

# INVESTMENT ADVISORY COUNCIL

## **Item 1. Welcome / Call to Order / Approval of Minutes**

**Peter Jones, Chair**

*(See Attachments 1A – 1B)*

# INVESTMENT ADVISORY COUNCIL

## **Item 2. Audit Committee Update**

**Mark Thompson, Audit Committee Chair**

# INVESTMENT ADVISORY COUNCIL

## **Item 3. Opening Remarks / Reports**

**Chris Spencer**, Executive Director

**Lamar Taylor**, Chief Investment Officer

*(See Attachments 3A – 3E)*

# INVESTMENT ADVISORY COUNCIL

## IAC Prepared Comments

**Lamar Taylor**, Chief Investment Officer



**SBA Major Mandate Performance**  
Official Performance Through: March 31, 2025

<b>Managed Return</b>						
<b>Mandate</b>	<b>1 Mo</b>	<b>3 Mo</b>	<b>1-Yr</b>	<b>3-Yr</b>	<b>5-Yr</b>	<b>10-Yr</b>
FRS Investment Plan	-2.92%	-0.69%	5.73%	4.89%	10.98%	6.94%
Florida PRIME	0.39%	1.13%	5.24%	4.61%	2.85%	2.11%
Cat Fund	0.35%	1.06%	5.05%	3.31%	1.67%	0.00%
FRS Pension Plan	-1.75%	0.19%	5.43%	4.25%	10.41%	7.48%
Asset Allocation	-2.21%	-0.12%	5.58%	4.70%	10.54%	6.92%
Global Equity xTrans	-3.96%	-1.57%	6.51%	6.65%	15.17%	8.92%
Fixed Income xTrans	0.04%	2.80%	5.20%	1.74%	0.82%	1.81%
Real Estate	0.27%	1.24%	-1.90%	-1.89%	3.92%	5.82%
Private Equity	0.81%	1.24%	7.89%	2.22%	15.48%	15.17%
Strategic Investments	-0.02%	0.49%	6.81%	6.59%	7.83%	6.80%
Active Credit xTrans	1.08%	2.23%	9.48%	0.00%	0.00%	0.00%
Cash & Central Custody + Enhanced Cash	0.41%	1.26%	5.35%	4.01%	2.24%	1.73%

**SBA Major Mandate Performance**  
Official Performance Through: March 31, 2025

<b>Active Return</b>						
<b>Mandate</b>	<b>1 Mo</b>	<b>3 Mo</b>	<b>1-Yr</b>	<b>3-Yr</b>	<b>5-Yr</b>	<b>10-Yr</b>
FRS Investment Plan	0.01%	0.26%	-0.29%	-0.10%	0.06%	0.11%
Florida PRIME	0.04%	0.06%	0.32%	0.38%	0.28%	0.25%
Cat Fund	0.13%	0.36%	1.23%	0.50%	0.31%	0.00%
FRS Pension Plan	0.45%	0.28%	-0.12%	-0.49%	-0.14%	0.56%
Asset Allocation	0.00%	-0.03%	0.03%	-0.03%	-0.01%	0.00%
Global Equity xTrans	-0.03%	0.08%	0.28%	0.37%	0.15%	0.36%
Fixed Income xTrans	0.00%	0.02%	0.32%	0.36%	0.61%	0.30%
Real Estate	-0.07%	0.22%	0.11%	1.31%	1.36%	0.93%
Private Equity	4.42%	2.13%	-0.84%	-6.71%	-2.34%	3.69%
Strategic Investments	0.31%	0.23%	-0.20%	-0.63%	-1.69%	0.42%
Active Credit xTrans	1.29%	1.16%	1.16%	0.00%	0.00%	0.00%
Cash & Central Custody + Enhanced Cash	0.06%	0.22%	0.32%	-0.32%	-0.36%	-0.16%

# FRS Pension Plan: Performance Attribution Report for IAC

March 31, 2025

Name	Market Value (In Millions)	3 Months	1 Year	3 Year
Total Fund	\$ 200,375	0.19%	5.43%	4.25%
Policy Benchmark		-0.09%	5.55%	4.73%
+ / - Benchmark		0.28%	-0.12%	-0.49%
Global Equity	\$ 92,914	-1.57%	6.51%	6.65%
Policy Benchmark		-1.66%	6.23%	6.28%
+ / - Benchmark		0.08%	0.28%	0.37%
Attribution to Total Fund + / - Benchmark		0.04%	0.13%	0.17%
Fixed Income	\$ 40,753	2.80%	5.20%	1.74%
Policy Benchmark		2.78%	4.88%	1.39%
+ / - Benchmark		0.02%	0.32%	0.36%
Attribution to Total Fund + / - Benchmark		0.00%	0.06%	0.06%
Real Estate	\$ 19,360	1.24%	-1.90%	-1.89%
Policy Benchmark		1.02%	-2.02%	-3.20%
+ / - Benchmark		0.22%	0.11%	1.31%
Attribution to Total Fund + / - Benchmark		0.02%	0.01%	0.14%
Private Equity	\$ 18,789	1.24%	7.89%	2.22%
Policy Benchmark		-0.89%	8.73%	8.93%
+ / - Benchmark		2.13%	-0.84%	-6.71%
Attribution to Total Fund + / - Benchmark		0.20%	-0.10%	-0.69%
+ / - Secondary Benchmark		0.41%	1.96%	1.12%
Strategic Investments	\$ 12,479	0.49%	6.81%	6.59%
Policy Benchmark		0.26%	7.02%	7.22%
+ / - Benchmark		0.23%	-0.20%	-0.63%
Attribution to Total Fund + / - Benchmark		0.01%	-0.01%	-0.07%
Active Credit	\$ 8,495	2.23%	9.48%	0.00%
Policy Benchmark		1.07%	8.32%	0.00%
+ / - Benchmark		1.16%	1.16%	0.00%
Attribution to Total Fund + / - Benchmark		0.02%	0.09%	0.00%
Cash CC + Enhanced Cash	\$ 1,664	1.26%	5.35%	4.01%
Policy Benchmark		1.04%	5.03%	4.33%
+ / - Benchmark		0.22%	0.32%	-0.32%
Attribution to Total Fund + / - Benchmark		0.00%	0.00%	0.00%
Other**	\$ 5,920			
Other Attribution to Total Fund + / - Benchmark		0.01%	-0.34%	-0.06%
AA Attribution to Total Fund + / - Benchmark		-0.03%	0.03%	-0.03%

\* Totals might not add due to methodology and rounding

\*\* Captures transition accounts, liquidity portfolios, and unexplained differences due to methodology.

# Major Mandate Performance

3/31/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Cat Fund	Managed Return	0.35%	1.06%	5.05%	3.31%	1.67%	
	Benchmark Return <sup>1</sup>	0.23%	0.70%	3.82%	2.81%	1.36%	
	+Over/-Under Benchmark	0.13%	0.36%	1.23%	0.50%	0.31%	

<sup>1</sup> Showing FHCF Operating Claims Paying Fund, benchmarked to BBG 1 Month Treasury

3/31/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Florida PRIME	Managed Return	0.39%	1.13%	5.24%	4.61%	2.85%	2.11%
	Benchmark Return	0.35%	1.07%	4.92%	4.22%	2.57%	1.86%
	+Over/-Under Benchmark	0.04%	0.06%	0.32%	0.38%	0.28%	0.25%

3/31/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
FRS Investment Plan	Managed Return	-2.92%	-0.69%	5.73%	4.89%	10.98%	6.94%
	Benchmark Return	-2.93%	-0.95%	6.01%	4.98%	10.92%	6.84%
	+Over/-Under Benchmark	0.01%	0.26%	-0.29%	-0.10%	0.06%	0.11%

3/31/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
FRS Pension Plan	Managed Return	-1.75%	0.19%	5.43%	4.25%	10.41%	7.48%
	Benchmark Return	-2.21%	-0.09%	5.55%	4.73%	10.55%	6.92%
	+Over/-Under Benchmark	0.45%	0.28%	-0.12%	-0.49%	-0.14%	0.56%
Asset Allocation	Managed Return	-2.21%	-0.12%	5.58%	4.70%	10.54%	6.92%
	Benchmark Return	-2.21%	-0.09%	5.55%	4.73%	10.55%	6.92%
	+Over/-Under Benchmark	0.00%	-0.03%	0.03%	-0.03%	-0.01%	0.00%
Global Equity xTrans	Managed Return	-3.96%	-1.57%	6.51%	6.65%	15.17%	8.92%
	Benchmark Return	-3.94%	-1.66%	6.23%	6.28%	15.02%	8.56%
	+Over/-Under Benchmark	-0.03%	0.08%	0.28%	0.37%	0.15%	0.36%
Fixed Income xTrans	Managed Return	0.04%	2.80%	5.20%	1.74%	0.82%	1.81%
	Benchmark Return	0.04%	2.78%	4.88%	1.39%	0.20%	1.51%
	+Over/-Under Benchmark	0.00%	0.02%	0.32%	0.36%	0.61%	0.30%
Real Estate	Managed Return	0.27%	1.24%	-1.90%	-1.89%	3.92%	5.82%
	Benchmark Return	0.34%	1.02%	-2.02%	-3.20%	2.56%	4.89%
	+Over/-Under Benchmark	-0.07%	0.22%	0.11%	1.31%	1.36%	0.93%
Private Equity	Managed Return	0.81%	1.24%	7.89%	2.22%	15.48%	15.17%
	Benchmark Return	-3.61%	-0.89%	8.73%	8.93%	17.82%	11.48%
	+Over/-Under Benchmark	4.42%	2.13%	-0.84%	-6.71%	-2.34%	3.69%
Secondary Bchmark*	+Over/-Under Benchmark			1.96%	1.12%	3.08%	2.86%
Strategic Investments	Managed Return	-0.02%	0.49%	6.81%	6.59%	7.83%	6.80%
	Benchmark Return	-0.33%	0.26%	7.02%	7.22%	9.52%	6.38%
	+Over/-Under Benchmark	0.31%	0.23%	-0.20%	-0.63%	-1.69%	0.42%
Active Credit xTrans	Managed Return	1.08%	2.23%	9.48%			
	Benchmark Return	-0.21%	1.07%	8.32%			
	+Over/-Under Benchmark	1.29%	1.16%	1.16%			
Cash & Central Custody + Enhanced Cash	Managed Return	0.41%	1.26%	5.35%	4.01%	2.24%	1.73%
	Benchmark Return	0.44%	1.04%	5.03%	4.33%	2.61%	1.89%
	+Over/-Under Benchmark	-0.06%	0.22%	0.32%	-0.32%	-0.36%	-0.16%

\* Cambridge Peer Based Secondary Bchmark Lagged by 1 Quarter

# INVESTMENT ADVISORY COUNCIL

## **Item 4. Private Equity Asset Class Review**

**John Bradley**, Senior Investment Officer

**Wes Bradle**, Senior Portfolio Manager

*(See Attachment 4A)*

# INVESTMENT ADVISORY COUNCIL

## Asset Class Update

John Bradley, SIO Private Equity

# Agenda

## PE Policy, Benchmarking and Structure

- Goals/Objectives
- Benchmarks
- Staffing

## Asset Class Investment Process

- Annual Investment Plan
- Sourcing/Due Diligence/Monitoring

## Asset Class Portfolio

- Performance/Cash Flows
- Allocations/Targets/Exposures

## Asset Class Sub-Strategies

- Buyouts/Growth Equity
- Venture Capital
- Distressed/Turnaround
- Secondary

## Internal Co-Investment Program

- Process/Approach
- Execution/Performance

# Private Equity Policy

- Policy target allocation: 10% of total fund
- Allocation range: 6% - 20% of total fund
- 5/15/25 allocation: ~9.3% of total fund

## Per Policy:

- Private Equity shall utilize a prudent process to maximize long-term access to attractive risk-adjusted investment opportunities through use of business partners with appropriate:
  - Financial, operational and investment experience and resources
  - Alignment of interests
  - Transparency and repeatability of investment process, and
  - Controls on leverage



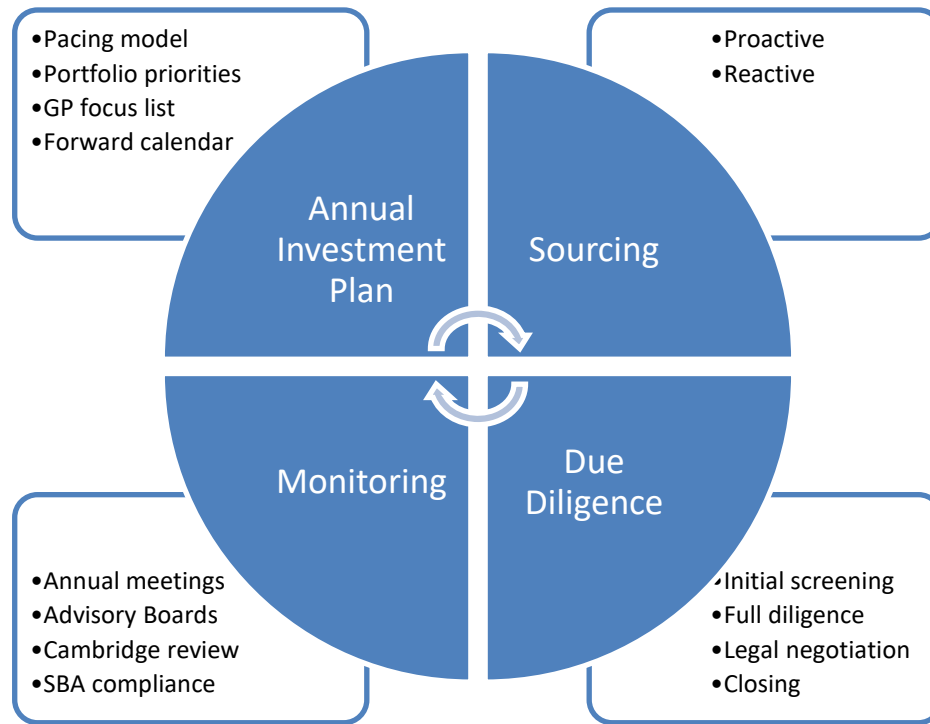
- Asset Class Goals/Objectives
  - Create a portfolio that outperforms both our primary and secondary benchmarks while remaining within the bounds of our asset class risk budget
  - Construct the program to avoid concentrated exposure to a particular vintage year, manager, strategy or geography
  - Establish prudent portfolio diversification while minimizing proliferation of manager relationships

- Benchmarks
  - Primary: MSCI ACWI IMI (ex Iran, Sudan, China, Hong Kong) + 250bps premium
    - Current benchmark of the Global Equity asset class plus an illiquidity premium
    - Opportunity cost benchmark
  - Secondary: Cambridge Associates Benchmark
    - Cambridge Associates Global Private Equity and Venture Capital Index
    - Peer benchmark
    - Measures effectiveness of staff in selecting managers

# Staffing

- Staff of eight investment professionals
  - Senior Investment Officer
  - Three Senior Portfolio Managers
  - One Portfolio Manager
  - Three Analysts
  - Administrative Assistant
- Cambridge Associates
  - Dedicated global team of 5 Investment Directors and 7 Associates/Analysts
  - Market research
  - Fund due diligence
  - Operational due diligence
  - Quarterly performance review
  - Semi-Annual strategy review

# Private Equity Investment Process



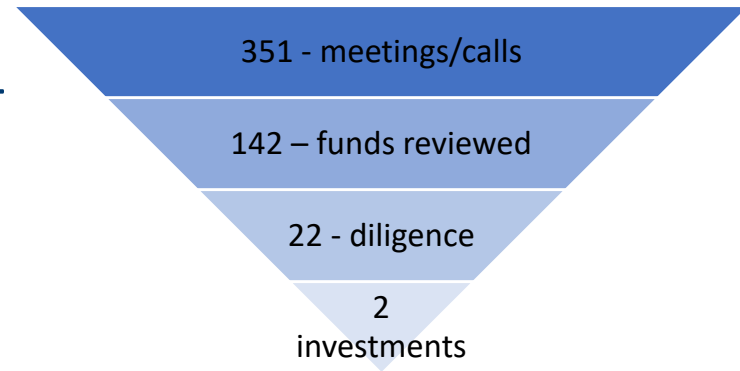
# Private Equity Investment Process

- Annual Investment Plan
  - Serves as the roadmap for the future
    - Numerous inputs, including:
      - Portfolio Const. Model
      - Priority Rankings
      - Focus List
      - Forward Calendar

Geography	Large Buyout	Mid-Mkt Buyout	Small Buyout	Growth Equity	Venture Capital	Distressed / Turnaround
North America	Low Priority	Medium Priority	High Priority	Medium Priority	Medium Priority	Medium Priority
Europe	Low Priority	High Priority	Medium Priority	Medium Priority	Medium Priority	Medium Priority
Asia	Low Priority	Medium Priority	Medium Priority	Low Priority	Medium Priority	Low Priority
ROW	Low Priority	Low Priority	Low Priority	Low Priority	Low Priority	Low Priority

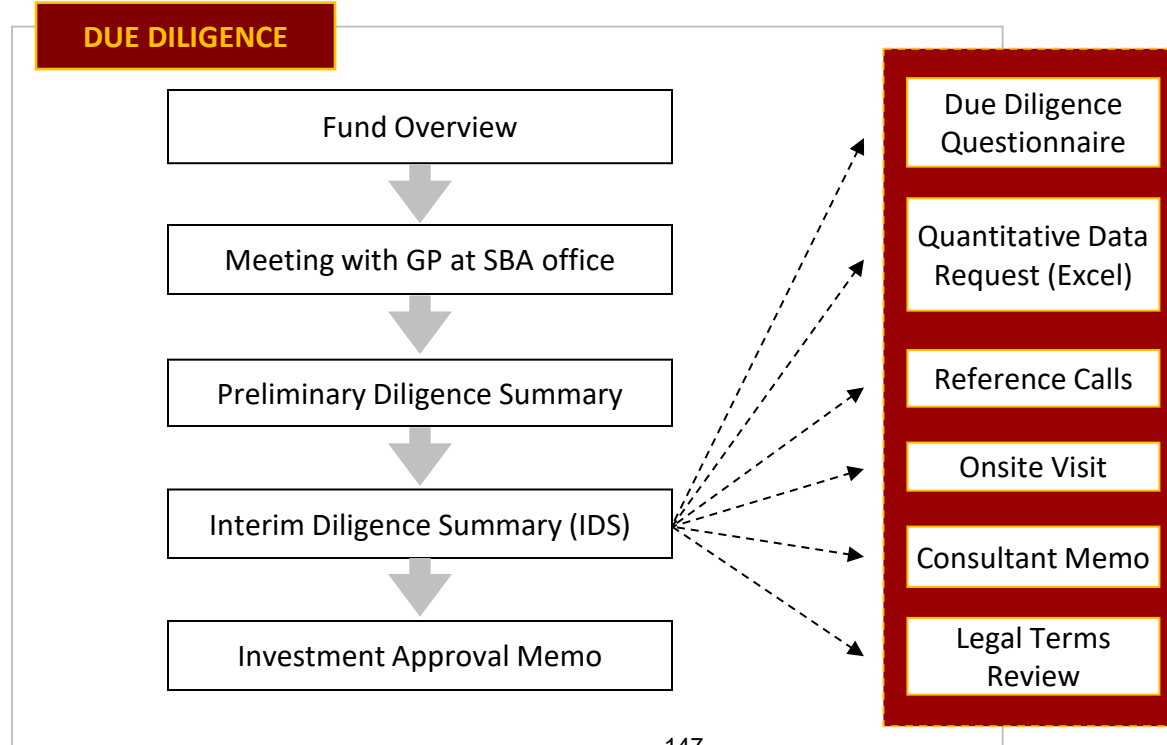
- Sourcing

- Vast majority of investments sourced proactively
- Invested in two funds in 2024 managed by general partners that were new to the PE program
- Sourcing activity increased in 2024



- Due Diligence
  - Goal: leverage SBA resources and staff expertise to create an effective and consistent investment decision-making process
  - Keys to success: people, process, and plumbing
  - Stages of Due Diligence
    - Initial Screening
    - Full Diligence
    - Legal Negotiations
    - Closing

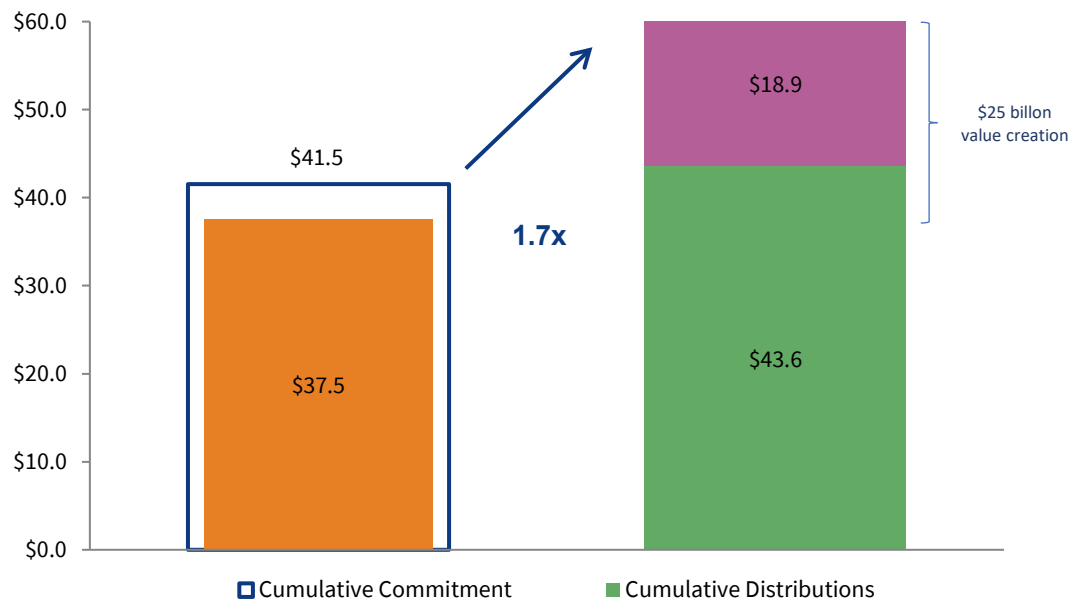
# Private Equity Investment Process





- **Monitoring**
  - Review of all capital calls and distributions
  - Bi-weekly calls with Cambridge Associates
  - Portfolio management/CRM system
  - Attendance at annual meetings
  - Participation on advisory boards
  - Quarterly update calls
  - In-person updates
  - Cambridge Associates strategy meetings
  - SBA Risk Management and Compliance

TOTAL PRIVATE EQUITY PORTFOLIO (\$B)

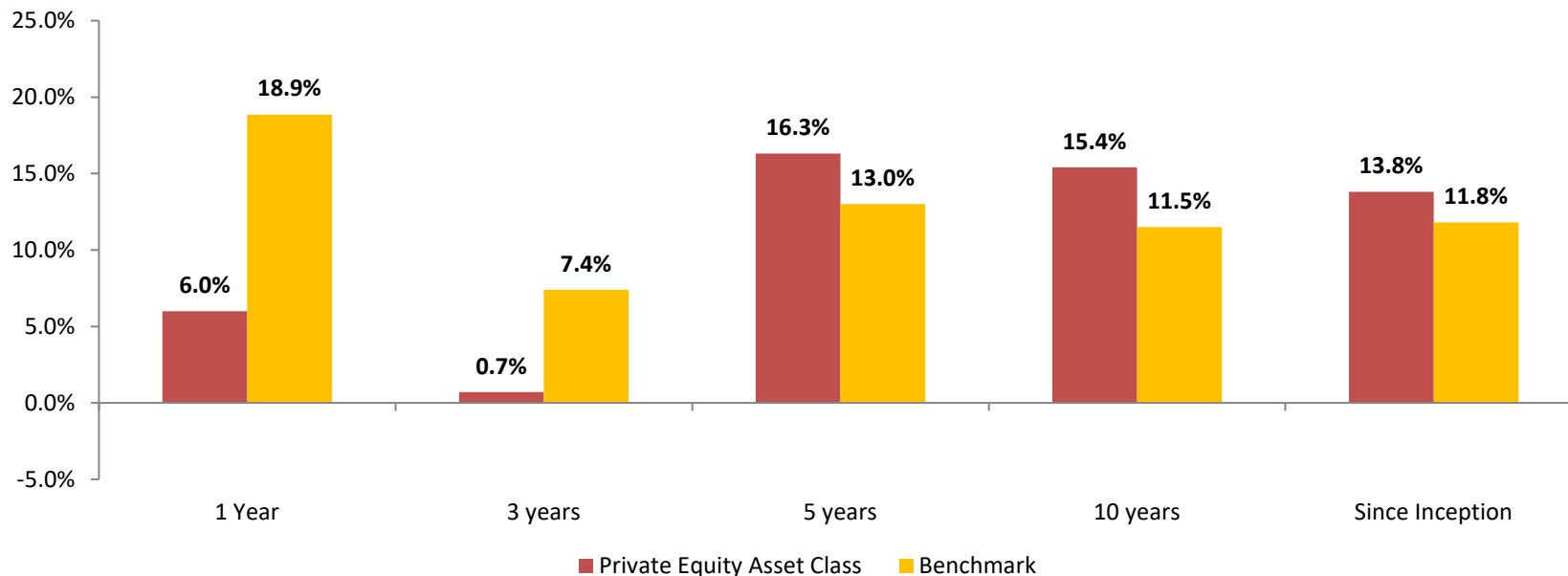


- Since inception, the asset class has committed \$41.5b to 376 funds
- \$37.5b called to date
- \$43.6b distributed; 1.2x DPI
- \$18.9b in remaining value; 1.7x TVPI
- Value creation to date of \$25.0b

\*preliminary performance as of December 31, 2024

# Private Equity Performance

## Asset Class - Net Managed and Benchmark Returns (IRRs) as of December 31, 2024

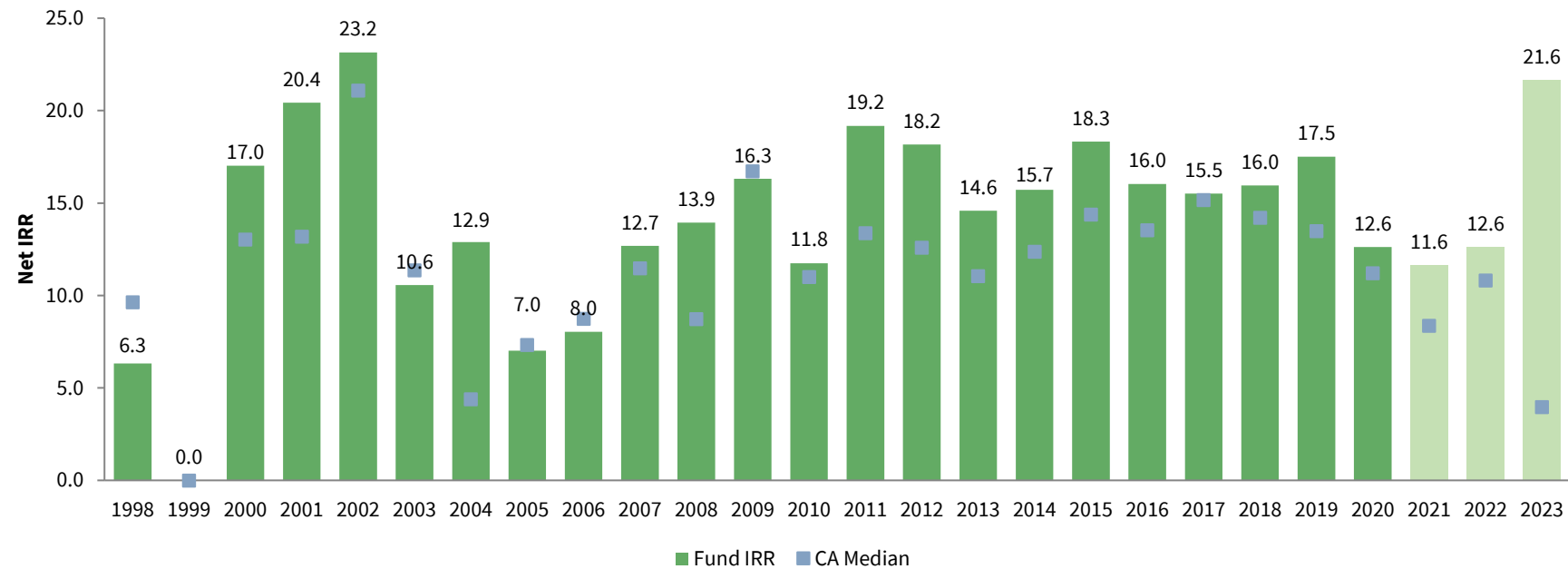


Note: Asset class IRR performance data is provided by Cambridge Associates. The PE benchmark is currently the Custom Iran, Sudan, China, Hong Kong-free ACWI IMI + 250bps. From July 2014 to March 2025 the benchmark was the Custom Iran- and Sudan-free ACWI IMI + 300bps. From July 2010 through June 2014 the benchmark was the Russell 3000 + 300 bps. Prior to July 2010, the benchmark was the Russell 3000 + 450 bps. Prior to November 1999, Private Equity was part of the Domestic Equities asset class and its benchmark was the Domestic Equities target index + 750 bps.

Preliminary performance as of December 31, 2024

# Vintage Year Performance

As of December 31, 2024

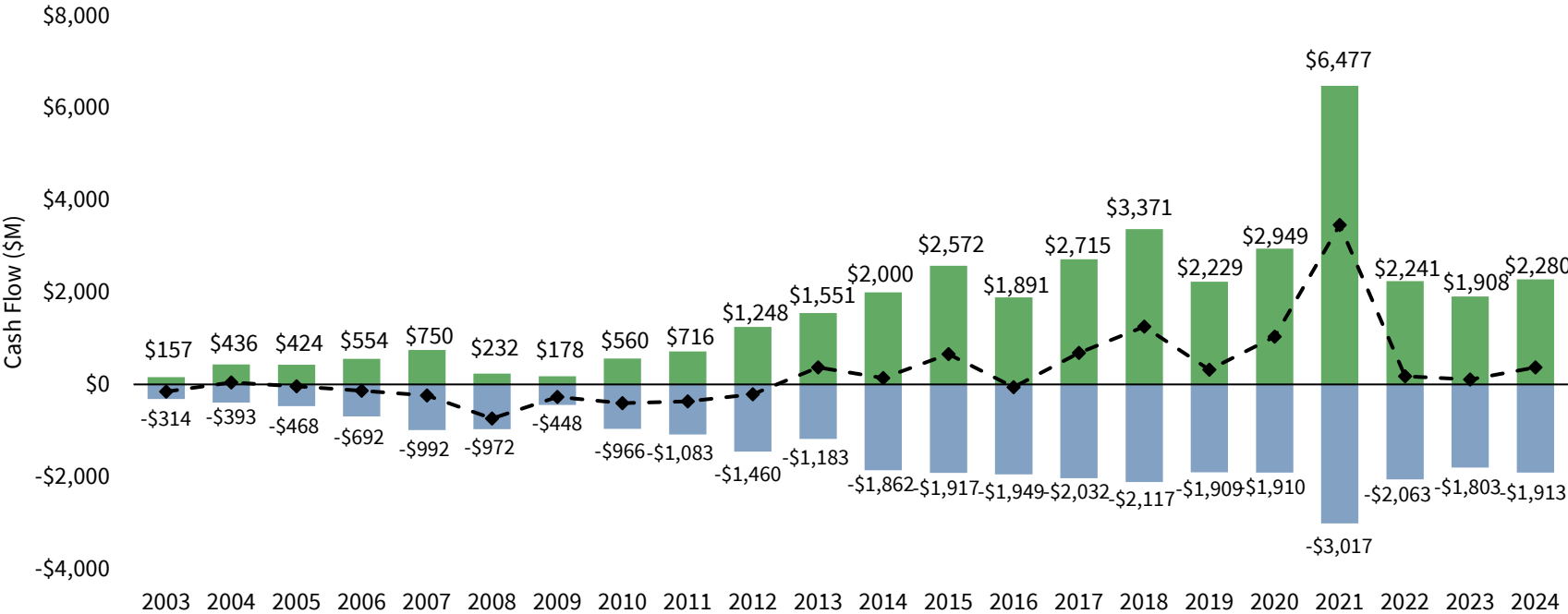


- Since inception of the asset class, the SBA has outperformed vintage year benchmarks in 20 out of 25 years (80%)

\*Light shading (2021 - 2023) indicates vintages too young to have meaningful performance

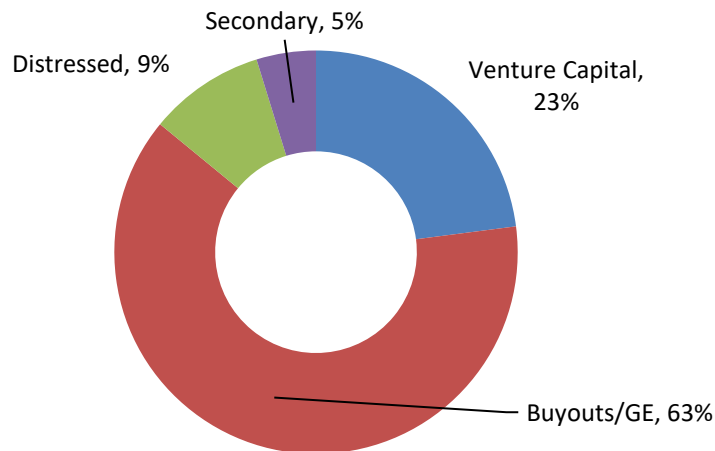
# Cash Flow History

As of December 31, 2024



Cash Flows (\$M)																									
Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024			
Net CF	-\$157	\$44	-\$44	-\$138	-\$242	-\$740	-\$270	-\$406	-\$367	-\$212	\$368	\$138	\$655	-\$58	\$682	\$1,254	\$320	\$1,038	\$3,460	\$178	\$105	\$367			
Cumulative CF	-\$782	-\$739	-\$782	-\$920	-\$1,162	-\$1,902	-\$2,172	-\$2,578	-\$2,944	-\$3,152	-\$2,789	-\$2,651	-\$1,996	-\$2,055	-\$1,373	-\$119	\$202	\$1,240	\$4,700	\$4,878	\$4,983	\$5,349			

# Current Allocations and Targets



(\$ millions)	12/31/24 NAV	%	Total Exposure <sup>+</sup>	%	Target Allocation
Buyouts*	\$ 11,858	63%	\$ 16,100	63%	65%
Venture Capital	\$ 4,232	23%	\$ 4,884	19%	10%
Distressed	\$ 1,883	9%	\$ 3,149	12%	15%
Secondary	\$ 955	5%	\$ 1,457	6%	10%
Total	\$ 18,928		\$ 25,590		

\*Buyout sub-target: 85% funds 15% co-investments

<sup>+</sup>Total Exposure equals NAV + unfunded commitments

# Portfolio Composition

## PE Portfolio

- \$18.9b NAV (12/31/24)
- \$6.7b Unfunded
- 301 funds
- 75 GPs (45 core)



## Geographic Focus\*

- 3 - Global
- 31 - U.S.
- 8 - Europe
- 3 - Asia

## Sector Focus\*

- |                    |                   |
|--------------------|-------------------|
| • 18 - Generalist  | • 4 - Industrials |
| • 9 - Technology   | • 2 - Health Care |
| • 6 - Energy       | • 1 - Financials  |
| • 5 - Cons./Retail | • 1 - Comm Svcs   |

\*Geographic and sector focus of our 45 core managers

# GP Concentration

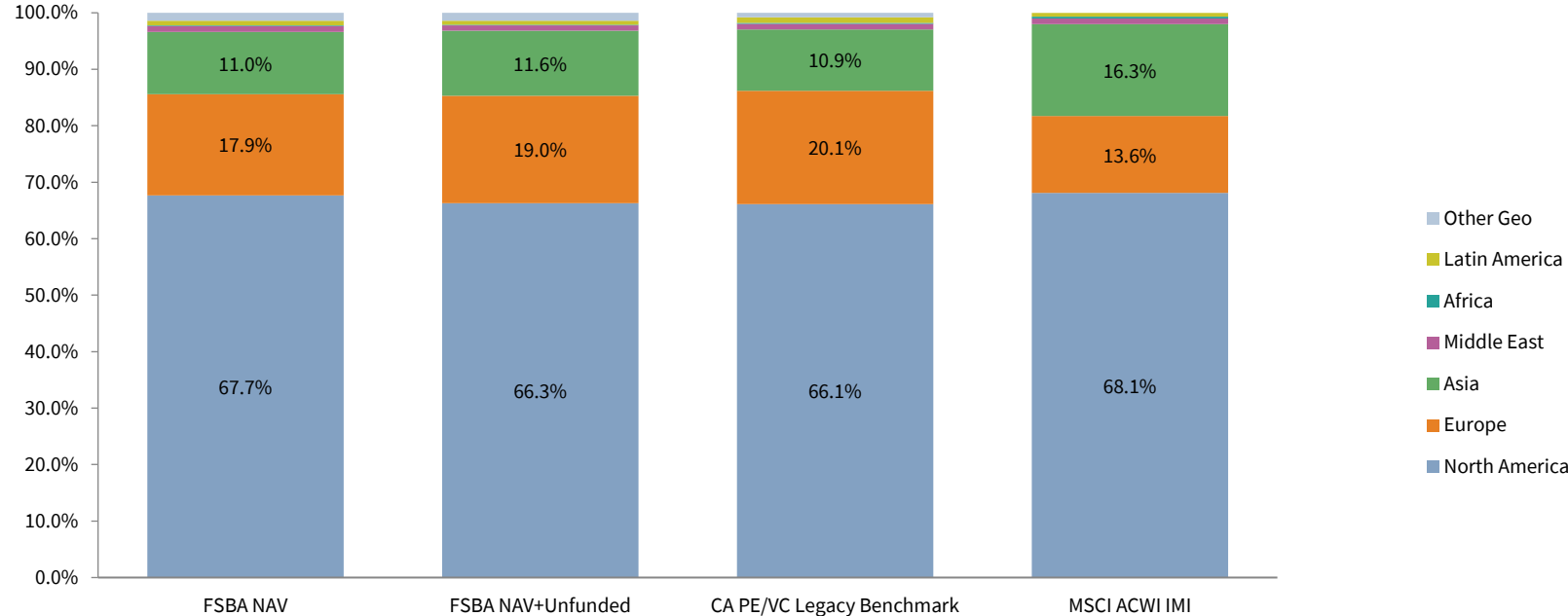
General Partner	12/31/24 NAV	% of PE Portfolio
Lexington Partners	2,284,516,118	12%
Truebridge Capital	1,470,112,347	8%
Pinegrove Capital	1,358,174,789	7%
Thoma Bravo	1,230,848,915	7%
Hellman & Freidman	834,871,377	4%
Asia Alternatives	678,982,151	4%
Tiger Iron Capital	558,252,651	3%
Fairview Capital Partners	522,295,280	3%
Silver Lake Partners	487,297,039	3%
CVC Capital Partners	457,022,450	2%
<b>Total \$</b>	<b>9,891,373,117</b>	<b>52%</b>

- Total portfolio is diversified by GP
- Venture FOFs and technology GPs make up majority of top 10 GP exposures
- The largest 10 exposures represent 52% of portfolio NAV
- Top 10 represent 41% of committed capital



# Geographic Exposure

As of December 31, 2024

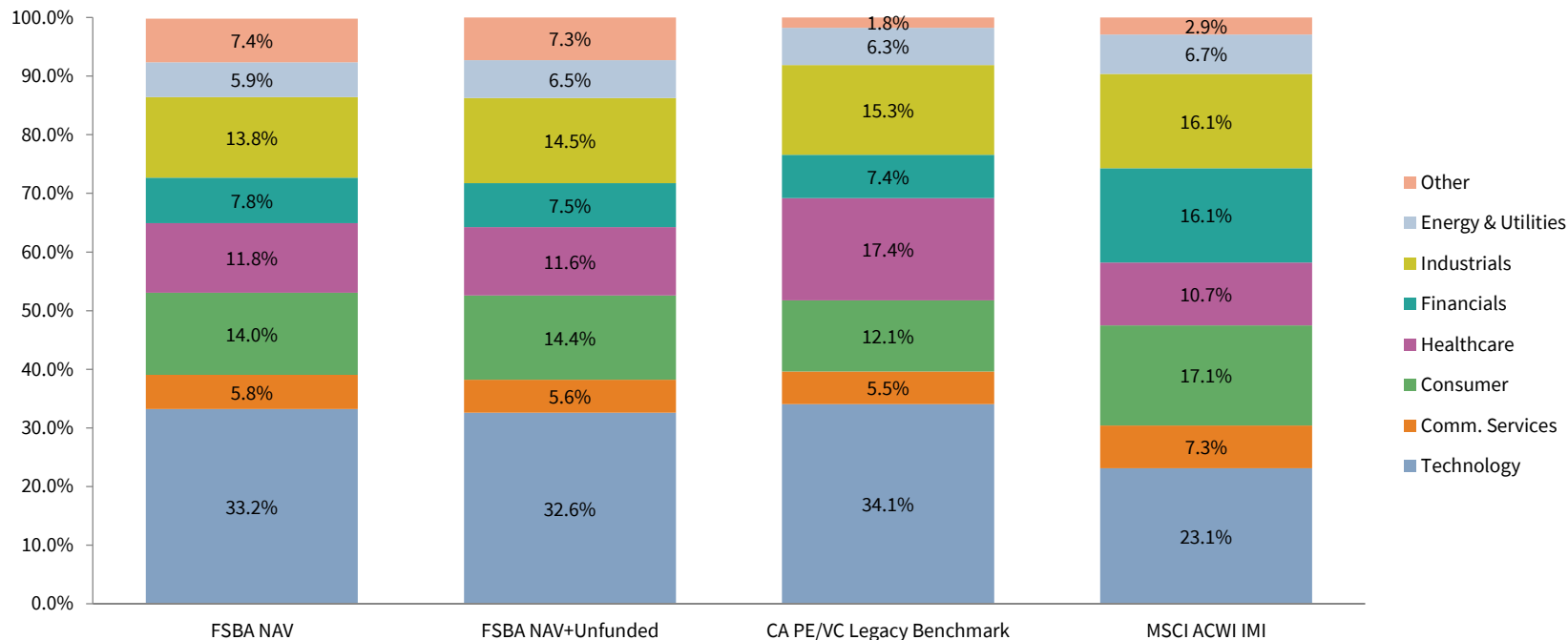


Source: Cambridge Associates

\*Exposure weightings by NAV using preliminary data as of 12/31/24

# Sector Exposure

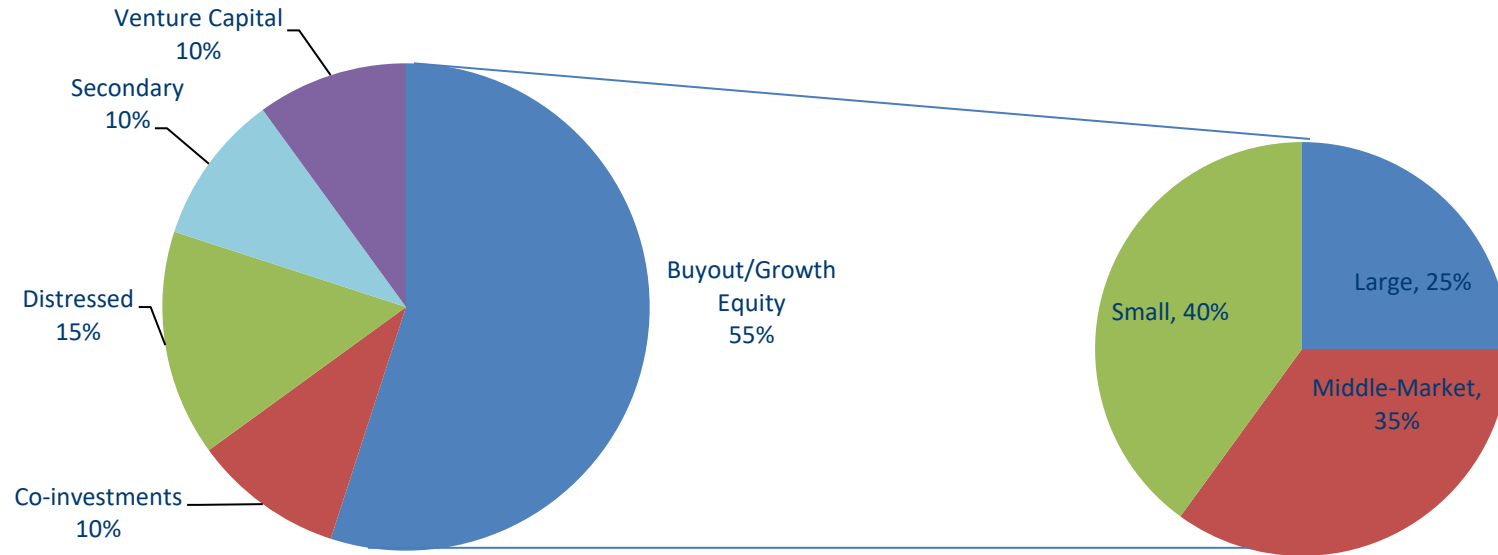
As of December 31, 2024



Source: Cambridge Associates

\*Exposure weightings by NAV using preliminary data as of 12/31/24

# Buyout/Growth Equity Portfolio Targets



# Buyout/Growth Equity Portfolio

Firm	Geographic Focus	Sector Focus
Advent International	Global	Generalist
CVC	Global	Generalist
Francisco Partners	U.S.	Technology
Hellman & Friedman	U.S.	Generalist
MBK	Asia	Generalist
Thoma Bravo	U.S.	Technology

Firm	Geographic Focus	Sector Focus
EnCap	U.S.	Energy
Frazier Healthcare	U.S.	Health Care
FS Equity	U.S.	Consumer
Hahn & Co.	Korea	Generalist
InvestIndustrial	Europe	Generalist
Quantum	U.S.	Energy
Stone Point	U.S.	Financials
Thoma Bravo Discover	U.S.	Technology
TowerBrook Capital	Global	Generalist

Firm	Geographic Focus	Sector Focus
Accel KKR	U.S.	Technology
Arbor	U.S.	Consumer
Asia Alternatives	Asia	Generalist
Brynwood	U.S.	Consumer
Carnelian	U.S.	Energy
Falfurrias	U.S.	Generalist
Inflexion	Europe	Generalist
Juniper	U.S.	Energy
Livingbridge	Europe	Generalist
One Peak	Europe	Technology
Paragon	Europe	Generalist
Post Oak	U.S.	Energy
Rubicon	U.S.	Technology
Stride	U.S.	Consumer
Summa Equity	Europe	Generalist
Trace Energy	U.S.	Energy
Warren	U.S.	Industrials
Waterland	Europe	Generalist
WindRose	U.S.	Health Care

## Large

- 6 GPs – Target of 6
- Fund sizes range from \$16b - \$25b
- Avg. EV greater than \$750m
- \$100 - \$200m target commitment

## Middle-Market

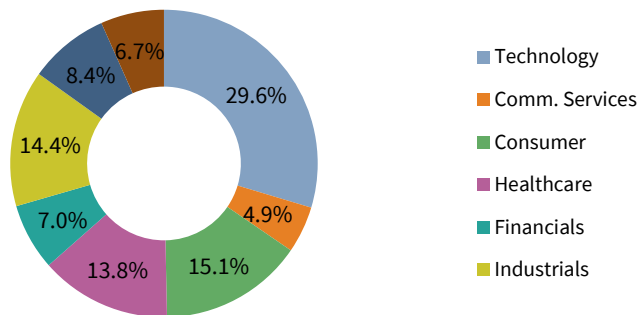
- 9 GPs – Target of 12
- Fund sizes range from \$350m-\$7.5b
- Avg. EV between \$250m-\$750m
- \$75m - \$200 target commitment

## Small

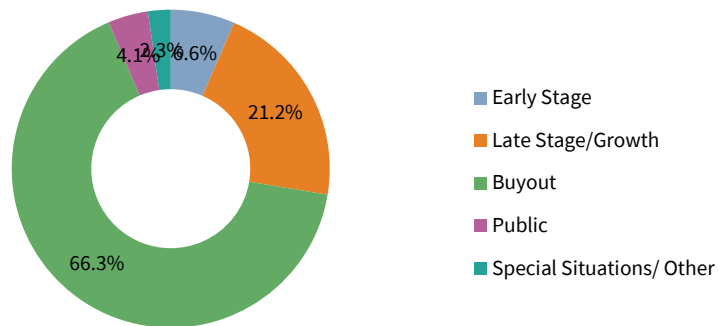
- 19 GPs – Target of 18
- Fund sizes range from \$400m - \$4.0b
- Avg. EV less than \$250m
- \$25m - \$100m target commitment

# Buyout/Growth Equity Portfolio

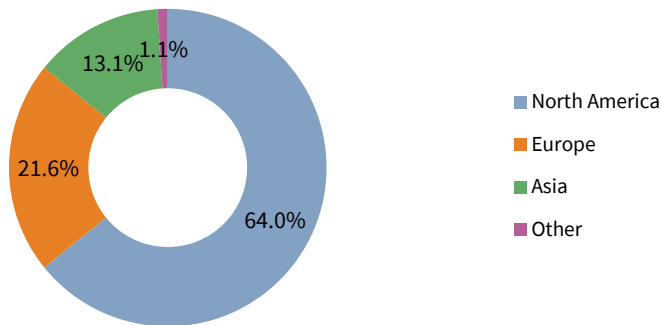
## Exposure by Sector



## Exposure by Stage



## Exposure by Geography



## Portfolio Commentary

- Buyout/Growth Equity portfolio remains tech heavy at 29%
- Portfolio is diversified by sector
- Buyout exposure continues to shift down market
- Portfolio weighted heavily towards North America

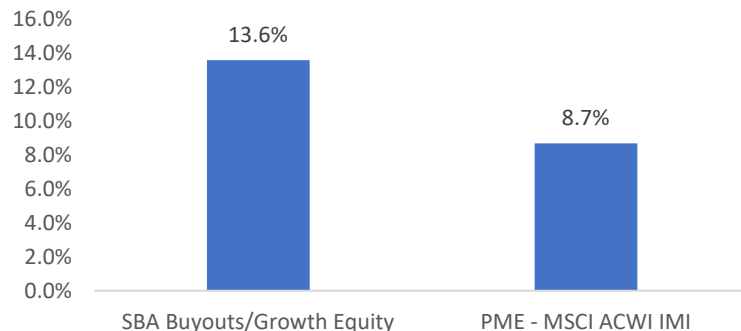
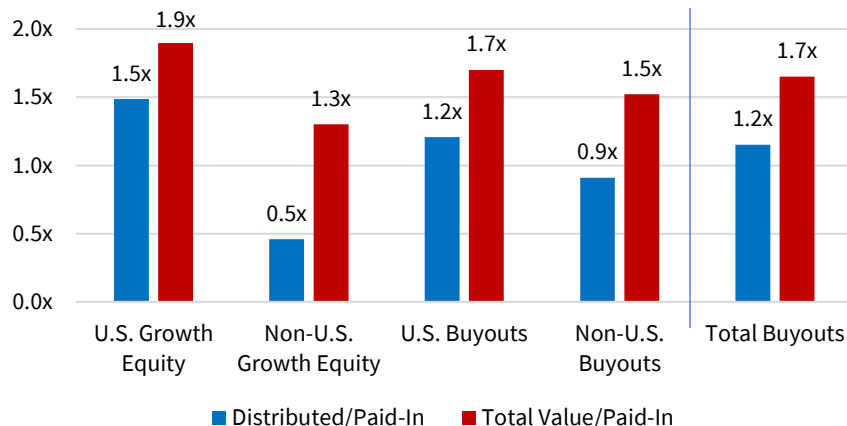
# Buyout/Growth Equity Portfolio Performance

As of December 31, 2024

	1yr	3yr	5yr	10yr	S.I.
<b>U.S. Buyouts</b>	8.3%	6.0%	15.1%	15.5%	12.9%
<b>Non-U.S. Buyouts</b>	2.3%	2.0%	13.2%	14.6%	12.2%
<b>U.S. Growth Equity</b>	5.5%	-0.4%	20.5%	17.7%	15.1%
<b>Non-U.S. Growth Equity</b>	-0.9%	-1.9%	5.9%	7.2%	6.7%
<b>Total Buyouts/Growth Eq.</b>	6.3%	5.1%	14.7%	14.8%	13.6%
<b>CA Benchmark (mean)</b>	6.9%	4.4%	14.1%	13.7%	12.8%
<b>CA Benchmark (median)</b>	0.0%	1.0%	8.3%	10.2%	13.0%
<b>PME*</b>	16.6%	5.8%	11.4%	9.7%	8.7%

- Strong performance relative to benchmarks
- U.S. growth has slightly outperformed other strategies with non-U.S. growth lagging
- Alpha over public markets (PME) of 4.9%
- DPI of 1.2x and TVPI of 1.7x

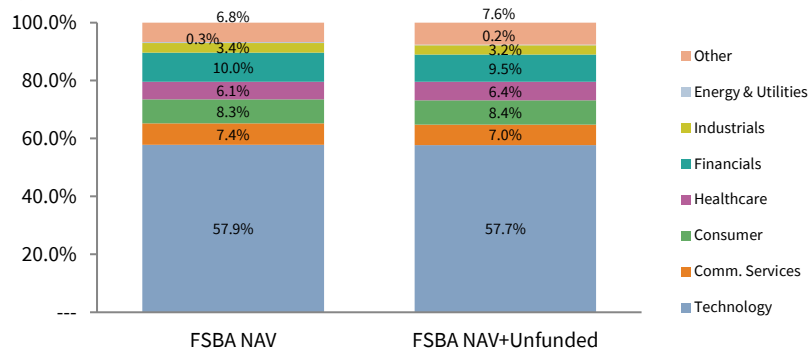
## Since Inception Performance



\*performance using preliminary data as of 12/31/24

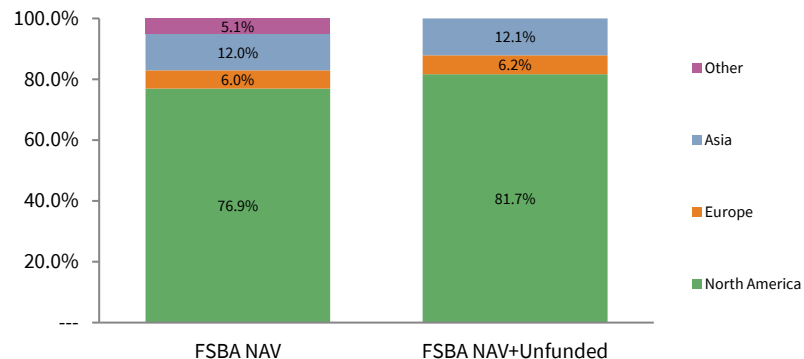
# Venture Capital Portfolio

## Exposure by Sector

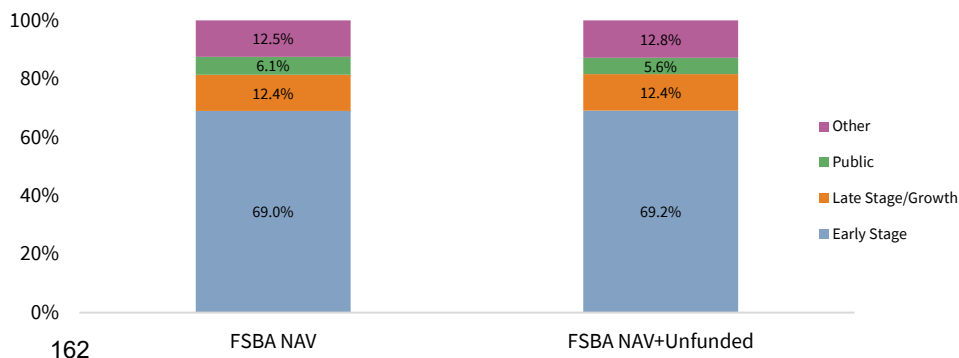


- Three active separate account/fund-of-fund relationships: TrueBridge, Pinegrove Capital Partners and Tiger Iron
- Majority of the venture portfolio is focused on IT
- Largely a U.S. focused portfolio
- 69% of the VC portfolio is invested in early-stage companies

## Exposure by Geography



## Exposure by Stage



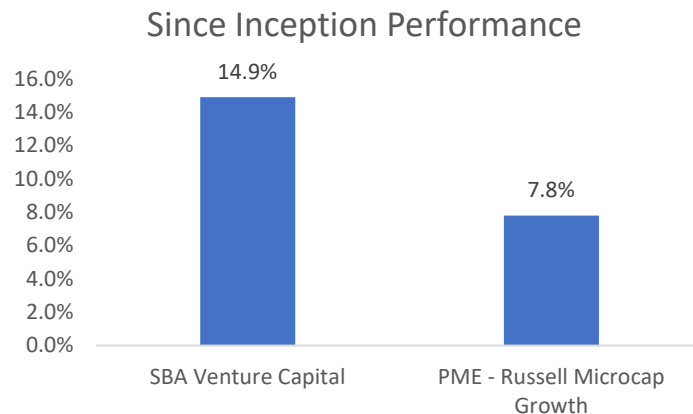
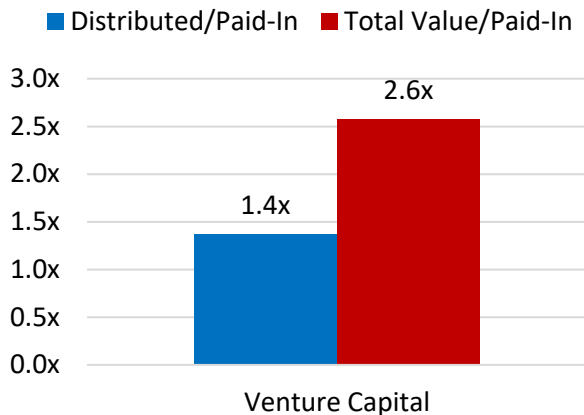
\*Exposure weightings by NAV using preliminary data as of 12/31/24

# Venture Capital Portfolio Performance

As of December 31, 2024

	1yr	3yr	5yr	10yr	S.I.
Venture Capital	5.8%	-8.7%	22.3%	17.5%	14.9%
CA Benchmark (mean)	0.2%	-6.3%	8.5%	6.7%	9.0%
CA Benchmark (median)	-1.2%	-6.0%	4.9%	6.0%	6.8%
PME*	21.8%	-2.3%	7.1%	5.9%	7.8%

- Venture portfolio performance rebounded in 2024, longer-term performance remains very strong
- Outperformance vs. the PME by 7.1%
- 1.4x DPI and 2.6x TVPI lead all other strategies



\*performance using preliminary data as of 12/31/24

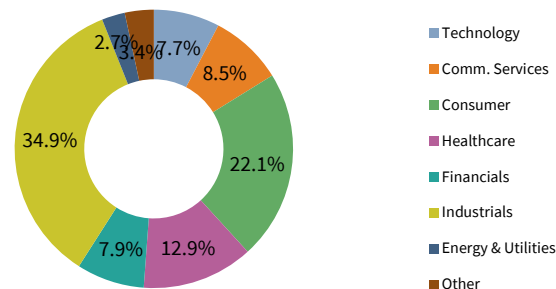
\*PME calculation represented by the Russell Microcap Growth Index. CA Benchmark represents Cambridge Associates' US Venture Capital Benchmark.



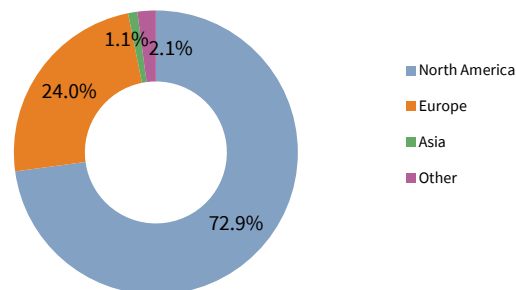
# Distressed/Turnaround Portfolio

Firm	Geographic Focus
American Industrial Partners	U.S.
Atlas Holdings	U.S.
KPS Capital Partners	U.S.
LightBay	U.S.
Peak Rock	U.S.
Searchlight Capital Partners	U.S./Europe
Trive Capital	U.S.

Exposure by Sector



Exposure by Geography



- Manufacturing/industrials, consumer/retail, and health care account for 70% of the portfolio
- Focus on control and driving value through operations - not a trading strategy
- Variety of strategies represented: debt-for-control, purchasing assets out of a bankruptcy process (363 sale), out-of-court restructurings, negative EBITDA companies, carve-outs of underperforming businesses, and complex situations

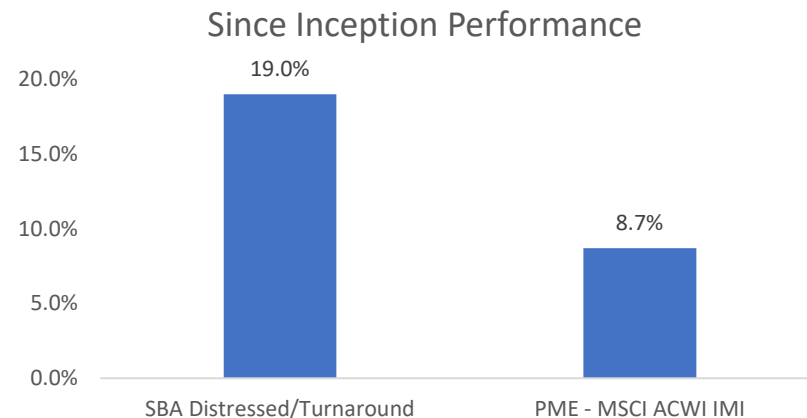
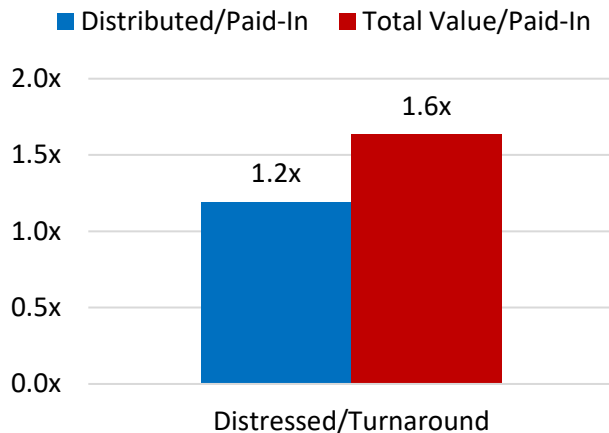
\*Exposure weightings by NAV as of 12/31/24

# Distressed/Turnaround Portfolio Performance

As of December 31, 2024

	1yr	3yr	5yr	10yr	S.I.
<b>Distressed/Turnaround</b>	3.8%	6.9%	16.3%	13.8%	19.0%
<b>CA Benchmark (mean)</b>	5.0%	5.5%	10.8%	9.1%	10.4%
<b>CA Benchmark (median)</b>	4.5%	5.5%	9.3%	8.9%	10.0%
<b>PME*</b>	16.6%	5.8%	11.4%	9.7%	8.7%

- Strong overall performance
- Alpha over the public markets (PME) of 10.3%
- 1.2x DPI and 1.6x TVPI in line with other strategies



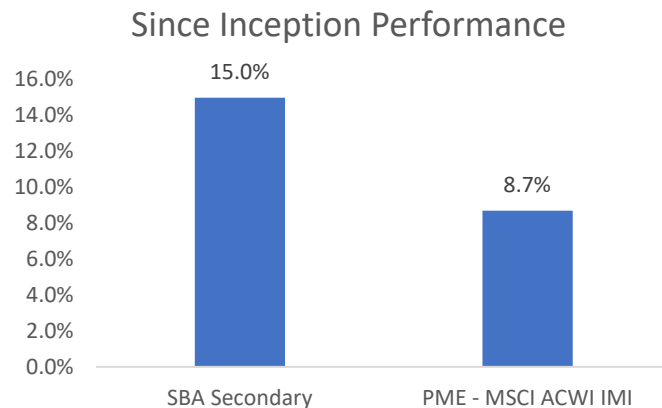
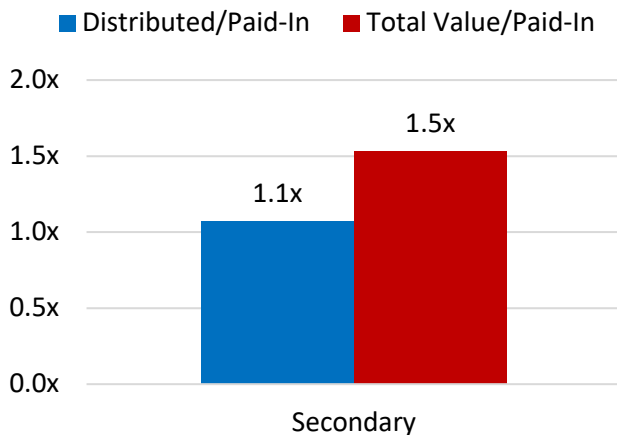
\*performance using preliminary data as of 12/31/24

# Secondary Portfolio Performance

As of December 31, 2024

	1yr	3yr	5yr	10yr	S.I.
Secondary	4.4%	1.1%	12.2%	11.5%	15.0%
CA Benchmark (mean)	3.6%	1.7%	12.5%	11.3%	12.1%
CA Benchmark (median)	-0.3%	-3.7%	6.1%	7.0%	12.6%
PME*	16.6%	5.8%	11.4%	9.7%	8.7%

- Two GPs: Lexington Partners and Aegon Asset Management
- Alpha over public markets (PME) of 6.3%
- DPI of 1.1x and TVPI of 1.5x



\*performance using preliminary data as of 12/31/24

\*PME calculations represented by the MSCI All Country World Investable Market Index (Net). CA Benchmark represents Cambridge Associates' Distressed Benchmark.

## Private Equity (“PE”) Co-Investments

- Primary Objective: build a high conviction portfolio of co-investments that will be accretive to FSBA’s PE fund performance
  - No fee, no carry = 500-600 bps of additional return
  - Capitalize on FSBA PE relationships and information
  - Commit \$200m-\$400m annually to 18-22 opportunities
- Secondary Objective: enhance knowledge of existing and new PE firms

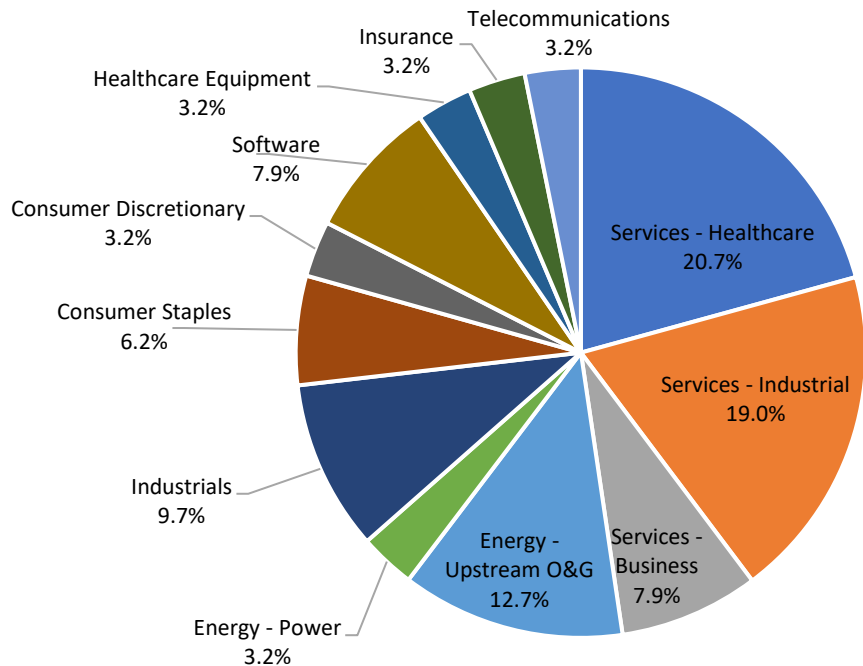
- Process/Approach
  - More opportunities > less opportunities – “wait for our pitch”
    - Attractive opportunities can come from anywhere
  - Consistency – analysis, sizing (\$5m-\$20m), diversification, risk/return
  - More insight/feedback > less insight/feedback – “no one person has a monopoly on truth”
    - FSBA PE team scores (0-5) each opportunity that makes it past initial screening
  - GP quality/familiarity > company attributes – “poor coaching can ruin a good player”

- Deal Flow (through Q1 2025)
  - 170 GPs/Agents notified of FSBA's co-investment program
  - 199 opportunities sourced (avg. 11 per month) representing \$2.2 billion of potential co-investment equity for FSBA
    - 37% of new opportunities from existing FSBA PE GPs and 63% from non-existing GPs
  - 78 opportunities scored by PE team
    - Average score by the team is 3.4 - 3.8 out of 5
  - 40 approved and 31 closed

- Execution/Performance (through Q1 2025)

Metrics	FY 2023-24	FY 2024-2025
Transactions Closed	14	16
Committed Capital	\$130 million	\$166 million
Existing / Non-Existing GPs	40% / 60%	88% / 12%
Base Case Target Return (IRR / MOIC)	31% / 3.1x	25% / 2.8x
Actual Returns (IRR / MOIC)	50% / 1.3x	61% / 1.1x
Co-Investments with a 20%+ IRR	9 of 14	3 of 16
Avg. Entry EV/EBITDA Multiple / Leverage	8.6x / 4x	10.6x / 4.5x

- Sector Exposure (through Q1 2025)





# Appendix

## Dollar-Weighted Performance (IRRs) as of December 31, 2024

	<u>Inception Date</u>	<u>Market Value (in Millions)</u>	<u>1yr</u>	<u>3yr</u>	<u>5yr</u>	<u>10yr</u>	<u>Since Inception</u>
Total Private Equity	1/27/1989	\$18,928	6.0%	0.7%	16.3%	15.4%	10.7%
Custom Iran- and Sudan-free ACWI IMI +300bps			18.9%	7.4%	13.0%	11.5%	10.7%
Private Equity Legacy Portfolio	1/27/1989	\$0	0.0%	0.0%	0.0%	-9.5%	3.7%
Custom Iran- and Sudan-free ACWI IMI +300bps			21.0%	0.0%	5.0%	11.1%	9.6%
Private Equity Asset Class Portfolio	8/31/2000	\$18,928	6.0%	0.7%	16.3%	15.4%	13.8%
Custom Iran- and Sudan-free ACWI IMI +300bps			18.9%	7.4%	13.0%	11.5%	11.8%

Note: Asset class IRR performance data is provided by Cambridge Associates. The PE benchmark is currently the Custom Iran, Sudan, China, Hong Kong-free ACWI IMI + 250bps. From July 2014 to March 2025 the benchmark was the Custom Iran- and Sudan-free ACWI IMI + 300bps. From July 2010 through June 2014 the benchmark was the Russell 3000 + 300 bps. Prior to July 2010, the benchmark was the Russell 3000 + 450 bps. Prior to November 1999, Private Equity was part of the Domestic Equities asset class and its benchmark was the Domestic Equities target index + 750 bps.

Preliminary performance as of December 31, 2024

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
26N Jupiter Co-Investment Partners LP	10,000,000	0	NA	NA
3i Europartners V LP (EUR)	77,440,017	0	0.97	-0.6%
3i Growth Capital Fund LP	54,440,286	0	0.93	-2.0%
ABRY Partners VII LP	75,000,000	0	1.78	14.8%
ABRY Partners VIII LP	75,000,000	0	1.26	10.8%
Accel-KKR Growth Capital Partners II LP	25,000,000	14,385,327	2.35	28.8%
Accel-KKR Capital Partners V LP	50,000,000	68,065,056	2.43	28.8%
Accel-KKR Capital Partners VI LP	45,000,000	41,750,848	1.13	6.0%
Accel-KKR Capital Partners VII LP	75,000,000	0	NA	NA
Advent International GPE VI-D LP	58,000,000	0	2.09	16.6%
Advent International GPE VII-D LP	102,335,815	0	1.87	13.7%
Advent International GPE VIII-D LP	150,000,000	129,604,281	2.09	16.2%
Advent International GPE IX LP	150,000,000	183,501,140	1.56	14.5%
Advent International GPE X Limited Partnership	150,000,000	90,374,804	1.16	13.2%
FSBA AAM Strategic Fund I LP *	100,000,000	90,255,225	1.49	31.5%
FSBA AAM Strategic Fund II, LP *	200,000,000	92,515,097	1.29	56.1%
American Industrial Partners Capital Fund VI LP	50,000,000	66,236,193	2.50	21.7%
American Industrial Partners Capital Fund VII LP	75,000,000	124,392,866	1.64	23.5%
American Industrial Partners Capital Fund VIII, L.P.	100,000,000	49,543,358	1.02	NA
Apax VIII-B LP	157,584,000	0	1.50	13.7%
Arbor Debt Opportunities Fund II LP	15,000,000	10,345,106	1.30	11.9%
Arbor Investments V LP	75,000,000	55,889,549	0.91	-3.6%
Arbor Investments VI, L.P.	100,000,000	0	NA	NA

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Apollo Investment Fund IV LP	250,000,000	0	1.52	6.8%
Apollo Investment Fund V LP	150,000,000	0	2.66	38.8%
Apollo Investment Fund VI LP	200,000,000	0	1.70	9.5%
Apollo Investment Fund VII LP	200,000,000	0	1.94	23.0%
Apollo Investment Fund VIII LP	200,000,000	0	1.37	9.1%
Apollo Investment Fund IX LP	200,000,000	0	1.10	10.2%
(Ardian) AXA Secondary Fund V-B LP	100,000,000	117,960	1.60	16.3%
(Ardian) AXA LBO Fund V LP	76,858,858	3,929,619	1.60	11.2%
(Ardian) ASF VI-B LP	150,000,000	14,927,505	1.42	11.4%
(Ardian) ASF VII-B LP	150,000,000	60,033,015	1.52	13.4%
Ardian LBO Fund VI-A LP	98,905,446	46,901,764	1.22	4.8%
(Ardian) ASF VIII-B LP	200,000,000	172,970,527	1.35	15.2%
Ares Corporate Opportunities Fund III LP	100,000,000	260,293	2.56	21.5%
Ares Corporate Opportunities Fund IV LP	200,000,000	30,861,418	1.90	14.3%
Ares Corporate Opportunities Fund V LP	200,000,000	187,248,582	1.30	6.3%
Asia Alternatives FL Investor LP *	200,000,000	175,036,066	1.56	8.6%
Asia Alternatives FL Investor II LP *	267,000,000	297,075,395	1.34	7.9%
Asia Alternatives FL Investor III LP *	303,000,000	200,337,037	1.16	7.7%
Asia Alternatives FL Investor IV, LP *	50,000,000	6,533,653	0.87	NA
Atlas Capital Resources II LP	20,000,000	10,160,819	1.95	19.9%
Atlas Capital Resources III LP	40,000,000	44,566,437	1.87	35.3%
Atlas Capital Resources IV LP	75,000,000	67,154,537	1.46	31.6%
BC European Capital IX LP	101,118,077	0	1.09	5.8%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Berkshire Fund VIII LP	60,000,000	0	1.70	16.1%
Berkshire Fund IX LP	110,000,000	0	1.24	22.3%
Blackstone Capital Partners V LP	150,000,000	0	1.60	7.1%
Blackstone Capital Partners VI LP	200,000,000	0	1.85	13.1%
Blackstone Capital Partners VII LP	180,000,000	0	1.53	18.9%
Blackstone Capital Partners VIII LP	100,000,000	0	1.05	10.9%
Blue Water Energy Fund I-A LP	12,500,000	6,865,784	1.02	1.0%
Brynwood Partners IX L.P.	50,000,000	10,504,804	0.87	-13.9%
Carnelian Energy Capital II LP	40,000,000	12,886,080	1.83	20.8%
Carnelian Energy Capital III LP	75,000,000	72,450,917	1.53	19.0%
Carnelian Energy Capital IV LP	75,000,000	65,199,907	1.21	17.2%
Carnelian Energy Capital V, L.P.	75,000,000	24,192,197	0.94	NA
D&D Co-Invest, L.P.	10,000,000	12,438,212	1.28	NA
OES Co-Invest, LP	10,000,000	13,846,748	1.48	NA
CB Paris Co-Invest, L.P.	10,000,000	10,053,167	1.00	NA
Centre Capital Investors II, L.P.	200,000,000	0	0.81	-4.1%
Charlesbank Equity Fund VII LP	75,000,000	437,422	2.46	24.4%
Charlesbank Equity Fund VIII LP	85,000,000	51,205,592	1.59	13.5%
Charlesbank Equity Fund IX LP	105,000,000	109,264,351	1.63	15.1%
Charlesbank Equity Fund IX Overage Program LP	20,000,000	11,015,642	1.29	7.8%
Charlesbank Equity Overage Fund X LP	10,000,000	14,012,965	1.66	26.7%
Charlesbank Equity Fund X LP	115,000,000	125,242,187	1.35	18.3%
Charterhouse Capital Partners IX LP	90,366,890	0	1.35	13.7%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Chartwell Capital Investors II LP	50,000,000	0	1.34	4.7%
Corporate Partners, L.P.	149,192,410	0	2.13	12.4%
Cortec Group Fund V LP	50,000,000	0	4.23	30.8%
Cortec Group Fund VI LP	75,000,000	0	1.24	7.9%
Cressey & Company Fund IV LP	50,000,000	0	2.24	22.2%
Cressey & Company Fund V LP	75,000,000	84,352,990	2.40	18.7%
Cressey & Company Fund VI LP	100,000,000	111,198,437	1.54	15.3%
Cressey & Company Overage Fund VI LP	10,000,000	14,902,021	2.33	34.4%
CVC European Equity Partners V-A LP*	102,826,253	2,074,399	2.08	16.6%
CVC Capital Partners VI-A LP	102,645,517	63,282,468	1.98	15.8%
CVC Capital Partners VII-A LP	102,163,598	130,522,970	1.91	19.4%
CVC Capital Partners VIII-A LP	225,468,975	221,734,337	1.09	5.0%
Typhoon Co-Investment L.P.	10,000,000	8,030,566	0.99	NA
CVC Capital Partners IX L.P.	210,090,654	31,377,710	0.94	NA
Cypress Equity Group Trust	15,000,000	0	2.15	16.1%
DCP Capital Partners II LP	100,000,000	25,000,583	0.74	-18.7%
Denham Commodity Partners Fund VI LP	100,000,000	43,704,617	0.94	-1.4%
(Denham) DCPF VI Oil & Gas Coinvestment Fund LP	50,000,000	0	1.60	15.9%
Datadog, Inc.	70,564,685	0	1.60	371.7%
(DBAG) European Private Equity Opportunities I LP	49,181,385	50,755,693	1.31	8.0%
(DBAG) European Private Equity Opportunities II LP	75,523,436	41,122,159	1.31	11.4%
EnCap Energy Capital Fund VIII LP	75,000,000	29,604,682	1.08	1.3%
EnCap Energy Capital Fund IX LP	75,000,000	17,731,429	1.56	10.9%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
EnCap Flatrock Midstream Fund III LP	50,000,000	25,132,096	1.40	9.6%
EnCap Energy Capital Fund X LP	100,000,000	51,754,454	2.08	16.2%
EnCap Energy Capital Fund XI LP	100,000,000	90,152,584	1.93	22.6%
EnCap Flatrock Midstream Fund IV LP	65,000,000	44,505,223	1.23	8.0%
EnCap Energy Capital Fund XII, L.P.	75,000,000	27,658,691	1.26	NA
Energy Capital Partners II-A LP	100,000,000	0	1.46	8.4%
Energy Capital Partners III-A LP	150,000,000	62,254,497	1.64	12.7%
EnerVest Energy Institutional Fund XII-A LP *	60,000,000	162,115	0.64	-18.7%
EnerVest Energy Institutional Fund XIII-A LP	100,000,000	0	0.09	-93.3%
EnerVest Energy Institutional Fund XIV-A LP	100,000,000	19,042,460	1.34	6.9%
Equistone Partners Europe Fund V LP	74,366,455	21,653,274	1.37	6.4%
Equistone Partners Europe Fund VI LP	88,195,865	42,289,691	1.55	16.4%
Fairview Ventures Fund II LP	50,000,000	0	1.34	3.9%
Fairview Ventures Fund III LP	75,000,000	0	1.83	11.8%
Fairview Special Opportunities Fund LP	220,000,000	367,664,792	4.01	21.5%
Fairview Special Opportunities Fund II LP *	87,000,000	154,630,488	2.42	14.5%
Falfurrias Capital Partners IV LP	60,000,000	116,185,264	2.55	35.4%
Falfurrias Capital Partners V LP	100,000,000	106,600,042	1.22	14.5%
First Reserve Fund XI LP	100,000,000	0	0.64	-9.4%
First Reserve Fund XII LP	200,000,000	112,503	0.49	-18.0%
Francisco Partners III LP	75,000,000	0	3.44	23.8%
Francisco Partners IV LP	75,000,000	52,540,697	3.10	26.3%
Francisco Partners V LP	75,000,000	102,142,912	2.20	18.9%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Francisco Partners VI LP	100,000,000	124,388,986	1.42	15.3%
Francisco Partners VII LP	100,000,000	17,813,005	1.05	16.8%
FH BMX Co-Invest Aggregator, L.P.	10,555,860	13,861,687	1.29	NA
Frazier Healthcare Growth Buyout Fund XI, L.P.	70,000,000	0	NA	NA
(Freeman Spogli) FS Equity Partners V LP	50,000,000	0	2.10	16.1%
(Freeman Spogli) FS Equity Partners VI LP	75,000,000	0	3.08	23.1%
(Freeman Spogli) FS Equity Partners VII LP	100,000,000	100,069,914	1.59	9.2%
(Freeman Spogli) FS Equity Partners VIII LP	100,000,000	136,442,235	1.56	13.9%
FS Equity Partners IX, L.P.	75,000,000	0	NA	NA
(Grove Street) GS Partners Ventures LLC	200,000,000	0	1.56	7.2%
(Grove Street) GS Partners Buyouts LLC *	150,000,000	7,037,034	1.67	10.6%
(Grove Street) GS Partners Ventures II LLC *	200,000,000	144,464,102	3.36	20.6%
(Grove Street) GS Partners Buyouts II LLC *	230,000,000	96,716,365	1.97	15.1%
(Grove Street) GS Partners Ventures III LLC *	150,000,000	178,894,728	2.87	18.0%
Hellman & Friedman Capital Partners V LP	75,000,000	0	2.74	29.4%
Hellman & Friedman Capital Partners VI LP	100,000,000	0	1.79	12.6%
Hellman & Friedman Capital Partners VII LP	200,000,000	16,494,934	3.38	24.7%
Hellman & Friedman Capital Partners VIII LP	200,000,000	229,549,378	1.76	11.5%
Hellman & Friedman Capital Partners IX LP	250,000,000	376,745,379	1.54	12.9%
Hellman & Friedman Capital Partners X LP	250,000,000	221,081,686	1.15	6.4%
Hellman & Friedman Capital Partners XI, L.P.	200,000,000	0	NA	NA
Inflexion Buyout Fund IV LP	52,587,527	21,090,511	1.76	14.5%
Inflexion Partnership Capital Fund I LP	26,372,724	10,183,566	1.94	21.8%



# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Inflexion Enterprise Fund IV LP	19,982,149	9,041,586	2.05	22.1%
Inflexion Enterprise Fund VI	31,309,880	0	NA	NA
Inflexion Partnership Capital Fund III (No. 1) Limited Partnership	62,252,546	2,634,666	0.88	NA
Insight Venture Partners VIII LP	75,000,000	0	3.01	22.0%
Insight Venture Partners IX LP	75,000,000	0	3.65	32.4%
Insight Venture Partners Growth-Buyout Coinvestment Fund LP	50,000,000	0	3.75	36.6%
Investindustrial VI LP	55,802,326	44,027,249	1.51	9.4%
Investindustrial VII LP	76,982,294	81,002,941	1.52	17.7%
Investindustrial VIII SCSp	107,010,241	2,352,891	0.57	NA
Frozen Investments Collective S.C.A.	9,619,701	9,414,257	0.98	NA
J.H. Whitney VII LP	75,000,000	0	1.92	13.0%
Juniper Capital IV, L.P.	50,000,000	9,012,847	1.10	NA
Juniper High Noon Partners, L.P.	10,000,000	8,495,906	1.34	NA
Hahn & Company III LP	50,000,000	68,879,856	1.43	13.9%
Hahn & Company IV-S L.P.	25,000,000	0	NA	NA
Hahn & Company IV L.P.	75,000,000	7,078,671	0.90	NA
Routeware Coinvest Aggregator, L.P.	5,000,000	6,086,516	1.46	NA
Hicks Muse Tate Furst III LP	200,000,000	0	0.89	-1.8%
Hicks Muse Tate Furst IV LP	400,000,000	0	0.63	-8.8%
Hicks Muse Tate Furst V LP	25,000,000	0	1.77	21.0%
Kelso Investment Associates VII LP	50,000,000	0	1.73	12.2%
Kelso Investment Associates VIII LP	100,000,000	0	1.58	13.8%
Kohlberg Investors V LP	45,000,000	0	1.06	1.2%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Kohlberg Investors VI LP	50,000,000	0	1.67	15.8%
KKR European Fund III LP	58,757,859	0	1.05	1.8%
KKR Asian Fund II LP	100,000,000	28,120,513	1.03	0.8%
KKR Asian Fund III-EEA SCSp LP	150,000,000	167,842,203	1.95	20.1%
KPS Special Situations Fund III-Supplemental LP	50,000,000	0	2.67	22.7%
KPS Special Situations Fund IV LP	150,000,000	58,739,376	2.04	22.2%
KPS Special Situations Mid-Cap Fund LP	50,000,000	49,656,332	1.44	16.8%
KPS Special Situations Fund V LP	200,000,000	154,234,176	1.41	16.6%
KPS Special Situations Fund VI, LP	200,000,000	24,490,378	0.99	NA
Ichos Holdings, LP	11,000,000	11,000,074	1.00	NA
KPS Special Situations Mid-Cap Fund II, LP	75,000,000	0	NA	NA
Green Equity Investors III LP	60,000,000	0	2.31	21.9%
Green Equity Investors IV LP	100,000,000	0	1.78	10.7%
Green Equity Investors V LP	100,000,000	0	1.94	17.4%
Green Equity Investors VI LP	190,000,000	0	1.25	12.3%
(Lexington) Co-Investment Partners LP (Pools III & IV) *	500,000,000	4,589,538	2.18	23.4%
Lexington Co-Investment Partners (Pools I & II)	500,000,000	0	1.35	6.3%
Lexington Capital Partners IV LP	200,000,000	0	1.78	20.2%
Lexington Capital Partners V LP *	100,000,000	379,062	1.68	18.9%
Lexington Capital Partners VI-B LP *	100,000,000	560,402	1.37	6.4%
(Lexington) Co-Investment Partners 2005 LP (Pools I & II) *	500,000,000	6,876,233	1.44	5.2%
Lexington Capital Partners VII LP *	200,000,000	8,209,527	1.65	13.5%
(Lexington) Co-Investment Partners 2005 LP (Pool III) *	500,000,000	145,697,289	1.91	15.5%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Lexington Middle Market Investors III LP *	100,000,000	38,267,459	1.81	16.3%
Lexington Capital Partners VIII LP *	250,000,000	120,871,756	1.67	14.6%
(Lexington) LCP FSBA Co-Invest Account LP *	200,000,000	147,710,557	1.84	19.1%
(Lexington) Co-Investment Partners 2005 LP (Pool IV) *	500,000,000	515,149,002	1.87	16.2%
Lexington Capital Partners IX LP *	250,000,000	245,659,810	1.49	16.8%
Lexington Co-Investment Partners V-F LP *	600,000,000	760,744,312	1.38	16.1%
Lexington CIP V-F-O LP *	200,000,000	208,161,771	1.40	16.6%
Lexington Capital Partners X LP *	150,000,000	81,639,400	1.20	21.6%
Lexington Co-Investment Partners VI-F, L.P.	150,000,000	0	NA	NA
Liberty Partners Pool I	205,686,600	0	2.35	20.7%
Liberty Partners Pool II	359,789,821	0	1.61	10.7%
Liberty Partners Pool III	506,208,481	0	1.02	0.4%
Liberty Partners Pool IV	195,075,745	0	0.67	-19.2%
Liberty Partners Pool V	329,664,359	0	1.14	2.7%
Liberty Partners Pool VI	595,484,687	0	0.86	-6.6%
Liberty Partners Pool VII *	290,808,542	2,559,626	0.85	-6.9%
Liberty Partners Group II, L.P.	9,766,830	0	0.00	-100.0%
LightBay Investment Partners LP	50,000,000	63,822,232	1.45	13.0%
LightBay Investment Partners II LP	75,000,000	6,072,620	0.47	-37.9%
Lindsay Goldberg & Bessemer II LP	100,000,000	0	1.48	8.0%
Lindsay Goldberg III LP	100,000,000	0	1.18	6.8%
Livingbridge Enterprise 3 LP	32,305,168	34,106,501	1.30	10.6%
Livingbridge 7 LP	82,665,124	47,422,775	1.00	0.1%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
MBK Partners Fund V LP	100,000,000	110,640,886	1.27	13.8%
MBK Partners Fund VI, L.P.	100,000,000	0	NA	NA
Monomoy Capital Partners V, L.P.	50,000,000	0	NA	NA
Montagu IV LP	56,819,796	2,773,072	1.51	12.1%
Montagu V LP	111,109,877	86,993,779	1.65	15.6%
Montagu VI LP	82,323,886	59,220,204	1.04	2.0%
New Mountain Partners II LP	50,000,000	0	2.03	13.5%
New Mountain Partners III LP	100,000,000	3,908,597	2.52	14.5%
New Mountain Partners IV LP	100,000,000	0	1.59	22.1%
(NIC) Wisteria Fund II Cayman LP	27,531,776	19,537,486	1.00	0.2%
One Peak Growth III SCSp	50,152,463	12,926,026	0.87	-9.3%
OpCapita Consumer Opportunities Fund II LP	38,251,366	16,391,200	0.53	-13.9%
OpCapita Consumer Opportunities Fund III LP	38,682,154	16,590,097	0.47	-45.7%
OpenView Venture Partners IV LP	25,000,000	9,302,184	1.95	13.0%
OpenView Venture Partners V LP	25,000,000	23,568,331	1.95	21.5%
OpenView Venture Partners VI LP	30,000,000	17,532,864	0.73	-9.7%
OpenView Venture Partners VII LP	4,918,240	4,659,374	1.19	14.0%
PAI Europe V LP	42,563,071	0	1.30	7.0%
Pantheon Venture Partners II LP	100,000,000	0	1.52	6.8%
Pantheon Global Secondary Fund IV LP	100,000,000	3,360,183	1.59	12.6%
The Paragon Fund IV GmbH & Co. KG	54,159,675	43,566	0.16	-79.3%
Peak Rock Capital Credit Fund II LP	20,000,000	2,717,215	1.10	14.7%
Peak Rock Capital Fund II LP	80,000,000	19,163,658	2.01	35.5%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Peak Rock Capital Fund III LP	125,000,000	104,735,617	1.50	29.0%
Peak Rock Capital Fund IV LP	125,000,000	0	NA	NA
HuFriedy Group Aggregator LLC	10,000,000	13,822,134	1.37	NA
Permira IV LP (EUR)	64,037,705	0	1.56	8.3%
Permira V LP	136,860,690	0	2.84	24.2%
Platinum Equity Capital Partners I LP	50,000,000	0	2.91	60.2%
Platinum Equity Capital Partners III LP	200,000,000	17,276,669	2.11	28.9%
Platinum Equity Capital Partners II LP	75,000,000	1,801,748	1.71	12.7%
Pomona Capital VI LP *	50,000,000	361,934	1.29	4.4%
Pomona Capital VII LP	50,000,000	0	1.31	7.9%
Post Oak Energy Partners II LP	25,000,000	18,161,973	1.74	12.8%
Post Oak Energy Partners III LP	60,000,000	30,402,511	1.60	13.7%
Post Oak Energy Partners IV LP	60,000,000	58,146,828	1.43	10.6%
Post Oak Energy Partners V, LP	50,000,000	39,109,433	0.97	NA
POM V Co-Investment, LLC	10,000,000	9,994,344	1.00	NA
Providence Equity Partners VI LP	50,000,000	0	1.46	7.3%
Providence Equity Partners VII LP	200,000,000	0	1.61	21.2%
Quantum Energy Partners VIII, LP	85,714,000	54,608,721	1.03	5.0%
Quantum Energy Partners VIII-B Co-Investment Fund, LP	14,286,000	9,269,232	1.13	21.9%
HEQ II Co-Investment Fund, LP	10,000,000	7,705,927	1.40	NA
RCP Fund IV LP	50,000,000	0	1.88	13.1%
RCP Fund V LP	50,000,000	0	1.80	14.2%
RCP Fund VI LP	50,000,000	525,624	2.07	15.8%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
RCP Fund VII LP *	50,000,000	257,146	2.07	16.8%
RCP Fund VIII LP	50,000,000	16,041,909	2.28	20.2%
RCP Fund IX LP *	50,000,000	48,191,156	2.07	17.0%
RCP Fund X LP *	50,000,000	51,412,104	2.06	17.8%
Ripplewood Partners, L.P.	100,000,000	0	1.74	13.6%
Ripplewood Partners II LP	100,000,000	0	1.19	6.2%
Rubicon Technology Partners LP	50,000,000	21,671,192	1.60	13.4%
Rubicon Technology Partners II LP	76,000,000	20,151,997	2.14	28.5%
Rubicon Technology Partners III LP	100,000,000	107,371,700	1.13	4.1%
Rubicon Technology Partners IV LP	100,000,000	39,084,081	1.04	3.1%
RTP J Holdings LP	9,999,998	12,507,743	1.18	15.4%
Searchlight Capital II LP	100,000,000	65,326,045	1.76	19.8%
Searchlight Capital III LP	150,000,000	177,474,074	1.59	22.6%
Searchlight Capital IV, L.P.	150,000,000	28,823,248	1.02	NA
Searchlight Capital III CVL Co-Invest Partners II, L.P.	10,000,000	8,605,724	1.00	NA
Silver Lake Partners IV LP	100,000,000	143,698,503	2.76	21.2%
Silver Lake Partners V LP	140,000,000	143,665,001	1.61	12.5%
Silver Lake Partners VI LP	175,000,000	199,933,535	1.23	8.8%
Siris Partners III LP	75,000,000	0	1.22	8.6%
Siris Partners IV LP	75,000,000	0	1.07	4.3%
Snow Phipps II AIV LP	50,000,000	0	1.37	14.6%
(Stone Point) Trident V LP	75,000,000	0	1.82	11.4%
(Stone Point) Trident VI LP	75,000,000	31,675,352	2.49	21.5%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
(Stone Point) Trident VII LP	75,000,000	111,371,013	2.18	19.0%
(Stone Point) Trident VIII LP	100,000,000	134,609,784	1.56	14.0%
(Stone Point) Trident IX LP	100,000,000	79,954,732	1.28	18.6%
(Stone Point) Trident X US Fund, L.P.	100,000,000	0	NA	NA
Stride Consumer Fund I LP *	50,000,000	36,483,982	1.33	15.4%
Summa Equity Fund II-No 1 AB	29,887,712	12,692,730	1.57	22.5%
Summa Equity Fund III-No 1 AB	40,962,202	23,394,800	0.88	-12.1%
Summit Partners Growth Equity Fund VIII-A LP	125,000,000	0	1.52	32.0%
(SVB) Strategic Investors Fund V-A LP *	125,000,000	137,706,865	5.31	24.5%
(SVB) Strategic Investors Fund V-A Opportunity LP *	55,000,000	150,564,405	6.27	25.1%
(SVB) Strategic Investors Fund VI-A LP *	125,000,000	267,735,903	4.03	19.7%
SVB Capital Partners III LP	22,500,000	15,347,300	1.95	12.6%
(SVB) Strategic Investors Fund VII-A LP *	125,000,000	255,088,250	3.52	20.4%
SVB Venture Overage Fund LP *	100,575,334	58,473,098	2.48	18.0%
(SVB) Strategic Investors Fund VIII-A LP *	100,000,000	212,562,534	3.04	21.5%
SVB Capital Partners IV LP	25,000,000	39,243,670	1.63	10.0%
(SVB) Strategic Investors Fund IX-A LP *	75,000,000	106,554,507	1.67	12.6%
(SVB) Strategic Investors Fund X-A LP *	75,000,000	73,341,957	1.12	4.2%
(SVB) Capital Partners V LP	30,000,000	25,852,151	0.97	-0.8%
(SVB) SIF-Ascension I LP *	25,000,000	11,880,852	0.95	-3.7%
(SVB) Cap. Partners VI, L.P.	20,000,000	3,823,297	0.91	-6.7%
TA XI LP	100,000,000	0	1.55	19.7%
Carlyle Partners II, L.P.	200,000,000	0	2.30	20.1%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Carlyle Partners III LP	200,000,000	0	2.30	22.8%
Carlyle Partners IV LP	75,000,000	0	2.03	13.1%
Carlyle Europe Partners III LP (EUR)	66,000,377	0	1.61	12.9%
Carlyle Partners V LP	200,000,000	0	1.81	13.5%
Carlyle Asia Growth Partners IV LP	75,000,000	6,648,502	1.07	1.5%
Carlyle Partners VI LP	133,400,000	29,673,244	1.72	14.4%
Carlyle Partners VII LP	100,000,000	114,414,950	1.34	8.0%
The Energy & Minerals Group Fund III LP	85,000,000	39,130,215	0.62	-5.6%
Gores Capital Partners I LP	50,000,000	0	1.30	8.4%
Gores Capital Partners II LP	50,000,000	0	1.14	3.8%
Gores Capital Partners III LP	125,000,000	0	1.00	-0.1%
Riverside Capital Appreciation Fund V LP	75,000,000	0	1.32	8.2%
Riverside Europe Fund IV LP	49,699,937	0	1.04	1.5%
Riverside Capital Appreciation Fund VI LP	75,000,000	0	1.43	14.4%
Thoma Cressey Fund VIII LP	50,000,000	0	2.93	18.3%
Thoma Bravo Fund IX LP	50,000,000	0	4.08	48.1%
Thoma Bravo Fund X LP	100,000,000	0	4.05	39.2%
Thoma Bravo Special Opportunities Fund I LP	45,000,000	271,225	3.98	33.6%
Thoma Bravo Fund XI LP	100,000,000	81,385,417	3.02	25.6%
Thoma Bravo Special Opportunities Fund II LP	50,000,000	63,162,604	2.39	16.0%
Thoma Bravo Discover Fund LP	50,000,000	26,993,440	3.11	34.8%
Thoma Bravo Fund XII LP	150,000,000	173,669,688	2.18	15.8%
Thoma Bravo Discover Fund II LP	75,000,000	86,022,018	2.17	23.2%



# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
Thoma Bravo Fund XIII LP	150,000,000	189,607,199	1.94	23.8%
Thoma Bravo Discover Fund III LP	100,000,000	135,074,897	1.38	11.2%
Thoma Bravo Fund XIV LP	200,000,000	221,266,950	1.24	7.7%
Thoma Bravo Fund XV LP	150,000,000	161,948,936	1.35	16.8%
Thoma Bravo Discover Fund IV LP	100,000,000	91,446,541	1.27	19.1%
Thoma Bravo Discover Fund V, L.P.	100,000,000	0	NA	NA
Project Second Co-Invest Fund, L.P.	10,000,000	0	NA	NA
Thoma Bravo Fund XVI, L.P.	150,000,000	0	NA	NA
Thomas H. Lee Equity Fund IV LP	100,000,000	0	0.87	-2.6%
Thomas H. Lee Equity Fund V LP	50,000,000	0	1.63	13.4%
Thomas H. Lee Equity Fund VI LP	75,000,000	0	1.89	12.3%
Tiger Iron Special Opportunities Fund LP *	191,877,777	296,497,365	1.92	14.7%
Tiger Iron Special Opportunities Fund II LP	195,710,226	210,269,630	1.24	6.7%
Tiger Iron Special Opportunities Fund III, L.P.	300,000,000	51,485,656	1.09	7.2%
Top Tier Venture Capital II LP	120,000,000	0	1.34	4.3%
Top Tier Venture Capital III LP	75,000,000	0	1.40	5.3%
Top Tier Venture Capital IV LP	100,000,000	0	2.00	13.9%
Top Tier Special Opportunities Fund LP	12,450,000	0	0.74	-4.0%
TowerBrook Investors II LP	75,000,000	0	1.88	9.8%
TowerBrook Investors III LP	150,000,000	376,007	1.41	8.6%
TowerBrook Investors IV LP	190,000,000	60,684,188	1.55	14.7%
TowerBrook Investors V LP	200,000,000	281,731,825	1.48	16.6%
TowerBrook Investors VI (Onshore), L.P.	100,000,000	25,018,430	1.02	NA

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
TI IV R1 CF Exit, L.P.	46,914,372	46,301,462	0.99	NA
TI VI Project Armstrong Co-Invest, L.P.	10,000,000	8,999,579	1.00	NA
TPG Partners IV LP	50,000,000	0	1.89	14.3%
TPG Partners V LP	100,000,000	0	1.18	2.6%
TPG Partners VI LP	200,000,000	0	1.42	11.3%
TPG Growth II LP	100,000,000	0	2.14	16.4%
TPG Growth III-A LP	100,000,000	64,066,679	1.65	16.3%
(TPG) The Rise Fund LP	25,000,000	24,626,639	1.49	10.8%
TPG Growth IV LP	100,000,000	106,952,193	1.69	15.5%
(TPG) The Rise Fund II LP	50,000,000	63,063,650	1.33	11.9%
TPG Growth V LP	150,000,000	187,169,627	1.33	15.7%
Denham Oil & Gas Fund LP	100,000,000	104,236,594	1.38	9.4%
Denham Energy Resources Fund II LP	100,000,000	81,468,907	1.24	14.2%
Trace Sabre Co-Invest Fund LP	10,000,000	6,312,719	0.99	NA
Trive Capital Fund IV LP	75,000,000	81,529,451	1.35	16.8%
Trive Capital Fund V LP	100,000,000	0	NA	NA
OWL Co-Invest Opportunity LP	10,000,000	9,677,047	1.38	NA
TrueBridge-Kauffman Fellows Endowment Fund II (Parallel) LP	100,000,000	130,678,834	4.88	19.8%
TrueBridge Special Purpose (F) LLC	47,972,078	77,724,305	4.88	21.4%
TrueBridge-Kauffman Fellows Endowment Fund III (Parallel) LP	125,000,000	191,679,745	3.24	16.5%
TrueBridge Special Purpose (F3) LLC	22,500,000	27,953,125	3.24	20.6%
TrueBridge Capital FSA LLC	79,600,000	250,220,801	4.40	34.3%
TrueBridge-Kauffman Fellows Endowment Fund IV (Parallel) LP	125,000,000	285,295,436	3.56	24.5%

# Private Equity Partnership Performance

As of December 31, 2024

<u>Private Investment Partnerships</u>	<u>Commitment (\$)</u>	<u>Current NAV (\$)</u>	<u>TVPI</u>	<u>Net IRR</u>
TrueBridge Capital Partners Fund V (Parallel) LP	100,000,000	197,041,927	2.43	21.4%
TrueBridge Capital Partners Fund VI (Parallel) LP	100,000,000	127,615,901	1.28	8.5%
TrueBridge Capital FSA II LLC	74,739,895	83,112,286	1.22	6.6%
TrueBridge Capital Partners Fund VII (Parallel) LP	75,000,000	47,152,109	1.05	2.8%
TrueBridge Blockchain I (Parallel), L.P. *	30,000,000	17,441,176	1.13	8.3%
TrueBridge Capital FSA III, LLC	57,420,000	29,454,384	0.93	-11.9%
TrueBridge Capital Partners Fund VIII (Parallel), L.P.	75,000,000	4,742,318	0.74	NA
TSG Capital Fund III LP	100,000,000	0	0.54	-13.7%
W Capital Partners III LP	75,000,000	24,558,280	1.30	6.5%
Warburg Pincus Private Equity IX LP	75,000,000	93,995	1.72	9.7%
Warburg Pincus Private Equity X LP	150,000,000	3,046,832	1.80	9.5%
Warburg Pincus Private Equity XI LP	200,000,000	46,683,149	1.74	11.2%
Warburg Pincus Private Equity XII LP	90,000,000	65,782,963	2.04	15.7%
Warburg Pincus China LP	68,000,000	57,925,442	1.23	4.4%
Warburg Pincus China-Southeast Asia II LP	68,000,000	33,674,769	1.05	1.9%
Warren Equity Partners Fund IV, L.P.	75,000,000	52,940,390	1.17	14.7%
WEP ELIDO I Pond Co-Investment, L.P.	5,000,000	3,811,034	0.97	NA
(Waterland) WPEF VI Overflow Feeder LP	28,974,931	0	0.00	-100.0%
Waterland Private Equity Fund VI LP	61,110,432	24,476,039	2.26	23.0%
(Waterland) WPEF VII Feeder LP	113,659,612	127,229,425	1.57	16.0%
(Waterland) WPEF VIII Feeder LP	150,461,222	136,296,235	1.34	14.7%
WPEF IX Feeder 1 ILP	142,744,369	38,760,717	1.09	NA
Webster USPP Co-Investment Fund, L.P.	10,000,000	8,015,984	0.95	NA

# Private Equity Partnership Performance

As of December 31, 2024

Private Investment Partnerships	Commitment (\$)	Current NAV (\$)	TVPI	Net IRR
Webster StrideCare Co-investment Fund, L.P.	10,000,000	5,540,991	1.18	NA
Wellspring Capital Partners III LP	50,000,000	0	2.19	27.1%
Wellspring Capital Partners IV LP	75,000,000	0	1.40	6.6%

# INVESTMENT ADVISORY COUNCIL

## **Item 4. Private Equity Asset Class Review**

**Sheila Ryan, Cambridge Associates**

*(See Attachment 4B)*

# STATE BOARD ADMINISTRATION OF FLORIDA

PRIVATE EQUITY UPDATE



CAMBRIDGE  
ASSOCIATES

JUNE 2025

# STATE BOARD ADMINISTRATION OF FLORIDA

PRIVATE EQUITY UPDATE

JUNE 2025

# PORTFOLIO PERFORMANCE & EXPOSURES





CA Client Private Investment Returns

FSBA consistently ranks above the median versus CA clients on a medium to long-term basis

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
FSBA Total PE Asset Class Portfolio	8.72%	2.92%	17.30%	15.65%
Quartile Ranking	2nd	3rd	1st	1st
FSBA PE Total Portfolio	8.7%	2.9%	17.3%	15.6%
Quartile Ranking	2nd	3rd	1st	1st
S&P 500 AACR	35.8%	11.4%	15.4%	13.9%
MSCI ACWI AACR	31.8%	8.1%	12.2%	10.2%
CA PE + VC Legacy Benchmark	7.9%	2.8%	14.4%	13.0%
CA PE + VC Benchmark	8.0%	2.2%	14.9%	14.0%
Sample Size	755	716	661	612

Prior Quarter Quartile Rankings

FSBA Total PE Asset Class Portfolio – 2Q24	2nd	2nd	1st	1st
FSBA Total PE Asset Class Portfolio – 1Q24	1st	2nd	1st	1st
FSBA Total PE Asset Class Portfolio – 4Q23	2nd	2nd	1st	1st

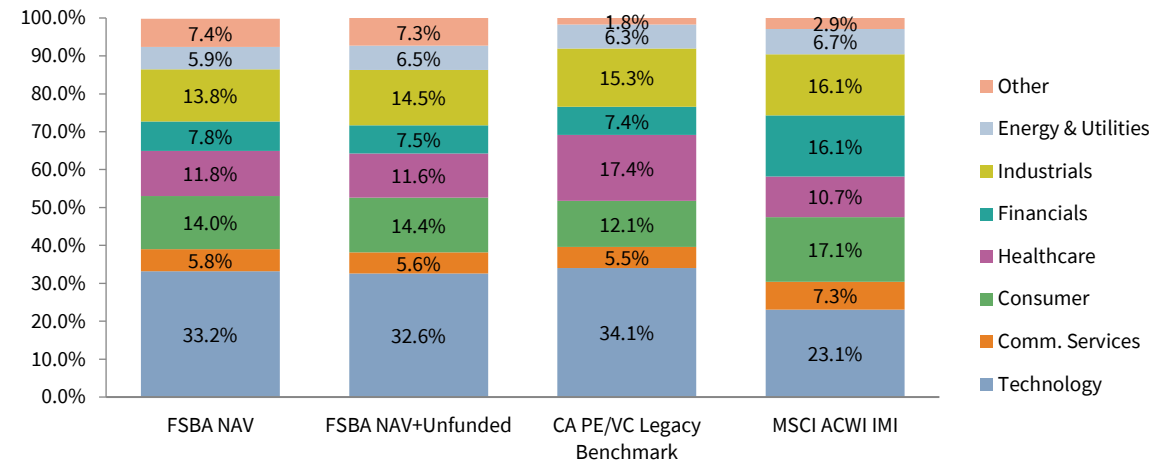
Sources: Cambridge Associates, LLC, S&P, MSCI  
Notes: Data as of September 30, 2024. FSBA returns are compared to CA client returns. Client returns are End-to-End IRRs and the public index AACRs are calculated for the period ending 09/30/2024, with all time periods as trailing. Includes PI fund programs with a least 10 PI funds per portfolio who receive performance reports as of 09/30/2024. Terminated client returns are not included due to unavailability of data. The performance of CA’s clients may be attributable to factors other than CA’s advice. Similarly, client returns shown may include investments made prior to client’s relationship with CA. Performance data is net of fees but has not been adjusted to reflect CA’s advisory fees and other expenses that a client may incur. CA PE + VC Benchmark represents median returns from the general Global CA PEVC Benchmark, whereas CA PE + VC Legacy Benchmark represents the CA PEVC Benchmark including Subordinated Capital and PE Energy.  
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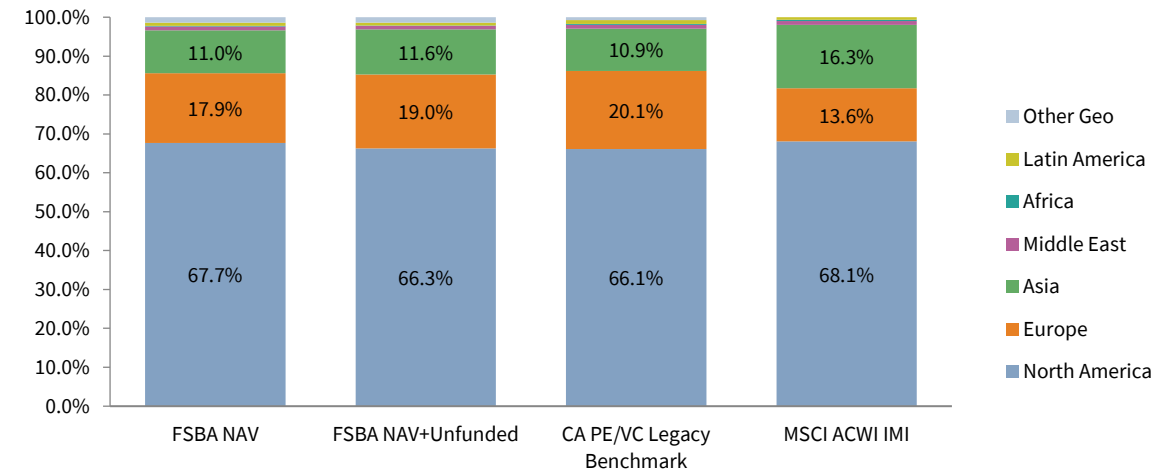
Investment Level Total Portfolio Snapshot

Relative to the CA BM, FSBA is modestly overweight to consumer, and underweight to healthcare, industrials, and growth stage investments. Relative to the MSCI BM, FSBA is overweight technology.

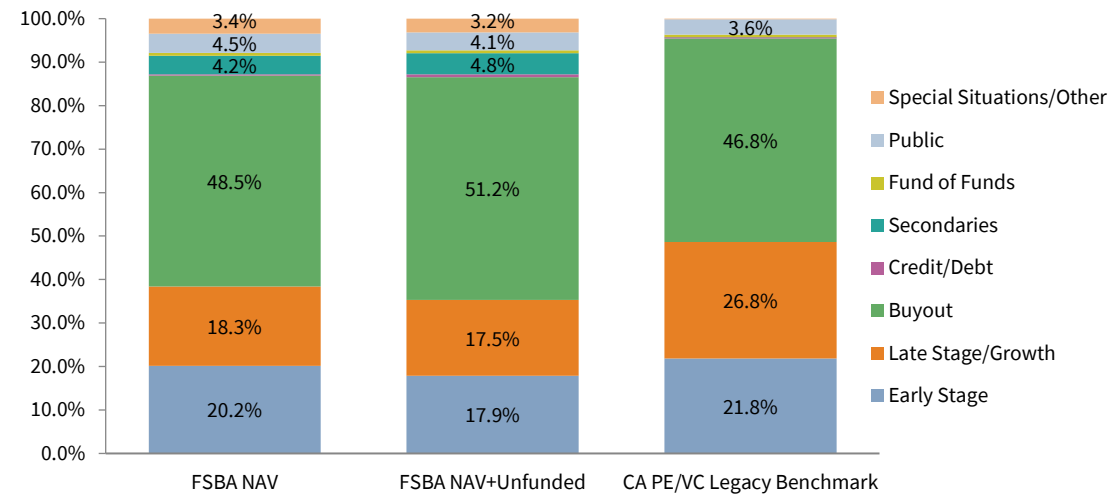
PORTFOLIO EXPOSURES BY SECTOR



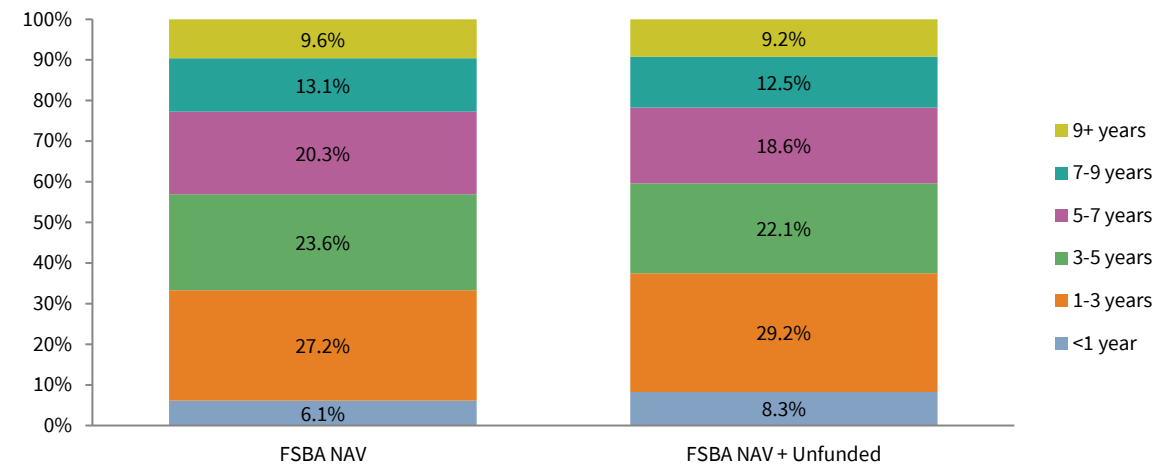
PORTFOLIO EXPOSURES BY GEOGRAPHY



PORTFOLIO EXPOSURES BY STAGE

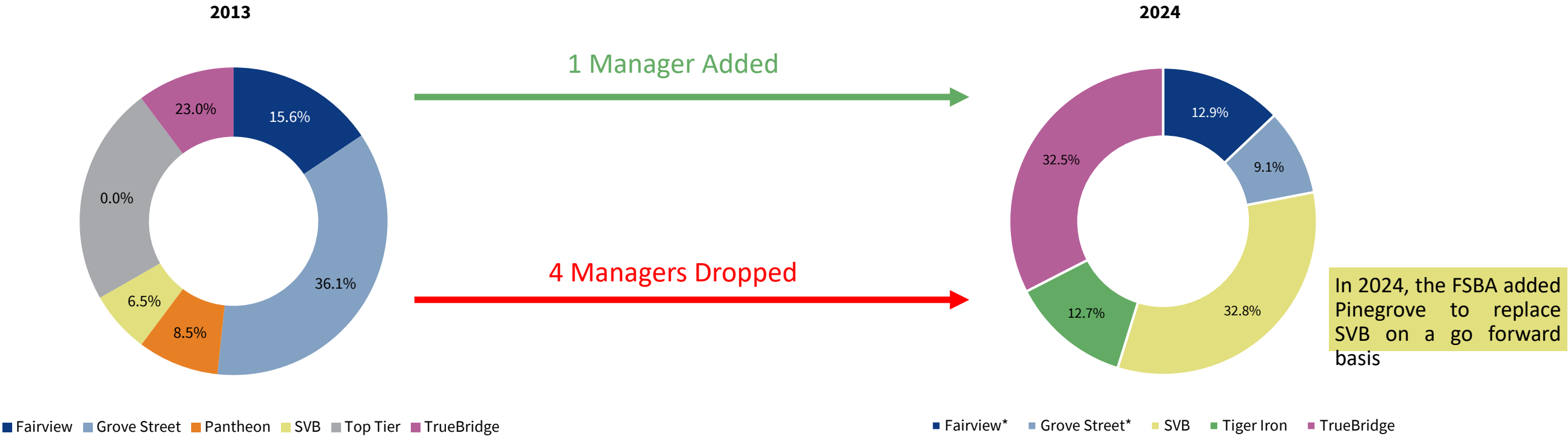


PORTFOLIO EXPOSURES BY AGE OF NAV



Notes: Data is preliminary as of December 31, 2024. Includes subsequent commitments. Exposures are based on a combination of CA and I-Level reported investment-level data, and manager reported data. Exposure data for fund of funds and co-investments are reported at the fund level. Funds with uncalled capital and subsequent commitments have exposure assumptions based off the most recent CA fund underwriting. These exposures are reflected in the 'FSBA NAV + Unfunded' column. CA Benchmark data for investment stage is as of September 30, 2024. CA PE + VC Legacy Benchmark represents Global Private Equity and Venture Capital and includes legacy asset classes Subordinated Capital and Private Equity Energy. Copyright © 2025 by Cambridge Associates LLC. All rights reserved. Confidential.

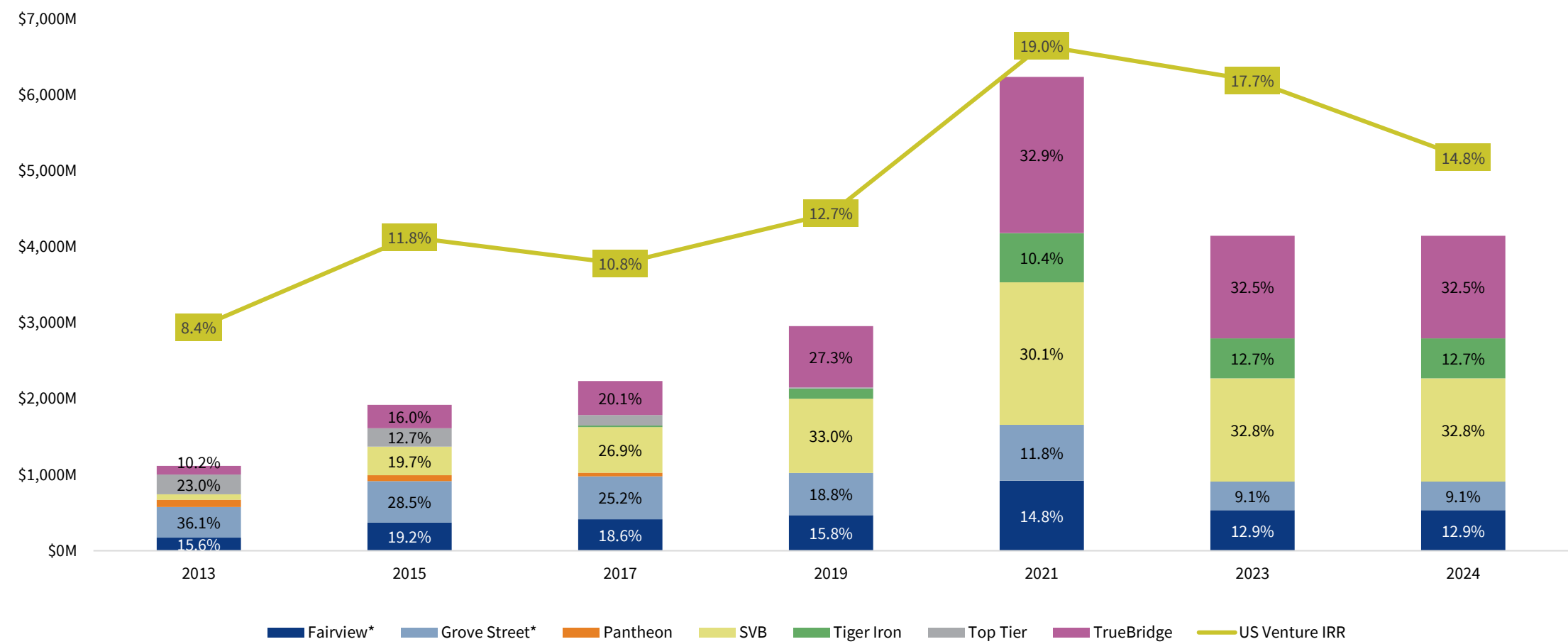
FSBA has concentrated their capital into their highest conviction Venture Capital Fund of Funds over time



Notes: Data is preliminary as of December 31, 2024, and is based on Net Asset Value. The chart entitled 2013 is indicative of FSBA's Venture Capital portfolio as of December 31, 2013, whereas the chart entitled 2024 is indicative of FSBA's Venture Capital portfolio using preliminary data as of December 31, 2024. \* Indicates that a fund is in a run-off stage and the manager is no longer being actively invested in.

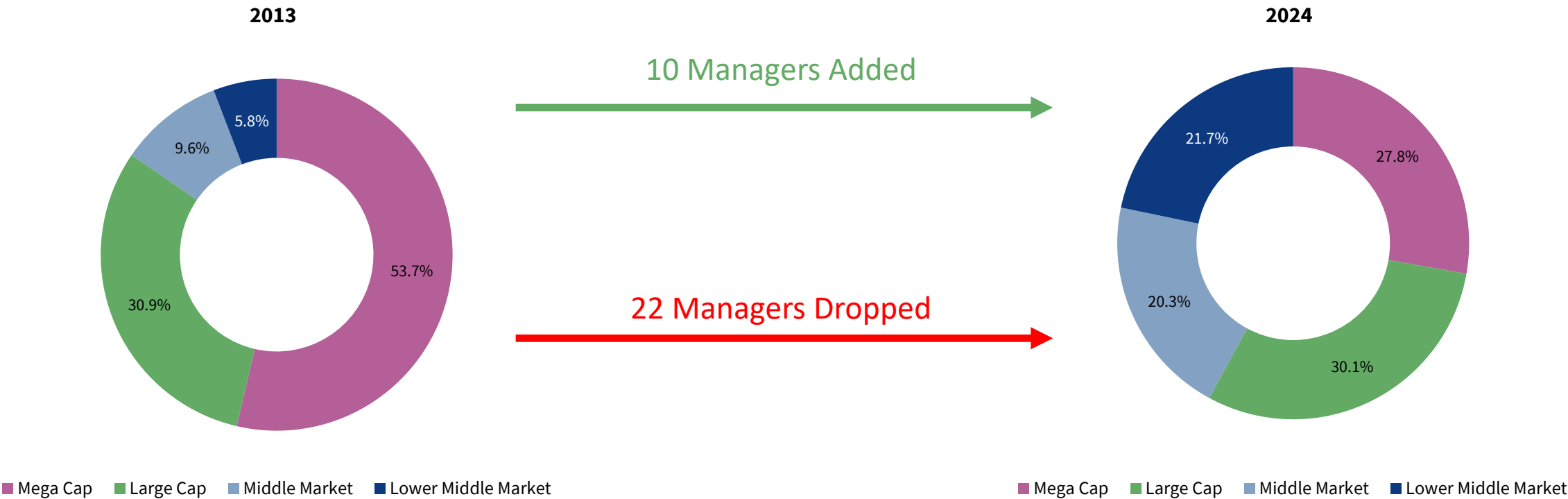
Despite recent volatility in venture capital, the FSBA's venture portfolio has performed well

FSBA US VENTURE CAPITAL NAV EXPOSURE OVER TIME



Notes: Data is preliminary as of December 31, 2024, and is based on Net Asset Value. Portfolio data for 2013 through 2024 is indicative of FSBA's US Venture Capital portfolio as of December 31st for each respective year. Returns are Since Inception. Datadog, Inc. has been excluded from this analysis, as it is not viewed as traditional venture fund.

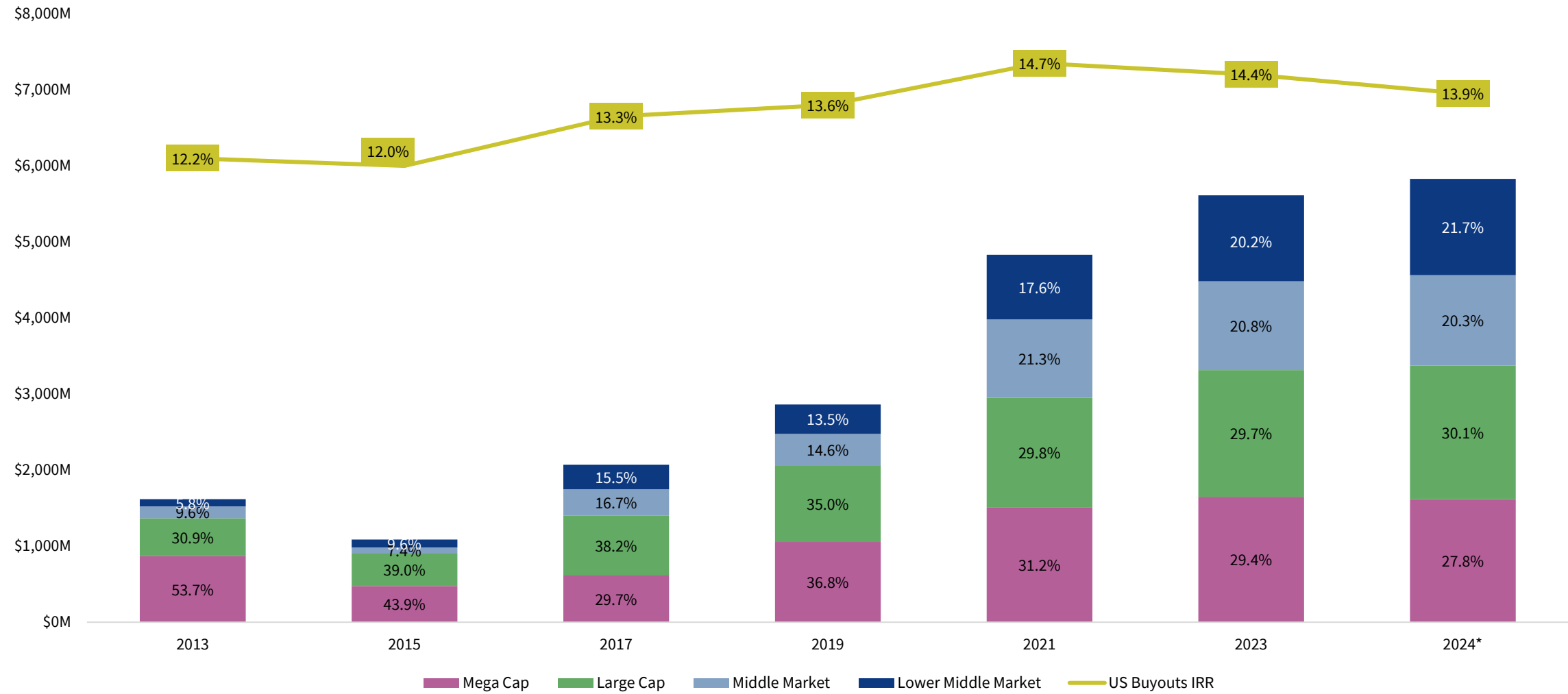
FSBA's efforts to expand exposure to the mid and small end of the buyout market has been highly successful



Notes: Data is preliminary as of December 31, 2024, and is based on Net Asset Value. The chart entitled 2013 is indicative of FSBA's US Buyout portfolio as of December 31, 2013, whereas the chart entitled 2024 is indicative of FSBA's US Buyout portfolio using data as of September 30, 2024. Lexington Co-investment funds and Arbor Debt Opportunities Fund II have been excluded from this analysis, as they are not viewed as traditional buyout funds. Funds that had not been committed to since 2008 were excluded as "active" parts of the portfolio when considering managers added and dropped. Managers "dropped" since 2013 includes funds in which FSBA has directly indicated they will not reup with or have not reupped in the last fund.

FSBA's buyout portfolio continues to generate solid, stable returns

FSBA US BUYOUT NAV EXPOSURE OVER TIME



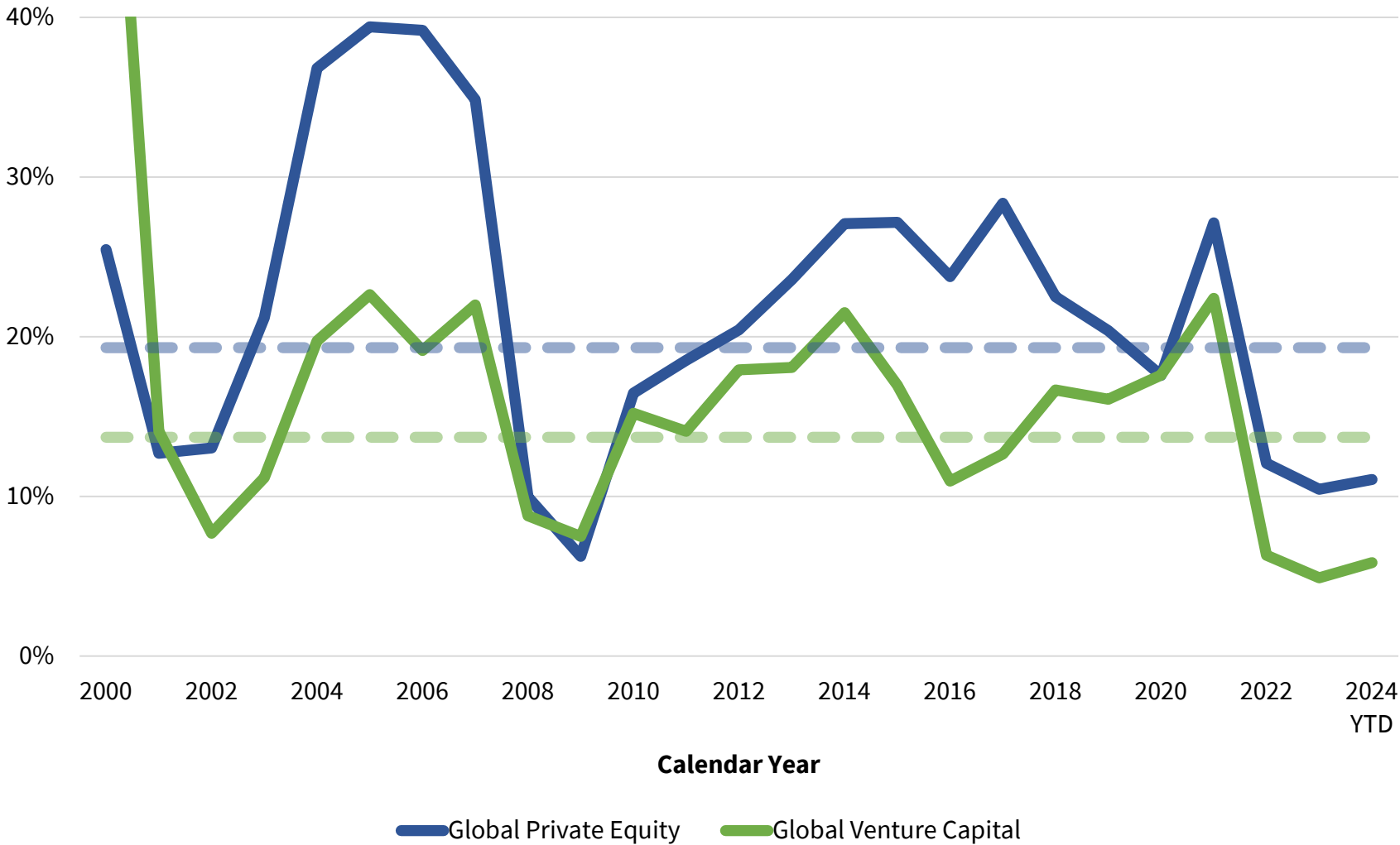
Notes: Data is preliminary as of December 31, 2024, and is based on Net Asset Value. Portfolio data for 2013 through 2023 is indicative of FSBA's US Buyout portfolio as of December 31st for each respective year. Returns are Since Inception. Lexington Co-investment funds and Arbor Debt Opportunities Fund II have been excluded from this analysis, as they are not viewed as traditional buyout funds. For 2013 and 2015 Lower Middle Market represents funds \$0-\$500M, Middle Market represents funds \$500M-\$1.0B, Large Cap represents funds \$1.0B-\$4.5B, and Mega Cap represents funds \$4.5B+. For 2017 and 2019 Lower Middle Market represents funds \$0-\$750M, Middle Market represents funds \$750M-\$2.0B, Large Cap represents funds \$2B-\$7.25B, and Mega Cap represents funds \$7.25B+. For 2021, 2023, and 2024 Lower Middle Market represents funds \$0-\$1.0B, Middle Market represents funds \$1.0B-\$3.0B, Large Cap represents funds \$3B-\$10.0B, and Mega Cap represents funds \$10.0+B.

# CURRENT MARKET ENVIRONMENT



Distribution yields need to return to base

DISTRIBUTION YIELDS: CALENDAR YEAR AND LONG-TERM AVERAGES  
As of September 30, 2024

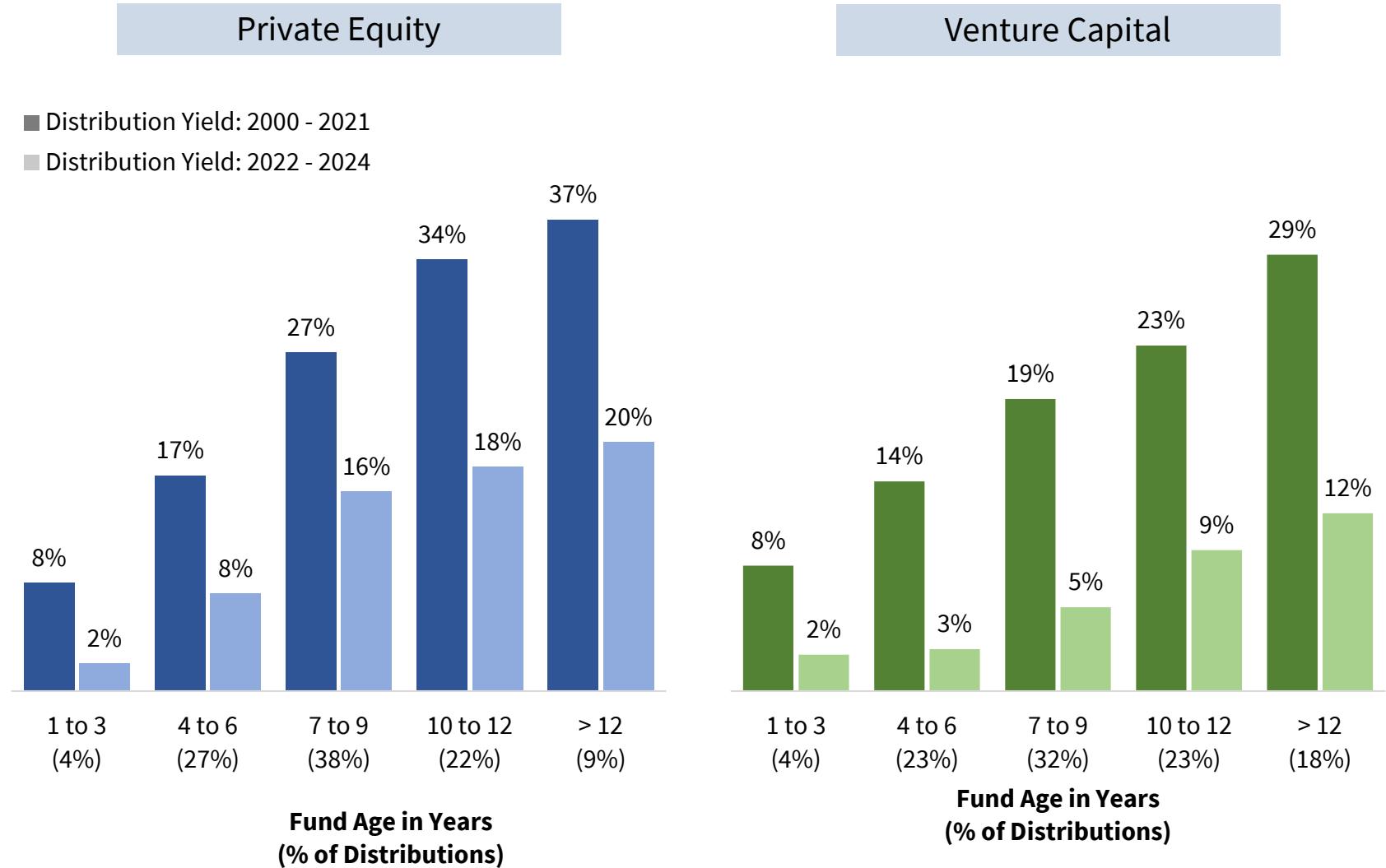


Source: Cambridge Associates LLC.  
Notes: Data as of September 30, 2024. Calendar year distribution yield is annual LP distributions/beginning NAV. 2024 distributions are annualized. Averages are calculated by pooling distributions and beginning NAVs from 2000 to 2024. Distributions are net of recallable returns of capital. \*2000 VC distribution yield was 63%. Y axis capped for graphing purposes.



Distribution yields need to return to base

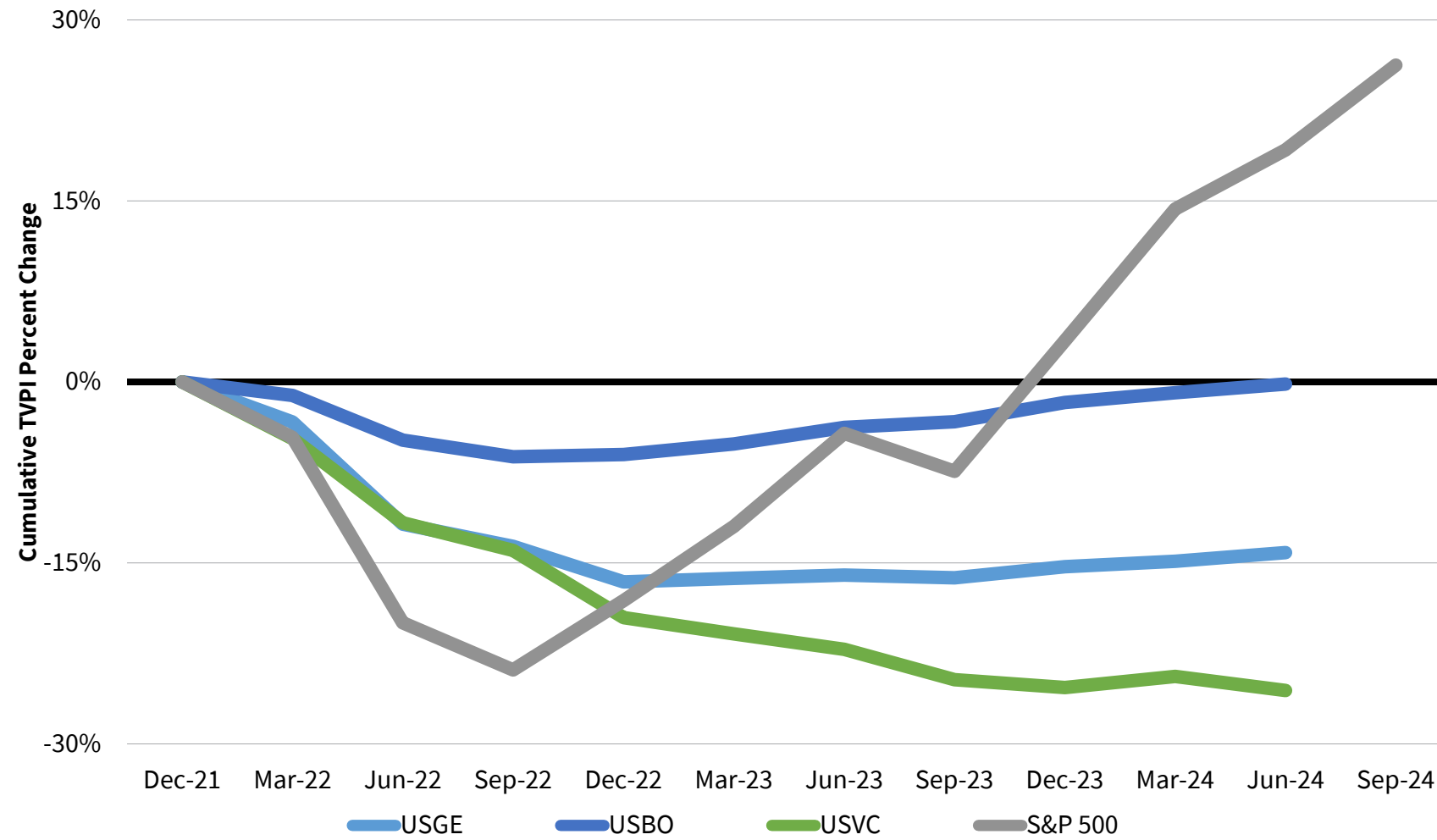
DISTRIBUTION YIELDS: AVERAGES BY TIME PERIOD AND FUND AGE  
As of September 30, 2024



Source: Cambridge Associates LLC.  
Notes: Data as of September 30, 2024. Calendar year distribution yield is annual LP distributions/beginning NAV. 2024 distributions are annualized. Averages are calculated by pooling distributions and beginning NAVs from 2000 to 2024. Distributions are net of recallable returns of capital. \*2000 VC distribution yield was 63%. Y axis capped for graphing purposes.

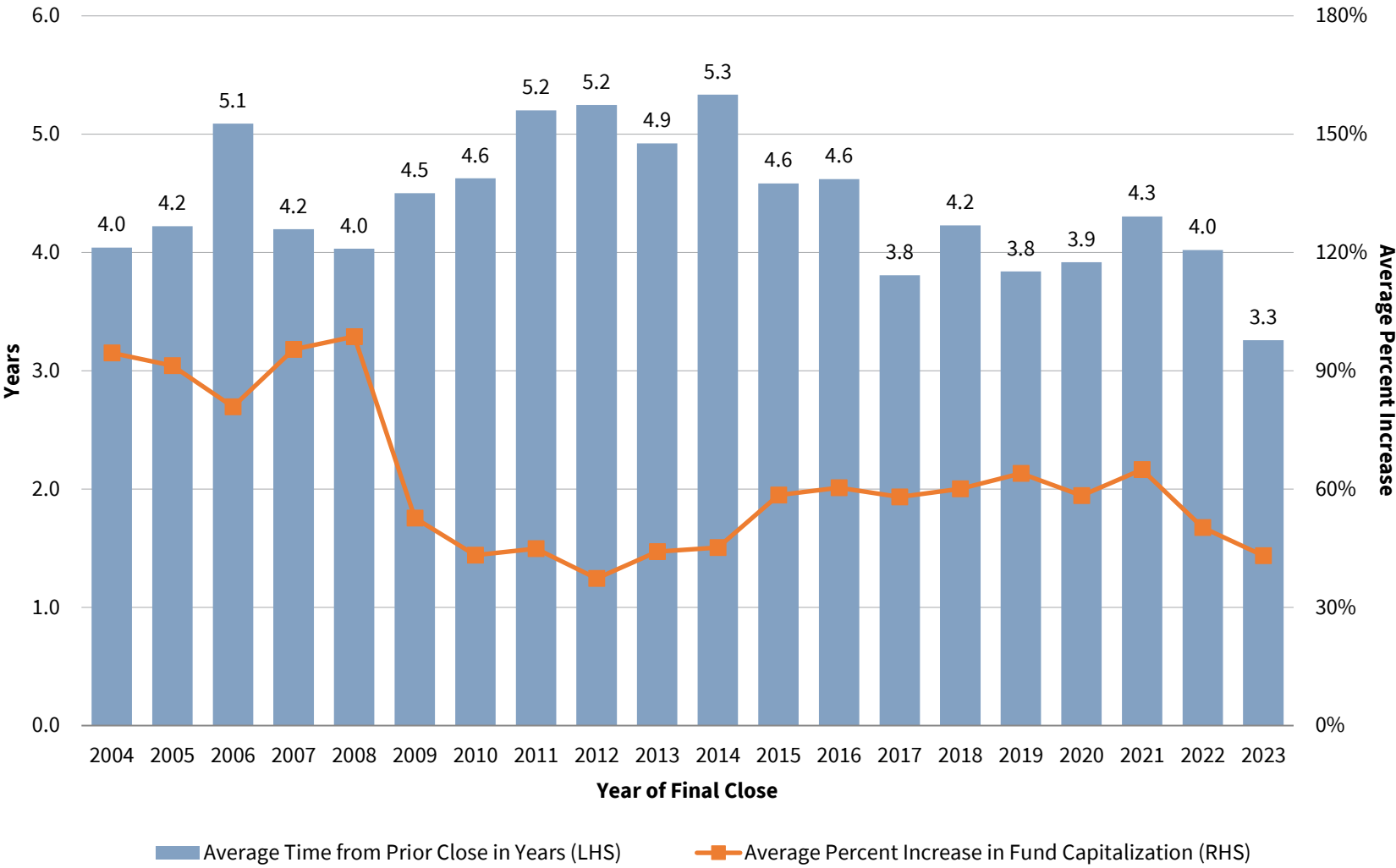
Venture has been hit harder than PE during post-pandemic correction

US BUYOUTS, GROWTH EQUITY, VENTURE CAPITAL, AND S&P 500 CUMULATIVE TIME TO RECOVERY  
Private investment data as of June 30, 2024 • S&P 500 data as of September 30, 2024



Today’s Investment Pace Likely to Lead to a “Return to Normal” for Fundraising Cycles

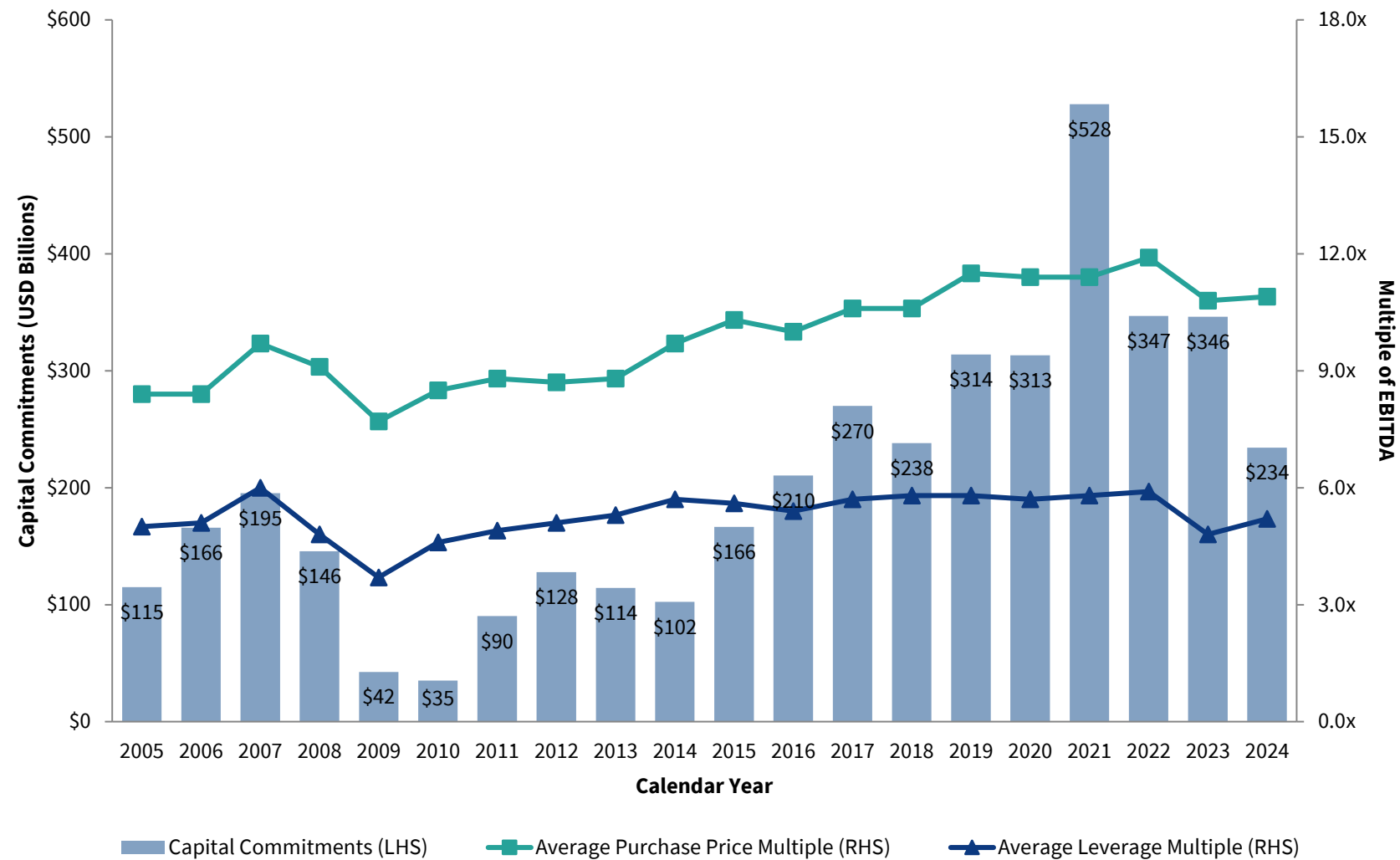
US BUYOUTS: AVERAGE TIME SINCE CLOSE OF PREDECESSOR FUND BY FINAL CLOSE YEAR  
As of February 2024



Source: Cambridge Associates LLC.  
Notes: Data as of February 22, 2024. Includes US buyout funds only. Year of final close represents the year in which the subsequent fund held its final close. Averages of time between predecessor and subsequent fund are taken for the fund immediately preceding the subsequent fund within the same strategy. Funds without a prior fund have been excluded.

Leverage in PE has remained relatively steady while PPMs have slowly climbed

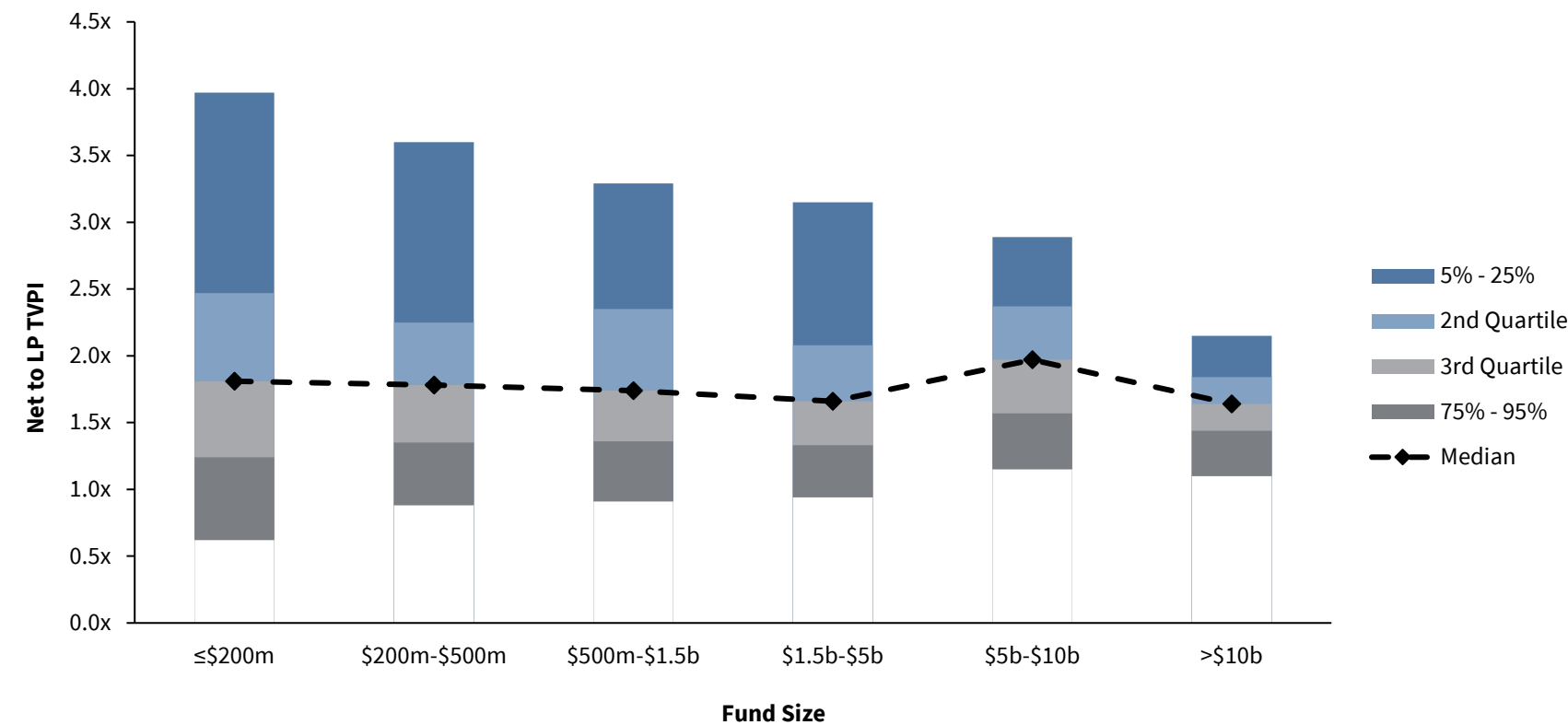
US PRIVATE EQUITY: COMMITMENTS, EBITDA PURCHASE PRICE AND LEVERAGE MULTIPLES  
As of December 31, 2024 ● US Dollar



Sources: Cambridge Associates LLC, Standard & Poor's LCD, and PitchBook Data, Inc.  
Notes: Purchase price multiple is defined as enterprise value over EBITDA and leverage multiple is defined as net debt over EBITDA.

The lower middle market has been a good place to be in buyouts

US PRIVATE EQUITY: TVPI DISPERSION BY FUND SIZE  
As of September 30, 2024 • Vintage Years 1983-2021



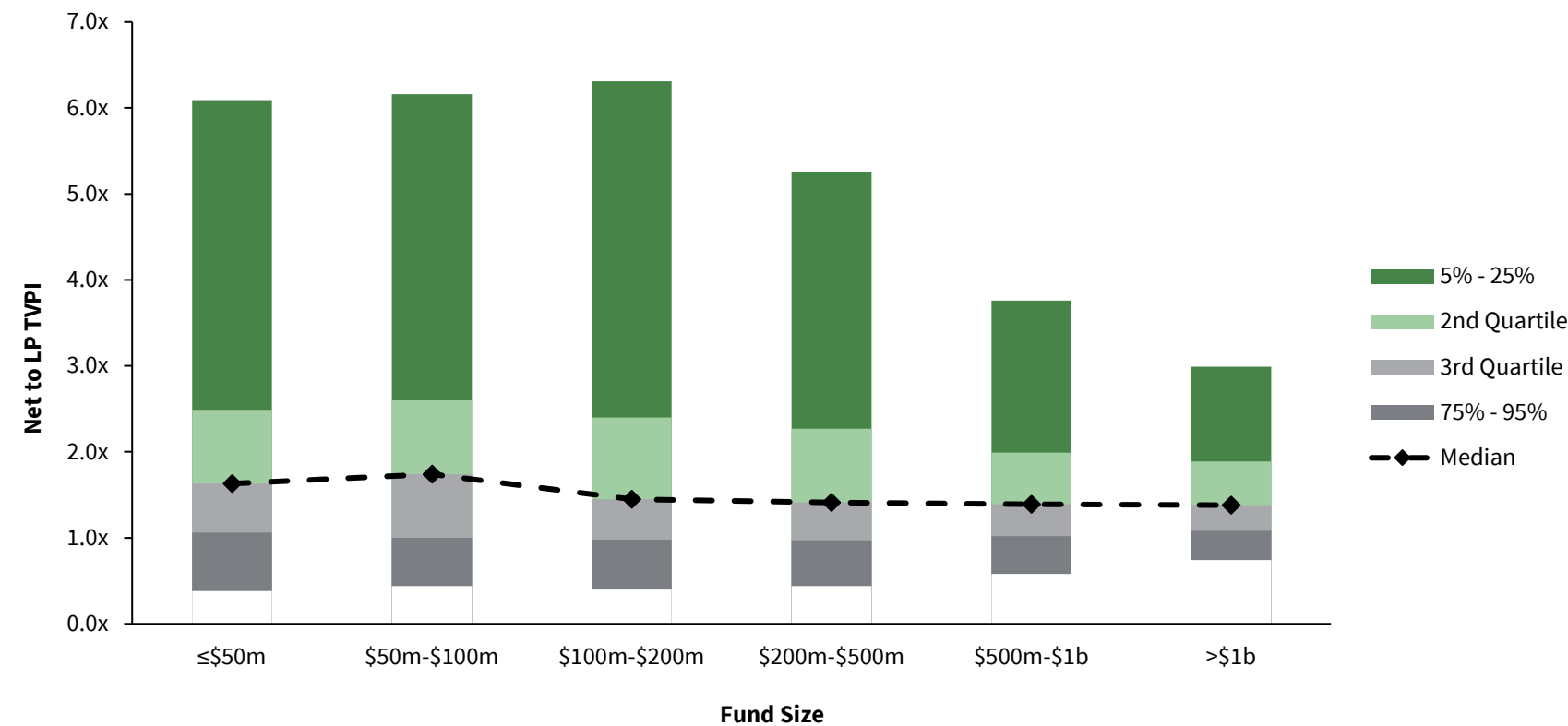
N	312	385	457	246	45	37
5%	4.0X	3.6X	3.3X	3.2X	2.9X	2.2X
25%	2.5X	2.3X	2.4X	2.1X	2.4X	1.8X
MEDIAN	1.8X	1.8X	1.7X	1.7X	2.0X	1.6X
75%	1.2X	1.4X	1.4X	1.3X	1.6X	1.4X
95%	0.6X	0.9X	0.9X	0.9X	1.2X	1.1X



Source: Cambridge Associates LLC.  
Notes: Pooled returns are net of fees, expenses and carried interest. Private equity includes buyout and growth equity funds. Funds less than three years old are considered too young to have produced meaningful returns; those vintages have been excluded from this analysis.

Smaller venture managers have typically had more upside on a TVPI basis

US VENTURE CAPITAL: TVPI DISPERSION BY FUND SIZE  
As of September 30, 2024 • Vintage Years 1981-2021



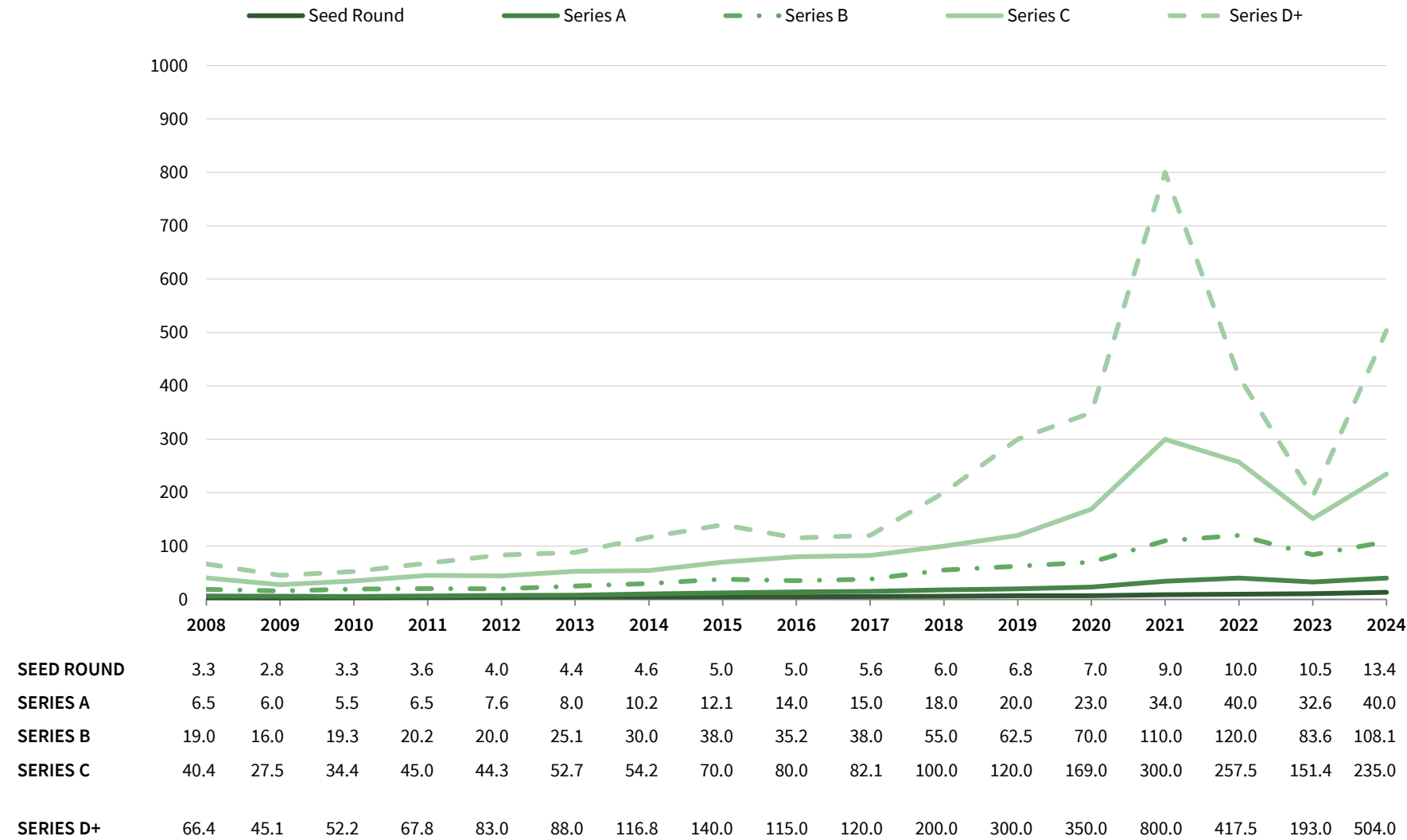
N	527	417	510	601	243	50
5%	6.1X	6.2X	6.3X	5.3X	3.8X	3.0X
25%	2.5X	2.6X	2.4X	2.3X	2.0X	1.9X
MEDIAN	1.6X	1.7X	1.5X	1.4X	1.4X	1.4X
75%	1.1X	1.0X	1.0X	1.0X	1.0X	1.1X
95%	0.4X	0.4X	0.4X	0.4X	0.6X	0.7X



Source: Cambridge Associates LLC.  
Notes: Pooled returns are net of fees, expenses and carried interest. Funds less than three years old are considered too young to have produced meaningful returns; those vintages have been excluded from this analysis.

Late-stage venture valuations peaked in 2021 and are slowly coming back to earth

US VENTURE CAPITAL: MEDIAN PRE-MONEY VALUATIONS BY STAGE  
As of December 31, 2024 • USD Millions



Source: PitchBook Data, Inc.  
Notes: Data for the current year are through the as of date for this analysis.

# INVESTMENT ADVISORY COUNCIL

## **Item 5. FRS Investment Plan Program Review**

**Dan Beard**, Chief of Defined Contribution Programs

**Mini Watson**, Director of Administration

**Allison Olson**, Director of Educational Services

*(See Attachment 5A)*

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**INVESTMENT ADVISORY COUNCIL**

**FLORIDA RETIREMENT SYSTEM (FRS)**

**INVESTMENT PLAN**

**and**

**MyFRS FINANCIAL GUIDANCE PROGRAM**

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# FRS INVESTMENT PLAN REVIEW

## **Office of Defined Contribution Programs**

Daniel Beard, Chief of Defined Contribution Programs

Mini Watson, Director of Administration

Allison Olson, Director of Educational Services

# FRS PENSION PLAN AND INVESTMENT PLAN

The State of Florida offers public employees the option to participate in one of two retirement plans.

## Traditional Defined Benefit Plan- Pension

- Funded by mandatory employer and employee contributions
- Has been in existence since 1970
- Assets: \$200.4 B (as of 3/31/25)

## 401(a) Defined Contribution Plan- Investment

- Funded by mandatory employer and employee contributions
- Has been in existence since July 2002
- Assets: \$18.5 B (as of 3/31/25)



# PENSION PLAN AND INVESTMENT PLAN

- New employees, at the time of hire, choose to enroll in one of the two FRS Plans – the Pension Plan or Investment Plan.
- The Division of Retirement within the Department of Management Services is responsible for the day-to-day administration of the Pension Plan.
- The State Board of Administration (SBA) is responsible for the day-to-day administration of the Investment Plan.
  - All major components – recordkeeping, custodian services, benefit payments are outsourced as mandated by Florida Statutes.

# GOVERNANCE

- Section 121.4501 – Florida Legislature passed legislation in 2000 mandating the establishment of a defined contribution plan under the FRS. It also included provisions for an educational component for ALL FRS employees.
  - Directed that the State Board of Administration Trustees (Trustees) would be the responsible governing entity.
- Executive Director
  - Delegated authority by Trustees to oversee the implementation and ongoing oversight of the Investment Plan and education component.
- Deputy Executive Director and Chief Investment Officer
  - Provide guidance and input on Investment Plan administration and education component.

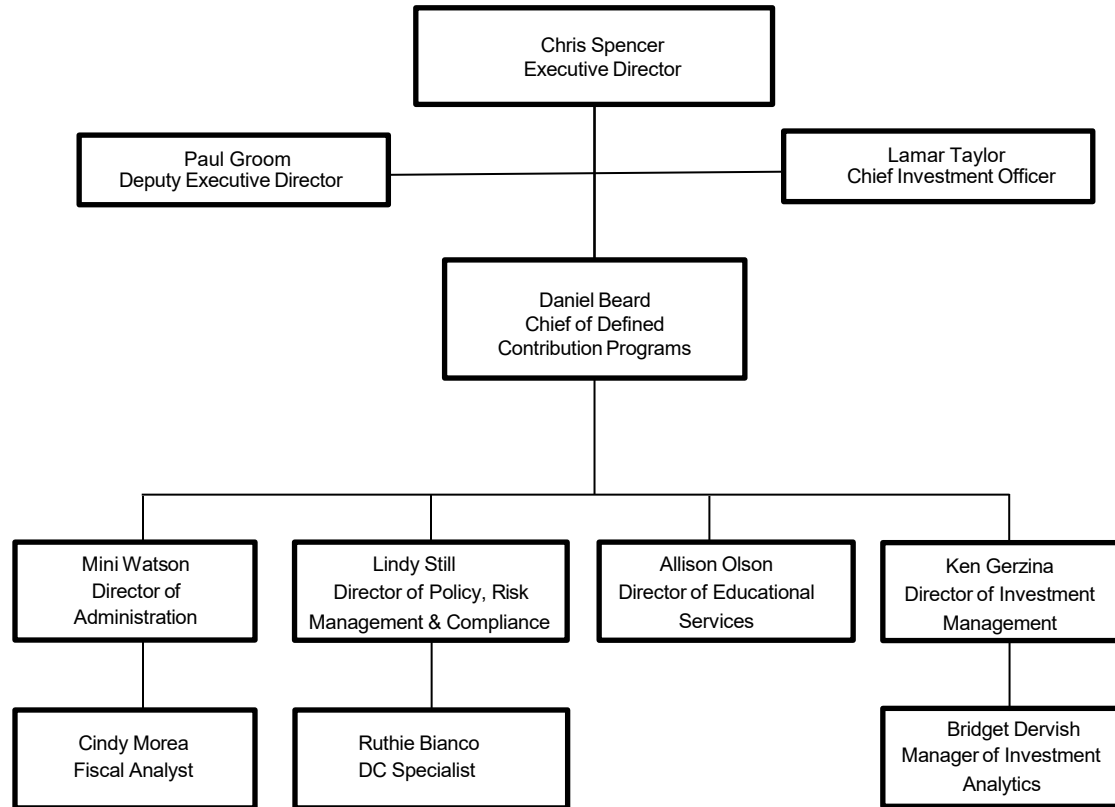


# GOVERNANCE (continued)

- Chief of Defined Contribution Programs
  - Delegated authority by Executive Director to oversee the administrative duties and responsibilities for the contract management of all service providers for the Investment Plan and the Financial Guidance Program.
- Investment Advisory Council (IAC)
  - Sections 121.4501(12) and (14) – states role of the IAC to the Investment Plan:
    - Assist the SBA with administering the Investment Plan.
    - May provide comments on recommendations on providers and investment products.
    - Will review any proposed changes to the Investment Policy Statement and present the result of the review to the Trustees.

# OFFICE OF DEFINED CONTRIBUTION PROGRAMS

## Organizational Chart



# FLORIDA RETIREMENT SYSTEM

(as of March 31, 2025)

## Participating Employers

- State Agencies – 45
- State Universities – 12
- State Colleges - 28
- County Agencies – 397
- School Boards – 67
- State Colleges – 28
- Cities – 186
- Independent Hospitals – 2
- Special Districts – 152
- Charter Schools – 97
- Other – 12

**998**  
**Total Employers**

## Plan

## Members

## Retirees

Investment Plan – 1 year vesting  
(Defined Contribution)

**369,667**

**222,267**

Pension Plan – 8 year vesting  
(Defined Benefit)

**416,745\***

**461,541**



# OVERVIEW OF THE INVESTMENT PLAN ADMINISTRATION

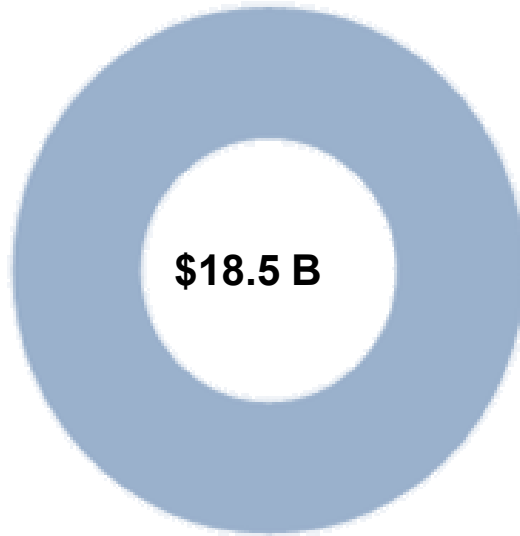
**Mini Watson**  
**Director of Administration**



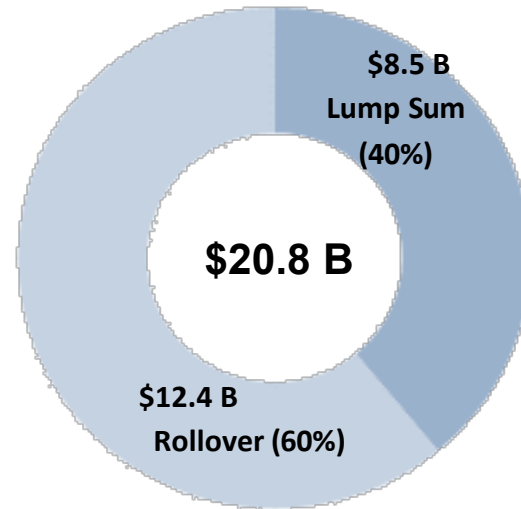
# FRS INVESTMENT PLAN SNAPSHOT

(Inception to March 31, 2025)

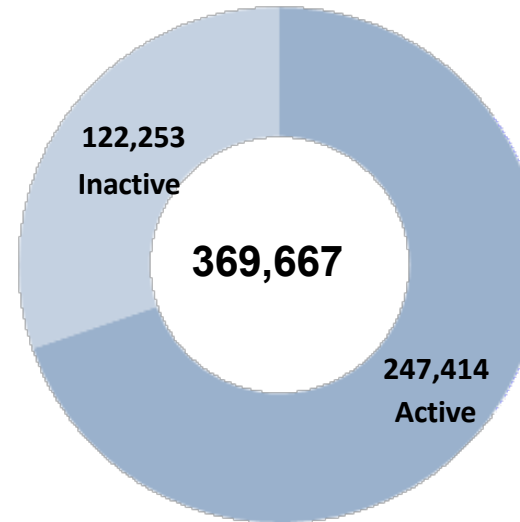
## Assets



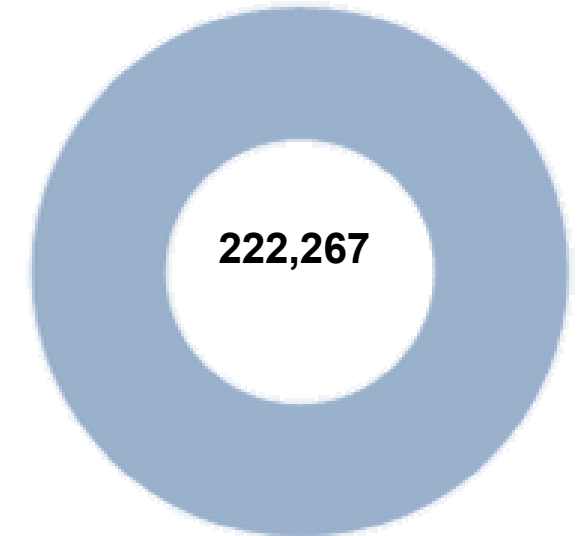
## Distributions



## Members



## Retirees



### Average Statistics (Active Members)

Female 65%    Male 35%

Age 45

\$51,770 account balance

5.0 years of service

# INVESTMENT PLAN SERVICE PROVIDERS

## Alight Solutions

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- **FRS Plan Choice Administrator/Choice Service Provider**
- **Investment Plan Administrator (record keeper)**
- **Self Directed Brokerage Account (SDBA) provider**

## BNY

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- **Investment Plan Custodian Bank**
- **Benefit Disbursements**
- **Custody Separate Accounts**

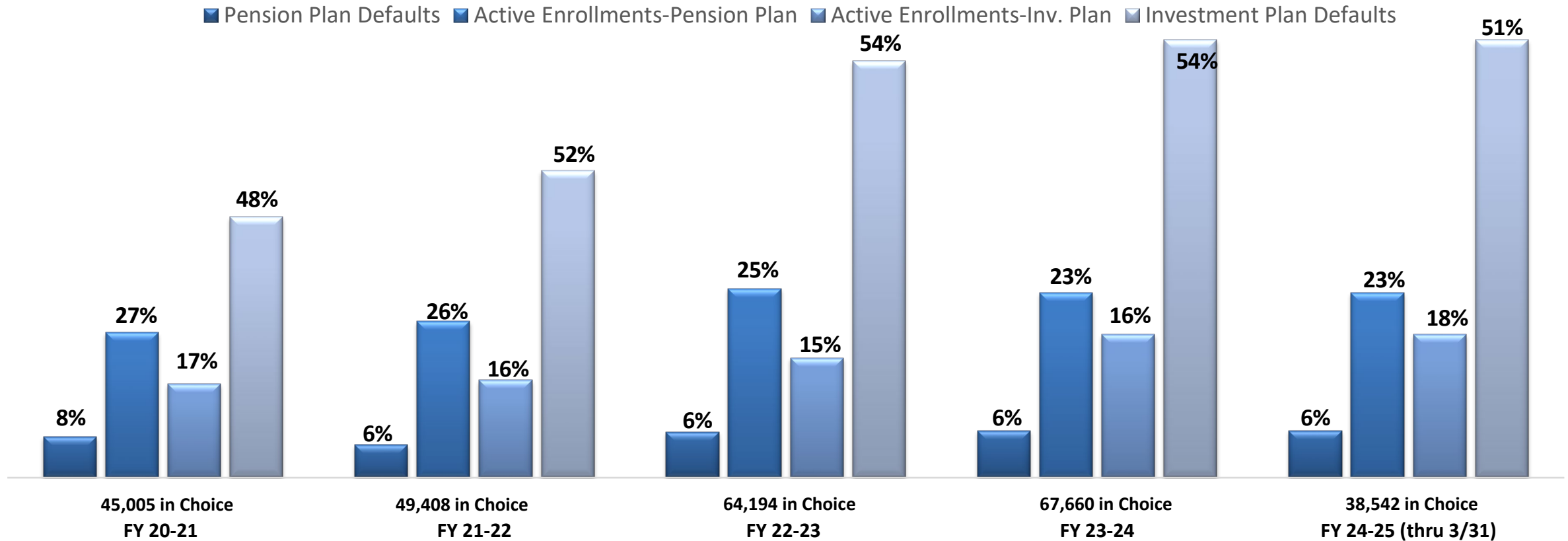
## Division of Retirement

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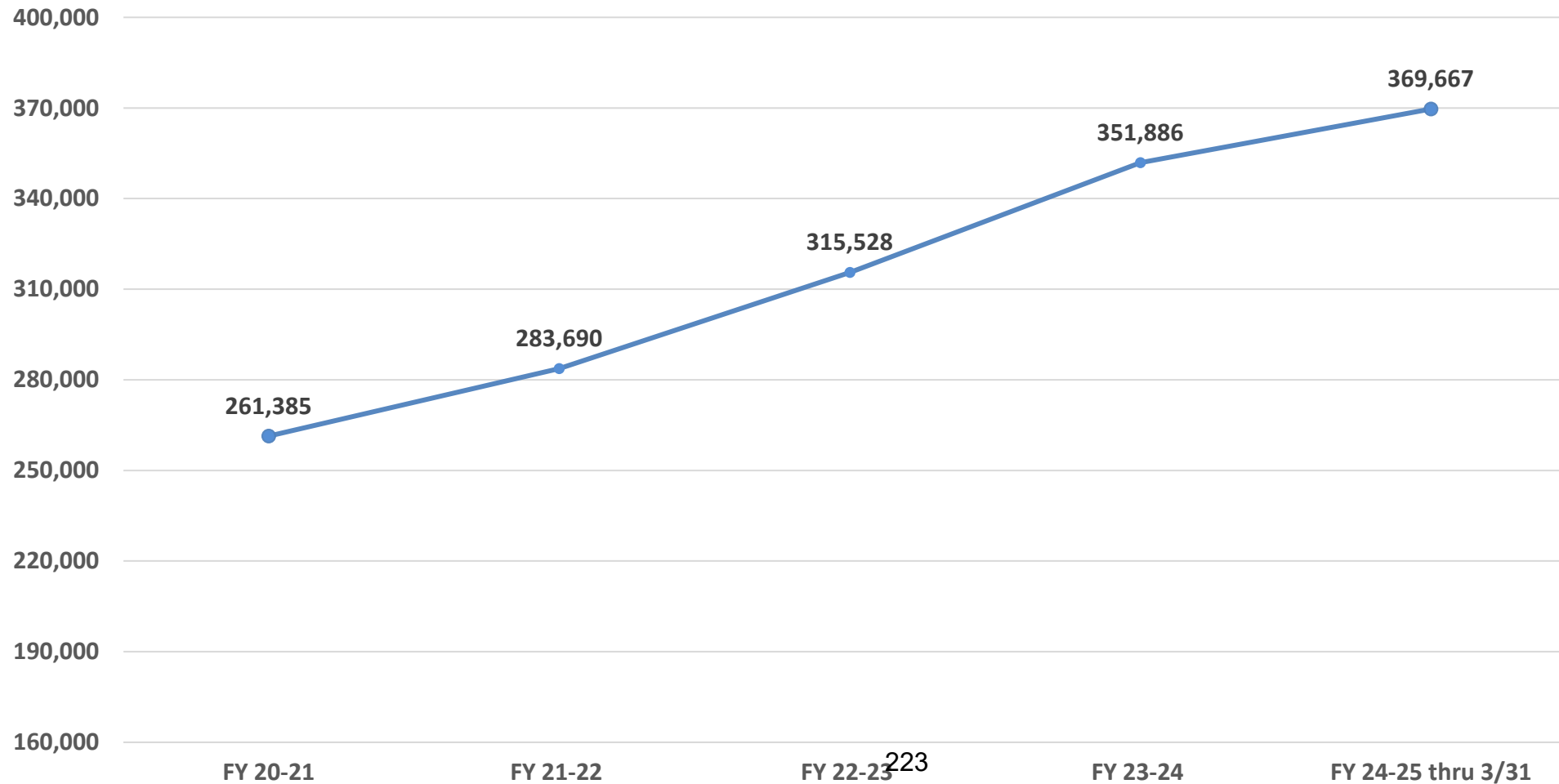
- **Pension Plan Administrator**
- **Retirement payroll reporting**
- **Health Insurance Subsidy (HIS) Program**
- **Disability and In-Line of Duty death benefits for the Investment Plan**

# PLAN CHOICE STATISTICS

(as of March 31, 2025)

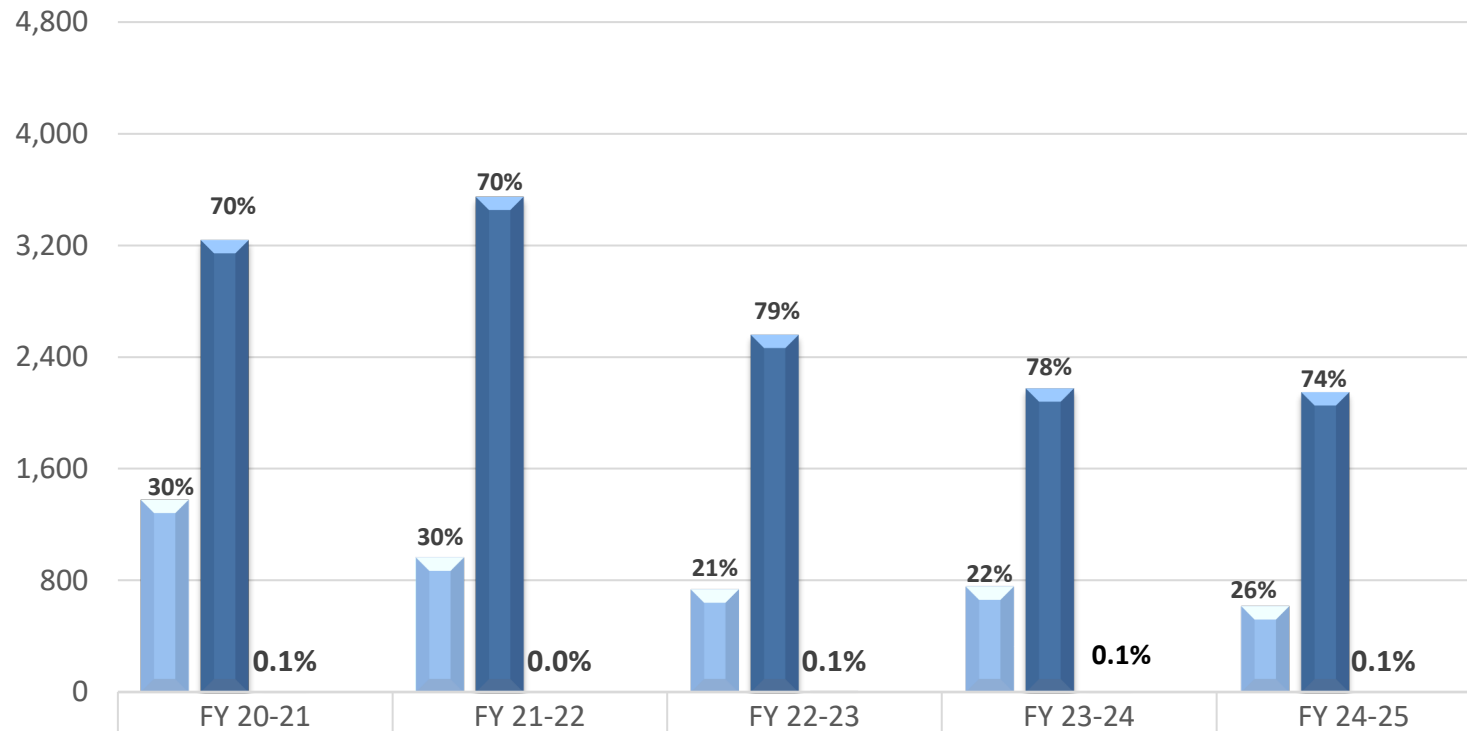


# INVESTMENT PLAN MEMBERSHIP GROWTH

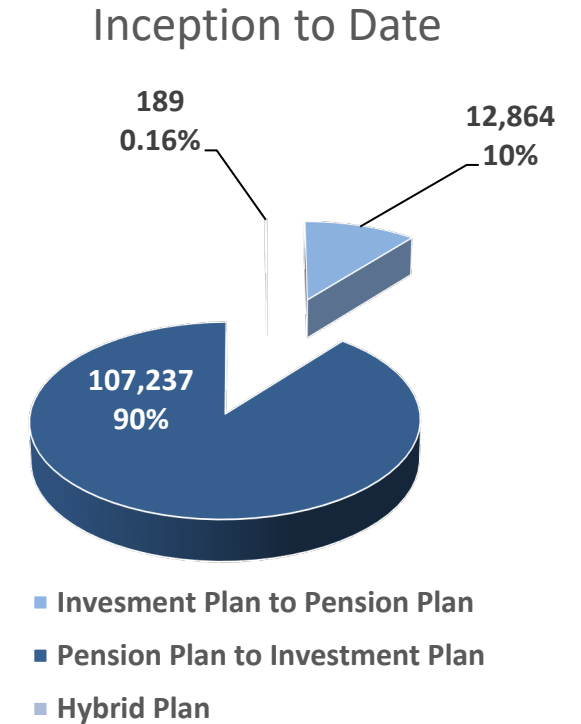


# 2<sup>nd</sup> ELECTION STATISTICS

(as of March 31, 2025)



Investment to Pension	1370	960	733	752	613
Pension to Investment	3232	3541	2555	2172	2145
Hybrid	2	0	4	2	0
Total	4604	4501	3292	2926	2758



# ADMINISTRATION STATISTICS

(July 2023 through March 2024)

## Alight Solutions

- Processed **2,337,092** member contributions postings totaling **\$848M**
- Sent an average of **396,130** quarterly statements
- Generated **2,554,151** personalized communications
- Received **52,797** telephone calls

## BNY

- Mailed **12,791** distribution checks
- Direct deposited **48,051** distribution payments
- Assets under custody **\$18.5 B**

# REQUESTS FOR INTERVENTION

- **Total Complaints Fiscal Year to March 31, 2025: 436**
- **Total Complaints Inception to March 31, 2025: 8,212**
- **Top 5 Reasons for Filing Complaint:**
  - Terminated Employment Prior to Election Receipt
  - Requesting 3<sup>rd</sup> Election
  - Distribution (Hardship/Emergency)
  - Dispute of First Election
  - Did Not Earn Salary/Service Credit the Month Election was Received



# OVERVIEW OF THE FINANCIAL GUIDANCE PROGRAM

**Allison Olson**  
**Director of Educational Services**

# FINANCIAL GUIDANCE PROGRAM SERVICE PROVIDERS

## EY

- Financial planners
- Provide unbiased financial planning guidance via telephone\chats
- Conduct retirement/financial planning workshops

## AFA

- Online personal ADVISOR SERVICE

## Alight

- Design, printing, focus groups
- Online 1<sup>st</sup> & 2<sup>nd</sup> Election Choice Services

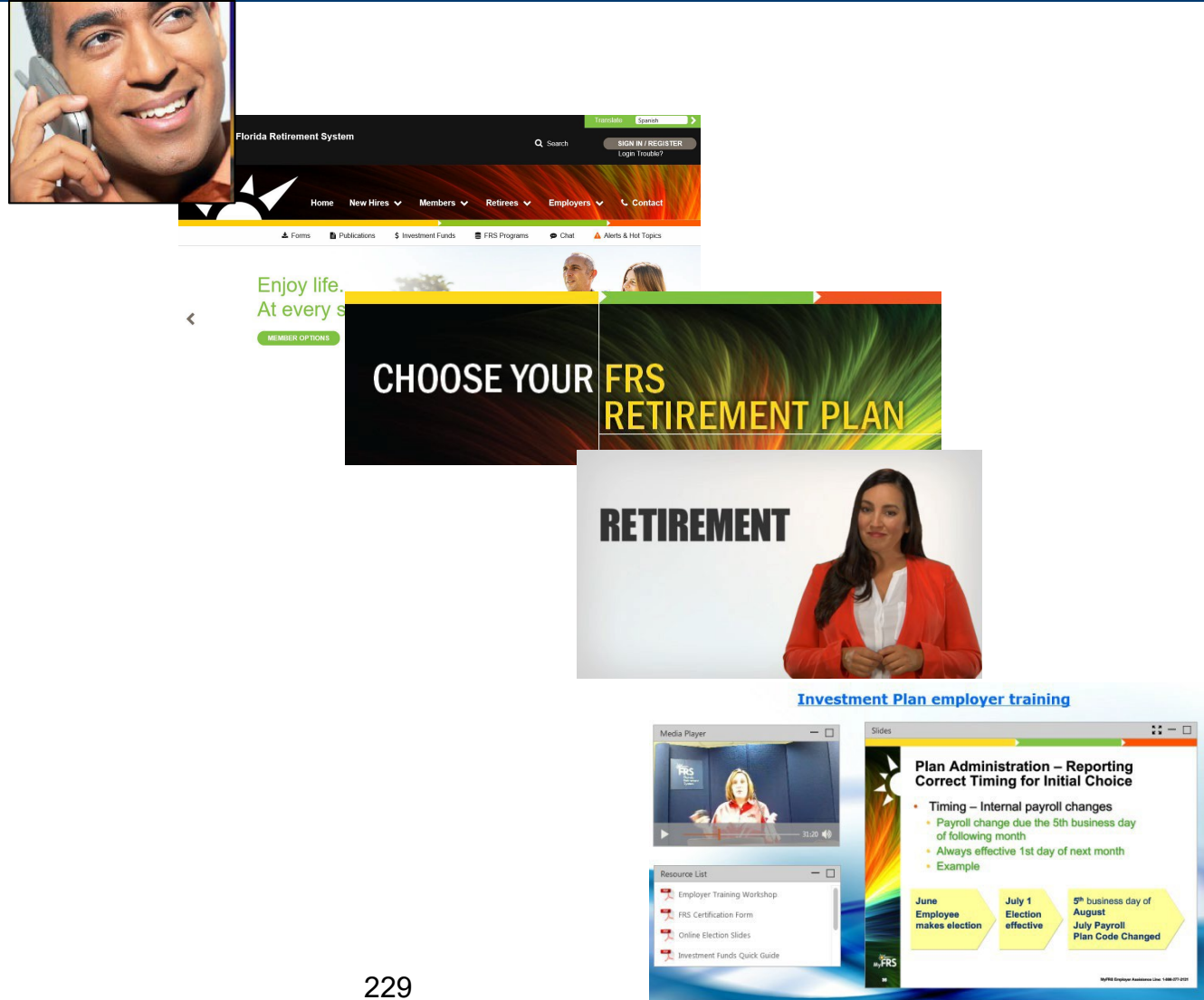
## MetLife

- Fixed lifetime annuities
- Deferred lifetime annuities (QLAC)

**The MyFRS  
Financial Guidance  
Program is  
for ALL FRS  
Pension and  
Investment Plan  
Members.**

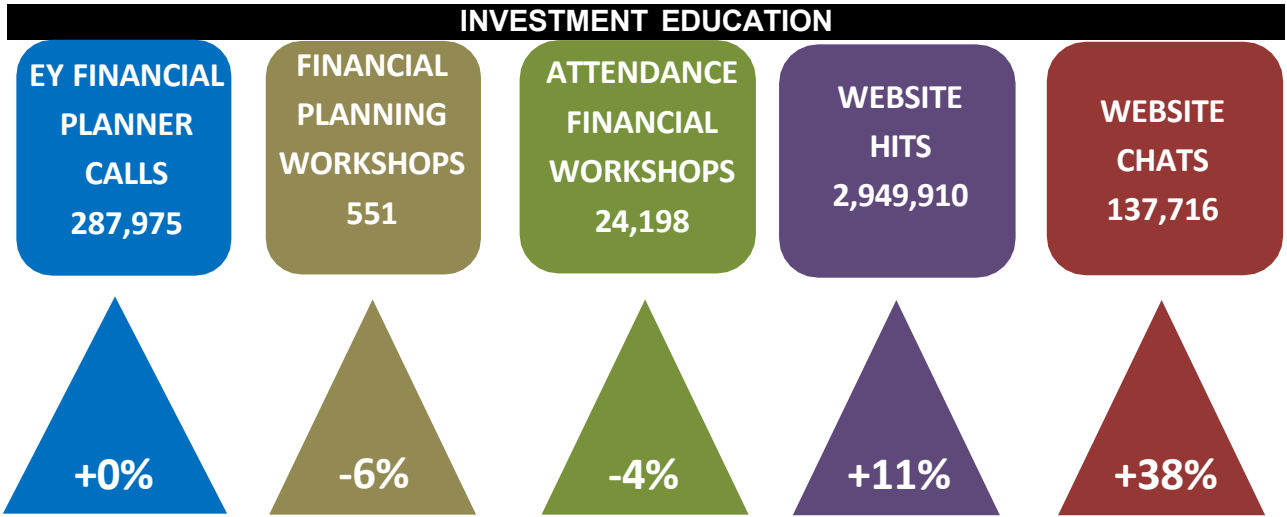
# MyFRS FINANCIAL GUIDANCE PROGRAM

- Telephone
- MyFRS.com
- Print
- Videos
- Workshops/Webcasts



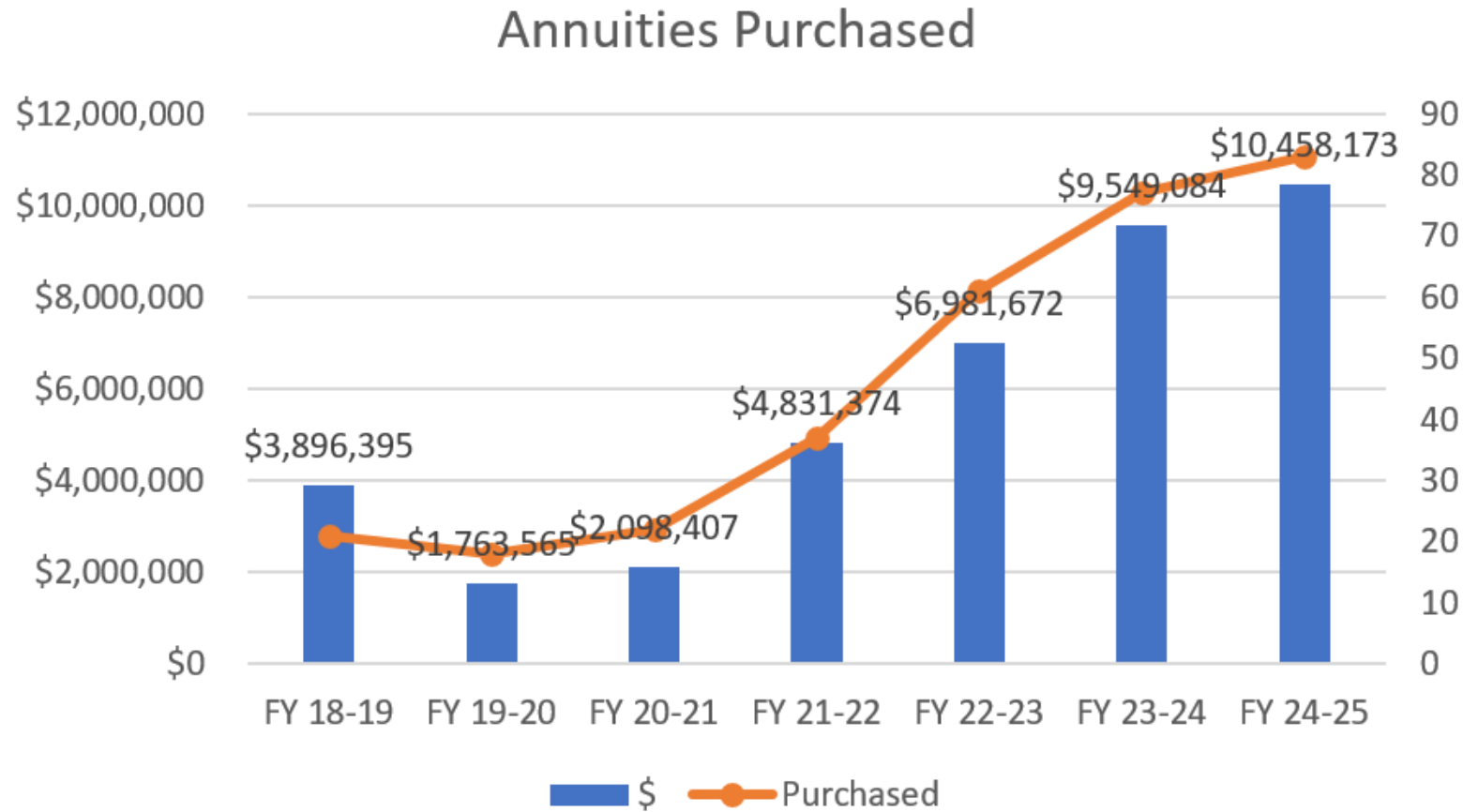
# MyFRS FINANCIAL GUIDANCE PROGRAM

(April 1, 2024-March 31, 2025)



(% change from previous 12 months)

# ANNUITIES PURCHASED



**429 Total Annuities purchased inception to date - \$53.6 million**

# EDUCATION HIGHLIGHTS

- **In July 2024, the new online Advisor Service went live on MyFRS.com.**
- **Upgrade security to the MyFRS.com website, to include leaked credential detection at the time of login to the MyFRS.com website and modifications to the registration and change/forgot password process.**

# OVERVIEW OF THE INVESTMENT PLAN

## INVESTMENT FUND OPTIONS

**Daniel Beard**  
**Chief of Defined Contribution Programs**

# ASSET CLASS PERFORMANCE

(as of March 31, 2025)

	QTD	FYTD	1 Yr	3 Yr	5 Yr	Incept.
<b>Total Fund</b>	-0.69%	4.31%	5.73%	4.89%	10.98%	7.07%
<b>Stable Value</b>	0.74%	2.33%	3.10%	2.65%	2.35%	2.24%
<b>Inflation Protected Assets &amp; TIPS*</b>	3.57%	5.43%	5.51%	-0.46%	6.23%	2.18%
<b>Fixed Income</b>	2.45%	5.34%	5.87%	1.78%	1.53%	4.03%
<b>Domestic Equities</b>	-4.49%	3.64%	6.07%	8.04%	18.13%	10.66%
<b>Global &amp; International Equities</b>	4.96%	5.11%	6.19%	4.86%	11.91%	7.66%
<b>Retirement Date Funds</b>	0.06%	4.89%	6.15%	4.29%	10.31%	6.21%
<b>Real Estate</b>	1.33%	5.08%	3.16%	-3.61%	3.68%	4.19%
<b>TF x RDFs</b>	-1.71%	3.54%	5.12%	5.56%	11.67%	7.16%

\*Prior to 2014, TIPS only.

Retirement Date Funds Inception July 1, 2014

TF x RDFs Inception July 1, 2014

Stable Value Fund Inception July 1, 2021



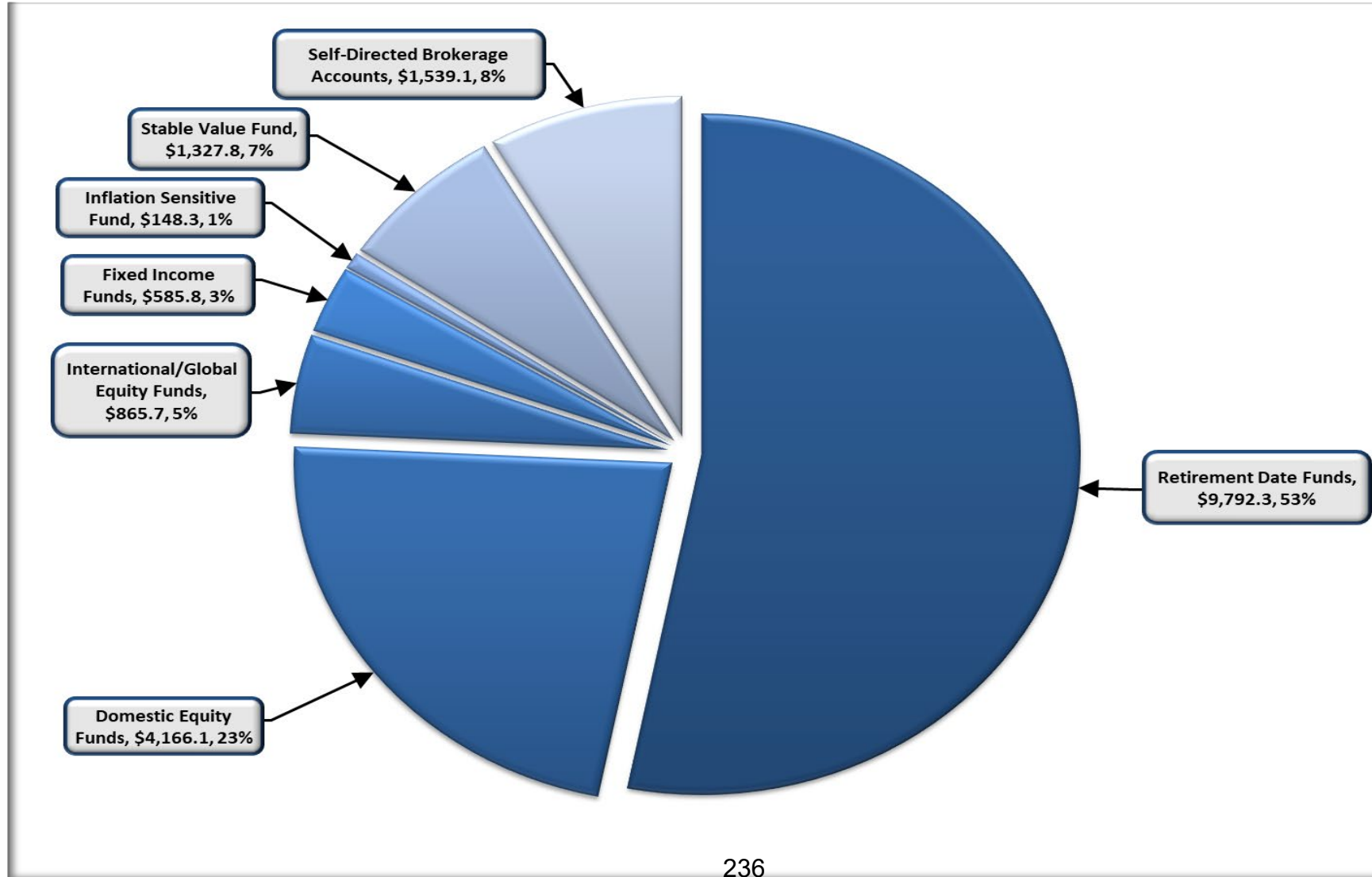
# INVESTMENT PLAN AVAILABLE FUND OPTIONS

as of March 31, 2025 (fees bps)

9 Core Funds – White Labeled	11 Retirement Date Funds – White Labeled
<ul style="list-style-type: none"><li>➤ FRS Stable Value Fund (8 bps)</li><li>➤ FRS Inflation Sensitive Fund (35 bps)</li><li>➤ FRS U.S. Bond Enhanced Index Fund (4 bps)</li><li>➤ FRS Diversified Income Fund (25 bps)</li><li>➤ FRS U.S. Stock Market Index Fund (1 bps)</li><li>➤ FRS U.S. Stock Fund (35 bps)</li><li>➤ FRS Foreign Stock Index Fund (2.5 bps)</li><li>➤ FRS Foreign Stock Fund (47 bps)</li><li>➤ FRS Global Stock Fund (43 bps)</li></ul>	<ul style="list-style-type: none"><li>➤ FRS 2065 Retirement Date Fund (2065) (12 bps)</li><li>➤ FRS 2060 Retirement Date Fund (2060) (12 bps)</li><li>➤ FRS 2055 Retirement Date Fund (2055) (12 bps)</li><li>➤ FRS 2050 Retirement Date Fund (2050) (12 bps)</li><li>➤ FRS 2045 Retirement Date Fund (2045) (13 bps)</li><li>➤ FRS 2040 Retirement Date Fund (2040) (14 bps)</li><li>➤ FRS 2035 Retirement Date Fund (2035) (16 bps)</li><li>➤ FRS 2030 Retirement Date Fund (2030) (18 bps)</li><li>➤ FRS 2025 Retirement Date Fund (2025) (22 bps)</li><li>➤ FRS 2020 Retirement Date Fund (2020) (22 bps)</li><li>➤ FRS Retirement Fund (2000) (20 bps)</li></ul>

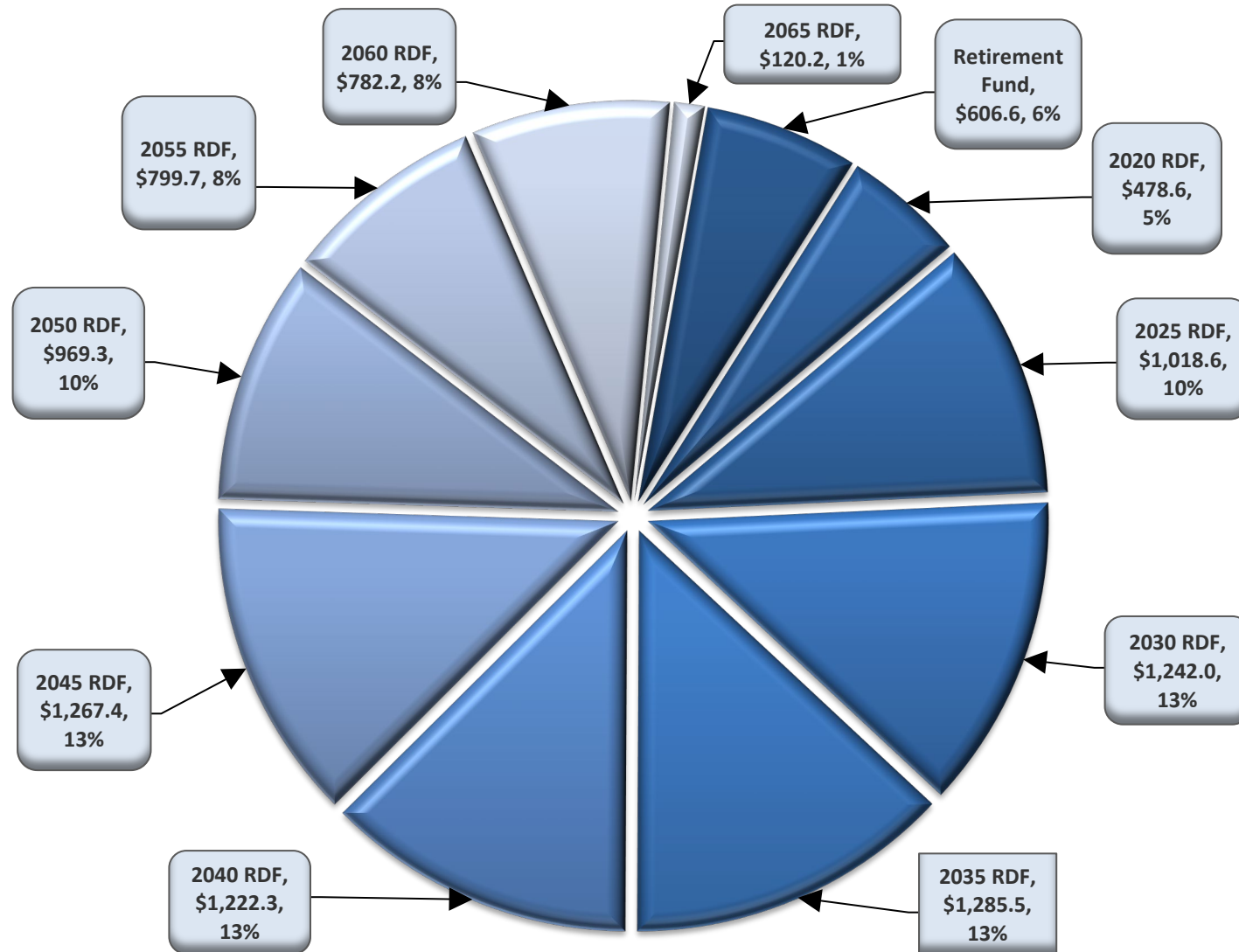
# FRS INVESTMENT PLAN AUM

(by Asset Class—in \$millions, as of March 31, 2025)



# CURRENT RETIREMENT DATE FUNDS

(\$ RDF Assets in millions, % RDF Assets, as of March 31, 2025)



Assets in each RDF and the Percentage of Members in the Investment Plan  
Asset allocation is a result of member investment selection

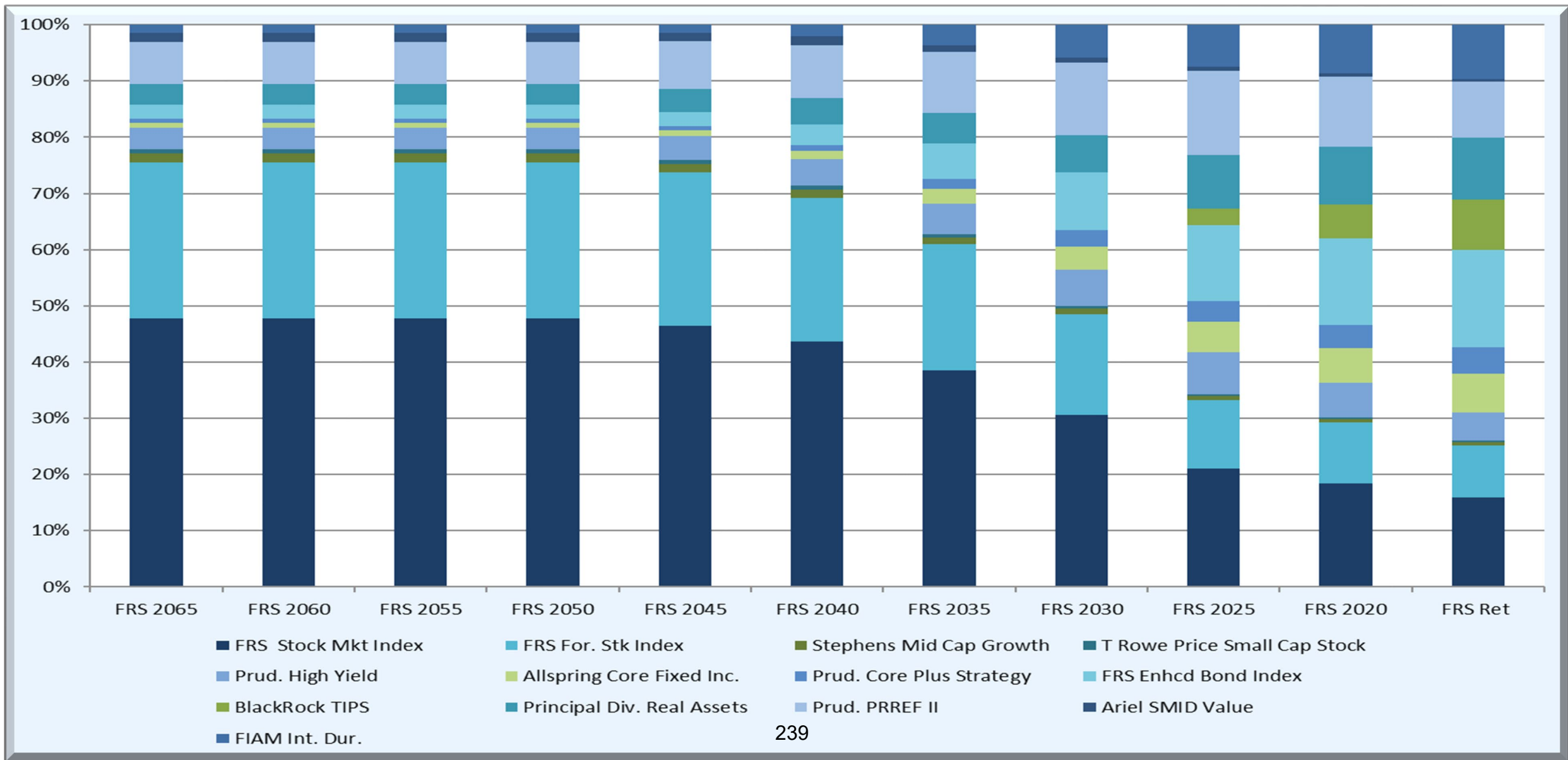
# FRS RETIREMENT DATE FUNDS

Investment Manager/Fund Allocations and Fees - Effective July 1, 2025

Underlying Funds	Investment Fund Category	FRS 2065	FRS 2060	FRS 2055	FRS 2050	FRS 2045	FRS 2040	FRS 2035	FRS 2030	FRS 2025	FRS 2020	FRS Retirement Fund
FRS Diversified Income Fund	Bonds	6.80%	6.80%	6.80%	6.80%	7.30%	9.30%	13.30%	19.20%	24.00%	25.10%	26.10%
FRS US Bond Enhanced Index Fund	Bonds	2.50%	2.50%	2.50%	2.50%	2.50%	3.70%	6.40%	10.40%	13.50%	15.40%	17.30%
FRS US Stock Market Index Fund	U.S. Stocks	47.70%	47.70%	47.70%	47.70%	46.50%	43.70%	38.50%	30.60%	21.00%	18.40%	15.90%
Stephens Mid Cap Growth Fund	U.S. Stocks	1.60%	1.60%	1.60%	1.60%	1.50%	1.50%	1.30%	1.00%	0.70%	0.60%	0.60%
T Rowe Price Small Cap Stock Fund	U.S. Stocks	0.80%	0.80%	0.80%	0.80%	0.80%	0.70%	0.60%	0.50%	0.40%	0.30%	0.30%
Ariel Small Mid Cap Value Fund	U.S. Stocks	1.60%	1.60%	1.60%	1.60%	1.50%	1.50%	1.30%	1.00%	0.70%	0.60%	0.50%
FRS Foreign Stock Index Fund	Foreign Stocks	27.80%	27.80%	27.80%	27.80%	27.20%	25.50%	22.40%	17.90%	12.20%	10.80%	9.30%
FRS Inflation Sensitive Fund	Real Assets	3.70%	3.70%	3.70%	3.70%	4.20%	4.70%	5.40%	6.50%	12.50%	16.30%	20.00%
Prudential Retirement Real Estate Fund II	Real Estate	7.50%	7.50%	7.50%	7.50%	8.50%	9.40%	10.80%	12.90%	15.00%	12.50%	10.00%
Current Weighted Average Fees (per \$1,000)		\$1.20	\$1.20	\$1.20	\$1.20	\$1.30	\$1.40	\$1.60	\$1.90	\$2.30	\$2.10	\$2.00

# FRS RETIREMENT DATE FUNDS

Investment Manager Allocations- Effective July 1, 2025



# 2025-26 INITIATIVES

## **Investment Option Updates**

- Update RDF Glidepath allocations effective July 1, 2025
- Continue to evaluate the SBA managing assets for the FRS Investment Plan
- Investment Plan Structure Review

## **Plan Administration Initiatives**

- Add a 7 day wait period for an Investment Plan member to process a distribution after any account demographic updates
- Continue outreach to Investment Plan members with Per Florida Law beneficiary designation
- Add beneficiary reminder information to Investment Plan members who receive Annual Account statements
- Retirement Adequacy Study



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# Q&A

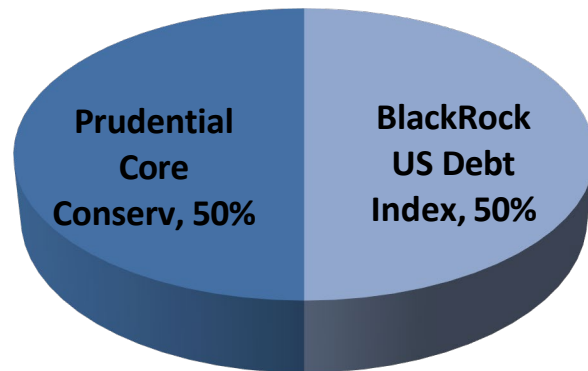
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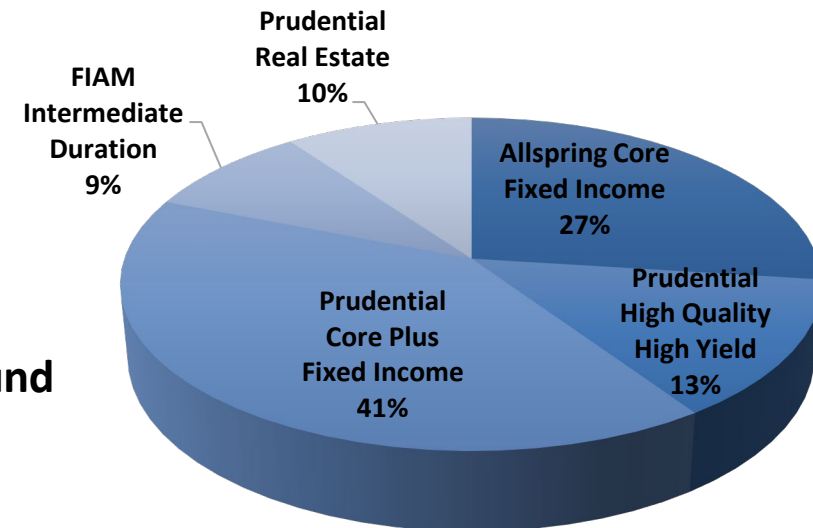
# FRS INVESTMENT PLAN MULTI-MANAGER FUNDS

(% Allocations by Investment Manager)

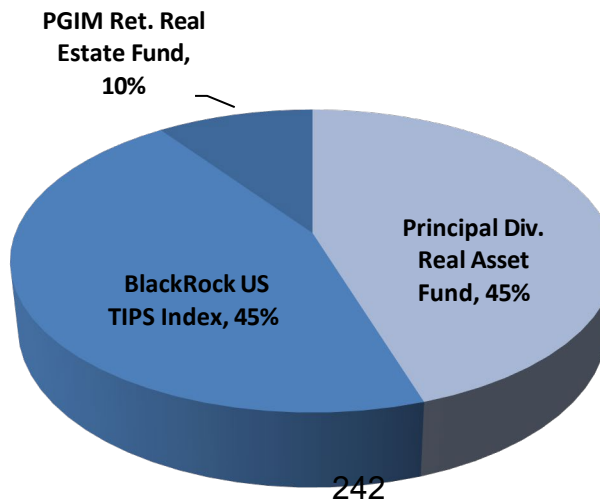
**FRS US Enhanced Bond Index Fund**



**FRS Diversified Income Fund**



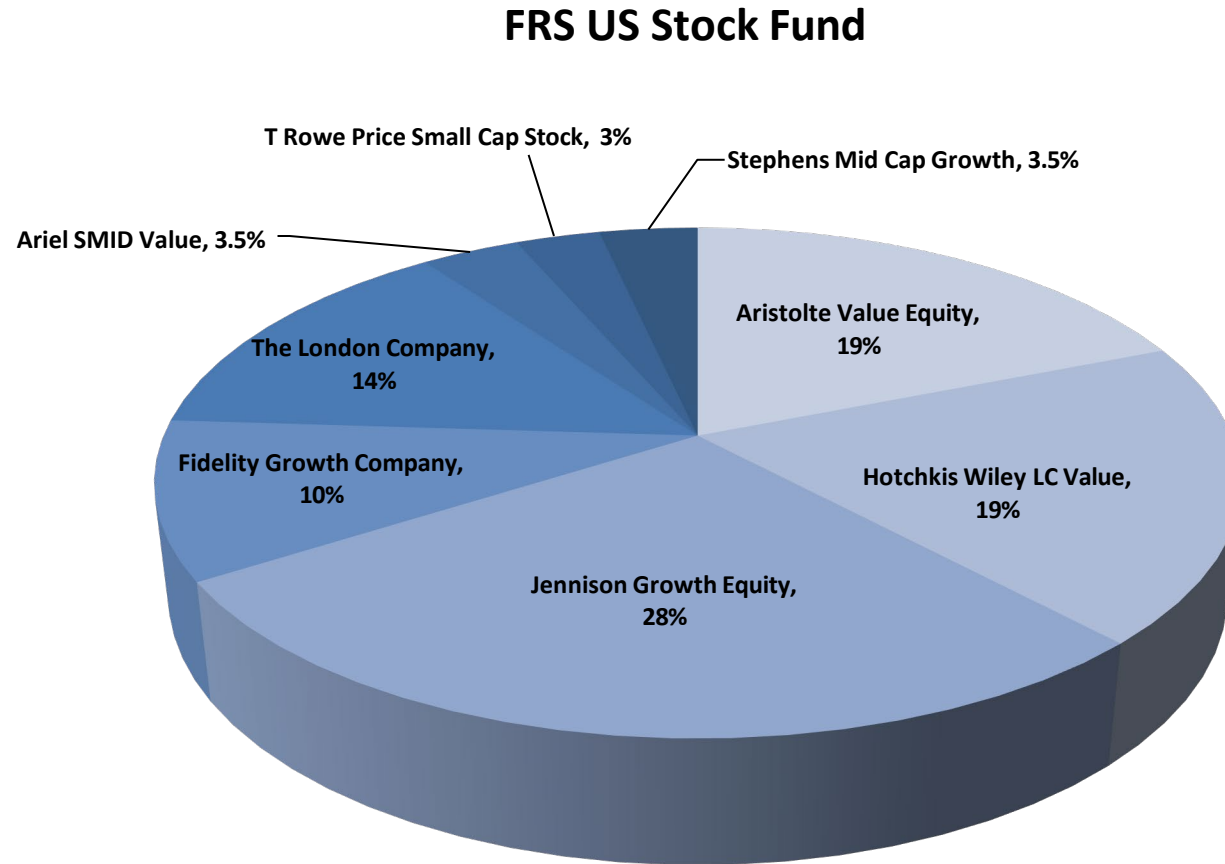
**FRS Inflation Sensitive Fund**





# FRS INVESTMENT PLAN MULTI-MANAGER FUNDS

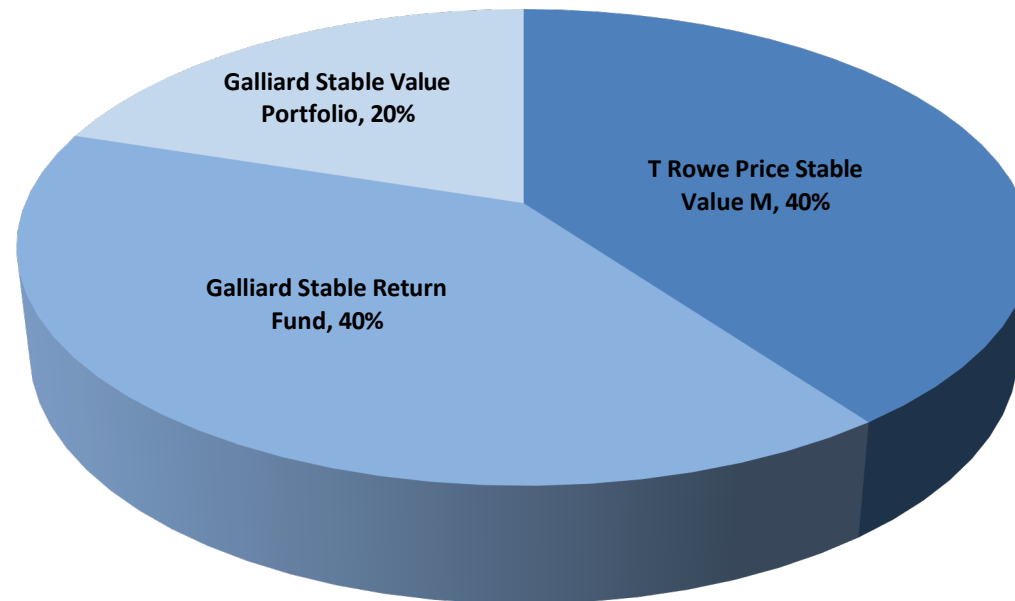
(% Allocations by Investment Manager)



# FRS INVESTMENT PLAN STABLE VALUE FUND

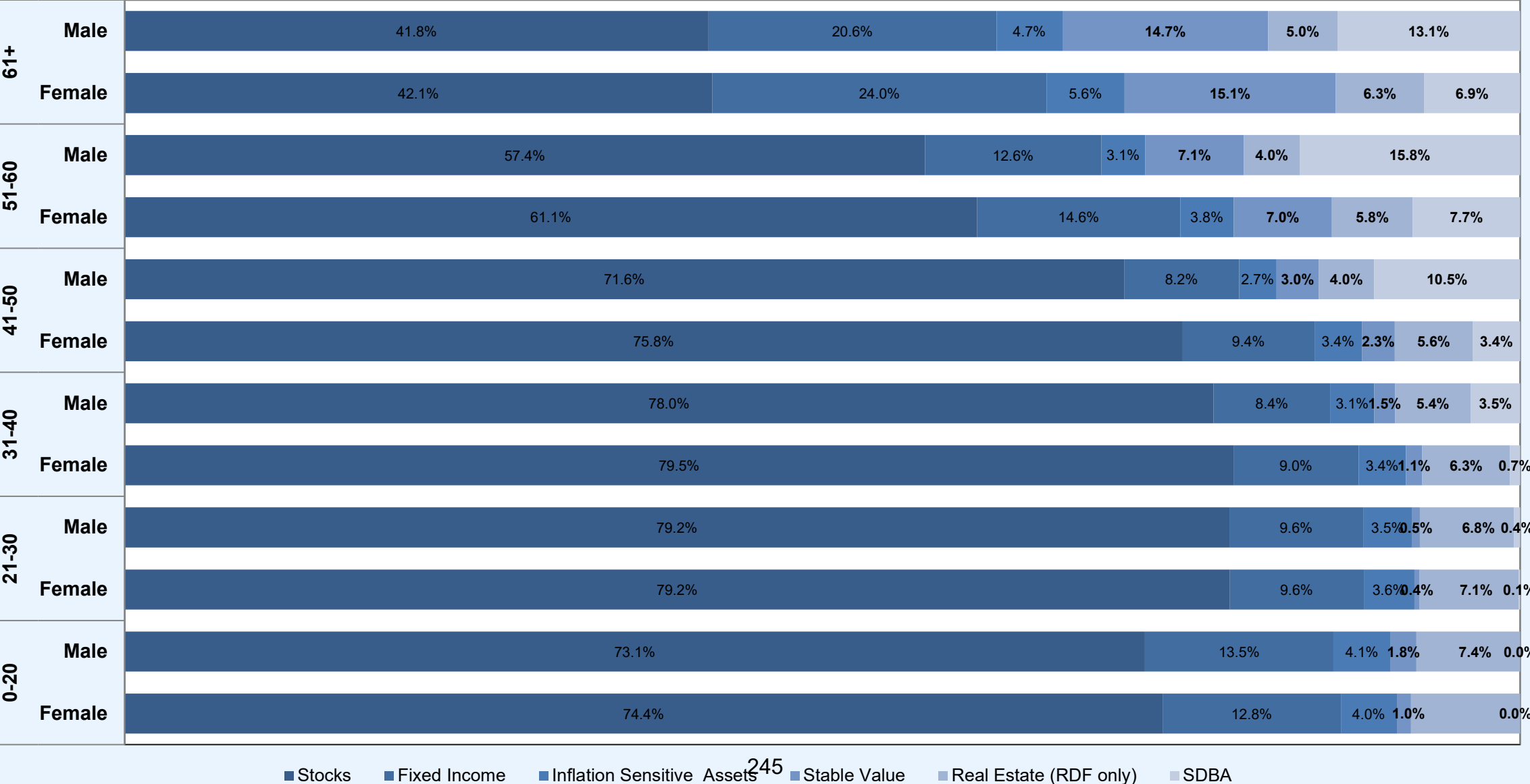
(% Allocations by Investment Manager)

**FRS Stable Value Fund**



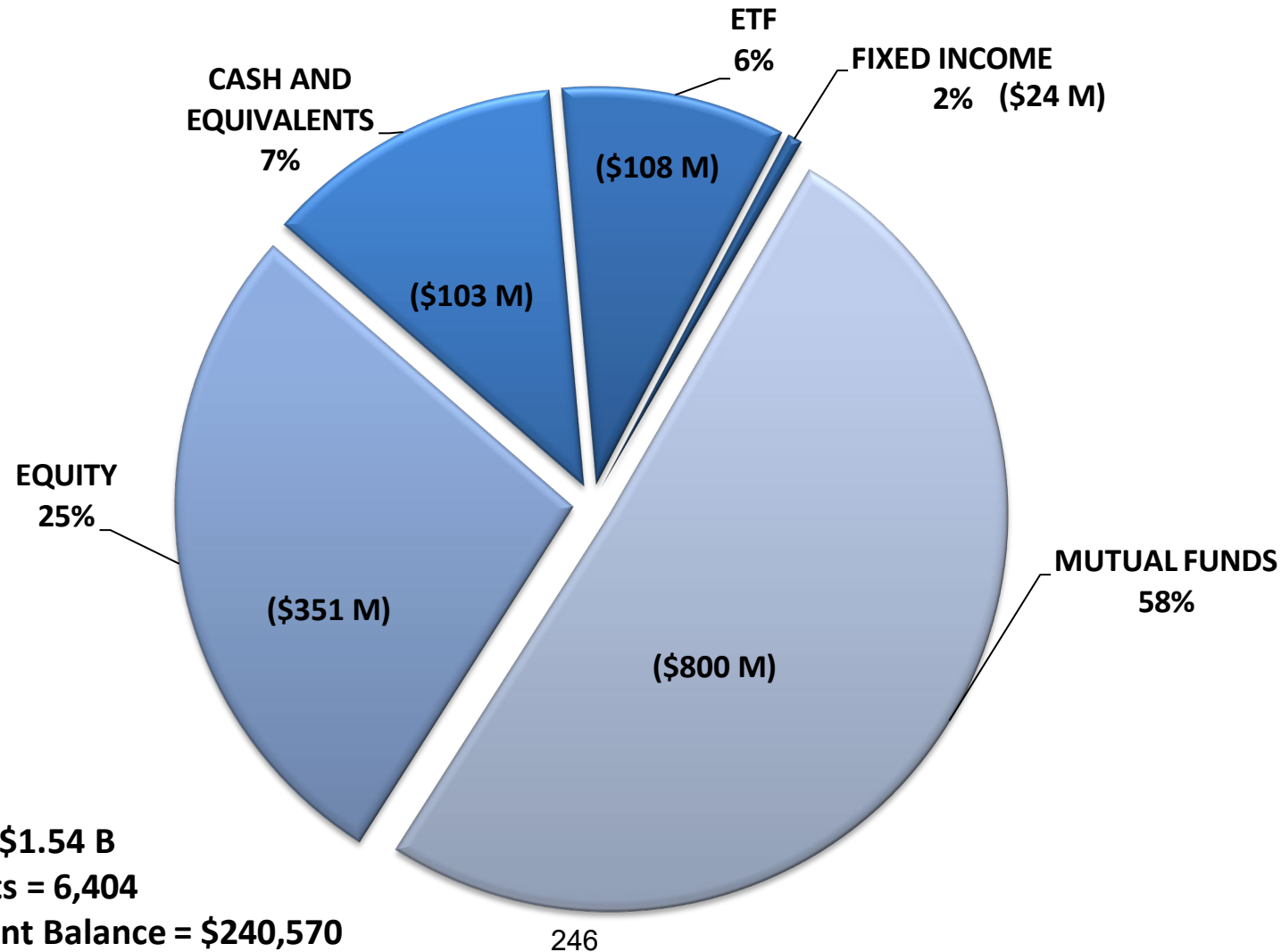
# TOTAL FUND ASSET ALLOCATION BY AGE AND GENDER

(as of March 31, 2025)



# FRS Investment Plan Self-Directed Brokerage Account

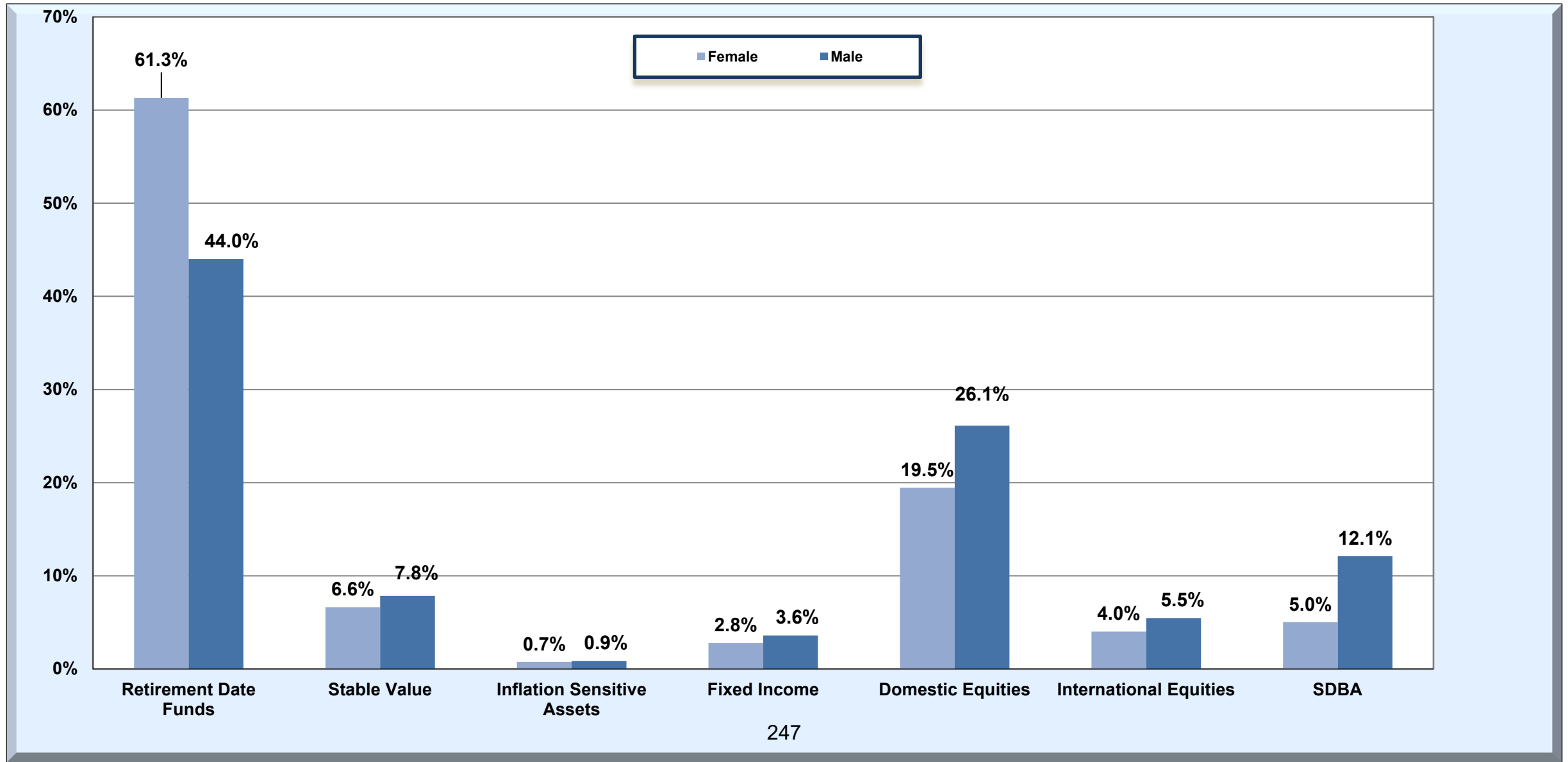
(as of March 31, 2025)



Total Assets = \$1.54 B  
Active Accounts = 6,404  
Average Account Balance = \$240,570

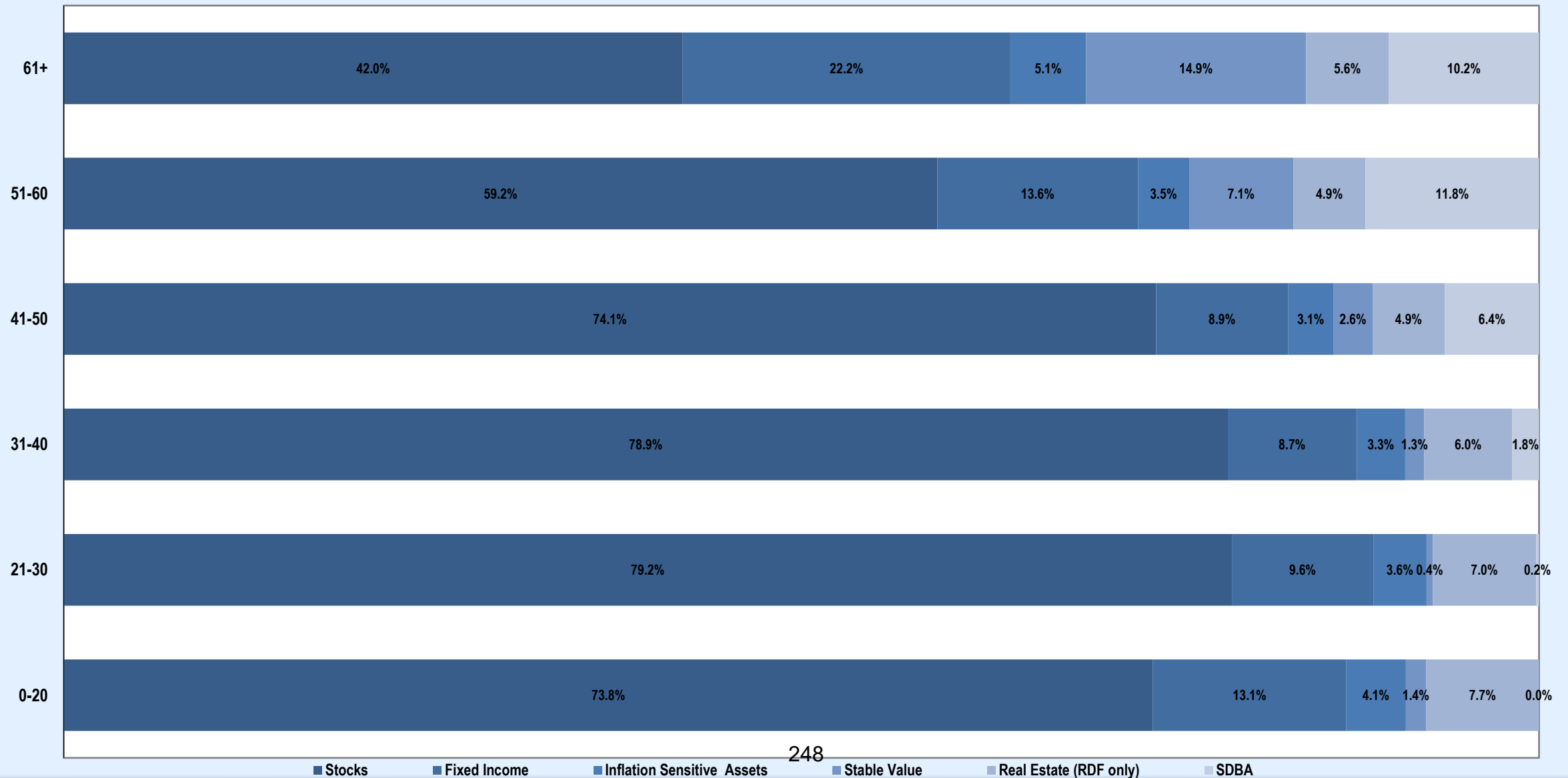
# ASSET ALLOCATION BY GENDER

(as of March 31, 2025)



# TOTAL FUND ASSET ALLOCATION BY AGE

(as of March 31, 2025)



# INVESTMENT ADVISORY COUNCIL

## Item 5. FRS Investment Plan Program Review

Katie Comstock, Aon

Kile Williams, Aon

*(See Attachment 5B)*





# FRS Investment Plan Annual Structure Review

Florida State Board of  
Administration

June 3, 2025

Investment advice and consulting services provided by Aon Investments USA, Inc.





# Table of Contents

## Section 1

Executive Summary

## Section 2

Investment Structure Review

## Section 3

Future Considerations

## Appendix



1

## Executive Summary





# Introduction

**The FRS Investment Plan's investment structure is reviewed on an annual basis, with a deep dive review provided every three years**

**The SBA continues to stay attuned to market developments and opportunities for structure enhancements and thus the FRS Investment Structure continues to be reflective of industry best practices**

**Aon's 2025 annual review covers three main topics:**

- 1. Investment Structure** – Investment plan design best practices & defined contribution trends
- 2. Investment Fees** – Comparison of fund option investment fees to peer universe based on strategy, vehicle, and asset size
- 3. Performance** – Comparison of investment option performance relative to performance benchmarks

**The following projects have been or are in process to evaluate potential structural enhancements:**

- Comprehensive benchmark review complete in 2025, which led to a few modest recommended changes
- Ongoing evaluation of leveraging FRS Pension Plan asset management within FRS Investment Plan
- Deep-dive structure review scheduled for fall 2025 completion

# FRS Investment Plan Structure Review

## Key Observations and Take-Aways

The Investment Plan structure continues to be sophisticated and aligns with industry best practices

Aspect	Observations	Take-Aways	Future Considerations
<b>Investment Structure</b>	<ul style="list-style-type: none"> <li>• Use of Custom TDFs</li> <li>• Streamlined &amp; diversified options across: <ul style="list-style-type: none"> <li>○ asset type</li> <li>○ risk/return</li> <li>○ investment style</li> <li>○ cost</li> </ul> </li> <li>• Appropriate use of white label funds</li> <li>• Number of features to assist in retirement preparation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Investment structure is sophisticated and aligned with best practices</li> <li>✓ Custom TDFs highly utilized, offer SBA-unique glidepath and custom portfolios that are highly efficient, cost effective and diversified across skilled managers</li> <li>✓ White-label funds provide flexibility, efficiency and significant benefit to participants</li> <li>✓ Offers a full suite of retirement income solutions for participants to use</li> <li>✓ Access to investment advice and brokerage window are favorable features</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage pension plan management and scale for use within Retirement Date Funds</li> <li>• Inclusion of multi-asset credit within the Diversified Income &amp; Retirement Date Funds</li> <li>• Evaluate broadening the existing FRS Global Equity Fund to a growth-oriented objective based fund</li> <li>• Streamline underlying manager construction of the FRS Stable Value Fund</li> </ul>
<b>Investment Fees</b>	<ul style="list-style-type: none"> <li>• Plan's investment option fees are well-below peer group medians</li> </ul>	<ul style="list-style-type: none"> <li>✓ FRS Investment Plan offers participants very competitively priced options</li> </ul>	<ul style="list-style-type: none"> <li>• Continue ongoing monitoring for ways to reduce fees for participants</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li>• Performance has generally been strong across asset classes over both short and long-term time periods</li> <li>• There is a more appropriate Stable Value benchmark available</li> </ul>	<ul style="list-style-type: none"> <li>✓ Long-term performance across active equity and fixed income options generally positive</li> <li>✓ Inflation-Sensitive Fund recent relative performance struggled due primarily to headwinds from absolute real asset exposure</li> <li>✓ Stable Value generally lagging money market returns in current environment; though long-term expectations continue to be favorable</li> </ul>	<ul style="list-style-type: none"> <li>• Examine the white label fund construction relative to the objective</li> <li>• Stable value benchmark change to peer benchmark will offer a more apples to apples performance comparison</li> </ul>



# 2

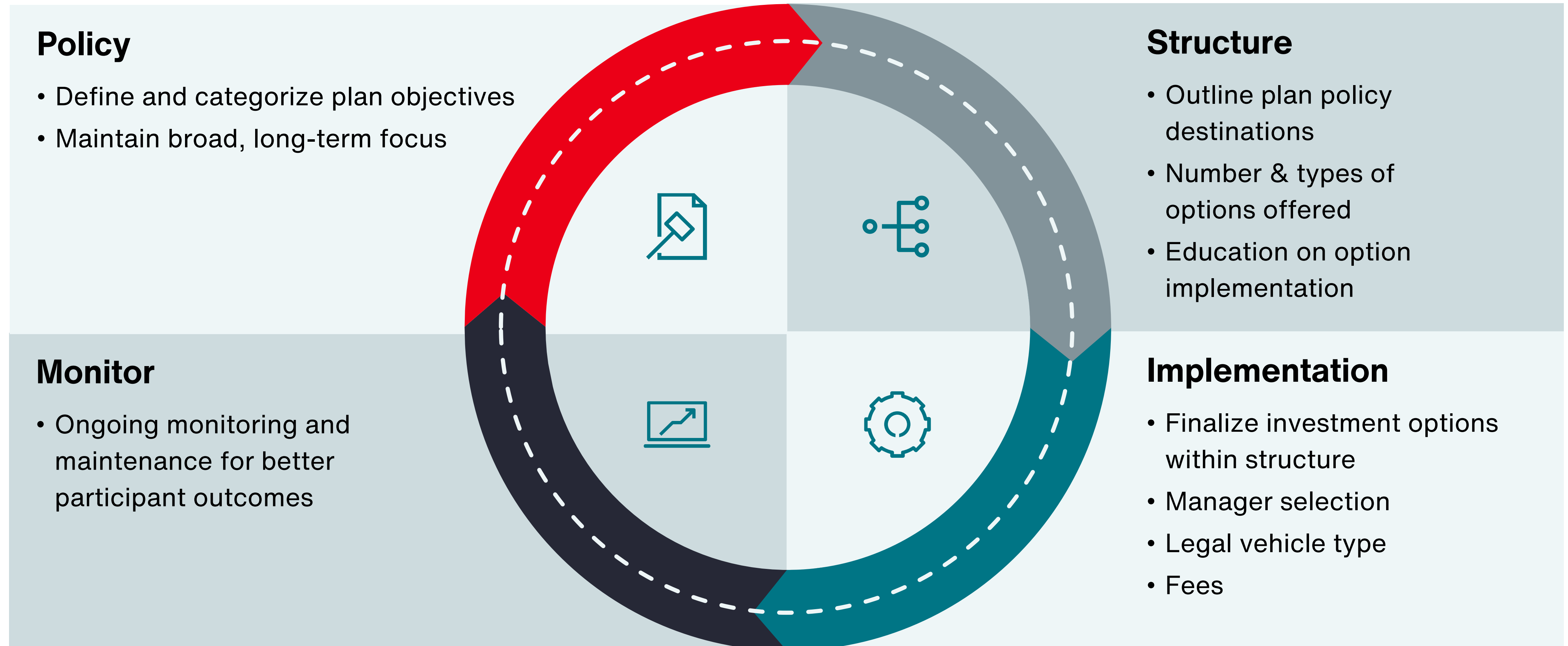
## Investment Structure Review





# The Path to a Successful Retirement Program

Evolving landscape requires ongoing review of investment program best practices

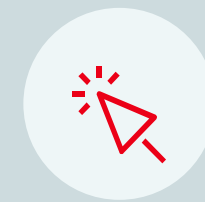


# Investment Structure

## Why Structure Matters

Defined contribution participants are responsible for key actions that influence their own outcomes, including:

Savings Behavior



Investment Choices

The structure of a DC investment menu can have a significant **impact** on the choices people make, and ultimately their **success**. For these reasons, Aon believes in two key principles relating to investment menu structure:

### Facilitate Smart Decisions

- Participants seek forms of help for making decisions
- Systems can nudge participants to act in their best long-term interest
- Structure can help the move into distribution stage
- Good governance leads to a strong investment menu

### Streamline Investment Options

- Streamline investment options, as much as possible
- Target date funds as default where participants can choose one fund and “forget it”
- A core-lineup of passive and/or active strategies for participants that want to build customized investment portfolios

# Participant Investment Menu Behavioral Finance

401(k) plan sponsors continue to grapple with offering the right number of fund choices...

▼

Less Choice

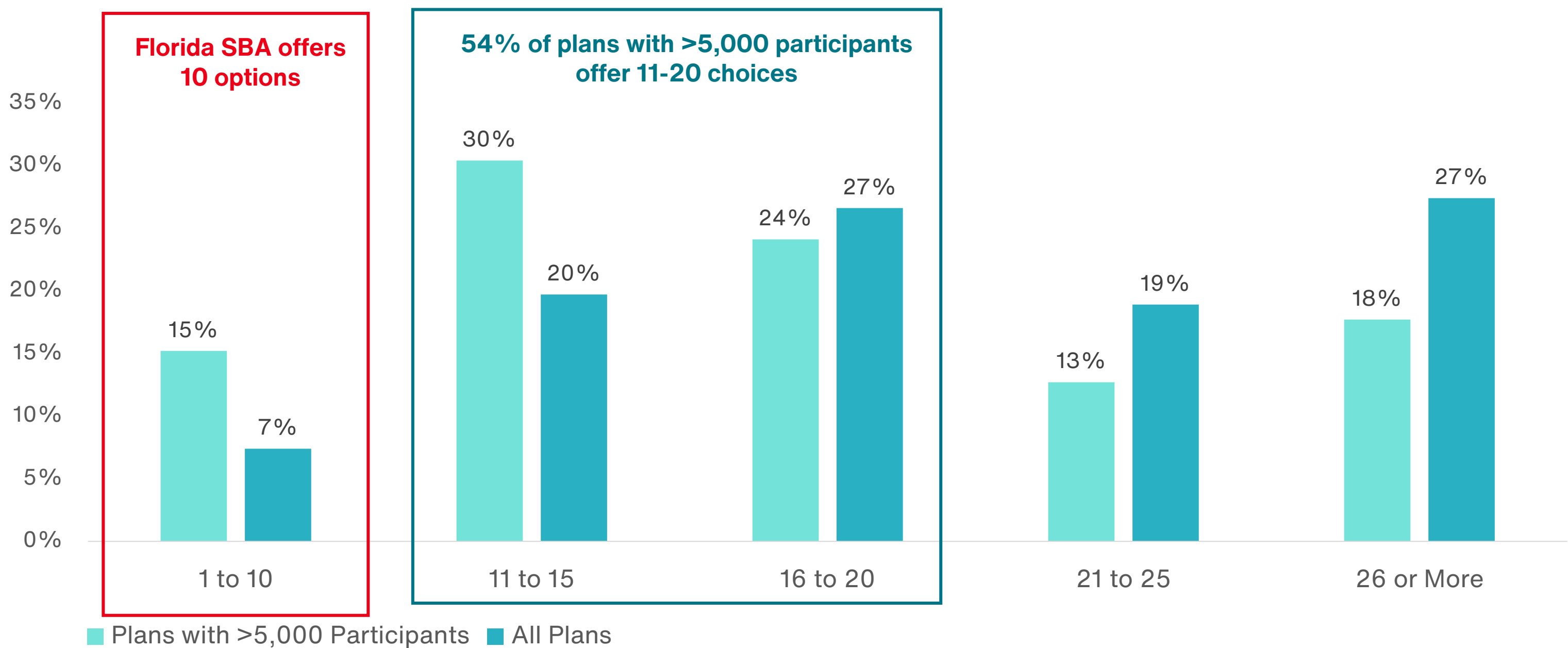
Menu Consolidation  
Fewer Fund Options  
Broader Mandates

↕

More Choice

Large Menu  
More Fund Options  
Specialized Mandates

Number of Investment Options: Distribution of Results<sup>1</sup>



< The trend in recent years has been for plans to reduce the number of investment options available to participants

<sup>1</sup> Plan Sponsor Council of America “67th Annual Survey – PSCA’s Annual Survey of Profit Sharing and 401(k) Plans.” 2023.  
Target date fund suites are counted as one option



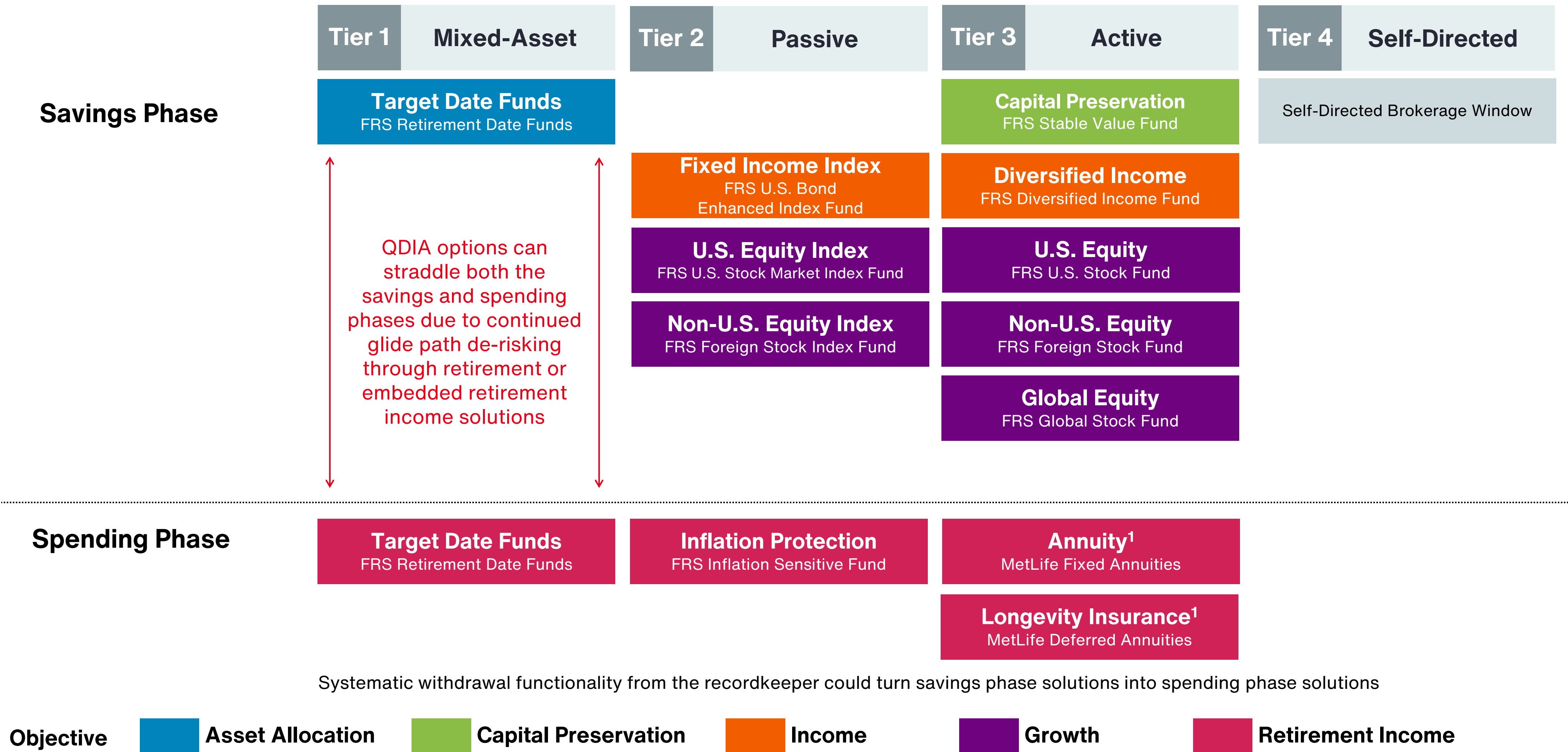
# Evolution of DC Industry Investment Design

The FRS Investment Plan has progressed to now sit between a modern and an emerging lineup

Objectives	Historic Lineup	Modern Lineup	Emerging Lineup
Asset Allocation	Target Date Fund (1)	Target Date Fund (1)	Target Date Fund (1)
	Balanced Funds (3)		
Capital Preservation	Stable Value (1)	Stable Value (1)	Capital Preservation (1)
	Money Market (1)		
Income	Core /Core Plus Bond (3)	Core / Core Plus Bond (2)	Diversified Income (2)
Growth	U.S. Large Cap Growth (2)	U.S. All Cap (2)	Diversified Growth (2)
	U.S. Large Cap Value (2)		
	U.S. SMID Cap Growth (2)		
	U.S. SMID Cap Value (2)		
	Developed Non-U.S. (2)	Non-U.S. All Cap (2)	
	Emerging Markets (2)		
Retirement Income	Retirement Income	Retirement Income	Retirement Income

# FRS Investment Plan Lineup Review

The SBA offers a sophisticated and streamlined investment lineup for participants



<sup>1</sup> The MetLife Annuities can be offered either as in-plan or out-of-plan

# FRS Investment Option Fee Comparison: eVestment Universe

## As of March 31, 2025

### Observations

- The FRS option investment management fees are competitive across each of the Plan options
- 8 of 10 investment options offer fees below median of the respective eVestment universe
- For the FRS Inflation Sensitive Fund & FRS Diversified Income Fund, the fees are very competitive given the exposure to private real estate and other diversifying asset classes, however, the relevant peer group does not have the same diversifying exposures
  - Peer universe shown includes only the core asset class funds, which we would expect to offer lower fees

Plan Option Name	Market Value (\$ M)	Current Fee	Peer Group	5 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	Median	75 <sup>th</sup> Percentile	95 <sup>th</sup> Percentile	# of Funds in Universe
FRS Retirement Date Funds	\$890 <sup>1</sup>	0.12%-0.22%	All Lifecycle/Target Date	0.07%	0.17%	0.35%	0.47%	0.65%	202
FRS Stable Value	\$1,328	0.19%	US Stable Value / Fixed Income	0.09%	0.16%	0.22%	0.32%	0.48%	23
FRS Inflation Sensitive Fund	\$148	0.35%	US TIPS / Inflation Fixed Income <sup>2</sup>	0.07%	0.12%	0.16%	0.24%	0.31%	38
FRS U.S. Bond Enhanced Index Fund	\$236	0.04%	US Passive Core Fixed Income	0.02%	0.03%	0.04%	0.05%	0.10%	10
FRS Diversified Income Fund	\$350	0.25%	All U.S. Core Plus Fixed Income <sup>3</sup>	0.15%	0.21%	0.23%	0.27%	0.40%	127
FRS U.S. Stock Market Index Fund	\$2,052	0.01%	US Passive All Cap Equity	0.01%	0.02%	0.03%	0.08%	0.35%	21
FRS U.S. Stock Fund	\$2,115	0.35%	US All Cap Equity	0.23%	0.40%	0.51%	0.75%	1.00%	305
FRS Foreign Stock Index Fund	\$312	0.03%	ACWI ex-US Passive Equity	0.03%	0.06%	0.07%	0.08%	0.15%	15
FRS Foreign Stock Fund	\$188	0.47%	All ACWI ex-US Equity	0.33%	0.51%	0.60%	0.74%	1.00%	312
FRS Global Equity	\$366	0.43%	All Global Equity	0.17%	0.43%	0.55%	0.66%	0.85%	1,193

Fee Universe Data sourced from eVestment Alliance. Universe information filtered by strategy, vehicle, and asset size.

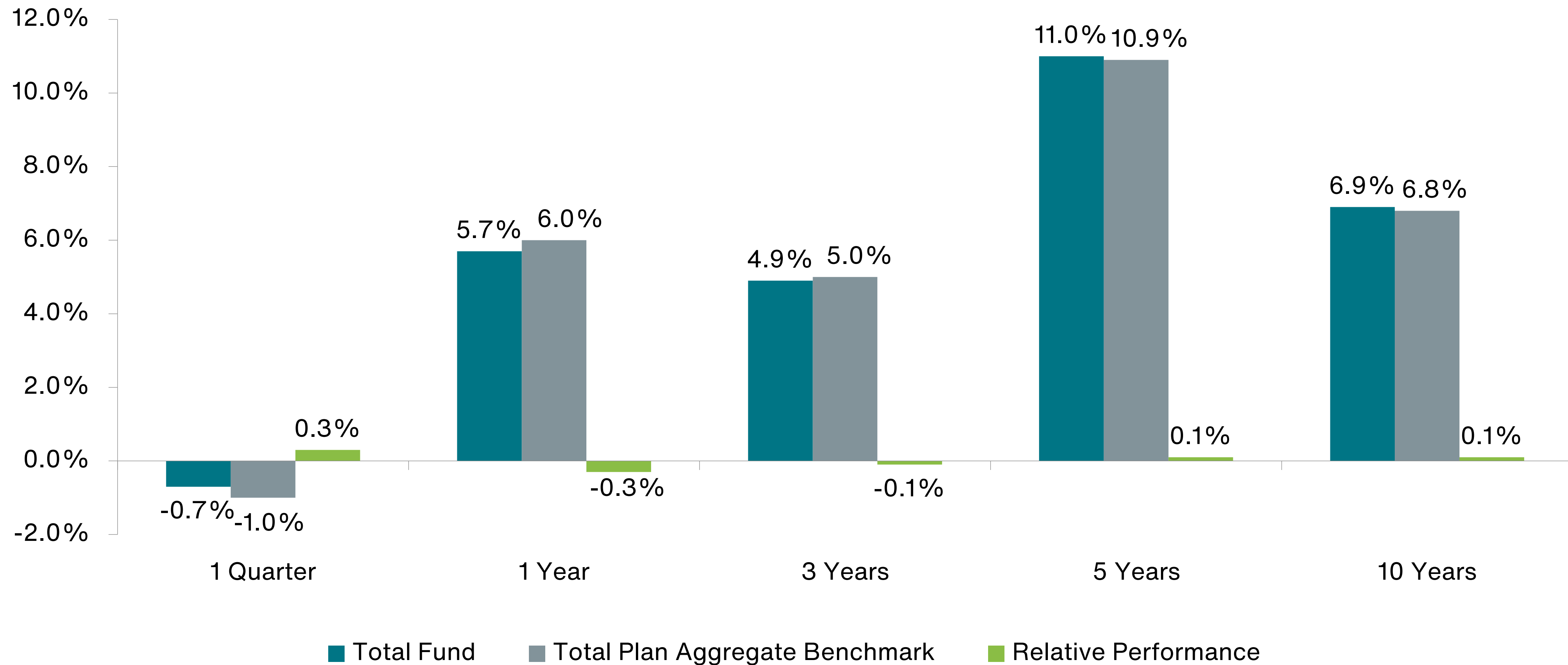
<sup>1</sup> Reflects average allocation among RDFs

<sup>2</sup> Reflects only TIPS Funds which are expected to offer lower fees than the FRS option which includes other inflation hedging asset categories such as real estate and commodities.

<sup>3</sup> Reflects only Core Plus Fixed Income Funds which are expected to offer lower fees than the FRS option which includes other diversifiers such as real estate.

# Total Investment Plan Returns<sup>1</sup>

As of March 31, 2025



# FRS Fund Option Trailing Performance<sup>1</sup>

As of March 31, 2025

	Performance %				
	1 Quarter	1 Year	3 Years	5 Years	10 Years
<b>Retirement Date Funds</b>					
<b>FRS Retirement Fund</b>	<b>1.7 (30)</b>	<b>5.8 (38)</b>	<b>2.1 (100)</b>	<b>6.6 (22)</b>	<b>4.5 (69)</b>
Relative Performance	0.1	0.6	0.3	0.3	0.1
<b>FRS 2020 Retirement Date Fund</b>	<b>1.4 (44)</b>	<b>5.8 (41)</b>	<b>2.3 (98)</b>	<b>7.3 (77)</b>	<b>5.2 (72)</b>
Relative Performance	0.1	0.7	0.2	0.2	0.1
<b>FRS 2025 Retirement Date Fund</b>	<b>1.0 (50)</b>	<b>5.9 (39)</b>	<b>2.8 (98)</b>	<b>8.5 (62)</b>	<b>5.8 (65)</b>
Relative Performance	0.2	0.8	0.1	0.1	0.1
<b>FRS 2030 Retirement Date Fund</b>	<b>0.4 (82)</b>	<b>6.1 (30)</b>	<b>3.8 (84)</b>	<b>9.8 (64)</b>	<b>6.5 (48)</b>
Relative Performance	0.3	0.7	0.1	0.1	0.2
<b>FRS 2035 Retirement Date Fund</b>	<b>0.0 (85)</b>	<b>6.3 (28)</b>	<b>4.6 (66)</b>	<b>10.9 (83)</b>	<b>7.1 (60)</b>
Relative Performance	0.3	0.6	0.1	0.0	0.2
<b>FRS 2040 Retirement Date Fund</b>	<b>-0.4 (72)</b>	<b>6.3 (31)</b>	<b>5.0 (76)</b>	<b>11.8 (85)</b>	<b>7.5 (67)</b>
Relative Performance	0.3	0.5	0.1	0.0	0.2
<b>FRS 2045 Retirement Date Fund</b>	<b>-0.5 (57)</b>	<b>6.3 (32)</b>	<b>5.3 (80)</b>	<b>12.6 (90)</b>	<b>7.7 (83)</b>
Relative Performance	0.3	0.5	0.2	0.0	0.1
<b>FRS 2050 Retirement Date Fund</b>	<b>-0.5 (50)</b>	<b>6.4 (30)</b>	<b>5.4 (82)</b>	<b>13.1 (89)</b>	<b>7.9 (75)</b>
Relative Performance	0.3	0.5	0.2	0.0	0.1
<b>FRS 2055 Retirement Date Fund</b>	<b>-0.5 (49)</b>	<b>6.4 (32)</b>	<b>5.5 (85)</b>	<b>13.3 (92)</b>	<b>8.0 (82)</b>
Relative Performance	0.3	0.5	0.3	0.2	0.2
<b>FRS 2060 Retirement Date Fund</b>	<b>-0.5 (36)</b>	<b>6.4 (31)</b>	<b>5.5 (90)</b>	<b>13.3 (94)</b>	-
Relative Performance	0.3	0.5	0.3	0.2	-
<b>FRS 2065 Retirement Date Fund</b>	<b>-0.5 (36)</b>	<b>6.4 (30)</b>	-	-	-
Relative Performance	0.3	0.5	-	-	-

<sup>1</sup> Relative returns shown above are net of fees. The returns for the Retirement Date Funds use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.



# FRS Fund Option Trailing Performance<sup>1</sup>

## As of March 31, 2025

	Performance %				
	1 Quarter	1 Year	3 Years	5 Years	10 Years
<b>Stable Value</b>					
<b>FRS Stable Value Fund</b>	<b>0.7 (59)</b>	<b>3.1 (48)</b>	<b>2.7 (61)</b>	<b>-</b>	<b>-</b>
Relative Performance	-0.9	-2.3	-0.2	-	-
<b>Real Assets</b>					
<b>FRS Inflation Sensitive Fund</b>	<b>3.6 (6)</b>	<b>5.5 (87)</b>	<b>-0.5 (100)</b>	<b>6.2 (12)</b>	<b>2.7 (76)</b>
Relative Performance	-0.6	-1.1	-0.5	0.0	-0.4
<b>Fixed Income</b>					
<b>FRS U.S. Bond Enhanced Index Fund</b>	<b>2.8 (31)</b>	<b>5.1 (48)</b>	<b>0.7 (49)</b>	<b>-0.2 (78)</b>	<b>1.6 (63)</b>
Relative Performance	0.0	0.2	0.2	0.2	0.1
<b>FRS Diversified Income Fund</b>	<b>2.5 (81)</b>	<b>5.7 (37)</b>	<b>1.7 (21)</b>	<b>2.0 (17)</b>	<b>2.6 (15)</b>
Relative Performance	0.1	0.9	0.5	1.1	0.5
<b>Domestic Equity</b>					
<b>FRS U.S. Stock Market Index Fund</b>	<b>-4.7 (62)</b>	<b>7.2 (25)</b>	<b>8.3 (29)</b>	<b>18.2 (30)</b>	<b>11.9 (13)</b>
Relative Performance	0.0	0.0	0.0	0.0	0.1
<b>FRS U.S. Stock Fund</b>	<b>-3.7 (53)</b>	<b>4.2 (58)</b>	<b>8.1 (31)</b>	<b>-</b>	<b>-</b>
Relative Performance	1.1	-3.0	-0.1	-	-
<b>International/Global Equity</b>					
<b>FRS Foreign Stock Index Fund</b>	<b>5.5 (45)</b>	<b>6.3 (50)</b>	<b>4.7 (45)</b>	<b>11.3 (47)</b>	<b>5.3 (41)</b>
Relative Performance	0.9	0.8	0.7	0.3	0.3
<b>FRS Foreign Stock Fund</b>	<b>5.5 (46)</b>	<b>4.5 (66)</b>	<b>4.7 (45)</b>	<b>10.8 (53)</b>	<b>5.8 (31)</b>
Relative Performance	0.2	-1.6	0.2	-0.1	0.8
<b>FRS Global Stock Fund</b>	<b>0.9 (39)</b>	<b>6.2 (39)</b>	<b>5.9 (44)</b>	<b>15.6 (29)</b>	<b>10.8 (5)</b>
Relative Performance	2.3	-1.0	-1.0	0.5	1.9

<sup>1</sup> Relative returns shown above are net of fees. The returns for the Inflation Sensitive Fund, and Core Plus Fixed Income Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter. The U.S. Stock Fund and the Stable Value Fund were inceptioned into the Plan in 2020 and 2021, respectively.

# Benchmark Project Results

## Summary Findings & Observations

- Targeted Metrics by Strategy:**
- 1) Stable value funds <1.0% Active Risk, >80% R<sup>2</sup>, MSE near zero
  - 2) Index funds <1.0% Active Risk, >90% R<sup>2</sup>, MSE near zero
  - 3) Active fixed income funds <2.0% Active Risk, >80% R<sup>2</sup>, <0.30 MSE
  - 4) Active equity funds <6.0% Active Risk, >80% R<sup>2</sup>, <3.00 MSE

Fund Name	Fund Benchmark	Active Risk	R <sup>2</sup>	MSE	Pass / Fail
FRS U.S. Bond Enhanced Index Fund	Bloomberg U.S. Aggregate Bond Index	0.4%	100%	0.02	✓
FRS U.S. Stock Market Index Fund	Russell 3000 Index	0.7%	100%	0.04	✓
FRS Foreign Stock Index Fund	MSCI All Country World ex-US IMI Index (Net)	1.9%	99%	0.30	✓
FRS Stable Value Fund	Current: ICE BofA US Treasuries 1-3 Year Index	1.9%	15%	0.30	✗
	Proposed: Morningstar Stable Value Pooled Fund Index	0.3%	96%	0.00	✓
FRS Inflation Sensitive Fund	FRS Multi-Assets Index <sup>1</sup>	1.5%	98%	0.18	✓
FRS Diversified Income Fund	FRS Diversified Income Index <sup>2</sup>	1.3%	95%	0.14	✓
FRS U.S. Stock Fund	Russell 3000 Index	2.8%	98%	0.62	✓
FRS Foreign Stock Fund	MSCI All Country World ex-US Index (Net)	3.7%	97%	1.14	✓
FRS Global Stock Fund	MSCI All Country World Index (ACWI)	3.3%	98%	0.92	✓

- Findings:**
- From a qualitative & quantitative evaluation, most of the benchmarks for the white label funds and underlying strategies remain appropriate for each of the investment options in the Plan
    - These findings also apply to the Retirement Date Funds given the RDFs use the core and plan level options for the underlying asset allocation
  - Our two recommendations are to:
    - Consider changing the Stable Value benchmark to use the Morningstar Stable Value Pooled Fund Index as the primary benchmark and the FTSE 3-Month T-Bill as a secondary benchmark
    - Move to white labeled, custom benchmarks for all Tier III Actively-Managed Core Options to allow for future underlying benchmark changes. The white labeled, custom benchmark should be composed of the respective fund benchmark noted above



<sup>1</sup> FRS Multi-Assets Index is composed of 45% Bloomberg U.S. TIPS Index; 45% Principal Diversified Real Assets Index; and 10% PGIM Real Estate Index (85% NCREIF-ODCE / 15% MSCI REIT)

<sup>2</sup> FRS Diversified Income Index is composed of 70% Bloomberg US Agg Index; 20% Bloomberg US High Yield Ba/B 1% Issuer Cap Index; and 10% PGIM Real Estate Index (85% NCREIF-ODCE / 15% MSCI REIT)

Investment advice and consulting services provided by Aon Investments USA Inc.

# Investment Structure Review Conclusions

The FRS Investment Plan structure is sophisticated and aligned with industry best practices, and the SBA continues to evaluate potential innovative solutions to improve participant outcomes

## FRS's Investment Plan Structure Design Key Observations

### 1. Investment Structure

- Streamlined and diversified across asset classes, investment style, risk/return profile and cost
- Appropriate use of white label funds and custom target date funds
- Number of features to assist in retirement preparation

2. Investment option fees are very competitive and benefit participant outcomes

3. Investment option performance has generally been favorable over short and long-term periods



# 3

## Future Considerations





# Future Considerations

## Investment Plan Design

**The SBA Investment team and Aon continue to evaluate potential structural enhancements; current considerations include:**

**Leveraging pension plan asset management** and scale for FRS Investment Plan

- Initial project evaluating use of pension fixed income management within the income component of the FRS Retirement Date Funds
- Additional opportunities exist to leverage pension plan management within the core lineup as well

**White label fund structure** reviews, including:

- The addition of multi-asset credit within the Diversified Income and Retirement Date Funds
- Potential adaptation of the existing FRS Global Equity Fund to an objective based fund (e.g., Diversified Growth Fund)

**Private Market Inclusion** within the core lineup white label funds and/or Retirement Date Funds

- Operational hurdles continue to evolve, improving accessibility for DC participants



Appendix





# Private Equity In Defined Contribution Plans

**Aon believes that private equity is an overall attractive asset class**

- Higher expected return versus public equity markets
- Skill-based return offers diversification and alpha potential

**Investment risks exist; however, from an investment perspective we believe the benefits outweigh the considerations**

- Cost, complexity and governance structures must be well understood and appropriate to successfully invest in asset class

**Despite the investment case, implementation considerations have prevented DC participants from gaining dedicated private equity exposure**

- While this topic has garnered more attention as of late, we have not yet seen a notable uptake of DC plans adding private equity to custom TDFs, white label funds or as standalone options
- We do expect the conversation to continue and the marketplace to evolve



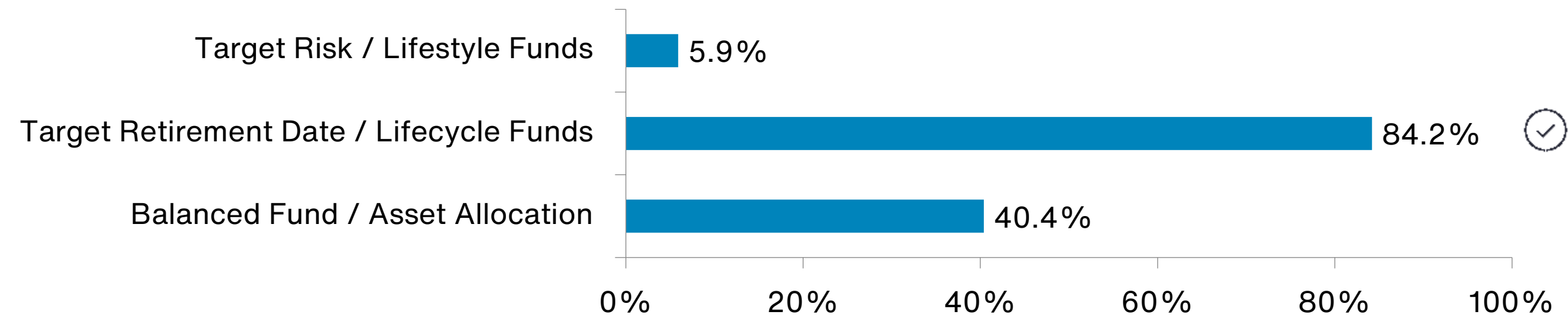
## Key Implementation Considerations:

- Vehicle Structure
- Cash Flow Management
- Liquidity
- Rebalancing
- Position Sizing / Diversification
- Fee structure

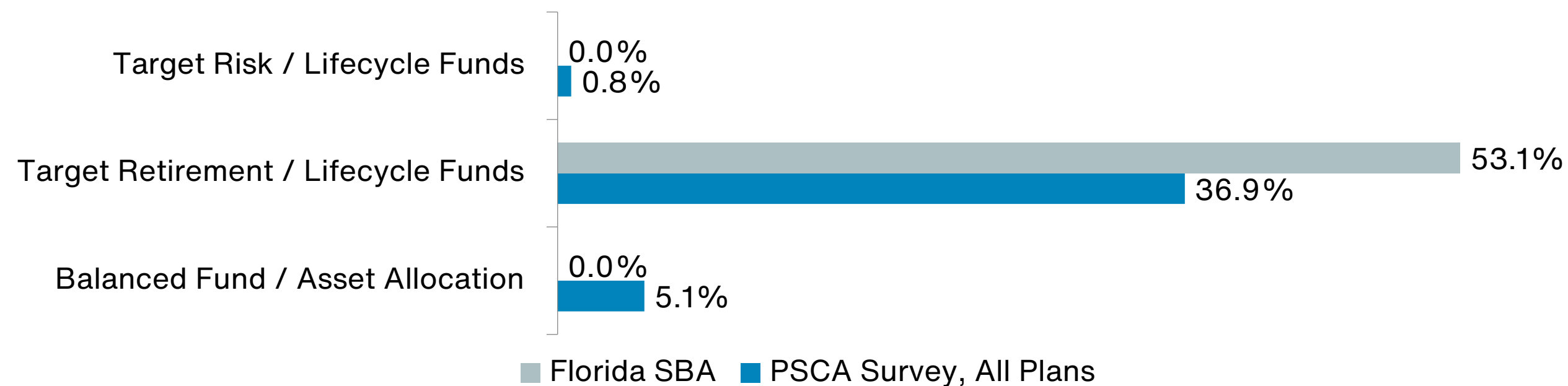


# Asset Allocation Trends<sup>1</sup>

## Percentage of Plans Offering



## Asset Allocation When Offered



Note: Florida SBA Asset Allocation as of March 31, 2025

<sup>1</sup> Plan Sponsor Council of America “67th Annual Survey – PSCA’s Annual Survey of Profit Sharing and 401(k) Plans.” 2023.

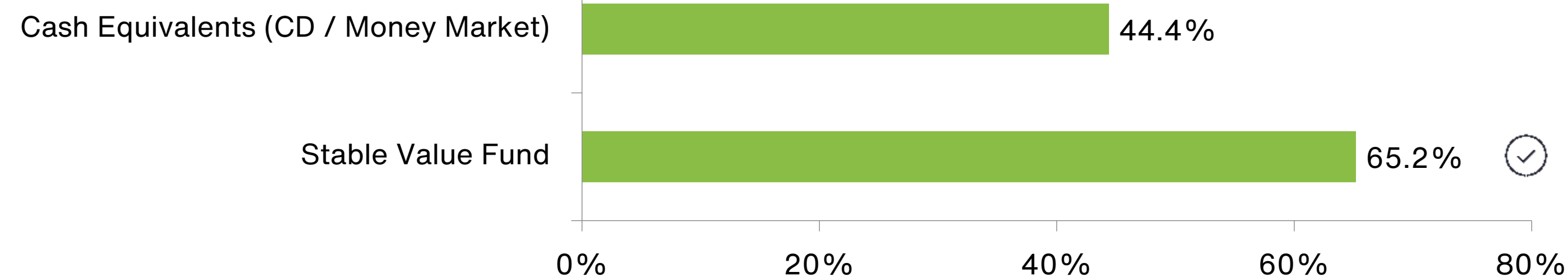
<sup>2</sup> Vanguard How America Saves 2024

- Target date funds have become a staple in DC plan line ups and the standard as Qualified Default Investment Alternative (“QDIA”)
- Allowing participants to “set it and forget it” has also resulted in high utilization, in the 2024 installment of How America Saves, Vanguard found that 64% of contributions are into TDFs<sup>2</sup>.
- Static allocation funds like target risk or balanced strategies have become less common in recent years.
- Participants can build their own static allocation portfolio with other funds from the investment menu.

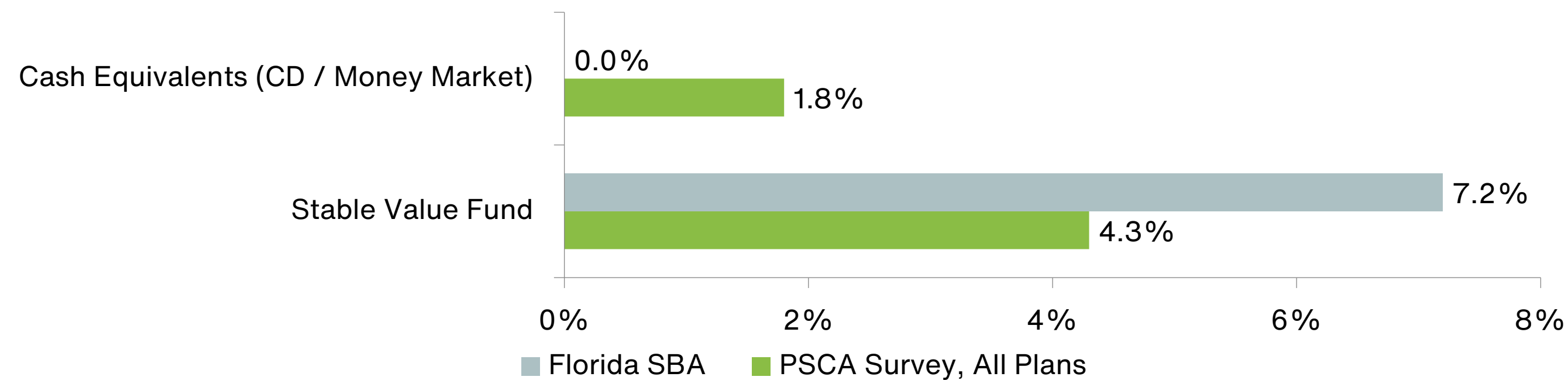


# Capital Preservation Trends<sup>1</sup>

## Percentage of Plans Offering



## Asset Allocation When Offered



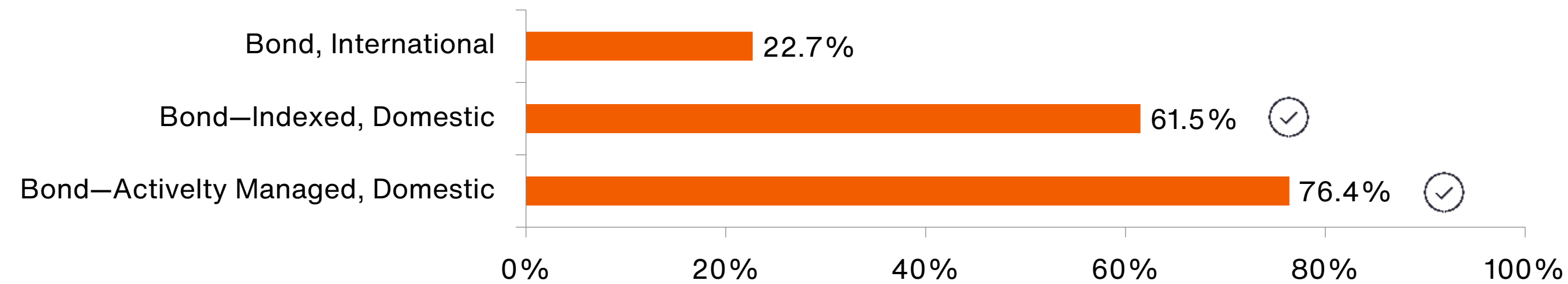
Note: Florida SBA Asset Allocation as of March 31, 2025

<sup>1</sup> Plan Sponsor Council of America “67th Annual Survey – PSCA’s Annual Survey of Profit Sharing and 401(k) Plans.” 2023.

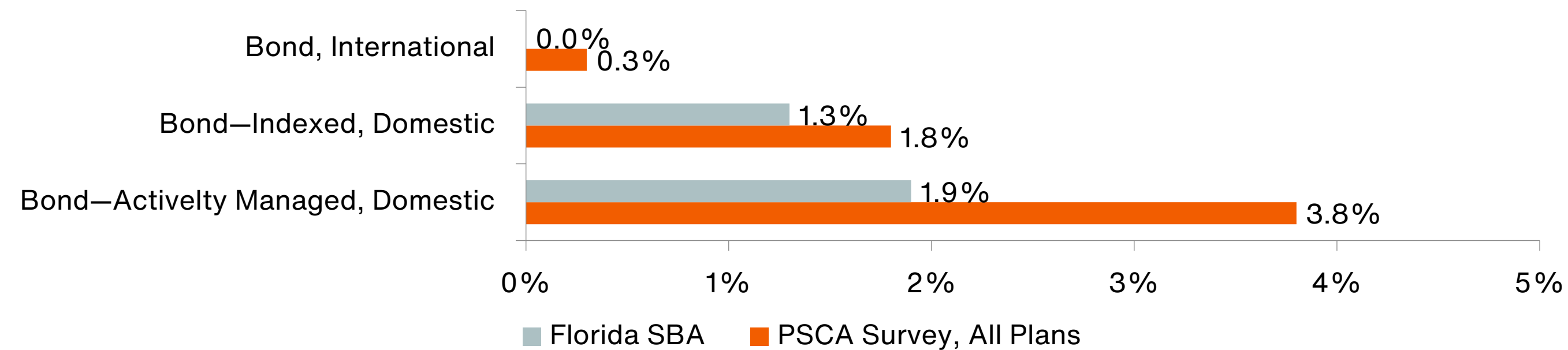
- Approximately two thirds of DC plans offer Stable Value as a capital preservation strategy for participants
- Generally, few plans offer both stable value and money market funds (due to ‘competing fund’ restrictions and the desire to avoid participant confusion)
- Stable value funds have historically provided stronger returns than money market investments with similar levels of volatility
- Aon prefers the use of stable value as a plan’s sole capital preservation option

# Income Trends<sup>1</sup>

## Percentage of Plans Offering



## Asset Allocation When Offered



Note: Florida SBA Asset Allocation as of March 31, 2025

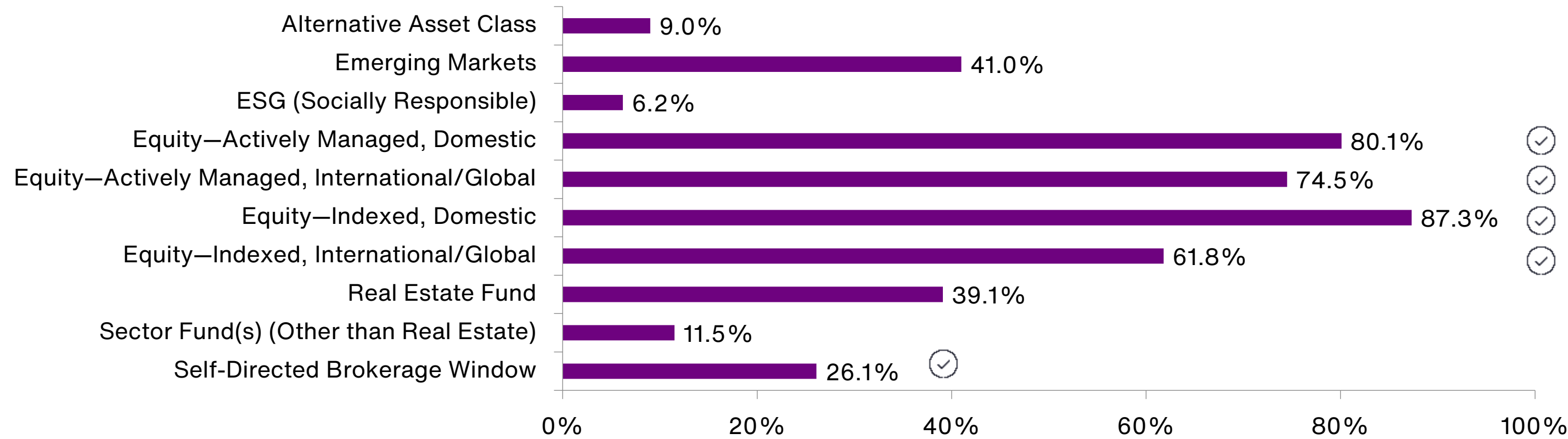
<sup>1</sup> Plan Sponsor Council of America “67th Annual Survey – PSCA’s Annual Survey of Profit Sharing and 401(k) Plans.” 2023.

- Most commonly, DC plans offer an active U.S. fixed income option.
- Passive fixed income funds have also become more prevalent as a component of the passive tier.
- International or specialty bond funds (high yield, unconstrained, etc.) can often be misunderstood or misused.
- Aon recommends a diversified fixed income strategy which opportunistically invests in diversifying income-generating asset classes such as multi-asset credit, real estate, etc.

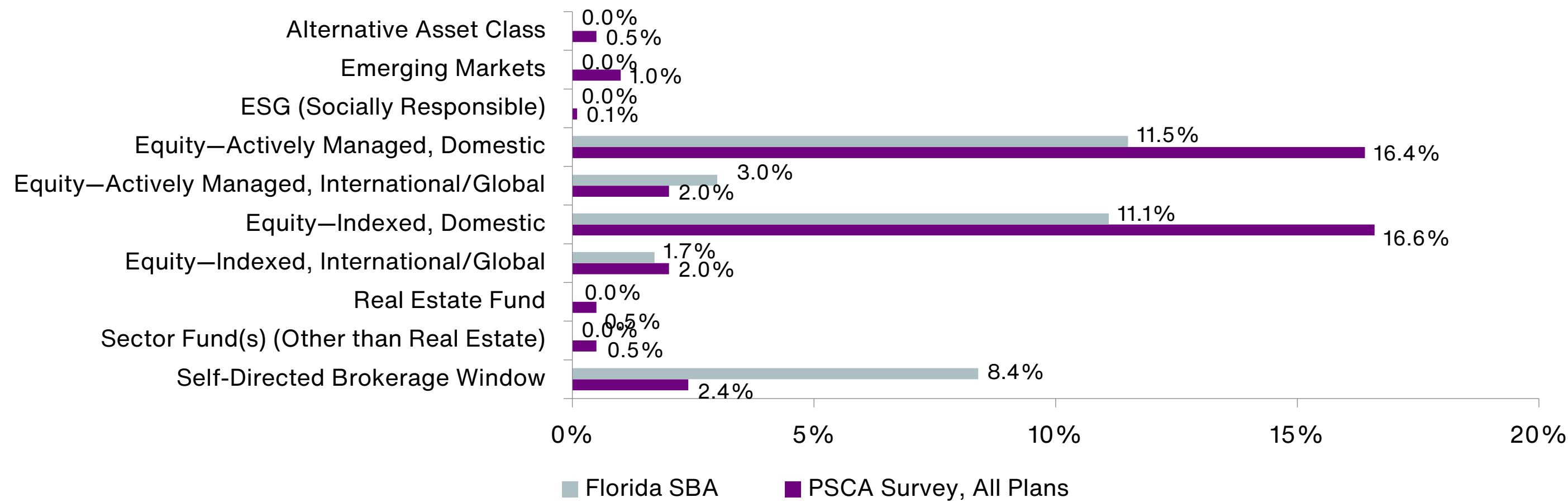


# Growth Trends<sup>1</sup>

## Percentage of Plans Offering



## Asset Allocation When Offered



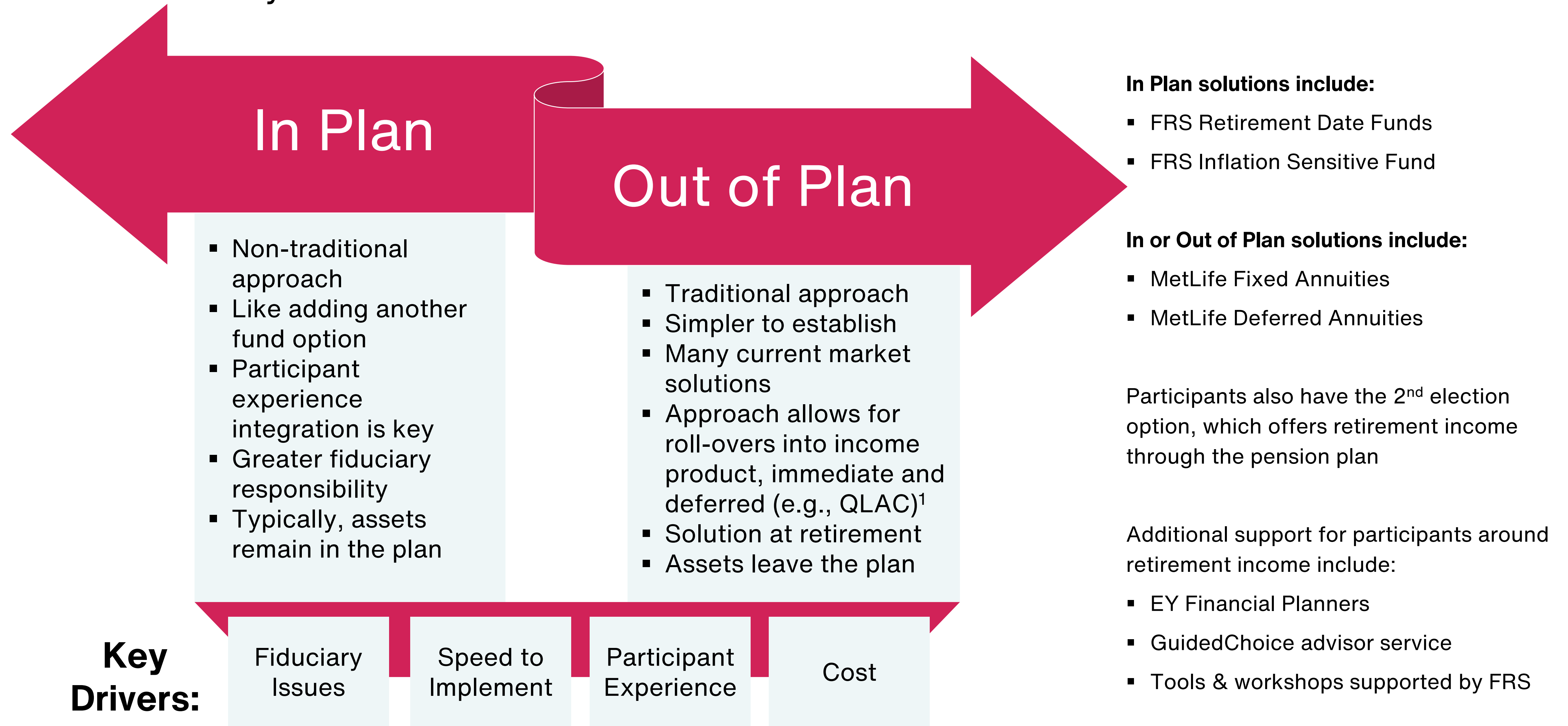
- Investment menus tend to be concentrated in equity fund choices, particularly U.S. equity strategies.
- Alternative asset class, socially responsible, and specialty/sector funds are less prevalent in plan line ups.
- Participant allocations are very low to alternative asset class, emerging markets, socially responsible, real estate and sector funds, when offered.
- Historically, plans have offered a full spectrum of “style-box” investment choices. More recently, plans have been streamlining the number of equity funds.





# Retirement Income – Plan Design Considerations

SBA currently offers sufficient and diversified retirement income solutions



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Aon Investments USA Inc.  
200 E. Randolph Street  
Suite 700  
Chicago, IL 60601  
ATTN: Aon Investments Compliance Officer

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# INVESTMENT ADVISORY COUNCIL

## **Item 6. Review Changes to the FRS Investment Plan IPS**

**Chris Spencer, Executive Director**

*(See Attachments 6A – 6B)*

# INVESTMENT ADVISORY COUNCIL

## **Item 7. Florida PRIME™ Legal Compliance Review** **Glenn Thomas, Lewis, Longman, & Walker**

*(See Attachment 7A)*

# INVESTMENT ADVISORY COUNCIL

## Item 7. Florida PRIME™ Best Practices Review

Katie Comstock, Aon

*(See Attachment 7B)*



# Florida PRIME™ Best Practices Review

State Board of Administration of Florida

June 3, 2025

**Aon**

Investment advice and consulting services provided by Aon Investments USA Inc., an Aon Company.

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Empower Results®

# Introduction

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- An annual review of Florida PRIME is required under Florida state law to determine whether the management of Florida PIME is aligned with best practices
- Aon's 2025 annual review includes the following:
  - Review of 2025 participant survey
  - Disclosure Risk Management Enhancement Update
  - Discussion on Additional Fund Offerings
  - Annual Investment Policy Statement review
- As a result of this review, we have no immediate recommendations
  - Aon supports the additional investment related risk disclosures
  - Aon encourages further evaluation of additional fund offerings
- Florida PRIME continues to be managed in a manner consistent with best practices and in consideration of participants' best interests

# Risk Management Enhancement Update

- The Florida PRIME risk management and governance processes are continually updated and improved
- Over the past year, the SBA drafted additional investment related disclosures covering the following topics
- The added disclosures further the transparency related to the investment risks of investing with Florida PRIME and offer an additional layer of risk management for the participants

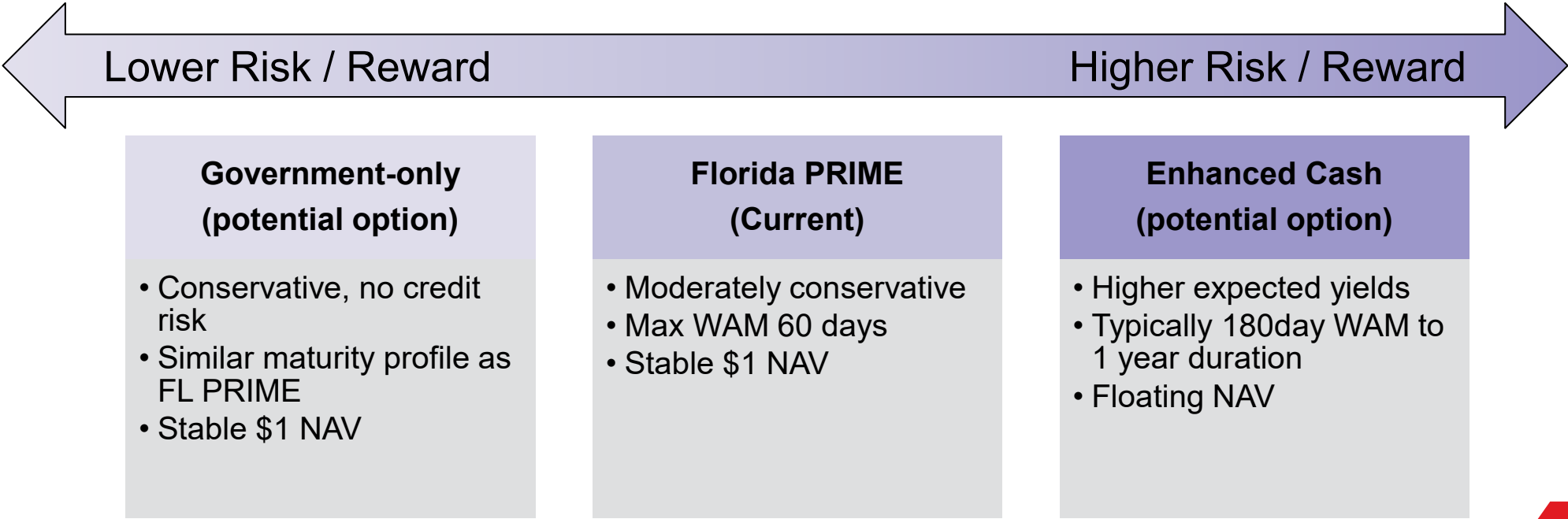
## Draft Additional Investment-related Disclosures Cover:

- |  |                                   |
|--|-----------------------------------|
| • <i>Concentration Risk</i>                      | • <i>Liquidity Risk</i>           |
| • <i>Counterparty Risk</i>                       | • <i>Market and Economic Risk</i> |
| • <i>Credit Risk</i>                             | • <i>Redemption Risk</i>          |
| • <i>Cybersecurity and Operational Risk</i>      | • <i>Regulatory Risk</i>          |
| • <i>Government Guarantee and Insurance Risk</i> | • <i>Reinvestment Rate Risk</i>   |
| • <i>Interest Rate Risk</i>                      | • <i>Selection risk</i>           |
| • <i>Issuer Risk</i>                             | • <i>Yield Curve Risk</i>         |
| • <i>Large Participant Redemption Risk</i>       |                                   |



# Additional Fund Offerings: Discussion

- The SBA has regularly considered the efficacy of expanding the pool offerings available to participants
- Previously, prevailing circumstances did not offer compelling rational to expand the cash management options
  - Headwinds included operational and administrative complexities, the market environment, lack of participant demand and uncertainty related to SEC money market reforms
- Today there may be more support to expand the pool options available to participants



# Additional Fund Offering: Considerations

Support	Considerations
<ul style="list-style-type: none"><li>• Additional optionality; more options may serve a wider participant base</li></ul>	<ul style="list-style-type: none"><li>• Significant additional administrative and operational requirements</li></ul>
<ul style="list-style-type: none"><li>• Allow participants to diversify cash management across the risk/reward spectrum</li></ul>	<ul style="list-style-type: none"><li>• Enhanced cash option would require floating NAV capabilities</li></ul>
<ul style="list-style-type: none"><li>• Additional aggregated assets could increase scale, lower costs to participants' benefit</li></ul>	<ul style="list-style-type: none"><li>• Enhanced education and communication to ensure risks are understood and to manage risk/return expectations</li></ul>
<ul style="list-style-type: none"><li>• Responsive to participant survey results</li></ul>	
<ul style="list-style-type: none"><li>• Current yield environment</li></ul>	
<ul style="list-style-type: none"><li>• Multiple offerings common among other state LGIPS</li></ul>	

Continuing to evaluate the needs of the participant base is a best practice

# Key Take-Aways

---

- Following Aon's 2025 review, we have no recommendations at this time and continue to believe Florida PRIME is being managed in a manner consistent with best practices and in consideration of participants' best interests
  - ✓ Feedback from the participant survey was strong and consistent with past years
  - ✓ The added investment-related disclosures will further the transparency of investing with Florida PRIME and offer participants additional risk management tools in their decision making
  - ✓ It is prudent to continue to evaluate the efficacy of offering participants additional investment options with different risk / return profiles than Florida PRIME
  - ✓ The Investment Policy Statement is well-written and comprehensive

# INVESTMENT ADVISORY COUNCIL

## **Item 7. Florida PRIME™ Portfolio Review**

**Heather Froehlich, Federated Hermes**

**Paige Wilhelm, Federated Hermes**

**Luke Raffa, Federated Hermes**

*(See Attachment 7C)*

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# Investment Advisory Council Meeting

June 3<sup>rd</sup>, 2025



**Paige Wilhelm**

Senior Vice President  
Senior Portfolio Manager  
Head Prime Liquidity Group



**Heather Froehlich**

Senior Vice President  
National Sales Manager State Treasury Pools



**Luke Raffa, CFA**

Vice President  
Senior Sales Representative

# Federated Hermes Partnership

Pool Summary	Federated Hermes Team	Services
<p>\$31.4 Billion</p> <p>844 Participants</p> <p>1,545 Accounts</p> <p><i>(as of 3/31/25)</i></p>	<p><b>Paige Wilhelm</b> Senior Vice President Senior Portfolio Manager</p> <p><b>Heather Froehlich</b> Senior Vice President National Sales Manager State Treasury Pools</p> <p><b>Luke Raffa, CFA</b> Vice President Senior Sales Representative</p>	<ul style="list-style-type: none"><li>• Portfolio Management</li><li>• Participant Outreach</li><li>• Marketing Support</li></ul>

# Participant Outreach & Marketing Support

## Participant Outreach

- **Direct Conversations**
  - Targeted calling effort engaging participants and prospects
  - Held participant meetings across Florida
  - Fielding participant inquiries on tariffs and the stability of liquidity markets
- **Participant Webcast Held On 11/20/24**
  - Update on liquidity markets and FOMC actions
    - 90 participants attended
    - Made follow-up calls to attendees
    - Participants were appreciative of the industry insights and communication on behalf of the pool
    - Replay is available on the Florida PRIME website

- **Upcoming Spring 2025 Webcast 5/21/25**
  - Currently have 60 participants registered (as of 5/12/25)
- **Notable Participant Activity**
  - Palm Beach County: \$1.3 billion
  - Miami-Dade County Schools: \$627 million
  - Collier County: \$97 million

## Marketing Support

- **Regular Commentaries**
  - Weekly market commentaries from Paige Wilhelm
  - Biannual webcasts hosted by Federated Hermes
- **Monthly Newsletters**
- **Quarterly Reviews**

# Supporting Local Florida Organizations

- Throughout the past year, ads for Florida PRIME were featured in the FACC directory, FCCMA directory and the FASBO publication.
- Completion of a refreshed logo. Seeking to modernize, while maintaining the pool's strong brand.
- Design and creation of new conference banners, featuring the new brand and QR code access to the Florida Prime website




**FLORIDA PRIME**  
AN INVESTMENT TOOL FOR PUBLIC FUNDS

**Florida's Premier Cash Management Solution**

Managed by a Leading Investment Manager  
Over 800 Participants  
Dedicated Support Team

**Florida's Original Local Government Investment Pool**

Rated AAAM by S&P Global  
Daily Liquidity  
History of Competitive Yield  
No Transaction Fees

To learn more, use the QR code below to visit our website:  
<https://prime.sbafla.com> or call 850-488-7311

Managed by **Federated Hermes**

Sponsored by **SBA FLORIDA**

An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.

G40465.00 (12/25)  
Federated Investment Counseling  
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# 2025 Upcoming Events

Dates	Description	City	Participation
5/28/25 – 5/31/25	FCCMA Conference	Orlando	Exhibitor
6/4/25 – 6/6/25	COBA Summer Conference	Orlando	Sponsor
6/9/25 – 6/12/25	FSFOA June Conference	Kissimmee	Sponsor
6/14/25 – 6/18/25	FGFOA Annual Conference	Hollywood	Sponsor
6/22/25 – 6/25/25	FPPTA 41 <sup>st</sup> Annual Conference	Orlando	Attendee
8/14/25 – 8/16/25	FLC Annual Conference	Orlando	Exhibitor
11/11/25 – 11/14/25	FSFOA Fall Conference	Kissimmee	Sponsor

# Competitor Analysis

Florida PRIME is the gold standard for transparency

	Daily asset levels	Monthly holdings report	Monthly fee disclosure	Stress test results
 <b>FLORIDA PRIME</b> AN INVESTMENT TOOL FOR PUBLIC FUNDS <b>\$31.4 billion*</b>	✓	✓	✓	✓
 <b>FL PALM</b> Public Assets for Liquidity Management <b>\$6.7 billion*</b>	X	✓	X	X
 <b>FLCLASS</b> An Investment Solution for Public Funds <b>\$9.2 billion*</b>	X	X	X	X

\*AUM is based upon most recent disclosures. 2/28/25 for FL PALM. 12/31/24 for FL CLASS.

# Florida Prime Portfolio Review

The reporting period opened with the US Federal Reserve voicing concern that inflation had stalled its decent from multi-decade highs in 2022. In its May meeting, the Federal Open Market Committee (FOMC) said, “there has been a lack of further progress toward the Committee’s 2% inflation objective,” and it keep the federal funds rate in a target range at 5.25-5.50%. This stance was affirmed when it did not alter the range at its June meeting. However, it did change its balance-sheet operations by reducing the amount it would taper its holdings of US Treasuries, lowering the monthly cap on the amount of the bonds it allows to mature without replacing them from \$60 billion to \$25 billion.

The Fed’s tone began to shift in July’s FOMC meeting and, more prominently, by Fed Chair Powell in Jackson Hole, Wyo., at the Fed’s annual central bank symposium. After focusing on inflation for many quarters, policymakers shifted attention to the labor market, which appeared to be softening. As weakening employment can signal an imminent recession, Powell said “The time has come for policy to adjust.” The markets expected this pivot to be gradual, but the Fed issued a large 50-basis point rate cut at its September FOMC meeting—surprising both for its size and its proximity to the US presidential election, eventually won by Donald Trump.

The fourth quarter found the Fed in a bind. On the one hand, it wanted to lower rates to avoid an economic slowdown. But on the other hand, it feared that the tariffs Trump promised in his campaign would reignite inflation and necessitate elevated rates. Nonetheless, policymakers cut rates in their November and December meetings to reach 4.25-4.5%, forecasting that they would deliver another 50 basis points in 2025.

After Trump’s inauguration, a slew of executive orders, layoffs at federal agencies and departments and tariffs obfuscated the direction of the US economy. Quantifiable data, such as job gains and gross domestic product told the story of a solid economy. But survey-based data, such as consumer confidence and inflation expectations, turned south. On top of this, Trump continued to attack Powell for not cutting rates like most of the other central banks. Powell pushed back, and the Fed held steady in both meetings in the quarter, maintaining the target range and defending the Fed’s independence from political pressure. While the uncertainties wrought by the Trump administration roiled the stock and bond markets, the relative stability and attractive yields of the broad liquidity markets lead to asset inflows.

The reporting period ended with the markets on edge as they apprehensively prepared for Trump’s announcement of reciprocal tariffs in early April and with yields on 1-, 3-, 6- and 12-month Treasuries 4.30%, 4.30%, 4.23% and 4.03%, respectively.

# Key issues in the money markets

Steady amidst the uncertainty

- April and May have been extremely volatile months for equity and bond markets, with the on-again off-again tariff war
- The money markets have continued to function reasonably well throughout the storm
- Absent financial stability risks, the Fed can afford to stay on the sidelines for a while longer, with a focus on interpreting signals between the hard and soft data
- Interest rate environment expected to be positive for cash, including local government investment pools

Views are as of April 30, 2025 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 or sector.

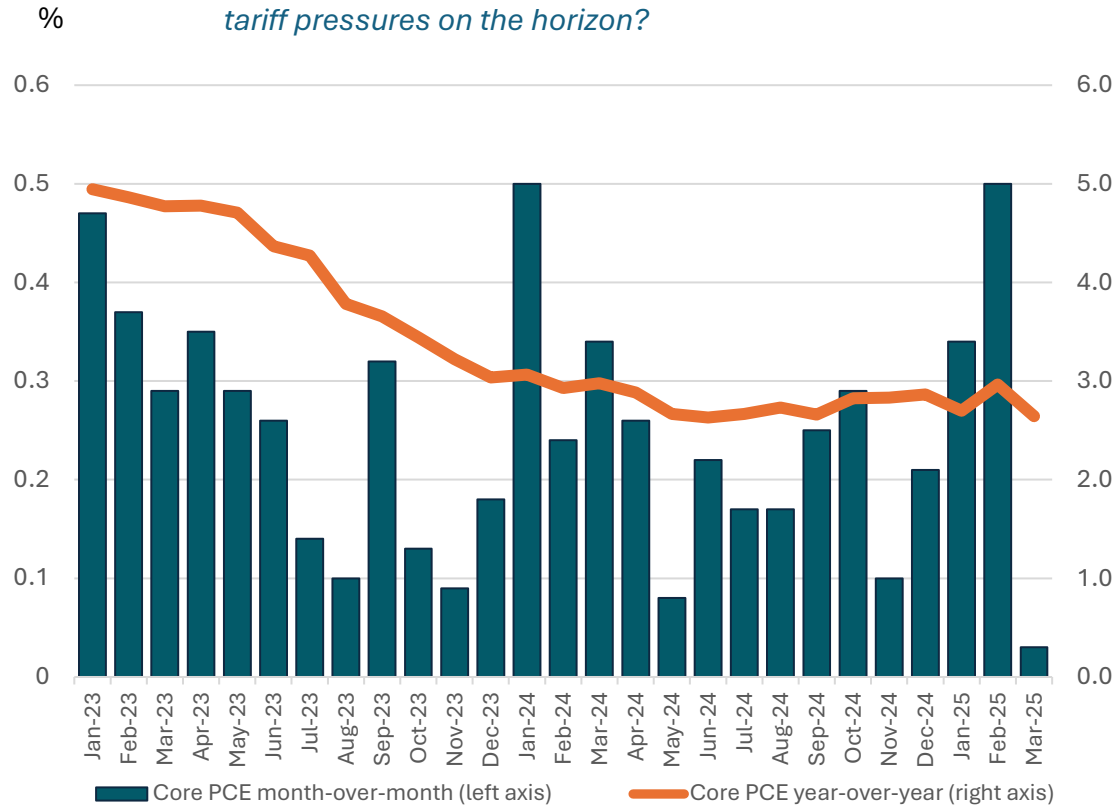


# The Fed's dual mandate

A tough spot for the Fed

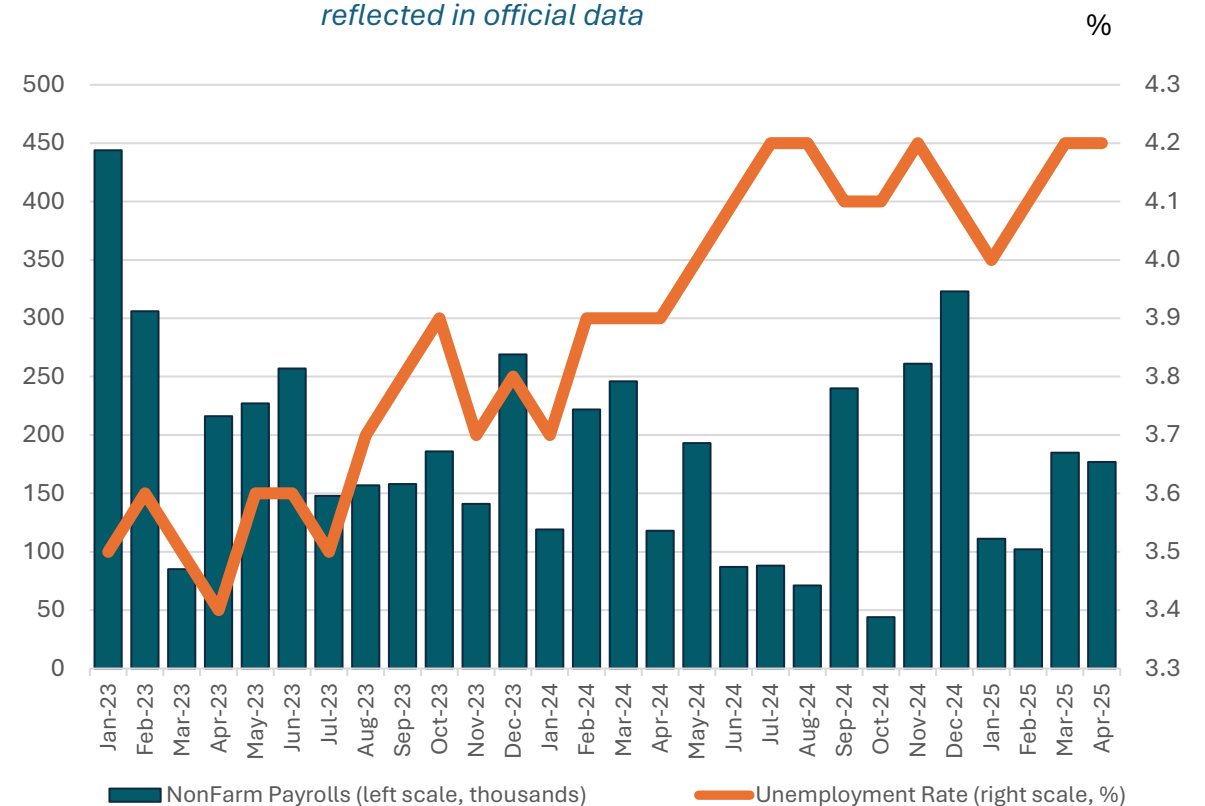
## Price stability

*Progress slowing toward 2% goal;  
tariff pressures on the horizon?*



## Maximum employment

*Still strong, but DOGE layoffs not yet  
reflected in official data*

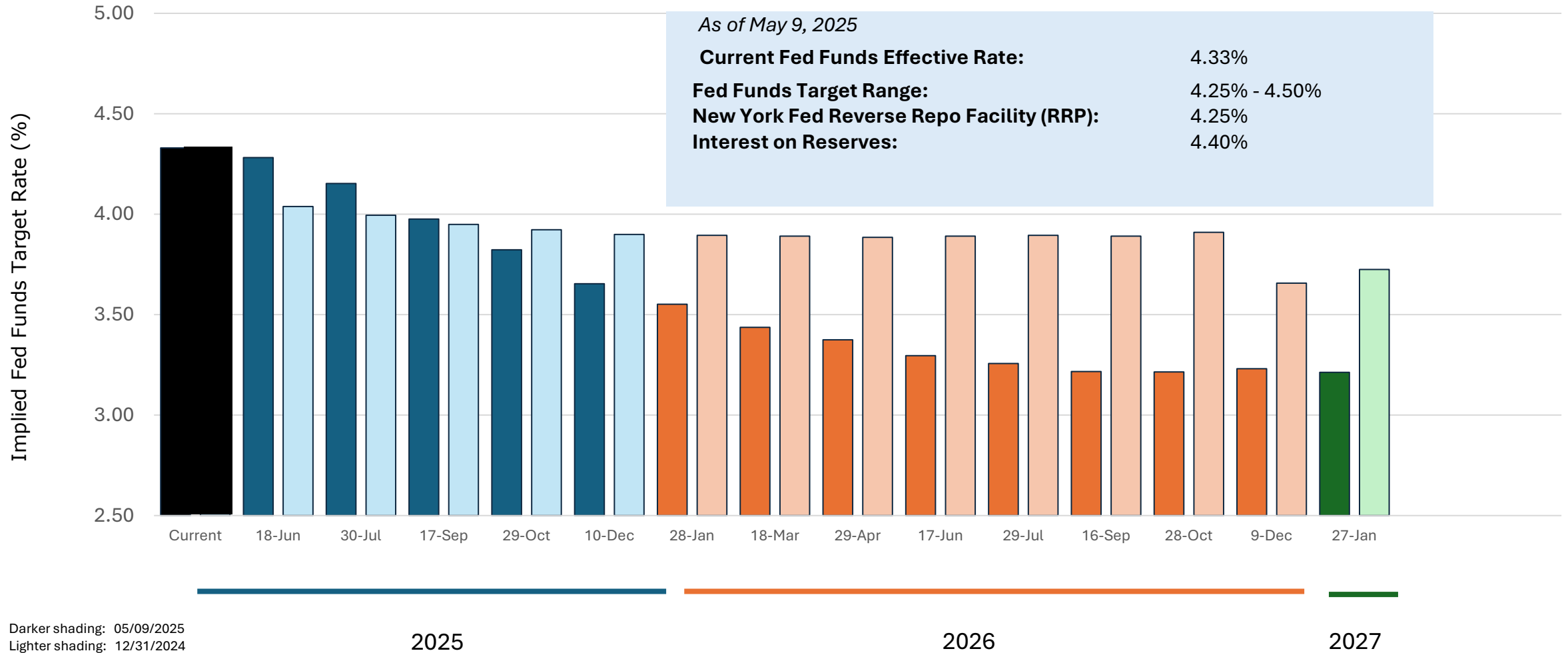


As of 4/30/2025.

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, St. Louis Fed

# Fed funds futures: a little sooner, a little more easing

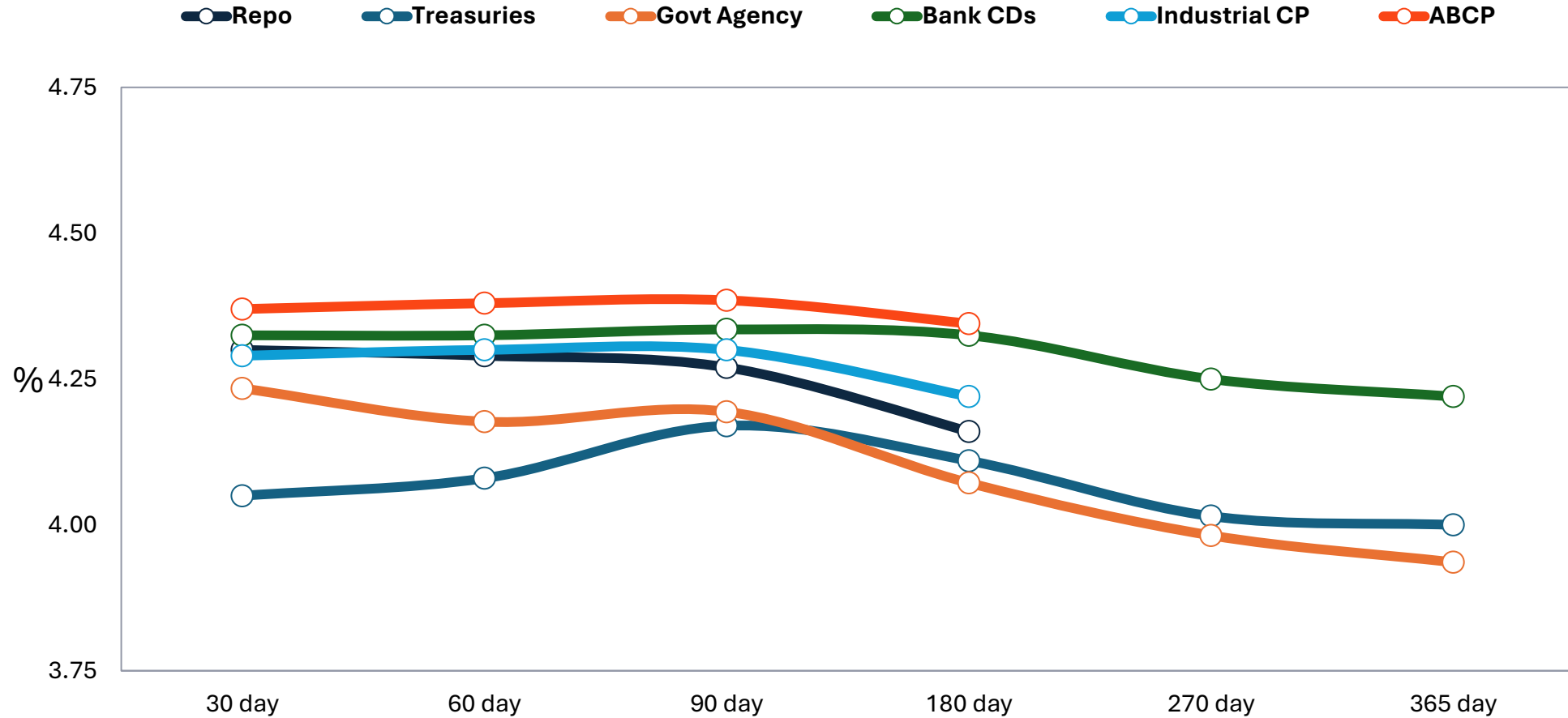
Uncertainty affecting prices, consumer sentiment



Darker shading: 05/09/2025  
 Lighter shading: 12/31/2024  
 As of May 9, 2025.  
 Source: Bloomberg, WIRP.

# Current yields

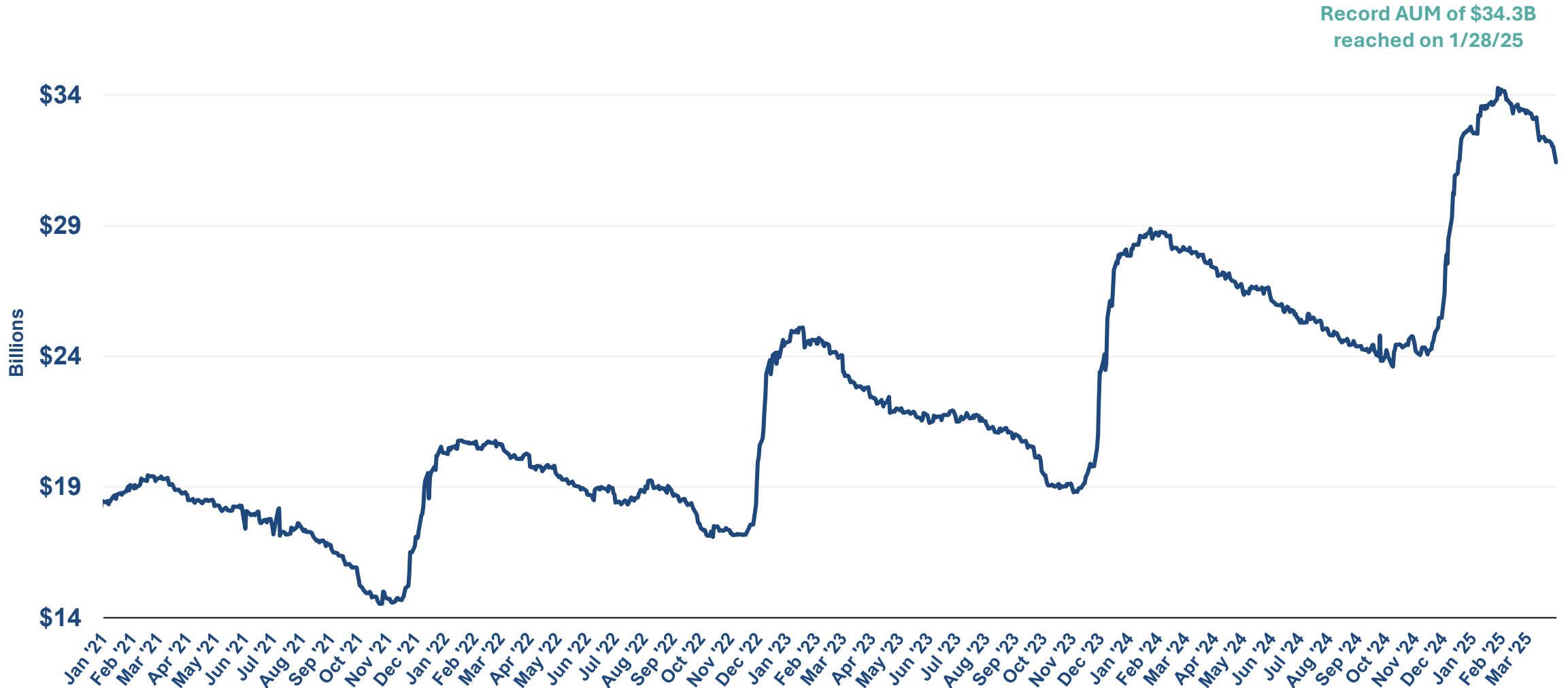
As of 3/31/25



- Source: Bloomberg
- ABCP is asset-backed commercial paper.
- Past performance is no guarantee of future results. This chart is for illustrative purposes only.

# Daily Assets

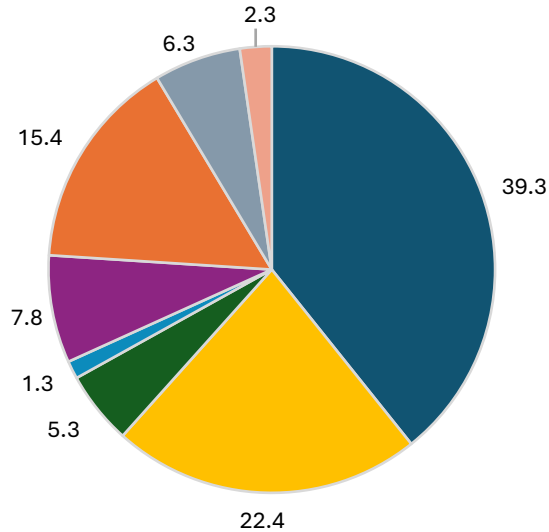
1/1/21 - 3/31/25



# Portfolio Characteristics

Period Ending 3/31/25

## Portfolio Composition (%)



- Bank Instrument - Fixed
- Asset Backed Commercial Paper - Fixed
- Corporate CP - Floating
- Bank Instrument - Floating
- Asset Backed Commercial Paper - Floating
- Corporate CP - Fixed
- Repo
- Corporate Notes - Floating

## Top Foreign Country Exposure

	%
Australia	5.64
Canada	24.54
Finland	5.05
France	5.98
Germany	1.27
Japan	15.56
Netherlands	10.18
Norway	3.82
Sweden	0.16
United Kingdom	2.82
<b>Total</b>	<b>75.02</b>

## Top 10 Holdings (ex Repo)

	%
ABN Amro Bank NV	5.0
Mizuho Financial Group, Inc.	5.0
Australia & New Zealand Banking Group Ltd.	5.0
Cooperatieve Rabobank UA	5.0
Nordea Bank Abp	5.0
Canadian Imperial Bank of Commerce	4.8
National Bank of Canada	4.8
Toronto Dominion Bank	4.7
Mitsubishi UFJ Financial Group, Inc.	4.2
Royal Bank of Canada	4.0
<b>Total:</b>	<b>47.7%</b>

## Credit Quality

<b>A-1+</b>	55.9%
<b>A-1</b>	44.1%

## Effective Maturity Schedule

1-7 days	8-30 days	31-90 days	91-180 days	181+ days
54.5%	11.7%	19.3%	3.5%	11.1%

## Weighted Average Maturity (WAM)

47.6 days

## Weighted Average Life (WAL)

84 days



# Performance vs. Index

Period Ending 3/31/25

Performance Data (%) as of 3/31/25								
	1-month	3-month	1-year	3-years	5-years	10-years	Since Jan. 1996	7-Day SEC Yield
Annualized Net Participant Yield <sup>1</sup>	4.60%	4.63%	5.20%	4.58%	2.83%	2.12%	2.61%	4.50%
S&P AAA/AA Rated GIP All 30-Day Net Index <sup>2</sup>	4.25%	4.43%	4.92%	4.22%	2.57%	1.86%	2.39%	
<i>Above (Below) Benchmark</i>	<i>0.36%</i>	<i>0.20%</i>	<i>0.27%</i>	<i>0.35%</i>	<i>0.26%</i>	<i>0.26%</i>	<i>0.22%</i>	
iMoneyNet MFR First Tier Instl Avg (Net) <sup>3</sup>	4.27	4.28	4.84	4.25	2.60	1.85	N/A	

<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> Net of fees.

<sup>3</sup> Net simple annualized return.

Notes: Annualized 1-month and 3-month performance figures

# Stress Test Results

As of 3/31/25

## EXHIBIT A

### Stress Testing Board Summary Report for Florida Local Government Investment Pool A

Date of Stress Tests: 31-Jan 28-Feb 31-Mar

Shadow NAV at Time of Tests: 0.99998 1.00009 1.00016

#### STRESS TESTING RESULTS DURING THE PERIOD

Pct of Shares Redeemed	Redemptions Only					
	Stress NAV			Weekly Liquidity		
	Jan	Feb	Mar	Jan	Feb	Mar
0%	0.99998	1.00009	1.00016	42.99%	40.97%	38.97%
10%	0.99998	1.00010	1.00018	36.66%	34.44%	32.24%
20%	0.99998	1.00011	1.00020	30.00%	30.00%	30.00%
30%	0.99998	1.00013	1.00023	30.00%	30.00%	30.00%
40%	0.99997	1.00015	1.00026	30.00%	30.00%	30.00%

Pct of Shares Redeemed	Change in Interest Rates						Credit Event						Floater Spread Widening					
	Stress NAV			Weekly Liquidity			Stress NAV			Weekly Liquidity			Stress NAV			Weekly Liquidity		
	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
0%	0.99928	0.99908	0.99918	42.99%	40.97%	38.97%	0.99933	0.99936	0.99936	42.99%	40.97%	38.97%	0.99977	0.99977	0.99965	42.99%	40.97%	38.97%
10%	0.99920	0.99898	0.99909	36.66%	34.44%	32.24%	0.99926	0.99929	0.99929	36.66%	34.44%	32.24%	0.99975	0.99975	0.99961	36.66%	34.44%	32.24%
20%	0.99910	0.99885	0.99898	30.00%	30.00%	30.00%	0.99916	0.99921	0.99920	30.00%	30.00%	30.00%	0.99972	0.99972	0.99957	30.00%	30.00%	30.00%
30%	0.99897	0.99869	0.99884	30.00%	30.00%	30.00%	0.99904	0.99909	0.99909	30.00%	30.00%	30.00%	0.99968	0.99968	0.99950	30.00%	30.00%	30.00%
40%	0.99880	0.99847	0.99865	30.00%	30.00%	30.00%	0.99888	0.99894	0.99894	30.00%	30.00%	30.00%	0.99962	0.99962	0.99942	30.00%	30.00%	30.00%

				Pct of Shares Redeemed	Combination					
% of Orig. Portfolio Stressed					Stress NAV			Weekly Liquidity		
Test	Jan	Feb	Mar		Jan	Feb	Mar	Jan	Feb	Mar
Redemptions Only	0.0%	0.0%	0.0%	0%	0.99842	0.99804	0.99788	42.99%	40.97%	38.97%
Change in Int. Rates	90.7%	91.0%	92.6%	10%	0.99824	0.99782	0.99765	36.66%	34.44%	32.24%
Credit Event	66.8%	67.4%	66.8%	20%	0.99802	0.99755	0.99736	30.00%	30.00%	30.00%
Floater Spread Widening	8.9%	12.3%	15.6%	30%	0.99774	0.99720	0.99699	30.00%	30.00%	30.00%
Combination	90.7%	91.0%	92.6%	40%	0.99736	0.99674	0.99649	30.00%	30.00%	30.00%

# Stress Test Footnotes

As of 3/31/25

## B. Escalation Procedures:

As articulated in Federated Hermes procedures, and as may be required by applicable regulation, including GASB requirements, rating agency requirements or applicable investment guidelines, the client will receive notification upon the occurrence of the following events: 1. ) net deviation between the NAV calculated using amortized cost and the market based NAV when the deviation is in excess of point \$0.004 per share or 2.) weekly liquidity assets drop below the required liquidity levels as required by applicable regulation, including GASB requirements, rating agency requirements or applicable investment guidelines. Upon the occurrence of one of these events, the portfolio manager will communicate the results, including any changes to portfolio structure implemented and/or changes to frequency or parameters of Stress Testing, to the applicable board or governing body and will coordinate Federated Hermes' response to any requests made by that governing body for additional information or requests to change the Stress Testing frequency or parameters.

## C. Assessment of Fund's Ability to Withstand Events Reasonably Likely to Occur During the Following Year:

Unless highlighted above for further discussion, the Adviser has determined that each fund is structured in such a way that the occurrence of the events described more fully above, which the Adviser believes are reasonably likely to occur during the next 12 months would not result in a Fund failing to maintain sufficient liquidity or a Fund failing to minimize principal volatility.

## D. Test Descriptions:

Unusual Redemption Activity: Resulting NAV & liquidity levels following redemptions equal to 40% in 10% increments

Change in Interest Rates: Resulting NAV & liquidity levels following a change in rates of 0.75% (0.50% in Jan).

Credit Event: : Banks widen by 0.50%, and Travel and Leisure spreads widen by 0.25%

Floater Spread Widening: Resulting NAV & liquidity levels following a widening of floater spreads off of the applicable index of 0.50%

Combination: Change in Interest Rates, Credit Event, and Floater Spread Widening combined.

## E. Redemption Funding Method:

Redemptions - Sell Daily Liquidity down to 10 percent then Weekly Liquidity down to 30 percent(Current, Target Liquidity Level) then based on Final Maturity Date

# INVESTMENT ADVISORY COUNCIL

## **Item 8. Review of Florida PRIME™ IPS**

**Chris Spencer, Executive Director**

*(See Attachments 8A – 8B)*

# INVESTMENT ADVISORY COUNCIL

## **Item 9. Asset Class SIO Updates**

**Tim Taylor**, Senior Investment Officer – Global Equity

*(See Attachment 9A)*



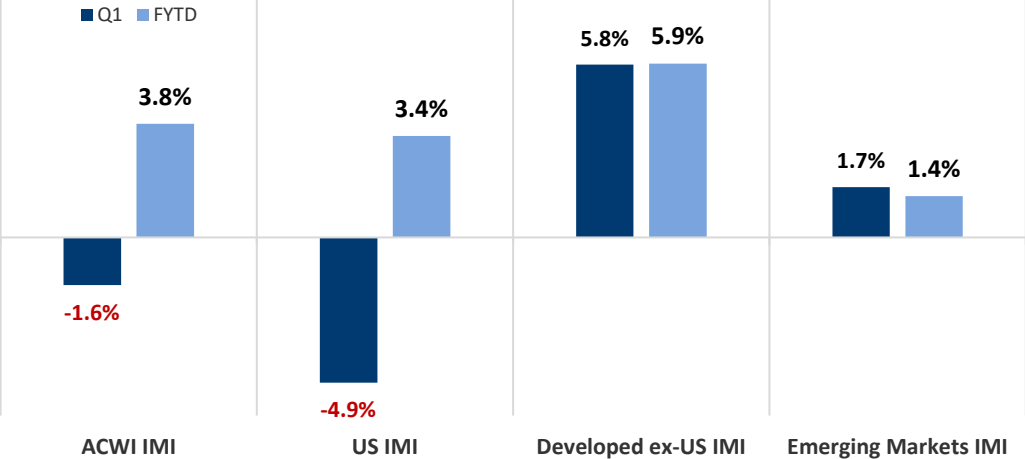
# INVESTMENT ADVISORY COUNCIL

## **Global Equity Asset Class Update**

**Tim Taylor, Senior Investment Officer**

# Q1 2025 MARKET ENVIRONMENT

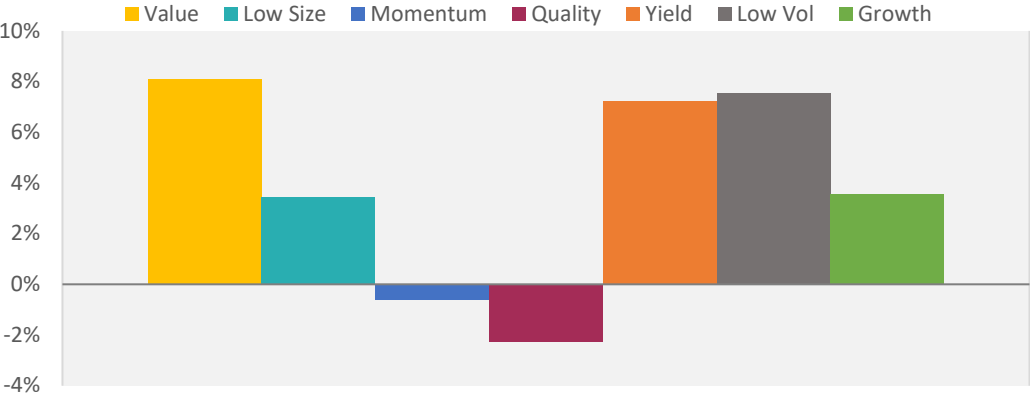
## INTERNATIONAL MARKETS OUTPERFORMED USA



## DEFENSIVE RELATED SECTORS LED RETURNS

	ACWI IMI	USA IMI	World ex US IMI	EM IMI
Comm Services	-2.4	-6.8	10.1	12.1
Cons Discretionary	-7.7	-13.2	-0.6	10.5
Consumer Staples	5.1	4.6	7.1	1.3
Energy	7.6	8.0	8.9	1.8
Financials	5.4	1.5	11.9	5.2
Health Care	3.9	4.7	2.4	-0.3
Industrials	0.8	-2.2	5.6	-2.8
Info Tech	-11.7	-12.9	-3.4	-9.1
Materials	4.5	0.8	6.8	6.6
Real Estate	2.2	2.5	2.6	-1.0
Utilities	6.3	5.0	11.0	0.4
TOTAL RETURN	-1.6	-4.9	5.8	1.7

## VALUE. LOW VOL. AND YIELD FACTORS WERE LEADERS



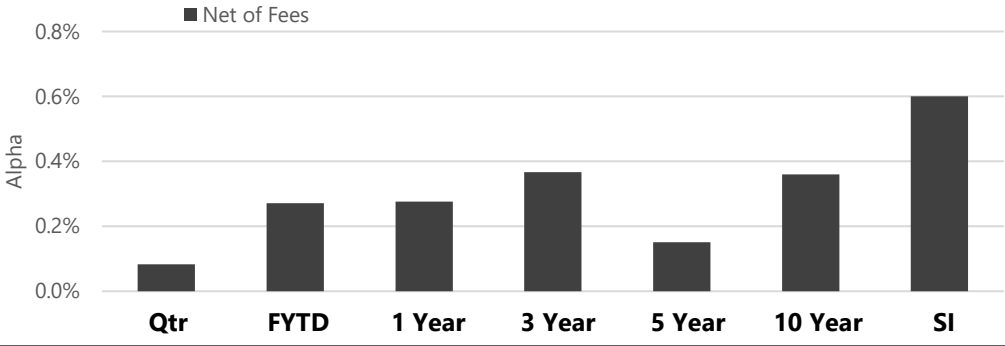
## GLOBAL MARKET DYNAMICS

- Developed and emerging market returns exceeded the US by notable amounts as investors grew concerned over tariff impacts; the spread was enhanced by USD weakness against most currencies.
- Underperformance in the Information Technology and Consumer Discretionary sectors drove the decline in the US market. Competition in the AI space put pressure on many of the Magnificent 7 names.
- Factor attribution shows a pullback in the larger and more expensive names during Q1.

Note: As of March 31, 2025. All returns are in USD, net of dividend withholding taxes.

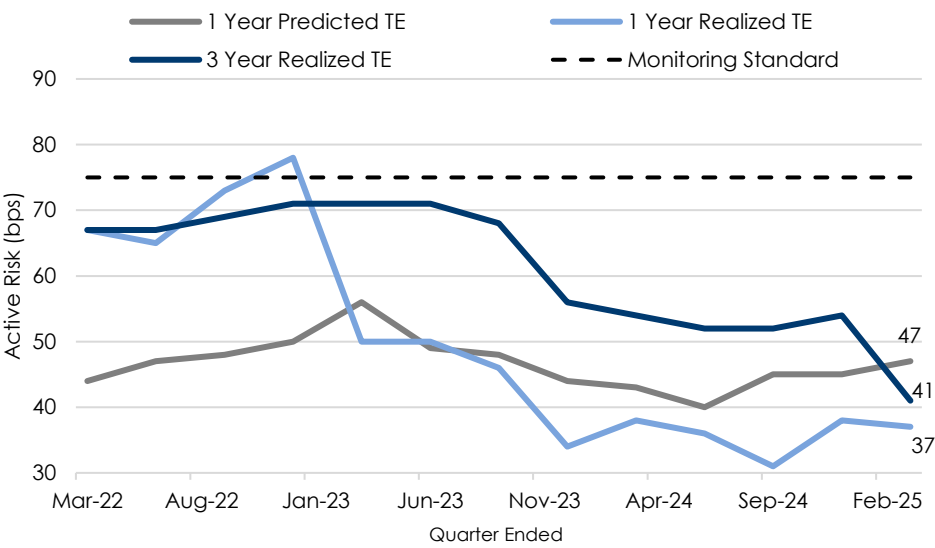
# ASSET CLASS PERFORMANCE AND RISK SUMMARY

CONSISTENT OUTPERFORMANCE ABOVE THE TARGET SINCE INCEPTION



	Qtr	FYTD	1 Year	3 Year	5 Year	10 Year	SI
Global Equity	-1.57%	4.05%	6.51%	6.65%	15.17%	8.92%	10.46%
Target	-1.66%	3.78%	6.23%	6.28%	15.02%	8.56%	9.86%
Active Return	0.08%	0.27%	0.28%	0.37%	0.15%	0.36%	0.60%
Tracking Error			0.37%	0.41%	0.59%	0.52%	0.52%
Information Ratio			0.70%	0.76%	0.19%	0.59%	1.00%

PREDICTED AND REALIZED ACTIVE RISK



Note: All returns through 3/31/2025. Inception 7/1/10. Benchmark is FRS Custom MSCI ACWI IMI Index. Realized Risk is compared to prior 1 year Predicted Risk.

# ACTIVE STRATEGY PERFORMANCE SUMMARY

Excess Returns by Aggregate						What Happened in Q1 2025
Active Strategy Group	% of Asset Class	Q1 2025	1 Year	3 Year	5 Year	Recent Performance Drivers
Foreign Developed Large Cap	18%	-0.42%	1.49%	0.66%	0.30%	The aggregate underperformed in a strong market that was up 6% in Q1. An overweight to IT and underweight to Financials detracted. Style headwinds during the period included the outperformance of low volatility and yield.
Emerging Markets (Large & Small Cap)	10%	-0.46%	-0.14%	0.84%	1.04%	Q1 underperformance was driven by weak stock selection in India and not holding South African gold miners. On a sector basis underweights to Financials and Materials were negative for active performance.
Dedicated Global	8%	0.12%	-0.84%	0.08%	-1.86%	An underweight to the mega caps was positive for active performance, including underweights in Nvidia, Tesla and Apple. Similarly an overweight to the UK market proved very positive, with significant contributions from the Pharmaceutical and Insurance industries.
Foreign Developed Small Cap	4%	1.06%	1.44%	2.07%	1.02%	Strong stock selection in Industrials, Financials, IT and Energy benefited the aggregate. Value-leaning mandates were key contributors during the quarter.
US Small Cap	3%	1.50%	-0.04%	0.84%	2.05%	Risk-off sentiment propelled lower volatility strategies to strong outperformance. Q1 marked a bounce-back from negative performance in the back-half of 2024 that was driven by a strong risk-on environment.
Total Active Aggregate	44%	0.04%	0.25%	0.40%	0.10%	

Note: All returns through 3/31/2025. Excess returns are relative to strategy group benchmark. Weights are relative to total equity assets under management. Non-Traditional strategy assets are excluded.

## **Initiatives**

- During Q1 2025 GE funded two new internally managed strategies:
  - A mandate passively managed to the FRS Custom World ex-US Index, and
  - A mandate actively managed to the FRS Custom World Index.
  - GE manages 5 passive and 3 active strategies, greater than 56% of the asset class.

## **Provide Liquidity and Support Revised FRS Asset Allocation**

- Global Equity continues to be a significant provider of liquidity, for all reasons.
- Raised \$620 Million in Q1 2025.
- GE has provided over \$96 Billion of liquidity since July 2010 (when Domestic Equity and Foreign Equity asset classes were combined).



# INVESTMENT ADVISORY COUNCIL

## **Item 9. Asset Class SIO Updates**

**Todd Ludgate**, Senior Investment Officer – Fixed Income

*(See Attachment 9B)*

# INVESTMENT ADVISORY COUNCIL

## Fixed Income Asset Class Update

Todd Ludgate, Senior Investment Officer Fixed Income

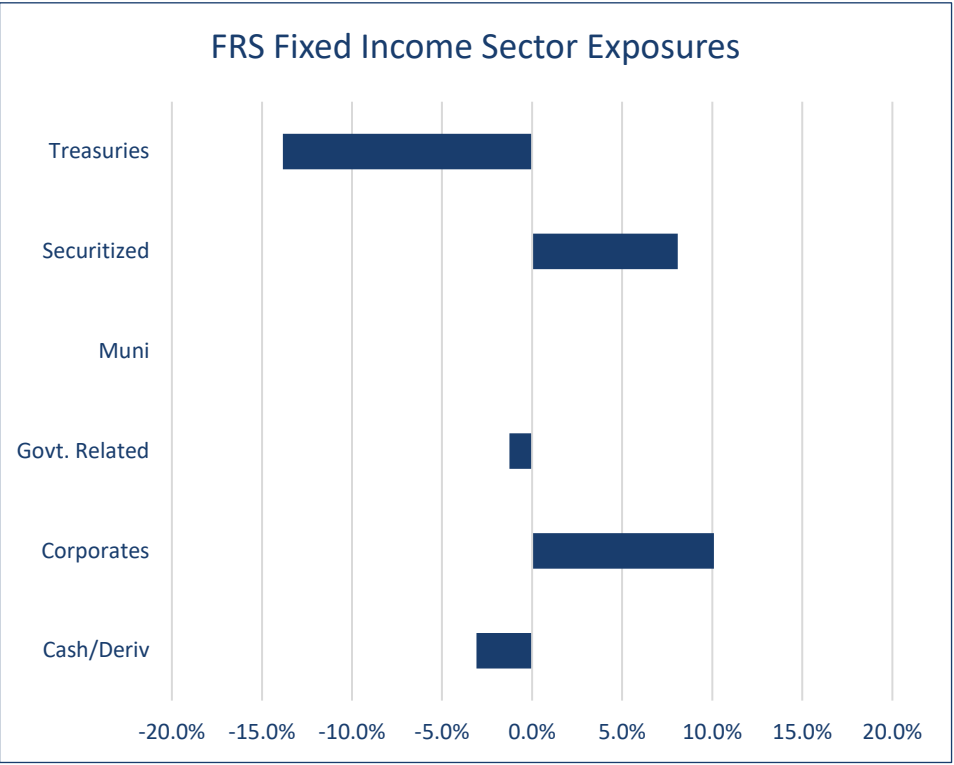
# Asset Class Portfolio Performance

- Asset class outperformed benchmark fiscal YTD and over 1-year, 3-year, 5-year and 10-year time periods with well-controlled active risk and a strong Information Ratio.
- For FYTD through 03/31/2025, Fixed Income outperformed by 0.16%.

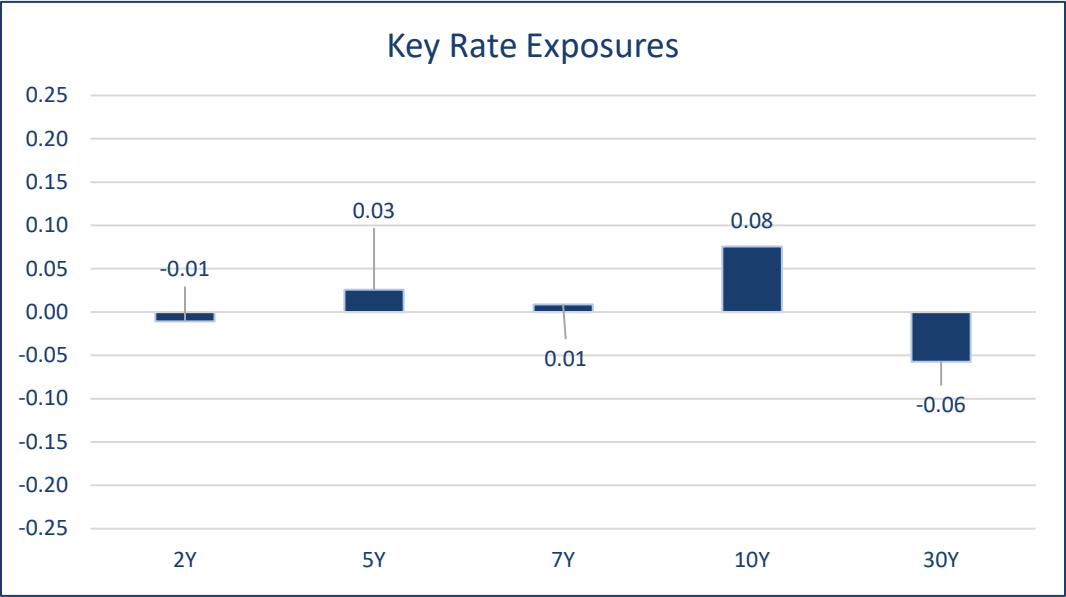
Fixed Income ex Transition	EMV (\$M)	1 Yr	3 Yr	5 Yr	10 Yr
Asset Class Return	\$40,753	5.20%	1.74%	0.82%	1.81%
vs Target		4.88%	1.39%	0.20%	1.51%
Excess Return		<b>0.32%</b>	<b>0.36%</b>	<b>0.61%</b>	<b>0.30%</b>
Tracking Error			0.32%	0.37%	0.40%
Return/Risk (IR)			1.07	1.71	0.74

# Total Fixed Income Portfolio Positioning

**The portfolio is overweight spread product.**



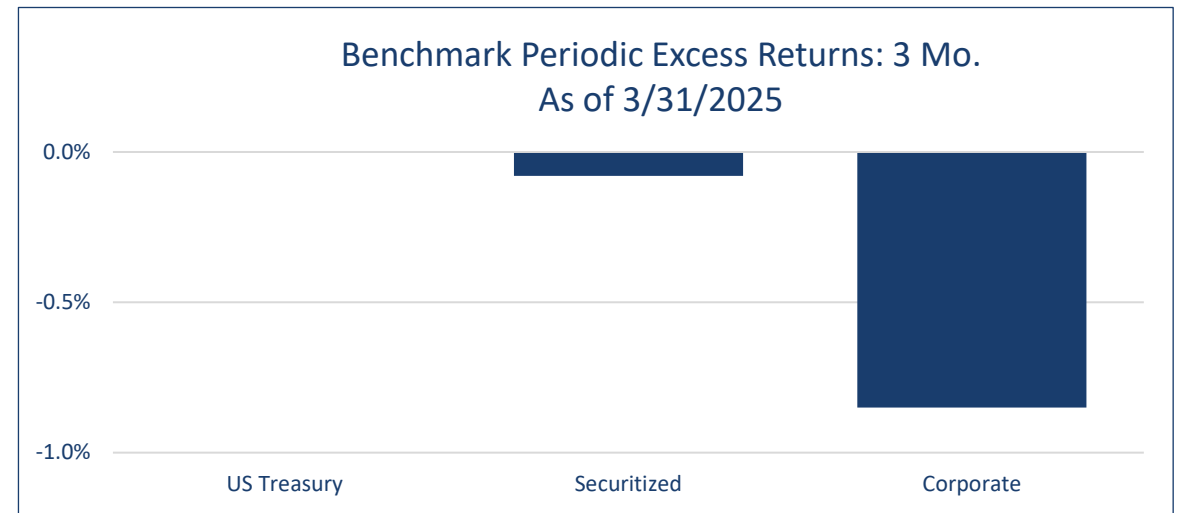
**The portfolio is positioned with a small curve steepener.**



Source: Bloomberg Finance L.P./Aladdin/BNY Mellon/Manager Provided, as of 3/31/2025

# Fixed Income Excess Returns

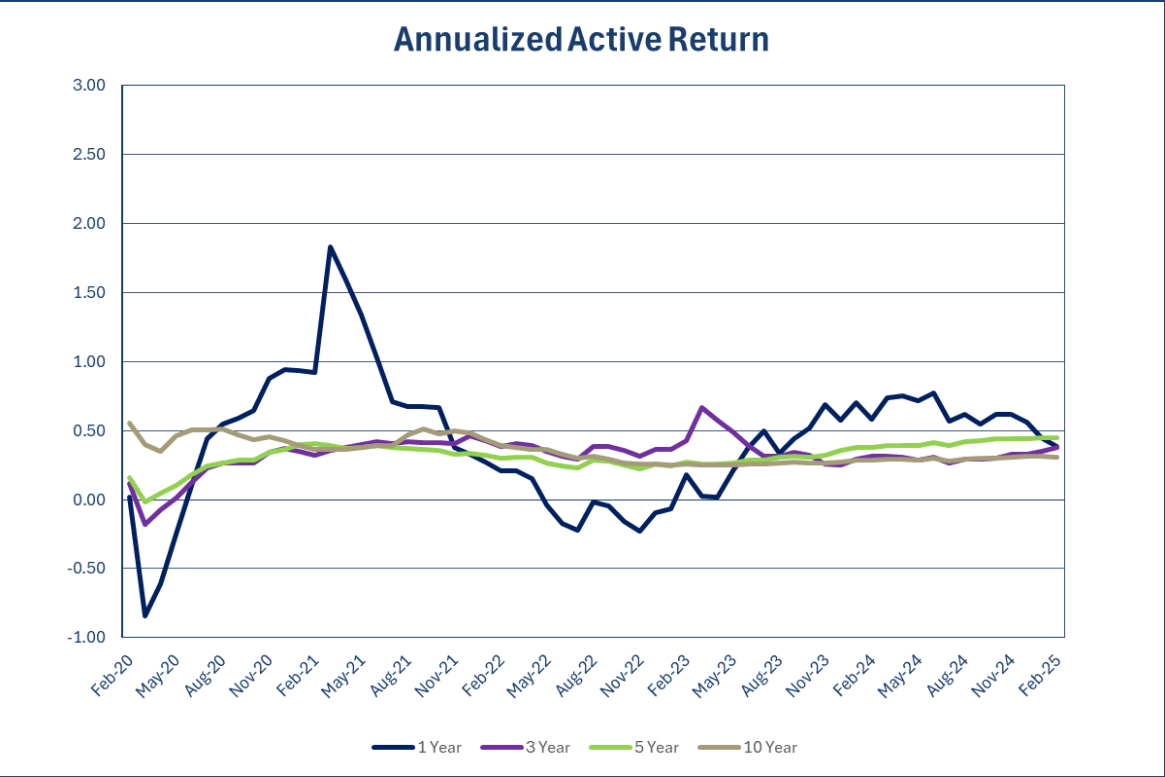
- Fixed Income spread sectors were negative for the quarter. Credit underperformed Securitized markets.
- The credit index spread curve steepened, with 10+ yr maturity underperformance dragging down positive performance from the 1-5 year maturity component.



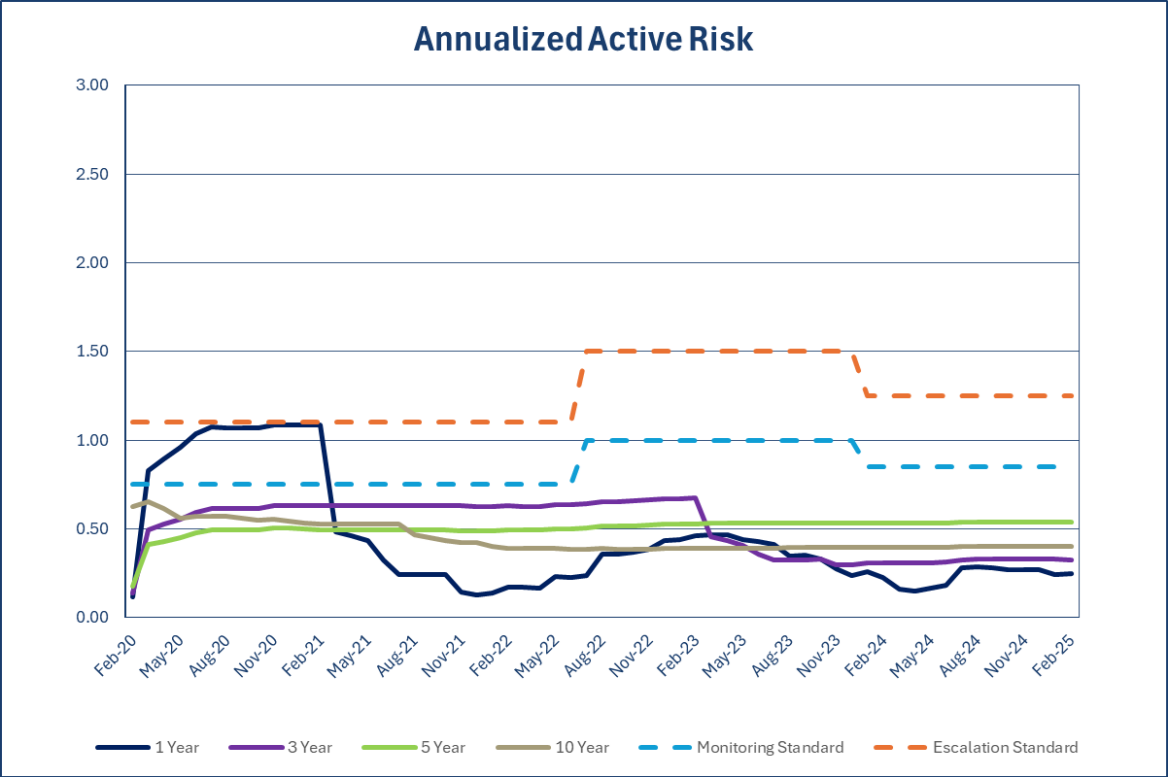


# Total Fixed Income Portfolio Risk

**Volatility of active return remains modest compared to recent peaks.**



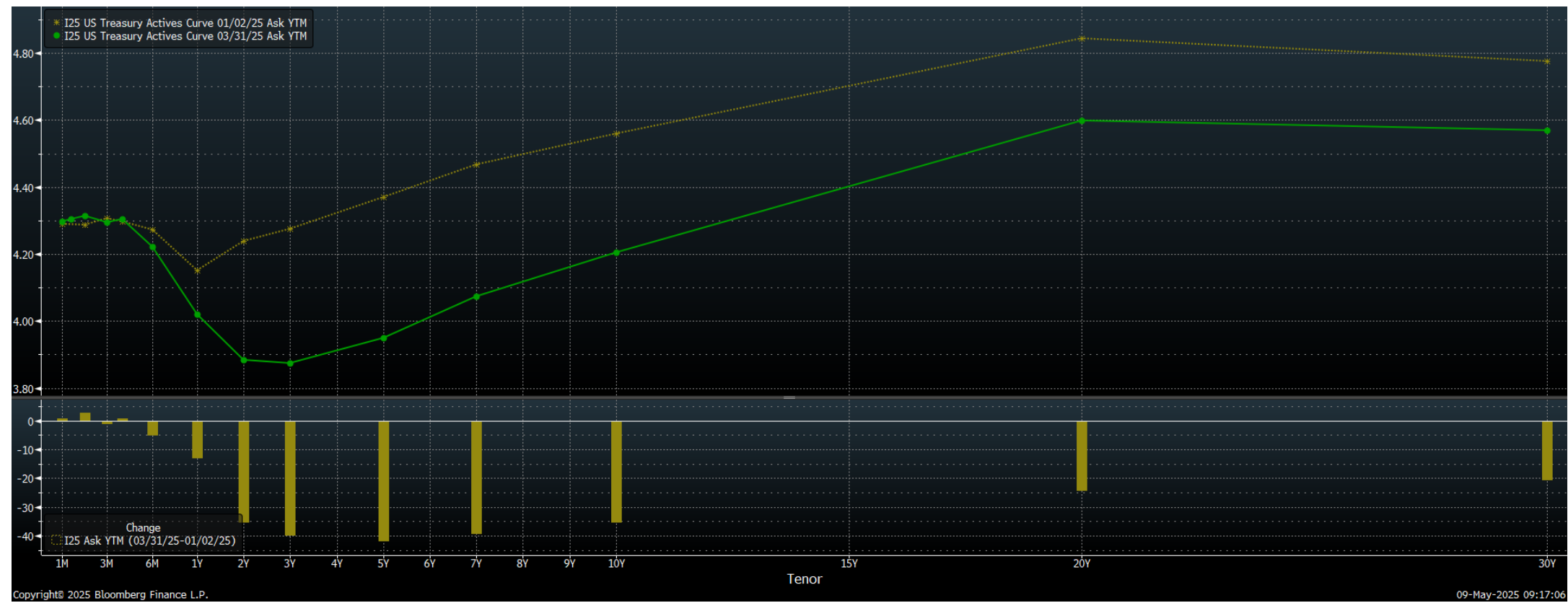
**Active risk stable at levels below what will be seen in a market disruption.**



Source: SBA Analytics and Performance Snapshot, as of 03/31/2025

# U.S. Treasury curve

US Treasury Curve 1/2/2025 vs. 3/31/2025:



Source: Bloomberg Finance L.P.

# US Corporate spreads

## IG Corporate OAS 5Y History

March 2025 vs March 2020



Source: Bloomberg Finance L.P.

# Fixed Income: Looking Forward

- Recruiting update: We onboarded four new staff members:
  - Manager of Systems, Reporting and Analytics
  - Corporate Credit Portfolio Manager
  - External Manager Portfolio Manager
  - Middle Office Analyst
- Continue to refine asset class construction and analysis to achieve alpha target

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# Thank You

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**CONTACT:** Todd Ludgate

**Email:** [todd.ludgate@sbafla.com](mailto:todd.ludgate@sbafla.com)



# INVESTMENT ADVISORY COUNCIL

## **Item 9. Asset Class SIO Updates**

**Trent Webster**, Senior Investment Officer – Strategic Investments

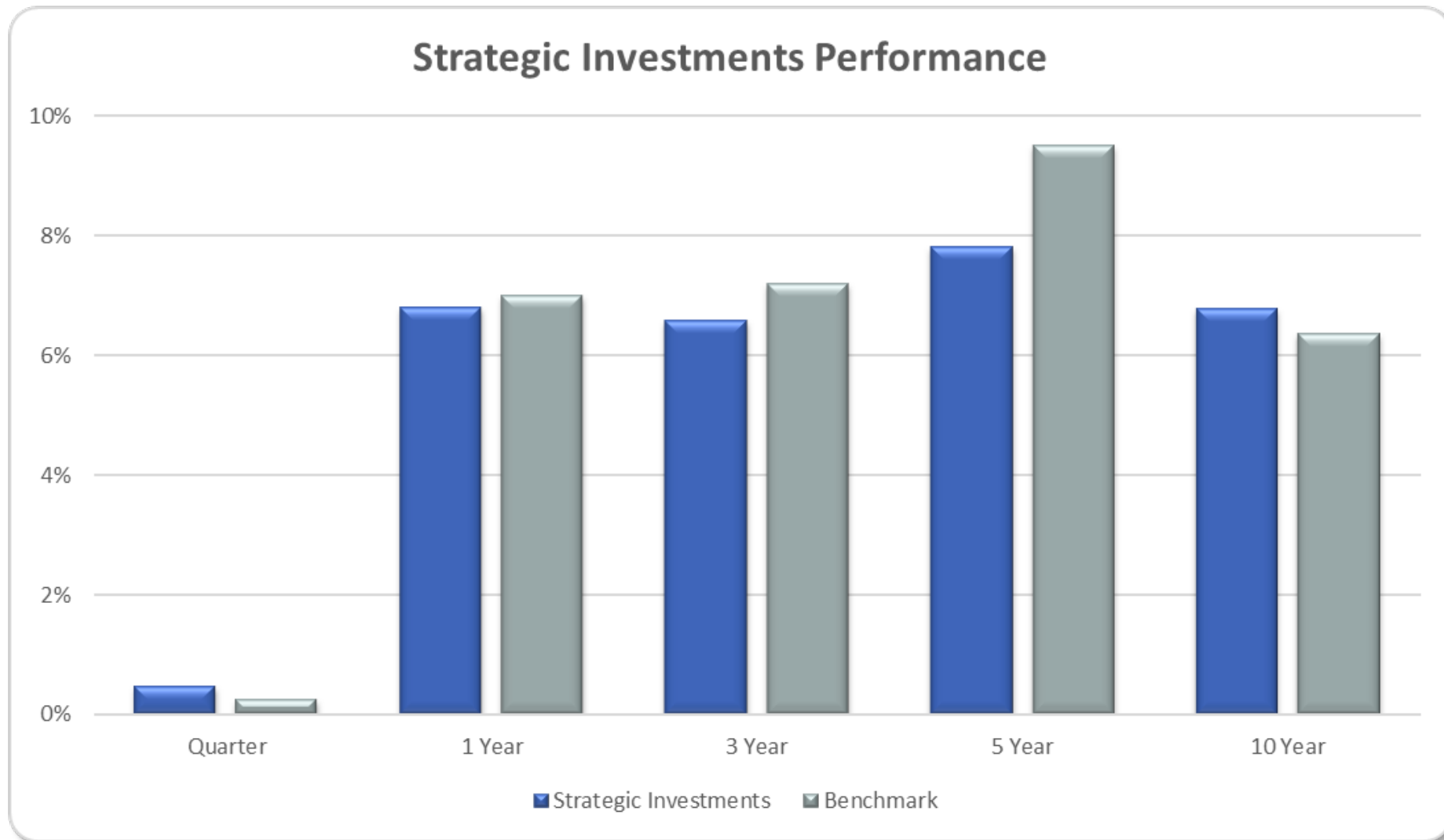
*(See Attachment 9C)*

# INVESTMENT ADVISORY COUNCIL

## Strategic Investments Update

**Trent Webster**, Senior Investment Officer – Strategic Investments

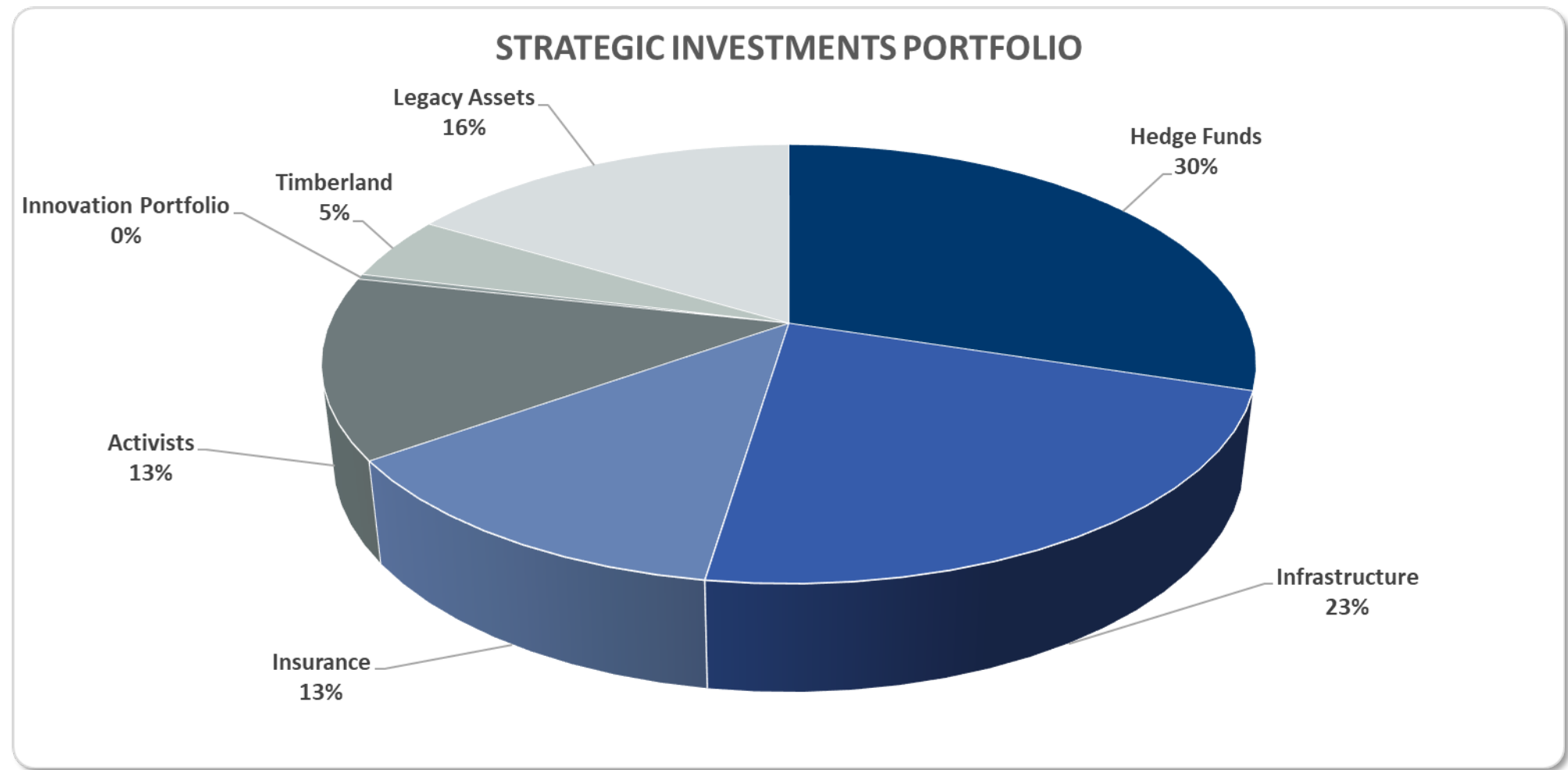
# PERFORMANCE



## RECENT ACTIVITY

- Quarterly cash inflow was \$354 million
- Cash inflow for the fiscal year has been \$675 million
- Added \$70 million to a current fund in the last quarter
- No funds have closed in this quarter
- Ten funds in the Pipeline

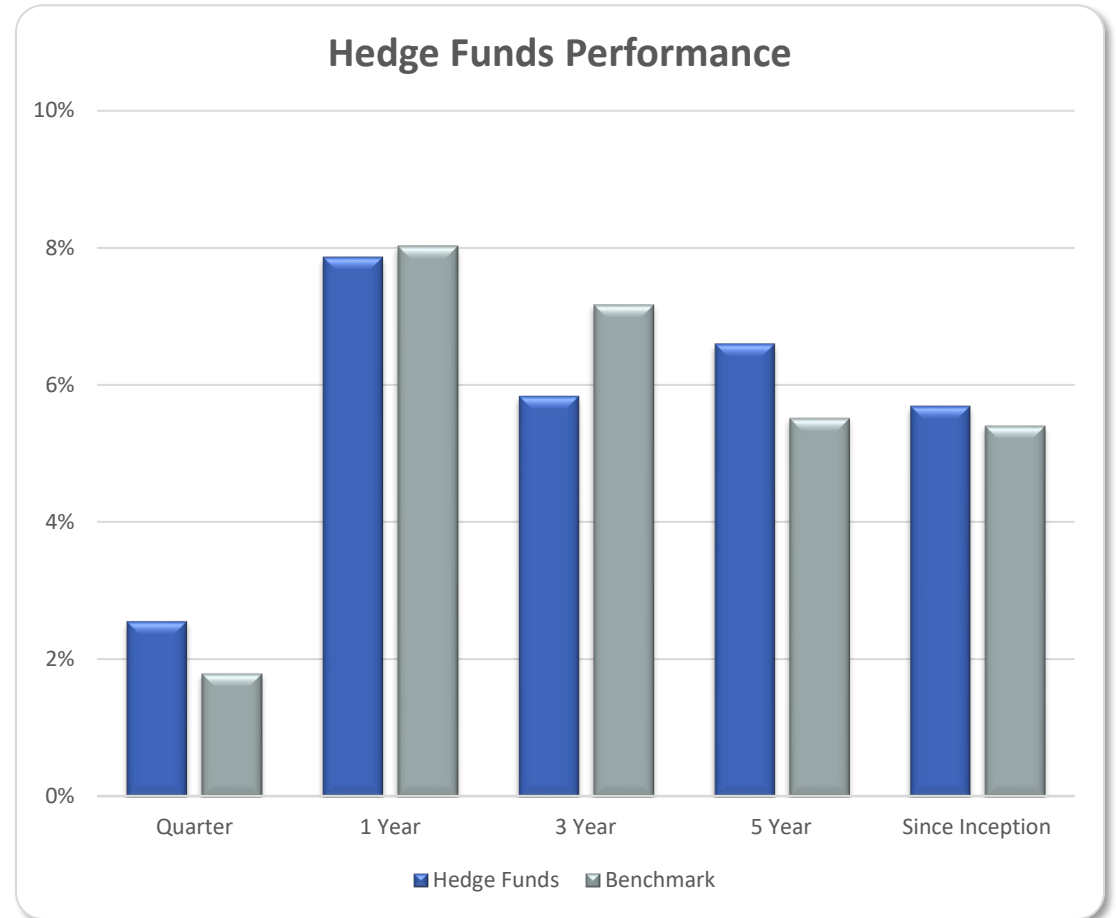
# STRATEGIC INVESTMENTS PORTFOLIO





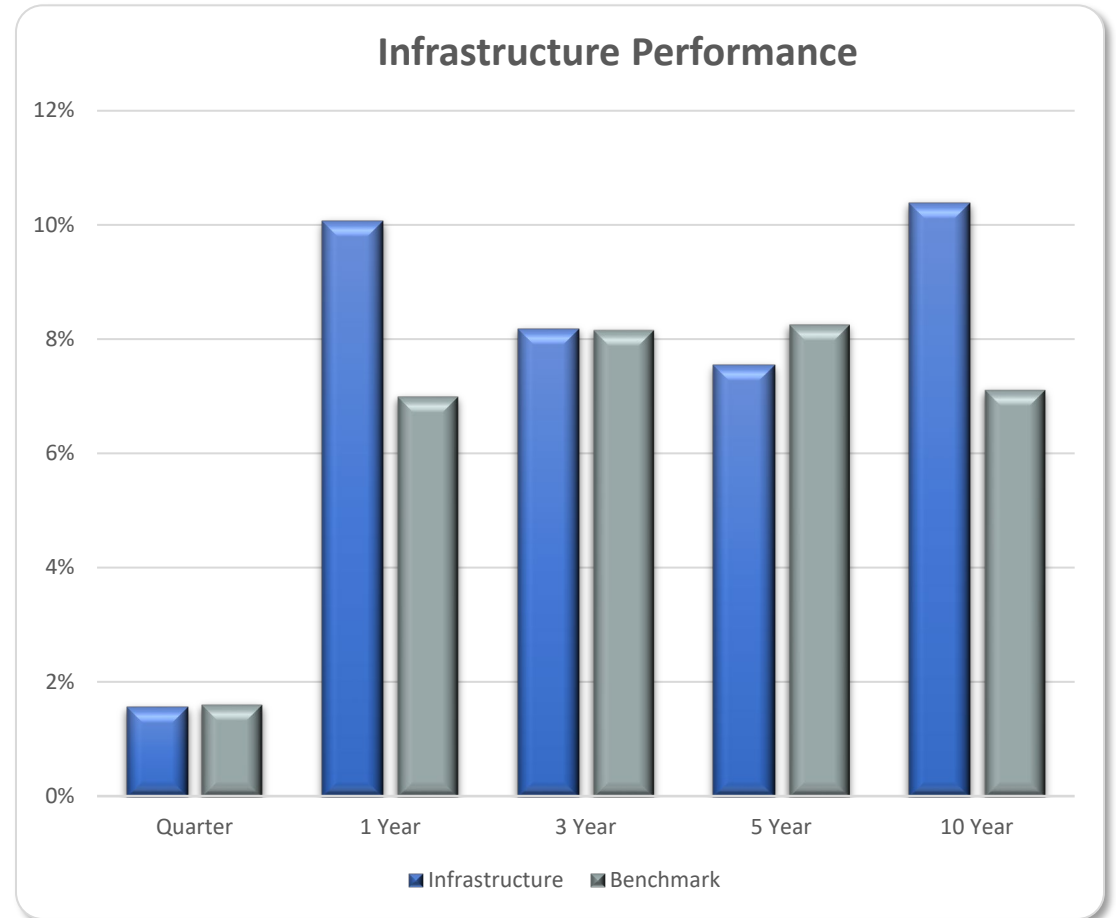
# HEDGE FUNDS

- Target up to 2% of the FRS
- Currently 1.9% of the Total Fund
- Allocation – 80% Diversifying / 20% Growth Hedge Funds
- +1.0% in March v -1.9% for FRS x-SI
- Global Macro, Quant, Relative Value and Diversifying Credit remain of interest
- Three funds in the Pipeline
  - Two Credit Long/Short
  - One Commodities



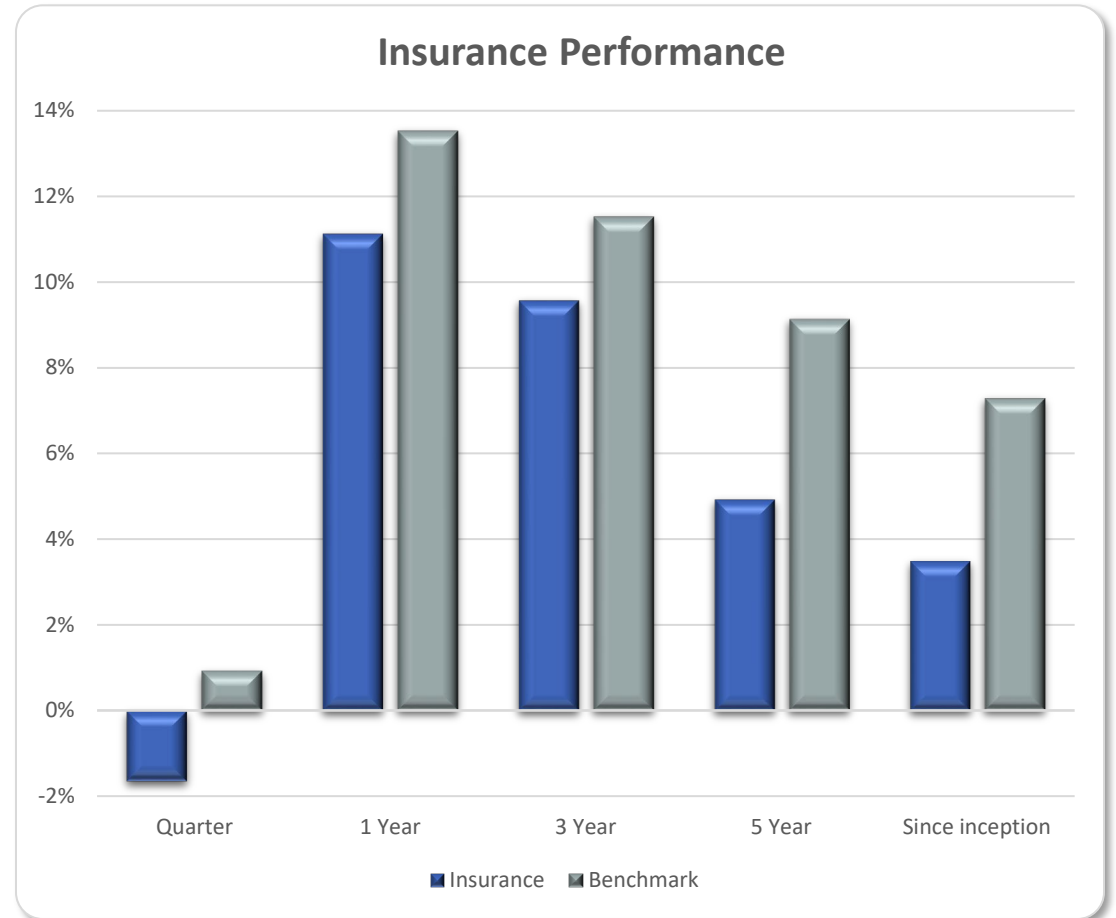
# INFRASTRUCTURE

- Target 1% of the FRS
- Currently 1.4% of the Total Fund
- Focus on
  - Middle Market funds
  - Power / Energy
  - Smaller, opportunistic funds
- Five funds in the Pipeline
  - Two Power
  - One Middle Market Europe
  - One Emerging Markets
  - One Digital Infrastructure



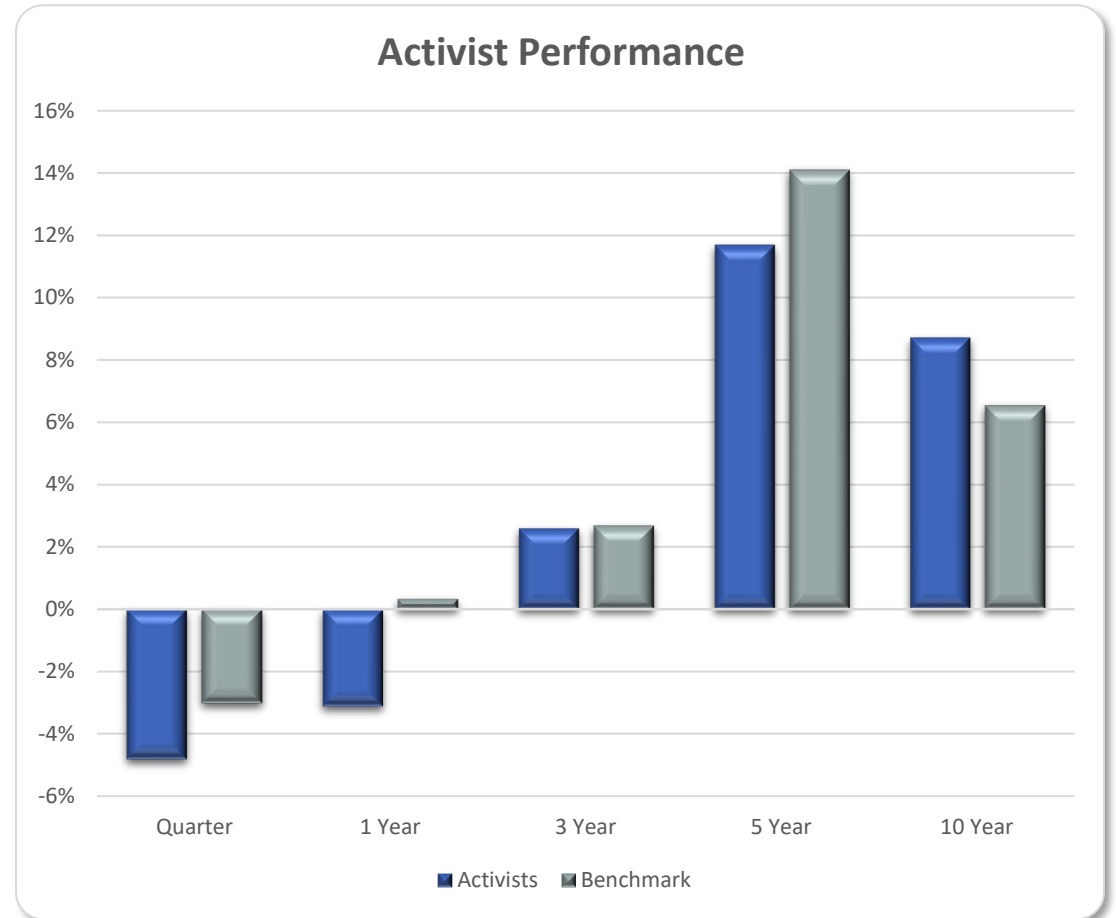
# INSURANCE

- Target up to 1% of the FRS
- Currently 0.8% of the Total Fund
- Hard market remains with slight declines
- California fires impacted funds
- Cat bonds have outperformed
- Considering
  - Specialty Lines
  - Quota Share
- One fund in Pipeline



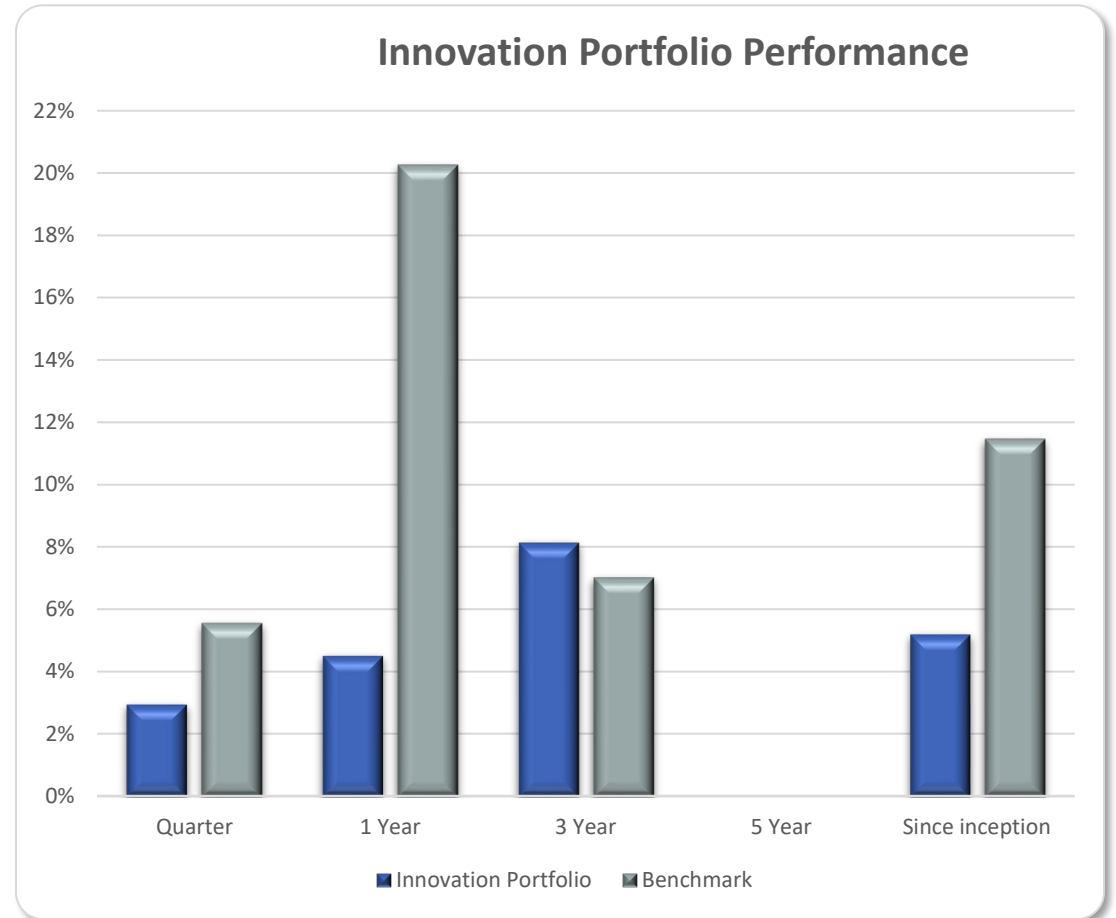
# OPPORTUNISTIC – ACTIVISTS

- Target up to 1% of the FRS
- Currently 0.8% of the Total Fund
- Recent underperformance driven by a few stocks
- Assessing US portfolio – possible restructuring / addition of new manager(s)
- Expect to make an investment in Japan next fiscal year



# OPPORTUNISTIC – INNOVATION PORTFOLIO

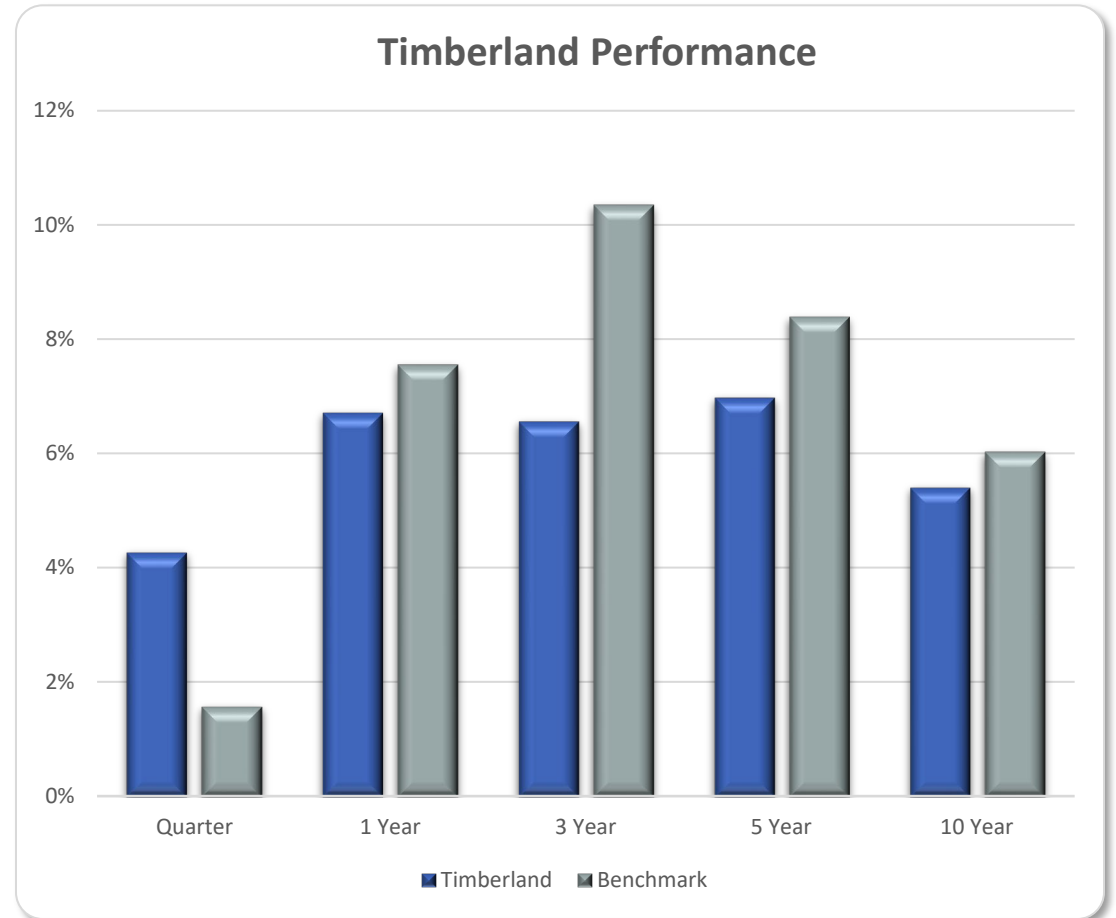
- Currently 0.02% of the Total Fund
- Current investments
  - Spectrum
  - Land bank
- One fund in Pipeline
  - Mitigation banking
- Not expected to be a big allocation





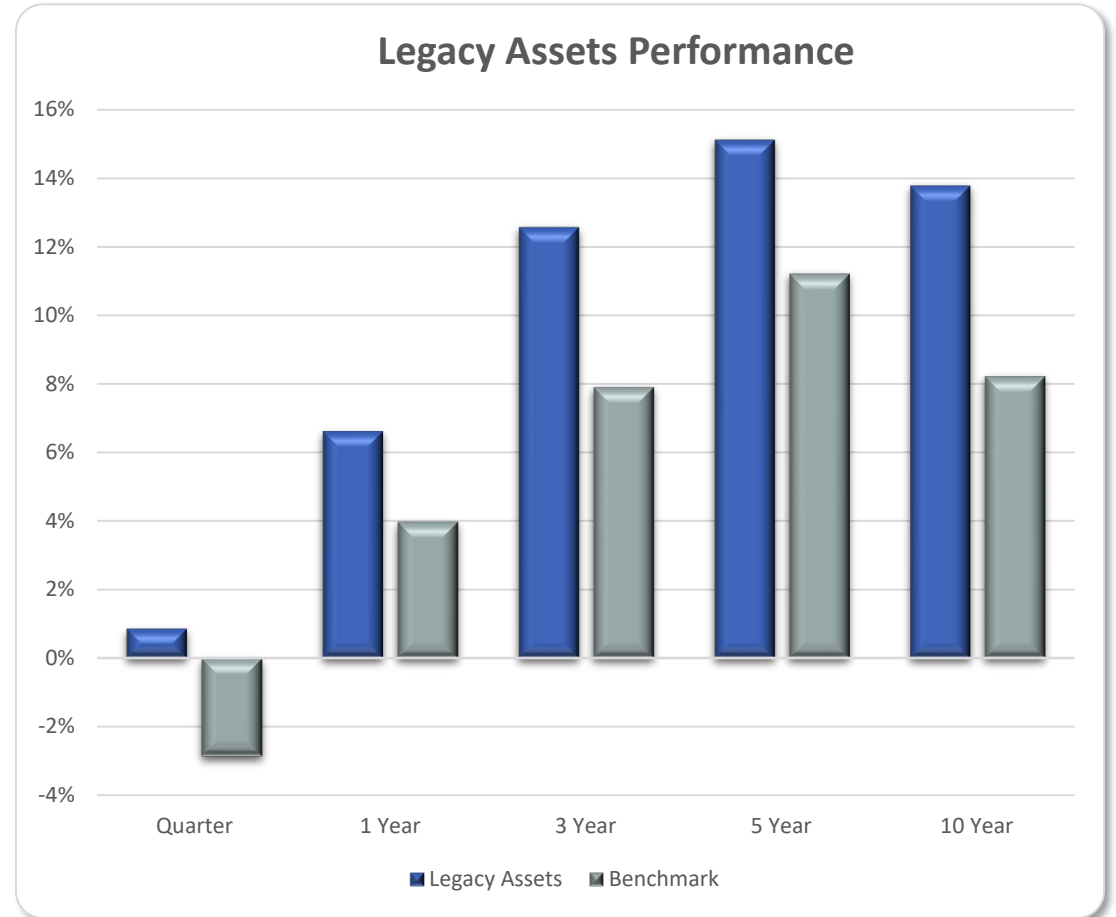
# OPPORTUNISTIC - TIMBERLAND

- Target up to 1% of the FRS
- Currently 0.3% of the Total Fund
- Overweight the South
- May assess portfolio



# OPPORTUNISTIC – LEGACY ASSETS

- Currently 1.0% of the Total Fund
- Funds in run-off
- Private Equity 93%, Real Estate 7%
- Outperformance driven by GP Investments and Private Equity





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**PH:** 850-413-1049

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# Thank You

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**CONTACT:** Trent Webster

**Email:** [Trent.Webster@sbafla.com](mailto:Trent.Webster@sbafla.com)

**PH:** 850-413-1049

# INVESTMENT ADVISORY COUNCIL

## **Item 9. Asset Class SIO Updates**

**John Mogg**, Senior Investment Officer – Active Credit

*(See Attachment 9D)*



# INVESTMENT ADVISORY COUNCIL

## Active Credit Asset Class Update

John Mogg, SIO Active Credit

# Active Credit – Market Update

## Market Volatility:

- Reciprocal tariffs have increased volatility in liquid credit markets.
- Lower-rated issuers and tariff-impacted sectors have seen the most price/spread movement.

## Public Credit Market:

- Orderly market, modestly wider spreads, and contained defaults (BSL: 3.6%, HY: 4.7%).
- Anticipated slowdown in retail flows into direct lending vehicles.
- Significant retail outflows in high yield markets (\$9 billion in April).
- Notable hung bank loan deals
- US institutional loan issuance: \$0.2bn (April 2025) vs. \$40.9bn (April 2024).

## Private Credit Market:

- Expected to be a critical financing channel for borrowers despite public market volatility.
- Stable spreads (450-500 bps) for quality assets
- Lenders may gain more negotiating power, i.e. better loan docs, lower leverage and LTVs.

# Active Credit – Multi-Asset Credit

## Phase I Implementation: Complete

- **Mandates Closed:** Three Multi-Asset Credit (MAC) and three Bank Loan (BL) mandates on April 30
- **Total Commitments:** \$3.3 billion (\$2.25 billion MAC and \$1.05 billion BL)
- **Funding:** Multistage funding over three quarters, first investments on May 1
- **Potential Acceleration:** Funding may accelerate if market conditions become favorable

## Phase II Implementation: In-progress

- **Active Searches:** High Yield and Emerging Market Debt
- **Finalists:**
  - **High Yield Managers:** Two finalists
  - **Emerging Market Debt Managers:** Three finalists
- **Funding Timeline:** In legal negotiations, anticipate Q3 funding, evaluating multistage funding

# Active Credit – Private Credit

## European Direct Lending

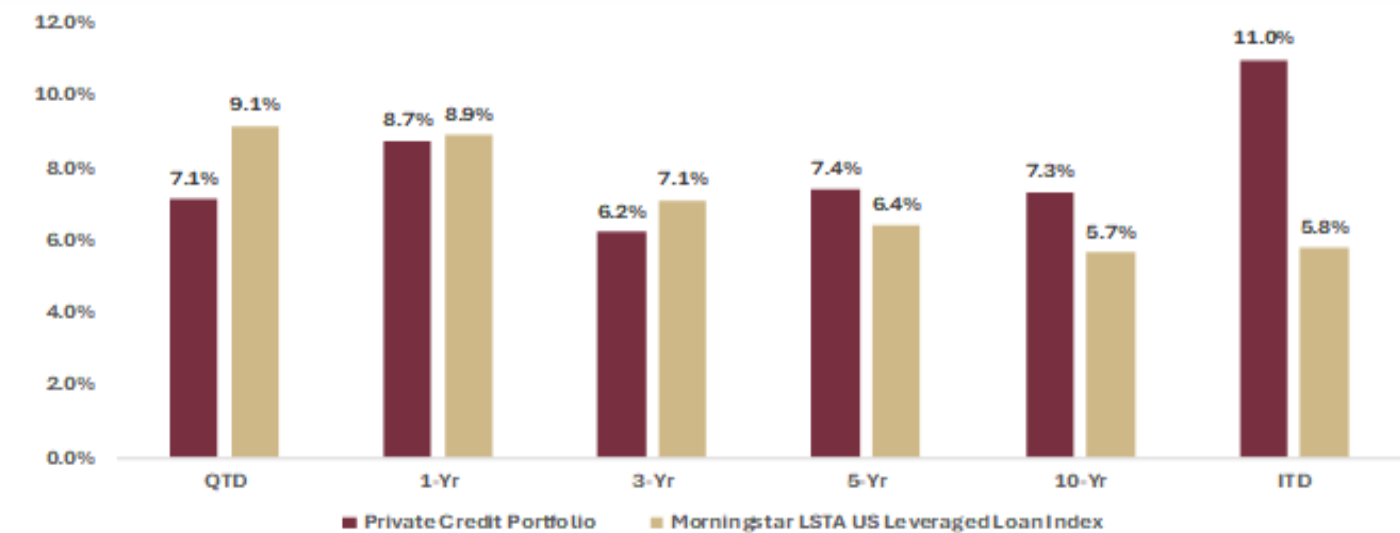
- **Selected Managers:** Three Pan European direct lending managers
- **Total Commitment:** \$1 billion
  - Middle Market: Two managers (\$400 million each)
  - Upper Market: One manager (\$200 million)
- **Portfolio Target:** Consistent with goal of 40-50% in mid-market lending
- **Diversification:** By sponsor, geography, position size, and industry
- **Target Close:** July 31

## US Direct Lending

- **Re-underwrote:** Existing SMA managers
- **Selected Managers:** Three existing managers for additional capital totaling \$1 billion
  - Middle Market SMA: \$500 million
  - Upper-Middle Market SMA: \$300 million
  - Opportunistic: \$200 million
- **Performance:** All managers have exceeded their benchmark since inception
- **Portfolio Target:** Consistent with goal of 40-50% in mid-market lending
- **Target Close:** June 30

# Private Credit Performance

## Private Credit Legacy Portfolio– Internal Rate of Return as of December 31, 2024



Note: The PC benchmark is currently the Morningstar LSTA US Leveraged Loan Index + 175 bps. For this exercise, the 175bps was not included

# INVESTMENT ADVISORY COUNCIL

## **Item 9. Asset Class SIO Updates**

**Lynne Gray**, Senior Investment Officer – Real Estate

*(See Attachment 9E)*



# INVESTMENT ADVISORY COUNCIL

## **Real Estate Asset Class Update** **Lynne Gray, Senior Investment Officer**

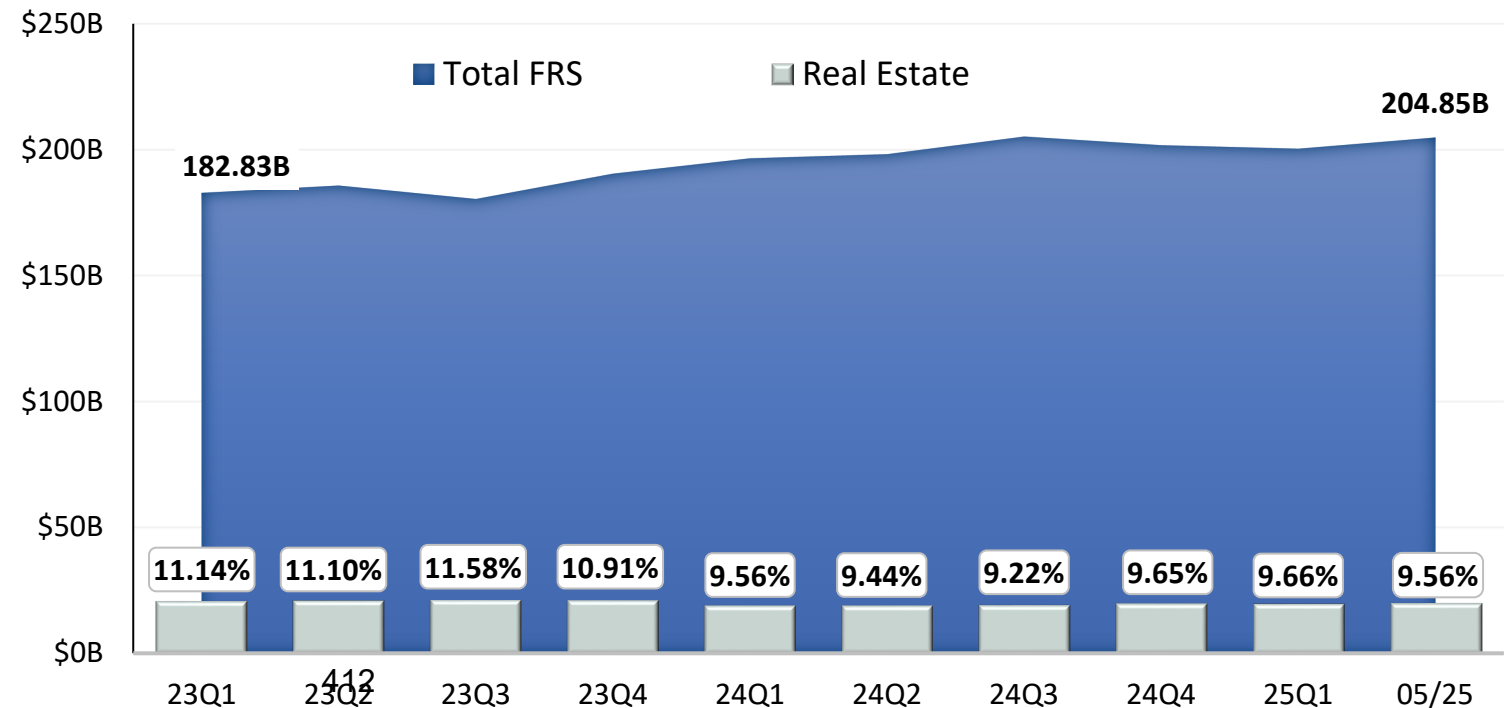
# Real Estate ALLOCATION

Target Allocation: 12%



Allocation Range: 8% - 20%

Allocation as of 05-12-25: 9.56%

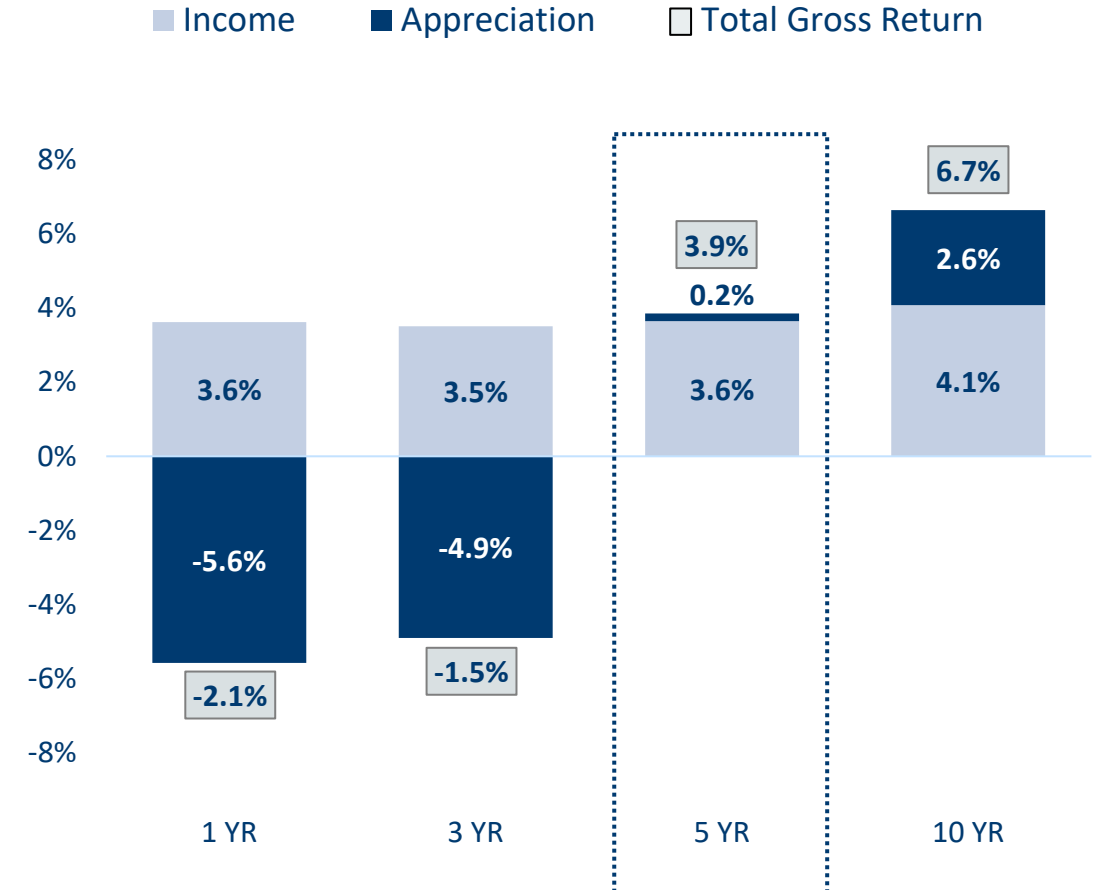
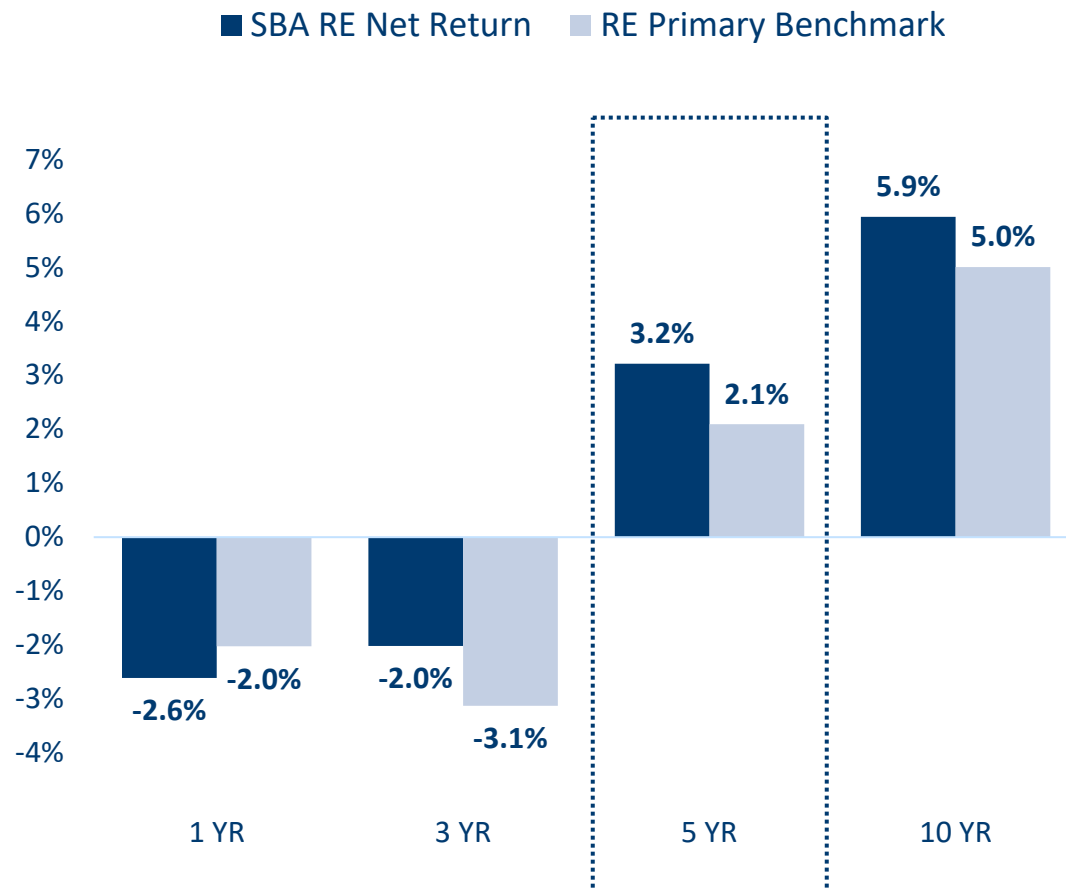


# REAL ESTATE PORTFOLIO PERFORMANCE

as of 12/31/2024

	1 YR		3 YR		5 YR		10 YR	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>SBA RE Portfolio</b>	<b>-2.1%</b>	<b>-2.6%</b>	<b>-1.5%</b>	<b>-2.0%</b>	<b>3.9%</b>	<b>3.2%</b>	<b>6.7%</b>	<b>5.9%</b>
SBA Primary Benchmark	-2.0%		-3.1%		2.1%		5.0%	

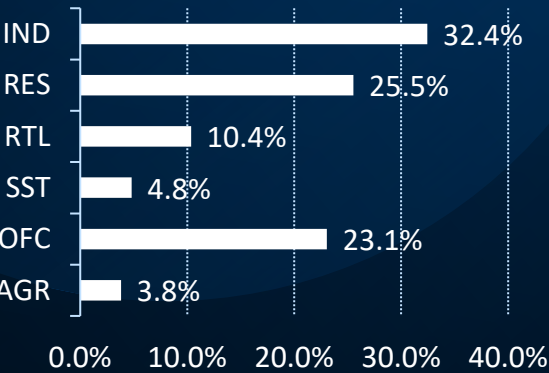
The portfolio seeks to outperform a weighted benchmark comprised of 83.3% NFI-ODCE (net of fees) and 16.7% NFI ODCE (net of fees) +150 bps over a rolling five-year periods.



# Principal Investments Return Contribution by Property Type

As of 12/31/24

Principal Investments  
Property Type Diversification

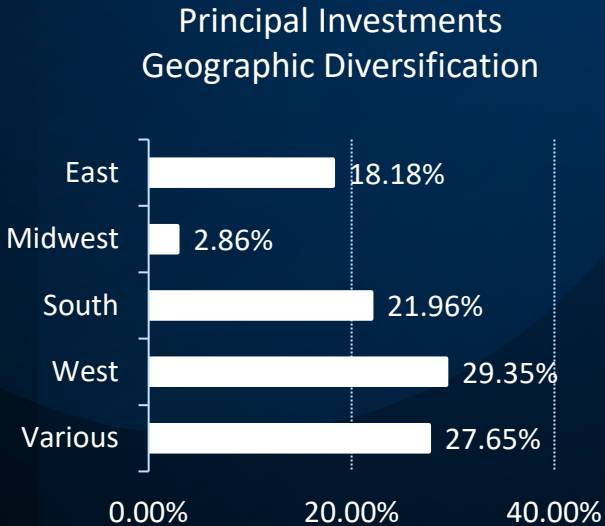


Source: Townsend Group  
\*TWR = Time Weighted Return

PROPERTY TYPE	1 YR	3 YR	5 YR	10 YR
IND - Industrial	-0.178%	2.269%	2.874%	2.381%
IND - Cold Storage	0.047%	0.025%	0.014%	0.007%
RES - Apartment	-0.591%	-1.251%	0.323%	0.971%
RES - Student Housing	0.328%	0.396%	0.359%	0.316%
RES - Single Family Rental	-0.019%	-0.007%	-0.004%	-0.002%
RES - Senior Housing	0.000%	0.000%	-0.047%	-0.024%
RES - Manufactured Housing	0.047%	0.101%	0.047%	0.025%
RTL - Retail	0.131%	0.144%	0.081%	0.546%
SST - Self Storage	-0.122%	-0.040%	0.370%	0.314%
OFC - Office	-1.698%	-2.257%	-0.542%	1.015%
OFC - Medical Office	-0.066%	-0.094%	0.293%	0.267%
OFC - Life Science	-0.291%	-0.108%	-0.058%	-0.031%
AGR - Agriculture	-0.394%	-0.288%	-0.148%	0.062%
PI Portfolio Total TWR*, net	-2.805%	-1.111%	3.561%	5.847%
ODCE <sup>414</sup> Total, net	-2.300%	-3.100%	2.000%	4.900%

# Principal Investments Return Contribution by Region

As of 12/31/24



Source: Townsend Group  
\*TWR = Time Weighted Return

REGION   PROPERTY TYPE	1 YR	3 YR	5 YR	10 YR
East	-0.544%	-1.031%	0.003%	0.735%
Apartment	-0.010%	-0.087%	0.118%	0.183%
Industrial	0.244%	0.158%	0.268%	0.258%
Office	-0.881%	-1.142%	-0.416%	0.206%
Retail	0.103%	0.040%	0.033%	0.089%
Midwest	0.122%	0.137%	0.161%	0.175%
Apartment	0.000%	0.000%	0.000%	0.049%
Industrial	0.122%	0.137%	0.161%	0.126%
South	0.338%	0.165%	0.917%	1.121%
Apartment	0.028%	-0.033%	0.380%	0.535%
Industrial	0.356%	0.407%	0.348%	0.270%
Office	-0.244%	-0.335%	0.116%	0.199%
Retail	0.197%	0.126%	0.074%	0.118%
West	-2.795%	-1.188%	0.721%	2.170%
Apartment	-0.610%	-1.131%	-0.176%	0.205%
Industrial	-1.285%	0.695%	1.080%	0.968%
Life Science	-0.291%	-0.108%	-0.058%	-0.031%
Office	-0.573%	-0.780%	-0.242%	0.610%
Retail	-0.169%	-0.022%	-0.026%	0.339%
Student Housing	0.131%	0.159%	0.142%	0.079%
Various	0.074%	0.805%	1.759%	1.645%
Agriculture	-0.394%	-0.288%	-0.148%	0.062%
Cold Storage	0.047%	0.025%	0.014%	0.007%
Industrial	0.385%	0.872%	1.017%	0.759%
Manufactured Housing	0.047%	0.101%	0.047%	0.025%
Medical Office	-0.066%	-0.094%	0.293%	0.267%
Retail	0.000%	0.000%	0.000%	0.000%
Self Storage	-0.122%	-0.040%	0.370%	0.314%
Senior Housing	0.000%	0.000%	-0.047%	-0.024%
Single Family Rental	-0.019%	-0.007%	-0.004%	-0.002%
Student Housing	0.197%	0.238%	0.218%	0.237%
PI Portfolio Total TWR*, net	-2.805%	-1.111%	3.561%	5.847%
ODCE Total, net	-2.300%	-3.100%	2.000%	4.900%

# PRINCIPAL INVESTMENTS

## Property Type Attribution

- **Allocation Effect:** The allocation effect measures the result of the portfolio's ability to effectively allocate capital to each property type. The allocation effect determines whether the overweighting or underweighting of each property type relative to the benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is overweighted in a segment that outperforms the benchmark and underweighted in a segment that underperforms the benchmark. Negative allocation occurs when the portfolio is overweighted in a segment that underperforms the benchmark and underweighted in a segment that outperforms the benchmark.
- **Selection Effect:** The selection effect measures the portfolio's ability to select investments within a given property type relative to the portfolio's benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the property type. The weight of the property type determines the size of the effect. For example, the larger the portfolio type, the larger the effect is, positive or negative.
- **Cross Effect or Interaction Effect:** The cross (or interaction) effect measures the combined impact of the portfolio's selection and allocation decisions. For example, if the portfolio had a superior selection and overweighted that particular property type, the interaction effect is positive. If the portfolio had a superior selection, but underweighted that property type, the interaction effect is negative.

Attribution Analysis of Prior Twenty Quarters (Five Years, Q1 2019 - Q4 2024)

Property Type	Weight Portfolio	Gross Return Portfolio	Weight Index	Gross Return Index	SBA FL Value Added: 5 Years as of 12/31/2024				
					Property	Allocation	Selection	Cross	Total
Industrial	21.49%	18.51%	28.48%	12.57%	Industrial	-0.66%	1.69%	-0.42%	0.62%
Apartment	25.85%	2.76%	27.42%	4.22%	Apartment	-0.02%	-0.40%	0.02%	-0.40%
Retail	12.22%	1.00%	15.59%	0.67%	Retail	0.08%	0.05%	-0.01%	0.12%
Office	30.45%	-1.84%	28.19%	-4.57%	Office	-0.17%	0.77%	0.06%	0.66%
Hotel	0.00%	0.00%	0.33%	0.29%	Hotel	0.01%	0.00%	0.00%	0.01%
<b>Attribution Total</b>	<b>90.02%</b>	<b>4.25%</b>	<b>100.00%</b>	<b>3.13%</b>	<b>Attribution Total</b>	<b>-0.76%</b>	<b>2.11%</b>	<b>-0.34%</b>	<b>1.01%</b>
Other*	9.98%	-3.25%							
<b>Portfolio Total</b>	<b>100.00%</b>	<b>3.93%</b>							

\*Other includes agriculture and self storage



# PRINCIPAL INVESTMENTS

## Geographic Attribution

- **Allocation Effect:** The allocation effect measures the result of the portfolio's ability to effectively allocate capital to each property type. The allocation effect determines whether the overweighting or underweighting of each property type relative to the benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is overweighted in a segment that outperforms the benchmark and underweighted in a segment that underperforms the benchmark. Negative allocation occurs when the portfolio is overweighted in a segment that underperforms the benchmark and underweighted in a segment that outperforms the benchmark.
- **Selection Effect:** The selection effect measures the portfolio's ability to select investments within a given property type relative to the portfolio's benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the property type. The weight of the property type determines the size of the effect. For example, the larger the portfolio type, the larger the effect is, positive or negative.
- **Cross Effect or Interaction Effect:** The cross (or interaction) effect measures the combined impact of the portfolio's selection and allocation decisions. For example, if the portfolio had a superior selection and overweighted that particular property type, the interaction effect is positive. If the portfolio had a superior selection, but underweighted that property type, the interaction effect is negative.

Attribution Analysis of Prior Twenty Quarters (Five Years, Q1 2019 - Q4 2024)

Region	Weight Portfolio	Gross Return Portfolio	Weight Index	Gross Return Index	SBA FL Value Added: 5 Years as of 12/31/2024				
					Region	Allocation	Selection	Cross	Total
East	20.86%	-1.65%	29.95%	1.33%	East	0.16%	-0.89%	0.27%	-0.46%
Midwest	1.73%	10.70%	7.48%	1.85%	Midwest	0.07%	0.66%	-0.51%	0.23%
South	18.57%	6.15%	21.86%	5.57%	South	-0.08%	0.13%	-0.02%	0.03%
West	33.83%	2.68%	40.71%	3.39%	West	-0.02%	-0.29%	0.05%	-0.26%
<b>Attribution Total</b>	<b>74.98%</b>	<b>1.89%</b>	<b>100.00%</b>	<b>3.13%</b>	<b>Attribution Total</b>	<b>0.14%</b>	<b>-0.39%</b>	<b>-0.21%</b>	<b>-0.46%</b>
Various US*	25.02%	8.16%							
Portfolio Total	100.00%	3.93%							

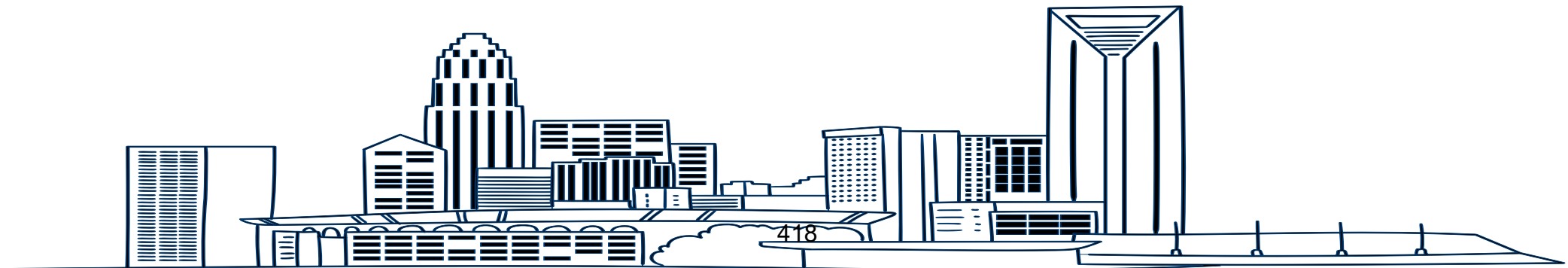
\*Includes multi property, multi region investments that report performance at the total investment level.

Source: Townsend Group

# REAL ESTATE TRANSACTION ACTIVITY

(Since Last IAC Report)

Principal Investments	Externally Managed
<b>Acquisitions (Equity)</b>	<b>New Commitments</b>
<input type="checkbox"/> Apartment \$ 43.4 million	<input type="checkbox"/> Global Opportunistic Fund \$150 million
<input type="checkbox"/> Single Family Rental \$ 54.1 million	
<input type="checkbox"/> Student Housing \$ 50.2 million	
<input type="checkbox"/> Retail \$ 9.0 million	
<b>Dispositions</b>	
<input type="checkbox"/> Student Housing \$ 89.5 million	
<b>Credit Facility Loans</b>	
<input type="checkbox"/> Industrial \$ 51.8 million	

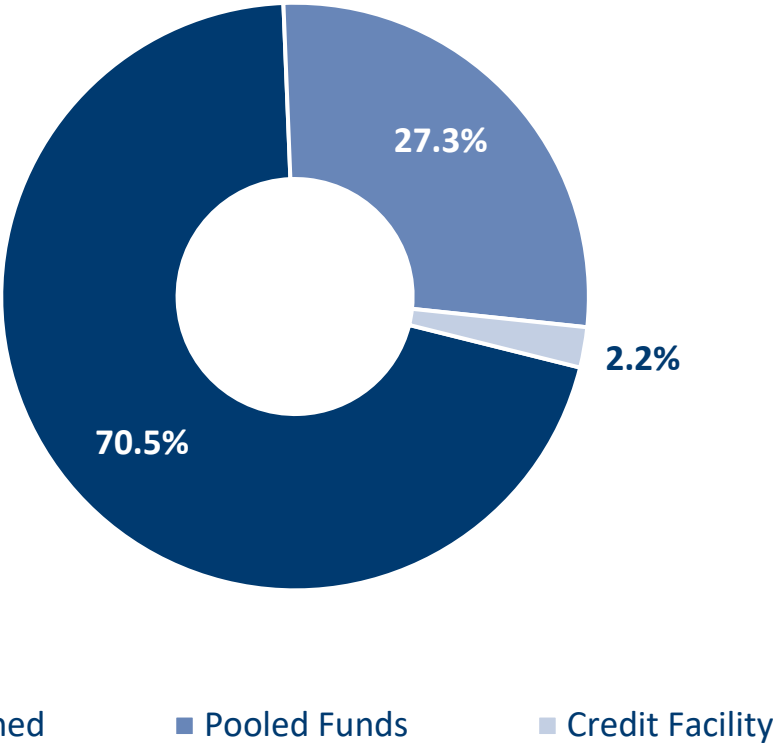


# REAL ESTATE PORTFOLIO COMPOSITION

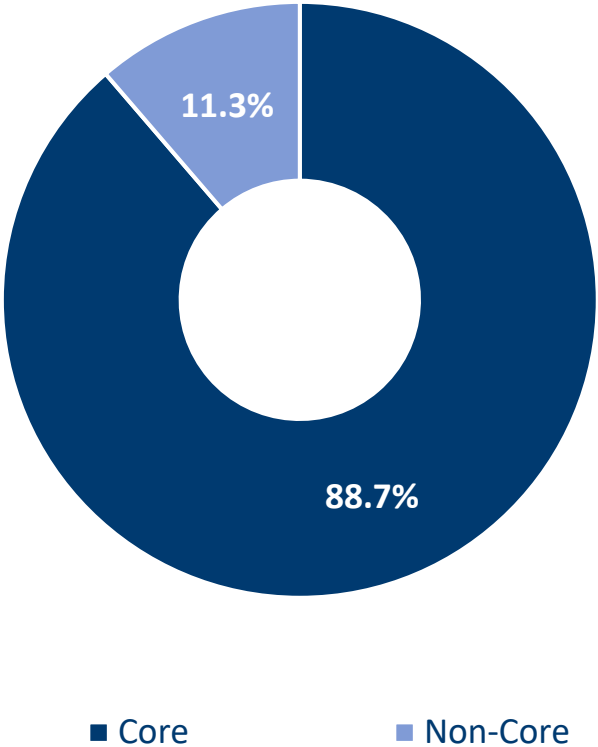
as of 12/31/2024

Total Portfolio NAV: \$19.47B

INVESTMENT VEHICLE



RISK PROFILE

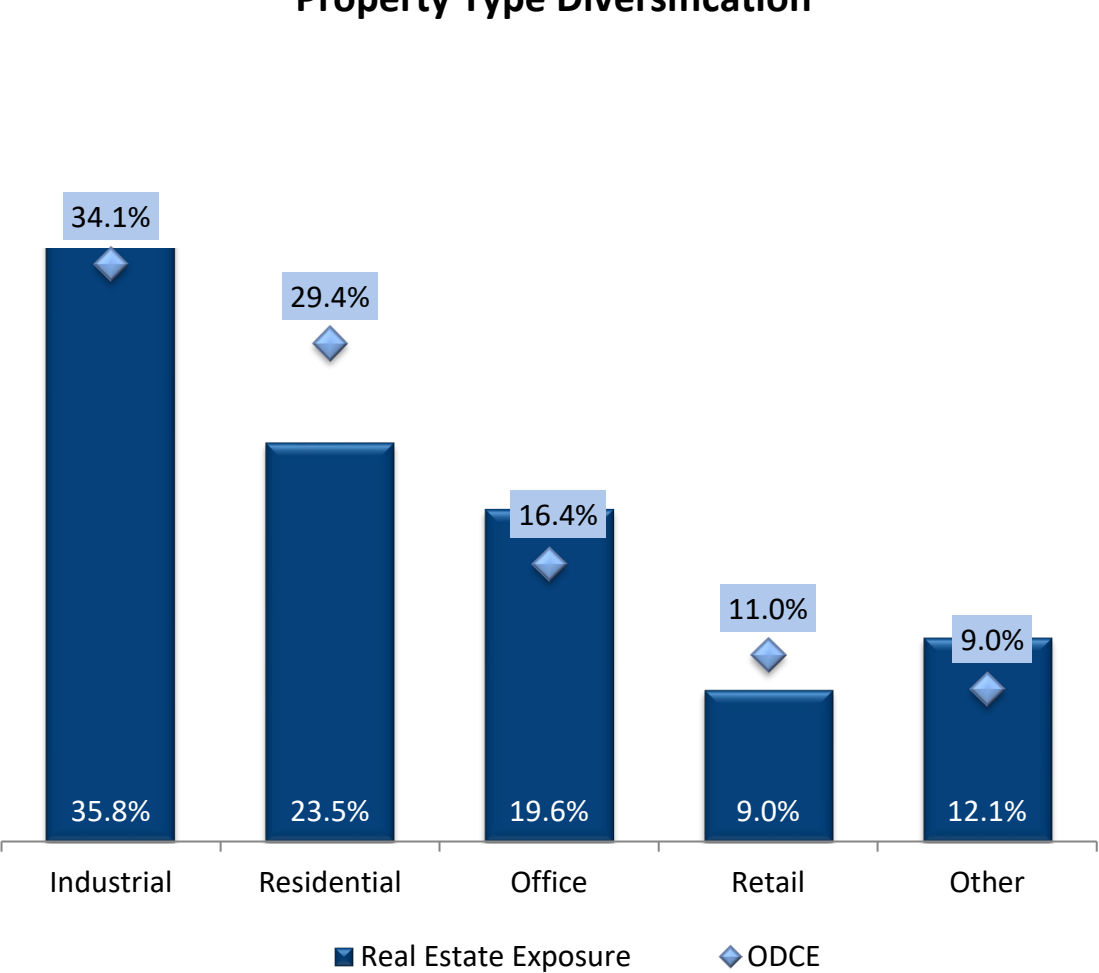


# REAL ESTATE PORTFOLIO DIVERSIFICATION

as of 12/31/2024

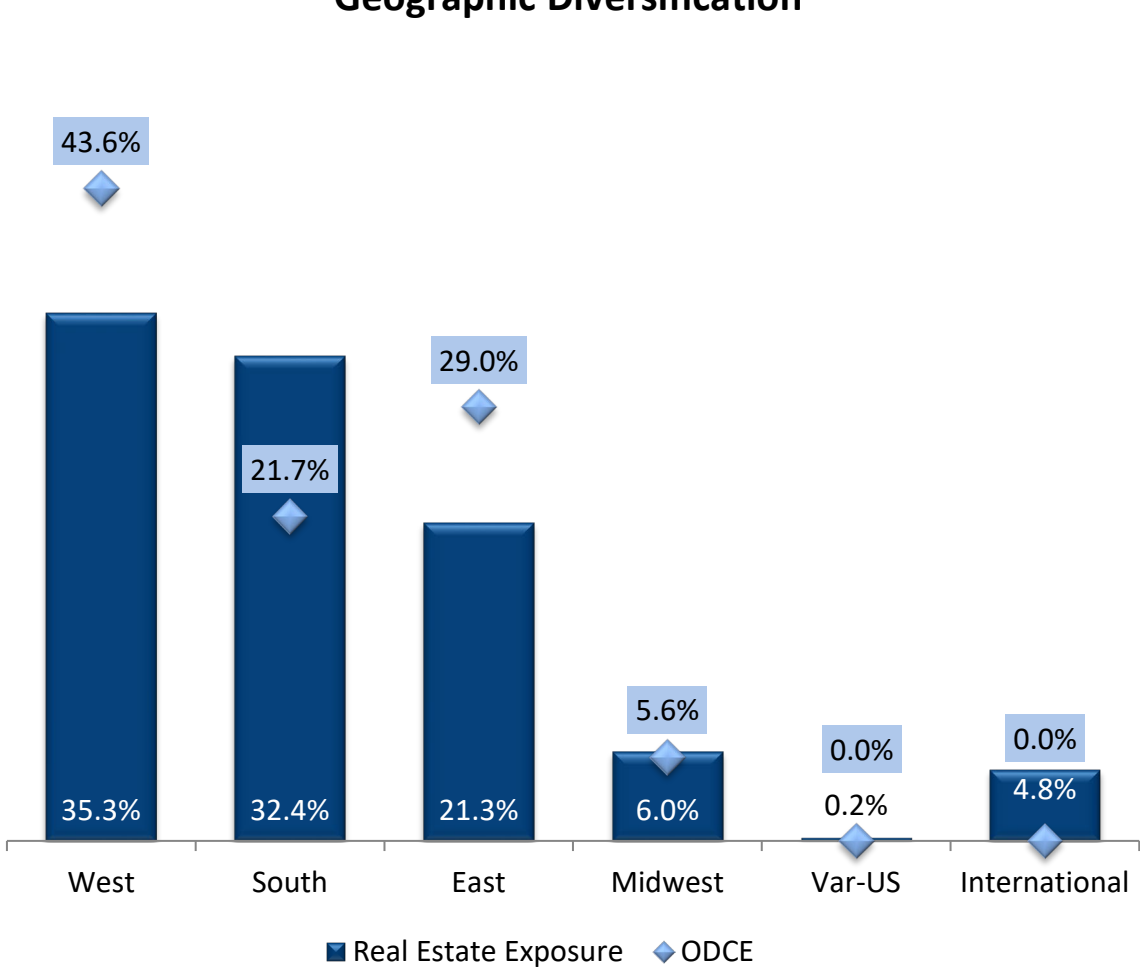
Total Portfolio NAV: \$19.47B

Property Type Diversification



Other includes Agriculture, Self Storage, Data Centers, Hotel, Land.

Geographic Diversification



# REAL ESTATE PORTFOLIO LEVERAGE

as of 12/31/2024

## Portfolio Leverage

<b>Total Portfolio Loan to Value (“LTV”)</b>	<b>27.97%</b>
Principal Investments	22.00%
Externally Managed	40.07%
<b>NFI – ODCE LTV</b>	<b>26.80%</b>

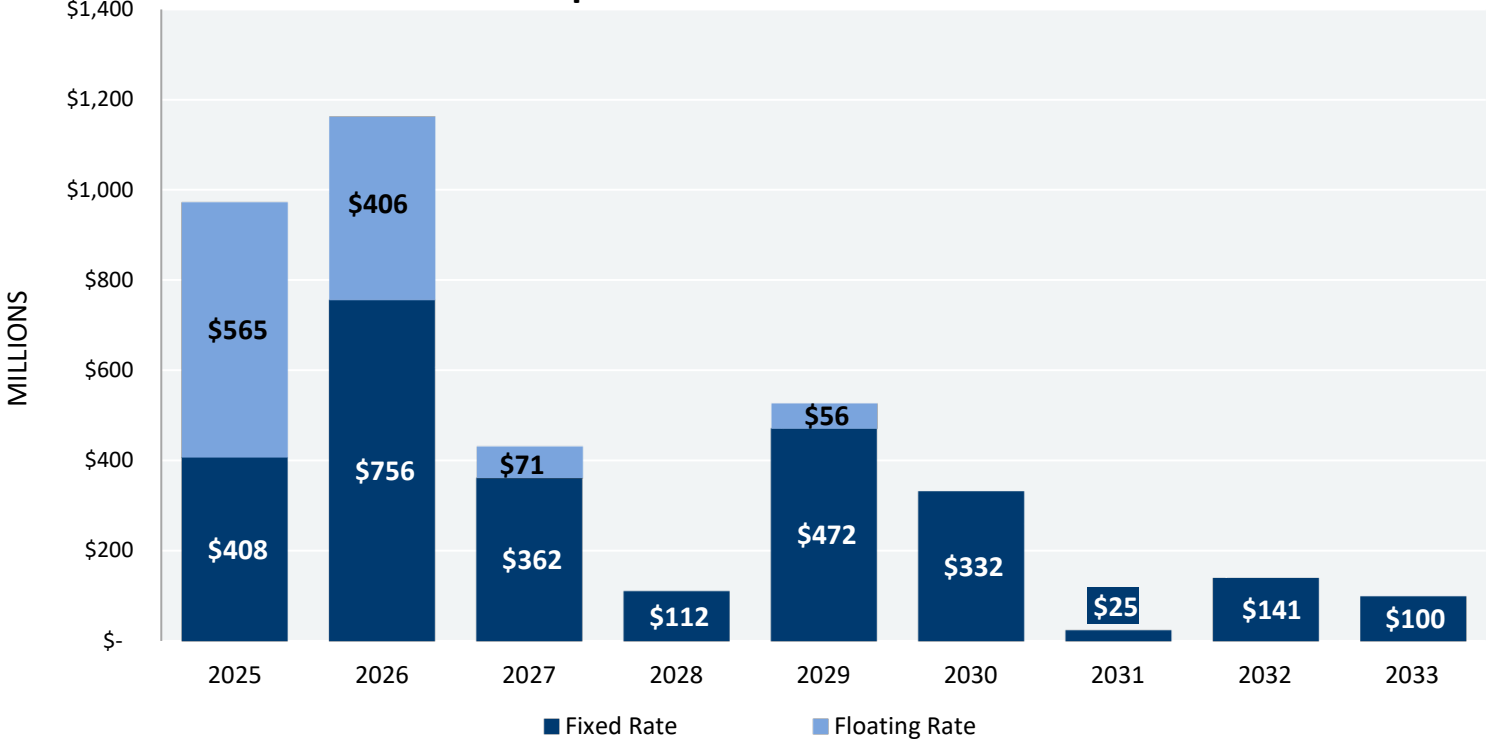
## Investment Portfolio Guidelines

**Total Portfolio Leverage** is limited to **40% LTV**

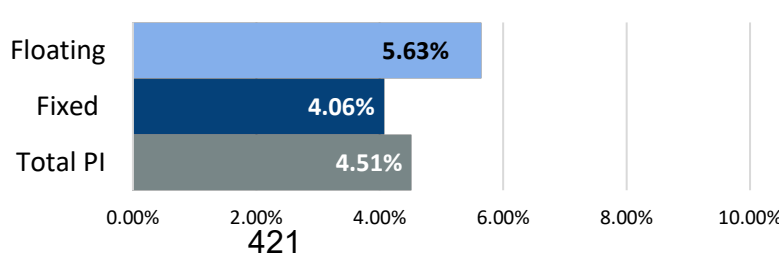
### Principal Investments

- ☐ Leverage is limited to 35% LTV
- ☐ Individual 100% Owned Asset Level limited to 50% LTV
- ☐ Joint Venture Individual Asset Level limited to 70% LTV
- ☐ All leverage nonrecourse to SBA

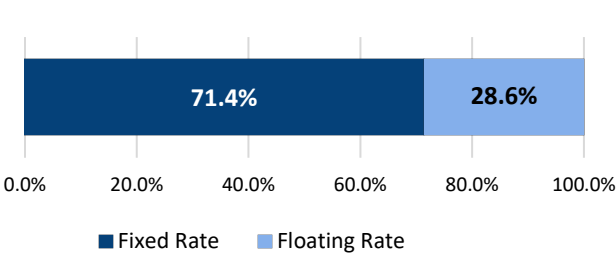
## Principal Investment Debt Maturities



## Weighted Average Cost of Debt



## Debt Diversification



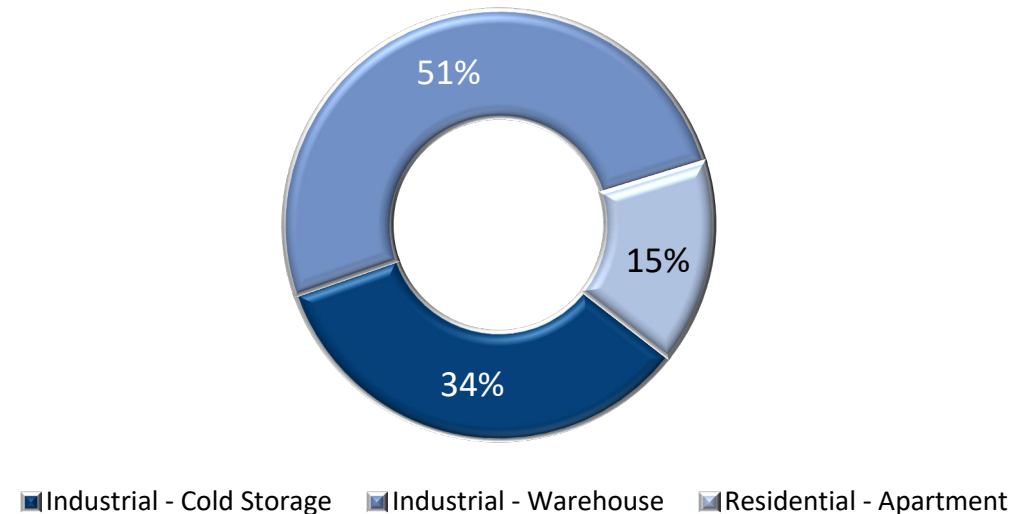
# CREDIT FACILITY PROGRAM

<b>Credit Type:</b>	Revolving credit facility
<b>Term:</b>	3 years, Maturity March 2026
<b>Extensions:</b>	Two 1-year extension options
<b>Rate:</b>	SOFR + Spread
<b>Amount:</b>	\$750,000,000
<b>Accordion Feature:</b>	\$250,000,000

Status	Loan Amount	Average Loan-to-cost
Closed	\$ 811,200,000	57.37%
In Progress	-	-
Pipeline	-	-
Total Activity	\$811,200,000	57.37%

In March 2023, SBA entered into a Revolving Credit Agreement for the purpose of making downstream loans to the SBA's direct owned real estate investments. This program may provide financing for construction projects, major capital projects, and short-term bridge loans to wholly owned and joint venture investments.

**Loan Activity**





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# Thank You

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CONTACT: Lynne Gray  
Email: [lynne.gray@sbafla.com](mailto:lynne.gray@sbafla.com)  
PH: 850-413-1145

# INVESTMENT ADVISORY COUNCIL

## **Item 9. Asset Class SIO Updates**

**Mike McCauley**, Senior Officer – Investment Programs & Governance

*(See Attachment 9F)*

# INVESTMENT ADVISORY COUNCIL

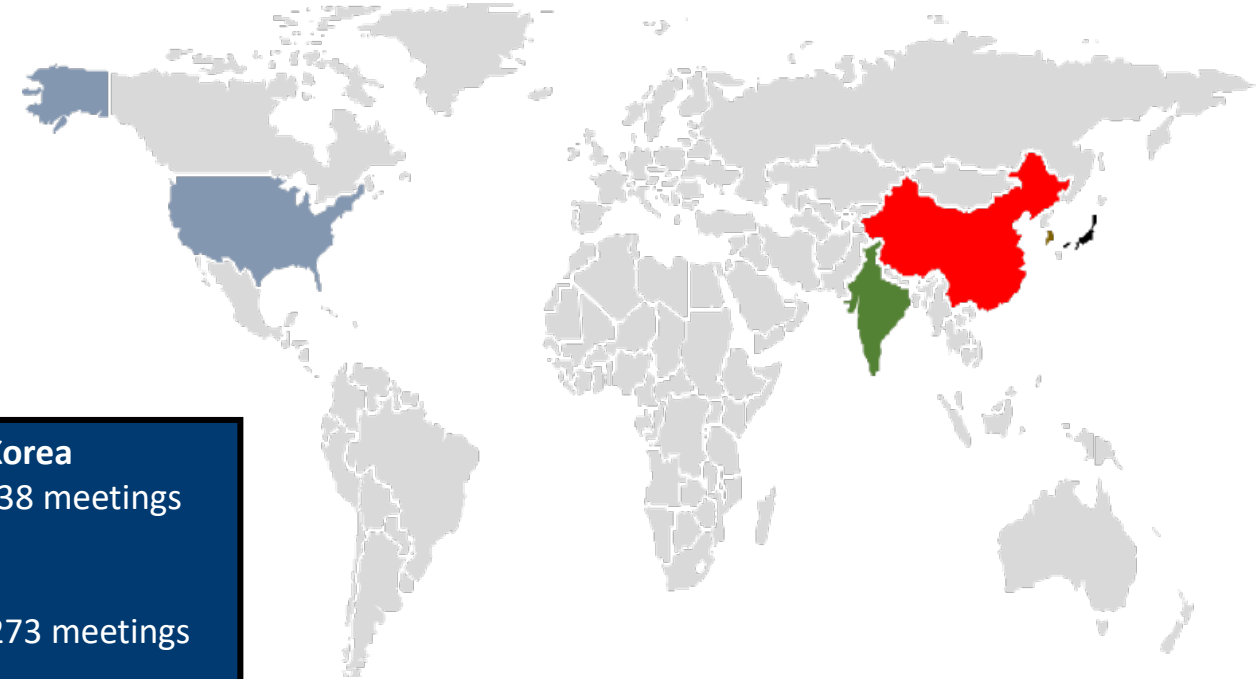
Investment Programs & Governance (IP&G)

## **Corporate Governance—Quarterly Review**

Michael McCauley, Senior Officer

# Global Proxy Voting Q1/2025

Voting Category	CY2024	Q1 2025
Total Meetings Voted	12,384	<b>1,714</b>
Individual Ballot Items Voted	113,022	<b>12,555</b>
Markets Voted	68	<b>46</b>
Total Companies Votes	9,164	<b>1,590</b>
% Total Votes "For"	82.4%	<b>83.7%</b>
% Total Votes "Against"	15.5%	<b>15%</b>
% Total Votes "Abstain" or Do Not Vote (DNV)	2.1%	<b>1.3%</b>
% Total Votes Against Management Recommended Vote (MRV)	15.3%	<b>14.4%</b>
% of Director Elections "For"	81.6%	<b>83%</b>
% of Compensation Items "For"	69.9%	<b>77.2%</b>
% of Merger-Acquisition Items "For"	96.4%	<b>72.3%</b>
% of All Shareowner Proposals (SHPs) "For"	22.1%	<b>30.8%</b>



## South Korea

✓ 438 meetings

## India

✓ 273 meetings

## China

✓ 268 meetings

## United States

✓ 177 meetings

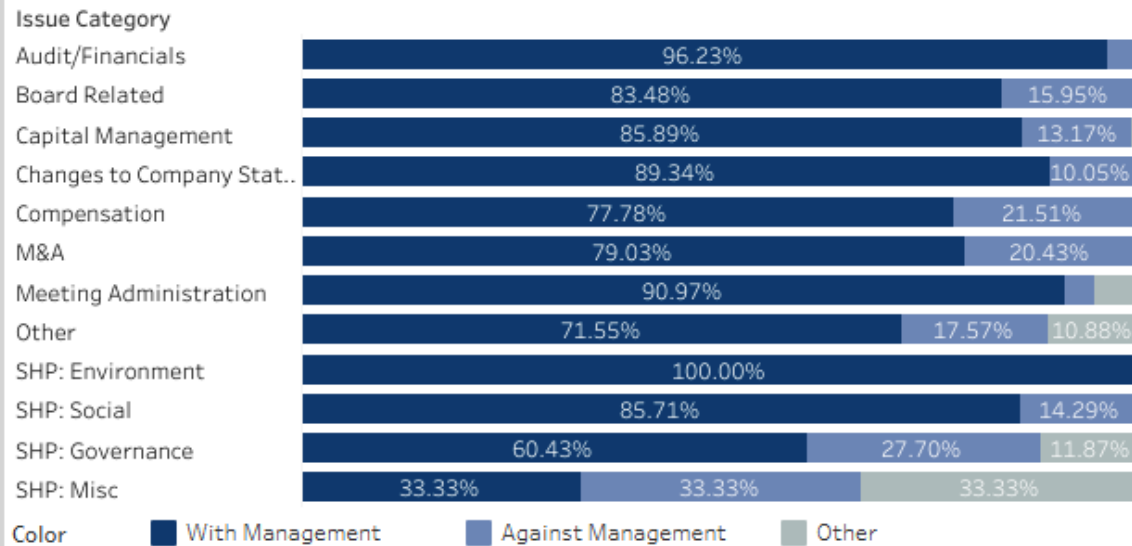
## Japan

✓ 169 meetings

# SBA Voting—Major Ballot Categories (All Markets, Q1/2025)

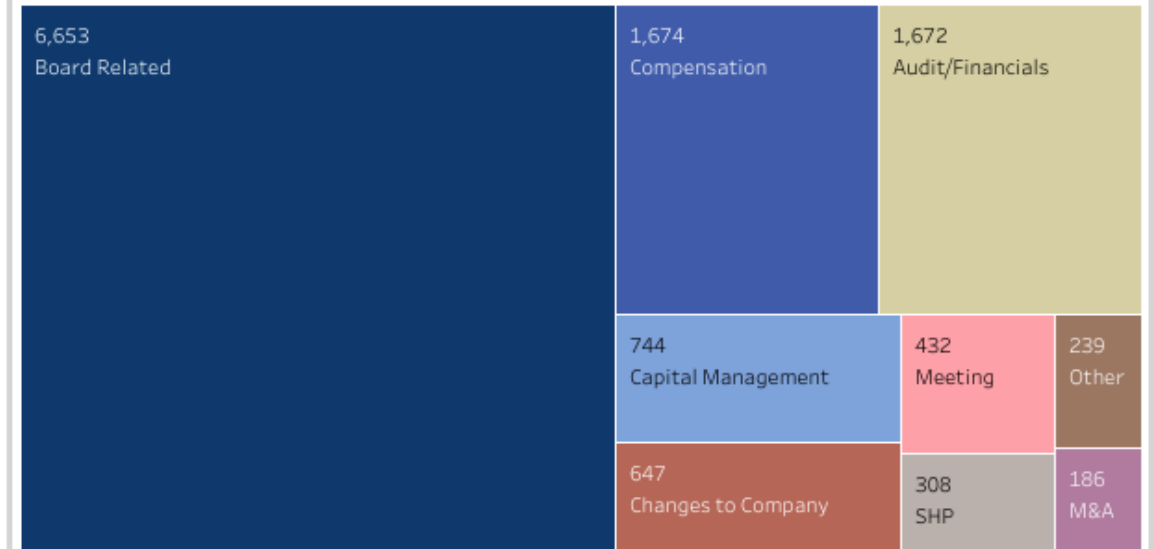
## Support for Management (Country: All)

Note on Shareholder Proposals (SHP): A vote *Against Management* may be for the resolution.

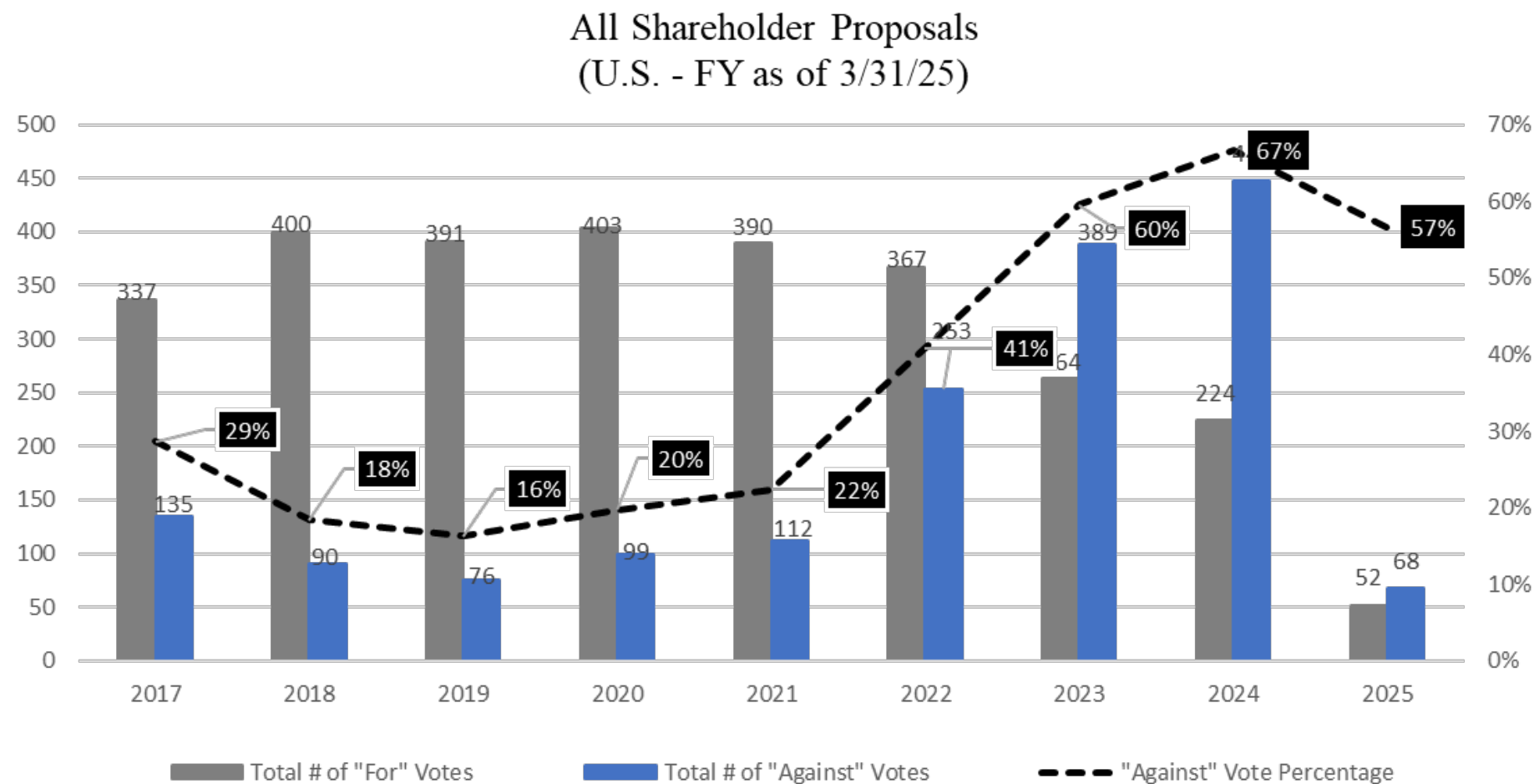


## Treemap of Issues (Country: All)

\*Click a box to view issue description



# SBA Proxy Voting on Shareowner Proposals (US Meetings Only)

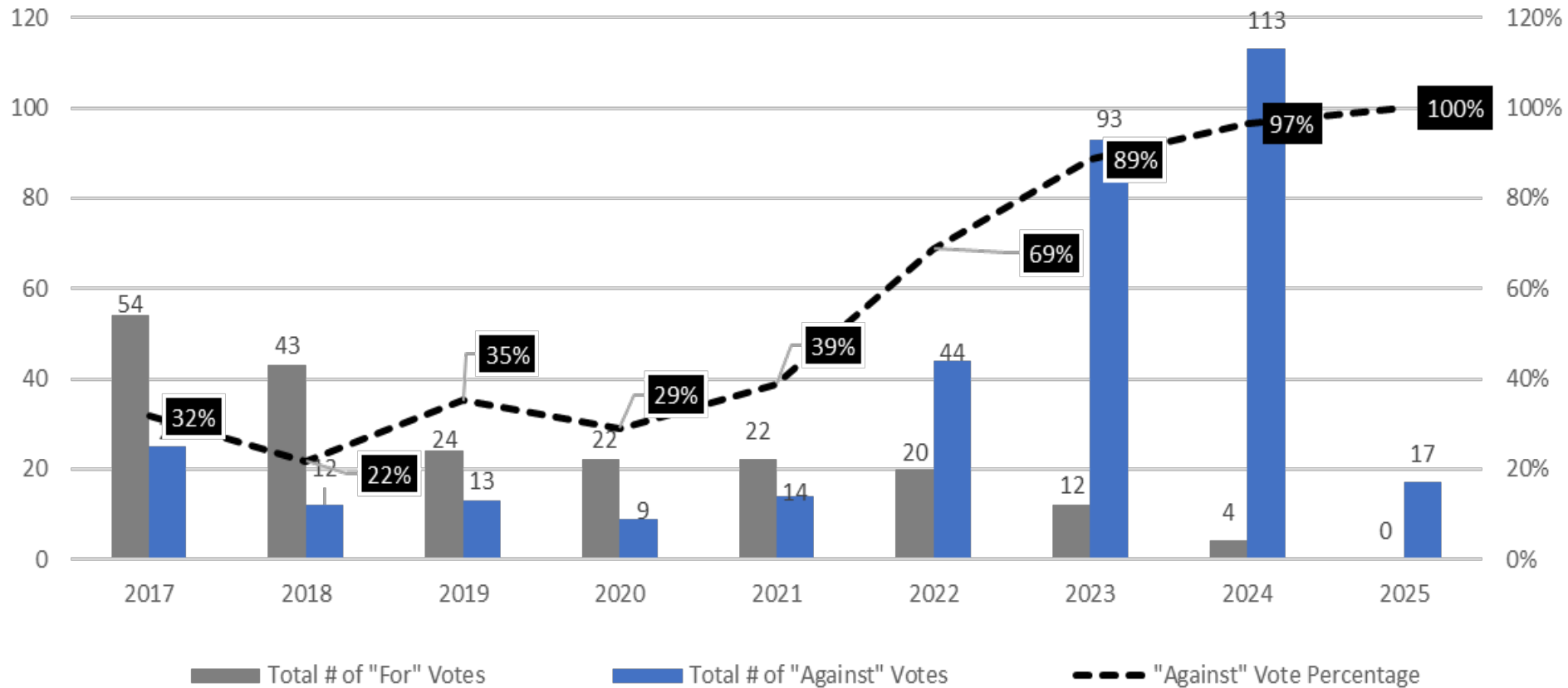


Based on Fiscal Year



# SBA Proxy Voting on Shareowner Proposals (US Meetings Only)

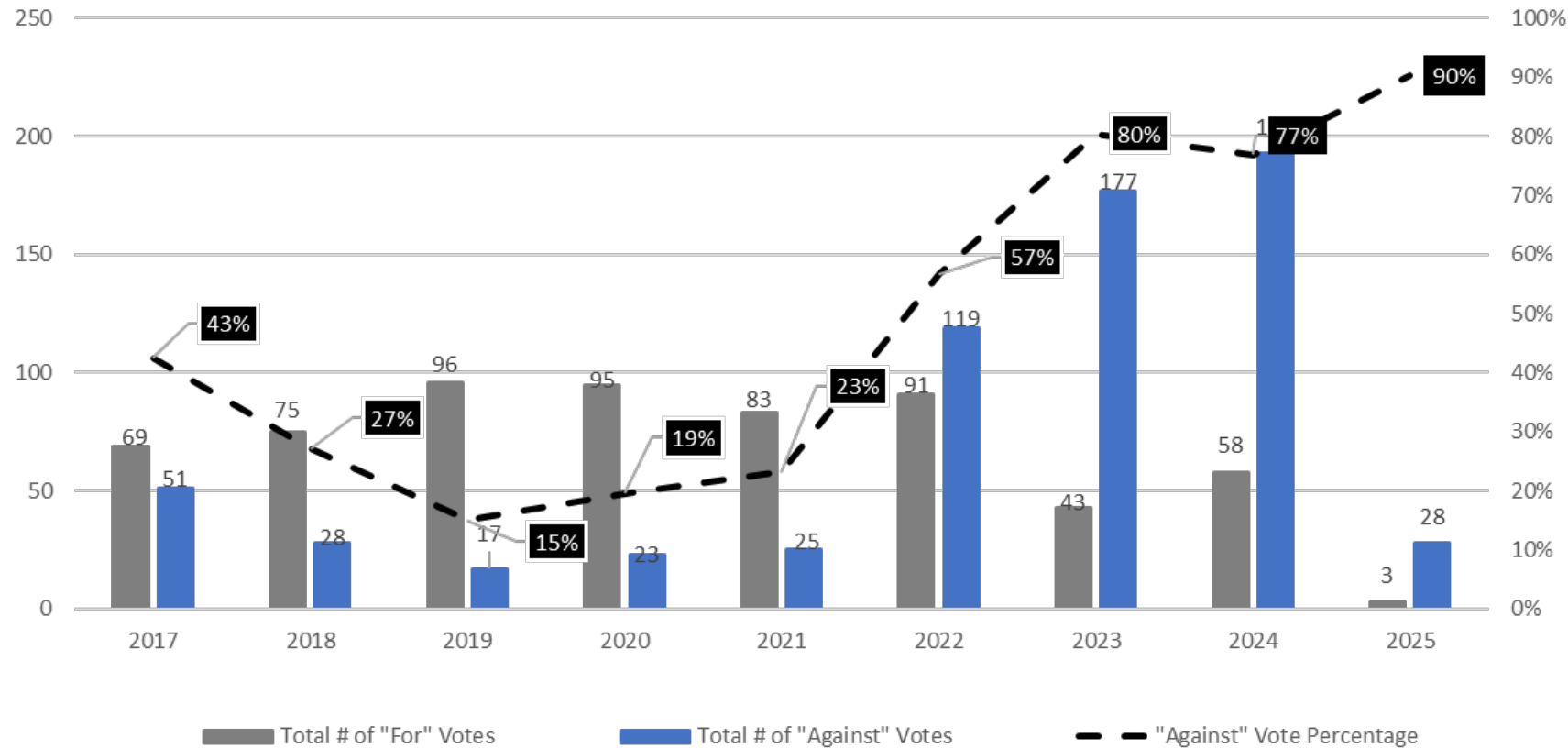
Environmental Proposals "For" vs. "Against" Votes  
(U.S. - FY as of 3/31/25)



Based on Fiscal Year

# SBA Proxy Voting on Shareowner Proposals (US Meetings Only)

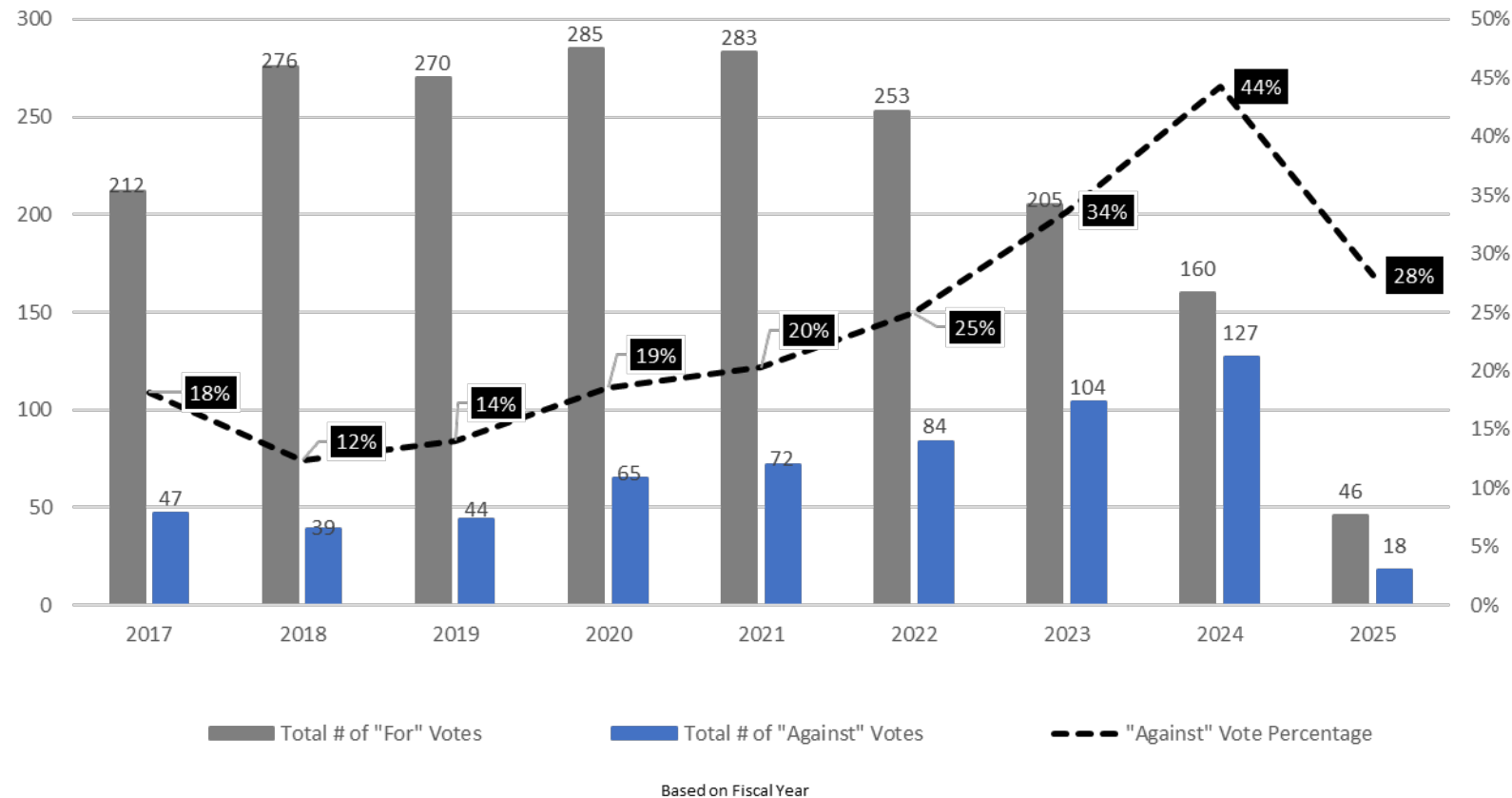
Social Proposals "For" vs. "Against" Votes  
(U.S. - FY as of 3/31/25)



Based on Fiscal Year

# SBA Proxy Voting on Shareowner Proposals (US Meetings Only)

Governance Proposals "For" vs. "Against" Votes  
(U.S. - FY as of 3/31/25)



# SBA Proxy Voting on Shareowner Proposals (U.S. Meetings only—as of 3/31/25)

## Key Metrics

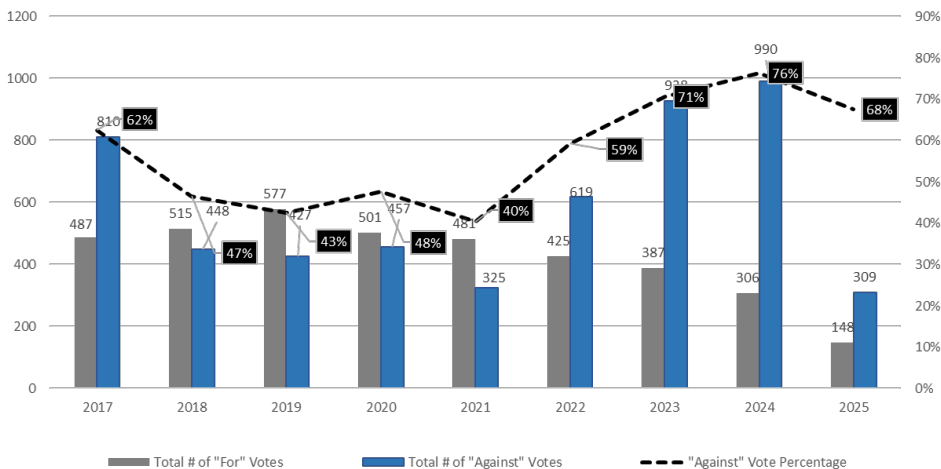
Issue Category	FY2022			FY2023			FY2024			FY2025		
	Proposal	% of SHP	SBA Support %	Proposal	% of SHP	SBA Support %	Proposal	% of SHP	SBA Support %	Proposal	% of SHP	SBA Support %
SHP: Environment	68	9.28%	29.41%	106	14.87%	11.32%	112	15.07%	3.57%	18	12.95%	0.00%
SHP: Social	215	29.33%	42.33%	224	31.42%	19.20%	267	35.94%	21.72%	34	24.46%	8.82%
SHP: Governance	438	59.75%	57.76%	361	50.63%	56.79%	340	45.76%	46.47%	77	55.40%	55.84%
SHP: Misc	12	1.64%	25.00%	22	3.09%	18.18%	24	3.23%	8.33%	10	7.19%	30.00%
Grand Total	733	100.00%	50.07%	713	100.00%	37.03%	743	100.00%	29.88%	139	100.00%	35.25%

## Vote Decision

Issue Category	"For"				"Against&Withhold"				"Abstain"				"Other"			
	FY2022	FY2023	FY2024	FY2025	FY2022	FY2023	FY2024	FY2025	FY2022	FY2023	FY2024	FY2025	FY2022	FY2023	FY2024	FY2025
SHP: Environment	20	12	4	0	44	93	107	17	1	1	1	0	3	0	0	1
SHP: Social	91	43	58	3	119	177	197	28	1	4	2	3	4	0	10	0
SHP: Governance	253	205	158	43	84	104	121	14	3	2	6	0	98	50	55	20
SHP: Misc	3	4	2	3	6	15	16	5	1	0	0	0	2	3	6	2
Grand Total	367	264	222	49	253	389	441	64	6	7	9	3	107	53	71	23

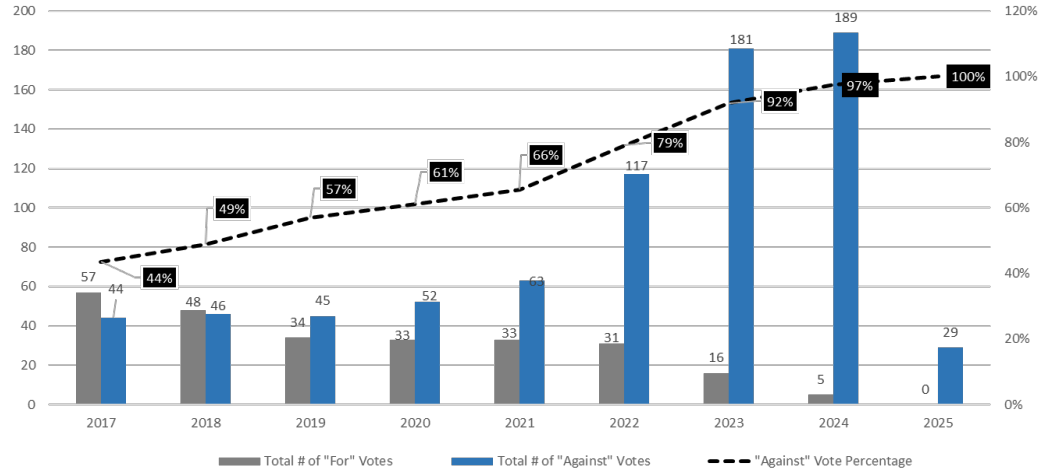
# SBA Proxy Voting on Shareowner Proposals (All Countries)

All Shareholder Proposals  
All Countries - FY as of 3/31/25



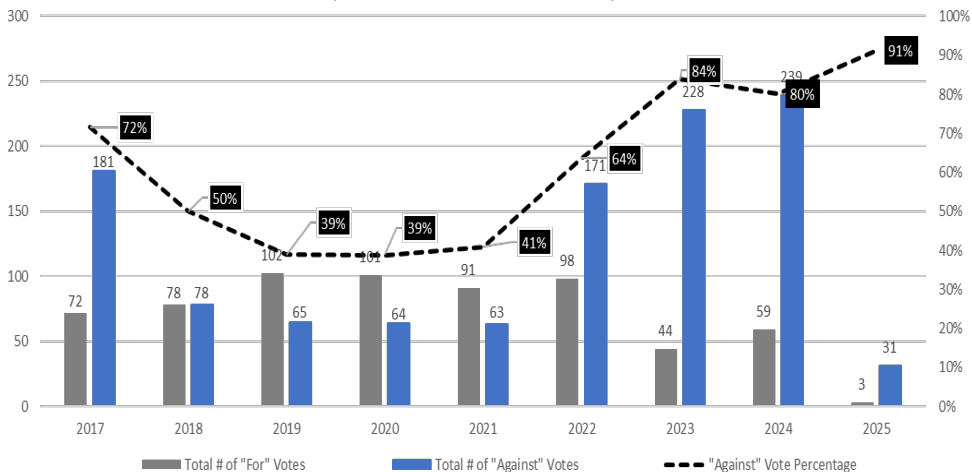
Based on Fiscal Year

Environmental Proposals "For" vs. "Against" Votes  
(All Countries - FY as of 3/31/25)



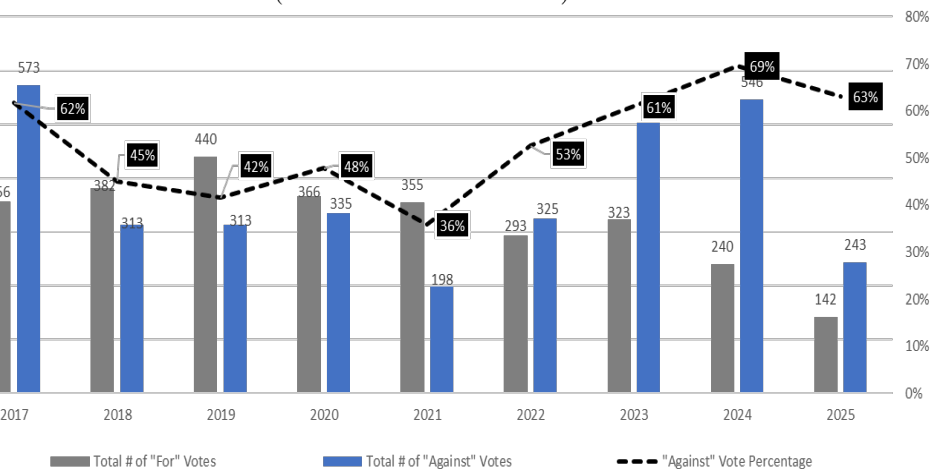
Based on Fiscal Year

Social Proposals "For" vs. "Against" Votes  
(All Countries - FY as of 3/31/25)



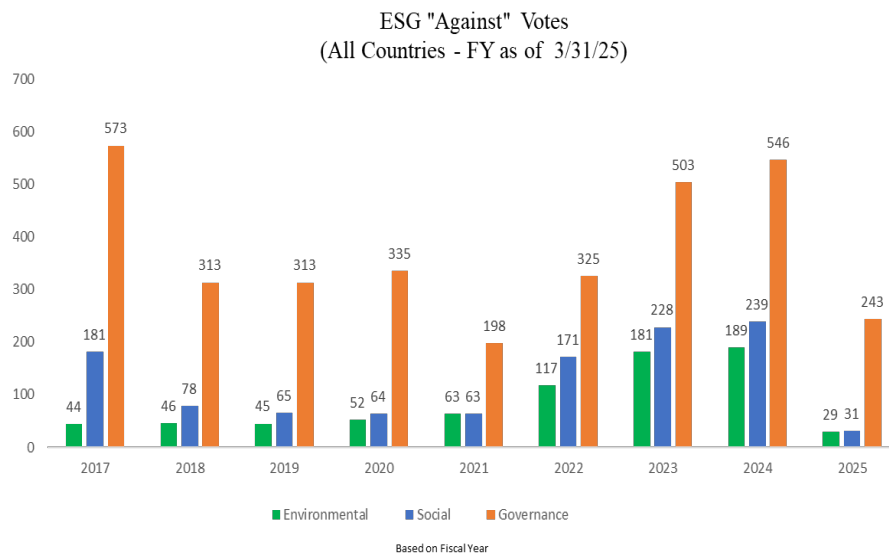
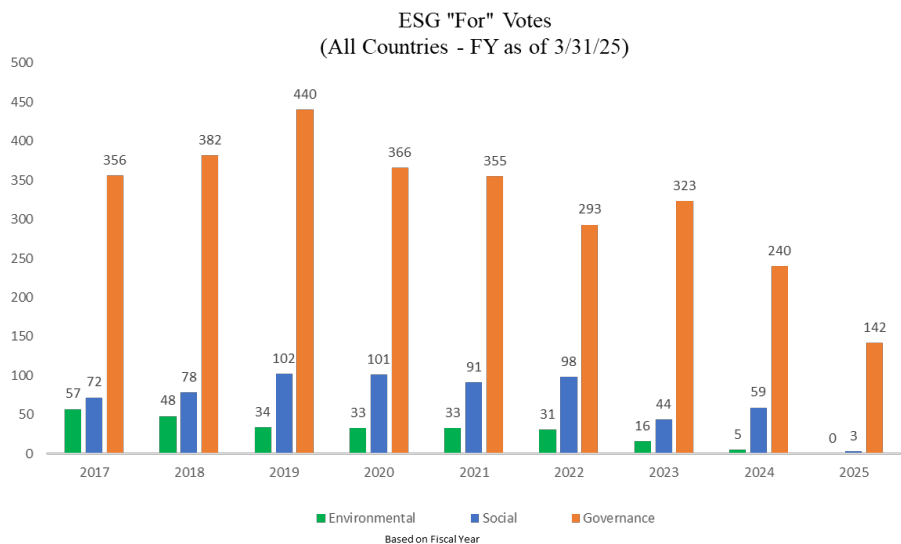
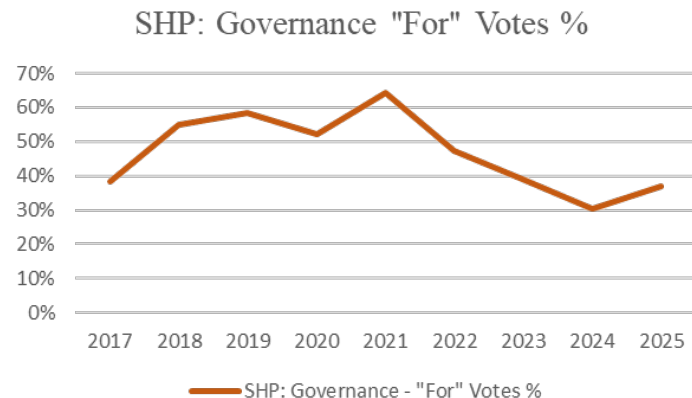
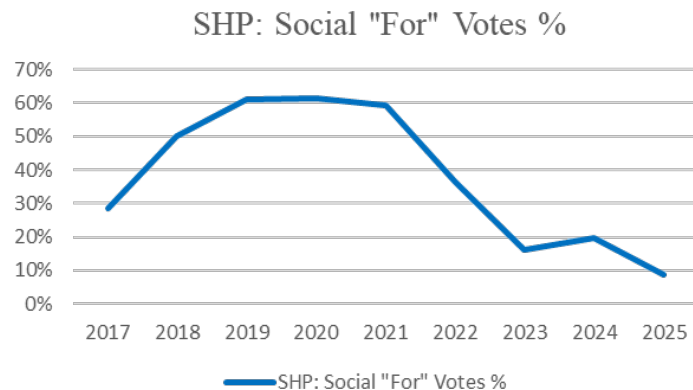
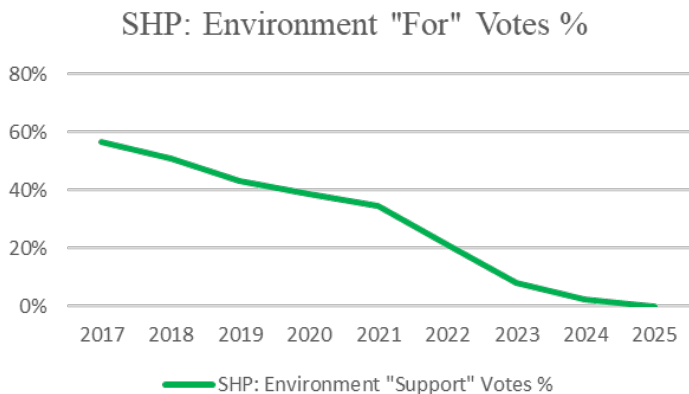
Based on Fiscal Year

Governance Proposals "For" vs. "Against" Votes  
(All Countries - FY as of 3/31/25)



Based on Fiscal Year

# Proxy Voting on Shareowner Proposals (All Countries)





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# Q&A

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**CONTACT:** Michael McCauley  
**Email:** [governance@sbafla.com](mailto:governance@sbafla.com)

# INVESTMENT ADVISORY COUNCIL

## **Item 10. Major Mandate Performance Review**

**Katie Comstock, Aon**

*(See Attachment 10)*





# First Quarter 2025 Major Mandates Performance Review

State Board of Administration of  
Florida

June 3, 2025

Investment advice and consulting services provided by Aon Investments USA, Inc.  
To protect the confidential and proprietary information included in this material, it may  
not be disclosed or provided to any third parties without the approval of Aon.





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# Executive Summary

## Quarter Ending March 31, 2025

- Each of the major mandates produced favorable returns relative to the respective benchmarks over the short- and long-term trailing periods as of March 31, 2025
- The Pension Fund outperformed the Performance Benchmark over the trailing quarter and ten-year periods.
- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over trailing quarter, five-, and ten-year periods.
- The CAT Fund's performance is strong over long-term periods
- Florida PRIME has continued to outperform its benchmark over both short- and long-term time periods.

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# Pension Plan: Executive Summary

As of March 31, 2025

- The Pension Plan ended first quarter 2025 at \$200.4 billion, a decrease of \$1.3 billion over the quarter
- The Pension Plan outperformed its benchmark over the near term and has outperformed over the trailing ten-year and fifteen-year periods
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan outperformed over the five- and fifteen-year periods
- The total plan is well diversified across seven broad asset classes.
  - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
  - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
  - Asset allocation is monitored daily to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Investments and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

# FRS Pension Plan Change in Market Value

Periods Ending March 31, 2025

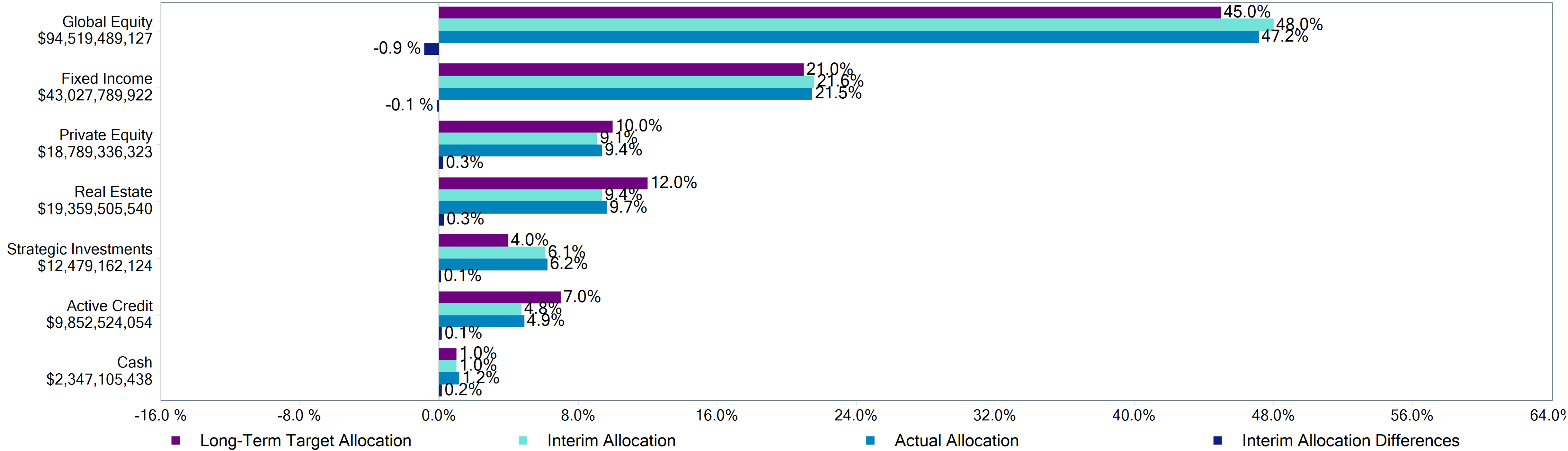
Summary of Cash Flows		
	First Quarter	Fiscal Year to Date*
Beginning Market Value	\$201,711,475,615	\$198,228,790,282
+/- Net Contributions/(Withdrawals)	-\$1,739,688,925	-\$5,240,014,740
Investment Earnings	\$403,125,837	\$7,386,136,985
= Ending Market Value	\$200,374,912,527	\$200,374,912,527
Net Change	-\$1,336,563,088	\$2,146,122,245

\*Period July 2024 – March 2025

# Asset Allocation as of March 31, 2025

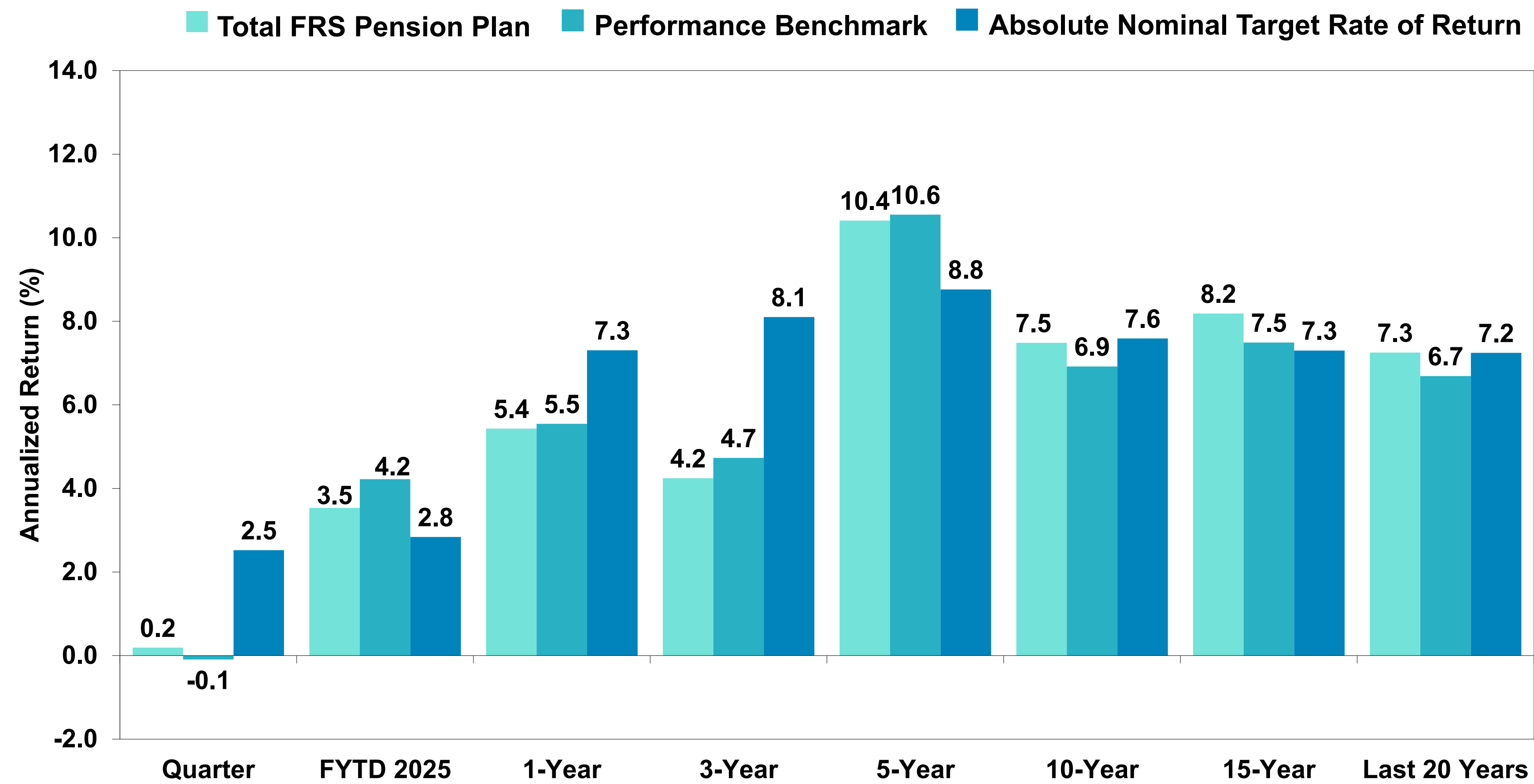
Total Fund Assets = \$200.4 Billion

	Market Value	Current Allocation	Interim Allocation	Long-Term Target Allocation	Minimum Allocation	Maximum Allocation
	\$	%	%	%	%	%
Total Fund	200,374,912,527	100.0	100.0	100.0		
Global Equity	94,519,489,127	47.2	48.0	45.0	35.0	60.0
Fixed Income	43,027,789,922	21.5	21.6	21.0	12.0	30.0
Private Equity	18,789,336,323	9.4	9.1	10.0	6.0	20.0
Real Estate	19,359,505,540	9.7	9.4	12.0	8.0	20.0
Strategic Investments	12,479,162,124	6.2	6.1	4.0	2.0	14.0
Active Credit	9,852,524,054	4.9	4.8	7.0	2.0	12.0
Cash	2,347,105,438	1.2	1.0	1.0	0.3	5.0



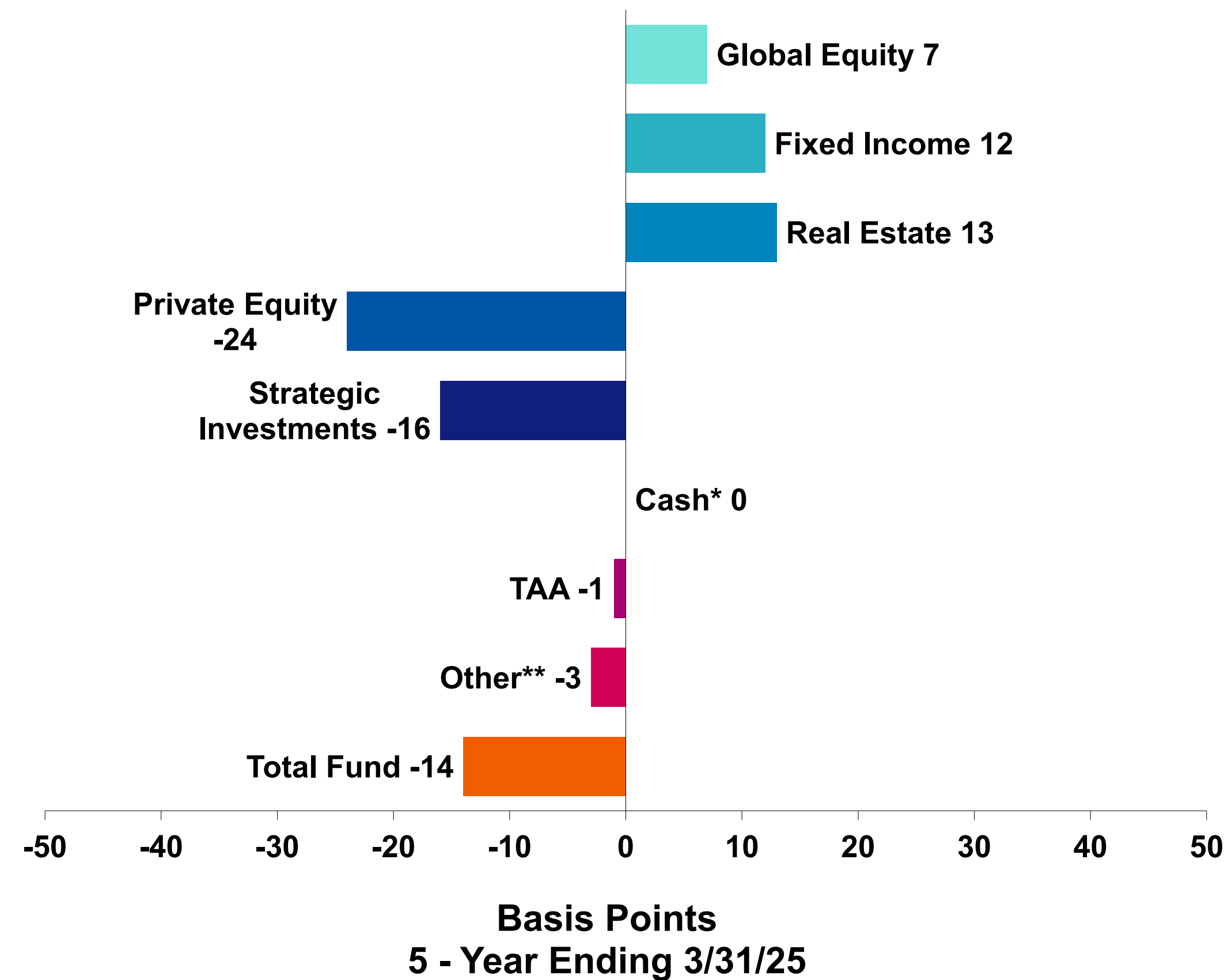
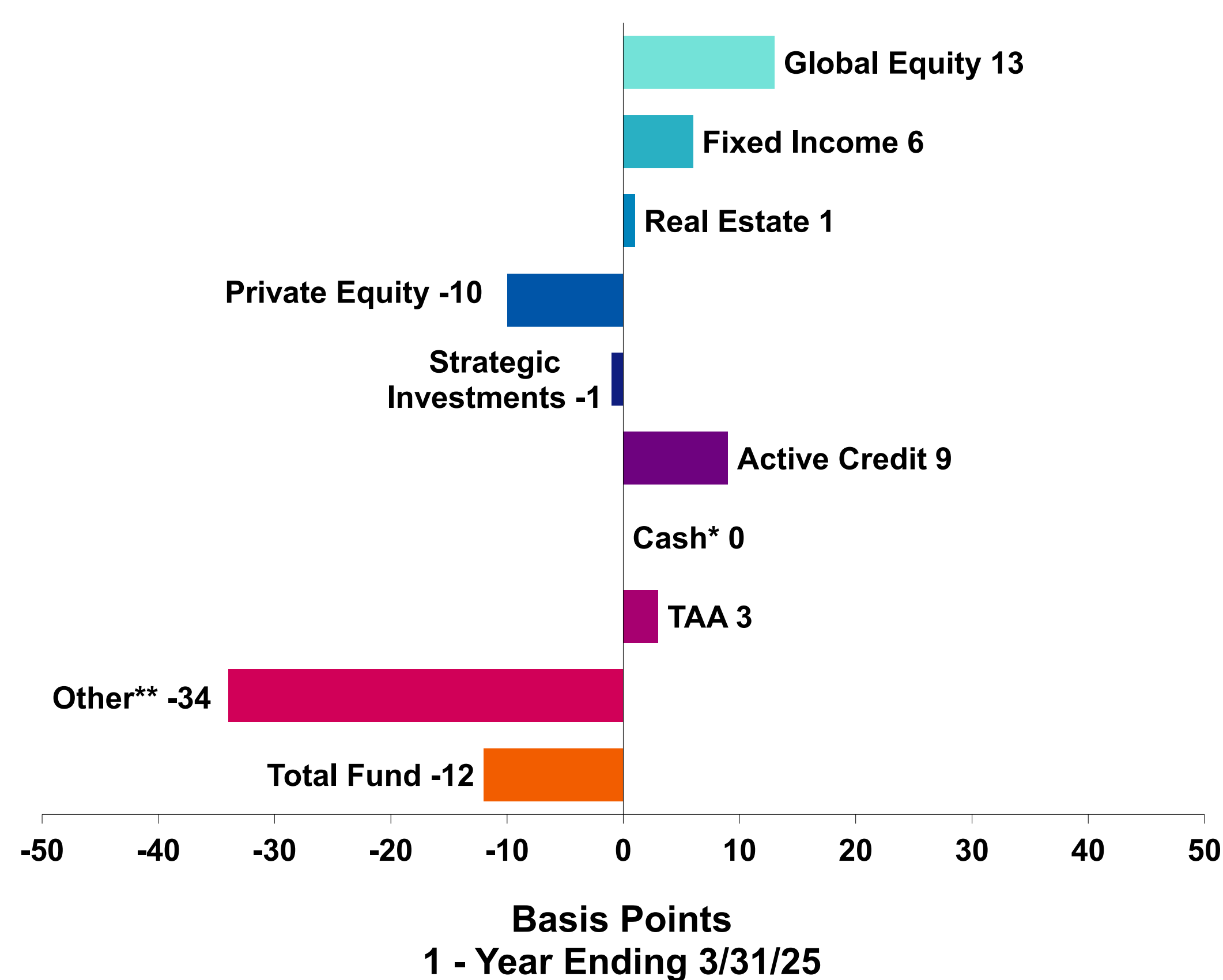
# FRS Pension Plan Investment Results

Periods Ending March 31, 2025



# FRS Pension Plan Attribution

As of March 31, 2025



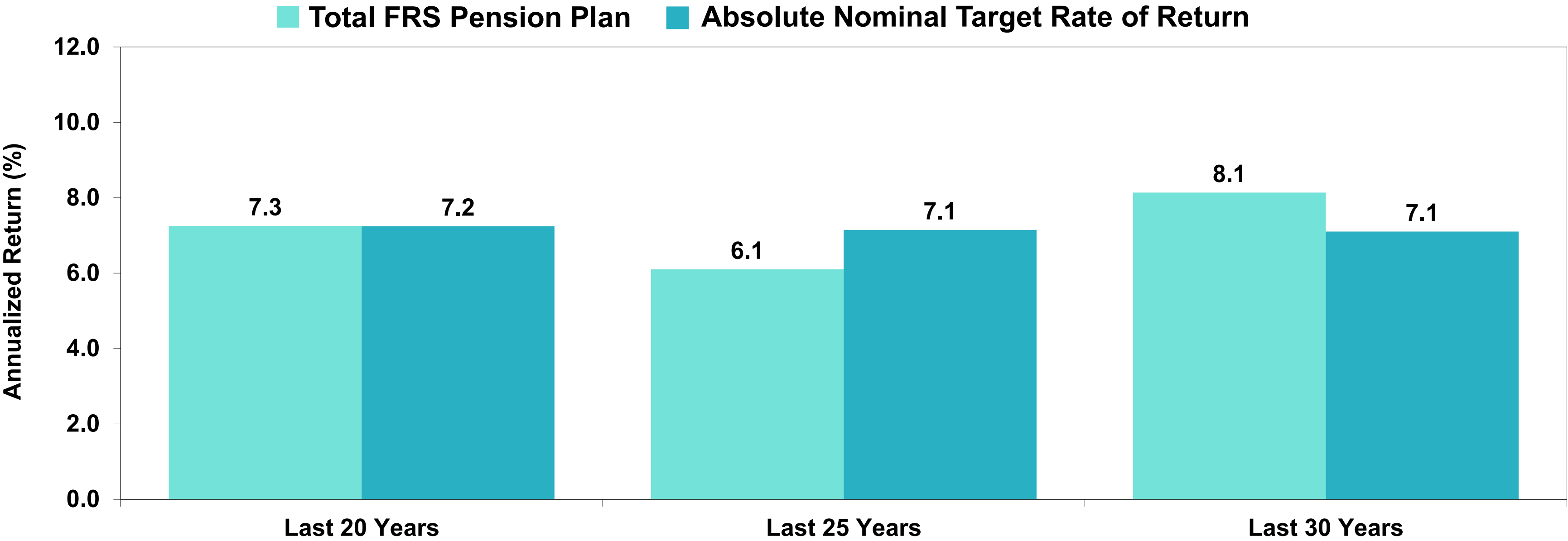
\*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

\*\*Other includes transition accounts, liquidity portfolios, accounts outside of C&CC, and unexplained differences due to methodology.

# FRS Pension Plan Investment Results

Periods Ending March 31, 2025

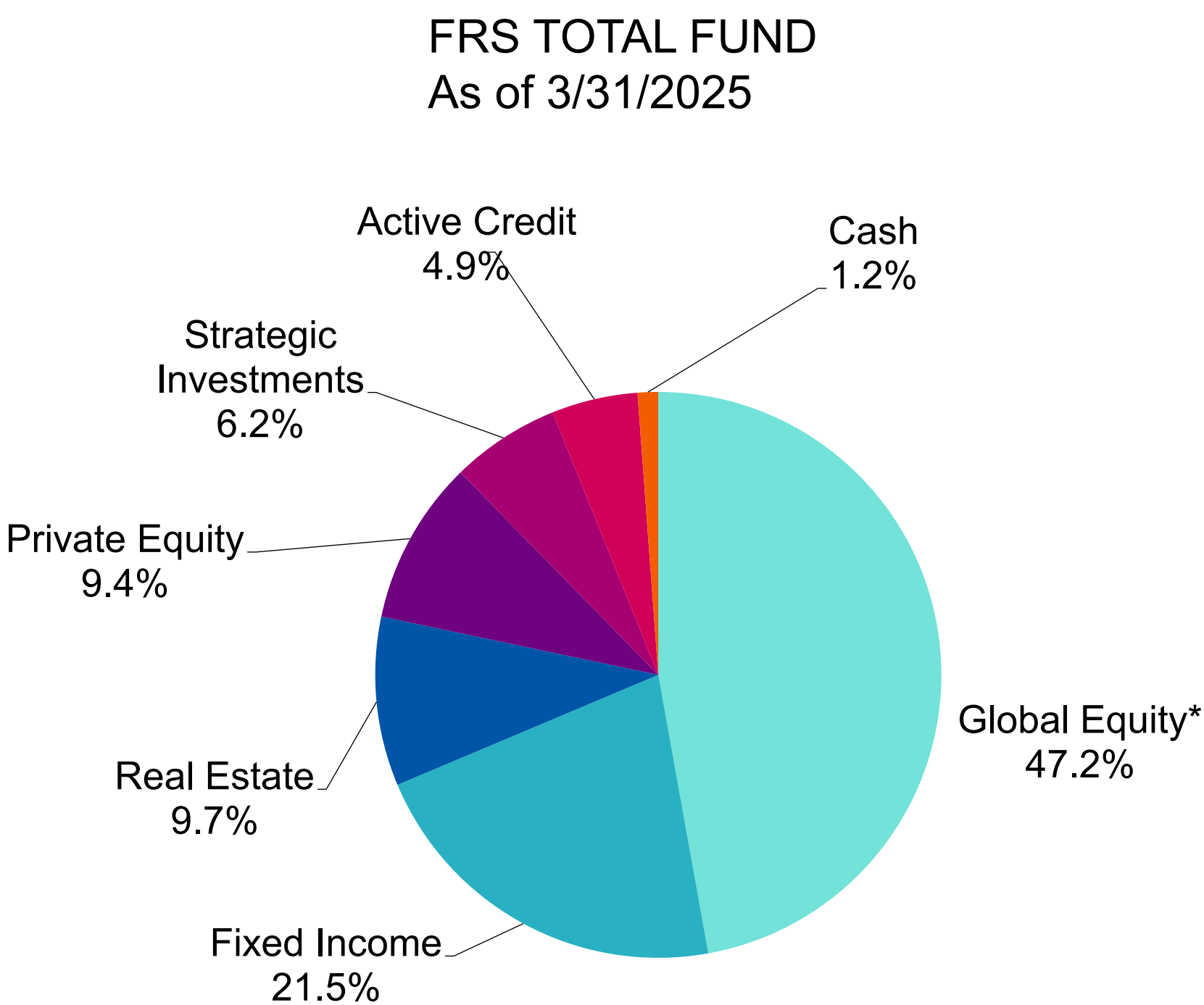
Long-Term FRS Pension Plan Performance Results  
vs. SBA's Long-Term Investment Objective



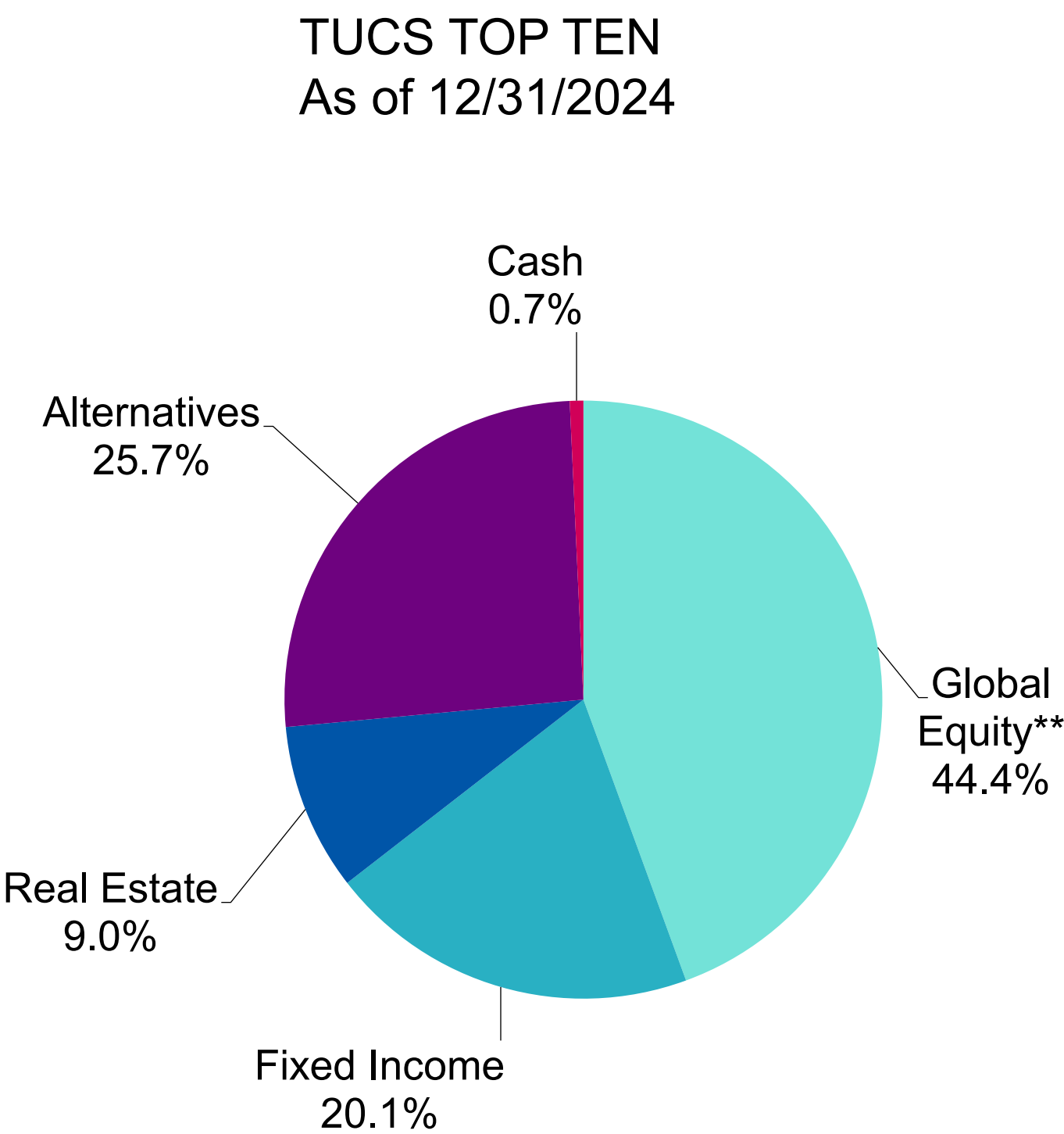


# Comparison of Asset Allocation (TUCS Top Ten)

## FRS Pension Plan vs. Top Ten Defined Benefit Plans



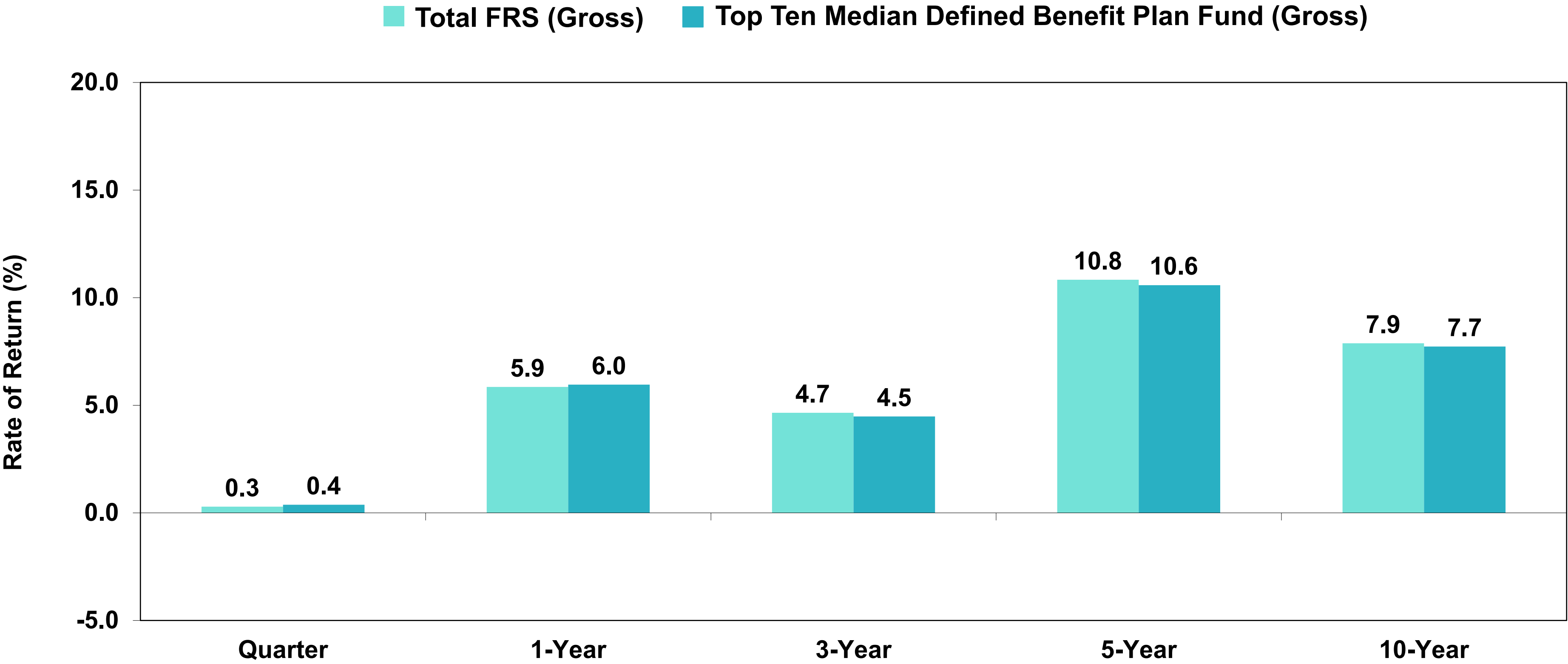
\*Global Equity Allocation: 24.9% Domestic Equities; 15.1% Foreign Equities; 5.8% Global Equities; 0.6% Global Equity Cash; 0.8% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.



\*\*Global Equity Allocation: 30.6% Domestic Equities; 13.8% Foreign Equities.

# FRS Results Relative to TUCS Top Ten Defined Benefit Plans

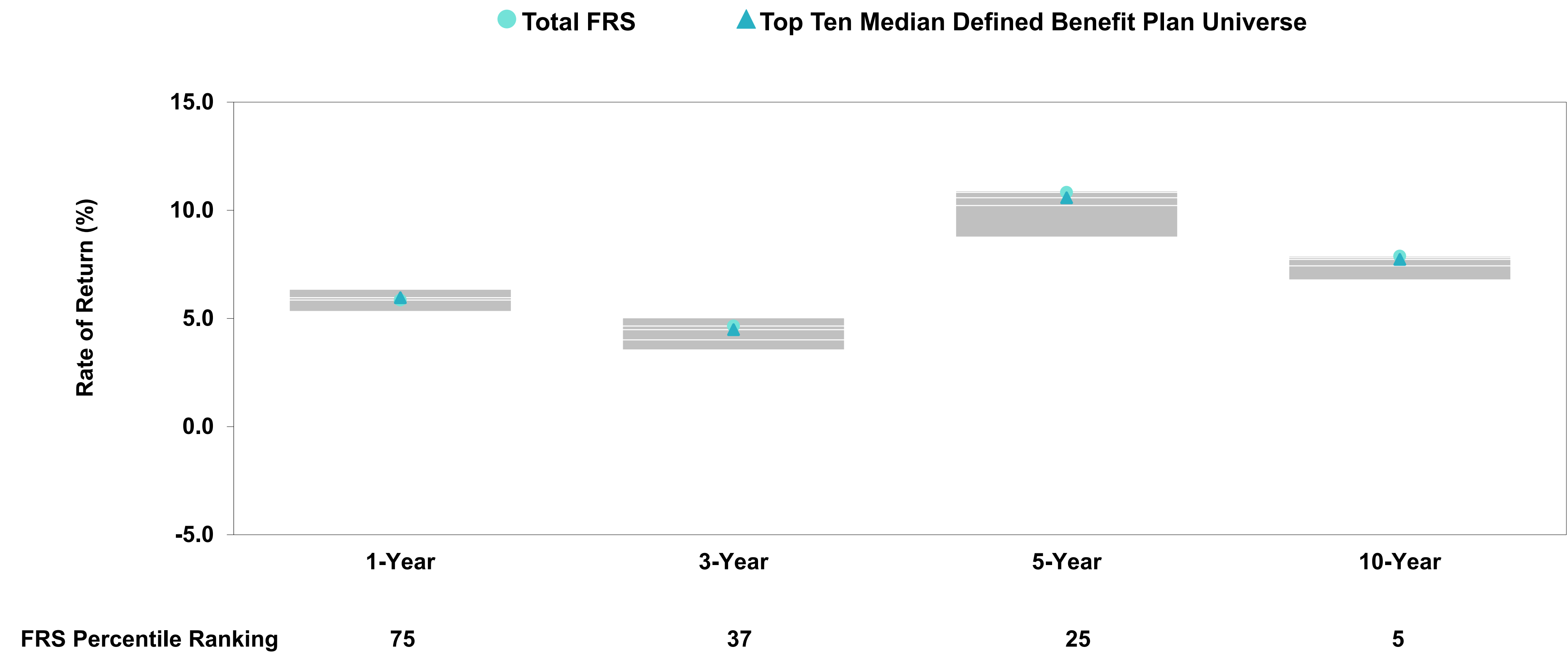
Periods Ending March 31, 2025



Note: The data set includes \$2,087 billion in total assets. The median fund size was \$172 billion, and the average fund size was \$209 billion.  
Note: Due to rounding, percentage totals displayed may not sum perfectly.

# Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS)

Periods Ending March 31, 2025



Note: The data set includes \$2,084 billion in total assets. The median fund size was \$171 billion, and the average fund size was \$208 billion.  
Note: Due to rounding, percentage totals displayed may not sum perfectly.

# Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the long-term. Nearer term relative performance has trailed primarily driven by public equity options and stable value.
- The FRS Investment Plan's total expense ratio is in line with peer defined contribution plans, based on year-end 2023 data. The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. Communication and education costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group.
- Management fees are lower than the median as represented by eVestment's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

# Total Investment Plan Returns & Cost

## Periods Ending 3/31/2025\*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	5.7%	4.9%	11.0%	6.9%
<i>Total Plan Aggregate Benchmark**</i>	6.0	5.0	10.9	6.8
FRS Investment Plan vs. Total Plan Aggregate Benchmark	-0.3	-0.1	0.1	0.1

## Periods Ending 12/31/2023\*\*\*

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	8.9%	-0.2%	0.28%*****
<i>Peer Group</i>	9.4	0.1	0.24
FRS Investment Plan vs. Peer Group	-0.5	-0.3	-0.04

\*Returns shown are net of fees.

\*\*Aggregate benchmark returns are an average of the individual portfolio benchmark returns at their actual weights.

\*\*\*Source: 2023 CEM Benchmarking Report. Peer group for the Five-Year Average Return and Value Added represents the U.S. Median plan return based on the CEM 2023 Survey that included 120 U.S. defined contribution plans with assets ranging from \$114 million to \$63.2 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 18 DC plans including corporate and public plans with assets between \$3.4 - \$26.9 billion.

\*\*\*\*Returns shown are gross of fees.

\*\*\*\*\*The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

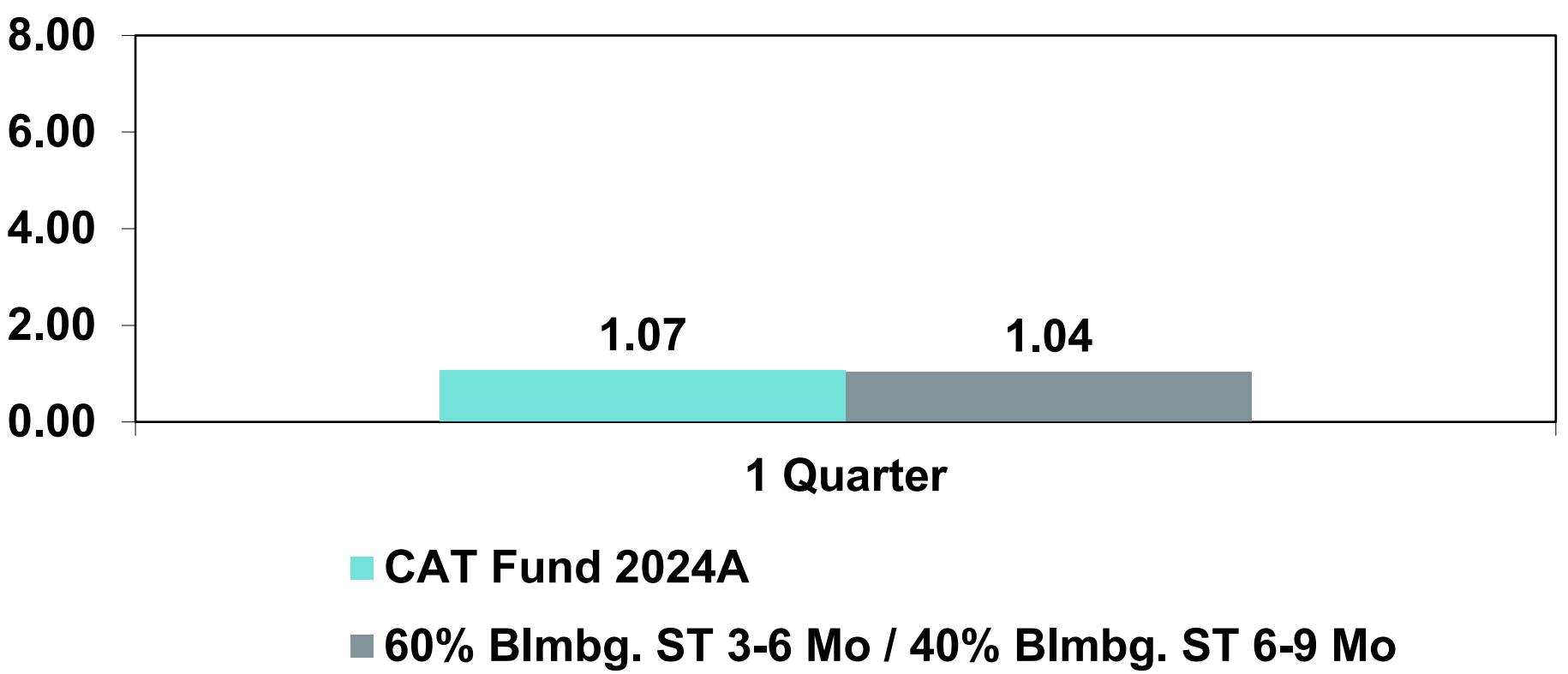
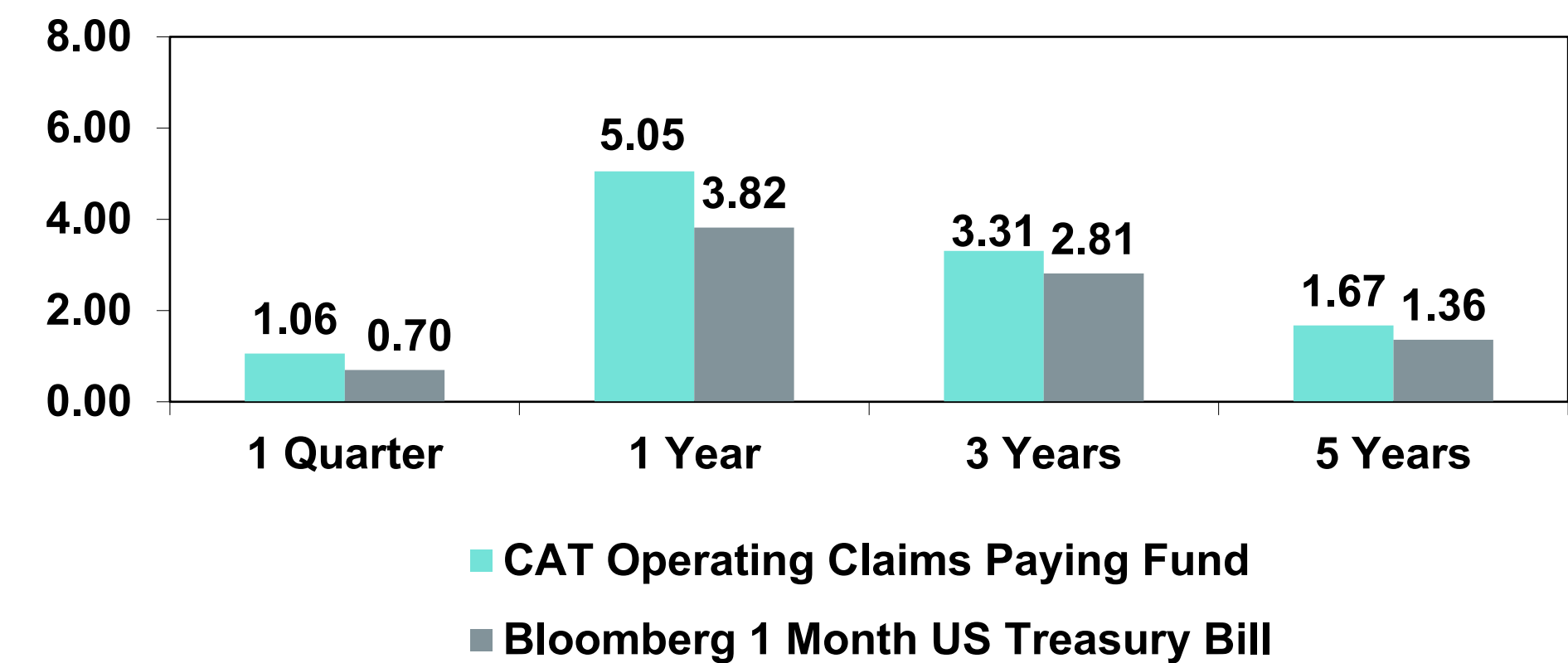
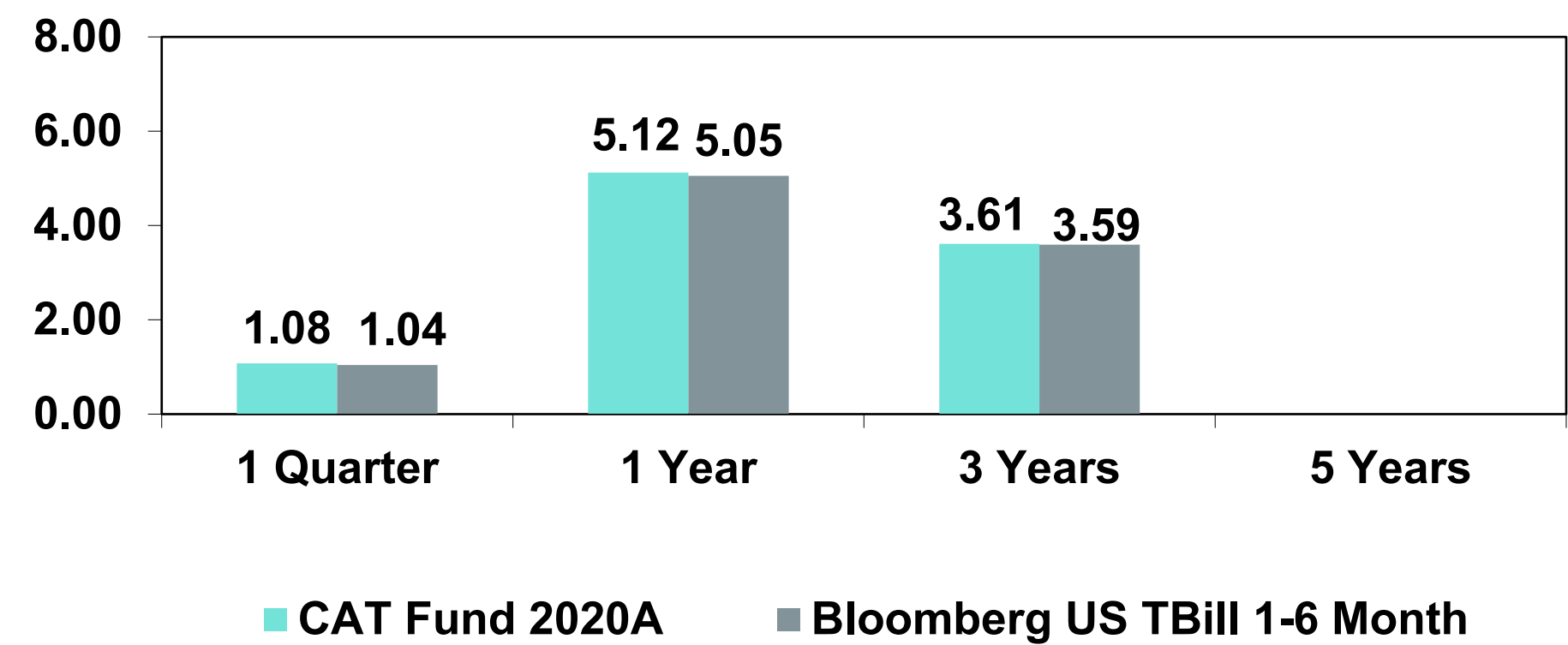
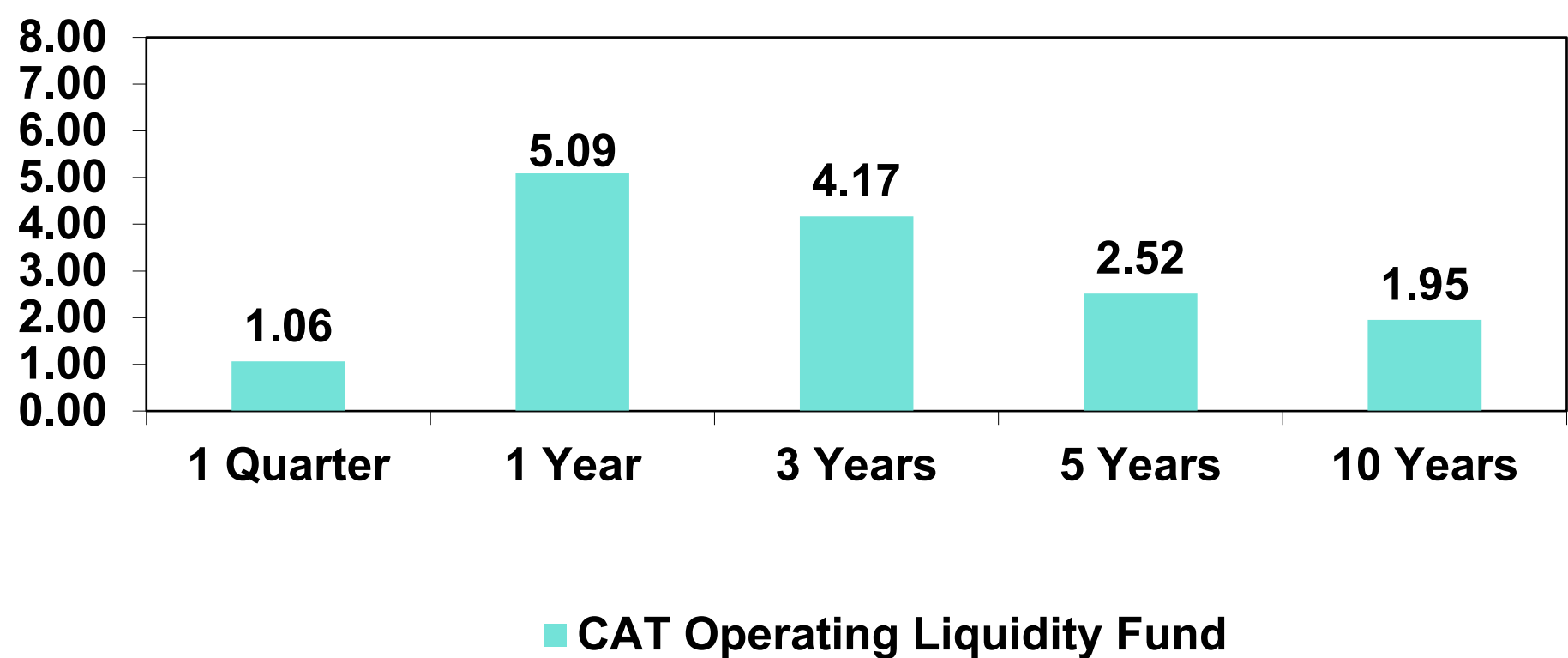
# CAT Fund: Executive Summary

- Returns are picking up modestly given the currently higher interest-rate environment
- The CAT Fund is adequately diversified across issuers within the short-term bond market.
- The Investment Portfolio Guidelines appropriately constrain the CAT Fund 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 Fund.
- The Investment Portfolio Guidelines are revisited periodically to ensure that the structure and guidelines of the CAT Fund are appropriate, taking into consideration the CAT Fund's goals and objectives.



# CAT Fund's Investment Results

## Periods Ending March 31, 2025



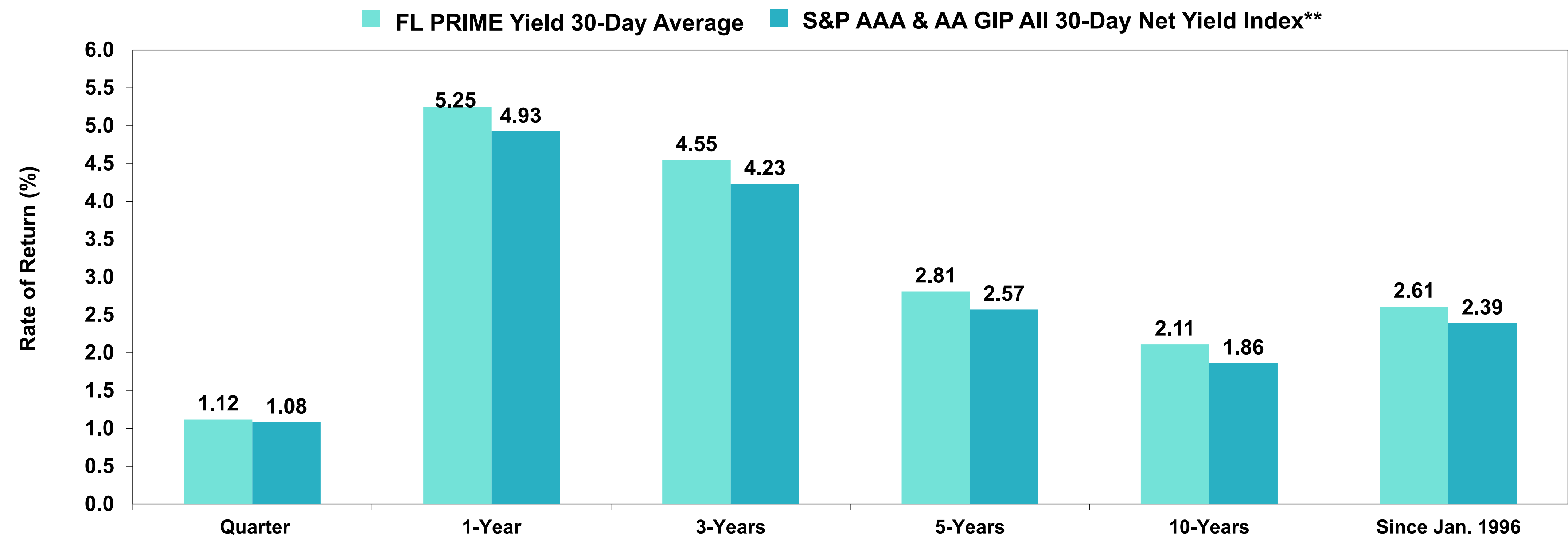
\*CAT Operating Funds: Beginning March 2008, the returns for the CAT Operating Funds reflect marked-to-market returns. Prior to that time, cost-based returns are used. Beginning February 2018, the CAT Operating Funds were split into two different sub funds, the CAT Fund Operating Liquidity Fund and the CAT Fund Operating Claims Paying Fund. Performance for each sub fund is shown above.

# Florida PRIME: Executive Summary

- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high-quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME has been strong over short- and long-term time periods, outperforming its performance benchmark over the trailing quarter, one-, three-, five-, and ten-year time periods.
- As of March 31, 2025, the total market value of Florida PRIME was \$31.4 billion.
- Aon Investments USA Inc., in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

# Florida PRIME Investment Results

Periods Ending March 31, 2025



\*Returns less than one year are not annualized.  
\*\*S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

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Appendix





# FRS Investment Plan Costs

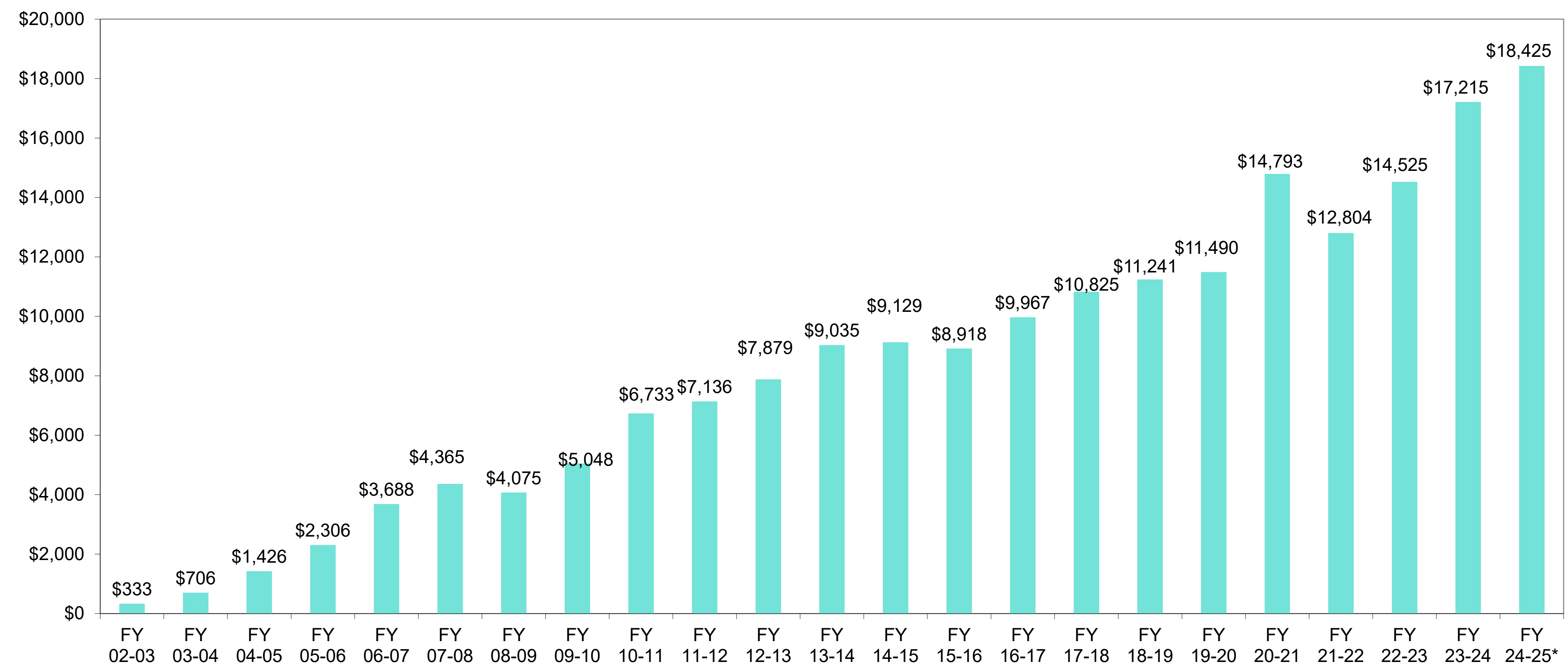
Investment Category	Investment Plan Fee*	Median Mutual Fund Fee**
Domestic Equity	0.18%	0.84%
International & Global Equity	0.29%	0.85%
Diversified Bonds	0.17%	0.49%
Target Date	0.16%	0.31%
Stable Value	0.08%	0.47%
Inflation Protected Securities	0.35%	0.40%

\*Average fee of multiple products in category as of 3/31/2025.

\*\*Source: Aon’s mutual fund expense analysis as of 3/31/2025.

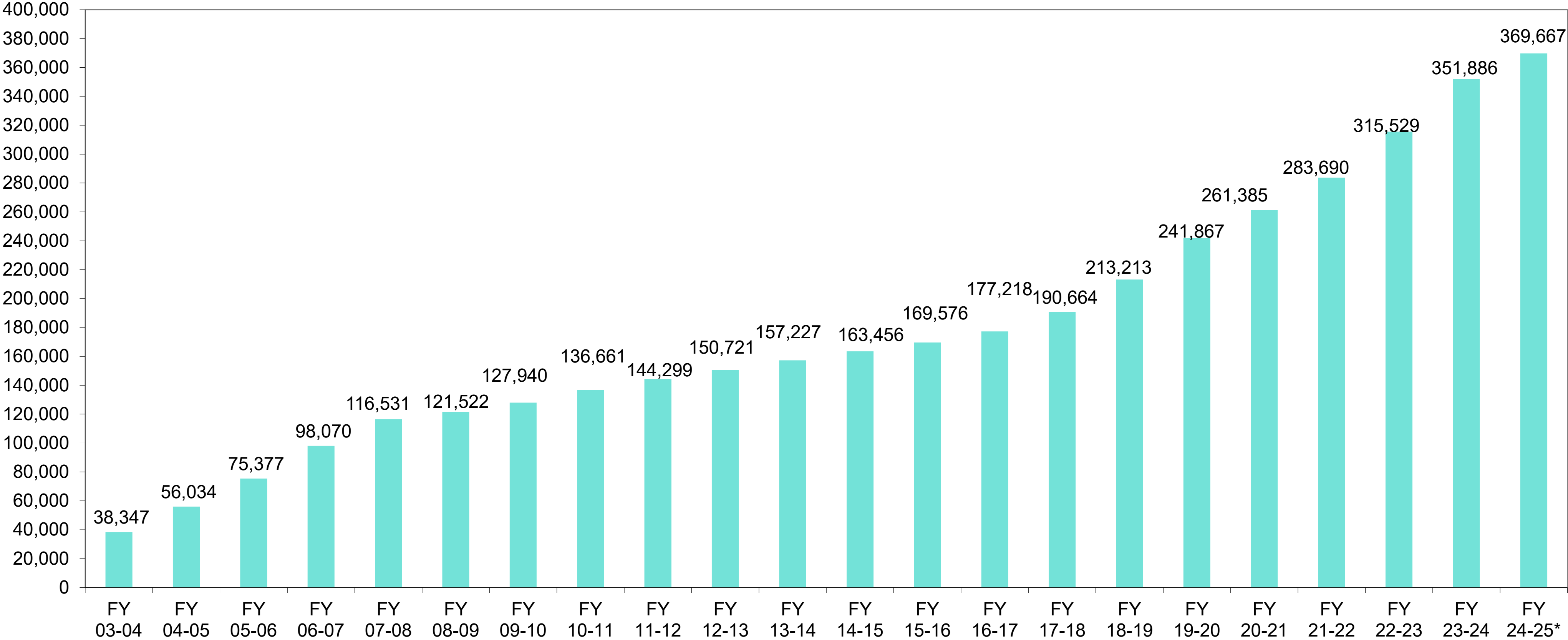


# Investment Plan Fiscal Year End Assets Under Management



\*Period Ending 3/31/2025  
Source: Investment Plan Administrator

# Investment Plan Membership



\*Period Ending 3/31/2025

Source: Investment Plan Administrator

# Florida Hurricane Catastrophe Fund's Background and Details

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- The CAT Operating Funds, along CAT 2020 A and CAT 2024 A Fund are internally managed portfolios.
  - CAT 2013 A Fund was liquidated during 4Q 2020
  - CAT 2016 A Fund was liquidated during 3Q 2021
- As of March 31, 2025, the total value of:
  - The CAT Operating Funds was \$11.7 billion
  - The CAT 2020 A Fund was \$2.3 billion
  - The CAT 2024 A Fund was \$1.0 billion
- **History of the CAT Fund Benchmarks:** *Beginning February 2018, the CAT Fund Operating Liquidity Fund was benchmarked to the B of A Merrill Lynch 3-6 Month U.S. Treasury Bill Index, and the CAT Fund Operating Claims Paying Fund benchmarked to a blend of 35% of the Bank of America Merrill Lynch 1-3 Year AA U.S. Corporate Bond Index and 65% of Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index. Beginning January 2021, the CAT Fund Operating Liquidity Fund was benchmarked to Bloomberg U.S. Treasuries Bills 3-6 Months & U.S. Treasury Bills 6-9 Months Custom Blend Index. This benchmark is comprised of 60% off the 3-6 month U.S. Treasury Bills and 40% 6-9 month U.S. Treasury Bills., and the CAT Fund Operating Claims Paying Fund is benchmarked Bloomberg U.S. Treasury 1-3 Years & Corporate AA+ ex 144A Reg S Custom Blend Index. This benchmark is comprised of 65% 1-3 year Treasury and 35% of 1-3 year Corporate AA or better excluding 144A and Reg S Securities.*

# CAT Operating Funds Characteristics

## Period Ending March 31, 2025

CAT Operating Fund

Maturity Analysis	
1 to 30 Days	64.23%
31 to 60 Days	20.45
61 to 90 Days	3.25
91 to 120 Days	3.48
121 to 150 Days	3.27
151 to 180 Days	0.21
181 to 270 Days	3.40
271 to 365 Days	1.71
366 to 455 Days	0.00
>= 456 Days	0.00
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	55.43%
AA	2.75
A	41.82
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%

CAT 2020A Fund

Maturity Analysis	
1 to 30 Days	28.86%
31 to 60 Days	19.68
61 to 90 Days	10.59
91 to 120 Days	12.00
121 to 150 Days	18.63
151 to 180 Days	10.24
181 to 270 Days	0.00
271 to 365 Days	0.00
366 to 455 Days	0.00
>= 456 Days	0.00
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	52.11%
AA	0.85
A	47.04
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%

CAT 2024A Fund

Maturity Analysis	
1 to 30 Days	13.77%
31 to 60 Days	13.35
61 to 90 Days	9.65
91 to 120 Days	1.26
121 to 150 Days	14.06
151 to 180 Days	15.92
181 to 270 Days	31.99
271 to 365 Days	0.00
366 to 455 Days	0.00
>= 456 Days	0.00
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	50.75%
AA	0.00
A	49.25
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%

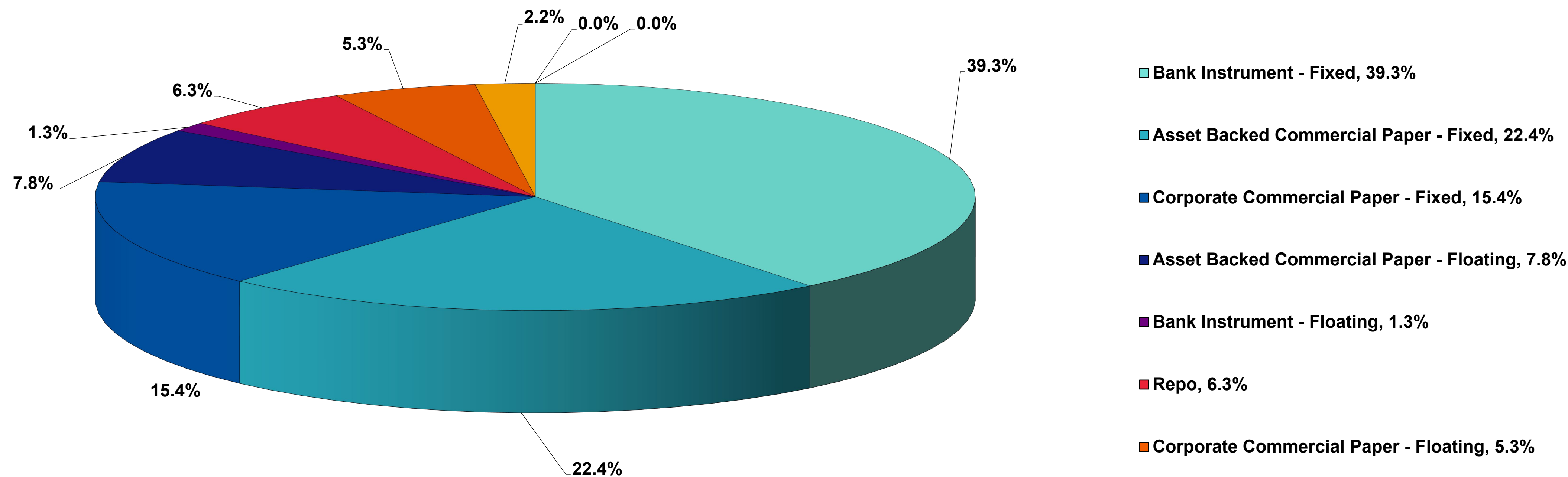
# Florida PRIME Characteristics

Quarter Ending March 31, 2025

As of 3/31/25	First Quarter	One Year
Opening Balance	\$32,619,225,628	\$27,430,299,134
Participant Deposits	\$8,395,786,752	\$41,180,457,625
Gross Earnings	\$373,431,756	\$1,403,145,111
Participant Withdrawals	(\$9,964,155,879)	(38,583,145,702)
Fees	(\$2,723,026)	(9,190,937)
Closing Balance	\$31,421,565,231	\$31,421,565,231
Change	(\$1,197,660,397)	\$3,991,266,097

# Florida PRIME Characteristics

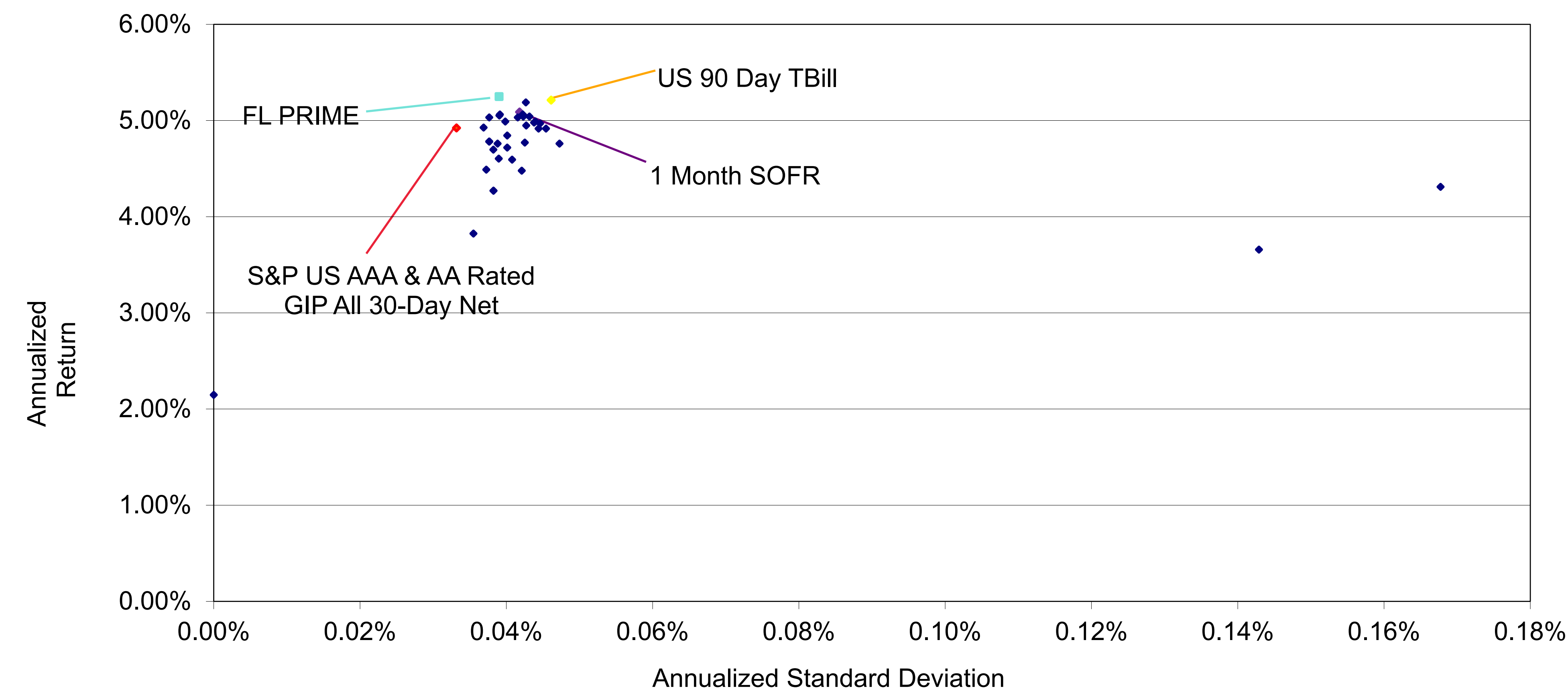
Quarter Ending March 31, 2025





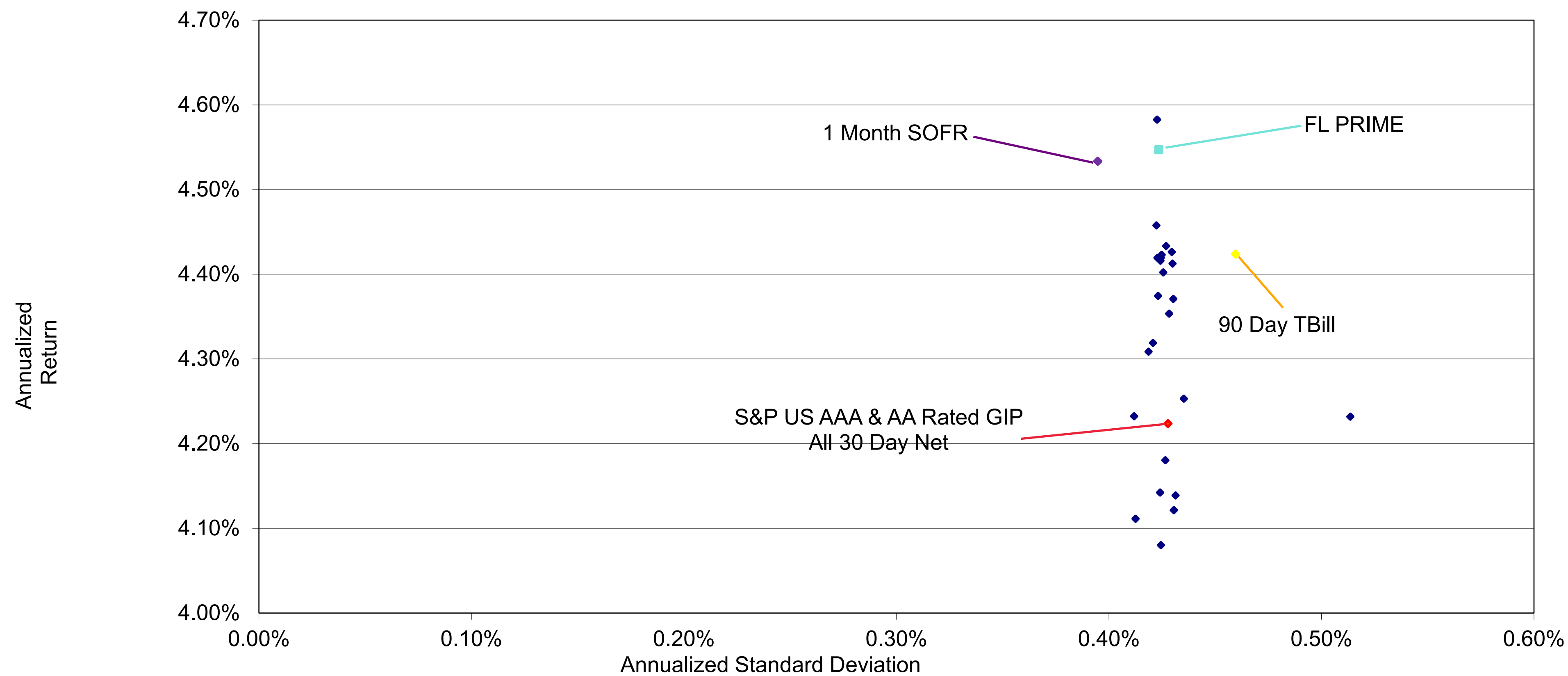
# Florida PRIME Risk vs. Return

1 Years Ending March 31, 2025



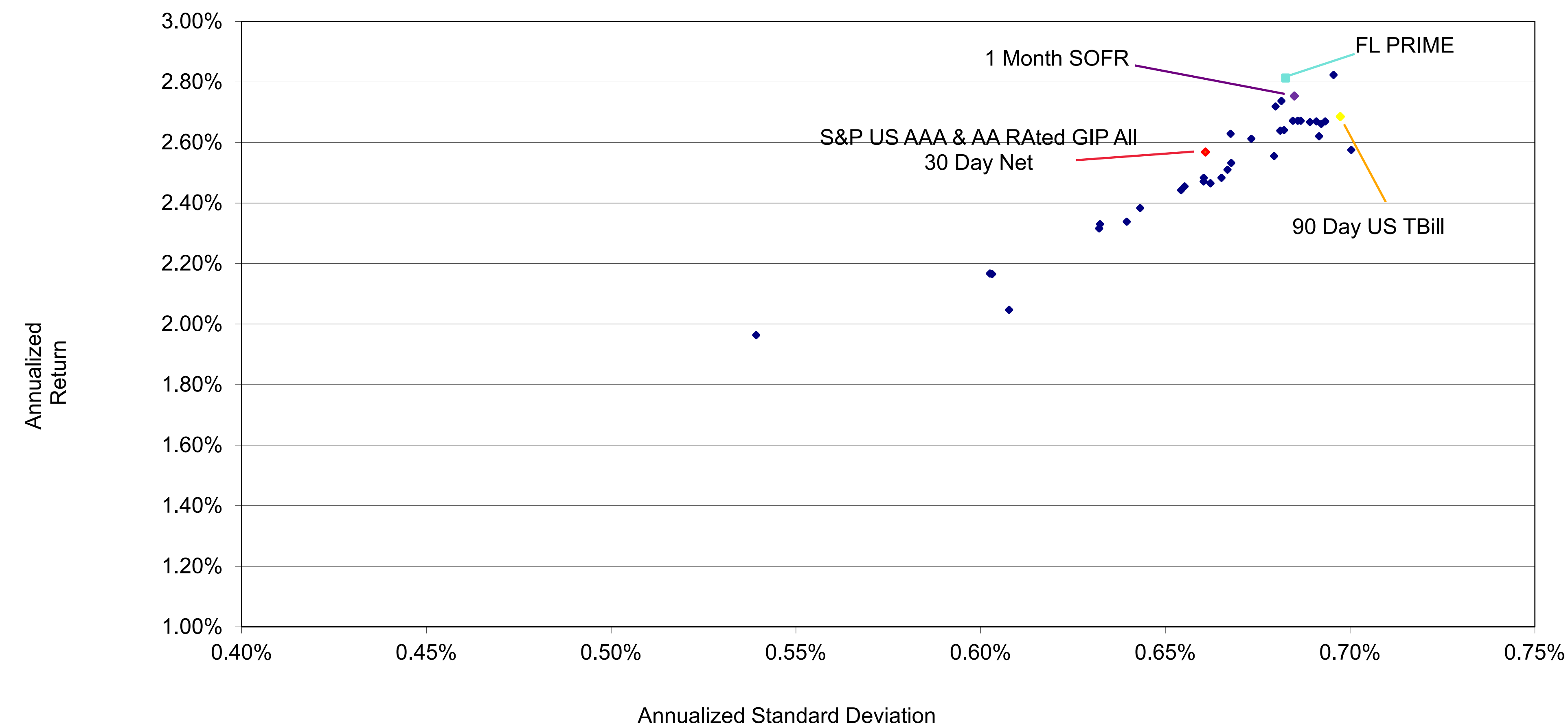
# Florida PRIME Risk vs. Return

3 Years Ending March 31, 2025



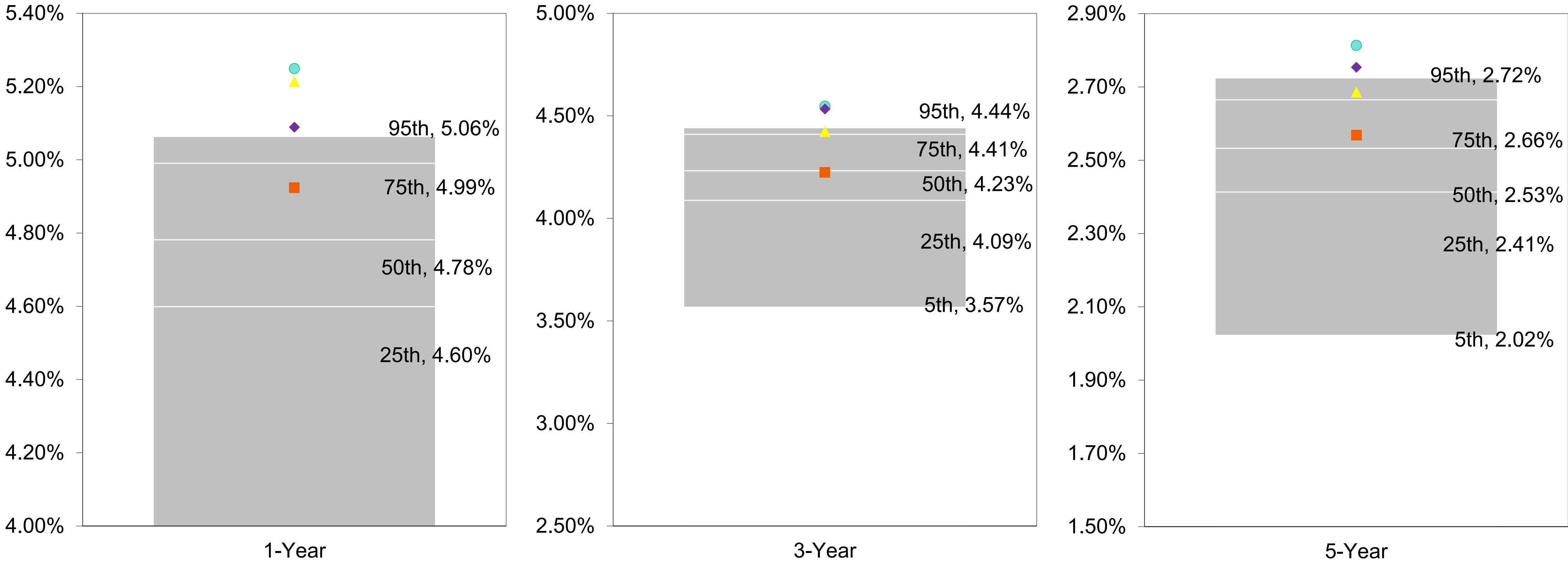
# Florida PRIME Risk vs. Return

5 Years Ending March 31, 2025



# Return Distribution

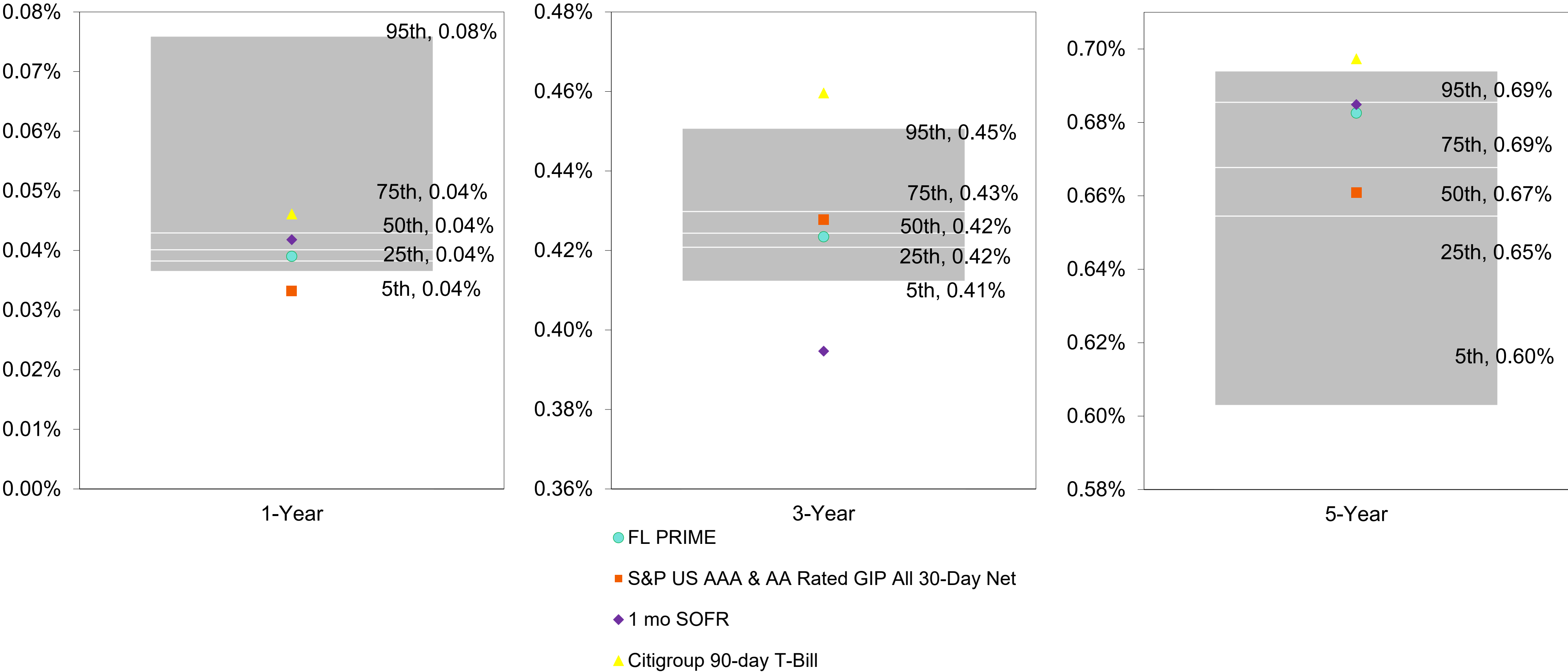
Periods Ending March 31, 2025



- FL PRIME
- S&P US AAA & AA Rated GIP All 30-Day Net
- ◆ 1 mo SOFR
- ▲ Citigroup 90-day T-Bill

# Standard Deviation Distribution

Periods Ending March 31, 2025



# Florida PRIME Characteristics

Period Ending March 31, 2025

Effective Maturity Schedule	
1-7 Days	54.5%
8 - 30 Days	11.7%
31 - 90 Days	19.3%
91 - 180 Days	3.5%
181+ Days	11.0%
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
A-1+	55.9%
A-1	44.1%
<b>Total % of Portfolio:</b>	<b>100.0%</b>



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Chicago, IL 60601  
ATTN: Aon Investments Compliance Officer

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# INVESTMENT ADVISORY COUNCIL

## **Item 11. Audience Comments / Closing Remarks / Adjourn**

**Peter Jones, Chair**

*(See Attachment 11)*