	25,000,000	0.86	\$25,000,000	\$24,997,450	-\$2,550
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		8/1/2016		80,000,000	0.42	\$79,997,267	\$79,997,920	\$653
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		8/2/2016		200,000,000	0.42	\$199,990,889	\$199,992,956	\$2,067
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		8/4/2016		89,800,000	0.42	\$89,793,864	\$89,795,121	\$1,257
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.35	8/1/2016		450,000,000	0.35	\$450,000,000	\$450,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.69	10/6/2016		35,000,000	0.70	\$35,000,000	\$35,009,764	\$9,764
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/20/2017		25,000,000	1.27	\$25,000,000	\$24,987,697	-\$12,304
Bank of Montreal CP	COMMERCIAL PAPER		9/19/2016		150,000,000	0.87	\$149,815,833	\$149,892,534	\$76,701
Bank of Montreal, Mar 27, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.02	3/27/2017	8/29/2016	50,000,000	1.04	\$50,000,000	\$49,976,100	-\$23,900
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.87	9/21/2016		100,000,000	0.88	\$100,000,000	\$100,048,006	\$48,006
Bank of Nova Scotia, Toronto, Aug 05, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.80	8/5/2016	8/5/2016	105,000,000	0.81	\$105,000,000	\$105,008,190	\$8,190

See notes at end of table.

INVENTORY OF HOLDINGS FOR JULY 2016

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Nova Scotia, Toronto, Nov 07, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.87	11/7/2016	8/8/2016	50,000,000	0.88	\$50,000,000	\$50,022,500	\$22,500
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.49	8/11/2016		165,000,000	0.50	\$165,000,000	\$165,003,392	\$3,392
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2016		17,000,000	0.42	\$16,999,419	\$16,999,490	\$71
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/8/2016		50,000,000	0.54	\$49,992,639	\$49,994,750	\$2,111
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/23/2016		25,000,000	0.65	\$24,975,111	\$24,977,406	\$2,294
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/13/2017		25,000,000	1.05	\$24,857,660	\$24,847,433	-\$10,226
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2017		30,000,000	1.13	\$29,797,417	\$29,788,577	-\$8,840
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/10/2017		50,000,000	1.07	\$49,673,333	\$49,641,289	-\$32,044
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/13/2017		21,000,000	1.07	\$20,860,963	\$20,846,662	-\$14,301
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/15/2017		25,000,000	1.07	\$24,833,021	\$24,815,210	-\$17,811
Bedford Row Funding Corp., Sep 01, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.80	9/1/2016	8/1/2016	25,000,000	0.81	\$24,999,765	\$24,998,750	-\$1,015
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/1/2016		15,000,000	0.91	\$14,953,646	\$14,957,448	\$3,802
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/27/2016		40,000,000	0.94	\$39,845,644	\$39,848,497	\$2,852
CIESCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/13/2016		47,000,000	0.90	\$46,842,602	\$46,846,716	\$4,114
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/19/2016		25,000,000	0.92	\$24,910,625	\$24,912,909	\$2,284
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.94	1/17/2017		50,000,000	0.96	\$50,000,000	\$49,967,102	-\$32,898
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.85	8/24/2016		15,000,000	0.86	\$15,000,000	\$15,005,195	\$5,195
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.90	9/20/2016		150,000,000	0.91	\$150,000,000	\$150,100,968	\$100,968
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.87	11/18/2016		25,000,000	0.88	\$25,000,000	\$25,008,355	\$8,355
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.94	11/28/2016		24,000,000	0.96	\$24,000,000	\$24,011,732	\$11,732
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.95	11/28/2016		25,000,000	0.97	\$25,000,000	\$25,013,066	\$13,066
Commonwealth Bank of Aust, 01/27/2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.00	1/27/2017	10/4/2016	32,200,000	1.01	\$32,206,149	\$32,210,433	\$4,284
Credit Industriel et Commercial CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.39	8/2/2016		225,000,000	0.40	\$225,000,000	\$225,001,076	\$1,076

See notes at end of table.

INVENTORY OF HOLDINGS FOR JULY 2016

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.68	9/6/2016		25,000,000	0.69	\$25,000,000	\$25,004,885	\$4,885
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.62	8/3/2016		50,000,000	0.63	\$50,000,000	\$50,001,858	\$1,858
Credit Suisse, Zurich CP	COMMERCIAL PAPER		9/23/2016		85,000,000	0.66	\$84,914,717	\$84,924,237	\$9,520
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.75	10/3/2016		60,000,000	0.76	\$60,000,000	\$60,014,600	\$14,600
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.23	8/1/2016		7,027,900	0.23	\$7,027,900	\$7,027,900	\$0
Fairway Finance Co. LLC, Dec 09, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.82	12/9/2016	8/9/2016	50,000,000	0.84	\$50,000,000	\$50,000,000	\$0
Fairway Finance Co. LLC, Nov 03, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.82	11/3/2016	8/3/2016	50,000,000	0.83	\$50,000,000	\$50,000,000	\$0
Fairway Finance Co. LLC, Nov 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.83	11/14/2016	8/12/2016	25,000,000	0.84	\$25,000,000	\$25,000,000	\$0
Federated Institutional Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.45	8/1/2016	8/1/2016	758,716,811	0.45	\$758,716,811	\$758,716,811	\$0
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	0.43	8/1/2045	8/4/2016	37,980,000	0.43	\$37,980,000	\$37,980,000	\$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/5/2016		25,000,000	0.51	\$24,997,569	\$24,997,861	\$292
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/9/2016		50,000,000	0.54	\$49,991,903	\$49,993,202	\$1,299
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/23/2016		85,000,000	0.61	\$84,964,583	\$84,972,080	\$7,497
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/9/2016		50,000,000	0.61	\$49,965,000	\$49,968,150	\$3,150
J.P. Morgan Securities LLC, Aug 09, 2016	VARIABLE RATE COMMERCIAL PAPER	0.81	8/9/2016	8/9/2016	150,000,000	0.82	\$150,000,000	\$150,018,150	\$18,150
J.P. Morgan Securities LLC, Dec 02, 2016	VARIABLE RATE COMMERCIAL PAPER	0.93	12/2/2016	8/2/2016	75,000,000	0.94	\$75,000,000	\$75,035,250	\$35,250
J.P. Morgan Securities LLC, Feb 24, 2017	VARIABLE RATE COMMERCIAL PAPER	0.99	2/24/2017	8/24/2016	40,000,000	1.01	\$40,000,000	\$40,000,000	\$0
JPMorgan Chase Bank, N.A., Nov 04, 2016	VARIABLE RATE BANK NOTE	0.83	11/7/2016	8/8/2016	15,000,000	0.84	\$15,000,000	\$14,997,690	-\$2,310
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		8/4/2016		47,105,000	0.44	\$47,101,624	\$47,097,401	-\$4,224
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		8/11/2016		30,000,000	0.77	\$29,991,875	\$29,989,329	-\$2,546
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/1/2016		130,000,000	0.58	\$129,993,825	\$129,995,288	\$1,463
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/10/2016		70,000,000	0.56	\$69,987,167	\$69,989,593	\$2,426
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/25/2016		60,000,000	0.62	\$59,972,550	\$59,978,400	\$5,850
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/30/2016		40,000,000	0.56	\$39,980,444	\$39,982,258	\$1,813
Mizuho Bank Ltd. CDEUR (London)	CERTIFICATE OF DEPOSIT - EURO	0.00	9/26/2016		75,000,000	0.69	\$74,920,750	\$74,920,750	\$0

See notes at end of table.

INVENTORY OF HOLDINGS FOR JULY 2016

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.53	8/12/2016		100,000,000	0.54	\$100,000,000	\$100,004,422	\$4,422
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		8/2/2016		175,000,000	0.42	\$174,992,028	\$174,992,689	\$661
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	0.35	8/1/2016		15,000,000	0.35	\$15,000,000	\$15,000,000	\$0
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		10/11/2016		45,000,000	0.73	\$44,933,400	\$44,954,397	\$20,997
New York State Local Government Assistance Corp., (Subordinate Series 2008B-3V), 04/01/2024	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.45	4/1/2024	8/3/2016	24,120,000	0.45	\$24,120,000	\$24,120,000	\$0
Oglethorpe Power Corp. Scherer Project, (Oglethorpe Power Corp.), (Series 2009B), 01/01/2036	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.40	1/1/2036	8/3/2016	26,600,000	0.40	\$26,600,000	\$26,600,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/23/2017		25,000,000	1.23	\$24,725,833	\$24,700,930	-\$24,904
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2017		44,100,000	1.28	\$43,564,063	\$43,528,476	-\$35,586
Old Line Funding, LLC, Feb 07, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.06	2/7/2017	8/8/2016	25,000,000	1.07	\$25,000,000	\$25,000,000	\$0
Orthopaedic Hospital of Wisconsin LLC, Series 09-A, Mar 01, 2039	VARIABLE RATE DEMAND NOTE	0.45	3/1/2039	8/4/2016	9,920,000	0.45	\$9,920,000	\$9,920,000	\$0
Royal Bank of Canada, Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.88	12/8/2016		25,000,000	0.89	\$25,000,000	\$24,999,847	-\$153
Royal Bank of Canada, Montreal, Feb 02, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.99	2/2/2017	8/2/2016	45,000,000	1.00	\$45,000,000	\$45,011,790	\$11,790
Royal Bank of Canada, Montreal, Oct 03, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.81	10/3/2016	10/3/2016	125,000,000	0.83	\$125,000,000	\$125,047,125	\$47,125
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.57	8/12/2016		149,000,000	0.58	\$149,000,000	\$149,008,962	\$8,962
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.57	8/19/2016		100,000,000	0.58	\$100,000,000	\$100,006,865	\$6,865
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.57	8/19/2016		25,000,000	0.58	\$25,000,000	\$25,001,717	\$1,717
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.57	8/19/2016		25,000,000	0.58	\$25,000,000	\$25,001,717	\$1,717
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.63	9/16/2016		25,000,000	0.64	\$25,000,000	\$24,999,804	-\$196
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.66	9/23/2016		50,000,000	0.67	\$50,000,000	\$50,001,629	\$1,629
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		8/10/2016		30,000,000	0.65	\$29,993,600	\$29,995,540	\$1,940
Starbird Funding Corp., Sep 07, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.77	9/7/2016	8/8/2016	100,000,000	0.78	\$100,000,000	\$100,030,400	\$30,400

See notes at end of table.

INVENTORY OF HOLDINGS FOR JULY 2016

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Starbird Funding Corp., Sep 08, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.77	9/8/2016	8/8/2016	45,000,000	0.78	\$45,000,000	\$45,000,000	\$0
State Street Bank and Trust Co., Dec 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.83	12/13/2016	8/15/2016	25,000,000	0.84	\$25,000,000	\$24,998,750	-\$1,250
State Street Bank and Trust Co., Jan 11, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.93	1/11/2017	8/11/2016	50,000,000	0.94	\$50,000,000	\$49,991,900	-\$8,100
State Street Bank and Trust Co., Jan 25, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.04	1/25/2017	8/25/2016	100,000,000	1.05	\$100,000,000	\$99,997,500	-\$2,500
State Street Bank and Trust Co., Nov 10, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.83	11/10/2016	8/10/2016	50,000,000	0.84	\$50,000,000	\$50,014,500	\$14,500
Svenska Handelsbanken, Stockholm CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.43	8/1/2016		200,000,000	0.44	\$200,000,000	\$200,001,448	\$1,448
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		9/14/2016		50,000,000	0.88	\$49,943,861	\$49,965,142	\$21,280
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		11/18/2016		25,000,000	0.87	\$24,933,889	\$24,937,545	\$3,656
Svenska Handelsbanken, Stockholm TDCAY	TIME DEPOSIT - CAYMAN	0.30	8/1/2016		100,000,000	0.31	\$100,000,000	\$100,000,000	\$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/20/2017		25,000,000	1.33	\$24,678,611	\$24,675,000	-\$3,611
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.90	8/15/2016		10,000,000	0.91	\$10,000,000	\$10,002,295	\$2,295
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.00	11/10/2016		15,000,000	1.01	\$15,000,000	\$15,007,872	\$7,872
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.75	8/8/2016		10,000,000	0.76	\$10,000,000	\$10,001,000	\$1,000
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/24/2017		20,000,000	1.27	\$20,000,000	\$19,993,018	-\$6,982
Toronto Dominion Bank, Apr 19, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.99	4/19/2017	8/19/2016	25,000,000	1.01	\$25,000,000	\$24,979,900	-\$20,100
Toronto Dominion Bank, Mar 14, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.01	3/14/2017	9/14/2016	50,000,000	1.02	\$50,000,000	\$50,000,150	\$150
Toronto Dominion Bank, May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.64	5/4/2017	8/4/2016	25,000,000	0.65	\$25,000,000	\$24,961,893	-\$38,107
Toronto Dominion Bank, Nov 04, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.82	11/4/2016	8/4/2016	10,000,000	0.83	\$10,000,000	\$10,003,320	\$3,320
Toronto Dominion Bank, Oct 17, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.93	10/17/2016	10/17/2016	30,000,000	0.94	\$30,000,000	\$30,018,630	\$18,630
Toronto Dominion Bank, Sr. Unsecured, Sep 09, 2016	VARIABLE MEDIUM TERM NOTE	1.12	9/9/2016	9/9/2016	10,000,000	0.67	\$10,005,434	\$10,005,870	\$436
Toronto Dominion Bank, Sr. Unsecured, Sep 09, 2016	VARIABLE MEDIUM TERM NOTE	1.12	9/9/2016	9/9/2016	24,000,000	0.82	\$24,008,646	\$24,014,088	\$5,442
Toyota Motor Credit Corp., Oct 07, 2016	VARIABLE MEDIUM TERM NOTE	0.86	10/7/2016	10/7/2016	50,000,000	0.87	\$50,000,000	\$49,994,550	-\$5,450

See notes at end of table.

INVENTORY OF HOLDINGS FOR JULY 2016

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Washington State Economic Development Finance Authority, (CleanScapes, Inc.), (Series 2009), 02/12/2019	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.49	2/12/2019	8/3/2016	26,450,000	0.49	\$26,450,000	\$26,450,000	\$0
Wells Fargo Bank, N.A., Nov 18, 2016	VARIABLE RATE BANK NOTE	0.82	11/18/2016	9/20/2016	100,000,000	0.83	\$100,000,000	\$100,006,400	\$6,400
Wells Fargo Bank, N.A., Nov 21, 2016	VARIABLE MEDIUM TERM NOTE	0.83	11/21/2016	9/22/2016	50,000,000	0.84	\$50,000,000	\$50,003,250	\$3,250
Wells Fargo Bank, N.A., Sep 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.83	9/15/2016	8/15/2016	100,000,000	0.84	\$100,000,000	\$100,039,400	\$39,400
Westpac Banking Corp. Ltd, Series YCD, 02/06/2017	CORPORATE BOND	0.99	2/6/2017	8/8/2016	180,500,000	0.98	\$180,539,101	\$180,552,526	\$13,424
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/16/2016		100,000,000	0.89	\$99,880,903	\$99,926,228	\$45,325
Total Value of Assets					7,892,149,711		\$7,887,839,213	\$7,888,477,322	\$638,109

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.

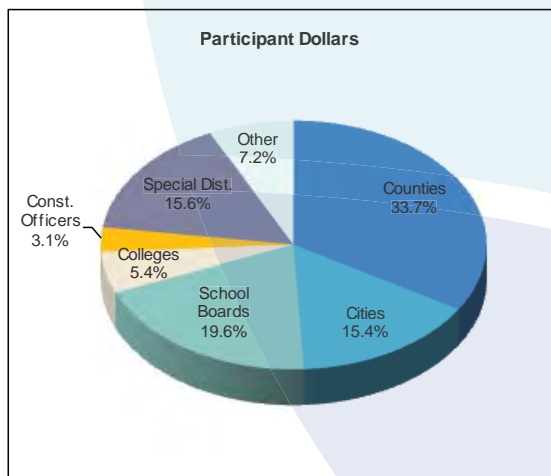
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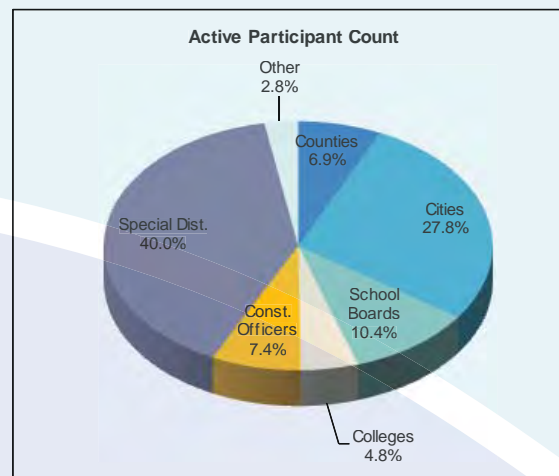
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BETWEEN 7:30 a.m. and 4:30 p.m. ET, Monday through Friday.

PARTICIPANT CONCENTRATION DATA - AS OF JULY 2016

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	100.0%	Colleges & Universities	5.4%	4.8%
Top 10	39.7%	1.3%	Top 10	4.9%	1.3%
\$100 million or more	50.9%	2.3%	\$100 million or more	2.7%	0.1%
\$10 million up to \$100 million	40.8%	13.5%	\$10 million up to \$100 million	2.0%	0.8%
\$1 million up to \$10 million	7.5%	20.1%	\$1 million up to \$10 million	0.7%	1.6%
Under \$1 million	0.8%	64.1%	Under \$1 million	0.03%	2.3%
Counties	33.7%	6.9%	Constitutional Officers	3.1%	7.4%
Top 10	28.1%	1.3%	Top 10	1.1%	1.3%
\$100 million or more	26.2%	1.1%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	7.0%	1.7%	\$10 million up to \$100 million	2.2%	0.7%
\$1 million up to \$10 million	0.4%	1.1%	\$1 million up to \$10 million	0.9%	2.3%
Under \$1 million	0.0%	3.1%	Under \$1 million	0.0%	4.5%
Municipalities	15.4%	27.8%	Special Districts	15.6%	40.0%
Top 10	8.3%	1.3%	Top 10	10.4%	1.3%
\$100 million or more	3.0%	0.3%	\$100 million or more	5.0%	0.3%
\$10 million up to \$100 million	9.6%	3.7%	\$10 million up to \$100 million	8.8%	3.1%
\$1 million up to \$10 million	2.6%	6.9%	\$1 million up to \$10 million	1.4%	4.5%
Under \$1 million	0.3%	16.9%	Under \$1 million	0.4%	32.1%
School Boards	19.6%	10.4%	Other	7.2%	2.8%
Top 10	15.3%	1.3%	Top 10	6.5%	1.3%
\$100 million or more	10.9%	0.4%	\$100 million or more	3.1%	0.1%
\$10 million up to \$100 million	7.5%	2.7%	\$10 million up to \$100 million	3.6%	0.9%
\$1 million up to \$10 million	1.1%	2.5%	\$1 million up to \$10 million	0.4%	1.2%
Under \$1 million	0.1%	4.8%	Under \$1 million	0.0%	0.5%



Total Fund Value: \$7,817,207,530



Total Active Participant Count: 753

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

COMPLIANCE WITH INVESTMENT POLICY FOR JULY 2016

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

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

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

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

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

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

TRADING ACTIVITY FOR JULY 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ASB FINANCE LTD,CP4-2	01/18/17	07/14/16	07/18/16	20,000,000	19,900,844	0	19,900,844	0
ASB FINANCE LTD,CP4-2	02/01/17	07/25/16	07/25/16	34,000,000	33,797,063	0	33,797,063	0
ANTALIS S,A, CPABS4CPABS4	07/12/16	07/05/16	07/05/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4CPABS4	07/12/16	07/05/16	07/05/16	24,910,000	24,907,820	0	24,907,820	0
ANTALIS S,A, CPABS4CPABS4	07/26/16	07/19/16	07/19/16	49,330,000	49,325,684	0	49,325,684	0
ANTALIS S,A, CPABS4CPABS4	08/02/16	07/26/16	07/26/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4CPABS4	08/02/16	07/26/16	07/26/16	15,510,000	15,508,643	0	15,508,643	0
ANTALIS S,A, CPABS4CPABS4	08/04/16	07/29/16	07/29/16	20,000,000	19,998,500	0	19,998,500	0
ANTALIS S,A, CPABS4CPABS4	08/18/16	07/18/16	07/18/16	14,120,000	14,113,434	0	14,113,434	0
ATLANTIC ASSET SECUCPABS4	08/01/16	07/29/16	07/29/16	50,000,000	49,998,750	0	49,998,750	0
ATLANTIC ASSET SECUCPABS4	08/01/16	07/29/16	07/29/16	50,000,000	49,998,750	0	49,998,750	0
BANK OF MONTREAL (CCDYAN	10/06/16	07/01/16	07/01/16	35,000,000	35,000,000	0	35,000,000	0
BANK OF MONTREAL (CCDYAN	07/20/17	07/20/16	07/20/16	25,000,000	25,000,000	0	25,000,000	0
BANK OF TOKYO-MITSUCDYAN	07/20/16	07/13/16	07/13/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	07/20/16	07/13/16	07/13/16	5,000,000	5,000,000	0	5,000,000	0
BANK OF TOKYO-MITSUCDYAN	07/20/16	07/13/16	07/13/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	08/11/16	07/20/16	07/20/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	08/11/16	07/20/16	07/20/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	08/11/16	07/20/16	07/20/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	08/11/16	07/20/16	07/20/16	15,000,000	15,000,000	0	15,000,000	0
BARTON CAPITAL LLCPCABS4-	07/29/16	07/22/16	07/22/16	25,000,000	24,997,910	0	24,997,910	0
BARTON CAPITAL LLCPCABS4-	08/01/16	07/29/16	07/29/16	17,000,000	16,999,419	0	16,999,419	0
BNP PARIBAS SACP4-2	07/12/16	07/05/16	07/05/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/12/16	07/05/16	07/05/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/14/16	07/07/16	07/07/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/14/16	07/07/16	07/07/16	5,000,000	4,999,592	0	4,999,592	0
BNP PARIBAS SACP4-2	07/14/16	07/07/16	07/07/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/14/16	07/07/16	07/07/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/19/16	07/12/16	07/12/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/19/16	07/12/16	07/12/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/19/16	07/12/16	07/12/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/21/16	07/14/16	07/14/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/21/16	07/14/16	07/14/16	35,000,000	34,997,142	0	34,997,142	0
BNP PARIBAS SACP4-2	07/21/16	07/14/16	07/14/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/26/16	07/19/16	07/19/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	07/26/16	07/19/16	07/19/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	07/26/16	07/19/16	07/19/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	07/26/16	07/19/16	07/19/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	07/26/16	07/19/16	07/19/16	1,000,000	999,920	0	999,920	0
BNP PARIBAS SACP4-2	07/28/16	07/21/16	07/21/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	07/28/16	07/21/16	07/21/16	25,000,000	24,997,958	0	24,997,958	0
BNP PARIBAS SACP4-2	08/01/16	07/25/16	07/25/16	30,000,000	29,997,608	0	29,997,608	0

TRADING ACTIVITY FOR JULY 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BNP PARIBAS SACP4-2	08/01/16	07/25/16	07/25/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/02/16	07/26/16	07/26/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/02/16	07/26/16	07/26/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/02/16	07/26/16	07/26/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/02/16	07/26/16	07/26/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/04/16	07/28/16	07/28/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/04/16	07/28/16	07/28/16	39,800,000	39,796,827	0	39,796,827	0
BNP PARIBAS SA/NEW YORK NY	07/07/16	07/06/16	07/06/16	50,000,000	49,999,444	0	49,999,444	0
BNP PARIBAS SA/NEW YORK NY	07/07/16	07/06/16	07/06/16	50,000,000	49,999,444	0	49,999,444	0
BNP PARIBAS SA/NEW YORK NY	07/07/16	07/06/16	07/06/16	50,000,000	49,999,444	0	49,999,444	0
BNP PARIBAS SA/NEW YORK NY	07/07/16	07/06/16	07/06/16	50,000,000	49,999,444	0	49,999,444	0
BNP PARIBAS SA/NEW YORK NY	07/07/16	07/06/16	07/06/16	43,500,000	43,499,517	0	43,499,517	0
BNP PARIBAS SACP	07/19/16	07/18/16	07/18/16	30,500,000	30,499,661	0	30,499,661	0
CANADIAN IMPERIAL BCDYAN	01/17/17	07/14/16	07/14/16	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDEUR	09/26/16	07/28/16	08/01/16	50,000,000	49,947,167	0	49,947,167	0
MIZUHO BANK LTD,CDEUR	09/26/16	07/28/16	08/01/16	25,000,000	24,973,584	0	24,973,584	0
COMMONWEALTH BANK OF AUST	01/27/17	07/28/16	07/28/16	32,200,000	32,206,182	76,661	32,282,843	0
RABOBANK NEDERLAND CP	07/05/16	07/01/16	07/01/16	50,000,000	49,997,778	0	49,997,778	0
RABOBANK NEDERLAND CP	07/05/16	07/01/16	07/01/16	38,551,000	38,549,287	0	38,549,287	0
RABOBANK NEDERLAND CP	07/05/16	07/01/16	07/01/16	40,000,000	39,998,222	0	39,998,222	0
RABOBANK NEDERLAND CP	07/28/16	07/27/16	07/27/16	50,000,000	49,999,458	0	49,999,458	0
RABOBANK NEDERLAND CP	07/28/16	07/27/16	07/27/16	50,000,000	49,999,458	0	49,999,458	0
RABOBANK NEDERLAND CP	07/28/16	07/27/16	07/27/16	50,000,000	49,999,458	0	49,999,458	0
RABOBANK NEDERLAND CP	07/28/16	07/27/16	07/27/16	50,000,000	49,999,458	0	49,999,458	0
CREDIT AGRICOLE CORCDYAN	07/22/16	07/15/16	07/15/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	07/22/16	07/15/16	07/15/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/19/16	07/12/16	07/12/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/19/16	07/12/16	07/12/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/19/16	07/12/16	07/12/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/19/16	07/12/16	07/12/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/26/16	07/19/16	07/19/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/26/16	07/19/16	07/19/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/26/16	07/19/16	07/19/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/26/16	07/19/16	07/19/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/02/16	07/26/16	07/26/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/02/16	07/26/16	07/26/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/02/16	07/26/16	07/26/16	25,000,000	25,000,000	0	25,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/02/16	07/26/16	07/26/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/02/16	07/26/16	07/26/16	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCABS4	08/05/16	07/22/16	07/22/16	25,000,000	24,995,139	0	24,995,139	0
GOTHAM FUNDING CORPCABS4	09/09/16	07/11/16	07/11/16	50,000,000	49,950,000	0	49,950,000	0
KAISER FOUNDATION HCP	08/04/16	07/29/16	07/29/16	47,105,000	47,101,624	0	47,101,624	0
LMA-AMERICAS LLCCPABS4-2	07/13/16	07/06/16	07/06/16	44,000,000	43,996,236	0	43,996,236	0
MANHATTAN ASSET FUNCPABS4	08/30/16	07/28/16	07/28/16	40,000,000	39,979,833	0	39,979,833	0

TRADING ACTIVITY FOR JULY 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO BANK LTD,CP	08/02/16	07/26/16	07/26/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	08/02/16	07/26/16	07/26/16	25,000,000	24,998,007	0	24,998,007	0
MIZUHO BANK LTD,CP	08/02/16	07/26/16	07/26/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	08/02/16	07/26/16	07/26/16	50,000,000	49,996,014	0	49,996,014	0
NATIONWIDE BUILDINGCP4-2	10/11/16	07/08/16	07/08/16	45,000,000	44,914,500	0	44,914,500	0
OLD LINE FUNDING, LCPAB54	07/14/17	07/19/16	07/19/16	44,100,000	43,548,750	0	43,548,750	0
OLD LINE FUNDING LLC	02/07/17	07/29/16	07/29/16	25,000,000	25,000,000	0	25,000,000	0
STANDARD CHARTERED CDYAN	09/16/16	07/18/16	07/18/16	25,000,000	25,000,000	0	25,000,000	0
STANDARD CHARTERED CDYAN	09/23/16	07/26/16	07/26/16	50,000,000	50,000,000	0	50,000,000	0
STATE STREET BANK & TRUST CO	01/11/17	07/15/16	07/15/16	50,000,000	50,000,000	0	50,000,000	0
STATE STREET BANK & TRUST CO	01/25/17	07/26/16	07/26/16	50,000,000	50,000,000	0	50,000,000	0
STATE STREET BANK & TRUST CO	01/25/17	07/26/16	07/26/16	50,000,000	50,000,000	0	50,000,000	0
THUNDER BAY FUNDINGCP4-2	07/20/17	07/25/16	07/25/16	25,000,000	24,675,000	0	24,675,000	0
TORONTO DOMINION BACDYAN	07/24/17	07/21/16	07/21/16	20,000,000	20,000,000	0	20,000,000	0
WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY	02/12/19	07/25/16	07/26/16	26,450,000	26,450,000	6,728	26,456,728	0
WESTPAC BANKING CORP/NY	02/06/17	07/26/16	07/27/16	50,000,000	50,011,144	113,217	50,124,360	0
WESTPAC BANKING CORP/NY	02/06/17	07/26/16	07/27/16	25,000,000	25,005,572	56,608	25,062,180	0
WESTPAC BANKING CORP/NY	02/06/17	07/28/16	07/28/16	50,000,000	50,010,849	114,598	50,125,446	0
WESTPAC BANKING CORP/NY	02/06/17	07/28/16	07/28/16	5,500,000	5,501,193	12,606	5,513,799	0
WESTPAC BANKING CORP/NY	02/06/17	07/29/16	07/29/16	50,000,000	50,010,579	115,978	50,126,557	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/05/16	07/05/16	351,617	351,617	0	351,617	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/06/16	07/06/16	1,575,920	1,575,920	0	1,575,920	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/07/16	07/07/16	876,118	876,118	0	876,118	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/08/16	07/08/16	1,238,401	1,238,401	0	1,238,401	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/14/16	07/14/16	2,776,172	2,776,172	0	2,776,172	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/18/16	07/18/16	2,332,118	2,332,118	0	2,332,118	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/19/16	07/19/16	2,378,171	2,378,171	0	2,378,171	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/22/16	07/22/16	2,928,212	2,928,212	0	2,928,212	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/26/16	07/26/16	764,985	764,985	0	764,985	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/27/16	07/27/16	1,937,391	1,937,391	0	1,937,391	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/28/16	07/28/16	573,344	573,344	0	573,344	0
MIZUHO TRIPARTY	07/05/16	07/01/16	07/01/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/05/16	07/01/16	07/01/16	70,000,000	70,000,000	0	70,000,000	0
MIZUHO TRIPARTY	07/06/16	07/05/16	07/05/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/06/16	07/05/16	07/05/16	295,000,000	295,000,000	0	295,000,000	0
MIZUHO TRIPARTY	07/07/16	07/06/16	07/06/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/07/16	07/06/16	07/06/16	275,000,000	275,000,000	0	275,000,000	0
MIZUHO TRIPARTY	07/08/16	07/07/16	07/07/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/08/16	07/07/16	07/07/16	430,000,000	430,000,000	0	430,000,000	0
MIZUHO TRIPARTY	07/11/16	07/08/16	07/08/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/11/16	07/08/16	07/08/16	265,000,000	265,000,000	0	265,000,000	0
MIZUHO TRIPARTY	07/12/16	07/11/16	07/11/16	15,000,000	15,000,000	0	15,000,000	0

TRADING ACTIVITY FOR JULY 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	07/12/16	07/11/16	07/11/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	07/13/16	07/12/16	07/12/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/13/16	07/12/16	07/12/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	07/14/16	07/13/16	07/13/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/14/16	07/13/16	07/13/16	125,000,000	125,000,000	0	125,000,000	0
BANK OF AMERICA TRIPARTY	07/15/16	07/14/16	07/14/16	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	07/15/16	07/14/16	07/14/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	07/18/16	07/15/16	07/15/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/18/16	07/15/16	07/15/16	550,000,000	550,000,000	0	550,000,000	0
MIZUHO TRIPARTY	07/19/16	07/18/16	07/18/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/19/16	07/18/16	07/18/16	470,000,000	470,000,000	0	470,000,000	0
MIZUHO TRIPARTY	07/20/16	07/19/16	07/19/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/20/16	07/19/16	07/19/16	365,000,000	365,000,000	0	365,000,000	0
MIZUHO TRIPARTY	07/21/16	07/20/16	07/20/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/21/16	07/20/16	07/20/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	07/22/16	07/21/16	07/21/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/22/16	07/21/16	07/21/16	410,000,000	410,000,000	0	410,000,000	0
MIZUHO TRIPARTY	07/25/16	07/22/16	07/22/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/25/16	07/22/16	07/22/16	640,000,000	640,000,000	0	640,000,000	0
MIZUHO TRIPARTY	07/26/16	07/25/16	07/25/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/26/16	07/25/16	07/25/16	735,000,000	735,000,000	0	735,000,000	0
MIZUHO TRIPARTY	07/27/16	07/26/16	07/26/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/27/16	07/26/16	07/26/16	630,000,000	630,000,000	0	630,000,000	0
MIZUHO TRIPARTY	07/28/16	07/27/16	07/27/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/28/16	07/27/16	07/27/16	525,000,000	525,000,000	0	525,000,000	0
MIZUHO TRIPARTY	07/29/16	07/28/16	07/28/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/29/16	07/28/16	07/28/16	365,000,000	365,000,000	0	365,000,000	0
MIZUHO TRIPARTY	08/01/16	07/29/16	07/29/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/01/16	07/29/16	07/29/16	450,000,000	450,000,000	0	450,000,000	0
Total Buys				11,955,308,449	11,953,778,260	496,396	11,954,274,656	0
Deposits								
NATIONAL AUSTRALIA TDCAY 0.4 20160711	07/11/16	07/08/16	07/08/16	200,000,000	200,000,000	0	200,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160712	07/12/16	07/11/16	07/11/16	300,000,000	300,000,000	0	300,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160713	07/13/16	07/12/16	07/12/16	250,000,000	250,000,000	0	250,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160714	07/14/16	07/13/16	07/13/16	300,000,000	300,000,000	0	300,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160715	07/15/16	07/14/16	07/14/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160725	07/25/16	07/22/16	07/22/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160726	07/26/16	07/25/16	07/25/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160727	07/27/16	07/26/16	07/26/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160728	07/28/16	07/27/16	07/27/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160729	07/29/16	07/28/16	07/28/16	100,000,000	100,000,000	0	100,000,000	0

TRADING ACTIVITY FOR JULY 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
NATIONAL AUSTRALIA TDCAY 0.4 20160729	07/29/16	07/28/16	07/28/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.3 20160801	08/01/16	07/29/16	07/29/16	100,000,000	100,000,000	0	100,000,000	0
Total Deposits				2,100,000,000	2,100,000,000	0	2,100,000,000	0
Maturities								
AMERICAN HONDA FINACP	07/25/16	07/25/16	07/25/16	25,000,000	25,000,000	0	25,000,000	0
AMERICAN HONDA FINACP	07/26/16	07/26/16	07/26/16	25,000,000	25,000,000	0	25,000,000	0
ANTALIS S.A, CPABS4CPABS4	07/05/16	07/05/16	07/05/16	115,650,000	115,650,000	0	115,650,000	0
ANTALIS S.A, CPABS4CPABS4	07/06/16	07/06/16	07/06/16	38,000,000	38,000,000	0	38,000,000	0
ANTALIS S.A, CPABS4CPABS4	07/12/16	07/12/16	07/12/16	74,910,000	74,910,000	0	74,910,000	0
ANTALIS S.A, CPABS4CPABS4	07/18/16	07/18/16	07/18/16	1,000,000	1,000,000	0	1,000,000	0
ANTALIS S.A, CPABS4CPABS4	07/26/16	07/26/16	07/26/16	49,330,000	49,330,000	0	49,330,000	0
BANK OF MONTREAL	07/15/16	07/15/16	07/15/16	14,430,000	14,430,000	0	14,430,000	0
BANK OF MONTREAL	07/15/16	07/15/16	07/15/16	79,250,000	79,250,000	0	79,250,000	0
BANK OF NOVA SCOTIACDYAN	07/08/16	07/08/16	07/08/16	25,000,000	25,000,000	0	25,000,000	0
BANK OF TOKYO-MITSUCDYAN	07/20/16	07/20/16	07/20/16	105,000,000	105,000,000	0	105,000,000	0
BARTON CAPITAL LLCPCABS4-	07/29/16	07/29/16	07/29/16	150,000,000	150,000,000	0	150,000,000	0
BNP PARIBAS SACP4-2	07/05/16	07/05/16	07/05/16	100,000,000	100,000,000	0	100,000,000	0
BNP PARIBAS SACP4-2	07/06/16	07/06/16	07/06/16	200,000,000	200,000,000	0	200,000,000	0
BNP PARIBAS SACP4-2	07/12/16	07/12/16	07/12/16	100,000,000	100,000,000	0	100,000,000	0
BNP PARIBAS SACP4-2	07/14/16	07/14/16	07/14/16	155,000,000	155,000,000	0	155,000,000	0
BNP PARIBAS SACP4-2	07/19/16	07/19/16	07/19/16	150,000,000	150,000,000	0	150,000,000	0
BNP PARIBAS SACP4-2	07/21/16	07/21/16	07/21/16	135,000,000	135,000,000	0	135,000,000	0
BNP PARIBAS SACP4-2	07/26/16	07/26/16	07/26/16	201,000,000	201,000,000	0	201,000,000	0
BNP PARIBAS SACP4-2	07/28/16	07/28/16	07/28/16	75,000,000	75,000,000	0	75,000,000	0
BNP PARIBAS SA/NEW YORK NY	07/07/16	07/07/16	07/07/16	243,500,000	243,500,000	0	243,500,000	0
BNP PARIBAS SACP	07/19/16	07/19/16	07/19/16	30,500,000	30,500,000	0	30,500,000	0
CANADIAN IMPERIAL BCDYAN	07/07/16	07/07/16	07/07/16	50,000,000	50,000,000	0	50,000,000	0
RABOBANK NEDERLAND CP	07/05/16	07/05/16	07/05/16	128,551,000	128,551,000	0	128,551,000	0
RABOBANK NEDERLAND CP	07/28/16	07/28/16	07/28/16	200,000,000	200,000,000	0	200,000,000	0
CREDIT AGRICOLE CORCDYAN	07/22/16	07/22/16	07/22/16	100,000,000	100,000,000	0	100,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/19/16	07/19/16	07/19/16	200,000,000	200,000,000	0	200,000,000	0
CREDIT INDUSTRIEL ECDYAN	07/26/16	07/26/16	07/26/16	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE, ZURICDYAN	07/01/16	07/01/16	07/01/16	40,000,000	40,000,000	0	40,000,000	0
GENERAL ELECTRIC CAPITAL CORP	07/12/16	07/12/16	07/12/16	4,626,000	4,626,000	0	4,626,000	0
GOTHAM FUNDING CORPCPABS4	07/01/16	07/01/16	07/01/16	100,000,000	100,000,000	0	100,000,000	0
GOTHAM FUNDING CORPCPABS4	07/13/16	07/13/16	07/13/16	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCPABS4	07/15/16	07/15/16	07/15/16	44,000,000	44,000,000	0	44,000,000	0
GOTHAM FUNDING CORPCPABS4	07/20/16	07/20/16	07/20/16	19,000,000	19,000,000	0	19,000,000	0
GOTHAM FUNDING CORPCPABS4	07/21/16	07/21/16	07/21/16	35,000,000	35,000,000	0	35,000,000	0
KAISER FOUNDATION HCP	07/12/16	07/12/16	07/12/16	4,161,000	4,161,000	0	4,161,000	0
LMA-AMERICAS LLCPCABS4-2	07/05/16	07/05/16	07/05/16	17,000,000	17,000,000	0	17,000,000	0
LMA-AMERICAS LLCPCABS4-2	07/12/16	07/12/16	07/12/16	55,000,000	55,000,000	0	55,000,000	0

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LMA-AMERICAS LLCCPABS4-2	07/13/16	07/13/16	07/13/16	44,000,000	44,000,000	0	44,000,000	0
MANHATTAN ASSET FUNCPABS4	07/05/16	07/05/16	07/05/16	35,000,000	35,000,000	0	35,000,000	0
MIZUHO BANK LTD,CP	07/26/16	07/26/16	07/26/16	25,000,000	25,000,000	0	25,000,000	0
NATIONAL AUSTRALIA BANK LTD/NEW YORK	07/25/16	07/25/16	07/25/16	3,000,000	3,000,000	0	3,000,000	0
NORDEA BANK FINLANDCDYAN	07/29/16	07/29/16	07/29/16	42,000,000	42,000,000	0	42,000,000	0
STANDARD CHARTERED CDYAN	07/05/16	07/05/16	07/05/16	20,000,000	20,000,000	0	20,000,000	0
STANDARD CHARTERED CDYAN	07/22/16	07/22/16	07/22/16	55,000,000	55,000,000	0	55,000,000	0
SUMITOMO MITSUI BANCYAN	07/12/16	07/12/16	07/12/16	25,000,000	25,000,000	0	25,000,000	0
SVENSKA HANDELSBANKEN AB	07/12/16	07/12/16	07/12/16	5,000,000	5,000,000	0	5,000,000	0
TORONTO-DOMINION BANK/NY	07/01/16	07/01/16	07/01/16	75,000,000	75,000,000	0	75,000,000	0
WELLS FARGO BANK, NCD	07/11/16	07/11/16	07/11/16	50,000,000	50,000,000	0	50,000,000	0
BMW US CAPITAL LLC	07/06/16	07/06/16	07/06/16	51,000,000	51,000,000	0	51,000,000	0
MIZUHO TRIPARTY	07/01/16	07/01/16	07/01/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/01/16	07/01/16	07/01/16	125,000,000	125,000,000	0	125,000,000	0
MIZUHO TRIPARTY	07/05/16	07/05/16	07/05/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/05/16	07/05/16	07/05/16	70,000,000	70,000,000	0	70,000,000	0
MIZUHO TRIPARTY	07/06/16	07/06/16	07/06/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/06/16	07/06/16	07/06/16	295,000,000	295,000,000	0	295,000,000	0
MIZUHO TRIPARTY	07/07/16	07/07/16	07/07/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/07/16	07/07/16	07/07/16	275,000,000	275,000,000	0	275,000,000	0
MIZUHO TRIPARTY	07/08/16	07/08/16	07/08/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/08/16	07/08/16	07/08/16	430,000,000	430,000,000	0	430,000,000	0
MIZUHO TRIPARTY	07/11/16	07/11/16	07/11/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/11/16	07/11/16	07/11/16	265,000,000	265,000,000	0	265,000,000	0
MIZUHO TRIPARTY	07/12/16	07/12/16	07/12/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/12/16	07/12/16	07/12/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	07/13/16	07/13/16	07/13/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/13/16	07/13/16	07/13/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	07/14/16	07/14/16	07/14/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/14/16	07/14/16	07/14/16	125,000,000	125,000,000	0	125,000,000	0
BANK OF AMERICA TRIPARTY	07/15/16	07/15/16	07/15/16	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	07/15/16	07/15/16	07/15/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	07/18/16	07/18/16	07/18/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/18/16	07/18/16	07/18/16	550,000,000	550,000,000	0	550,000,000	0
MIZUHO TRIPARTY	07/19/16	07/19/16	07/19/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/19/16	07/19/16	07/19/16	470,000,000	470,000,000	0	470,000,000	0
MIZUHO TRIPARTY	07/20/16	07/20/16	07/20/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/20/16	07/20/16	07/20/16	365,000,000	365,000,000	0	365,000,000	0
MIZUHO TRIPARTY	07/21/16	07/21/16	07/21/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/21/16	07/21/16	07/21/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	07/22/16	07/22/16	07/22/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/22/16	07/22/16	07/22/16	410,000,000	410,000,000	0	410,000,000	0

TRADING ACTIVITY FOR JULY 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO TRIPARTY	07/25/16	07/25/16	07/25/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/25/16	07/25/16	07/25/16	640,000,000	640,000,000	0	640,000,000	0
MIZUHO TRIPARTY	07/26/16	07/26/16	07/26/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/26/16	07/26/16	07/26/16	735,000,000	735,000,000	0	735,000,000	0
MIZUHO TRIPARTY	07/27/16	07/27/16	07/27/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/27/16	07/27/16	07/27/16	630,000,000	630,000,000	0	630,000,000	0
MIZUHO TRIPARTY	07/28/16	07/28/16	07/28/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/28/16	07/28/16	07/28/16	525,000,000	525,000,000	0	525,000,000	0
MIZUHO TRIPARTY	07/29/16	07/29/16	07/29/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	07/29/16	07/29/16	07/29/16	365,000,000	365,000,000	0	365,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160711	07/11/16	07/11/16	07/11/16	200,000,000	200,000,000	0	200,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160712	07/12/16	07/12/16	07/12/16	300,000,000	300,000,000	0	300,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160713	07/13/16	07/13/16	07/13/16	250,000,000	250,000,000	0	250,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160714	07/14/16	07/14/16	07/14/16	300,000,000	300,000,000	0	300,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160715	07/15/16	07/15/16	07/15/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160725	07/25/16	07/25/16	07/25/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160726	07/26/16	07/26/16	07/26/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160727	07/27/16	07/27/16	07/27/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160728	07/28/16	07/28/16	07/28/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160729	07/29/16	07/29/16	07/29/16	100,000,000	100,000,000	0	100,000,000	0
NATIONAL AUSTRALIA TDCAY 0.4 20160729	07/29/16	07/29/16	07/29/16	200,000,000	200,000,000	0	200,000,000	0
MIZUHO BANK LTD,CDEUR	07/15/16	07/15/16	07/15/16	200,000,000	200,000,000	0	200,000,000	0
Total Maturities				13,189,908,000	13,189,908,000	0	13,189,908,000	0
Sells								
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/01/16	07/01/16	614,417	614,417	0	614,417	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/01/16	07/01/16	1,798,039	1,798,039	0	1,798,039	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/01/16	07/01/16	2,160,148	2,160,148	0	2,160,148	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/11/16	07/11/16	162,880	162,880	0	162,880	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/12/16	07/12/16	4,164	4,164	0	4,164	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/12/16	07/12/16	1,807,694	1,807,694	0	1,807,694	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/12/16	07/12/16	353,776	353,776	0	353,776	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/13/16	07/13/16	122,369	122,369	0	122,369	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/15/16	07/15/16	1,551,889	1,551,889	0	1,551,889	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/15/16	07/15/16	66,368	66,368	0	66,368	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/15/16	07/15/16	1,575,920	1,575,920	0	1,575,920	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/15/16	07/15/16	876,118	876,118	0	876,118	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/15/16	07/15/16	40,674	40,674	0	40,674	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/20/16	07/20/16	357,464	357,464	0	357,464	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/21/16	07/21/16	1,492,863	1,492,863	0	1,492,863	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/25/16	07/25/16	840,264	840,264	0	840,264	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/25/16	07/25/16	1,283,309	1,283,309	0	1,283,309	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/25/16	07/25/16	1,416,849	1,416,849	0	1,416,849	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	07/29/16	07/29/16	2,469,471	2,469,471	0	2,469,471	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/03/16	06/03/16	(10,500,000)	0	0	(10,500,000)	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/03/16	06/03/16	10,500,000	10,500,000	0	10,500,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/09/16	06/09/16	(8,000,000)	0	0	(8,000,000)	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/09/16	06/09/16	8,000,000	8,000,000	0	8,000,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/15/16	06/15/16	(21,650,000)	0	0	(21,650,000)	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/15/16	06/15/16	(28,350,000)	0	0	(28,350,000)	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/15/16	06/15/16	28,350,000	28,350,000	0	28,350,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	06/15/16	06/15/16	21,650,000	21,650,000	0	21,650,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/21/16	07/21/16	200,000,000	200,000,000	0	200,000,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/22/16	07/22/16	200,000,000	200,000,000	0	200,000,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/25/16	07/25/16	100,000,000	100,000,000	0	100,000,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/25/16	07/25/16	100,000,000	100,000,000	0	100,000,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	27,146	27,146	0	27,146	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	55,597	55,597	0	55,597	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	45,040	45,040	0	45,040	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	35,679	35,679	0	35,679	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	32,748	32,748	0	32,748	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	27,181	27,181	0	27,181	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	21,908	21,908	0	21,908	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	24,837	24,837	0	24,837	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	30,396	30,396	0	30,396	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	38,146	38,146	0	38,146	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	45,291	45,291	0	45,291	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	55,029	55,029	0	55,029	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	56,518	56,518	0	56,518	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	50,180	50,180	0	50,180	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	44,700	44,700	0	44,700	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	42,234	42,234	0	42,234	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	40,735	40,735	0	40,735	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	39,957	39,957	0	39,957	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	35,301	35,301	0	35,301	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	38,617	38,617	0	38,617	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	30,791	30,791	0	30,791	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	26,219	26,219	0	26,219	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	21,818	21,818	0	21,818	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	20,708	20,708	0	20,708	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	23,447	23,447	0	23,447	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	25,446	25,446	0	25,446	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	30,580	30,580	0	30,580	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	35,997	35,997	0	35,997	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	41,214	41,214	0	41,214	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	45,384	45,384	0	45,384	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	43,341	43,341	0	43,341	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	43,891	43,891	0	43,891	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	39,730	39,730	0	39,730	0

TRADING ACTIVITY FOR JULY 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	37,780	37,780	0	37,780	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	36,313	36,313	0	36,313	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	36,696	36,696	0	36,696	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	34,939	34,939	0	34,939	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	33,113	33,113	0	33,113	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	31,250	31,250	0	31,250	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	27,419	27,419	0	27,419	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	24,909	24,909	0	24,909	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	21,024	21,024	0	21,024	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	17,713	17,713	0	17,713	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	18,274	18,274	0	18,274	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	15,647	15,647	0	15,647	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	12,029	12,029	0	12,029	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	9,528	9,528	0	9,528	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	9,012	9,012	0	9,012	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	8,169	8,169	0	8,169	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	6,302	6,302	0	6,302	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	7,689	7,689	0	7,689	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	6,561	6,561	0	6,561	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	6,841	6,841	0	6,841	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	4,898	4,898	0	4,898	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	4,033	4,033	0	4,033	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	5,421	5,421	0	5,421	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	4,050	4,050	0	4,050	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	3,652	3,652	0	3,652	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	4,107	4,107	0	4,107	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	4,993	4,993	0	4,993	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	5,826	5,826	0	5,826	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	5,169	5,169	0	5,169	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	7,071	7,071	0	7,071	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	5,322	5,322	0	5,322	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	78,350,000	78,350,000	0	78,350,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	7,150	7,150	0	7,150	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	23,407	23,407	0	23,407	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	22,532	22,532	0	22,532	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	30,185	30,185	0	30,185	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	07/26/16	07/26/16	65,000,000	65,000,000	0	65,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	06/02/16	06/02/16	(15,000,000)	0	0	(15,000,000)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	06/02/16	06/02/16	(15,000,000)	0	0	(15,000,000)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	06/02/16	06/02/16	15,000,000	15,000,000	0	15,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	06/02/16	06/02/16	15,000,000	15,000,000	0	15,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	06/15/16	06/15/16	(25,000,000)	0	0	(25,000,000)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	06/15/16	06/15/16	25,000,000	25,000,000	0	25,000,000	0
Total Sells				764,099,501	887,599,501	0	764,099,501	0



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Our Mission

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

Federated



MONTHLY SUMMARY REPORT

August 2016

State Board of Administration of Florida

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Past performance is no guarantee of future results.

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

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

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

INTRODUCTION

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

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

This report, which covers the period from August 1, 2016, through August 31, 2016, 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 August 31, 2016)

Total Participants
761

Florida PRIME™ Assets
\$7,362,514,711

Total Number of Accounts
1,445

FACTS-AT-A-GLANCE

Florida 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

MARKET CONDITIONS

The long-term impact of the SEC's money fund reforms that take effect on Oct. 14 has dominated the dialogue in the financial world as of late. As is well known by now, investors and institutions have been forced to decide if they want to stay in the two categories of money funds—institutional prime and tax-free (municipal) funds—that will have to float the net asset value (NAV) of their shares, or move into government money market portfolios. This is not just a case of some investors preferring a stable NAV of \$1.00, but that many must go that route because of their policies regarding risk. As prime and muni clients decide if they will or will not shift money to government portfolios, prudent cash managers must build up enough liquidity capable of handling the potential redemptions.

How does this affect Florida PRIME and other similar Local Government Investment Pools (LGIPs)? Our clients do not need to shift their funds because the SEC reforms are not impacting Florida Prime or its stable \$1.00 NAV. LGIPs are not subject to the SEC reforms—and exempt from the excessive angst surrounding them—so we did not need to increase our liquidity in August to meet any out-of-the-ordinary redemptions.

Because of our steady asset base, we were able to invest in instruments that mature beyond the Oct. 14 deadline. As the bulk of money market mutual funds had to invest in short-term paper, banks and corporations had to sweeten the deal to entice investors with longer maturities by raising the yield they offer. That was good news for the Pool, which in turn increased its yield in August to the tune of 10 additional basis points to end the month with a gross yield of 77 basis points. That is a significant pickup, and one that follows the curve of the London interbank offered rate (LIBOR), currently above that of the Treasury yield curve with 3-month Libor

at 0.84%, 6-month Libor at 1.24% and 12-month Libor at 1.56%. Compare those figures to Libor levels at the beginning of August (0.76%, 1.11% and 1.43%, respectively), not to mention the levels a year ago 0.33%, 0.53% and 0.845.

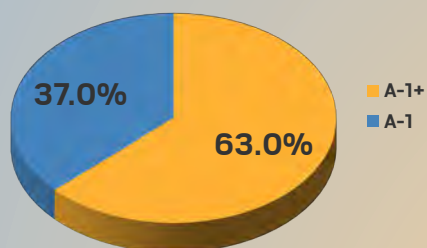
The Federal Reserve is of course still on our minds as it considers another rate hike. The minutes of its most recent Federal Open Market Committee (FOMC) meeting in July, as well as, Fed Chair Janet Yellen's speech at the Jackson Hole meeting of central bankers, suggest policymakers confidence in the U.S. economy. She even went so far as to say: "the case for an increase in the federal funds rate has strengthened in recent months" and that the U.S. economy is "now nearing the Federal Reserve's statutory goals of maximum employment and price stability." The data has to stay on its present upward trajectory, but our outlook, therefore, is still that there will be a move in 2016. It is gearing up to be a momentous autumn, but we already profited from it.

INVESTMENT STRATEGY

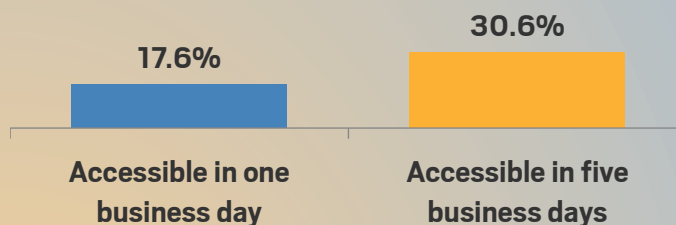
Because reforms did not affect our clients, it was business as usual, with Pool assets fluctuating due to client expense needs during this time. AUM declined to \$7.3 billion in August. Because of portfolio purchases beyond Oct. 14, the Pool's WAM was out by 5 days to 42 days and the weighted average life (WAL) moved out to 63 days. Also reflecting this was the composition of the Pool. Commercial paper grew by 4% to become 40% of total holdings and variable-rate paper gained 2% to become 26% of total. These were balanced by a 4% decrease of fixed-rate bank paper/instruments and a 2% decrease in repo. The amount of the total Pool portfolio invested in money market funds remained at 10%.

PORTFOLIO COMPOSITION FOR AUGUST 2016

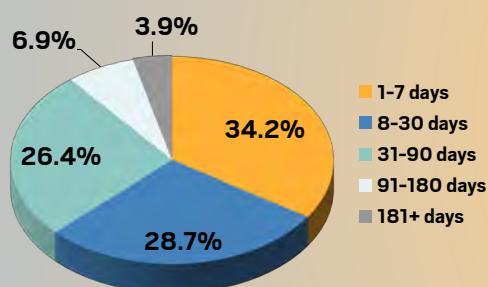
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Federated Institutional Prime Obligations Fund	10.0%
2. Royal Bank of Canada	5.4%
3. Credit Suisse Group AG	4.8%
4. Standard Chartered PLC	4.6%
5. Mizuho Financial Group, Inc.	4.6%
6. BNP Paribas SA	4.6%
7. Canadian Imperial Bank of Commerce	4.3%
8. Mitsubishi UFJ Financial Group, Inc.	4.1%
9. Bank of Montreal	4.0%
10. Wells Fargo & Co.	3.9%

Average Effective Maturity (WAM)

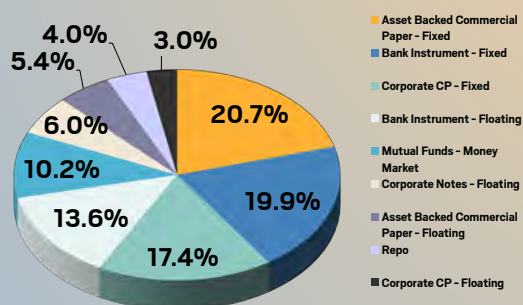
41.5 Days

Weighted Average Life (Spread WAM)

62.6 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH AUGUST 31, 2016

Florida PRIME Performance Data			
	Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	0.72%	0.42%	0.30%
Three Months	0.68%	0.40%	0.28%
One Year	0.50%	0.27%	0.23%
Three Years	0.28%	0.13%	0.16%
Five Years	0.28%	0.11%	0.17%
Ten Years	1.18%	1.05%	0.13%
Since 1/96	2.70%	2.49%	0.21%

Note: Net asset value at month end: \$7,363 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

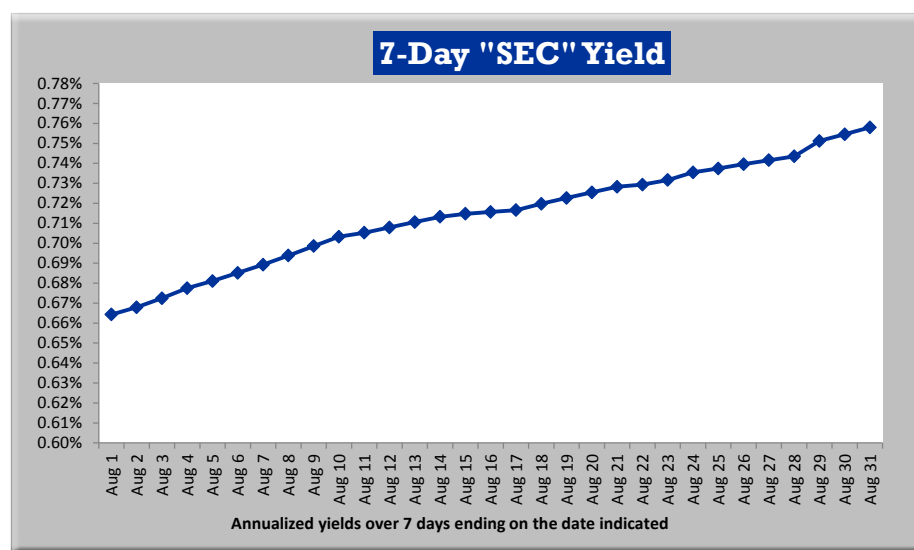
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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 AUGUST 2016

Summary of Cash Flows		
Opening Balance (08/01/16)	\$	7,817,207,530
Participant Deposits		748,993,810
Gross Earnings		4,667,936
Participant Withdrawals		(1,208,354,566)
Fees		(205,970)
Fee Holiday*		205,970
Closing Balance (08/31/16)	\$	7,362,514,710
Net Change over Month	\$	(454,692,820)

*Beginning January 1, 2016, all monthly pool expenses incurred are offset using proceeds from liquidity redemption fees charged to participants in 2008. The total amount of fees offset since January 2016 is \$1,071,301. The redemption reserve account balance at month end is \$1,185,941. Once the redemption fee reserve account is exhausted, pool charges will be reinstituted.

Detailed Fee Disclosure***		
August 2016	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 64,599.71	1.02
Federated Investment Management Fee	120,567.86	1.91
BNY Mellon Custodial Fee**	9,107.70	0.14
Bank of America Transfer Agent Fee	3,855.49	0.06
S&P Rating Maintenance Fee	3,811.48	0.06
Audit/External Review Fees	4,027.54	0.06
Total Fees	\$ 205,969.78	3.26

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$7,589,861,120.

**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.

*** Beginning January 1, 2016, all monthly pool expenses incurred are offset using proceeds from liquidity redemption fees charged to participants in 2008. Once the redemption fee reserve account is exhausted, pool charges will be reinstituted.

INVENTORY OF HOLDINGS FOR AUGUST 2016

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		11/9/2016		95,000,000	0.88	\$94,841,139	\$94,911,888	\$70,749
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		1/18/2017		20,000,000	0.99	\$19,924,556	\$19,947,344	\$22,789
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		2/1/2017		34,000,000	1.15	\$33,836,375	\$33,896,007	\$59,632
ASB Finance Ltd., Nov 30, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.88	11/30/2016	9/30/2016	50,000,000	0.90	\$50,000,000	\$50,018,000	\$18,000
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/8/2016		125,000,000	0.97	\$124,772,396	\$124,815,521	\$43,125
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/17/2016		45,000,000	0.99	\$44,905,425	\$44,919,075	\$13,650
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/23/2016		70,000,000	1.01	\$69,838,300	\$69,857,900	\$19,600
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/6/2016		50,000,000	0.92	\$49,878,750	\$49,870,667	-\$8,084
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/1/2016		61,600,000	0.46	\$61,599,230	\$61,599,264	\$34
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/2/2016		80,000,000	0.56	\$79,997,556	\$79,998,066	\$511
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/6/2016		45,000,000	0.46	\$44,996,625	\$44,996,588	-\$37
Australia & New Zealand Banking Group, Melbourne CP4-2	COMMERCIAL PAPER - 4-2		12/22/2016		50,000,000	0.89	\$49,863,458	\$49,847,921	-\$15,537
Australia & New Zealand Banking Group, Melbourne, Dec 20, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.87	12/20/2016	9/20/2016	25,000,000	0.88	\$25,000,000	\$25,004,600	\$4,600
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		9/6/2016		210,000,000	0.43	\$209,985,300	\$209,988,591	\$3,291
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		9/14/2016		100,000,000	0.43	\$99,983,667	\$99,985,961	\$2,294
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.33	9/1/2016		280,000,000	0.33	\$280,000,000	\$280,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.69	10/6/2016		35,000,000	0.70	\$35,000,000	\$35,005,541	\$5,541
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/20/2017		25,000,000	1.27	\$25,000,000	\$24,984,278	-\$15,723
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	8/9/2017		23,000,000	1.42	\$23,000,000	\$23,013,601	\$13,601
Bank of Montreal CP	COMMERCIAL PAPER		9/19/2016		150,000,000	0.87	\$149,932,708	\$149,962,634	\$29,925
Bank of Montreal, Mar 27, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.05	3/27/2017	9/27/2016	50,000,000	1.07	\$50,000,000	\$49,961,350	-\$38,650
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.87	9/21/2016		100,000,000	0.88	\$100,000,000	\$100,026,090	\$26,090
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		2/23/2017		25,000,000	1.23	\$24,853,333	\$24,848,078	-\$5,256

See notes at end of table.

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Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Nova Scotia, Toronto, Mar 24, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.15	3/24/2017	9/26/2016	25,000,000	1.17	\$25,000,000	\$24,995,425	-\$4,575
Bank of Nova Scotia, Toronto, Nov 07, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.90	11/7/2016	9/7/2016	50,000,000	0.91	\$50,000,000	\$50,025,750	\$25,750
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/5/2016		120,000,000	0.77	\$119,911,333	\$119,948,666	\$37,333
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/11/2016		20,000,000	0.77	\$19,982,689	\$19,989,704	\$7,016
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/23/2016		25,000,000	0.65	\$24,989,778	\$24,991,870	\$2,092
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/13/2017		25,000,000	1.05	\$24,881,264	\$24,868,699	-\$12,565
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2017		30,000,000	1.13	\$29,827,667	\$29,809,023	-\$18,643
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/10/2017		50,000,000	1.07	\$49,721,458	\$49,674,770	-\$46,689
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/13/2017		21,000,000	1.07	\$20,881,175	\$20,860,466	-\$20,710
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/15/2017		25,000,000	1.07	\$24,857,083	\$24,831,631	-\$25,453
Bedford Row Funding Corp., Sep 01, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.85	9/1/2016	9/1/2016	25,000,000	0.84	\$24,999,993	\$24,998,750	-\$1,243
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/1/2016		15,000,000	0.91	\$14,965,883	\$14,969,755	\$3,872
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/27/2016		40,000,000	0.94	\$39,879,378	\$39,881,869	\$2,491
CIESCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/13/2016		47,000,000	0.90	\$46,880,516	\$46,885,811	\$5,295
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/19/2016		25,000,000	0.92	\$24,931,250	\$24,933,771	\$2,521
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2017		25,000,000	1.23	\$24,864,167	\$24,877,524	\$13,357
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.94	1/17/2017		50,000,000	0.96	\$50,000,000	\$50,004,974	\$4,974
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.90	9/20/2016		150,000,000	0.91	\$150,000,000	\$150,042,104	\$42,104
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	2/17/2017		45,000,000	1.22	\$45,000,000	\$45,017,442	\$17,442
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.87	11/18/2016		25,000,000	0.88	\$25,000,000	\$25,013,720	\$13,720
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.94	11/28/2016		24,000,000	0.96	\$24,000,000	\$24,013,989	\$13,989
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.95	11/28/2016		25,000,000	0.97	\$25,000,000	\$25,015,189	\$15,189
Commonwealth Bank of Aust, 01/27/2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.00	1/27/2017	10/4/2016	32,200,000	1.01	\$32,205,034	\$32,233,069	\$28,036

See notes at end of table.

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Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.68	9/6/2016		25,000,000	0.69	\$25,000,000	\$25,001,348	\$1,348
Credit Suisse, Zurich CP	COMMERCIAL PAPER		9/23/2016		85,000,000	0.66	\$84,964,973	\$84,976,649	\$11,676
DNB Nor Bank ASA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.39	9/7/2016		175,000,000	0.40	\$175,000,000	\$175,000,000	\$0
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.75	10/3/2016		60,000,000	0.76	\$60,000,000	\$60,015,715	\$15,715
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.92	11/28/2016		125,000,000	0.94	\$125,000,000	\$125,024,323	\$24,323
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.28	9/1/2016		8,440,154	0.28	\$8,440,154	\$8,440,154	\$0
Fairway Finance Co. LLC, Dec 09, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.85	12/9/2016	9/9/2016	50,000,000	0.87	\$50,000,000	\$50,000,000	\$0
Fairway Finance Co. LLC, Nov 03, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.84	11/3/2016	9/6/2016	50,000,000	0.86	\$50,000,000	\$50,000,000	\$0
Fairway Finance Co. LLC, Nov 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.87	11/14/2016	9/12/2016	25,000,000	0.88	\$25,000,000	\$25,000,000	\$0
Federated Institutional Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.43	9/1/2016	9/1/2016	738,716,811	0.45	\$738,716,811	\$738,716,811	\$0
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	0.60	8/1/2045	9/1/2016	37,980,000	0.60	\$37,980,000	\$37,980,000	\$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/9/2016		50,000,000	0.61	\$49,992,500	\$49,994,125	\$1,625
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/19/2016		10,000,000	0.61	\$9,996,833	\$9,997,083	\$250
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/20/2016		60,000,000	0.61	\$59,980,000	\$59,982,672	\$2,672
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/3/2016		30,000,000	0.69	\$29,981,300	\$29,983,885	\$2,585
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/21/2016		150,000,000	0.71	\$149,851,250	\$149,856,776	\$5,525
HSBC Bank USA, N.A., Feb 02, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.09	2/2/2017	9/2/2016	100,000,000	1.08	\$100,000,000	\$100,000,000	\$0
J.P. Morgan Securities LLC, Dec 02, 2016	VARIABLE RATE COMMERCIAL PAPER	0.98	12/2/2016	9/2/2016	75,000,000	0.97	\$75,000,000	\$75,044,850	\$44,850
J.P. Morgan Securities LLC, Feb 24, 2017	VARIABLE RATE COMMERCIAL PAPER	1.15	2/24/2017	11/25/2016	40,000,000	1.16	\$40,000,000	\$40,000,000	\$0
JPMorgan Chase Bank, N.A., Nov 04, 2016	VARIABLE RATE BANK NOTE	0.99	11/7/2016	11/7/2016	15,000,000	1.00	\$15,000,000	\$14,998,515	-\$1,485
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		9/1/2016		75,010,000	0.46	\$75,009,062	\$75,008,010	-\$1,052
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/1/2016		75,700,000	0.46	\$75,699,054	\$75,699,096	\$42
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		9/22/2016		34,000,000	0.55	\$33,988,780	\$33,988,905	\$125
Mizuho Bank Ltd. CDEUR (London)	CERTIFICATE OF DEPOSIT - EURO	0.00	9/26/2016		75,000,000	0.69	\$74,963,206	\$74,957,550	-\$5,656
Mizuho Bank Ltd. CDEUR (London)	CERTIFICATE OF DEPOSIT - EURO	0.00	9/30/2016		100,000,000	0.72	\$99,940,900	\$99,887,710	-\$53,190

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Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.45	9/1/2016		14,500,000	0.46	\$14,500,000	\$14,500,046	\$46
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		9/6/2016		150,000,000	0.42	\$149,989,750	\$149,991,000	\$1,250
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	0.34	9/1/2016		15,000,000	0.34	\$15,000,000	\$15,000,000	\$0
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		10/20/2016		50,000,000	0.72	\$49,950,694	\$49,957,986	\$7,292
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		10/11/2016		45,000,000	0.73	\$44,963,100	\$44,955,156	-\$7,944
New York State Local Government Assistance Corp., (Subordinate Series 2008B-3V), 04/01/2024	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.59	4/1/2024	9/7/2016	24,120,000	0.59	\$24,120,000	\$24,120,000	\$0
Oglethorpe Power Corp. Scherer Project, (Oglethorpe Power Corp.), (Series 2009B), 01/01/2036	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.59	1/1/2036	9/7/2016	26,600,000	0.59	\$26,600,000	\$26,600,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2017		35,000,000	1.22	\$34,798,692	\$34,801,398	\$2,707
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/23/2017		25,000,000	1.23	\$24,753,333	\$24,711,606	-\$41,728
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2017		44,100,000	1.28	\$43,614,594	\$43,544,695	-\$69,898
Old Line Funding, LLC, Feb 07, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.06	2/7/2017	9/7/2016	25,000,000	1.07	\$25,000,000	\$25,008,750	\$8,750
Orthopaedic Hospital of Wisconsin LLC, Series 09-A, Mar 01, 2039	VARIABLE RATE DEMAND NOTE	0.95	3/1/2039	9/1/2016	9,920,000	0.95	\$9,920,000	\$9,920,000	\$0
Royal Bank of Canada, Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.88	12/8/2016		25,000,000	0.89	\$25,000,000	\$24,999,424	-\$576
Royal Bank of Canada, Montreal, Feb 02, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.11	2/2/2017	11/2/2016	45,000,000	1.12	\$45,000,000	\$45,037,575	\$37,575
Royal Bank of Canada, Montreal, Oct 03, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.81	10/3/2016	10/3/2016	125,000,000	0.83	\$125,000,000	\$125,035,250	\$35,250
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.93	10/28/2016		50,000,000	0.81	\$50,010,265	\$50,021,888	\$11,623
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.63	9/16/2016		25,000,000	0.64	\$25,000,000	\$25,002,974	\$2,974
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.66	9/23/2016		50,000,000	0.67	\$50,000,000	\$50,007,944	\$7,944
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.70	10/21/2016		200,000,000	0.71	\$200,000,000	\$200,026,300	\$26,300
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		9/16/2016		15,500,000	0.61	\$15,495,867	\$15,497,506	\$1,640
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/4/2016		40,000,000	0.97	\$39,931,389	\$39,946,339	\$14,950

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Starbird Funding Corp., Sep 07, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.80	9/7/2016	9/7/2016	100,000,000	0.81	\$100,000,000	\$100,007,700	\$7,700
Starbird Funding Corp., Sep 08, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.80	9/8/2016	9/8/2016	45,000,000	0.81	\$45,000,000	\$45,000,000	\$0
State Street Bank and Trust Co., Dec 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.86	12/13/2016	9/13/2016	25,000,000	0.87	\$25,000,000	\$25,005,500	\$5,500
State Street Bank and Trust Co., Jan 11, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.96	1/11/2017	9/12/2016	50,000,000	0.98	\$50,000,000	\$50,015,900	\$15,900
State Street Bank and Trust Co., Jan 25, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.07	1/25/2017	9/26/2016	100,000,000	1.09	\$100,000,000	\$100,064,900	\$64,900
State Street Bank and Trust Co., Nov 10, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.86	11/10/2016	9/12/2016	50,000,000	0.88	\$50,000,000	\$50,020,750	\$20,750
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		9/14/2016		50,000,000	0.88	\$49,983,278	\$49,992,397	\$9,119
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		11/18/2016		25,000,000	0.87	\$24,953,368	\$24,959,458	\$6,090
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/20/2017		25,000,000	1.33	\$24,708,403	\$24,670,944	-\$37,459
Thunder Bay Funding, LLC, Feb 22, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.11	2/22/2017	9/22/2016	75,000,000	1.13	\$75,000,000	\$74,997,375	-\$2,625
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.00	11/10/2016		15,000,000	1.01	\$15,000,000	\$15,008,723	\$8,723
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/24/2017		20,000,000	1.27	\$20,000,000	\$19,981,349	-\$18,651
Toronto Dominion Bank, Apr 19, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.02	4/19/2017	9/19/2016	25,000,000	1.04	\$25,000,000	\$24,972,600	-\$27,400
Toronto Dominion Bank, Aug 10, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.32	8/10/2017	11/10/2016	25,000,000	1.33	\$25,000,000	\$25,004,875	\$4,875
Toronto Dominion Bank, Mar 14, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.01	3/14/2017	9/14/2016	50,000,000	1.02	\$50,000,000	\$49,999,600	-\$400
Toronto Dominion Bank, May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.77	5/4/2017	11/4/2016	25,000,000	0.78	\$25,000,000	\$24,951,945	-\$48,056
Toronto Dominion Bank, Nov 04, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.84	11/4/2016	9/6/2016	10,000,000	0.86	\$10,000,000	\$10,004,250	\$4,250
Toronto Dominion Bank, Oct 17, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.93	10/17/2016	10/17/2016	30,000,000	0.94	\$30,000,000	\$30,014,640	\$14,640
Toronto Dominion Bank, Sr. Unsecured, Sep 09, 2016	VARIABLE MEDIUM TERM NOTE	1.12	9/9/2016	9/9/2016	10,000,000	0.67	\$10,001,164	\$10,000,480	-\$684
Toronto Dominion Bank, Sr. Unsecured, Sep 09, 2016	VARIABLE MEDIUM TERM NOTE	1.12	9/9/2016	9/9/2016	24,000,000	0.82	\$24,001,853	\$24,001,152	-\$701
Toyota Motor Credit Corp., Oct 07, 2016	VARIABLE MEDIUM TERM NOTE	0.86	10/7/2016	10/7/2016	50,000,000	0.87	\$50,000,000	\$49,997,350	-\$2,650
Washington State Economic Development Finance Authority, (CleanScapes, Inc.), (Series 2009), 02/12/2019	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.59	2/12/2019	9/7/2016	26,450,000	0.59	\$26,450,000	\$26,450,000	\$0

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Wells Fargo Bank, N.A., Nov 18, 2016	VARIABLE RATE BANK NOTE	0.82	11/18/2016	9/20/2016	100,000,000	0.83	\$100,000,000	\$100,005,400	\$5,400
Wells Fargo Bank, N.A., Nov 21, 2016	VARIABLE MEDIUM TERM NOTE	0.83	11/21/2016	9/22/2016	50,000,000	0.84	\$50,000,000	\$50,002,250	\$2,250
Wells Fargo Bank, N.A., Sep 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.86	9/15/2016	9/15/2016	100,000,000	0.87	\$100,000,000	\$100,017,700	\$17,700
Westpac Banking Corp. Ltd, Series YCD, 02/06/2017	CORPORATE BOND	1.15	2/6/2017	11/7/2016	180,500,000	1.13	\$180,532,381	\$180,646,025	\$113,644
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		9/16/2016		100,000,000	0.89	\$99,961,111	\$99,982,711	\$21,600
<i>Total Value of Investments</i>					7,363,336,965		\$7,358,731,550	\$7,359,358,919	\$627,370

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.

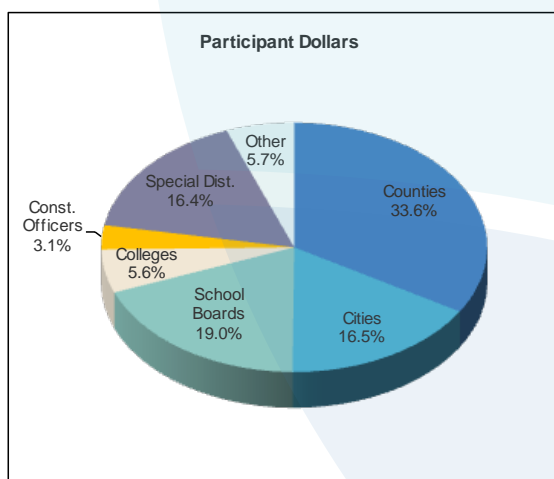
June 30, 2016 Financial Statement Disclosures now available.

Learn more at: <https://www.sbafla.com/PRIME>

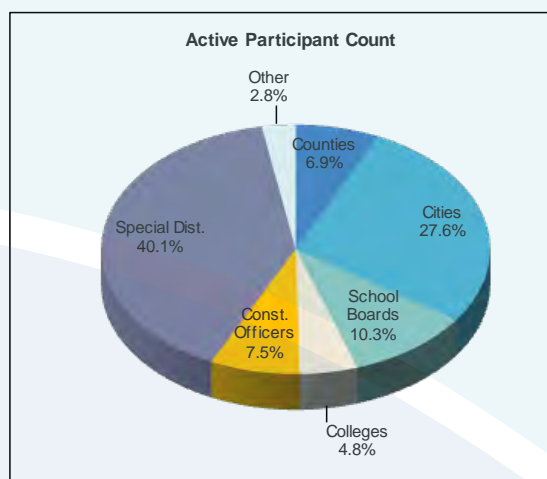
PLEASE CONTACT US IF YOU HAVE ANY QUESTIONS / (850) 488-7311
BETWEEN 7:30 a.m. and 4:30 p.m. ET, Monday through Friday.

PARTICIPANT CONCENTRATION DATA - AS OF AUGUST 2016

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	100.0%	Colleges & Universities	5.6%	4.8%
Top 10	38.4%	1.3%	Top 10	5.1%	1.3%
\$100 million or more	49.4%	2.3%	\$100 million or more	2.7%	0.1%
\$10 million up to \$100 million	41.6%	13.1%	\$10 million up to \$100 million	2.2%	0.8%
\$1 million up to \$10 million	8.1%	20.0%	\$1 million up to \$10 million	0.7%	1.6%
Under \$1 million	0.9%	64.6%	Under \$1 million	0.03%	2.3%
Counties	33.6%	6.9%	Constitutional Officers	3.1%	7.5%
Top 10	28.0%	1.3%	Top 10	1.1%	1.3%
\$100 million or more	25.9%	1.1%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	7.1%	1.6%	\$10 million up to \$100 million	2.2%	0.7%
\$1 million up to \$10 million	0.5%	1.2%	\$1 million up to \$10 million	0.9%	2.3%
Under \$1 million	0.0%	3.1%	Under \$1 million	0.1%	4.5%
Municipalities	16.5%	27.6%	Special Districts	16.4%	40.1%
Top 10	8.6%	1.3%	Top 10	11.0%	1.3%
\$100 million or more	3.1%	0.3%	\$100 million or more	5.5%	0.3%
\$10 million up to \$100 million	10.4%	3.7%	\$10 million up to \$100 million	9.0%	2.9%
\$1 million up to \$10 million	2.7%	6.8%	\$1 million up to \$10 million	1.5%	4.5%
Under \$1 million	0.3%	16.8%	Under \$1 million	0.4%	32.3%
School Boards	19.0%	10.3%	Other	5.7%	2.8%
Top 10	15.0%	1.3%	Top 10	5.1%	1.3%
\$100 million or more	10.6%	0.4%	\$100 million or more	1.6%	0.1%
\$10 million up to \$100 million	7.0%	2.4%	\$10 million up to \$100 million	3.6%	0.9%
\$1 million up to \$10 million	1.2%	2.5%	\$1 million up to \$10 million	0.5%	1.1%
Under \$1 million	0.1%	4.9%	Under \$1 million	0.0%	0.7%



Total Fund Value: \$7,362,514,711



Total Active Participant Count: 749

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

COMPLIANCE WITH INVESTMENT POLICY FOR AUGUST 2016

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

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

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

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

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

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

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ALPINE SECURITIZATICPABS4	11/08/16	08/08/16	08/08/16	50,000,000	49,878,611	0	49,878,611	0
ALPINE SECURITIZATICPABS4	11/08/16	08/08/16	08/08/16	25,000,000	24,939,306	0	24,939,306	0
ALPINE SECURITIZATICPABS4	11/08/16	08/08/16	08/08/16	50,000,000	49,878,611	0	49,878,611	0
ALPINE SECURITIZATICPABS4	11/17/16	08/10/16	08/10/16	45,000,000	44,879,963	0	44,879,963	0
ALPINE SECURITIZATICPABS4	11/23/16	08/16/16	08/16/16	20,000,000	19,945,550	0	19,945,550	0
ALPINE SECURITIZATICPABS4	11/23/16	08/16/16	08/16/16	50,000,000	49,863,875	0	49,863,875	0
ANTALIS S.A, CPABS4CPABS4	08/03/16	08/02/16	08/02/16	30,000,000	29,999,650	0	29,999,650	0
ANTALIS S.A, CPABS4CPABS4	08/09/16	08/02/16	08/02/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S.A, CPABS4CPABS4	08/09/16	08/02/16	08/02/16	15,530,000	15,528,641	0	15,528,641	0
ANTALIS S.A, CPABS4CPABS4	08/10/16	08/03/16	08/03/16	23,760,000	23,757,921	0	23,757,921	0
ANTALIS S.A, CPABS4CPABS4	08/12/16	08/05/16	08/05/16	31,000,000	30,997,288	0	30,997,288	0
ANTALIS S.A, CPABS4CPABS4	08/16/16	08/09/16	08/09/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S.A, CPABS4CPABS4	08/16/16	08/09/16	08/09/16	2,550,000	2,549,777	0	2,549,777	0
ANTALIS S.A, CPABS4CPABS4	08/17/16	08/10/16	08/10/16	23,760,000	23,757,921	0	23,757,921	0
ANTALIS S.A, CPABS4CPABS4	08/23/16	08/16/16	08/16/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S.A, CPABS4CPABS4	08/23/16	08/16/16	08/16/16	5,570,000	5,569,513	0	5,569,513	0
ANTALIS S.A, CPABS4CPABS4	08/24/16	08/17/16	08/17/16	23,760,000	23,757,921	0	23,757,921	0
ANTALIS S.A, CPABS4CPABS4	08/25/16	08/18/16	08/18/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S.A, CPABS4CPABS4	08/30/16	08/23/16	08/23/16	45,590,000	45,586,011	0	45,586,011	0
ANTALIS S.A, CPABS4CPABS4	09/01/16	08/25/16	08/25/16	11,600,000	11,598,985	0	11,598,985	0
ANTALIS S.A, CPABS4CPABS4	09/01/16	08/25/16	08/25/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S.A, CPABS4CPABS4	09/02/16	08/02/16	08/02/16	50,000,000	49,976,319	0	49,976,319	0
ANTALIS S.A, CPABS4CPABS4	09/02/16	08/02/16	08/02/16	30,000,000	29,985,792	0	29,985,792	0
ANTALIS S.A, CPABS4CPABS4	09/06/16	08/30/16	08/30/16	45,000,000	44,996,063	0	44,996,063	0
ATLANTIC ASSET SECUCPABS4	08/15/16	08/12/16	08/12/16	30,000,000	29,998,975	0	29,998,975	0
ATLANTIC ASSET SECUCPABS4	08/15/16	08/12/16	08/12/16	50,000,000	49,998,292	0	49,998,292	0
ATLANTIC ASSET SECUCPABS4	08/15/16	08/12/16	08/12/16	50,000,000	49,998,292	0	49,998,292	0
BANK OF NOVA SCOTIA/HOUSTON	03/24/17	08/24/16	08/25/16	25,000,000	25,000,000	0	25,000,000	0
BANK OF NOVA SCOTIACP4-2	02/23/17	08/17/16	08/17/16	25,000,000	24,841,667	0	24,841,667	0
BANK OF MONTREAL (CCDIAN)	08/09/17	08/09/16	08/09/16	23,000,000	23,000,000	0	23,000,000	0
BANK OF TOKYO-MITSUCP	08/22/16	08/15/16	08/15/16	50,000,000	49,995,917	0	49,995,917	0
BANK OF TOKYO-MITSUCP	08/22/16	08/15/16	08/15/16	50,000,000	49,995,917	0	49,995,917	0
BANK OF TOKYO-MITSUCDIAN	08/19/16	08/12/16	08/12/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDIAN	08/19/16	08/12/16	08/12/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDIAN	08/26/16	08/19/16	08/19/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDIAN	08/26/16	08/19/16	08/19/16	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCPCABS4-	08/02/16	08/01/16	08/01/16	50,000,000	49,999,431	0	49,999,431	0
BARTON CAPITAL LLCPCABS4-	08/02/16	08/01/16	08/01/16	5,000,000	4,999,943	0	4,999,943	0
BARTON CAPITAL LLCPCABS4-	08/04/16	08/03/16	08/03/16	17,000,000	16,999,806	0	16,999,806	0
BARTON CAPITAL LLCPCABS4-	08/23/16	08/02/16	08/02/16	50,000,000	49,986,875	0	49,986,875	0
BARTON CAPITAL LLCPCABS4-	08/29/16	08/26/16	08/26/16	50,000,000	49,998,292	0	49,998,292	0
BARTON CAPITAL LLCPCABS4-	08/29/16	08/26/16	08/26/16	2,000,000	1,999,932	0	1,999,932	0
BARTON CAPITAL LLCPCABS4-	10/05/16	08/09/16	08/09/16	50,000,000	49,939,833	0	49,939,833	0
BARTON CAPITAL LLCPCABS4-	10/05/16	08/09/16	08/09/16	20,000,000	19,975,933	0	19,975,933	0
BARTON CAPITAL LLCPCABS4-	10/05/16	08/09/16	08/09/16	50,000,000	49,939,833	0	49,939,833	0
BARTON CAPITAL LLCPCABS4-	10/11/16	08/12/16	08/12/16	20,000,000	19,974,667	0	19,974,667	0
BNP PARIBAS SACPC4-2	08/08/16	08/01/16	08/01/16	50,000,000	49,996,014	0	49,996,014	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BNP PARIBAS SACP4-2	08/08/16	08/01/16	08/01/16	25,000,000	24,998,007	0	24,998,007	0
BNP PARIBAS SACP4-2	08/09/16	08/02/16	08/02/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/09/16	08/02/16	08/02/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/09/16	08/02/16	08/02/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/09/16	08/02/16	08/02/16	50,000,000	49,996,014	0	49,996,014	0
BNP PARIBAS SACP4-2	08/09/16	08/02/16	08/02/16	400,000	399,968	0	399,968	0
BNP PARIBAS SACP4-2	08/15/16	08/08/16	08/08/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/15/16	08/08/16	08/08/16	25,000,000	24,997,958	0	24,997,958	0
BNP PARIBAS SACP4-2	08/16/16	08/09/16	08/09/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/16/16	08/09/16	08/09/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/16/16	08/09/16	08/09/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/16/16	08/09/16	08/09/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/22/16	08/15/16	08/15/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/22/16	08/15/16	08/15/16	25,000,000	24,997,958	0	24,997,958	0
BNP PARIBAS SACP4-2	08/22/16	08/15/16	08/15/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/23/16	08/16/16	08/16/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/23/16	08/16/16	08/16/16	20,000,000	19,998,367	0	19,998,367	0
BNP PARIBAS SACP4-2	08/23/16	08/16/16	08/16/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/23/16	08/16/16	08/16/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/30/16	08/23/16	08/23/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/30/16	08/23/16	08/23/16	1,000,000	999,918	0	999,918	0
BNP PARIBAS SACP4-2	08/30/16	08/23/16	08/23/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/30/16	08/23/16	08/23/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	08/30/16	08/23/16	08/23/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/06/16	08/30/16	08/30/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/06/16	08/30/16	08/30/16	10,000,000	9,999,183	0	9,999,183	0
BNP PARIBAS SACP4-2	09/06/16	08/30/16	08/30/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/06/16	08/30/16	08/30/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/06/16	08/30/16	08/30/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/14/16	08/31/16	08/31/16	50,000,000	49,991,833	0	49,991,833	0
BNP PARIBAS SACP4-2	09/14/16	08/31/16	08/31/16	50,000,000	49,991,833	0	49,991,833	0
BNP PARIBAS SACP	08/18/16	08/17/16	08/17/16	10,000,000	9,999,889	0	9,999,889	0
BNP PARIBAS SACP	08/18/16	08/17/16	08/17/16	50,000,000	49,999,444	0	49,999,444	0
CRC FUNDING LLC PABS4-2	02/10/17	08/18/16	08/18/16	25,000,000	24,853,333	0	24,853,333	0
CANADIAN IMPERIAL BCDYAN	02/17/17	08/18/16	08/18/16	45,000,000	45,000,000	0	45,000,000	0
RABOBANK NEDERLAND,CDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
RABOBANK NEDERLAND,CDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
RABOBANK NEDERLAND,CDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
RABOBANK NEDERLAND,CDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
RABOBANK NEDERLAND,CDYAN	08/23/16	08/16/16	08/16/16	50,000,000	50,000,000	0	50,000,000	0
RABOBANK NEDERLAND,CDYAN	08/23/16	08/16/16	08/16/16	40,000,000	40,000,000	0	40,000,000	0
COOPERATIEVE RABOBANK UA/NY	08/02/16	08/01/16	08/01/16	50,000,000	49,999,458	0	49,999,458	0
COOPERATIEVE RABOBANK UA/NY	08/02/16	08/01/16	08/01/16	50,000,000	49,999,458	0	49,999,458	0
COOPERATIEVE RABOBANK UA/NY	08/02/16	08/01/16	08/01/16	35,200,000	35,199,619	0	35,199,619	0
COOPERATIEVE RABOBANK UA/NY	08/02/16	08/01/16	08/01/16	50,000,000	49,999,458	0	49,999,458	0
COOPERATIEVE RABOBANK UA/NY	08/02/16	08/01/16	08/01/16	50,000,000	49,999,458	0	49,999,458	0
RABOBANK NEDERLAND CP	08/16/16	08/15/16	08/15/16	50,000,000	49,999,458	0	49,999,458	0
RABOBANK NEDERLAND CP	08/16/16	08/15/16	08/15/16	40,000,000	39,999,567	0	39,999,567	0
RABOBANK NEDERLAND CP	08/16/16	08/15/16	08/15/16	50,000,000	49,999,458	0	49,999,458	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
COOPERATIEVE RABOBANK UA/NY	08/24/16	08/23/16	08/23/16	40,100,000	40,099,566	0	40,099,566	0
COOPERATIEVE RABOBANK UA/NY	08/24/16	08/23/16	08/23/16	50,000,000	49,999,458	0	49,999,458	0
CREDIT AGRICOLE CORCP	08/12/16	08/11/16	08/11/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/12/16	08/11/16	08/11/16	40,500,000	40,499,539	0	40,499,539	0
CREDIT AGRICOLE CORCP	08/12/16	08/11/16	08/11/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/12/16	08/11/16	08/11/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/15/16	08/12/16	08/12/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCP	08/15/16	08/12/16	08/12/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCP	08/15/16	08/12/16	08/12/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCP	08/15/16	08/12/16	08/12/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCP	08/17/16	08/16/16	08/16/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/17/16	08/16/16	08/16/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/17/16	08/16/16	08/16/16	21,000,000	20,999,761	0	20,999,761	0
CREDIT AGRICOLE CORCP	08/17/16	08/16/16	08/16/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/17/16	08/16/16	08/16/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/18/16	08/17/16	08/17/16	49,000,000	48,999,442	0	48,999,442	0
CREDIT AGRICOLE CORCP	08/18/16	08/17/16	08/17/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/18/16	08/17/16	08/17/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	08/22/16	08/19/16	08/19/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCP	08/22/16	08/19/16	08/19/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCP	08/22/16	08/19/16	08/19/16	25,000,000	24,999,146	0	24,999,146	0
CREDIT AGRICOLE CORCP	08/22/16	08/19/16	08/19/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCP	08/22/16	08/19/16	08/19/16	50,000,000	49,998,292	0	49,998,292	0
CREDIT AGRICOLE CORCDYAN	08/08/16	08/01/16	08/01/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	08/08/16	08/01/16	08/01/16	5,000,000	5,000,000	0	5,000,000	0
CREDIT AGRICOLE CORCDYAN	08/08/16	08/01/16	08/01/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/09/16	08/02/16	08/02/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/09/16	08/02/16	08/02/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/09/16	08/02/16	08/02/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/09/16	08/02/16	08/02/16	25,000,000	25,000,000	0	25,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/09/16	08/02/16	08/02/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/16/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/16/16	08/09/16	08/09/16	25,000,000	25,000,000	0	25,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/23/16	08/16/16	08/16/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/23/16	08/16/16	08/16/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/23/16	08/16/16	08/16/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/23/16	08/16/16	08/16/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/23/16	08/16/16	08/16/16	20,000,000	20,000,000	0	20,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/30/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/30/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/30/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/30/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUSCHECDYAN	11/28/16	08/26/16	08/29/16	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUSCHECDYAN	11/28/16	08/26/16	08/29/16	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUSCHECDYAN	11/28/16	08/26/16	08/29/16	25,000,000	25,000,000	0	25,000,000	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DNB NOR BANK ASACDYAN	09/07/16	08/31/16	08/31/16	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	09/07/16	08/31/16	08/31/16	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	09/07/16	08/31/16	08/31/16	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	09/07/16	08/31/16	08/31/16	25,000,000	25,000,000	0	25,000,000	0
GOTHAM FUNDING CORPCPABS4	09/19/16	08/26/16	08/26/16	10,000,000	9,996,000	0	9,996,000	0
GOTHAM FUNDING CORPCPABS4	09/20/16	08/26/16	08/26/16	50,000,000	49,979,167	0	49,979,167	0
GOTHAM FUNDING CORPCPABS4	09/20/16	08/26/16	08/26/16	10,000,000	9,995,833	0	9,995,833	0
GOTHAM FUNDING CORPCPABS4	10/03/16	08/05/16	08/05/16	30,000,000	29,966,567	0	29,966,567	0
GOTHAM FUNDING CORPCPABS4	10/21/16	08/24/16	08/24/16	50,000,000	49,943,611	0	49,943,611	0
GOTHAM FUNDING CORPCPABS4	10/21/16	08/24/16	08/24/16	50,000,000	49,943,611	0	49,943,611	0
GOTHAM FUNDING CORPCPABS4	10/21/16	08/24/16	08/24/16	50,000,000	49,943,611	0	49,943,611	0
HSBC BANK USA NA/NEW YORK NY	02/02/17	08/04/16	08/04/16	50,000,000	50,000,000	0	50,000,000	0
HSBC BANK USA NA/NEW YORK NY	02/02/17	08/04/16	08/04/16	50,000,000	50,000,000	0	50,000,000	0
KAISER FOUNDATION HCP	08/08/16	08/01/16	08/01/16	50,000,000	49,995,625	0	49,995,625	0
KAISER FOUNDATION HCP	08/08/16	08/01/16	08/01/16	41,234,000	41,230,392	0	41,230,392	0
KAISER FOUNDATION HCP	09/01/16	08/25/16	08/25/16	50,000,000	49,995,625	0	49,995,625	0
KAISER FOUNDATION HCP	09/01/16	08/25/16	08/25/16	25,010,000	25,007,812	0	25,007,812	0
LMA-AMERICAS LLCPCPABS4-2	09/01/16	08/25/16	08/25/16	50,000,000	49,995,625	0	49,995,625	0
LMA-AMERICAS LLCPCPABS4-2	09/01/16	08/25/16	08/25/16	25,700,000	25,697,751	0	25,697,751	0
LMA-AMERICAS LLCPCPABS4-2	09/22/16	08/23/16	08/23/16	34,000,000	33,984,700	0	33,984,700	0
MIZUHO BANK LTD,CDYAN	09/01/16	08/02/16	08/02/16	14,500,000	14,500,000	0	14,500,000	0
MIZUHO BANK LTD,CDYAN	08/26/16	08/19/16	08/19/16	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	08/26/16	08/19/16	08/19/16	25,000,000	25,000,000	0	25,000,000	0
MIZUHO BANK LTD,CP	08/09/16	08/02/16	08/02/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	08/09/16	08/02/16	08/02/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	08/16/16	08/09/16	08/09/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	08/16/16	08/09/16	08/09/16	40,000,000	39,996,811	0	39,996,811	0
MIZUHO BANK LTD,CP	08/23/16	08/16/16	08/16/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	08/23/16	08/16/16	08/16/16	30,000,000	29,997,608	0	29,997,608	0
MIZUHO BANK LTD,CP	08/30/16	08/23/16	08/23/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	08/30/16	08/23/16	08/23/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	09/06/16	08/30/16	08/30/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	09/06/16	08/30/16	08/30/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	09/06/16	08/30/16	08/30/16	50,000,000	49,996,014	0	49,996,014	0
NRW,BANKCP	10/20/16	08/15/16	08/15/16	50,000,000	49,934,917	0	49,934,917	0
OLD LINE FUNDING, LCPABS4	02/21/17	08/16/16	08/18/16	35,000,000	34,783,651	0	34,783,651	0
STANDARD CHARTERED CP4-2	09/16/16	08/02/16	08/02/16	15,500,000	15,488,375	0	15,488,375	0
STANDARD CHARTERED CDYAN	10/28/16	08/29/16	08/29/16	50,000,000	50,010,619	149,833	50,160,453	0
STANDARD CHARTERED CDYAN	10/21/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	10/21/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	10/21/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	10/21/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
STARBIRD FUNDING COCPABS4	11/04/16	08/04/16	08/04/16	40,000,000	39,902,889	0	39,902,889	0
THUNDER BAY FUNDING LLC	02/22/17	08/09/16	08/09/16	25,000,000	25,000,000	0	25,000,000	0
THUNDER BAY FUNDING LLC	02/22/17	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
TORONTO-DOMINION BANK/NY	08/10/17	08/11/16	08/11/16	25,000,000	25,000,000	0	25,000,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/02/16	08/02/16	4,201,512	4,201,512	0	4,201,512	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/05/16	08/05/16	3,341,211	3,341,211	0	3,341,211	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/09/16	08/09/16	879,108	879,108	0	879,108	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/10/16	08/10/16	3,545,835	3,545,835	0	3,545,835	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/12/16	08/12/16	2,812,552	2,812,552	0	2,812,552	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/16/16	08/16/16	2,309,190	2,309,190	0	2,309,190	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/17/16	08/17/16	366,607	366,607	0	366,607	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/19/16	08/19/16	3,934,905	3,934,905	0	3,934,905	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/24/16	08/24/16	6,218,153	6,218,153	0	6,218,153	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/25/16	08/25/16	19,600	19,600	0	19,600	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/26/16	08/26/16	3,834,669	3,834,669	0	3,834,669	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/31/16	08/31/16	2,094,350	2,094,350	0	2,094,350	0
MIZUHO TRIPARTY	08/02/16	08/01/16	08/01/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/02/16	08/01/16	08/01/16	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	08/03/16	08/02/16	08/02/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/03/16	08/02/16	08/02/16	235,000,000	235,000,000	0	235,000,000	0
MIZUHO TRIPARTY	08/04/16	08/03/16	08/03/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/04/16	08/03/16	08/03/16	260,000,000	260,000,000	0	260,000,000	0
MIZUHO TRIPARTY	08/05/16	08/04/16	08/04/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/05/16	08/04/16	08/04/16	120,000,000	120,000,000	0	120,000,000	0
MIZUHO TRIPARTY	08/08/16	08/05/16	08/05/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/08/16	08/05/16	08/05/16	400,000,000	400,000,000	0	400,000,000	0
MIZUHO TRIPARTY	08/09/16	08/08/16	08/08/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/09/16	08/08/16	08/08/16	535,000,000	535,000,000	0	535,000,000	0
MIZUHO TRIPARTY	08/10/16	08/09/16	08/09/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/10/16	08/09/16	08/09/16	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	08/11/16	08/10/16	08/10/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/11/16	08/10/16	08/10/16	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	08/12/16	08/11/16	08/11/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/12/16	08/11/16	08/11/16	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	08/15/16	08/12/16	08/12/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/15/16	08/12/16	08/12/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	08/16/16	08/15/16	08/15/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/16/16	08/15/16	08/15/16	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	08/17/16	08/16/16	08/16/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/17/16	08/16/16	08/16/16	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	08/18/16	08/17/16	08/17/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/18/16	08/17/16	08/17/16	155,000,000	155,000,000	0	155,000,000	0
MIZUHO TRIPARTY	08/19/16	08/18/16	08/18/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/19/16	08/18/16	08/18/16	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	08/22/16	08/19/16	08/19/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/22/16	08/19/16	08/19/16	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	08/23/16	08/22/16	08/22/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/23/16	08/22/16	08/22/16	675,000,000	675,000,000	0	675,000,000	0
MIZUHO TRIPARTY	08/24/16	08/23/16	08/23/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/24/16	08/23/16	08/23/16	465,000,000	465,000,000	0	465,000,000	0
MIZUHO TRIPARTY	08/25/16	08/24/16	08/24/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/25/16	08/24/16	08/24/16	530,000,000	530,000,000	0	530,000,000	0
MIZUHO TRIPARTY	08/26/16	08/25/16	08/25/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/26/16	08/25/16	08/25/16	270,000,000	270,000,000	0	270,000,000	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO TRIPARTY	08/29/16	08/26/16	08/26/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/29/16	08/26/16	08/26/16	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	08/30/16	08/29/16	08/29/16	265,000,000	265,000,000	0	265,000,000	0
MIZUHO TRIPARTY	08/30/16	08/29/16	08/29/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	08/31/16	08/30/16	08/30/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/31/16	08/30/16	08/30/16	380,000,000	380,000,000	0	380,000,000	0
MIZUHO TRIPARTY	09/01/16	08/31/16	08/31/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/01/16	08/31/16	08/31/16	280,000,000	280,000,000	0	280,000,000	0
MIZUHO BANK LTD,CDEUR	09/30/16	08/02/16	08/04/16	100,000,000	99,887,710	0	99,887,710	0
<i>Total Buys</i>				15,371,821,693	15,369,678,090	149,833	15,369,827,924	0
<i>Deposits</i>								
SVENSKA HANDELSBANKTDCAY 0.4 20160802	08/02/16	08/01/16	08/01/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160803	08/03/16	08/02/16	08/02/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160804	08/04/16	08/03/16	08/03/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160805	08/05/16	08/04/16	08/04/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160808	08/08/16	08/05/16	08/05/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160809	08/09/16	08/08/16	08/08/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160810	08/10/16	08/09/16	08/09/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160811	08/11/16	08/10/16	08/10/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160812	08/12/16	08/11/16	08/11/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160815	08/15/16	08/12/16	08/12/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160816	08/16/16	08/15/16	08/15/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160817	08/17/16	08/16/16	08/16/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160818	08/18/16	08/17/16	08/17/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160819	08/19/16	08/18/16	08/18/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160822	08/22/16	08/19/16	08/19/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160823	08/23/16	08/22/16	08/22/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160824	08/24/16	08/23/16	08/23/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160825	08/25/16	08/24/16	08/24/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160826	08/26/16	08/25/16	08/25/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160829	08/29/16	08/26/16	08/26/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160830	08/30/16	08/29/16	08/29/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160831	08/31/16	08/30/16	08/30/16	300,000,000	300,000,000	0	300,000,000	0
<i>Total Deposits</i>				5,200,000,000	5,200,000,000	0	5,200,000,000	0
<i>Maturities</i>								
ANGLESEA FUNDING LLC PABS4	08/23/16	08/23/16	08/23/16	42,000,000	42,000,000	0	42,000,000	0
ANTALIS S,A, CPABS4CPABS4	08/02/16	08/02/16	08/02/16	65,510,000	65,510,000	0	65,510,000	0
ANTALIS S,A, CPABS4CPABS4	08/03/16	08/03/16	08/03/16	30,000,000	30,000,000	0	30,000,000	0
ANTALIS S,A, CPABS4CPABS4	08/04/16	08/04/16	08/04/16	20,000,000	20,000,000	0	20,000,000	0
ANTALIS S,A, CPABS4CPABS4	08/09/16	08/09/16	08/09/16	65,530,000	65,530,000	0	65,530,000	0
ANTALIS S,A, CPABS4CPABS4	08/10/16	08/10/16	08/10/16	23,760,000	23,760,000	0	23,760,000	0
ANTALIS S,A, CPABS4CPABS4	08/12/16	08/12/16	08/12/16	31,000,000	31,000,000	0	31,000,000	0
ANTALIS S,A, CPABS4CPABS4	08/16/16	08/16/16	08/16/16	52,550,000	52,550,000	0	52,550,000	0
ANTALIS S,A, CPABS4CPABS4	08/17/16	08/17/16	08/17/16	23,760,000	23,760,000	0	23,760,000	0
ANTALIS S,A, CPABS4CPABS4	08/18/16	08/18/16	08/18/16	14,120,000	14,120,000	0	14,120,000	0
ANTALIS S,A, CPABS4CPABS4	08/23/16	08/23/16	08/23/16	55,570,000	55,570,000	0	55,570,000	0
ANTALIS S,A, CPABS4CPABS4	08/24/16	08/24/16	08/24/16	23,760,000	23,760,000	0	23,760,000	0
ANTALIS S,A, CPABS4CPABS4	08/25/16	08/25/16	08/25/16	50,000,000	50,000,000	0	50,000,000	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ANTALIS S.A, CPABS4CPABS4	08/30/16	08/30/16	08/30/16	45,590,000	45,590,000	0	45,590,000	0
ATLANTIC ASSET SECUCPABS4	08/01/16	08/01/16	08/01/16	100,000,000	100,000,000	0	100,000,000	0
ATLANTIC ASSET SECUCPABS4	08/15/16	08/15/16	08/15/16	130,000,000	130,000,000	0	130,000,000	0
ATLANTIC ASSET SECUCPABS4	08/22/16	08/22/16	08/22/16	100,000,000	100,000,000	0	100,000,000	0
BANK OF NOVA SCOTIA/HOUSTON	08/05/16	08/05/16	08/05/16	105,000,000	105,000,000	0	105,000,000	0
BANK OF TOKYO-MITSUCP	08/22/16	08/22/16	08/22/16	100,000,000	100,000,000	0	100,000,000	0
BANK OF TOKYO-MITSUCDYAN	08/11/16	08/11/16	08/11/16	165,000,000	165,000,000	0	165,000,000	0
BANK OF TOKYO-MITSUCDYAN	08/19/16	08/19/16	08/19/16	100,000,000	100,000,000	0	100,000,000	0
BANK OF TOKYO-MITSUCDYAN	08/26/16	08/26/16	08/26/16	100,000,000	100,000,000	0	100,000,000	0
BARTON CAPITAL LLCPCABS4-	08/01/16	08/01/16	08/01/16	17,000,000	17,000,000	0	17,000,000	0
BARTON CAPITAL LLCPCABS4-	08/02/16	08/02/16	08/02/16	55,000,000	55,000,000	0	55,000,000	0
BARTON CAPITAL LLCPCABS4-	08/04/16	08/04/16	08/04/16	17,000,000	17,000,000	0	17,000,000	0
BARTON CAPITAL LLCPCABS4-	08/08/16	08/08/16	08/08/16	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCPCABS4-	08/23/16	08/23/16	08/23/16	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCPCABS4-	08/29/16	08/29/16	08/29/16	52,000,000	52,000,000	0	52,000,000	0
BNP PARIBAS SACP4-2	08/01/16	08/01/16	08/01/16	80,000,000	80,000,000	0	80,000,000	0
BNP PARIBAS SACP4-2	08/02/16	08/02/16	08/02/16	200,000,000	200,000,000	0	200,000,000	0
BNP PARIBAS SACP4-2	08/04/16	08/04/16	08/04/16	89,800,000	89,800,000	0	89,800,000	0
BNP PARIBAS SACP4-2	08/08/16	08/08/16	08/08/16	75,000,000	75,000,000	0	75,000,000	0
BNP PARIBAS SACP4-2	08/09/16	08/09/16	08/09/16	200,400,000	200,400,000	0	200,400,000	0
BNP PARIBAS SACP4-2	08/15/16	08/15/16	08/15/16	75,000,000	75,000,000	0	75,000,000	0
BNP PARIBAS SACP4-2	08/16/16	08/16/16	08/16/16	200,000,000	200,000,000	0	200,000,000	0
BNP PARIBAS SACP4-2	08/22/16	08/22/16	08/22/16	125,000,000	125,000,000	0	125,000,000	0
BNP PARIBAS SACP4-2	08/23/16	08/23/16	08/23/16	170,000,000	170,000,000	0	170,000,000	0
BNP PARIBAS SACP4-2	08/30/16	08/30/16	08/30/16	201,000,000	201,000,000	0	201,000,000	0
BNP PARIBAS SACP	08/18/16	08/18/16	08/18/16	60,000,000	60,000,000	0	60,000,000	0
CANADIAN IMPERIAL BCDYAN	08/24/16	08/24/16	08/24/16	15,000,000	15,000,000	0	15,000,000	0
RABOBANK NEDERLAND,CDYAN	08/16/16	08/16/16	08/16/16	200,000,000	200,000,000	0	200,000,000	0
RABOBANK NEDERLAND,CDYAN	08/23/16	08/23/16	08/23/16	90,000,000	90,000,000	0	90,000,000	0
COOPERATIEVE RABOBANK UA/NY	08/02/16	08/02/16	08/02/16	235,200,000	235,200,000	0	235,200,000	0
RABOBANK NEDERLAND CP	08/16/16	08/16/16	08/16/16	140,000,000	140,000,000	0	140,000,000	0
COOPERATIEVE RABOBANK UA/NY	08/24/16	08/24/16	08/24/16	90,100,000	90,100,000	0	90,100,000	0
CREDIT AGRICOLE CORCP	08/12/16	08/12/16	08/12/16	190,500,000	190,500,000	0	190,500,000	0
CREDIT AGRICOLE CORCP	08/15/16	08/15/16	08/15/16	200,000,000	200,000,000	0	200,000,000	0
CREDIT AGRICOLE CORCP	08/17/16	08/17/16	08/17/16	221,000,000	221,000,000	0	221,000,000	0
CREDIT AGRICOLE CORCP	08/18/16	08/18/16	08/18/16	149,000,000	149,000,000	0	149,000,000	0
CREDIT AGRICOLE CORCP	08/22/16	08/22/16	08/22/16	225,000,000	225,000,000	0	225,000,000	0
CREDIT AGRICOLE CORCDYAN	08/08/16	08/08/16	08/08/16	105,000,000	105,000,000	0	105,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/02/16	08/02/16	08/02/16	225,000,000	225,000,000	0	225,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/09/16	08/09/16	08/09/16	225,000,000	225,000,000	0	225,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/16/16	08/16/16	08/16/16	225,000,000	225,000,000	0	225,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/23/16	08/23/16	08/23/16	220,000,000	220,000,000	0	220,000,000	0
CREDIT INDUSTRIEL ECDYAN	08/30/16	08/30/16	08/30/16	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE, ZURICDYAN	08/03/16	08/03/16	08/03/16	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCPABS4	08/05/16	08/05/16	08/05/16	25,000,000	25,000,000	0	25,000,000	0
GOTHAM FUNDING CORPCPABS4	08/09/16	08/09/16	08/09/16	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCPABS4	08/23/16	08/23/16	08/23/16	85,000,000	85,000,000	0	85,000,000	0
JP MORGAN SECURITIES LLC	08/09/16	08/09/16	08/09/16	150,000,000	150,000,000	0	150,000,000	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
KAISER FOUNDATION HCP	08/04/16	08/04/16	08/04/16	47,105,000	47,105,000	0	47,105,000	0
KAISER FOUNDATION HCP	08/08/16	08/08/16	08/08/16	91,234,000	91,234,000	0	91,234,000	0
KAISER FOUNDATION HCP	08/11/16	08/11/16	08/11/16	30,000,000	30,000,000	0	30,000,000	0
LMA-AMERICAS LLCPABS4-2	08/01/16	08/01/16	08/01/16	130,000,000	130,000,000	0	130,000,000	0
MANHATTAN ASSET FUNCPABS4	08/10/16	08/10/16	08/10/16	70,000,000	70,000,000	0	70,000,000	0
MANHATTAN ASSET FUNCPABS4	08/25/16	08/25/16	08/25/16	60,000,000	60,000,000	0	60,000,000	0
MANHATTAN ASSET FUNCPABS4	08/30/16	08/30/16	08/30/16	40,000,000	40,000,000	0	40,000,000	0
MIZUHO BANK LTD,CDYAN	08/26/16	08/26/16	08/26/16	75,000,000	75,000,000	0	75,000,000	0
MIZUHO BANK LTD,CDYAN	08/12/16	08/12/16	08/12/16	100,000,000	100,000,000	0	100,000,000	0
MIZUHO BANK LTD,CP	08/02/16	08/02/16	08/02/16	175,000,000	175,000,000	0	175,000,000	0
MIZUHO BANK LTD,CP	08/09/16	08/09/16	08/09/16	100,000,000	100,000,000	0	100,000,000	0
MIZUHO BANK LTD,CP	08/16/16	08/16/16	08/16/16	90,000,000	90,000,000	0	90,000,000	0
MIZUHO BANK LTD,CP	08/23/16	08/23/16	08/23/16	80,000,000	80,000,000	0	80,000,000	0
MIZUHO BANK LTD,CP	08/30/16	08/30/16	08/30/16	100,000,000	100,000,000	0	100,000,000	0
STANDARD CHARTERED CDYAN	08/12/16	08/12/16	08/12/16	149,000,000	149,000,000	0	149,000,000	0
STANDARD CHARTERED CDYAN	08/19/16	08/19/16	08/19/16	100,000,000	100,000,000	0	100,000,000	0
STANDARD CHARTERED CDYAN	08/19/16	08/19/16	08/19/16	25,000,000	25,000,000	0	25,000,000	0
STANDARD CHARTERED CDYAN	08/19/16	08/19/16	08/19/16	25,000,000	25,000,000	0	25,000,000	0
STARBIRD FUNDING COCPABS4	08/10/16	08/10/16	08/10/16	30,000,000	30,000,000	0	30,000,000	0
SVENSKA HANDELSBANKCDYAN	08/01/16	08/01/16	08/01/16	200,000,000	200,000,000	0	200,000,000	0
TORONTO DOMINION BACDYAN	08/15/16	08/15/16	08/15/16	10,000,000	10,000,000	0	10,000,000	0
TORONTO DOMINION BACDYAN	08/08/16	08/08/16	08/08/16	10,000,000	10,000,000	0	10,000,000	0
MIZUHO TRIPARTY	08/01/16	08/01/16	08/01/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/01/16	08/01/16	08/01/16	450,000,000	450,000,000	0	450,000,000	0
MIZUHO TRIPARTY	08/02/16	08/02/16	08/02/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/02/16	08/02/16	08/02/16	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	08/03/16	08/03/16	08/03/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/03/16	08/03/16	08/03/16	235,000,000	235,000,000	0	235,000,000	0
MIZUHO TRIPARTY	08/04/16	08/04/16	08/04/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/04/16	08/04/16	08/04/16	260,000,000	260,000,000	0	260,000,000	0
MIZUHO TRIPARTY	08/05/16	08/05/16	08/05/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/05/16	08/05/16	08/05/16	120,000,000	120,000,000	0	120,000,000	0
MIZUHO TRIPARTY	08/08/16	08/08/16	08/08/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/08/16	08/08/16	08/08/16	400,000,000	400,000,000	0	400,000,000	0
MIZUHO TRIPARTY	08/09/16	08/09/16	08/09/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/09/16	08/09/16	08/09/16	535,000,000	535,000,000	0	535,000,000	0
MIZUHO TRIPARTY	08/10/16	08/10/16	08/10/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/10/16	08/10/16	08/10/16	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	08/11/16	08/11/16	08/11/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/11/16	08/11/16	08/11/16	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	08/12/16	08/12/16	08/12/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/12/16	08/12/16	08/12/16	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	08/15/16	08/15/16	08/15/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/15/16	08/15/16	08/15/16	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	08/16/16	08/16/16	08/16/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/16/16	08/16/16	08/16/16	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	08/17/16	08/17/16	08/17/16	15,000,000	15,000,000	0	15,000,000	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	08/17/16	08/17/16	08/17/16	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	08/18/16	08/18/16	08/18/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/18/16	08/18/16	08/18/16	155,000,000	155,000,000	0	155,000,000	0
MIZUHO TRIPARTY	08/19/16	08/19/16	08/19/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/19/16	08/19/16	08/19/16	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	08/22/16	08/22/16	08/22/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/22/16	08/22/16	08/22/16	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	08/23/16	08/23/16	08/23/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/23/16	08/23/16	08/23/16	675,000,000	675,000,000	0	675,000,000	0
MIZUHO TRIPARTY	08/24/16	08/24/16	08/24/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/24/16	08/24/16	08/24/16	465,000,000	465,000,000	0	465,000,000	0
MIZUHO TRIPARTY	08/25/16	08/25/16	08/25/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/25/16	08/25/16	08/25/16	530,000,000	530,000,000	0	530,000,000	0
MIZUHO TRIPARTY	08/26/16	08/26/16	08/26/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/26/16	08/26/16	08/26/16	270,000,000	270,000,000	0	270,000,000	0
MIZUHO TRIPARTY	08/29/16	08/29/16	08/29/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/29/16	08/29/16	08/29/16	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	08/30/16	08/30/16	08/30/16	265,000,000	265,000,000	0	265,000,000	0
MIZUHO TRIPARTY	08/30/16	08/30/16	08/30/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	08/31/16	08/31/16	08/31/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	08/31/16	08/31/16	08/31/16	380,000,000	380,000,000	0	380,000,000	0
SVENSKA HANDELSBANKTDCAY 0.3 20160801	08/01/16	08/01/16	08/01/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160802	08/02/16	08/02/16	08/02/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160803	08/03/16	08/03/16	08/03/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160804	08/04/16	08/04/16	08/04/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160805	08/05/16	08/05/16	08/05/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160808	08/08/16	08/08/16	08/08/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160809	08/09/16	08/09/16	08/09/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160810	08/10/16	08/10/16	08/10/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160811	08/11/16	08/11/16	08/11/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160812	08/12/16	08/12/16	08/12/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160815	08/15/16	08/15/16	08/15/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160816	08/16/16	08/16/16	08/16/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160817	08/17/16	08/17/16	08/17/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160818	08/18/16	08/18/16	08/18/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160819	08/19/16	08/19/16	08/19/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160822	08/22/16	08/22/16	08/22/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160823	08/23/16	08/23/16	08/23/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160824	08/24/16	08/24/16	08/24/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160825	08/25/16	08/25/16	08/25/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160826	08/26/16	08/26/16	08/26/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160829	08/29/16	08/29/16	08/29/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160830	08/30/16	08/30/16	08/30/16	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160831	08/31/16	08/31/16	08/31/16	300,000,000	300,000,000	0	300,000,000	0
Total Maturities				21,048,489,000	21,048,489,000	0	21,048,489,000	0

TRADING ACTIVITY FOR AUGUST 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<i>Sells</i>								
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/01/16	08/01/16	468,530	468,530	0	468,530	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/03/16	08/03/16	446,739	446,739	0	446,739	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/03/16	08/03/16	2,378,171	2,378,171	0	2,378,171	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/03/16	08/03/16	458,741	458,741	0	458,741	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/03/16	08/03/16	764,985	764,985	0	764,985	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/03/16	08/03/16	1,384,904	1,384,904	0	1,384,904	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/04/16	08/04/16	552,487	552,487	0	552,487	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/04/16	08/04/16	185,872	185,872	0	185,872	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/08/16	08/08/16	2,932,847	2,932,847	0	2,932,847	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/11/16	08/11/16	387,473	387,473	0	387,473	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/11/16	08/11/16	1,268,665	1,268,665	0	1,268,665	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/11/16	08/11/16	2,180,412	2,180,412	0	2,180,412	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/15/16	08/15/16	1,160,799	1,160,799	0	1,160,799	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/15/16	08/15/16	879,108	879,108	0	879,108	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/15/16	08/15/16	1,871,537	1,871,537	0	1,871,537	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/18/16	08/18/16	2,401,340	2,401,340	0	2,401,340	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/22/16	08/22/16	1,674,297	1,674,297	0	1,674,297	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/22/16	08/22/16	411,212	411,212	0	411,212	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/22/16	08/22/16	1,184,470	1,184,470	0	1,184,470	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/23/16	08/23/16	1,124,721	1,124,721	0	1,124,721	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/23/16	08/23/16	366,607	366,607	0	366,607	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/23/16	08/23/16	3,934,905	3,934,905	0	3,934,905	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/29/16	08/29/16	239,880	239,880	0	239,880	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	08/30/16	08/30/16	3,486,738	3,486,738	0	3,486,738	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	29,652	29,652	0	29,652	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	29,093	29,093	0	29,093	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	21,879	21,879	0	21,879	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	18,229	18,229	0	18,229	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	20,891	20,891	0	20,891	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	26,826	26,826	0	26,826	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	35,229	35,229	0	35,229	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	44,143	44,143	0	44,143	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	51,253	51,253	0	51,253	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	51,727	51,727	0	51,727	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	44,246	44,246	0	44,246	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	45,982	45,982	0	45,982	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	42,067	42,067	0	42,067	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	40,252	40,252	0	40,252	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	39,268	39,268	0	39,268	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	35,549	35,549	0	35,549	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	37,879	37,879	0	37,879	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	29,928	29,928	0	29,928	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	26,714	26,714	0	26,714	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	21,727	21,727	0	21,727	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	20,835	20,835	0	20,835	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	19,286,629	19,286,629	0	19,286,629	0
<i>Total Sells</i>				52,145,439	52,145,439	0	52,145,439	0



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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



MONTHLY SUMMARY REPORT

September 2016

State Board of Administration of Florida

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Past performance is no guarantee of future results.

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

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

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

INTRODUCTION

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

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

This report, which covers the period from September 1, 2016, through September 30, 2016, 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 September 30, 2016)

Total Participants
771

Florida PRIME™ Assets
\$7,015,873,868

Total Number of Accounts
1,465

FACTS-AT-A-GLANCE

Florida 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.

The Participant Local Government Advisory Council (“PLGAC”) was statutorily created in 2008 as an additional measure to ensure that the Florida PRIME governmental investment pool is operated and managed in the best interest of investors in the fund. All six Council members represent current (or former) investors and are independent—meaning that they have no affiliation with the SBA apart from the investments they have made as governmental entities.

As part of ongoing board refreshment and succession planning, we are soliciting new members for participation. Any current or former participants in Florida PRIME are eligible to become members of the PLGAC.

Pursuant to S. 218 of the Florida Statutes, members of the Council are appointed by the State Board of Administration (SBA) and are subject to confirmation by the Florida Senate. Members must possess special knowledge, experience, and familiarity obtained through active, long-standing, and material participation in the dealings of the investment pool. Members are appointed for four-year terms, and any vacancies are filled for the remainder of the unexpired term. The Council annually elects a Chair and a Vice-Chair from its membership. A member may not be elected to consecutive terms as Chair or Vice-chair. The Council reviews the administration of Florida PRIME and makes recommendations regarding such administration to the SBA Trustees. The Council also oversees the operational and investment related activities of Florida PRIME. Both the Council and the SBA’s Investment Advisory Council (or “IAC”) are responsible for review of the Florida PRIME Investment Policy Statement and any proposed changes prior to its presentation to the Trustees and will undertake other duties set forth in applicable Florida Law.

Council members have distinguished backgrounds in business, finance, and public service—biographical information for each of the current Council members can be found on the Florida PRIME website.

If you would like to explore becoming a member of the Council please contact Mike McCauley at (850) 413-1252 or mike.mccauley@sbafla.com.

PORTFOLIO MANAGER COMMENTARY

MARKET CONDITIONS

The lion's share of investor and media focus in September was on the SEC money fund reforms set to start mid-October, especially on how much money would flow from institutional prime and municipal (tax-free) funds to government funds due to the floating net asset value (NAV) requirement of the former. A stressful time for managers of these 2a-7 funds, yes, but a boon for local government investment pools (LGIPs) such as Florida PRIME. While the institutional prime and muni funds have had to shorten the maturity dates of securities they buy to ensure ample liquidity for clients moving assets, cash managers in the LGIP space have grabbed the wide spreads being offered by issuers farther out. We have been able to make purchasing decisions based on relative value and not just liquidity, to the great envy of prime and muni fund managers and investors.

In fact, LGIPs have been able to maintain their weighted average maturities (WAM) farther out to nearly a factor of 10 over prime funds. The Pool has been targeting its typical 40-50 days range, while 2a-7s have been in the single digits. One does not have to go very far out the curve to capture exceptional yields due to how elevated London interbank offered rate (LIBOR) has been: One-month Libor ended September at 0.53%, 3-month at 0.85% and six-month at 1.24%, compared to the short end of the Treasury yield curve at 0.16% for 1-month bills, 0.25% for 3-month and 0.42% for 6-month.

While we think the peak of the LIBOR curve has probably passed us already, it likely will remain at elevated levels through at least the end of this year, and most likely much of 2017. That is in large part because the assets that have shifted to the government space cannot fund around LIBOR. It is going to take issuers offering robust yields and returns to entice some of those assets back, and that is going to take time. Also, there are clients legally able to use a floating NAV fund that has the potential for gates and fees and would like to return to institutional prime and muni funds, but none of them want to be the guinea pig. We think they will watch how much the fourth digit in the floating NAV moves (i.e., the last digit in the \$1.0000 reporting requirement) before acting.

Does it move daily, or just once in a while? What are the reasons for a move? We think this caution will keep the LIBOR curve's spread over the Treasury curve significantly wide for some time.

Speaking of moves, the Federal Reserve again did not do so at its latest policy-setting meeting in September, but it edged closer to one. That is not just because of the hawkish language of its statement, but that there were three dissenters, which is unusual in a voting group of just 10. We think the U.S. elections will be kept in mind and look to the December meeting for a hike.

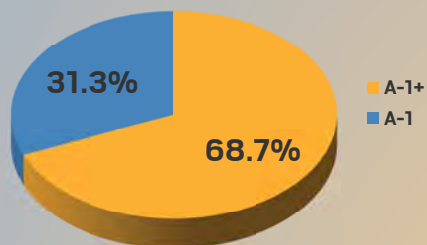
Looking at the money market industry as a whole, it is important to point out that far from demolishing money funds as many experts thought, at the end of the day the industry and Federated's total assets under management in this class of securities is basically identical to what it was before the reforms. What has changed is the components. Government funds grew; municipal and prime funds shrunk. All told, the industry is healthy and continues to provide a diverse set of desired offerings to investors. We at Federated are thrilled to continue to bring our firm's full expertise to bear on management of the Florida PRIME.

INVESTMENT STRATEGY

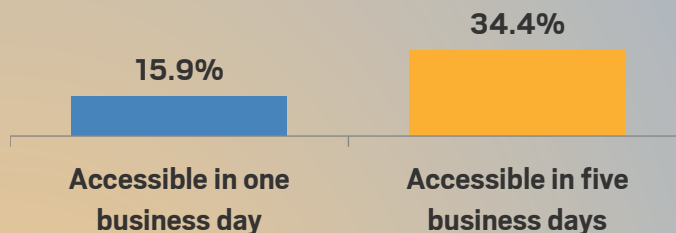
The composition of the Pool reflected the above, as securities that looked attractive during the month continued to be asset-backed commercial paper and variable-rate demand notes: Commercial paper grew by 4% to become 44% of total holdings, and variable-rate paper remained high at 25% of total. Repo fell 3% to comprise only 1% of holdings, and fixed-rate bank paper/instruments and money market funds remained at low levels of 20% and 10%, respectively of total. The Pool's assets under management (AUM) decreased by \$300 million to \$7 billion, following the typical season pattern of outflows. The Pool's WAM and Weighted Average Life (WAL) were specifically 49.5 and 70.1, respectively.

PORTFOLIO COMPOSITION FOR SEPTEMBER 2016

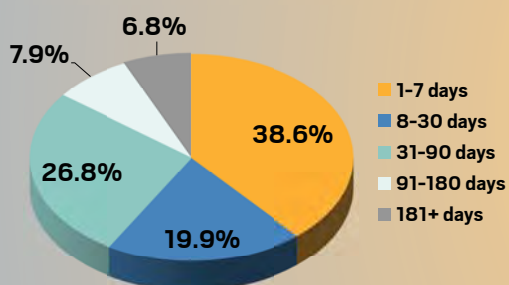
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1. Federated Institutional Prime Obligations Fund	9.8%
2. DZ Bank AG Deutsche Zentral-Genossenschaftsbank	5.2%
3. Royal Bank of Canada	5.1%
4. Anglesea Funding LLC	5.1%
5. BNP Paribas SA	5.1%
6. Mitsubishi UFJ Financial Group, Inc.	5.0%
7. Standard Chartered PLC	4.4%
8. Toronto Dominion Bank	4.0%
9. Bank of Nova Scotia, Toronto	3.9%
10. Antalis S.A.	3.8%

Average Effective Maturity (WAM)

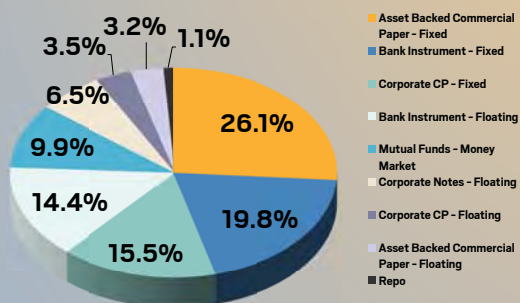
49.5 Days

Weighted Average Life (Spread WAM)

70.1 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH SEPTEMBER 30, 2016

Florida PRIME Performance Data			
	Net Participant Yield ¹	Net-of-Fee Benchmark ²	Above (Below) Benchmark
One Month	0.78%	0.45%	0.33%
Three Months	0.71%	0.42%	0.29%
One Year	0.54%	0.30%	0.24%
Three Years	0.30%	0.14%	0.16%
Five Years	0.28%	0.11%	0.17%
Ten Years	1.14%	1.01%	0.13%
Since 1/96	2.69%	2.48%	0.21%

Note: Net asset value at month end: \$7,015.7 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

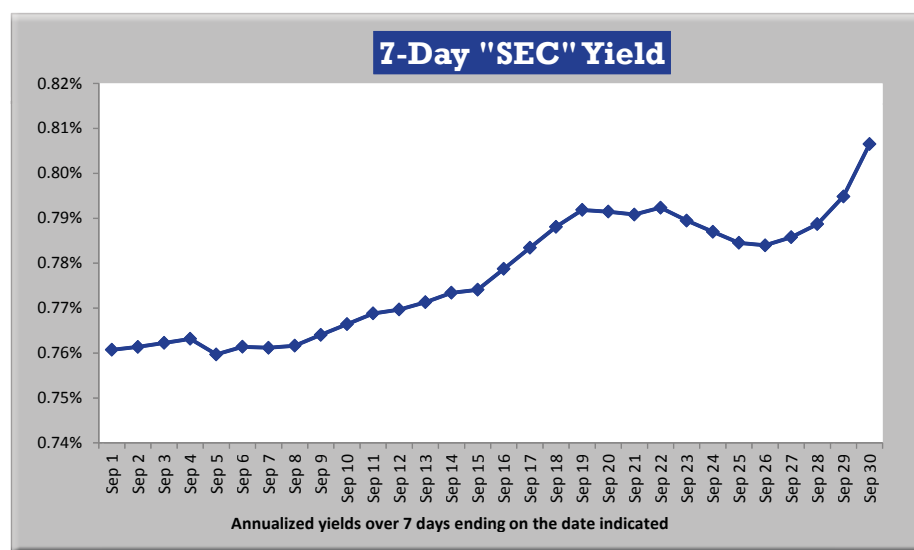
¹Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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 SEPTEMBER 2016

Summary of Cash Flows		
Opening Balance (09/01/16)	\$	7,362,514,711
Participant Deposits		1,396,196,510
Gross Earnings		4,656,711
Participant Withdrawals		(1,747,494,064)
Fees		(163,213)
Fee Holiday*		163,213
Closing Balance (09/30/16)	\$	7,015,873,868
Net Change over Month	\$	(346,640,843)

*Beginning January 1, 2016, all monthly pool expenses incurred are offset using proceeds from liquidity redemption fees charged to participants in 2008. The total amount of fees offset since January 2016 is \$1,234,514. The redemption reserve account balance at month end is \$1,022,728. Once the redemption fee reserve account is exhausted, pool charges will be reinstituted.

Detailed Fee Disclosure***		
September 2016	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 59,539.59	0.99
Federated Investment Management Fee	81,639.33	1.36
BNY Mellon Custodial Fee**	9,547.80	0.16
Bank of America Transfer Agent Fee	4,468.38	0.07
S&P Rating Maintenance Fee	3,688.52	0.06
Audit/External Review Fees	4,329.12	0.07
Total Fees	\$ 163,212.74	2.72

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$7,189,194,289.

**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.

*** Beginning January 1, 2016, all monthly pool expenses incurred are offset using proceeds from liquidity redemption fees charged to participants in 2008. Once the redemption fee reserve account is exhausted, pool charges will be reinstituted.

INVENTORY OF HOLDINGS FOR SEPTEMBER 2016

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		11/9/2016		95,000,000	0.88	\$94,909,222	\$94,952,184	\$42,961
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		1/18/2017		20,000,000	0.99	\$19,940,722	\$19,957,833	\$17,111
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		2/1/2017		34,000,000	1.15	\$33,868,250	\$33,915,563	\$47,313
ASB Finance Ltd., Apr 12, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.15	4/12/2017	10/12/2016	25,000,000	1.16	\$25,000,000	\$24,999,075	-\$925
ASB Finance Ltd., Nov 30, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.88	11/30/2016	10/31/2016	50,000,000	0.90	\$50,000,000	\$50,021,150	\$21,150
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/8/2016		125,000,000	0.97	\$124,871,354	\$124,916,313	\$44,958
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/17/2016		45,000,000	0.99	\$44,941,800	\$44,959,800	\$18,000
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/23/2016		70,000,000	1.01	\$69,896,050	\$69,925,450	\$29,400
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/3/2016		68,000,000	0.51	\$67,997,167	\$67,997,620	\$453
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/3/2016		21,000,000	0.61	\$20,998,950	\$20,999,265	\$315
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/6/2016		50,000,000	0.92	\$49,916,250	\$49,927,696	\$11,446
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/14/2017		70,000,000	1.33	\$69,582,917	\$69,616,604	\$33,688
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/16/2017		100,000,000	1.33	\$99,396,944	\$99,443,333	\$46,389
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		4/6/2017		50,000,000	1.28	\$49,673,611	\$49,673,872	\$261
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/4/2016		18,810,000	0.46	\$18,809,060	\$18,809,070	\$11
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/6/2016		99,370,000	0.46	\$99,362,547	\$99,362,465	-\$82
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/7/2016		95,000,000	0.46	\$94,991,688	\$94,991,503	-\$184
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/4/2016		43,910,000	0.66	\$43,882,251	\$43,884,514	\$2,262
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/29/2016		13,760,000	0.87	\$13,740,507	\$13,742,800	\$2,293
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/5/2016		125,000,000	0.43	\$124,992,708	\$124,992,188	-\$521
Australia & New Zealand Banking Group, Melbourne CP4-2	COMMERCIAL PAPER - 4-2		12/22/2016		50,000,000	0.89	\$49,899,708	\$49,903,859	\$4,150
Australia & New Zealand Banking Group, Melbourne, Dec 20, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.89	12/20/2016	10/20/2016	25,000,000	0.90	\$25,000,000	\$25,009,225	\$9,225
BNP Paribas SA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.45	10/5/2016		100,000,000	0.46	\$100,000,000	\$100,001,069	\$1,069
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		10/4/2016		50,000,000	0.41	\$49,997,778	\$49,997,950	\$172
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		10/4/2016		200,000,000	0.46	\$199,990,000	\$199,991,800	\$1,800

See notes at end of table.

INVENTORY OF HOLDINGS FOR SEPTEMBER 2016

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVER-NIGHT FIXED	0.50	10/3/2016		65,000,000	0.51	\$65,000,000	\$65,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.69	10/6/2016		35,000,000	0.70	\$35,000,000	\$35,001,565	\$1,565
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/20/2017		25,000,000	1.27	\$25,000,000	\$24,995,938	-\$4,062
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	8/9/2017		23,000,000	1.42	\$23,000,000	\$23,023,617	\$23,617
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.90	12/13/2016		7,500,000	0.88	\$7,500,461	\$7,502,335	\$1,874
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.30	9/19/2017		20,000,000	1.32	\$20,000,000	\$20,000,094	\$94
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	9/29/2017		25,000,000	1.22	\$25,000,000	\$25,000,000	\$0
Bank of Montreal, Mar 27, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.05	3/27/2017	10/27/2016	50,000,000	1.07	\$50,000,000	\$49,982,450	-\$17,550
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.60	6/27/2017		100,000,000	1.62	\$100,000,000	\$100,000,000	\$0
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		2/23/2017		25,000,000	1.23	\$24,878,333	\$24,894,150	\$15,817
Bank of Nova Scotia, Toronto, Mar 24, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.16	3/24/2017	10/24/2016	25,000,000	1.17	\$25,000,000	\$25,004,725	\$4,725
Bank of Nova Scotia, Toronto, Mar 28, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.05	3/28/2017	10/28/2016	75,000,000	1.07	\$75,000,000	\$74,990,250	-\$9,750
Bank of Nova Scotia, Toronto, Nov 07, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.93	11/7/2016	10/7/2016	50,000,000	0.93	\$50,000,000	\$50,020,500	\$20,500
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.66	11/15/2016		85,000,000	0.67	\$85,000,000	\$85,001,610	\$1,610
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.43	10/3/2016		90,000,000	0.44	\$90,000,000	\$89,999,895	-\$105
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/5/2016		120,000,000	0.77	\$119,987,333	\$119,994,167	\$6,833
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/11/2016		20,000,000	0.77	\$19,995,356	\$19,997,678	\$2,322
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/13/2017		25,000,000	1.05	\$24,902,722	\$24,902,439	-\$283
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2017		30,000,000	1.13	\$29,855,167	\$29,853,455	-\$1,712
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/10/2017		50,000,000	1.07	\$49,765,208	\$49,747,543	-\$17,665
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/13/2017		21,000,000	1.07	\$20,899,550	\$20,890,462	-\$9,088
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/15/2017		25,000,000	1.07	\$24,878,958	\$24,866,854	-\$12,104
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/27/2017		4,000,000	1.23	\$3,976,267	\$3,975,891	-\$376
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/1/2016		15,000,000	0.91	\$14,977,008	\$14,980,315	\$3,307

See notes at end of table.

INVENTORY OF HOLDINGS FOR SEPTEMBER 2016

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/27/2016		40,000,000	0.94	\$39,910,044	\$39,924,418	\$14,373
CIESCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/13/2016		47,000,000	0.90	\$46,914,982	\$46,919,426	\$4,444
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/19/2016		25,000,000	0.92	\$24,950,000	\$24,958,500	\$8,500
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/10/2017		25,000,000	1.23	\$24,889,167	\$24,911,149	\$21,982
California PCFA, (Sierra Pacific Industries), (Series 2014), 09/01/2044	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.87	9/1/2044	10/5/2016	30,000,000	0.92	\$30,000,000	\$30,000,000	\$0
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.94	1/17/2017		50,000,000	0.96	\$50,000,000	\$50,038,314	\$38,314
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	1.20	2/17/2017		45,000,000	1.22	\$45,000,000	\$45,056,813	\$56,813
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.87	11/18/2016		25,000,000	0.88	\$25,000,000	\$25,014,506	\$14,506
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.94	11/28/2016		24,000,000	0.96	\$24,000,000	\$24,018,884	\$18,884
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.95	11/28/2016		25,000,000	0.97	\$25,000,000	\$25,020,080	\$20,080
Commonwealth Bank of Aust, 01/27/2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.21	1/27/2017	10/4/2016	32,200,000	1.01	\$32,204,020	\$32,230,300	\$26,280
Credit Suisse, Zurich CP	COMMERCIAL PAPER		12/9/2016		10,000,000	0.99	\$9,981,139	\$9,986,194	\$5,056
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.76	10/14/2016		50,000,000	0.59	\$50,003,469	\$50,003,604	\$135
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.90	11/18/2016		29,000,000	0.86	\$29,001,947	\$29,005,134	\$3,186
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.92	11/28/2016		125,000,000	0.94	\$125,000,000	\$125,021,329	\$21,329
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.93	12/16/2016		75,000,000	0.95	\$75,000,000	\$74,995,782	-\$4,218
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	1.24	4/6/2017		85,000,000	1.26	\$85,000,000	\$85,000,000	\$0
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	0.32	10/3/2016		0	0.32	\$0	\$0	\$0
Fairway Finance Co. LLC, Dec 09, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.88	12/9/2016	10/11/2016	50,000,000	0.88	\$50,000,000	\$50,000,000	\$0
Fairway Finance Co. LLC, Nov 03, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.88	11/3/2016	10/3/2016	50,000,000	0.89	50,000,000	50,000,000	\$0
Fairway Finance Co. LLC, Nov 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.88	11/14/2016	10/12/2016	25,000,000	0.88	\$25,000,000	\$25,000,000	\$0
Federated Institutional Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.35	10/3/2016	10/3/2016	691,516,811	0.46	\$691,516,811	\$691,516,811	\$0
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	0.76	8/1/2045	10/6/2016	37,980,000	0.60	\$37,980,000	\$37,980,000	\$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/3/2016		30,000,000	0.69	\$29,998,300	\$29,998,900	\$600
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/21/2016		150,000,000	0.71	\$149,938,750	\$149,953,625	\$14,875

See notes at end of table.

INVENTORY OF HOLDINGS FOR SEPTEMBER 2016

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
HSBC Bank USA, N.A., Feb 02, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.09	2/2/2017	10/3/2016	100,000,000	1.11	\$100,000,000	\$100,015,000	\$15,000
J.P. Morgan Securities LLC, Dec 02, 2016	VARIABLE RATE COMMERCIAL PAPER	0.99	12/2/2016	10/3/2016	75,000,000	1.00	\$75,000,000	\$75,044,550	\$44,550
J.P. Morgan Securities LLC, Feb 24, 2017	VARIABLE RATE COMMERCIAL PAPER	1.15	2/24/2017	11/25/2016	40,000,000	1.16	\$40,000,000	\$40,000,000	\$0
JPMorgan Chase Bank, N.A., Nov 04, 2016	VARIABLE RATE BANK NOTE	0.99	11/7/2016	11/7/2016	15,000,000	1.00	\$15,000,000	\$15,003,090	\$3,090
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		10/4/2016		56,236,000	0.47	\$56,233,126	\$56,229,908	-\$3,218
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		10/5/2016		75,008,000	0.47	\$75,003,208	\$74,997,791	-\$5,417
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		10/20/2016		50,000,000	0.61	\$49,983,333	\$49,985,417	\$2,083
Metropolitan Washington, DC Airports Authority, (Series 2011A-2), 10/01/2021	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.74	10/1/2021	10/6/2016	11,960,000	0.87	\$11,960,000	\$11,960,000	\$0
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		10/4/2016		100,000,000	0.42	\$99,995,444	\$99,996,111	\$667
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	0.50	10/3/2016		15,000,000	0.51	\$15,000,000	\$15,000,000	\$0
Montgomery County, OH, (Cambridge Commons Apartments), (Series 2006A), 05/01/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.70	5/1/2038	10/6/2016	7,920,000	0.84	7,920,000	7,920,000	\$0
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		10/14/2016		100,000,000	0.58	99,977,639	99,979,933	\$2,294
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		10/20/2016		50,000,000	0.72	49,980,278	49,985,056	\$4,778
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		12/5/2016		100,000,000	0.72	\$99,869,833	\$99,870,383	\$550
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		10/11/2016		45,000,000	0.73	\$44,990,100	\$44,988,175	-\$1,925
New York State Local Government Assistance Corp., (Subordinate Series 2008B-3V), 04/01/2024	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.78	4/1/2024	10/5/2016	24,120,000	0.59	\$24,120,000	\$24,120,000	\$0
Oglethorpe Power Corp. Scherer Project, (Oglethorpe Power Corp.), (Series 2009B), 01/01/2036	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.75	1/1/2036	10/5/2016	26,600,000	0.59	\$26,600,000	\$26,600,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2017		35,000,000	1.22	\$34,833,400	\$34,852,440	\$19,040
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/23/2017		25,000,000	1.23	\$24,778,333	\$24,748,224	-\$30,110
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/14/2017		44,100,000	1.28	\$43,660,531	\$43,610,608	-\$49,924
Old Line Funding, LLC, Feb 07, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.09	2/7/2017	10/7/2016	25,000,000	1.09	\$25,000,000	\$25,013,500	\$13,500
Orthopaedic Hospital of Wisconsin LLC, Series 09-A, Mar 01, 2039	VARIABLE RATE DEMAND NOTE	1.05	3/1/2039	10/6/2016	9,920,000	0.95	\$9,920,000	\$9,920,000	\$0
Royal Bank of Canada, Montreal CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.88	12/8/2016		25,000,000	0.89	\$25,000,000	\$25,008,882	\$8,882
Royal Bank of Canada, Montreal, Feb 02, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.11	2/2/2017	11/2/2016	45,000,000	1.12	\$45,000,000	\$45,039,645	\$39,645
Royal Bank of Canada, Montreal, Oct 03, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.01	10/3/2016	10/3/2016	125,000,000	0.83	\$125,000,000	\$125,004,500	\$4,500

See notes at end of table.

INVENTORY OF HOLDINGS FOR SEPTEMBER 2016

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.93	10/28/2016		50,000,000	0.81	\$50,004,956	\$50,017,539	\$12,583
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.70	10/21/2016		200,000,000	0.71	\$200,000,000	\$200,031,456	\$31,456
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	0.69	11/18/2016		2,000,000	0.70	\$2,000,000	\$2,000,198	\$198
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		11/14/2016		7,500,000	0.70	\$7,493,531	\$7,494,469	\$938
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		11/15/2016		50,000,000	0.71	\$49,955,278	\$49,961,859	\$6,581
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/4/2016		40,000,000	0.97	\$39,963,056	\$39,976,783	\$13,728
State Street Bank and Trust Co., Dec 13, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.88	12/13/2016	10/13/2016	25,000,000	0.89	\$25,000,000	\$25,009,300	\$9,300
State Street Bank and Trust Co., Jan 11, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.98	1/11/2017	10/11/2016	50,000,000	0.98	\$50,000,000	\$50,021,600	\$21,600
State Street Bank and Trust Co., Jan 25, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	1.08	1/25/2017	10/25/2016	100,000,000	1.09	\$100,000,000	\$100,061,600	\$61,600
State Street Bank and Trust Co., Nov 10, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.88	11/10/2016	10/11/2016	50,000,000	0.89	\$50,000,000	\$50,018,500	\$18,500
Svenska Handelsbanken, Stockholm CP4-2	COMMERCIAL PAPER - 4-2		11/18/2016		25,000,000	0.87	\$24,971,076	\$24,980,706	\$9,630
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/20/2017		25,000,000	1.33	\$24,735,486	\$24,709,238	-\$26,248
Thunder Bay Funding, LLC, Feb 22, 2017	VARIABLE RATE COMMER- CIAL PAPER-ABS-4(2)	1.14	2/22/2017	10/24/2016	75,000,000	1.16	\$75,000,000	\$75,041,475	\$41,475
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	1.00	11/10/2016		15,000,000	1.01	\$15,000,000	\$15,008,150	\$8,150
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	1.25	7/24/2017		20,000,000	1.27	\$20,000,000	\$19,988,534	-\$11,466
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT -YANKEE	1.40	9/8/2017		40,000,000	1.42	\$40,000,000	\$40,019,886	\$19,886
Toronto Dominion Bank, Apr 19, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	1.04	4/19/2017	10/19/2016	25,000,000	1.06	\$25,000,000	\$24,982,825	-\$17,175
Toronto Dominion Bank, Aug 10, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	1.38	8/10/2017	11/10/2016	25,000,000	1.33	\$25,000,000	\$25,015,050	\$15,050
Toronto Dominion Bank, Mar 14, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	1.21	3/14/2017	12/14/2016	50,000,000	1.22	\$50,000,000	\$50,028,550	\$28,550
Toronto Dominion Bank, May 04, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.77	5/4/2017	11/4/2016	25,000,000	0.78	\$25,000,000	\$24,965,220	-\$34,780
Toronto Dominion Bank, Nov 04, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.88	11/4/2016	10/4/2016	10,000,000	0.89	\$10,000,000	\$10,003,430	\$3,430
Toronto Dominion Bank, Oct 16, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	1.38	10/16/2017	10/17/2016	25,000,000	1.04	\$25,000,000	\$25,002,875	\$2,875
Toronto Dominion Bank, Oct 17, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	1.13	10/17/2016	10/17/2016	30,000,000	0.94	\$30,000,000	\$30,006,990	\$6,990
Toronto Dominion Bank, Sep 06, 2017	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	1.34	9/6/2017	12/6/2016	15,000,000	1.35	\$15,000,000	\$15,000,000	\$0

See notes at end of table.

INVENTORY OF HOLDINGS FOR SEPTEMBER 2016

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toyota Motor Credit Corp., Oct 07, 2016	VARIABLE MEDIUM TERM NOTE	1.07	10/7/2016	10/7/2016	50,000,000	0.87	\$50,000,000	\$50,001,450	\$1,450
Washington State Economic Development Finance Authority, (CleanScapes, Inc.), (Series 2009), 02/12/2019	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.69	2/12/2019	10/5/2016	26,450,000	0.59	\$26,450,000	\$26,450,000	\$0
Wells Fargo Bank, N.A., Nov 18, 2016	VARIABLE RATE BANK NOTE	1.03	11/18/2016	11/18/2016	100,000,000	1.04	\$100,000,000	\$100,003,700	\$3,700
Wells Fargo Bank, N.A., Nov 21, 2016	VARIABLE MEDIUM TERM NOTE	1.06	11/21/2016	11/21/2016	50,000,000	1.06	\$50,000,000	\$50,001,350	\$1,350
Westpac Banking Corp. Ltd, Series YCD, 02/06/2017	CORPORATE BOND	1.15	2/6/2017	11/7/2016	180,500,000	1.13	\$180,526,271	\$180,664,977	\$138,706
<i>Total Value of Investment</i>					7,043,360,811		7,038,489,357	7,039,532,820	\$1,043,463

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.

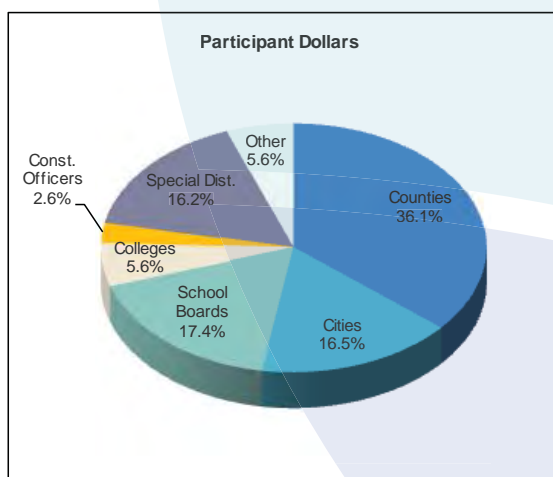
Florida PRIME™ Will Continue to be a Stable Net Asset Value (NAV) Pool

In December 2015, the Governmental Accounting Standards Board (GASB) released Statement No. 79 addressing how certain state and local government external investment pools and participants in external investment pools may measure and report their investments in response to changes contained in the U.S. Securities and Exchange Commission's (SEC) money market reform. Statement No. 79 allows qualifying pools the option of continuing to measure and report their investments at amortized cost.

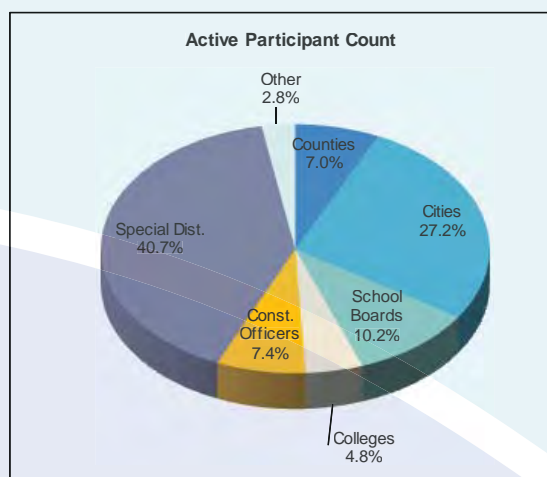
After reaching out to Florida PRIME participants and a judicious review of Florida PRIME procedures by the Participant Local Government Advisory Council (PLGAC), it was determined that it is best for Florida PRIME to continue to serve its participants by reporting investments at amortized cost and to continue using a stable net-asset-value (NAV) "penny round" versus converting to a "basis point round" or floating NAV.

PARTICIPANT CONCENTRATION DATA - AS OF SEPTEMBER 2016

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	100.0%	100.0%	Colleges & Universities	5.6%	4.8%
Top 10	38.7%	1.3%	Top 10	5.1%	1.3%
\$100 million or more	51.0%	2.4%	\$100 million or more	2.6%	0.1%
\$10 million up to \$100 million	39.5%	12.7%	\$10 million up to \$100 million	2.3%	0.8%
\$1 million up to \$10 million	8.6%	20.9%	\$1 million up to \$10 million	0.7%	1.6%
Under \$1 million	0.9%	64.1%	Under \$1 million	0.03%	2.2%
Counties	36.1%	7.0%	Constitutional Officers	2.6%	7.4%
Top 10	29.8%	1.3%	Top 10	0.9%	1.3%
\$100 million or more	28.7%	1.2%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	7.0%	1.7%	\$10 million up to \$100 million	1.7%	0.7%
\$1 million up to \$10 million	0.4%	1.1%	\$1 million up to \$10 million	0.8%	2.2%
Under \$1 million	0.1%	3.0%	Under \$1 million	0.1%	4.5%
Municipalities	16.5%	27.2%	Special Districts	16.2%	40.7%
Top 10	8.4%	1.3%	Top 10	10.8%	1.3%
\$100 million or more	2.9%	0.3%	\$100 million or more	5.3%	0.3%
\$10 million up to \$100 million	10.5%	3.7%	\$10 million up to \$100 million	8.3%	2.5%
\$1 million up to \$10 million	2.8%	7.0%	\$1 million up to \$10 million	2.2%	5.7%
Under \$1 million	0.3%	16.2%	Under \$1 million	0.4%	32.2%
School Boards	17.4%	10.2%	Other	5.6%	2.8%
Top 10	13.8%	1.3%	Top 10	4.9%	1.3%
\$100 million or more	10.1%	0.4%	\$100 million or more	1.5%	0.1%
\$10 million up to \$100 million	6.2%	2.4%	\$10 million up to \$100 million	3.6%	0.9%
\$1 million up to \$10 million	1.1%	2.2%	\$1 million up to \$10 million	0.5%	1.1%
Under \$1 million	0.1%	5.2%	Under \$1 million	0.0%	0.7%



Total Fund Value: \$7,015,873,868



Total Active Participant Count: 757

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

COMPLIANCE WITH INVESTMENT POLICY FOR SEPTEMBER 2016

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

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

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

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

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

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

TRADING ACTIVITY FOR SEPTEMBER 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<i>Buys</i>								
ASB FINANCE LTD/LONDON	04/12/17	09/13/16	09/15/16	25,000,000	25,000,000	0	25,000,000	0
ANGLESEA FUNDING LLC/PABS4	09/27/16	09/26/16	09/26/16	50,000,000	49,999,389	0	49,999,389	0
ANGLESEA FUNDING LLC/PABS4	09/29/16	09/28/16	09/28/16	40,200,000	40,199,509	0	40,199,509	0
ANGLESEA FUNDING LLC/PABS4	10/03/16	09/29/16	09/29/16	21,000,000	20,998,600	0	20,998,600	0
ANGLESEA FUNDING LLC/PABS4	10/03/16	09/30/16	09/30/16	50,000,000	49,997,917	0	49,997,917	0
ANGLESEA FUNDING LLC/PABS4	10/03/16	09/30/16	09/30/16	18,000,000	17,999,250	0	17,999,250	0
ANGLESEA FUNDING LLC/PABS4	03/14/17	09/13/16	09/13/16	50,000,000	49,671,389	0	49,671,389	0
ANGLESEA FUNDING LLC/PABS4	03/14/17	09/13/16	09/13/16	20,000,000	19,868,556	0	19,868,556	0
ANGLESEA FUNDING LLC/PABS4	03/16/17	09/16/16	09/16/16	50,000,000	49,673,194	0	49,673,194	0
ANGLESEA FUNDING LLC/PABS4	03/16/17	09/16/16	09/16/16	50,000,000	49,673,194	0	49,673,194	0
ANGLESEA FUNDING LLC/PABS4	04/06/17	09/28/16	09/28/16	50,000,000	49,670,139	0	49,670,139	0
ANTALIS S,A, CPABS4/CPABS4	09/08/16	09/01/16	09/01/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/08/16	09/01/16	09/01/16	11,660,000	11,658,980	0	11,658,980	0
ANTALIS S,A, CPABS4/CPABS4	09/13/16	09/06/16	09/06/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/13/16	09/06/16	09/06/16	13,770,000	13,768,795	0	13,768,795	0
ANTALIS S,A, CPABS4/CPABS4	09/15/16	09/08/16	09/08/16	15,000,000	14,998,688	0	14,998,688	0
ANTALIS S,A, CPABS4/CPABS4	09/15/16	09/08/16	09/08/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/20/16	09/13/16	09/13/16	35,980,000	35,976,852	0	35,976,852	0
ANTALIS S,A, CPABS4/CPABS4	09/20/16	09/13/16	09/13/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/20/16	09/13/16	09/13/16	17,400,000	17,398,478	0	17,398,478	0
ANTALIS S,A, CPABS4/CPABS4	09/22/16	09/15/16	09/15/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/22/16	09/15/16	09/15/16	20,640,000	20,638,194	0	20,638,194	0
ANTALIS S,A, CPABS4/CPABS4	09/27/16	09/20/16	09/20/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/27/16	09/20/16	09/20/16	18,790,000	18,788,356	0	18,788,356	0
ANTALIS S,A, CPABS4/CPABS4	09/27/16	09/20/16	09/20/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/27/16	09/20/16	09/20/16	21,460,000	21,458,122	0	21,458,122	0
ANTALIS S,A, CPABS4/CPABS4	09/29/16	09/22/16	09/22/16	38,330,000	38,326,646	0	38,326,646	0
ANTALIS S,A, CPABS4/CPABS4	09/29/16	09/22/16	09/22/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/30/16	09/23/16	09/23/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	09/30/16	09/23/16	09/23/16	15,000,000	14,998,688	0	14,998,688	0
ANTALIS S,A, CPABS4/CPABS4	09/30/16	09/23/16	09/23/16	18,690,000	18,688,365	0	18,688,365	0
ANTALIS S,A, CPABS4/CPABS4	10/04/16	09/27/16	09/27/16	18,810,000	18,808,354	0	18,808,354	0
ANTALIS S,A, CPABS4/CPABS4	10/06/16	09/29/16	09/29/16	49,370,000	49,365,680	0	49,365,680	0
ANTALIS S,A, CPABS4/CPABS4	10/06/16	09/29/16	09/29/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	10/07/16	09/30/16	09/30/16	50,000,000	49,995,625	0	49,995,625	0
ANTALIS S,A, CPABS4/CPABS4	10/07/16	09/30/16	09/30/16	25,000,000	24,997,813	0	24,997,813	0
ANTALIS S,A, CPABS4/CPABS4	10/07/16	09/30/16	09/30/16	20,000,000	19,998,250	0	19,998,250	0
ANTALIS S,A, CPABS4/CPABS4	11/04/16	09/30/16	09/30/16	43,910,000	43,882,251	0	43,882,251	0
ANTALIS S,A, CPABS4/CPABS4	11/29/16	09/30/16	09/30/16	13,760,000	13,740,507	0	13,740,507	0
ATLANTIC ASSET SECUC/PABS4	09/08/16	09/07/16	09/07/16	50,000,000	49,999,417	0	49,999,417	0
ATLANTIC ASSET SECUC/PABS4	09/08/16	09/07/16	09/07/16	50,000,000	49,999,417	0	49,999,417	0
ATLANTIC ASSET SECUC/PABS4	09/08/16	09/07/16	09/07/16	50,000,000	49,999,417	0	49,999,417	0
ATLANTIC ASSET SECUC/PABS4	09/14/16	09/08/16	09/08/16	50,000,000	49,996,333	0	49,996,333	0
ATLANTIC ASSET SECUC/PABS4	10/05/16	09/28/16	09/28/16	50,000,000	49,995,917	0	49,995,917	0

TRADING ACTIVITY FOR SEPTEMBER 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	10/05/16	09/28/16	09/28/16	25,000,000	24,997,958	0	24,997,958	0
ATLANTIC ASSET SECUCPABS4	10/05/16	09/28/16	09/28/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACDYAN	10/05/16	09/21/16	09/21/16	50,000,000	50,000,000	0	50,000,000	0
BNP PARIBAS SACDYAN	10/05/16	09/21/16	09/21/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIA/HOUSTON	03/28/17	09/28/16	09/28/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIA/HOUSTON	03/28/17	09/28/16	09/28/16	25,000,000	25,000,000	0	25,000,000	0
BANK OF NOVA SCOTIACDYAN	06/27/17	09/30/16	09/30/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIACDYAN	06/27/17	09/30/16	09/30/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	12/13/16	09/16/16	09/16/16	7,500,000	7,500,548	563	7,501,110	0
BANK OF MONTREAL (CCDYAN	09/19/17	09/19/16	09/19/16	20,000,000	20,000,000	0	20,000,000	0
BANK OF MONTREAL (CCDYAN	09/29/17	09/29/16	09/29/16	25,000,000	25,000,000	0	25,000,000	0
BANK OF TOKYO-MITSUCDYAN	09/16/16	09/09/16	09/09/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	09/16/16	09/09/16	09/09/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	11/15/16	09/16/16	09/16/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	11/15/16	09/16/16	09/16/16	35,000,000	35,000,000	0	35,000,000	0
BANK OF TOKYO-MITSUCDYAN	10/03/16	09/22/16	09/22/16	40,000,000	40,000,000	0	40,000,000	0
BANK OF TOKYO-MITSUCDYAN	10/03/16	09/22/16	09/22/16	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCPCABS4-	09/27/16	09/26/16	09/26/16	13,000,000	12,999,852	0	12,999,852	0
BEDFORD ROW FUNDINGCPABS4	03/27/17	09/28/16	09/28/16	4,000,000	3,976,000	0	3,976,000	0
BNP PARIBAS SACP4-2	09/13/16	09/06/16	09/06/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/13/16	09/06/16	09/06/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/13/16	09/06/16	09/06/16	45,000,000	44,996,325	0	44,996,325	0
BNP PARIBAS SACP4-2	09/13/16	09/06/16	09/06/16	50,000,000	49,995,917	0	49,995,917	0
BNP PARIBAS SACP4-2	09/20/16	09/13/16	09/13/16	50,000,000	49,995,819	0	49,995,819	0
BNP PARIBAS SACP4-2	09/20/16	09/13/16	09/13/16	50,000,000	49,995,819	0	49,995,819	0
BNP PARIBAS SACP4-2	09/20/16	09/13/16	09/13/16	50,000,000	49,995,819	0	49,995,819	0
BNP PARIBAS SACP4-2	09/20/16	09/13/16	09/13/16	50,000,000	49,995,819	0	49,995,819	0
BNP PARIBAS SACP4-2	09/20/16	09/13/16	09/13/16	50,000,000	49,995,819	0	49,995,819	0
BNP PARIBAS SACP4-2	09/27/16	09/20/16	09/20/16	50,000,000	49,995,819	0	49,995,819	0
BNP PARIBAS SACP4-2	10/04/16	09/20/16	09/20/16	50,000,000	49,991,250	0	49,991,250	0
BNP PARIBAS SACP4-2	10/04/16	09/20/16	09/20/16	50,000,000	49,991,250	0	49,991,250	0
BNP PARIBAS SACP4-2	10/04/16	09/20/16	09/20/16	50,000,000	49,991,250	0	49,991,250	0
BNP PARIBAS SACP4-2	10/04/16	09/20/16	09/20/16	50,000,000	49,991,250	0	49,991,250	0
BNP PARIBAS SACP4-2	10/04/16	09/27/16	09/27/16	50,000,000	49,996,111	0	49,996,111	0
BNP PARIBAS SA/NEW YORK NY	09/15/16	09/14/16	09/14/16	50,000,000	49,999,444	0	49,999,444	0
BNP PARIBAS SA/NEW YORK NY	09/15/16	09/14/16	09/14/16	50,000,000	49,999,444	0	49,999,444	0
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY	09/01/44	09/27/16	10/04/16	10,000,000	10,000,000	7,363	10,007,363	0
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY	09/01/44	09/29/16	10/06/16	20,000,000	20,000,000	15,869	20,015,869	0
COOPERATIEVE RABOBANK UA/NY	09/13/16	09/12/16	09/12/16	5,000,000	4,999,946	0	4,999,946	0
COOPERATIEVE RABOBANK UA/NY	09/23/16	09/22/16	09/22/16	28,400,000	28,399,692	0	28,399,692	0
CREDIT AGRICOLE CORCP	09/08/16	09/07/16	09/07/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/08/16	09/07/16	09/07/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/08/16	09/07/16	09/07/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/08/16	09/07/16	09/07/16	30,000,000	29,999,658	0	29,999,658	0

TRADING ACTIVITY FOR SEPTEMBER 2016

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CREDIT AGRICOLE CORCP	09/09/16	09/08/16	09/08/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/09/16	09/08/16	09/08/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/09/16	09/08/16	09/08/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/09/16	09/08/16	09/08/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/09/16	09/08/16	09/08/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/09/16	09/08/16	09/08/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/13/16	09/12/16	09/12/16	35,200,000	35,199,599	0	35,199,599	0
CREDIT AGRICOLE CORCP	09/13/16	09/12/16	09/12/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/20/16	09/19/16	09/19/16	30,500,000	30,499,653	0	30,499,653	0
CREDIT AGRICOLE CORCP	09/20/16	09/19/16	09/19/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/27/16	09/26/16	09/26/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/29/16	09/28/16	09/28/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT AGRICOLE CORCP	09/29/16	09/28/16	09/28/16	50,000,000	49,999,431	0	49,999,431	0
CREDIT INDUSTRIEL ECDYAN	09/20/16	09/13/16	09/13/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/20/16	09/13/16	09/13/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/20/16	09/13/16	09/13/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/20/16	09/13/16	09/13/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/23/16	09/16/16	09/16/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/23/16	09/16/16	09/16/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/27/16	09/20/16	09/20/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/27/16	09/20/16	09/20/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/27/16	09/20/16	09/20/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/27/16	09/20/16	09/20/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT SUISSE, ZURICP	12/09/16	09/01/16	09/01/16	10,000,000	9,973,325	0	9,973,325	0
DZ BANK AG DEUTSCHECDYAN	10/14/16	09/20/16	09/20/16	50,000,000	50,005,946	133,000	50,138,946	0
DZ BANK AG DEUTSCHECDYAN	11/18/16	09/16/16	09/16/16	29,000,000	29,002,504	20,300	29,022,804	0
DZ BANK AG DEUTSCHECDYAN	12/16/16	09/15/16	09/16/16	25,000,000	25,000,000	0	25,000,000	0
DZ BANK AG DEUTSCHECDYAN	12/16/16	09/15/16	09/16/16	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECDYAN	04/06/17	09/29/16	09/30/16	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECDYAN	04/06/17	09/29/16	09/30/16	35,000,000	35,000,000	0	35,000,000	0
KAISER FOUNDATION HCP	09/28/16	09/01/16	09/01/16	50,000,000	49,979,750	0	49,979,750	0
KAISER FOUNDATION HCP	09/28/16	09/01/16	09/01/16	3,000,000	2,998,785	0	2,998,785	0
KAISER FOUNDATION HCP	10/04/16	09/27/16	09/27/16	50,000,000	49,995,528	0	49,995,528	0
KAISER FOUNDATION HCP	10/04/16	09/27/16	09/27/16	6,236,000	6,235,442	0	6,235,442	0
KAISER FOUNDATION HCP	10/05/16	09/28/16	09/28/16	50,000,000	49,995,528	0	49,995,528	0
KAISER FOUNDATION HCP	10/05/16	09/28/16	09/28/16	25,008,000	25,005,763	0	25,005,763	0
LMA-AMERICAS LLCPCABS4-2	09/13/16	09/12/16	09/12/16	8,600,000	8,599,893	0	8,599,893	0
LMA-AMERICAS LLCPCABS4-2	09/22/16	09/15/16	09/15/16	20,000,000	19,998,211	0	19,998,211	0
LMA-AMERICAS LLCPCABS4-2	09/28/16	09/27/16	09/27/16	50,000,000	49,999,347	0	49,999,347	0
LMA-AMERICAS LLCPCABS4-2	09/28/16	09/27/16	09/27/16	29,411,000	29,410,616	0	29,410,616	0
LMA-AMERICAS LLCPCABS4-2	09/30/16	09/29/16	09/29/16	35,000,000	34,999,563	0	34,999,563	0
LMA-AMERICAS LLCPCABS4-2	09/30/16	09/29/16	09/29/16	50,000,000	49,999,375	0	49,999,375	0
LMA-AMERICAS LLCPCABS4-2	10/20/16	09/20/16	09/21/16	50,000,000	49,975,833	0	49,975,833	0
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY	10/01/21	09/27/16	09/27/16	11,960,000	11,960,000	6,000	11,966,000	0
MIZUHO BANK LTD,CP	09/13/16	09/06/16	09/06/16	50,000,000	49,996,014	0	49,996,014	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO BANK LTD,CP	09/13/16	09/06/16	09/06/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	09/13/16	09/06/16	09/06/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD/NY	09/20/16	09/13/16	09/13/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD/NY	09/20/16	09/13/16	09/13/16	30,000,000	29,997,608	0	29,997,608	0
MIZUHO BANK LTD/NY	09/20/16	09/13/16	09/13/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD/NY	09/20/16	09/13/16	09/13/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	10/04/16	09/27/16	09/27/16	50,000,000	49,996,014	0	49,996,014	0
MIZUHO BANK LTD,CP	10/04/16	09/27/16	09/27/16	50,000,000	49,996,014	0	49,996,014	0
COUNTY OF MONTGOMERY OH	05/01/38	09/27/16	09/27/16	7,920,000	7,920,000	4,060	7,924,060	0
NRW,BANKCP	10/14/16	09/19/16	09/20/16	50,000,000	49,980,833	0	49,980,833	0
NRW,BANKCP	10/14/16	09/19/16	09/20/16	50,000,000	49,980,833	0	49,980,833	0
NRW,BANKCP	12/05/16	09/28/16	09/29/16	50,000,000	49,933,931	0	49,933,931	0
NRW,BANKCP	12/05/16	09/28/16	09/29/16	50,000,000	49,933,931	0	49,933,931	0
NOVARTIS FINANCE COCP4-2	09/13/16	09/12/16	09/12/16	6,000,000	5,999,940	0	5,999,940	0
SOCIETE GENERALE, PCP4-2	09/19/16	09/12/16	09/12/16	50,000,000	49,995,819	0	49,995,819	0
SOCIETE GENERALE, PCP4-2	09/19/16	09/12/16	09/12/16	50,000,000	49,995,819	0	49,995,819	0
SOCIETE GENERALE, PCP4-2	09/21/16	09/20/16	09/20/16	50,000,000	49,999,431	0	49,999,431	0
SOCIETE GENERALE, PCP4-2	09/28/16	09/27/16	09/27/16	50,000,000	49,999,444	0	49,999,444	0
SOCIETE GENERALE, PCP4-2	09/28/16	09/27/16	09/27/16	50,000,000	49,999,444	0	49,999,444	0
SOCIETE GENERALE, PCDIAN	09/14/16	09/07/16	09/07/16	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE, PCDIAN	09/14/16	09/07/16	09/07/16	25,000,000	25,000,000	0	25,000,000	0
STANDARD CHARTERED CP4-2	11/14/16	09/15/16	09/15/16	7,500,000	7,491,375	0	7,491,375	0
STANDARD CHARTERED CP4-2	11/15/16	09/16/16	09/16/16	50,000,000	49,941,667	0	49,941,667	0
STANDARD CHARTERED CDIAN	11/18/16	09/19/16	09/19/16	2,000,000	2,000,000	0	2,000,000	0
THUNDER BAY FUNDINGCP4-2	09/30/16	09/29/16	09/29/16	50,000,000	49,999,375	0	49,999,375	0
THUNDER BAY FUNDINGCP4-2	09/30/16	09/29/16	09/29/16	49,873,000	49,872,377	0	49,872,377	0
TORONTO-DOMINION BANK/NY	09/06/17	09/01/16	09/06/16	15,000,000	15,000,000	0	15,000,000	0
TORONTO DOMINION BACDIAN	09/08/17	09/08/16	09/08/16	40,000,000	40,000,000	0	40,000,000	0
TORONTO-DOMINION BANK/NY	10/16/17	09/15/16	09/16/16	25,000,000	25,000,000	0	25,000,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/01/16	09/01/16	6,884,038	6,884,038	0	6,884,038	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/02/16	09/02/16	179,811	179,811	0	179,811	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/08/16	09/08/16	3,145,692	3,145,692	0	3,145,692	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/13/16	09/13/16	6,241,033	6,241,033	0	6,241,033	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/15/16	09/15/16	3,841,859	3,841,859	0	3,841,859	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/19/16	09/19/16	3,750,373	3,750,373	0	3,750,373	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/23/16	09/23/16	1,713,976	1,713,976	0	1,713,976	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/27/16	09/27/16	84,723	84,723	0	84,723	0
MIZUHO TRIPARTY	09/06/16	09/01/16	09/01/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/06/16	09/01/16	09/01/16	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	09/07/16	09/06/16	09/06/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/07/16	09/06/16	09/06/16	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	09/08/16	09/07/16	09/07/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/08/16	09/07/16	09/07/16	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	09/09/16	09/08/16	09/08/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/09/16	09/08/16	09/08/16	245,000,000	245,000,000	0	245,000,000	0
MIZUHO TRIPARTY	09/12/16	09/09/16	09/09/16	15,000,000	15,000,000	0	15,000,000	0

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BANK OF AMERICA TRIPARTY	09/12/16	09/09/16	09/09/16	590,000,000	590,000,000	0	590,000,000	0
BANK OF AMERICA TRIPARTY	09/13/16	09/12/16	09/12/16	370,000,000	370,000,000	0	370,000,000	0
MIZUHO TRIPARTY	09/13/16	09/12/16	09/12/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	09/14/16	09/13/16	09/13/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/14/16	09/13/16	09/13/16	55,000,000	55,000,000	0	55,000,000	0
MIZUHO TRIPARTY	09/15/16	09/14/16	09/14/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/15/16	09/14/16	09/14/16	200,000,000	200,000,000	0	200,000,000	0
BANK OF AMERICA TRIPARTY	09/16/16	09/15/16	09/15/16	395,000,000	395,000,000	0	395,000,000	0
MIZUHO TRIPARTY	09/16/16	09/15/16	09/15/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	09/19/16	09/16/16	09/16/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/19/16	09/16/16	09/16/16	140,000,000	140,000,000	0	140,000,000	0
MIZUHO TRIPARTY	09/20/16	09/19/16	09/19/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/20/16	09/19/16	09/19/16	280,000,000	280,000,000	0	280,000,000	0
MIZUHO TRIPARTY	09/21/16	09/20/16	09/20/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/21/16	09/20/16	09/20/16	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	09/22/16	09/21/16	09/21/16	500,000,000	500,000,000	0	500,000,000	0
MIZUHO TRIPARTY	09/22/16	09/21/16	09/21/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	09/23/16	09/22/16	09/22/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/23/16	09/22/16	09/22/16	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	09/26/16	09/23/16	09/23/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/26/16	09/23/16	09/23/16	412,000,000	412,000,000	0	412,000,000	0
MIZUHO TRIPARTY	09/27/16	09/26/16	09/26/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/27/16	09/26/16	09/26/16	412,000,000	412,000,000	0	412,000,000	0
MIZUHO TRIPARTY	09/28/16	09/27/16	09/27/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/28/16	09/27/16	09/27/16	492,000,000	492,000,000	0	492,000,000	0
MIZUHO TRIPARTY	09/29/16	09/28/16	09/28/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/29/16	09/28/16	09/28/16	269,000,000	269,000,000	0	269,000,000	0
MIZUHO TRIPARTY	09/30/16	09/29/16	09/29/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/30/16	09/29/16	09/29/16	95,000,000	95,000,000	0	95,000,000	0
MIZUHO TRIPARTY	10/03/16	09/30/16	09/30/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/03/16	09/30/16	09/30/16	65,000,000	65,000,000	0	65,000,000	0
Total Buys				12,577,719,504	12,575,653,222	187,154	12,575,840,376	0
Deposits								
SVENSKA HANDELSBANKTDCAY 0.4 20160906	09/06/16	09/01/16	09/01/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160907	09/07/16	09/06/16	09/06/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160908	09/08/16	09/07/16	09/07/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160921	09/21/16	09/20/16	09/20/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160923	09/23/16	09/22/16	09/22/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160926	09/26/16	09/23/16	09/23/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160927	09/27/16	09/26/16	09/26/16	200,000,000	200,000,000	0	200,000,000	0

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SVENSKA HANDELSBANKTDCAY 0.4 20160928	09/28/16	09/27/16	09/27/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160929	09/29/16	09/28/16	09/28/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160930	09/30/16	09/29/16	09/29/16	100,000,000	100,000,000	0	100,000,000	0
Total Deposits				1,750,000,000	1,750,000,000	0	1,750,000,000	0
<i>Maturities</i>								
ANGLESEA FUNDING LLC PABS4	09/27/16	09/27/16	09/27/16	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC PABS4	09/29/16	09/29/16	09/29/16	40,200,000	40,200,000	0	40,200,000	0
ANTALIS S,A, CPABS4CPABS4	09/01/16	09/01/16	09/01/16	61,600,000	61,600,000	0	61,600,000	0
ANTALIS S,A, CPABS4CPABS4	09/06/16	09/06/16	09/06/16	45,000,000	45,000,000	0	45,000,000	0
ANTALIS S,A, CPABS4CPABS4	09/08/16	09/08/16	09/08/16	61,660,000	61,660,000	0	61,660,000	0
ANTALIS S,A, CPABS4CPABS4	09/13/16	09/13/16	09/13/16	63,770,000	63,770,000	0	63,770,000	0
ANTALIS S,A, CPABS4CPABS4	09/15/16	09/15/16	09/15/16	65,000,000	65,000,000	0	65,000,000	0
ANTALIS S,A, CPABS4CPABS4	09/20/16	09/20/16	09/20/16	103,380,000	103,380,000	0	103,380,000	0
ANTALIS S,A, CPABS4CPABS4	09/22/16	09/22/16	09/22/16	70,640,000	70,640,000	0	70,640,000	0
ANTALIS S,A, CPABS4CPABS4	09/27/16	09/27/16	09/27/16	140,250,000	140,250,000	0	140,250,000	0
ANTALIS S,A, CPABS4CPABS4	09/29/16	09/29/16	09/29/16	88,330,000	88,330,000	0	88,330,000	0
ANTALIS S,A, CPABS4CPABS4	09/30/16	09/30/16	09/30/16	83,690,000	83,690,000	0	83,690,000	0
ATLANTIC ASSET SECUCPABS4	09/08/16	09/08/16	09/08/16	150,000,000	150,000,000	0	150,000,000	0
ATLANTIC ASSET SECUCPABS4	09/14/16	09/14/16	09/14/16	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCP	09/19/16	09/19/16	09/19/16	150,000,000	150,000,000	0	150,000,000	0
BANK OF NOVA SCOTIACDYAN	09/21/16	09/21/16	09/21/16	100,000,000	100,000,000	0	100,000,000	0
BANK OF TOKYO-MITSUCDYAN	09/16/16	09/16/16	09/16/16	100,000,000	100,000,000	0	100,000,000	0
BARTON CAPITAL LLC PABS4-	09/27/16	09/27/16	09/27/16	13,000,000	13,000,000	0	13,000,000	0
BEDFORD ROW FUNDING CPABS4	09/23/16	09/23/16	09/23/16	25,000,000	25,000,000	0	25,000,000	0
BEDFORD ROW FUNDING CORP	09/01/16	09/01/16	09/01/16	25,000,000	25,000,000	0	25,000,000	0
BNP PARIBAS SACP4-2	09/06/16	09/06/16	09/06/16	210,000,000	210,000,000	0	210,000,000	0
BNP PARIBAS SACP4-2	09/13/16	09/13/16	09/13/16	195,000,000	195,000,000	0	195,000,000	0
BNP PARIBAS SACP4-2	09/14/16	09/14/16	09/14/16	100,000,000	100,000,000	0	100,000,000	0
BNP PARIBAS SACP4-2	09/20/16	09/20/16	09/20/16	250,000,000	250,000,000	0	250,000,000	0
BNP PARIBAS SACP4-2	09/27/16	09/27/16	09/27/16	50,000,000	50,000,000	0	50,000,000	0
BNP PARIBAS SA/NEW YORK NY	09/15/16	09/15/16	09/15/16	100,000,000	100,000,000	0	100,000,000	0
CANADIAN IMPERIAL BCDYAN	09/20/16	09/20/16	09/20/16	150,000,000	150,000,000	0	150,000,000	0
MIZUHO BANK LTD,CDEUR	09/26/16	09/26/16	09/26/16	75,000,000	75,000,000	0	75,000,000	0
MIZUHO BANK LTD,CDEUR	09/30/16	09/30/16	09/30/16	100,000,000	100,000,000	0	100,000,000	0
COOPERATIEVE RABOBANK UA/NY	09/13/16	09/13/16	09/13/16	5,000,000	5,000,000	0	5,000,000	0
COOPERATIEVE RABOBANK UA/NY	09/23/16	09/23/16	09/23/16	28,400,000	28,400,000	0	28,400,000	0
CREDIT AGRICOLE CORCP	09/08/16	09/08/16	09/08/16	180,000,000	180,000,000	0	180,000,000	0
CREDIT AGRICOLE CORCP	09/09/16	09/09/16	09/09/16	300,000,000	300,000,000	0	300,000,000	0
CREDIT AGRICOLE CORCP	09/13/16	09/13/16	09/13/16	85,200,000	85,200,000	0	85,200,000	0
CREDIT AGRICOLE CORCP	09/20/16	09/20/16	09/20/16	80,500,000	80,500,000	0	80,500,000	0
CREDIT AGRICOLE CORCP	09/27/16	09/27/16	09/27/16	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCP	09/29/16	09/29/16	09/29/16	100,000,000	100,000,000	0	100,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/20/16	09/20/16	09/20/16	200,000,000	200,000,000	0	200,000,000	0

TRADING ACTIVITY FOR SEPTEMBER 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT INDUSTRIEL ECDYAN	09/23/16	09/23/16	09/23/16	100,000,000	100,000,000	0	100,000,000	0
CREDIT INDUSTRIEL ECDYAN	09/27/16	09/27/16	09/27/16	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE, ZURICDYAN	09/06/16	09/06/16	09/06/16	25,000,000	25,000,000	0	25,000,000	0
CREDIT SUISSE, ZURICP	09/23/16	09/23/16	09/23/16	85,000,000	85,000,000	0	85,000,000	0
DNB NOR BANK ASACDYAN	09/07/16	09/07/16	09/07/16	175,000,000	175,000,000	0	175,000,000	0
GOTHAM FUNDING CORPCPAB54	09/09/16	09/09/16	09/09/16	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCPAB54	09/19/16	09/19/16	09/19/16	10,000,000	10,000,000	0	10,000,000	0
GOTHAM FUNDING CORPCPAB54	09/20/16	09/20/16	09/20/16	60,000,000	60,000,000	0	60,000,000	0
KAISER FOUNDATION HCP	09/01/16	09/01/16	09/01/16	75,010,000	75,010,000	0	75,010,000	0
KAISER FOUNDATION HCP	09/28/16	09/28/16	09/28/16	53,000,000	53,000,000	0	53,000,000	0
LMA-AMERICAS LLCPCAB54-2	09/01/16	09/01/16	09/01/16	75,700,000	75,700,000	0	75,700,000	0
LMA-AMERICAS LLCPCAB54-2	09/13/16	09/13/16	09/13/16	8,600,000	8,600,000	0	8,600,000	0
LMA-AMERICAS LLCPCAB54-2	09/22/16	09/22/16	09/22/16	54,000,000	54,000,000	0	54,000,000	0
LMA-AMERICAS LLCPCAB54-2	09/28/16	09/28/16	09/28/16	79,411,000	79,411,000	0	79,411,000	0
LMA-AMERICAS LLCPCAB54-2	09/30/16	09/30/16	09/30/16	85,000,000	85,000,000	0	85,000,000	0
MIZUHO BANK LTD,CDYAN	09/01/16	09/01/16	09/01/16	14,500,000	14,500,000	0	14,500,000	0
MIZUHO BANK LTD,CP	09/06/16	09/06/16	09/06/16	150,000,000	150,000,000	0	150,000,000	0
MIZUHO BANK LTD,CP	09/13/16	09/13/16	09/13/16	150,000,000	150,000,000	0	150,000,000	0
MIZUHO BANK LTD/NY	09/20/16	09/20/16	09/20/16	180,000,000	180,000,000	0	180,000,000	0
NOVARTIS FINANCE COCP4-2	09/13/16	09/13/16	09/13/16	6,000,000	6,000,000	0	6,000,000	0
SOCIETE GENERALE, PCP4-2	09/19/16	09/19/16	09/19/16	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCP4-2	09/21/16	09/21/16	09/21/16	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE, PCP4-2	09/28/16	09/28/16	09/28/16	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCDYAN	09/14/16	09/14/16	09/14/16	75,000,000	75,000,000	0	75,000,000	0
STANDARD CHARTERED CP4-2	09/16/16	09/16/16	09/16/16	15,500,000	15,500,000	0	15,500,000	0
STANDARD CHARTERED CDYAN	09/16/16	09/16/16	09/16/16	25,000,000	25,000,000	0	25,000,000	0
STANDARD CHARTERED CDYAN	09/23/16	09/23/16	09/23/16	50,000,000	50,000,000	0	50,000,000	0
STARBIRD FUNDING CORP	09/07/16	09/07/16	09/07/16	100,000,000	100,000,000	0	100,000,000	0
STARBIRD FUNDING CORP	09/08/16	09/08/16	09/08/16	45,000,000	45,000,000	0	45,000,000	0
SVENSKA HANDELSBANKCP4-2	09/14/16	09/14/16	09/14/16	50,000,000	50,000,000	0	50,000,000	0
THUNDER BAY FUNDINGCP4-2	09/30/16	09/30/16	09/30/16	99,873,000	99,873,000	0	99,873,000	0
TORONTO-DOMINION BANK/THE	09/09/16	09/09/16	09/09/16	34,000,000	34,000,000	0	34,000,000	0
WELLS FARGO BANK NA	09/15/16	09/15/16	09/15/16	100,000,000	100,000,000	0	100,000,000	0
WESTPAC BANKING CORCP4-2	09/16/16	09/16/16	09/16/16	100,000,000	100,000,000	0	100,000,000	0
MIZUHO TRIPARTY	09/01/16	09/01/16	09/01/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/01/16	09/01/16	09/01/16	280,000,000	280,000,000	0	280,000,000	0
MIZUHO TRIPARTY	09/06/16	09/06/16	09/06/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/06/16	09/06/16	09/06/16	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	09/07/16	09/07/16	09/07/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/07/16	09/07/16	09/07/16	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	09/08/16	09/08/16	09/08/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/08/16	09/08/16	09/08/16	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	09/09/16	09/09/16	09/09/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/09/16	09/09/16	09/09/16	245,000,000	245,000,000	0	245,000,000	0
MIZUHO TRIPARTY	09/12/16	09/12/16	09/12/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/12/16	09/12/16	09/12/16	590,000,000	590,000,000	0	590,000,000	0

TRADING ACTIVITY FOR SEPTEMBER 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	09/13/16	09/13/16	09/13/16	370,000,000	370,000,000	0	370,000,000	0
MIZUHO TRIPARTY	09/13/16	09/13/16	09/13/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	09/14/16	09/14/16	09/14/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/14/16	09/14/16	09/14/16	55,000,000	55,000,000	0	55,000,000	0
MIZUHO TRIPARTY	09/15/16	09/15/16	09/15/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/15/16	09/15/16	09/15/16	200,000,000	200,000,000	0	200,000,000	0
BANK OF AMERICA TRIPARTY	09/16/16	09/16/16	09/16/16	395,000,000	395,000,000	0	395,000,000	0
MIZUHO TRIPARTY	09/16/16	09/16/16	09/16/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	09/19/16	09/19/16	09/19/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/19/16	09/19/16	09/19/16	140,000,000	140,000,000	0	140,000,000	0
MIZUHO TRIPARTY	09/20/16	09/20/16	09/20/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/20/16	09/20/16	09/20/16	280,000,000	280,000,000	0	280,000,000	0
MIZUHO TRIPARTY	09/21/16	09/21/16	09/21/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/21/16	09/21/16	09/21/16	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	09/22/16	09/22/16	09/22/16	500,000,000	500,000,000	0	500,000,000	0
MIZUHO TRIPARTY	09/22/16	09/22/16	09/22/16	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	09/23/16	09/23/16	09/23/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/23/16	09/23/16	09/23/16	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	09/26/16	09/26/16	09/26/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/26/16	09/26/16	09/26/16	412,000,000	412,000,000	0	412,000,000	0
MIZUHO TRIPARTY	09/27/16	09/27/16	09/27/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/27/16	09/27/16	09/27/16	412,000,000	412,000,000	0	412,000,000	0
MIZUHO TRIPARTY	09/28/16	09/28/16	09/28/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/28/16	09/28/16	09/28/16	492,000,000	492,000,000	0	492,000,000	0
MIZUHO TRIPARTY	09/29/16	09/29/16	09/29/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/29/16	09/29/16	09/29/16	269,000,000	269,000,000	0	269,000,000	0
MIZUHO TRIPARTY	09/30/16	09/30/16	09/30/16	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	09/30/16	09/30/16	09/30/16	95,000,000	95,000,000	0	95,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160906	09/06/16	09/06/16	09/06/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160907	09/07/16	09/07/16	09/07/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160908	09/08/16	09/08/16	09/08/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160921	09/21/16	09/21/16	09/21/16	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160923	09/23/16	09/23/16	09/23/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160926	09/26/16	09/26/16	09/26/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160927	09/27/16	09/27/16	09/27/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160928	09/28/16	09/28/16	09/28/16	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160929	09/29/16	09/29/16	09/29/16	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 0.4 20160930	09/30/16	09/30/16	09/30/16	100,000,000	100,000,000	0	100,000,000	0
Total Maturities				14,426,214,000	14,426,214,000	0	14,426,214,000	0

TRADING ACTIVITY FOR SEPTEMBER 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<i>Sells</i>								
ANTALIS S,A, CPABS4CPABS4	09/02/16	09/01/16	09/01/16	50,000,000	49,999,417	0	49,999,417	181
ANTALIS S,A, CPABS4CPABS4	09/02/16	09/01/16	09/01/16	30,000,000	29,999,650	0	29,999,650	108
DZ BANK AG DEUTSCHECDYAN	10/03/16	09/29/16	09/30/16	50,000,000	50,001,411	156,250	50,157,661	1,411
DZ BANK AG DEUTSCHECDYAN	10/03/16	09/29/16	09/30/16	10,000,000	10,000,282	31,250	10,031,532	282
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/06/16	09/06/16	2,491,535	2,491,535	0	2,491,535	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/06/16	09/06/16	19,600	19,600	0	19,600	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/06/16	09/06/16	3,834,669	3,834,669	0	3,834,669	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/06/16	09/06/16	1,257,230	1,257,230	0	1,257,230	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/07/16	09/07/16	2,092,389	2,092,389	0	2,092,389	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/09/16	09/09/16	4,572,281	4,572,281	0	4,572,281	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/12/16	09/12/16	837,120	837,120	0	837,120	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/12/16	09/12/16	219,368	219,368	0	219,368	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/12/16	09/12/16	179,811	179,811	0	179,811	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/12/16	09/12/16	3,145,692	3,145,692	0	3,145,692	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/14/16	09/14/16	169,689	169,689	0	169,689	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/16/16	09/16/16	4,477,641	4,477,641	0	4,477,641	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/20/16	09/20/16	1,593,703	1,593,703	0	1,593,703	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/20/16	09/20/16	2,852,055	2,852,055	0	2,852,055	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/21/16	09/21/16	1,544,068	1,544,068	0	1,544,068	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/22/16	09/22/16	2,406	2,406	0	2,406	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/26/16	09/26/16	66,854	66,854	0	66,854	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/28/16	09/28/16	920,543	920,543	0	920,543	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/28/16	09/28/16	2,206,305	2,206,305	0	2,206,305	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/28/16	09/28/16	1,713,976	1,713,976	0	1,713,976	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	09/28/16	09/28/16	84,723	84,723	0	84,723	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(19,286,629)	0	0	(19,286,629)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(20,835)	0	0	(20,835)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(21,727)	0	0	(21,727)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(26,714)	0	0	(26,714)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(29,928)	0	0	(29,928)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(37,879)	0	0	(37,879)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(35,549)	0	0	(35,549)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(39,268)	0	0	(39,268)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(40,252)	0	0	(40,252)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(42,067)	0	0	(42,067)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(45,982)	0	0	(45,982)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(44,246)	0	0	(44,246)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(51,727)	0	0	(51,727)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(51,253)	0	0	(51,253)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(44,143)	0	0	(44,143)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(35,229)	0	0	(35,229)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(26,826)	0	0	(26,826)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(20,891)	0	0	(20,891)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(18,229)	0	0	(18,229)	0

TRADING ACTIVITY FOR SEPTEMBER 2016

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(21,879)	0	0	(21,879)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(29,093)	0	0	(29,093)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	(29,652)	0	0	(29,652)	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	29,652	29,652	0	29,652	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	29,093	29,093	0	29,093	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	21,879	21,879	0	21,879	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	18,229	18,229	0	18,229	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	20,891	20,891	0	20,891	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	26,826	26,826	0	26,826	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	35,229	35,229	0	35,229	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	44,143	44,143	0	44,143	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	51,253	51,253	0	51,253	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	51,727	51,727	0	51,727	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	44,246	44,246	0	44,246	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	45,982	45,982	0	45,982	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	42,067	42,067	0	42,067	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	40,252	40,252	0	40,252	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	39,268	39,268	0	39,268	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	35,549	35,549	0	35,549	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	37,879	37,879	0	37,879	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	29,928	29,928	0	29,928	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	26,714	26,714	0	26,714	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	21,727	21,727	0	21,727	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	20,835	20,835	0	20,835	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	08/25/16	08/25/16	19,286,629	19,286,629	0	19,286,629	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	09/01/16	09/01/16	12,000,000	12,000,000	0	12,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	09/13/16	09/13/16	20,000,000	20,000,000	0	20,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	09/30/16	09/30/16	24,208	24,208	0	24,208	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	09/30/16	09/30/16	28,550	28,550	0	28,550	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	09/30/16	09/30/16	35,604	35,604	0	35,604	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	09/30/16	09/30/16	37,437	37,437	0	37,437	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	09/30/16	09/30/16	15,074,201	15,074,201	0	15,074,201	0
Total Sells				221,481,659	241,482,419	187,500	221,669,919	1,982



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Our Mission

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

Federated

**MINUTES
INVESTMENT ADVISORY COUNCIL
September 19, 2016**

A meeting of the Investment Advisory Council (IAC) was held on Monday, September 19, 2016, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida. The attached transcript of the September 19, 2016 meeting is hereby incorporated into these minutes by this reference.

Members Present: Michael Price, Chair
Peter Collins, Vice Chair
Chuck Cobb
Les Daniels
Bobby Jones
Vinny Olmstead

SBA Employees: Ash Williams, Executive Director/CIO
Lamar Taylor
John Benton
Alison Romano
Tim Taylor
Katy Wojciechowski
Steve Spook
John Bradley
Trent Webster
Joan Haseman
Michael McCauley

Consultants: Kristen Doyle, Aon Hewitt
Jamie Eckert, Mercer
Michael DeRenzo, Mercer
David Helgersen, Hamilton Lane
Nayef Perry, Hamilton Lane
Dan Rosenberger, Hamilton Lane

WELCOME/CALL TO ORDER/APPROVAL OF MINUTES

Mr. Michael Price, Chair, called the meeting to order at 1:26 P.M. He asked for a motion to approve the minutes from the June 8, 2016 IAC meeting. Mr. Peter Collins made a motion to approve the minutes; the motion was seconded. The minutes were approved.

OPENING REMARKS/REPORTS

Mr. Ash Williams, Executive Director/Chief Investment Officer, provided a brief summary on the performance of Florida PRIME, and he reported on the Audit Committee's activities, including re-adoption of their charter. Mr. Williams also noted a recent statutory change relating to companies that might choose to boycott or otherwise economically harm Israel and informed the council that the Investment Policy Statement (IPS) (located behind Tab 7) has been updated to reflect that change, pending approval by the Investment Advisory Council and the Trustees.

FLORIDA GROWTH FUND UPDATE

Mr. David Helgersen, Hamilton Lane, provided a brief history of the Florida Growth Fund, explaining that it was started in 2009 to make private investments in Florida through fund investments and direct co-investments in companies having a Florida nexus. Mr. Helgersen, Mr. Nayef Perry, Hamilton Lane, and Mr. Williams answered questions from IAC members on the history of the fund and the two investment types. Mr. Helgersen also presented details on capital allocation.

Mr. Nayef Perry discussed the Credit Tranche, Florida Growth Funds I and II, cash flow, liquidity, and the fund footprint. Questions from IAC members were asked and answered.

GLOBAL EQUITY ASSET CLASS REVIEW

Ms. Alison Romano, Senior Investment Officer – Global Equity, provided a detailed presentation on the asset class discussing investment objectives, policy parameters, the target benchmark, structural considerations, and investment philosophy and goals drive structure. There was a brief discussion on the SBA's currency program

Mr. Tim Taylor, Senior Investment Officer – Global Equity, discussed the current investment structure as well as the structure over time, the active management structure, and the benchmark relative structure. He presented the key findings of Mercer's Global Equity structure review.

Ms. Romano and Mr. Taylor reported on asset class performance and provided details on their investment process. They concluded the presentation with a discussion of asset class accomplishments, key elements of their work plan, and recommendations from the Mercer structure review.

Ms. Romano, Mr. Taylor and Ms. Kristen Doyle, Aon Hewitt, answered questions from IAC members.

FIXED INCOME ASSET CLASS REVIEW

Ms. Katy Wojciechowski, Senior Investment Officer – Fixed Income, discussed investment objectives, the benchmark, the policy target weight, and the structure and characteristics of Fixed Income allocation. She provided performance details and discussed the asset class investment process. Ms. Wojciechowski detailed accomplishments during the fiscal year and discussed recommendations from Mercer's Fixed Income structure review. Questions were asked and answered.

SIO UPDATES, DC PROGRAMS CHIEF OFFICER UPDATE, INVESTMENT PROGRAMS & GOVERNANCE OFFICER UPDATE

The Senior Investment Officers of Real Estate and Strategic Investments & Private Equity provided an update on the performance of their respective asset classes over the last quarter and trailing time periods and discussed general market conditions. Questions from IAC members were asked and answered.

Ms. Joan Haseman, Senior Defined Contribution Programs Officer, provided a snapshot of the FRS Investment Plan assets, number of members, average account balance, average age, average years of service, number of retirees and distributions. She also discussed the FRS Investment Plan structure by asset class, provided an update on the Financial Guidance Program and spoke about the purchase of annuities. Ms. Haseman answered questions about the Investment Plan.

Mr. Michael McCauley, Senior Officer – Investment Programs & Governance, discussed highlights from his Quarterly Standing Report memo (located behind Tab 2). He also discussed global proxy voting, the U.S. proxy season, shareowner proposals and activist investing. Mr. McCauley noted that several shareowner proposals have not been implemented.

MAJOR MANDATE PERFORMANCE REVIEW

Ms. Kristen Doyle provided an overview of the SBA's major mandates and their performance, including presentations on the Pension Plan, the Investment Plan, the Florida Hurricane Catastrophe Fund, the Lawton Chiles Endowment Fund and Florida PRIME. There was a brief discussion on hedging. Investment Advisory Council members asked several questions which were answered by Ms. Doyle and Mr. Williams.

PROPOSED CHANGE TO FRS PENSION PLAN INVESTMENT POLICY STATEMENT

Mr. Williams described two proposed changes to the FRS Pension Plan Investment Policy Statement: a revision to the Private Equity benchmark (changing it to the joint Cambridge Associates Global Private Equity and Venture Capital Index pooled return at peer group weights) and changes in SBA corporate governance monitoring and reporting related to divestiture of companies that choose to boycott Israel. There was a motion to adopt the changes to the IPS; the motion was seconded. The changes were approved.

AUDIENCE COMMENTS/DECEMBER MEETING DATE/CLOSING REMARKS/ADJOURN

Mr. Price reported on the recommendations from the IAC Compensation Subcommittee which had met via conference call on September 7, 2016. He explained that the members of the subcommittee had anonymously evaluated the Executive Director/CIO and that Mr. Williams had received the highest rating.

Mr. Williams informed the IAC members that he had recently spoken to Mr. Gary Wendt to address his concerns and to provide current information, and he reported that Mr. Wendt was 100 percent supportive of the subcommittee's action. Mr. Price asked for a motion to accept the recommendation of the IAC Compensation Subcommittee that Mr. Williams receive the highest grade for individual qualitative and quantitative performance. Mr. Les Daniels made a motion to approve the recommendation; Mr. Collins seconded the motion. The recommendation was approved.

There were no comments or questions from the audience. The meeting was adjourned at 4:35 P.M.



Michael Price, Chair



Date

STATE BOARD OF ADMINISTRATION OF FLORIDA

MEETING OF THE
INVESTMENT ADVISORY COUNCIL

DATE: September 19, 2016

TIME: Commenced 1:26 p.m.
Concluded at 4:35 p.m.

LOCATION: 1801 Hermitage Boulevard
Tallahassee, Florida

REPORTED BY: MARY ALLEN NEEL, RPR, FPR
Notary Public, State
of Florida at Large

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

IAC MEMBERS PRESENT:

MICHAEL PRICE, Chair
CHUCK COBB
PETER COLLINS
LES DANIELS
BOBBY JONES
VINNY OLMSTEAD

STATE BOARD OF ADMINISTRATION:

ASH WILLIAMS, SBA Executive Director
JOHN BRADLEY
JOAN HASEMAN
MICHAEL McCAULEY
ALISON ROMANO
STEVE SPOOK
LAMAR TAYLOR
TIM TAYLOR
TRENT WEBSTER
KATY WOJCIECHOWSKI

CONSULTANTS:

KRISTEN DOYLE, Aon Hewitt
JAMIE ECKERT, Mercer
DAVID HELGERSON, Hamilton Lane
NAYEF PERRY, Hamilton Lane

ACCURATE STENOGRAPHY REPORTERS, INC.

P R O C E E D I N G S

MR. PRICE: I would like to call the meeting to order. Thanks for waiting. We had a little storm in New York, so we were a little bit delayed.

Have you approved the minutes?

MR. WILLIAMS: No.

MR. PRICE: Could I have a motion to approve the minutes?

MR. COLLINS: Move.

MR. PRICE: Second?

UNIDENTIFIED SPEAKER: Second.

MR. PRICE: All in favor?

(Simultaneous affirmative responses.)

MR. PRICE: Ash, would you take the floor and give us some comments, please?

MR. WILLIAMS: Thank you, Mr. Chairman. There's not a great deal to report.

The first thing I wanted to say is that Florida PRIME's net asset value grew a little over 11 percent over the fiscal year 2016, and it's about -- just about \$800 million above what it was a year ago. I think that's important to mention, because I think it reflects several things, not only the obvious good performance and value proposition of Florida PRIME, but I think it also

represents a re-earning of trust in the marketplace. And I think that's a tribute to our team that has worked on it and to Federated as well, who has actually managed the money. So thank you for that.

I would also note that regarding Florida PRIME, since the law was changed in 2008 requiring an annual independent review for compliance with best practice and also an annual independent review for compliance with all relevant statutes and regulations, that for every single subsequent period, Florida PRIME has been in bounds on both of those important metrics.

Similar to that line of comment, I wanted to say that the Audit Committee met on August 22, readopted their charter, reviewed a number of in-process audits, and heard reports from our internal audit staff and our compliance team. All the audit work is on time. There's very little in the way of outstanding inventory, and everything is going, I think, very, very effectively in terms of the productivity and the transparency of the dialogue between the Audit Committee membership, management of the board, and our outside audit service providers.

1 Governance, corporate governance. We had a
2 statutory change this session -- two actually, one
3 relating to companies that might choose to boycott
4 or otherwise economically harm Israel. And we have
5 worked, and we have an updated investment policy
6 statement in our book today reflecting that change,
7 and we've changed our processes to accommodate that
8 mandate, so we'll cover that later.

9 And we have two, I think, interesting deeper
10 dives today, Florida Growth Fund and also our
11 liquid market asset classes, global equity and
12 fixed income.

13 So with that, Mr. Chair --

14 MR. PRICE: Thank you, Ash.

15 Florida Growth Fund, which is behind Tab 3 in
16 the book, is run by Hamilton Lane, and I see three
17 Hamilton Lane representatives, or people who
18 purport to be Hamilton Lane representatives. So I
19 would like, if one of you could just tell us about
20 Hamilton Lane briefly and then start to run through
21 some of the investments. And anybody, please ask
22 questions as they are presenting. Thank you.

23 MR. HELGERSON: Well, thank you, Mr. Chairman.
24 Ash, Lamar, thank you guys for hosting us here, and
25 we're really pleased to be here today to present

1 and provide an overview of the Florida Growth Fund.

2 My name is David Helgersen. I'm a managing
3 director at Hamilton Lane. And I'm joined by my
4 colleagues, Nayef Perry, who really leads the
5 day-to-day oversight of the Florida Growth Fund and
6 manages our Florida office, as well as Dan
7 Rosenberger, who is our newest member of the
8 Florida Growth Fund team and recently moved down to
9 Florida from our Philadelphia office.

10 Just to provide a quick overview, I think most
11 are familiar with the Florida Growth Fund, but we
12 were started in 2009 to make private investments
13 throughout the State of Florida and do that through
14 two primary pillars, fund investments and direct
15 investments in companies via co-investments. And
16 we will kind of talk through that in a little bit
17 more detail today to provide an overview.

18 But first I wanted to point out that there are
19 really three key pillars to what we think has been
20 a successful start to the program and continuance
21 of the program, and that has been our team on the
22 ground in Florida led by Nayef, and second, our
23 integration with our larger Hamilton Lane platform.

24 We provide some stats down here. You can see
25 kind of some of the size and scale numbers of that

1 platform, but we have a global reach, a large
2 investment team over 80 individuals to help with
3 the underwriting and the processing of investments,
4 as well as a pretty broad network to help source
5 investments.

6 But finally, the third and probably the most
7 important leg to the stool in terms of the Florida
8 Growth Fund is our partnership with the SBA, and
9 that's the staff, all the way through the
10 leadership, Lamar and Ash. And we've been able to
11 work through portfolio questions, investments, some
12 deal sourcing support that the team has provided,
13 and we really attribute that to where we are today.

14 In the presentation we're going to go through
15 three basic areas. One is to update you on the
16 progress of the fund, how much we've invested to
17 date. I'm pleased to report that we're on track.
18 We've committed about 500 million in capital, but
19 we'll break that out in more detail.

20 Second, we'll talk about performance numbers,
21 as well as liquidity. This is going to be, we
22 think, a record year for liquidity and
23 distributions back to the SBA.

24 And then finally, we'll talk about the health
25 of the portfolio, the strength and diversity of

1 what we have in the fund today. So without further
2 ado, if we can move to page 3, it will provide us a
3 bit of a snapshot of the fund and its growth and
4 the resources that have grown with the team today.
5 We now have four individuals staffed in the Florida
6 office. You can see some details of when we broke
7 the J-curve for each of the tranches of our
8 capital.

9 MR. PRICE: Can I ask a question? Is the
10 Florida office exclusively for this investment
11 plan?

12 MR. HELGERSON: Yes, it is.

13 MR. PRICE: So you're not flowing any
14 investments from Hamilton Lane to other Hamilton
15 Lane clients?

16 MR. HELGERSON: That's right. And anything
17 we -- any investments that we find that are in
18 Florida goes to the Florida Growth Fund first,
19 first and foremost, as an opportunity.

20 MR. JONES: And, Dan, are you based here at
21 Hermitage, or are you based somewhere else?

22 MR. ROSENBERGER: I'm based out of our
23 Fort Lauderdale office.

24 MR. HELGERSON: So you can see a few of the
25 initial liquidity events that we have. The Triad

1 is our first exit in 2012, and first credit
2 realization in 2015.

3 Moving on to page 4, it just provides a
4 summary of the capital allocated to the Florida
5 Growth Fund over our life span to date. Our first
6 tranche started in 2009, which was a \$250 million
7 tranche that has been fully committed. We made
8 nine investments in funds and 17 equity
9 co-investments.

10 MR. PRICE: When you say co-investments, can
11 you describe just what a co-investment is to the
12 fund?

13 MR. HELGERSON: Certainly. So in an equity
14 co-investment, we will source an opportunity
15 alongside another general partner who is a private
16 equity manager who is evaluating an investment in a
17 company. That may come -- we may find the
18 opportunity first and bring it to a manager, or a
19 manager may find the opportunity and bring us in.
20 These could be managers that we've partnered with
21 through the fund investing that we've done in
22 Florida Growth Fund, or it could be from the larger
23 Hamilton Lane or SBA network. And we will invest
24 on the same terms pari passu right alongside those
25 managers with no extra fees, so we're getting an

1 investment directly into Florida with a good
2 manager directly alongside that.

3 MR. PRICE: So has Hamilton Lane notified
4 other private equity shops that when you see things
5 in Florida, please call us, and we'll take a piece?

6 MR. HELGERSON: Absolutely.

7 MR. PRICE: And then you get them.

8 MR. HELGERSON: Right. In fact, what we do,
9 one of the things we do is track every single deal
10 that our managers pull from our extensive group of
11 client base, and every investment that's made in a
12 Florida company, we flag. We evaluate whether it
13 could be an opportunity, and if we think it's a
14 good opportunity for the Florida Growth Fund, we'll
15 make a call and see if we can put some additional
16 capital in on behalf of the fund.

17 MR. PRICE: And what are the governance
18 provisions if, for instance, you take 20 percent
19 and Apollo takes 80 percent of a Florida situation?

20 MR. HELGERSON: It really varies on a
21 deal-by-deal situation. There are many situations
22 where we have a board seat or a board observer
23 seat. In situations where there are larger
24 companies and larger managers, we may not feel the
25 need to take a board observer role. We typically

1 present ourselves as a passive investor alongside
2 the managers. But when there are situations where
3 we think there may be more capital, we have a
4 larger percentage of capital.

5 MR. PRICE: I see. What's your fee structure
6 for this fund? What are you charging?

7 MR. HELGERSON: We are -- well, 1 and 10.

8 MR. PRICE: One and 10. So if Apollo is
9 charging 2 and 20, let's hypothetically say, you're
10 charging us 1 and 10 and Apollo is taking board
11 observer fees?

12 MR. HELGERSON: That's right.

13 MR. PRICE: What happens then?

14 MR. HELGERSON: If there's a board observer
15 fee, that's usually charged to the company, so it's
16 not really impacting us. We will not charge any
17 fees.

18 MR. PRICE: Okay. Thanks.

19 MR. HELGERSON: Sure. So just to kind of go
20 back through --

21 MR. PRICE: I'm sorry. One last question.

22 MR. HELGERSON: You bet. You bet.

23 MR. PRICE: Sorry to bog you down, but you
24 know what's coming. So they bring you a deal;
25 right?

1 MR. HELGERSON: Yes, sir.

2 MR. PRICE: They've done the due diligence.
3 You've got to do the due diligence. You're
4 charging us 1 and 10 whether or not you originate
5 the deal?

6 MR. HELGERSON: Correct.

7 MR. PRICE: That's the deal, with our
8 investment agreement.

9 MR. HELGERSON: That's right. So -- you're
10 right. So you could say that you're getting in
11 half price for a deal that you would be paying 2
12 and 20 on for another manager in a traditional fund
13 structure, but we're paying -- or you're getting
14 charged 1 and 10 to invest through this structure.

15 MR. OLMSTEAD: That's the co-investment side,
16 not the fund side.

17 MR. HELGERSON: That's the co-investment side.
18 The fund investment side, we will also negotiate
19 more attractive terms, but typically for those
20 we're paying, on average, 2 and 20 for those fund
21 investments.

22 MR. JONES: I think Michael is going to star
23 in the next Schwab commercial.

24 MR. COBB: How often are you the largest
25 shareholder?

1 MR. HELGERSON: In a particular company?

2 MR. COBB: Yes. 10 percent of the time, half
3 of the time?

4 MR. HELGERSON: Seldom -- more than less than
5 half. I think it's probably more like -- frankly,
6 I can't think of many that we are the largest
7 shareholder, Florida Growth Fund. Now, most of the
8 deals that we're in are buy-out, controlled
9 transactions, so that's why it's important to go in
10 and be fully aligned with our partner, review the
11 documentation, and make sure that we're tagging
12 along and we get all the rights that we need.

13 For venture or growth minority deals, we may
14 have some different situations there, Ambassador,
15 where we may be the largest shareholder. There's
16 probably a -- you know, 10 percent of the deals
17 that may be in that category where we have the
18 largest amount of shares within that group. But by
19 and large, we prefer to not to be the largest
20 investor in the group.

21 MR. OLMSTEAD: David, a quick question.
22 Percentagewise, fund versus co-investment, what
23 percentage are you, and what's your philosophy on
24 that? We're going to get to it later, but --

25 MR. PERRY: We can get into that later if you

1 want in the presentation, but if you want to jump
2 to page 9 very quickly, if you look at Florida
3 Growth Fund I, you can see -- in the top left-hand
4 corner, you can see the breakdown between --
5 partnerships would be fund investments, and then
6 co-investments would be the credit co-investments
7 of 6 percent plus the 47 percent of equity
8 co-investments.

9 MR. COLLINS: Mr. Chairman, when this was
10 originally founded, was there any emphasis on the
11 size of the companies, or it was just any
12 Florida -- it just had to be Florida based?

13 MR. PRICE: Well, I know there are other
14 members in the room that have history here. Ash?

15 MR. WILLIAMS: Let me see if I can answer
16 that. When this fund was launched originally, we
17 did it in June of 2009. That was -- if you
18 remember, we were very much still in the rut of the
19 great financial crisis. And while a lot of
20 legislative discussion around it had been on
21 emphasizing venture capital, early safe venture,
22 et cetera, two concerns, or one concern and one
23 opportunity dominated our thinking at the time.

24 The concern was, given that venture capital
25 broadly, and early venture specifically, even when

1 everything is going well, because of the way the
2 J-curve works and the high failure rate in that
3 more expectational realm of equity investing, our
4 concern was, if we in fact did a portfolio that was
5 primarily early venture and venture, three to four
6 years down the road, a lot of that capital would be
7 gone because of normal failure rates, but that
8 various constituencies of the board, notably the
9 Legislature, who might not understand the nature of
10 that type of investing, would be more inclined to
11 think the fund had been a failure and would be less
12 likely to continue it and more likely to convene
13 some sort of an inquiry as to who failed, who needs
14 to be sued, jailed, et cetera.

15 So rather than go down that path and borrow
16 all that trouble, we made the other key
17 observation, which was, all kinds of good companies
18 are at rock bottom prices right now, let's start
19 off making growth equity investments, put points on
20 the board, as we're comfortable we will. As this
21 recovery that many people thought might never come,
22 but we believed would come, unfolds, those
23 valuations will come up. We'll have success early
24 on in this portfolio, and we can then evolve and do
25 earlier stage investing later on when we've put

1 points on the board and protected our returns.

2 That strategy is exactly what we've done, and
3 it has worked pretty well, because the Florida
4 Growth Fund has never had a down year, and in fact,
5 has cumulative returns that are very attractive.

6 MR. COLLINS: So it wasn't -- so just to go
7 back to my original question, it wasn't -- it was
8 focused solely on Florida-based companies with no
9 determination about the size of the company,
10 meaning -- and I think you took that to mean early
11 stage. I mean, you could be around 10 years and
12 still be small. But it had no basis in the size of
13 the companies; it was just Florida-only companies,
14 Florida domiciled companies.

15 MR. WILLIAMS: Florida only or companies with
16 a significant nexus to Florida. So, for example,
17 one thing that would be a ripe opportunity set
18 would be a company that might be based somewhere
19 else that might consider moving to Florida.

20 MR. COLLINS: So if that's the case -- I'm
21 sorry, Mr. Chairman.

22 MR. PRICE: Please.

23 MR. COLLINS: So if that's the case, first, I
24 think that this is the perfect thing to do with
25 some of the pension fund assets, is to invest in

1 Florida if we've got, you know, good companies and
2 we've got good managers and we can make a good
3 return, which, you know, from my review of the
4 document, all that is true.

5 It seems to me, though, getting along with
6 what the chairman is saying, if there are this many
7 investments and we've put \$400 million to work, I
8 hate the fact -- I hate the thought of just
9 investing in other people's deals. Right? If
10 we're planting a flag in Florida and we've got 4 or
11 \$500 million and we've hired you guys to invest in
12 Florida companies, I hate the idea of you guys
13 just -- and I don't mean this in a bad way, but,
14 you know, calling up 20 funds and saying, "Hey,
15 next time you get a Florida deal, call me and, you
16 know, we'll come in," because then we're not
17 getting the most efficient cost structure, I don't
18 think, that we could. And we could build a bigger
19 organization cheaper. You know, we could give
20 Hamilton Lane more money if Hamilton Lane wasn't,
21 you know, necessarily doing deals with other
22 people, but you were growing homogeneously.

23 So I just wonder if you guys think about that
24 from time to time and how much that comes into play
25 with how you see the future of the Florida Growth

1 Fund.

2 MR. HELGERSON: I'll start. This was a great
3 question. One of the advantages that we see to the
4 program as we've laid it out is that by -- you
5 know, we have a geographic focus. And on the other
6 hand -- and the SBA has been really thoughtful
7 about this. They've tried to open up the
8 opportunity set to be as broad as possible, since
9 we have a geographic focus, and not tie our hands
10 in any way, but to make good investments.

11 And within that kind of context and framework,
12 the co-invest strategy is helpful to us because it
13 opens up the band width pretty broad, where we
14 see -- for example, we see lots of managers coming
15 through that have a particular focus. They're
16 really good at aerospace, they're really good at
17 logistics, they're really good at -- you know,
18 they're IT venture guys.

19 And one of the things that we think works well
20 for this is that we can invest across industries,
21 across sizes, and find deals or co-invest with
22 managers that are doing deals and build a pretty
23 diverse portfolio that may be harder to do if we
24 were the sole GP running every deal.

25 MR. PERRY: I think -- if I might add to that,

1 I think maybe just taking a step back -- and I
2 think Mr. Chairman's question around kind of what
3 is Hamilton Lane, I think if you look at -- maybe
4 we can just flip back to the cover page for a
5 second. But, you know, as a starting point, I
6 think, you know, we -- I think understanding what
7 we are as the Florida Growth Fund and Hamilton Lane
8 is an important part of that answer, which is, you
9 know, if you take a look at who we are, as I
10 understand it, we are one of the if not the largest
11 allocator of capital to the private equity industry
12 globally, and so we've got, you know, north of
13 250 billion of AUM, which is a mix of advisory and
14 discretionary capital.

15 And so why is that important? It's important
16 because when you are a large limited partner to
17 that universe, that creates opportunity for you in
18 the form of co-investment. Other general partners
19 want to get to know you. Other general partners
20 want to do right by you if you're a large LP in
21 their fund. And so we've found that that
22 relationship and the potential for new
23 relationships creates a great market opportunity
24 for us, particularly in Florida.

25 The second thing I'll end on is that, you

1 know, if we were to go out and try and become
2 something we're not, which is, if you look at the
3 average GP in the marketplace that we partner with
4 on these investments, if you look at the Florida
5 Growth Fund portfolio, we've got a very diverse
6 industry portfolio. We've got restaurants and
7 we've got, you know, health care companies.

8 And so within that spectrum, when we're doing
9 a deal in a restaurant business, for example, or
10 we're doing a deal in a medical device company, we
11 want to partner with a general partner who is not
12 only very good in that industry space, but they've
13 got a rich bench of industry executives that they
14 partner with and they can pull from, and that we've
15 got a track record of history with that GP
16 investing in the space and driving successful
17 outcomes. And so when you partner with folks like
18 that, it tends to lead to better results for us.
19 And I think for us to go out and replicate that on
20 our own would be -- it would be a little harder, I
21 think.

22 MR. OLMSTEAD: Mr. Chairman?

23 MR. PRICE: Yes, please, Vinny.

24 MR. OLMSTEAD: A quick question along those
25 lines. I think I'm on the same vein as you, not

1 direct versus indirect, but more along the lines of
2 what you're co-investing versus funds. I don't
3 know if there's any anecdotal or other type of
4 information to show returns with co-investments
5 where you're paying less in fees than fund with
6 regards to higher track records going there.

7 MR. HELGERSON: Well, you can see the
8 performance of our -- our co-investments are
9 outperforming our fund investments. You know, the
10 story hasn't been fully written on that. I think
11 we have really good managers in the portfolio.
12 Obviously, there's a little more fee that goes with
13 the fund investments.

14 Other advantages that you get with the fund
15 investment strategy, we are kind of investing in
16 some long-term talent, talent pool in the state
17 that will be there over the period. We partner
18 with them on deals. So there are some other
19 benefits. We also get some focus, areas of focus
20 that managers that are building a portfolio that we
21 may not want to dive into, you know, biopharma, but
22 these guys may be good biopharma managers, so we
23 like it on the fund level. You know, I think
24 overall, Hamilton Lane has probably outperformed on
25 a direct investment/co-investment basis versus fund

1 investing, because with that diversity effect and
2 fee effect, there's a kind of counterbalancing,
3 sort of diversifying effect on returns as well.
4 And I think we see that a little bit here.

5 But I think, you know, if you look on the next
6 page, on page 5, you can see co-investments are,
7 you know, 14.5, 14.7 percent, and partnerships are
8 12.1 percent. So, you know.

9 MR. PERRY: Gross.

10 MR. HELGERSON: Those are gross numbers;
11 right. So I think the story is not fully written
12 there, but that's where we're performing today.

13 MR. PRICE: Thank you. I have one last point,
14 and then we'll keep it moving. Have you been given
15 a limit on the venture capital type investments in
16 co-investments, or is it up to you? How does the
17 back and forth go?

18 MR. HELGERSON: It's up to us. We can have
19 strategic planning sessions with the SBA staff and
20 talk about where we would like to go and where we
21 think makes sense.

22 MR. PRICE: How often do you have those
23 sessions?

24 MR. HELGERSON: Well, we're talking weekly,
25 but we have quarterly sessions. And we're talking,

1 you know, daily, weekly with the staff.

2 MR. PRICE: Got you. Thank you.

3 MR. COBB: Mr. Chairman, before we leave this
4 subject, because I think this is really a good
5 discussion, first I want to say, I am a great fan
6 of the Florida Growth Fund and how well it has been
7 managed. And I'm going to speak tomorrow at the
8 Florida Economic Club about Florida job creation
9 and economic development, and I'm going to use this
10 as one of the greatest examples, I think, the jobs
11 that have been created, an \$80,000 average. I
12 mean, it's just an incredible success story.

13 But I guess I share the same points as Peter
14 and others have stated, that with this
15 infrastructure of four people, and while I totally
16 support what Ash said the evolution on the early
17 years, to do the easy stuff and not the risky
18 stuff, it seems to me by now -- we're almost to
19 year 10, and I would hope, as just one member of
20 the committee, that maybe 20, 25 percent of our
21 deals would be you as the creator and you as the
22 lead partner and you controlling the deal, and
23 where we would put more money into the deal at
24 better economics.

25 So maybe it's not over half, but it's more

1 than the 10 percent that you're saying now. Is
2 that a reasonable expectation over time? And I
3 guess I would ask the question both to you and to
4 management.

5 MR. HELGERSON: Well, you know, it really
6 comes down to a broader question about all the
7 things we're trying to achieve. If the question is
8 could we do it, you know, could we source deals,
9 you know, I think we could do that.

10 We also are trying to trade off value that the
11 SBA is getting and diversity of, you know,
12 investing again in, you know, health care, medical
13 device, IT, small companies, big companies.
14 There's some real value in this model that we think
15 we're returning back to the SBA and that we're
16 generating from this economic model. I think
17 bringing in -- focusing our resources on finding
18 and executing kind of full cloth transactions would
19 somewhat change how we approach the market and how
20 we approach our resource base a little bit. And so
21 it's something that we would probably need to think
22 about and talk about more with the team here, with
23 the SBA and Ash and Lamar. I think it's an
24 interesting idea to think about as we grow.

25 MR. OLMSTEAD: Ash, I'm sorry. One comment on

1 that. Not to rebut this, but I do the venture
2 capital and private equity stuff. I would get a
3 bit nervous on that front. Being in it, I think
4 the strategy of co-investing, it's not their skill
5 set, to be frank, to do direct investing, and it
6 gives them a much broader view in looking at
7 things.

8 I'm not trying to refute -- I think the key
9 question is how do we optimize the returns. And to
10 me, looking at what you do from a fund perspective
11 versus a co-investment perspective, that allocation
12 is more important than whether you do direct
13 investing versus, you know, co-investing.

14 So perhaps a different lens, getting to the
15 same questions you get, which is how do I -- what
16 opportunity is there, especially in this more
17 adventurous asset class, how do we get better
18 returns. And that's more of a question I would
19 have, is where you're allocating on the fund versus
20 not.

21 MR. PRICE: All right. Thanks.

22 David, would you like to continue?

23 MR. HELGERSON: Sure. I think I was on page
24 4, and I was just walking through the allocations
25 to date. The good news is, we're pretty far along

1 in the life of the Florida Growth Fund I. The
2 first tranche has been committed. The second
3 tranche, all the equity investments have been
4 committed.

5 And one thing to note here is that as the team
6 and the opportunity set of all credit markets
7 evolved, we saw a real opportunity to take a
8 portion of the capital committed for the Florida
9 Growth Fund Tranche II and allocate it to a new
10 credit tranche, which allowed us to also bring in
11 Nayef. This is something that worked hand in hand
12 with the SBA leadership and staff to develop. And
13 we're currently investing that tranche. That's
14 about 40 percent deployed year-to-date. We'll go
15 into some numbers on how that's performing, but we
16 think it's going quite well.

17 In 2014 we opened up Tranche I of Fund II, so
18 that's our third tranche of capital, \$250 million
19 of capital. We have now invested about 20 percent
20 or committed 20 percent of the capital in that
21 fund. And we're on pace in that fund. We kind of
22 have established kind of a target of around
23 \$63 million of investing a year, and we're going to
24 hit that cap this year. So we feel like things are
25 going well. The pipeline is appealing and keeping

1 us very busy.

2 If we move to page 5, I'll just touch on some
3 of the quick performance status of Fund I, and then
4 I'll hand it over to Nayef. On a gross basis,
5 we're at a 14 percent IRR. We're at 11.3 percent
6 net IRR. The Florida Growth Fund has made in
7 total, Fund I, 20 fund investments and 30
8 co-investments, including eight realized
9 investments.

10 And one note here. While our primary
11 objective is to generate attractive returns for the
12 SBA and the pension while investing in Florida, we
13 also do track, with the support and help of OPPAGA,
14 jobs numbers and impact numbers throughout the
15 state where we're investing. And as of March, last
16 year for the OPPAGA report, it will report that we
17 helped create through our investments 14,500 jobs
18 in Florida companies that were averaging at that
19 point \$65,000 per job.

20 MR. PRICE: David, how many of the 50 have
21 been realized?

22 MR. HELGERSON: How many of the total
23 investments have been realized?

24 MR. PRICE: Yes, sir.

25 MR. HELGERSON: Nine, nine realized

1 investments.

2 MR. PRICE: Nine. So there's 41 left?

3 MR. HELGERSON: Yes, yes.

4 MR. PRICE: And it's all based -- the
5 evaluation is based on your marks?

6 MR. HELGERSON: We have a pretty thorough
7 process that sets that up. We do look at what the
8 general partner is marking things. We have an
9 internal committee, an external evaluation agent,
10 and an auditor, and we look at what the general
11 partner who we're co-investing with and usually
12 mark it pretty close to that.

13 MR. PRICE: Thanks.

14 MR. HELGERSON: I guess the one takeaway is
15 that in addition to the 14,000 and 65,000 as of
16 March, as of June of this year, we updated those
17 numbers to be 15,300 jobs in Florida created and
18 \$85,000 of average salary, which would result in
19 every dollar invested generating \$3 of annual
20 salary, so a good ancillary benefit for that stat.

21 And from here, I'll turn it over to Nayef.

22 MR. PERRY: Thank you, Dave. So just looking
23 at page 6, there's a little bit about the Florida
24 credit tranche, but this was actually a
25 \$100 million credit tranche that was born out of

1 Tranche II of Florida Growth Fund I.

2 And, actually, as an aside, Mr. Cobb, this --
3 actually, this vehicle, probably more so than any
4 of the -- you know, any of the components of the
5 Florida Growth Fund, actually has more of an
6 inclination to do direct deals, simply because we
7 have the flexibility to go out and underwrite
8 structure and provide financing to another private
9 equity-backed deal. And so this is probably as
10 close as we are today to leading and doing our own
11 transactions.

12 But a little bit about this fund. So the
13 focus of this fund is really to make 3 to
14 \$15 million size investments to companies that
15 demonstrate some type of Florida nexus. And we're
16 doing that across the capital spectrum, so we're
17 doing everything from first lien through to
18 mezzanine securities, where we can get good price
19 and good risk-adjusted returns. And we're doing
20 that -- we're making those commitments to companies
21 that demonstrate, at a minimum, \$2 million of
22 EBITDA in cash flow.

23 From a portfolio composition perspective, I
24 think we've seen the portfolio come together
25 actually pretty nicely. We've got all

1 sponsor-backed investments as of 3/31. We've got
2 senior lien positions in the majority of our
3 investments; no covenant-free or covenant-light
4 structures in the portfolio. And we've had equity
5 upside or warrants in about four-fifths of the
6 investments that we've made.

7 And then on a year-to-date basis, we've done
8 about seven investments. And as Dave referenced,
9 we're about 40 percent deployed as of today, with
10 two early realizations in the portfolio. So from a
11 return perspective, today we're, on a gross basis,
12 about a 1.25 and a 20 percent IRR and just about 8
13 percent on a net basis today.

14 MR. PRICE: And these are typically secured,
15 pretty short-term, three- to five-year, I would
16 guess?

17 MR. PERRY: Yes. I would say some exceed five
18 years, but typically if we're doing a more junior
19 security, like a mezzanine security, it typically
20 will not be co-terminus with the senior, so you'll
21 typically have about six months to a year of
22 incremental.

23 MR. PRICE: And in Florida, mostly
24 LIBOR-based, or how do you --

25 MR. PERRY: The mix, I don't want to quote off

1 the bat, but we do have a mix of floating and fixed
2 rate.

3 MR. PRICE: What's the largest single loan in
4 that book?

5 MR. PERRY: The largest is 10 million.

6 MR. PRICE: To?

7 MR. PERRY: To a business called Alpha Media.

8 MR. COLLINS: Uh-huh. So along those lines,
9 you've got -- I don't understand the chart down
10 here at the bottom. So you opened up the page by
11 telling the ambassador that this was more -- this
12 might lend itself more to direct?

13 MR. PERRY: Direct from the perspective of --
14 I think the original commentary was, you know, why
15 don't you do your own transactions.

16 MR. COLLINS: Right.

17 MR. PERRY: And so from a loan perspective, if
18 we had a general partner call us and say, "We've
19 got a very interesting opportunity. We're looking
20 at a transaction. Would you guys like to provide
21 junior capital" --

22 MR. COLLINS: That would be direct, in a
23 sense.

24 MR. PERRY: That would be a --

25 MR. COLLINS: Right. But this chart here

1 that's on the page says "co-investments," so you've
2 made five co-investments.

3 MR. PERRY: We're keeping the labeling
4 consistent, but for the most part, all of these
5 investments today, yes, are participations
6 alongside another --

7 MR. COLLINS: So this \$22 million that you
8 invested, of which 10 was your largest, was a
9 co-investment in a credit tranche alongside
10 somebody else?

11 MR. PERRY: Let me backtrack. That 22.6 are
12 across five investments as of 3/31. The largest
13 investment that I referenced, the 10 million, that
14 came after 3/31. So the seven investments that
15 we've had year-to-date, that 10 million is included
16 in that.

17 MR. COLLINS: Okay. But these are, in a
18 sense, even though it says co-investment, they're
19 somewhat direct, because you're the only lender?

20 MR. PERRY: No. In all of these, we are a
21 participant alongside another lender.

22 MR. COLLINS: Are you the lead?

23 MR. PERRY: Not in any of these deals, no.

24 MR. COLLINS: Okay. And so do you have a
25 separate fee structure for the credit side?

1 MR. PERRY: We do. I believe it's 1 and 12,
2 but I would have to check.

3 MR. HELGERSON: No. I think we've kept
4 that -- kept it consistent.

5 MR. COLLINS: And so do you get points? Who
6 gets -- you know, are you getting a share of the
7 points? If you're not leading it and you're a
8 participant, are you sharing in the lead's
9 acquisition points?

10 MR. PERRY: So you're saying in terms of if we
11 structure -- so the typical transaction might look
12 like the following: You typically would come into
13 a deal alongside a sponsor. They might need a
14 mezzanine security. So our first transaction,
15 which was American Safety Council, for example, we
16 came into that transaction in a mezzanine security.
17 In that transaction, I believe we got 2 percent up
18 front, and so that --

19 MR. COLLINS: Points. Points, essentially,
20 200 basis points.

21 MR. PERRY: Yes. Those go right -- those are
22 economics that flow back to the SBA as a return.

23 MR. HELGERSON: So we're negotiating the terms
24 of every deal for ourselves, for the SBA, for this
25 investment.

1 MR. COLLINS: So every time you make a loan,
2 you're negotiating with somebody here about how
3 much --

4 MR. HELGERSON: No, no, no. We're negotiating
5 the potential -- the investment structure, the
6 terms, the fees, making sure that we're coming in
7 at a level that is priced correctly for the
8 investment, for the loan.

9 MR. COLLINS: But you're doing that
10 independent of the SBA?

11 MR. HELGERSON: Correct, correct.

12 MR. PERRY: Right, right, right.

13 MR. COLLINS: Okay. So you come in, and
14 you're participating. And going back to the other
15 question, somebody's question, what percentage of
16 the -- does it -- overall are you taking of the
17 available credit tranche that there is for the
18 company? The \$10 million deal -- the largest one
19 that you did was 10 million. How big was the
20 overall position?

21 MR. PERRY: So our position -- I'll give you
22 more on a percentage basis, because it's going to
23 be a better relative number. But they range -- for
24 example, in the American Safety Council transaction
25 that I referenced, we were 25 percent of the total

1 mezzanine.

2 MR. COLLINS: So it was a \$40 million deal?

3 MR. PERRY: No. In that one, we made a
4 \$6 million commitment to that investment.

5 MR. COLLINS: I thought that was the 10. I'm
6 sorry.

7 MR. PERRY: It was a \$16 million mezzanine
8 slice. We took 4 million, so we were 25 percent of
9 that. And then we put an incremental 2 million
10 alongside the equity to -- you know, we believed it
11 had a very strong equity, and it has continued to
12 play out very nicely. It's actually one of our
13 best performing credit investments to date. But
14 that investment, you know, 6 million total, and
15 we're 25 percent.

16 On a more recent investment we did, I think
17 our fifth investment in the portfolio, we purchased
18 alongside -- we provided some debt as well as some
19 equity into a structure to purchase a chain of
20 Auntie Anne's franchises. And so in that security,
21 we were 40 percent of the debt.

22 MR. COLLINS: Did you say Auntie Anne's?

23 MR. PERRY: Auntie Anne's, correct, the
24 pretzels.

25 MR. COLLINS: Yeah.

1 MR. PRICE: Thank you. Do you want to
2 continue?

3 MR. PERRY: Sure. So if you turn the page to
4 page 7 here -- I'm sorry. To page 11. I'm sorry.

5 The Florida Growth Fund II, in December of
6 2014, the SBA had approved the first tranche of
7 Florida Growth Fund II, which constituted about
8 250 million of capital. And, you know, early days
9 on this investment, but a couple of highlights I
10 would mention. As of 3/31, we invested or
11 committed in seven different opportunities totaling
12 52 million of capital. Secondly, you know, Florida
13 Growth Fund II actually broke its J-curve in three
14 quarters, which was a quarter faster than we were
15 able to do in Florida Growth Fund I.

16 And we were able to do that through a
17 combination of efforts, but one was being proactive
18 about searching secondary transactions out of the
19 gates for Florida Growth Fund II, and we
20 successfully did one; secondly, focusing on
21 negotiating more aggressively with some of the
22 general partners that we had made fund commitments
23 to; and then lastly, we actually had an early
24 markup due to performance in one of our investments
25 on the co-investment side, which also led to us

1 coming out of the J-curve in three quarters.

2 Lastly, I would just say that we've had a very
3 good pipeline of opportunities in 2016. On a
4 year-to-date basis, we have made two co-investments
5 this year, one follow-on investment to an
6 investment that we made previously, and two fund
7 commitments totaling 43 million this year.

8 And the pipeline for the remainder of the year
9 is also quite robust. We've got two additional
10 funds that we are currently in diligence on, as
11 well as one -- you know, probably availability of
12 capital for one remaining co-investment this year,
13 which would put us right around the \$63 million cap
14 that we have on a annual basis.

15 Just turning the page, in terms of the
16 liquidity profile, for us at the Florida Growth
17 Fund, I think as we move from Florida Growth Fund I
18 to Fund II, liquidity continues to be an ongoing
19 focus for the team. As of March 31st this year,
20 we've returned about 180 million of capital in
21 distributions to the SBA. That's broken out by
22 about 145 in distributions on co-investments and
23 about 35 million on fund investments. And if you
24 look at the charts below, there's a lot happening
25 on the page, but on the left-hand side, what you're

1 looking at, that column there is basically Florida
2 Growth Fund II, and on the right-hand side you're
3 looking at Florida Growth -- I'm sorry. Florida
4 Growth Fund I on the left and Florida Growth
5 Fund II on the right.

6 If you look at the bottom left-hand chart,
7 2014 was our strongest liquidity year. And if you
8 fast forward to this year, on a year-to-date basis,
9 we're about north of 200 million in liquidity. And
10 I think with some of the pipeline that we have in
11 front of us, meaning some of the exits that we're
12 anticipating for this year, our forecast is that
13 we'll probably have the strongest liquidity year
14 this year for the Florida Growth Fund. So we would
15 expect to be somewhere around 275 million plus in
16 liquidity all-in by year-end.

17 And then on the Florida Growth Fund II side,
18 obviously, the contributions far exceeding any
19 distributions that are visible on the page, but
20 early days for the fund, and we would expect that
21 that fund will start to generate liquidity as we --
22 as time sets in.

23 Just fast forwarding to the portfolio
24 diversification and construction, you know, Florida
25 Growth Fund I, I think we are well on track in

1 terms of delivering on our portfolio objectives,
2 those two objectives being (1) a focus on growth in
3 technology investments and (2) focusing on
4 maintaining a very strong Florida nexus in the
5 portfolio.

6 As you can see, we talk a little bit about
7 portfolio construction in the top left, but a
8 majority of the investments in the portfolio are
9 skewed to co-investments or direct investing.

10 From an industry perspective, in the top right
11 you can see that we have had a fairly diverse
12 industry base, but with a bent towards technology.

13 And then lastly, on the Florida bucket in the
14 bottom right-hand corner, you can see that almost
15 80 percent of Florida Growth Fund I has had a
16 Florida footprint, which is something that we --
17 you know, something that we focus a lot on when
18 we're making investment decisions.

19 MR. OLMSTEAD: A quick question there.

20 MR. PERRY: Sure.

21 MR. OLMSTEAD: On your -- what page are you
22 on? On page 10, on the buyout piece of it, real
23 quick, when you look at how you're allocating
24 between co-investment versus fund, is the buyout
25 largely fund or more co-investment?

1 MR. PERRY: I apologize. I was just -- can
2 you repeat the question?

3 MR. OLMSTEAD: No problem. It seems like in
4 II, a significant amount is buyout. I was curious
5 if the buyout aspect is more co-investment or if
6 the buyout is more fund.

7 MR. PERRY: When you look at the difference
8 between II and I, the buyout is more direct or
9 co-investment on Fund II.

10 MR. OLMSTEAD: Okay.

11 MR. PERRY: I think what you will observe
12 is -- you actually took my next point, which is
13 great. The comment I was going to make on Florida
14 Growth Fund II is that both the industry
15 diversification as well as the strategic
16 diversification will shift, we think, pretty
17 rapidly in the coming 12 to 24 months, and that
18 will be attributed to two things: One is, the
19 funds that we've actually made commitments to, once
20 they can, you know, proceed to deploy that capital,
21 we'll see that diversity shift. And then secondly,
22 as we continue to make co-investments, that will
23 also move the needle in terms of portfolio
24 construction.

25 MR. OLMSTEAD: And I assume you stay

1 coordinated with John on his side with regards to
2 their buyouts for the funds that they're working
3 with?

4 MR. PERRY: I don't know if John wants to
5 comment. We tend to work directly with John Mogg.
6 And so I don't know, John, if you have any comments
7 on how you and John are kind of coordinating on the
8 private equity.

9 MR. WEBSTER: Yes. John Mogg reports to
10 myself, and John is the one who's in contact with
11 the Florida Growth Fund. So it sits in the
12 strategic investments asset class, not the private
13 equity.

14 MR. OLMSTEAD: But there's not like
15 correlation of their co-investing with all the
16 folks that he's directly investing in?

17 MR. BRADLEY: We do share notes on diligence
18 of funds we're looking at. We do tell our GPs that
19 we meet with that we have the Florida Growth Fund
20 and that they also --

21 THE REPORTER: I can't hear.

22 MR. BRADLEY: -- offer co-invest. I don't
23 think we have yet had a situation where we've
24 co-invested in a deal that they're also co-invested
25 through our partnerships, but there could be --

1 that could happen.

2 MR. COBB: I have a question to John or Trent
3 on Florida job creation. Have we done any studies
4 outside the Florida Growth Pool into what kinds of
5 Florida jobs we have created and the level of the
6 salary of those jobs?

7 MR. BRADLEY: To my knowledge, no, Ambassador.

8 MR. COLLINS: Just one question, Mr. Chairman.

9 Why is this asset -- and maybe this is to Ash.
10 Why would this fund be in Trent's group and not
11 private equity, straight private equity? Just
12 because of the unique nature of --

13 MR. WILLIAMS: Yes.

14 MR. OLMSTEAD: And they were doing well.

15 MR. COLLINS: Yeah, I got it.

16 MR. PERRY: Okay. So just moving right along
17 here, in terms of the Florida Growth Fund network
18 and footprint, I think we continue to make an
19 effort to grow both the footprint and the reach of
20 the Florida Growth Fund across the state. And what
21 you're looking at on the right-hand side of the
22 page, all those little dots are basically the
23 footprint of the Florida Growth Fund portfolio.
24 And so we're pretty pleased with the level of
25 dispersion across the state in terms of where the

1 SBA and the Florida Growth Fund dollars have been
2 distributed.

3 All of that, you know, requires a lot of work,
4 and so everything that you see on the left-hand
5 side of the page, all those statistics really are,
6 you know, something that we spend a lot of time on.
7 And so from a team perspective, you know, we are
8 focused on maintaining a leadership presence across
9 the State, and that is going out and giving
10 lectures and sitting on panels at conferences and
11 doing everything we can to really leaven the brand
12 of the Florida Growth Fund.

13 But, you know, we see a lot and do very little
14 in comparison. I think by contrast, you look at,
15 for example, the 661 general partner meetings that
16 we've had since the inception of the fund. You
17 know, we've probably invested, I think, in 15
18 managers. So we spend a lot of time vetting the
19 potential investments that we're looking to make,
20 and oftentimes we come across phenomenal managers
21 that -- or co-investments that just don't meet the
22 Florida bar, and so sometimes we have to let those
23 opportunities go as well.

24 MR. JONES: Mr. Chairman, just out of
25 curiosity, Ash and Trent and John, have we ever

1 done any publicity on this in terms of what it
2 does, not only for the state, what the returns,
3 which are phenomenal. I mean, this is mom and
4 apple pie.

5 MR. WILLIAMS: Mr. Chairman, if I may.

6 MR. PRICE: Please, yes.

7 MR. WILLIAMS: We report to the Trustees
8 periodically on this in a public meeting, a Cabinet
9 meeting which is noticed, and there's press
10 present, and TV and what have you. It has been
11 written about from time to time. We don't
12 generally go out and do releases other than the
13 occasional performance release related to some
14 event connected with the fund.

15 MR. JONES: Thank you.

16 MR. PRICE: Do you have similar situations in
17 other states?

18 MR. HELGERSON: Yes, we do manage a couple of
19 other states' programs. New York State is one that
20 we've managed for years, and a very small program
21 in Nevada. Historically, we managed one in
22 California.

23 MR. PRICE: Great. Are there any other
24 comments on the fund?

25 MR. PERRY: No. I think just in closing, we

1 just want to say that we think the Florida Growth
2 Fund is very well positioned in a very strong
3 private equity environment, which is Florida. I
4 think in terms of execution, you know, I just want
5 to maybe call attention to three areas of focus for
6 us and three areas that we remain committed to.

7 I would say one is, you know, we're going to
8 continue to leverage the three legs of the stool to
9 continue to deliver results for the Florida Growth
10 Fund, and that is, you know, leveraging the
11 Hamilton Lane platform, leveraging us, the team on
12 the ground, and importantly, the SBA partnership.

13 Secondly, I think liquidity is going to
14 continue to be a big area of focus for us. As I
15 alluded to earlier, we think 2016 could shape up to
16 be one of our strongest years in terms of
17 liquidity, and we're going to be working hard
18 towards that.

19 And then lastly, you know, continuing to
20 support the private equity ecosystem here. You
21 know, the OPPAGA numbers really report on that, but
22 we remain committed to delivering on some of the
23 jobs numbers and the income numbers that we've
24 historically been able to achieve.

25 So with that, we just want to say thank you to

1 all of you, the committee. I want to thank
2 especially our partners at the Florida SBA. It's
3 been a great ride and one that we hope to continue
4 long into the future.

5 MR. PRICE: Great. Thank you very much for an
6 excellent presentation.

7 MR. PERRY: Thank you.

8 MR. COBB: Mr. Chairman, I would like to ask a
9 question relating to this focus on liquidity. And
10 I understand the attractiveness of liquidity, but
11 if in fact liquidity comes from refinancing, which
12 I assume a high percentage of this liquidity does
13 come from refinancing at relatively high interest
14 rates or, you know, maybe it's 5 or 6 percent. But
15 still, it's at a cost of capital that is
16 appreciably higher than our cost of capital.

17 So as an investor, if I was the control
18 investor in some of these really good companies, I
19 would be inclined, if I was a board member, to say,
20 "Look, why should we refinance this at 5 or
21 6 percent?" Since most of our investors' cost of
22 capital is less than that, why don't we just let it
23 grow and not have a motivation for liquidity?

24 I know I made the same challenge to John a
25 year or so ago, because I could see we were also in

1 private equity, there was a lot of refinancing. So
2 I don't know if the question is to you, Ash, or to
3 Hamilton Lane. Are we putting too much emphasis on
4 liquidity?

5 MR. HELGERSON: I'll just add, our perspective
6 is, no, we don't think so. We think that we're not
7 giving up return that could be an attractive return
8 just to focus on liquidity. We do also think it's
9 appropriate to get capital back here and keep --
10 and we do think about our return numbers and the
11 IRR.

12 But, you know, I'll give you an example.
13 There's an investment that is in the process of
14 exiting that could be a substantial return, looks
15 like it could be an 8X return to the fund, a little
16 bit north of that. We have an opportunity to roll
17 into another deal that's being done that's helping
18 to generate that 8.5X return. We have chosen, and
19 we think the SBA is supporting us on this, to say,
20 "Let's take the chips off the table. That's a
21 great return. Let's move on. If rates are too
22 low, we'll let someone else bear the risk on that."

23 So we're trying to be prudent about liquidity.
24 Where we think it's time to give the money back,
25 we've accomplished the underwriting thesis, we give

1 the money back. If there is a situation where --
2 Ambassador, maybe to your example, if we're in a
3 credit that's getting refinanced in a year and we
4 want to ride in that, we will certainly look to
5 stay in those kinds of situations longer,
6 especially if it's a good business and it's
7 performing well. But we're trying to respond with
8 the right balance in terms of liquidity.

9 MR. PERRY: And I'll just add on that, you
10 know, specific to the credit tranche, one of the
11 things that we've actively tried to do is, I think,
12 the hardest thing within credit investing is, you
13 can't control your destiny in terms of maturity and
14 hold horizon. And typically, if you're doing a job
15 well and you're underwriting good credits, they
16 become ripe targets for, you know, refinancings.
17 And so one of the ways we've been able to sort of
18 ride those investments a little longer is to take a
19 small equity position alongside those credits to
20 make sure that we're not -- you know, the duration
21 actually is able to maintain itself for, let's say,
22 that five-year horizon that we're hoping for.

23 MR. COBB: At the last shareholder meeting,
24 Warren Buffet -- I think my facts are right on
25 this. He said, "Now let me give you the bad news.

1 The bad news is that Goldman Sachs has paid us back
2 X hundreds of millions of dollars, and we don't
3 know what we're going to do, because we can't
4 reinvest it at the same kind of return." So it was
5 in that vein that I was wondering whether all
6 liquidity is good news. Maybe it's, as Warren
7 Buffet says, bad news at times.

8 MR. OLMSTEAD: Good point.

9 MR. PRICE: Thank you very much, gentlemen.

10 MR. PERRY: Thank you.

11 MR. PRICE: Our next area of deep dive is the
12 global equity portfolio. And if the committee
13 members read through the book, I think there were a
14 couple of questions that stuck right out, but we'll
15 start -- Alison, would you like to start, and then
16 we'll get into some of our questions as you go
17 along, if that's okay with you.

18 MS. ROMANO: Sure. On page 2 -- I guess 14 --
19 18 up there. Sorry. We've outlined the agenda.
20 This is really a roadmap for the discussion today,
21 and we tried to align this with the topics that the
22 IAC has expressed interest in covering. I do want
23 to point out the structure of the presentation
24 really in each section is to start at a very high
25 level, so the core principles, and then delve in

1 below that to give you a more granular picture.

2 When we think about an investment manager,
3 they pick stocks, but they also have to think about
4 construction and macro issues. It's the same thing
5 here, and that's really how we structured this
6 presentation.

7 Starting with the program overview, what are
8 our objectives? It's very basic, but it drives
9 everything that we do. We are charged with
10 investing to achieve or exceed the return of the
11 benchmark over a long period of time, and we need
12 to do it in a diversified manner. What does that
13 mean? Diversified by region, by style, by size.

14 And we want to rely on low cost passive
15 strategies scaled to efficiency in underlying
16 markets. You've heard us say, I think, meeting
17 after meeting that we want to be more active in
18 areas that are less efficient and have greater
19 alpha potential.

20 Where we can be active is also dependent on
21 where there's capacity, so what is the opportunity
22 set of managers that are out there, and how much
23 money can we put to work in any one individual
24 manager.

25 The final objective we have is to provide

1 ongoing liquidity. This is a really important
2 element of what we do. We're a primary provider of
3 liquidity to meet the payments for our
4 beneficiaries. We also have been a source of funds
5 as our alternative asset classes built up funds.
6 So we need to invest so that we are liquid and can
7 raise this money month to month.

8 Our objective translates into policy, and on
9 this slide, I've highlighted our policy parameters
10 and where we are today. We are the primary
11 generator of returns, and therefore, a significant
12 portion of this total fund is allocated to global
13 equities. The target is 53 percent. We're a
14 little bit above that at 56.3 percent. And as I
15 said, we are -- our goal is to provide long-term
16 returns with the market. What that has meant for
17 the last three years is a total return of
18 6.9 percent.

19 We need to provide liquidity. We're averaging
20 \$5 billion a year in liquidity. And just to put
21 that in perspective, if I took the AUM as of June,
22 that was 6 percent of our total assets under
23 management. That's what we're shipping out the
24 door each year.

25 In terms of the structure beneath that, our

1 policy targets are between 47 and 57 percent
2 active. That has recently been raised by
3 2 percent, because we now have a liquidity
4 portfolio which is essentially providing passive
5 equity exposure outside of our asset class. So the
6 50.3 percent active that we are today had been at
7 the previous midpoint. It looks a little lower
8 now, but that's really not the limiting factor for
9 why we're at 50.3 percent. It's really the risk
10 targets.

11 On the next line you'll see we have a 75-bp
12 monitoring standard, a 125-bp escalation standard.
13 We are well below that right now.

14 MR. PRICE: Can you just explain what that
15 means to me, please?

16 MS. ROMANO: Sure. So it's essentially how
17 different we can be than the benchmark based on
18 standard deviation.

19 MR. PRICE: And what happens when you get to
20 the upper band or lower band of the range?

21 MS. ROMANO: So at the monitoring standard --
22 well, first of all, we're always talking about this
23 within our group and with various committees within
24 this organization. At 75, we're having discussions
25 to understand and explain why we're there. Really,

1 the 125 is more about the hard stop number.

2 What I would emphasize, so we're at 54 bps
3 now. We do a lot of work -- and we'll get into the
4 work that we do to try and target that active risk,
5 but a lot of the active risk is a function of the
6 broader market environment. So while it looks low
7 now, as market volatility picks up, without us
8 doing anything, our tracking error will likely
9 increase and be closer to --

10 MR. PRICE: So this is more the vol, not --

11 MS. ROMANO: Vol relative to the benchmark as
12 opposed to total risk.

13 MR. PRICE: Right. Okay.

14 MS. ROMANO: Correct. And taking that
15 tracking error relative to return gets us to our
16 risk-adjusted return standard, so that's 25 bps.
17 We have accomplished over three years a 1.14
18 risk-adjusted return.

19 This presentation will describe how we've
20 gotten there, but very simplistically, we've had a
21 very successful passive program. We've selected
22 managers that over the long term have outperformed,
23 and we've put those managers together in a way that
24 reduces that risk, improves the tracking error, and
25 then ultimately improves the IR.

1 What is our target benchmark? The MSCI All
2 Country World IMI. This is large, mid, and small.
3 You'll note it does not include microcap. It does
4 not include frontier. Those are off-benchmark bets
5 that we have made. It's in U.S. dollar terms.
6 That means its not hedged. It reflects the PFIA
7 principles, restrictions on Iran and Sudan. And it
8 includes 45 countries and over 8,500 securities.
9 That's a lot of countries. That's a lot of
10 regulation. That's a lot of tax issues and a lot
11 of markets that need to be open. So there are a
12 lot of operational complexities involved in
13 managing to this very broad benchmark.

14 MR. COLLINS: Can I ask a quick question,
15 Mr. Chairman?

16 MR. PRICE: Sure.

17 MR. COLLINS: And I'm not sure if it's Mercer
18 or who, but given other pension funds our size, is
19 everybody pretty much the same, MSCI All World?
20 Has everybody here gone to All Country World as the
21 benchmark?

22 MS. ECKERT: Yes. It's a fairly standard
23 benchmark for global equities and public funds.

24 MR. COLLINS: But we just switched not too
25 long ago to this versus a more narrower, I would

1 say.

2 MS. ROMANO: Well, over five years ago, we
3 operated separately as an international --

4 MR. COLLINS: Right.

5 MS. ROMANO: -- domestic group. So we merged
6 the asset classes and removed our Home Country bias
7 and moved to this benchmark.

8 MR. COLLINS: And we look just like the index.
9 So the previous slide is really where you could
10 start tracking. If we were getting some deviation
11 from the benchmark, you could track maybe from a
12 sector or a region or --

13 MS. ROMANO: And that's what we'll do in a
14 subsequent slide.

15 MR. COBB: Right.

16 MS. ROMANO: So we reviewed the policy and the
17 benchmark. I wanted to highlight a number of
18 structural considerations that we have to keep in
19 mind when investing this money. As I mentioned, we
20 have a low benchmark relative risk budget. That's
21 the 75 bps that we were talking about.

22 What does that mean? What's the advantage of
23 that? Well, we really can diversify our resources.
24 We don't want to pile in and make one big bet on
25 Japan or make one big bet on a certain factor. We

1 can diversify our sources of risk.

2 The challenge is -- and we've heard this
3 criticism, "Well, if you have a low risk budget,
4 you're just an index fund." Our performance says
5 otherwise. We've continued on a risk-adjusted
6 basis to deliver outperformance. Anecdotally, I
7 can tell you when we look at our performance every
8 single day, every single month, we see moves with
9 our managers that suggest anything but index-like
10 returns and index-like performance.

11 I think the biggest challenge is scale,
12 putting \$80 billion to work is very different than
13 putting to work your personal portfolio or even
14 putting to work \$10 billion. We have clout with
15 managers. We can leverage our scale to minimize
16 fees. We have separate accounts. That means we
17 have daily transparency. We know what's being
18 traded in every account and what our positions are.
19 We have operational efficiencies. We can do
20 in-house management because we have the scale to
21 spread the fixed costs across those assets. And we
22 can get into diversified sources of alpha, and in
23 some cases where it's maybe a little less liquid
24 because we don't need to touch some of that money
25 for liquidity immediately.

1 The challenge, though, is that it's a lot of
2 money to put to work across a lot of managers. And
3 while it would be easy to say, "Let's just hire
4 eight managers," it's just not practical. That's
5 taking on organization risk. There's capacity
6 issues. So we have to find a lot of managers and
7 diversify that risk. And as I mentioned before,
8 there's a lot of operational, tax, and regulatory
9 demands associated with investing that 80 billion.

10 Finally, as I mentioned, liquidity is a big
11 issue, so it does give us some opportunity each
12 month when we get the liquidity assessment to
13 strategically rebalance among our managers. But be
14 mindful that global equity absorbs all the
15 transaction costs of raising this liquidity, so
16 that is part of our performance, and we need to be
17 very thoughtful in how we raise that liquidity. If
18 the markets are down and we're still being tapped
19 for liquidity, in some respects, we're being forced
20 sellers in weak markets. Some of that is offset.
21 When fixed income is up and we're down, then fixed
22 income would be the natural provider of liquidity.
23 But there are times where we are selling in down
24 markets, and that impacts our ability to be
25 completely long-term investors across all of our --

1 MR. PRICE: So in cases where someone calls
2 you for liquidity, is that typically weekly,
3 monthly? What kind of --

4 MS. ROMANO: Once a month.

5 MR. PRICE: Monthly. Okay.

6 MS. ROMANO: And because of late, equity
7 markets have been doing well, we have been the
8 asset class --

9 MR. PRICE: And so do you have a number, for
10 instance, last month, this month, next month, that
11 you know you're going to provide \$3 billion to the
12 treasurer for payments and salaries and pensions?
13 I mean, you know the number, and then you fine-tune
14 it as you get closer? Is that how it works?

15 MS. ROMANO: Sure. John Benton is the expert
16 on --

17 MR. BENTON: Yes. Currently what we do in a
18 subsequent slide is, we project our liquidity needs
19 for the upcoming month and a half, whether it's
20 benefit payments, DROP payments, or capital calls.
21 And what we do in a subsequent slide is, we give
22 them notice, at least ten business days before the
23 need for that liquidity, and they can raise it any
24 way they want, but they have to provide it within
25 ten business days before month-end, because we have

1 a large benefit payment do in a subsequent slide.
2 And this past month, it was around \$700 million.
3 So on a net basis, after you take into
4 consideration the contributions that come in to
5 offset that, we send out roughly about \$600 million
6 a month.

7 MR. PRICE: All right. Please go ahead,
8 Alison.

9 MS. ROMANO: If we can turn to the next slide.

10 So what is really the result of these
11 policies, objectives, challenges we face? Number
12 1, to provide beta. Well, where are we at? We
13 have .98 beta at the total asset class. It's our
14 mandate to provide equity exposure.

15 We manage costs. So 41.3 percent of our assets
16 are managed internally. That helps reduce costs.
17 Our weighted average fee across of all of our
18 strategies is only 25 bps.

19 MR. PRICE: That's with outside managers.

20 MS. ROMANO: That's our total asset class, so
21 including with outside managers and the cost of
22 running it.

23 MR. PRICE: And what is the number of just
24 outside managers?

25 MS. ROMANO: We can -- I don't have that

1 number.

2 MR. PRICE: Roughly.

3 MR. TIM TAYLOR: Probably 40 to 45.

4 MR. PRICE: For 40 billion. Okay.

5 MS. ROMANO: And it's scaled according to
6 capacity and opportunity.

7 MR. PRICE: Sure, sure.

8 MS. ROMANO: We have diversified sources of
9 alpha, so even though our tracking error in total
10 is very low, we can hire managers that each have
11 high tracking error. So it ranges from .06 -- that
12 would be a passive strategy -- to upwards of
13 8 percent. And we have strategies that span
14 styles, processes, and regions that Tim will hit on
15 in more detail.

16 Again, we maintain low risk, 54 bps at the
17 total asset class, taking risks where it's
18 rewarded. So it's higher in non-U.S. at 82 bps,
19 and in the U.S. at 29.

20 And we continue to be selectively
21 opportunistic, making off-benchmark bets. And one
22 thing that we've highlighted in the past is our
23 currency overlay program, which is about 5 percent
24 of the --

25 MR. PRICE: So can you just talk about

1 currency for a minute? You're in a strong dollar
2 environment, so as you bring money back to the
3 U.S., you're selling foreign securities. For
4 foreign currencies, you have to buy the strong
5 dollar, so how do you deal with that?

6 MS. ROMANO: So we have our equity investments
7 with an unhedged benchmark. We are not hedging.
8 We have a currency program which is purely active
9 to try and take advantage of the inefficiency in
10 the currency market. Those managers are making
11 bets, dollar versus Euro, emerging market,
12 et cetera. So that's a separate program.

13 MR. PRICE: It's a separate currency -- that's
14 a separate money manager?

15 MS. ROMANO: At five money managers, yes.

16 MR. PRICE: And you can't hedge 52 currencies,
17 but there are five liquid currencies that are very
18 cheap to hedge. Do you do in a subsequent slide
19 any portfolio -- no currency hedging whatsoever;
20 right?

21 MS. ROMANO: We don't do hedging, most
22 simplistically because our benchmark isn't hedged,
23 but more broadly because when we've looked at it,
24 we're long-term investors, and we've made the
25 decision, at least now, that to be a long-term

1 investor, it will zero out over the long term.

2 MR. TIM TAYLOR: And the purpose --
3 Mr. Chairman, the purpose of the currency program
4 is truly an absolute return benchmark of zero. And
5 those positions that our currency managers take are
6 totally unaffiliated --

7 MR. PRICE: Right.

8 MR. TIM TAYLOR: -- with global equity
9 interests.

10 MR. PRICE: Right.

11 MS. ROMANO: So I'll turn it over to Tim to
12 start diving into some more of the detail on how
13 we're currently positioned.

14 MR. TIM TAYLOR: Thank you, Alison. On page
15 25, just a quick overview, some quick facts about
16 global equity's investment structure. This is as
17 of June 30, 2016. Total AUM of \$78 billion, the
18 largest asset class of the FRS. Investments in
19 more than 11,000 securities; 77 countries, all the
20 developed, all the emerging, all the frontier
21 markets of the world and a few more; 52 currencies,
22 because, of course, some countries have a common
23 currency, such as the Euro.

24 We manage six strategies internally. Four of
25 those are passively managed. Two of those are

1 actively managed. We'll talk more about our
2 internal management capabilities and performance
3 here in a few minutes. Sixty-one externally
4 managed strategies. This is where we've engaged an
5 outside investment manager to manage funds on our
6 behalf.

7 In the lower left-hand portion of the page,
8 we've broken this out foreign, domestic, and
9 global. So all of our non-U.S. foreign investments
10 are externally managed when looked at in this way.
11 The majority of our domestic strategies are
12 internally managed at 81 percent. And we have a
13 dedicated group of global equity managers, which is
14 about 7.5 billion, and about 27 percent of that is
15 managed internally, so an internally managed global
16 equity passive portfolio.

17 MR. COLLINS: A quick question.

18 MR. TIM TAYLOR: Yes, sir.

19 MR. COLLINS: 81 percent of domestic equities
20 are managed internally?

21 MR. TIM TAYLOR: Correct.

22 MR. COLLINS: And of that, what's the active
23 versus passive split?

24 MR. TIM TAYLOR: If you look up to the upper
25 right -- you've set me up very nicely here. And

1 the point --

2 MR. COLLINS: Okay. I got it.

3 MR. TIM TAYLOR: The point I was going to make
4 is that more internal management is associated with
5 the higher percentage of passive management, so you
6 can see that the domestic -- our domestic assets,
7 81 percent of them are passively managed, only 19
8 percent actively managed.

9 So here we're trying to be more active in
10 areas with the non-U.S. component, since those
11 markets should be a little less efficient. On the
12 foreign side, 21 percent passive, 79 active. We
13 see the dedicated global there. In total -- and
14 it's not designed this way, but in total, it's 50
15 percent passive, 50 percent active. So that's all
16 of global equity. Half of that 78 billion passive,
17 half active.

18 But we do in a subsequent slide have some
19 off-benchmark allocations, so there have been
20 times, even in our recent history, where we've
21 tried to be opportunistic, we've tried to be
22 entrepreneurial, and we've gone outside of our
23 targets, for example, frontier markets, where we
24 have about \$322 million invested. This is all
25 off-benchmark. U.S. microcap, 139 million. The

1 active currency program is all off-benchmark.

2 And then finally, we'll mention China
3 A-shares. And we have an asterisk there because it
4 was a very good experience for us. We had great
5 performance, so good that we decided to sell it and
6 liquidate it and benefit from those profits.

7 So the value added since inception, it seems
8 like just a few basis points, but keep in mind,
9 these figures are annualized, and also a few basis
10 points relative to a \$75 billion base is very
11 significant from year to year.

12 Next page. Just a brief picture to make a
13 couple of points. We did, as Alison alluded to, in
14 July of 2010, we became a global, truly global
15 equity asset class. We merged what was a non-U.S.
16 foreign equity asset class with a domestic U.S.
17 equity asset class, and we took on a global equity
18 benchmark at that time.

19 And so this marks internally managed assets
20 beginning right about that time, let's say at the
21 end of 2010, early 2011. And what this shows is
22 that over the last five to six years, we've
23 emphasized the use of internal management, and
24 we've sought to enhance our internal capabilities.
25 So we've gone from about 35.5 percent of internally

1 managed to now over 41 percent.

2 That said, our active management over time has
3 remained within a relatively narrow range, going
4 from 48.6 percent up to 50.3 percent. Again, this
5 is as of June 30th, and that's all well within our
6 47 to 57 percent current range.

7 To dig a little deeper, on page 27, to make
8 the -- the title of the slide is "Higher Active
9 Exposures in Segments Where Risk is Rewarded." So
10 put another way in broad -- characterizing this
11 very broadly, we have higher active percentages in
12 areas of the equity market that are the least
13 efficient. That is the potential to beat the
14 benchmark or generate positive alpha if higher, so
15 higher active percentages in areas where hopefully
16 the alpha will be higher. And you can see these
17 are our active exposure among all of our segments
18 that comprise our benchmark.

19 For our -- let's say the most inefficient
20 markets, we are 100 percent active, and that would
21 include international or developed small cap. That
22 would include emerging markets. That would include
23 frontier markets. And, as mentioned, the currency
24 program is all active.

25 In the more efficient areas, such as the U.S.,

1 we are less active, and that's evidenced by 15.5
2 percent active exposure to U.S. large cap. These
3 are some big mandates when you manage 75 to
4 \$80 billion and you're placing it across a broad
5 benchmark, some of these products and strategies
6 get very high. The average active mandate size is
7 listed there. And in some areas, we have several
8 active strategies.

9 Someone might ask, "Well, why do you have 12
10 managers in U.S. small cap?" Well, you have to
11 think that these are capacity-constrained
12 strategies. Some of these managers, some of these
13 products have a cap on their capacity of 1 billion
14 across all their clients. We're trying to put
15 almost 3 billion to work in the U.S. small cap
16 space.

17 Not only that, we do want diversification
18 across managers. We're going to talk more about
19 that. One of the challenges is structuring a
20 diversified group of investment managers within
21 each one of these aggregates. Sometimes it works
22 and sometimes it doesn't. We'll get into that as
23 well.

24 Page 12, my page 12, your page 28. Excuse me.
25 A very brief overview, you know, in terms of how

1 we're structured with all these investment
2 managers, active, passive, and so forth.

3 The upper left-hand side is how global equity
4 has decided to structure by mandate. So relative
5 to our target, we are very much in line with that
6 target, meaning whatever the target contains of
7 developed large cap, we've allocated mandates, and
8 we've decided to be neutral and allocate funds out
9 to those managers in that space.

10 Some of those managers, let's say, developed
11 market large cap. The manager might have the
12 ability to invest in emerging markets outside of
13 their benchmark.

14 Even if you consider that, if you glance to
15 the right, region relative by holdings, you see
16 that we're very, very close. So on a holdings
17 basis, we're still relatively neutral to the
18 benchmark, which seems to say, when you look past
19 it, but our performance isn't indicative of that.

20 Now, there are some small differences relative
21 to the sector in the lower left-hand side. First
22 of all, cash is not in our benchmark, so any cash
23 we have is going to be considered off-benchmark,
24 considered an overweight position. Keep in mind,
25 we do have a group now that's equitizing several of

1 our cash accounts as well. But we do in a
2 subsequent slide have, and we have persistently had
3 an underweight to the financial sector, which is
4 the largest sector. That has served us well over
5 time. Arguably, it's going to serve us well in the
6 future if it remains.

7 On the other hand, we've been slightly
8 overweight IT. This is as of June 30th. We're
9 slightly overweight to consumer staples as well,
10 but generally well in line to the sector -- the
11 weights of the sector in the benchmark.

12 And then finally, how we constructed the graph
13 in the lower right hand, it talks about total risk
14 or the volatility of global equity. We've been
15 able to structure a portfolio, an asset class that
16 has lower overall total risk relative -- when
17 compared to the benchmark.

18 Next page. And I mentioned this briefly
19 already, but one of the biggest challenges we have
20 in global equity is building and maintaining a
21 diversified aggregate and sub-aggregates. We need
22 to structure together passive managers, active,
23 fundamental, quantitative, defensive,
24 value-oriented growth managers. We have to
25 structure all of these managers together, with the

1 goal to consistently outperform in all market
2 environments.

3 So when some managers are doing poorly, others
4 in the aggregate hopefully are doing well and
5 offsetting that poor performance and we're
6 outperforming, and then we'll see a mix. Those who
7 have done well, perhaps they revert to doing
8 poorly, and the ones who have done poorly start
9 doing well. That's the goal.

10 If everyone is doing well in an aggregate at
11 the same time, that's actually for us not a time of
12 celebration. Rather, it's a time for further
13 investigation, because maybe we don't have what we
14 think we have.

15 I won't go into much detail, further detail on
16 this page, but basically to show you things we need
17 to be aware of when structuring this aggregate and
18 choosing managers and choosing investments and
19 being active and being passive. What is going to
20 carry the market -- defensive active, low beta,
21 high yield, earnings stability, core active; or
22 high growth, pro-cyclical? All of these things
23 lead the market in ebbs and flows from time to
24 time.

25 We have a currency overlay program as well,

1 and we have a passive component as well. All of
2 these things are considerations, and we're going to
3 touch pretty much on all of these things.

4 So we're diversified for market conditions.
5 We have exposure in all of these areas. But we're
6 also diversified by investment process. The
7 fundamental managers, quantitative managers, core
8 value, growth, in all of our buckets we try to have
9 a broad representation, a broad diversification of
10 managers, who, again, over the long run, will
11 outperform. Some work well at some times, while
12 others are lagging, and vice versa.

13 MR. PRICE: What are the dollars or
14 percentages of the whole portfolio quant versus
15 fundamental?

16 MR. TIM TAYLOR: Quant versus fundamental.

17 MS. ROMANO: I don't have that off the top of
18 my head. We're at 50 percent -- (inaudible).

19 I'm sorry. I don't know the number. If I had
20 to approximate, though, since we're 50 percent
21 active, I would say maybe of the 50 percent, 30 or
22 40 percent quant. But we could verify that for
23 you.

24 MR. TIM TAYLOR: Mr. Chairman, we have that
25 information. We certainly can get it to you,

1 absolutely.

2 Now, saying all those things about the
3 structure, Mercer -- Jamie and Mike to my right --
4 completed an asset class structure review of global
5 equity, and they concluded it very recently. These
6 are some of the things, their key findings.
7 Overall, they said the current structure of global
8 equity is appropriate given our size, given our
9 negative cash flow position, keeping in mind we're
10 providing a lot of liquidity on a regular basis.

11 We have strong risk-adjusted returns
12 attributable to SBA's thoughtful approach -- thank
13 you, Jamie; thank you, Mike -- thoughtful approach
14 to portfolio construction. The structure
15 incorporates many best practices in institutional
16 fund management. We're appropriately using
17 active/passive management across sub-asset classes.
18 We've been cost-effective in the use of internal
19 management, and our sub-asset classes are well
20 diversified in manager style and risk. So these
21 are positive findings, positive conclusions that
22 confirm how global equity has designed and
23 structured its asset class.

24 Now, Mercer did make some recommendations, and
25 we'll touch on those a little later towards the end

1 of the presentation.

2 With that, I'm going to turn it back over to
3 Alison to talk about the performance.

4 MR. PRICE: When I introduced you guys, I said
5 there are clearly some obvious questions when you
6 look through the presentation, and this is the
7 first one that comes up. It's just too good;
8 right? Fifty-nine out of 60 is not the way things
9 work in this business.

10 MS. ROMANO: Well, we're sorry to disappoint,
11 I guess.

12 We have had consistent returns. I wouldn't
13 necessarily expect this to always be the case. But
14 for all the reasons that Tim described, we tried to
15 put managers together in a way that will outperform
16 in multiple environments. To be perfectly honest,
17 the last couple of months have been particularly
18 hard, so we may be back here in a quarter's time
19 where there is another leaning towards the red dot
20 on this page.

21 But this is the goal and what we're trying to
22 accomplish. And like Tim said, when we ever get to
23 a point where everything is working too well, we're
24 probably just as critical of our performance as if
25 we're underperforming.

1 MR. PRICE: So this chart, 59 of 60 one-year
2 rolling periods, it's not a 60-year chart; right?
3 We haven't been in business that long.

4 MS. ROMANO: So this is --

5 MR. PRICE: These are quarters?

6 MS. ROMANO: Each dot is a rolling 12-month
7 period.

8 MR. PRICE: Quarterly?

9 MR. TIM TAYLOR: Monthly.

10 MR. PRICE: Monthly. Okay. Monthly.

11 MS. ROMANO: The dot is one year.

12 MR. PRICE: So this is five years.

13 MS. ROMANO: Exactly.

14 MR. PRICE: Got you.

15 MS. ROMANO: Exactly. So everything, correct,
16 above that 45-degree line is where we've
17 outperformed the benchmark.

18 MR. PRICE: So taking it back, this is '16, so
19 this is back to '11.

20 MS. ROMANO: Yes, so right about when we
21 joined.

22 MR. PRICE: Pulled it together; right? Great.

23 MS. ROMANO: Looking at our multi-period
24 return summary, this calendar year certainly has
25 been tough; there's no doubt about it. And since

1 June it has continued to be tough, but we have
 2 outperformed in a one, three, five, and since
 3 inception basis. And that risk-adjusted return
 4 standard again remains well -- sorry, information
 5 ratio remains well above that risk-adjusted return
 6 standard of 25 bps. So you can see since
 7 inception, we're at 1.70, that bottom line.

8 Since this may come up as a question, when
 9 looking at the bottom graph in terms of our fiscal
 10 year performance, one year that stands out is 2014.
 11 Why is that so much lower than the other years?
 12 Well, that was a year when, in particular, the
 13 developed markets, developed markets small cap,
 14 rallied tremendously, and our managers didn't keep
 15 up. But our domestic equity managers outperformed.
 16 And having that diversification of active
 17 management in different regions actually helped us
 18 achieve a positive return that year. In other
 19 periods, the reverse has been true, but we continue
 20 to have on an annual basis that outperformance.

21 MR. COLLINS: Can you go back for one second?

22 MS. ROMANO: Sure.

23 MR. COLLINS: Back on that chart. So in the
 24 one-year, so we're 74 basis points better -- or
 25 worse than the benchmark? Or better than the

1 benchmark. I'm sorry.

2 MS. ROMANO: We had a negative return, but --

3 MR. COLLINS: Right, but better than the
 4 benchmark. We got a 74 basis points contribution
 5 from active.

6 MS. ROMANO: This includes active and passive.

7 MR. COLLINS: Right.

8 MS. ROMANO: So this is the total.

9 MR. COLLINS: So what does the .74 mean under
 10 -- for the one-year for active?

11 MS. ROMANO: It's the active return.

12 MR. COLLINS: Right.

13 MS. ROMANO: So it's just the difference
 14 between --

15 MR. COLLINS: Right, 74 basis points of active
 16 return.

17 MS. ROMANO: But our passive strategies aren't
 18 zero return. They have some excess active return,
 19 which we'll hit on. So this is our total fund --
 20 total asset class.

21 MR. TIM TAYLOR: So for the one-year period,
 22 our benchmark or target, the MSCI ACWI IMI, its
 23 return from July 2015 through June 2016 was down
 24 3.83 percent, but global equity, all-inclusive, we
 25 were only down 3.09 percent, and therefore, we

1 preserved 74 basis points of capital.

2 MR. COLLINS: So it's not really active.

3 MS. ROMANO: It's excess.

4 MR. COLLINS: Excess.

5 MR. COBB: Right. Ash, I have in the past
6 suggested that term "active" is misleading, I
7 think, because we do talk active and passive, and
8 this is really excess -- or underperformance is
9 really what it is.

10 MR. COLLINS: That's all I had. I just wanted
11 to make sure I was reading it right.

12 MS. ROMANO: We can easily adjust the
13 labeling.

14 MR. COLLINS: If that's the toughest answer
15 you've got to give all day, that's not too bad.

16 MR. WILLIAMS: Maybe we should talk about that
17 longer.

18 MS. ROMANO: On the next slide, we've talked
19 quite a bit about managing risk, so we've
20 maintained -- you can see on the top graph realized
21 tracking error. This is on a three-year rolling
22 basis, well below that monitoring standard. If
23 market volatility does increase, I would expect
24 that to creep up a bit.

25 We do have a lot of tools at our disposal, so

1 we're not just randomly putting together managers
2 and hoping that we get under the monitoring
3 standard. We are using tools to look at predicted
4 active risk. A lot of times that's on a one-year,
5 not a three-year basis. But what we've shown in
6 the bottom graph is both from a predicted and a
7 realized risk basis, we've been below that
8 standard. And typically when market volatility is
9 increasing, the models lag a little bit in
10 predicting what the realized risks will be.

11 MR. PRICE: When you say you have many tools,
12 you've got your managers. You've got allocations
13 or policy. You don't hedge with currencies other
14 than the currency program, which is really a
15 separate manager. Do you use any S&P puts or index
16 puts to hedge portfolio risk?

17 MS. ROMANO: No.

18 MR. PRICE: No? So what other tools are you
19 talking about?

20 MS. ROMANO: They are construction, as we
21 build --

22 MR. PRICE: Right.

23 MS. ROMANO: Put our managers together, to
24 evaluate what is our predicted risk of each
25 manager, of the managers together, are we taking

1 risk by only having exposure to value? That's not
2 a bet that we want to be taking. Do we have risk?
3 There are a lot of risks coming from country bets.
4 That's a risk that we don't want to have. Are we
5 in a developed market aggregate overweight growth,
6 and we think that long-term --

7 MR. PRICE: So it goes more to the
8 construction of the portfolio, monitoring how --

9 MS. ROMANO: We're not -- correct. We are not
10 dealing with market risk. We're dealing with
11 construction risk.

12 MR. PRICE: Right, rather than tools like
13 hedges. Okay. I just want to be clear.

14 MR. COBB: Mr. Chairman, I have a performance
15 question, and I guess I would like to make it to
16 Kristen Doyle relating to the top 10 funds and
17 their performance.

18 We have -- with 47 percent international, I
19 assume we probably have a higher percentage
20 international other than those other 10 funds, and
21 that might -- I suspect that might be one of the
22 reasons that our performance this last year was
23 relatively low to those 10 funds. Is that correct?

24 And I guess before I ask you the question,
25 I'll make an editorial comment. I personally am

1 delighted we have 47 percent, so I'm not critical
2 of where we are, because I think it's the right
3 thing to do in a subsequent slide in today's
4 market. But I assume we're a little bit high at 47
5 percent than the other large pension funds. Is
6 that correct?

7 MS. DOYLE: Yes. And especially if you look
8 at the -- which I'll go through towards end of our
9 time today. If you look at the allocation to
10 public equity for this particular universe, which
11 is the top 10 defined benefit plans in the U.S.,
12 you are overweight to international equities
13 relative to that universe.

14 The general trend has been towards looking at
15 public equities on a global basis and not having a
16 home country bias. But candidly, and as you can
17 see from this universe and other universes, there
18 have been plans that have not moved all the way
19 there the way that you all did about five years
20 ago. And there has been a pretty wide divergence
21 of performance U.S. versus non-U.S. in the last
22 five years, and so that has made an impact on your
23 performance relative to peers.

24 MR. COBB: Thank you.

25 MS. ROMANO: So on the attribution side, I'll

1 break down the excess return, the 74 bps for the
2 total asset class, and then I'll be turning it over
3 to Tim to describe in more detail on an aggregate
4 level.

5 But what you're looking at here are the
6 components that drove that 74 bps of
7 outperformance. And I'll walk through some of the
8 larger ones here. What this, though, reflects,
9 again, is not only the decisions that our managers
10 made, but how we put those managers together
11 relative to the benchmark.

12 So, for instance, for this year, we see a
13 negative bar for currency, so we lost 31 bps in
14 total performance due to currency. That's because
15 our managers have been underweight Japan, because
16 they don't like the companies in Japan. That means
17 we're underweight yen, and therefore, when the yen
18 goes up, we have a negative column in the currency.

19 Style, we got 25 bps of outperformance there.
20 Why? We are underweight. Book-to-price value
21 didn't work in this market. We are lower beta.
22 That helped us. We are quality, lower leverage,
23 higher ROE. These were all factors that the market
24 rewarded, and therefore, we got positive
25 performance out of that.

1 Again, Tim mentioned we don't really hold cash
2 tactically, but we do have some cash for friction
3 and for managers to invest. But when the markets
4 redound, we could see a little boost of
5 performance.

6 Selection. This is what we like to see. We
7 won't always see it, but we like to see that the
8 biggest driver of our performance is selection,
9 stocks that our managers are picking. And what we
10 also like to see, it's not one stock that drove it,
11 and that's definitely the case this past year.

12 I can't give you a story that there were three
13 stocks, and that's why we outperformed. But if you
14 want a little bit of a narrative, some of the main
15 drivers were being underweight a number of the
16 financials, particularly banks that have exposure
17 to emerging markets. Those underperformed, and
18 that helped us funding underweight.

19 We were, on the flip side, hurt a little bit
20 by holding a number of UK financials. They looked
21 like good investments, Brexit came along, there was
22 dislocation, and so when you cut the numbers at
23 June 30th, that was on the negative side of things.
24 But all in all, very strong stock selection across
25 the manager aggregate.

1 MR. TIM TAYLOR: I'll pick up on page 36. I'm
2 going to set this up a little bit, and then we're
3 going to go into even a little more detail on the
4 next page.

5 What I want you to keep in mind is that a few
6 pages ago, global equity has outperformed over the
7 one-, three-, and five-year periods by 74, by 68,
8 and by 102 basis points respectively. So we've
9 outperformed overall, but underneath that, not
10 everything has performed well, and we're going to
11 detail that out a little bit.

12 Both passive and active strategies have been
13 successful over these time periods. Non-U.S. and
14 global mandates have been positive. However, U.S.
15 mandates have underperformed, with a very
16 challenging environment negatively impacting alpha
17 over the past year. This has really affected all
18 of these period-ending calculations. Our U.S.
19 component looked a lot better not long ago. I'm
20 going to expand on that in just a moment.

21 Let's look at page 20 -- excuse me, page 37.
22 So this page provides even more detail into the
23 active aggregate. I am going to talk about U.S.,
24 but I'm first going to talk about the green on the
25 page, and then I'm going to come back and talk

1 about the red, and in particular, the big red on
2 U.S. large cap. So if you'll be patient with me,
3 I'll get there shortly.

4 Foreign large cap. And this shows you --
5 these are groups within our target. This is where
6 we selected managers in an attempt to be
7 diversified, fundamental, quant, growth, value, all
8 these things. These are their returns, their
9 excess returns over one-, three-, and five-year
10 periods.

11 So over the one-year period, foreign large cap
12 benefited from a tilt toward quality companies
13 positioned to protect in down markets. The
14 non-U.S. benchmark for these managers was down
15 almost 9 to 10 percent. These managers were down
16 less, basically.

17 In emerging, we've been successful over all
18 periods. Positive returns led by an aggregate
19 underweight to China, but also stock selection
20 within China. This was bolstered by exposure to
21 quality, lower exposure -- and lower exposure to
22 high growth.

23 In our dedicated global equity group, we've
24 done well. They've benefited from high dividend
25 yield and exposure to low vol and defensive

1 tailwinds. And actually, later on in the
2 presentation, we're going to talk a little bit more
3 about how we designed this group, which is to
4 provide a little more downside protection than
5 others. That worked in this last year.

6 So we'll skip U.S. large cap for the time
7 being.

8 Currency managers, our program is only two
9 years old, but it has been successful thus far in
10 terms of returns. Simply, they were long dollar
11 and they were short pound. Going into Brexit, they
12 were short Euro as well. So that's a very basic
13 way of explaining how they added value. In fact,
14 the day after the Brexit vote surprised many in the
15 markets, it was one of our best days ever, and our
16 dedicated currency program provided some
17 diversification.

18 International small cap or foreign small cap
19 has struggled a little bit. We had some
20 concentrated strategies that were negatively
21 impacted by Brexit. A focus on smaller companies
22 in the UK, ones who really might be impacted by
23 what's going on in the UK and their exit from the
24 European Union. And price-to-book was out of
25 favor, and this impacted us in this space as well.

1 The past year has been incredibly difficult
2 for active management in the U.S. In U.S. small
3 cap, we've struggled, and all periods are showing a
4 negative return. High dividend yield, REITs, and
5 non-earners, while those things were performing
6 well, our managers had a hard time navigating that
7 environment.

8 Now, our managers have been a little more
9 correlated than we had anticipated. We've made
10 some changes. We're contemplating some other
11 changes in that space. In particular, however, it
12 was U.S. large cap that struggled, and that's what
13 really jumps out on the page.

14 These are all periods ending, so for the
15 one-year, this group is down almost 7 percent, and
16 you can see for the three- and for the five-year.
17 But to point out just how dramatic the last year
18 has been, if you looked at this one year ago, U.S.
19 large cap for the one year, the excess return was
20 2.20 positive; for three years, 1.21 positive;
21 again positive for five years, 1.46. So in the
22 last year, all of this negative alpha has been
23 experienced, and in particular, the first half of
24 this year.

25 MR. PRICE: This is through June?

1 MR. TIM TAYLOR: Yes, sir, through June of
2 2016. So that has drug down all of those returns.

3 MR. PRICE: I can't think of any U.S. large
4 cap stocks blowing up, and I can think of the large
5 cap FANG stocks doing well; right? Apple has made
6 new highs, and Google, Facebook, and NetFlix. Even
7 IBM came back. I mean, IBM went from like 130 to
8 160 in spite of low overall earnings. So what
9 specific positions really hit you?

10 MR. TIM TAYLOR: Thank you very much, because
11 I would like you to turn to page 38. I'm going to
12 try to explain, you know, how we interpret this.

13 So consider the U.S. benchmarks. We know,
14 first of all, the non-U.S. benchmarks were down 9,
15 10 percent. Generally, for active managers, they
16 can -- our managers are going to preserve value in
17 those environments. On the other hand, during that
18 same time period, you can see the Russell 1000 --
19 which, let's say, is a good proxy for the
20 benchmarks for these managers, either Russell 1000
21 growth or value -- was up 3 percent. So they were
22 up -- this benchmark was up 3 percent, while
23 non-U.S. was down notably.

24 But I want you to look at the -- I'm going to
25 talk about the graph first on the right-hand side

1 and then come back and just kind of summarize
2 things.

3 Keeping in mind the benchmark is up, let's
4 say, 3 percent, the Russell 1000. Look at the
5 one-year return for the Russell 1000 Utilities
6 stocks. It was up 29 percent in this same period.
7 These are companies with little or no growth.
8 These companies became expensive, and even more
9 expensive as people continued do in a subsequent
10 slide continue to buy them. Well, why did they buy
11 them? Well, they're perceived as safe. They
12 provide me a dividend. They pay me a dividend.
13 There's some yield there. They were up 29 percent
14 in the same time period the benchmark was up 3.

15 The Russell 1000 Low Volatility benchmark was
16 up almost 14 percent, Low Vol, people flocking to
17 stable, defensive, low volatility stocks. Again,
18 regardless of valuation, they're flocking to these
19 stocks.

20 The Vanguard High Dividend Yield Exchange
21 Traded Fund was up almost 10 percent during this
22 time frame. Again, I can get a dividend,
23 irrespective of valuation, a search for yield, do
24 in a subsequent slide whatever you can to get
25 yield, to get a dividend, to get something in this

1 environment, and not being concerned what you're
2 paying for it.

3 And then, Mr. Chairman, to your point, the
4 Russell Top 50 with the largest stocks of the
5 Russell 1000 were up over 6.5 percent. So the
6 bigger cap names did better, and bigger stocks you
7 could say dominated the benchmark return. So
8 you've got utilities doing phenomenally well, low
9 vol doing phenomenally well, regardless of price.
10 The high dividend yield stocks are doing well.

11 The megacaps are pulling the benchmark up, but
12 what are some things that we can say? On the
13 left-hand side, the megacaps dominated. U.S. large
14 cap managers tend to underweight these names. They
15 generally are going to be underweight relative to
16 the megacaps. Those megacaps did well, holding the
17 benchmark up.

18 Anything defensive was rewarded, anything with
19 a yield, anything that was stable. That's what
20 people wanted, and maybe still somewhat to this
21 day, this is what they want. Defensive factors
22 significantly outperformed other factors. Low vol
23 stocks and defensive sectors ran. Bond-proxy ETFs
24 saw inflows. Why? Well, because they yield
25 something, as evidenced by the Vanguard High

1 Dividend Yield ETF. Those are the factors that
2 people preferred, investors rushed to.

3 Other factors, people could care less about
4 growth or value or anything else, no mention of
5 growth sold off.

6 MR. PRICE: Just to drill down on this a
7 little bit, so if I'm reading the chart right, this
8 is only actively managed portfolios, and at 700
9 basis points off whatever your benchmark was;
10 right?

11 MR. TIM TAYLOR: Uh-huh. Correct.

12 MR. PRICE: And call it 7 percent of this
13 group, 7 percent of 40 billion. Is that about
14 right?

15 MR. TIM TAYLOR: That group is probably more
16 like 4 to 5 billion total.

17 MR. PRICE: Yeah. Call it 5 billion.

18 MR. TIM TAYLOR: Okay.

19 MR. PRICE: We're 700 basis points off of the
20 benchmark, let alone outperforming the benchmark,
21 which is your goal, and what 59 out of 60 rolling
22 one-year quarters have done. That's what they've
23 done; right?

24 MR. TIM TAYLOR: Right.

25 MR. PRICE: So this one number really sticks

1 out.

2 MR. TIM TAYLOR: Absolutely.

3 MR. PRICE: And these are numbers where your
4 transparency is good enough to see through the
5 portfolios of all the outside managers to see
6 overlaps. So was a lot of the miss in a few
7 managers? Was it in this category over all the
8 managers? I mean, what was that like?

9 MS. ROMANO: I would emphasize, because we
10 take less risk in this market, we only have four
11 managers, so you lose any diversification benefit
12 that we have in other aggregates, because you only
13 have four and you can't diversify single manager
14 risk in the same way.

15 Secondly, when we put these managers together,
16 three of the four are quant. We have a slight
17 value tilt. Value has been shown long-term to
18 outperform. It did not outperform in this market.
19 The factors that these quant managers had exposure
20 to were more correlated and volatile than in many,
21 many periods. So when one factor didn't work, all
22 of the factors they had exposure to didn't work,
23 and they underperformed.

24 Many of these managers, though, we've had --
25 one we've had for 20 years. One has history for 20

1 years. They've experienced drawdowns before, and
2 they've come back. We don't think they've lost
3 their capability overnight. We think this is a
4 particularly challenging market.

5 MR. PRICE: Could you name two or three of the
6 stocks that particularly did poorly that affected
7 this numbers.

8 MR. WILLIAMS: Stocks, not managers.

9 MR. PRICE: Specific stocks. I don't want to
10 talk about managers. I'm trying to think in the
11 large cap universe what got hammered.

12 MR. TIM TAYLOR: Fundamental and quantitative
13 both struggled. With fundamental, I think more of
14 the stocks. Health care names, we had some
15 missteps on health care.

16 MR. PRICE: That's fair enough, going into
17 this election especially; right?

18 MR. TIM TAYLOR: Yes, yes. The quants, I
19 think the quants were really more affected by these
20 types of factors. And it's not -- you know, we
21 spent a lot of time looking at this. It was a very
22 historically difficult time for a couple of
23 managers, some their worst outperformance in a long
24 time.

25 MR. PRICE: I mean, the year, started off --

1 January and February was very tough, but most guys
2 came back. And I'm just struggling to think of
3 large cap stocks that didn't come back.

4 MR. COBB: Disney would be down over 10
5 points.

6 MR. PRICE: Disney because of, yeah, ESPN's
7 ratings? Okay. Are there any other -- I'm just
8 trying to --

9 MS. ROMANO: Because three of the four
10 managers are quantitative, they have a lot of
11 holdings, so it isn't one stock necessarily. It's
12 the collection of types of stocks they have
13 exposure to.

14 MR. PRICE: Got you. I can see health care,
15 that's for sure. Okay. Thank you.

16 MR. TIM TAYLOR: You're welcome. Not to make
17 excuses, but, I mean, our experience is not unique.
18 I mean, we've seen some studies. They're not
19 always real good studies, but, you know, one
20 recently, the Financial Times basically pointed out
21 that over 90 percent of all U.S. active managers
22 underperformed over the last year. There's some
23 evidence that it was really difficult for a lot of
24 folks, so we weren't immune to that.

25 So our U.S. large cap active -- and Alison

1 really talked about this already -- were tilted
2 toward value, were tilted toward non-dividend
3 payors, smaller names. All of these factors,
4 because of our exposure, we were adversely
5 impacted. And it's really unusual to have almost a
6 perfect storm. Hopefully we're going to get a
7 reversion with this group.

8 The performance is understandable. It's
9 explainable. But that's it. We're reviewing this
10 aggregate just like we review all of our
11 aggregates.

12 So let's move on now to your page 40, and
13 Alison is going to discuss our internal asset
14 management capabilities.

15 MS. ROMANO: We'll walk through in terms of
16 our process, four areas. Our internal management,
17 the systematic approach we take to monitoring
18 managers, the approach we take in sort of a fund of
19 funds analysis, and the process we have in
20 selecting managers.

21 To start on the internal asset management,
22 we've spent a lot of time in previous IAC meetings
23 talking about the capability we have here, but we
24 have 32.3 billion managed in-house, so it's
25 important to talk about these issues and to talk

1 about what we've been doing here. We need the
2 right people, processes, and systems in place to
3 effectively manage that 32 billion.

4 You'll see in the timeline we have a long
5 history of internal management. It only makes
6 sense to do this internally if we can consistently
7 provide solid returns and do in a subsequent slide
8 so in a cost-effective manner. Outside resources
9 like the CEM survey have shown that we are doing it
10 in a cost-effective manner, doing it less
11 expensively than peers, and certainly less
12 expensively than using an external provider.

13 There are other benefits of internal
14 management besides the actual portfolio. It gives
15 us a set of capabilities to better analyze other
16 managers, analyze their trading costs, analyze
17 their implementation, know the risk that they face.

18 We also serve as a resource to the other asset
19 classes to do trading for them. So if they need
20 some currency or if they end up with a security
21 that needs to be traded, we will do in a subsequent
22 slide that as well.

23 We also have the capability to do transitions,
24 so when we're raising that \$5 billion every year,
25 we can do in a subsequent slide some of those

1 transitions in-house and monitor that very closely.

2 What do we need to do this? On the next page,
3 we need best in class systems. So I will admit
4 it's probably more exciting to talk about what this
5 stock did this quarter or where Tesla ran, but
6 having the right systems in operation and team in
7 place is very important to making this all work.
8 And if we want to be a best in class manager, we
9 need best in class systems.

10 So these do cost money, and we spent a lot of
11 time making sure that we're evaluating the cost,
12 the benefit and risk of all these systems, like our
13 order management system, our trade cost analysis,
14 portfolio optimization and risk tools. These
15 systems touch multiple groups across the
16 organization, so it's important that we remain in
17 constant communication and again make sure that we
18 have systems that work for everybody and their
19 needs.

20 It goes without being said that we need an
21 experienced staff. Many of them are sitting in the
22 back over there. We need PMs who can navigate
23 index changes, that can deal with cash flows, that
24 can manage the very narrow risk budget. We need
25 PMs that have strong quantitative skills. We

1 manage the factor index portfolio. We manage an
2 active portfolio internally. We're seeing an
3 increased need for people with technological
4 capabilities to really use all the data that's
5 available to make good decisions from that, and
6 we've built a team to do that effectively.

7 I would like to emphasize one point that --
8 the challenge that a public plan has versus maybe a
9 large institutional provider. When you're running
10 money, you need redundancy. You need a backup. If
11 somebody's sick, you need somebody else who can run
12 that portfolio. We made a concerted effort to
13 build those redundancies, but it's something that
14 we need to continue to think about if we were to
15 pull more money in-house, because we can't build
16 out a team of 20 or 30. It doesn't make sense,
17 given our asset base. It doesn't make sense, since
18 we don't have 30 clients as an institutional
19 manager may have. But that's something that we're
20 constantly monitoring. We're pleased with where
21 we're at, but that's something to consider if we
22 were to build more.

23 The next process to highlight is our manager
24 monitoring. We're trying to give you a flavor on
25 these pages of all the work that goes into

1 selecting, and in this case, monitoring each of our
2 managers. Because of that transparency, we have
3 daily reporting. We have monthly and quarterly
4 reporting. And I'll highlight just a few of these
5 items.

6 We're looking each day at big moves in
7 individual holdings. So if we do have a manager
8 that has a stock that's down 20 percent, we pick up
9 the phone, "What's going on? What are you
10 thinking? I don't see that you're adding to this.
11 What are you going to do?" We're monitoring
12 organizational changes. We expect a manager to
13 tell us if something happened at their
14 organization, but certainly if we see it on the
15 news, we're picking up that phone and calling.

16 We're also looking at performance each day to
17 make sure -- one day is a short period of time --
18 to make sure that there are no surprises.

19 On a monthly basis, we're doing the same
20 thing. Each individual -- many individuals on our
21 team are assigned to individual managers. They
22 need to understand what happened that month and
23 what drove the performance. We're looking at
24 things like securities lending income, our
25 derivatives positioning.

1 On a quarterly basis, we have meetings with
2 every one of our managers. We require the PM to be
3 on the phone. This is not a standard call that
4 they go through their standard presentation. We
5 are prepared, and we drill down and ask them
6 stock-specific questions and process questions to
7 make sure our questions are answered. And when we
8 get done with those calls, we debrief, and we think
9 about what are the issues to consider, what are the
10 things we need to monitor on an ongoing basis to
11 make sure that there are no surprises going
12 forward.

13 We also make sure that nobody on the team is
14 working in a bubble, so it's not one person, one
15 manager, and that's the only person responsible.
16 We're constantly communicating across each other to
17 get ideas and to challenge one another.

18 On the next slide, we wanted to really give
19 you a flavor of some of the analytical work that we
20 do. We could produce page after page. We didn't
21 want to inundate you. There's a lot for 61
22 managers. So what we're trying to get at on this
23 page is the types of things we do.

24 So to walk through that a little bit, for
25 instance, what we're showing you is a manager that

1 happens to have a defensive profile and is
2 yield-seeking. So when we look at the performance,
3 does the performance reflect that? Well, yes. In
4 that top left quadrant, the market was down over
5 the year. They outperformed. They have lower
6 volatility, in this case shown as standard
7 deviation versus the benchmark. And when the
8 market was down, they were down less. So the low
9 downside capture number is a good thing, meaning
10 that they went down less than the market. So
11 performance aligns with what we expect.

12 Now, does their exposure align with what we
13 expect? What we show in the top right-hand side is
14 factor exposure. Again, it's a yield-seeking
15 manager. They have significant exposure to yield.
16 That's what we would expect. When we break down
17 that performance attribution on the bottom right --
18 I'm sorry, the bottom left, well, they're a
19 yield-seeking manager. They had a lot of
20 utilities. Utilities did well. That is a big
21 component of sector allocation driving the return.

22 So we have all these analytical tools. Again,
23 we look at a lot more than this, but tools are only
24 as good as the people analyzing them, and we need
25 to draw conclusions from that. So what are the

1 conclusions? It's performing as expected, but the
2 sources of risk are consistent with the process.
3 The team is stable.

4 What do we need to watch going forward? Well,
5 can this manager add value over a naive dividend
6 yield strategy? Because if they can't, we
7 shouldn't be paying active fees. We've done a lot
8 of analytical work to show that they have, and we
9 have to recognize that this strategy will
10 underperform if the markets rally and the dividend
11 yield stocks pull back. We expect that. And if we
12 saw something different, we'd question it.

13 I'm going to turn it over to Tim to talk about
14 how we put all the managers together.

15 MR. TIM TAYLOR: Okay. Page 44. On a monthly
16 basis, we certainly assess the drivers of aggregate
17 performance. Every day we're looking at our
18 structure and making sure we don't have any
19 unintended positions. We're evaluating regional
20 over- and underweights, style, growth value, the
21 active/passive splits, and those types of things.

22 And we use the regular monthly liquidity
23 assessment to rebalance opportunistically. As has
24 already been noted, we bear the costs to trade
25 this, and they're not insignificant. But it does

1 allow us the opportunity to address slight tilts or
2 maybe harvest some profits from some managers who
3 have done very well.

4 On a quarterly basis, on the right-hand side
5 of the page, we do a comprehensive total asset
6 class review, and this is -- staff is assigned to
7 look at the total asset class, but then we have
8 staff members who will look at the underlying
9 sub-aggregates. We'll look at market trends,
10 overall positioning and attribution, country,
11 sector, over- and underweights, sources of
12 aggregate risk. We look at historical risk levels.
13 We look at predicted risk levels for the aggregate
14 and for all of its sub-aggregates.

15 And then in each sub-aggregate, we do a
16 comprehensive review, the drivers of performance,
17 for example, in international small cap,
18 correlations of the managers, what's driving risk.
19 And individuals will make restructuring
20 recommendations if necessary.

21 And we also discuss prospective managers,
22 refer ideas from the consultant, or meetings we've
23 taken, or other sources.

24 Moving along to the next page, I'll be pretty
25 general with my comments here, but this is an

1 aggregate of ours that is designed to provide some
2 downside protection. So these are some of the
3 metrics that we would look at to see are they
4 delivering this, have we designed it in a way that
5 it should perform as expected. So this performance
6 aligns with expectations.

7 This is a graph showing the return of the
8 benchmark on a monthly basis, and then there is a
9 dot showing the excess return. So what you can
10 conclude from this is that the greatest level of
11 outperformance occurs when markets are down.
12 That's consistent with our expectations, downside
13 protection.

14 Understanding factor risks by manager, several
15 factors. The managers are arrayed here in various
16 colors. If you look at beta, just to make the
17 point here, not surprisingly, most managers in this
18 aggregate have a beta of one or less. They're
19 designed again to protect in down markets.

20 This tracking error within expectations, we
21 look at the predicted tracking error of each
22 sub-aggregate. In this case, it's 1.95 percent,
23 just under 2 percent. And it shows you from -- the
24 various sources contributing to tracking error. So
25 again, this is consistent with our design. We're

1 focusing on managers with a dividend yield
2 strategy, lower beta, lower financial leverage.

3 And then finally on this page, we try to
4 attribute return to make sure that it's within
5 expectations. If you look at the market beta, over
6 this period of time, the negative tilt to beta was
7 positive for performance. For market decline,
8 these managers outperformed. That's inconsistent
9 with our expectations.

10 The next page -- and we're mindful of our time
11 here, and so we'll move at a fairly swift pace.

12 MR. COLLINS: Can I ask one question,
13 Mr. Chairman?

14 MR. PRICE: Yes.

15 MR. COLLINS: On the tracking error within
16 expectations, where you're saying percent
17 contribution to tracking error in the pie, risk
18 indices is 41 percent of your contribution to
19 tracking error?

20 MR. TIM TAYLOR: Uh-huh.

21 MR. COLLINS: Explain that to me.

22 MR. TIM TAYLOR: Okay. That's where we're
23 trying to explain the expected risk of the manager
24 going forward based on some of the securities they
25 have. So do they have a bias toward high dividend

1 yielding stocks, do they have a -- are they a low
2 beta portfolio, do they have a valuation bias?
3 We're trying to isolate things that would explain
4 the manager's expected performance.

5 MR. COLLINS: That would fall outside of an
6 otherwise 7 percent of asset selection?

7 MR. TIM TAYLOR: Yes, yes. I think that's a
8 good way to think of it. Some things are -- also,
9 we want to have managers that are adding value
10 above and beyond just a naive approach to investing
11 in factors.

12 MR. COLLINS: Right.

13 MR. TIM TAYLOR: But some of this is -- much
14 of it is going to be explained by their bets. And
15 we would expect some of these managers would have
16 pretty high risk indices contribution.

17 MR. COLLINS: And then my last question is, if
18 you look at the current MSCI both in sector weights
19 and country weights, you know, I can see where
20 you -- obviously, you're going to have a little bit
21 of error relative to sector weights just because,
22 you know, you've put together an \$80 billion
23 portfolio, and you're doing it with different
24 managers and different stocks, so you're going to
25 be a little off. It's hard for me to look at your

1 pie, though, and if I look at the MSCI country
2 weights -- because you display it a little bit
3 differently than MSCI does. MSCI gives you a
4 little bit more -- at the core, it gives you more
5 breakdown.

6 So I would be curious, on your developed
7 markets ex-U.S., if you could in the future just
8 let us know what countries make up that 36 percent.

9 MR. TIM TAYLOR: Absolutely. I'll be happy to
10 do that.

11 So allocation or manager changes. Liquidity
12 we mentioned is an opportunity for reallocation.
13 We review the daily structure report, consider
14 active/passive split, consider individual manager
15 performance and relative risk. Is one manager
16 contributing too much to the tracking error of a
17 particular aggregate? We might want to address
18 that. And we try to trim winners. If managers
19 have done really well, we try to harvest some of
20 those profits.

21 Non-liquidity driven reallocations. For
22 example, we recently funded -- I think we brought
23 to your attention an internal factor index
24 strategy. It's not a small strategy. It's
25 \$500 million. Its performance began in May,

1 earlier this year. It's doing well thus far. But
2 where are we going to source that money from?
3 We're not getting new money into global equity.
4 For the most part, we're providing liquidity to
5 other areas or to beneficiaries.

6 So we'll look at, you know, where is this
7 money going to come from, always being aware of the
8 U.S./non-U.S. split, are we overweight a particular
9 sector or particular group, developed large cap
10 managers? Sometimes managers perform well as a
11 group, and that takes their weight up. Maybe we
12 want to bring that back down. We might modestly
13 increase active exposure by reducing passive, trim
14 certain outperforming managers, and manage factor
15 and risk exposure.

16 Under opportunistic, the allocation to new
17 alpha sources, this could include off-benchmark
18 changes -- excuse me, off-benchmark opportunities,
19 things that we discussed earlier.

20 But also I think we try to be opportunistic if
21 a manager has performed very poorly, and maybe
22 they're on our watch list, even, and maybe they've
23 underperformed quite a bit. But if we're confident
24 that the manager's team is there, the process is
25 there, they're disciplined, we understand

1 performance, wow, this might be a real good time to
2 actually add to that manager.

3 Other clients might actually be pulling money
4 away. We show confidence, and we might even add to
5 managers. And we have some history of doing that.
6 So that's another way we're opportunistic, try to
7 be opportunistic.

8 Changes in managers. We typically conduct one
9 to two manager searches every year. Some of the
10 changes we've made over the last, let's say, two to
11 three years, in emerging markets, we hired two new
12 emerging market managers in the first half of 2015.
13 The currency program I said earlier is only two
14 years old. We have five dedicated FX managers.

15 And we've made some changes to the U.S. small
16 cap group in the last couple of years. I think
17 it's --one of the things that's interesting is,
18 we've hired a London-based firm to manage a U.S.
19 small cap strategy. Prior to this, all of our U.S.
20 small cap exposure was managed by U.S.-only firms.
21 So this gives us, we think, a very different look
22 at the U.S. small cap space. And the portfolio, we
23 clearly see that they look at the world quite
24 differently and these opportunities quite
25 differently.

1 Defunding considerations. And this is maybe a
2 diplomatic way of saying termination.

3 MR. COLLINS: Defunding considerations?

4 MR. TIM TAYLOR: Defunding considerations,
5 yes, like I say.

6 We want to understand performance. Whether
7 it's good, whether it's bad, we want to understand
8 it. And if we can't understand it, if a manager
9 can't explain it, that might be a reason to make a
10 change. It will be a reason to make a change.

11 Certainly if there are team changes that are
12 significant, organizational issues or changes, or
13 compliance issues as well -- compliance is a very
14 important part of this. You can get the
15 investments right, but if you get something in
16 terms of compliance wrong, you could wipe out
17 whatever was made -- whatever you did well in terms
18 of investments. Those things are important to us.

19 It's always a consideration, what are we going
20 to do with the assets. In just a minute I'm going
21 to talk about our manager search process. But if
22 we make a change, where are the assets going to go?
23 Are they going to go to another manager, perhaps?
24 Are they going to reside in an ETF perhaps on a
25 short-term basis? Can we manage some of this

1 in-house? That's a consideration as well.

2 We also determine will we need a -- well,
3 we'll need a transition manager. Internally, we
4 can do a lot of our transitions now, but there are
5 some places we don't simply have the expertise yet,
6 emerging markets, maybe some international small
7 cap frontier markets in particular. And for that
8 reason, we have a dedicated group of transition
9 managers under contract on a transition manager
10 bench, we call it. They're ready to help us if we
11 need to do a restructuring.

12 Finally, fees versus alpha potential. If
13 there's a diminishing alpha opportunity, if you
14 combine that with we're worried that fees are too
15 high, a change might occur. There are several
16 reasons that might call for this, but those are
17 some examples.

18 All right. I'm unable to change here. There
19 we go. Thank you.

20 Consistent with the outline that we received
21 from you, Mr. Chairman and the committee members,
22 the outline asked for a discussion of the manager
23 selection process. And so we're happy to answer
24 any questions about this. But I'll take you
25 through -- fairly deliberately through each of

1 these steps, because it's a very important process,
2 and we want to make sure you know the level of
3 detail that we dedicate to it.

4 Certainly the first thing, identify the need.
5 Is there an alpha opportunity in a given market
6 segment? We look at various performance trends.
7 We look at existing aggregates. We might have one
8 of our sub-aggregates that has a bias to growth,
9 let's say. We may not be comfortable with the
10 level of that bias to growth, and therefore, we
11 might say, "Let's go out and do a search, and let's
12 find a manager who has a value bias to help us make
13 that aggregate more diversified, to structure it in
14 a more diversified fashion. That's one example why
15 we would launch a search.

16 We then develop the criteria for the search.
17 Some of the criteria would include firm size, firm
18 AUM, the product AUM, and the years of history of a
19 product. We might like to see, for example, a
20 product with at least three years of live history.
21 Those are some of the criteria, not all, but just
22 an example of some.

23 We then develop a list of managers meeting
24 these criteria based on a few sources. Currently
25 we would use the eVestment Alliance database to

1 screen for managers meeting these criteria, firm
2 AUM, product AUM, years of history, other metrics.
3 We'll supplement that with prior meetings that
4 we've had, any diligence we've done on prospective
5 managers. And here we note that year-to-date 2016,
6 our staff has met with over 50 prospective
7 managers. In addition to everything else we're
8 working on, we try to remain very aware of what's
9 out there and what other opportunities we might
10 have.

11 And also, we rely on the consultant. One of
12 the questions to the consultant is, you know, what
13 are we missing? What firm is out there that we
14 haven't found through our screens that we haven't
15 come across that you think might be suitable for
16 the Florida Retirement System. For the most part,
17 the searches that we do, global equity does the
18 heavy lifting, but the consultant is with us along
19 the way to provide support throughout the entire
20 process.

21 So we identify managers of interest. Step 4,
22 is, we send a very detailed questionnaire to these
23 managers. And these questions cover a lot of
24 things. Investment process, tell us how you
25 perform and why. Risk, how do you control for

1 risk? How do you define risk? Trading, trading
2 not just equities, but how do you trade your
3 currencies? Do you default everything to the
4 custodian? Do you actively negotiate FX rates?
5 Also, compliance questions. We request data,
6 monthly historical returns, not just returns;
7 holdings as well, holdings information for several
8 quarters. We have several non-investment
9 questions, quote, unquote, non-investment
10 questions, the team, the structure of the
11 organization, the ownership, risk and compliance
12 capabilities, and legal topics, are there any
13 pending legal issues we should be aware of.

14 We get these back, these very detailed
15 responses back, and we narrow the universe. We
16 internally review it. We discuss it. The
17 consultant reviews, we discuss with the consultant.
18 We look at the quality and the clarity of the
19 response. We complete detailed analytics of the
20 manager's performance. We'll run scenario
21 analysis. We look at, if we add this manager to
22 this aggregate, what does this aggregate look like.

23 We'll work with legal at the SBA. We'll work
24 with RMC, which is risk management and compliance,
25 to identify potential non-investment risks. And we

1 have those groups -- both legal and the external
2 investment management oversight team, those people
3 are part of the group that are reviewing these
4 responses that are part of the discussion.

5 So we identify potential finalists. And I say
6 potential, because the next step in our search we
7 think is very important. So we identify potential
8 finalists, and then there's two things we really
9 want to have a very straightforward discussion
10 about. One, we send them our contract, our
11 standard contract, and we say, "This is our
12 contract. We don't like to make changes to our
13 contract. We have some flexibility in some areas,
14 but as a whole, we don't like to make changes. Is
15 there anything in this contract you can't agree to?
16 Because if you can't agree to it and we can't
17 provide you any flexibility, it's in neither of our
18 best interests to move forward."

19 MR. JONES: How many times do you actually get
20 people that say, "Yeah, there's stuff in there we
21 can't" --

22 MR. TIM TAYLOR: We have had several occasions
23 that that happened. And that's good. Instead of
24 having the manager come down and going through the
25 process and then deciding, yes, this is the manager

1 we want --

2 MR. JONES: I get it.

3 MR. TIM TAYLOR: There we go. So the contract
4 is a very important part of this call.

5 Another important part of this call are the
6 fees. What fees are you going to charge us? Here
7 we try to be very open with managers, and we say,
8 "Our expectation, if we were to hire you, is that
9 we will pay a certain level of fees." We give them
10 a range. That range is largely based upon what
11 we're currently paying to our existing managers.

12 And we'll tell them, "This is a large mandate.
13 This is going to be a \$500 million mandate. We
14 plan on funding you with this. And we hope that
15 10, 20 years down the road, you're still an
16 investment manager, because that means you have
17 outperformed, you've complied with all the
18 requirements, you've met all the guidelines, all
19 these things. You've added value for us. Because
20 of that, we expect a very, very aggressive fee,
21 because we've got a large account. We're a
22 long-term investor. And currently, this is what we
23 expect -- this is what we pay currently. These are
24 our expectations now."

25 And there are times, just like with the

1 contract, that some firms will say, "Well, I'm just
2 not going to be able to negotiate with you down to
3 that range." And we make a decision, do we want to
4 continue on, or do we want to exclude the manager?
5 And sometimes we have excluded the manager, or the
6 manager has said, "Well, no thank you. I have
7 limited capacity. I don't think anybody else is
8 going to pay that fee," and we say, "Okay. That's
9 fine. We understand," and we part ways.

10 If that call goes well, the contract and the
11 fees are acceptable, we then invite them to come to
12 Tallahassee. So we've gone through two very
13 important things. The contract shouldn't be an
14 issue, and they're going to give us a good fee that
15 we're comfortable with.

16 We then, Step 7, conduct interviews at the
17 SBA. We require the attendance of the portfolio
18 manager. These are pretty intense interviews. We
19 put two hours on the calendar, but they're more
20 like two and a half, three-hour detailed
21 discussions. These aren't one-way presentations by
22 managers. We've got materials and all that. But
23 almost right off the bat, it's a dialogue. We have
24 questions that we want to find out about and get
25 answered.

1 So we determine -- and who participates in
2 these interviews? People from legal, people from
3 risk management, and other SBA executives will be
4 there, and they're invited to come as well. We
5 determine the manager to hire based on the internal
6 discussion and the input from the consultant.

7 Step 9 is, we get a contract, which shouldn't
8 be a problem because of Step 6. We typically
9 conduct on-site due diligence. It's not a
10 requirement, but we typically do that. And then we
11 determine the best approach to the transition. I
12 spoke about the transition managers, do we do it
13 internally, do we engage them. And then we fund.

14 So we'll close --

15 MR. PRICE: Can we jump over this and hit your
16 accomplishments and some of the recommendations, if
17 you don't mind? Because we have still a few more
18 categories to cover.

19 MR. TIM TAYLOR: Okay.

20 MS. ROMANO: Sure. So looking --

21 MR. PRICE: That would be great. Thank you.

22 MS. ROMANO: -- at the accomplishments, these
23 are really the main projects that we completed this
24 year. There's a lot that we've done behind the
25 scenes, but we want to highlight the key items.

1 As you know, we launched the global factor
2 strategy, over 500 million in that.

3 We consolidated our trade cost analysis
4 service provider. That came at budget dollar
5 savings.

6 We spent a lot of time enhancing our
7 analytics. We have a great team that has really
8 customized analytics.

9 We further developed our currency program and
10 added some notional there.

11 And one point I do want to spend a second on
12 is the fact that we have evaluated the idea of
13 bringing in-house managing international assets.
14 We do a global portfolio, but not a global ex-U.S.
15 portfolio. We looked at it.

16 We don't think at this point in time it makes
17 sense, given our bandwidth, given what our team is
18 working on, given that we get -- we have a very
19 good provider right now who delivers at a low fee
20 rate. That doesn't mean we won't do it at some
21 point, but that is something that we spent time
22 this year evaluating.

23 Going forward, key elements of our work plan.
24 As you saw, there are certainly aggregates that
25 need some work and some evaluation, and we are

1 continuing to do in a subsequent slide that. We
 2 spend quite a bit of time looking at some of the
 3 opportunistic strategies, international microcap,
 4 for instance. We continue to emphasize internal
 5 management of some of these liquidations and
 6 transfers to even further leverage the capabilities
 7 that we have. And we continue to develop our
 8 staff. We couldn't do in a subsequent slide what
 9 we do in a subsequent slide without developing
 10 them, having their skills and making sure this is a
 11 good place for them to stay so that we can retain
 12 the talent.

13 MR. TIM TAYLOR: I'll be very brief. This is
 14 our last slide. We mentioned the asset class
 15 structure review from Mercer that was recently
 16 completed. These are their recommendations. These
 17 recommendations are consistent with what we
 18 consider, what we've been working on.

19 Evaluate the use of active management in
 20 market segments perceived as efficient, and
 21 primarily U.S. large cap here.

22 Consider internally managing international
 23 passive. Alison just spoke about that, but they
 24 said do it more of a long-term consideration.

25 Consider an increase in the active risk

1 budget. We're going to look at strategies that
 2 might be opportunistic and might justify a higher
 3 risk budget.

4 And consider adding dedicated exposure to low
 5 vol strategies. We've evaluated these strategies
 6 for the past few years. They should be considered
 7 within GE, Mercer says, but also within the context
 8 of the entire fund.

9 And then finally, take a -- continue to take a
 10 thoughtful, incremental approach to opportunistic
 11 investments.

12 And we're happy to answer any questions,
 13 Mr. Chairman.

14 MR. PRICE: Thank you very much.

15 Does anyone on the panel have any questions?
 16 No?

17 Thank you very much. The one thing I want to
 18 come back on is just the currency approach, so I'll
 19 get you off-line.

20 Our next deep dive is fixed income. If
 21 there's a lot or a little to talk about, a little
 22 yield and maybe a lot of bonds.

23 MS. WOJCIECHOWSKI: A little yield.

24 MR. PRICE: A little yield. Katy, thank you.

25 MS. WOJCIECHOWSKI: I'll try to be as brief as

1 possible.

2 As I've said before, we serve a purpose to, I
3 believe, diversify against the equity returns --
4 and in general, we've done that in the past -- and
5 provide stable returns. We don't spend a lot of
6 risk budget throughout the organization in this
7 area, but we've been able to exceed our benchmark
8 over the long horizon while using very little risk
9 budget, frankly.

10 If we could go forward to -- this is how -- I
11 just wanted to start with how the benchmark was
12 made up, and this is a little bit different than it
13 was maybe ten years ago. It's a lot more weighted
14 towards Treasury, because there's been a lot of
15 government issuance over the past ten years. The
16 securitized assets are CMBS, ABS, MBS, the typical
17 characters. Credit is where we spend a lot of our
18 time, as well as in securitized. And then
19 government-related, which is this agency.

20 If you look in the bottom left-hand corner of
21 the slide, it's a \$15 trillion -- actually, at this
22 month-end, it was a \$16 trillion market. So that's
23 just the U.S. agg. Globally, it's much larger than
24 that too.

25 The duration is three and a half years, so a

1 pretty short duration. We shortened that, as
2 you'll recall, three years ago, and I have a
3 comment on that going forward.

4 Coupon, it's all at an over par price. So
5 that gives you a yield of 1.77 as of today, or 1.70
6 when I did this. There's not a lot of yield in the
7 world right now. And if you look globally, it's
8 even less than that. A big, big chunk of global
9 yield is actually negative yield, as you know,
10 right now. And we've had two corporations that
11 were issuing recently who are actually issuing at
12 negative yield. So you can borrow, and I'll pay
13 you back less in ten years, basically.

14 This is kind of how we are targeted within the
15 organization, so currently we're about 18 percent
16 of the allocation for the board, so 26 billion. We
17 started the year last year, 2015, at 29 billion,
18 not due to negative returns, but due to -- we
19 funded a liquidity portfolio of a billion and a
20 quarter. We also provided, as you might recall,
21 about 5 trillion -- or 5 billion, sorry -- of
22 liquidity, liquidity for alpha and for other asset
23 classes.

24 This is how we are set up within the fixed
25 income allocation, so within that 25, 26 billion.

1 It's an active/passive split of about -- 60/40 is
2 kind of our target right now, and that's roughly
3 where we are.

4 MR. PRICE: When you say passive in the fixed
5 income category, what is that?

6 MS. WOJCIECHOWSKI: So that is our goal.
7 Winning in that is to provide index returns.

8 MR. PRICE: International, country --

9 MS. WOJCIECHOWSKI: No, it's actually U.S.,
10 U.S. intermediate agg. And a comment on that. We
11 looked -- we did look at does it make sense to go
12 global or just stay with the U.S. agg. I think the
13 U.S. agg is a better representation of what's
14 liquid in the universe, and that's one of our key
15 things.

16 We also like to have, frankly, global bonds,
17 and we've gone a little bit more into this this
18 year as an opportunity for us.

19 MR. PRICE: Are you in the bank debt market as
20 well as the bond market?

21 MS. WOJCIECHOWSKI: We do have some managers
22 who operate in the bank debt, and that's one of the
23 things we'll touch on later, because it's one of
24 the things that we've talked about, and actually,
25 Mike and I have talked about recently.

1 So if you look at the active management
2 portion of the \$15 billion of our allocation, the
3 biggest portfolio is actually -- and we're a little
4 bit unique to the organization. We have a
5 \$5.2 billion internally actively managed portfolio,
6 and then we have six external managers that manage
7 for us. And what we've tried to do is leverage off
8 of their capability, so we -- you know, we're -- I
9 hate to call us plain vanilla, but we're as plain
10 vanilla as we can be. We don't have huge bandwidth
11 and redundancy, to use the word Alison used. So,
12 you know, we picked some managers who are better --
13 in the different categories that I showed you
14 before.

15 So like the global equity group, we recently
16 worked with Mercer on a review of our asset class.
17 In general, they agreed with our current structure,
18 our current active/passive split. One of the
19 things we looked at was maybe taking on some more
20 active, and we talked about that recently. We have
21 also, and we continue to talk about bringing more
22 assets in-house, and we have done a bit of that
23 over time, and we may continue to do that.

24 But like Alison mentioned, we are concerned
25 with, you know, bandwidth within our group. We're

1 not actually -- we're not very deep within our
2 securitized group. I'm a securitized person. We
3 have several. We all kind of wear two to three
4 hats, if you will. And that has worked out really
5 well and given people an opportunity to be
6 challenged and to learn new things, but we have to
7 be mindful of our capabilities.

8 Just a brief performance review. If you'll
9 look, we've outperformed -- and this is as of 7/31.
10 Over the one-, three-, and five-year, we have
11 outperformed. Through August, that one-year number
12 goes to up 19. Also for the three-year number, up
13 19, and up 58 for the five-year number. The
14 tracking error, roughly the same. So we've put up
15 some pretty good numbers, both in our passive and
16 in our active.

17 I will be quite honest. Last year, for our
18 external managers, they were very challenged in
19 active space. So it was a tough year for them. It
20 was a tough year for everyone, but especially for
21 them. Internally, we did quite well last year. So
22 we are typically the less risk people, and that
23 worked well last year.

24 Just a quick word on our attribution. As you
25 can see, we're not the kind of group that will take

1 the big bets. We aren't big swing-for-the-fence
2 managers. We try to turn over a lot of stones on
3 security selection, so this is typical for us.
4 You'll see a lot more on security selection than
5 you will on a duration bet. Duration bets, while
6 they can be very impactful, it can be impactful
7 both ways. So the strength of our group is looking
8 at individual securities, good credits, finding
9 unusual credits, finding unusual security
10 opportunities.

11 MR. PRICE: And what does residual mean?

12 MS. WOJCIECHOWSKI: Residual is kind of a --
13 it's what doesn't fit in the other neat little
14 categories. So if we have -- for example, we have
15 an international bet that doesn't fit into any of these
16 categories, for example, we have a New Zealand rate
17 to bet on that doesn't fit, so -- and this is, by
18 the way, an one-month snapshot that I'm showing you
19 here. Over the year, it has actually been quite
20 additive.

21 So I mentioned the team, and I'm just going to
22 spend one second on this, because we do in a
23 subsequent slide wear a lot of hats. Up in the top
24 left, you'll see the one man, securitized assets.
25 And I work on that team. We have an external

1 manager oversight group. This was a change over
2 last year. So we've had one person focused on it,
3 one person who might be in the audience who retired
4 recently, and we decided to do more of a team
5 approach, which builds some redundancy, gives more
6 capabilities to some different people. And we've
7 found that to be really a good way for different
8 people to get exposure to different areas and to
9 other managers. I would have loved to have had
10 some of them down here today, but actually out on
11 meeting, so that's a great thing for them.

12 We also have the rates team. We meet
13 frequently and have come up with -- this is a newer
14 area for us. I mentioned a couple of global rates
15 trades that we've had right now. We've had some
16 curve bets. We've had some curve bets that are
17 really winning right now, actually, and just kind
18 of looking at some different -- they don't always
19 show up in an actual rates bet. You might say,
20 "Okay. This makes sense in bank space," so we --
21 that's why we sit in a circle and -- we literally
22 sit in a circle and talk about it frequently. So
23 that's our group.

24 I think I've talked about most of this in the
25 past, so I'm not going to dwell on this. But we do

1 have a good trading group. We've got great
2 experience within the group. Most of the people
3 have been here for a very long time. We've added a
4 couple of new people recently. We have some
5 upcoming retirements, some previous retirements, so
6 we just -- we're building a bench. We've got some
7 new people coming in, which is very exciting for
8 our group.

9 I mentioned briefly that we operate within a
10 very low risk budget. We do right now particularly
11 because I don't see the opportunity to make a lot
12 by taking a lot of risk. And if volatility picks
13 up, we will see this pick up just by virtue of the
14 fact that volatility increases.

15 As you can see, we had a great opportunity in
16 February and March of this year, and we did take
17 that opportunity and add risk then, took it off as
18 we slid down the spread scale on page -- I don't
19 even know what page that is.

20 I mentioned a little bit about how much global
21 debt has grown. And you can see, the U.S. used to
22 be the vast majority of the debt, and with all the
23 other issuances -- and much of this by way of the
24 new debt that's going on is at negative rates. So
25 we view that as maybe an opportunity, but not

1 something we would like to have in our benchmark
2 right now.

3 We've kind of talked about our process.

4 You will see -- this is our current risk
5 breakdown. And if you think back to where we got
6 our excess before, it follows that our credit
7 spread and our securitized spread, that's where we
8 spend our time. It's not particularly on curve
9 trades, although we will do them opportunistically.
10 We do -- we talked about doing like overall hedges
11 and things like that. We've done a couple of them
12 in the credit derivatives space, things like that,
13 but we're pretty bread and butter in fundamental
14 research.

15 Just a quick word on our internal portfolio
16 management. I mentioned we have a weekly meeting
17 where we'll talk amongst each other. We'll also
18 bring in our external managers to talk with us
19 about things that they're saying, make it a
20 dialogue. We have them very much as an extra arm
21 for us, some deeper bench busts to give us more
22 resources.

23 Now, I'm not going to go over the external
24 manager selection, purely because it mirrors what
25 they do.

1 MR. PRICE: I would love it if you would jump
2 to the 2016 accomplishments and then Mercer's
3 recommendations. That would be great. I mean it's
4 only 25 billion.

5 MS. WOJCIECHOWSKI: That's all it is.

6 As I mentioned, we did a reorg in the past
7 year, gave some different people some different
8 hats to wear. We're working a little bit more on a
9 team approach and shifting around, bringing some of
10 our junior managers up more in analytics, bringing
11 them into our meetings a little bit more to be
12 involved and come up with some new ideas,
13 hopefully, over time.

14 We are also refining our process of evaluating
15 our internal managers. We do have kind of a score,
16 if you will, not just based on performance, but
17 based on the risk-adjusted performance, which, by
18 the way, the one thing I do want to mention is,
19 three years ago, the -- a little aside. You guys
20 will recall that we switched our benchmark from the
21 agg to the intermediate agg.

22 Well, performance, absolute performance has
23 been less a bit on an annualized basis. It is
24 better on a risk-adjusted return basis.

25 MR. PRICE: What would be the largest single

1 bond position you would take? Would it be as big
2 as 250 million?

3 MS. WOJCIECHOWSKI: Well, U.S. Treasuries,
4 definitely.

5 MR. PRICE: Not Treasuries, no, corporates,
6 corporates or --

7 MS. WOJCIECHOWSKI: In corporate land, we
8 limit ourselves to about 5 percent concentration in
9 our portfolio.

10 MR. PRICE: Of corporates. So it's much
11 smaller.

12 MS. WOJCIECHOWSKI: Of a name, yeah. Not
13 necessarily of an individual bond, but of an
14 individual name. So we may on several, you know --

15 MR. PRICE: So 5 percent of --

16 MS. WOJCIECHOWSKI: Of our -- of a portfolio.
17 So within a portfolio, it would be max 5 percent in
18 any name. And we don't have any really that
19 approach that 5 percent right now. Like I said, we
20 are very small bets.

21 And this is kind of in line with what Mercer
22 recommended. I mentioned this already, considering
23 moving more assets in-house. We are already -- we
24 manage 5.2 billion of our active and 15 billion of
25 our passive internally. So all of our passive is

1 managed internally, and we come pretty cheap.

2 We have talked about increasing our active
3 allocation. We have given ourselves a little bit
4 more headroom in our internal portfolio, but we
5 don't want to blow, you know, our risk budget, so
6 we're mindful of that always.

7 One thing that Mercer and we have discussed,
8 and you hit on it, maybe some dusting around the
9 edges, if you will, an allocation to bank loans or
10 CLOs. We're mindful that, you know, Trent's group
11 also works in that area, so where is the money best
12 spent? But that is something that we're working
13 on, whether we would do it as a dedicated strategy
14 or just as part of a portfolio.

15 And that's it.

16 MR. PRICE: Thank you very much.

17 Our next group, Steve and John and Trent on
18 the strategic investments. I guess that's what SIO
19 stands for, strategic investments?

20 MR. WILLIAMS: No, senior investment officer.

21 MR. PRICE: Senior investment officer. Okay.
22 Strategic Investment Office.

23 MR. WILLIAMS: They have more than one.

24 MR. SPOOK: Good afternoon.

25 MR. PRICE: Real estate. I think there was

1 news today on the building.

2 MR. SPOOK: There was.

3 MR. PRICE: Congratulations.

4 MR. SPOOK: I'll talk a little more about that
5 at the end.

6 So on the first slide, we've got total real
7 estate portfolio performance as of March 31st. Just
8 Friday we got our draft June 30th numbers, but
9 they're still in draft form, so this is what we're
10 presenting. You'll see outperformance over all
11 periods.

12 The next slide, you show principal
13 investments, which is our direct owned portfolio.
14 And the same story there, outperformance over all
15 periods.

16 The next slide is our externally managed,
17 which is commingled funds and REITs. And
18 outperformance over three-year and five-year. In
19 the one-year, we're basically flat against our
20 custom benchmark.

21 Here you see that we're basically in line with
22 our target of 80/20 core/non-core. And 81/19 REITs
23 are right at our target of 10 percent of the total
24 portfolio.

25 And property type diversification, all within

1 policy limits. Most of them are a little bit below
2 the ODCE benchmark, and that's because of our
3 overweight to alternative asset classes, such as
4 ag, student housing, medical office.

5 And we've got geographic diversification, with
6 a heavy weight towards the West Coast, which, given
7 what you just mentioned on the sale of that office
8 building, that's about to come down soon.

9 For the market environment, pretty much the
10 mood out there is that cap rates have pretty much
11 flattened. There's very little cap rate
12 compression left, and that's basically the result
13 of the low-growth environment and an expectation
14 that there will be at least a moderate increase in
15 interest rates.

16 MR. PRICE: Any change in your thinking about
17 the percent leverage on the portfolio that we
18 discussed at the last couple of meetings?

19 MR. SPOOK: It has come up. It's close to --
20 on the direct owned portfolio, if you'll recall, we
21 have a limitation of 25 percent. Currently if you
22 bake in all the transactions that we have going on
23 and are expected to close, we should be at about
24 24 percent. So we're --

25 MR. PRICE: So it has moved up a bit.

1 MR. SPOOK: Yes, it has. Selling some of our
2 unlevered assets has also kind of helped get us
3 there.

4 Recent activity since the last IAC meeting, a
5 couple of transactions are not on there because
6 they occurred after this report was due. So we did
7 an acquisition of a Nashville office campus that
8 was 165 million gross, 82 million equity. And then
9 not shown under dispositions is the San Francisco
10 office which we're in a contract for in excess of
11 500 million. And also under acquisitions, not
12 shown, because we just went under contract, is a
13 \$250 million commitment to a self-storage joint
14 venture.

15 I'm happy to answer any questions.

16 MR. PRICE: Thank you. Any questions from the
17 panel?

18 That's great. Congratulations on San
19 Francisco. When should that close?

20 MR. SPOOK: It should close by October 26th,
21 but we have a hard money deposit.

22 MR. PRICE: Great.

23 MR. COBB: At what cap rate is the San
24 Francisco sale?

25 MR. SPOOK: It was right about a 4.

1 MR. COBB: Four?

2 MR. SPOOK: Maybe a little less.

3 MR. COBB: About 4. Terrific.

4 MR. PRICE: John or Trent? John?

5 MR. BRADLEY: I'll go.

6 MR. PRICE: Thank you.

7 MR. BRADLEY: Thank you. And I'll try to get
8 through this fairly quickly, because not much has
9 changed since our private equity deep dive last
10 quarter. But I'll start with a market update.

11 The data in PE for the first six months of the
12 year was mixed, as public market volatility was a
13 drag on the M&A and IPO markets for the first few
14 months of the year. We saw the markets then
15 stabilize and activity resuming at a pace that
16 we've been observing over the last couple of years.
17 As a result, deal flow was down 18 percent, while
18 fundraising remained strong.

19 This pause in the M&A market was felt in our
20 portfolio, as distributions during the first four
21 months of the year were off about 50 percent from
22 the year prior. However, in May, activity picked
23 back up, and we are back to seeing a healthy pace
24 of distributions throughout the portfolio.

25 And finally, we've seen purchase price

1 multiples and leverage multiples retreat somewhat
2 from their highs in 2015.

3 Here we can see our allocations. This is as
4 of 3/31. There has been no change here. And
5 again, over time, you would expect to see our
6 exposures to venture, distressed, and secondaries
7 move towards their targets.

8 No major movement in the portfolio from a
9 sector perspective. Technology remains a large
10 exposure versus our primary benchmark, although not
11 an outlier, versus the Cambridge private equity
12 universe.

13 Geographically, our exposure remains tilted to
14 the U.S. However, we have seen our exposure to
15 Europe and Asia increase, albeit slowly, which is a
16 trend that should continue in the portfolio.

17 Here we see asset class performance. This is
18 versus our primary benchmark, which is the MSCI
19 ACWI IMI plus a 300 basis point premium.
20 Performance remained strong, and as of March 31st,
21 the asset class has exceeded its benchmark over all
22 time periods.

23 Here we have performance broken out by the
24 individual sub-strategies. The growth equity and
25 venture portfolios continue to stand out over the

1 last five years, while our non-U.S. buyout
2 portfolio has exhibited particularly strong
3 performance over the last year.

4 Next is performance in terms of DPIs and
5 TVPIs. The asset class DPI here sits at .8X, which
6 means we received 80 cents for every dollar in
7 contributions made to date, while the asset class
8 total value multiple or TVPI sits at a healthy
9 1.5X.

10 And finally, I'll end today with our
11 commitment activity for the first six months of the
12 year, where we committed \$1 billion to 15 funds,
13 broken out at 800 million to 11 buyout funds and
14 \$200 million to four venture funds.

15 MR. PRICE: Thank you.

16 MR. COLLINS: A question, Mr. Chairman?

17 MR. PRICE: Yes, sir.

18 MR. COLLINS: How are we doing on the unfunded
19 capital draws?

20 MR. BRADLEY: On the unfunded piece?

21 MR. COLLINS: Yeah.

22 MR. BRADLEY: The unfunded pacing has been
23 consistent, so where we saw a drawdown in
24 distributions in the first few months of the year,
25 contributions remained fairly consistent. So it's

1 at a pace that we would think is less than
2 historical pacing. So we still think our GPs are
3 remaining fairly disciplined in the new purchases
4 given the valuation environment, but it has been
5 steady.

6 MR. COLLINS: Okay.

7 MR. PRICE: Thank you. Trent, if you would
8 like to continue on.

9 MR. WEBSTER: Well, according to the slide,
10 apparently I have taken over some of the other
11 parts of the SBA that I was unaware of, but I am
12 the SIO of strategic investments. So I appreciate
13 that vote of confidence, Ash.

14 These are our policy objectives for the
15 strategic investments asset class. I think that
16 these are becoming fairly familiar to everybody
17 here.

18 If we go to the next page, this is the
19 portfolio of the strategic investments asset class
20 broken down by sub-strategy. That which is the
21 blue part of the graph is 30 percent.

22 Equity, which is the pink part, is 13 percent.
23 Real estate, which is green, is 20.

24 The purple part of the pie is diversifying
25 strategies, and that's 18 percent. And we've been

1 spending a lot of time in that area, and it's our
2 goal to get that up to 20 to 30 percent over time.

3 The orange part of the graph is what we call
4 flexible mandates, which are mostly hedge funds.

5 And then the yellow part is what we call
6 special situations, which is 5 percent. And in
7 fact, by strategy anyway, that's where we house the
8 Florida Growth Fund.

9 If you look at our performance for the
10 quarter, we were up by 1.9 percent roughly, which
11 beat our benchmark, which was up 1.4 percent, but
12 we lagged our longer term benchmark of CPI plus
13 5 percent. For the year, we were up 1.8 percent,
14 beating our benchmark by 70 bps, but lagging pretty
15 significantly our longer term benchmark, which is
16 CPI plus 5 percent, which was up 6.1 percent.

17 You can see over the three- and five-year time
18 horizons, we've outperformed both our benchmark and
19 our longer term bogie, but since inception, we've
20 beaten our benchmark and lagged our bogie.

21 And I just want to go back to this page here.
22 For the fiscal year, our best performing strategy
23 was what we call GP investments, which on an
24 absolute return basis was up 16 percent. Our
25 second best relative performing group was activist

1 equity.

2 And there's an amusing anecdote. The
3 consulting firm Preqin does a survey of its
4 allocators, and they ask are you happy or are you
5 disappointed with a variety of different hedge fund
6 strategies. And 100 percent of the allocators
7 surveyed said they were disappointed with their
8 activist strategy. But they didn't survey us.

9 MR. PRICE: In your GP categories where you
10 have pieces of the GP; is that right?

11 MR. WEBSTER: That's correct, yes.

12 MR. COLLINS: And you're buying these direct?

13 MR. WEBSTER: We purchased two directly. We
14 also own a small piece of the Blackstone Unit Trust
15 that we got on the IPO.

16 MR. PRICE: Since they're out of the room, I
17 would love to see you work on actually owning or
18 somehow getting a piece of that Florida office of
19 the --

20 MR. COLLINS: They just came back, by the way.
21 They're second row. They're back.

22 UNIDENTIFIED SPEAKER: The price just went up.

23 MR. COLLINS: He was just kidding. He doesn't
24 think anything of it.

25 MR. PRICE: I'll call Hartley tomorrow.

1 MR. WEBSTER: So for the quarter, we were
2 actually net cash flow positive. We had \$2 million
3 coming in the door for the year. We called in
4 \$1.1 billion. And Alison had mentioned earlier
5 that they're a liquidity supplier, and so we took
6 something like about a fifth of the 5 or \$6 billion
7 that they put out in the year.

8 For the quarter, we hired three funds with
9 investment activity of 500 million. This quarter
10 we've also hired three funds, coincidentally, at
11 \$500 million. For the fiscal year, we hired 17
12 funds with investment activity of 2.3 billion, and
13 we terminated one fund.

14 Opportunities. We currently -- actually,
15 since this was sent out, we actually have put two
16 more funds into our pipeline, so we now have ten
17 funds which total \$1.3 billion in value. And in
18 terms of opportunities, those are scant. We think
19 there are some opportunities still in debt,
20 particularly with some of the regulatory changes in
21 the structured products market. We're currently
22 looking at some commodities and emerging markets
23 things. Neither of these will be particularly big,
24 because the opportunity set isn't huge.

25 But there's been a lot of pain in those areas,

1 and there's been a lot of capital that has come
2 out. And there are some interesting risk-adjusted
3 return opportunities there. It's a little more
4 difficult in these two areas simply because of some
5 of the governance and structuring issues that we
6 have to deal with, but we are looking at a few
7 opportunities there.

8 Any questions?

9 MR. COLLINS: Just one, Mr. Chairman.

10 MR. PRICE: Yes, Peter.

11 MR. COLLINS: Did you guys look at the energy
12 sector over the last couple of years? Were you
13 able to -- I don't recall you making any
14 investments in that area or any GPs or anything
15 like that.

16 MR. WEBSTER: We have done a few things in
17 energy. We haven't done a lot. We have three
18 energy investments. We have one mining investment.
19 We currently are looking at another mining
20 opportunity. But we have a fairly small allocation
21 to commodities. I think on John's side, on the
22 equity side, there's a broader opportunity set. On
23 the lending side, there's less so.

24 But we have a pretty large distressed book,
25 and so many of our distressed managers are starting

1 to move capital over there. And there are some
2 very interesting things in terms of in the public
3 markets and the private markets that are, you know,
4 quite attractive.

5 MR. PRICE: Great. Thank you very much,
6 Trent.

7 Kristen, do you want to comment on any of
8 these mandates? A mandate review is on the agenda.

9 MS. DOYLE: Yes. I think you have Joan and
10 Mike --

11 MR. PRICE: Okay. Great.

12 MS. DOYLE: They're going to precede me, and
13 then I'll follow it up.

14 MR. PRICE: Great.

15 MS. HASEMAN: And I'll be very fast, very
16 quickly, just a quick overview. As of June 30, we
17 had 8.9 billion in assets. As of the close on
18 8/31, we're now up to 9.2 billion. Our membership
19 growth continues. We're up a little bit. We just
20 broke 170,000 in the month of July. Our average
21 account balance as of June 30 was about 52,591.
22 And our average age, as you can see, of the males
23 and females is 46 years of age. Average years of
24 service is still six years.

25 MR. PRICE: That seems so short.

1 MS. HASEMAN: Which one?

2 MR. PRICE: Years of service for active
3 members. You would think it would be 15 if the age
4 is 46, or something like that.

5 MS. HASEMAN: Well, we have school teachers
6 that may not be staying. And if they're not in the
7 investment plan, this would be our members who are
8 coming into the investment plan either as a new
9 hire and has very --

10 MR. PRICE: Sure.

11 MS. HASEMAN: Seasoned teachers sometimes go
12 away for a while and will come back. I can do some
13 more research for you if you'd like.

14 MR. PRICE: No.

15 MS. HASEMAN: Okay. Our retirees is 105,000.
16 These are members who have taken any distribution
17 out of the investment plan, regardless of the
18 amount or for what purpose. And still a very
19 shocking number to us, and one I think you see
20 across a lot of DC plans, is the 9.7 billion that
21 have left the plan since inception, which now
22 exceeds the assets that we currently have under
23 management.

24 This is the structure of the plan by asset
25 class. It hasn't changed since we were here in

1 June.

2 And just an update on the financial guidance
3 program, which we consider to be the gem of our
4 office. Our planning calls continue to increase,
5 as do the financial planning workshops that we're
6 conducting, and the attendance of the financial
7 workshops as well. We have increased our number of
8 annuities. That's up, which we think is really
9 wonderful to see our members finally recognizing
10 that the annuities are there as an option for when
11 they take a distribution.

12 Any questions?

13 MR. PRICE: Any questions?

14 Mike, corporate governance.

15 MR. McCAULEY: Thank you. Good afternoon.
16 I'll just spend a little bit of time covering our
17 governance activities over the last quarter, and
18 specifically the U.S. proxy season. We've got the
19 quarterly trustees' memos in the meeting materials.
20 These are just some highlights from the memo.

21 Perhaps the most notable vote we had during
22 the second quarter was at Ashford Hospitality
23 Prime, a small real estate investment trust. It
24 was not a proxy contest, even though they had a --
25 they do have an activist fund in the name who tried

1 to pursue a proxy contest but were blocked legally.
2 So it was technically not a contest. It was an
3 annual election for the board of directors.

4 But this is the first time, really, in U.S.
5 history for an NYSE listed company where the full
6 board did not receive the majority level support.
7 No director got over 38 percent, which is extremely
8 low, even in a contest circumstance. So highly
9 unusual, kind of an outlier. We actually withheld
10 support from all seven directors due to really a
11 variety of governance performance concerns kind of
12 laid out in the memo.

13 The company -- since the meeting, the company
14 has made a couple of significant reforms to its
15 governance profile. They've adopted majority
16 voting, a proxy access mechanism, and they also
17 reformed some of their compensation and long-term
18 incentive plan.

19 So it kind of remains to be seen, you know,
20 what effect the vote will have on the company.
21 Performance has turned positive since the meeting,
22 which is always good to see. So I think they've
23 gotten the message and have made some changes
24 already and will also change some of the board
25 members.

1 These are just some high level statistics over
2 the prior fiscal year, kind of in line with prior
3 fiscal year periods. I think the issue was raised
4 at the last IAC meeting about our votes against
5 management. I think I had indicated about
6 20 percent, so I was off by two-tenths of a
7 percent, I guess, roughly in line with prior
8 periods.

9 This just gives you some statistics on the
10 second quarter. These figures are roughly in line
11 with the full fiscal year too, because the U.S.
12 proxy season occurs in April, May, and June, as
13 does the Japanese proxy season, which are our two
14 biggest markets. Japan is essentially in June. So
15 the second quarter is a pretty active quarter for
16 us.

17 This slide just shows the breakdown by
18 country. And again, like I just said, the Japanese
19 proxy season in June and the U.S. during the second
20 quarter, as well as, to some extent, Canada and
21 Taiwan securities, all occur during the second
22 quarter, so they make up the bulk of the full
23 fiscal year numbers.

24 For the U.S. market, the total number of
25 resolutions that shareowners submitted -- so these

1 are not management proposals, not management ballot
2 items, so not director elections, not auditor
3 ratifications, those sort of things, but actual
4 investor advisory proposals that are submitted. A
5 little bit of a decline year over year compared to
6 '15 levels, but still pretty robust, close to 1,000
7 resolutions. The average support dipped a few
8 percent year over year, largely due to a lower
9 proxy access average support.

10 And this just breaks down the type of
11 resolution of those roughly 1,000 resolutions.
12 They fall into these categories. A little bit of
13 an uptick in the type of proposals falling in the
14 corporate governance/shareowner rights categories,
15 primarily again driven by the large increase in
16 proxy access resolutions, which is kind of shown on
17 this slide in this chart.

18 These are the top four resolutions year over
19 year. Proxy access last year was a very
20 significant item, as was political contributions.
21 That has continued into 2016. Even though we're
22 not even through the full year yet, we're still at
23 double the levels. Proxy access has turned out to
24 be the single largest issue that has been proposed
25 by investors. No other category in a single season

1 has gotten that many individual resolutions. And
2 they're averaging about 50 percent, which is down
3 from about 55 or 60 last year.

4 Another trend from this season was, even
5 though activist funds were continuing to gain board
6 seats, what you saw in 2016 year-to-date is really
7 negotiated settlements, so more friendly outcomes.
8 Proxy contests were perhaps not even threatened.
9 They had a negotiated settlement before that even
10 took place. Or a contest was possible, but it
11 never actually occurred because the board had
12 agreed to, you know, put in place, you know, one,
13 two, three members of the board, which I think is a
14 good outcome.

15 You know, in some -- some investors have been
16 a little critical of it because it does take out
17 the ability to choose, you know, whether that
18 nominee that is being proposed or negotiated on the
19 part of the activist fund and ultimately that takes
20 a seat at the board table, is the best choice. You
21 can argue that either way. But that's one critique
22 of that.

23 But nonetheless, it's kind of the practical
24 outcome, I think, of -- it's just a reflection of
25 the power of some of the activist funds that we're

1 seeing in the U.S. space.

2 Another kind of trend, even though this has
3 always been there, is the '16 over '15 year time
4 frame, there was a slight uptick in the number of
5 proposals that actually passed, but boards did not
6 implement them in any shape or form. You always
7 have that to some degree. There's a lag. As you
8 can tell going back to 2010, you still have
9 proposals that have never been implemented. So you
10 do in a subsequent slide have, you know,
11 recalcitrant boards, I think, that just refuse to
12 make any changes. But in the last couple of years,
13 you've seen kind of a growth in that category,
14 which, you know, is not a positive necessarily, but
15 something that again is maybe a wear-away issue
16 over the last several years.

17 And then the last two slides really are just a
18 couple of charts that show the increase in the
19 level of independence at Japanese companies. And
20 this is kind of a reflection of both a governance
21 code going in place in Japan the last couple of
22 years, as well as the stewardship code, Abenomics,
23 just other reforms that are happening within the
24 corporate Japanese space to improve financial
25 performance and improve their governance relative

1 to other foreign developed markets.

2 And that's all I have. I'm happy to --

3 MR. PRICE: Thank you, Michael. I think that
4 the SBA does a terrific job on the proxy voting
5 side. I think it's really thorough and well
6 thought out, and it's very important.

7 MR. McCAULEY: Thank you.

8 MR. PRICE: And I hope you don't vote your
9 proxies until the day of the meeting. Don't vote
10 them too early.

11 MR. McCAULEY: We do vote them --

12 MR. PRICE: Make them sweat.

13 MR. McCAULEY: Typically it's a couple days
14 before.

15 MR. PRICE: Sure. Kristen, mandate review.

16 MS. DOYLE: Okay. Thank you. You've heard a
17 lot about performance today, so I'll try to bring
18 it all together and be brief.

19 Just a summary of performance of the major
20 mandates, so what you'll see is some performance
21 over the shorter term that struggled, so that
22 either on a absolute or relative basis or both,
23 across the mandates for continued long-term --
24 strong long-term performance across all the
25 mandates relative to benchmarks as well as on an

1 absolute basis.

2 We talked a little bit about liquidity today,
3 so I did want to touch on this particular slide.
4 So this is the change in market value for the
5 defined benefit plan. You can see that for the
6 fiscal year-to-date period, so the column all the
7 way to the right, the \$7 billion in net benefits
8 paid out for that period. And because we had muted
9 returns from the capital markets -- and we'll look
10 at performance in a minute -- we saw the market
11 value of the FRS drop from about 148 billion down
12 to 141.4 billion as of the end of the fiscal year.

13 Looking at asset allocation, so performance is
14 driven primarily by the global equity portfolio as
15 well as fixed income, which both have a pretty
16 large percentage of assets, as you heard about
17 today. But we've also seen strong absolute
18 performance contribute to the bottom line, which
19 we'll look at in minute, from the more alpha
20 generating parts of the portfolio, the diversified
21 parts of the portfolio, which you see here, private
22 equity, real estate, and strategic investments.
23 All of the actual allocations are in line with the
24 target policy allocations as well as of the end of
25 the quarter.

1 So here's performance. So on a shorter term
2 basis, we've seen somewhat muted absolute returns.
3 For the quarter, we saw a return of about 1.3
4 percent, in line with the performance benchmark,
5 which is the blue bar. For the fiscal year-to-date
6 period, up .6 percent, but significantly
7 outperforming the performance benchmark, which was
8 relatively flat to slightly negative. And then
9 strong outperformance on an absolute and a relative
10 basis over all the trailing periods relative to
11 that blue bar.

12 There is a little bit of difference in terms
13 of looking -- whatever period you're looking at,
14 whether the FRS is outperforming that absolute
15 nominal target rate of return or underperforming.
16 So if you look at over the three- and the five-year
17 period, outperforming that measure, but
18 underperforming over the 10- and the 15-year. But
19 we do look at this on a longer term basis as well
20 and continue to see outperformance of the total
21 fund relative to that nominal target rate of
22 return, which, to remind the council, is the CPI,
23 the measure of inflation, plus 5 percent.

24 And then we did touch on peer performance
25 earlier during the meeting, but just to provide a

1 look at how the total fund is stacked up against a
2 universe of the top ten defined benefit plans. So
3 from an asset allocation perspective, which is
4 going to drive much of the difference in returns in
5 ranks, the FRS continues to be a little bit
6 overweight to public equities and a little bit
7 underweight to public fixed income, so that's going
8 to drive some underperformance relative to peers
9 for the period.

10 We mentioned the overweight to international
11 equity within public equities as well. What would
12 have added value was a higher allocation to real
13 estate. Real estate has been a very strong
14 performing asset class, and so that would have been
15 additive relative to peers.

16 So here are the results relative to the median
17 fund, so underperforming over the quarter and the
18 one-year period, but in line with or outperforming
19 the median fund over the trailing periods. And
20 this slide provides the actual ranks down there at
21 the bottom. So in the median or above over the
22 longer periods and a little bit less over the
23 one-year period.

24 MR. COLLINS: So do you have any -- I'm
25 assuming you talk about this with Ash and maybe the

1 heads of the asset classes. Do in a subsequent
2 slide we have any one, two, or three things that we
3 can point out for this last year that put us in the
4 87th percentile?

5 MS. DOYLE: Yep. So it's going to be an
6 overweight to public equities, so public equities
7 were somewhat of a drag on performance, in
8 particular, the overweight to international. So we
9 continue to see international significantly
10 underperform U.S., so that's going to drive a lot
11 of it.

12 Fixed income continued to perform really,
13 really well, because we saw rates -- we saw rates
14 go up a little bit at the end of last year when the
15 Fed raised rates by a quarter percent, but then
16 rates came down with all the volatility and the
17 concern in the markets around things like Brexit
18 and other things. So having an underweight to
19 investment grade fixed income also drove a lower
20 ranking.

21 MR. PRICE: Going back to the international
22 and the currency questions I was thinking about,
23 where does Mercer come out on hedges, putting a
24 currency hedge against what would be a strong
25 dollar, with the major, you know, liquid

1 currencies?

2 MS. DOYLE: So we have always -- for a long
3 time, we have not been huge supporters of hedging,
4 mainly because you trade currency volatility for
5 cash flow volatility, and there's not -- and over
6 time, if you look at it, there hasn't really been
7 any benefit to being hedged. Now that -- the "but"
8 there is that now that portfolios have moved, like
9 I mentioned, more towards global equity positioning
10 and have larger allocations to international and to
11 currency risk than before, than previous times, we
12 have started to revisit that view. We haven't --
13 we don't have a firm recommendation at this point,
14 but it has been a huge project internally.

15 MR. PRICE: So would you recommend that we
16 revisit it as you revisit it? Since you have more
17 money over there, the dollar, you know, has been
18 strong, and with our rates possibly rising, it
19 could get stronger.

20 MS. DOYLE: Yes, I definitely think it's
21 something that institutional investors should be
22 considering, and I think many are. It has been a
23 topic of conversation. I don't know if Ash wants
24 to add anything to that.

25 MR. WILLIAMS: It's certainly worth a look.

1 And the factors she just touched on --

2 MR. PRICE: Because you're all bringing it
3 back to the dollar.

4 MR. WILLIAMS: Yes.

5 MR. PRICE: You earn the currencies, but it
6 all has to come back here, and your liabilities are
7 dollar based.

8 MR. WILLIAMS: Correct. And historically, the
9 issue has been that, as Alison touched on earlier,
10 currency hedging or currency variances over the
11 long term has been a zero sum game. So it has been
12 self-canceling, and it's not without cost.

13 MS. DOYLE: Right.

14 MR. WILLIAMS: Whether that dynamic is in
15 transition is exactly what everybody --

16 MR. PRICE: But your liabilities are dollar
17 based.

18 MR. WILLIAMS: Correct.

19 MR. PRICE: And your investments are what? A
20 quarter, or more than a quarter, a third, outside
21 the dollar between equities and foreign debt. I'll
22 bet you a lot of your foreign debt is dollar based.
23 It's all U.S. dollar.

24 UNIDENTIFIED SPEAKER: Or we hedge it back.

25 MR. PRICE: So a quarter of the --

1 MR. COLLINS: Or you hedge it back?

2 UNIDENTIFIED SPEAKER: We hedge it back, yes.

3 MR. PRICE: And outside the U.S. is how much
4 money in other currencies? Is it a quarter of 140
5 billion?

6 MR. WILLIAMS: It's probably a little more
7 than that, I would think.

8 MR. PRICE: Okay.

9 (Inaudible comments.)

10 MR. COBB: So, Mr. Chairman, I know this is
11 discussed at almost every investment committee
12 meeting, particularly during the last two years
13 when the dollar has strengthened and it has hurt
14 investment performance, but I'm not sure this is
15 the time to be implementing a hedge strategy when
16 the dollar is at an all-time high. So if I was to
17 vote on whether we should be hedging, I guess I
18 would vote against it at this point. But that's
19 just one --

20 MR. PRICE: I want to have discussions. I
21 don't want to implement. Discussions about the
22 fact that this pension plan, in effect, has a
23 dollar liability, and we have \$30 billion in
24 non-dollar assets, and when you bring that money
25 back after doing well in returns, we might give it

1 all back with strong dollars. And the cost of
2 hedging some of these currencies is very low,
3 really low. When you take out the currency move,
4 you're left with a stock move. That's for
5 discussion, that's all. Thanks.

6 MR. COLLINS: One last question I have. The
7 international exposure, we have higher
8 international exposure. What is ours versus the
9 TUCS Top Ten?

10 MS. DOYLE: So you have a little -- probably
11 around 25 percent in foreign equities,
12 international equities. That particular universe
13 has 18 percent, so it's about a 7 percent
14 difference.

15 MR. COLLINS: Okay.

16 MR. COBB: We have more than that. We have --
17 40 percent of our equities are international.

18 MR. COLLINS: We're talking total fund, right,
19 with those numbers, Kristen?

20 MS. DOYLE: Yes.

21 MR. COBB: That's total fund. Okay.

22 MR. PRICE: Okay. Kristen, are you good, or
23 you're still going?

24 MS. DOYLE: I have a few more. I'll be fast.
25 So this is the performance for the investment

1 plan. Like I mentioned, one-year performance has
2 struggled, both on an absolute and a relative
3 basis, compared to the benchmark, down almost a
4 percent. And this was really driven largely by
5 underperformance from two of the fund options, the
6 large cap U.S. equity fund, which, for many of the
7 same reasons that you heard from Alison and Tim in
8 terms of their negative performance in the large
9 cap space, drove performance here as well. And
10 then in the real assets fund option, negative
11 performance from having some commodity and energy
12 exposure.

13 But over all the longer term periods, the
14 funds have collectively -- the fund options have
15 collectively outperformed their benchmarks.

16 The CAT fund, briefly, again because we're
17 invested here in short-term U.S. bonds with rates
18 so low, our absolute performance has been fairly
19 low over all trailing periods, with a little bit of
20 underperformance relative to the benchmark over the
21 quarter and the one-year period.

22 And then lastly, Lawton Chiles -- let me flip
23 one more slide. So underperformance here as well,
24 both on the quarter and the one-year period.
25 Performance here is mainly driven by a 70 percent

1 allocation to global equity, which is managed by
2 one fund manager. So they had underperformed for
3 the quarter and had negative absolute performance
4 over the one-year period. So that's what's driving
5 the shorter term results. But again, over the
6 longer term periods, positive performance on an
7 absolute and relative basis.

8 And then lastly, Florida PRIME again invested
9 in short-term U.S. investments, bond investments.
10 Low absolute returns over the trailing periods, but
11 continued to outperform the peer based benchmark of
12 other local government investment pools.

13 MR. COLLINS: Lawton Chiles has its own asset
14 allocation?

15 MS. DOYLE: It does.

16 MR. COLLINS: And its own board? Or how does
17 that part --

18 MS. DOYLE: No.

19 MR. WILLIAMS: There's no board.

20 MR. COLLINS: Who sets the asset allocation?

21 MR. WILLIAMS: The Legislature directs that it
22 be invested as a permanent endowment, so we set it.

23 MR. COLLINS: So you set it in 70 percent
24 global equities?

25 MR. WILLIAMS: Where it is now, the fund has

1 shrunken down because the Legislature took a lot of
2 money out of it, so we have it basically with one
3 manager to hold down costs. And it's a broader
4 mandate.

5 MR. COLLINS: Okay.

6 MS. DOYLE: Thank you.

7 MR. PRICE: Thank you very much.

8 There's Slide 7, which has red-line. And,
9 Ash, would you like to run through the significant
10 changes?

11 MR. WILLIAMS: Yes. This is recommended
12 revisions to the investment policy statement for
13 the defined benefit plan, the Florida Retirement
14 System. There are really two elements to this, and
15 you can see the copy in your books.

16 The first is on page 8, and that is to revise
17 the private equity benchmark to the Joint Cambridge
18 Associates Global Private Equity and VC Index
19 pooled return at peer group weights. The key here
20 is, to the extent we in our private equity program
21 here at the board vary from those weights as a
22 tactical decision, it's visible, and we're
23 accountable for it.

24 The second change that we make is on the last
25 page, page 10, and that is to include changes made

1 in the last legislative session relating to
2 divestiture of companies that choose to boycott
3 Israel, to integrate that into our reporting and
4 monitoring that we do under the corporate
5 governance program currently.

6 I'm happy to take questions on either of those
7 points.

8 MR. PRICE: If there are no questions, I have
9 one addition to the agenda item. On September 7th,
10 we had set up a Compensation Subcommittee to review
11 Ash's performance. The members of the committee
12 filled out forms anonymously evaluating Ash. Ash
13 received the highest rating for an evaluation. It
14 was based on performance, personnel, integrity, and
15 other objective and subjective, quantitative and
16 qualitative measures.

17 We had several phone conversations leading up
18 to a September 7th subcommittee meeting where we
19 voted unanimously to recommend the compensation
20 allocation. There were some questions raised by
21 Gary Wendt, who is not here today. He's out of the
22 country. And Ash has since September 7th spoken
23 with Gary on these points, and I think Gary, it's
24 fair to say, Ash, is satisfied where we stand, if
25 you want to comment on that a little bit.

1 MR. WILLIAMS: He is. Gary -- I went through
2 Gary's concerns with him in detail and provided all
3 the current information, and he asked that I share
4 with the group that net of the benefit of the
5 information shared in our phone call, his concerns
6 were no more. He has no remaining concerns, and
7 he's 100 percent supportive of the committee's
8 prior action without qualification.

9 MR. PRICE: So that's great. So if I can get
10 a motion to accept the recommendation of the
11 Subcommittee on Compensation to recommend that Ash
12 receive the highest grade for individual
13 qualitative and quantitative performance and
14 quality of the organization that he has built up,
15 which I think is terrific. Could I get a motion?

16 MR. DANIELS: Move it.

17 MR. COLLINS: Second.

18 MR. PRICE: Moved and seconded. All in favor.
19 (Simultaneous affirmative responses.)

20 MR. PRICE: Good. Thank you very much.

21 MR. LAMAR TAYLOR: Mr. Chairman, if I could
22 take us back one item to the changes to the
23 investment policy statement. Statutorily,
24 ultimately, these changes will go before the
25 trustees, and it needs to come before the IAC for a

1 formal vote.

2 MR. PRICE: May I have a motion to adopt the
3 changes? Second? All in favor?

4 (Simultaneous affirmative responses.)

5 MR. PRICE: Thank you. Thank you, Lamar.

6 With no further business, unless there are any
7 questions or comments from the audience, I will
8 close the meeting. Thank you all very much.

9 (Proceedings concluded at 4:35 p.m.)
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1 CERTIFICATE OF REPORTER

2
3 STATE OF FLORIDA:

4 COUNTY OF LEON:

5 I, MARY ALLEN NEEL, Registered Professional
6 Reporter, do hereby certify that the foregoing
7 proceedings were taken before me at the time and place
8 therein designated; that my shorthand notes were
9 thereafter translated under my supervision; and the
10 foregoing pages numbered 1 through 166 are a true and
11 correct record of the aforesaid proceedings.

12 I FURTHER CERTIFY that I am not a relative,
13 employee, attorney or counsel of any of the parties, nor
14 relative or employee of such attorney or counsel, or
15 financially interested in the foregoing action.

16 DATED THIS 4th day of November, 2016.
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**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

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**RICK SCOTT
GOVERNOR
CHAIR**

**JEFF ATWATER
CHIEF FINANCIAL OFFICER**

**PAM BONDI
ATTORNEY GENERAL**

**ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO**

MEMORANDUM

To: Board of Trustees
From: Mark Peterson, Chairman 
Participant Local Government Advisory Council (PLGAC)
Date: November 14, 2016
Subject: Quarterly Update – Florida PRIME™

The Participant Local Government Advisory Council (the "Council") last met on September 22, 2016 and will meet next on December 1, 2016. Over the prior quarter, the Council continued to oversee the operations and investment management of Florida PRIME™.

CASH FLOWS / PERFORMANCE

- During the 3rd quarter of 2016, Florida PRIME™ delivered an aggregate \$13.5 million in investment earnings.
- Over the quarter ending September 30, 2016 participant deposits totaled \$3.1 billion; participant withdrawals totaled \$3.9 billion; providing a net decrease in the fund's net asset value (NAV) of approximately \$773.6 million.
- Performance of Florida PRIME™ has been consistently strong over short-term and long-term time periods. For the period ending September 30, 2016, Florida PRIME™ generated *excess* returns (performance above the pool's benchmark) of approximately 33 basis points (0.33 percent) over the last 12 months, 15 basis points (0.15 percent) over the last three years, and 17 basis points (0.17 percent) over the last five years.
- Through the five year period ending September 30, 2016, Florida PRIME™ was ranked as the highest performing investment vehicle among all registered money market funds within iMoneyNet's First Tier Institutional Fund Universe. Florida PRIME™ has held this top ranking since the 1st quarter of 2015.
- Over the last quarter, as money market funds approached the October 14th deadline to fully implement all remaining SEC reforms, the spread between the pool's yield and the average 2a-7 fund has grown significantly. During the 3rd quarter of 2016, Florida PRIME™ achieved an annualized excess return above benchmark of 33 basis points (0.33 percent).

POOL CHARACTERISTICS

- As of September 30, 2016, the total market value of Florida PRIME™ was approximately \$7.0 billion, approximately \$830 million higher than the same period in 2015.
- As of September 30, 2016, the investment pool had a seven-day SEC Yield equal to 0.81 percent, a Weighted Average Maturity (WAM) equal to 49.5 days, and a Weighted Average Life (WAL or Spread WAM) equal to 70.1 days.



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Date: November 15, 2016
To: Board of Trustees
From: Kimberly Ferrell, Audit Committee Chair *KF*
Subject: Quarterly Audit Committee Report

The State Board of Administration's Audit Committee met on November 14, 2016. 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 Meeting
Agenda
November 14, 2016
9:00 A.M. – Noon

1. Call to Order
2. Approval of the minutes of meetings held on August 22, 2016:
 - a. August 22, 2016 – Closed Meeting
 - b. August 22, 2016 – Open Meeting
3. Opening remarks of the Audit Committee Chair
4. SBA Executive Director & CIO status report
 - SBA Update: investment performance, risks, opportunities and challenges
5. Presentation on the results of the following financial statement audits:
 - a. KPMG
 - i. Florida Hurricane Catastrophe Fund (FHCF)
 - b. Ernst & Young
 - i. Florida Retirement System Trust Fund
 - ii. Florida Retirement System Investment Plan Trust Fund
6. Request for Quote (RFQ) for the FHCF Audits
 - a. Approval for final selection of respondents
7. Request for Quote (RFQ) for Real Estate Pool of Firms to Provide Audit, Tax and Other AUP services
 - a. Draft RFQ
 - b. Proposed members of the selection committee
 - c. Proposed universe of providers
8. ERM Presentation
9. Office of Internal Audit Quarterly Report
10. Chief Risk & Compliance Officer Quarterly Report
11. Other items of interest
12. Adjournment



Office of Internal Audit (OIA) Fiscal Year 2016–2017 Quarterly Report to the Audit Committee

As of November 14, 2016



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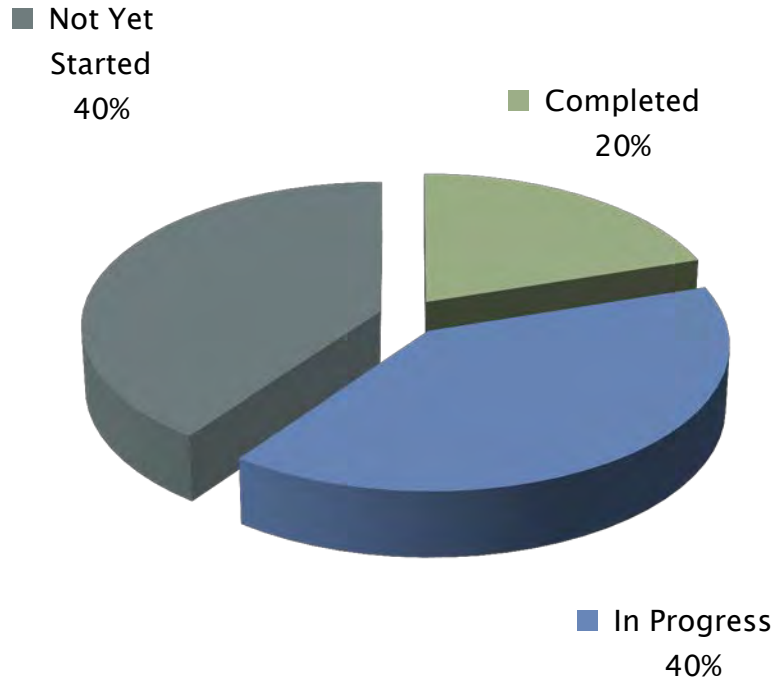
Status of the FY 2016–17 Annual Audit Plan





Status of the FY 2016–17 Annual Audit Plan

Internal Audit and Advisory Engagements

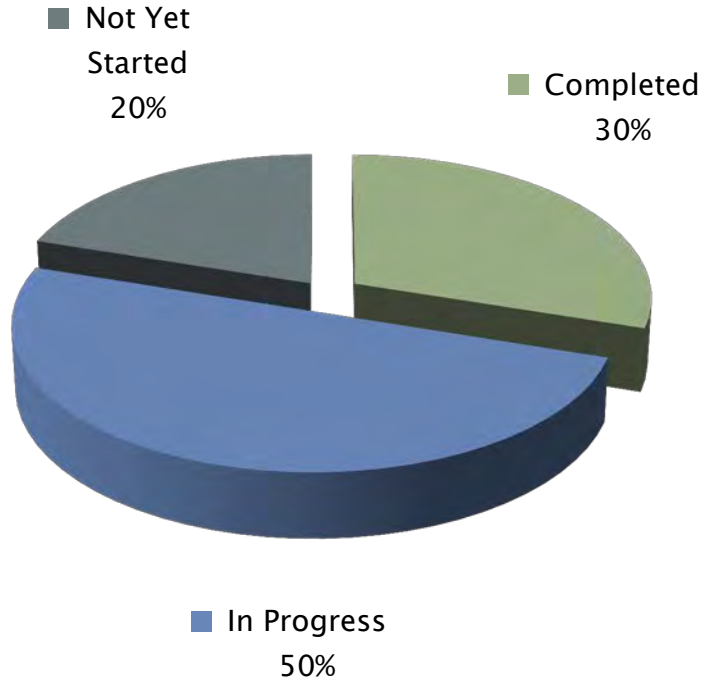


Projects / Status	Type	Planned Timing
Completed		
Trust Services – carry over	OIA Operational Audit	Q1
4 th Quarter Follow-up – FY15-16	OIA Follow-up Audit	Q1
In Progress		
Global Equity Trading Activities	OIA Operational Audit	Q1/Q2
Information Technology General Controls	OIA Advisory	Q1/Q2
Derivatives Audit	Co-sourced Operational Audit	Q2/Q3
Recommendation/Action Plan Monitoring	OIA Project Management	Ongoing
Not Started		
Internal Controls over Financial Reporting	OIA Advisory	Q3/Q4
Real Estate, commingled	OIA Operational Audit	Q3/Q4
1 st – 3 rd Quarter Follow-ups – FY16-17	OIA Follow-up Audit	Q2/Q3/Q4
Continuous Audit Projects	OIA Continuous Audits	TBD



Status of the FY 2016–17 Annual Audit Plan

External Engagement Oversight

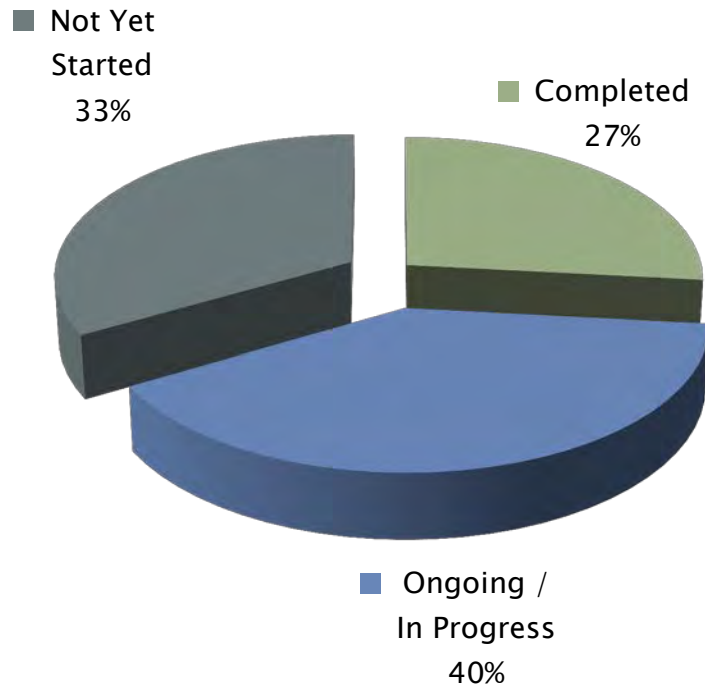


Highlighted: Completed since prior quarterly report.

Projects / Status	Type	Planned Timing
OPPAGA's Review of Florida Growth Fund Initiative	External Operational Audit	Q1/Q2
Florida Hurricane Catastrophe Fund	External Financial Statement Audit	Q1/Q2
FRS Investment Plan Trust Fund	External Financial Statement Audit	Q1/Q2
In Progress		
FRS Trust Fund	External Financial Statement Audit	Q1/Q2
Auditor General financial statement audit of Florida PRIME	External Financial Statement Audit	Q1/Q2
Auditor General financial statement audit of the SBA as part of the statewide CAFR	External Financial Statement Audit	Q2/Q3
Auditor General IT Operational Audit of selected financial systems	External Operational Audit	Q2/Q3
OPPAGA's biennial review of SBA Investment Management	External Operational Audit	Q1/Q2/Q3
Not Started		
Paragon Solutions, Inc.	External Agreed Upon Procedures	Q3/Q4
Network Security, outsourced	External IT Audit	Q3/Q4

Status of the FY 2016–17 Annual Audit Plan

Special Projects, Risk Assessments, and Other Activities



Highlighted: Completed since prior quarterly report.

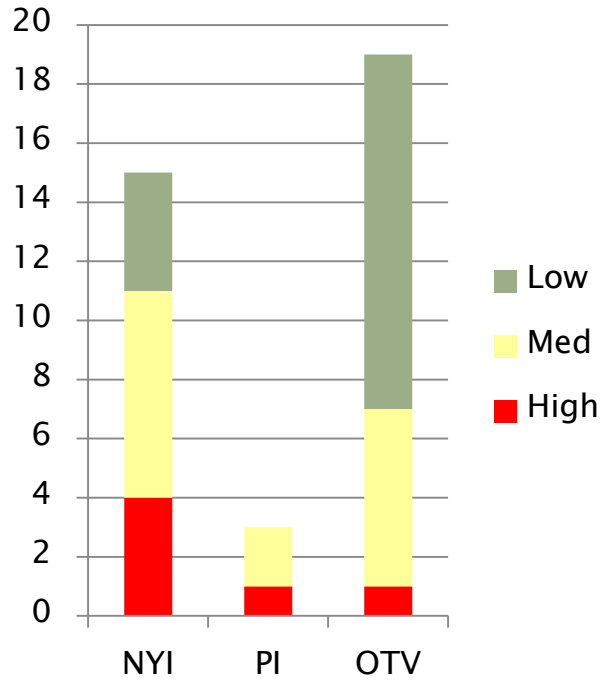
<u>Projects / Status</u>	<u>Type</u>	<u>Planned Timing</u>
Completed		
ITN – FRS audit	OIA Special Projects	FY 2015-16
FHCF audit contract extension	OIA Special Projects	FY 2015-16
Annual Quality Assessment Review – carry over	OIA Special Projects	Q1
RFQ – FHCF Audit and Paragon SSAE 16 or Agreed Upon Procedures	OIA Special Projects	Q1
Ongoing/In Progress		
Implementation of Data Analytics Program, including IDEA enhancements	OIA Special Projects	Ongoing
Special requests from SBA management and/or Audit Committee	OIA Special Projects	Ongoing
WorkSmart Portal Initiative	OIA Special Projects	Ongoing
OIA departmental process improvement initiatives, including QAR identified initiatives	OIA Quality Assurance	Ongoing
RFQ – Real Estate Pool	OIA Special Projects	Q2/Q3
Annual Risk Assessment	OIA Risk Assessment	Q2/Q3/Q4
Not Yet Started		
RFQ – Network Security	OIA Special Projects	Q3/Q4
RFQ – Triennial GRC Assessment	OIA Special Projects	Q4
Annual Quality Assessment Review	OIA Quality Assurance	Q4
1 st Quarter and 3 rd Quarter Risk Assessment Updates	OIA Risk Assessment	Q2/Q3/Q4
Annual Audit Plan	OIA Risk Assessment	Q4



Status of Management Action Plans / Recommendations



Status of Management Action Plans–Audit Projects



Report Title	Report Date
Strategic Investments Operational Audit (OIA)	08/05/2013
Operational Audit of the SBA's Procurement and Contract Monitoring (Auditor General)	01/09/2015
Network Security Assessment 2015 (Ernst & Young)	02/13/2015
Post-implementation assessment of the Charles River Investment Management Solution (Ernst & Young)	02/13/2015
Travel Services Operational Audit (OIA)	02/13/2015
Data Loss Prevention Assessment 2015 (Ernst & Young)	02/19/2015
Florida PRIME Application Access Controls Audit (OIA)	07/10/2015
Accounts Payable Continuous Audit (OIA)	08/07/2015
WIRE Application Access Controls Audit (OIA)	11/09/2015
Fixed Income Trading Activities Operational Audit (OIA)	01/29/2016
Network Security Assessment 2016 (Ernst and Young)	04/29/2016
Trust Services Operational Audit (OIA)	07/25/2016

Risk Rating			
High	Med	Low	Total
		1	1
	1	2	3
	2		2
1			1
	2	1	3
	1		1
2	1		3
	2		2
1	1		2
	1	1	2
1	3	11	15
1	1		2
6	15	16	37

Status			
NYI	PIRP	OTV	Total
		1	1
		3	3
	1	1	2
	1		1
3			3
		1	1
3			3
2			2
2			2
	1	1	2
3		12	15
2			2
15	3	19	37

Legend:

NYI - Not Yet Implemented

PIRP - Partially Implemented and the Remainder is in Progress

OTV - OIA to Verify

Management Action Plans relating 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

		<u>Status</u>	
Report Title	Report Date	IMP	Total
Office of Defined Contribution Programs Advisory Engagement (OIA)	03/02/2016	1	1
		1	1

Legend:

IMP - Implemented, as represented by SBA management

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.

At 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. The next annual risk assessment will occur during Fiscal Year 2016-2017.



Other OIA Activities





Data Analytics Program Achievements To-Date

- Identified areas to perform data analytics in projects in our annual audit plan
 - Accounts Payable
 - Payroll
 - Fixed Income Trading Activities
 - Trust Services
 - Global Equity Trading Activities
 - Derivatives Audit (*in progress*)
- Obtained reports and data from the following systems in support of projects in the annual audit plan:
 - PeopleSoft Financials
 - PeopleSoft HR
 - Eagle STAR
 - Mellon Workbench
 - Charles River
- Attended the IDEA Level 1 training to maximize OIA's use of the data analytics tool
- Met with SBA's PeopleSoft Financial (PSF) owners and obtained access to accounts payable (A/P) data to begin building a continuous audit dashboard for A/P



Data Analytics Program Key Objectives & Timeline

May – Nov 2016

Project Support

- **Trust Services Operational Audit**
 - Recording accuracy
 - Transfer accuracy
 - Allowable trades
- **Global Equity Trading Activities**
 - Trend Analysis
 - Allowable trades
 - Trade Modifications
 - Timely entry
 - Custodian recording
- **Derivatives Audit (*in progress*)**

Nov – Dec 2016

A/P Analytics Dashboard

- Acquire A/P data from PSF
- Identify useful metrics for A/P data
- Utilize IDEA scripts to analyze A/P data
- Create A/P data analytics dashboard for use by management and audit

2017 – Forward

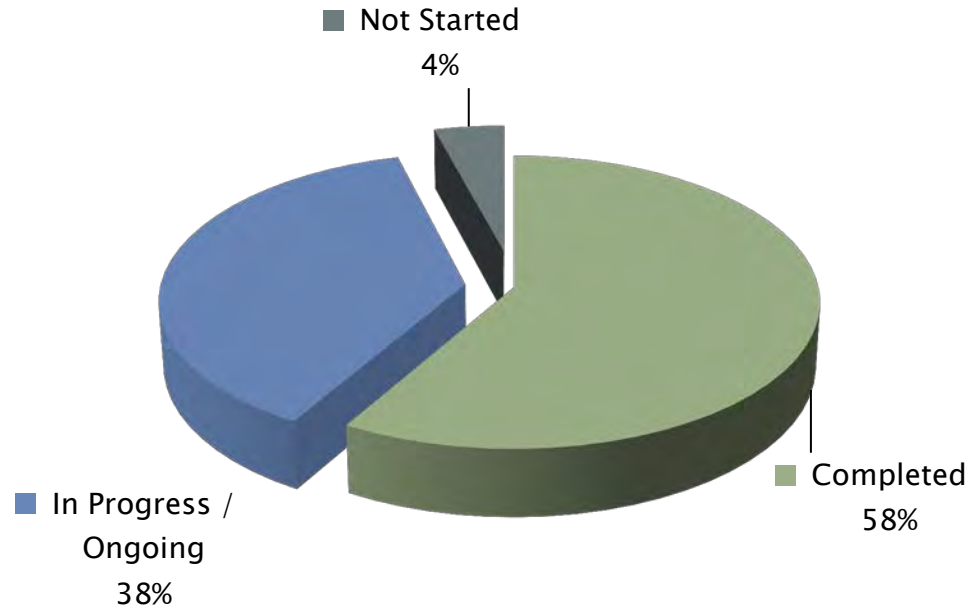
Continuous Monitoring

- With management input, select other systems or divisions for continuous monitoring
- Build dashboards
- Continual improvements to refine data analytics metrics, techniques, and data presentation

Greater Efficiency and Effectiveness



Status of FY 2016–17 OIA Department Goals



	Completed	In Progress / Ongoing	Not Yet Started
Annual Audit Plan	1	4	0
Successfully deliver the fiscal year 2016-17 Audit Plan and budget. Enhance communication of the COSO internal control framework.			
Internal Audit Process	4	2	0
Focus on enhancing OIA processes, programs and procedures, resulting in more efficient operation of the department administration and the effective development and utilization of department resources.			
Use of Technology	3	1	1
Implement audit technology solutions to enhance department effectiveness and efficiency.			
People	6	2	0
Evaluate staffing and development needs.			

Timing of RFQs and ITNs

Current Service Provided	Current/ Previous Auditor(s)	Current/ Previous Period Ending	Current/ Previous Cost	Current/ Previous selection	Proposed selection	RFQ/ITN recommended draft ITN target date	Estimated start of work for new contract period	Comments
SBA Pool of Auditors	EY KPMG McGladrey Crowe Horwath CliftonLarsonAllen	March 17, 2016	N/A	RFQ	N/A	N/A	N/A	As approved by the Audit Committee on 12/23/15, we will issue RFQs as needed on a project by project basis targeting firms with specific expertise
FRS Audit	EY	June 30, 2016	\$205,000	RFQ	ITN	March 1, 2016	NA	Contract ends with EY after the issuance of the FY 2016 financial statements – Nov 2016 timeframe
FHCF Audit	KPMG	June 30, 2016	\$75,000	Pool of Auditors	RFQ	August 1, 2016	Feb 2017 – May 2017	Extension in process for 6/30/16 FYE
FHCF SSAE 16 or Agreed Upon Procedures	KPMG	February 28, 2016	\$50,000	Pool of Auditors	RFQ	August 1, 2016	Feb 2017 – May 2017	Combine RFQ for Audit and SSAE 16 or Agreed Upon Procedures
Real Estate Audit & Tax Services	EY	March 31, 2015	\$1,255,310	RFQ	RFQ	November 1, 2016	Various	Recommend pool of auditors solely for real estate audits, to be used by SBA management when selecting firms for real estate services
IT: Network Security	EY	Nov 2016 – Feb 2017 (Point of time)	\$60,000	Pool of Auditors	RFQ	January 1, 2017	May-June 2017	
Triennial GRC Review	Crowe Horwath	February 2, 2015	\$135,000	Pool of Auditors	RFQ	April 1, 2017	Aug-Sept 2017	
FRS Audit	Crowe Horwath	June 30, 2021	\$194,500	ITN	ITN	October 2021	Feb 2022 – May 2022	



Other items for discussion

- ▶ 3-day Investment & Derivatives Training by Investment Training & Consulting Institute (ITCI)
 - All OIA staff obtained the status of Certified Investments and Derivatives Auditors (CIDA)
- ▶ ITCI co-sourcing Internally Managed Derivatives Audit
- ▶ Proposed Audit Committee Dates for 2017
 - January 30, 2017
 - April 17, 2017
 - July 31, 2017
 - October 30, 2017
- ▶ Office of Internal Audit Intern

Questions/Comments





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**ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO**

MEMORANDUM

To: Ash Williams
From: Michael McCauley
Date: November 15, 2016
Subject: Quarterly Standing Report - 3Q 2016 / Investment Programs & Governance

GLOBAL EQUITY PROXY VOTING & OPERATIONS

During the 3rd quarter, the SBA cast votes at 1,180 public companies, voting 9,512 individual ballot items including director elections, audit firm ratification, executive compensation plans, merger & acquisitions, and a variety of other management and shareowner proposals. The table below provides major statistics on the SBA's proxy voting activities during the most recent quarter ending on September 30, 2016:

Votes in Favor 78.1%	Votes with Management's Recommendations 77.9%
Most Voted Market (# of Votes) India (305)	Total Eligible Ballot Items (All Markets) 8,101

CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP

The most recent meeting of the Corporate Governance & Proxy Voting Oversight Group (Proxy Committee) was on September 26, 2016, and the Committee is scheduled to meet next on December 15, 2016. The Proxy Committee continues to discuss ongoing governance issues including the volume and trends for recent SBA proxy votes, company-specific voting scenarios, corporate governance policies, governance-related investment factors, major regulatory developments and individual company research related to the Protecting Florida's Investments Act (PFIA) and recent statutory investment requirements implemented for Israel and Northern Ireland.

NOTABLE RESEARCH & GOVERNANCE TRENDS

Researchers Find a Majority of Performance Pay Linked to Luck

A recent study examining the use of employee stock options concluded that up to 90 percent of performance-based executive compensation can be explained by factors outside the influence of corporate management. Researchers found common forms of stock option compensation which don't adjust for market or industry performance exhibited "pay-for-luck" outcomes with very low motivational power. The study advocates the use of stock options with strike prices indexed to market benchmarks and set at higher prices than when granted (premium-priced options).

Rating Agency Launches Corporate ESG Scoring

Standard & Poor's Global Ratings will begin to provide ESG scores in addition to its conventional corporate credit ratings. S&P will, "evaluate a company's impact on the natural and social environment it inhabits, the governance mechanisms it has in place to oversee those effects, and the potential losses it may face as a result of its exposures to such environmental and social risks. We believe these potential impacts, in turn, could weaken a company's business risk and financial risk profiles over time, unless properly managed, including effective mitigation strategies." Alongside 5 other ratings agencies, S&P is a signatory to the Principles for Responsible Investment (PRI) statement supporting the integration of ESG factors into corporate ratings methodology. Companies will be ranked by S&P across a weighted evaluation of their 'environmental risk profile', 'social risk profile', 'management and governance profile', and 'environmental and social risk management profile.' Ranging from a low score of 1 star to a high score of 5 stars, the management and governance profile will assess a company's strategic positioning, risk management framework, organizational effectiveness and corporate governance criteria.

ACTIVE OWNERSHIP & CORPORATE ENGAGEMENT

From September through November, SBA staff conducted engagement meetings with several companies owned within Florida Retirement System (FRS) portfolios, including Tesla Motors, Oracle, Carpetright plc, Norfolk Southern, Hess, Freeport-McMoRan, XL Group, Regions Financial, Goldman Sachs, and Chevron Corporation.

LEADERSHIP & SPEAKING EVENTS

Staff periodically participates in and often is an invited presenter at investor and other governance conferences. 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 September, SBA staff participated on a panel concerning corporate governance issues at the 8th annual Public Funds Forum, a conference for public fund trustees and governance professionals that covers global investment trends, risks and opportunities.
- In September, SBA staff participated in an inaugural engagement exchange pairing 15 companies and 14 institutional investors for 30-minute sessions during the Council of Institutional Investors (CII) fall conference in Chicago.
- In October, SBA staff participated on a Ceres conference panel as part of an investor working group of asset managers and asset owners developing a water risk toolkit. SBA staff discussed their creation of the first "heat map" using FactSet to apply MSCI ESG data for portfolio analysis regarding materiality, ESG integration, and or buy/sell decisions. The water risk toolkit covers all asset classes and will be published in 2017.
- In October, SBA staff participated on an investor panel sponsored by the Florida Sub-chapter of the Society for Corporate Governance discussing issues of interest to investors in the coming 2017 proxy season.
- In November, along with other members of CII, SBA staff met with two Commissioners of the Federal Trade Commission (FTC). During the meeting, coordinated by the Council and Managed Funds Association (MFA), participating members requested clarification on the circumstances and timing for investors to comply with the Hart Scott Rodino (HSR) Act. The Act affects engagement with portfolio companies by major asset managers. Recent investor settlements have caused many leading investment management organizations to believe there are unintended consequences that may negatively impact the frequency and scope of shareowner engagement activities.

HIGHLIGHTED PROXY VOTES

First Northwest Bancorp (United States)—at the November 8, 2016 shareowner meeting, the SBA staff voted to withhold support from four directors up for election and voted to ratify the external auditor and in favor of the company's advisory vote on executive compensation. The bank's board unilaterally adopted, without shareowner approval, several adverse charter and bylaw provisions in connection with the conversion from a mutual holding company to a stock holding company in January 2015. These provisions included a supermajority voting requirement for investors to amend certain elements of the bylaws that would render amendments practically impossible to pass. Two other features not in shareowners' best interest included the classification of director terms and the inability for investors to call a special meeting. One of the SBA's

external proxy advisors stated, “The provisions adopted in connection with the conversion limit the accountability of directors to shareholders and impede shareholders' ability to amend the company's governance provisions going forward.”

GLOBAL REGULATORY & MARKET DEVELOPMENTS

United States

On October 18, 2016, the UN Principles for Responsible Investment (UNPRI) published its U.S. Roadmap—Fiduciary Duty in the 21st Century which set out recommendations to consider Environmental, Social and Governance (ESG) factors as part of an investor’s fiduciary duty. The publication also makes the business case for ESG integration within investors’ portfolio management activities and advocates for various institutional investor best practices in the U.S. market. The UNPRI also released reports covering markets including the UK, China, Hong Kong, India, Korea, Malaysia and Singapore, and announced plans to also cover Canada and Japan in the next few months. SBA staff was among over 30 U.S.-based asset owners and asset managers that provided comments during the publication’s drafting, with several SBA policies, studies, and reports referenced throughout the publication.

On October 26, 2016, the Securities and Exchange Commission (SEC) proposed rules for the adoption of “universal” proxy voting. Universal proxy voting cards include the names of all management and dissident nominees to corporate boards of directors. Such combined ballot cards allow shareowners to choose among individual director candidates put forth by both management and dissident investors. With a universal proxy procedure, investors would benefit from more efficient director elections and improved voting decision making. When shareowners currently make decisions to support board nominees in a contested proxy election, they are very often presented with a choice: select one or more directors from the management slate, or select one or more directors from among the dissident slate. Shareowners are given two separate and competing proxy ballots and allowed to vote only one. Investors simply do not have the ability to select the best candidates from each side. This arbitrary distinction among director candidates often leads to inefficient proxy voting.

The proposed rules require management and dissidents to provide each other with notice of the names of their nominees, establish a filing deadline and a minimum solicitation requirement for dissidents, and prescribe presentation and formatting requirements for universal proxy cards. The SEC’s proposal also includes changes to director election voting options and related disclosures in all (including uncontested) elections: requiring “against” and “abstain” voting options for the election of directors, in lieu of a “withhold” option; elimination of the current ability to provide a “withhold” voting option when an “against” vote has legal effect under applicable state law; an “abstain” voting option in a director election governed by a majority voting standard; and the disclosure of the effect of “withhold” votes in director elections. As it does with any proposed rule-making, the SEC is seeking comment from market participants ahead of crafting final rules for consideration by the Commissioners. Because the proposal was released so late in the year, it is not expected to have any effect on director elections during the 2017 proxy season. The Council of Institutional Investors (CII) petitioned the SEC in 2014 to amend its rules to require their use in proxy contests. CII Executive Director Ken Bertsch stated, “Currently, when there is a contest, investors voting by proxy are effectively disenfranchised because they have no practical ability to vote for the combination of management and dissident nominees they believe best serve their economic interests.” The SBA has advocated in favor of the use of universal proxies and supports the SEC’s efforts in this area.

Although not heavily researched to date, a recent Harvard study does point to numerous benefits associated with the use of universal proxy. One recent study found that 22 percent of proxy contests at large U.S. corporations occurring between 2008 and 2015 may have had distorted outcomes that could have been prevented by a universal proxy rule. The study’s author also found a universal proxy rule to be unlikely to generate an increase in the number of contested director elections. “Contrary to the beliefs of many commentators, a universal proxy rule is unlikely to significantly advantage dissidents. Distorted outcomes in proxy contests since 2008 have actually favored dissident nominees slightly; a universal proxy would have slightly favored management nominees: 10% of proxy contests may have involved distorted choices of dissident nominees in place of management nominees, and 8% of proxy contests may have involved distorted choices of management nominees in place of dissident nominees.” The study concludes that universal proxy rules would enfranchise investors.

Global Governance Mandates

4th Quarter – December 6, 2016

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

Florida Statutes



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About the State Board of Administration

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

As of September 30, 2016, the net asset value of total funds under SBA management was approximately \$180.5 billion. The FRS Pension Plan provides defined pension benefits to 1.1 million beneficiaries and retirees. The strong long-term performance of the FRS Pension Plan, the fourth-largest public pension fund in the nation, reflects our commitment to responsible fiscal management.

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

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

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.

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. that 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. that 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 which can be clearly linked to a company with scrutinized active business operations. The SBA has used a 50 percent ownership threshold in determining whether or not companies are affiliated, examining parent company-subsidary ownership on a pro rata basis.

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

SBA Scrutinized Companies Identification Methodology

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

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

2. **MSCI ESG Research (MSCI).** MSCI delivers corporate governance analysis and research to institutional investors. Through its ESG Research unit, MSCI offers screening services with specific and unique components of state law pertaining to investments in sanctioned countries, including Sudan and Iran.
3. **IW Financial (IWF).** IWF is a provider of environmental, social, and governance research and consulting. IWF partners with Conflict Securities Advisory Group (CSAG) to provide clients with detailed information on the business ties of publicly traded companies in Sudan and Iran.
4. **Sustainalytics, Inc.** Sustainalytics provides environmental, social and governance research and analysis, sustainability benchmarks, and investment services, and is the result of the merger between Jantzi Research, Inc. and Sustainalytics in 2009. Sustainalytics' company database, "Sustainalytics Global Platform," covers business operations in both Iran and Sudan.

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

Company disclosures:

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

Investment/Finance Organizations:

- 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

Sudan

Companies added to the Sudan Scrutinized List this quarter:

- **Société Nationale d'Investissement** (added due to affiliation with scrutinized company, Managem SA)

Companies removed from the Sudan Scrutinized List this quarter:

- **None**

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

Iran

Companies added to the Iran Scrutinized List this quarter:

- **CNPC General Capital Ltd** (added as a subsidiary of scrutinized company, CNPC)

Companies removed from the Iran Scrutinized List this quarter:

- **None**

Companies added to the Iran Continued Examination List this quarter:

- **Anton Oilfield Services Group**
- **Total SA** (Total and Iran in preliminary negotiations to develop South Pars oilfield)

Companies removed from the Iran Continued Examination List this quarter:

- **Shanghai Zhenhua Heavy Industry Co. Ltd.**

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:

(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; or

No updates of note regarding subparagraph 1.

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

In October 2016, the U.S. Treasury Department, Office of Foreign Assets Control ("OFAC") provided another updated guidance report and added additional frequently asked questions regarding the scope of U.S. sanctions on Iran after the implementation of the JCPOA. The report did not revoke additional sanctions but provided clarification on permitted conduct for financial institutions with regards to Iran, addressed General License H, and specified diligence requirements for U.S. and non-U.S. persons.

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

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Chennai Petroleum Corp Ltd	India	September 19, 2007
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Natural Gas Corp Ltd	China	August 2, 2016
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
CNPC General Capital Ltd	China	June 26, 2012
CNPC HK Overseas Capital Ltd	China	June 16, 2011
Daqing Huake Group Co Ltd	China	March 25, 2008
Egypt Kuwait Holding Co. SAE	Kuwait	January 13, 2009
Energy House Holding Company (fka: AREF Energy Holdings Co)	Kuwait	July 28, 2009
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	China	September 19, 2007
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	China	September 19, 2007
Jinan Diesel Engine Co Ltd	China	July 28, 2009
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
KT Kira Sert Varlik	Turkey	August 2, 2016
KT Sukuk Co Ltd	Cayman Islands	August 2, 2016
KT Sukuk Varlik Kiralma AS	Turkey	August 2, 2016
Kunlun Energy Company Ltd (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
Kuwait Finance House	Kuwait	April 14, 2009
Lanka IOC Ltd	India	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Managem SA	Morocco	November 9, 2010
Mangalore Refinery & Petrochemicals Ltd	India	September 19, 2007
MISC Bhd	Malaysia	September 19, 2007
Oil India Ltd	India	September 18, 2012
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
Orca Gold Inc.	Canada	December 9, 2014
PetroChina	China	September 19, 2007
Petroliaam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
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 Engineering Group Co Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Kantons Holdings Ltd	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	April 14, 2009
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
Société Nationale d'Investissement	Morocco	December 6, 2016
Societe Metallurgique D'imiter	Morocco	November 9, 2010
# of Sudan Scrutinized Companies	48	

No companies were removed from the **Sudan Scrutinized List** during the quarter.

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

Continued Examination Company: Sudan	Country of Incorporation
ASEC Company for Mining S.A.E.	Egypt
Bharat Heavy Electricals, Ltd	India
Bollore Group	France
China Gezhouba Group Company Ltd	China
China North Industries Group Corp (CNGC/Norinco)	China
Dongfeng Motor Group Co Ltd	China
Dongan Motor (aka Harbin Dongan Auto Engine)	China
Drake & Scull International PJSC	United Arab Emirates
El Sewedy Cables Holding Company	Egypt
Emperor Oil Ltd	Canada
ENGIE SA	France
Glencore Xstrata PLC	Switzerland
Infotel Broadband Services Ltd	India
JX Holdings Inc.	Japan
KMCOB Capital Bhd	Malaysia
LS Industrial Systems	South Korea
Nippo Corporation	Japan
Power Construction Corporation of China Ltd. (fka Sinohydro)	China
PT Pertamina Persero	Indonesia
Regency Mines PLC	United Kingdom
Shanghai Electric Group Co.	China
Statesman Resources Ltd	Canada
Wartsila Oyj	Finland
# of Sudan Continued Examination Companies	23

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

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

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
China BlueChemical Ltd.	China	March 19, 2013
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Natural Gas Corp Ltd	China	August 2, 2016
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Oilfield Services Ltd.	China	June 16, 2011
CNOOC Ltd.	China	June 16, 2011
CNOOC Finance Limited	China	September 24, 2013
CNPC General Capital Ltd	China	December 6, 2016
CNPC HK Overseas Capital Ltd.	China	June 16, 2011
COSL Finance (BVI) Limited	China	September 24, 2013
Daelim Industrial Co Ltd.	South Korea	June 16, 2011
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Gazprom	Russia	September 19, 2007
Gazprom Neft	Russia	September 16, 2008
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013
MISC Bhd	Malaysia	September 19, 2007
Mosenergo	Russia	September 16, 2008
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007
Petrolia Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd.	China	March 18, 2014
Sinopec Engineering Group Co Ltd.	China	March 18, 2014
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Sinopec Kantons Holdings Ltd.	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	September 29, 2015
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
# of Iran Scrutinized Companies	40	

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

Table 4: Continued Examination Companies with Petroleum Energy Activities in Iran
New companies on the list are shaded and in bold.

Continued Examination Company: Iran	Country of Incorporation
Anton Oilfield Services Group	China
China Nonferrous Metal Industry's Foreign Engineering and Construction	China
GAIL (India) Limited, aka GAIL Ltd.	India
GS Engineering & Construction Corp.	South Korea
GS Holdings	South Korea
Lukoil OAO	Russia
Maire Tecnimont SpA	Italy
Oil India Ltd.	India
Petronet LNG Ltd.	India
Total SA	France
# of Iran Continued Examination Companies	10

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

<i>Removed Company</i>	<i>Country of Incorporation</i>
<i>Shanghai Zhenhua Heavy Industry Co. Ltd.</i>	<i>China</i>

Table 5: Correspondence & Engagement Efforts with Scrutinized Companies

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

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

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

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

Company	Company Responsive to SBA Communications	Status
Malaysia Marine & Heavy Engineering Holdings Bhd	Yes; November 14, 2014	Iran & Sudan Scrutinized Classification Continues
Mangalore Refinery & Petrochemicals Ltd	Yes; March 8, 2013	Iran & Sudan Scrutinized Classification Continues
MISC Bhd	No	Iran & Sudan Scrutinized Classification Continues
Norsk Hydro	Yes; November 30, 2007	Removed from Iran Scrutinized List
Oil & Natural Gas Corp (ONGC)	Yes; July 23, 2014	Iran & Sudan Scrutinized Classification Continues
OMV AG	Yes; November 6, 2007 and April 14, 2010	Removed from Iran Continued Examination List
PetroChina	Yes; December 22, 2008	Iran & Sudan Scrutinized Classification Continues
Petroleo Brasileiro (Petrobras)	Yes; January 13, 2010	Removed from Iran Scrutinized List
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 Kantons Holdings Ltd.	No	Iran & Sudan Scrutinized Classification Continues
Sinopec Shanghai Petrochemical Company	No	Sudan Scrutinized Classification Continues
Snam Rete Gas	Yes; October 9, 2008	Removed from Iran Scrutinized Classification
Statoil ASA (fka: StatoilHydro)	Yes; February 4, 2008; January 24, 2011; June 16, 2011	Removed from Iran Scrutinized and CE Lists
Total Capital	Yes; January 26, 2011 and April 25, 2011	Removed from Iran Scrutinized and CE Lists
Total SA	Yes; October 12, 2007; October 29, 2010; April 25, 2011	Removed from Iran Scrutinized 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	Iran CE Classification Continues
AREF Investment Group	No	Removed from Sudan List
Areva SA	Yes; October 27, 2008 December 29, 2009	Removed from Sudan List
Bauer Aktiengesellschaft	Yes; March 13, 2008	Removed from Sudan List
BG Group	Yes; November 23, 2007	Removed from Iran List
Bharat Electronics Limited	No	Removed from Sudan CE List
Bollore Group	No	Sudan CE Classification Continues
Costain Group PLC	Yes; November 5, 2007	Removed from Iran List
Daelim Industrial Co Ltd	No	Moved to Iran Scrutinized List
Engineers India Ltd.	Yes; October 16, 2008; September 9, 2010	Removed from Iran CE List
Essar Oil	Yes; January 9, 2009	Removed from Iran List
Finmeccanica SpA	No	Removed from Sudan List
Glencore Xstrata PLC	Yes; September 20, 2010	Sudan CE Classification Continues
GVA Consultants	Yes; September 26, 2007 September 30, 2010	Removed from Iran CE List
ICSA India Limited	No	Removed from Sudan List
INA-Industrija Nafta DD Zagreb	Yes; 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	Iran CE Classification Continues
Mitsubishi Heavy Industries Ltd.	Yes; October 26, 2007	Removed from Iran List
Mitsui & Co.	Yes; October 17, 2007	Removed from Iran List
Mitsui Engineering & Shipbuilding	Yes; November 21, 2007 December 18, 2007	Removed from Iran and Sudan Lists
MMC Bhd	No	Sudan CE Classification Continues
Nam Fatt	No	Removed from Sudan List

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

Key Dates for PFIA Activities

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

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

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

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

September 20, 2007 — SBA engages companies classified as either Scrutinized or needing Continued Examination through written correspondence, subsequent conference calls and additional communication. SBA disclosed the Scrutinized Companies lists on its website, including reporting of all equities held by 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	November 9, 2010	December 10, 2013
December 18, 2007	February 22, 2011	March 18, 2014
March 25, 2008	June 16, 2011	June 17, 2014
June 10, 2008	September 20, 2011	September 23, 2014
September 16, 2008	December 6, 2011	December 9, 2014
January 13, 2009	March 20, 2012	March 24, 2015
April 14, 2009	June 26, 2012	June 23, 2015
July 28, 2009	September 18, 2012	September 29, 2015
October 27, 2009	December 11, 2012	December 8, 2015
January 26, 2010	March 19, 2013	March 29, 2016
April 27, 2010	June 25, 2013	August 2, 2016
July 29, 2010	September 24, 2013	December 6, 2016

Summary of Investments Sold, Redeemed, Divested or Withdrawn

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

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

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

Table 7: List of *Prohibited Investments (Scrutinized Companies)*

New companies on the list are shaded and in bold.

CNPC General Capital Ltd was previously listed for Sudan, and is now listed for Iran as well.

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Chennai Petroleum Corp Ltd	Sudan	India	September 19, 2007	Yes
China BlueChemical Ltd	Iran	China	March 19, 2013	Yes
China National Petroleum Corporation (CNPC)	Sudan & Iran	China	December 11, 2012	Yes
China Natural Gas Corp Ltd	Sudan & Iran	China	August 2, 2016	Yes
China Oilfield Services Ltd	Iran	China	June 16, 2011	Yes
China Petroleum & Chemical Corp (CPC) Sinopec	Sudan & Iran	China	September 19, 2007	Yes
CNOOC Ltd	Iran	China	June 16, 2011	Yes
CNOOC Finance Limited	Iran	China	September 24, 2013	Yes
CNPC General Capital Ltd	Sudan & Iran	China	June 26, 2012	Yes
CNPC HK Overseas Capital Ltd	Sudan & Iran	China	June 16, 2011	Yes
COSL Finance (BVI) Limited	Iran	China	September 24, 2013	Yes
Daelim Industrial Co Ltd	Iran	South Korea	June 16, 2011	Yes
Daqing Huake Group Co Ltd	Sudan	China	March 25, 2008	Yes
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Energy House Holding Company (fka: AREF Energy Holdings Co)	Sudan	Kuwait	July 28, 2009	Yes
Engen Botswana	Sudan & Iran	Botswana	March 24, 2015	Yes
Gas District Cooling (Putrajaya) Sdn Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Gazprom	Iran	Russia	September 19, 2007	Yes
Gazprom Neft	Iran	Russia	September 16, 2008	Yes
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	Sudan	China	September 19, 2007	Yes
Indian Oil Corp Ltd (IOCL)	Sudan & Iran	India	September 19, 2007	Yes
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	Sudan	China	September 19, 2007	Yes
KLCC Property Holdings Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
KT Kira Sert Varlik	Sudan	Turkey	August 2, 2016	Yes
KT Sukuk Co Ltd	Sudan	Cayman Islands	August 2, 2016	Yes
KT Sukuk Varlik Kiralma AS	Sudan	Turkey	August 2, 2016	Yes
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong)	Sudan & Iran	Hong Kong	September 19, 2007	Yes
Kuwait Finance House	Sudan	Kuwait	April 14, 2009	Yes
Lanka IOC Ltd	Sudan	India	September 19, 2007	Yes
Managem SA	Sudan	Morocco	November 9, 2010	Yes
Mangalore Refinery & Petrochemicals Ltd	Sudan & Iran	India	September 19, 2007	Yes
Malaysia Marine & Heavy Engineering Holdings Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
MISC Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Mosenergo	Iran	Russia	September 16, 2008	Yes
Oil India Ltd.	Sudan	India	September 18, 2012	Yes
Oil & Natural Gas Corp (ONGC)	Sudan & Iran	India	September 19, 2007	Yes
ONGC Videsh Limited (OVL)	Sudan & Iran	India	March 18, 2014	Yes
Orca Gold Inc.	Sudan	Canada	December 9, 2014	Yes
PetroChina	Sudan & Iran	China	September 19, 2007	Yes
Petroleum Nasional (Petronas)	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Capital Limited	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Chemicals Bhd	Sudan & Iran	Malaysia	June 16, 2011	Yes
Petronas Dagangan Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Gas Berhad	Sudan & Iran	Malaysia	September 19, 2007	Yes
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 Engineering Group Co Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2016 Ltd	Sudan & Iran	China	August 2, 2016	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Sinopec Group Overseas Development 2013 Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Kantons Holdings Ltd	Sudan & Iran	Bermuda	September 19, 2007	Yes
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	Sudan & Iran	China	April 14, 2009	Yes
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	Sudan & Iran	China	March 25, 2008	Yes
Sinopec Shanghai Petrochemical	Sudan & Iran	China	September 19, 2007	Yes
Société Nationale d'Investissement	Sudan	Morocco	December 6, 2016	
Societe Metallurgique D'imiter	Sudan	Morocco	November 9, 2010	Yes
# of Prohibited Investments	56	-	-	Yes

No companies were removed from the **Prohibited Investments List** this quarter.

Table 8: SBA Holdings in Prohibited Investments Subject to Divestment

As of September 30, 2016, the SBA did not hold shares of any company on the Sudan or Iran 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.

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" list, composed of companies that participate in a boycott of Israel including actions that limit commercial relations with Israel or Israeli-controlled territories. 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.

Primary Requirements of the law

1. Identification of companies

By August 1, 2016, 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.

As required by statute, SBA will review publicly-available information, including from NGOs, non-profits, government entities and research firms, and/or contact asset managers or other institutional investors. SBA staff will contract with external research providers to obtain preliminary lists of potential scrutinized companies and evaluate the evidence to make a final determination of scrutinized status. Currently SBA has retained one data provider, IW Financial. Another provider is expected to offer an Israel-boycott data service, though they do not expect to furnish a potential list until the 4th quarter of 2016.

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 or another reliable source indicates that a company meets the classification of a Scrutinized Company as defined by the 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 differences. 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 the law 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 does not include restrictive trade practices or boycotts fostered or imposed by foreign countries against Israel.

"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, as well as the Speaker of the House of Representatives and the President of the 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

SBA is required to determine the companies on the Scrutinized Companies 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 in order to avoid qualifying for investment prohibition.

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. Prohibition

The SBA may not acquire directly-held securities of companies on the Scrutinized Companies list. The SBA is not required to divest of existing holdings. Indirect holdings are exempt from the prohibition (such as commingled accounts, index funds and mutual funds). However, 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, without the requirement to contact the fund management.

A cessation of the investment prohibition is allowed if the fund has evidence that the assets under management become equal or less than 99.50% of the hypothetical fund value assuming no investment prohibition had occurred. This must be reported to the parties listed in "reporting" below and updated semiannually for the cessation to be authorized.

Table 9: *Scrutinized Companies that Boycott Israel**New companies on the list are shaded and in bold. (No companies added this quarter.)*

Scrutinized Company that Boycotts Israel	Country of Incorporation	Date of Initial Scrutinized Classification
Cactus SA	Luxembourg	August 2, 2016
Betsah Invest SA	Luxembourg	August 2, 2016
Betsah SA	Luxembourg	August 2, 2016
Cooperative Group Gomersall	United Kingdom	August 2, 2016
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	Turkey	August 2, 2016
U2u Consult NV	Belgium	August 2, 2016
# of Companies that Boycott Israel	6	

Companies removed from **Scrutinized Companies that Boycott Israel List** during the quarter:

Removed Company	Country of Incorporation
FreedomCall Ltd	United Kingdom

Table 10: *Continued Examination Companies that Boycott Israel**New companies on the list are shaded and in bold. (No companies added this quarter.)*

Continued Examination Company: Israel	Country of Incorporation
Danske Bank	Denmark
Aldi	Germany
ASN Bank NV	Netherlands
HEMA BV	Netherlands
Karsten Farms	South Africa
# of Continued Examination Companies	5

Companies removed from **Continued Examination Companies that Boycott Israel List** during the quarter:

Removed Company	Country of Incorporation
Dexia	Belgium

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
Cooperative Group Gomersall	No	Remains on scrutinized list
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	No	Remains on scrutinized list
U2u Consult NV	No	Remains on scrutinized list
Danske Bank	No	Remains on continued examination list
Dexia	Yes, November 17, 2016	Removed from continued examination list
Aldi	No	Remains on continued examination list
ASN Bank NV	No	Remains on continued examination list
HEMA BV	No	Remains on continued examination list
Karsten Farms	No	Remains on continued examination 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 defined as 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 State Board 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 State Board 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.

On September 23, 2016, the SBA sent a letter to all companies identified with business operations in Northern Ireland. The SBA requested companies to describe actions taken in support of the MacBride Principles, and encouraged publicly traded companies in Northern Ireland to adopt the MacBride Principles if they have not already done so.

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, 2016, there were no shareowner proposals related to expanding trade with Cuba or Syria.

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





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RICK SCOTT
GOVERNOR
CHAIRMAN

JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

MEMORANDUM

To: Ashbel C. Williams, Executive Director & CIO
From: Maureen M. Hazen, General Counsel *Maureen M. Hazen*
Date: November 14, 2016
Subject: Office of General Counsel: Standing Report
For Period August 27, 2016 – November 6, 2016

SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 18 new agreements – including 2 Private Equity investments, 2 Strategic Investments, 7 Real Estate investments and/or investment management agreements, and 1 new Futures/Swaps Clearing Agreement; (ii) 102 contract amendments, addenda or renewals; and (iii) 4 contract or related terminations.

SBA Litigation.

(a) Passive. As of November 7, 2016, the SBA was monitoring (as an actual or putative passive member of the class) 594 securities class actions. From August 1, 2016 – October 31, 2016, the SBA collected recoveries in the amount of \$352,176.38 as a passive member in 21 securities class actions.

(b) Active.

(i) In re Tribune Litigation. On January 24, 2012, the SBA was served a complaint (along with other defendants) now pending in the U.S. Bankruptcy Court, Southern District of New York by the Official Committee of Unsecured Creditors of the Tribune Company alleging damages for fraudulent conveyance and requesting the return of proceeds received by all defendant investors in a leveraged buy-out of the Tribune Company (which subsequently declared bankruptcy). Pursuant to a plan approved in the bankruptcy proceeding, the claim was transferred to the U.S. District Court, Southern District of New York (the "Court") and consolidated with additional parallel cases for multi-district litigation. The SBA received approximately \$11 million in connection with this leveraged buy-out. Several amended complaints have been filed in the action in which the SBA was originally served in January, 2012 (the "FitzSimons Action"), and the parties are awaiting the Court's ruling on a global motion to dismiss. If the Fitzsimmons Action survives the global motion to dismiss, the Court has indicated that it will hear

individualized motions, such as sovereign immunity. If necessary, the SBA will seek dismissal on sovereign immunity grounds at the appropriate time.

(c) FRS Investment Plan. During the period from August 27, 2016 through November 7, 2016, 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 five (5) Final Orders, received notice of filing of nine (9) new cases (four of which were transferred to DOAH), and continued to litigate eleven (11) cases that were pending during the periods covered by previous reports, including defending one (1) appellate case and two (2) cases in front of DOAH.

Other Matters.

(a) Public Records. During the period covered by this report, the General Counsel's Office received 23 new public records requests and provided responses to 20 requests. As of the date of this report, the General Counsel's Office continues to work on 6 open requests.

(b) SBA Rule Activities.

(i) Amendments To Rule 19-11.002, F.A.C (Beneficiary Designations and Distributions For the FRS Investment Plan). The purpose of the proposed amendments to this rule is to recognize, and provide information concerning, the new In-Line-of-Duty Death Benefit enacted during the 2016 Legislative Session and to clarify certain information set forth currently in the rule concerning beneficiary designations. These rule amendments initially were filed with the Office of Financial and Regulatory Reform ("OFARR"), and no comments were received. The Trustees approved filing a Notice of Proposed Rule on August 2, 2016 and further approved the filing of the rule amendments for adoption if no member of the public timely requests a rule hearing. The rule was filed with the Joint Administrative Procedures Committee ("JAPC") for review and comments, and JAPC only had a few minor non-substantive revisions. No member of the public requested a rule hearing after the Notice of Proposed Rule was filed in the Florida Administrative Register. The rule will be filed for adoption shortly.

(ii) Creation Of New Rule - Rule 19-11.014, F.A.C. (Benefits Payable For Investment Plan Member Disability and In-Line-Of-Duty Death Benefits). The purpose and effect of the proposed new Rule 19-11.014 is to set forth information regarding what happens if an Investment Plan member applies to receive a disability benefit in lieu of benefits payable under Section 121.591, Florida Statutes. The new rule also sets forth information as to the In-Line-of-Duty Death benefits available to the spouse and unmarried children of Special Risk Investment Plan members that were killed in the line of duty on or after July 1, 2013, as provided in recently enacted Section 121.591(4), Florida Statutes (2016). This rule was filed with the OFARR, and no comments were received. The Trustees approved filing a Notice of Proposed Rule on August 2, 2016 and further approved the filing of the rule amendments for adoption if no member of the public timely requests a rule hearing. The rule was filed with the JAPC for review and comments, and JAPC only had a few minor non-substantive revisions. No member of the public requested a rule hearing after the Notice of Proposed Rule was filed in the Florida Administrative Register. The rule will be filed for adoption shortly.

(iii) Amendments To Rule 19-7.002, F.A.C (Investment Policy Statements). The purpose and effect of the proposed rule amendments to Rule 19-7.002, F.A.C. is to adopt the revised Investment Policy Statement for the Local Government Surplus Funds Trust Fund approved and made effective by the Trustees on August 2, 2016. These rule amendments initially were filed with the OFARR, and no comments were received. The SBA then filed a Notice of Rule Development. The Trustees approved filing a Notice of Proposed Rule on September 20, 2016 and further approved the filing of the rule amendments for adoption if no member of the public timely requests a rule hearing. The rule was filed with JAPC for review and comments, and JAPC provided no comments. No member of the public

requested a rule hearing after the Notice of Proposed Rule was filed in the Florida Administrative Register. The rule will be filed for adoption shortly.

(iv) Amendments To Rules in Rule Chapter 19-11.

19-11.001: Definitions
19-11.003: Distributions from FRS Investment Plan Accounts
19-11.004: Excessive Trading in the FRS Investment Plan
19-11.005: FRS Investment Plan Complaint Procedures
19-11.006: Enrollment Procedures for New Hires
19-11.007: Second Election Enrollment Procedures for the FRS Retirement Programs
19-11.008: Forfeitures
19-11.009: Reemployment with an FRS-covered Employer after Retirement
19-11.010: FRS Investment Plan: Privacy
19-11.011: Employer and Employee Contributions and ABO or Present Value Transfer Procedures
19-11.012: Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan
19-11.013: FRS Investment Plan Self-Directed Brokerage Account

The proposed amendments initially were filed with OFARR, and no comments were received. The SBA subsequently filed a Notice of Rule Development. The amendments were approved for filing by the Trustees on October 25, 2016. The SBA then re-submitted the amendments to OFARR for final approval. The SBA intends to file a Notice of Proposed Rule shortly, and provided no member of the public requests a rule hearing, the rules will be filed for adoption.

The amendments are as follows: Rule 19-11.001 is being amended to add new definitions for “death in the line of duty” and “special risk member; to clarify other definitions; and to correct some typographical errors. Rule 19-11.003 is being amended to clarify certain information regarding Required Minimum Distributions (RMDs) and to add new information concerning pending distributions. Rule 19-11.004 is being amended to clarify certain information. Rule 19-11.005 is being amended to make some clarifications and to indicate how copies of issued Final Orders can be obtained. Rule 19-11.006 is being amended to adopt the latest versions of the applicable enrollment forms; and to indicate that an employee who terminates employment prior to making a retirement plan choice will be given another opportunity to make a plan choice if the employee returns to FRS-covered employment in the future. Rule 19-11.007 is being amended to adopt the latest versions of the Second Election enrollment forms; to clarify information set forth regarding a member who is on unpaid leave of absence or summer break to indicate that a second election form can only be submitted by such member during the month that the member is actively working and earning salary and service credit; and to indicate that any person that transfers to the Investment Plan and provides a cell phone number or email address will be deemed to have consented to electronic delivery of documents through the MyFRS.com website. Rule 19-11.008 is being amended to indicate the any unvested account balances will be transferred to a suspense account which is invested in the FIAM Intermediate Duration Pool Fund. Rule 19-11.009 is being amended to indicate that if a member receives an invalid distribution, the member may elect to terminate employment rather than to pay back the invalid distribution. Rule 19-11.010 is being amended to state that a power of attorney may be submitted by electronic means or by hard copy. Rule 19-11.011 is being amended to indicate how employer errors and corrections will be made and resolved; and to indicate that the Division of Retirement is responsible for monitoring the federally-mandated annual salary that may be applied towards retirement. Rule 19-11.012, F.A.C. is being amended to adopt the latest version of the rollover forms. Rule 19-11.013, F.A.C. is being amended to set forth how the Self-Directed Brokerage Account enrollment form can be obtained and to make a few clarifications.

(v) On September 30, 2016, the SBA filed its 2016-2017 Annual Regulatory Plan, pursuant to Chapter 2015-162, Laws of Florida.



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OF FLORIDA**

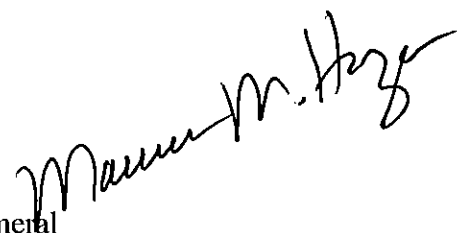
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EXECUTIVE DIRECTOR & CIO

MEMORANDUM

DATED: November 10, 2016
TO: Board of Trustees
FROM: Maureen M. Hazen, General Counsel & Acting Inspector General
SUBJECT: Quarterly Report on SBA Inspector General Activities



The SBA Inspector General (IG) is responsible for serving as the organization's ethics officer; conducting internal investigations; overseeing investment protection principles (IPP) compliance; and handling special projects as directed by the Executive Director & 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 annually required for all employees in the areas of sexual harassment, information security, personal investment activity and insider training. In 2016, SBA employees were also required to complete training courses for public records and the Sunshine Law. (These courses are required every other year.) The deadline for completion of the courses was June 30, 2016, and all SBA employees are in compliance.
- During the period of August 31, 2016 through November 10, 2016, no instances were reported to the Inspector General concerning non-compliance with the SBA gift policy.

Investment Protection Principles Compliance

In September 2002, the Trustees of the SBA adopted Investment Protection Principles (IPPs) for broker-dealers and investment managers in the wake of Wall Street scandals involving tainted

equity research and conflicts of interest. The IPPs are geared toward promoting independence, transparency and regulatory compliance, and adherence to the highest standards of ethics and professionalism. On an annual basis, written certification is required from equity, fixed income and real estate investment managers and broker-dealers. Additionally, annual certifications have been developed for the investment services related consulting firms engaged by the SBA. These consulting firms are required to certify their compliance with certain independence and disclosure principles.

The compliance results of the investment managers and consultants were reported in a previous quarter report.

Certification forms for broker-dealers were disseminated to the applicable firms in April 2016, and all of the broker-dealers completed and returned their IPP certification forms for the 2015 reporting period. An analysis of the 2015 certifications indicates full compliance with the IPP's by the broker-dealers.

Investment Advisory Council Disclosures

As per Section 215.444, Florida Statutes, all current IAC members are required to complete an annual Conflict Disclosure Statement. All of the current IAC members have completed and returned their disclosure statement this year.

SBA Fraud Hotline

Since July 2006, The Network Inc. has been the independent provider of SBA Fraud Hotline services. Through an 800 number, SBA employees may anonymously report tips or information related to fraud, theft, or financial misconduct. The telephone number and information is prominently displayed on the SBA intranet home page. Additionally, the hotline information is available on the SBA internet site as part of the SBA Internal Control and Fraud Policy. To date, no complaints or tips have been received by the Hotline for 2016 (except for testing purposes).

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. All SBA employees who met this requirement have filed a Financial Disclosure Form with the Commission on Ethics for the year ending December 31, 2015, as well as all new employees hired during 2016.

Xc: Ash Williams



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ATTORNEY GENERAL

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

DATE: November 14, 2016

TO: Ash Williams, Executive Director & CIO

FROM: Karen Chandler, Chief Risk & Compliance Officer

SUBJECT: Trustee Update – December 2016

The role of the Risk Management and Compliance (RMC) unit is to assist the Executive Director & CIO in maintaining an appropriate and effective risk management and compliance program to identify, monitor and mitigate key investment and operational risks. RMC 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. The SBA's mission statement further supports this culture: *"To provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary and professional standards."*

The following is a brief status report of RMC activities and initiatives completed or in progress during the period August 30, 2016 through November 14, 2016:

- No material compliance exceptions were reported during the period.
- The Risk and Compliance Committee (RCC) met on October 31, 2016. The risk assessment began the same day, transitioning from a semi-annual to annual assessment. As the RCC keeps a close watch on risk levels and trends, decreasing the assessment time allows for increased focus on emerging risks and the effectiveness of risk mitigation efforts. In light of the initiation of the new risk assessment, the RCC determined to leave management action plans unchanged until the results of the assessment are evaluated in December. Prior to the assessment, RMC's Enterprise Risk Management (ERM) team and the Office of Internal Audit offered a joint presentation to senior leaders and managers emphasizing the importance of accurately and effectively assessing risk affecting the SBA. Results of the current assessment will be reviewed by the RCC in December, and used in the development of strategic objectives, risk mitigation efforts, and budget priorities going forward.

- The annual Public Pension Fund ERM Peer Group Forum was hosted by CalSTRS in September. This valuable event focuses on sharing leading practices in managing risk and encourages open dialog with our largest peers. The ERM function will serve on the planning committee for next year's meeting, and we anticipate hosting the event once again within the next few years. Evaluation of leading practices remains a priority across RMC functions.
- Following the Charles River compliance module enhancements implemented earlier in 2016, management began discussions with Charles River to explore periodic software upgrades. These upgrades would ensure the SBA is utilizing the latest technology with respect to both the Global Equity trading and compliance modules.
- BNY Mellon's Global Risk Solutions group held its semi-annual Client Advisory Board meeting in October. BNY Mellon shared high level organizational priorities and initiatives which will affect clients in the coming months. Particular emphasis was given to technology enhancements, client service efforts and advancements in reporting. These changes are designed to enhance the customer experience. Our goal is to utilize these enhancements to advance automation efforts where practical.
- The attainment of strategic professional designations continues to be a priority for RMC staff due to the evolving nature of risk in the investment landscape and technical skill level required in RMC functions. During the period, Bridget Dervish and Nitin Verma successfully earned the Certified Investments and Derivatives Auditor (CIDA) designation, Carolina Ramirez successfully completed the Certificate in Investment Performance Measurement (CIPM) Principles exam, and I successfully completed the Level 1 exam of the Chartered Alternative Investment Analyst (CAIA) curriculum. While successful completion of a second level of curriculum is required for attainment of the CIPM and CAIA designations, these achievements indicate RMC employees are demonstrating skill in the core bodies of knowledge in their respective areas.
- In the Performance and Risk Analytics function, we are currently advertising to fill a new Senior Quantitative Investment Analyst III position. This position will primarily focus on highly technical processes such as report automation and enhancing quantitative investment analysis models, and requires an extensive amount of experience in programming and data analytics.



State Board of Administration of Florida

Major Mandate Review Third Quarter 2016

Table of Contents

1. Executive Summary
2. Pension Plan Review
3. Investment Plan Review
4. CAT Fund Review
5. Lawton Chiles Endowment Fund Review
6. Florida PRIME Review
7. Appendix

Executive Summary

- The major mandates outperformed their respective benchmarks over all longer time periods through September 30, 2016.
- The Pension Plan matched its Performance Benchmark during the third quarter and trailed over the trailing one-year period; however, the Pension Plan outperformed over the long-term including the trailing three-, five-, ten-, and fifteen-year periods.
 - Global Equity has been a consistent source of value added over longer time periods, along with Real Estate and Strategic Investments. The Plan's one-year underperformance was primarily driven by underperformance from Private Equity.
- Over the trailing one-, five-, and ten-year periods, the Pension Plan's return ranked in the top half of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan modestly trailed the Total Plan Aggregate Benchmark during the trailing one-year period, but has outperformed over longer-term periods including the trailing three-, five-, and ten-year periods.
- The Lawton Chiles Endowment Fund outperformed its benchmark during the third quarter and over the trailing one-, three-, five-, and ten-year periods.
- The CAT Funds' performance is mixed over short-term periods, yet continues to be favorable over the long-term, outperforming the benchmark over the trailing three-, five-, and ten-year time periods.
- Florida PRIME has continued to outperform its benchmark over both short and long time periods.

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Pension Plan: Executive Summary

- The Pension Plan assets totaled \$144.7 billion as of September 30, 2016 which represents a \$3.3 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, matched its return during the third quarter, trailed during the one-year period, and outperformed over the trailing three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the trailing ten-year period, but has outperformed over the trailing one-, three-, five-, fifteen-, twenty-, twenty-five-, and thirty-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
 - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
 - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
 - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

FRS Pension Plan Change in Market Value

Periods Ending 9/30/2016

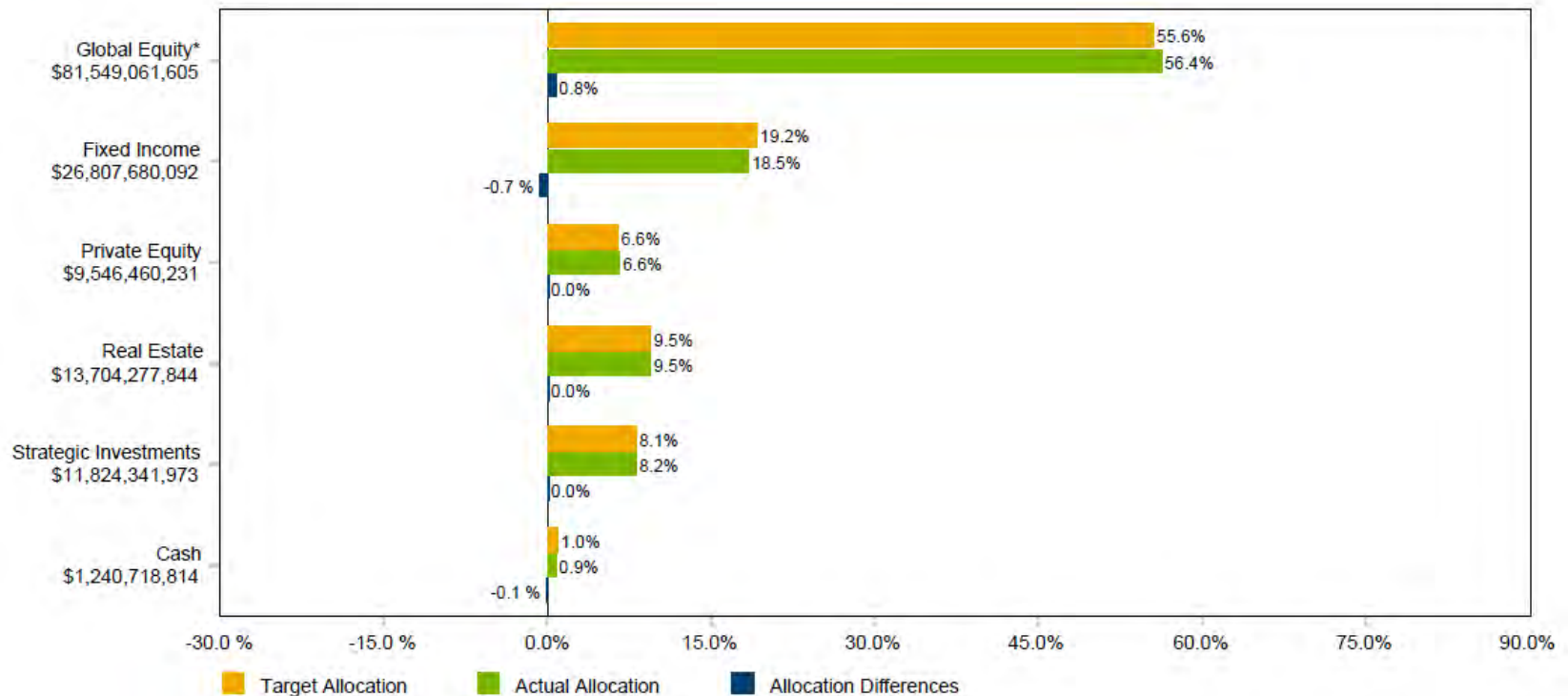
Summary of Cash Flows		
	Third Quarter	Fiscal YTD*
Beginning Market Value	\$141,321,201,894	\$141,321,201,894
+/- Net Contributions/(Withdrawals)	(\$2,017,088,390)	(\$2,017,088,390)
Investment Earnings	\$5,368,427,055	\$5,368,427,055
= Ending Market Value	\$144,672,540,559	\$144,672,540,559
Net Change	\$3,351,338,666	\$3,351,338,666

*Period July 2016 – September 2016

Asset Allocation as of 9/30/2016

Total Fund Assets = \$144.7 Billion

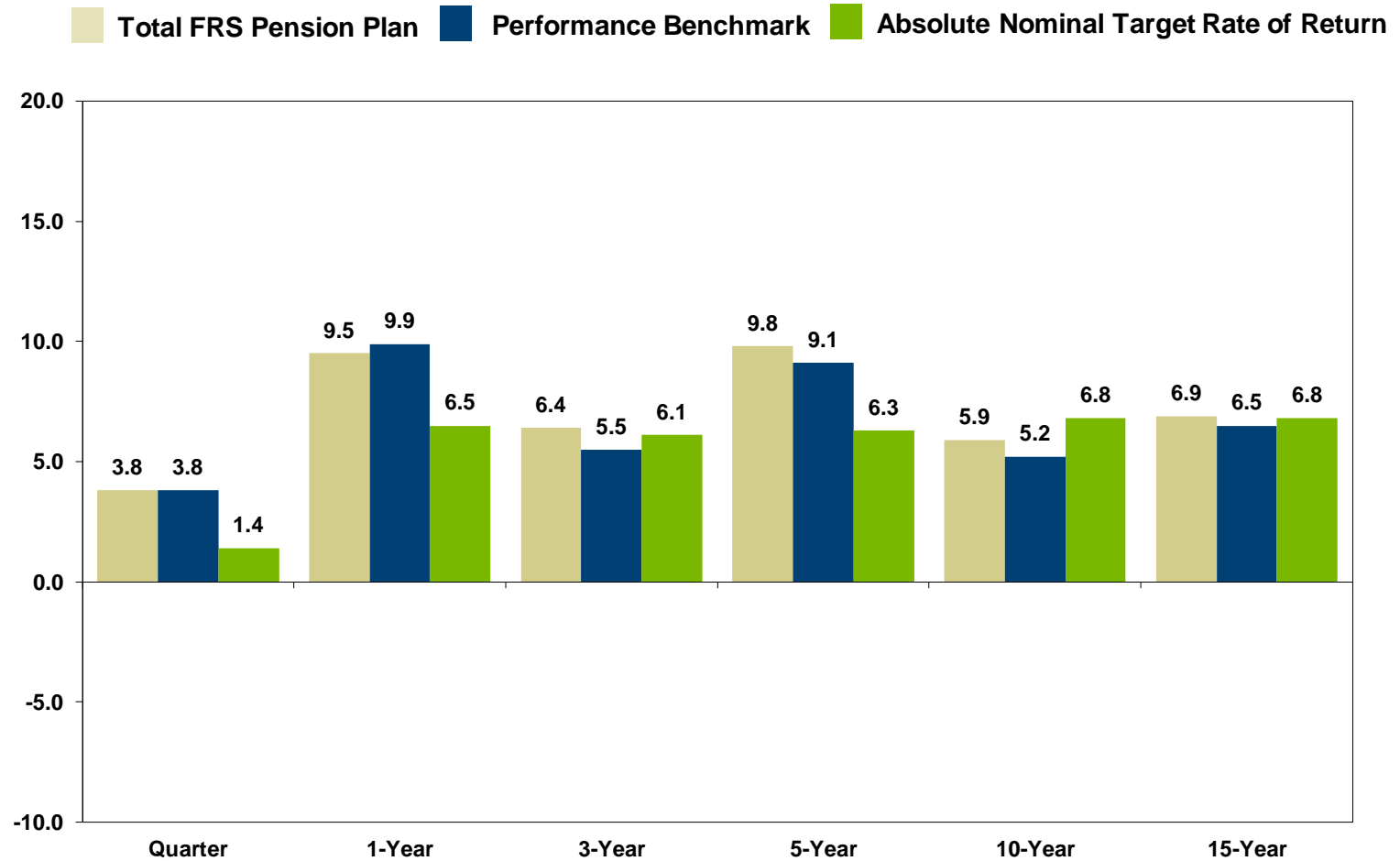
	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	144,672,540,559	100.0	100.0		
Global Equity*	81,549,061,605	56.4	55.6	45.0	70.0
Fixed Income	26,807,680,092	18.5	19.2	10.0	26.0
Private Equity	9,546,460,231	6.6	6.6	2.0	9.0
Real Estate	13,704,277,844	9.5	9.5	4.0	16.0
Strategic Investments	11,824,341,973	8.2	8.1	0.0	16.0
Cash	1,240,718,814	0.9	1.0	0.3	5.0



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

FRS Pension Plan Investment Results

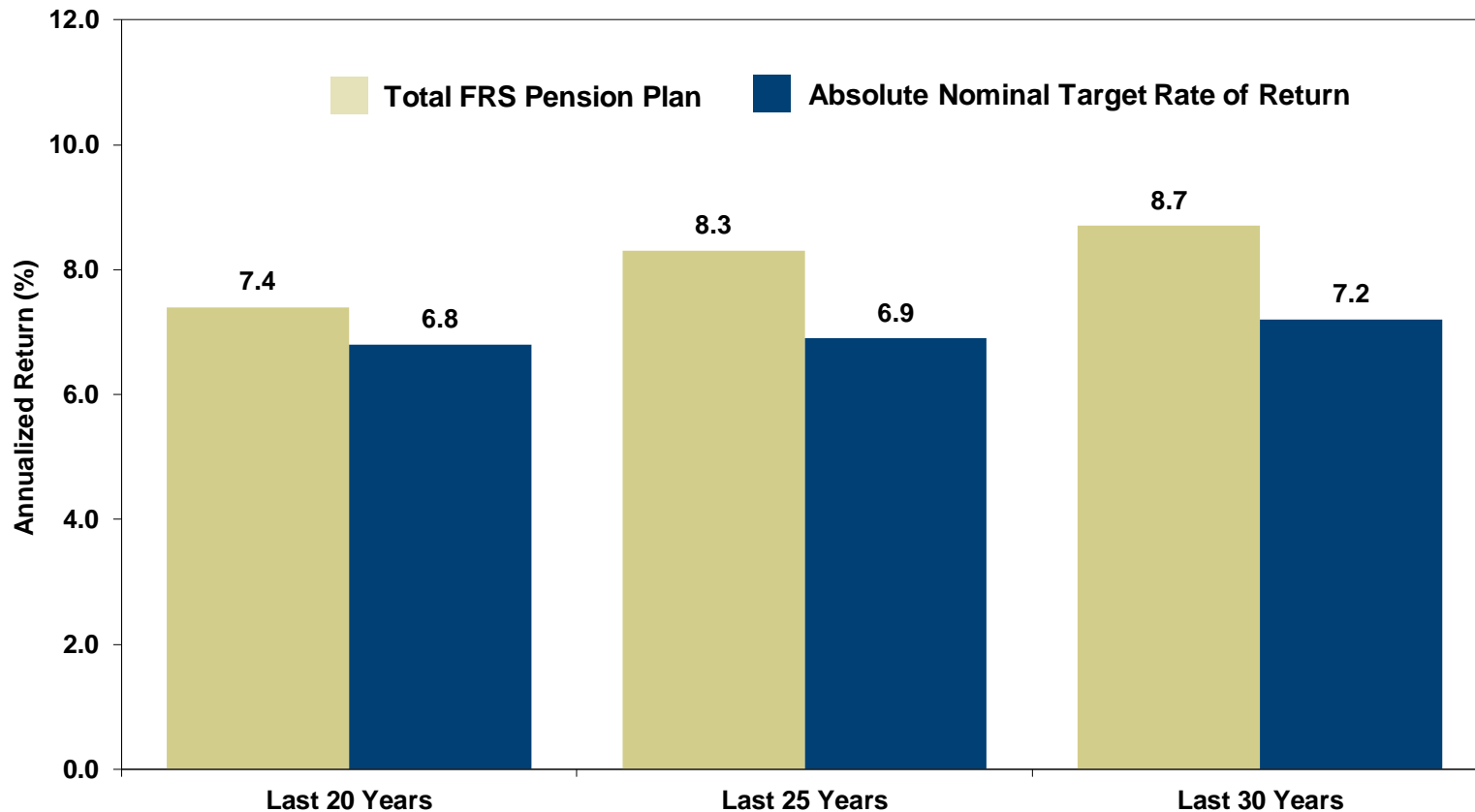
Periods Ending 9/30/2016



FRS Pension Plan Investment Results

Periods Ending 9/30/2016

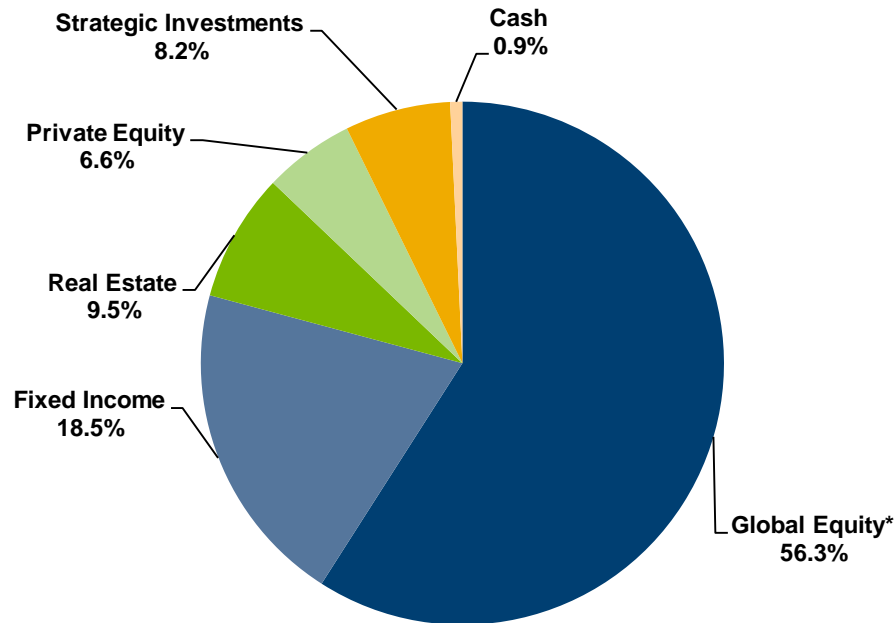
Long-Term FRS Pension Plan Performance Results vs. SBA's Long-Term Investment Objective



Comparison of Asset Allocation (TUCS Top Ten) As of 9/30/2016

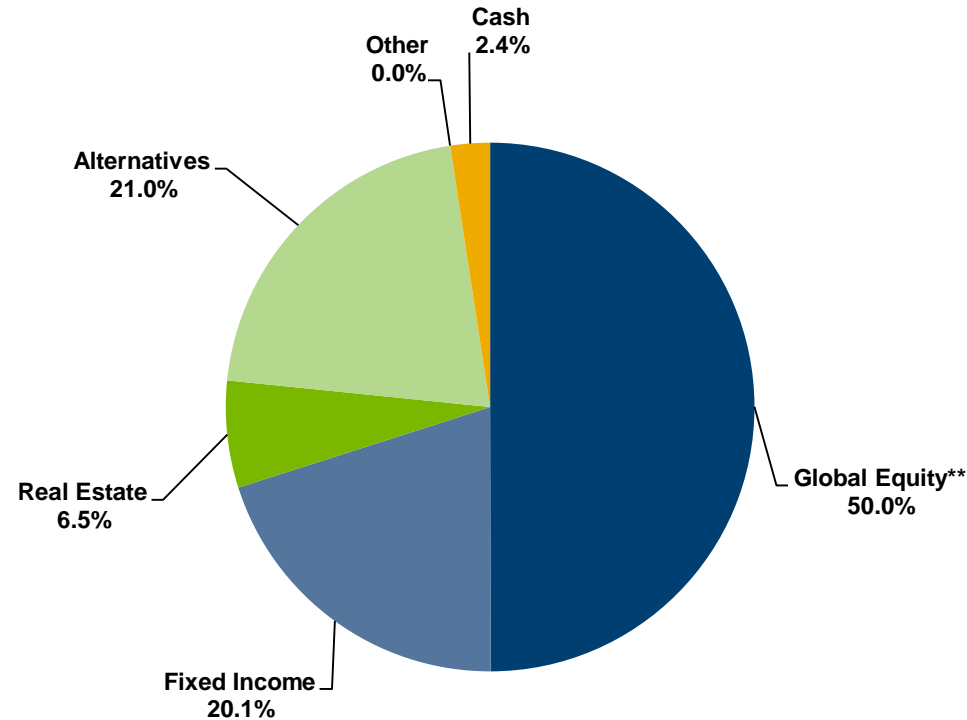
FRS Pension Plan vs. Top Ten Defined Benefit Plans

FRS TOTAL FUND



*Global Equity Allocation: 26.1% Domestic Equities; 24.0% Foreign Equities; 5.4% Global Equities; 0.7% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

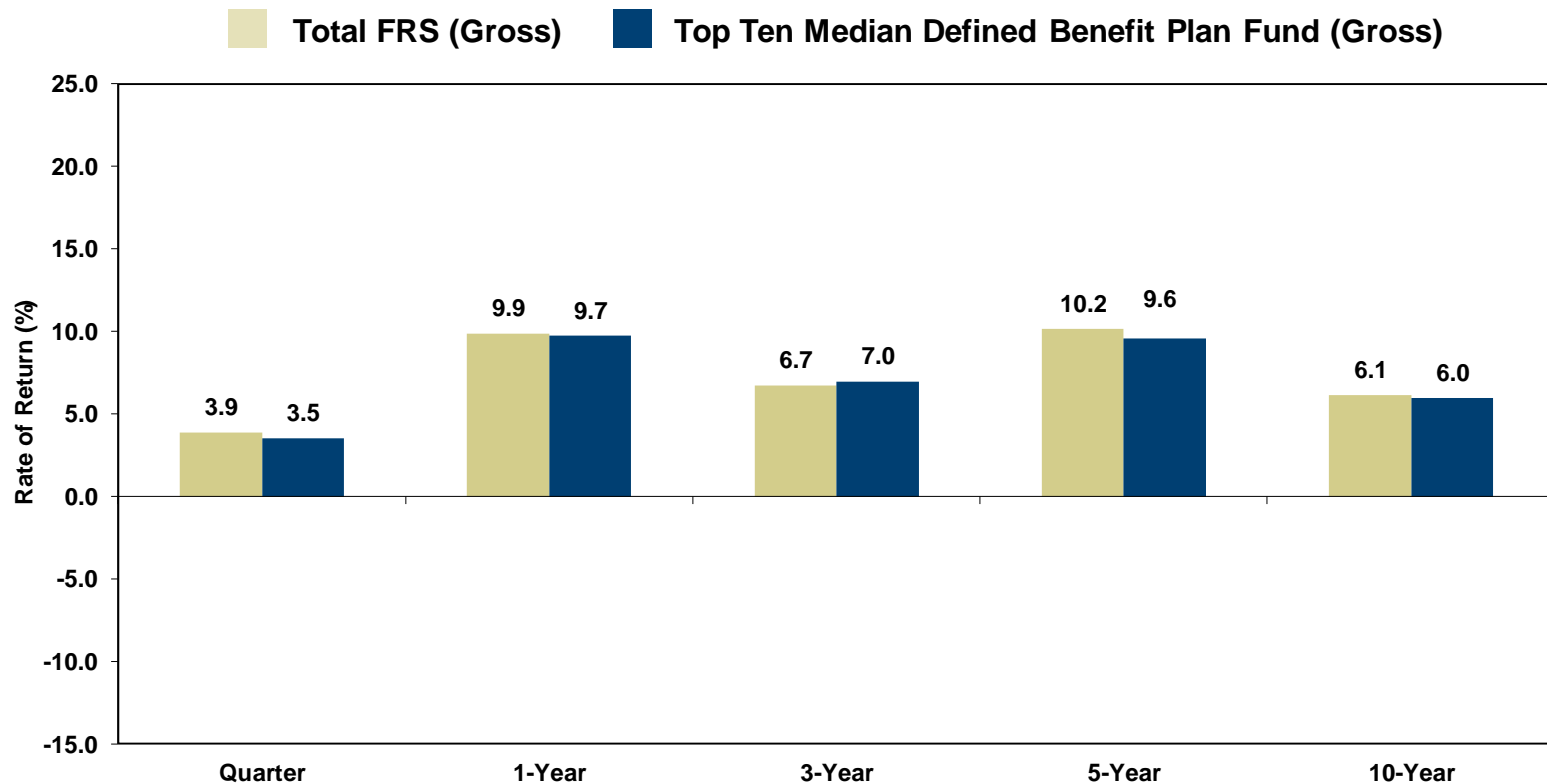
TUCS TOP TEN



**Global Equity Allocation: 32.3% Domestic Equities; 17.7% Foreign Equities.

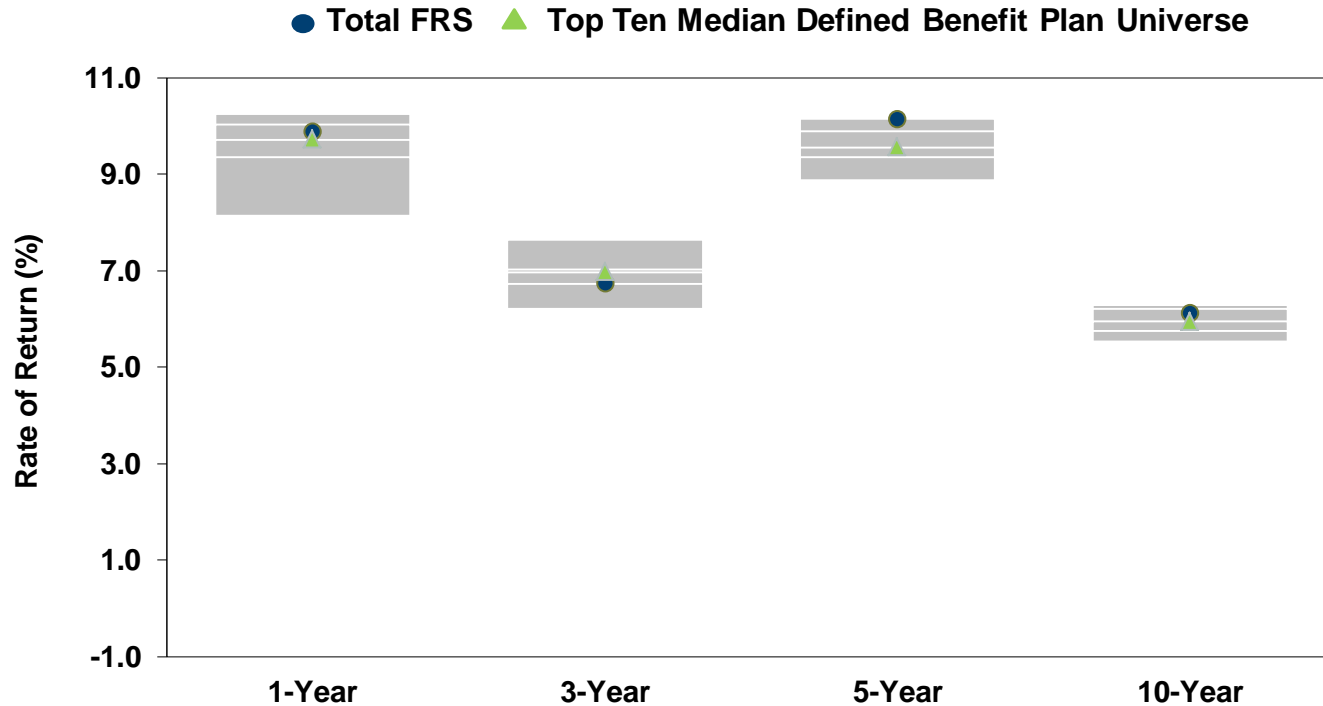
Note: The TUCS Top Ten Universe includes \$1,346.1 billion in total assets. The median fund size was \$133.2 billion and the average fund size was \$134.6 billion.

FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 9/30/2016



Note: The TUCS Top Ten Universe includes \$1,346.1 billion in total assets. The median fund size was \$133.2 billion and the average fund size was \$134.6 billion.

Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 9/30/2016



FRS Percentile Ranking

37

75

5

37

Note: The TUCS Top Ten Universe includes \$1,346.1 billion in total assets. The median fund size was \$133.2 billion and the average fund size was \$134.6 billion.

Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2015 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.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

Total Investment Plan Returns & Cost

Periods Ending 9/30/2016*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	9.7%	5.2%	8.2%	5.0%
<i>Total Plan Aggregate Benchmark**</i>	10.0	5.1	7.9	4.5
FRS Investment Plan vs. Total Plan Aggregate Benchmark	-0.3	0.1	0.3	0.6

Periods Ending 12/31/2015***

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	5.6%	0.1%	0.36%*****
<i>Peer Group</i>	6.3	0.2	0.27
FRS Investment Plan vs. Peer Group	-0.7	-0.1	0.09

*Returns shown are net of fees.

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

***Source: 2015 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 2015 Survey that included 136 U.S. defined contribution plans with assets ranging from \$64 million to \$46.4 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 15 DC plans including corporate and public plans with assets between \$2.1 - \$15.9 billion.

****Returns shown are gross of fees.

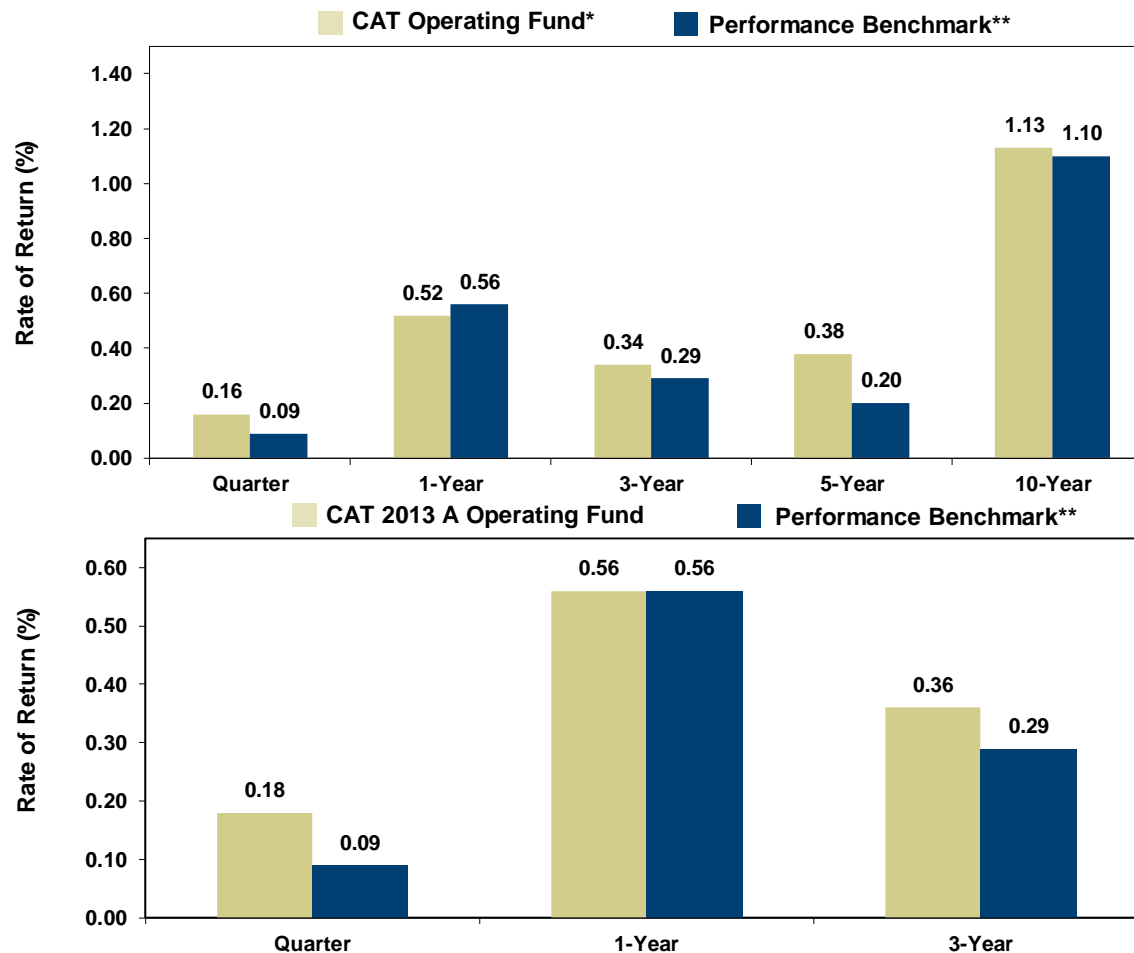
*****The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

CAT Fund: Executive Summary

- Returns on an absolute basis continue to be modest given the current low interest rate environment.
- Performance on a relative basis has been favorable over both short- and long-term periods, as the CAT Funds outperformed during the quarter and over the trailing three-, five-, and ten-year time periods. The CAT Funds either matched or modestly trailed over the one-year period.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

CAT Funds Investment Results

Periods Ending 9/30/2016



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

**Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

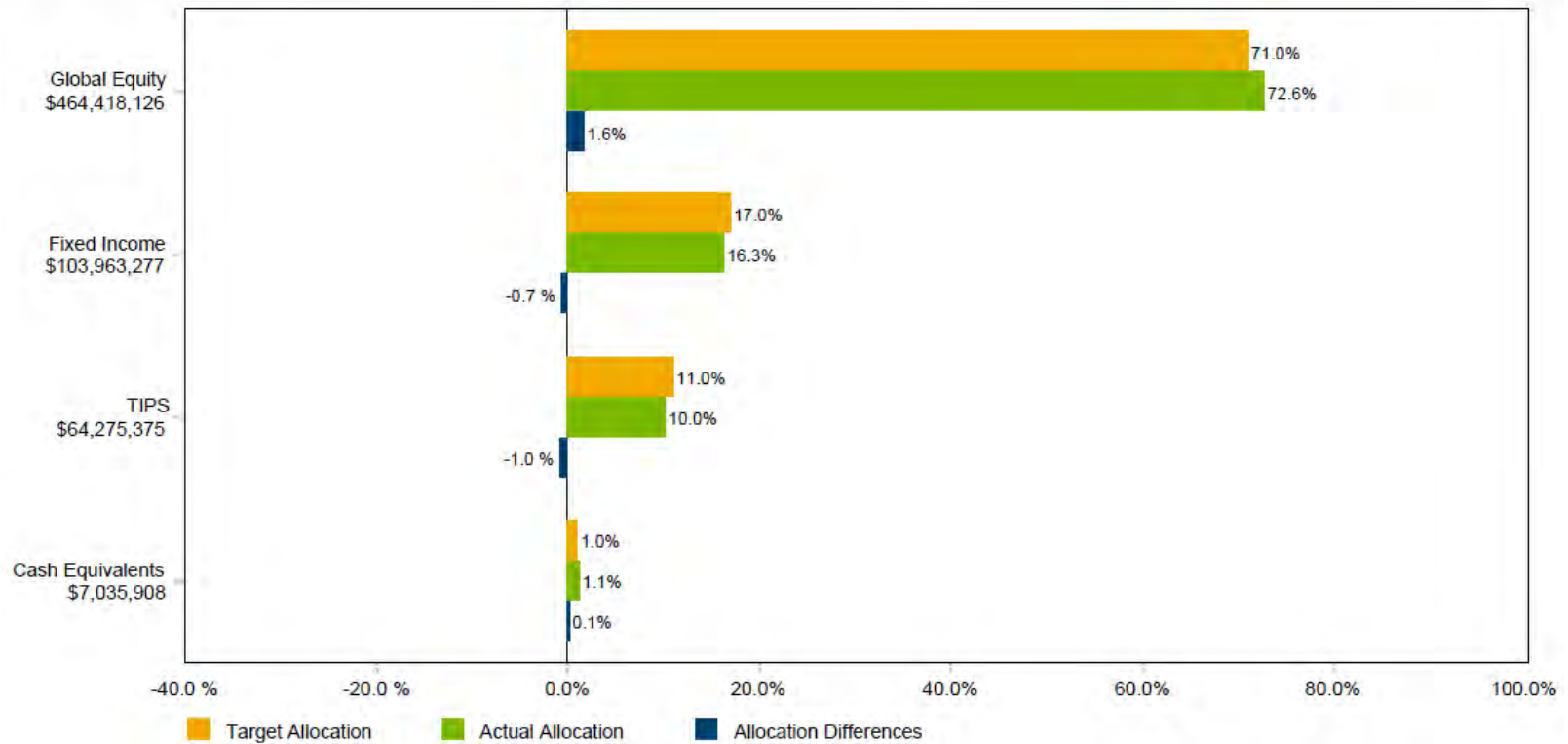
Lawton Chiles Endowment Fund: Executive Summary

- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
 - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
 - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled \$639.7 million as of September 30, 2016.
- The Endowment's return outperformed its Target during the third quarter and over the trailing one-, three-, five-, and ten-year time periods.

Asset Allocation as of 9/30/2016

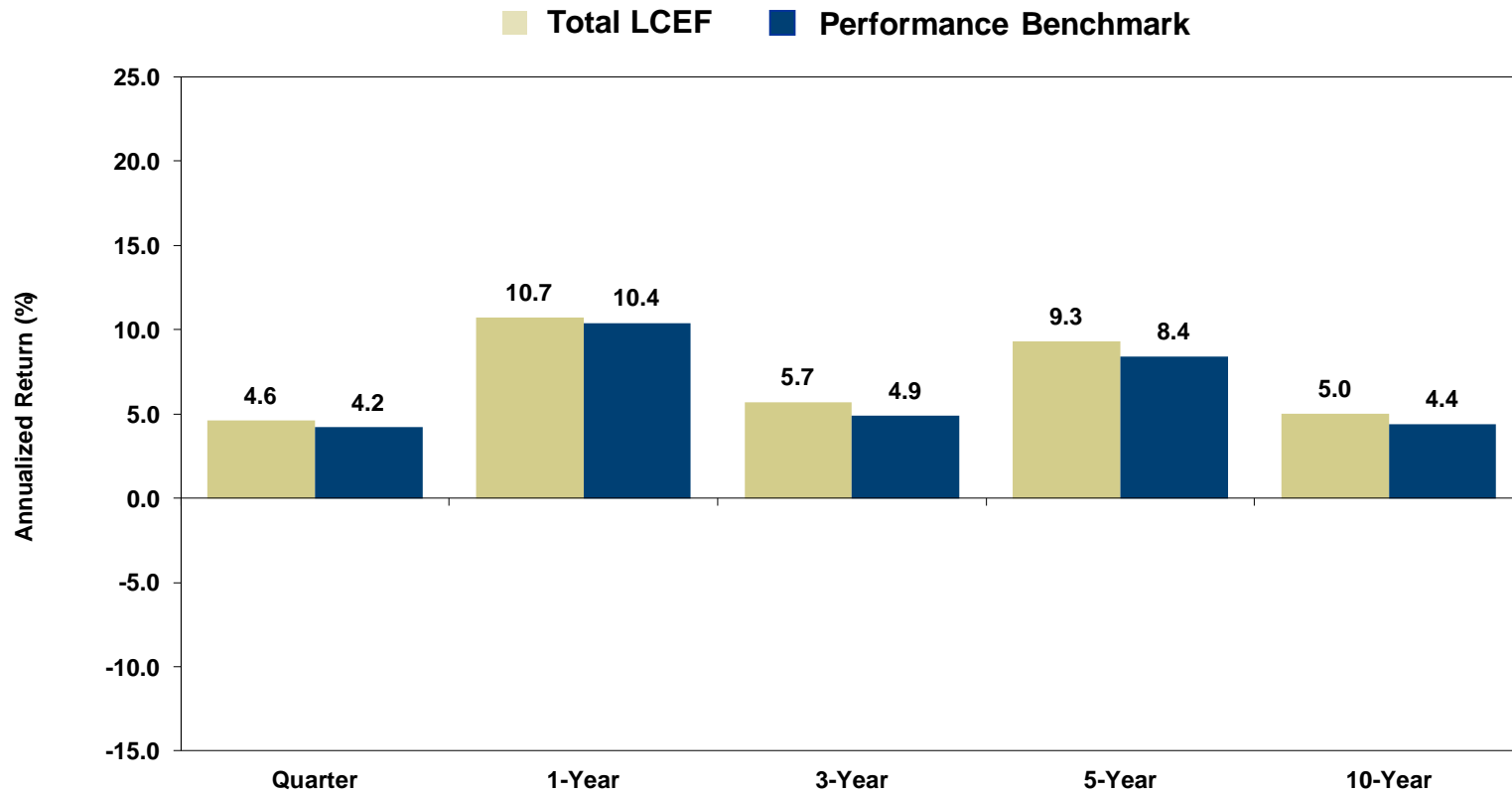
Total LCEF Assets = \$639.7 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	639,692,685	100.0	100.0		
Global Equity	464,418,126	72.6	71.0	61.0	81.0
Fixed Income	103,963,277	16.3	17.0	12.0	22.0
TIPS	64,275,375	10.0	11.0	6.0	16.0
Cash Equivalents	7,035,908	1.1	1.0	0.0	10.0



LCEF Investment Results

Periods Ending 9/30/2016



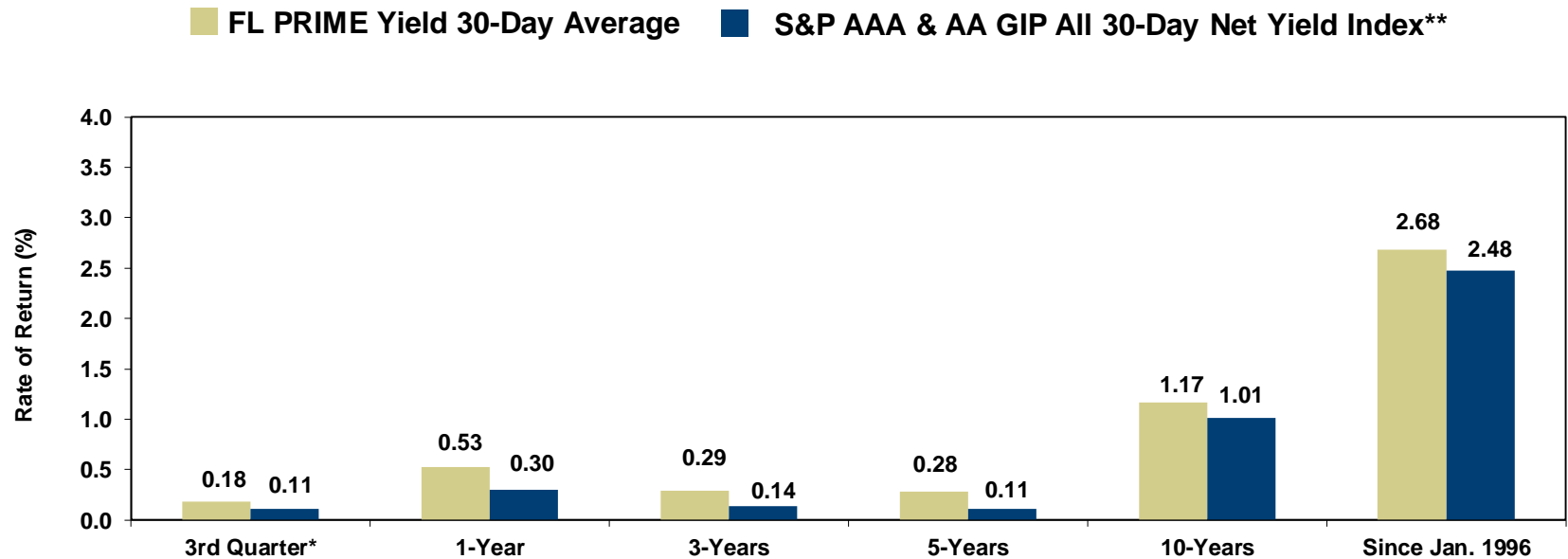
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Florida PRIME: Executive Summary

- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME, on both an absolute and relative basis, has been strong over short- and long-term time periods.
- As of September 30, 2016, the total market value of Florida PRIME was \$7.0 billion.
- Aon Hewitt Investment Consulting, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

Florida PRIME Investment Results

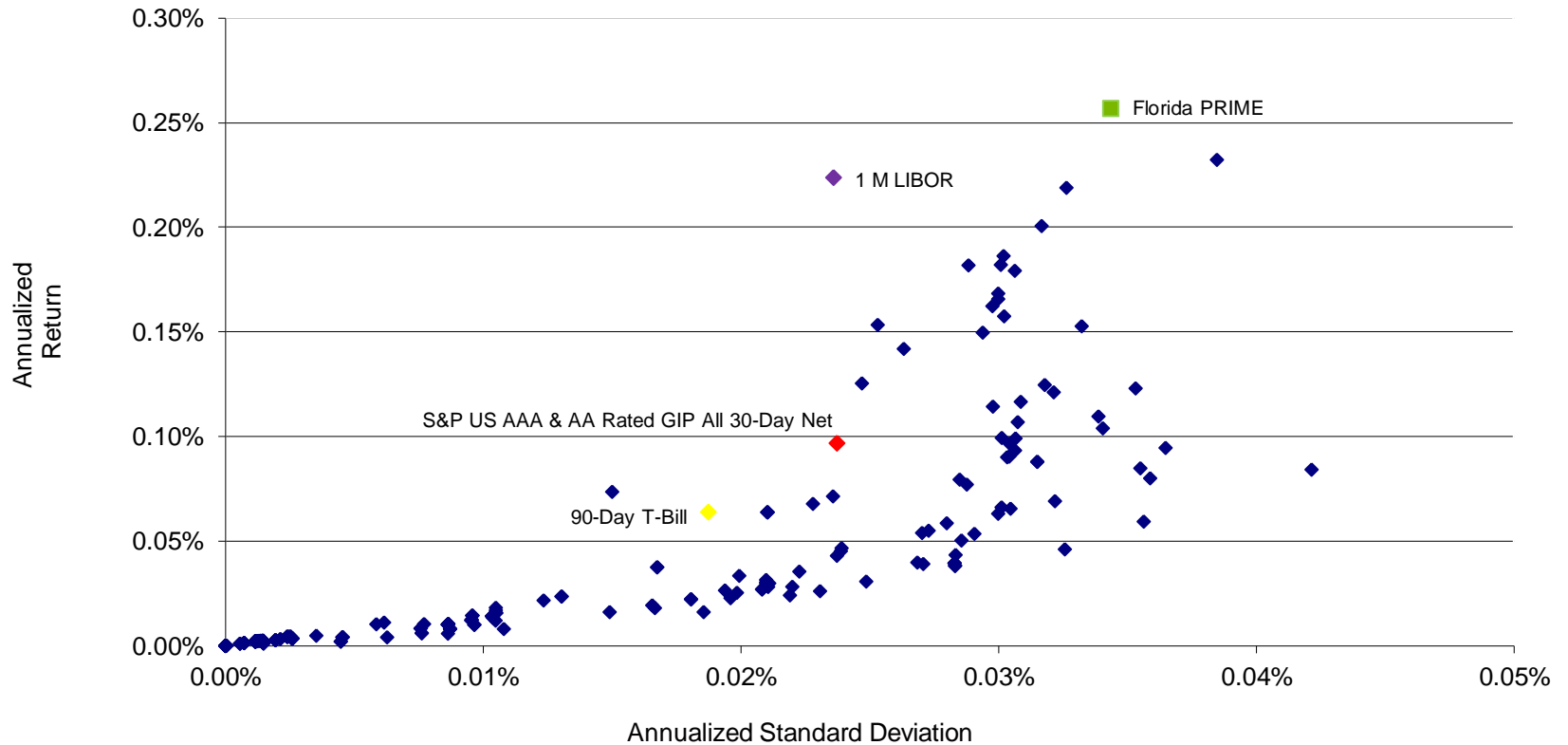
Periods Ending 9/30/2016



*Returns less than one year are not annualized.

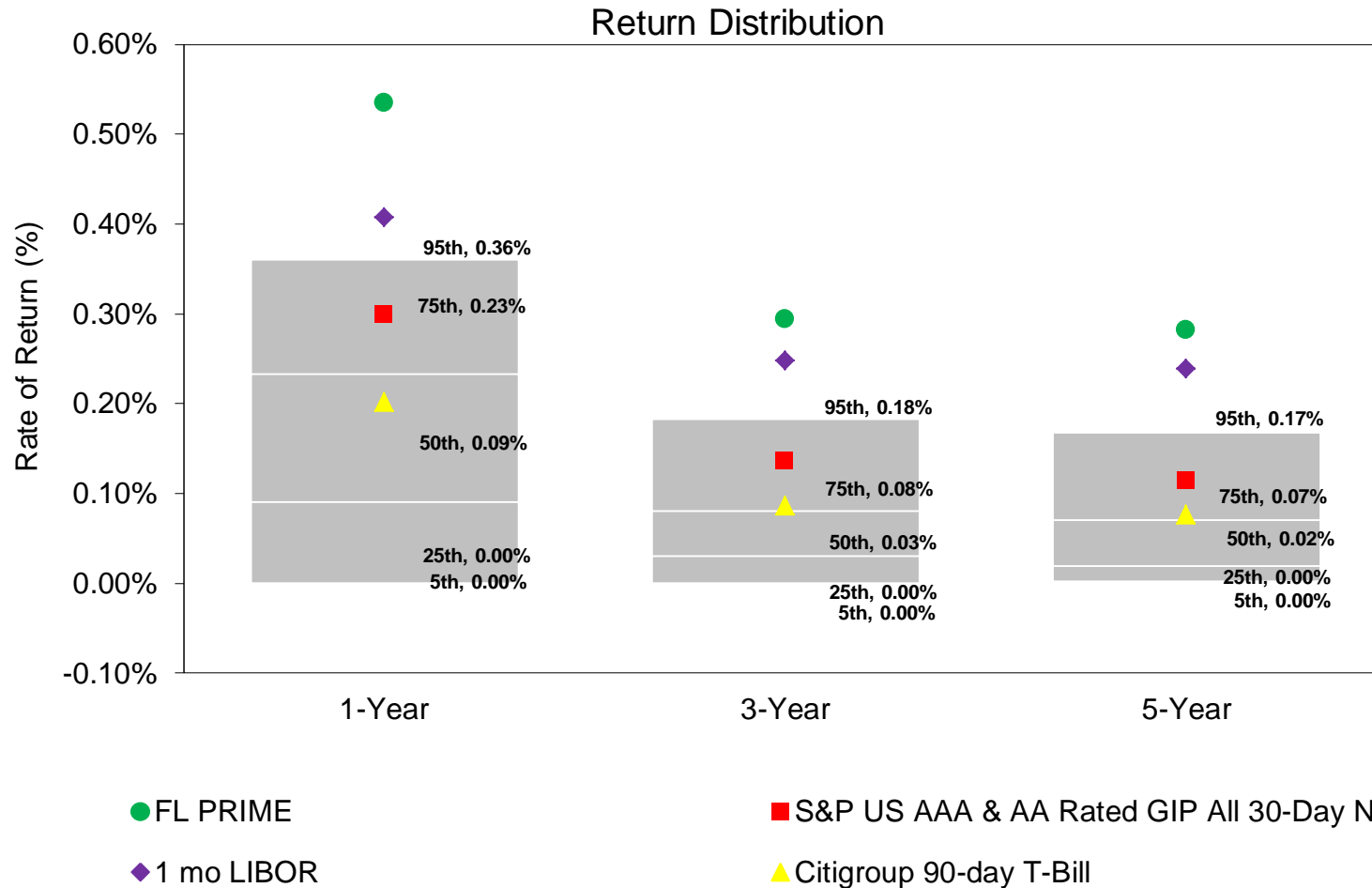
**S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

Florida PRIME Risk vs. Return 5 Years Ending 9/30/2016

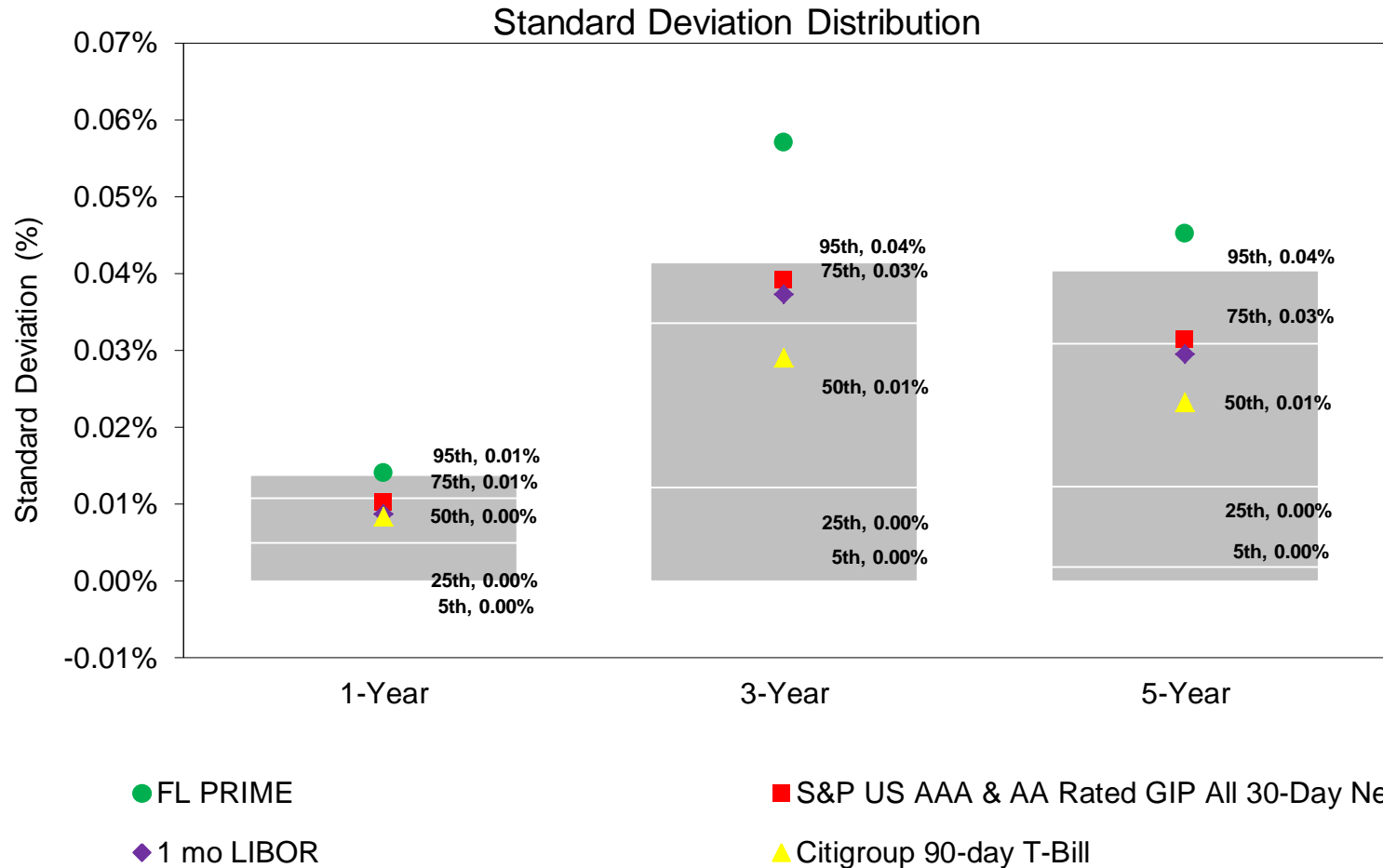


Return Distribution

Periods Ending 9/30/2016



Standard Deviation Distribution Periods Ending 9/30/2016



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Appendix

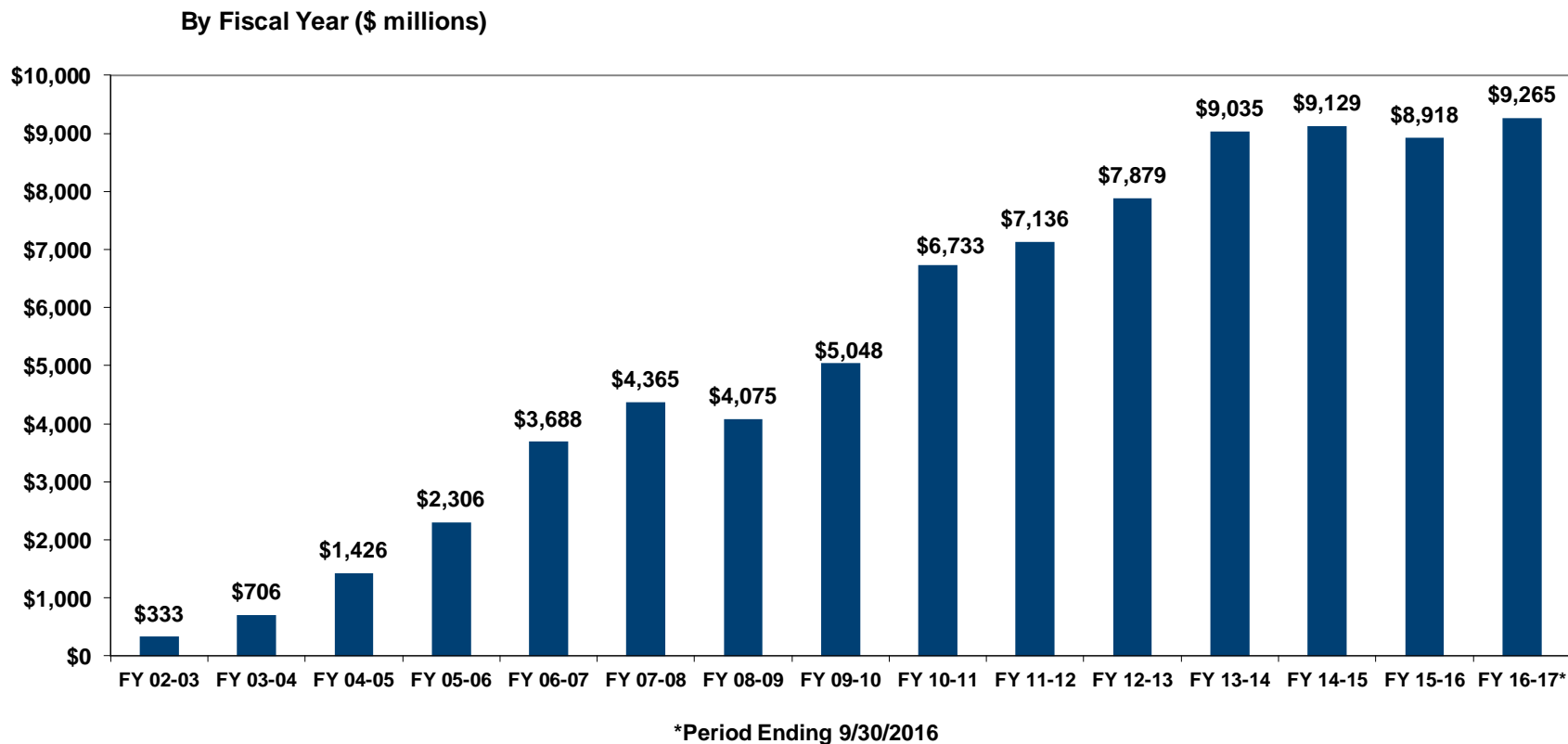
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.18%	0.83%
Small-Mid Cap Equity	0.66%	1.02%
International Equity	0.32%	0.99%
Diversified Bonds	0.15%	0.60%
Target Date	0.11%	0.61%
Money Market	0.06%	0.14%

*Average fee of multiple products in category as of 9/30/2016.

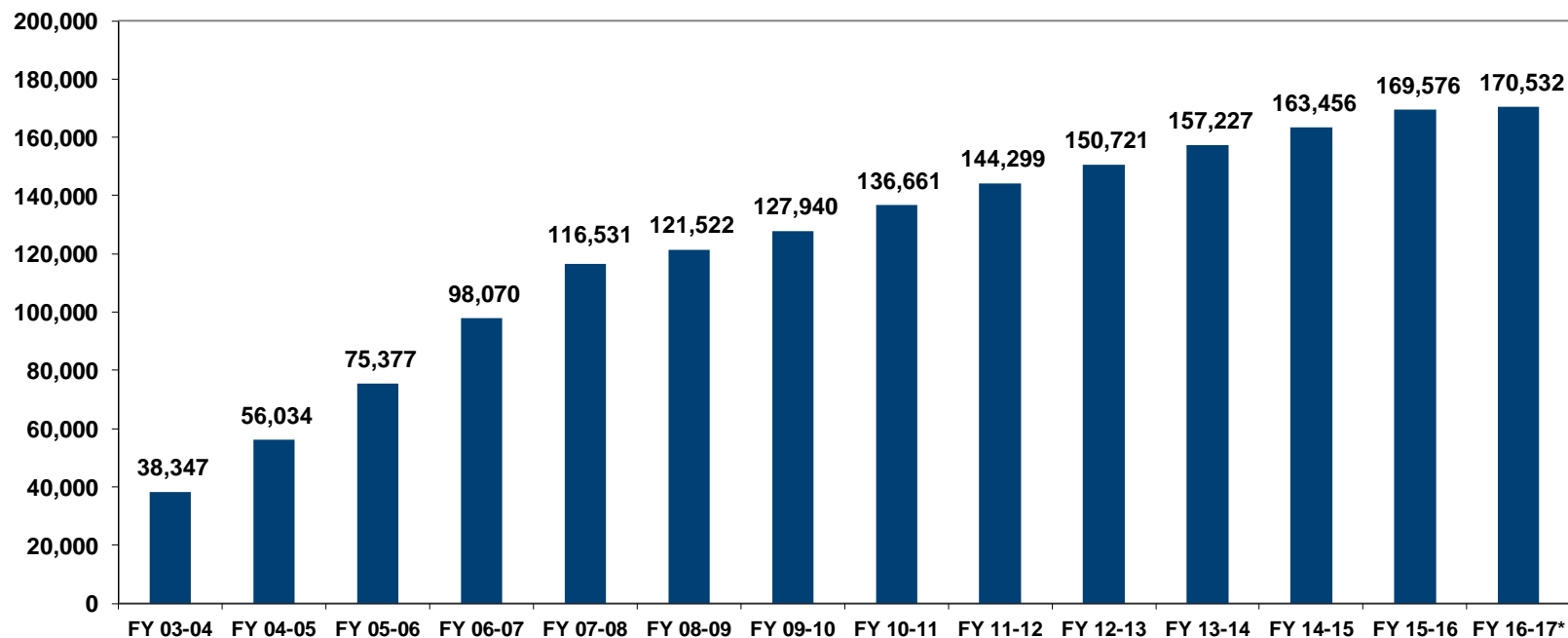
**Source: AHIC's annual mutual fund expense analysis as of 12/31/2015.

Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

Investment Plan Membership



*Period Ending 9/30/2016

Source: Investment Plan Administrator

Florida Hurricane Catastrophe Fund Background

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- Both the CAT Fund (Operating Fund) and the CAT 2013 A Fund are internally managed portfolios benchmarked to a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.
- As of September 30, 2016, the total value of all FHCF accounts was \$15.8 billion.

CAT Operating Fund Characteristics

Period Ending 9/30/2016

Maturity Analysis	
1 to 30 Days	28.1%
31 to 60 Days	6.6
61 to 90 Days	9.9
91 to 120 Days	5.3
121 to 150 Days	3.7
151 to 180 Days	4.2
181 to 270 Days	11.0
271 to 365 Days	8.0
366 to 455 Days	0.8
>= 456 Days	22.6
Total % of Portfolio:	100.0%

Bond Rating Analysis	
AAA	45.5%
AA	40.4
A	14.1
Baa	0.0
Other	0.0
Total % of Portfolio:	100.0%

*At month end there were unsettled security trades in the CATFUN Oper portfolio resulting in a net receivable/(payable) of \$269,472, which is not included in the Portfolio Totals.

CAT 2013 A Fund Characteristics

Period Ending 9/30/2016

Maturity Analysis	
1 to 30 Days	12.5%
31 to 60 Days	12.1
61 to 90 Days	7.7
91 to 120 Days	9.2
121 to 150 Days	5.8
151 to 180 Days	4.3
181 to 270 Days	6.6
271 to 365 Days	9.3
366 to 455 Days	4.9
>= 456 Days	27.6
Total % of Portfolio:	100.0%

Bond Rating Analysis	
AAA	73.3%
AA	12.5
A	14.1
Baa	0.0
Other	0.0
Total % of Portfolio:	100.0%

*At month end there were unsettled security trades in the CATFUN 2013A portfolio resulting in a net receivable/(payable) of (\$14,996,250), which is not included in the Portfolio Totals.

CAT 2016 A Fund Characteristics

Period Ending 9/30/2016

Maturity Analysis	
1 to 30 Days	15.0%
31 to 60 Days	8.8
61 to 90 Days	5.2
91 to 120 Days	3.9
121 to 150 Days	6.4
151 to 180 Days	7.0
181 to 270 Days	11.2
271 to 365 Days	12.3
366 to 455 Days	6.2
>= 456 Days	24.0
Total % of Portfolio:	100.0%

Bond Rating Analysis	
AAA	70.3%
AA	18.1
A	11.6
Baa	0.0
Other	0.0
Total % of Portfolio:	100.0%

Florida PRIME Characteristics

Quarter Ending 9/30/2016

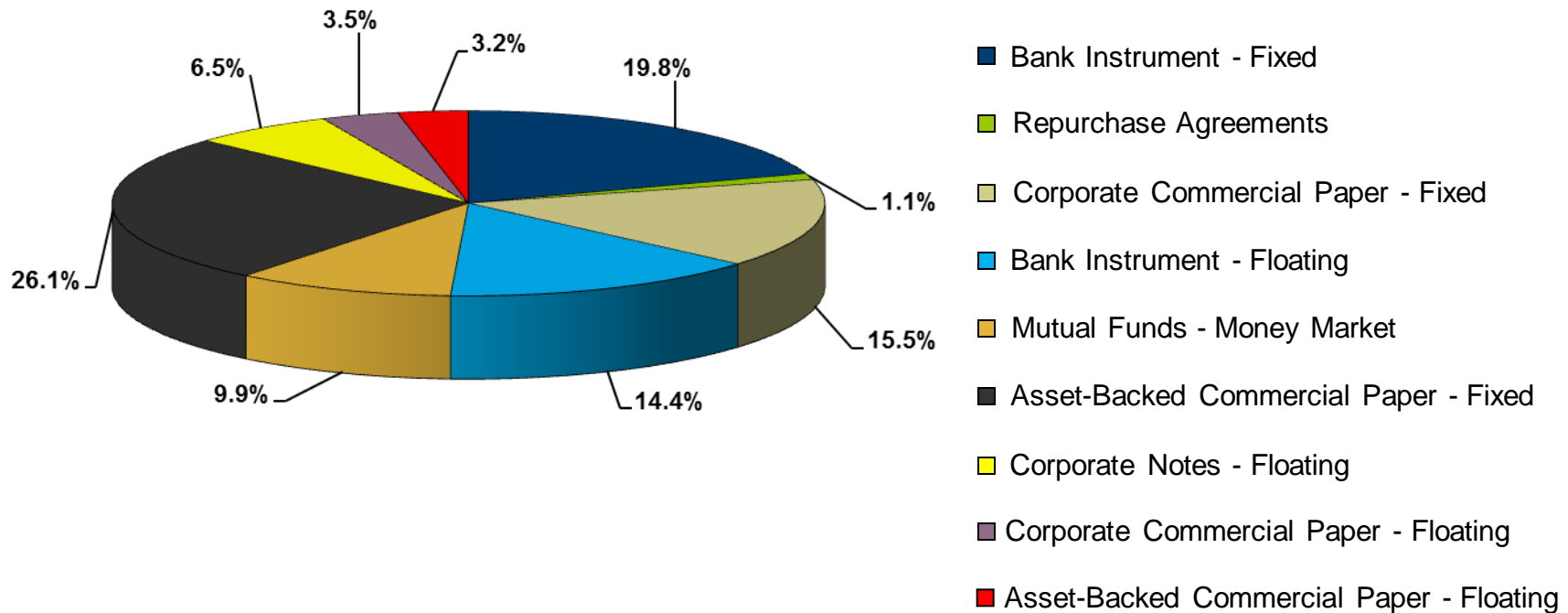
Cash Flows as of 9/30/2016	Third Quarter	Fiscal YTD*
Opening Balance	\$7,789,430,976	\$7,789,430,976
Participant Deposits	\$3,098,757,849	\$3,098,757,849
Gross Earnings	\$13,527,650	\$13,527,650
Participant Withdrawals	(\$3,885,842,609)	(\$3,885,842,609)
Fees	\$0	\$0
Closing Balance (9/30/2016)	\$7,015,873,868	\$7,015,873,868
Change	(\$773,557,108)	(\$773,557,108)

*Period July 2016 – September 2016

Florida PRIME Characteristics

Quarter Ending 9/30/2016

Portfolio Composition



Florida PRIME Characteristics

Period Ending 9/30/2016

Effective Maturity Schedule	
1-7 Days	38.6%
8 - 30 Days	19.9%
31 - 90 Days	26.8%
91 - 180 Days	7.9%
181+ Days	6.8%
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
A-1+	68.7%
A-1	31.3%
Total % of Portfolio:	100.0%



State Board of Administration of Florida

Major Mandate Review Third Quarter 2016

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6. Florida PRIME Review
7. Appendix

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Executive Summary

- The major mandates outperformed their respective benchmarks over all longer time periods through September 30, 2016.
- The Pension Plan matched its Performance Benchmark during the third quarter and trailed over the trailing one-year period; however, the Pension Plan outperformed over the long-term including the trailing three-, five-, ten-, and fifteen-year periods.
 - Global Equity has been a consistent source of value added over longer time periods, along with Real Estate and Strategic Investments. The Plan's one-year underperformance was primarily driven by underperformance from Private Equity.
- Over the trailing one-, five-, and ten-year periods, the Pension Plan's return ranked in the top half of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan modestly trailed the Total Plan Aggregate Benchmark during the trailing one-year period, but has outperformed over longer-term periods including the trailing three-, five-, and ten-year periods.
- The Lawton Chiles Endowment Fund outperformed its benchmark during the third quarter and over the trailing one-, three-, five-, and ten-year periods.
- The CAT Funds' performance is mixed over short-term periods, yet continues to be favorable over the long-term, outperforming the benchmark over the trailing three-, five-, and ten-year time periods.
- Florida PRIME has continued to outperform its benchmark over both short and long time periods.

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Pension Plan: Executive Summary

- The Pension Plan assets totaled \$144.7 billion as of September 30, 2016 which represents a \$3.3 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, matched its return during the third quarter, trailed during the one-year period, and outperformed over the trailing three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the trailing ten-year period, but has outperformed over the trailing one-, three-, five-, fifteen-, twenty-, twenty-five-, and thirty-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
 - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
 - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
 - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

FRS Pension Plan Change in Market Value Periods Ending 9/30/2016

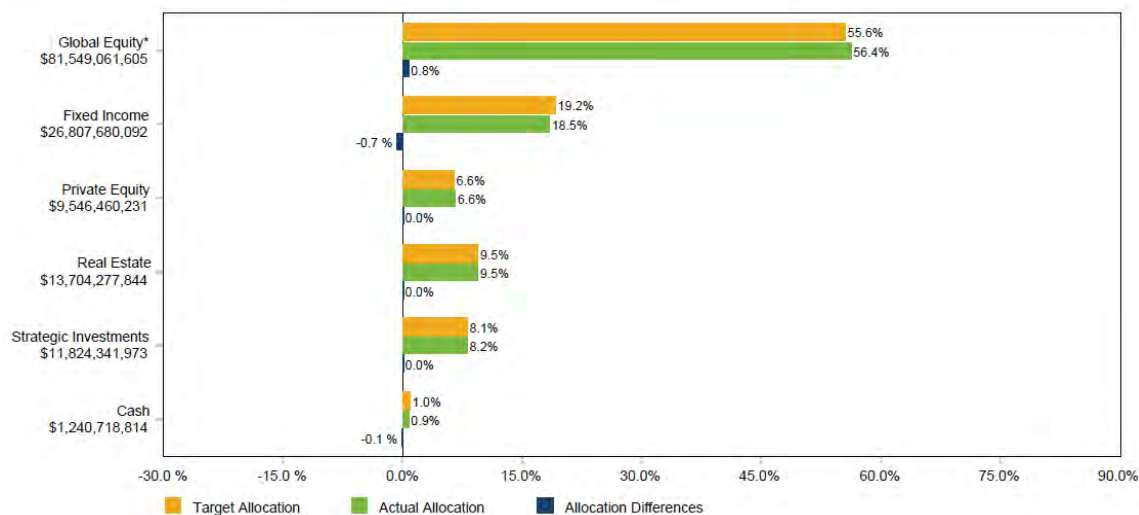
Summary of Cash Flows		
	Third Quarter	Fiscal YTD*
Beginning Market Value	\$141,321,201,894	\$141,321,201,894
+/- Net Contributions/(Withdrawals)	(\$2,017,088,390)	(\$2,017,088,390)
Investment Earnings	\$5,368,427,055	\$5,368,427,055
= Ending Market Value	\$144,672,540,559	\$144,672,540,559
Net Change	\$3,351,338,666	\$3,351,338,666

*Period July 2016 – September 2016

Asset Allocation as of 9/30/2016

Total Fund Assets = \$144.7 Billion

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	144,672,540,559	100.0	100.0		
Global Equity*	81,549,061,605	56.4	55.6	45.0	70.0
Fixed Income	26,807,680,092	18.5	19.2	10.0	26.0
Private Equity	9,546,460,231	6.6	6.6	2.0	9.0
Real Estate	13,704,277,844	9.5	9.5	4.0	16.0
Strategic Investments	11,824,341,973	8.2	8.1	0.0	16.0
Cash	1,240,718,814	0.9	1.0	0.3	5.0



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

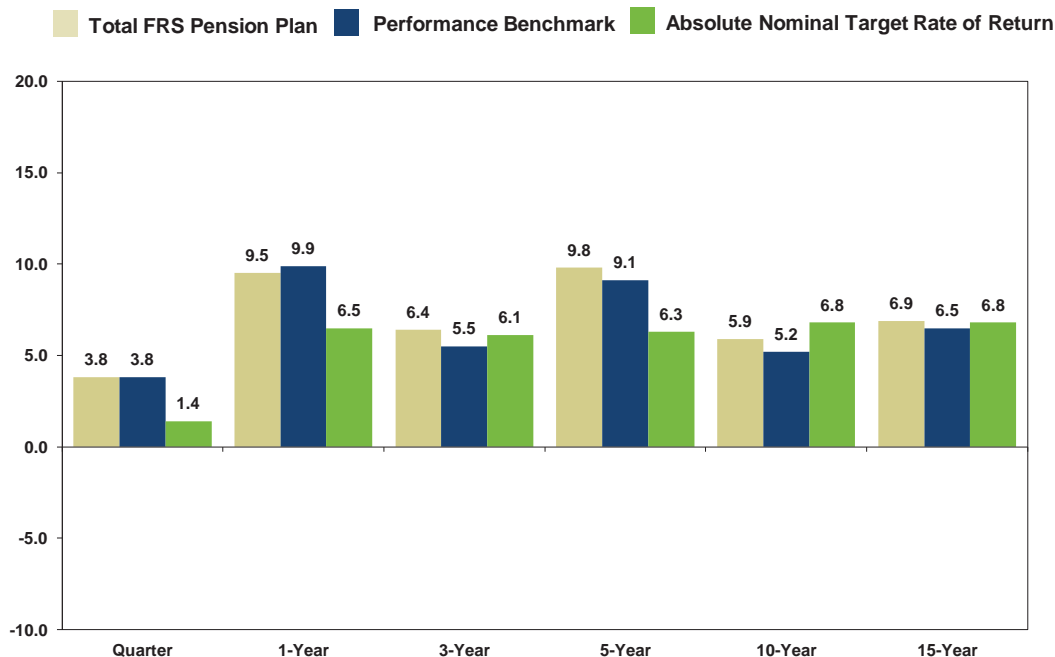
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FRS Pension Plan Investment Results

Periods Ending 9/30/2016



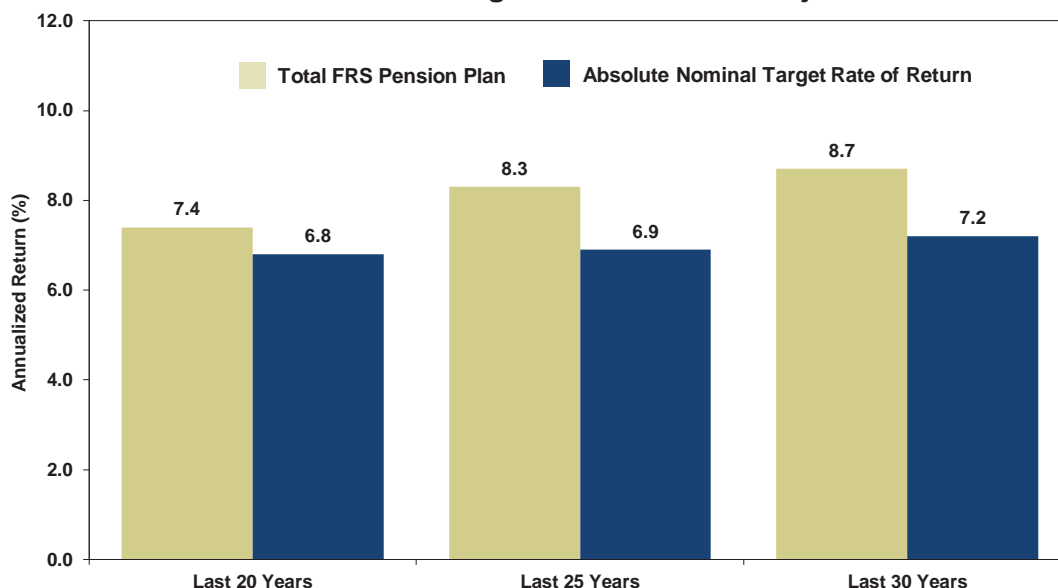
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FRS Pension Plan Investment Results Periods Ending 9/30/2016

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



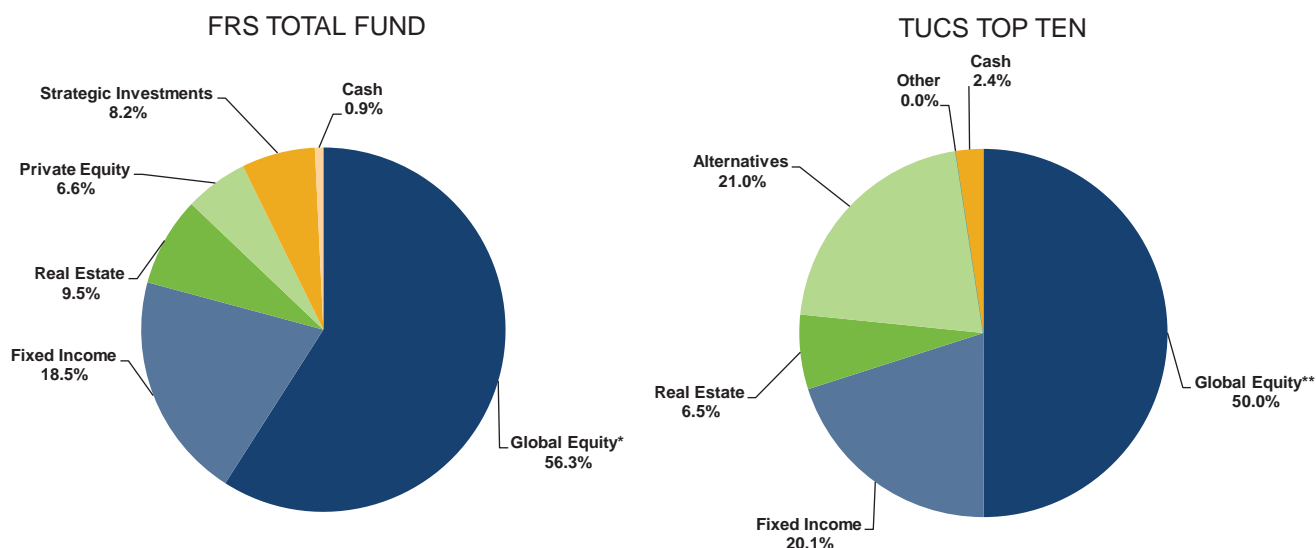
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Comparison of Asset Allocation (TUCS Top Ten) As of 9/30/2016

FRS Pension Plan vs. Top Ten Defined Benefit Plans



*Global Equity Allocation: 26.1% Domestic Equities; 24.0% Foreign Equities; 5.4% Global Equities; 0.7% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

**Global Equity Allocation: 32.3% Domestic Equities; 17.7% Foreign Equities.

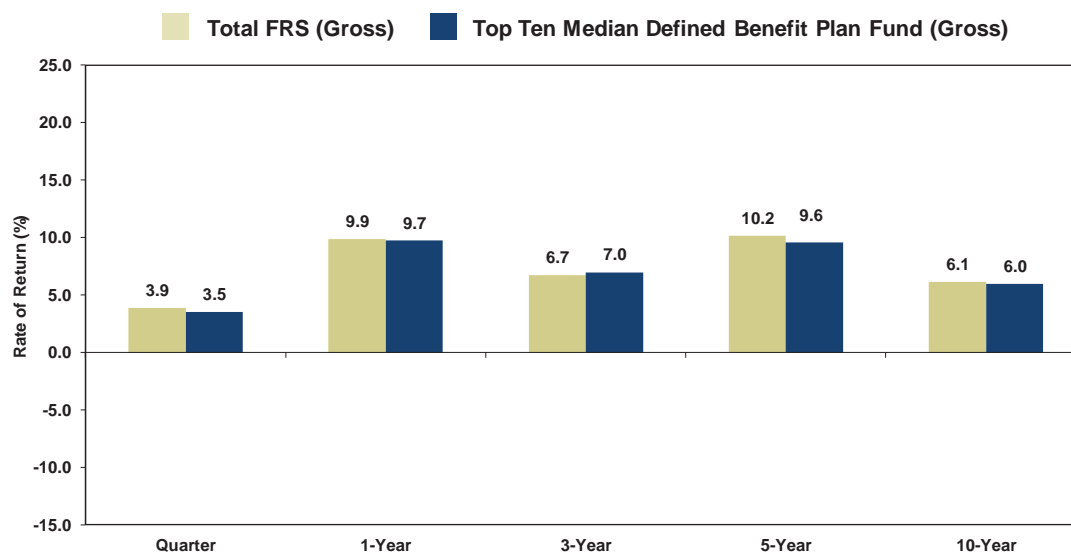
Note: The TUCS Top Ten Universe includes \$1,346.1 billion in total assets. The median fund size was \$133.2 billion and the average fund size was \$134.6 billion.

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FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 9/30/2016



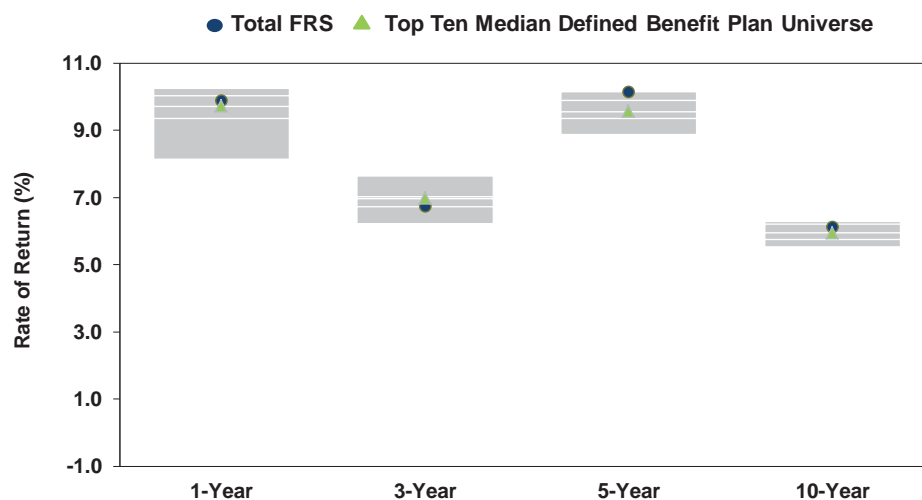
Note: The TUCS Top Ten Universe includes \$1,346.1 billion in total assets. The median fund size was \$133.2 billion and the average fund size was \$134.6 billion.

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Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 9/30/2016



FRS Percentile Ranking	37	75	5	37
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Note: The TUCS Top Ten Universe includes \$1,346.1 billion in total assets. The median fund size was \$133.2 billion and the average fund size was \$134.6 billion.

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Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2015 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.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

Total Investment Plan Returns & Cost

Periods Ending 9/30/2016*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	9.7%	5.2%	8.2%	5.0%
<i>Total Plan Aggregate Benchmark**</i>	10.0	5.1	7.9	4.5
FRS Investment Plan vs. Total Plan Aggregate Benchmark	-0.3	0.1	0.3	0.6

Periods Ending 12/31/2015***

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	5.6%	0.1%	0.36%*****
<i>Peer Group</i>	6.3	0.2	0.27
FRS Investment Plan vs. Peer Group	-0.7	-0.1	0.09

*Returns shown are net of fees.

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

***Source: 2015 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 2015 Survey that included 136 U.S. defined contribution plans with assets ranging from \$64 million to \$46.4 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 15 DC plans including corporate and public plans with assets between \$2.1 - \$15.9 billion.

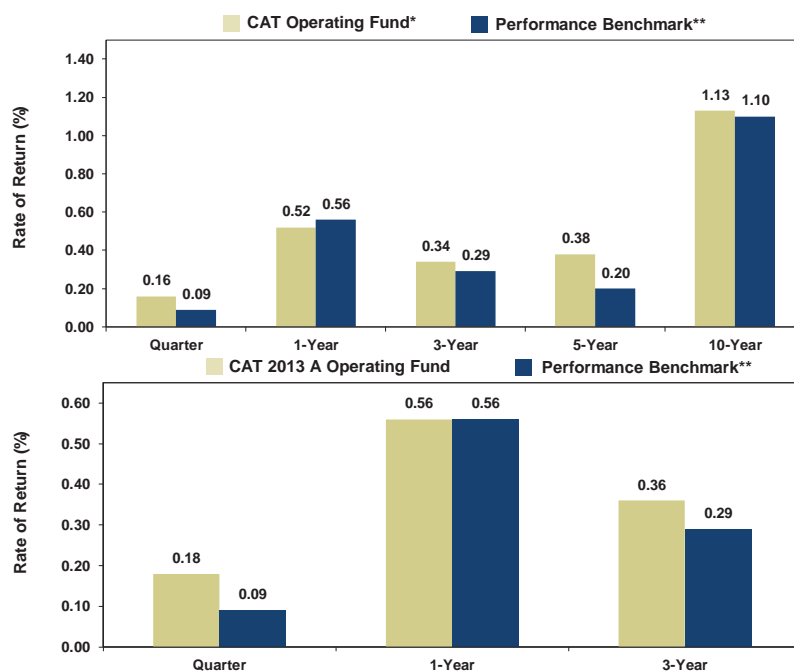
****Returns shown are gross of fees.

*****The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

CAT Fund: Executive Summary

- Returns on an absolute basis continue to be modest given the current low interest rate environment.
- Performance on a relative basis has been favorable over both short- and long-term periods, as the CAT Funds outperformed during the quarter and over the trailing three-, five-, and ten-year time periods. The CAT Funds either matched or modestly trailed over the one-year period.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

CAT Funds Investment Results Periods Ending 9/30/2016



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

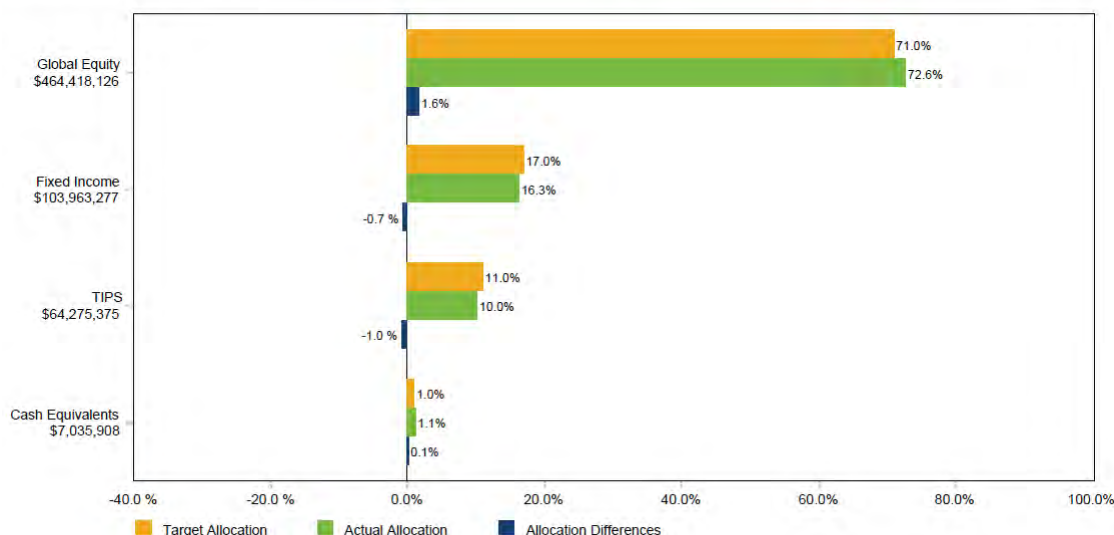
**Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

Lawton Chiles Endowment Fund: Executive Summary

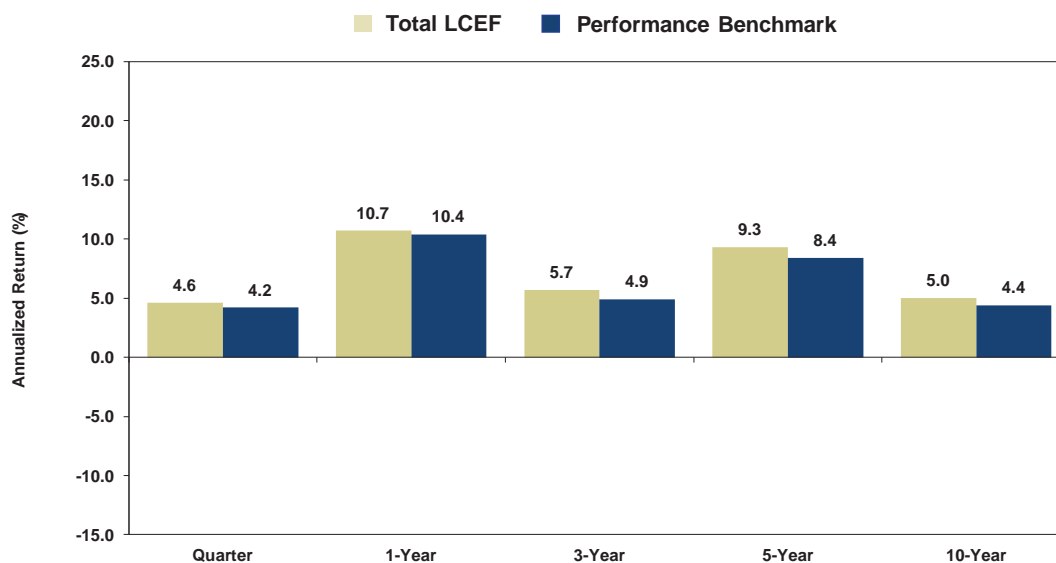
- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
 - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
 - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled \$639.7 million as of September 30, 2016.
- The Endowment's return outperformed its Target during the third quarter and over the trailing one-, three-, five-, and ten-year time periods.

Asset Allocation as of 9/30/2016 Total LCEF Assets = \$639.7 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	639,692,685	100.0	100.0		
Global Equity	464,418,126	72.6	71.0	61.0	81.0
Fixed Income	103,963,277	16.3	17.0	12.0	22.0
TIPS	64,275,375	10.0	11.0	6.0	16.0
Cash Equivalents	7,035,908	1.1	1.0	0.0	10.0



LCEF Investment Results Periods Ending 9/30/2016

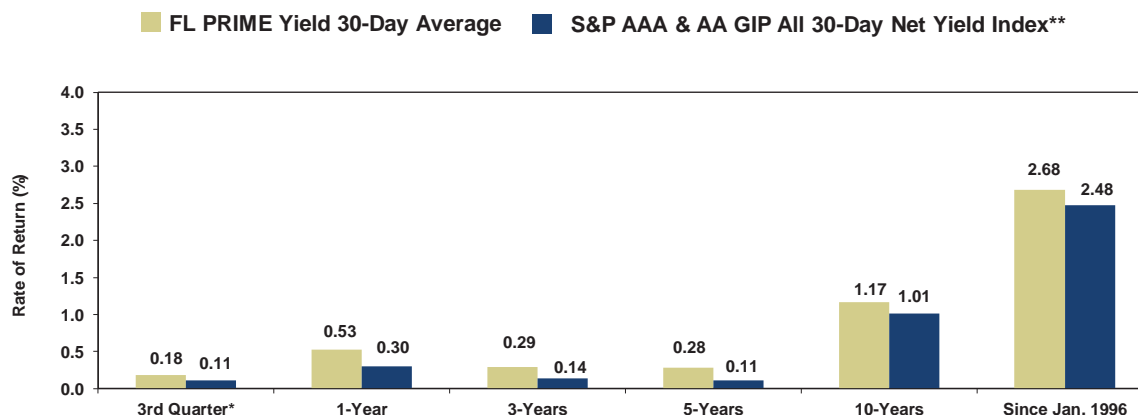


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Florida PRIME: Executive Summary

- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME, on both an absolute and relative basis, has been strong over short- and long-term time periods.
- As of September 30, 2016, the total market value of Florida PRIME was \$7.0 billion.
- Aon Hewitt Investment Consulting, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

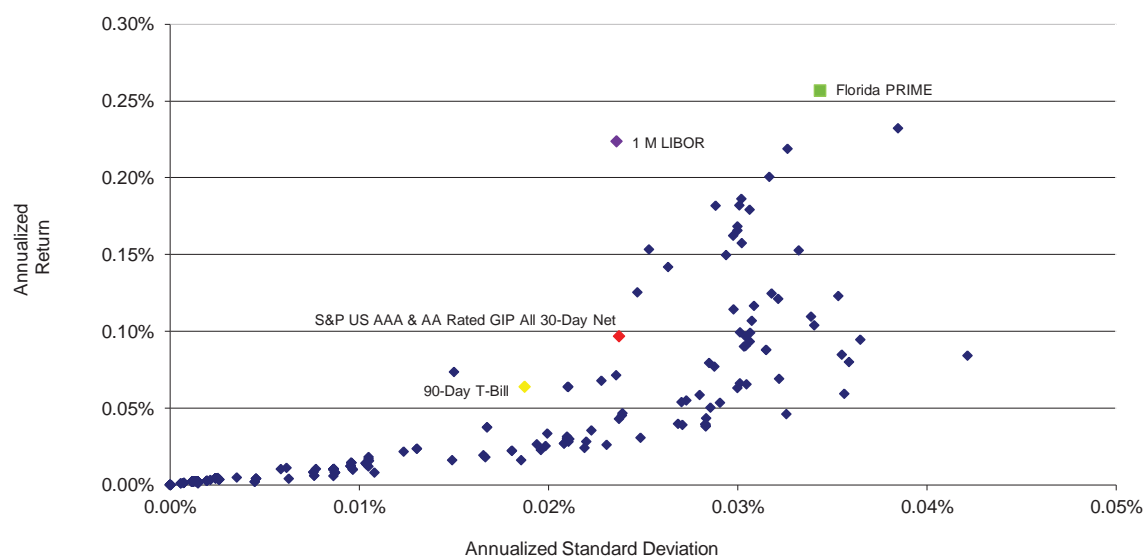
Florida PRIME Investment Results Periods Ending 9/30/2016



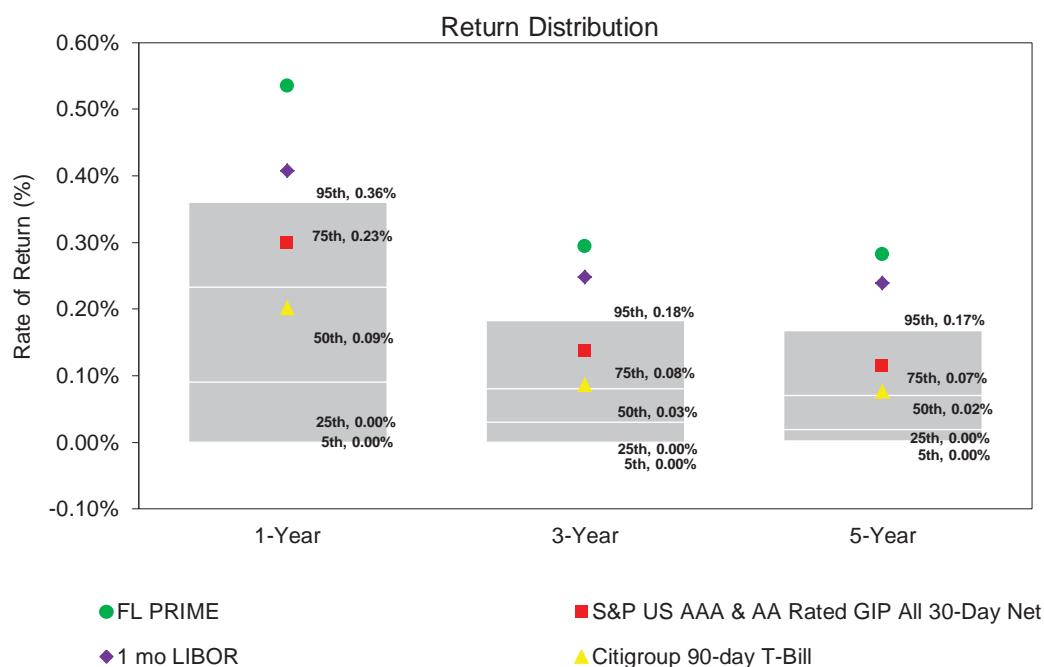
*Returns less than one year are not annualized.

**S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

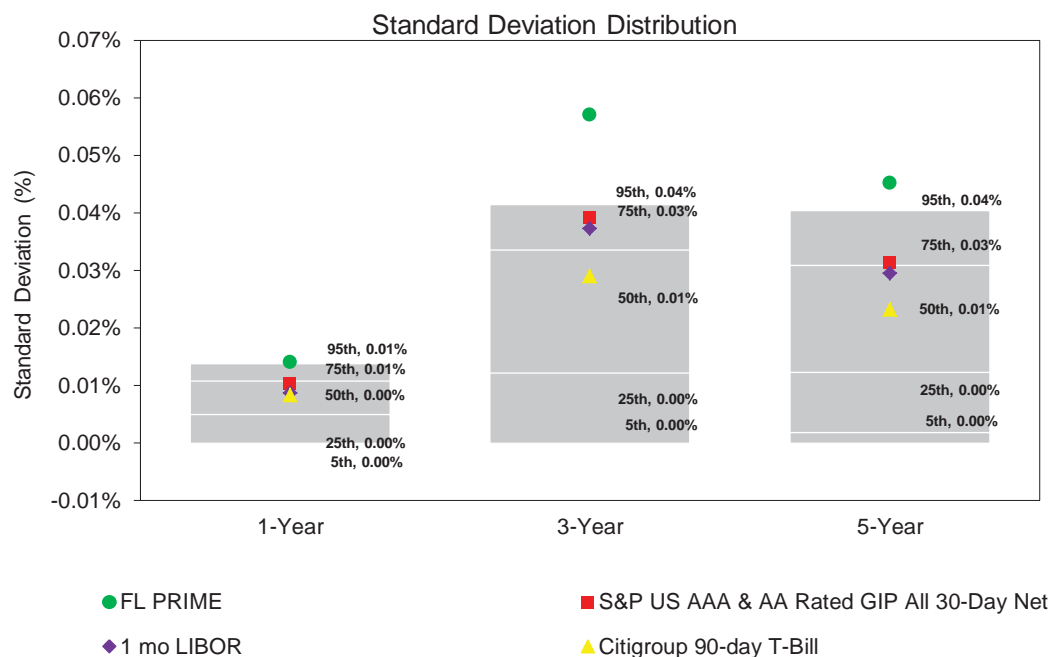
Florida PRIME Risk vs. Return 5 Years Ending 9/30/2016



Return Distribution Periods Ending 9/30/2016



Standard Deviation Distribution Periods Ending 9/30/2016



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Appendix

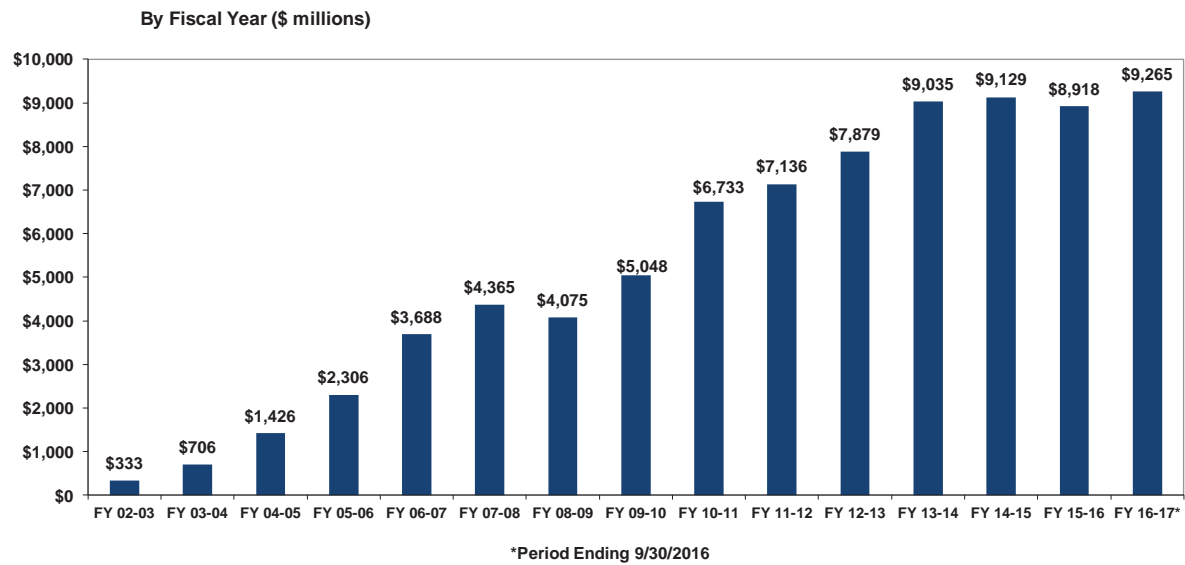
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.18%	0.83%
Small-Mid Cap Equity	0.66%	1.02%
International Equity	0.32%	0.99%
Diversified Bonds	0.15%	0.60%
Target Date	0.11%	0.61%
Money Market	0.06%	0.14%

*Average fee of multiple products in category as of 9/30/2016.

**Source: AHIC's annual mutual fund expense analysis as of 12/31/2015.

Investment Plan Fiscal Year End Assets Under Management



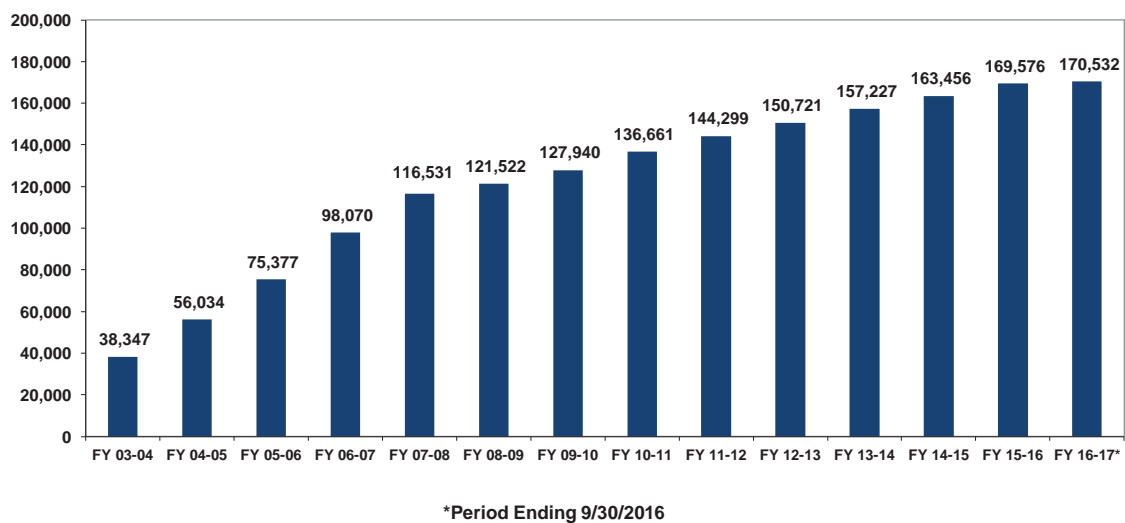
Source: Investment Plan Administrator

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Investment Plan Membership



Source: Investment Plan Administrator

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Florida Hurricane Catastrophe Fund Background

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- Both the CAT Fund (Operating Fund) and the CAT 2013 A Fund are internally managed portfolios benchmarked to a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.
- As of September 30, 2016, the total value of all FHCF accounts was \$15.8 billion.

CAT Operating Fund Characteristics Period Ending 9/30/2016

Maturity Analysis	
1 to 30 Days	28.1%
31 to 60 Days	6.6
61 to 90 Days	9.9
91 to 120 Days	5.3
121 to 150 Days	3.7
151 to 180 Days	4.2
181 to 270 Days	11.0
271 to 365 Days	8.0
366 to 455 Days	0.8
>= 456 Days	22.6
Total % of Portfolio:	100.0%

Bond Rating Analysis	
AAA	45.5%
AA	40.4
A	14.1
Baa	0.0
Other	0.0
Total % of Portfolio:	100.0%

*At month end there were unsettled security trades in the CATFUND Oper portfolio resulting in a net receivable/(payable) of \$269,472, which is not included in the Portfolio Totals.

CAT 2013 A Fund Characteristics

Period Ending 9/30/2016

Maturity Analysis	
1 to 30 Days	12.5%
31 to 60 Days	12.1
61 to 90 Days	7.7
91 to 120 Days	9.2
121 to 150 Days	5.8
151 to 180 Days	4.3
181 to 270 Days	6.6
271 to 365 Days	9.3
366 to 455 Days	4.9
>= 456 Days	27.6
Total % of Portfolio:	100.0%

Bond Rating Analysis	
AAA	73.3%
AA	12.5
A	14.1
Baa	0.0
Other	0.0
Total % of Portfolio:	100.0%

*At month end there were unsettled security trades in the CATFUN 2013A portfolio resulting in a net receivable/(payable) of (\$14,996,250), which is not included in the Portfolio Totals.

CAT 2016 A Fund Characteristics

Period Ending 9/30/2016

Maturity Analysis	
1 to 30 Days	15.0%
31 to 60 Days	8.8
61 to 90 Days	5.2
91 to 120 Days	3.9
121 to 150 Days	6.4
151 to 180 Days	7.0
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271 to 365 Days	12.3
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Total % of Portfolio:	100.0%

Bond Rating Analysis	
AAA	70.3%
AA	18.1
A	11.6
Baa	0.0
Other	0.0
Total % of Portfolio:	100.0%

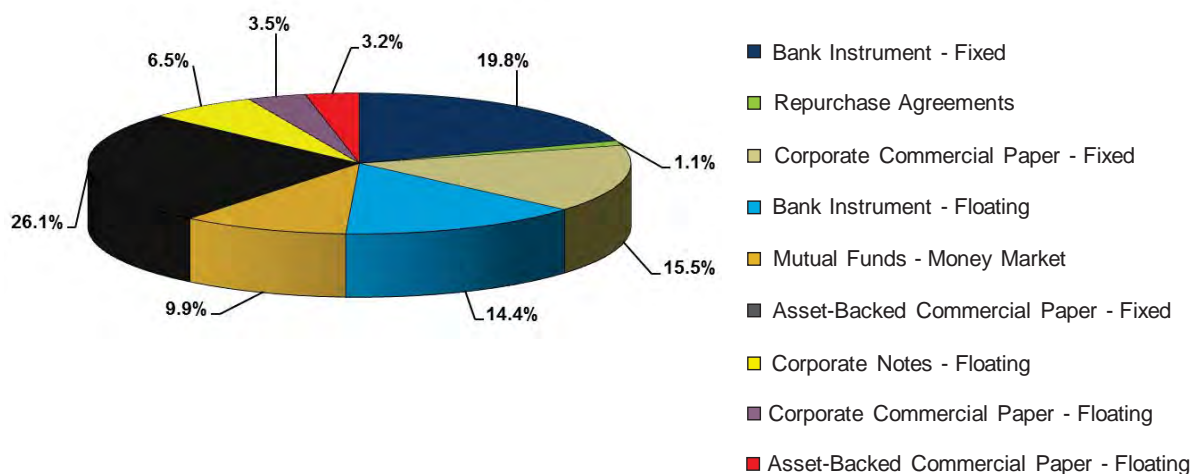
Florida PRIME Characteristics Quarter Ending 9/30/2016

Cash Flows as of 9/30/2016	Third Quarter	Fiscal YTD*
Opening Balance	\$7,789,430,976	\$7,789,430,976
Participant Deposits	\$3,098,757,849	\$3,098,757,849
Gross Earnings	\$13,527,650	\$13,527,650
Participant Withdrawals	(\$3,885,842,609)	(\$3,885,842,609)
Fees	\$0	\$0
Closing Balance (9/30/2016)	\$7,015,873,868	\$7,015,873,868
Change	(\$773,557,108)	(\$773,557,108)

*Period July 2016 – September 2016

Florida PRIME Characteristics Quarter Ending 9/30/2016

Portfolio Composition



Florida PRIME Characteristics Period Ending 9/30/2016

Effective Maturity Schedule	
1-7 Days	38.6%
8 - 30 Days	19.9%
31 - 90 Days	26.8%
91 - 180 Days	7.9%
181+ Days	6.8%
Total % of Portfolio:	100.0%

S & P Credit Quality Composition	
A-1+	68.7%
A-1	31.3%
Total % of Portfolio:	100.0%

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FRS Pension Plan | Third Quarter 2016

Quarterly Investment Review

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Market Environment

Market Highlights

Returns of the Major Capital Markets						
	Periods Ending 09/30/2016					
	Third Quarter	Year-to-Date	1-Year	3-Year ¹	5-Year ¹	10-Year ¹
Equity						
MSCI All Country World IMI	5.57%	7.00%	12.25%	5.24%	10.87%	4.63%
MSCI All Country World	5.30%	6.60%	11.96%	5.17%	10.63%	4.34%
Dow Jones U.S. Total Stock Market	4.44%	8.15%	14.93%	10.39%	16.30%	7.49%
Russell 3000	4.40%	8.18%	14.96%	10.44%	16.36%	7.37%
S&P 500	3.85%	7.84%	15.43%	11.16%	16.37%	7.24%
Russell 2000	9.05%	11.46%	15.47%	6.71%	15.82%	7.07%
MSCI All Country World ex-U.S. IMI	7.05%	6.08%	9.81%	0.62%	6.37%	2.47%
MSCI All Country World ex-U.S.	6.91%	5.82%	9.26%	0.18%	6.04%	2.16%
MSCI EAFE	6.43%	1.73%	6.52%	0.48%	7.39%	1.82%
MSCI EAFE (Local Currency)	6.04%	-1.61%	4.63%	5.30%	11.21%	2.20%
MSCI Emerging Markets	9.03%	16.02%	16.78%	-0.56%	3.03%	3.95%
Fixed Income						
Bloomberg Barclays Global Aggregate	0.82%	9.85%	8.83%	2.13%	1.73%	4.26%
Bloomberg Barclays Aggregate	0.46%	5.80%	5.19%	4.02%	3.08%	4.79%
Bloomberg Barclays Long Gov't	-0.29%	14.61%	13.02%	11.07%	5.48%	7.97%
Bloomberg Barclays Long Credit	2.26%	16.51%	15.73%	9.53%	7.05%	7.63%
Bloomberg Barclays Long Gov't/Credit	1.24%	15.74%	14.65%	10.08%	6.32%	7.84%
Bloomberg Barclays US TIPS	0.96%	7.27%	6.58%	2.41%	1.93%	4.48%
Bloomberg Barclays High Yield	5.55%	15.11%	12.73%	5.29%	8.34%	7.71%
Citi Group Non-U.S. WGBI	0.60%	14.18%	12.61%	1.21%	0.24%	3.94%
JP Morgan EMBI Global (Emerging Markets)	3.73%	15.04%	16.82%	7.44%	7.42%	7.62%
Commodities						
Bloomberg Commodity Index	-3.86%	8.87%	-2.58%	-12.34%	-9.37%	-5.33%
Goldman Sachs Commodity Index	-4.15%	5.30%	-12.21%	-22.16%	-12.61%	-9.04%
Hedge Funds						
HFRI Fund-Weighted Composite ²	2.96%	4.19%	4.93%	3.16%	4.43%	3.78%
HFRI Fund of Funds ²	2.53%	-0.11%	0.62%	2.20%	3.19%	1.78%
Real Estate						
NAREIT U.S. Equity REITS	-1.43%	11.75%	19.86%	14.22%	15.91%	6.35%
NCREIF NFI - ODCE ³	2.05%	6.50%	10.06%	12.42%	12.38%	6.01%
Private Equity						
Burgiss Private IQ Global Private Equity ⁴	-0.47%	-0.47%	4.30%	10.74%	9.96%	10.12%
Infrastructure						
Macquarie Global Infrastructure - North America	-1.94%	22.63%	18.63%	9.74%	10.88%	7.85%

MSCI Indices show net returns.

All other indices show total returns.

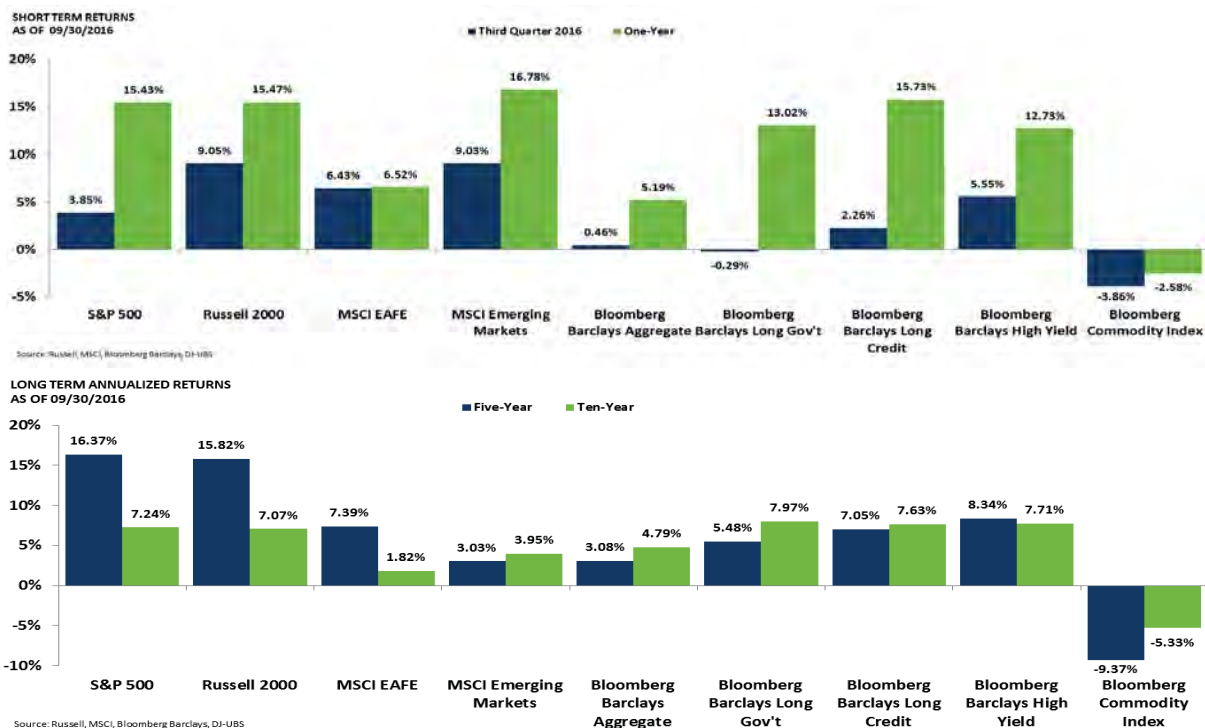
¹ Periods are annualized.

² Latest 5 months of HFR data are estimated by HFR and may change in the future.

³ Third quarter results are preliminary.

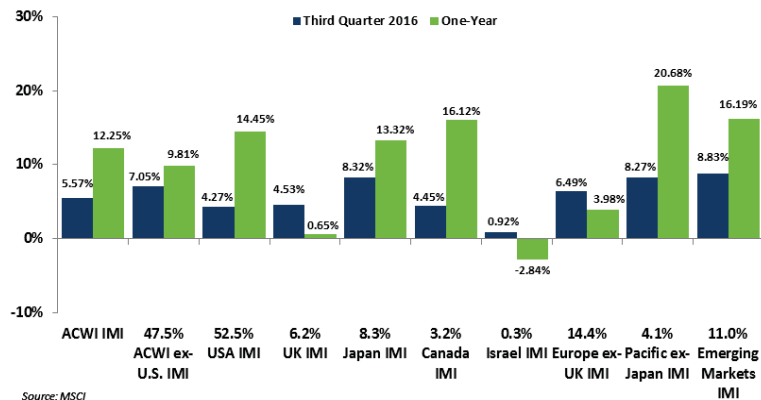
⁴ Source: Burgiss Private IQ. Benchmark is as of 03/31/2016

Market Highlights



Global Equity Markets

GLOBAL MSCI IMI INDEX RETURNS
AS OF 09/30/2016



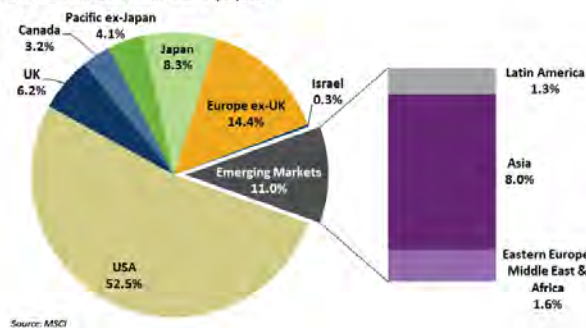
- Global equity markets rose sharply over the quarter. Initially, the equities rallied with markets absorbing the UK's decision to leave the EU and economic data pointing to a more positive environment. However, uncertainties around major central banks policies limited the gains.
- Global equity markets returned 5.57% in Q3 2016 with all the regions ending in positive territory. Emerging markets was the best performer with a return of 8.83% over the quarter as entrenched easy monetary policy across developed markets helped fuel capital inflows to the region. Equity returns were supported by better than expected economic data from China over the quarter.

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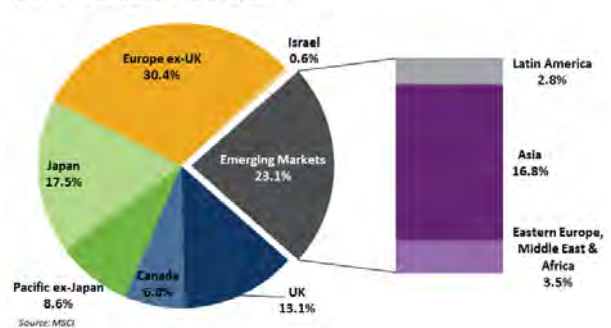


Global Equity Markets

MSCI ALL COUNTRY WORLD IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 09/30/2016



MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 09/30/2016



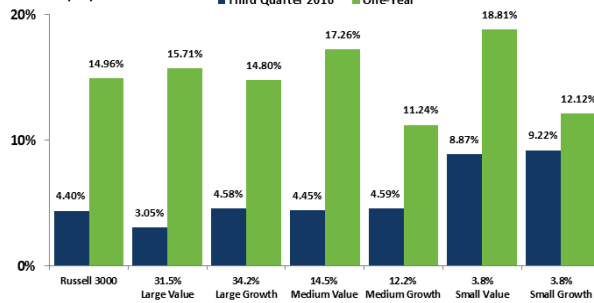
- The two exhibits on this slide illustrate the percentage that each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

5

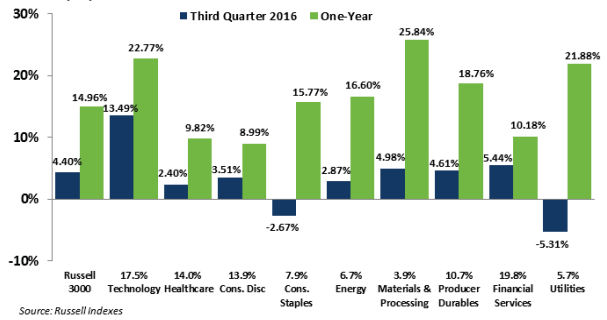


U.S. Equity Markets

RUSSELL STYLE RETURNS
AS OF 09/30/2016



RUSSELL RGS SECTOR RETURNS
AS OF 09/30/2016



- The Russell 3000 Index returned 4.40% during the third quarter and returned 14.96% over the one-year period.
- During the third quarter, the technology sector was the strongest performer, posting returns of 13.49%. The utilities and consumer staples sectors were the weakest performers, producing returns of -5.31% and -2.67% respectively.
- Performance across the market capitalization spectrum was positive over the quarter. Small cap stocks outperformed the other segments in Growth and Value stocks. Growth stocks outperformed Value stocks across the capitalizations.



U.S. Fixed Income Markets

BLOOMBERG BARCLAYS AGGREGATE RETURNS BY SECTOR
AS OF 9/30/2016



BLOOMBERG BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD
AS OF 9/30/2016



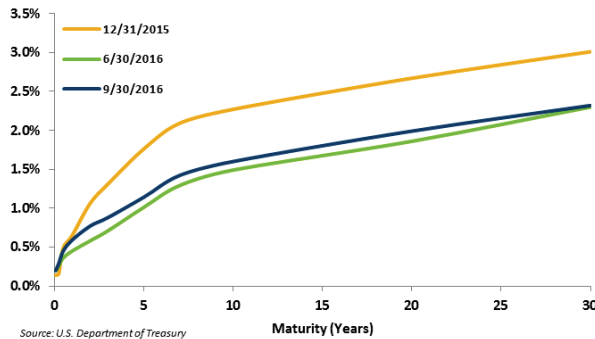
- The Bloomberg Barclays Aggregate Bond Index returned 0.46% in the third quarter. Corporate bonds were the strongest performing index segment, returning the most at 1.41%.
- High yield bonds outperformed all the other investment grade corporate bonds across different credit qualities.
- Longest duration bonds outperformed all other bonds in different maturities.

BLOOMBERG BARCLAYS AGGREGATE RETURNS BY MATURITY
AS OF 9/30/2016

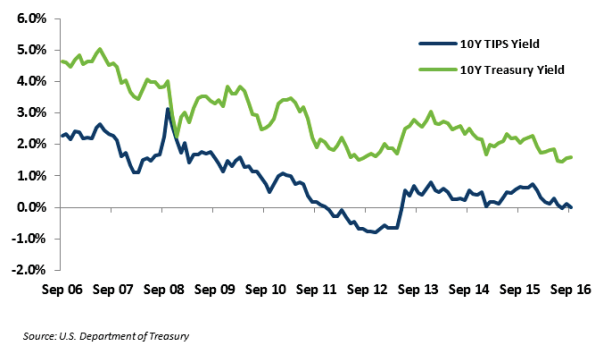


U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



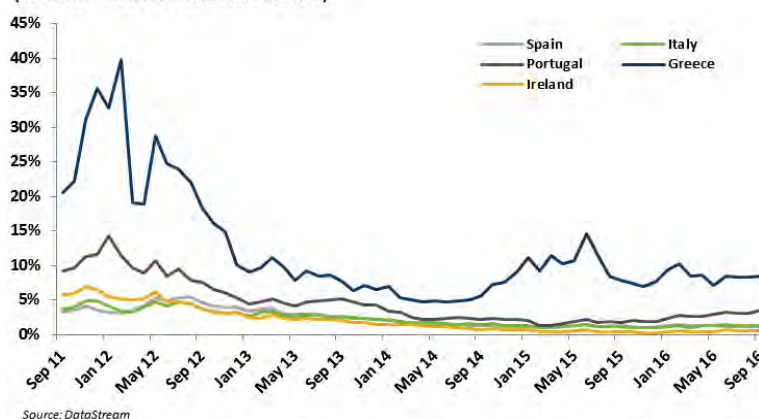
U.S. 10-YEAR TREASURY AND TIPS YIELDS



- The Treasury yield curve shifted upwards over the third quarter with yields rising across the maturities. The yield curve flattened over the quarter, driven by short maturity bonds rising faster than long maturity bonds.
- Expectations of rise in interest rates drove the yields higher.
- The 10-year U.S. Treasury yield ended the quarter at 1.60%, 11 basis points higher than its level at the beginning of the quarter.
- The 10-year TIPS yield fell by 9 basis points over the quarter and ended the period at 0.00%.

European Fixed Income Markets

EUROZONE PERIPHERAL BOND SPREADS
(10-YEAR SPREADS OVER GERMAN BUNDS)



- In the Eurozone, bond spreads widened during the third quarter of 2016 with core government bond yields falling and the peripheral government bond yields being mixed. German bund yields continued to be in negative territory and ended the quarter at -0.19%.
- Portuguese bond yields rose as the worried state of its government finances, fragile banking sector and weakening economy ignited concerns about the country's credit rating outlook, thus, throwing doubts over its qualification for the European Central Bank's asset-purchase program.
- Both Italian and Spanish government bond yields declined over the quarter driven by continued weakness in the banking sector as various top banks performed poorly in the European Banking Authority's stress tests.

Credit Spreads

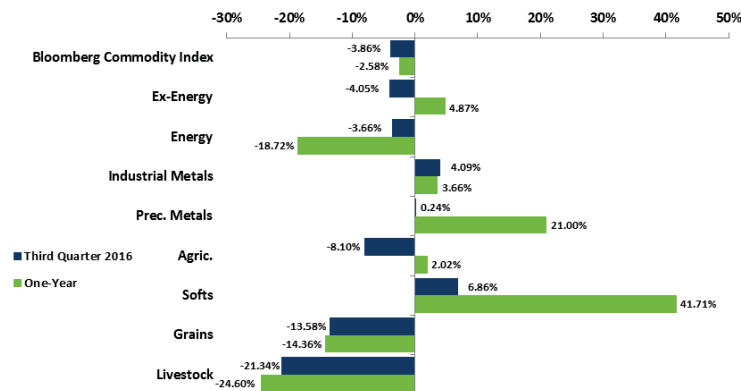
Spread (bps)	9/30/2016	6/30/2016	9/30/2015	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	47	55	59	-8	-12
Long Gov't	3	3	4	0	-1
Long Credit	195	215	230	-20	-35
Long Gov't/Credit	118	130	143	-12	-25
MBS	14	27	31	-13	-17
CMBS	84	98	108	-14	-24
ABS	55	61	69	-6	-14
Corporate	138	156	169	-18	-31
High Yield	480	594	630	-114	-150
Global Emerging Markets	299	345	418	-46	-119

Source: Barclays Live

- During the third quarter, credit spreads fell across all the areas of the bond market with the exception of Long-term Government bonds.
- High yield spreads (-114 basis points) fell by the most over the quarter, followed by Global Emerging Markets spreads (-46 basis points) and Long Credit (-20 basis points).

Commodities

COMMODITY RETURNS
AS OF 09/30/2016

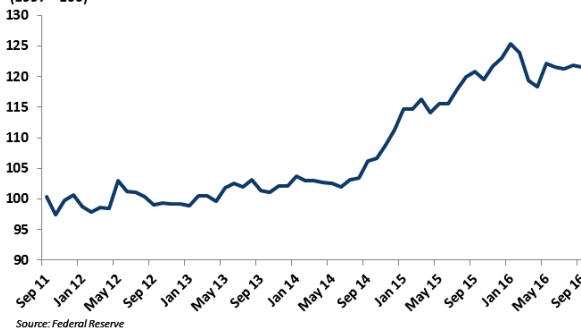


Source: Dow Jones-UBS

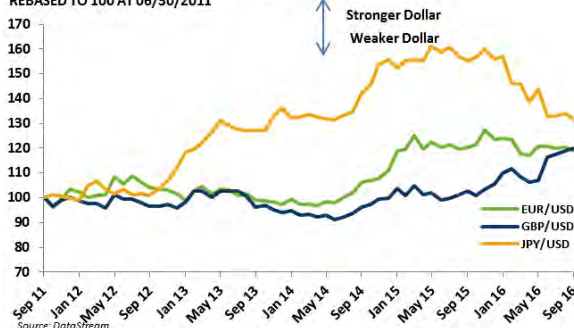
- The Bloomberg Commodity Index fell during the third quarter returning -3.86%.
- Over the quarter, the best performing segment was Softs with a return 6.86%.
- Livestock was the worst performing sector during the quarter with a return of -21.34%.

Currency

TRADE WEIGHTED U.S. DOLLAR INDEX
(1997 = 100)



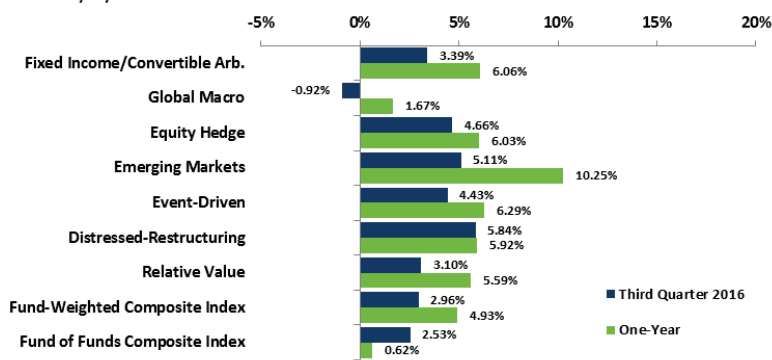
U.S. DOLLAR RELATIVE TO EUR, GBP AND JPY
REBASED TO 100 AT 06/30/2011



- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar was almost flat over the quarter.
- The US dollar appreciated sharply against the pound but depreciated against the euro and the yen. The pound weakened on confirmation of Brexit and after the Bank of England (BOE) lowered its official rates to 0.25% (the first change since March 2009). The yen appreciated sharply against the dollar due to safe haven flows and as the Bank of Japan (BOJ) kept its interest rate unchanged over the quarter.

Hedge Fund

HEDGE FUND PERFORMANCE
AS OF 09/30/2016

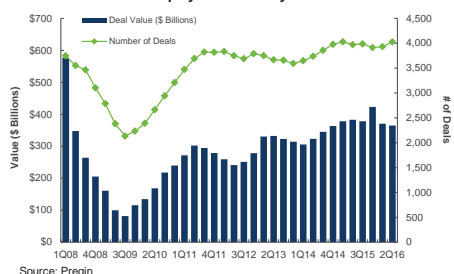


Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.
Source: HFR

- Hedge fund performance was positive across strategies with the exception of Global Macro.
- The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 2.96% and 2.53%, respectively, during the quarter.
- Distressed-Restructuring was the best performer, with a return of 5.84% in the third quarter.

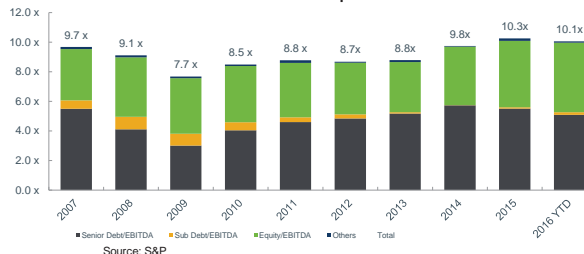
Private Equity Market Overview – Second Quarter 2016

LTM Global Private Equity-Backed Buyout Deal Volume



Source: Preqin

Purchase Price Multiples



Source: S&P

- Fundraising:** In 2Q 2016, \$130.9 billion was raised by 250 funds, which was down 25.7% and 16.4% on a capital basis compared to the prior quarter and same period last year, respectively. On an LTM basis, private equity fundraising totaled \$478.1 billion, which was up 4.0% quarter over quarter and remained well above the five year annual average of \$395.5 billion ¹. Dry powder was up roughly 4.7% compared to 1Q 2016's peak of \$1.1 trillion and remained well above the five year average level of \$910.4 billion ¹.
- Buyout:** Global private equity-backed buyout deals totaled \$89.5 billion in the second quarter, which was up 79.8% and 8.8% from the prior quarter and five year quarterly average, respectively ¹. At the end of 2Q 2016, average purchase price multiples for all U.S. LBOs were 10.1x EBITDA, down from 10.5x as of the end of 1Q 2016. Both large cap and middle-market purchase price multiples decreased quarter over quarter. Middle-market purchase price multiples matched their lowest quarterly level since 3Q 2012 (7.2x EBITDA) and stood at 8.2x through 1H 2016 ². The average purchase price multiple across all European transaction sizes averaged 9.8x EBITDA through 1H 2016. Purchase prices for transactions of €1.0 billion or more increased from 10.5x in 1Q 2016 to 11.0x in 2Q 2016. Transactions between €500.0 million and €1.0 billion were unchanged quarter over quarter, and stood at 10.5x ². Globally, exit value totaled \$92.0 billion on 464 deals in 2Q 2016, up 30.7% and 19.3%, respectively, from 1Q 2016 ¹.
- Venture:** \$15.3 billion of capital was deployed across 961 deals in the second quarter compared to 1,011 deals totaling \$12.7 billion in 1Q 2016 ³. This was 12.2% lower than 2Q 2015 on a capital basis, but remains well above the five year quarterly average level of \$9.9 billion. There were 12 venture-backed initial public offerings in 2Q 2016, which was up from just six in 1Q 2016, but down substantially compared to the 29 observed in 2Q 2015. The number of M&A transactions totaled 64 deals, representing decreases of 29.7% and 20.0% compared to 1Q 2016 and 2Q 2015, respectively ⁴.
- Mezzanine:** Six funds closed on \$2.5 billion during the quarter, up from 3Q 2016's total of \$1.2 billion raised by three funds. This was also up compared to 2Q 2015's total of \$1.9 billion raised by nine funds, but was 28.2% lower than the five year quarterly average. Estimated dry powder was \$46.2 billion at the end of 2Q 2016, up 10.9% from 1Q 2016 ¹. Fundraising remains competitive with an estimated 77 funds in market targeting \$33.5 billion of commitments in addition to continued market participation from private lending platforms and business development companies (BDCs) ¹.
- Distressed Debt:** High-yield defaults totaled \$50.2 billion through 1H 2016, already surpassing 2015's full year total of \$48.3 billion. The LTM U.S. high-yield default rate was 4.9%, marking the highest level since May 2010 ⁵. Default rates are expected to rise further in 2016 due to ongoing developments and challenges in the energy and mining/minerals sectors ⁵. Distressed debt and bankruptcy restructuring activity totaled \$27.2 billion in 2Q 2016, bringing 1H 2016 activity to \$52.6 billion, which was down 32.2% from the same period a year ago. U.S. activity accounted for \$18.9 billion on a YTD basis, representing a 27.7% decrease from 1H 2015 ⁶.
- Secondaries:** Nine funds raised \$12.5 billion during the second quarter, up from \$3.8 billion by five funds in 1Q 2016. On an LTM basis, secondary capital raised totaled \$25.7 billion, up from the \$21.3 billion five year annual average ¹. The average discount rate for all private equity sectors decreased quarter over quarter from 8.9% to 8.6% and remains very favorable for potential sellers ⁷.
- Infrastructure:** \$4.2 billion of capital was raised by eight funds in 2Q 2016 compared to \$15.9 billion of capital closed on by 10 partnerships in 1Q 2016. At the end of the quarter, dry powder stood at a record \$142.0 billion, up from last quarter's total of \$124.0 billion ¹. Infrastructure managers completed 225 deals with an estimated aggregate deal value of \$96.8 billion in 2Q 2016 compared to 339 deals totaling \$161.1 billion a quarter ago ¹.
- Natural Resources:** During 2Q 2016, seven funds closed on \$3.0 billion compared to three funds totaling \$0.6 billion in 1Q 2016. Energy and utilities industry managers completed an estimated 95 deals totaling a reported \$11.3 billion through 1H 2016, representing 48.5% of 2015's full year deal value ¹.

Sources: ¹ Preqin ² UBS ³ Standard & Poor's ⁴ Aon Hewitt Investment Consulting ⁵ Thomson Reuters ⁶ Fitch Ratings ⁷ PWC / National Venture Capital Association (NVCA) MoneyTree Report ⁸ Thomson Reuters and NVCA ⁹ Cooley Venture Financing Report ¹⁰ Federal Reserve ¹¹ U.S. Energy Information Administration ¹² Bloomberg

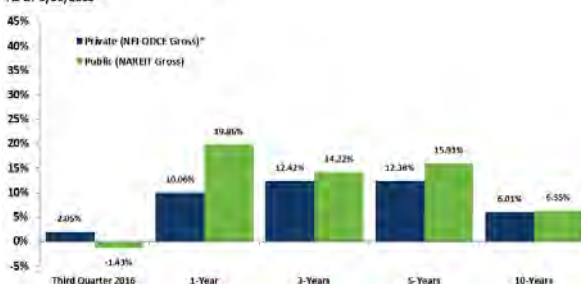
Notes: FY: Fiscal year ended 12/31; YTD: Year to date; LTM: Last twelve months (aka trailing twelve months); PPM: Purchase Price Multiples: Total Purchase Price / EBITDA.



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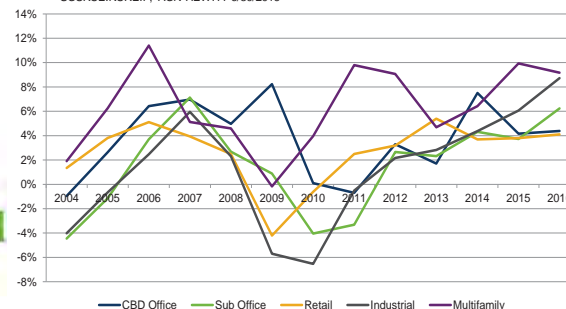
U.S. Commercial Real Estate Markets

PRIVATE VS. PUBLIC REAL ESTATE RETURNS AS OF 9/30/2016



*Third quarter returns are preliminary
Source: NAREIT, NAREIT

NOI GROWTH SOURCE: NCREIF, AON HEWITT 6/30/2016



- The U.S. real estate sector is in the mature stage of its cycle, with pricing showing signs of peaking over the past year. Cap rates across most property types have reached record lows, driving a disconnect between sellers' and buyers' return expectations. This disconnect is evident in the sector's bid-ask spreads and highlighted by an adjustment in transaction volume during 2016, down 23% YOY as of August.
- U.S. Core real estate returns YTD continued to moderate in 3Q and are now performing back in line with the sector's long run average. Registering a still healthy 2.05%* gross of fees this quarter, the income return (1.12%) again outpaced appreciation (0.94%), illustrating expectations that net income growth will be a larger driver of returns at this mature point in the real estate cycle. The one year return now stands at 10.07%, well off the sector's rebound highs, and expected to moderate further. Non-Core investment dollars deployed since the GFC continued to generally perform in line with target expectations; that said, return expectations for new capital now being deployed has declined slightly as the real estate cycle appears to be reaching for a turning point.
- The U.S. REIT sector fell 1.4% in third quarter (FTSE NAREIT Equity REIT Index); resulting in a still robust 11.8% gain year-to-date (YTD). REITs lost ground mid-quarter as a combination of concerns about interest rate movements, property valuations, and new supply weighed on investors. Operating fundamentals, meanwhile remain healthy, as measured by favorable, but slowing, same-store NOI growth. U.S. REITs ended the quarter trading at an approximate 7% premium to NAVs. Public valuations remained above Private valuations largely due to sector's perceived defensive characteristics; and/or their attractive dividends. Significant volatility is expected to remain in public market pricing medium term.
- Underlying real estate fundamentals remained generally healthy in 3Q, albeit showing wider spread signs of moderating. As the supply-demand gap has now largely inverted for most property types, continued occupancy gains and outsized net operating income growth will become more challenging. Thus downside risk protection is important to incorporate into portfolio strategies before the next downturn. Preferred equity and debt structures are important considerations to help mitigate medium term cyclical risks.
- Overseas, the UK may be signaling a hard Brexit from the European Union, which was originally not forecasted. The long term impact of a hard Brexit on other global regions remains uncertain, but for the U.S., the dollar continues to rally against the British pound and foreign investors appear to be growing more interested in the U.S. real estate market due to its perceived stability and liquidity. The UK market has weathered the initial shocks of Brexit, but the long term impact on UK real estate remains undefined.

*Indicates preliminary NFI-ODCE data gross of fees



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Total Fund

As of September 30, 2016

Highlights

Executive Summary

- Performance of the Pension Plan, when measured against the Performance Benchmark, has been strong over short- and long-term time periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

Performance Highlights

- During the third quarter, the Total Fund outperformed the Performance Benchmark. The Total Fund trailed the Performance Benchmark during the one-year period, while outperforming during the trailing three-, five-, and ten-year periods.

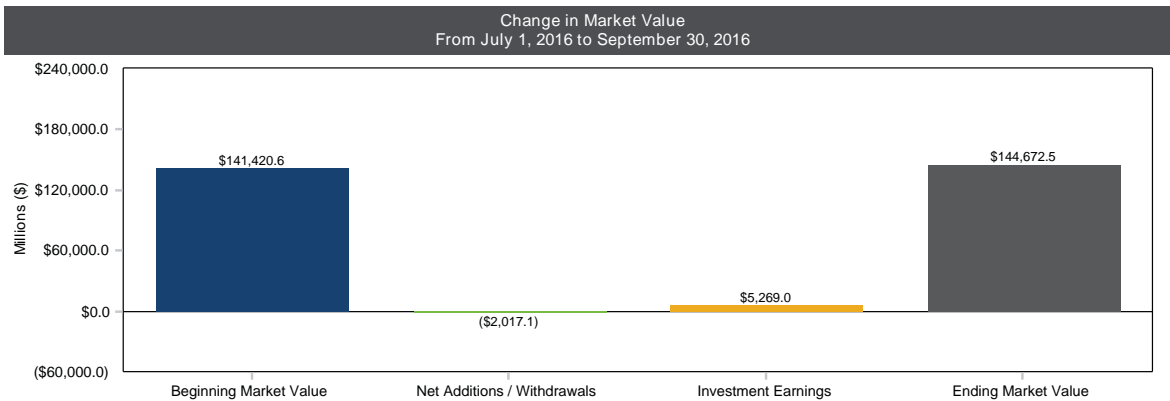
Asset Allocation

- The Fund assets total \$144.7 billion as of September 30, 2016, which represents a \$3.3 billion increase since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges at quarter-end.
- The Fund was overweight to global equity and strategic investments, with corresponding underweights to fixed income and cash.

Total Fund

As of September 30, 2016

Total Plan Asset Summary



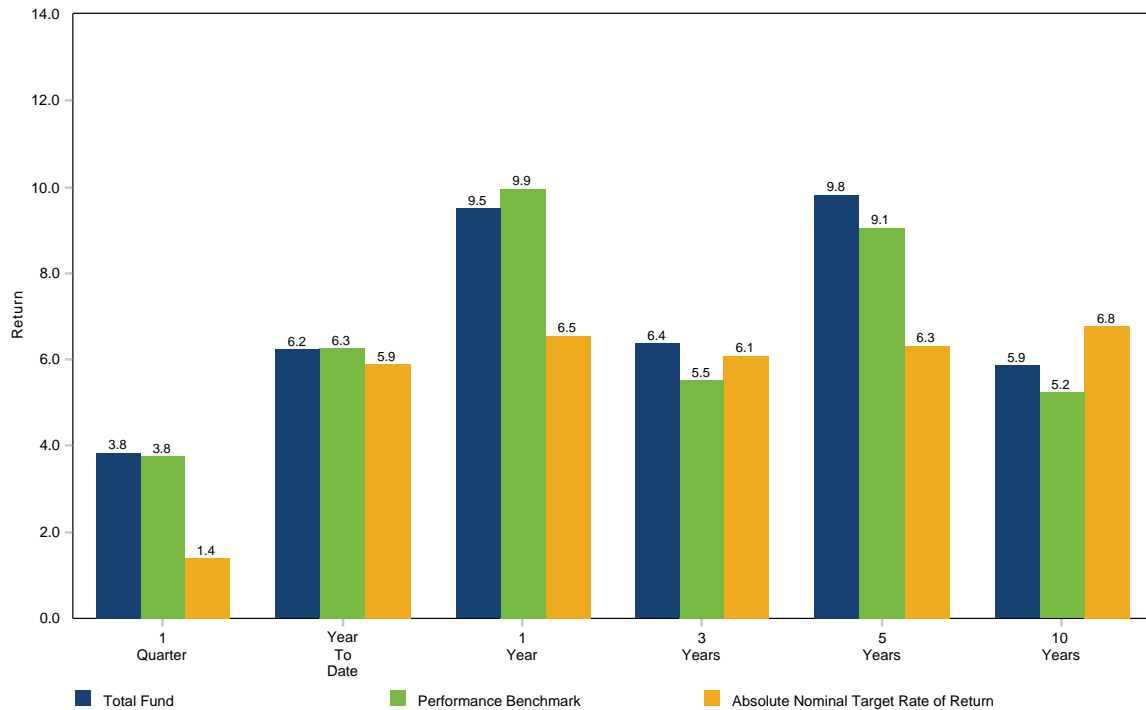
Summary of Cash Flow

	1 Quarter	Fiscal YTD*
Total Fund		
Beginning Market Value	141,321,201,894	141,321,201,894
+ Additions / Withdrawals	-2,017,088,390	-2,017,088,390
+ Investment Earnings	5,368,427,055	5,368,427,055
= Ending Market Value	144,672,540,559	144,672,540,559

*Period July 2016 - September 2016

Total Plan Performance Summary

Return Summary



Asset Allocation & Performance

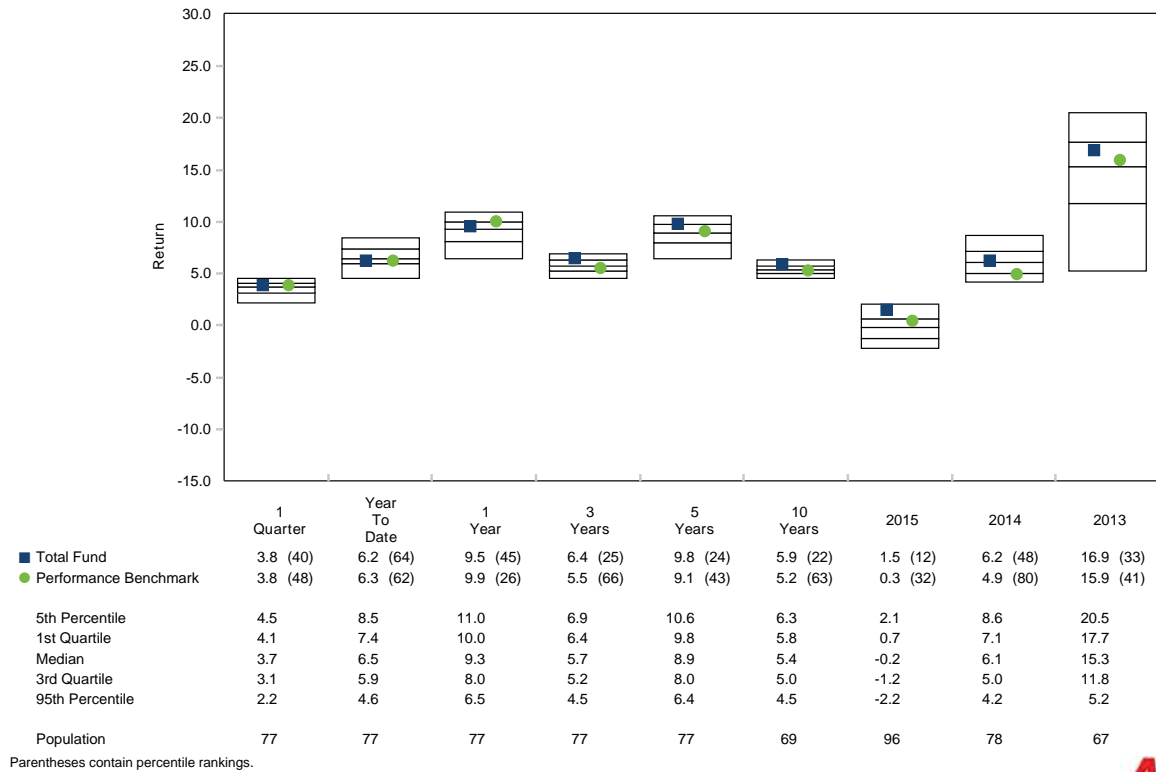
	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
Total Fund	144,672,540,559	100.0	100.0	3.8 (40)	6.2 (64)	9.5 (45)	6.4 (25)	9.8 (24)	5.9 (22)
Performance Benchmark				3.8 (48)	6.3 (62)	9.9 (26)	5.5 (66)	9.1 (43)	5.2 (63)
Absolute Nominal Target Rate of Return				1.4 (97)	5.9 (77)	6.5 (95)	6.1 (37)	6.3 (96)	6.8 (1)
Global Equity*	81,549,061,605	56.4	55.6	5.4	6.8	12.3	5.9	11.8	5.2
Asset Class Target				5.6	7.0	12.3	5.3	10.9	4.5
Domestic Equities	37,782,342,490	26.1		4.4 (62)	7.3 (74)	14.0 (46)	10.2 (19)	16.3 (19)	7.4 (27)
Asset Class Target				4.4 (62)	8.2 (48)	15.0 (24)	10.4 (13)	16.4 (16)	7.4 (32)
Foreign Equities	34,777,334,756	24.0		6.9 (37)	6.5 (39)	10.8 (32)	1.6 (49)	7.7 (39)	3.7 (17)
Asset Class Target				7.1 (28)	6.0 (49)	9.8 (58)	0.7 (73)	6.5 (80)	2.5 (64)
Global Equities	7,769,989,442	5.4		3.6	5.6	10.6	6.1	11.7	4.5
Benchmark				5.0	5.8	11.5	5.6	11.3	4.8
Fixed Income	26,807,680,092	18.5	19.2	0.4 (92)	4.3 (91)	3.7 (92)	3.3 (80)	3.2 (75)	4.9 (52)
Asset Class Target				0.3 (95)	4.1 (92)	3.6 (93)	3.1 (82)	2.5 (88)	4.5 (78)
Private Equity	9,546,460,231	6.6	6.6	4.6	7.7	7.5	14.7	12.2	9.0
Asset Class Target				4.3	7.9	15.3	9.5	16.8	9.7
Real Estate	13,704,277,844	9.5	9.5	2.4 (34)	8.2 (28)	12.1 (23)	12.6 (31)	13.8 (13)	7.1
Asset Class Target				1.9 (64)	7.6 (44)	11.5 (37)	11.8 (53)	11.9 (34)	5.2
Strategic Investments	11,824,341,973	8.2	8.1	2.4	4.1	4.4	6.8	9.1	
Short-Term Target				1.9	3.2	3.5	4.6	6.7	
Cash	1,240,718,814	0.9	1.0	0.1	0.3	0.4	0.3	0.3	0.3
iMoneyNet First Tier Institutional Money Market Funds Net Index				0.1	0.2	0.2	0.1	0.1	1.1

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.

As of September 30, 2016
Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Total Fund



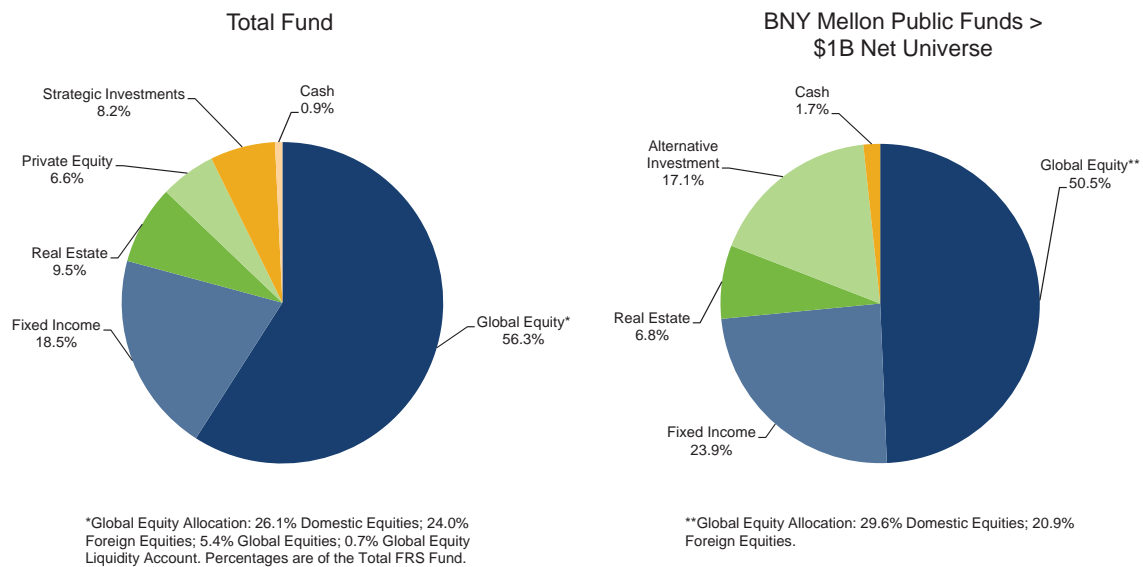
22



Total Fund

As of September 30, 2016

Universe Asset Allocation Comparison



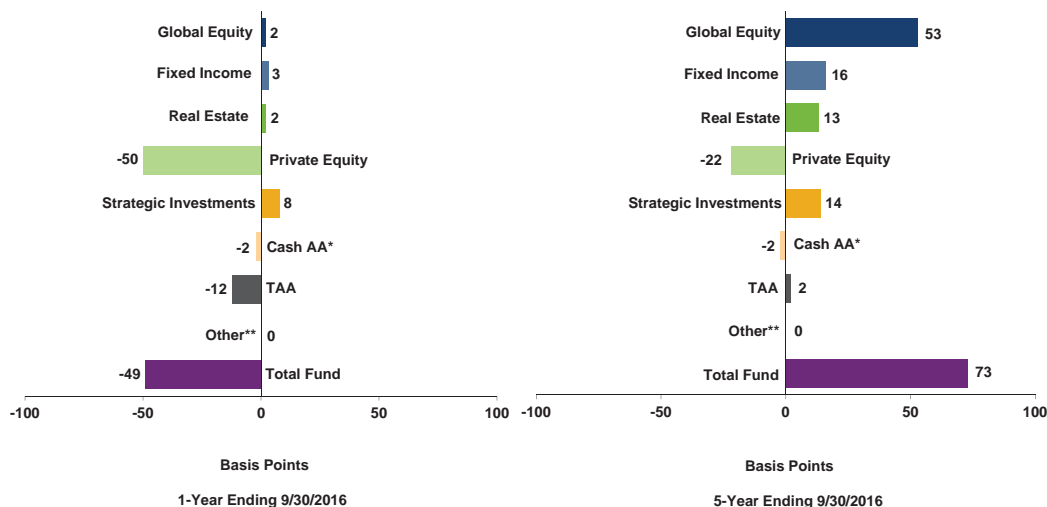
23



Total Fund

As of September 30, 2016

Attribution



*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

**Other includes legacy accounts and unexplained differences due to methodology.

24

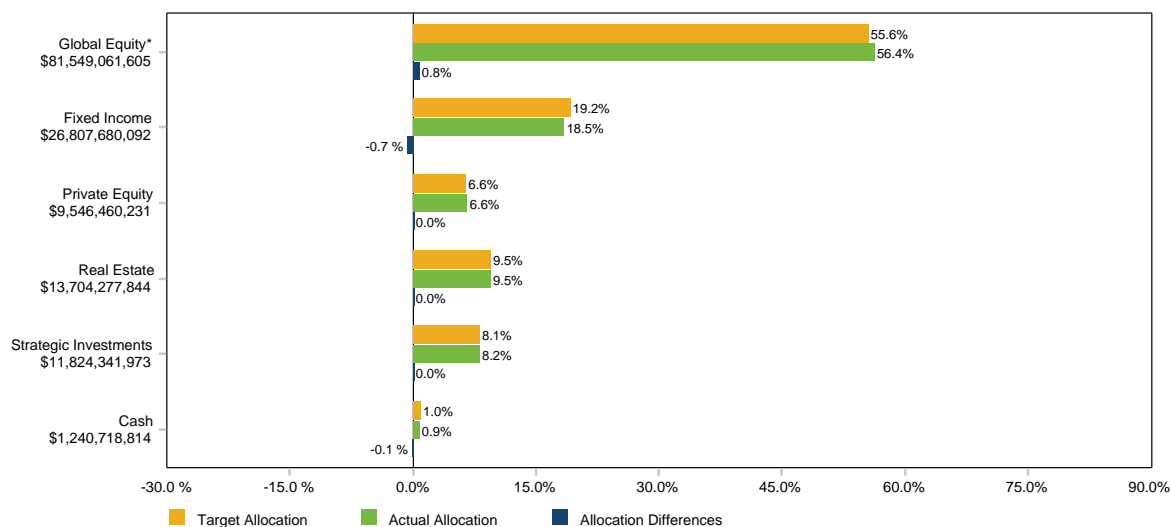


Total Fund

As of September 30, 2016

Asset Allocation Compliance

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	144,672,540,559	100.0	100.0		
Global Equity*	81,549,061,605	56.4	55.6	45.0	70.0
Fixed Income	26,807,680,092	18.5	19.2	10.0	26.0
Private Equity	9,546,460,231	6.6	6.6	2.0	9.0
Real Estate	13,704,277,844	9.5	9.5	4.0	16.0
Strategic Investments	11,824,341,973	8.2	8.1	0.0	16.0
Cash	1,240,718,814	0.9	1.0	0.3	5.0



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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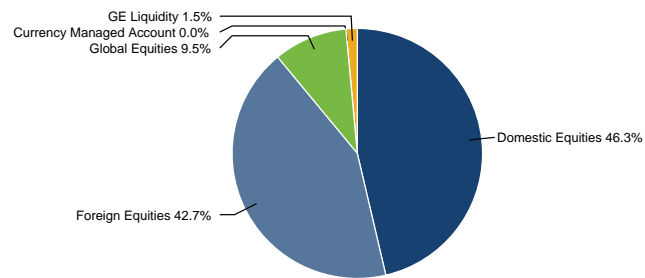


Global Equity

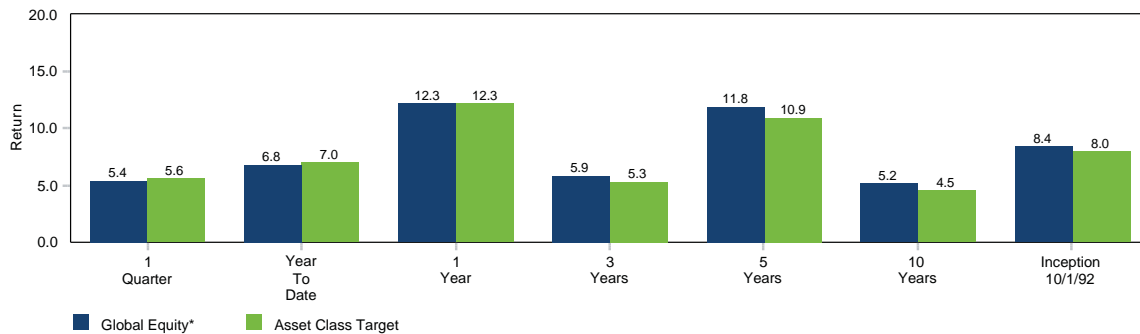
Global Equity* Portfolio Overview

Current Allocation

September 30, 2016 : \$81,549M



Return Summary



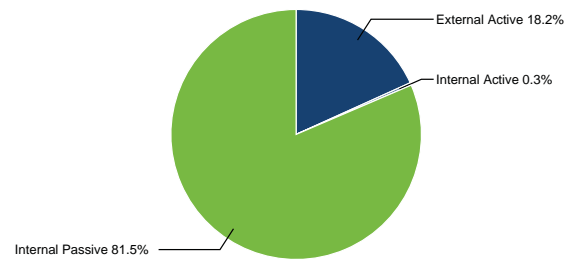
* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.



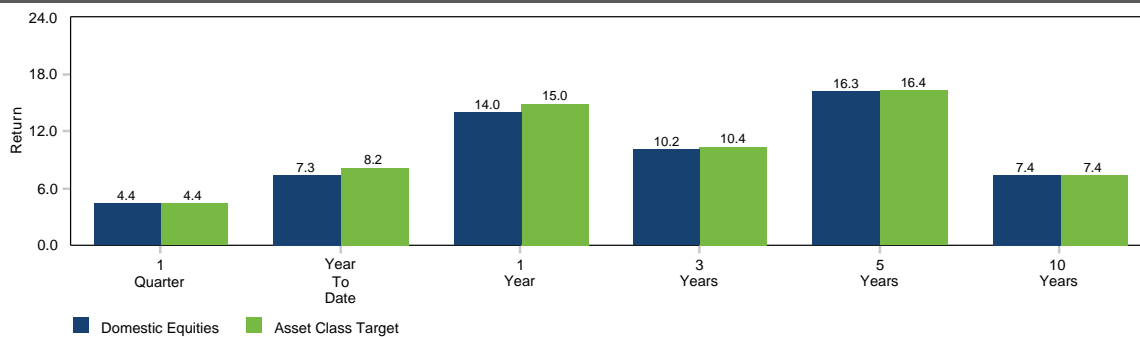
Domestic Equities

Domestic Equities Portfolio Overview

Current Allocation
September 30, 2016 : \$37,782M

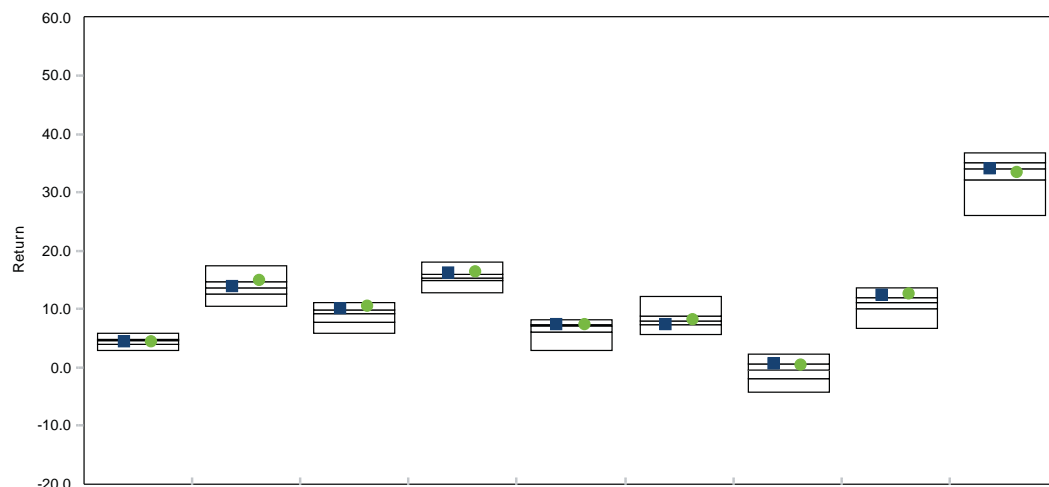


Return Summary



As of September 30, 2016
Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Equity Segment



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Year To Date	2015	2014	2013
Domestic Equities	4.4 (62)	14.0 (46)	10.2 (19)	16.3 (19)	7.4 (27)	7.3 (74)	0.6 (24)	12.4 (18)	34.1 (50)
Asset Class Target	4.4 (62)	15.0 (24)	10.4 (13)	16.4 (16)	7.4 (32)	8.2 (48)	0.5 (27)	12.6 (18)	33.6 (52)
5th Percentile	5.9	17.5	11.1	18.1	8.2	12.2	2.3	13.6	36.9
1st Quartile	4.9	14.7	9.9	16.1	7.5	8.9	0.5	12.0	35.1
Median	4.6	13.7	9.2	15.3	7.1	8.0	-0.3	11.1	34.0
3rd Quartile	4.0	12.6	7.8	14.8	6.2	7.3	-1.8	10.1	32.3
95th Percentile	2.9	10.5	6.0	12.8	3.0	5.7	-4.2	6.8	26.1
Population	57	57	54	45	26	57	63	39	34

Parentheses contain percentile rankings.

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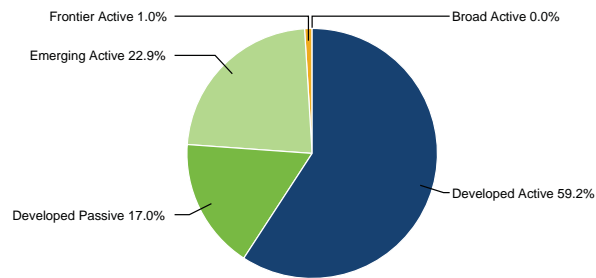


Foreign Equities

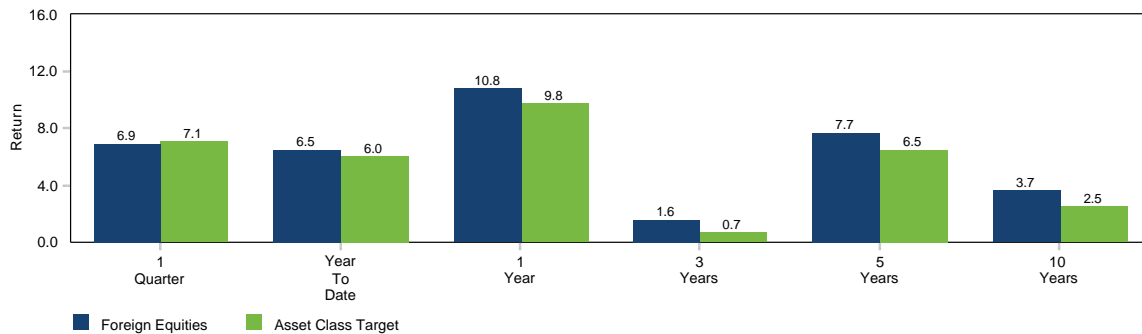
Foreign Equities Portfolio Overview

Current Allocation

September 30, 2016 : \$34,777M



Return Summary

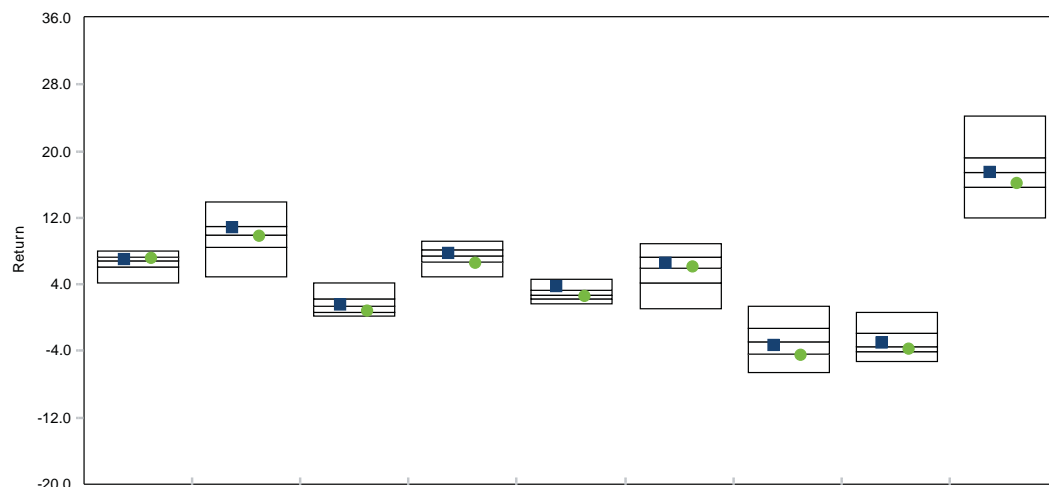


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AON
 Empower Results®

Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Intl. Equity Segment



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Year To Date	2015	2014	2013
Foreign Equities	6.9 (37)	10.8 (32)	1.6 (49)	7.7 (39)	3.7 (17)	6.5 (39)	-3.4 (56)	-3.0 (39)	17.4 (55)
Asset Class Target	7.1 (28)	9.8 (58)	0.7 (73)	6.5 (80)	2.5 (64)	6.0 (49)	-4.5 (79)	-3.7 (68)	16.0 (74)
5th Percentile	8.0	13.9	4.2	9.1	4.7	8.9	1.4	0.7	24.2
1st Quartile	7.2	10.9	2.3	8.1	3.3	7.3	-1.3	-1.9	19.2
Median	6.8	10.0	1.3	7.3	2.8	5.9	-2.9	-3.4	17.4
3rd Quartile	6.0	8.5	0.6	6.7	2.3	4.2	-4.3	-4.1	15.6
95th Percentile	4.2	5.0	0.2	5.0	1.6	1.1	-6.6	-5.2	12.0
Population	59	57	53	41	26	58	58	38	33

Parentheses contain percentile rankings.

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AON
 Empower Results®

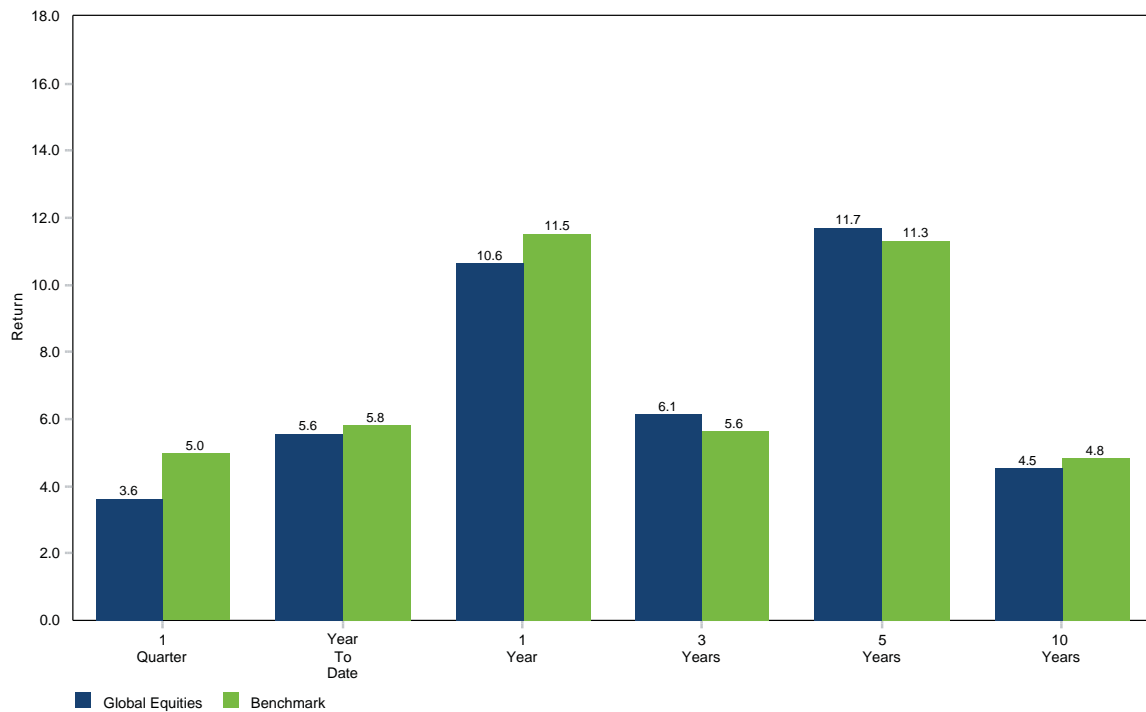
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Global Equities

Global Equities Performance Summary

Return Summary

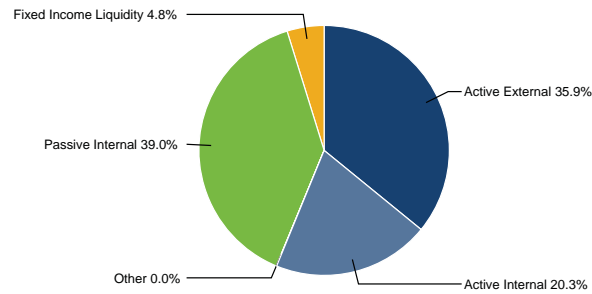


Fixed Income

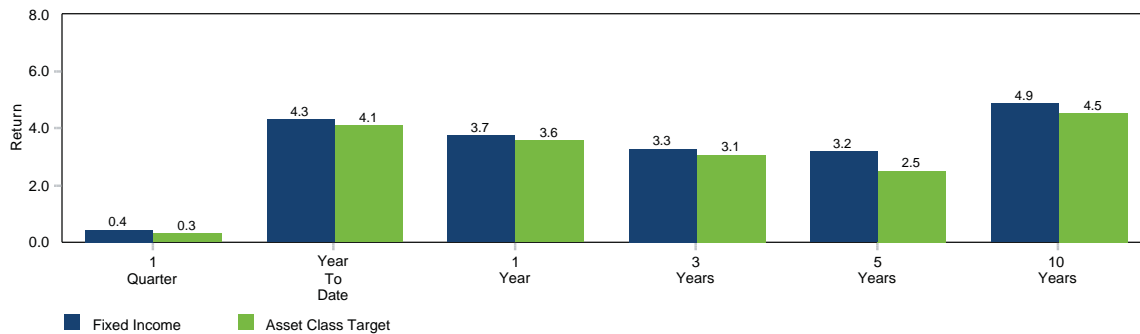
Fixed Income Portfolio Overview

Current Allocation

September 30, 2016 : \$26,808M

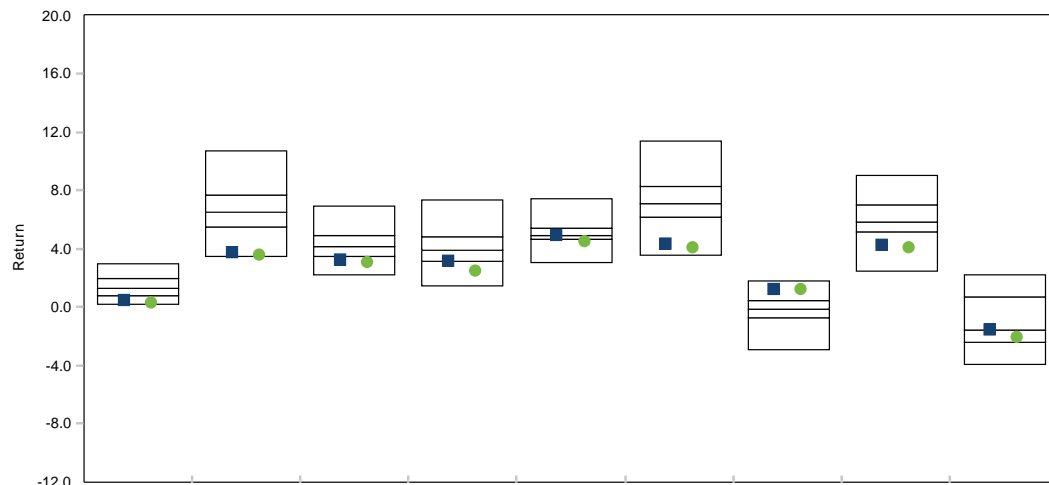


Return Summary



Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Fixed Income Segment



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Year To Date	2015	2014	2013
■ Fixed Income	0.4 (92)	3.7 (92)	3.3 (80)	3.2 (75)	4.9 (52)	4.3 (91)	1.2 (9)	4.3 (86)	-1.5 (50)
● Asset Class Target	0.3 (95)	3.6 (93)	3.1 (82)	2.5 (88)	4.5 (78)	4.1 (92)	1.2 (9)	4.1 (87)	-2.1 (67)
5th Percentile	3.0	10.8	6.9	7.4	7.5	11.4	1.8	9.0	2.3
1st Quartile	2.0	7.7	4.9	4.8	5.5	8.3	0.5	7.1	0.7
Median	1.3	6.5	4.1	3.9	4.9	7.1	-0.1	5.9	-1.5
3rd Quartile	0.8	5.6	3.5	3.2	4.7	6.2	-0.7	5.2	-2.4
95th Percentile	0.3	3.5	2.2	1.5	3.0	3.6	-2.9	2.5	-3.9
Population	58	58	57	48	28	58	55	39	36

Parentheses contain percentile rankings.

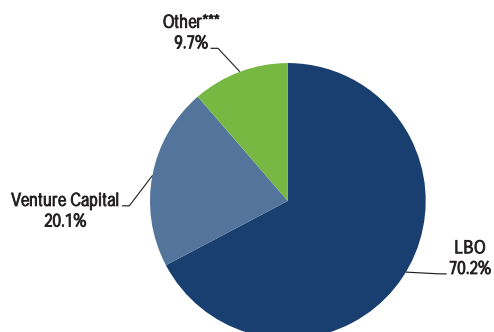
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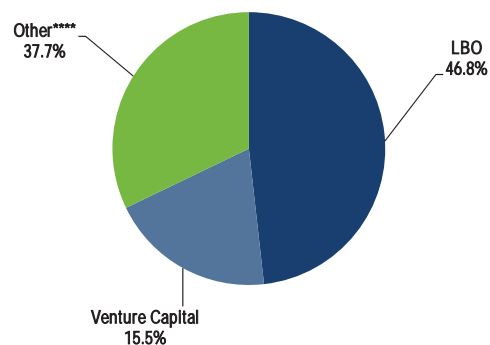
Private Equity

Overview

FRS Private Equity by Market Value*



Preqin Private Equity Strategies by Market Value**



*Allocation data is as of September 30, 2016.

**Allocation data is as of June 30, 2015, from the Preqin database.

***Other for the FRS Private Equity consists of Growth Capital, Secondary, PE Cash, and PE Transition.

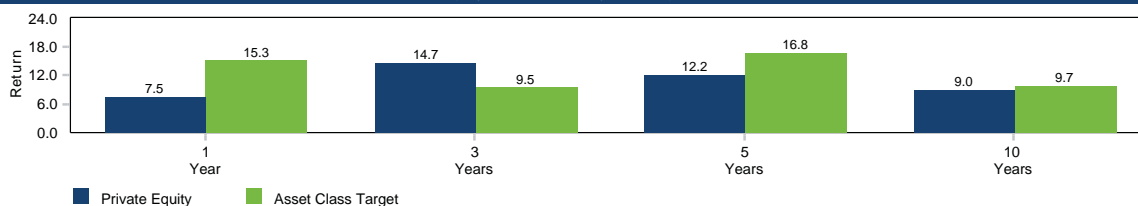
****Other for the Preqin data consists of Distressed PE, Growth, Mezzanine, and other Private Equity/Special Situations.

Preqin universe is comprised of 10,000 private equity funds representing \$3.8 trillion.

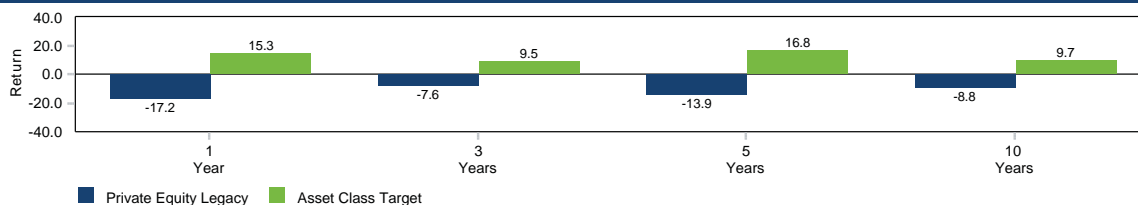
Private Equity

Time-Weighted Investment Results

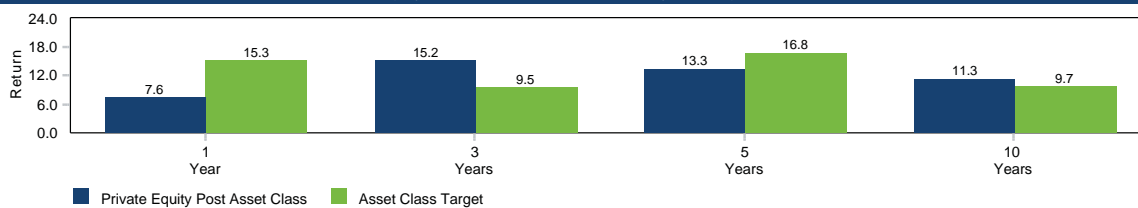
Private Equity Return Summary as of September 30, 2016



Private Equity Legacy Return Summary as of September 30, 2016



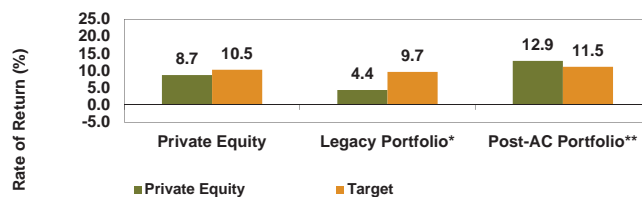
Private Equity Post Asset Class Return Summary as of September 30, 2016



Dollar-Weighted Investment Results

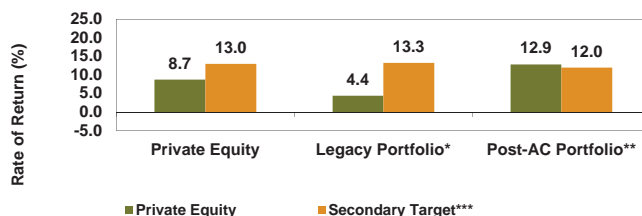
As of September 30, 2016

Since Inception



As of September 30, 2016

Since Inception



*The Inception Date for the Legacy Portfolio is January 1989.

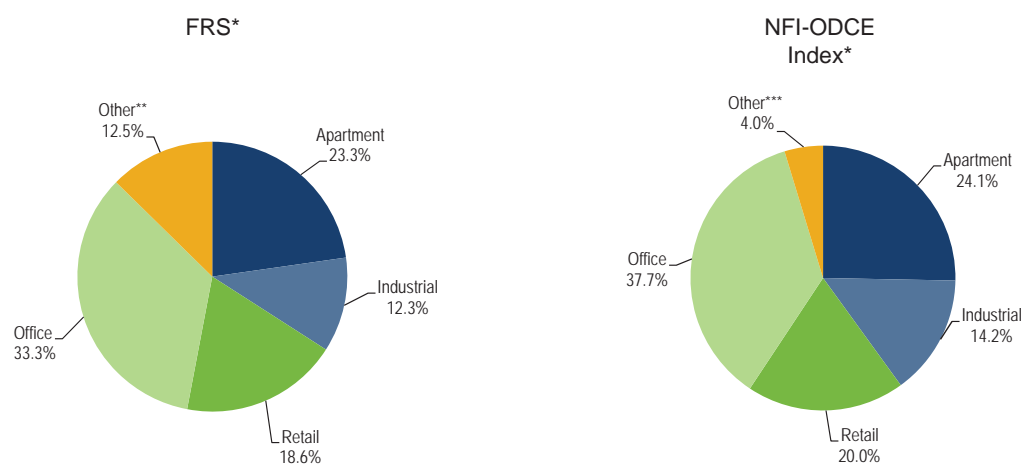
**The Inception Date for the Post-AC Portfolio is September 2000.

***The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.



Real Estate

Overview

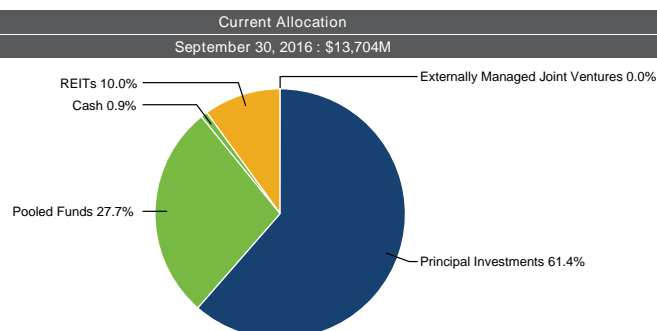


*Property Allocation data is as of June 30, 2016. The FRS chart includes only the FRS private real estate assets. Property type information for the REIT portfolios is not included.

**Other for the FRS consists of Hotel, Land, Preferred Equity, Agriculture, Self-Storage and Senior Housing.

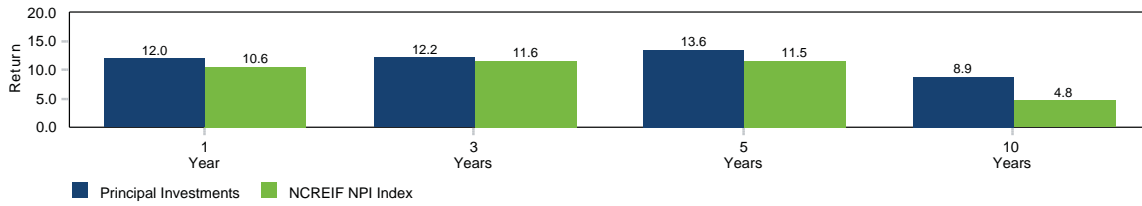
***Other for the NFI-ODCE Index consists of Hotel, Senior Living, Health Care, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.

Real Estate Portfolio Overview

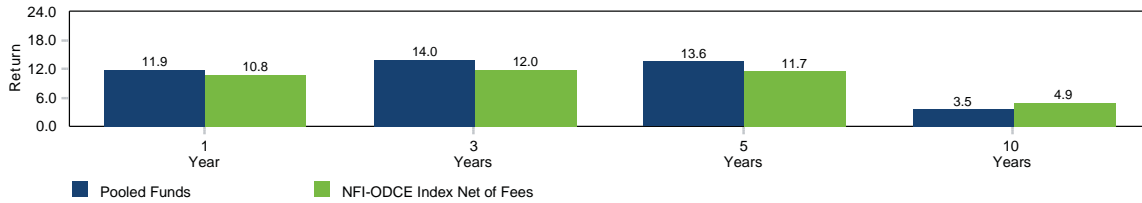


Real Estate

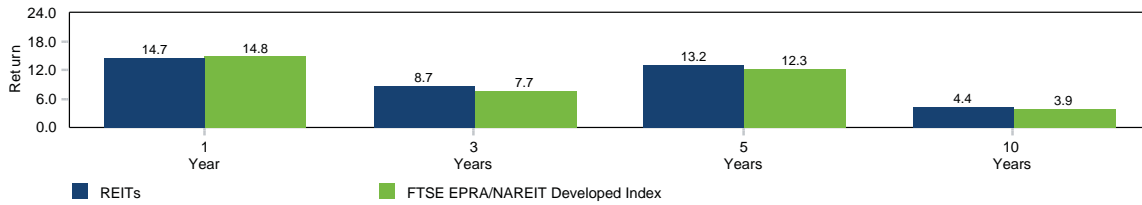
Principal Investments Return Summary as of September 30, 2016



Pooled Funds Return Summary as of September 30, 2016



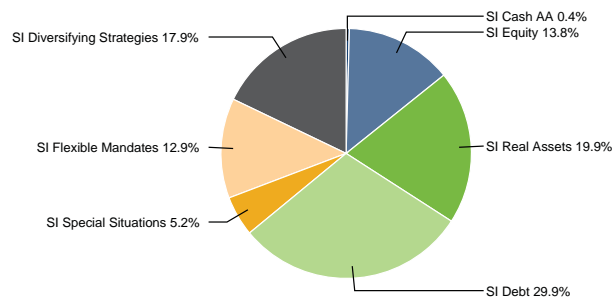
REITs Return Summary as of September 30, 2016



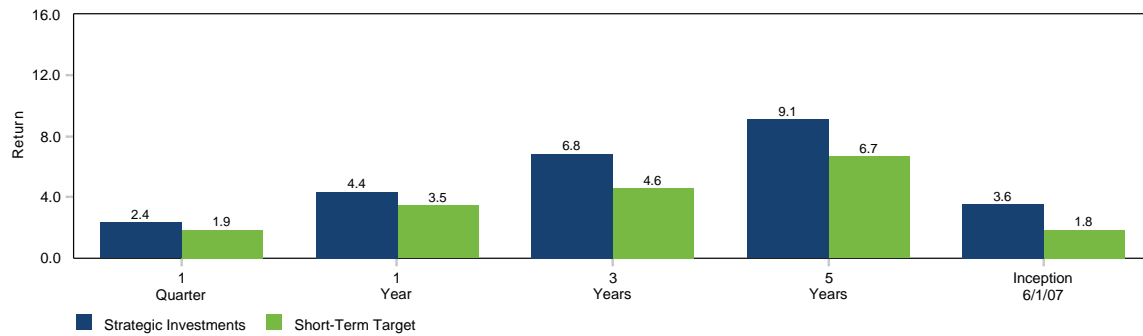
Strategic Investments

Strategic Investments Portfolio Overview

Current Allocation
September 30, 2016 : \$11,824M



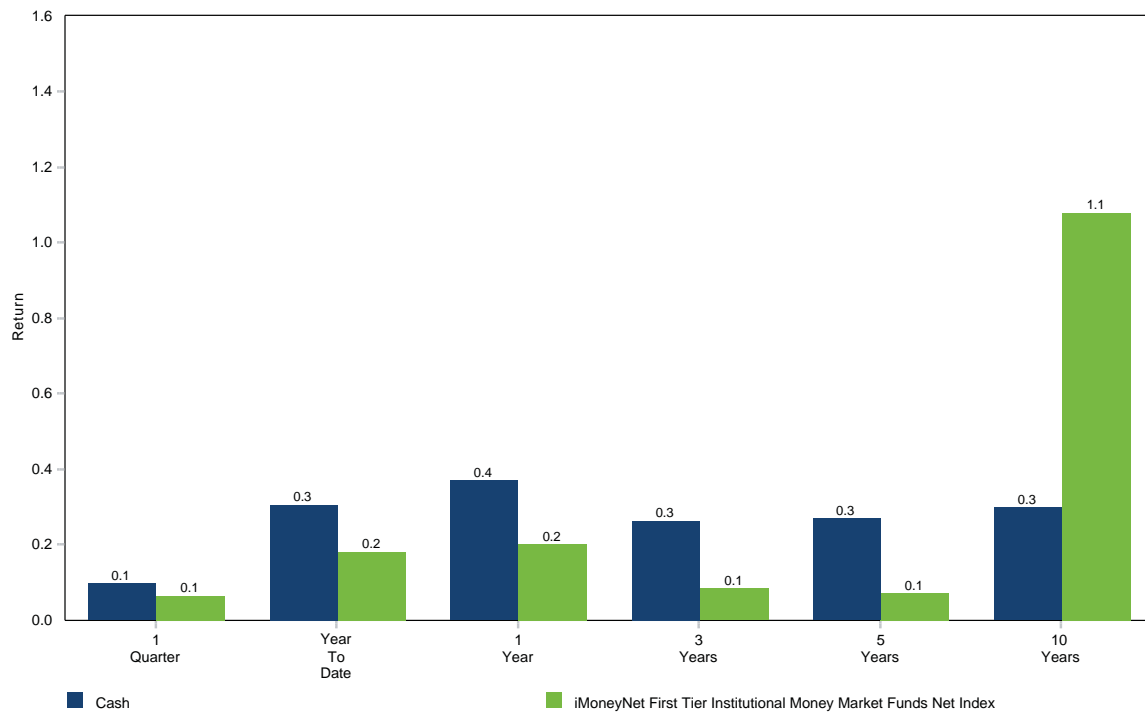
Return Summary



Cash

Cash Performance Summary

Return Summary



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 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. 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, adjusted to exclude companies divested under the provisions of the Protecting Florida's Investments Act (PFIA). Prior to July 2010, the asset class benchmark is a weighted average of the underlying Domestic Equities, Foreign Equities and Global Equities historical benchmarks.

Total Domestic Equities

Performance Benchmark - The Russell 3000 Index. Prior to July 1, 2002, the benchmark was the Wilshire 2500 Stock Index. Prior to January 1, 2001, the benchmark was the Wilshire 2500 Stock Index ex-Tobacco. Prior to May 1, 1997, the benchmark was the Wilshire 2500 Stock Index. Prior to September 1, 1994, the benchmark was the S&P 500 Stock Index.

Total Foreign Equities

Performance Benchmark - A custom version of the MSCI ACWI ex-U.S. Investable Market Index adjusted to exclude companies divested under the PFIA. Prior to April 1, 2008, it was the MSCI All Country World Index ex-U.S. Investable Market Index. Prior to September 24, 2007, the target was the MSCI All Country World ex-U.S. Free Index. Prior to November 1, 1999, the benchmark was 85% MSCI Europe, Australasia and Far East (EAFE) Foreign Stock Index and 15% IFCI Emerging Markets Index with a half weight in Malaysia. Prior to March 31, 1995, the benchmark was the EAFE Index.

Total Global Equities

Performance Benchmark - Aggregated based on each underlying manager's individual benchmark. The calculation accounts for the actual weight and the benchmark return. The benchmarks used for the underlying managers include both the MSCI FSB All Country World ex-Sudan ex-Iran Net Index and MSCI FSB All Country World ex-Sudan ex-Iran Net Investable Market Index (IMI).

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, 5% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmarks.

Total Cash

Performance Benchmark - The iMoneyNet First Tier Institutional Money Market Funds Net Index. Prior to July 1, 2010, it was the iMoneyNet First Tier Institutional Money Market Funds Gross Index. Prior to June 1, 2007, it was the return of the Merrill Lynch 90-Day (Auction Average) Treasury Bill Yield Index.

Appendix

Description of Benchmarks

Barclays Capital U.S. Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

Consumer Price Index (CPI) - The CPI, an index consisting of a fixed basket of goods bought by the typical consumer and used to measure consumer inflation.

FTSE EPRA/NAREIT Developed Index - An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate. This index covers the four primary core asset classes (Industrial, Retail, Office, and Apartment).

iMoneyNet First Tier Institutional Money Market Funds Net Index - An average of non-governmental institutional funds that do not hold any second tier securities. It includes money market mutual funds, net of fees, that invest in commercial paper, bank obligations and short-term investments in the highest ratings category and is open to corporations and fiduciaries only.

MSCI All Country World Investable Market Index - A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. This investable market index contains constituents from the large, mid, and small cap size segments and targets a coverage range around 99% of free-float adjusted market capitalization.

NCREIF ODCE Property Index - The NCREIF ODCE is a capitalization-weighted, gross of fee, time-weighted return index. The index is a summation of open-end funds, which NCREIF defines as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests.

Russell 3000 Index - A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This represents most publicly traded, liquid U.S. stocks.

Appendix

Description of Universes

Total Fund - A universe comprised of 77 total fund portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$1.2 trillion as of quarter-end and the average market value was \$15.4 billion.

Domestic Equity - A universe comprised of 57 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 \$257.3 billion as of quarter-end and the average market value was \$3.7 billion.

Foreign Equity - A universe comprised of 59 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 \$207.9 billion as of quarter-end and the average market value was \$2.8 billion.

Fixed Income - A universe comprised of 58 total fixed income portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$294.3 billion as of quarter-end and the average market value was \$3.6 billion.

Real Estate - A universe comprised of 46 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 \$76.8 billion as of quarter-end and the average market value was \$997.0 million.

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.

Disclaimers and Notes

Disclaimers:

- Please review this report and notify Aon Hewitt Investment Consulting (AHIC) with any issues or questions you may have with respect to investment performance or any other matter set forth herein.
- The client portfolio market value data presented in this report has been obtained from the custodian. AHIC has compared this information to the investment managers' reported returns and believes the information to be accurate. AHIC has not conducted additional audits and cannot warrant its accuracy or completeness.
- The mutual fund information found in this report is provided by Lipper Inc. and AHIC cannot warrant its accuracy or timeliness.
- Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.
- The Greenwich Quality Leaders Awards are based on quality ratings provided by clients of investment consultants and asset managers. Between July and October 2015, Greenwich Associates conducted 1,341 interviews with senior professionals at corporate and union funds, public funds, endowments and foundations, insurance general accounts, and healthcare organizations with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their investment consultants. Based on those responses, Greenwich Associates calculates a score on the Greenwich Quality Index for each consultant named. Consultants with scores that top those awarded to competitors by a statistically significant margin are named Greenwich Quality Leaders. Visit the Greenwich Associates website (<https://www.greenwich.com/asset-management/leading-investment-consultants-form-deep-advisory-relationships>) to read a copy of the full report and to learn more about the methodology.

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 up to 100.0%. Additionally, individual fund totals in dollar terms may not sum up to the plan totals.

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FRS Investment Plan | Third Quarter 2016

Quarterly Investment Review

Visit the Aon Hewitt Retirement and Investment Blog (<http://retirementandinvestmentblog.aon.com>); sharing our best thinking.



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FRS Investment Plan

As of September 30, 2016

Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	9,265,682,057	100.0	3.9	6.5	9.7	5.2	8.2	5.0
Total Plan Aggregate Benchmark			3.7	6.9	10.0	5.1	7.9	4.5
Retirement Date	3,944,400,917	42.6						
FRS Retirement Fund	389,716,753	4.2	2.5 (59)	7.2 (1)	8.1 (45)	3.4 (80)	5.3 (76)	-
Retirement Custom Index			2.5 (58)	7.1 (1)	8.2 (43)	3.5 (79)	4.6 (88)	-
FRS 2015 Retirement Date Fund	348,638,092	3.8	2.8 (50)	7.4 (9)	8.6 (58)	3.7 (92)	6.0 (97)	-
2015 Retirement Custom Index			2.8 (59)	7.2 (17)	8.6 (57)	3.7 (92)	5.5 (99)	-
FRS 2020 Retirement Date Fund	572,275,068	6.2	3.4 (31)	7.5 (13)	9.4 (42)	4.3 (80)	7.3 (71)	-
2020 Retirement Custom Index			3.4 (33)	7.3 (17)	9.4 (42)	4.3 (81)	6.9 (79)	-
FRS 2025 Retirement Date Fund	584,523,507	6.3	4.0 (25)	7.7 (14)	10.2 (38)	4.9 (84)	8.6 (74)	-
2025 Retirement Custom Index			3.9 (27)	7.4 (21)	10.1 (44)	4.7 (85)	8.2 (83)	-
FRS 2030 Retirement Date Fund	521,907,825	5.6	4.4 (18)	7.8 (18)	10.9 (39)	5.4 (75)	9.9 (55)	-
2030 Retirement Custom Index			4.3 (26)	7.5 (22)	10.8 (43)	5.2 (79)	9.6 (66)	-
FRS 2035 Retirement Date Fund	476,481,396	5.1	4.8 (19)	7.9 (15)	11.6 (36)	5.8 (63)	11.0 (51)	-
2035 Retirement Custom Index			4.7 (31)	7.5 (38)	11.3 (53)	5.5 (78)	10.7 (58)	-
FRS 2040 Retirement Date Fund	404,065,364	4.4	5.0 (25)	7.9 (16)	11.8 (42)	5.8 (72)	11.0 (61)	-
2040 Retirement Custom Index			5.0 (30)	7.5 (40)	11.6 (53)	5.5 (80)	10.8 (67)	-
FRS 2045 Retirement Date Fund	382,611,921	4.1	5.2 (34)	8.1 (14)	12.1 (44)	5.8 (78)	11.1 (74)	-
2045 Retirement Custom Index			5.2 (35)	7.6 (36)	11.8 (56)	5.5 (80)	10.8 (86)	-
FRS 2050 Retirement Date Fund	200,662,604	2.2	5.2 (29)	8.1 (17)	12.1 (41)	5.8 (77)	11.1 (71)	-
2050 Retirement Custom Index			5.2 (31)	7.6 (38)	11.8 (54)	5.5 (80)	10.8 (75)	-
FRS 2055 Retirement Date Fund	63,518,389	0.7	5.2 (40)	8.0 (16)	12.0 (51)	5.8 (78)	11.1 (88)	-
2055 Retirement Custom Index			5.2 (40)	7.6 (36)	11.8 (63)	5.5 (87)	10.8 (94)	-

As of September 30, 2016

Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
Cash	1,032,000,391	11.1	0.2 (1)	0.4 (1)	0.5 (1)	0.3 (1)	0.3 (1)	1.1 (5)
FRS Money Market Fund	1,032,000,391	11.1	0.2 (1)	0.4 (1)	0.5 (1)	0.3 (1)	0.3 (1)	1.1 (5)
iMoneyNet 1st Tier Institutional Net Index			0.1 (34)	0.2 (33)	0.2 (31)	0.1 (25)	0.1 (23)	1.1 (9)
Real Assets	94,158,656	1.0						
FRS Real Assets Fund	94,158,656	1.0	1.5	7.4	6.5	0.0	0.7	-
FRS Custom Real Assets Index			1.4	7.4	6.9	0.5	0.6	-
Fixed Income	736,054,742	7.9	1.3 (11)	7.0 (3)	6.3 (3)	4.0 (2)	3.6 (15)	5.2 (9)
Total Bond Index			1.1 (12)	6.6 (4)	5.9 (4)	3.9 (3)	3.3 (29)	4.8 (14)
FRS U.S. Bond Enhanced Index Fund	268,659,122	2.9	0.5 (6)	5.9 (36)	5.4 (35)	4.2 (34)	3.2 (34)	5.0 (41)
Bimbg. Barc. U.S. Aggregate			0.5 (6)	5.8 (37)	5.2 (36)	4.0 (36)	3.1 (35)	4.8 (49)
FIAM Intermediate Duration Pool Fund	123,352,119	1.3	0.5 (49)	5.2 (14)	4.4 (15)	3.2 (15)	3.0 (34)	4.4 (22)
Bimbg. Barc. U.S. Intermediate Aggregate			0.3 (70)	4.1 (30)	3.6 (29)	3.1 (17)	2.6 (57)	4.3 (23)
FRS Core Plus Fixed Income Fund	344,043,502	3.7	1.8 (28)	7.9 (27)	7.3 (28)	4.5 (40)	5.5 (19)	-
FRS Custom Core-Plus Fixed Income Index			1.3 (47)	7.2 (40)	6.5 (41)	4.5 (45)	4.7 (36)	-
Domestic Equity	2,400,863,568	25.9	5.1 (41)	7.9 (31)	14.3 (21)	9.9 (27)	16.6 (17)	8.0 (24)
Total U.S. Equities Index			4.9 (46)	9.2 (18)	15.2 (15)	9.8 (28)	16.2 (24)	7.4 (36)
FRS U.S. Stock Market Index Fund	774,668,709	8.4	4.4 (49)	8.3 (21)	15.1 (21)	10.5 (29)	16.4 (21)	7.5 (31)
Russell 3000 Index			4.4 (49)	8.2 (22)	15.0 (24)	10.4 (31)	16.4 (24)	7.4 (33)
FRS U.S. Large Cap Equity Fund	822,977,974	8.9	5.3 (26)	4.0 (75)	11.4 (62)	9.6 (52)	16.1 (33)	-
Russell 1000 Index			4.0 (55)	7.9 (24)	14.9 (20)	10.8 (27)	16.4 (24)	-
FRS U.S. Small/Mid Cap Equity Fund	803,216,884	8.7	6.4 (34)	11.3 (23)	15.8 (20)	9.3 (21)	17.7 (10)	-
FRS Custom Small/Mid Cap Index			6.6 (31)	12.7 (12)	16.0 (18)	7.2 (42)	12.7 (87)	-

As of September 30, 2016

Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
International/Global Equity	635,586,543	6.9	7.0 (46)	6.4 (50)	10.2 (50)	2.2 (33)	8.6 (29)	3.5 (35)
Total Foreign and Global Equities Index			6.8 (48)	6.2 (51)	10.1 (50)	1.4 (42)	7.6 (41)	2.3 (58)
FRS Foreign Stock Index Fund	244,536,134	2.6	7.1 (45)	7.0 (46)	10.2 (50)	1.1 (47)	7.5 (43)	2.3 (56)
MSCI All Country World ex-U.S. IMI Index			7.1 (46)	6.1 (52)	9.8 (52)	0.8 (52)	7.2 (50)	2.0 (65)
American Funds New Perspective Fund	236,646,516	2.6	5.8 (40)	4.1 (74)	11.2 (50)	7.3 (21)	13.3 (21)	7.1 (19)
MSCI All Country World Index Net			5.3 (47)	6.6 (52)	12.0 (44)	5.2 (51)	10.7 (50)	4.1 (58)
American Funds Euro-Pacific Growth Fund	154,403,893	1.7	8.2 (7)	5.4 (19)	8.5 (23)	3.3 (2)	9.1 (8)	4.3 (2)
MSCI All Country World ex-U.S. Index			7.0 (19)	6.3 (15)	9.8 (16)	0.6 (26)	6.5 (67)	1.7 (45)
FRS Self-Dir Brokerage Acct	422,617,240	4.6						

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

As of September 30, 2016

Asset Allocation & Performance

	Performance(%)								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
FRS Investment Plan	-0.9	4.9	15.2	10.5	0.7	10.6	18.4	-23.2	7.8
Total Plan Aggregate Benchmark	-1.3	4.9	14.6	9.7	0.9	10.2	16.8	-23.4	6.1
Retirement Date									
FRS Retirement Fund	-2.6 (100)	4.4 (83)	3.5 (96)	10.7 (56)	3.4 (9)	11.5 (52)	20.0 (82)	-	-
Retirement Custom Index	-1.8 (95)	3.6 (90)	3.4 (96)	8.5 (74)	5.0 (1)	9.9 (80)	19.1 (84)	-	-
FRS 2015 Retirement Date Fund	-2.5 (98)	4.4 (76)	5.5 (86)	11.3 (43)	2.1 (20)	11.5 (62)	21.8 (67)	-	-
2015 Retirement Custom Index	-1.8 (92)	3.7 (92)	5.7 (85)	9.6 (88)	3.2 (1)	10.4 (85)	22.2 (65)	-	-
FRS 2020 Retirement Date Fund	-2.1 (92)	4.4 (79)	9.6 (75)	12.4 (38)	0.6 (38)	12.2 (64)	24.5 (55)	-	-
2020 Retirement Custom Index	-1.6 (82)	3.9 (88)	9.7 (75)	11.0 (74)	1.5 (21)	11.2 (86)	24.2 (58)	-	-
FRS 2025 Retirement Date Fund	-1.7 (80)	4.5 (86)	13.7 (74)	13.5 (43)	-0.7 (35)	12.5 (88)	26.4 (64)	-	-
2025 Retirement Custom Index	-1.5 (75)	4.2 (91)	13.8 (74)	12.4 (73)	-0.3 (26)	11.8 (93)	26.3 (65)	-	-
FRS 2030 Retirement Date Fund	-1.3 (60)	4.5 (83)	18.1 (54)	14.6 (34)	-2.1 (50)	13.0 (86)	29.0 (48)	-	-
2030 Retirement Custom Index	-1.5 (63)	4.4 (83)	18.2 (52)	13.8 (53)	-2.0 (49)	12.5 (91)	29.2 (47)	-	-
FRS 2035 Retirement Date Fund	-1.4 (46)	4.4 (84)	22.0 (38)	15.8 (23)	-3.0 (46)	13.7 (80)	29.8 (58)	-	-
2035 Retirement Custom Index	-1.7 (63)	4.3 (85)	22.0 (38)	15.2 (46)	-3.1 (47)	13.3 (89)	30.1 (57)	-	-
FRS 2040 Retirement Date Fund	-1.4 (52)	4.4 (83)	22.3 (48)	15.8 (36)	-3.0 (38)	13.7 (79)	29.8 (54)	-	-
2040 Retirement Custom Index	-1.7 (66)	4.3 (84)	22.4 (48)	15.2 (50)	-3.1 (38)	13.3 (85)	30.1 (53)	-	-
FRS 2045 Retirement Date Fund	-1.5 (48)	4.4 (82)	22.3 (60)	15.8 (38)	-3.0 (26)	13.7 (86)	29.8 (65)	-	-
2045 Retirement Custom Index	-1.7 (59)	4.3 (83)	22.4 (60)	15.2 (68)	-3.1 (26)	13.3 (89)	30.1 (63)	-	-
FRS 2050 Retirement Date Fund	-1.5 (55)	4.4 (82)	22.3 (53)	15.8 (36)	-3.0 (20)	13.7 (84)	29.8 (73)	-	-
2050 Retirement Custom Index	-1.7 (62)	4.3 (82)	22.4 (53)	15.2 (58)	-3.1 (20)	13.3 (87)	30.1 (70)	-	-
FRS 2055 Retirement Date Fund	-1.4 (54)	4.4 (80)	22.3 (73)	15.8 (45)	-	-	-	-	-
2055 Retirement Custom Index	-1.7 (68)	4.3 (80)	22.4 (72)	15.2 (75)	-	-	-	-	-

As of September 30, 2016

Asset Allocation & Performance

	Performance(%)								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Cash	0.2 (4)	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)	2.4 (41)	5.4 (1)
FRS Money Market Fund	0.2 (4)	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)	2.4 (41)	5.4 (1)
iMoneyNet 1st Tier Institutional Net Index	0.0 (26)	0.0 (23)	0.0 (23)	0.1 (23)	0.1 (23)	0.2 (7)	0.7 (3)	3.0 (5)	5.4 (1)
Real Assets									
FRS Real Assets Fund	-7.9	3.2	-9.1	9.1	7.4	11.7	16.0	-	-
FRS Custom Real Assets Index	-5.0	1.8	-8.9	6.6	4.6	13.0	17.2	-	-
Fixed Income									
Total Bond Index	0.1 (85)	4.9 (2)	-1.2 (88)	4.8 (64)	7.4 (1)	7.0 (37)	8.9 (79)	1.9 (49)	6.5 (26)
FRS U.S. Bond Enhanced Index Fund	0.7 (33)	6.2 (35)	-2.0 (16)	4.4 (14)	7.9 (67)	6.7 (48)	6.5 (6)	5.9 (87)	7.2 (64)
Blmbg. Barc. U.S. Aggregate	0.5 (43)	6.0 (36)	-2.0 (17)	4.2 (15)	7.8 (67)	6.5 (49)	5.9 (7)	5.2 (89)	7.0 (67)
FIAM Intermediate Duration Pool Fund	0.9 (31)	3.4 (22)	-0.5 (61)	4.9 (60)	5.9 (12)	7.0 (37)	11.9 (56)	-1.7 (56)	6.0 (39)
Blmbg. Barc. U.S. Intermediate Aggregate	1.2 (17)	4.1 (6)	-1.0 (84)	3.6 (80)	6.0 (11)	6.1 (50)	6.5 (86)	4.9 (11)	7.0 (17)
FRS Core Plus Fixed Income Fund	0.1 (47)	4.6 (87)	0.8 (21)	11.1 (16)	4.6 (88)	10.1 (28)	21.6 (20)	-	-
FRS Custom Core-Plus Fixed Income Index	0.2 (42)	5.1 (79)	0.8 (20)	7.8 (50)	7.6 (32)	9.1 (42)	18.7 (31)	-	-
Domestic Equity									
Total U.S. Equities Index	-0.5 (45)	11.1 (47)	34.0 (55)	16.5 (36)	-0.1 (38)	19.3 (32)	28.4 (66)	-36.5 (31)	3.3 (69)
FRS U.S. Stock Market Index Fund	0.6 (50)	12.6 (33)	33.6 (40)	16.5 (39)	1.0 (40)	17.1 (16)	28.6 (50)	-37.2 (50)	5.2 (65)
Russell 3000 Index	0.5 (51)	12.6 (34)	33.6 (40)	16.4 (40)	1.0 (40)	16.9 (18)	28.3 (51)	-37.3 (53)	5.1 (66)
FRS U.S. Large Cap Equity Fund	2.7 (30)	12.8 (42)	36.4 (22)	17.2 (24)	1.2 (45)	17.8 (19)	30.5 (36)	-	-
Russell 1000 Index	0.9 (43)	13.2 (33)	33.1 (47)	16.4 (32)	1.5 (41)	16.1 (31)	28.4 (43)	-	-
FRS U.S. Small/Mid Cap Equity Fund	-1.1 (37)	8.6 (28)	37.1 (45)	18.7 (26)	-0.9 (37)	29.6 (25)	37.0 (41)	-	-
FRS Custom Small/Mid Cap Index	-4.2 (71)	7.7 (35)	22.0 (98)	15.3 (52)	1.1 (22)	21.3 (86)	26.4 (86)	-	-

As of September 30, 2016

Asset Allocation & Performance

	Performance(%)								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
International/Global Equity	-2.6 (48)	-3.2 (42)	21.6 (33)	18.6 (53)	-11.3 (23)	10.1 (73)	34.8 (62)	-40.9 (20)	15.0 (47)
Total Foreign and Global Equities Index	-4.4 (54)	-3.0 (40)	20.6 (38)	16.6 (72)	-11.3 (23)	10.1 (73)	32.4 (69)	-42.8 (30)	11.3 (64)
FRS Foreign Stock Index Fund	-4.4 (55)	-4.5 (54)	20.5 (39)	17.6 (63)	-11.8 (27)	9.2 (77)	32.3 (69)	-42.5 (28)	12.7 (57)
MSCI All Country World ex-U.S. IMI Index	-4.6 (55)	-4.2 (50)	21.0 (36)	16.4 (72)	-12.2 (30)	8.9 (78)	33.7 (66)	-43.6 (35)	12.4 (58)
American Funds New Perspective Fund	5.6 (12)	3.7 (42)	27.1 (41)	21.0 (15)	-7.4 (45)	13.0 (56)	37.7 (44)	-37.7 (30)	16.3 (35)
MSCI All Country World Index Net	-2.4 (54)	4.2 (38)	22.8 (60)	16.3 (39)	-5.5 (34)	11.8 (61)	30.0 (66)	-40.7 (43)	9.0 (57)
American Funds Euro-Pacific Growth Fund	-0.5 (25)	-2.3 (8)	20.6 (51)	19.6 (27)	-13.3 (60)	9.8 (25)	39.6 (5)	-40.3 (19)	19.3 (5)
MSCI All Country World ex-U.S. Index	-5.3 (83)	-3.4 (10)	15.8 (77)	17.4 (61)	-13.3 (62)	11.6 (13)	32.5 (32)	-43.1 (66)	11.6 (56)
FRS Self-Dir Brokerage Acct									

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

Asset Allocation

Asset Allocation as of 9/30/2016								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Cash	Brokerage	Total	% of Total
FRS Retirement Fund	61,185,530	56,508,929	141,077,464	130,944,829			389,716,753	4.2%
FRS 2015 Retirement Date Fund	63,103,495	58,222,561	118,885,589	108,426,447			348,638,092	3.8%
FRS 2020 Retirement Date Fund	138,490,566	128,189,615	183,128,022	122,466,864			572,275,068	6.2%
FRS 2025 Retirement Date Fund	175,357,052	161,328,488	168,927,293	78,910,673			584,523,507	6.3%
FRS 2030 Retirement Date Fund	181,623,923	167,532,412	129,955,048	42,796,442			521,907,825	5.6%
FRS 2035 Retirement Date Fund	185,827,744	171,533,302	98,155,167	20,965,181			476,481,396	5.1%
FRS 2040 Retirement Date Fund	172,535,910	159,605,819	63,034,197	8,889,438			404,065,364	4.4%
FRS 2045 Retirement Date Fund	170,644,917	157,253,500	45,913,431	8,800,074			382,611,921	4.1%
FRS 2050 Retirement Date Fund	89,495,521	82,472,330	24,079,512	4,615,240			200,662,604	2.2%
FRS 2055 Retirement Date Fund	28,329,201	26,106,058	7,622,207	1,460,923			63,518,389	0.7%
Total Retirement Date Funds	\$ 1,266,593,860	\$ 1,168,753,014	\$ 980,777,931	\$ 528,276,112	\$ -	\$ -	\$ 3,944,400,917	42.6%
FRS Money Market Fund					1,032,000,391		1,032,000,391	11.1%
Total Cash	\$ -	\$ -	\$ -	\$ -	\$ 1,032,000,391	\$ -	\$ 1,032,000,391	11.1%
FRS Real Assets Fund				94,158,656	-		94,158,656	1.0%
Total Real Assets	\$ -	\$ -	\$ -	\$ 94,158,656	\$ -	\$ -	\$ 94,158,656	1.0%
FRS U.S. Bond Enhanced Index Fund			268,659,122				268,659,122	2.9%
FIAM Intermediate Duration Pool Fund			123,352,119				123,352,119	1.3%
FRS Core Plus Fixed Income Fund			344,043,502				344,043,502	3.7%
Total Fixed Income	\$ -	\$ -	\$ 736,054,742	\$ -	\$ -	\$ -	\$ 736,054,742	7.9%
FRS U.S. Stock Market Index Fund	774,668,709						774,668,709	8.4%
FRS U.S. Large Cap Equity Fund	822,977,974						822,977,974	8.9%
FRS U.S. Small/Mid Cap Equity Fund	803,216,884						803,216,884	8.7%
Total Domestic Equity	\$ 2,400,863,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,863,568	25.9%
FRS Foreign Stock Index Fund		244,536,134					244,536,134	2.6%
American Funds New Perspective Fund		236,646,516					236,646,516	2.6%
American Funds Euro-Pacific Growth Fund		154,403,893					154,403,893	1.7%
Total International/Global Equity	\$ -	\$ 635,586,543	\$ -	\$ -	\$ -	\$ -	\$ 635,586,543	6.9%
FRS Self-Dir Brokerage Acct						422,617,240	422,617,240	4.6%
Total Self-Dir Brokerage Acct						\$ 422,617,240	\$ 422,617,240	4.6%
Total Portfolio	\$ 3,667,457,428	\$ 1,804,339,557	\$ 1,716,832,674	\$ 622,434,768	\$ 1,032,000,391	\$ 422,617,240	\$ 9,265,682,057	100.0%
Percent of Total	39.58%	19.47%	18.53%	6.72%	11.14%	4.56%	100.0%	

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
 Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

Multi Timeperiod Statistics

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio	3 Years Up Market Capture	3 Years Down Market Capture
FRS Investment Plan	5.18	7.37	0.71	0.48	0.19	100.40	99.38
FRS Retirement Fund	3.45	5.05	0.68	0.92	-0.04	100.44	101.42
FRS 2015 Retirement Date Fund	3.69	5.46	0.67	0.82	-0.05	99.99	100.69
FRS 2020 Retirement Date Fund	4.27	6.31	0.68	0.62	0.04	101.12	101.49
FRS 2025 Retirement Date Fund	4.89	7.13	0.69	0.52	0.26	99.80	97.74
FRS 2030 Retirement Date Fund	5.43	8.03	0.69	0.47	0.39	100.66	98.86
FRS 2035 Retirement Date Fund	5.76	9.08	0.65	0.50	0.53	101.33	99.32
FRS 2040 Retirement Date Fund	5.78	9.45	0.63	0.54	0.43	100.67	98.65
FRS 2045 Retirement Date Fund	5.84	9.55	0.63	0.65	0.41	100.15	97.58
FRS 2050 Retirement Date Fund	5.83	9.56	0.63	0.63	0.41	100.22	97.74
FRS 2055 Retirement Date Fund	5.83	9.56	0.63	0.63	0.41	100.18	97.71
FRS Money Market Fund	0.28	0.05	4.88	0.02	8.10	315.58	N/A
FRS Real Assets Fund	0.01	6.46	0.01	1.91	-0.24	110.92	117.77
FRS U.S. Bond Enhanced Index Fund	4.19	2.62	1.54	0.10	1.60	102.43	98.96
FIAM Intermediate Duration Pool Fund	3.19	2.02	1.52	0.62	0.16	104.28	106.76
FRS Core Plus Fixed Income Fund	4.55	2.84	1.55	0.51	0.13	105.34	114.56
FRS U.S. Stock Market Index Fund	10.55	10.98	0.96	0.04	2.58	100.33	99.68
FRS U.S. Large Cap Equity Fund	9.62	12.01	0.82	2.95	-0.32	100.38	110.58
FRS U.S. Small/Mid Cap Equity Fund	9.25	12.58	0.76	2.15	0.89	107.60	97.78
FRS Foreign Stock Index Fund	1.06	12.28	0.14	1.49	0.17	97.55	95.69
American Funds New Perspective Fund	7.35	11.16	0.68	2.83	0.72	102.21	86.47
American Funds Euro-Pacific Growth Fund	3.35	11.29	0.34	4.15	0.60	91.69	75.38

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

As of September 30, 2016

Multi Timeperiod Statistics

	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	8.21	7.11	1.13	0.45	0.62	101.35	98.37
FRS Retirement Fund	5.35	5.48	0.96	2.33	0.33	114.60	112.28
FRS 2015 Retirement Date Fund	6.02	5.95	1.00	1.77	0.30	108.98	108.14
FRS 2020 Retirement Date Fund	7.33	6.84	1.06	1.19	0.39	106.74	106.72
FRS 2025 Retirement Date Fund	8.62	7.75	1.10	0.70	0.52	102.68	100.41
FRS 2030 Retirement Date Fund	9.94	8.78	1.12	0.56	0.47	100.54	97.70
FRS 2035 Retirement Date Fund	11.01	9.91	1.10	0.63	0.41	100.27	97.50
FRS 2040 Retirement Date Fund	11.04	10.12	1.08	0.65	0.37	99.97	97.12
FRS 2045 Retirement Date Fund	11.08	10.17	1.08	0.71	0.37	99.72	96.41
FRS 2050 Retirement Date Fund	11.07	10.18	1.08	0.70	0.37	99.75	96.52
FRS 2055 Retirement Date Fund	11.07	10.17	1.08	0.70	0.37	99.74	96.50
FRS Money Market Fund	0.27	0.04	5.96	0.02	10.14	371.94	N/A
FRS Real Assets Fund	0.71	6.59	0.12	2.05	0.05	104.87	104.21
FRS U.S. Bond Enhanced Index Fund	3.21	2.68	1.16	0.12	1.03	101.92	98.82
FIAM Intermediate Duration Pool Fund	2.95	2.12	1.34	0.62	0.63	114.72	113.83
FRS Core Plus Fixed Income Fund	5.50	3.43	1.55	0.94	0.79	116.62	118.18
FRS U.S. Stock Market Index Fund	16.45	11.44	1.39	0.05	1.70	100.21	99.68
FRS U.S. Large Cap Equity Fund	16.10	12.66	1.24	3.00	-0.03	104.83	115.31
FRS U.S. Small/Mid Cap Equity Fund	17.73	13.73	1.26	3.46	1.33	121.46	102.86
FRS Foreign Stock Index Fund	7.50	13.54	0.59	1.83	0.14	97.57	94.65
American Funds New Perspective Fund	13.26	11.83	1.11	2.73	0.82	103.30	86.06
American Funds Euro-Pacific Growth Fund	9.11	12.69	0.74	3.77	0.59	93.59	76.23

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

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Appendix



As of September 30, 2016

Benchmark Descriptions

Retirement Date Benchmarks - A weighted average composite of the underlying components' benchmarks for each fund.

iMoneyNet 1st Tier Institutional Net Index - An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.

FRS Custom Real Assets Index - A monthly weighted composite of underlying indices for each TIPS and Real Assets fund. These indices include Barclays U.S. TIPS Index, MSCI World-AC World Index and the Bloomberg Commodity Index, Total Return Index.

Total Bond Index - A weighted average composite of the underlying benchmarks for each bond fund.

Barclays Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

Barclays Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

FRS Custom Core-Plus Fixed Income Index - A monthly rebalanced blend of 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.

Russell 1000 Index - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

FRS Custom Small/Mid Cap Index - A monthly rebalanced blend of 45% S&P 400 Index, 30% Russell 2000 Index and 25% Russell 2000 Value Index.

Total Foreign and Global Equities Index - A weighted average composite of the underlying benchmarks for each foreign and global equity fund.

MSCI All Country World ex-U.S. IMI Index - A capitalization-weighted index of stocks representing 22 developed country stock markets and 23 emerging countries, excluding the U.S. market.

MSCI All Country World Index - A capitalization-weighted index of stocks representing approximately 46 developed and emerging countries, including the U.S. and Canadian markets.

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 23 developed and 21 emerging countries, but excluding the U.S.

As of September 30, 2016

Descriptions of Universes

Retirement Date Funds - Target date universes calculated and provided by Lipper.

FRS Money Market Fund - A money market universe calculated and provided by Lipper.

FRS U.S. Bond Enhanced Index Fund - A long-term bond fixed income universe calculated and provided by Lipper.

FIAM Intermediate Duration Pool Fund - A broad intermediate-term fixed income universe calculated and provided by Lipper.

FRS Core Plus Fixed Income Fund - A core plus bond fixed income universe calculated and provided by Lipper.

FRS U.S. Stock Market Index Fund - A large cap blend universe calculated and provided by Lipper.

FRS U.S. Large Cap Equity Fund - A large cap universe calculated and provided by Lipper.

FRS U.S. Small/Mid Cap Equity Fund - A small/mid cap universe calculated and provided by Lipper.

FRS Foreign Stock Index Fund - A foreign blend universe calculated and provided by Lipper.

American Funds New Perspective Fund - A global stock universe calculated and provided by Lipper.

American Funds Euro-Pacific Growth Fund - A foreign large blend universe calculated and provided by Lipper.

Disclaimers and Notes

Disclaimers:

- Please review this report and notify Aon Hewitt Investment Consulting (AHIC) with any issues or questions you may have with respect to investment performance or any other matter set forth herein.
- The client portfolio market value data presented in this report has been obtained from the custodian. AHIC has compared this information to the investment managers' reported returns and believes the information to be accurate. AHIC has not conducted additional audits and cannot warrant its accuracy or completeness.
- The mutual fund information found in this report is provided by Lipper Inc. and AHIC cannot warrant its accuracy or timeliness.
- Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.
- The Greenwich Quality Leaders Awards are based on quality ratings provided by clients of investment consultants and asset managers. Between July and October 2015, Greenwich Associates conducted 1,341 interviews with senior professionals at corporate and union funds, public funds, endowments and foundations, insurance general accounts, and healthcare organizations with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their investment consultants. Based on those responses, Greenwich Associates calculates a score on the Greenwich Quality Index for each consultant named. Consultants with scores that top those awarded to competitors by a statistically significant margin are named Greenwich Quality Leaders. Visit the Greenwich Associates website (<https://www.greenwich.com/asset-management/leading-investment-consultants-form-deep-advisory-relationships>) to read a copy of the full report and to learn more about the methodology.

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 up to 100.0%. Additionally, individual fund totals in dollar terms may not sum up to the plan totals.



Lawton Chiles Endowment Fund | Third Quarter 2016

Quarterly Investment Review

Visit the Aon Hewitt Retirement and Investment Blog (<http://retirementandinvestmentblog.aon.com>); sharing our best thinking.



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2	Appendix	9



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LCEF Total Fund

1

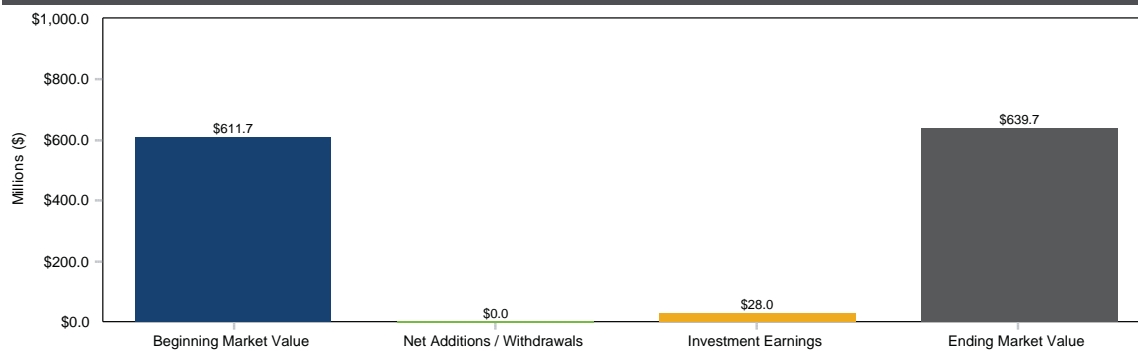


LCEF Total Fund

As of September 30, 2016

Total Plan Asset Summary

Change in Market Value From July 1, 2016 to September 30, 2016



Summary of Cash Flow

	1 Quarter	Fiscal YTD*
LCEF Total Fund		
Beginning Market Value	611,715,263	611,715,263
+ Additions / Withdrawals	-	-
+ Investment Earnings	27,977,422	27,977,422
= Ending Market Value	639,692,685	639,692,685

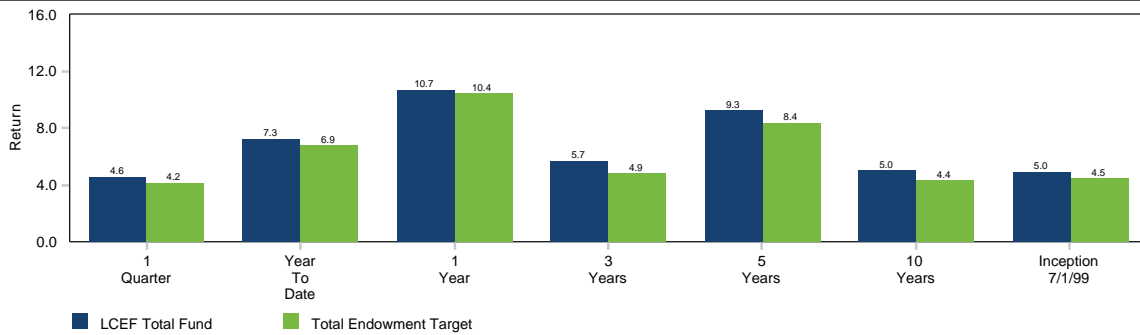
*Period July 2016 - September 2016

2

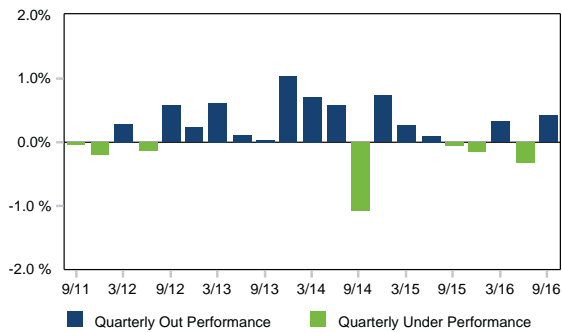


Total Plan Performance Summary

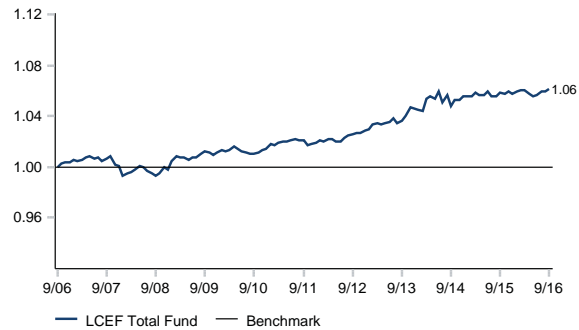
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
LCEF Total Fund	639,692,685	100.0	100.0	4.6 (7)	7.3 (7)	10.7 (6)	5.7 (22)	9.3 (19)	5.0 (50)
Total Endowment Target				4.2 (23)	6.9 (12)	10.4 (8)	4.9 (52)	8.4 (47)	4.4 (74)
Global Equity*	464,418,126	72.6	71.0	6.1	7.8	12.8	6.6	13.5	6.0
Global Equity Target				5.6	7.0	12.2	5.3	12.2	5.3
Fixed Income	103,963,277	16.3	17.0	0.5 (62)	5.8 (39)	5.2 (40)	4.1 (24)	3.2 (52)	4.8 (46)
Bimbg. Barc. U.S. Aggregate				0.5 (62)	5.8 (41)	5.2 (40)	4.0 (25)	3.1 (55)	4.8 (47)
TIPS	64,275,375	10.0	11.0	1.0	7.3	6.7	2.4	2.0	4.8
Barclays U.S. TIPS				1.0	7.3	6.6	2.4	1.9	4.5
Cash Equivalents	7,035,908	1.1	1.0	0.2	0.5	0.5	0.4	0.5	1.5
S&P US AAA & AA Rated GIP 30D Net Yield Index				0.1	0.3	0.3	0.1	0.1	1.0

Benchmark and universe descriptions are provided in the Appendix.

*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

As of September 30, 2016

Calendar Year Performance

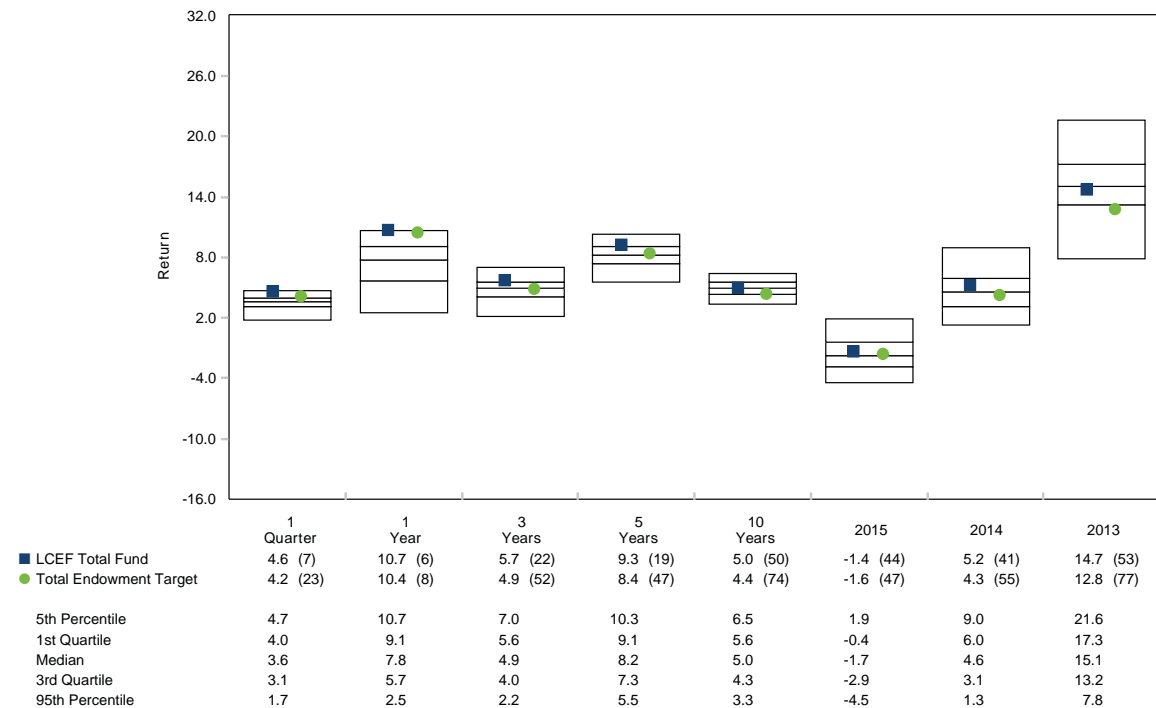
	Performance(%)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
LCEF Total Fund	-1.4 (44)	5.2 (41)	14.7 (53)	13.2 (21)	1.9 (14)	14.0 (14)	21.2 (48)	-29.2 (75)	6.3 (84)	15.0 (19)
Total Endowment Target	-1.6 (47)	4.3 (55)	12.8 (77)	12.2 (47)	1.5 (16)	13.7 (16)	19.6 (59)	-28.9 (73)	6.5 (80)	14.0 (32)
Global Equity*	-1.9	5.3	27.1	20.4	-1.1	17.0	30.8	-39.6	6.8	17.4
Global Equity Target	-2.4	3.9	24.1	19.4	-2.2	16.1	30.5	-39.2	7.2	17.8
Fixed Income	0.6 (31)	6.0 (24)	-1.8 (73)	4.6 (83)	7.6 (37)	7.0 (74)	4.6 (96)	5.8 (5)	7.3 (40)	4.4 (33)
Bimbg. Barc. U.S. Aggregate	0.5 (33)	6.0 (25)	-2.0 (75)	4.2 (89)	7.8 (35)	6.5 (77)	5.9 (87)	5.2 (15)	7.0 (51)	4.3 (35)
TIPS	-1.2	3.5	-8.7	7.2	13.6	6.1	13.3	-2.0	12.4	0.8
Barclays U.S. TIPS	-1.4	3.6	-8.6	7.0	13.6	6.3	11.4	-2.4	11.6	0.4
Cash Equivalents	0.5	0.2	0.2	1.3	0.1	2.0	2.6	0.5	5.4	5.2
S&P US AAA & AA Rated GIP 30D Net Yield Index	0.1	0.0	0.1	0.1	0.2	0.3	0.7	2.3	4.7	5.1

*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

As of September 30, 2016

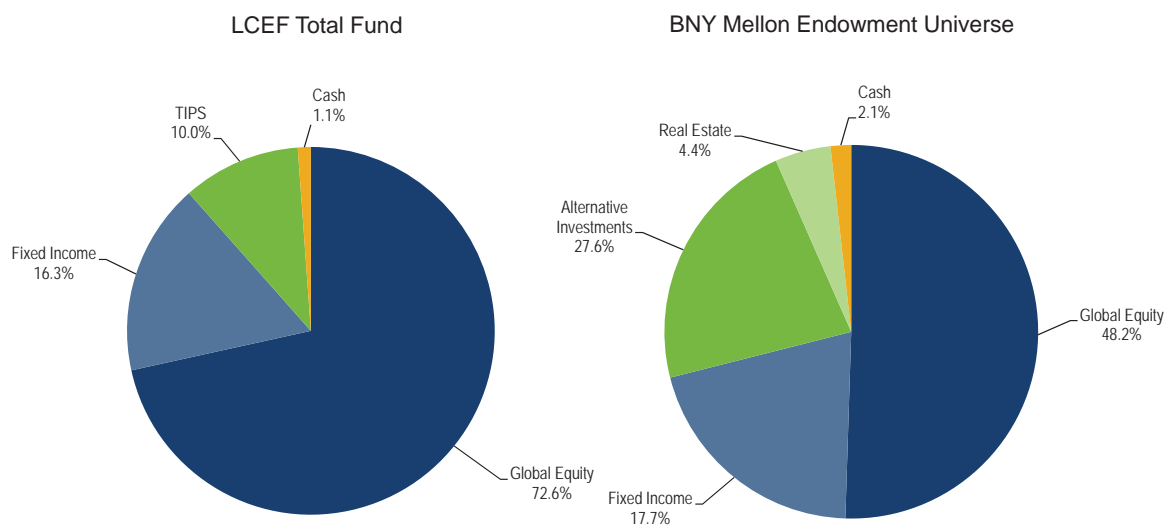
Plan Sponsor Peer Group Analysis

All Endowments-Total Fund

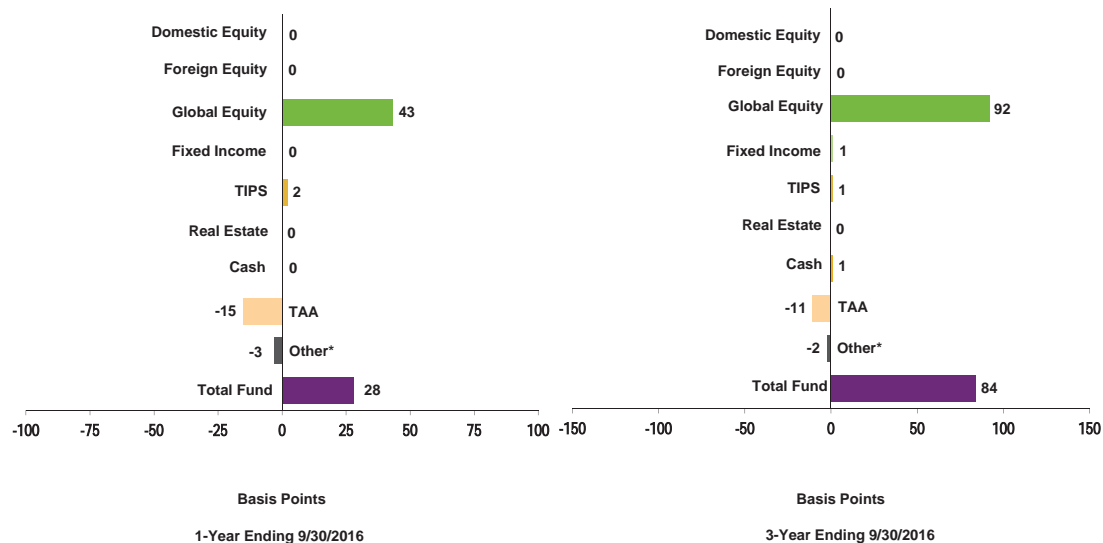


Parentheses contain percentile rankings.

Universe Asset Allocation Comparison



Attribution



*Other includes differences between official performance value added due to methodology and extraordinary payouts.



Appendix

As of September 30, 2016 Benchmark Descriptions

LCEF Total Fund

Total Endowment Target - A weighted blend of the individual asset class target benchmarks.

Total Global Equity

MSCI ACWI IMI ex-Tobacco - From 7/1/2014 forward, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. From 10/1/2013 to 6/30/2014, a custom version of the MSCI ACWI IMI adjusted to reflect a 55% fixed weight in the MSCI USA IMI and a 45% fixed weight in the MSCI ACWI ex-USA IMI, and excluding certain equities of tobacco-related companies. From 9/1/2012 to 9/30/2013, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. Prior to 9/1/2012, the benchmark is a weighted average of both the Domestic Equities and Foreign Equities historical benchmarks.

Total Domestic Equities

Russell 3000 Index ex-Tobacco - Prior to 9/1/2012, an index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices, while excluding tobacco companies.

Total Foreign Equities

MSCI ACWI ex-US IMI ex-Tobacco - Prior to 9/1/2012, a capitalization-weighted index representing 44 countries, but excluding the United States. The index includes 23 developed and 21 emerging market countries, and excludes tobacco companies.

Total Fixed Income

Barclays Aggregate Bond Index - A market value-weighted index consisting of the Barclays Credit, Government, and Mortgage-Backed Securities Indices. The index also includes credit card, auto, and home equity loan-backed securities. This index is the broadest available measure of the aggregate investment grade U.S. fixed income market.

Total TIPS

Barclays U.S. TIPS - A market value-weighted index consisting of U.S. Treasury Inflation-Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500 million or more.

Total Cash Equivalents

S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index - An unmanaged, net-of-fees, market index representative of the Local Government Investment Pool. On 10/1/2011, the S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index replaced the S&P U.S. AAA & AA Rated GIP 30-Day Gross Yield Index, which was previously used from 4/30/08 - 9/30/11. Prior to 4/30/08, it was the average 3-month T-bill rate.

As of September 30, 2016

Universe Descriptions

LCEF Total Fund

A universe comprised of 196 total endowment portfolio returns, net of fees, calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$410.1 billion as of quarter-end and the average market value was \$1.1 billion.

Total Fixed Income

A universe comprised of 39 total fixed income portfolio returns, net of fees, of endowment plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$20.8 billion as of quarter-end and the average market value was \$107.6 million.

As of September 30, 2016

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.

Disclaimers and Notes

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- The mutual fund information found in this report is provided by Lipper Inc. and AHIC cannot warrant its accuracy or timeliness.
- Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.
- The Greenwich Quality Leaders Awards are based on quality ratings provided by clients of investment consultants and asset managers. Between July and October 2015, Greenwich Associates conducted 1,341 interviews with senior professionals at corporate and union funds, public funds, endowments and foundations, insurance general accounts, and healthcare organizations with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their investment consultants. Based on those responses, Greenwich Associates calculates a score on the Greenwich Quality Index for each consultant named. Consultants with scores that top those awarded to competitors by a statistically significant margin are named Greenwich Quality Leaders. Visit the Greenwich Associates website (<https://www.greenwich.com/asset-management/leading-investment-consultants-form-deep-advisory-relationships>) to read a copy of the full report and to learn more about the methodology.

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.
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- Due to rounding throughout the report, percentage totals displayed may not sum up to 100.0%. Additionally, individual fund totals in dollar terms may not sum up to the plan totals.

State Board of Administration

Position Description

Page 1 of 3

Position Number:	<u>00000001</u>
Position Title:	<u>Executive Director & CIO</u>
Department:	<u>100 - Executive Director</u>
Current Incumbent:	<u>Williams Jr., Ashbel C.</u>
Wage Class:	<u>Executive</u>
Salary Grade and Range:	<u>Grade 17; Min \$364,000 - Max \$546,000</u>
Annual Salary/Eff. Date	<u>\$411,000 December 6, 2016</u>

Job Responsibilities:

Summary

The State Board of Administration (SBA) Trustees are the Governor as Chairman, the Chief Financial Officer, and the Attorney General. The SBA has delegated to the Executive Director & CIO the authority and responsibility for all administrative, operational, back office, and investment management functions, in compliance with federal and state laws, administrative rules and policies of the SBA. The Executive Director & CIO responsibilities include the development of investment policies and the prudent investment of assets of the Florida Retirement System (FRS) Pension Plan (defined benefit), FRS Investment Plan (defined contribution), Lawton Chiles Endowment Fund (LCEF), Local Government Investment Pool, miscellaneous trust funds, Debt Service and other mandates and trusts. The Executive Director & CIO must discharge his/her fiduciary duties while adhering to the highest ethical, fiduciary, and professional standards.

**** Leadership Responsibilities ****

Maintain effective relationships with Trustees, members of the Investment Advisory Council, Participant Local Government Advisory Council, Audit Committee, legislators, clients, and other stakeholders.

Provide leadership to employees managing and directing the day-to-day operations of the SBA, including the administrative, procurement, personnel, budget and legislative liaison functions of the SBA.

Provide leadership to employees managing and directing the back office, accounting, corporate governance, and investment support functions of the SBA.

**** Investment Responsibilities ****

Provide leadership to employees managing and directing all aspects of the implementation and oversight of investment management functions to achieve risk and return objectives, including the strategic and tactical allocation of investment assets.

Provide leadership to employees developing specific individual investment portfolio objectives, policy guidelines and applying analytical models to measure risk tolerance and portfolio performance against appropriate benchmarks.

Provide leadership to employees maintaining diversified portfolios, and maximizing returns with respect to the broadly diversified market standards of individual asset classes, consistent with appropriate risk constraints.

Provide leadership to employees evaluating the appropriateness of the goals and objectives in light of actuarial studies and recommend changes to the Board when appropriate.

Review and approve investment strategies and annual investment work plans.

Provide leadership to employees monitoring investment performance and portfolio risk characteristics.

Oversee investment manager selection, retention, termination, and monitoring.

Consult with investment managers, investment consultants, industry experts, and peers.

Provide the Board with regular reports of investment activities.

State Board of Administration

Position Description

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** Enterprise Risk Management Responsibilities **

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.

Job Requirements:

A bachelor's degree from an accredited college or university in finance, economics, accounting, or closely related field, 10 years of progressively complex investment related experience, including three years in senior management. Desirable academic qualifications include an MBA or CFA. Experience in the oversight of a multibillion dollar pension plan, preferably in the public sector, with experience in fiduciary responsibilities. Demonstrated senior executive leadership, policymaking experience, and familiarity with the securities and municipal finance industries are required.

1. Physical Demands: Primarily sedentary in nature with lifting of approximately 10 pounds with occasional lifting of small objects; sitting, standing, walking, talking, hearing, keyboarding.
2. General Requirements: Must be capable of executing all terms and conditions set forth in the SBA policies and procedures manual, including, but not limited to:
 - a. Works in a safety conscious manner, ensuring that safe work practices are used in order not to pose a risk to self or others in the workplace.
 - b. Complies with SBA rules, policies, and procedures which include local, state, and federal regulations.
 - c. Interacts in a tactful, diplomatic, and humanistic manner with supervisors, guests/visitors, and co-workers.
 - d. Maintains confidentiality of necessary information.
 - e. Performs any miscellaneous work assignments as may be required.
 - f. Maintains a dependable attendance record.

Supervisor's Position Number: 00000001	Supervisor's Title: Executive Director & CIO
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Subordinate Position Number	Subordinate Title
00000215	Deputy Executive Director
00000051	Sr. Investment Policy Officer
00000021	Sr. Investment Officer-Fixed Income
00000175	Sr. Investment Officer-Global Equity
00000025	Sr. Investment Officer-Global Equity
00000046	Sr. Investment Officer-Real Estate
00000225	SIO-Strategic Investments & Private Equity
00000039	SIO-Strategic Investments & Private Equity
00000045	Sr. Officer-Investment Programs & Governance
00000004	Chief Operating/Financial Officer
00000242	Chief Risk & Compliance Officer
00000196	Chief Audit Executive
00000062	General Counsel
00000221	Inspector General
00000158	Chief of DC Programs
00000160	Director of Communications
00000150	Chief Operating Officer, FHCF
00000098	Executive Assistant

State Board of Administration

Position Description

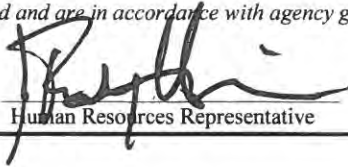
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1. *These duties and Section 1: General Skills and Abilities of the Employee Performance Appraisal have been explained to me and I understand them completely.*


Signature of Incumbent

10/6/16
Date

2. *These duties have been reviewed and are in accordance with agency guidelines and procedures.*


Human Resources Representative

10/6/16
Date

**Investment Advisory Council
State Board of Administration of Florida**

October 6, 2016

Trustees of the State Board of Administration of Florida

Governor Rick Scott, Chair
Chief Financial Officer Jeff Atwater
Attorney General Pam Bondi

RE: Performance Evaluation of Ash Williams, ED/CIO of the State Board of Administration

The purpose of this letter is to provide a summary of the performance evaluation of Ash Williams, ED/CIO of the State Board of Administration conducted by the Trustee-appointed members of the Investment Advisory Council.

In accordance with the process adopted by the Trustees at their June 23, 2015 meeting with respect to determining the qualitative individual performance award portion of the ED/CIO's incentive compensation, the Compensation Subcommittee of the IAC is responsible for assessing the individual qualitative performance of the ED/CIO for each fiscal year and presenting its assessment to the full IAC for a recommendation to the Board of Trustees. We have recently completed the process for fiscal year 2015-16. The qualitative measures were:

- Overall Mission
- People
- Efficiencies/Infrastructure/Operations
- Interaction with the IAC, PLGAC and Audit Committee

The Trustees, in their discretion, may consider recommendations from the IAC that bear on the ED/CIO's performance in these categories.

The Subcommittee also gave the ED/CIO an overall performance rating. The possible performance ratings were: 0 -- Poor; 1 -- Below Expectations; 2 -- Meets Expectations; and 3 -- Exceeds Expectations. At its September 7, 2016 meeting, the Compensation Subcommittee evaluated Mr. Williams' performance in each category for FY15-16 and rated his overall performance at the highest level (3--Exceeds Expectations).

The full IAC confirmed this overall rating on September 19 and recommends the Trustees accept this rating as the evaluation of Mr. Williams' qualitative individual performance for fiscal year 2015-16. If the Trustees accept this recommendation, Mr. Williams will be entitled to receive up to \$30,673 (depending on the FRS's final audited financial performance) as the qualitative individual performance portion of his incentive compensation award, to be paid out over two years as described in the plan.

To provide additional context for the overall rating, I asked SBA staff to provide relevant investment performance information covering the period of Mr. Williams' tenure, which is set forth below.

Total Fund Performance and Dollar Value Added Over Benchmark			
From November 2008 to June 2016	Aggregate Fund Gain	Value Added Over Implementation Benchmark	Value Added over Long Term Investment Objective
Total Fund Dollar Value Added	\$ 84,515,132,506	\$ 7,714,299,563	\$ 22,487,641,176
Managed vs. Implementation Benchmark			
From November 2008 to June 2016	Managed	Benchmark	Value Added
Annualized Return	9.28%	8.46%	0.82%

Investment Performance				
Year	Managed Return	Benchmark Return	Added Value	\$ Added Value
08-09*	2.19	3.19	-1.00	\$ (1,011,959,800.09)
09-10	14.03	11.50	2.53	\$ 2,540,254,646.15
10-11	22.09	21.59	0.50	\$ 558,303,831.35
11-12	0.29	-0.49	0.77	\$ 950,947,758.70
12-13	13.12	12.00	1.11	\$ 1,303,921,582.74
13-14	17.40	17.02	0.38	\$ 446,362,100.22
14-15	3.67	2.24	1.43	\$ 2,034,593,251.64
15-16	0.54	-0.11	0.65	\$ 891,876,192.20

* Partial Fiscal Year - November 2008 through June 2009

I am happy to answer any questions you may have.

Sincerely,



Michael Price, Chair

CC: Members of the Investment Advisory Council

Charles E. Cobb

Leslie B. "Les" Daniels*

Gary Wendt*

Peter H. Collins*

Bobby Jones

Robert Vincent "Vinny" Olmstead*

* indicates member of the IAC Compensation SubCommittee

MEMO

TO: Michael Price, Chairman, Compensation Subcommittee of the Investment Advisory Council, State Board of Administration

DATE: April 14, 2016

FROM: Josh Wilson, Partner, Mercer

SUBJECT: Mercer's Review of SBA Compensation study and Salary Recommendation for Executive Director/Chief Investment Officer (ED/CIO)

In 2012 Mercer was engaged to conduct a compensation study for Florida SBA. Near the conclusion of that study on April 29, 2013, Mercer issued a letter of recommendation to Chuck Newman, your predecessor as the Chairman of the Compensation Subcommittee of the Investment Advisory Council, State Board of Administration with regard to SBA's CIO compensation. That letter has been attached for your reference. You will see that our recommendation was to increase the SBA's base salary to \$410,000 which approximated the median of the five largest public pension funds in the United States. For your reference, the CIOs base was adjusted from \$325,000 to \$367,500 effective 12/10/13 and again to \$389,500 effective 12/1/2014.

Mercer's Review of the SBA Staff's Compensation Analysis

It has been three years since Mercer's last recommendation for the CIO. In 2012, SBA hired Mercer to conduct a market study; this year, the SBA conducted the study with in-house resources, using the same data sources obtained from Mercer and McLagan in 2012, and asked Mercer to review the 2016 approach and findings. In Mercer's view, the process taken was appropriate and consistent with the approach Mercer would have taken. Additionally, Mercer compared the SBA analysis to a recent Mercer survey for the core investment staff positions (e.g. SIO, PMs etc.) and the resulting grade adjustment recommendations made by SBA staff appear appropriate and aligned with market practice.

Mercer's Recommendations Regarding SBA's CIO Compensation

SBA's market data determined the median base salary for CIOs at the five largest public pension funds in the United States is now approximately \$455,000 (Mercer has peer reviewed SBA's research of the five largest public pension funds). To provide additional market context, according to McLagan data gathered by SBA, the 75th percentile of all participating public funds was approximately \$462,500. In 2013, the SBA compensation subcommittee indicated to Mercer there was a strong desire to motivate and retain Mr. Williams in his role as CIO for SBA. Assuming this sentiment exists now, Mercer would recommend a base salary increase to bridge the gap to market. Given the large gap to market (approximately \$65,000), the committee may consider phasing in an adjustment, as it previously did. For example: adjust to \$425,000 in 2016 and \$455,000 in 2017. Mercer believes such an increase would better align the incumbent's salary with current market. The adjustments will also align the CIO to market on total cash (base + target bonus). Once the CIO's base salary is adjusted to \$455,000, the CIO's target total cash compensation (\$455,000 + 35% target bonus as a % of base

salary) would align just below market median on a target total cash compensation basis (\$614,250 for SBA vs a market median of approximately \$620,000).

If you have any questions, please do not hesitate to contact me.

Thank you,
Josh