

**MEETING OF THE STATE BOARD OF ADMINISTRATION**

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

**MARCH 29, 2016**

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**AGENDA**

- ITEM 1. REQUEST APPROVAL OF A FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$660,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2016 SERIES (TO BE DETERMINED).**

**(See Attachment 1A)**

**ACTION REQUIRED**

- ITEM 2. REQUEST APPROVAL OF A FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$440,000,000 STATE OF FLORIDA, STATE BOARD OF EDUCATION LOTTERY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED).**

**(See Attachment 2A)**

**ACTION REQUIRED**

- ITEM 3. REQUEST APPROVAL OF A FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$10,500,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, (SERIES TO BE DESIGNATED) (PHOENIX APARTMENTS).**

**(See Attachment 3A)**

**ACTION REQUIRED**

- ITEM 4. REQUEST APPROVAL OF SBA QUARTERLY REPORT REQUIRED BY THE PROTECTING FLORIDA'S INVESTMENTS ACT (PFIA).**

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

involved in certain types of business activities in or with Sudan or Iran (i.e., the “Scrutinized Companies”).

(See Attachment 4A)

**ACTION REQUIRED**

- ITEM 5. 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 5A – 5D)

**ACTION REQUIRED**

- ITEM 6. REQUEST APPROVAL OF THE 2016-2017 FLORIDA HURRICANE CATASTROPHE FUND REIMBURSEMENT PREMIUM FORMULA.**

See Anne Bert’s Memo Detailing Items 6 and 7 – Attachment 6

(See Attachments 6, 6A – 6B)

**ACTION REQUIRED**

- ITEM 7. REQUEST AUTHORITY TO FILE A NOTICE OF PROPOSED RULE FOR THE FLORIDA HURRICANE CATASTROPHE FUND FOR RULE 19-8.028, F.A.C., REIMBURSEMENT PREMIUM FORMULA, AND TO FILE THIS RULE, ALONG WITH THE INCORPORATED FORM, FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING, OR IF A HEARING IS REQUESTED BUT NO CHANGES ARE NEEDED.**

(See Attachments 7A – 7D)

**ACTION REQUIRED**

- ITEM 8. FOR CONSIDERATION: FLORIDA HURRICANE CATASTROPHE FUND STATUS REPORT.**

**ITEM 9. 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 December 31, 2015 – *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 9A – 9I)**

**INFORMATION/DISCUSSION ITEMS**

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

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** March 16, 2016



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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$660,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2016 SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the State Board of Education, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$660,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding 2006 Series C, 2006 Series D and the 2007 Series C Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended. The Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Sixty-first Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on March 29, 2016.

The State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2016 Series A. The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$145,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the "2016 Series Refunding Bonds") at its November 10, 2015, meeting, of which \$28,280,000 remains unissued. The Division of Bond Finance of the State Board of Administration has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the \$28,280,000 remaining portion of the 2016 Series Refunding Bonds. The proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the outstanding and unpaid Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2016 Series A.

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

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING  
\$660,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF  
EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS,  
2016 SERIES (TO BE DETERMINED)**

**WHEREAS**, the State Board of Education of Florida proposes to issue an amount not exceeding \$660,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding 2006 Series C, 2006 Series D and the 2007 Series C Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended; and,

**WHEREAS**, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Sixty-first Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on March 29, 2016; and,

**WHEREAS**, the proposed Bonds shall be secured by a lien upon the Gross Receipts Taxes which are required to be deposited in the Public Education Capital Outlay and Debt Service Trust Fund administered by the State Board of Education of Florida (the "Gross Receipts Taxes"), and the Bonds are additionally secured by a pledge of the full faith and credit of the State of Florida; and,

**WHEREAS**, the State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2016 Series A; and,

**WHEREAS**, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$145,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the "2016 Series Refunding Bonds") at its November 10, 2015, meeting, of which \$28,280,000 remains unissued; and,

**WHEREAS**, the Division of Bond Finance of the State Board of Administration has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the \$28,280,000 remaining portion of the 2016 Series Refunding Bonds; and

**WHEREAS**, the proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the outstanding and unpaid Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2016 Series A; and,

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

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

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

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, that the proposal of the State Board of Education of Florida to issue an amount not exceeding \$660,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined), is hereby approved as to fiscal sufficiency. In addition, the approval of fiscal sufficiency with respect to the unissued portion of the \$145,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) approved on November 10, 2015, is hereby rescinded.

**ADOPTED** March 29, 2016



J. BEN WATKINS III  
DIRECTOR

STATE OF FLORIDA

DIVISION OF BOND FINANCE  
OF THE STATE BOARD OF ADMINISTRATION

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RICK SCOTT  
GOVERNOR  
AS CHAIRMAN

PAM BONDI  
ATTORNEY GENERAL

JEFF ATWATER  
CHIEF FINANCIAL OFFICER

ADAM H. PUTNAM  
COMMISSIONER OF AGRICULTURE

March 11, 2016

Mr. Ashbel C. Williams  
Executive Director  
State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300

RE: Not Exceeding \$660,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting of March 29, 2016.

The bonds will be payable from gross receipts taxes and are additionally secured by the full faith and credit of the State of Florida. The bonds will be on a parity with the previously issued 1999 Series D through 2016 Series A Bonds. The \$28,280,000 balance of 2016 Series (to be determined) refunding bonds approved for fiscal sufficiency November 10, 2015, should be rescinded.

The proposed bonds will be issued to refund all or a portion of the outstanding 2006 Series C, 2006 Series D, and the 2007 Series C Public Education Capital Outlay Bonds and to pay costs associated with the issuance and sale of the proposed bonds. The bonds will only be issued if there is a savings.

The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the sixty-first Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on March 29, 2016.

Enclosed for your review are the following:

Enclosure 1: An estimated coverage table based upon the projected gross receipts tax revenues from the December 22, 2015 Revenue Estimating Conference. Coverage is based on existing program debt service, without considering the potential savings from the proposed refunding bonds;

March 11, 2016  
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- Enclosure 2: An estimated savings schedule for the proposed refunding bonds;
- Enclosure 3: The gross receipts tax estimates from the December 22, 2015 Revenue Estimating Conference;
- Enclosure 4: A draft of the sixty-first Supplemental Authorizing Resolution which is anticipated to be adopted by the State Board of Education on March 29, 2016, authorizing the issuance of not to exceed \$660,000,000 Refunding Bonds; and
- Enclosure 5: A draft of the sale resolution which is anticipated to be adopted by the State Board of Education on March 29, 2016.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Carol Bagley of this office for review. Should you have any questions, please contact myself, Donna Biggins or Carol Bagley at 488-4782. Your consideration in this matter is appreciated.

Very truly yours,



J. Ben Watkins III  
Director

JBW:cab

Enclosures

cc: Anthony Doheny  
Robert Copeland

**State of Florida, Full Faith and Credit  
State Board of Education Public Education Capital Outlay Bonds**

**Estimated Coverage Table**

<b>Fiscal Year</b>	<b>Gross Receipts Taxes<sup>1</sup></b>	<b>Debt Service on Outstanding PECO Bonds<sup>2</sup></b>	<b>Subsidy<sup>3</sup></b>	<b>Net Debt Service</b>	<b>Debt Service Coverage<sup>4</sup></b>
<i>Historical</i>					
2011	\$1,071,648,704	\$951,149,531	(\$12,676,457)	\$938,473,074	1.14x
2012	1,035,289,306	974,966,138	(12,676,457)	962,289,681	1.08x
2013	1,003,047,943	958,634,195	(12,125,031)	946,509,164	1.06x
2014	1,005,357,521	921,106,006	(11,763,752)	909,342,254	1.11x
2015	1,152,382,802	897,845,110	(11,751,076)	886,094,034	1.30x
<i>Projected</i>					
2016	\$1,157,750,000	\$877,229,427	(\$11,770,715)	\$865,458,712	1.34x
2017	1,166,790,000	875,036,147	(11,721,559)	863,314,589	1.35x
2018	1,181,310,000	853,562,657	(11,665,439)	841,897,218	1.40x
2019	1,204,360,000	866,381,910	(11,531,364)	854,850,546	1.41x
2020	1,226,590,000	861,957,241	(11,285,280)	850,671,961	1.44x
2021	1,248,100,000	882,314,497	(10,952,974)	871,361,523	1.43x
2022	1,270,170,000	889,835,866	(10,601,720)	879,234,146	1.44x
2023	1,292,440,000	856,641,824	(10,229,350)	846,412,474	1.53x
2024	1,315,800,000	771,844,259	(9,833,486)	762,010,773	1.73x
2025	1,340,000,000	711,430,880	(10,103,673)	701,327,207	1.91x
2026	1,340,000,000	565,404,481	(9,623,568)	555,780,914	2.41x
2027	1,340,000,000	537,380,715	(9,120,732)	528,259,983	2.54x
2028	1,340,000,000	511,826,488	(8,586,631)	503,239,857	2.66x
2029	1,340,000,000	483,182,750	(8,027,736)	475,155,014	2.82x
2030	1,340,000,000	462,418,028	(7,441,255)	454,976,773	2.95x
2031	1,340,000,000	440,754,480	(6,825,999)	433,928,481	3.09x
2032	1,340,000,000	419,973,478	(6,179,159)	413,794,319	3.24x
2033	1,340,000,000	376,393,980	(5,507,864)	370,886,116	3.61x
2034	1,340,000,000	336,309,344	(4,811,301)	331,498,042	4.04x
2035	1,340,000,000	312,964,926	(4,088,353)	308,876,574	4.34x
2036	1,340,000,000	278,006,374	(3,338,210)	274,668,164	4.88x
2037	1,340,000,000	235,995,141	(2,550,034)	233,445,108	5.74x
2038	1,340,000,000	147,027,781	(1,731,643)	145,296,139	9.22x
2039	1,340,000,000	84,008,124	(882,111)	83,126,013	16.12x
2040	1,340,000,000	38,563,450	-	38,563,450	34.75x
2041	1,340,000,000	4,641,000	-	4,641,000	288.73x

<sup>1</sup> Estimates of gross receipts tax collections for Fiscal Years 2016 through 2025 as adopted by the Florida Revenue Estimating Conference held in December 2015. The projections for Fiscal Year 2025 have been held constant for future years; however, no representation is made that the amounts shown will be collected.

<sup>2</sup> Includes debt service through 2016 Series A Refunding Bonds. Excludes bonds previously refunded by the 2015 Series E, 2015 Series F and 2016 Series A Bonds, which were economic refundings with escrows invested in the State Treasury. Those bonds previously refunded are not legally defeased and will be called for redemption on June 1, 2016.

<sup>3</sup> Expected federal subsidy payments for Build America Bonds 2006 Series G, 2007 Series G, 2008 Series D and 2009 Series F. The expected subsidy payments through fiscal year 2024 have been reduced by 6.8% from the originally expected amounts to account for the currently expected reductions resulting from sequestration. The actual reductions to future subsidy payments as a result of sequestration are still to be determined.

<sup>4</sup> Coverage based on Net Debt Service.

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

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** March 16, 2016



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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING  
\$440,000,000 STATE OF FLORIDA, STATE BOARD OF EDUCATION LOTTERY  
REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration of Florida (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$440,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Lottery Revenue Bonds, Series 2007A, 2007B and 2008A. The Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on December 18, 2007, as supplemented from time to time, and the Fourteenth Supplemental Resolution expected to be adopted by the Governor and Cabinet on March 29, 2016, authorizing the issuance and sale of the Bonds.

The State Board of Education has heretofore issued Lottery Revenue and Revenue Refunding Bonds, Series 2005A through Series 2014A (the "Outstanding Bonds"). The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$65,000,000 Lottery Revenue Refunding Bonds, Series (to be determined) at its August 5, 2015, meeting and an amount not exceeding \$68,000,000 Lottery Revenue Refunding Bonds, Series (to be determined) at its January 21, 2016, meeting (together, the "Previous Refunding Bonds"). The proposed Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds and the Previous Refunding Bonds when and if issued.

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

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING  
\$440,000,000 STATE OF FLORIDA, STATE BOARD OF EDUCATION  
LOTTERY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)**

**WHEREAS**, the Division of Bond Finance of the State Board of Administration of Florida (the "Division") proposes to issue an amount not exceeding \$440,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Lottery Revenue Bonds, Series 2007A, 2007B and 2008A; and,

**WHEREAS**, the Bonds will be issued pursuant to the provisions of Article VII, Section 11(d), of the Florida Constitution; Sections 1013.68, 1013.70 and 1013.737, Florida Statutes; the State Bond Act, being Sections 215.57-215.83, Florida Statutes; and other applicable provisions of law; and,

**WHEREAS**, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on December 18, 2007, as supplemented from time to time, and the Fourteenth Supplemental Resolution expected to be adopted by the Governor and Cabinet on March 29, 2016, authorizing the issuance and sale of the Bonds (collectively, the "Authorizing Resolution"); and,

**WHEREAS**, the proposed Bonds shall be secured by a first lien upon the Pledged Revenues which are defined by the Authorizing Resolution as all revenues pledged pursuant to Section 24.121(2), Florida Statutes, for bonds issued pursuant to Sections 1013.68, 1013.70 and 1013.737, Florida Statutes; and,

**WHEREAS**, the Division has heretofore issued Lottery Revenue and Revenue Refunding Bonds, Series 2005A through Series 2014A (the "Outstanding Bonds"); and,

**WHEREAS**, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$65,000,000 Lottery Revenue Refunding Bonds, Series (to be determined) at its August 5, 2015, meeting and an amount not exceeding \$68,000,000 Lottery Revenue Refunding Bonds, Series (to be determined) at its January 21, 2016, meeting (together, the "Previous Refunding Bonds"); and,

**WHEREAS**, the proposed Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds and the Previous Refunding Bonds when and if issued; and,

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

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

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

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

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

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration of Florida to issue an amount not exceeding \$440,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined), is hereby approved as to fiscal sufficiency.

**ADOPTED** March 29, 2016



J. BEN WATKINS III  
DIRECTOR

STATE OF FLORIDA

DIVISION OF BOND FINANCE  
OF THE STATE BOARD OF ADMINISTRATION

HERMITAGE CENTRE, SUITE 200  
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RICK SCOTT  
GOVERNOR  
AS CHAIRMAN

PAM BONDI  
ATTORNEY GENERAL  
AS SECRETARY

JEFF ATWATER  
CHIEF FINANCIAL OFFICER  
AS TREASURER

ADAM H. PUTNAM  
COMMISSIONER OF AGRICULTURE

March 11, 2016

Mr. Ashbel C. Williams  
Executive Director & CIO  
State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300

RE: Not Exceeding \$440,000,000 State of Florida, State Board of Education  
Lottery Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting on March 29, 2016.

The bonds will be payable from the pledged revenues consisting of the lottery revenues deposited to the Educational Enhancement Trust Fund. The proposed bonds will be payable on a parity with the previously issued State of Florida, State Board of Education Lottery Revenue Bonds, Series 2005A through Series 2014A, the not to exceed \$65,000,000 Series (to be determined) refunding bonds approved for fiscal sufficiency on August 5, 2015, and the not to exceed \$68,000,000 Series (to be determined) refunding bonds approved for fiscal sufficiency on January 21, 2016, when and if issued.

The proposed refunding bonds will be issued for the purpose of refunding all or a portion of the outstanding Lottery Revenue Bonds, Series 2007A, 2007B, and 2008A bonds. The proposed refunding bonds will only be issued if there is a savings.

The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on December 18, 2007, as supplemented from time to time, and the Fourteenth Supplemental Resolution expected to be adopted by the Governor and Cabinet on March 29, 2016 authorizing the issuance and sale of the bonds. The December 18, 2007 resolution has been previously provided to you.

Mr. Ashbel C. Williams  
March 11, 2016  
Page Two

Enclosed for your review are the following:

- Enclosure 1 – an estimated coverage table for the program, without considering potential savings from any proposed refunding bonds;
- Enclosure 2– an estimated debt service and savings schedule from a recent sizing of the proposed refunding bonds;
- Enclosure 3– a five-year history of revenues and expenses for the Department of the Lottery for Fiscal Years 2011-2015, including lottery revenues deposited into the Educational Enhancement Trust Fund, pursuant to Section 24.121(2), Florida Statutes;
- Enclosure 4– the projections of lottery revenues to be deposited to the Educational Enhancement Trust Fund as reported by the most recent Consensus Revenue Estimating Conference; and
- Enclosure 5– draft copy of Fourteenth Supplemental Resolution anticipated to be adopted March 29, 2016.

A draft of the fiscal sufficiency resolution should be sent to Kim Nichols and Ray Petty of this office for review. Should you have any questions, please contact myself, Kim or Ray of the Division at 488-4782.

Very truly yours,



J. Ben Watkins III  
Director

JBW/kjn

Enclosures

cc: Anthony Doheny  
Robert Copeland

**STATE OF FLORIDA  
STATE BOARD OF EDUCATION  
LOTTERY REVENUE REFUNDING BONDS  
FISCAL SUFFICIENCY REQUEST FOR  
\$440,000,000, SERIES (to be determined)  
ESTIMATED DEBT SERVICE COVERAGE**

<u>Fiscal Year</u>	<u>Deposit to Educational Enhancement Trust Fund (1)</u>	<u>Outstanding Parity Debt Service</u>	<u>Debt Service Coverage (2)</u>
<u>Historical</u>			
2010-11	\$ 1,191,818,000	\$ 314,935,792	3.78x
2011-12	1,321,604,000	311,590,293	4.24x
2012-13	1,424,307,000	313,851,386	4.54x
2013-14	1,495,409,000	314,992,593	4.75x
2014-15	1,496,371,000	314,181,171	4.76x
<u>Projected</u>			
2015-16	1,521,800,000	312,566,408	4.87x
2016-17	1,534,400,000	312,559,108	4.91x
2017-18	1,556,000,000	331,127,758	4.70x
2018-19	1,604,000,000	280,068,271	5.73x
2019-20	1,590,400,000	240,792,587	6.60x
2020-21	1,616,600,000	198,068,184	8.16x
2021-22	1,616,600,000	186,251,408	8.68x
2022-23	1,616,600,000	157,135,561	10.29x
2023-24	1,616,600,000	143,446,905	11.27x
2024-25	1,616,600,000	126,860,485	12.74x
2025-26	1,616,600,000	114,807,336	14.08x
2026-27	1,616,600,000	98,005,936	16.49x
2027-28	1,616,600,000	60,760,005	26.61x
2028-29	1,616,600,000	19,286,892	83.82x
2029-30	1,616,600,000	6,643,700	243.33x
2030-31	1,616,600,000	6,641,300	243.42x
2031-32	1,616,600,000	6,643,500	243.34x

(1) Pursuant to Section 24.121(2), Florida Statutes, the Lottery Revenue Bonds are payable from and secured by a first lien on the first Lottery revenues transferred to the Educational Enhancement Trust Fund. Historical revenues are from audited financial statements of the Department of the Lottery for Fiscal Years 2010-11 through 2014-15. Fiscal Year 2015-16 through 2020-21 revenues are projected from the December 8, 2015 Lottery Consensus Revenue Estimating Conference. The projections are held constant after Fiscal Year 2020-21. Projections are based on the best information available when estimates are made, and no assurance can be given that there will not be material differences relating to such amounts in the future.

(2) Debt Service Coverage is calculated by dividing "Deposit to Educational Enhancement Trust Fund" by "Estimated Total Debt Service."

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

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** March 16, 2016

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**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE  
ISSUANCE OF AN AMOUNT NOT EXCEEDING \$10,500,000 FLORIDA HOUSING  
FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,  
(SERIES TO BE DESIGNATED) (PHOENIX APARTMENTS)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$10,500,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Miami-Dade County, Florida (Phoenix Apartments). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$10,500,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,  
(SERIES TO BE DESIGNATED) (PHOENIX APARTMENTS)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$10,500,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds ") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Miami-Dade County, Florida (Phoenix Apartments); and,

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

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

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

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

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

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

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

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (Phoenix Apartments), in an amount not exceeding \$10,500,000, 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** March 29, 2016

March 11, 2016

VIA HAND DELIVERY

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

RE: FHFC Multifamily Mortgage Revenue Bonds  
Not to Exceed \$10,500,000 Tax-Exempt Bonds  
Phoenix Apartments

Dear Mr. Williams:

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

This bond issue will be a Public Offering. We request that this item be placed on the agenda for approval at the State Board of Administration's March 29, 2016 Cabinet meeting, due to financing and closing schedules.

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

Sincerely,



Brantley Henderson  
Assistant Director of Multifamily Programs

BH

Enclosures

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Rick Scott, Governor

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

Executive Director: Stephen P. Auger

Florida Housing Finance Corporation  
Multifamily Housing Revenue Bonds, 2016 Series\_  
(Phoenix Apartments)

Principal Amount of Bonds Issued: \$ 10,500,000  
Interest Rate: 1.000%  
Assumed Initial Deposit to the Bond Fund: \$ 156,000.00  
Assumed US Treasury Investment: State and Local Government Series (SLGS)

Deposit of Funds: It is assumed that the bond proceeds will be deposited at closing to the Project Fund and funds derived from the FHA Loan will be deposited to the Collateral Fund and the Capitalized Interest Account of the Bond Fund. Shortly after closing, bond proceeds will be used to acquire and rehabilitate the development. Amounts on deposit in the Collateral Fund and Capitalized Interest Account will be invested in SLGS.

Parity Report

Cash Flow Report

Date	Funds Available to Pay Debt Service (1)				Debt Service And Fees Payable			Remaining Assets	Princ. & Intr. Debt Coverage Ratio (DCR) (2)
	Cumulative Funds on Deposit In Collateral Fund	Cumulative Funds on Deposit In the Bond Fund	Earnings On Investments at 0.00%	Total Assets On Deposit In Indenture	Interest Due On Bonds	Principal Due On Bonds	Total Debt Service And Fees Payable		
4/8/2016	\$ 10,500,000.00	\$ 156,000.00	\$ -	\$ 10,656,000.00	\$ 50,458.33	\$ -	\$ 50,458.33	\$ 10,656,000.00	
10/1/2016	\$ 10,500,000.00	\$ 156,000.00	\$ -	\$ 10,656,000.00	\$ 52,500.00	\$ -	\$ 52,500.00	\$ 10,605,541.67	211.1841
4/1/2017	\$ 10,500,000.00	\$ 105,541.67	\$ -	\$ 10,605,541.67	\$ 52,500.00	\$ 10,500,000.00	\$ 10,552,500.00	\$ 10,553,041.67	202.0103
10/1/2017	\$ 10,500,000.00	\$ 53,041.67	\$ -	\$ 10,553,041.67	\$ 155,458.33	\$ 10,500,000.00	\$ 10,655,458.33	\$ 541.67	1.0001
Total			\$ -						

Notes:

- (1) At the bond closing cash proceeds from the FHA Loan will be deposited with the Trustee as pledged assets to fully collateralize the repayment of the Bonds as well as the payment of future anticipated debt service through to maturity
- (2) The DCR is provided to demonstrate the overall coverage of pledged assets against the total amount due at each Semi-Annual Bond Debt Service payment and upon final maturity when principal is due.

# Protecting Florida's Investments Act (PFIA)

Quarterly Report – March 29, 2016



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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 January 31, 2015, the net asset value of total funds under SBA management was approximately \$172 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](http://www.sbafla.com).

## ***Introduction***

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

## ***Primary Requirements of the PFIA***

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

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

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

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

### ***Definition of a Scrutinized Company***

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

***Sudan:***

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

***Iran:***

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

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

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

***SBA Scrutinized Companies Identification Methodology***

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

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

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

Company disclosures:

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

Investment/Finance Organizations:

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

U.S Government Agencies:

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

Non-Governmental Organizations (NGOs):

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

Other Sources:

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

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

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

### ***Key Changes Since the Previous PFIA Quarterly Report***

#### **Sudan**

Companies added to the Sudan Scrutinized List this quarter:

- **Sinopec Oilfield Service Corp**
  - **(Corporate name change. The company was previously on the Sudan and Iran Scrutinized Lists as: Sinopec Yizheng Chemical Fibre)**

Companies removed from the Sudan Scrutinized List this quarter:

- **Sinopec Yizheng Chemical Fibre will now be listed as Sinopec Oilfield Service Corp**

Companies added to the Sudan Continued Examination List this quarter:

- **Regency Mines PLC**

Companies removed from the Sudan Continued Examination List this quarter:

- **Alstom Projects India**
  - **Alstom S.A.**
  - **Reliance Industries Ltd**
- 

#### **Iran**

Companies added to the Iran Scrutinized List this quarter:

- **Sinopec Oilfield Service Corp**
  - **(Corporate name change. The company was previously on the Sudan and Iran Scrutinized Lists as: Sinopec Yizheng Chemical Fibre)**

Companies removed from the Iran Scrutinized List this quarter:

- **Sinopec Yizheng Chemical Fibre will now be listed as Sinopec Oilfield Service Corp**

Companies added to the Iran Continued Examination List this quarter:

- **None**

Companies removed from the Iran Continued Examination List this quarter:

- **None**

#### **Recent Developments regarding Iran:**

January 16, 2016 marked Implementation Day of the JCPOA and the United States and the EU officially lifted or suspended certain sanctions against Iran. No orders were issued annulling the state divestment laws and procurement bans authorized by the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA).

**Table 1: Scrutinized Companies with Activities in Sudan**  
***New companies on the list are shaded and in bold. (One company name change this quarter.)***

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

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

The following company was removed from the Sudan Scrutinized List during the quarter.

<b><i>Removed Company</i></b>	<b><i>Country of Incorporation</i></b>
<b><i>Sinopec Yizheng Chemical Fibre has been renamed Sinopec Oilfield Service Corp</i></b>	<b><i>China</i></b>

**Table 2: Continued Examination Companies with Activities in Sudan**  
**New companies on the list are shaded and in bold.**

<b>Continued Examination Company: Sudan</b>	<b>Country of Incorporation</b>
ASEC Company for Mining S.A.E.	Egypt
Bharat Heavy Electricals, Ltd	India
Bollore Group	France
China Gezhouba Group Company Ltd	China
China North Industries Group Corp (CNGC/Norinco)	China
Dongfeng Motor Group Co Ltd	China
Dongan Motor (aka Harbin Dongan Auto Engine)	China
Drake & Scull International PJSC	United Arab Emirates
El Sewedy Cables Holding Company	Egypt
Emperor Oil Ltd	Canada
Glencore Xstrata PLC	Switzerland
Infotel Broadband Services Ltd	India
JX Holdings Inc.	Japan
KMCOB Capital Bhd	Malaysia
LS Industrial Systems	South Korea
Nippo Corporation	Japan
Power Construction Corporation of China Ltd. (fka Sinohydro)	China
PT Pertamina Persero	Indonesia
<b>Regency Mines PLC</b>	<b>United Kingdom</b>
Scomi Engineering Bhd	Malaysia
Scomi Group Bhd	Malaysia
Shanghai Electric Group Co.	China
Statesman Resources Ltd	Canada
Wartsila Oyj	Finland
<b># of Sudan Continued Examination Companies</b>	<b>24</b>

The following companies were **removed** from the Sudan Continued Examination List during the quarter.

<b>Removed Company</b>	<b>Country of Incorporation</b>
<b>Alstom</b>	<b>France</b>
<b>Alstom Projects India</b>	<b>India</b>
<b>Reliance Industries Ltd</b>	<b>India</b>

**Table 3: Scrutinized Companies with Activities in the Iran Petroleum Energy Sector**  
***New companies on the list are shaded and in bold. (One company name change this quarter.)***

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
China BlueChemical Ltd.	China	March 19, 2013
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Oilfield Services Ltd.	China	June 16, 2011
CNOOC Ltd.	China	June 16, 2011
CNOOC Finance Limited	China	September 24, 2013
CNPC HK Overseas Capital Ltd.	China	June 16, 2011
COSL Finance (BVI) Limited	China	September 24, 2013
Daelim Industrial Co Ltd.	South Korea	June 16, 2011
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Gazprom	Russia	September 19, 2007
Gazprom Neft	Russia	September 16, 2008
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013
MISC Bhd	Malaysia	September 19, 2007
Mosenergo	Russia	September 16, 2008
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007
Petroleum Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd.	China	March 18, 2014
Sinopec Engineering Group Co Ltd.	China	March 18, 2014
Sinopec Group Overseas Development 2013 Ltd.	China	March 18, 2014
Sinopec Kantons Holdings Ltd.	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	September 29, 2015
<b>Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)</b>	<b>China</b>	<b>March 25, 2008</b>

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Sinopec Shanghai Petrochemical	China	September 19, 2007
# of Iran Scrutinized Companies	36	

The following company was removed from the Iran Scrutinized List during the quarter.

<i>Removed Company</i>	<i>Country of Incorporation</i>
<i>Sinopec Yizheng Chemical Fibre has been renamed Sinopec Oilfield Service Corp</i>	<i>China</i>

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

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

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

**Table 5: Correspondence & Engagement Efforts with Scrutinized Companies**

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

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

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

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

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

**Table 6: Correspondence & Engagement Efforts with Continued Examination Companies**

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

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

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

### ***Key Dates for PFIA Activities***

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

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

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

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

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

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

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

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

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

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

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

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

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

**September 19, 2007**  
**December 18, 2007**  
**March 25, 2008**  
**June 10, 2008**  
**September 16, 2008**  
**January 13, 2009**  
**April 14, 2009**  
**July 28, 2009**  
**October 27, 2009**  
**January 26, 2010**  
**April 27, 2010**  
**July 29, 2010**

**November 9, 2010**  
**February 22, 2011**  
**June 16, 2011**  
**September 20, 2011**  
**December 6, 2011**  
**March 20, 2012**  
**June 26, 2012**  
**September 18, 2012**  
**December 11, 2012**  
**March 19, 2013**  
**June 25, 2013**  
**September 24, 2013**

**December 10, 2013**  
**March 18, 2014**  
**June 17, 2014**  
**September 23, 2014**  
**December 9, 2014**  
**March 24, 2015**  
**June 23, 2015**  
**September 29, 2015**  
**December 8, 2015**  
**March 29, 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.	<b>\$1,306,825,533.68</b>

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. (One company name change this quarter.)**

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

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

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

The following company was **removed** from the Prohibited Investments List this quarter.

<i>Removed Company</i>	<i>Country of Incorporation</i>
<i>Sinopec Yizheng Chemical Fibre has been renamed Sinopec Oilfield Service Corp</i>	<i>China</i>

***Table 8: SBA Holdings in Prohibited Investments Subject to Divestment***

As of December 31, 2015, the SBA did not hold shares of any company on the Prohibited Investments List in accounts subject to the PFIA divestiture requirements.

***Summary of Progress, SBA Investment Manager Engagement Efforts***

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

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

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

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

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

***Listing of All Publicly Traded Securities (Including Equity Investments)***

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

For more information, please contact:

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

or send an email to:

[pfia@sbafla.com](mailto:pfia@sbafla.com)





**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**

March 30, 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 October 1, 2015 through December 31, 2015, 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, reading "Ashbel C. Williams".

Ashbel C. Williams  
Executive Director & CIO

ACW/db  
Attachments

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



## **MONTHLY SUMMARY REPORT**

**October 2015**

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

## DISCLOSURE OF MATERIAL IMPACTS

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

### PRIME™ STATISTICS

(As of October 31, 2015)

Total Participants  
**791**

Florida PRIME™ Assets  
**\$5,866,827,558**

Total Number of Accounts  
**1,499**

## 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 “AAA<sub>m</sub>” rating, full transparency, and best-in-class financial reporting.

## PORTFOLIO MANAGER COMMENTARY

### MARKET CONDITIONS

Federal Reserve policymakers met a few days ahead of Halloween, but that did not stop them from getting in the spirit. Halloween used to consist of costumed kids threatening they would prank you if you do not give them a treat, but the October Fed statement turned the tables on that by giving us both.

The trick? Not raising rates when economic conditions merited one. Well, it was not a great trick. After all, few thought the Fed would move at this meeting. But it was disappointing nonetheless.

The treat? Specifically singling out its “next meeting” in December when addressing what they need to see in employment and inflation numbers in order to feel comfortable raising rates. For cash managers, this is not just candy—it is the equivalent of the full-size candy bars that one beloved neighbor hands out each year. It appears the Fed is conveying to the markets that a hike is still on the table. Moreover, the wording was probably included to let the markets know there was serious debate about it in the meeting, something the final 9-1 vote would not have indicated (Richmond Fed’s Jeffrey Lacker dissented).

Sweetening things further, the Fed considerably downsized its language about how global developments and foreign events would be an impetus to move or not move. That is important because the Fed might now think a slowdown in China’s economy will not have as much impact on the U.S. as it once thought.

All of this begs the question: Did the Fed put its credibility on the line with such a strong statement about being so close to a decision? The Fed really has not painted itself into a corner. If we get disappointing unemployment and housing numbers, which policymakers have pointed to as areas of strength and lending forward-looking optimism, they have an easy out to not raise rates. They are still data dependent.

If you wonder why it matters that investors, banks and financial professionals must have confidence in the Fed, it is because the tools it uses to implement monetary policy are not perfect. They can name a fed funds level, but trading happens in markets that are influenced, not set, by that. The Fed needs the market to implement its decision-making. Furthermore, when Yellen and company

enact the first hike, it will convey to the markets that it is confident in the U.S. economy. If the Fed continues to sit on the sidelines, it will have a negative psychic effect. You start really worrying about what it sees in its data that causes it to keep rates low.

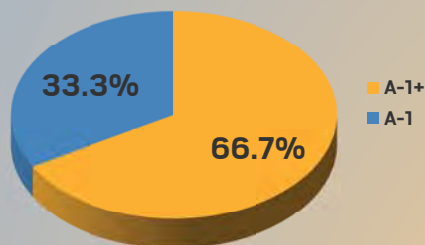
The perhaps only fortunate part of the Fed misses has been that the market has largely ignored them and has continued to tack a fairly steep-sloped money market yield curve for prime and government agency type securities. Treasuries are a little different because they were impacted by the budget debate in Washington. Now that we get that behind us, we will be fine from a Treasury perspective, too. Our strategy now is to hold steady. We remain heavy in variable notes and shorter fixed paper with weighted average maturity (WAM) for prime portfolios in the low 40s and in the mid-to-high 30s for government portfolios

### INVESTMENT STRATEGY

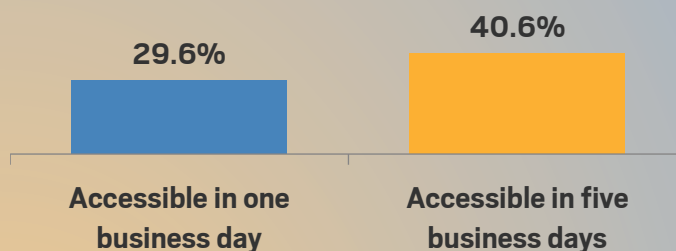
The industry’s expectation for a Fed move impacts the portfolio through its yield, which rose to 30 basis points in October from September’s 28, in line with the general yield curve. But the Pool’s day-to-day operation is affected more by the seasonal flow of assets due to tax payments and expenses paid by participants. October marks the last of the months before the tax season begins anew, usually leaving assets of the Pool at their lowest level of the year. That’s the case in 2015, with assets under management in October down \$319 million from September to a final amount of \$5.87 billion. Taxes start to be paid in November, and Pool assets increase as participants put excess funds to work in the portfolio. So in anticipation of participants needing cash for expenses in October, we kept the portfolio’s weighted average maturity (WAM) and weighted average life (WAL) short at 34 and 83 days. We tended to keep paper in the one-week space and adjusted the composition as follows: We increased the allocation to commercial paper to 26% of holdings from 23% in September, variable-rate paper to 30% from 29% and fixed-rate banking paper to 20% from 19%. The portfolio’s holdings of money market funds did not change at 20% of total, and the allocation to repo fell to 4% from 9%.

## PORTFOLIO COMPOSITION FOR OCTOBER 2015

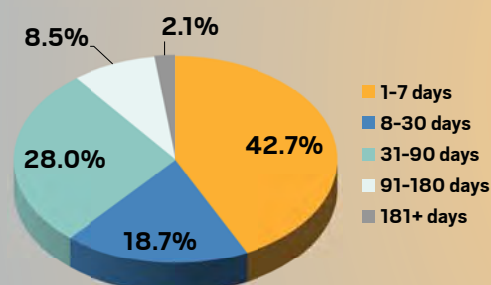
### CREDIT QUALITY COMPOSITION



### HIGHLY LIQUID HOLDINGS



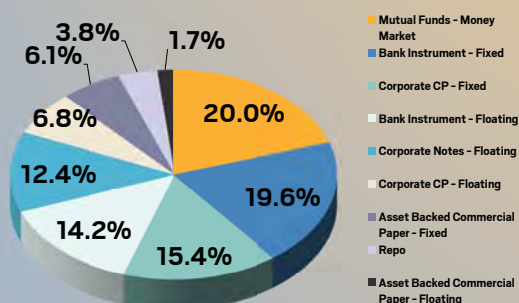
### EFFECTIVE MATURITY SCHEDULE



### TOP HOLDINGS & AVG. MATURITY

1. Federated Prime Cash Obligations Fund	9.9%
2. Federated Prime Obligations Fund	9.9%
3. Royal Bank of Canada, Montreal	5.3%
4. JPMorgan Chase & Co.	5.0%
5. BNP Paribas SA	5.0%
6. Sumitomo Mitsui Financial Group, Inc.	5.0%
7. Svenska Handelsbanken, Stockholm	4.9%
8. General Electric Co.	4.6%
9. Mitsubishi UFJ Financial Group, Inc.	4.6%
10. Bank of Montreal	4.4%

### PORTFOLIO COMPOSITION



#### Average Effective Maturity (WAM)

34.1 Days

#### Weighted Average Life (Spread WAM)

83.5 Days

Percentages based on total value of investments

## FUND PERFORMANCE THROUGH OCTOBER 31, 2015

Florida PRIME Performance Data			
	Net Participant Yield <sup>1</sup>	Net-of-Fee Benchmark <sup>2</sup>	Above (Below) Benchmark
One Month	0.27%	0.10%	0.17%
Three Months	0.26%	0.09%	0.17%
One Year	0.21%	0.06%	0.14%
Three Years	0.19%	0.06%	0.13%
Five Years	0.23%	0.08%	0.15%
Ten Years	1.53%	1.40%	0.13%
Since 1/96	2.79%	2.58%	0.21%

Note: Net asset value at month end: \$5,866.5 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

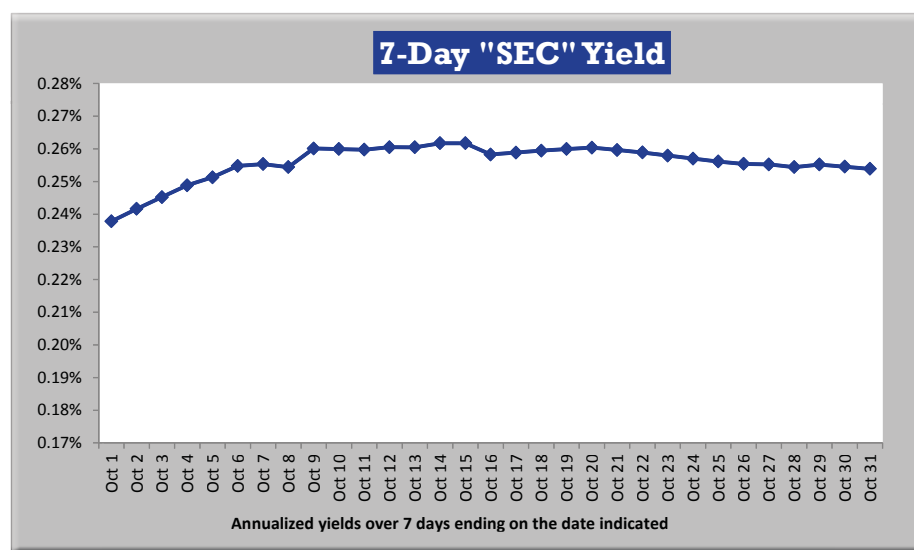
<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

### ABOUT ANNUALIZED YIELDS:

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

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



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

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

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

## PRIME ACCOUNT SUMMARY FOR OCTOBER 2015

### Summary of Cash Flows

Opening Balance (10/01/15)	\$	6,185,653,929
Participant Deposits		975,458,384
Gross Earnings		1,422,612
Participant Withdrawals		(1,295,619,975)
Fees		(87,392)
Closing Balance (10/31/15)	\$	5,866,827,558
<b>Net Change over Month</b>	<b>\$</b>	<b>(318,826,371)</b>

### Detailed Fee Disclosure

<b>October 2015</b>	<b>Amount</b>	<b>Basis Point Equivalent*</b>
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 49,870.15	0.99
Federated Investment Management Fee	16,679.03	0.33
BNY Mellon Custodial Fee**	8,021.55	0.16
Bank of America Transfer Agent Fee	4,705.84	0.09
S&P Rating Maintenance Fee	3,397.26	0.07
Audit/External Review Fees	4,718.03	0.09
<b>Total Fees</b>	<b>\$ 87,391.86</b>	<b>1.74</b>

\*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 6,026,240,744.

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

## INVENTORY OF HOLDINGS FOR OCTOBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV CDEUR	CERTIFICATE OF DEPOSIT - EURO	0.00	1/5/2016		100,000,000	0.39	\$99,929,349	\$99,941,100	\$11,751
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/15/2016		20,000,000	0.32	\$19,986,311	\$19,987,423	\$1,112
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/2/2015		25,000,000	0.10	\$24,999,792	\$24,999,698	-\$94
Australia & New Zealand Banking Group, Melbourne, Dec 18, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.30	12/18/2015	11/18/2015	100,000,000	0.30	\$100,000,000	\$99,998,300	-\$1,700
BMO Harris Bank, N.A., Mar 14, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.41	3/14/2016	11/16/2015	10,000,000	0.41	\$10,000,000	\$9,999,300	-\$700
BMW US Capital LLC, Jul 06, 2016	VARIABLE EURO MEDIUM TERM NOTE	0.45	7/6/2016	1/6/2016	51,000,000	0.45	\$51,000,000	\$50,748,366	-\$251,634
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		11/4/2015		195,000,000	0.13	\$194,996,479	\$194,996,506	\$26
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		12/1/2015		100,000,000	0.37	\$99,968,000	\$99,984,622	\$16,622
Bank of America N.A. BNOTE	BANK NOTE	0.34	12/1/2015		25,000,000	0.34	\$25,000,000	\$24,999,125	-\$875
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.09	11/2/2015		225,000,000	0.09	\$225,000,000	\$225,000,000	\$0
Bank of Montreal, Dec 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.30	12/10/2015	11/10/2015	100,000,000	0.31	\$100,000,000	\$99,997,500	-\$2,500
Bank of Montreal, May 23, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.35	5/23/2016	11/23/2015	50,000,000	0.36	\$50,000,000	\$49,997,050	-\$2,950
Bank of Montreal, Series MTN, 1.300%, 07/15/2016	CORPORATE BOND	1.30	7/15/2016		14,430,000	0.81	\$14,479,724	\$14,492,987	\$13,263
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		2,000,000	0.33	\$2,000,175	\$2,000,048	-\$127
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		2,000,000	0.39	\$2,000,157	\$2,000,048	-\$109
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, .8%, 11/06/2015	CORPORATE NOTE	0.80	11/6/2015		1,300,000	0.49	\$1,300,076	\$1,300,031	-\$45
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	15,000,000	0.44	\$15,044,657	\$15,031,635	-\$13,022
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	10,000,000	0.48	\$10,026,802	\$10,021,090	-\$5,712
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	54,250,000	0.52	\$54,381,520	\$54,364,413	-\$17,107
Bank of Nova Scotia, Toronto, Jan 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.35	1/15/2016	11/16/2015	40,000,000	0.35	\$40,000,000	\$39,999,000	-\$1,000
Bank of Nova Scotia, Toronto, May 09, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.44	5/9/2016	11/9/2015	50,000,000	0.42	\$50,000,000	\$49,994,800	-\$5,200
Bedford Row Funding Corp., Apr 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.34	4/14/2016	11/16/2015	25,000,000	0.34	\$25,000,000	\$24,997,600	-\$2,400

See notes at end of table.

## INVENTORY OF HOLDINGS FOR OCTOBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bedford Row Funding Corp., Jun 07, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.41	6/7/2016	11/9/2015	25,000,000	0.42	\$25,000,000	\$24,997,100	-\$2,900
Bedford Row Funding Corp., May 10, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.34	5/10/2016	11/10/2015	50,000,000	0.35	\$50,000,000	\$49,997,150	-\$2,850
Chase Bank USA, N.A. CD	CERTIFICATE OF DEPOSIT	0.65	6/8/2016		50,000,000	0.66	\$50,000,000	\$50,059,285	\$59,285
Commonwealth Bank of Australia, Apr 04, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.37	4/4/2016	11/4/2015	50,000,000	0.38	\$50,000,000	\$49,995,850	-\$4,150
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	12/1/2015		12,000,000	0.39	\$12,000,000	\$12,002,334	\$2,334
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	2/3/2016		120,000,000	0.39	\$120,000,000	\$120,004,471	\$4,471
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	2/4/2016		20,000,000	0.39	\$20,000,000	\$20,000,592	\$592
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.41	2/8/2016		50,000,000	0.42	\$50,000,000	\$50,011,477	\$11,477
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.41	2/10/2016		10,000,000	0.42	\$10,000,000	\$10,002,226	\$2,226
DnB NOR Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		11/5/2015		100,000,000	0.09	\$99,998,500	\$99,998,267	-\$233
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.01	11/2/2015		7,991,585	0.01	\$7,991,585	\$7,991,585	\$0
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/22/2015		20,000,000	0.36	\$19,989,694	\$19,992,904	\$3,209
Federated Prime Cash Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.22	11/2/2015	11/2/2015	583,104,827	0.19	\$583,104,827	\$583,104,827	\$0
Federated Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.23	11/2/2015	11/2/2015	583,016,811	0.28	\$583,016,811	\$583,016,811	\$0
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,510,000	0.54	\$6,592,024	\$6,590,197	-\$1,827
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		7,500,000	0.54	\$7,594,502	\$7,592,393	-\$2,109
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		10,000,000	0.54	\$10,126,016	\$10,123,190	-\$2,826
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,100,000	0.54	\$6,176,854	\$6,175,146	-\$1,708
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		11,911,000	0.60	\$12,058,112	\$12,057,732	-\$381
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,011,971	\$1,012,319	\$348

See notes at end of table.

## INVENTORY OF HOLDINGS FOR OCTOBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Capital Corp., Sr. Unsecd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,011,966	\$1,012,319	\$353
General Electric Capital Corp., Sr. Unsecd. Note, Series MTN, 1.000%, 01/08/2016	CORPORATE BOND	1.00	1/8/2016		45,697,000	0.49	\$45,741,239	\$45,749,643	\$8,404
General Electric Capital Corp., Sr. Unsecured, Jun 20, 2016	VARIABLE EURO ME- DIUM TERM NOTE	0.55	6/20/2016	12/21/2015	85,000,000	0.40	\$85,085,868	\$85,011,900	-\$73,968
General Electric Capital, Floating Rate Note - Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.92	1/8/2016	1/8/2016	10,000,000	0.37	\$10,010,700	\$10,009,270	-\$1,430
General Electric Capital, Series GMTN, 1.5%, 7/12/2016	CORPORATE BOND	1.50	7/12/2016		4,626,000	0.76	\$4,649,822	\$4,656,425	\$6,603
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.55	1/14/2016	1/14/2016	14,225,000	0.38	\$14,230,509	\$14,227,262	-\$3,247
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.55	1/14/2016	1/14/2016	10,000,000	0.39	\$10,003,688	\$10,001,590	-\$2,098
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.52	1/8/2016	1/8/2016	255,000	0.40	\$255,061	\$255,050	-\$11
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.52	1/8/2016	1/8/2016	379,000	0.45	\$379,047	\$379,075	\$28
General Electric Capital, Sr. Un- secd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		9,952,000	0.41	\$9,957,009	\$9,954,836	-\$2,173
General Electric Capital, Sr. Un- secd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,089,000	0.41	\$1,089,548	\$1,089,310	-\$238
General Electric Capital, Sr. Un- secd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		8,000,000	0.41	\$8,004,024	\$8,002,280	-\$1,744
General Electric Capital, Sr. Un- secd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		10,000,000	0.41	\$10,004,993	\$10,002,850	-\$2,143
General Electric Capital, Sr. Un- secd. Note, 2.25%, 11/09/2015	CORPORATE BOND	2.25	11/9/2015		1,000,000	0.51	\$1,000,475	\$1,000,285	-\$190
General Electric Capital, Sr. Unsecd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		3,967,000	0.43	\$4,001,422	\$3,994,483	-\$6,938
General Electric Capital, Sr. Unsecd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		400,000	0.46	\$403,459	\$402,771	-\$688
General Electric Capital, Sr. Unsecd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		10,000,000	0.46	\$10,086,366	\$10,069,280	-\$17,086
General Electric Capital, Sr. Unsecd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		7,650,000	0.51	\$7,715,551	\$7,702,999	-\$12,551
General Electric Capital, Sr. Unsecd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		1,185,000	0.61	\$1,194,936	\$1,193,210	-\$1,726
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/25/2016		60,000,000	0.30	\$59,956,500	\$59,954,470	-\$2,030

See notes at end of table.

## INVENTORY OF HOLDINGS FOR OCTOBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/4/2015		100,000,000	0.20	\$99,997,222	\$99,997,944	\$722
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/6/2015		33,000,000	0.21	\$32,998,653	\$32,999,037	\$385
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/18/2015		75,000,000	0.20	\$74,992,083	\$74,993,152	\$1,068
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		12/16/2015		50,000,000	0.31	\$49,979,764	\$49,978,785	-\$979
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		11/10/2015		21,000,000	0.35	\$20,997,818	\$20,999,038	\$1,219
J.P. Morgan Securities LLC, Apr 22, 2016	VARIABLE RATE COM- MERCIAL PAPER - 4-2	0.46	4/22/2016	11/23/2015	10,000,000	0.46	\$10,000,000	\$9,999,050	-\$950
J.P. Morgan Securities LLC, Dec 04, 2015	VARIABLE RATE COM- MERCIAL PAPER - 4-2	0.40	12/4/2015	12/4/2015	50,000,000	0.41	50,000,000	49,997,150	-\$2,850
J.P. Morgan Securities LLC, Feb 09, 2016	VARIABLE RATE COM- MERCIAL PAPER - 4-2	0.39	2/9/2016	11/9/2015	100,000,000	0.40	\$100,000,000	\$99,997,000	-\$3,000
J.P. Morgan Securities LLC, Feb 16, 2016	VARIABLE RATE COM- MERCIAL PAPER - 4-2	0.40	2/16/2016	11/16/2015	25,000,000	0.40	\$25,000,000	\$24,999,150	-\$850
J.P. Morgan Securities LLC, May 31, 2016	VARIABLE RATE COM- MERCIAL PAPER - 4-2	0.50	5/31/2016	11/30/2015	25,000,000	0.51	\$25,000,000	\$24,997,175	-\$2,825
JPMorgan Chase Bank, N.A., Nov 04, 2016	VARIABLE RATE BANK NOTE	0.50	11/4/2016	11/9/2015	15,000,000	0.49	\$15,000,000	\$14,999,970	-\$30
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2016		25,000,000	0.35	\$24,977,097	\$24,977,367	\$270
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.30	11/13/2015		20,000,000	0.30	\$20,000,000	\$20,000,909	\$909
NRW Bank CP	COMMERCIAL PAPER		11/3/2015		10,000,000	0.13	\$9,999,856	\$9,999,928	\$72
NRW Bank CP	COMMERCIAL PAPER		11/5/2015		200,000,000	0.08	\$199,997,500	\$199,997,734	\$234
National Australia Bank Ltd., Melbourne, Jan 29, 2016	VARIABLE RATE COM- MERCIAL PAPER - 4-2	0.35	1/29/2016	11/13/2015	40,000,000	0.35	\$40,000,000	\$39,998,000	-\$2,000
Nederlandse Waterschapsbank NV CP4-2	COMMERCIAL PAPER - 4-2		2/8/2016		100,000,000	0.39	\$99,893,389	\$99,909,381	\$15,992
New York City, NY Municipal Water Finance Authority, Second General Resolution (Fiscal 2007 Series C-C1), 06/15/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.12	6/15/2038	11/2/2015	46,400,000	0.12	\$46,400,000	\$46,400,000	\$0
Rabobank Nederland NV, Utrecht, Feb 22, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.37	2/22/2016	11/23/2015	5,000,000	0.38	\$5,000,000	\$4,999,695	-\$305
Rabobank Nederland NV, Utrecht, Mar 18, 2016	VARIABLE RATE EUR CERTIFICATE OF DE- POSIT	0.40	3/18/2016	11/18/2015	40,000,000	0.40	\$40,000,000	\$39,978,160	-\$21,840
Rabobank Nederland, Utrecht CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.36	12/16/2015		100,000,000	0.37	\$100,000,000	\$100,018,904	\$18,904
Royal Bank of Canada, Montreal, Jan 13, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.30	1/13/2016	11/13/2015	25,000,000	0.30	\$25,000,000	\$24,997,400	-\$2,600
Royal Bank of Canada, Montreal, May 12, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.34	5/12/2016	11/12/2015	50,000,000	0.34	50,000,000	49,997,250	-\$2,750

See notes at end of table.

## INVENTORY OF HOLDINGS FOR OCTOBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Royal Bank of Canada, Montreal, Oct 03, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.48	10/3/2016	1/4/2016	125,000,000	0.49	125,000,000	124,979,750	-\$20,250
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		9,550,000	0.50	9,575,532	9,574,362	-\$1,169
Royal Bank of Canada, Montreal, Sr. Unsecd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		785,000	0.55	\$787,048	\$787,003	-\$46
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.65	2/26/2016		23,000,000	0.42	\$23,018,084	\$23,018,084	-\$0
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.39	3/9/2016		25,000,000	0.40	\$25,000,000	\$24,999,546	-\$455
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		2/5/2016		78,000,000	0.40	\$77,917,190	\$77,930,142	\$12,952
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		2/22/2016		50,000,000	0.40	\$49,937,708	\$49,941,222	\$3,514
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.37	1/7/2016		100,000,000	0.38	\$100,000,000	\$100,020,851	\$20,851
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.32	11/9/2015		50,000,000	0.32	\$50,000,000	\$50,002,498	\$2,498
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.33	12/2/2015		4,000,000	0.33	\$4,000,000	\$4,000,527	\$527
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.33	12/1/2015		100,000,000	0.33	\$100,000,000	\$100,012,962	\$12,962
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.32	11/16/2015		40,000,000	0.32	\$40,000,000	\$40,003,133	\$3,133
Svenska Handelsbanken, Stock- holm CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.32	11/30/2015		25,000,000	0.31	\$25,000,108	\$25,003,291	\$3,183
Svenska Handelsbanken, Stock- holm TDCAY	TIME DEPOSIT - CAY- MAN	0.05	11/2/2015		265,000,000	0.05	\$265,000,000	\$265,000,000	\$0
Toronto Dominion Bank CDYAN	CERTIFICATE OF DE- POSIT - YANKEE	0.75	8/8/2016		10,000,000	0.76	\$10,000,000	\$10,010,085	\$10,085
Toronto Dominion Bank, Apr 15, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.35	4/15/2016	1/15/2016	40,000,000	0.36	\$40,000,000	\$39,992,640	-\$7,360
Toronto Dominion Bank, Feb 12, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.39	2/12/2016	11/12/2015	25,000,000	0.35	\$25,000,000	\$24,998,875	-\$1,125
Toronto Dominion Bank, Feb 24, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.36	2/24/2016	11/24/2015	50,000,000	0.36	\$50,000,000	\$49,997,150	-\$2,850
Toronto Dominion Bank, Jul 01, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.35	7/1/2016	11/2/2015	75,000,000	0.36	\$75,000,000	\$74,989,800	-\$10,200
Toronto Dominion Bank, Oct 17, 2016	VARIABLE RATE CERTIFI- CATE OF DEPOSIT	0.57	10/17/2016	1/19/2016	30,000,000	0.57	\$30,000,000	\$29,993,820	-\$6,180
Toronto Dominion Bank, Sr. Unsecured, Sep 09, 2016	VARIABLE MEDIUM TERM NOTE	0.79	9/9/2016	12/9/2015	24,000,000	0.49	\$24,064,847	\$24,051,072	-\$13,775
Toyota Motor Credit Corp., Apr 15, 2016	VARIABLE MEDIUM TERM NOTE	0.33	4/15/2016	1/15/2016	100,000,000	0.34	\$100,000,000	\$99,981,700	-\$18,300
Toyota Motor Credit Corp., Oct 07, 2016	VARIABLE MEDIUM TERM NOTE	0.52	10/7/2016	1/7/2016	50,000,000	0.53	\$50,000,000	\$49,990,100	-\$9,900

See notes at end of table.

## INVENTORY OF HOLDINGS FOR OCTOBER 2015

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., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.61	5/17/2016	11/17/2015	21,100,000	0.34	\$21,132,834	\$21,123,210	-\$9,624
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.61	5/17/2016	11/17/2015	1,420,000	0.35	\$1,422,125	\$1,421,562	-\$563
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.61	5/17/2016	11/17/2015	300,000	0.35	\$300,450	\$300,330	-\$120
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.61	5/17/2016	11/17/2015	2,000,000	0.36	\$2,003,032	\$2,002,200	-\$832
Wells Fargo Bank, N.A., Nov 18, 2016	VARIABLE RATE BANK NOTE	0.52	11/18/2016	12/21/2015	100,000,000	0.52	\$100,000,000	\$99,999,600	-\$400
Wells Fargo Bank, N.A., Nov 21, 2016	VARIABLE MEDIUM TERM NOTE	0.50	11/21/2016	12/22/2015	50,000,000	0.51	\$50,000,000	\$49,998,650	-\$1,350
<b>Total Value of Investments</b>					<b>5,863,094,223</b>		<b>5,863,948,462</b>	<b>5,863,602,148</b>	<b>-\$346,313</b>

**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.

<sup>1</sup> 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.

<sup>2</sup> Amortized cost is calculated using a straight line method.

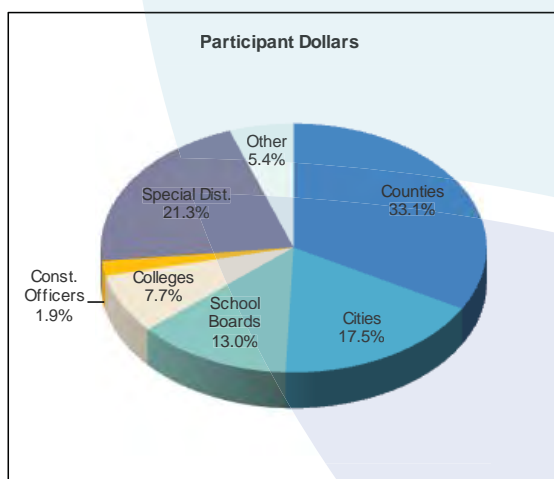
**Financial Disclosure Information Available  
for June 30, 2015 and September 30, 2015**

See our website:  
<https://www.sbafla.com/PRIME>.  
 Look under the Audits tab - Financial Disclosures

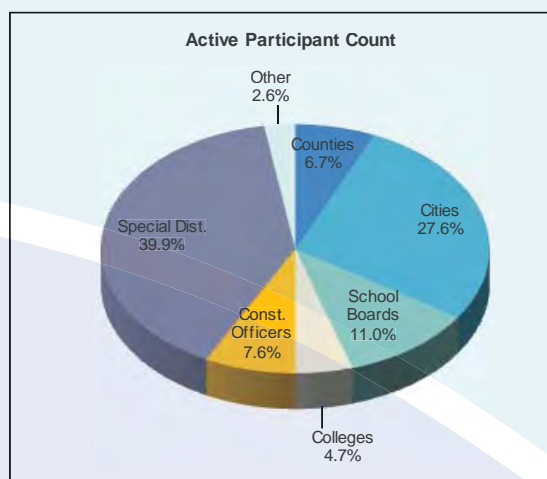
**Contact us with any questions - (850) 488-7311**

## PARTICIPANT CONCENTRATION DATA - AS OF OCTOBER 2015

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
<b>All Participants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Colleges &amp; Universities</b>	<b>7.7%</b>	<b>4.7%</b>
Top 10	43.5%	1.3%	Top 10	7.1%	1.3%
\$100 million or more	49.8%	1.7%	\$100 million or more	4.3%	0.1%
\$10 million up to \$100 million	39.9%	11.4%	\$10 million up to \$100 million	2.6%	0.9%
\$1 million up to \$10 million	9.1%	18.2%	\$1 million up to \$10 million	0.8%	1.4%
Under \$1 million	1.3%	68.7%	Under \$1 million	0.04%	2.3%
<b>Counties</b>	<b>33.1%</b>	<b>6.7%</b>	<b>Constitutional Officers</b>	<b>1.9%</b>	<b>7.6%</b>
Top 10	27.9%	1.3%	Top 10	1.0%	1.3%
\$100 million or more	23.8%	0.8%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	8.7%	1.8%	\$10 million up to \$100 million	0.9%	0.4%
\$1 million up to \$10 million	0.6%	0.9%	\$1 million up to \$10 million	1.0%	1.9%
Under \$1 million	0.1%	3.2%	Under \$1 million	0.1%	5.3%
<b>Municipalities</b>	<b>17.5%</b>	<b>27.6%</b>	<b>Special Districts</b>	<b>21.3%</b>	<b>39.9%</b>
Top 10	10.1%	1.3%	Top 10	15.6%	1.3%
\$100 million or more	4.5%	0.3%	\$100 million or more	9.4%	0.3%
\$10 million up to \$100 million	9.5%	3.1%	\$10 million up to \$100 million	9.6%	2.4%
\$1 million up to \$10 million	3.1%	6.7%	\$1 million up to \$10 million	1.9%	4.2%
Under \$1 million	0.4%	17.6%	Under \$1 million	0.5%	32.9%
<b>School Boards</b>	<b>13.0%</b>	<b>11.0%</b>	<b>Other</b>	<b>5.4%</b>	<b>2.6%</b>
Top 10	10.4%	1.3%	Top 10	4.8%	1.3%
\$100 million or more	7.8%	0.3%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	3.7%	1.8%	\$10 million up to \$100 million	4.9%	1.0%
\$1 million up to \$10 million	1.4%	2.2%	\$1 million up to \$10 million	0.5%	0.9%
Under \$1 million	0.2%	6.8%	Under \$1 million	0.0%	0.6%



Total Fund Value: \$5,866,827,558



Total Active Participant Count: 780

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

## COMPLIANCE WITH INVESTMENT POLICY FOR OCTOBER 2015

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

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

Test by Source	Pass/Fail
<b><u>Florida PRIME's Investment Policy</u></b>	
Securities must be USD denominated.	Pass
<b><u>Ratings requirements</u></b>	
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 <sup>1</sup>	Pass
<b><u>Maturity</u></b>	
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
<b><u>Issuer Diversification</u></b>	
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. <sup>2</sup>	Pass
<b><u>Demand Feature and Guarantor Diversification</u></b>	
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
<b><u>Money Market Mutual Funds</u></b>	
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
<b><u>Concentration Tests</u></b>	
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. <sup>3</sup>	Pass
<b><u>S&amp;P Requirements</u></b>	
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

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

<sup>2</sup> 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.

<sup>3</sup> 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 OCTOBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<b>Buys</b>								
ATLANTIC ASSET SECUCPABS4	01/15/16	10/15/15	10/15/15	20,000,000	19,983,644	0	19,983,644	0
ATLANTIC ASSET SECUCPABS4	11/02/15	10/30/15	10/30/15	25,000,000	24,999,792	0	24,999,792	0
BANK OF MONTREAL	11/06/15	10/06/15	10/09/15	2,000,000	2,000,700	6,800	2,007,500	0
BARTON CAPITAL LLCCPABS4-	10/28/15	10/27/15	10/27/15	45,000,000	44,999,863	0	44,999,863	0
BNP PARIBAS SACP4-2	11/04/15	10/28/15	10/29/15	50,000,000	49,998,917	0	49,998,917	0
BNP PARIBAS SACP4-2	11/04/15	10/28/15	10/29/15	50,000,000	49,998,917	0	49,998,917	0
BNP PARIBAS SACP4-2	11/04/15	10/28/15	10/29/15	45,000,000	44,999,025	0	44,999,025	0
BNP PARIBAS SACP4-2	11/04/15	10/28/15	10/29/15	50,000,000	49,998,917	0	49,998,917	0
COOPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK BA/NY	10/02/15	10/01/15	10/01/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK BA/NY	10/06/15	10/05/15	10/05/15	50,000,000	49,999,847	0	49,999,847	0
COOPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK BA/NY	10/06/15	10/05/15	10/05/15	8,000,000	7,999,976	0	7,999,976	0
RABOBANK NEDERLAND CP	10/28/15	10/27/15	10/27/15	44,588,000	44,587,876	0	44,587,876	0
RABOBANK NEDERLAND CP	10/28/15	10/27/15	10/27/15	50,000,000	49,999,861	0	49,999,861	0
RABOBANK NEDERLAND CP	10/28/15	10/27/15	10/27/15	50,000,000	49,999,861	0	49,999,861	0
CREDIT AGRICOLE CORCDYAN	02/03/16	10/26/15	10/26/15	20,000,000	20,000,000	0	20,000,000	0
CREDIT AGRICOLE CORCDYAN	02/03/16	10/26/15	10/26/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	02/03/16	10/26/15	10/26/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	02/04/16	10/27/15	10/27/15	20,000,000	20,000,000	0	20,000,000	0
DNB NOR BANK ASACDYAN	11/05/15	10/29/15	10/29/15	50,000,000	49,999,125	0	49,999,125	0
DNB NOR BANK ASACDYAN	11/05/15	10/29/15	10/29/15	50,000,000	49,999,125	0	49,999,125	0
GENERAL ELECTRIC CAPITAL CORP	01/08/16	10/06/15	10/09/15	379,000	379,061	5	379,066	0
GOTHAM FUNDING CORPCPABS4	01/25/16	10/23/15	10/23/15	50,000,000	49,960,833	0	49,960,833	0
GOTHAM FUNDING CORPCPABS4	01/25/16	10/23/15	10/23/15	10,000,000	9,992,167	0	9,992,167	0
GOTHAM FUNDING CORPCPABS4	10/29/15	10/28/15	10/28/15	25,590,000	25,589,929	0	25,589,929	0
GOTHAM FUNDING CORPCPABS4	11/04/15	10/02/15	10/02/15	50,000,000	49,990,833	0	49,990,833	0
GOTHAM FUNDING CORPCPABS4	11/04/15	10/02/15	10/02/15	50,000,000	49,990,833	0	49,990,833	0
GOTHAM FUNDING CORPCPABS4	11/06/15	10/07/15	10/07/15	33,000,000	32,994,225	0	32,994,225	0
GOTHAM FUNDING CORPCPABS4	11/18/15	10/22/15	10/22/15	50,000,000	49,992,500	0	49,992,500	0
GOTHAM FUNDING CORPCPABS4	11/18/15	10/22/15	10/22/15	25,000,000	24,996,250	0	24,996,250	0
LMA-AMERICAS LLCCPABS4-2	02/04/16	10/27/15	10/27/15	25,000,000	24,976,389	0	24,976,389	0
LMA-AMERICAS LLCCPABS4-2	10/13/15	10/06/15	10/06/15	50,000,000	49,998,736	0	49,998,736	0
LMA-AMERICAS LLCCPABS4-2	10/13/15	10/06/15	10/06/15	34,000,000	33,999,141	0	33,999,141	0
NRW,BANKCP	10/20/15	10/13/15	10/13/15	50,000,000	49,998,785	0	49,998,785	0
NRW,BANKCP	10/20/15	10/13/15	10/13/15	50,000,000	49,998,785	0	49,998,785	0
NRW,BANKCP	10/26/15	10/19/15	10/19/15	50,000,000	49,998,785	0	49,998,785	0
NRW,BANKCP	10/26/15	10/19/15	10/19/15	50,000,000	49,998,785	0	49,998,785	0
NRW,BANKCP	10/28/15	10/21/15	10/21/15	50,000,000	49,998,785	0	49,998,785	0
NRW,BANKCP	10/28/15	10/21/15	10/21/15	50,000,000	49,998,785	0	49,998,785	0
NRW,BANKCP	11/03/15	10/26/15	10/26/15	10,000,000	9,999,711	0	9,999,711	0
NRW,BANKCP	11/05/15	10/29/15	10/29/15	50,000,000	49,999,271	0	49,999,271	0

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NRW,BANKCP	11/05/15	10/29/15	10/29/15	50,000,000	49,999,271	0	49,999,271	0
NRW,BANKCP	11/05/15	10/29/15	10/29/15	50,000,000	49,999,271	0	49,999,271	0
NRW,BANKCP	11/05/15	10/29/15	10/29/15	50,000,000	49,999,271	0	49,999,271	0
NEDERLANDSE WATERS CCP4-2	02/08/16	10/01/15	10/02/15	50,000,000	49,931,917	0	49,931,917	0
NEDERLANDSE WATERS CCP4-2	02/08/16	10/01/15	10/02/15	50,000,000	49,931,917	0	49,931,917	0
SOCIETE GENERALE, PCP4-2	10/13/15	10/05/15	10/05/15	50,000,000	49,998,556	0	49,998,556	0
SOCIETE GENERALE, PCP4-2	10/13/15	10/05/15	10/05/15	50,000,000	49,998,556	0	49,998,556	0
SOCIETE GENERALE, PCP4-2	10/16/15	10/15/15	10/15/15	25,000,000	24,999,931	0	24,999,931	0
SOCIETE GENERALE, PCP4-2	10/16/15	10/15/15	10/15/15	50,000,000	49,999,861	0	49,999,861	0
SOCIETE GENERALE, PCP4-2	10/19/15	10/16/15	10/16/15	50,000,000	49,999,583	0	49,999,583	0
SOCIETE GENERALE, PCP4-2	10/19/15	10/16/15	10/16/15	22,000,000	21,999,817	0	21,999,817	0
SOCIETE GENERALE, PCP4-2	10/20/15	10/13/15	10/13/15	50,000,000	49,998,833	0	49,998,833	0
SOCIETE GENERALE, PCP4-2	10/20/15	10/13/15	10/13/15	50,000,000	49,998,833	0	49,998,833	0
SOCIETE GENERALE, PCP4-2	10/27/15	10/20/15	10/20/15	50,000,000	49,998,833	0	49,998,833	0
SOCIETE GENERALE, PCP4-2	10/27/15	10/20/15	10/20/15	50,000,000	49,998,833	0	49,998,833	0
STANDARD CHARTERED CP4-2	02/22/16	10/14/15	10/14/15	50,000,000	49,929,042	0	49,929,042	0
STANDARD CHARTERED CDYAN	02/26/16	10/30/15	10/30/15	23,000,000	23,018,084	101,743	23,119,827	0
STANDARD CHARTERED CDYAN	03/09/16	10/29/15	10/29/15	25,000,000	25,000,000	0	25,000,000	0
TORONTO-DOMINION BANK/NY	10/17/16	10/14/15	10/16/15	30,000,000	30,000,000	0	30,000,000	0
TOYOTA MOTOR CREDIT CORP	10/07/16	10/01/15	10/06/15	50,000,000	50,000,000	0	50,000,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/01/15	10/01/15	1,796,604	1,796,604	0	1,796,604	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/02/15	10/02/15	2,221,112	2,221,112	0	2,221,112	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/06/15	10/06/15	3,813,429	3,813,429	0	3,813,429	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/07/15	10/07/15	372,866	372,866	0	372,866	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/09/15	10/09/15	4,961,080	4,961,080	0	4,961,080	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/14/15	10/14/15	1,230,224	1,230,224	0	1,230,224	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/15/15	10/15/15	2,586,594	2,586,594	0	2,586,594	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/19/15	10/19/15	2,609,643	2,609,643	0	2,609,643	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/22/15	10/22/15	2,546,157	2,546,157	0	2,546,157	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/26/15	10/26/15	3,262,979	3,262,979	0	3,262,979	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/28/15	10/28/15	648,624	648,624	0	648,624	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/29/15	10/29/15	3,111,839	3,111,839	0	3,111,839	0
BANK OF AMERICA TRIPARTY	10/02/15	10/01/15	10/01/15	165,000,000	165,000,000	0	165,000,000	0
BANK OF AMERICA TRIPARTY	10/05/15	10/02/15	10/02/15	138,000,000	138,000,000	0	138,000,000	0
BANK OF AMERICA TRIPARTY	10/06/15	10/05/15	10/05/15	235,000,000	235,000,000	0	235,000,000	0
BANK OF AMERICA TRIPARTY	10/07/15	10/06/15	10/06/15	290,000,000	290,000,000	0	290,000,000	0
BANK OF AMERICA TRIPARTY	10/08/15	10/07/15	10/07/15	360,000,000	360,000,000	0	360,000,000	0
BANK OF AMERICA TRIPARTY	10/09/15	10/08/15	10/08/15	400,000,000	400,000,000	0	400,000,000	0
BANK OF AMERICA TRIPARTY	10/13/15	10/09/15	10/09/15	445,000,000	445,000,000	0	445,000,000	0
BANK OF AMERICA TRIPARTY	10/14/15	10/13/15	10/13/15	575,000,000	575,000,000	0	575,000,000	0
BANK OF AMERICA TRIPARTY	10/15/15	10/14/15	10/14/15	485,000,000	485,000,000	0	485,000,000	0
BANK OF AMERICA TRIPARTY	10/16/15	10/15/15	10/15/15	380,000,000	380,000,000	0	380,000,000	0
BANK OF AMERICA TRIPARTY	10/19/15	10/16/15	10/16/15	450,000,000	450,000,000	0	450,000,000	0
BANK OF AMERICA TRIPARTY	10/20/15	10/19/15	10/19/15	355,000,000	355,000,000	0	355,000,000	0

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Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	10/21/15	10/20/15	10/20/15	585,000,000	585,000,000	0	585,000,000	0
BANK OF AMERICA TRIPARTY	10/22/15	10/21/15	10/21/15	465,000,000	465,000,000	0	465,000,000	0
BANK OF AMERICA TRIPARTY	10/23/15	10/22/15	10/22/15	74,000,000	74,000,000	0	74,000,000	0
BANK OF AMERICA TRIPARTY	10/26/15	10/23/15	10/23/15	395,000,000	395,000,000	0	395,000,000	0
BANK OF AMERICA TRIPARTY	10/27/15	10/26/15	10/26/15	535,000,000	535,000,000	0	535,000,000	0
BANK OF AMERICA TRIPARTY	10/28/15	10/27/15	10/27/15	430,000,000	430,000,000	0	430,000,000	0
BANK OF AMERICA TRIPARTY	10/29/15	10/28/15	10/28/15	745,000,000	745,000,000	0	745,000,000	0
BANK OF AMERICA TRIPARTY	10/30/15	10/29/15	10/29/15	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	11/02/15	10/30/15	10/30/15	225,000,000	225,000,000	0	225,000,000	0
<b>Total Buys</b>				<b>10,668,718,151</b>	<b>10,668,378,223</b>	<b>108,549</b>	<b>10,668,486,771</b>	<b>0</b>
<b>Cash Closes</b>								
BARTON CAPITAL LLC	11/06/15	10/02/15	10/02/15	50,000,000	50,000,000	9,975	50,009,975	0
BARTON CAPITAL LLC	11/10/15	10/06/15	10/06/15	20,000,000	20,000,000	4,377	20,004,377	0
<b>Total Cash Closes</b>				<b>70,000,000</b>	<b>70,000,000</b>	<b>14,352</b>	<b>70,014,352</b>	<b>0</b>
<b>Deposits</b>								
SVENSKA HANDELSBANKTDCAY 0.12 20151002	10/02/15	10/01/15	10/01/15	280,000,000	280,000,000	0	280,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151005	10/05/15	10/02/15	10/02/15	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151006	10/06/15	10/05/15	10/05/15	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151007	10/07/15	10/06/15	10/06/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151008	10/08/15	10/07/15	10/07/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151009	10/09/15	10/08/15	10/08/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151013	10/13/15	10/09/15	10/09/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151014	10/14/15	10/13/15	10/13/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151015	10/15/15	10/14/15	10/14/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151016	10/16/15	10/15/15	10/15/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151019	10/19/15	10/16/15	10/16/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151020	10/20/15	10/19/15	10/19/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151021	10/21/15	10/20/15	10/20/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151022	10/22/15	10/21/15	10/21/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151023	10/23/15	10/22/15	10/22/15	265,000,000	265,000,000	0	265,000,000	0
CANADIAN IMPERIAL BTDCAY 0.1 20151023	10/23/15	10/22/15	10/22/15	290,000,000	290,000,000	0	290,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151026	10/26/15	10/23/15	10/23/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151027	10/27/15	10/26/15	10/26/15	265,000,000	265,000,000	0	265,000,000	0

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SVENSKA HANDELSBANKTD CAY 0.11 20151028	10/28/15	10/27/15	10/27/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTD CAY 0.11 20151029	10/29/15	10/28/15	10/28/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTD CAY 0.05 20151102	11/02/15	10/30/15	10/30/15	265,000,000	265,000,000	0	265,000,000	0
Total Deposits				5,650,000,000	5,650,000,000	0	5,650,000,000	0
Maturities								
BMO HARRIS BANK NA	10/23/15	10/23/15	10/23/15	25,000,000	25,000,000	0	25,000,000	0
BANK OF NOVA SCOTIA	10/07/15	10/07/15	10/07/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIA/THE	10/09/15	10/09/15	10/09/15	4,520,000	4,520,000	0	4,520,000	0
BANK OF TOKYO-MITSUCDYAN	10/15/15	10/15/15	10/15/15	40,000,000	40,000,000	0	40,000,000	0
BARTON CAPITAL LLCPCABS4-	10/28/15	10/28/15	10/28/15	45,000,000	45,000,000	0	45,000,000	0
MIZUHO BANK LTD,CDEUR	10/13/15	10/13/15	10/13/15	45,000,000	45,000,000	0	45,000,000	0
ABN AMRO BANK NV CDEUR	10/13/15	10/13/15	10/13/15	50,000,000	50,000,000	0	50,000,000	0
COOPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK BA/NY	10/09/15	10/09/15	10/09/15	5,000,000	5,000,000	0	5,000,000	0
COOPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK BA/NY	10/02/15	10/02/15	10/02/15	50,000,000	50,000,000	0	50,000,000	0
COOPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK BA/NY	10/06/15	10/06/15	10/06/15	58,000,000	58,000,000	0	58,000,000	0
RABOBANK NEDERLAND CP	10/28/15	10/28/15	10/28/15	144,588,000	144,588,000	0	144,588,000	0
CREDIT AGRICOLE CORCDYAN	10/02/15	10/02/15	10/02/15	25,000,000	25,000,000	0	25,000,000	0
CREDIT SUISSE, ZURICDYAN	10/13/15	10/13/15	10/13/15	100,000,000	100,000,000	0	100,000,000	0
DZ BANK AG DEUTSCHECDYAN	10/08/15	10/08/15	10/08/15	70,000,000	70,000,000	0	70,000,000	0
DZ BANK AG DEUTSCHECDYAN	10/02/15	10/02/15	10/02/15	100,000,000	100,000,000	0	100,000,000	0
DZ BANK AG DEUTSCHECDYAN	10/16/15	10/16/15	10/16/15	30,000,000	30,000,000	0	30,000,000	0
GOTHAM FUNDING CORPCABS4	10/01/15	10/01/15	10/01/15	75,000,000	75,000,000	0	75,000,000	0
GOTHAM FUNDING CORPCABS4	10/02/15	10/02/15	10/02/15	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCABS4	10/07/15	10/07/15	10/07/15	35,000,000	35,000,000	0	35,000,000	0
GOTHAM FUNDING CORPCABS4	10/20/15	10/20/15	10/20/15	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCABS4	10/23/15	10/23/15	10/23/15	73,000,000	73,000,000	0	73,000,000	0
GOTHAM FUNDING CORPCABS4	10/29/15	10/29/15	10/29/15	25,590,000	25,590,000	0	25,590,000	0
LMA-AMERICAS LLCPCABS4-2	10/06/15	10/06/15	10/06/15	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCPCABS4-2	10/13/15	10/13/15	10/13/15	84,000,000	84,000,000	0	84,000,000	0
MIZUHO BANK LTD/NY	10/30/15	10/30/15	10/30/15	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	10/27/15	10/27/15	10/27/15	40,000,000	40,000,000	0	40,000,000	0
NRW,BANKCP	10/05/15	10/05/15	10/05/15	300,000,000	300,000,000	0	300,000,000	0
NRW,BANKCP	10/20/15	10/20/15	10/20/15	100,000,000	100,000,000	0	100,000,000	0
NRW,BANKCP	10/26/15	10/26/15	10/26/15	150,000,000	150,000,000	0	150,000,000	0
NRW,BANKCP	10/28/15	10/28/15	10/28/15	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCP4-2	10/13/15	10/13/15	10/13/15	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCP4-2	10/16/15	10/16/15	10/16/15	75,000,000	75,000,000	0	75,000,000	0
SOCIETE GENERALE, PCP4-2	10/19/15	10/19/15	10/19/15	72,000,000	72,000,000	0	72,000,000	0
SOCIETE GENERALE, PCP4-2	10/20/15	10/20/15	10/20/15	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCP4-2	10/27/15	10/27/15	10/27/15	100,000,000	100,000,000	0	100,000,000	0
SUMITOMO MITSUI BANCDYAN	10/26/15	10/26/15	10/26/15	28,000,000	28,000,000	0	28,000,000	0

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WELLS FARGO & CO	10/28/15	10/28/15	10/28/15	56,643,000	56,643,000	0	56,643,000	0
BANK OF AMERICA TRIPARTY	10/01/15	10/01/15	10/01/15	585,000,000	585,000,000	0	585,000,000	0
BANK OF AMERICA TRIPARTY	10/02/15	10/02/15	10/02/15	165,000,000	165,000,000	0	165,000,000	0
BANK OF AMERICA TRIPARTY	10/05/15	10/05/15	10/05/15	138,000,000	138,000,000	0	138,000,000	0
BANK OF AMERICA TRIPARTY	10/06/15	10/06/15	10/06/15	235,000,000	235,000,000	0	235,000,000	0
BANK OF AMERICA TRIPARTY	10/07/15	10/07/15	10/07/15	290,000,000	290,000,000	0	290,000,000	0
BANK OF AMERICA TRIPARTY	10/08/15	10/08/15	10/08/15	360,000,000	360,000,000	0	360,000,000	0
BANK OF AMERICA TRIPARTY	10/09/15	10/09/15	10/09/15	400,000,000	400,000,000	0	400,000,000	0
BANK OF AMERICA TRIPARTY	10/13/15	10/13/15	10/13/15	445,000,000	445,000,000	0	445,000,000	0
BANK OF AMERICA TRIPARTY	10/14/15	10/14/15	10/14/15	575,000,000	575,000,000	0	575,000,000	0
BANK OF AMERICA TRIPARTY	10/15/15	10/15/15	10/15/15	485,000,000	485,000,000	0	485,000,000	0
BANK OF AMERICA TRIPARTY	10/16/15	10/16/15	10/16/15	380,000,000	380,000,000	0	380,000,000	0
BANK OF AMERICA TRIPARTY	10/19/15	10/19/15	10/19/15	450,000,000	450,000,000	0	450,000,000	0
BANK OF AMERICA TRIPARTY	10/20/15	10/20/15	10/20/15	355,000,000	355,000,000	0	355,000,000	0
BANK OF AMERICA TRIPARTY	10/21/15	10/21/15	10/21/15	585,000,000	585,000,000	0	585,000,000	0
BANK OF AMERICA TRIPARTY	10/22/15	10/22/15	10/22/15	465,000,000	465,000,000	0	465,000,000	0
BANK OF AMERICA TRIPARTY	10/23/15	10/23/15	10/23/15	74,000,000	74,000,000	0	74,000,000	0
BANK OF AMERICA TRIPARTY	10/26/15	10/26/15	10/26/15	395,000,000	395,000,000	0	395,000,000	0
BANK OF AMERICA TRIPARTY	10/27/15	10/27/15	10/27/15	535,000,000	535,000,000	0	535,000,000	0
BANK OF AMERICA TRIPARTY	10/28/15	10/28/15	10/28/15	430,000,000	430,000,000	0	430,000,000	0
BANK OF AMERICA TRIPARTY	10/29/15	10/29/15	10/29/15	745,000,000	745,000,000	0	745,000,000	0
BANK OF AMERICA TRIPARTY	10/30/15	10/30/15	10/30/15	440,000,000	440,000,000	0	440,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151002	10/02/15	10/02/15	10/02/15	280,000,000	280,000,000	0	280,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151005	10/05/15	10/05/15	10/05/15	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151006	10/06/15	10/06/15	10/06/15	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151007	10/07/15	10/07/15	10/07/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151008	10/08/15	10/08/15	10/08/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151009	10/09/15	10/09/15	10/09/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151013	10/13/15	10/13/15	10/13/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151014	10/14/15	10/14/15	10/14/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151015	10/15/15	10/15/15	10/15/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151016	10/16/15	10/16/15	10/16/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151019	10/19/15	10/19/15	10/19/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151020	10/20/15	10/20/15	10/20/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.12 20151021	10/21/15	10/21/15	10/21/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151022	10/22/15	10/22/15	10/22/15	265,000,000	265,000,000	0	265,000,000	0

## TRADING ACTIVITY FOR OCTOBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SVENSKA HANDELSBANKTDCAY 0.11 20151023	10/23/15	10/23/15	10/23/15	265,000,000	265,000,000	0	265,000,000	0
CANADIAN IMPERIAL BTDCAY 0.11 20151023	10/23/15	10/23/15	10/23/15	290,000,000	290,000,000	0	290,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151026	10/26/15	10/26/15	10/26/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151027	10/27/15	10/27/15	10/27/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151028	10/28/15	10/28/15	10/28/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151029	10/29/15	10/29/15	10/29/15	270,000,000	270,000,000	0	270,000,000	0
<b>Total Maturities</b>				<b>16,523,341,000</b>	<b>16,523,341,000</b>	<b>0</b>	<b>16,523,341,000</b>	<b>0</b>
<b>Sells</b>								
J.P. MORGAN SECURITCP4-2	10/09/15	10/07/15	10/07/15	5,000,000	4,999,969	0	4,999,969	81
J.P. MORGAN SECURITCP4-2	10/09/15	10/07/15	10/07/15	17,000,000	16,999,896	0	16,999,896	274
J.P. MORGAN SECURITCP4-2	11/10/15	10/07/15	10/07/15	4,000,000	3,999,396	0	3,999,396	680
LMA-AMERICAS LLC PABS4-2	12/04/15	10/27/15	10/27/15	20,000,000	19,994,933	0	19,994,933	1,900
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/05/15	10/05/15	1,132,635	1,132,635	0	1,132,635	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/05/15	10/05/15	590,173	590,173	0	590,173	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/05/15	10/05/15	979,832	979,832	0	979,832	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/05/15	10/05/15	1,770,028	1,770,028	0	1,770,028	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/05/15	10/05/15	622,544	622,544	0	622,544	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/05/15	10/05/15	1,054,871	1,054,871	0	1,054,871	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/08/15	10/08/15	136,745	136,745	0	136,745	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/08/15	10/08/15	986,938	986,938	0	986,938	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/08/15	10/08/15	741,733	741,733	0	741,733	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/08/15	10/08/15	2,221,112	2,221,112	0	2,221,112	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/08/15	10/08/15	1,937,474	1,937,474	0	1,937,474	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/13/15	10/13/15	1,875,954	1,875,954	0	1,875,954	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/13/15	10/13/15	372,866	372,866	0	372,866	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/13/15	10/13/15	1,616,486	1,616,486	0	1,616,486	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/16/15	10/16/15	1,594,861	1,594,861	0	1,594,861	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/20/15	10/20/15	801,953	801,953	0	801,953	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/21/15	10/21/15	947,780	947,780	0	947,780	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/21/15	10/21/15	1,230,224	1,230,224	0	1,230,224	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/21/15	10/21/15	1,131,189	1,131,189	0	1,131,189	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/23/15	10/23/15	1,264,103	1,264,103	0	1,264,103	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/27/15	10/27/15	191,302	191,302	0	191,302	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/27/15	10/27/15	2,609,643	2,609,643	0	2,609,643	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/27/15	10/27/15	1,285,175	1,285,175	0	1,285,175	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/30/15	10/30/15	292,839	292,839	0	292,839	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	10/06/15	10/06/15	21,400,000	21,400,000	0	21,400,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	10/15/15	10/15/15	13,500,000	13,500,000	0	13,500,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	10/06/15	10/06/15	21,500,000	21,500,000	0	21,500,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	10/15/15	10/15/15	13,500,000	13,500,000	0	13,500,000	0
<b>Total Sells</b>				<b>143,288,460</b>	<b>143,282,654</b>	<b>0</b>	<b>143,282,654</b>	<b>2,934</b>



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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**

**November 2015**

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

## DISCLOSURE OF MATERIAL IMPACTS

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

### PRIME™ STATISTICS

(As of November 30, 2015)

Total Participants  
**784**

Florida PRIME™ Assets  
**\$7,133,351,756**

Total Number of Accounts  
**1,489**

## 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

This year marks the 50th anniversary of the beloved TV special, “A Charlie Brown Christmas.” But for cash managers, the more apt Peanuts reference is Lucy pulling that football at the last second when Charlie Brown runs to kick it. Federal Reserve Chair Janet Yellen has played her best Lucy impression by postponing an expected liftoff several times already this year.

We—and the majority of the market—think the Fed will raise rates in its December policy-making meeting. A data-dependent Fed will likely find current economic numbers acceptable when it meets Dec. 15-16 even if inflation continues to be low. The labor market has been strong and even the softening in the residential housing has been offset somewhat by corporate sales. Of course, geopolitical violence could derail a hike if everyone responds to it by staying home to watch CNN instead of shopping or eating out. The Fed is concerned about negative externalities and is assessing all avenues.

If that does occur, some have raised concerns about whether rates on money market securities will follow suit given the extreme demand for these types of securities. We believe the Fed’s monetary policy tool of the overnight reverse repo facility will not only continue to be effective at establishing a floor under short-term interest rates but also provide adequate supply for those with which it trades. The New York Fed holds over \$2.5 trillion of Treasury securities on its balance sheet that it can make available for reverse-repo transactions with approved counterparties, of which we are one. This gives eligible participants a place to invest if traditional markets appear too expensive.

We have already seen an increase in the London interbank offered rate (LIBOR) over the course of November in anticipation of the Fed move. But the flip side is you will not see the whole curve shift up by 25 basis points if the Fed moves to a 25-50 basis-point target range because it is already 75% of the way there. Over November, 1-month Libor increased from 19 basis points to 24, 6-month from 55 to 65 and 1-year from 86 to 97. So the curve might shift less than 10 basis points.

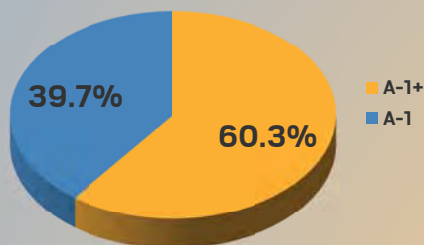
It is important to realize that different money funds in the marketplace have different composition and so may adjust to the rate hikes at different speeds. The higher overnight positions in government funds may mean that these funds adjust more quickly. Municipals would be next because of their use of 7-day variable rate demand notes (VRDNs)—within a week they should catch up to the direct market. Prime funds would be third, lagging around one-to-two months because they do not have as much in the overnight or 7-day spaces. In preparation, we continue to have shorter Weighted Average Maturity (WAM), high percentages of floating rate securities and an ample amount of liquidity.

### INVESTMENT STRATEGY

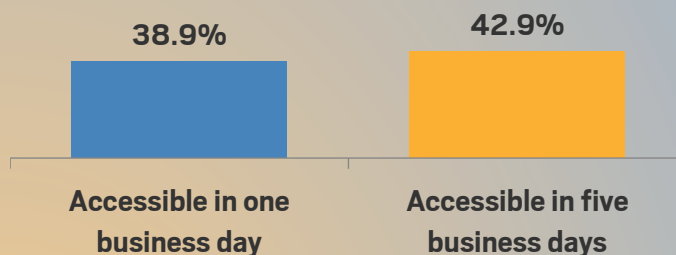
The tax collection season began in Florida during November, and Florida Prime started to see large cash inflows toward the end of the month. This pushed assets under management up \$1.3 billion from October to \$7.1 billion. We did not invest funds until we found the best place or instrument for them, so we kept the lion’s share of these late in the month inflows in overnight securities. As a result, the Pool’s WAM came in two days to 28 and its Weighted Average Life shortened 18 days to 65. In other words, while in general our portfolio management strategy in November was to keep WAM shorter due to the likelihood of rates rising because of a Fed hike, the average maturity of the Pool’s securities fell even further because we reinvested most of the inflows each night in repos. That’s reflected in the jump in our holdings of repo from 4% to 14%. Other changes to the portfolio composition include an increase of fixed-rate bank paper from 20% of holdings to 28%; a decrease of variable-rate paper from 30% to 26%; and a decrease of commercial paper from 26% to 12%. The percentage of holdings invested in money market funds remained at 20%. The gross yield of the Pool remained at 30 basis points.

## PORTFOLIO COMPOSITION FOR NOVEMBER 2015

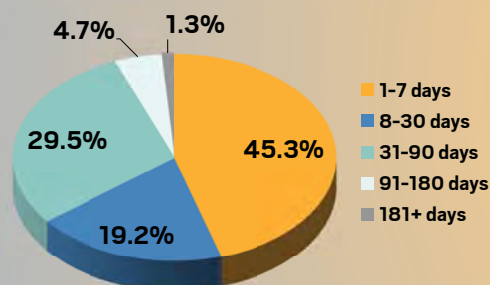
### CREDIT QUALITY COMPOSITION



### HIGHLY LIQUID HOLDINGS



### EFFECTIVE MATURITY SCHEDULE



### TOP HOLDINGS & AVG. MATURITY

1. Federated Prime Cash Obligations Fund	8.0%
2. Federated Prime Obligations Fund	8.0%
3. Mitsubishi UFJ Financial Group, Inc.	4.7%
4. Svenska Handelsbanken, Stockholm	4.7%
5. Sumitomo Mitsui Financial Group, Inc.	4.6%
6. DZ Bank AG Deutsche Zentral-Genossenschaftsbank	4.5%
7. JPMorgan Chase & Co.	4.4%
8. Royal Bank of Canada, Montreal	4.3%
9. Toronto Dominion Bank	4.2%
10. Mizuho Financial Group, Inc.	4.2%

#### Average Effective Maturity (WAM)

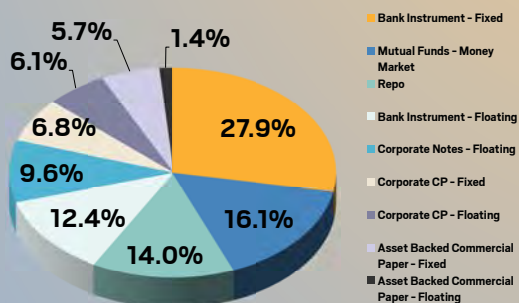
28.1 Days

#### Weighted Average Life (Spread WAM)

65.3 Days

Percentages based on total value of investments

### PORTFOLIO COMPOSITION



## FUND PERFORMANCE THROUGH NOVEMBER 30, 2015

Florida PRIME Performance Data			
	Net Participant Yield <sup>1</sup>	Net-of-Fee Benchmark <sup>2</sup>	Above (Below) Benchmark
One Month	0.27%	0.11%	0.16%
Three Months	0.26%	0.10%	0.16%
One Year	0.22%	0.07%	0.15%
Three Years	0.19%	0.06%	0.13%
Five Years	0.23%	0.08%	0.15%
Ten Years	1.50%	1.37%	0.13%
Since 1/96	2.78%	2.57%	0.21%

Note: Net asset value at month end: \$7,132.8 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

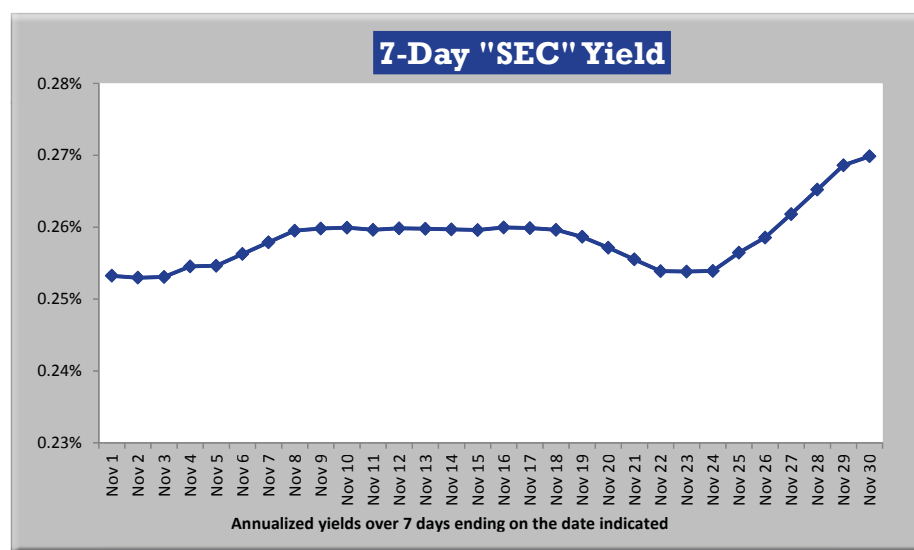
<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

### ABOUT ANNUALIZED YIELDS:

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

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



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

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

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

## PRIME ACCOUNT SUMMARY FOR NOVEMBER 2015

Summary of Cash Flows		
Opening Balance (11/01/15)	\$	5,866,827,558
Participant Deposits		2,411,971,405
Gross Earnings		1,450,856
Participant Withdrawals		(1,146,794,431)
Fees		(103,631)
Closing Balance (11/30/15)	\$	7,133,351,757
<b>Net Change over Month</b>	<b>\$</b>	<b>1,266,524,199</b>

Detailed Fee Disclosure		
November 2015	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 50,474.06	0.93
Federated Investment Management Fee	31,717.41	0.59
BNY Mellon Custodial Fee**	8,868.15	0.16
Bank of America Transfer Agent Fee	4,718.19	0.09
S&P Rating Maintenance Fee	3,287.67	0.06
Audit/External Review Fees	4,565.84	0.08
<b>Total Fees</b>	<b>\$ 103,631.32</b>	<b>1.91</b>

\*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 6,500,089,678.

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

## INVENTORY OF HOLDINGS FOR NOVEMBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV CDEUR	CERTIFICATE OF DEPOSIT - EURO	0.00	1/5/2016		100,000,000	0.39	\$99,962,038	\$99,957,900	\$(4,138.07)
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/15/2016		20,000,000	0.32	\$19,991,822	\$19,992,206	\$383.38
Australia & New Zealand Banking Group, Melbourne, Dec 18, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.30	12/18/2015	12/18/2015	100,000,000	0.30	\$100,000,000	\$99,997,200	\$(2,800.00)
BMO Harris Bank, N.A., Mar 14, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.41	3/14/2016	12/14/2015	10,000,000	0.41	\$10,000,000	\$9,999,330	\$(670.00)
BMW US Capital LLC, Jul 06, 2016	VARIABLE EURO MEDIUM TERM NOTE	0.45	7/6/2016	1/6/2016	51,000,000	0.45	\$51,000,000	\$50,773,356	\$(226,644.00)
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		12/1/2015		100,000,000	0.37	\$99,999,000	\$99,999,633	\$633.00
Bank of America N.A. BNOTE	BANK NOTE	0.34	12/1/2015		25,000,000	0.34	\$25,000,000	\$25,000,000	\$-
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.12	12/1/2015		1,000,000,000	0.12	\$1,000,000,000	\$1,000,000,000	\$-
Bank of Montreal, Dec 10, 2015	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.30	12/10/2015	12/10/2015	100,000,000	0.31	\$100,000,000	\$99,998,300	\$(1,700.00)
Bank of Montreal, Jun 01, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.56	6/1/2016	12/1/2015	25,000,000	0.55	\$25,000,000	\$25,000,000	\$-
Bank of Montreal, May 23, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.37	5/23/2016	12/23/2015	50,000,000	0.38	\$50,000,000	\$49,996,800	\$(3,200.00)
Bank of Montreal, Series MTN, 1.300%, 07/15/2016	CORPORATE BOND	1.30	7/15/2016		14,430,000	0.81	\$14,473,772	\$14,479,351	\$5,578.36
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	15,000,000	0.44	\$15,039,312	\$15,024,105	\$(15,207.37)
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	10,000,000	0.48	\$10,023,594	\$10,016,070	\$(7,523.70)
Bank of Montreal, Sr. Unsec'd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	54,250,000	0.52	\$54,365,779	\$54,337,180	\$(28,598.80)
Bank of Nova Scotia, Toronto, Jan 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.35	1/15/2016	12/15/2015	40,000,000	0.35	\$40,000,000	\$39,998,480	\$(1,520.00)
Bank of Nova Scotia, Toronto, May 09, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.44	5/9/2016	2/9/2016	50,000,000	0.45	\$50,000,000	\$49,986,850	\$(13,150.00)
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.24	1/4/2016		25,000,000	0.24	\$25,000,000	\$24,999,465	\$(535.00)
Bedford Row Funding Corp., Apr 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.34	4/14/2016	12/14/2015	25,000,000	0.34	\$25,000,000	\$24,997,325	\$(2,675.00)
Bedford Row Funding Corp., Jun 07, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.49	6/7/2016	12/7/2015	25,000,000	0.42	\$25,000,000	\$24,997,350	\$(2,650.00)
Bedford Row Funding Corp., May 10, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.34	5/10/2016	12/10/2015	50,000,000	0.35	\$50,000,000	\$49,996,500	\$(3,500.00)
Chase Bank USA, N.A. CD	CERTIFICATE OF DEPOSIT	0.65	6/8/2016		50,000,000	0.66	\$50,000,000	\$50,045,910	\$45,910.00
Commonwealth Bank of Australia, Apr 04, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.43	4/4/2016	12/4/2015	50,000,000	0.38	\$50,000,000	\$49,996,650	\$(3,350.00)

See notes at end of table.

## INVENTORY OF HOLDINGS FOR NOVEMBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	12/1/2015		12,000,000	0.39	\$12,000,000	\$12,000,076	\$75.60
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	2/3/2016		120,000,000	0.39	\$120,000,000	\$120,007,552	\$7,551.60
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	2/4/2016		20,000,000	0.39	\$20,000,000	\$20,001,168	\$1,168.00
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.23	12/30/2015		6,000,000	0.23	\$6,000,000	\$5,999,950	\$(50.04)
Credit Industriel et Commercial CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.13	12/7/2015		200,000,000	0.13	\$200,000,000	\$200,000,000	\$-
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.41	2/8/2016		50,000,000	0.42	\$50,000,000	\$50,012,613	\$12,613.00
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.41	2/10/2016		10,000,000	0.42	\$10,000,000	\$10,002,475	\$2,474.60
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.40	2/25/2016		100,000,000	0.41	\$100,000,000	\$100,029,089	\$29,089.00
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.48	3/23/2016		165,000,000	0.49	\$165,000,000	\$165,035,565	\$35,564.85
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.01	12/1/2015		9,699,943	0.01	\$9,699,943	\$9,699,943	\$-
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/22/2015		20,000,000	0.36	\$19,995,722	\$19,997,262	\$1,539.98
Federated Prime Cash Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.23	12/1/2015	12/1/2015	573,104,827	0.24	\$573,104,827	\$573,104,827	\$-
Federated Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.24	12/1/2015	12/1/2015	573,016,811	0.24	\$573,016,811	\$573,016,811	\$-
General Electric Capital Corp., Sr. Unsecd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,510,000	0.54	\$6,578,780	\$6,574,983	\$(3,797.58)
General Electric Capital Corp., Sr. Unsecd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		7,500,000	0.54	\$7,579,244	\$7,574,865	\$(4,378.51)
General Electric Capital Corp., Sr. Unsecd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		10,000,000	0.54	\$10,105,670	\$10,099,820	\$(5,849.86)
General Electric Capital Corp., Sr. Unsecd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,100,000	0.54	\$6,164,445	\$6,160,890	\$(3,555.04)
General Electric Capital Corp., Sr. Unsecd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		11,911,000	0.60	\$12,034,360	\$12,029,896	\$(4,464.34)
General Electric Capital Corp., Sr. Unsecd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,010,038	\$1,009,982	\$(55.96)

See notes at end of table.

## INVENTORY OF HOLDINGS FOR NOVEMBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,010,034	\$1,009,982	\$(52.19)
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 1.000%, 01/08/2016	CORPORATE BOND	1	1/8/2016		45,697,000	0.49	\$45,721,647	\$45,714,730	\$(6,916.78)
General Electric Capital Corp., Sr. Unsecured, Jun 20, 2016	VARIABLE EURO MEDIUM TERM NOTE	0.55	6/20/2016	12/21/2015	85,000,000	0.40	\$85,074,492	\$84,994,900	\$(79,592.42)
General Electric Capital, Floating Rate Note - Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.92	1/8/2016	1/8/2016	10,000,000	0.37	\$10,005,961	\$10,004,680	\$(1,281.43)
General Electric Capital, Series GMTN, 1.5%, 7/12/2016	CORPORATE BOND	1.50	7/12/2016		4,626,000	0.76	\$4,646,938	\$4,649,172	\$2,233.98
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.55	1/14/2016	1/14/2016	14,225,000	0.38	\$14,228,262	\$14,225,725	\$(2,536.22)
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.55	1/14/2016	1/14/2016	10,000,000	0.39	\$10,002,183	\$10,000,510	\$(1,673.42)
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.52	1/8/2016	1/8/2016	255,000	0.40	\$255,034	\$255,018	\$(15.97)
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.52	1/8/2016	1/8/2016	379,000	0.45	\$379,026	\$379,027	\$0.92
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		423,000	0.42	\$424,878	\$424,843	\$(34.69)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		3,967,000	0.43	\$3,986,178	\$3,984,288	\$(1,889.64)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		400,000	0.46	\$401,927	\$401,743	\$(183.86)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		10,000,000	0.46	\$10,048,118	\$10,043,580	\$(4,538.31)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		7,650,000	0.51	\$7,686,521	\$7,683,339	\$(3,182.36)
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		1,185,000	0.61	\$1,190,536	\$1,190,164	\$(371.33)
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/4/2016		35,300,000	0.24	\$35,291,999	\$35,290,631	\$(1,367.99)
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/25/2016		60,000,000	0.30	\$59,972,000	\$59,966,494	\$(5,506.40)
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/7/2015		35,000,000	0.20	\$34,998,639	\$34,998,979	\$340.16
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/8/2015		108,759,000	0.20	\$108,754,166	\$108,755,302	\$1,135.93
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/18/2015		75,000,000	0.20	\$74,992,500	\$74,992,688	\$187.50
ING (U.S.) Funding LLC CP	COMMERCIAL PAPER		12/16/2015		50,000,000	0.31	\$49,993,111	\$49,995,800	\$2,688.89

See notes at end of table.

## INVENTORY OF HOLDINGS FOR NOVEMBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
J.P. Morgan Securities LLC, Apr 22, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.47	4/22/2016	12/22/2015	10,000,000	0.48	\$10,000,000	\$9,998,870	\$(1,130.00)
J.P. Morgan Securities LLC, Dec 04, 2015	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.51	12/4/2015	12/4/2015	50,000,000	0.41	\$50,000,000	\$50,000,000	\$-
J.P. Morgan Securities LLC, Feb 09, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.39	2/9/2016	12/9/2015	100,000,000	0.40	\$100,000,000	\$99,996,300	\$(3,700.00)
J.P. Morgan Securities LLC, Feb 16, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.40	2/16/2016	12/16/2015	25,000,000	0.40	\$25,000,000	\$24,998,750	\$(1,250.00)
J.P. Morgan Securities LLC, May 25, 2016	VARIABLE RATE COMMERCIAL PAPER	0.53	5/25/2016	2/25/2016	40,000,000	0.54	\$40,000,000	\$39,994,920	\$(5,080.00)
J.P. Morgan Securities LLC, May 31, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.54	5/31/2016	12/30/2015	25,000,000	0.55	\$25,000,000	\$24,997,450	\$(2,550.00)
JPMorgan Chase Bank, N.A., Nov 04, 2016	VARIABLE RATE BANK NOTE	0.61	11/4/2016	2/8/2016	15,000,000	0.51	\$15,000,000	\$15,000,150	\$150.00
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/4/2016		25,000,000	0.35	\$24,984,417	\$24,982,125	\$(2,291.67)
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		2/8/2016		10,000,000	0.45	\$9,991,444	\$9,992,864	\$1,419.46
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/22/2016		28,000,000	0.34	\$27,985,984	\$27,985,861	\$(123.60)
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	1/11/2016		121,900,000	0.27	\$121,900,000	\$121,906,820	\$6,820.31
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	1/12/2016		10,000,000	0.28	\$10,000,000	\$10,000,645	\$644.50
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.29	1/15/2016		100,000,000	0.29	\$100,000,000	\$100,006,512	\$6,512.00
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.30	1/19/2016		70,000,000	0.30	\$70,000,000	\$70,004,177	\$4,176.90
National Australia Bank Ltd., Melbourne, Jan 29, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.35	1/29/2016	12/14/2015	40,000,000	0.35	\$40,000,000	\$39,998,160	\$(1,840.00)
Nederlandse Waterschapsbank NV CP4-2	COMMERCIAL PAPER - 4-2		2/8/2016		100,000,000	0.39	\$99,926,111	\$99,932,139	\$6,027.89
New York City, NY Municipal Water Finance Authority, Second General Resolution (Fiscal 2007 Series C-C1), 06/15/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.12	6/15/2038	12/1/2015	46,400,000	0.12	\$46,400,000	\$46,400,000	\$-
Rabobank Nederland NV, Utrecht, Feb 22, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.37	2/22/2016	12/22/2015	\$5,000,000	0.38	\$5,000,000	\$4,999,660	\$(340.00)
Rabobank Nederland NV, Utrecht, Mar 18, 2016	VARIABLE RATE EUR CERTIFICATE OF DEPOSIT	0.40	3/18/2016	12/18/2015	\$40,000,000	0.40	\$40,000,000	\$39,982,840	\$(17,160.00)
Rabobank Nederland, Utrecht CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.36	12/16/2015		\$100,000,000	0.37	\$100,000,000	\$100,007,323	\$7,323.00
Royal Bank of Canada, Montreal, Jan 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.30	1/13/2016	12/14/2015	\$25,000,000	0.30	\$25,000,000	\$24,998,125	\$(1,875.00)
Royal Bank of Canada, Montreal, May 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.34	5/12/2016	12/14/2015	\$50,000,000	0.34	\$50,000,000	\$49,997,100	\$(2,900.00)
Royal Bank of Canada, Montreal, Oct 03, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.48	10/3/2016	1/4/2016	\$125,000,000	0.49	\$125,000,000	\$124,971,625	\$(28,375.00)

See notes at end of table.

## INVENTORY OF HOLDINGS FOR NOVEMBER 2015

Security Name	Security Classification	Cpn/ Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Royal Bank of Canada, Montreal, Sr. Unsec'd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		\$9,550,000	0.50	\$9,558,325	\$9,557,449	\$(876.50)
Royal Bank of Canada, Montreal, Sr. Unsec'd. Note, Series MTN, 2.625%, 12/15/2015	CORPORATE BOND	2.63	12/15/2015		\$785,000	0.55	\$785,668	\$785,612	\$(55.67)
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.65	2/26/2016		\$23,000,000	0.42	\$23,013,373	\$23,012,800	\$(573.05)
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.39	3/9/2016		\$25,000,000	0.40	\$25,000,000	\$24,995,342	\$(4,657.75)
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		2/5/2016		\$78,000,000	0.40	\$77,943,385	\$77,948,320	\$4,935.32
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		2/22/2016		\$50,000,000	0.40	\$49,954,500	\$49,952,400	\$(2,100.00)
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		3/2/2016		\$75,000,000	0.44	\$74,916,688	\$74,915,525	\$(1,162.25)
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.32	1/22/2016		\$100,000,000	0.32	\$100,000,000	\$100,003,776	\$3,776.00
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.37	1/7/2016		\$100,000,000	0.38	\$100,000,000	\$100,013,801	\$13,801.00
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.33	12/2/2015		\$4,000,000	0.33	\$4,000,000	\$4,000,050	\$49.52
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.33	12/1/2015		\$100,000,000	0.33	\$100,000,000	\$100,000,627	\$627.00
Svenska Handelsbanken, Stockholm TDCAY	TIME DEPOSIT - CAYMAN	0.05	12/1/2015		\$335,000,000	0.05	\$335,000,000	\$335,000,000	\$-
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.00	11/10/2016		\$15,000,000	1.01	\$15,000,000	\$15,007,926	\$7,925.85
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.75	8/8/2016		\$10,000,000	0.76	\$10,000,000	\$9,998,619	\$(1,381.40)
Toronto Dominion Bank, Apr 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.35	4/15/2016	1/15/2016	\$40,000,000	0.36	\$40,000,000	\$39,991,000	\$(9,000.00)
Toronto Dominion Bank, Feb 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.39	2/12/2016	2/12/2016	\$25,000,000	0.39	\$25,000,000	\$24,991,775	\$(8,225.00)
Toronto Dominion Bank, Feb 24, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.37	2/24/2016	12/24/2015	\$50,000,000	0.38	\$50,000,000	\$49,996,600	\$(3,400.00)
Toronto Dominion Bank, Jul 01, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.40	7/1/2016	12/1/2015	\$75,000,000	0.36	\$75,000,000	\$74,989,800	\$(10,200.00)
Toronto Dominion Bank, Nov 04, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.60	11/4/2016	12/4/2015	\$10,000,000	0.55	\$10,000,000	\$9,998,170	\$(1,830.00)
Toronto Dominion Bank, Oct 17, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.57	10/17/2016	1/19/2016	\$30,000,000	0.57	\$30,000,000	\$29,991,510	\$(8,490.00)
Toronto Dominion Bank, Sr. Unsecured, Sep 09, 2016	VARIABLE MEDIUM TERM NOTE	0.79	9/9/2016	12/9/2015	\$24,000,000	0.49	\$24,058,465	\$24,046,896	\$(11,569.31)
Toronto Dominion Holdings (USA), Inc. CP4-2	COMMERCIAL PAPER - 4-2		3/23/2016		\$15,000,000	0.46	\$14,978,625	\$14,980,715	\$2,089.95
Toronto Dominion Holdings (USA), Inc. CP4-2	COMMERCIAL PAPER - 4-2		5/13/2016		\$10,000,000	0.58	\$9,973,875	\$9,972,500	\$(1,375.00)

See notes at end of table.

## INVENTORY OF HOLDINGS FOR NOVEMBER 2015

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., Apr 15, 2016	VARIABLE MEDIUM TERM NOTE	0.33	4/15/2016	1/15/2016	\$100,000,000	0.34	\$100,000,000	\$99,977,800	\$(22,200.00)
Toyota Motor Credit Corp., Oct 07, 2016	VARIABLE MEDIUM TERM NOTE	0.52	10/7/2016	1/7/2016	\$50,000,000	0.53	\$50,000,000	\$49,987,450	\$(12,550.00)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	\$21,100,000	0.38	\$21,127,745	\$21,114,517	\$(13,228.09)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	\$1,420,000	0.39	\$1,421,796	\$1,420,977	\$(818.93)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	\$300,000	0.39	\$300,381	\$300,206	\$(174.23)
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	\$2,000,000	0.40	\$2,002,562	\$2,001,376	\$(1,186.34)
Wells Fargo Bank, N.A., Nov 18, 2016	VARIABLE RATE BANK NOTE	0.52	11/18/2016	12/21/2015	\$100,000,000	0.52	\$100,000,000	\$99,988,000	\$(12,000.00)
Wells Fargo Bank, N.A., Nov 21, 2016	VARIABLE MEDIUM TERM NOTE	0.50	11/21/2016	12/22/2015	\$50,000,000	0.51	\$50,000,000	\$49,998,000	\$(2,000.00)
Westpac Banking Corp. Ltd., Sydney, Apr 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.50	4/15/2016	1/15/2016	\$25,000,000	0.44	\$25,008,382	\$25,001,775	\$(6,607.39)
Total Value of Investments					\$7,165,843,581		\$7,166,441,036	\$7,166,003,051	\$(437,985.02)

**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.

<sup>1</sup> 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.

<sup>2</sup> Amortized cost is calculated using a straight line method.

## FLORIDA PRIME WILL BE CLOSED ON DECEMBER 24, 2015

Governor Rick Scott has directed the Department of Management Services to close all state executive buildings on Thursday, December 24, 2015. In light of the Governor's directive, the Florida PRIME investment pool will now be closed.

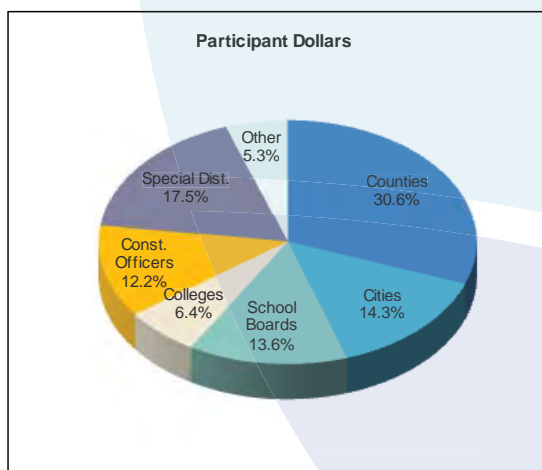
Pool participants will NOT be able to conduct any account transactions on December 24th or 25th. Accordingly, we recommend that any required transactions later this month be conducted on or before 1:00pm ET, Wednesday, December 23rd or on or after 7:30am ET, Monday, December 28th.

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.

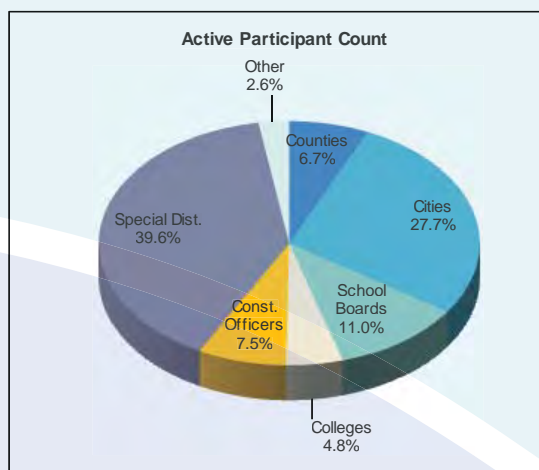
Learn more about Florida PRIME at: <https://www.sbafla.com/PRIME>

## PARTICIPANT CONCENTRATION DATA - AS OF NOVEMBER 2015

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
<b>All Participants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Colleges &amp; Universities</b>	<b>6.4%</b>	<b>4.8%</b>
Top 10	42.3%	1.3%	Top 10	5.9%	1.3%
\$100 million or more	54.9%	2.1%	\$100 million or more	3.4%	0.1%
\$10 million up to \$100 million	37.0%	11.9%	\$10 million up to \$100 million	2.4%	1.0%
\$1 million up to \$10 million	7.2%	18.0%	\$1 million up to \$10 million	0.6%	1.3%
Under \$1 million	1.0%	68.0%	Under \$1 million	0.03%	2.3%
<b>Counties</b>	<b>30.6%</b>	<b>6.7%</b>	<b>Constitutional Officers</b>	<b>12.2%</b>	<b>7.5%</b>
Top 10	25.6%	1.3%	Top 10	0.9%	1.3%
\$100 million or more	21.8%	0.8%	\$100 million or more	10.7%	0.4%
\$10 million up to \$100 million	8.2%	1.8%	\$10 million up to \$100 million	0.9%	0.5%
\$1 million up to \$10 million	0.6%	1.0%	\$1 million up to \$10 million	0.6%	1.6%
Under \$1 million	0.1%	3.1%	Under \$1 million	0.1%	5.1%
<b>Municipalities</b>	<b>14.3%</b>	<b>27.7%</b>	<b>Special Districts</b>	<b>17.5%</b>	<b>39.6%</b>
Top 10	8.3%	1.3%	Top 10	12.9%	1.3%
\$100 million or more	2.1%	0.1%	\$100 million or more	7.7%	0.3%
\$10 million up to \$100 million	9.5%	3.2%	\$10 million up to \$100 million	8.1%	2.6%
\$1 million up to \$10 million	2.4%	6.6%	\$1 million up to \$10 million	1.4%	4.3%
Under \$1 million	0.3%	17.7%	Under \$1 million	0.4%	32.5%
<b>School Boards</b>	<b>13.6%</b>	<b>11.0%</b>	<b>Other</b>	<b>5.3%</b>	<b>2.6%</b>
Top 10	11.4%	1.3%	Top 10	4.7%	1.3%
\$100 million or more	7.5%	0.3%	\$100 million or more	1.7%	0.1%
\$10 million up to \$100 million	4.8%	1.8%	\$10 million up to \$100 million	3.1%	0.9%
\$1 million up to \$10 million	1.1%	2.3%	\$1 million up to \$10 million	0.5%	0.9%
Under \$1 million	0.1%	6.6%	Under \$1 million	0.0%	0.6%



**Total Fund Value: \$7,133,351,756**



**Total Active Participant Count: 772**

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

## COMPLIANCE WITH INVESTMENT POLICY FOR NOVEMBER 2015

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

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

Test by Source	Pass/Fail
<b><u>Florida PRIME's Investment Policy</u></b>	
Securities must be USD denominated.	Pass
<b><u>Ratings requirements</u></b>	
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 <sup>1</sup>	Pass
<b><u>Maturity</u></b>	
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
<b><u>Issuer Diversification</u></b>	
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. <sup>2</sup>	Pass
<b><u>Demand Feature and Guarantor Diversification</u></b>	
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
<b><u>Money Market Mutual Funds</u></b>	
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
<b><u>Concentration Tests</u></b>	
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. <sup>3</sup>	Pass
<b><u>S&amp;P Requirements</u></b>	
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

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

<sup>2</sup> 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.

<sup>3</sup> 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 NOVEMBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<b>Buys</b>								
BNP PARIBAS SACDYAN	11/17/15	11/10/15	11/10/15	50,000,000	50,000,000	0	50,000,000	0
BNP PARIBAS SACDYAN	11/17/15	11/10/15	11/10/15	50,000,000	50,000,000	0	50,000,000	0
BNP PARIBAS SACDYAN	11/17/15	11/10/15	11/10/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL/CHICAGO IL	06/01/16	11/25/15	11/25/15	25,000,000	25,000,000	0	25,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/04/16	11/19/15	11/19/15	25,000,000	25,000,000	0	25,000,000	0
RABOBANK NEDERLAND CP	11/09/15	11/06/15	11/06/15	50,000,000	49,999,583	0	49,999,583	0
RABOBANK NEDERLAND CP	11/09/15	11/06/15	11/06/15	40,000,000	39,999,667	0	39,999,667	0
RABOBANK NEDERLAND CP	11/09/15	11/06/15	11/06/15	50,000,000	49,999,583	0	49,999,583	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/10/15	11/09/15	11/09/15	40,000,000	39,999,889	0	39,999,889	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/10/15	11/09/15	11/09/15	50,000,000	49,999,861	0	49,999,861	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/10/15	11/09/15	11/09/15	50,000,000	49,999,861	0	49,999,861	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/12/15	11/10/15	11/10/15	50,000,000	49,999,722	0	49,999,722	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/12/15	11/10/15	11/10/15	50,000,000	49,999,722	0	49,999,722	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/12/15	11/10/15	11/10/15	40,000,000	39,999,778	0	39,999,778	0
RABOBANK NEDERLAND CP	11/13/15	11/12/15	11/12/15	50,000,000	49,999,861	0	49,999,861	0
RABOBANK NEDERLAND CP	11/13/15	11/12/15	11/12/15	25,000,000	24,999,931	0	24,999,931	0
RABOBANK NEDERLAND CP	11/19/15	11/18/15	11/18/15	50,000,000	49,999,861	0	49,999,861	0
RABOBANK NEDERLAND CP	11/19/15	11/18/15	11/18/15	50,000,000	49,999,861	0	49,999,861	0
RABOBANK NEDERLAND CP	11/19/15	11/18/15	11/18/15	50,000,000	49,999,861	0	49,999,861	0
RABOBANK NEDERLAND CP	11/24/15	11/23/15	11/23/15	50,000,000	49,999,861	0	49,999,861	0
RABOBANK NEDERLAND CP	11/24/15	11/23/15	11/23/15	20,200,000	20,199,944	0	20,199,944	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/25/15	11/24/15	11/24/15	50,000,000	49,999,861	0	49,999,861	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/25/15	11/24/15	11/24/15	50,000,000	49,999,861	0	49,999,861	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/25/15	11/24/15	11/24/15	22,100,000	22,099,939	0	22,099,939	0
RABOBANK NEDERLAND CP	11/30/15	11/25/15	11/25/15	50,000,000	49,999,306	0	49,999,306	0
RABOBANK NEDERLAND CP	11/30/15	11/25/15	11/25/15	50,000,000	49,999,306	0	49,999,306	0
CREDIT AGRICOLE CORCDYAN	12/30/15	11/20/15	11/20/15	6,000,000	6,000,000	0	6,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/07/15	11/30/15	11/30/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/07/15	11/30/15	11/30/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/07/15	11/30/15	11/30/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/07/15	11/30/15	11/30/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	11/30/15	11/20/15	11/20/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	11/30/15	11/20/15	11/20/15	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUSCHECDYAN	02/25/16	11/24/15	11/25/15	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUSCHECDYAN	02/25/16	11/24/15	11/25/15	50,000,000	50,000,000	0	50,000,000	0

## TRADING ACTIVITY FOR NOVEMBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DZ BANK AG DEUTSCHECDYAN	03/23/16	11/24/15	11/25/15	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECDYAN	03/23/16	11/24/15	11/25/15	15,000,000	15,000,000	0	15,000,000	0
DZ BANK AG DEUTSCHECDYAN	03/23/16	11/24/15	11/25/15	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECDYAN	03/23/16	11/24/15	11/25/15	50,000,000	50,000,000	0	50,000,000	0
GENERAL ELECTRIC CAPITAL CORP	01/08/16	11/30/15	12/03/15	423,000	424,878	8,519	433,397	0
GOTHAM FUNDING CORPCABS4	01/04/16	11/30/15	12/01/15	35,300,000	35,291,999	0	35,291,999	0
GOTHAM FUNDING CORPCABS4	12/07/15	11/06/15	11/06/15	35,000,000	34,993,972	0	34,993,972	0
GOTHAM FUNDING CORPCABS4	12/08/15	11/04/15	11/04/15	50,000,000	49,990,556	0	49,990,556	0
GOTHAM FUNDING CORPCABS4	12/08/15	11/04/15	11/04/15	50,000,000	49,990,556	0	49,990,556	0
GOTHAM FUNDING CORPCABS4	12/08/15	11/04/15	11/04/15	8,759,000	8,757,346	0	8,757,346	0
GOTHAM FUNDING CORPCABS4	12/18/15	11/18/15	11/18/15	50,000,000	49,991,667	0	49,991,667	0
GOTHAM FUNDING CORPCABS4	12/18/15	11/18/15	11/18/15	25,000,000	24,995,833	0	24,995,833	0
JP MORGAN SECURITIES LLC	05/25/16	11/23/15	11/23/15	40,000,000	40,000,000	0	40,000,000	0
MALAYAN BANKING BERCPLOC	02/08/16	11/10/15	11/10/15	10,000,000	9,989,000	0	9,989,000	0
MANHATTAN ASSET FUNCPABS4	01/22/16	11/25/15	11/25/15	28,000,000	27,984,662	0	27,984,662	0
MIZUHO BANK LTD,CDYAN	01/11/16	11/12/15	11/12/15	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	01/11/16	11/12/15	11/12/15	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	01/11/16	11/12/15	11/12/15	21,900,000	21,900,000	0	21,900,000	0
MIZUHO BANK LTD,CDYAN	01/12/16	11/13/15	11/13/15	10,000,000	10,000,000	0	10,000,000	0
MIZUHO BANK LTD,CDYAN	01/15/16	11/18/15	11/18/15	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	01/15/16	11/18/15	11/18/15	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	01/19/16	11/20/15	11/20/15	20,000,000	20,000,000	0	20,000,000	0
MIZUHO BANK LTD,CDYAN	01/19/16	11/20/15	11/20/15	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CP4-2	03/02/16	11/23/15	11/23/15	25,000,000	24,970,139	0	24,970,139	0
STANDARD CHARTERED CP4-2	03/02/16	11/23/15	11/23/15	50,000,000	49,940,278	0	49,940,278	0
SUMITOMO MITSUI BANCDYAN	11/23/15	11/16/15	11/16/15	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANCDYAN	11/23/15	11/16/15	11/16/15	35,000,000	35,000,000	0	35,000,000	0
SUMITOMO MITSUI BANCDYAN	01/22/16	11/23/15	11/23/15	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANCDYAN	01/22/16	11/23/15	11/23/15	50,000,000	50,000,000	0	50,000,000	0
TORONTO-DOMINION BANK/NY	11/04/16	11/03/15	11/04/15	10,000,000	10,000,000	0	10,000,000	0
TORONTO DOMINION BACDYAN	11/10/16	11/10/15	11/10/15	15,000,000	15,000,000	0	15,000,000	0
TORONTO DOMINION HOC4-2	03/23/16	11/20/15	11/20/15	15,000,000	14,976,750	0	14,976,750	0
TORONTO DOMINION HOC4-2	05/13/16	11/12/15	11/12/15	10,000,000	9,971,025	0	9,971,025	0
TOTAL CAPITAL S,A,CP4-2	11/23/15	11/20/15	11/20/15	50,000,000	49,999,708	0	49,999,708	0
TOTAL CAPITAL S,A,CP4-2	11/23/15	11/20/15	11/20/15	10,000,000	9,999,942	0	9,999,942	0
TOTAL CAPITAL S,A,CP4-2	11/23/15	11/20/15	11/20/15	50,000,000	49,999,708	0	49,999,708	0
TOTAL CAPITAL S,A,CP4-2	11/24/15	11/23/15	11/23/15	50,000,000	49,999,896	0	49,999,896	0
TOTAL CAPITAL S,A,CP4-2	11/24/15	11/23/15	11/23/15	24,000,000	23,999,950	0	23,999,950	0
TOTAL CAPITAL S,A,CP4-2	11/25/15	11/24/15	11/24/15	50,000,000	49,999,896	0	49,999,896	0
TOTAL CAPITAL S,A,CP4-2	11/25/15	11/24/15	11/24/15	50,000,000	49,999,896	0	49,999,896	0
TOTAL CAPITAL S,A,CP4-2	11/25/15	11/24/15	11/24/15	50,000,000	49,999,896	0	49,999,896	0
TOTAL CAPITAL S,A,CP4-2	11/25/15	11/24/15	11/24/15	50,000,000	49,999,896	0	49,999,896	0

## TRADING ACTIVITY FOR NOVEMBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
TOTAL CAPITAL S.A,CP4-2	11/25/15	11/24/15	11/24/15	25,000,000	24,999,948	0	24,999,948	0
UBS FINANCE (DELAWACP	11/30/15	11/19/15	11/19/15	50,000,000	49,998,014	0	49,998,014	0
UBS FINANCE (DELAWACP	11/30/15	11/19/15	11/19/15	50,000,000	49,998,014	0	49,998,014	0
UBS FINANCE (DELAWACP	11/30/15	11/19/15	11/19/15	50,000,000	49,998,014	0	49,998,014	0
WESTPAC BANKING CORP/NY	04/15/16	11/24/15	11/24/15	25,000,000	25,008,750	13,903	25,022,652	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/03/15	11/03/15	520,023	520,023	0	520,023	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/05/15	11/05/15	1,690,674	1,690,674	0	1,690,674	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/06/15	11/06/15	843,396	843,396	0	843,396	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/10/15	11/10/15	1,217,530	1,217,530	0	1,217,530	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/13/15	11/13/15	3,848,840	3,848,840	0	3,848,840	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/20/15	11/20/15	1,592,017	1,592,017	0	1,592,017	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/23/15	11/23/15	4,003,687	4,003,687	0	4,003,687	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/24/15	11/24/15	821,965	821,965	0	821,965	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/30/15	11/30/15	2,198,474	2,198,474	0	2,198,474	0
BANK OF AMERICA TRIPARTY	11/03/15	11/02/15	11/02/15	250,000,000	250,000,000	0	250,000,000	0
BANK OF AMERICA TRIPARTY	11/04/15	11/03/15	11/03/15	220,000,000	220,000,000	0	220,000,000	0
BANK OF AMERICA TRIPARTY	11/05/15	11/04/15	11/04/15	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	11/06/15	11/05/15	11/05/15	715,000,000	715,000,000	0	715,000,000	0
BANK OF AMERICA TRIPARTY	11/09/15	11/06/15	11/06/15	525,000,000	525,000,000	0	525,000,000	0
BANK OF AMERICA TRIPARTY	11/10/15	11/09/15	11/09/15	625,000,000	625,000,000	0	625,000,000	0
BANK OF AMERICA TRIPARTY	11/12/15	11/10/15	11/10/15	550,000,000	550,000,000	0	550,000,000	0
BANK OF AMERICA TRIPARTY	11/13/15	11/12/15	11/12/15	410,000,000	410,000,000	0	410,000,000	0
BANK OF AMERICA TRIPARTY	11/16/15	11/13/15	11/13/15	530,000,000	530,000,000	0	530,000,000	0
BANK OF AMERICA TRIPARTY	11/17/15	11/16/15	11/16/15	650,000,000	650,000,000	0	650,000,000	0
BANK OF AMERICA TRIPARTY	11/18/15	11/17/15	11/17/15	805,000,000	805,000,000	0	805,000,000	0
BANK OF AMERICA TRIPARTY	11/19/15	11/18/15	11/18/15	675,000,000	675,000,000	0	675,000,000	0
BANK OF AMERICA TRIPARTY	11/20/15	11/19/15	11/19/15	630,000,000	630,000,000	0	630,000,000	0
BANK OF AMERICA TRIPARTY	11/23/15	11/20/15	11/20/15	625,000,000	625,000,000	0	625,000,000	0
BANK OF AMERICA TRIPARTY	11/24/15	11/23/15	11/23/15	680,000,000	680,000,000	0	680,000,000	0
BANK OF AMERICA TRIPARTY	11/25/15	11/24/15	11/24/15	455,000,000	455,000,000	0	455,000,000	0
BANK OF AMERICA TRIPARTY	11/30/15	11/25/15	11/25/15	510,000,000	510,000,000	0	510,000,000	0
BANK OF AMERICA TRIPARTY	12/01/15	11/30/15	11/30/15	1,000,000,000	1,000,000,000	0	1,000,000,000	0
<b>Total Buys</b>				<b>13,548,418,606</b>	<b>13,548,201,911</b>	<b>22,422</b>	<b>13,548,224,333</b>	<b>0</b>
<b>Deposits</b>								
SVENSKA HANDELSBANKTDCAY 0.11 20151103	11/03/15	11/02/15	11/02/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151104	11/04/15	11/03/15	11/03/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151105	11/05/15	11/04/15	11/04/15	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151106	11/06/15	11/05/15	11/05/15	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151109	11/09/15	11/06/15	11/06/15	260,000,000	260,000,000	0	260,000,000	0

## TRADING ACTIVITY FOR NOVEMBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SVENSKA HANDELSBANKTDCAY 0.1 20151110	11/10/15	11/09/15	11/09/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151112	11/12/15	11/10/15	11/10/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151113	11/13/15	11/12/15	11/12/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151116	11/16/15	11/13/15	11/13/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151117	11/17/15	11/16/15	11/16/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151118	11/18/15	11/17/15	11/17/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151119	11/19/15	11/18/15	11/18/15	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151120	11/20/15	11/19/15	11/19/15	280,000,000	280,000,000	0	280,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151123	11/23/15	11/20/15	11/20/15	280,000,000	280,000,000	0	280,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151124	11/24/15	11/23/15	11/23/15	150,000,000	150,000,000	0	150,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151125	11/25/15	11/24/15	11/24/15	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151130	11/30/15	11/25/15	11/25/15	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.05 20151201	12/01/15	11/30/15	11/30/15	335,000,000	335,000,000	0	335,000,000	0
<b>Total Deposits</b>				<b>4,685,000,000</b>	<b>4,685,000,000</b>	<b>0</b>	<b>4,685,000,000</b>	<b>0</b>
<b>Maturities</b>								
ATLANTIC ASSET SECUCPABS4	11/02/15	11/02/15	11/02/15	25,000,000	25,000,000	0	25,000,000	0
BNP PARIBAS SACDYAN	11/17/15	11/17/15	11/17/15	150,000,000	150,000,000	0	150,000,000	0
BANK OF MONTREAL	11/06/15	11/06/15	11/06/15	5,300,000	5,300,000	0	5,300,000	0
BNP PARIBAS SACP4-2	11/04/15	11/04/15	11/04/15	195,000,000	195,000,000	0	195,000,000	0
RABOBANK NEDERLAND CP	11/09/15	11/09/15	11/09/15	140,000,000	140,000,000	0	140,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/10/15	11/10/15	11/10/15	140,000,000	140,000,000	0	140,000,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/12/15	11/12/15	11/12/15	140,000,000	140,000,000	0	140,000,000	0
RABOBANK NEDERLAND CP	11/13/15	11/13/15	11/13/15	75,000,000	75,000,000	0	75,000,000	0
RABOBANK NEDERLAND CP	11/19/15	11/19/15	11/19/15	150,000,000	150,000,000	0	150,000,000	0
RABOBANK NEDERLAND CP	11/24/15	11/24/15	11/24/15	70,200,000	70,200,000	0	70,200,000	0
COOPERATIEVE CENTRALE RAIF- FEISEN-BOERENLEENBANK BA/NY	11/25/15	11/25/15	11/25/15	122,100,000	122,100,000	0	122,100,000	0
RABOBANK NEDERLAND CP	11/30/15	11/30/15	11/30/15	100,000,000	100,000,000	0	100,000,000	0
DNB NOR BANK ASACDYAN	11/30/15	11/30/15	11/30/15	100,000,000	100,000,000	0	100,000,000	0
DNB NOR BANK ASACDYAN	11/05/15	11/05/15	11/05/15	100,000,000	100,000,000	0	100,000,000	0
GENERAL ELECTRIC CAPITAL CORP	11/09/15	11/09/15	11/09/15	30,041,000	30,041,000	0	30,041,000	0
GOTHAM FUNDING CORPCPABS4	11/04/15	11/04/15	11/04/15	100,000,000	100,000,000	0	100,000,000	0
GOTHAM FUNDING CORPCPABS4	11/06/15	11/06/15	11/06/15	33,000,000	33,000,000	0	33,000,000	0

## TRADING ACTIVITY FOR NOVEMBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
GOTHAM FUNDING CORPCABS4	11/18/15	11/18/15	11/18/15	75,000,000	75,000,000	0	75,000,000	0
J,P,MORGAN SECURITCP4-2	11/10/15	11/10/15	11/10/15	21,000,000	21,000,000	0	21,000,000	0
MIZUHO BANK LTD,CDYAN	11/13/15	11/13/15	11/13/15	20,000,000	20,000,000	0	20,000,000	0
NRW,BANKCP	11/03/15	11/03/15	11/03/15	10,000,000	10,000,000	0	10,000,000	0
NRW,BANKCP	11/05/15	11/05/15	11/05/15	200,000,000	200,000,000	0	200,000,000	0
SUMITOMO MITSUI BANCDYAN	11/23/15	11/23/15	11/23/15	85,000,000	85,000,000	0	85,000,000	0
SUMITOMO MITSUI BANCDYAN	11/09/15	11/09/15	11/09/15	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANCDYAN	11/16/15	11/16/15	11/16/15	40,000,000	40,000,000	0	40,000,000	0
SVENSKA HANDELSBANKCDYAN	11/30/15	11/30/15	11/30/15	25,000,000	25,000,000	0	25,000,000	0
TOTAL CAPITAL S,A,CP4-2	11/23/15	11/23/15	11/23/15	110,000,000	110,000,000	0	110,000,000	0
TOTAL CAPITAL S,A,CP4-2	11/24/15	11/24/15	11/24/15	74,000,000	74,000,000	0	74,000,000	0
TOTAL CAPITAL S,A,CP4-2	11/25/15	11/25/15	11/25/15	225,000,000	225,000,000	0	225,000,000	0
UBS FINANCE (DELAWACP	11/30/15	11/30/15	11/30/15	150,000,000	150,000,000	0	150,000,000	0
BANK OF AMERICA TRIPARTY	11/02/15	11/02/15	11/02/15	225,000,000	225,000,000	0	225,000,000	0
BANK OF AMERICA TRIPARTY	11/03/15	11/03/15	11/03/15	250,000,000	250,000,000	0	250,000,000	0
BANK OF AMERICA TRIPARTY	11/04/15	11/04/15	11/04/15	220,000,000	220,000,000	0	220,000,000	0
BANK OF AMERICA TRIPARTY	11/05/15	11/05/15	11/05/15	440,000,000	440,000,000	0	440,000,000	0
BANK OF AMERICA TRIPARTY	11/06/15	11/06/15	11/06/15	715,000,000	715,000,000	0	715,000,000	0
BANK OF AMERICA TRIPARTY	11/09/15	11/09/15	11/09/15	525,000,000	525,000,000	0	525,000,000	0
BANK OF AMERICA TRIPARTY	11/10/15	11/10/15	11/10/15	625,000,000	625,000,000	0	625,000,000	0
BANK OF AMERICA TRIPARTY	11/12/15	11/12/15	11/12/15	550,000,000	550,000,000	0	550,000,000	0
BANK OF AMERICA TRIPARTY	11/13/15	11/13/15	11/13/15	410,000,000	410,000,000	0	410,000,000	0
BANK OF AMERICA TRIPARTY	11/16/15	11/16/15	11/16/15	530,000,000	530,000,000	0	530,000,000	0
BANK OF AMERICA TRIPARTY	11/17/15	11/17/15	11/17/15	650,000,000	650,000,000	0	650,000,000	0
BANK OF AMERICA TRIPARTY	11/18/15	11/18/15	11/18/15	805,000,000	805,000,000	0	805,000,000	0
BANK OF AMERICA TRIPARTY	11/19/15	11/19/15	11/19/15	675,000,000	675,000,000	0	675,000,000	0
BANK OF AMERICA TRIPARTY	11/20/15	11/20/15	11/20/15	630,000,000	630,000,000	0	630,000,000	0
BANK OF AMERICA TRIPARTY	11/23/15	11/23/15	11/23/15	625,000,000	625,000,000	0	625,000,000	0
BANK OF AMERICA TRIPARTY	11/24/15	11/24/15	11/24/15	680,000,000	680,000,000	0	680,000,000	0
BANK OF AMERICA TRIPARTY	11/25/15	11/25/15	11/25/15	455,000,000	455,000,000	0	455,000,000	0
BANK OF AMERICA TRIPARTY	11/30/15	11/30/15	11/30/15	510,000,000	510,000,000	0	510,000,000	0
SVENSKA HANDELSBANKTDCAY 0.05 20151102	11/02/15	11/02/15	11/02/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.11 20151103	11/03/15	11/03/15	11/03/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151104	11/04/15	11/04/15	11/04/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151105	11/05/15	11/05/15	11/05/15	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151106	11/06/15	11/06/15	11/06/15	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151109	11/09/15	11/09/15	11/09/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151110	11/10/15	11/10/15	11/10/15	260,000,000	260,000,000	0	260,000,000	0

## TRADING ACTIVITY FOR NOVEMBER 2015

Security Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SVENSKA HANDELSBANKTDCAY 0.1 20151112	11/12/15	11/12/15	11/12/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151113	11/13/15	11/13/15	11/13/15	265,000,000	265,000,000	0	265,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151116	11/16/15	11/16/15	11/16/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151117	11/17/15	11/17/15	11/17/15	260,000,000	260,000,000	0	260,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151118	11/18/15	11/18/15	11/18/15	270,000,000	270,000,000	0	270,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151119	11/19/15	11/19/15	11/19/15	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151120	11/20/15	11/20/15	11/20/15	280,000,000	280,000,000	0	280,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151123	11/23/15	11/23/15	11/23/15	280,000,000	280,000,000	0	280,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151124	11/24/15	11/24/15	11/24/15	150,000,000	150,000,000	0	150,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151125	11/25/15	11/25/15	11/25/15	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.1 20151130	11/30/15	11/30/15	11/30/15	300,000,000	300,000,000	0	300,000,000	0
<b>Total Maturities</b>				<b>16,895,641,000</b>	<b>16,895,641,000</b>	<b>0</b>	<b>16,895,641,000</b>	<b>0</b>
<b>Sells</b>								
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/02/15	11/02/15	1,644,903	1,644,903	0	1,644,903	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/04/15	11/04/15	446,144	446,144	0	446,144	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/09/15	11/09/15	814,838	814,838	0	814,838	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/09/15	11/09/15	1,618,076	1,618,076	0	1,618,076	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/09/15	11/09/15	355,785	355,785	0	355,785	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/09/15	11/09/15	41,210	41,210	0	41,210	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/12/15	11/12/15	1,725,340	1,725,340	0	1,725,340	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/16/15	11/16/15	1,307,478	1,307,478	0	1,307,478	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/17/15	11/17/15	318,106	318,106	0	318,106	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/18/15	11/18/15	37,810	37,810	0	37,810	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/18/15	11/18/15	201,917	201,917	0	201,917	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/18/15	11/18/15	1,690,674	1,690,674	0	1,690,674	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/18/15	11/18/15	480,052	480,052	0	480,052	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/19/15	11/19/15	363,344	363,344	0	363,344	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/19/15	11/19/15	1,217,530	1,217,530	0	1,217,530	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/19/15	11/19/15	562,968	562,968	0	562,968	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/25/15	11/25/15	2,202,072	2,202,072	0	2,202,072	0
FEDERATED PRIME CASH OBLIGA- TIONS FUND	10/01/40	11/05/15	11/05/15	10,000,000	10,000,000	0	10,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	11/05/15	11/05/15	10,000,000	10,000,000	0	10,000,000	0
<b>Total Sells</b>				<b>35,028,248</b>	<b>35,028,248</b>	<b>0</b>	<b>35,028,248</b>	<b>0</b>



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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**

**December 2015**

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

## DISCLOSURE OF MATERIAL IMPACTS

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

### PRIME™ STATISTICS

(As of December 31, 2015)

Total Participants  
**781**

Florida PRIME™ Assets  
**\$8,460,154,003**

Total Number of Accounts  
**1,493**

## 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

When the Federal Reserve hiked rates last month after seven years at near zero, cash managers breathed a sigh of relief. But the next breath was just as deep in anticipation for what is next. The frustrating certainty of postponed action has been replaced by the uncertainty of a rising-rate environment.

Coinciding with moving the target range to 0.25-0.50%, the Fed implied in its economic projections that it would raise that by 25 basis points four times in 2016 to reach 1.375% at year's end. But this could change at any one of its Federal Open Market Committee (FOMC) meetings. Chair Janet Yellen made clear again that the Fed still will move in a measured and gradual manner, remaining data dependent.

Unforeseen events could impact rate levels on either side of the macro equation. Hikes might come slower if the U.S. economic situation disappoints, but if inflation heats up, or the industrial side of the economy kicks into gear, then they might come faster.

Every month could bring a different wrinkle, such as the price of oil or how our international trading partners fare. Cash managers should not take anything for granted. We are likely going to see the market pricing in each of the hikes in 2016—probably in every other FOMC meeting—just as LIBOR rates acted ahead of December's liftoff. That is, unless the Fed breaks that pattern, which would push the curve steeper or flatter.

On a deeper, more technical level, we anticipate the rate picture next year is also going to be determined by cash flows. When we started talking about money market reform in 2014, there was a high expectation that more than half of the \$1.5 trillion in Prime money funds would go into governments. However, recent surveys and client discussions lead us to surmise that a larger portion likely will stay in Prime funds. One reason is that history has shown that bank deposit rates are sticky going up. They do not tend to move in conjunction with the Fed, reducing their competitive edge. Add to this the new regulatory requirements for more capital held and banks are not as attracted to the deposits as they used to be. It may be a portion of deposits move to the money fund market where a competitive yield would have the added benefit of liquidity. And if that is the case, after taking a hit to assets under management, Prime funds as an industry may grab some of that back in 2017 if the outflows create a wider spread that will attract money back to them. That especially could be the

case as investors become more comfortable with the implementation of the floating NAV.

Let us not forget the news on the reverse repo program. This normally flies under the radar, but now that the Fed intends to use the overnight facility to set a floor for the new target fed funds range, it is front and center. The FOMC uncapped the amount of collateral approved participants can ask for from \$300 billion ceiling to about \$2 trillion of eligible treasury securities. It seems that would be enough to satisfy the equation for demand, but you just do not know. I think supply and demand is going to have a whole lot to do with next year's rate outlook, as much as the Fed.

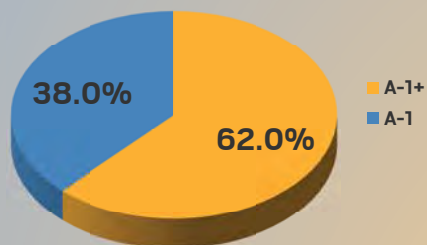
### INVESTMENT STRATEGY

At the end of December 2015, Florida Prime's assets were up \$1.3 billion to \$8.4 billion. That substantial jump is due to the money that came into the Pool in the seasonal tax-inflow time period. We worked to get those deposits invested over the year-end as appropriate. The best news for participants is that the London interbank lending rate (LIBOR) anticipated the Fed's hike, leading to a significant increase of the Pool's gross yield of 14 basis points to end at 44 basis points. And LIBOR appears to be slowly pricing in even more Fed increases in the fed funds target range in 2016, which means we may continue to see growth in Florida Prime's yield as the year progresses.

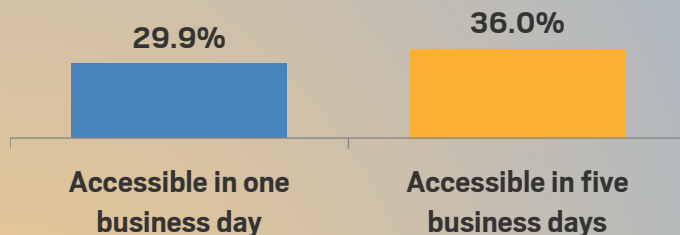
But it is for a different reason we moved the portfolio's weighted average maturity (WAM) longer by eight days (weighted average life, or WAL, came in by three days): many banks did not offer much supply in the marketplace in December. That is due to all the regulatory issues that exist today, such as Basel III and U.S. banking regulations, that have fostered an environment in which banks tend not to need short-term funding at month-end and, especially, year-end. So there was a short supply of banking paper near the end of 2015, resulting in a reduction in the percentage of our holdings of bank paper versus commercial paper. We decreased the former's percentage of holdings by 5% to 23% and raised the latter by 18% to 30% of total. Operations should return to normal in January. The rest of the composition was as follows: holdings of variable rate paper declined by 7% to 19%, repo decreased 7% to 7% of total and the money market funds percentage ticked up 1% to 21%.

## PORTFOLIO COMPOSITION FOR DECEMBER 2015

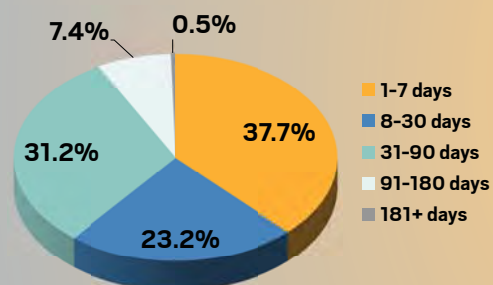
### CREDIT QUALITY COMPOSITION



### HIGHLY LIQUID HOLDINGS



### EFFECTIVE MATURITY SCHEDULE



### TOP HOLDINGS & AVG. MATURITY

1. Federated Prime Obligations Fund	9.7%
2. Federated Prime Cash Obligations Fund	9.1%
3. Sumitomo Mitsui Financial Group, Inc.	5.1%
4. Standard Chartered PLC	5.0%
5. Royal Bank of Canada, Montreal	5.0%
6. Mitsubishi UFJ Financial Group, Inc.	4.9%
7. Toronto Dominion Bank	4.8%
8. Nationwide Building Society	4.7%
9. DZ Bank AG Deutsche Zentral-Genossenschaftsbank	3.8%
10. Mizuho Financial Group, Inc.	3.6%

#### Average Effective Maturity (WAM)

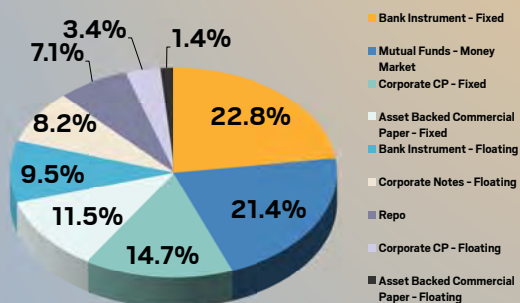
35.7 Days

#### Weighted Average Life (Spread WAM)

62.2 Days

Percentages based on total value of investments

### PORTFOLIO COMPOSITION



## FUND PERFORMANCE THROUGH DECEMBER 31, 2015

Florida PRIME Performance Data			
	Net Participant Yield <sup>1</sup>	Net-of-Fee Benchmark <sup>2</sup>	Above (Below) Benchmark
One Month	0.35%	0.14%	0.21%
Three Months	0.30%	0.12%	0.18%
One Year	0.23%	0.08%	0.15%
Three Years	0.20%	0.06%	0.13%
Five Years	0.23%	0.08%	0.15%
Ten Years	1.47%	1.34%	0.13%
Since 1/96	2.77%	2.56%	0.21%

Note: Net asset value at month end: \$8,459.6 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

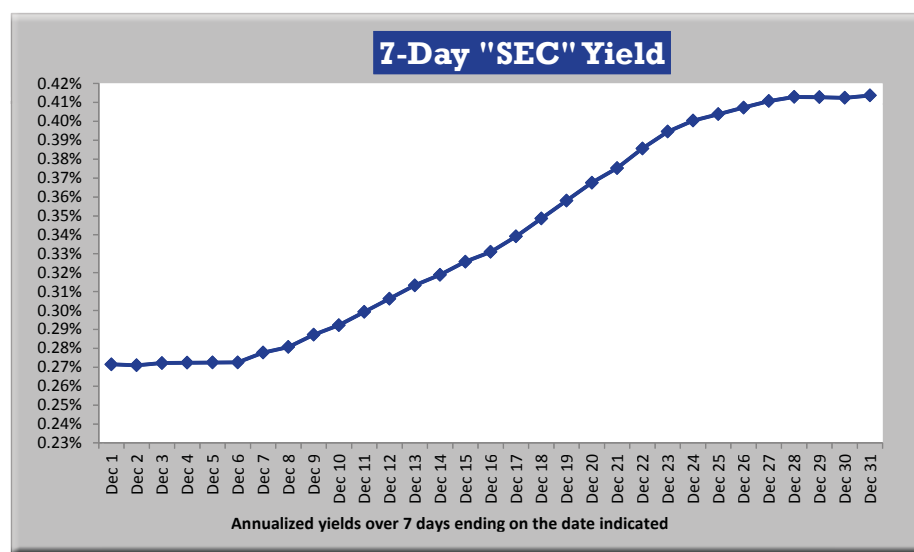
<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

### ABOUT ANNUALIZED YIELDS:

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

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



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

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

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

## PRIME ACCOUNT SUMMARY FOR DECEMBER 2015

Summary of Cash Flows		
Opening Balance (12/01/15)	\$	7,133,351,756
Participant Deposits		3,945,331,585
Gross Earnings		2,623,426
Participant Withdrawals		(2,620,991,387)
Fees		(161,377)
Closing Balance (12/31/15)	\$	8,460,154,003
<b>Net Change over Month</b>	<b>\$</b>	<b>1,326,802,247</b>

Detailed Fee Disclosure		
December 2015	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 69,188.26	1.06
Federated Investment Management Fee	68,150.35	1.05
BNY Mellon Custodial Fee**	10,995.79	0.17
Bank of America Transfer Agent Fee	4,927.39	0.08
S&P Rating Maintenance Fee	3,397.26	0.05
Audit/External Review Fees	4,718.03	0.07
<b>Total Fees</b>	<b>\$ 161,377.08</b>	<b>2.48</b>

\*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 7,796,752,880.

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

## INVENTORY OF HOLDINGS FOR DECEMBER 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV CDEUR	CERTIFICATE OF DEPOSIT - EURO	0.00	1/5/2016		100,000,000	0.39	\$99,994,728	\$100,000,000	\$5,272
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/2/2016		25,000,000	0.43	\$24,990,375	\$24,989,183	-\$1,192
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/4/2016		25,000,000	0.41	\$24,990,278	\$24,988,333	-\$1,945
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/15/2016		20,000,000	0.32	\$19,997,333	\$19,996,167	-\$1,167
Australia & New Zealand, Sr. Unsecd. Note, .9%, 2/12/2016	CORPORATE BOND	0.90	2/12/2016		3,400,000	0.41	\$3,401,919	\$3,400,751	-\$1,168
Australia & New Zealand, Sr. Unsecd. Note, .9%, 2/12/2016	CORPORATE BOND	0.90	2/12/2016		1,000,000	0.67	\$1,000,261	\$1,000,221	-\$40
Australia & New Zealand Banking Group, Melbourne CP4-2	COMMERCIAL PAPER - 4-2		4/4/2016		80,000,000	0.61	\$79,873,333	\$79,867,000	-\$6,333
BMO Harris Bank, N.A., Mar 14, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.53	3/14/2016	1/14/2016	10,000,000	0.53	\$10,000,000	\$9,999,120	-\$880
BMW US Capital LLC, Jul 06, 2016	VARIABLE EURO MEDIUM TERM NOTE	0.73	7/6/2016	1/6/2016	51,000,000	0.45	\$51,000,000	\$50,812,371	-\$187,629
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		3/15/2016		100,000,000	0.59	\$99,879,167	\$99,885,417	\$6,250
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.32	1/4/2016		600,000,000	0.32	\$600,000,000	\$600,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.76	6/6/2016		50,000,000	0.77	\$50,000,000	\$49,999,260	-\$741
Bank of Montreal, Jun 01, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.56	6/1/2016	3/1/2016	25,000,000	0.57	\$25,000,000	\$24,991,325	-\$8,675
Bank of Montreal, May 23, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.58	5/23/2016	1/25/2016	50,000,000	0.59	\$50,000,000	\$49,995,350	-\$4,650
Bank of Montreal, Series MTN, 1.300%, 07/15/2016	CORPORATE BOND	1.30	7/15/2016		14,430,000	0.81	\$14,467,821	\$14,457,893	-\$9,928
Bank of Montreal, Sr. Unsecd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	15,000,000	0.44	\$15,033,967	\$15,012,690	-\$21,277
Bank of Montreal, Sr. Unsecd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	10,000,000	0.48	\$10,020,386	\$10,008,460	-\$11,926
Bank of Montreal, Sr. Unsecd. Note, Series MTN, 7/15/2016	CORPORATE BOND	0.84	7/15/2016	1/15/2016	54,250,000	0.52	\$54,350,037	\$54,295,896	-\$54,141
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.45	2/10/2016		75,000,000	0.46	\$75,000,000	\$75,010,950	\$10,950
Bank of Nova Scotia, Toronto, Jan 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.48	1/15/2016	1/15/2016	40,000,000	0.49	\$40,000,000	\$39,997,440	-\$2,560
Bank of Nova Scotia, Toronto, May 09, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.44	5/9/2016	2/9/2016	50,000,000	0.45	\$50,000,000	\$49,982,000	-\$18,000
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.24	1/4/2016		25,000,000	0.24	\$25,000,000	\$24,999,697	-\$303
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	1/4/2016		50,000,000	0.39	\$50,000,000	\$50,000,150	\$150
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/6/2016		55,000,000	0.35	\$54,996,792	\$54,998,029	\$1,238
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/9/2016		50,000,000	0.77	\$49,830,056	\$49,821,559	-\$8,497
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/13/2016		30,000,000	0.81	\$29,890,000	\$29,889,313	-\$687
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/14/2016		20,000,000	0.83	\$19,924,378	\$19,925,577	\$1,199

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/16/2016		20,000,000	0.83	\$19,923,467	\$19,924,400	\$933
Bedford Row Funding Corp., Apr 14, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.46	4/14/2016	1/14/2016	25,000,000	0.46	\$25,000,000	\$24,995,550	-\$4,450
Bedford Row Funding Corp., Jun 07, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.49	6/7/2016	1/7/2016	25,000,000	0.50	\$25,000,000	\$24,997,450	-\$2,550
Bedford Row Funding Corp., May 10, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.44	5/10/2016	1/11/2016	50,000,000	0.45	\$50,000,000	\$49,993,800	-\$6,200
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.80	6/21/2016		25,000,000	0.81	\$25,000,000	\$25,002,950	\$2,950
Canadian Imperial Bank of Commerce, Jun 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.60	6/13/2016	1/11/2016	25,000,000	0.61	\$25,000,000	\$24,997,450	-\$2,550
Chase Bank USA, N.A. CD	CERTIFICATE OF DEPOSIT	0.65	6/8/2016		50,000,000	0.66	\$50,000,000	\$50,028,394	\$28,394
Commonwealth Bank of Australia CP4-2	COMMERCIAL PAPER - 4-2		6/23/2016		50,000,000	0.86	\$49,795,833	\$49,807,257	\$11,424
Commonwealth Bank of Australia, Apr 04, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.61	4/4/2016	1/4/2016	50,000,000	0.44	\$50,000,000	\$49,997,550	-\$2,450
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	2/3/2016		120,000,000	0.39	\$120,000,000	\$119,995,322	-\$4,678
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	2/4/2016		20,000,000	0.39	\$20,000,000	\$19,999,159	-\$841
Credit Agricole Corporate and Investment Bank CP	COMMERCIAL PAPER		1/4/2016		10,000,000	0.25	\$9,999,722	\$9,999,621	-\$101
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.45	3/3/2016		200,000,000	0.46	\$200,000,000	\$200,000,990	\$990
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.41	2/8/2016		50,000,000	0.42	\$50,000,000	\$50,005,885	\$5,885
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.41	2/10/2016		10,000,000	0.42	\$10,000,000	\$10,001,180	\$1,180
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.40	2/25/2016		100,000,000	0.41	\$100,000,000	\$100,011,578	\$11,578
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.48	3/23/2016		165,000,000	0.49	\$165,000,000	\$165,020,681	\$20,681
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.11	1/4/2016		212,275,076	0.11	\$212,275,076	\$212,275,076	\$0
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/13/2016		30,000,000	0.71	\$29,921,833	\$29,911,895	-\$9,938
Fairway Finance Co. LLC, Jun 10, 2016	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	0.59	6/10/2016	1/11/2016	15,000,000	0.60	\$15,000,000	\$14,998,680	-\$1,320
Federated Prime Cash Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.39	1/4/2016	1/4/2016	773,104,827	0.34	\$773,104,827	\$773,104,827	\$0
Federated Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.39	1/4/2016	1/4/2016	823,016,811	0.35	\$823,016,811	\$823,016,811	\$0
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,510,000	0.54	\$6,565,537	\$6,552,849	-\$12,688
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		7,500,000	0.54	\$7,563,985	\$7,549,365	-\$14,620
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		10,000,000	0.54	\$10,085,323	\$10,065,820	-\$19,503
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		6,100,000	0.54	\$6,152,037	\$6,140,150	-\$11,886
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		11,911,000	0.60	\$12,010,607	\$11,989,398	-\$21,209

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,008,105	\$1,006,582	-\$1,523
General Electric Capital Corp., Sr. Unsec'd. Note, 2.950%, 05/09/2016	CORPORATE BOND	2.95	5/9/2016		1,000,000	0.66	\$1,008,102	\$1,006,582	-\$1,520
General Electric Capital Corp., Sr. Unsec'd. Note, Series MTN, 1.000%, 01/08/2016	CORPORATE BOND	1.00	1/8/2016		45,697,000	0.49	\$45,702,056	\$45,697,640	-\$4,416
General Electric Capital Corp., Sr. Unsecured, Jun 20, 2016	VARIABLE EURO MEDIUM TERM NOTE	0.77	6/20/2016	3/21/2016	85,000,000	0.63	\$85,063,117	\$84,992,265	-\$70,852
General Electric Capital, Floating Rate Note - Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.92	1/8/2016	1/8/2016	10,000,000	0.37	\$10,001,223	\$10,000,160	-\$1,063
General Electric Capital, Series GMTN, 1.5%, 7/12/2016	CORPORATE BOND	1.50	7/12/2016		4,626,000	0.76	\$4,644,053	\$4,648,357	\$4,305
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.55	1/14/2016	1/14/2016	14,225,000	0.38	\$14,226,015	\$14,224,516	-\$1,498
General Electric Capital, Sr. Note, 1/14/2016	CORPORATE NOTE	0.55	1/14/2016	1/14/2016	10,000,000	0.39	\$10,000,679	\$9,999,660	-\$1,019
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.52	1/8/2016	1/8/2016	255,000	0.40	\$255,007	\$254,999	-\$8
General Electric Capital, Sr. Note, Series MTN, 1/08/2016	CORPORATE BOND	0.52	1/8/2016	1/8/2016	379,000	0.45	\$379,005	\$378,998	-\$7
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		423,000	0.42	\$423,417	\$423,102	-\$316
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		3,967,000	0.43	\$3,970,934	\$3,967,952	-\$2,982
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		400,000	0.46	\$400,395	\$400,096	-\$299
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		10,000,000	0.46	\$10,009,870	\$10,002,400	-\$7,470
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		7,650,000	0.51	7,657,491	7,651,836	-\$5,655
General Electric Capital, Sr. Unsec'd. Note, Series MTN, 5%, 1/08/2016	CORPORATE BOND	5.00	1/8/2016		1,185,000	0.61	\$1,186,135	\$1,185,284	-\$851
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/4/2016		35,300,000	0.24	\$35,299,059	\$35,298,467	-\$592
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/8/2016		15,000,000	0.26	\$14,999,133	\$14,998,613	-\$520
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/12/2016		15,000,000	0.41	\$14,998,000	\$14,997,795	-\$205
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/14/2016		91,907,000	0.38	\$91,893,776	\$91,890,773	-\$3,003
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/14/2016		25,000,000	0.38	\$24,996,403	\$24,995,586	-\$817
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/15/2016		60,000,000	0.41	\$59,990,000	\$59,988,500	-\$1,500
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/21/2016		40,000,000	0.46	\$39,989,500	\$39,989,267	-\$233
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/25/2016		60,000,000	0.30	\$59,987,500	\$59,980,834	-\$6,666
International Bank for Reconstruction & Development (World Bank), Unsec'd. Note, 2/10/2016	SOVEREIGN	0.00	2/10/2016		50,000,000	0.51	\$49,971,528	\$49,987,150	\$15,622
J.P. Morgan Securities LLC, Apr 22, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.67	4/22/2016	1/22/2016	10,000,000	0.68	\$10,000,000	\$9,997,900	-\$2,100

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
J.P. Morgan Securities LLC, Feb 09, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.49	2/9/2016	1/11/2016	100,000,000	0.49	\$100,000,000	\$99,992,900	-\$7,100
J.P. Morgan Securities LLC, Feb 16, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.54	2/16/2016	1/19/2016	25,000,000	0.55	\$25,000,000	\$24,997,150	-\$2,850
J.P. Morgan Securities LLC, May 25, 2016	VARIABLE RATE COMMERCIAL PAPER	0.53	5/25/2016	2/25/2016	40,000,000	0.54	\$40,000,000	\$39,985,600	-\$14,400
J.P. Morgan Securities LLC, May 31, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.73	5/31/2016	2/1/2016	25,000,000	0.74	\$25,000,000	\$24,997,700	-\$2,300
JPMorgan Chase Bank, N.A., Nov 04, 2016	VARIABLE RATE BANK NOTE	0.61	11/4/2016	2/8/2016	15,000,000	0.62	15,000,000	14,995,725	-\$4,275
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/5/2016		15,000,000	0.25	14,999,479	14,999,173	-\$306
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/19/2016		16,000,000	0.45	15,996,284	15,996,116	-\$169
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/4/2016		25,000,000	0.35	\$24,991,736	\$24,988,333	-\$3,403
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/5/2016		50,000,000	0.46	\$49,977,500	\$49,975,800	-\$1,700
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		2/8/2016		10,000,000	0.45	\$9,995,233	\$9,994,952	-\$282
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/22/2016		28,000,000	0.34	\$27,994,182	\$27,992,129	-\$2,053
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/9/2016		50,000,000	0.51	\$49,972,222	\$49,972,222	-\$0
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/11/2016		125,000,000	0.51	\$124,927,083	\$124,925,916	-\$1,167
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	1/11/2016		121,900,000	0.27	\$121,900,000	\$121,896,010	-\$3,990
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	1/12/2016		10,000,000	0.28	\$10,000,000	\$9,999,666	-\$334
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.29	1/15/2016		100,000,000	0.29	\$100,000,000	\$99,995,828	-\$4,172
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.30	1/19/2016		70,000,000	0.30	\$70,000,000	\$69,996,191	-\$3,809
NRW Bank CP	COMMERCIAL PAPER		1/8/2016		150,000,000	0.43	\$149,986,000	\$149,990,201	\$4,201
NRW Bank CP	COMMERCIAL PAPER		1/11/2016		75,000,000	0.37	\$74,991,635	\$74,993,171	\$1,535
National Australia Bank Ltd., Melbourne CP4-2	COMMERCIAL PAPER - 4-2		3/18/2016		50,000,000	0.66	\$49,929,583	\$49,945,725	\$16,142
National Australia Bank Ltd., Melbourne, Jan 29, 2016	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.47	1/29/2016	1/13/2016	40,000,000	0.47	\$40,000,000	\$39,997,560	-\$2,440
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		3/4/2016		30,250,000	0.54	\$30,221,498	\$30,227,198	\$5,700
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		3/8/2016		90,000,000	0.56	\$89,906,500	\$89,927,240	\$20,740
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		3/9/2016		25,000,000	0.56	\$24,973,646	\$24,979,444	\$5,798
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		3/14/2016		100,000,000	0.64	\$99,870,500	\$99,910,789	\$40,289
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		3/21/2016		150,000,000	0.66	\$149,780,625	\$149,851,163	\$70,538
Nederlandse Waterschapsbank NV CP4-2	COMMERCIAL PAPER - 4-2		2/8/2016		100,000,000	0.39	\$99,958,833	\$99,965,658	\$6,825
Rabobank Nederland NV, Utrecht, Feb 22, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.37	2/22/2016	1/22/2016	5,000,000	0.38	\$5,000,000	\$4,999,380	-\$620
Rabobank Nederland NV, Utrecht, Mar 18, 2016	VARIABLE RATE EUR CERTIFICATE OF DEPOSIT	0.56	3/18/2016	1/19/2016	40,000,000	0.57	\$40,000,000	\$39,988,080	-\$11,920
Royal Bank of Canada, Montreal, Jan 13, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.42	1/13/2016	1/13/2016	25,000,000	0.42	\$25,000,000	\$24,998,450	-\$1,550

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2015

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Royal Bank of Canada, Montreal, May 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.46	5/12/2016	1/12/2016	50,000,000	0.46	\$50,000,000	\$49,996,200	-\$3,800
Royal Bank of Canada, Montreal, Oct 03, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.77	10/3/2016	1/4/2016	125,000,000	0.49	\$125,000,000	\$124,981,500	-\$18,500
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.65	2/26/2016		23,000,000	0.42	\$23,008,662	\$23,004,333	-\$4,329
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.39	3/9/2016		25,000,000	0.40	\$25,000,000	\$24,991,222	-\$8,778
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.51	3/4/2016		100,000,000	0.52	\$100,000,000	\$99,991,969	-\$8,031
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.65	3/24/2016		25,000,000	0.66	\$25,000,000	\$25,001,250	\$1,250
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.65	4/1/2016		45,000,000	0.66	\$45,000,000	\$44,999,654	-\$346
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		2/5/2016		78,000,000	0.40	\$77,969,580	\$77,965,368	-\$4,212
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		2/22/2016		50,000,000	0.40	\$49,971,292	\$49,962,311	-\$8,981
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		3/2/2016		75,000,000	0.44	\$74,944,458	\$74,929,346	-\$15,113
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/10/2016		49,500,000	0.66	\$49,437,438	\$49,440,999	\$3,561
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.32	1/22/2016		100,000,000	0.32	\$100,000,000	\$99,995,165	-\$4,835
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.40	1/29/2016		25,000,000	0.41	\$25,000,000	\$24,999,643	-\$357
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.37	1/7/2016		100,000,000	0.38	\$100,000,000	\$100,000,205	\$205
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.00	11/10/2016		15,000,000	1.01	\$15,000,000	\$15,000,858	\$858
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.75	6/3/2016		65,000,000	0.76	\$65,000,000	\$65,011,045	\$11,045
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.75	8/8/2016		10,000,000	0.76	\$10,000,000	\$9,994,225	-\$5,775
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.80	6/14/2016		25,000,000	0.81	\$25,000,000	\$25,007,781	\$7,781
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.83	6/22/2016		25,000,000	0.84	\$25,000,000	\$25,009,846	\$9,846
Toronto Dominion Bank, Apr 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.35	4/15/2016	1/15/2016	40,000,000	0.36	\$40,000,000	\$39,994,480	-\$5,520
Toronto Dominion Bank, Feb 12, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.39	2/12/2016	2/12/2016	10,000,000	0.39	\$10,000,000	\$9,996,280	-\$3,720
Toronto Dominion Bank, Feb 24, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.58	2/24/2016	1/25/2016	50,000,000	0.59	\$50,000,000	\$49,993,000	-\$7,000
Toronto Dominion Bank, Jul 01, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.59	7/1/2016	1/4/2016	75,000,000	0.41	\$75,000,000	\$74,987,550	-\$12,450
Toronto Dominion Bank, Nov 04, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.78	11/4/2016	1/4/2016	10,000,000	0.61	\$10,000,000	\$9,998,350	-\$1,650
Toronto Dominion Bank, Oct 17, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.57	10/17/2016	1/19/2016	30,000,000	0.57	\$30,000,000	\$29,992,890	-\$7,110
Toronto Dominion Bank, Sr. Unsecured, Sep 09, 2016	VARIABLE MEDIUM TERM NOTE	0.94	9/9/2016	3/9/2016	24,000,000	0.64	\$24,052,084	\$24,022,104	-\$29,980
Toronto Dominion Holdings (USA), Inc. CP4-2	COMMERCIAL PAPER - 4-2		3/23/2016		15,000,000	0.46	\$14,984,438	\$14,981,878	-\$2,559
Toronto Dominion Holdings (USA), Inc. CP4-2	COMMERCIAL PAPER - 4-2		5/13/2016		10,000,000	0.58	\$9,978,783	\$9,975,731	-\$3,052

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2015

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., Apr 15, 2016	VARIABLE MEDIUM TERM NOTE	0.33	4/15/2016	1/15/2016	100,000,000	0.34	\$100,000,000	\$99,987,100	-\$12,900
Toyota Motor Credit Corp., Oct 07, 2016	VARIABLE MEDIUM TERM NOTE	0.52	10/7/2016	1/7/2016	50,000,000	0.53	\$50,000,000	\$49,992,500	-\$7,500
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	21,100,000	0.38	\$21,122,656	\$21,105,402	-\$17,254
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	1,420,000	0.39	\$1,421,466	\$1,420,364	-\$1,103
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	300,000	0.39	\$300,311	\$300,077	-\$234
Toyota Motor Credit Corp., Sr. Unsecured, May 17, 2016	VARIABLE MEDIUM TERM NOTE	0.65	5/17/2016	2/17/2016	2,000,000	0.40	\$2,002,092	\$2,000,512	-\$1,580
Wells Fargo & Co., Sr. Unsec'd. Note, 3.676%, 06/15/2016	CORPORATE BOND	3.68	6/15/2016		10,000,000	0.99	\$10,122,130	\$10,124,990	\$2,860
Wells Fargo Bank, N.A., Nov 18, 2016	VARIABLE RATE BANK NOTE	0.74	11/18/2016	3/21/2016	100,000,000	0.75	\$100,000,000	\$99,959,800	-\$40,200
Wells Fargo Bank, N.A., Nov 21, 2016	VARIABLE MEDIUM TERM NOTE	0.77	11/21/2016	3/22/2016	50,000,000	0.78	\$50,000,000	\$49,977,150	-\$22,850
Westpac Banking Corp. Ltd., Sydney, Apr 15, 2016	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.50	4/15/2016	1/15/2016	25,000,000	0.44	\$25,006,486	\$25,002,575	-\$3,911
<b>Total Value of Investments</b>					<b>8,457,981,714</b>		<b>\$8,456,810,810</b>	<b>\$8,456,244,672</b>	<b>-\$566,138</b>

**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.

<sup>1</sup> 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.

<sup>2</sup> Amortized cost is calculated using a straight line method.

### Fee "Holiday" begins January 2016

Beginning on January 1, 2016, Florida PRIME participants started to enjoy the benefit of having all pool expenses offset. During their December 4, 2015 meeting, the Participant Local Government Advisory Council (PLGAC), with support from the SBA's Trustees, provided direction to use the remaining proceeds from liquidity redemption fees charged to pool participants in 2008 to pay for all monthly pool expenses.

As a result, all pool fees will be covered by this account. Based on the current redemption fee reserve account balance, pool expenses are expected to be offset during the next 12 to 18 months, depending upon the actual level of future pool expenses. All pool charges will continue to be reported within the Monthly Summary Report, including the actual monthly line-item fees. Once the redemption fee reserve account has been exhausted, pool charges will be reinstituted and notice will be provided to all Florida PRIME participants.

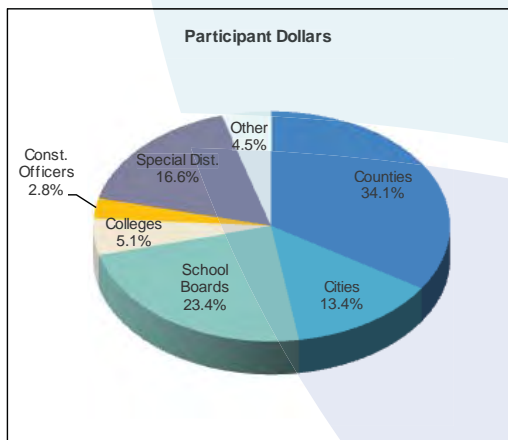
**PLEASE CONTACT US IF YOU HAVE ANY QUESTIONS / (850) 488-7311  
BETWEEN 7:30 a.m. and 4:30 p.m. ET, Monday through Friday.**

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

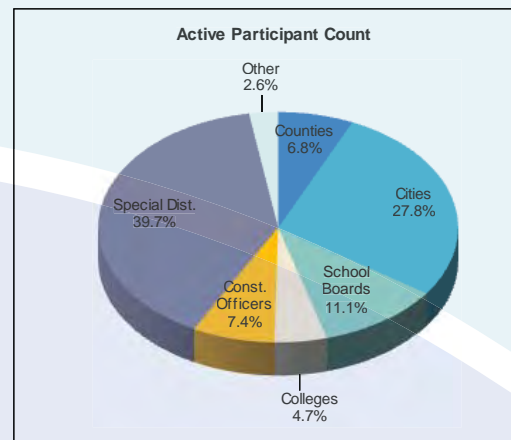
## PARTICIPANT CONCENTRATION DATA - AS OF DECEMBER 2015

### Florida Prime Participant Concentration Data As of December 31, 2015

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
<b>All Participants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Colleges &amp; Universities</b>	<b>5.1%</b>	<b>4.7%</b>
Top 10	41.7%	1.3%	Top 10	4.8%	1.3%
\$100 million or more	53.1%	2.2%	\$100 million or more	2.6%	0.1%
\$10 million up to \$100 million	40.1%	13.4%	\$10 million up to \$100 million	2.1%	0.9%
\$1 million up to \$10 million	6.0%	18.6%	\$1 million up to \$10 million	0.5%	1.4%
Under \$1 million	0.8%	65.8%	Under \$1 million	0.03%	2.2%
<b>Counties</b>	<b>34.1%</b>	<b>6.8%</b>	<b>Constitutional Officers</b>	<b>2.8%</b>	<b>7.4%</b>
Top 10	27.8%	1.3%	Top 10	1.0%	1.3%
\$100 million or more	24.6%	0.9%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	9.1%	2.1%	\$10 million up to \$100 million	2.1%	0.8%
\$1 million up to \$10 million	0.4%	0.7%	\$1 million up to \$10 million	0.6%	2.0%
Under \$1 million	0.0%	3.1%	Under \$1 million	0.0%	4.7%
<b>Municipalities</b>	<b>13.4%</b>	<b>27.8%</b>	<b>Special Districts</b>	<b>16.6%</b>	<b>39.7%</b>
Top 10	7.6%	1.3%	Top 10	11.1%	1.3%
\$100 million or more	1.7%	0.1%	\$100 million or more	7.1%	0.4%
\$10 million up to \$100 million	9.4%	3.4%	\$10 million up to \$100 million	8.1%	3.1%
\$1 million up to \$10 million	2.0%	6.5%	\$1 million up to \$10 million	1.2%	4.8%
Under \$1 million	0.3%	17.8%	Under \$1 million	0.3%	31.3%
<b>School Boards</b>	<b>23.4%</b>	<b>11.1%</b>	<b>Other</b>	<b>4.5%</b>	<b>2.6%</b>
Top 10	19.7%	1.3%	Top 10	4.0%	1.3%
\$100 million or more	15.7%	0.5%	\$100 million or more	1.4%	0.1%
\$10 million up to \$100 million	6.7%	2.2%	\$10 million up to \$100 million	2.7%	0.9%
\$1 million up to \$10 million	1.0%	2.3%	\$1 million up to \$10 million	0.4%	0.9%
Under \$1 million	0.1%	6.0%	Under \$1 million	0.0%	0.7%



Total Fund Value: \$8,460,154,003



Total Active Participant Count: 769

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

## COMPLIANCE WITH INVESTMENT POLICY FOR DECEMBER 2015

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

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

Test by Source	Pass/Fail
<b><u>Florida PRIME's Investment Policy</u></b>	
Securities must be USD denominated.	Pass
<b><u>Ratings requirements</u></b>	
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 <sup>1</sup>	Pass
<b><u>Maturity</u></b>	
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
<b><u>Issuer Diversification</u></b>	
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. <sup>2</sup>	Pass
<b><u>Demand Feature and Guarantor Diversification</u></b>	
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
<b><u>Money Market Mutual Funds</u></b>	
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
<b><u>Concentration Tests</u></b>	
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. <sup>3</sup>	Pass
<b><u>S&amp;P Requirements</u></b>	
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

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

<sup>2</sup> 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.

<sup>3</sup> 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 DECEMBER 2015

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<b>Buys</b>								
ANTALIS S,A, CPABS4CPABS4	02/02/16	12/08/15	12/08/15	25,000,000	24,983,667	0	24,983,667	0
ANTALIS S,A, CPABS4CPABS4	02/04/16	12/07/15	12/07/15	25,000,000	24,983,611	0	24,983,611	0
ANTALIS S,A, CPABS4CPABS4	12/16/15	12/09/15	12/09/15	50,000,000	49,998,444	0	49,998,444	0
ANTALIS S,A, CPABS4CPABS4	12/16/15	12/09/15	12/09/15	50,000,000	49,998,444	0	49,998,444	0
ANTALIS S,A, CPABS4CPABS4	12/16/15	12/09/15	12/09/15	26,000,000	25,999,191	0	25,999,191	0
ANTALIS S,A, CPABS4CPABS4	12/18/15	12/10/15	12/11/15	5,220,000	5,219,777	0	5,219,777	0
AUSTRALIA NEW ZEACP4-2	04/04/16	12/08/15	12/09/15	30,000,000	29,941,500	0	29,941,500	0
AUSTRALIA NEW ZEACP4-2	04/04/16	12/09/15	12/09/15	50,000,000	49,902,500	0	49,902,500	0
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	02/12/16	12/01/15	12/04/15	3,400,000	3,403,125	9,520	3,412,645	0
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	02/12/16	12/08/15	12/11/15	1,000,000	1,000,383	2,975	1,003,358	0
BANK OF NOVA SCOTIACDYAN	02/10/16	12/09/15	12/09/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIACDYAN	02/10/16	12/09/15	12/09/15	25,000,000	25,000,000	0	25,000,000	0
BANK OF MONTREAL (CCDYAN	06/06/16	12/07/15	12/07/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	12/16/15	12/09/15	12/09/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	12/30/15	12/23/15	12/23/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/04/16	12/28/15	12/28/15	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCPCABS4-	01/06/16	12/30/15	12/30/15	50,000,000	49,996,597	0	49,996,597	0
BARTON CAPITAL LLCPCABS4-	01/06/16	12/30/15	12/30/15	5,000,000	4,999,660	0	4,999,660	0
BARTON CAPITAL LLCPCABS4-	12/16/15	12/15/15	12/15/15	25,000,000	24,999,889	0	24,999,889	0
BARTON CAPITAL LLCPCABS4-	12/31/15	12/30/15	12/30/15	15,001,000	15,000,862	0	15,000,862	0
BEDFORD ROW FUNDINGCPABS4	06/09/16	12/07/15	12/07/15	50,000,000	49,804,722	0	49,804,722	0
BEDFORD ROW FUNDINGCPABS4	06/13/16	12/09/15	12/09/15	30,000,000	29,875,333	0	29,875,333	0
BEDFORD ROW FUNDINGCPABS4	06/14/16	12/17/15	12/17/15	20,000,000	19,918,000	0	19,918,000	0
BEDFORD ROW FUNDINGCPABS4	06/16/16	12/16/15	12/16/15	20,000,000	19,916,633	0	19,916,633	0
BNP PARIBAS SACP4-2	03/15/16	12/09/15	12/09/15	50,000,000	49,921,861	0	49,921,861	0
BNP PARIBAS SACP4-2	03/15/16	12/09/15	12/09/15	50,000,000	49,921,861	0	49,921,861	0
BNP PARIBAS SACP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,500	0	49,996,500	0
BNP PARIBAS SACP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,500	0	49,996,500	0
BNP PARIBAS SACP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,500	0	49,996,500	0
BNP PARIBAS SACP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,500	0	49,996,500	0
BNP PARIBAS SACP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,500	0	49,996,500	0
BNP PARIBAS SACP4-2	12/09/15	12/02/15	12/02/15	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	12/09/15	12/02/15	12/02/15	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	12/09/15	12/02/15	12/02/15	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	12/09/15	12/02/15	12/02/15	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	12/09/15	12/02/15	12/02/15	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	12/09/15	12/02/15	12/02/15	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	12/09/15	12/02/15	12/02/15	50,000,000	49,998,736	0	49,998,736	0
CANADIAN IMPERIAL BANK OF COMMERCE/NEW YORK NY	06/13/16	12/11/15	12/11/15	25,000,000	25,000,000	0	25,000,000	0
CANADIAN IMPERIAL BCDYAN	06/21/16	12/17/15	12/17/15	25,000,000	25,000,000	0	25,000,000	0
COCA-COLA COMPANYCP4-2	12/21/15	12/10/15	12/10/15	50,000,000	49,996,944	0	49,996,944	0
COCA-COLA COMPANYCP4-2	12/21/15	12/10/15	12/10/15	38,000,000	37,997,678	0	37,997,678	0
COMMONWEALTH BANK OCP4-2	06/23/16	12/22/15	12/23/15	50,000,000	49,786,500	0	49,786,500	0
COOPERATIVE CENTRALE RAIFFEISEN-BOEREN-LEENBANK BA/NY	12/02/15	12/01/15	12/01/15	50,000,000	49,999,861	0	49,999,861	0

## TRADING ACTIVITY FOR DECEMBER 2015

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
COOPERATIEVE CENTRALE RAIFFEISEN-BOEREN-LEENBANK BA/NY	12/02/15	12/01/15	12/01/15	50,000,000	49,999,861	0	49,999,861	0
RABOBANK NEDERLAND CP	12/17/15	12/16/15	12/16/15	50,000,000	49,999,819	0	49,999,819	0
RABOBANK NEDERLAND CP	12/17/15	12/16/15	12/16/15	45,070,000	45,069,837	0	45,069,837	0
RABOBANK NEDERLAND CP	12/18/15	12/17/15	12/17/15	9,000,000	8,999,915	0	8,999,915	0
RABOBANK NEDERLAND CP	12/18/15	12/17/15	12/17/15	50,000,000	49,999,528	0	49,999,528	0
RABOBANK NEDERLAND CP	12/18/15	12/17/15	12/17/15	50,000,000	49,999,528	0	49,999,528	0
RABOBANK NEDERLAND CP	12/18/15	12/17/15	12/17/15	50,000,000	49,999,528	0	49,999,528	0
RABOBANK NEDERLAND CP	12/18/15	12/17/15	12/17/15	50,000,000	49,999,528	0	49,999,528	0
CREDIT AGRICOLE CORCP	01/04/16	12/31/15	12/31/15	10,000,000	9,999,722	0	9,999,722	0
CREDIT INDUSTRIEL ECDYAN	12/14/15	12/07/15	12/07/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/14/15	12/07/15	12/07/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/14/15	12/07/15	12/07/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/14/15	12/07/15	12/07/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/28/15	12/18/15	12/18/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/28/15	12/18/15	12/18/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/28/15	12/18/15	12/18/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/28/15	12/18/15	12/18/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT SUISSE, ZURICDYAN	03/03/16	12/01/15	12/01/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT SUISSE, ZURICDYAN	03/03/16	12/01/15	12/01/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT SUISSE, ZURICDYAN	03/03/16	12/01/15	12/01/15	50,000,000	50,000,000	0	50,000,000	0
CREDIT SUISSE, ZURICDYAN	03/03/16	12/01/15	12/01/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/18/15	12/11/15	12/11/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/18/15	12/11/15	12/11/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/18/15	12/11/15	12/11/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/18/15	12/11/15	12/11/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/18/15	12/11/15	12/11/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/23/15	12/16/15	12/16/15	20,000,000	20,000,000	0	20,000,000	0
DNB NOR BANK ASACDYAN	12/23/15	12/16/15	12/16/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/23/15	12/16/15	12/16/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/29/15	12/22/15	12/22/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/29/15	12/22/15	12/22/15	50,000,000	50,000,000	0	50,000,000	0
DNB NOR BANK ASACDYAN	12/29/15	12/22/15	12/22/15	50,000,000	50,000,000	0	50,000,000	0
EXXON MOBIL CORP,CP	12/22/15	12/21/15	12/21/15	50,000,000	49,999,556	0	49,999,556	0
EXXON MOBIL CORP,CP	12/22/15	12/21/15	12/21/15	50,000,000	49,999,556	0	49,999,556	0
EXXON MOBIL CORP,CP	12/22/15	12/21/15	12/21/15	50,000,000	49,999,556	0	49,999,556	0
FAIRWAY FINANCE CO,CPABS4	05/13/16	12/09/15	12/09/15	30,000,000	29,909,000	0	29,909,000	0
FAIRWAY FINANCE LLC	06/10/16	12/10/15	12/10/15	15,000,000	15,000,000	0	15,000,000	0
GOTHAM FUNDING CORPCPABS4	01/08/16	12/01/15	12/01/15	15,000,000	14,995,883	0	14,995,883	0
GOTHAM FUNDING CORPCPABS4	01/12/16	12/10/15	12/10/15	15,000,000	14,994,500	0	14,994,500	0
GOTHAM FUNDING CORPCPABS4	01/14/16	12/07/15	12/07/15	25,000,000	24,990,236	0	24,990,236	0
GOTHAM FUNDING CORPCPABS4	01/14/16	12/08/15	12/08/15	50,000,000	49,980,986	0	49,980,986	0
GOTHAM FUNDING CORPCPABS4	01/14/16	12/08/15	12/08/15	41,907,000	41,891,064	0	41,891,064	0
GOTHAM FUNDING CORPCPABS4	01/15/16	12/09/15	12/09/15	50,000,000	49,979,444	0	49,979,444	0
GOTHAM FUNDING CORPCPABS4	01/15/16	12/09/15	12/09/15	10,000,000	9,995,889	0	9,995,889	0
GOTHAM FUNDING CORPCPABS4	01/21/16	12/18/15	12/18/15	40,000,000	39,983,000	0	39,983,000	0

## TRADING ACTIVITY FOR DECEMBER 2015

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
HONEYWELL INTERNATICP4-2	12/28/15	12/17/15	12/17/15	30,000,000	29,996,792	0	29,996,792	0
HONEYWELL INTERNATICP4-2	12/28/15	12/17/15	12/17/15	50,000,000	49,994,653	0	49,994,653	0
ING (U.S.) FUNDING CP	12/28/15	12/17/15	12/17/15	33,000,000	32,995,967	0	32,995,967	0
ING (U.S.) FUNDING CP	12/28/15	12/17/15	12/17/15	50,000,000	49,993,889	0	49,993,889	0
WORLD BANK DISCOUNT NOTES	02/10/16	12/09/15	12/09/15	50,000,000	49,956,250	0	49,956,250	0
LMA-AMERICAS LLCCPABS4-2	01/05/16	12/01/15	12/01/15	15,000,000	14,996,354	0	14,996,354	0
LMA-AMERICAS LLCCPABS4-2	01/19/16	12/16/15	12/16/15	16,000,000	15,993,351	0	15,993,351	0
LMA-AMERICAS LLCCPABS4-2	02/05/16	12/09/15	12/09/15	50,000,000	49,963,750	0	49,963,750	0
LMA-AMERICAS LLCCPABS4-2	12/09/15	12/08/15	12/08/15	39,000,000	38,999,838	0	38,999,838	0
MANHATTAN ASSET FUNCPABS4	02/09/16	12/11/15	12/11/15	50,000,000	49,958,333	0	49,958,333	0
MANHATTAN ASSET FUNCPABS4	02/11/16	12/14/15	12/14/15	50,000,000	49,959,028	0	49,959,028	0
MANHATTAN ASSET FUNCPABS4	02/11/16	12/14/15	12/14/15	25,000,000	24,979,514	0	24,979,514	0
MANHATTAN ASSET FUNCPABS4	02/11/16	12/14/15	12/14/15	50,000,000	49,959,028	0	49,959,028	0
NRW,BANKCP	01/08/16	12/23/15	12/23/15	50,000,000	49,990,667	0	49,990,667	0
NRW,BANKCP	01/08/16	12/23/15	12/23/15	50,000,000	49,990,667	0	49,990,667	0
NRW,BANKCP	01/08/16	12/23/15	12/23/15	50,000,000	49,990,667	0	49,990,667	0
NRW BANK	01/11/16	12/29/15	12/29/15	50,000,000	49,993,410	0	49,993,410	0
NRW BANK	01/11/16	12/29/15	12/29/15	25,000,000	24,996,705	0	24,996,705	0
NRW,BANKCP	12/08/15	12/02/15	12/02/15	50,000,000	49,998,917	0	49,998,917	0
NRW,BANKCP	12/08/15	12/02/15	12/02/15	10,000,000	9,999,783	0	9,999,783	0
NRW,BANKCP	12/11/15	12/04/15	12/04/15	50,000,000	49,998,736	0	49,998,736	0
NRW,BANKCP	12/11/15	12/04/15	12/04/15	50,000,000	49,998,736	0	49,998,736	0
NRW,BANKCP	12/11/15	12/04/15	12/04/15	40,000,000	39,998,989	0	39,998,989	0
NRW,BANKCP	12/17/15	12/10/15	12/10/15	50,000,000	49,998,299	0	49,998,299	0
NRW,BANKCP	12/17/15	12/10/15	12/10/15	50,000,000	49,998,299	0	49,998,299	0
NRW,BANKCP	12/17/15	12/10/15	12/10/15	7,000,000	6,999,762	0	6,999,762	0
NRW BANK	12/18/15	12/09/15	12/09/15	50,000,000	49,997,875	0	49,997,875	0
NRW BANK	12/18/15	12/09/15	12/09/15	50,000,000	49,997,875	0	49,997,875	0
NRW BANK	12/18/15	12/09/15	12/09/15	50,000,000	49,997,875	0	49,997,875	0
NRW,BANKCP	12/21/15	12/14/15	12/14/15	50,000,000	49,997,569	0	49,997,569	0
NRW,BANKCP	12/21/15	12/14/15	12/14/15	50,000,000	49,997,569	0	49,997,569	0
NRW,BANKCP	12/21/15	12/14/15	12/14/15	50,000,000	49,997,569	0	49,997,569	0
NRW,BANKCP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,694	0	49,996,694	0
NRW,BANKCP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,694	0	49,996,694	0
NRW,BANKCP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,694	0	49,996,694	0
NRW,BANKCP	12/28/15	12/21/15	12/21/15	50,000,000	49,996,694	0	49,996,694	0
NRW,BANKCP	12/29/15	12/28/15	12/28/15	50,000,000	49,999,583	0	49,999,583	0
NRW,BANKCP	12/29/15	12/28/15	12/28/15	40,000,000	39,999,667	0	39,999,667	0
NATIONAL AUSTRALIA CP4-2	03/18/16	12/18/15	12/18/15	50,000,000	49,917,847	0	49,917,847	0
NATIONWIDE BUILDINGCP4-2	03/04/16	12/04/15	12/04/15	30,250,000	30,209,473	0	30,209,473	0
NATIONWIDE BUILDINGCP4-2	03/08/16	12/07/15	12/07/15	50,000,000	49,929,722	0	49,929,722	0
NATIONWIDE BUILDINGCP4-2	03/08/16	12/07/15	12/07/15	40,000,000	39,943,778	0	39,943,778	0
NATIONWIDE BUILDINGCP4-2	03/09/16	12/07/15	12/07/15	25,000,000	24,964,479	0	24,964,479	0
NATIONWIDE BUILDINGCP4-2	03/14/16	12/11/15	12/11/15	50,000,000	49,917,750	0	49,917,750	0
NATIONWIDE BUILDINGCP4-2	03/14/16	12/11/15	12/11/15	50,000,000	49,917,750	0	49,917,750	0
NATIONWIDE BUILDINGCP4-2	03/21/16	12/16/15	12/16/15	50,000,000	49,913,333	0	49,913,333	0
NATIONWIDE BUILDINGCP4-2	03/21/16	12/16/15	12/16/15	50,000,000	49,913,333	0	49,913,333	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
NATIONWIDE BUILDINGCP4-2	03/21/16	12/16/15	12/16/15	50,000,000	49,913,333	0	49,913,333	0
SOCIETE GENERALE, PCP4-2	12/18/15	12/17/15	12/17/15	50,000,000	49,999,528	0	49,999,528	0
SOCIETE GENERALE, PCP4-2	12/18/15	12/17/15	12/17/15	50,000,000	49,999,528	0	49,999,528	0
SOCIETE GENERALE, PCP4-2	12/21/15	12/18/15	12/18/15	50,000,000	49,998,625	0	49,998,625	0
SOCIETE GENERALE, PCP4-2	12/21/15	12/18/15	12/18/15	50,000,000	49,998,625	0	49,998,625	0
SOCIETE GENERALE, PCP4-2	12/21/15	12/18/15	12/18/15	50,000,000	49,998,625	0	49,998,625	0
SOCIETE GENERALE, PCP4-2	12/21/15	12/18/15	12/18/15	50,000,000	49,998,625	0	49,998,625	0
STANDARD CHARTERED CDYAN	03/04/16	12/03/15	12/03/15	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	03/04/16	12/03/15	12/03/15	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	03/24/16	12/18/15	12/18/15	25,000,000	25,000,000	0	25,000,000	0
STANDARD CHARTERED CDYAN	04/01/16	12/30/15	12/30/15	45,000,000	45,000,000	0	45,000,000	0
STARBIRD FUNDING COCPABS4	03/10/16	12/11/15	12/11/15	49,500,000	49,419,563	0	49,419,563	0
SUMITOMO MITSUI BANCYAN	12/08/15	12/01/15	12/01/15	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANCYAN	12/08/15	12/01/15	12/01/15	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANCYAN	01/29/16	12/31/15	12/31/15	25,000,000	25,000,000	0	25,000,000	0
TORONTO DOMINION BACDYAN	06/03/16	12/03/15	12/03/15	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BACDYAN	06/03/16	12/03/15	12/03/15	15,000,000	15,000,000	0	15,000,000	0
TORONTO DOMINION BACDYAN	06/14/16	12/14/15	12/14/15	25,000,000	25,000,000	0	25,000,000	0
TORONTO DOMINION BACDYAN	06/22/16	12/18/15	12/18/15	25,000,000	25,000,000	0	25,000,000	0
WELLS FARGO & CO	06/15/16	12/11/15	12/16/15	10,000,000	10,133,100	92,921	10,226,021	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/03/15	12/03/15	3,089,867	3,089,867	0	3,089,867	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/04/15	12/04/15	1,689,814	1,689,814	0	1,689,814	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/09/15	12/09/15	1,027,270	1,027,270	0	1,027,270	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/14/15	12/14/15	3,209,969	3,209,969	0	3,209,969	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/15/15	12/15/15	1,175,200	1,175,200	0	1,175,200	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/18/15	12/18/15	4,587,676	4,587,676	0	4,587,676	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/22/15	12/22/15	1,886,038	1,886,038	0	1,886,038	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/23/15	12/23/15	3,090,792	3,090,792	0	3,090,792	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/24/15	12/24/15	15,479	15,479	0	15,479	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/30/15	12/30/15	94,653	94,653	0	94,653	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/31/15	12/31/15	204,814,799	204,814,799	0	204,814,799	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	12/08/15	12/08/15	100,000,000	100,000,000	0	100,000,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	12/29/15	12/29/15	100,000,000	100,000,000	0	100,000,000	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	12/30/15	12/30/15	100,000,000	100,000,000	0	100,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/08/15	12/08/15	100,000,000	100,000,000	0	100,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/16/15	12/16/15	250,000,000	250,000,000	0	250,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/29/15	12/29/15	300,000,000	300,000,000	0	300,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/30/15	12/30/15	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/02/15	12/01/15	12/01/15	760,000,000	760,000,000	0	760,000,000	0
BANK OF AMERICA TRIPARTY	12/03/15	12/02/15	12/02/15	580,000,000	580,000,000	0	580,000,000	0
BANK OF AMERICA TRIPARTY	12/04/15	12/03/15	12/03/15	405,000,000	405,000,000	0	405,000,000	0
BANK OF AMERICA TRIPARTY	12/07/15	12/04/15	12/04/15	560,000,000	560,000,000	0	560,000,000	0
BANK OF AMERICA TRIPARTY	12/08/15	12/07/15	12/07/15	345,000,000	345,000,000	0	345,000,000	0
BANK OF AMERICA TRIPARTY	12/09/15	12/08/15	12/08/15	1,080,000,000	1,080,000,000	0	1,080,000,000	0
BANK OF AMERICA TRIPARTY	12/10/15	12/09/15	12/09/15	740,000,000	740,000,000	0	740,000,000	0
BANK OF AMERICA TRIPARTY	12/11/15	12/10/15	12/10/15	665,000,000	665,000,000	0	665,000,000	0
BANK OF AMERICA TRIPARTY	12/14/15	12/11/15	12/11/15	320,000,000	320,000,000	0	320,000,000	0
BANK OF AMERICA TRIPARTY	12/15/15	12/14/15	12/14/15	150,000,000	150,000,000	0	150,000,000	0

## TRADING ACTIVITY FOR DECEMBER 2015

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	12/16/15	12/15/15	12/15/15	695,000,000	695,000,000	0	695,000,000	0
BANK OF AMERICA TRIPARTY	12/17/15	12/16/15	12/16/15	380,000,000	380,000,000	0	380,000,000	0
BANK OF AMERICA TRIPARTY	12/18/15	12/17/15	12/17/15	200,000,000	200,000,000	0	200,000,000	0
BANK OF AMERICA TRIPARTY	12/21/15	12/18/15	12/18/15	840,000,000	840,000,000	0	840,000,000	0
BANK OF AMERICA TRIPARTY	12/22/15	12/21/15	12/21/15	900,000,000	900,000,000	0	900,000,000	0
BANK OF AMERICA TRIPARTY	12/23/15	12/22/15	12/22/15	365,000,000	365,000,000	0	365,000,000	0
BANK OF AMERICA TRIPARTY	12/28/15	12/23/15	12/23/15	160,000,000	160,000,000	0	160,000,000	0
BANK OF AMERICA TRIPARTY	12/29/15	12/28/15	12/28/15	940,000,000	940,000,000	0	940,000,000	0
BANK OF AMERICA TRIPARTY	12/30/15	12/29/15	12/29/15	960,000,000	960,000,000	0	960,000,000	0
BANK OF AMERICA TRIPARTY	12/31/15	12/30/15	12/30/15	825,000,000	825,000,000	0	825,000,000	0
BANK OF AMERICA TRIPARTY	01/04/16	12/31/15	12/31/15	600,000,000	600,000,000	0	600,000,000	0
<b>Total Buys</b>				<b>20,209,029,557</b>	<b>20,206,769,214</b>	<b>105,416</b>	<b>20,206,874,630</b>	<b>0</b>
<b>Deposits</b>								
SVENSKA HANDELSBANKTD CAY 0.1 20151202	12/02/15	12/01/15	12/01/15	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTD CAY 0.1 20151203	12/03/15	12/02/15	12/02/15	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTD CAY 0.1 20151204	12/04/15	12/03/15	12/03/15	360,000,000	360,000,000	0	360,000,000	0
SVENSKA HANDELSBANKTD CAY 0.1 20151207	12/07/15	12/04/15	12/04/15	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTD CAY 0.1 20151208	12/08/15	12/07/15	12/07/15	370,000,000	370,000,000	0	370,000,000	0
SVENSKA HANDELSBANKTD CAY 0.13 20151214	12/14/15	12/11/15	12/11/15	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTD CAY 0.12 20151215	12/15/15	12/14/15	12/14/15	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTD CAY 0.34 20151218	12/18/15	12/17/15	12/17/15	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTD CAY 0.35 20151221	12/21/15	12/18/15	12/18/15	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTD CAY 0.33 20151223	12/23/15	12/22/15	12/22/15	430,000,000	430,000,000	0	430,000,000	0
SVENSKA HANDELSBANKTD CAY 0.33 20151228	12/28/15	12/23/15	12/23/15	425,000,000	425,000,000	0	425,000,000	0
SVENSKA HANDELSBANKTD CAY 0.33 20151229	12/29/15	12/28/15	12/28/15	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTD CAY 0.3 20151230	12/30/15	12/29/15	12/29/15	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTD CAY 0.3 20151231	12/31/15	12/30/15	12/30/15	100,000,000	100,000,000	0	100,000,000	0
<b>Total Deposits</b>				<b>4,335,000,000</b>	<b>4,335,000,000</b>	<b>0</b>	<b>4,335,000,000</b>	<b>0</b>
<b>Maturities</b>								
ANTALIS S.A, CPABS4CPABS4	12/16/15	12/16/15	12/16/15	126,000,000	126,000,000	0	126,000,000	0
ANTALIS S.A, CPABS4CPABS4	12/18/15	12/18/15	12/18/15	5,220,000	5,220,000	0	5,220,000	0
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	12/18/15	12/18/15	12/18/15	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA N.A.BNOTE	12/01/15	12/01/15	12/01/15	25,000,000	25,000,000	0	25,000,000	0
BANK OF MONTREAL/CHICAGO IL	12/10/15	12/10/15	12/10/15	100,000,000	100,000,000	0	100,000,000	0
BANK OF MONTREAL (CCDYAN	12/16/15	12/16/15	12/16/15	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	12/30/15	12/30/15	12/30/15	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLC CPABS4-	12/16/15	12/16/15	12/16/15	25,000,000	25,000,000	0	25,000,000	0
BARTON CAPITAL LLC CPABS4-	12/31/15	12/31/15	12/31/15	15,001,000	15,001,000	0	15,001,000	0
BNP PARIBAS SACP	12/28/15	12/28/15	12/28/15	250,000,000	250,000,000	0	250,000,000	0
BNP PARIBAS SACP4-2	12/01/15	12/01/15	12/01/15	100,000,000	100,000,000	0	100,000,000	0
BNP PARIBAS SACP4-2	12/09/15	12/09/15	12/09/15	300,000,000	300,000,000	0	300,000,000	0
COCA-COLA COMPANY CP4-2	12/21/15	12/21/15	12/21/15	88,000,000	88,000,000	0	88,000,000	0
RABOBANK NEDERLAND, CDYAN	12/16/15	12/16/15	12/16/15	100,000,000	100,000,000	0	100,000,000	0
COOPERATIEVE CENTRALE RAIFFEISEN-BOEREN-LEENBANK BA/NY	12/02/15	12/02/15	12/02/15	100,000,000	100,000,000	0	100,000,000	0
RABOBANK NEDERLAND CP	12/17/15	12/17/15	12/17/15	95,070,000	95,070,000	0	95,070,000	0
RABOBANK NEDERLAND CP	12/18/15	12/18/15	12/18/15	209,000,000	209,000,000	0	209,000,000	0

## TRADING ACTIVITY FOR DECEMBER 2015

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT AGRICOLE CORCDYAN	12/01/15	12/01/15	12/01/15	12,000,000	12,000,000	0	12,000,000	0
CREDIT AGRICOLE CORCDYAN	12/30/15	12/30/15	12/30/15	6,000,000	6,000,000	0	6,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/07/15	12/07/15	12/07/15	200,000,000	200,000,000	0	200,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/14/15	12/14/15	12/14/15	200,000,000	200,000,000	0	200,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/28/15	12/28/15	12/28/15	200,000,000	200,000,000	0	200,000,000	0
DNB NOR BANK ASACDYAN	12/18/15	12/18/15	12/18/15	300,000,000	300,000,000	0	300,000,000	0
DNB NOR BANK ASACDYAN	12/23/15	12/23/15	12/23/15	120,000,000	120,000,000	0	120,000,000	0
DNB NOR BANK ASACDYAN	12/29/15	12/29/15	12/29/15	150,000,000	150,000,000	0	150,000,000	0
EXXON MOBIL CORP,CP	12/22/15	12/22/15	12/22/15	150,000,000	150,000,000	0	150,000,000	0
FAIRWAY FINANCE CO,CPABS4	12/22/15	12/22/15	12/22/15	20,000,000	20,000,000	0	20,000,000	0
GOTHAM FUNDING CORPCABS4	12/07/15	12/07/15	12/07/15	35,000,000	35,000,000	0	35,000,000	0
GOTHAM FUNDING CORPCABS4	12/08/15	12/08/15	12/08/15	108,759,000	108,759,000	0	108,759,000	0
GOTHAM FUNDING CORPCABS4	12/18/15	12/18/15	12/18/15	75,000,000	75,000,000	0	75,000,000	0
HONEYWELL INTERNATICP4-2	12/28/15	12/28/15	12/28/15	80,000,000	80,000,000	0	80,000,000	0
ING (U.S.) FUNDING CP	12/16/15	12/16/15	12/16/15	50,000,000	50,000,000	0	50,000,000	0
ING (U.S.) FUNDING CP	12/28/15	12/28/15	12/28/15	83,000,000	83,000,000	0	83,000,000	0
JP MORGAN SECURITIES LLC	12/04/15	12/04/15	12/04/15	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/09/15	12/09/15	12/09/15	39,000,000	39,000,000	0	39,000,000	0
NRW,BANKCP	12/08/15	12/08/15	12/08/15	60,000,000	60,000,000	0	60,000,000	0
NRW,BANKCP	12/11/15	12/11/15	12/11/15	140,000,000	140,000,000	0	140,000,000	0
NRW,BANKCP	12/17/15	12/17/15	12/17/15	107,000,000	107,000,000	0	107,000,000	0
NRW BANK	12/18/15	12/18/15	12/18/15	150,000,000	150,000,000	0	150,000,000	0
NRW,BANKCP	12/21/15	12/21/15	12/21/15	150,000,000	150,000,000	0	150,000,000	0
NRW,BANKCP	12/28/15	12/28/15	12/28/15	200,000,000	200,000,000	0	200,000,000	0
NRW,BANKCP	12/29/15	12/29/15	12/29/15	90,000,000	90,000,000	0	90,000,000	0
ROYAL BANK OF CANADA	12/15/15	12/15/15	12/15/15	10,335,000	10,335,000	0	10,335,000	0
SOCIETE GENERALE, PCP4-2	12/18/15	12/18/15	12/18/15	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCP4-2	12/21/15	12/21/15	12/21/15	200,000,000	200,000,000	0	200,000,000	0
SUMITOMO MITSUI BANC DYAN	12/08/15	12/08/15	12/08/15	100,000,000	100,000,000	0	100,000,000	0
SUMITOMO MITSUI BANC DYAN	12/02/15	12/02/15	12/02/15	4,000,000	4,000,000	0	4,000,000	0
SUMITOMO MITSUI BANC DYAN	12/01/15	12/01/15	12/01/15	100,000,000	100,000,000	0	100,000,000	0
BANK OF AMERICA TRIPARTY	12/01/15	12/01/15	12/01/15	1,000,000,000	1,000,000,000	0	1,000,000,000	0
BANK OF AMERICA TRIPARTY	12/02/15	12/02/15	12/02/15	760,000,000	760,000,000	0	760,000,000	0
BANK OF AMERICA TRIPARTY	12/03/15	12/03/15	12/03/15	580,000,000	580,000,000	0	580,000,000	0
BANK OF AMERICA TRIPARTY	12/04/15	12/04/15	12/04/15	405,000,000	405,000,000	0	405,000,000	0
BANK OF AMERICA TRIPARTY	12/07/15	12/07/15	12/07/15	560,000,000	560,000,000	0	560,000,000	0
BANK OF AMERICA TRIPARTY	12/08/15	12/08/15	12/08/15	345,000,000	345,000,000	0	345,000,000	0
BANK OF AMERICA TRIPARTY	12/09/15	12/09/15	12/09/15	1,080,000,000	1,080,000,000	0	1,080,000,000	0
BANK OF AMERICA TRIPARTY	12/10/15	12/10/15	12/10/15	740,000,000	740,000,000	0	740,000,000	0
BANK OF AMERICA TRIPARTY	12/11/15	12/11/15	12/11/15	665,000,000	665,000,000	0	665,000,000	0
BANK OF AMERICA TRIPARTY	12/14/15	12/14/15	12/14/15	320,000,000	320,000,000	0	320,000,000	0
BANK OF AMERICA TRIPARTY	12/15/15	12/15/15	12/15/15	150,000,000	150,000,000	0	150,000,000	0
BANK OF AMERICA TRIPARTY	12/16/15	12/16/15	12/16/15	695,000,000	695,000,000	0	695,000,000	0
BANK OF AMERICA TRIPARTY	12/17/15	12/17/15	12/17/15	380,000,000	380,000,000	0	380,000,000	0
BANK OF AMERICA TRIPARTY	12/18/15	12/18/15	12/18/15	200,000,000	200,000,000	0	200,000,000	0
BANK OF AMERICA TRIPARTY	12/21/15	12/21/15	12/21/15	840,000,000	840,000,000	0	840,000,000	0
BANK OF AMERICA TRIPARTY	12/22/15	12/22/15	12/22/15	900,000,000	900,000,000	0	900,000,000	0

## TRADING ACTIVITY FOR DECEMBER 2015

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	12/23/15	12/23/15	12/23/15	365,000,000	365,000,000	0	365,000,000	0
BANK OF AMERICA TRIPARTY	12/28/15	12/28/15	12/28/15	160,000,000	160,000,000	0	160,000,000	0
BANK OF AMERICA TRIPARTY	12/29/15	12/29/15	12/29/15	940,000,000	940,000,000	0	940,000,000	0
BANK OF AMERICA TRIPARTY	12/30/15	12/30/15	12/30/15	960,000,000	960,000,000	0	960,000,000	0
BANK OF AMERICA TRIPARTY	12/31/15	12/31/15	12/31/15	825,000,000	825,000,000	0	825,000,000	0
SVENSKA HANDELSBANKTDCA 0.05 20151201	12/01/15	12/01/15	12/01/15	335,000,000	335,000,000	0	335,000,000	0
SVENSKA HANDELSBANKTDCA 0.1 20151202	12/02/15	12/02/15	12/02/15	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCA 0.1 20151203	12/03/15	12/03/15	12/03/15	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCA 0.1 20151204	12/04/15	12/04/15	12/04/15	360,000,000	360,000,000	0	360,000,000	0
SVENSKA HANDELSBANKTDCA 0.1 20151207	12/07/15	12/07/15	12/07/15	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCA 0.1 20151208	12/08/15	12/08/15	12/08/15	370,000,000	370,000,000	0	370,000,000	0
SVENSKA HANDELSBANKTDCA 0.13 20151214	12/14/15	12/14/15	12/14/15	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCA 0.12 20151215	12/15/15	12/15/15	12/15/15	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 0.34 20151218	12/18/15	12/18/15	12/18/15	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCA 0.35 20151221	12/21/15	12/21/15	12/21/15	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCA 0.33 20151223	12/23/15	12/23/15	12/23/15	430,000,000	430,000,000	0	430,000,000	0
SVENSKA HANDELSBANKTDCA 0.33 20151228	12/28/15	12/28/15	12/28/15	425,000,000	425,000,000	0	425,000,000	0
SVENSKA HANDELSBANKTDCA 0.33 20151229	12/29/15	12/29/15	12/29/15	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCA 0.3 20151230	12/30/15	12/30/15	12/30/15	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCA 0.3 20151231	12/31/15	12/31/15	12/31/15	100,000,000	100,000,000	0	100,000,000	0
<b>Total Maturities</b>				<b>22,568,385,000</b>	<b>22,568,385,000</b>	<b>0</b>	<b>22,568,385,000</b>	<b>0</b>
<b>Sells</b>								
NEWYORK CITY WATER & SEWER SYSTEM	06/15/38	12/30/15	12/30/15	46,400,000	46,400,000	191	46,400,191	0
TORONTO-DOMINION BANK/NY	02/12/16	12/03/15	12/04/15	15,000,000	15,001,050	3,539	15,004,589	1,050
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/01/15	12/01/15	1,083,799	1,083,799	0	1,083,799	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/01/15	12/01/15	436,308	436,308	0	436,308	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/02/15	12/02/15	1,155,709	1,155,709	0	1,155,709	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/02/15	12/02/15	1,997,982	1,997,982	0	1,997,982	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/07/15	12/07/15	655,618	655,618	0	655,618	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/08/15	12/08/15	1,130,424	1,130,424	0	1,130,424	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/10/15	12/10/15	2,487,526	2,487,526	0	2,487,526	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/11/15	12/11/15	1,005,763	1,005,763	0	1,005,763	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/16/15	12/16/15	2,299,876	2,299,876	0	2,299,876	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/17/15	12/17/15	1,523,755	1,523,755	0	1,523,755	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/21/15	12/21/15	4,587,676	4,587,676	0	4,587,676	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/21/15	12/21/15	1,695,177	1,695,177	0	1,695,177	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/28/15	12/28/15	69,068	69,068	0	69,068	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/29/15	12/29/15	150,595	150,595	0	150,595	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/29/15	12/29/15	821,965	821,965	0	821,965	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/29/15	12/29/15	503,297	503,297	0	503,297	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/29/15	12/29/15	501,885	501,885	0	501,885	0
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	12/17/15	12/17/15	100,000,000	100,000,000	0	100,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/11/15	12/11/15	1,400,000	1,400,000	0	1,400,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/11/15	12/11/15	70,000,000	70,000,000	0	70,000,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/11/15	12/11/15	178,600,000	178,600,000	0	178,600,000	0
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/17/15	12/17/15	250,000,000	250,000,000	0	250,000,000	0
<b>Total Sells</b>				<b>683,506,424</b>	<b>683,507,474</b>	<b>3,730</b>	<b>683,511,204</b>	<b>1,050</b>



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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**

# Memo

**TO:** Ashbel C. Williams, Executive Director & CIO

**FROM:** Anne Bert, Acting Chief Operating Officer, FHCF

**DATE:** March 17, 2016

**SUBJECT:** Cabinet Meeting for March 29, 2016

Request approval of the 2016-2017 Florida Hurricane Catastrophe Fund Reimbursement Premium Formula.

Request authority to file a Notice of Proposed Rule for the Florida Hurricane Catastrophe Fund for Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and authority to file for adoption if no member of the public timely requests a rule hearing or if a hearing is requested but no changes are needed.

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## **ITEM 6. REIMBURSEMENT PREMIUM FORMULA:**

**BACKGROUND:** The Florida Hurricane Catastrophe Fund (FHCF) provides reimbursement to insurers writing residential property insurance in Florida for a portion of their hurricane losses. The FHCF is statutorily required to charge an “actuarially indicated premium” for the coverage provided to the participants. Applicable statutory criteria include the requirement that the premium formula be developed by an independent consultant and meet certain criteria. The FHCF statute requires that the premium formula be approved by unanimous vote of the Trustees.

In accordance with these statutory requirements, the FHCF has contracted with Paragon Strategic Solutions Inc. to provide the actuarial services necessary to develop the Premium Formula. The 2016-2017 Premium Formula was approved by the FHCF Advisory Council on March 15, 2016.

**EXTERNAL INTEREST:** On March 15, 2016, the 2016-2017 Premium Formula was presented to the FHCF Advisory Council. Members of the public were present and also participated by telephone. The Advisory Council voted to recommend approval of the Premium Formula.

**ACTIONS REQUESTED:** Request approval of the 2016-2017 Florida Hurricane Catastrophe Fund Reimbursement Premium Formula.

## **ITEM 7. REIMBURSEMENT PREMIUM FORMULA (RULE 19-8.028, F.A.C.)**

**SUMMARY OF RULE CHANGES:** The proposed rule adopts the 2016-2017 premium formula. The proposed rule also makes nonsubstantive editorial changes and deletes obsolete or expired language.

**EXTERNAL INTEREST:** A rule development workshop was held on March 15, 2016. Representatives of the FHCF attended and presented the rule, and members of the public participated by telephone. The rulemaking notice was published in the *Florida Administrative Register* on March 1, 2016, Vol. 42, No. 41. On March 15, 2016, the proposed changes to Rule 19-8.028, F.A.C., Reimbursement Premium Formula, were presented to the FHCF Advisory Council. Members of the public were present and also participated by telephone. The Advisory Council voted to recommend approval of the Premium Formula, the filing of a Notice of Proposed Rule, and the filing of the Rule for adoption if no member of the public timely requests a rule hearing or if a hearing is requested but no changes are needed.

**ACTION REQUESTED:** It is requested that the proposed amendments to this rule along with the incorporated form be presented to the Cabinet Aides on March 23, 2016, and to the State Board of Administration Trustees on March 29, 2016, with a request to approve the filing of this rule for Notice of Proposed Rule and for adoption if no member of the public timely requests a rule hearing or if a hearing is requested but no changes are needed. A notice of the meeting of the Board was published in the *Florida Administrative Register* on March 15, 2016, Vol. 42, No. 51.

### **ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM 6:**

- Memorandum dated March 17, 2016 from Anne Bert to Ash Williams regarding the 2016-2017 FHCF Reimbursement Premium Formula.
- “Florida Hurricane Catastrophe Fund: 2016 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 15, 2016”

### **ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM 7:**

- 2016-2017 Contract Year Summary of Changes
- Notice of Proposed Rule
- Notice of Meeting of Board filed in the *Florida Administrative Register*
- Rule 19-8.028, F.A.C., Reimbursement Premium Formula

The rule shows the proposed amendments with new language underscoring and deleted language ~~stricken through~~.

# Memo

To: Ash Williams, Executive Director & Chief Investment Officer  
From: Anne Bert, Acting Chief Operating Officer -- FHCF  
Date: March 17, 2016  
Re: SBA Cabinet Agenda for March 29, 2016 -- The FHCF's 2016 Reimbursement Premium Formula

---

There are two (2) Florida Hurricane Catastrophe Fund (FHCF) agenda items for the March 29, 2016, SBA Cabinet meeting related to the FHCF premium formula. These items are as follows:

- 1) Vote to approve the 2016-2017 FHCF Reimbursement Premium Formula.
- 2) Vote to file a notice of proposed rule (Reimbursement Premium Formula Rule 19-8.028) and approval to file for adoption if no hearing is requested or if a hearing is requested but no changes are needed.

## **The Statutory Requirements**

Section 215.555(5), F.S. requires:

- 1) The premium formula to be approved by a “*unanimous vote*” of the Trustees.
- 2) The premium formula to reflect “*actuarially indicated*” rates.
- 3) The premium formula to be developed by an “*independent consultant*.”

## **The 2016 Reimbursement Premium Formula and Rates**

The following is a quick review for the Trustees of the premium formula:

The overall impact to FHCF rates is **-9.07%** and the premium is projected at **\$1.125 billion** for 2016 (down from \$1.215 billion in 2015).

This number does not reflect the additional costs that may be incurred by the FHCF should a risk transfer product be purchased or if additional pre-event bonds are issued for 2016-2017. The premium formula

contemplates an adjustment to accommodate these additional costs and such information is specified as part of the premium formula in Exhibits XI and XVII.

The beginning of the hurricane season and the start of the contract year is June 1, 2016. The rates have been developed by Paragon's actuary – Andy Rapoport (the independent consultant). He has followed a routine process that the FHCF has been using since 1995, and the results have been relatively stable from year to year with most of the larger changes driven by statutory requirements. This year, the rate impact is down (-9.07%) overall. The primary factors that are driving this rate change are:

- 1) Modeled losses and coverage changes as additional companies selected a lower coverage option.
- 2) Decrease in pre-event bonds expense. When last year's formula was approved, the bonds had not been issued and the formula included an estimate. The bonds have now been issued at a fixed rate, so a more precise estimate is available.
- 3) Last year's formula included a loading for the cost of private risk transfer. At this point, this cost is not included in the formula; however, the formula provides that should the FHCF enter into a risk transfer arrangement, the impact of the cost will be determined and the rates and factors will be adjusted accordingly, using the formula specified in Exhibit XVII.

Overall FHCF's premiums are expected to decrease by **\$90 million** from \$1.215 billion to **\$1.125 billion**. The latest total available residential premium in the state is approximately \$10.2 billion, thus a decrease in FHCF premiums is expected to result in a small decrease in consumer rates. Our premium is approximately 12.0% of the residential property premiums (-9.07% X 12.0% = **-1.1%** potential consumer rate impact).

**The Process:** The premium formula is detailed in a document provided by Paragon whose actuary, Andy Rapoport, serves as our independent consultant.<sup>1</sup> Exposure data is reported to the FHCF by September 1<sup>st</sup> of each year. The exposure data is trended, adjusted for changes in construction costs, and given to hurricane modelers to estimate losses. By law, the FHCF must use hurricane models found acceptable by the Florida Commission on Hurricane Loss Projection Methodology "to the extent feasible." Since five models have been found acceptable by the Commission, our actuary uses all of the models.<sup>2</sup>

After our actuary determines the "average annual hurricane loss,"<sup>3</sup> he looks at the overall deductible for the industry (\$6.966 billion industry retention for this coming contract year – the number has increased from last year of \$6.616 billion), the co-pay (about 24% this year — based on coverage selected, the weighted average is 76.309% for 2016), and he adds administrative expenses and makes other adjustments. Since our post-event bonds have been defeased, participating insurers are allowed to lower coverage levels selected to one of three options -- 90%, 75%, and 45%.

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<sup>1</sup> A series of phone calls are held as the premium formula is being developed. Along with Andy Rapoport, Jack Nicholson, Anne Bert and the actuary member on our FHCF Advisory Council, Floyd Yager, were included on the calls.

<sup>2</sup> Five models are used to determine the "average annual hurricane loss." The results from the five models are basically weighted from the highest to lowest (5%, 20%, 50%, 20%, and 5%). This weighting scheme tends to create stability over time since the highest model result and the lowest model result are only given a 5% weight each year. Any outlier in terms of the results cannot be given a high weight. The models which produce the middle results are given the greater weight (90%).

<sup>3</sup> This number is estimated to be \$3.1 billion for the 2016-2017 FHCF reimbursement contract year. The FHCF is not obligated to reimburse insurers for this loss since insurers must absorb certain large deductibles (retentions) prior to triggering FHCF coverage and certain co-payments (ranging from 10-55%) are required.

Once ground-up losses are determined, three models are used to allocate results by rating cell.<sup>4</sup> Losses are allocated to type-of-business: 1) personal residential, 2) tenants, 3) condominium unit owners, 4) mobile home, and 5) commercial residential (or commercial habitational).

Rates are then created by spreading the losses to the various rating classes: deductible level, territory (25 ZIP Code groupings), and construction type (7 or so depending on the line-of-business). Lastly, mitigation credits are applied based on data reported by the insurers given the various construction features associated with their insured values reported to the FHCF.

***The Results:*** In the “Florida Hurricane Catastrophe Fund 2016 Ratemaking Formula Report” behind the tab labeled Exhibit I, there is an Executive Summary with a table that summarizes the results. It should be noted that the “structure” of the FHCF changes each year so we are not always comparing “apples” to “apples” since last year’s FHCF structure is usually a little different from this year’s. Notably, the retention changes each year and it is higher this year due to an increase in reported exposure.

For the FHCF’s coverage, the rate change is **-9.07%**. Our actuary always tries to smooth results from year to year by slowly moving in the direction of change indicated. For example, if the losses attributable to a territory result in a change of territories, either plus or minus, the actuary will only make a change by moving up or down 1 territory per year. The idea is to mitigate volatility when changes are needed from year to year and thus dampen the impact. Model results can move dramatically in one direction one year and swing back in the other direction the next year. We desire “stable” rates and, therefore, our actuary attempts to employ techniques that moderate rate swings. As a general rule, we tend to think that a change of +/- 5% in a year is relatively stable and will not have a noticeable impact on individual consumers. This year, with a -9.07% decrease, the impact on consumer rates will be minimal.

**When we break the rate change down by type-of-business, we see a greater variation in the results:**

	<u>Percentage Change</u>
Personal Residential	-10.95%
Tenants	-14.67%
Condominium Unit Owners	-4.84%
Mobile Home	10.60%
Commercial Habitational	<u>-1.03%</u>
<b>Total</b>	<b>-9.07%</b>

Will these changes impact consumers? The rate change should not be significant given that the FHCF premium is about 12.0% of all residential premiums. As noted above, the average impact on all residential premiums, in isolation, is **-1.1% (-9.07% x 12.0%)**. Other factors may impact residential premiums including the impact of private reinsurance prices.

***FHCF Basic Summary Information:***

Total FHCF premiums are expected to be **\$1.125 billion**.

The overall FHCF coverage for the upcoming year is **\$17 billion**.

The aggregate insurance industry retention (deductible) will be **\$6.966 billion**.

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<sup>4</sup> These three models are equally weighted for distributing loss results to account for the various rating factors.

There are currently **158** participating insurers expected to write approximately **\$2.099 trillion** of insured values.

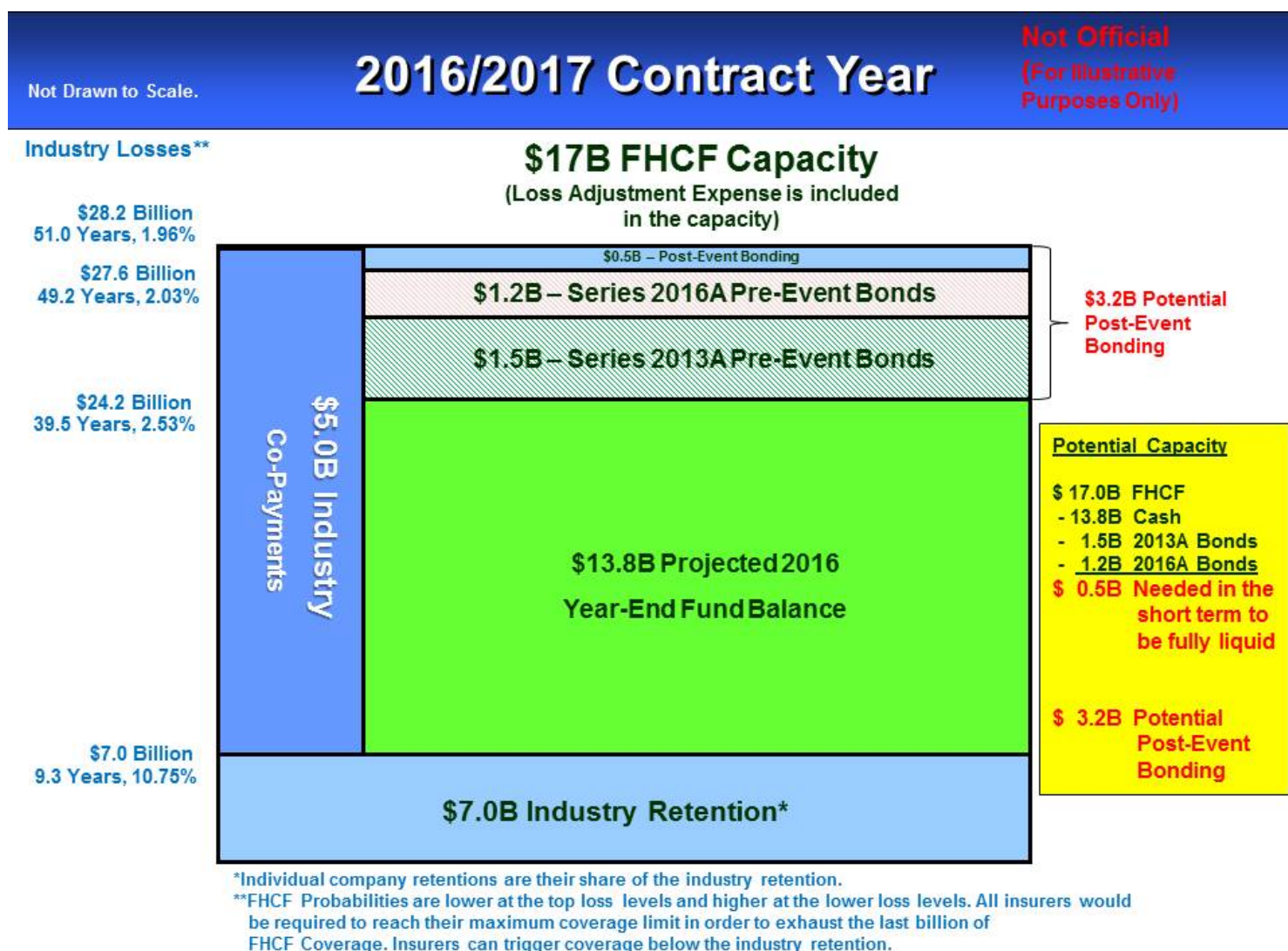
The cash balance of the FHCF is projected to be **\$13.800 billion** by calendar year-end.

Additionally, we will have **\$1.5 billion** remaining of the \$2.0 billion of Series 2013A pre-event bonds issued on April 23, 2013, and **\$1.2 billion** of Series 2016A pre-event bonds that were issued on March 8, 2016, which will provide additional liquidity to “buy time” to issue post-event debt should a large event with rapid claim payments occur.

From a liquidity standpoint, the FHCF is in the strongest position that it has ever been with **\$16.500 billion** in liquidity.

The maximum post-event bonding that would be required is **\$3.200 billion** to meet all contractual obligations based on coverage provided.

Below is a chart illustrating the resources identified for claims payment and potential bonding requirements.



**Florida Hurricane Catastrophe Fund**  
**2016 Ratemaking Formula Report**  
**Presented to the**  
**State Board of Administration of Florida**  
**March 15, 2016**



March 10, 2016

Enclosed is the Florida Hurricane Catastrophe Fund (FHCF) 2016 Ratemaking Formula Report which will be presented to the FHCF Advisory Council on March 15, 2016. The rates developed in this report assume an FHCF per event insurance industry aggregate retention of \$6.966 billion (which applies to a participating insurer's two largest events and drops to 1/3 for all other events) and an FHCF limit level of \$17.000 billion.

Also included in this report are windstorm mitigation construction rating factor relativities, as well as formulas to adjust the presented rates for any additional pre-event financing or risk transfer options should they become applicable subsequent to the presentation of this report.

### **Distribution and Use**

The attached report was prepared for the use of the State Board of Administration of Florida for the sole purpose of developing a formula for determining the actuarially indicated premium to be paid by individual companies for the FHCF for the 2016 contract year as specified by Section 215.555, Florida Statutes. The data, assumptions, methodology and results in this report may not be appropriate for other than the intended use. We recommend that any party using this report have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

Discussion of report limitations, including scope, data sources and variability of projections, can be found in Exhibit 1, Part III of the report.

A copy of this report will be available on the web site of the FHCF.

Sincerely,



Andrew J. Rapoport, FCAS, MAAA  
Managing Director and Actuary  
Paragon Strategic Solutions Inc.

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**Florida Hurricane Catastrophe Fund**  
**2016 Ratemaking Formula Report**  
**Presented to the**  
**State Board of Administration of Florida**  
**March 15, 2016**

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# EXHIBIT

## I

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**Florida Hurricane Catastrophe Fund**  
**2016 Ratemaking Formula Report**  
**Presented to the**  
**State Board of Administration of Florida**  
**March 15, 2016**

**Executive Summary**

1. **Rates:** We recommend an average 9.07% decrease in Florida Hurricane Catastrophe Fund (FHCF) rates for the 2016-2017 (2016) Contract Year, based on coverage under Section 215.555, Florida Statutes. This change does not assume the purchase of additional pre-event notes or a risk transfer product(s).
2. **Premium Change:** FHCF premium will decrease by \$90 million from \$1.215 billion to \$1.125 billion based on the recommended rate change.

	2016 Contract Year Modeled	2015 Contract Year Actual	2015 Contract Year Modeled Updated 04/17/2015
<b>FHCF Coverage</b>			
Industry Retention	\$6.966 billion	\$6.616 billion	\$6.898 billion
Limit	\$17 billion	\$17 billion	\$17 billion
Average Coverage	76.309%	81.565%	89.934%
FHCF Premium	\$1.125 billion	\$1.215 billion	\$1.396 billion
Overall Premium Change	-7.42%	-5.42%	8.76%
Due to Exposure Change	1.81%	0.84%	0.94%
Due to Annual Ratemaking	-9.07%	-6.21%	7.75%
Proj. Payout Multiple	15.1176	13.9955	12.1745
90% Retention Multiple	5.2523	4.9364	4.9364
Exposure Base	\$2.099 trillion	\$2.062 trillion	\$2.064 trillion
Overall FHCF Rate/\$1,000 Exp.	0.5358	0.5892	0.6766

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## Part I: The Ratemaking Process

### Overview

We recommend an average 9.07% decrease in Florida Hurricane Catastrophe Fund (FHCF) rates for the 2016 Contract Year based on a \$17.000 billion coverage limit and a \$6.966 billion per event retention, which drops to \$2.322 billion for the third largest and subsequent events (1/3 of \$6.966 billion). The rates in this report are developed for the limits and retentions, as specified by Section 215.555, Florida Statutes, for the 2016 Contract Year. No adjustments have been made to reflect any additional expenses to enhance FHCF financial capacity during and subsequent to the 2016 Contract Year, aside from the carrying cost estimates for the \$2 billion in pre-event notes obtained in April 2013 and the \$1.2 billion in pre-event notes obtained in March 2016. (Note: The 2013A pre-event notes will reduce to \$1.5 billion on July 1, 2016.)

We estimate that this rating formula will produce \$1.125 billion in total FHCF premium compared to \$1.215 billion in FHCF premium for the 2015 Contract Year. The decrease in overall premium would be 7.42% and is based on projected growth in exposure of 1.81% and a 9.07% overall rate decrease. There is no change in the statutory mandated cash build up factor of 25% from 2015 to 2016.

For 2016, FHCF coverage is a layer of \$17.000 billion xs \$6.966 billion.

There are two major factors affecting the FHCF layer of coverage for the 2016 Contract Year:

1. Pursuant to Section 215.555, Florida Statutes, the industry retention is equal to \$4.5 billion adjusted for the increase in reported exposure from 2004 through 2014. As exposures have grown 54.8% over this period, the modeled retention for 2016 is \$6.966 billion.
2. Pursuant to Section 215.555, Florida Statutes, the FHCF limit is equal to \$17.000 billion until there is sufficient estimated claims-paying capacity to fund \$17.000 billion of loss in subsequent Contract Years. As the State Board of Administration of Florida (SBA) has not made this determination, the FHCF limit for 2016 is \$17.000 billion.

The above changes will vary by deductible, construction, and territory. For 2016, we applied the same methodology as used in the previous nine years to develop territory relativities.

### Type of Business Allocation

Because we are projecting FHCF exposure growth, we have included columns showing indicated changes in exposure and premium as well as rate for Section I by type of business. The indications are as follows:

	Rate	Exposure	Premium
Residential	-10.95%	2.00%	-9.17%
Tenants	-14.67%	2.00%	-12.96%
Condominium Unit Owner	-4.84%	2.00%	-2.94%
Mobile Home	10.60%	0.00%	10.60%
Commercial Habitational	-1.03%	0.00%	-1.03%
Total	-9.07%	1.81%	-7.42%

### Territory Changes

The 2016 recommended territories, like the 2015 FHCF territories, are based on analysis of losses in the FHCF coverage as modeled by AIR Worldwide Corporation (AIR), EQECAT (EQE), and Risk Management Solutions (RMS). The relationship between lowest rate and highest rate is approximately 1:37, similar to 2015. As was done last year, we adjusted this ratio to accurately reflect the indicated loss costs for territory 1. Indicated territory changes were tempered so that ZIP Codes would not shift more than one territory up or down.

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## Premium Summary

We project premium, exposure, and retention changes as follows:

Exposure Growth (2015 to 2016)	1.81%
Retention	\$6.966 billion
Premium – 2015 (as of 10/08/15)	\$1.215 billion
Premium – 2016 (Projected)	\$1.125 billion

## Use of Five Models Found Acceptable by the Florida Commission on Hurricane Loss Projection Methodology

For 2016, we used a weighting of five models found acceptable by the Florida Commission on Hurricane Loss Projection Methodology as of October 1, 2015, for aggregate results. The five models were AIR, EQE, RMS, Applied Research Associates (ARA) and the Florida Public Model (FPM). Model results were compared in detail to construct an industry distribution of losses by size. For the industry aggregate basis, we used a weighted average giving 5%, 20%, 50%, 20%, and 5% weights to the models ranked from lowest to highest based on annual expected aggregate FHCF losses, which is consistent with the weighting methodology used in all years when the FHCF had five models.

For analysis of detailed allocation to type of business, territory, construction, and deductible, and for special coverage questions, we used three models (AIR, EQE and RMS) for all types of business. Model results were compared in detail and 1/3 weight was given to each model for all types of business.

## Summary of Changes to the 2016 Ratemaking Formula

The changes that occurred in the 2016 ratemaking formula include:

1. The 2015 average coverage selection is 81.565%. The projected 2016 average coverage is 76.309% based on March 1, 2016 selections. This change affects the size of the 100% FHCF layer.
2. The projected exposure trend increased from 0.94% in 2015 to 1.81% in 2016.
3. The modeling for the 2016 per company retention limit adjustment is based on the average of the AIR and RMS models. This change did not produce a material change in rate levels.
4. Expenses for 2013A and 2016A pre event notes decrease from \$69.9 million in 2015 to \$54.2 million in 2016.
5. Reinsurance premium and ceded losses were removed from this year's rate indication presentation. A table to adjust premium, ceded losses, payout and retention multiples, and the indicated rate change is included in Exhibit XVII to accommodate any reinsurance purchases subsequent to the presentation of the 2016 Ratemaking Formula Report.
6. Reinsurance premium is treated as a variable expense in 2016 rather than a fixed expense as in 2015.

Details of the overall changes can be found in Exhibit II, which contains the following exhibits:

1. Summary of 2016 Rate Calculation;
2. Adjustment to Exposure Base and Summary of Rate Change;
3. Summary of Results; and
4. Historical Comparison of Exposures, Premiums, and Rates.

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## Details of the Ratemaking Process

This ratemaking formula for the FHCF is based on Section 215.555, Florida Statutes. We have followed the same basic process used since 1995. Legislation enacted in 2005 (Chapter 2005-111, Laws of Florida, CS/SBN 1486) addressed retention in multiple-event seasons by creating a per event retention that applies to a participating insurer's two largest events and drops to 1/3 for all other events. This drop down coverage has again been incorporated into the 2016 rates.

### A. Trend

For 2016 ratemaking, we reviewed the actual exposures by coverage reported to the FHCF from 1995 to 2015. Based on actual reported exposures through 10/24/2015, we used a trend of 2.0% for residential, tenants, and condominium unit owners; and 0.0% for commercial habitational and mobile home coverage. Unit counts for tenants were trended at 5.0% and unit counts for all other coverages were trended at 0.0%.

The Marshall & Swift construction indices for the Southeast were up 1.2% in 2015 compared to up 2.7% in 2014 as of October. Countrywide indices were up 1.1% compared to up 2.2% the prior year.

Our selection of exposure and risk count trends for 2016 was based predominantly on the last three years of historical FHCF data. The table below displays the last several years of annual growth in exposure and risks. In making selections, the FHCF trend data was benchmarked against the indications generated from the Marshall & Swift construction indices.

Historical FHCF exposure and risk counts can be found in Exhibit III. Note that the trended exposure data in Exhibit III is based on exposure reported to the FHCF as of 10/08/2015. This data was used in the catastrophe modeling process.

**Annual Growth in Exposure and Risk Counts Reported  
by FHCF Participating Insurers as of 10/08/2015**

	Residential		Tenants		Condominiums		Mobile Homes		Commercial	
	Exposure	Risk Count	Exposure	Risk Count	Exposure	Risk Count	Exposure	Risk Count	Exposure	Risk Count
2010-2011	-2.2%	-0.5%	4.3%	7.7%	0.7%	-0.5%	-4.8%	-4.1%	-3.2%	-0.6%
2011-2012	-2.0%	-1.2%	5.4%	7.7%	-0.4%	0.1%	-6.7%	-7.3%	-2.0%	-1.5%
2012-2013	-2.9%	-1.3%	7.2%	10.1%	0.9%	0.6%	-10.0%	-7.3%	-0.9%	-1.4%
2013-2014	1.7%	0.4%	6.8%	11.6%	2.1%	0.8%	-3.3%	0.2%	-4.4%	-5.2%
2014-2015	2.1%	0.0%	1.7%	12.3%	1.7%	0.8%	-5.8%	-8.0%	-10.0%	-6.8%

### B. Insurance Industry Aggregate Retention for Ratemaking Purposes (Exhibit IV)

For development of this premium formula, it is necessary to assume a projected aggregate insurance industry retention to estimate losses in the aggregate layer of coverage.

Section 215.555, Florida Statutes, specifies the calculation of the retention multiple for each participating insurer. The numerator of the retention multiple is \$4.5 billion adjusted by the percentage growth in FHCF covered exposure from 2004 to the Contract Year two years prior to the current year. The historical exposure for 2014 is \$2,044.4 billion (as of 10/08/2015) as compared to \$1,320.6 billion in 2004. The percent adjustment is 54.8%, so the numerator of the retention multiple is \$6.966 billion (rounded to the nearest million).

The denominator of the retention multiple is the projected total FHCF reimbursement premium assuming all participating insurers have selected the 90% coverage option. The 2016 90% retention multiple of 5.2523 is shown in Exhibit II, line 76. The 45% retention multiple of 10.5046 is 200% x the 90% multiple and is shown on Exhibit II, line 78. Each participating insurer's provisional retention is

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the retention multiple (adjusted for coverage selection) times its provisional premium. An insurer's actual retention is the retention multiple times its actual premium.

Based on the above calculation, the retention multiple numerator of \$6.966 billion is used as the insurance industry aggregate retention for simulating losses in the aggregate layer of coverage. This value is equivalent to the sum of retentions for all insurers.

Since 2003, 100% of all FHCF premiums are calculated based on the premium formula rates applied to individual company exposures. This is called Section I premium. Section II premium refers to a premium calculated from exposure under covered policies that would require individual ratemaking, with each policy risk modeled and rated individually by company. There is currently no Section II exposure and therefore no Section II premium. The Section I insurance industry aggregate retention is \$6.966 billion (based on 100% of projected premium) and the Section II aggregate retention is \$0 (based on 0% of projected premium.)

### **C. Industry Excess Layer (Exhibit IV)**

Under Section 215.555(4)(c)1, Florida Statutes, "The contract shall also provide that the obligation of the board with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity of the fund up to a limit of \$17 billion for that contract year, unless the board determines that there is sufficient estimated claims-paying capacity to provide \$17 billion of capacity for the current contract year and an additional \$17 billion of capacity for subsequent contract years."

As no such determination regarding capacity in excess of \$17 billion has been made, the limit for the 2016 Contract Year is \$17 billion. This \$17 billion represents the total capacity at selected coverage levels for loss and loss adjustment expense. Loss adjustment expense is statutorily set at 5% of losses recoverable from the FHCF. Participating insurers report only losses and do not report loss adjustment expenses.

We first reduce the loss and loss expense limit of \$17 billion by dividing by 1.05 to produce a loss only limit of \$16,190,476,190. We then split this limit between Sections I and II based on trended actual premium at current selected coverage levels. We view this as the best indicator of expected losses in the layer. Based on this split, 100% of the \$16,190,476,190 limit is in Section I. This value is now the Section I loss only limit.

The next step is to gross up the limit for coverage level. The 2015 average coverage level is 81.565% which produced the actual 2015 100% loss limit of \$19,849,891,152. Final 2016 company coverage selections as of March 1, 2016 produced an average coverage level of 76.345% based on 2015 company market shares and rating group definitions. When we adjust 2015 market shares to 2016 rating group definitions, the 2016 projected coverage level is 76.309%.

Finally, we gross the FHCF limit up for the 2016 projected average coverage level of 76.309% to get the 100% loss limit of \$21,217,067,050. The top end of the loss only layer is then an estimated projected aggregate retention of \$6,966,000,000 for ratemaking purposes plus this limit, which equals \$28,183,067,050.

In summary, for Section I and II loss only modeling purposes we use the following layer:

76.309% of \$21,217,067,050 xs \$6,966,000,000

For publication purposes, the Sections I and II loss and loss adjustment expense layer is:

76.309% of \$22,277,920,403 xs \$6,966,000,000

The simulations produced by the modelers are for producing manual rates per \$1,000 of exposure under covered policies. The rates resulting from such simulations are referred to as Section I rates.

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#### D. Industry Detail Exposure Data

Actual 2015 industry FHCF exposures for buildings, contents, and appurtenant structures were summarized by:

1. Type of Business (residential, tenants, condominium unit owners, mobile home, commercial habitation);
2. ZIP Code;
3. Construction/Tie-Down Type; and
4. Deductible.

For modeling, we used data as of 6/30/2015 as reported through 10/23/2015 by 154 of 158 companies reporting FHCF Section I exposure for the 2015 year. This data was trended one year as described in Section A. Exhibit III contains trended control totals of the FHCF exposures used in the modeling process.

#### E. Modeling Assumption and Data Changes: Combining Five Models - AIR, EQE, RMS, ARA & FPM

**Table of Models Used to Calculate Overall Industry Losses**

Model	2006-2007	2008-2016
AIR	X	X
ARA	X	X
EQE	X	X
RMS	X	X
FPM		X

The table above lists the models that were used to calculate the overall FHCF losses by year. Only models that had been found acceptable by the Florida Commission on Hurricane Loss Projection Methodology as of October 1 of the prior year were used in that year's ratemaking session.

All five of the modelers produce a distribution of industry-wide losses based on trended reported exposures by type of business, deductible, construction, and ZIP Code. The AIR model produces a listing of losses for 50,000 simulated years while the FPM model losses are based on 57,000 simulated years. The ARA model produced a listing of losses for 300,000 simulated years. The other models produce a listing of losses by size with assigned annual frequencies. Since 2008, demand surge has been modeled directly by each of the accepted modelers. Adjustments to these loss distributions are described in the next section.

Exposure data for invalid ZIP Codes was provided to the modelers who then modeled such exposure at the county level. Less than 0.01% of total reported exposure comes from invalid ZIP Codes, which are either ZIP Codes that are located outside of the state of Florida, or are ZIP Codes that the U.S. Postal Service does not recognize or has decommissioned. In the latter case, the FHCF continues to produce rates for such codes for several years in order to give companies time to update their data.

Paragon used the results from each modeler to produce industry-wide gross (that is, net of policy deductibles and after application of policy limits) annual expected losses by type of business and to produce industry-wide FHCF excess losses for all coverages combined. Data from the modelers was combined by giving weights of 5%, 20%, 50%, 20%, and 5% to the model results from lowest to highest. A weighted loss distribution is included in Exhibit V.

The FHCF weighted loss curve in Exhibit V is developed solely for estimating excess hurricane losses within the FHCF layer. We do not take into consideration estimates of losses above the FHCF layer in developing the curve. Shifts in modeler weights within the FHCF loss layer may have an amplified impact on loss estimates above the FHCF layer.

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Although it is not used for ratemaking purposes, we have included an additional loss distribution based on uniform modeler weights (20% / 20% / 20% / 20% / 20%) in Exhibit V. Over time this curve may show greater stability for losses above the FHCF layer. As repeated in our disclaimer in Part III herein, we recommend that any party using this report have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

**Table of Models Used for Classifications**

Model	2006-2008	2009-2012	2013-2016
AIR	X	X	X
EQE	X	X	X
RMS	X	X	X
FPM		X	

Three of the modelers ran our 2015 Contract Year trended exposures through their models and provided more detailed outputs (i.e., losses by ZIP Code by construction and deductible codes for each type of business) that we used to update the class plan relativities. We used a straight average of the indicated loss costs for each rating cell as a basis in order to populate our class plan with rates. Details of the allocation of rates to type of business, deductible, construction, and territory are described in Part III.

Exhibit V contains tables and graphs of modeled loss severity distributions:

1. Gross Loss per Event;
2. Excess Retention Aggregate;
3. Single Event FHCF Liabilities; and
4. FHCF Layer Aggregate.

#### **F. Losses in the Layer at Coverage Percent**

The limit for the 2016 Contract Year is \$17 billion. Because the size of the excess layer is dependent on the average coverage selections of all the FHCF participating insurers, we must model losses after coverage selection. We have documented that coverage percentage varies by type of business, so modeled losses need to also reflect this variation. As a result, we continue to use the method we began in 2001 in which we start with the allocation to type of business and apply the coverage percentages to the layered loss. We calculate the overall rates and premiums at the different coverage percentages at the end of the calculations.

We allocate excess losses to type of business based on their adjusted gross losses. We adjust the allocations so that no type of business has an overall rate change exceeding 15% in any one year, prior to legislated rate changes. This allocation appears in line 9 of the summary in Exhibit II. See Exhibit VI for additional details.

#### **G. Adjustments to Modeled Losses**

- **Law and Ordinance Coverage**
- **Aggregate Wind Deductible Adjustment**

These adjustments are similar to the adjustments made in the 2015 ratemaking formula.

We applied the projected industry retention to the adjusted modeled losses to estimate the FHCF excess losses. Details on the Law and Ordinance adjustments discussed here are presented in Exhibit VII. The overall increase in modeled gross losses due to these adjustments is 4.18%, compared to an increase of 4.13% in 2015.

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## Law and Ordinance Coverage

Law and ordinance coverage provides extra limit for Coverage A (building) in the case where additional rebuilding costs are incurred in order to comply with local laws and ordinances.

We again recommend the FHCF continue to use the last year's factor of 4.86% of residential modeled losses. We assume most companies charge approximately 3% of premium for law and ordinance coverage. We assume approximately 45% of the losses that would generate law and ordinance losses would be FHCF hurricane losses and 25% of the base premium is FHCF premium. Then  $3\% \times (45\%)/(25\%) = 5.4\%$ . We also assume that only 90% of all residential policies will have this coverage in place at the time of a hurricane loss. Then the loading to FHCF residential modeled losses would be  $5.4\% \times 90\% = 4.86\%$ . See Exhibit VII for additional details.

## Aggregate Wind Deductible Adjustment

Under Section 627.701, Florida Statutes, residential property insurance policies issued on or after May 1, 2005 must have hurricane deductibles that apply on an annual, rather than a per-event, basis. Insurers may apply the "other perils" deductible or any amount remaining from the hurricane deductible, whichever is greater, to a loss for a second hurricane and each subsequent hurricane that year.

The loss events were adjusted to account for this change in loss exposure. Adjustment factors by type of business were developed. Exhibit VII details the derivation of these factors. The take-up ratio only impacts the commercial type of business as only these policyholders have the option of having an annual hurricane deductible. The adjusted load was then weighted with the adjusted load from 2015 giving 33% weight and 67% weight to 2016. The selected adjustment factor is the rounded value of the weighted load after the "take-up" modification.

## H. Adjustments for Per Company Limits and Retentions

In this year's ratemaking report we have updated the adjustment to expected losses for individual company limits, retentions and coverage based on information from a new analysis based on detailed loss projections run by Paragon from the RMS and AIR model runs used for 2016 ratemaking. The average of the results from the two separate analyses is 0.03%. Weighting this result against the prior adjustment factor of -0.0371% (2/3 current indication, 1/3 prior selection), we recommend a factor of 0.0075%.

To summarize the approach, using the same exposure inputs and assumptions used by AIR and RMS, Paragon generated files of simulated Florida statewide gross hurricane losses. Paragon first adjusted average gross losses by type of business for AIR and RMS to match the average gross loss generated by the 5 models used in FHCF ratemaking. Paragon allocated each simulated gross loss to ZIP Code and type of business. Paragon then applied FHCF market shares by ZIP Code and company (based on 2015 FHCF premium) to allocate each simulated gross loss to all the FHCF companies. Paragon then summed the simulated gross losses for each individual company, applied the companies' projected retention, limit and coverage percentage (based on 2015 FHCF premium market shares and 2016 selected coverages) to generate company FHCF losses. These were summed by simulated event to get FHCF total loss by event. Paragon summed losses by simulated year applying aggregate limits and impact of retention drop downs. Separately for the AIR and RMS runs, the average annual FHCF loss based individual company losses was compared to the average annual FHCF loss based on industry total losses, retention, limit and coverage percentage. The average of the resulting adjustment factors was 0.03% indicating, on an average basis, the two approaches generate almost identical results.

As we stated in last year's Report:

*Using this more detailed approach, we also observed that there is actually significant variability between industry gross losses and FHCF layer losses. This variability cannot be determined when using industry gross losses, limits, and retentions to calculate FHCF layered losses. One observation is that the return time for the FHCF to exhaust its total capacity is actually longer than the value based on industry gross losses. Another observation is that due to increased market*

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*share of a single FHCF participating insurer in specific parts of the state, losses in areas where that insurer has very limited market share cannot generate full capacity FHCF layer losses. On the other hand, in parts of the state where one member company has significant market share, that company's retention becomes the effective retention for the industry on storm tracks in that area.*

*The current and prior special analyses indications can be found in Exhibit VIII.*

*The shape of the exceedance curves presented in Exhibits V and VIII are different, but the overall expected values of the FHCF loss layers are very similar. The Exhibit VIII curve is the more appropriate curve to use for analysis of interval FHCF losses within the FHCF layer because it more realistically recognizes the impact of company exposure distributions, retentions, and limits. Therefore Exhibit VIII is used for analysis of expected FHCF losses offset by potential risk transfer options in section P below.*

**I. Other Post-Model Adjustments: (5%)**

There are a few coverages that may appear on some FHCF covered policies that are not explicitly modeled in the FHCF's requested simulation. These coverages include guaranteed replacement cost, inflation guard, and reimbursable amounts paid as fees on behalf of or inuring to the benefit of a policyholder. We do not believe there is sufficient FHCF exposure from these coverages to justify additional administrative reporting and modeling at this time, but we do believe it is appropriate to load for these coverages in the post model adjustment.

Consistent with prior years, we recommend judgmentally increasing the modeled excess loss costs by 5% for all types of business to account for these coverages and other factors that are not directly included in the modeled loss results.

**J. Investment Income Credit – Eliminated in 2012**

Since 2012, the FHCF has not used investment income in current year rates. Exhibit IX contains several tables:

1. FHCF rate of return history;
2. Graph of Interest Rate Assumption; and
3. FHCF Financial Statement Investment Income.

**K. Operating Expenses and Mitigation Funding**

Operating expenses of \$7,600,000 are based on an estimate of 2016 fiscal year operating expenses provided by the SBA. This value is an increase of \$190,000 from the 2015 Contract Year projected expense of \$7,410,000.

Per section J, the estimated mitigation funding target underlying the rates is set at zero since no investment income will be used to reduce 2016 rates. Pursuant to Section 215.555, Florida Statutes, the minimum appropriation is \$10 million and the maximum appropriation is 35% of the prior fiscal year's investment income. In 2016, the calculated maximum amount subject to mitigation appropriation will be 35% of \$29,152,000 which equals \$10,203,200 slightly larger than the minimum. Appropriation of mitigation funding will not affect the FHCF rates in 2016.

**L. Pre-Event Notes Expense**

This year's estimate of \$54,223,288 is the sum of the projected cost estimates for 2013A and 2016A pre-event notes. 2016 carrying cost estimates are provided by the FHCF's Financial Advisor, Raymond James & Associates. Raymond James' cost estimate is the projected difference between the interest payments to note holders and the investment income on the note proceeds during the 2016 Contract Year (see Exhibit X). For 2016, there is \$29.5 million for the 2013A notes and \$16.5 million for the 2016A notes summing to \$46.0 million.

Added to the carrying cost is a 0.3% judgmental loading (based on historical FHCF information) for potential asset loss during the Contract Year. The sum of this loading is \$8,223,288. The value for

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the 2013A notes is \$4,623,288 (\$2.0 billion market value for one month and \$1.5 billion for 11 months during the Contract Year). The value for the 2016A notes is \$3,600,000 (0.3% of \$1.2 billion).

Should the SBA authorize additional expenditure for pre-event notes during the 2016 Contract Year, the rates, retention multiples, and payout multiple should be modified using the factors provided in Exhibit XI.

**M. Premium Credits (Windstorm Mitigation Construction Credits)**

We are using the same approach to windstorm mitigation construction factors as we used in the 2015 Ratemaking Formula Report, including the incorporation of factors for the following mitigation features recognized since 2012:

<i>Type of Business</i>	<i>Year Built</i>	<i>Structure Opening Protection</i>	<i>Roof Shape</i>
<i>Commercial Residential</i>	X	X	X
<i>Residential</i>	X	X	X
<i>Mobile Home</i>			
<i>Tenants</i>	X	X	X
<i>Condominium Owners</i>	X	X	X

For the 2015 ratemaking process, the FHCF contracted with two modeling firms (AIR and RMS) to provide additional catastrophe modeling analyses to aid in the review the current factors and potentially to expand the rating classifications used in FHCF rates. Additionally, actual factors and offsets change slightly each year based on changes in mix of business. While we have made some modifications to the current factors, no additional mitigation features were added for 2016. The 2016 factor changes will not affect the total industry premium for the FHCF but will impact individual companies depending on the mitigation features of their reported exposures.

The proposed rate factors associated with each variable are shown in Exhibit XIV. We propose that these be applied to calculate the final rate for any covered policy subject to the following:

- Year built, structure opening protection, and roof shape factors be applied multiplicatively;
- The combined factor for any risk will not be capped;
- Every risk will be evaluated for its rating factor; and
- A final factor will be applied by type of business so that the indicated premium levels for each type of business are achieved.

Exhibit XII includes:

1. Calculation of actual 2015 premium credits/surcharges;
2. 2015 distribution of credits/surcharges; and
3. 2015 distribution of exposure and counts by rating region and type of business.

**N. Section II (Excess) Adjustment**

We included \$0 of Section II premium, based on the fact that there was no Section II exposure reported in 2015. Section II premium covers policies that require individual rating procedures. These exposures would be modeled and rated individually by company.

**O. Adjustment for Updated Exposures**

In the past, we have included an adjustment for change in premiums and exposures between November of the prior year and February of the current year. This change does not affect rate changes, but should improve the accuracy of projected premium. For this year, there was no material change to FHCF exposure, so an adjustment was not included.

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**P. Risk Transfer Options**

The rates presented in this report do not include a loading for the cost of risk transfer. Should the FHCF enter into a risk transfer arrangement, the impact of the cost shall be determined, and the 2016 FHCF premium rates and factors would be accordingly adjusted, by the formula specified in Exhibit XVII.

The estimates for FHCF loss credits are based on the average of 2016 AIR and RMS data distributions in Exhibit VIII. Exhibit XVII is based on the same loss severity distribution and displays probability of exceedance for specific FHCF layers with the adjustments to the FHCF loss layer level prior to fixed expenses. These values are used to illustrate a range of potential risk transfer structures and costs in Exhibit XVII. The details of the formula calculation, along with potential revised factors, are provided in Exhibit XVII.

In the 2015 FHCF Ratemaking Formula Report, the expected reinsurance cost was presented as a fixed expense. In this year's Report, reinsurance costs are more appropriately presented as variable expenses since they are charged based on a rate applied to the total FHCF premium, net of reinsurance.

The Net Risk Transfer Cost Premium in Exhibit XVII and the Estimated Additional Annual Cost of Pre-Event Notes in Exhibit XI are additive in their impact on FHCF premium and rates. Retention and Projected Payout Multiples can be adjusted with interpolation based on the sum of the combined impact on FHCF premiums.

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## Part II: Allocation of Premium

Within a type of business, premium is allocated to territory, construction, and deductible based on a set of relativities. This is the same process that has been used since the creation of the 2001 rates. In all cases, the relativities recommended for 2016 have been adjusted so that none of them has changed by more than 15%.

There were no significant changes in the allocation process for 2016. Following is an overview of the FHCF rating classifications and the entire allocation process.

### Overview of the Rating Classifications

#### 1. Type of Business

The actuarially indicated FHCF premium is allocated first among the five types of business: commercial, residential, mobile home, tenants, and condominium unit owners. This allocation is based on the hurricane catastrophe modeling. For each modeled event, the proportion of FHCF layer losses allocated to each type of business is identical to the allocation of gross losses from that event. This process incorporates the varying weighted average coverage selection of each type of business. This approach produces indicated allocations, which are then adjusted so that no type of business has an indicated rate change of more than 15%. Actual allocations can be found in Exhibit VI.

#### 2. Territorial Definitions

For 2001, the FHCF revised rating territories to incorporate information from three hurricane models: AIR, EQE, and RMS. Furthermore, territory definitions shifted from applying gross loss costs to excess layer loss costs, the latter being more indicative of what insurers might recover from the FHCF. Actual changes to territories were tempered each year since 2001, to minimize the magnitude of rate changes. For 2016, we have recalculated indicated territories for each ZIP Code using the latest data from these models. We recommend changing territories from 2015 definitions towards what is indicated for 2016, but we recommend moving a ZIP Code no more than plus or minus one region from 2015 values. We calculated revised relativities between territories, which were implemented this year.

#### 3. Construction

In 2015, FHCF data was collected for four residential, seven commercial, and three mobile home construction types. Tenants and condominium unit owners exposures have the same construction classes as commercial.

In 2011, two new construction types were added to the FHCF Data Call for commercial, tenants, and condominium types of business: masonry with reinforced concrete roof and superior with reinforced concrete roof. The purpose of these new construction types was to replace the roof deck mitigation credit by incorporating this "mitigation" feature into an actual construction classification.

The mobile home codes relate to the extent of their tie downs and their compliance with Federal Housing and Urban Development building codes that went into effect in July 1994.

#### 4. Deductibles

The rates proposed are for the same sets of deductibles as for 2015.

Relativities for each deductible vary by type of business. As with construction relativities, changes in deductible relativities were limited to changing no more than 15%.

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## **General Overview of the Rate Allocation Process**

### **Construction Classes**

Relativities between the most common construction within a type of business and the other construction types were calculated using AIR, EQE, and RMS generated ZIP Code level loss costs. The indicated relativities were selected, except that they were limited to changing from the 2015 relativities by no more than 15%.

Rates for unknown construction are calculated using the same method as other construction types, not to exceed the highest rate for all known constructions in the same type of business.

### **Rating Region (Territory) Definition**

To begin the process this year, we identified the 1,461 ZIP Codes for which rates would be produced. These are the currently valid U.S. Postal Service ZIP Codes in Florida, plus some recently deactivated ZIP Codes for which we continue to produce rates. We identified 926 of the ZIP Codes that had at least \$30 million of total exposure. The remaining 535 ZIP Codes were mapped to these 926 ZIP Codes by location. Most of these 535 ZIP Codes were exclusively post office boxes. They inherited their territory from the territory of the ZIP Code to which they were mapped. The purpose of this step was to avoid trying to assign ZIP Codes to territories if they had very little exposure. When a ZIP Code has no frame exposure, for example, the models produce a 0.00 loss cost. To avoid these problems and to increase the reliability of the modeled losses, this mapping technique was employed.

In order to define territories, residential base deductible ZIP Code level loss costs to the FHCF layer were used. The excess loss costs from three models (AIR, EQE, and RMS) were averaged and then weighted by the amount of construction in the three classes: frame, masonry, and masonry veneer. Together, these constructions account for over 99% of residential exposure. The result was a weighted average loss cost for each ZIP Code.

The ZIP Codes were ranked by weighted average loss cost and partitioned into 25 territories, or rating regions. We set the relativities between rating regions ahead of time, and then fit the ZIP Codes to these values. This enabled a more consistent spread of values between the highest and lowest rates. In keeping with past rates, the ratio of the rates in the highest and lowest regions was set at 35:1. Subject to these guidelines, statistical methods were used to maximize the differences between regions and minimize the variation within a region. This same procedure was performed for this year's rates. Subsequently, we judgmentally adjusted the territory 1 loss cost down to better reflect actual indications for territory 1. This adjustment had the effect of changing the ratio to approximately 37:1.

We tempered the change in territory from 2015 to 2016 by limiting the territory movement to no more than one from its 2015 territory assignment.

The proposed (tempered) territories, or rating groups, are presented in Exhibit XIII. Exhibit XV shows exposure and counts by territory. Exhibit XIX displays the proposed territories as maps.

### **Production of Rates**

The total FHCF losses have been allocated to five types of business (Exhibit VI). Within each, construction and deductible relativities have been calculated. In this process, ZIP Code level modeled loss costs were combined using a straight average. Relativities between territories were determined in the territorial definition process.

An overall premium adjustment factor was calculated for each type of business, so that the modeled exposure, when rated using 90% coverage rates, produced the desired total premium for each type of business. In this last step, the premium required was adjusted to the 90% coverage level.

Rates for 75% and 45% coverage level were calculated as 75/90ths and 45/90ths, respectively, of the 90% coverage rates.

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The proposed rates produced for the base set of deductibles are found in Exhibit XIV.

Exhibit XV shows exposure and counts by territory.

Exhibit XVI compares rate changes for Residential 2% Masonry by rating region across the state before application of windstorm mitigation credits.

The rates that are published in these exhibits are base rates. To calculate the final rate for an insured risk, one must take into consideration the relativities applicable for the three construction characteristics:

Preliminary factor = (year built factor) x (roof shape factor) x (opening protection factor)

2016 mitigation factors do not have a cap. Prior to 2014 the preliminary factor was tempered by minimum and maximum caps. In 2014 we removed the cap of plus or minus 30% to unlimited due to increased credibility in reported company data.

Actual factor = Preliminary Factor

A small on balance factor is applied so that the final rates will produce the indicated FHCF reimbursement premium levels by type of business.

Final rate = (Base rate) x (actual factor) x (on balance factor)

All rate factors for the windstorm mitigation construction rating classifications and the on balance factor are shown in Exhibit XIV.

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## Part III: Limitations

### Scope

This report was prepared for the use of the State Board of Administration of Florida (SBA) for the sole purpose of developing a formula for determining the actuarially indicated premium to be paid by individual companies for the Florida Hurricane Catastrophe Fund (FHCF) for the 2016 Contract Year as specified by Section 215.555, Florida Statutes. The formula must be approved by unanimous vote of the SBA Trustees and they may, at any time, revise the formula pursuant to the procedure provided in Section 215.555(5)(b), Florida Statutes.

The rates in this report are developed for the limits and retentions specified by Section 215.555, Florida Statutes, for the 2016 Contract Year. No adjustments have been made to reflect availability of FHCF financial capacity during and subsequent to the 2016 Contract Year.

Actual coverage provided by the FHCF for the 2016 Contract Year is subject to modification due to legislative, judicial, or regulatory actions. Except where explicitly noted, such modifications are not considered in this report.

### Data Sources

In developing the 2016 FHCF ratemaking formula, we have relied on the following data from various sources:

1. FHCF exposure data as of 6/30/2015 as reported by 154 FHCF companies and compiled by Paragon. This data has not been fully audited yet and could be subject to variability in terms of amounts and classifications of exposure data.
2. Historical FHCF exposure data from prior years, subject to audit by FHCF auditors and compiled by Paragon.
3. Projections of 2016 season hurricane losses prepared by AIR, ARA, EQE, FPM, and RMS for use in determining overall expected industry losses. All loss projections are based on catastrophe models that have been accepted by the Florida Commission on Hurricane Loss Projection Methodology as of October 1, 2015.
4. Allocations of projected 2016 season hurricane losses prepared by AIR, EQE, and RMS for use in developing various rating classifications.
5. Special analyses of mitigation rating factors prepared by AIR, ARA, and RMS.
6. Special analyses of projected hurricane losses by county by ARA, EQE and RMS.
7. Special analyses of projected hurricane losses by ZIP Code by Paragon using AIR and RMS models.
8. Historical FHCF investment returns as reported by the SBA.
9. Industry residential construction cost trends for Florida and the United States as developed by Marshall & Swift.
10. Estimates of projected FHCF operating expenses by FHCF staff.
11. Estimates of projected net expenses for 2013A and 2016A Pre-Event Notes by Raymond James and Associates.

We have not audited or verified the sources of the data and information. If the underlying data or information is inaccurate or incomplete, the results of our formula report may be impacted.

### Variability of Results

Ratemaking is the projection of future losses and expenses and their relationship to future exposures. The projected rates contained in the attached report represent our best professional judgment. In property catastrophe reinsurance, actual losses are likely to vary from expected losses. The degree of variation could be substantial and could be in either direction from estimates. There is also significant potential for future variability in projections of expenses and exposures.

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### **Distribution and Use**

This report was prepared for the use of the SBA for the sole purpose of developing a formula for determining the actuarially indicated premium to be paid by individual companies for the FHCF for the 2016 Contract Year as specified by Section 215.555, Florida Statutes. The data, assumptions, methodology, and results in this report may not be appropriate for other than the intended use. We recommend that any party using this report have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

A copy of this report will be available on the web site of the FHCF.

# EXHIBIT

## II

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Summary of Rate Calculation

<b>Section I : Retention, Attachment and Coverage</b>		Residential	Tenants	Condos	Mobile Home	Commercial	Total		
Coverage Avg. % as of 10-24-2014		82.697%	81.108%	83.952%	89.655%	71.396%	81.565%		
Coverage Avg. % as of 03-01-2016		76.948%	78.344%	81.024%	89.003%	67.380%	76.309%	(1)	
Retention	6,966,000,000							(2)	
Loss Only Limit	21,217,067,050							(3)	
Retention + Limit	28,183,067,050							(4)	(2)+(3)
Loss and LAE at Coverage Limit	17,000,000,000							(5)	(3)*total(1)*1.05
Section I		Residential	Tenants	Condos	Mobile Home	Commercial	Total		
Gross Losses at 100% Unadjusted		2,291,690,920	17,180,930	170,606,751	103,695,790	397,871,818	2,981,046,209	(6)	
Gross Losses at 100% Adjusted*		2,414,525,554	17,191,239	170,879,722	104,131,312	398,826,710	3,105,554,537	(7)	
% Adjustment		5.36%	0.06%	0.16%	0.42%	0.24%	4.18%	(8)	(7)/(6) - 1
* Adjustment includes factors for law and ordinance coverage and annual aggregate deductibles.									
Allocation of Excess Loss to Type of Business at Coverage Level		78.702%	0.718%	5.839%	3.408%	11.333%	100.000%	(9)	[Alloc of Excess Losses] (7)
Excess Losses and LAE at Coverage		627,911,646	5,728,265	46,584,049	27,193,792	90,416,771	797,834,523	(10)	(9)*total(10)
Per Company Analysis Factors									
Retention Adjustment								(11)	(11 Factor)*(10)
Limit Adjustment								(14)	(14 Factor)*(10)
Combined Retention and Limit Adjustment	0.0075%	47,117	430	3,496	2,041	6,785	59,868	(15)	(15 Factor)*(10)
Total Loss After Per Company Analysis Factors		627,958,763	5,728,694	46,587,544	27,195,833	90,423,555	797,894,390	(16)	(10)+(15)
Post Model Adjustment Factors		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	(17)	
		31,397,938	286,435	2,329,377	1,359,792	4,521,178	39,894,720	(18)	(17)*(16)
Total Gross Excess Loss and LAE		659,356,701	6,015,129	48,916,922	28,555,625	94,944,733	837,789,110	(19)	(18)+(16)
Special Adjustments									
Investment Income	0.00%	0	0	0	0	0	0	(20)	(20 Factor)*(19)
Ceded Loss & LAE (Layer Description )	0.00%	0	0	0	0	0	0	(21)	Estimated Ceded Losses from Exhibit XVII
Total Special Adjustment	0.00%	0	0	0	0	0	0	(22)	(20)+(21)
Net Loss & LAE Prior to Expense Loadings and Credits (Base Prem)		659,356,701	6,015,129	48,916,922	28,555,625	94,944,733	837,789,110	(23)	(19)+(22)
Fixed Expense Loadings									
Operating Expense	0.907%	5,981,351	54,566	443,750	259,042	861,291	7,600,000	(24a)	SBA Operating Expenses
2016A Note Expense	2.399%	15,819,100	144,313	1,173,601	685,098	2,277,887	20,100,000	(24b)	Debt Service Payment & Held Asset Risk Charge
2013A Note Expense	4.073%	26,855,706	244,997	1,992,394	1,163,075	3,867,115	34,123,288	(24c)	Debt Service Payment & Held Asset Risk Charge
Mitigation Funding	0.000%	0	0	0	0	0	0	(25)	Paid from Investment Income (not from premium)
Offset for Premium Credits and Adjustments		0	0	0	0	0	0	(26)	-((1+(33))*(1+(37)))-1)*((24a+24b+24c+24d)+(25))/((1+(33))*(1+(37))
Total Fixed Expense Loadings	7.379%	48,656,158	443,877	3,609,745	2,107,216	7,006,292	61,823,288	(27)	(24a)+(24b)+(24c)+(24d)+(25)+(26)
2016 Section I Base Premium at Coverage Level prior to Cash Build Up		708,012,859	6,459,006	52,526,666	30,662,841	101,951,026	899,612,398	(34)	

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Section I: Adjustment to 01/05/2016 Exposure Base And Summary of Rate Change

			2	4	6	3	1		
			Residential	Tenants	Condos	Mobile Home	Commercial	Total	
<b>Adjustment for Change in Reportings 01/05/2016 to 01/05/2016</b>									
2015 Section I Base Premium	as of 01/05/2016		974,328,431	9,276,110	67,646,357	34,653,568	128,769,725	1,214,674,191	(35)
(Net of Credits)	as of 01/05/2016		974,328,431	9,276,110	67,646,357	34,653,568	128,769,725	1,214,674,191	(36)
	Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	(37) (36)/(35) - 1
2015 Section I Exposure	as of 01/05/2016		1,755,398,679,440	22,469,777,767	88,118,573,834	25,888,470,026	169,751,066,958	2,061,626,568,025	(38)
(All ZIP Codes)	as of 01/05/2016		1,755,398,679,440	22,469,777,767	88,118,573,834	25,888,470,026	169,751,066,958	2,061,626,568,025	(39)
	Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	(40) (39)/(38) - 1
Exposure Trend (2015 to 2016)			2.00%	2.00%	2.00%	0.00%	0.00%	1.81%	(41)
2016 Section I Exposure			1,790,506,653,029	22,919,173,322	89,880,945,311	25,888,470,026	169,751,066,958	2,098,946,308,646	(42) (1+(41))*(39)
2016 Section I Actuarially Indicated Base Premium at Coverage Level			708,012,859	6,459,006	52,526,666	30,662,841	101,951,026	899,612,398	(43) (34)
2016 Section I Actuarially Indicated Base Premium at Cove. Level Adj For Reporting Change			708,012,859	6,459,006	52,526,666	30,662,841	101,951,026	899,612,398	(43.01) (1+(37))*(43)
<b>Cash Build-up Factor</b>									
2016 Adjusted Sect. I Base Premium at Coverage & 2013-16 Cash Build Up Level	25%		885,016,074	8,073,757	65,658,333	38,328,551	127,438,782	1,124,515,497	(45) (43.01)*1.25
Variable Expense Loading									
Reinsurance Factor	0.00%		0	0	0	0	0	0	(45a) (45)*(1/(1-Reins %))
2016 Section I Base Premium at Coverage with CashBuild Up & Variable Expenses	0.00%		885,016,074	8,073,757	65,658,333	38,328,551	127,438,782	1,124,515,497	(45b) (45)+(45a)
<b>Summary of Section I , Premium, Exposure and Rate Change</b>									
			Residential	Tenants	Condos	Mobile Home	Commercial	Total	
Base Premium (25% CB)	2015	as of 01/05/2016	974,328,431	9,276,110	67,646,357	34,653,568	128,769,725	1,214,674,191	(46) (36)
	2016		885,016,074	8,073,757	65,658,333	38,328,551	127,438,782	1,124,515,497	(47) (45b)
	Change		-9.17%	-12.96%	-2.94%	10.60%	-1.03%	-7.42%	(48) ((47)/(46))-1
Exposure	2015	as of 01/05/2016	1,755,398,679,440	22,469,777,767	88,118,573,834	25,888,470,026	169,751,066,958	2,061,626,568,025	(49) (39)
	2016		1,790,506,653,029	22,919,173,322	89,880,945,311	25,888,470,026	169,751,066,958	2,098,946,308,646	(50) (42)
	Change		2.00%	2.00%	2.00%	0.00%	0.00%	1.81%	(51) ((50)/(49))-1
Rate (at 25% CB)	2015	as of 01/05/2016	0.5550	0.4128	0.7677	1.3386	0.7586	0.5892	(52) 1000*(46)/(49)
	2016		0.4943	0.3523	0.7305	1.4805	0.7507	0.5358	(53) 1000*(47)/(50)
	Change		-10.95%	-14.67%	-4.84%	10.60%	-1.03%	-9.07%	(54) ((52)/(53))-1
Rate at 25% CB	2016		0.4943	0.3523	0.7305	1.4805	0.7507	0.5358	(54.01)
Rate Change			-10.95%	-14.67%	-4.84%	10.60%	-1.03%	-9.07%	(55) (('1000*(45b)/(50))/(53))-1

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Summary of Results

	Retention	Limit	Residential	Tenants	Condos	Mobile Home	Commercial	Total	
Premium									
Sect. I: Basic Cov.			885,016,074	8,073,757	65,658,333	38,328,551	127,438,782	1,124,515,497	(69) (45b)
Sect I: Extended Cov.			-	-	-	-	-	-	(70) There is no Extended Coverage Charge for Citizens
Section I : Subtotal	6,966,000,000	17,000,000,000	885,016,074	8,073,757	65,658,333	38,328,551	127,438,782	1,124,515,497	(71) (70)+(69)
Section II	0	0	0	0	0	0	0	0	(72) There is no Section II exposure
Total	6,966,000,000	17,000,000,000	885,016,074	8,073,757	65,658,333	38,328,551	127,438,782	1,124,515,497	(73) (71)+(72)
Coverage %			76.948%	78.344%	81.024%	89.003%	67.380%	76.309%	(74) (1)
Projected Payout Multiple		15.1176							(73Limit)/(73total prem)
Retention Multiples	100%	4.7271	1,150,143,408	10,305,559	81,035,448	43,064,382	189,133,623	1,473,639,220	(75) (73ret)/(73 tot prem)*(74tot)/100%)
	90%	5.2523	1,035,129,067	9,275,003	72,931,903	38,757,944	170,220,261	1,326,275,298	(76) (73ret)/(73 tot prem)*(74tot)/90%)
	75%	6.3028	862,607,556	7,729,169	60,776,586	32,298,286	141,850,217	1,105,229,415	(77) (73ret)/(73 tot prem)*(74tot)/75%)
	45%	10.5046	517,564,533	4,637,501	36,465,951	19,378,972	85,110,130	663,137,649	(78) (73ret)/(73 tot prem)*(74tot)/45%)
Sec I Projected Exposure		2016	1,790,506,653,029	22,919,173,322	89,880,945,311	25,888,470,026	169,751,066,958	2,098,946,308,646	(79) (49)
Sec I Avg Basic Rates	100%		0.6424	0.4496	0.9016	1.6635	1.1142	0.7021	(80) 1000*(69)/(79)*((100%/(74))
	90%		0.5781	0.4047	0.8114	1.4971	1.0028	0.6319	(81) 1000*(69)/(79)*((90%/(74))
	75%		0.4818	0.3372	0.6762	1.2476	0.8356	0.5266	(82) 1000*(69)/(79)*((75%/(74))
	45%		0.2891	0.2023	0.4057	0.7486	0.5014	0.3159	(83) 1000*(69)/(79)*((45%/(74))
Average Coverage			0.4943	0.3523	0.7305	1.4805	0.7507	0.5358	(84) 1000*(69)/(79) or (52)
Overall Section I Rate Change									
Total Premium		2015	974,328,431	9,276,110	67,646,357	34,653,568	128,769,725	1,214,674,191	(85) (45)
		2016	885,016,074	8,073,757	65,658,333	38,328,551	127,438,782	1,124,515,497	(86) (73)
Total Exposure		2015	1,755,398,679,440	22,469,777,767	88,118,573,834	25,888,470,026	169,751,066,958	2,061,626,568,025	(87) (48)
		2016	1,790,506,653,029	22,919,173,322	89,880,945,311	25,888,470,026	169,751,066,958	2,098,946,308,646	(88) (49)
Average Rate (000s)		2015	0.5550	0.4128	0.7677	1.3386	0.7586	0.5892	(89) 1000*(85)/(87)
		2016	0.4943	0.3523	0.7305	1.4805	0.7507	0.5358	(90) 1000*(86)/(88)
Overall Rate Change			-10.95%	-14.67%	-4.84%	10.60%	-1.03%	-9.07%	(91) (90)/(89) - 1

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Section I: Historical Exposures and Premiums

		Residential 2	Tenants* 4	Condo-Owners 6	Mobile Home 3	Commercial 1	Total
<b>Section I Exposures (as of 10/23/2015)</b>							
5	2008	\$1,783,139,166,905	\$17,697,307,503	\$79,407,858,258	\$37,368,104,549	\$197,900,227,178	\$2,115,512,664,393
4	2009	\$1,815,472,177,828	\$17,345,852,866	\$84,198,948,574	\$36,761,961,986	\$212,460,681,802	\$2,166,239,623,056
3	2010	\$1,817,662,481,519	\$17,569,203,805	\$83,886,023,190	\$35,542,039,480	\$209,853,976,263	\$2,164,513,724,257
	2011	\$1,777,677,567,002	\$18,329,345,968	\$84,448,798,032	\$33,837,366,975	\$203,072,396,562	\$2,117,365,474,539
2	2012	\$1,742,100,377,356	\$19,311,739,294	\$84,152,011,133	\$31,569,203,791	\$199,066,408,510	\$2,076,199,740,084
	2013	\$1,691,386,269,257	\$20,700,774,905	\$84,904,347,917	\$28,398,015,505	\$197,362,838,239	\$2,022,752,245,823
	2014	\$1,719,564,357,374	\$22,100,453,398	\$86,683,426,785	\$27,473,061,310	\$188,611,021,575	\$2,044,432,320,442
	2015	\$1,755,398,679,440	\$22,469,777,767	\$88,118,573,834	\$25,888,470,026	\$169,751,066,958	\$2,061,626,568,025
	2016 (Proj.)	\$1,790,506,653,029	\$22,919,173,322	\$89,880,945,311	\$25,888,470,026	\$169,751,066,958	\$2,098,946,308,646
	2017						

**Section I Premiums (as of 10/23/2015)**

2008	\$751,531,398	\$7,069,055	\$48,188,923	\$35,517,945	\$149,973,088	\$992,280,410
2009	\$821,700,186	\$6,499,295	\$52,307,156	\$39,714,714	\$155,523,244	\$1,075,744,595
2010	\$859,864,344	\$6,502,492	\$51,872,015	\$43,539,127	\$153,444,469	\$1,115,222,446
2011	\$880,754,111	\$6,505,495	\$53,683,414	\$45,968,427	\$150,384,875	\$1,137,296,322
2012	\$981,901,376	\$8,032,833	\$60,505,531	\$43,863,584	\$167,495,637	\$1,261,798,961
2013	\$977,906,580	\$9,143,951	\$64,528,991	\$37,315,378	\$175,438,169	\$1,264,333,070
2014	\$986,443,870	\$10,082,697	\$66,820,443	\$35,207,760	\$185,763,377	\$1,284,318,147
2015	\$974,328,431	\$9,276,110	\$67,646,357	\$34,653,568	\$128,769,725	\$1,214,674,191
2016 (Proj.)	\$885,016,074	\$8,073,757	\$65,658,333	\$38,328,551	\$127,438,782	\$1,124,515,497
2017						

**Section I Average Rates (per \$1000)**

2008	0.4215	0.3994	0.6069	0.9505	0.7578	0.4690
2009	0.4526	0.3747	0.6212	1.0803	0.7320	0.4966
2010	0.4731	0.3701	0.6184	1.2250	0.7312	0.5152
2011	0.4955	0.3549	0.6357	1.3585	0.7405	0.5371
2012	0.5636	0.4160	0.7190	1.3894	0.8414	0.6077
2013	0.5782	0.4417	0.7600	1.3140	0.8889	0.6251
2014	0.5737	0.4562	0.7709	1.2815	0.9849	0.6282
2015	0.5550	0.4128	0.7677	1.3386	0.7586	0.5892
2016 (Proj.)	0.4943	0.3523	0.7305	1.4905	0.7507	0.5358
2017						

**Percent Change in Rates**

2008-09	7.39%	-6.20%	2.37%	13.66%	-3.41%	5.87%
2009-10	4.52%	-1.22%	-0.46%	13.39%	-0.11%	3.75%
2010-11	4.73%	-4.10%	2.80%	10.90%	1.28%	4.25%
2011-12	13.76%	17.20%	13.11%	2.28%	13.62%	13.15%
2012-13	2.58%	6.19%	5.70%	-5.43%	5.65%	2.85%
2013-14	-0.78%	3.28%	1.43%	-2.47%	10.80%	0.50%
2014-15	-3.24%	-9.51%	-0.41%	4.45%	-22.98%	-6.21%
2015-16	-10.95%	-14.67%	-4.84%	10.60%	-1.03%	-9.07%
2016-17						

**Historical Rates as Percent of 2016 Rates**

2008	85%	113%	83%	64%	101%	88%
2009	92%	106%	85%	73%	98%	93%
2010	96%	105%	85%	83%	97%	96%
2011	100%	101%	87%	92%	99%	100%
2012	114%	118%	98%	94%	112%	113%
2013	117%	125%	104%	89%	118%	117%
2014	116%	130%	106%	87%	131%	117%
2015	112%	117%	105%	90%	101%	110%
2016	100%	100%	100%	100%	100%	100%
2017						

**Historical Rate on Line (Mandatory Coverage only)**

	Limit(\$B)	
2008	16.530	6.0%
2009	17.175	6.3%
2010	17.000	6.5%
2011	17.000	6.7%
2012	17.000	7.4%
2013	17.000	7.4%
2014	17.000	7.6%
2015	17.000	7.1%
2016	17.000	6.6%
2017		

\*Includes Inland Marine/Stand Alone & Other Contents Type Policies

# EXHIBIT

## III

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 Reported Exposures as of 10/8/15 (Trended to 6/30/16)

Trended Control Totals By Type

<b>Type</b>	<b>Units</b>	<b>Percent of Units</b>	<b>Primary Exposure</b>	<b>Average Exposure</b>	<b>Percent of Exposure</b>
Commercial	165,655	2.53%	\$169,751,066,958	\$1,024,726	8.09%
Residential	4,321,484	65.99%	\$1,790,506,653,029	\$414,327	85.31%
Mobile Home	344,255	5.26%	\$25,888,470,026	\$75,201	1.23%
Tenants	908,334	13.87%	\$22,919,173,322	\$25,232	1.09%
Condominium Unit Owners	809,428	12.36%	\$89,880,945,311	\$111,043	4.28%
Total	6,549,156	100.00%	\$2,098,946,308,646	\$320,491	100.00%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 Reported Exposures as of 10/8/15 (Trended to 6/30/16)

Trended Commercial Control Totals By Construction

Construction	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Frame	32,252	19.47%	\$19,770,121,850	\$612,989	11.65%
Masonry	114,623	69.19%	\$74,324,893,082	\$648,429	43.78%
Masonry with Reinforced Concrete Roof	10,387	6.27%	\$24,331,674,716	\$2,342,512	14.33%
Superior	1,052	0.64%	\$7,408,378,600	\$7,042,185	4.36%
Superior with Reinforced Concrete Roof	3,380	2.04%	\$43,685,042,930	\$12,924,569	25.73%
Masonry Veneer	0	0.00%	\$0	\$0	0.00%
Unknown/Non Mobile Home Default	3,961	2.39%	\$230,955,780	\$58,307	0.14%
Total	165,655	100.00%	\$169,751,066,958	\$1,024,726	100.00%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 Reported Exposures as of 10/8/15 (Trended to 6/30/16)

Trended Residential Control Totals By Construction

<b>Construction</b>	<b>Units</b>	<b>Percent of Units</b>	<b>Primary Exposure</b>	<b>Average Exposure</b>	<b>Percent of Exposure</b>
Frame	893,819	20.68%	\$346,807,342,080	\$388,006	19.37%
Masonry	3,118,045	72.15%	\$1,304,265,293,267	\$418,296	72.84%
Masonry Veneer	263,286	6.09%	\$128,320,475,179	\$487,381	7.17%
Unknown/Non Mobile Home Default	46,334	1.07%	\$11,113,542,503	\$239,857	0.62%
Total	4,321,484	100.00%	\$1,790,506,653,029	\$414,327	100.00%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 Reported Exposures as of 10/8/15 (Trended to 6/30/16)

Trended Mobile Home Control Totals By Construction

Construction	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Mobile Home - Fully Tied Down, Mfg before 7/13/94	190,741	55.41%	\$10,606,870,361	\$55,609	40.97%
Mobile Home - Fully Tied Down, Mfg on or after 7/13/94	139,910	40.64%	\$14,201,338,433	\$101,503	54.86%
Mobile Home - Other Than Fully Tied Down or Unknown	13,604	3.95%	\$1,080,261,232	\$79,408	4.17%
Total	344,255	100.00%	\$25,888,470,026	\$75,201	100.00%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 Reported Exposures as of 10/8/15 (Trended to 6/30/16)

Trended Tenants Control Totals By Construction

<b>Construction</b>	<b>Units</b>	<b>Percent of Units</b>	<b>Primary Exposure</b>	<b>Average Exposure</b>	<b>Percent of Exposure</b>
Frame	99,297	10.93%	\$2,837,878,473	\$28,580	12.38%
Masonry	171,018	18.83%	\$6,186,771,546	\$36,176	26.99%
Masonry with Reinforced Concrete Roof	503	0.06%	\$48,705,365	\$96,830	0.21%
Superior	7,463	0.82%	\$337,873,782	\$45,273	1.47%
Superior with Reinforced Concrete Roof	957	0.11%	\$109,792,851	\$114,726	0.48%
Masonry Veneer	15,045	1.66%	\$570,102,381	\$37,893	2.49%
Unknown/Non Mobile Home Default	614,051	67.60%	\$12,828,048,924	\$20,891	55.97%
Total	908,334	100.00%	\$22,919,173,322	\$25,232	100.00%

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Trended Condominium Unit Owners Control Totals By Construction

<b>Construction</b>	<b>Units</b>	<b>Percent of Units</b>	<b>Primary Exposure</b>	<b>Average Exposure</b>	<b>Percent of Exposure</b>
Frame	80,024	9.89%	\$7,679,321,375	\$95,963	8.54%
Masonry	490,230	60.56%	\$47,199,668,933	\$96,281	52.51%
Masonry with Reinforced Concrete Roof	71,358	8.82%	\$8,149,886,499	\$114,211	9.07%
Superior	72,330	8.94%	\$9,447,134,106	\$130,612	10.51%
Superior with Reinforced Concrete Roof	87,074	10.76%	\$16,305,486,735	\$187,260	18.14%
Masonry Veneer	6,820	0.84%	\$728,113,359	\$106,761	0.81%
Unknown/Non Mobile Home Default	1,592	0.20%	\$371,334,305	\$233,250	0.41%
Total	809,428	100.00%	\$89,880,945,311	\$111,043	100.00%

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Trended Commercial Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
CA (\$0 to \$2,500)	165	0.10%	\$45,454,009	\$275,479	0.03%
CB (\$2,501 to \$7,500)	50	0.03%	\$11,802,650	\$236,053	0.01%
CC (\$7,501 to \$15,000)	101	0.06%	\$91,079,185	\$901,774	0.05%
CD (\$15,001 to \$50,000)	23	0.01%	\$7,273,538	\$316,241	0.00%
C1 (1%)	42	0.03%	\$82,842,962	\$1,972,451	0.05%
C2 (2%)	4,234	2.56%	\$4,664,741,233	\$1,101,734	2.75%
C3 (3%)	91,557	55.27%	\$94,065,439,432	\$1,027,398	55.41%
C4 (4%)	44	0.03%	\$1,625,948,369	\$36,953,372	0.96%
C5 (5%)	68,801	41.53%	\$68,186,245,240	\$991,065	40.17%
C6 (6%)	12	0.01%	\$430,643,377	\$35,886,948	0.25%
C7 (7%)	2	0.00%	\$4,694,500	\$2,347,250	0.00%
C8 (8%)	0	0.00%	\$0	\$0	0.00%
C9 (9%)	0	0.00%	\$0	\$0	0.00%
C0 (10%)	624	0.38%	\$534,902,463	\$857,215	0.32%
Total	165,655	100.00%	\$169,751,066,958	\$1,024,726	100.00%

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Trended Residential Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
RM (\$0)	27,197	0.63%	\$1,357,573,414	\$49,916	0.08%
RA (\$1 to \$500)	133,718	3.09%	\$43,472,354,565	\$325,105	2.43%
RB (\$501 to \$1,500)	8,118	0.19%	\$3,431,397,178	\$422,690	0.19%
RC (\$1,501 to \$2,500)	2,676	0.06%	\$409,184,971	\$152,909	0.02%
RD (Greater Than \$2,500)	1,842	0.04%	\$1,069,469,491	\$580,602	0.06%
R1 (1%)	9,821	0.23%	\$5,891,967,922	\$599,936	0.33%
R2 (2%)	3,746,675	86.70%	\$1,552,053,025,574	\$414,248	86.68%
R3 (3%)	38,024	0.88%	\$12,677,352,255	\$333,404	0.71%
R4 (4%)	4,418	0.10%	\$2,530,379,832	\$572,743	0.14%
R5 (5%)	305,243	7.06%	\$139,294,619,049	\$456,340	7.78%
R6 (6%)	104	0.00%	\$35,930,065	\$345,481	0.00%
R7 (7%)	96	0.00%	\$29,140,929	\$303,551	0.00%
R8 (8%)	49	0.00%	\$20,234,026	\$412,939	0.00%
R9 (9%)	8	0.00%	\$3,601,082	\$450,135	0.00%
R0 (10% to 14%)	41,922	0.97%	\$25,012,938,781	\$596,654	1.40%
RZ (15% or Greater)	1,573	0.04%	\$3,217,483,896	\$2,045,444	0.18%
Total	4,321,484	100.00%	\$1,790,506,653,029	\$414,327	100.00%

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Trended Mobile Home Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
MM (\$0)	204	0.06%	\$1,467,767	\$7,195	0.01%
MA (\$1 to \$250)	1,157	0.34%	\$11,422,326	\$9,872	0.04%
MB (\$251 to \$500)	151,282	43.94%	\$9,274,187,405	\$61,304	35.82%
MC (Greater Than \$500)	6,488	1.88%	\$546,596,643	\$84,247	2.11%
M1 (1%)	358	0.10%	\$51,629,809	\$144,217	0.20%
M2 (2%)	102,283	29.71%	\$10,553,256,129	\$103,177	40.76%
M3 (3%)	172	0.05%	\$11,714,724	\$68,109	0.05%
M4 (4%)	20	0.01%	\$860,530	\$43,027	0.00%
M5 (5%)	70,358	20.44%	\$4,824,822,088	\$68,575	18.64%
M6 (6%)	5	0.00%	\$549,430	\$109,886	0.00%
M7 (7%)	0	0.00%	\$0	\$0	0.00%
M8 (8%)	0	0.00%	\$0	\$0	0.00%
M9 (9%)	5	0.00%	\$513,900	\$102,780	0.00%
M0 (10% or Greater)	11,923	3.46%	\$611,449,275	\$51,283	2.36%
Total	344,255	100.00%	\$25,888,470,026	\$75,201	100.00%

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Trended Tenants Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
RM (\$0)	304,556	33.53%	\$5,616,162,537	\$18,440	24.50%
RA (\$1 to \$500)	368,801	40.60%	\$9,765,142,789	\$26,478	42.61%
RB (\$501 to \$1,500)	175,389	19.31%	\$4,372,666,215	\$24,931	19.08%
RC (\$1,501 to \$2,500)	1,633	0.18%	\$72,206,514	\$44,217	0.32%
RD (Greater Than \$2,500)	1,069	0.12%	\$76,140,667	\$71,226	0.33%
R1 (1%)	167	0.02%	\$25,548,615	\$152,986	0.11%
R2 (2%)	51,113	5.63%	\$2,745,659,675	\$53,717	11.98%
R3 (3%)	10	0.00%	\$1,238,873	\$123,887	0.01%
R4 (4%)	1	0.00%	\$26,520	\$26,520	0.00%
R5 (5%)	4,209	0.46%	\$188,479,022	\$44,780	0.82%
R6 (6%)	0	0.00%	\$0	\$0	0.00%
R7 (7%)	0	0.00%	\$0	\$0	0.00%
R8 (8%)	0	0.00%	\$0	\$0	0.00%
R9 (9%)	6	0.00%	\$364,236	\$60,706	0.00%
R0 (10% to 14%)	1,319	0.15%	\$36,265,922	\$27,495	0.16%
RZ (15% or Greater)	61	0.01%	\$19,271,737	\$315,930	0.08%
Total	908,334	100.00%	\$22,919,173,322	\$25,232	100.00%

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Trended Condominium Unit Owners Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
RM (\$0)	4,777	0.59%	\$260,895,769	\$54,615	0.29%
RA (\$1 to \$500)	268,022	33.11%	\$18,031,204,273	\$67,275	20.06%
RB (\$501 to \$1,500)	65,331	8.07%	\$7,660,221,277	\$117,252	8.52%
RC (\$1,501 to \$2,500)	7,905	0.98%	\$1,170,115,334	\$148,022	1.30%
RD (Greater Than \$2,500)	1,525	0.19%	\$304,423,746	\$199,622	0.34%
R1 (1%)	101	0.01%	\$62,536,703	\$619,175	0.07%
R2 (2%)	408,320	50.45%	\$53,495,148,530	\$131,013	59.52%
R3 (3%)	772	0.10%	\$183,936,762	\$238,260	0.20%
R4 (4%)	198	0.02%	\$37,113,251	\$187,441	0.04%
R5 (5%)	41,766	5.16%	\$6,669,573,338	\$159,689	7.42%
R6 (6%)	13	0.00%	\$1,597,863	\$122,913	0.00%
R7 (7%)	0	0.00%	\$0	\$0	0.00%
R8 (8%)	14	0.00%	\$726,183	\$51,870	0.00%
R9 (9%)	1	0.00%	\$260,100	\$260,100	0.00%
R0 (10% to 14%)	9,612	1.19%	\$1,214,623,593	\$126,365	1.35%
RZ (15% or Greater)	1,071	0.13%	\$788,568,589	\$736,292	0.88%
Total	809,428	100.00%	\$89,880,945,311	\$111,043	100.00%

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Trended Exposures and Risks from Invalid ZIP Codes

Type	Invalid ZIP Code Data			Valid Zip Code Data		
	Units	Exposure	Average	Units	Exposure	Average
Commercial	5	\$8,240,500	\$1,648,100	165,650	169,742,826,458	\$1,024,708
Residential	42	\$11,625,938	\$276,808	4,321,442	1,790,495,027,091	\$414,328
Mobile Home	129	\$6,241,625	\$48,385	344,126	25,882,228,401	\$75,211
Tenants	19	\$549,661	\$28,930	908,315	22,918,623,662	\$25,232
Condo Owners	7	\$557,818	\$79,688	809,421	89,880,387,493	\$111,043
Total	202	\$27,215,541	\$134,730	6,548,954	\$2,098,919,093,105	\$320,497

Type	All Data			% from Invalid ZIP Codes	
	Units	Exposure	Average	Units	Exposure
Commercial	165,655	\$169,751,066,958	\$1,024,726	0.00%	0.00%
Residential	4,321,484	\$1,790,506,653,029	\$414,327	0.00%	0.00%
Mobile Home	344,255	\$25,888,470,026	\$75,201	0.04%	0.02%
Tenants/Other	908,334	\$22,919,173,322	\$25,232	0.00%	0.00%
Condo Owners	809,428	\$89,880,945,311	\$111,043	0.00%	0.00%
Total	6,549,156	\$2,098,946,308,646	\$320,491	0.00%	0.00%

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Exposures, Unit Counts and Averages  
As of 10/23/15

					Annual Change (%)**						
Exposures (\$)					Exposures						
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total		Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994	250,798,066,574	573,595,663,128	27,708,002,887	N/A	852,101,732,589	1994-1995	NA	12.9	(0.9)	N/A	N/A
1995	72,259,223,184	647,611,806,441	27,471,321,323	N/A	747,342,350,948	1995-1996	(0.3)	1.3	(3.0)	N/A	0.9
1996	72,045,415,920	655,747,424,327	26,641,265,399	N/A	754,434,105,646	1996-1997	(6.9)	1.5	3.6	N/A	0.8
1997	67,060,941,081	665,706,907,693	27,603,802,377	N/A	760,371,651,151	1997-1998	(6.9)	2.1	3.2	N/A	1.3
1998	62,406,306,257	679,581,831,252	28,500,346,256	N/A	770,488,483,765	1998-1999	(0.2)	4.1	2.9	N/A	3.7
1999	62,310,422,803	707,168,630,617	29,321,225,365	N/A	798,800,278,785	1999-2000	28.9	9.0	1.7	N/A	10.3
2000	80,327,371,492	771,151,251,493	29,805,027,583	N/A	881,283,650,568	2000-2001	19.4	3.2	1.8	N/A	4.6
2001	95,903,685,545	795,830,648,826	30,336,699,432	N/A	922,071,033,803	2001-2002	17.9	19.2	12.6	N/A	19.3
2002	113,055,152,173	948,240,567,004	34,158,045,008	4,649,506,167	1,100,103,270,352	2002-2003	8.5	8.3	(0.1)	78.7	8.4
2003	122,711,546,221	1,027,400,432,961	34,109,501,584	8,307,577,221	1,192,529,057,987	2003-2004	(1.7)	12.5	2.7	9.4	10.7
2004	120,567,809,498	1,155,969,925,095	35,014,550,966	9,090,209,248	1,320,642,494,807	2004-2005	4.1	17.2	3.7	16.6	15.6
2005	125,518,806,067	1,354,455,492,240	36,309,216,467	10,602,304,913	1,526,885,819,687	2005-2006	8.6	19.4	4.8	N/A	17.3
2006	136,340,614,829	1,617,264,717,950	38,069,099,793	N/A	1,791,674,432,572	2006-2007	37.0	11.2	(1.5)	N/A	12.9
2007	186,827,864,101	1,798,433,070,223	37,500,069,047	N/A	2,022,761,003,371	2007-2008	5.9	4.5	(0.4)	N/A	4.6
2008	197,900,227,178	1,880,244,332,666	37,368,104,549	N/A	2,115,512,664,393	2008-2009	7.4	2.0	(1.6)	N/A	2.4
2009	212,460,681,802	1,917,016,979,268	36,761,961,986	N/A	2,166,239,623,056	2009-2010	(1.2)	0.1	(3.3)	N/A	(0.1)
2010	209,853,976,263	1,919,117,708,514	35,542,039,480	N/A	2,164,513,724,257	2010-2011	(3.2)	(2.0)	(4.8)	N/A	(2.2)
2011	203,072,396,562	1,880,455,711,002	33,837,366,975	N/A	2,117,365,474,539	2011-2012	(2.0)	(1.9)	(6.7)	N/A	(1.9)
2012	199,066,408,510	1,845,564,127,783	31,569,203,791	N/A	2,076,199,740,084	2012-2013	(0.9)	(2.6)	(10.0)	N/A	(2.6)
2013	197,362,838,239	1,796,991,392,079	28,398,015,505	N/A	2,022,752,245,823	2013-2014	(4.4)	1.7	(3.3)	N/A	1.1
2014	188,611,021,575	1,828,348,237,557	27,473,061,310	N/A	2,044,432,320,442	2014-2015	(10.0)	2.1	(5.8)	N/A	0.8
2015	169,751,066,958	1,865,987,031,041	25,888,470,026	N/A	2,061,626,568,025	Avg. 95-15	5.0	5.6	(0.2)	N/A	5.4

Unit Counts					Unit Counts						
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total		Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994	667,009	4,523,478	630,092	N/A	5,820,579	1994-1995	NA	3.1	(0.1)	N/A	N/A
1995	217,433	4,662,527	629,593	N/A	5,509,553	1995-1996	7.1	(1.6)	(6.1)	N/A	(1.8)
1996	232,810	4,589,144	590,981	N/A	5,412,935	1996-1997	(14.4)	2.9	1.7	N/A	2.0
1997	199,267	4,722,716	601,167	N/A	5,523,150	1997-1998	(13.8)	(0.6)	(0.5)	N/A	(1.0)
1998	171,866	4,695,966	598,446	N/A	5,466,278	1998-1999	(23.1)	(1.4)	1.5	N/A	(1.8)
1999	132,195	4,627,958	607,162	N/A	5,367,315	1999-2000	(8.9)	4.2	(0.2)	N/A	3.4
2000	120,422	4,820,714	606,046	N/A	5,547,182	2000-2001	39.5	1.2	(2.1)	N/A	1.6
2001	167,961	4,877,216	593,148	N/A	5,638,325	2001-2002	13.2	0.3	(0.3)	N/A	3.7
2002	190,197	4,889,766	591,094	174,492	5,845,549	2002-2003	(5.4)	(0.1)	(2.3)	99.5	2.5
2003	179,954	4,885,715	577,547	348,037	5,991,253	2003-2004	(15.1)	2.3	(2.5)	(5.9)	0.8
2004	152,720	4,998,614	562,979	327,482	6,041,795	2004-2005	(4.6)	4.6	(3.3)	2.9	3.6
2005	145,657	5,229,215	544,433	336,976	6,256,281	2005-2006	(2.7)	9.8	(4.1)	N/A	2.4
2006	141,782	5,742,372	522,009	N/A	6,406,163	2006-2007	36.7	0.5	(6.0)	N/A	0.7
2007	193,852	5,768,968	490,926	N/A	6,453,746	2007-2008	(3.6)	(0.6)	(1.9)	N/A	(0.8)
2008	186,851	5,736,170	481,647	N/A	6,404,668	2008-2009	4.8	0.4	(2.7)	N/A	0.3
2009	195,884	5,757,481	468,744	N/A	6,422,109	2009-2010	(0.8)	0.2	(3.4)	N/A	(0.1)
2010	194,310	5,767,950	452,889	N/A	6,415,149	2010-2011	(0.6)	0.3	(4.1)	N/A	(0.0)
2011	193,114	5,784,513	434,355	N/A	6,411,982	2011-2012	(1.5)	(0.1)	(7.3)	N/A	(0.7)
2012	190,179	5,776,727	402,738	N/A	6,369,644	2012-2013	(1.4)	0.2	(7.3)	N/A	(0.3)
2013	187,504	5,788,988	373,278	N/A	6,349,770	2013-2014	(5.2)	1.8	0.2	N/A	1.5
2014	177,824	5,893,330	374,055	N/A	6,445,209	2014-2015	(6.8)	1.7	(8.0)	N/A	0.9
2015	165,655	5,995,991	344,255	N/A	6,505,901	Avg. 95-15	(0.3)	1.3	(2.9)	N/A	0.8

Averages (\$)					Averages						
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total		Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994	376,004	126,804	43,975	N/A	146,395	1994-1995	NA	9.5	(0.8)	N/A	N/A
1995	332,329	138,897	43,633	N/A	135,645	1995-1996	(6.9)	2.9	3.3	N/A	2.8
1996	309,460	142,891	45,080	N/A	139,376	1996-1997	8.8	(1.4)	1.9	N/A	(1.2)
1997	336,538	140,958	45,917	N/A	137,670	1997-1998	7.9	2.7	3.7	N/A	2.4
1998	363,110	144,716	47,624	N/A	140,953	1998-1999	29.8	5.6	1.4	N/A	5.6
1999	471,352	152,804	48,292	N/A	148,827	1999-2000	41.5	4.7	1.8	N/A	6.7
2000	667,049	159,966	49,179	N/A	158,871	2000-2001	(14.4)	2.0	4.0	N/A	2.9
2001	570,988	163,173	51,145	N/A	163,536	2001-2002	4.1	18.8	13.0	N/A	15.1
2002	594,411	193,924	57,788	26,646	188,195	2002-2003	14.7	8.4	2.2	(10.4)	5.8
2003	681,905	210,287	59,059	23,870	199,045	2003-2004	15.8	10.0	5.3	16.3	9.8
2004	789,470	231,258	62,195	27,758	218,584	2004-2005	9.2	12.0	7.2	13.3	11.7
2005	861,742	259,017	66,692	31,463	244,056	2005-2006	11.6	8.7	9.4	N/A	14.6
2006	961,621	281,637	72,928	N/A	279,680	2006-2007	0.2	10.7	4.7	N/A	12.1
2007	963,765	311,743	76,386	N/A	313,424	2007-2008	9.9	5.1	1.6	N/A	5.4
2008	1,059,134	327,787	77,584	N/A	330,308	2008-2009	2.4	1.6	1.1	N/A	2.1
2009	1,084,625	332,961	78,427	N/A	337,310	2009-2010	(0.4)	(0.1)	0.1	N/A	0.0
2010	1,079,996	332,721	78,478	N/A	337,407	2010-2011	(2.6)	(2.3)	(0.7)	N/A	(2.1)
2011	1,051,567	325,085	77,903	N/A	330,220	2011-2012	(0.5)	(1.7)	0.6	N/A	(1.3)
2012	1,046,732	319,483	78,386	N/A	325,952	2012-2013	0.6	(2.8)	(2.9)	N/A	(2.3)
2013	1,052,579	310,415	76,077	N/A	318,555	2013-2014	0.8	(0.1)	(3.5)	N/A	(0.4)
2014	1,060,661	310,240	73,447	N/A	317,202	2014-2015	(3.4)	0.3	2.4	N/A	(0.1)
2015	1,024,726	311,206	75,201	N/A	316,886	Avg. 95-15	6.4	4.3	2.8	N/A	4.5

\* Includes Residential, Tenants, and Condominium Unit Owner policies.

\*\*2002 was the first year Stand Alone Inland Marine data was reported. Stand Alone Inland Marine was defined as inland marine policies not associated with the policy that covers the main building/structure. In 2003, it was referred to as "Stand Alone/Contents Type Policies" and also included scheduled personal property written under attachments, endorsements, and riders.

In 2004, it was referred to as "Other Contents Policies or Endorsements."

In 2006, it was removed.

2016 Ratemaking Formula Report  
2015 Reported Exposures as of 2/1/16

Commercial Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
<b>YEAR BUILT</b>					
Unknown	1,667	1.01%	\$489,139,040	\$293,425	0.29%
1994 or Earlier	127,044	76.69%	\$114,118,456,070	\$898,259	67.23%
1995-2001	12,941	7.81%	\$15,773,140,658	\$1,218,850	9.29%
2002 or Later	24,003	14.49%	\$39,370,331,190	\$1,640,225	23.19%
<b>TOTAL</b>	<b>165,655</b>	<b>100.00%</b>	<b>\$169,751,066,958</b>	<b>\$1,024,726</b>	<b>100.00%</b>
<b>STRUCTURE OPENING PROTECTION</b>					
No Credit is Given to Policyholder	151,602	91.52%	\$132,857,798,240	\$876,359	78.27%
Credit is Given to Policyholder	14,053	8.48%	\$36,893,268,718	\$2,625,295	21.73%
<b>TOTAL</b>	<b>165,655</b>	<b>100.00%</b>	<b>\$169,751,066,958</b>	<b>\$1,024,726</b>	<b>100.00%</b>
<b>ROOF SHAPE</b>					
Hip, Mansard, or Pyramid	38,235	23.08%	\$29,189,899,572	\$763,434	17.20%
Gable, Other, or Unknown	127,420	76.92%	\$140,561,167,386	\$1,103,133	82.80%
<b>TOTAL</b>	<b>165,655</b>	<b>100.00%</b>	<b>\$169,751,066,958</b>	<b>\$1,024,726</b>	<b>100.00%</b>

2016 Ratemaking Formula Report  
2015 Reported Exposures as of 2/1/16

Residential Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
<b>YEAR BUILT</b>					
Unknown	28,796	0.67%	\$6,393,094,558	\$222,013	0.36%
1994 or Earlier	2,577,617	59.65%	\$887,686,815,803	\$344,383	50.57%
1995-2001	626,022	14.49%	\$305,259,946,530	\$487,619	17.39%
2002 or Later	1,089,049	25.20%	\$556,058,822,549	\$510,591	31.68%
TOTAL	4,321,484	100.00%	\$1,755,398,679,440	\$406,203	100.00%
<b>STRUCTURE OPENING PROTECTION</b>					
No Credit is Given to Policyholder	3,707,434	85.79%	\$1,400,249,494,378	\$377,687	79.77%
Credit is Given to Policyholder	614,050	14.21%	\$355,149,185,062	\$578,372	20.23%
TOTAL	4,321,484	100.00%	\$1,755,398,679,440	\$406,203	100.00%
<b>ROOF SHAPE</b>					
Hip, Mansard, or Pyramid	1,253,417	29.00%	\$658,275,196,801	\$525,185	37.50%
Gable, Other, or Unknown	3,068,067	71.00%	\$1,097,123,482,639	\$357,594	62.50%
TOTAL	4,321,484	100.00%	\$1,755,398,679,440	\$406,203	100.00%

2016 Ratemaking Formula Report  
2015 Reported Exposures as of 2/1/16

Mobile Home Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
<b>YEAR BUILT</b>					
Unknown or Mobile Home	344,255	100.00%	\$25,888,470,026	\$75,201	100.00%
1994 or Earlier	0	0.00%	\$0	\$0	0.00%
1995-2001	0	0.00%	\$0	\$0	0.00%
2002 or Later	0	0.00%	\$0	\$0	0.00%
TOTAL	344,255	100.00%	\$25,888,470,026	\$75,201	100.00%
<b>STRUCTURE OPENING PROTECTION</b>					
No Credit is Given to Policyholder	344,254	100.00%	\$25,888,298,776	\$75,201	100.00%
Credit is Given to Policyholder	1	0.00%	\$171,250	\$171,250	0.00%
TOTAL	344,255	100.00%	\$25,888,470,026	\$75,201	100.00%
<b>ROOF SHAPE</b>					
Hip, Mansard, or Pyramid	42	0.01%	\$398,000	\$9,476	0.00%
Gable, Other, or Unknown	344,213	99.99%	\$25,888,072,026	\$75,209	100.00%
TOTAL	344,255	100.00%	\$25,888,470,026	\$75,201	100.00%

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2015 Reported Exposures as of 2/1/16

Tenants Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
<b>YEAR BUILT</b>					
Unknown	508,360	58.53%	\$9,215,672,767	\$18,128	40.94%
1994 or Earlier	172,769	19.89%	\$5,939,564,746	\$34,379	26.39%
1995-2001	61,518	7.08%	\$2,341,647,401	\$38,064	10.40%
2002 or Later	125,939	14.50%	\$5,011,322,623	\$39,792	22.26%
<b>TOTAL</b>	<b>868,586</b>	<b>100.00%</b>	<b>\$22,508,207,537</b>	<b>\$25,914</b>	<b>100.00%</b>
<b>STRUCTURE OPENING PROTECTION</b>					
No Credit is Given to Policyholder	863,552	99.42%	\$21,937,692,564	\$25,404	97.47%
Credit is Given to Policyholder	5,034	0.58%	\$570,514,973	\$113,332	2.53%
<b>TOTAL</b>	<b>868,586</b>	<b>100.00%</b>	<b>\$22,508,207,537</b>	<b>\$25,914</b>	<b>100.00%</b>
<b>ROOF SHAPE</b>					
Hip, Mansard, or Pyramid	19,123	2.20%	\$1,042,259,582	\$54,503	4.63%
Gable, Other, or Unknown	849,463	97.80%	\$21,465,947,955	\$25,270	95.37%
<b>TOTAL</b>	<b>868,586</b>	<b>100.00%</b>	<b>\$22,508,207,537</b>	<b>\$25,914</b>	<b>100.00%</b>

2016 Ratemaking Formula Report  
2015 Reported Exposures as of 2/1/16

Condominium Unit Owners Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
<b>YEAR BUILT</b>					
Unknown	5,920	0.73%	\$577,378,489	\$97,530	0.66%
1994 or Earlier	551,446	68.13%	\$49,291,338,107	\$89,386	55.94%
1995-2001	86,452	10.68%	\$12,738,410,968	\$147,347	14.46%
2002 or Later	165,610	20.46%	\$25,511,446,270	\$154,045	28.95%
TOTAL	809,428	100.00%	\$88,118,573,834	\$108,865	100.00%
<b>STRUCTURE OPENING PROTECTION</b>					
No Credit is Given to Policyholder	698,020	86.24%	\$64,727,414,795	\$92,730	73.45%
Credit is Given to Policyholder	111,408	13.76%	\$23,391,159,039	\$209,959	26.55%
TOTAL	809,428	100.00%	\$88,118,573,834	\$108,865	100.00%
<b>ROOF SHAPE</b>					
Hip, Mansard, or Pyramid	102,655	12.68%	\$12,980,224,192	\$126,445	14.73%
Gable, Other, or Unknown	706,773	87.32%	\$75,138,349,642	\$106,312	85.27%
TOTAL	809,428	100.00%	\$88,118,573,834	\$108,865	100.00%

# EXHIBIT

IV

**Florida Hurricane Catastrophe Fund**  
**2016 Calculation of Layer of Coverage**  
Using 6/30/2015 FHCF Premium and Exposure Data as of 10/08/2015

Type of Business	Coverage Option	Total Insured Risks	Total Exposure	Gross FHCF Premium	Net FHCF Premium	Net FHCF Prem at 100%
Section I						
1	45%	71,666	56,897,946,065	27,486,490	29,605,547	65,790,105
1	75%	14,211	29,516,634,941	22,851,917	19,739,376	26,319,167
1	90%	79,778	83,336,485,952	81,997,080	79,424,802	88,249,780
2	45%	285,022	183,541,461,363	79,220,107	62,143,563	138,096,806
2	75%	614,215	272,407,183,097	118,247,592	119,507,488	159,343,318
2	90%	3,422,247	1,299,450,034,980	782,343,605	792,677,380	880,752,644
3	45%	282	18,978,504	8,995	8,995	19,989
3	75%	8,342	358,751,218	622,262	622,262	829,683
3	90%	335,631	25,510,740,304	34,022,311	34,022,311	37,802,567
4	45%	137,815	2,149,107,067	687,383	733,517	1,630,037
4	75%	132,930	4,540,216,522	1,322,284	1,408,192	1,877,589
4	90%	594,334	15,780,454,178	6,873,229	7,117,880	7,908,755
6	45%	37,994	9,907,625,763	4,972,434	3,578,798	7,952,884
6	75%	96,574	8,764,291,087	5,689,415	6,472,613	8,630,151
6	90%	674,860	69,446,656,984	56,733,006	57,594,946	63,994,384
Section II						
1	45%		0	0	0	0
1	75%		0	0	0	0
1	90%		0	0	0	0
Section I Totals						
1	xx	165,655	169,751,066,958	132,335,487	128,769,725	180,359,053
2	xx	4,321,484	1,755,398,679,440	979,811,305	974,328,431	1,178,192,769
3	xx	344,255	25,888,470,026	34,653,568	34,653,568	38,652,240
4	xx	865,079	22,469,777,767	8,882,896	9,259,588	11,416,382
6	xx	809,428	88,118,573,834	67,394,855	67,646,357	80,577,419
xx	45%	532,779	252,515,118,762	112,375,410	96,070,420	213,489,822
xx	75%	866,272	315,587,076,865	148,733,470	147,749,932	196,999,909
xx	90%	5,106,850	1,493,524,372,398	961,969,232	970,837,318	1,078,708,131
Section I Total		6,505,901	2,061,626,568,025	1,223,078,111	1,214,657,670	1,489,197,862
Section II Total*		0	0	0	0	0
Grand Total		6,505,901	2,061,626,568,025	1,223,078,111	1,214,657,670	1,489,197,862
* We had a very small amount of Section II exposure in 2002.						
Weighted Average Coverage Multiples - Section I Only						
	Risks	Exposure			Premium	
1	Commercial	0.69245	0.72308			0.71396
2	Residential	0.84900	0.82967		To be used for	0.82697
3	Mobile Home	0.89600	0.89759		2015	0.89655
4	Tenants	0.80526	0.82665		Section I	0.81108
6	Condos	0.86098	0.83449		ratemaking:	0.83952
Total		0.84318	0.82192			0.81565
Weighted Average Coverage Multiple - Sections I and II						
Total		0.84318	0.82192			0.81565

**Florida Hurricane Catastrophe Fund**  
**2016 Calculation of Layer of Coverage**  
Using 6/30/2015 FHCF Premium and Exposure Data as of 10/08/2015

**1. Calculate Section I and II Retention**

***Historical Exposure***

		Data as 10/08/2015	Estimate of Missing Data	Total	
<b>2004</b>	Total	1,320,642,494,807	-	1,320,642,494,807	
<b>2014</b>	Total	2,044,432,320,442	-	2,044,432,320,442	
Growth in exposure, 2004 to 2014			54.806%		[1a]
Base FHCF Retention			4,500,000,000		[1b]
2015 Retention (Actual, based on premiums paid)			6,616,089,414		
2016 Target Retention			6,966,264,889	Change 2015 to 2016	[1c]=(1+[1a])x[1b]
2016 Selected Retention			6,966,000,000	5.29%	[1d]=[1c], md'd to \$M

**2. Allocate Retention to Sections I and II**

2015 Net Full Coverage FHCF Premium (ie at 100%)					
	Section I	1,489,197,862	100.000%	[2a]	
	Section II	-	0.000%	[2b]	
	Total	1,489,197,862	100.000%	[2c]=[2a]+[2b]	
<i>Note: Allocate Retention based on <b>full coverage</b> premium, which is the best indicator of expected ground-up losses</i>					
2016 Selected Retention (using full coverage FHCF premium for weighting)					
	Section I	6,966,000,000	100.000%	[2d]	
	Section II	-	0.000%	[2e]	
	Total	6,966,000,000	100.000%	[2f]=[2d]+[2e]	

**3. Calculate FHCF Limit**

Estimated Claims Paying Capacity Average		\$23,300,000,000		[3a]	
<b>Source: Raymond James: FHCF Estimated Claims Paying Capacity, Oct. 15, 2015 Page 13</b>					
Dollar growth in cash balance over prior calendar year					
Cash Balance @ 12/31/2014	\$	10,963,066,000		[3b]	
Est Cash Balance @ 12/31/2015	\$	12,728,397,784		[3c]	
Change in Cash Balance	\$	1,765,331,784		[3d]=[3c]-[3b]	
2015 Statutory Maximum Coverage Limit		17,000,000,000		[3e]=[3g prior year]	
2016 Statutory Coverage Limit Prior to Change in Cash Balance Limit		17,000,000,000		[3f]=17Billion + .5*(max(3a-\$34 billion	
2016 Statutory Coverage Limit	\$	17,000,000,000	0.00%	[3g]=[3e]+min([3f]-[3e],[3d])	

**Florida Hurricane Catastrophe Fund**  
**2016 Calculation of Layer of Coverage**  
Using 6/30/2015 FHCF Premium and Exposure Data as of 10/08/2015

**4. Allocate Limit to Sections I and II**

Total FHCF Capacity	17,000,000,000	[4a]
Pure Loss	16,190,476,190	[4b] = [4a]/1.05
Loss Adjustment Expenses	809,523,810	[4c] = [4a] - [4b]
Actual Coverage FHCF Premium		
Section I	1,214,657,670	100.000% [4d]
Section II	-	0.000% [4e]
Total	1,214,657,670	100.000% [4f]=[4d]+[4e]

Note: Allocate Limit based on **actual** premium, which is the best indicator of expected FHCF losses.

Sections I and II Limit Allocations

	Pure loss	LAE	Total
Section I	16,190,476,190	809,523,810	17,000,000,000
Section II	-	-	-
Total	16,190,476,190	809,523,810	17,000,000,000

**5. FHCF Layer Structure for Sections I and II**

**Section I**

	Based on 2015 Selections	Based on 2016 Selections	
Retention	6,966,000,000	6,966,000,000	[5a] = [2d]
Pure Loss Limit Available	16,190,476,190	16,190,476,190	[5b] from Part 3
Total Limit Available	17,000,000,000	17,000,000,000	[5c] from Part 3
Wtd Average Coverage	81.565%	76.309%	[5d]
Top of Loss Layer	26,815,891,152	28,183,067,050	[5e]=[5a]+[5b]/[5d]

<b>Layer used for modeled losses:</b>	76.309% of \$21,217,067,050 xs \$6,966,000,000 (Modeled losses are Section I losses only, no LAE)
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**Sections I and II**

	2015 Selections	2016 Selections	
Retention	6,966,000,000	6,966,000,000	[5f] = [2f]
Pure Loss Limit Available	16,190,476,190	16,190,476,190	[5g] from Part 3
Total Limit Available	17,000,000,000	17,000,000,000	[5h] from Part 3
Wtd Average Coverage	81.565%	76.309%	[5i]
Top of Loss Layer	26,815,891,152	28,183,067,050	[5j]=[5f]+[5g]/[5i]

<b>Layer used for FHCF publications:</b>	
<b>Loss only:</b>	76.309% of \$21,217,067,050 xs \$6,966,000,000
<b>Loss + LAE:</b>	76.309% of \$22,277,920,403 xs \$6,966,000,000

# EXHIBIT

V

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Modeled Adjusted Loss Severity Distributions

Summary

	Size of Event(s)	Probability	Return Time (Years)	5 Year Prob	10 Year Prob
Single Event					
Attach industry retention	\$6,966,000,000	10.75%	9.3	43.38%	67.94%
Exhaust FHCF Projected Cash Balance	\$13,799,794,066	2.44%	40.9	11.64%	21.92%
Exhaust Estimated Claims Paying Capacity	\$17,000,000,000	1.90%	52.7	9.14%	17.44%
Exhaust FHCF limit	\$17,000,000,000	1.90%	52.7	9.14%	17.44%
Annual Aggregate					
Exhaust FHCF Projected Cash Balance	\$13,799,794,066	2.53%	39.45	12.05%	22.64%
Exhaust Estimated Claims Paying Capacity	\$17,000,000,000	1.96%	51.05	9.42%	17.95%
Exhaust FHCF limit	\$17,000,000,000	1.96%	51.05	9.42%	17.95%
Expected Annual Losses					
Adjusted Gross losses at 100% coverage	\$3,105,554,537				
Loss to Mandatory FHCF layer, at actual coverage					
Loss only	\$759,842,403				
Loss + LAE	\$797,834,523				

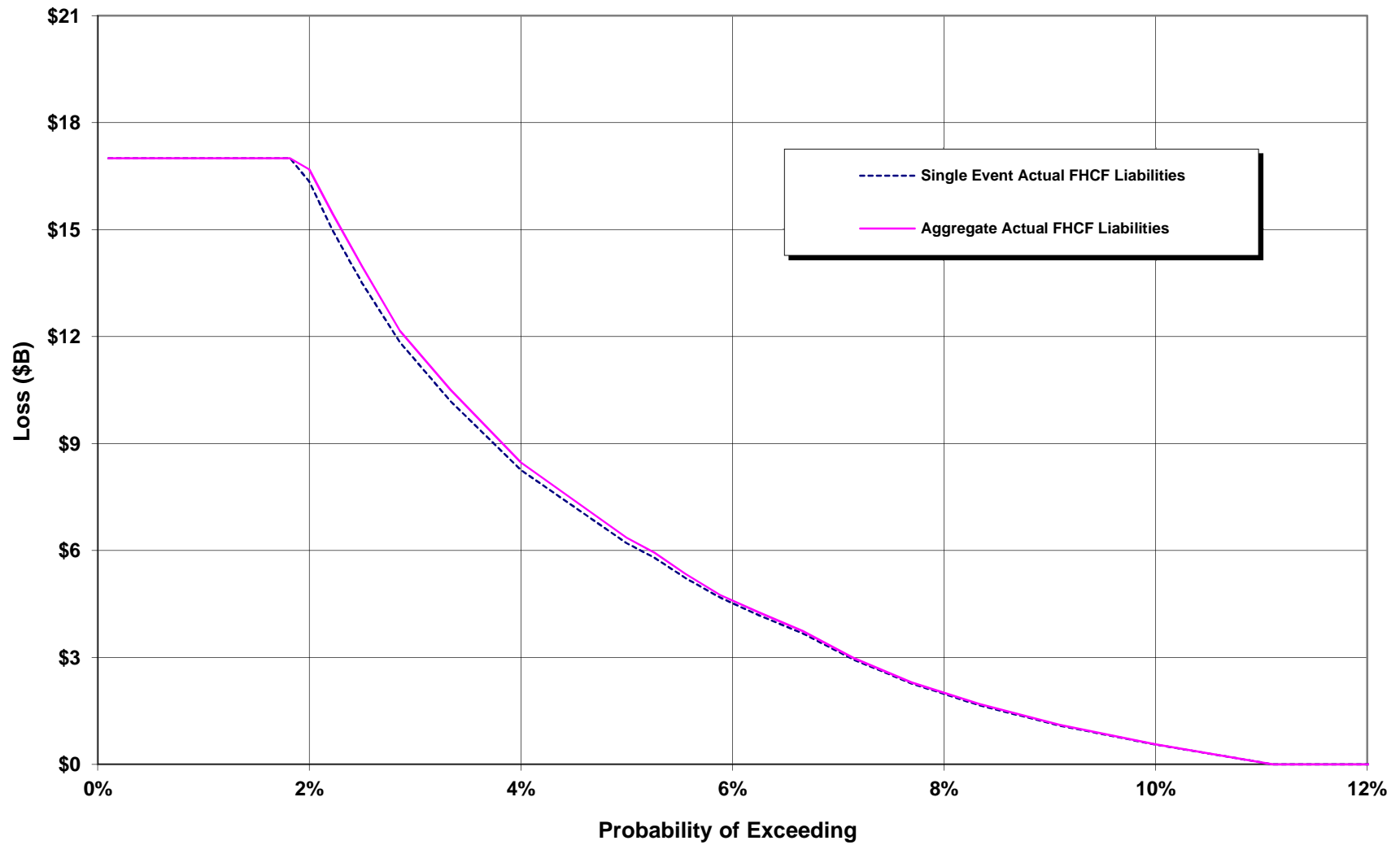
Florida Hurricane Catastrophe Fund  
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Modeled Adjusted Loss Severity Distributions

Return Time	Probability of Exceedance	Traditional FHCF Only Layer			Single Event Actual Liabilities	Aggregate Actual Liabilities
		Uniform Weighted Section I Gross Per Event (100% Coverage, no LAE)	FHCF Layer Weighted Section I Gross Per Event (100% Coverage, no LAE)	Section I Excess Retention Aggregate (100% Coverage, no LAE)		
1000	0.0010	\$108,536,412,812	\$113,298,070,872	\$108,983,634,489	\$17,000,000,000	\$17,000,000,000
900	0.0011	\$105,555,714,664	\$109,008,948,709	\$104,697,000,000	\$17,000,000,000	\$17,000,000,000
800	0.0013	\$101,239,785,030	\$105,016,000,000	\$99,960,376,123	\$17,000,000,000	\$17,000,000,000
700	0.0014	\$96,674,225,870	\$100,346,086,738	\$95,275,000,000	\$17,000,000,000	\$17,000,000,000
600	0.0017	\$91,852,496,016	\$94,689,151,592	\$89,113,775,341	\$17,000,000,000	\$17,000,000,000
500	0.0020	\$86,437,742,039	\$88,507,275,217	\$82,893,963,408	\$17,000,000,000	\$17,000,000,000
400	0.0025	\$79,287,450,354	\$79,287,450,354	\$74,389,418,135	\$17,000,000,000	\$17,000,000,000
300	0.0033	\$70,933,478,915	\$69,688,744,751	\$64,127,464,798	\$17,000,000,000	\$17,000,000,000
250	0.0040	\$66,212,354,955	\$64,195,514,384	\$58,705,297,243	\$17,000,000,000	\$17,000,000,000
200	0.0050	\$60,481,508,009	\$57,729,546,521	\$52,130,661,616	\$17,000,000,000	\$17,000,000,000
150	0.0067	\$54,542,952,437	\$51,068,013,849	\$45,356,090,050	\$17,000,000,000	\$17,000,000,000
100	0.0100	\$44,812,748,293	\$41,308,231,522	\$35,487,479,621	\$17,000,000,000	\$17,000,000,000
90	0.0111	\$42,651,896,559	\$38,754,549,816	\$32,844,180,739	\$17,000,000,000	\$17,000,000,000
80	0.0125	\$39,651,244,494	\$36,372,487,901	\$30,452,321,594	\$17,000,000,000	\$17,000,000,000
70	0.0143	\$36,976,431,111	\$33,647,347,290	\$27,568,770,708	\$17,000,000,000	\$17,000,000,000
65	0.0154	\$35,274,724,852	\$32,011,559,091	\$25,998,973,595	\$17,000,000,000	\$17,000,000,000
60	0.0167	\$33,667,165,791	\$30,332,218,515	\$24,234,456,258	\$17,000,000,000	\$17,000,000,000
55	0.0182	\$31,609,078,627	\$28,829,663,725	\$22,541,759,853	\$17,000,000,000	\$17,000,000,000
50	0.0200	\$29,952,005,501	\$27,364,777,861	\$20,830,161,905	\$16,344,352,535	\$16,689,995,443
45	0.0222	\$27,955,053,526	\$25,650,424,727	\$19,271,481,629	\$14,970,741,225	\$15,441,115,726
40	0.0250	\$25,843,953,401	\$23,816,429,106	\$17,442,739,286	\$13,501,267,358	\$13,975,851,005
35	0.0286	\$23,612,438,069	\$21,746,069,615	\$15,175,472,068	\$11,842,408,890	\$12,159,221,845
30	0.0333	\$21,177,842,497	\$19,688,075,936	\$13,119,342,093	\$10,193,458,426	\$10,511,764,659
25	0.0400	\$18,385,936,876	\$17,269,984,379	\$10,567,498,480	\$8,255,982,508	\$8,467,121,009
20	0.0500	\$15,390,819,080	\$14,711,070,307	\$7,939,825,822	\$6,205,673,711	\$6,361,719,961
19	0.0526	\$14,703,396,414	\$14,200,813,690	\$7,405,295,893	\$5,796,834,805	\$5,933,432,264
18	0.0556	\$14,005,499,951	\$13,488,160,027	\$6,672,312,433	\$5,225,826,934	\$5,346,135,311
17	0.0588	\$13,265,472,254	\$12,809,407,139	\$5,936,939,367	\$4,681,981,780	\$4,756,923,707
16	0.0625	\$12,506,635,299	\$12,189,702,026	\$5,322,192,190	\$4,185,448,169	\$4,264,362,601
15	0.0667	\$11,782,558,813	\$11,546,935,619	\$4,667,490,814	\$3,670,436,886	\$3,739,788,522
14	0.0714	\$10,950,678,059	\$10,636,159,832	\$3,732,493,116	\$2,940,685,298	\$2,990,629,328
13	0.0769	\$10,045,910,576	\$9,799,910,821	\$2,874,322,517	\$2,270,647,674	\$2,303,027,213
12	0.0833	\$9,166,471,083	\$9,040,667,768	\$2,115,574,339	\$1,662,310,440	\$1,695,086,492
11	0.0909	\$8,323,884,243	\$8,321,639,836	\$1,385,289,448	\$1,086,195,239	\$1,109,951,746
10	0.1000	\$7,487,096,604	\$7,659,397,382	\$708,150,810	\$555,578,934	\$567,399,996
9	0.1111	\$6,480,180,796	\$6,634,652,801	\$0	\$0	\$0
8	0.1250	\$5,543,238,371	\$5,881,333,364	\$0	\$0	\$0
7	0.1429	\$4,559,877,923	\$5,104,010,702	\$0	\$0	\$0
6	0.1667	\$3,412,962,698	\$3,934,170,830	\$0	\$0	\$0
5	0.2000	\$2,300,848,780	\$2,680,774,336	\$0	\$0	\$0
4	0.2500	\$1,304,303,116	\$1,586,638,815	\$0	\$0	\$0
3	0.3333	\$478,357,190	\$611,210,145	\$0	\$0	\$0

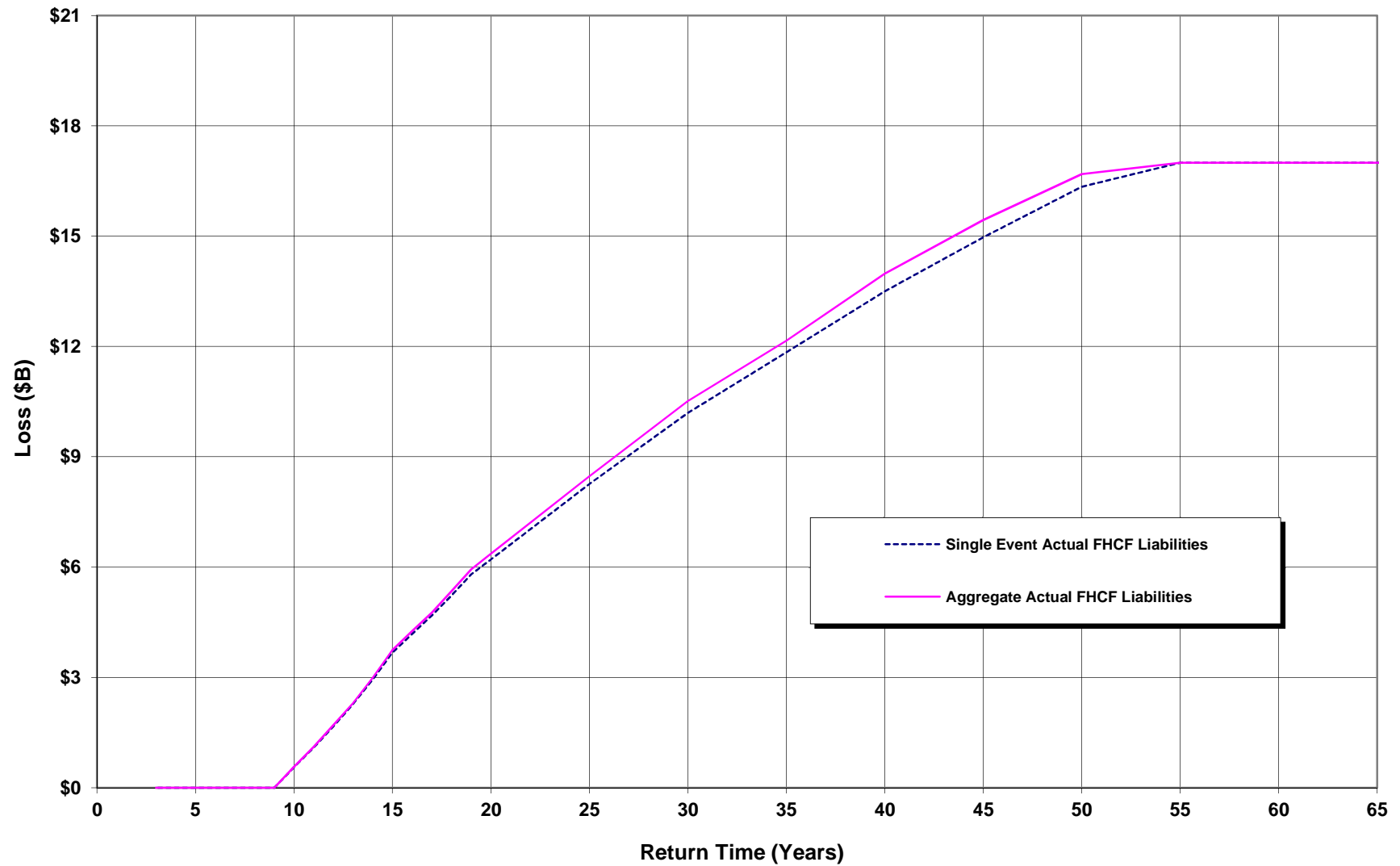
**Notes:**

Aggregate FHCF Liabilities include Sections I, II and LAE, and are at weighted average coverage.  
2016 severity distributions based on AIR, EQE, RMS, ARA and FPM models.

## 2016 Actual FHCF Liabilities



## 2016 Actual FHCF Liabilities



# EXHIBIT

VI

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Allocation of Excess Losses to Type of Business at Coverage Level

	Evaluated	Residential	Tenants	Condos	Mobile Home	Commercial	Total
(1) Coverage Selection by Type of Business	10/23/2015	82.697%	81.108%	83.952%	89.655%	71.396%	81.565%
(2) Coverage Selection by Type of Business	3/1/2016	76.948%	78.344%	81.024%	89.003%	67.380%	76.309%
(3) Allocation of XS Loss Using 100% Adjusted Gross Losses		77.75%	0.55%	5.50%	3.35%	12.84%	100.00%
(4) Allocation of XS Loss at Coverage Level (2) x (3)		59.83%	0.43%	4.46%	2.98%	8.65%	76.31%
(5) Allocation of XS Loss at Cov. Level to Type of Business (4)/Total(4)		78.40%	0.57%	5.84%	3.91%	11.34%	100.06%
(6) Balance Adjustment to Allocation (5)/Total (5)		78.35%	0.57%	5.84%	3.91%	11.33%	100.00%
(7) Selected Allocation of XS Loss at Coverage Level for Ratemaking		78.70%	0.72%	5.84%	3.41%	11.33%	100.00%
(8) Rate Change by Type of Business		-10.95%	-14.67%	-4.84%	10.60%	-1.03%	-9.07%

# EXHIBIT

VII

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Law and Ordinance Adjustment Factors

**FHCF Premium as a Percentage of Base Premium**

<u>Distribution of Premium</u>	Expenses	Liability	Non-hurr. Property	Hurricane Outside FHCF Layer	Hurricane Within FHCF Layer [*]	Total
Commercial Habitational	30%	10%	10%	33%	17%	100%
Residential	30%	10%	10%	33%	17%	100%
Mobile Home	30%	10%	10%	33%	17%	100%
Tenants	30%	10%	10%	33%	17%	100%
Condo-Owners	30%	10%	10%	33%	17%	100%

**% of Law and Ordinance Premium Applicable to FHCF Layer**

	Expenses	Liability	Non-hurr. Property	Hurricane Outside FHCF Layer	Hurricane Within FHCF Layer [**]	Total
Commercial Habitational	0%	0%	10%	60%	30%	100%
Residential	0%	0%	10%	60%	30%	100%
Mobile Home	0%	0%	10%	60%	30%	100%
Tenants	0%	0%	10%	60%	30%	100%
Condo-Owners	0%	0%	10%	60%	30%	100%

**Selections for 2016 Ratemaking**

Type of Business	% of Base Premium for Law and Ordinance Coverage [1] Insurer Survey	% of Law and Ordinance Premium Applicable to FHCF Layer [2] = [**]	FHCF Premium as a Percentage of Base Premium [3] = [*]	Law and Ordinance Premium as a Percentage of Base Premium [4] = [1] x [2]/[3]	Percent of Policies with Coverage [5] Insurer Survey	Implied Law and Ordinance Adjustment Factors [6] = [4] x [5]	Selected Law and Ordinance Adjustment Factors [7]
Commercial Habitational	6.50%	30.00%	16.67%	11.70%	5%	0.59%	0.00%
Residential	3.00%	30.00%	16.67%	5.40%	95%	5.13%	4.86%
Mobile Home	0.00%	30.00%	16.67%	0.00%	0%	0.00%	0.00%
Tenants	0.00%	30.00%	16.67%	0.00%	50%	0.00%	0.00%
Condo-Owners	0.00%	30.00%	16.67%	0.00%	65%	0.00%	0.00%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Wind Deductible Adjustment Factor

**Calculation of Loading Factor to Adjust Modeled Losses for the Impact of Aggregate Wind Deductibles**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Type of Business	Per Event Deductibles	Annual Wind Deductible + AOP Deductible	Ratio	Implied Load	Take-up Rate	2016 Adjusted Load	2015 Adjusted Load	2015/2016 Weighted Load	2016 Selected Load
Commercial Residential	424,222,811	426,285,289	1.00486	0.486%	50%	0.243%	0.244%	0.244%	0.240%
Residential	2,595,461,147	2,607,919,373	1.00480	0.480%	100%	0.480%	0.485%	0.482%	0.480%
Mobile Home	156,529,339	157,203,529	1.00431	0.431%	100%	0.431%	0.387%	0.416%	0.420%
Tenants	28,304,309	28,323,543	1.00068	0.068%	100%	0.068%	0.051%	0.062%	0.060%
Condo	201,551,439	201,879,783	1.00163	0.163%	100%	0.163%	0.167%	0.164%	0.160%
<b>Total</b>	<b>3,406,069,043</b>	<b>3,421,611,518</b>	<b>1.00456</b>						

\* Commercial Residential Business has the option to keep their per event wind deductibles rather than pay additional premium.

**Notes:**

AIR Deliverable 2 is per event, AIR Deliverable 5 is aggregate

(1) Based on AIR study (Deliverable 2) A1 completed in 2016

(2) Based on AIR study (Deliverable 5) completed in 2016

(3) = (2) / (1)

(4) = (3) - 1

(5) Judgementally Selected

(6) = (4) \* (5)

(7) Indication in 2015

(8) = (6)\*2/3+(7)\*1/3

EXHIBIT

VIII

**Florida Hurricane Catastrophe Fund**  
**2016 Ratemaking Formula Report**  
**RMS 2016 Retention Limit Study: Adjustment to Expected FHCF Layer Losses**  
**AIR 2016 Retention Limit Study: Adjustment to Expected FHCF Layer Losses**  
**Coverage Selections as of 3/01/2016**

		RMS Adjusted Aggregate Run	AIR Adjusted Aggregate Run	Average RMS AIR Adjusted Aggregate Runs	RMS/WTD	AIR/WTD	AVE/WTD	
	2016 (WTD)							
1 Wtd Ave. Expected Gross Loss Adjusted	3,105,554,537	3,084,228,538	3,105,549,783	3,094,889,160	99.313%	100.000%	99.657%	2014 Ex. 2 (7)
2 Expected FHCF Wtd Ave.Aggregate Layer Loss and LAE at Coverage Level	797,834,523	763,862,028	772,097,001	767,979,515	95.742%	96.774%	96.258%	2014 Ex. 2 (10)
2a Expected FHCF RMS Aggregate Layer Loss and LAE at Coverage Level Using Company Limits, Retentions		771,239,432	765,177,722	768,208,577				
3 Model Adjustment Factor		1.009658033	0.991038329	1.000298267				(2a)/(2)
4 Indicated Adjustment Factor		Factors 0.966%	-0.896%	0.030%	(3)-1.00			Weights 67%
5 Prior Selected Factor (2013)		-0.0371%	-0.0371%	-0.0371%				33%
6 Current Year Selected Factor Weighted (2/3 Indicated , 1/3 Prior)		0.6315%	-0.6098%	0.0075%				Ex. 2 (15)

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Retention and Limit Adjustment Factor Calculation  
**Prior Study Results**

	2000 Study	2001 Study	2004 Study	Selected 2007-2012	2013 Study	Selected 2013	2014 Study	Selected 2014	2016 Study	Selected 2016	
1 Retention Adjustment Factor	11.0561%	10.3404%	4.8103%	8.7356%							from analysis
2 Implied Limit Factor (additive)	-6.4396%	-9.1060%	-8.5325%	-8.0260%							(3) - (1)
3 Retention and Limit Combined Factor	4.6166%	1.2344%	-3.7222%								from analysis
A) Straight Average				0.7096%							
B) Weighting Scheme #1	30%	50%	20%	1.2577%							
C) Weighting Scheme #2	40%	40%	20%	1.5959%	-1.9000%	-0.7347%	0.3103%	-0.0371%	0.0298%	0.0075%	
Final Weighting (Study vs Prior selection)				33.3%	66.7%	33.3%	66.7%				

2001 -2003 Selection	2.9255%
2004 - 2006 Selection	1.5882%
2007-2012 Selection	1.5959%
2013 Selection	-0.7347%
2014-2015 Selections	-0.0371%
2016 Selected	0.0075%

Notes:

\* Version 1 factors were calculated without taking into account the iterative relationship between Citizens' extended coverage premium and their layer of coverage. Version 2 explicitly takes this relationship into account. In the 2007 FHCF law changes, Citizens no longer has extended coverage and thus the 2007 and subsequent selections are based on the Version 1 factors.

Florida Hurricane Catastrophe Fund 2016 Ratemaking Formula Report  
Average (AIR,RMS) Modeled Adjusted Loss Severity Distributions

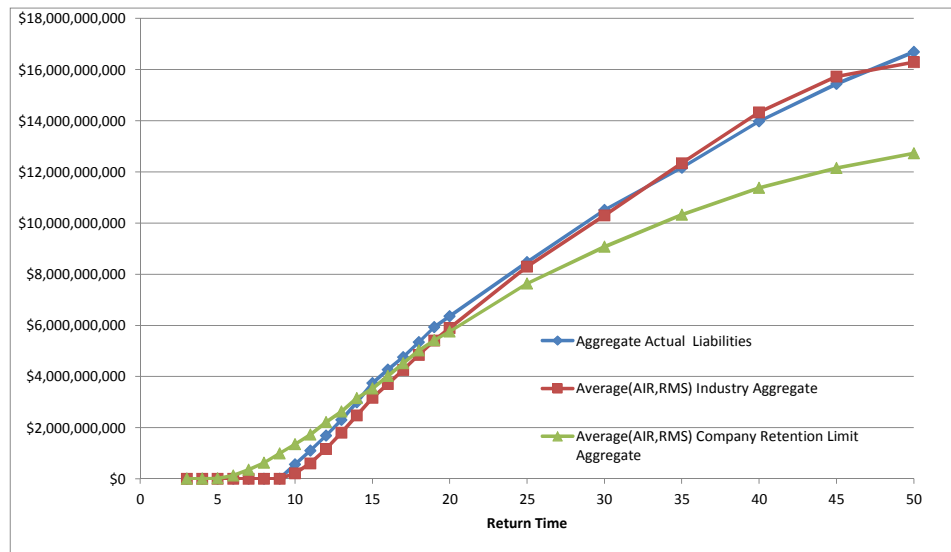
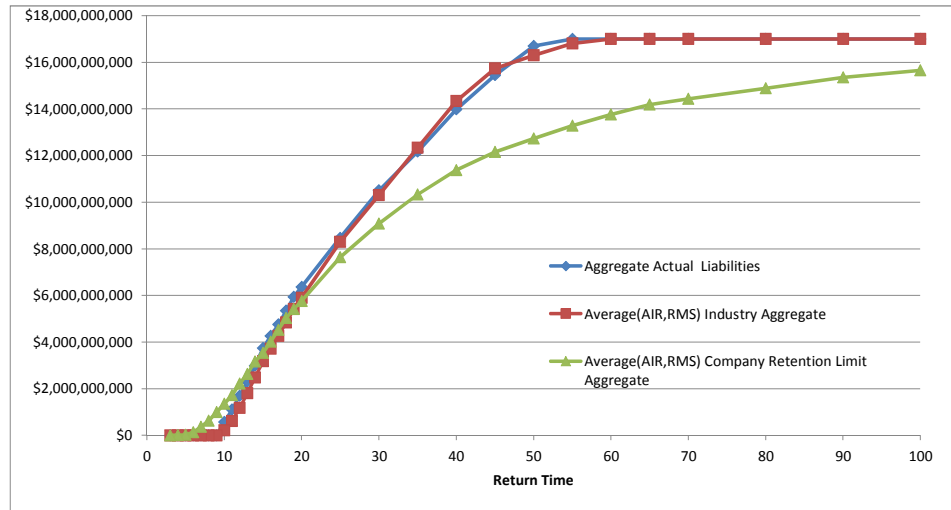
					Traditional FHCF Only Layer				
Return Time	Probability of Exceedance	Uniform Weighted Section I Gross Per Event (100% Coverage, no LAE)	FHCF Layer Weighted Section I Gross Per Event (100% Coverage, no LAE)	Section I Excess Retention Aggregate (100% Coverage, no LAE)	Single Event Actual Liabilities	Aggregate Actual Liabilities	FHCF Layer adj Average (AIR,RMS) Section I Gross Annual (100% Coverage, no LAE)	Average(AIR,RMS) Industry Aggregate	Average(AIR,RMS) Company Retention Limit Aggregate
1000	0.0010	\$108,536,412,812	\$113,298,070,872	\$108,983,634,489	\$17,000,000,000	\$17,000,000,000	125,453,194,259	17,000,000,000	16,995,161,974
900	0.0011	\$105,555,714,664	\$109,008,948,709	\$104,697,000,000	\$17,000,000,000	\$17,000,000,000	118,547,579,544	17,000,000,000	16,992,375,085
800	0.0013	\$101,239,785,030	\$105,016,000,000	\$99,960,376,123	\$17,000,000,000	\$17,000,000,000	111,363,718,406	17,000,000,000	16,990,367,442
700	0.0014	\$96,674,225,870	\$100,346,086,738	\$95,275,000,000	\$17,000,000,000	\$17,000,000,000	107,452,860,443	17,000,000,000	16,986,985,329
600	0.0017	\$91,852,496,016	\$94,689,151,592	\$89,113,775,341	\$17,000,000,000	\$17,000,000,000	101,493,624,742	17,000,000,000	16,981,967,408
500	0.0020	\$86,437,742,039	\$88,507,275,217	\$82,893,963,408	\$17,000,000,000	\$17,000,000,000	95,792,260,365	17,000,000,000	16,969,053,902
400	0.0025	\$79,287,450,354	\$79,287,450,354	\$74,389,418,135	\$17,000,000,000	\$17,000,000,000	86,347,423,798	17,000,000,000	16,940,257,106
300	0.0033	\$70,933,478,915	\$69,688,744,751	\$64,127,464,798	\$17,000,000,000	\$17,000,000,000	77,900,650,417	17,000,000,000	16,900,700,112
250	0.0040	\$66,212,354,955	\$64,195,514,384	\$58,705,297,243	\$17,000,000,000	\$17,000,000,000	72,277,559,062	17,000,000,000	16,859,405,699
200	0.0050	\$60,481,508,009	\$57,729,546,521	\$52,130,661,616	\$17,000,000,000	\$17,000,000,000	66,195,896,991	17,000,000,000	16,777,824,217
150	0.0067	\$54,542,952,437	\$51,068,013,849	\$45,356,090,050	\$17,000,000,000	\$17,000,000,000	56,952,658,686	17,000,000,000	16,458,964,229
100	0.0100	\$44,812,748,293	\$41,308,231,522	\$35,487,479,621	\$17,000,000,000	\$17,000,000,000	46,205,126,903	17,000,000,000	15,644,685,128
90	0.0111	\$42,651,896,559	\$38,754,549,816	\$32,844,180,739	\$17,000,000,000	\$17,000,000,000	43,896,786,120	17,000,000,000	15,342,731,662
80	0.0125	\$39,651,244,494	\$36,372,487,901	\$30,452,321,594	\$17,000,000,000	\$17,000,000,000	40,837,587,151	17,000,000,000	14,888,929,094
70	0.0143	\$36,976,431,111	\$33,647,347,290	\$27,568,770,708	\$17,000,000,000	\$17,000,000,000	37,374,864,877	17,000,000,000	14,430,787,142
65	0.0154	\$35,274,724,852	\$32,011,559,091	\$25,998,973,595	\$17,000,000,000	\$17,000,000,000	35,683,875,826	17,000,000,000	14,176,705,186
60	0.0167	\$33,667,165,791	\$30,332,218,515	\$24,234,456,258	\$17,000,000,000	\$17,000,000,000	33,969,172,612	17,000,000,000	13,752,624,071
55	0.0182	\$31,609,078,627	\$28,829,663,725	\$22,541,759,853	\$17,000,000,000	\$17,000,000,000	32,282,921,170	16,810,373,942	13,274,176,037
50	0.0200	\$29,952,005,501	\$27,364,777,861	\$20,830,161,905	\$16,344,352,535	\$16,689,995,443	30,604,825,729	16,295,275,287	12,724,716,559
45	0.0222	\$27,955,053,526	\$25,650,424,727	\$19,271,481,629	\$14,970,741,225	\$15,441,115,726	28,591,004,451	15,731,961,239	12,155,560,733
40	0.0250	\$25,843,953,401	\$23,816,429,106	\$17,442,739,286	\$13,501,267,358	\$13,975,851,005	26,279,655,047	14,328,618,595	11,372,704,751
35	0.0286	\$23,612,438,069	\$21,746,069,615	\$15,175,472,068	\$11,842,408,890	\$12,159,221,845	23,842,119,945	12,332,582,786	10,320,548,473
30	0.0333	\$21,177,842,497	\$19,688,075,936	\$13,119,342,093	\$10,193,458,426	\$10,511,764,659	21,315,144,647	10,299,566,256	9,077,921,003
25	0.0400	\$18,385,936,876	\$17,269,984,379	\$10,567,498,480	\$8,255,982,508	\$8,467,121,009	18,673,381,872	8,292,383,260	7,633,339,334
20	0.0500	\$15,390,819,080	\$14,711,070,307	\$7,939,825,822	\$6,205,673,711	\$6,361,719,961	15,639,053,602	5,896,735,081	5,759,510,682
19	0.0526	\$14,703,396,414	\$14,200,813,690	\$7,405,295,893	\$5,796,834,805	\$5,933,432,264	14,926,907,370	5,411,927,168	5,417,019,786
18	0.0556	\$14,005,499,951	\$13,488,160,027	\$6,672,312,433	\$5,225,826,934	\$5,346,135,311	14,292,881,562	4,839,327,299	5,023,069,884
17	0.0588	\$13,265,472,254	\$12,809,407,139	\$5,936,939,367	\$4,681,981,780	\$4,756,923,707	13,596,714,101	4,259,911,848	4,516,266,405
16	0.0625	\$12,506,635,299	\$12,189,702,026	\$5,322,192,190	\$4,185,448,169	\$4,264,362,601	12,731,251,201	3,708,137,337	4,014,428,438
15	0.0667	\$11,782,558,813	\$11,546,935,619	\$4,667,490,814	\$3,670,436,886	\$3,739,788,522	11,961,886,052	3,170,648,048	3,535,795,453
14	0.0714	\$10,950,678,059	\$10,636,159,832	\$3,732,493,116	\$2,940,685,298	\$2,990,629,328	11,172,866,873	2,477,218,432	3,159,447,270
13	0.0769	\$10,045,910,576	\$9,799,910,821	\$2,874,322,517	\$2,270,647,674	\$2,303,027,213	10,368,781,116	1,800,314,656	2,632,401,245
12	0.0833	\$9,166,471,083	\$9,040,667,768	\$2,115,574,339	\$1,662,310,440	\$1,695,086,492	9,435,771,830	1,170,674,008	2,215,240,804
11	0.0909	\$8,323,884,243	\$8,321,639,836	\$1,385,289,448	\$1,086,195,239	\$1,109,951,746	8,585,928,552	610,514,167	1,727,500,886
10	0.1000	\$7,487,096,604	\$7,659,397,382	\$708,150,810	\$555,578,934	\$567,399,996	7,730,941,360	214,524,418	1,350,622,941
9	0.1111	\$6,480,180,796	\$6,634,652,801	\$0	\$0	\$0	6,905,048,497	-	992,906,557
8	0.1250	\$5,543,238,371	\$5,881,333,364	\$0	\$0	\$0	5,925,472,146	-	628,879,696
7	0.1429	\$4,559,877,923	\$5,104,010,702	\$0	\$0	\$0	5,037,700,430	-	358,540,226
6	0.1667	\$3,412,962,698	\$3,934,170,830	\$0	\$0	\$0	4,042,397,139	-	128,089,962
5	0.2000	\$2,300,848,780	\$2,680,774,336	\$0	\$0	\$0	2,829,391,247	-	20,517,466
4	0.2500	\$1,304,303,116	\$1,586,638,815	\$0	\$0	\$0	1,717,204,138	-	885,851
3	0.3333	\$478,357,190	\$611,210,145	\$0	\$0	\$0	712,984,312	-	-

**Notes:**

Aggregate FHCF Liabilities include Sections I, II and LAE, and are at weighted average coverage.  
2016 severity distributions based on AIR, EQE, RMS, ARA and FPM models.

**FHCF: Adjusted Curve for Company Retentions and Limits**

**Based on Average (AIR, RMS) 2016 Analysis**



# EXHIBIT

IX

Florida Hurricane Catastrophe Fund  
State Board of Administration  
FHCF Investment Return History

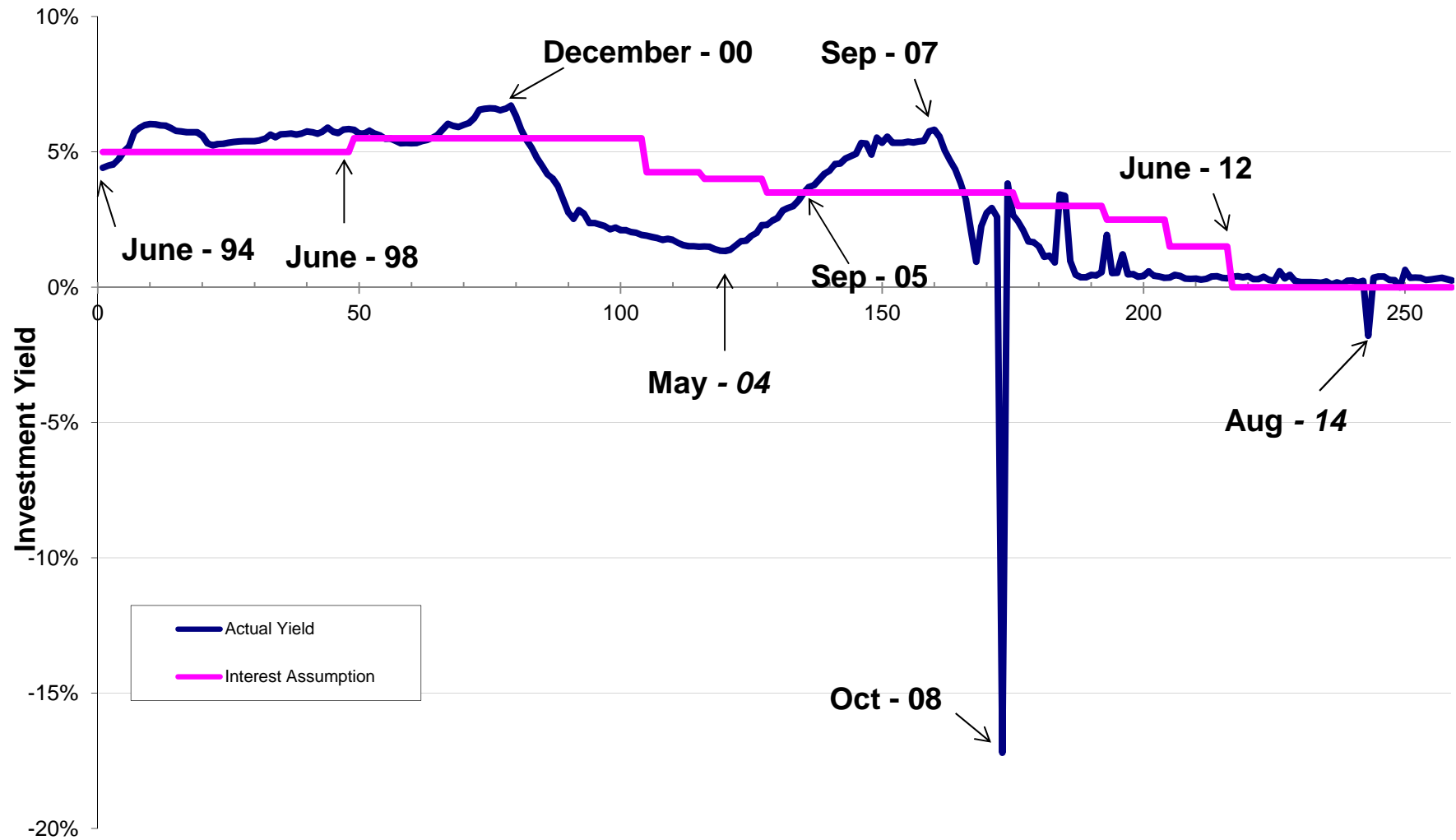
Month Ending	FHCF Monthly Rate	Rolling 12 - Month Average	Month Ending	FHCF Monthly Rate	Rolling 12 - Month Average	Month Ending	FHCF Monthly Rate	Rolling 12 - Month Average	Month Ending	FHCF Monthly Rate	Rolling 12 - Month Average	Month Ending	FHCF Monthly Rate	Rolling 12 - Month Average	Month Ending	FHCF Monthly Rate	Rolling 12 - Month Average
6/30/94	4.41		1/31/98	5.89	5.69	8/31/01	4.02	5.55	3/31/05	2.55	1.88	10/31/08	-17.20	1.46	5/31/2012	0.3214	0.35
7/31/94	4.49		2/28/98	5.74	5.70	9/30/01	3.74	5.31	4/30/05	2.84	2.00	11/30/08	3.83	1.36	6/30/2012	0.3857	0.35
8/31/94	4.54		3/31/98	5.70	5.71	10/31/01	3.25	5.04	5/31/05	2.92	2.13	12/31/08	2.67	1.19	7/31/2012	0.4074	0.35
9/30/94	4.73		4/30/98	5.82	5.72	11/30/01	2.76	4.72	6/30/05	2.99	2.27	1/31/09	2.44	1.03	8/31/2012	0.3674	0.35
10/31/94	5.01		5/31/98	5.84	5.74	12/31/01	2.52	4.37	7/31/05	3.2	2.41	2/28/09	2.10	0.88	9/30/2012	0.4015	0.35
11/30/94	5.19		6/30/98	5.81	5.75	1/31/02	2.85	4.08	8/31/05	3.48	2.55	3/31/09	1.68	0.75	10/31/2012	0.3002	0.35
12/31/94	5.72		7/31/98	5.68	5.75	2/28/02	2.71	3.82	9/30/05	3.7	2.72	4/30/09	1.65	0.72	11/30/2012	0.3005	0.35
1/31/95	5.88		8/31/98	5.68	5.75	3/31/02	2.37	3.57	10/31/05	3.77	2.88	5/31/09	1.50	0.77	12/31/2012	0.3850	0.36
2/28/95	5.99		9/30/98	5.78	5.76	4/30/02	2.37	3.33	11/30/05	3.98	3.04	6/30/09	1.12	0.67	1/31/2013	0.2637	0.36
3/31/95	6.03		10/31/98	5.68	5.75	5/31/02	2.31	3.13	12/31/05	4.19	3.20	7/31/09	1.17	0.54	2/28/2013	0.2399	0.34
4/28/95	6.02		11/30/98	5.61	5.75	6/30/02	2.25	2.94	1/31/06	4.3	3.37	8/31/09	0.91	0.37	3/31/2013	0.5852	0.36
5/31/95	5.98	5.33	12/31/98	5.48	5.73	7/31/02	2.14	2.77	2/27/06	4.55	3.54	9/30/09	3.42	0.44	4/30/2013	0.3249	0.36
6/30/95	5.97	5.46	1/31/99	5.49	5.69	8/31/02	2.20	2.62	3/31/06	4.57	3.71	10/31/09	3.37	2.16	5/31/2013	0.4557	0.37
7/31/95	5.88	5.58	2/28/99	5.40	5.66	9/30/02	2.11	2.49	4/30/06	4.75	3.87	11/30/09	0.97	1.92	6/30/2013	0.2324	0.36
8/31/95	5.77	5.68	3/31/99	5.32	5.63	10/31/02	2.11	2.39	5/31/06	4.84	4.03	12/31/09	0.46	1.73	7/31/2013	0.1884	0.34
9/30/95	5.75	5.77	4/30/99	5.33	5.59	11/30/02	2.04	2.33	6/30/06	4.93	4.19	1/31/2010	0.36	1.56	8/31/2013	0.1907	0.32
10/31/95	5.72	5.83	5/31/99	5.32	5.55	12/31/02	2.01	2.29	7/31/06	5.33	4.37	2/28/2010	0.37	1.41	9/30/2013	0.1886	0.30
11/30/95	5.72	5.87	6/30/99	5.33	5.51	1/31/03	1.93	2.21	8/31/06	5.31	4.52	3/31/2010	0.45	1.31	10/31/2013	0.1849	0.29
12/31/95	5.72	5.87	7/31/99	5.39	5.48	2/28/03	1.90	2.15	9/30/06	4.90	4.62	4/30/2010	0.43	1.21	11/30/2013	0.1655	0.28
1/31/96	5.59	5.85	8/31/99	5.44	5.46	3/31/03	1.85	2.10	10/31/06	5.52	4.76	5/31/2010	0.55	1.13	12/31/2013	0.2049	0.27
2/28/96	5.32	5.79	9/30/99	5.52	5.44	4/30/03	1.81	2.06	11/30/06	5.34	4.88	6/30/2010	1.93	1.20	1/31/2014	0.1024	0.26
3/31/96	5.24	5.72	10/31/99	5.62	5.44	5/31/03	1.75	2.01	12/31/06	5.56	4.99	7/31/2010	0.52	1.14	2/28/2014	0.1838	0.25
4/30/96	5.29	5.66	11/30/99	5.83	5.46	6/30/03	1.79	1.97	1/31/07	5.34	5.08	8/31/2010	0.53	1.11	3/31/2014	0.1083	0.21
5/31/96	5.30	5.61	12/31/99	6.04	5.50	7/31/03	1.75	1.94	2/28/07	5.34	5.14	9/30/2010	1.21	0.93	4/30/2014	0.2373	0.20
6/30/96	5.34	5.55	1/31/00	5.96	5.54	8/31/03	1.64	1.89	3/31/07	5.34	5.21	10/31/2010	0.48	0.69	5/31/2014	0.2449	0.19
7/31/96	5.36	5.51	2/28/00	5.92	5.59	9/30/03	1.55	1.84	4/30/07	5.37	5.26	11/30/2010	0.48	0.65	6/30/2014	0.1667	0.18
8/31/96	5.38	5.48	3/31/00	6.00	5.64	10/31/03	1.51	1.79	5/31/07	5.35	5.30	12/31/2010	0.39	0.64	7/31/2014	0.2331	0.18
9/30/96	5.39	5.45	4/30/00	6.07	5.70	11/30/03	1.51	1.75	6/30/07	5.38	5.34	1/31/2011	0.41	0.64	8/31/2014	-1.7920	0.02
10/31/96	5.39	5.42	5/31/00	6.25	5.78	12/31/03	1.49	1.71	7/31/07	5.40	5.35	2/28/2011	0.57	0.66	9/30/2014	0.3468	0.03
11/30/96	5.39	5.39	6/30/00	6.55	5.88	1/31/04	1.50	1.67	8/31/07	5.75	5.38	3/31/2011	0.42	0.66	10/31/2014	0.3909	0.05
12/31/96	5.42	5.37	7/31/00	6.59	5.98	2/28/04	1.49	1.64	9/30/07	5.81	5.46	4/30/2011	0.39	0.66	11/30/2014	0.3906	0.07
1/31/97	5.48	5.36	8/31/00	6.61	6.08	3/31/04	1.41	1.60	10/31/07	5.55	5.46	5/31/2011	0.35	0.64	12/31/2014	0.2649	0.07
2/28/97	5.64	5.39	9/30/00	6.60	6.17	4/30/04	1.35	1.56	11/30/07	5.05	5.44	6/30/2011	0.35	0.51	1/31/2015	0.2531	0.09
3/31/97	5.54	5.41	10/31/00	6.53	6.25	5/31/04	1.34	1.53	12/31/07	4.69	5.36	7/31/2011	0.45	0.50	2/28/2015	-0.0078	0.07
4/30/97	5.65	5.44	11/30/00	6.59	6.31	6/30/04	1.39	1.49	1/31/08	4.35	5.28	8/31/2011	0.41	0.49	3/31/2015	0.6405	0.11
5/31/97	5.66	5.47	12/31/00	6.71	6.37	7/31/04	1.54	1.48	2/29/08	3.86	5.16	9/30/2011	0.32	0.42	4/30/2015	0.3431	0.12
6/30/97	5.68	5.50	1/31/01	6.33	6.40	8/31/04	1.70	1.48	3/31/08*	3.25	4.98	10/31/2011	0.31	0.40	5/31/2015	0.3579	0.13
7/31/97	5.64	5.52	2/28/01	5.82	6.39	9/30/04	1.72	1.50	4/30/08	2.07	4.71	11/30/2011	0.32	0.39	6/30/2015	0.3492	0.15
8/29/97	5.68	5.55	3/31/01	5.44	6.34	10/31/04	1.89	1.53	5/31/08	0.94	4.34	12/31/2011	0.27	0.38	7/31/2015	0.2708	0.15
9/30/97	5.75	5.58	4/30/01	5.15	6.26	11/30/04	2.00	1.57	6/30/08	2.25	4.08	1/31/2012	0.31	0.37	8/31/2015	0.2826	0.32
10/31/97	5.72	5.60	5/31/01	4.77	6.14	12/31/04	2.29	1.64	7/31/08	2.74	3.86	2/29/2012	0.40	0.36	9/30/2015	0.3127	0.32
11/26/97	5.67	5.63	6/30/01	4.48	5.97	1/31/05	2.30	1.70	8/31/08	2.93	3.62	3/31/2012	0.41	0.36	10/31/2015	0.3438	0.32
12/31/97	5.74	5.65	7/31/01	4.17	5.77	2/28/05	2.46	1.78	9/30/08	2.59	3.36	4/30/2012	0.34	0.35	11/30/2015	0.2957	0.31
															12/31/2015	0.2991	0.31

Source: State Board of Administration of Florida  
Fixed Income Department  
FHCF Portfolio Manager Richard Smith

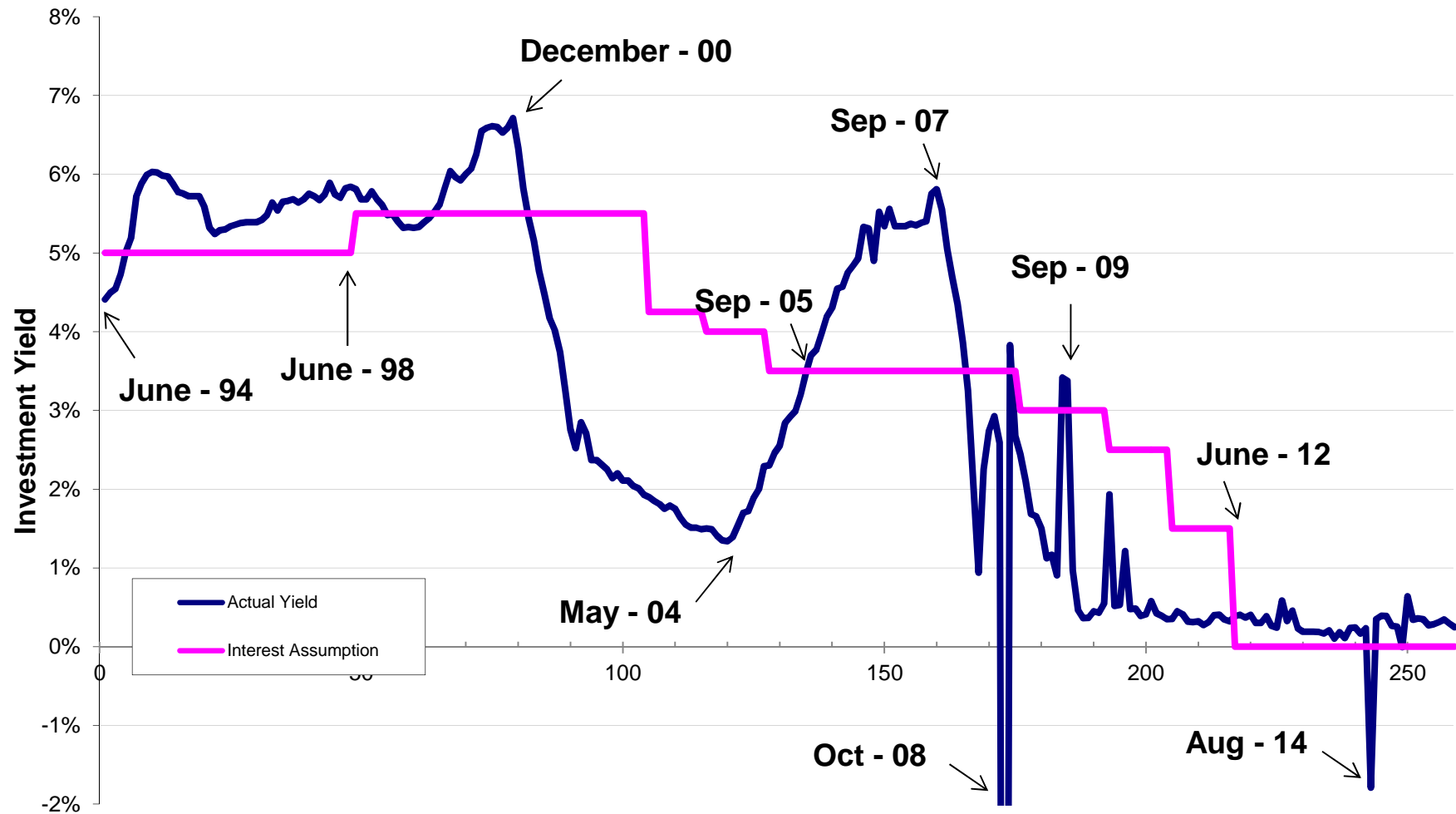
\*Day Count methodology changed from 360 day years to actual.

RM Report	Average
1 year	0.31
2 year	0.19
3 year	0.22
4 year	0.25
5 year	0.28
Incept to date	3.05

# Monthly FHCF Investment Returns



# Monthly FHCF Investment Returns



## FHCF INVESTMENT INCOME\*

(Excludes Finance Corporation)

<u>Year</u>	<u>Investment Income</u>	35% of <u>Investment Income</u>
1 June 30, 1995	20,183,000	7,064,050
2 June 30, 1996	46,379,000	16,232,650
3 June 30, 1997	74,425,000	26,048,750
4 June 30, 1998	109,979,000	38,492,650
5 June 30, 1999	132,516,000	46,380,600
6 June 30, 2000	173,839,000	60,843,650
7 June 30, 2001	220,915,000	77,320,250
8 June 30, 2002	122,535,000	42,887,250
9 June 30, 2003	104,939,000	36,728,650
10 June 30, 2004	58,127,000	20,344,450
11 June 30, 2005	108,672,000	38,035,200
12 June 30, 2006	103,175,000	36,111,250
13 June 30, 2007	36,065,000	12,622,750
14 June 30, 2008	46,816,000	16,385,600
15 June 30, 2009	7,803,000	2,731,050
16 June 30, 2010	54,298,000	19,004,300
17 June 30, 2011	29,983,000	10,494,050
18 June 30, 2012	26,634,000	9,321,900
19 June 30, 2013	34,638,000	12,123,300
20 June 30, 2014	19,174,000	6,710,900
21 June 30, 2015	29,152,000	10,203,200
	\$1,560,247,000	\$546,086,450

\*Source: FHCF Audited Financial Statements

Note: 1997 was the first year of mitigation funding.

F.S. 215.555(7)(c) Each fiscal year, the Legislature shall appropriate from the investment income of the Florida Hurricane Catastrophe Fund an amount no less than \$10 million and no more than 35 percent of the investment income based upon the most recent fiscal year-end audited financial statements for the purpose of providing funding for local governments, state agencies, public and private educational institutions, and nonprofit organizations to support programs intended to improve hurricane preparedness, reduce potential losses in the event of a hurricane, provide research into means to reduce such losses, educate or inform the public as to means to reduce hurricane losses, assist the public in determining the appropriateness of particular upgrades to structures or in the financing of such upgrades, or protect local infrastructure from potential damage from a hurricane. Moneys shall first be available for appropriation under this paragraph in fiscal year 1997-1998. Moneys in excess of the \$10 million specified in this paragraph shall not be available for appropriation under this paragraph if the State Board of Administration finds that an appropriation of investment income from the fund would jeopardize the actuarial soundness of the fund.

EXHIBIT

X

Florida Hurricane Catastrophe Fund  
Addendum to the 2016 Ratemaking Formula Report  
Pre-Event Note Expense Loading  
Contract Term : 6/01/2016 to 5/31/2017

	2013A Projected Debt Service	2016A Projected Debt Service	Total Debt Service Net Cost
Reimbursement Deposit			
1 Premium	29,500,000	16,500,000	46,000,000
2 Average Market Value	1,541,095,890	1,200,000,000	2,741,095,890
3 Exp. Default Loading %	0.3%	0.3%	
4 Exp. Default Cost (2)*(3)	4,623,288	3,600,000	8,223,288
Total Projected Liquidity			
5 Facility Cost (1)+(4)	34,123,288	20,100,000	54,223,288

Notes

- This method uses values projected by the FHCF's Financial Advisor, Raymond James (6/05/2013 for 2013A); (2/29/2016 for 2016A); plus a judgemental loading for potential asset loss.
- \$500 million of \$2 billion 2013A Bonds come due on 7/1/2016.

# EXHIBIT

XI

**Florida Hurricane Catastrophe Fund**  
**2016 Ratemaking Formula Report**  
**Additional Pre-Event Note Options**

1 Est. FHCF Premium (with cash build up)	1,124,515,497	Exhibit 2, Line 73	
2 Cash Build Up Factor	25%		
3 Limit	\$17,000,000,000	Projected Payout Multiple	15.1176
4 Retention	\$6,966,000,000	Retention Multiple 100%	4.7271
5 Coverage %	76.309%	Retention Multiple 90%	5.2523
		Retention Multiple 75%	6.3028
		Retention Multiple 45%	10.5046

		Change in Cost + Cash		Projected	Retention	Retention	Retention
Est. Additional Annual Cost		Build Up	Impact on Rate	Payout Multiple	Multiple 90%	Multiple 75%	Multiple 45%
1	At Current Level Costs	0	0.00%	15.1176	5.2523	6.3028	10.5046
2	5,000,000	6,250,000	0.56%	15.0341	5.2233	6.2679	10.4465
3	10,000,000	12,500,000	1.11%	14.9514	5.1946	6.2335	10.3891
4	15,000,000	18,750,000	1.67%	14.8697	5.1662	6.1994	10.3323
5	20,000,000	25,000,000	2.22%	14.7888	5.1381	6.1657	10.2761
6	25,000,000	31,250,000	2.78%	14.7089	5.1103	6.1323	10.2206
7	30,000,000	37,500,000	3.33%	14.6298	5.0828	6.0994	10.1656
8	35,000,000	43,750,000	3.89%	14.5515	5.0556	6.0667	10.1112
9	40,000,000	50,000,000	4.45%	14.4741	5.0287	6.0345	10.0574
10	45,000,000	56,250,000	5.00%	14.3974	5.0021	6.0025	10.0042
11	50,000,000	62,500,000	5.56%	14.3216	4.9758	5.9709	9.9515
12	55,000,000	68,750,000	6.11%	14.2466	4.9497	5.9396	9.8994
13	60,000,000	75,000,000	6.67%	14.1724	4.9239	5.9087	9.8478

# EXHIBIT

XII

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Reimbursement Premium Credits as of 2/1/16

	<b>2015 FHCF Premium (Base Premium)</b>					
	<b>Commercial</b>	<b>Residential</b>	<b>Mobile Home</b>	<b>Tenants</b>	<b>Condo-Owners</b>	<b>Total</b>
Total Gross FHCF Premium	\$132,335,487	\$979,811,305	\$34,653,568	\$8,896,169	\$67,394,855	\$1,223,091,384
FHCF Premium Credits/Debits	-\$3,565,762	-\$5,482,873	\$0	\$379,941	\$251,502	-\$8,417,193
Net FHCF Premium	\$128,769,725	\$974,328,431	\$34,653,568	\$9,276,110	\$67,646,357	\$1,214,674,191

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Reimbursement Premium Credits as of 2/1/16

	Percent of Gross Premium					
	Commercial	Residential	Mobile Home	Tenants	Condo-Owners	Total
Total Gross FHCF Premium	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FHCF Premium Credits/Debits	-2.69%	-0.56%	0.00%	4.27%	0.37%	-0.69%
Net FHCF Premium	97.31%	99.44%	100.00%	104.27%	100.37%	99.31%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Reimbursement Premium Credits as of 2/1/16

	2015 FHCF Exposure					
	Commercial	Residential	Mobile Home	Tenants	Condo-Owners	Total
Total Exposure	\$169,751,066,958	\$1,755,398,679,440	\$25,888,470,026	\$22,508,207,537	\$88,118,573,834	\$2,061,664,997,795
Debit = 30% or greater	\$0	\$606,161,180,654	\$0	\$5,539,382,416	\$35,382,923,931	\$647,083,487,001
20%<Debit<30%	\$87,287,040,897	\$0	\$0	\$0	\$0	\$87,287,040,897
15%<Debit<20%	\$0	\$99,089,273,124	\$0	\$2	\$450,202,137	\$99,539,475,263
10%<Debit<15%	\$0	\$144,990,405,862	\$0	\$9,326,456,997	\$3,896,881,610	\$158,213,744,469
5%<Debit <10%	\$0	\$0	\$0	\$119,856,997	\$0	\$119,856,997
0%<Debit<=5%	\$14,973,699,423	\$0	\$2,904,461,559	\$0	\$8,759,568,439	\$26,637,729,421
No Credit/Debit	\$0	\$0	\$22,984,008,467	\$5	\$0	\$22,984,008,472
0%<Credit<=5%	\$11,389,942,320	\$0	\$0	\$0	\$0	\$11,389,942,320
5%<Credit<10%	\$0	\$305,008,430	\$0	\$0	\$0	\$305,008,430
10%<Credit<15%	\$0	\$43,517,500,191	\$0	\$105,232,870	\$64,130,753	\$43,686,863,814
15%<Credit<20%	\$426,502	\$120,762,575,468	\$0	\$64,130,426	\$29,104,463	\$120,856,236,859
20%<Credit<30%	\$956,485,968	\$0	\$0	\$2,095,715,309	\$7,624,269,323	\$10,676,470,600
Credit =30% or greater	\$55,143,471,848	\$740,572,735,711	\$0	\$5,257,432,515	\$31,911,493,178	\$832,885,133,252

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Reimbursement Premium Credits as of 2/1/16

	Percent of Total Exposure					
	Commercial	Residential	Mobile Home	Tenants	Condo-Owners	Total
Total Exposure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Debit = 30% or greater	0.00%	34.53%	0.00%	24.61%	40.15%	31.39%
20%<Debit<30%	51.42%	0.00%	0.00%	0.00%	0.00%	4.23%
15%<Debit<20%	0.00%	5.64%	0.00%	0.00%	0.51%	4.83%
10%<Debit<15%	0.00%	8.26%	0.00%	41.44%	4.42%	7.67%
5%<Debit <10%	0.00%	0.00%	0.00%	0.53%	0.00%	0.01%
0%<Debit<=5%	8.82%	0.00%	11.22%	0.00%	9.94%	1.29%
No Credit/Debit	0.00%	0.00%	88.78%	0.00%	0.00%	1.11%
0%<Credit<=5%	6.71%	0.00%	0.00%	0.00%	0.00%	0.55%
5%<Credit<10%	0.00%	0.02%	0.00%	0.00%	0.00%	0.01%
10%<Credit<15%	0.00%	2.48%	0.00%	0.47%	0.07%	2.12%
15%<Credit<20%	0.00%	6.88%	0.00%	0.28%	0.03%	5.86%
20%<Credit<30%	0.56%	0.00%	0.00%	9.31%	8.65%	0.52%
Credit =30% or greater	32.48%	42.19%	0.00%	23.36%	36.21%	40.40%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Reimbursement Premium Credits as of 2/1/16

	2015 FHCF Risk Counts					
	Commercial	Residential	Mobile Home	Tenants	Condo-Owners	Total
Total Risk Counts	165,655	4,321,484	344,255	868,586	809,428	6,509,408
Debit = 30% or greater	0	1,929,699	0	167,355	445,890	2,542,944
20%<Debit<30%	97,654	0	0	0	0	97,654
15%<Debit<20%	0	259,179	0	2	4,968	264,149
10%<Debit<15%	0	352,292	0	508,897	42,668	903,857
5%<Debit <10%	0	0	0	1,130	0	1,130
0%<Debit<=5%	25,494	0	31,957	0	55,958	113,409
No Credit/Debit	0	0	312,298	5	0	312,303
0%<Credit<=5%	4,076	0	0	0	0	4,076
5%<Credit<10%	0	624	0	0	0	624
10%<Credit<15%	0	64,603	0	3,270	580	68,453
15%<Credit<20%	17	288,306	0	469	193	288,985
20%<Credit<30%	1,470	0	0	58,220	63,201	122,891
Credit =30% or greater	36,944	1,426,781	0	129,238	195,970	1,788,933

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Reimbursement Premium Credits as of 2/1/16

	Percent of All Risks					
	Commercial	Residential	Mobile Home	Tenants	Condo-Owners	Total
Total Risk Counts	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Debit = 30% or greater	0.00%	44.65%	0.00%	19.27%	55.09%	39.07%
20%<Debit<30%	58.95%	0.00%	0.00%	0.00%	0.00%	1.50%
15%<Debit<20%	0.00%	6.00%	0.00%	0.00%	0.61%	4.06%
10%<Debit<15%	0.00%	8.15%	0.00%	58.59%	5.27%	13.89%
5%<Debit <10%	0.00%	0.00%	0.00%	0.13%	0.00%	0.02%
0%<Debit<=5%	15.39%	0.00%	9.28%	0.00%	6.91%	1.74%
No Credit/Debit	0.00%	0.00%	90.72%	0.00%	0.00%	4.80%
0%<Credit<=5%	2.46%	0.00%	0.00%	0.00%	0.00%	0.06%
5%<Credit<10%	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%
10%<Credit<15%	0.00%	1.49%	0.00%	0.38%	0.07%	1.05%
15%<Credit<20%	0.01%	6.67%	0.00%	0.05%	0.02%	4.44%
20%<Credit<30%	0.89%	0.00%	0.00%	6.70%	7.81%	1.89%
Credit =30% or greater	22.30%	33.02%	0.00%	14.88%	24.21%	27.48%

# EXHIBIT

XIII

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2016 County Rating Groups

County	Dominant Group	Other Groups	County	Dominant Group	Other Groups
ALACHUA	1	2	LAKE	4	2,3,5
BAKER	1		LEE	8	7,9,10,12,13,14,15,16,17
BAY	3	1,2,4,5,6,7,10	LEON	1	
BRADFORD	1		LEVY	2	4,5
BREVARD	5	4,6,7,8,9,10,11,12,13,14,15	LIBERTY	1	
BROWARD	11	12,13,14,17,18,19,20,21,22,23	MADISON	1	
CALHOUN	1		MANATEE	6	5,7,8,9,10,13,14,15
CHARLOTTE	7	6,8,9,13	MARION	2	1,3
CITRUS	3	2	MARTIN	18	11,13,14,15,17
CLAY	1		MIAMI-DADE	13	11,12,14,15,16,17,18,19,20,21,22,23,24,25
COLLIER	11	7,8,9,10,14,15,16,17,18	MONROE	20	18,21,24,25
COLUMBIA	1		NASSAU	1	2
DE SOTO	6		OKALOOSA	10	1,2,5,6,7
DIXIE	1	3,4	OKEECHOBEE	8	9,11
DUVAL	1	2,3	ORANGE	4	3,6
ESCAMBIA	8	1,2,3,4,5,6,7,9,10,11	OSCEOLA	4	3,5
FLAGLER	6	2,4	PALM BEACH	12	9,10,11,13,14,15,16,17,18,19,20,21,22
FRANKLIN	4	6,7	PASCO	4	5,6,7,8
GADSDEN	1		PINELLAS	7	4,5,6,8,9,10,11,12,13
GILCHRIST	1		POLK	5	3,4
GLADES	8		PUTNAM	1	2
GULF	6	1	SAINT JOHNS	1	2,3,5
HAMILTON	1		SAINT LUCIE	10	9,11,12,13,14,15,18
HARDEE	5	4	SANTA ROSA	3	2,8,11,13
HENDRY	7	1	SARASOTA	11	5,6,7,8,9,10
HERNANDO	4	3,6	SEMINOLE	3	2
HIGHLANDS	5	6,7	SUMTER	3	2
HILLSBOROUGH	4	5,6,7,8,9,11	SUWANNEE	1	
HOLMES	1		TAYLOR	1	
INDIAN RIVER	12	7,9,10,13,16	UNION	1	
JACKSON	1		VOLUSIA	5	2,3,4,7,8
JEFFERSON	1		WAKULLA	1	3
LAFAYETTE	1		WALTON	2	1,3,7,9,11
			WASHINGTON	1	2,7

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**County Rating Regions**

County Number	County Name	2016 Region	County Number	County Name	2016 Region
1	ALACHUA	1	71	LEE	9
3	BAKER	1	73	LEON	1
5	BAY	5	75	LEVY	2
7	BRADFORD	1	77	LIBERTY	1
9	BREVARD	8	79	MADISON	1
11	BROWARD	13	81	MANATEE	7
13	CALHOUN	1	83	MARION	2
15	CHARLOTTE	7	85	MARTIN	14
17	CITRUS	3	86	MIAMI-DADE	16
19	CLAY	1	87	MONROE	22
21	COLLIER	11	89	NASSAU	2
23	COLUMBIA	1	91	OKALOOSA	6
27	DE SOTO	6	93	OKEECHOBEE	10
29	DIXIE	2	95	ORANGE	3
31	DUVAL	1	97	OSCEOLA	4
33	ESCAMBIA	6	99	PALM BEACH	14
35	FLAGLER	3	101	PASCO	5
37	FRANKLIN	6	103	PINELLAS	8
39	GADSDEN	1	105	POLK	4
41	GILCHRIST	1	107	PUTNAM	1
43	GLADES	8	109	SAINT JOHNS	2
45	GULF	5	111	SAINT LUCIE	10
47	HAMILTON	1	113	SANTA ROSA	7
49	HARDEE	5	115	SARASOTA	8
51	HENDRY	8	117	SEMINOLE	3
53	HERNANDO	4	119	SUMTER	3
55	HIGHLANDS	6	121	SUWANNEE	1
57	HILLSBOROUGH	5	123	TAYLOR	1
59	HOLMES	1	125	UNION	1
61	INDIAN RIVER	12	127	VOLUSIA	4
63	JACKSON	1	129	WAKULLA	1
65	JEFFERSON	1	131	WALTON	7
67	LAFAYETTE	1	133	WASHINGTON	1
69	LAKE	4			

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Group 1 224 Zips	32003	32066	32203	32246	32330	32424	32607
	32006	32067	32204	32247	32331	32425	32608
	32008	32068	32205	32254	32332	32426	32609
	32009	32071	32207	32255	32333	32427	32610
	32011	32072	32208	32256	32334	32428	32611
	32013	32073	32209	32257	32336	32430	32612
	32024	32079	32210	32258	32337	32431	32614
	32025	32081	32211	32259	32340	32432	32615
	32026	32083	32212	32260	32341	32438	32616
	32030	32087	32214	32277	32343	32440	32618
	32033	32091	32216	32301	32344	32442	32619
	32038	32092	32217	32302	32345	32443	32622
	32040	32094	32218	32303	32347	32445	32627
	32041	32096	32219	32304	32348	32446	32628
	32042	32097	32220	32305	32350	32447	32631
	32043	32099	32221	32306	32351	32448	32635
	32044	32113	32222	32307	32352	32449	32640
	32046	32134	32223	32308	32353	32452	32641
	32050	32138	32224	32309	32355	32455	32643
	32052	32140	32225	32310	32356	32460	32653
	32053	32145	32226	32311	32357	32463	32654
	32054	32147	32229	32312	32358	32464	32655
	32055	32148	32231	32313	32359	32465	32656
	32056	32160	32232	32314	32360	32535	32658
	32058	32177	32234	32315	32361	32538	32662
	32059	32178	32236	32316	32362	32567	32666
	32060	32182	32237	32317	32395	32601	32667
	32061	32185	32238	32318	32399	32602	32669
	32062	32187	32239	32321	32420	32603	32680
	32063	32189	32241	32324	32421	32604	32693
	32064	32201	32244	32326	32422	32605	32694
	32065	32202	32245	32327	32423	32606	32697

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2016 Rating Group Definitions by Group

Group 2 89 Zips	32007	32157	32435	32633	32720	34430	34476
	32034	32164	32462	32634	32721	34431	34477
	32035	32179	32466	32639	32722	34432	34478
	32095	32180	32531	32644	32723	34433	34479
	32102	32181	32536	32663	32724	34434	34480
	32105	32183	32537	32664	32736	34445	34481
	32110	32190	32539	32668	32744	34449	34482
	32111	32192	32564	32681	32752	34470	34483
	32112	32193	32565	32683	32763	34471	34484
	32124	32206	32568	32686	32767	34472	34488
	32130	32235	32617	32696	32774	34473	34489
	32131	32433	32621	32702	32779	34474	
	32139	32434	32626	32706	32791	34475	

Group 3 143 Zips	32004	32404	32713	32765	32821	33538	34461
	32082	32409	32714	32766	32822	33585	34464
	32084	32439	32715	32771	32825	33597	34465
	32085	32444	32716	32772	32826	33849	34487
	32086	32530	32718	32773	32828	33897	34491
	32128	32533	32719	32776	32829	34420	34492
	32133	32560	32725	32784	32831	34421	34601
	32158	32570	32728	32789	32833	34423	34613
	32159	32571	32730	32790	32835	34428	34614
	32162	32572	32732	32792	32837	34429	34636
	32163	32577	32733	32793	32860	34436	34661
	32174	32583	32738	32794	32861	34441	34713
	32195	32648	32739	32795	32867	34442	34714
	32227	32701	32745	32799	32868	34446	34731
	32228	32703	32746	32810	32872	34447	34747
	32233	32704	32747	32812	32877	34448	34762
	32240	32707	32750	32814	32878	34450	34785
	32250	32708	32751	32816	32887	34451	
	32266	32709	32753	32817	33513	34452	
	32346	32710	32762	32818	33514	34453	
	32403	32712	32764	32820	33521	34460	

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2016 Rating Group Definitions by Group

Group 4 165 Zips	33637	33858	33809	33687	33890	33811	33689
	33647	33868	33810	33688	33896	33812	33694
	33687	33890	33811	33689	34498	33813	33801
	33688	33896	33812	33694	34602	33815	33802
	33689	34498	33813	33801	34603	33836	33803
	33694	34602	33815	33802	34604	33837	33804
	33801	34603	33836	33803	34605	33840	33805
	33802	34604	33837	33804	34606	33846	33806
	33803	34605	33840	33805	34608	33848	33807
	33804	34606	33846	33806	33637	33858	33809
	33805	34608	33848	33807	33647	33868	33810
	33806	33637	33858	33809	33687	33890	33811
	33807	33647	33868	33810	33688	33896	33812
	33809	33687	33890	33811	33689	34498	33813
	33810	33688	33896	33812	33694	34602	33815
	33811	33689	34498	33813	33801	34603	33836
	33812	33694	34602	33815	33802	34604	33837
	33813	33801	34603	33836	33803	34605	33840
	33815	33802	34604	33837	33804	34606	33846
	33836	33803	34605	33840	33805	34608	33848
	33837	33804	34606	33846	33806	33637	33858
	33840	33805	34608	33848	33807	33647	
	33846	33806	33637	33858	33809	33687	
	33848	33807	33647	33868	33810	33688	
Group 5 107 Zips	32080	32406	33539	33682	33845	33877	34677
	32114	32514	33541	33782	33847	33880	34684
	32116	32578	33542	33820	33850	33881	34729
	32117	32580	33545	33823	33851	33882	34739
	32119	32588	33547	33825	33853	33883	34744
	32120	32625	33568	33826	33854	33884	34756
	32121	32759	33569	33827	33855	33885	34769
	32122	32780	33571	33830	33856	33888	34770
	32123	32781	33573	33831	33859	33898	34771
	32125	32783	33578	33834	33860	34201	34772
	32127	32796	33579	33835	33863	34211	34773
	32132	32815	33598	33838	33865	34251	
	32141	32926	33604	33839	33867	34286	
	32173	32927	33610	33841	33872	34289	
	32175	32959	33612	33843	33873	34653	
	32198	33503	33674	33844	33875	34656	

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Group 6 92 Zips	32135	32512	33602	33761	34202	34266	34679
	32136	32516	33603	33763	34203	34267	34680
	32142	32542	33614	33764	34204	34268	34690
	32143	32547	33619	33766	34208	34269	34692
	32328	32904	33633	33780	34212	34270	34740
	32401	32907	33635	33781	34219	34287	34760
	32402	32908	33646	33870	34222	34288	34777
	32410	32909	33655	33871	34232	34290	34778
	32412	32910	33660	33876	34233	34291	
	32456	32934	33661	33938	34235	34607	
	32457	32955	33662	33954	34240	34667	
	32505	32956	33672	33960	34241	34668	
	32506	33534	33673	33982	34243	34673	
	32511	33601	33680	33983	34265	34674	
Group 7 84 Zips	32115	32579	33605	33732	33862	33920	33975
	32126	32899	33607	33742	33903	33927	33980
	32170	32922	33615	33758	33905	33930	33990
	32176	32923	33630	33759	33906	33935	33994
	32320	32924	33634	33760	33909	33948	34117
	32329	32948	33675	33765	33910	33949	34119
	32407	32953	33677	33769	33912	33950	34221
	32413	32954	33684	33771	33913	33951	34292
	32417	33570	33685	33773	33915	33952	34652
	32437	33572	33702	33777	33916	33953	34682
	32459	33575	33714	33852	33917	33955	34683
	32504	33586	33716	33857	33918	33966	34695
Group 8 66 Zips	32118	33471	33713	33907	33972	34143	34681
	32169	33606	33729	33911	33973	34205	34689
	32501	33609	33730	33919	33974	34206	34691
	32503	33622	33733	33928	33976	34220	34697
	32513	33623	33762	33936	33981	34234	34698
	32523	33631	33778	33944	33991	34237	34972
	32524	33650	33784	33965	33993	34238	
	32566	33663	33901	33967	34116	34250	
	32591	33679	33902	33970	34120	34278	
	32940	33709	33904	33971	34142	34660	
Group 9 41 Zips	32461	32912	33478	33743	33908	34207	34282
	32507	32935	33608	33755	33914	34224	34293
	32508	32936	33611	33756	33929	34239	34945
	32905	32966	33629	33757	33947	34260	34973
	32906	32968	33681	33770	34114	34264	34986
	32911	32969	33710	33779	34135	34281	

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2016 Rating Group Definitions by Group

Group 10	32408	32548	32941	33414	33774	34209	34280
42 Zips	32411	32549	32950	33440	33775	34210	34953
	32520	32569	32952	33703	34104	34229	34983
	32540	32901	32967	33704	34109	34272	34984
	32541	32902	32970	33734	34110	34274	34987
	32544	32919	33412	33772	34133	34275	34988

Group 11	32502	33068	33321	33421	33731	34139	34951
78 Zips	32521	33071	33322	33430	33737	34141	34954
	32522	33073	33324	33449	33747	34223	34956
	32550	33075	33329	33467	33767	34230	34974
	32562	33076	33337	33470	33776	34231	34981
	32563	33077	33338	33472	33785	34236	34990
	32925	33093	33351	33616	33786	34242	
	33016	33097	33388	33621	34105	34276	
	33063	33317	33411	33701	34112	34277	
	33065	33318	33413	33707	34113	34284	
	33066	33319	33415	33711	34137	34285	
	33067	33320	33418	33712	34138	34295	

Group 12	32937	32978	33313	33359	33446	33488	33740
40 Zips	32949	33025	33323	33417	33448	33493	34134
	32957	33028	33325	33428	33454	33496	34136
	32958	33055	33328	33433	33459	33497	34947
	32962	33082	33345	33434	33463	33498	
	32965	33175	33355	33437	33473	33705	

Group 13	32561	33010	33026	33172	33283	33482	33922
63 Zips	32903	33011	33027	33174	33314	33484	33945
	32920	33012	33029	33178	33326	33706	33946
	32960	33013	33056	33183	33327	33708	34228
	32961	33014	33069	33184	33330	33715	34946
	32964	33015	33072	33188	33331	33736	34952
	32971	33017	33084	33199	33332	33738	34985
	32976	33018	33166	33266	33442	33741	34991
	33002	33024	33169	33269	33458	33744	34997

Group 14	32931	33102	33165	33193	33311	33476	34994
44 Zips	32932	33112	33167	33222	33312	33956	34995
	33021	33122	33173	33247	33336	34108	
	33023	33126	33177	33265	33340	34215	
	33054	33144	33182	33299	33409	34216	
	33081	33147	33185	33309	33436	34218	
	33083	33152	33186	33310	33438	34982	

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Group 15 30 Zips	32951	33116	33176	33242	33420	34217	
	33030	33134	33187	33255	33422	34948	
	33034	33142	33194	33406	33445	34950	
	33090	33155	33196	33410	33957	34979	
	33114	33168	33234	33416	34103	34992	
Group 16 20 Zips	32963	33033	33092	33179	33466	33932	34106
	33031	33035	33150	33238	33921	34101	34107
	33032	33039	33170	33461	33931	34102	
Group 17 17 Zips	33064	33307	33407	33426	33474	33924	
	33074	33334	33424	33427	33475	34140	
	33125	33335	33425	33455	33486		
Group 18 32 Zips	33042	33136	33161	33197	33403	33481	34958
	33043	33143	33162	33243	33404	34145	34996
	33060	33146	33164	33257	33419	34146	
	33127	33156	33189	33261	33462	34949	
	33135	33157	33190	33315	33465	34957	
Group 19 19 Zips	33020	33138	33245	33305	33408	33443	33477
	33022	33145	33301	33394	33431	33468	
	33137	33153	33303	33401	33441	33469	
Group 20 20 Zips	33004	33045	33124	33133	33233	33302	33487
	33040	33061	33128	33158	33256	33304	33499
	33041	33101	33132	33181	33296	33444	
Group 21 20 Zips	33008	33051	33130	33280	33316	33348	33435
	33009	33052	33131	33306	33339	33402	33480
	33050	33111	33231	33308	33346	33405	
Group 22 9 Zips	33062	33163	33429	33460	33483		
	33129	33180	33432	33464			

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Group 23 5 Zips	33019	33106	33154	33160	33206
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Group 24 8 Zips	33001	33037	33139	33141
	33036	33119	33140	33239

Group 25 3 Zips	33070	33109	33149
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2016 Rating Group Definitions by ZIP Code

ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group
32003	1	32099	1	32180	2	32256	1
32004	3	32102	2	32181	2	32257	1
32006	1	32105	2	32182	1	32258	1
32007	2	32110	2	32183	2	32259	1
32008	1	32111	2	32185	1	32260	1
32009	1	32112	2	32187	1	32266	3
32011	1	32113	1	32189	1	32277	1
32013	1	32114	5	32190	2	32301	1
32024	1	32115	7	32192	2	32302	1
32025	1	32116	5	32193	2	32303	1
32026	1	32117	5	32195	3	32304	1
32030	1	32118	8	32198	5	32305	1
32033	1	32119	5	32201	1	32306	1
32034	2	32120	5	32202	1	32307	1
32035	2	32121	5	32203	1	32308	1
32038	1	32122	5	32204	1	32309	1
32040	1	32123	5	32205	1	32310	1
32041	1	32124	2	32206	2	32311	1
32042	1	32125	5	32207	1	32312	1
32043	1	32126	7	32208	1	32313	1
32044	1	32127	5	32209	1	32314	1
32046	1	32128	3	32210	1	32315	1
32050	1	32129	4	32211	1	32316	1
32052	1	32130	2	32212	1	32317	1
32053	1	32131	2	32214	1	32318	1
32054	1	32132	5	32216	1	32320	7
32055	1	32133	3	32217	1	32321	1
32056	1	32134	1	32218	1	32322	4
32058	1	32135	6	32219	1	32323	4
32059	1	32136	6	32220	1	32324	1
32060	1	32137	4	32221	1	32326	1
32061	1	32138	1	32222	1	32327	1
32062	1	32139	2	32223	1	32328	6
32063	1	32140	1	32224	1	32329	7
32064	1	32141	5	32225	1	32330	1
32065	1	32142	6	32226	1	32331	1
32066	1	32143	6	32227	3	32332	1
32067	1	32145	1	32228	3	32333	1
32068	1	32147	1	32229	1	32334	1
32071	1	32148	1	32231	1	32336	1
32072	1	32157	2	32232	1	32337	1
32073	1	32158	3	32233	3	32340	1
32079	1	32159	3	32234	1	32341	1
32080	5	32160	1	32235	2	32343	1
32081	1	32162	3	32236	1	32344	1
32082	3	32163	3	32237	1	32345	1
32083	1	32164	2	32238	1	32346	3
32084	3	32168	4	32239	1	32347	1
32085	3	32169	8	32240	3	32348	1
32086	3	32170	7	32241	1	32350	1
32087	1	32173	5	32244	1	32351	1
32091	1	32174	3	32245	1	32352	1
32092	1	32175	5	32246	1	32353	1
32094	1	32176	7	32247	1	32355	1
32095	2	32177	1	32250	3	32356	1
32096	1	32178	1	32254	1	32357	1
32097	1	32179	2	32255	1	32358	1

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ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group
32359	1	32465	1	32583	3	32697	1
32360	1	32466	2	32588	5	32701	3
32361	1	32501	8	32591	8	32702	2
32362	1	32502	11	32601	1	32703	3
32395	1	32503	8	32602	1	32704	3
32399	1	32504	7	32603	1	32706	2
32401	6	32505	6	32604	1	32707	3
32402	6	32506	6	32605	1	32708	3
32403	3	32507	9	32606	1	32709	3
32404	3	32508	9	32607	1	32710	3
32405	4	32509	4	32608	1	32712	3
32406	5	32511	6	32609	1	32713	3
32407	7	32512	6	32610	1	32714	3
32408	10	32513	8	32611	1	32715	3
32409	3	32514	5	32612	1	32716	3
32410	6	32516	6	32614	1	32718	3
32411	10	32520	10	32615	1	32719	3
32412	6	32521	11	32616	1	32720	2
32413	7	32522	11	32617	2	32721	2
32417	7	32523	8	32618	1	32722	2
32420	1	32524	8	32619	1	32723	2
32421	1	32526	4	32621	2	32724	2
32422	1	32530	3	32622	1	32725	3
32423	1	32531	2	32625	5	32726	4
32424	1	32533	3	32626	2	32727	4
32425	1	32534	4	32627	1	32728	3
32426	1	32535	1	32628	1	32730	3
32427	1	32536	2	32631	1	32732	3
32428	1	32537	2	32633	2	32733	3
32430	1	32538	1	32634	2	32735	4
32431	1	32539	2	32635	1	32736	2
32432	1	32540	10	32639	2	32738	3
32433	2	32541	10	32640	1	32739	3
32434	2	32542	6	32641	1	32744	2
32435	2	32544	10	32643	1	32745	3
32437	7	32547	6	32644	2	32746	3
32438	1	32548	10	32648	3	32747	3
32439	3	32549	10	32653	1	32750	3
32440	1	32550	11	32654	1	32751	3
32442	1	32559	4	32655	1	32752	2
32443	1	32560	3	32656	1	32753	3
32444	3	32561	13	32658	1	32754	4
32445	1	32562	11	32662	1	32756	4
32446	1	32563	11	32663	2	32757	4
32447	1	32564	2	32664	2	32759	5
32448	1	32565	2	32666	1	32762	3
32449	1	32566	8	32667	1	32763	2
32452	1	32567	1	32668	2	32764	3
32455	1	32568	2	32669	1	32765	3
32456	6	32569	10	32680	1	32766	3
32457	6	32570	3	32681	2	32767	2
32459	7	32571	3	32683	2	32768	4
32460	1	32572	3	32686	2	32771	3
32461	9	32577	3	32692	4	32772	3
32462	2	32578	5	32693	1	32773	3
32463	1	32579	7	32694	1	32774	2
32464	1	32580	5	32696	2	32775	4

Florida Hurricane Catastrophe Fund  
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2016 Rating Group Definitions by ZIP Code

ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group
32776	3	32857	4	32958	12	33052	21
32777	4	32858	4	32959	5	33054	14
32778	4	32859	4	32960	13	33055	12
32779	2	32860	3	32961	13	33056	13
32780	5	32861	3	32962	12	33060	18
32781	5	32862	4	32963	16	33061	20
32783	5	32867	3	32964	13	33062	22
32784	3	32868	3	32965	12	33063	11
32789	3	32869	4	32966	9	33064	17
32790	3	32872	3	32967	10	33065	11
32791	2	32877	3	32968	9	33066	11
32792	3	32878	3	32969	9	33067	11
32793	3	32885	4	32970	10	33068	11
32794	3	32886	4	32971	13	33069	13
32795	3	32887	3	32976	13	33070	25
32796	5	32891	4	32978	12	33071	11
32798	4	32896	4	33001	24	33072	13
32799	3	32897	4	33002	13	33073	11
32801	4	32899	7	33004	20	33074	17
32802	4	32901	10	33008	21	33075	11
32803	4	32902	10	33009	21	33076	11
32804	4	32903	13	33010	13	33077	11
32805	4	32904	6	33011	13	33081	14
32806	4	32905	9	33012	13	33082	12
32807	4	32906	9	33013	13	33083	14
32808	4	32907	6	33014	13	33084	13
32809	4	32908	6	33015	13	33090	15
32810	3	32909	6	33016	11	33092	16
32811	4	32910	6	33017	13	33093	11
32812	3	32911	9	33018	13	33097	11
32814	3	32912	9	33019	23	33101	20
32815	5	32919	10	33020	19	33102	14
32816	3	32920	13	33021	14	33106	23
32817	3	32922	7	33022	19	33109	25
32818	3	32923	7	33023	14	33111	21
32819	4	32924	7	33024	13	33112	14
32820	3	32925	11	33025	12	33114	15
32821	3	32926	5	33026	13	33116	15
32822	3	32927	5	33027	13	33119	24
32824	4	32931	14	33028	12	33122	14
32825	3	32932	14	33029	13	33124	20
32826	3	32934	6	33030	15	33125	17
32827	4	32935	9	33031	16	33126	14
32828	3	32936	9	33032	16	33127	18
32829	3	32937	12	33033	16	33128	20
32830	4	32940	8	33034	15	33129	22
32831	3	32941	10	33035	16	33130	21
32832	4	32948	7	33036	24	33131	21
32833	3	32949	12	33037	24	33132	20
32835	3	32950	10	33039	16	33133	20
32836	4	32951	15	33040	20	33134	15
32837	3	32952	10	33041	20	33135	18
32839	4	32953	7	33042	18	33136	18
32853	4	32954	7	33043	18	33137	19
32854	4	32955	6	33045	20	33138	19
32855	4	32956	6	33050	21	33139	24
32856	4	32957	12	33051	21	33140	24

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ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group
33141	24	33239	24	33351	11	33462	18
33142	15	33242	15	33355	12	33463	12
33143	18	33243	18	33359	12	33464	22
33144	14	33245	19	33388	11	33465	18
33145	19	33247	14	33394	19	33466	16
33146	18	33255	15	33401	19	33467	11
33147	14	33256	20	33402	21	33468	19
33149	25	33257	18	33403	18	33469	19
33150	16	33261	18	33404	18	33470	11
33152	14	33265	14	33405	21	33471	8
33153	19	33266	13	33406	15	33472	11
33154	23	33269	13	33407	17	33473	12
33155	15	33280	21	33408	19	33474	17
33156	18	33283	13	33409	14	33475	17
33157	18	33296	20	33410	15	33476	14
33158	20	33299	14	33411	11	33477	19
33160	23	33301	19	33412	10	33478	9
33161	18	33302	20	33413	11	33480	21
33162	18	33303	19	33414	10	33481	18
33163	22	33304	20	33415	11	33482	13
33164	18	33305	19	33416	15	33483	22
33165	14	33306	21	33417	12	33484	13
33166	13	33307	17	33418	11	33486	17
33167	14	33308	21	33419	18	33487	20
33168	15	33309	14	33420	15	33488	12
33169	13	33310	14	33421	11	33493	12
33170	16	33311	14	33422	15	33496	12
33172	13	33312	14	33424	17	33497	12
33173	14	33313	12	33425	17	33498	12
33174	13	33314	13	33426	17	33499	20
33175	12	33315	18	33427	17	33503	5
33176	15	33316	21	33428	12	33508	4
33177	14	33317	11	33429	22	33509	4
33178	13	33318	11	33430	11	33510	4
33179	16	33319	11	33431	19	33511	4
33180	22	33320	11	33432	22	33513	3
33181	20	33321	11	33433	12	33514	3
33182	14	33322	11	33434	12	33521	3
33183	13	33323	12	33435	21	33523	4
33184	13	33324	11	33436	14	33524	4
33185	14	33325	12	33437	12	33525	4
33186	14	33326	13	33438	14	33526	4
33187	15	33327	13	33440	10	33527	4
33188	13	33328	12	33441	19	33530	4
33189	18	33329	11	33442	13	33534	6
33190	18	33330	13	33443	19	33537	4
33193	14	33331	13	33444	20	33538	3
33194	15	33332	13	33445	15	33539	5
33196	15	33334	17	33446	12	33540	4
33197	18	33335	17	33448	12	33541	5
33199	13	33336	14	33449	11	33542	5
33206	23	33337	11	33454	12	33543	4
33222	14	33338	11	33455	17	33544	4
33231	21	33339	21	33458	13	33545	5
33233	20	33340	14	33459	12	33547	5
33234	15	33345	12	33460	22	33548	4
33238	16	33346	21	33461	16	33549	4

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ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group
33550	4	33626	4	33741	13	33836	4
33556	4	33629	9	33742	7	33837	4
33558	4	33630	7	33743	9	33838	5
33559	4	33631	8	33744	13	33839	5
33563	4	33633	6	33747	11	33840	4
33564	4	33634	7	33755	9	33841	5
33565	4	33635	6	33756	9	33843	5
33566	4	33637	4	33757	9	33844	5
33567	4	33646	6	33758	7	33845	5
33568	5	33647	4	33759	7	33846	4
33569	5	33650	8	33760	7	33847	5
33570	7	33655	6	33761	6	33848	4
33571	5	33660	6	33762	8	33849	3
33572	7	33661	6	33763	6	33850	5
33573	5	33662	6	33764	6	33851	5
33574	4	33663	8	33765	7	33852	7
33575	7	33672	6	33766	6	33853	5
33576	4	33673	6	33767	11	33854	5
33578	5	33674	5	33769	7	33855	5
33579	5	33675	7	33770	9	33856	5
33583	4	33677	7	33771	7	33857	7
33584	4	33679	8	33772	10	33858	4
33585	3	33680	6	33773	7	33859	5
33586	7	33681	9	33774	10	33860	5
33587	4	33682	5	33775	10	33862	7
33592	4	33684	7	33776	11	33863	5
33593	4	33685	7	33777	7	33865	5
33594	4	33687	4	33778	8	33867	5
33595	4	33688	4	33779	9	33868	4
33596	4	33689	4	33780	6	33870	6
33597	3	33694	4	33781	6	33871	6
33598	5	33701	11	33782	5	33872	5
33601	6	33702	7	33784	8	33873	5
33602	6	33703	10	33785	11	33875	5
33603	6	33704	10	33786	11	33876	6
33604	5	33705	12	33801	4	33877	5
33605	7	33706	13	33802	4	33880	5
33606	8	33707	11	33803	4	33881	5
33607	7	33708	13	33804	4	33882	5
33608	9	33709	8	33805	4	33883	5
33609	8	33710	9	33806	4	33884	5
33610	5	33711	11	33807	4	33885	5
33611	9	33712	11	33809	4	33888	5
33612	5	33713	8	33810	4	33890	4
33613	4	33714	7	33811	4	33896	4
33614	6	33715	13	33812	4	33897	3
33615	7	33716	7	33813	4	33898	5
33616	11	33729	8	33815	4	33901	8
33617	4	33730	8	33820	5	33902	8
33618	4	33731	11	33823	5	33903	7
33619	6	33732	7	33825	5	33904	8
33620	4	33733	8	33826	5	33905	7
33621	11	33734	10	33827	5	33906	7
33622	8	33736	13	33830	5	33907	8
33623	8	33737	11	33831	5	33908	9
33624	4	33738	13	33834	5	33909	7
33625	4	33740	12	33835	5	33910	7

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ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group	ZIP Code	2016 Group
33911	8	34103	15	34235	6	34450	3
33912	7	34104	10	34236	11	34451	3
33913	7	34105	11	34237	8	34452	3
33914	9	34106	16	34238	8	34453	3
33915	7	34107	16	34239	9	34460	3
33916	7	34108	14	34240	6	34461	3
33917	7	34109	10	34241	6	34464	3
33918	7	34110	10	34242	11	34465	3
33919	8	34112	11	34243	6	34470	2
33920	7	34113	11	34250	8	34471	2
33921	16	34114	9	34251	5	34472	2
33922	13	34116	8	34260	9	34473	2
33924	17	34117	7	34264	9	34474	2
33927	7	34119	7	34265	6	34475	2
33928	8	34120	8	34266	6	34476	2
33929	9	34133	10	34267	6	34477	2
33930	7	34134	12	34268	6	34478	2
33931	16	34135	9	34269	6	34479	2
33932	16	34136	12	34270	6	34480	2
33935	7	34137	11	34272	10	34481	2
33936	8	34138	11	34274	10	34482	2
33938	6	34139	11	34275	10	34483	2
33944	8	34140	17	34276	11	34484	2
33945	13	34141	11	34277	11	34487	3
33946	13	34142	8	34278	8	34488	2
33947	9	34143	8	34280	10	34489	2
33948	7	34145	18	34281	9	34491	3
33949	7	34146	18	34282	9	34492	3
33950	7	34201	5	34284	11	34498	4
33951	7	34202	6	34285	11	34601	3
33952	7	34203	6	34286	5	34602	4
33953	7	34204	6	34287	6	34603	4
33954	6	34205	8	34288	6	34604	4
33955	7	34206	8	34289	5	34605	4
33956	14	34207	9	34290	6	34606	4
33957	15	34208	6	34291	6	34607	6
33960	6	34209	10	34292	7	34608	4
33965	8	34210	10	34293	9	34609	4
33966	7	34211	5	34295	11	34610	4
33967	8	34212	6	34420	3	34611	4
33970	8	34215	14	34421	3	34613	3
33971	8	34216	14	34423	3	34614	3
33972	8	34217	15	34428	3	34636	3
33973	8	34218	14	34429	3	34637	4
33974	8	34219	6	34430	2	34638	4
33975	7	34220	8	34431	2	34639	4
33976	8	34221	7	34432	2	34652	7
33980	7	34222	6	34433	2	34653	5
33981	8	34223	11	34434	2	34654	4
33982	6	34224	9	34436	3	34655	4
33983	6	34228	13	34441	3	34656	5
33990	7	34229	10	34442	3	34660	8
33991	8	34230	11	34445	2	34661	3
33993	8	34231	11	34446	3	34667	6
33994	7	34232	6	34447	3	34668	6
34101	16	34233	6	34448	3	34669	4
34102	16	34234	8	34449	2	34673	6

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ZIP Code	2016 Group	ZIP Code	2016 Group
34674	6	34788	4
34677	5	34789	4
34679	6	34797	4
34680	6	34945	9
34681	8	34946	13
34682	7	34947	12
34683	7	34948	15
34684	5	34949	18
34685	4	34950	15
34688	4	34951	11
34689	8	34952	13
34690	6	34953	10
34691	8	34954	11
34692	6	34956	11
34695	7	34957	18
34697	8	34958	18
34698	8	34972	8
34705	4	34973	9
34711	4	34974	11
34712	4	34979	15
34713	3	34981	11
34714	3	34982	14
34715	4	34983	10
34729	5	34984	10
34731	3	34985	13
34734	4	34986	9
34736	4	34987	10
34737	4	34988	10
34739	5	34990	11
34740	6	34991	13
34741	4	34992	15
34742	4	34994	14
34743	4	34995	14
34744	5	34996	18
34745	4	34997	13
34746	4		
34747	3		
34748	4		
34749	4		
34753	4		
34755	4		
34756	5		
34758	4		
34759	4		
34760	6		
34761	4		
34762	3		
34769	5		
34770	5		
34771	5		
34772	5		
34773	5		
34777	6		
34778	6		
34785	3		
34786	4		
34787	4		

# EXHIBIT

XIV

**PROPOSED FHCF 2016 Commercial Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 90%**

**Deductible: 3%**

<b>ZIP Code</b>				<b>Masonry with Reinforced Concrete</b>		<b>Superior with Reinforced Concrete</b>	<b>Non-MH Default and Unknown</b>
<b>Group</b>	<b>Frame</b>	<b>Masonry Veneer</b>	<b>Masonry</b>	<b>Roof Deck</b>	<b>Superior</b>	<b>Roof Deck</b>	
1	0.1544	0.1430	0.1088	0.0580	0.0587	0.0401	0.1119
2	0.2614	0.2421	0.1841	0.0981	0.0994	0.0678	0.1895
3	0.3677	0.3405	0.2590	0.1380	0.1398	0.0954	0.2665
4	0.4824	0.4468	0.3398	0.1810	0.1834	0.1252	0.3497
5	0.6059	0.5611	0.4268	0.2274	0.2304	0.1572	0.4392
6	0.7384	0.6839	0.5202	0.2771	0.2808	0.1916	0.5353
7	0.8804	0.8153	0.6202	0.3304	0.3347	0.2284	0.6382
8	1.0320	0.9558	0.7270	0.3873	0.3924	0.2678	0.7481
9	1.1939	1.1057	0.8411	0.4481	0.4540	0.3098	0.8655
10	1.3664	1.2654	0.9626	0.5128	0.5196	0.3545	0.9905
11	1.5500	1.4355	1.0920	0.5817	0.5894	0.4022	1.1236
12	1.7454	1.6164	1.2296	0.6550	0.6637	0.4529	1.2653
13	1.9531	1.8088	1.3759	0.7330	0.7426	0.5068	1.4158
14	2.1738	2.0132	1.5314	0.8158	0.8265	0.5640	1.5758
15	2.4082	2.2303	1.6965	0.9038	0.9157	0.6249	1.7457
16	2.6572	2.4609	1.8719	0.9972	1.0104	0.6895	1.9262
17	2.9216	2.7057	2.0582	1.0964	1.1109	0.7581	2.1179
18	3.2023	2.9657	2.2559	1.2018	1.2176	0.8309	2.3214
19	3.5004	3.2418	2.4659	1.3137	1.3310	0.9083	2.5375
20	3.8169	3.5349	2.6889	1.4324	1.4513	0.9904	2.7669
21	4.1530	3.8461	2.9256	1.5586	1.5791	1.0776	3.0105
22	4.5097	4.1765	3.1770	1.6925	1.7148	1.1702	3.2692
23	4.8884	4.5272	3.4437	1.8346	1.8588	1.2684	3.5437
24	5.2902	4.8994	3.7268	1.9854	2.0116	1.3727	3.8350
25	5.7164	5.2941	4.0271	2.1453	2.1736	1.4833	4.1439

**PROPOSED FHCF 2016 Commercial Rates (Not Yet Approved by FHCF Trustees for Use)**

Rates are Dollars per \$1000 of Exposure

Coverage Level: 75%

Deductible: 3%

ZIP Code				Masonry with Reinforced Concrete		Superior with Reinforced Concrete	Non-MH Default and Unknown
<u>Group</u>	<u>Frame</u>	<u>Masonry Veneer</u>	<u>Masonry</u>	<u>Roof Deck</u>	<u>Superior</u>	<u>Roof Deck</u>	
1	0.1287	0.1192	0.0907	0.0483	0.0489	0.0334	0.0933
2	0.2178	0.2017	0.1534	0.0817	0.0828	0.0565	0.1579
3	0.3064	0.2837	0.2158	0.1150	0.1165	0.0795	0.2221
4	0.4020	0.3723	0.2832	0.1509	0.1529	0.1043	0.2914
5	0.5049	0.4676	0.3557	0.1895	0.1920	0.1310	0.3660
6	0.6154	0.5699	0.4335	0.2309	0.2340	0.1597	0.4461
7	0.7336	0.6794	0.5168	0.2753	0.2790	0.1904	0.5318
8	0.8600	0.7965	0.6059	0.3228	0.3270	0.2232	0.6234
9	0.9949	0.9214	0.7009	0.3734	0.3783	0.2582	0.7212
10	1.1387	1.0545	0.8021	0.4273	0.4330	0.2955	0.8254
11	1.2917	1.1963	0.9100	0.4848	0.4912	0.3352	0.9364
12	1.4545	1.3470	1.0246	0.5459	0.5531	0.3774	1.0544
13	1.6276	1.5073	1.1466	0.6108	0.6189	0.4223	1.1798
14	1.8115	1.6776	1.2761	0.6798	0.6888	0.4700	1.3132
15	2.0068	1.8586	1.4138	0.7531	0.7631	0.5207	1.4548
16	2.2143	2.0507	1.5599	0.8310	0.8420	0.5746	1.6052
17	2.4346	2.2548	1.7151	0.9137	0.9257	0.6317	1.7649
18	2.6686	2.4714	1.8799	1.0015	1.0147	0.6924	1.9345
19	2.9170	2.7015	2.0549	1.0947	1.1092	0.7569	2.1146
20	3.1808	2.9458	2.2408	1.1937	1.2094	0.8253	2.3058
21	3.4608	3.2051	2.4380	1.2988	1.3159	0.8980	2.5088
22	3.7581	3.4804	2.6475	1.4104	1.4290	0.9751	2.7243
23	4.0737	3.7727	2.8698	1.5288	1.5490	1.0570	2.9531
24	4.4085	4.0828	3.1057	1.6545	1.6763	1.1439	3.1958
25	4.7637	4.4118	3.3559	1.7878	1.8113	1.2361	3.4533

**PROPOSED FHCF 2016 Commercial Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 45%**

**Deductible: 3%**

<b>ZIP Code</b>				<b>Masonry with Reinforced Concrete</b>		<b>Superior with Reinforced Concrete</b>	<b>Non-MH Default and Unknown</b>
<b>Group</b>	<b>Frame</b>	<b>Masonry Veneer</b>	<b>Masonry</b>	<b>Roof Deck</b>	<b>Superior</b>	<b>Roof Deck</b>	
1	0.0772	0.0715	0.0544	0.0290	0.0294	0.0200	0.0560
2	0.1307	0.1210	0.0921	0.0490	0.0497	0.0339	0.0947
3	0.1838	0.1702	0.1295	0.0690	0.0699	0.0477	0.1333
4	0.2412	0.2234	0.1699	0.0905	0.0917	0.0626	0.1749
5	0.3029	0.2806	0.2134	0.1137	0.1152	0.0786	0.2196
6	0.3692	0.3419	0.2601	0.1386	0.1404	0.0958	0.2677
7	0.4402	0.4077	0.3101	0.1652	0.1674	0.1142	0.3191
8	0.5160	0.4779	0.3635	0.1937	0.1962	0.1339	0.3741
9	0.5969	0.5528	0.4205	0.2240	0.2270	0.1549	0.4327
10	0.6832	0.6327	0.4813	0.2564	0.2598	0.1773	0.4953
11	0.7750	0.7178	0.5460	0.2909	0.2947	0.2011	0.5618
12	0.8727	0.8082	0.6148	0.3275	0.3318	0.2264	0.6326
13	0.9765	0.9044	0.6879	0.3665	0.3713	0.2534	0.7079
14	1.0869	1.0066	0.7657	0.4079	0.4133	0.2820	0.7879
15	1.2041	1.1151	0.8483	0.4519	0.4578	0.3124	0.8729
16	1.3286	1.2304	0.9359	0.4986	0.5052	0.3447	0.9631
17	1.4608	1.3529	1.0291	0.5482	0.5554	0.3790	1.0589
18	1.6012	1.4829	1.1280	0.6009	0.6088	0.4155	1.1607
19	1.7502	1.6209	1.2330	0.6568	0.6655	0.4541	1.2687
20	1.9085	1.7675	1.3445	0.7162	0.7257	0.4952	1.3835
21	2.0765	1.9231	1.4628	0.7793	0.7896	0.5388	1.5053
22	2.2549	2.0883	1.5885	0.8462	0.8574	0.5851	1.6346
23	2.4442	2.2636	1.7219	0.9173	0.9294	0.6342	1.7718
24	2.6451	2.4497	1.8634	0.9927	1.0058	0.6863	1.9175
25	2.8582	2.6471	2.0135	1.0727	1.0868	0.7416	2.0720

**PROPOSED FHCF 2016 Residential Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 90%**

**Deductible: 2%**

<b>ZIP Code</b>				<b>Non-MH Default</b>
<b>Group</b>	<b><u>Frame</u></b>	<b><u>Masonry Veneer</u></b>	<b><u>Masonry</u></b>	<b><u>Unknown</u></b>
1	0.1081	0.1003	0.0820	0.1058
2	0.1830	0.1698	0.1387	0.1790
3	0.2574	0.2388	0.1951	0.2518
4	0.3377	0.3134	0.2560	0.3304
5	0.4241	0.3936	0.3215	0.4149
6	0.5169	0.4797	0.3919	0.5057
7	0.6162	0.5719	0.4672	0.6029
8	0.7224	0.6704	0.5477	0.7067
9	0.8357	0.7755	0.6336	0.8176
10	0.9565	0.8876	0.7251	0.9357
11	1.0850	1.0069	0.8226	1.0615
12	1.2218	1.1338	0.9262	1.1953
13	1.3671	1.2687	1.0364	1.3375
14	1.5216	1.4121	1.1536	1.4886
15	1.6857	1.5644	1.2780	1.6492
16	1.8600	1.7261	1.4101	1.8197
17	2.0451	1.8978	1.5504	2.0007
18	2.2416	2.0802	1.6994	2.1930
19	2.4503	2.2739	1.8576	2.3971
20	2.6718	2.4795	2.0255	2.6139
21	2.9070	2.6978	2.2039	2.8440
22	3.1568	2.9295	2.3932	3.0883
23	3.4219	3.1755	2.5942	3.3476
24	3.7031	3.4365	2.8074	3.6228
25	4.0015	3.7134	3.0336	3.9147

**PROPOSED FHCF 2016 Residential Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 75%**

**Deductible: 2%**

<b>ZIP Code</b>				<b>Non-MH Default</b>
<b>Group</b>	<b><u>Frame</u></b>	<b><u>Masonry Veneer</u></b>	<b><u>Masonry</u></b>	<b><u>Unknown</u></b>
1	0.0901	0.0836	0.0683	0.0881
2	0.1525	0.1415	0.1156	0.1492
3	0.2145	0.1990	0.1626	0.2098
4	0.2814	0.2611	0.2133	0.2753
5	0.3534	0.3280	0.2679	0.3458
6	0.4307	0.3997	0.3266	0.4214
7	0.5135	0.4766	0.3893	0.5024
8	0.6020	0.5587	0.4564	0.5890
9	0.6964	0.6463	0.5280	0.6813
10	0.7971	0.7397	0.6043	0.7798
11	0.9042	0.8391	0.6855	0.8846
12	1.0181	0.9448	0.7719	0.9960
13	1.1393	1.0573	0.8637	1.1146
14	1.2680	1.1767	0.9613	1.2405
15	1.4048	1.3036	1.0650	1.3743
16	1.5500	1.4384	1.1751	1.5164
17	1.7042	1.5815	1.2920	1.6673
18	1.8680	1.7335	1.4161	1.8275
19	2.0419	1.8949	1.5480	1.9976
20	2.2265	2.0662	1.6879	2.1782
21	2.4225	2.2481	1.8366	2.3700
22	2.6306	2.4413	1.9943	2.5736
23	2.8515	2.6463	2.1618	2.7897
24	3.0859	2.8638	2.3395	3.0190
25	3.3346	3.0945	2.5280	3.2622

**PROPOSED FHCF 2016 Residential Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 45%**

**Deductible: 2%**

<b>ZIP Code</b>				<b>Non-MH Default</b>
<b>Group</b>	<b><u>Frame</u></b>	<b><u>Masonry Veneer</u></b>	<b><u>Masonry</u></b>	<b><u>Unknown</u></b>
1	0.0541	0.0502	0.0410	0.0529
2	0.0915	0.0849	0.0694	0.0895
3	0.1287	0.1194	0.0976	0.1259
4	0.1688	0.1567	0.1280	0.1652
5	0.2121	0.1968	0.1608	0.2075
6	0.2584	0.2398	0.1959	0.2528
7	0.3081	0.2859	0.2336	0.3014
8	0.3612	0.3352	0.2738	0.3534
9	0.4179	0.3878	0.3168	0.4088
10	0.4782	0.4438	0.3626	0.4679
11	0.5425	0.5034	0.4113	0.5307
12	0.6109	0.5669	0.4631	0.5976
13	0.6836	0.6344	0.5182	0.6687
14	0.7608	0.7060	0.5768	0.7443
15	0.8429	0.7822	0.6390	0.8246
16	0.9300	0.8630	0.7050	0.9098
17	1.0225	0.9489	0.7752	1.0004
18	1.1208	1.0401	0.8497	1.0965
19	1.2251	1.1369	0.9288	1.1986
20	1.3359	1.2397	1.0128	1.3069
21	1.4535	1.3489	1.1019	1.4220
22	1.5784	1.4648	1.1966	1.5442
23	1.7109	1.5878	1.2971	1.6738
24	1.8516	1.7183	1.4037	1.8114
25	2.0007	1.8567	1.5168	1.9573

**PROPOSED FHCF 2016 Mobile Home Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 90%**

**Deductible: \$251 - \$500**

<b>ZIP Code Group</b>	<b>Fully Tied Down -- Manufactured</b>		<b>Other than Fully Tied Unknown</b>
	<b><u>Prior to 7/13/94</u></b>	<b><u>On or After 7/13/94</u></b>	
1	0.4103	0.3597	0.5666
2	0.6944	0.6089	0.9590
3	0.9767	0.8564	1.3489
4	1.2815	1.1237	1.7699
5	1.6096	1.4114	2.2229
6	1.9617	1.7201	2.7092
7	2.3387	2.0507	3.2299
8	2.7416	2.4040	3.7864
9	3.1716	2.7810	4.3802
10	3.6298	3.1828	5.0131
11	4.1177	3.6106	5.6868
12	4.6367	4.0657	6.4036
13	5.1884	4.5494	7.1655
14	5.7747	5.0635	7.9752
15	6.3974	5.6096	8.8353
16	7.0588	6.1896	9.7487
17	7.7612	6.8054	10.7188
18	8.5070	7.4594	11.7487
19	9.2989	8.1538	12.8424
20	10.1397	8.8910	14.0036
21	11.0324	9.6738	15.2366
22	11.9802	10.5049	16.5455
23	12.9862	11.3870	17.9348
24	14.0537	12.3230	19.4091
25	15.1859	13.3158	20.9727

**PROPOSED FHCF 2016 Mobile Home Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 75%**

**Deductible: \$251 - \$500**

<b>ZIP Code Group</b>	<b>Fully Tied Down -- Manufactured</b>		<b>Other than Fully Tied Unknown</b>
	<b><u>Prior to 7/13/94</u></b>	<b><u>On or After 7/13/94</u></b>	
1	0.3419	0.2998	0.4722
2	0.5786	0.5074	0.7991
3	0.8139	0.7137	1.1241
4	1.0679	0.9364	1.4749
5	1.3413	1.1761	1.8525
6	1.6347	1.4334	2.2577
7	1.9489	1.7089	2.6916
8	2.2847	2.0033	3.1553
9	2.6430	2.3175	3.6502
10	3.0249	2.6524	4.1775
11	3.4314	3.0088	4.7390
12	3.8639	3.3881	5.3363
13	4.3237	3.7912	5.9713
14	4.8122	4.2196	6.6460
15	5.3312	4.6747	7.3627
16	5.8824	5.1580	8.1239
17	6.4677	5.6712	8.9323
18	7.0892	6.2162	9.7906
19	7.7491	6.7948	10.7020
20	8.4498	7.4092	11.6697
21	9.1937	8.0615	12.6971
22	9.9835	8.7540	13.7879
23	10.8218	9.4891	14.9457
24	11.7114	10.2692	16.1742
25	12.6549	11.0965	17.4773

**PROPOSED FHCF 2016 Mobile Home Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 45%**

**Deductible: \$251 - \$500**

<b>ZIP Code Group</b>	<b>Fully Tied Down -- Manufactured</b>		<b>Other than Fully Tied Unknown</b>
	<b><u>Prior to 7/13/94</u></b>	<b><u>On or After 7/13/94</u></b>	
1	0.2051	0.1799	0.2833
2	0.3472	0.3044	0.4795
3	0.4883	0.4282	0.6744
4	0.6408	0.5619	0.8849
5	0.8048	0.7057	1.1115
6	0.9808	0.8600	1.3546
7	1.1693	1.0253	1.6149
8	1.3708	1.2020	1.8932
9	1.5858	1.3905	2.1901
10	1.8149	1.5914	2.5065
11	2.0588	1.8053	2.8434
12	2.3183	2.0328	3.2018
13	2.5942	2.2747	3.5828
14	2.8873	2.5318	3.9876
15	3.1987	2.8048	4.4176
16	3.5294	3.0948	4.8744
17	3.8806	3.4027	5.3594
18	4.2535	3.7297	5.8744
19	4.6494	4.0769	6.4212
20	5.0699	4.4455	7.0018
21	5.5162	4.8369	7.6183
22	5.9901	5.2524	8.2727
23	6.4931	5.6935	8.9674
24	7.0268	6.1615	9.7045
25	7.5929	6.6579	10.4864

**PROPOSED FHCF 2016 Tenants Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 90%**

**Deductible: \$1 - \$500**

<b>ZIP Code</b>				<b>Masonry with Reinforced Concrete</b>		<b>Superior with Reinforced Concrete</b>	<b>Non-MH Default and Unknown</b>
<b>Group</b>	<b>Frame</b>	<b>Masonry Veneer</b>	<b>Masonry</b>	<b>Roof Deck</b>	<b>Superior</b>	<b>Roof Deck</b>	
1	0.0709	0.0674	0.0499	0.0354	0.0326	0.0205	0.0499
2	0.1200	0.1141	0.0845	0.0600	0.0553	0.0347	0.0844
3	0.1687	0.1605	0.1189	0.0843	0.0777	0.0487	0.1188
4	0.2214	0.2106	0.1560	0.1107	0.1020	0.0640	0.1558
5	0.2781	0.2644	0.1959	0.1390	0.1281	0.0803	0.1957
6	0.3389	0.3223	0.2388	0.1694	0.1561	0.0979	0.2386
7	0.4040	0.3842	0.2846	0.2020	0.1861	0.1167	0.2844
8	0.4736	0.4504	0.3337	0.2368	0.2182	0.1368	0.3334
9	0.5479	0.5211	0.3860	0.2739	0.2524	0.1583	0.3857
10	0.6271	0.5964	0.4418	0.3135	0.2889	0.1812	0.4414
11	0.7114	0.6765	0.5012	0.3556	0.3277	0.2055	0.5008
12	0.8010	0.7618	0.5643	0.4004	0.3690	0.2314	0.5639
13	0.8963	0.8524	0.6315	0.4481	0.4129	0.2589	0.6310
14	0.9976	0.9488	0.7028	0.4987	0.4596	0.2882	0.7023
15	1.1052	1.0511	0.7786	0.5525	0.5091	0.3193	0.7780
16	1.2195	1.1597	0.8591	0.6096	0.5618	0.3523	0.8584
17	1.3408	1.2751	0.9446	0.6703	0.6176	0.3873	0.9439
18	1.4696	1.3977	1.0354	0.7347	0.6770	0.4246	1.0346
19	1.6064	1.5278	1.1318	0.8031	0.7400	0.4641	1.1309
20	1.7517	1.6659	1.2341	0.8757	0.8069	0.5061	1.2331
21	1.9059	1.8126	1.3428	0.9528	0.8780	0.5506	1.3417
22	2.0697	1.9683	1.4581	1.0346	0.9534	0.5979	1.4569
23	2.2435	2.1336	1.5806	1.1215	1.0335	0.6481	1.5793
24	2.4279	2.3090	1.7105	1.2137	1.1184	0.7014	1.7091
25	2.6235	2.4950	1.8483	1.3115	1.2085	0.7579	1.8468

**PROPOSED FHCF 2016 Tenants Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 75%**

**Deductible: \$1 - \$500**

<b>ZIP Code</b>				<b>Masonry with Reinforced Concrete</b>		<b>Superior with Reinforced Concrete</b>	<b>Non-MH Default and Unknown</b>
<b>Group</b>	<b>Frame</b>	<b>Masonry Veneer</b>	<b>Masonry</b>	<b>Roof Deck</b>	<b>Superior</b>	<b>Roof Deck</b>	
1	0.0591	0.0562	0.0416	0.0295	0.0272	0.0171	0.0416
2	0.1000	0.0951	0.0704	0.0500	0.0460	0.0289	0.0704
3	0.1406	0.1337	0.0991	0.0703	0.0648	0.0406	0.0990
4	0.1845	0.1755	0.1300	0.0922	0.0850	0.0533	0.1299
5	0.2317	0.2204	0.1633	0.1158	0.1067	0.0669	0.1631
6	0.2824	0.2686	0.1990	0.1412	0.1301	0.0816	0.1988
7	0.3367	0.3202	0.2372	0.1683	0.1551	0.0973	0.2370
8	0.3947	0.3754	0.2781	0.1973	0.1818	0.1140	0.2778
9	0.4566	0.4342	0.3217	0.2282	0.2103	0.1319	0.3214
10	0.5226	0.4970	0.3682	0.2612	0.2407	0.1510	0.3679
11	0.5928	0.5638	0.4176	0.2963	0.2731	0.1713	0.4173
12	0.6675	0.6348	0.4703	0.3337	0.3075	0.1928	0.4699
13	0.7469	0.7104	0.5262	0.3734	0.3441	0.2158	0.5258
14	0.8313	0.7906	0.5857	0.4156	0.3830	0.2402	0.5852
15	0.9210	0.8759	0.6489	0.4604	0.4243	0.2661	0.6483
16	1.0162	0.9665	0.7159	0.5080	0.4681	0.2936	0.7154
17	1.1173	1.0626	0.7872	0.5585	0.5147	0.3228	0.7865
18	1.2247	1.1647	0.8628	0.6122	0.5642	0.3538	0.8621
19	1.3387	1.2731	0.9431	0.6692	0.6167	0.3867	0.9424
20	1.4598	1.3883	1.0284	0.7297	0.6724	0.4217	1.0276
21	1.5883	1.5105	1.1190	0.7940	0.7316	0.4588	1.1181
22	1.7247	1.6403	1.2151	0.8622	0.7945	0.4983	1.2141
23	1.8695	1.7780	1.3171	0.9346	0.8612	0.5401	1.3161
24	2.0232	1.9241	1.4254	1.0114	0.9320	0.5845	1.4242
25	2.1862	2.0792	1.5402	1.0929	1.0071	0.6316	1.5390

**PROPOSED FHCF 2016 Tenants Rates (Not Yet Approved by FHCF Trustees for Use)**

Rates are Dollars per \$1000 of Exposure

Coverage Level: 45%

Deductible: \$1 - \$500

ZIP Code				Masonry with Reinforced Concrete		Superior with Reinforced Concrete	
<u>Group</u>	<u>Frame</u>	<u>Masonry Veneer</u>	<u>Masonry</u>	<u>Roof Deck</u>	<u>Superior</u>	<u>Roof Deck</u>	<u>Non-MH Default and Unknown</u>
1	0.0354	0.0337	0.0250	0.0177	0.0163	0.0102	0.0249
2	0.0600	0.0570	0.0423	0.0300	0.0276	0.0173	0.0422
3	0.0844	0.0802	0.0594	0.0422	0.0389	0.0244	0.0594
4	0.1107	0.1053	0.0780	0.0553	0.0510	0.0320	0.0779
5	0.1390	0.1322	0.0980	0.0695	0.0640	0.0402	0.0979
6	0.1694	0.1611	0.1194	0.0847	0.0781	0.0490	0.1193
7	0.2020	0.1921	0.1423	0.1010	0.0931	0.0584	0.1422
8	0.2368	0.2252	0.1668	0.1184	0.1091	0.0684	0.1667
9	0.2740	0.2605	0.1930	0.1369	0.1262	0.0791	0.1929
10	0.3135	0.2982	0.2209	0.1567	0.1444	0.0906	0.2207
11	0.3557	0.3383	0.2506	0.1778	0.1638	0.1028	0.2504
12	0.4005	0.3809	0.2822	0.2002	0.1845	0.1157	0.2819
13	0.4482	0.4262	0.3157	0.2240	0.2064	0.1295	0.3155
14	0.4988	0.4744	0.3514	0.2493	0.2298	0.1441	0.3511
15	0.5526	0.5255	0.3893	0.2762	0.2546	0.1596	0.3890
16	0.6097	0.5799	0.4296	0.3048	0.2809	0.1761	0.4292
17	0.6704	0.6376	0.4723	0.3351	0.3088	0.1937	0.4719
18	0.7348	0.6988	0.5177	0.3673	0.3385	0.2123	0.5173
19	0.8032	0.7639	0.5659	0.4015	0.3700	0.2320	0.5654
20	0.8759	0.8330	0.6171	0.4378	0.4035	0.2530	0.6166
21	0.9530	0.9063	0.6714	0.4764	0.4390	0.2753	0.6708
22	1.0348	0.9842	0.7291	0.5173	0.4767	0.2990	0.7285
23	1.1217	1.0668	0.7903	0.5607	0.5167	0.3241	0.7896
24	1.2139	1.1545	0.8552	0.6068	0.5592	0.3507	0.8545
25	1.3117	1.2475	0.9241	0.6557	0.6043	0.3789	0.9234

**PROPOSED FHCF 2016 Condominium Unit Owners Rates (Not Yet Approved by FHCF Trustees for Use)**

**Rates are Dollars per \$1000 of Exposure**

**Coverage Level: 90%**

**Deductible: \$1 - \$500**

<b>ZIP Code</b>				<b>Masonry with Reinforced Concrete</b>		<b>Superior with Reinforced Concrete</b>	<b>Non-MH Default and Unknown</b>
<b>Group</b>	<b>Frame</b>	<b>Masonry Veneer</b>	<b>Masonry</b>	<b>Roof Deck</b>	<b>Superior</b>	<b>Roof Deck</b>	
1	0.1294	0.1107	0.0877	0.0521	0.0550	0.0314	0.0864
2	0.2189	0.1873	0.1485	0.0881	0.0931	0.0532	0.1462
3	0.3080	0.2635	0.2089	0.1239	0.1310	0.0748	0.2056
4	0.4041	0.3458	0.2740	0.1626	0.1719	0.0981	0.2698
5	0.5075	0.4343	0.3442	0.2042	0.2159	0.1233	0.3388
6	0.6186	0.5293	0.4195	0.2489	0.2632	0.1502	0.4130
7	0.7374	0.6310	0.5001	0.2968	0.3137	0.1791	0.4923
8	0.8645	0.7397	0.5863	0.3479	0.3678	0.2099	0.5771
9	1.0001	0.8557	0.6782	0.4024	0.4255	0.2429	0.6677
10	1.1446	0.9793	0.7762	0.4606	0.4869	0.2780	0.7641
11	1.2984	1.1110	0.8805	0.5225	0.5524	0.3153	0.8668
12	1.4620	1.2510	0.9915	0.5883	0.6220	0.3551	0.9761
13	1.6360	1.3998	1.1095	0.6583	0.6960	0.3973	1.0922
14	1.8209	1.5580	1.2348	0.7327	0.7747	0.4422	1.2156
15	2.0172	1.7261	1.3680	0.8118	0.8582	0.4899	1.3467
16	2.2258	1.9045	1.5094	0.8957	0.9469	0.5405	1.4860
17	2.4473	2.0940	1.6596	0.9848	1.0411	0.5943	1.6338
18	2.6824	2.2952	1.8191	1.0794	1.1412	0.6514	1.7908
19	2.9321	2.5089	1.9885	1.1799	1.2474	0.7121	1.9575
20	3.1973	2.7357	2.1683	1.2866	1.3602	0.7765	2.1345
21	3.4788	2.9766	2.3592	1.3999	1.4800	0.8448	2.3225
22	3.7776	3.2323	2.5618	1.5201	1.6071	0.9174	2.5220
23	4.0948	3.5037	2.7769	1.6478	1.7421	0.9944	2.7337
24	4.4314	3.7917	3.0052	1.7832	1.8853	1.0762	2.9585
25	4.7884	4.0972	3.2473	1.9269	2.0371	1.1629	3.1968

**PROPOSED FHCF 2016 Condominium Unit Owners Rates (Not Yet Approved by FHCF Trustees for Use)**

Rates are Dollars per \$1000 of Exposure

Coverage Level: 75%

Deductible: \$1 - \$500

ZIP Code				Masonry with Reinforced Concrete		Superior with Reinforced Concrete	Non-MH Default
<u>Group</u>	<u>Frame</u>	<u>Masonry Veneer</u>	<u>Masonry</u>	<u>Roof Deck</u>	<u>Superior</u>	<u>Roof Deck</u>	<u>and Unknown</u>
1	0.1078	0.0922	0.0731	0.0434	0.0459	0.0262	0.0720
2	0.1825	0.1561	0.1237	0.0734	0.0776	0.0443	0.1218
3	0.2566	0.2196	0.1740	0.1033	0.1092	0.0623	0.1713
4	0.3367	0.2881	0.2284	0.1355	0.1433	0.0818	0.2248
5	0.4229	0.3619	0.2868	0.1702	0.1799	0.1027	0.2824
6	0.5155	0.4411	0.3496	0.2074	0.2193	0.1252	0.3441
7	0.6145	0.5258	0.4167	0.2473	0.2614	0.1492	0.4103
8	0.7204	0.6164	0.4886	0.2899	0.3065	0.1750	0.4810
9	0.8334	0.7131	0.5652	0.3354	0.3546	0.2024	0.5564
10	0.9538	0.8161	0.6468	0.3838	0.4058	0.2316	0.6368
11	1.0820	0.9258	0.7338	0.4354	0.4603	0.2628	0.7224
12	1.2184	1.0425	0.8262	0.4903	0.5183	0.2959	0.8134
13	1.3633	1.1665	0.9246	0.5486	0.5800	0.3311	0.9102
14	1.5174	1.2984	1.0290	0.6106	0.6455	0.3685	1.0130
15	1.6810	1.4384	1.1400	0.6765	0.7152	0.4082	1.1223
16	1.8548	1.5871	1.2579	0.7464	0.7891	0.4504	1.2383
17	2.0394	1.7450	1.3830	0.8207	0.8676	0.4953	1.3615
18	2.2354	1.9127	1.5159	0.8995	0.9510	0.5429	1.4923
19	2.4435	2.0907	1.6570	0.9833	1.0395	0.5934	1.6313
20	2.6644	2.2798	1.8069	1.0722	1.1335	0.6470	1.7788
21	2.8990	2.4805	1.9660	1.1666	1.2333	0.7040	1.9354
22	3.1480	2.6936	2.1348	1.2668	1.3393	0.7645	2.1016
23	3.4124	2.9198	2.3141	1.3732	1.4517	0.8287	2.2781
24	3.6929	3.1598	2.5043	1.4860	1.5711	0.8968	2.4654
25	3.9904	3.4143	2.7061	1.6058	1.6976	0.9691	2.6640

**PROPOSED FHCF 2016 Condominium Unit Owners Rates (Not Yet Approved by FHCF Trustees for Use)**

Rates are Dollars per \$1000 of Exposure

Coverage Level: 45%

Deductible: \$1 - \$500

ZIP Code				Masonry with Reinforced Concrete		Superior with Reinforced Concrete	
<u>Group</u>	<u>Frame</u>	<u>Masonry Veneer</u>	<u>Masonry</u>	<u>Roof Deck</u>	<u>Superior</u>	<u>Roof Deck</u>	<u>Non-MH Default and Unknown</u>
1	0.0647	0.0553	0.0439	0.0260	0.0275	0.0157	0.0432
2	0.1095	0.0937	0.0742	0.0441	0.0466	0.0266	0.0731
3	0.1540	0.1318	0.1044	0.0620	0.0655	0.0374	0.1028
4	0.2020	0.1729	0.1370	0.0813	0.0860	0.0491	0.1349
5	0.2538	0.2171	0.1721	0.1021	0.1080	0.0616	0.1694
6	0.3093	0.2646	0.2097	0.1245	0.1316	0.0751	0.2065
7	0.3687	0.3155	0.2500	0.1484	0.1569	0.0895	0.2462
8	0.4322	0.3699	0.2931	0.1739	0.1839	0.1050	0.2886
9	0.5000	0.4279	0.3391	0.2012	0.2127	0.1214	0.3338
10	0.5723	0.4897	0.3881	0.2303	0.2435	0.1390	0.3821
11	0.6492	0.5555	0.4403	0.2612	0.2762	0.1577	0.4334
12	0.7310	0.6255	0.4957	0.2942	0.3110	0.1775	0.4880
13	0.8180	0.6999	0.5547	0.3292	0.3480	0.1987	0.5461
14	0.9104	0.7790	0.6174	0.3664	0.3873	0.2211	0.6078
15	1.0086	0.8630	0.6840	0.4059	0.4291	0.2449	0.6734
16	1.1129	0.9523	0.7547	0.4478	0.4735	0.2703	0.7430
17	1.2236	1.0470	0.8298	0.4924	0.5206	0.2972	0.8169
18	1.3412	1.1476	0.9096	0.5397	0.5706	0.3257	0.8954
19	1.4661	1.2544	0.9942	0.5900	0.6237	0.3560	0.9788
20	1.5986	1.3679	1.0841	0.6433	0.6801	0.3882	1.0673
21	1.7394	1.4883	1.1796	0.6999	0.7400	0.4224	1.1612
22	1.8888	1.6162	1.2809	0.7601	0.8036	0.4587	1.2610
23	2.0474	1.7519	1.3885	0.8239	0.8710	0.4972	1.3669
24	2.2157	1.8959	1.5026	0.8916	0.9426	0.5381	1.4792
25	2.3942	2.0486	1.6237	0.9635	1.0186	0.5814	1.5984

## Florida Hurricane Catastrophe Fund

### 2016 Ratemaking Formula Report

#### Windstorm Mitigation Construction Rating Classification Factors

##### To Calculate the Final FHCF Rate for a risk:

Preliminary factor = (year built factor) x (roof shape factor) x (opening protection factor)

Capped factor\* = Preliminary Factor

Final rate = (Base rate) x (Capped factor) x (On balance factor)

\*Capped factor = 100% of Preliminary Factor (i.e. no cap in current factors)

Rating Factor	Description	Type of Business				
		Commercial	Residential	Mobile Home	Tenants	Condos
Year Built	2002 or later	0.4958	0.5410	1.0000	0.5027	0.5206
	1995-2001	0.6436	0.7342	1.0000	0.7061	0.7119
	1994 or Earlier	1.1829	1.3274	1.0000	1.3543	1.2799
	Unknown or Mobile Home	0.9664	1.0444	1.0000	1.0539	1.0288
Roof Shape	Hip, Mansard, or Pyramid	0.8533	0.8381	1.0000	0.7848	0.8029
	Gable, Other or Unknown	1.0331	1.1120	1.0000	1.0132	1.0369
Opening Protection	Structure Opening Protection**	0.8131	0.8393	1.0000	0.7501	0.7886
	No Structure Opening Protection	1.0603	1.0836	1.0000	1.0145	1.1014
On Balance Factor		0.9847	0.9728	1.0000	0.9957	0.9876

\*\*Structure Opening Protection Credit requires that primary policy has structure opening protection credit.

# EXHIBIT

XV

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Exposure and Risks as of 2/1/16

2016 FHCF Rating Region	Total Exposure					Total
	Commercial	Residential	Mobile Home	Tenants	Condominium- Owners	
1	3,866,368,093	193,155,323,170	4,665,005,437	2,731,846,412	2,498,410,516	206,916,953,628
2	910,757,201	70,789,304,788	1,820,852,237	680,494,198	1,228,291,198	75,429,699,622
3	5,840,688,957	225,775,868,801	3,773,810,139	3,027,556,098	3,837,513,548	242,255,437,543
4	6,249,394,164	253,415,989,965	4,010,171,745	3,174,233,471	3,508,375,752	270,358,165,097
5	4,095,066,957	108,965,347,198	4,049,253,583	1,173,048,160	2,512,314,393	120,795,030,291
6	5,158,187,929	97,351,607,596	1,676,674,346	1,175,005,367	3,152,173,051	108,513,648,289
7	8,061,665,935	94,878,798,666	2,064,043,649	1,142,920,916	4,956,296,499	111,103,725,665
8	7,996,058,821	79,105,345,123	528,656,253	943,605,262	5,190,246,354	93,763,911,813
9	6,628,073,613	64,962,961,161	695,717,553	846,466,679	4,333,928,135	77,467,147,141
10	5,890,199,010	71,585,566,599	301,694,562	812,275,916	4,444,943,620	83,034,679,707
11	20,390,134,949	118,231,931,084	771,691,793	1,610,593,113	9,947,787,754	150,952,138,693
12	10,695,435,224	73,585,815,996	230,628,313	935,772,716	4,972,483,795	90,420,136,044
13	17,223,086,595	84,000,348,180	631,121,771	866,657,019	6,215,662,908	108,936,876,473
14	8,078,413,759	46,351,297,201	257,361,083	425,859,118	3,619,614,417	58,732,545,578
15	4,815,393,369	33,513,072,183	75,799,041	386,585,626	2,739,097,291	41,529,947,510
16	3,763,371,393	21,893,025,064	76,939,164	198,697,003	1,854,579,910	27,786,612,534
17	2,212,730,737	14,600,945,773	69,885,582	159,615,124	552,240,473	17,595,417,689
18	7,001,123,921	38,155,768,262	80,179,466	416,324,676	3,251,613,687	48,905,010,012
19	5,712,292,461	18,486,678,871	8,693,453	397,483,746	3,057,067,115	27,662,215,646
20	4,819,706,782	11,046,626,255	13,911,773	336,639,390	2,299,233,452	18,516,117,652
21	9,194,823,261	15,174,699,017	52,847,978	374,211,801	4,252,268,277	29,048,850,334
22	7,375,734,879	8,165,579,020	-	311,644,859	3,750,584,163	19,603,542,921
23	5,603,869,479	3,461,615,034	-	153,842,559	2,485,285,801	11,704,612,873
24	5,790,812,191	6,861,010,660	26,679,858	179,529,633	2,267,260,356	15,125,292,698
25	2,377,677,278	1,884,153,773	6,851,247	47,298,675	1,191,301,369	5,507,282,342
Total	\$169,751,066,958	\$1,755,398,679,440	\$25,888,470,026	\$22,508,207,537	\$88,118,573,834	\$2,061,664,997,795
1-5	\$20,962,275,372	\$852,101,833,922	\$18,319,093,141	\$10,787,178,339	\$13,584,905,407	\$915,755,286,181
6-10	\$33,734,185,308	\$407,884,279,145	\$5,266,786,363	\$4,920,274,140	\$22,077,587,659	\$473,883,112,615
11-15	\$61,202,463,896	\$355,682,464,644	\$1,966,602,001	\$4,225,467,592	\$27,494,646,165	\$450,571,644,298
16-20	\$23,509,225,294	\$104,183,044,225	\$249,609,438	\$1,508,759,939	\$11,014,734,637	\$140,465,373,533
21-25	\$30,342,917,088	\$35,547,057,504	\$86,379,083	\$1,066,527,527	\$13,946,699,966	\$80,989,581,168
% of Total within Type of Business						
1-5	12.3%	48.5%	70.8%	47.9%	15.4%	44.4%
6-10	19.9%	23.2%	20.3%	21.9%	25.1%	23.0%
11-15	36.1%	20.3%	7.6%	18.8%	31.2%	21.9%
16-20	13.8%	5.9%	1.0%	6.7%	12.5%	6.8%
21-25	17.9%	2.0%	0.3%	4.7%	15.8%	3.9%
% of Total within Territory						
Total	8.2%	85.1%	1.3%	1.1%	4.3%	100.0%
1-5	2.3%	93.0%	2.0%	1.2%	1.5%	100.0%
6-10	7.1%	86.1%	1.1%	1.0%	4.7%	100.0%
11-15	13.6%	78.9%	0.4%	0.9%	6.1%	100.0%
16-20	16.7%	74.2%	0.2%	1.1%	7.8%	100.0%
21-25	37.5%	43.9%	0.1%	1.3%	17.2%	100.0%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Exposure and Risks as of 2/1/16

2016 FHCF Rating Region	Total Risks					
	Commercial	Residential	Mobile Home	Tenants	Condominium- Owners	Total
1	4,192	494,806	60,583	112,462	24,084	696,127
2	1,321	180,433	24,132	23,392	9,890	239,168
3	6,799	551,308	46,562	120,947	37,079	762,695
4	8,548	614,635	51,075	129,840	35,401	839,499
5	7,786	308,200	50,089	47,749	27,126	440,950
6	8,328	262,814	24,266	49,075	33,606	378,089
7	10,169	244,800	28,193	49,895	49,767	382,824
8	10,462	210,953	9,104	36,940	53,723	321,182
9	9,061	161,455	11,454	32,294	38,291	252,555
10	8,031	160,930	5,025	30,320	39,893	244,199
11	20,494	259,099	10,398	62,831	108,523	461,345
12	10,428	159,989	3,242	34,508	54,940	263,107
13	14,595	210,817	8,125	36,301	73,405	343,243
14	8,322	145,597	4,138	17,812	31,831	207,700
15	5,430	83,173	1,391	12,847	19,434	122,275
16	3,692	42,692	1,293	4,827	14,730	67,234
17	2,777	37,074	1,164	7,027	7,329	55,371
18	5,758	84,607	1,604	13,312	28,761	134,042
19	5,155	35,500	139	12,288	24,670	77,752
20	3,088	23,550	416	9,818	15,071	51,943
21	4,026	20,442	1,014	8,713	30,042	64,237
22	2,987	13,789	-	7,322	23,257	47,355
23	1,209	4,306	-	3,417	13,376	22,308
24	2,656	8,110	684	4,055	12,637	28,142
25	341	2,405	164	594	2,562	6,066
Total	165,655	4,321,484	344,255	868,586	809,428	6,509,408
1-5	28,646	2,149,382	232,441	434,390	133,580	2,978,439
6-10	46,051	1,040,952	78,042	198,524	215,280	1,578,849
11-15	59,269	858,675	27,294	164,299	288,133	1,397,670
16-20	20,470	223,423	4,616	47,272	90,561	386,342
21-25	11,219	49,052	1,862	24,101	81,874	168,108
% of Total within Type of Business						
1-5	17.3%	49.7%	67.5%	50.0%	16.5%	45.8%
6-10	27.8%	24.1%	22.7%	22.9%	26.6%	24.3%
11-15	35.8%	19.9%	7.9%	18.9%	35.6%	21.5%
16-20	12.4%	5.2%	1.3%	5.4%	11.2%	5.9%
21-25	6.8%	1.1%	0.5%	2.8%	10.1%	2.6%
% of Total within Territory						
Total	2.5%	66.4%	5.3%	13.3%	12.4%	100.0%
1-5	1.0%	72.2%	7.8%	14.6%	4.5%	100.0%
6-10	2.9%	65.9%	4.9%	12.6%	13.6%	100.0%
11-15	4.2%	61.4%	2.0%	11.8%	20.6%	100.0%
16-20	5.3%	57.8%	1.2%	12.2%	23.4%	100.0%
21-25	6.7%	29.2%	1.1%	14.3%	48.7%	100.0%

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2015 FHCF Exposure and Risks as of 2/1/16

2016 FHCF Rating Region	Averages				
	Commercial	Residential	Mobile Home	Tenants	Condominium- Owners
1	922,321	390,366	77,002	24,291	103,737
2	689,445	392,330	75,454	29,091	124,195
3	859,051	409,528	81,049	25,032	103,496
4	731,094	412,303	78,515	24,447	99,104
5	525,953	353,554	80,841	24,567	92,616
6	619,379	370,420	69,096	23,943	93,798
7	792,769	387,577	73,211	22,907	99,590
8	764,295	374,990	58,069	25,544	96,611
9	731,495	402,360	60,740	26,211	113,184
10	733,433	444,824	60,039	26,790	111,422
11	994,932	456,320	74,215	25,634	91,665
12	1,025,646	459,943	71,138	27,118	90,508
13	1,180,068	398,451	77,677	23,874	84,676
14	970,730	318,353	62,195	23,909	113,713
15	886,813	402,932	54,492	30,092	140,944
16	1,019,331	512,813	59,504	41,164	125,905
17	796,806	393,832	60,039	22,715	75,350
18	1,215,895	450,976	49,987	31,274	113,056
19	1,108,107	520,752	62,543	32,347	123,918
20	1,560,786	469,071	33,442	34,288	152,560
21	2,283,861	742,329	52,118	42,949	141,544
22	2,469,278	592,181	-	42,563	161,267
23	4,635,128	803,905	-	45,023	185,802
24	2,180,276	845,994	39,006	44,274	179,414
25	6,972,661	783,432	41,776	79,627	464,989
Total	\$1,024,726	\$406,203	\$75,201	\$25,914	\$108,865
1-5	\$731,770	\$396,440	\$78,812	\$24,833	\$101,699
6-10	\$732,540	\$391,838	\$67,487	\$24,784	\$102,553
11-15	\$1,032,622	\$414,222	\$72,053	\$25,718	\$95,423
16-20	\$1,148,472	\$466,304	\$54,075	\$31,917	\$121,628
21-25	\$2,704,601	\$724,681	\$46,390	\$44,252	\$170,343

EXHIBIT

XVI

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
2016 Residential Masonry Base Premium (2% Deductible) Comparison  
Prior to Application of Premium Credits/Surcharges

**% Change in Rates**

**Maximum Decrease                    -40.21%**  
**Maximum Increase                71.27%**

Threshold From      To		Count of ZIP Codes	Percentage of Zip Codes in Group	Residential Exposure (in 000's)	Percentage of Res Exposure in Group	Residential Exposure Risk Counts (Houses)	Percentage of Risk Counts in Group
Greater Than	-25%	27	1.85%	25,196,458	1.62%	56,518	1.51%
-25%	-20%	56	3.83%	76,366,159	4.92%	179,242	4.78%
-20%	-10%	470	32.17%	555,572,653	35.80%	1,354,597	36.15%
-10%	0%	190	13.00%	172,923,876	11.14%	392,875	10.49%
0%	5%	660	45.17%	691,630,005	44.56%	1,697,958	45.32%
5%	10%	1	0.07%	1,189,347	0.08%	2,008	0.05%
10%	20%	36	2.46%	14,729,086	0.95%	28,733	0.77%
Greater Than	20%	21	1.44%	14,436,960	0.93%	34,721	0.93%
<b>New ZIP Codes in 2016</b>		<b>1,461</b>	<b>100.00%</b>	<b>1,552,044,544</b>	<b>100.00%</b>	<b>3,746,652</b>	<b>100.00%</b>
		0	0.00%	-	0.00%	-	0.00%
		<b>1,461</b>	<b>100.00%</b>	<b>1,552,044,544</b>	<b>100.00%</b>	<b>3,746,652</b>	<b>100.00%</b>

**\$ Change in Rates**

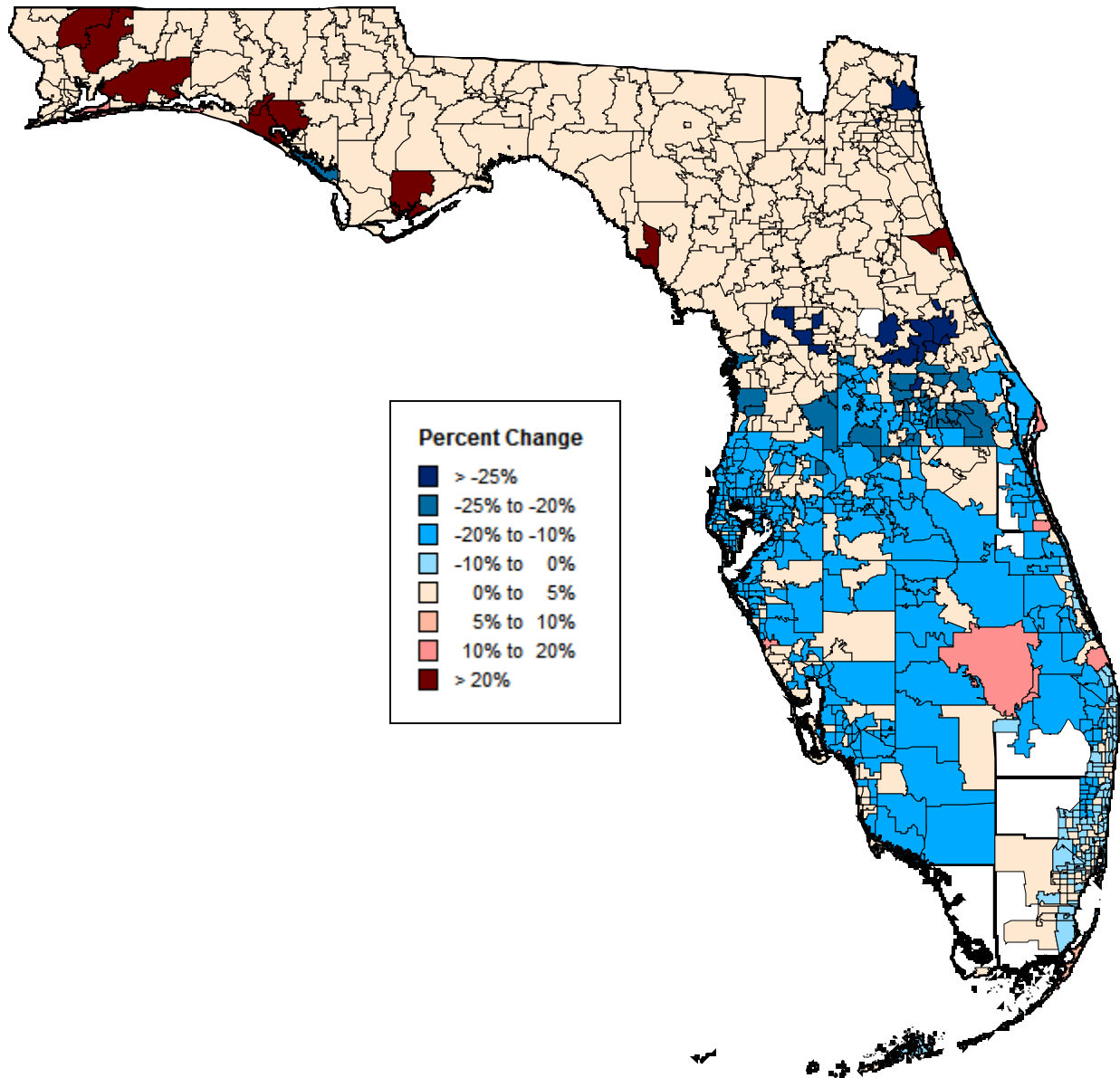
**Maximum Decrease                    (\$78.93)**  
**Maximum Increase                \$100.96**

Premium Threshold* From      To		Count of ZIP Codes	Percentage of Zip Codes in Group	Residential Exposure (in 000's)	Percentage of Res Exposure in Group	Residential Exposure Risk Counts (Houses)	Percentage of Risk Counts in Group
-\$80	-\$60	40	2.74%	19,729,786	1.27%	32,275	0.86%
-\$60	-\$40	150	10.27%	153,194,090	9.87%	360,600	9.62%
-\$40	-\$20	553	37.85%	657,135,270	42.34%	1,590,357	42.45%
-\$20	\$0	0	0.00%	-	0.00%	-	0.00%
\$0	\$5	550	37.65%	583,820,607	37.62%	1,431,584	38.21%
\$5	\$10	99	6.78%	102,440,267	6.60%	258,217	6.89%
\$10	\$50	49	3.35%	28,652,441	1.85%	61,426	1.64%
\$50	\$105	20	1.37%	7,072,083	0.46%	12,193	0.33%
<b>New ZIP Codes in 2016</b>		<b>1,461</b>	<b>100.00%</b>	<b>1,552,044,544</b>	<b>100.00%</b>	<b>3,746,652</b>	<b>100.00%</b>
		0	0.00%	-	0.00%	-	0.00%
		<b>1,461</b>	<b>100.00%</b>	<b>1,552,044,544</b>	<b>100.00%</b>	<b>3,746,652</b>	<b>100.00%</b>

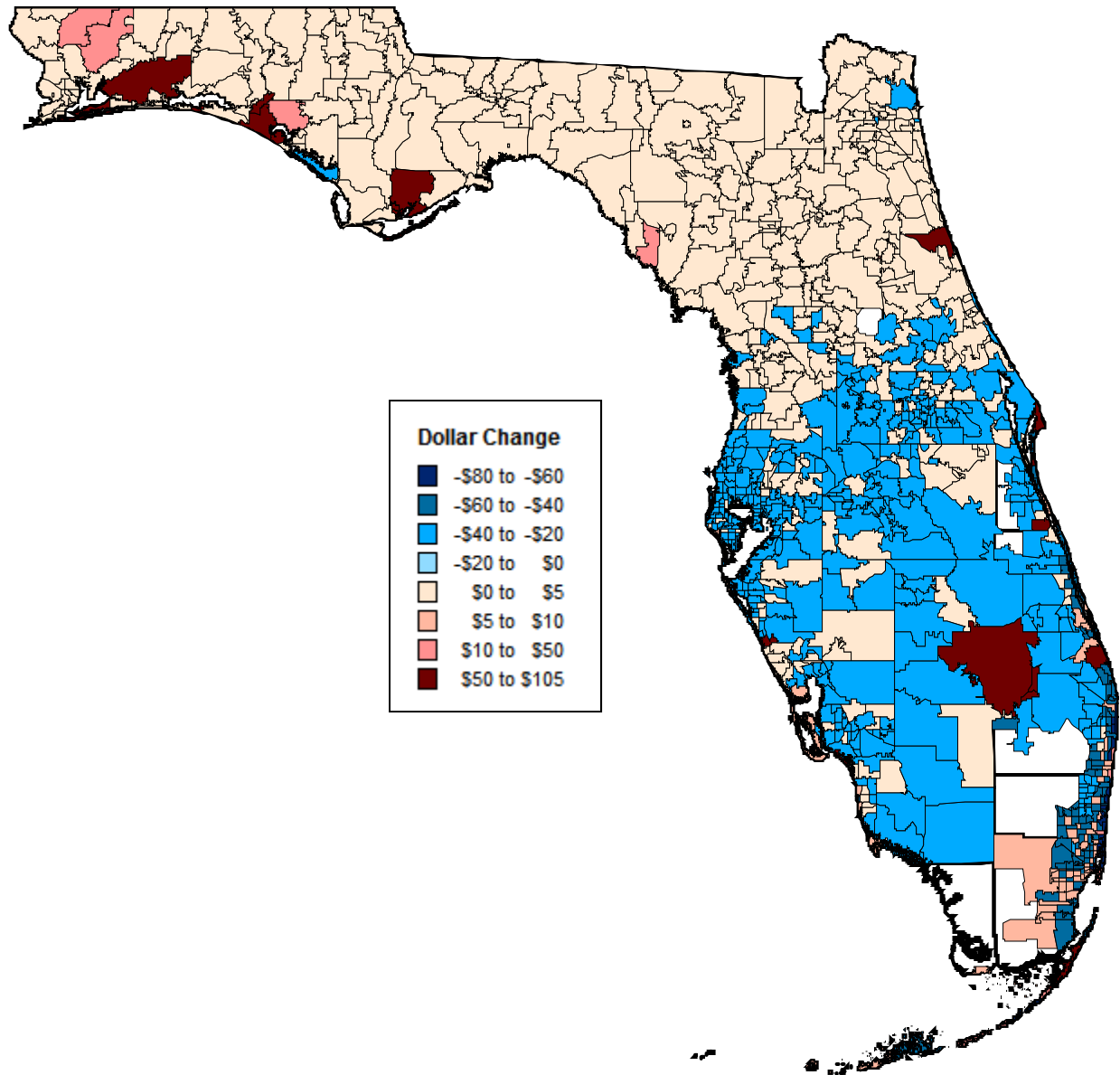
**\*Exposure Assumptions**

Coverages:      \$      244 Building Value  
(in thousands)    \$      24 Appurtenant Structures  
                         \$      122 Contents  
                         \$      24 Additional Living Expense  
                         \$      414 FHCF Exposure

**Florida Hurricane Catastrophe Fund**  
**Proposed 2016 Percentage Rate Change by 5-Digit ZIP Code**  
**Entire State**



**Florida Hurricane Catastrophe Fund**  
**Proposed 2016 Dollar Rate Change by 5-Digit ZIP Code**  
**Entire State**



EXHIBIT

XVII

**Florida Hurricane Catastrophe Fund**  
**2016 Ratemaking Premium Formula Report**  
**Exhibit XVII - Risk Transfer Options Formula**

The rates presented in this report do not include a loading for the cost of risk transfer. Should the FHCF enter into a risk transfer arrangement, the impact of the cost shall be determined, and the 2016-2017 FHCF premium rates and factors would be accordingly adjusted, by using the formula specified in this Exhibit.

The estimates for FHCF loss credits are based on the average of the AIR and RMS data distributions in Exhibit VIII. Exhibit XVII is based on the same loss severity distribution and displays probability of exceedance for specific FHCF layers with the adjustments to the FHCF loss layer level prior to fixed expenses. These values are used to illustrate a range of potential risk transfer structures and costs on page 3 of this Exhibit. Revised factors are presented on pages 4 -5 of this Exhibit.

To adjust the FHCF premium/rates to account for the impact of a future risk transfer arrangement, if any, the rates presented in this 2016 Ratemaking Formula Report would be adjusted by a Risk Transfer Adjustment Factor (RTAF):

$$\text{Amended FHCF Rate} = \text{Original FHCF Rate} \times \text{RTAF}$$

The details of the formula calculation are provided below.

**Definitions**

1. Amended FHCF Rate: Original FHCF Rate x RTAF
2. Amended FHCF Rate Change: FHCF Current Rate Change x RTAF
3. Amended FHCF Projected Payout Multiple: FHCF Current Projected Payout Multiple/RTAF
4. Amended FHCF Retention Multiple: FHCF Current Retention Multiple/RTAF
5. AP = Amended FHCF Premium: OP x RTAF
6. CBF: Cash Build-up Factor [25% or .25 for the 2016 Contract Year]
7. ELC: Expected Loss Credit
8. NRCP: Net Risk Transfer Cost Premium = (RTC-(ELC x (1+CBF))
9. OP= Original FHCF Premium: \$1,124,515,497 for the 2016 Contract Year [Exhibit II, line 73]
10. RTAF = (OP + NRCP)/OP
11. RTC: Risk Transfer Costs

**Calculation of the Expected Loss Credit (ELC)**

The ELC is calculated, based on the Modeled Adjusted Loss Severity Distributions in Exhibit XVII, as  $ELC = ((P(LA) + P(LE)/2) \times (LE - LA)) \times TUP$ , whereas:

1. LA : Layer Attachment
2. LE : Layer Exhaustion
3. P(LA) : probability of exceedance for Layer Attachment
4. P(LE) : probability of exceedance for Layer Exhaustion

5. TUP : True Up Factor = FHCF Losses Prior to expenses (Exhibit II, Line 23) / Exhibit XVII expected Losses =  $837,789,110/772,139,714 = 1.085022691$

**Example of RTAF Calculation**

Risk Transfer of \$500 Million excess of \$12.500 Billion purchased for 5% Rate on Line (\$25 million)

- $RTC = 25,000,000$
- Layer Attachment: \$12,500,000,000,  $P(LA) = 2.08825\%$
- Layer Exhaustion: \$13,000,000,000,  $P(LE) = 1.92400\%$
- $ELC = ( (.0208825 + .0192400)/2 ) \times (13,000,000,000 - 12,500,000,000) \times 1.085022691 = 10,883,456$
- $NRCP = 25,000,000 - (10,883,456 \times 1.25) = \$11,395,680$

$$RTAF = (1,124,515,497 + 11,395,680) / 1,124,515,497 = 1.010133858$$

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Expected Loss and Premium by Layer  
Based on Avg (AIR,RMS) Trended 2015 Zip Code Loss Data and 2016 Per Company Estimated Limits and Retentions

Aggregate FHCFLoss Level	Return Time	Prob(Exceed)	Expected Loss Company Ret, Lim	Adjust loss prior to Fixed expense (Expected Loss Credits)
0	3.4	29.16850%	2,495,637	2,707,823
10,000,000	4.8	20.74425%	17,073,112	18,524,714
100,000,000	5.8	17.19600%	24,289,500	26,354,659
250,000,000	6.6	15.19000%	35,512,188	38,531,529
500,000,000	7.6	13.21975%	60,586,250	65,737,456
1,000,000,000	9.1	11.01475%	98,310,000	106,668,581
2,000,000,000	11.6	8.64725%	79,535,000	86,297,280
3,000,000,000	13.8	7.25975%	67,742,500	73,502,150
4,000,000,000	15.9	6.28875%	59,202,500	64,236,056
5,000,000,000	18.0	5.55175%	51,973,750	56,392,698
6,000,000,000	20.6	4.84300%	45,945,000	49,851,368
7,000,000,000	23.0	4.34600%	40,765,000	44,230,950
8,000,000,000	26.3	3.80700%	35,781,250	38,823,468
9,000,000,000	29.9	3.34925%	31,567,500	34,251,454
10,000,000,000	33.7	2.96425%	27,868,750	30,238,226
11,000,000,000	38.3	2.60950%	12,563,750	13,631,954
11,500,000,000	41.4	2.41600%	11,673,750	12,666,284
12,000,000,000	44.4	2.25350%	10,854,375	11,777,243
12,500,000,000	47.9	2.08825%	10,030,625	10,883,456
13,000,000,000	52.0	1.92400%	9,173,750	9,953,727
13,500,000,000	57.3	1.74550%	8,319,375	9,026,711
14,000,000,000	63.2	1.58225%	7,499,375	8,136,992
14,500,000,000	70.5	1.41750%	6,670,625	7,237,779
15,000,000,000	80.0	1.25075%	5,798,125	6,291,097
15,500,000,000	93.6	1.06850%	4,841,875	5,253,544
16,000,000,000	115.2	0.86825%	2,036,875	2,210,056
16,250,000,000	131.4	0.76125%	1,784,063	1,935,748
16,500,000,000	150.2	0.66600%	1,485,000	1,611,259
16,750,000,000	191.6	0.52200%	759,761	824,358
16,999,000,000	1,133.1	0.08825%	453	491
17,000,000,000	44,444.4	0.00225%		
Total			772,139,714	837,789,110
True Up Factor				1.08502269091
Average AIR,RMS special study expected Loss			768,208,577	
			100.51%	

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Risk Transfer Estimated Cost and Rate Impact  
Based on Average of AIR & RMS 2015 Trended Zip Code Loss Data, 2016 Coverage, and 2016 Per Company Estimated Limits and Retentions

Aggregate

Reinsurance Attachment	\$11,500,000,000	Limit	\$17,000,000,000	Projected Payout Multiple	15.1176
FHCF Premium with Cash Build Up	\$1,124,515,497	Retention	\$6,966,000,000	Retention Multiple 100%	4.7271
Cash Build Up Factor	25%	Coverage %	76.309%	Retention Multiple 90%	5.2523
				Retention Multiple 75%	6.3028
Rate Change	-9.07%			Retention Multiple 45%	10.5046
Risk Transfer Premiums Gross					
Limit	Expected Loss Credit	Risk Transfer Rate on Line			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	\$20,000,000	\$21,250,000	\$22,500,000	\$23,750,000
\$1,000,000,000	\$24,443,527	\$40,000,000	\$42,500,000	\$45,000,000	\$47,500,000
\$1,500,000,000	\$35,326,983	\$60,000,000	\$63,750,000	\$67,500,000	\$71,250,000
\$2,000,000,000	\$45,280,709	\$80,000,000	\$85,000,000	\$90,000,000	\$95,000,000
		\$100,000,000	\$105,000,000	\$110,000,000	\$115,000,000
		\$115,000,000	\$120,000,000		
Risk Transfer Dollar Impact on Premiums					
Limit	Expected Loss Credit	Net Risk Transfer Cost Premium			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	\$4,167,145	\$5,417,145	\$6,667,145	\$7,917,145
\$1,000,000,000	\$24,443,527	\$9,445,591	\$11,945,591	\$14,445,591	\$16,945,591
\$1,500,000,000	\$35,326,983	\$15,841,272	\$19,591,272	\$23,341,272	\$27,091,272
\$2,000,000,000	\$45,280,709	\$23,399,113	\$28,399,113	\$33,399,113	\$38,399,113
		\$43,399,113	\$48,399,113	\$53,399,113	\$58,399,113
		\$63,399,113			
Risk Transfer % Impact on Rates					
Limit	Expected Loss Credit	FHCF Rate Impact			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	0.4%	0.5%	0.6%	0.7%
\$1,000,000,000	\$24,443,527	0.8%	1.1%	1.3%	1.5%
\$1,500,000,000	\$35,326,983	1.4%	1.7%	2.1%	2.4%
\$2,000,000,000	\$45,280,709	2.1%	2.5%	3.0%	3.4%
				3.9%	4.3%
				4.7%	5.2%
				5.6%	
Risk Transfer: Revised Rate Change					
Limit	Expected Loss Credit	FHCF Revised Rate Change			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	-8.73%	-8.63%	-8.53%	-8.43%
\$1,000,000,000	\$24,443,527	-8.30%	-8.10%	-7.90%	-7.70%
\$1,500,000,000	\$35,326,983	-7.79%	-7.48%	-7.18%	-6.88%
\$2,000,000,000	\$45,280,709	-7.18%	-6.77%	-6.37%	-5.96%
				-5.56%	-5.15%
				-4.75%	-4.35%
				-3.94%	
Projected Payout Multiple					
Limit	Expected Loss Credit	Revised Payout Multiples			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	15.0618	15.0451	15.0285	15.0119
\$1,000,000,000	\$24,443,527	14.9917	14.9587	14.9259	14.8932
\$1,500,000,000	\$35,326,983	14.9076	14.8588	14.8102	14.7620
\$2,000,000,000	\$45,280,709	14.8095	14.7452	14.6816	14.6184
				14.5559	14.4938
				14.4323	14.3713
				14.3108	
Retention Multiple 90%					
Limit	Expected Loss Credit	Revised Retention Multiple 90%			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	5.2329	5.2271	5.2213	5.2156
\$1,000,000,000	\$24,443,527	5.2086	5.1971	5.1857	5.1743
\$1,500,000,000	\$35,326,983	5.1793	5.1624	5.1455	5.1287
\$2,000,000,000	\$45,280,709	5.1452	5.1229	5.1008	5.0789
				5.0571	5.0356
				5.0142	4.9930
				4.9720	
Retention Multiple 75%					
Limit	Expected Loss Credit	Revised Retention Multiple 75%			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	6.2795	6.2725	6.2656	6.2587
\$1,000,000,000	\$24,443,527	6.2503	6.2365	6.2228	6.2092
\$1,500,000,000	\$35,326,983	6.2152	6.1948	6.1746	6.1545
\$2,000,000,000	\$45,280,709	6.1743	6.1475	6.1210	6.0946
				6.0686	6.0427
				6.0170	5.9916
				5.9664	
Retention Multiple 45%					
Limit	Expected Loss Credit	Revised Retention Multiple 45%			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$12,666,284	10.4658	10.4542	10.4427	10.4312
\$1,000,000,000	\$24,443,527	10.4171	10.3942	10.3714	10.3487
\$1,500,000,000	\$35,326,983	10.3587	10.3247	10.2910	10.2575
\$2,000,000,000	\$45,280,709	10.2905	10.2459	10.2016	10.1577
				10.1143	10.0711
				10.0284	9.9860
				9.9440	

Florida Hurricane Catastrophe Fund  
2016 Ratemaking Formula Report  
Risk Transfer Estimated Cost and Rate Impact  
Based on Average of AIR & RMS 2015 Trended Zip Code Loss Data, 2016 Coverage, and 2016 Per Company Estimated Limits and Retentions

Aggregate

Reinsurance Attachment	\$12,000,000,000	Limit	\$17,000,000,000	Projected Payout Multiple	15.1176
FHCF Premium with Cash Build Up	\$1,124,515,497	Retention	\$6,966,000,000	Retention Multiple 100%	4.7271
Cash Build Up Factor	25%	Coverage %	76.309%	Retention Multiple 90%	5.2523
				Retention Multiple 75%	6.3028
Rate Change	-9.07%			Retention Multiple 45%	10.5046
Risk Transfer Premiums Gross					
Limit	Expected Loss Credit	Risk Transfer Rate on Line			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	\$20,000,000	\$21,250,000	\$22,500,000	\$23,750,000
\$1,000,000,000	\$22,660,699	\$40,000,000	\$42,500,000	\$45,000,000	\$47,500,000
\$1,500,000,000	\$32,614,426	\$60,000,000	\$63,750,000	\$67,500,000	\$71,250,000
\$2,000,000,000	\$41,641,136	\$80,000,000	\$85,000,000	\$90,000,000	\$95,000,000
Risk Transfer Dollar Impact on Premiums					
Limit	Expected Loss Credit	Net Risk Transfer Cost Premium			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	\$5,278,446	\$6,528,446	\$7,778,446	\$9,028,446
\$1,000,000,000	\$22,660,699	\$11,674,126	\$14,174,126	\$16,674,126	\$19,174,126
\$1,500,000,000	\$32,614,426	\$19,231,968	\$22,981,968	\$26,731,968	\$30,481,968
\$2,000,000,000	\$41,641,136	\$27,948,579	\$32,948,579	\$37,948,579	\$42,948,579
Risk Transfer % Impact on Rates					
Limit	Expected Loss Credit	FHCF Rate Impact			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	0.5%	0.6%	0.7%	0.8%
\$1,000,000,000	\$22,660,699	1.0%	1.3%	1.5%	1.7%
\$1,500,000,000	\$32,614,426	1.7%	2.0%	2.4%	2.7%
\$2,000,000,000	\$41,641,136	2.5%	2.9%	3.4%	3.8%
Risk Transfer: Revised Rate Change					
Limit	Expected Loss Credit	FHCF Revised Rate Change			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	-8.64%	-8.54%	-8.44%	-8.34%
\$1,000,000,000	\$22,660,699	-8.12%	-7.92%	-7.72%	-7.52%
\$1,500,000,000	\$32,614,426	-7.51%	-7.21%	-6.91%	-6.60%
\$2,000,000,000	\$41,641,136	-6.81%	-6.40%	-6.00%	-5.60%
Projected Payout Multiple					
Limit	Expected Loss Credit	Revised Payout Multiples			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	15.0470	15.0304	15.0138	14.9972
\$1,000,000,000	\$22,660,699	14.9623	14.9294	14.8967	14.8642
\$1,500,000,000	\$32,614,426	14.8634	14.8148	14.7666	14.7186
\$2,000,000,000	\$41,641,136	14.7510	14.6873	14.6241	14.5615
Retention Multiple 90%					
Limit	Expected Loss Credit	Revised Retention Multiple 90%			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	5.2278	5.2220	5.2162	5.2105
\$1,000,000,000	\$22,660,699	5.1983	5.1869	5.1756	5.1642
\$1,500,000,000	\$32,614,426	5.1640	5.1471	5.1303	5.1137
\$2,000,000,000	\$41,641,136	5.1249	5.1028	5.0808	5.0591
Retention Multiple 75%					
Limit	Expected Loss Credit	Revised Retention Multiple 75%			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	6.2733	6.2664	6.2595	6.2526
\$1,000,000,000	\$22,660,699	6.2380	6.2243	6.2107	6.1971
\$1,500,000,000	\$32,614,426	6.1968	6.1765	6.1564	6.1364
\$2,000,000,000	\$41,641,136	6.1499	6.1233	6.0970	6.0709
Retention Multiple 45%					
Limit	Expected Loss Credit	Revised Retention Multiple 45%			
		4.00%	4.25%	4.50%	4.75%
\$500,000,000	\$11,777,243	10.4555	10.4440	10.4324	10.4209
\$1,000,000,000	\$22,660,699	10.3967	10.3738	10.3511	10.3285
\$1,500,000,000	\$32,614,426	10.3280	10.2942	10.2607	10.2274
\$2,000,000,000	\$41,641,136	10.2499	10.2056	10.1617	10.1182

## Aggregate

Reinsurance Attachment	\$12,500,000,000	Limit	\$17,000,000,000	Projected Payout Multiple	15.1176
HFCH Premium with Cash Build Up	\$1,124,515,497	Retention	\$6,966,000,000	Retention Multiple 100%	4.7271
Cash Build Up Factor	25%	Coverage %	76.309%	Retention Multiple 90%	5.2523
				Retention Multiple 75%	6.3028
Rate Change	-9.07%			Retention Multiple 45%	10.5046
Risk Transfer Premiums Gross Limit		Risk Transfer Rate on Line			
	Expected Loss Credit	4.00%	4.25%	4.50%	4.75%
				5.00%	5.25%
				5.50%	5.75%
				6.00%	
\$500,000,000	\$10,883,456	\$20,000,000	\$21,250,000	\$22,500,000	\$23,750,000
\$1,000,000,000	\$20,837,183	\$40,000,000	\$42,500,000	\$45,000,000	\$47,500,000
\$1,500,000,000	\$29,863,893	\$60,000,000	\$63,750,000	\$67,500,000	\$71,250,000
\$2,000,000,000	\$38,000,885	\$80,000,000	\$85,000,000	\$90,000,000	\$95,000,000
				\$100,000,000	\$105,000,000
				\$110,000,000	\$115,000,000
				\$120,000,000	
Risk Transfer Dollar Impact on Premiums Limit		Net Risk Transfer Cost Premium			
	Expected Loss Credit	4.00%	4.25%	4.50%	4.75%
				5.00%	5.25%
				5.50%	5.75%
				6.00%	
\$500,000,000	\$10,883,456	\$6,395,680	\$7,645,680	\$8,895,680	\$10,145,680
\$1,000,000,000	\$20,837,183	\$13,953,522	\$16,453,522	\$18,953,522	\$21,453,522
\$1,500,000,000	\$29,863,893	\$22,670,133	\$26,420,133	\$30,170,133	\$33,920,133
\$2,000,000,000	\$38,000,885	\$32,498,893	\$37,498,893	\$42,498,893	\$47,498,893
				\$52,498,893	\$57,498,893
				\$62,498,893	\$67,498,893
				\$72,498,893	
Risk Transfer % Impact on Rates Limit		HFCH Rate Impact			
	Expected Loss Credit	4.00%	4.25%	4.50%	4.75%
				5.00%	5.25%
				5.50%	5.75%
				6.00%	
\$500,000,000	\$10,883,456	0.6%	0.7%	0.8%	0.9%
\$1,000,000,000	\$20,837,183	1.2%	1.5%	1.7%	1.9%
\$1,500,000,000	\$29,863,893	2.0%	2.3%	2.7%	3.0%
\$2,000,000,000	\$38,000,885	2.9%	3.3%	3.8%	4.2%
				4.7%	5.1%
				5.6%	6.0%
				6.4%	
Risk Transfer: Revised Rate Change Limit		HFCH Revised Rate Change			
	Expected Loss Credit	4.00%	4.25%	4.50%	4.75%
				5.00%	5.25%
				5.50%	5.75%
				6.00%	
\$500,000,000	\$10,883,456	-8.55%	-8.45%	-8.35%	-8.25%
\$1,000,000,000	\$20,837,183	-7.94%	-7.74%	-7.54%	-7.33%
\$1,500,000,000	\$29,863,893	-7.24%	-6.93%	-6.63%	-6.33%
\$2,000,000,000	\$38,000,885	-6.44%	-6.04%	-5.63%	-5.23%
				-4.82%	-4.42%
				-4.01%	-3.61%
				-3.21%	
Projected Payout Multiple Limit		Revised Payout Multiples			
		4.00%	4.25%	4.50%	4.75%
				5.00%	5.25%
				5.50%	5.75%
				6.00%	
\$500,000,000		15.0321	15.0155	14.9990	14.9824
\$1,000,000,000		14.9323	14.8996	14.8670	14.8023
\$1,500,000,000		14.8189	14.7706	14.7226	14.6750
\$2,000,000,000		14.6930	14.6298	14.5671	14.5049
				14.4433	14.3822
				14.3216	14.2

EXHIBIT

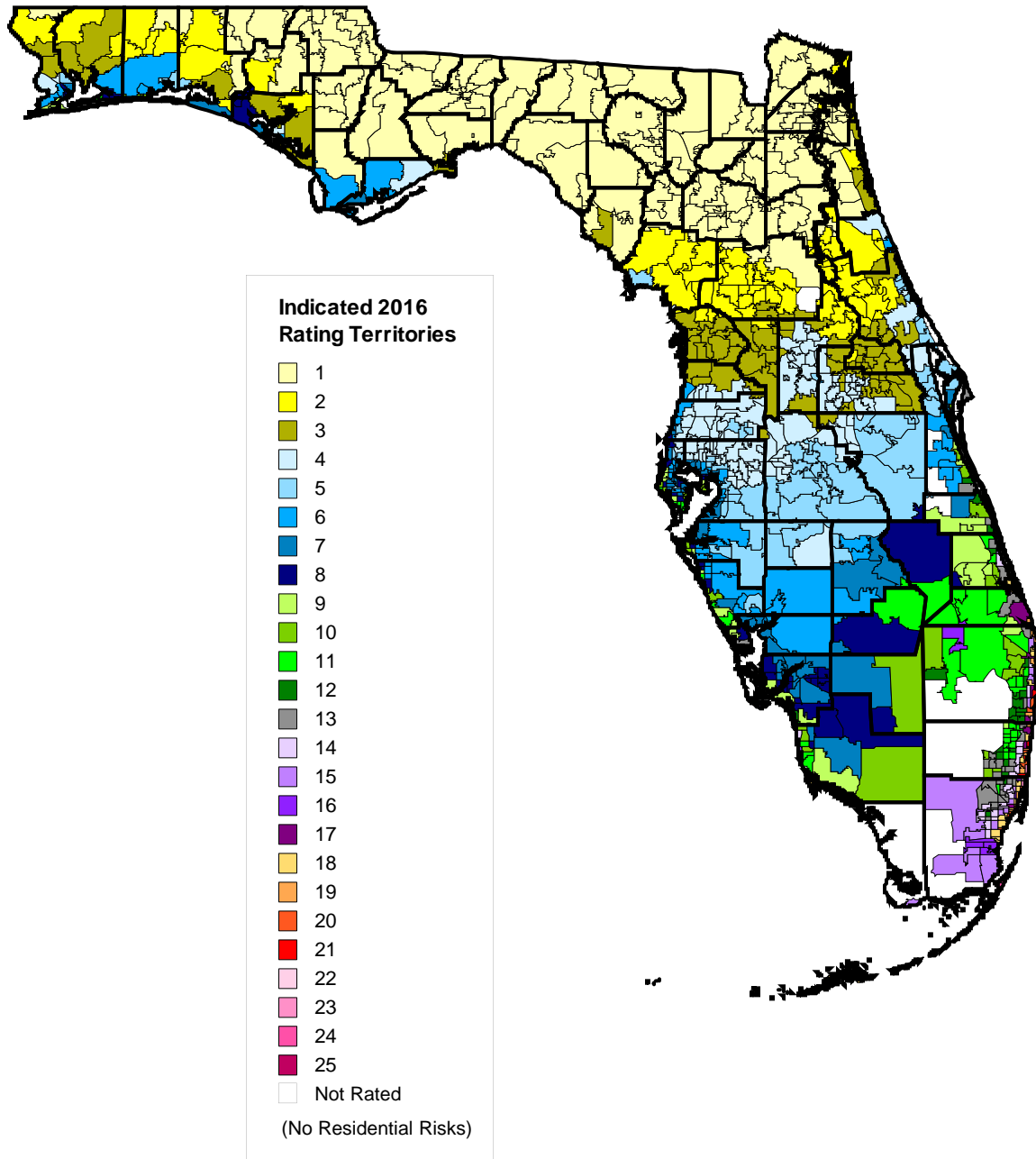
XVIII

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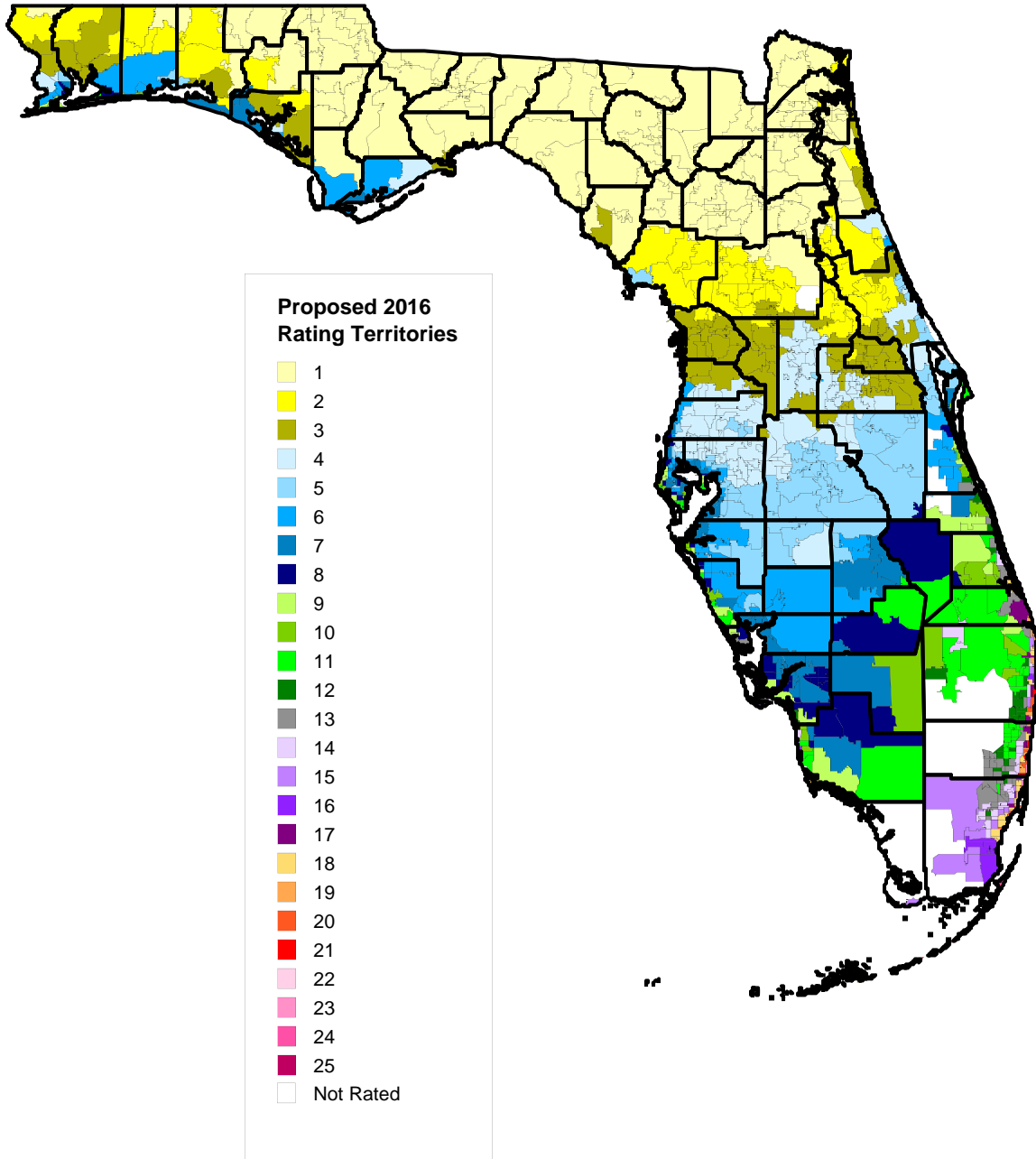
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XIX

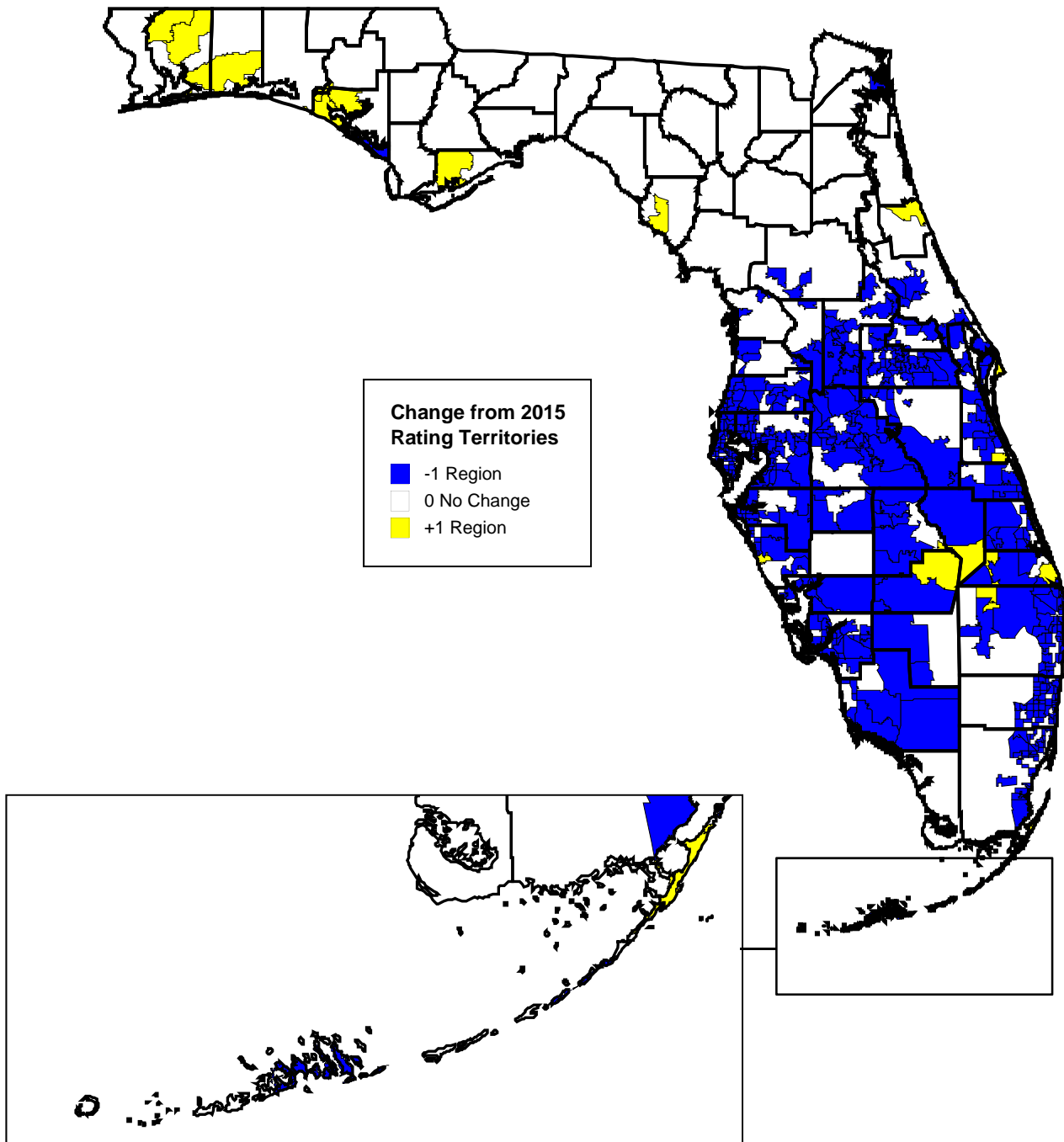
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**Indicated 2016 Rating Territories by 5-Digit ZIP Code**  
**Entire State**



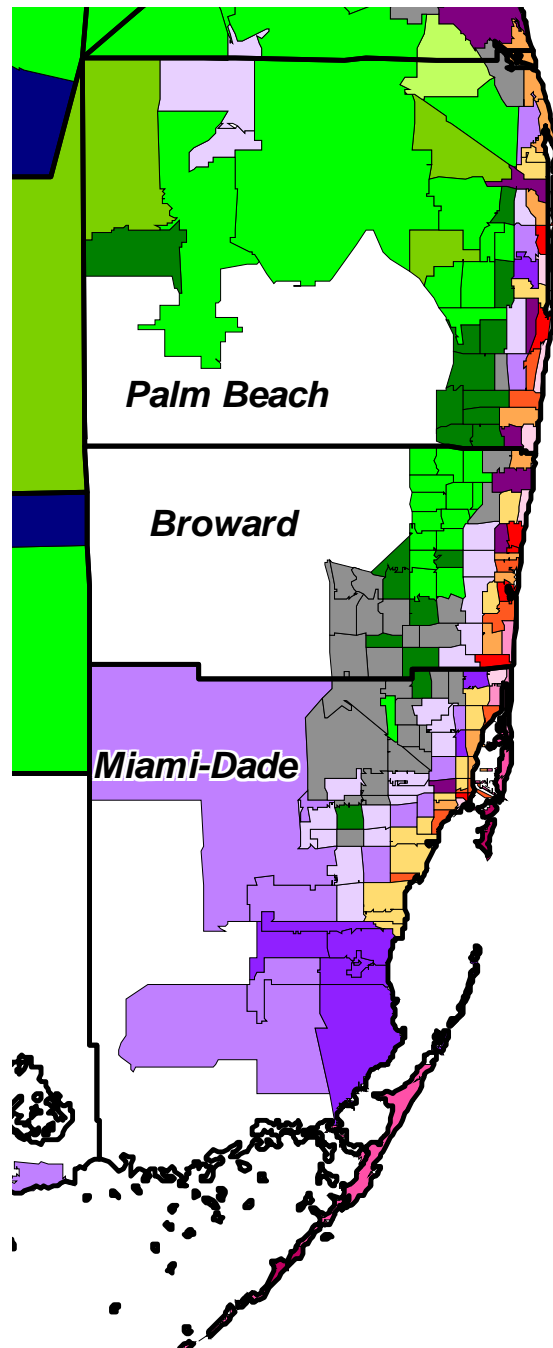
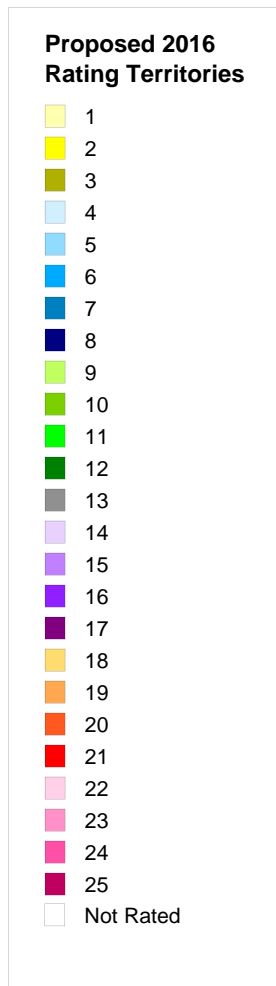
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**Proposed 2016 Rating Territories by 5-Digit ZIP Code**  
**Entire State**



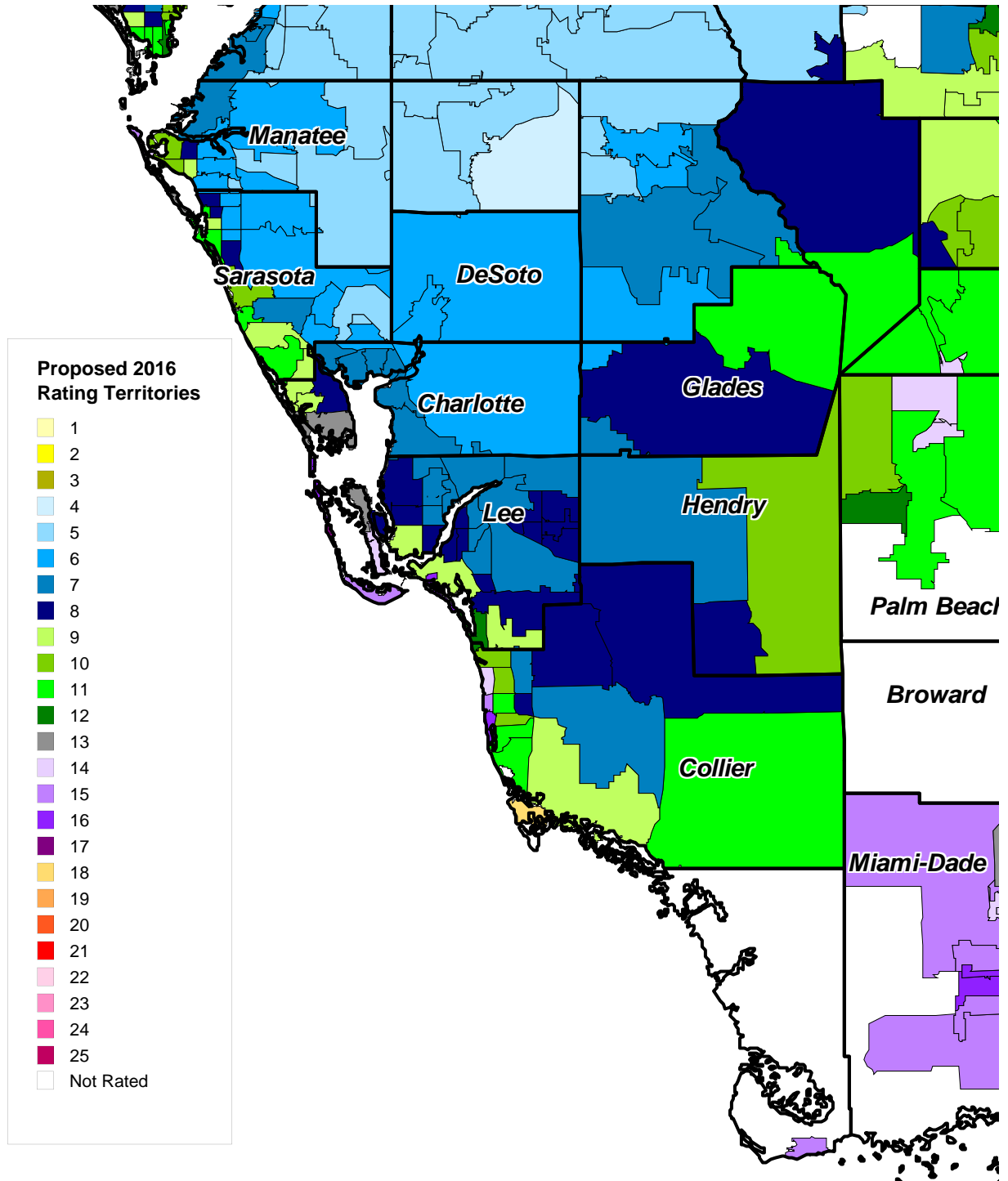
**Florida Hurricane Catastrophe Fund**  
**Proposed 2016 Rating Territories by 5-Digit ZIP Code**  
**Entire State - Change From 2014 Territories**



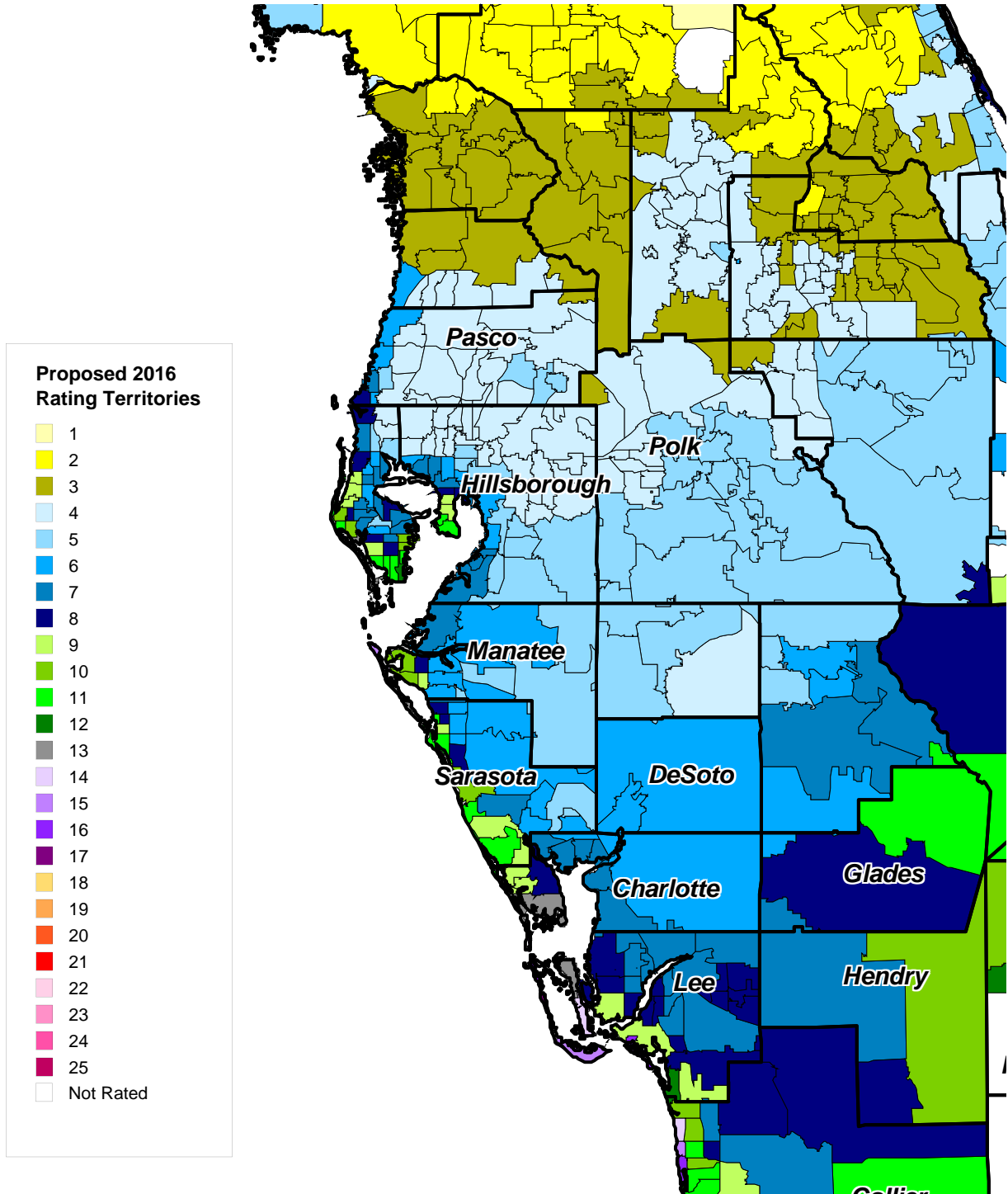
**Florida Hurricane Catastrophe Fund**  
**Proposed 2016 Rating Territories by 5-Digit ZIP Code**  
**Miami and Surrounding Areas**



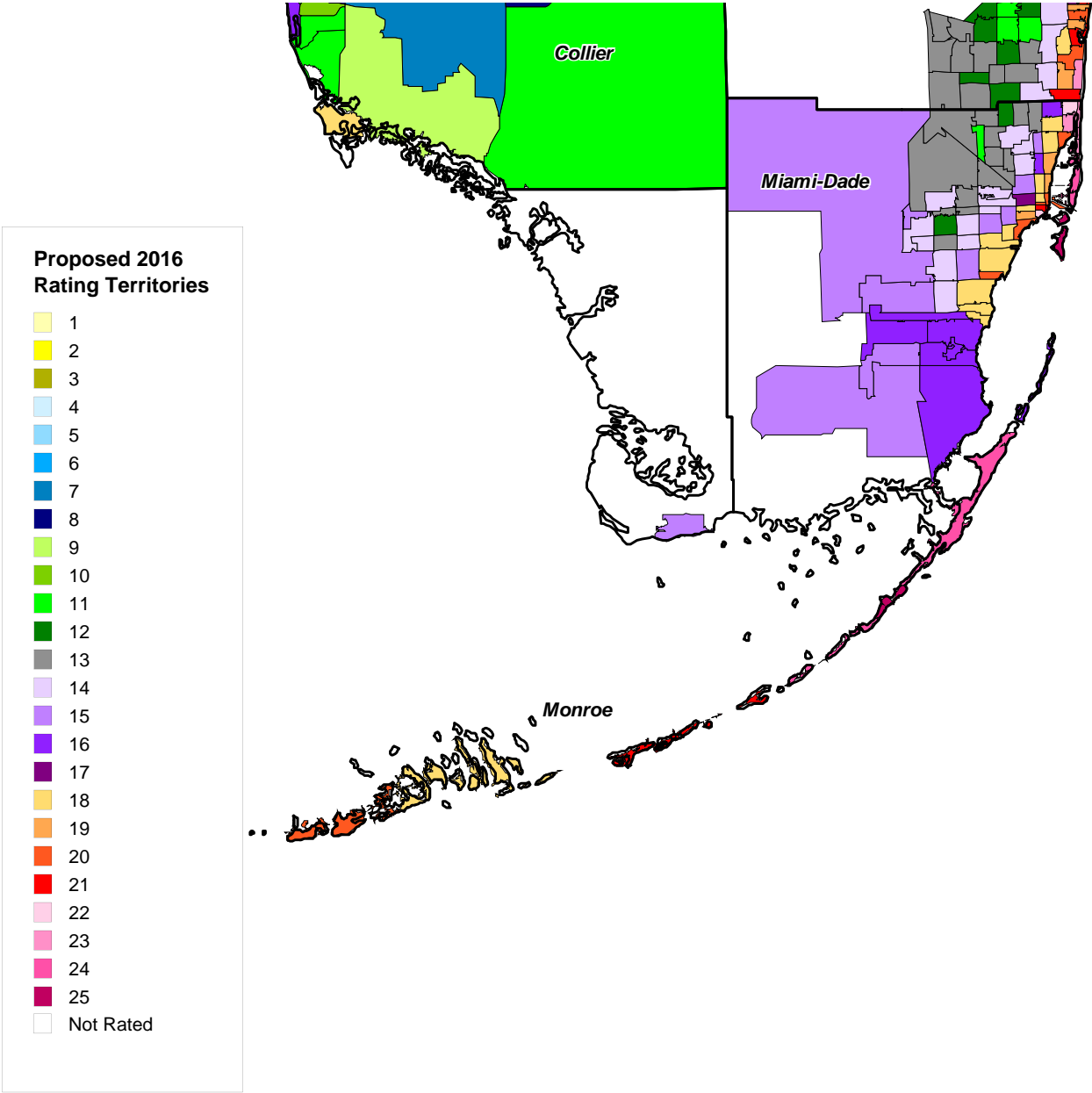
**Florida Hurricane Catastrophe Fund**  
**Proposed 2016 Rating Territories by 5-Digit ZIP Code**  
**Fort Myers and Surrounding Areas**



**Florida Hurricane Catastrophe Fund**  
**Proposed 2016 Rating Territories by 5-Digit ZIP Code**  
**Tampa/Saint Petersburg and Surrounding Areas**



**Florida Hurricane Catastrophe Fund**  
**Proposed 2016 Rating Territories by 5-Digit ZIP Code**  
**Florida Keys**



**Rule 19-8.028, F.A.C., Reimbursement Premium Formula**  
**2016-2017 Contract Year**  
**Summary of Changes**  
*(As of March 15, 2016)*

**Rule 19-8.028, Reimbursement Premium Formula**

**(2)(j)** The definition of New Participants is amended to clarify a reference to a date.

**(3)(a)** This paragraph, which describes the premium formula as required by section 215.555, Florida Statutes, is amended to clarify how the premium rates are derived from the premium formula.

**(3)(b)** This paragraph, which adopted the premium formula for the 2011-2012 contract year, is deleted as obsolete material. Subsequent paragraphs are redesignated to reflect this deletion.

**(3)(f)** This paragraph is added to adopt the 2016-2017 FHCF Ratemaking Formula Report. It also specifies that the 2016-2017 premium rates are developed in accordance with the premium formula methodology as approved by the SBA Trustees through adoption of the Ratemaking Formula Report.

**(4)(a)** This paragraph is amended to clarify that the term "rates" refers to the premium rates.

**(4)(b)** This paragraph, relating to insurers that have forfeited their certificates of authority, is amended to clarify a reference to a date, changing "June 1" to "May 31."

**(4)(c)** This paragraph, relating to new participants, is amended to clarify a reference to a date and to properly refer to the Reimbursement Contract.

**(5)** This subsection is amended to specify that copies of forms adopted under this rule may be obtained from the SBA website.

## Notice of Proposed Rule

### STATE BOARD OF ADMINISTRATION

#### RULE NO.: RULE TITLE:

19-8.028: Reimbursement Premium Formula

**PURPOSE AND EFFECT:** This rule is promulgated to implement Section 215.555, Florida Statutes, regarding the Florida Hurricane Catastrophe Fund, for the 2016-2017 contract year.

**SUMMARY:** In accordance with Section 215.555(5), Florida Statutes, proposed amended Rule 19-8.028, F.A.C., Reimbursement Premium Formula, adopts the 2016-2017 reimbursement premium formula for the Florida Hurricane Catastrophe Fund. In addition, the proposed amended Rule makes editorial and grammatical corrections.

#### 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 the rule and the incorporated documents, the State Board of Administration of Florida has determined that the rule does not meet the statutory threshold for ratification by the legislature.

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), 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:**

**DATE AND TIME:** April 29, 2016, 9:00 a.m. 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 Blvd., 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:**

#### **19-8.028 Reimbursement Premium Formula.**

(1) through (2)(i), No changes.

(j) New Participants. The term means all 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.

(2)(k), No changes.

(3) The Premium Formula.

(a) Because of the diversity of the insurers and the risks they insure which are affected by Section 215.555, F.S., the Premium Formula is adopted in this subsection and special circumstances are addressed in subsection (4), below. The Formula for determining the Actuarially Indicated Premium to be paid to the Fund, as required by Section 215.555(5)(b), F.S., is the rate times the exposure per \$1,000 of insured value and this equals the Premium to be paid in dollars. The premium rates are adopted below ~~were~~ determined by taking into account geographic location by zip code; construction type; policy deductible; type of insurance and other such factors deemed by the Board to be appropriate. The Formula is developed by an Independent Consultant selected by the Board, as required by Section 215.555(5)(b), F.S.

~~(b) For the 2011-2012 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida Hurricane Catastrophe Fund: 2011 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 17, 2011" is hereby adopted and incorporated by reference into this rule, <http://www.flrules.org/Gateway/reference.asp?No=ref-00275>. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on May 3, 2011, are hereby adopted and incorporated by reference in Form FHCF Rates 2011, "Florida Hurricane Catastrophe Fund Proposed 2011 Rates Presented to the State Board of Administration of Florida, March 17, 2011" is hereby adopted and incorporated by reference into this rule, <http://www.flrules.org/Gateway/reference.asp?No=ref-00276> and <http://www.flrules.org/Gateway/reference.asp?No=ref-00277>. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.~~

~~(b)(e)~~ For the 2012-2013 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida Hurricane Catastrophe Fund: 2012 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 22, 2012," <http://www.flrules.org/Gateway/reference.asp?No=Ref-01175>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on April 24, 2012, are hereby adopted and incorporated by reference in Form FHCF-Rates 2012, "Florida Hurricane Catastrophe Fund Proposed 2012 Rates Presented to the State Board of Administration of Florida, March 22, 2012," <http://www.flrules.org/Gateway/reference.asp?No=Ref-01176>, is hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

~~(c)(d)~~ For the 2013-2014 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida Hurricane Catastrophe Fund: 2013 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 21, 2013," as approved on April 23, 2013, <http://www.flrules.org/Gateway/reference.asp?No=ref-02750>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on April 23, 2013, are hereby adopted and incorporated by reference in Form FHCF-Rates 2013, "Florida Hurricane Catastrophe Fund Proposed 2013 Rates Presented to the State Board of Administration of Florida, March 21, 2013," as approved on April 23, 2013, <http://www.flrules.org/Gateway/reference.asp?No=ref-02751>, hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

~~(d)(e)~~ For the 2014-2015 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida Hurricane Catastrophe Fund: 2014 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 20, 2014," <http://www.flrules.org/Gateway/reference.asp?No=ref-04160>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the

Premium Formula methodology approved by the Board on April 22, 2014, are hereby adopted and incorporated by reference in Form FHCF-Rates 2014, "Florida Hurricane Catastrophe Fund Proposed 2014 Rates Presented to the State Board of Administration of Florida, March 20, 2014," <http://www.flrules.org/Gateway/reference.asp?No=ref-04161>, hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

~~(e)(f)~~ For the 2015-2016 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida Hurricane Catastrophe Fund: 2015 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 24, 2015," <http://www.flrules.org/Gateway/reference.asp?No=ref-05418>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on April 14, 2015, are hereby adopted and incorporated by reference in Form FHCF-Rates 2015, "Florida Hurricane Catastrophe Fund Proposed 2015 Rates Presented to the State Board of Administration of Florida, March 24, 2015," <http://www.flrules.org/Gateway/reference.asp?No=ref-05419>, hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

(f) For the 2016/2017 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida Hurricane Catastrophe Fund: 2016 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 15, 2016," <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, and approved by the Board on March 29, 2016, is hereby adopted and incorporated by reference into this rule. The premium rates are developed in accordance with the Premium Formula methodology approved by the Board.

(4)(a) Special Circumstances.

1. Allocation of Premium. Premiums paid to the FHCF with reference to property covered by Quota Share Primary Insurance Arrangements, as that phrase is defined in Section 627.351(6)(c)2.a.(I), F.S., will be allocated by the FHCF between the insurer and Citizens in accordance with the percentages specified in the Quota Share Primary Insurance Arrangement for the purposes of premium billing, calculating retentions and determining reimbursement payments.

2. Special Rating Circumstances. The Premium Formula for policies that, based upon sound actuarial principles, require individual ratemaking and which are not excluded by rule will be based on the use of computer modeling for each individual Company for which it is applicable, i.e., portfolio modeling. The Independent Consultant will recommend guidelines for individual company portfolio reporting and modeling to estimate individual company FHCF expected losses. Individual company FHCF expected losses for portfolio modeling exposures will be loaded for investments and expenses on the same basis as the FHCF premium rates used for non-portfolio modeling exposures, but will also include a loading for the additional cost of individual company modeling. The minimum exposure threshold for FHCF portfolio modeling rating will be sufficient to generate estimated FHCF premium greater than the cost of modeling and other considerations and will be calculated by the Independent Consultant for the separate coverage levels of 45%, 75%, and 90% using the premium rates established pursuant to subsection (3) herein. The methodology used by the Independent Consultant will be based on sound actuarial principles to establish greater actuarial equity in the premium structure.

(4)(b) through (4)(b)2., No changes.

(4)(b)3. Any insurer which has forfeited its certificate of authority or which has discontinued writing in accordance with an order issued by the Department of Financial Services effective prior to June 1 of a Contract Year shall not be required to execute a Reimbursement Contract for that upcoming Contract Year with the Board provided that the insurer has no exposure to hurricane loss after May 31 ~~June 1~~.

(4)(c) through (4)(c)2., No changes.

(4)(c)3. This subparagraph applies to Companies writing new business on or after June 1 but prior to December 1 of the Contract Year.

(4)(c)3.a. through (4)(c)3.c., No changes.

4. This subparagraph applies to Companies writing new business on or after December 1 but up to and

including May 31 of the Contract Year. All New Participants writing new business during this period shall pay a Premium of \$1,000 to provide consideration for the Reimbursement Contract. The Company shall pay no other Premium for the remainder of the Contract Year. The Company shall not report its exposure data for this period to the Board. The Premium shall be paid upon signing the Reimbursement Contract.

(5) All the forms adopted and incorporated by reference in this rule may be obtained directly from the SBA website at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf), or from: ~~Administrator, the~~ Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., at 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, MN 55437.  
*Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7) FS. History—New 9-20-99, Amended 7-3-00, 9-17-01, 7-17-02, 7-2-03, 7-29-04, 7-17-05, 7-6-06, 7-17-07, 6-16-08, 8-2-09, 7-8-10, 7-3-11, 6-25-12, 6-18-13, 6-10-14, 6-2-15, X-XX-16.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Anne Bert, Acting 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: March 29, 2016

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: March 1, 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: March 29, 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 Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and to file this rule 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 rule and incorporated form is available on the Fund's website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf).

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, (850) 413-1349, [donna.sirmons@sbafla.com](mailto: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).

**19-8.028 Reimbursement Premium Formula.**

(1) Purpose. The purpose of this rule is to adopt the Premium Formula to determine the Actuarially Indicated Reimbursement Premium to be paid to the Florida Hurricane Catastrophe Fund, as required by Section 215.555(5)(b), F.S.

(2) Definitions. The terms defined below will be capitalized in this rule.

(a) Actuarially Indicated Premium means Premiums which are derived according to or consistent with accepted actuarial standards of practice. Actuarially Indicated means an amount determined according to principles of actuarial science to be adequate, but not excessive, in the aggregate, to pay current and future obligations and expenses of the Fund, and determined according to principles of actuarial science to reflect each insurer's relative exposure to hurricane losses.

(b) Board or SBA means the State Board of Administration of Florida.

(c) Citizens Property Insurance Corporation or Citizens means the entity formed under Section 627.351(6), F.S., and 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 participating insurer with its own reportable exposures, reimbursement premium, retention, and ultimate net loss.

(d) Contract Year 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.

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

(f) Data Call or Florida Hurricane Catastrophe Fund Data Call means the annual reporting of insured values Form FHCF-D1A, as adopted and incorporated into Rule 19-8.029, F.A.C.

(g) Formula or the Premium Formula means the Formula approved by the SBA for the purpose of determining the Actuarially Indicated Premium to be paid to the FHCF. The Premium Formula is defined as an approach or methodology which leads to the creation of premium rates. The resulting rates are therefore incorporated as part of the Premium Formula, and are the result of the approach or methodology employed.

(h) FHCF or Fund means the Florida Hurricane Catastrophe Fund.

(i) Independent Consultant or Consultant means the independent individual, firm, or organization with which the SBA contracts to prepare the Premium Formula and any other actuarial services for the FHCF, as determined under the contract with the Consultant.

(j) New Participants. The term means all 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.

(k) Premium means the same as Reimbursement Premium, which is the Premium which is determined by multiplying each \$1,000 of insured value reported by the Company in accordance with Section 215.555(5)(b), F.S., by the rate as derived from the Premium Formula.

(3) The Premium Formula.

(a) Because of the diversity of the insurers and the risks they insure which are affected by Section 215.555, F.S., the Premium Formula is adopted in this subsection and special circumstances are addressed in subsection (4), below. The Formula for determining the Actuarially Indicated Premium to be paid to the Fund, as required by Section 215.555(5)(b), F.S., is the rate times the exposure per \$1,000 of insured value and this equals the Premium to be paid in dollars. The premium rates are ~~adopted below were~~ determined by taking into account geographic location by zip code; construction type; policy deductible; type of insurance and other such factors deemed by the Board to be appropriate. The Formula is developed by an Independent Consultant selected by the Board, as required by Section 215.555(5)(b), F.S.

~~(b) For the 2011-2012 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida~~

~~Hurricane Catastrophe Fund: 2011 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 17, 2011” is hereby adopted and incorporated by reference into this rule, <http://www.flrules.org/Gateway/reference.asp?No=ref-00275>. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on May 3, 2011, are hereby adopted and incorporated by reference in Form FHCF Rates 2011, “Florida Hurricane Catastrophe Fund Proposed 2011 Rates Presented to the State Board of Administration of Florida, March 17, 2011” is hereby adopted and incorporated by reference into this rule, <http://www.flrules.org/Gateway/reference.asp?No=ref-00276> and <http://www.flrules.org/Gateway/reference.asp?No=ref-00277>. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.~~

~~(b)(e)~~ For the 2012-2013 Contract Year, the Formula developed by the Board’s Independent Consultant, “Florida Hurricane Catastrophe Fund: 2012 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 22, 2012,” <http://www.flrules.org/Gateway/reference.asp?No=Ref-01175>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on April 24, 2012, are hereby adopted and incorporated by reference in Form FHCF-Rates 2012, “Florida Hurricane Catastrophe Fund Proposed 2012 Rates Presented to the State Board of Administration of Florida, March 22, 2012,” <http://www.flrules.org/Gateway/reference.asp?No=Ref-01176>, is hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

~~(c)(d)~~ For the 2013-2014 Contract Year, the Formula developed by the Board’s Independent Consultant, “Florida Hurricane Catastrophe Fund: 2013 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 21, 2013,” as approved on April 23, 2013, <http://www.flrules.org/Gateway/reference.asp?No=ref-02750>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on April 23, 2013, are hereby adopted and incorporated by reference in Form FHCF-Rates 2013, “Florida Hurricane Catastrophe Fund Proposed 2013 Rates Presented to the State Board of Administration of Florida, March 21, 2013,” as approved on April 23, 2013, <http://www.flrules.org/Gateway/reference.asp?No=ref-02751>, hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

~~(d)(e)~~ For the 2014-2015 Contract Year, the Formula developed by the Board’s Independent Consultant, “Florida Hurricane Catastrophe Fund: 2014 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 20, 2014,” <http://www.flrules.org/Gateway/reference.asp?No=ref-04160>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on April 22, 2014, are hereby adopted and incorporated by reference in Form FHCF-Rates 2014, “Florida Hurricane Catastrophe Fund Proposed 2014 Rates Presented to the State Board of Administration of Florida, March 20, 2014,” <http://www.flrules.org/Gateway/reference.asp?No=ref-04161>, hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

~~(e)(f)~~ For the 2015-2016 Contract Year, the Formula developed by the Board’s Independent Consultant, “Florida Hurricane Catastrophe Fund: 2015 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 24, 2015,” <http://www.flrules.org/Gateway/reference.asp?No=ref-05418>, is hereby adopted and incorporated by reference into this rule. The basic premium rates developed in accordance with the Premium Formula methodology approved by the Board on April 14, 2015, are hereby adopted and incorporated by reference in Form FHCF-Rates 2015, “Florida Hurricane Catastrophe Fund Proposed 2015 Rates Presented to the State Board of Administration of Florida, March 24, 2015,” <http://www.flrules.org/Gateway/reference.asp?No=ref-05419>, hereby adopted and incorporated by reference into this rule. These incorporated documents may be obtained

directly from the SBA website: [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the SBA by mail, P. O. Box 13300, Tallahassee, FL 32317-3300, with a request for the documents.

(f) For the 2016/2017 Contract Year, the Formula developed by the Board's Independent Consultant, "Florida Hurricane Catastrophe Fund: 2016 Ratemaking Formula Report Presented to the State Board of Administration of Florida, March 15, 2016," <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, and approved by the Board on March 29, 2016, is hereby adopted and incorporated by reference into this rule. The premium rates are developed in accordance with the Premium Formula methodology approved by the Board.

(4)(a) Special Circumstances.

1. Allocation of Premium. Premiums paid to the FHCF with reference to property covered by Quota Share Primary Insurance Arrangements, as that phrase is defined in Section 627.351(6)(c)2.a.(I), F.S., will be allocated by the FHCF between the Insurer and Citizens in accordance with the percentages specified in the Quota Share Primary Insurance Arrangement for the purposes of premium billing, calculating retentions and determining reimbursement payments.

2. Special Rating Circumstances. The Premium Formula for policies that, based upon sound actuarial principles, require individual ratemaking and which are not excluded by rule will be based on the use of computer modeling for each individual Company for which it is applicable, i.e., portfolio modeling. The Independent Consultant will recommend guidelines for individual company portfolio reporting and modeling to estimate individual company FHCF expected losses. Individual company FHCF expected losses for portfolio modeling exposures will be loaded for investments and expenses on the same basis as the FHCF premium rates used for non-portfolio modeling exposures, but will also include a loading for the additional cost of individual company modeling. The minimum exposure threshold for FHCF portfolio modeling rating will be sufficient to generate estimated FHCF premium greater than the cost of modeling and other considerations and will be calculated by the Independent Consultant for the separate coverage levels of 45%, 75%, and 90% using the premium rates established pursuant to subsection (3) herein. The methodology used by the Independent Consultant will be based on sound actuarial principles to establish greater actuarial equity in the premium structure.

(b) Forfeiture or Surrender of Certificates of Authority; Insurers Which Do Not Have Exposure For Covered Policies For an Entire Contract Year.

1. Insurers which have forfeited their certificates of authority or which have withdrawn from the state or discontinued writing all kinds of insurance in this state after the beginning of the Contract Year shall have their Premiums determined in accordance with subsection (3), above.

2. Special recognition is not given to insurers which do not have exposure for Covered Policies for an entire Contract Year, except for New Participants as described in paragraph (c) of this subsection (4).

3. Any insurer which has forfeited its certificate of authority or which has discontinued writing in accordance with an order issued by the Department of Financial Services effective prior to June 1 of a Contract Year shall not be required to execute a Reimbursement Contract for that upcoming Contract Year with the Board provided that the insurer has no exposure to hurricane loss after May 31~~June 1~~.

(c) New Participants.

1. All New Participants shall enter into a Reimbursement Contract with the Fund.

2. All New Participants shall pay a Reimbursement Premium to the Fund in accordance with the applicable subparagraphs below and in accordance with the applicable provisions of the Reimbursement Contract.

3. This subparagraph applies to Companies writing new business on or after June 1 but prior to December 1 of the Contract Year.

a. All New Participants writing new business during the period specified above shall pay a provisional Premium of \$1,000 to provide consideration for the contract.

b. For the 2012/2013 Contract Year and earlier Contract Years, on or before March 1 of the Contract Year, the Company shall report its actual exposure as of December 31 of the Contract Year to the Administrator in accordance with the Data Call. For the 2012/2013 Contract Year, New Participants had the option of reporting exposure as of November 30 by February 1 of the Contract Year. The Administrator shall calculate the Company's actual Reimbursement Premium for the applicable Contract Year based on its actual exposure. To recognize that New

Participants have limited exposure during this period, the actual Premium as determined by processing the Company's exposure data shall then be divided in half, the provisional Premium shall be credited, and the resulting amount shall be the total Premium due for the Company for the remainder of the Contract Year. However, if that amount is less than \$1,000, then the Company shall pay \$1,000. The Premium payment is due no later than May 1 of the Contract Year (or April 1 if the November 30 option was chosen for the 2012/13 Contract Year). The Company's retention and coverage will be determined based on the total Premium due which is the Premium calculated based on the Company's December 31 exposure (or November if appropriate) and divided in half as described in this sub-subparagraph.

c. For the 2013/2014 Contract Year and subsequent Contract Years, the Company shall report its actual exposure as of November 30 of the Contract Year in accordance with the Data Call. The Administrator shall calculate the Company's actual Reimbursement Premium for the applicable Contract Year based on its actual exposure. To recognize that New Participants have limited exposure during this period, the actual Premium as determined by processing the Company's exposure data shall then be divided in half, the provisional Premium shall be credited, and the resulting amount shall be the total Premium due for the Company for the remainder of the Contract Year. However, if that amount is less than \$1,000, then the Company shall pay \$1,000. The Premium payment is due no later than April 1 of the Contract Year. The Company's retention and coverage will be determined based on the total Premium due which is the Premium calculated based on the Company's November 30 exposure and divided in half as described in this sub-subparagraph.

4. This subparagraph applies to Companies writing new business on or after December 1 but up to and including May 31 of the Contract Year. All New Participants writing new business during this period shall pay a Premium of \$1,000 to provide consideration for the [Reimbursement](#) Contract. The Company shall pay no other Premium for the remainder of the Contract Year. The Company shall not report its exposure data for this period to the Board. The Premium shall be paid upon signing the Reimbursement Contract.

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

*Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7) FS. History—New 9-20-99, Amended 7-3-00, 9-17-01, 7-17-02, 7-2-03, 7-29-04, 7-17-05, 7-6-06, 7-17-07, 6-16-08, 8-2-09, 7-8-10, 7-3-11, 6-25-12, 6-18-13, 6-10-14, 6-2-15, X-XX-16.*

# **State Board of Administration Florida Hurricane Catastrophe Fund Status Update**



# FHCF Current Position

- Ten years with no land-falling hurricanes in Florida
- Strongest financial position ever
  - \$16.5 B liquid resources to fund \$17 B maximum liability
    - \$13.8 B projected cash balance
    - \$2.7 B in pre-event bonds outstanding, maturing annually from 2018 - 2021
- No post-event bonds outstanding
- Emergency assessments terminated for policies post January 2015
- FHCF rates expected to decrease 9.07% on average for upcoming contract year
- No compelling need for additional liquid resources to fund single season exposure
- But there is opportunity for improvement

Not Drawn to Scale.

# 2016/2017 Contract Year

**Not Official**  
(For Illustrative  
Purposes Only)

## Industry Losses\*\*

\$28.2 Billion  
51.0 Years, 1.96%

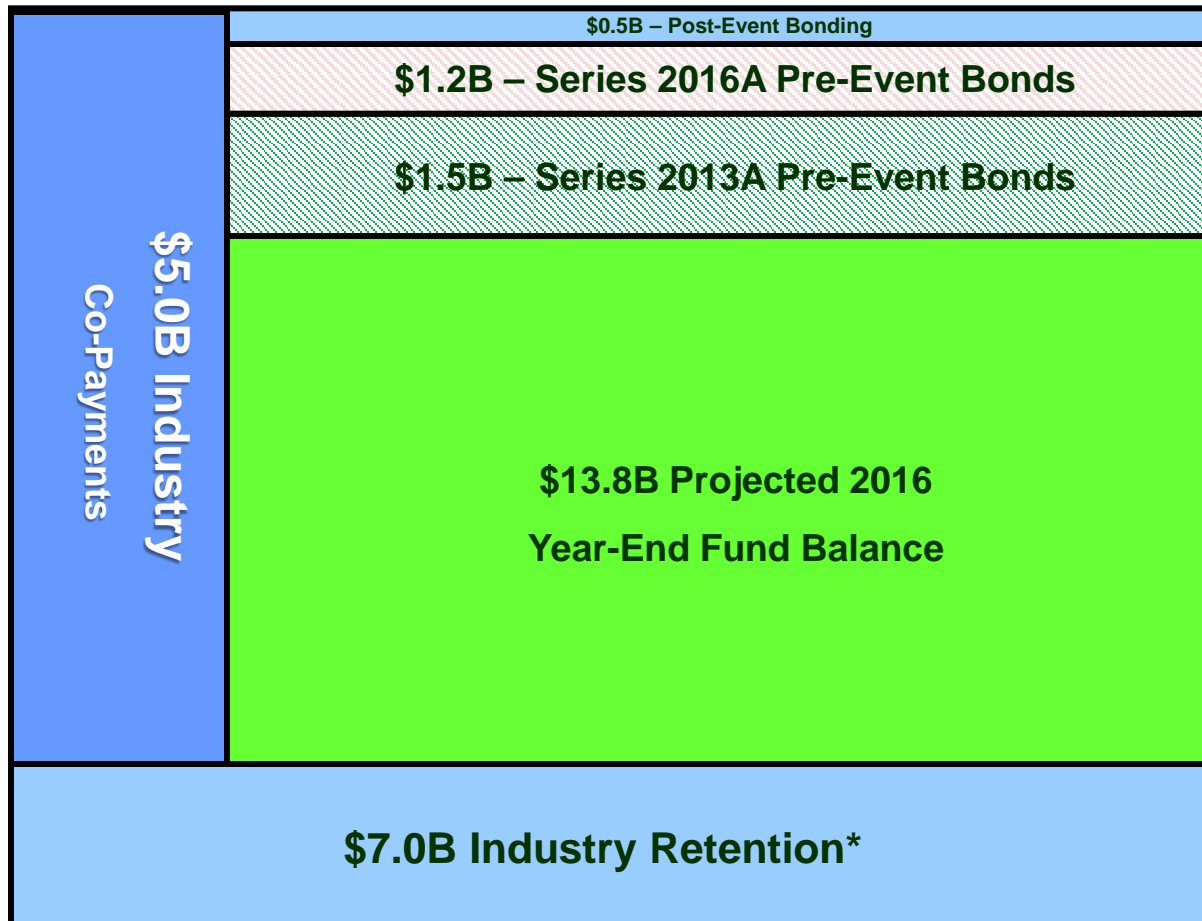
\$27.6 Billion  
49.2 Years, 2.03%

\$24.2 Billion  
39.5 Years, 2.53%

\$7.0 Billion  
9.3 Years, 10.75%

## \$17B FHCF Capacity

(Loss Adjustment Expense is included  
in the capacity)



### Potential Capacity

\$ 17.0B FHCF  
- 13.8B Cash  
- 1.5B 2013A Bonds  
- 1.2B 2016A Bonds  
**\$ 0.5B Needed in the short term to be fully liquid**

\*Individual company retentions are their share of the industry retention.

\*\*FHCF Probabilities are lower at the top loss levels and higher at the lower loss levels. All insurers would be required to reach their maximum coverage limit in order to exhaust the last billion of FHCF Coverage. Insurers can trigger coverage below the industry retention.

# Opportunities for Improvement

- The Fund continuously evaluates cost-effective opportunities to:
  - Optimize capital structure for the current contract year
  - Accumulate or preserve capital for subsequent contract years (historically this opportunity has not been economically viable)

# Optimize Capital Structure for Current Contract Year

- **Optimal Capital Structure**

- Four main sources of capital for the Fund
  - Cash (Reimbursement Premium)
  - Pre-Event Debt
  - Post-Event Debt
  - Risk Transfer
- Ideally, cost of capital is borne by those who primarily benefit, namely residential homeowners
- Post-event debt allocates cost beyond homeowners to a broader group of Florida consumers
- Pre-event debt temporarily allocates cost to homeowners until an event
- Only cash and risk transfer optimally and permanently allocate cost to those who benefit

# Optimize Capital Structure for Current Contract Year

- **Why Risk Transfer Now?**
  - Minimal impact, if any, on the Florida reinsurance market
  - Optimizes the Fund's capital structure by allocating cost to those who benefit and transfers risk away from Florida consumers
  - Currently, annual cost is more comparable (than historically) to other capital source alternatives at relevant attachment points
    - Net annual cost of pre-event debt approximates \$21 million per \$ billion
    - Cost for risk transfer options are listed at slide 12
  - Minimum impact on declining FHCF Rates for upcoming contract year

# Accumulate or Preserve Capital for Subsequent Contract Year

- Under Florida Statutes, it is appropriate for the Board to consider the Fund's claims-paying capacity for subsequent contract years
- Subsequent contract year's minimum claims-paying capacity is \$8.2 B\* to fund a \$17 B maximum liability
  - Leaves a potential shortfall of \$8.8 B
- What opportunities are reasonably available to reduce the risk of potential shortfall in subsequent contract years
  - Additional pre-event debt
    - Accumulates additional capital for subsequent contract year
  - Risk transfer
    - Preserves current capital for a subsequent contract year, provided losses hit attachment point

\*Assumes exhaustion of all \$16.5 B in current available single-season resources and \$500 million in Post Event Bonding. Subsequent season amount of \$8.2 B is comprised of \$1.1 B in reimbursement premiums and \$7.6 B in post-event bonding capacity - \$500 M to provide balance of \$17 B single season capacity.

# Additional Pre-Event Debt

- **Pros**
  - Stable source of liquidity for multiple years
  - Current favorable market conditions
  - Lower annual cost, relative to risk transfer at relevant attachment points
- **Cons**
  - Does not transfer risk (proceeds must be repaid with interest)
  - Allocates costs beyond those primarily benefiting after an event
  - Currently higher lifetime cost, relative to risk transfer
  - Does not increase overall claims-paying capacity (just accelerates it)

# Risk Transfer

- **Pros**

- Transfers risk outside Florida, away from the Florida consumer
- Reduces dependency on debt capital markets
- Allocates cost to those who primarily benefit
- Currently lower lifetime cost, relative to pre-event financing

- **Cons**

- Short term
- Higher annual cost, relative to pre-event financing at relevant attachment points
- Low probability to trigger

# Doing Nothing *is* an Option

- The Fund is in its best financial position ever for the upcoming hurricane season
- Risk of losses reaching the level of burdening Florida consumers is approximately 2.5%
- No current out-of-pocket cost to the Fund

# Recommendation

- Risk transfer is the preferred option to capitalize on current opportunities
  - Transfers risk away from the Florida consumer
  - Preserves capacity for subsequent contract years
  - Not locked in to multi-year cost
  - Current prices are more comparable to (albeit greater than) annual cost of pre-event debt at relevant attachment points than has been the case historically
- Costs
  - See next slide

# Costs

	No Action	Reinsurance \$1 B Attachment \$11.5 B	Reinsurance \$1.5 B Attachment \$11.5 B	Reinsurance \$2 B Attachment \$11.5 B
<u>Preliminary Estimates:</u>				
Attachment point	NA	1 in 33 years	1 in 33 years	1 in 33 years
Expected loss rate	NA	2.86%	2.77%	2.68%
Premium rate on line	NA	6.18%-7.08%	6.00%-6.90%	5.90%-6.80%
Gross cost (in millions)	NA	\$61.8-\$70.8	\$90.0-\$103.5	\$118.0-\$136.0
Gross cost (in millions) Midpoint	NA	\$66.3	\$96.9	\$126.9
Ceded loss (in millions)	NA	\$28.6	\$41.6	\$53.7
Net cost (in millions) *	NA	\$37.7	\$55.3	\$73.2
Ceded loss % premium	NA	43.2%	42.9%	42.3%
FHCF rate impact *	0.0%	3.2%	4.7%	6.3%
FHCF overall rate impact	-9.1%	-6.2%	-4.8%	-3.4%
Overall impact on residential premium	-\$20	-\$13	-\$10	-\$7

	No Action	Reinsurance \$1 B Attachment \$12 B	Reinsurance \$1.5 B Attachment \$12 B	Reinsurance \$2 B Attachment \$12 B
<u>Preliminary Estimates:</u>				
Attachment point	NA	1 in 35 years	1 in 35 years	1 in 35 years
Expected loss probability	NA	2.68%	2.59%	2.50%
Premium rate on line	NA	5.85%-6.75%	5.70%-6.60%	5.55%-6.45%
Gross cost (in millions)	NA	\$58.5-\$67.5	\$85.5-\$99.0	\$111.0-\$129.0
Gross cost (in millions) Midpoint	NA	\$62.7	\$92.2	\$120.1
Ceded loss (in millions)	NA	\$26.8	\$38.9	\$50.0
Net cost (in millions) *	NA	\$35.9	\$53.4	\$70.1
Ceded loss % premium	NA	42.8%	42.1%	41.6%
FHCF rate impact *	0.0%	3.1%	4.6%	6.1%
FHCF overall rate impact	-9.1%	-6.3%	-4.9%	-3.6%
Overall impact on residential premium	-\$20	-\$14	-\$11	-\$8

	No Action	Reinsurance \$1 B Attachment \$12.5 B	Reinsurance \$1.5 B Attachment \$12.5 B	Reinsurance \$2 B Attachment \$12.5 B
<u>Preliminary Estimates:</u>				
Attachment point	NA	1 in 37 years	1 in 37 years	1 in 37 years
Expected loss probability	NA	2.51%	2.41%	2.31%
Premium rate on line	NA	5.45%-6.35%	5.30%-6.20%	5.20%-6.10%
Gross cost (in millions)	NA	\$54.5-\$63.5	\$79.5-\$93.0	\$104.0-\$122.0
Gross cost (in millions) Midpoint	NA	\$59.0	\$86.5	\$113.1
Ceded loss (in millions)	NA	\$25.1	\$36.2	\$46.2
Net cost (in millions) *	NA	\$33.9	\$50.3	\$66.9
Ceded loss % premium	NA	42.5%	41.8%	40.8%
FHCF rate impact *	0.0%	2.9%	4.4%	5.8%
FHCF overall rate impact	-9.1%	-6.4%	-5.1%	-3.8%
Overall impact on residential premium	-\$20	-\$14	-\$11	-\$8

Note: Reinsurance pricing estimates are based on modeled ceded expected loss and volatility for each respective reinsurance layer. □

\* Includes the net impact of the adjustment factors in the 2016 ratemaking formula report.

Not Drawn to Scale.

# 2016/2017 Contract Year

**Not Official**  
(For Illustrative  
Purposes Only)

## Industry Losses\*\*

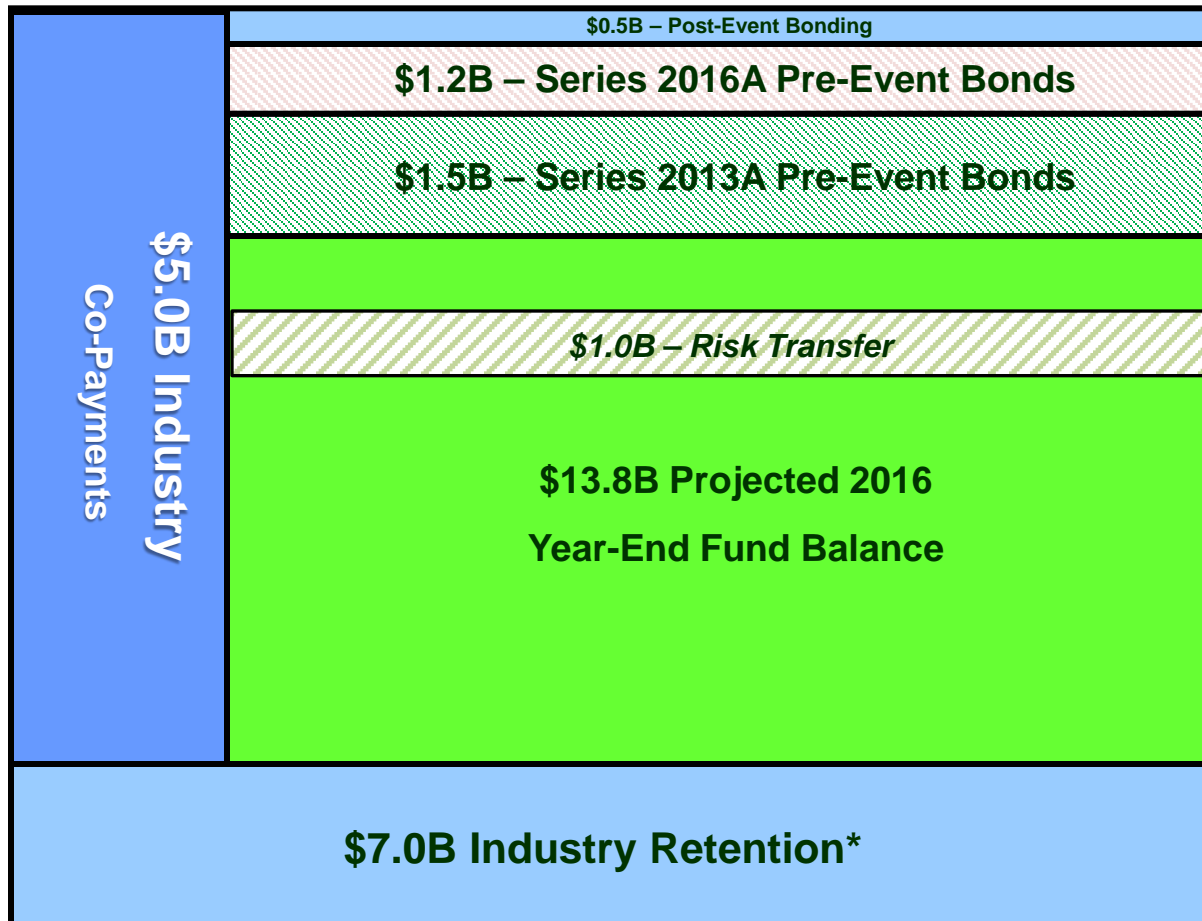
\$28.2 Billion  
51.0 Years, 1.96%

\$27.6 Billion  
49.2 Years, 2.03%

\$24.2 Billion  
39.5 Years, 2.53%

\$7.0 Billion  
9.3 Years, 10.75%

## \$17B FHCF Capacity (Loss Adjustment Expense is included in the capacity)



### Potential Capacity

\$ 17.0B FHCF  
- 13.8B Cash  
- 1.5B 2013A Bonds  
- 1.2B 2016A Bonds  
**\$ 0.5B Needed in the short term to be fully liquid**

\*Individual company retentions are their share of the industry retention.

\*\*FHCF Probabilities are lower at the top loss levels and higher at the lower loss levels. All insurers would be required to reach their maximum coverage limit in order to exhaust the last billion of FHCF Coverage. Insurers can trigger coverage below the industry retention.

**MINUTES  
INVESTMENT ADVISORY COUNCIL  
December 7, 2015**

A meeting of the Investment Advisory Council (IAC) was held on Monday, December 7, 2015, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida. The attached transcript of the December 7, 2015 meeting is hereby incorporated into these minutes by this reference.

**Members Present:**      **Chuck Cobb, Chair**  
                                 **Michael Price, Vice Chair**  
                                 **Peter Collins**  
                                 **Les Daniels**  
                                 **Will Harrell**  
                                 **Bobby Jones**  
                                 **Vinny Olmstead**  
                                 **Gary Wendt**

**SBA Employees:**      **Ash Williams**  
                                 **Lamar Taylor**  
                                 **John Benton**  
                                 **Alison Romano**  
                                 **Tim Taylor**  
                                 **Katy Wojciechowski**  
                                 **Kevin Ceurvorst**  
                                 **Steve Spook**  
                                 **John Bradley**  
                                 **Trent Webster**  
                                 **Joan Haseman**  
                                 **Michael McCauley**

**Consultants:**          **Kristen Doyle, Aon Hewitt**  
                                 **Jamie Eckert, Mercer**  
                                 **Rich Dabrowski, Mercer**

**WELCOME/CALL TO ORDER/APPROVAL OF MINUTES**

Mr. Chuck Cobb, Chair, called the meeting to order at 1:00 P.M. He asked for a motion to approve the minutes from the May 27, 2015, June 22, 2015 and September 28, 2015 IAC meetings. Mr. Bobby Jones made a motion to approve the minutes. The motion was seconded by Mr. Peter Collins and passed without objection.

**OPENING REMARKS/REPORTS**

Mr. Ash Williams, Executive Director and Chief Investment Officer, spoke briefly about current market conditions. He announced the retirement of Mr. Scott Seery and explained that Mr. Tim Taylor, currently Deputy Senior Investment Officer, would be joining Ms. Alison Romano as Co-SIOs in Global Equity beginning January 1, 2016. He thanked Mr. Seery for his service.

Mr. Williams briefly discussed the SBA's entrepreneurial approach to investing. He presented results of CEM's (Cost Effectiveness Measurement Inc.) research which indicated that the FRS Pension

Plan is the lowest cost large pension fund in North America on a total cost basis for the third year in a row and that it is in the 95<sup>th</sup> percentile of all North American pension funds in terms of value added.

Mr. Williams provided a performance summary, reporting that calendar year-to-date, the FRS Pension Fund was up net 2.55 percent (119 basis points ahead of target), and the portfolio value was \$144 billion.

## **GLOBAL EQUITY REVIEW**

Mr. Cobb welcomed Mr. Tim Taylor and congratulated him on his promotion.

Ms. Romano began her presentation by explaining that the Global Equity asset class provides investment returns and liquidity. She told the council that they focus on people, positioning and process. Ms. Romano reviewed asset class objectives, elaborating on the role of Global Equity in the Total Fund which is to provide equity beta, to provide liquidity and to provide transition and trading services to other units. She also reviewed the policy target allocation to the Total Fund and the current allocation. Ms. Romano discussed the approach that they take within Global Equity, including providing alpha. She told the council where the asset class takes risk and where it does not, and she discussed specific percentages of equity beta and alpha that they have provided to the Total Fund. She also informed the IAC members that the asset class has raised close to \$25 billion in the last five years to meet liquidity obligations and to fund up the other asset classes. Ms. Romano highlighted some of their accomplishments and spoke about the staff members and their roles.

Mr. Tim Taylor discussed the Global Equity asset class structure including passive and active management. He also discussed positioning - the asset class use of a fund of funds approach, and he discussed process - their framework for manager selection and monitoring. Mr. Taylor concluded his remarks with a discussion of beta and alpha, and he shared some of the things that they want to focus on and accomplish in the coming year. There was a brief discussion about the asset class transition from the previous leadership team to the current leadership team of Ms. Romano and Mr. Taylor. Ms. Romano explained that the list of what they are going to focus on in the future is probably a blend of what was and what they hope to be. Mr. Michael Price requested more detailed information on global equity managers in future reports.

Ms. Jamie Eckert, Mercer, reviewed the guiding principles of public markets investment programs, indicating that Mercer believes that the Global Equity asset class incorporates many of the best practices in institutional fund management. Mr. Cobb asked Ms. Eckert to focus on details where Mercer might not agree with management. Ms. Eckert responded that, on a regional basis, the SBA has been reducing the home country bias to the U.S.; it has a higher exposure to emerging markets and less exposure to global equity mandates than large plan peers. There was a discussion about U.S. versus non-U.S. equity allocation. Ms. Kristen Doyle, Aon Hewitt, added some historical context to the discussion, explaining that when the Domestic Equity and Foreign Equity asset classes were combined, the plan was to have a similar cap weight to the MSCI ACWI benchmark, which has a lower allocation to the U.S. than it does to the non-U.S. Ms. Eckert continued her presentation with a discussion of passive versus active asset allocation. She provided performance details for Global Equity, further elaborating on performance for FRS U.S. and non-U.S. equity.

## **FIXED INCOME REVIEW**

Ms. Katy Wojciechowski, Senior Investment Officer – Fixed Income, reported on the asset class policy target, the allocation range and the benchmark. She presented an overview of the Fixed Income asset class, commenting on internal and external fund management as well as liquidity responsibilities. Ms. Wojciechowski also provided an overview of the asset class's major issues and initiatives, namely, continued research for optimizing Fixed Income allocation in a rising rate environment, seeking out avenues of liquidity in markets changed by regulation, evaluating changes created in the market by ETF flows, and continuing the transition towards clearing and/or collateralization

of transactions. She concluded her remarks with an explanation of their current risk posture, showing the council a chart of the active risk exposure and another with the option adjusted spread.

Mr. Kevin Ceurvorst, Senior Portfolio Manager – Investment Grade Credit, began his presentation with a slide depicting Citi's broad index, indicating that there is better value in credit than there was in mid-2015. He described how they brought the tracking error of the corporate bond portfolio down to about seven basis points. Mr. Ceurvorst also explained that the asset class is, on a daily basis, watching how they are positioning their option-adjusted spread relative to what is available in the market. He illustrated the dashboard that is constructed once a month. Mr. Ceurvorst expressed concerns about certain economic factors, global geopolitical risk, and the consumption growth patterns in the U.S., and he told the IAC members that the asset class is remaining cautious in the corporate bond portfolio. He concluded by sharing with the council that, from a predicted default ratio, they need better earnings and sales numbers to come through in order to keep the consensus market satisfied they are still on track and are not coming closer to the end of cycle for corporates.

Ms. Eckert discussed the active/passive split of Fixed Income, indicating that the SBA utilizes more passive management than do their peers. She pointed to a slide to review the aggregate performance of the asset class which indicated that over the three- and five-year periods, the Fixed Income Portfolio returns have exceeded their benchmarks. Ms. Eckert explained that it is often difficult to compare the asset class to peers due to the differences in portfolio duration and underlying allocations. She also discussed performance of the Fixed Income Internal Active and Passive Portfolios as well as the Fixed Income External Portfolio.

#### **ASSET CLASS SIOs AND DC PROGRAMS OFFICER UPDATE**

Mr. Steve Spook, Senior Investment Officer – Real Estate, described the asset class benchmarks and indicated that the asset class has outperformed the benchmark over all time periods. He briefly discussed sector allocation and property type diversification and updated the council on Real Estate activity since the last IAC meeting report. There was a brief discussion about the decisions to trim or acquire property and the thought processes involved in making such decisions.

Mr. John Bradley, Co-Senior Investment Officer – Strategic Investments and Private Equity, began with an update on the private equity market environment. He provided information about the portfolio weights by sector and by geography. Mr. Bradley discussed overall Private Equity asset class performance and included details by sub-strategy. He concluded his presentation with a summary of asset class commitment activity through the third quarter.

Mr. Trent Webster, Co-Senior Investment Officer – Strategic Investments and Private Equity, presented the Strategic Investments asset class policy objectives. He continued his presentation with a breakdown of the portfolio by strategy weights and by sub-strategy weights. Mr. Webster then discussed asset class performance and the different methods that are used by the asset class to measure performance. In conclusion, he gave details on recent activity and market opportunities. There was a brief discussion about downside protection.

Ms. Joan Haseman, Senior Defined Contribution Programs Officer, began with an update for the FRS Investment Plan, including a breakdown of membership by average age and gender, assets under management, membership growth, and distributions. Ms. Haseman also discussed financial planner calls, workshops, focus groups, benefit fairs and visits to MyFRS.com. She informed the IAC members that TekStream is their new Web portal provider.

#### **CORPORATE GOVERNANCE REVIEW**

Mr. Michael McCauley, Senior Officer – Investment Programs and Governance, gave a brief update on corporate governance activities relating to proxy voting by country. He presented several slides providing detailed proxy voting statistics including a global snapshot, historical voting with management, specific votes by item, and voting against management for developed, emerging and frontier markets.

There was a short discussion about the necessity of having a corporate governance program and how it helps to mitigate risk.

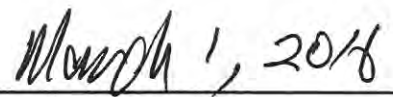
#### **MAJOR MANDATE PERFORMANCE REVIEW**

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. She spoke of the continued outperformance of the major mandates over many trailing periods, strong cost containment and strong outperformance relative to peers.

#### **AUDIENCE COMMENTS/CLOSING REMARKS/ADJOURN**

As there were no comments or questions from the audience, the meeting was adjourned at 3:35 P.M.

  
\_\_\_\_\_  
Chuck Cobb, Chair

  
\_\_\_\_\_  
Date

STATE BOARD OF ADMINISTRATION OF FLORIDA

INVESTMENT ADVISORY COUNCIL MEETING

MONDAY, DECEMBER 7, 2015  
1:00 P.M. - 3:35 P.M.

1801 HERMITAGE BOULEVARD  
HERMITAGE ROOM, FIRST FLOOR  
TALLAHASSEE, FLORIDA

REPORTED BY: JO LANGSTON  
Registered Professional Reporter

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APPEARANCES

IAC MEMBERS:

CHUCK COBB  
PETER COLLINS  
WILL HARRELL  
BOBBY JONES  
MICHAEL PRICE  
LES DANIELS  
GARY WENDT  
VINNY OLMSTEAD

SBA EMPLOYEES:

ASH WILLIAMS, EXECUTIVE DIRECTOR  
MICHAEL McCAULEY  
KATY WOJCIECHOWSKI  
KEVIN CEURVORST  
TRENT WEBSTER  
STEVE SPOOK  
ALISON ROMANO  
TIM TAYLOR  
JOHN BRADLEY  
JOAN HASEMAN  
LAMAR TAYLOR  
JOHN BENTON

CONSULTANTS:

JAMIE ECKERT - (Mercer)  
RICH DABROWSKI - (Mercer)  
KRISTEN DOYLE - (Aon Hewitt)

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1                   INVESTMENT ADVISORY COUNCIL MEETING

2                   \* \* \*

3                   MR. COBB: Can we call the meeting to order? It's  
4                   1:00. So the first order of business is to approve the  
5                   minutes of the last three meetings. We did not have a  
6                   quorum in September, and so we did not approve the  
7                   May 27 and the June 22nd minutes. So we'd like to  
8                   approve those two, plus the September minutes. So is  
9                   there a motion that they be approved?

10                  MR. JONES: Move.

11                  MR. COBB: Is there a second?

12                  MR. COLLINS: Second.

13                  MR. COBB: Any corrections or additions or  
14                  comments? If not, all in favor say aye.

15                  (Ayes)

16                  MR. COBB: So there appears to be a consensus on  
17                  that. And so, Ash, Mr. CIO, please give us your report  
18                  on this crazy market and your perspective.

19                  MR. WILLIAMS: Thank you, Mr. Chairman. We have  
20                  not been able to make heads or tails of this market, so  
21                  we're counting on you to give us that summation today  
22                  and the direction forward. So welcome and happy  
23                  holidays.

24                  It's been a period where we've simply stuck to our  
25                  discipline, and things will settle out as they settle

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1                  out. As you know, a portfolio like this is subject to  
2                  a degree of tactical activity but not a huge amount.  
3                  And you'll hear, when we go through the individual  
4                  asset class portfolios today, where we have departed.  
5                  And I would ask all of the SIOs or remind all the SIOs,  
6                  when you come to your individual pieces, if you could  
7                  open with, here's the policy target, here's where we're  
8                  allocated, and to the extent our current allocation in  
9                  our portfolio at the asset class level differs from  
10                 that of the benchmark portfolio, here's why.

11                 And that's where you will see reflected our active  
12                 management decisions relative to the market  
13                 environment, as opposed to macro portfolio tuning, such  
14                 as materially departing from targets or trying to  
15                 synthetically boost or shrink a particular exposure.

16                 I think one thing to bring up for the benefit of  
17                 the group is a tip of the hat to Scott Seery, who has  
18                 been a senior investment officer for global equities  
19                 for a number of years. Scott will be retiring at the  
20                 end of this month. And January 1 we'll be evolving the  
21                 leadership team in global equities and bringing up a  
22                 deputy senior investment officer, Tim Taylor, to join  
23                 Alison Romano as a senior investment officer in global  
24                 equities.

25                 Scott, given his modest nature, declined any kind

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1 of celebratory event or recognition. And in fact,  
2 given how thoroughly and seamlessly succession is  
3 taking place in global equity, he decided last week to  
4 commence his retirement a little bit early and use some  
5 vacation time for the remainder of December. And when  
6 I said, "Well, would you be available to come in Monday  
7 at least to be recognized for a minute," he said, "No,  
8 I'll be out of town. In fact, I'll be out of the  
9 state. I'll probably be out of the country, so no."

10 So, anyway, whether he's here or not, we ought to  
11 recognize Scott and thank him for his service and  
12 acknowledge Alison and Tim's ongoing leadership and  
13 that of the entire global equity team and, for that  
14 matter, our asset management team broadly.

15 One of the things the chair and I talked about in  
16 our preparatory call Friday was the reflection of an  
17 entrepreneurial approach to investing in our activities  
18 vis-a-vis a lot of our public fund brethren. And,  
19 again, I think you will see in the various asset  
20 classes, you probably have seen in our presentations to  
21 date, that in a number of areas, real estate, global  
22 equities, strategic investments, et cetera, fixed  
23 income as well, we do things differently from a number  
24 of our peers. And over the long-term that tends to pay  
25 off.

1 So I'll leave it to the asset class heads to fill  
2 in the gaps and the specifics within their areas. But  
3 at the macro level, I want to just share something with  
4 you. We had Cost Effectiveness Management in a week or  
5 two ago. They're the Toronto-based outfit that tracks  
6 costs and performance in North American pension funds.  
7 They're the largest in the space and by far the  
8 dominant one. And they shared a couple of things with  
9 us.

10 First, we're happy to say that for the third year  
11 in a row we're the lowest cost large pension fund in  
12 North America on a total cost basis. Not among the  
13 lowest, the lowest. But as we all know, low cost  
14 doesn't mean best value, and it certainly doesn't mean  
15 best value. So they also have metrics on value added.

16 And on a trailing five year basis, the SBA's net  
17 value added was 1 percent, which is about \$8 billion in  
18 net increase in the pension fund, Florida Retirement  
19 System Trust Fund. And what's fascinating to me is  
20 that compares to the median of our peers of  
21 zero percent. So it leaves us in the 95th percentile  
22 of all North American pension funds in terms of value  
23 added, which I think being a low cost provider and in  
24 the 95th percentile for aggregate value add suggests to  
25 me that the summation of what we're doing here is

1 pretty functional.

2 And we're always going to be finding ways we can  
3 do better in different parts and we're all committed to  
4 that, but just remember, contexturally what we've got  
5 so far works pretty well. So with that, let me just  
6 give the summation for where we are as of Friday's  
7 close. And other than that, other than questions,  
8 we're ready to go.

9 So as of Friday's close, the fund is up net  
10 2.55 percent calendar year to date. That's 119 basis  
11 points ahead of target. Gives us a portfolio value of  
12 \$144 billion, which is down \$2.6 billion from beginning  
13 of the year, but that's net of distributions of roughly  
14 600 million plus in cash monthly.

15 So not as high as we would like, but in the return  
16 environment we're in, based on a lot of individual fund  
17 returns I'm seeing, there are plenty of funds that  
18 would take a 2.55 year to date and be happy with it.  
19 So absent any questions, ready to proceed with the  
20 agenda, Mr. Chair.

21 MR. COBB: Good. So, Alison, you're on, without  
22 Scott.

23 MS. ROMANO: But with Tim.

24 MR. COBB: So welcome, Tim. Congratulations on  
25 your promotion.

1 MR. TAYLOR: Thank you very much.

2 MS. ROMANO: And I'm excited to have the  
3 opportunity to work with Tim and continue to hopefully  
4 carry on the tradition that Scott had in developing a  
5 strong team and delivering good returns.

6 Starting on what is listed as slide three, Global  
7 Equity: A Snapshot, this is a very simplistic overview  
8 of what we do and also really an agenda for what we're  
9 going to discuss here today. And I say simplistic, but  
10 it's not an oversimplification. I think it's really  
11 important sometimes to go back to basic principles,  
12 because that guides what we do and how we structure our  
13 group.

14 So what does global equity do? Investment returns  
15 and liquidity. We are charged with providing market  
16 returns over the long-term. And that's a key driver of  
17 this total plan, returns. We also have to pay  
18 beneficiaries and meet capital needs. We can't do one  
19 without the other, and we need to consider them  
20 together when making our investment decisions.

21 Now, how do we do this? Again, very  
22 simplistically and as a kind of table of contents for  
23 our discussion, it's my little spin on the three Ps,  
24 traditionally process, product, people. I say we do it  
25 people, positioning and process. And I put people

1 first because without our strong team, we would not be  
2 able to deliver on the returns and the success that  
3 we've had.

4 We've spent a lot of time attracting and retaining  
5 talent and designing our team to align their skills  
6 with our business objectives. We're going to spend  
7 some time talking about how we do that.

8 Next, positioning. Take risk where it's rewarded  
9 and do it in a low cost way. We're going to spend some  
10 time very specifically talking about where we do and do  
11 not take risk to get at some of the questions that I  
12 know folks have had.

13 Thirdly, process. We're essentially a fund of  
14 fund manager. So we need a comprehensive and  
15 methodical way of selecting managers and putting them  
16 together and determining where we need to be passive.  
17 So we've established very strong frameworks for both  
18 selecting external managers as well as for developing  
19 internal passive portfolios.

20 What this really has allowed us to do is very  
21 quickly be opportunistic and move into areas that maybe  
22 we didn't previously have investments. We'll hit on  
23 China A shares as an example. It's also allowed us to  
24 use our skills internal passive on domestic and move  
25 over to the international front, because we had good

1 systems, processes and frameworks in place.

2 Digging into that a little more deeply, if you  
3 turn to the next slide, objectives. On the left-hand  
4 side is really what is global equity's role in the  
5 total fund. And we've hit on a lot of these points.  
6 We need to provide the beta and we need to provide  
7 liquidity.

8 One other thing that we do that I don't think  
9 we've mentioned previously is we provide trading  
10 services to other asset classes at the SBA. So for our  
11 liquidity portfolio, our team does the trading for  
12 that. If there's FX needs for real estate or PE, we do  
13 that. If private equity gets stuck, we can trade that.  
14 So having that internal staff, we're able to leverage  
15 it to the other groups.

16 We're 53 percent target allocation to the total  
17 fund, and we've been running at 58 percent. This data  
18 is as of a month ago, but I checked this morning, and  
19 we're still pretty much at 58 percent.

20 Where I want to spend a little more time on this  
21 slide is what is our approach within the asset class.  
22 As I said before, we're focused on providing beta, but  
23 we also want to provide alpha. And we're going to do  
24 that in areas where it's rewarded, which means we'll  
25 have passive as a ballast and active where we can get

1 those returns.

2 So, again, how do we do this? Low cost. Ash  
3 mentioned, based on the CEM survey for the total fund  
4 as well as for global equity, we're a leader in low  
5 cost providing of returns. We are willing to take  
6 market risk. We have to. We're a beta provider. But  
7 we're also willing to take active risk. And we will be  
8 opportunistic within our risk limits. So from a  
9 structural perspective, ACWI IMI is our benchmark. We  
10 look to outperform over three to five years. And we  
11 have 75 BPs of active risk.

12 So where do we take risk? First let me say where  
13 we don't take risk. Let me give an example. ACWI IMI,  
14 about 9 percent of that is emerging markets, 37 percent  
15 developed markets, 54 percent U.S. markets. We  
16 structure our managers in passive to match in line with  
17 those. So we will never be 20 percent in EM when the  
18 benchmark is at 9 percent, based on the way we add up  
19 our managers. That's not our skill set.

20 Secondly, we are not taking big factor bets. We  
21 will never be really skewed to small cap. We will  
22 never be really skewed to value. We monitor it. We  
23 make distinctive bets, but we will not do it any big  
24 way. Another way that we do not take risk is by not  
25 overpaying. We watch our managers closely, and we

1 don't want to pay active management fees when we're  
2 getting passive management. That is a way to mitigate  
3 risk.

4 So where do we take our risk? We are more active  
5 where we think active will be rewarded. For instance,  
6 in developed markets we've had a very strong track  
7 record. We are far more active with developed market  
8 managers than we are on the U.S. side. The same is  
9 true in EM. And if you look at the asset classes  
10 above, we continue to add areas where there's more  
11 opportunity, as maybe some of the opportunity  
12 diminishes in some of the most efficient markets. So  
13 we've added over the years international small cap,  
14 emerging small cap. We have frontier managers. Tim  
15 will talk a little bit about our microcap program.

16 And that brings me to the second area we take risk  
17 and we are opportunistic, off-benchmark bets. This in  
18 some respects is thinking about the total fund. So  
19 where are there other areas that we can add value, even  
20 if it's not specifically in the ACWI IMI. We invested  
21 in China A. We invested in microcap and currency. And  
22 that has been quite timely in terms of producing very  
23 good returns.

24 The third place we take active risk or we take  
25 risk, in selecting our managers. Our skill is in

1 selecting managers and putting them together in a way  
2 that will increase returns while lowering risk. Their  
3 job is to know the markets, know their investment  
4 universe and take risk where they want it. We give  
5 them the guidelines to be able to do that.

6 So we will let, for instance, developed market  
7 managers invest in the U.S. or invest in emerging  
8 market when they see that there's opportunity. So even  
9 though we hire our managers in certain buckets and  
10 we're not overweighting, for instance, emerging  
11 markets, there may be times, from a holdings  
12 perspective, we have more exposure to emerging markets  
13 because some of our managers do see that as an  
14 opportunity.

15 The other way that we're able to kind of use our  
16 skill set to be opportunistic is in how we structure  
17 the managers. So we saw in emerging markets, for  
18 instance, that there's an opportunity there. There's  
19 alpha. It's an inefficient market. There's maybe not  
20 as much analyst coverage. We also thought that, as  
21 emerging markets is a difficult area of late, that a  
22 manager who is opportunistic, who is more concentrated,  
23 may provide a better outcome for us. So we  
24 restructured, as we've talked in the past, our emerging  
25 markets manager program and added a couple of

1 concentrated managers, which we are optimistic will be  
2 able to add value as there's a greater divergence  
3 between countries, for instance, in emerging markets.

4 What does this all mean? So turning to page five.  
5 Again, we talked about what we do for the total fund  
6 and what we do for the asset class. In terms of total  
7 fund, on page five, what I've laid out here is we  
8 provided the beta. So we've delivered 8.25 percent  
9 return. That's 62 percent return of the total fund.

10 We've provided alpha. Remember, we have a very  
11 small risk budget, but we've been able to deliver, with  
12 that small risk budget, 56 percent of the alpha for the  
13 total fund. And the number that really leaped off the  
14 page to me when we put this together was providing  
15 liquidity. We've raised close to \$25 billion in the  
16 last five years. That's to meet obligations and that's  
17 also to fund up the other asset classes.

18 We, again, have to keep that in mind in the way  
19 that we structure our portfolio, because that number is  
20 only going to get larger over time. It also emphasizes  
21 the benefit we have by doing internal trading, because  
22 now we can do the transitioning, save cost, monitor  
23 cost. And now that we've brought some global passive  
24 investigating in-house, we can do international  
25 transitions to some extent as well.

1 At the asset class level, I did also want to  
 2 highlight some of our accomplishments. So in the way  
 3 that we put those managers together, we've had good  
 4 return per unit of risk, with a 1.9 IR. We've  
 5 protected on the down side, extremely beneficial, given  
 6 the volatility that we've seen in the markets of late.  
 7 And this is especially true in foreign equity. And  
 8 think about EM and the volatility we've seen there. If  
 9 we can protect a little bit when those markets are  
 10 down, long-term performance is that much better.

11 We've delivered inexpensive passive that has  
 12 actually been able to add value. And I say add value  
 13 within a very narrow risk budget. But we have a very  
 14 experienced team there that can take advantage of  
 15 certain opportunities and add a little bit of value  
 16 there as well. And we've avoided unnecessary  
 17 transaction costs. So we're not cycling through  
 18 managers. We're not trying to make regional bets.  
 19 That gets very expensive, and that can impact long-term  
 20 returns.

21 So kind of returning to that notion of the three  
 22 Ps, I will talk about our team, the people, and Tim  
 23 then will hit on positioning and process.

24 What you see on this slide is not a traditional  
 25 org chart, and that is very purposeful. We've spent a

1 lot of time trying to structure our team to meet our  
 2 objectives. And we have what I'll call specialization  
 3 with collaboration. So people have their jobs.  
 4 They're experts in what they do. But we all work  
 5 together. And as a result, I think the returns are  
 6 stronger for it.

7 So to give you an example here, we have sort of  
 8 four basic teams. Our internal management in trading,  
 9 public market access, reporting, and external manager  
 10 oversight. But let's sort of go along this wheel. We  
 11 have our internal PMs, Joe, James and Brian. They  
 12 excel at running portfolios and as a ballast to our  
 13 program, but they're also a resource for questions.

14 So James runs an internal quant fund. He's great  
 15 at asking questions of our external quant managers,  
 16 because when you run a portfolio, you're that much  
 17 better at challenging our managers effectively;  
 18 likewise for our PMs who talk to our external providers  
 19 of enhanced and passive products.

20 Our traders, they are key to doing our  
 21 transitions, to trading our fund, but they're also  
 22 excellent at assessing our external managers for  
 23 trading costs. Again, they're in the market. They  
 24 know when maybe a trade, it's okay that it looks bad,  
 25 or they'll also know when it's expensive. And we've

1 really been pushing on our managers to be thoughtful in  
2 their approach to trading and the commission costs.

3 On the market access front, I'll throw in a couple  
4 of stats to show you why it's important we have  
5 functionality here. We have 67 strategies, we're in 72  
6 countries, and we have over 10,000 securities. That's  
7 a lot of work. We have to make sure markets are open,  
8 our contracts are in line, we're paying taxes where we  
9 need to be paying taxes, we're getting taxes back where  
10 we should be getting those back. And we have a great  
11 team that works on that. It may not be the most  
12 exciting, but getting that right is critical.

13 Reporting, research and analytics. We need to  
14 know what's driving returns, and I think something that  
15 I've come to appreciate over time is that a return  
16 calculation is not really that straightforward.  
17 There's a lot involved. And there, too, we have a  
18 great team that does that on a day-to-day basis. And  
19 they provide us the right tools to be able to deliver  
20 alpha. If we don't understand why our managers are  
21 performing well, we won't be able to outperform.

22 And then there's the active team. They are the  
23 primary source of the fund of funds structure, but  
24 folks on each of those other teams do have manager  
25 oversight responsibilities. And together I think we

1 make kind of an effective fund of funds team.

2 I did want to give a nod, though. We could not do  
3 this with just the people on this page. We have a  
4 great group here in financial operations, accounting,  
5 legal, and our external investment manager oversight  
6 group. They do not sit at this table, but they are  
7 part of this function. And having them has, again,  
8 enabled us to do international investing, domestic  
9 investing, which has saved us money in the long-run.

10 And with that, I will turn it over to Tim.

11 MR. TAYLOR: Thank you. Page seven. And before I  
12 begin, I just want to say I'm looking very much forward  
13 to working with Alison. Ash, I appreciate your  
14 confidence in me, and very much looking forward to the  
15 challenges and the job that lies ahead. So thank you.

16 In the most general terms, here on page seven, if  
17 you take your eyes from left to right, how do we  
18 structure? Well, we have a passive group. We take  
19 active management on benchmark, but then on the  
20 right-hand side, perhaps where we're opportunistic or  
21 entrepreneurial, we'll go off benchmark. And I'll  
22 discuss very briefly each one of these components.

23 Structurally, on the left-hand side, you can see  
24 that 50 percent of our assets are passively managed,  
25 certainly an anchor for the global equity portfolio.

1 Forty percent of our assets, passive assets, are  
 2 internally managed. Actually, let me restate that.  
 3 Forty percent of all of global equity's assets are  
 4 managed internally, which is very important. Most of  
 5 that now currently is U.S., Russell 3000, Russell 1000,  
 6 each at around \$15 billion. But please note, MSCI  
 7 World, which is inclusive of not only the U.S. but all  
 8 developed markets in the world, we're now managing that  
 9 internally in-house passively.

10 Our accomplishments in this portion over 2015  
 11 included the following. We did increase our allocation  
 12 to MSCI World. And in fact it's now -- recently we  
 13 added another \$500 million to that, and we're at about  
 14 \$1.5 billion run against MSCI World.

15 We've maintained our position as a low cost  
 16 provider, and we've added value. Despite the passive  
 17 name, we've been able to add value within a very  
 18 narrow, constrained risk budget.

19 To the middle now, Alison alluded to the idea that  
 20 we're willing to accept a controlled level of risk  
 21 where we think we can be compensated. Where are  
 22 markets efficient, where are they not efficient? So  
 23 structurally most of our active investments are on the  
 24 non-U.S., on the foreign side, 77 percent. On the U.S.  
 25 side, 20 percent are actively managed. On the foreign

1 side we think we can obtain alpha through large cap,  
 2 through international small cap and through dedicated  
 3 emerging markets.

4 Within this group in 2015, we did complete a  
 5 manager search and a restructuring of our emerging  
 6 manager sub-aggregate. We hired two new investment  
 7 managers. And in 2015, this is for the one year ending  
 8 September 30th, we provided or added positive alpha in  
 9 seven out of eight sub-aggregates. The only one where  
 10 we underperformed was done so marginally, and it was  
 11 within U.S. small cap, where we underperformed by only  
 12 seven or eight basis points, I believe.

13 On the right-hand side, where can we be  
 14 opportunistic, entrepreneurial? Looking for low  
 15 correlated strategies, lowly correlated strategies in  
 16 less efficient markets. And even at a small asset  
 17 allocation, these things can add value. They can move  
 18 the needle, so to say. And in 2015 we did invest in a  
 19 China A fund. This fund did tremendously well. And  
 20 for the one year ending October 30th, this fund had a  
 21 return of 43 percent.

22 We also invested in U.S. microcap. Over that same  
 23 time period our investments there outperformed the U.S.  
 24 small cap index by 700 basis points. We've also had a  
 25 dedicated group of funds here, market managers, since

1 2009. And we've also had a dedicated currency program  
 2 for almost two years now. And we look at these things  
 3 and we evaluate them relative to both the target and  
 4 relative to the individual benchmark to which they're  
 5 gauged.

6 Flipping to page eight now. It's very important  
 7 to us to understand what happened, how was performance  
 8 generated, why did a manager outperform, why did they  
 9 underperform. We also want to know how are we  
 10 currently positioned, but then, most importantly, where  
 11 do we want to be, do we want to make some changes.

12 We formally meet with all of our external managers  
 13 every quarter. We informally communicate with them  
 14 quite a bit. But we formally sit down. We have a  
 15 call. We require them to visit us here in our offices.  
 16 We discuss organizational changes. We discuss  
 17 performance, and we discuss their outlook. And we're  
 18 looking historically at things like upside/downside  
 19 capture percentages. How do they correlate with other  
 20 managers. As Alison said, our goal is to have a well  
 21 diversified group, a well diversified structure of  
 22 managers within each sub-aggregate.

23 We look at their historical tracking error, their  
 24 predicted tracking error as well. And we do focus on  
 25 their trading costs, trading costs not just of equities

1 but of currencies as well, if applicable. So we don't  
 2 rely solely on what happened in the past to guide our  
 3 future positioning, but it's very important to know  
 4 what happened and why.

5 Current positioning, we look at single stock,  
 6 what's our largest active single stock exposure. We  
 7 look at currency, country, regional. And then we look  
 8 at factors, growth factors, value factors, quality  
 9 factors, for example.

10 We formally meet as a GE staff every quarter to  
 11 discuss each sub-aggregate. And the individual  
 12 responsible for that sub-aggregate not only presents  
 13 the information and discusses all these things but  
 14 makes recommendations. And so the group has an  
 15 opportunity to share ideas and to perhaps make some  
 16 adjustments to the structure.

17 Vigilant monitoring of the opportunity set. We  
 18 also communicate with Mercer quite a bit and use their  
 19 resources, which have proved valuable over the last few  
 20 years. We look at ourselves not just relative to our  
 21 benchmark but relative to peers. We're doing well with  
 22 our managers. Could we maybe be doing even better. We  
 23 can't rely on past. We can't get complacent because  
 24 we've done well. What's more important is where do we  
 25 go from here.

1 And with all the liquidity that Alison mentioned,  
2 we use that as an opportunity to rebalance our  
3 portfolios, to address any structural, modest  
4 structural biases that may exist in the accounts.

5 Page nine, the framework for manager selection and  
6 monitoring. One of the first questions is, is there  
7 alpha opportunity in a given market? How efficient is  
8 the market? When talking to a manager, well, what is  
9 their edge? How are they going to identify this  
10 inefficiency? How are they going to capitalize on that  
11 inefficiency? Have they done so in the past? Will  
12 they do so going forward?

13 Does the manager perform as expected?  
14 Underperformance, we would argue, in certain  
15 environments is expected. If we have a sub-aggregate  
16 of, say, emerging market managers and all of them are  
17 outperforming over the last one year, when we look at  
18 it, some people might decide that's great, let's throw  
19 a party. Well, that's great, we've outperformed, but  
20 actually that's a little concerning, because perhaps  
21 our aggregate is not as diversified as we thought. We  
22 would hope we have some outperforming, we have some  
23 underperforming, but over time, on the positive, more  
24 outperforming. So we do strive for diversity.

25 How does a manager add to the existing roster?

1 Are they complementary to what we have? Do they  
2 address particular structural biases that we might  
3 have? If you look at below, just a very small sample,  
4 things we might look at. On the lower left, predicted  
5 active risk of a manager or of an aggregate, of a  
6 sub-aggregate. In the middle, a style tilt for various  
7 value factors. And this is a style tilt, not just a  
8 snapshot in time, but over the last -- this was  
9 probably three years. How has this manager, the  
10 factors in their portfolio changed historically.

11 And on the lower right-hand side, we very much  
12 like to attribute performance. Is it based upon stock  
13 selection? Is it based upon sector? Is it based upon  
14 country or region? We want managers not just to be  
15 able to tell us how they performed but how that  
16 performance was generated. If you tell us, this is how  
17 you're going to add value, this is how you added value,  
18 well, prove that to us, attribute it to us.

19 Under operations and business evaluation, it's not  
20 just the numbers and the process that matters. It's  
21 certainly the team. Are the manager's incentives  
22 aligned with the SBA? Is the team stable? Teams that  
23 are stable generally lead to greater confidence in a  
24 team and in an organization.

25 Is their trading, their process, their philosophy,

1 their costs aligned with their investment approach?  
2 Again, both equity and in currency, implementation as  
3 well as cost. One thing that we look at is perhaps we  
4 hired a manager years ago when they were smaller and  
5 they were much more nimble and they bought and sold  
6 securities over one or two days. And now we look at  
7 them after their success and they've gathered a lot of  
8 assets, and now it takes them a week or two and not  
9 just one or two days to implement their ideas. That's  
10 a red flag, and that's something we need to talk with  
11 them about.

12 Do they have appropriate systems and compliance?  
13 And here we work with our colleagues in the risk  
14 management and compliance group, and in particular the  
15 external investment management oversight group.

16 Page 10, so on the left-hand side, we are to  
17 provide beta, but we also try to add value in a  
18 risk-controlled manner. If you look at over the  
19 quarter and the one year, Alison discussed that, yes,  
20 the markets were negative. But if you go to the  
21 right-hand side, during that quarter and during that  
22 one year, when markets were down so strongly, we did  
23 preserve value. We preserved capital in falling  
24 markets. And that's very important.

25 We certainly want to participate in or outperform

1 in rising markets. But over time the preservation of  
2 capital is so important to us and our long-term  
3 results. If we preserve capital, we can outperform  
4 over the long-term. And, of course, we're long-term  
5 investors. And we've done this in a risk-controlled,  
6 low-cost manner.

7 The inception here note is when the global equity  
8 group -- we combined the foreign equity asset class and  
9 the U.S. equity asset class in the middle of 2010, and  
10 that's the inception date that you see here. So for a  
11 little over five years now, we've been able to add  
12 value of over 100 basis points annualized per year,  
13 again, in a very risk-controlled manner.

14 Finally, the last page that I'll share with  
15 you-all today, global equity looking forward. These  
16 are some of the things that are important to us in the  
17 coming year, some of the important things we want to  
18 accomplish and focus on. We are going to continue to  
19 leverage our in-house asset capabilities. We've  
20 successfully managed U.S. money passively for many  
21 years, for several years. We're now about up to a two  
22 year history with a global equity passive strategy.  
23 And having the ability to manage these strategies  
24 internally is certainly a big advantage.

25 Also internally we intend to implement a factor

1 index portfolio. Global equity staff has been  
2 researching factor index providers, looking at their  
3 methodology. And we intend to launch an internally  
4 managed, globally focused active portfolio in the new  
5 year.

6 The third bullet point is that -- we've mentioned  
7 the currency program, and it has been successful.  
8 We're going to continue to develop the tools and the  
9 analytics that we use to manage that program, continue  
10 to augment the oversight framework that we apply to  
11 that program.

12 Enhance trade cost evaluation, equity and foreign  
13 currency. Since we now trade in all developed markets,  
14 not just the U.S., our ability to evaluate the  
15 activities of our external managers has increased.

16 We're going to continue to identify traditional  
17 and non-traditional alpha sources. We're going to  
18 continue to be opportunistic where we think some value  
19 can be added, and we'll be judicious when allocating  
20 assets to those opportunities, and we'll do so in a  
21 very risk-controlled manner.

22 Finally, we're going to continue to develop our  
23 external manager oversight framework. We have an  
24 excellent blend of experienced investors among global  
25 equity staff, along with younger professionals with

1 tremendous potential, and we're going to continue to  
2 develop these employees and the tools that we use to  
3 oversee our investments.

4 MR. COBB: Questions and comments?

5 MR. JONES: I have one question. It seems like  
6 20 percent domestic actively managed is a bit low, but  
7 maybe I'm wrong. It seems like more people are going  
8 toward active management. So I was just curious to  
9 hear comments on that.

10 MS. ROMANO: I'd say broadly I think the trend has  
11 been away from U.S. passive, in a lot of cases zero  
12 passive exposure in U.S. large cap. We've had a very  
13 successful large cap program that has continued to add  
14 positively to our returns, so we've maintained that  
15 exposure. Likewise, on the small cap side we're  
16 probably a little more -- if you look just at the U.S.  
17 piece, we are more active on the small cap side  
18 percent-wise, because again we think that those markets  
19 are a little less efficient.

20 MR. JONES: Thank you.

21 MR. WENDT: I have a question on page five. On  
22 the bottom right there, your total dollars raised,  
23 24.7 billion, is that the same as the profit realized  
24 from the activities over five years, less the taxes?

25 MS. ROMANO: No. The 25 billion is dollars

1 leaving our asset class to meet payments for either  
 2 retirees or to go to other asset classes. We're at  
 3 \$81 billion, so we have to have returns in excess of  
 4 that to maintain our kind of size in the overall plan.

5 MR. WENDT: Why do you use the word "raised" then?

6 MS. ROMANO: Because we raised cash and sent it  
 7 out, not returns, but cash raised.

8 MR. WENDT: Okay. And somebody said that there is  
 9 taxes to be paid in some cases. I haven't thought of  
 10 that before. But in certain countries you may have to  
 11 pay taxes. Do you have any idea how much in total that  
 12 is?

13 MR. TAYLOR: We're fortunate because we're a U.S.  
 14 pension fund, and our country has tax treaties with  
 15 several big countries throughout the world, that we do  
 16 get beneficial tax treatments in many markets, but not  
 17 in all markets. Some markets we do pay taxes.  
 18 Generally, again, we benefit greatly from that.

19 I think it's also important, we've raised these  
 20 funds and we've done so -- trading costs money. And  
 21 those transaction costs are part of our performance.  
 22 So despite raising \$25 billion over the past five years  
 23 and bearing those transaction costs because we're able  
 24 to trade internally or when we're not and keep a close  
 25 eye on what our external managers are doing, we're able

1 to still outperform despite bearing transaction costs.

2 MR. COBB: Our performance is after tax where we  
 3 pay an international tax?

4 MR. TAYLOR: Yes, sir, that's correct.

5 MR. COLLINS: I have one question, Mr. Chair.

6 MR. COBB: Yes, sir.

7 MR. COLLINS: So, first, congratulations.

8 MR. TAYLOR: Thank you.

9 MR. COLLINS: You were already told that. But it  
 10 struck me, as soon as you-all made the announcement,  
 11 that probably three or four, maybe three meetings ago  
 12 that Janice left. Right? Maybe four meetings. And  
 13 now Scott has left. And so there's been a pretty big  
 14 turnover in our biggest asset class.

15 If you're looking at this list, is this a list  
 16 that Janice and Scott would have come up with, or does  
 17 this have your two particular touches on it? And if  
 18 so, what are those? In other words, you know, what are  
 19 you focusing on not only for global equity but the  
 20 department as, you know, we've lost two people that  
 21 have been there a real long time?

22 MS. ROMANO: Two people who did a tremendous job,  
 23 so we have big shoes to fill. I think the list that  
 24 you're looking at there is probably a blend of what was  
 25 and what we hope to be. And I think the market has

1 also shifted in the time that they were running the  
2 asset class and where we're heading.

3 So I think we do have an opportunity, as we sort  
4 of talk throughout, to be opportunistic on a small  
5 scale. We're still beta providers and liquidity  
6 providers. But I think increasing some of those bets  
7 may be an opportunity.

8 With our team, likewise it was structured in a  
9 way, when we brought together domestic and  
10 international. And just so my team doesn't get  
11 nervous, I'm not suggesting any dramatic shift in that.  
12 But we will look at our resources and figure out maybe  
13 in today's environment where we can better utilize the  
14 capacity of our team and the skills that they have.

15 So I don't think we're going to make any dramatic  
16 shifts overnight, but there's certainly opportunity  
17 that I think we're both looking forward to taking  
18 advantage of.

19 MR. TAYLOR: Let me maybe just add a little bit to  
20 what Alison has said, to give you some background.  
21 Alison joined the SBA as part of the domestic equity,  
22 U.S. equity asset class, so prior to 2010. I was  
23 part -- my legacy is part of the foreign equity,  
24 international equity asset class. So we became part of  
25 global equity -- we were both there from the inception

1 of the asset class. And I very much agree that I know  
2 both my ideas but also Alison's are part of this list.

3 MR. COBB: Michael, I would like you to comment on  
4 this presentation. From my point of view, it  
5 demonstrates that we're more entrepreneurial than other  
6 public pension funds. That's my sense. I was a little  
7 bit concerned that the write-up didn't dramatize that  
8 entrepreneurial attitude, as I think the oral  
9 presentation did. But you have more experience than  
10 anybody in this area. Can you give us your sense of --  
11 are we as entrepreneurial as I think we are?

12 MR. PRICE: What I'd love to do -- and it's in our  
13 book, although not on your slides, are lists of your  
14 money managers. So I would love you maybe at the next  
15 meeting to point to certain managers and how they're  
16 different or how they're better or why they're there,  
17 as well as how they've done.

18 And do you have a transparency, where you look  
19 through the manager's holdings as well as your own  
20 direct holdings that are not passive?

21 MS. ROMANO: We have access to everything. So  
22 daily we see what trades our managers --

23 MR. PRICE: I would love to -- I like you-all to  
24 present what you want to present. But for me, Chuck,  
25 the most important thing is drilling down to what you

1 actually own and why, right, and things that have  
2 helped and things that have hurt, because these markets  
3 are changing.

4 And, you know, maybe getting past this overview  
5 into country allocations, you know, whether there's any  
6 leverage involved, how levered the underlying holdings  
7 are, things like that, industry concentrations, how  
8 much oil is in your portfolio, MLPs, right, things like  
9 that, for me, that would be really helpful.

10 MS. ROMANO: If it's helpful, I just could give  
11 you a quick snapshot of --

12 MR. PRICE: Sure.

13 MS. ROMANO: -- where we're currently positioned.  
14 And, again, we're not, because of our risk budget,  
15 taking big bets. But broadly speaking, I'd say most of  
16 our managers have been underweight financials, not  
17 surprisingly, since the financial crisis. China is a  
18 big area that is on a short-term basis, so I mean sort  
19 of month to month, driving returns. So our EM  
20 managers, for instance, tend to be underweight China.  
21 When there are big moves there, we'll see shifts in  
22 performance there.

23 Energy is an area where I think broadly  
24 speaking -- and it differs by manager. Most think  
25 maybe that hasn't hit bottom or they're just a little

1 nervous to call the bottom, so we're underweight there  
2 as well. But manager by manager, that may differ a  
3 bit.

4 MR. PRICE: Our role is one of oversight, not to  
5 tell you buy more oil today, right? Which it would be  
6 probably a pretty good day to buy it. But I'm just  
7 curious. For instance, the best part of my portfolio  
8 this last year has been banks and financials in the  
9 U.S. Right? I mean, they've been terrific. And with  
10 the rise -- maybe a rise in rates coming up, they're  
11 going to outperform even more.

12 So I would love to get this side of the room a  
13 little bit smarter on your allocations and  
14 sensitivities to changes in -- maybe it's commodities,  
15 maybe it's interest rates, things like that, in the  
16 equity portfolio, not the bond and real estate  
17 portfolio. Is that fair?

18 Because you have the ability to move faster than  
19 the other parts of the portfolio, right. The private  
20 equity guys have to take years to unwind things, I  
21 would think, real estate likewise. But you've got more  
22 agility, like a defensive back.

23 MS. ROMANO: Certainly. We have agility in our  
24 managers and I would say also have quite a bit of  
25 agility to move. So to your point on the U.S.

1 financials, if you look at our global managers, who can  
 2 go anywhere, they are making those types of decisions,  
 3 so do I like financials generally, do I like the U.S.  
 4 banks more than the European banks, et cetera. So  
 5 they're making those calls, and then how we put our  
 6 managers together influences where we're taking bets.

7 MR. PRICE: So I'd love to see some sort of  
 8 breakdown in that, in the mix of industry, the mix of  
 9 managers, the mix of liquidity, how much of that  
 10 passive money -- active is liquid -- how much of the  
 11 passive money is three day liquid, one month liquid,  
 12 quarterly liquid, annual liquid, things like that, to  
 13 give this committee a sense of how agile it could be as  
 14 the markets change.

15 So I would love to get to another level or two of  
 16 this, knowing that a lot of the portfolio is a lot less  
 17 liquid. You oversee the most liquid part of the  
 18 portfolio, fair? Is that fair?

19 MS. ROMANO: (Nods head affirmatively).

20 MR. PRICE: Right, yeah.

21 MR. WENDT: Ambassador, what was it that you  
 22 sensed that made you reach the conclusion that this  
 23 group was more entrepreneurial than the average  
 24 investment manager?

25 MR. COBB: Well, first of all, I'm impressed with

1 this report. It says our fees are the lowest in the  
 2 industry. Secondly, that we have added more value,  
 3 1 percent per year, more than our competitors and other  
 4 pension funds. And, thirdly, in the discussion of how  
 5 fast we have moved at times gave me the impression that  
 6 we were more entrepreneurial, although I didn't -- it  
 7 didn't come out in the reading as much as it did in  
 8 today's presentation.

9 But that was just one person's reaction, and I  
 10 wanted to get the rest of you. So hopefully -- there's  
 11 a lot of other pros here.

12 MR. JONES: I thought you were right.

13 MR. COBB: Will?

14 MR. HARRELL: I don't have anything to add to what  
 15 Michael has said. He knows more about this than I do.

16 MR. COBB: Good. But hearing no other discussion,  
 17 I guess we can go to Katy and the fixed income. Good  
 18 report.

19 MR. BENTON: It's Mercer. They're going to go  
 20 over the --

21 MR. COBB: Excuse me. We want to hear from  
 22 Mercer. Yeah, we want to hear the independent.

23 MS. ECKERT: Thank you. Good afternoon, everyone.  
 24 It's great to be here. Since I'm only up here once a  
 25 year, I always feel a need to reintroduce myself and

1 Rich and what we do with the internal staff. We are  
 2 what's termed the asset class consultant. So we're  
 3 tasked with working very closely with the internal  
 4 staff across the public markets asset classes, so  
 5 public equities and public fixed income, and all things  
 6 manager related. So due diligence, monitoring,  
 7 selection, termination when it's needed. And as Tim  
 8 alluded to earlier, we're in very constant, regular  
 9 communication with both the equity and fixed income  
 10 team.

11 Mr. Chairman, I want to be cognizant of the time.  
 12 I know that we're a little bit over. I'm happy -- for  
 13 those that know me, I'm happy to be up here for an  
 14 hour. I'm happy to do it in five minutes.

15 MR. COBB: I think maybe try to respond to some of  
 16 the questions that have been asked about are we  
 17 entrepreneurial, are we low cost, do we have a good  
 18 process, are we risk tolerant, concerned. I mean, the  
 19 questions that have been raised, if you can quickly  
 20 just answer all those, that would be good.

21 MS. ECKERT: Yeah, happy to do so. We actually  
 22 have some stats throughout this report, which I think  
 23 will touch on many of those questions. And so I'll be  
 24 sure to touch on that as we go through and kind of skip  
 25 some stuff that doesn't touch that.

1 If everyone could just quickly flip to slide one.  
 2 You know, Alison and Tim talked a lot about operations,  
 3 process and the team. We're going to talk a little bit  
 4 about the overarching investment program within the  
 5 equities asset class. We're going to review the  
 6 equities. I think this will get to the question of we  
 7 know how we're doing on an absolute basis but what do  
 8 we look like relative to our peers. And then finally,  
 9 although they touched on it, we've got recent  
 10 activities and initiatives for 2016.

11 Flipping to page three, this is the guiding  
 12 principles of the public markets investment programs.  
 13 No changes here. This has been consistent over the  
 14 last couple of years. The key bullet point here is  
 15 that all asset classes should be invested to achieve or  
 16 exceed the return of their respective benchmarks in  
 17 order to ensure appropriate compensation for the risks  
 18 that they're taking.

19 All of the public market asset classes should be  
 20 well diversified relative to their benchmarks. So,  
 21 again, as Alison alluded to, we don't see them taking a  
 22 lot of bets either within or outside the benchmark.  
 23 And in addition, exposure to low cost passive  
 24 management where it makes sense. And as defined in the  
 25 investment policy here, there's three tenets they

1 looked at. The first is the degree of efficiency of  
2 the underlying asset classes. U.S. large caps tend to  
3 be a highly efficient asset class, where it makes sense  
4 to be passive, not so much the case in emerging  
5 markets.

6 Capacity in the active space of the market. We're  
7 very big. We need to make sure, if we're going to be  
8 active, it's actually going to make sense for our size.  
9 And then finally total fund liquidity requirements.

10 Moving to the next slide, slide four, this is  
11 going to touch a little bit, Ambassador, on Mercer's  
12 monitoring of staff and whether or not we think that  
13 they're employing best practices, given their size and  
14 mandate. Overall we do, but we get a little bit more  
15 granular with how we define that.

16 So Mercer does believe that the global equity  
17 asset class incorporates many of the best practices in  
18 institutional fund management, which is appropriate  
19 given their size and cash flow position. Some of the  
20 characteristics, which we think are very much in line  
21 with best practice, include highly risk-controlled.  
22 They make extensive use of both passive management and  
23 enhanced strategies.

24 Appropriate market capitalization weighted  
25 exposures, there's lots of research out there that

1 suggests owning the market portfolio, which is every  
2 type of asset class available within equities, each  
3 weighted in proportion to their total presence in the  
4 market, is the most efficient risk-reward portfolio to  
5 hold. The SBA's exposures do approximate the exposures  
6 embedded within their global equity index, which is the  
7 MSCI All Country World Investable Market Index, which  
8 is one of the broadest indices out there for global  
9 equities. And then finally --

10 MR. COBB: Excuse me a second. I think your  
11 report, at this point you're reinforcing everything  
12 that management has said. I think you should focus on  
13 where maybe you disagree or --

14 MS. ECKERT: Okay. No problem. If we could have  
15 everyone flip to slide 28 in your books. Here you're  
16 going to see a little bit about how we look relative to  
17 our peers on a regional basis. This is one question  
18 that came up. As a reminder, back in 2010, we  
19 consolidated both the U.S. and international equity  
20 asset classes to a single global equity asset class.  
21 This is a trend we've seen across peers.

22 Below, you'll see our exposures to U.S. equity.  
23 The home country bias is a little bit less than that of  
24 our large plan peers and a little bit more less than  
25 all U.S. plans. And that's been reallocated to

1 developed market ex U.S. So we're up about 5 percent  
2 relative to our large market peers there, with about  
3 37 percent, versus the peers at 31 percent.

4 Again, we've got a higher exposure to emerging  
5 markets of about 10 percent versus the peers at about  
6 9, and less exposure to global equity mandates, which  
7 are mandates which are just focused on global equity,  
8 at about 7 percent versus the large market peers at  
9 8.6 percent.

10 Flipping to the next page, this gets to one of --

11 MR. COBB: Excuse me. I think this is worth a  
12 discussion. Again, what's everyone's judgment of this?  
13 Just to maybe start off, I'm surprised at this chart.  
14 I had the impression that our U.S. equity was maybe  
15 larger than our peers. So to see it less -- so that  
16 has actually hurt our performance, as international has  
17 had a tougher time during the last year. But I think  
18 maybe we're better positioned. But what's everybody  
19 else's judgment? Michael, what's your --

20 MR. PRICE: Hard to say. This is a combination of  
21 both active and passive?

22 MS. ECKERT: It is.

23 MR. COBB: Any other judgment?

24 MR. PRICE: What I'd love to do is drill down to  
25 see where the performance attribution is. So much of

1 what you're giving us is an overview, no bottoms up.

2 MS. ECKERT: We do not have performance  
3 attribution in here. What we do have is performance in  
4 each one of these sub-asset classes relative to our  
5 peers, and we're happy to walk through that. I will  
6 say that I was looking at the same report three or four  
7 years ago within this peer group, and the numbers have  
8 not changed much. So these are very close to the  
9 numbers you saw three years ago.

10 In fact, in 2012 the FRS had a U.S. equity  
11 allocation of about 45 percent, so just a little bit  
12 below where we stand today, versus peers of 49 percent.  
13 So we've moved directionally in the same way but only  
14 marginally so.

15 MR. COLLINS: Mr. Chairman?

16 MR. COBB: Yes, sir.

17 MR. COLLINS: Is this because of an index change,  
18 or is this just -- is this the luck of how our active  
19 managers are picking things that we wound up this  
20 focused on developed market ex U.S.?

21 MR. TAYLOR: Well, in 2010, when we created the  
22 global equity asset class, integrated not only staff  
23 but investments, but we also not long after that  
24 addressed our home country bias. And I think at one  
25 point in time we were 60 percent U.S., 40 percent

1 non-U.S. But if you look at the world's investment  
 2 opportunity set based on MSCI's target, it was at that  
 3 time opposite. It was 40 U.S., 60 non-U.S. So we did  
 4 undertake a transition over the course of several  
 5 months to address that home country bias. So --

6 MR. COLLINS: Okay. So I'm just going to  
 7 interrupt you. That's answer enough. So then the next  
 8 question would be, back to Michael's comment, okay,  
 9 where we are now, what makes -- where are we in that  
 10 and who is -- who makes up the majority of the holdings  
 11 of the U.S., right, is it active, is it passive, where  
 12 does that sit.

13 If it's an active choice that you-all are making,  
 14 okay. If it's a byproduct of you've got X amount  
 15 passive, X amount this and the index says do this, and  
 16 this is what falls out the bottom --

17 MR. COBB: I think they're going to get to this in  
 18 the next slide.

19 MR. TAYLOR: I think where we start, where we have  
 20 to start is the target that the asset class is given,  
 21 the asset allocation.

22 MR. COLLINS: Totally agree.

23 MR. TAYLOR: So that's where we begin. And as  
 24 Alison mentioned earlier, we generally try to be  
 25 neutral. So, you know, people have said, well, perhaps

1 you should take a bet on emerging markets. Well, we  
 2 discussed it, but we're given a risk budget that we  
 3 have to abide by of 75 basis points. So the foundation  
 4 is the target that is given. And so very much the  
 5 weights that are seen are mostly driven by the target  
 6 percentage, but then we'll take active bets.

7 MR. COLLINS: So last follow-up. So maybe we  
 8 aren't as nimble because of our policy as some behind  
 9 the table think that we could be, because of just how  
 10 it's constructed, and you've got constraints in the  
 11 risk budget constraint and the weighting constraint,  
 12 passive/active constraint. So maybe we can't be as  
 13 nimble as we think we can be. Would that be true?

14 MS. ROMANO: I think we can be nimble in the  
 15 context of the scale of money we run in a risk budget.  
 16 I don't think that our mandate is to make big regional  
 17 bets, for instance. So even if we could do that  
 18 tomorrow, that's not the direction that necessarily we  
 19 want to take it.

20 MR. COBB: Okay. Let's go to the next chart,  
 21 because I think it answers some of Peter's question.

22 MR. DABROWSKI: Just to clarify. What we see on  
 23 the allocation between yourselves and large peers is  
 24 that the large peers still have a home country bias,  
 25 and you've made the choice, by using the ACWI

1 benchmark, to neutralize that. So you're managing --  
2 it's a very thoughtful, again, entrepreneurial sort of  
3 way of managing the portfolio.

4 MR. HARRELL: I'm sorry. Can you say that again?  
5 I'm not sure that I quite followed it, because I  
6 definitely was wondering, as someone said a minute ago,  
7 how it is that we're consistently adding alpha period  
8 after period, when we are underweight the  
9 outperforming -- we're underweight the outperforming  
10 component of the mix, it seems to me. It seems to me  
11 like we'd have negative alpha from that by such a large  
12 amount that it would outweigh some of the other small  
13 factors that contribute.

14 MS. ROMANO: To clarify that point, we are not  
15 underweight U.S. We're not underweight ex U.S. We are  
16 pretty much in line with what our benchmark is. So if  
17 you take U.S. equity and you take about half of the  
18 global equity strategies, because those are U.S.  
19 component, we are in line with the benchmark. So our  
20 alpha is coming from the bets that our managers are  
21 making. It's not coming from any regional allocation  
22 decisions we are making.

23 MR. HARRELL: So if we're in line with our  
24 benchmark and we have a different mix than large plan  
25 peers and all U.S. plans, are they using a different

1 benchmark? Because I assume they track their benchmark  
2 pretty close.

3 MR. DABROWSKI: They are often using a different  
4 benchmark. They are more often making an allocation to  
5 U.S. and non-U.S. as opposed to you made an allocation  
6 to global and are implementing that.

7 MR. HARRELL: So when we picked our benchmark, did  
8 we pick it because we wanted to pursue a different  
9 asset allocation?

10 MR. DABROWSKI: You picked the benchmark because  
11 it was most appropriate for your particular plan and  
12 your objectives.

13 MS. DOYLE: Mr. Chairman, would you mind if I made  
14 a couple of comments, just to add some historical  
15 context? In 2010 we went through a structural review  
16 where we looked at the benchmark for global equity. We  
17 looked at the mix of active and passive within both  
18 global equity and fixed income. And then we reviewed  
19 all of the benchmarks for each of the major asset  
20 classes.

21 And one of the big topics of that report was do we  
22 want to combine non-U.S. and U.S. and look at the  
23 global equity market holistically, because as barriers  
24 to information have been broken down and analysts now  
25 are covering not simply regional names and names have a

1 lot more -- stocks have a lot more influence from  
 2 wherever, outside of the country or the region where  
 3 they actually trade on the exchange, the decision by  
 4 this group and staff and consultants was that, yes, we  
 5 wanted to take a holistic look at global equity and we  
 6 wanted to combine those asset classes, and in doing  
 7 that, we wanted to have a market cap -- similar market  
 8 cap weight to the MSCI ACWI benchmark, which has a  
 9 lower allocation to U.S. than it does to the non-U.S.  
 10 And so that's where we've sort of ended up and why you  
 11 see the numbers that you see here on this page today.

12 MR. COBB: Okay. Continue, please.

13 MS. ECKERT: So flip to slide 29. This gets to a  
 14 question Bobby had earlier and I think Peter had, where  
 15 do we look active versus passive across the sub-asset  
 16 classes and relative to our peers. What you'll note  
 17 here is that the FRS is more passive in the U.S. asset  
 18 class than they are in international. So in U.S.  
 19 equity, we're about 82 percent passive versus  
 20 18 percent active, where our peers are 59.2 percent  
 21 passive and 40.8 percent active.

22 You see a different story as you move down to  
 23 developed market ex U.S., with a 32 percent passive  
 24 exposure and 68 percent active relative to peers, where  
 25 they have a bit more passive exposure in developed

1 ex U.S. than the SBA. Emerging markets, which is known  
 2 to be a less efficient asset class, we're 100 percent  
 3 active versus our peers, which have about 15 percent to  
 4 passive management.

5 The remainder of this report goes into a little  
 6 bit more granular detail on performance. I'm happy to  
 7 touch on this, if it makes sense.

8 MR. COLLINS: Say that again.

9 MS. ECKERT: The remainder of this report goes  
 10 into a little bit more granularity, performance in this  
 11 asset class relative to our peers. I'm happy to touch  
 12 on that if it is of interest.

13 MR. COLLINS: Performance is what she's saying.  
 14 Do you want to go into a little bit more detail?

15 MR. COBB: I think that's partially in response to  
 16 Michael's question.

17 MS. ECKERT: So we're not going to get  
 18 attribution, as Michael is looking for, but we will get  
 19 a little bit more granular on slide 30 here. On this  
 20 slide you see the FRS global equity. These are the net  
 21 returns, so after-fee returns of all of the equity  
 22 strategies that the global equity group is responsible  
 23 for. It's along the top. Below that is their  
 24 benchmark, the value added and then information ratio,  
 25 which is a measure of risk-adjusted returns.

1 We'll look out at the three to five year period.  
 2 You'll note over the three year period we've had  
 3 returns of 8.3 percent, beating the benchmark by about  
 4 100 basis points, with an information ratio of 1.89.

5 MR. PRICE: So no breakdown on where the  
 6 performance came from, active versus passive,  
 7 international versus domestic.

8 MS. ECKERT: On the next page we'll get into U.S.  
 9 and non-U.S. Unfortunately, we are -- it's due to you  
 10 being entrepreneurial -- one of the first to move  
 11 forward in consolidating the asset class to a global  
 12 equity mandate. So there aren't a lot of peers here.  
 13 And so we'll get to that on the next page.

14 Over the five year period, we've had returns of  
 15 8.25, versus the benchmark of 7.12, which has given us  
 16 a value add of 1.13 over the five year and since  
 17 inception. Information ratio over the five year is  
 18 2.13, and on an absolute basis sounds great. On a  
 19 relative basis, we don't have peers, but what you'll  
 20 see on the next couple of pages is that's within the  
 21 top decile across our peers. So not only are we adding  
 22 value, but we're doing it in a risk-controlled, smart  
 23 way.

24 MR. WENDT: Could you please give a little  
 25 expanded definition of information ratio for my

1 benefit? Expand that definition a little bit.

2 MS. ECKERT: Absolutely. Information ratio is a  
 3 risk-adjusted measure to look at returns. And so  
 4 technically it's just a ratio. And the top, the  
 5 numerator is excess return. So that's going to be this  
 6 value added. So how much over the benchmark are we.  
 7 And on the bottom is tracking error, which is the  
 8 standard deviation of the active returns. So it's how  
 9 much risk are we taking for the returns we're getting  
 10 over the benchmark.

11 So if we're taking extremely big risks in the  
 12 portfolio, what that's saying is, well, we're being  
 13 compensated for the high risk we're taking. So the  
 14 higher the tracking error the better.

15 MR. WENDT: Thank you.

16 MS. ECKERT: Flipping to the next page, we break  
 17 out the FRS performance. On the top we have U.S.  
 18 equity. On the bottom we have non-U.S. equity. You'll  
 19 note that over all periods measured, they've added  
 20 value, a little bit less so on U.S. equity.

21 I'll point you to the three and five year period  
 22 information ratios. Here we are able to get peer  
 23 rankings. And you'll note for the three year we have  
 24 an information ratio of .9, which is in the second  
 25 percentile of your peer group; over the five year, .87,

1 which is at the top of the peer group; and since  
2 inception, .14, which is also at the top.

3 Going to non-U.S. equity, you see a similar story.  
4 Over the three year period, they've put up returns just  
5 shy of 4 percent, with about 92 basis points of value  
6 add and an information ratio of 1.16, ranking in the  
7 sixth percentile of your peer group. Over the five  
8 year period, value added of about 130 basis points, an  
9 information ratio of 1.45, which ranks in the second  
10 percentile.

11 Any questions on performance, relative  
12 performance? This concludes our formal comments.

13 MR. PRICE: Just on that last question. It still  
14 doesn't give us whether you're doing better in the  
15 active or in the passive, does it?

16 MS. ECKERT: That's correct.

17 MR. PRICE: Right. And it doesn't show you --  
18 your active is internally run index as well as stock  
19 picking, correct, where passive is internal and  
20 external indexing, right?

21 MR. TAYLOR: That's correct. On the U.S. side all  
22 passive is done internally; on the non-U.S. side, a  
23 lesser amount.

24 MR. PRICE: It's both.

25 MR. TAYLOR: But both, yes.

1 MR. PRICE: So I'd love to break all this stuff  
2 down even further. And this is just the top -- you  
3 know, this is the top layer. You've got to dig in if  
4 we're going to evaluate how both your outside and  
5 internal managers are doing. I mean, Mercer needs to  
6 do that.

7 MR. DABROWSKI: We do that.

8 MR. PRICE: Well, we need to see that.

9 MR. DABROWSKI: We're happy to provide that. We  
10 can do that.

11 MR. PRICE: Thank you.

12 MR. JONES: I'm still a little bit like Will, kind  
13 of surprised, since we have so much passive, how are we  
14 getting 100 basis points value add? I'm just kind of  
15 curious, because a huge amount is passive.

16 MS. ECKERT: So what you'll note is in U.S. equity  
17 we have less value add, so we're looking at more like  
18 20 basis points of outperformance, and that's where we  
19 are overweight passive management. However non-U.S.  
20 equity we tend to be a little bit more active, which is  
21 why you're seeing value add of 90 to 100 basis points.

22 MR. COLLINS: How many people are in the peer  
23 group, since you said we don't know how many peers that  
24 have gone to the global model.

25 MS. ECKERT: So this peer group -- and I

1 apologize. I don't know the number, but I can guess,  
 2 is all public funds of at least 1 billion. So if I had  
 3 to guess -- there are 17 that are 40 billion and above.  
 4 I'm going to guess 40, but I can get you that number.

5 MR. COLLINS: There are 17 that are what?

6 MS. ECKERT: Between 40 billion and the highest,  
 7 which is about 250.

8 MR. COLLINS: And so you think that there's 40 in  
 9 our peer group?

10 MS. ECKERT: In this peer group. It would be my  
 11 guess.

12 MR. COLLINS: So 40 that have gone to the global  
 13 equity --

14 MS. ECKERT: No. So here what we're able to do is  
 15 break out between U.S. and non-U.S. We do not have a  
 16 peer group for just the consolidated global equity.

17 MR. COLLINS: And that is because there are so few  
 18 that have gone that route?

19 MS. ECKERT: That's correct. So the SBA was at  
 20 the forefront of that in 2010.

21 MR. COLLINS: Okay. So when you say -- I'm sorry.  
 22 Last question. So when you say we rank in the second  
 23 percentile, who is that against?

24 MS. ECKERT: So here it's against all public  
 25 funds.

1 MR. COLLINS: A billion dollars or more.

2 MS. ECKERT: Correct.

3 MR. COBB: Okay. We're a half hour. So let's try  
 4 to conclude in the next minute or two, or are you  
 5 through now?

6 MR. DABROWSKI: I think we're done.

7 MS. ECKERT: We're done with our formal comments.

8 MR. COBB: Okay. Well, thank you very much, and  
 9 sorry we caused your presentation to be disjointed, but  
 10 we did want to get the contrast. And I think we got  
 11 it, and Michael's point -- we'll address his points at  
 12 the next meeting --

13 MS. ECKERT: Absolutely.

14 MR. COBB: -- dig down. Good. Okay. Katy, your  
 15 turn.

16 MS. WOJCIECHOWSKI: I'll try to make up the half  
 17 hour. As requested, Ash's first comment, our policy  
 18 target is 18 percent. We can go between 10 -- it is  
 19 on. Am I not speaking into the mike? Can you hear me  
 20 now? We can range between 10 and 26 percent.  
 21 Currently we are around 20 percent. And unlike Alison,  
 22 I did not check today, but I believe we're around  
 23 20 percent still today.

24 We have been actually the -- also tapped for  
 25 liquidity this month or -- yeah, this month and the

1 past four or five months. So you'll see some of that  
2 in my comments. Our benchmark is the Barclays  
3 Intermediate Aggregate, just as a review. A couple of  
4 years ago, you might recall a heated debate about what  
5 we should do with fixed income. At that time we  
6 determined we would reduce our duration, and we did  
7 that by changing our benchmark. So with the  
8 intermediate ag it's about a year and a half shorter  
9 than we had been in duration. This was in anticipation  
10 of rates rising or the Fed tightening, which we are I  
11 think getting pretty close now.

12 What I will say is I don't know that that means  
13 that rates are going to rise significantly. Inflation,  
14 I'm not sure where it is. In fact, possibly deflation.  
15 Who knows.

16 But what that has started to do is actually reduce  
17 the volatility in our portfolio. So if you look at  
18 risk-adjusted returns and the volatility around our  
19 returns, it has actually reduced that volatility. So  
20 better risk-adjusted returns than we would have had if  
21 we had the Barclays Ag as our benchmark.

22 We're slightly different than the global equity  
23 group. In our 20 percent allocation, we do have a  
24 \$5 billion active core portfolio that's run internally.  
25 Kevin Ceurvorst is the head of our credit group that is

1 on the -- a team managed approach, and so we'll be  
2 hearing from him a little bit. We also manage  
3 10 billion of a passive fund. And that's -- so we're  
4 50-50 in our overall allocation. Our overall  
5 allocation is \$30 billion, 10 billion to passive and 5  
6 billion to our active internal fund.

7 And we also -- I don't mention it a lot here, but  
8 we also manage the cash for the entire organization.  
9 So cash for everywhere, it's about 7 to 10 billion.  
10 Plus we manage the hurricane catastrophe funds and  
11 other ancillary funds, which I'm not going to cover  
12 today.

13 When we look at -- we also have, about half of our  
14 funds are managed externally. So we look to our  
15 external managers to add on to our core capabilities.  
16 So internally we have a great team actually. The team  
17 manages this active core portfolio. But we are, I  
18 don't want to say plain vanilla, but we're center of  
19 the road.

20 So what we do when we look for external managers  
21 is who can add on the fringes, who is really good at  
22 maybe some different kinds of credit, perhaps maybe  
23 more global, maybe a little bit more esoteric funds.  
24 We have one of our managers who's great at mortgage  
25 derivatives, you know, bank loans, things like that.

1 We have expanded the guidelines for a couple of our  
2 managers to go below investment grade. That's just a  
3 very, very small allocation, but it's a certain type of  
4 allocation that they're good at.

5 So we hope that's an add-on, but we didn't change  
6 our risk budget because, as I say kind of every time  
7 I'm here, we're supposed to be about sleeping well at  
8 night. So we're supposed to be the diversifier so that  
9 we can have 60 percent to global equity, to real  
10 estate, to private equity, things like that, and just  
11 so that you know that you can sleep well, that the  
12 principal is there.

13 And in addition to that, maintain liquidity. As I  
14 mentioned, we have been a liquidity draw, along with  
15 global equity this year. It's a lot tougher to raise  
16 600 million in our 20 percent allocation than it is  
17 600 million in the 60 percent allocation.

18 And one of the things I'm going to touch on a  
19 little bit later is liquidity just in the marketplace.  
20 I cannot recall who made the comment, but it is true  
21 that global equity is probably more liquid than fixed  
22 income in a lot of cases. And Kevin can certainly  
23 speak to that in credit.

24 The next page, I guess we didn't number the pages.  
25 Can you flip over to the next page? So a couple of

1 things that we are working on. As I mentioned, we  
2 position ourselves for a possible rising rate  
3 environment, not exciting returns. But what we find is  
4 that by expanding opportunities, we become a little bit  
5 less interest rate sensitive and we can keep good  
6 returns going forward.

7 We have been challenged by liquidity, so we've  
8 been seeking out different sources. We've added a  
9 couple of trading platforms that are peer to peer. So  
10 we find that banks cannot provide the liquidity that  
11 they used to, so we'll trade directly with our peers  
12 across the country.

13 We've also -- a lot of forums that I've gone to  
14 this year, they talk about ETF flows. We've had a  
15 couple of huge outflows, inflows. Well, how is that  
16 changing our marketplace? So we've looked at it as is  
17 it an investment we should make, and we've rejected  
18 that, but also what's it doing to our market, because  
19 that's kind of a blind -- you know, flows go in. You  
20 have to buy. Flows go out. You have to sell. And it  
21 really has affected our liquidity.

22 And then one final note, and this is ongoing,  
23 we've gone to -- as an outcropping of the financial  
24 crisis, we've gone to a lot more of our transactions  
25 being cleared on exchanges. So supposedly that makes

1 the world safer, more transparent. And we've kind of  
2 seen that, but it also makes it more challenging for  
3 us. John, if you could flip forward to the next page.

4 Just a comment. Over the past year, this is a  
5 picture -- the top graph is kind of a picture of our  
6 active exposure. Now, keep in mind that we are 50-50  
7 to begin with. So this would only relate to our  
8 50 percent that is in active. This would be the risk  
9 that we are taking or the tracking error that we're  
10 taking. As you can see, we kind of bumped up at the  
11 beginning of the year, took it down in mid-year. And  
12 Kevin can speak to that because he was -- he was not in  
13 favor of where we were in spreads. And we've been kind  
14 of creeping back up as we've seen opportunities going  
15 into year-end. So as spreads have widened, we've tried  
16 to add a little bit to risk. We've also seen that from  
17 our external managers, that they've been taking out.

18 And just a note on that. We view our external  
19 managers as, as I said, kind of an add-on to our staff.  
20 So we have a dialogue with them. I just had one last  
21 week. We try to have one, probably one a week with  
22 each of our managers, but at least once a quarter we  
23 have a formal one, and then informal discussions. I'll  
24 go back and forth in chats in Bloomberg with all of our  
25 managers from time to time, just kind of see what

1 they're saying, because they have huge research  
2 organizations, so why would I not tap that resource  
3 when I can.

4 And you can see at the bottom of the chart just  
5 kind of how tight spreads got, at the bottom, in May,  
6 and then widened out. If you remember, we had a little  
7 event in August that definitely caused an upheaval in  
8 the market. That's where we saw some opportunities.  
9 We've been adding back a little bit.

10 And I'm going to turn it over to Kevin to just  
11 kind of speak at how we -- I can only speak to -- we  
12 can only speak to how we shape our portfolio. But it's  
13 much the same discussion that goes on with our external  
14 managers. And just a side note, Kevin has been here, I  
15 don't know, longer than I have for sure.

16 MR. CEURVORST: Thirteen years.

17 MS. WOJCIECHOWSKI: And he has a rating agency,  
18 Duff & Phelps, background. And he heads up our credit  
19 group, which is a team, as of today, of five, right?

20 MR. CEURVORST: That's correct.

21 MS. WOJCIECHOWSKI: We have a new portfolio  
22 manager that just started today. So Kevin Ceurvorst.

23 MR. CEURVORST: So as Katy mentioned, I think  
24 overall for the credit portfolio, which is actively  
25 managed, which is about \$5 billion, my role in that is

1 the actively managed corporate bond portfolio, in  
2 addition to other duties that aren't really relevant to  
3 what I'm talking about today. But we also have all the  
4 short-term credit support for all the short-term funds.  
5 And that includes about 165 issuer programs that we're  
6 following. That dovetails nicely in with the work that  
7 we do on the corporate side for the actively managed  
8 corporate portfolio, which is about \$1.2 billion.

9 In this first slide here, Katy asked me, well, try  
10 to put the value of the corporate bond portfolio, the  
11 market into perspective, you know, on where we've kind  
12 of come from and where we're going to. And if you look  
13 at this, this is represented by Citi's broad index, but  
14 it's generally representative of the corporate arena,  
15 too, in that the spread, which we show in this graphic  
16 above, is showing that the spread meter looks  
17 relatively attractive compared to historical patterns.  
18 But more importantly for us, we need to keep it into  
19 the context of what the spread looks like relative to a  
20 risk measure. And one of the more broad risk measures  
21 that corporate portfolio managers use is the predicted  
22 default ratio.

23 So if you look at the bottom half of this graph  
24 here, see the blue shading, which shows the plus and  
25 minus one standard deviation of the spread, OAS spread,

1 relative to the predicted default ratio. Right now it  
2 looks relatively attractive compared to historical  
3 trends. I mean, it's looked a lot more attractive in  
4 certain periods, a lot less attractive in other  
5 periods, but altogether not too bad.

6 Just kind of in a context of the returns for the  
7 intermediate corporate index, which we're benchmarked  
8 against, so far this year, that is the excess return  
9 over Treasuries has been very, very small this year.  
10 Year to date it's about, I think, 12 basis points. To  
11 put that into context, in 2014 we had 78 basis points  
12 of excess return over Treasuries delivered from  
13 corporates. The year before that, in 2013, it was 215  
14 basis points. In the year before that it was 680 basis  
15 points.

16 So there's a wide dispersion of excess returns  
17 that's going on here. There's a wide dispersion of  
18 opportunities for us to take, too. And fortunately in  
19 past years we've had much higher alpha returns, that  
20 is, excess of excess returns from the corporate bond  
21 portfolio. This year it's down to plus 24 basis  
22 points.

23 So as Katy mentioned, in May we decided to kind of  
24 pull back our horns quite a bit in the corporate bond  
25 portfolio. We became pretty concerned with a number of

1 things. We're still concerned with a number of things.  
2 But basically we brought the tracking error of the  
3 corporate bond portfolio down to about seven basis  
4 points. So we're not -- I wouldn't call it defensive  
5 because, when you look at our metrics compared to the  
6 benchmark across the big levers that we can pull -- and  
7 the big levers that we use are just like everybody  
8 else, except maybe with a twist to it, which is I think  
9 our entrepreneurial add-in that people are looking  
10 towards.

11 And the big levers obviously are your quality  
12 spectrum and how you're positioned relative to that,  
13 the sector weightings that you have, how you're  
14 positioned relative to the maturity curve. But across  
15 those things, on each one of those we're celling,  
16 C-E-L-L-I-N-G, we're watching, by cells, how we're  
17 positioning our option-adjusted spread relative to  
18 what's available in the market and watching that daily.

19 And every time we make a purchase and sale  
20 decision, we are cognizant of where we are at in those  
21 cells. That's how we add most of our alpha. That's  
22 not the only way we add alpha. We do take, within the  
23 corporate bond portfolio, maturity and quality and  
24 sector bets. But if you're looking for a consistent  
25 underlying trend of alpha production, it comes from

1 that OAS deciling within these various buckets.

2 Right now, as I mentioned, we have a really low  
3 tracking error, almost -- but that doesn't mean we  
4 don't have sector bets, for example. We do have a very  
5 major underweight relative to energy and materials. We  
6 have a major underweight relative to electric  
7 utilities. We have a small overweight to banks, but  
8 for several years we had a very large overweight. And  
9 by overweighting, I mean like 150 to 170 percent of  
10 what the benchmark was.

11 So there were material bets going on in terms of  
12 sectors at given times. Now it's really clamped down.  
13 We're concerned, as everybody else is, with -- and we  
14 have a process, I should mention to you, that ends up  
15 in this second -- if you look at the second page, it's  
16 going to be very hard to read unfortunately. But  
17 hopefully it's a little easier in your materials.

18 But we have this dashboard, and this dashboard is  
19 basically constructed once a month. And there is a  
20 process behind this that goes through basically an  
21 overview of the economy and all the major elements that  
22 are going into the process of thinking about what the  
23 economy means for corporates.

24 There's also a process that we overlay into that  
25 then which -- internally I call it the investor anxiety

1 cycles. And what's happening with the economic  
2 factors, where the investor community is positioned on  
3 those major factors, and then figuring out is the  
4 consensus wrong or right compared to those factors.

5 The next part of the review then is to overlay a  
6 quarterly review that we do on sector excess return  
7 versus spread availability and what the historical  
8 patterns look like with regard to those ratios and  
9 picking the best sectors that would be available to  
10 provide excess return in any given period of time.  
11 That has a lesser importance compared to the more macro  
12 perspective and the bottoms-up perspective.

13 But I would say that the bottoms-up and the macro  
14 perspective add about an equal weighting to the alpha  
15 production when you ultimately express it in the OAS  
16 deciling process.

17 Some of the economic factors that we have a big  
18 concern about I think currently are the anticipation of  
19 what the Federal Reserve is going to do. We are  
20 watching closely, as everybody else, with kind of more  
21 of a view that's not real clear on China and what's  
22 actually coming out of China. And we're also  
23 concerned, obviously, with the global geopolitical  
24 risks that are occurring, particularly with regard to  
25 the U.S. involvement that's going to happen to control

1 the terrorism risk here in the United States, what the  
2 Russia/China play means in terms of military  
3 positioning, you know, and the Middle East. All those  
4 things are having a big impact on day-to-day kind of  
5 viewpoints for the corporate market.

6 So we're I think overall -- the way I would  
7 express it is this. Given those factors, along with  
8 the concern regarding consumption patterns in the  
9 United States going forward -- we're not as confident  
10 in the consumption growth pattern in the future as  
11 maybe we were in the past because of the income  
12 inequalities that have occurred over time. So the  
13 middle and lower income consumption patterns may not be  
14 enough to fill in the gap for the upper income fall-off  
15 in consumption that is starting to occur.

16 So the way to express it is this, is that the GDP  
17 consensus number for the U.S. for 2016 looks to be  
18 about 2.6, 2.7. If you look at kind of the buildup  
19 towards what the economy can support, it's probably  
20 closer to 2.1. So there is a downside risk to it.

21 And so we're remaining pretty cautious in the  
22 corporate bond portfolio. But we do recognize that if  
23 things start to work out, there's an opportunity, as we  
24 showed in the first graph, with where the spread to  
25 predicted default ratio is. We don't believe that

1 we're at necessarily end of cycle in corporates. There  
2 is still opportunity there. However --

3 MS. WOJCIECHOWSKI: It's sixth, seventh inning?

4 MR. CEURVORST: Closer, yeah, to like the sixth  
5 inning. But we could rapidly move into the seventh  
6 inning. As one of our advisers that was in the other  
7 day was saying, watch retail sales, particularly the  
8 volume of retail sales that's going to be coming  
9 through in this holiday period, because, remember, we  
10 had some major inventory adjustments that took place.

11 We're in this period now where if we don't get  
12 volume back, that is, they need to produce more units  
13 through the production cycle, we're going to fall  
14 further behind compared to that 2.6 percent consensus  
15 GDP estimate, and that's going to fall through to  
16 predicted default ratios, which you know as well as I  
17 do are coming under more and more pressure because of  
18 the share buy-backs that are very aggressive and the  
19 merger and acquisition activity that's going on. These  
20 are very, very large numbers that are happening. The  
21 leverage factor now in corporate America now is  
22 materially higher than it was back in -- before the  
23 2002, 2009 debacle.

24 So from a predicted default ratio perspective, we  
25 need better earnings and sales numbers to come through

1 in a pretty robust fashion in order to keep the  
2 consensus market satisfied that we're still on track  
3 and not coming further and further, closer to the end  
4 of cycle for corporates.

5 MR. COBB: Kevin, thank you, and I hope everybody  
6 on all sides of the table heard your message there.  
7 Very sobering. So let's turn to Mercer. What would  
8 you add or subtract from this excellent presentation  
9 we've heard from management on fixed income?

10 MS. ECKERT: There are just four slides within our  
11 deck I think might be pertinent to what you might be  
12 interested in. If everyone could kindly flip to what  
13 appears to be slide 53. This shows --

14 MR. COBB: Some of us don't have those numbers, so  
15 why don't you give us the Mercer number on the  
16 right-hand corner.

17 MS. ECKERT: I apologize. It's Mercer's page six,  
18 entitled Review of Fixed Income, Asset Allocation.  
19 Here we just show the active/passive split of the FRS  
20 relative to their peers. And what you'll note here is  
21 that we employ a lot more passive management in fixed  
22 income, at about 50.8 percent, versus our peers of 18.2  
23 percent. If we look back to 2012, the numbers were  
24 almost identical. So we haven't seen any trends either  
25 in the FRS or our peers.

1 MR. COLLINS: And this is the same peer group,  
2 anybody a billion dollars or more?

3 MS. ECKERT: This peer group is actually not that  
4 peer group. It's the peer group used for the CEM  
5 survey, which is all public funds, about 40 billion up,  
6 and there's 17 peers in that peer group. Flipping to  
7 the next page --

8 MR. COBB: On that question, Ash earlier in the  
9 meeting talked about how we were in the 1 percent  
10 add-on. He was uncertain what was in the peer group.  
11 Is that the 17 biggest pension funds?

12 MS. ECKERT: It is.

13 MR. COBB: So of the 17 biggest, we're the number  
14 one over the last five years in terms of added value.

15 MS. ECKERT: Correct. And, Ash, you got that  
16 information from the CEM report?

17 MR. WILLIAMS: Yes.

18 MS. ECKERT: Yes. So it's the same peer group.

19 MR. COBB: And, furthermore, of those, we had the  
20 lowest cost, that's of the same 17?

21 MS. ECKERT: Correct.

22 MR. COBB: Thank you.

23 MS. ECKERT: Flipping to the next slide, slide 17,  
24 we'll just take a quick look at the aggregate  
25 performance of the entire fixed income asset class, and

1 then we'll break it down a little bit. Notable here,  
2 and we'll get a little bit into attribution, is over  
3 the three and five year period, you'll note that we've  
4 put up returns that have beat our benchmarks. Over the  
5 three year, 1.6 percent versus the benchmark of 1.3,  
6 which has given us excess returns of 30 basis points.

7 Over the five year, we've put up returns of 3.5  
8 versus the benchmark of 2.8, which has given us value  
9 add of about 65 basis points. On an absolute basis,  
10 that seems really good. However, if you look at the  
11 numbers in brackets next to the returns, you'll note  
12 that we're ranked 82nd and 83rd in our peer group  
13 respectively.

14 And that's due to two big decisions we've made at  
15 the macro level. The first was to change the benchmark  
16 in late 2013 from the Barclays Capital Aggregate to the  
17 Barclays Intermediate Aggregate, to shorten the  
18 duration.

19 And perhaps more meaningful, although it's been  
20 additive in the short-term, is our decision not to have  
21 any exposure to high yield. As Katy mentioned earlier,  
22 this is the "let's sleep well at night" portfolio, and  
23 we decided not to take any additional risk, especially  
24 an asset class that has a high correlation to equities.  
25 All that said, as you look below at the information

1 ratio, again, this is a risk-adjusted measure, we rank  
2 in the top decile over both the three and five year  
3 period.

4 The one other note I'll make on this page is, over  
5 the one year period, not owning high yield was  
6 additive, as high yield over the one year is down about  
7 five percent relative to -- down 5 percent, and the  
8 Barclays Intermediate Ag is up about 100 basis points.

9 Flipping to the next page, we'll get a little bit  
10 more granular. At the top we have the fixed income  
11 portfolio active strategies that are internally  
12 managed. So I think Michael was asking a question  
13 before on breaking out. These are just the internally  
14 managed active portfolios. You'll see that they've  
15 added value over all time periods measured. Looking at  
16 the five year, they've put up returns of 3.19 versus  
17 the benchmark of 2.85, with excess performance of 34  
18 basis points, an information ratio of 1.24, which is at  
19 the top of the peer group.

20 Below that, you'll see the fixed income asset  
21 class internally managed passive portfolio. So while  
22 the value added is very low here, it's still positive,  
23 and they've tracked the benchmark plus a little bit  
24 over all periods measured, which is what they're tasked  
25 to do in this portfolio.

1 Finally, the last slide I'll touch on is slide  
2 nine. Here we have all the externally managed  
3 portfolios for fixed income. All passive management is  
4 managed internally. So this is just active external  
5 managers. And, again, I'll just point again at the  
6 five year number here, 3.34 versus the benchmark of  
7 2.85.

8 MR. PRICE: What percent are governments?

9 MS. WOJCIECHOWSKI: The benchmark or --

10 MR. PRICE: No. In your portfolio.

11 MS. WOJCIECHOWSKI: We are roughly along the lines  
12 of the benchmark.

13 MR. PRICE: Which is?

14 MS. WOJCIECHOWSKI: So a third of the benchmark is  
15 mortgages, about a quarter of it is credit, and the  
16 remainder is governmental.

17 MR. PRICE: Okay. So large.

18 MS. WOJCIECHOWSKI: Yes.

19 MS. ECKERT: And then finally the one other note  
20 I'll add here is the information ratio on the  
21 externally managed portfolios are .73, also at the top  
22 of the peer group.

23 MR. PRICE: Do you have munis?

24 MS. WOJCIECHOWSKI: We probably still have a few,  
25 but in our passive portfolio, yes, we --

1 MR. PRICE: Do you have Puerto Rican munis?

2 MR. CEURVORST: No. We have one muni left in the  
3 corporate portfolio.

4 MS. WOJCIECHOWSKI: Because we're tax free --

5 MR. PRICE: It doesn't matter, right.

6 MS. ECKERT: That concludes my formal comments.  
7 Happy to take any questions.

8 MR. COBB: Any further questions on fixed income?  
9 If not, we're only 20 minutes now behind, so we picked  
10 up 10. Thank you very much. Okay. Real estate next.  
11 Steve.

12 MR. COLLINS: Alpha.

13 MR. COBB: We added ten minutes of alpha.

14 MR. SPOOK: Good afternoon. My presentation is  
15 going to be relatively short compared to theirs. Next  
16 IAC meeting real estate is on deck, so it will be a  
17 little more in depth then. On my first slide you'll  
18 see that we have outperformed the benchmark over all  
19 time periods, one, three, five year and since  
20 inception.

21 MR. COLLINS: I'm sorry. Can you just give us a  
22 review real quick globally what's the benchmark?

23 MR. SPOOK: The benchmark is, for core  
24 investments, it's the ODCE, which is an open-end fund  
25 index. And for value add and opportunistic private

1 market, it is the ODCE plus 150 basis points. And then  
2 for our 10 percent allocation to global REITs it's the  
3 FTSE EPRA/NAREIT Developed. So it's a blend of all  
4 those.

5 On the next page you will see that we are  
6 19 percent non-core, 81 percent core, which is pretty  
7 much in line with our target of being 80/20. We do  
8 have flexibility to go as low as 70 percent non-core,  
9 and we do have -- on the total real estate portfolio,  
10 we have a target of 10 percent to global securities,  
11 REITs, at a range of 5 to 15 percent. We're right in  
12 the middle of that.

13 MR. WENDT: Please define core.

14 MR. SPOOK: Core is stabilized, mostly  
15 income-producing properties, and low leverage.

16 MR. WENDT: Please give an example of non-core.

17 MR. SPOOK: Non-core would be development or heavy  
18 redevelopment or buying into a distressed capital  
19 stack.

20 MR. COLLINS: It's market, too, right? Core is  
21 core markets as well. It isn't just a product, right?

22 MR. SPOOK: Right. You want a core building. For  
23 it to truly be core in our definition, it has to be in  
24 an institutional type of market. So Tallahassee, not  
25 so much.

1 MR. WENDT: Thank you.

2 MR. SPOOK: The next slide shows property type  
3 diversification. It would appear that we're  
4 under-allocated versus our benchmark to the four main  
5 food groups. But that's because we purposely have been  
6 focusing also on alternative assets, property types  
7 such as medical office, student housing. We have a  
8 fairly large ag portfolio. And all of those have  
9 performed very well for us.

10 MR. COLLINS: Quick question on that,  
11 Mr. Chairman.

12 MR. COBB: Yes, sir.

13 MR. COLLINS: Have you made any strategic  
14 decisions about your ag portfolio out in California?

15 MR. SPOOK: As far as the water situation?

16 MR. COLLINS: Yes.

17 MR. SPOOK: Yes. Clearly it's a serious water  
18 situation out there, but the number one diligence item  
19 that we always address first and spend the most time on  
20 is sources of water in our portfolio. So every one of  
21 our central valley properties has multiple sources of  
22 water. And we do monitor it, but it's a serious  
23 situation. It's also our best performing  
24 sub-portfolio.

25 MR. COLLINS: Until it isn't, until you don't have

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1 any water.

2 MR. SPOOK: This is recent activity since the last  
3 report I gave you-all. So we have a multifamily  
4 transaction that looks pretty small, 12 million, but  
5 that's where we had a development with an operating  
6 partner, what we call build to core program. And upon  
7 stabilization, we bought out his 5 percent interest,  
8 and gave him a promote because he did very well for us.  
9 So we now own that 100 percent in Seattle.

10 The next one was an acquisition of a core  
11 multifamily high-rise building in Seattle also.  
12 Student housing was one property that we added onto our  
13 existing joint venture. And industrial was -- also we  
14 have a northern New Jersey industrial portfolio that we  
15 keep trying to grow. So this was a one-off deal that's  
16 become part of that portfolio.

17 As far as dispositions, the first one is office.  
18 And as I told you-all before, we're using kind of rich  
19 pricing in this market to prune the portfolio of assets  
20 that we just don't view as long-term holds anymore. So  
21 the office was in Phoenix. It's not an office market  
22 that we would probably want to go back into today. But  
23 we got paid well above our book value for that.

24 The same with the industrial, which is a portfolio  
25 of five buildings, I think, in Chicago, near O'Hare

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1 Airport. And the final bid was way in excess of  
2 appraised value.

3 And then a multifamily. I have to prepare this  
4 presentation well in advance of this meeting. I  
5 expected -- that's two assets, high-rise assets in  
6 Chicago. I expected those would be closed by this  
7 meeting. It's been a little slower process than  
8 expected. So in effect right now we're in final round  
9 of bids.

10 And on the commingled fund front, we did not make  
11 any new commitments in the last quarter, but we're very  
12 active in diligence on several opportunities.

13 MR. DANIELS: Steve, your -- excuse me, Mr.  
14 Chairman. Steve, your equity in these projects varies.  
15 Can you tell us what the driver is to deciding what the  
16 equity and what the debt ratio is going to be in these  
17 projects?

18 MR. SPOOK: Well, on the wholly-owned assets in  
19 our portfolio, we have a policy limit of no more than  
20 25 percent loan to value on the entire portfolio.  
21 Currently our wholly-owned portfolio is 16 and a half  
22 percent loan to value. So we have constraints there.  
23 But if we are going to place that on a wholly-owned  
24 property, it has to be a fairly safe property with good  
25 leases in place, so five years down the road, we don't

1 want to find ourselves upside down on that.

2 MR. DANIELS: Thank you.

3 MR. COLLINS: One question.

4 MR. COBB: Yes, sir.

5 MR. COLLINS: On the multifamily sale, I'm  
6 interested in the cap rate. So you're under contract  
7 or --

8 MR. SPOOK: Final round of bids. But it's fair to  
9 say that the cap rates are -- I don't want to get too  
10 specific, but ranging from somewhere between four and  
11 four and a half.

12 MR. COLLINS: Sell.

13 MR. COBB: Well, we've discussed that at previous  
14 meetings, about whether we should be trimming on 3 and  
15 4 percent cap rates. And I challenged Ash on that in  
16 San Francisco, where you have some opportunities to  
17 sell some properties at 3 percent cap rates. But on  
18 the other hand, it's possible that San Francisco is a  
19 unique market and maybe it's a good return at  
20 3 percent. Ash, do you want to add to that?

21 MR. WILLIAMS: I would say the main qualifier we  
22 look at on trimming or acquiring is first of all the  
23 market itself, if it's a gateway market and if it's  
24 constrained. San Francisco is a great example because  
25 you have the Pacific Ocean and you have mountains. And

1 then you have on top of that some of the toughest  
2 zoning and environmental regs anywhere. Add those  
3 three things together and bringing new product to  
4 market is very, very tough.

5 So they're wonderful barriers to entry. And if  
6 you have assets there already or if you're in a  
7 position to develop something that's entitled, then  
8 it's more valuable than that same asset would be in a  
9 location -- and, again, since Steve has already thrown  
10 Tallahassee a disk, we'll just continue that theme.

11 The thing about an area like this, where there's  
12 an awful lot of undeveloped land, there are lots of  
13 people who want to sell it who have been sitting on it  
14 for a long time. The zoning restrictions are nowhere  
15 near what they would be in a New York City or a Seattle  
16 or a San Francisco. So it's a much simpler situation.

17 Look also at the demographics of the region in  
18 terms of per capita income and competing product age in  
19 the marketplace. Per capita income in a lot of the  
20 places we've been concentrating on lately is among the  
21 highest in the country, so there are a lot of people  
22 with disposable income that they can spend on  
23 residential rent and mortgage consumption.

24 Some markets, again because of primarily  
25 incredibly restrictive local zoning and governmental

1 environments, it's very, very, very difficult to bring  
2 new product into the market. We're building a new  
3 building now in one California market that's a very  
4 prosperous one, and I believe it's a truthful statement  
5 to say will be the first new multifamily building there  
6 built in more than a decade, which is highly unusual.

7 You think about what we're used to in Florida.  
8 New product is pretty common. But if you can be the  
9 newest, best product in an affluent market, beautifully  
10 located right near the core business district, that's  
11 pretty good, and there are extraordinary barriers to  
12 entry. So hopefully that's a little color for you.

13 MR. WENDT: Can you let us in on that one?

14 MR. COBB: Okay. Why don't you wind up.

15 MR. SPOOK: Okay. I do want to back up to the  
16 office disposition. I referenced Phoenix. That was  
17 actually something I reported to you in the previous  
18 meeting. This was an office building that we developed  
19 in Houston. And as we all know, Houston has its energy  
20 issues. We built that building for roughly 100 and  
21 sold it for 163 and set the record per square foot for  
22 Houston. So we're pretty happy with that one.

23 MR. COBB: Okay. Any other questions for Steve?  
24 If not, John, private equity.

25 MR. BRADLEY: Thank you. I'll start here with an

1 update on the market and try to move pretty quickly,  
2 since not much has changed both in the market and in  
3 our portfolio since we met last quarter. The private  
4 equity market has slowed down a bit. Fundraising is  
5 down almost 50 percent from the prior quarter. Make no  
6 mistake, it's still a very good market for private  
7 equity fundraising and slightly ahead of 2014, but the  
8 pace of that increase is slowing.

9 New investment activity remains on a modest upward  
10 trend, with new deal activity only 3 percent ahead of  
11 2014. And then this last point I thought was pretty  
12 interesting, that strategic buyers have dominated the  
13 M&A market recently. This year is set to equal or  
14 exceed 2007 in terms of deal activity. And in 2007,  
15 which was the peak of the last cycle, private equity  
16 accounted for 37 percent of all M&A. Today private  
17 equity accounts for 12 percent of all M&A, about a 67  
18 percent decrease.

19 Next we have our portfolio exposures by sector.  
20 This is shown versus our primary benchmark, which for a  
21 reminder is the MSCI ACWI, ex Iran and Sudan. That's  
22 the global equity benchmark. Our portfolio continues  
23 to be overweight consumer, energy and technology  
24 sectors, while underweight the financial sector.

25 Our weighting by geography is shown here. No

1 change since last quarter. We continue -- the U.S.  
2 continues to make up the bulk of our portfolio. And as  
3 I mentioned in the past meetings, I think we would  
4 expect the U.S. percentage to begin to decrease and our  
5 percentage in markets such as Europe and Asia to begin  
6 to increase over the near to median term.

7 Here we show performance of the asset class. Our  
8 three and five year returns continue to trail the  
9 public market plus a premium benchmark, while our one  
10 year, ten year and since inception returns have  
11 exceeded the benchmark.

12 On this next slide I broke it out by sub-strategy  
13 and also included the different time periods. You see  
14 what's worked and what hasn't worked. And so since  
15 inception versus the respective Cambridge benchmark, we  
16 can see that all strategies, with the exception of our  
17 non-U.S. growth equity portfolio, have outperformed.

18 Over the longer term our secondary and distressed  
19 portfolios have been the best performers. And over the  
20 shorter term, the one year, three year and five year  
21 periods, you can see, not surprisingly, that our growth  
22 strategies, in particular U.S. growth equity and  
23 venture capital, have driven returns.

24 And finally we have our 2015 commitment activity.  
25 This is updated through September 30. We've committed

1 approximately 1.6 billion to 21 funds during the year.  
 2 This breaks out as 926 million to 12 buyout funds. And  
 3 if we were to further break that out as to size of the  
 4 funds, this is by dollars invested, you can see small  
 5 market funds made up 52 percent of our commitments to  
 6 buyouts, 28 percent to middle market, and large market  
 7 funds made up 20 percent. We committed 100 million to  
 8 one growth equity fund, 337 million to six venture  
 9 funds, and 200 million to two secondary funds.

10 And the geographic focus can be seen here. Again,  
 11 this is by dollars invested. Fifty-two percent went to  
 12 funds focused on the U.S., 17 percent to funds focused  
 13 on Europe, and 31 percent to funds with a global  
 14 mandate.

15 MR. COBB: Questions on private equity?

16 MR. PRICE: I'm curious what the market value is  
 17 as of September 30th for private equity.

18 MR. BRADLEY: I believe it's around 8.4, 8.5  
 19 billion.

20 MR. PRICE: And your undrawn commitments?

21 MR. BRADLEY: Is another five and a half, six.

22 MR. PRICE: And you don't segregate anything, you  
 23 just figure it will all work out, right?

24 MR. BRADLEY: Excuse me?

25 MR. PRICE: There's enough money lying around the

1 room that 5 billion is okay. You don't have to  
 2 segregate any money, right, because of your liquidity.  
 3 But it's \$5 billion, not 50.

4 MR. WEBSTER: That's what the \$25 billion from  
 5 Alison is for.

6 MR. WENDT: On unnumbered page three, I see you're  
 7 dramatically overweight in energy. Have you had to  
 8 take any write-downs on any of your private equity  
 9 investments in energy this year?

10 MR. BRADLEY: We've definitely seen some. I  
 11 think, since the oil price correction, the energy  
 12 portfolio is down roughly 15 to 20 percent overall.  
 13 And that's an average amongst our managers. We are  
 14 largely focused on U.S. E and P in our energy  
 15 portfolio, and fortunate that some of our managers got  
 16 out of oil before that correction, and we have a much  
 17 larger today position in gas, which while gas has also  
 18 seen a decrease, not nearly as much as the oil  
 19 portfolio.

20 MR. WENDT: But have you taken write-downs this  
 21 year in any of your investments in energy private  
 22 equity?

23 MR. BRADLEY: We have. So the GPs have adjusted  
 24 the values down, yes.

25 MR. COBB: Hearing no other questions, we'll go to

1 Trent in strategic.

2 MR. WEBSTER: Thanks, Ambassador. Strategic  
3 investments is currently 7 percent of the Florida  
4 Retirement System. Our target is 12 percent, and we're  
5 building up to that level. So we currently have four  
6 objectives by policy. We're here to generate a  
7 5 percent real return over time, to diversify the  
8 Florida Retirement System, provide a hedge against  
9 inflation and to invest opportunistically.

10 This is our portfolio broken down by strategy.  
11 Debt is largest at 32 percent, and every time we have  
12 one of these meetings, you can see it just inching down  
13 slightly every time we meet. Same with equity at  
14 15 percent. And the purple portfolio, diversifying  
15 strategies, the purple investments, that's the one  
16 that's been growing. We're hoping to get that up to  
17 20 percent within the next two years.

18 Broken down by sub-strategy, distressed is our  
19 largest investment, followed by real estate. And these  
20 are definitely non-core investments in real estate. We  
21 also have a large investment in multi-strategy, which  
22 are primarily multi-strat hedge funds as well as CTAs.

23 We don't get too excited about near-term  
24 outperformance, just like we won't get too worried  
25 about near-term underperformance. Benchmarking in

1 alternative investments is problematic, so we look at  
2 ourselves in many different ways. And so this is the  
3 benchmark returns that we report publicly, but it's not  
4 the only thing that we look at. We also look at how  
5 we're doing relative to the CPI plus five percent  
6 benchmark. That's our longer-term benchmark. That's  
7 why we're here.

8 And one thing that we look at internally is to see  
9 how we're doing against the 60/40 portfolio. And  
10 that's a 60 percent S&P 500 total return index and 40  
11 percent Barclay Ag. Again, we don't get too excited  
12 about outperformance because we will inevitably  
13 underperform at some point in the future.

14 Recent activity, in the third quarter, we hired  
15 four funds, with \$435 million in value of commitments.  
16 Since we printed this presentation and sent it to you,  
17 we've actually closed on two more funds this quarter,  
18 and now we're up to four new funds, totaling  
19 \$600 million. The pipeline consists of now ten funds  
20 at roughly 1.2 billion.

21 This really hasn't changed a whole lot, market  
22 opportunities. The one area where we have been  
23 spending a lot of time, like I said, was in the  
24 diversifying strategies. Using a baseball analogy,  
25 we're probably in the sixth to seventh inning there.

1 And currently what we started to do is we've started to  
 2 meet with higher beta equity long-short managers for  
 3 when the next bear market comes. So we've been  
 4 spending the last two years being defensive, and now  
 5 we're starting to think about becoming aggressive. Any  
 6 questions?

7 MR. COBB: Questions or comments?

8 MR. PRICE: I'm just curious.

9 MR. COBB: Yes, sir.

10 MR. PRICE: Is there any interaction between your  
 11 sub-managers in, for instance, a distressed bond  
 12 portfolio and your bond positions, where maybe some of  
 13 your stuff is getting downgraded? Can you link them or  
 14 are they separate?

15 MR. WEBSTER: They're separate. It's a very  
 16 different process.

17 MR. WILLIAMS: I would say there's some internal  
 18 linking from the standpoint that there is definitely  
 19 conversation across the asset classes. And when we sit  
 20 down with the senior investment officers and myself to  
 21 talk about the opportunity set --

22 MR. PRICE: How many bond -- you have 10 billion,  
 23 14 percent in distressed. That's bonds, right? How  
 24 many managers would that be, roughly?

25 MR. WEBSTER: We have, I think it's 11 managers,

1 10 managers in the 26 funds. And it's what we call  
 2 distressed. And it includes buying distressed  
 3 properties in Germany, credit card portfolios in the  
 4 United Kingdom. So it's a wide variety of things.

5 MR. COBB: I'm going to be a little bit of a  
 6 broken record here and try for the third time. My view  
 7 that you have listed four policy objectives and have  
 8 not listed downside protection. And I know you make a  
 9 very good argument that diversity, in number two,  
 10 covers downside protection.

11 But if you just look at the pie chart of our  
 12 sub-strategies, I would say a third of these, I don't  
 13 think quite a half of these provide downside  
 14 protection. It depends on the economic environment  
 15 whether they do or not. But under a major sell-off  
 16 like we had in '09, I think over half of those would  
 17 not provide downside protection.

18 Now, some of them provide an inflation hedge,  
 19 again less than half. And I see -- and I think you  
 20 appropriately have, protect against inflation is number  
 21 three. And I think invest opportunistically,  
 22 appropriately, you've covered that on the pie chart.

23 But to have a downside protection it just seems to  
 24 me is so fundamental. It's beyond diversification.  
 25 Diversification is -- as you can see in this pie chart,

1 a high percentage of them do not provide downside. And  
2 so it seems to me it's appropriate to have a separate  
3 point. But try one more time to convince me.

4 MR. WEBSTER: Well, I think that -- and your point  
5 is definitely well taken. And as I said in the last  
6 three meetings, that we have been very, very focused --  
7 we've been very, very focused on this area in terms of  
8 the implementation.

9 MR. WILLIAMS: Never fight the tape.

10 MR. WEBSTER: That's right. Never fight the tape.  
11 But the thing is, is that if you go back to the first  
12 one, generate a 5 percent real return, the truth is  
13 that you need some equity in there to do that. And you  
14 just won't get that if you are zeroed in on that  
15 downside protection.

16 MR. COBB: I don't say zero in. I just said make  
17 it one of five, make it one of five positions.

18 MR. WEBSTER: Right. So the sensitivity analysis  
19 that we've done is that we expect to decline -- we  
20 expect to have a beta in a bear market of somewhere  
21 between 25 percent to 30 percent. So if you have a  
22 40 percent decline, we'll be down 10 or 15 percent.

23 Then if we're doing our job, what you'll see is,  
24 even though in here the blue and the red parts have  
25 been getting smaller, that would widen out, where we

1 would start getting more aggressive. And that's how  
2 we've been thinking about it.

3 So we have been spending a lot of time in that  
4 purple area and some in that yellow area, which gets us  
5 some downside protection. Ideally, in a bear market we  
6 would shrink those, and then we would expand the other  
7 areas as the opportunities arise.

8 MR. WILLIAMS: So let me see if I can help,  
9 Ambassador. What I'm hearing you say is  
10 diversification is too broad of a comment and we should  
11 have an explicit qualifier on our policy objectives  
12 mission statement.

13 MR. COBB: We should have both. I'm saying we  
14 should have both. And so diversification --

15 MR. WILLIAMS: And one of them is downside  
16 protection.

17 MR. COBB: That's what I'm saying.

18 MR. WILLIAMS: That's pretty simple. We can do  
19 that.

20 MR. COBB: And it's like inflation, a hedge  
21 against inflation. It's a sub-piece of the thought  
22 process, but it's different than inflation, I mean than  
23 diversification. I mean, I could almost use your  
24 argument on you. Well, why do you need inflation here?

25 MR. WEBSTER: We had that discussion, by the way.

1 MR. COBB: I could argue it's part of the  
2 diversification. Diversification means inflation  
3 hedge. But I think downside protection is a --

4 MR. PRICE: I'm sure Trent is evaluating how the  
5 funds have done in the last down markets, right, in  
6 short-term and long-term.

7 MR. WEBSTER: Right. We know that we'll go down.  
8 We also know we'll underperform in a severe bear  
9 market. But what happens is, because of  
10 diversification, it dampens the volatility of the total  
11 FRS. So a lot of these strategies, if you look at it  
12 at a correlation basis, mark to market, like distressed  
13 or mezzanine, you know, they've got like a .6 or .7,  
14 the equity markets.

15 Having said that, it's not .98 like other equity  
16 investments would be. So it does provide  
17 diversification. Those purple areas there, that's  
18 where we're looking at like minus .2 to .2, trying to  
19 get LIBOR plus 5, LIBOR plus 7 percent returns over  
20 time. And that really isn't -- the problem is, is that  
21 there's not a lot of that. There really isn't, unless  
22 you use a lot of leverage.

23 MR. COBB: Okay. So I'll ask the question to  
24 management and this board. If your point was to get a  
25 better downside protection, we should only shoot for

1 four and a half -- you didn't say that, but I'm going  
2 to make that up -- my vote would be, okay, let's have  
3 more downside protection. Let's make it one of our  
4 fundamental -- but we'll only shoot for four and a  
5 half. I mean, that would be my reaction. I don't know  
6 what others would say to that.

7 MR. PRICE: Well, it's kind of -- as funny as it  
8 sounds, it's not the way it works. He's got to  
9 evaluate subjectively how people do in bear markets.

10 MR. COBB: But he's saying to us that he doesn't  
11 think he can get sufficient downside protection and  
12 still get a 5 percent return. He's saying there is a  
13 trade-off. So if there is a trade-off, I would prefer  
14 more downside protection from this portion of our  
15 portfolio. That's all. I could be the minority of  
16 that. That's just -- that's one person's view.

17 MR. COLLINS: So get all the alpha you can and  
18 get -- as long as you're negatively correlated to the  
19 rest of the portfolio, you're going to be providing  
20 downside protection.

21 MR. WEBSTER: We're not negatively correlated to  
22 the portfolio, but what we do is we -- our presence has  
23 lowered the volatility. We can empirically show that.

24 MR. COLLINS: Right.

25 MR. COBB: And by the way, our results support

1 this. We have -- of all of the alternative investment  
2 portfolios I've seen, this is one of the best  
3 performing, but my fear is it might be one of the worst  
4 performing in a down --

5 MR. WEBSTER: I don't think that would be the  
6 case.

7 MR. COBB: That's my fear.

8 MR. WEBSTER: Again, just looking back at -- we  
9 did a very simplistic scenario analysis, stress test on  
10 the portfolio, thinking a -- and we don't think an  
11 '08 is going to happen again, but using that. Our end  
12 point estimate was we'd be down 13 and a half percent.  
13 Well, we can't -- we don't know. So we think somewhere  
14 between 10 and 15 is where we'd be down, maybe a little  
15 less, maybe a little more. We don't really know.

16 And I would suggest that if you're down 10,  
17 15 percent in a 40 percent down market, that's not bad.

18 MR. COBB: I think that's good. But I'm  
19 skeptical, I guess, personally. Okay. I'm the only  
20 one that's concerned, and so --

21 MR. COLLINS: Until next meeting.

22 MR. COBB: No, no. I have given up on this. Good  
23 report. Any other questions or comments? So I'm the  
24 one who caused us to go over, and we lost time on that  
25 report. Okay. Joan.

1 MS. HASEMAN: I'm going to try and catch it up for  
2 you real fast.

3 MR. COBB: Good. Thank you.

4 MS. HASEMAN: Just real quickly, our snapshot, I  
5 think y'all are getting used to seeing this now. But I  
6 did add another element to it. When we talked last  
7 time, I said I'd try and get you a breakdown on our  
8 membership by male and female, by gender. And I was  
9 able to do that. Our average age is 46 years of age,  
10 and you can see the females hold a larger percent of  
11 our membership than the males do.

12 Going back up a little bit to the assets, we are  
13 at \$8.5 billion as of September 30th. As of  
14 November 30th, it's up to 8.6. Our performance has not  
15 been stellar, but we're certainly still holding against  
16 our benchmark. And as of the close on 11/30, we were  
17 up at 1.93 percent in the positive against our  
18 benchmark at .36. So not wonderful but not surprising,  
19 given the environment we have found ourselves in.

20 Membership growth is still there. We have 164,741  
21 members, both active and inactive. And let's see.  
22 Average years of service is 5.4, which is less than  
23 what you need to vest in the pension plan, which could  
24 be six or eight years. So this membership is what you  
25 would expect to see, given the number that we're

1 facing. Distributions, this is the first time we have  
2 seen distributions out of the plan exceed the balance  
3 of the fund, 8.8, almost \$9 billion since inception.

4 Breakdown of where we are as far as assets under  
5 management, this is where our membership is sitting.  
6 Obviously our retirement date funds hold the largest  
7 amount at 43 percent. This is due to our membership  
8 being defaulted into a balanced fund appropriate to  
9 age, very sedimentary. Once they're there, we don't  
10 see a lot of change, we don't see them moving out,  
11 developing their own portfolio, which we have  
12 experienced over our history.

13 And one of the strong reasons for moving to the  
14 target date funds was because we were seeing that.  
15 People were holding and not moving. And we felt we  
16 were doing them a better service bringing in the target  
17 date funds.

18 This is just to give you an idea what our  
19 financial guidance program has done over the last three  
20 months. We are seeing an uptick in our use of the  
21 financial planner calls. We are down on workshops.  
22 We'll actually be going into a quiet period because we  
23 were all out on the road doing benefit fairs, so we  
24 weren't very active with our employers during this time  
25 period. Attendance is down for the same reason, as far

1 as people attending the workshops.

2 Highlights, we did conduct our focus groups. We  
3 are currently working on trying to get that report  
4 finalized, should have it by the beginning of the year.  
5 We participated in 23 across-the-state benefit fairs.  
6 And we did bring on a new vendor, TekStream, who is our  
7 Web portal provider, who coordinates all of our vendors  
8 in one website and makes sure everything flows the way  
9 it's supposed to, both between us and the Division of  
10 Retirement, and with our other service providers.

11 And we had almost 250,000 unique member visits to  
12 our website between July and September. And one of the  
13 things we have started tracking a little more closely  
14 now are the annuity purchases. We brought in Met Life  
15 as the annuity provider. We have seen an uptick a  
16 little bit, not a lot. We'd love to see more, but we  
17 are seeing some movement on purchases by our members.  
18 Any questions?

19 MR. COBB: Comments?

20 MR. WENDT: Why are you encouraging annuities?

21 MS. HASEMAN: Not encouraging. One of the things  
22 that DC plans -- we don't have an in-service annuity  
23 product, but we do make them available for purchase by  
24 our members when they retire. So they can annuitize  
25 any level of their account that they'd like to. It's

1 just what we feel is another good service for members  
2 who may want to try and --

3 MR. WENDT: It's a service.

4 MS. HASEMAN: Yes.

5 MR. WENDT: Thank you.

6 MR. COBB: Any other comments or questions?  
7 Hearing none, Michael, please give us a report on  
8 governance.

9 MR. McCAULEY: Good afternoon. I'll be brief as  
10 well. The first slide is the typical pie chart, where  
11 we go to break out the country voting. We include the  
12 most recent quarter. We touched on this a little bit  
13 last time. India was -- for the first time it was our  
14 number three market on a full fiscal year basis, and  
15 then on the right side you've got the kind of donut  
16 that shows the full 12-month period through -- this is  
17 for the fiscal year 2015, so through June. And this  
18 was about a 3 percent year over year increase compared  
19 to 2014 numbers, which is kind of typical of the last  
20 few years.

21 Next slide is just some of the high level voting  
22 figures. The top box, the votes with management's  
23 recommendations were in line with management, for the  
24 fiscal year was about 77 percent. And this is a little  
25 bit lower than last year or the 2014 fiscal year, which

1 was about 2 or 3 percent higher. And then the total  
2 eligible meetings, as well as the ballot items were  
3 all-time highs, and that's been the experience the last  
4 few years.

5 MR. PRICE: Do you keep all this data just for us?  
6 Because it's a ton of work, right? And as long as  
7 you're taking care of it properly, I don't think we  
8 need to see how you vote every proxy in, you know,  
9 African countries, right?

10 MR. McCAULEY: Sure, sure. Well, we put out the  
11 annual summary report every year, so that's included in  
12 the meeting materials as well. And I'm just kind  
13 covering a -- this table, we've included just a very  
14 omnibus, kind of key voting stats, you know, total  
15 volumes across all countries, and then specifically  
16 votes on directors, auditors, votes with one or more  
17 against management. So it's very high -- gets a little  
18 bit granular, I guess. We can cut it back if it's too  
19 much information. But we do retain it as a normal part  
20 of our operations.

21 So I'll be real brief on the next few slides,  
22 which are excerpts from the annual summary report.  
23 Like I said, we've had a little bit of an uptick in the  
24 number of meetings where we voted against management,  
25 but in line with longer historical perspectives.

1 We break out -- and this may be a little too  
2 granular. We break out according to major ballot items  
3 as well as topical areas, issues between management and  
4 shareowner items. So just basically the key take-away  
5 for this is that we are, on a relative basis, much more  
6 supportive of management than we are shareowner  
7 proposals.

8 This is one item that we have in the annual  
9 summary report this year, where we've tried to -- we've  
10 done this to a small extent historically, but this year  
11 was the first time where we drilled down into kind of  
12 the against management recommendations for developed,  
13 emerging and frontier. So, again, probably the key  
14 take-away is, for the more developed, more transparent  
15 markets, where there's a higher degree of investor  
16 protection, we're much more supportive of management  
17 and less likely to vote against those items.

18 And then the last slide, this is just key points  
19 out of the standing trustee memo that we have, that we  
20 send to the trustees. That's also in the meeting  
21 materials. I won't go into any length on here. I  
22 failed to put, for the third bullet, for proxy voting,  
23 that's actually the Bank of America meeting. We  
24 actually talked about that at the last meeting.

25 So with that, I'll stop, and if there's any

1 questions, you've got the full summary report.

2 MR. JONES: Mike, I had one question. On the  
3 meetings with management, is that at your cost or do  
4 they come here? How does that work?

5 MR. McCAULEY: On the company engagement?

6 MR. JONES: Uh-huh.

7 MR. McCAULEY: Generally, it's really a mix  
8 between kind of inbound, you know, where the companies  
9 will contact us. Frequently we'll contact the company  
10 if we have a question about a specific governance  
11 issue, if we've identified the company for engagement  
12 or if we have a voting item that's significant that we  
13 want to reach out. But it's kind of both inbound and  
14 outbound.

15 MR. JONES: Thank you.

16 MR. COBB: My question would be, on the 23 percent  
17 that we voted against management for whatever, how  
18 often were we on the winning side and how often were we  
19 on the losing side?

20 MR. McCAULEY: Well, that gets very granular.  
21 You know, voting results is really a company-specific  
22 outcome. And while you could compile and aggregate  
23 that, it's very difficult to do at the country level or  
24 the market level. We could explore doing that. It's  
25 not something that we routinely capture. We obviously

1 look at the voting results on individual votes, but we  
2 don't really do a lot of pattern analysis at the  
3 country level or industry level.

4 MR. PRICE: So this kind of goes to indexing,  
5 right? You have an index fund over here. He's voting  
6 against your management, but you're not selling the  
7 stock because you're an index fund. You've got to  
8 match the index. So, you know, does your vote matter?  
9 Right? They're not going to sell the stock because  
10 it's .76 percent of some index they have to have the  
11 exposure to.

12 MR. WILLIAMS: Perspective on that point, if I  
13 may. That's exactly why you want to have a corporate  
14 governance program, because if you are indexed, you're  
15 going to own the stock. You're the equivalent of the  
16 guy who lives in the town, and if the town council is  
17 crazy, you need to show up at the meeting and tell them  
18 they're crazy and what they ought to do to be more  
19 rational. So that's why we do corporate governance.  
20 That's a simple analysis, but it's pretty accurate.

21 And even in situations where we vote against  
22 management and don't prevail, our experience has been  
23 that in many situations, in the subsequent year,  
24 whatever the initiative is that we were taking a  
25 posture on, there will have been an evolution in

1 thinking and we'll be accommodated by management, very  
2 much the way things are considered by legislative  
3 bodies and they may not work the first year, but  
4 eventually the thinking evolves and new points of view  
5 are incorporated, new conclusions are reached.

6 So I think it is positive. And you might talk  
7 about the shareholder value add numbers that you've  
8 got, in terms of how this program venerates itself  
9 overall.

10 MR. McCAULEY: Yeah. You may recall at the  
11 meeting before last we had a presentation on what we  
12 call the value in the vote study, where we did look at  
13 a segment of our voting decisions to see how they  
14 correlated with value, and we did find a positive  
15 value, so a positive impact on those -- at least those  
16 U.S. companies that had proxy contests, which are  
17 arguably a more material scenario.

18 So your day-to-day routine votes, you know, on  
19 auditor ratification, sure, that's not going to  
20 necessarily move the dial. But to Ash's point, I think  
21 one of the main principles, and it's embedded and woven  
22 throughout all of our voting guidelines, is that  
23 governance is really a risk mitigant. And regardless  
24 of if you have an active exposure or an indexed,  
25 passive exposure, we're going to be in these companies

1 invested for a very, very long time, essentially in  
2 perpetuity. So we want them to be governed in an  
3 optimal fashion. We want to have -- advance and/or  
4 maintain, which is not to minimize this, but to  
5 maintain the investor rights that we have. We don't  
6 want to regress and lose any investor protections that  
7 are already embedded in the security. And where we  
8 can, to advance the ball, we want to do that, and we'll  
9 support, you know, through voting and engagement and  
10 other regulatory feedback whenever we can.

11 MR. COBB: Any other questions, comments?

12 MR. WENDT: Do you believe that you have  
13 quantitative data which shows that your activity in  
14 these companies increases the value of the company?  
15 Did I understand that?

16 MR. McCAULEY: That's what our value in the vote  
17 study showed, yes.

18 MR. WENDT: It did show that?

19 MR. McCAULEY: Yes. Would be happy to send it to  
20 you.

21 MR. WENDT: No other reason. I mean, were there  
22 any other reasons that could have contributed to the  
23 value of the company or just --

24 MR. McCAULEY: Oh, no. Certainly, yeah. We're  
25 one of many investors. We don't have a controlling

1 stake, a controlling share in those companies. But we  
2 have -- like Ash mentioned, we have been involved in  
3 various initiatives that over time have developed into  
4 best practices and improved governance practices within  
5 the U.S. market and to some extent outside of the U.S.

6 It's very hard to link a specific vote at a  
7 company, you know, at point A to 40 basis points of  
8 alpha 12 months later or three years later. But over  
9 time we do believe that we're supporting good  
10 governance, and over time it will lead to longer-term  
11 shareowner value.

12 MR. WENDT: Thank you.

13 MR. COBB: Okay. Kristen, why don't you wrap it  
14 up for us.

15 MS. DOYLE: Okay. Thank you. Before I dive into  
16 the details of performance through the third quarter,  
17 just a couple of high-level observations that will  
18 reinforce what you've already heard today in terms of  
19 performance. Despite the negative absolute performance  
20 that you'll see over more recent periods, the continued  
21 outperformance of the major mandates is something that  
22 you'll see over many, many trailing periods and across  
23 all the major mandates that I'm going to show you  
24 today.

25 Another is strong cost containment. So when we

1 look at one of the key competitive advantages for the  
2 SBA, which has come up a couple of times today, is  
3 using the size and the expertise of the internal  
4 investment staff to keep costs low for SBA participants  
5 and beneficiaries. And you'll see a little bit more  
6 data on that. And, lastly, consistently strong  
7 outperformance relative to peers. And I'll show you a  
8 little bit more detail on that as well.

9 So for the defined benefit plan, this slide here  
10 shows the cash flows over the third quarter and the  
11 fiscal year to date period, which in this case are the  
12 same period. For the last couple of years we have seen  
13 investment earnings that have surpassed the net  
14 withdrawals out of the plan because we've seen such  
15 strong absolute investment returns being generated,  
16 especially out of the public equity markets.

17 In the third quarter we did see this reverse,  
18 which resulted in about an \$8 billion reduction in the  
19 market value of the plan between the end of June and  
20 the end of September. This was mainly due to weak  
21 equity returns, as noted previously. But the markets  
22 did bounce back, and the plan, as Ash mentioned at the  
23 beginning of the meeting, is back up to about  
24 \$144 billion.

25 The asset allocation, the actual asset allocation

1 continues to remain very, very closely in line with the  
2 target asset allocation, as set by the investment  
3 policy statement. And then looking at actual  
4 performance through 9/30, so I mentioned the recent  
5 negative performance. The FRS was down about  
6 4.6 percent for the quarter, but note a little more  
7 than one percent above the performance benchmark. So  
8 this is some of that downside protection that we were  
9 speaking about today.

10 It was flat for the one year period on an absolute  
11 basis, but over the longer trailing periods, you'll see  
12 strong absolute positive performance, as well as  
13 positive relative performance. And we don't show this  
14 here, but if we looked at -- you have a lot more  
15 performance material in your book that isn't part of  
16 this presentation.

17 But if you looked at the attribution over the one  
18 year period, the three and the five year periods, you'd  
19 see that over the one year period, global equity and  
20 private equity were the two highest contributors to  
21 relative performance for that period. And over the  
22 three year and the five year, every single asset class  
23 contributed to the outperformance of the total fund.

24 And then over longer term periods, comparing the  
25 total FRS to the long-term absolute return, which is

1 the target CPI plus 5 percent, and again we see strong  
2 outperformance over this benchmark over all trailing  
3 longer term periods.

4 The next two slides compare the performance of the  
5 total FRS to the Trust Universe Comparison Survey's Top  
6 Ten Defined Benefit Universe. So this only has ten  
7 representatives. This is the universe that we show in  
8 our presentations on a quarterly basis. You have a  
9 broader universe that's included in the longer  
10 performance report that's in your materials that has  
11 about 75 public pension plans that are over a billion  
12 dollars in size.

13 But if we look at this universe in particular, one  
14 thing to note is the overweight to public equities  
15 relative to the universe. So the FRS is at about  
16 56 percent relative to the universe is at about  
17 48 percent. And that overweight comes at a cost of  
18 being underweight to fixed income and underweight to  
19 alternatives. Now, we know that we slightly reduced  
20 our target allocation to fixed income during the last  
21 asset allocation study, but we are ramping up our  
22 strategic investments and our real estate program, so  
23 we would expect to see that become more in line with  
24 peers.

25 So how does that drive performance? The reason we

1 show asset allocation is to understand what's driving  
2 the rank within this universe. So here you can see the  
3 total FRS return relative to the median plan within  
4 this particular universe, underperformed for the  
5 quarter but was in line with the median over all of the  
6 other trailing periods.

7 And then on a percentile basis on the next slide,  
8 at or above -- the FRS is at or above the 50th  
9 percentile for all periods, again, with the exception  
10 of the one year period, where we saw a little bit of a  
11 lower rank for the FRS, mainly due to the negative  
12 performance from the equity markets.

13 And this is a very small universe. There's a lot  
14 of noise that happens over shorter periods. And we've  
15 seen consistently that when we have very weak equity  
16 markets, because the FRS is overweight to that  
17 particular asset class, we see the rank drop a little  
18 bit. But over the longer periods, we've seen strong  
19 ranks relative to the top ten defined benefit plans.

20 And then I mentioned that broader universe that  
21 you'll see in the more detailed performance report. If  
22 you looked at the rank for the quarter, FRS was at  
23 about the 30th percentile, and then it was in the top  
24 quartile over all of the other trailing periods  
25 relative to that universe.

1 Any questions on the defined benefit plan  
2 performance?

3 MR. COBB: Yes, I have a question. I was really  
4 excited about tomorrow I was going to report to the  
5 trustees that we were in the 1 percent for the last  
6 five years, by this CEM report of the 17 largest funds.  
7 And my only concern is, when I see this chart that says  
8 for five years, in our ten person, we're both 8.4 and  
9 they're 8.4, and we were at the 50 percent point.

10 Now, I guess the answer is that we beat our  
11 benchmark by 1 percent per year. And the reason that  
12 we were so -- the reason we did that is that we had  
13 more international in our portfolio. I think that's  
14 what we learned on our equity report. We had more  
15 international than our benchmark or than most  
16 benchmarks or the typical pension fund. We had more  
17 than a typical pension fund.

18 So we beat our benchmark by one, but we only did  
19 as well as the average top ten because we had too much  
20 international. Is that the answer?

21 MS. DOYLE: Sure, yes. I wasn't following you at  
22 first. But, yes, I believe what you just said is true.  
23 So the absolute return relative to the median absolute  
24 performance of the total fund is going to be driven a  
25 lot by your asset allocation compared to your peers.

1 And like you mentioned, you probably would have ranked  
2 better if you'd had less international, for example.

3 The CEM report is showing your excess performance.  
4 So that's the alpha that's being generated by your  
5 staff. And that's what was ranked number one in the  
6 universe of 17 public pension plans.

7 MR. BENTON: Ambassador, that CEM survey, it runs  
8 through December of 2014. So the periods that you're  
9 measuring here are very different.

10 MR. COLLINS: Mr. Chairman, one question on that.

11 MR. COBB: Yes, please.

12 MR. COLLINS: So CEM is measuring our  
13 outperformance over the benchmark. Our ranking in what  
14 you're showing us is just raw relative to everybody  
15 else.

16 MS. DOYLE: That's right, correct.

17 MR. COLLINS: That's the difference.

18 MS. DOYLE: That's right. And that's why CEM  
19 really is superior in terms of being able to benchmark  
20 and provide universe comparisons, because they get more  
21 granular data and they customize a peer universe for  
22 you. The peer universes we show here are not  
23 customized, and they typically only show absolute  
24 performance and sometimes risk and always asset  
25 allocation. There's a limit to how much analysis you

1 can do, and that's why the CEM reports are so valuable.

2 MR. COLLINS: Mr. Chairman, I'd go with whichever  
3 report makes us look the best.

4 MR. COBB: I totally agree with that. And we'll  
5 have a vote if we need to. Okay. Continue, please.

6 MS. DOYLE: Okay. The investment plan also  
7 exhibited a negative return for the one year period,  
8 again due to the weak equity markets during the period,  
9 but continued to outperform the plan aggregate  
10 benchmark over all trailing periods that you see here,  
11 indicating that the active managers for each of the  
12 fund options are collectively outperforming their  
13 respective benchmarks.

14 We've updated the peer information in the bottom  
15 chart. So if you look at the five year average return  
16 relative to the peer group, see a little bit of  
17 underperformance there. And this is again from a CEM  
18 2014 report. A lot of that is due to really one main  
19 factor, the peer group being overweight to again public  
20 equities and in particular offering employer stock,  
21 which we obviously don't offer here as a fund option.  
22 So that is skewing the results a little bit in terms of  
23 the five year average return.

24 The value added is just right there in line with  
25 the peer group. And then I talked about costs and

1 keeping costs low. And in a defined contribution plan,  
2 that's particularly important, to make sure that the  
3 fund options are the lowest cost fund options you can  
4 provide your participants.

5 And you see that the FRS investment plan expense  
6 ratio is about 37 basis points. The peer average is at  
7 28. And the main difference there is the addition of  
8 or the inclusion of administration, communication and  
9 education costs that go into running the investment  
10 plan that the FRS is including in their number that the  
11 peer average is not.

12 We did provide a slide in the appendix of this  
13 report that does show, relative to an average mutual  
14 fund universe, each of the asset types that are  
15 available to FRS participants. And you'll see that the  
16 expense ratio, which is the investment management fees  
17 for each of those particular asset types, is  
18 dramatically lower than an average mutual fund would  
19 provide to a participant.

20 MR. JONES: I have a question a little bit like  
21 the ambassador. We kind of heard we were the lowest  
22 expense out of the large people, and then in this one  
23 the peer groups are all lower expenses than we are. So  
24 that seems to be a contradiction.

25 MS. DOYLE: So this is an average of -- I'm trying

1 to remember how many -- is it 17? Oh, yeah, 18,  
2 counting the FRS. So the main difference here is that  
3 the FRS is reporting on a little bit more of a  
4 conservative basis than the peer group. And I  
5 mentioned that CEM is a robust data source and can  
6 often get more data than just a run-of-the-mill  
7 universe comparison.

8 But in this case the peer average is not  
9 necessarily an exact apples-to-apples comparison  
10 because the FRS is including things like  
11 administration, education and communication. And  
12 there's a cost to providing that to participants.

13 So I guess what I'm saying is that that provides  
14 us comfort that you're at least in line with the 18  
15 large defined contribution plans that are in this  
16 universe. And when we compare costs, we want to look  
17 at a smaller sample because we want to make sure that  
18 you are actually achieving the costs that your large  
19 peers are also achieving. But then that's why we also  
20 show on an average mutual fund basis, is this plan  
21 using its size and its scale to achieve cost  
22 containment for its participants, and the answer is  
23 yes.

24 MS. HASEMAN: Mr. Chairman, one of the other  
25 things we want to note here is that the FRS, we

1 provide -- nine basis points of our expenses is advice  
2 and guidance for our members. This is not compared to  
3 our peers, which is about two basis points. So when  
4 you add that to our expenses, we are actually leading  
5 the pack when it comes to investing in education and  
6 advice for members that we don't see in our peers.

7 MR. COBB: Okay. Continue, please.

8 MS. DOYLE: Okay. Next is the hurricane  
9 catastrophe fund, which I'll remind the council, the  
10 main objective for that fund is principal preservation.  
11 So the portfolios are invested in a diversified set of  
12 short-term bonds. Performance relative to the  
13 performance benchmark has been positive over all  
14 trailing periods, with the exception of the quarter  
15 where the CAT Fund matched the performance of the  
16 performance benchmark.

17 And, again, as we've been in this low interest  
18 rate environment, being on the short end of the yield  
19 curve has not yielded much in terms of returns. You  
20 see fairly muted absolute returns from this particular  
21 fund.

22 Next is Lawton Chiles, which is invested, if you  
23 remember, with about 70 percent in global equities, as  
24 shown here. The remainder is in U.S. core fixed  
25 income, TIPS, which are Treasury Inflation Protected

1 Securities, and cash. The actual allocations, as you  
 2 can see here, are very much in line with the target  
 3 allocations. And performance, again, because of the  
 4 high allocation to global equities in this portfolio,  
 5 the portfolio was down about 7 percent for the quarter,  
 6 matching its performance benchmark. Again, negative  
 7 performance as well over the one year period, but  
 8 strong positive absolute and relative performance over  
 9 all the other trailing periods.

10 And then last but not least, Florida PRIME, which  
 11 also has an objective of principal preservation, and so  
 12 here you see the low absolute returns from being  
 13 invested in the shorter end of the yield curve, but  
 14 outperforming a universe of other local government  
 15 investment programs.

16 And here we actually show this relative to the  
 17 peer group on a risk-return basis. So on the vertical  
 18 axis is return. On the horizontal axis is risk, so you  
 19 can see that the Florida PRIME is outperforming its  
 20 peer group at a reasonable level of risk. And the last  
 21 two slides reiterate the same information. So strong  
 22 performance relative to the universe here, at a  
 23 reasonable level of risk relative to the universe here.

24 Happy to take any other questions on performance  
 25 of any of the mandates.

1 MR. WILLIAMS: The chairman stepped out of the  
 2 room for a second, so let me just step in. Do we have  
 3 any questions on DC or any other points Kristen --

4 MR. PRICE: Lawton Chiles has no investment  
 5 constraints, right?

6 MR. WILLIAMS: Its statutory mandate is to be  
 7 invested as a perpetuity, which is, as a policy point,  
 8 given the historical treatment of the Lawton Chiles  
 9 endowment by the legislature, which is somewhat like an  
 10 ATM, is a somewhat inappropriate mismatch of uses and  
 11 policy. But we've been unable to get a lot of traction  
 12 with changing that policy. So it is invested as a  
 13 perpetuity, which is to say global equity exposure.

14 What we did do was ask the manager that has the  
 15 vast majority of those assets to dial back the risk.  
 16 What was that, a year or so we did that? Which they  
 17 did, and it's now within bounds. That's where that is.

18 Mr. Chairman, there wasn't any discussion, any  
 19 further, on Kristen's points. Perhaps move on to any  
 20 audience questions.

21 MR. COBB: Good. Do we have any comments from the  
 22 audience, questions or comments? Hearing none, I guess  
 23 we're adjourned. Thank you again for great  
 24 presentations.

25 (Whereupon, the meeting was concluded at 3:35 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA     )

COUNTY OF LEON        )

I, Jo Langston, Registered Professional Reporter,  
do hereby certify that the foregoing pages 3 through 116,  
both inclusive, comprise a true and correct transcript of  
the proceeding; that said proceeding was taken by me  
stenographically and transcribed by me as it now appears;  
that I am not a relative or employee or attorney or counsel  
of the parties, or a relative or employee of such attorney  
or counsel, nor am I interested in this proceeding or its  
outcome.

IN WITNESS WHEREOF, I have hereunto set my hand  
this 23rd day of December 2015.

---

JO LANGSTON  
Registered Professional Reporter



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**PAM BONDI  
ATTORNEY GENERAL**

**ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

## **MEMORANDUM**

**To:** Board of Trustees  
**From:** Doug Belden, Chairman  
Participant Local Government Advisory Council (PLGAC)  
**Date:** March 9, 2016  
**Subject:** Quarterly Update – Florida PRIME™

---

The Participant Local Government Advisory Council (the "Council") last met on December 3, 2015 and will meet next on March 28, 2016. Over the prior quarter, the Council continued to oversee the operations and investment management of Florida PRIME™.

### **CASH FLOWS / PERFORMANCE**

- During the 4<sup>th</sup> quarter, Florida PRIME™ delivered an aggregate \$5.5 million in investment earnings.
- Over the quarter ending December 31, 2015 participant deposits totaled \$7.3 billion; participant withdrawals totaled \$5.1 billion; providing a net increase in the fund's net asset value (NAV) of approximately \$2.3 billion.
- Performance of Florida PRIME™ has been consistently strong over short-term and long-term time periods. For the period ending December 31, 2016, Florida PRIME™ generated excess returns (performance above the pool's benchmark) of approximately 15 basis points (0.15 percent) over the last 12 months, 13 basis points (0.13 percent) over the last three years, and 15 basis points (0.15 percent) over the last five years.
- For the fifth quarter in a row, and through the five year period ending December 31, 2015, Florida PRIME™ was ranked as the highest performing investment vehicle among all registered money market funds within iMoneyNet's First Tier Institutional Fund Universe.

### **POOL CHARACTERISTICS**

- As of December 31, 2015, the total market value of Florida PRIME™ was approximately \$8.5 billion.
- As of December 31, 2015, the investment pool had a seven-day SEC Yield equal to 0.41 percent, a Weighted Average Maturity (WAM) equal to 35.7 days, and a Weighted Average Life (WAL or Spread WAM) equal to 62.2 days.

### **FUND B**

- As of February 29, 2016, only \$2,002.02 of the remaining reserve from Fund B is yet to be distributed to 11 former Fund B participants because of participants' challenges in administering the distribution and receipt of eligible funds.



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ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

Date: February 29, 2016

To: Board of Trustees

From: Kimberly Ferrell, Audit Committee Chair

A handwritten signature in cursive script, reading "Kimberly Ferrell".

Subject: Quarterly Audit Committee Report

---

The State Board of Administration's (SBA) Audit Committee met on December 23, 2015 and February 22, 2016 and discussed the following:

**I. External Audits and Assessments**

We reviewed and discussed the results of KPMG's audit of the June 30, 2015 combined financial statements of the Florida Hurricane Catastrophe Fund and its component unit, the State Board of Administration Finance Corporation (collectively, FHCF). The audited financial statements received an unmodified or clean opinion.

**II. Chief Audit Executive (CAE) Search and Selection**

- A. On December 23, 2015, we reviewed and approved a revised Chief Audit Executive (CAE) position description and the process for conducting an internal search for a new CAE.
- B. On February 22, 2016, we approved Kim Stirner as the new CAE.

**III. Invitations to Negotiate (ITN) and other Requests for Quotes (RFQs)**

**A. RFQ for SBA Pool of Auditors**

We approved the withdrawal of the RFQ for a pool of auditors, as the SBA did not receive the depth and breadth expected from the responses. We also approved a more targeted RFQ approach for various audit services that were included in the RFQ for the pool of auditors.

**B. ITN for FRS Pension Trust Fund and Investment Plan Trust Fund Financial Statement Audits**

We reviewed and approved the ITN for the FRS financial statement audits to be issued on March 1, 2016. The response deadline is March 29, 2016. A special meeting will be held March 31, 2016 to finalize the evaluation team.

**C. Other RFQs**

We reviewed and approved the timing for the issuance of RFQs for the following services:

- 1. FHCF financial statement audit
- 2. Standards for Attestation Engagements (SSAE) No. 16 Report on Controls at Paragon Strategic Solutions Inc. (Paragon)
- 3. Real estate audits
- 4. Network security assessment
- 5. Governance, Risk, and Compliance (GRC) triennial review

#### IV. Internal Audit

- A. We reviewed and approved the revised OIA Annual Audit Plan for the fiscal year 2015-16.
- B. We received a quarterly update on the following:
1. Status of 2015-16 Annual Audit Plan - planned work is on schedule
  2. Status of 2015-16 OIA department goals
  3. Planned 2016-17 OIA department goals
  4. Status of Open Recommendations

The tables below summarize the progress made on open recommendations as of February 29, 2016. Additional details are presented in Appendices 1 and 2.

##### CATEGORY "A" RECOMMENDATIONS

	As of 11/16/2015	Changes from 11/16 to 2/29	As of 2/29/2016
Total number of recommendations	231	4	235
Closed recommendations	(152)	(32)	(184)
<b>Open recommendations</b>	<b>79</b>	<b>(28)</b>	<b>51</b>

Category "A" refers to recommendations made either by internal or external auditors. The OIA monitors and performs follow-up procedures on these recommendations in accordance with The Institute of Internal Auditors (IIA) Standard 2500.A1. In certain cases, follow-up procedures are performed by external auditors.

Of the 51 open Category "A" recommendations, 11 are considered "high risk". The 11 "high risk" recommendations resulted from the post-implementation assessment of the Charles River Investment Management Solution, disaster recovery plan, Florida PRIME application access controls audit, accounts payable continuous audit, WIRE application access controls audit, and fixed income trading activities operational audit.

##### CATEGORY "B" RECOMMENDATIONS

	As of 11/16/2015	Changes from 11/16 to 2/29	As of 2/29/16
Total number of recommendations	3	0	3
Closed recommendations	0	0	0
<b>Open recommendations</b>	<b>3</b>	<b>0</b>	<b>3</b>

##### Breakdown of Category B Open Recommendations

	As of 11/16/2015	Changes from 11/16 to 2/29	As of 2/29/16
Not yet implemented	0	0	0
Implemented, per SBA Management	3	0	3
<b>Open recommendations</b>	<b>3</b>	<b>0</b>	<b>3</b>

*Category “B”* refers to recommendations made by consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The OIA monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1. The IIA Standard does **not** require the CAE to establish a follow-up process for consulting engagements, but the OIA does take into account the disposition of these recommendations when performing a risk assessment for purposes of establishing the nature, timing, and scope of audit engagements involving the affected areas.

The three Category “B” recommendations have been implemented, as represented by SBA management. The OIA continues to consider these as open until they are considered in its annual risk assessment as specified above.

## **V. Risk Management and Compliance**

### **A. Compliance Activities**

The Chief Risk and Compliance Officer (CRCO) noted no material compliance exceptions. Phase two of the Charles River implementation has been completed.

### **B. Enterprise Risk Management Activities**

The CRCO noted changes made to the risk management framework.

**APPENDIX 1**  
**STATUS OF CATEGORY "A" RECOMMENDATIONS**  
**AS OF FEBRUARY 29, 2016**

**1. OPEN RECOMMENDATIONS BY YEAR & RISK RATING**

Year	Risk Rating				%
	High	Medium	Low	Total	
2012			1	1	2.0%
2013		1	1	2	3.9%
2014	2	8	3	13	25.5%
2015	8	16	17	31	60.8%
2016	1	2	1	4	7.8%
	11	27	13	51	100%
	22%	53%	25%		

**2. DETAILS OF OPEN RECOMMENDATIONS**

Report Title	Report Date	Risk Rating				Status				%
		High	Medium	Low	Total	NY1	PIRP	OTV	Total	
Accounting Reconciliations Operational Audit (OIA)	09/14/2012			1	1		1		1	2.0%
Strategic Investments Operational Audit (OIA)	08/05/2013			1	1			1	1	2.0%
Systems/Server Backup Operational Audit (OIA)	11/01/2013		1		1			1	1	2.0%
Network Security Assessment 2014 (Ernst & Young)	02/12/2014		1		1		1		1	2.0%
Disaster Recovery Plan Assessment 2014 (Ernst & Young)	03/28/2014	2	3	3	8	3		5	8	15.7%
Fixed Income Operational Audit (OIA)	10/15/2014		4		4	4			4	7.8%
Operational Audit of the SBA's Procurement and Contract Monitoring (Auditor General)	01/01/2015		1	2	3			3	3	5.9%
Network Security Assessment 2015 (Ernst & Young)	02/13/2015		2		2		2		2	3.9%
Post-implementation assessment of the Charles River Investment Management Solution (Ernst & Young)	02/13/2015	4	3	1	8	6		2	8	15.7%
Travel Services Operational Audit (OIA)	02/13/2015		2	1	3	3			3	5.9%
Data Loss Prevention Assessment 2015 (Ernst & Young)	02/19/2015		1	1	2	1		1	2	3.9%
Florida PRIME Application Access Controls Audit (OIA)	07/10/2015	2	1		3	3			3	5.9%
Accounts Payable Continuous Audit (OIA)	08/07/2015	1	5		6	4		2	6	11.8%
WIRE Application Access Controls Audit (OIA)	11/09/2015	1	1	2	4	4			4	7.8%
Fixed Income Trading Activities Operational Audit (OIA)	01/29/2016	1	2	1	4	3		1	4	7.8%
		11	27	13	51	31	4	16	51	100%

**Category A** - Recommendations were made by either by internal or external auditors. The OIA monitors and performs follow-up procedures on these recommendations in accordance with the IIA Standard 2500.A1.

NY1 - Not Yet Implemented

PIRP - Partially Implemented and the Remainder is in Progress

OTV - OIA to Verify

**APPENDIX 2**  
**STATUS OF CATEGORY “B” RECOMMENDATIONS**  
**AS OF FEBRUARY 29, 2016**

**DETAILS OF OPEN RECOMMENDATIONS**

Report Title	Report Date	Status		%
		IMP	Total	
Right to Audit Advisory (OIA)	07/09/2015	3	3	100%
		3	<b>3</b>	100%

**Category B** - Recommendations made by consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The Office of Internal Audit monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1.

**IMP** - Implemented, as represented by SBA management



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**ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

## **MEMORANDUM**

**To:** Ash Williams  
**From:** Michael McCauley  
**Date:** March 10, 2016  
**Subject:** Board of Trustees Meeting – Standing Report / Investment Programs & Governance

---

### **CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP**

The SBA's Corporate Governance & Proxy Voting Oversight Group's (Proxy Committee) most recent meeting was March 9th, and the Committee will meet again next quarter. The Proxy Committee continues to discuss ongoing governance issues including the volume and trends for recent SBA proxy votes, company-specific voting scenarios, corporate governance policies, governance-related investment factors, major regulatory developments and individual company research related to the Protecting Florida's Investments Act (PFIA).

### **GLOBAL EQUITY PROXY VOTING & OPERATIONS**

For the 2015 *calendar year*, the SBA voted 10,284 public company proxies covering 97,970 individual voting items. Individual voting items included director elections, audit firm ratification, executive compensation plans, merger & acquisitions, and various other management and shareowner proposals. Among all voted items during the year, the SBA voted in line with management-recommended ballot items 76.7 percent of the time. However, at 7,711 annual investor meetings (approximately 75 percent of all voted meetings), the SBA cast at least one vote against a management-recommended item. The table below provides major statistics on the SBA's proxy voting activities during the most recent *quarter* ending on December 31, 2015:

<b>Votes in Favor / All Ballot Items</b> 75.2%	<b>Votes with Management's Recommendations</b> 77.2%
<b>Total Shareowner Proposal Votes</b> 109	<b>Total Eligible Ballot Items</b> 7,256
<b>% of Meetings with ≥ 1 Against Votes</b> 61.9%	<b>Total Eligible Proxies</b> 1,135

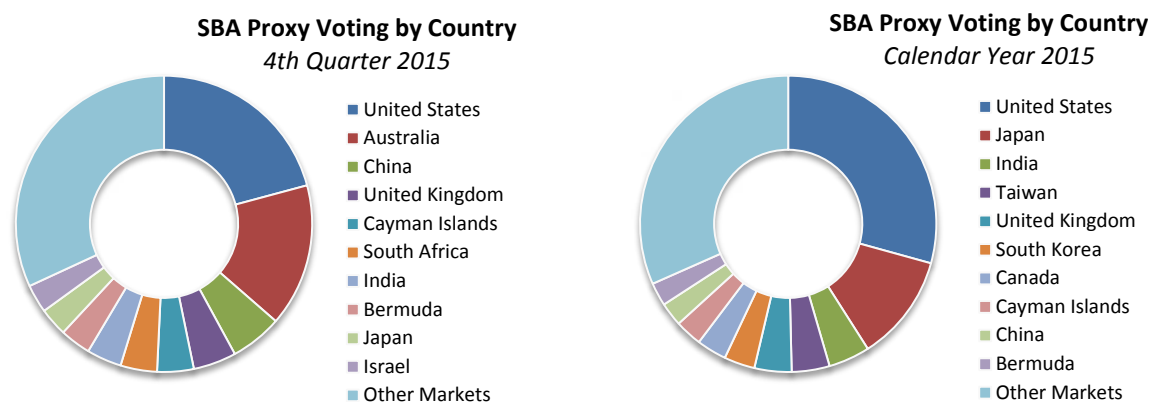
### **GOVERNANCE TRENDS**

A recent study by Fenwick & West LLP compared the corporate governance practices between companies located in Silicon Valley and other technology and life science companies across the U.S., with a comparative focus on companies in the large capitalization Standard & Poor's 100 Index (S&P 100) and companies included in the Silicon Valley 150 Index (SV 150). The study found key differences between the corporate governance practices of the SV 150 high technology and life science

companies and their larger peers within the S&P 100. The data indicated multi-year increases in the use of dual class share structures, perceived to offer greater control for company founders or other large controlling investors—with the number of firms with such unequal shares more than tripling during the last five years. Although many large companies have moved away from classified board structures, firms in the SV 150 have maintained such governance features—about 45 percent of them staggering their director election intervals over several years. Surprising to some market observers, companies in the SV 150 are less likely to combine the roles of CEO and Chairman, with only 35 percent compared to 76 percent in the S&P 100. How SV 150 firms elect board members differed significantly from the larger company group, with just less than half of firms utilizing some form of majority voting in their director election procedure.

#### ACTIVE OWNERSHIP & CORPORATE ENGAGEMENT

From December through early March, SBA staff conducted engagement meetings with two companies owned within Florida Retirement System (FRS) portfolios, including Chevron and Monsanto.



#### 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:

- On December 10<sup>th</sup>, the SBA's 'Valuing the Vote' study (published in June 2015) was awarded honorable mention along with seven other papers in the IRRCI annual investor research competition.
- In December, staff attended the Bloomberg Responsible Investor conference, which focused on ESG issues and the quantitative measures investors are using to identify risks in various asset classes.
- During January and February, SBA staff participated in meetings of the Council of Institutional Investors (CII) Board of Directors as well as the International Corporate Governance Network (ICGN) Board of Governors.
- On March 2<sup>nd</sup>, SBA staff spoke on a CII webcast covering Initial Public Offerings (IPOs), exploring recent market volatility, trends in IPOs investments, the impact of scaled disclosures under the JOBS Act, and institutional investor appetite for investing in newly public companies.

#### HIGHLIGHTED VOTES

**Apple, Inc. (United States)**—On February 22, 2016, the SBA voted in favor of the majority of ballot items and voted against a majority of shareowner proposals at Apple, Inc., which is the largest single public equity investment owned within the

FRS. SBA staff voted against two director nominees due to concerns about over-boarding (service on a high number of outside boards). The SBA voted against the company's omnibus executive compensation plan due to poor design and incorporation of accelerated vesting provisions. The SBA did vote in favor of one shareowner proposal, aimed at improving the structure of its recently implemented proxy access mechanism. The proposal would have removed the limitation on the number of shareowners owning at least 3 percent of the shares for three years to nominate the greater of two directors or 25 percent of the board. Apple's current proxy access process limits the number of investors allowed to aggregate their share ownership at 20 investors. The shareowner proposal did not pass despite support from several large investors and the recommendations of the two leading proxy advisors, Institutional Shareholder Services (ISS) and Glass, Lewis & Co.

#### **GLOBAL REGULATORY & MARKET DEVELOPMENTS**

**United States**—on February 22, 2016, SBA staff provided comments on the Solicitation of Comments by the Nasdaq Listing and Hearing Review Council (the "Review Council") About Shareholder Approval Rules (the "Solicitation"). The Solicitation seeks input regarding the continuing utility of the listing standards mandating that listed companies seek shareowner approval for stock issuances in connection with acquisitions, changes of control and certain private placements when the issuance would exceed 20 percent of outstanding shares or voting power, or 5 percent when insiders have an interest in the assets to be acquired. The SBA's comment letter to Nasdaq echoed many of the same concerns espoused by the Council of Institutional Investors ("CII"). Among the stated objectives of the Nasdaq listing standards are to preserve and strengthen the quality of, and public confidence in, its markets and to protect investors. Weakening Nasdaq's standards requiring shareowner approval for significant stock issuances don't seem to be consistent with those goals. The Solicitation provides no evidence that the current shareowner approval requirements are harming issuers, but states issuers "may face higher costs of capital by structuring transactions in sub-optimal ways in order to satisfy Nasdaq's shareholder approval rules."

Nasdaq also requires shareowner approval for equity based compensation plans in which employees, consultants or directors participate, in order to provide shareowners with "voice" in decisions that could result in dilution of their interests. As noted by CII's comment letter, few investors would suggest weakening that requirement simply because issuers complained they had to shift to cash compensation to avoid having to seek shareholder approval. In addition, the SBA disagrees with the Review Council's stipulation that "other investor protection mechanisms" have reduced the utility of the shareowner approval requirements. Although the SBA routinely votes in favor of improved corporate governance practices, those mechanisms don't obviate, in and of themselves, the need for a shareowner vote on significant stock issuances. We concur with the CII statement that, "Board oversight is an indirect mechanism for shareowners to communicate their preferences, and the disciplining effect of board elections allows shareowners to replace directors who they believe have not acted in shareowners' interests only after the fact. A shareowner vote, by contrast, provides direct input and operates prospectively." Notably, the New York Stock Exchange (NYSE) has shareowner approval requirements that are substantially similar to the listing standards discussed in the Solicitation, including the percentage increases required to trigger a shareowner vote.

Just before the SBA's response was sent in, the Office of the Investor Advocate at the Securities and Exchange Commission (SEC) expressed its own concerns to Nasdaq, indicating unlikely support for any final proposal that would change qualitative listing requirements and effectively reduce the number of corporate actions currently subject to shareowner approval. The SEC's Investor Advocate also signaled the proposal lacked sufficient information to assess the potential impacts on investor protection and capital formation, recommending that Nasdaq distribute additional information and data.

On December 15, 2015, the Public Company Accounting Oversight Board (PCAOB), adopted new rules to its auditing standards requiring audit firms to disclose the names of each audit engagement partner – as well as the names of other audit firms that participated in each audit (if their work constituted 5 percent or more of total audit hours). The new disclosure requirement for the engagement partner will be effective for audit reports issued on or after January 31, 2017, and for disclosure of other audit firms participating in the audit, the requirement will be effective for reports issued on or after June 30, 2017. PCAOB noted, "[i]t is not unusual in audits of large companies for audit committees to interview several candidates for their engagement partner when a new engagement partner is to be chosen because the qualifications and personal characteristics of the engagement partner are viewed by the audit committee and senior management as particularly important." Since the engagement partner's identity will be publicly disclosed, investors may be more likely to evaluate a partner's background, experience, reputation, and any other audit firms served. Ultimately,

such analysis could impact investors' views regarding the reliability of the company's financial statements. As well, board audit committees may focus more attention on the other accounting firms the auditor proposes to use in connection with their own audit. The SBA has previously encouraged the PCAOB to implement such rules requiring the identification of the engagement partner or quality reviewer assigned to public financial statement audits.

**Hong Kong**—on October 5, 2015, the Listing Committee of the Stock Exchange of Hong Kong, a wholly owned subsidiary of Hong Kong Exchanges and Clearing (HKEx), announced it would suspend pursuit of its draft proposal to allow weighted voting rights (a.k.a., dual class shares). The HKEx dropped the proposed change after considering the negative views of the Securities and Futures Commission (SFC), Hong Kong's primary financial regulator. Over the last two years, investors and regulators in Hong Kong have debated the need to allow an exemption for listed firms to utilize share classes with differential voting rights. The issue arose in 2013 as part of Hong Kong and U.S. exchanges competing for the IPO for Alibaba Group. Alibaba Group sought an exemption from the Hong Kong listing rules which would have allowed it to retain a share structure giving its founder Jack Ma and management team control over the company even though they held fewer shares than the investing public. In late 2014, Alibaba took its listing to the NYSE in a record \$25 billion transaction to go public.

**Australia**—at the beginning of 2015, the SBA joined a global coalition of investors led by TIAA and the Australian Council of Superannuation (ACSI) aimed at reforming the process of voting by a "show of hands" in the Australian capital markets. Show of hands voting is an antiquated method of voting that gives each shareowner at the meeting one vote, irrespective of the number of shares they own. While permitted under Australian law, it commonly leads to unequal treatment of shareowners. Inequities in this voting method are born primarily by large institutional investors which attempt to cast votes by proxy (a.k.a., "poll voting") in advance of the meeting. After an extensive engagement effort, including written communication with some of the largest companies in the ASX100 and ASX200 stock indices, many firms have improved their governance practices—with 90 percent of ASX 100 constituent companies, and approximately 75 percent of firms in the ASX200 using poll voting for all ballot resolutions.



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ATTORNEY GENERAL

ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

## MEMORANDUM

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To: Ashbel C. Williams, Executive Director & CIO

From: Maureen M. Hazen, General Counsel

A handwritten signature in dark ink, appearing to read "Maureen M. Hazen", is written over the printed name.

Date: March 8, 2016

Subject: Office of General Counsel: Standing Report  
For Period November 7, 2015 – March 4, 2016

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### SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 26 new agreements – including a 4 Private Equity investments, 3 Strategic Investments and one new investment management agreement for Global Equity; (ii) 106 contract amendments, addenda or renewals; and (iii) 7 contract or related terminations.

### SBA Litigation.

(a) Passive. As of March 4, 2016, the SBA was monitoring (as an actual or putative passive member of the class) 584 securities class actions. From November 1, 2015 – February 29, 2016, the SBA collected recoveries in the amount of \$1,281,490.36 as a passive member in 35 securities class actions.

(b) Active.

(i) In re Tribune Litigation. On January 24, 2012, the SBA was served a complaint (along with other defendants) now pending in the U.S. Bankruptcy Court, Southern District of New York by the Official Committee of Unsecured Creditors of the Tribune Company alleging damages for fraudulent conveyance and requesting the return of proceeds received by all defendant investors in a leveraged buy-out of the Tribune Company (which subsequently declared bankruptcy). Pursuant to a plan approved in the bankruptcy proceeding, the claim was transferred to the U.S. District Court, Southern District of New York (the "Court") and consolidated with additional parallel cases for multi-district litigation. The SBA received approximately \$11 million in connection with this leveraged buy-out. Pursuant to the Court's master scheduling order, the Court has stayed all answer and motion filing deadlines pending resolution of similar issues in a parallel class case. Several amended complaints have been filed in the action in which the SBA was originally served in January, 2012 (the "FitzSimons Action"). While responses remain stayed in the FitzSimons case, the court has ruled on the pending motions in the related Deutsche Bank case, and it is expected that a deadline for filing individualized motions to dismiss in FitzSimons

will be set by the Court soon. The Court has asked the parties to confer as to how best to proceed with the next round of more individualized motions, which will include motions directed at the FitzSimons case, but no agreement has been reached, and the Court is expected to set out a protocol for dealing with individualized motions to dismiss. There are approximately 1,700 defendants in the FitzSimons case, and the Court has appointed liaison counsel to represent each type of defendant group, including pension fund defendants. At the appropriate time, the SBA plans to seek dismissal on sovereign immunity grounds.

(c) FRS Investment Plan. During the period from November 7, 2015 through March 4, 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 four (4) Final Orders, received notice of filing of ten (10) new cases, and continued to litigate five (5) cases that were pending during the periods covered by previous reports, including defending one (1) appellate case and receiving notice of the Court's affirmation of the SBA's Final Order in one (1) appellate case.

#### **Other Matters.**

(a) Public Records. During the period covered by this report, the General Counsel's Office received 36 new public records requests and provided responses to 33 requests. As of the date of this report, the General Counsel's Office continues to work on 9 open requests.

(b) SBA Rules.

(i) Rule 19-9.001- Investment Policy Statement- Amendment: Effective December 30, 2015, this rule was officially amended to adopt the most recent version of the Investment Policy Statement which was approved by the Trustees for the Florida Retirement System Investment Plan. Neither OFARR nor JAPC suggested any changes. No hearing was requested by the public. The rule amendments also provide information as to how a copy of the Investment Policy Statement may be obtained by the public.

(ii) Rule Chapter 19-11: Amendments to Rules 19-11.001-Definitions; 19-11.002-Beneficiary Designations and Distributions for FRS Investment Plan; 19-11.003-Distributions from FRS Investment Plan Accounts; 19-11.004- Excessive Trading in the FRS Investment Plan; 19-11.005- FRS Investment Plan Complaint Procedures; 19-11.006- Enrollment Procedures for New Hires; 19-11.007- Second Election Enrollment Procedures for the FRS Retirement Programs; 19-11.008- Forfeitures; 19-11.011- Employer and Employee Contributions and ABO or Present Value Transfer Procedures; 19-11.012-Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan; 19-11.013-FRS Investment Plan Self-Directed Brokerage Account: Effective December 30, 2015, various amendments to these rules became effective. These amendments serve to adopt the latest versions of the FRS Investment Plan forms that have been incorporated by reference in the various rules, such as the beneficiary designation form, the various enrollment forms, the second election forms and the rollover forms. Further, other amendments clarified certain information as to procedures and updated the names of the default investment vehicles in situations in which members failed to designate their selected funds. The changes all were non-substantive- i.e. the adopted changes involve adopting new forms and making a few clarifications.

(iii) Rules 19-13.001- Roles and Responsibilities of the State Board of Administration of Florida; and Rule 19-13.004- Role and Responsibilities of Third Party Vendors- Amendments: Effective December 30, 2015, amendments to these two rules became effective. The amendments serve to update certain information regarding the duties and responsibilities of the SBA and its third party vendors concerning the FRS Investment Plan. The amendments also note that the ten (10) Target Date Funds (TDF) have replaced the three balanced fund options. None of the changes were substantive.

(iv) Rule 19-7.002- Investment Policy Statements- Amendments: Effective February 1, 2016, this rule was amended to adopt the revised Investment Policy Statement for the Local Government Surplus Funds Trust Fund and further to delete all references to the Investment Policy Statement for the Fund B Surplus Funds Trust Fund (Non-Qualified) which fund now has been liquidated and no longer is in existence. In November 2015, a Notice of Proposed Rule was filed with OFARR, and then one week later, the notice was filed in the Florida Administrative Weekly and with JAPC. No comments were received from any person. The rule was filed for adoption, and the amendments now are effective.

(v) Rule 19-4.0035- Florida Retirement System Defined Benefit Plan Investment Policy Statement- Amendment: Effective February 1, 2016, this rule was amended to adopt the most recent version of the Investment Policy Statement for the FRS Defined Benefit Plan. In November 2015, a Notice of Proposed Rule was filed with OFARR, and then one week later, the notice was filed in the Florida Administrative Weekly and with JAPC. No comments were received from any person. The rule was filed for adoption, and the amendments now are effective.



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AS TREASURER  
PAM BONDI  
ATTORNEY GENERAL  
AS SECRETARY  
ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

**MEMORANDUM**

**DATE:** March 9, 2016  
**TO:** Board of Trustees  
**FROM:** Ken Chambers, Inspector General  
**SUBJECT:** Quarterly Report on SBA Inspector General Activities

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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. During the period December 11, 2015 through February 29, 2016, the Inspector General also served as the Acting Chief Audit Executive for SBA.

**Ethics and Training**

- Mandatory ethics training and certification of compliance are required for all SBA employees on an annual basis. The on-line training covers gifts, conflicts of interest, financial disclosure, outside employment, lobbyist/principal restrictions, honorarium related events, etc. In addition to ethics training, mandatory training is annually required for all employees in the areas of sexual harassment, information security, personal investment activity, and insider trading. For 2016, employees will also be required to complete training courses for public records and the Sunshine Law (these two courses are required every other year). The deadline for completing the courses is June 30, 2016
- During the period November 14, 2015 to March 9, 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.

Consultant Independence and Disclosure Certifications for 2015 were submitted to all applicable SBA consultants in January. The certifications have been received from all consultants, indicating full compliance with the principles. The IPP certifications for the equity, fixed income and real estate investment managers were disseminated in February. The majority of the certifications have been completed and returned, and the compliance results for all of the investment managers will be included in the next Trustee's report.

### 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 reports or tips have been received by the Hotline for 2016.

### Investment Advisory Council Disclosures

As per Chapter 215.444, Florida Statutes, all current IAC members are required to complete an annual Conflict Disclosure Statement. The disclosure statements were recently disseminated to the current council members and to date, all but one have been completed and returned.

cc: Ash Williams



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ATTORNEY GENERAL

ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

DATE: March 9, 2016

TO: Ash Williams, Executive Director & CIO

FROM: Karen Chandler, Chief Risk & Compliance Officer

SUBJECT: Trustee Update – March 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 November 18, 2015 through March 9, 2016:

- No material compliance exceptions were reported during the period.
- The Risk and Compliance Committee (RCC) met on February 9, 2016. The RCC had previously established risk appetite levels for the thirteen top-line strategic risks. At this meeting, the RCC clarified risk appetite levels at the sub-risk level, reviewed existing action plans and updated plans accordingly. This action supports risk tolerance levels delineated throughout SBA policies. Enhancements to the Enterprise Risk Management (ERM) Framework were also approved, emphasizing management's continued diligence in monitoring service providers. Enhancements to service provider monitoring processes continue.

- Additional enhancements to the ERM Framework will continue, particularly with respect to Investment Management Risk, reflecting the evolving risk landscape. RMC continues to broaden daily counterparty and exposure monitoring capabilities and augment processes that evaluate daily compliance with investment policies.
- Development of SBA strategic priorities for the upcoming fiscal year is underway. This process is facilitated by RMC, with collaboration among all senior management. Further refinement of Governance, Risk and Compliance (GRC) processes across the organization remains a strategic objective.
- The annual Joint Risk Assessment Questionnaire is scheduled for issuance later this month. This questionnaire is the result of collaboration between RMC and the Office of Internal Audit and will include an evaluation of business processes as well as risk levels for all SBA business units.
- Phase II of the Charles River compliance module implementation is substantially complete. As a result of these efforts led by RMC, the SBA now has enhanced reporting functionality and expanded capability in testing compliance on the internally managed Global Equity portfolios. Used in conjunction with the Charles River trading platform, the compliance module enhancements are designed to be consistent with industry best practices.
- The last phase of the conversion to Eagle DataMart for automated performance reporting is nearing completion. This results in greater data processing capability, increased customization of reporting and significant gains in efficiency in both internal and external performance reporting. Performance data used in the Annual Investment Report, internally generated performance estimates and asset allocation reporting are now produced using DataMart. The previously used SQL database will be discontinued once remaining files have been converted to the new system.



# State Board of Administration of Florida

## Major Mandate Review Fourth Quarter 2015

**Aon Hewitt** | Retirement and Investment  
Investment advice and consulting services provided by Aon Hewitt Investment Consulting, Inc., an Aon Company.

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# Table of Contents

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1. Executive Summary
2. Pension Plan Review
3. Investment Plan Review
4. CAT Fund Review
5. Lawton Chiles Endowment Fund Review
6. Florida PRIME Review
7. Appendix

## Executive Summary

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- The major mandates outperformed their respective benchmarks over all longer time periods through December 31, 2015.
- The Pension Plan underperformed its Performance Benchmark during the fourth quarter, while outperforming over the trailing one-, three-, five-, ten-, and fifteen-year time periods.
  - Global Equity has been a consistent source of value added over all trailing time periods. Fixed Income, Real Estate, Private Equity and Strategic Investments have also added value over the trailing three- and five-year periods.
- Over the trailing one-, three-, five-, and ten-year periods, the Pension Plan's return ranked in the top half of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan modestly outperformed the Total Plan Aggregate Benchmark during the fourth quarter and has outperformed over all long-term periods including the trailing one-, three-, five-, and ten-year periods.
- The Lawton Chiles Endowment Fund modestly trailed its benchmark during the fourth quarter and outperformed its benchmark over the one-, three-, five-, and ten-year periods, primarily due to strong global equity performance.
- The CAT Funds and Florida PRIME continued to outperform their respective benchmarks over both short and long time periods.

## Pension Plan: Executive Summary

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- The Pension Plan assets totaled \$142.0 billion as of December 31, 2015 which represents a \$2.8 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, underperformed during the fourth quarter and outperformed over the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the one-, ten-, and fifteen-year periods, but has outperformed over the trailing three-, five-, twenty-, 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 12/31/2015

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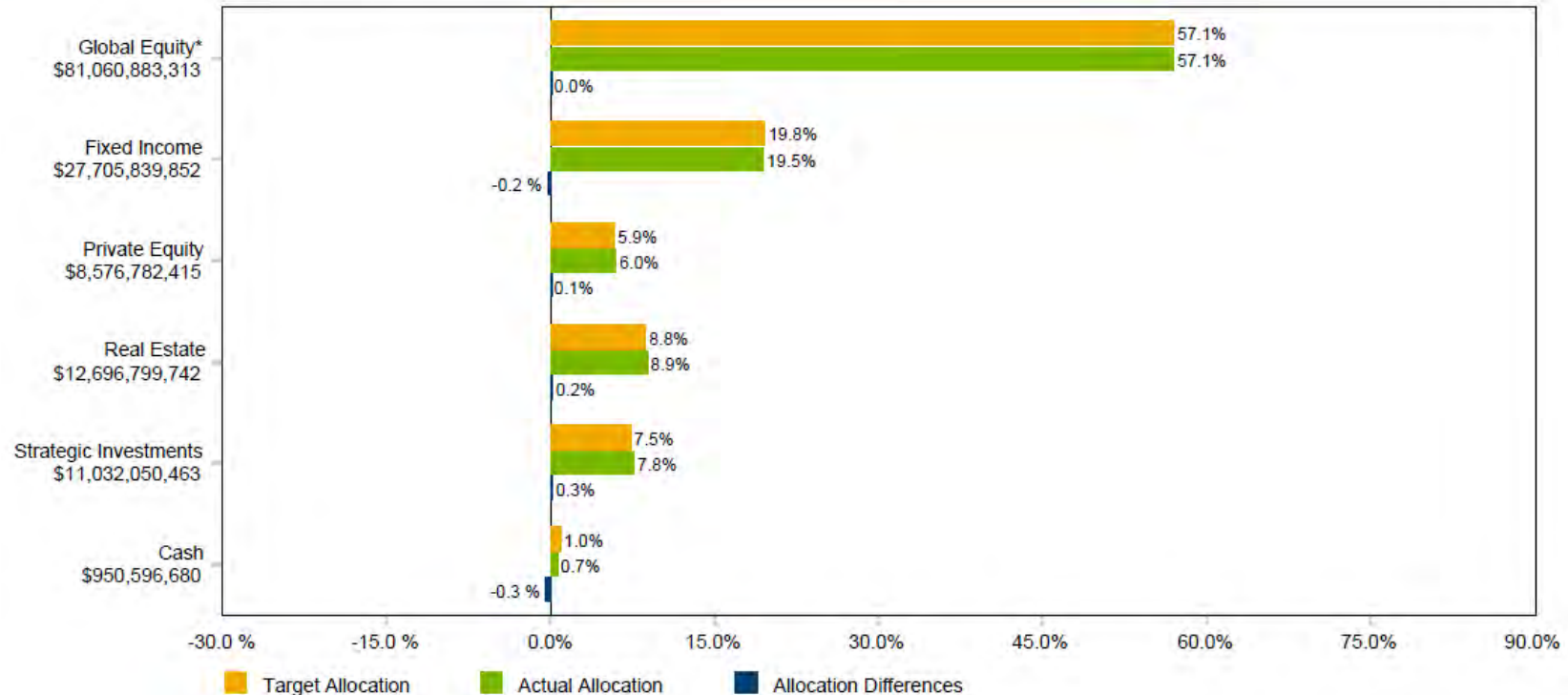
Summary of Cash Flows		
	Fourth Quarter	Fiscal YTD*
<b>Beginning Market Value</b>	\$139,231,171,944	\$147,972,946,329
<b>+/- Net Contributions/(Withdrawals)</b>	(\$1,526,787,132)	(\$3,502,643,087)
<b>Investment Earnings</b>	(\$4,318,567,652)	(\$2,447,350,778)
<b>= Ending Market Value</b>	\$142,022,952,464	\$142,022,952,464
<b>Net Change</b>	\$2,791,780,521	(\$5,949,993,865)

\*Period July 2015 – December 2015

## Asset Allocation as of 12/31/2015

### Total Fund Assets = \$142.0 Billion

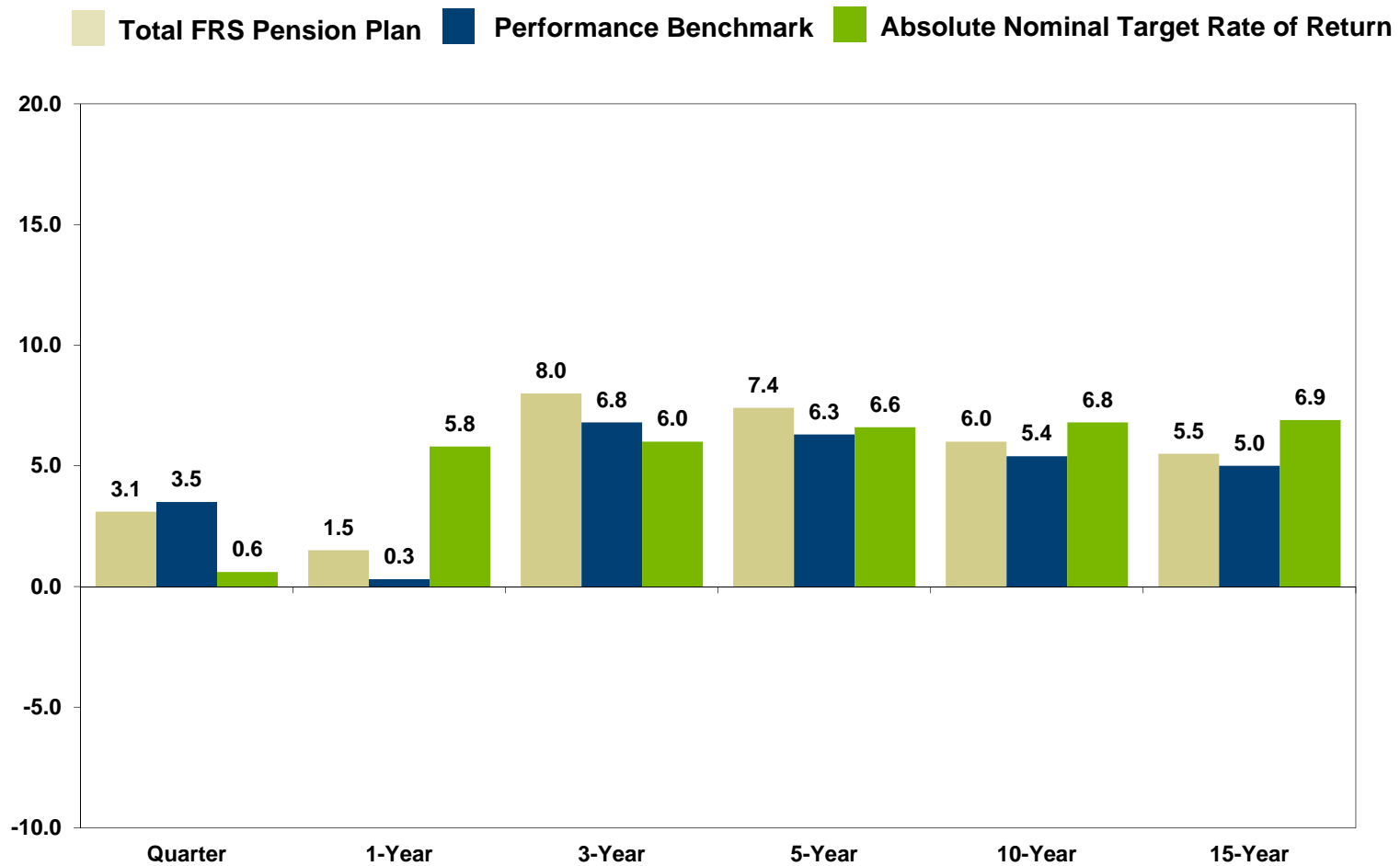
	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	142,022,952,464	100.0	100.0		
Global Equity*	81,060,883,313	57.1	57.1	45.0	70.0
Fixed Income	27,705,839,852	19.5	19.8	10.0	26.0
Private Equity	8,576,782,415	6.0	5.9	2.0	9.0
Real Estate	12,696,799,742	8.9	8.8	4.0	16.0
Strategic Investments	11,032,050,463	7.8	7.5	0.0	16.0
Cash	950,596,680	0.7	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.

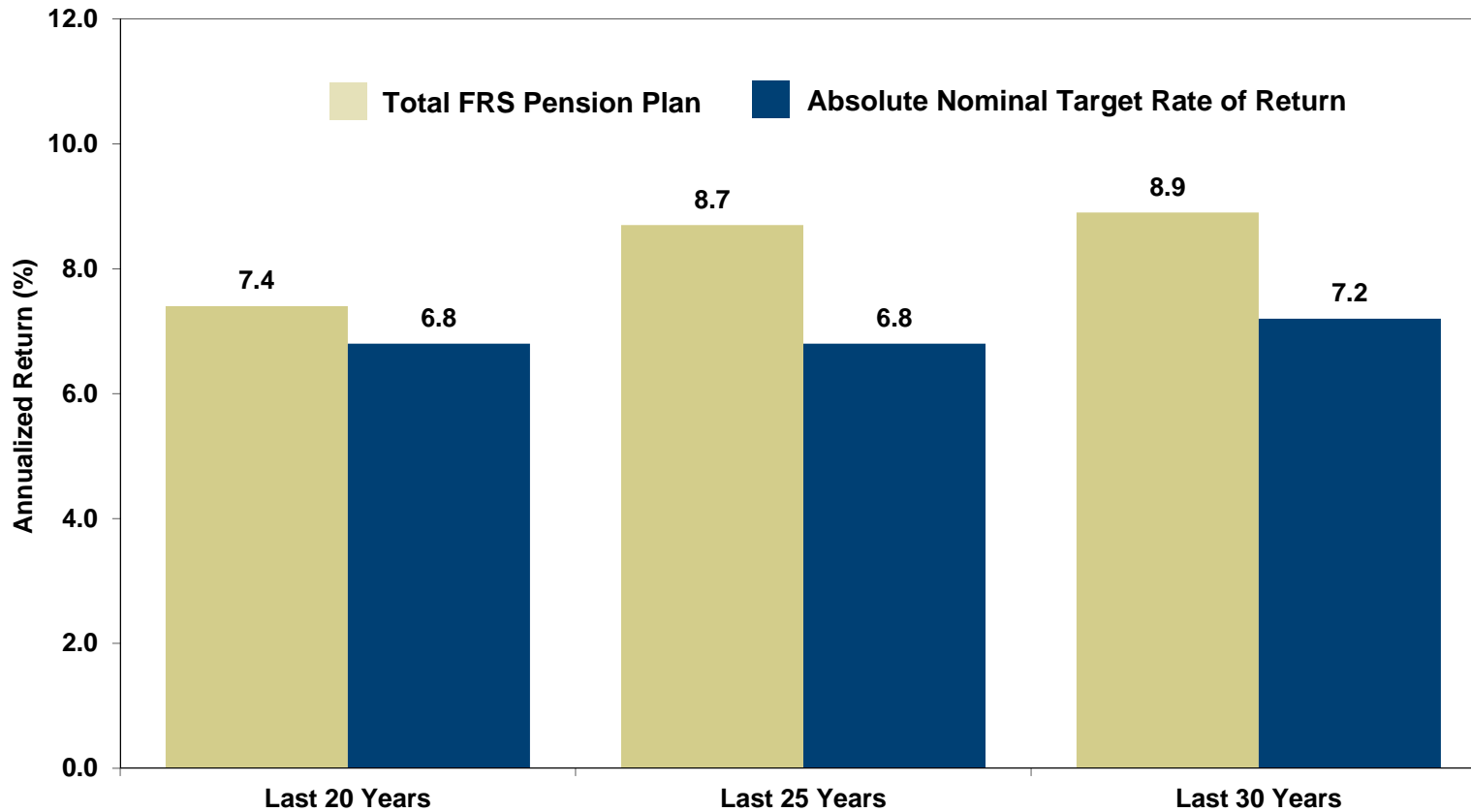
# FRS Pension Plan Investment Results

## Periods Ending 12/31/2015



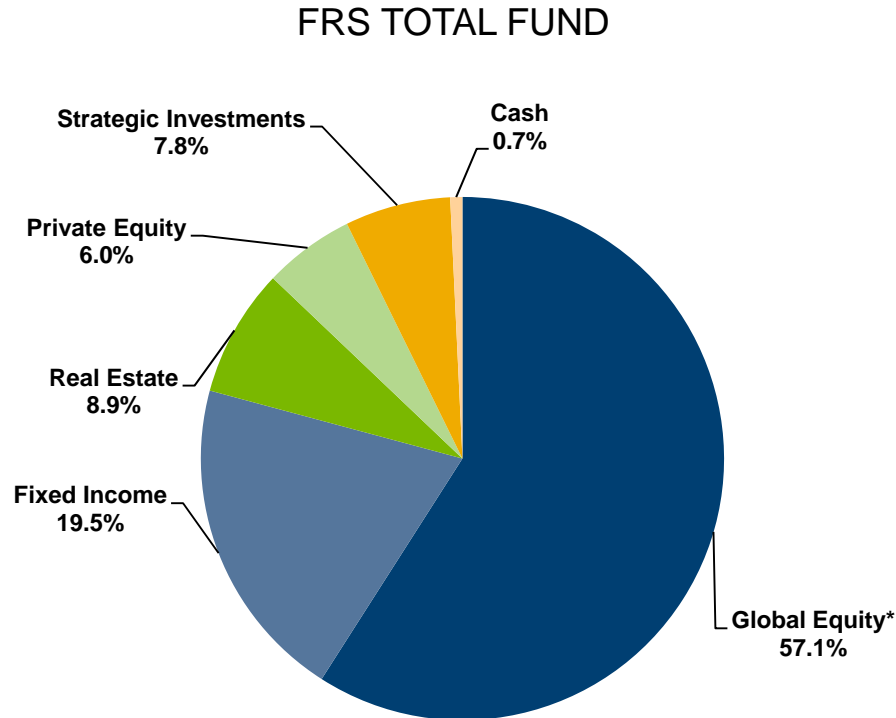
## FRS Pension Plan Investment Results Periods Ending 12/31/2015

### Long-Term FRS Pension Plan Performance Results vs. SBA's Long-Term Investment Objective

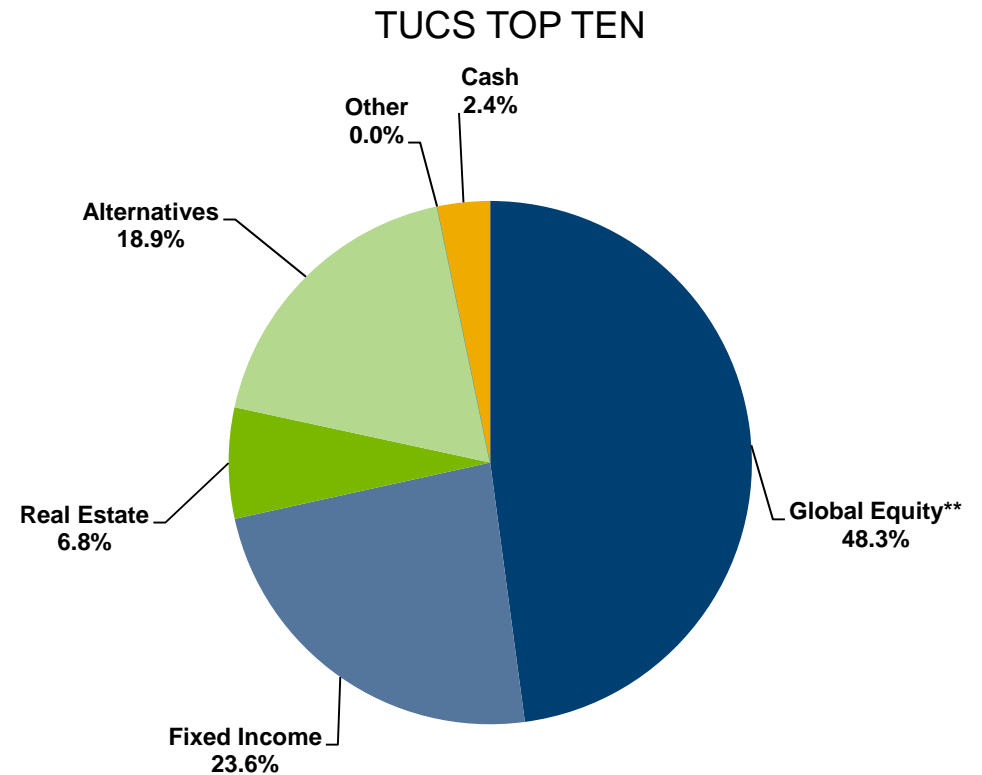


# Comparison of Asset Allocation (TUCS Top Ten) As of 12/31/2015

## FRS Pension Plan vs. Top Ten Defined Benefit Plans



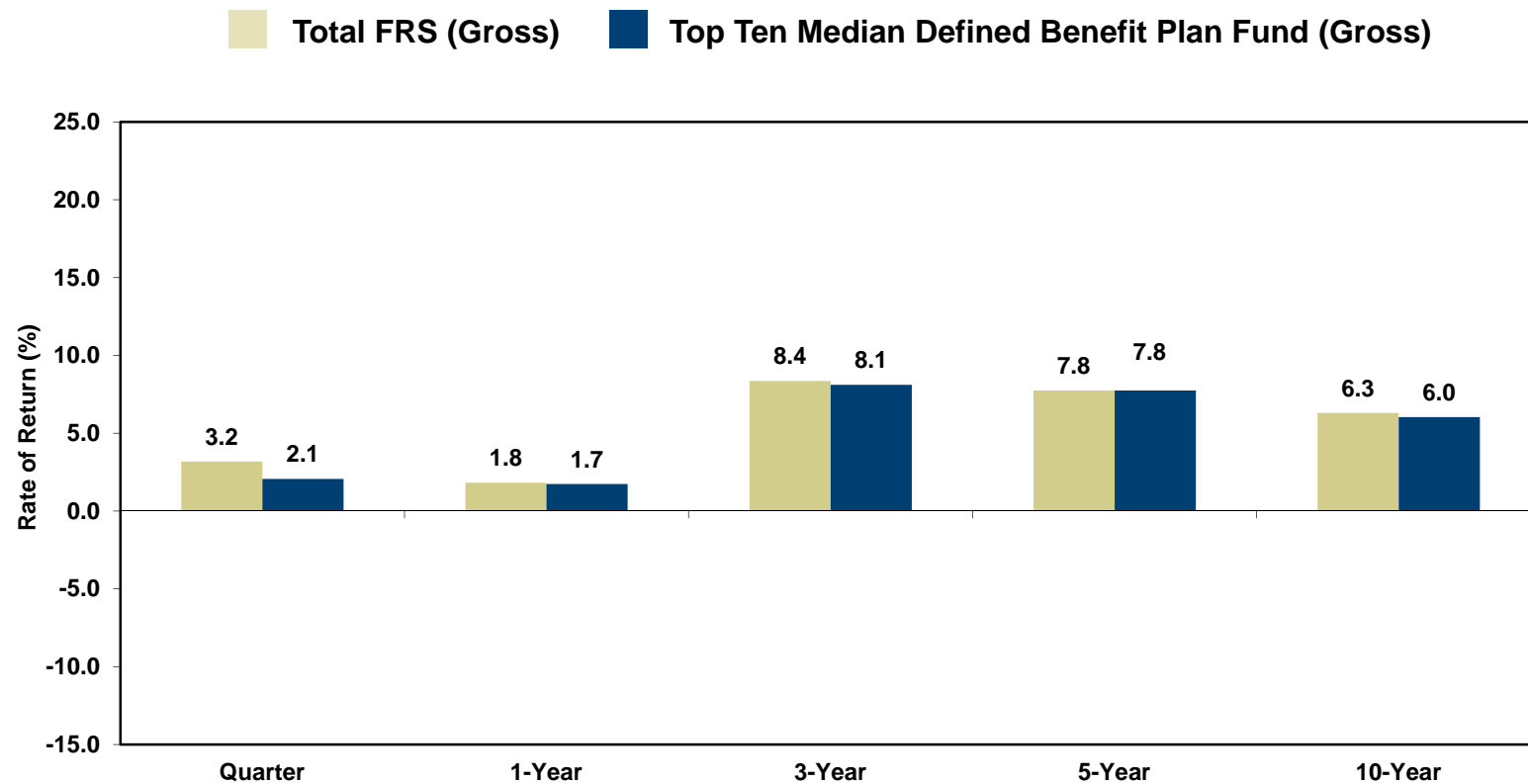
\*Global Equity Allocation: 27.2% Domestic Equities; 24.2% Foreign Equities; 5.0% Global Equities; 0.7% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.



\*\*Global Equity Allocation: 30.5% Domestic Equities; 17.8% Foreign Equities.

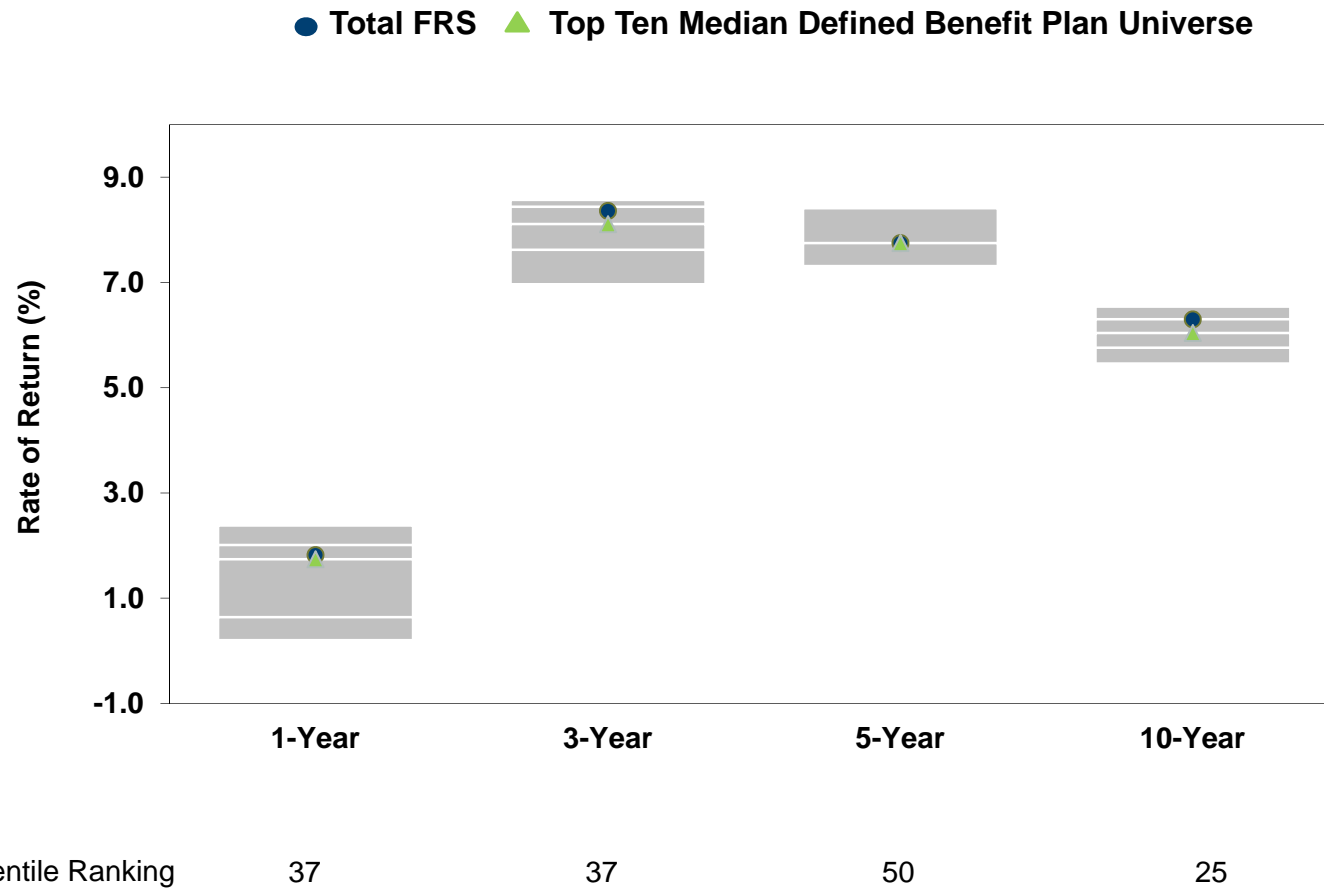
Note: The TUCS Top Ten Universe includes \$1,292.1 billion in total assets. The median fund size was \$126.6 billion and the average fund size was \$129.2 billion.

## FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 12/31/2015



Note: The TUCS Top Ten Universe includes \$1,292.1 billion in total assets. The median fund size was \$126.6 billion and the average fund size was \$129.2 billion.

# Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 12/31/2015



Note: The TUCS Top Ten Universe includes \$1,292.1 billion in total assets. The median fund size was \$126.6 billion and the average fund size was \$129.2 billion.

## Investment Plan: Executive Summary

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- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2014 data.
- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

## Total Investment Plan Returns & Cost

### Periods Ending 12/31/2015\*

	One-Year	Three-Year	Five-Year	Ten-Year
<b>FRS Investment Plan</b>	<b>-0.9%</b>	<b>6.2%</b>	<b>5.9%</b>	<b>5.0%</b>
<i>Total Plan Aggregate Benchmark**</i>	-1.3	5.9	5.6	4.6
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.4	0.3	0.3	0.4

### Periods Ending 12/31/2014\*\*\*

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
<b>FRS Investment Plan</b>	<b>8.0%</b>	<b>0.1%</b>	<b>0.37%*****</b>
<i>Peer Group</i>	9.3	0.0	0.28
FRS Investment Plan vs. Peer Group	-1.3	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: 2014 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 2014 Survey that included 138 U.S. defined contribution plans with assets ranging from \$60 million to \$47.6 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 18 DC plans including corporate and public plans with assets between \$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.

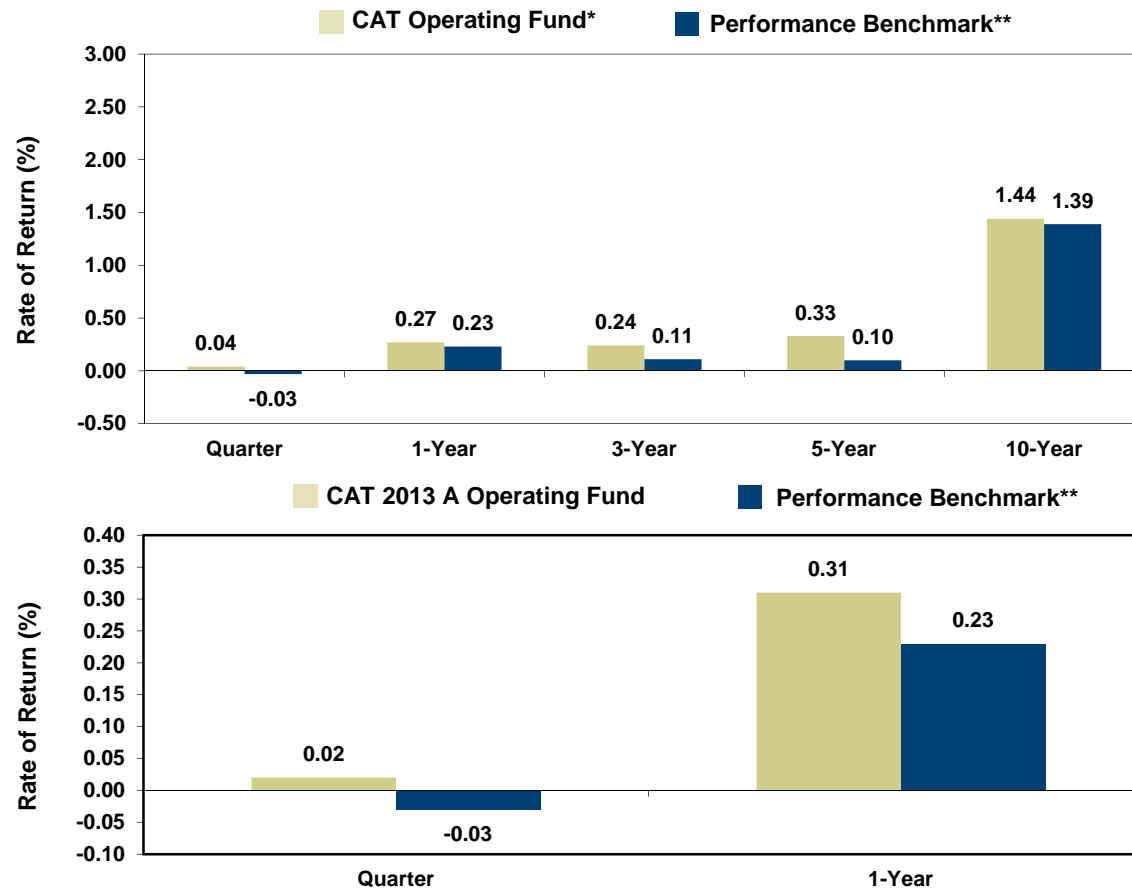
## CAT Fund: Executive Summary

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- Performance of the CAT Funds on both an absolute and relative basis has been strong over short- and long-term time periods.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

# CAT Funds Investment Results

## Periods Ending 12/31/2015



\*CAT Operating Fund: Beginning March 2008, the returns for the CAT Fund reflect marked-to-market returns. Prior to that time, cost-based returns are used.

\*\*Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

## Lawton Chiles Endowment Fund: Executive Summary

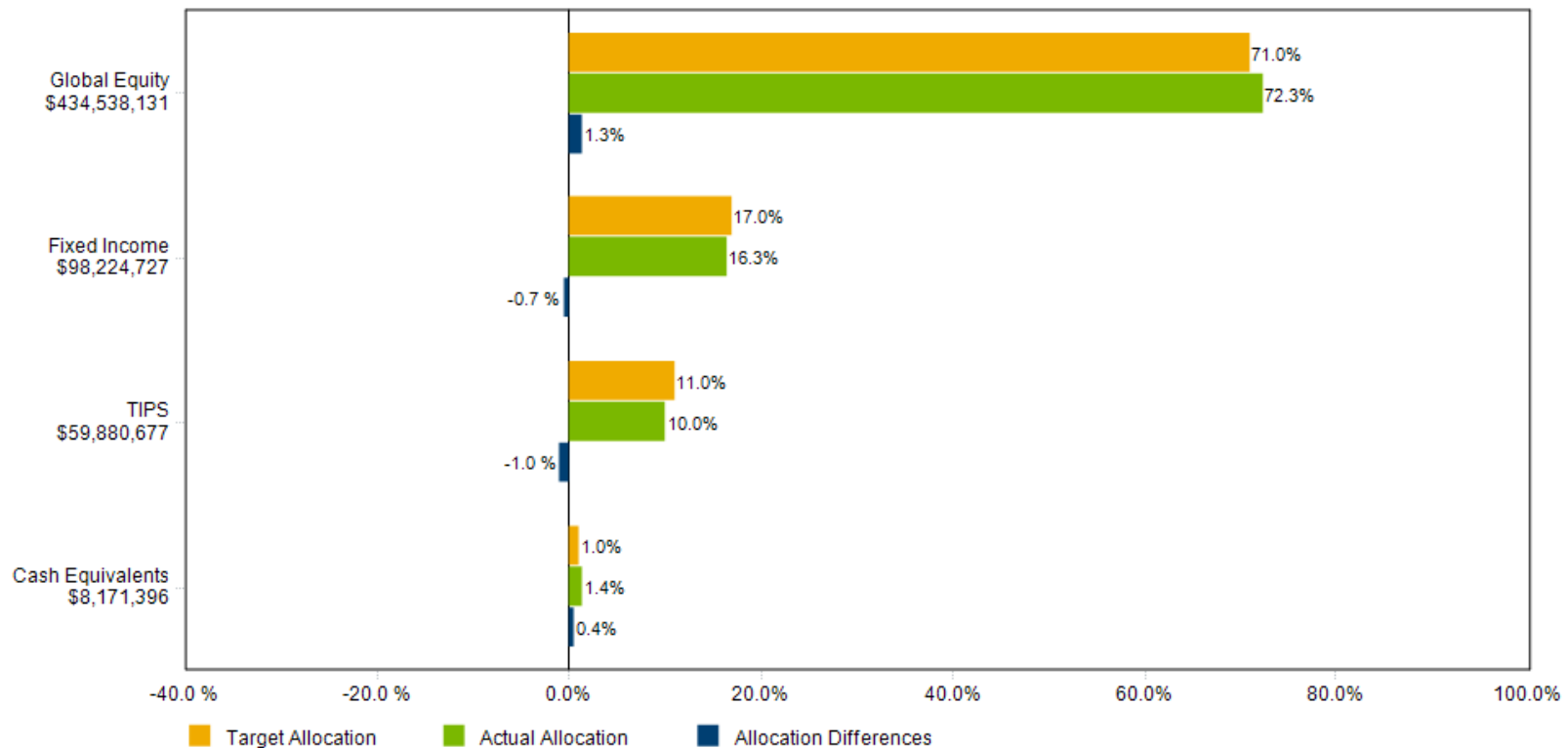
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- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
  - The investment objective is to preserve the 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 \$600.8 million as of December 31, 2015.
- The Endowment's return slightly underperformed its Target during the fourth quarter, while outperforming its Target over the trailing one-, three-, five-, and ten-year time periods.

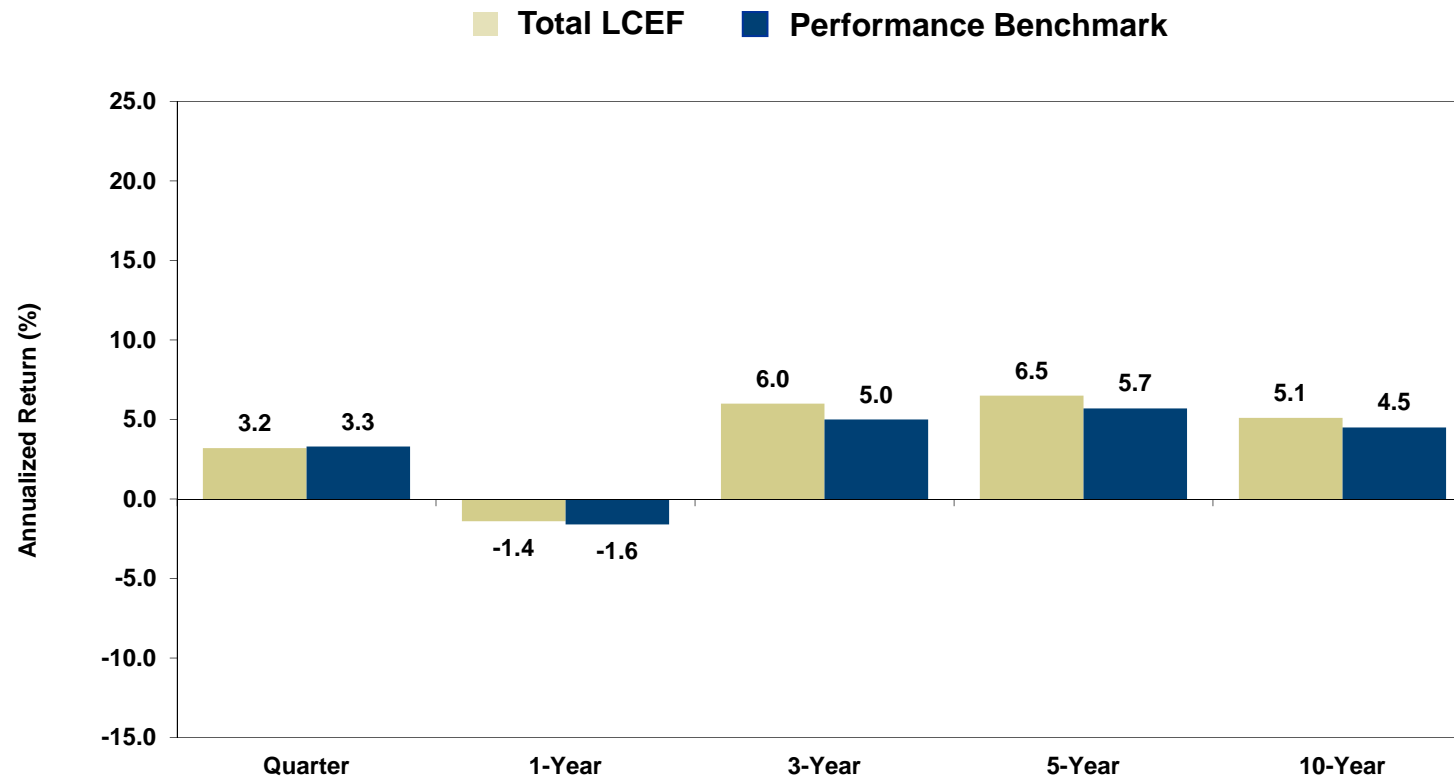
## Asset Allocation as of 12/31/2015

### Total LCEF Assets = \$600.8 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	600,814,931	100.0	100.0		
Global Equity	434,538,131	72.3	71.0	61.0	81.0
Fixed Income	98,224,727	16.3	17.0	12.0	22.0
TIPS	59,880,677	10.0	11.0	6.0	16.0
Cash Equivalents	8,171,396	1.4	1.0	0.0	10.0



## LCEF Investment Results Periods Ending 12/31/2015

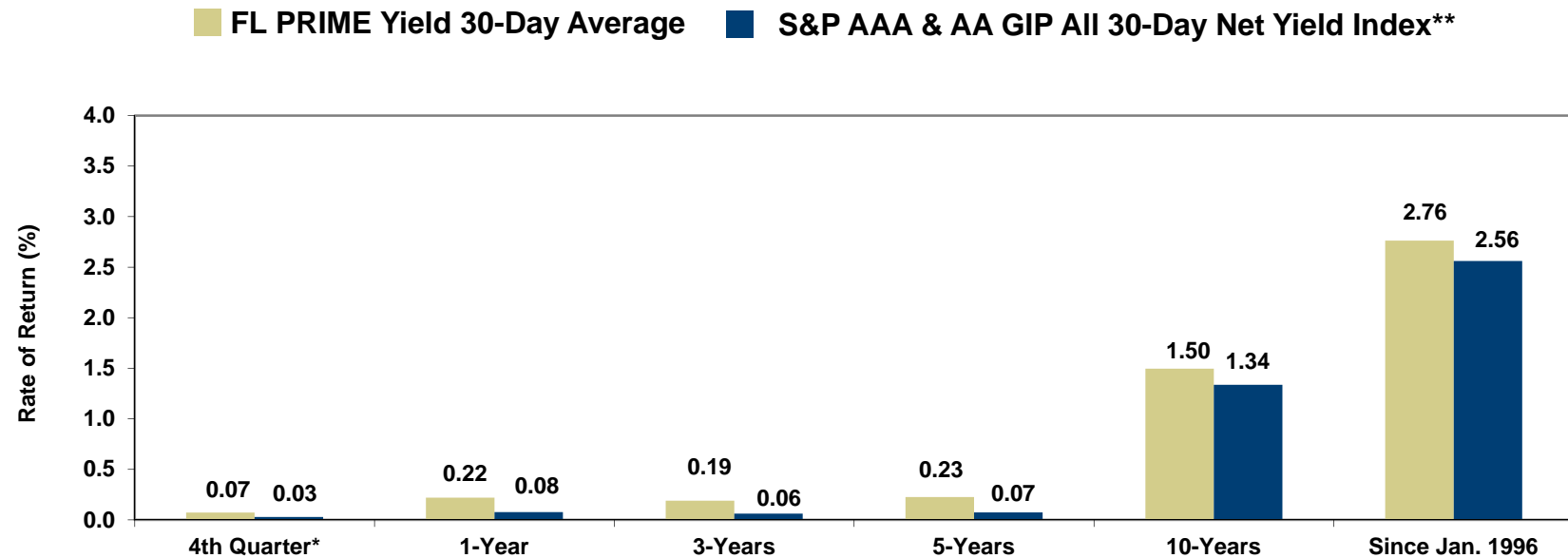


## Florida PRIME: Executive Summary

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- 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 December 31, 2015, the total market value of Florida PRIME was \$8.5 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.

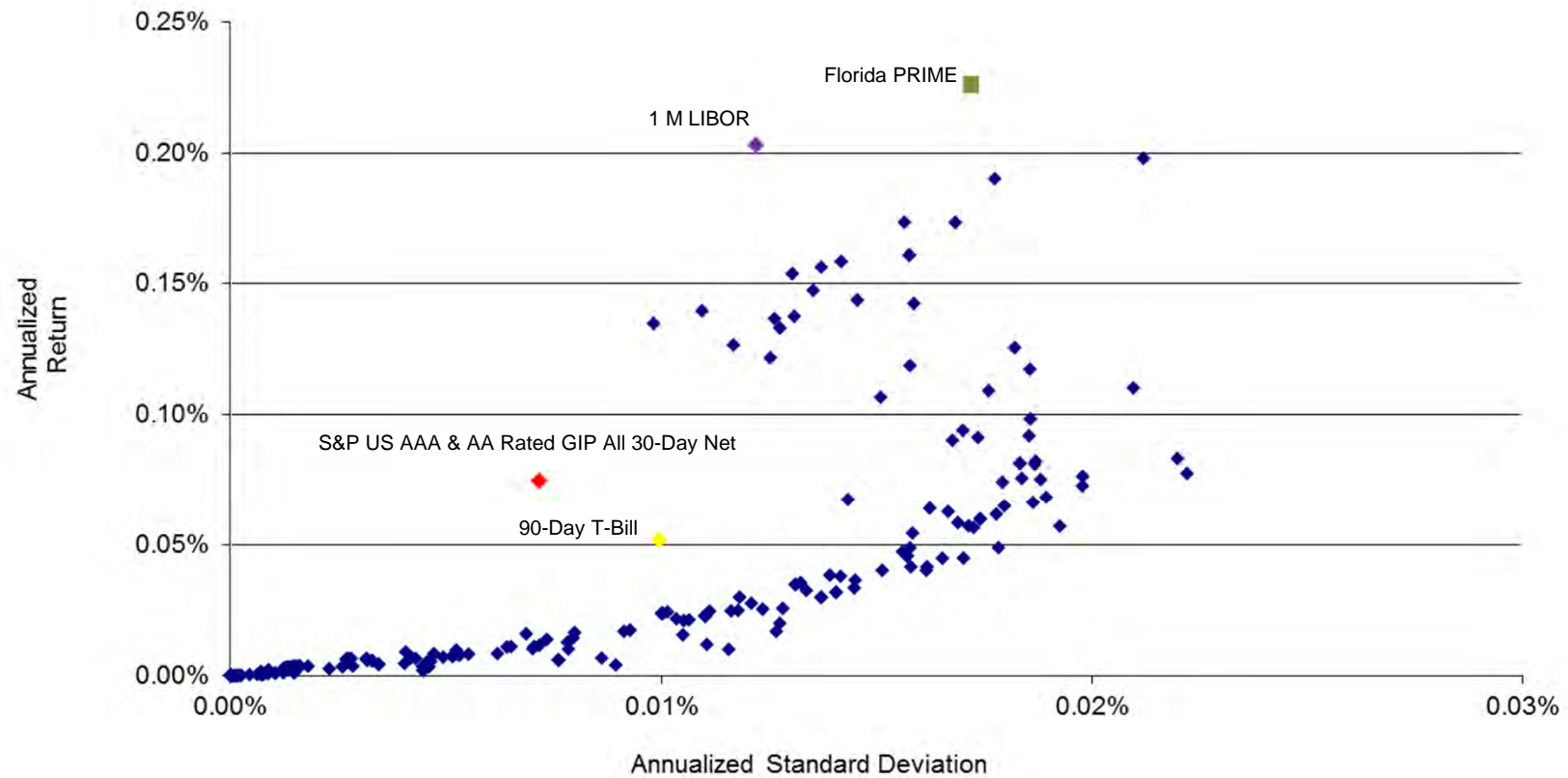
## Florida PRIME Investment Results Periods Ending 12/31/2015



\*Returns less than one year are not annualized.

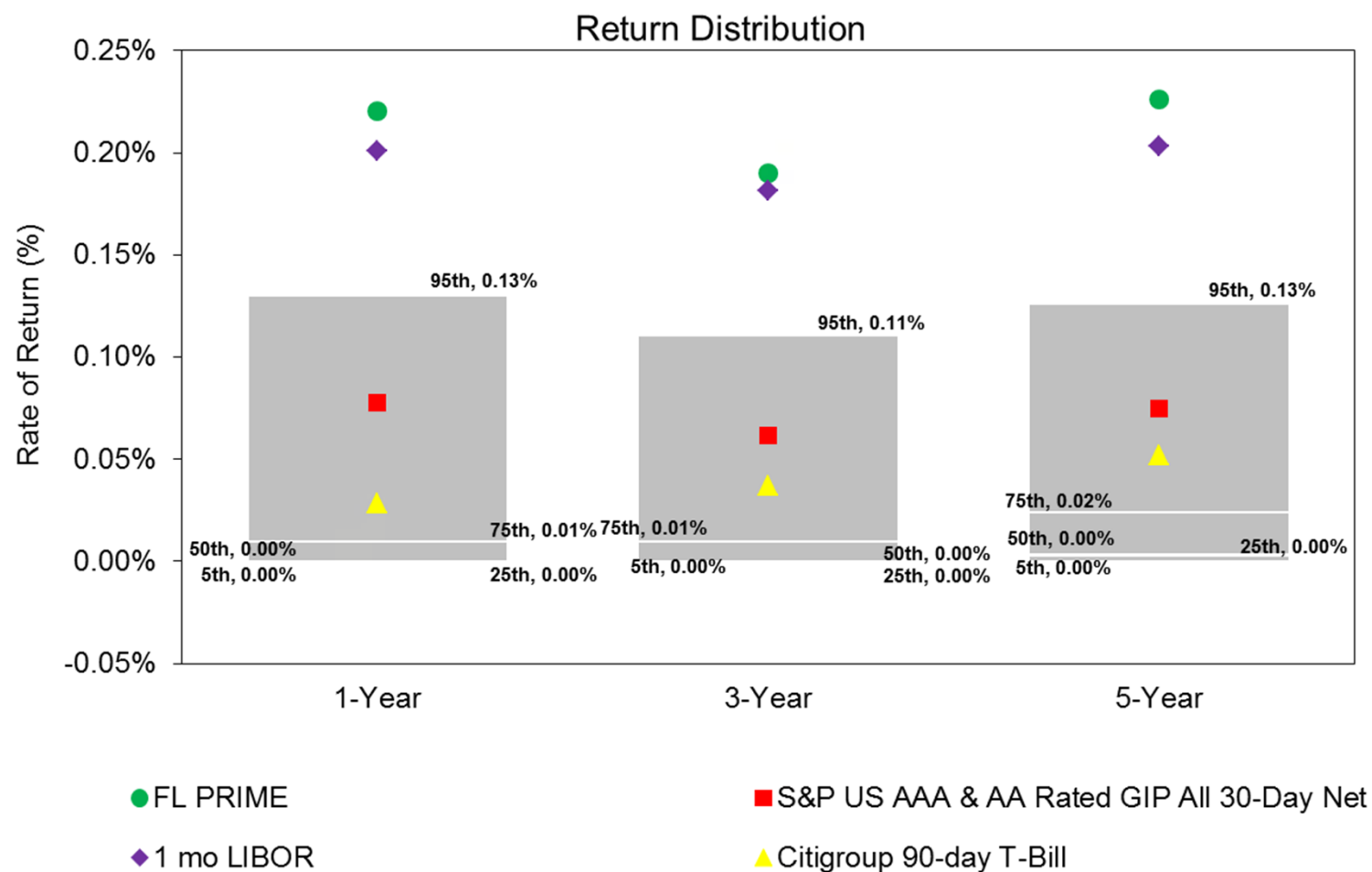
\*\*S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

## Florida PRIME Risk vs. Return 5 Years Ending 12/31/2015

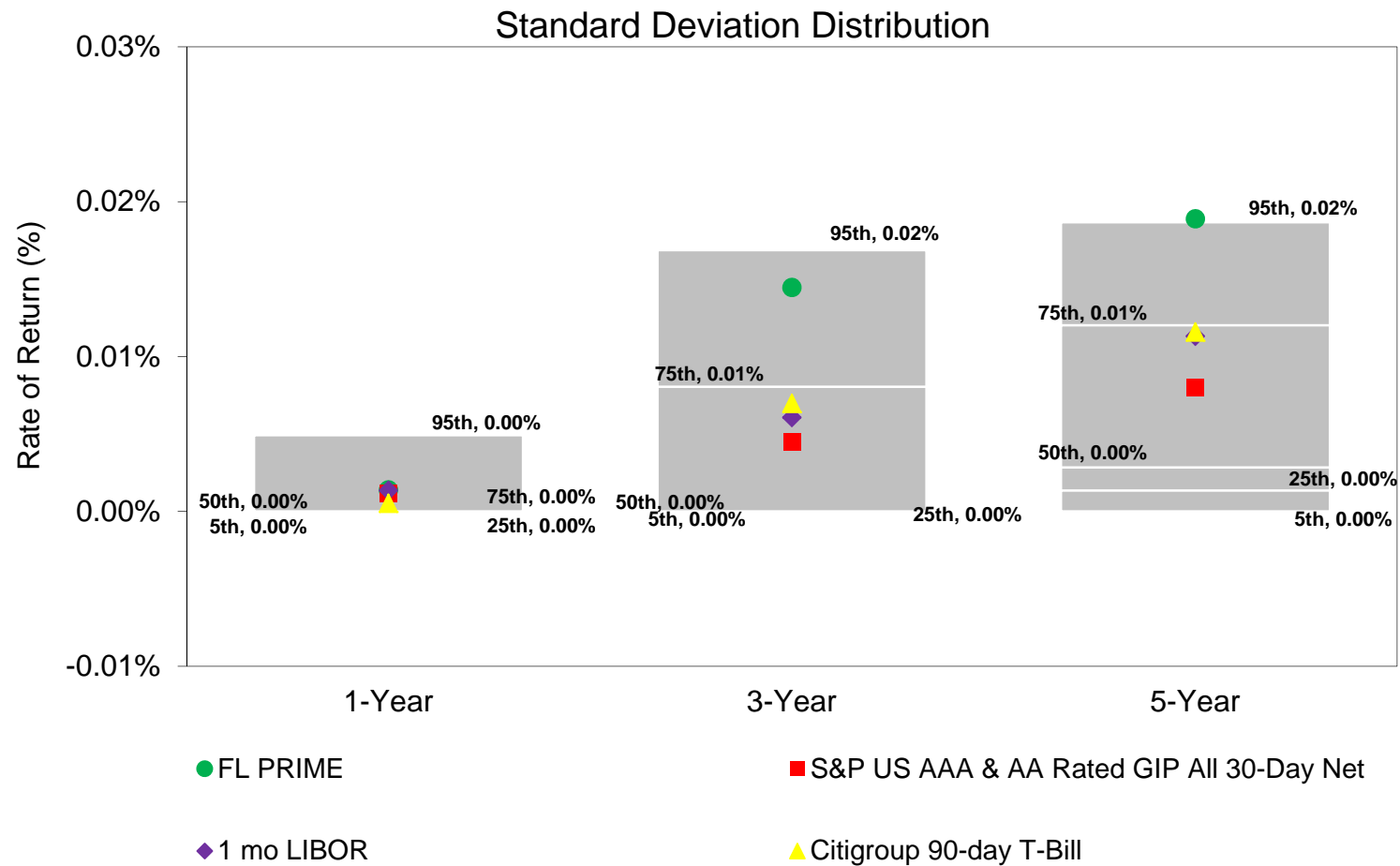


# Return Distribution

## Periods Ending 12/31/2015



# Standard Deviation Distribution Periods Ending 12/31/2015



## Appendix

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## FRS Investment Plan Costs

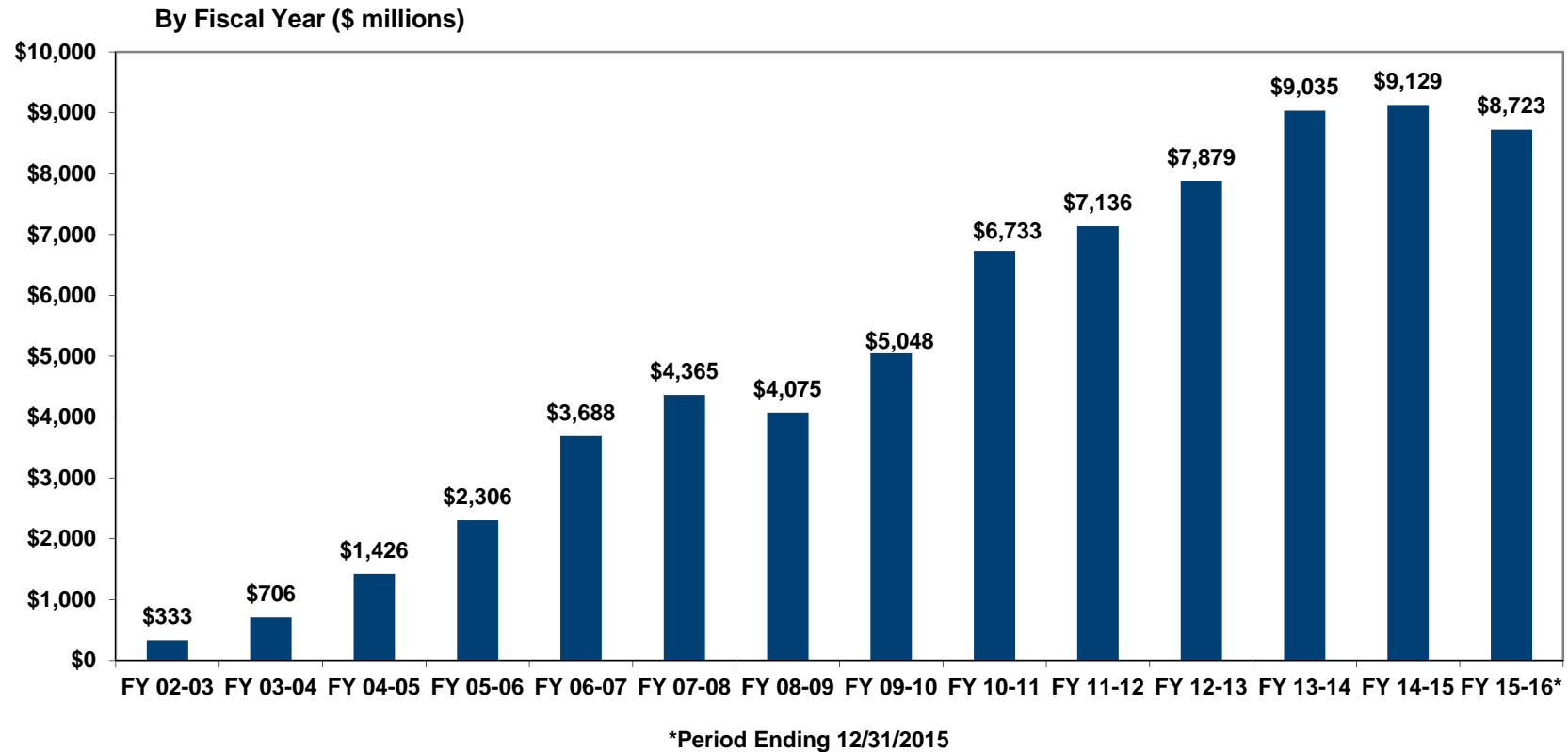
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Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.20%	0.86%
Small-Mid Cap Equity	0.63%	1.07%
International Equity	0.33%	1.04%
Diversified Bonds	0.16%	0.64%
Target Date	0.11%	0.65%
Money Market	0.06%	0.12%

\*Average fee of multiple products in category as of 12/31/2015.

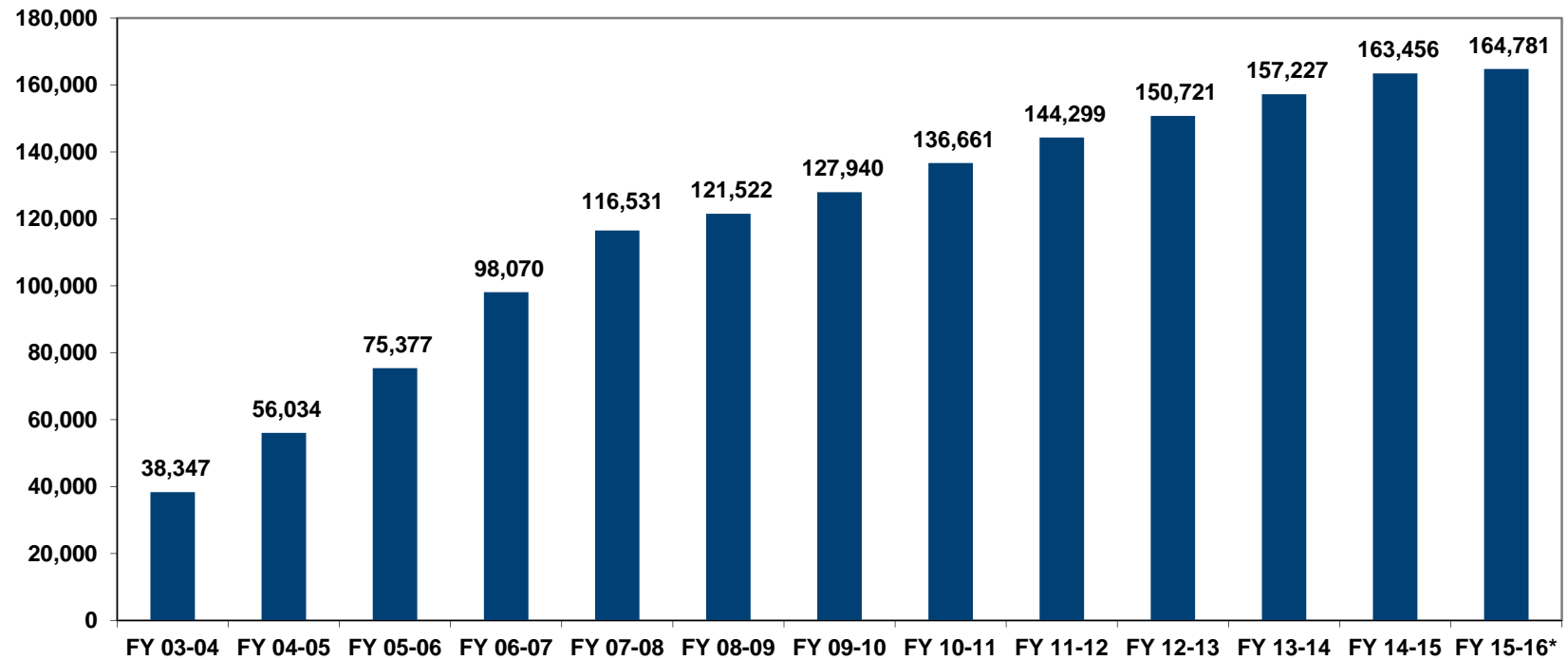
\*\*Source: AHIC's annual mutual fund expense analysis as of 12/31/2014.

## Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

## Investment Plan Membership



\*Period Ending 12/31/2015

Source: Investment Plan Administrator

## Florida Hurricane Catastrophe Fund Background

---

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- Both the CAT Fund (Operating Fund) and the CAT 2013 A Fund are internally managed portfolios benchmarked to a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.
- As of December 31, 2015, the total value of all FHCF accounts was \$14.7 billion.

## CAT Operating Fund Characteristics

### Period Ending 12/31/2015

Effective Maturity Schedule	
O/N* - 14 Days	21.1%
15 - 30 Days	11.1
31 - 60 Days	4.8
61 - 90 Days	2.0
91 - 120 Days	7.0
121 - 150 Days	1.3
151 - 180 Days	1.2
181 - 210 Days	2.9
211 - 240 Days	4.8
241 - 270 Days	5.1
271 - 300 Days	4.6
301 - 365 Days	5.0
366 - 732 Days	12.6
733 - 1,098 Days	16.5
1,099 - 1,875 Days	0.0
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
AAA	44.0%
AA	22.8
A	33.3
<b>Total % of Portfolio:</b>	<b>100.0%</b>

\*O/N stands for overnight.

## CAT 2013 A Fund Characteristics

### Period Ending 12/31/2015

Effective Maturity Schedule	
O/N* - 14 Days	12.6%
15 - 30 Days	1.5
31 - 60 Days	3.1
61 - 90 Days	4.7
91 - 120 Days	5.0
121 - 150 Days	3.8
151 - 180 Days	7.5
181 - 210 Days	6.1
211 - 240 Days	5.5
241 - 270 Days	2.5
271 - 300 Days	6.7
301 - 365 Days	8.8
366 - 732 Days	19.9
733 - 1,098 Days	12.4
1,099 - 1,875 Days	0.0
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
AAA	69.8%
AA	13.8
A	16.3
<b>Total % of Portfolio:</b>	<b>100.0%</b>

\*O/N stands for overnight.

## Florida PRIME Characteristics

### Quarter Ending 12/31/2015

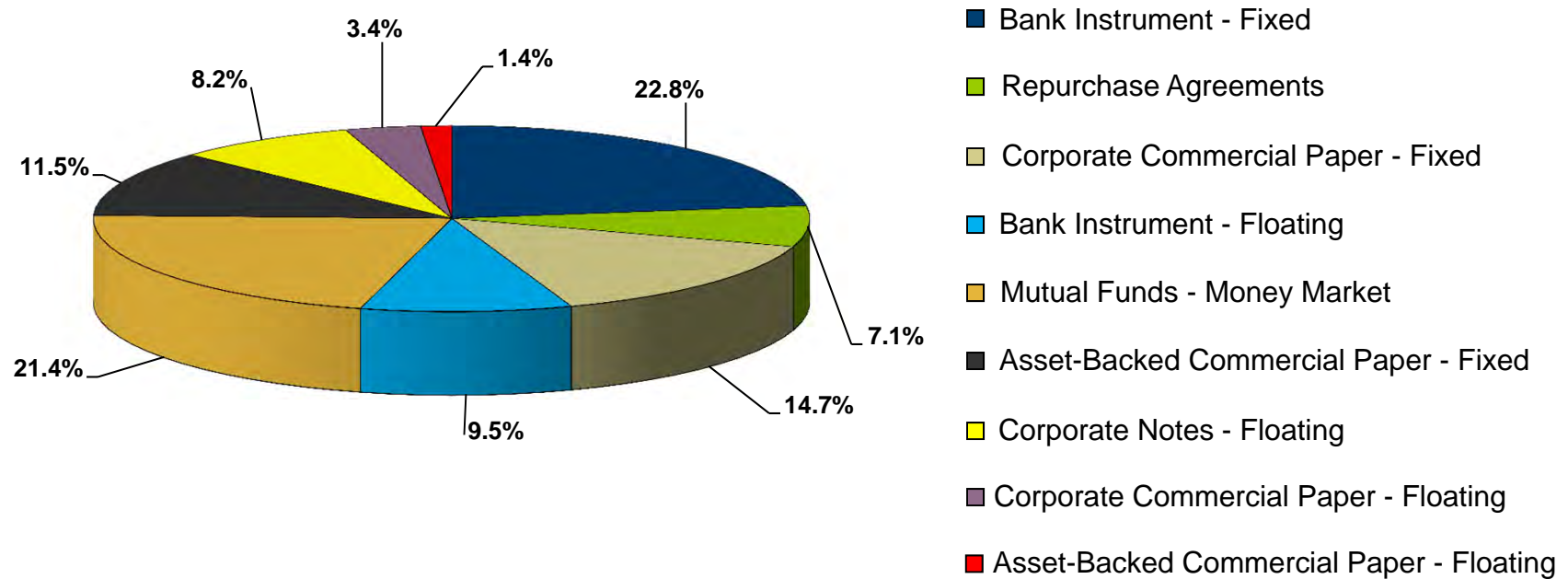
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Cash Flows as of 12/31/2015	Fourth Quarter	Fiscal YTD*
Opening Balance	\$6,185,653,928	\$7,003,224,923
Participant Deposits	\$7,332,761,374	\$9,862,126,415
Gross Earnings	\$5,496,894	\$9,863,724
Participant Withdrawals	(\$5,063,405,793)	(\$8,414,421,488)
Fees	(\$352,400)	(\$639,570)
Closing Balance (12/31/2015)	\$8,460,154,003	\$8,460,154,003
<b>Change</b>	<b>\$2,274,500,075</b>	<b>\$1,456,929,080</b>

\*Period July 2015 – December 2015

## Florida PRIME Characteristics Quarter Ending 12/31/2015

### Portfolio Composition



## Florida PRIME Characteristics

### Period Ending 12/31/2015

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Effective Maturity Schedule	
1-7 Days	37.7%
8-30 Days	23.2%
31-90 Days	31.2%
91-180 Days	7.4%
181+ Days	0.5%
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
A-1+	62.0%
A-1	38.0%
<b>Total % of Portfolio:</b>	<b>100.0%</b>



# State Board of Administration of Florida

## Major Mandate Review Fourth Quarter 2015

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2. Pension Plan Review
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7. Appendix

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## Executive Summary

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- The major mandates outperformed their respective benchmarks over all longer time periods through December 31, 2015.
- The Pension Plan underperformed its Performance Benchmark during the fourth quarter, while outperforming over the trailing one-, three-, five-, ten-, and fifteen-year time periods.
  - Global Equity has been a consistent source of value added over all trailing time periods. Fixed Income, Real Estate, Private Equity and Strategic Investments have also added value over the trailing three- and five-year periods.
- Over the trailing one-, three-, five-, and ten-year periods, the Pension Plan's return ranked in the top half of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan modestly outperformed the Total Plan Aggregate Benchmark during the fourth quarter and has outperformed over all long-term periods including the trailing one-, three-, five-, and ten-year periods.
- The Lawton Chiles Endowment Fund modestly trailed its benchmark during the fourth quarter and outperformed its benchmark over the one-, three-, five-, and ten-year periods, primarily due to strong global equity performance.
- The CAT Funds and Florida PRIME continued to outperform their respective benchmarks over both short and long time periods.

## Pension Plan: Executive Summary

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- The Pension Plan assets totaled \$142.0 billion as of December 31, 2015 which represents a \$2.8 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, underperformed during the fourth quarter and outperformed over the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the one-, ten-, and fifteen-year periods, but has outperformed over the trailing three-, five-, twenty-, 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 12/31/2015

Summary of Cash Flows		
	Fourth Quarter	Fiscal YTD*
<b>Beginning Market Value</b>	\$139,231,171,944	\$147,972,946,329
<b>+/- Net Contributions/(Withdrawals)</b>	(\$1,526,787,132)	(\$3,502,643,087)
<b>Investment Earnings</b>	(\$4,318,567,652)	(\$2,447,350,778)
<b>= Ending Market Value</b>	\$142,022,952,464	\$142,022,952,464
<b>Net Change</b>	\$2,791,780,521	(\$5,949,993,865)

\*Period July 2015 – December 2015

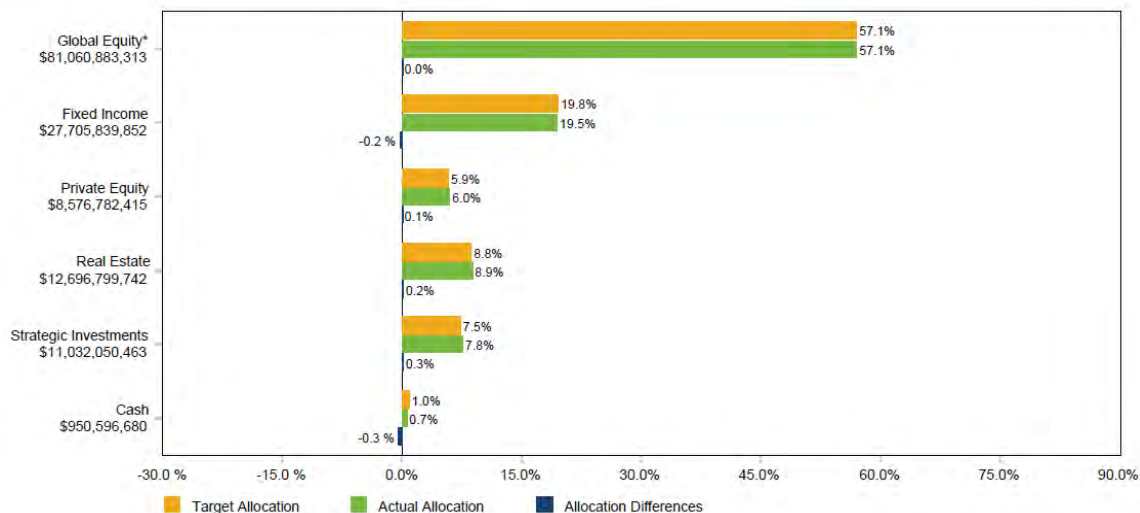
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## Asset Allocation as of 12/31/2015 Total Fund Assets = \$142.0 Billion

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	142,022,952,464	100.0	100.0		
Global Equity*	81,060,883,313	57.1	57.1	45.0	70.0
Fixed Income	27,705,839,852	19.5	19.8	10.0	26.0
Private Equity	8,576,782,415	6.0	5.9	2.0	9.0
Real Estate	12,696,799,742	8.9	8.8	4.0	16.0
Strategic Investments	11,032,050,463	7.8	7.5	0.0	16.0
Cash	950,596,680	0.7	1.0	0.3	5.0



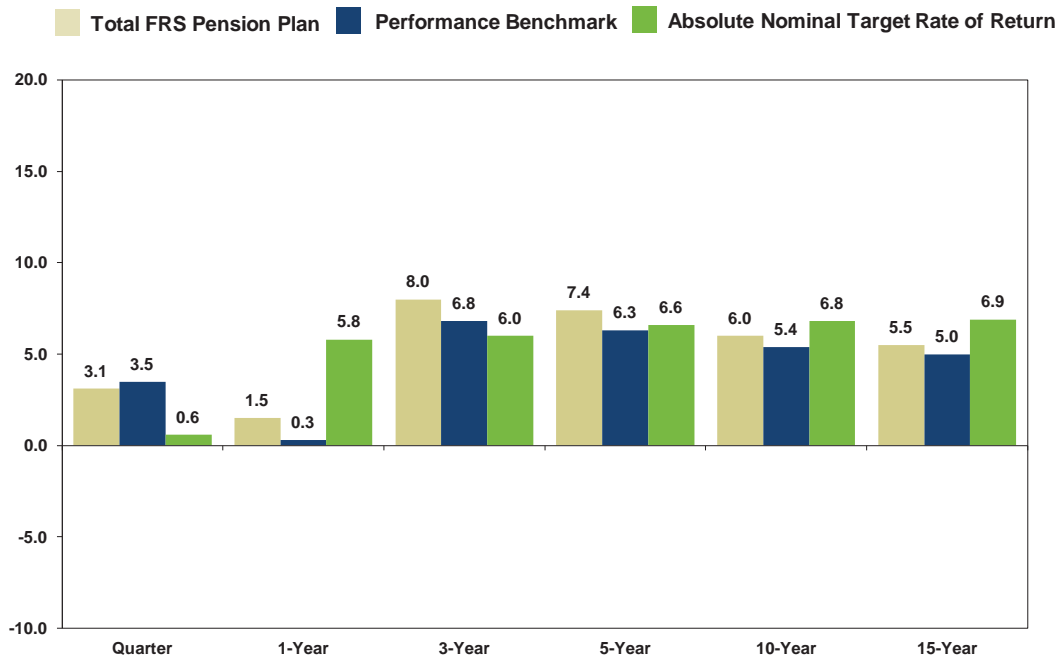
\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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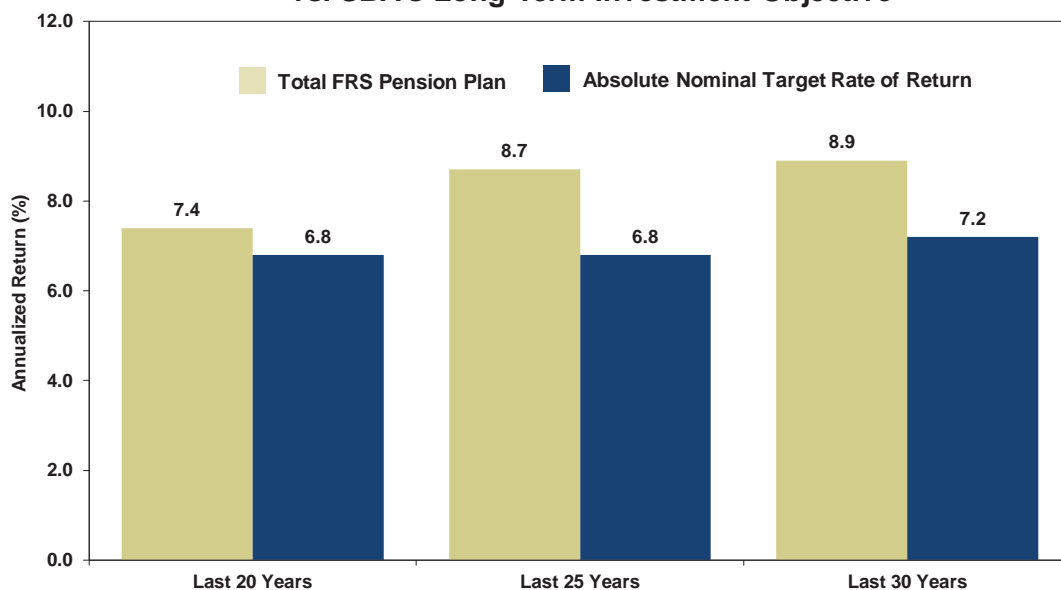


## FRS Pension Plan Investment Results Periods Ending 12/31/2015



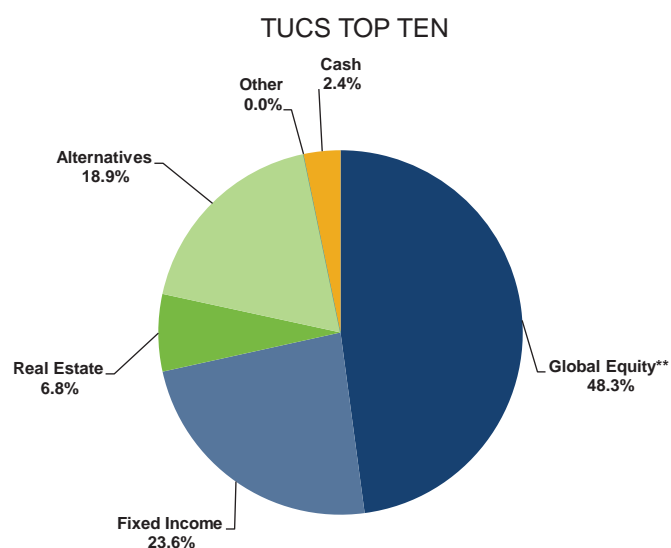
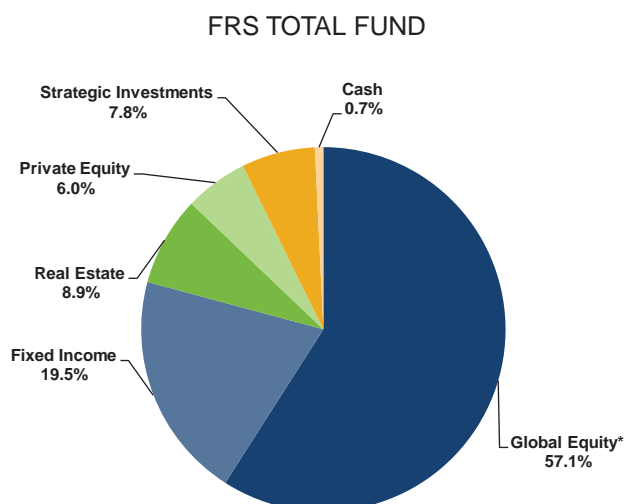
## FRS Pension Plan Investment Results Periods Ending 12/31/2015

### Long-Term FRS Pension Plan Performance Results vs. SBA's Long-Term Investment Objective



## Comparison of Asset Allocation (TUCS Top Ten) As of 12/31/2015

### FRS Pension Plan vs. Top Ten Defined Benefit Plans



\*Global Equity Allocation: 27.2% Domestic Equities; 24.2% Foreign Equities; 5.0% Global Equities; 0.7% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

\*\*Global Equity Allocation: 30.5% Domestic Equities; 17.8% Foreign Equities.

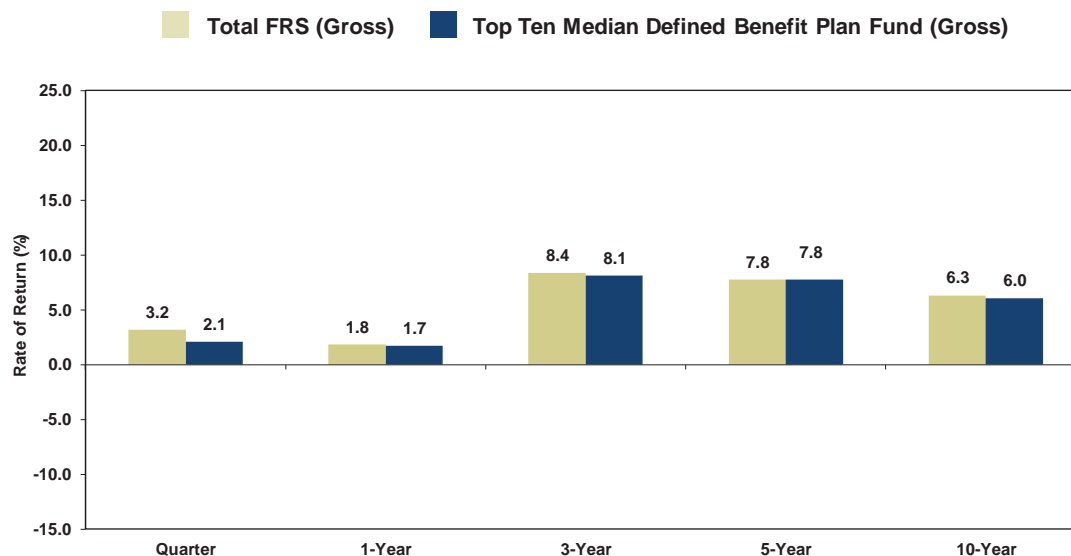
Note: The TUCS Top Ten Universe includes \$1,292.1 billion in total assets. The median fund size was \$126.6 billion and the average fund size was \$129.2 billion.

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## FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 12/31/2015



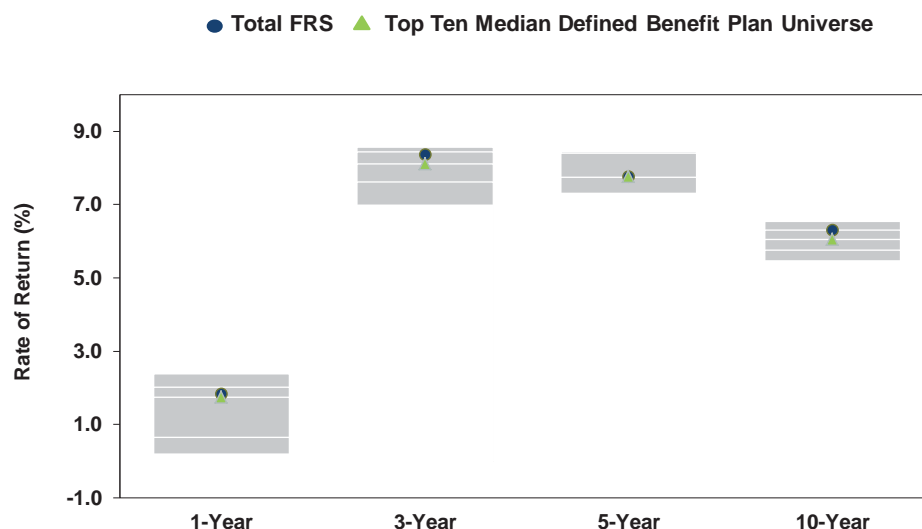
Note: The TUCS Top Ten Universe includes \$1,292.1 billion in total assets. The median fund size was \$126.6 billion and the average fund size was \$129.2 billion.

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## Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 12/31/2015



FRS Percentile Ranking	37	37	50	25
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Note: The TUCS Top Ten Universe includes \$1,292.1 billion in total assets. The median fund size was \$126.6 billion and the average fund size was \$129.2 billion.

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## Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2014 data.
- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

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## Total Investment Plan Returns & Cost

### Periods Ending 12/31/2015\*

	One-Year	Three-Year	Five-Year	Ten-Year
<b>FRS Investment Plan</b>	<b>-0.9%</b>	<b>6.2%</b>	<b>5.9%</b>	<b>5.0%</b>
<i>Total Plan Aggregate Benchmark**</i>	-1.3	5.9	5.6	4.6
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.4	0.3	0.3	0.4

### Periods Ending 12/31/2014\*\*\*

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
<b>FRS Investment Plan</b>	<b>8.0%</b>	<b>0.1%</b>	<b>0.37%*****</b>
<i>Peer Group</i>	9.3	0.0	0.28
FRS Investment Plan vs. Peer Group	-1.3	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: 2014 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 2014 Survey that included 138 U.S. defined contribution plans with assets ranging from \$60 million to \$47.6 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 18 DC plans including corporate and public plans with assets between \$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.

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## CAT Fund: Executive Summary

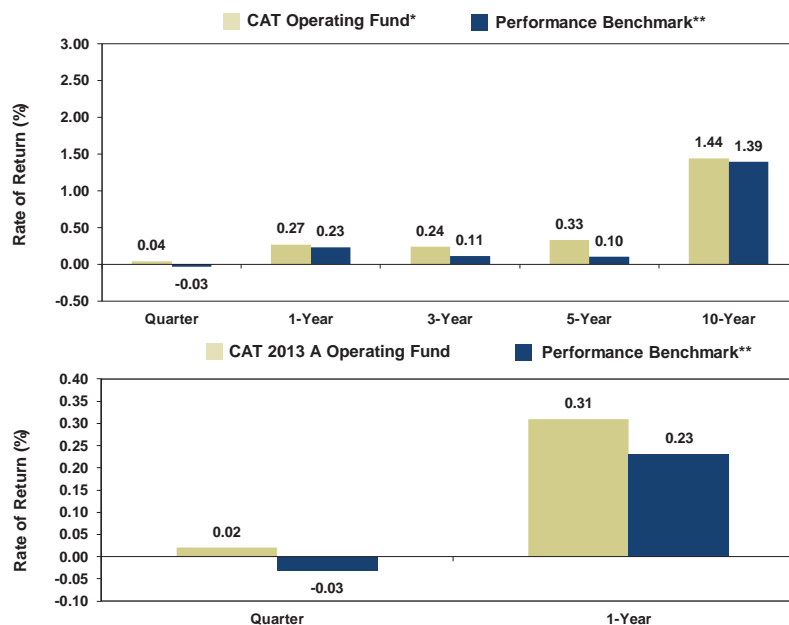
- Performance of the CAT Funds on both an absolute and relative basis has been strong over short- and long-term time periods.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

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## CAT Funds Investment Results Periods Ending 12/31/2015



\*CAT Operating Fund: Beginning March 2008, the returns for the CAT Fund reflect marked-to-market returns. Prior to that time, cost-based returns are used.

\*\*Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

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## Lawton Chiles Endowment Fund: Executive Summary

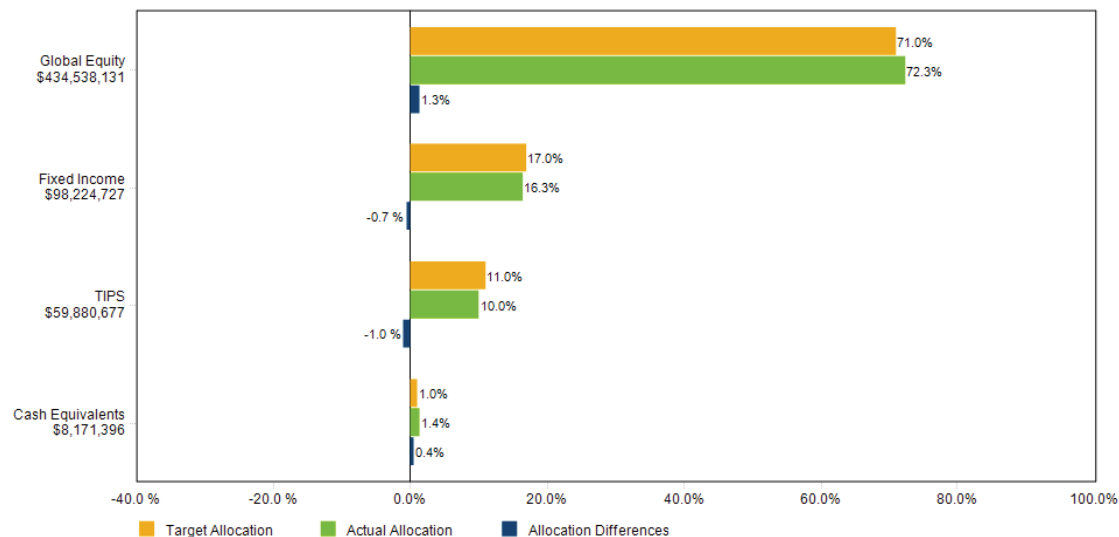
- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
  - The investment objective is to preserve the real value of the net contributed principal and provide 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 \$600.8 million as of December 31, 2015.
- The Endowment's return slightly underperformed its Target during the fourth quarter, while outperforming its Target over the trailing one-, three-, five-, and ten-year time periods.



## Asset Allocation as of 12/31/2015

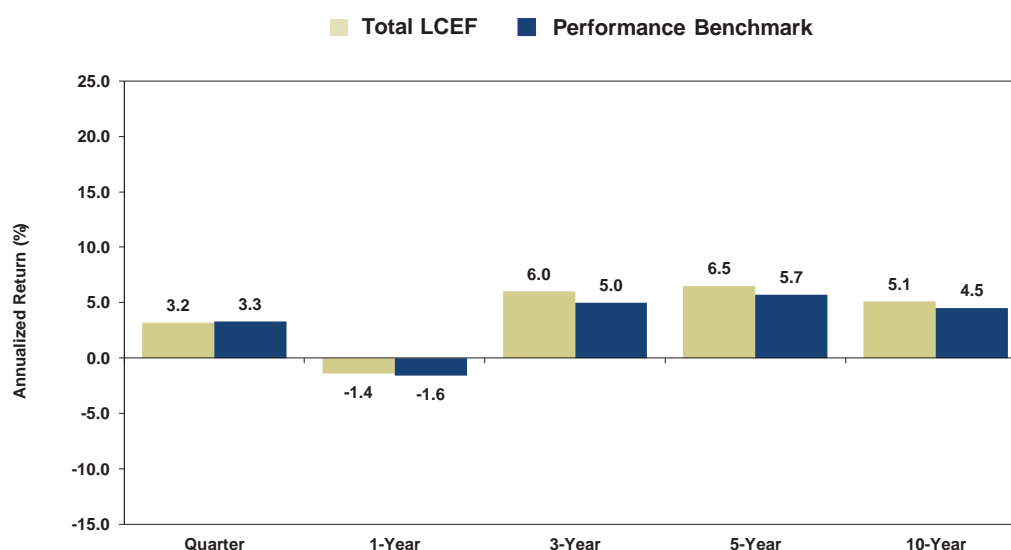
### Total LCEF Assets = \$600.8 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	600,814,931	100.0	100.0		
Global Equity	434,538,131	72.3	71.0	61.0	81.0
Fixed Income	98,224,727	16.3	17.0	12.0	22.0
TIPS	59,880,677	10.0	11.0	6.0	16.0
Cash Equivalents	8,171,396	1.4	1.0	0.0	10.0



## LCEF Investment Results

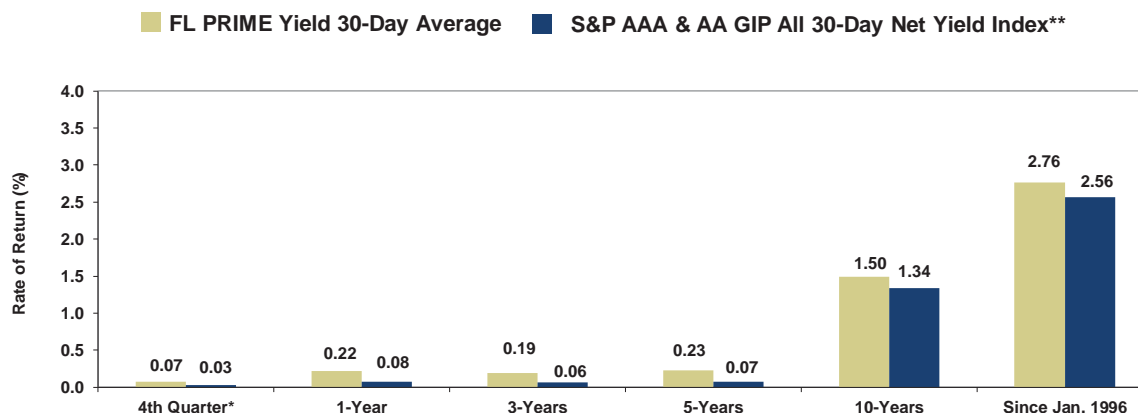
### Periods Ending 12/31/2015



## 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 December 31, 2015, the total market value of Florida PRIME was \$8.5 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.

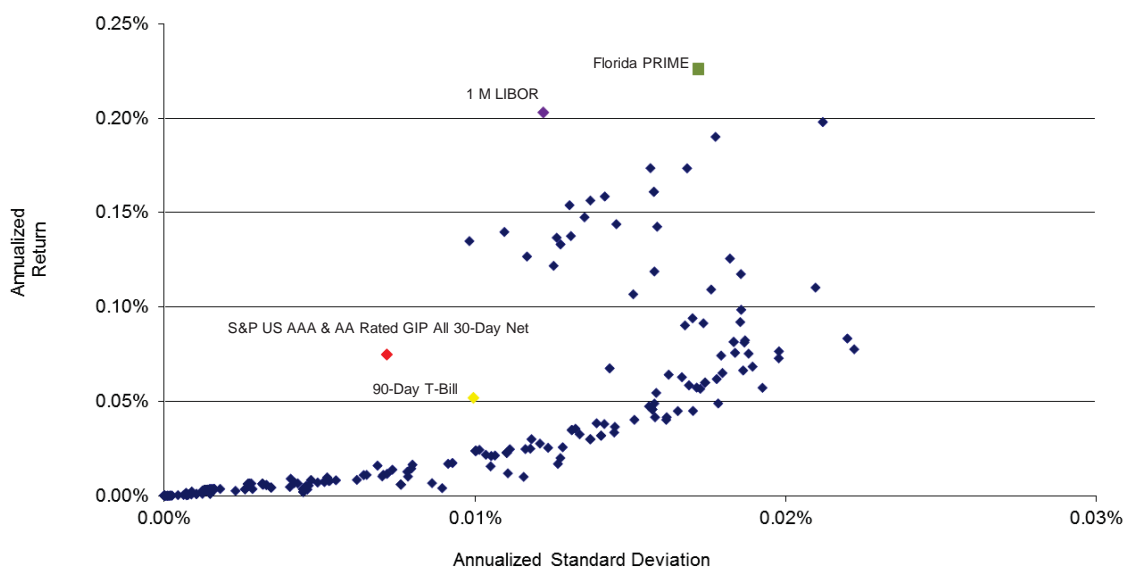
## Florida PRIME Investment Results Periods Ending 12/31/2015



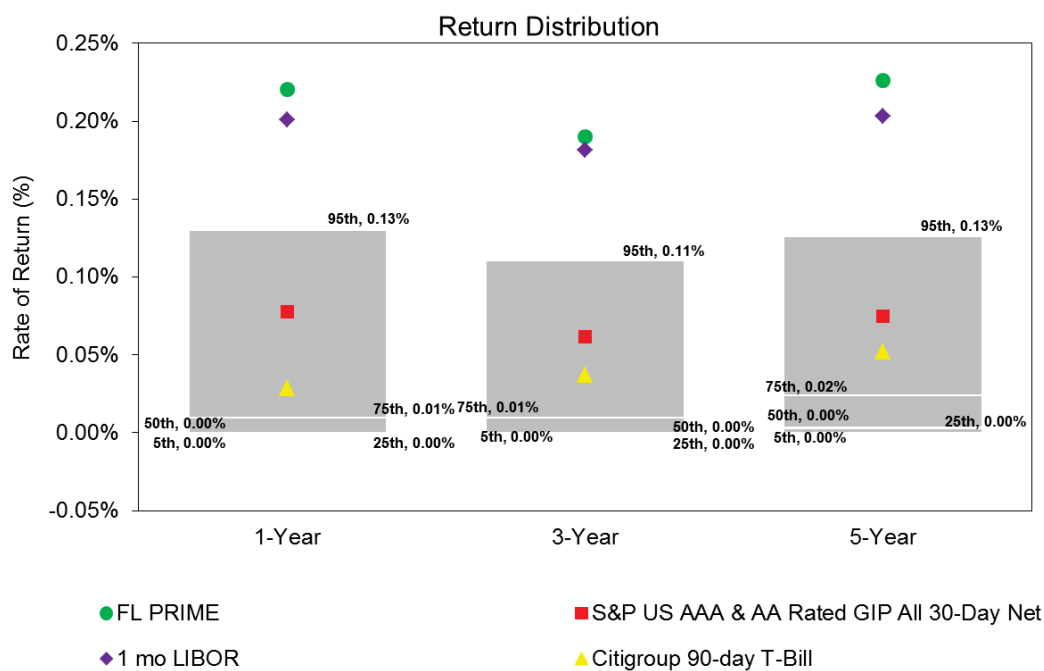
\*Returns less than one year are not annualized.

\*\*S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

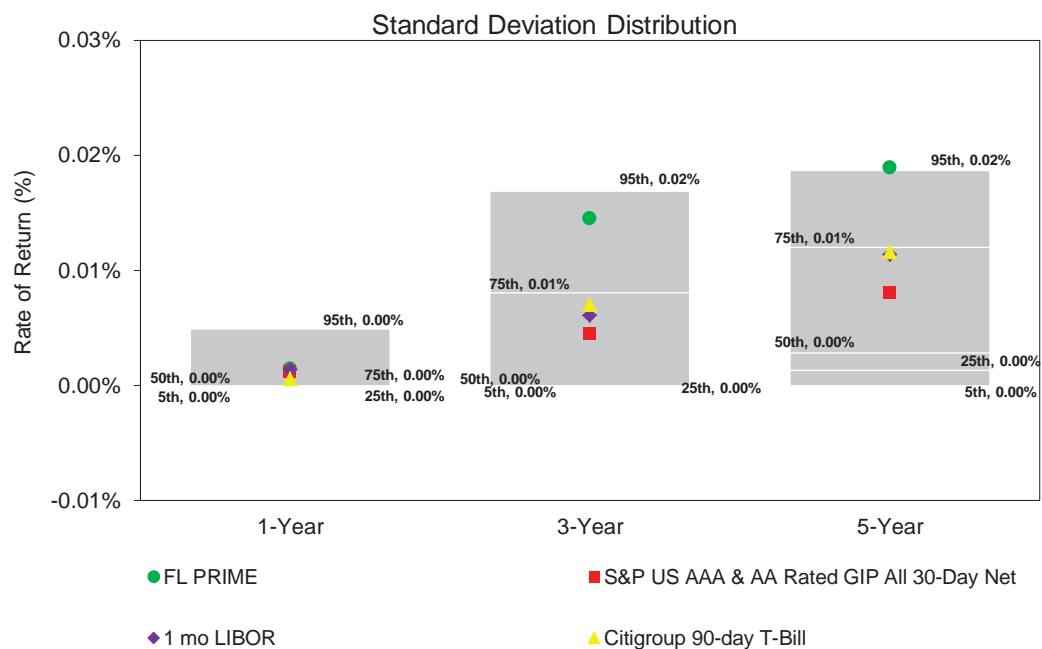
## Florida PRIME Risk vs. Return 5 Years Ending 12/31/2015



## Return Distribution Periods Ending 12/31/2015



## Standard Deviation Distribution Periods Ending 12/31/2015



## Appendix

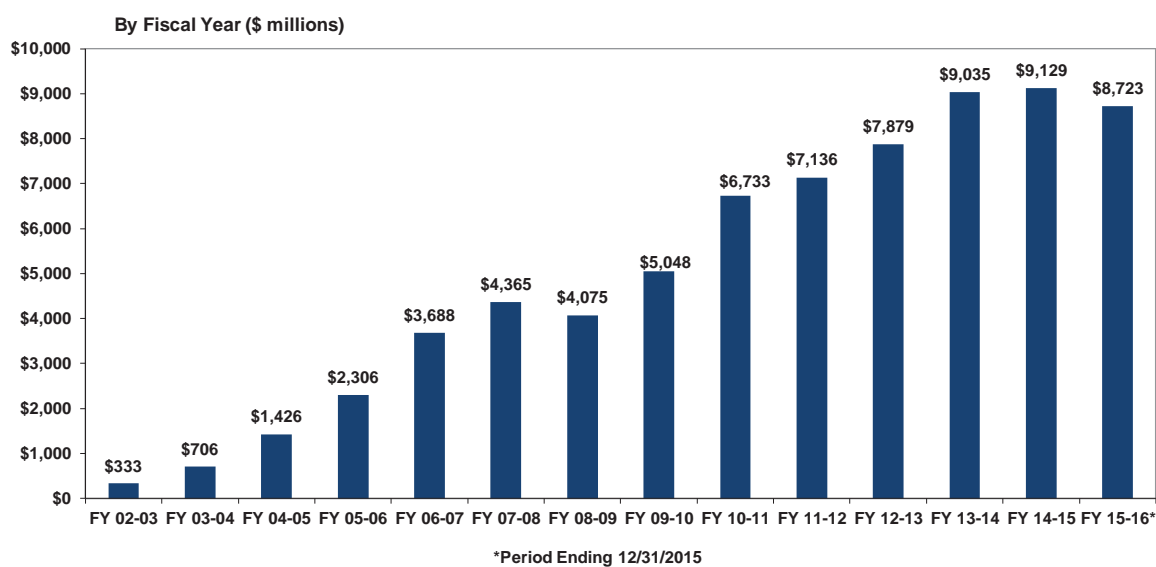
## FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.20%	0.86%
Small-Mid Cap Equity	0.63%	1.07%
International Equity	0.33%	1.04%
Diversified Bonds	0.16%	0.64%
Target Date	0.11%	0.65%
Money Market	0.06%	0.12%

\*Average fee of multiple products in category as of 12/31/2015.

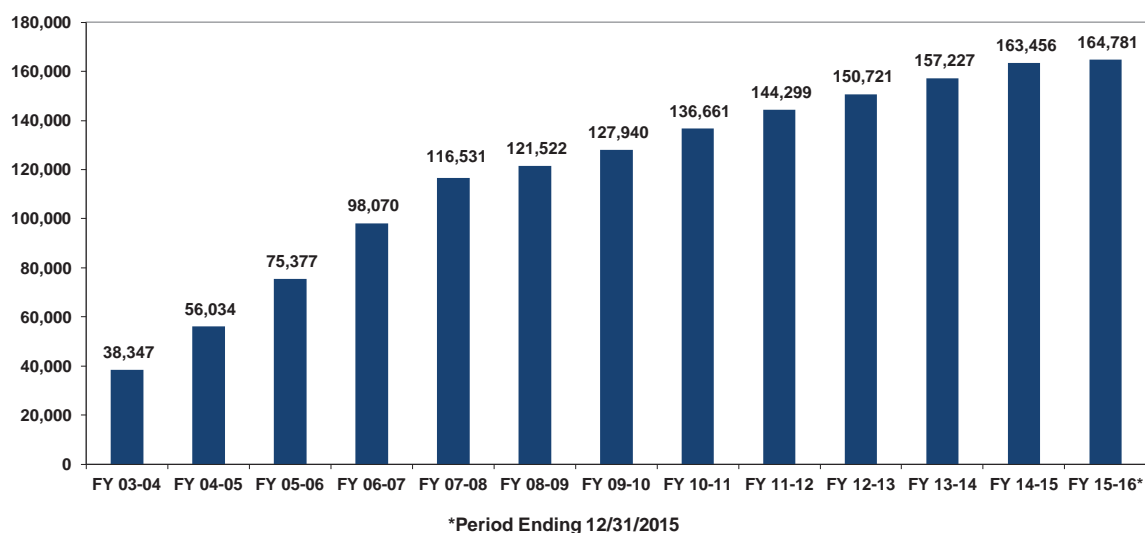
\*\*Source: AHIC's annual mutual fund expense analysis as of 12/31/2014.

## Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

## Investment Plan Membership



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 December 31, 2015, the total value of all FHCF accounts was \$14.7 billion.

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## CAT Operating Fund Characteristics Period Ending 12/31/2015

Effective Maturity Schedule	
O/N* - 14 Days	21.1%
15 - 30 Days	11.1
31 - 60 Days	4.8
61 - 90 Days	2.0
91 - 120 Days	7.0
121 - 150 Days	1.3
151 - 180 Days	1.2
181 - 210 Days	2.9
211 - 240 Days	4.8
241 - 270 Days	5.1
271 - 300 Days	4.6
301 - 365 Days	5.0
366 - 732 Days	12.6
733 - 1,098 Days	16.5
1,099 - 1,875 Days	0.0
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
AAA	44.0%
AA	22.8
A	33.3
<b>Total % of Portfolio:</b>	<b>100.0%</b>

\*O/N stands for overnight.

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## CAT 2013 A Fund Characteristics Period Ending 12/31/2015

Effective Maturity Schedule	
O/N* - 14 Days	12.6%
15 - 30 Days	1.5
31 - 60 Days	3.1
61 - 90 Days	4.7
91 - 120 Days	5.0
121 - 150 Days	3.8
151 - 180 Days	7.5
181 - 210 Days	6.1
211 - 240 Days	5.5
241 - 270 Days	2.5
271 - 300 Days	6.7
301 - 365 Days	8.8
366 - 732 Days	19.9
733 - 1,098 Days	12.4
1,099 - 1,875 Days	0.0
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
AAA	69.8%
AA	13.8
A	16.3
<b>Total % of Portfolio:</b>	<b>100.0%</b>

\*O/N stands for overnight.

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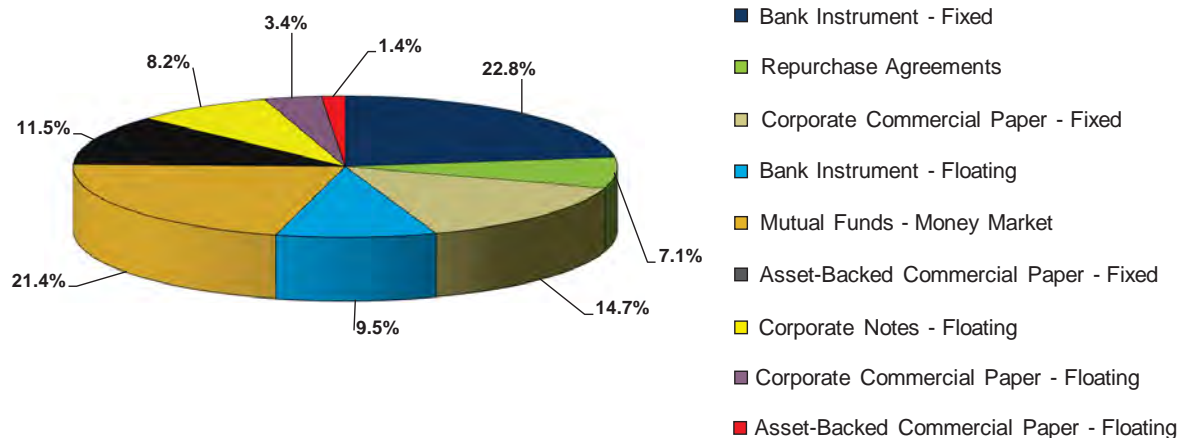
## Florida PRIME Characteristics Quarter Ending 12/31/2015

Cash Flows as of 12/31/2015	Fourth Quarter	Fiscal YTD*
Opening Balance	\$6,185,653,928	\$7,003,224,923
Participant Deposits	\$7,332,761,374	\$9,862,126,415
Gross Earnings	\$5,496,894	\$9,863,724
Participant Withdrawals	(\$5,063,405,793)	(\$8,414,421,488)
Fees	(\$352,400)	(\$639,570)
Closing Balance (12/31/2015)	\$8,460,154,003	\$8,460,154,003
<b>Change</b>	<b>\$2,274,500,075</b>	<b>\$1,456,929,080</b>

\*Period July 2015 – December 2015

## Florida PRIME Characteristics Quarter Ending 12/31/2015

### Portfolio Composition



## Florida PRIME Characteristics

### Period Ending 12/31/2015

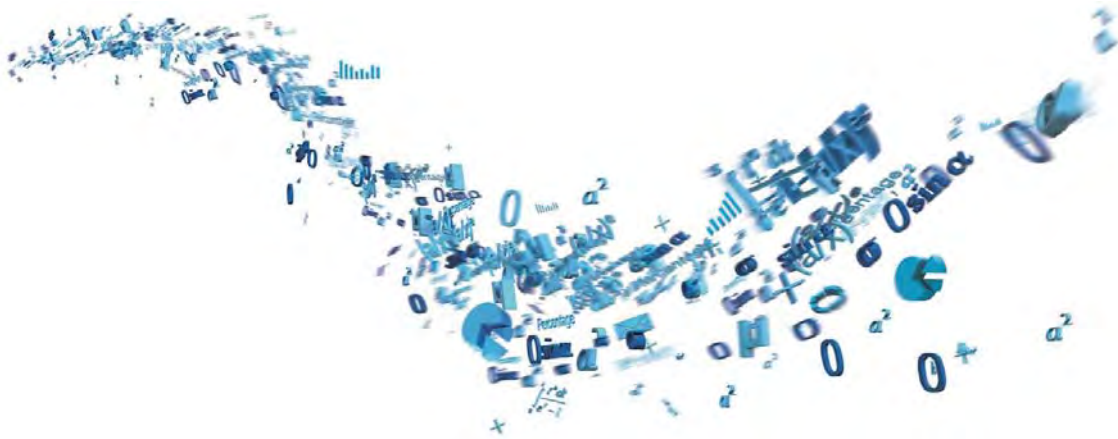
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Effective Maturity Schedule	
1-7 Days	37.7%
8-30 Days	23.2%
31-90 Days	31.2%
91-180 Days	7.4%
181+ Days	0.5%
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
A-1+	62.0%
A-1	38.0%
<b>Total % of Portfolio:</b>	<b>100.0%</b>

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FRS Pension Plan | Fourth Quarter 2015

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## Quarterly Investment Review

Visit the Aon Hewitt Retirement and Investment Blog (<http://retirementandinvestmentblog.aon.com>); sharing our best thinking.



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## Market Environment

## Market Highlights

Returns of the Major Capital Markets					
	Periods Ending 12/31/2015				
	Fourth Quarter	1-Year	3-Year <sup>1</sup>	5-Year <sup>1</sup>	10-Year <sup>1</sup>
<b>Equity</b>					
MSCI All Country World IMI	4.91%	-2.19%	7.86%	6.11%	4.99%
MSCI All Country World	5.03%	-2.36%	7.69%	6.09%	4.76%
Dow Jones U.S. Total Stock Market	6.27%	0.44%	14.67%	12.14%	7.48%
Russell 3000	6.27%	0.48%	14.74%	12.18%	7.35%
S&P 500	7.04%	1.38%	15.13%	12.57%	7.31%
Russell 2000	3.59%	-4.41%	11.65%	9.19%	6.80%
MSCI All Country World ex-U.S. IMI	3.52%	-4.60%	2.02%	1.27%	3.18%
MSCI All Country World ex-U.S.	3.24%	-5.66%	1.50%	1.06%	2.92%
MSCI EAFE	4.71%	-0.81%	5.01%	3.60%	3.03%
MSCI EAFE (Local Currency)	6.34%	5.33%	12.30%	7.85%	3.23%
MSCI Emerging Markets	0.66%	-14.92%	-6.76%	-4.81%	3.61%
<b>Fixed Income</b>					
Barclays Global Aggregate	-0.93%	-3.17%	-1.74%	0.89%	3.74%
Barclays Aggregate	-0.56%	0.57%	1.45%	3.26%	4.52%
Barclays Long Gov't	-1.38%	-1.16%	2.55%	7.65%	6.67%
Barclays Long Credit	-0.66%	-4.57%	1.22%	6.49%	6.20%
Barclays Long Gov't/Credit	-0.94%	-3.31%	1.70%	6.98%	6.45%
Barclays US TIPS	-0.64%	-1.42%	-2.26%	2.56%	3.93%
Barclays High Yield	-2.06%	-4.46%	1.70%	5.04%	6.96%
Citi Group Non-U.S. WGBI	-1.38%	-5.54%	-4.27%	-1.30%	3.05%
JP Morgan EMBI Global (Emerging Markets)	1.55%	1.23%	-0.07%	5.11%	6.72%
<b>Commodities</b>					
Bloomberg Commodity Index	-10.52%	-24.66%	-17.29%	-13.47%	-6.43%
Goldman Sachs Commodity Index	-16.63%	-32.86%	-23.71%	-15.18%	-10.56%
<b>Hedge Funds</b>					
HFR1 Fund-Weighted Composite <sup>2</sup>	0.99%	-0.85%	3.67%	2.35%	4.09%
HFR1 Fund of Funds <sup>2</sup>	0.63%	-0.36%	3.91%	2.08%	2.26%
<b>Real Estate</b>					
NAREIT U.S. Equity REITS	7.26%	3.20%	11.23%	11.96%	7.41%
NCREIF NFI - ODCE <sup>3</sup>	3.34%	15.01%	13.81%	13.66%	6.53%
<b>Private Equity</b>					
Burgiss Private IQ Global Private Equity <sup>4</sup>	4.03%	7.92%	14.24%	14.14%	12.20%
<b>Infrastructure</b>					
Macquarie Global Infrastructure - North America	-3.26%	-15.58%	5.72%	8.35%	6.81%

MSCI Indices show net returns.

All other indices show total returns.

<sup>1</sup> Periods are annualized.

<sup>2</sup> Latest 5 months of HFR data are estimated by HFR and may change in the future.

<sup>3</sup> Fourth quarter results are preliminary.

<sup>4</sup> Source: Burgiss Private IQ. Benchmark is as of 06/30/2015.

## Market Highlights

### SHORT TERM RETURNS AS OF 12/31/2015



### LONG TERM ANNUALIZED RETURNS AS OF 12/31/2015

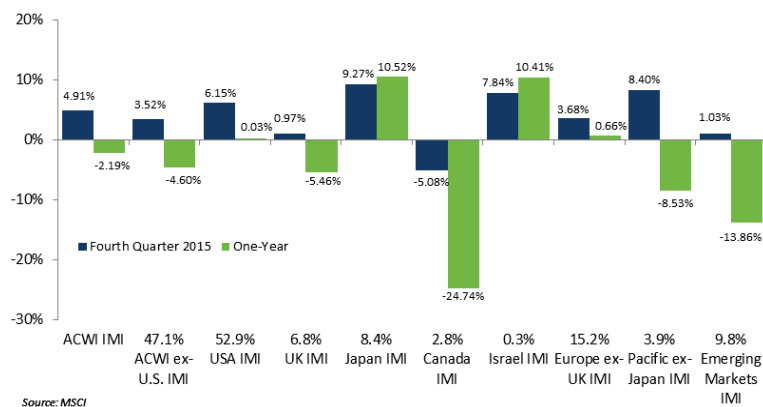


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## Global Equity Markets

### GLOBAL MSCI IMI INDEX RETURNS AS OF 12/31/2015



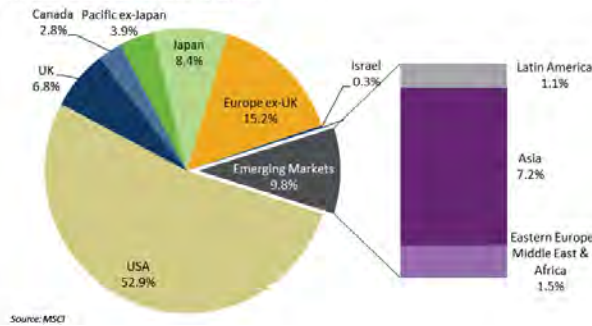
- Global equity markets returned 4.91% during the fourth quarter of 2015 after a poor performance in third quarter. Markets were supported by the Eurozone economic data generally surprising on the upside and the US Federal Reserve's vote on the confidence of the economy by raising the interest rate. However, Chinese growth concerns remain.
- Equity markets rose across the globe with the exception of Canada. Canadian equities fell driven by falling energy and commodity prices. Canadian dollar weakness also pushed down the returns in US dollar terms.
- Japan was the best performer with a return of 9.27% helped by an agreement being reached over the Trans-Pacific Partnership and generally better than expected economic data.

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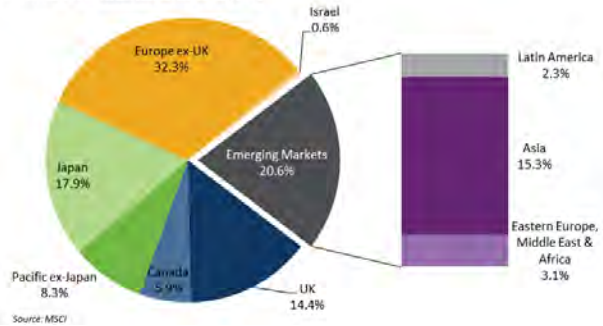
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## Global Equity Markets

MSCI ALL COUNTRY WORLD IMI INDEX  
GEOGRAPHIC ALLOCATION AS OF 12/31/2015



MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX  
GEOGRAPHIC ALLOCATION AS OF 12/31/2015



- 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.



## U.S. Equity Markets

RUSSELL STYLE RETURNS  
AS OF 12/31/2015



RUSSELL RGS SECTOR RETURNS  
AS OF 12/31/2015



- The Russell 3000 Index returned 6.27% during the fourth quarter and returned 0.48% over the one-year period.
- During the fourth quarter, Healthcare was the strongest performer, posting returns of 8.51%. The energy and utilities sectors were the weakest performers, producing returns of -0.93% and 4.06% respectively.
- Performance across the market capitalization spectrum was positive over the quarter. Large cap stocks outperformed the smaller segments of the markets and growth outperformed value across the capitalizations.



## U.S. Fixed Income Markets

BARCLAYS AGGREGATE RETURNS BY SECTOR  
AS OF 12/31/2015



- The Barclays Aggregate Bond Index returned -0.57% in the fourth quarter. MBS bonds were the strongest performing index segment, falling the least by -0.10%.
- Investment grade corporate bonds outperformed High yield bonds.
- Shorter duration bonds outperformed longer duration bonds.

BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS  
AS OF 12/31/2015



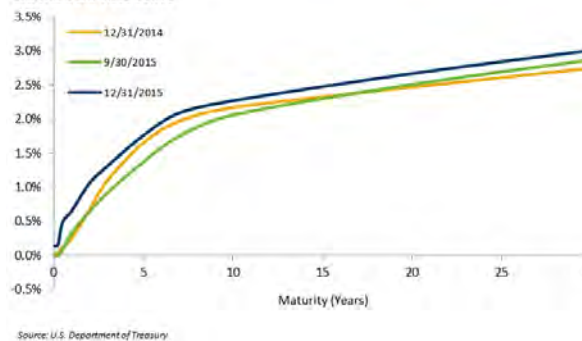
BARCLAYS AGGREGATE RETURNS BY MATURITY  
AS OF 12/31/2015



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## U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



U.S. 10-YEAR TREASURY AND TIPS YIELDS



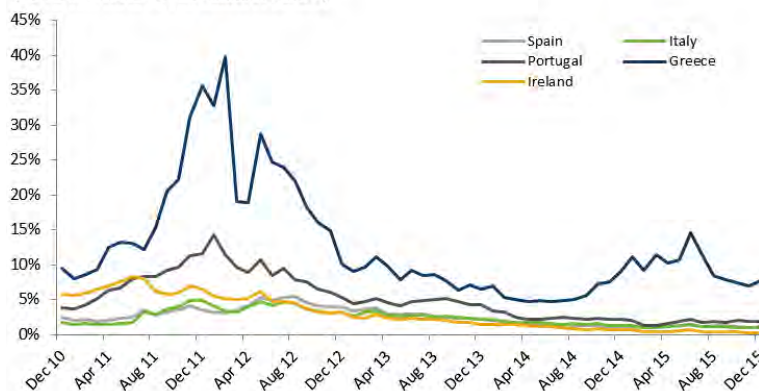
- The Treasury yield curve shifted upwards during the fourth quarter, as yields rose across all the maturities.
- The 10-year U.S. Treasury yield ended the quarter at 2.27%, 21 basis points higher than its level at the beginning of the quarter.
- The 10-year TIPS yield rose by 8 basis points over the quarter and ended the period at 0.73%.



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## European Fixed Income Markets

**EUROZONE PERIPHERAL BOND SPREADS  
(10-YEAR SPREADS OVER GERMAN BUNDS)**



- In the Eurozone, bond spreads tightened during the fourth quarter of 2015 as the core bond yields rose and the peripheral bonds except Portuguese yields fell. Portuguese government bond yields were pushed up in the beginning of the quarter driven by political uncertainty before reversing its course later.
- European government bond yields rose across towards the end of the quarter as additional monetary stimulus from the European Central Bank (ECB) fell short of market expectations and the US Federal Reserve hiked the interest rates.

## Credit Spreads

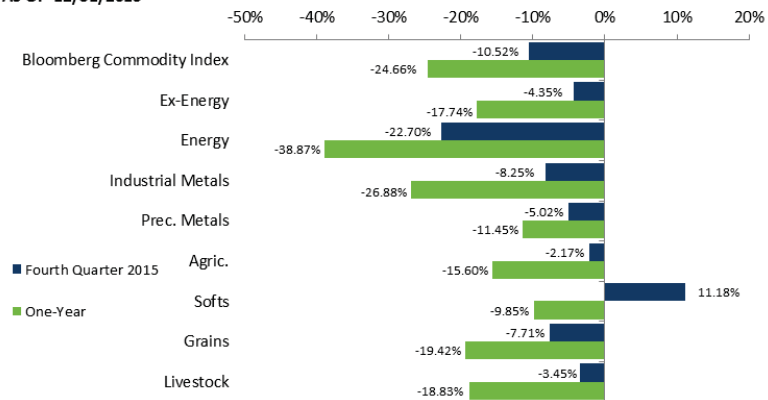
Spread (bps)	12/31/2015	9/30/2015	12/31/2014	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	56	59	48	-3	8
Long Gov't	4	4	4	0	0
Long Credit	225	230	185	-5	40
Long Gov't/Credit	138	143	119	-5	19
MBS	24	31	27	-7	-3
CMBS	121	108	98	13	23
ABS	72	69	58	3	14
Corporate	165	169	131	-4	34
High Yield	660	630	483	30	177
Global Emerging Markets	389	418	365	-29	24

Source: Barclays Live

- During the fourth quarter, credit spreads were mixed across all areas of the bond market.
- High yield spreads (+30 basis points) rose by the most over the quarter, followed by CMBS spreads (+13 basis points).

## Commodities

COMMODITY RETURNS  
AS OF 12/31/2015

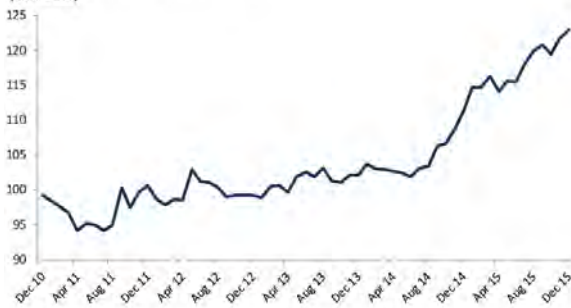


Source: Dow Jones-UBS

- The Bloomberg Commodity Index fell during the fourth quarter returning -10.52%.
- Over the quarter, the best performing and the only segment which generated positive returns was Softs with a return of 11.18%.
- Energy was the worst performing sector of the market during the quarter with a return of -22.70%.

## Currency

TRADE WEIGHTED U.S. DOLLAR INDEX  
(1997 = 100)



Source: Federal Reserve

U.S. DOLLAR RELATIVE TO EUR, GBP AND JPY  
REBASED TO 100 AT 9/30/2010

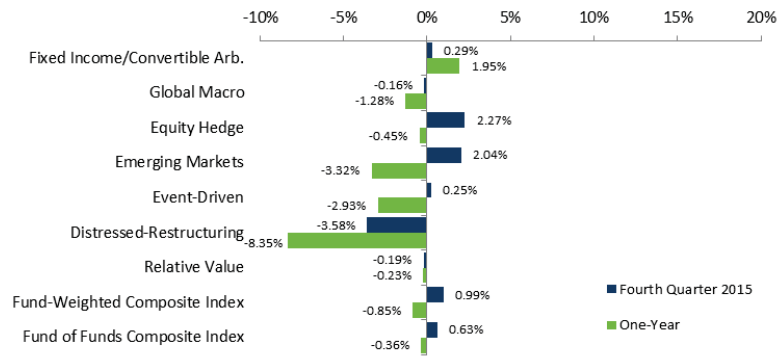


Source: DataStream

- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar strengthened during the quarter.
- The U.S. dollar appreciated against all the major currencies owing to the monetary policy divergence between the US and the other developed markets.

## Hedge Fund

### HEDGE FUND PERFORMANCE AS OF 12/31/2015



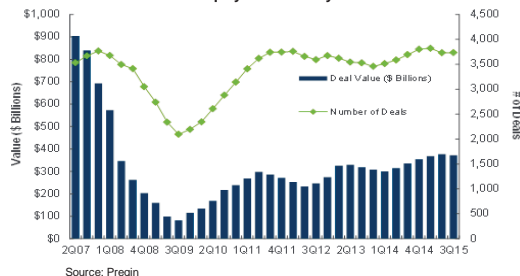
Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.  
Source: HFR

- Hedge fund performance was mixed over the quarter.
- The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 0.99% and 0.63%, respectively, during the quarter.
- Distressed-Restructuring strategy was the weakest performer, with a return of -3.58% in the fourth quarter.



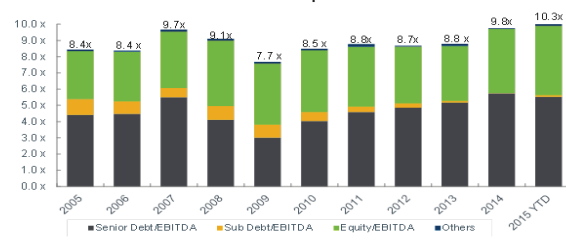
## Private Equity Market Overview – Third Quarter 2015

### LTM Global Private Equity-Backed Buyout Deal Volume



Source: Preqin

### Purchase Price Multiples



Source: S&P

- Fundraising:** \$108.2 billion was raised in the third quarter by 178 funds, up 19.2% over the five year quarterly average. Fundraising increased from both the prior quarter and the same period last year, which saw \$103.8 billion raised by 288 managers and \$85.9 billion raised by 238 managers, respectively. Dry powder reached a new peak of \$1.1 trillion, representing a 3.7% increase from 2Q 2015's value and was 25.5% higher than the five year average <sup>1</sup>.
- Buyout:** Global private equity-backed buyout deals totaled \$83.9 billion in the third quarter, which was down 11.7% over the prior quarter, but up 8.0% compared to the five year quarterly average. 3,734 deals were completed on a LTM basis as of 3Q 2015, flat with 2Q 2015. YTD average purchase price multiples for total, large cap, and middle market transactions were above record levels when compared to FY marks. 3Q purchase price multiples for total and mid cap transactions reached or exceeded the quarterly highs of 11.2x observed in 3Q 2014 <sup>3</sup>. The average purchase price multiple across all European transaction sizes remained flat with the prior quarter at 9.2x. Transaction sizes of €1.0 billion or more stood at 11.1x, which was down from 11.5x in 2Q 2015, but was well above the 9.3x average purchase price multiple observed during the same period last year <sup>3</sup>. Globally, LTM total exit value totaled \$447.3 billion in 3Q 2015 on 1,746 deals, falling 4.8% short of 1Q 2015's record level <sup>1</sup>.
- Venture:** 3Q 2015 deployment decreased 5.5% quarter over quarter to \$16.3 billion, but remains well above the five year quarterly average of \$9.0 billion. YTD capital invested through 3Q represented 92.9% of 2014's full year total and was greater than the full year totals observed in 17 of the last 20 years <sup>7</sup>. The IPO market slowed during the third quarter, with just 13 venture-backed IPOs compared to 29 in 2Q 2015. The number of M&A transactions totaled 90 deals, up 21.6% quarter over quarter <sup>8</sup>.
- Mezzanine:** During 3Q 2015, eight funds closed on \$4.3 billion in capital, which was up compared to the prior quarter and five year quarterly average levels of \$1.9 billion and \$3.6 billion, respectively. Estimated dry powder was \$45.3 billion at the end of 3Q, down 1.3% over 2Q 2015 <sup>1</sup>. Fundraising has remained limited due to competition from private lending platforms and business development companies (BDCs) in the middle market focused on unitranche debt and second lien lending. However, we have seen a small increase in the use of traditional senior debt and mezzanine structures as rising purchase price multiples have made this type of financing more enticing to private equity sponsors. As a result, we expect to see a slight increase in the number of mezzanine funds coming to market in 2016.
- Distressed Debt:** The LTM U.S. high-yield default rate was 2.9% in the third quarter compared to 3.7% in 2Q 2015 <sup>6</sup>. Default rates are expected to rise due to ongoing developments in the energy and mining/minerals sectors. These sectors accounted for 90% of defaults in 3Q 2015 and are at their highest default rate levels since 1999 <sup>6</sup>. Distressed debt and bankruptcy restructuring activity decreased substantially compared to the same period last year on both a number of deals and deal value basis <sup>5</sup>.
- Secondaries:** Fundraising slowed considerably in the third quarter with capital raised totaling just \$0.9 billion compared to \$10.6 billion in 2Q 2015 <sup>1</sup>. The average discount rate for all private equity sectors increased quarter over quarter from 7.5% to 8.4%, but remains very favorable for potential sellers <sup>2</sup>.
- Infrastructure:** \$14.2 billion of capital was raised by nine funds in 3Q 2015, compared to \$8.7 billion of capital closed on by 17 partnerships during 2Q 2015 <sup>1</sup>. At the end of 3Q 2015, dry powder stood at \$115.0 billion, up 3.6% over the prior quarter. During 3Q 2015, infrastructure managers completed 158 deals with an estimated aggregate deal value of \$99.4 billion for an average value of \$629.1 million, up 6.6% from 2Q 2015. The total number of deals reported in 3Q 2015 (158) increased 11.3% quarter over quarter, but was 27.9% lower than in 3Q 2014 <sup>1</sup>.
- Natural Resources:** During 3Q 2015, six funds closed on \$6.1 billion, compared to ten funds totaling \$13.1 billion in 2Q 2015. Energy and utilities industry managers completed 42 deals totaling a reported \$3.9 billion during the third quarter, compared to 44 deals in 2Q 2015 for a total reported value of \$6.9 billion <sup>1</sup>.

Sources: <sup>1</sup> Preqin <sup>2</sup> UBS <sup>3</sup> Standard & Poor's <sup>4</sup> Aon Hewitt Investment Consulting <sup>5</sup> Thomson Reuters <sup>6</sup> Fitch Ratings <sup>7</sup> PWC / National Venture Capital Association (NVCA) MoneyTree Report <sup>8</sup> Thomson Reuters and NVCA <sup>9</sup> Cooley Venture Financing Report <sup>10</sup> Federal Reserve <sup>11</sup> U.S. Energy Information Administration <sup>12</sup> 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.

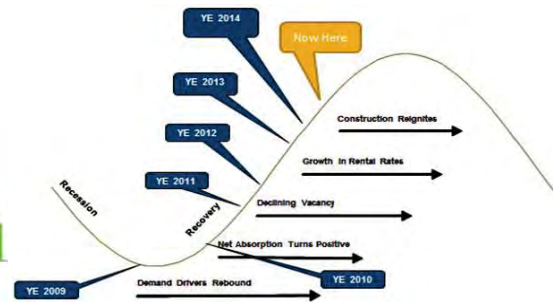


## U.S. Commercial Real Estate Markets

PRIVATE VS. PUBLIC REAL ESTATE RETURNS  
AS OF 12/31/2015



Stages of Fundamental Recovery in the Real Estate Market Cycle  
SOURCE: AON HEWITT 9/30/2015



- In 2015 U.S. private returns marked its fifth year at well above long-term average levels, bolstered by continued improvement in property fundamentals and overall U.S. economic strength. The NFI-ODCE returned 3.3%\* (gross of fees) in 4th quarter and a robust 15.0%\* over the trailing one-year. The one-year return now exceeds the five year average by 135 bps. Returns are still being driven by price appreciation.
- The U.S. real estate cycle continues on its path of maturing, with some property types and markets now entering a new construction phase as shown above. Apartments and CBD office lead in maturity, with Industrial catching up quickly in key markets. Retail and suburban office continue to lag, though both have shown measurable improvement year over year.
- Real estate fundamentals remain generally healthy, with most markets continuing to experience occupancy gains (or already fully recovered) and above average rental rate growth. This is expected to support sector pricing in 2016—though generally now fully valued (or more) in at least the primary markets.
- Looking forward, new supply will continue to expand and the Fed tightening has begun. While strong underlying market fundamentals suggest that 2016 will be another solid year for private real estate performance, investors should expect moderating returns (PREA's Consensus Forecast for the NCREIF Property Index is back inline with long run averages at 8.5% for 2016). Manager and strategy selection is crucial to help reduce risk at this stage in the cycle, as new dollars deployed will likely have to withstand a down cycle before being returned to investors.
- The U.S. REIT market rallied in 4Q gaining 7.3%, bringing the year's total return to 3.2%. While REITs outperformed the broader equity market, which gained only 1.4% (S&P), 2015 was characterized by high volatility. U.S. growth, interest rate movements, the outlook for oil/commodities and the economic issues in China and Greece were the main contributors. Capital investment is continuing to be seen disproportionately deployed to private real estate versus listed real estate resulting in strong asset valuations in direct property markets as shown above. As of year-end, REITs trade at roughly a 5% discount to private market net asset valuations. Additionally, REITs' dividends of 3.9% are 165 bps over the 10-Year U.S. Treasury yield.

\*Indicates preliminary NFI-ODCE data gross of fees



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## Total Fund

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As of December 31, 2015

### Highlights

#### Executive Summary

- Performance of the Pension Plan, when measured against the Performance Benchmark, has been strong over short- and long-term time periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

#### Performance Highlights

- During the fourth quarter, the Total Fund underperformed the Performance Benchmark. Over the trailing one-, three-, five-, and ten-year periods, the Total Fund outperformed the Performance Benchmark.

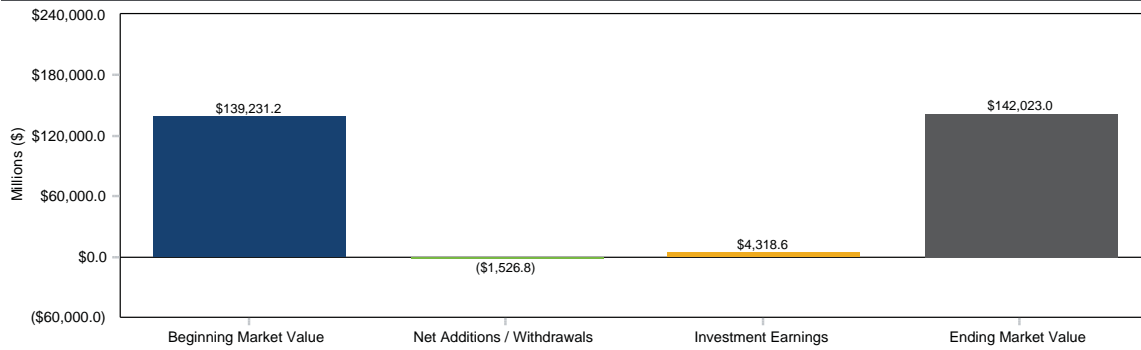
#### Asset Allocation

- The Fund assets total \$142.0 billion as of December 31, 2015, which represents an \$2.8 billion increase since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges at quarter-end.
- The Fund was modestly overweight to private equity, real estate, and strategic investments, with corresponding underweights to fixed income and cash.

Total Fund

As of December 31, 2015

## Total Plan Asset Summary

Change in Market Value  
From October 1, 2015 to December 31, 2015

## Summary of Cash Flow

	1 Quarter	Fiscal YTD*
Total Fund		
Beginning Market Value	139,231,171,944	147,972,946,329
+ Additions / Withdrawals	-1,526,787,132	-3,502,643,087
+ Investment Earnings	4,318,567,652	-2,447,350,778
= Ending Market Value	142,022,952,464	142,022,952,464

\*Period July 2015 - December 2015

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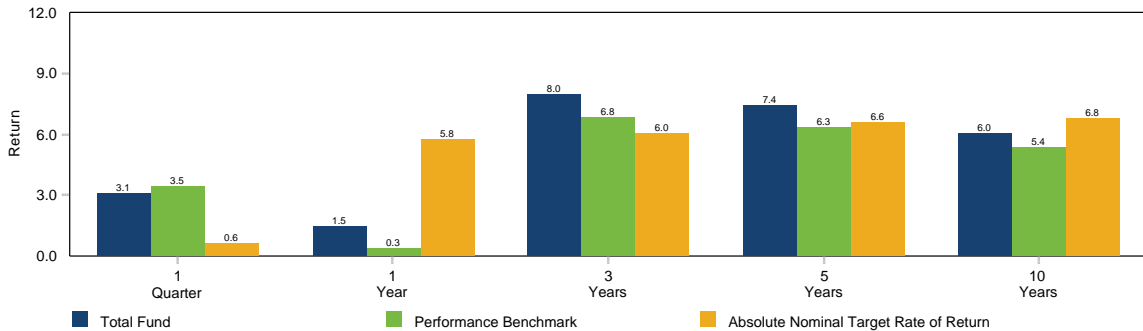


Total Fund

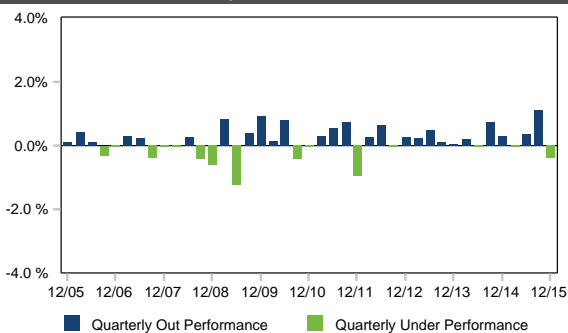
As of December 31, 2015

## Total Plan Performance Summary

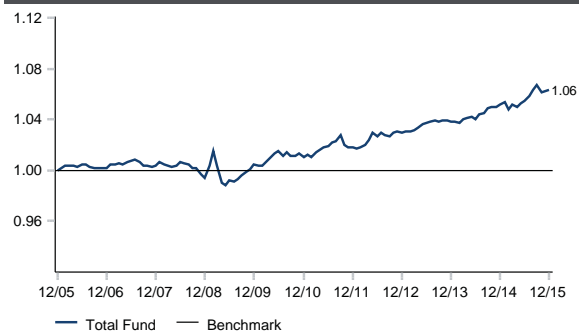
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - 10 Years



20



As of December 31, 2015

## Asset Allocation & Performance

	Allocation			Performance(%)				
	Market Value (\$)	%	Policy(%)	1 Quarter	1 Year	3 Years	5 Years	10 Years
<b>Total Fund</b>	142,022,952,464	100.0	100.0	3.1 (19)	1.5 (12)	8.0 (20)	7.4 (21)	6.0 (15)
Performance Benchmark				3.5 (8)	0.3 (28)	6.8 (47)	6.3 (55)	5.4 (58)
Absolute Nominal Target Rate of Return				0.6 (96)	5.8 (1)	6.0 (60)	6.6 (45)	6.8 (1)
<b>Global Equity*</b>	81,060,883,313	57.1	57.1	5.2	-1.2	9.0	7.4	5.4
Asset Class Target				4.9	-2.1	8.0	6.2	4.7
<b>Domestic Equities</b>	38,610,130,707	27.2		6.2 (13)	0.6 (24)	14.9 (13)	12.4 (9)	7.4 (16)
Asset Class Target				6.3 (13)	0.5 (27)	14.7 (25)	12.2 (15)	7.4 (19)
<b>Foreign Equities</b>	34,383,115,314	24.2		4.1 (48)	-3.4 (57)	3.2 (55)	2.7 (46)	4.4 (24)
Asset Class Target				3.5 (67)	-4.5 (79)	2.2 (80)	1.3 (81)	3.3 (51)
<b>Global Equities</b>	7,062,429,387	5.0		4.8	0.0	9.8	7.6	5.0
Benchmark				5.4	-1.3	9.0	7.0	5.3
<b>Fixed Income</b>	27,705,839,852	19.5	19.8	-0.5 (44)	1.2 (9)	1.3 (54)	3.5 (67)	4.8 (43)
Asset Class Target				-0.5 (33)	1.2 (9)	1.1 (69)	3.0 (88)	4.5 (61)
<b>Private Equity</b>	8,576,782,415	6.0	5.9	-0.3	12.5	15.6	13.4	9.4
Asset Class Target				6.8	0.9	14.0	13.0	10.0
Secondary Target**				-1.1	8.6	14.8	14.9	12.3
<b>Real Estate</b>	12,696,799,742	8.9	8.8	3.6 (17)	12.1 (50)	14.2 (21)	14.3 (19)	8.1
Asset Class Target				3.6 (18)	12.6 (36)	11.9 (60)	12.6 (46)	5.0
<b>Strategic Investments</b>	11,032,050,463	7.8	7.5	0.3	2.9	9.5	9.8	
Short-Term Target				0.3	1.8	6.3	6.4	
<b>Cash</b>	950,596,680	0.7	1.0	0.1	0.2	0.2	0.3	0.6
iMoneyNet First Tier Institutional Money Market Funds Net Index				0.0	0.0	0.0	0.0	1.4

Benchmark and universe descriptions can be found in the Appendix.

\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

\*\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index.

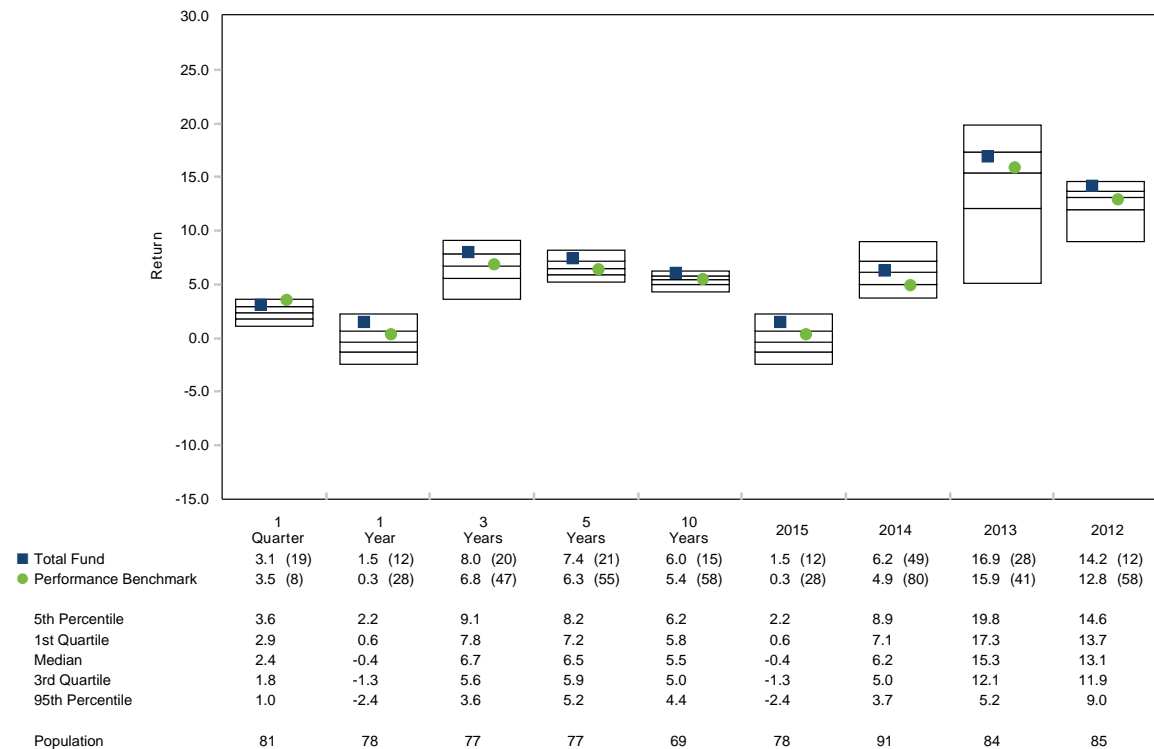
21



As of December 31, 2015

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Total Fund



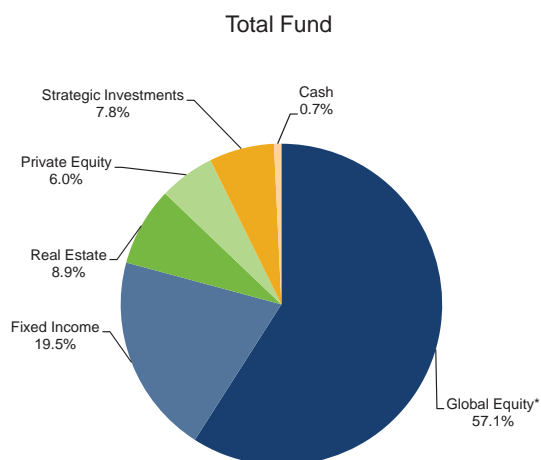
22



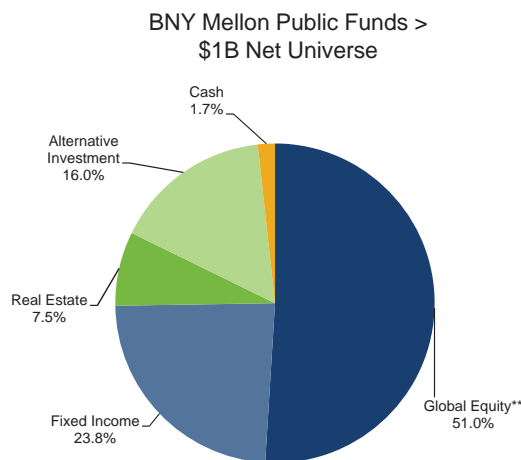
Total Fund

As of December 31, 2015

### Universe Asset Allocation Comparison



\*Global Equity Allocation: 27.2% Domestic Equities; 24.2% Foreign Equities; 5.0% Global Equities; 0.7% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

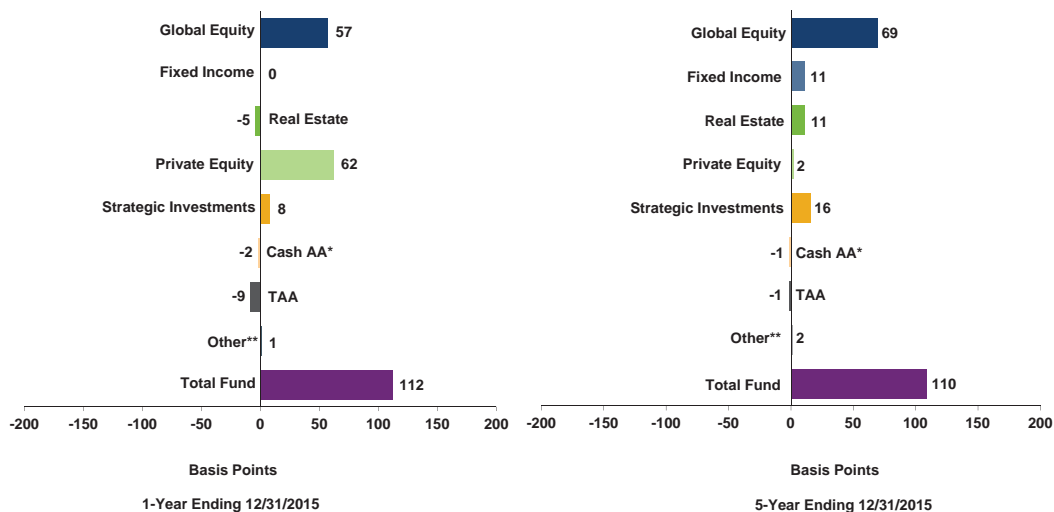


\*\*Global Equity Allocation: 32.1% Domestic Equities; 18.9% Foreign Equities.

Total Fund

As of December 31, 2015

### Attribution

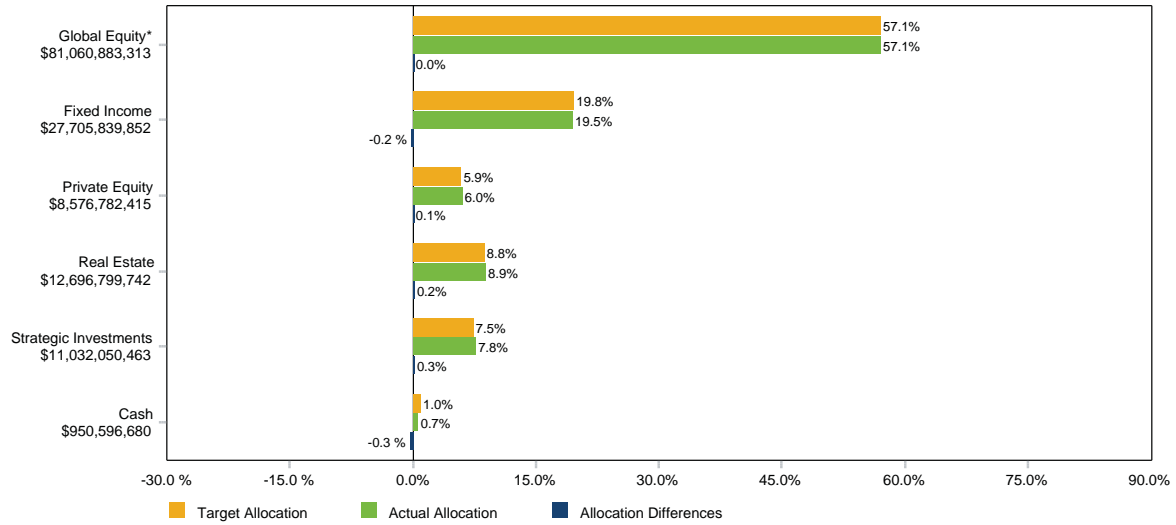


\*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

\*\*Other includes legacy accounts and unexplained differences due to methodology.

## Asset Allocation Compliance

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	142,022,952,464	100.0	100.0		
Global Equity*	81,060,883,313	57.1	57.1	45.0	70.0
Fixed Income	27,705,839,852	19.5	19.8	10.0	26.0
Private Equity	8,576,782,415	6.0	5.9	2.0	9.0
Real Estate	12,696,799,742	8.9	8.8	4.0	16.0
Strategic Investments	11,032,050,463	7.8	7.5	0.0	16.0
Cash	950,596,680	0.7	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

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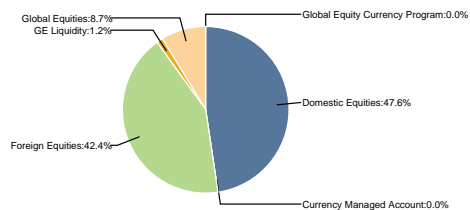
Global Equity\*

As of December 31, 2015

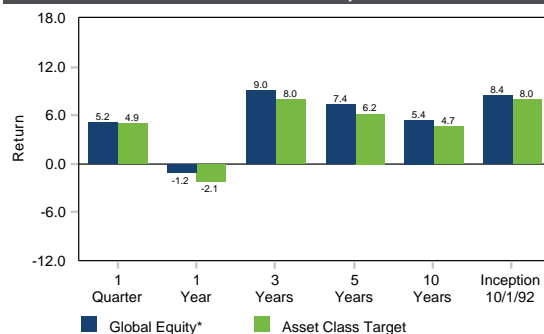
### Global Equity\* Portfolio Overview

#### Current Allocation

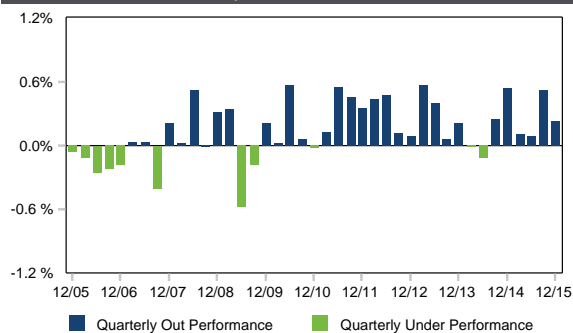
December 31, 2015 : \$81,056M



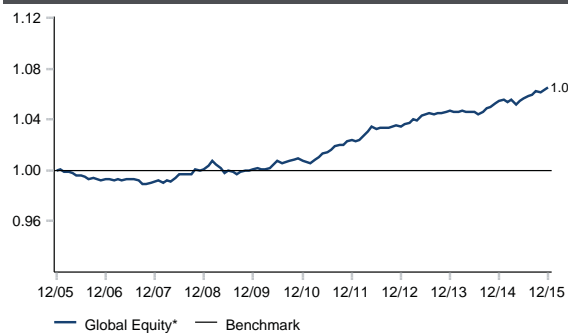
#### Return Summary



#### Quarterly Excess Performance



#### Ratio of Cumulative Wealth - 10 Years



\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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## Domestic Equities

29



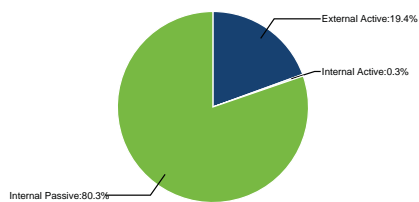
Domestic Equities

As of December 31, 2015

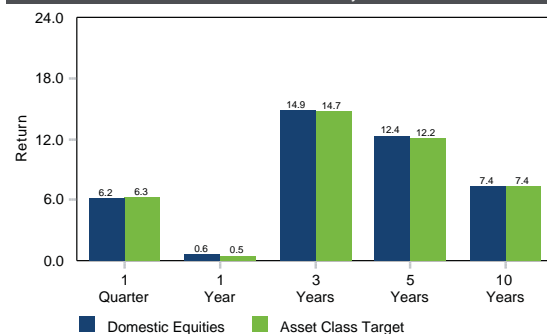
### Domestic Equities Portfolio Overview

#### Current Allocation

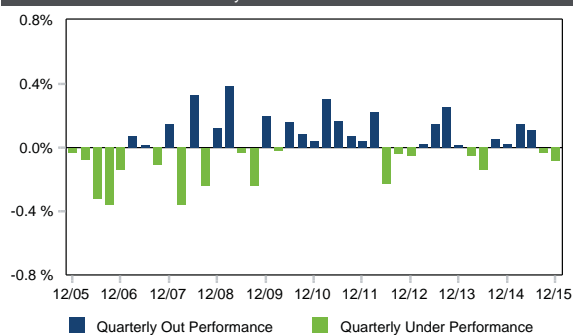
December 31, 2015 : \$38,610M



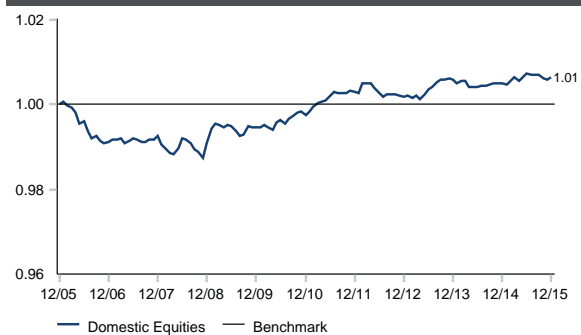
#### Return Summary



#### Quarterly Excess Performance



#### Ratio of Cumulative Wealth - 10 Years



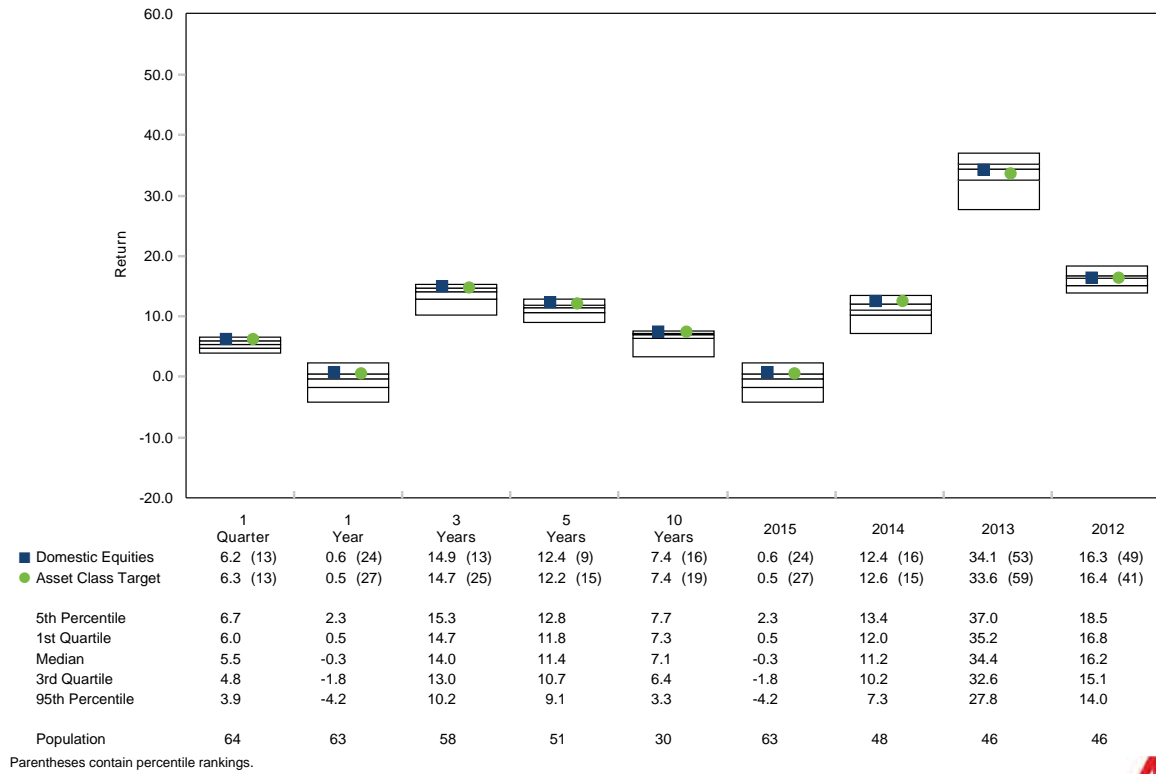
30



As of December 31, 2015

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Equity Segment



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## Foreign Equities

33

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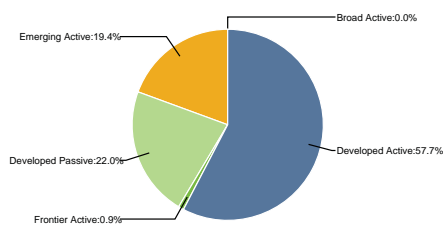
### Foreign Equities

As of December 31, 2015

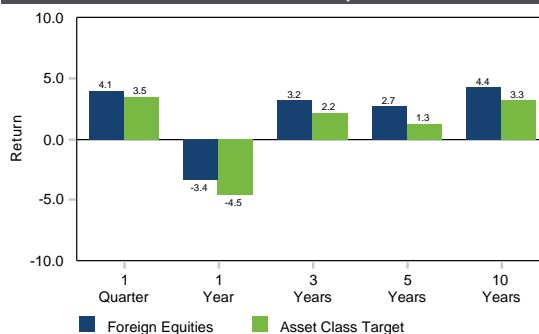
#### Foreign Equities Portfolio Overview

##### Current Allocation

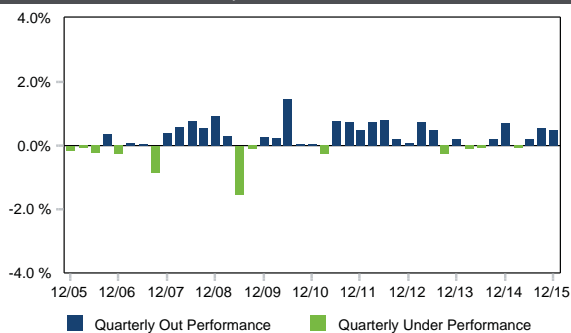
December 31, 2015 : \$34,383M



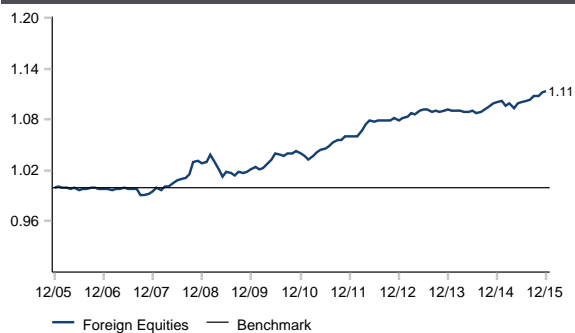
##### Return Summary



##### Quarterly Excess Performance



##### Ratio of Cumulative Wealth - 10 Years



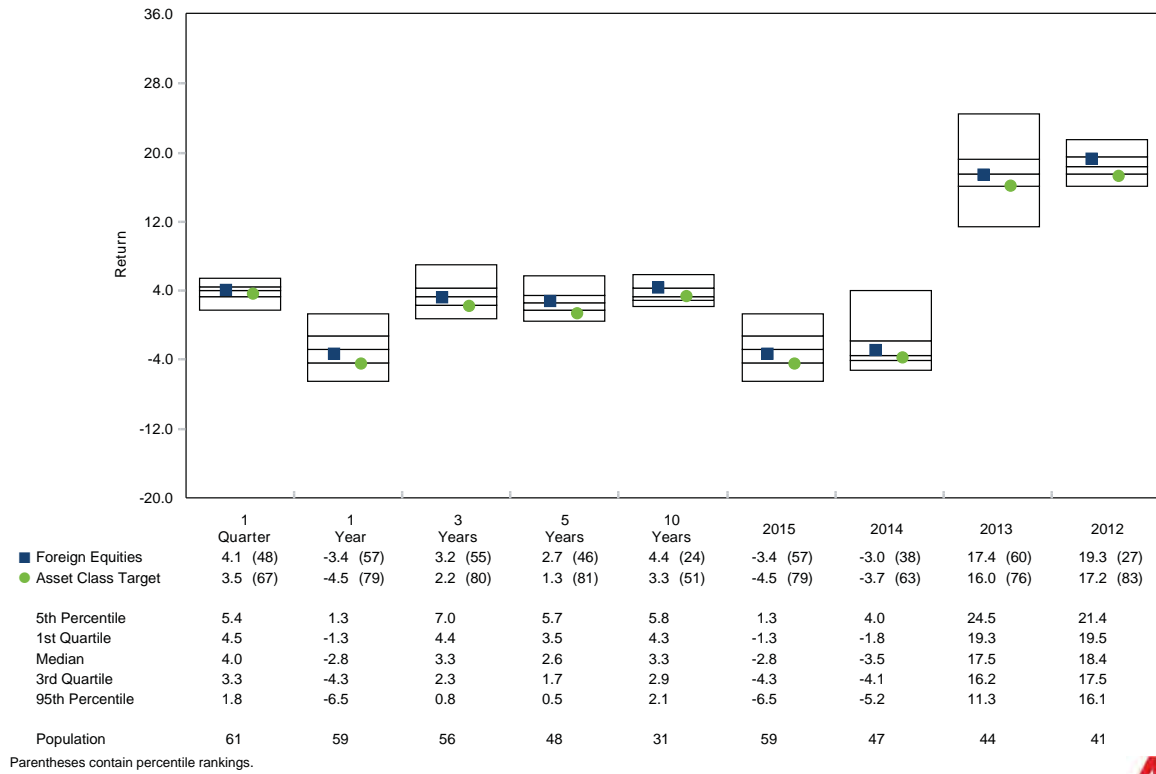
34

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As of December 31, 2015

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Intl. Equity Segment



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## Global Equities

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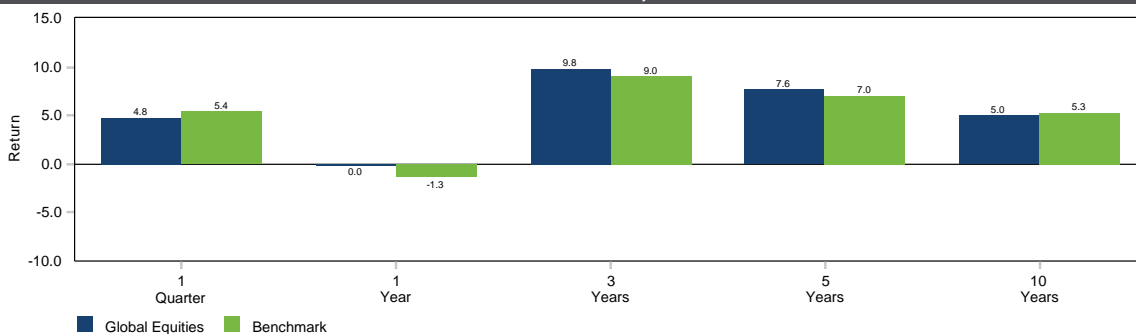
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Global Equities

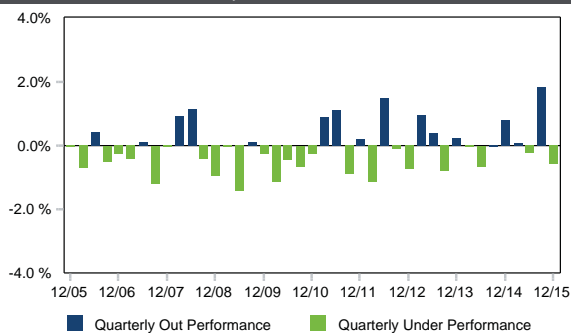
As of December 31, 2015

### Global Equities Performance Summary

#### Return Summary



#### Quarterly Excess Performance



#### Ratio of Cumulative Wealth - 10 Years



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## Fixed Income

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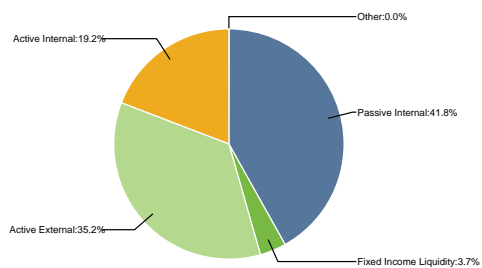
Fixed Income

As of December 31, 2015

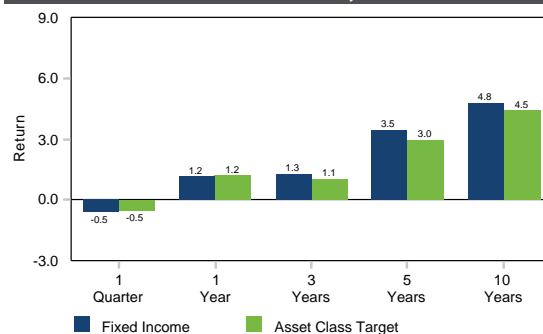
### Fixed Income Portfolio Overview

#### Current Allocation

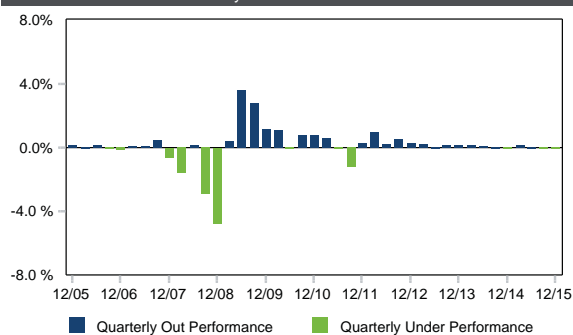
December 31, 2015 : \$27,706M



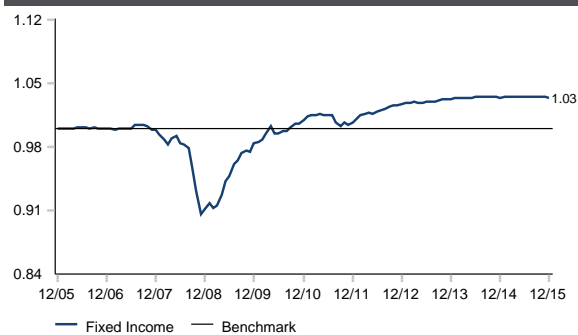
#### Return Summary



#### Quarterly Excess Performance



#### Ratio of Cumulative Wealth - 10 Years



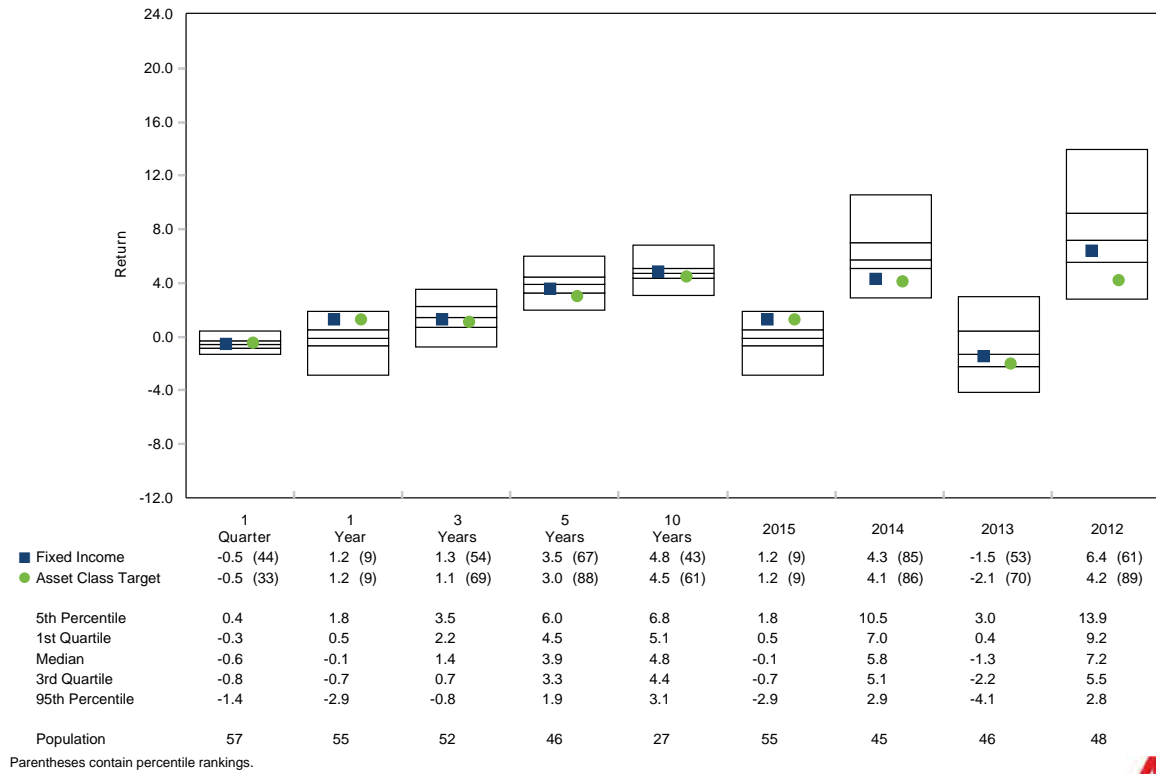
40

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As of December 31, 2015

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Fixed Income Segment



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## Private Equity

43

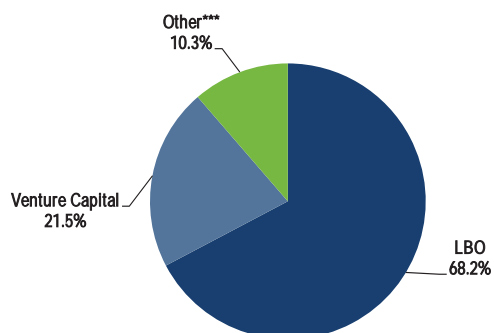
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Private Equity

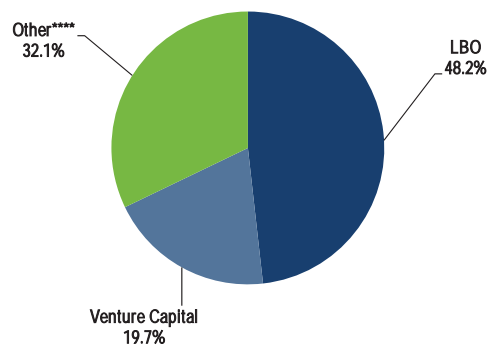
As of December 31, 2015

### Overview

**FRS Private Equity by Market Value\***



**Preqin Private Equity Strategies by Market Value\*\***



\*Allocation data is as of December 31, 2015.

\*\*Allocation data is as of June 30, 2014, from the Preqin database.

\*\*\*Other for the FRS Private Equity consists of Growth Capital, Secondary, PE Cash, and PE Transition.

\*\*\*\*Other for the Preqin data consists of Distressed PE, Growth, Mezzanine, and other Private Equity/Special Situations.

Preqin universe is comprised of 10,000 private equity funds representing \$3.8 trillion.

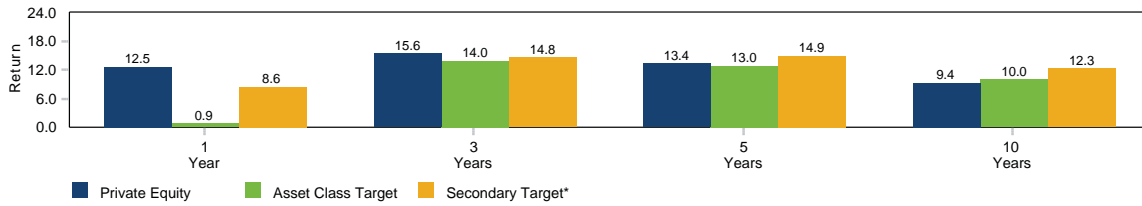
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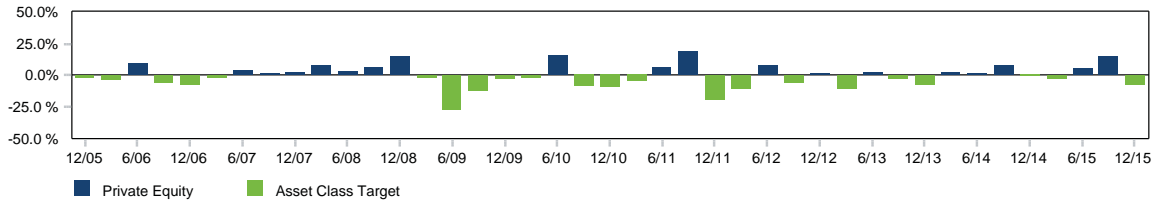
Private Equity

Time-Weighted Investment Results

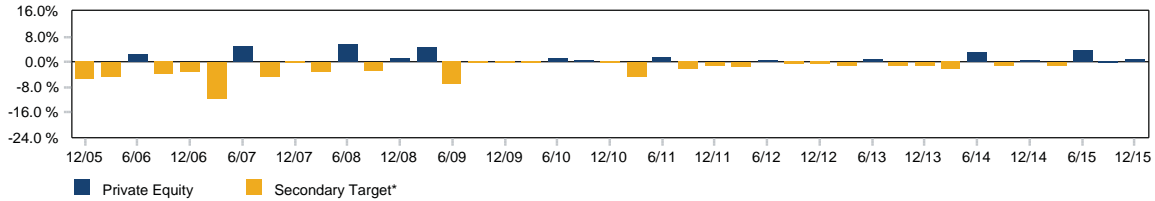
Return Summary as of December 31, 2015



Quarterly Excess Performance vs. Asset Class Target as of December 31, 2015



Quarterly Excess Performance vs. Secondary Target as of December 31, 2015

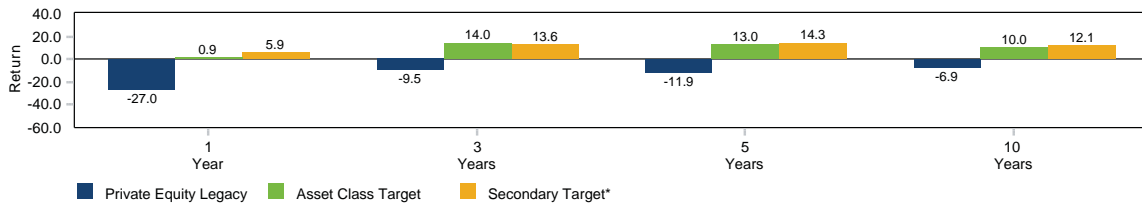


\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.

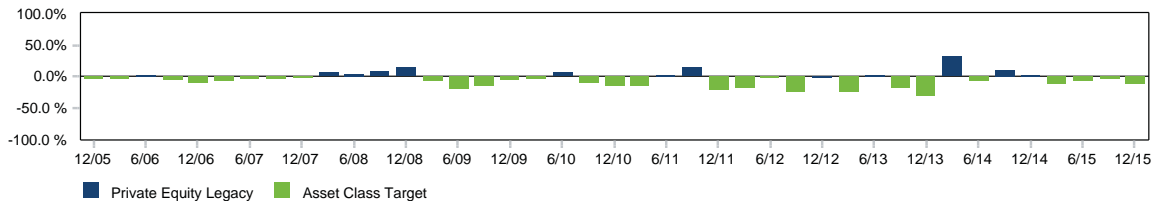
Private Equity Legacy

Time-Weighted Investment Results

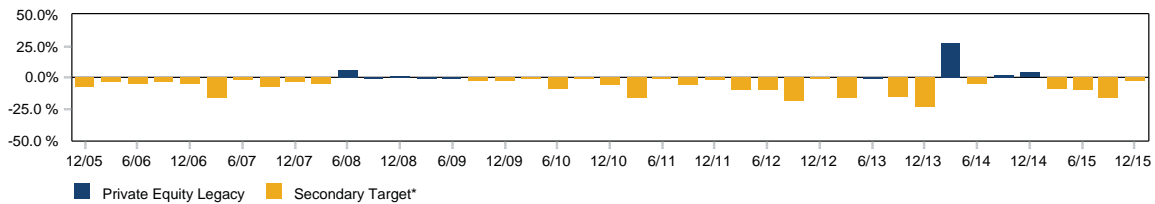
Return Summary as of December 31, 2015



Quarterly Excess Performance vs. Asset Class Target as of December 31, 2015



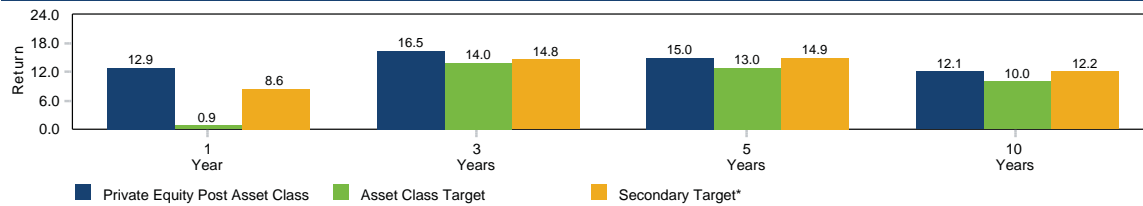
Quarterly Excess Performance vs. Secondary Target as of December 31, 2015



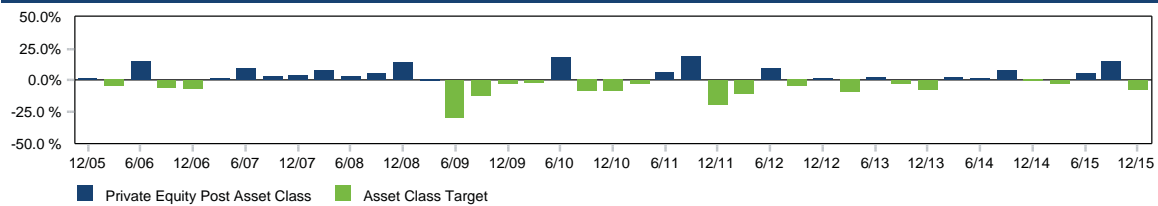
\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.

## Time-Weighted Investment Results

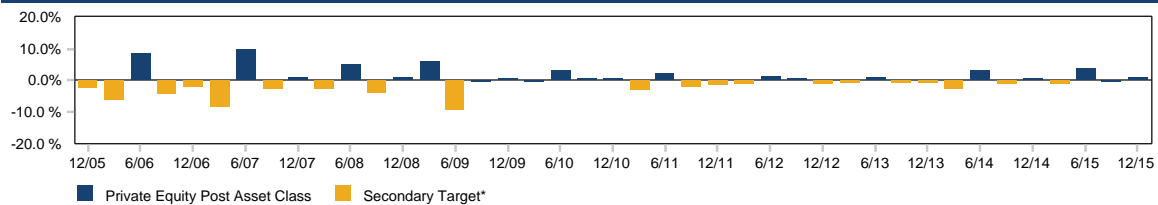
Return Summary as of December 31, 2015



Quarterly Excess Performance vs. Asset Class Target as of December 31, 2015



Quarterly Excess Performance vs. Secondary Target as of December 31, 2015



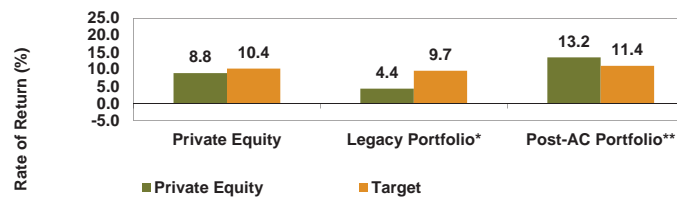
\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.

## Private Equity

## Dollar-Weighted Investment Results

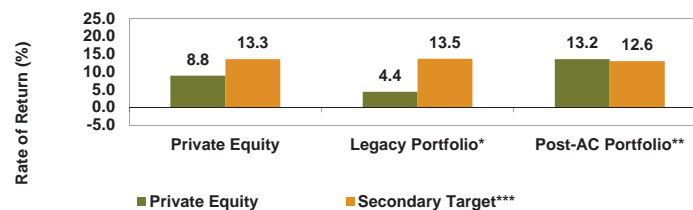
As of December 31, 2015

Since Inception



As of December 31, 2015

Since Inception



\*The Inception Date for the Legacy Portfolio is January 1989.

\*\*The Inception Date for the Post-AC Portfolio is September 2000.

\*\*\*The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.



## Real Estate

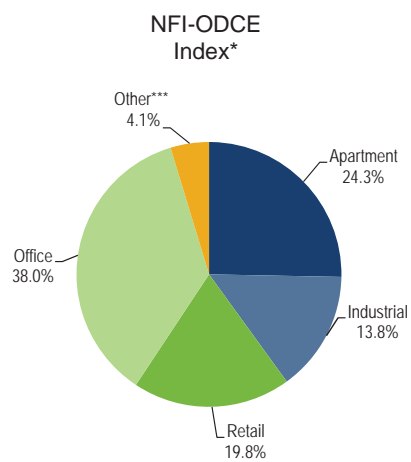
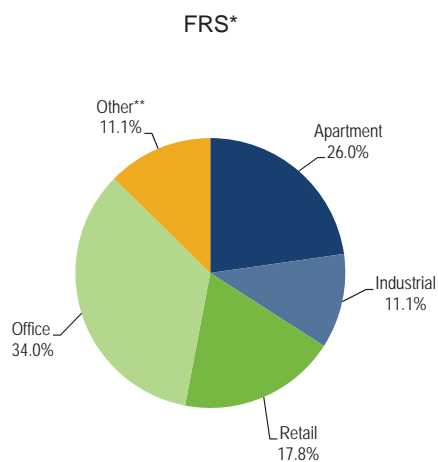
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Real Estate

As of December 31, 2015

### Overview



\*Property Allocation data is as of December 31, 2015. The FRS chart includes only the FRS private real estate assets. Property type information for the REIT portfolios is not included.

\*\*Other for the FRS consists of Hotel, Land, Preferred Equity, Agriculture, Self-Storage and Senior Housing.

\*\*\*Other for the NFI-ODCE Index consists of Hotel, Senior Living, Health Care, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.

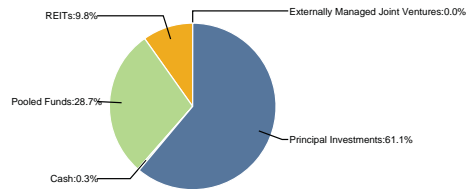
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## Real Estate Portfolio Overview

## Current Allocation

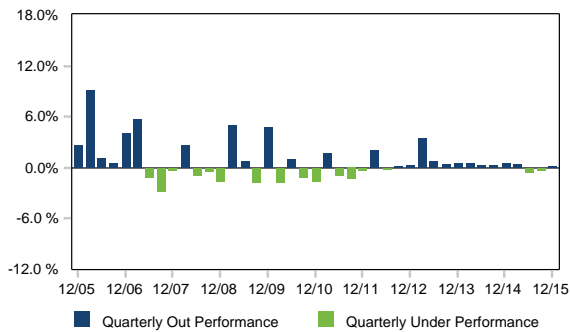
December 31, 2015 : \$12,697M



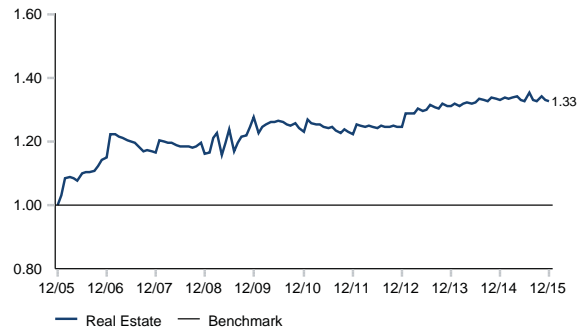
## Return Summary



## Quarterly Excess Performance

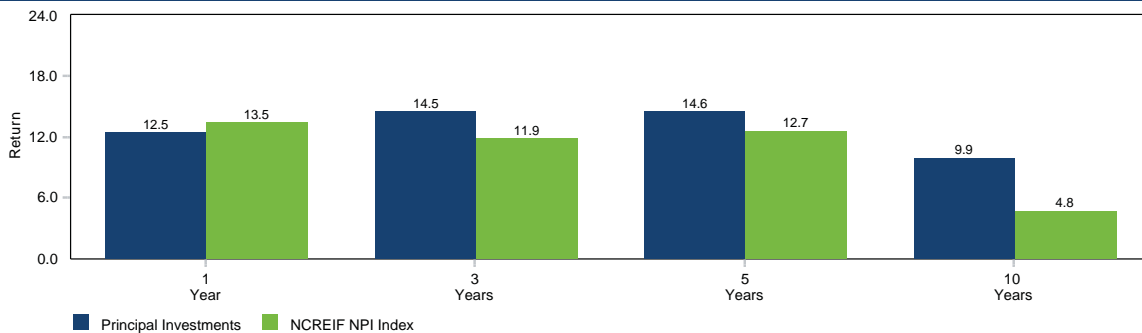


## Ratio of Cumulative Wealth - 10 Years

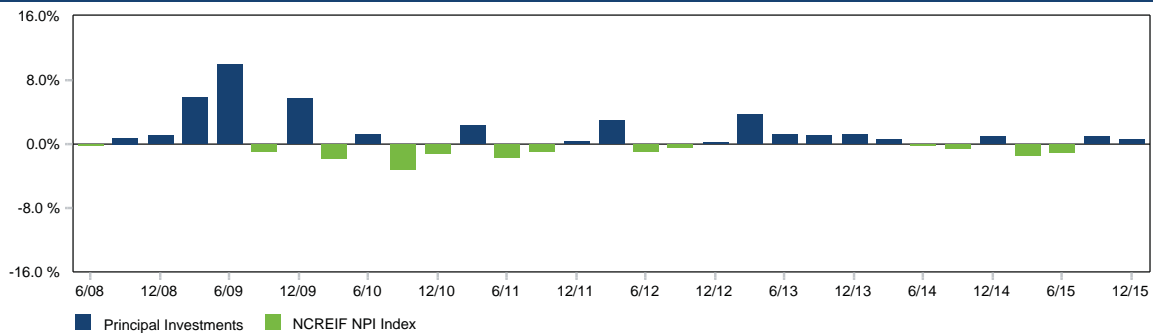


## Principal Investments

## Return Summary

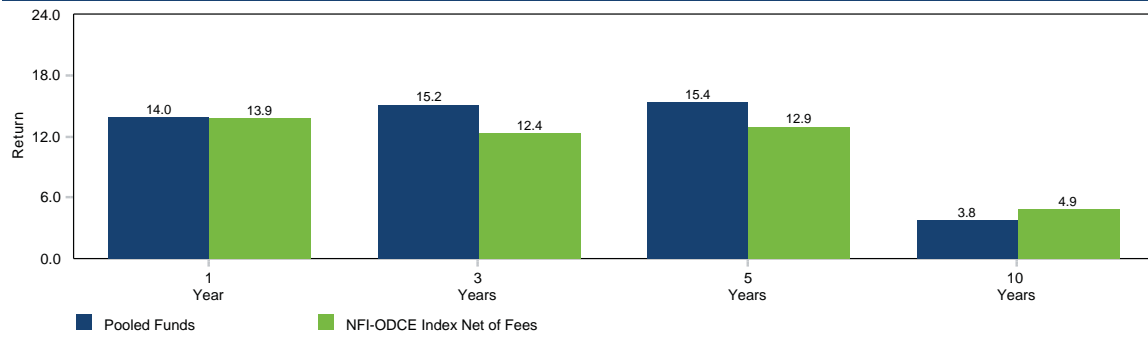


## Quarterly Excess Performance

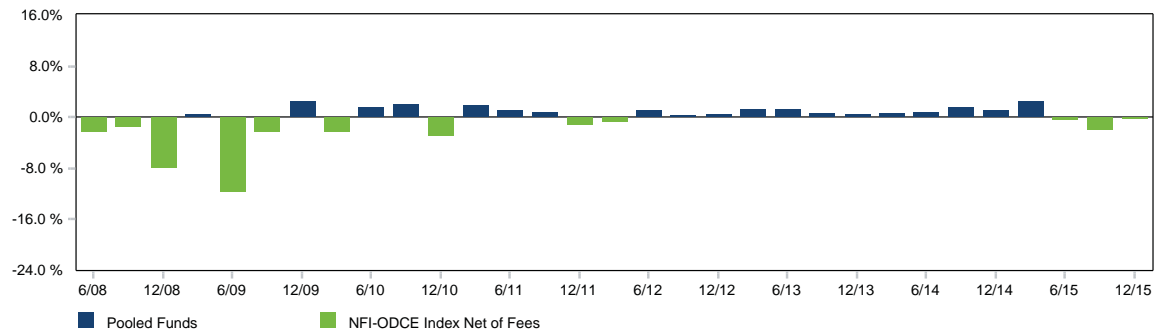


## Pooled Funds

## Return Summary

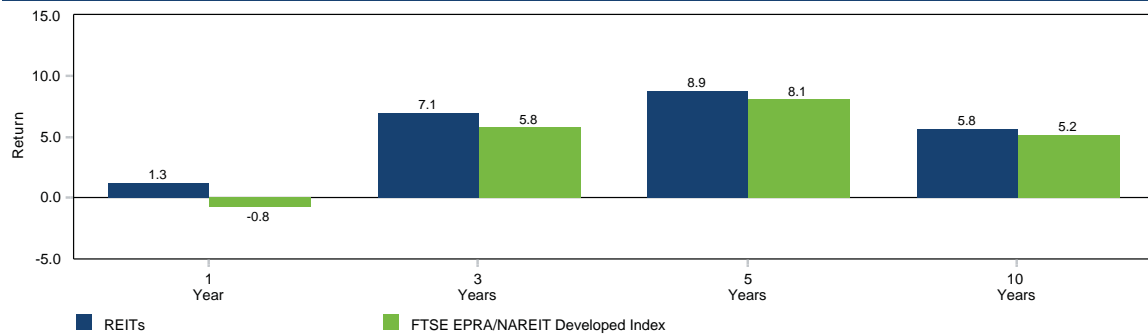


## Quarterly Excess Performance

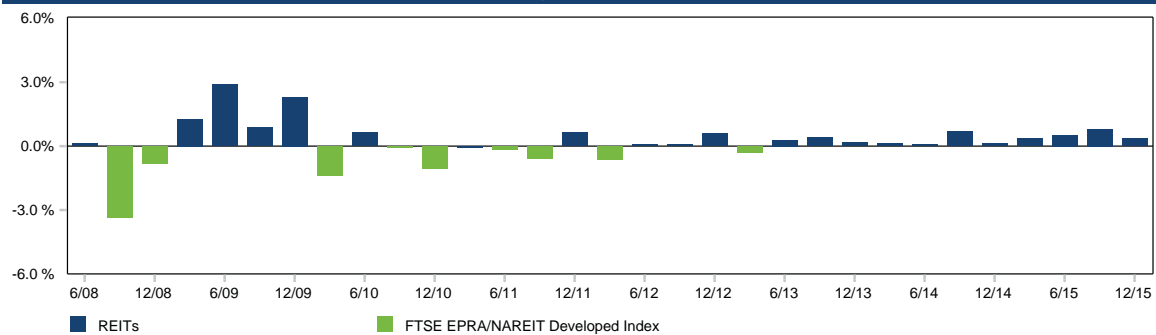


## REITs

## Return Summary



## Quarterly Excess Performance





## Strategic Investments

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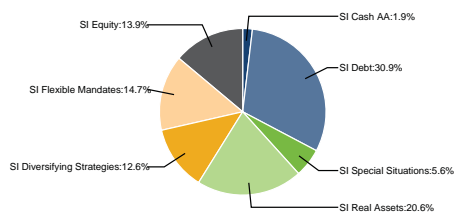
Strategic Investments

As of December 31, 2015

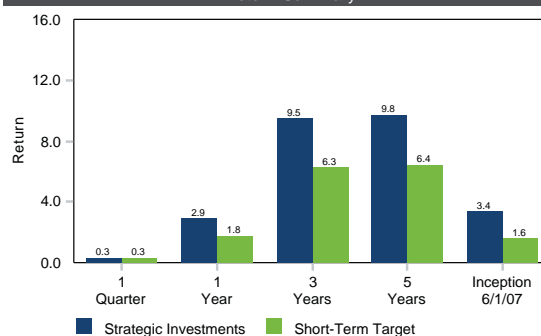
### Strategic Investments Portfolio Overview

#### Current Allocation

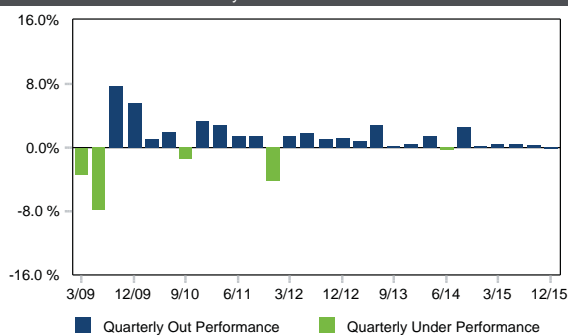
December 31, 2015 : \$11,032M



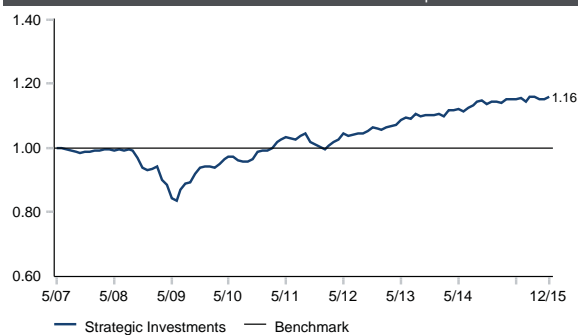
#### Return Summary



#### Quarterly Excess Performance



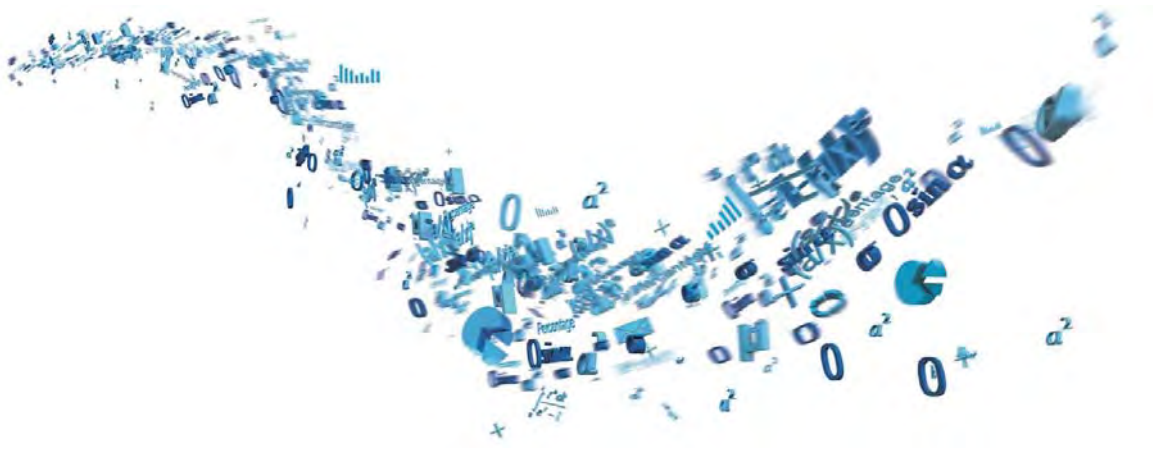
#### Ratio of Cumulative Wealth - Since Inception



\*SI Cash AA Includes the SI Cash Account, SI Cash Expense Account, and the SI Transition Account

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## Cash

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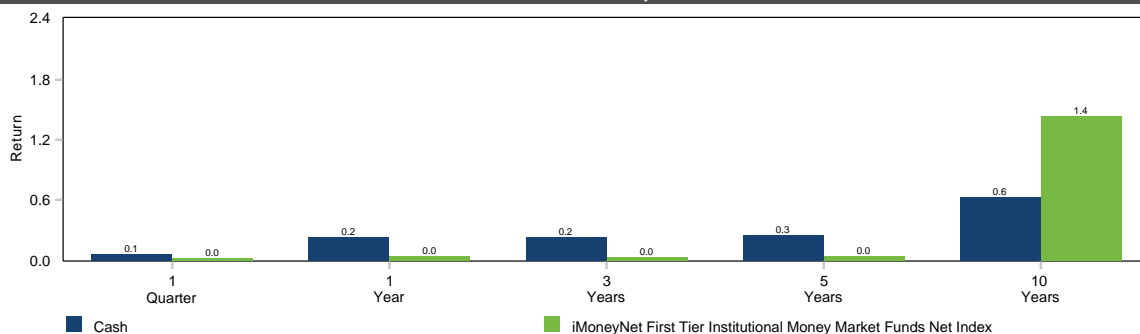
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Cash

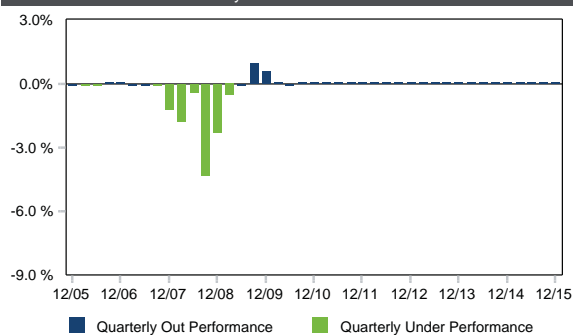
As of December 31, 2015

### Cash Performance Summary

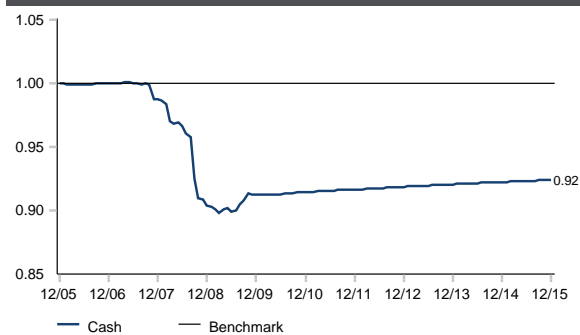
#### Return Summary



#### Quarterly Excess Performance



#### Ratio of Cumulative Wealth - 10 Years



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## Appendix

As of December 31, 2015

### Appendix

#### Total FRS Assets

**Performance Benchmark** - A combination of the Global Equity Target, the Barclays Capital U.S. Intermediate Aggregate Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. 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 81 total fund portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$1.5 trillion as of quarter-end and the average market value was \$15.4 billion.

**Domestic Equity** - A universe comprised of 64 total domestic equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$349.6 billion as of quarter-end and the average market value was \$3.6 billion.

**Foreign Equity** - A universe comprised of 61 total international equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$289.9 billion as of quarter-end and the average market value was \$2.9 billion.

**Fixed Income** - A universe comprised of 57 total fixed income portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$294.7 billion as of quarter-end and the average market value was \$2.9 billion.

**Real Estate** - A universe comprised of 36 total real estate portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$83.7 billion as of quarter-end and the average market value was \$871.8 million.

**Private Equity** - An appropriate universe for private equity is unavailable.

**Strategic Investments** - An appropriate universe for strategic investments is unavailable.

## 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 have been obtained from the recordkeeper. AHIC believes the information to be accurate but has not conducted any type of additional audits to ensure the information's accuracy 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.

### 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.



FRS Investment Plan | Fourth Quarter 2015

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## 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

1



As of December 31, 2015

### Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	2015	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	8,723,324,696	100.0	3.0	-0.9	-0.9	6.2	5.9	5.0
Total Plan Aggregate Benchmark			2.9	-1.3	-1.3	5.9	5.6	4.6
Retirement Date	3,709,237,526	42.5						
FRS Retirement Income Fund	370,253,787	4.2	0.8 (76)	-2.6 (100)	-2.6 (100)	1.7 (100)	3.8 (86)	-
Retirement Income Custom Index			1.0 (74)	-1.8 (100)	-1.8 (100)	1.7 (100)	3.7 (87)	-
FRS 2015 Retirement Date Fund	365,757,483	4.2	1.1 (85)	-2.5 (98)	-2.5 (98)	2.4 (94)	4.1 (93)	-
2015 Retirement Custom Index			1.3 (82)	-1.8 (90)	-1.8 (90)	2.5 (93)	4.0 (93)	-
FRS 2020 Retirement Date Fund	560,354,696	6.4	1.8 (68)	-2.1 (91)	-2.1 (91)	3.9 (80)	4.8 (72)	-
2020 Retirement Custom Index			2.0 (64)	-1.6 (81)	-1.6 (81)	3.9 (79)	4.8 (72)	-
FRS 2025 Retirement Date Fund	559,260,679	6.4	2.3 (70)	-1.7 (82)	-1.7 (82)	5.3 (77)	5.6 (81)	-
2025 Retirement Custom Index			2.6 (62)	-1.5 (77)	-1.5 (77)	5.3 (77)	5.5 (84)	-
FRS 2030 Retirement Date Fund	486,850,276	5.6	2.9 (68)	-1.3 (61)	-1.3 (61)	6.8 (67)	6.4 (49)	-
2030 Retirement Custom Index			3.1 (61)	-1.5 (64)	-1.5 (64)	6.7 (69)	6.3 (52)	-
FRS 2035 Retirement Date Fund	434,578,854	5.0	3.5 (63)	-1.4 (46)	-1.4 (46)	7.9 (57)	7.1 (50)	-
2035 Retirement Custom Index			3.6 (54)	-1.7 (63)	-1.7 (63)	7.8 (58)	6.9 (55)	-
FRS 2040 Retirement Date Fund	367,219,869	4.2	3.7 (70)	-1.4 (52)	-1.4 (52)	8.0 (62)	7.2 (45)	-
2040 Retirement Custom Index			3.8 (59)	-1.7 (66)	-1.7 (66)	7.9 (64)	7.0 (46)	-
FRS 2045 Retirement Date Fund	347,969,607	4.0	3.7 (82)	-1.5 (48)	-1.5 (48)	7.9 (67)	7.2 (47)	-
2045 Retirement Custom Index			4.0 (68)	-1.7 (59)	-1.7 (59)	7.8 (68)	7.0 (57)	-
FRS 2050 Retirement Date Fund	172,149,920	2.0	3.7 (87)	-1.5 (55)	-1.5 (55)	7.9 (68)	7.2 (43)	-
2050 Retirement Custom Index			4.0 (61)	-1.7 (62)	-1.7 (62)	7.8 (73)	7.0 (57)	-
FRS 2055 Retirement Date Fund	44,842,354	0.5	3.7 (94)	-1.4 (55)	-1.4 (55)	8.0 (83)	-	-
2055 Retirement Custom Index			4.0 (77)	-1.7 (70)	-1.7 (70)	7.8 (86)	-	-

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As of December 31, 2015

### Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	2015	1 Year	3 Years	5 Years	10 Years
Cash	921,736,472	10.6	0.1 (1)	0.2 (4)	0.2 (4)	0.2 (1)	0.2 (1)	1.4 (5)
FRS Money Market Fund	921,736,472	10.6	0.1 (1)	0.2 (4)	0.2 (4)	0.2 (1)	0.2 (1)	1.4 (5)
iMoneyNet 1st Tier Institutional Net Index			0.0 (25)	0.0 (25)	0.0 (25)	0.0 (24)	0.0 (23)	1.4 (4)
<b>Real Assets</b>	<b>96,563,399</b>	<b>1.1</b>						
FRS Real Assets Fund	96,563,399	1.1	-0.9	-7.9	-7.9	-4.8	0.2	-
FRS Custom Real Assets Index			-0.5	-5.0	-5.0	-4.1	-0.4	-
<b>Fixed Income</b>	<b>645,168,885</b>	<b>7.4</b>	<b>-0.6 (82)</b>	<b>0.3 (77)</b>	<b>0.3 (77)</b>	<b>1.3 (30)</b>	<b>3.3 (18)</b>	<b>4.8 (12)</b>
Total Bond Index			-0.7 (83)	0.1 (85)	0.1 (85)	1.2 (32)	3.1 (24)	4.5 (15)
FRS U.S. Bond Enhanced Index Fund	212,636,707	2.4	-0.5 (13)	0.7 (31)	0.7 (31)	1.6 (27)	3.4 (38)	4.7 (35)
Barclays Aggregate Index			-0.6 (17)	0.5 (41)	0.5 (41)	1.4 (29)	3.2 (40)	4.5 (43)
Pyramis Intermediate Duration Pool Fund	112,709,185	1.3	-0.7 (84)	0.9 (30)	0.9 (30)	1.3 (31)	2.9 (29)	4.2 (29)
Barclays Intermediate Aggregate			-0.5 (71)	1.2 (11)	1.2 (11)	1.4 (25)	2.7 (40)	4.3 (24)
FRS Core Plus Fixed Income Fund	319,822,993	3.7	-0.6 (55)	0.1 (47)	0.1 (47)	1.8 (21)	4.2 (25)	-
FRS Custom Core-Plus Fixed Income Index			-0.7 (60)	0.2 (40)	0.2 (40)	2.0 (16)	4.2 (22)	-
<b>Domestic Equity</b>	<b>2,385,065,912</b>	<b>27.3</b>	<b>5.9 (28)</b>	<b>0.7 (33)</b>	<b>0.7 (33)</b>	<b>14.9 (31)</b>	<b>12.2 (26)</b>	<b>7.9 (21)</b>
Total U.S. Equities Index			5.5 (36)	-0.5 (45)	-0.5 (45)	14.0 (46)	11.5 (39)	7.3 (32)
FRS U.S. Stock Market Index Fund	716,581,948	8.2	6.3 (52)	0.6 (49)	0.6 (49)	14.8 (41)	12.2 (35)	7.4 (32)
Russell 3000 Index			6.3 (54)	0.5 (49)	0.5 (49)	14.7 (42)	12.2 (35)	7.4 (35)
FRS U.S. Large Cap Equity Fund	882,111,685	10.1	7.1 (22)	2.7 (30)	2.7 (30)	16.5 (20)	13.4 (17)	-
Russell 1000 Index			6.5 (38)	0.9 (43)	0.9 (43)	15.0 (40)	12.4 (34)	-
FRS U.S. Small/Mid Cap Equity Fund	786,372,280	9.0	4.1 (27)	-1.1 (34)	-1.1 (34)	13.8 (26)	11.6 (19)	-
FRS Custom Small/Mid Cap Index			3.0 (47)	-4.2 (70)	-4.2 (70)	8.0 (89)	8.0 (84)	-

As of December 31, 2015

### Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	2015	1 Year	3 Years	5 Years	10 Years
International/Global Equity	650,244,963	7.5	3.5 (48)	-2.6 (48)	-2.6 (48)	4.7 (35)	3.8 (29)	4.1 (32)
Total Foreign and Global Equities Index			3.7 (44)	-4.4 (55)	-4.4 (55)	3.8 (44)	3.0 (42)	2.9 (56)
FRS Foreign Stock Index Fund	230,951,224	2.6	3.0 (57)	-4.4 (55)	-4.4 (55)	3.2 (49)	2.7 (46)	3.0 (54)
MSCI All Country World ex-U.S. IMI Index			3.5 (48)	-4.6 (55)	-4.6 (55)	3.4 (48)	2.5 (50)	2.8 (62)
American Funds New Perspective Fund	251,456,396	2.9	6.9 (15)	5.6 (12)	5.6 (12)	11.6 (21)	9.3 (16)	7.8 (18)
MSCI All Country World Index Net			5.0 (36)	-2.4 (55)	-2.4 (55)	7.7 (60)	6.5 (51)	4.5 (57)
American Funds Euro-Pacific Growth Fund	167,837,344	1.9	3.0 (54)	-0.5 (20)	-0.5 (20)	5.5 (8)	4.0 (11)	5.0 (1)
MSCI All Country World ex-U.S. Index			3.3 (45)	-5.3 (81)	-5.3 (81)	1.9 (82)	1.5 (79)	2.5 (71)
FRS Self-Dir Brokerage Acct	315,307,540	3.6						

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 December 31, 2015

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
<b>Retirement Date</b>									
FRS Retirement Income Fund	-2.6 (100)	4.4 (87)	3.5 (96)	10.7 (56)	3.4 (9)	11.5 (52)	20.0 (82)	-	-
Retirement Income Custom Index	-1.8 (100)	3.6 (92)	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 (72)	5.5 (86)	11.3 (46)	2.1 (19)	11.5 (60)	21.8 (70)	-	-
2015 Retirement Custom Index	-1.8 (90)	3.7 (90)	5.7 (86)	9.6 (88)	3.2 (1)	10.4 (86)	22.2 (67)	-	-
FRS 2020 Retirement Date Fund	-2.1 (91)	4.4 (77)	9.6 (75)	12.4 (37)	0.6 (37)	12.2 (62)	24.5 (57)	-	-
2020 Retirement Custom Index	-1.6 (81)	3.9 (88)	9.7 (75)	11.0 (75)	1.5 (20)	11.2 (87)	24.2 (60)	-	-
FRS 2025 Retirement Date Fund	-1.7 (82)	4.5 (86)	13.7 (74)	13.5 (43)	-0.7 (35)	12.5 (88)	26.4 (64)	-	-
2025 Retirement Custom Index	-1.5 (77)	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 (61)	4.5 (83)	18.1 (55)	14.6 (33)	-2.1 (48)	13.0 (86)	29.0 (46)	-	-
2030 Retirement Custom Index	-1.5 (64)	4.4 (84)	18.2 (54)	13.8 (52)	-2.0 (47)	12.5 (92)	29.2 (45)	-	-
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 (55)	4.4 (80)	22.3 (73)	15.8 (45)	-	-	-	-	-
2055 Retirement Custom Index	-1.7 (70)	4.3 (80)	22.4 (72)	15.2 (75)	-	-	-	-	-

As of December 31, 2015

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 (25)	0.0 (23)	0.0 (23)	0.1 (23)	0.1 (23)	0.2 (7)	0.7 (3)	3.0 (5)	5.4 (1)
<b>Real Assets</b>									
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	-	-
<b>Fixed Income</b>									
Total Bond Index	0.1 (85)	4.9 (1)	-1.2 (88)	4.8 (68)	7.4 (1)	7.0 (39)	8.9 (82)	1.9 (45)	6.5 (22)
FRS U.S. Bond Enhanced Index Fund	0.7 (31)	6.2 (34)	-2.0 (17)	4.4 (11)	7.9 (65)	6.7 (46)	6.5 (7)	5.9 (86)	7.2 (62)
Barclays Aggregate Index	0.5 (41)	6.0 (35)	-2.0 (18)	4.2 (12)	7.8 (66)	6.5 (47)	5.9 (8)	5.2 (89)	7.0 (65)
Pyramis Intermediate Duration Pool Fund	0.9 (30)	3.4 (14)	-0.5 (66)	4.9 (65)	5.9 (11)	7.0 (38)	11.9 (59)	-1.7 (52)	6.0 (35)
Barclays Intermediate Aggregate	1.2 (11)	4.1 (1)	-1.0 (84)	3.6 (84)	6.0 (10)	6.1 (53)	6.5 (90)	4.9 (7)	7.0 (13)
FRS Core Plus Fixed Income Fund	0.1 (47)	4.6 (88)	0.8 (19)	11.1 (14)	4.6 (89)	10.1 (26)	21.6 (19)	-	-
FRS Custom Core-Plus Fixed Income Index	0.2 (40)	5.1 (80)	0.8 (19)	7.8 (49)	7.6 (32)	9.1 (40)	18.7 (30)	-	-
<b>Domestic Equity</b>									
Total U.S. Equities Index	-0.5 (45)	11.1 (46)	34.0 (53)	16.5 (36)	-0.1 (38)	19.3 (32)	28.4 (65)	-36.5 (32)	3.3 (69)
FRS U.S. Stock Market Index Fund	0.6 (49)	12.6 (34)	33.6 (41)	16.5 (39)	1.0 (40)	17.1 (16)	28.6 (50)	-37.2 (51)	5.2 (65)
Russell 3000 Index	0.5 (49)	12.6 (35)	33.6 (41)	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 (44)	17.8 (19)	30.5 (36)	-	-
Russell 1000 Index	0.9 (43)	13.2 (33)	33.1 (48)	16.4 (32)	1.5 (41)	16.1 (31)	28.4 (43)	-	-
FRS U.S. Small/Mid Cap Equity Fund	-1.1 (34)	8.6 (31)	37.1 (45)	18.7 (28)	-0.9 (37)	29.6 (24)	37.0 (43)	-	-
FRS Custom Small/Mid Cap Index	-4.2 (70)	7.7 (36)	22.0 (98)	15.3 (54)	1.1 (21)	21.3 (85)	26.4 (87)	-	-

As of December 31, 2015

### 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 (22)	10.1 (73)	34.8 (63)	-40.9 (19)	15.0 (47)
Total Foreign and Global Equities Index	-4.4 (55)	-3.0 (40)	20.6 (39)	16.6 (72)	-11.3 (22)	10.1 (74)	32.4 (69)	-42.8 (30)	11.3 (65)
FRS Foreign Stock Index Fund	-4.4 (55)	-4.5 (54)	20.5 (39)	17.6 (63)	-11.8 (26)	9.2 (77)	32.3 (70)	-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 (67)	-43.6 (35)	12.4 (58)
American Funds New Perspective Fund	5.6 (12)	3.7 (42)	27.1 (42)	21.0 (15)	-7.4 (44)	13.0 (54)	37.7 (43)	-37.7 (30)	16.3 (33)
MSCI All Country World Index Net	-2.4 (55)	4.2 (38)	22.8 (61)	16.3 (40)	-5.5 (34)	11.8 (60)	30.0 (65)	-40.7 (44)	9.0 (56)
American Funds Euro-Pacific Growth Fund	-0.5 (20)	-2.3 (8)	20.6 (43)	19.6 (25)	-13.3 (65)	9.8 (33)	39.6 (11)	-40.3 (16)	19.3 (5)
MSCI All Country World ex-U.S. Index	-5.3 (81)	-3.4 (11)	15.8 (71)	17.4 (56)	-13.3 (66)	11.6 (13)	32.5 (37)	-43.1 (70)	11.6 (59)
FRS Self-Dir Brokerage Acct									

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

### FRS Investment Plan

As of December 31, 2015

### Asset Allocation

Asset Allocation as of 12/31/2015								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Cash	Brokerage	Total	% of Total
FRS Retirement Income Fund	57,019,083	51,095,023	138,474,916	123,664,765			370,253,787	4.2%
FRS 2015 Retirement Date Fund	68,030,892	59,618,470	129,112,391	108,995,730			365,757,483	4.2%
FRS 2020 Retirement Date Fund	139,528,319	123,278,033	185,477,405	112,070,939			560,354,696	6.4%
FRS 2025 Retirement Date Fund	171,693,029	151,559,644	168,337,464	67,670,542			559,260,679	6.4%
FRS 2030 Retirement Date Fund	175,752,950	154,331,537	128,528,473	28,237,316			486,850,276	5.6%
FRS 2035 Retirement Date Fund	176,873,594	156,448,387	89,088,665	12,168,208			434,578,854	5.0%
FRS 2040 Retirement Date Fund	159,006,203	141,379,650	61,692,938	5,141,078			367,219,869	4.2%
FRS 2045 Retirement Date Fund	155,542,414	137,447,995	49,411,684	5,567,514			347,969,607	4.0%
FRS 2050 Retirement Date Fund	76,951,014	67,999,219	24,445,289	2,754,399			172,149,920	2.0%
FRS 2055 Retirement Date Fund	20,044,532	17,712,730	6,367,614	717,478			44,842,354	0.5%
<b>Total Retirement Date Funds</b>	<b>\$ 1,200,442,030</b>	<b>\$ 1,060,870,687</b>	<b>\$ 980,936,840</b>	<b>\$ 466,987,968</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,709,237,526</b>	<b>42.5%</b>
FRS Money Market Fund					921,736,471		921,736,471	10.6%
<b>Total Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 921,736,471</b>	<b>\$ -</b>	<b>\$ 921,736,471</b>	<b>10.6%</b>
FRS Real Assets Fund				96,563,399	-		96,563,399	1.1%
<b>Total Real Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 96,563,399</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 96,563,399</b>	<b>1.1%</b>
FRS U.S. Bond Enhanced Index Fund			212,636,707				212,636,707	2.4%
Pyramis Intermediate Duration Pool Fund			112,709,185				112,709,185	1.3%
FRS Core Plus Fixed Income Fund			319,822,993				319,822,993	3.7%
<b>Total Fixed Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 645,168,885</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 645,168,885</b>	<b>7.4%</b>
FRS U.S. Stock Market Index Fund	716,581,947						716,581,947	8.2%
FRS U.S. Large Cap Equity Fund	882,111,685						882,111,685	10.1%
FRS U.S. Small/Mid Cap Equity Fund	786,372,280						786,372,280	9.0%
<b>Total Domestic Equity</b>	<b>\$ 2,385,065,912</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,385,065,912</b>	<b>27.3%</b>
FRS Foreign Stock Index Fund		230,951,223					230,951,223	2.6%
American Funds New Perspective Fund		251,456,395					251,456,395	2.9%
American Funds Euro-Pacific Growth Fund		167,837,344					167,837,344	1.9%
<b>Total International/Global Equity</b>	<b>\$ -</b>	<b>\$ 650,244,963</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 650,244,963</b>	<b>7.5%</b>
FRS Self-Dir Brokerage Acct						315,307,540	315,307,540	3.6%
<b>Total Self-Dir Brokerage Acct</b>						<b>\$ 315,307,540</b>	<b>\$ 315,307,540</b>	<b>3.6%</b>
<b>Total Portfolio</b>	<b>\$ 3,585,507,942</b>	<b>\$ 1,711,115,651</b>	<b>\$ 1,626,105,725</b>	<b>\$ 563,551,367</b>	<b>\$ 921,736,471</b>	<b>\$ 315,307,540</b>	<b>\$ 8,723,324,696</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>41.10%</b>	<b>19.62%</b>	<b>18.64%</b>	<b>6.46%</b>	<b>10.57%</b>	<b>3.61%</b>	<b>100.0%</b>	

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 December 31, 2015

Multi Timeperiod Statistics

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio	3 Years Up Market Capture	3 Years Down Market Capture
FRS Investment Plan	6.22	6.90	0.90	0.37	0.93	101.40	97.55
FRS Retirement Income Fund	1.72	5.33	0.34	1.65	0.02	112.44	115.70
FRS 2015 Retirement Date Fund	2.39	5.62	0.44	1.38	-0.06	108.03	112.82
FRS 2020 Retirement Date Fund	3.87	6.32	0.62	0.99	-0.01	105.36	108.70
FRS 2025 Retirement Date Fund	5.31	7.04	0.76	0.62	0.04	101.77	102.74
FRS 2030 Retirement Date Fund	6.79	7.88	0.87	0.37	0.14	100.23	99.76
FRS 2035 Retirement Date Fund	7.90	8.95	0.89	0.41	0.24	99.98	98.88
FRS 2040 Retirement Date Fund	7.96	9.19	0.87	0.43	0.20	99.86	98.85
FRS 2045 Retirement Date Fund	7.95	9.23	0.87	0.44	0.18	99.70	98.58
FRS 2050 Retirement Date Fund	7.94	9.22	0.87	0.44	0.17	99.67	98.59
FRS 2055 Retirement Date Fund	7.96	9.23	0.87	0.43	0.22	99.77	98.56
FRS Money Market Fund	0.20	0.02	6.43	0.01	11.32	579.79	N/A
FRS Real Assets Fund	-4.77	6.78	-0.69	1.91	-0.32	117.48	116.49
FRS U.S. Bond Enhanced Index Fund	1.58	2.95	0.53	0.12	1.16	102.42	99.28
Pyramis Intermediate Duration Pool Fund	1.26	2.23	0.55	0.49	-0.30	99.54	105.70
FRS Core Plus Fixed Income Fund	1.81	3.39	0.53	0.71	-0.26	107.91	118.81
FRS U.S. Stock Market Index Fund	14.81	10.73	1.34	0.05	1.46	100.22	99.84
FRS U.S. Large Cap Equity Fund	16.46	11.19	1.42	2.48	0.54	103.76	95.22
FRS U.S. Small/Mid Cap Equity Fund	13.79	12.44	1.10	2.79	1.93	122.47	95.29
FRS Foreign Stock Index Fund	3.24	12.22	0.32	1.17	-0.15	97.58	98.11
American Funds New Perspective Fund	11.62	10.74	1.07	2.68	1.34	103.97	75.43
American Funds Euro-Pacific Growth Fund	5.45	10.78	0.54	3.75	0.86	93.36	71.19

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 December 31, 2015

### Benchmark Descriptions

**Retirement Date Benchmarks** - A weighted average composite of the underlying components' benchmarks for each fund.

**iMoneyNet 1st Tier Institutional Net Index** - An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.

**FRS Custom Real Assets Index** - A monthly weighted 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.

## Descriptions of Universes

Retirement Date Funds - Target date universes calculated and provided by Lipper.

FRS Money Market Fund - A money market universe calculated and provided by Lipper.

FRS U.S. Bond Enhanced Index Fund - A long-term bond fixed income universe calculated and provided by Lipper.

Pyramis Intermediate Duration Pool Fund - A broad intermediate-term fixed income universe calculated and provided by Lipper.

FRS Core Plus Fixed Income Fund - A core plus bond fixed income universe calculated and provided by Lipper.

FRS U.S. Stock Market Index Fund - A large cap blend universe calculated and provided by Lipper.

FRS U.S. Large Cap Equity Fund - A large cap universe calculated and provided by Lipper.

FRS U.S. Small/Mid Cap Equity Fund - A small/mid cap universe calculated and provided by Lipper.

FRS Foreign Stock Index Fund - A foreign blend universe calculated and provided by Lipper.

American Funds New Perspective Fund - A global stock universe calculated and provided by Lipper.

American Funds Euro-Pacific Growth Fund - A foreign large blend universe calculated and provided by Lipper.

## 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 have been obtained from the recordkeeper. AHIC believes the information to be accurate but has not conducted any type of additional audits to ensure the information's accuracy 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.

### 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 | Fourth Quarter 2015

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## Quarterly Investment Review

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## LCEF Total Fund

1

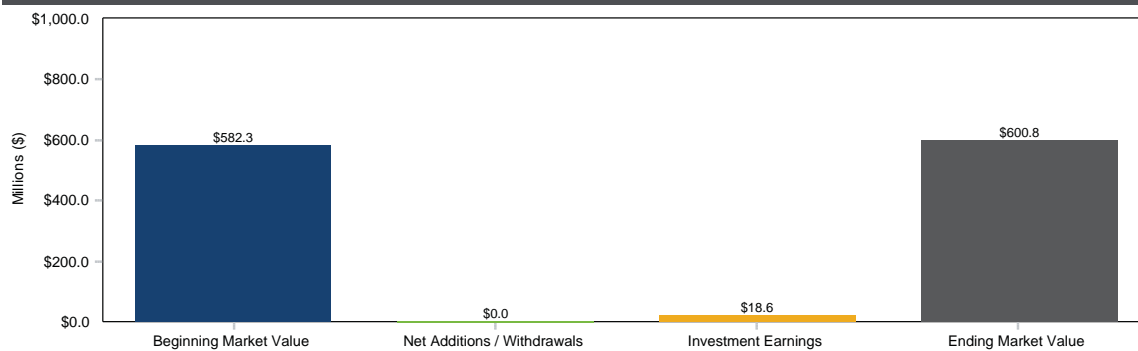


LCEF Total Fund

As of December 31, 2015

### Total Plan Asset Summary

### Change in Market Value From October 1, 2015 to December 31, 2015



### Summary of Cash Flow

	1 Quarter	Fiscal YTD*
LCEF Total Fund		
Beginning Market Value	582,250,530	625,706,661
+ Additions / Withdrawals	-	-
+ Investment Earnings	18,564,401	-24,891,729
= Ending Market Value	600,814,931	600,814,931

\*Period July 2015 - December 2015

2

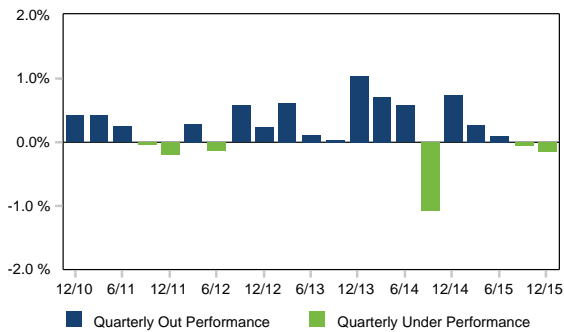


## Total Plan Performance Summary

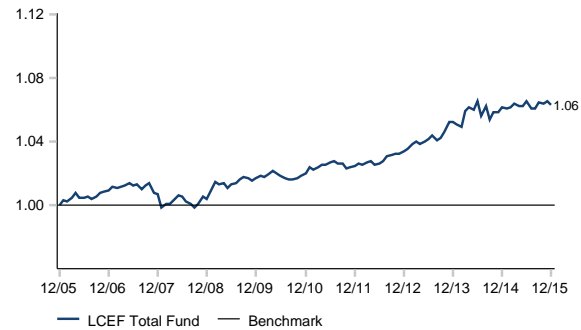
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - 10 Years



## Asset Allocation &amp; Performance

	Allocation			Performance(%)				
	Market Value (\$)	%	Policy(%)	1 Quarter	1 Year	3 Years	5 Years	10 Years
LCEF Total Fund	600,814,931	100.0	100.0	3.2 (14)	-1.4 (54)	6.0 (61)	6.5 (39)	5.1 (52)
Total Endowment Target				3.3 (10)	-1.6 (57)	5.0 (78)	5.7 (63)	4.5 (72)
Global Equity*	434,538,131	72.3	71.0	4.7	-1.9	9.5	9.4	6.1
Global Equity Target				4.9	-2.4	8.0	8.0	5.5
Fixed Income	98,224,727	16.3	17.0	-0.6 (60)	0.6 (34)	1.6 (28)	3.3 (39)	4.6 (55)
Barclays Aggregate Index				-0.6 (56)	0.5 (36)	1.4 (34)	3.2 (41)	4.5 (56)
TIPS	59,880,677	10.0	11.0	-0.6	-1.2	-2.3	2.6	4.3
Barclays U.S. TIPS				-0.6	-1.4	-2.3	2.5	3.9
Cash Equivalents	8,171,396	1.4	1.0	0.1	0.5	0.3	0.5	1.8
S&P US AAA & AA Rated GIP 30D Net Yield Index				0.0	0.1	0.1	0.1	1.3

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 December 31, 2015

### Calendar Year Performance

	Performance(%)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>LCEF Total Fund</b>	-1.4 (54)	5.2 (41)	14.7 (54)	13.2 (21)	1.9 (15)	14.0 (12)	21.2 (45)	-29.2 (74)	6.3 (85)	15.0 (20)
Total Endowment Target	-1.6 (57)	4.3 (54)	12.8 (77)	12.2 (46)	1.5 (17)	13.7 (15)	19.6 (55)	-28.9 (72)	6.5 (81)	14.0 (33)
<b>Global Equity*</b>	-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
<b>Fixed Income</b>	0.6 (34)	6.0 (24)	-1.8 (69)	4.6 (88)	7.6 (32)	7.0 (72)	4.6 (84)	5.8 (19)	7.3 (36)	4.4 (36)
Barclays Aggregate Index	0.5 (36)	6.0 (24)	-2.0 (70)	4.2 (91)	7.8 (31)	6.5 (74)	5.9 (77)	5.2 (24)	7.0 (49)	4.3 (38)
<b>TIPS</b>	-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
<b>Cash Equivalents</b>	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

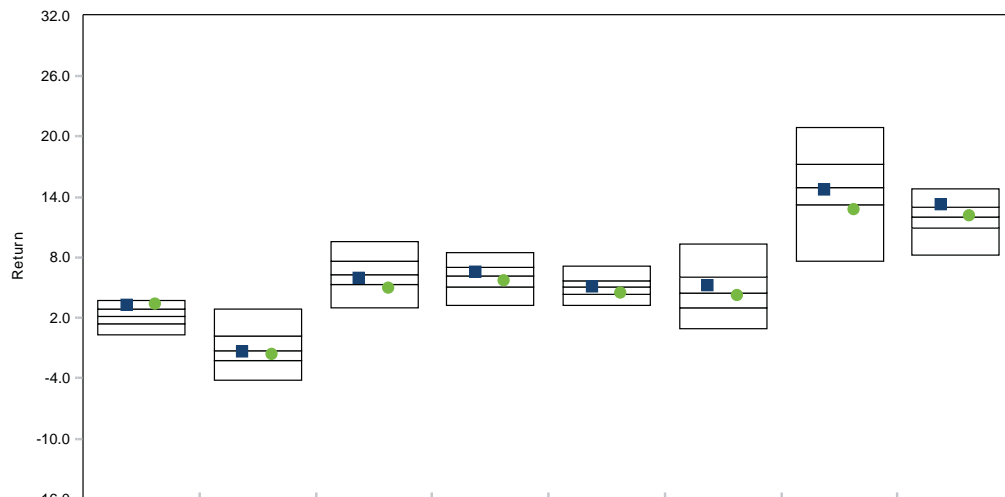
\*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.



As of December 31, 2015

### Plan Sponsor Peer Group Analysis

#### All Endowments-Total Fund

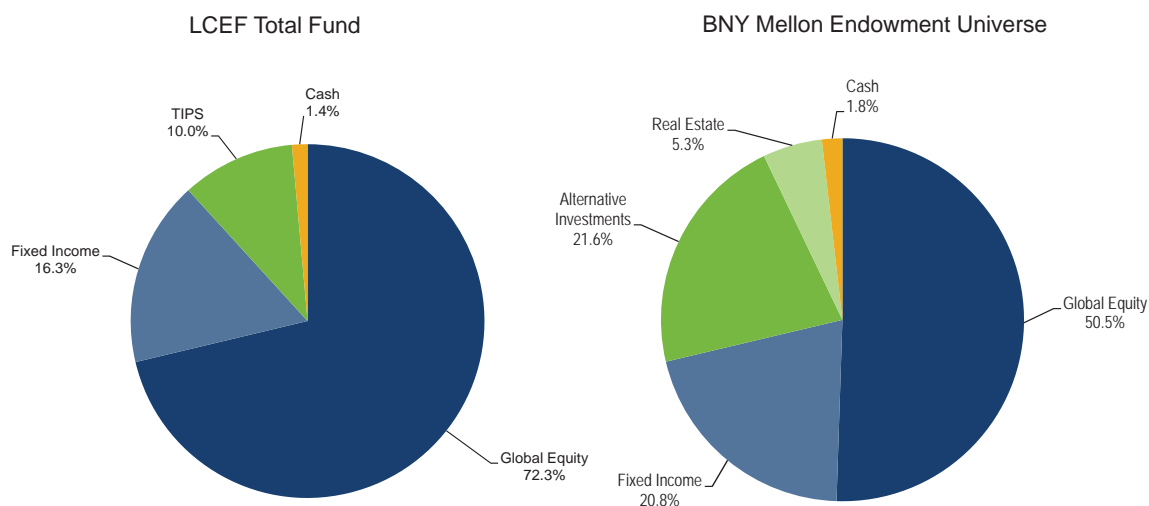


	1 Quarter	1 Year	3 Years	5 Years	10 Years	2014	2013	2012
■ LCEF Total Fund	3.2 (14)	-1.4 (54)	6.0 (61)	6.5 (39)	5.1 (52)	5.2 (41)	14.7 (54)	13.2 (21)
● Total Endowment Target	3.3 (10)	-1.6 (57)	5.0 (78)	5.7 (63)	4.5 (72)	4.3 (54)	12.8 (77)	12.2 (46)
5th Percentile	3.7	2.9	9.6	8.4	7.2	9.4	20.9	14.8
1st Quartile	2.8	0.2	7.6	7.1	5.7	6.0	17.2	13.0
Median	2.1	-1.3	6.3	6.1	5.1	4.5	15.0	12.0
3rd Quartile	1.4	-2.3	5.3	5.1	4.3	3.1	13.3	10.9
95th Percentile	0.3	-4.2	3.0	3.2	3.3	1.0	7.6	8.2
Population	174	169	160	152	113	338	315	305

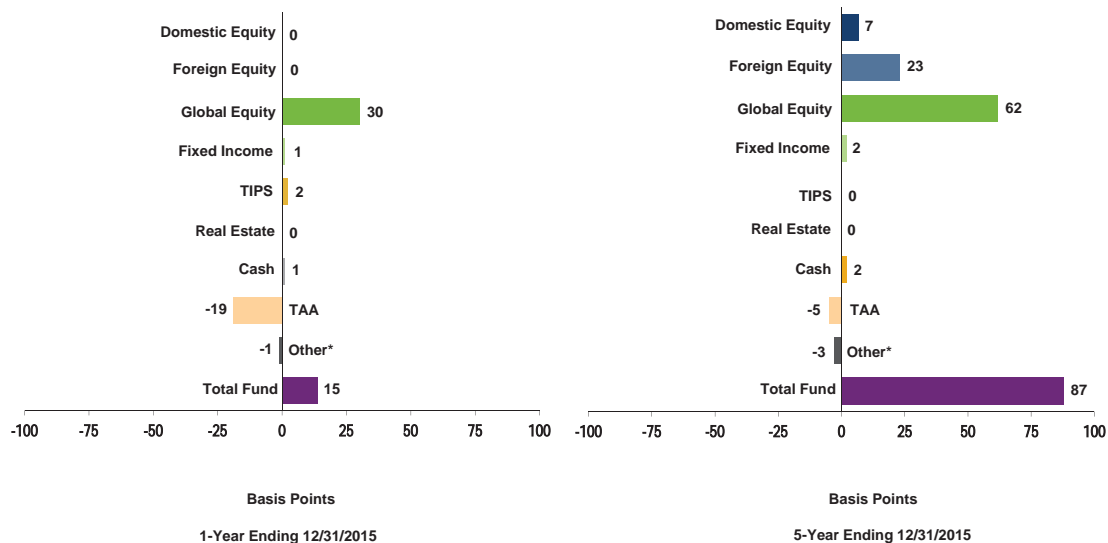
Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



## Universe Asset Allocation Comparison



## Attribution



\*Other includes differences between official performance value added due to methodology and extraordinary payouts.



## Appendix

As of December 31, 2015

### Benchmark Descriptions

#### LCEF Total Fund

Total Endowment Target - A weighted blend of the individual asset class target benchmarks.

#### Total Global Equity

MSCI ACWI IMI ex-Tobacco - From 7/1/2014 forward, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. From 10/1/2013 to 6/30/2014, a custom version of the MSCI ACWI IMI adjusted to reflect a 55% fixed weight in the MSCI USA IMI and a 45% fixed weight in the MSCI ACWI ex-USA IMI, and excluding certain equities of tobacco-related companies. From 9/1/2012 to 9/30/2013, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. Prior to 9/1/2012, the benchmark is a weighted average of both the Domestic Equities and Foreign Equities historical benchmarks.

#### Total Domestic Equities

Russell 3000 Index ex-Tobacco - Prior to 9/1/2012, an index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices, while excluding tobacco companies.

#### Total Foreign Equities

MSCI ACWI ex-US IMI ex-Tobacco - Prior to 9/1/2012, a capitalization-weighted index representing 44 countries, but excluding the United States. The index includes 23 developed and 21 emerging market countries, and excludes tobacco companies.

#### Total Fixed Income

Barclays Aggregate Bond Index - A market value-weighted index consisting of the Barclays Credit, Government, and Mortgage-Backed Securities Indices. The index also includes credit card, auto, and home equity loan-backed securities. This index is the broadest available measure of the aggregate investment grade U.S. fixed income market.

#### Total TIPS

Barclays U.S. TIPS - A market value-weighted index consisting of U.S. Treasury Inflation-Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500 million or more.

#### Total Cash Equivalents

S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index - An unmanaged, net-of-fees, market index representative of the Local Government Investment Pool. On 10/1/2011, the S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index replaced the S&P U.S. AAA & AA Rated GIP 30-Day Gross Yield Index, which was previously used from 4/30/08 - 9/30/11. Prior to 4/30/08, it was the average 3-month T-bill rate.

As of December 31, 2015

## Universe Descriptions

### LCEF Total Fund

A universe comprised of 146 total endowment portfolio returns, net of fees, calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$401.2 billion as of quarter-end and the average market value was \$1.1 billion.

### Total Fixed Income

A universe comprised of 49 total fixed income portfolio returns, net of fees, of endowment plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$30.2 billion as of quarter-end and the average market value was \$87.6 million.

As of December 31, 2015

## Explanation of Exhibits

Quarterly and Cumulative Excess Performance - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

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 have been obtained from the recordkeeper. AHIC believes the information to be accurate but has not conducted any type of additional audits to ensure the information's accuracy 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.

### 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.