

**MEETING OF THE STATE BOARD OF ADMINISTRATION**

**GOVERNOR SCOTT AS CHAIR  
CHIEF FINANCIAL OFFICER PATRONIS  
ATTORNEY GENERAL BONDI**

**March 7, 2018**

**To View Agenda Items, Click on the Following Link:**

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**AGENDA**

**ITEM 1. REQUEST APPROVAL OF THE MINUTES OF THE DECEMBER 13, 2017 CABINET MEETING.**

**(See Attachment 1)**

**ACTION REQUIRED**

**ITEM 2. REQUEST APPROVAL OF THE MINUTES OF THE JANUARY 18, 2018 CABINET MEETING.**

**(See Attachment 2)**

**ACTION REQUIRED**

**ITEM 3. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$11,200,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY REVENUE NOTES, (SERIES TO BE DESIGNATED) (BANYAN COURT APARTMENTS)**

**(See Attachment 3)**

**ACTION REQUIRED**

**ITEM 4. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$8,600,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, (SERIES TO BE DESIGNATED) (FREEDOM GARDENS II APARTMENTS)**

**(See Attachment 4)**

**ACTION REQUIRED**

- ITEM 5. APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$52,000,000 STATE OF FLORIDA, DEPARTMENT OF EDUCATION, FLORIDA COLLEGE SYSTEM CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)**

(See Attachment 5)

**ACTION REQUIRED**

- ITEM 6. APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$100,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)**

(See Attachment 6)

**ACTION REQUIRED**

- ITEM 7. REQUEST APPROVAL OF SBA QUARTERLY REPORT REQUIRED BY THE PROTECTING FLORIDA'S INVESTMENTS ACT (PFIA).**

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

(See Attachment 7 - BACK UP TO FOLLOW)

**ACTION REQUIRED**

- ITEM 8. REQUEST APPROVAL OF A DRAFT LETTER TO THE JOINT LEGISLATIVE AUDITING COMMITTEE AFFIRMING "THE SBA TRUSTEES HAVE REVIEWED AND APPROVED THE MONTHLY [FLORIDA PRIME] SUMMARY REPORTS AND ACTIONS TAKEN, IF ANY, TO ADDRESS ANY IMPACTS." (SECTION 218.409(6)(a)1, F.S.)**

(See Attachment 8 - BACK UP TO FOLLOW)

**ACTION REQUIRED**

**ITEM 9. QUARTERLY REPORTS PURSUANT TO SECTION 215.44 (2)(e),  
FLORIDA STATUTES**

- Executive Director & CIO Introductory Remarks and Standing Reports
- Major Mandates Investment Performance Reports as of December 31, 2017
  - Florida Retirement System Pension Plan (DB)
  - Florida Retirement System Investment Plan (DC)
  - Florida PRIME (Local Government Surplus Funds Trust Fund)
  - Lawton Chiles Endowment Fund (LCEF)
  - Florida Hurricane Catastrophe Fund (FHCF)

**(See Attachments 9A – 9B - BACK UP TO FOLLOW)**

## STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND  
CABINET

---

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

DATE: TUESDAY, DECEMBER 13, 2017

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

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

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1                   **STATE BOARD OF ADMINISTRATION**

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

6                   Ash, how much is the pension plan worth today?  
7 Do you happen to have that number?

8                   EXECUTIVE DIRECTOR WILLIAMS: I'm ready for  
9 you on that one, Governor.

10                  Good morning, trustees and Cabinet members.

11                  The balance as of last evening's close for the  
12 Florida Retirement System Trust Fund was  
13 \$161.1 billion. That's a record high.

14                  GOVERNOR SCOTT: Record high.

15                  EXECUTIVE DIRECTOR WILLIAMS: That's up 16.7  
16 from the beginning of the year, 16.7 billion. It's  
17 an even 16-percent return, which is 46 basis points  
18 ahead of target.

19                  GOVERNOR SCOTT: That's great.

20                  EXECUTIVE DIRECTOR WILLIAMS: So we've got the  
21 sail out while the markets are going.

22                  GOVERNOR SCOTT: Yeah.

23                  ATTORNEY GENERAL BONDI: Excuse me, Ash, is  
24 that because of your new great General Counsel that  
25 you stole from me? I'm just kidding.

1                   GOVERNOR SCOTT: Ooh, Ash.

2                   EXECUTIVE DIRECTOR WILLIAMS: Well, we  
3 actually have the same General Counsel. It does  
4 have substantial attribution to our new Deputy  
5 Executive Director that we stole for you.

6                   ATTORNEY GENERAL BONDI: Thank you, okay.

7                   GOVERNOR SCOTT: Ooh.

8                   EXECUTIVE DIRECTOR WILLIAMS: Thank you for  
9 your graciousness in that --

10                  ATTORNEY GENERAL BONDI: I'm very proud of  
11 him. Thank you.

12                  EXECUTIVE DIRECTOR WILLIAMS: -- transaction.  
13 It's been a big step up for our team.

14                  With that, unless there are any questions --

15                  GOVERNOR SCOTT: Let's approve the October 17  
16 minutes. Is there a motion on the item?

17                  ATTORNEY GENERAL BONDI: So move.

18                  GOVERNOR SCOTT: Is there a second?

19                  CFO PATRONIS: Second.

20                  GOVERNOR SCOTT: Comments or objections?

21                  (NO RESPONSE).

22                  GOVERNOR SCOTT: Hearing none, the motion  
23 carries.

24                  November 7th minutes, is there a motion?

25                  EXECUTIVE DIRECTOR WATKINS: Governor, I think

1 the November 7 minutes, we actually need to  
2 withdraw that one.

3 GOVERNOR SCOTT: Yeah, we're going to withdraw  
4 them, right?

5 EXECUTIVE DIRECTOR WILLIAMS: The minutes  
6 aren't ready yet. We'll bring it back when it's  
7 ready.

8 GOVERNOR SCOTT: Okay. Is there a motion to  
9 withdraw the minutes?

10 ATTORNEY GENERAL BONDI: So move.

11 GOVERNOR SCOTT: Okay. Is there a second?

12 CFO PATRONIS: Second.

13 GOVERNOR SCOTT: Okay. Comments or  
14 objections?

15 (NO RESPONSE).

16 GOVERNOR SCOTT: Hearing none, the motion  
17 carries.

18 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

19 Item 3 is a resolution of the State Board -- a  
20 fiscal determination in connection with an amount  
21 not exceeding \$450 million Florida Housing Finance  
22 Corporation Homeowner Mortgage Revenue Bonds. This  
23 is to provide -- to fund low, moderate, and middle  
24 income, first-time home buyer loans.

25 Request approval.

1 ATTORNEY GENERAL BONDI: So move?

2 GOVERNOR SCOTT: Let's do 2 -- let's do 3, 4  
3 and 5 together.

4 Is there a motion on 3, 4, and 5?

5 ATTORNEY GENERAL BONDI: And three is for our  
6 first responders, right? So move.

7 GOVERNOR SCOTT: Is there a second?

8 CFO PATRONIS: Second.

9 GOVERNOR SCOTT: Okay. Any objections?

10 (NO RESPONSE).

11 GOVERNOR SCOTT: All right. It passed.  
12 Three, 4, and 5 just passed. We're on Item 6.

13 EXECUTIVE DIRECTOR WILLIAMS: Good. Okay,  
14 Items 6 and 7 are both fiscal sufficiencies in  
15 relation to refunding bonds that I believe Ben just  
16 touched on.

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

18 ATTORNEY GENERAL BONDI: So move.

19 GOVERNOR SCOTT: Is there a second?

20 CFO PATRONIS: Second.

21 GOVERNOR SCOTT: Any comments or objections?

22 (NO RESPONSE).

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

25 Cat Fund.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 8, request approval of an authority to file notice of an amendment to the Cat Fund Rule 19-8.029. This is the insurer reporting requirements. We've already held a rule workshop on this, and they've been taken up in the Cat Fund Advisory Council and recommended that they move forward there.

Request approval.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So move.

GOVERNOR SCOTT: Is there a second?

CFO PATRONIS: Second.

GOVERNOR SCOTT: Comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

Hey, Ash, do you know the cash balance of the Cat Fund offhand?

EXECUTIVE DIRECTOR WILLIAMS: Seventeen billion.

GOVERNOR SCOTT: Seventeen billion?

EXECUTIVE DIRECTOR WILLIAMS: Yes, and that includes a little bit -- it includes, I want to

say, about 14, 15 of cash; a little bit of proceeds of pre-event issuance; we have a billion dollars of risk transfer; and just FYI, claims to date from Irma, about 60 million, so nothing material there. It's early days.

GOVERNOR SCOTT: And so at this rate, will we have -- will we need any debt? We won't. Next May, right?

EXECUTIVE DIRECTOR WILLIAMS: I don't think there's any reason to do pre-event debt for the next season, no.

GOVERNOR SCOTT: Well, it will be fully funded, right?

EXECUTIVE DIRECTOR WILLIAMS: Correct.

GOVERNOR SCOTT: Yeah. Okay. Thanks.

EXECUTIVE DIRECTOR WILLIAMS: Item 9, request approval of the SBA quarterly report under the Protecting Florida Investments Act. There are no changes in the report this quarter from last.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So move.

GOVERNOR SCOTT: Is there a second?

CFO PATRONIS: Second.

GOVERNOR SCOTT: Comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 10, request approval of a draft letter to the Joint Legislative Auditing Committee affirming that the SBA trustees have reviewed and approved the monthly Florida Prime summary reports and taken action, if any, to address impacts. There are no material impacts.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO PATRONIS: Second.

GOVERNOR SCOTT: Comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 11 is the quarterly reports for the SBA consistent with Section 215.44, Florida Statutes, and we have the usual collection of reports from our General Counsel, our Inspector General, our Chief Risk and Compliance Officer, minutes from the

Participant Local Government Advisory Council, et cetera.

Key takeaways are as follows: Number 1, the control environment is completely in tact and functioning well, and we have no issues there.

Number 2, all major mandates have outperformed their short- and long-term benchmarks for the period ending September 30. So I think we're in good shape there.

And I think there's something else I wanted to share with you, which is to, Number 1, thank you for your support of my own activity at the SBA and your support of the governance of the SBA broadly. And I want to share with you something that I think validates and rewards that support.

If you look at our long-term numbers, they have been exceptionally good. And on a trailing one-year basis, we're in the first percentile of our peer group of major U.S. pension funds. If you look at the three- and five-year numbers, we're in the top quartile. And if you look at the trailing 10-year number, we're at the fifth percentile, so right at the top.

So then if you add to that the fact that last week I was in New York on a range of things, and

1 one of the things I did during the week was collect  
 2 an award that the SBA received from Chief  
 3 Investment Officer Magazine. This is something  
 4 that's voted on by other chief investment  
 5 officers all over -- actually all over the world;  
 6 it's an international thing. And we won a very  
 7 significant award there.

8 And part of what that reflects is the  
 9 accomplishment that we've had going all the way  
 10 back to the tail end of the financial crisis.  
 11 Here's what that picture looks like. The net  
 12 return going back to December 1 of '08, rolling  
 13 forward to December 4th of '17 -- and the reason  
 14 it's December 4th is I pulled this for the last  
 15 Investment Advisory Council meeting, so that's why  
 16 it's through the 4th -- it's a net return of 10.7  
 17 percent. And the investment gains, to put a dollar  
 18 on that, is \$117.7 billion.

19 So we paid out \$52 billion in benefits over  
 20 that time, and even net of that, grew the Fund by  
 21 65.7 billion. So it's worked pretty well, the  
 22 street knows it, and we're getting some recognition  
 23 for it. And that reflects directly on the  
 24 governance environment and the support you've  
 25 provided. Thank you.

1 GOVERNOR SCOTT: You've done a good job, Ash,  
 2 and you also have a good group of people who work  
 3 with you.

4 EXECUTIVE DIRECTOR WILLIAMS: We do.

5 GOVERNOR SCOTT: And I think everybody has  
 6 been able to find good people to appoint to the --  
 7 what is it -- the Advisory --

8 EXECUTIVE DIRECTOR WILLIAMS: Right.

9 GOVERNOR SCOTT: I don't remember the title,  
 10 but I think everybody has found good people, which  
 11 has been helpful I think to you.

12 EXECUTIVE DIRECTOR WILLIAMS: That's true. In  
 13 fact, one of our advisory bodies -- you know, we  
 14 have three: The Investment Advisory Council, an  
 15 External Audit Committee, and then a Participant  
 16 Local Government Advisory County, which was set up  
 17 when the cash pool had its issues back in Q4 of  
 18 2007.

19 That group has, in fact, done something I  
 20 think is fairly unique in government, which is  
 21 they have said: Our job has done, there is no  
 22 reason for us to exist, please disband us. So  
 23 we're working in the legislative process to do  
 24 exactly that now, with all of the control functions  
 25 and transparency functions kept in statute and

1 shared by either our Audit Committee or our IAC.  
2 So none of the oversight goes away, but the  
3 overhead and redundancy does go away.

4 GOVERNOR SCOTT: Yeah. And the biggest  
5 benefit are the people that are relying on the  
6 pension plan.

7 EXECUTIVE DIRECTOR WILLIAMS: Indeed. Thank  
8 you.

9 GOVERNOR SCOTT: Thank you, Ash.

10 CFO PATRONIS: Hang on a second. Governor --  
11 Ash -- I just wanted to commend Ash on how frugal  
12 he has been. He's even reusing stationery that has  
13 Jeff Atwater's name on it.

14 So I just -- that is an excellent use of your  
15 resources, and thank you.

16 GOVERNOR SCOTT: Congratulations, Ash. That's  
17 a great idea.

18 CFO PATRONIS: And I'm glad you found your  
19 loyalty this month because last month you lost your  
20 loyalty and your colors are spot on.

21 EXECUTIVE DIRECTOR WILLIAMS: But I still seem  
22 to screw it up, so I'll fix the stationery when I  
23 get back.

24 Thank you.

25 GOVERNOR SCOTT: Thank you, CFO.

1 CFO PATRONIS: Yes, sir.

2 GOVERNOR SCOTT: Never a dull moment.

3 \* \* \* \*

## STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND  
CABINET

---

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

DATE: THURSDAY, JANUARY 18, 2018

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

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

GOVERNOR SCOTT: Now I'd like to recognize  
Ash Williams with the State Board of  
Administration.

Good morning, Ash.

EXECUTIVE DIRECTOR WILLIAMS: Good morning,  
Governor and Cabinet members.

GOVERNOR SCOTT: Have we made any money in the  
last month?

EXECUTIVE DIRECTOR WILLIAMS: Well, with these  
markets, you know, I don't think you could swing a  
dead cat without hitting a few gains in these  
conditions. So the short answer is yes.

Fiscal year to date, the Florida Retirement  
System Trust Fund is up 10.21 percent. That's  
43 basis points behind target, but I would qualify  
that and say the reason is the private equity class  
is pegged to a three-percent premium to liquid  
equities; and when they move rapidly either up or  
down, the private equity holdings don't get  
repriced daily like public ones do. So that's the  
gap; it's a not a problem.

The Fund stands at \$165.8 billion dollars.  
That's \$12.3 billion ahead of where we started the

1 fiscal year, net of distributions, averaging about  
2 600 million a month, so all is good.

3 And to your question for the calendar year to  
4 date, as short as it is -- and this just shows you  
5 how aggressive the market appreciation has been --  
6 calendar year to date, as of the close on the 16th,  
7 up 2.28 percent. That's a \$3.9 billion gain since  
8 the first of January, so -- now that can go the  
9 other way.

10 GOVERNOR SCOTT: You look really smart right  
11 now.

12 EXECUTIVE DIRECTOR WILLIAMS: Pardon me?

13 GOVERNOR SCOTT: You look really smart right  
14 now.

15 ATTORNEY GENERAL BONDI: And, Gov --

16 EXECUTIVE DIRECTOR WILLIAMS: Well, don't  
17 confuse a rising tide with --

18 ATTORNEY GENERAL BONDI: No, no. Governor,  
19 Andrew just pointed out he's wearing an FSU tie.  
20 Don't you represent all of us? So next time you  
21 should have a Gator tie.

22 CFO PATRONIS: I was going to say --

23 ATTORNEY GENERAL BONDI: Can you wear a Gator  
24 tie next time, Ash, since -- I thought it was all  
25 of us you were --

1 EXECUTIVE DIRECTOR WILLIAMS: I'm tempted to  
2 suggest --

3 GOVERNOR SCOTT: I like every school in the  
4 state.

5 ATTORNEY GENERAL BONDI: All right. You can  
6 wear a Hurricane tie the following --

7 EXECUTIVE DIRECTOR WILLIAMS: There may be  
8 other Gator attire, but we won't go there.

9 So if I may, unless there are other questions  
10 about performance, Item 1, request approval of the  
11 minutes of the November 7, 2017, Cabinet meeting.

12 GOVERNOR SCOTT: Is there a motion?

13 ATTORNEY GENERAL BONDI: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 CFO PATRONIS: Second.

16 GOVERNOR SCOTT: Any comments or objections?

17 (NO RESPONSE).

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

20 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

21 Item 2 is a resolution of the State Board  
22 of Administration making a fiscal determination in  
23 connection with the issuance of an amount not  
24 exceeding \$14 million Florida Housing Finance  
25 Corporation Multi-Family Mortgage Revenue Bonds.



1           This is for the acquisition and rehab of the  
2       Lake Magnolia Apartments in Palm Beach County,  
3       Florida.

4           Request approval.

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

7           ATTORNEY GENERAL BONDI: So moved.

8           GOVERNOR SCOTT: Is there a second?

9           CFO PATRONIS: Second.

10          GOVERNOR SCOTT: Okay. Comments or  
11       objections?

12          (NO RESPONSE).

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

15          EXECUTIVE DIRECTOR WILLIAMS: Thank you.

16          GOVERNOR SCOTT: Thanks, Ash. Have a good  
17       day.

18          EXECUTIVE DIRECTOR WILLIAMS: Thank you. You  
19       too.

20          GOVERNOR SCOTT: I hope you do as well next  
21       month. That would be nice.

22  
23  
24                   \*           \*           \*           \*  
25

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

---

**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** February 16, 2018

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**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$11,200,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, (SERIES TO BE DESIGNATED) (BANYAN COURT APARTMENTS)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$11,200,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (the "Notes") for the purpose of financing the construction of a multifamily rental development located in Palm Beach County, Florida (Banyan Court Apartments). The Notes shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$11,200,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES,  
(SERIES TO BE DESIGNATED) (BANYAN COURT APARTMENTS)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$11,200,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (the "Notes") for the purpose of financing the construction of a multifamily rental development located in Palm Beach County, Florida (Banyan Court Apartments); and,

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

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

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

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

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

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

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

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (Banyan Court Apartments), in an amount not exceeding \$11,200,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

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

**ADOPTED** March 7, 2018

STATE OF FLORIDA)

:

COUNTY OF LEON )

I, **Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held March 7, 2018, making the fiscal determination in connection with the issuance of an amount not exceeding \$11,200,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (Banyan Court Apartments).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 7th day of March 2018.

---

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

(SEAL)

February 12, 2018

VIA HAND DELIVERY

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

RE: FHFC Multifamily Mortgage Revenue Notes  
Not to Exceed \$11,200,000 Tax-Exempt Notes  
Banyan Court

Dear Mr. Williams:

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

This note issue will be a private placement. We request that this item be placed on the agenda for approval at the State Board of Administration's March 7, 2018 Cabinet meeting, due to financing and closing schedules.

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

Sincerely,



Tim Kennedy  
Assistant Director of Multifamily Programs

TK/jg

Enclosures

---

Rick Scott, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman  
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith  
Julie Dennis, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director



\$6,432,000

Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Notes

Banyan Court

Combined Debt Coverage Table

	Revenue	Note Payments <sup>(3)</sup> <sup>(4)</sup>		SAIL Loan Payments	SHIP Loan Payments	Fee Payments		Total Debt Service	Debt Service Coverage		Note/Bond Balance
	Net Operating Income <sup>(1)</sup>	Principal <sup>(2)</sup>	Interest 4.70%	Interest 1.00%	Interest 1.00%	MMRN Fees	SAIL/ELI/SHIP Fees		Note Debt Service DCR	Total DCR with Fees	
YR 1	\$ 472,940	\$ 74,177	\$ 300,720	\$ 54,000	\$ 1,150	\$ 25,553	\$ 15,448	\$ 471,047	1.26	1.00	\$ 6,432,000
YR 2	478,047	\$ 77,739	\$ 297,157	\$ 54,000	\$ 1,150	\$ 25,467	\$ 15,504	\$ 471,018	1.28	1.01	\$ 6,357,823
YR 3	483,110	\$ 81,473	\$ 293,424	\$ 54,000	\$ 1,150	\$ 25,376	\$ 15,560	\$ 470,983	1.29	1.03	\$ 6,280,084
YR 4	488,125	\$ 85,386	\$ 289,511	\$ 54,000	\$ 1,150	\$ 25,279	\$ 15,618	\$ 470,943	1.30	1.04	\$ 6,198,611
YR 5	493,085	\$ 89,486	\$ 285,410	\$ 54,000	\$ 1,150	\$ 25,175	\$ 15,678	\$ 470,899	1.32	1.05	\$ 6,113,225
YR 6	497,984	\$ 93,784	\$ 281,113	\$ 54,000	\$ 1,150	\$ 25,064	\$ 15,740	\$ 470,851	1.33	1.06	\$ 6,023,739
YR 7	502,818	\$ 98,288	\$ 276,609	\$ 54,000	\$ 1,150	\$ 24,946	\$ 15,804	\$ 470,797	1.34	1.07	\$ 5,929,955
YR 8	507,579	\$ 103,008	\$ 271,888	\$ 54,000	\$ 1,150	\$ 24,821	\$ 15,870	\$ 470,738	1.35	1.08	\$ 5,831,666
YR 9	512,262	\$ 107,956	\$ 266,941	\$ 54,000	\$ 1,150	\$ 24,687	\$ 15,938	\$ 470,672	1.37	1.09	\$ 5,728,658
YR 10	516,858	\$ 113,140	\$ 261,756	\$ 54,000	\$ 1,150	\$ 24,546	\$ 16,008	\$ 470,600	1.38	1.10	\$ 5,620,702
YR 11	520,597	\$ 118,574	\$ 256,323	\$ 54,000	\$ 1,150	\$ 24,395	\$ 16,080	\$ 470,521	1.39	1.11	\$ 5,507,562
YR 12	524,213	\$ 124,268	\$ 250,628	\$ 54,000	\$ 1,150	\$ 24,235	\$ 16,154	\$ 470,435	1.40	1.11	\$ 5,388,988
YR 13	527,697	\$ 130,237	\$ 244,660	\$ 54,000	\$ 1,150	\$ 24,064	\$ 16,230	\$ 470,341	1.41	1.12	\$ 5,264,720
YR 14	531,041	\$ 136,491	\$ 238,405	\$ 54,000	\$ 1,150	\$ 23,884	\$ 16,308	\$ 470,238	1.42	1.13	\$ 5,134,483
YR 15	5,532,227	\$ 4,997,992	\$ 231,850	\$ 54,000	\$ 1,150	\$ 23,692	\$ 16,390	\$ 5,325,074	1.06	1.04	\$ 4,997,992
											\$ -

(1) NOI based on 'Projected Operating Revenue' Schedule.

(2) Based on estimated Note sinking fund schedule .

(3) The Note Interest Rate is based on current market conditions for a negotiated private placement with an interest rate of 4.70%.

(4) The Notes have a 15 year term with amortizing debt service based on a 35 year schedule. Upon the maturity date in 15 years, the borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the property. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Note holder will present the Notes to the Fiscal Agent for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In the final year, the Net Operating Income includes an amount to fully repay the Notes.

(5) The Subordinate Mortgage debt service repayments are all contingent upon available cash flow after all other fees, expenses and senior mortgage debt service payments.

**Florida Housing Finance Corporation**  
**Multifamily Mortgage Revenue Notes**  
**Banyan Court**

Key Terms:		
Construction Note Size:	\$	11,200,000
Permanent Note Size:	\$	6,432,000
Interest Only Term:		24 months
Permanent Notes Term:		15 Years
Amortization Period:		35 years

**Projected Operations**

**Income**

	% of EGI	Per Unit / Stabilized	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Potential Rental Revenue	100.1%	\$ 11,593	\$ 985,428	\$ 1,005,137	\$ 1,025,239	\$ 1,045,744	\$ 1,066,659	\$ 1,087,992
Other Income								
Ancillary Income	2.1%	240	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082	\$ 22,523
Miscellaneous Income	3.1%	360	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,785
Gross Potential Income (GPI)	105.3%	\$ 12,193	\$ 1,036,428	\$ 1,057,157	\$ 1,078,300	\$ 1,099,866	\$ 1,121,863	\$ 1,144,300
Less:								
Vacancy Loss 4% of GPI	-4.2%	(488)	\$ (41,457)	\$ (42,286)	\$ (43,132)	\$ (43,995)	\$ (44,875)	\$ (45,772)
Collection Loss 1% of GPI	-1.1%	(122)	\$ (10,364)	\$ (10,572)	\$ (10,783)	\$ (10,999)	\$ (11,219)	\$ (11,443)
<b>Total Effective Gross Income (EGI)</b>	<b>100.0%</b>	<b>\$ 11,584</b>	<b>\$ 984,607</b>	<b>\$ 1,004,299</b>	<b>\$ 1,024,385</b>	<b>\$ 1,044,872</b>	<b>\$ 1,065,770</b>	<b>\$ 1,087,085</b>

**Expenses**

Fixed:								
Taxes	14.7%	1,706	\$ 145,033	\$ 149,384	\$ 153,866	\$ 158,481	\$ 163,236	\$ 168,133
Insurance	4.3%	500	\$ 42,500	\$ 43,775	\$ 45,088	\$ 46,441	\$ 47,834	\$ 49,269
Variable:								
Management Fees	4.00%	463	\$ 39,384	\$ 40,566	\$ 41,782	\$ 43,036	\$ 44,327	\$ 45,657
General and Administrative	1.9%	225	\$ 19,125	\$ 19,699	\$ 20,290	\$ 20,898	\$ 21,525	\$ 22,171
Payroll Expenses	10.4%	1,200	\$ 102,000	\$ 105,060	\$ 108,212	\$ 111,458	\$ 114,802	\$ 118,246
Utilities	8.6%	1,000	\$ 85,000	\$ 87,550	\$ 90,177	\$ 92,882	\$ 95,668	\$ 98,538
Maintenance and Repairs/Pest Control	3.5%	400	\$ 34,000	\$ 35,020	\$ 36,071	\$ 37,153	\$ 38,267	\$ 39,415
Grounds Maintenance and Landscaping	1.3%	150	\$ 12,750	\$ 13,133	\$ 13,526	\$ 13,932	\$ 14,350	\$ 14,781
Marketing and Advertising	0.6%	75	\$ 6,375	\$ 6,566	\$ 6,763	\$ 6,966	\$ 7,175	\$ 7,390
Reserves for Replacements	2.6%	300	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500
<b>Total Expenses</b>	<b>52.0%</b>	<b>\$ 6,020</b>	<b>\$ 511,667</b>	<b>\$ 526,252</b>	<b>\$ 541,275</b>	<b>\$ 556,748</b>	<b>\$ 572,685</b>	<b>\$ 589,101</b>
<b>Net Operating Income</b>			<b>\$ 472,940</b>	<b>\$ 478,047</b>	<b>\$ 483,110</b>	<b>\$ 488,125</b>	<b>\$ 493,085</b>	<b>\$ 497,984</b>

**Proceeds from Notes Refinancing, Sale, or Mortgage Assignment**

**Debt Service Payments:**

First Mortgage Notes Debt Service (1)(2)		\$	374,897	\$ 374,897	\$ 374,897	\$ 374,897	\$ 374,897	\$ 374,897
Second Mortgage - SAIL loan (3)	\$ 5,400,000	\$	54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000
Fourth Mortgage- SHIP loan (3)	\$ 115,000	\$	1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150
MMRN Fees (4)(5):		\$	25,553	\$ 25,467	\$ 25,376	\$ 25,279	\$ 25,175	\$ 25,064
SAIL Fees (4)(5):		\$	10,998	\$ 11,026	\$ 11,054	\$ 11,083	\$ 11,113	\$ 11,144
ELI Fees (4)(5):		\$	3,450	\$ 3,478	\$ 3,506	\$ 3,535	\$ 3,565	\$ 3,596
SHIP Fees:		\$	1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
<b>Total Debt Service Payments</b>		\$	<b>471,047</b>	<b>\$ 471,018</b>	<b>\$ 470,983</b>	<b>\$ 470,943</b>	<b>\$ 470,899</b>	<b>\$ 470,851</b>

**Operating Income After Debt Service - Before Tax Cash Flow**

**Debt Service Coverage Ratios**

DSC - First Only (2)	1.26	1.28	1.29	1.30	1.32	1.33
DSC - First and Second Mortgage Loans (3)	1.10	1.11	1.13	1.14	1.15	1.16
DSC - All Mortgages & Fees	1.00	1.01	1.03	1.04	1.05	1.06

**Financial Ratios**

Operating Expense Ratio	52%	52%	53%	53%	54%	54%
Break-even Ratio	95%	94%	94%	93%	93%	93%

Growth Rates	
Rents	2.0%
Other Income	2.0%
Expenses	3.0%

Assumed Note Rate (2)	
All - In (Tax-exempt)	4.700%

Note Size	
\$	6,432,000

Units	
	85

(1) The Notes have a 15 year term. The term includes 15 years of amortizing debt service based on a 35 year schedule. Upon maturity of the Notes, the borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the property. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Noteholder will present the Notes to the fiscal agent for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In final year, the Net Operating Income includes an amount to fully repay the Notes.

(2) The assumed All-In note rate of 4.70% is the base Note Interest Rate inclusive of a 25 basis point cushion.

(3) The SAIL loan is non-amortizing with a 1% interest rate. The ELI loan is non-amortizing with a 0% interest rate and is forgivable at maturity provided the units are targeted to ELI Households for the first 15 years. The SAIL and ELI loans are co-terminus with the MMRN. The SHIP loan is non-amortizing with a 1% interest rate and a 30 year term. Payment of debt service on the Subordinate Mortgages is contingent upon available cash flow after all other debt service, fees and expenses associated with the senior mortgage are paid.

(4) MMRN CM Fee= \$3,084 SAIL CM Multiple Program Fee= \$918 ELI CM Multiple Program Fee= \$918

(5) MMRN Fiscal Agent fee= \$4,500; MMRN PLS= minimum of \$2,532; SAIL PLS= 25bps of outstanding loan amount; ELI PLS= minimum of \$2,532



Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
\$ 1,109,752	\$ 1,131,947	\$ 1,154,586	\$ 1,177,678	\$ 1,201,231	\$ 1,225,256	\$ 1,249,761	\$ 1,274,756	\$ 1,300,251
\$ 22,974	\$ 23,433	\$ 23,902	\$ 24,380	\$ 24,867	\$ 25,365	\$ 25,872	\$ 26,390	\$ 26,917
\$ 34,461	\$ 35,150	\$ 35,853	\$ 36,570	\$ 37,301	\$ 38,047	\$ 38,808	\$ 39,584	\$ 40,376
\$ 1,167,186	\$ 1,190,530	\$ 1,214,341	\$ 1,238,627	\$ 1,263,400	\$ 1,288,668	\$ 1,314,441	\$ 1,340,730	\$ 1,367,545
\$ (46,687)	\$ (47,621)	\$ (48,574)	\$ (49,545)	\$ (50,536)	\$ (51,547)	\$ (52,578)	\$ (53,629)	\$ (54,702)
\$ (11,672)	\$ (11,905)	\$ (12,143)	\$ (12,386)	\$ (12,634)	\$ (12,887)	\$ (13,144)	\$ (13,407)	\$ (13,675)
\$ 1,108,827	\$ 1,131,003	\$ 1,153,624	\$ 1,176,696	\$ 1,200,230	\$ 1,224,235	\$ 1,248,719	\$ 1,273,694	\$ 1,299,167
\$ 173,177	\$ 178,372	\$ 183,723	\$ 189,235	\$ 194,912	\$ 200,760	\$ 206,782	\$ 212,986	\$ 219,375
\$ 50,747	\$ 52,270	\$ 53,838	\$ 55,453	\$ 57,116	\$ 58,830	\$ 60,595	\$ 62,413	\$ 64,285
\$ 47,027	\$ 48,437	\$ 49,890	\$ 51,387	\$ 52,929	\$ 54,517	\$ 56,152	\$ 57,837	\$ 59,572
\$ 22,836	\$ 23,521	\$ 24,227	\$ 24,954	\$ 25,702	\$ 26,473	\$ 27,268	\$ 28,086	\$ 28,928
\$ 121,793	\$ 125,447	\$ 129,211	\$ 133,087	\$ 137,079	\$ 141,192	\$ 145,428	\$ 149,790	\$ 154,284
\$ 101,494	\$ 104,539	\$ 107,675	\$ 110,906	\$ 114,233	\$ 117,660	\$ 121,190	\$ 124,825	\$ 128,570
\$ 40,598	\$ 41,816	\$ 43,070	\$ 44,362	\$ 45,693	\$ 47,064	\$ 48,476	\$ 49,930	\$ 51,428
\$ 15,224	\$ 15,681	\$ 16,151	\$ 16,636	\$ 17,135	\$ 17,649	\$ 18,178	\$ 18,724	\$ 19,286
\$ 7,612	\$ 7,840	\$ 8,076	\$ 8,318	\$ 8,567	\$ 8,824	\$ 9,089	\$ 9,362	\$ 9,643
\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 26,265	\$ 27,053	\$ 27,865	\$ 28,700	\$ 29,561
\$ 606,009	\$ 623,424	\$ 641,362	\$ 659,838	\$ 679,633	\$ 700,022	\$ 721,022	\$ 742,653	\$ 764,933
\$ 502,818	\$ 507,579	\$ 512,262	\$ 516,858	\$ 520,597	\$ 524,213	\$ 527,697	\$ 531,041	\$ 534,235
								\$ 4,997,992
\$ 374,897	\$ 374,897	\$ 374,897	\$ 374,897	\$ 374,897	\$ 374,897	\$ 374,897	\$ 374,897	\$ 5,229,842
\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000
\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150
\$ 24,946	\$ 24,821	\$ 24,687	\$ 24,546	\$ 24,395	\$ 24,235	\$ 24,064	\$ 23,884	\$ 23,692
\$ 11,176	\$ 11,209	\$ 11,243	\$ 11,278	\$ 11,314	\$ 11,351	\$ 11,389	\$ 11,428	\$ 11,469
\$ 3,628	\$ 3,661	\$ 3,695	\$ 3,730	\$ 3,766	\$ 3,803	\$ 3,841	\$ 3,880	\$ 3,921
\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
\$ 470,797	\$ 470,738	\$ 470,672	\$ 470,600	\$ 470,521	\$ 470,435	\$ 470,341	\$ 470,238	\$ 5,325,074
\$ 32,021	\$ 36,842	\$ 41,590	\$ 46,258	\$ 50,076	\$ 53,778	\$ 57,356	\$ 60,802	\$ 207,153
1.34	1.35	1.37	1.38	1.39	1.40	1.41	1.42	1.06
1.17	1.18	1.19	1.21	1.21	1.22	1.23	1.24	1.05
1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.13	1.04
55%	55%	56%	56%	57%	57%	58%	58%	59%
92%	92%	92%	91%	91%	91%	91%	90%	80%

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

---

**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** February 16, 2018

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**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$8,600,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, (SERIES TO BE DESIGNATED) (FREEDOM GARDENS II APARTMENTS)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$8,600,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (the "Notes") for the purpose of financing the construction of a multifamily rental development located in Hernando County, Florida (Freedom Gardens II Apartments). The Notes shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$8,600,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES,  
(SERIES TO BE DESIGNATED) (FREEDOM GARDENS II APARTMENTS)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$8,600,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (the "Notes") for the purpose of financing the construction of a multifamily rental development located in Hernando County, Florida (Freedom Gardens II Apartments); and,

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

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

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

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

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

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

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

STATE OF FLORIDA)

:

COUNTY OF LEON )

I, **Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held March 7, 2018, making the fiscal determination in connection with the issuance of an amount not exceeding \$8,600,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (Freedom Gardens II Apartments).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 7th day of March 2018.

---

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

(SEAL)

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, (series to be designated) (Freedom Gardens II Apartments), in an amount not exceeding \$8,600,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

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

**ADOPTED** March 7, 2018



February 12, 2018

VIA HAND DELIVERY

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

RE: FHFC Multifamily Mortgage Revenue Notes  
Not to Exceed \$8,600,000 Tax-Exempt Notes  
Freedom Gardens II

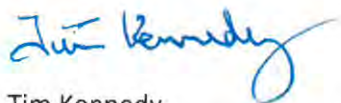
Dear Mr. Williams:

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

This note issue will be a private placement. We request that this item be placed on the agenda for approval at the State Board of Administration's March 7, 2018 Cabinet meeting, due to financing and closing schedules.

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

Sincerely,



Tim Kennedy  
Assistant Director of Multifamily Programs

TK/jg

Enclosures

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Rick Scott, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman  
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith  
Julie Dennis, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director

**\$4,625,000**  
**Florida Housing Finance Corporation**  
**Multifamily Mortgage Revenue Notes**

**Freedom Gardens II**

**Combined Debt Coverage Table**

	Revenue	Note Payments (3) (4)		SAIL Loan Payments	Fee Payments		Total Debt Service	Debt Service Coverage		Note/Bond Balance
	Net Operating Income (1)	Principal (2)	Interest 4.70%	Interest 1.00%	MMRN Fees	SAIL/ELI Fees		Note Debt Service DCR	Total DCR with Fees	
<b>YR 1</b>	\$ 377,648	\$ 44,886	\$ 252,794	\$ 55,000	\$ 9,758	\$ 14,158	\$ 376,596	1.27	1.00	\$ 4,625,000
<b>YR 2</b>	381,804	47,413	250,267	55,000	9,849	14,212	376,741	1.28	1.01	4,580,114
<b>YR 3</b>	385,925	50,083	247,597	55,000	9,942	14,267	376,890	1.30	1.02	4,532,700
<b>YR 4</b>	390,006	52,903	244,778	55,000	10,038	14,325	377,044	1.31	1.03	4,482,617
<b>YR 5</b>	394,043	55,881	241,799	55,000	10,138	14,384	377,202	1.32	1.04	4,429,714
<b>YR 6</b>	398,030	59,028	238,653	55,000	10,240	14,444	377,365	1.34	1.05	4,373,833
<b>YR 7</b>	401,964	62,351	235,329	55,000	10,345	14,507	377,532	1.35	1.06	4,314,805
<b>YR 8</b>	405,838	65,862	231,819	55,000	10,453	14,571	377,705	1.36	1.07	4,252,454
<b>YR 9</b>	409,648	69,570	228,111	55,000	10,565	14,638	377,883	1.38	1.07	4,186,593
<b>YR 10</b>	413,388	73,487	224,194	55,000	10,680	14,706	378,066	1.39	1.08	4,117,023
<b>YR 11</b>	416,207	77,624	220,056	55,000	10,798	14,776	378,255	1.40	1.09	4,043,536
<b>YR 12</b>	418,918	81,995	215,686	55,000	10,920	14,849	378,449	1.41	1.10	3,965,912
<b>YR 13</b>	421,515	86,611	211,069	55,000	11,046	14,924	378,650	1.42	1.11	3,883,917
<b>YR 14</b>	423,991	91,488	206,193	55,000	11,175	15,000	378,856	1.42	1.11	3,797,306
<b>YR 15</b>	426,337	96,639	201,042	55,000	11,308	15,080	379,068	1.43	1.12	3,705,818
<b>YR 16</b>	428,547	97,081	200,600	55,000	11,445	15,161	379,287	1.43	1.12	3,609,180
<b>YR 17</b>	430,611	97,525	200,156	55,000	11,587	15,245	379,512	1.44	1.13	3,512,099
<b>YR 18</b>	432,521	97,971	199,709	55,000	11,732	15,332	379,745	1.45	1.13	3,414,574
<b>YR 19</b>	434,269	98,419	199,261	55,000	11,882	15,421	379,984	1.45	1.14	3,316,603
<b>YR 20</b>	435,844	98,870	198,811	55,000	12,037	15,513	380,230	1.46	1.14	3,218,183
<b>YR 21</b>	437,237	99,322	198,359	55,000	12,196	15,607	380,484	1.46	1.15	3,119,314
<b>YR 22</b>	438,439	99,776	197,904	55,000	12,360	15,705	380,745	1.47	1.15	3,019,992
<b>YR 23</b>	439,438	100,233	197,448	55,000	12,528	15,805	381,014	1.47	1.15	2,920,215
<b>YR 24</b>	440,224	100,691	196,989	55,000	12,702	15,909	381,291	1.48	1.15	2,819,982
<b>YR 25</b>	440,786	101,152	196,528	55,000	12,881	16,015	381,577	1.48	1.16	2,719,291
<b>YR 26</b>	441,112	101,615	196,066	55,000	13,066	16,125	381,871	1.48	1.16	2,618,139
<b>YR 27</b>	441,190	102,080	195,601	55,000	13,256	16,238	382,174	1.48	1.16	2,516,524
<b>YR 28</b>	441,006	102,547	195,134	55,000	13,451	16,354	382,486	1.48	1.15	2,414,445
<b>YR 29</b>	440,549	103,016	194,665	55,000	13,653	16,474	382,807	1.48	1.15	2,311,898
<b>YR 30</b>	2,648,687	2,208,882	194,193	55,000	13,860	16,597	2,488,533	1.10	1.06	\$ -

(1) NOI based on 'Projected Operating Revenue' Schedule.

(2) Based on estimated Note sinking fund schedule .

(3) The Note Interest Rate is based on current market conditions for a negotiated private placement with an interest rate of 5.49%.

(4) The Notes have a 30 year term with amortizing debt service based on a 35 year schedule. Upon the maturity date in 30 years, the borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the property. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Note holder will present the Notes to the Fiscal Agent for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In the final year, the Net Operating Income includes an amount to fully repay the Notes.

(5) The Subordinate Mortgage debt service repayments are all contingent upon available cash flow after all other fees, expenses and senior mortgage debt service payments.

**Florida Housing Finance Corporation**  
**Multifamily Mortgage Revenue Notes**  
**Freedom Gardens II**

<b>Key Terms:</b>		
Construction Note Size:	\$	8,600,000
Permanent Note Size:	\$	4,625,000
Interest Only Term		24 months
Permanent Notes Term		30 years
Amortization Period		35 years

**Projected Operations**

		94							
		% of EGI	Per Unit / Stabilized	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Income</b>									
Gross Potential Rental Revenue		97.7%	\$ 8,335	\$ 783,456	\$ 799,125	\$ 815,108	\$ 831,410	\$ 848,038	\$ 864,999
Other Income									
	Ancillary Income	2.8%	240	\$ 22,560	\$ 23,011	\$ 23,471	\$ 23,941	\$ 24,420	\$ 24,908
	Miscellaneous Income	4.7%	405	\$ 38,070	\$ 38,831	\$ 39,608	\$ 40,400	\$ 41,208	\$ 42,032
Gross Potential Income (GPI)		105.3%	\$ 8,980	\$ 844,086	\$ 860,968	\$ 878,187	\$ 895,751	\$ 913,666	\$ 931,939
Less:									
	Vacancy Loss 4% of GPI	-4.2%	(359)	\$ (33,763)	\$ (34,439)	\$ (35,127)	\$ (35,830)	\$ (36,547)	\$ (37,278)
	Collection Loss 1% of GPI	-1.1%	(90)	\$ (8,441)	\$ (8,610)	\$ (8,782)	\$ (8,958)	\$ (9,137)	\$ (9,319)
<b>Total Effective Gross Income (EGI)</b>		100.0%	\$ 8,531	\$ 801,882	\$ 817,919	\$ 834,278	\$ 850,963	\$ 867,983	\$ 885,342
<b>Expenses</b>									
Fixed:									
	Taxes	12.3%	1,053	\$ 98,991	\$ 101,981	\$ 105,020	\$ 108,170	\$ 111,415	\$ 114,758
	Insurance	4.2%	360	\$ 33,824	\$ 34,839	\$ 35,884	\$ 36,960	\$ 38,069	\$ 39,211
Variable:									
	Management Fees	4.75%	405	\$ 38,089	\$ 39,232	\$ 40,409	\$ 41,621	\$ 42,870	\$ 44,156
	General and Administrative	4.4%	375	\$ 35,250	\$ 36,308	\$ 37,397	\$ 38,519	\$ 39,674	\$ 40,864
	Payroll Expenses	12.9%	1,100	\$ 103,400	\$ 106,502	\$ 109,697	\$ 112,988	\$ 116,378	\$ 119,869
	Utilities	3.5%	300	\$ 28,200	\$ 29,046	\$ 29,917	\$ 30,815	\$ 31,739	\$ 32,692
	Maintenance and Repairs/Pest Control	4.7%	400	\$ 37,600	\$ 38,728	\$ 39,890	\$ 41,087	\$ 42,319	\$ 43,589
	Grounds Maintenance and Landscaping	1.2%	100	\$ 9,400	\$ 9,682	\$ 9,972	\$ 10,272	\$ 10,580	\$ 10,897
	Marketing and Advertising	1.1%	90	\$ 8,460	\$ 8,714	\$ 8,975	\$ 9,244	\$ 9,522	\$ 9,807
	Contract Services	0.4%	30	\$ 2,820	\$ 2,905	\$ 2,992	\$ 3,081	\$ 3,174	\$ 3,269
	Reserves for Replacements	3.5%	300	\$ 28,200	\$ 28,200	\$ 28,200	\$ 28,200	\$ 28,200	\$ 28,200
<b>Total Expenses</b>		52.9%	\$ 4,513	\$ 424,234	\$ 436,115	\$ 448,352	\$ 460,957	\$ 473,940	\$ 487,312
<b>Net Operating Income</b>				\$ 377,648	\$ 381,804	\$ 385,925	\$ 390,006	\$ 394,043	\$ 398,030
<b>Proceeds from Notes Refinancing, Sale, or Mortgage Assignment</b>									
<b>Debt Service Payments:</b>									
	First Mortgage Notes Debt Service (1)/(2)			\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680
	Second Mortgage - SAIL loan (3)	\$ 5,500,000		\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
	MMRN Fees (4)/(5):			\$ 9,758	\$ 9,849	\$ 9,942	\$ 10,038	\$ 10,138	\$ 10,240
	SAIL Fees (4)/(5):			\$ 10,775	\$ 10,802	\$ 10,830	\$ 10,858	\$ 10,888	\$ 10,918
	ELI Fees (4)/(5):			\$ 3,383	\$ 3,410	\$ 3,438	\$ 3,466	\$ 3,496	\$ 3,526
<b>Total Debt Service Payments</b>				\$ 376,596	\$ 376,741	\$ 376,890	\$ 377,044	\$ 377,202	\$ 377,365
<b>Operating Income After Debt Service - Before Tax Cash Flow</b>				\$ 1,051	\$ 5,063	\$ 9,035	\$ 12,963	\$ 16,841	\$ 20,666
<b>Debt Service Coverage Ratios</b>									
	DSC - First Only incl. fees (2)			1.23	1.24	1.25	1.27	1.28	1.29
	DSC - First and Second Mortgage Loans & Fees (3)			1.01	1.02	1.03	1.04	1.05	1.06
	DSC - All Mortgages & Fees			1.00	1.01	1.02	1.03	1.04	1.05
<b>Financial Ratios</b>									
	Operating Expense Ratio			53%	53%	54%	54%	55%	55%
	Break-even Ratio			95%	94%	94%	94%	93%	93%

Growth Rates	
Rents	2.0%
Other Income	2.0%
Expenses	3.0%

Assumed Note Rate (2)	
All - In (Tax-exempt)	5.490%

Note Size	
\$	4,625,000

Units	
	94

(1) The Notes have a 30 year term. The term includes 30 years of amortizing debt service based on a 35 year schedule. Upon maturity of the Notes, the Borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the property. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Noteholder will present the Notes to the fiscal agent for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In final year, the Net Operating Income includes an amount to fully repay the Notes.

(2) The assumed All-In note rate of 5.49% is the base Note Interest Rate inclusive of a 25 basis point cushion and the 24 basis point Issuer Fee.

(3) The SAIL loan is non-amortizing with a 1% interest rate. The ELI loan is non-amortizing with a 0% interest rate and is forgivable at maturity provided the units are targeted to ELI Households for the first 15 years. The SAIL and ELI loans are co-terminus with the MMRN. Payment of debt service on the Subordinate Mortgages is contingent upon available cash flow after all other debt service, fees and expenses associated with the senior mortgage are paid.

(4) MMRN CM Fee= \$3,024 SAIL CM Multiple Program Fee= \$899 ELI CM Multiple Program Fee= \$899

(5) MMRN Fiscal Agent fee= \$4,250; MMRN PLS= minimum of \$2,484; SAIL PLS= 25bps of outstanding loan amount; ELI PLS= minimum of \$2,484



Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
\$ 882,299	\$ 899,945	\$ 917,944	\$ 936,302	\$ 955,028	\$ 974,129	\$ 993,612	\$ 1,013,484	\$ 1,033,754	\$ 1,054,429
\$ 25,406	\$ 25,914	\$ 26,433	\$ 26,961	\$ 27,501	\$ 28,051	\$ 28,612	\$ 29,184	\$ 29,767	\$ 30,363
\$ 42,873	\$ 43,730	\$ 44,605	\$ 45,497	\$ 46,407	\$ 47,335	\$ 48,282	\$ 49,248	\$ 50,233	\$ 51,237
\$ 950,578	\$ 969,589	\$ 988,981	\$ 1,008,761	\$ 1,028,936	\$ 1,049,515	\$ 1,070,505	\$ 1,091,915	\$ 1,113,754	\$ 1,136,029
\$ (38,023)	\$ (38,784)	\$ (39,559)	\$ (40,350)	\$ (41,157)	\$ (41,981)	\$ (42,820)	\$ (43,677)	\$ (44,550)	\$ (45,441)
\$ (9,506)	\$ (9,696)	\$ (9,890)	\$ (10,088)	\$ (10,289)	\$ (10,495)	\$ (10,705)	\$ (10,919)	\$ (11,138)	\$ (11,360)
\$ 903,049	\$ 921,110	\$ 939,532	\$ 958,323	\$ 977,489	\$ 997,039	\$ 1,016,980	\$ 1,037,319	\$ 1,058,066	\$ 1,079,227
\$ 118,200	\$ 121,746	\$ 125,399	\$ 129,161	\$ 133,036	\$ 137,027	\$ 141,137	\$ 145,372	\$ 149,733	\$ 154,225
\$ 40,388	\$ 41,599	\$ 42,847	\$ 44,133	\$ 45,457	\$ 46,820	\$ 48,225	\$ 49,672	\$ 51,162	\$ 52,697
\$ 45,480	\$ 46,845	\$ 48,250	\$ 49,698	\$ 51,188	\$ 52,724	\$ 54,306	\$ 55,935	\$ 57,613	\$ 59,341
\$ 42,090	\$ 43,353	\$ 44,654	\$ 45,993	\$ 47,373	\$ 48,794	\$ 50,258	\$ 51,766	\$ 53,319	\$ 54,918
\$ 123,465	\$ 127,169	\$ 130,984	\$ 134,914	\$ 138,961	\$ 143,130	\$ 147,424	\$ 151,846	\$ 156,402	\$ 161,094
\$ 33,672	\$ 34,682	\$ 35,723	\$ 36,795	\$ 37,898	\$ 39,035	\$ 40,206	\$ 41,413	\$ 42,655	\$ 43,935
\$ 44,896	\$ 46,243	\$ 47,631	\$ 49,059	\$ 50,531	\$ 52,047	\$ 53,609	\$ 55,217	\$ 56,873	\$ 58,580
\$ 11,224	\$ 11,561	\$ 11,908	\$ 12,265	\$ 12,633	\$ 13,012	\$ 13,402	\$ 13,804	\$ 14,218	\$ 14,645
\$ 10,102	\$ 10,405	\$ 10,717	\$ 11,038	\$ 11,370	\$ 11,711	\$ 12,062	\$ 12,424	\$ 12,797	\$ 13,180
\$ 3,367	\$ 3,468	\$ 3,572	\$ 3,679	\$ 3,790	\$ 3,904	\$ 4,021	\$ 4,141	\$ 4,265	\$ 4,393
\$ 28,200	\$ 28,200	\$ 28,200	\$ 28,200	\$ 29,046	\$ 29,917	\$ 30,815	\$ 31,739	\$ 32,692	\$ 33,672
\$ 501,085	\$ 515,272	\$ 529,884	\$ 544,935	\$ 561,283	\$ 578,121	\$ 595,465	\$ 613,329	\$ 631,728	\$ 650,680
\$ 401,964	\$ 405,838	\$ 409,648	\$ 413,388	\$ 416,207	\$ 418,918	\$ 421,515	\$ 423,991	\$ 426,337	\$ 428,547
\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680
\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
\$ 10,345	\$ 10,453	\$ 10,565	\$ 10,680	\$ 10,798	\$ 10,920	\$ 11,046	\$ 11,175	\$ 11,308	\$ 11,445
\$ 10,949	\$ 10,982	\$ 11,015	\$ 11,049	\$ 11,084	\$ 11,120	\$ 11,158	\$ 11,196	\$ 11,236	\$ 11,277
\$ 3,557	\$ 3,590	\$ 3,623	\$ 3,657	\$ 3,692	\$ 3,728	\$ 3,766	\$ 3,804	\$ 3,844	\$ 3,885
\$ 377,532	\$ 377,705	\$ 377,883	\$ 378,066	\$ 378,255	\$ 378,449	\$ 378,650	\$ 378,856	\$ 379,068	\$ 379,287
\$ 24,432	\$ 28,133	\$ 31,765	\$ 35,322	\$ 37,952	\$ 40,469	\$ 42,866	\$ 45,135	\$ 47,269	\$ 49,260
1.30	1.32	1.33	1.34	1.35	1.36	1.37	1.37	1.38	1.39
1.07	1.08	1.09	1.10	1.11	1.12	1.12	1.13	1.14	1.14
1.06	1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.12	1.13
55%	56%	56%	57%	57%	58%	59%	59%	60%	60%
92%	92%	92%	91%	91%	91%	91%	91%	91%	91%

Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26
\$ 1,075,517	\$ 1,097,028	\$ 1,118,968	\$ 1,141,347	\$ 1,164,174	\$ 1,187,458	\$ 1,211,207	\$ 1,235,431	\$ 1,260,140	\$ 1,285,343
\$ 30,970	\$ 31,589	\$ 32,221	\$ 32,866	\$ 33,523	\$ 34,193	\$ 34,877	\$ 35,575	\$ 36,286	\$ 37,012
\$ 52,262	\$ 53,307	\$ 54,373	\$ 55,461	\$ 56,570	\$ 57,701	\$ 58,855	\$ 60,033	\$ 61,233	\$ 62,458
\$ 1,158,749	\$ 1,181,924	\$ 1,205,563	\$ 1,229,674	\$ 1,254,267	\$ 1,279,353	\$ 1,304,940	\$ 1,331,039	\$ 1,357,659	\$ 1,384,813
\$ (48,350)	\$ (47,277)	\$ (48,223)	\$ (49,187)	\$ (50,171)	\$ (51,174)	\$ (52,198)	\$ (53,242)	\$ (54,306)	\$ (55,393)
\$ (11,587)	\$ (11,819)	\$ (12,056)	\$ (12,297)	\$ (12,543)	\$ (12,794)	\$ (13,049)	\$ (13,310)	\$ (13,577)	\$ (13,848)
\$ 1,100,812	\$ 1,122,828	\$ 1,145,285	\$ 1,168,190	\$ 1,191,554	\$ 1,215,385	\$ 1,239,693	\$ 1,264,487	\$ 1,289,776	\$ 1,315,572
\$ 158,851	\$ 163,617	\$ 168,526	\$ 173,581	\$ 178,789	\$ 184,152	\$ 189,677	\$ 195,367	\$ 201,228	\$ 207,265
\$ 54,278	\$ 55,906	\$ 57,583	\$ 59,311	\$ 61,090	\$ 62,923	\$ 64,810	\$ 66,755	\$ 68,757	\$ 70,820
\$ 61,122	\$ 62,955	\$ 64,844	\$ 66,789	\$ 68,793	\$ 70,857	\$ 72,982	\$ 75,172	\$ 77,427	\$ 79,750
\$ 56,566	\$ 58,263	\$ 60,011	\$ 61,811	\$ 63,665	\$ 65,575	\$ 67,543	\$ 69,569	\$ 71,656	\$ 73,806
\$ 165,927	\$ 170,904	\$ 176,032	\$ 181,313	\$ 186,752	\$ 192,354	\$ 198,125	\$ 204,069	\$ 210,191	\$ 216,497
\$ 45,253	\$ 46,610	\$ 48,008	\$ 49,449	\$ 50,932	\$ 52,460	\$ 54,034	\$ 55,655	\$ 57,325	\$ 59,045
\$ 60,337	\$ 62,147	\$ 64,011	\$ 65,932	\$ 67,910	\$ 69,947	\$ 72,045	\$ 74,207	\$ 76,433	\$ 78,726
\$ 15,084	\$ 15,537	\$ 16,003	\$ 16,483	\$ 16,977	\$ 17,487	\$ 18,011	\$ 18,552	\$ 19,108	\$ 19,682
\$ 13,576	\$ 13,983	\$ 14,403	\$ 14,835	\$ 15,280	\$ 15,738	\$ 16,210	\$ 16,697	\$ 17,197	\$ 17,713
\$ 4,525	\$ 4,661	\$ 4,801	\$ 4,945	\$ 5,093	\$ 5,246	\$ 5,403	\$ 5,566	\$ 5,732	\$ 5,904
\$ 34,682	\$ 35,723	\$ 36,795	\$ 37,898	\$ 39,035	\$ 40,206	\$ 41,413	\$ 42,655	\$ 43,935	\$ 45,253
\$ 670,201	\$ 690,307	\$ 711,016	\$ 732,346	\$ 754,317	\$ 776,946	\$ 800,255	\$ 824,262	\$ 848,990	\$ 874,460
\$ 430,611	\$ 432,521	\$ 434,269	\$ 435,844	\$ 437,237	\$ 438,439	\$ 439,438	\$ 440,224	\$ 440,786	\$ 441,112
\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680	\$ 297,680
\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
\$ 11,587	\$ 11,732	\$ 11,882	\$ 12,037	\$ 12,196	\$ 12,360	\$ 12,528	\$ 12,702	\$ 12,881	\$ 13,066
\$ 11,319	\$ 11,362	\$ 11,406	\$ 11,452	\$ 11,500	\$ 11,548	\$ 11,599	\$ 11,650	\$ 11,703	\$ 11,758
\$ 3,927	\$ 3,970	\$ 4,014	\$ 4,060	\$ 4,108	\$ 4,156	\$ 4,207	\$ 4,258	\$ 4,311	\$ 4,366
\$ 379,512	\$ 379,745	\$ 379,984	\$ 380,230	\$ 380,484	\$ 380,745	\$ 381,014	\$ 381,291	\$ 381,577	\$ 381,871
\$ 51,099	\$ 52,777	\$ 54,285	\$ 55,614	\$ 56,754	\$ 57,694	\$ 58,424	\$ 58,933	\$ 59,210	\$ 59,241
1.45	1.45	1.46	1.15	1.47	1.47	1.48	1.48	1.48	1.48
1.15	1.15	1.16	1.16	1.16	1.16	1.17	1.17	1.17	1.17
1.13	1.14	1.14	1.15	1.15	1.15	1.15	1.15	1.16	1.16
61%	61%	62%	63%	63%	64%	65%	65%	66%	66%
91%	91%	90%	90%	90%	90%	91%	91%	91%	91%

Year 27	Year 28	Year 29	Year 30
\$ 1,311,049	\$ 1,337,270	\$ 1,364,016	\$ 1,391,296
\$ 37,752	\$ 38,507	\$ 39,278	\$ 40,063
\$ 63,707	\$ 64,981	\$ 66,281	\$ 67,606
\$ 1,412,509	\$ 1,440,759	\$ 1,469,574	\$ 1,498,966
\$ (56,500)	\$ (57,630)	\$ (58,783)	\$ (59,959)
\$ (14,125)	\$ (14,408)	\$ (14,696)	\$ (14,990)
\$ 1,341,883	\$ 1,368,721	\$ 1,396,095	\$ 1,424,017
\$ 213,483	\$ 219,888	\$ 226,484	\$ 233,279
\$ 72,945	\$ 75,133	\$ 77,387	\$ 79,708
\$ 82,142	\$ 84,607	\$ 87,145	\$ 89,759
\$ 76,020	\$ 78,300	\$ 80,649	\$ 83,069
\$ 222,992	\$ 229,681	\$ 236,572	\$ 243,669
\$ 60,816	\$ 62,640	\$ 64,520	\$ 66,455
\$ 81,088	\$ 83,520	\$ 86,026	\$ 88,607
\$ 20,272	\$ 20,880	\$ 21,507	\$ 22,152
\$ 18,245	\$ 18,792	\$ 19,356	\$ 19,937
\$ 6,082	\$ 6,264	\$ 6,452	\$ 6,646
\$ 46,610	\$ 48,009	\$ 49,449	\$ 50,932
\$ 900,694	\$ 927,715	\$ 955,546	\$ 984,212
\$ 441,190	\$ 441,006	\$ 440,549	\$ 439,805
			\$ 2,208,882
\$ 297,680	\$ 297,680	\$ 297,680	\$ 2,506,562
\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
\$ 13,256	\$ 13,451	\$ 13,653	\$ 13,860
\$ 11,815	\$ 11,873	\$ 11,933	\$ 11,995
\$ 4,423	\$ 4,481	\$ 4,541	\$ 4,603
\$ 382,174	\$ 382,486	\$ 382,807	\$ 2,592,020
\$ 59,016	\$ 58,521	\$ 57,743	\$ 56,667
1.48	1.48	1.48	1.06
1.17	1.17	1.16	1.02
1.15	1.15	1.15	1.02
67%	68%	68%	69%
91%	91%	91%	91%

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

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** February 16, 2018

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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$52,000,000  
STATE OF FLORIDA, DEPARTMENT OF EDUCATION, FLORIDA COLLEGE SYSTEM  
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES (TO BE  
DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the eight Participating Florida College System Institutions (the "Colleges") and the Department of Education of the State of Florida, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$52,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), for the purpose of refunding all or a portion of the outstanding Community College Capital Improvement Revenue Bonds Series 2006A and 2008A, and to pay costs associated with the issuance and sale of the proposed Bonds. The Bonds will be issued the Master Authorizing Resolution adopted by the Governor and Cabinet on August 1, 2006, the Third Supplemental and Amending Resolution adopted on May 11, 2010, the Fourth Supplemental Bond Resolution adopted on January 18, 2012, and the Fifth Supplemental Resolution which is anticipated to be adopted on March 7, 2018.

The Department of Education has heretofore issued Community College Capital Improvement Revenue Bonds, Series 2006A through 2012A (the "Previous Bonds"). The proposed Bonds shall be issued on a parity with the Previous Bonds. The principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefore, as described in the Master Authorizing Resolution. The Bonds shall not be secured by a pledge of the full faith and credit or the taxing power of the State of Florida or any political subdivision thereof.

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

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT  
EXCEEDING \$52,000,000 STATE OF FLORIDA, DEPARTMENT OF EDUCATION,  
FLORIDA COLLEGE SYSTEM CAPITAL IMPROVEMENT REVENUE REFUNDING  
BONDS, SERIES (TO BE DETERMINED)**

**WHEREAS**, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding \$52,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), on behalf of the eight Participating Florida College System Institutions (the "Colleges") and the Department of Education of the State of Florida for the purpose of refunding all or a portion of the outstanding Community College Capital Improvement Revenue Bonds Series 2006A and 2008A, and to pay costs associated with the issuance and sale of the proposed Bonds; and,

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

**WHEREAS**, the Bonds will be issued pursuant to the Master Authorizing Resolution adopted by the Governor and Cabinet on August 1, 2006, the Third Supplemental and Amending Resolution adopted on May 11, 2010, the Fourth Supplemental Bond Resolution adopted on January 18, 2012, and the Fifth Supplemental Resolution which is anticipated to be adopted on March 7, 2018; and,

**WHEREAS**, the Department of Education has heretofore issued Community College Capital Improvement Revenue Bonds, Series 2006A through 2012A (the "Previous Bonds"), and;

**WHEREAS**, the proposed Bonds shall be issued on a parity with the remaining outstanding Previous Bonds; and,

**WHEREAS**, the principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefore, as described in the resolution; and,

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

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

**WHEREAS**, it appears and the Board so finds that this financing will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be expected to accrue in amounts sufficient to accomplish this purpose; and,

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

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

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

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue not exceeding \$52,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Refunding Bonds, Series (to be determined), for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

**ADOPTED** March 7, 2018

STATE OF FLORIDA )

:

COUNTY OF LEON )

**I, Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held March 7, 2018, approving the fiscal sufficiency of an amount not exceeding \$52,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Refunding Bonds, Series (to be determined).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 7th day of March 2018.

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

(SEAL)





**J. BEN WATKINS III**  
DIRECTOR

**STATE OF FLORIDA**  
**DIVISION OF BOND FINANCE**  
OF THE STATE BOARD OF ADMINISTRATION

**1801 HERMITAGE BOULEVARD, SUITE 200**  
**TALLAHASSEE, FLORIDA 32308**

TELEPHONE: (850) 488-4782  
TELECOPIER: (850) 413-1315

**RICK SCOTT**  
GOVERNOR  
AS CHAIRMAN

**PAM BONDI**  
ATTORNEY GENERAL  
AS SECRETARY

**JIMMY PATRONIS**  
CHIEF FINANCIAL OFFICER  
AS TREASURER

**ADAM H. PUTNAM**  
COMMISSIONER OF AGRICULTURE

February 12, 2018

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

RE: Not exceeding \$52,000,000 State of Florida, Department of Education, Florida College System  
Capital Improvement Revenue Refunding Bonds, Series [to be determined]

Dear Mr. Williams:

In compliance with section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of March 7, 2018.

The proposed bonds will be issued to refund all or a portion of the outstanding Community College Capital Improvement Revenue Bonds Series 2006A and 2008A and to pay costs associated with the issuance and sale of the proposed bonds. The proposed refunding bonds will only be issued if there is a savings.

The proposed bonds will be payable on a parity with the remaining outstanding 2006A through 2012A Bonds from the capital improvement fees collected by the eight Participating Florida College System institutions. Capital improvement fees are assessed per credit hour for college credit, professional certificate and college preparatory courses.

The bonds will be issued pursuant to the Master Authorizing Resolution adopted by the Governor and Cabinet on August 1, 2006, the Third Supplemental and Amending Resolution adopted on May 11, 2010 and the Fifth Supplemental Resolution which is anticipated to be adopted on March 7, 2018. A copy of the Fifth Supplemental Resolution will be provided to you when available. A copy of the Master Authorizing Resolution and the Third Supplemental and Amending Resolution have previously been provided to you.

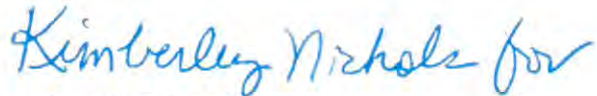


Enclosed for your review are the following:

- Enclosure 1- an estimated debt service coverage table, without taking into account the anticipated savings from the proposed refunding bonds;
- Enclosure 2- schedules showing a five-year history and five-year projection of capital improvement fees for each of the eight Participating Florida College System institutions, as prepared by the Florida Department of Education, Division of Florida Colleges; and
- Enclosure 3- an estimated debt service and savings schedule for the proposed refunding bonds.

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

Sincerely,



J. Ben Watkins III  
Director

JBW:km

Enclosures

cc: Anthony Doheny  
Robert Copeland  
Janie Knight  
Sharon Vice

Not Exceeding \$52,000,000  
State of Florida, Department of Education  
Florida College System Capital Improvement Revenue Bonds  
[Series to be determined]

Estimated Coverage Table

Fiscal Year Ending June 30	Projected Capital Improvement Fee <sup>1</sup>	Outstanding Parity Bonds	Estimated Coverage
2018	\$ 38,300,265	\$ 9,263,838	4.13x
2019	38,428,330	9,256,588	4.15x
2020	38,460,857	9,253,538	4.16x
2021	38,573,058	9,254,388	4.17x
2022	38,746,328	9,259,800	4.18x
2023	38,746,328	9,247,450	4.19x
2024	38,746,328	9,256,575	4.19x
2025	38,746,328	9,260,600	4.18x
2026	38,746,328	9,256,800	4.19x
2027	38,746,328	9,253,431	4.19x
2028	38,746,328	5,169,738	7.49x
2029	38,746,328	3,005,788	12.89x
2030	38,746,328	3,009,925	12.87x
2031	38,746,328	675,794	57.33x
2032	38,746,328	678,744	57.09x
2033	38,746,328	-	N/A
2034	38,746,328	-	N/A
2035	38,746,328	-	N/A
2036	38,746,328	-	N/A
2037	38,746,328	-	N/A
		<u>\$105,102,997</u>	

(1) Estimates of Capital Improvement Fees for Fiscal Years 2017-18 through 2021-22 were provided by the Division of Florida Colleges.

The Division of Bond Finance has assumed that pledged revenues will remain constant after 2021-22.

No representation is made that the estimated revenue amounts shown will actually be collected.

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

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** February 21, 2018

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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$100,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)**

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$100,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Bonds"), in one or more series, for the purpose of financing the acquisition of right-of-way and bridge construction for the Department of Transportation, and to pay costs associated with the issuance and sale of the Bonds. The Bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a sale resolution which is anticipated to be adopted by the Governor and Cabinet on March 7, 2018.

The Bonds to be issued pursuant to Section 17 of Article VII of the State Constitution and Chapter 88-247, Laws of Florida, are to be secured by a pledge of and shall be payable primarily from motor fuel and special fuel taxes, except those defined in Section 9(c) of Article XII of the State Constitution, as provided by law (the "Pledged Gas Taxes"), and shall additionally be secured by the full faith and credit of the State. The Division has heretofore issued State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds and Refunding Bonds, Series 2009A through 2017A (the "Outstanding Bonds"). The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$310,000,000 Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Series 2017 Bonds") at its June 14, 2017, meeting, of which \$21,295,000 remains unissued. The Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the unissued portion of the Series 2017 Bonds. The Bonds will be issued on a parity as to lien and security for payment from the Pledged Gas Taxes with the Outstanding Bonds.

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

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

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT  
EXCEEDING \$100,000,000 STATE OF FLORIDA, FULL FAITH AND  
CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY  
ACQUISITION AND BRIDGE CONSTRUCTION BONDS,  
SERIES (TO BE DETERMINED)**

**WHEREAS**, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding \$100,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Bonds"), in one or more series, for the purpose of financing the acquisition of right-of-way and bridge construction for the Department of Transportation, and to pay costs associated with the issuance and sale of the Bonds; and,

**WHEREAS**, during the 1988 Legislative Session, the Florida Legislature passed and submitted to the electors of the State for approval or rejection at the general election held on November 8, 1988, Senate Joint Resolution 391, which created Section 17 of Article VII of the State Constitution, providing for the issuance of bonds pledging the full faith and credit of the State, without a vote of the electors, to finance or refinance the cost of acquiring real property or the rights to real property for State roads as defined by law, or to finance or refinance the cost of State bridge construction, and purposes incidental to such property acquisition or State bridge construction; and,

**WHEREAS**, the majority of the electors of the State approved the creation of Section 17 of Article VII of the State Constitution at the general election held on November 8, 1988; and,

**WHEREAS**, the Florida Legislature also enacted Chapter 88-247, Laws of Florida, which implements the provisions of Section 17 of Article VII of the State Constitution, providing for the issuance of the Bonds by the Division on behalf of the Department of Transportation; and,

**WHEREAS**, the Bonds to be issued pursuant to Section 17 of Article VII of the State Constitution and Chapter 88-247, Laws of Florida, are to be secured by a pledge of and shall be payable primarily from motor fuel and special fuel taxes, except those defined in Section 9(c) of Article XII of the State Constitution, as provided by law (the "Pledged Gas Taxes"), and shall additionally be secured by the full faith and credit of the State; and,

**WHEREAS**, the Bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a sale resolution which is anticipated to be adopted by the Governor and Cabinet on March 7, 2018; and,

**WHEREAS**, the Division has heretofore issued State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds and Refunding Bonds, Series 2009A through 2017A (the "Outstanding Bonds"); and,

**WHEREAS**, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$310,000,000 Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series (to be determined) (the "Series 2017 Bonds") at its June 14, 2017, meeting, of which \$21,295,000 remains unissued; and,

**WHEREAS**, the Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the unissued portion of the Series 2017 Bonds; and,

**WHEREAS**, the Bonds will be issued on a parity as to lien and security for payment from the Pledged Gas Taxes with the Outstanding Bonds; and,

**WHEREAS**, it appears and the Board so finds that this financing will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

**WHEREAS**, in no State fiscal year will the annual debt service exceed ninety percent (90%) of the Pledged Gas Taxes available for payment of the annual debt service; and,

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

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

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

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration of Florida to issue an amount not exceeding \$100,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined), is hereby approved as to fiscal sufficiency. In addition, the approval of fiscal sufficiency with respect to the \$21,295,000 unissued portion of the \$310,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds (to be determined) approved on June 14, 2017, is hereby rescinded.

**ADOPTED** March 7, 2018



STATE OF FLORIDA)

:

COUNTY OF LEON )

I, **Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held March 7, 2018, approving the fiscal sufficiency of an issue of an amount not exceeding \$100,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined), and rescinding the approval of fiscal sufficiency with respect to the \$21,295,000 unissued portion of the \$310,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) approved on June 14, 2017.

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 7th day of March 2018.

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

(SEAL)



**J. BEN WATKINS III**  
DIRECTOR

**STATE OF FLORIDA**

**DIVISION OF BOND FINANCE**  
OF THE STATE BOARD OF ADMINISTRATION

**1801 HERMITAGE BOULEVARD, SUITE 200**  
**TALLAHASSEE, FLORIDA 32308**

TELEPHONE: (850) 488-4782  
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**RICK SCOTT**  
GOVERNOR  
AS CHAIRMAN

**PAM BONDI**  
ATTORNEY GENERAL  
AS SECRETARY

**JIMMY PATRONIS**  
CHIEF FINANCIAL OFFICER  
AS TREASURER

**ADAM H. PUTNAM**  
COMMISSIONER OF AGRICULTURE

February 20, 2018

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

RE: Not Exceeding \$100,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of March 7, 2018.

The bonds will be payable from pledged gas taxes, consisting of certain motor fuel and diesel fuel taxes, and are additionally secured by the full faith and credit of the State of Florida. The proposed bonds will be payable on a parity with the outstanding Series 2009A through 2017A bonds. The remaining \$21,295,000 balance of Series 2017 bonds approved for fiscal sufficiency on June 14, 2017 should be rescinded.

The proposed bonds are being issued to finance the acquisition of right-of-way and bridge construction for the Department of Transportation. The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a sale resolution expected to be adopted on March 7, 2018. Copies of the February 28, 1989 authorizing resolution and its subsequent supplemental resolutions have previously been provided to you.

February 20, 2018

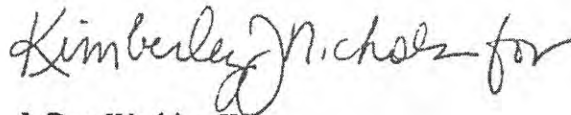
Page Two

The following documents are enclosed for your consideration:

- Enclosure 1: An estimated coverage schedule based upon the estimated pledged revenues available for debt service;
- Enclosure 2: an estimated debt service schedule for the proposed bonds;
- Enclosure 3: a schedule showing the estimated Highway Fuel Sales Tax collections (the motor and diesel fuel taxes pledged) as projected by the Florida Consensus Estimating Conference at its February 2018 meeting; and,
- Enclosure 4: a draft copy of the sale resolution anticipated to be adopted on March 7, 2018.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Kimberly Nichols for", written over the typed name.

J. Ben Watkins III  
Director

JBW:cy

Enclosures

cc: Robert Copeland  
Janie Knight  
Anthony Doheny  
Alex Nottingham  
Sharon Vice



NOT EXCEEDING \$100,000,000  
 STATE OF FLORIDA FULL FAITH AND CREDIT  
 DEPARTMENT OF TRANSPORTATION  
 RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS  
 SERIES (TO BE DETERMINED)  
 ESTIMATED SCHEDULE OF COVERAGE ON BONDS

Fiscal Year Ended June 30	Projected Motor & Diesel Fuel Sales Tax Available for Debt Service (1)	Total Debt Service	Estimated Debt Service (2)			Estimated Total Debt Service	Debt Service Coverage (3)	Maximum Allowable Debt Service (4)	Pro Forma Debt Service Coverage (5)
			Principal	Interest	Total				
2018	\$ 1,422,700,000	\$ 156,229,179				\$ 156,229,179	9.11x	\$ 275,000,000	5.17x
2019	1,476,100,000	157,325,375	\$ 1,495,000	\$ 4,972,222	\$ 6,467,222	163,792,597	9.01x	275,000,000	5.37x
2020	1,527,100,000	157,433,875	1,580,000	4,925,250	6,505,250	163,939,125	9.32x	275,000,000	5.55x
2021	1,577,900,000	157,430,025	1,660,000	4,846,250	6,506,250	163,936,275	9.63x	275,000,000	5.74x
2022	1,643,700,000	154,345,725	1,740,000	4,763,250	6,503,250	160,848,975	10.22x	275,000,000	5.98x
2023	1,709,700,000	153,431,725	1,830,000	4,676,250	6,506,250	159,937,975	10.69x	275,000,000	6.22x
2024	1,772,100,000	149,932,725	1,920,000	4,584,750	6,504,750	156,437,475	11.33x	275,000,000	6.44x
2025	1,831,100,000	139,525,975	2,015,000	4,488,750	6,503,750	146,029,725	12.54x	275,000,000	6.66x
2026	1,899,100,000	136,253,225	2,120,000	4,388,000	6,508,000	142,761,225	13.30x	275,000,000	6.91x
2027	1,968,200,000	127,926,225	2,225,000	4,282,000	6,507,000	134,433,225	14.64x	275,000,000	7.16x
2028	1,968,200,000	110,502,675	2,335,000	4,170,750	6,505,750	117,008,425	16.82x	275,000,000	7.16x
2029	1,968,200,000	101,983,700	2,450,000	4,054,000	6,504,000	108,487,700	18.14x	275,000,000	7.16x
2030	1,968,200,000	101,962,413	2,575,000	3,931,500	6,506,500	108,468,913	18.15x	275,000,000	7.16x
2031	1,968,200,000	101,924,375	2,705,000	3,802,750	6,507,750	108,432,125	18.15x	275,000,000	7.16x
2032	1,968,200,000	93,445,275	2,840,000	3,667,500	6,507,500	99,952,775	19.69x	275,000,000	7.16x
2033	1,968,200,000	82,209,125	2,980,000	3,525,500	6,505,500	88,714,625	22.19x	275,000,000	7.16x
2034	1,968,200,000	64,833,225	3,130,000	3,376,500	6,506,500	71,339,725	27.59x	275,000,000	7.16x
2035	1,968,200,000	48,131,188	3,285,000	3,220,000	6,505,000	54,636,188	36.02x	275,000,000	7.16x
2036	1,968,200,000	48,093,119	3,450,000	3,055,750	6,505,750	54,598,869	36.05x	275,000,000	7.16x
2037	1,968,200,000	48,066,881	3,625,000	2,883,250	6,508,250	54,575,131	36.06x	275,000,000	7.16x
2038	1,968,200,000	39,886,588	3,805,000	2,702,000	6,507,000	46,393,588	42.42x	275,000,000	7.16x
2039	1,968,200,000	39,884,925	3,995,000	2,511,750	6,506,750	46,391,675	42.43x	275,000,000	7.16x
2040	1,968,200,000	26,896,275	4,195,000	2,312,000	6,507,000	33,403,275	58.92x	275,000,000	7.16x
2041	1,968,200,000	26,901,775	4,405,000	2,102,250	6,507,250	33,409,025	58.91x	275,000,000	7.16x
2042	1,968,200,000	20,990,525	4,625,000	1,882,000	6,507,000	27,497,525	71.58x	275,000,000	7.16x
2043	1,968,200,000	20,992,875	4,855,000	1,650,750	6,505,750	27,498,625	71.57x	275,000,000	7.16x
2044	1,968,200,000	20,993,125	5,095,000	1,408,000	6,503,000	27,496,125	71.58x	275,000,000	7.16x
2045	1,968,200,000	20,992,850	5,350,000	1,153,250	6,503,250	27,496,100	71.58x	275,000,000	7.16x
2046	1,968,200,000	20,991,375	5,620,000	885,750	6,505,750	27,497,125	71.58x	275,000,000	7.16x
2047	1,968,200,000	16,058,025	5,900,000	604,750	6,504,750	22,562,775	87.23x	275,000,000	7.16x
2048	1,968,200,000	-	6,195,000	309,750	6,504,750	6,504,750	302.58x	275,000,000	7.16x
		<u>\$ 2,545,574,366</u>	<u>\$ 100,000,000</u>	<u>\$ 95,136,472</u>	<u>\$ 195,136,472</u>	<u>\$ 2,740,710,838</u>			

(1) The bonds are payable from the motor fuel and diesel fuel taxes pursuant to Sections 206.41(g) and 206.87(1)(e), Florida Statutes. The projected motor and diesel fuel tax collections for fiscal years 2018 through 2027 are as adopted by the Florida Consensus Estimating Conference on Transportation Revenues, February 2018. The fiscal year 2027 projections are held constant for future years. The projections are based on the best information available when the estimates are made, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.

(2) Estimated interest calculated at 5%.

(3) Coverage has been calculated by dividing the amount of Projected Motor and Diesel Fuel Sales Tax Available for Debt Service by the Total Estimated Debt Service.

(4) Pursuant to Section 206.46(2), Florida Statutes, debt service cannot exceed the lesser of 7% of state revenues transferred to the STTF or \$275 million.

(5) Coverage has been calculated by dividing the amount of Projected Motor and Diesel Fuel Sales Tax Available for Debt Service by the Maximum Allowable Debt Service.

# Global Governance Mandates

1<sup>st</sup> Quarter – March 7, 2018

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

## Florida Statutes



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### **About the State Board of Administration**

The statutory mandate of the State Board of Administration (SBA) is to invest, manage and safeguard assets of the Florida Retirement System (FRS) Trust Fund and a variety of other funds for state and local governments. FRS Trustees are dedicated to ensuring that the SBA invests assets and discharges its duties in accordance with Florida law, guided by strict policies and a code of ethics to ensure integrity, prudent risk management and top-tier performance. The SBA is an investment fiduciary under law, and subject to the stringent fiduciary duties and standards of care defined by the Employee Retirement Income Security Act of 1974 (ERISA), as incorporated into Florida law. The SBA has three Trustees: the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary.

The FRS Pension Plan provides defined pension benefits to 1.1 million beneficiaries and retirees. The strong long-term performance of the FRS Pension Plan, the fourth-largest public pension fund in the nation, reflects our commitment to responsible fiscal management.

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

We encourage you to review additional information about the SBA and FRS on our website at [www.sbafla.com](http://www.sbafla.com).

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

#### ***Summary***

On June 8, 2007, the PFIA was signed into law. The PFIA requires the State Board of Administration ("SBA"), acting on behalf of the Florida Retirement System Trust Fund (the "FRSTF"), to assemble and publish a list of "Scrutinized Companies" that have prohibited business operations in Sudan and Iran. Once placed on the list of Scrutinized Companies, the SBA and its investment managers are prohibited from acquiring those companies' securities and are required to divest those securities if the companies do not cease the prohibited activities or take certain compensating actions. The implementation of the PFIA by the SBA will not affect any FRSTF investments in U.S. companies. The PFIA will solely affect foreign companies with certain business operations in Sudan and Iran involving the petroleum or energy sector, oil or mineral extraction, power production or military support activities. This quarterly report is developed pursuant to Section 215.473 (4), Florida Statutes. Scrutinized activity in Sudan is defined by the Statutes as occurring within the "Government of Sudan," or the Republic of the Sudan that has its capital in Khartoum, Sudan. Note, the PFIA only applies to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

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

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

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

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

“Government of Sudan,” which means the Republic of the Sudan that has its capital in Khartoum, Sudan. Within this report, “Sudan” refers to the latter.

16. As of July 1, 2016, the requirements for the expiration of PFIA divestment protocol were amended and new quarterly reporting requirements were implemented. Florida Statutes eliminated the following criteria for discontinuing Iran portions of the PFIA: The Congress or President of the United States affirmatively and unambiguously declares, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that mandatory divestment of the type provided for in this section interferes with the conduct of United States foreign policy.

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

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

#### ***Sudan:***

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

#### ***Iran:***

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

Affiliates of companies with scrutinized business operations are also subject to the requirements of the PFIA. An affiliated company is generally defined as any other company that either directly or indirectly controls, is controlled by or is under common control with the company conducting scrutinized active business operations. Control generally means the power to exercise a controlling influence over the management or policies of a company. As well, many companies have parent-subsidary relationships whereby a parent company may own several other companies. In such cases, the SBA has included any known parent and/or subsidiaries that can be clearly linked to a company with scrutinized active business operations. The SBA has used a 50 percent ownership threshold in determining whether companies are affiliated, examining parent company-subsidary ownership on a pro rata basis.

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

### ***SBA Scrutinized Companies Identification Methodology***

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

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

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

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

Company disclosures:

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

Investment/Finance Organizations:

- Other Institutional Investors/Private Investors

U.S. Government Agencies:

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

Other Sources:

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

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

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



**SUDAN Changes since the Previous PFIA Quarterly Report**

(see following page for IRAN changes)

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

**The following companies are added due to status as subsidiary of a scrutinized company.**

- **Bank of Kunlun Co Ltd** (subsidiary of China National Petroleum Corporation (CNPC))
- **China Petroleum Engineering Corp** (subsidiary of China National Petroleum Corporation (CNPC))
- **Kunlun Financial Leasing Co Ltd** (subsidiary of China National Petroleum Corporation (CNPC))
- **ONGC Mangalore Petrochemicals Ltd** (subsidiary of Oil & Natural Gas Corp (ONGC))
- **Sinopec Group Overseas Development 2012 Ltd** (subsidiary of China Petroleum & Chemical Corp (CPCC) Sinopec)
- **Sinopec Group Overseas Development 2014 Ltd** (subsidiary of China Petroleum & Chemical Corp (CPCC) Sinopec)

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

- **None**

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

- **None**

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

- **ASEC Company for Mining S.A.E.**
- **Drake & Scull International PJSC**

**IRAN Changes since the Previous PFIA Quarterly Report**

(see previous page for SUDAN changes)

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

**The following companies are added due to status as subsidiary of a scrutinized company.**

- **Bank of Kunlun Co Ltd** (subsidiary of China National Petroleum Corporation (CNPC))
- **China Petroleum Engineering Corp** (subsidiary of China National Petroleum Corporation (CNPC))
- **Kunlun Financial Leasing Co Ltd** (subsidiary of China National Petroleum Corporation (CNPC))
- **ONGC Mangalore Petrochemicals Ltd** (subsidiary of Oil & Natural Gas Corp (ONGC))
- **Sinopec Group Overseas Development 2012 Ltd** (subsidiary of China Petroleum & Chemical Corp (CPCC) Sinopec)
- **Sinopec Group Overseas Development 2014 Ltd** (subsidiary of China Petroleum & Chemical Corp (CPCC) Sinopec)

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

- **None**

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

- **None**

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

- **None**

**Recent Iran Developments:**

See the following page for recent developments related to Iran statutes.

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

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

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

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

Update: No significant developments this quarter.

**Or**

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

Update: May 12, 2018 is the next deadline for U.S. decision on whether to waive certain Iran sanctions under the Joint Comprehensive Plan of Action (JCPOA).

**Table 1: *Scrutinized Companies with Activities in SUDAN****New companies on the list are shaded and in bold.*

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
<b>Bank of Kunlun Co Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
Chennai Petroleum Corp Ltd	India	September 19, 2007
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
<b>China Petroleum Engineering Corp</b>	<b>China</b>	<b>March 7, 2018</b>
CNPC Capital Company Limited	China	June 14, 2017
CNPC General Capital Ltd	China	June 26, 2012
CNPC HK Overseas Capital Ltd	China	June 16, 2011
Daqing Huake Group Co Ltd	China	March 25, 2008
Egypt Kuwait Holding Co. SAE	Kuwait	January 13, 2009
Energy House Holding Company (fka: AREF Energy Holdings Co)	Kuwait	July 28, 2009
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	China	September 19, 2007
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	China	September 19, 2007
Jinan Diesel Engine Co Ltd	China	July 28, 2009
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
<b>Kunlun Financial Leasing Co Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
Kuwait Finance House	Kuwait	April 14, 2009
Lanka IOC Ltd	India	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Managem SA	Morocco	November 9, 2010
Mangalore Refinery & Petrochemicals Ltd	India	September 19, 2007
MISC Bhd	Malaysia	September 19, 2007
Oil India Ltd	India	September 18, 2012
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
<b>ONGC Mangalore Petrochemicals Ltd</b>	<b>India</b>	<b>March 7, 2018</b>
ONGC Videsh Limited (OVL)	India	March 18, 2014
Orca Gold Inc.	Canada	December 9, 2014
PetroChina	China	September 19, 2007
Petroliaam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd	China	September 24, 2013
Sinopec Engineering Group Co Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
<b>Sinopec Group Overseas Development 2014 Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
<b>Sinopec Group Overseas Development 2012 Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
Sinopec Kantons Holdings Ltd	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	April 14, 2009
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
Société Nationale d'Investissement	Morocco	December 6, 2016
Societe Metallurgique D'imiter	Morocco	November 9, 2010
<b># of Sudan Scrutinized Companies</b>	<b>51</b>	

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

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

**Table 2: Continued Examination Companies with Activities in SUDAN**  
**New companies on the list are shaded and in bold. (No companies added this quarter.)**

Continued Examination Company: Sudan	Country of Incorporation
Bharat Heavy Electricals, Ltd	India
Bollore Group	France
China Gezhouba Group Company Ltd	China
China North Industries Group Corp (CNGC/Norinco)	China
Dongfeng Motor Group Co Ltd	China
Dongan Motor (aka Harbin Dongan Auto Engine)	China
ENGIE SA	France
Glencore Xstrata PLC	Switzerland
Infotel Broadband Services Ltd	India
JX Holdings Inc.	Japan
KMCOB Capital Bhd	Malaysia
LS Industrial Systems	South Korea
Nippo Corporation	Japan
Power Construction Corporation of China Ltd. (fka Sinohydro)	China
PT Pertamina Persero	Indonesia
Shanghai Electric Group Co.	China
Statesman Resources Ltd	Canada
Wartsila Oyj	Finland
<b># of Sudan Continued Examination Companies</b>	<b>18</b>

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

Removed Company	Country of Incorporation
<i>ASEC Company for Mining S.A.E.</i>	<i>Egypt</i>
<i>Drake &amp; Scull International PJSC</i>	<i>United Arab Emirates</i>

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

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
<b>Bank of Kunlun Co Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
China BlueChemical Ltd.	China	March 19, 2013
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
<b>China Petroleum Engineering Corp</b>	<b>China</b>	<b>March 7, 2018</b>
China Oilfield Services Ltd.	China	June 16, 2011
CNOOC Ltd.	China	June 16, 2011
CNOOC Curtis Funding No.1 Pty Ltd	Australia	October 17, 2017
CNOOC Finance Limited	China	September 24, 2013
CNOOC Nexen Finance	Canada	October 17, 2017
CNPC Capital Company Limited	China	June 14, 2017
CNPC General Capital Ltd	China	December 6, 2016
CNPC HK Overseas Capital Ltd.	China	June 16, 2011
COSL Finance (BVI) Limited	China	September 24, 2013
Daelim Industrial Co Ltd.	South Korea	June 16, 2011
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Gazprom	Russia	September 19, 2007
Gazprom Neft	Russia	September 16, 2008
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
<b>Kunlun Financial Leasing Co Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013
MISC Bhd	Malaysia	September 19, 2007
Mosenergo	Russia	September 16, 2008
Offshore Oil Engineering Co	China	June 14, 2017
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
<b>ONGC Mangalore Petrochemicals Ltd</b>	<b>India</b>	<b>March 7, 2018</b>
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007
Petrolam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011



Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd.	China	March 18, 2014
Sinopec Engineering Group Co Ltd.	China	March 18, 2014
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
<b>Sinopec Group Overseas Development 2014 Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
<b>Sinopec Group Overseas Development 2012 Ltd</b>	<b>China</b>	<b>March 7, 2018</b>
Sinopec Kantons Holdings Ltd.	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	September 29, 2015
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
<b># of Iran Scrutinized Companies</b>	<b>49</b>	

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

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

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

<b>Continued Examination Company: Iran</b>	<b>Country of Incorporation</b>
Anton Oilfield Services Group	China
China Nonferrous Metal Industry's Foreign Engineering and Construction	China
GS Engineering & Construction Corp.	South Korea
GS Holdings	South Korea
Lukoil OAO	Russia
Maire Tecnimont SpA	Italy
Oil India Ltd.	India
Petronet LNG Ltd.	India
Total SA	France
<b># of Iran Continued Examination Companies</b>	<b>9</b>

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

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

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

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

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

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

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

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

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

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

Company	Company Responsive to SBA Communications	Continued Examination Status
Actividades de Construcción y Servicios S.A.(ACS)	No	Removed from Iran List
Aggreko PLC	Yes; January 28, 2008	Removed from Iran List
Air Liquide	Yes; November 30, 2007 January 28, 2008	Removed from Iran List
Aker Solutions ASA (fka Aker Kvaerner ASA)	No	Iran CE Classification Continues
AREF Investment Group	No	Removed from Sudan List
Areva SA	Yes; October 27, 2008 December 29, 2009	Removed from Sudan List
Bauer Aktiengesellschaft	Yes; March 13, 2008	Removed from Sudan List
BG Group	Yes; November 23, 2007	Removed from Iran List
Bharat Electronics Limited	No	Removed from Sudan CE List
Bolloré Group	No	Sudan CE Classification Continues
Costain Group PLC	Yes; November 5, 2007	Removed from Iran List
Daelim Industrial Co Ltd	No	Moved to Iran Scrutinized List
Engineers India Ltd.	Yes; October 16, 2008; September 9, 2010	Removed from Iran CE List
Essar Oil	Yes; January 9, 2009	Removed from Iran List
Finmeccanica SpA	No	Removed from Sudan List
Glencore Xstrata PLC	Yes; September 20, 2010	Sudan CE Classification Continues
GVA Consultants	Yes; September 26, 2007 September 30, 2010	Removed from Iran CE List
ICSA India Limited	No	Removed from Sudan List
INA-Industrija Nafta DD Zagreb	Yes; April 15, 2014	Removed from Iran List
Itochu Corp	Yes; May 9, 2008	Removed from Iran List
JGC Corp	Yes; October 1, 2007	Removed from Iran List
La Mancha Resources	Yes; October 21, 2008	Removed from Sudan List
Linde AG	Yes; November 14, 2007	Removed from Iran List
Liquefied Natural Gas LNG	No	Iran CE Classification Continues
Mitsubishi Heavy Industries Ltd.	Yes; October 26, 2007	Removed from Iran List
Mitsui & Co.	Yes; October 17, 2007	Removed from Iran List
Mitsui Engineering & Shipbuilding	Yes; November 21, 2007 December 18, 2007	Removed from Iran and Sudan Lists
MMC Bhd	No	Sudan CE Classification Continues
Nam Fatt	No	Removed from Sudan List
PT Citra Tubindo Tbk.	Yes; September 27, 2010	Removed from Iran CE List

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<b>September 19, 2007</b>	<b>June 16, 2011</b>	<b>December 9, 2014</b>
<b>December 18, 2007</b>	<b>September 20, 2011</b>	<b>March 24, 2015</b>
<b>March 25, 2008</b>	<b>December 6, 2011</b>	<b>June 23, 2015</b>
<b>June 10, 2008</b>	<b>March 20, 2012</b>	<b>September 29, 2015</b>
<b>September 16, 2008</b>	<b>June 26, 2012</b>	<b>December 8, 2015</b>
<b>January 13, 2009</b>	<b>September 18, 2012</b>	<b>March 29, 2016</b>
<b>April 14, 2009</b>	<b>December 11, 2012</b>	<b>August 2, 2016</b>
<b>July 28, 2009</b>	<b>March 19, 2013</b>	<b>December 6, 2016</b>
<b>October 27, 2009</b>	<b>June 25, 2013</b>	<b>March 14, 2017</b>
<b>January 26, 2010</b>	<b>September 24, 2013</b>	<b>June 14, 2017</b>
<b>April 27, 2010</b>	<b>December 10, 2013</b>	<b>October 17, 2017</b>
<b>July 29, 2010</b>	<b>March 18, 2014</b>	<b>December 13, 2017</b>
<b>November 9, 2010</b>	<b>June 17, 2014</b>	<b>March 7, 2018</b>
<b>February 22, 2011</b>	<b>September 23, 2014</b>	



### Summary of Investments Sold, Redeemed, Divested or Withdrawn

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

Cumulative Divestment	
Royal Dutch Shell**	\$215,784,700.79
Total SA**	\$214,536,015.45
Petroleo Brasileiro SA (Petrobras) **	\$206,135,264.10
ENI**	\$141,403,034.78
CNOOC Ltd	\$131,737,735.86
Gazprom (a.k.a. OAO Gazprom)	\$71,275,453.14
Alstom**	\$65,897,698.67
Repsol YPF**	\$53,420,179.87
Statoil ASA** (fka: StatoilHydro)	\$46,792,677.58
China Petroleum and Chemical Corp (CPCC) Sinopec	\$38,455,440.48
PetroChina	\$25,723,158.75
Inpex Corp.**	\$24,835,110.63
MISC Bhd	\$16,448,397.44
Snam Rete Gas**	\$9,596,905.78
Lukoil OAO**	\$9,487,631.46
OMV AG **	\$8,601,977.98
Shell International Finance**	\$8,599,813.40
China BlueChemical Ltd	\$7,538,215.73
Wärtsilä Oyj**	\$1,797,871.96
Daelim Industrial Co Ltd	\$1,566,926.73
Petrofac Ltd **	\$1,496,881.43
The Weir Group PLC **	\$1,322,666.62
Petrobras International Finance**	\$1,148,750.00
Lundin Petroleum AB **	\$1,133,120.04
Oil & Natural Gas Corporation (ONGC)	\$945,363.83
Petrobras Energia (Participaciones) **	\$298,632.08
Dongfeng Motor Group**	\$158,623.49
Electricity Generating Public Company**	\$121,321.38
Gazprom Neft	\$37,892.73
** denotes companies no longer on the Prohibited Company list	<b>\$1,306,825,533.68</b>

In accordance with the PFIA, the SBA will report on the performance implications of PFIA-related divestitures and restrictions. Generally, the impact of PFIA legislation on performance is measured as the opportunity cost of not being able to hold prohibited securities, measured by comparing the monthly return of the standard foreign equity benchmark (i.e., the MSCI ACWI ex-US) to a custom foreign equity benchmark based upon PFIA divestiture requirements. The difference in returns between the standard benchmark and custom benchmark represents the opportunity cost to the SBA of not being able to invest in (or hold) prohibited companies. The percent return difference is then applied to the average monthly balance of foreign equity investments to determine a dollar impact. Monthly dollar impacts, whether positive or negative, are added together through time and then compared to the total value of the FRS Pension Plan to determine the percentage or basis point impact of PFIA legislation.

**Table 7: List of *Prohibited Investments (Scrutinized Companies)****New companies on the list are shaded and in bold.*

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
<b>Bank of Kunlun Co Ltd</b>	<b>Sudan &amp; Iran</b>	<b>China</b>	<b>March 7, 2018</b>	<b>Yes</b>
Chennai Petroleum Corp Ltd	Sudan	India	September 19, 2007	Yes
<b>China Petroleum Engineering Corp</b>	<b>Sudan &amp; Iran</b>	<b>China</b>	<b>March 7, 2018</b>	<b>Yes</b>
China BlueChemical Ltd	Iran	China	March 19, 2013	Yes
China National Petroleum Corporation (CNPC)	Sudan & Iran	China	December 11, 2012	Yes
China Oilfield Services Ltd	Iran	China	June 16, 2011	Yes
China Petroleum & Chemical Corp (CPCC) Sinopec	Sudan & Iran	China	September 19, 2007	Yes
CNOOC Ltd	Iran	China	June 16, 2011	Yes
CNOOC Curtis Funding No.1 Pty Ltd	Iran	Australia	October 17, 2017	Yes
CNOOC Finance Limited	Iran	China	September 24, 2013	Yes
CNOOC Nexen Finance	Iran	Canada	October 17, 2017	Yes
CNPC Capital Company Limited	Sudan & Iran	China	June 14, 2017	Yes
CNPC General Capital Ltd	Sudan & Iran	China	June 26, 2012	Yes
CNPC HK Overseas Capital Ltd	Sudan & Iran	China	June 16, 2011	Yes
COSL Finance (BVI) Limited	Iran	China	September 24, 2013	Yes
Daelim Industrial Co Ltd	Iran	South Korea	June 16, 2011	Yes
Daqing Huake Group Co Ltd	Sudan	China	March 25, 2008	Yes
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Energy House Holding Company (fka: AREF Energy Holdings Co)	Sudan	Kuwait	July 28, 2009	Yes
Engen Botswana	Sudan & Iran	Botswana	March 24, 2015	Yes
Gas District Cooling (Putrajaya) Sdn Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Gazprom	Iran	Russia	September 19, 2007	Yes
Gazprom Neft	Iran	Russia	September 16, 2008	Yes
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	Sudan	China	September 19, 2007	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Indian Oil Corp Ltd (IOCL)	Sudan & Iran	India	September 19, 2007	Yes
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	Sudan	China	September 19, 2007	Yes
KLCC Property Holdings Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong)	Sudan & Iran	Hong Kong	September 19, 2007	Yes
<b>Kunlun Financial Leasing Co Ltd</b>	<b>Sudan &amp; Iran</b>	<b>China</b>	<b>March 7, 2018</b>	<b>Yes</b>
Kuwait Finance House	Sudan	Kuwait	April 14, 2009	Yes
Lanka IOC Ltd	Sudan	India	September 19, 2007	Yes
Managem SA	Sudan	Morocco	November 9, 2010	Yes
Mangalore Refinery & Petrochemicals Ltd	Sudan & Iran	India	September 19, 2007	Yes
Malaysia Marine & Heavy Engineering Holdings Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
MISC Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Mosenergo	Iran	Russia	September 16, 2008	Yes
Offshore Oil Engineering Co	Iran	China	June 14, 2017	Yes
Oil India Ltd.	Sudan	India	September 18, 2012	Yes
Oil & Natural Gas Corp (ONGC)	Sudan & Iran	India	September 19, 2007	Yes
<b>ONGC Mangalore Petrochemicals Ltd</b>	<b>Sudan &amp; Iran</b>	<b>India</b>	<b>March 7, 2018</b>	<b>Yes</b>
ONGC Videsh Limited (OVL)	Sudan & Iran	India	March 18, 2014	Yes
Orca Gold Inc.	Sudan	Canada	December 9, 2014	Yes
PetroChina	Sudan & Iran	China	September 19, 2007	Yes
Petrolia Nasional (Petronas)	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Capital Limited	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Chemicals Bhd	Sudan & Iran	Malaysia	June 16, 2011	Yes
Petronas Dagangan Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Gas Berhad	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Global Sukuk	Sudan & Iran	Malaysia	August 2, 2016	Yes
Putrajaya Management Sdn Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Sinopec Capital 2013 Ltd	Sudan & Iran	China	September 24, 2013	Yes
Sinopec Engineering Group Co Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2016 Ltd	Sudan & Iran	China	August 2, 2016	Yes
<b>Sinopec Group Overseas Development 2014 Ltd</b>	<b>Sudan &amp; Iran</b>	<b>China</b>	<b>March 7, 2018</b>	<b>Yes</b>
Sinopec Group Overseas Development 2013 Ltd	Sudan & Iran	China	March 18, 2014	Yes
<b>Sinopec Group Overseas Development 2012 Ltd</b>	<b>Sudan &amp; Iran</b>	<b>China</b>	<b>March 7, 2018</b>	<b>Yes</b>
Sinopec Kantons Holdings Ltd	Sudan & Iran	Bermuda	September 19, 2007	Yes
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	Sudan & Iran	China	April 14, 2009	Yes
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	Sudan & Iran	China	March 25, 2008	Yes
Sinopec Shanghai Petrochemical	Sudan & Iran	China	September 19, 2007	Yes
Société Nationale d'Investissement	Sudan	Morocco	December 6, 2016	Yes
Societe Metallurgique D'imiter	Sudan	Morocco	November 9, 2010	Yes
<b># of Prohibited Investments</b>	<b>62</b>	<b>-</b>	<b>-</b>	

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

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

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

As of December 31, 2017, the SBA did not hold shares of any company on the Sudan or Iran Prohibited Investments List in accounts subject to the PFIA divestiture requirements.

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

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

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

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

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

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

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

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

**Section 2: Prohibited Investments by the SBA, Companies that Boycott Israel**  
**Section 215.4725 F.S.**

**Summary**

In 2016, the SBA was directed by state law to create a "scrutinized companies" list, composed of companies that participate in a boycott of Israel including actions that limit commercial relations with Israel or Israeli-controlled territories. The SBA is prohibited from acquiring direct holdings of the companies on this list. The law requires the SBA to use best efforts in identifying companies that boycott Israel, publish the list on a quarterly basis, send written notice to the companies, engage with the SBA's external managers concerning holdings of the companies on the list, and publish a list of the SBA's directly-held securities and certain other information detailed below. Note, Section 215.4725 F.S. applies only to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

**Primary Requirements of Section 215.4725 F.S.**

**1. Identification of companies**

By August 1, 2016, SBA will make best efforts to identify all scrutinized companies in which the SBA has indirect or direct holdings or possibly could have holdings in the future.

As required by statute, SBA will review publicly available information, including from NGOs, non-profits, government entities and research firms, and/or contact asset managers or other institutional investors. SBA staff will contract with external research providers to obtain preliminary lists of potential scrutinized companies and evaluate the evidence to make a final determination of scrutinized status. The SBA currently contracts with ISS-Ethix and MSCI to provide preliminary lists.

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

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

**"Continued Examination"** — Information suggests but does not clearly demonstrate that a company's activities are a boycott of Israel. The SBA is unable to definitively categorize the company's activities as scrutinized without further research to resolve the differences. For companies classified as "Continued Examination," the SBA will begin an engagement process to clarify each firm's current business relationships.

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

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

"Boycott Israel" means refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. A statement by a company that it is participating in a boycott of Israel, or that it has initiated a boycott in response to a request for a boycott of Israel or in compliance with, or in furtherance of, calls for a boycott of Israel, may be considered by the State Board of Administration to be evidence that a company is participating in a boycott of Israel. The term does not include restrictive trade practices or boycotts fostered or imposed by foreign countries against Israel.

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

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

## **2. Publish and reporting**

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

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

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

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

## **3. Engagement**

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

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

## **4. Prohibition**

The SBA may not acquire directly held securities of companies on the Scrutinized Companies list. The SBA is not required to divest of existing holdings. Indirect holdings are exempt from the prohibition (such as commingled accounts, index funds and mutual funds). However, SBA will submit letters to the managers of such investment funds which hold companies from the Scrutinized Companies list requesting that they consider removing the companies from the fund or creating a similar fund devoid of such holdings. SBA shall replace applicable investments in the similar fund devoid of such holdings in an expedited timeframe subject to prudent investing standards if the manager complies with such a request.

Exchange-traded funds are also exempted from the prohibition, without the requirement to contact the fund management.

A cessation of the investment prohibition is allowed if the fund has evidence that the assets under management become equal or less than 99.50% of the hypothetical fund value assuming no investment prohibition had occurred. This must be reported to the parties listed in "reporting" below and updated semiannually for the cessation to be authorized.



**Table 9: Scrutinized Companies that Boycott Israel***New companies on the list are shaded and in bold. (No companies added this quarter.)*

Scrutinized Company that Boycotts Israel	Country of Incorporation	Date of Initial Scrutinized Classification
Cactus SA	Luxembourg	August 2, 2016
Betsah Invest SA	Luxembourg	August 2, 2016
Betsah SA	Luxembourg	August 2, 2016
Co-operative Group Limited	United Kingdom	September 26, 2017
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	Turkey	August 2, 2016
<b># of Companies that Boycott Israel</b>	<b>5</b>	

Companies **removed** from the **Scrutinized Companies that Boycott Israel List** during the quarter:

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

**Table 10: Continued Examination Companies that Boycott Israel***New companies on the list are shaded and in bold. (No companies added this quarter.)*

Continued Examination Company: Israel	Country of Incorporation
<i>No companies are on the continued examination list.</i>	

Companies **removed** from the **Continued Examination Companies that Boycott Israel List** during the quarter:

Removed Company	Country of Incorporation
Aldi	Germany
ASN Bank NV	Netherlands
CRH Public Limited Co	Ireland
HEMA BV	Netherlands
Karsten Farms	South Africa

**Table 11: Correspondence & Engagement Efforts**

In accordance with Section 215.4725, F.S., the SBA began to engage companies on the Scrutinized Companies that Boycott Israel and Continued Examination lists. The SBA sent letters to each company per the requirements of the law. Each company's response and classification status is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Status
Cactus SA	No	Remains on scrutinized list
Betsah Invest SA	No	Remains on scrutinized list
Betsah SA	No	Remains on scrutinized list
FreedomCall Ltd	Yes, November 4, 2016	Removed from scrutinized list
Co-operative Group Ltd	No	Remains on scrutinized list
Cooperative Group Gomersall	No	Removed from scrutinized list
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	No	Remains on scrutinized list
U2u Consult NV	Yes, December 29, 2016	Removed from scrutinized list
Danske Bank	Yes, multiple dates	Removed from continued examination list
Dexia	Yes, multiple dates	Removed from continued examination list
Aldi	No	Removed from continued examination list
ASN Bank NV	No	Removed from continued examination list
HEMA BV	No	Removed from continued examination list
Karsten Farms	No	Removed from continued examination list

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

#### **Summary**

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

#### **Requirements of the Law**

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

#### **Publishing and Reporting**

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

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

#### **Update on Investments in Publicly Traded Companies Operating in Northern Ireland.**

Since the initial mailing of letters to listed companies identified in the SBA’s portfolio, staff has received written responses from 18% of engaged companies. Staff also periodically receives phone calls requesting clarification of information regarding the MacBride Principles. Staff will continue to track letter responses annually and demonstrate support for the MacBride Principles as identified in 215.4702 Florida Statutes.

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

##### **Summary**

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

##### **Requirements of the Law**

In order to comply with this law, the U.S. State Department and/or the Treasury Department's Office of Foreign Assets Control (OFAC) are contacted periodically to confirm that no sanctions have been implemented. Since the Act's inception, sanctions have never been issued against any country. During the fiscal year ending June 30, 2016, there were no shareowner proposals related to expanding trade with Cuba or Syria.

#### ***Section 5: Companies Operating in Venezuela***

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

1. **Prohibited Investments.** Until such time as the SBA determines it is otherwise prudent to do so, the SBA is prohibited from investing in:
  - (a) any financial institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, which directly or through a United States or foreign subsidiary and in violation of federal law, makes any loan, extends credit of any kind or character, advances funds in any manner, or purchases or trades any goods or services in or with the government of Venezuela; and
  - (b) any securities issued by the government of Venezuela or any company that is majority-owned by the government of Venezuela.
2. **Proxy Voting.** The SBA will not vote in favor of any proxy resolution advocating the support of the Maduro Regime in Venezuela.

For more information, please contact:

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

or send an email to:  
[governance@sbafla.com](mailto:governance@sbafla.com)





**STATE BOARD OF ADMINISTRATION  
OF FLORIDA**

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

**POST OFFICE BOX 13300  
32317-3300**

**RICK SCOTT  
GOVERNOR  
AS CHAIR**  
**JIMMY PATRONIS  
CHIEF FINANCIAL OFFICER**  
**PAM BONDI  
ATTORNEY GENERAL**  
**ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

March 7, 2018

Honorable Jennifer Sullivan  
Alternating Chair  
Joint Legislative Auditing Committee  
317 The Capitol  
402 South Monroe Street  
Tallahassee, Florida 32399-1100

Honorable Debbie Mayfield  
Alternating Chair  
Joint Legislative Auditing Committee  
324 Senate Office Building  
404 South Monroe Street  
Tallahassee, Florida 32399-1300

Dear Representative Sullivan and Senator Mayfield:

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

Please be advised that the Trustees have reviewed the attached reports and authorized me to convey their action to you. During the period September 1, 2017 through December 31, 2017, there were no material impacts on the trust fund in question and, therefore, no associated actions or escalations.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, reading "Ashbel C. Williams".

Ashbel C. Williams  
Executive Director & CIO

ACW/apw  
Attachments

cc: Honorable Dennis Baxley  
Honorable Tracie Davis  
Honorable Randy Fine  
Honorable Audrey Gibson  
Honorable Joe Gruters  
Honorable Roy Hardemon  
Honorable Kathleen Passidomo  
Honorable Cyndi Stevenson  
Honorable Perry Thurston  
Ms. Kathy Dubose, Coordinator



## **MONTHLY SUMMARY REPORT**

**October 2017**

**State Board of Administration of Florida**



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## **Past performance is no guarantee of future results.**

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

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

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

## INTRODUCTION

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

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

This report, which covers the period from October 1, 2017, through October 31, 2017, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

## DISCLOSURE OF MATERIAL IMPACTS

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

### PRIME™ STATISTICS

(As of October 31, 2017)

Total Participants

**746**

Florida PRIME™ Assets

**\$7,668,223,593**

Total Number of Accounts

**1,406**

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

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

## PORTFOLIO MANAGER COMMENTARY

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### MARKET CONDITIONS

There was plenty of economic and political news to go around in the U.S. in October, all with the potential to postpone the Federal Reserve's expected hike of the federal funds target rate at its December policy meeting. Chief among them: the distortion of data because of hurricanes Harvey and Irma, the postponed debate over the federal budget and debt ceiling, the tapering of the Fed's balance sheet and conjecture over President Trump's nominee to lead the Fed in 2018.

Yet in the money market sphere, this is just more white noise; maybe the volume has been turned up, but it's still in the background. After all, the strong third-quarter gross domestic product preliminary reading of 3% indicates that not only were the effects of the hurricanes muted, but that the rebuilding efforts could even help to boost the economy in the fourth quarter. Most think that likely Fed chair nominee (and Fed board member) Jerome Powell would continue the current accommodative monetary policy. If trouble arises over raising the debt ceiling, the Treasury's extraordinary measures could push the issue off until March. And lastly, at \$10 billion, the balance-sheet roll-off is modest at this time.

So it is no surprise that market expectations remain around 90% that the Fed—still led at that point by Janet Yellen, let's not forget—will raise the fed funds rate by 25 basis points to 1.25-1.50% at the December Federal Open Market Committee (FOMC) meeting. The London interbank offered rate (Libor) was essentially static in the short end in October. One-month Libor continued to circle around 1.24%; 3-month and 6-month Libor rose slightly, from 1.34% to 1.38% and 1.51% to 1.57%, respectively.

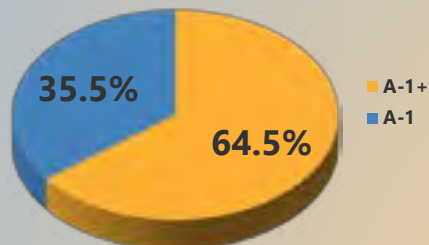
### INVESTMENT STRATEGY

Reflecting the relative stasis of the short-end of the Libor curve, the gross yield of the Pool remained at September's level of 1.38%. With less additional yield to be found further out the curve, Pool portfolio managers purchased less variable-rate paper than in September. Instead, most purchases were focused in the asset-backed commercial paper market at the short end (30-90 days) of the curve and bank purchases in the longer end (9-month). This strategy pulled the portfolio's October weighted average maturity (WAM) back into its target range of 40-50 days: to 47 days from 52 days in September. The Pool's weighted average life (WAL) followed suit, dropping to 79 days from 81 days.

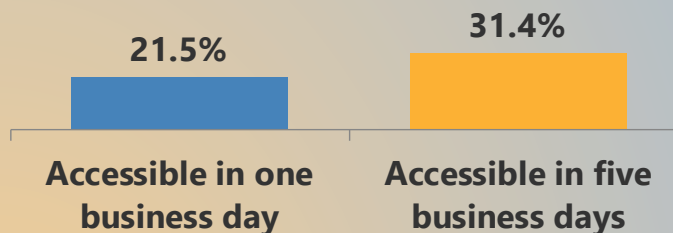
These adjustments changed the Pool's investment composition over October as follows: the portfolio's position in variable-rate commercial paper decreased 2% to be 29% of total holdings; and its amount of fixed-rate bank paper fell 2% to become 25% of total. Accommodating those decreases, the position in fixed-rate commercial paper rose 2% to become 3% of holdings and repo instruments rose 3% to comprise 4% of the portfolio. Money market funds rounded out the holdings at 6% of total, with government paper not a significant area of Pool investment last month. Assets of the Pool ended the month at \$7.6 billion, down \$400 million from September, reflecting the seasonal outflow pattern of participants paying expenses and other expenditures but receiving less tax revenue.

## PORTFOLIO COMPOSITION FOR OCTOBER 2017

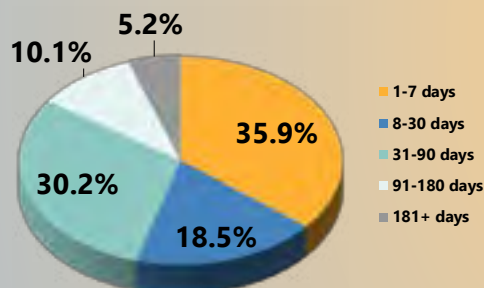
### CREDIT QUALITY COMPOSITION



### HIGHLY LIQUID HOLDINGS



### EFFECTIVE MATURITY SCHEDULE



### TOP HOLDINGS & AVG. MATURITY

1. Federated Institutional Prime Value Obligations Fund - C	6.0%
2. Canadian Imperial Bank of Commerce	5.1%
3. Royal Bank of Canada	5.0%
4. ABN Amro Bank NV	5.0%
5. Bank of Montreal	4.9%
6. Barton Capital S.A.	4.8%
7. JPMorgan Chase & Co.	4.7%
8. Wells Fargo & Co.	3.9%
9. Luxembourg, Government of	3.9%
10. Commonwealth Bank of Australia	3.7%

#### Average Effective Maturity (WAM) \*

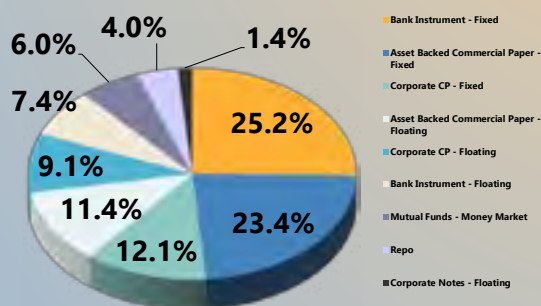
47.0 Days

#### Weighted Average Life (Spread WAL)

78.7 Days

Percentages based on total value of investments

### PORTFOLIO COMPOSITION



## FUND PERFORMANCE THROUGH OCTOBER 31, 2017

Florida PRIME Performance Data			
	Net Participant Yield <sup>1</sup>	Net-of-Fee Benchmark <sup>2</sup>	Above (Below) Benchmark
One Month	1.37%	1.06%	0.30%
Three Months	1.35%	1.04%	0.32%
One Year	1.13%	0.81%	0.32%
Three Years	0.64%	0.40%	0.24%
Five Years	0.46%	0.26%	0.19%
Ten Years	0.66%	0.54%	0.12%
Since 1/96	2.61%	2.40%	0.21%

**Note:** Net asset value at month end: \$7,668.8 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

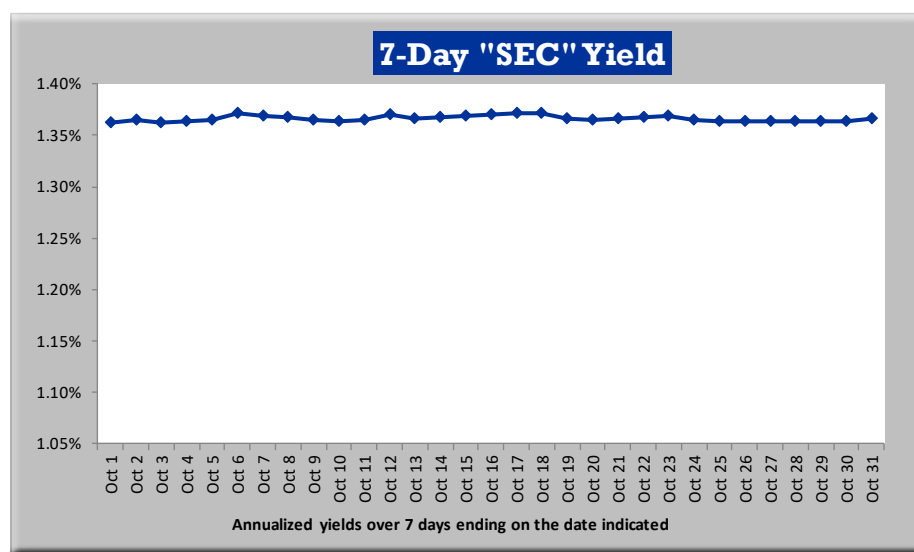
<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

### ABOUT ANNUALIZED YIELDS:

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

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



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

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

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

## PRIME ACCOUNT SUMMARY FOR OCTOBER 2017

Summary of Cash Flows		
Opening Balance (10/01/17)	\$	8,042,974,215
Participant Deposits		1,144,432,903
Gross Earnings		9,145,358
Participant Withdrawals		(1,528,114,823)
Fees		(214,060)
Closing Balance (10/31/17)	\$	7,668,223,593
<b>Net Change over Month</b>	<b>\$</b>	<b>(374,750,622)</b>

Detailed Fee Disclosure		
October	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 65,778.80	1.00
Federated Investment Management Fee	126,162.00	1.93
BNY Mellon Custodial Fee**	9,111.96	0.14
Bank of America Transfer Agent Fee	4,150.56	0.06
S&P Rating Maintenance Fee	3,821.92	0.06
Audit/External Review Fees	5,034.49	0.08
<b>Total Fees</b>	<b>\$ 214,059.73</b>	<b>3.27</b>

\*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$7,855,598,904.

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

## INVENTORY OF HOLDINGS FOR OCTOBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV,Amsterdam TD	TIME DEPOSIT	1.20	11/1/2017		230,000,000	1.22	\$230,000,000	\$230,000,000	\$0
ABN Amro Bank NV,Amsterdam TD	TIME DEPOSIT	1.20	11/3/2017		50,000,000	1.22	\$50,000,000	\$50,000,000	\$0
ABN Amro Bank NV,Amsterdam TD	TIME DEPOSIT	1.20	11/7/2017		100,000,000	1.22	\$100,000,000	\$100,000,000	\$0
ASB Finance Ltd., Jun 05, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.45	6/5/2018	12/7/2017	50,000,000	1.47	\$50,000,000	\$50,029,800	\$29,800
ASB Finance Ltd., Mar 12, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.39	3/12/2018	11/13/2017	50,000,000	1.41	\$50,000,000	\$50,009,450	\$9,450
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/20/2017		4,500,000	1.30	\$4,496,800	\$4,496,800	-\$0
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/21/2017		2,223,000	1.30	\$2,221,340	\$2,221,434	\$93
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/27/2017		37,543,000	1.30	\$37,506,959	\$37,508,761	\$1,802
Anglesea Funding LLC, Mar 19, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.51	3/19/2018	11/20/2017	70,000,000	1.53	\$70,000,000	\$69,997,369	-\$2,631
Anglesea Funding LLC, May 25, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.49	5/25/2018	11/30/2017	140,000,000	1.51	\$140,000,000	\$139,999,986	-\$14
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/2/2017		100,000,000	1.22	\$99,993,333	\$99,993,256	-\$77
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/21/2017		100,000,000	1.29	\$99,925,917	\$99,927,317	\$1,400
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/27/2017		60,000,000	1.33	\$59,941,050	\$59,943,210	\$2,160
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/1/2017		152,500,000	1.08	\$152,495,467	\$152,494,993	-\$474
BMO Harris Bank, N.A. CD	CERTIFICATE OF DEPOSIT	1.41	11/15/2017		30,000,000	1.43	\$30,000,000	\$30,001,451	\$1,451
Bank of America N.A. BNOTE	BANK NOTE	1.50	4/18/2018		59,000,000	1.52	\$59,000,000	\$58,999,627	-\$373
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	1.07	11/1/2017		295,000,000	1.08	\$295,000,000	\$295,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.42	3/19/2018		50,000,000	1.44	\$50,000,000	\$49,998,587	-\$1,414
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.35	12/15/2017		49,000,000	1.37	\$49,000,000	\$49,004,367	\$4,367
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	2/26/2018		51,250,000	1.43	\$51,250,000	\$51,251,570	\$1,570
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.34	12/22/2017		35,000,000	1.36	\$35,000,000	\$35,002,505	\$2,505
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.55	12/18/2017		15,000,000	1.57	\$15,000,000	\$15,005,039	\$5,039
Bank of Montreal, Dec 01, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.62	12/1/2017	12/1/2017	50,000,000	1.64	\$50,000,000	\$50,018,000	\$18,000
Bank of Montreal, Jan 04, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.45	1/4/2018	11/6/2017	43,000,000	1.46	\$43,000,000	\$43,015,867	\$15,867
Bank of Montreal, May 23, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.48	5/23/2018	11/23/2017	25,000,000	1.51	\$25,000,000	\$25,017,950	\$17,950
Bank of Montreal, Nov 03, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.73	11/3/2017	11/3/2017	25,000,000	1.68	\$25,000,000	\$25,001,050	\$1,050
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/23/2018		15,000,000	1.48	\$14,913,604	\$14,915,570	\$1,966

See notes at end of table.



## INVENTORY OF HOLDINGS FOR OCTOBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/27/2018		100,000,000	1.50	\$99,399,750	\$99,413,633	\$13,883
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		4/13/2018		73,000,000	1.50	\$72,511,143	\$72,506,820	-\$4,323
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		5/23/2018		25,000,000	1.51	\$24,790,333	\$24,779,850	-\$10,483
Bank of Nova Scotia, Toronto, Jul 02, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.42	7/2/2018	11/2/2017	25,000,000	1.44	\$25,000,000	\$24,996,850	-\$3,150
Bank of Nova Scotia, Toronto, Mar 09, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.39	3/9/2018	11/9/2017	20,000,000	1.40	\$20,000,000	\$20,002,060	\$2,060
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		11/8/2017		14,000,000	1.35	\$13,995,893	\$13,996,388	\$495
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		12/1/2017		75,000,000	1.39	\$74,912,167	\$74,923,082	\$10,915
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		12/6/2017		54,000,000	1.38	\$53,927,100	\$53,935,416	\$8,316
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		12/11/2017		15,000,000	1.41	\$14,976,425	\$14,979,483	\$3,058
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/6/2018		64,000,000	1.44	\$63,684,160	\$63,695,584	\$11,424
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/9/2018		46,000,000	1.44	\$45,767,585	\$45,775,167	\$7,582
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/9/2018		30,000,000	1.44	\$29,848,425	\$29,853,370	\$4,945
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/1/2017		52,900,000	1.17	\$52,898,310	\$52,898,087	-\$224
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/3/2017		75,000,000	1.22	\$74,992,500	\$74,991,844	-\$656
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/4/2017		150,000,000	1.30	\$149,818,667	\$149,811,017	-\$7,650
Barton Capital S.A., Feb 05, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.49	2/5/2018	11/6/2017	50,000,000	1.51	\$50,000,000	\$50,000,000	\$0
Barton Capital S.A., Feb 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.41	2/9/2018	11/9/2017	43,000,000	1.42	\$43,000,000	\$43,013,459	\$13,459
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/12/2018		50,000,000	1.62	\$49,442,611	\$49,415,447	-\$27,164
Bedford Row Funding Corp., Apr 27, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.47	4/27/2018	1/29/2018	13,000,000	1.49	\$13,000,000	\$13,005,291	\$5,291
Bedford Row Funding Corp., Feb 08, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.73	2/8/2018	11/8/2017	25,000,000	1.75	\$25,000,000	\$25,029,075	\$29,075
Bedford Row Funding Corp., Jan 18, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.76	1/18/2018	11/20/2017	20,000,000	1.78	\$20,000,000	\$20,021,580	\$21,580
Bedford Row Funding Corp., Jun 28, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.47	6/28/2018	12/28/2017	23,000,000	1.49	\$23,000,000	\$23,011,385	\$11,385
Bedford Row Funding Corp., Mar 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.58	3/22/2018	11/22/2017	30,000,000	1.60	\$30,000,000	\$30,000,000	\$0
Bedford Row Funding Corp., Nov 06, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.46	11/6/2017	11/6/2017	25,000,000	1.48	\$25,000,000	\$25,001,250	\$1,250
Bedford Row Funding Corp., Oct 01, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.49	10/1/2018	1/2/2018	80,000,000	1.51	\$80,000,000	\$80,000,000	\$0
Bedford Row Funding Corp., Oct 05, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.50	10/5/2018	1/5/2018	20,000,000	1.52	\$20,000,000	\$20,008,740	\$8,740

See notes at end of table.

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Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bruce T. Brown 2017 Irrevocable Trust, Series 2017, Oct 01, 2024	VARIABLE RATE DEMAND NOTE	1.24	10/1/2024	11/2/2017	5,185,000	1.35	\$5,185,000	\$5,185,000	\$0
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/1/2018		10,000,000	1.42	\$9,964,092	\$9,964,712	\$620
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/2/2018		25,000,000	1.43	\$24,881,389	\$24,879,525	-\$1,864
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/1/2017		50,000,000	1.38	\$49,941,875	\$49,945,277	\$3,402
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/7/2017		40,000,000	1.39	\$39,944,089	\$39,947,419	\$3,330
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	7/3/2018		100,000,000	1.59	\$100,000,000	\$99,972,813	-\$27,187
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	7/5/2018		97,000,000	1.59	\$97,000,000	\$96,971,523	-\$28,477
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.59	7/9/2018		25,000,000	1.61	\$25,000,000	\$24,994,958	-\$5,043
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.76	11/13/2018		25,000,000	1.78	\$25,000,000	\$25,003,975	\$3,975
Canadian Imperial Bank of Commerce, Apr 19, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.51	4/19/2018	1/19/2018	50,000,000	1.53	\$50,000,000	\$50,025,800	\$25,800
Canadian Imperial Bank of Commerce, Jan 12, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.41	1/12/2018	11/14/2017	67,000,000	1.43	\$67,000,000	\$67,020,636	\$20,636
Canadian Imperial Bank of Commerce, Nov 13, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.50	11/13/2018	11/13/2017	1,000,000	1.52	\$1,000,000	\$999,918	-\$82
Canadian Imperial Bank of Commerce, Sep 13, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.57	9/13/2018	12/13/2017	24,000,000	1.46	\$24,027,421	\$23,997,894	-\$29,527
Chase Bank USA, N.A., Jan 05, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.74	1/5/2018	11/6/2017	75,000,000	1.76	\$75,000,000	\$75,067,800	\$67,800
Citibank NA, New York CD	CERTIFICATE OF DEPOSIT	1.40	12/26/2017		72,000,000	1.42	\$72,000,000	\$72,014,729	\$14,729
Collateralized Commercial Paper Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		6/15/2018		15,000,000	1.62	\$14,850,558	\$14,844,127	-\$6,432
Collateralized Commercial Paper Co. LLC, Dec 11, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.52	12/11/2017	12/11/2017	50,000,000	1.54	\$50,000,000	\$50,016,950	\$16,950
Collateralized Commercial Paper Co. LLC, Dec 12, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.51	12/12/2017	12/12/2017	20,000,000	1.53	\$20,000,000	\$20,006,900	\$6,900
Collateralized Commercial Paper Co. LLC, Dec 22, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.50	12/22/2017	12/22/2017	15,000,000	1.52	\$15,000,000	\$15,005,925	\$5,925
Collateralized Commercial Paper Co. LLC, Jun 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.48	6/22/2018	12/22/2017	95,700,000	1.50	\$95,700,000	\$95,721,915	\$21,915
Collateralized Commercial Paper Co. LLC, May 23, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.46	5/23/2018	11/24/2017	25,000,000	1.48	\$25,000,000	\$25,000,100	\$100
Collateralized Commercial Paper Co. LLC, Nov 03, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.69	11/3/2017	11/3/2017	25,000,000	1.71	\$25,000,000	\$25,001,100	\$1,100
Collateralized Commercial Paper Co. LLC, Nov 09, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.66	11/9/2017	11/9/2017	36,500,000	1.68	\$36,500,000	\$36,504,490	\$4,490
Commonwealth Bank of Australia, Apr 27, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.43	4/27/2018	1/29/2018	15,000,000	1.46	\$15,000,093	\$15,009,405	\$9,312
Commonwealth Bank of Australia, Jan 10, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.40	1/10/2018	11/10/2017	75,000,000	1.40	\$75,000,000	\$75,019,950	\$19,950
Commonwealth Bank of Australia, Mar 29, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.47	3/29/2018	12/29/2017	20,000,000	1.49	\$20,000,000	\$20,013,520	\$13,520

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Commonwealth Bank of Australia, May 10, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.45	5/10/2018	11/10/2017	70,000,000	1.45	\$70,000,000	\$70,029,610	\$29,610
Corporate Finance Managers, Inc., Series B, Feb 02, 2043	VARIABLE RATE DEMAND NOTE	1.24	2/2/2043	11/2/2017	11,800,000	1.23	\$11,800,000	\$11,800,000	\$0
DNB Bank ASA TDCAY	TIME DEPOSIT - CAYMAN	1.06	11/1/2017		200,000,000	1.07	\$200,000,000	\$200,000,000	\$0
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.31	11/7/2017		50,000,000	1.33	\$50,000,000	\$50,001,121	\$1,121
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.31	11/9/2017		50,000,000	1.33	\$50,000,000	\$50,001,367	\$1,367
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.33	12/15/2017		75,000,000	1.35	\$74,999,995	\$75,004,335	\$4,340
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CP4-2	COMMERCIAL PAPER - 4-2		12/21/2017		48,500,000	1.35	48,408,618	48,416,794	\$8,176
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	0.93	11/1/2017	10/5/2016	5,332,619	0.94	\$5,332,619	\$5,332,619	\$0
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/17/2017		40,000,000	1.33	\$39,975,256	\$39,976,672	\$1,417
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/20/2017		60,000,000	1.32	\$59,956,667	\$59,959,100	\$2,433
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/14/2017		25,000,000	1.30	\$24,960,889	\$24,960,370	-\$519
Gulf Gate Apartments LLC, Series 2003, Sep 01, 2028	VARIABLE RATE DEMAND NOTE	1.24	9/1/2028	11/2/2017	7,550,000	1.23	\$7,550,000	\$7,550,000	\$0
Henry Andrew Brown, III 2017 Irrevocable Trust, Series 2017, Oct 01, 2042	VARIABLE RATE DEMAND NOTE	1.24	10/1/2042	11/2/2017	4,260,000	1.36	\$4,260,000	\$4,260,000	\$0
Institutional Prime Value Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	1.32	11/1/2017	11/1/2017	456,059,512	1.32	\$456,059,512	\$456,150,724	\$91,212
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/2/2017		100,000,000	1.12	\$99,993,889	\$99,993,694	-\$195
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/4/2017		50,000,000	1.32	\$49,938,611	\$49,939,650	\$1,039
Long Island Power Authority- CPLOC - Series 2015-GR-1A	CALLABLE COMMERCIAL PAPER	0.00	7/24/2018		50,000,000	1.29	\$50,000,000	\$50,000,000	\$0
Los Angeles County Fair Association, Nov 01, 2039	VARIABLE RATE DEMAND NOTE	1.24	11/1/2039	11/1/2017	10,000,000	1.23	\$10,000,000	\$10,000,000	\$0
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		12/12/2017		45,000,000	1.48	\$44,923,875	\$44,933,640	\$9,765
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		4/13/2018		5,000,000	1.61	\$4,964,011	\$4,965,423	\$1,412
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/14/2017		24,000,000	1.27	\$23,988,333	\$23,988,632	\$299
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/27/2017		75,000,000	1.32	\$74,926,875	\$74,929,013	\$2,138
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/27/2017		25,000,000	1.32	\$24,975,625	\$24,976,338	\$713
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/26/2017		33,231,000	1.35	\$33,162,249	\$33,162,301	\$52
Mike P. Sturdivant, Sr. Family Trust, Series 2016, Nov 01, 2036	VARIABLE RATE DEMAND NOTE	1.24	11/1/2036	11/2/2017	2,200,000	1.24	\$2,200,000	\$2,200,000	\$0

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Mississippi Business Finance Corp., Kohler Project, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	1.36	6/1/2022	11/2/2017	10,000,000	1.35	\$10,000,000	\$10,000,000	\$0
Mizuho Bank Ltd. CDEUR (London)	CERTIFICATE OF DEPOSIT - EURO	0.00	12/5/2017		75,000,000	1.35	\$74,903,217	\$74,847,913	-\$55,305
Mizuho Bank Ltd. CDEUR (Sydney)	CERTIFICATE OF DEPOSIT - EURO	0.00	12/11/2017		48,000,000	1.37	\$47,926,352	\$47,901,204	-\$25,148
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		11/7/2017		100,000,000	1.20	\$99,976,958	\$99,976,764	-\$194
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	1.07	11/1/2017		15,000,000	1.08	\$15,000,000	\$15,000,000	\$0
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		3/5/2018		50,000,000	1.44	\$49,754,340	\$49,753,125	-\$1,215
National Australia Bank Ltd., Melbourne, Apr 06, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.49	4/6/2018	1/8/2018	53,000,000	1.51	\$53,000,000	\$53,032,330	\$32,330
Nederlandse Waterschapsbank NV CP4-2	COMMERCIAL PAPER - 4-2		2/27/2018		5,000,000	1.43	\$4,976,861	\$4,977,721	\$859
Novant Health, Inc., Series 1997, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	1.24	6/1/2022	11/1/2017	44,800,000	1.25	\$44,800,000	\$44,800,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/20/2017		50,000,000	1.39	\$49,905,556	\$49,909,028	\$3,472
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/11/2018		50,000,000	1.46	\$49,857,000	\$49,864,200	\$7,200
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/14/2018		50,000,000	1.50	\$49,726,417	\$49,726,417	-\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/20/2018		20,000,000	1.45	\$19,889,556	\$19,885,122	-\$4,433
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/20/2018		25,000,000	1.45	\$24,861,944	\$24,856,403	-\$5,542
Old Line Funding, LLC, Jan 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.44	1/9/2018	11/9/2017	37,300,000	1.45	\$37,300,000	\$37,309,250	\$9,250
Old Line Funding, LLC, Mar 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.42	3/22/2018	12/22/2017	30,000,000	1.44	\$30,000,000	\$30,010,770	\$10,770
Royal Bank of Canada, Jun 12, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.44	6/12/2018	12/12/2017	100,000,000	1.46	\$100,000,000	\$100,043,600	\$43,600
Sabri Arac, The Quarry Lane School Series 2005, Oct 01, 2035	VARIABLE RATE DEMAND NOTE	1.24	10/1/2035	11/2/2017	12,260,000	1.23	\$12,260,000	\$12,260,000	\$0
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.30	12/12/2017		25,000,000	1.32	\$25,000,000	\$25,001,597	\$1,597
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/1/2017		47,300,000	1.22	\$47,298,423	\$47,298,406	-\$17
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		11/14/2017		17,600,000	1.36	\$17,590,828	\$17,591,588	\$760
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/1/2017		74,500,000	1.37	\$74,413,394	\$74,418,398	\$5,004
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/3/2018		35,000,000	1.39	\$34,914,756	\$34,916,685	\$1,929
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2018		67,000,000	1.40	\$66,820,217	\$66,823,734	\$3,518
Svenska Handelsbanken, Stockholm TDCAY	TIME DEPOSIT - CAYMAN	1.05	11/1/2017		200,000,000	1.06	\$200,000,000	\$200,000,000	\$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		12/15/2017		1,000,000	1.37	\$998,313	\$998,375	\$63
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	12/6/2017		50,000,000	1.43	\$50,000,000	\$50,008,097	\$8,097

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Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.52	1/16/2018		120,000,000	1.53	\$120,000,000	\$120,044,086	\$44,086
Toronto Dominion Bank, Nov 06, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.50	11/6/2018	11/6/2017	25,000,000	1.47	\$25,000,000	\$25,000,000	\$0
Toronto Dominion Bank, Sep 25, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.47	9/25/2018	11/27/2017	10,000,000	1.49	\$10,000,000	\$10,000,170	\$170
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		4/3/2018		98,000,000	1.52	\$97,375,359	\$97,413,508	\$38,149
Toyota Motor Credit Corp., Jul 03, 2018	VARIABLE RATE COMMERCIAL PAPER	1.45	7/3/2018	1/4/2018	24,500,000	1.47	\$24,500,000	\$24,502,303	\$2,303
Toyota Motor Finance (Netherlands) B.V., Jan 11, 2018	VARIABLE RATE COMMERCIAL PAPER	1.43	1/11/2018	11/21/2017	50,000,000	1.45	\$50,000,000	\$50,017,350	\$17,350
Toyota Motor Finance (Netherlands) B.V., May 11, 2018	VARIABLE RATE COMMERCIAL PAPER	1.44	5/11/2018	11/14/2017	53,000,000	1.46	\$53,000,000	\$53,018,020	\$18,020
Wells Fargo Bank, N.A., Aug 23, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.45	8/23/2018	11/24/2017	30,000,000	1.47	\$30,000,000	\$29,998,260	-\$1,740
Wells Fargo Bank, N.A., Feb 01, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.75	2/1/2018	11/1/2017	25,000,000	1.77	\$25,000,000	\$25,029,900	\$29,900
Wells Fargo Bank, N.A., Feb 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.67	2/6/2018	11/6/2017	25,000,000	1.61	\$25,000,000	\$25,024,400	\$24,400
Wells Fargo Bank, N.A., May 04, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.50	5/4/2018	11/6/2017	73,000,000	1.44	\$73,000,000	\$73,036,062	\$36,062
Westpac Banking Corp. Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	9/14/2018		50,000,000	1.59	\$50,000,000	\$49,963,298	-\$36,703
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		10/12/2018		15,000,000	1.76	\$14,753,475	\$14,755,205	\$1,730
Westpac Banking Corp. Ltd., Sydney, Mar 29, 2018	VARIABLE RATE COMMERCIAL PAPER	1.47	3/29/2018	12/29/2017	107,000,000	1.49	\$107,000,000	\$107,072,974	\$72,974
<b>Total Value of Assets</b>					<b>7,666,494,131</b>		<b>\$7,659,884,046</b>	<b>\$7,660,672,856</b>	<b>\$788,810</b>

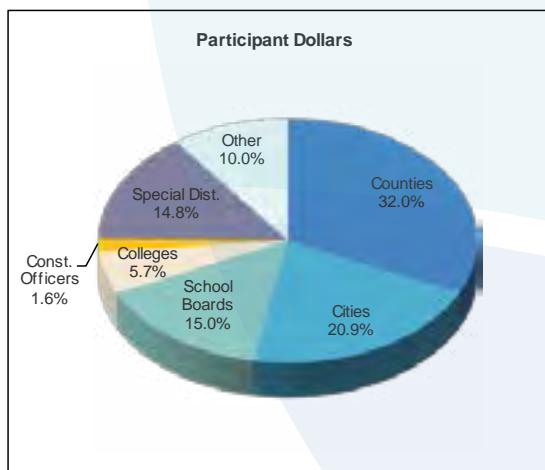
**Notes:** The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

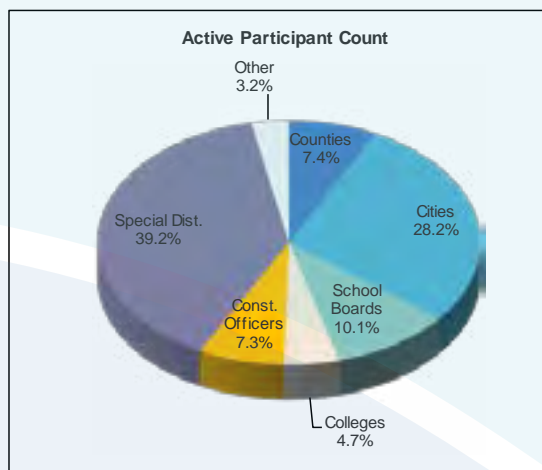
<sup>2</sup> Amortized cost is calculated using a straight line method.

## PARTICIPANT CONCENTRATION DATA - AS OF OCTOBER 2017

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
<b>All Participants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Colleges &amp; Universities</b>	<b>5.7%</b>	<b>4.7%</b>
Top 10	35.4%	1.4%	Top 10	5.3%	1.4%
\$100 million or more	46.3%	2.3%	\$100 million or more	2.5%	0.1%
\$10 million up to \$100 million	44.0%	14.4%	\$10 million up to \$100 million	2.6%	1.0%
\$1 million up to \$10 million	8.9%	24.0%	\$1 million up to \$10 million	0.5%	1.6%
Under \$1 million	0.8%	59.3%	Under \$1 million	0.02%	1.9%
<b>Counties</b>	<b>32.0%</b>	<b>7.4%</b>	<b>Constitutional Officers</b>	<b>1.6%</b>	<b>7.3%</b>
Top 10	25.4%	1.4%	Top 10	0.7%	1.4%
\$100 million or more	23.2%	1.1%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	8.2%	1.8%	\$10 million up to \$100 million	0.5%	0.3%
\$1 million up to \$10 million	0.6%	1.5%	\$1 million up to \$10 million	1.0%	2.5%
Under \$1 million	0.0%	3.0%	Under \$1 million	0.1%	4.5%
<b>Municipalities</b>	<b>20.9%</b>	<b>28.2%</b>	<b>Special Districts</b>	<b>14.8%</b>	<b>39.2%</b>
Top 10	9.8%	1.4%	Top 10	9.7%	1.4%
\$100 million or more	1.6%	0.1%	\$100 million or more	4.9%	0.3%
\$10 million up to \$100 million	15.9%	5.1%	\$10 million up to \$100 million	7.2%	2.5%
\$1 million up to \$10 million	3.2%	8.1%	\$1 million up to \$10 million	2.3%	7.0%
Under \$1 million	0.2%	14.9%	Under \$1 million	0.4%	29.5%
<b>School Boards</b>	<b>15.0%</b>	<b>10.1%</b>	<b>Other</b>	<b>10.0%</b>	<b>3.2%</b>
Top 10	11.4%	1.4%	Top 10	9.2%	1.4%
\$100 million or more	6.8%	0.3%	\$100 million or more	7.3%	0.4%
\$10 million up to \$100 million	7.1%	2.9%	\$10 million up to \$100 million	2.5%	1.0%
\$1 million up to \$10 million	1.1%	2.6%	\$1 million up to \$10 million	0.3%	0.7%
Under \$1 million	0.1%	4.4%	Under \$1 million	0.0%	1.1%



**Total Fund Value: \$7,668,223,593**



**Total Active Participant Count: 730**

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

## COMPLIANCE WITH INVESTMENT POLICY FOR OCTOBER 2017

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

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

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

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

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

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



## TRADING ACTIVITY FOR OCTOBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<i>Buys</i>								
ALBION CAPITAL LLC CPABS4	11/20/17	10/31/17	10/31/17	4,500,000	4,496,800	0	4,496,800	0
ALBION CAPITAL LLC CPABS4	11/21/17	10/31/17	10/31/17	2,223,000	2,221,340	0	2,221,340	0
ALBION CAPITAL LLC CPABS4	11/27/17	10/31/17	10/31/17	37,543,000	37,506,959	0	37,506,959	0
ANTALIS S.A, CPABS4CPABS4	10/12/17	10/05/17	10/05/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4CPABS4	10/12/17	10/05/17	10/05/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4CPABS4	10/12/17	10/05/17	10/05/17	5,000,000	4,998,833	0	4,998,833	0
ANTALIS S.A, CPABS4CPABS4	10/19/17	10/12/17	10/12/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4CPABS4	10/19/17	10/12/17	10/12/17	49,300,000	49,288,497	0	49,288,497	0
ANTALIS S.A, CPABS4CPABS4	10/26/17	10/19/17	10/19/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4CPABS4	10/26/17	10/19/17	10/19/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4CPABS4	11/02/17	10/26/17	10/26/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4CPABS4	11/02/17	10/26/17	10/26/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4CPABS4	11/21/17	10/23/17	10/23/17	50,000,000	49,948,847	0	49,948,847	0
ANTALIS S.A, CPABS4CPABS4	11/21/17	10/23/17	10/23/17	50,000,000	49,948,847	0	49,948,847	0
ATLANTIC ASSET SECUCPABS4	10/06/17	10/05/17	10/05/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/06/17	10/05/17	10/05/17	44,637,000	44,635,549	0	44,635,549	0
ATLANTIC ASSET SECUCPABS4	10/11/17	10/10/17	10/10/17	42,600,000	42,598,616	0	42,598,616	0
ATLANTIC ASSET SECUCPABS4	10/12/17	10/11/17	10/11/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/12/17	10/11/17	10/11/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/12/17	10/11/17	10/11/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/12/17	10/11/17	10/11/17	500,000	499,984	0	499,984	0
ATLANTIC ASSET SECUCPABS4	10/13/17	10/12/17	10/12/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/13/17	10/12/17	10/12/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/13/17	10/12/17	10/12/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/13/17	10/12/17	10/12/17	700,000	699,977	0	699,977	0
ATLANTIC ASSET SECUCPABS4	10/16/17	10/13/17	10/13/17	39,200,000	39,196,178	0	39,196,178	0
ATLANTIC ASSET SECUCPABS4	10/17/17	10/16/17	10/16/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/17/17	10/16/17	10/16/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/17/17	10/16/17	10/16/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/17/17	10/16/17	10/16/17	5,000,000	4,999,838	0	4,999,838	0
ATLANTIC ASSET SECUCPABS4	10/18/17	10/17/17	10/17/17	41,700,000	41,698,645	0	41,698,645	0
ATLANTIC ASSET SECUCPABS4	10/19/17	10/18/17	10/18/17	30,000,000	29,999,025	0	29,999,025	0
ATLANTIC ASSET SECUCPABS4	10/24/17	10/23/17	10/23/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/24/17	10/23/17	10/23/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/24/17	10/23/17	10/23/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/24/17	10/23/17	10/23/17	1,500,000	1,499,951	0	1,499,951	0
ATLANTIC ASSET SECUCPABS4	10/26/17	10/25/17	10/25/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/26/17	10/25/17	10/25/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/26/17	10/25/17	10/25/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/26/17	10/25/17	10/25/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/26/17	10/25/17	10/25/17	13,000,000	12,999,578	0	12,999,578	0
ATLANTIC ASSET SECUCPABS4	10/27/17	10/26/17	10/26/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/27/17	10/26/17	10/26/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/27/17	10/26/17	10/26/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/27/17	10/26/17	10/26/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/27/17	10/26/17	10/26/17	20,000,000	19,999,350	0	19,999,350	0
ATLANTIC ASSET SECUCPABS4	10/30/17	10/27/17	10/27/17	8,000,000	7,999,213	0	7,999,213	0
ATLANTIC ASSET SECUCPABS4	10/31/17	10/30/17	10/30/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/31/17	10/30/17	10/30/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	10/31/17	10/30/17	10/30/17	1,200,000	1,199,961	0	1,199,961	0
ATLANTIC ASSET SECUCPABS4	10/31/17	10/30/17	10/30/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	11/01/17	10/31/17	10/31/17	50,000,000	49,998,514	0	49,998,514	0
ATLANTIC ASSET SECUCPABS4	11/01/17	10/31/17	10/31/17	50,000,000	49,998,514	0	49,998,514	0

## TRADING ACTIVITY FOR OCTOBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	11/01/17	10/31/17	10/31/17	50,000,000	49,998,514	0	49,998,514	0
ATLANTIC ASSET SECUCPABS4	11/01/17	10/31/17	10/31/17	2,500,000	2,499,926	0	2,499,926	0
BANK OF AMERICA NABNOTE	04/18/18	10/05/17	10/05/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA NABNOTE	04/18/18	10/05/17	10/05/17	9,000,000	9,000,000	0	9,000,000	0
BANK OF NOVA SCOTIA/THE	07/02/18	10/05/17	10/05/17	25,000,000	25,000,000	0	25,000,000	0
BARTON CAPITAL LLCPCABS4-	10/04/17	10/03/17	10/03/17	800,000	799,974	0	799,974	0
BARTON CAPITAL LLCPCABS4-	10/11/17	10/10/17	10/10/17	50,000,000	49,998,361	0	49,998,361	0
BARTON CAPITAL LLCPCABS4-	10/11/17	10/10/17	10/10/17	50,000,000	49,998,361	0	49,998,361	0
BARTON CAPITAL LLCPCABS4-	10/11/17	10/10/17	10/10/17	50,000,000	49,998,361	0	49,998,361	0
BARTON CAPITAL LLCPCABS4-	10/11/17	10/10/17	10/10/17	50,000,000	49,998,333	0	49,998,333	0
BARTON CAPITAL LLCPCABS4-	10/11/17	10/10/17	10/10/17	25,000,000	24,999,167	0	24,999,167	0
BARTON CAPITAL LLCPCABS4-	10/12/17	10/11/17	10/11/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCPCABS4-	10/12/17	10/11/17	10/11/17	30,500,000	30,499,009	0	30,499,009	0
BARTON CAPITAL LLCPCABS4-	10/12/17	10/11/17	10/11/17	25,000,000	24,999,188	0	24,999,188	0
BARTON CAPITAL LLCPCABS4-	10/13/17	10/06/17	10/06/17	45,000,000	44,989,500	0	44,989,500	0
BARTON CAPITAL LLCPCABS4-	10/13/17	10/12/17	10/12/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCPCABS4-	10/13/17	10/12/17	10/12/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCPCABS4-	10/13/17	10/12/17	10/12/17	45,500,000	45,498,521	0	45,498,521	0
BARTON CAPITAL LLCPCABS4-	10/16/17	10/13/17	10/13/17	50,000,000	49,995,125	0	49,995,125	0
BARTON CAPITAL LLCPCABS4-	10/18/17	10/17/17	10/17/17	26,899,000	26,898,126	0	26,898,126	0
BARTON CAPITAL LLCPCABS4-	10/18/17	10/17/17	10/17/17	10,000,000	9,999,675	0	9,999,675	0
BARTON CAPITAL LLCPCABS4-	10/18/17	10/17/17	10/17/17	45,000,000	44,998,538	0	44,998,538	0
BARTON CAPITAL LLCPCABS4-	10/20/17	10/13/17	10/13/17	50,000,000	49,988,333	0	49,988,333	0
BARTON CAPITAL LLCPCABS4-	10/20/17	10/13/17	10/13/17	5,800,000	5,798,647	0	5,798,647	0
BARTON CAPITAL LLCPCABS4-	10/23/17	10/20/17	10/20/17	50,000,000	49,995,083	0	49,995,083	0
BARTON CAPITAL LLCPCABS4-	10/23/17	10/20/17	10/20/17	27,100,000	27,097,335	0	27,097,335	0
BARTON CAPITAL LLCPCABS4-	10/23/17	10/20/17	10/20/17	19,962,000	19,960,054	0	19,960,054	0
BARTON CAPITAL LLCPCABS4-	10/30/17	10/27/17	10/27/17	50,000,000	49,995,125	0	49,995,125	0
BARTON CAPITAL LLCPCABS4-	10/30/17	10/27/17	10/27/17	18,000,000	17,998,245	0	17,998,245	0
BARTON CAPITAL LLCPCABS4-	11/01/17	10/31/17	10/31/17	24,900,000	24,899,205	0	24,899,205	0
BARTON CAPITAL LLCPCABS4-	11/01/17	10/31/17	10/31/17	28,000,000	27,999,106	0	27,999,106	0
BARTON CAPITAL LLCPCABS4-	11/03/17	10/27/17	10/27/17	50,000,000	49,988,333	0	49,988,333	0
BARTON CAPITAL LLCPCABS4-	11/03/17	10/27/17	10/27/17	25,000,000	24,994,167	0	24,994,167	0
BARTON CAPITAL LLCPCABS4-	12/04/17	10/13/17	10/13/17	50,000,000	49,907,556	0	49,907,556	0
BARTON CAPITAL LLCPCABS4-	12/04/17	10/13/17	10/13/17	50,000,000	49,907,556	0	49,907,556	0
BARTON CAPITAL LLCPCABS4-	12/04/17	10/13/17	10/13/17	50,000,000	49,907,556	0	49,907,556	0
BEDFORD ROW FUNDING CORP	10/01/18	10/06/17	10/06/17	50,000,000	50,000,000	0	50,000,000	0
BEDFORD ROW FUNDING CORP	10/01/18	10/06/17	10/06/17	30,000,000	30,000,000	0	30,000,000	0
BEDFORD ROW FUNDING CORP	10/05/18	10/10/17	10/10/17	20,000,000	20,000,000	0	20,000,000	0
BNP PARIBAS SA/NEW YORK NY	10/26/17	10/25/17	10/25/17	50,000,000	49,998,389	0	49,998,389	0
BNP PARIBAS SA/NEW YORK NY	10/26/17	10/25/17	10/25/17	50,000,000	49,998,389	0	49,998,389	0
BNP PARIBAS SA/NEW YORK NY	10/26/17	10/25/17	10/25/17	50,000,000	49,998,389	0	49,998,389	0
BNP PARIBAS SACP	10/27/17	10/26/17	10/26/17	50,000,000	49,998,389	0	49,998,389	0
BNP PARIBAS SACP	10/27/17	10/26/17	10/26/17	50,000,000	49,998,389	0	49,998,389	0
BNP PARIBAS SACP	10/27/17	10/26/17	10/26/17	50,000,000	49,998,389	0	49,998,389	0
BNP PARIBAS SACP	10/27/17	10/26/17	10/26/17	50,000,000	49,998,389	0	49,998,389	0
BNP PARIBAS SACP	10/30/17	10/27/17	10/27/17	50,000,000	49,995,167	0	49,995,167	0
BNP PARIBAS SACP	10/30/17	10/27/17	10/27/17	46,100,000	46,095,544	0	46,095,544	0
BNP PARIBAS SACP	10/30/17	10/27/17	10/27/17	50,000,000	49,995,167	0	49,995,167	0
BNP PARIBAS SACP	10/30/17	10/27/17	10/27/17	50,000,000	49,995,167	0	49,995,167	0
BNP PARIBAS SACP	10/30/17	10/27/17	10/27/17	50,000,000	49,995,167	0	49,995,167	0
BNP PARIBAS SACP	10/30/17	10/27/17	10/27/17	50,000,000	49,995,167	0	49,995,167	0
BRUCET BROWN 2017 IRREVOCABLE TRUST	10/01/42	10/17/17	10/18/17	5,185,000	5,185,000	0	5,185,000	0

## TRADING ACTIVITY FOR OCTOBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CANADIAN IMPERIAL BANK OF COMMERCE/NEW YORK NY	11/13/18	10/12/17	10/12/17	25,000,000	25,000,000	0	25,000,000	0
CANADIAN IMPERIAL BANK OF COMMERCE/NEW YORK NY	11/13/18	10/12/17	10/13/17	1,000,000	1,000,000	0	1,000,000	0
NETHERLANDS, GOVERNCEP	10/13/17	10/04/17	10/06/17	100,000,000	99,976,478	0	99,976,478	0
MIZUHO BANK LTD,CDEUR	12/05/17	10/06/17	10/11/17	75,000,000	74,847,913	0	74,847,913	0
MIZUHO BANK LTD,CDEUR	12/11/17	10/13/17	10/17/17	48,000,000	47,901,204	0	47,901,204	0
DZ BANK AG DEUTSCHECP4-2	10/10/17	10/06/17	10/06/17	50,000,000	49,993,556	0	49,993,556	0
DZ BANK AG DEUTSCHECP4-2	10/10/17	10/06/17	10/06/17	5,000,000	4,999,356	0	4,999,356	0
DZ BANK AG DEUTSCHECP4-2	10/10/17	10/06/17	10/06/17	50,000,000	49,993,556	0	49,993,556	0
DZ BANK AG DEUTSCHECP4-2	10/10/17	10/06/17	10/06/17	50,000,000	49,993,556	0	49,993,556	0
DZ BANK AG DEUTSCHECP4-2	10/16/17	10/13/17	10/13/17	50,000,000	49,995,167	0	49,995,167	0
DZ BANK AG DEUTSCHECP4-2	10/27/17	10/26/17	10/26/17	40,000,000	39,998,711	0	39,998,711	0
DZ BANK AG DEUTSCHECP4-2	10/31/17	10/30/17	10/30/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	10/31/17	10/30/17	10/30/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	10/31/17	10/30/17	10/30/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	10/31/17	10/30/17	10/30/17	10,000,000	9,999,678	0	9,999,678	0
GOTHAM FUNDING CORPCPABS4	12/14/17	10/30/17	10/30/17	25,000,000	24,960,000	0	24,960,000	0
HENRY ANDREW BROWN III 2017 IRREVOCABLE TRUST	10/01/42	10/17/17	10/18/17	4,260,000	4,260,000	0	4,260,000	0
LMA-AMERICAS LLCCPABS4-2	10/03/17	10/02/17	10/02/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/03/17	10/02/17	10/02/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/04/17	10/03/17	10/03/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/04/17	10/03/17	10/03/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/05/17	10/04/17	10/04/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/05/17	10/04/17	10/04/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/06/17	10/05/17	10/05/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/06/17	10/05/17	10/05/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/10/17	10/06/17	10/06/17	50,000,000	49,993,444	0	49,993,444	0
LMA-AMERICAS LLCCPABS4-2	10/10/17	10/06/17	10/06/17	50,000,000	49,993,444	0	49,993,444	0
LMA-AMERICAS LLCCPABS4-2	10/11/17	10/04/17	10/04/17	46,200,000	46,189,220	0	46,189,220	0
LMA-AMERICAS LLCCPABS4-2	10/11/17	10/10/17	10/10/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/11/17	10/10/17	10/10/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/12/17	10/11/17	10/11/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/12/17	10/11/17	10/11/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/13/17	10/12/17	10/12/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/13/17	10/12/17	10/12/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/16/17	10/13/17	10/13/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCCPABS4-2	10/16/17	10/13/17	10/13/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCCPABS4-2	10/17/17	10/16/17	10/16/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/17/17	10/16/17	10/16/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/18/17	10/11/17	10/11/17	35,500,000	35,491,717	0	35,491,717	0
LMA-AMERICAS LLCCPABS4-2	10/18/17	10/11/17	10/11/17	50,000,000	49,988,333	0	49,988,333	0
LMA-AMERICAS LLCCPABS4-2	10/18/17	10/11/17	10/11/17	10,000,000	9,997,667	0	9,997,667	0
LMA-AMERICAS LLCCPABS4-2	10/18/17	10/17/17	10/17/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/18/17	10/17/17	10/17/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/19/17	10/18/17	10/18/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/20/17	10/19/17	10/19/17	34,500,000	34,498,869	0	34,498,869	0
LMA-AMERICAS LLCCPABS4-2	10/23/17	10/20/17	10/20/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCCPABS4-2	10/23/17	10/20/17	10/20/17	43,700,000	43,695,703	0	43,695,703	0
LMA-AMERICAS LLCCPABS4-2	10/24/17	10/23/17	10/23/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/24/17	10/23/17	10/23/17	43,700,000	43,698,568	0	43,698,568	0
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/18/17	10/18/17	2,800,000	2,799,347	0	2,799,347	0
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/24/17	10/24/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/24/17	10/24/17	50,000,000	49,998,361	0	49,998,361	0



## TRADING ACTIVITY FOR OCTOBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/24/17	10/24/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/24/17	10/24/17	45,600,000	45,598,505	0	45,598,505	0
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/24/17	10/24/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/24/17	10/24/17	43,300,000	43,298,581	0	43,298,581	0
LMA-AMERICAS LLCCPABS4-2	10/26/17	10/25/17	10/25/17	43,000,000	42,998,591	0	42,998,591	0
LMA-AMERICAS LLCCPABS4-2	10/26/17	10/25/17	10/25/17	40,000,000	39,998,689	0	39,998,689	0
LMA-AMERICAS LLCCPABS4-2	10/27/17	10/26/17	10/26/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/27/17	10/26/17	10/26/17	22,000,000	21,999,279	0	21,999,279	0
LMA-AMERICAS LLCCPABS4-2	10/27/17	10/26/17	10/26/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/27/17	10/26/17	10/26/17	16,700,000	16,699,453	0	16,699,453	0
LMA-AMERICAS LLCCPABS4-2	10/30/17	10/27/17	10/27/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCCPABS4-2	10/30/17	10/27/17	10/27/17	36,200,000	36,196,440	0	36,196,440	0
LMA-AMERICAS LLCCPABS4-2	10/31/17	10/30/17	10/30/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	10/31/17	10/30/17	10/30/17	42,000,000	41,998,623	0	41,998,623	0
LMA-AMERICAS LLCCPABS4-2	11/02/17	10/31/17	10/31/17	50,000,000	49,996,944	0	49,996,944	0
LMA-AMERICAS LLCCPABS4-2	11/02/17	10/31/17	10/31/17	50,000,000	49,996,944	0	49,996,944	0
LMA-AMERICAS LLCCPABS4-2	12/04/17	10/06/17	10/06/17	50,000,000	49,893,472	0	49,893,472	0
LONG ISLAND POWER AUTHORI	12/07/17	10/24/17	10/24/17	50,000,000	50,000,000	0	50,000,000	0
MALAYAN BANKING BERCLOC	04/13/18	10/16/17	10/16/17	5,000,000	4,960,719	0	4,960,719	0
MANHATTAN ASSET FUNCPABS4	11/14/17	10/24/17	10/24/17	24,000,000	23,982,500	0	23,982,500	0
MANHATTAN ASSET FUNCPABS4	12/26/17	10/27/17	10/27/17	33,231,000	33,157,338	0	33,157,338	0
MIZUHO BANK LTD,CP	11/07/17	10/31/17	10/31/17	50,000,000	49,988,479	0	49,988,479	0
MIZUHO BANK LTD,CP	11/07/17	10/31/17	10/31/17	50,000,000	49,988,479	0	49,988,479	0
OLD LINE FUNDING, LCPABS4	03/14/18	10/31/17	10/31/17	50,000,000	49,726,417	0	49,726,417	0
SOCIETE GENERALE, PCP4-2	10/12/17	10/11/17	10/11/17	5,400,000	5,399,826	0	5,399,826	0
SOCIETE GENERALE, PCP4-2	10/24/17	10/23/17	10/23/17	3,600,000	3,599,884	0	3,599,884	0
SOCIETE GENERALE, PCDIAN	12/12/17	10/25/17	10/25/17	25,000,000	25,000,000	0	25,000,000	0
STARBIRD FUNDING COCPABS4	10/04/17	10/03/17	10/03/17	48,900,000	48,898,370	0	48,898,370	0
STARBIRD FUNDING COCPABS4	10/05/17	10/04/17	10/04/17	44,100,000	44,098,530	0	44,098,530	0
STARBIRD FUNDING COCPABS4	10/06/17	10/05/17	10/05/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/06/17	10/05/17	10/05/17	45,000,000	44,998,500	0	44,998,500	0
STARBIRD FUNDING COCPABS4	10/10/17	10/06/17	10/06/17	50,000,000	49,993,333	0	49,993,333	0
STARBIRD FUNDING COCPABS4	10/10/17	10/06/17	10/06/17	45,100,000	45,093,987	0	45,093,987	0
STARBIRD FUNDING COCPABS4	10/11/17	10/10/17	10/10/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/11/17	10/10/17	10/10/17	45,200,000	45,198,493	0	45,198,493	0
STARBIRD FUNDING COCPABS4	10/12/17	10/11/17	10/11/17	46,400,000	46,398,453	0	46,398,453	0
STARBIRD FUNDING COCPABS4	10/13/17	10/12/17	10/12/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/13/17	10/12/17	10/12/17	21,600,000	21,599,280	0	21,599,280	0
STARBIRD FUNDING COCPABS4	10/16/17	10/13/17	10/13/17	50,000,000	49,995,000	0	49,995,000	0
STARBIRD FUNDING COCPABS4	10/16/17	10/13/17	10/13/17	21,700,000	21,697,830	0	21,697,830	0
STARBIRD FUNDING COCPABS4	10/17/17	10/16/17	10/16/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/17/17	10/16/17	10/16/17	21,800,000	21,799,273	0	21,799,273	0
STARBIRD FUNDING COCPABS4	10/18/17	10/17/17	10/17/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/18/17	10/17/17	10/17/17	22,000,000	21,999,267	0	21,999,267	0
STARBIRD FUNDING COCPABS4	10/19/17	10/18/17	10/18/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/19/17	10/18/17	10/18/17	22,200,000	22,199,260	0	22,199,260	0
STARBIRD FUNDING COCPABS4	10/20/17	10/19/17	10/19/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/20/17	10/19/17	10/19/17	22,200,000	22,199,260	0	22,199,260	0
STARBIRD FUNDING COCPABS4	10/23/17	10/20/17	10/20/17	50,000,000	49,995,000	0	49,995,000	0
STARBIRD FUNDING COCPABS4	10/23/17	10/20/17	10/20/17	22,400,000	22,397,760	0	22,397,760	0
STARBIRD FUNDING COCPABS4	10/24/17	10/23/17	10/23/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/24/17	10/23/17	10/23/17	22,400,000	22,399,253	0	22,399,253	0
STARBIRD FUNDING COCPABS4	10/25/17	10/24/17	10/24/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/25/17	10/24/17	10/24/17	22,000,000	21,999,267	0	21,999,267	0

## TRADING ACTIVITY FOR OCTOBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STARBIRD FUNDING COCPABS4	10/26/17	10/25/17	10/25/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/26/17	10/25/17	10/25/17	8,000,000	7,999,733	0	7,999,733	0
STARBIRD FUNDING COCPABS4	10/27/17	10/26/17	10/26/17	10,000,000	9,999,667	0	9,999,667	0
STARBIRD FUNDING COCPABS4	10/30/17	10/27/17	10/27/17	50,000,000	49,995,000	0	49,995,000	0
STARBIRD FUNDING COCPABS4	10/30/17	10/27/17	10/27/17	22,100,000	22,097,790	0	22,097,790	0
STARBIRD FUNDING COCPABS4	10/31/17	10/30/17	10/30/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	10/31/17	10/30/17	10/30/17	22,100,000	22,099,263	0	22,099,263	0
STARBIRD FUNDING COCPABS4	11/01/17	10/31/17	10/31/17	47,300,000	47,298,423	0	47,298,423	0
STARBIRD FUNDING COCPABS4	01/09/18	10/11/17	10/11/17	50,000,000	49,827,500	0	49,827,500	0
STARBIRD FUNDING COCPABS4	01/09/18	10/11/17	10/11/17	17,000,000	16,941,350	0	16,941,350	0
SUMITOMO MITSUI BANC DYAN	10/25/17	10/18/17	10/18/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANC DYAN	10/25/17	10/18/17	10/18/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANC DYAN	10/25/17	10/18/17	10/18/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANC DYAN	10/25/17	10/18/17	10/18/17	25,000,000	25,000,000	0	25,000,000	0
TORONTO DOMINION BANK, NO	11/06/18	10/05/17	10/05/17	25,000,000	25,000,000	0	25,000,000	0
TOYOTA MOTOR CREDIT CORP	07/03/18	10/06/17	10/06/17	24,500,000	24,500,000	0	24,500,000	0
WESTPAC BANKING CORCP4-2	10/12/18	10/18/17	10/18/17	15,000,000	14,744,213	0	14,744,213	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/02/17	10/02/17	855,305	855,305	0	855,305	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/03/17	10/03/17	5,897,005	5,897,005	0	5,897,005	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/06/17	10/06/17	1,561,357	1,561,357	0	1,561,357	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/10/17	10/10/17	662,243	662,243	0	662,243	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/12/17	10/12/17	619,496	619,496	0	619,496	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/16/17	10/16/17	989,838	989,838	0	989,838	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/18/17	10/18/17	1,023,735	1,023,735	0	1,023,735	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/19/17	10/19/17	115,390	115,390	0	115,390	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/23/17	10/23/17	539,511	539,511	0	539,511	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/25/17	10/25/17	3,607,490	3,607,490	0	3,607,490	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/27/17	10/27/17	3,609,565	3,609,565	0	3,609,565	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/31/17	10/31/17	2,703,572	2,703,572	0	2,703,572	0
FEDERATED INS PRM VAL OB-IS	12/01/50	10/11/17	10/11/17	1,000,000	1,000,200	0	1,000,200	0
FEDERATED INS PRM VAL OB-IS	12/01/50	10/12/17	10/12/17	50,000,000	50,010,000	0	50,010,000	0
FEDERATED INS PRM VAL OB-IS	12/01/50	10/13/17	10/13/17	25,000,000	25,005,000	0	25,005,000	0
BANK OF AMERICA TRIPARTY	10/03/17	10/02/17	10/02/17	100,000,000	100,000,000	0	100,000,000	0
MIZUHO TRIPARTY	10/03/17	10/02/17	10/02/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	10/04/17	10/03/17	10/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/04/17	10/03/17	10/03/17	295,000,000	295,000,000	0	295,000,000	0
BANK OF AMERICA TRIPARTY	10/05/17	10/04/17	10/04/17	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	10/05/17	10/04/17	10/04/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	10/06/17	10/05/17	10/05/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/06/17	10/05/17	10/05/17	170,000,000	170,000,000	0	170,000,000	0
MIZUHO TRIPARTY	10/10/17	10/06/17	10/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/10/17	10/06/17	10/06/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	10/11/17	10/10/17	10/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/11/17	10/10/17	10/10/17	160,000,000	160,000,000	0	160,000,000	0
MIZUHO TRIPARTY	10/12/17	10/11/17	10/11/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/12/17	10/11/17	10/11/17	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	10/13/17	10/12/17	10/12/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/13/17	10/12/17	10/12/17	130,000,000	130,000,000	0	130,000,000	0
MIZUHO TRIPARTY	10/16/17	10/13/17	10/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/16/17	10/13/17	10/13/17	190,000,000	190,000,000	0	190,000,000	0

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MIZUHO TRIPARTY	10/17/17	10/16/17	10/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/17/17	10/16/17	10/16/17	245,000,000	245,000,000	0	245,000,000	0
MIZUHO TRIPARTY	10/18/17	10/17/17	10/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/18/17	10/17/17	10/17/17	170,000,000	170,000,000	0	170,000,000	0
MIZUHO TRIPARTY	10/19/17	10/18/17	10/18/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/19/17	10/18/17	10/18/17	120,000,000	120,000,000	0	120,000,000	0
MIZUHO TRIPARTY	10/20/17	10/19/17	10/19/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/20/17	10/19/17	10/19/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	10/23/17	10/20/17	10/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/23/17	10/20/17	10/20/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	10/24/17	10/23/17	10/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/24/17	10/23/17	10/23/17	260,000,000	260,000,000	0	260,000,000	0
MIZUHO TRIPARTY	10/25/17	10/24/17	10/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/25/17	10/24/17	10/24/17	180,000,000	180,000,000	0	180,000,000	0
MIZUHO TRIPARTY	10/26/17	10/25/17	10/25/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/26/17	10/25/17	10/25/17	135,000,000	135,000,000	0	135,000,000	0
MIZUHO TRIPARTY	10/27/17	10/26/17	10/26/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/27/17	10/26/17	10/26/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	10/30/17	10/27/17	10/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/30/17	10/27/17	10/27/17	257,000,000	257,000,000	0	257,000,000	0
MIZUHO TRIPARTY	10/31/17	10/30/17	10/30/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/31/17	10/30/17	10/30/17	220,000,000	220,000,000	0	220,000,000	0
MIZUHO TRIPARTY	11/01/17	10/31/17	10/31/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/01/17	10/31/17	10/31/17	295,000,000	295,000,000	0	295,000,000	0
<i>Total Buys</i>				<i>14,070,724,507</i>	<i>14,068,477,878</i>	<i>0</i>	<i>14,068,477,878</i>	<i>0</i>
<i>Deposits</i>								
DNB BANK ASATDCAY I.16 20171003	10/03/17	10/02/17	10/02/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171003	10/03/17	10/02/17	10/02/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD I.21 20171010	10/10/17	10/03/17	10/03/17	40,000,000	40,000,000	0	40,000,000	0
DNB BANK ASATDCAY I.16 20171004	10/04/17	10/03/17	10/03/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171004	10/04/17	10/03/17	10/03/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD I.21 20171011	10/11/17	10/04/17	10/04/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY I.16 20171005	10/05/17	10/04/17	10/04/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171005	10/05/17	10/04/17	10/04/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY I.16 20171006	10/06/17	10/05/17	10/05/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171006	10/06/17	10/05/17	10/05/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171010	10/10/17	10/06/17	10/06/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY I.16 20171010	10/10/17	10/06/17	10/06/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171011	10/11/17	10/10/17	10/10/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY I.16 20171011	10/11/17	10/10/17	10/10/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD I.21 20171017	10/17/17	10/10/17	10/10/17	35,000,000	35,000,000	0	35,000,000	0
ABN AMRO BANK NV,ATD I.21 20171018	10/18/17	10/11/17	10/11/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY I.16 20171012	10/12/17	10/11/17	10/11/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171012	10/12/17	10/11/17	10/11/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY I.16 20171013	10/13/17	10/12/17	10/12/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171013	10/13/17	10/12/17	10/12/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD I.21 20171020	10/20/17	10/13/17	10/13/17	50,000,000	50,000,000	0	50,000,000	0
DNB BANK ASATDCAY I.16 20171016	10/16/17	10/13/17	10/13/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171016	10/16/17	10/13/17	10/13/17	200,000,000	200,000,000	0	200,000,000	0



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DNB BANK ASATDCAY 1.16 20171017	10/17/17	10/16/17	10/16/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171017	10/17/17	10/16/17	10/16/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171024	10/24/17	10/17/17	10/17/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.16 20171018	10/18/17	10/17/17	10/17/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171018	10/18/17	10/17/17	10/17/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171025	10/25/17	10/18/17	10/18/17	230,000,000	230,000,000	0	230,000,000	0
DNB BANK ASATDCAY 1.16 20171019	10/19/17	10/18/17	10/18/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171019	10/19/17	10/18/17	10/18/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171020	10/20/17	10/19/17	10/19/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171020	10/20/17	10/19/17	10/19/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171023	10/23/17	10/20/17	10/20/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171027	10/27/17	10/20/17	10/20/17	50,000,000	50,000,000	0	50,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171023	10/23/17	10/20/17	10/20/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171024	10/24/17	10/23/17	10/23/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171024	10/24/17	10/23/17	10/23/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171031	10/31/17	10/24/17	10/24/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.16 20171025	10/25/17	10/24/17	10/24/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171025	10/25/17	10/24/17	10/24/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.2 20171101	11/01/17	10/25/17	10/25/17	230,000,000	230,000,000	0	230,000,000	0
DNB BANK ASATDCAY 1.16 20171026	10/26/17	10/25/17	10/25/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171026	10/26/17	10/25/17	10/25/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171027	10/27/17	10/26/17	10/26/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171027	10/27/17	10/26/17	10/26/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.2 20171103	11/03/17	10/27/17	10/27/17	50,000,000	50,000,000	0	50,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171030	10/30/17	10/27/17	10/27/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171030	10/30/17	10/27/17	10/27/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171031	10/31/17	10/30/17	10/30/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171031	10/31/17	10/30/17	10/30/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.2 20171107	11/07/17	10/31/17	10/31/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.06 20171101	11/01/17	10/31/17	10/31/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.05 20171101	11/01/17	10/31/17	10/31/17	200,000,000	200,000,000	0	200,000,000	0
<i>Total Deposits</i>				<i>10,035,000,000</i>	<i>10,035,000,000</i>	<i>0</i>	<i>10,035,000,000</i>	<i>0</i>
<i>Maturities</i>								
ANTALIS S.A, CPABS4CPABS4	10/05/17	10/05/17	10/05/17	100,000,000	100,000,000	0	100,000,000	0
ANTALIS S.A, CPABS4CPABS4	10/12/17	10/12/17	10/12/17	105,000,000	105,000,000	0	105,000,000	0
ANTALIS S.A, CPABS4CPABS4	10/19/17	10/19/17	10/19/17	99,300,000	99,300,000	0	99,300,000	0
ANTALIS S.A, CPABS4CPABS4	10/23/17	10/23/17	10/23/17	100,000,000	100,000,000	0	100,000,000	0
ANTALIS S.A, CPABS4CPABS4	10/26/17	10/26/17	10/26/17	100,000,000	100,000,000	0	100,000,000	0
ATLANTIC ASSET SECUCPABS4	10/06/17	10/06/17	10/06/17	94,637,000	94,637,000	0	94,637,000	0
ATLANTIC ASSET SECUCPABS4	10/11/17	10/11/17	10/11/17	42,600,000	42,600,000	0	42,600,000	0
ATLANTIC ASSET SECUCPABS4	10/12/17	10/12/17	10/12/17	150,500,000	150,500,000	0	150,500,000	0
ATLANTIC ASSET SECUCPABS4	10/13/17	10/13/17	10/13/17	150,700,000	150,700,000	0	150,700,000	0
ATLANTIC ASSET SECUCPABS4	10/16/17	10/16/17	10/16/17	39,200,000	39,200,000	0	39,200,000	0
ATLANTIC ASSET SECUCPABS4	10/17/17	10/17/17	10/17/17	155,000,000	155,000,000	0	155,000,000	0
ATLANTIC ASSET SECUCPABS4	10/18/17	10/18/17	10/18/17	41,700,000	41,700,000	0	41,700,000	0
ATLANTIC ASSET SECUCPABS4	10/19/17	10/19/17	10/19/17	30,000,000	30,000,000	0	30,000,000	0
ATLANTIC ASSET SECUCPABS4	10/24/17	10/24/17	10/24/17	151,500,000	151,500,000	0	151,500,000	0
ATLANTIC ASSET SECUCPABS4	10/26/17	10/26/17	10/26/17	213,000,000	213,000,000	0	213,000,000	0
ATLANTIC ASSET SECUCPABS4	10/27/17	10/27/17	10/27/17	220,000,000	220,000,000	0	220,000,000	0
ATLANTIC ASSET SECUCPABS4	10/30/17	10/30/17	10/30/17	8,000,000	8,000,000	0	8,000,000	0
ATLANTIC ASSET SECUCPABS4	10/31/17	10/31/17	10/31/17	151,200,000	151,200,000	0	151,200,000	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA NA	10/05/17	10/05/17	10/05/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF NOVA SCOTIACP4-2	10/05/17	10/05/17	10/05/17	25,000,000	25,000,000	0	25,000,000	0
BANK OF NOVA SCOTIACP4-2	10/06/17	10/06/17	10/06/17	26,000,000	26,000,000	0	26,000,000	0
BANK OF NOVA SCOTIA/THE	10/06/17	10/06/17	10/06/17	26,000,000	26,000,000	0	26,000,000	0
BARTON CAPITAL LLCCPABS4-	10/04/17	10/04/17	10/04/17	800,000	800,000	0	800,000	0
BARTON CAPITAL LLCCPABS4-	10/06/17	10/06/17	10/06/17	150,000,000	150,000,000	0	150,000,000	0
BARTON CAPITAL LLCCPABS4-	10/11/17	10/11/17	10/11/17	225,000,000	225,000,000	0	225,000,000	0
BARTON CAPITAL LLCCPABS4-	10/12/17	10/12/17	10/12/17	105,500,000	105,500,000	0	105,500,000	0
BARTON CAPITAL LLCCPABS4-	10/13/17	10/13/17	10/13/17	190,500,000	190,500,000	0	190,500,000	0
BARTON CAPITAL LLCCPABS4-	10/16/17	10/16/17	10/16/17	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCCPABS4-	10/18/17	10/18/17	10/18/17	81,899,000	81,899,000	0	81,899,000	0
BARTON CAPITAL LLCCPABS4-	10/20/17	10/20/17	10/20/17	55,800,000	55,800,000	0	55,800,000	0
BARTON CAPITAL LLCCPABS4-	10/23/17	10/23/17	10/23/17	97,062,000	97,062,000	0	97,062,000	0
BARTON CAPITAL LLCCPABS4-	10/30/17	10/30/17	10/30/17	68,000,000	68,000,000	0	68,000,000	0
BEDFORD ROW FUNDING CORP	10/06/17	10/06/17	10/06/17	73,000,000	73,000,000	0	73,000,000	0
BEDFORD ROW FUNDING CORP	10/10/17	10/10/17	10/10/17	22,000,000	22,000,000	0	22,000,000	0
BNP PARIBAS SA/NEW YORK NY	10/26/17	10/26/17	10/26/17	150,000,000	150,000,000	0	150,000,000	0
BNP PARIBAS SACP	10/27/17	10/27/17	10/27/17	200,000,000	200,000,000	0	200,000,000	0
BNP PARIBAS SACP	10/30/17	10/30/17	10/30/17	296,100,000	296,100,000	0	296,100,000	0
CANADIAN IMPERIAL BANK OF COMMERCE	10/10/17	10/10/17	10/10/17	62,000,000	62,000,000	0	62,000,000	0
MIZUHO BANK LTD,CDEUR	10/06/17	10/06/17	10/06/17	70,000,000	70,000,000	0	70,000,000	0
NETHERLANDS, GOVERNECP	10/13/17	10/13/17	10/13/17	100,000,000	100,000,000	0	100,000,000	0
DZ BANK AG DEUTSCHECP4-2	10/02/17	10/02/17	10/02/17	75,000,000	75,000,000	0	75,000,000	0
DZ BANK AG DEUTSCHECP4-2	10/10/17	10/10/17	10/10/17	155,000,000	155,000,000	0	155,000,000	0
DZ BANK AG DEUTSCHECP4-2	10/16/17	10/16/17	10/16/17	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECP4-2	10/27/17	10/27/17	10/27/17	40,000,000	40,000,000	0	40,000,000	0
DZ BANK AG DEUTSCHECP4-2	10/31/17	10/31/17	10/31/17	160,000,000	160,000,000	0	160,000,000	0
GOTHAM FUNDING CORPCPABS4	10/31/17	10/31/17	10/31/17	95,000,000	95,000,000	0	95,000,000	0
J,P,MORGAN SECURITCP	10/27/17	10/27/17	10/27/17	25,000,000	25,000,000	0	25,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/03/17	10/03/17	10/03/17	255,000,000	255,000,000	0	255,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/04/17	10/04/17	10/04/17	221,000,000	221,000,000	0	221,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/05/17	10/05/17	10/05/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/06/17	10/06/17	10/06/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/10/17	10/10/17	10/10/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/11/17	10/11/17	10/11/17	146,200,000	146,200,000	0	146,200,000	0
LMA-AMERICAS LLCCPABS4-2	10/12/17	10/12/17	10/12/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/13/17	10/13/17	10/13/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/16/17	10/16/17	10/16/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/17/17	10/17/17	10/17/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/18/17	10/18/17	10/18/17	195,500,000	195,500,000	0	195,500,000	0
LMA-AMERICAS LLCCPABS4-2	10/19/17	10/19/17	10/19/17	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/20/17	10/20/17	10/20/17	34,500,000	34,500,000	0	34,500,000	0
LMA-AMERICAS LLCCPABS4-2	10/23/17	10/23/17	10/23/17	93,700,000	93,700,000	0	93,700,000	0
LMA-AMERICAS LLCCPABS4-2	10/24/17	10/24/17	10/24/17	93,700,000	93,700,000	0	93,700,000	0
LMA-AMERICAS LLCCPABS4-2	10/25/17	10/25/17	10/25/17	291,700,000	291,700,000	0	291,700,000	0
LMA-AMERICAS LLCCPABS4-2	10/26/17	10/26/17	10/26/17	83,000,000	83,000,000	0	83,000,000	0
LMA-AMERICAS LLCCPABS4-2	10/27/17	10/27/17	10/27/17	138,700,000	138,700,000	0	138,700,000	0
LMA-AMERICAS LLCCPABS4-2	10/30/17	10/30/17	10/30/17	86,200,000	86,200,000	0	86,200,000	0
LMA-AMERICAS LLCCPABS4-2	10/31/17	10/31/17	10/31/17	92,000,000	92,000,000	0	92,000,000	0
LONG ISLAND POWER AUTHORI	10/23/17	10/23/17	10/23/17	50,000,000	50,000,000	0	50,000,000	0
MALAYAN BANKING BERCPLOC	10/16/17	10/16/17	10/16/17	35,000,000	35,000,000	0	35,000,000	0
MALAYAN BANKING BERCPLOC	10/31/17	10/31/17	10/31/17	8,500,000	8,500,000	0	8,500,000	0



## TRADING ACTIVITY FOR OCTOBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MANHATTAN ASSET FUNCPABS4	10/24/17	10/24/17	10/24/17	52,000,000	52,000,000	0	52,000,000	0
MANHATTAN ASSET FUNCPABS4	10/27/17	10/27/17	10/27/17	50,000,000	50,000,000	0	50,000,000	0
NRW/BANKCP	10/05/17	10/05/17	10/05/17	25,000,000	25,000,000	0	25,000,000	0
NEDERLANDSE WATERS CCP4-2	10/02/17	10/02/17	10/02/17	40,000,000	40,000,000	0	40,000,000	0
OLD LINE FUNDING LLC	10/17/17	10/17/17	10/17/17	40,000,000	40,000,000	0	40,000,000	0
ROYAL BANK OF CANADA/NEWYORK NY	10/06/17	10/06/17	10/06/17	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE, PCP4-2	10/12/17	10/12/17	10/12/17	5,400,000	5,400,000	0	5,400,000	0
SOCIETE GENERALE, PCP4-2	10/24/17	10/24/17	10/24/17	3,600,000	3,600,000	0	3,600,000	0
STARBIRD FUNDING COCPABS4	10/02/17	10/02/17	10/02/17	25,000,000	25,000,000	0	25,000,000	0
STARBIRD FUNDING COCPABS4	10/04/17	10/04/17	10/04/17	48,900,000	48,900,000	0	48,900,000	0
STARBIRD FUNDING COCPABS4	10/05/17	10/05/17	10/05/17	44,100,000	44,100,000	0	44,100,000	0
STARBIRD FUNDING COCPABS4	10/06/17	10/06/17	10/06/17	95,000,000	95,000,000	0	95,000,000	0
STARBIRD FUNDING COCPABS4	10/10/17	10/10/17	10/10/17	95,100,000	95,100,000	0	95,100,000	0
STARBIRD FUNDING COCPABS4	10/11/17	10/11/17	10/11/17	145,200,000	145,200,000	0	145,200,000	0
STARBIRD FUNDING COCPABS4	10/12/17	10/12/17	10/12/17	46,400,000	46,400,000	0	46,400,000	0
STARBIRD FUNDING COCPABS4	10/13/17	10/13/17	10/13/17	71,600,000	71,600,000	0	71,600,000	0
STARBIRD FUNDING COCPABS4	10/16/17	10/16/17	10/16/17	71,700,000	71,700,000	0	71,700,000	0
STARBIRD FUNDING COCPABS4	10/17/17	10/17/17	10/17/17	71,800,000	71,800,000	0	71,800,000	0
STARBIRD FUNDING COCPABS4	10/18/17	10/18/17	10/18/17	72,000,000	72,000,000	0	72,000,000	0
STARBIRD FUNDING COCPABS4	10/19/17	10/19/17	10/19/17	72,200,000	72,200,000	0	72,200,000	0
STARBIRD FUNDING COCPABS4	10/20/17	10/20/17	10/20/17	72,200,000	72,200,000	0	72,200,000	0
STARBIRD FUNDING COCPABS4	10/23/17	10/23/17	10/23/17	72,400,000	72,400,000	0	72,400,000	0
STARBIRD FUNDING COCPABS4	10/24/17	10/24/17	10/24/17	72,400,000	72,400,000	0	72,400,000	0
STARBIRD FUNDING COCPABS4	10/25/17	10/25/17	10/25/17	72,000,000	72,000,000	0	72,000,000	0
STARBIRD FUNDING COCPABS4	10/26/17	10/26/17	10/26/17	58,000,000	58,000,000	0	58,000,000	0
STARBIRD FUNDING COCPABS4	10/27/17	10/27/17	10/27/17	10,000,000	10,000,000	0	10,000,000	0
STARBIRD FUNDING COCPABS4	10/30/17	10/30/17	10/30/17	72,100,000	72,100,000	0	72,100,000	0
STARBIRD FUNDING COCPABS4	10/31/17	10/31/17	10/31/17	72,100,000	72,100,000	0	72,100,000	0
SUMITOMO MITSUI BANC DYAN	10/25/17	10/25/17	10/25/17	175,000,000	175,000,000	0	175,000,000	0
SUMITOMO MITSUI TRUC DYAN	10/02/17	10/02/17	10/02/17	100,000,000	100,000,000	0	100,000,000	0
TORONTO-DOMINION BANK/NY	10/16/17	10/16/17	10/16/17	25,000,000	25,000,000	0	25,000,000	0
TORONTO DOMINION BAC DYAN	10/20/17	10/20/17	10/20/17	25,000,000	25,000,000	0	25,000,000	0
UNITED STATES TREASURY BILL	10/26/17	10/26/17	10/26/17	200,000,000	200,000,000	0	200,000,000	0
WELLS FARGO BANK NA	10/12/17	10/12/17	10/12/17	25,000,000	25,000,000	0	25,000,000	0
WELLS FARGO BANK, NCD	10/20/17	10/20/17	10/20/17	20,000,000	20,000,000	0	20,000,000	0
WELLS FARGO BANK NA	10/11/17	10/11/17	10/11/17	40,000,000	40,000,000	0	40,000,000	0
MIZUHO TRIPARTY	10/02/17	10/02/17	10/02/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/02/17	10/02/17	10/02/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF AMERICA TRIPARTY	10/03/17	10/03/17	10/03/17	100,000,000	100,000,000	0	100,000,000	0
MIZUHO TRIPARTY	10/03/17	10/03/17	10/03/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	10/04/17	10/04/17	10/04/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/04/17	10/04/17	10/04/17	295,000,000	295,000,000	0	295,000,000	0
BANK OF AMERICA TRIPARTY	10/05/17	10/05/17	10/05/17	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	10/05/17	10/05/17	10/05/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	10/06/17	10/06/17	10/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/06/17	10/06/17	10/06/17	170,000,000	170,000,000	0	170,000,000	0
MIZUHO TRIPARTY	10/10/17	10/10/17	10/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/10/17	10/10/17	10/10/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	10/11/17	10/11/17	10/11/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/11/17	10/11/17	10/11/17	160,000,000	160,000,000	0	160,000,000	0
MIZUHO TRIPARTY	10/12/17	10/12/17	10/12/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/12/17	10/12/17	10/12/17	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	10/13/17	10/13/17	10/13/17	15,000,000	15,000,000	0	15,000,000	0

## TRADING ACTIVITY FOR OCTOBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	10/13/17	10/13/17	10/13/17	130,000,000	130,000,000	0	130,000,000	0
MIZUHO TRIPARTY	10/16/17	10/16/17	10/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/16/17	10/16/17	10/16/17	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	10/17/17	10/17/17	10/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/17/17	10/17/17	10/17/17	245,000,000	245,000,000	0	245,000,000	0
MIZUHO TRIPARTY	10/18/17	10/18/17	10/18/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/18/17	10/18/17	10/18/17	170,000,000	170,000,000	0	170,000,000	0
MIZUHO TRIPARTY	10/19/17	10/19/17	10/19/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/19/17	10/19/17	10/19/17	120,000,000	120,000,000	0	120,000,000	0
MIZUHO TRIPARTY	10/20/17	10/20/17	10/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/20/17	10/20/17	10/20/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	10/23/17	10/23/17	10/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/23/17	10/23/17	10/23/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	10/24/17	10/24/17	10/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/24/17	10/24/17	10/24/17	260,000,000	260,000,000	0	260,000,000	0
MIZUHO TRIPARTY	10/25/17	10/25/17	10/25/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/25/17	10/25/17	10/25/17	180,000,000	180,000,000	0	180,000,000	0
MIZUHO TRIPARTY	10/26/17	10/26/17	10/26/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/26/17	10/26/17	10/26/17	135,000,000	135,000,000	0	135,000,000	0
MIZUHO TRIPARTY	10/27/17	10/27/17	10/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/27/17	10/27/17	10/27/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	10/30/17	10/30/17	10/30/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/30/17	10/30/17	10/30/17	257,000,000	257,000,000	0	257,000,000	0
MIZUHO TRIPARTY	10/31/17	10/31/17	10/31/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	10/31/17	10/31/17	10/31/17	220,000,000	220,000,000	0	220,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171003	10/03/17	10/03/17	10/03/17	50,000,000	50,000,000	0	50,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171004	10/04/17	10/04/17	10/04/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.05 20171002	10/02/17	10/02/17	10/02/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCA 1.05 20171002	10/02/17	10/02/17	10/02/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY 1.16 20171003	10/03/17	10/03/17	10/03/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171003	10/03/17	10/03/17	10/03/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171010	10/10/17	10/10/17	10/10/17	40,000,000	40,000,000	0	40,000,000	0
DNB BANK ASATDCAY 1.16 20171004	10/04/17	10/04/17	10/04/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171004	10/04/17	10/04/17	10/04/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171011	10/11/17	10/11/17	10/11/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.16 20171005	10/05/17	10/05/17	10/05/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171005	10/05/17	10/05/17	10/05/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171006	10/06/17	10/06/17	10/06/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171006	10/06/17	10/06/17	10/06/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171010	10/10/17	10/10/17	10/10/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171010	10/10/17	10/10/17	10/10/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171011	10/11/17	10/11/17	10/11/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171011	10/11/17	10/11/17	10/11/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171017	10/17/17	10/17/17	10/17/17	35,000,000	35,000,000	0	35,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171018	10/18/17	10/18/17	10/18/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171012	10/12/17	10/12/17	10/12/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171012	10/12/17	10/12/17	10/12/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171013	10/13/17	10/13/17	10/13/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171013	10/13/17	10/13/17	10/13/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171020	10/20/17	10/20/17	10/20/17	50,000,000	50,000,000	0	50,000,000	0
DNB BANK ASATDCAY 1.16 20171016	10/16/17	10/16/17	10/16/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171016	10/16/17	10/16/17	10/16/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171017	10/17/17	10/17/17	10/17/17	200,000,000	200,000,000	0	200,000,000	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SVENSKA HANDELSBANKTDCAY 1.16 20171017	10/17/17	10/17/17	10/17/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171024	10/24/17	10/24/17	10/24/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.16 20171018	10/18/17	10/18/17	10/18/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171018	10/18/17	10/18/17	10/18/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171025	10/25/17	10/25/17	10/25/17	230,000,000	230,000,000	0	230,000,000	0
DNB BANK ASATDCAY 1.16 20171019	10/19/17	10/19/17	10/19/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171019	10/19/17	10/19/17	10/19/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171020	10/20/17	10/20/17	10/20/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171020	10/20/17	10/20/17	10/20/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171023	10/23/17	10/23/17	10/23/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171027	10/27/17	10/27/17	10/27/17	50,000,000	50,000,000	0	50,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171023	10/23/17	10/23/17	10/23/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171024	10/24/17	10/24/17	10/24/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171024	10/24/17	10/24/17	10/24/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171031	10/31/17	10/31/17	10/31/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.16 20171025	10/25/17	10/25/17	10/25/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171025	10/25/17	10/25/17	10/25/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171026	10/26/17	10/26/17	10/26/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171026	10/26/17	10/26/17	10/26/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171027	10/27/17	10/27/17	10/27/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171027	10/27/17	10/27/17	10/27/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171030	10/30/17	10/30/17	10/30/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171030	10/30/17	10/30/17	10/30/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171031	10/31/17	10/31/17	10/31/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171031	10/31/17	10/31/17	10/31/17	200,000,000	200,000,000	0	200,000,000	0
<i>Total Maturities</i>				24,359,898,000	24,359,898,000	0	24,359,898,000	0
<i>Sells</i>								
CANADIAN IMPERIAL BANK OF COMMERCE	11/06/17	10/12/17	10/12/17	25,000,000	25,007,425	6,782	25,014,207	7,425
MANHATTAN ASSET FUNCPABS4	10/23/17	10/13/17	10/13/17	35,000,000	34,988,236	0	34,988,236	681
MANHATTAN ASSET FUNCPABS4	10/24/17	10/13/17	10/13/17	15,000,000	14,994,454	0	14,994,454	321
TORONTO DOMINION BACDYAN	12/28/17	10/05/17	10/05/17	25,000,000	25,001,041	39,375	25,040,416	1,041
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/04/17	10/04/17	3,780,969	3,780,969	0	3,780,969	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/05/17	10/05/17	4,486,787	4,486,787	0	4,486,787	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/11/17	10/11/17	88,529	88,529	0	88,529	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/13/17	10/13/17	1,044,663	1,044,663	0	1,044,663	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/17/17	10/17/17	357,364	357,364	0	357,364	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/17/17	10/17/17	855,305	855,305	0	855,305	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/17/17	10/17/17	1,176,047	1,176,047	0	1,176,047	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/20/17	10/20/17	234,171	234,171	0	234,171	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/20/17	10/20/17	1,561,357	1,561,357	0	1,561,357	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/20/17	10/20/17	662,243	662,243	0	662,243	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/20/17	10/20/17	264,303	264,303	0	264,303	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/24/17	10/24/17	394,896	394,896	0	394,896	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/26/17	10/26/17	355,194	355,194	0	355,194	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/26/17	10/26/17	594,942	594,942	0	594,942	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/26/17	10/26/17	1,023,735	1,023,735	0	1,023,735	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/26/17	10/26/17	2,054,112	2,054,112	0	2,054,112	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	10/30/17	10/30/17	3,188,797	3,188,797	0	3,188,797	0
<i>Total Sells</i>				122,123,414	122,114,571	46,157	122,160,728	9,468



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## **Our Mission**

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

# **Federated**



## **MONTHLY SUMMARY REPORT**

**November 2017**

**State Board of Administration of Florida**



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## **Past performance is no guarantee of future results.**

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

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

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

## INTRODUCTION

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

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

This report, which covers the period from November 1, 2017, through November 30, 2017, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

## DISCLOSURE OF MATERIAL IMPACTS

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

### PRIME™ STATISTICS

(As of November 30, 2017)

Total Participants  
**735**

Florida PRIME™ Assets  
**\$9,509,435,616**

Total Number of Accounts  
**1,375**

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

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

## PORTFOLIO MANAGER COMMENTARY

### MARKET CONDITIONS

An already improving U.S. economy kept its momentum over the course of November, setting up a near certainty the Federal Reserve (Fed) will raise rates at its policy meeting ending on Dec. 13. Other positive Fed news came with a “so far, so good” effect that the tapering of the central bank’s massive balance sheet had on the short end of the yield curve. At the end of this year, the Fed will have retired \$30 billion in Treasuries and mortgaged-backed securities, and that number will rise in upcoming quarters. During November, the tapering led to an uptick in supply of Treasuries and slightly higher rates, both welcome developments. This massive roll-off is uncharted territory. We think it should go smoothly, however no one knows for certain.

The consensus is that soon-to-be confirmed chairman, Jerome Powell, will maintain the policy of the departing Janet Yellen. He agrees with her outlook and has voted with her every time. But when Yellen leaves, there could be four empty seats on the board of governors and thus on the policy-setting Federal Open Market Committee (FOMC). If New York Fed President William Dudley makes good on his intention to retire in mid-2018, there is a potential for five vacancies. Even if President Trump announces more nominations soon—as he did late in November with Carnegie Mellon University economist Marvin Goodfriend—confirmation hearings could take months. The complexities of the economy and monetary policy mean this is not the time for too few voters making far-reaching decisions.

But the opposite should also be a concern. When these posts are filled, what will the Fed’s makeup be? Five new FOMC or voting members could swing a relatively neutral Fed to more dovish or more hawkish positions. Policy shifts, of course, can have dramatic effect on the economy, so each added member will bring new uncertainty for the markets.

The London interbank offered rate (Libor) rose at

a good clip, suggesting the taper has not impacted normal operations: a rise is expected ahead of a hike and in anticipation of year-end trading/supply pressure. Also, good economic news—all-important retail sales for this holiday shopping season were solid—tends to push rates higher. One-month Libor rose from 1.24% to 1.35% and 3-month from 1.38% to 1.48%, both approximately 10 basis-point increases. If as expected the FOMC takes rates to a target range of 1.25% to 1.50% at the December meeting, cash rates on the money market yield curve should continue to rise. The short end of the Treasury curve rose slightly in November, with 1-month and 3-month Treasury yields rising from 1.02% to 1.17% and 1.13% to 1.29%, respectively.

### INVESTMENT STRATEGY

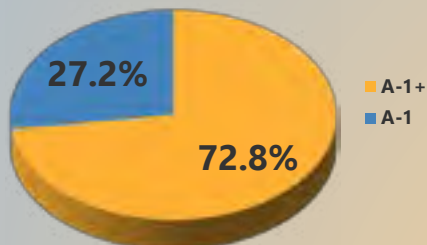
The month of November is the beginning of the tax collecting season in Florida, resulting in many participants depositing revenue into the Pool. That pushed its assets under management (AUM) up significantly, from \$7.6 billion to \$9.4 billion, an increase of \$1.8 billion. As the short-end of the Libor curve rose, so did the gross yield of the Pool, increasing by 2 basis points to 1.40%.

While the Pool manager continued to target its Weighted Average Maturity (WAM) within a range of 40-50 days, the vast amount of inflows meant actual WAM fell out of that range to 35 days, in part because we hold some deposits until the right purchasing opportunities emerge. The rise of Libor also informed our decision as to what types of securities we acquired in November: we increased the amount of fixed-rate commercial paper, including asset-backed commercial paper, from 36% of total portfolio holdings to 43%. This was made possible by a drop in the allocation to fixed-rate bank paper instruments from 25% to 18% of total. The remaining categories of securities in the portfolio remained at October levels: variable-rate (29% of total), money market (6%) and repo (4%).

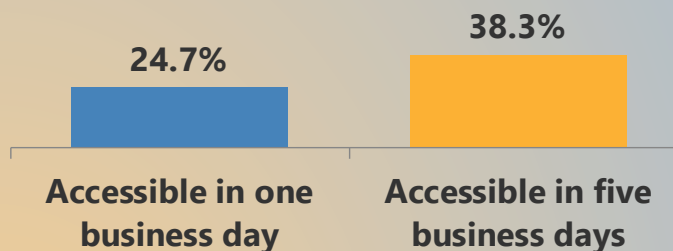


## PORTFOLIO COMPOSITION FOR NOVEMBER 2017

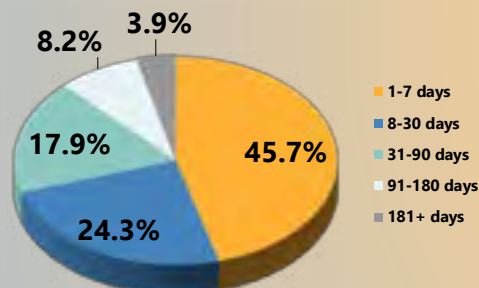
### CREDIT QUALITY COMPOSITION



### HIGHLY LIQUID HOLDINGS



### EFFECTIVE MATURITY SCHEDULE



### TOP HOLDINGS & AVG. MATURITY

1. Federated Institutional Prime Value Obligations Fund	4.8%
2. Wells Fargo & Co.	4.7%
3. DZ Bank AG Deutsche Zentral-Genossenschaftsbank	4.6%
4. Sumitomo Mitsui Financial Group, Inc.	4.6%
5. Royal Bank of Canada	4.3%
6. Mizuho Financial Group, Inc.	4.1%
7. Barton Capital S.A.	4.1%
8. Canadian Imperial Bank of Commerce	4.1%
9. Antalis S.A.	3.8%
10. Old Line Funding, LLC	3.8%

#### Average Effective Maturity (WAM) \*

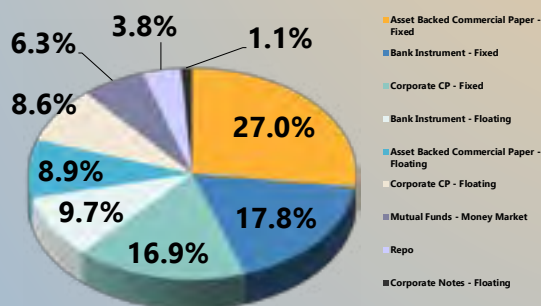
34.7 Days

#### Weighted Average Life (Spread WAL)

71.8 Days

Percentages based on total value of investments

### PORTFOLIO COMPOSITION



## FUND PERFORMANCE THROUGH NOVEMBER 30, 2017

Florida PRIME Performance Data			
	Net Participant Yield <sup>1</sup>	Net-of-Fee Benchmark <sup>2</sup>	Above (Below) Benchmark
One Month	1.37%	1.09%	0.28%
Three Months	1.37%	1.07%	0.30%
One Year	1.17%	0.86%	0.31%
Three Years	0.67%	0.43%	0.24%
Five Years	0.48%	0.28%	0.20%
Ten Years	0.68%	0.51%	0.16%
Since 1/96	2.61%	2.39%	0.21%

**Note:** Net asset value at month end: \$9,509.2 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

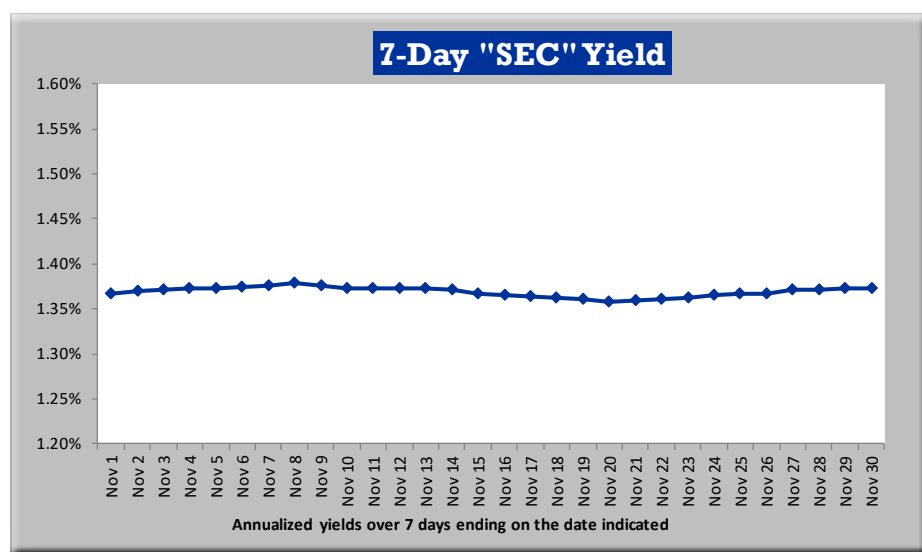
<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

### ABOUT ANNUALIZED YIELDS:

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

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



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

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

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

## PRIME ACCOUNT SUMMARY FOR NOVEMBER 2017

Summary of Cash Flows		
Opening Balance (11/01/17)	\$	7,668,223,593
Participant Deposits		3,440,861,280
Gross Earnings		9,211,909
Participant Withdrawals		(1,608,639,202)
Fees		(221,964)
Closing Balance (11/30/17)	\$	9,509,435,616
<b>Net Change over Month</b>	<b>\$</b>	<b>1,841,212,023</b>

Detailed Fee Disclosure		
November	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 65,918.80	0.92
Federated Investment Management Fee	133,150.12	1.86
BNY Mellon Custodial Fee**	9,693.11	0.14
Bank of America Transfer Agent Fee	4,631.23	0.06
S&P Rating Maintenance Fee	3,698.63	0.05
Audit/External Review Fees	4,872.08	0.07
<b>Total Fees</b>	<b>\$ 221,963.97</b>	<b>3.10</b>

\*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$8,588,829,605.

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

## INVENTORY OF HOLDINGS FOR NOVEMBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	1.21	12/5/2017		200,000,000	1.23	\$200,000,000	\$200,000,000	\$0
ASB Finance Ltd., Jun 05, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.65	6/5/2018	12/7/2017	50,000,000	1.47	\$50,000,000	\$50,029,200	\$29,200
ASB Finance Ltd., Mar 12, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.59	3/12/2018	12/12/2017	50,000,000	1.41	\$50,000,000	\$50,017,950	\$17,950
ASB Finance Ltd., May 17, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.40	5/17/2018	12/18/2017	25,000,000	1.44	\$24,996,967	\$25,001,150	\$4,183
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/22/2018		34,133,000	1.51	\$34,058,125	\$34,066,115	\$7,990
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/1/2017		5,740,000	1.29	\$5,739,798	\$5,739,815	\$18
Anglesea Funding LLC, Mar 19, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.55	3/19/2018	12/18/2017	70,000,000	1.57	\$70,000,000	\$69,999,988	-\$12
Anglesea Funding LLC, May 25, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.61	5/25/2018	11/30/2017	140,000,000	1.63	\$140,000,000	\$139,999,978	-\$22
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/5/2017		65,090,000	1.22	\$65,079,152	\$65,075,593	-\$3,559
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/6/2017		8,000,000	1.22	\$7,998,400	\$7,998,376	-\$24
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/7/2017		31,900,000	1.22	\$31,892,557	\$31,892,433	-\$124
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/7/2017		110,000,000	1.24	\$109,973,906	\$109,977,329	\$3,424
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/21/2017		65,280,000	1.32	\$65,230,496	\$65,231,257	\$761
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/29/2017		20,440,000	1.37	\$20,417,772	\$20,418,051	\$280
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/10/2018		650,000	1.47	\$648,927	\$648,981	\$54
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/26/2018		64,120,000	1.48	\$63,971,776	\$63,974,821	\$3,045
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/1/2017		165,000,000	1.08	\$164,995,096	\$164,994,774	-\$321
BMO Harris Bank, N.A. CD	CERTIFICATE OF DEPOSIT	1.52	2/13/2018		20,000,000	1.54	\$20,000,000	\$19,999,960	-\$40
Bank of America N.A. BNOTE	BANK NOTE	1.50	4/18/2018		59,000,000	1.52	\$59,000,000	\$58,981,379	-\$18,621
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	1.05	12/1/2017		345,000,000	1.06	\$345,000,000	\$345,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.42	3/19/2018		50,000,000	1.44	\$50,000,000	\$49,978,238	-\$21,763
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.35	12/15/2017		49,000,000	1.37	\$49,000,000	\$49,001,735	\$1,735
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	2/26/2018		51,250,000	1.43	\$51,250,000	\$51,235,307	-\$14,693
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.34	12/22/2017		35,000,000	1.36	\$35,000,000	\$35,001,116	\$1,116
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.55	12/18/2017		15,000,000	1.57	\$15,000,000	\$15,001,955	\$1,955
Bank of Montreal, Dec 01, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.78	12/1/2017	12/1/2017	50,000,000	1.64	\$50,000,000	\$50,000,650	\$650
Bank of Montreal, Jan 04, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.58	1/4/2018	12/4/2017	43,000,000	1.47	\$43,000,000	\$43,014,233	\$14,233
Bank of Montreal, May 23, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.62	5/23/2018	2/23/2018	25,000,000	1.65	\$25,000,000	\$25,016,700	\$16,700
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/23/2018		15,000,000	1.48	\$14,931,729	\$14,928,998	-\$2,731

See notes at end of table.

# INVENTORY OF HOLDINGS FOR NOVEMBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/27/2018		100,000,000	1.50	\$99,522,250	\$99,507,625	-\$14,625
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		4/13/2018		73,000,000	1.50	\$72,600,568	\$72,579,374	-\$21,194
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		5/23/2018		25,000,000	1.51	\$24,821,167	\$24,802,317	-\$18,850
Bank of Nova Scotia, Toronto, Jul 02, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.55	7/2/2018	12/4/2017	25,000,000	1.44	\$25,000,000	\$25,002,300	\$2,300
Bank of Nova Scotia, Toronto, Mar 09, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.58	3/9/2018	12/11/2017	20,000,000	1.41	\$20,000,000	\$20,006,960	\$6,960
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		12/1/2017		75,000,000	1.39	\$74,997,167	\$74,997,579	\$412
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		12/6/2017		54,000,000	1.38	\$53,987,850	\$53,989,479	\$1,629
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		12/11/2017		15,000,000	1.41	\$14,993,675	\$14,994,615	\$940
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/6/2018		64,000,000	1.44	\$63,759,360	\$63,765,845	\$6,485
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/9/2018		46,000,000	1.44	\$45,821,635	\$45,825,683	\$4,048
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/9/2018		30,000,000	1.44	\$29,883,675	\$29,886,315	\$2,640
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/1/2017		75,500,000	1.17	\$75,497,588	\$75,497,441	-\$147
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/4/2017		150,000,000	1.30	\$149,978,667	\$149,979,417	\$750
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/2/2018		73,000,000	1.37	\$72,909,663	\$72,910,332	\$669
Barton Capital S.A., Feb 05, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.63	2/5/2018	12/5/2017	50,000,000	1.51	\$50,000,000	\$50,000,000	\$0
Barton Capital S.A., Feb 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.60	2/9/2018	12/11/2017	43,000,000	1.43	\$43,000,000	\$43,018,103	\$18,103
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/12/2018		50,000,000	1.62	\$49,508,444	\$49,462,400	-\$46,044
Bedford Row Funding Corp., Aug 03, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.55	8/3/2018	12/4/2017	20,000,000	1.44	\$20,000,000	\$19,999,700	-\$300
Bedford Row Funding Corp., Feb 08, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.90	2/8/2018	12/8/2017	25,000,000	1.76	\$25,000,000	\$25,026,125	\$26,125
Bedford Row Funding Corp., Jan 18, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.80	1/18/2018	12/18/2017	20,000,000	1.83	\$20,000,000	\$20,016,120	\$16,120
Bedford Row Funding Corp., Jun 28, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.47	6/28/2018	12/28/2017	23,000,000	1.49	\$23,000,000	\$23,011,638	\$11,638
Bedford Row Funding Corp., Mar 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.63	3/22/2018	12/22/2017	30,000,000	1.66	\$30,000,000	\$30,000,000	\$0
Bedford Row Funding Corp., Nov 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.66	11/9/2018	12/11/2017	13,000,000	1.50	\$13,000,000	\$13,000,754	\$754
Bedford Row Funding Corp., Nov 19, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.56	11/19/2018	12/19/2017	29,000,000	1.58	\$29,000,000	\$29,000,000	\$0
Bedford Row Funding Corp., Oct 01, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.49	10/1/2018	1/2/2018	80,000,000	1.51	\$80,000,000	\$80,000,000	\$0
Bedford Row Funding Corp., Oct 05, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.50	10/5/2018	1/5/2018	20,000,000	1.52	\$20,000,000	\$20,008,880	\$8,880
Belgium, Government of ECP (USD)	EURO COMMERCIAL PAPER		12/13/2017		100,000,000	1.36	\$99,951,635	\$99,951,634	-\$1
Belgium, Government of ECP (USD)	EURO COMMERCIAL PAPER		12/21/2017		100,000,000	1.39	\$99,920,438	\$99,920,438	-\$0
Bruce T. Brown 2017 Irrevocable Trust, Series 2017, Oct 01, 2024	VARIABLE RATE DEMAND NOTE	1.24	10/1/2024	12/7/2017	5,185,000	1.24	\$5,185,000	\$5,185,000	\$0
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/1/2018		10,000,000	1.42	\$9,975,675	\$9,975,500	-\$175
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/2/2018		25,000,000	1.43	\$24,910,556	\$24,904,742	-\$5,814
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/1/2017		50,000,000	1.38	\$49,998,125	\$49,998,350	\$225

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CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/7/2017		40,000,000	1.39	\$39,989,422	\$39,990,589	\$1,167
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/9/2018		93,000,000	1.54	\$92,723,041	\$92,730,561	\$7,520
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/21/2018		56,000,000	1.54	\$55,805,042	\$55,806,204	\$1,162
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/26/2018		58,000,000	1.56	\$57,783,080	\$57,785,207	\$2,127
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	7/3/2018		100,000,000	1.59	\$100,000,000	\$99,925,486	-\$74,514
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	7/5/2018		97,000,000	1.59	\$97,000,000	\$96,925,394	-\$74,606
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.59	7/9/2018		25,000,000	1.61	\$25,000,000	\$24,982,544	-\$17,456
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.76	11/13/2018		25,000,000	1.78	\$25,000,000	\$24,974,950	-\$25,050
Canadian Imperial Bank of Commerce, Apr 19, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.51	4/19/2018	1/19/2018	50,000,000	1.53	\$50,000,000	\$50,030,800	\$30,800
Canadian Imperial Bank of Commerce, Jan 12, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.61	1/12/2018	12/12/2017	67,000,000	1.44	\$67,000,000	\$67,021,306	\$21,306
Canadian Imperial Bank of Commerce, Nov 13, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.50	11/13/2018	12/13/2017	1,000,000	1.53	\$1,000,000	\$1,000,567	\$567
Canadian Imperial Bank of Commerce, Sep 13, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.57	9/13/2018	12/13/2017	24,000,000	1.46	\$24,024,826	\$24,001,823	-\$23,003
Chase Bank USA, N.A., Jan 05, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.88	1/5/2018	12/5/2017	75,000,000	1.77	\$75,000,000	\$75,046,200	\$46,200
Citibank NA, New York CD	CERTIFICATE OF DEPOSIT	1.40	12/26/2017		72,000,000	1.42	\$72,000,000	\$72,006,403	\$6,403
Citibank NA, New York CD	CERTIFICATE OF DEPOSIT	1.50	2/20/2018		45,000,000	1.52	\$45,000,000	\$44,998,785	-\$1,215
Collateralized Commercial Paper Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		6/15/2018		15,000,000	1.62	\$14,870,308	\$14,858,817	-\$11,492
Collateralized Commercial Paper Co. LLC, Dec 11, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.74	12/11/2017	12/11/2017	50,000,000	1.54	\$50,000,000	\$50,005,200	\$5,200
Collateralized Commercial Paper Co. LLC, Dec 12, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.75	12/12/2017	12/12/2017	20,000,000	1.53	\$20,000,000	\$20,002,240	\$2,240
Collateralized Commercial Paper Co. LLC, Dec 22, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.50	12/22/2017	12/22/2017	15,000,000	1.52	\$15,000,000	\$15,002,820	\$2,820
Collateralized Commercial Paper Co. LLC, Jul 31, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.57	7/31/2018	11/30/2017	11,000,000	1.59	\$11,000,000	\$10,999,637	-\$363
Collateralized Commercial Paper Co. LLC, Jun 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.48	6/22/2018	12/22/2017	95,700,000	1.50	\$95,700,000	\$95,725,935	\$25,935
Collateralized Commercial Paper Co. LLC, May 23, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.55	5/23/2018	12/26/2017	25,000,000	1.57	\$25,000,000	\$25,006,300	\$6,300
Commonwealth Bank of Australia, Apr 27, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.43	4/27/2018	1/29/2018	15,000,000	1.46	\$15,000,077	\$15,007,395	\$7,318
Commonwealth Bank of Australia, Jan 10, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.58	1/10/2018	12/11/2017	75,000,000	1.42	\$75,000,000	\$75,021,150	\$21,150
Commonwealth Bank of Australia, Mar 29, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.47	3/29/2018	12/29/2017	20,000,000	1.49	\$20,000,000	\$20,012,260	\$12,260
Commonwealth Bank of Australia, May 10, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.63	5/10/2018	12/11/2017	70,000,000	1.47	\$70,000,000	\$70,034,440	\$34,440
Corporate Finance Managers, Inc., Series B, Feb 02, 2043	VARIABLE RATE DEMAND NOTE	1.40	2/2/2043	12/7/2017	11,800,000	1.36	\$11,800,000	\$11,800,000	\$0
DNB Bank ASA TDCAY	TIME DEPOSIT - CAYMAN	1.06	12/1/2017		200,000,000	1.07	\$200,000,000	\$200,000,000	\$0
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.33	12/15/2017		75,000,000	1.35	\$74,999,998	\$75,002,657	\$2,658

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DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.39	2/2/2018		20,000,000	1.47	\$19,997,843	\$19,999,400	\$1,557
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CP4-2	COMMERCIAL PAPER - 4-2		12/1/2017		300,000,000	1.10	\$299,991,000	\$299,990,316	-\$684
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CP4-2	COMMERCIAL PAPER - 4-2		12/21/2017		48,500,000	1.35	\$48,462,372	\$48,465,824	\$3,451
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	0.95	12/1/2017	10/5/2016	145,035,603	0.96	\$145,035,603	\$145,035,603	\$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/14/2017		25,000,000	1.30	\$24,987,556	\$24,988,343	\$787
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/5/2018		49,500,000	1.37	\$49,433,175	\$49,432,779	-\$396
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/9/2018		59,750,000	1.42	\$59,657,056	\$59,658,583	\$1,527
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/20/2018		50,000,000	1.54	\$49,828,028	\$49,828,370	\$342
Gulf Gate Apartments LLC, Series 2003, Sep 01, 2028	VARIABLE RATE DEMAND NOTE	1.24	9/1/2028	12/7/2017	7,550,000	1.24	\$7,550,000	\$7,550,000	\$0
Henry Andrew Brown, III 2017 Irrevocable Trust, Series 2017, Oct 01, 2042	VARIABLE RATE DEMAND NOTE	1.24	10/1/2042	12/7/2017	4,260,000	1.24	\$4,260,000	\$4,260,000	\$0
Institutional Prime Value Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	1.38	12/1/2017	12/1/2017	456,059,512	1.34	\$456,059,512	\$456,105,118	\$45,606
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/1/2017		224,100,000	1.12	\$224,093,152	\$224,092,903	-\$250
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/4/2017		50,000,000	1.32	\$49,992,778	\$49,993,584	\$806
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/6/2017		47,800,000	1.22	\$47,790,440	\$47,790,719	\$279
Long Island Power Authori	CALLABLE COMMERCIAL PAPER	0.00	9/4/2018		50,000,000	1.29	\$50,000,000	\$50,000,000	\$0
Los Angeles County Fair Association, Nov 01, 2039	VARIABLE RATE DEMAND NOTE	1.40	11/1/2039	12/6/2017	9,515,000	1.35	\$9,515,000	\$9,515,000	\$0
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		12/12/2017		45,000,000	1.48	\$44,978,250	\$44,981,805	\$3,555
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		2/5/2018		33,900,000	1.48	\$33,808,517	\$33,809,527	\$1,010
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		4/13/2018		5,000,000	1.61	\$4,970,594	\$4,970,818	\$223
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/26/2017		33,231,000	1.35	\$33,199,080	\$33,199,224	\$144
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/11/2018		100,000,000	1.42	\$99,836,667	\$99,834,800	-\$1,867
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/11/2018		27,900,000	1.47	\$27,852,803	\$27,853,909	\$1,107
Mike P. Sturdivant, Sr. Family Trust, Series 2016, Nov 01, 2036	VARIABLE RATE DEMAND NOTE	1.26	11/1/2036	12/7/2017	2,200,000	1.26	\$2,200,000	\$2,200,000	\$0
Mississippi Business Finance Corp., Kohler Project, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	1.36	6/1/2022	12/7/2017	10,000,000	1.36	\$10,000,000	\$10,000,000	\$0
Mizuho Bank Ltd. CDEUR (London)	CERTIFICATE OF DEPOSIT - EURO	0.00	12/5/2017		75,000,000	1.35	\$74,986,174	\$74,847,913	-\$138,261
Mizuho Bank Ltd. CDEUR (Sydney)	CERTIFICATE OF DEPOSIT - EURO	0.00	12/11/2017		48,000,000	1.37	\$47,980,241	\$47,982,384	\$2,143
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		12/4/2017		75,000,000	1.21	\$74,990,042	\$74,990,333	\$292
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		12/5/2017		50,000,000	1.21	\$49,991,701	\$49,991,896	\$195
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		12/6/2017		143,500,000	1.21	\$143,471,420	\$143,471,921	\$502

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Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	1.05	12/1/2017		15,000,000	1.06	\$15,000,000	\$15,000,000	\$0
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		3/5/2018		50,000,000	1.44	\$49,813,299	\$49,810,396	-\$2,903
National Australia Bank Ltd., Melbourne, Apr 06, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.49	4/6/2018	1/8/2018	53,000,000	1.51	\$53,000,000	\$53,027,931	\$27,931
Nederlandse Waterschapsbank NV CP4-2	COMMERCIAL PAPER - 4-2		2/27/2018		5,000,000	1.43	\$4,982,694	\$4,983,201	\$507
Novant Health, Inc., Series 1997, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	1.24	6/1/2022	12/6/2017	44,800,000	1.26	\$44,800,000	\$44,800,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/20/2017		50,000,000	1.39	\$49,962,222	\$49,964,584	\$2,361
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/11/2018		50,000,000	1.46	\$49,916,583	\$49,919,500	\$2,917
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/14/2018		50,000,000	1.50	\$49,787,667	\$49,780,011	-\$7,656
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/20/2018		20,000,000	1.45	\$19,913,222	\$19,906,317	-\$6,906
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/20/2018		25,000,000	1.45	\$24,891,528	\$24,882,896	-\$8,632
Old Line Funding, LLC, Feb 27, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		2/27/2018		25,000,000	1.56	\$24,905,438	\$24,906,797	\$1,360
Old Line Funding, LLC, Feb 28, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		2/28/2018		25,000,000	1.56	\$24,904,375	\$24,905,625	\$1,250
Old Line Funding, LLC, Jan 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.63	1/9/2018	12/11/2017	37,300,000	1.46	\$37,300,000	\$37,309,922	\$9,922
Old Line Funding, LLC, Mar 19, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		3/19/2018		50,000,000	1.59	\$49,763,833	\$49,761,667	-\$2,167
Old Line Funding, LLC, Mar 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.42	3/22/2018	12/22/2017	30,000,000	1.44	\$30,000,000	\$30,013,170	\$13,170
Royal Bank of Canada, Jun 12, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.68	6/12/2018	12/12/2017	100,000,000	1.46	\$100,000,000	\$100,054,200	\$54,200
Sabri Arac, The Quarry Lane School Series 2005, Oct 01, 2035	VARIABLE RATE DEMAND NOTE	1.24	10/1/2035	12/7/2017	12,260,000	1.24	\$12,260,000	\$12,260,000	\$0
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.30	12/12/2017		25,000,000	1.32	\$25,000,000	\$25,000,525	\$525
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/1/2017		94,000,000	1.22	\$93,996,867	\$93,996,854	-\$13
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/1/2017		74,500,000	1.37	\$74,497,206	\$74,497,506	\$300
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/3/2018		35,000,000	1.39	\$34,954,714	\$34,955,276	\$562
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		1/9/2018		67,000,000	1.40	\$66,897,267	\$66,897,787	\$521
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/20/2018		33,000,000	1.53	\$32,887,250	\$32,888,453	\$1,203
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/26/2018		50,000,000	1.56	\$49,813,000	\$49,817,156	\$4,156
Sumitomo Mitsui Banking Corp., Jun 01, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.56	6/1/2018	12/1/2017	50,000,000	1.56	\$50,000,000	\$50,000,600	\$600
Sumitomo Mitsui Banking Corp., Jun 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.59	6/6/2018	12/6/2017	100,000,000	1.57	\$100,000,000	\$100,000,000	\$0
Sumitomo Mitsui Banking Corp., May 21, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.49	5/21/2018	12/21/2017	50,000,000	1.51	\$50,000,000	\$50,002,400	\$2,400
Sumitomo Mitsui Banking Corp., May 21, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.49	5/21/2018	12/21/2017	75,000,000	1.51	\$75,000,000	\$75,004,350	\$4,350
Svenska Handelsbanken, Stockholm TDCAY	TIME DEPOSIT - CAYMAN	1.06	12/1/2017		200,000,000	1.07	\$200,000,000	\$200,000,000	\$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		12/15/2017		1,000,000	1.37	\$999,438	\$999,483	\$46

See notes at end of table.



## INVENTORY OF HOLDINGS FOR NOVEMBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	12/6/2017		50,000,000	1.43	\$50,000,000	\$50,001,491	\$1,491
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.52	1/16/2018		120,000,000	1.53	\$120,000,000	\$120,019,223	\$19,223
Toronto Dominion Bank, Nov 06, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.50	11/6/2018	2/5/2018	25,000,000	1.52	\$25,000,000	\$25,000,000	\$0
Toronto Dominion Bank, Nov 30, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.58	11/30/2018	12/29/2017	100,000,000	1.60	\$100,000,000	\$100,000,000	\$0
Toronto Dominion Bank, Sep 25, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.56	9/25/2018	12/27/2017	10,000,000	1.58	\$10,000,000	\$10,002,570	\$2,570
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		4/3/2018		98,000,000	1.52	\$97,497,042	\$97,521,008	\$23,966
Toyota Motor Credit Corp., Jul 03, 2018	VARIABLE RATE COMMERCIAL PAPER	1.45	7/3/2018	1/4/2018	24,500,000	1.47	\$24,500,000	\$24,506,517	\$6,517
Toyota Motor Finance (Netherlands) B.V., Jan 11, 2018	VARIABLE RATE COMMERCIAL PAPER	1.48	1/11/2018	12/21/2017	50,000,000	1.50	\$50,000,000	\$50,016,350	\$16,350
Toyota Motor Finance (Netherlands) B.V., May 11, 2018	VARIABLE RATE COMMERCIAL PAPER	1.45	5/11/2018	12/14/2017	53,000,000	1.47	\$53,000,000	\$53,031,429	\$31,429
Wells Fargo Bank, N.A., Aug 23, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.54	8/23/2018	12/26/2017	30,000,000	1.56	\$30,000,000	\$30,002,790	\$2,790
Wells Fargo Bank, N.A., Dec 03, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.61	12/3/2018	12/4/2017	66,000,000	1.61	\$66,000,000	\$66,000,000	\$0
Wells Fargo Bank, N.A., Feb 01, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.87	2/1/2018	12/1/2017	25,000,000	1.78	\$25,000,000	\$25,025,775	\$25,775
Wells Fargo Bank, N.A., Feb 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.67	2/6/2018	2/6/2018	25,000,000	1.69	\$25,000,000	\$25,017,675	\$17,675
Wells Fargo Bank, N.A., May 04, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.50	5/4/2018	2/5/2018	73,000,000	1.52	\$73,000,000	\$73,032,266	\$32,266
Wells Fargo Bank, N.A., Nov 28, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.57	11/28/2018	12/28/2017	50,000,000	1.59	\$50,000,000	\$50,004,600	\$4,600
Westpac Banking Corp. Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	9/14/2018		50,000,000	1.59	\$50,000,000	\$49,929,868	-\$70,132
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		10/12/2018		15,000,000	1.76	\$14,774,850	\$14,763,922	-\$10,928
Westpac Banking Corp. Ltd., Sydney, Mar 29, 2018	VARIABLE RATE COMMERCIAL PAPER	1.47	3/29/2018	12/29/2017	107,000,000	1.49	\$107,000,000	\$107,057,780	\$57,780
<b>Total Value of Investments:</b>					<b>9,571,949,115</b>		<b>\$9,565,041,128</b>	<b>\$9,565,277,357</b>	<b>\$236,230</b>

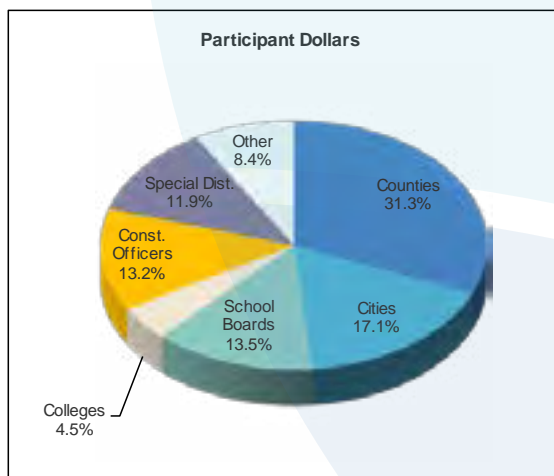
**Notes:** The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

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

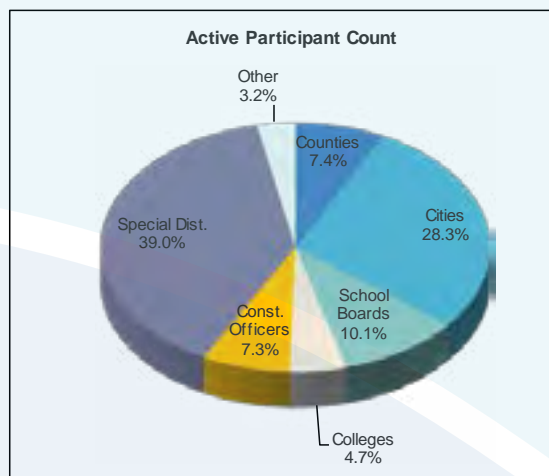
<sup>2</sup> Amortized cost is calculated using a straight line method.

## PARTICIPANT CONCENTRATION DATA - AS OF NOVEMBER 2017

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
<b>All Participants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Colleges &amp; Universities</b>	<b>4.5%</b>	<b>4.7%</b>
Top 10	37.5%	1.4%	Top 10	4.2%	1.4%
\$100 million or more	54.9%	3.0%	\$100 million or more	2.0%	0.1%
\$10 million up to \$100 million	37.4%	14.3%	\$10 million up to \$100 million	2.0%	1.0%
\$1 million up to \$10 million	7.0%	23.7%	\$1 million up to \$10 million	0.4%	1.7%
Under \$1 million	0.7%	58.9%	Under \$1 million	0.02%	1.9%
<b>Counties</b>	<b>31.3%</b>	<b>7.4%</b>	<b>Constitutional Officers</b>	<b>13.2%</b>	<b>7.3%</b>
Top 10	24.5%	1.4%	Top 10	0.5%	1.4%
\$100 million or more	24.5%	1.4%	\$100 million or more	11.7%	0.4%
\$10 million up to \$100 million	6.5%	1.7%	\$10 million up to \$100 million	0.8%	0.6%
\$1 million up to \$10 million	0.4%	1.4%	\$1 million up to \$10 million	0.6%	1.8%
Under \$1 million	0.0%	3.0%	Under \$1 million	0.1%	4.6%
<b>Municipalities</b>	<b>17.1%</b>	<b>28.3%</b>	<b>Special Districts</b>	<b>11.9%</b>	<b>39.0%</b>
Top 10	7.8%	1.4%	Top 10	7.8%	1.4%
\$100 million or more	1.3%	0.1%	\$100 million or more	3.1%	0.3%
\$10 million up to \$100 million	13.1%	5.1%	\$10 million up to \$100 million	6.6%	2.3%
\$1 million up to \$10 million	2.6%	8.1%	\$1 million up to \$10 million	1.9%	7.2%
Under \$1 million	0.2%	14.9%	Under \$1 million	0.3%	29.2%
<b>School Boards</b>	<b>13.5%</b>	<b>10.1%</b>	<b>Other</b>	<b>8.4%</b>	<b>3.2%</b>
Top 10	10.5%	1.4%	Top 10	7.8%	1.4%
\$100 million or more	6.1%	0.3%	\$100 million or more	6.2%	0.4%
\$10 million up to \$100 million	6.5%	2.8%	\$10 million up to \$100 million	2.0%	1.0%
\$1 million up to \$10 million	0.9%	2.9%	\$1 million up to \$10 million	0.2%	0.7%
Under \$1 million	0.0%	4.1%	Under \$1 million	0.0%	1.1%



**Total Fund Value: \$9,509,435,616**



**Total Active Participant Count: 725**

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

## COMPLIANCE WITH INVESTMENT POLICY FOR NOVEMBER 2017

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

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

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

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

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

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

## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<b>Buys</b>								
ASB FINANCE LTD/LONDON	05/17/18	11/22/17	11/22/17	25,000,000	24,996,823	4,847	25,001,670	0
ALBION CAPITAL LLC CPABS4	01/22/18	11/27/17	11/27/17	34,133,000	34,053,887	0	34,053,887	0
BELGIUM, GOVERNMENTECP	12/13/17	11/29/17	11/30/17	100,000,000	99,951,635	0	99,951,635	0
BELGIUM, GOVERNMENTECP	12/21/17	11/28/17	11/30/17	100,000,000	99,920,438	0	99,920,438	0
ANGLESEA FUNDING LLC CPABS4	12/01/17	11/30/17	11/30/17	5,740,000	5,739,798	0	5,739,798	0
ANTALIS S.A, CPABS4 CPABS4	11/03/17	11/02/17	11/02/17	25,950,000	25,949,135	0	25,949,135	0
ANTALIS S.A, CPABS4 CPABS4	11/09/17	11/02/17	11/02/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4 CPABS4	11/09/17	11/02/17	11/02/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4 CPABS4	11/09/17	11/02/17	11/02/17	10,000,000	9,997,667	0	9,997,667	0
ANTALIS S.A, CPABS4 CPABS4	11/16/17	11/09/17	11/09/17	40,500,000	40,490,550	0	40,490,550	0
ANTALIS S.A, CPABS4 CPABS4	11/22/17	11/15/17	11/15/17	14,000,000	13,996,733	0	13,996,733	0
ANTALIS S.A, CPABS4 CPABS4	11/22/17	11/16/17	11/16/17	41,300,000	41,291,740	0	41,291,740	0
ANTALIS S.A, CPABS4 CPABS4	11/28/17	11/21/17	11/21/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4 CPABS4	11/28/17	11/21/17	11/21/17	15,000,000	14,996,500	0	14,996,500	0
ANTALIS S.A, CPABS4 CPABS4	11/29/17	11/22/17	11/22/17	20,000,000	19,995,333	0	19,995,333	0
ANTALIS S.A, CPABS4 CPABS4	12/05/17	11/28/17	11/28/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4 CPABS4	12/05/17	11/28/17	11/28/17	15,090,000	15,086,479	0	15,086,479	0
ANTALIS S.A, CPABS4 CPABS4	12/06/17	11/29/17	11/29/17	8,000,000	7,998,133	0	7,998,133	0
ANTALIS S.A, CPABS4 CPABS4	12/07/17	11/28/17	11/28/17	50,000,000	49,984,750	0	49,984,750	0
ANTALIS S.A, CPABS4 CPABS4	12/07/17	11/28/17	11/28/17	10,000,000	9,996,950	0	9,996,950	0
ANTALIS S.A, CPABS4 CPABS4	12/07/17	11/28/17	11/28/17	50,000,000	49,984,750	0	49,984,750	0
ANTALIS S.A, CPABS4 CPABS4	12/07/17	11/30/17	11/30/17	31,900,000	31,892,557	0	31,892,557	0
ANTALIS S.A, CPABS4 CPABS4	12/21/17	11/21/17	11/21/17	50,000,000	49,945,833	0	49,945,833	0
ANTALIS S.A, CPABS4 CPABS4	12/21/17	11/21/17	11/21/17	15,280,000	15,263,447	0	15,263,447	0
ANTALIS S.A, CPABS4 CPABS4	12/29/17	11/29/17	11/29/17	20,440,000	20,417,005	0	20,417,005	0
ANTALIS S.A, CPABS4 CPABS4	01/10/18	11/27/17	11/27/17	650,000	648,848	0	648,848	0
ANTALIS S.A, CPABS4 CPABS4	01/26/18	11/27/17	11/27/17	50,000,000	49,878,333	0	49,878,333	0
ANTALIS S.A, CPABS4 CPABS4	01/26/18	11/27/17	11/27/17	14,120,000	14,085,641	0	14,085,641	0
ATLANTIC ASSET SECUCPABS4	11/06/17	11/03/17	11/03/17	50,000,000	49,995,125	0	49,995,125	0
ATLANTIC ASSET SECUCPABS4	11/06/17	11/03/17	11/03/17	50,000,000	49,995,125	0	49,995,125	0
ATLANTIC ASSET SECUCPABS4	11/06/17	11/03/17	11/03/17	1,700,000	1,699,834	0	1,699,834	0
ATLANTIC ASSET SECUCPABS4	11/07/17	11/06/17	11/06/17	33,036,000	33,034,917	0	33,034,917	0
ATLANTIC ASSET SECUCPABS4	11/08/17	11/07/17	11/07/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	11/08/17	11/07/17	11/07/17	23,000,000	22,999,253	0	22,999,253	0
ATLANTIC ASSET SECUCPABS4	11/08/17	11/07/17	11/07/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	11/09/17	11/08/17	11/08/17	15,000,000	14,999,513	0	14,999,513	0
ATLANTIC ASSET SECUCPABS4	11/14/17	11/13/17	11/13/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	11/14/17	11/13/17	11/13/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	11/14/17	11/13/17	11/13/17	15,000,000	14,999,513	0	14,999,513	0
ATLANTIC ASSET SECUCPABS4	11/14/17	11/13/17	11/13/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	11/20/17	11/17/17	11/17/17	50,000,000	49,995,125	0	49,995,125	0
ATLANTIC ASSET SECUCPABS4	11/20/17	11/17/17	11/17/17	50,000,000	49,995,125	0	49,995,125	0
ATLANTIC ASSET SECUCPABS4	11/20/17	11/17/17	11/17/17	5,400,000	5,399,474	0	5,399,474	0
ATLANTIC ASSET SECUCPABS4	11/20/17	11/17/17	11/17/17	50,000,000	49,995,125	0	49,995,125	0
ATLANTIC ASSET SECUCPABS4	11/22/17	11/22/17	11/22/17	50,000,000	49,991,875	0	49,991,875	0
ATLANTIC ASSET SECUCPABS4	11/27/17	11/22/17	11/22/17	2,500,000	2,499,594	0	2,499,594	0
ATLANTIC ASSET SECUCPABS4	11/27/17	11/22/17	11/22/17	50,000,000	49,991,875	0	49,991,875	0
ATLANTIC ASSET SECUCPABS4	11/27/17	11/22/17	11/22/17	50,000,000	49,991,875	0	49,991,875	0
ATLANTIC ASSET SECUCPABS4	12/01/17	11/30/17	11/30/17	50,000,000	49,998,514	0	49,998,514	0
ATLANTIC ASSET SECUCPABS4	12/01/17	11/30/17	11/30/17	50,000,000	49,998,514	0	49,998,514	0
ATLANTIC ASSET SECUCPABS4	12/01/17	11/30/17	11/30/17	50,000,000	49,998,514	0	49,998,514	0
ATLANTIC ASSET SECUCPABS4	12/01/17	11/30/17	11/30/17	15,000,000	14,999,554	0	14,999,554	0

## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BMO HARRIS BANK, N,CD	02/13/18	11/15/17	11/15/17	20,000,000	20,000,000	0	20,000,000	0
BARTON CAPITAL LLCCPABS4-	11/02/17	11/01/17	11/01/17	15,100,000	15,099,509	0	15,099,509	0
BARTON CAPITAL LLCCPABS4-	11/02/17	11/01/17	11/01/17	50,000,000	49,998,361	0	49,998,361	0
BARTON CAPITAL LLCCPABS4-	11/06/17	11/03/17	11/03/17	20,200,000	20,198,031	0	20,198,031	0
BARTON CAPITAL LLCCPABS4-	11/07/17	11/06/17	11/06/17	21,000,000	20,999,318	0	20,999,318	0
BARTON CAPITAL LLCCPABS4-	11/15/17	11/14/17	11/14/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCCPABS4-	11/15/17	11/14/17	11/14/17	15,000,000	14,999,513	0	14,999,513	0
BARTON CAPITAL LLCCPABS4-	11/16/17	11/15/17	11/15/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCCPABS4-	11/30/17	11/29/17	11/29/17	6,800,000	6,799,779	0	6,799,779	0
BARTON CAPITAL LLCCPABS4-	12/01/17	11/30/17	11/30/17	50,000,000	49,998,403	0	49,998,403	0
BARTON CAPITAL LLCCPABS4-	12/01/17	11/30/17	11/30/17	25,000,000	24,999,201	0	24,999,201	0
BARTON CAPITAL LLCCPABS4-	12/01/17	11/30/17	11/30/17	500,000	499,984	0	499,984	0
BARTON CAPITAL LLCCPABS4-	01/02/18	11/03/17	11/03/17	50,000,000	49,887,500	0	49,887,500	0
BARTON CAPITAL LLCCPABS4-	01/02/18	11/03/17	11/03/17	23,000,000	22,948,250	0	22,948,250	0
BEDFORD ROW FUNDING CORP	11/09/18	11/15/17	11/15/17	13,000,000	13,000,000	0	13,000,000	0
BEDFORD ROW FUNDING CORP	11/19/18	11/27/17	11/27/17	29,000,000	29,000,000	0	29,000,000	0
BEDFORD ROW FUNDING CORP	08/03/18	11/06/17	11/06/17	20,000,000	20,000,000	0	20,000,000	0
CRC FUNDING LLCCPABS4-2	02/21/18	11/21/17	11/21/17	50,000,000	49,807,056	0	49,807,056	0
CRC FUNDING LLCCPABS4-2	02/21/18	11/21/17	11/21/17	6,000,000	5,976,847	0	5,976,847	0
CRC FUNDING LLCCPABS4-2	02/26/18	11/27/17	11/27/17	50,000,000	49,806,625	0	49,806,625	0
CRC FUNDING LLCCPABS4-2	02/26/18	11/27/17	11/27/17	8,000,000	7,969,060	0	7,969,060	0
CHARTA, LLC CPABS4-CPABS4	02/09/18	11/21/17	11/21/17	50,000,000	49,832,222	0	49,832,222	0
CHARTA, LLC CPABS4-CPABS4	02/09/18	11/21/17	11/21/17	43,000,000	42,855,711	0	42,855,711	0
CITIBANK NA, NEWYOC	02/20/18	11/21/17	11/21/17	45,000,000	45,000,000	0	45,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	07/31/18	11/03/17	11/03/17	11,000,000	11,000,000	0	11,000,000	0
COOPERATIVE RABOBANK UA/NY	11/08/17	11/07/17	11/07/17	1,250,000	1,249,960	0	1,249,960	0
COOPERATIVE RABOBANK UA/NY	11/30/17	11/29/17	11/29/17	50,000,000	49,998,403	0	49,998,403	0
COOPERATIVE RABOBANK UA/NY	11/30/17	11/29/17	11/29/17	50,000,000	49,998,403	0	49,998,403	0
COOPERATIVE RABOBANK UA/NY	11/30/17	11/29/17	11/29/17	50,000,000	49,998,403	0	49,998,403	0
COOPERATIVE RABOBANK UA/NY	11/30/17	11/29/17	11/29/17	50,000,000	49,998,403	0	49,998,403	0
COOPERATIVE RABOBANK UA/NY	11/30/17	11/29/17	11/29/17	19,620,000	19,619,373	0	19,619,373	0
COOPERATIVE RABOBANK UA/NY	11/30/17	11/29/17	11/29/17	50,000,000	49,998,403	0	49,998,403	0
DZ BANK AG DEUTSCHECDYAN	02/02/18	11/17/17	11/17/17	20,000,000	19,997,405	11,583	20,008,989	0
DZ BANK AG DEUTSCHECP4-2	11/14/17	11/13/17	11/13/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/14/17	11/13/17	11/13/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/14/17	11/13/17	11/13/17	41,000,000	40,998,679	0	40,998,679	0
DZ BANK AG DEUTSCHECP4-2	11/17/17	11/16/17	11/16/17	42,500,000	42,498,631	0	42,498,631	0
DZ BANK AG DEUTSCHECP4-2	11/21/17	11/20/17	11/20/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/21/17	11/20/17	11/20/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/28/17	11/27/17	11/27/17	25,000,000	24,999,194	0	24,999,194	0
DZ BANK AG DEUTSCHECP4-2	11/28/17	11/27/17	11/27/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/29/17	11/28/17	11/28/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/29/17	11/28/17	11/28/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/29/17	11/28/17	11/28/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/29/17	11/28/17	11/28/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/29/17	11/28/17	11/28/17	24,700,000	24,699,204	0	24,699,204	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/29/17	11/29/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/29/17	11/29/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/29/17	11/29/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/29/17	11/29/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/29/17	11/29/17	12,793,000	12,792,588	0	12,792,588	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/29/17	11/29/17	50,000,000	49,998,389	0	49,998,389	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/29/17	11/29/17	14,610,000	14,609,529	0	14,609,529	0
DZ BANK AG DEUTSCHECP4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,500	0	49,998,500	0



## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DZ BANK AG DEUTSCHECP4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,500	0	49,998,500	0
DZ BANK AG DEUTSCHECP4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,500	0	49,998,500	0
DZ BANK AG DEUTSCHECP4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,500	0	49,998,500	0
DZ BANK AG DEUTSCHECP4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,500	0	49,998,500	0
DZ BANK AG DEUTSCHECP4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,500	0	49,998,500	0
GOTHAM FUNDING CORPCPABS4	11/29/17	11/28/17	11/28/17	50,000,000	49,998,375	0	49,998,375	0
GOTHAM FUNDING CORPCPABS4	11/29/17	11/28/17	11/28/17	20,448,000	20,447,335	0	20,447,335	0
GOTHAM FUNDING CORPCPABS4	01/05/18	11/08/17	11/08/17	49,500,000	49,392,338	0	49,392,338	0
GOTHAM FUNDING CORPCPABS4	01/09/18	11/28/17	11/28/17	50,000,000	49,918,333	0	49,918,333	0
GOTHAM FUNDING CORPCPABS4	01/09/18	11/28/17	11/28/17	9,750,000	9,734,075	0	9,734,075	0
GOTHAM FUNDING CORPCPABS4	02/20/18	11/21/17	11/21/17	50,000,000	49,809,153	0	49,809,153	0
LMA-AMERICAS LLCCPABS4-2	11/03/17	11/02/17	11/02/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/03/17	11/02/17	11/02/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/03/17	11/02/17	11/02/17	25,000,000	24,999,181	0	24,999,181	0
LMA-AMERICAS LLCCPABS4-2	11/03/17	11/02/17	11/02/17	50,000,000	49,998,333	0	49,998,333	0
LMA-AMERICAS LLCCPABS4-2	11/03/17	11/02/17	11/02/17	25,000,000	24,999,167	0	24,999,167	0
LMA-AMERICAS LLCCPABS4-2	11/03/17	11/02/17	11/02/17	21,078,000	21,077,268	0	21,077,268	0
LMA-AMERICAS LLCCPABS4-2	11/06/17	11/03/17	11/03/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCCPABS4-2	11/06/17	11/03/17	11/03/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCCPABS4-2	11/07/17	11/06/17	11/06/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/07/17	11/06/17	11/06/17	37,400,000	37,398,774	0	37,398,774	0
LMA-AMERICAS LLCCPABS4-2	11/08/17	11/07/17	11/07/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/08/17	11/07/17	11/07/17	37,400,000	37,398,774	0	37,398,774	0
LMA-AMERICAS LLCCPABS4-2	11/09/17	11/08/17	11/08/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/09/17	11/08/17	11/08/17	43,500,000	43,498,574	0	43,498,574	0
LMA-AMERICAS LLCCPABS4-2	11/14/17	11/13/17	11/13/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/14/17	11/13/17	11/13/17	40,000,000	39,998,689	0	39,998,689	0
LMA-AMERICAS LLCCPABS4-2	11/15/17	11/14/17	11/14/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/15/17	11/14/17	11/14/17	39,100,000	39,098,718	0	39,098,718	0
LMA-AMERICAS LLCCPABS4-2	11/16/17	11/15/17	11/15/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/16/17	11/15/17	11/15/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/17/17	11/16/17	11/16/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/17/17	11/16/17	11/16/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/21/17	11/20/17	11/20/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/21/17	11/20/17	11/20/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/22/17	11/16/17	11/16/17	50,000,000	49,990,000	0	49,990,000	0
LMA-AMERICAS LLCCPABS4-2	11/22/17	11/16/17	11/16/17	7,700,000	7,698,460	0	7,698,460	0
LMA-AMERICAS LLCCPABS4-2	11/27/17	11/22/17	11/22/17	50,000,000	49,991,806	0	49,991,806	0
LMA-AMERICAS LLCCPABS4-2	11/27/17	11/22/17	11/22/17	50,000,000	49,991,806	0	49,991,806	0
LMA-AMERICAS LLCCPABS4-2	11/28/17	11/27/17	11/27/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/28/17	11/27/17	11/27/17	38,500,000	38,498,738	0	38,498,738	0
LMA-AMERICAS LLCCPABS4-2	11/29/17	11/28/17	11/28/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/29/17	11/28/17	11/28/17	38,400,000	38,398,741	0	38,398,741	0
LMA-AMERICAS LLCCPABS4-2	11/30/17	11/29/17	11/29/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	11/30/17	11/29/17	11/29/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCCPABS4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,472	0	49,998,472	0
LMA-AMERICAS LLCCPABS4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,472	0	49,998,472	0
LMA-AMERICAS LLCCPABS4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,472	0	49,998,472	0
LMA-AMERICAS LLCCPABS4-2	12/01/17	11/30/17	11/30/17	15,000,000	14,999,542	0	14,999,542	0
LMA-AMERICAS LLCCPABS4-2	12/01/17	11/30/17	11/30/17	50,000,000	49,998,472	0	49,998,472	0
LMA-AMERICAS LLCCPABS4-2	12/01/17	11/30/17	11/30/17	9,100,000	9,099,722	0	9,099,722	0
LMA-AMERICAS LLCCPABS4-2	12/06/17	11/29/17	11/29/17	47,800,000	47,788,847	0	47,788,847	0
MALAYAN BANKING BERCPLOC	02/05/18	11/06/17	11/06/17	33,900,000	33,775,747	0	33,775,747	0
MANHATTAN ASSET FUNCPABS4	01/11/18	11/28/17	11/28/17	50,000,000	49,914,444	0	49,914,444	0

## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MANHATTAN ASSET FUNCPABS4	01/11/18	11/28/17	11/28/17	50,000,000	49,914,444	0	49,914,444	0
MANHATTAN ASSET FUNCPABS4	01/11/18	11/29/17	11/29/17	27,900,000	27,851,679	0	27,851,679	0
MIZUHO BANK LTD,CP	12/04/17	11/27/17	11/27/17	50,000,000	49,988,382	0	49,988,382	0
MIZUHO BANK LTD,CP	12/04/17	11/27/17	11/27/17	25,000,000	24,994,191	0	24,994,191	0
MIZUHO BANK LTD,CP	12/05/17	11/28/17	11/28/17	50,000,000	49,988,382	0	49,988,382	0
MIZUHO BANK LTD,CP	12/06/17	11/29/17	11/29/17	50,000,000	49,988,382	0	49,988,382	0
MIZUHO BANK LTD,CP	12/06/17	11/29/17	11/29/17	50,000,000	49,988,382	0	49,988,382	0
MIZUHO BANK LTD,CP	12/06/17	11/29/17	11/29/17	43,500,000	43,489,892	0	43,489,892	0
MIZUHO BANK LTD,CDYAN	11/15/17	11/08/17	11/08/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/15/17	11/08/17	11/08/17	17,000,000	17,000,000	0	17,000,000	0
MIZUHO BANK LTD,CDYAN	11/21/17	11/14/17	11/14/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/21/17	11/14/17	11/14/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/22/17	11/15/17	11/15/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/22/17	11/15/17	11/15/17	12,000,000	12,000,000	0	12,000,000	0
MIZUHO BANK LTD,CDYAN	11/22/17	11/15/17	11/15/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/22/17	11/15/17	11/15/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/28/17	11/21/17	11/21/17	25,000,000	25,000,000	0	25,000,000	0
MIZUHO BANK LTD,CDYAN	11/28/17	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/29/17	11/22/17	11/22/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	11/29/17	11/22/17	11/22/17	40,000,000	40,000,000	0	40,000,000	0
MIZUHO BANK LTD,CDYAN	11/29/17	11/22/17	11/22/17	50,000,000	50,000,000	0	50,000,000	0
OLD LINE FUNDING, LLC	02/27/18	11/27/17	11/27/17	25,000,000	24,902,250	0	24,902,250	0
OLD LINE FUNDING, LLC	02/28/18	11/27/17	11/27/17	25,000,000	24,901,188	0	24,901,188	0
OLD LINE FUNDING, LLC	03/19/18	11/28/17	11/29/17	50,000,000	49,761,667	0	49,761,667	0
SOCIETE GENERALE, PCP4-2	11/21/17	11/20/17	11/20/17	39,610,000	39,608,724	0	39,608,724	0
STARBIRD FUNDING COCPABS4	11/02/17	11/01/17	11/01/17	47,500,000	47,498,417	0	47,498,417	0
STARBIRD FUNDING COCPABS4	11/03/17	11/02/17	11/02/17	48,000,000	47,998,400	0	47,998,400	0
STARBIRD FUNDING COCPABS4	11/06/17	11/03/17	11/03/17	47,700,000	47,695,230	0	47,695,230	0
STARBIRD FUNDING COCPABS4	11/06/17	11/03/17	11/03/17	50,000,000	49,995,000	0	49,995,000	0
STARBIRD FUNDING COCPABS4	11/07/17	11/06/17	11/06/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/07/17	11/06/17	11/06/17	47,600,000	47,598,413	0	47,598,413	0
STARBIRD FUNDING COCPABS4	11/08/17	11/07/17	11/07/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/08/17	11/07/17	11/07/17	47,500,000	47,498,417	0	47,498,417	0
STARBIRD FUNDING COCPABS4	11/09/17	11/08/17	11/08/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/09/17	11/08/17	11/08/17	47,600,000	47,598,413	0	47,598,413	0
STARBIRD FUNDING COCPABS4	11/14/17	11/13/17	11/13/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/14/17	11/13/17	11/13/17	48,000,000	47,998,400	0	47,998,400	0
STARBIRD FUNDING COCPABS4	11/15/17	11/14/17	11/14/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/15/17	11/14/17	11/14/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/16/17	11/15/17	11/15/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/16/17	11/15/17	11/15/17	43,700,000	43,698,543	0	43,698,543	0
STARBIRD FUNDING COCPABS4	11/17/17	11/16/17	11/16/17	41,200,000	41,198,627	0	41,198,627	0
STARBIRD FUNDING COCPABS4	11/17/17	11/16/17	11/16/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/20/17	11/17/17	11/17/17	50,000,000	49,995,000	0	49,995,000	0
STARBIRD FUNDING COCPABS4	11/20/17	11/17/17	11/17/17	41,200,000	41,195,880	0	41,195,880	0
STARBIRD FUNDING COCPABS4	11/21/17	11/20/17	11/20/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/21/17	11/20/17	11/20/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/22/17	11/21/17	11/21/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/22/17	11/21/17	11/21/17	41,000,000	40,998,633	0	40,998,633	0
STARBIRD FUNDING COCPABS4	11/28/17	11/27/17	11/27/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/28/17	11/27/17	11/27/17	41,500,000	41,498,617	0	41,498,617	0
STARBIRD FUNDING COCPABS4	11/29/17	11/28/17	11/28/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	11/29/17	11/28/17	11/28/17	41,400,000	41,398,620	0	41,398,620	0
STARBIRD FUNDING COCPABS4	11/30/17	11/29/17	11/29/17	50,000,000	49,998,333	0	49,998,333	0

## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STARBIRD FUNDING COCPABS4	11/30/17	11/29/17	11/29/17	41,300,000	41,298,623	0	41,298,623	0
STARBIRD FUNDING COCPABS4	12/01/17	11/30/17	11/30/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPABS4	12/01/17	11/30/17	11/30/17	44,000,000	43,998,533	0	43,998,533	0
STARBIRD FUNDING COCPABS4	02/20/18	11/21/17	11/21/17	33,000,000	32,874,875	0	32,874,875	0
STARBIRD FUNDING COCPABS4	02/26/18	11/27/17	11/27/17	50,000,000	49,806,625	0	49,806,625	0
SUMITOMO MITSUI BANKING CORP/NEW YORK	05/21/18	11/20/17	11/20/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANKING CORP/NEW YORK	05/21/18	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANKING CORP/NEW YORK	05/21/18	11/21/17	11/21/17	25,000,000	25,000,000	0	25,000,000	0
SUMITOMO MITSUI BANKING CORP/NEW YORK	06/01/18	11/28/17	11/28/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANKING CORP/NEW YORK	06/06/18	11/30/17	11/30/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI BANKING CORP/NEW YORK	06/06/18	11/30/17	11/30/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/13/17	11/06/17	11/06/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/13/17	11/06/17	11/06/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/13/17	11/06/17	11/06/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/28/17	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/28/17	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/28/17	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/28/17	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/28/17	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/28/17	11/21/17	11/21/17	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BANK, NO	11/30/18	11/30/17	11/30/17	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BANK, NO	11/30/18	11/30/17	11/30/17	50,000,000	50,000,000	0	50,000,000	0
WELLS FARGO BANK NA	11/28/18	11/28/17	11/28/17	50,000,000	50,000,000	0	50,000,000	0
WELLS FARGO BANK NA	12/03/18	11/30/17	12/01/17	50,000,000	50,000,000	0	50,000,000	0
WELLS FARGO BANK NA	12/03/18	11/30/17	12/01/17	16,000,000	16,000,000	0	16,000,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/01/17	11/01/17	1,640,713	1,640,713	0	1,640,713	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/03/17	11/03/17	3,402,283	3,402,283	0	3,402,283	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/07/17	11/07/17	2,011,569	2,011,569	0	2,011,569	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/09/17	11/09/17	5,666,991	5,666,991	0	5,666,991	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/10/17	11/10/17	50,238,050	50,238,050	0	50,238,050	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/13/17	11/13/17	205,596	205,596	0	205,596	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/16/17	11/16/17	4,658,572	4,658,572	0	4,658,572	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/17/17	11/17/17	2,574,048	2,574,048	0	2,574,048	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/17/17	11/17/17	12,327	12,327	0	12,327	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/22/17	11/22/17	4,459,309	4,459,309	0	4,459,309	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/24/17	11/24/17	76,598	76,598	0	76,598	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/28/17	11/28/17	2,382,345	2,382,345	0	2,382,345	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/29/17	11/29/17	3,134,623	3,134,623	0	3,134,623	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/30/17	11/30/17	17,004,451	17,004,451	0	17,004,451	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/30/17	11/30/17	120,000,000	120,000,000	0	120,000,000	0
MIZUHO TRIPARTY	11/02/17	11/01/17	11/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/02/17	11/01/17	11/01/17	187,000,000	187,000,000	0	187,000,000	0
MIZUHO TRIPARTY	11/03/17	11/02/17	11/02/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/03/17	11/02/17	11/02/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	11/06/17	11/03/17	11/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/06/17	11/03/17	11/03/17	165,000,000	165,000,000	0	165,000,000	0
MIZUHO TRIPARTY	11/07/17	11/06/17	11/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/07/17	11/06/17	11/06/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	11/08/17	11/07/17	11/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/08/17	11/07/17	11/07/17	160,000,000	160,000,000	0	160,000,000	0
MIZUHO TRIPARTY	11/09/17	11/08/17	11/08/17	15,000,000	15,000,000	0	15,000,000	0



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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	11/09/17	11/08/17	11/08/17	10,000,000	10,000,000	0	10,000,000	0
MIZUHO TRIPARTY	11/13/17	11/09/17	11/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/13/17	11/09/17	11/09/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	11/14/17	11/13/17	11/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/14/17	11/13/17	11/13/17	300,000,000	300,000,000	0	300,000,000	0
MIZUHO TRIPARTY	11/15/17	11/14/17	11/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/15/17	11/14/17	11/14/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	11/16/17	11/15/17	11/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/16/17	11/15/17	11/15/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	11/17/17	11/16/17	11/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/17/17	11/16/17	11/16/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	11/20/17	11/17/17	11/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/20/17	11/17/17	11/17/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	11/21/17	11/20/17	11/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/21/17	11/20/17	11/20/17	390,000,000	390,000,000	0	390,000,000	0
MIZUHO TRIPARTY	11/22/17	11/21/17	11/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/22/17	11/21/17	11/21/17	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	11/27/17	11/22/17	11/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/27/17	11/22/17	11/22/17	350,000,000	350,000,000	0	350,000,000	0
MIZUHO TRIPARTY	11/28/17	11/27/17	11/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/28/17	11/27/17	11/27/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	11/29/17	11/28/17	11/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/29/17	11/28/17	11/28/17	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	11/30/17	11/29/17	11/29/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/30/17	11/29/17	11/29/17	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	12/01/17	11/30/17	11/30/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/01/17	11/30/17	11/30/17	345,000,000	345,000,000	0	345,000,000	0
<b>Total Buys</b>				<b>14,527,065,475</b>	<b>14,523,713,319</b>	<b>16,431</b>	<b>14,523,729,750</b>	<b>0</b>
<b>Deposits</b>								
ABN AMRO BANK NV,ATD 1.21 20171108	11/08/17	11/01/17	11/01/17	230,000,000	230,000,000	0	230,000,000	0
DNB BANK ASATDCAY 1.16 20171102	11/02/17	11/01/17	11/01/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171102	11/02/17	11/01/17	11/01/17	180,000,000	180,000,000	0	180,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171102	11/02/17	11/01/17	11/01/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171103	11/03/17	11/02/17	11/02/17	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171103	11/03/17	11/02/17	11/02/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171110	11/10/17	11/03/17	11/03/17	50,000,000	50,000,000	0	50,000,000	0
DNB BANK ASATDCAY 1.16 20171106	11/06/17	11/03/17	11/03/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171106	11/06/17	11/03/17	11/03/17	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171106	11/06/17	11/03/17	11/03/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171107	11/07/17	11/06/17	11/06/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171107	11/07/17	11/06/17	11/06/17	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE AGTDCA 1.19 20171113	11/13/17	11/07/17	11/07/17	150,000,000	150,000,000	0	150,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171114	11/14/17	11/07/17	11/07/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.16 20171108	11/08/17	11/07/17	11/07/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171108	11/08/17	11/07/17	11/07/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171109	11/09/17	11/08/17	11/08/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171109	11/09/17	11/08/17	11/08/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171115	11/15/17	11/08/17	11/08/17	230,000,000	230,000,000	0	230,000,000	0
CREDIT SUISSE AGTDCA 1.19 20171115	11/15/17	11/08/17	11/08/17	150,000,000	150,000,000	0	150,000,000	0

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Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SVENSKA HANDELSBANKTDCAY 1.16 20171113	11/13/17	11/09/17	11/09/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171113	11/13/17	11/09/17	11/09/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY 1.16 20171114	11/14/17	11/13/17	11/13/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171114	11/14/17	11/13/17	11/13/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171121	11/21/17	11/14/17	11/14/17	150,000,000	150,000,000	0	150,000,000	0
CREDIT SUISSE AGTDCAY 1.19 20171121	11/21/17	11/14/17	11/14/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171115	11/15/17	11/14/17	11/14/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171115	11/15/17	11/14/17	11/14/17	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE AGTDCAY 1.19 20171122	11/22/17	11/15/17	11/15/17	100,000,000	100,000,000	0	100,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171122	11/22/17	11/15/17	11/15/17	235,000,000	235,000,000	0	235,000,000	0
DNB BANK ASATDCAY 1.16 20171116	11/16/17	11/15/17	11/15/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171116	11/16/17	11/15/17	11/15/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171117	11/17/17	11/16/17	11/16/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171117	11/17/17	11/16/17	11/16/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171120	11/20/17	11/17/17	11/17/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171120	11/20/17	11/17/17	11/17/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171120	11/20/17	11/17/17	11/17/17	180,000,000	180,000,000	0	180,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171120	11/20/17	11/17/17	11/17/17	180,000,000	180,000,000	0	180,000,000	0
DNB BANK ASATDCAY 1.16 20171121	11/21/17	11/20/17	11/20/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171121	11/21/17	11/20/17	11/20/17	300,000,000	300,000,000	0	300,000,000	0
CREDIT SUISSE AGTDCAY 1.19 20171128	11/28/17	11/21/17	11/21/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171128	11/28/17	11/21/17	11/21/17	175,000,000	175,000,000	0	175,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171122	11/22/17	11/21/17	11/21/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171122	11/22/17	11/21/17	11/21/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171129	11/29/17	11/22/17	11/22/17	230,000,000	230,000,000	0	230,000,000	0
DNB BANK ASATDCAY 1.16 20171127	11/27/17	11/22/17	11/22/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171127	11/27/17	11/22/17	11/22/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171128	11/28/17	11/27/17	11/27/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171128	11/28/17	11/27/17	11/27/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171128	11/28/17	11/27/17	11/27/17	130,000,000	130,000,000	0	130,000,000	0
DNB BANK ASATDCAY 1.16 20171128	11/28/17	11/27/17	11/27/17	130,000,000	130,000,000	0	130,000,000	0
DNB BANK ASATDCAY 1.16 20171129	11/29/17	11/28/17	11/28/17	300,000,000	300,000,000	0	300,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171205	12/05/17	11/28/17	11/28/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171129	11/29/17	11/28/17	11/28/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY 1.16 20171130	11/30/17	11/29/17	11/29/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171130	11/30/17	11/29/17	11/29/17	300,000,000	300,000,000	0	300,000,000	0
NATIONAL AUSTRALIA TDCAY 1.15 20171130	11/30/17	11/29/17	11/29/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.06 20171201	12/01/17	11/30/17	11/30/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.06 20171201	12/01/17	11/30/17	11/30/17	200,000,000	200,000,000	0	200,000,000	0
<b>Total Deposits</b>				<b>11,850,000,000</b>	<b>11,850,000,000</b>	<b>0</b>	<b>11,850,000,000</b>	<b>0</b>
<b>Maturities</b>								
ALBION CAPITAL LLC CPABS4	11/20/17	11/20/17	11/20/17	4,500,000	4,500,000	0	4,500,000	0
ALBION CAPITAL LLC CPABS4	11/21/17	11/21/17	11/21/17	2,223,000	2,223,000	0	2,223,000	0
ALBION CAPITAL LLC CPABS4	11/27/17	11/27/17	11/27/17	37,543,000	37,543,000	0	37,543,000	0
ANTALIS S.A, CPABS4CPABS4	11/02/17	11/02/17	11/02/17	100,000,000	100,000,000	0	100,000,000	0
ANTALIS S.A, CPABS4CPABS4	11/03/17	11/03/17	11/03/17	25,950,000	25,950,000	0	25,950,000	0
ANTALIS S.A, CPABS4CPABS4	11/09/17	11/09/17	11/09/17	110,000,000	110,000,000	0	110,000,000	0
ANTALIS S.A, CPABS4CPABS4	11/16/17	11/16/17	11/16/17	40,500,000	40,500,000	0	40,500,000	0
ANTALIS S.A, CPABS4CPABS4	11/21/17	11/21/17	11/21/17	100,000,000	100,000,000	0	100,000,000	0
ANTALIS S.A, CPABS4CPABS4	11/22/17	11/22/17	11/22/17	55,300,000	55,300,000	0	55,300,000	0
ANTALIS S.A, CPABS4CPABS4	11/27/17	11/27/17	11/27/17	60,000,000	60,000,000	0	60,000,000	0

## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ANTALIS S.A, CPABS4CPABS4	11/28/17	11/28/17	11/28/17	65,000,000	65,000,000	0	65,000,000	0
ANTALIS S.A, CPABS4CPABS4	11/29/17	11/29/17	11/29/17	20,000,000	20,000,000	0	20,000,000	0
ATLANTIC ASSET SECUCPABS4	11/01/17	11/01/17	11/01/17	152,500,000	152,500,000	0	152,500,000	0
ATLANTIC ASSET SECUCPABS4	11/06/17	11/06/17	11/06/17	151,700,000	151,700,000	0	151,700,000	0
ATLANTIC ASSET SECUCPABS4	11/07/17	11/07/17	11/07/17	33,036,000	33,036,000	0	33,036,000	0
ATLANTIC ASSET SECUCPABS4	11/08/17	11/08/17	11/08/17	123,000,000	123,000,000	0	123,000,000	0
ATLANTIC ASSET SECUCPABS4	11/09/17	11/09/17	11/09/17	15,000,000	15,000,000	0	15,000,000	0
ATLANTIC ASSET SECUCPABS4	11/14/17	11/14/17	11/14/17	165,000,000	165,000,000	0	165,000,000	0
ATLANTIC ASSET SECUCPABS4	11/20/17	11/20/17	11/20/17	155,400,000	155,400,000	0	155,400,000	0
ATLANTIC ASSET SECUCPABS4	11/27/17	11/27/17	11/27/17	152,500,000	152,500,000	0	152,500,000	0
BMO HARRIS BANK, N,CD	11/15/17	11/15/17	11/15/17	30,000,000	30,000,000	0	30,000,000	0
BANK OF MONTREAL/CHICAGO IL	11/03/17	11/03/17	11/03/17	25,000,000	25,000,000	0	25,000,000	0
BANQUE ET CAISSE D'CP	11/08/17	11/08/17	11/08/17	14,000,000	14,000,000	0	14,000,000	0
BARTON CAPITAL LLCCPABS4-	11/01/17	11/01/17	11/01/17	52,900,000	52,900,000	0	52,900,000	0
BARTON CAPITAL LLCCPABS4-	11/02/17	11/02/17	11/02/17	65,100,000	65,100,000	0	65,100,000	0
BARTON CAPITAL LLCCPABS4-	11/03/17	11/03/17	11/03/17	75,000,000	75,000,000	0	75,000,000	0
BARTON CAPITAL LLCCPABS4-	11/06/17	11/06/17	11/06/17	20,200,000	20,200,000	0	20,200,000	0
BARTON CAPITAL LLCCPABS4-	11/07/17	11/07/17	11/07/17	21,000,000	21,000,000	0	21,000,000	0
BARTON CAPITAL LLCCPABS4-	11/15/17	11/15/17	11/15/17	65,000,000	65,000,000	0	65,000,000	0
BARTON CAPITAL LLCCPABS4-	11/16/17	11/16/17	11/16/17	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCCPABS4-	11/30/17	11/30/17	11/30/17	6,800,000	6,800,000	0	6,800,000	0
BEDFORD ROW FUNDING CORP	11/06/17	11/06/17	11/06/17	25,000,000	25,000,000	0	25,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	11/03/17	11/03/17	11/03/17	25,000,000	25,000,000	0	25,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	11/09/17	11/09/17	11/09/17	36,500,000	36,500,000	0	36,500,000	0
COOPERATIEVE RABOBANK UA/NY	11/08/17	11/08/17	11/08/17	1,250,000	1,250,000	0	1,250,000	0
COOPERATIEVE RABOBANK UA/NY	11/30/17	11/30/17	11/30/17	269,620,000	269,620,000	0	269,620,000	0
DZ BANK AG DEUTSCHECDYAN	11/07/17	11/07/17	11/07/17	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECDYAN	11/09/17	11/09/17	11/09/17	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECP4-2	11/14/17	11/14/17	11/14/17	141,000,000	141,000,000	0	141,000,000	0
DZ BANK AG DEUTSCHECP4-2	11/17/17	11/17/17	11/17/17	42,500,000	42,500,000	0	42,500,000	0
DZ BANK AG DEUTSCHECP4-2	11/21/17	11/21/17	11/21/17	100,000,000	100,000,000	0	100,000,000	0
DZ BANK AG DEUTSCHECP4-2	11/28/17	11/28/17	11/28/17	75,000,000	75,000,000	0	75,000,000	0
DZ BANK AG DEUTSCHECP4-2	11/29/17	11/29/17	11/29/17	224,700,000	224,700,000	0	224,700,000	0
DZ BANK AG DEUTSCHECP4-2	11/30/17	11/30/17	11/30/17	277,403,000	277,403,000	0	277,403,000	0
FAIRWAY FINANCE CO,CPABS4	11/17/17	11/17/17	11/17/17	40,000,000	40,000,000	0	40,000,000	0
GOTHAM FUNDING CORPCPABS4	11/20/17	11/20/17	11/20/17	60,000,000	60,000,000	0	60,000,000	0
GOTHAM FUNDING CORPCPABS4	11/29/17	11/29/17	11/29/17	70,448,000	70,448,000	0	70,448,000	0
LMA-AMERICAS LLCCPABS4-2	11/02/17	11/02/17	11/02/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	11/03/17	11/03/17	11/03/17	221,078,000	221,078,000	0	221,078,000	0
LMA-AMERICAS LLCCPABS4-2	11/06/17	11/06/17	11/06/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	11/07/17	11/07/17	11/07/17	87,400,000	87,400,000	0	87,400,000	0
LMA-AMERICAS LLCCPABS4-2	11/08/17	11/08/17	11/08/17	87,400,000	87,400,000	0	87,400,000	0
LMA-AMERICAS LLCCPABS4-2	11/09/17	11/09/17	11/09/17	93,500,000	93,500,000	0	93,500,000	0
LMA-AMERICAS LLCCPABS4-2	11/14/17	11/14/17	11/14/17	90,000,000	90,000,000	0	90,000,000	0
LMA-AMERICAS LLCCPABS4-2	11/15/17	11/15/17	11/15/17	89,100,000	89,100,000	0	89,100,000	0
LMA-AMERICAS LLCCPABS4-2	11/16/17	11/16/17	11/16/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	11/17/17	11/17/17	11/17/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	11/21/17	11/21/17	11/21/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	11/22/17	11/22/17	11/22/17	57,700,000	57,700,000	0	57,700,000	0
LMA-AMERICAS LLCCPABS4-2	11/27/17	11/27/17	11/27/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	11/28/17	11/28/17	11/28/17	88,500,000	88,500,000	0	88,500,000	0
LMA-AMERICAS LLCCPABS4-2	11/29/17	11/29/17	11/29/17	88,400,000	88,400,000	0	88,400,000	0



## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
LMA-AMERICAS LLC PABS4-2	11/30/17	11/30/17	11/30/17	100,000,000	100,000,000	0	100,000,000	0
MANHATTAN ASSET FUNCPABS4	11/14/17	11/14/17	11/14/17	24,000,000	24,000,000	0	24,000,000	0
MANHATTAN ASSET FUNCPABS4	11/27/17	11/27/17	11/27/17	100,000,000	100,000,000	0	100,000,000	0
MIZUHO BANK LTD,CP	11/07/17	11/07/17	11/07/17	100,000,000	100,000,000	0	100,000,000	0
MIZUHO BANK LTD,CDYAN	11/15/17	11/15/17	11/15/17	67,000,000	67,000,000	0	67,000,000	0
MIZUHO BANK LTD,CDYAN	11/21/17	11/21/17	11/21/17	100,000,000	100,000,000	0	100,000,000	0
MIZUHO BANK LTD,CDYAN	11/22/17	11/22/17	11/22/17	162,000,000	162,000,000	0	162,000,000	0
MIZUHO BANK LTD,CDYAN	11/28/17	11/28/17	11/28/17	75,000,000	75,000,000	0	75,000,000	0
MIZUHO BANK LTD,CDYAN	11/29/17	11/29/17	11/29/17	140,000,000	140,000,000	0	140,000,000	0
SOCIETE GENERALE, PCP4-2	11/21/17	11/21/17	11/21/17	39,610,000	39,610,000	0	39,610,000	0
STARBIRD FUNDING COCPABS4	11/01/17	11/01/17	11/01/17	47,300,000	47,300,000	0	47,300,000	0
STARBIRD FUNDING COCPABS4	11/02/17	11/02/17	11/02/17	47,500,000	47,500,000	0	47,500,000	0
STARBIRD FUNDING COCPABS4	11/03/17	11/03/17	11/03/17	48,000,000	48,000,000	0	48,000,000	0
STARBIRD FUNDING COCPABS4	11/06/17	11/06/17	11/06/17	97,700,000	97,700,000	0	97,700,000	0
STARBIRD FUNDING COCPABS4	11/07/17	11/07/17	11/07/17	97,600,000	97,600,000	0	97,600,000	0
STARBIRD FUNDING COCPABS4	11/08/17	11/08/17	11/08/17	97,500,000	97,500,000	0	97,500,000	0
STARBIRD FUNDING COCPABS4	11/09/17	11/09/17	11/09/17	97,600,000	97,600,000	0	97,600,000	0
STARBIRD FUNDING COCPABS4	11/14/17	11/14/17	11/14/17	115,600,000	115,600,000	0	115,600,000	0
STARBIRD FUNDING COCPABS4	11/15/17	11/15/17	11/15/17	100,000,000	100,000,000	0	100,000,000	0
STARBIRD FUNDING COCPABS4	11/16/17	11/16/17	11/16/17	93,700,000	93,700,000	0	93,700,000	0
STARBIRD FUNDING COCPABS4	11/17/17	11/17/17	11/17/17	91,200,000	91,200,000	0	91,200,000	0
STARBIRD FUNDING COCPABS4	11/20/17	11/20/17	11/20/17	91,200,000	91,200,000	0	91,200,000	0
STARBIRD FUNDING COCPABS4	11/21/17	11/21/17	11/21/17	100,000,000	100,000,000	0	100,000,000	0
STARBIRD FUNDING COCPABS4	11/22/17	11/22/17	11/22/17	91,000,000	91,000,000	0	91,000,000	0
STARBIRD FUNDING COCPABS4	11/28/17	11/28/17	11/28/17	91,500,000	91,500,000	0	91,500,000	0
STARBIRD FUNDING COCPABS4	11/29/17	11/29/17	11/29/17	91,400,000	91,400,000	0	91,400,000	0
STARBIRD FUNDING COCPABS4	11/30/17	11/30/17	11/30/17	91,300,000	91,300,000	0	91,300,000	0
SUMITOMO MITSUI TRUCDYAN	11/13/17	11/13/17	11/13/17	150,000,000	150,000,000	0	150,000,000	0
SUMITOMO MITSUI TRUCDYAN	11/28/17	11/28/17	11/28/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	11/01/17	11/01/17	11/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/01/17	11/01/17	11/01/17	295,000,000	295,000,000	0	295,000,000	0
MIZUHO TRIPARTY	11/02/17	11/02/17	11/02/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/02/17	11/02/17	11/02/17	187,000,000	187,000,000	0	187,000,000	0
MIZUHO TRIPARTY	11/03/17	11/03/17	11/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/03/17	11/03/17	11/03/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	11/06/17	11/06/17	11/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/06/17	11/06/17	11/06/17	165,000,000	165,000,000	0	165,000,000	0
MIZUHO TRIPARTY	11/07/17	11/07/17	11/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/07/17	11/07/17	11/07/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	11/08/17	11/08/17	11/08/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/08/17	11/08/17	11/08/17	160,000,000	160,000,000	0	160,000,000	0
MIZUHO TRIPARTY	11/09/17	11/09/17	11/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/09/17	11/09/17	11/09/17	10,000,000	10,000,000	0	10,000,000	0
MIZUHO TRIPARTY	11/13/17	11/13/17	11/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/13/17	11/13/17	11/13/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	11/14/17	11/14/17	11/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/14/17	11/14/17	11/14/17	300,000,000	300,000,000	0	300,000,000	0
MIZUHO TRIPARTY	11/15/17	11/15/17	11/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/15/17	11/15/17	11/15/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	11/16/17	11/16/17	11/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/16/17	11/16/17	11/16/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	11/17/17	11/17/17	11/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/17/17	11/17/17	11/17/17	200,000,000	200,000,000	0	200,000,000	0

## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO TRIPARTY	11/20/17	11/20/17	11/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/20/17	11/20/17	11/20/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	11/21/17	11/21/17	11/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/21/17	11/21/17	11/21/17	390,000,000	390,000,000	0	390,000,000	0
MIZUHO TRIPARTY	11/22/17	11/22/17	11/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/22/17	11/22/17	11/22/17	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	11/27/17	11/27/17	11/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/27/17	11/27/17	11/27/17	350,000,000	350,000,000	0	350,000,000	0
MIZUHO TRIPARTY	11/28/17	11/28/17	11/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/28/17	11/28/17	11/28/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	11/29/17	11/29/17	11/29/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/29/17	11/29/17	11/29/17	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	11/30/17	11/30/17	11/30/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	11/30/17	11/30/17	11/30/17	225,000,000	225,000,000	0	225,000,000	0
ABN AMRO BANK NV,ATD 1.2 20171101	11/01/17	11/01/17	11/01/17	230,000,000	230,000,000	0	230,000,000	0
ABN AMRO BANK NV,ATD 1.2 20171103	11/03/17	11/03/17	11/03/17	50,000,000	50,000,000	0	50,000,000	0
ABN AMRO BANK NV,ATD 1.2 20171107	11/07/17	11/07/17	11/07/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.06 20171101	11/01/17	11/01/17	11/01/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.05 20171101	11/01/17	11/01/17	11/01/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171108	11/08/17	11/08/17	11/08/17	230,000,000	230,000,000	0	230,000,000	0
DNB BANK ASATDCAY 1.16 20171102	11/02/17	11/02/17	11/02/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171102	11/02/17	11/02/17	11/02/17	180,000,000	180,000,000	0	180,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171102	11/02/17	11/02/17	11/02/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171103	11/03/17	11/03/17	11/03/17	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171103	11/03/17	11/03/17	11/03/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171110	11/10/17	11/10/17	11/10/17	50,000,000	50,000,000	0	50,000,000	0
DNB BANK ASATDCAY 1.16 20171106	11/06/17	11/06/17	11/06/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171106	11/06/17	11/06/17	11/06/17	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171106	11/06/17	11/06/17	11/06/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171107	11/07/17	11/07/17	11/07/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171107	11/07/17	11/07/17	11/07/17	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE AGTDCA 1.19 20171113	11/13/17	11/13/17	11/13/17	150,000,000	150,000,000	0	150,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171114	11/14/17	11/14/17	11/14/17	100,000,000	100,000,000	0	100,000,000	0
DNB BANK ASATDCAY 1.16 20171108	11/08/17	11/08/17	11/08/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171108	11/08/17	11/08/17	11/08/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171109	11/09/17	11/09/17	11/09/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171109	11/09/17	11/09/17	11/09/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171115	11/15/17	11/15/17	11/15/17	230,000,000	230,000,000	0	230,000,000	0
CREDIT SUISSE AGTDCA 1.19 20171115	11/15/17	11/15/17	11/15/17	150,000,000	150,000,000	0	150,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171113	11/13/17	11/13/17	11/13/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171113	11/13/17	11/13/17	11/13/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY 1.16 20171114	11/14/17	11/14/17	11/14/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171114	11/14/17	11/14/17	11/14/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171121	11/21/17	11/21/17	11/21/17	150,000,000	150,000,000	0	150,000,000	0
CREDIT SUISSE AGTDCA 1.19 20171121	11/21/17	11/21/17	11/21/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171115	11/15/17	11/15/17	11/15/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171115	11/15/17	11/15/17	11/15/17	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE AGTDCA 1.19 20171122	11/22/17	11/22/17	11/22/17	100,000,000	100,000,000	0	100,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171122	11/22/17	11/22/17	11/22/17	235,000,000	235,000,000	0	235,000,000	0
DNB BANK ASATDCAY 1.16 20171116	11/16/17	11/16/17	11/16/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171116	11/16/17	11/16/17	11/16/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171117	11/17/17	11/17/17	11/17/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCA 1.16 20171117	11/17/17	11/17/17	11/17/17	200,000,000	200,000,000	0	200,000,000	0

## TRADING ACTIVITY FOR NOVEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DNB BANK ASATDCAY 1.16 20171120	11/20/17	11/20/17	11/20/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171120	11/20/17	11/20/17	11/20/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171120	11/20/17	11/20/17	11/20/17	180,000,000	180,000,000	0	180,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171120	11/20/17	11/20/17	11/20/17	180,000,000	180,000,000	0	180,000,000	0
DNB BANK ASATDCAY 1.16 20171121	11/21/17	11/21/17	11/21/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171121	11/21/17	11/21/17	11/21/17	300,000,000	300,000,000	0	300,000,000	0
CREDIT SUISSE AGTDCAY 1.19 20171128	11/28/17	11/28/17	11/28/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171128	11/28/17	11/28/17	11/28/17	175,000,000	175,000,000	0	175,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171122	11/22/17	11/22/17	11/22/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171122	11/22/17	11/22/17	11/22/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171129	11/29/17	11/29/17	11/29/17	230,000,000	230,000,000	0	230,000,000	0
DNB BANK ASATDCAY 1.16 20171127	11/27/17	11/27/17	11/27/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171127	11/27/17	11/27/17	11/27/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171128	11/28/17	11/28/17	11/28/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171128	11/28/17	11/28/17	11/28/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171128	11/28/17	11/28/17	11/28/17	130,000,000	130,000,000	0	130,000,000	0
DNB BANK ASATDCAY 1.16 20171128	11/28/17	11/28/17	11/28/17	130,000,000	130,000,000	0	130,000,000	0
DNB BANK ASATDCAY 1.16 20171129	11/29/17	11/29/17	11/29/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171129	11/29/17	11/29/17	11/29/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY 1.16 20171130	11/30/17	11/30/17	11/30/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171130	11/30/17	11/30/17	11/30/17	300,000,000	300,000,000	0	300,000,000	0
NATIONAL AUSTRALIA TDCAY 1.15 20171130	11/30/17	11/30/17	11/30/17	200,000,000	200,000,000	0	200,000,000	0
Total Maturities				24,380,361,000	24,380,361,000	0	24,380,361,000	0
Sells								
BEDFORD ROW FUNDING CORP	04/27/18	11/15/17	11/15/17	13,000,000	13,000,663	10,116	13,010,779	663
LOS ANGELES COUNTY FAIR ASSOCIATION	11/01/39	10/02/17	11/01/17	485,000	485,000	0	485,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/02/17	11/02/17	115,390	115,390	0	115,390	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/02/17	11/02/17	539,511	539,511	0	539,511	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/02/17	11/02/17	1,553,378	1,553,378	0	1,553,378	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/02/17	11/02/17	420,768	420,768	0	420,768	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/02/17	11/02/17	128,428	128,428	0	128,428	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/06/17	11/06/17	2,574,508	2,574,508	0	2,574,508	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/08/17	11/08/17	636	636	0	636	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/08/17	11/08/17	1,640,713	1,640,713	0	1,640,713	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/08/17	11/08/17	3,402,283	3,402,283	0	3,402,283	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/08/17	11/08/17	2,011,569	2,011,569	0	2,011,569	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/13/17	11/13/17	45,767,646	45,767,646	0	45,767,646	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/14/17	11/14/17	5,666,991	5,666,991	0	5,666,991	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/14/17	11/14/17	99,424	99,424	0	99,424	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/15/17	11/15/17	3,380,255	3,380,255	0	3,380,255	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/20/17	11/20/17	3,538,645	3,538,645	0	3,538,645	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/21/17	11/21/17	990,725	990,725	0	990,725	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/21/17	11/21/17	205,596	205,596	0	205,596	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/21/17	11/21/17	650,559	650,559	0	650,559	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/22/17	11/22/17	3,055,743	3,055,743	0	3,055,743	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/27/17	11/27/17	469,368	469,368	0	469,368	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	11/27/17	11/27/17	1,552,355	1,552,355	0	1,552,355	0
Total Sells				91,249,491	91,250,154	10,116	91,260,270	663



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## **Our Mission**

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

# **Federated**



## **MONTHLY SUMMARY REPORT**

**December 2017**

**State Board of Administration of Florida**



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## **Past performance is no guarantee of future results.**

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

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

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

## INTRODUCTION

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

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

This report, which covers the period from December 1, 2017, through December 31, 2017, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME in a format intended to comply with the statute.

## DISCLOSURE OF MATERIAL IMPACTS

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

### PRIME™ STATISTICS

(As of December 31, 2017)

Total Participants

**735**

Florida PRIME™ Assets

**\$11,428,954,534**

Total Number of Accounts

**1,376**

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

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

## PORTFOLIO MANAGER COMMENTARY

### MARKET CONDITIONS

Two major developments in December—the overhaul of the U.S. federal tax code and a hike by the Federal Reserve—will likely keep both short-term government rates and inflation on a steady march into 2% land in 2018. That's a sunny path to be sure, but there's potential for distractions.

The Federal Reserve is, of course, at the center of it all. Its December Federal Open Market Committee (FOMC) meeting went as expected, resulting in a rate increase (to a range of 1.25-1.50%) and projections for three more in 2018. We think the moves will be front-loaded—happening in March, June and September—leaving open the potential for yet another one of those Fed year-end hikes. But whenever they come, three rate increases would put the short end of the London interbank offered rate (Libor) in a range of 2-2.25%. Indeed, the cash markets could very well have a two handle in 2018.

But as we all know, the Fed can create bumps in the road, and there will be opportunities. One is what the effect will be on the yield curve from the ever-increasing roll-off of its mammoth balance sheet. If the Fed sticks to its announced schedule, it will be reducing reinvestments by \$50 billion a month in the final quarter of 2018 and will have pared \$450 billion from the start of the program in October 2017. That's a significant amount in total, and the slow rise means supply will be in constant change and no one knows exactly how the markets will react.

Another continuing Fed issue is the number of empty seats on its board of governors. When the board is at full strength, the governors make up the majority of the policy-setting FOMC compared to the presidents of the regional Fed branches. There is potential for risk in 2018 if we have four open posts

out of a 12-member capacity, especially if New York Fed President William Dudley makes good on his plan to retire soon. Monetary policy—particularly as policymakers head into the uncharted territory of paring the large balance sheet—should be navigated with a full crew.

The effect of tax reform on money markets also is an unknown, but ultimately, we don't expect much change from the environment of the latter half of 2017. The U.S. economy is gaining momentum and Libor remains supportive (1-month rising from 1.35% to 1.57% and 3-month from 1.48% to 1.69%).

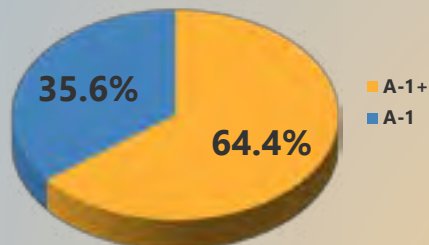
### INVESTMENT STRATEGY

December is solidly in the midst of tax collection season for most participants in the Pool, leading its assets under management (AUM) to jump by \$2 billion, from \$9.4 billion to \$11.4 billion. This trend of depositing tax revenue should continue through February. As the short-end of the Libor curve rose following the Fed rate hike, so did the gross yield of the Pool, increasing by 18 basis points to 1.58%.

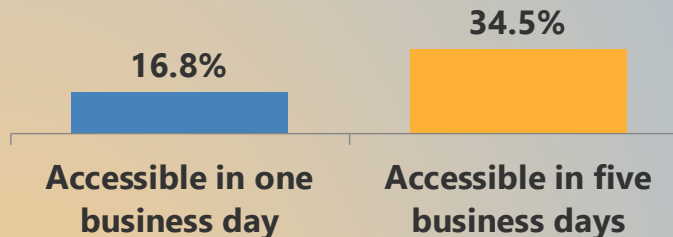
The Pool manager continued to target its weighted average maturity (WAM) within a range of 40-50 days, with the actual WAM at 45 days and weighted average life at 77 days. The rise of Libor related to the Fed hike that gave the Pool opportunities to purchase securities at increasing rates led to several shifts in portfolio composition: we increased the amount of fixed-rate commercial paper by 5% to make up 48% of holdings. Money market purchases also rose, by 2% to become 8% of total. These were offset by declines in the amount of variable-rate instruments (by 2% to 27% of all holdings), fixed-rate bank paper (by 3% to 15% of total) and repo (by 2% to 2%).

## PORTFOLIO COMPOSITION FOR DECEMBER 2017

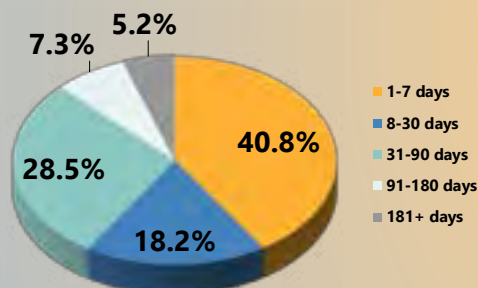
### CREDIT QUALITY COMPOSITION



### HIGHLY LIQUID HOLDINGS



### EFFECTIVE MATURITY SCHEDULE



### TOP HOLDINGS & AVG. MATURITY

1. Wells Fargo & Co.	5.1%
2. Toronto Dominion Bank	5.0%
3. Mitsubishi UFJ Financial Group, Inc.	4.9%
4. Barton Capital S.A.	4.8%
5. Canadian Imperial Bank of Commerce	4.7%
6. Sumitomo Mitsui Financial Group, Inc.	4.5%
7. Dreyfus Government Cash Management Fund	4.4%
8. Old Line Funding, LLC	4.4%
9. Bank of Nova Scotia, Toronto	4.2%
10. Antalis S.A.	4.1%

#### Average Effective Maturity (WAM) \*

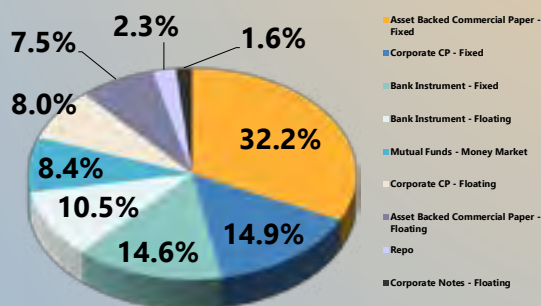
44.9 Days

#### Weighted Average Life (Spread WAL)

76.7 Days

Percentages based on total value of investments

### PORTFOLIO COMPOSITION



## FUND PERFORMANCE THROUGH DECEMBER 31, 2017

Florida PRIME Performance Data			
	Net Participant Yield <sup>1</sup>	Net-of-Fee Benchmark <sup>2</sup>	Above (Below) Benchmark
One Month	1.45%	1.18%	0.27%
Three Months	1.40%	1.11%	0.29%
One Year	1.22%	0.91%	0.30%
Three Years	0.71%	0.46%	0.25%
Five Years	0.50%	0.30%	0.20%
Ten Years	0.65%	0.48%	0.16%
Since 1/96	2.60%	2.39%	0.21%

**Note:** Net asset value at month end: \$11,427.3 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

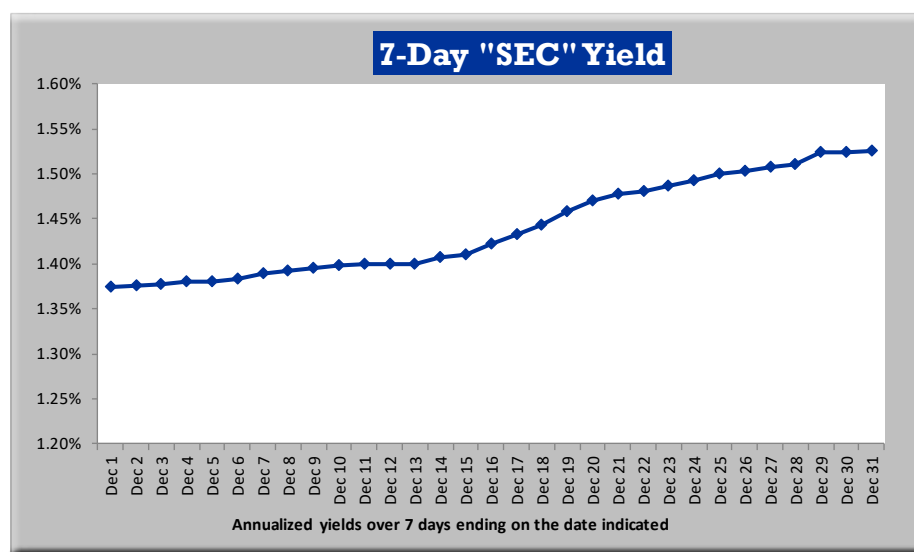
<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

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

### ABOUT ANNUALIZED YIELDS:

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

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



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

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

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

## PRIME ACCOUNT SUMMARY FOR DECEMBER 2017

Summary of Cash Flows		
Opening Balance (12/01/17)	\$	9,509,435,616
Participant Deposits		5,649,057,828
Gross Earnings		13,391,777
Participant Withdrawals		(3,742,635,462)
Fees		(295,225)
Closing Balance (12/31/17)	\$	11,428,954,534
<b>Net Change over Month</b>	<b>\$</b>	<b>1,919,518,918</b>

Detailed Fee Disclosure		
December	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 90,932.04	1.04
Federated Investment Management Fee	173,932.23	1.99
BNY Mellon Custodial Fee**	12,977.31	0.15
Bank of America Transfer Agent Fee	8,526.89	0.10
S&P Rating Maintenance Fee	3,821.92	0.04
Audit/External Review Fees	5,034.49	0.06
<b>Total Fees</b>	<b>\$ 295,224.88</b>	<b>3.38</b>

\*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$10,469,195,075.

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



## INVENTORY OF HOLDINGS FOR DECEMBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ABN Amro Bank NV, Amsterdam TD	TIME DEPOSIT	1.43	1/3/2018		300,000,000	1.45	\$300,000,000	\$300,000,000	\$0
ASB Finance Ltd., Jun 05, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.65	6/5/2018	3/7/2018	50,000,000	1.67	\$50,000,000	\$50,008,950	\$8,950
ASB Finance Ltd., Mar 12, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.59	3/12/2018	1/12/2018	50,000,000	1.62	\$50,000,000	\$50,010,500	\$10,500
ASB Finance Ltd., May 17, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.62	5/17/2018	1/17/2018	25,000,000	1.66	\$24,997,490	\$24,999,600	\$2,110
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/5/2018		54,696,000	1.45	\$54,680,791	\$54,680,260	-\$532
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/22/2018		34,133,000	1.51	\$34,099,095	\$34,098,549	-\$546
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/22/2018		37,714,000	1.67	\$37,672,515	\$37,675,934	\$3,420
Albion Capital LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/25/2018		14,750,000	1.52	\$14,733,406	\$14,733,163	-\$243
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/7/2018		50,000,000	1.60	\$49,912,778	\$49,906,111	-\$6,667
Anglesea Funding LLC, Jun 04, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.56	6/4/2018	1/8/2018	25,000,000	1.41	\$25,000,000	\$24,999,828	-\$172
Anglesea Funding LLC, Jun 08, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.83	6/8/2018	1/11/2018	70,000,000	1.74	\$70,000,000	\$70,014,560	\$14,560
Anglesea Funding LLC, Jun 11, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.74	6/11/2018	1/16/2018	20,000,000	1.76	\$20,000,000	\$20,000,004	\$4
Anglesea Funding LLC, May 25, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.81	5/25/2018	1/2/2018	140,000,000	1.63	\$140,000,000	\$140,001,898	\$1,898
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2018		33,140,000	1.48	\$33,134,624	\$33,134,532	-\$92
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/3/2018		70,000,000	1.50	\$69,985,611	\$69,985,514	-\$97
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/4/2018		151,070,000	1.50	\$151,032,736	\$151,032,358	-\$378
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/10/2018		650,000	1.47	\$649,686	\$649,670	-\$16
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/22/2018		53,000,000	1.71	\$52,940,640	\$52,944,314	\$3,674
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/26/2018		64,120,000	1.48	\$64,047,188	\$64,040,605	-\$6,583
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/26/2018		100,000,000	1.71	\$99,869,333	\$99,876,178	\$6,845
Australia & New Zealand Banking Group, Melbourne CP4-2	COMMERCIAL PAPER - 4-2		6/12/2018		100,000,000	1.76	\$99,211,667	\$99,241,458	\$29,791
BMO Harris Bank, N.A. CD	CERTIFICATE OF DEPOSIT	1.52	2/13/2018		20,000,000	1.54	\$20,000,000	\$19,996,580	-\$3,420
Bank of America N.A. BNOTE	BANK NOTE	1.50	4/18/2018		59,000,000	1.52	\$59,000,000	\$58,983,652	-\$16,348
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	1.42	1/2/2018		250,000,000	1.44	\$250,000,000	\$250,000,000	\$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.42	3/19/2018		50,000,000	1.44	\$50,000,000	\$49,970,700	-\$29,300
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	2/26/2018		51,250,000	1.43	\$51,250,000	\$51,231,491	-\$18,509
Bank of Montreal, Jan 04, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.77	1/4/2018	1/4/2018	43,000,000	1.60	\$43,000,000	\$43,001,419	\$1,419
Bank of Montreal, May 23, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.62	5/23/2018	2/23/2018	25,000,000	1.65	\$25,000,000	\$25,007,175	\$7,175
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/19/2018		20,000,000	1.76	\$19,923,111	\$19,924,756	\$1,644
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/23/2018		15,000,000	1.48	\$14,949,250	\$14,940,080	-\$9,170
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/27/2018		100,000,000	1.50	\$99,640,667	\$99,576,867	-\$63,800
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		3/29/2018		100,000,000	1.80	\$99,557,500	\$99,565,000	\$7,500
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		4/2/2018		100,000,000	1.83	\$99,530,000	\$99,545,406	\$15,406
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		4/13/2018		73,000,000	1.50	\$72,687,013	\$72,628,461	-\$58,552
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		5/23/2018		25,000,000	1.51	\$24,850,972	\$24,822,073	-\$28,899
Bank of Nova Scotia, Toronto, Jul 02, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.75	7/2/2018	1/2/2018	25,000,000	1.57	\$25,000,000	\$24,994,475	-\$5,525
Bank of Nova Scotia, Toronto, Mar 09, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.70	3/9/2018	1/9/2018	20,000,000	1.60	\$20,000,000	\$20,004,220	\$4,220
Bank of Tokyo-Mitsubishi UFJ Ltd. CP	COMMERCIAL PAPER		1/5/2018		30,000,000	1.41	\$29,991,892	\$29,991,075	-\$817

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/6/2018		64,000,000	1.44	\$63,832,053	\$63,816,926	-\$15,127
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/9/2018		46,000,000	1.44	\$45,873,883	\$45,862,256	-\$11,628
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		3/9/2018		30,000,000	1.44	\$29,917,750	\$29,910,167	-\$7,583
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2018		72,000,000	1.37	\$71,989,200	\$71,987,720	-\$1,480
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2018		73,000,000	1.37	\$72,989,050	\$72,987,549	-\$1,501
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2018		50,000,000	1.42	\$49,992,222	\$49,991,472	-\$750
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/4/2018		100,000,000	1.57	\$99,974,167	\$99,939,722	-\$34,445
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/5/2018		150,000,000	1.42	\$149,959,167	\$149,954,792	-\$4,375
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/26/2018		15,000,000	1.73	\$14,958,208	\$14,957,569	-\$639
Barton Capital S.A., Feb 05, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.81	2/5/2018	1/5/2018	50,000,000	1.65	\$50,000,000	\$50,000,000	\$0
Barton Capital S.A., Feb 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.72	2/9/2018	1/9/2018	43,000,000	1.62	\$43,000,000	\$43,008,815	\$8,815
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		7/12/2018		50,000,000	1.62	\$49,572,083	\$49,499,229	-\$72,854
Bedford Row Funding Corp., Aug 03, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.74	8/3/2018	1/3/2018	20,000,000	1.57	\$20,000,000	\$19,991,620	-\$8,380
Bedford Row Funding Corp., Feb 08, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	2.05	2/8/2018	1/8/2018	25,000,000	1.92	\$25,000,000	\$25,013,975	\$13,975
Bedford Row Funding Corp., Jan 18, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	2.01	1/18/2018	1/18/2018	20,000,000	2.04	\$20,000,000	\$20,006,420	\$6,420
Bedford Row Funding Corp., Jun 28, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.83	6/28/2018	3/28/2018	23,000,000	1.85	\$23,000,000	\$23,000,391	\$391
Bedford Row Funding Corp., Mar 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.87	3/22/2018	1/22/2018	30,000,000	1.90	\$30,000,000	\$30,000,000	\$0
Bedford Row Funding Corp., Nov 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.78	11/9/2018	1/9/2018	13,000,000	1.68	\$13,000,000	\$12,994,501	-\$5,499
Bedford Row Funding Corp., Nov 19, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.73	11/19/2018	1/19/2018	29,000,000	1.75	\$29,000,000	\$29,000,000	\$0
Bedford Row Funding Corp., Oct 01, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.83	10/1/2018	1/2/2018	80,000,000	1.51	\$80,000,000	\$80,000,000	\$0
Bedford Row Funding Corp., Oct 05, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.85	10/5/2018	1/5/2018	20,000,000	1.52	\$20,000,000	\$19,998,220	-\$1,780
Bruce T. Brown 2017 Irrevocable Trust, Series 2017, Oct 01, 2024	VARIABLE RATE DEMAND NOTE	1.47	10/1/2024	1/4/2018	5,185,000	1.47	\$5,185,000	\$5,185,000	\$0
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/1/2018		10,000,000	1.42	\$9,986,872	\$9,985,522	-\$1,351
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/2/2018		25,000,000	1.43	\$24,938,750	\$24,927,331	-\$11,419
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/26/2018		50,000,000	1.80	\$49,786,125	\$49,788,663	\$2,538
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/9/2018		93,000,000	1.54	\$92,836,165	\$92,825,098	-\$11,067
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/7/2018		50,000,000	1.74	\$49,622,222	\$49,589,778	-\$32,444
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2018		8,800,000	1.27	\$8,798,778	\$8,798,581	-\$197
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/21/2018		56,000,000	1.54	\$55,873,160	\$55,862,912	-\$10,248
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/26/2018		58,000,000	1.56	\$57,854,565	\$57,843,444	-\$11,122
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	7/3/2018		100,000,000	1.59	\$100,000,000	\$99,901,354	-\$98,646
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	7/5/2018		97,000,000	1.59	\$97,000,000	\$96,902,360	-\$97,640
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.59	7/9/2018		25,000,000	1.61	\$25,000,000	\$24,976,146	-\$23,854
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.76	11/13/2018		25,000,000	1.78	\$25,000,000	\$24,962,025	-\$37,975
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		1/2/2018		150,000,000	1.35	\$149,977,833	\$149,976,917	-\$917
Canadian Imperial Bank of Commerce, Apr 19, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.51	4/19/2018	1/19/2018	50,000,000	1.53	\$50,000,000	\$50,017,350	\$17,350

See notes at end of table.

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Canadian Imperial Bank of Commerce, Jan 12, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.61	1/12/2018	1/12/2018	67,000,000	1.64	\$67,000,000	\$67,005,494	\$5,494
Canadian Imperial Bank of Commerce, Nov 13, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.72	11/13/2018	1/16/2018	1,000,000	1.74	\$1,000,000	\$1,000,055	\$55
Canadian Imperial Bank of Commerce, Sep 13, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.81	9/13/2018	3/13/2018	24,000,000	1.71	\$24,022,317	\$24,003,240	-\$19,077
Chase Bank USA, N.A., Jan 05, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	2.06	1/5/2018	1/5/2018	75,000,000	1.91	\$75,000,000	\$75,007,275	\$7,275
Citibank NA, New York CD	CERTIFICATE OF DEPOSIT	1.50	2/20/2018		45,000,000	1.52	\$45,000,000	\$44,990,100	-\$9,900
Collateralized Commercial Paper Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		6/15/2018		15,000,000	1.62	\$14,889,400	\$14,869,940	-\$19,460
Collateralized Commercial Paper Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		9/7/2018		105,000,000	1.94	\$103,610,850	\$103,575,570	-\$35,280
Collateralized Commercial Paper Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		9/7/2018		54,000,000	1.96	\$53,278,020	\$53,267,436	-\$10,584
Collateralized Commercial Paper Co. LLC CPABS3A3	COMMERCIAL PAPER - ABS 3A3		9/14/2018		75,000,000	2.11	\$73,893,854	\$73,949,971	\$56,117
Collateralized Commercial Paper Co. LLC, Jul 31, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.79	7/31/2018	12/29/2017	11,000,000	1.81	\$11,000,000	\$10,996,315	-\$3,685
Collateralized Commercial Paper Co. LLC, Jun 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.81	6/22/2018	3/22/2018	95,700,000	1.83	\$95,700,000	\$95,709,857	\$9,857
Collateralized Commercial Paper Co. LLC, May 23, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.77	5/23/2018	1/23/2018	25,000,000	1.80	\$25,000,000	\$25,008,425	\$8,425
Commonwealth Bank of Australia, Apr 27, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.43	4/27/2018	1/29/2018	15,000,000	1.46	\$15,000,062	\$15,004,170	\$4,108
Commonwealth Bank of Australia, Jan 10, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.70	1/10/2018	1/10/2018	75,000,000	1.60	\$75,000,000	\$75,004,575	\$4,575
Commonwealth Bank of Australia, Mar 29, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.83	3/29/2018	3/29/2018	20,000,000	1.86	\$20,000,000	\$20,008,440	\$8,440
Commonwealth Bank of Australia, May 10, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.75	5/10/2018	1/10/2018	70,000,000	1.65	\$70,000,000	\$70,026,740	\$26,740
Corporate Finance Managers, Inc., Series B, Feb 02, 2043	VARIABLE RATE DEMAND NOTE	1.60	2/2/2043	1/4/2018	11,800,000	1.56	\$11,800,000	\$11,800,000	\$0
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.39	2/2/2018		20,000,000	1.47	\$19,998,821	\$19,996,280	-\$2,541
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.70	3/16/2018		50,000,000	1.72	\$50,000,000	\$50,003,600	\$3,600
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CP4-2	COMMERCIAL PAPER - 4-2		3/22/2018		50,000,000	1.63	\$49,815,556	\$49,820,974	\$5,418
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	1.18	1/2/2018	10/5/2016	507,375,478	1.20	\$507,375,478	\$507,375,478	\$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/5/2018		49,500,000	1.37	\$49,487,006	\$49,485,851	-\$1,155
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2018		59,750,000	1.42	\$59,724,440	\$59,722,888	-\$1,552
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/20/2018		50,000,000	1.54	\$49,888,847	\$49,877,070	-\$11,778
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/7/2018		50,000,000	1.63	\$49,848,889	\$49,836,139	-\$12,750
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/8/2018		3,005,000	1.65	\$2,995,669	\$2,994,984	-\$685
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/9/2018		12,600,000	1.65	\$12,560,310	\$12,557,296	-\$3,014
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/13/2018		50,000,000	1.67	\$49,831,444	\$49,819,009	-\$12,436
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/15/2018		75,000,000	1.66	\$74,741,917	\$74,893,479	\$151,562
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/21/2018		43,000,000	1.85	\$42,821,741	\$42,824,190	\$2,449
Gulf Gate Apartments LLC, Series 2003, Sep 01, 2028	VARIABLE RATE DEMAND NOTE	1.47	9/1/2028	1/4/2018	7,550,000	1.47	\$7,550,000	\$7,550,000	\$0
Harris County, TX Education Facilities Finance Corp., (Methodist Hospital, Harris County, TX), (Series 2008C-1), 12/01/2024	MUNICIPAL VARIABLE RATE DEMAND NOTE	1.23	12/1/2024	1/1/2018	28,000,000	1.80	\$28,000,000	\$28,000,000	\$0
Henry Andrew Brown, III 2017 Irrevocable Trust, Series 2017, Oct 01, 2042	VARIABLE RATE DEMAND NOTE	1.47	10/1/2042	1/4/2018	4,260,000	1.47	\$4,260,000	\$4,260,000	\$0

See notes at end of table.

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Institutional Prime Value Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	1.51	1/2/2018	1/2/2018	456,059,512	1.52	\$456,059,512	\$456,013,906	-\$45,606
KFW ECP (USD)	EURO COMMERCIAL PAPER		1/3/2018		200,000,000	1.93	\$199,947,242	\$199,926,138	-\$21,104
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2018		100,000,000	1.34	\$99,985,333	\$99,984,544	-\$789
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/2/2018		80,000,000	1.51	\$79,884,111	\$79,874,934	-\$9,178
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/2/2018		100,000,000	1.51	\$99,855,139	\$99,843,667	-\$11,472
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/5/2018		50,000,000	1.52	\$49,920,833	\$49,914,870	-\$5,964
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/16/2018		50,000,000	1.68	\$49,887,708	\$49,888,934	\$1,225
Long Island Power Authori, 1.4%	CALLABLE COMMERCIAL PAPER	1.40	9/4/2018		50,000,000	1.42	\$50,000,000	\$50,000,000	\$0
Los Angeles County Fair Association, Nov 01, 2039	VARIABLE RATE DEMAND NOTE	1.60	11/1/2039	1/3/2018	9,515,000	1.56	\$9,515,000	\$9,515,000	\$0
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		2/5/2018		33,900,000	1.48	\$33,848,114	\$33,842,997	-\$5,117
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		3/21/2018		83,000,000	1.73	\$82,678,606	\$82,675,203	-\$3,403
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		4/13/2018		5,000,000	1.61	\$4,976,958	\$4,974,275	-\$2,683
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/11/2018		100,000,000	1.42	\$99,949,444	\$99,945,219	-\$4,225
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/11/2018		27,900,000	1.47	\$27,885,391	\$27,884,716	-\$675
Manhattan Asset Funding Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/27/2018		73,179,000	1.83	\$72,857,012	\$72,858,444	\$1,431
Mike P. Sturdivant, Sr. Family Trust, Series 2016, Nov 01, 2036	VARIABLE RATE DEMAND NOTE	1.56	11/1/2036	1/4/2018	2,200,000	1.56	\$2,200,000	\$2,200,000	\$0
Mississippi Business Finance Corp., Kohler Project, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	1.59	6/1/2022	1/4/2018	10,000,000	1.59	\$10,000,000	\$10,000,000	\$0
Mizuho Bank Ltd. CDEUR (London)	CERTIFICATE OF DEPOSIT - EURO	0.00	1/5/2018		80,000,000	1.55	\$79,976,231	\$79,894,738	-\$81,493
Mizuho Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.60	3/7/2018		75,000,000	1.62	\$75,000,000	\$74,990,100	-\$9,900
Mizuho Bank Ltd., Mar 14, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.63	3/14/2018	1/15/2018	25,000,000	1.65	\$25,000,041	\$25,006,025	\$5,984
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	1.40	1/2/2018		15,000,000	1.42	\$15,000,000	\$15,000,000	\$0
NRW/Bank CP4-2	COMMERCIAL PAPER - 4-2		3/5/2018		50,000,000	1.44	\$49,870,292	\$49,853,884	-\$16,408
National Australia Bank Ltd., Melbourne, Apr 06, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.84	4/6/2018	1/8/2018	53,000,000	1.51	\$53,000,000	\$53,019,504	\$19,504
National Australia Bank Ltd., Melbourne, Jan 19, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.99	1/19/2018	1/19/2018	94,000,000	2.01	\$94,011,157	\$94,012,220	\$1,063
Nederlandse Waterschapsbank NV CP4-2	COMMERCIAL PAPER - 4-2		2/27/2018		5,000,000	1.43	\$4,988,333	\$4,986,417	-\$1,917
Novant Health, Inc., Series 1997, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	1.47	6/1/2022	1/3/2018	44,800,000	1.49	\$44,800,000	\$44,800,000	\$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/11/2018		50,000,000	1.46	\$49,974,181	\$49,972,339	-\$1,842
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/14/2018		50,000,000	1.50	\$49,846,875	\$49,820,313	-\$26,563
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/20/2018		20,000,000	1.45	\$19,936,100	\$19,921,025	-\$15,075
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/20/2018		25,000,000	1.45	\$24,920,125	\$24,901,281	-\$18,844
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/11/2018		40,000,000	1.74	\$39,690,222	\$39,672,547	-\$17,675
Old Line Funding, LLC, Apr 20, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		4/20/2018		50,000,000	1.84	\$49,720,000	\$49,700,000	-\$20,000
Old Line Funding, LLC, Apr 30, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		4/30/2018		50,000,000	1.84	\$49,695,000	\$49,692,500	-\$2,500
Old Line Funding, LLC, Feb 27, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		2/27/2018		25,000,000	1.56	\$24,936,250	\$24,931,250	-\$5,000
Old Line Funding, LLC, Feb 28, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		2/28/2018		25,000,000	1.56	\$24,935,188	\$24,929,892	-\$5,295

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Old Line Funding, LLC, Jan 09, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.75	1/9/2018	1/9/2018	37,300,000	1.65	\$37,300,000	\$37,302,648	\$2,648
Old Line Funding, LLC, Mar 19, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		3/19/2018		50,000,000	1.59	\$49,826,667	\$49,805,556	-\$21,111
Old Line Funding, LLC, Mar 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.76	3/22/2018	3/22/2018	30,000,000	1.78	\$30,000,000	\$30,007,260	\$7,260
Old Line Funding, LLC, Nov 29, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.79	11/29/2018	1/29/2018	50,000,000	1.81	\$50,000,000	\$50,000,000	\$0
Royal Bank of Canada, Dec 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.67	12/6/2018	3/6/2018	25,000,000	1.69	\$25,000,000	\$24,996,575	-\$3,425
Royal Bank of Canada, Jun 12, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.68	6/12/2018	3/12/2018	100,000,000	1.70	\$100,000,000	\$100,021,500	\$21,500
Sabri Arac, The Quarry Lane School Series 2005, Oct 01, 2035	VARIABLE RATE DEMAND NOTE	1.47	10/1/2035	1/4/2018	12,260,000	1.47	\$12,260,000	\$12,260,000	\$0
Standard Chartered Bank plc TD	TIME DEPOSIT	1.39	1/4/2018		300,000,000	1.41	\$300,000,000	\$300,000,000	\$0
Standard Chartered Bank plc, Jan 23, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.75	1/23/2018	1/23/2018	75,000,000	1.78	\$75,000,068	\$75,012,900	\$12,832
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/2/2018		47,800,000	1.47	\$47,792,299	\$47,792,113	-\$186
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/3/2018		35,000,000	1.39	\$34,993,340	\$34,992,757	-\$583
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		1/9/2018		67,000,000	1.40	\$66,971,748	\$66,968,883	-\$2,866
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/20/2018		33,000,000	1.53	\$32,927,125	\$32,920,421	-\$6,705
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		2/26/2018		50,000,000	1.56	\$49,874,625	\$49,864,956	-\$9,670
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/6/2018		98,500,000	1.60	\$98,212,188	\$98,192,023	-\$20,165
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		3/9/2018		50,000,000	1.58	\$49,849,306	\$49,835,403	-\$13,903
Sumitomo Mitsui Banking Corp., Jun 01, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.76	6/1/2018	1/4/2018	50,000,000	1.58	\$50,000,000	\$50,004,150	\$4,150
Sumitomo Mitsui Banking Corp., Jun 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.75	6/6/2018	1/9/2018	100,000,000	1.61	\$100,000,000	\$100,000,000	\$0
Sumitomo Mitsui Banking Corp., May 21, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.71	5/21/2018	1/22/2018	50,000,000	1.73	\$50,000,000	\$50,006,700	\$6,700
Sumitomo Mitsui Banking Corp., May 21, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.71	5/21/2018	1/22/2018	75,000,000	1.73	\$75,000,000	\$75,010,050	\$10,050
Sumitomo Mitsui Banking Corp., Sr. Note, 1.5%, 1/18/2018	CORPORATE BOND	1.50	1/18/2018		30,000,000	1.63	\$29,997,771	\$29,995,200	-\$2,571
Sumitomo Mitsui Banking Corp., Sr. Note, 1.75%, 1/16/2018	CORPORATE NOTE	1.75	1/16/2018		13,750,000	1.81	\$13,749,546	\$13,749,583	\$36
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	1/3/2018		200,000,000	1.42	\$200,000,000	\$200,000,000	\$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/5/2018		30,000,000	1.74	\$29,776,167	\$29,763,527	-\$12,640
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/11/2018		55,000,000	1.74	\$54,574,056	\$54,549,752	-\$24,304
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		6/15/2018		40,000,000	1.80	\$39,671,467	\$39,664,373	-\$7,093
Thunder Bay Funding, LLC, Apr 27, 2018	COMMERCIAL PAPER ASSET BACKED CALLABLE		4/27/2018		49,000,000	1.84	\$48,725,600	\$48,727,124	\$1,524
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.52	1/16/2018		120,000,000	1.53	\$120,000,000	\$119,998,870	-\$1,130
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		1/2/2018		130,000,000	1.36	\$129,980,644	\$129,979,257	-\$1,387
Toronto Dominion Bank CP4-2	COMMERCIAL PAPER - 4-2		1/3/2018		30,000,000	1.45	\$29,994,042	\$29,993,996	-\$46
Toronto Dominion Bank, Dec 03, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.80	12/3/2018	1/2/2018	103,000,000	1.61	\$103,000,000	\$102,970,851	-\$29,149
Toronto Dominion Bank, Nov 06, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.50	11/6/2018	2/5/2018	25,000,000	1.52	\$25,000,000	\$25,000,000	\$0
Toronto Dominion Bank, Nov 30, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.80	11/30/2018	12/29/2017	100,000,000	1.82	\$100,000,000	\$99,972,800	-\$27,200
Toronto Dominion Bank, Sep 25, 2018	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.78	9/25/2018	1/25/2018	10,000,000	1.81	\$10,000,000	\$9,999,400	-\$600
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		4/3/2018		98,000,000	1.52	\$97,614,669	\$97,579,757	-\$34,912
Toyota Motor Credit Corp., Jul 03, 2018	VARIABLE RATE COMMERCIAL PAPER	1.80	7/3/2018	1/4/2018	24,500,000	1.47	\$24,500,000	\$24,502,671	\$2,671

See notes at end of table.

## INVENTORY OF HOLDINGS FOR DECEMBER 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Toyota Motor Finance (Netherlands) B.V., Jan 11, 2018	VARIABLE RATE COMMERCIAL PAPER	1.74	1/11/2018	1/11/2018	50,000,000	1.72	\$50,000,000	\$50,004,700	\$4,700
Toyota Motor Finance (Netherlands) B.V., May 11, 2018	VARIABLE RATE COMMERCIAL PAPER	1.67	5/11/2018	1/15/2018	53,000,000	1.70	\$53,000,000	\$53,020,299	\$20,299
Wells Fargo Bank, N.A., Aug 23, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.76	8/23/2018	1/23/2018	30,000,000	1.79	\$30,000,000	\$29,996,070	-\$3,930
Wells Fargo Bank, N.A., Dec 03, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.81	12/3/2018	1/2/2018	66,000,000	1.63	\$66,000,000	\$66,005,280	\$5,280
Wells Fargo Bank, N.A., Dec 27, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.85	12/27/2018	3/27/2018	89,000,000	1.88	\$89,000,000	\$89,014,596	\$14,596
Wells Fargo Bank, N.A., Feb 01, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	2.08	2/1/2018	1/2/2018	25,000,000	1.90	\$25,000,000	\$25,012,550	\$12,550
Wells Fargo Bank, N.A., Feb 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.67	2/6/2018	2/6/2018	25,000,000	1.69	\$25,000,000	\$25,005,925	\$5,925
Wells Fargo Bank, N.A., May 04, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.50	5/4/2018	2/5/2018	73,000,000	1.52	\$73,000,000	\$73,006,935	\$6,935
Wells Fargo Bank, N.A., Nov 28, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.79	11/28/2018	1/29/2018	50,000,000	1.82	\$50,000,000	\$50,003,200	\$3,200
Westpac Banking Corp. Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.57	9/14/2018		50,000,000	1.59	\$50,000,000	\$49,879,094	-\$120,907
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		1/31/2018		100,000,000	1.57	\$99,857,917	\$99,859,383	\$1,466
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		10/12/2018		15,000,000	1.76	\$14,795,513	\$14,769,085	-\$26,428
Westpac Banking Corp. Ltd., Sydney, Mar 29, 2018	VARIABLE RATE COMMERCIAL PAPER	1.83	3/29/2018	3/29/2018	107,000,000	1.86	\$107,000,000	\$107,035,203	\$35,203
<b>Total Value of Assets</b>					<b>11,434,711,990</b>		<b>\$11,419,354,998</b>	<b>\$11,418,426,330</b>	<b>-\$928,668</b>

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

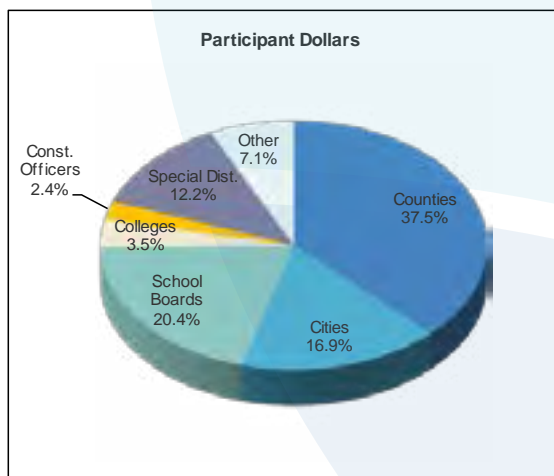
<sup>1</sup> Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

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

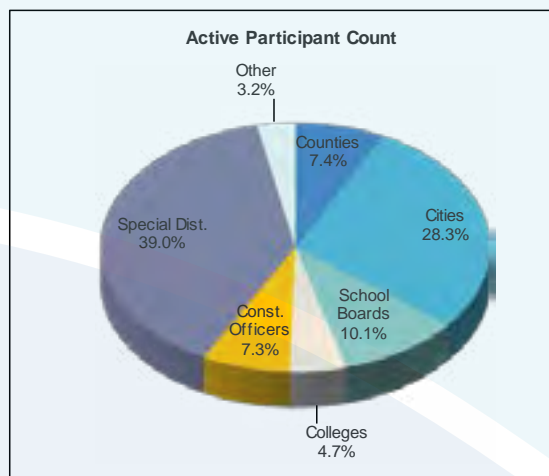


## PARTICIPANT CONCENTRATION DATA - AS OF DECEMBER 2017

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
<b>All Participants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Colleges &amp; Universities</b>	<b>3.5%</b>	<b>4.7%</b>
Top 10	35.8%	1.4%	Top 10	3.3%	1.4%
\$100 million or more	58.6%	4.0%	\$100 million or more	1.5%	0.1%
\$10 million up to \$100 million	34.8%	15.6%	\$10 million up to \$100 million	1.7%	1.0%
\$1 million up to \$10 million	6.0%	22.6%	\$1 million up to \$10 million	0.3%	1.5%
Under \$1 million	0.5%	57.8%	Under \$1 million	0.02%	2.1%
<b>Counties</b>	<b>37.5%</b>	<b>7.4%</b>	<b>Constitutional Officers</b>	<b>2.4%</b>	<b>7.3%</b>
Top 10	29.5%	1.4%	Top 10	0.8%	1.4%
\$100 million or more	32.2%	1.8%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	4.8%	1.5%	\$10 million up to \$100 million	1.8%	0.7%
\$1 million up to \$10 million	0.4%	1.2%	\$1 million up to \$10 million	0.6%	2.2%
Under \$1 million	0.0%	2.9%	Under \$1 million	0.0%	4.4%
<b>Municipalities</b>	<b>16.9%</b>	<b>28.3%</b>	<b>Special Districts</b>	<b>12.2%</b>	<b>39.0%</b>
Top 10	8.2%	1.4%	Top 10	7.3%	1.4%
\$100 million or more	4.5%	0.6%	\$100 million or more	3.9%	0.4%
\$10 million up to \$100 million	10.1%	4.8%	\$10 million up to \$100 million	6.3%	3.0%
\$1 million up to \$10 million	2.1%	8.1%	\$1 million up to \$10 million	1.7%	6.5%
Under \$1 million	0.2%	14.8%	Under \$1 million	0.3%	29.1%
<b>School Boards</b>	<b>20.4%</b>	<b>10.1%</b>	<b>Other</b>	<b>7.1%</b>	<b>3.2%</b>
Top 10	14.6%	1.4%	Top 10	6.4%	1.4%
\$100 million or more	11.3%	0.7%	\$100 million or more	5.2%	0.4%
\$10 million up to \$100 million	8.4%	3.4%	\$10 million up to \$100 million	1.7%	1.1%
\$1 million up to \$10 million	0.7%	2.3%	\$1 million up to \$10 million	0.2%	0.7%
Under \$1 million	0.0%	3.6%	Under \$1 million	0.0%	1.0%



**Total Fund Value: \$11,428,954,534**



**Total Active Participant Count: 725**

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

## COMPLIANCE WITH INVESTMENT POLICY FOR DECEMBER 2017

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

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

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

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

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

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

## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
<b>Buys</b>								
ALBION CAPITAL LLC CPABS4	12/08/17	12/01/17	12/01/17	50,000,000	49,988,139	0	49,988,139	0
ALBION CAPITAL LLC CPABS4	12/08/17	12/01/17	12/01/17	15,224,000	15,220,389	0	15,220,389	0
ALBION CAPITAL LLC CPABS4	12/22/17	12/15/17	12/15/17	50,000,000	49,985,708	0	49,985,708	0
ALBION CAPITAL LLC CPABS4	12/22/17	12/15/17	12/15/17	6,643,000	6,641,101	0	6,641,101	0
ALBION CAPITAL LLC CPABS4	12/27/17	12/22/17	12/22/17	46,813,000	46,803,247	0	46,803,247	0
ALBION CAPITAL LLC CPABS4	01/05/18	12/04/17	12/05/17	50,000,000	49,938,431	0	49,938,431	0
ALBION CAPITAL LLC CPABS4	01/05/18	12/04/17	12/05/17	4,696,000	4,690,217	0	4,690,217	0
ALBION CAPITAL LLC CPABS4	01/22/18	12/27/17	12/27/17	37,714,000	37,669,057	0	37,669,057	0
ALBION CAPITAL LLC CPABS4	01/25/18	12/11/17	12/11/17	14,750,000	14,722,344	0	14,722,344	0
BELGIUM, GOVERNMENTECP	12/21/17	12/12/17	12/14/17	200,000,000	199,942,461	0	199,942,461	0
ANGLESEA FUNDING LLC CPABS4	02/07/18	12/01/17	12/01/17	50,000,000	49,851,722	0	49,851,722	0
ANGLESEA FUNDING LLC	06/04/18	12/06/17	12/06/17	25,000,000	25,000,000	0	25,000,000	0
ANGLESEA FUNDING LLC	06/08/18	12/11/17	12/11/17	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC	06/08/18	12/11/17	12/11/17	20,000,000	20,000,000	0	20,000,000	0
ANGLESEA FUNDING LLC	06/11/18	12/12/17	12/13/17	20,000,000	20,000,000	0	20,000,000	0
ANTALIS S.A, CPABS4 CPABS4	12/11/17	12/04/17	12/04/17	20,000,000	19,995,333	0	19,995,333	0
ANTALIS S.A, CPABS4 CPABS4	12/12/17	12/05/17	12/05/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4 CPABS4	12/12/17	12/05/17	12/05/17	15,130,000	15,126,470	0	15,126,470	0
ANTALIS S.A, CPABS4 CPABS4	12/13/17	12/06/17	12/06/17	20,000,000	19,995,333	0	19,995,333	0
ANTALIS S.A, CPABS4 CPABS4	12/14/17	12/07/17	12/07/17	34,870,000	34,861,864	0	34,861,864	0
ANTALIS S.A, CPABS4 CPABS4	12/14/17	12/07/17	12/07/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4 CPABS4	12/14/17	12/07/17	12/07/17	50,000,000	49,988,333	0	49,988,333	0
ANTALIS S.A, CPABS4 CPABS4	12/18/17	12/11/17	12/11/17	36,180,000	36,170,503	0	36,170,503	0
ANTALIS S.A, CPABS4 CPABS4	12/19/17	12/12/17	12/12/17	50,000,000	49,986,583	0	49,986,583	0
ANTALIS S.A, CPABS4 CPABS4	12/19/17	12/12/17	12/12/17	2,720,000	2,719,270	0	2,719,270	0
ANTALIS S.A, CPABS4 CPABS4	12/21/17	12/14/17	12/14/17	50,000,000	49,985,806	0	49,985,806	0
ANTALIS S.A, CPABS4 CPABS4	12/21/17	12/14/17	12/14/17	47,040,000	47,026,646	0	47,026,646	0
ANTALIS S.A, CPABS4 CPABS4	12/21/17	12/14/17	12/14/17	50,000,000	49,985,806	0	49,985,806	0
ANTALIS S.A, CPABS4 CPABS4	12/21/17	12/14/17	12/14/17	36,470,000	36,459,647	0	36,459,647	0
ANTALIS S.A, CPABS4 CPABS4	12/27/17	12/18/17	12/18/17	50,000,000	49,981,500	0	49,981,500	0
ANTALIS S.A, CPABS4 CPABS4	12/27/17	12/18/17	12/18/17	32,000,000	31,988,160	0	31,988,160	0
ANTALIS S.A, CPABS4 CPABS4	12/27/17	12/19/17	12/19/17	40,000,000	39,987,022	0	39,987,022	0
ANTALIS S.A, CPABS4 CPABS4	12/27/17	12/20/17	12/20/17	30,000,000	29,991,483	0	29,991,483	0
ANTALIS S.A, CPABS4 CPABS4	12/27/17	12/20/17	12/20/17	4,000,000	3,998,849	0	3,998,849	0
ANTALIS S.A, CPABS4 CPABS4	12/28/17	12/21/17	12/21/17	50,000,000	49,985,806	0	49,985,806	0
ANTALIS S.A, CPABS4 CPABS4	12/28/17	12/21/17	12/21/17	47,520,000	47,506,510	0	47,506,510	0
ANTALIS S.A, CPABS4 CPABS4	12/28/17	12/21/17	12/21/17	50,000,000	49,985,806	0	49,985,806	0
ANTALIS S.A, CPABS4 CPABS4	01/02/18	12/26/17	12/26/17	33,140,000	33,130,592	0	33,130,592	0
ANTALIS S.A, CPABS4 CPABS4	01/03/18	12/27/17	12/27/17	50,000,000	49,985,611	0	49,985,611	0
ANTALIS S.A, CPABS4 CPABS4	01/03/18	12/27/17	12/27/17	20,000,000	19,994,244	0	19,994,244	0
ANTALIS S.A, CPABS4 CPABS4	01/04/18	12/28/17	12/28/17	50,000,000	49,985,611	0	49,985,611	0
ANTALIS S.A, CPABS4 CPABS4	01/04/18	12/28/17	12/28/17	50,000,000	49,985,611	0	49,985,611	0
ANTALIS S.A, CPABS4 CPABS4	01/04/18	12/28/17	12/28/17	50,000,000	49,985,611	0	49,985,611	0
ANTALIS S.A, CPABS4 CPABS4	01/04/18	12/28/17	12/28/17	1,070,000	1,069,692	0	1,069,692	0
ANTALIS S.A, CPABS4 CPABS4	01/22/18	12/21/17	12/21/17	50,000,000	49,925,333	0	49,925,333	0
ANTALIS S.A, CPABS4 CPABS4	01/22/18	12/21/17	12/21/17	3,000,000	2,995,520	0	2,995,520	0
ANTALIS S.A, CPABS4 CPABS4	01/26/18	12/27/17	12/27/17	50,000,000	49,930,000	0	49,930,000	0
ANTALIS S.A, CPABS4 CPABS4	01/26/18	12/27/17	12/27/17	50,000,000	49,930,000	0	49,930,000	0
ATLANTIC ASSET SECUCPABS4	12/07/17	12/06/17	12/06/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	12/07/17	12/06/17	12/06/17	20,000,000	19,999,350	0	19,999,350	0
ATLANTIC ASSET SECUCPABS4	12/11/17	12/08/17	12/08/17	50,000,000	49,995,125	0	49,995,125	0
ATLANTIC ASSET SECUCPABS4	12/11/17	12/08/17	12/08/17	30,000,000	29,997,075	0	29,997,075	0
ATLANTIC ASSET SECUCPABS4	12/13/17	12/12/17	12/12/17	41,500,000	41,498,617	0	41,498,617	0
ATLANTIC ASSET SECUCPABS4	12/13/17	12/12/17	12/12/17	25,000,000	24,999,167	0	24,999,167	0
ATLANTIC ASSET SECUCPABS4	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	12/14/17	12/13/17	12/13/17	15,000,000	14,999,513	0	14,999,513	0
ATLANTIC ASSET SECUCPABS4	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
ATLANTIC ASSET SECUCPABS4	12/15/17	12/14/17	12/14/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/15/17	12/14/17	12/14/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/15/17	12/14/17	12/14/17	15,000,000	14,999,408	0	14,999,408	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/18/17	12/18/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/18/17	12/18/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/18/17	12/18/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/18/17	12/18/17	15,000,000	14,999,408	0	14,999,408	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/18/17	12/18/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/18/17	12/18/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/18/17	12/18/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/20/17	12/19/17	12/19/17	50,000,000	49,998,000	0	49,998,000	0
ATLANTIC ASSET SECUCPABS4	12/20/17	12/19/17	12/19/17	5,100,000	5,099,796	0	5,099,796	0
ATLANTIC ASSET SECUCPABS4	12/28/17	12/27/17	12/27/17	50,000,000	49,998,028	0	49,998,028	0



## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
ATLANTIC ASSET SECUCPABS4	12/28/17	12/27/17	12/27/17	50,000,000	49,998,028	0	49,998,028	0
ATLANTIC ASSET SECUCPABS4	12/28/17	12/27/17	12/27/17	10,900,000	10,899,570	0	10,899,570	0
ATLANTIC ASSET SECUCPABS4	12/29/17	12/28/17	12/28/17	50,000,000	49,998,014	0	49,998,014	0
AUSTRALIA NEW ZEACP4-2	06/12/18	12/12/17	12/13/17	50,000,000	49,567,611	0	49,567,611	0
AUSTRALIA NEW ZEACP4-2	06/12/18	12/12/17	12/13/17	50,000,000	49,567,611	0	49,567,611	0
BANK OF NOVA SCOTIACP4-2	03/19/18	12/18/17	12/18/17	20,000,000	19,912,539	0	19,912,539	0
BANK OF NOVA SCOTIACP4-2	03/29/18	12/19/17	12/19/17	50,000,000	49,754,167	0	49,754,167	0
BANK OF NOVA SCOTIACP4-2	03/29/18	12/19/17	12/19/17	50,000,000	49,754,167	0	49,754,167	0
BANK OF NOVA SCOTIACP4-2	04/02/18	12/20/17	12/20/17	50,000,000	49,742,500	0	49,742,500	0
BANK OF NOVA SCOTIACP4-2	04/02/18	12/20/17	12/20/17	50,000,000	49,742,500	0	49,742,500	0
BANK OF TOKYO-MITSUBISHI UFJ LTD/NEW YORK NY	01/05/18	12/29/17	12/29/17	30,000,000	29,991,892	0	29,991,892	0
BARTON CAPITAL LLCPCABS4-	12/04/17	12/01/17	12/01/17	26,300,000	26,297,414	0	26,297,414	0
BARTON CAPITAL LLCPCABS4-	12/11/17	12/08/17	12/08/17	3,000,000	2,999,705	0	2,999,705	0
BARTON CAPITAL LLCPCABS4-	12/13/17	12/12/17	12/12/17	27,900,000	27,899,086	0	27,899,086	0
BARTON CAPITAL LLCPCABS4-	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCPCABS4-	12/13/17	12/12/17	12/12/17	25,000,000	24,999,188	0	24,999,188	0
BARTON CAPITAL LLCPCABS4-	12/13/17	12/12/17	12/12/17	44,000,000	43,998,558	0	43,998,558	0
BARTON CAPITAL LLCPCABS4-	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCPCABS4-	12/14/17	12/13/17	12/13/17	25,000,000	24,999,188	0	24,999,188	0
BARTON CAPITAL LLCPCABS4-	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCPCABS4-	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
BARTON CAPITAL LLCPCABS4-	12/18/17	12/15/17	12/15/17	50,000,000	49,994,083	0	49,994,083	0
BARTON CAPITAL LLCPCABS4-	12/18/17	12/15/17	12/15/17	5,000,000	4,999,408	0	4,999,408	0
BARTON CAPITAL LLCPCABS4-	12/18/17	12/15/17	12/15/17	50,000,000	49,994,083	0	49,994,083	0
BARTON CAPITAL LLCPCABS4-	12/19/17	12/18/17	12/18/17	36,000,000	35,998,580	0	35,998,580	0
BARTON CAPITAL LLCPCABS4-	01/02/18	12/29/17	12/29/17	50,000,000	49,992,222	0	49,992,222	0
BARTON CAPITAL LLCPCABS4-	01/02/18	12/29/17	12/29/17	50,000,000	49,992,500	0	49,992,500	0
BARTON CAPITAL LLCPCABS4-	01/02/18	12/29/17	12/29/17	22,000,000	21,996,700	0	21,996,700	0
BARTON CAPITAL LLCPCABS4-	01/04/18	12/21/17	12/21/17	50,000,000	49,969,861	0	49,969,861	0
BARTON CAPITAL LLCPCABS4-	01/04/18	12/21/17	12/21/17	50,000,000	49,969,861	0	49,969,861	0
BARTON CAPITAL LLCPCABS4-	01/05/18	12/04/17	12/04/17	50,000,000	49,937,778	0	49,937,778	0
BARTON CAPITAL LLCPCABS4-	01/05/18	12/04/17	12/04/17	50,000,000	49,937,778	0	49,937,778	0
BARTON CAPITAL LLCPCABS4-	01/05/18	12/04/17	12/04/17	50,000,000	49,937,778	0	49,937,778	0
BARTON CAPITAL LLCPCABS4-	02/26/18	12/28/17	12/28/17	15,000,000	14,957,500	0	14,957,500	0
CAFCQ, LLCPCABS4-2	03/26/18	12/27/17	12/27/17	50,000,000	49,781,208	0	49,781,208	0
CRC FUNDING LLCPCABS4-2	01/02/18	12/29/17	12/29/17	8,800,000	8,798,778	0	8,798,778	0
CANADIAN IMPERIAL BCP4-2	01/02/18	12/29/17	12/29/17	50,000,000	49,992,611	0	49,992,611	0
CANADIAN IMPERIAL BCP4-2	01/02/18	12/29/17	12/29/17	50,000,000	49,992,611	0	49,992,611	0
CHARTA, LLC CPABS4-CPABS4	12/26/17	12/19/17	12/19/17	50,000,000	49,985,903	0	49,985,903	0
CHARTA, LLC CPABS4-CPABS4	06/07/18	12/07/17	12/07/17	50,000,000	49,570,278	0	49,570,278	0
KREDITANSTALT FUR WIEDERA DISC03-JAN-2018	01/03/18	12/21/17	12/27/17	200,000,000	199,926,138	0	199,926,138	0
COLLATERALIZED COMMCPABS3	09/07/18	12/11/17	12/11/17	50,000,000	49,291,250	0	49,291,250	0
COLLATERALIZED COMMCPABS3	09/07/18	12/11/17	12/11/17	50,000,000	49,291,250	0	49,291,250	0
COLLATERALIZED COMMCPABS3	09/07/18	12/11/17	12/11/17	5,000,000	4,929,125	0	4,929,125	0
COLLATERALIZED COMMCPABS3	09/07/18	12/12/17	12/12/17	50,000,000	49,286,403	0	49,286,403	0
COLLATERALIZED COMMCPABS3	09/07/18	12/12/17	12/12/17	4,000,000	3,942,912	0	3,942,912	0
COLLATERALIZED COMMCPABS3	09/14/18	12/19/17	12/19/17	50,000,000	49,234,097	0	49,234,097	0
COLLATERALIZED COMMCPABS3	09/14/18	12/19/17	12/19/17	25,000,000	24,617,049	0	24,617,049	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	37,300,000	37,298,788	0	37,298,788	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/12/17	12/12/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	37,400,000	37,398,785	0	37,398,785	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/13/17	12/13/17	50,000,000	49,998,375	0	49,998,375	0
COOPERATIVE RABOBANK UA/NY	12/15/17	12/14/17	12/14/17	50,000,000	49,998,028	0	49,998,028	0
COOPERATIVE RABOBANK UA/NY	12/15/17	12/14/17	12/14/17	37,700,000	37,698,513	0	37,698,513	0
COOPERATIVE RABOBANK UA/NY	12/15/17	12/14/17	12/14/17	50,000,000	49,998,028	0	49,998,028	0
COOPERATIVE RABOBANK UA/NY	12/15/17	12/14/17	12/14/17	50,000,000	49,998,028	0	49,998,028	0
COOPERATIVE RABOBANK UA/NY	12/18/17	12/15/17	12/15/17	50,000,000	49,994,084	0	49,994,084	0
COOPERATIVE RABOBANK UA/NY	12/18/17	12/15/17	12/15/17	50,000,000	49,994,084	0	49,994,084	0
COOPERATIVE RABOBANK UA/NY	12/18/17	12/15/17	12/15/17	50,000,000	49,994,084	0	49,994,084	0

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## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DZ BANK AG DEUTSCHECP4-2	12/27/17	12/26/17	12/26/17	50,000,000	49,998,042	0	49,998,042	0
DZ BANK AG DEUTSCHECP4-2	12/29/17	12/28/17	12/28/17	50,000,000	49,998,042	0	49,998,042	0
DZ BANK AG DEUTSCHECP4-2	12/29/17	12/28/17	12/28/17	50,000,000	49,998,042	0	49,998,042	0
DZ BANK AG DEUTSCHECP4-2	12/29/17	12/28/17	12/28/17	5,800,000	5,799,773	0	5,799,773	0
FAIRWAY FINANCE CO,CPABS4	12/27/17	12/26/17	12/26/17	50,000,000	49,998,028	0	49,998,028	0
FAIRWAY FINANCE CO,CPABS4	12/27/17	12/26/17	12/26/17	26,400,000	26,398,959	0	26,398,959	0
GOTHAM FUNDING CORPCPABS4	03/07/18	12/12/17	12/12/17	50,000,000	49,811,111	0	49,811,111	0
GOTHAM FUNDING CORPCPABS4	03/08/18	12/12/17	12/12/17	3,005,000	2,993,371	0	2,993,371	0
GOTHAM FUNDING CORPCPABS4	03/09/18	12/12/17	12/12/17	12,600,000	12,550,671	0	12,550,671	0
GOTHAM FUNDING CORPCPABS4	03/13/18	12/14/17	12/14/17	50,000,000	49,797,278	0	49,797,278	0
GOTHAM FUNDING CORPCPABS4	03/15/18	12/14/17	12/14/17	50,000,000	49,793,986	0	49,793,986	0
GOTHAM FUNDING CORPCPABS4	03/15/18	12/14/17	12/14/17	25,000,000	24,896,993	0	24,896,993	0
GOTHAM FUNDING CORPCPABS4	03/21/18	12/21/17	12/21/17	43,000,000	42,804,350	0	42,804,350	0
HARRIS COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORP	12/01/24	12/28/17	12/28/17	28,000,000	28,000,000	25,223	28,025,223	0
LMA-AMERICAS LLCPCPABS4-2	12/04/17	12/01/17	12/01/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCPCPABS4-2	12/04/17	12/01/17	12/01/17	50,000,000	49,995,083	0	49,995,083	0
LMA-AMERICAS LLCPCPABS4-2	12/04/17	12/01/17	12/01/17	20,100,000	20,097,990	0	20,097,990	0
LMA-AMERICAS LLCPCPABS4-2	12/05/17	12/04/17	12/04/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/05/17	12/04/17	12/04/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/05/17	12/04/17	12/04/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/05/17	12/04/17	12/04/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/05/17	12/04/17	12/04/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/05/17	12/04/17	12/04/17	12,000,000	11,999,607	0	11,999,607	0
LMA-AMERICAS LLCPCPABS4-2	12/06/17	12/05/17	12/05/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/06/17	12/05/17	12/05/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/07/17	12/06/17	12/06/17	30,000,000	29,999,017	0	29,999,017	0
LMA-AMERICAS LLCPCPABS4-2	12/08/17	12/07/17	12/07/17	35,000,000	34,998,853	0	34,998,853	0
LMA-AMERICAS LLCPCPABS4-2	12/12/17	12/06/17	12/06/17	50,000,000	49,990,000	0	49,990,000	0
LMA-AMERICAS LLCPCPABS4-2	12/12/17	12/06/17	12/06/17	50,000,000	49,990,000	0	49,990,000	0
LMA-AMERICAS LLCPCPABS4-2	12/12/17	12/06/17	12/06/17	50,000,000	49,990,000	0	49,990,000	0
LMA-AMERICAS LLCPCPABS4-2	12/12/17	12/06/17	12/06/17	50,000,000	49,990,000	0	49,990,000	0
LMA-AMERICAS LLCPCPABS4-2	12/12/17	12/06/17	12/06/17	22,400,000	22,395,520	0	22,395,520	0
LMA-AMERICAS LLCPCPABS4-2	12/12/17	12/11/17	12/11/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/13/17	12/12/17	12/12/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/13/17	12/12/17	12/12/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/14/17	12/13/17	12/13/17	50,000,000	49,998,361	0	49,998,361	0
LMA-AMERICAS LLCPCPABS4-2	12/14/17	12/13/17	12/13/17	44,900,000	44,898,528	0	44,898,528	0
LMA-AMERICAS LLCPCPABS4-2	12/15/17	12/14/17	12/14/17	50,000,000	49,998,014	0	49,998,014	0
LMA-AMERICAS LLCPCPABS4-2	12/15/17	12/14/17	12/14/17	47,500,000	47,498,113	0	47,498,113	0
LMA-AMERICAS LLCPCPABS4-2	12/19/17	12/18/17	12/18/17	50,000,000	49,998,014	0	49,998,014	0
LMA-AMERICAS LLCPCPABS4-2	12/19/17	12/18/17	12/18/17	50,000,000	49,998,014	0	49,998,014	0
LMA-AMERICAS LLCPCPABS4-2	12/20/17	12/19/17	12/19/17	50,000,000	49,998,014	0	49,998,014	0
LMA-AMERICAS LLCPCPABS4-2	12/20/17	12/19/17	12/19/17	37,000,000	36,998,530	0	36,998,530	0
LMA-AMERICAS LLCPCPABS4-2	12/21/17	12/20/17	12/20/17	50,000,000	49,997,986	0	49,997,986	0
LMA-AMERICAS LLCPCPABS4-2	12/21/17	12/20/17	12/20/17	40,000,000	39,998,389	0	39,998,389	0
LMA-AMERICAS LLCPCPABS4-2	12/22/17	12/21/17	12/21/17	50,000,000	49,997,986	0	49,997,986	0
LMA-AMERICAS LLCPCPABS4-2	12/27/17	12/22/17	12/22/17	50,000,000	49,989,931	0	49,989,931	0
LMA-AMERICAS LLCPCPABS4-2	12/27/17	12/22/17	12/22/17	50,000,000	49,989,931	0	49,989,931	0
LMA-AMERICAS LLCPCPABS4-2	12/28/17	12/27/17	12/27/17	50,000,000	49,998,000	0	49,998,000	0
LMA-AMERICAS LLCPCPABS4-2	12/28/17	12/27/17	12/27/17	50,000,000	49,998,000	0	49,998,000	0
LMA-AMERICAS LLCPCPABS4-2	01/02/18	12/29/17	12/29/17	50,000,000	49,992,667	0	49,992,667	0
LMA-AMERICAS LLCPCPABS4-2	01/02/18	12/29/17	12/29/17	50,000,000	49,992,667	0	49,992,667	0
LMA-AMERICAS LLCPCPABS4-2	02/02/18	12/04/17	12/04/17	50,000,000	49,875,833	0	49,875,833	0
LMA-AMERICAS LLCPCPABS4-2	02/02/18	12/04/17	12/04/17	50,000,000	49,875,833	0	49,875,833	0
LMA-AMERICAS LLCPCPABS4-2	02/02/18	12/05/17	12/05/17	50,000,000	49,877,903	0	49,877,903	0
LMA-AMERICAS LLCPCPABS4-2	02/02/18	12/05/17	12/05/17	30,000,000	29,926,742	0	29,926,742	0
LMA-AMERICAS LLCPCPABS4-2	02/05/18	12/07/17	12/07/17	50,000,000	49,875,000	0	49,875,000	0
LMA-AMERICAS LLCPCPABS4-2	02/16/18	12/19/17	12/19/17	50,000,000	49,864,792	0	49,864,792	0
LONG ISLAND POWER AUTHORITY	01/04/18	12/07/17	12/07/17	50,000,000	50,000,000	0	50,000,000	0
MALAYAN BANKING BERCPLOC	03/21/18	12/14/17	12/14/17	50,000,000	49,770,972	0	49,770,972	0
MALAYAN BANKING BERCPLOC	03/21/18	12/14/17	12/14/17	33,000,000	32,848,842	0	32,848,842	0
MANHATTAN ASSET FUNCPABS4	03/27/18	12/28/17	12/28/17	50,000,000	49,777,500	0	49,777,500	0
MANHATTAN ASSET FUNCPABS4	03/27/18	12/28/17	12/28/17	3,000,000	2,986,650	0	2,986,650	0
MANHATTAN ASSET FUNCPABS4	03/27/18	12/28/17	12/28/17	20,179,000	20,089,203	0	20,089,203	0
MIZUHO BANK LTD,CP	12/12/17	12/05/17	12/05/17	45,000,000	44,989,544	0	44,989,544	0
MIZUHO BANK LTD,CP	12/14/17	12/07/17	12/07/17	50,000,000	49,988,382	0	49,988,382	0
MIZUHO BANK LTD,CP	12/14/17	12/07/17	12/07/17	50,000,000	49,988,382	0	49,988,382	0

## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO BANK LTD,CP	12/14/17	12/07/17	12/07/17	40,000,000	39,990,706	0	39,990,706	0
MIZUHO BANK LTD/NY	03/14/18	12/12/17	12/12/17	25,000,000	25,000,050	0	25,027,390	0
MIZUHO BANK LTD,CDYAN	03/07/18	12/07/17	12/07/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	03/07/18	12/07/17	12/07/17	25,000,000	25,000,000	0	25,000,000	0
MIZUHO BANK LTD,CDYAN	12/15/17	12/08/17	12/08/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDYAN	12/15/17	12/08/17	12/08/17	50,000,000	50,000,000	0	50,000,000	0
NATIONAL AUSTRALIA BANK LTD	01/19/18	12/26/17	12/27/17	50,000,000	50,006,500	22,056	50,028,556	0
NATIONAL AUSTRALIA BANK LTD	01/19/18	12/26/17	12/27/17	44,000,000	44,005,720	19,409	44,025,129	0
OLD LINE FUNDING, LCPAB54	06/11/18	12/05/17	12/05/17	40,000,000	39,644,889	0	39,644,889	0
OLD LINE FUNDING, LLC, AP	04/20/18	12/21/17	12/21/17	50,000,000	49,700,000	0	49,700,000	0
OLD LINE FUNDING, LLC, AP	04/30/18	12/27/17	12/28/17	50,000,000	49,692,500	0	49,692,500	0
OLD LINE FUNDING LLC	11/29/18	12/01/17	12/04/17	50,000,000	50,000,000	0	50,000,000	0
ROYAL BANK OF CANADA/NEW YORK NY	12/06/18	12/06/17	12/06/17	25,000,000	25,000,000	0	25,000,000	0
SOCIETE GENERALE SA	12/13/17	12/12/17	12/12/17	50,000,000	49,998,333	0	49,998,333	0
SOCIETE GENERALE SA	12/26/17	12/22/17	12/22/17	31,000,000	30,995,109	0	30,995,109	0
STANDARD CHARTERED BANK/NEW YORK	01/23/18	12/28/17	12/28/17	50,000,000	50,000,047	2,434	50,002,481	0
STANDARD CHARTERED BANK/NEW YORK	01/23/18	12/28/17	12/28/17	25,000,000	25,000,024	1,217	25,001,240	0
STARBIRD FUNDING COCPAB54	12/04/17	12/01/17	12/01/17	40,400,000	40,395,960	0	40,395,960	0
STARBIRD FUNDING COCPAB54	12/05/17	12/04/17	12/04/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPAB54	12/05/17	12/04/17	12/04/17	40,500,000	40,498,650	0	40,498,650	0
STARBIRD FUNDING COCPAB54	12/06/17	12/05/17	12/05/17	50,000,000	49,998,333	0	49,998,333	0
STARBIRD FUNDING COCPAB54	12/06/17	12/05/17	12/05/17	40,400,000	40,398,653	0	40,398,653	0
STARBIRD FUNDING COCPAB54	12/07/17	12/06/17	12/06/17	42,000,000	41,998,600	0	41,998,600	0
STARBIRD FUNDING COCPAB54	12/11/17	12/08/17	12/08/17	41,800,000	41,795,820	0	41,795,820	0
STARBIRD FUNDING COCPAB54	12/12/17	12/11/17	12/11/17	41,700,000	41,698,610	0	41,698,610	0
STARBIRD FUNDING COCPAB54	12/13/17	12/12/17	12/12/17	41,800,000	41,798,607	0	41,798,607	0
STARBIRD FUNDING COCPAB54	12/14/17	12/13/17	12/13/17	41,900,000	41,898,603	0	41,898,603	0
STARBIRD FUNDING COCPAB54	12/15/17	12/14/17	12/14/17	42,200,000	42,198,335	0	42,198,335	0
STARBIRD FUNDING COCPAB54	12/18/17	12/15/17	12/15/17	42,400,000	42,394,877	0	42,394,877	0
STARBIRD FUNDING COCPAB54	12/19/17	12/18/17	12/18/17	42,600,000	42,598,284	0	42,598,284	0
STARBIRD FUNDING COCPAB54	12/20/17	12/19/17	12/19/17	41,300,000	41,298,336	0	41,298,336	0
STARBIRD FUNDING COCPAB54	12/21/17	12/20/17	12/20/17	41,600,000	41,598,324	0	41,598,324	0
STARBIRD FUNDING COCPAB54	12/22/17	12/21/17	12/21/17	41,800,000	41,798,316	0	41,798,316	0
STARBIRD FUNDING COCPAB54	12/26/17	12/22/17	12/22/17	42,000,000	41,993,233	0	41,993,233	0
STARBIRD FUNDING COCPAB54	12/27/17	12/26/17	12/26/17	42,100,000	42,098,304	0	42,098,304	0
STARBIRD FUNDING COCPAB54	12/28/17	12/27/17	12/27/17	50,000,000	49,997,986	0	49,997,986	0
STARBIRD FUNDING COCPAB54	12/29/17	12/28/17	12/28/17	46,900,000	46,898,111	0	46,898,111	0
STARBIRD FUNDING COCPAB54	01/02/18	12/29/17	12/29/17	47,800,000	47,792,299	0	47,792,299	0
STARBIRD FUNDING COCPAB54	03/06/18	12/06/17	12/06/17	50,000,000	49,803,750	0	49,803,750	0
STARBIRD FUNDING COCPAB54	03/06/18	12/06/17	12/06/17	48,500,000	48,309,638	0	48,309,638	0
STARBIRD FUNDING COCPAB54	03/09/18	12/01/17	12/01/17	50,000,000	49,789,028	0	49,789,028	0
SUMITOMO MITSUI BANKING CORP	01/18/18	12/12/17	12/14/17	30,000,000	29,996,100	182,500	30,178,600	0
SUMITOMO MITSUI BANKING CORP	01/16/18	12/28/17	12/29/17	13,750,000	13,749,546	108,950	13,858,496	0
SUMITOMO MITSUI TRUCDYAN	01/03/18	12/27/17	12/27/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	01/03/18	12/27/17	12/27/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	01/03/18	12/27/17	12/27/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	01/03/18	12/27/17	12/27/17	50,000,000	50,000,000	0	50,000,000	0
SVENSKA HANDELSBANKEN/NEW YORK NY	12/07/17	12/01/17	12/01/17	25,000,000	25,002,250	106,086	25,108,336	0
THUNDER BAY FUNDINGCP4-2	06/05/18	12/05/17	12/06/17	30,000,000	29,743,583	0	29,743,583	0
THUNDER BAY FUNDINGCP4-2	06/11/18	12/06/17	12/06/17	50,000,000	49,558,472	0	49,558,472	0
THUNDER BAY FUNDINGCP4-2	06/11/18	12/06/17	12/06/17	5,000,000	4,955,847	0	4,955,847	0
THUNDER BAY FUNDINGCP4-2	06/15/18	12/14/17	12/14/17	40,000,000	39,642,133	0	39,642,133	0
THUNDER BAY FUNDING, LLC,	04/20/18	12/20/17	12/21/17	49,000,000	48,706,000	0	48,706,000	0
TORONTO DOMINION BACP4-2	01/02/18	12/29/17	12/29/17	50,000,000	49,992,556	0	49,992,556	0
TORONTO DOMINION BACP4-2	01/02/18	12/29/17	12/29/17	50,000,000	49,992,556	0	49,992,556	0
TORONTO DOMINION BACP4-2	01/02/18	12/29/17	12/29/17	30,000,000	29,995,533	0	29,995,533	0
TORONTO DOMINION BACP4-2	01/03/18	12/27/17	12/27/17	30,000,000	29,991,658	0	29,991,658	0
TORONTO DOMINION BANK, DE	12/03/18	12/01/17	12/01/17	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BANK, DE	12/03/18	12/01/17	12/01/17	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BANK, DE	12/03/18	12/01/17	12/01/17	3,000,000	3,000,000	0	3,000,000	0
WELLS FARGO BANK NA	12/27/18	12/27/17	12/27/17	50,000,000	50,000,000	0	50,000,000	0
WELLS FARGO BANK NA	12/27/18	12/27/17	12/27/17	39,000,000	39,000,000	0	39,000,000	0
WESTPAC BANKING CORCP4-2	01/31/18	12/29/17	12/29/17	50,000,000	49,928,959	0	49,928,959	0
WESTPAC BANKING CORCP4-2	01/31/18	12/29/17	12/29/17	50,000,000	49,928,959	0	49,928,959	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/01/17	12/01/17	145,035,603	145,035,603	0	145,035,603	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/04/17	12/04/17	1,512,635	1,512,635	0	1,512,635	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/06/17	12/06/17	1,066,341	1,066,341	0	1,066,341	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/07/17	12/07/17	632,117	632,117	0	632,117	0



## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/08/17	12/08/17	884,723	884,723	0	884,723	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/14/17	12/14/17	22,769	22,769	0	22,769	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/15/17	12/15/17	263,087	263,087	0	263,087	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/19/17	12/19/17	4,415,671	4,415,671	0	4,415,671	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/21/17	12/21/17	1,242,128	1,242,128	0	1,242,128	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/26/17	12/26/17	4,621,686	4,621,686	0	4,621,686	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/28/17	12/28/17	426,604	426,604	0	426,604	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/29/17	12/29/17	502,546,701	502,546,701	0	502,546,701	0
MIZUHO TRIPARTY	12/04/17	12/01/17	12/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/04/17	12/01/17	12/01/17	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	12/05/17	12/04/17	12/04/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/05/17	12/04/17	12/04/17	85,000,000	85,000,000	0	85,000,000	0
BANK OF AMERICA TRIPARTY	12/06/17	12/05/17	12/05/17	145,000,000	145,000,000	0	145,000,000	0
MIZUHO TRIPARTY	12/06/17	12/05/17	12/05/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	12/07/17	12/06/17	12/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/07/17	12/06/17	12/06/17	255,000,000	255,000,000	0	255,000,000	0
MIZUHO TRIPARTY	12/08/17	12/07/17	12/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/08/17	12/07/17	12/07/17	165,000,000	165,000,000	0	165,000,000	0
MIZUHO TRIPARTY	12/11/17	12/08/17	12/08/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/11/17	12/08/17	12/08/17	75,000,000	75,000,000	0	75,000,000	0
MIZUHO TRIPARTY	12/12/17	12/11/17	12/11/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/12/17	12/11/17	12/11/17	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	12/13/17	12/12/17	12/12/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/13/17	12/12/17	12/12/17	180,000,000	180,000,000	0	180,000,000	0
MIZUHO TRIPARTY	12/14/17	12/13/17	12/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/14/17	12/13/17	12/13/17	140,000,000	140,000,000	0	140,000,000	0
MIZUHO TRIPARTY	12/15/17	12/14/17	12/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/15/17	12/14/17	12/14/17	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	12/18/17	12/15/17	12/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/18/17	12/15/17	12/15/17	680,000,000	680,000,000	0	680,000,000	0
MIZUHO TRIPARTY	12/19/17	12/18/17	12/18/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/19/17	12/18/17	12/18/17	25,000,000	25,000,000	0	25,000,000	0
MIZUHO TRIPARTY	12/20/17	12/19/17	12/19/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/20/17	12/19/17	12/19/17	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	12/21/17	12/20/17	12/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/21/17	12/20/17	12/20/17	120,000,000	120,000,000	0	120,000,000	0
MIZUHO TRIPARTY	12/22/17	12/21/17	12/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/22/17	12/21/17	12/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/26/17	12/22/17	12/22/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	12/26/17	12/22/17	12/22/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	12/27/17	12/26/17	12/26/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/27/17	12/26/17	12/26/17	100,000,000	100,000,000	0	100,000,000	0
MIZUHO TRIPARTY	12/28/17	12/27/17	12/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/28/17	12/27/17	12/27/17	175,000,000	175,000,000	0	175,000,000	0
MIZUHO TRIPARTY	12/29/17	12/28/17	12/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/29/17	12/28/17	12/28/17	85,000,000	85,000,000	0	85,000,000	0
MIZUHO TRIPARTY	01/02/18	12/29/17	12/29/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/02/18	12/29/17	12/29/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO BANK LTD,CDEUR	01/05/18	12/01/17	12/05/17	80,000,000	79,894,739	0	79,894,739	0
Total Buys				22,889,604,065	22,875,636,476	467,873	22,876,131,689	0
Cash Closes								
ANGLESEA FUNDING LLC	03/19/18	12/11/17	12/11/17	70,000,000	70,000,000	63,401	70,063,401	0
Total Cash Closes				70,000,000	70,000,000	63,401	70,063,401	0
Deposits								
ABN AMRO BANK NV,ATD I.16 20171208	12/08/17	12/01/17	12/01/17	250,000,000	250,000,000	0	250,000,000	0
DNB BANK ASATDCAY I.16 20171204	12/04/17	12/01/17	12/01/17	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE AGTDCAY I.18 20171208	12/08/17	12/01/17	12/01/17	150,000,000	150,000,000	0	150,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171204	12/04/17	12/01/17	12/01/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171204	12/04/17	12/01/17	12/01/17	125,000,000	125,000,000	0	125,000,000	0
DNB BANK ASATDCAY I.16 20171204	12/04/17	12/01/17	12/01/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY I.16 20171205	12/05/17	12/04/17	12/04/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171205	12/05/17	12/04/17	12/04/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY I.16 20171206	12/06/17	12/05/17	12/05/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171206	12/06/17	12/05/17	12/05/17	300,000,000	300,000,000	0	300,000,000	0
ABN AMRO BANK NV,ATD I.21 20171212	12/12/17	12/05/17	12/05/17	233,000,000	233,000,000	0	233,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171207	12/07/17	12/06/17	12/06/17	300,000,000	300,000,000	0	300,000,000	0
UBS AGTDCAY I.17 20171207	12/07/17	12/06/17	12/06/17	5,000,000	5,000,000	0	5,000,000	0
DNB BANK ASATDCAY I.16 20171207	12/07/17	12/06/17	12/06/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY I.16 20171208	12/08/17	12/07/17	12/07/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171208	12/08/17	12/07/17	12/07/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY I.16 20171211	12/11/17	12/08/17	12/08/17	300,000,000	300,000,000	0	300,000,000	0

## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ABN AMRO BANK NV,ATD 1.24 20171215	12/15/17	12/08/17	12/08/17	260,000,000	260,000,000	0	260,000,000	0
DNB BANK ASATDCAY 1.16 20171211	12/11/17	12/08/17	12/08/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171211	12/11/17	12/08/17	12/08/17	175,000,000	175,000,000	0	175,000,000	0
DNB BANK ASATDCAY 1.16 20171211	12/11/17	12/08/17	12/08/17	175,000,000	175,000,000	0	175,000,000	0
CREDIT SUISSE AGTDCAY 1.23 20171215	12/15/17	12/08/17	12/08/17	150,000,000	150,000,000	0	150,000,000	0
DNB BANK ASATDCAY 1.16 20171212	12/12/17	12/11/17	12/11/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171212	12/12/17	12/11/17	12/11/17	475,000,000	475,000,000	0	475,000,000	0
DNB BANK ASATDCAY 1.16 20171212	12/12/17	12/11/17	12/11/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.39 20171219	12/19/17	12/12/17	12/12/17	240,000,000	240,000,000	0	240,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171213	12/13/17	12/12/17	12/12/17	400,000,000	400,000,000	0	400,000,000	0
DNB BANK ASATDCAY 1.16 20171213	12/13/17	12/12/17	12/12/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171214	12/14/17	12/13/17	12/13/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.16 20171214	12/14/17	12/13/17	12/13/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171215	12/15/17	12/14/17	12/14/17	350,000,000	350,000,000	0	350,000,000	0
ABN AMRO BANK NV,ATD 1.46 20171222	12/22/17	12/15/17	12/15/17	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171218	12/18/17	12/15/17	12/15/17	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171219	12/19/17	12/18/17	12/18/17	350,000,000	350,000,000	0	350,000,000	0
STANDARD CHARTERED TD 1.41 20171219	12/19/17	12/18/17	12/18/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.41 20171219	12/19/17	12/18/17	12/18/17	300,000,000	300,000,000	0	300,000,000	0
CREDIT SUISSE AGTDCAY 1.45 20171226	12/26/17	12/19/17	12/19/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.46 20171227	12/27/17	12/19/17	12/19/17	275,000,000	275,000,000	0	275,000,000	0
UBS AGTDCAY 1.43 20171220	12/20/17	12/19/17	12/19/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171220	12/20/17	12/19/17	12/19/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.41 20171220	12/20/17	12/19/17	12/19/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171221	12/21/17	12/20/17	12/20/17	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASATDCAY 1.41 20171221	12/21/17	12/20/17	12/20/17	150,000,000	150,000,000	0	150,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171222	12/22/17	12/21/17	12/21/17	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASATDCAY 1.41 20171222	12/22/17	12/21/17	12/21/17	150,000,000	150,000,000	0	150,000,000	0
ABN AMRO BANK NV,ATD 1.46 20171229	12/29/17	12/22/17	12/22/17	275,000,000	275,000,000	0	275,000,000	0
UBS AGTDCAY 1.43 20171226	12/26/17	12/22/17	12/22/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171226	12/26/17	12/22/17	12/22/17	500,000,000	500,000,000	0	500,000,000	0
UBS AGTDCAY 1.45 20171229	12/29/17	12/26/17	12/26/17	160,000,000	160,000,000	0	160,000,000	0
DNB BANK ASATDCAY 1.41 20171227	12/27/17	12/26/17	12/26/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171227	12/27/17	12/26/17	12/26/17	560,000,000	560,000,000	0	560,000,000	0
ABN AMRO BANK NV,ATD 1.43 20180103	01/03/18	12/27/17	12/27/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171228	12/28/17	12/27/17	12/27/17	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASATDCAY 1.41 20171228	12/28/17	12/27/17	12/27/17	250,000,000	250,000,000	0	250,000,000	0
STANDARD CHARTERED TD 1.39 20180104	01/04/18	12/28/17	12/28/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171229	12/29/17	12/28/17	12/28/17	500,000,000	500,000,000	0	500,000,000	0
Total Deposits				16,233,000,000	16,233,000,000	0	16,233,000,000	0
Maturities								
ALBION CAPITAL LLC CPABS4	12/08/17	12/08/17	12/08/17	65,224,000	65,224,000	0	65,224,000	0
ALBION CAPITAL LLC CPABS4	12/22/17	12/22/17	12/22/17	56,643,000	56,643,000	0	56,643,000	0
ALBION CAPITAL LLC CPABS4	12/27/17	12/27/17	12/27/17	46,813,000	46,813,000	0	46,813,000	0
BELGIUM, GOVERNMENTECP	12/13/17	12/13/17	12/13/17	100,000,000	100,000,000	0	100,000,000	0
BELGIUM, GOVERNMENTECP	12/21/17	12/21/17	12/21/17	300,000,000	300,000,000	0	300,000,000	0
ANGLESEA FUNDING LLC CPABS4	12/01/17	12/01/17	12/01/17	5,740,000	5,740,000	0	5,740,000	0
ANTALIS S.A. CPABS4 CPABS4	12/05/17	12/05/17	12/05/17	65,090,000	65,090,000	0	65,090,000	0
ANTALIS S.A. CPABS4 CPABS4	12/06/17	12/06/17	12/06/17	8,000,000	8,000,000	0	8,000,000	0
ANTALIS S.A. CPABS4 CPABS4	12/07/17	12/07/17	12/07/17	141,900,000	141,900,000	0	141,900,000	0
ANTALIS S.A. CPABS4 CPABS4	12/11/17	12/11/17	12/11/17	20,000,000	20,000,000	0	20,000,000	0
ANTALIS S.A. CPABS4 CPABS4	12/12/17	12/12/17	12/12/17	65,130,000	65,130,000	0	65,130,000	0
ANTALIS S.A. CPABS4 CPABS4	12/13/17	12/13/17	12/13/17	20,000,000	20,000,000	0	20,000,000	0
ANTALIS S.A. CPABS4 CPABS4	12/14/17	12/14/17	12/14/17	134,870,000	134,870,000	0	134,870,000	0
ANTALIS S.A. CPABS4 CPABS4	12/18/17	12/18/17	12/18/17	36,180,000	36,180,000	0	36,180,000	0
ANTALIS S.A. CPABS4 CPABS4	12/19/17	12/19/17	12/19/17	52,720,000	52,720,000	0	52,720,000	0
ANTALIS S.A. CPABS4 CPABS4	12/21/17	12/21/17	12/21/17	248,790,000	248,790,000	0	248,790,000	0
ANTALIS S.A. CPABS4 CPABS4	12/27/17	12/27/17	12/27/17	156,000,000	156,000,000	0	156,000,000	0
ANTALIS S.A. CPABS4 CPABS4	12/28/17	12/28/17	12/28/17	147,520,000	147,520,000	0	147,520,000	0
ANTALIS S.A. CPABS4 CPABS4	12/29/17	12/29/17	12/29/17	20,440,000	20,440,000	0	20,440,000	0
ATLANTIC ASSET SECUCPABS4	12/01/17	12/01/17	12/01/17	165,000,000	165,000,000	0	165,000,000	0
ATLANTIC ASSET SECUCPABS4	12/07/17	12/07/17	12/07/17	70,000,000	70,000,000	0	70,000,000	0
ATLANTIC ASSET SECUCPABS4	12/11/17	12/11/17	12/11/17	80,000,000	80,000,000	0	80,000,000	0
ATLANTIC ASSET SECUCPABS4	12/13/17	12/13/17	12/13/17	66,500,000	66,500,000	0	66,500,000	0
ATLANTIC ASSET SECUCPABS4	12/14/17	12/14/17	12/14/17	165,000,000	165,000,000	0	165,000,000	0
ATLANTIC ASSET SECUCPABS4	12/15/17	12/15/17	12/15/17	165,000,000	165,000,000	0	165,000,000	0
ATLANTIC ASSET SECUCPABS4	12/19/17	12/19/17	12/19/17	315,000,000	315,000,000	0	315,000,000	0
ATLANTIC ASSET SECUCPABS4	12/20/17	12/20/17	12/20/17	55,100,000	55,100,000	0	55,100,000	0
ATLANTIC ASSET SECUCPABS4	12/28/17	12/28/17	12/28/17	110,900,000	110,900,000	0	110,900,000	0
ATLANTIC ASSET SECUCPABS4	12/29/17	12/29/17	12/29/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	12/15/17	12/15/17	12/15/17	49,000,000	49,000,000	0	49,000,000	0



## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF MONTREAL (CCDIAN)	12/22/17	12/22/17	12/22/17	35,000,000	35,000,000	0	35,000,000	0
BANK OF MONTREAL/CHICAGO IL	12/01/17	12/01/17	12/01/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDIAN)	12/18/17	12/18/17	12/18/17	15,000,000	15,000,000	0	15,000,000	0
BANQUE ET CAISSE D'CP	12/01/17	12/01/17	12/01/17	75,000,000	75,000,000	0	75,000,000	0
BANQUE ET CAISSE D'CP	12/06/17	12/06/17	12/06/17	54,000,000	54,000,000	0	54,000,000	0
BANQUE ET CAISSE D'CP	12/11/17	12/11/17	12/11/17	15,000,000	15,000,000	0	15,000,000	0
BARTON CAPITAL LLCPCABS4-	12/01/17	12/01/17	12/01/17	75,500,000	75,500,000	0	75,500,000	0
BARTON CAPITAL LLCPCABS4-	12/04/17	12/04/17	12/04/17	176,300,000	176,300,000	0	176,300,000	0
BARTON CAPITAL LLCPCABS4-	12/11/17	12/11/17	12/11/17	3,000,000	3,000,000	0	3,000,000	0
BARTON CAPITAL LLCPCABS4-	12/13/17	12/13/17	12/13/17	146,900,000	146,900,000	0	146,900,000	0
BARTON CAPITAL LLCPCABS4-	12/14/17	12/14/17	12/14/17	175,000,000	175,000,000	0	175,000,000	0
BARTON CAPITAL LLCPCABS4-	12/18/17	12/18/17	12/18/17	105,000,000	105,000,000	0	105,000,000	0
BARTON CAPITAL LLCPCABS4-	12/19/17	12/19/17	12/19/17	36,000,000	36,000,000	0	36,000,000	0
CHARTA, LLC CPABS4-CPABS4	12/01/17	12/01/17	12/01/17	50,000,000	50,000,000	0	50,000,000	0
CHARTA, LLC CPABS4-CPABS4	12/07/17	12/07/17	12/07/17	40,000,000	40,000,000	0	40,000,000	0
CHARTA, LLC CPABS4-CPABS4	12/26/17	12/26/17	12/26/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CDEUR	12/05/17	12/05/17	12/05/17	75,000,000	75,000,000	0	75,000,000	0
MIZUHO BANK LTD,CDEUR	12/11/17	12/11/17	12/11/17	48,000,000	48,000,000	0	48,000,000	0
CITIBANK NA, NEWYOC	12/26/17	12/26/17	12/26/17	72,000,000	72,000,000	0	72,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	12/11/17	12/11/17	12/11/17	50,000,000	50,000,000	0	50,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	12/12/17	12/12/17	12/12/17	20,000,000	20,000,000	0	20,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	12/22/17	12/22/17	12/22/17	15,000,000	15,000,000	0	15,000,000	0
COOPERATIVE RABOBANK UA/NY	12/13/17	12/13/17	12/13/17	387,300,000	387,300,000	0	387,300,000	0
COOPERATIVE RABOBANK UA/NY	12/14/17	12/14/17	12/14/17	387,400,000	387,400,000	0	387,400,000	0
COOPERATIVE RABOBANK UA/NY	12/15/17	12/15/17	12/15/17	187,700,000	187,700,000	0	187,700,000	0
COOPERATIVE RABOBANK UA/NY	12/18/17	12/18/17	12/18/17	500,000,000	500,000,000	0	500,000,000	0
COOPERATIVE RABOBANK UA/NY	12/19/17	12/19/17	12/19/17	525,000,000	525,000,000	0	525,000,000	0
RABOBANK NEDERLAND CP	12/20/17	12/20/17	12/20/17	550,000,000	550,000,000	0	550,000,000	0
RABOBANK NEDERLAND CP	12/21/17	12/21/17	12/21/17	560,000,000	560,000,000	0	560,000,000	0
RABOBANK NEDERLAND CP	12/22/17	12/22/17	12/22/17	550,000,000	550,000,000	0	550,000,000	0
COOPERATIVE RABOBANK UA/NY	12/26/17	12/26/17	12/26/17	550,000,000	550,000,000	0	550,000,000	0
COOPERATIVE RABOBANK UA/NY	12/27/17	12/27/17	12/27/17	550,000,000	550,000,000	0	550,000,000	0
COOPERATIVE RABOBANK UA/NY	12/28/17	12/28/17	12/28/17	508,650,000	508,650,000	0	508,650,000	0
COOPERATIVE RABOBANK UA/NY	12/29/17	12/29/17	12/29/17	300,000,000	300,000,000	0	300,000,000	0
CREDIT INDUSTRIEL ECDYAN	12/18/17	12/18/17	12/18/17	100,000,000	100,000,000	0	100,000,000	0
CREDIT SUISSE, ZURICP	12/08/17	12/08/17	12/08/17	150,000,000	150,000,000	0	150,000,000	0
DZ BANK AG DEUTSCHECDYAN	12/15/17	12/15/17	12/15/17	75,000,000	75,000,000	0	75,000,000	0
DZ BANK AG DEUTSCHECP4-2	12/01/17	12/01/17	12/01/17	300,000,000	300,000,000	0	300,000,000	0
DZ BANK AG DEUTSCHECP4-2	12/04/17	12/04/17	12/04/17	194,200,000	194,200,000	0	194,200,000	0
DZ BANK AG DEUTSCHECP4-2	12/05/17	12/05/17	12/05/17	294,300,000	294,300,000	0	294,300,000	0
DZ BANK AG DEUTSCHECP4-2	12/06/17	12/06/17	12/06/17	150,000,000	150,000,000	0	150,000,000	0
DZ BANK AG DEUTSCHECP4-2	12/13/17	12/13/17	12/13/17	31,650,000	31,650,000	0	31,650,000	0
DZ BANK AG DEUTSCHECP4-2	12/14/17	12/14/17	12/14/17	130,000,000	130,000,000	0	130,000,000	0
DZ BANK AG DEUTSCHECP4-2	12/18/17	12/18/17	12/18/17	108,700,000	108,700,000	0	108,700,000	0
DZ BANK AG DEUTSCHECP4-2	12/19/17	12/19/17	12/19/17	59,000,000	59,000,000	0	59,000,000	0
DZ BANK AG DEUTSCHECP4-2	12/20/17	12/20/17	12/20/17	47,600,000	47,600,000	0	47,600,000	0
DZ BANK AG DEUTSCHECP4-2	12/21/17	12/21/17	12/21/17	96,400,000	96,400,000	0	96,400,000	0
DZ BANK AG DEUTSCHECP4-2	12/22/17	12/22/17	12/22/17	315,300,000	315,300,000	0	315,300,000	0
DZ BANK AG DEUTSCHECP4-2	12/26/17	12/26/17	12/26/17	330,420,000	330,420,000	0	330,420,000	0
DZ BANK AG DEUTSCHECP4-2	12/27/17	12/27/17	12/27/17	450,000,000	450,000,000	0	450,000,000	0
DZ BANK AG DEUTSCHECP4-2	12/29/17	12/29/17	12/29/17	105,800,000	105,800,000	0	105,800,000	0
FAIRWAY FINANCE CO,CPABS4	12/27/17	12/27/17	12/27/17	76,400,000	76,400,000	0	76,400,000	0
GOTHAM FUNDING CORPCPABS4	12/14/17	12/14/17	12/14/17	25,000,000	25,000,000	0	25,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/01/17	12/01/17	12/01/17	224,100,000	224,100,000	0	224,100,000	0
LMA-AMERICAS LLCPCABS4-2	12/04/17	12/04/17	12/04/17	170,100,000	170,100,000	0	170,100,000	0
LMA-AMERICAS LLCPCABS4-2	12/05/17	12/05/17	12/05/17	262,000,000	262,000,000	0	262,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/06/17	12/06/17	12/06/17	147,800,000	147,800,000	0	147,800,000	0
LMA-AMERICAS LLCPCABS4-2	12/07/17	12/07/17	12/07/17	30,000,000	30,000,000	0	30,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/08/17	12/08/17	12/08/17	35,000,000	35,000,000	0	35,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/12/17	12/12/17	12/12/17	272,400,000	272,400,000	0	272,400,000	0
LMA-AMERICAS LLCPCABS4-2	12/13/17	12/13/17	12/13/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/14/17	12/14/17	12/14/17	94,900,000	94,900,000	0	94,900,000	0
LMA-AMERICAS LLCPCABS4-2	12/15/17	12/15/17	12/15/17	97,500,000	97,500,000	0	97,500,000	0
LMA-AMERICAS LLCPCABS4-2	12/19/17	12/19/17	12/19/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/20/17	12/20/17	12/20/17	87,000,000	87,000,000	0	87,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/21/17	12/21/17	12/21/17	90,000,000	90,000,000	0	90,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/22/17	12/22/17	12/22/17	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/27/17	12/27/17	12/27/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCPCABS4-2	12/28/17	12/28/17	12/28/17	100,000,000	100,000,000	0	100,000,000	0
LONG ISLAND POWER AUTHORI	12/07/17	12/07/17	12/07/17	50,000,000	50,000,000	0	50,000,000	0
MALAYAN BANKING BERCPLOC	12/12/17	12/12/17	12/12/17	45,000,000	45,000,000	0	45,000,000	0
MANHATTAN ASSET FUNCPABS4	12/26/17	12/26/17	12/26/17	33,231,000	33,231,000	0	33,231,000	0

## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO BANK LTD,CP	12/04/17	12/04/17	12/04/17	75,000,000	75,000,000	0	75,000,000	0
MIZUHO BANK LTD,CP	12/05/17	12/05/17	12/05/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO BANK LTD,CP	12/06/17	12/06/17	12/06/17	143,500,000	143,500,000	0	143,500,000	0
MIZUHO BANK LTD,CP	12/12/17	12/12/17	12/12/17	45,000,000	45,000,000	0	45,000,000	0
MIZUHO BANK LTD,CP	12/14/17	12/14/17	12/14/17	140,000,000	140,000,000	0	140,000,000	0
MIZUHO BANK LTD,CDYAN	12/15/17	12/15/17	12/15/17	100,000,000	100,000,000	0	100,000,000	0
OLD LINE FUNDING, LCPABS4	12/20/17	12/20/17	12/20/17	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE SA	12/13/17	12/13/17	12/13/17	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE SA	12/26/17	12/26/17	12/26/17	31,000,000	31,000,000	0	31,000,000	0
SOCIETE GENERALE, PCDYAN	12/12/17	12/12/17	12/12/17	25,000,000	25,000,000	0	25,000,000	0
STARBIRD FUNDING COCPABS4	12/01/17	12/01/17	12/01/17	168,500,000	168,500,000	0	168,500,000	0
STARBIRD FUNDING COCPABS4	12/04/17	12/04/17	12/04/17	40,400,000	40,400,000	0	40,400,000	0
STARBIRD FUNDING COCPABS4	12/05/17	12/05/17	12/05/17	90,500,000	90,500,000	0	90,500,000	0
STARBIRD FUNDING COCPABS4	12/06/17	12/06/17	12/06/17	90,400,000	90,400,000	0	90,400,000	0
STARBIRD FUNDING COCPABS4	12/07/17	12/07/17	12/07/17	42,000,000	42,000,000	0	42,000,000	0
STARBIRD FUNDING COCPABS4	12/11/17	12/11/17	12/11/17	41,800,000	41,800,000	0	41,800,000	0
STARBIRD FUNDING COCPABS4	12/12/17	12/12/17	12/12/17	41,700,000	41,700,000	0	41,700,000	0
STARBIRD FUNDING COCPABS4	12/13/17	12/13/17	12/13/17	41,800,000	41,800,000	0	41,800,000	0
STARBIRD FUNDING COCPABS4	12/14/17	12/14/17	12/14/17	41,900,000	41,900,000	0	41,900,000	0
STARBIRD FUNDING COCPABS4	12/15/17	12/15/17	12/15/17	42,200,000	42,200,000	0	42,200,000	0
STARBIRD FUNDING COCPABS4	12/18/17	12/18/17	12/18/17	42,400,000	42,400,000	0	42,400,000	0
STARBIRD FUNDING COCPABS4	12/19/17	12/19/17	12/19/17	42,600,000	42,600,000	0	42,600,000	0
STARBIRD FUNDING COCPABS4	12/20/17	12/20/17	12/20/17	41,300,000	41,300,000	0	41,300,000	0
STARBIRD FUNDING COCPABS4	12/21/17	12/21/17	12/21/17	41,600,000	41,600,000	0	41,600,000	0
STARBIRD FUNDING COCPABS4	12/22/17	12/22/17	12/22/17	41,800,000	41,800,000	0	41,800,000	0
STARBIRD FUNDING COCPABS4	12/26/17	12/26/17	12/26/17	42,000,000	42,000,000	0	42,000,000	0
STARBIRD FUNDING COCPABS4	12/27/17	12/27/17	12/27/17	42,100,000	42,100,000	0	42,100,000	0
STARBIRD FUNDING COCPABS4	12/28/17	12/28/17	12/28/17	50,000,000	50,000,000	0	50,000,000	0
STARBIRD FUNDING COCPABS4	12/29/17	12/29/17	12/29/17	46,900,000	46,900,000	0	46,900,000	0
SVENSKA HANDELSBANKEN/NEW YORK NY	12/07/17	12/07/17	12/07/17	25,000,000	25,000,000	0	25,000,000	0
THUNDER BAY FUNDINGCP4-2	12/15/17	12/15/17	12/15/17	1,000,000	1,000,000	0	1,000,000	0
TORONTO DOMINION BACDYAN	12/06/17	12/06/17	12/06/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO TRIPARTY	12/01/17	12/01/17	12/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/01/17	12/01/17	12/01/17	345,000,000	345,000,000	0	345,000,000	0
MIZUHO TRIPARTY	12/04/17	12/04/17	12/04/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/04/17	12/04/17	12/04/17	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	12/05/17	12/05/17	12/05/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/05/17	12/05/17	12/05/17	85,000,000	85,000,000	0	85,000,000	0
BANK OF AMERICA TRIPARTY	12/06/17	12/06/17	12/06/17	145,000,000	145,000,000	0	145,000,000	0
MIZUHO TRIPARTY	12/06/17	12/06/17	12/06/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	12/07/17	12/07/17	12/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/07/17	12/07/17	12/07/17	255,000,000	255,000,000	0	255,000,000	0
MIZUHO TRIPARTY	12/08/17	12/08/17	12/08/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/08/17	12/08/17	12/08/17	165,000,000	165,000,000	0	165,000,000	0
MIZUHO TRIPARTY	12/11/17	12/11/17	12/11/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/11/17	12/11/17	12/11/17	75,000,000	75,000,000	0	75,000,000	0
MIZUHO TRIPARTY	12/12/17	12/12/17	12/12/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/12/17	12/12/17	12/12/17	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	12/13/17	12/13/17	12/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/13/17	12/13/17	12/13/17	180,000,000	180,000,000	0	180,000,000	0
MIZUHO TRIPARTY	12/14/17	12/14/17	12/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/14/17	12/14/17	12/14/17	140,000,000	140,000,000	0	140,000,000	0
MIZUHO TRIPARTY	12/15/17	12/15/17	12/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/15/17	12/15/17	12/15/17	190,000,000	190,000,000	0	190,000,000	0
MIZUHO TRIPARTY	12/18/17	12/18/17	12/18/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/18/17	12/18/17	12/18/17	680,000,000	680,000,000	0	680,000,000	0
MIZUHO TRIPARTY	12/19/17	12/19/17	12/19/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/19/17	12/19/17	12/19/17	25,000,000	25,000,000	0	25,000,000	0
MIZUHO TRIPARTY	12/20/17	12/20/17	12/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/20/17	12/20/17	12/20/17	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	12/21/17	12/21/17	12/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/21/17	12/21/17	12/21/17	120,000,000	120,000,000	0	120,000,000	0
MIZUHO TRIPARTY	12/22/17	12/22/17	12/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/22/17	12/22/17	12/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/26/17	12/26/17	12/26/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	12/26/17	12/26/17	12/26/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	12/27/17	12/27/17	12/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/27/17	12/27/17	12/27/17	100,000,000	100,000,000	0	100,000,000	0
MIZUHO TRIPARTY	12/28/17	12/28/17	12/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/28/17	12/28/17	12/28/17	175,000,000	175,000,000	0	175,000,000	0
MIZUHO TRIPARTY	12/29/17	12/29/17	12/29/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	12/29/17	12/29/17	12/29/17	85,000,000	85,000,000	0	85,000,000	0



## TRADING ACTIVITY FOR DECEMBER 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ABN AMRO BANK NV,ATD 1.21 20171205	12/05/17	12/05/17	12/05/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.06 20171201	12/01/17	12/01/17	12/01/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.06 20171201	12/01/17	12/01/17	12/01/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171208	12/08/17	12/08/17	12/08/17	250,000,000	250,000,000	0	250,000,000	0
DNB BANK ASATDCAY 1.16 20171204	12/04/17	12/04/17	12/04/17	200,000,000	200,000,000	0	200,000,000	0
CREDIT SUISSE AGTDCAY 1.18 20171208	12/08/17	12/08/17	12/08/17	150,000,000	150,000,000	0	150,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171204	12/04/17	12/04/17	12/04/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171204	12/04/17	12/04/17	12/04/17	125,000,000	125,000,000	0	125,000,000	0
DNB BANK ASATDCAY 1.16 20171204	12/04/17	12/04/17	12/04/17	200,000,000	200,000,000	0	200,000,000	0
DNB BANK ASATDCAY 1.16 20171205	12/05/17	12/05/17	12/05/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171205	12/05/17	12/05/17	12/05/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY 1.16 20171206	12/06/17	12/06/17	12/06/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171206	12/06/17	12/06/17	12/06/17	300,000,000	300,000,000	0	300,000,000	0
ABN AMRO BANK NV,ATD 1.21 20171212	12/12/17	12/12/17	12/12/17	233,000,000	233,000,000	0	233,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171207	12/07/17	12/07/17	12/07/17	300,000,000	300,000,000	0	300,000,000	0
UBS AGTDCAY 1.17 20171207	12/07/17	12/07/17	12/07/17	5,000,000	5,000,000	0	5,000,000	0
DNB BANK ASATDCAY 1.16 20171207	12/07/17	12/07/17	12/07/17	300,000,000	300,000,000	0	300,000,000	0
DNB BANK ASATDCAY 1.16 20171208	12/08/17	12/08/17	12/08/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171208	12/08/17	12/08/17	12/08/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171211	12/11/17	12/11/17	12/11/17	300,000,000	300,000,000	0	300,000,000	0
ABN AMRO BANK NV,ATD 1.24 20171215	12/15/17	12/15/17	12/15/17	260,000,000	260,000,000	0	260,000,000	0
DNB BANK ASATDCAY 1.16 20171211	12/11/17	12/11/17	12/11/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171211	12/11/17	12/11/17	12/11/17	175,000,000	175,000,000	0	175,000,000	0
DNB BANK ASATDCAY 1.16 20171211	12/11/17	12/11/17	12/11/17	175,000,000	175,000,000	0	175,000,000	0
CREDIT SUISSE AGTDCAY 1.23 20171215	12/15/17	12/15/17	12/15/17	150,000,000	150,000,000	0	150,000,000	0
DNB BANK ASATDCAY 1.16 20171212	12/12/17	12/12/17	12/12/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171212	12/12/17	12/12/17	12/12/17	475,000,000	475,000,000	0	475,000,000	0
DNB BANK ASATDCAY 1.16 20171212	12/12/17	12/12/17	12/12/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.39 20171219	12/19/17	12/19/17	12/19/17	240,000,000	240,000,000	0	240,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171213	12/13/17	12/13/17	12/13/17	400,000,000	400,000,000	0	400,000,000	0
DNB BANK ASATDCAY 1.16 20171213	12/13/17	12/13/17	12/13/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.16 20171214	12/14/17	12/14/17	12/14/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.16 20171214	12/14/17	12/14/17	12/14/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171215	12/15/17	12/15/17	12/15/17	350,000,000	350,000,000	0	350,000,000	0
ABN AMRO BANK NV,ATD 1.46 20171222	12/22/17	12/22/17	12/22/17	275,000,000	275,000,000	0	275,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171218	12/18/17	12/18/17	12/18/17	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171219	12/19/17	12/19/17	12/19/17	350,000,000	350,000,000	0	350,000,000	0
STANDARD CHARTERED TD 1.41 20171219	12/19/17	12/19/17	12/19/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.41 20171219	12/19/17	12/19/17	12/19/17	300,000,000	300,000,000	0	300,000,000	0
CREDIT SUISSE AGTDCAY 1.45 20171226	12/26/17	12/26/17	12/26/17	200,000,000	200,000,000	0	200,000,000	0
ABN AMRO BANK NV,ATD 1.46 20171227	12/27/17	12/27/17	12/27/17	275,000,000	275,000,000	0	275,000,000	0
UBS AGTDCAY 1.43 20171220	12/20/17	12/20/17	12/20/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.41 20171220	12/20/17	12/20/17	12/20/17	350,000,000	350,000,000	0	350,000,000	0
DNB BANK ASATDCAY 1.41 20171220	12/20/17	12/20/17	12/20/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171221	12/21/17	12/21/17	12/21/17	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASATDCAY 1.41 20171221	12/21/17	12/21/17	12/21/17	150,000,000	150,000,000	0	150,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171222	12/22/17	12/22/17	12/22/17	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASATDCAY 1.41 20171222	12/22/17	12/22/17	12/22/17	150,000,000	150,000,000	0	150,000,000	0
ABN AMRO BANK NV,ATD 1.46 20171229	12/29/17	12/29/17	12/29/17	275,000,000	275,000,000	0	275,000,000	0
UBS AGTDCAY 1.43 20171226	12/26/17	12/26/17	12/26/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171226	12/26/17	12/26/17	12/26/17	500,000,000	500,000,000	0	500,000,000	0
SVS AGTDCAY 1.45 20171229	12/29/17	12/29/17	12/29/17	160,000,000	160,000,000	0	160,000,000	0
DNB BANK ASATDCAY 1.41 20171227	12/27/17	12/27/17	12/27/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171227	12/27/17	12/27/17	12/27/17	560,000,000	560,000,000	0	560,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171228	12/28/17	12/28/17	12/28/17	500,000,000	500,000,000	0	500,000,000	0
DNB BANK ASATDCAY 1.41 20171228	12/28/17	12/28/17	12/28/17	250,000,000	250,000,000	0	250,000,000	0
SVENSKA HANDELSBANKTDCAY 1.42 20171229	12/29/17	12/29/17	12/29/17	500,000,000	500,000,000	0	500,000,000	0
<b>Total Maturities</b>				<b>36,889,511,000</b>	<b>36,889,511,000</b>	<b>0</b>	<b>36,889,511,000</b>	<b>0</b>
<b>Sells</b>								
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/01/17	12/01/17	140,151,354	140,151,354	0	140,151,354	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/05/17	12/05/17	2,714,266	2,714,266	0	2,714,266	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/11/17	12/11/17	56,253	56,253	0	56,253	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/12/17	12/12/17	269,538	269,538	0	269,538	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/13/17	12/13/17	505,336	505,336	0	505,336	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/18/17	12/18/17	2,133,684	2,133,684	0	2,133,684	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/20/17	12/20/17	5,940,920	5,940,920	0	5,940,920	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/22/17	12/22/17	3,303,722	3,303,722	0	3,303,722	0
DREYFUS GOVT CASH MGMT FUND	02/01/22	12/27/17	12/27/17	219,513	219,513	0	219,513	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	12/01/17	12/01/17	145,035,603	145,035,603	0	145,035,603	0
<b>Total Sells</b>				<b>300,330,191</b>	<b>300,330,191</b>	<b>0</b>	<b>300,330,191</b>	<b>0</b>



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## **Our Mission**

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

# **Federated**



# State Board of Administration of Florida

## Major Mandate Review Fourth Quarter 2017

# Table of Contents

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1. Executive Summary
2. Pension Plan Review
3. Investment Plan Review
4. CAT Fund Review
5. Lawton Chiles Endowment Fund Review
6. Florida PRIME Review
7. Appendix

# Executive Summary

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- The major mandates each produced generally strong returns relative to their respective benchmarks over both short- and long-term time periods ending December 31, 2017.
- The Pension Plan underperformed its Performance Benchmark during the fourth quarter and outperformed over the trailing one-, three-, five-, ten-, and fifteen-year periods.
  - Over the long-term, Global Equity is the leading source of value added, followed by Strategic Investments, Real Estate and Fixed Income.
  - Over the trailing one-, three-, five-, and ten-year periods, the Pension Plan's return ranked in the top quartile of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan has outperformed the Total Plan Aggregate Benchmark during the fourth quarter and over the trailing one-, three-, five-, and ten-year periods.
- The Lawton Chiles Endowment Fund outperformed its benchmark during the fourth quarter and over the trailing one-, three-, five-, and ten-year periods.
- The CAT Funds' performance is strong over both short-term and long-term periods, outperforming the benchmark over the trailing one-, three-, five-, and ten-year periods.
- Florida PRIME has continued to outperform its benchmark over both short- and long-term time periods.

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# Pension Plan: Executive Summary

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- The Pension Plan assets totaled \$162.1 billion as of December 31, 2017 which represents a \$4.5 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, underperformed its return during the fourth quarter and outperformed over the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the trailing ten-year period, and outperformed over the trailing one-, three-, five-, fifteen-, twenty-, twenty-five-, and thirty-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
  - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
  - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
  - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

# FRS Pension Plan Change in Market Value

## Periods Ending 12/31/2017

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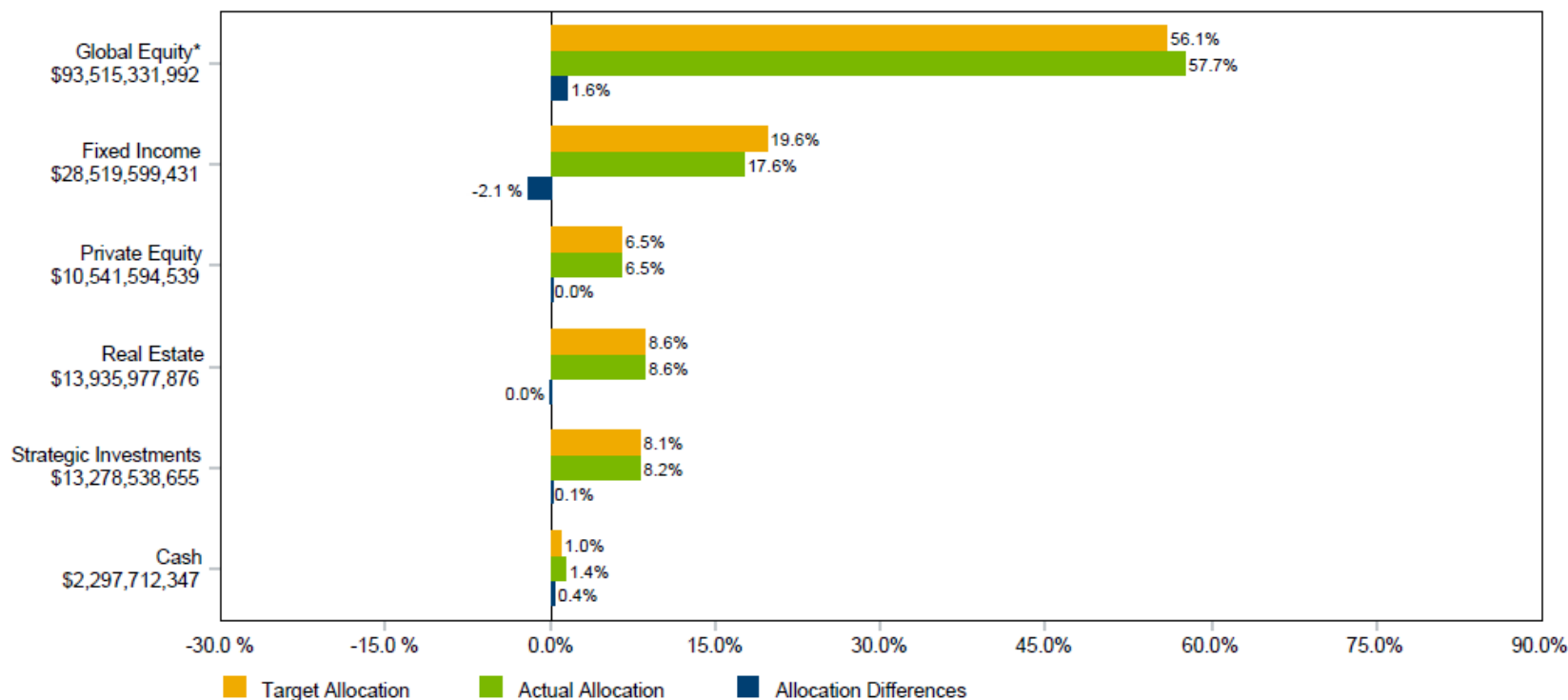
Summary of Cash Flows		
	Fourth Quarter	Fiscal YTD*
<b>Beginning Market Value</b>	\$157,560,572,242	\$153,573,300,933
<b>+/- Net Contributions/(Withdrawals)</b>	\$(1,571,530,167)	\$(3,460,855,710)
<b>Investment Earnings</b>	\$6,099,712,768	\$11,976,309,620
<b>= Ending Market Value</b>	\$162,088,754,843	\$162,088,754,843
<b>Net Change</b>	\$4,528,182,601	\$8,515,453,910

\*Period July 2017 – December 2017

# Asset Allocation as of 12/31/2017

## Total Fund Assets = \$162.1 Billion

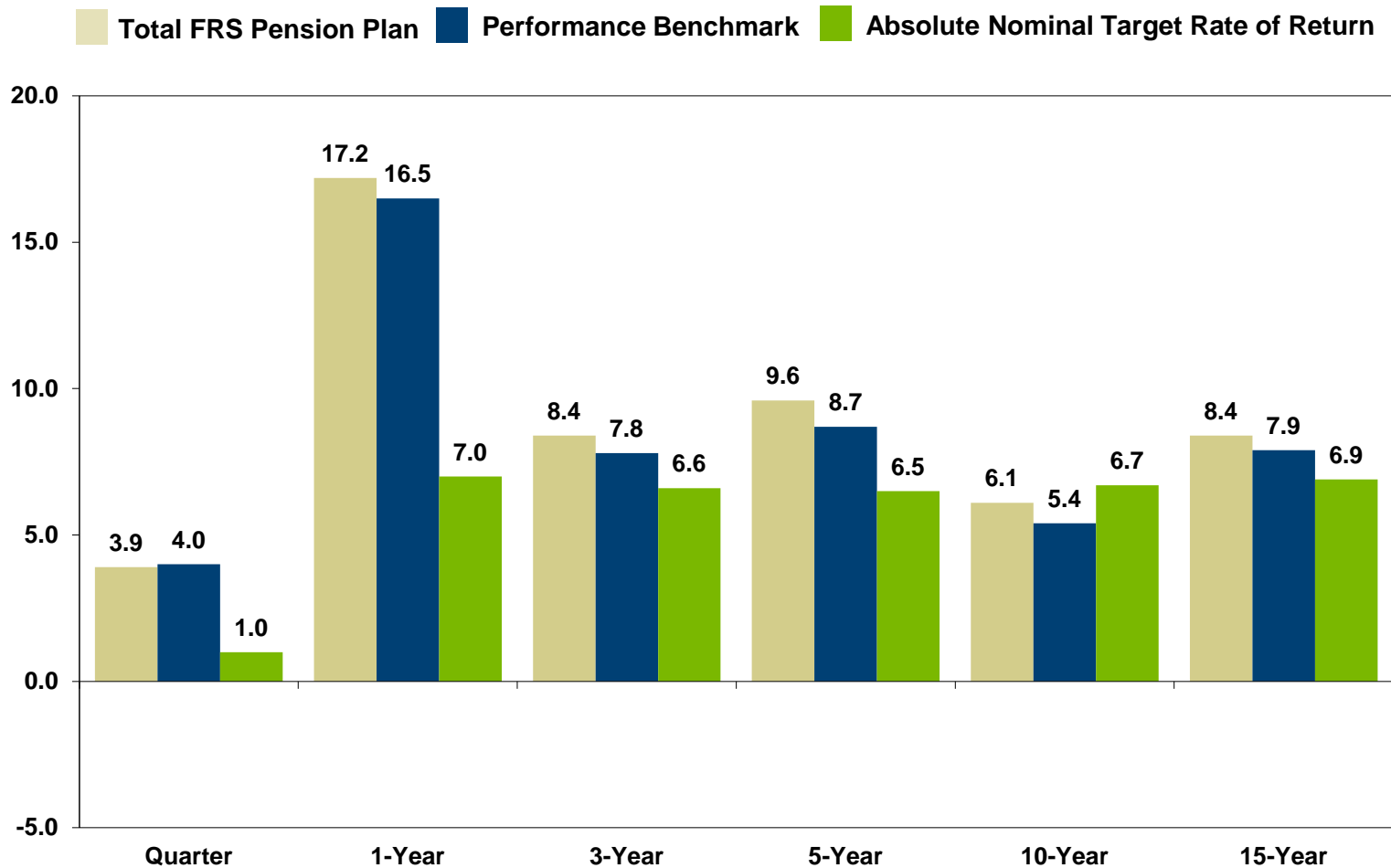
	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	162,088,754,841	100.0	100.0		
Global Equity*	93,515,331,992	57.7	56.1	45.0	70.0
Fixed Income	28,519,599,431	17.6	19.6	10.0	26.0
Private Equity	10,541,594,539	6.5	6.5	2.0	9.0
Real Estate	13,935,977,876	8.6	8.6	4.0	16.0
Strategic Investments	13,278,538,655	8.2	8.1	0.0	16.0
Cash	2,297,712,347	1.4	1.0	0.3	5.0



\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

# FRS Pension Plan Investment Results

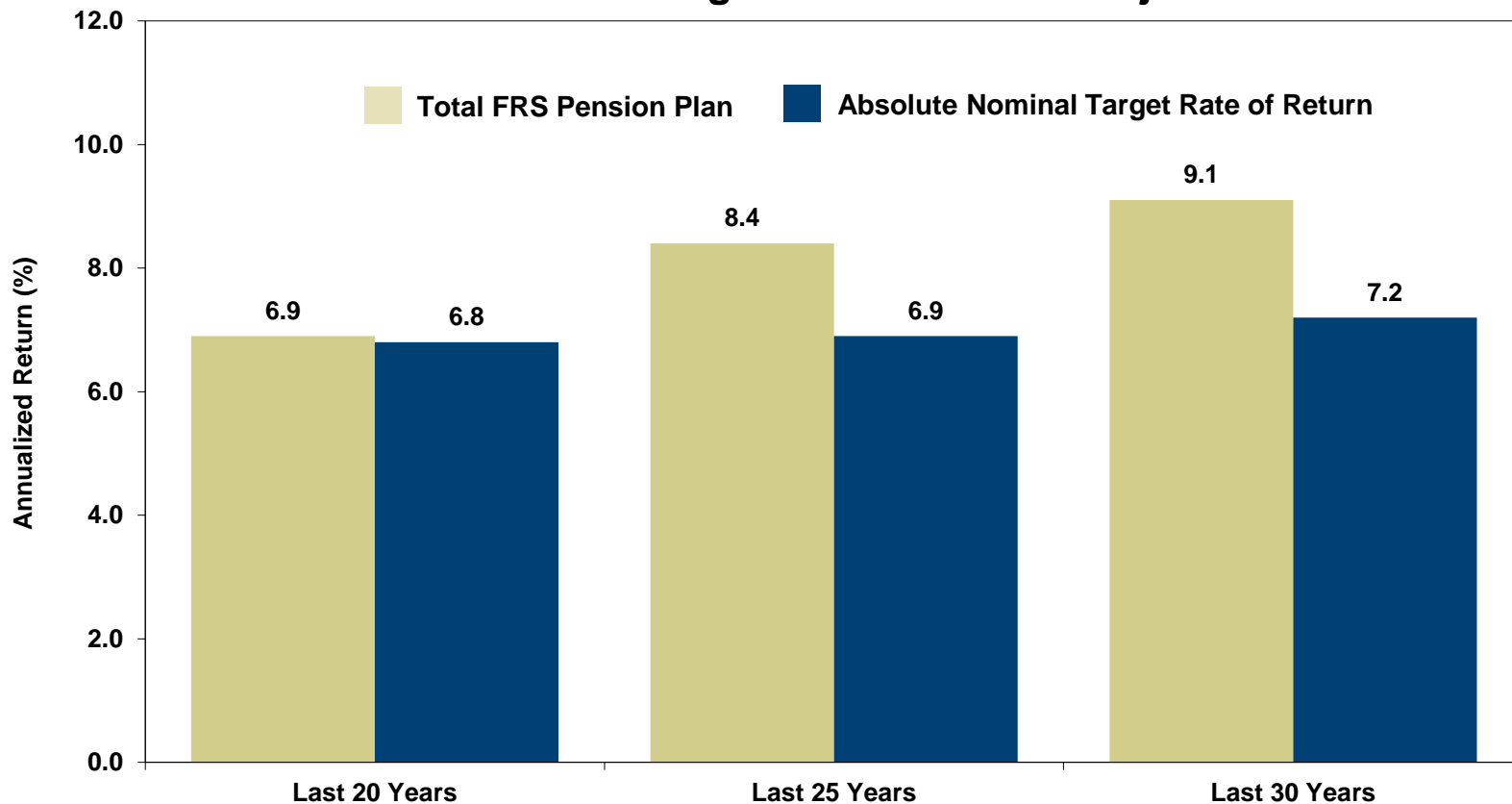
## Periods Ending 12/31/2017



# FRS Pension Plan Investment Results

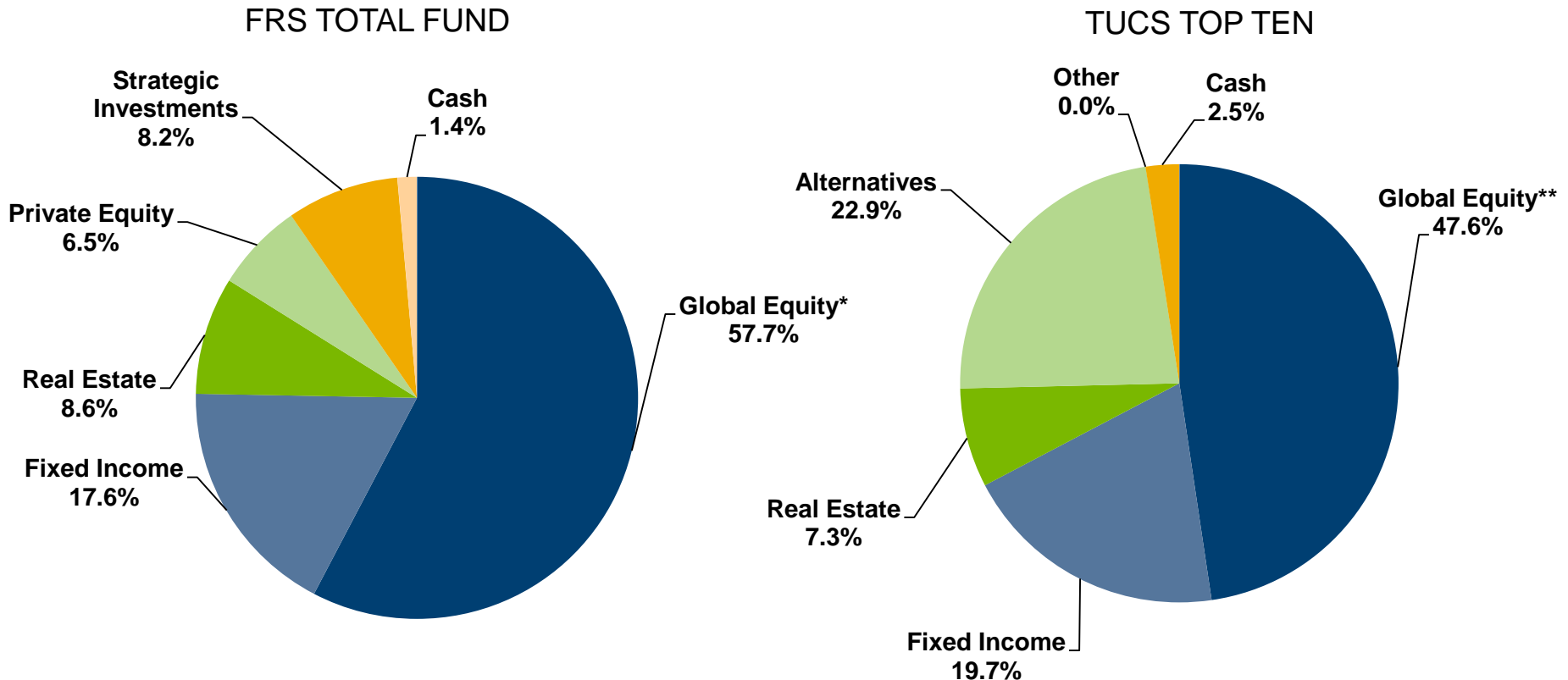
## Periods Ending 12/31/2017

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



# Comparison of Asset Allocation (TUCS Top Ten) As of 12/31/2017

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



\*Global Equity Allocation: 26.3% Domestic Equities; 25.2% Foreign Equities; 5.8% Global Equities; 0.4% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

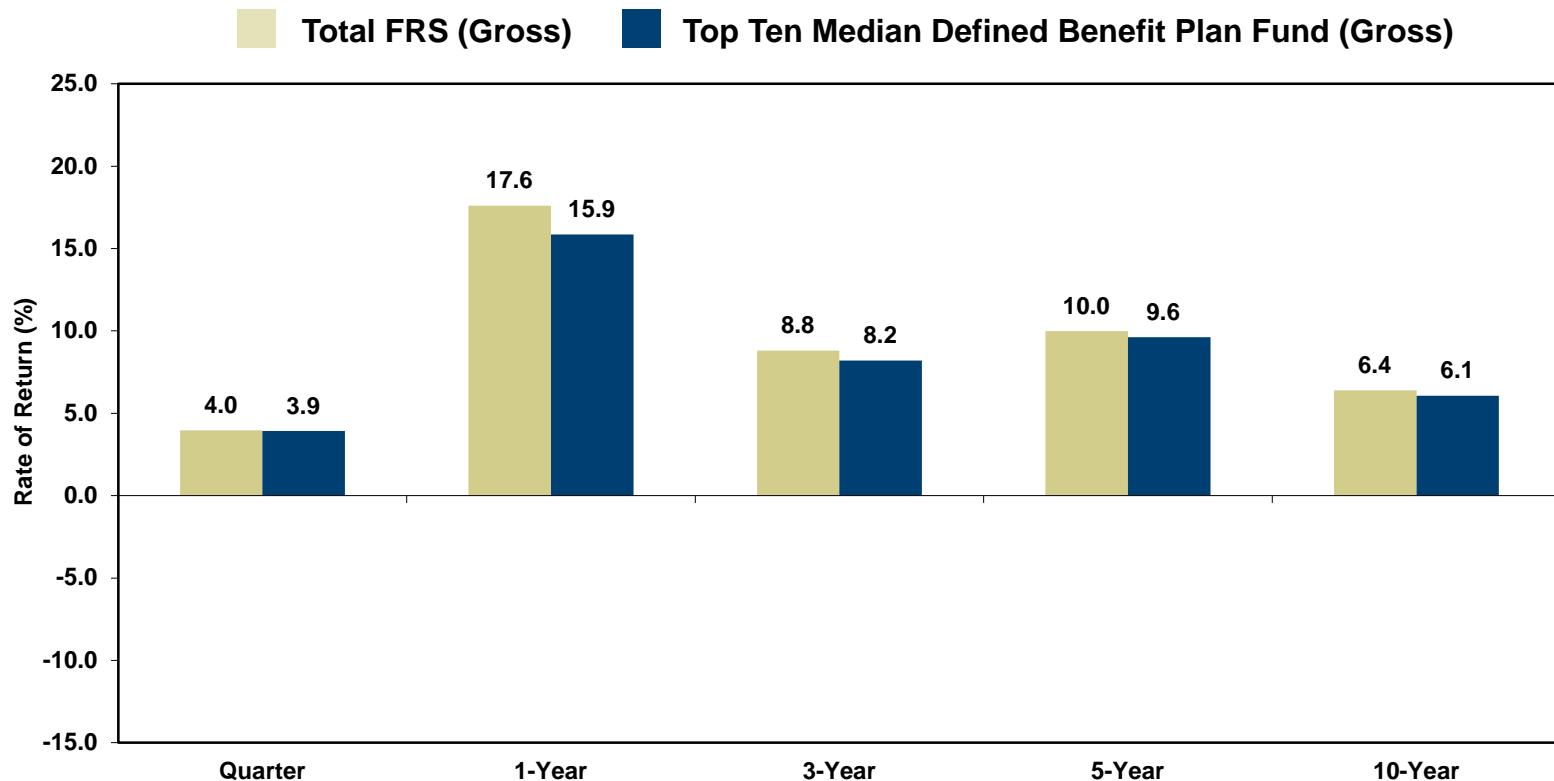
\*\*Global Equity Allocation: 29.3% Domestic Equities; 18.3% Foreign Equities.

Note: The TUCS Top Ten Universe includes \$1,532.0 billion in total assets. The median fund size was \$151.3 billion and the average fund size was \$153.2 billion.

Note: Due to rounding, percentage totals displayed may not sum perfectly.

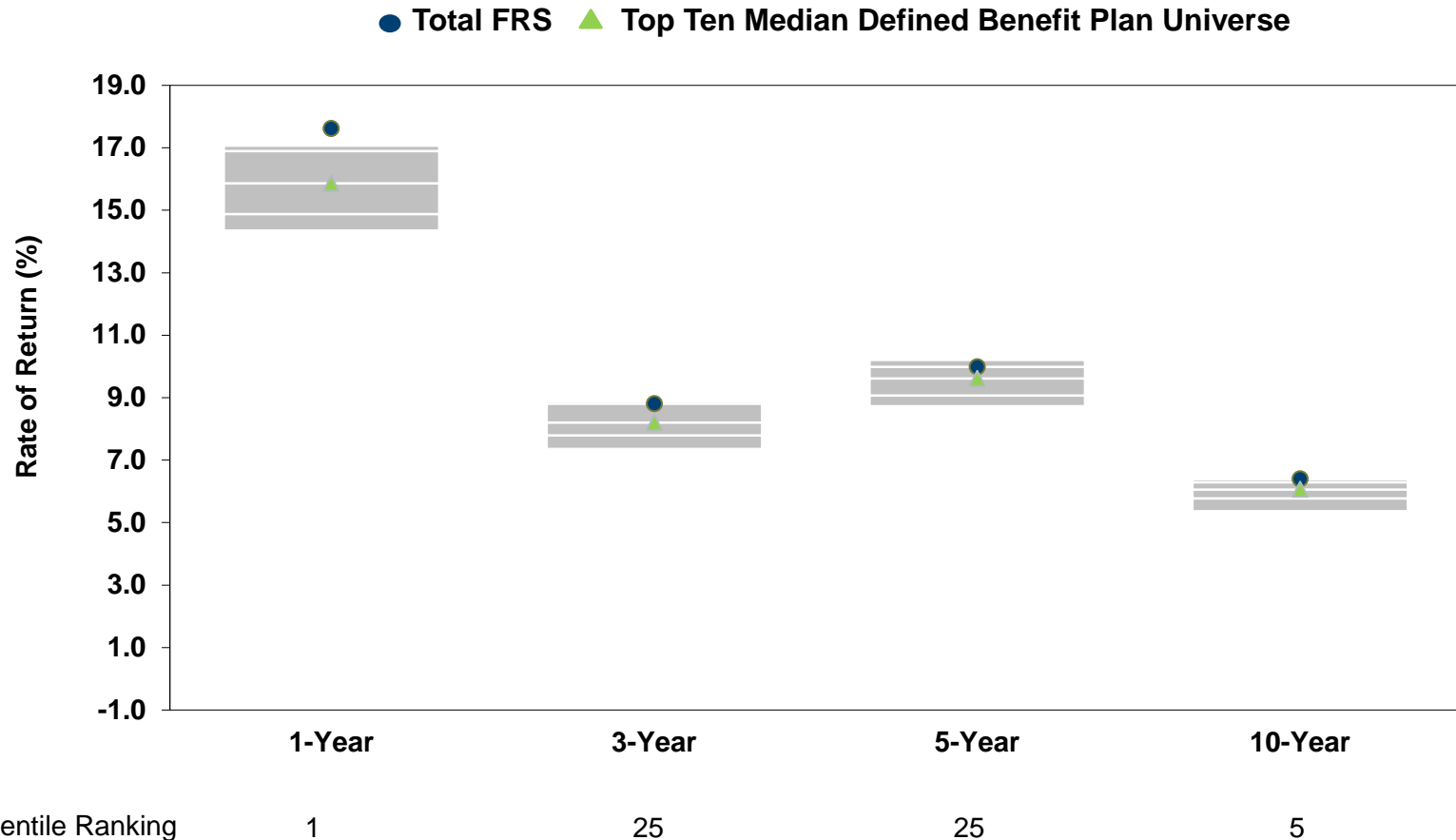


# FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 12/31/2017



Note: The TUCS Top Ten Universe includes \$1,532.0 billion in total assets. The median fund size was \$151.3 billion and the average fund size was \$153.2 billion.

# Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 12/31/2017



Note: The TUCS Top Ten Universe includes \$1,532.0 billion in total assets. The median fund size was \$151.3 billion and the average fund size was \$153.2 billion.

## Investment Plan: Executive Summary

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- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2016 data. The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. Communication and education costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group.
- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

# Total Investment Plan Returns & Cost

## Periods Ending 12/31/2017\*

	One-Year	Three-Year	Five-Year	Ten-Year
<b>FRS Investment Plan</b>	<b>16.4%</b>	<b>7.6%</b>	<b>8.5%</b>	<b>5.4%</b>
<i>Total Plan Aggregate Benchmark**</i>	15.5%	7.3%	8.2%	5.0%
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.9	0.3	0.3	0.4

## Periods Ending 12/31/2016\*\*\*

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
<b>FRS Investment Plan</b>	<b>7.2%</b>	<b>0.1%</b>	<b>0.33%*****</b>
<i>Peer Group</i>	8.2	0.2	0.26
FRS Investment Plan vs. Peer Group	-1.0	-0.1	0.07

\*Returns shown are net of fees.

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

\*\*\*Source: 2016 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 2016 Survey that included 145 U.S. defined contribution plans with assets ranging from \$72 million to \$49.6 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 17 DC plans including corporate and public plans with assets between \$2.3 - \$15.5 billion.

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

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

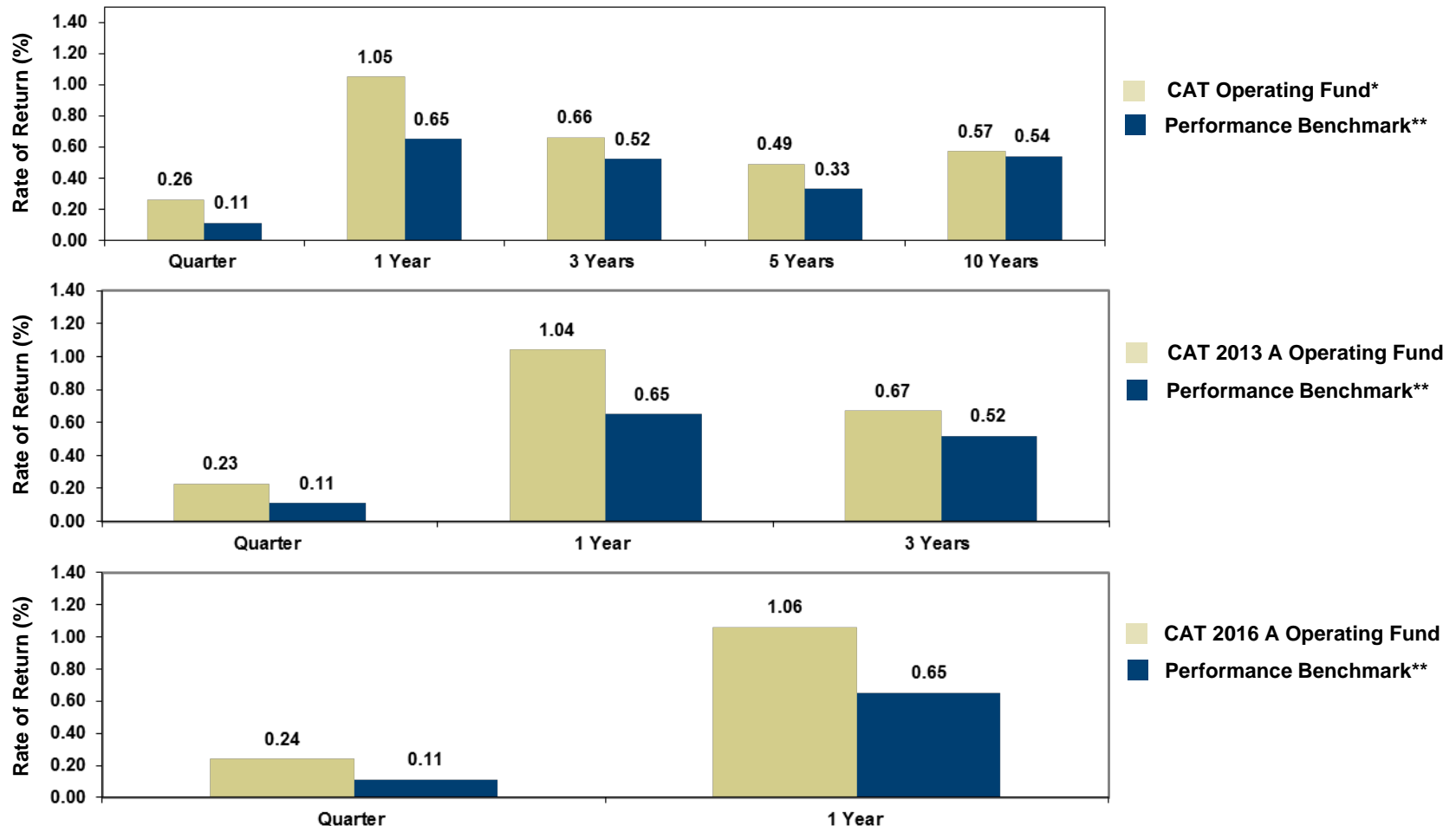
## CAT Fund: Executive Summary

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- Returns on an absolute basis continue to be modest given the current low interest rate environment.
- Performance on a relative basis has been favorable over both short- and long-term periods, as the CAT Funds outperformed during the quarter and over the trailing one-, three-, five-, and ten-year time periods.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Portfolio Guidelines appropriately constrain the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Portfolio Guidelines are revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

# CAT Funds Investment Results

## Periods Ending 12/31/2017



\*CAT Operating Fund: Beginning March 2008, the returns for the CAT Fund reflect marked-to-market returns. Prior to that time, cost-based returns are used.

\*\*Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.



## Lawton Chiles Endowment Fund: Executive Summary

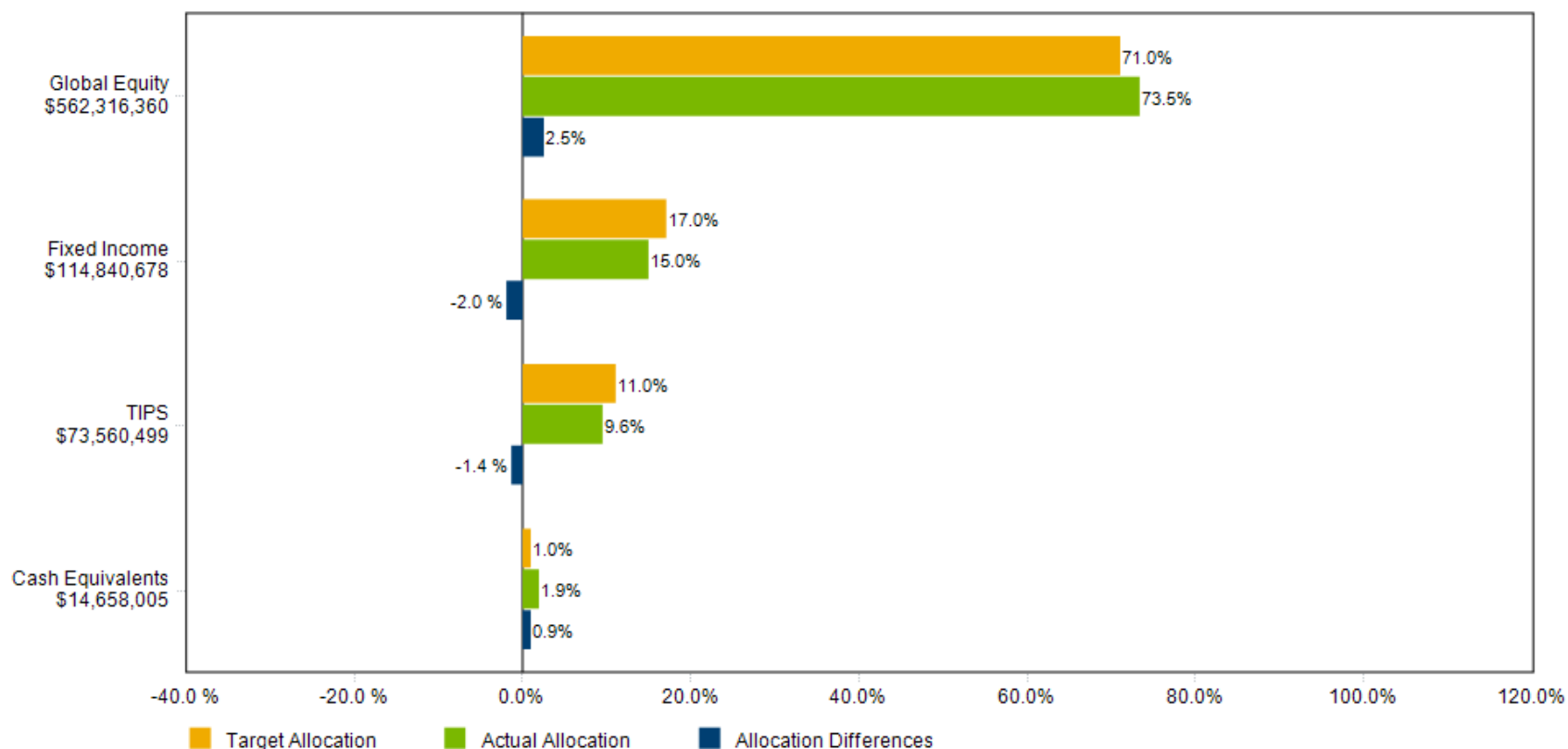
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- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
  - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
  - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled \$765.4 million as of December 31, 2017.
- The Endowment's return outperformed its Target over the quarter and the trailing one-, three-, five-, and ten-year time periods.

# Asset Allocation as of 12/31/2017

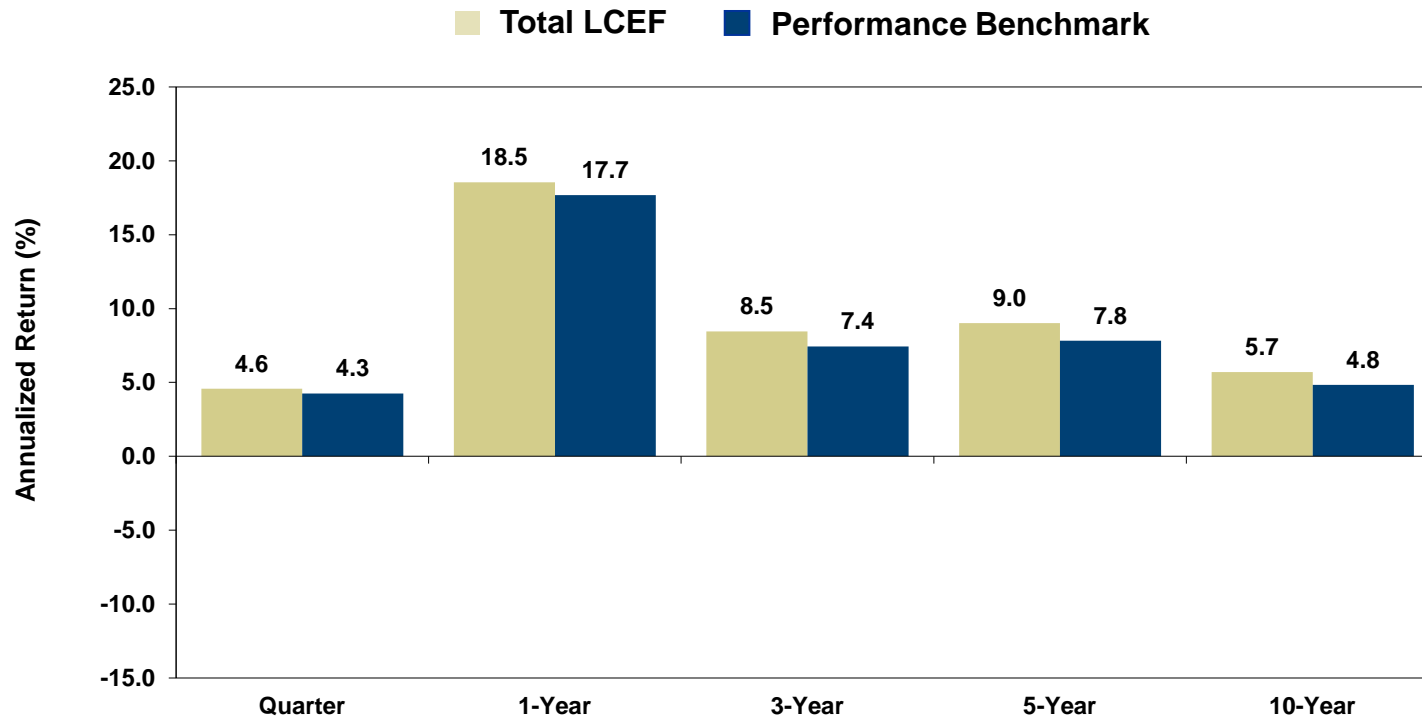
## Total LCEF Assets = \$765.4 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	765,375,543	100.0	100.0		
Global Equity	562,316,360	73.5	71.0	61.0	81.0
Fixed Income	114,840,678	15.0	17.0	12.0	22.0
TIPS	73,560,499	9.6	11.0	6.0	16.0
Cash Equivalents	14,658,005	1.9	1.0	0.0	10.0



# LCEF Investment Results

## Periods Ending 12/31/2017



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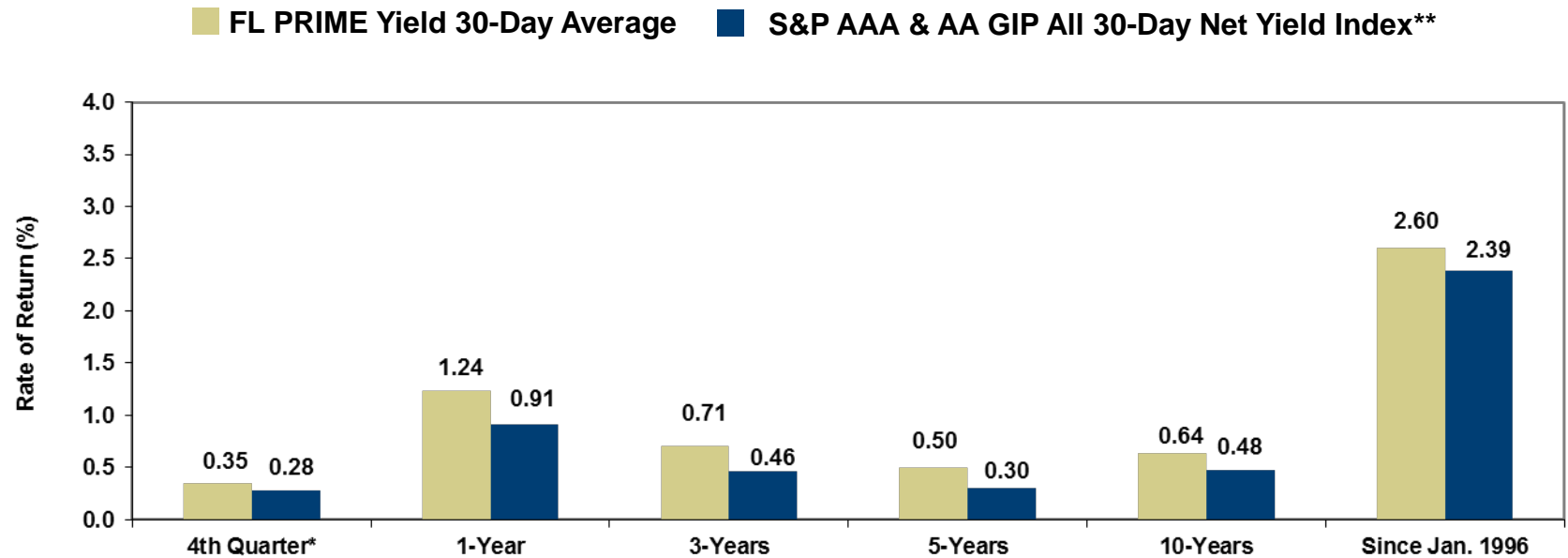
## Florida PRIME: Executive Summary

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- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME has been strong over short- and long-term time periods, outperforming its performance benchmark during the quarter and over the trailing one-, three-, five-, and ten-year time periods.
- As of December 31, 2017, the total market value of Florida PRIME was \$11.4 billion.
- Aon Hewitt Investment Consulting, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

# Florida PRIME Investment Results

## Periods Ending 12/31/2017

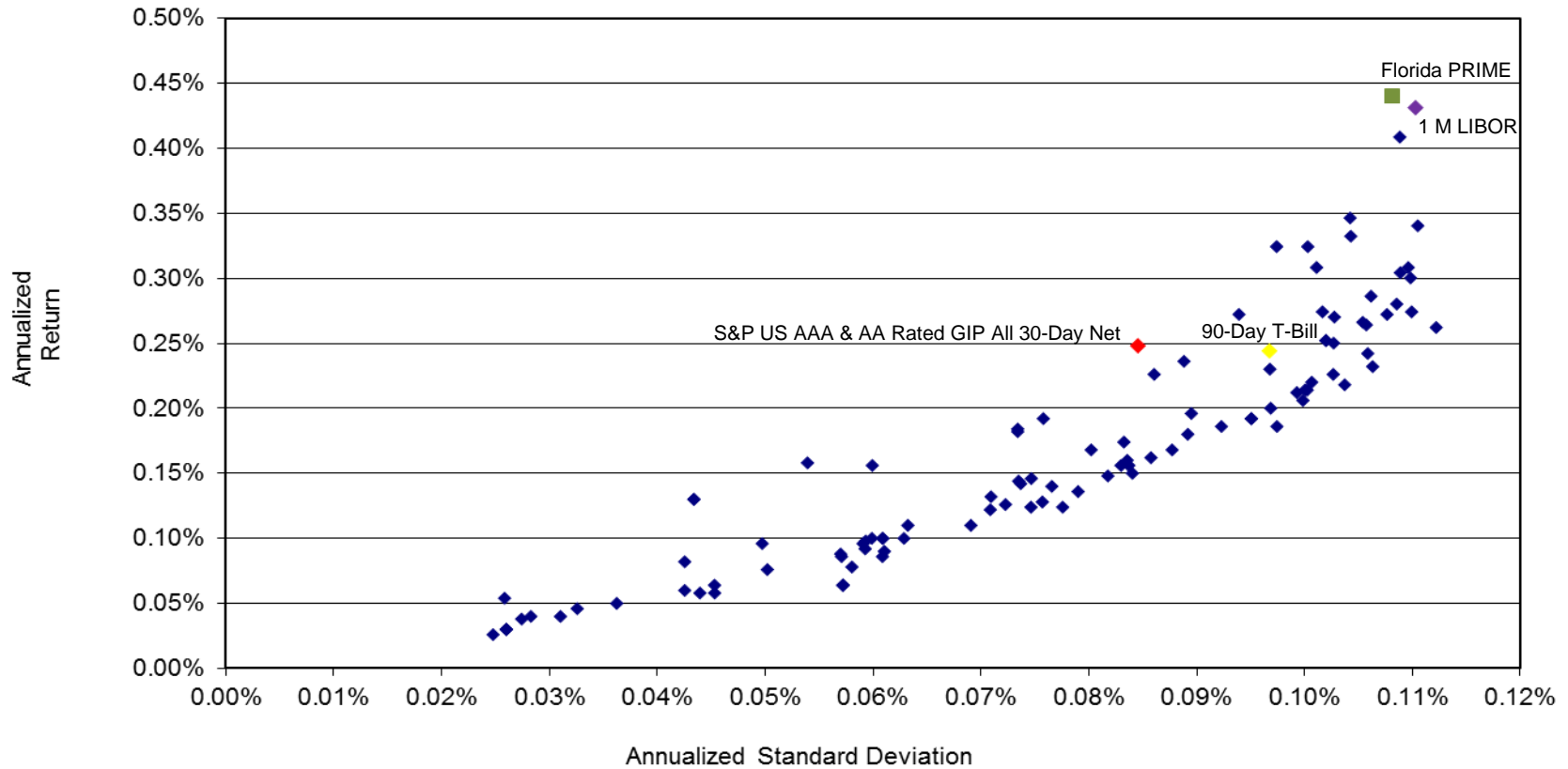


\*Returns less than one year are not annualized.

\*\*S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

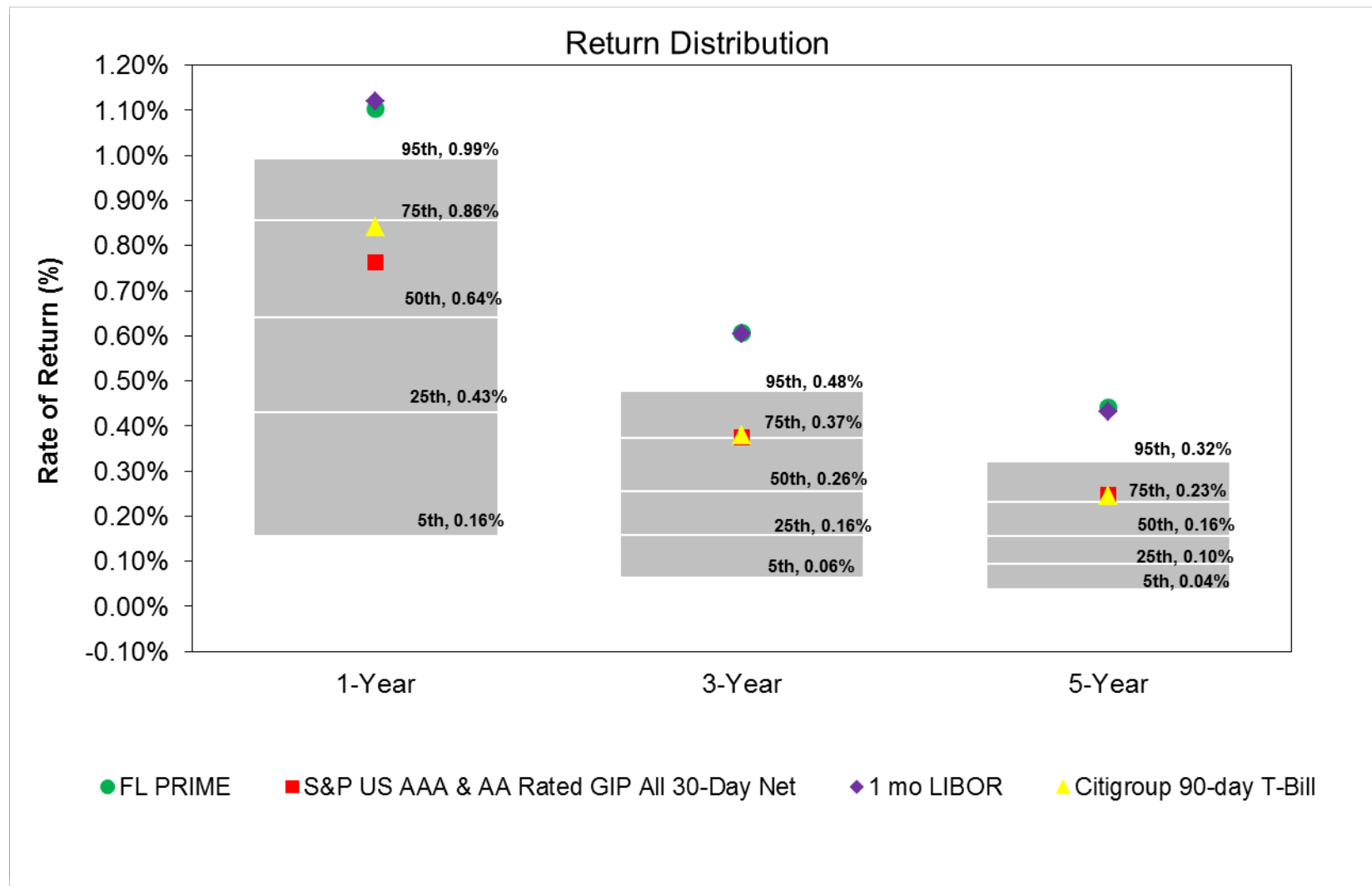


# Florida PRIME Risk vs. Return 5 Years Ending 12/31/2017



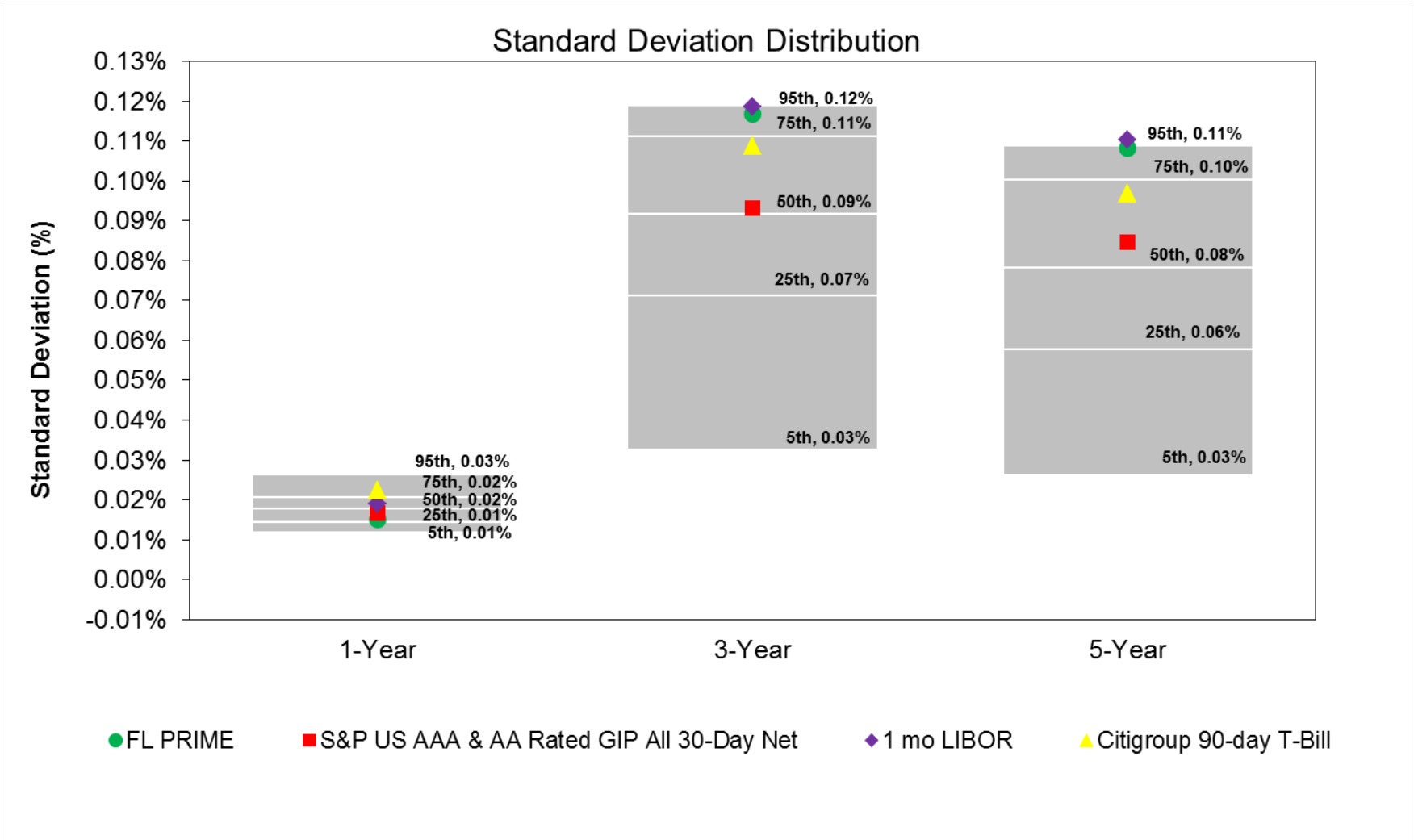
# Return Distribution

## Periods Ending 12/31/2017



# Standard Deviation Distribution

## Periods Ending 12/31/2017



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# Appendix

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## FRS Investment Plan Costs

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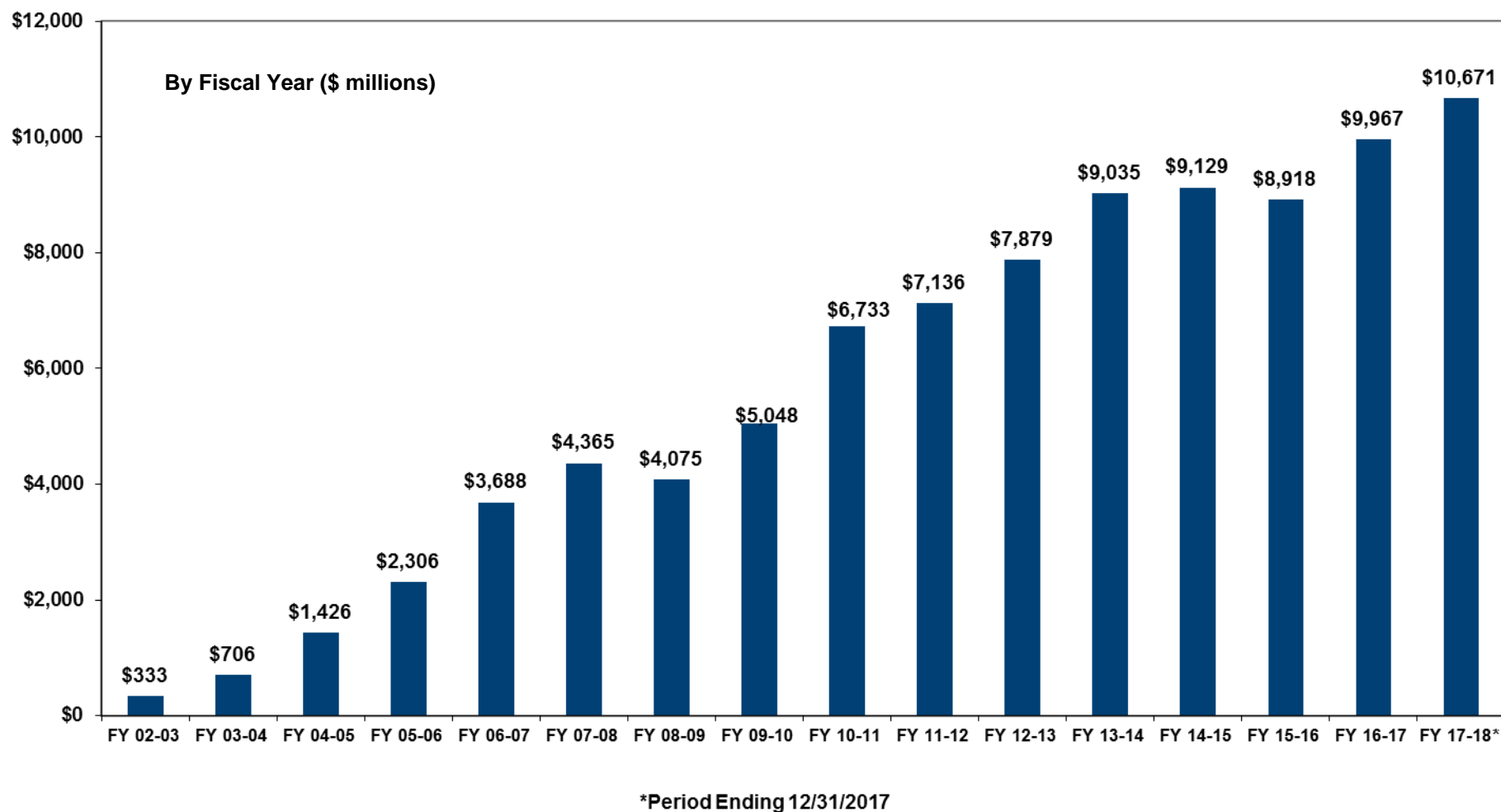
Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.16%	0.84%
Small-Mid Cap Equity	0.59%	1.03%
International Equity	0.31%	1.05%
Diversified Bonds	0.15%	0.58%
Target Date	0.11%	0.64%
Money Market	0.06%	0.18%

\*Average fee of multiple products in category as of 12/31/2017.

\*\*Source: AHIC's annual mutual fund expense analysis as of 12/31/2016.

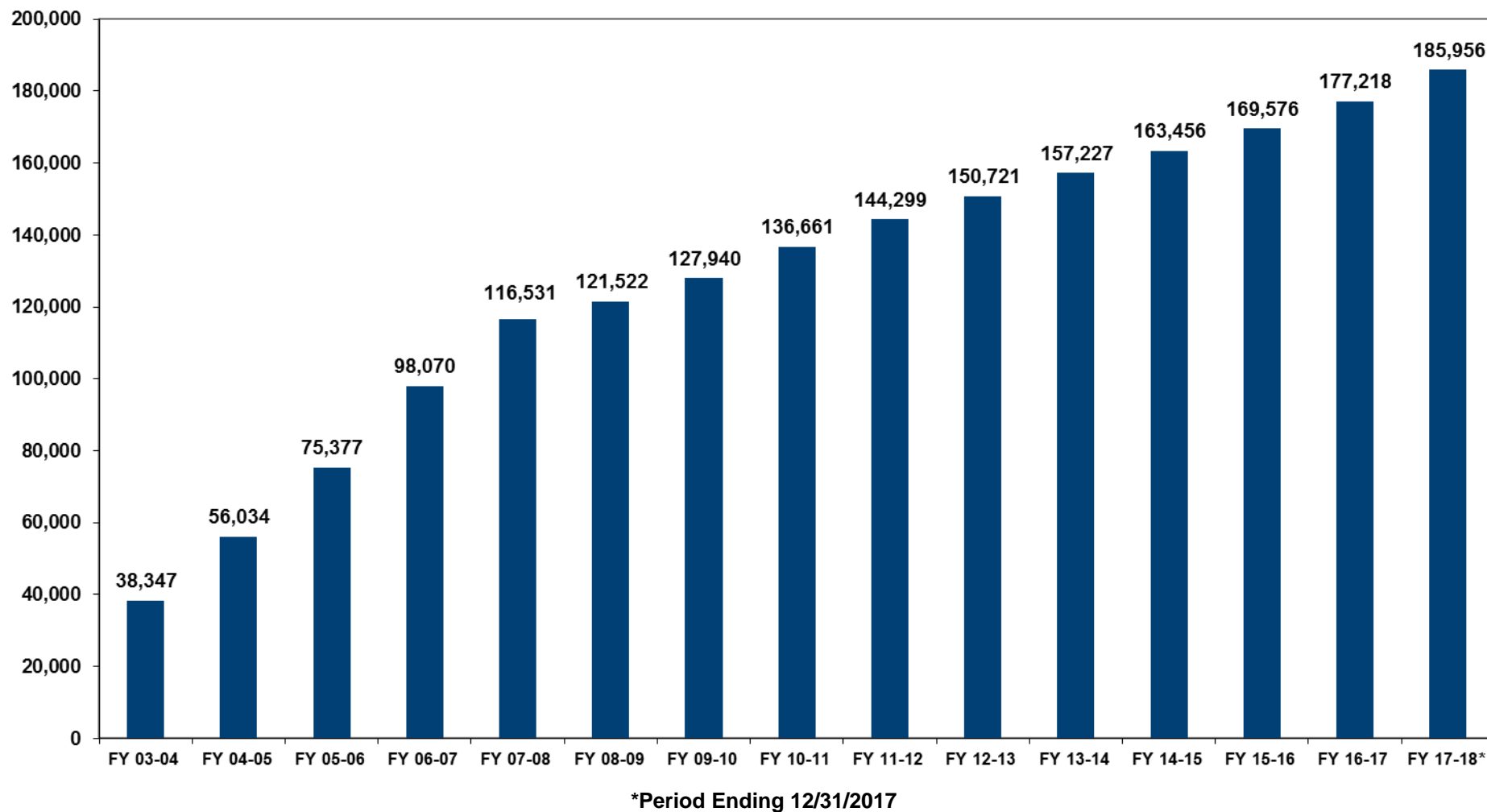


# Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

# Investment Plan Membership



Source: Investment Plan Administrator

# Florida Hurricane Catastrophe Fund Background

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- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- Both the CAT Fund (Operating Fund) and the CAT 2013 A Fund are internally managed portfolios benchmarked to a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.
- As of December 31, 2017, the total value of all FHCF accounts was \$17.6 billion.

# CAT Operating Fund Characteristics

## Period Ending 12/31/2017

<b>Maturity Analysis</b>	
1 to 30 Days	29.18%
31 to 60 Days	18.21
61 to 90 Days	15.51
91 to 120 Days	4.74
121 to 150 Days	4.44
151 to 180 Days	5.42
181 to 270 Days	5.88
271 to 365 Days	5.27
366 to 455 Days	3.03
>= 456 Days	8.32
<b>Total % of Portfolio:</b>	<b>100.00%</b>

<b>Bond Rating Analysis</b>	
AAA	42.48%
AA	20.04
A	37.48
Baa	0.00
Other	0.00
<b>Total % of Portfolio</b>	<b>100.00%</b>

# CAT 2013 A Fund Characteristics

## Period Ending 12/31/2017

<b>Maturity Analysis</b>	
1 to 30 Days	5.42%
31 to 60 Days	15.65
61 to 90 Days	2.32
91 to 120 Days	6.28
121 to 150 Days	1.98
151 to 180 Days	37.77
181 to 270 Days	8.96
271 to 365 Days	7.06
366 to 455 Days	0.60
>= 456 Days	13.96
<b>Total % of Portfolio:</b>	<b>100.00%</b>

<b>Bond Rating Analysis</b>	
AAA	72.03%
AA	16.46
A	11.51
Baa	0.00
Other	0.00
<b>Total % of Portfolio</b>	<b>100.00%</b>

# CAT 2016 A Fund Characteristics

## Period Ending 12/31/2017

---

<b>Maturity Analysis</b>	
1 to 30 Days	19.13%
31 to 60 Days	14.94
61 to 90 Days	2.07
91 to 120 Days	6.21
121 to 150 Days	2.48
151 to 180 Days	6.23
181 to 270 Days	23.38
271 to 365 Days	7.97
366 to 455 Days	0.74
>= 456 Days	16.85
<b>Total % of Portfolio:</b>	<b>100.00%</b>

<b>Bond Rating Analysis</b>	
AAA	60.49%
AA	23.45
A	16.06
Baa	0.00
Other	0.00
<b>Total % of Portfolio</b>	<b>100.00%</b>



# Florida PRIME Characteristics

## Quarter Ending 12/31/2017

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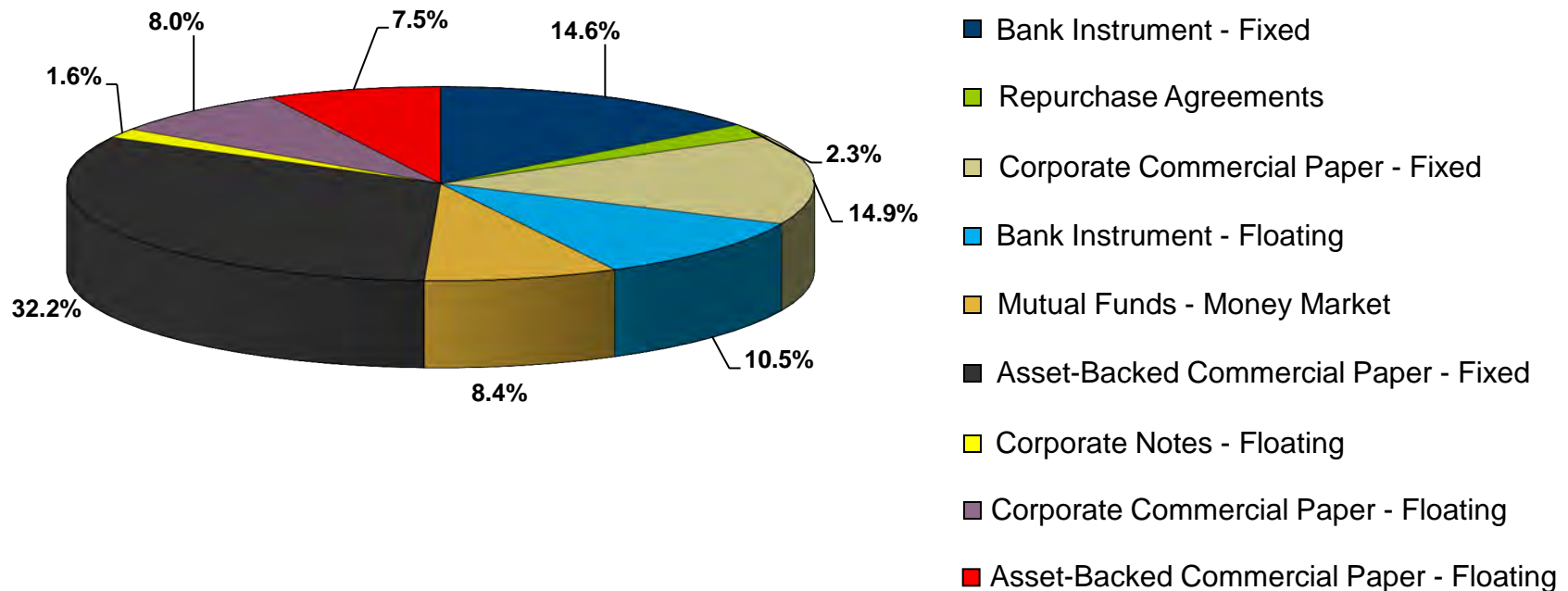
<b>Cash Flows as of 12/31/2017</b>	<b>Fourth Quarter</b>	<b>Fiscal YTD*</b>
Opening Balance	\$8,042,974,215	\$9,329,349,587
Participant Deposits	\$10,234,352,011	\$13,173,469,524
Gross Earnings	\$31,749,044	\$61,900,591
Participant Withdrawals	(\$6,879,389,487)	(\$11,134,297,455)
Fees	(\$731,249)	(\$1,467,714)
Closing Balance (12/31/2017)	\$11,428,954,534	\$11,428,954,534
<b>Change</b>	<b>\$3,385,980,319</b>	<b>\$2,099,604,947</b>

\*Period July 2017 – December 2017

# Florida PRIME Characteristics

## Quarter Ending 12/31/2017

### Portfolio Composition



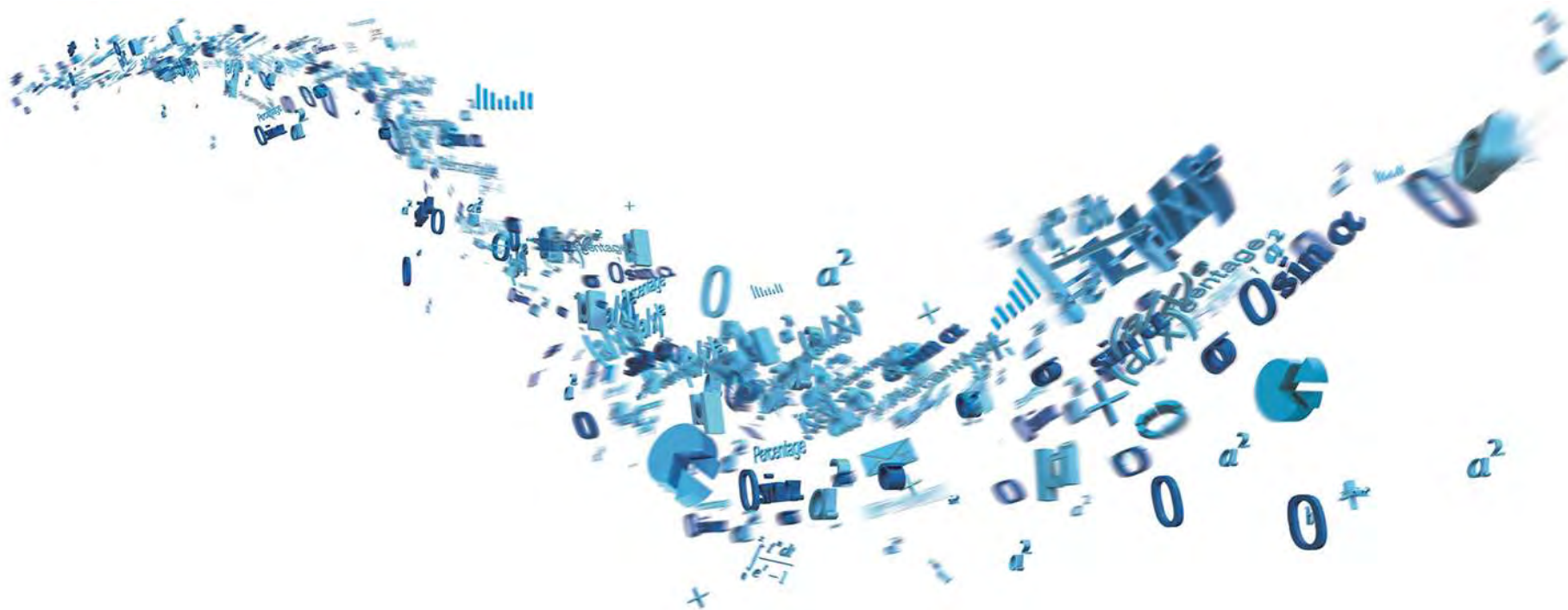
## Florida PRIME Characteristics

### Period Ending 12/31/2017

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<b>Effective Maturity Schedule</b>	
1-7 Days	40.8%
8 - 30 Days	18.2%
31 - 90 Days	28.5%
91 - 180 Days	7.3%
181+ Days	5.2%
<b>Total % of Portfolio:</b>	<b>100.0%</b>

<b>S &amp; P Credit Quality Composition</b>	
A-1+	64.4%
A-1	35.6%
<b>Total % of Portfolio:</b>	<b>100.0%</b>



FRS Pension Plan | Fourth Quarter 2017

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## Quarterly Investment Review

Visit the Aon Hewitt Retirement and Investment Blog (<http://retirementandinvestmentblog.aon.com>); sharing our best thinking.

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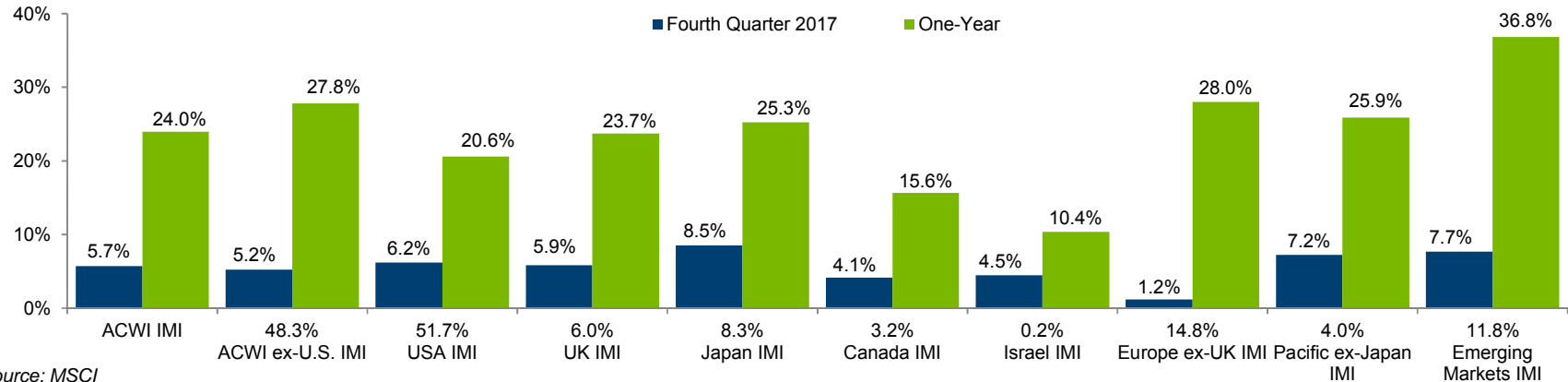


## Market Environment

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## Global Equity Markets

### GLOBAL MSCI IMI INDEX RETURNS AS OF 12/31/2017

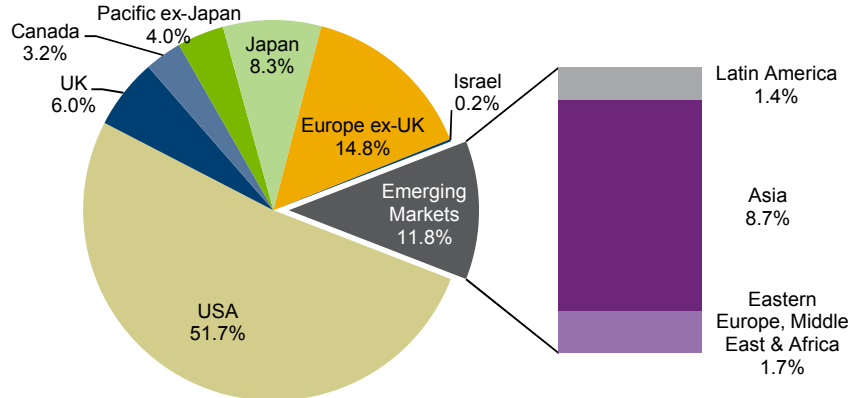


A strong earnings season for corporates combined with continued supportive monetary policy and synchronized pick-up in global growth helped global equities return 5.7% in Q4 2017 in U.S. dollar terms. The weakening of the U.S. dollar (0.4% in trade-weighted terms) led to a lower return of 5.3% in local currency terms.

All regions shown above generated positive returns over the quarter. Japan was the strongest performer, returning 8.5% in the fourth quarter of 2017. The Japanese economy and equities ended 2017 in strong footing with a number of economic releases and corporate earnings exceeding analyst forecasts. A positive result in the snap Japanese election and expectations of continued easy monetary policy provided additional support to the strong performance over the quarter.

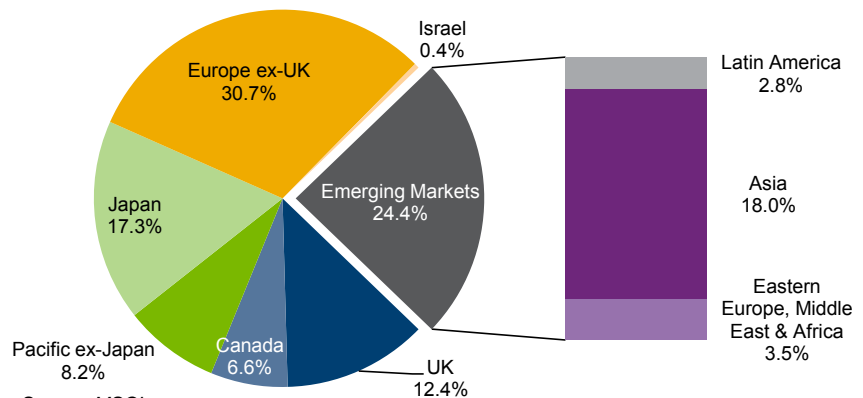
## Global Equity Markets

**MSCI ALL COUNTRY WORLD IMI INDEX  
GEOGRAPHIC ALLOCATION AS OF 12/31/2017**



Source: MSCI

**MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX  
GEOGRAPHIC ALLOCATION AS OF 12/31/2017**

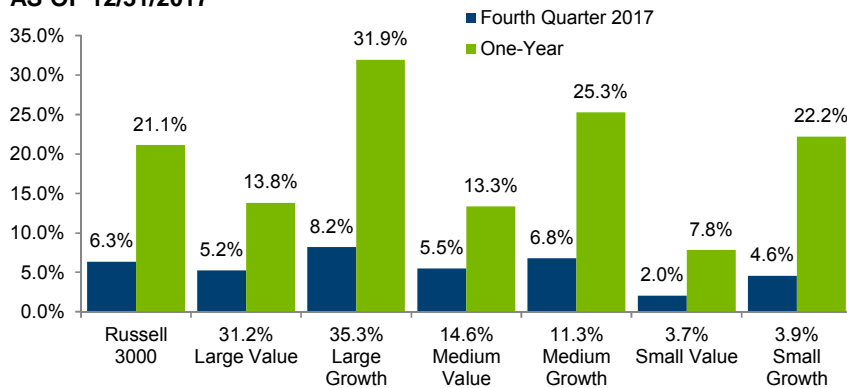


Source: MSCI

The two exhibits on this slide illustrate the percentage that each country/region represents of the global and international equity markets as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index, respectively.

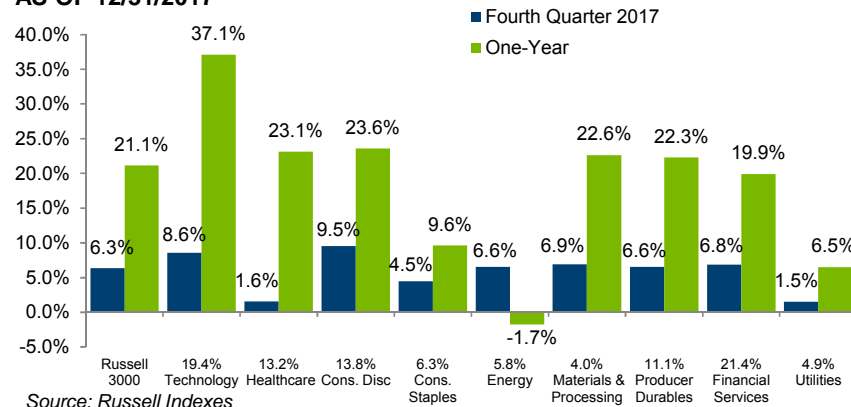
## U.S. Equity Markets

**RUSSELL STYLE RETURNS  
AS OF 12/31/2017**



Source: Russell Indexes

**RUSSELL GICS SECTOR RETURNS  
AS OF 12/31/2017**



Source: Russell Indexes

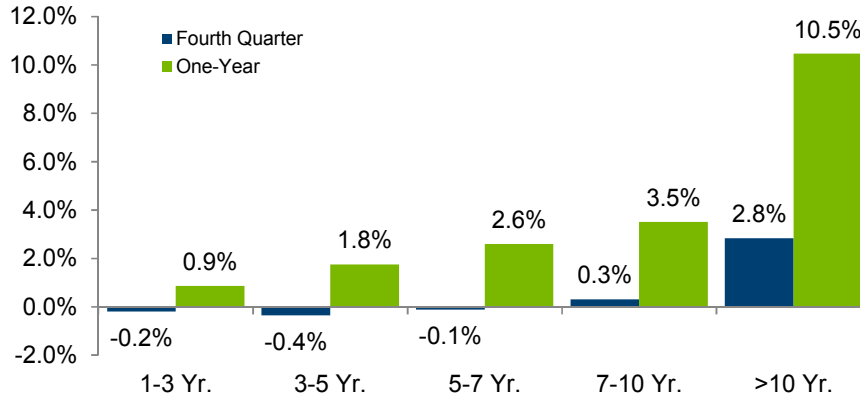
The Russell 3000 Index returned 6.3% during the fourth quarter and 21.1% over the one-year period.

During the fourth quarter, the consumer discretionary sector continued to be the strongest performer, posting returns of 9.5%. More defensive sectors, which are not sensitive to economic activity, underperformed more cyclical sectors. In particular, utilities and healthcare were the weakest sectors, posting returns of 1.5% and 1.6% respectively in Q4 2017.

Performance was positive across the market capitalization spectrum over the quarter. The impressive run for the U.S. equities was sustained in the latter stages of 2017 as it became increasingly clear that the tax reform plan would be signed into law, entering 2018 with fourteen consecutive months of market gains. Large cap stocks outperformed small cap stocks on a one-year basis. In general, growth stocks outperformed value stocks.

## U.S. Fixed Income Markets

**BLOOMBERG BARCLAYS U.S. AGGREGATE RETURNS BY MATURITY AS OF 12/31/2017**



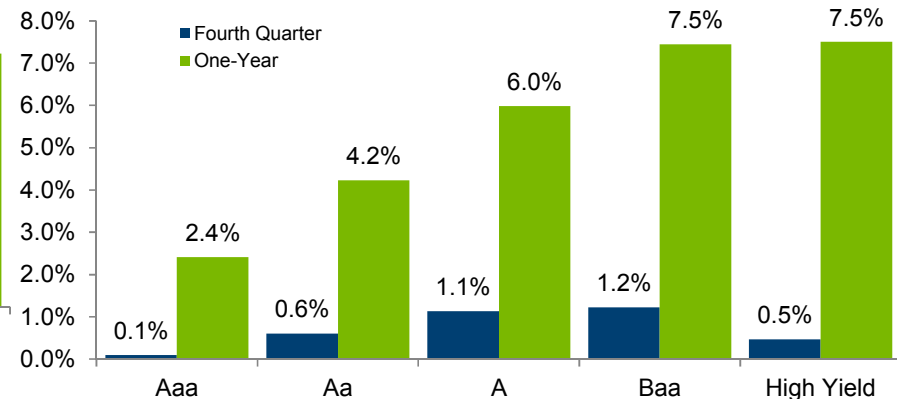
Source: Bloomberg Barclays

The Bloomberg Barclays U.S. Aggregate Bond Index returned 0.4% in the fourth quarter. Credit spreads narrowed over the quarter which supported corporate bond returns. Corporate bonds posted the highest return over the quarter at 1.2%, particularly outperforming securitized assets which broadly edged slightly up.

Although performance was positive across all credit qualities, lower quality investment grade bonds outperformed with greater scope for spread tightening.

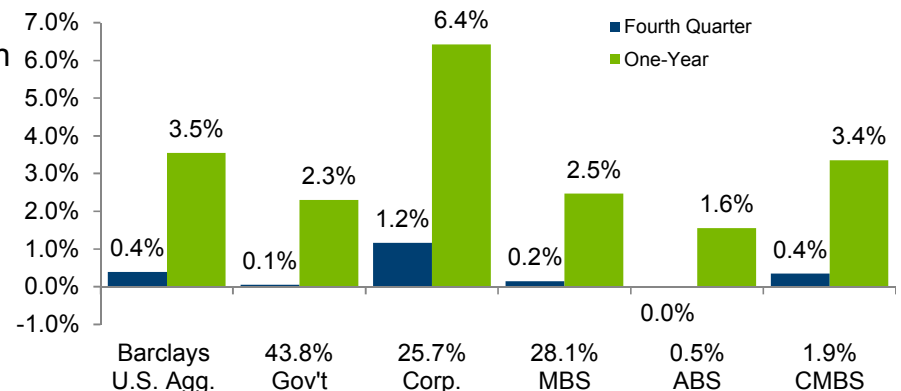
The yield curve flattened over the quarter with short maturity bond yields moving higher while long maturity yields fell. This flattening led to long duration bonds outperforming intermediate and short duration bonds through the quarter.

**BLOOMBERG BARCLAYS U.S. AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS AS OF 12/31/2017**



Source: Bloomberg Barclays

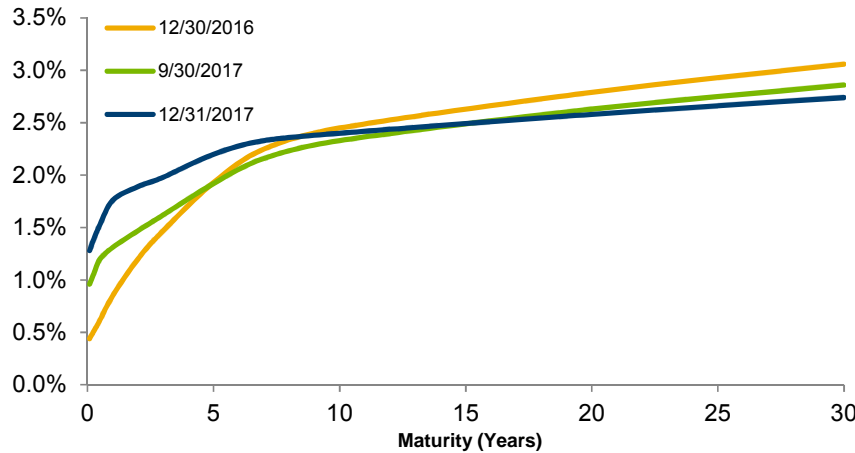
**BLOOMBERG BARCLAYS U.S. AGGREGATE RETURNS BY SECTOR AS OF 12/31/2017**



Source: Bloomberg Barclays

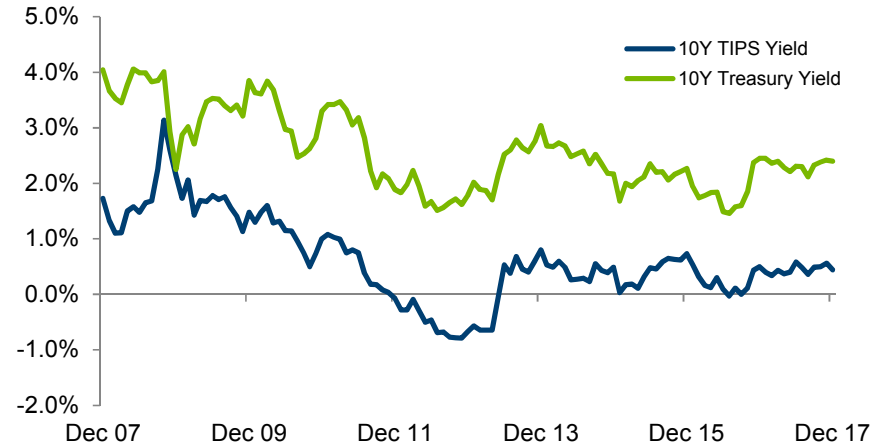
## U.S. Fixed Income Markets

**U.S. TREASURY YIELD CURVE**



Source: U.S. Department of Treasury

**U.S. 10-YEAR TREASURY AND TIPS YIELDS**



Source: U.S. Department of Treasury

The Treasury yield curve flattened over the quarter, as yields of short to long term maturity bonds rose as expectations of greater monetary tightening grew while longer maturity bond yields fell.

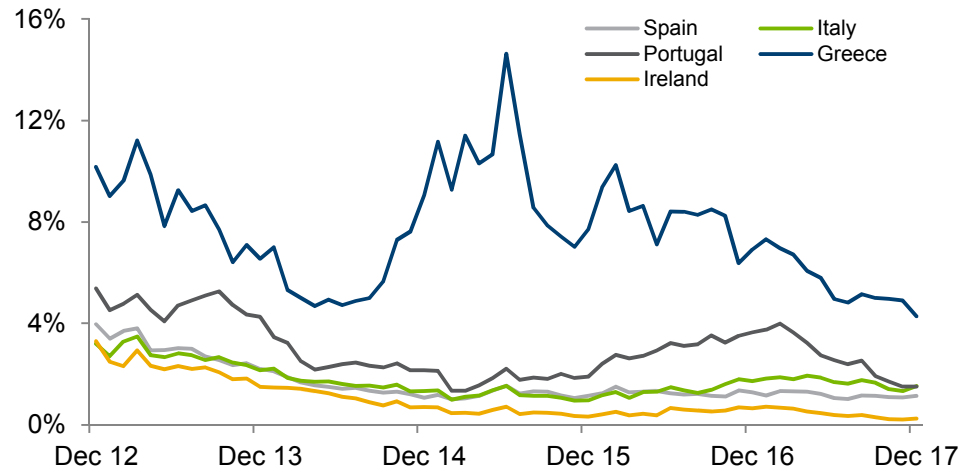
The 10-year U.S. Treasury yield ended the quarter at 2.4%, 7 basis points (bps) higher than at the start of the quarter. This was largely driven by higher breakeven inflation which moved 14 bps higher thereby offsetting the fall in real yields.

The 10-year TIPS yield fell by 5 bps over the quarter and ended the period at 0.4%.



## European Fixed Income Markets

**EUROZONE PERIPHERAL BOND SPREADS  
(10-YEAR SPREADS OVER GERMAN BUNDS)**



Source: DataStream

In the Eurozone, bond spreads over 10 year German bunds fell across the peripheral region (except for Spain which remained flat). Spanish government bond yields fell by 4 bps with the majority of the fall being recovered towards end of the quarter as Spain pro-independence parties maintained a majority in the Catalan regional elections.

Italian bond yields fell by 16 bps, however, yields rose sharply towards the end of the quarter as President Sergio Mattarella dissolved parliament ahead of elections in March 2018.

Portuguese government bond yields fell sharply, moving 45 bps lower as Fitch (a major credit rating agency) followed S&P Global Ratings and upgraded the Portuguese bonds credit rating to investment grade.

Greek government bond yields fell by 76 bps to 4.70% due to upbeat economic data and the progress made on the bailout program; the spread between Greek bonds and German Bunds moved 73 bps lower over the same period.

## Credit Spreads

Spread (bps)	12/31/2017	9/30/2017	12/31/2016	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	36	38	43	-2	-7
Long Govt	2	2	3	0	-1
Long Credit	139	149	167	-10	-28
Long Govt/Credit	83	90	104	-7	-21
MBS	25	22	15	3	10
CMBS	62	71	75	-9	-13
ABS	36	44	59	-8	-23
Corporate	93	101	123	-8	-30
High Yield	343	347	409	-4	-66
Global Emerging Markets	215	235	288	-20	-73

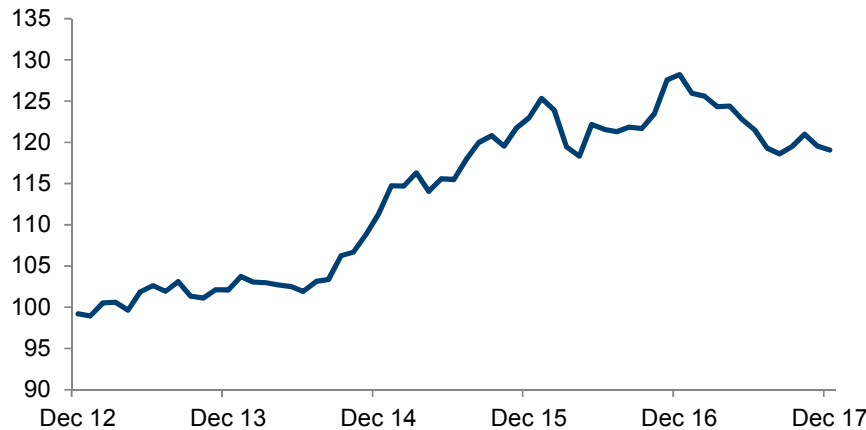
Source: Bloomberg Barclays

During the fourth quarter, credit spreads fell across all the areas of the bond market except for MBS bonds which rose by 3 bps. Meanwhile, Long Government bonds remained flat.

Global emerging market bond spreads fell by the most over the quarter, narrowing by 20 bps. They were followed by Long Credit bonds which fell by 10 bps.

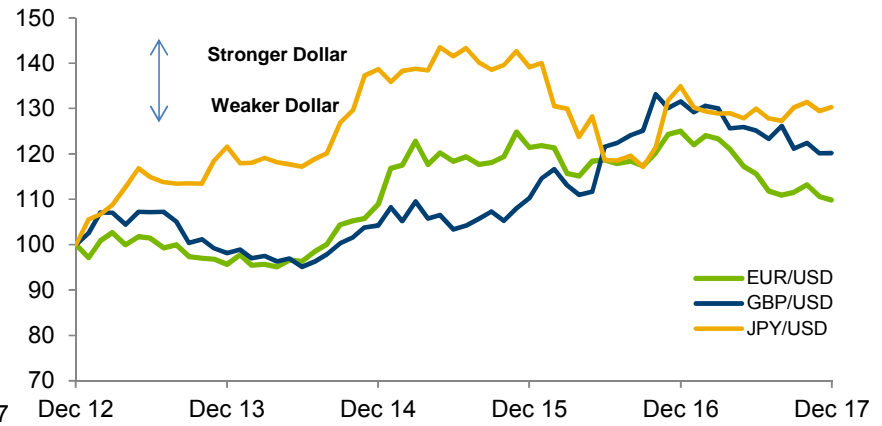
## Currency

**TRADE WEIGHTED U.S. DOLLAR INDEX  
(1997 = 100)**



Source: Federal Reserve

**U.S. DOLLAR RELATIVE TO EUR, GBP AND JPY  
REBASED TO 100 AT 12/31/2012**



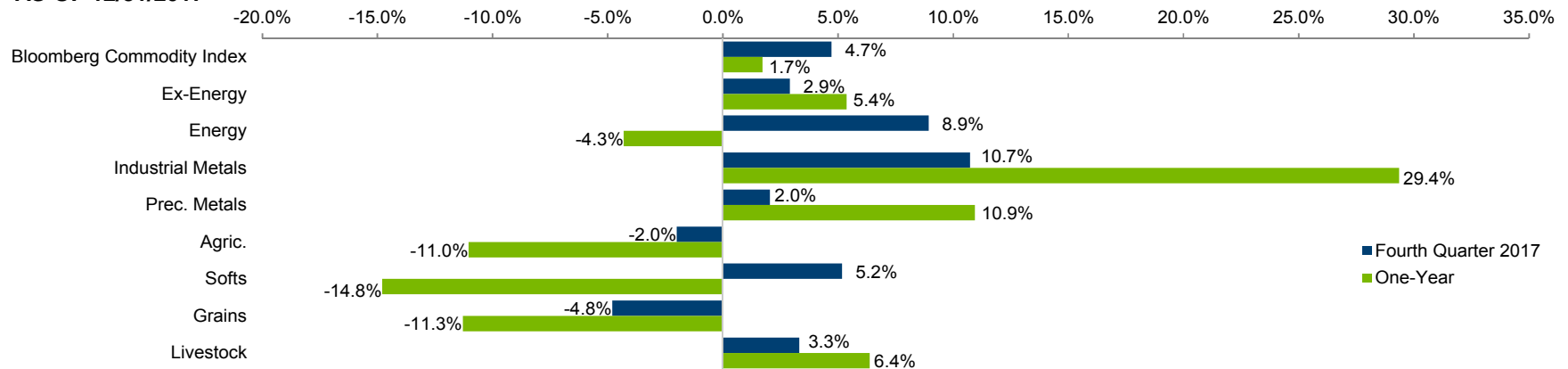
Source: DataStream

The U.S. dollar weakened by 0.4% on a trade-weighted basis over the quarter which saw the U.S. Federal Reserve (Fed) raising interest rates for the third time in a year. The Fed raised their benchmark rates by 25 bps to a range of 1.25%-1.50%. Widening interest rate differentials and the passing of the stimulatory tax reform was not enough to stem the downward trend in the U.S. dollar.

The U.S. dollar depreciated against all the major currencies with the exception of the Japanese yen. The Bank of England (BoE) hiked the base for the first time in a decade, restoring the base rate back to the pre-Brexit level of 0.5%. Brexit talks showed signs of progress with the European Union and the UK agreeing to a deal on the first stage of Brexit negotiations which sent sterling 0.8% higher against the U.S. dollar. The yen marginally fell by 0.1% against the U.S. dollar. Positive economic data emanating from the Eurozone supported the euro's 1.6% appreciation against the 'greenback'.

## Commodities

### COMMODITY RETURNS AS OF 12/31/2017



Source: Bloomberg

Note: Softs and Grains are part of a wider Agriculture Index

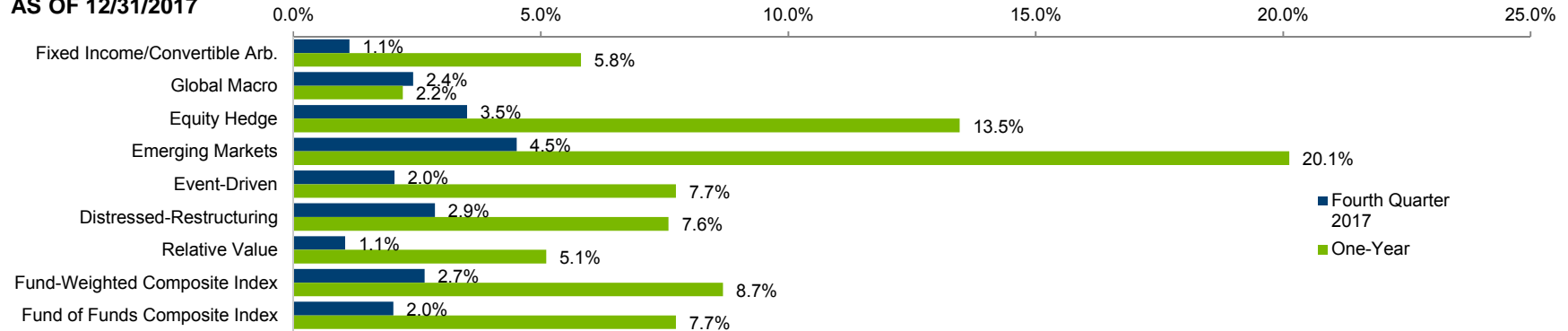
A strong upturn in commodity prices over the quarter saw the Bloomberg Commodity Index return 4.7%, driven mainly by the increase in crude oil prices. The price of WTI crude oil rose 17.0% to over \$60/bbl.

Over the quarter, the best performing segment was Industrial Metals with a return of 10.7%, followed by Energy (8.9%).

Grains and agriculture were the worst performing sectors over the quarter, returning -4.8% and -2.0% respectively.

## Hedge Fund Markets Overview

### HEDGE FUND PERFORMANCE AS OF 12/31/2017



*Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.  
Source: HFR*

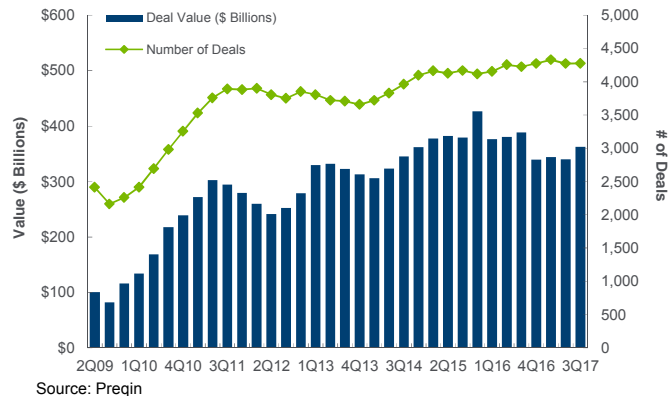
Hedge fund performance was positive across all strategies in the fourth quarter.

The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 2.7% and 2.0%, respectively, during the quarter.

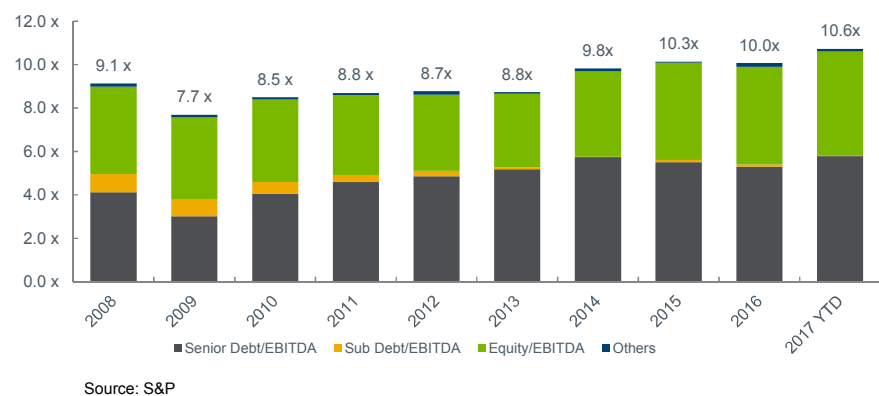
Emerging market hedge funds continued to be the best performer, posting a return of 4.5% during the fourth quarter which brought the one-year return to 20.1%. Global macro strategies ended 2017 in positive fashion, returning 2.4% which brought the 12 month return back into the 'black'.

## Private Equity Market Overview – Third Quarter 2017

**LTM Global Private Equity-Backed Buyout Deal Volume**



**Purchase Price Multiples – All Transactions Sizes**



**Fundraising:** In 3Q 2017, \$149.2 billion was raised by 274 funds, which was a decline of 12.2% on a capital basis and 18.5% by number of deals from the prior quarter. Dry powder stood at \$1.3 trillion at the end of the quarter, an increase of 0.3% and 28.4% compared to 2Q 2017 and the five year average, respectively.<sup>1</sup>

**Buyout:** Global private equity-backed buyout deals totaled \$118.0 billion in 3Q 2017, which was an increase of 22.3% and 34.2% from the prior quarter and five year average, respectively.<sup>1</sup> At the end of 3Q 2017, the average purchase price multiple for all U.S. LBOs was 10.6x EBITDA, up from 10.3x as of the end of 2Q 2017. Large cap middle-market purchase price multiples stood at 10.5x, up compared to both 2Q 2017 and full year 2016 levels of 10.3x and 10.0x, respectively. The weighted average purchase price multiple across all European transaction sizes averaged 11.0x EBITDA on an LTM basis in 3Q 2017, up slightly from 10.8x in 2Q 2017. Purchase prices for transactions of €1.0 billion or more decreased slightly from 12.1x in 2Q 2017 to 12.0x in the third quarter. Transactions between €250.0 million and €500.0 million were up 0.6x from the end of 2Q 2017, and stood at 10.1x.<sup>2</sup> Globally, exit value totaled \$68.1 billion on 421 deals in 3Q 2017 compared to \$69.2 billion on 443 deals in the prior quarter.<sup>1</sup>

**Venture:** During the third quarter, 1,299 venture backed transactions totaling \$19.2 billion were completed, which was an increase on a capital basis over the prior quarter's total of \$19.0 billion across 1,260 deals. This was 22.5% higher than the five-year quarterly average of \$15.7 billion.<sup>3</sup> Total U.S. venture backed exit activity totaled approximately \$11.2 billion across 144 completed transactions in 2Q 2017, down from \$1.5 billion across 156 exits in 2Q 2017.<sup>4</sup>

**Mezzanine:** Eight funds closed on \$3.6 billion during the quarter. This was an increase from the prior quarter's total of \$3.4 billion raised by nine funds, but represented a decline of 24.8% from the five year quarterly average of \$4.8 billion. Estimated dry powder was \$50.0 billion at the end of 3Q 2017, which was flat compared to 2Q 2017.<sup>1</sup>

**Distressed Debt:** The LTM U.S. high-yield default rate was 1.6% as of September 2017, which was down from March 2017's LTM rate of 2.2%.<sup>5</sup> Distressed debt and bankruptcy restructuring activity totaled \$156.4 billion during the first nine months of 2017, representing a decline of 17.0% from the same period in 2016. U.S. activity accounted for \$70.7 billion through September 2017 and was down 28.0% from the same period of the prior year.<sup>6</sup>

**Secondaries:** Seven funds raised \$11.7 billion during the third quarter, up from \$5.6 billion by 12 funds in 2Q 2017.<sup>1</sup> The average discount rate for all private equity sectors declined 0.1% quarter-over-quarter to 8.0%.<sup>7</sup>

**Infrastructure:** \$11.9 billion of capital was raised by 17 funds in 3Q 2017 compared to \$7.6 billion of capital raised by 14 partnerships in 2Q 2017. At the end of the quarter, dry powder stood at \$154.0 billion, up from the prior quarter's record total of \$150.2 billion. Infrastructure managers completed 344 deals with an estimated aggregate deal value of \$123.2 billion in 3Q 2017 compared to 403 deals totaling \$147.4 billion a quarter ago.<sup>1</sup>

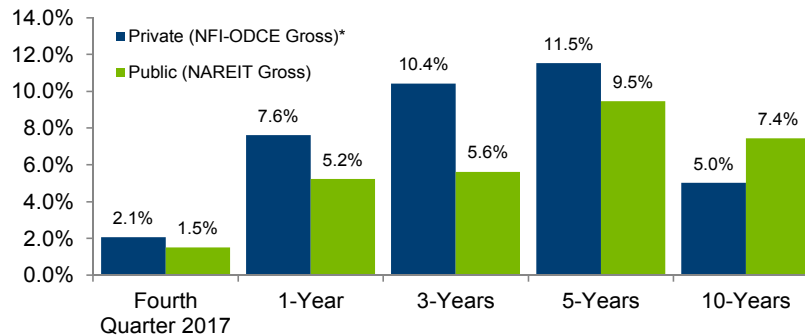
**Natural Resources:** During 3Q 2017, seven funds closed on \$2.6 billion compared to 10 funds totaling \$5.3 billion in 2Q 2017. Energy and utilities industry managers completed approximately 99 deals totaling an estimated \$21.0 billion through 3Q 2017, which represents 93.4% of the full year capital deployment in 2016.<sup>1</sup>

Sources: <sup>1</sup> Preqin <sup>2</sup> Standard & Poor's <sup>3</sup> PWC / CB Insights MoneyTree Report <sup>4</sup> PitchBook/NVCA Venture Monitor <sup>5</sup> Fitch Ratings <sup>6</sup> Thomson Reuters <sup>7</sup> UBS

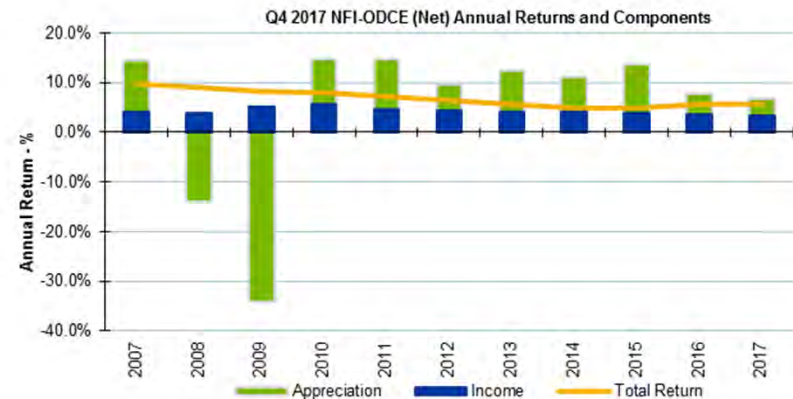
Notes: FY: Fiscal year ended 12/31; YTD: Year to date; LTM: Last twelve months (aka trailing twelve months); PPM: Purchase Price Multiples: Total Purchase Price / EBITDA.

## U.S. Commercial Real Estate Markets

### PRIVATE VS. PUBLIC REAL ESTATE RETURNS AS OF 12/31/2017



\*Fourth quarter returns are preliminary  
Sources: NCREIF, NAREIT



**US Core returns holding in long run average range.** The trailing one-year return for U.S. core real estate was 7.6%\* in the fourth quarter, holding fairly steady over the year and remaining within the sector's long run average range of 7.0-9.0%. During the quarter, returns climbed slightly to 2.1%\*, up 20 bps over Q3 but 4 bps lower YOY. Income is now, and will continue to be, the larger driver of the sector's total return. Returns are expected to moderate again slightly in 2018 as the real estate cycle is very mature.

**US REITs underperformed US Core**, but total returns for global property stocks (FTSE EPRA/NAREIT Developed Index) ended the year up 11.5%, driven largely by outsized returns in both the Europe (+28.8%) and Asia (+26.8%); US REITs gained a modest 5.2%. Top performing sectors during the year included infrastructure, data centers, manufactured homes and industrial. Retail REIT returns was the only sector not in positive territory for the year. The US REIT market ended the year trading at an approximate 2% premium to NAVs.

**Transaction volume cooled; but prices rose.** 2017 demonstrated a continued modest decline in sales momentum, but sales prices continued to rise slightly—continuing to mark new peaks and establishing a wider divergence from the sales volume trend. The current mature point-in-cycle is making underwriting new purchases more difficult, but a still healthy debt market continues to provide sellers with the opportunity to refinance when there is a lack of interested buyers. While sales volume is now off 15% in the last two years, buyers have largely become more selective as trends by property type and region vary tremendously. Industrial, suburban office and limited service hotels actually marked year over year (YOY) sales growth, while sales in retail as well as office, hotel and apartments in the six major markets fell significantly YOY. Values for high quality assets remained relatively stable throughout the year; however, there is also a wide disparity in relative valuations within the property sectors and regions.

**Sector fundamentals continue to remain on solid footing** as we enter 2018, albeit not as healthy as this time last year. A clear slowing in net absorption across most property types in 2017 was noted. This combined with largely still rising new supply continues to set expectations for more downward pressure on fundamentals as 2018 progresses. More cautious underwriting assumptions should be employed in 2018. That said, the recent Tax Cuts and Jobs Act bill passed in the U.S. should benefit commercial real estate in several areas, and may help prolong the current cycle short term.

**Overall, investors should continue to expect moderating sector returns in 2018 as the cycle is very mature.** Portfolio construction is crucial to help manage risk at this stage in the cycle, as new dollars deployed will likely have to withstand a down cycle before being returned to investors.

Sources: NCREIF, RCA, CBRE-EA, Aon Hewitt, \*Indicates preliminary NFI-ODCE data (gross of fees)



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## Highlights

### Executive Summary

- Performance of the Pension Plan, when measured against the Performance Benchmark, has been strong over short- and long-term time periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

### Performance Highlights

- During the quarter, the Total Fund underperformed the Performance Benchmark. The Total Fund outperformed the Performance Benchmark during the trailing one-, three-, five-, and ten-year periods.

### Asset Allocation

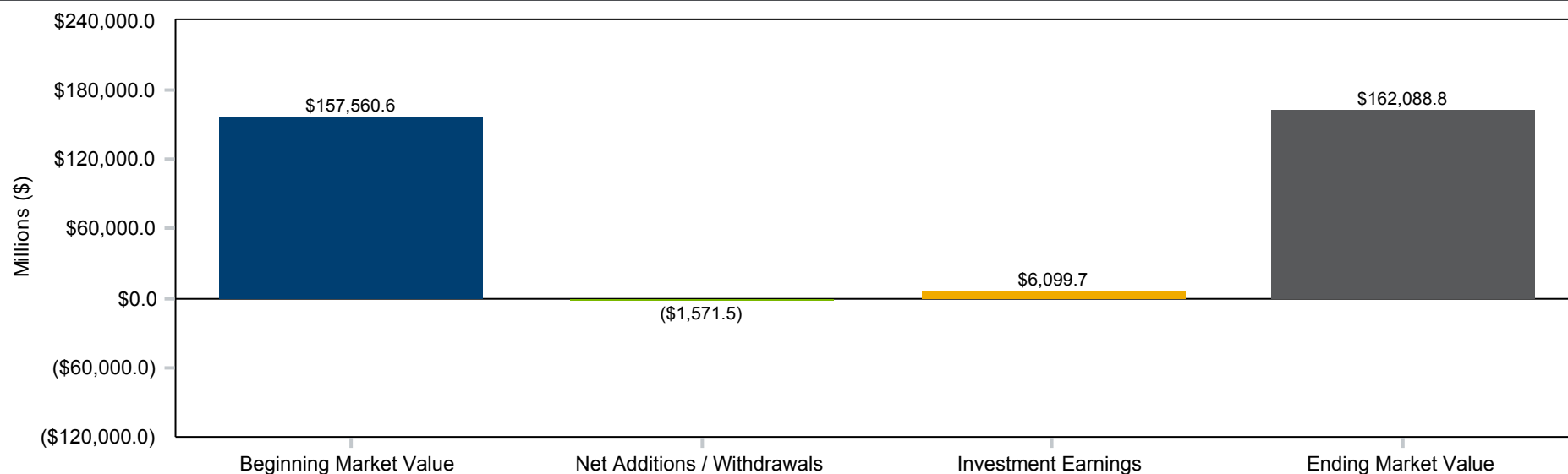
- The Fund assets total \$162.1 billion as of December 31, 2017, which represents a \$4.5 billion increase since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges at quarter-end.
- The Fund was modestly overweight to global equity, with a corresponding underweight to fixed income.

Total Fund

As of December 31, 2017

## Total Plan Asset Summary

### Change in Market Value From October 1, 2017 to December 31, 2017



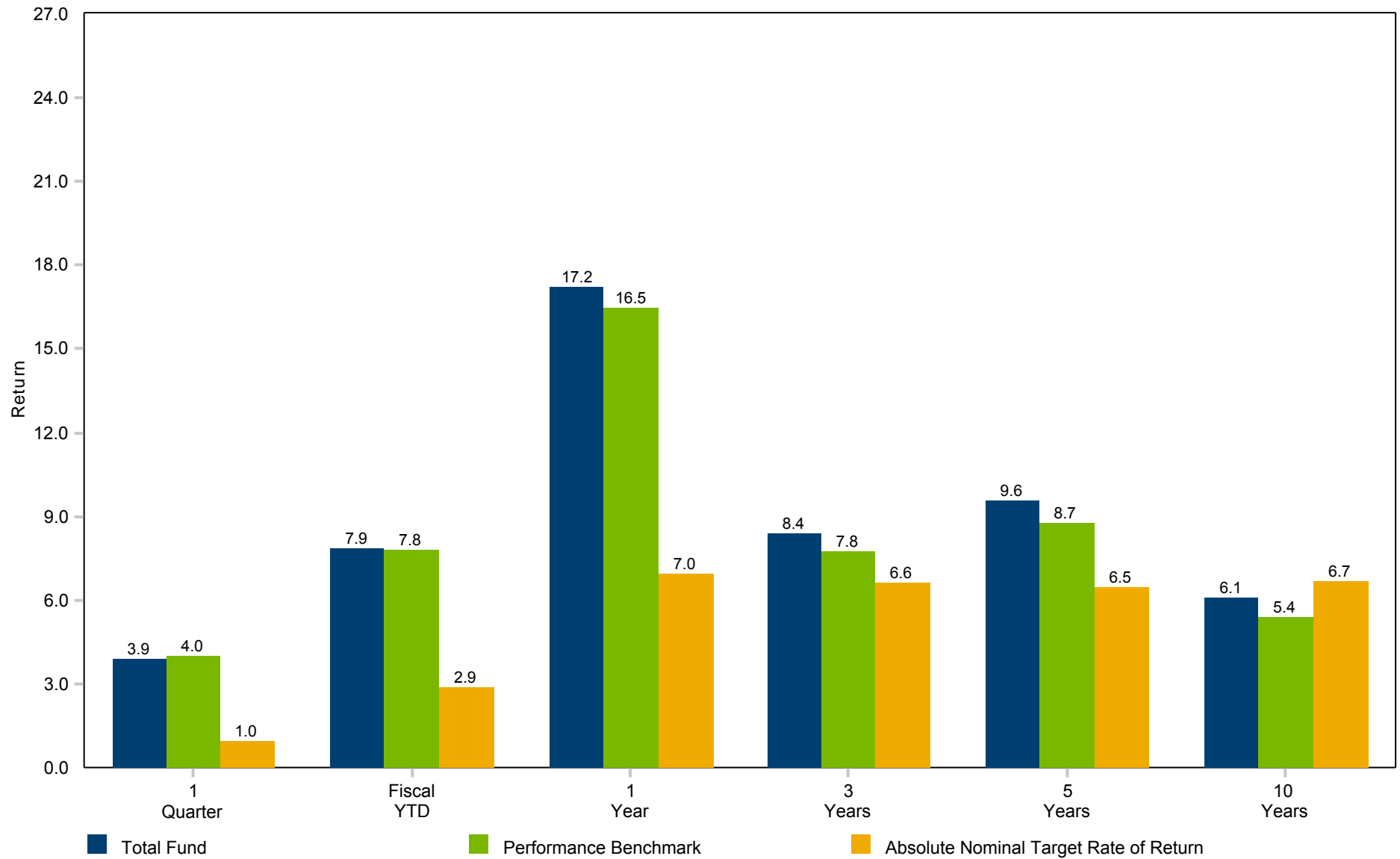
### Summary of Cash Flow

Total Fund	1 Quarter	Fiscal* YTD
Beginning Market Value	157,560,572,240	153,573,300,932
+ Additions / Withdrawals	-1,571,530,167	-3,460,855,710
+ Investment Earnings	6,099,712,770	11,976,309,621
= Ending Market Value	162,088,754,843	162,088,754,843

\*Period July 2017 - December 2017

## Total Plan Performance Summary

## Return Summary



As of December 31, 2017

## Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
<b>Total Fund</b>	<b>162,088,754,843</b>	<b>100.0</b>	<b>100.0</b>	<b>3.9 (30)</b>	<b>7.9 (25)</b>	<b>17.2 (14)</b>	<b>8.4 (5)</b>	<b>9.6 (19)</b>	<b>6.1 (19)</b>
Performance Benchmark				4.0 (17)	7.8 (30)	16.5 (28)	7.8 (32)	8.7 (39)	5.4 (60)
Absolute Nominal Target Rate of Return				1.0 (97)	2.9 (98)	7.0 (97)	6.6 (82)	6.5 (91)	6.7 (4)
<b>Global Equity*</b>	<b>93,515,331,992</b>	<b>57.7</b>	<b>56.1</b>	<b>5.7</b>	<b>11.6</b>	<b>25.2</b>	<b>10.2</b>	<b>11.9</b>	<b>6.0</b>
Asset Class Target				5.7	11.3	24.0	9.5	11.1	5.2
<b>Domestic Equities</b>	<b>42,625,093,312</b>	<b>26.3</b>		<b>6.5 (11)</b>	<b>11.5 (20)</b>	<b>21.2 (25)</b>	<b>10.9 (24)</b>	<b>15.5 (17)</b>	<b>8.7 (19)</b>
Asset Class Target				6.3 (21)	11.2 (30)	21.1 (29)	11.1 (13)	15.6 (15)	8.6 (23)
<b>Foreign Equities</b>	<b>40,847,098,569</b>	<b>25.2</b>		<b>5.1 (39)</b>	<b>12.0 (27)</b>	<b>30.2 (19)</b>	<b>9.4 (30)</b>	<b>8.3 (37)</b>	<b>3.5 (12)</b>
Asset Class Target				5.2 (29)	11.8 (29)	27.9 (58)	8.4 (60)	7.3 (67)	2.2 (63)
<b>Global Equities</b>	<b>9,451,753,950</b>	<b>5.8</b>		<b>5.1</b>	<b>10.3</b>	<b>23.0</b>	<b>9.4</b>	<b>11.6</b>	<b>4.9</b>
Benchmark				5.5	10.7	22.7	9.3	11.4	5.0
<b>Fixed Income</b>	<b>28,519,599,431</b>	<b>17.6</b>	<b>19.6</b>	<b>0.0 (95)</b>	<b>0.7 (96)</b>	<b>2.4 (95)</b>	<b>2.0 (85)</b>	<b>1.7 (83)</b>	<b>4.1 (68)</b>
Asset Class Target				-0.1 (99)	0.7 (96)	2.3 (95)	1.8 (89)	1.5 (88)	3.7 (82)
<b>Private Equity</b>	<b>10,541,594,539</b>	<b>6.5</b>	<b>6.5</b>	<b>3.3</b>	<b>7.7</b>	<b>18.1</b>	<b>13.4</b>	<b>14.9</b>	<b>9.3</b>
Asset Class Target				7.6	11.9	27.0	12.6	16.0	10.8
<b>Real Estate</b>	<b>13,935,977,876</b>	<b>8.6</b>	<b>8.6</b>	<b>2.7 (25)</b>	<b>3.8 (49)</b>	<b>8.7 (41)</b>	<b>10.1 (49)</b>	<b>12.2 (27)</b>	<b>6.4</b>
Asset Class Target				1.9 (66)	3.5 (66)	7.3 (76)	9.6 (69)	10.3 (72)	4.8
<b>Strategic Investments</b>	<b>13,278,538,655</b>	<b>8.2</b>	<b>8.1</b>	<b>2.1</b>	<b>4.3</b>	<b>9.3</b>	<b>6.2</b>	<b>8.9</b>	<b>4.5</b>
Short-Term Target				2.2	4.0	7.2	4.5	6.1	2.4
<b>Cash</b>	<b>2,297,712,349</b>	<b>1.4</b>	<b>1.0</b>	<b>0.3</b>	<b>0.6</b>	<b>1.0</b>	<b>0.5</b>	<b>0.4</b>	<b>-0.1</b>
iMoneyNet First Tier Institutional Money Market Funds Net Index				0.3	0.5	0.9	0.4	0.3	0.5

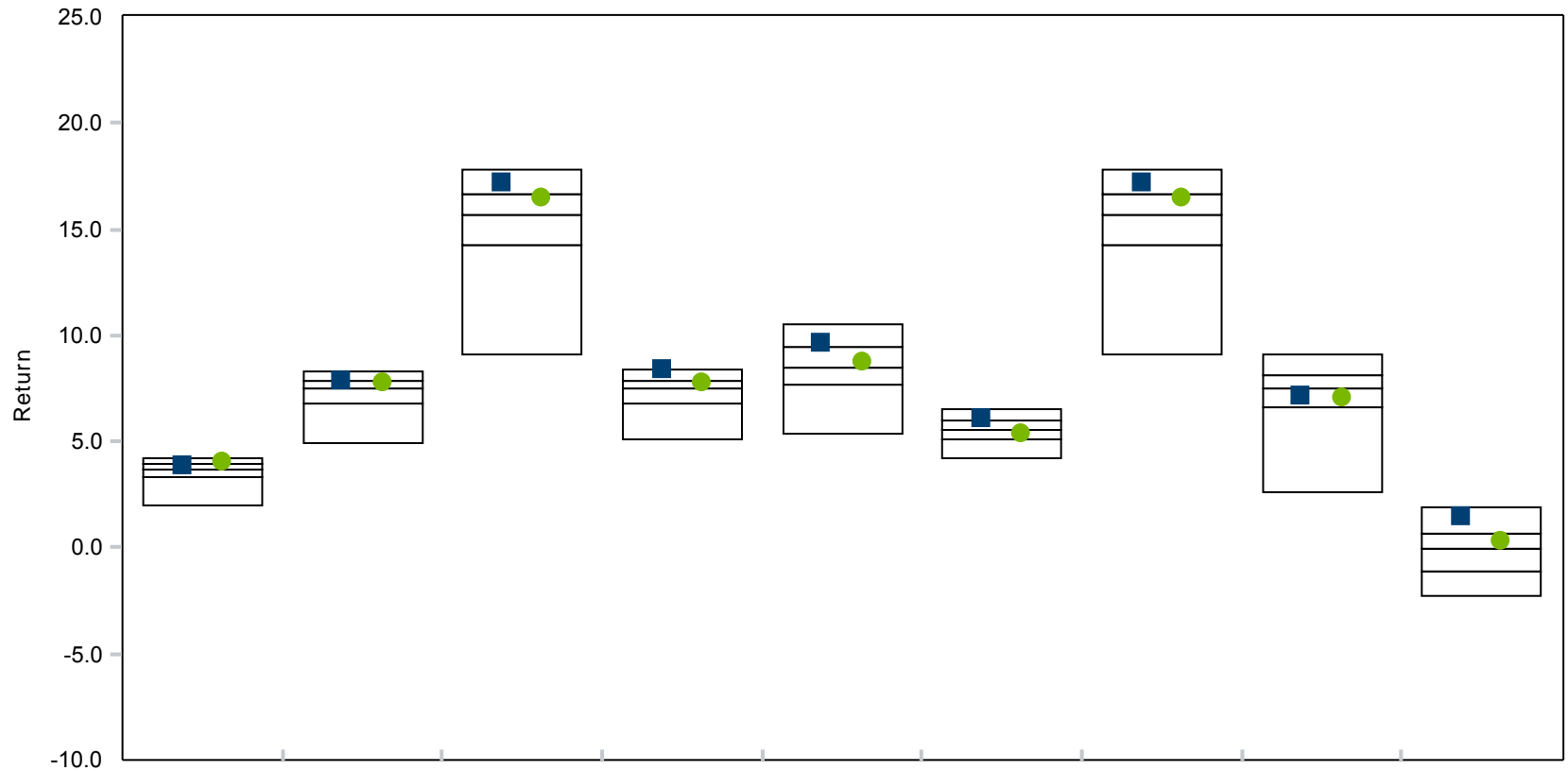
Benchmark and universe descriptions can be found in the Appendix.

\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

As of December 31, 2017

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Total Fund



■ Total Fund

● Performance Benchmark

5th Percentile  
1st Quartile  
Median  
3rd Quartile  
95th Percentile

Population

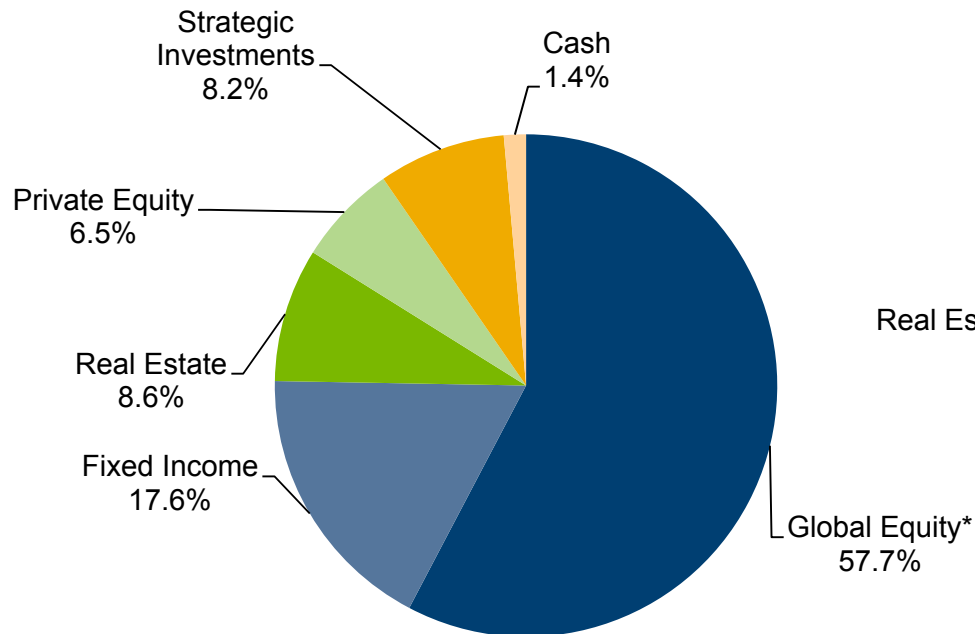
	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2017	2016	2015
Total Fund	3.9 (30)	7.9 (25)	17.2 (14)	8.4 (5)	9.6 (19)	6.1 (19)	17.2 (14)	7.1 (61)	1.4 (11)
Performance Benchmark	4.0 (17)	7.8 (30)	16.5 (28)	7.8 (32)	8.7 (39)	5.4 (60)	16.5 (28)	7.1 (63)	0.3 (36)
5th Percentile	4.2	8.3	17.8	8.4	10.5	6.6	17.8	9.1	1.9
1st Quartile	3.9	7.9	16.6	7.9	9.5	6.0	16.6	8.1	0.7
Median	3.7	7.5	15.6	7.5	8.5	5.5	15.6	7.5	0.0
3rd Quartile	3.4	6.8	14.3	6.8	7.6	5.1	14.3	6.6	-1.1
95th Percentile	2.0	4.9	9.1	5.1	5.4	4.2	9.1	2.6	-2.2
Population	92	92	90	86	86	78	90	108	94

Parentheses contain percentile rankings.



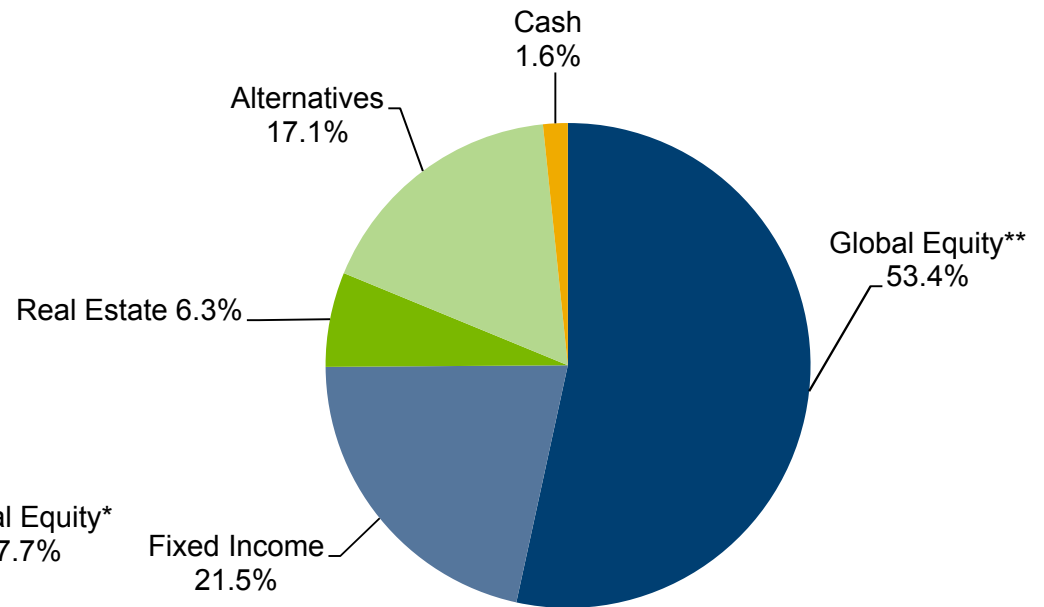
## Universe Asset Allocation Comparison

Total Fund



\*Global Equity Allocation: 26.3% Domestic Equities; 25.2% Foreign Equities; 5.8% Global Equities; 0.4% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

BNY Mellon Public Funds &gt; \$1B Net Universe

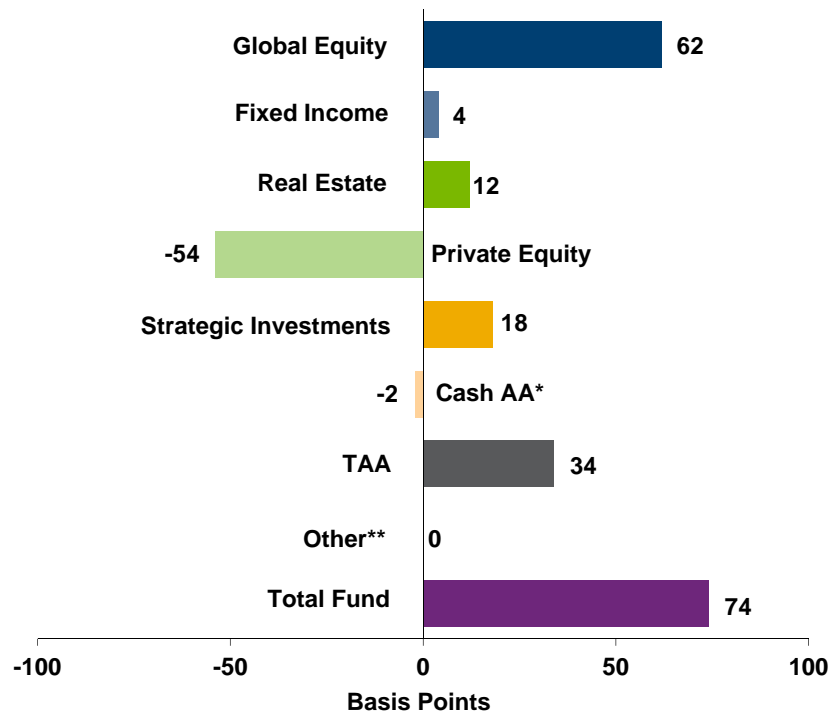


\*\*Global Equity Allocation: 29.9% Domestic Equities; 23.5% Foreign Equities.

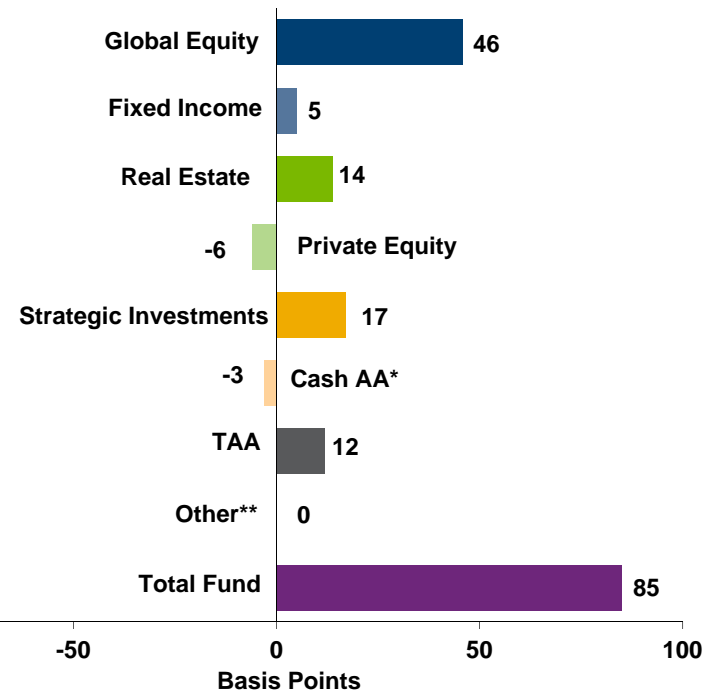
Total Fund

As of December 31, 2017

## Attribution



1-Year Ending 12/31/2017



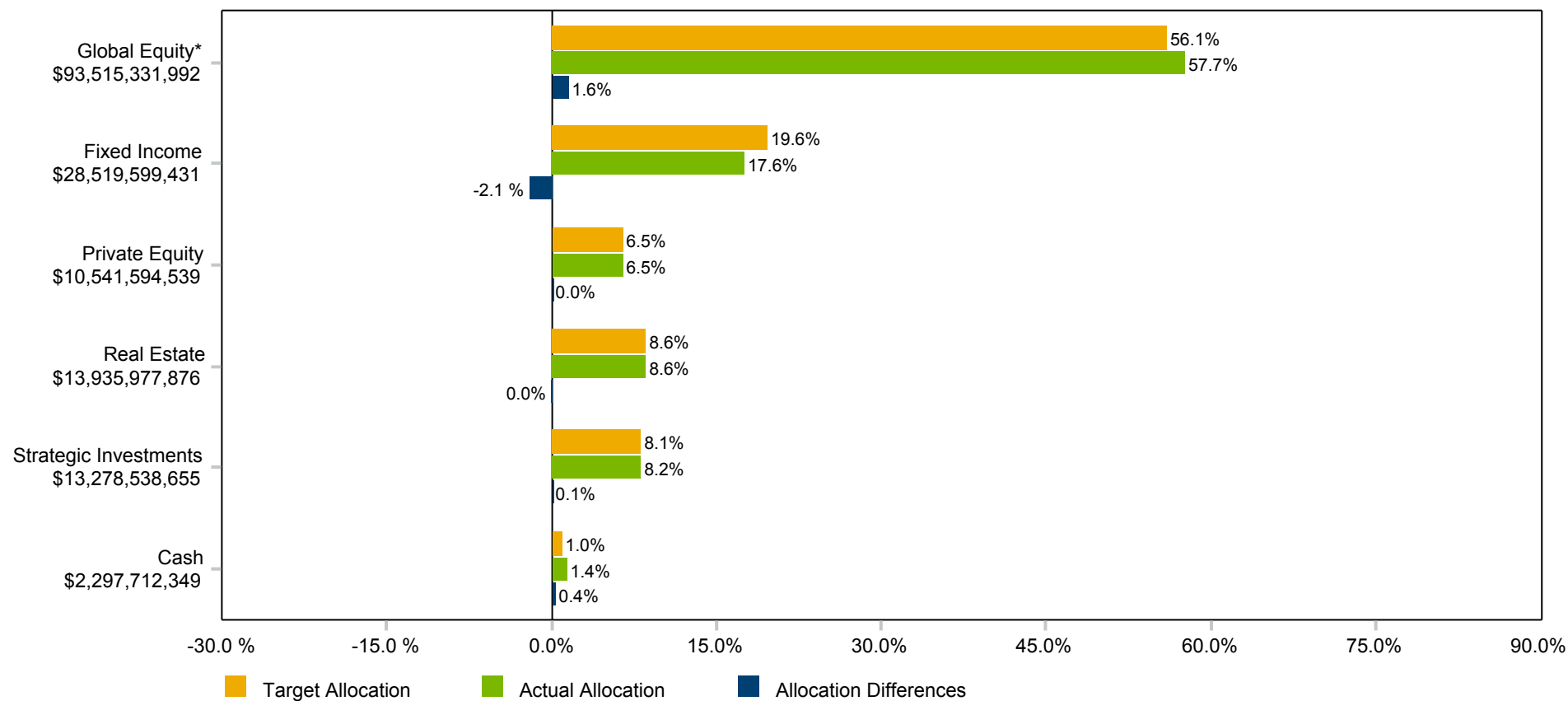
5-Year Ending 12/31/2017

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

\*\*Other includes legacy accounts and unexplained differences due to methodology.

## Asset Allocation Compliance

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	162,088,754,843	100.0	100.0		
Global Equity*	93,515,331,992	57.7	56.1	45.0	70.0
Fixed Income	28,519,599,431	17.6	19.6	10.0	26.0
Private Equity	10,541,594,539	6.5	6.5	2.0	9.0
Real Estate	13,935,977,876	8.6	8.6	4.0	16.0
Strategic Investments	13,278,538,655	8.2	8.1	0.0	16.0
Cash	2,297,712,349	1.4	1.0	0.3	5.0



\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

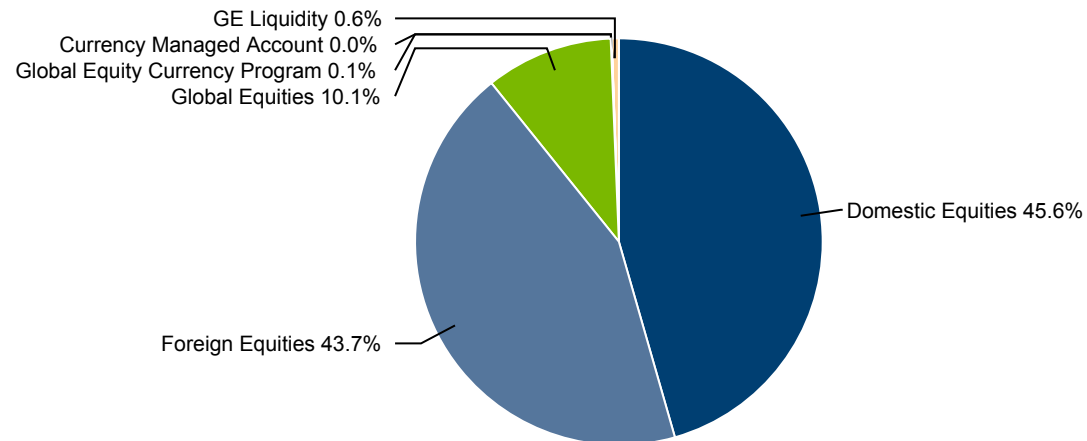
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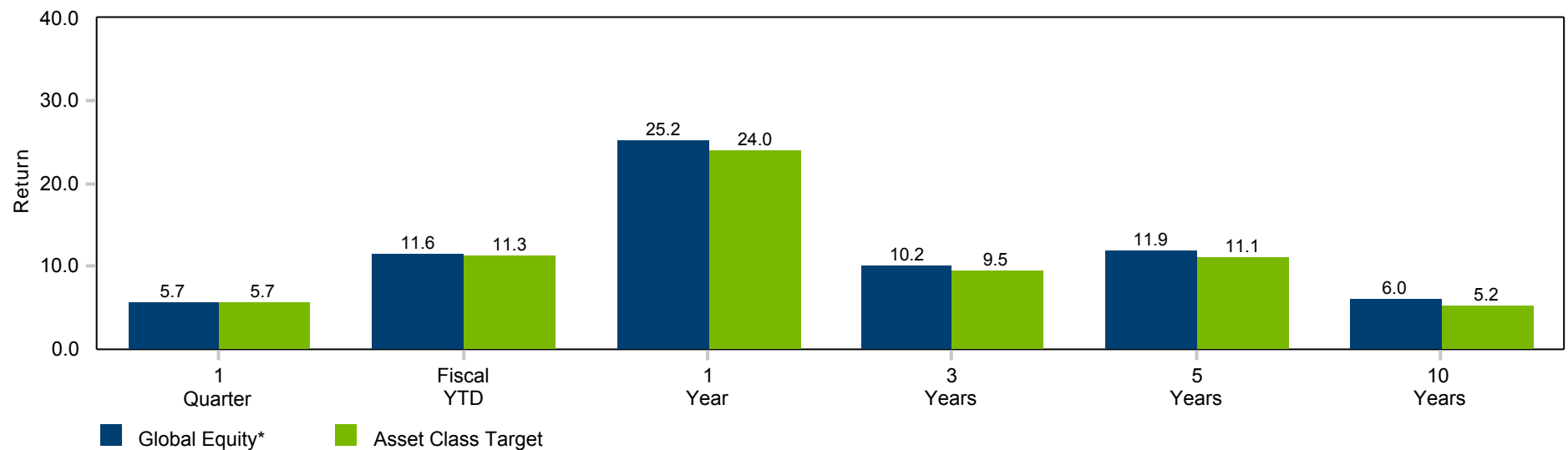
## Global Equity\* Portfolio Overview

## Current Allocation

December 31, 2017 : \$93,515M



## Return Summary



\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.



## Domestic Equities

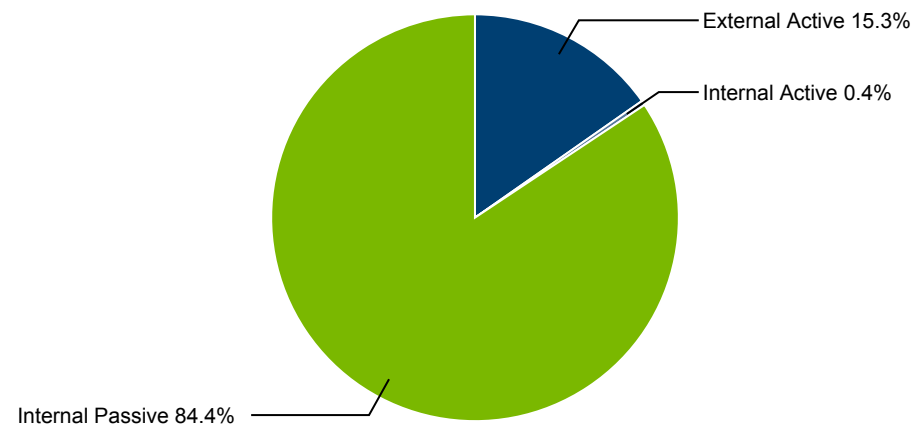
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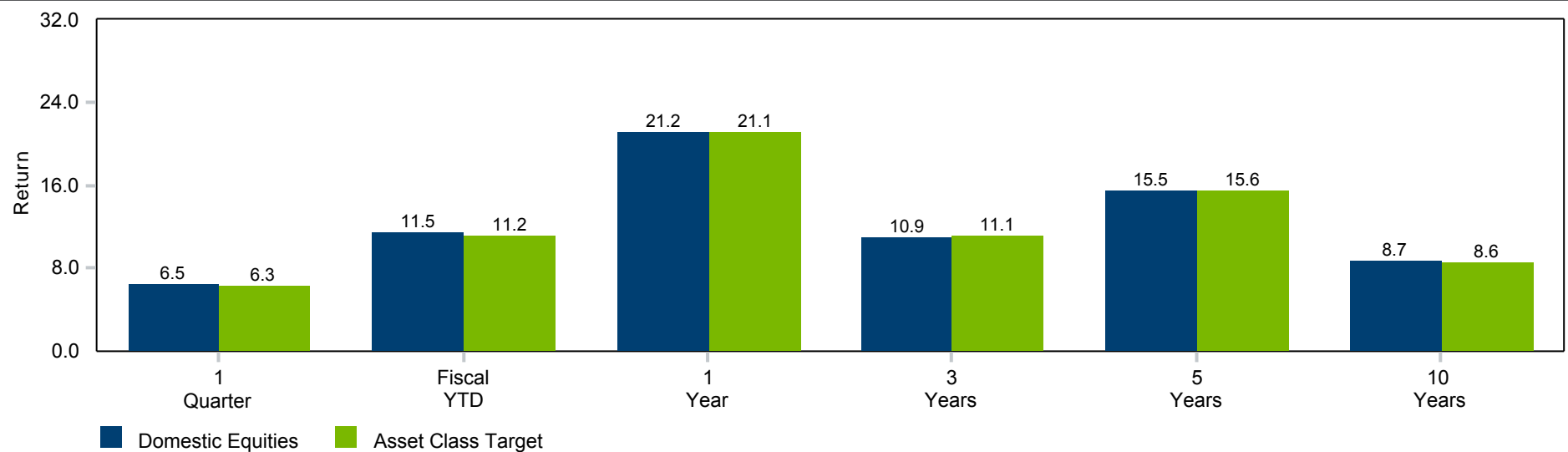
## Domestic Equities Portfolio Overview

## Current Allocation

December 31, 2017 : \$42,625M



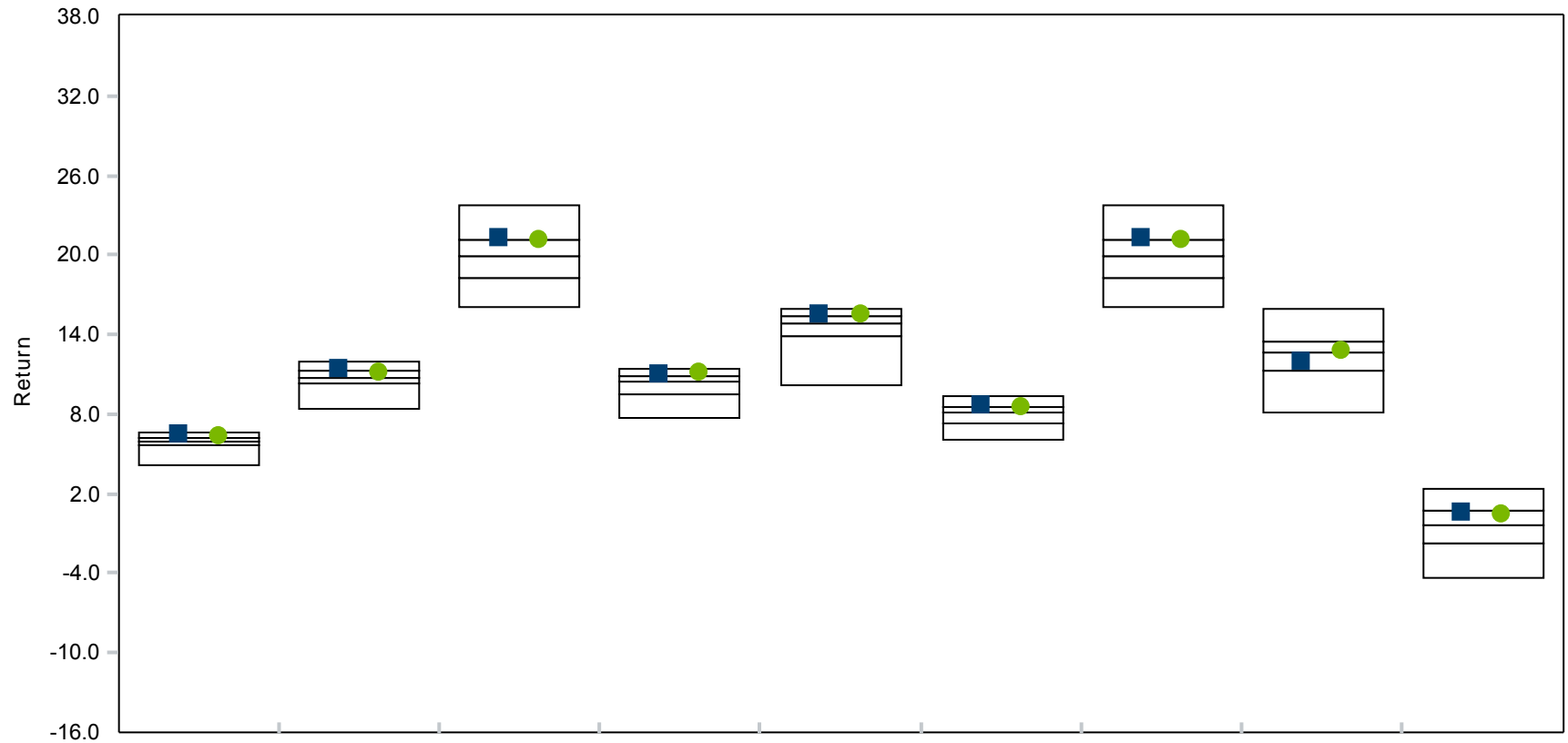
## Return Summary



As of December 31, 2017

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Equity Segment



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2017	2016	2015
■ Domestic Equities	6.5 (11)	11.5 (20)	21.2 (25)	10.9 (24)	15.5 (17)	8.7 (19)	21.2 (25)	11.9 (64)	0.6 (27)
● Asset Class Target	6.3 (21)	11.2 (30)	21.1 (29)	11.1 (13)	15.6 (15)	8.6 (23)	21.1 (29)	12.7 (47)	0.5 (30)
5th Percentile	6.6	11.9	23.8	11.4	15.9	9.3	23.8	15.9	2.4
1st Quartile	6.3	11.3	21.2	10.9	15.4	8.5	21.2	13.4	0.7
Median	5.9	10.7	20.0	10.5	14.9	8.1	20.0	12.6	-0.4
3rd Quartile	5.6	10.3	18.3	9.5	13.8	7.3	18.3	11.3	-1.7
95th Percentile	4.2	8.4	16.0	7.7	10.1	6.1	16.0	8.1	-4.3
Population	65	65	62	60	53	32	62	63	56

Parentheses contain percentile rankings.

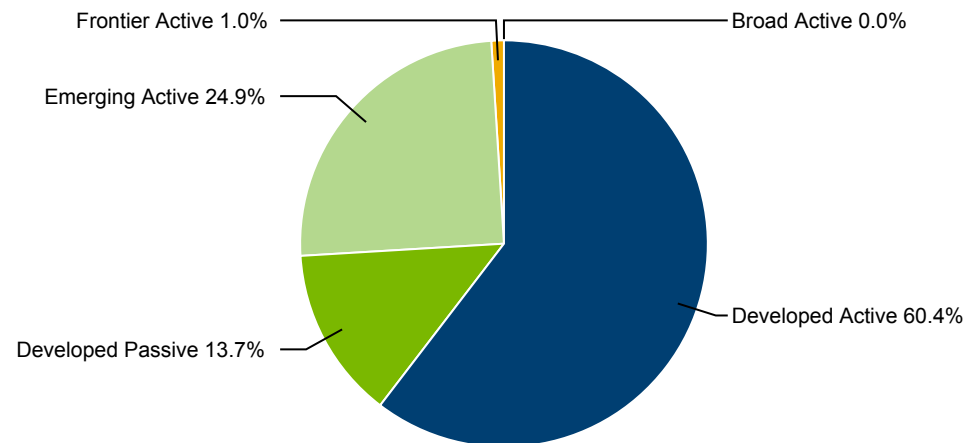
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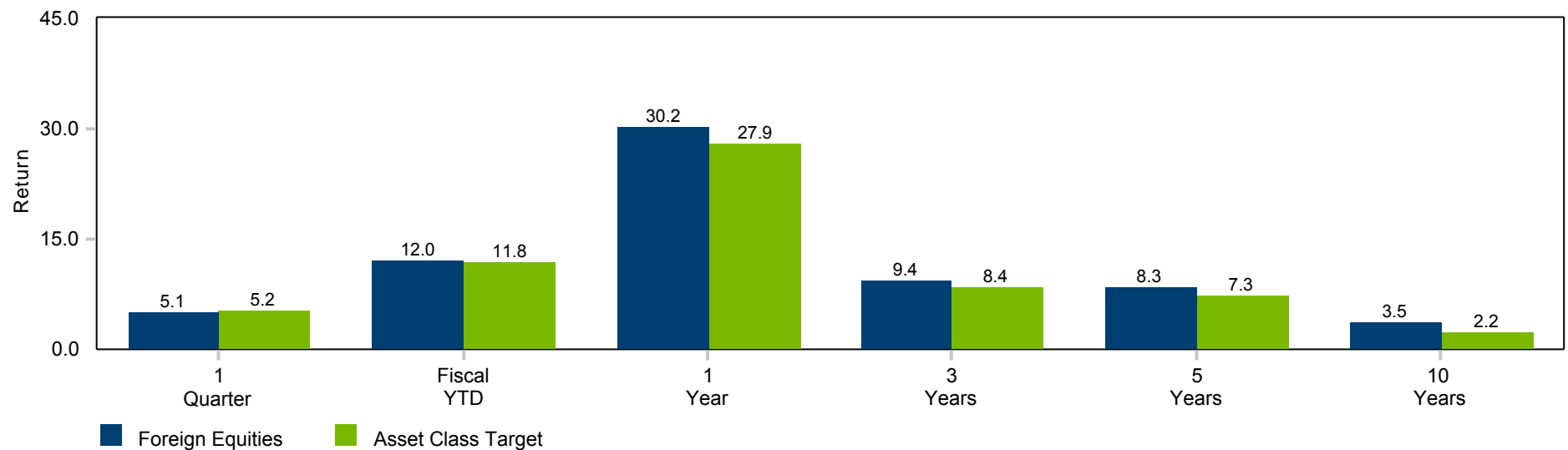
## Foreign Equities Portfolio Overview

## Current Allocation

December 31, 2017 : \$40,847M



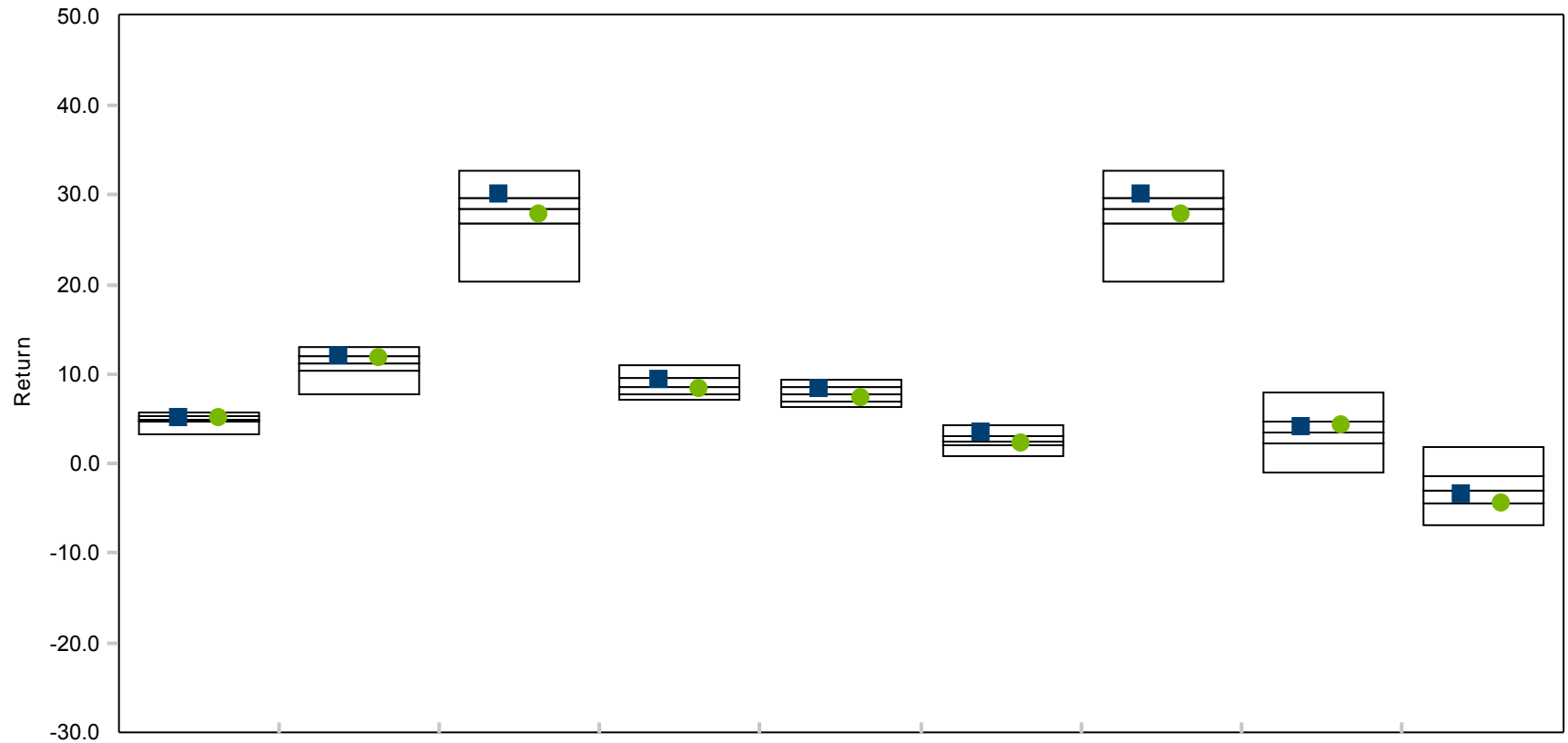
## Return Summary



As of December 31, 2017

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Intl. Equity Segment



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2017	2016	2015
■ Foreign Equities	5.1 (39)	12.0 (27)	30.2 (19)	9.4 (30)	8.3 (37)	3.5 (12)	30.2 (19)	4.1 (38)	-3.4 (54)
● Asset Class Target	5.2 (29)	11.8 (29)	27.9 (58)	8.4 (60)	7.3 (67)	2.2 (63)	27.9 (58)	4.3 (34)	-4.5 (77)
5th Percentile	5.8	13.1	32.8	10.9	9.5	4.3	32.8	7.9	1.9
1st Quartile	5.3	12.0	29.8	9.6	8.6	3.0	29.8	4.7	-1.4
Median	4.9	11.3	28.5	8.7	7.8	2.5	28.5	3.4	-3.0
3rd Quartile	4.7	10.5	26.8	7.8	7.0	2.0	26.8	2.3	-4.4
95th Percentile	3.4	7.7	20.3	7.1	6.4	0.9	20.3	-0.9	-6.8
Population	67	67	65	60	52	31	65	63	53

Parentheses contain percentile rankings.

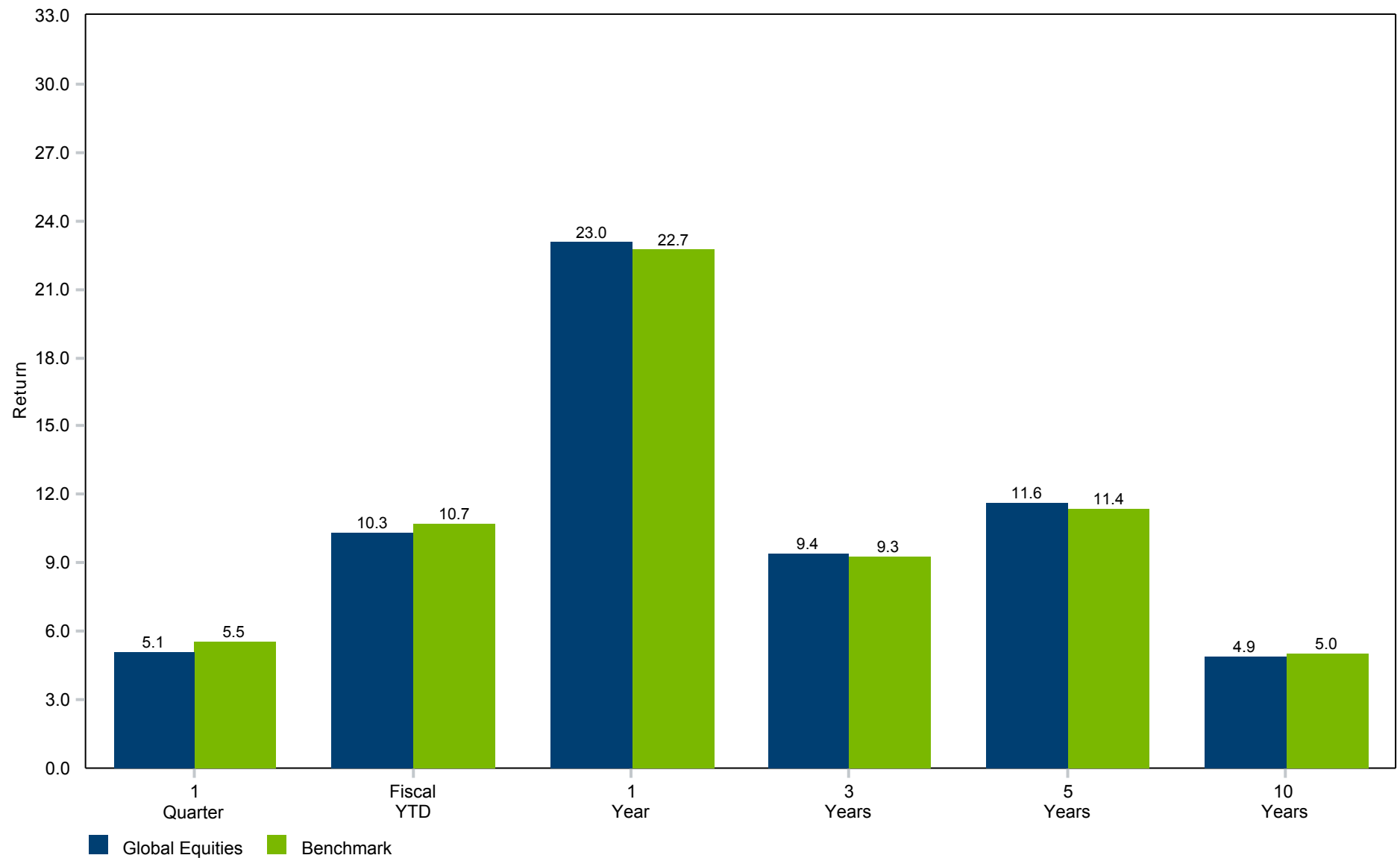
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## Global Equities Performance Summary

## Return Summary





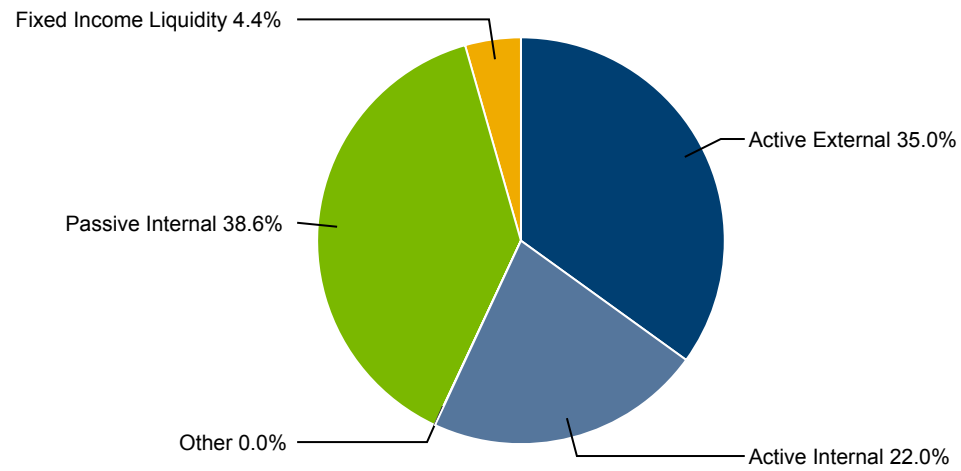
## Fixed Income

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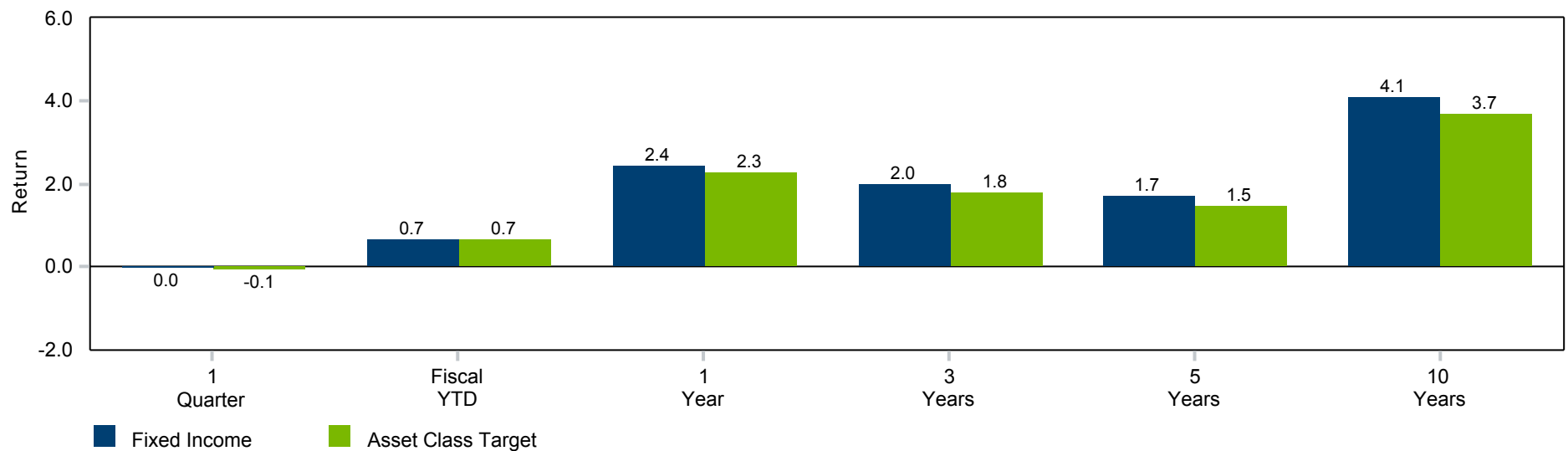
## Fixed Income Portfolio Overview

## Current Allocation

December 31, 2017 : \$28,520M



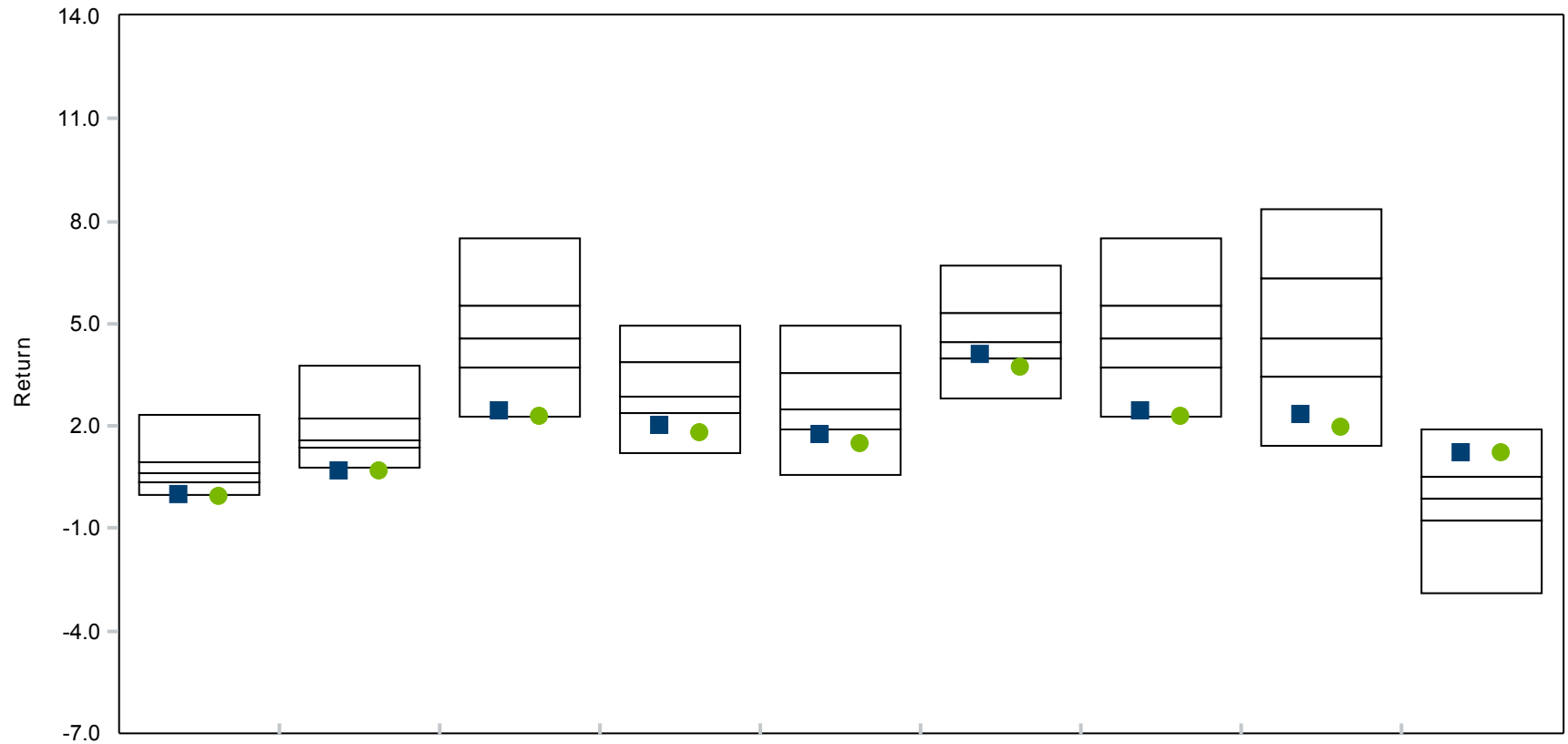
## Return Summary



As of December 31, 2017

## Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Fixed Income Segment



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2017	2016	2015
■ Fixed Income	0.0 (95)	0.7 (96)	2.4 (95)	2.0 (85)	1.7 (83)	4.1 (68)	2.4 (95)	2.3 (89)	1.2 (9)
● Asset Class Target	-0.1 (99)	0.7 (96)	2.3 (95)	1.8 (89)	1.5 (88)	3.7 (82)	2.3 (95)	2.0 (93)	1.2 (9)
5th Percentile	2.3	3.7	7.5	4.9	4.9	6.7	7.5	8.3	1.9
1st Quartile	0.9	2.2	5.5	3.8	3.5	5.3	5.5	6.3	0.5
Median	0.6	1.6	4.5	2.9	2.5	4.5	4.5	4.6	-0.1
3rd Quartile	0.4	1.4	3.7	2.4	1.9	4.0	3.7	3.5	-0.7
95th Percentile	0.0	0.8	2.3	1.2	0.6	2.8	2.3	1.4	-2.9
Population	68	65	63	62	58	37	63	63	53

Parentheses contain percentile rankings.

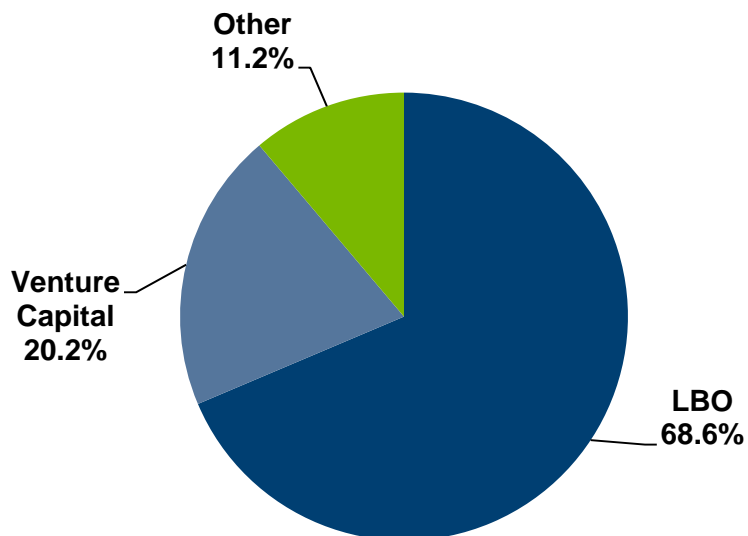
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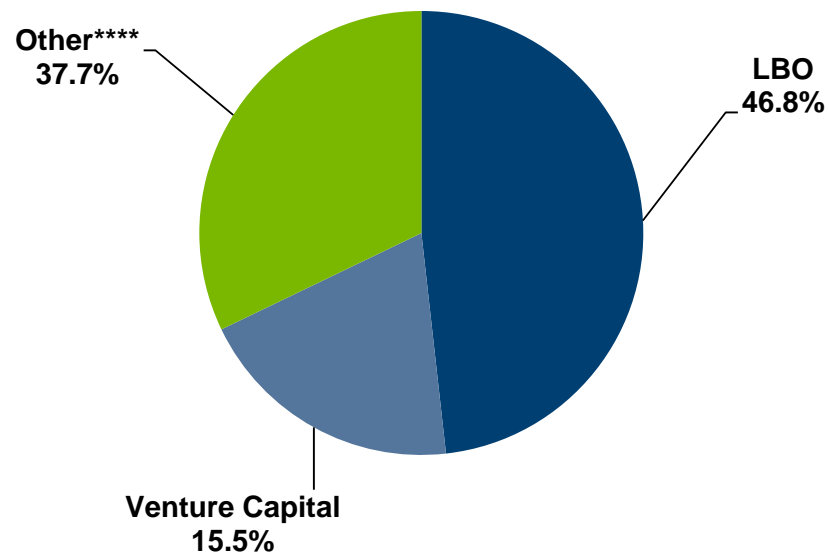


## Overview

FRS Private Equity by Market Value\*



Preqin Private Equity Strategies by Market Value\*\*



\*Allocation data is as of December 31, 2017.

\*\*Allocation data is as of June 30, 2015, from the Preqin database.

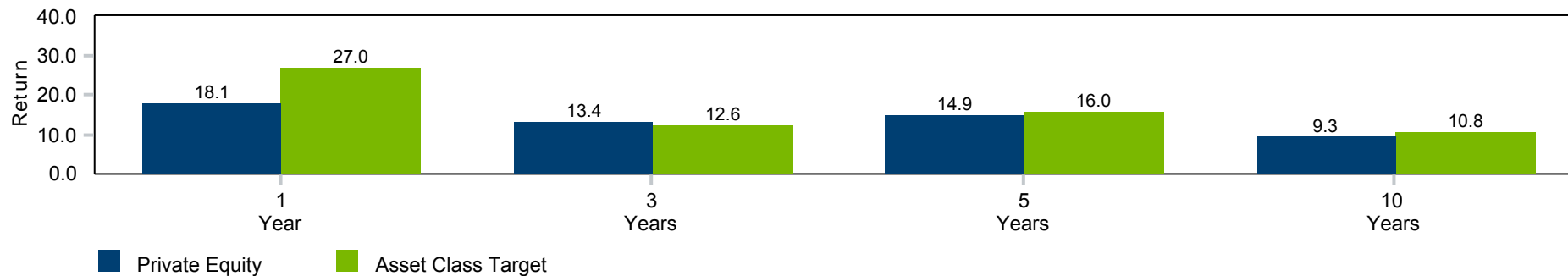
\*\*\*Other for the FRS Private Equity consists of Growth Capital, Secondary, PE Cash, and PE Transition.

\*\*\*\*Other for the Preqin data consists of Distressed PE, Growth, Mezzanine, and other Private Equity/Special Situations.

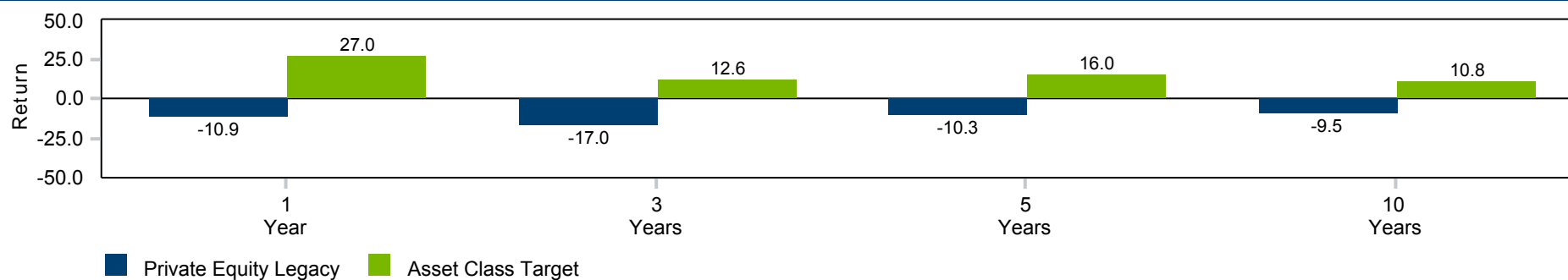
Preqin universe is comprised of 10,000 private equity funds representing \$3.8 trillion.

## Time-Weighted Investment Results

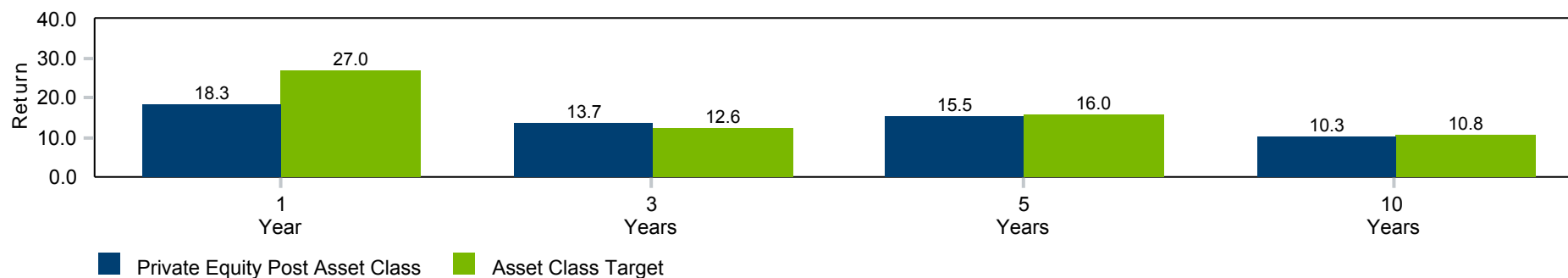
Private Equity Return Summary as of December 31, 2017



Private Equity Legacy Return Summary as of December 31, 2017



Private Equity Post Asset Class Return Summary as of December 31, 2017

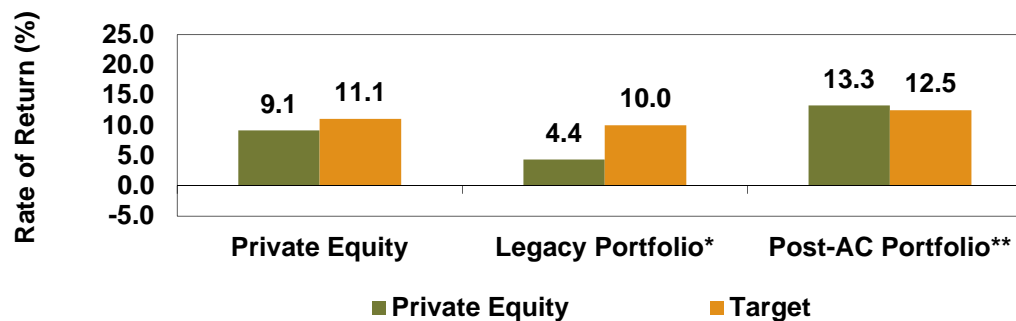


## Private Equity

### Dollar-Weighted Investment Results

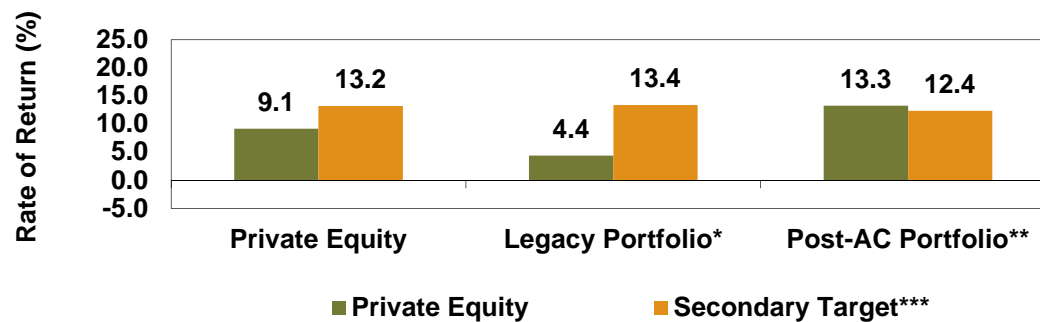
As of December 31, 2017

#### Since Inception



As of December 31, 2017

#### Since Inception



\*The Inception Date for the Legacy Portfolio is January 1989.

\*\*The Inception Date for the Post-AC Portfolio is September 2000.

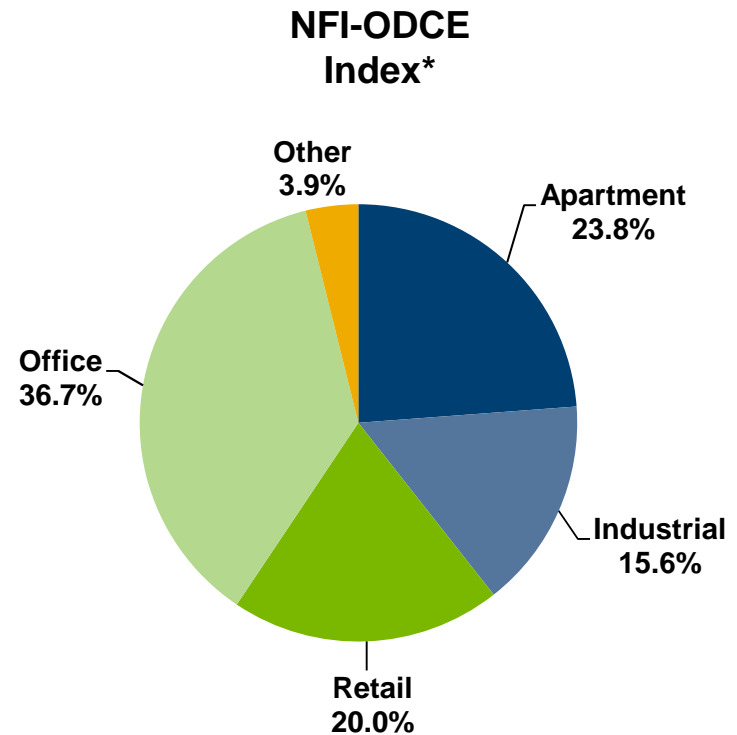
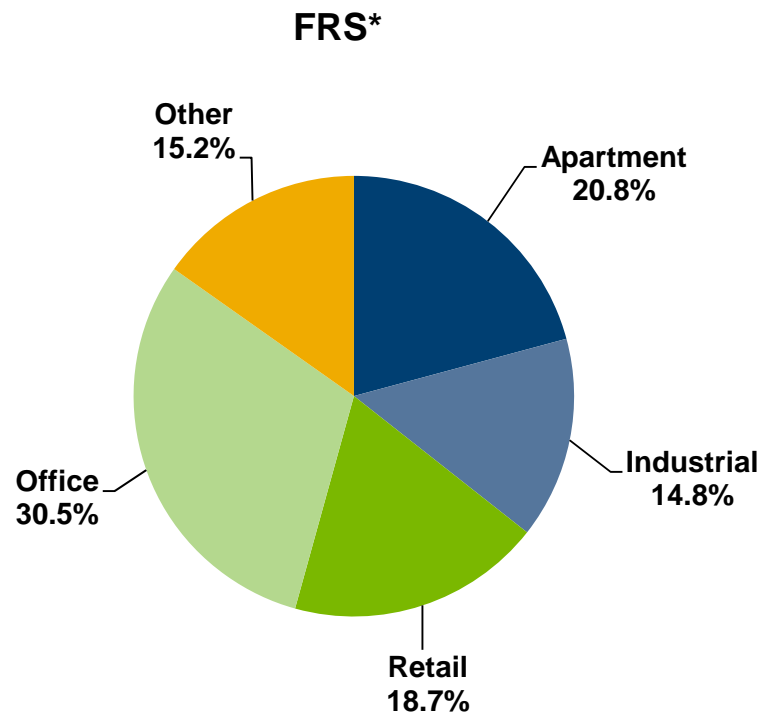
\*\*\*The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.



## Real Estate

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## Overview



\*Property Allocation data is as of September 31, 2017. The FRS chart includes only the FRS private real estate assets. Property type information for the REIT portfolios is not included.

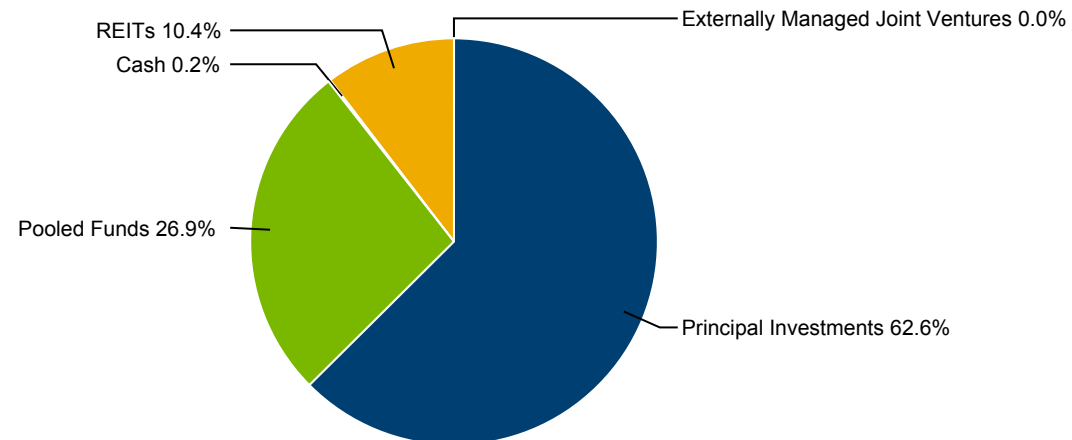
\*\*Other for the FRS consists of Hotel, Land, Preferred Equity, Agriculture, Self-Storage and Senior Housing.

\*\*\*Other for the NFI-ODCE Index consists of Hotel, Senior Living, Health Care, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.

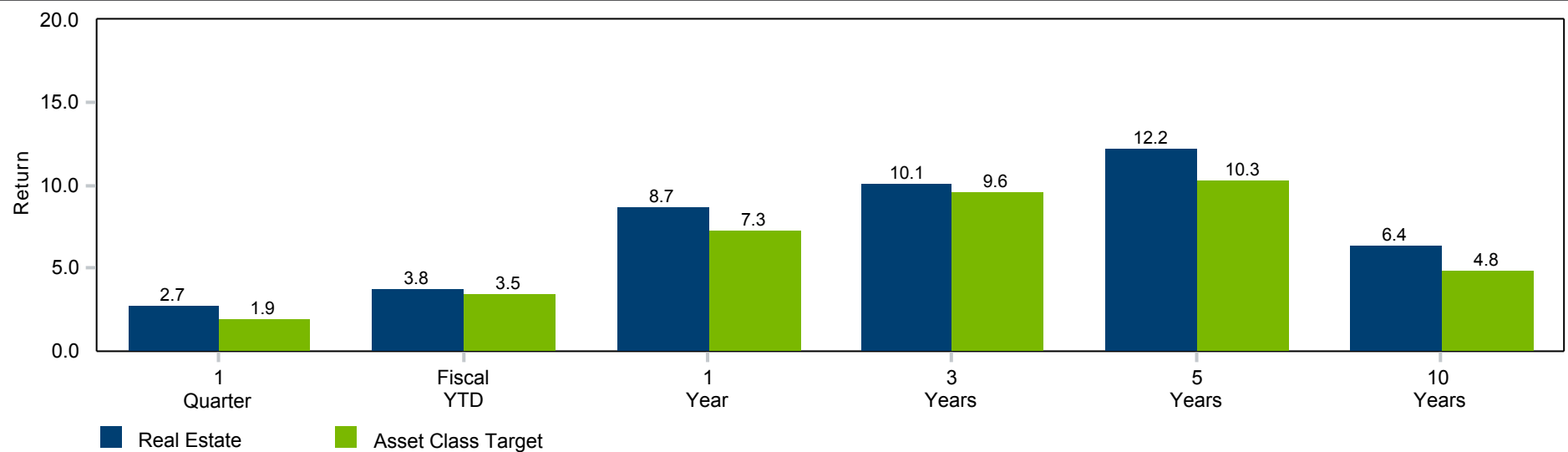
## Real Estate Portfolio Overview

## Current Allocation

December 31, 2017 : \$13,936M

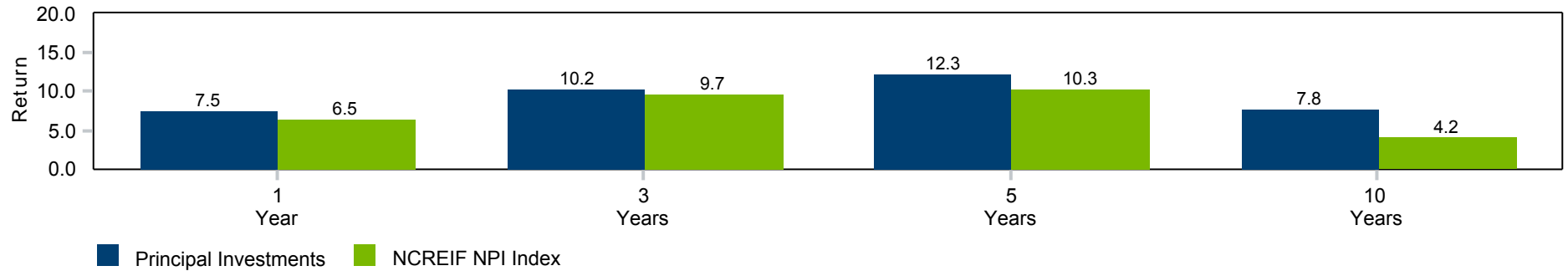


## Return Summary

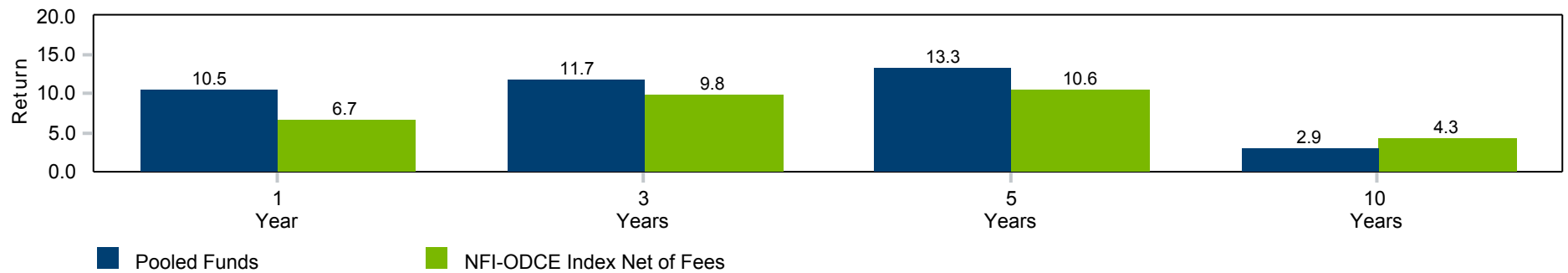


## Real Estate

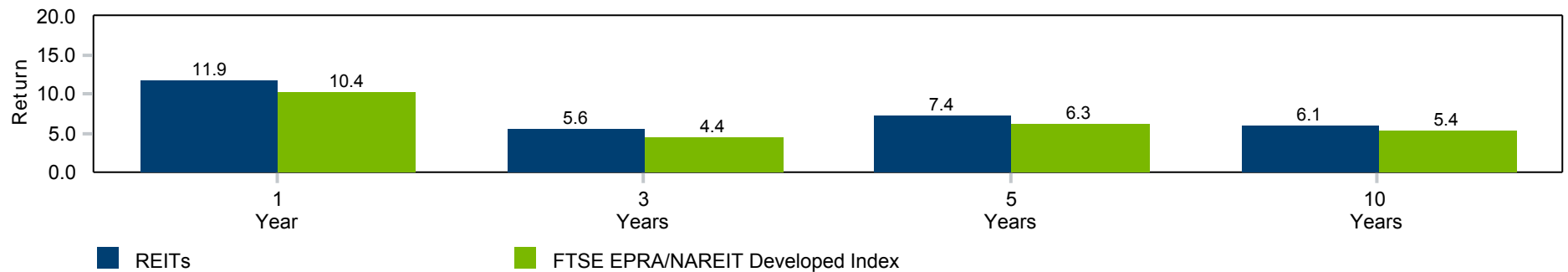
Principal Investments Return Summary as of December 31, 2017



Pooled Funds Return Summary as of December 31, 2017



REITs Return Summary as of December 31, 2017







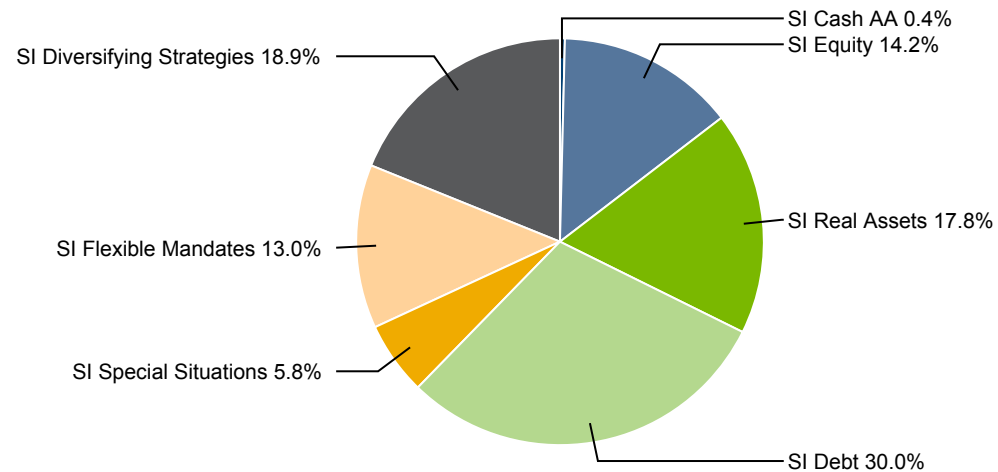
## Strategic Investments

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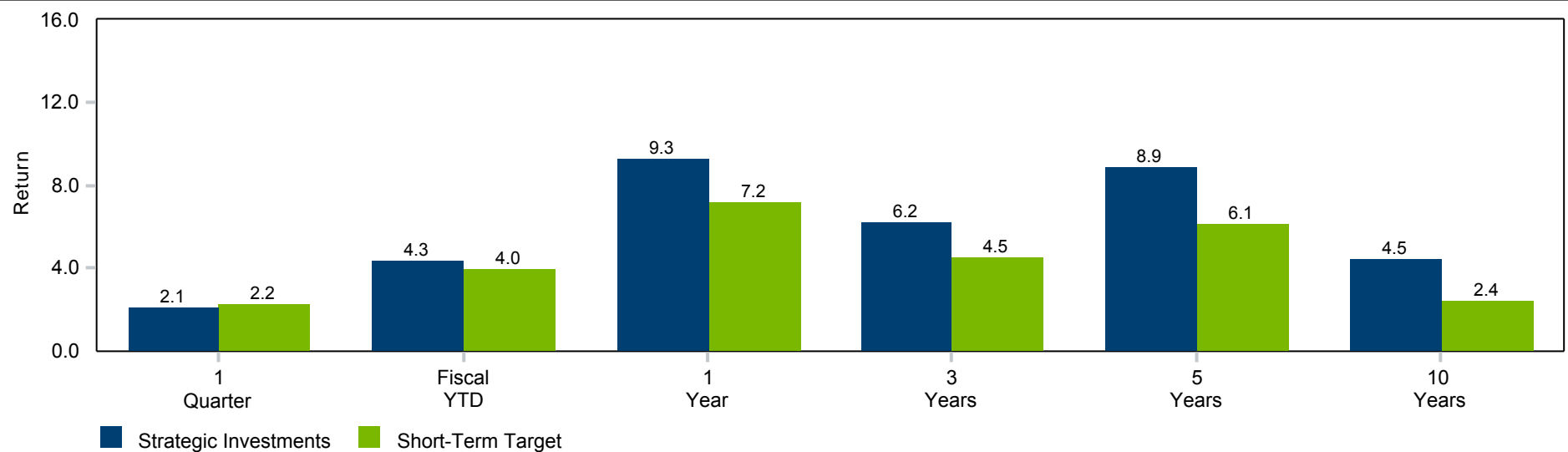
## Strategic Investments Portfolio Overview

## Current Allocation

December 31, 2017 : \$13,279M



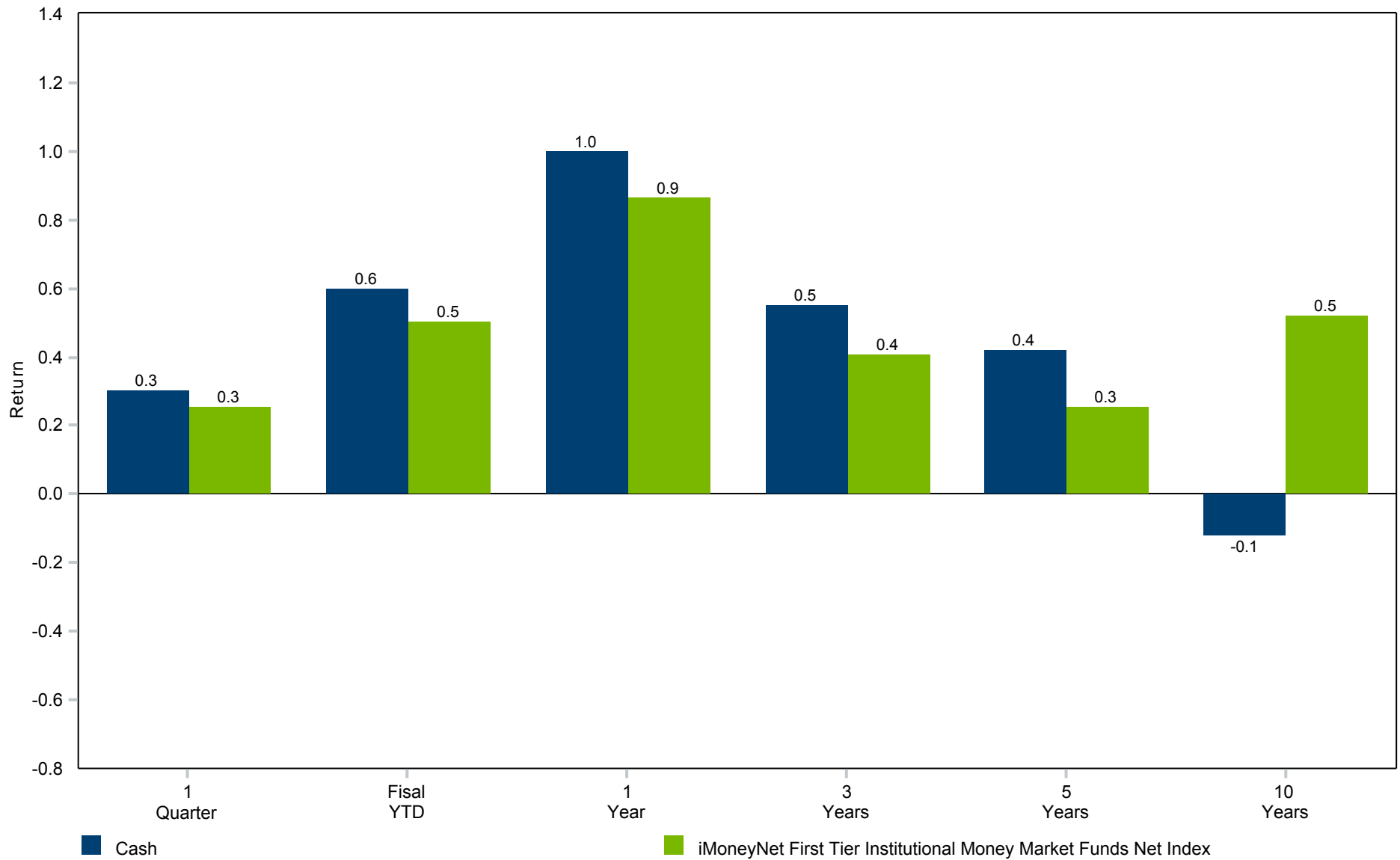
## Return Summary





## Cash Performance Summary

## Return Summary





## Appendix

### Total FRS Assets

Performance Benchmark - A combination of the Global Equity Target, the Barclays Capital U.S. Intermediate Aggregate Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Please refer to section VII. Performance Measurement in the FRS Defined Benefit Plan Investment Policy Statement for more details on the calculation of the Performance Benchmark. Prior to October 1, 2013, the Performance benchmark was a combination of the Global Equity Target, the Barclays Aggregate Bond Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Prior to July 2010, the Performance Benchmark was a combination of the Russell 3000 Index, the Foreign Equity Target Index, the Strategic Investments Target Benchmark, the Barclays Aggregate Bond Index, the Real Estate Investments Target Index, the Private Equity Target Index, the Barclays U.S. High Yield Ba/B 2% Issuer Capped Index, and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. During this time, the short-term target policy allocations to Strategic Investments, Real Estate and Private Equity asset classes were floating and based on the actual average monthly balance of the Strategic Investments, Real Estate and Private Equity asset classes. The target weights shown for Real Estate and Private Equity were the allocations that the asset classes were centered around. The actual target weight floated around this target month to month based on changes in asset values.

### Total Global Equity

Performance Benchmark - A custom version of the MSCI All Country World Investable Market Index, adjusted to exclude companies divested under the provisions of the Protecting Florida's Investments Act (PFIA). Prior to July 2010, the asset class benchmark is a weighted average of the underlying Domestic Equities, Foreign Equities and Global Equities historical benchmarks.

### Total Domestic Equities

Performance Benchmark - The Russell 3000 Index. Prior to July 1, 2002, the benchmark was the Wilshire 2500 Stock Index. Prior to January 1, 2001, the benchmark was the Wilshire 2500 Stock Index ex-Tobacco. Prior to May 1, 1997, the benchmark was the Wilshire 2500 Stock Index. Prior to September 1, 1994, the benchmark was the S&P 500 Stock Index.

### Total Foreign Equities

Performance Benchmark - A custom version of the MSCI ACWI ex-U.S. Investable Market Index adjusted to exclude companies divested under the PFIA. Prior to April 1, 2008, it was the MSCI All Country World Index ex-U.S. Investable Market Index. Prior to September 24, 2007, the target was the MSCI All Country World ex-U.S. Free Index. Prior to November 1, 1999, the benchmark was 85% MSCI Europe, Australasia and Far East (EAFE) Foreign Stock Index and 15% IFCI Emerging Markets Index with a half weight in Malaysia. Prior to March 31, 1995, the benchmark was the EAFE Index.

### Total Global Equities

Performance Benchmark - Aggregated based on each underlying manager's individual benchmark. The calculation accounts for the actual weight and the benchmark return. The benchmarks used for the underlying managers include both the MSCI FSB All Country World ex-Sudan ex-Iran Net Index and MSCI FSB All Country World ex-Sudan ex-Iran Net Investable Market Index (IMI).

## Appendix

### Total Fixed Income

Performance Benchmark - The Barclays Capital U.S. Intermediate Aggregate Index. Prior to October 1, 2013, it was the Barclays U.S. Aggregate Bond Index. Prior to June 1, 2007, it was the Fixed Income Management Aggregate (FIMA). Prior to July 1, 1999, the benchmark was the Florida High Yield Extended Duration Index. Prior to July 31, 1997, the benchmark was the Florida Extended Duration Index. Prior to July 1, 1989, the Salomon Brothers Broad Investment-Grade Bond Index was the benchmark. For calendar year 1985, the performance benchmark was 70% Shearson Lehman Extended Duration and 30% Salomon Brothers Mortgage Index.

### Total Private Equity

Performance Benchmark - The MSCI All Country World Investable Market Index (ACWI IMI), adjusted to reflect the provisions of the Protecting Florida's Investments Act, plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2014, the benchmark was the domestic equities target index return (Russell 3000 Index) plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2010, it was the domestic equities target index return plus a fixed premium return of 450 basis points per annum. Prior to November 1, 1999, Private Equities was part of the Domestic Equities asset class and its benchmark was the domestic equities target index return plus 750 basis points.

### Total Real Estate

Performance Benchmark - The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index- Open-ended Diversified Core Equity, net of fees, weighted at 76.5%, and the non-core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index- Open-ended Diversified Core Equity, net of fees, weighted at 13.5%, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%. Prior to July 1, 2014, the benchmark was a combination of 90% NCREIF ODCE Index, net of fees, and 10% FTSE EPRA/NAREIT Developed Index, net of fees. Prior to July 1, 2010, it was a combination of 90% NCREIF ODCE Index, gross of fees, and 10% Dow Jones U.S. Select RESI. Prior to June 1, 2007, it was the Consumer Price Index plus 450 basis points annually. Prior to July 1, 2003, the benchmark was the Dow Jones U.S. Select Real Estate Securities Index Un-Levered. Prior to November 1, 1999, the benchmark was the Russell-NCREIF Property Index.

### Total Strategic Investments

Performance Benchmark - Long-term, 5% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmarks.

### Total Cash

Performance Benchmark - The iMoneyNet First Tier Institutional Money Market Funds Net Index. Prior to July 1, 2010, it was the iMoneyNet First Tier Institutional Money Market Funds Gross Index. Prior to June 1, 2007, it was the return of the Merrill Lynch 90-Day (Auction Average) Treasury Bill Yield Index.



## Appendix

### Description of Benchmarks

Barclays Capital U.S. Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

Consumer Price Index (CPI) - The CPI, an index consisting of a fixed basket of goods bought by the typical consumer and used to measure consumer inflation.

FTSE EPRA/NAREIT Developed Index - An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposure and development of income-producing real estate. This index covers the four primary core asset classes (Industrial, Retail, Office, and Apartment).

iMoneyNet First Tier Institutional Money Market Funds Net Index - An average of non-governmental institutional funds that do not hold any second tier securities. It includes money market mutual funds, net of fees, that invest in commercial paper, bank obligations and short-term investments in the highest ratings category and is open to corporations and fiduciaries only.

MSCI All Country World Investable Market Index - A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. This investable market index contains constituents from the large, mid, and small cap size segments and targets a coverage range around 99% of free-float adjusted market capitalization.

NCREIF ODCE Property Index - The NCREIF ODCE is a capitalization-weighted, gross of fee, time-weighted return index. The index is a summation of open-end funds, which NCREIF defines as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests.

Russell 3000 Index - A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This represents most publicly traded, liquid U.S. stocks.

## Appendix

### Description of Universes

**Total Fund** - A universe comprised of 86 total fund portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$1.4 trillion as of quarter-end and the average market value was \$14.7 billion.

**Domestic Equity** - A universe comprised of 86 total domestic equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$323.1 billion as of quarter-end and the average market value was \$3.5 billion.

**Foreign Equity** - A universe comprised of 88 total international equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$288.3 billion as of quarter-end and the average market value was \$3.1 billion.

**Fixed Income** - A universe comprised of 89 total fixed income portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$355.6 billion as of quarter-end and the average market value was \$3.8 billion.

**Real Estate** - A universe comprised of 64 total real estate portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$82.6 billion as of quarter-end and the average market value was \$0.9 billion.

**Private Equity** - An appropriate universe for private equity is unavailable.

**Strategic Investments** - An appropriate universe for strategic investments is unavailable.

## Appendix

### Explanation of Exhibits

**Quarterly and Cumulative Excess Performance** - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

**Ratio of Cumulative Wealth Graph** - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

**Performance Comparison - Plan Sponsor Peer Group Analysis** - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.

## Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. ~~///~~ Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may ~~///~~ not sum to the plan total.

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FRS Investment Plan | Fourth Quarter 2017

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## Quarterly Investment Review

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# FRS Investment Plan

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As of December 31, 2017

## Asset Allocation & Performance

	Allocation		Performance(%)				
	Market Value (\$)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	10,671,346,089	100.0	4.1	16.4	7.6	8.5	5.4
Total Plan Aggregate Benchmark			4.1	15.5	7.3	8.2	5.0
Retirement Date	4,735,393,699	44.4					
FRS Retirement Fund	394,628,036	3.7	2.6 (36)	10.8 (49)	4.7 (63)	4.4 (90)	-
Retirement Custom Index			2.6 (33)	10.4 (54)	4.8 (61)	4.3 (91)	-
FRS 2015 Retirement Date Fund	339,747,974	3.2	2.8 (30)	12.0 (39)	5.2 (72)	5.1 (87)	-
2015 Retirement Custom Index			2.8 (31)	11.2 (60)	5.2 (72)	5.0 (90)	-
FRS 2020 Retirement Date Fund	615,793,877	5.8	3.2 (37)	14.0 (23)	6.2 (47)	6.5 (64)	-
2020 Retirement Custom Index			3.2 (42)	13.3 (46)	6.1 (54)	6.4 (65)	-
FRS 2025 Retirement Date Fund	708,268,744	6.6	3.7 (20)	16.1 (23)	7.2 (30)	7.9 (61)	-
2025 Retirement Custom Index			3.6 (34)	15.5 (39)	7.0 (42)	7.7 (63)	-
FRS 2030 Retirement Date Fund	643,794,792	6.0	4.2 (27)	18.0 (30)	8.1 (21)	9.3 (54)	-
2030 Retirement Custom Index			4.1 (52)	17.3 (48)	7.7 (38)	9.0 (58)	-
FRS 2035 Retirement Date Fund	598,994,807	5.6	4.6 (30)	19.8 (26)	8.8 (17)	10.4 (39)	-
2035 Retirement Custom Index			4.4 (49)	18.9 (54)	8.2 (48)	10.0 (57)	-
FRS 2040 Retirement Date Fund	521,414,416	4.9	4.9 (43)	20.9 (28)	9.2 (20)	10.7 (55)	-
2040 Retirement Custom Index			4.8 (51)	20.4 (45)	8.7 (45)	10.4 (61)	-
FRS 2045 Retirement Date Fund	509,238,953	4.8	5.1 (40)	21.5 (26)	9.4 (13)	10.8 (57)	-
2045 Retirement Custom Index			5.0 (41)	21.2 (39)	9.1 (42)	10.6 (64)	-
FRS 2050 Retirement Date Fund	281,208,159	2.6	5.1 (38)	21.6 (32)	9.4 (15)	10.9 (64)	-
2050 Retirement Custom Index			5.1 (49)	21.3 (52)	9.1 (50)	10.6 (71)	-
FRS 2055 Retirement Date Fund	118,244,244	1.1	5.1 (53)	21.5 (52)	9.4 (26)	10.8 (67)	-
2055 Retirement Custom Index			5.1 (54)	21.3 (61)	9.1 (63)	10.6 (85)	-
FRS 2060 Retirement Date Fund	4,059,696	0.0	5.0 (55)	-	-	-	-
2060 Retirement Custom Index			5.1 (54)	-	-	-	-

As of December 31, 2017

## Asset Allocation & Performance

	Allocation		Performance(%)				
	Market Value (\$)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
Cash	851,531,036	8.0	0.4 (1)	1.2 (1)	0.7 (1)	0.5 (1)	0.6 (3)
FRS Money Market Fund	851,531,036	8.0	0.4 (1)	1.2 (1)	0.7 (1)	0.5 (1)	0.6 (3)
iMoneyNet 1st Tier Institutional Net Index			0.3 (28)	0.9 (16)	0.4 (18)	0.3 (18)	0.5 (12)
<b>Real Assets</b>	<b>92,093,086</b>	<b>0.9</b>					
FRS Inflation Adjusted Multi-Assets Fund	92,093,086	0.9	2.1	8.1	1.8	-0.2	-
FRS Custom Real Assets Index			2.8	8.1	2.9	0.2	-
<b>Fixed Income</b>	<b>657,351,247</b>	<b>6.2</b>	<b>0.3 (6)</b>	<b>4.4 (1)</b>	<b>3.1 (3)</b>	<b>2.6 (3)</b>	<b>4.6 (5)</b>
Total Bond Index			0.3 (7)	3.9 (3)	2.8 (4)	2.4 (7)	4.2 (15)
FRS U.S. Bond Enhanced Index Fund	243,815,976	2.3	0.4 (27)	3.6 (29)	2.3 (18)	2.2 (22)	4.2 (38)
Blmbg. Barc. U.S. Aggregate			0.4 (27)	3.5 (29)	2.2 (21)	2.1 (26)	4.0 (41)
FRS Intermediate Bond Fund	102,690,228	1.0	-0.1 (66)	2.4 (20)	2.1 (22)	1.9 (26)	3.7 (27)
Blmbg. Barc. U.S. Intermediate Aggregate			-0.1 (49)	2.3 (32)	1.8 (41)	1.7 (34)	3.5 (37)
FRS Core Plus Bond Fund	310,845,044	2.9	0.6 (46)	5.3 (24)	3.7 (20)	3.3 (23)	-
FRS Custom Core-Plus Fixed Income Index			0.4 (74)	4.2 (64)	3.1 (40)	3.0 (33)	-
<b>Domestic Equity</b>	<b>2,928,079,072</b>	<b>27.4</b>	<b>6.1 (50)</b>	<b>20.8 (49)</b>	<b>11.4 (20)</b>	<b>15.8 (23)</b>	<b>9.4 (14)</b>
Total U.S. Equities Index			5.9 (55)	19.6 (56)	11.0 (26)	15.3 (34)	8.7 (26)
FRS U.S. Stock Market Index Fund	1,004,147,425	9.4	6.4 (54)	21.2 (54)	11.2 (35)	15.7 (34)	8.7 (29)
Russell 3000 Index			6.3 (55)	21.1 (54)	11.1 (37)	15.6 (37)	8.6 (31)
FRS U.S. Large Cap Stock Fund	1,015,935,720	9.5	7.4 (22)	25.5 (24)	12.1 (20)	16.7 (14)	-
Russell 1000 Index			6.6 (46)	21.7 (43)	11.2 (29)	15.7 (33)	-
FRS U.S. Small/Mid Cap Stock Fund	907,995,927	8.5	4.5 (72)	16.3 (54)	11.3 (27)	15.5 (21)	-
FRS Custom Small/Mid Cap Index			5.2 (53)	16.8 (49)	10.2 (38)	12.0 (83)	-

As of December 31, 2017

## Asset Allocation & Performance

	Allocation		Performance(%)				
	Market Value (\$)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
International/Global Equity	821,177,371	7.7	5.1 (45)	28.6 (50)	9.4 (38)	9.0 (27)	3.6 (29)
Total Foreign and Global Equities Index			5.3 (43)	27.3 (59)	8.5 (52)	8.4 (35)	2.6 (44)
FRS Foreign Stock Index Fund	336,853,404	3.2	5.3 (43)	28.3 (53)	8.9 (44)	8.3 (36)	2.5 (46)
MSCI All Country World ex-U.S. IMI Index			5.2 (43)	27.8 (56)	8.4 (54)	8.1 (39)	2.2 (53)
FRS Global Stock Fund	287,112,036	2.7	4.7 (54)	29.3 (17)	11.7 (16)	12.9 (24)	7.2 (17)
MSCI All Country World Index Net			5.7 (35)	24.0 (39)	9.3 (39)	10.8 (53)	4.7 (53)
FRS Foreign Stock Fund	197,211,932	1.8	4.2 (33)	31.2 (4)	9.7 (4)	9.2 (4)	4.0 (4)
MSCI All Country World ex-U.S. Index			5.0 (20)	27.2 (21)	8.2 (30)	7.2 (40)	1.9 (36)
FRS Self-Dir Brokerage Acct	585,720,579	5.5					

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

As of December 31, 2017

## Asset Allocation & Performance

	Performance(%)								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
FRS Investment Plan	16.4	8.0	-0.9	4.9	15.2	10.5	0.7	10.6	18.4
Total Plan Aggregate Benchmark	15.5	8.5	-1.3	4.9	14.6	9.7	0.9	10.2	16.8
Retirement Date									
FRS Retirement Fund	10.8 (49)	6.2 (48)	-2.6 (100)	4.4 (83)	3.5 (96)	10.7 (56)	3.4 (9)	11.5 (52)	20.0 (82)
Retirement Custom Index	10.4 (54)	6.2 (48)	-1.8 (95)	3.6 (90)	3.4 (96)	8.5 (74)	5.0 (1)	9.9 (80)	19.1 (84)
FRS 2015 Retirement Date Fund	12.0 (39)	6.7 (43)	-2.5 (98)	4.4 (78)	5.5 (89)	11.3 (43)	2.1 (20)	11.5 (62)	21.8 (67)
2015 Retirement Custom Index	11.2 (60)	6.5 (50)	-1.8 (92)	3.7 (92)	5.7 (88)	9.6 (88)	3.2 (1)	10.4 (85)	22.2 (65)
FRS 2020 Retirement Date Fund	14.0 (23)	7.4 (19)	-2.1 (92)	4.4 (79)	9.6 (75)	12.4 (38)	0.6 (38)	12.2 (64)	24.5 (55)
2020 Retirement Custom Index	13.3 (46)	7.1 (31)	-1.6 (82)	3.9 (88)	9.7 (75)	11.0 (74)	1.5 (21)	11.2 (86)	24.2 (58)
FRS 2025 Retirement Date Fund	16.1 (23)	8.0 (14)	-1.7 (80)	4.5 (86)	13.7 (74)	13.5 (43)	-0.7 (35)	12.5 (88)	26.4 (64)
2025 Retirement Custom Index	15.5 (39)	7.6 (19)	-1.5 (75)	4.2 (91)	13.8 (74)	12.4 (73)	-0.3 (26)	11.8 (93)	26.3 (65)
FRS 2030 Retirement Date Fund	18.0 (30)	8.5 (17)	-1.3 (60)	4.5 (83)	18.1 (54)	14.6 (34)	-2.1 (50)	13.0 (86)	29.0 (48)
2030 Retirement Custom Index	17.3 (48)	8.0 (36)	-1.5 (63)	4.4 (83)	18.2 (52)	13.8 (53)	-2.0 (49)	12.5 (91)	29.2 (47)
FRS 2035 Retirement Date Fund	19.8 (26)	9.1 (18)	-1.4 (46)	4.4 (84)	22.0 (38)	15.8 (23)	-3.0 (46)	13.7 (80)	29.8 (58)
2035 Retirement Custom Index	18.9 (54)	8.3 (46)	-1.7 (63)	4.3 (85)	22.0 (38)	15.2 (46)	-3.1 (47)	13.3 (89)	30.1 (57)
FRS 2040 Retirement Date Fund	20.9 (28)	9.2 (19)	-1.4 (52)	4.4 (83)	22.3 (48)	15.8 (36)	-3.0 (38)	13.7 (79)	29.8 (54)
2040 Retirement Custom Index	20.4 (45)	8.6 (45)	-1.7 (66)	4.3 (84)	22.4 (48)	15.2 (50)	-3.1 (38)	13.3 (85)	30.1 (53)
FRS 2045 Retirement Date Fund	21.5 (26)	9.4 (20)	-1.5 (48)	4.4 (82)	22.3 (60)	15.8 (38)	-3.0 (26)	13.7 (86)	29.8 (65)
2045 Retirement Custom Index	21.2 (39)	8.9 (37)	-1.7 (59)	4.3 (83)	22.4 (60)	15.2 (68)	-3.1 (26)	13.3 (89)	30.1 (63)
FRS 2050 Retirement Date Fund	21.6 (32)	9.5 (21)	-1.5 (55)	4.4 (82)	22.3 (53)	15.8 (36)	-3.0 (20)	13.7 (84)	29.8 (73)
2050 Retirement Custom Index	21.3 (52)	8.9 (37)	-1.7 (62)	4.3 (82)	22.4 (53)	15.2 (58)	-3.1 (20)	13.3 (87)	30.1 (70)
FRS 2055 Retirement Date Fund	21.5 (52)	9.3 (27)	-1.4 (54)	4.4 (80)	22.3 (73)	15.8 (45)	-	-	-
2055 Retirement Custom Index	21.3 (61)	8.9 (33)	-1.7 (68)	4.3 (80)	22.4 (72)	15.2 (75)	-	-	-
FRS 2060 Retirement Date Fund	-	-	-	-	-	-	-	-	-
2060 Retirement Custom Index	-	-	-	-	-	-	-	-	-



As of December 31, 2017

## Asset Allocation & Performance

	Performance(%)								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
Cash	1.2 (1)	0.6 (1)	0.2 (4)	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)
FRS Money Market Fund	1.2 (1)	0.6 (1)	0.2 (4)	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)
iMoneyNet 1st Tier Institutional Net Index	0.9 (16)	0.3 (24)	0.0 (26)	0.0 (23)	0.0 (23)	0.1 (23)	0.1 (23)	0.2 (7)	0.7 (3)
<b>Real Assets</b>									
FRS Inflation Adjusted Multi-Assets Fund	8.1	6.0	-7.9	3.2	-9.1	9.1	7.4	11.7	16.0
FRS Custom Real Assets Index	8.1	6.2	-5.0	1.8	-8.9	6.6	4.6	13.0	17.2
<b>Fixed Income</b>	<b>4.4 (1)</b>	<b>4.7 (9)</b>	<b>0.3 (78)</b>	<b>4.7 (3)</b>	<b>-1.1 (85)</b>	<b>6.0 (36)</b>	<b>6.7 (1)</b>	<b>7.6 (30)</b>	<b>11.7 (55)</b>
Total Bond Index	3.9 (3)	4.3 (11)	0.1 (84)	4.9 (2)	-1.2 (88)	4.8 (62)	7.4 (1)	7.0 (35)	8.9 (78)
FRS U.S. Bond Enhanced Index Fund	3.6 (29)	2.7 (3)	0.7 (33)	6.2 (35)	-2.0 (16)	4.4 (14)	7.9 (67)	6.7 (48)	6.5 (6)
Blmbg. Barc. U.S. Aggregate	3.5 (29)	2.6 (3)	0.5 (43)	6.0 (36)	-2.0 (17)	4.2 (15)	7.8 (67)	6.5 (49)	5.9 (7)
FRS Intermediate Bond Fund	2.4 (20)	3.1 (31)	0.9 (30)	3.4 (20)	-0.5 (63)	4.9 (59)	5.9 (12)	7.0 (35)	11.9 (54)
Blmbg. Barc. U.S. Intermediate Aggregate	2.3 (32)	2.0 (69)	1.2 (16)	4.1 (6)	-1.0 (83)	3.6 (79)	6.0 (11)	6.1 (48)	6.5 (86)
FRS Core Plus Bond Fund	5.3 (24)	5.7 (28)	0.1 (46)	4.6 (88)	0.8 (21)	11.1 (16)	4.6 (89)	10.1 (28)	21.6 (20)
FRS Custom Core-Plus Fixed Income Index	4.2 (64)	4.9 (41)	0.2 (41)	5.1 (79)	0.8 (20)	7.8 (51)	7.6 (31)	9.1 (42)	18.7 (31)
<b>Domestic Equity</b>	<b>20.8 (49)</b>	<b>13.7 (27)</b>	<b>0.7 (32)</b>	<b>11.5 (43)</b>	<b>35.2 (44)</b>	<b>16.9 (34)</b>	<b>0.3 (37)</b>	<b>20.4 (22)</b>	<b>30.9 (50)</b>
Total U.S. Equities Index	19.6 (56)	14.9 (22)	-0.5 (44)	11.1 (47)	34.0 (54)	16.5 (37)	-0.1 (40)	19.3 (28)	28.4 (62)
FRS U.S. Stock Market Index Fund	21.2 (54)	12.9 (26)	0.6 (51)	12.6 (34)	33.6 (40)	16.5 (40)	1.0 (39)	17.1 (18)	28.6 (52)
Russell 3000 Index	21.1 (54)	12.7 (27)	0.5 (52)	12.6 (34)	33.6 (40)	16.4 (40)	1.0 (39)	16.9 (20)	28.3 (53)
FRS U.S. Large Cap Stock Fund	25.5 (24)	9.3 (58)	2.7 (30)	12.8 (42)	36.4 (22)	17.2 (24)	1.2 (45)	17.8 (19)	30.5 (36)
Russell 1000 Index	21.7 (43)	12.1 (33)	0.9 (43)	13.2 (33)	33.1 (47)	16.4 (31)	1.5 (41)	16.1 (31)	28.4 (43)
FRS U.S. Small/Mid Cap Stock Fund	16.3 (54)	19.9 (25)	-1.1 (36)	8.6 (28)	37.1 (46)	18.7 (26)	-0.9 (37)	29.6 (25)	37.0 (41)
FRS Custom Small/Mid Cap Index	16.8 (49)	19.6 (26)	-4.2 (71)	7.7 (34)	22.0 (98)	15.3 (53)	1.1 (22)	21.3 (85)	26.4 (86)

As of December 31, 2017

## Asset Allocation & Performance

	Performance(%)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	
International/Global Equity	28.6 (50)	4.5 (42)	-2.6 (48)	-3.2 (42)	21.6 (33)	18.6 (53)	-11.3 (23)	10.1 (73)	34.8 (62)	
Total Foreign and Global Equities Index	27.3 (59)	4.9 (38)	-4.4 (55)	-3.0 (40)	20.6 (39)	16.6 (72)	-11.3 (23)	10.1 (73)	32.4 (69)	
FRS Foreign Stock Index Fund	28.3 (53)	5.3 (37)	-4.4 (55)	-4.5 (54)	20.5 (39)	17.6 (63)	-11.8 (27)	9.2 (77)	32.3 (69)	
MSCI All Country World ex-U.S. IMI Index	27.8 (56)	4.4 (42)	-4.6 (55)	-4.2 (51)	21.0 (36)	16.4 (72)	-12.2 (30)	8.9 (78)	33.7 (66)	
FRS Global Stock Fund	29.3 (17)	2.2 (80)	5.6 (13)	3.7 (44)	27.1 (41)	21.0 (15)	-7.4 (46)	13.0 (56)	37.7 (43)	
MSCI All Country World Index Net	24.0 (39)	7.9 (45)	-2.4 (55)	4.2 (39)	22.8 (61)	16.3 (38)	-5.5 (35)	11.8 (61)	30.0 (65)	
FRS Foreign Stock Fund	31.2 (4)	1.0 (64)	-0.5 (20)	-2.3 (15)	20.6 (53)	19.6 (38)	-13.3 (58)	9.8 (25)	39.6 (8)	
MSCI All Country World ex-U.S. Index	27.2 (21)	5.0 (8)	-5.3 (79)	-3.4 (17)	15.8 (75)	17.4 (71)	-13.3 (59)	11.6 (13)	32.5 (51)	
FRS Self-Dir Brokerage Acct										

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

## FRS Investment Plan

As of December 31, 2017

## Asset Allocation

Asset Allocation as of 12/31/2017								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Cash	Brokerage	Total	% of Total
FRS Retirement Fund	61,956,602	57,221,065	142,855,349	132,595,020			394,628,036	3.7%
FRS 2015 Retirement Date Fund	59,455,896	54,699,424	117,552,799	108,039,856			339,747,974	3.2%
FRS 2020 Retirement Date Fund	140,401,004	129,932,508	200,748,804	144,711,561			615,793,877	5.8%
FRS 2025 Retirement Date Fund	204,689,667	189,107,755	209,647,548	104,823,774			708,268,744	6.6%
FRS 2030 Retirement Date Fund	218,246,435	201,507,770	166,099,056	57,941,531			643,794,792	6.0%
FRS 2035 Retirement Date Fund	228,816,016	211,445,167	128,184,889	30,548,735			598,994,807	5.6%
FRS 2040 Retirement Date Fund	218,994,055	202,308,793	86,554,793	13,556,775			521,414,416	4.9%
FRS 2045 Retirement Date Fund	226,611,334	208,787,971	62,127,152	11,712,496			509,238,953	4.8%
FRS 2050 Retirement Date Fund	125,418,839	115,576,553	33,744,979	6,467,788			281,208,159	2.6%
FRS 2055 Retirement Date Fund	52,736,933	48,598,384	14,189,309	2,719,618			118,244,244	1.1%
FRS 2060 Retirement Date Fund	1,810,624	1,668,535	487,164	93,373			4,059,696	0.0%
<b>Total Retirement Date Funds</b>	<b>\$ 1,537,326,780</b>	<b>\$ 1,419,185,390</b>	<b>\$ 1,161,704,679</b>	<b>\$ 613,117,154</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,735,393,699</b>	<b>44.4%</b>
FRS Money Market Fund					851,531,036		851,531,036	8.0%
<b>Total Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 851,531,036</b>	<b>\$ -</b>	<b>\$ 851,531,036</b>	<b>8.0%</b>
FRS Inflation Adjusted Multi-Assets Fund				92,093,086	-		92,093,086	0.9%
<b>Total Real Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 92,093,086</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 92,093,086</b>	<b>0.9%</b>
FRS U.S. Bond Enhanced Index Fund			243,815,976				243,815,976	2.3%
FRS Intermediate Bond Fund			102,690,228				102,690,228	1.0%
FRS Core Plus Bond Fund			310,845,044				310,845,044	2.9%
<b>Total Fixed Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 657,351,247</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 657,351,247</b>	<b>6.2%</b>
FRS U.S. Stock Market Index Fund	1,004,147,425						1,004,147,425	9.4%
FRS U.S. Large Cap Stock Fund	1,015,935,720						1,015,935,720	9.5%
FRS U.S. Small/Mid Cap Stock Fund	907,995,927						907,995,927	8.5%
<b>Total Domestic Equity</b>	<b>\$ 2,928,079,071</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,928,079,072</b>	<b>27.4%</b>
FRS Foreign Stock Index Fund		336,853,404					336,853,404	3.2%
FRS Global Stock Fund		287,112,035					287,112,035	2.7%
FRS Foreign Stock Fund		197,211,932					197,211,932	1.8%
<b>Total International/Global Equity</b>	<b>\$ -</b>	<b>\$ 821,177,371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 821,177,371</b>	<b>7.7%</b>
FRS Self-Dir Brokerage Acct						585,720,579	585,720,579	5.5%
<b>Total Self-Dir Brokerage Acct</b>						<b>\$ 585,720,579</b>	<b>\$ 585,720,579</b>	<b>5.5%</b>
<b>Total Portfolio</b>	<b>\$ 4,465,405,851</b>	<b>\$ 2,240,362,762</b>	<b>\$ 1,819,055,926</b>	<b>\$ 705,210,240</b>	<b>\$ 851,531,036</b>	<b>\$ 585,720,579</b>	<b>\$ 10,671,346,090</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>41.84%</b>	<b>20.99%</b>	<b>17.05%</b>	<b>6.61%</b>	<b>7.98%</b>	<b>5.49%</b>	<b>100.0%</b>	

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

As of December 31, 2017

## Multi Timeperiod Statistics

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio	3 Years Up Market Capture	3 Years Down Market Capture
FRS Investment Plan	7.59	6.80	1.06	0.48	0.59	101.85	99.16
FRS Retirement Fund	4.66	4.54	0.94	0.50	-0.30	100.13	104.09
FRS 2015 Retirement Date Fund	5.21	4.98	0.97	0.50	0.05	101.26	102.27
FRS 2020 Retirement Date Fund	6.22	5.80	1.01	0.44	0.26	101.87	101.79
FRS 2025 Retirement Date Fund	7.25	6.57	1.04	0.45	0.56	100.83	97.11
FRS 2030 Retirement Date Fund	8.07	7.38	1.04	0.45	0.77	101.61	97.93
FRS 2035 Retirement Date Fund	8.82	8.30	1.02	0.50	1.14	103.08	98.50
FRS 2040 Retirement Date Fund	9.16	8.68	1.01	0.52	0.77	101.31	97.49
FRS 2045 Retirement Date Fund	9.40	8.81	1.02	0.62	0.47	99.91	95.99
FRS 2050 Retirement Date Fund	9.45	8.84	1.02	0.60	0.54	100.24	96.28
FRS 2055 Retirement Date Fund	9.41	8.82	1.02	0.59	0.49	100.02	96.20
FRS 2060 Retirement Date Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FRS Money Market Fund	0.68	0.13	5.43	0.03	9.43	167.53	N/A
FRS Inflation Adjusted Multi-Assets Fund	1.82	5.64	0.28	1.77	-0.59	102.49	122.32
FRS U.S. Bond Enhanced Index Fund	2.34	2.82	0.69	0.08	1.18	101.61	99.10
FRS Intermediate Bond Fund	2.13	2.19	0.79	0.58	0.53	114.18	110.97
FRS Core Plus Bond Fund	3.66	2.85	1.14	0.63	0.90	114.71	109.13
FRS U.S. Stock Market Index Fund	11.24	10.24	1.06	0.05	2.29	100.43	99.67
FRS U.S. Large Cap Stock Fund	12.07	11.29	1.04	2.42	0.37	110.93	115.10
FRS U.S. Small/Mid Cap Stock Fund	11.31	11.99	0.92	1.56	0.64	100.28	91.44
FRS Foreign Stock Index Fund	8.90	11.57	0.76	1.36	0.32	98.95	94.61
FRS Global Stock Fund	11.73	10.46	1.08	3.21	0.69	104.45	85.08
FRS Foreign Stock Fund	9.66	10.81	0.87	3.98	0.31	92.12	76.54

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

As of December 31, 2017

## Multi Timeperiod Statistics

	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio	5 Years Up Market Capture	5 Years Down Market Capture
FRS Investment Plan	8.53	6.42	1.27	0.42	0.67	101.56	98.58
FRS Retirement Fund	4.37	4.78	0.87	1.28	0.07	106.70	111.43
FRS 2015 Retirement Date Fund	5.11	5.09	0.96	1.08	0.12	105.29	108.45
FRS 2020 Retirement Date Fund	6.53	5.76	1.09	0.80	0.22	104.33	106.47
FRS 2025 Retirement Date Fund	7.94	6.44	1.18	0.55	0.37	102.09	101.23
FRS 2030 Retirement Date Fund	9.28	7.19	1.24	0.41	0.54	101.40	99.77
FRS 2035 Retirement Date Fund	10.42	8.10	1.24	0.47	0.75	101.92	99.58
FRS 2040 Retirement Date Fund	10.68	8.38	1.23	0.47	0.52	100.97	98.91
FRS 2045 Retirement Date Fund	10.83	8.46	1.23	0.54	0.33	100.18	97.93
FRS 2050 Retirement Date Fund	10.85	8.47	1.23	0.53	0.38	100.36	98.11
FRS 2055 Retirement Date Fund	10.83	8.46	1.23	0.52	0.34	100.23	98.06
FRS 2060 Retirement Date Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FRS Money Market Fund	0.49	0.12	4.93	0.03	7.93	190.91	N/A
FRS Inflation Adjusted Multi-Assets Fund	-0.20	6.11	-0.05	1.68	-0.23	108.01	113.81
FRS U.S. Bond Enhanced Index Fund	2.21	2.87	0.68	0.10	1.05	101.90	99.44
FRS Intermediate Bond Fund	1.86	2.21	0.72	0.55	0.29	107.36	105.55
FRS Core Plus Bond Fund	3.26	3.21	0.94	0.73	0.34	112.53	117.70
FRS U.S. Stock Market Index Fund	15.67	9.75	1.52	0.05	1.72	100.28	99.71
FRS U.S. Large Cap Stock Fund	16.71	10.59	1.50	2.59	0.38	106.28	105.91
FRS U.S. Small/Mid Cap Stock Fund	15.49	11.95	1.25	2.46	1.30	111.85	94.62
FRS Foreign Stock Index Fund	8.25	11.31	0.74	1.27	0.09	98.49	96.41
FRS Global Stock Fund	12.93	10.11	1.23	3.02	0.64	104.08	86.80
FRS Foreign Stock Fund	9.21	10.53	0.87	3.68	0.48	96.15	79.09

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.



## Appendix

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As of December 31, 2017

## Benchmark Descriptions

Retirement Date Benchmarks - A weighted average composite of the underlying components' benchmarks for each fund.

iMoneyNet 1st Tier Institutional Net Index - An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.

FRS Custom Real Assets Index - A monthly weighted composite of underlying indices for each TIPS and Real Assets fund. These indices include Barclays U.S. TIPS Index, MSCI AC World Index and the Bloomberg Commodity Total Return Index, NAREIT Developed Index, S&P Global Infrastructure Index, S&P Global Natural Resources Index.

Total Bond Index - A weighted average composite of the underlying benchmarks for each bond fund.

Barclays Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

Barclays Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

FRS Custom Core-Plus Fixed Income Index - A monthly rebalanced blend of 80% Barclays U.S. Aggregate Bond Index and 20% Barclays U.S. High Yield Ba/B 1% Issuer Constrained Index.

Total U.S. Equities Index - A weighted average composite of the underlying benchmarks for each domestic equity fund.

Russell 3000 Index - A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.

Russell 1000 Index - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

FRS Custom Small/Mid Cap Index - A monthly rebalanced blend of 25% S&P 400 Index, 30% Russell 2000 Index, 25% Russell 2000 Value Index, and 20% Russell Mid Cap Growth Index.

Total Foreign and Global Equities Index - A weighted average composite of the underlying benchmarks for each foreign and global equity fund.

MSCI All Country World ex-U.S. IMI Index - A capitalization-weighted index of stocks representing 22 developed country stock markets and 23 emerging countries, excluding the U.S. market.

MSCI All Country World Index - A capitalization-weighted index of stocks representing approximately 46 developed and emerging countries, including the U.S. and Canadian markets.

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 23 developed and 21 emerging countries, but excluding the U.S.

As of December 31, 2017

## Descriptions of Universes

Retirement Date Funds - Target date universes calculated and provided by Lipper.

FRS Money Market Fund - A money market universe calculated and provided by Lipper.

FRS U.S. Bond Enhanced Index Fund - A long-term bond fixed income universe calculated and provided by Lipper.

FRS Intermediate Bond Fund - A broad intermediate-term fixed income universe calculated and provided by Lipper.

FRS Core Plus Bond Fund - A core plus bond fixed income universe calculated and provided by Lipper.

FRS U.S. Stock Market Index Fund - A large cap blend universe calculated and provided by Lipper.

FRS U.S. Large Cap Stock Fund - A large cap universe calculated and provided by Lipper.

FRS U.S. Small/Mid Cap Stock Fund - A small/mid cap universe calculated and provided by Lipper.

FRS Foreign Stock Index Fund - A foreign blend universe calculated and provided by Lipper.

FRS Global Stock Fund - A global stock universe calculated and provided by Lipper.

FRS Foreign Stock Fund - A foreign large blend universe calculated and provided by Lipper.



## Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

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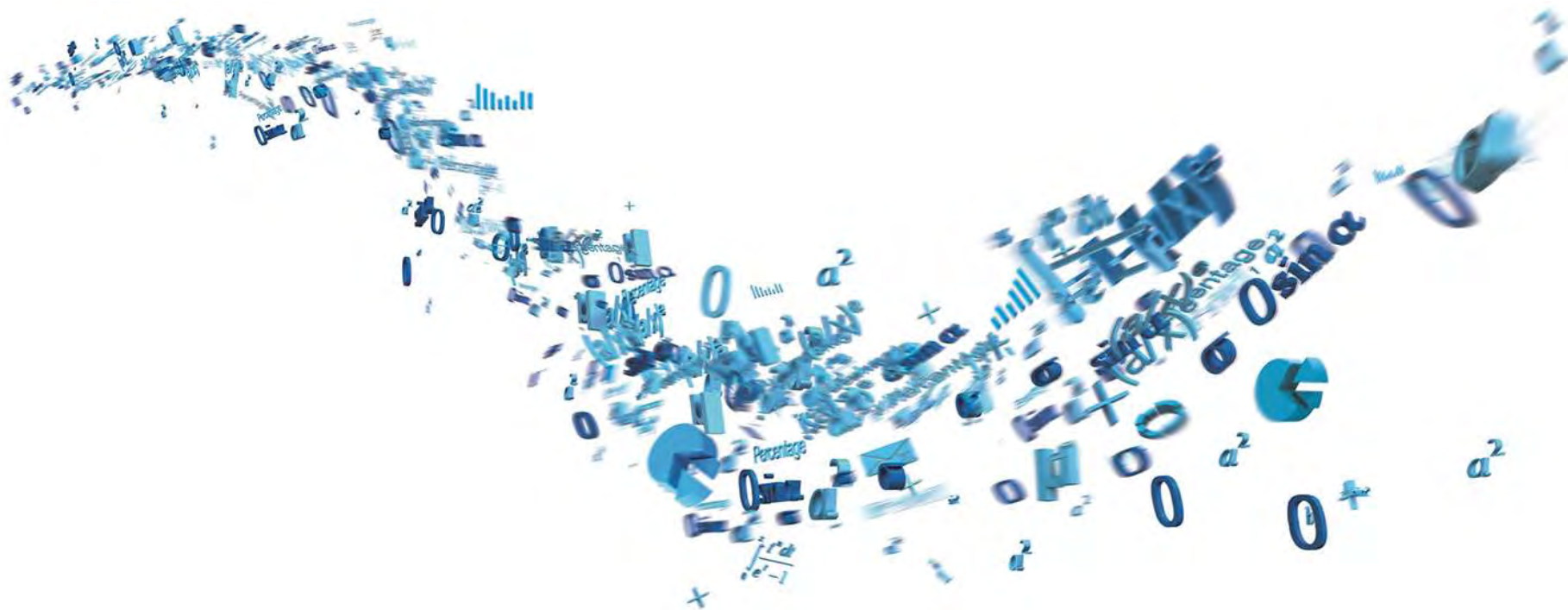
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Lawton Chiles Endowment Fund | Fourth Quarter 2017

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## Quarterly Investment Review

Visit the Aon Hewitt Retirement and Investment Blog (<http://retirementandinvestmentblog.aon.com>); sharing our best thinking.

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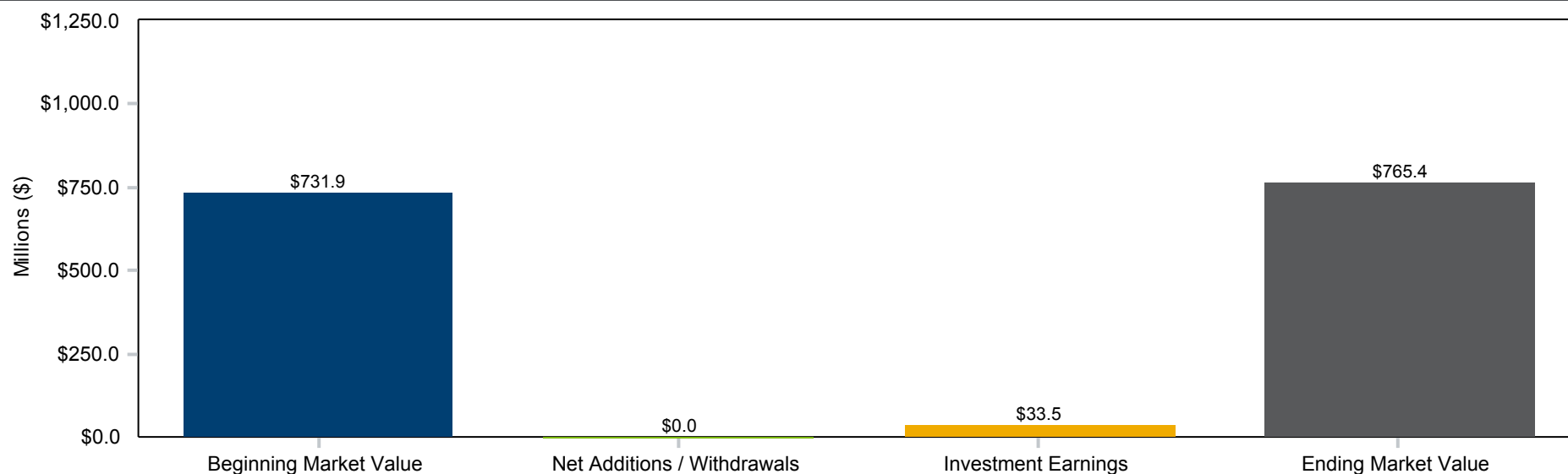
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## Total Plan Asset Summary

Change in Market Value  
From October 1, 2017 to December 31, 2017

## Summary of Cash Flow

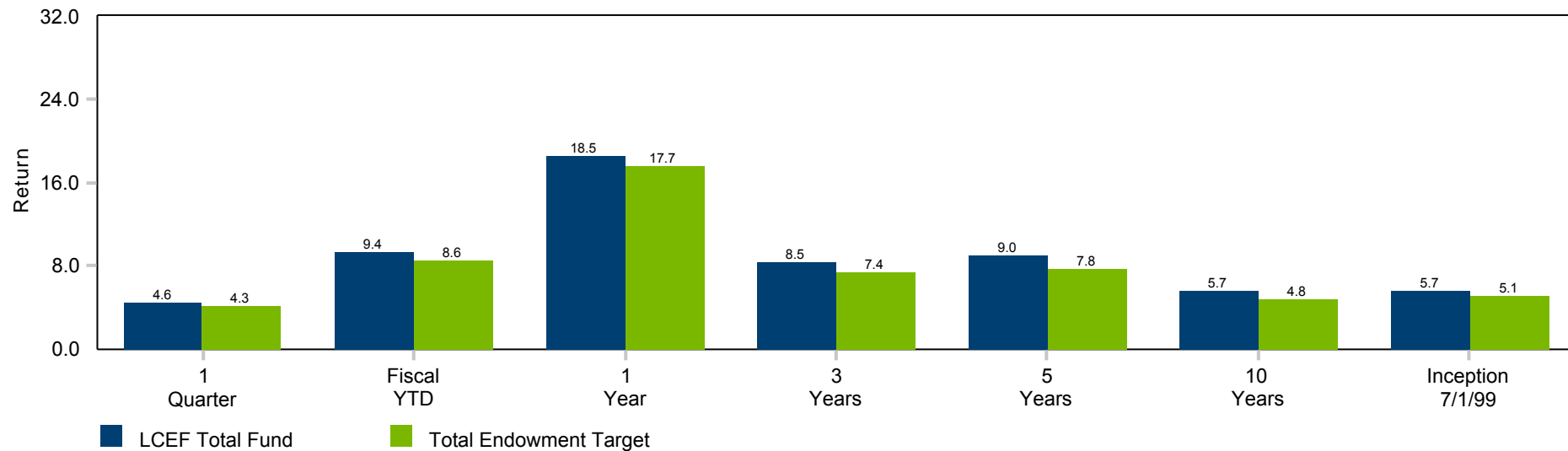
	1 Quarter	Fiscal YTD
LCEF Total Fund		
Beginning Market Value	731,882,839	699,743,916
+ Additions / Withdrawals	-	-
+ Investment Earnings	33,492,704	65,631,627
= Ending Market Value	765,375,543	765,375,543

\*Period July 2017 - December 2017

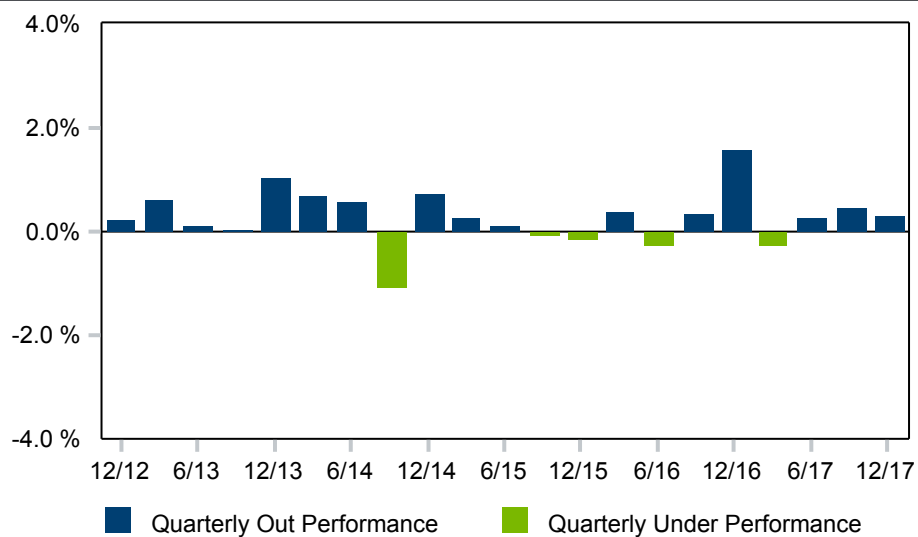


## Total Plan Performance Summary

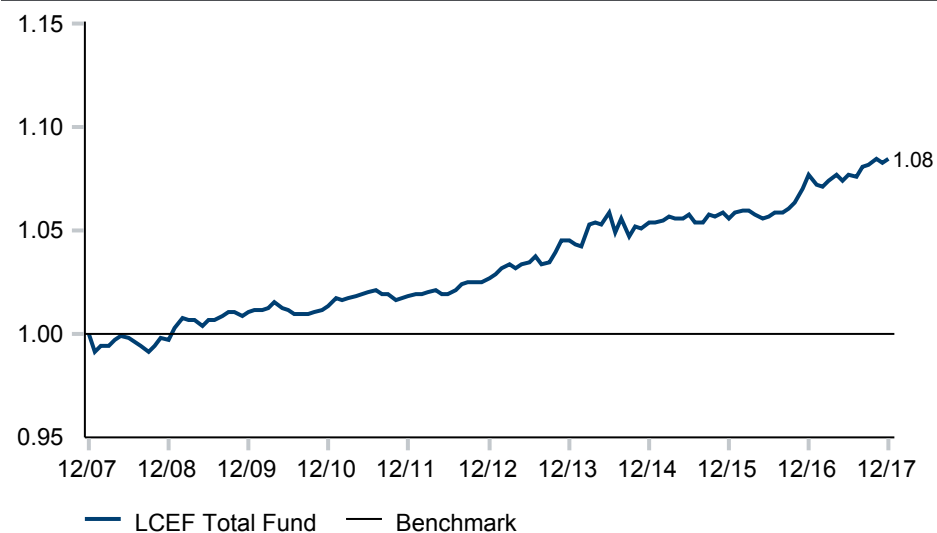
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - 10 Years



As of December 31, 2017

## Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
LCEF Total Fund	765,375,543	100.0	100.0	4.6 (4)	9.4 (2)	18.5 (3)	8.5 (2)	9.0 (14)	5.7 (18)
Total Endowment Target				4.3 (7)	8.6 (5)	17.7 (8)	7.4 (12)	7.8 (46)	4.8 (48)
Global Equity*	562,316,360	73.5	71.0	6.0	12.3	24.5	10.8	12.8	7.2
Global Equity Target				5.7	11.5	24.1	9.5	11.1	6.2
Fixed Income	114,840,678	15.0	17.0	0.4 (48)	1.3 (45)	3.7 (33)	2.3 (43)	2.2 (37)	4.0 (56)
Blmbg. Barc. U.S. Aggregate				0.4 (54)	1.2 (49)	3.5 (39)	2.2 (48)	2.1 (43)	4.0 (56)
TIPS	73,560,499	9.6	11.0	1.3	2.2	3.2	2.2	0.2	3.8
Barclays U.S. TIPS				1.3	2.1	3.0	2.1	0.1	3.5
Cash Equivalents	14,658,005	1.9	1.0	0.3	0.7	1.2	0.8	0.6	0.9
S&P US AAA & AA Rated GIP 30D Net Yield Index				0.3	0.5	0.9	0.5	0.3	0.5

Benchmark and universe descriptions are provided in the Appendix.

\*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

As of December 31, 2017

## Calendar Year Performance

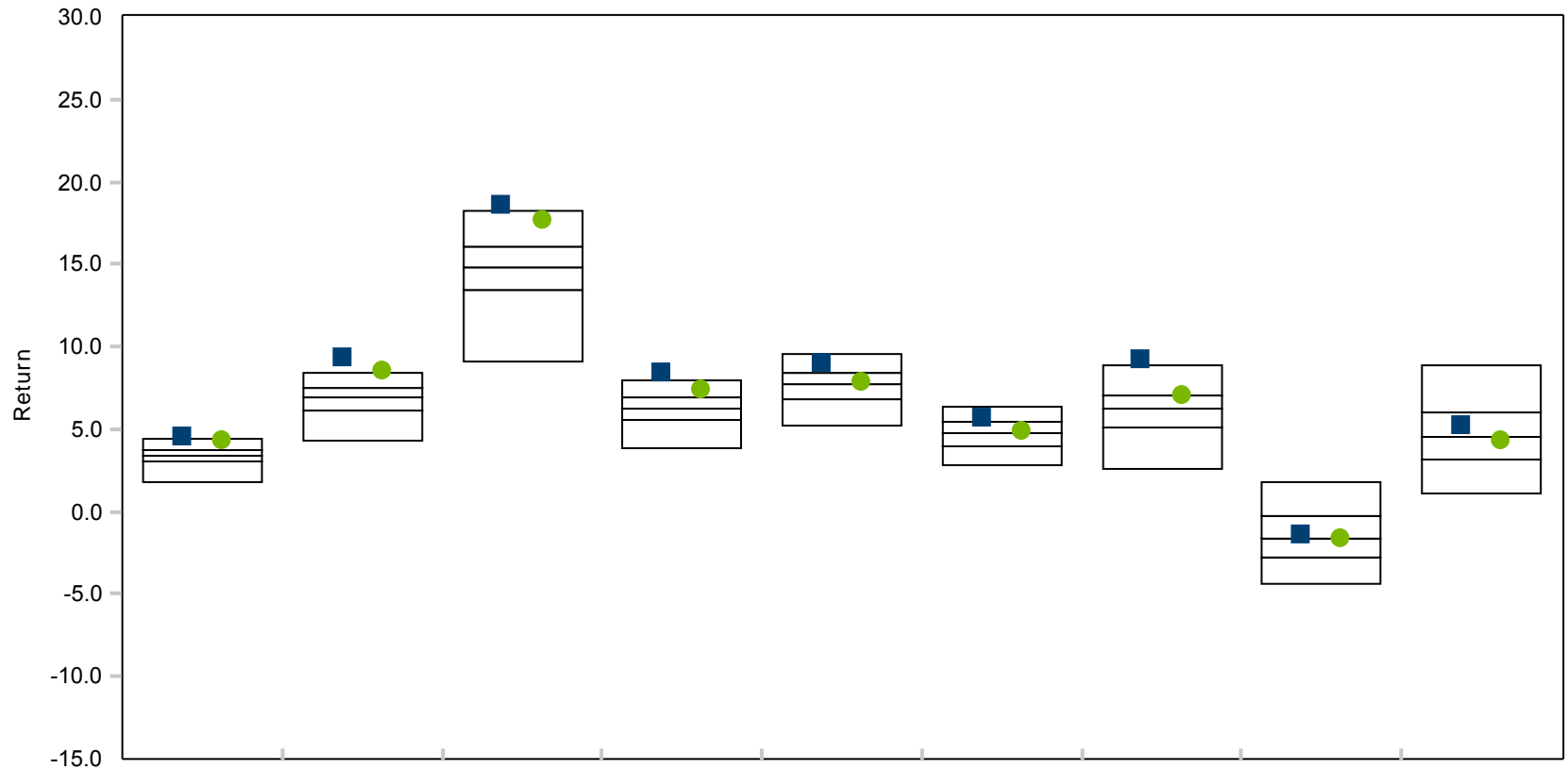
	Performance(%)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
LCEF Total Fund	18.5 (3)	9.2 (5)	-1.4 (47)	5.2 (43)	14.7 (53)	13.2 (22)	1.9 (15)	14.0 (14)	21.2 (47)	-29.2 (76)
Total Endowment Target	17.7 (8)	7.0 (27)	-1.6 (49)	4.3 (55)	12.8 (77)	12.2 (46)	1.5 (17)	13.7 (17)	19.6 (58)	-28.9 (74)
Global Equity*	24.5	11.4	-1.9	5.3	27.1	20.4	-1.1	17.0	30.8	-39.6
Global Equity Target	24.1	8.4	-2.4	3.9	24.1	19.4	-2.2	16.1	30.5	-39.2
Fixed Income	3.7 (33)	2.7 (60)	0.6 (32)	6.0 (20)	-1.8 (74)	4.6 (86)	7.6 (43)	7.0 (78)	4.6 (96)	5.8 (5)
Blmbg. Barc. U.S. Aggregate	3.5 (39)	2.6 (60)	0.5 (33)	6.0 (21)	-2.0 (76)	4.2 (89)	7.8 (40)	6.5 (82)	5.9 (87)	5.2 (15)
TIPS	3.2	4.8	-1.2	3.5	-8.7	7.2	13.6	6.1	13.3	-2.0
Barclays U.S. TIPS	3.0	4.7	-1.4	3.6	-8.6	7.0	13.6	6.3	11.4	-2.4
Cash Equivalents	1.2	0.7	0.5	0.2	0.2	1.3	0.1	2.0	2.6	0.5
S&P US AAA & AA Rated GIP 30D Net Yield Index	0.9	0.4	0.1	0.0	0.1	0.1	0.2	0.3	0.7	2.3

\*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

As of December 31, 2017

## Plan Sponsor Peer Group Analysis

### All Endowments-Total Fund

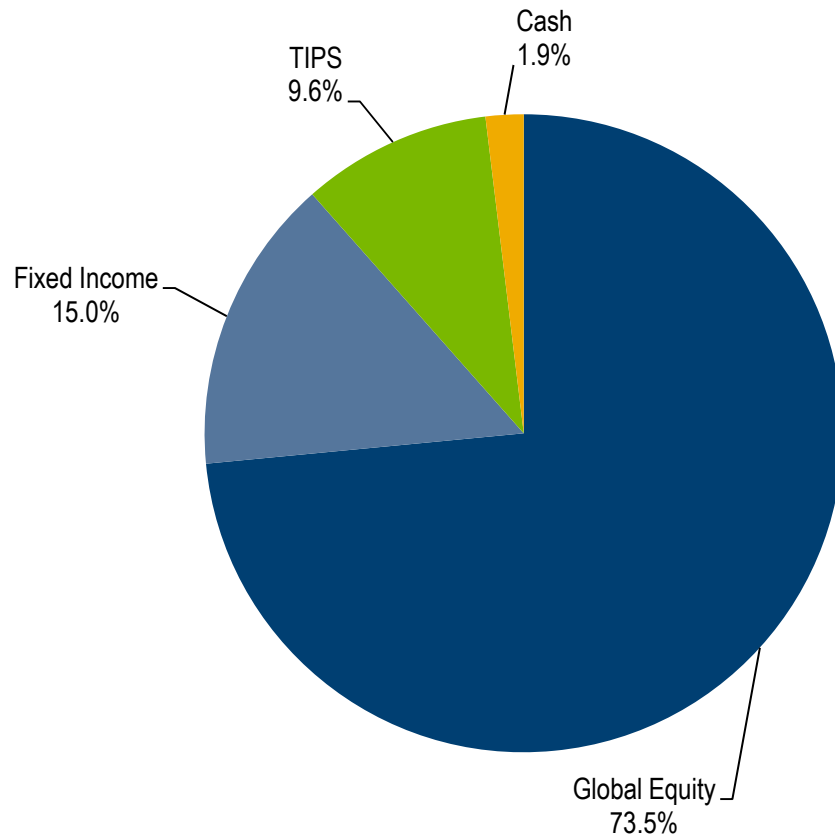


	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2016	2015	2014
■ LCEF Total Fund	4.6 (4)	9.4 (2)	18.5 (3)	8.5 (2)	9.0 (14)	5.7 (18)	9.2 (5)	-1.4 (47)	5.2 (43)
● Total Endowment Target	4.3 (7)	8.6 (5)	17.7 (8)	7.4 (12)	7.8 (46)	4.8 (48)	7.0 (27)	-1.6 (49)	4.3 (55)
5th Percentile	4.4	8.4	18.2	8.0	9.5	6.4	8.9	1.8	8.9
1st Quartile	3.7	7.5	16.1	6.9	8.5	5.5	7.1	-0.2	6.0
Median	3.4	6.9	14.8	6.2	7.7	4.8	6.2	-1.6	4.5
3rd Quartile	3.0	6.1	13.4	5.6	6.8	4.0	5.1	-2.7	3.1
95th Percentile	1.8	4.4	9.0	3.9	5.2	2.8	2.5	-4.3	1.1
Population	299	299	291	275	261	197	337	323	311

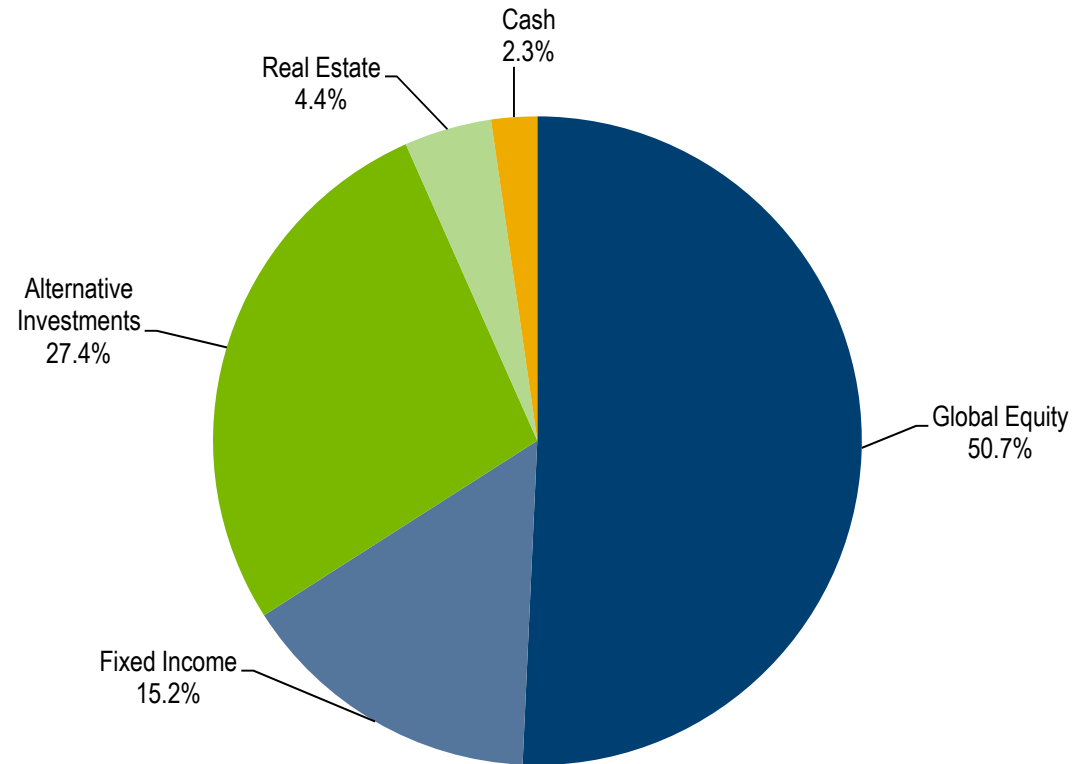
Parentheses contain percentile rankings.

Universe Asset Allocation Comparison

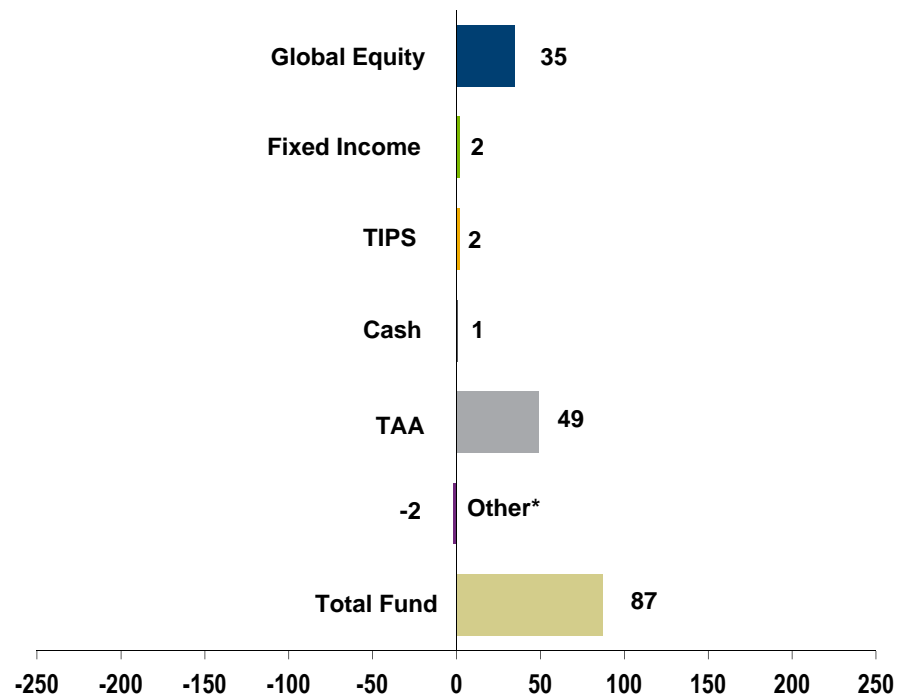
LCEF Total Fund



BNY Mellon Endowment Universe

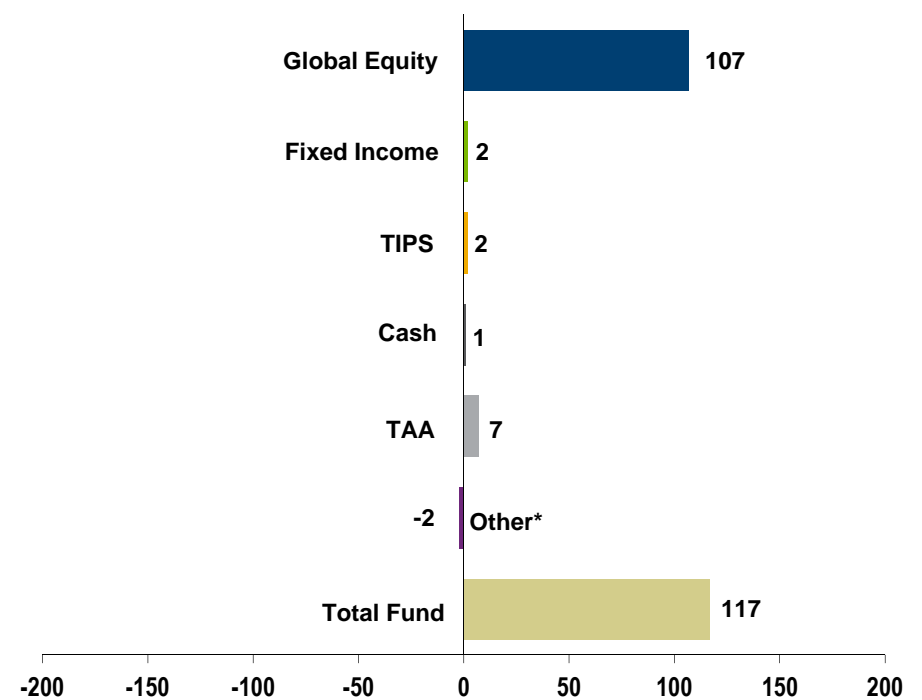


## Attribution



Basis Points

1-Year Ending 12/31/2017



Basis Points

5-Year Ending 12/31/2017

\*Other includes differences between official performance value added due to methodology and extraordinary payouts.



## Appendix

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As of December 31, 2017

## Benchmark Descriptions

### LCEF Total Fund

Total Endowment Target - A weighted blend of the individual asset class target benchmarks.

### Total Global Equity

MSCI ACWI IMI ex-Tobacco - From 7/1/2014 forward, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. From 10/1/2013 to 6/30/2014, a custom version of the MSCI ACWI IMI adjusted to reflect a 55% fixed weight in the MSCI USA IMI and a 45% fixed weight in the MSCI ACWI ex-USA IMI, and excluding certain equities of tobacco-related companies. From 9/1/2012 to 9/30/2013, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. Prior to 9/1/2012, the benchmark is a weighted average of both the Domestic Equities and Foreign Equities historical benchmarks.

### Total Domestic Equities

Russell 3000 Index ex-Tobacco - Prior to 9/1/2012, an index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices, while excluding tobacco companies.

### Total Foreign Equities

MSCI ACWI ex-US IMI ex-Tobacco - Prior to 9/1/2012, a capitalization-weighted index representing 44 countries, but excluding the United States. The index includes 23 developed and 21 emerging market countries, and excludes tobacco companies.

### Total Fixed Income

Barclays Aggregate Bond Index - A market value-weighted index consisting of the Barclays Credit, Government, and Mortgage-Backed Securities Indices. The index also includes credit card, auto, and home equity loan-backed securities. This index is the broadest available measure of the aggregate investment grade U.S. fixed income market.

### Total TIPS

Barclays U.S. TIPS - A market value-weighted index consisting of U.S. Treasury Inflation-Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500 million or more.

### Total Cash Equivalents

S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index - An unmanaged, net-of-fees, market index representative of the Local Government Investment Pool. On 10/1/2011, the S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index replaced the S&P U.S. AAA & AA Rated GIP 30-Day Gross Yield Index, which was previously used from 4/30/08 - 9/30/11. Prior to 4/30/08, it was the average 3-month T-bill rate.



As of December 31, 2017

## Universe Descriptions

### LCEF Total Fund

A universe comprised of 307 total endowment portfolio returns, net of fees, calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$282.6 billion as of quarter-end and the average market value was \$920.5 million.

### Total Fixed Income

A universe comprised of 273 total fixed income portfolio returns, net of fees, of endowment plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$20.8 billion as of quarter-end and the average market value was \$70.6 million.

## Explanation of Exhibits

Quarterly and Cumulative Excess Performance - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Performance Comparison - Plan Sponsor Peer Group Analysis - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.

## Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

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Aon Hewitt Investment Consulting, Inc.  
200 East Randolph Street  
Suite 1500  
Chicago, IL 60601  
ATTN: AHIC Compliance Officer

**MINUTES  
INVESTMENT ADVISORY COUNCIL  
December 4, 2017**

A meeting of the Investment Advisory Council (IAC) was held on Monday, December 4, 2017, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida. The attached transcript of the December 4, 2017 meeting is hereby incorporated into these minutes by this reference.

**Members Present:** Peter Collins, Chair  
Gary Wendt, Vice Chair  
Chuck Cobb  
Les Daniels  
Bobby Jones  
Sean McGould  
Vinny Olmstead  
Michael Price

**SBA Employees:** Ash Williams, Executive Director/CIO  
Kent Perez  
John Benton  
Trent Webster  
Alison Romano  
Tim Taylor  
Katy Wojciechowski  
Cherie Jeffries  
Steve Spook  
John Bradley  
Daniel Beard

**Consultants:** Steve Cummings, Aon Hewitt  
Katie Comstock, Aon Hewitt  
André Mehta, Cambridge Associates  
Samit Chhabra, Cambridge Associates  
Jim Mnookin, Cambridge Associates (via telephone)  
Tod Trabocco, Cambridge Associates  
Richard Brown, Townsend Group  
Seth Marcus, Townsend Group

**WELCOME/CALL TO ORDER/APPROVAL OF MINUTES**

Mr. Peter Collins, Chair, called the meeting to order at 1:00 P.M. He asked the IAC members to look at the minutes from the September 25, 2017 IAC meeting. Mr. Michael Price made a motion to approve the minutes; the motion was seconded by Mr. Bobby Jones. The minutes were approved.

**OPENING REMARKS/REPORTS**

Mr. Ash Williams, Executive Director/Chief Investment Officer, provided a brief summary on the performance of the Florida Retirement System Pension Plan, stating that, as of December 1, 2017, the fund total was \$160.4 billion, up 15.61 percent on the year, 42 basis points ahead of target, and at an all-time high. Mr. Williams also discussed the Florida Retirement System Investment Plan, indicating that, as of month-end October, calendar year-to-date, it was up 11.79 percent and had aggregate assets of \$10.5 billion. Mr. Williams commented on the recent hurricane season and informed the IAC members that the Florida

Hurricane Catastrophe Fund is in excellent financial condition coming into the next hurricane season. He thanked the IAC members for their support which, he said, has empowered the SBA in recruitment and retention. Mr. Williams mentioned two new hires at the SBA as well as his plans to hire a head of cyber security. He informed the IAC members that the Trustees had reaffirmed the SBA Executive Director/CIO for another year and that they had accepted all of the IAC's recommendations with regard to his relationship with the Board. Mr. Williams thanked the IAC members for their work and for their leadership.

### **STRATEGIC INVESTMENTS ASSET CLASS REVIEW**

Mr. Trent Webster, Senior Investment Officer - Strategic Investments and Private Equity, provided a detailed presentation on the Strategic Investments asset class. He discussed their policy objectives and their processes, including fund selection, due diligence, risk management, manager monitoring and asset allocation. Mr. Webster described the portfolio, elaborating on net asset value, unfunded commitments, number of relationships, and illiquid and liquid strategies. He also provided details of their recent activity. Mr. Webster discussed asset class performance, benchmarks and strategy allocations. He described the six broad strategy allocations (portfolios): debt, equity, real assets, diversifying strategies, flexible mandates and special situations. Mr. Webster also discussed hedge funds and the role that they play in the portfolio. There was a brief discussion pertaining to the policy objectives, specifically regarding language on reducing risk. Mr. Webster explained that the asset class would be changing the policy language that currently reads "provide a hedge against inflation."

Mr. André Mehta, Cambridge Associates, began his presentation with a description of what Cambridge Associates does for the SBA, both on the strategic side and on the private side. He discussed hedge funds and hedge fund portfolios, briefly outlining three broad goals of the portfolios. There was an in-depth discussion about hedge fund portfolios. Mr. Samit Chhabra, Cambridge Associates, concluded the presentation by mentioning the asset class's addition of global macro and other diversified strategies.

Mr. Seth Marcus, Townsend Group, described Townsend's focus on real assets, including real estate debt and timber with the Strategic Investments asset class and real estate equity with the Real Estate asset class. He informed the IAC members that Aon will be acquiring Townsend. Mr. Marcus discussed the performance of the real estate debt and timber portfolio.

Questions were posed by IAC members throughout the Strategic Investments review and were answered by Mr. Webster, Mr. Williams, Mr. Mehta, Mr. Marcus and Mr. Steve Cummings, Aon Hewitt.

### **SIO UPDATES, DC PROGRAMS UPDATE**

The Senior Investment Officers of Global Equity, Fixed Income, Real Estate, and Strategic Investments and Private Equity (specifically, Private Equity), provided an update on the performance of their respective asset classes over the last quarter and trailing time periods and discussed general market conditions. Ms. Cherie Jeffries, Director of Fixed Income Trading, also provided an update on the SBA Securities Lending Program. Questions from IAC members were asked and answered.

Mr. Daniel Beard, Director of Administration - Defined Contribution Programs, provided an update on legislative changes from the past session which impacted the Florida Retirement System, and he provided a snapshot of the assets, number of members, average account balance, assets under management by asset class, performance, and membership growth for the Investment Plan.

### **MAJOR MANDATE PERFORMANCE REVIEWS**

Mr. Steve Cummings spoke briefly about the consulting team at Aon Hewitt and offered to answer any questions the IAC members might have concerning the pending acquisition of Townsend by Aon. Ms. Katie Comstock, Aon Hewitt, provided an overview of the performance of the Pension Plan, the


Investment Plan, the Florida Hurricane Catastrophe Fund, the Lawton Chiles Endowment Fund, and Florida PRIME. Questions posed by IAC members were answered by Ms. Comstock and Mr. Cummings.

**AUDIENCE COMMENTS/CLOSING REMARKS/PROPOSED 2018 MEETING DATES/  
ADJOURN**

There were no comments or questions from the audience. Mr. Collins announced that the proposed IAC meeting dates for 2018 are located behind Tab 6 in the meeting materials.

The meeting was adjourned at 3:30 P.M.

  
\_\_\_\_\_  
Peter Collins, Chair

  
\_\_\_\_\_  
Date





STATE BOARD OF ADMINISTRATION OF FLORIDA

INVESTMENT ADVISORY COUNCIL MEETING

MONDAY, DECEMBER 4, 2017  
1:00 P.M. - 3:30 P.M.

1801 HERMITAGE BOULEVARD  
HERMITAGE ROOM, FIRST FLOOR  
TALLAHASSEE, FLORIDA

REPORTED BY: JO LANGSTON  
Registered Professional Reporter

ACCURATE STENOGRAPHY REPORTERS, INC.  
2894-A REMINGTON GREEN LANE  
TALLAHASSEE, FLORIDA 32308  
(850) 878-2221

APPEARANCES

IAC MEMBERS:

PETER COLLINS  
GARY WENDT  
CHUCK COBB  
BOBBY JONES  
VINNY OLMSTEAD  
SEAN MCGOULD  
LES DANIELS  
MICHAEL PRICE

SBA EMPLOYEES:

ASH WILLIAMS, EXECUTIVE DIRECTOR  
KENT PEREZ  
JOHN BENTON  
JOHN BRADLEY  
TRENT WEBSTER  
STEVE SPOOK  
KATY WOJCIECHOWSKI  
CHERIE JEFFRIES  
ALISON ROMANO  
TIM TAYLOR  
DANIEL BEARD

CONSULTANTS:

ANDRÉ MEHTA - (Cambridge Associates)  
TOD TRABOCCO - (Cambridge Associates)  
SAMIT CHHABRA - (Cambridge Associates)  
JIM MNOOKIN - (Cambridge Associates) (Telephonically)  
RICHARD BROWN - (The Townsend Group)  
SETH MARCUS - (The Townsend Group)  
STEVE CUMMINGS - (Aon Hewitt)  
KATIE COMSTOCK - (Aon Hewitt)

ACCURATE STENOGRAPHY REPORTERS, INC.

1                   INVESTMENT ADVISORY COUNCIL MEETING

2                   \* \* \*

3                   MR. COLLINS: Do we have anybody on the phone  
4 today? Anybody called in?

5                   MR. MNOOKIN: Yes. Jim Mnookin from Cambridge  
6 Associates is on.

7                   MR. COLLINS: Hey, Jim. Thank you for  
8 attending. Anyone else? So welcome, everybody.  
9 And we need to look at the minutes and approve the  
10 minutes from the last meeting.

11                  MR. PRICE: Move it.

12                  MR. COLLINS: Bobby?

13                  MR. JONES: Second.

14                  MR. COLLINS: Does anyone have any comments or  
15 objections to the minutes from last meeting? Seeing  
16 none, they're approved. Opening remarks. Ash.  
17 He's going to tell us whether we're actually up or  
18 down this year.

19                  MR. WILLIAMS: Michael Price seemed to be of  
20 the general view that we -- no, it was Les  
21 Daniels -- that we might be up on the year.  
22 Fortunately we are. As of the close on December 1,  
23 the FRS Trust Fund is up 15.61 percent. These are  
24 initial numbers, of course, on the year. That's 42  
25 basis points ahead of target, \$16 billion net of

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1                   distributions that average 600 million-ish a month,  
2 on the calendar year, leaving us with a balance of  
3 160.4 billion, which is an all-time record high. So  
4 that's good.

5                   And does the levitation continue? Well, I  
6 think we all probably have doubts about that. But  
7 when the wind is blowing, get the sail out and move  
8 the boat. So that's what we've done. And we  
9 continue to be well-diversified. And as you will  
10 hear as we go through the asset classes today, I  
11 would ask the SIOs to give a sense of the character  
12 of the flows they're seeing within their individual  
13 asset classes and how you see the relative valuation  
14 environment and how your asset class will fit into  
15 the overall portfolio construction of the Board.

16                  It's particularly appropriate that we have the  
17 focus today on strategic investments because that's  
18 where we've got most of the stuff that's sort of  
19 negatively correlated to broad equity beta. So good  
20 on the performance side.

21                  I think of equal strength is what's going on on  
22 the defined contribution side. We have been growing  
23 the DC side of the Florida Retirement System. The  
24 numbers are a little bit different there. We don't  
25 have real-time numbers on a daily basis there. So

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1 the numbers I'll share now are as of month-end  
2 October.

3 But if we look at calendar year to date there,  
4 up 11.79 percent. That's 85 basis points of value  
5 add, which reflects two things, manager selection --  
6 well, three things really. Manager selection,  
7 manager oversight, and the manager performance  
8 relative to the underlying benchmarks they're  
9 looking at, and I think also the fee structures we  
10 have, because in many cases the fees that we have on  
11 the DC platform are firms that we're also doing  
12 business with on the DB side, meaning we can  
13 leverage our scale with them and get substantially  
14 more advantageous fee structures for the  
15 beneficiaries than they would see if they bought the  
16 exact same funds in an over-the-counter transaction  
17 with a retail financial services firm.

18 The other thing that's of interest is that the  
19 aggregate assets in the Florida investment plan,  
20 which is the proper name of the defined contribution  
21 scheme, is \$10.5 billion, which up 1.2 billion from  
22 where we started the year. So all is well on all  
23 fronts.

24 A couple of other things I wanted to touch on.  
25 We were very pleased to see the hurricane season

1 end. This year, like we did last year, we had close  
2 brushes with Mother Nature that fortunately did not  
3 do anywhere near the damage they could have done.  
4 And with Hurricane Irma, we've had an awful lot of  
5 questions about, gee, what are your losses from  
6 Irma.

7 The short answer is it's too big to say. I  
8 think what we paid out to date is about \$26 million,  
9 which is nothing on a \$17 billion fund. There are  
10 two reasons for that. Number one, loss development  
11 takes time. The CAT Fund is a reimbursement scheme  
12 for primary insurers. It is not a primary insurer.

13 So before we get claims from primary insurance  
14 companies, they have to first complete their own  
15 claims adjusting process and reach closure on what  
16 they're paying out, and we then reimburse them for a  
17 component of that, with a co-pay, so that the  
18 alignment remains appropriate. You can have loss  
19 development after a storm for literally years. So  
20 to be weeks or months after a storm, it's not  
21 realistic to expect we really know.

22 That said, we've looked at the actuarial work  
23 on the storm and modeled it against our zip code  
24 base of exposures. And our thinking is, at the  
25 outside, this is probably a 5 billion kind of an

1 exposure for us. I think that's probably 2x  
2 reality, if not more.

3 Long way of saying the CAT Fund is and remains  
4 in excellent financial condition coming into the  
5 next hurricane season. And we'll accept the grace  
6 of God for that, but also understand that prudent  
7 policy on the part of the trustees and the  
8 legislature has been helpful.

9 I would say also, on the team, I want to thank  
10 the IAC again for all your support on things that we  
11 have done, been able to do, that you've empowered us  
12 to do on the recruitment and retention side. In the  
13 calendar year we did not lose -- I don't think we  
14 lost a single investment staff person, did we, for  
15 any kind of competitive reasons?

16 And we did fill at least one vacancy. Where is  
17 Shoaib? Is he in here? There he is. We brought in  
18 Mr. Shoaib Khan from New York, who was on the  
19 private sector and is in strategic investments on  
20 the credit side, doing a terrific job. And there's  
21 no way that could have happened five years ago.  
22 That's a direct result -- because he's not cheap. I  
23 mean, you know how these people are.

24 MR. KHAN: I'm not that expensive either.

25 MR. WILLIAMS: The only thing worse is football

1 coaches, but that's a different story. Don't get me  
2 started. So all good there.

3 The other key thing I wanted to bring up on the  
4 team side is that we did have our chief investment  
5 technology officer leave during the past six months.  
6 We have completed a search there, found an  
7 outstanding woman for that role who is a Boston  
8 College person, for the benefit of some of our IAC  
9 members, and extremely sharp and has been on the  
10 private side doing development work that I think is  
11 directly relevant to what we're doing here. So  
12 she'll be starting very soon and may even be here  
13 today. No.

14 UNIDENTIFIED SPEAKER: She has started. She's  
15 not with us, but she's here.

16 MR. WILLIAMS: So she's being very selective  
17 about who she'll talk to. You have to respect that.

18 MR. COLLINS: Probably good to skip this group.

19 MR. WILLIAMS: Yeah, I don't blame her. And  
20 the next hire we'll be making in the IT area is a  
21 head of cyber security. And we think that's worth a  
22 separate position. In the past week I met the  
23 deputy U.S. attorney general who handles all of the  
24 cyber crime prosecutions for the U.S. Department of  
25 Justice, had an extensive conversation with that

1 individual about what's going on in that space, also  
2 reacquainted myself with the person who was head of  
3 cyber security for the Homeland Security  
4 Administration.

5 And, interestingly, they have a major cyber  
6 security facility, Homeland Security does, in  
7 Pensacola, so just a couple hundred miles west of  
8 here. I met this fellow a year ago. And he is now  
9 the head of cyber security for Goldman Sachs. He's  
10 gone private and made a pretty good trade out of it.  
11 But he has again offered to open the door for us to  
12 meet the folks over in Pensacola and get the best  
13 insights they have on doing a little look at what  
14 we're doing and how we might sharpen our cyber  
15 security environment.

16 I also met last week a woman who heads up one  
17 of the leading crisis management firms in the world.  
18 And we were talking about this whole idea of cyber  
19 security, and she made a very interesting point,  
20 that with social media the way it is, if you have  
21 any kind of a problem, whether it is of a cyber  
22 penetration origin or some other thing, it will  
23 literally go global in 17 seconds courtesy of social  
24 media. The average major corporation takes between  
25 18 and 36 hours to even recognize and define a

1 problem and come up with a statement.

2 By that time the sound bites are already there.  
3 The headlines are already there. The blogs have  
4 already picked it up. And the whole issue has been  
5 calibrated for you. And trying to reconstruct that  
6 on a backward-looking basis, or change it, very,  
7 very difficult.

8 All of which is why we are really, really  
9 tightening up on this cyber security business.  
10 Everything I hear about that is bad. The number of  
11 bad actors that are out there spending their waking  
12 hours doing those sorts of things is incredible.

13 At an event I was at last week in New York, one  
14 of the MFA events, we had a very senior person from  
15 the Treasury there who had recently left the  
16 Treasury and gone elsewhere. And he said, By the  
17 way, if any of you receive a letter on perfect -- a  
18 digital letter on perfect United States Treasury  
19 letterhead, with very credible language, saying your  
20 institution has an account or a hung instrument  
21 somewhere, blah, blah, blah, all you have to do to  
22 claim it is e-mail me at the below address, and it  
23 has my signature on it. He said, The only problem  
24 is it's not my signature. It's something that's a  
25 scam out of Eastern Europe or Africa or something

1 like that.

2 But he said it looks so good, he said, If I saw  
3 it and I didn't know my own signature, I would think  
4 it was real. So I think there are so many  
5 unexploded bombs buried out there for financial  
6 institutions in cyber world, we can't pay too much  
7 attention to it.

8 Two other things I'll touch on. Legislatively,  
9 the governor's budget is out. He has again taken an  
10 appropriate leadership role and is recommending full  
11 funding of the Florida Retirement System, normal  
12 cost and an appropriate actuarially indicated  
13 contribution to unfunded liability. So we thank him  
14 for that.

15 A lot of stuff in the news lately about  
16 cryptocurrencies, Bitcoin, et cetera, et cetera. We  
17 get asked all the time, Do you have Bitcoin  
18 investments? The answer is no. Are you thinking  
19 about them? Not really. Although I did see what  
20 would be a temptation perhaps to someone, not us,  
21 but I see Venezuela has now launched its own  
22 cryptocurrency, the Petro. I think we'll take a  
23 pass on that, for a number of reasons.

24 The last thing I want to share is, at the  
25 trustees meeting on November 7, they reaffirmed for

1 another year the executive director and CIO of the  
2 SBA. So thank you for your work on that. And they  
3 also accepted without change all of the IAC's  
4 recommendations with regard to my relationship with  
5 the Board. So thank you again for your leadership  
6 broadly and for your help on that specifically.  
7 With that, Mr. Chair, unless there are any  
8 questions, I'm done.

9 MR. COLLINS: Does anybody have any questions  
10 on that? I would just say that relative to the  
11 Compensation Committee work that was done, this is  
12 the first year where the Compensation Committee got  
13 together, did its work, went pretty smoothly, put it  
14 before the Cabinet and the Cabinet didn't even have  
15 any questions, so if that gives you a sense of the  
16 kind of job that they think we're doing on the  
17 compensation side.

18 So does anybody have any comments or questions  
19 before we move on to Trent? Trent, we gave you long  
20 enough to get in your seat. Go ahead and let's  
21 start the review.

22 MR. WEBSTER: Well, I'm glad to say that I  
23 removed that old presentation on cryptocurrencies as  
24 the next asset in strategic investments.

25 MR. COLLINS: I was going to say he stole your

1 thunder. I thought you were cornering the market on  
2 Bitcoin.

3 MR. WEBSTER: We're leaving that to private  
4 equity. So for those that may be new in the  
5 audience, we're strategic investments. We are the  
6 alternative asset class. If an investment doesn't  
7 fit nice and neatly into the four other asset  
8 classes, it comes to us.

9 And we're charged in policy with four policy  
10 objectives. For people who have seen this before,  
11 you'll notice a slight change in that we're now  
12 charged with generating a four and a half percent  
13 real return. And that is in line with the change at  
14 the total fund level. We're also here to diversify  
15 the rest of the fund, to provide a hedge against  
16 inflation and to invest opportunistically.

17 And in fact not only has the first one changed  
18 a little bit, but we're going to be changing these a  
19 little bit, too, based on some of the discussions  
20 we've had in this forum. So you'll see that in the  
21 next quarter or two.

22 So as Ash had mentioned, we hired Mr. Shoaib  
23 Khan during this calendar year. We also have an  
24 opening for an analyst. So if anyone knows an eager  
25 beaver young professional who always dreamt of

1 working at the State Board, we have a position for  
2 him or her.

3 I thought we'd spend the bulk of our time today  
4 on how we approach the portfolio philosophically and  
5 how all the components fit together and how we fit  
6 into the total fund. So I thought we'd move through  
7 process fairly quickly, though I'm happy to spend as  
8 much time on anything that anyone wishes.

9 So when we're looking at individual funds,  
10 these are the three broad screens that we look for  
11 for managers. So they must be of high ethical  
12 standards, and they must be of institutional  
13 quality, and they must be able to demonstrate  
14 attractive, process-driven, repeatable risk-adjusted  
15 performance, in that order. If a manager has a very  
16 good track record but we hear dodgy things about  
17 him, we're just not interested.

18 This next slide, I apologize for this  
19 eye-straining slide. One day I'll get around to  
20 improving this. But this shows the multiple steps  
21 in our fund selection process. And typically, when  
22 we're doing our due diligence, we spend a lot of  
23 time on a manager. Typically, during the due  
24 diligence process, we're spending between 20 and 40  
25 hours on an individual manager. And in fact it can

1 take significantly longer than that, because prior  
 2 to entering our pipeline, we've often had multiple  
 3 meetings already with the manager, often meeting  
 4 them here or in the office or over the phone and  
 5 reading up about them. And sometimes it can take us  
 6 years to develop a relationship with a manager.

7 In private market structures, we prefer to meet  
 8 a manager when they're in between fund-raising.  
 9 That way we're not rushed or we don't feel urgency  
 10 like we have to invest in a fund.

11 Of course, thorough due diligence is part of  
 12 our risk management. Also up front I had mentioned  
 13 earlier, at the beginning, that one of our  
 14 objectives is to invest opportunistically. And we  
 15 tend to take a contrarian approach to investment,  
 16 where we want to be investing in things where a lot  
 17 of capital has left. So typically that means  
 18 they're cheaper. Sometimes it looks a little scary,  
 19 but generally capital has come out of the market,  
 20 and we're trying to put money into those areas and  
 21 avoid areas which are frothy.

22 Ongoing manager monitoring is also part of our  
 23 risk management process. And typically we're  
 24 speaking to the managers at least quarterly,  
 25 sometimes monthly. And oftentimes we will follow up

1 if there are any issues outstanding that we feel  
 2 necessary.

3 The other issue that is highlighted on here is  
 4 that where possible, if a manager has a limited  
 5 partner advisory committee, we request seats on  
 6 those boards. And we are on most of the LPACs with  
 7 our funds. That gives us a heightened level of  
 8 manager monitoring for our managers.

9 MR. COLLINS: Trent, a question on that. How  
 10 many funds are you in today? I know you're going to  
 11 get to that, but I'm going back to the topic you  
 12 just brought up about being on the boards.

13 MR. WEBSTER: 86.

14 MR. COLLINS: 86.

15 MR. WEBSTER: Sorry. 136 funds, but those  
 16 include SMAs, those include LP structures, and those  
 17 include hedge funds.

18 MR. COLLINS: And when you reduce that 86 for,  
 19 say, multiple funds with one firm, what does it come  
 20 down to?

21 MR. WEBSTER: Well, we have 86 relationships.  
 22 We have -- I think it's 136 funds. I have that on a  
 23 slide.

24 MR. COLLINS: Okay. So how many of those  
 25 meetings do you go to?



1 MR. WEBSTER: How many meetings? We try to  
2 attend every annual meeting for our funds which put  
3 them on. Occasionally we may not because we may  
4 have a conflict. But we're generally covering  
5 99 percent of the meetings that our managers put on.

6 MR. COLLINS: Okay.

7 MR. WEBSTER: So even though we are an  
8 opportunistic asset class, we do have an asset  
9 allocation process once a year. We sit down as a  
10 group and make a determination over the next three  
11 to five years on where we want to allocate capital  
12 relative to where the portfolio is currently. And  
13 you'll see that in few minutes when we go through  
14 some of the strategies.

15 We create a target allocation for the next  
16 three to five years. And that is a guide. It is  
17 not a hard-set target, but rather acts as a roadmap  
18 for us to allocate capital, because we don't ever  
19 want to be in a situation where we wake up one day  
20 and, say, have half our portfolio in distressed or  
21 30 percent in insurance or some other overweight  
22 that is unintended.

23 Currently we're at 8.2 percent of the total  
24 fund. We have a policy target allocation of  
25 12 percent. We've been working really hard to get

1 there. But Tim and Alison have made it very  
2 difficult for us because they just sprint away like  
3 jackrabbits in global equities.

4 So we've been around eight and a quarter  
5 percent for the last two years. And we have not  
6 changed our investment process at all. We're going  
7 to allocate something like two and a half billion  
8 dollars this year, this calendar year, which is a  
9 little above what we normally do.

10 But we're having a problem getting up simply  
11 because the global equity markets have been so  
12 strong and the other phenomena of our managers in  
13 the private market structures who are distributing  
14 capital back faster to us than we're contributing to  
15 them. So we're at about eight and a quarter.

16 Our net asset value is 12.9 billion. If you  
17 include the unfunded commitments, our total exposure  
18 at the end of the third quarter was 17.7 billion.  
19 As of the third quarter, we had 86 relationships,  
20 managing 136 funds. And currently it's roughly  
21 split half and half between illiquid strategies and  
22 liquid strategies.

23 In the most recent quarter we had cash outflows  
24 of \$57 million for the calendar year. The first  
25 three quarters of the calendar year, we've had just

1 under \$100 million go out the door. We've had five  
 2 new funds, totaling \$800 million, closed in the  
 3 third quarter. And we actually now, in this quarter  
 4 it's now up to three new funds at I think it's  
 5 \$450 million. And for the calendar year we've  
 6 closed 16 funds at \$2.3 billion.

7 And we're trying to get a few more across the  
 8 line before the end of the calendar year. Our  
 9 pipeline, though, is probably the thinnest it's been  
 10 since I've been involved in the asset class. We're  
 11 actually now at five funds at roughly \$450 million.

12 So before we go into performance, are there any  
 13 questions? Okay. So this is our performance. We  
 14 don't get too excited over near-term performance for  
 15 the quarterly or one year. We're looking -- in our  
 16 mind-set, we're looking at three to five years or  
 17 longer. The blue bars is the performance of the  
 18 asset class. The red bar is the benchmark, and the  
 19 yellow bar is the real return target.

20 We have actually -- I'll explain why we've  
 21 lagged our real return target in a few minutes since  
 22 inception. But in terms of the benchmarks, our  
 23 benchmarks that we officially are measured against  
 24 is the weighted sum of all the individual fund  
 25 benchmarks rolled up to an aggregate. And those are

1 comprised of either market based, peer based or the  
 2 real return benchmark for individual funds.

3 We're charged with generating a real return of  
 4 four and a half percent over time. We create a  
 5 portfolio that we think will attain that or beat it  
 6 over time. What that means is that we will put some  
 7 strategies which should do significantly better in  
 8 that portfolio than the real return target as we  
 9 expect. But we will also put some things in the  
 10 portfolio which we think are diversifying and helps  
 11 improve the risk patrol of the asset class and the  
 12 total fund but may have a lower return than the CPI  
 13 plus 5 percent.

14 So I mentioned earlier that global equity has  
 15 been a hard act to follow this calendar year. You  
 16 can see here we like to compare ourselves to the  
 17 rest of the FRS, just to see how we're doing. The  
 18 FRS is primarily an equity-based risk fund. We're  
 19 primarily credit and some other things with a bit of  
 20 equity. So we wouldn't necessarily expect to keep  
 21 up to the performance of the total fund, but we like  
 22 to pay attention to it nonetheless.

23 So I had mentioned earlier that we had  
 24 underperformed the real return target since  
 25 inception. The reason for that, it can be explained

1 in this graph. So this is our strategy allocations  
2 over time. And so we've gone -- this big red part  
3 is global equities. And we no longer have a global  
4 equities allocation.

5 When strategic investments began in 2007, we  
6 were allocated a \$6 billion global equity portfolio,  
7 which was to fund the alternative strategies over  
8 time. So the idea would be that we would cash out  
9 of those and then fund what would traditionally be  
10 thought of as alternative strategies.

11 But then the global financial crisis happened,  
12 and we plunged pretty significantly. So because we  
13 were primarily a global equity portfolio, we acted  
14 like a global equity portfolio and fell a lot.

15 In 2010 the global equity portfolio was  
16 transferred over to the newly created global equity  
17 asset class, which was a merger between domestic and  
18 foreign equities. And that now resides with Tim and  
19 Alison. But we never got the bounce that came with  
20 the global equity markets in that allocation.

21 You can see the light blue part of the graph  
22 there. That is a high yield portfolio. High yield  
23 was transferred to strategic investments in 2010,  
24 and it was sold out and used to fund other  
25 strategies.

1 So this is where I was going to make my  
2 cryptocurrency joke. But you can see here we've got  
3 19 different strategies, sub-strategies in  
4 strategic. We're hoping to have a small little  
5 purple slice in there called insurance within the  
6 next couple of quarters, if we can get one of the  
7 funds or two of the funds closed before year-end,  
8 but we'll see.

9 Another way of looking at the portfolio is to  
10 divide it up between the illiquid markets and the  
11 liquid markets. So we currently have \$2.6 billion  
12 invested in illiquid income-generating assets or  
13 strategies or funds. And these are strategies where  
14 the return is primarily driven by the coupon. So we  
15 have \$2.6 billion allocated there.

16 In the red part of the pie graph, that's  
17 \$4.5 billion invested in what we call illiquid  
18 markets-growth. And these are strategies where the  
19 returns are not dependent upon income in the  
20 illiquid markets.

21 On the right-hand side of the graph the yellow  
22 part, liquid markets-growth, we have \$3.5 billion.  
23 These are the more traditional hedge funds, as well  
24 as activists and a few other things. And then that  
25 purple part is the diversifying strategies, which

1 are mostly the diversifying strategies I mentioned  
2 earlier, and that's \$2.4 billion.

3 So if you think about it, the top part of the  
4 graph is the buffer of the portfolio. The bottom  
5 half of the graph is really the growth engines of  
6 the portfolio. So we would expect the illiquid  
7 income portfolio to decline during a -- or the net  
8 asset value to decline during a bear market, but the  
9 income should provide a buffer for it, whereas the  
10 diversifying strategies, those are generally  
11 uncorrelated to markets and have historically done  
12 fairly well in bear markets. So if you think about  
13 it, we've got about two-thirds of the portfolio in  
14 growth engines and about one-third of it in more  
15 defensive allocations.

16 Twelve months ago we decided to start looking  
17 at what our exposures were at an asset class level.  
18 As of the end of the third quarter, we currently  
19 have a gross -- or had a gross exposure of just  
20 under 250 percent where we were long -- actually  
21 about 245 percent where we were long, about  
22 165 percent short, about 80, 81 percent, giving us a  
23 net exposure of 82 percent. And so currently we're  
24 generating returns with about an 80 percent exposure  
25 to assets.

1 Now, that also includes a lot of our  
2 diversifying strategies, which we're long things  
3 that should do well during a bear market. So I  
4 think that our --

5 MR. PRICE: So, Trent, what you're saying is a  
6 lot of your funds have big short books.

7 MR. WEBSTER: Some do, yes.

8 MR. PRICE: And how many of your funds are  
9 levered, like margin account levered?

10 MR. WEBSTER: I would say most of the hedge  
11 funds are.

12 MR. PRICE: So do you have any charts on how  
13 much real exposure you're running with the leverage,  
14 or this incorporates that?

15 MR. WEBSTER: That incorporates that, yeah.  
16 And these are our largest allocations by manager.  
17 So currently we have 86 different relationships.  
18 Ten of them account for just over a third of the  
19 book. And Blackrock is our largest allocation.  
20 Any questions before we move on?

21 MR. PRICE: So your returns are net of your  
22 fees, and your fees are less than 2 and 20 but  
23 approaching 2 and 20, versus your fees in global  
24 equities of 15, 20 basis points. So there's a large  
25 3 or 4 percent differential right there. Fair

1 enough? Is that fair?

2 MR. WEBSTER: We actually -- I think we have  
3 two -- well, three or four funds where we pay a 2  
4 and 20. Everything is below that.

5 MR. COLLINS: But it's not 15 or 20 basis  
6 points.

7 MR. WEBSTER: Not yet.

8 MR. COLLINS: That's okay. Nobody is --

9 MR. PRICE: And you couple that with no  
10 liquidity, right? So you've got less liquid, worse  
11 performance and higher fees, Cambridge, right? And  
12 you're paying Cambridge to advise you on this. Is  
13 that a fair statement?

14 MR. WEBSTER: Well, I think -- I think that the  
15 performance of the portfolio has obviously lagged  
16 the global equity portfolio.

17 MR. PRICE: Of course. It's a bull market.  
18 But is that a fair statement? High fees -- if you  
19 adjust for the fees, you come much closer to their  
20 returns.

21 MR. WEBSTER: That's an interesting point  
22 because -- and this is one of the themes that I was  
23 actually going to touch on as we started with the  
24 debt portfolio, because we have four different  
25 strategies, distressed, mezzanine, opportunistic

1 debt and senior loans.

2 And so in opportunistic debt, those are our  
3 credit hedge funds. And then we've got a book of  
4 everything else. What we're finding in our book is  
5 that they often run similar strategies. Oftentimes  
6 they have similar credit exposure. And sometimes  
7 they will actually have the exact same security in  
8 the portfolio.

9 And what we have found is that in our private  
10 market structures, where we're -- we're generating  
11 300 to 400 basis points above what we're generating  
12 in the hedge funds. Part of that is the fee  
13 structure, because in a hedge fund we're paying  
14 carry on the first dollar of profits earned, whereas  
15 the private market structure, you're not paying any  
16 carry until you hit a hurdle of 8 percent. So we're  
17 finding that that accounts for about half of the  
18 underperformance, when you look at it apples to  
19 apples on similar strategies. The other half is  
20 what we think is in a liquidity premium.

21 So currently I think we're paying -- I think  
22 for this year it's going to come to about one and a  
23 quarter, is our management fee, somewhere around  
24 there, 1.3 percent is what we're paying.

25 MR. PRICE: Plus performance.

1 MR. WEBSTER: Yeah, and then plus performance.  
 2 We've got a weighted average performance, which we  
 3 track, which is something along the lines of -- I  
 4 think it's an 18 percent carry, with a five and a  
 5 half percent hurdle across all of our funds. So if  
 6 you think of our fee structure on a weighted average  
 7 basis, that's what we're paying.

8 So thanks for that. That's a good segue. And  
 9 one of the themes that we're finding is that in --  
 10 where we can get credit in equity exposure, we've  
 11 been moving it more to the private market funds and  
 12 then hedging it with our diversifying strategies,  
 13 which we talked about earlier.

14 The other point that I could make on this page  
 15 is that parts of the credit market are very  
 16 overheated, especially in the sponsored lending.  
 17 Some of our managers have been doing this for  
 18 decades, have seen it through multiple market  
 19 cycles, and they're saying they've never seen things  
 20 like this in some areas before.

21 One of the anecdotes that we had heard was that  
 22 one of the managers had forced upon its creditors to  
 23 accept \$500 million in synergies that were not  
 24 identified five years from now. And our manager is  
 25 saying that's just crazy. So that's what you're

1 seeing. So we've become cautious on certain parts  
 2 of the credit market.

3 This is our performance. And this is a pattern  
 4 that you will see. So you can see -- I use three  
 5 years here because this is where we've got the most  
 6 data points for a time series. But distressed, mezz  
 7 and senior loans are all private market.  
 8 Opportunistic debt is the hedge funds.

9 And by the way, that opportunistic debt portion  
 10 outperformed its benchmark. And the benchmarks are  
 11 peer-based benchmarks. So they're running up  
 12 against their comps. You can see the disparity in  
 13 performance amongst the private markets and the  
 14 hedge funds. I don't know if that will necessarily  
 15 last forever, but it certainly has been over the  
 16 last few years.

17 MR. COLLINS: You know, with that many names,  
 18 and you were alluding to it earlier where there's  
 19 some bleed-over with one manager or a distressed  
 20 manager and an opportunistic manager owning the same  
 21 name, right? So how do you-all monitor that when  
 22 you're bringing this firm or this new investment in,  
 23 or how do you get at that?

24 MR. WEBSTER: Well, I think first of all, we  
 25 haven't actually done anything new in credit hedge

1 funds for several years. So those funds were  
2 originally funds we had invested in several years  
3 ago.

4 MR. COLLINS: When was the last one made? How  
5 old is that portfolio?

6 MR. WEBSTER: On the hedge funds?

7 MR. COLLINS: Yeah.

8 MR. WEBSTER: I think that we hired Canyon, was  
9 it four years ago, five years ago?

10 MR. COLLINS: So you haven't done anything in  
11 the debt portfolio in four or five years?

12 MR. WEBSTER: In the hedge funds, in the  
13 opportunistic debt. Now, having said that, if we  
14 thought that the opportunistic debt portfolio was  
15 going to do better, we'd allocate more money there.  
16 But it hasn't been the case.

17 For equity, we have some equity investments.  
18 So typically we focus on strategies which are not in  
19 global equities or in private equity, but we have  
20 some private-equity-like stuff. But the bar is very  
21 high for us to put an equity investment in strategic  
22 investments simply because the FRS is composed of  
23 90 percent equity risk.

24 Now, we want to have some equity for two  
25 reasons. One because there are opportunities in the

1 equity markets that perhaps don't fit well in global  
2 equities or private equity. And part of it is we  
3 probably need some equity to generate our real  
4 return over time. And we do intend to get more  
5 aggressive allocating to global equity or to  
6 equities during the next bear market, which  
7 apparently will never ever happen again.

8 And you can see here, so you look here, so this  
9 is our activist equity, which is really a beta-plus  
10 strategy. The GP investments, which are investments  
11 in a couple of firms. And then long/short equity.  
12 So that's three year performance. But that  
13 long/short equity performance lagged its benchmark  
14 by about one and a third percent. So it's not like  
15 it lagged by five or six percent. You can just see  
16 the underperformance. But, again, if we ever have a  
17 bear market again, then we would get more aggressive  
18 in equity.

19 In real assets, we really like mining right  
20 now, especially on the lending side, because it's a  
21 classic -- a classic thing that we like is that it  
22 had a pretty brutal bear market. The commodities  
23 have gone sideways. A lot of capital had been  
24 destroyed. A lot of capital had left. And so we  
25 have been allocating to some mining funds. The

1 problem for us is it's hard to access. It's hard to  
 2 find institutional quality managers where we can do  
 3 that on a structured credit or equity side.

4 We like energy because of what's happened in  
 5 energy. There's a lot of money that's been raised  
 6 in energy, but we think the opportunity is quite  
 7 large. So on a risk-return basis, we think it's  
 8 pretty good.

9 On infrastructure, infrastructure has actually  
 10 done pretty well for us. But we think that there is  
 11 an imbalance of demand over supply for attractive  
 12 risk-adjusted returns. So we really haven't been  
 13 doing a whole lot in infrastructure over the last  
 14 few years. We have a slight underweight in a  
 15 portfolio context. Though we do like some of the  
 16 things that are going on in emerging markets  
 17 infrastructure, where we think you're probably  
 18 compensated for it on a risk-adjusted basis. You  
 19 can see here, this is the performance. This is a  
 20 little bit more even on the real assets portfolio.

21 So this is an area where we've been spending a  
 22 lot of time. This is the portfolio that we use to  
 23 hedge the credit and equity portions in the private  
 24 structure markets. We hope to put some money in the  
 25 ground in insurance soon, but we'll just wait to see

1 how pricing is before we get really aggressive on  
 2 that.

3 And this is the performance. We don't have  
 4 three year performance for relative value and  
 5 royalties. Global macro, which has been a bit of  
 6 a -- has had a bit of a difficult time, has actually  
 7 been, I think, our best performing hedge fund  
 8 strategy over the past three years.

9 Flexible mandates are composed of event-driven,  
 10 multi-strategy. These are primarily hedge fund  
 11 strategy. And then we also have this allocation  
 12 called open mandate, where we give -- these thus far  
 13 have been private structures, but we give the  
 14 manager a wide mandate to invest across a variety of  
 15 different things.

16 And often they are investing in things which  
 17 fall between the cracks within their organizations,  
 18 which maybe they're too aggressive for credit but  
 19 they don't meet the return hurdles for private  
 20 equity but are still attractive on a risk-adjusted  
 21 basis.

22 We don't have a three year track record yet for  
 23 open mandate. But you can see event. Event,  
 24 actually that was down 1 percent. It lagged its  
 25 benchmark, but the benchmark was down 0.5 percent.



1 MR. COBB: Mr. Chairman, I have a question on  
 2 Luxor Capital. I'm on another endowment fund that's  
 3 had very poor experience with Luxor. What's your  
 4 experience and are -- is that a hold or a warning?

5 MR. WEBSTER: So as you know, they had a pretty  
 6 big decline, and then they came rallying back. So I  
 7 don't want to comment about individual funds  
 8 specifically, but we do have a risk profile that  
 9 we're looking for, and we're assessing whether or  
 10 not a fund that goes down 30 or 40 percent fits in  
 11 our portfolio.

12 There are other mitigating circumstances that  
 13 we will assess. It's possible that with funds that  
 14 go down a lot, that bounce a lot, maybe give a small  
 15 allocation to them and then ramp up when they fall.  
 16 We don't know. We're assessing all those things.  
 17 But it's a live situation for us currently.

18 And the special situations is the miscellaneous  
 19 bucket of the portfolio. This is primarily  
 20 comprised of transportation, private-equity-like  
 21 strategies in the Florida Growth Fund. We're  
 22 actually going to be restructuring the asset class a  
 23 little bit. And most of this or all of it will be  
 24 reallocated elsewhere, either to newer strategies or  
 25 to new strategies, newly created strategies or

1 allocated within the asset class currently. But  
 2 it's done fairly well over the last three years.

3 So any questions? So I want to spend a little  
 4 time on hedge funds and the role that they play in  
 5 our portfolio, because we sat here and we've talked  
 6 about how they've pretty dramatically underperformed  
 7 private market structures. So we'll get to that in  
 8 a little bit.

9 But if you look at -- I've blacked out the  
 10 non-hedge fund strategies. And if you look at this  
 11 allocation, there are currently 38 -- we have  
 12 currently 38 percent of the asset class and  
 13 3 percent of the total fund are currently in hedge  
 14 funds. And it splits about 50-50 between the  
 15 diversifying strategies and the more beta-oriented  
 16 strategies in the portfolio.

17 The allocation does not include activists.  
 18 Some strategies include activists. We consider  
 19 activists not to be a hedge fund strategy. We don't  
 20 include them as such. And the important point --

21 MR. COLLINS: What do you consider them to be?

22 MR. WEBSTER: Beta plus. They're long-only  
 23 beta plus. And the one point that I would just make  
 24 here is that we don't have a hedge fund program. We  
 25 have a program that includes hedge funds. We think

1 that talking about a hedge fund program is a bit of  
2 a misnomer, in the same way that somebody would be  
3 talking about a liquid custodial fund program.

4 I can't recall anyone ever having a discussion  
5 about a liquid custodial program, but I just  
6 described fixed income and equity. Those are liquid  
7 custodial funds, but they're two very different  
8 asset classes.

9 Within hedge funds we see them as a wide  
10 variety of different hedge funds and strategies.  
11 And so we think of them as such and allocate capital  
12 as such, as opposed to saying we want to have  
13 5 percent in hedge funds or whatever.

14 So even though it's -- I think hedge funds have  
15 lagged a little bit recently, I think it's important  
16 to put into context why we went into them  
17 originally. So if you were the CIO, not just of the  
18 FRS but of any public fund, and it's 2010 and you're  
19 looking back at the world and you're saying, gosh,  
20 we've gone through two giant bear markets, should we  
21 be looking at hedge funds. You look at these  
22 numbers and you say, well, yes, because not only  
23 have they done a pretty good job of protecting  
24 capital relative to equity, they've actually  
25 significantly outperformed a typical pension plan in

1 the Sharpe ratio during that time period it's been  
2 significantly higher.

3 So it's perfectly rational in the post-global  
4 financial crisis to make this assessment, because it  
5 would move the portfolio of the total fund out onto  
6 the efficient frontier.

7 As we know, it hasn't worked out that way. The  
8 credit -- this is the broad market. The Credit  
9 Suisse Hedge Fund Index has actually been about half  
10 that of the total fund, and the Sharpe ratio has  
11 been slightly less than the rest of the plan. And  
12 to add injury to insult, what we found was that the  
13 correlation of hedge funds to the FRS, you know, has  
14 risen during that post-global financial crisis time  
15 period.

16 So I wanted to just give a bit of a background  
17 on how we think about them. When we originally went  
18 into hedge funds in 2011, we focused on big  
19 institutional brand name funds. A lot of pension  
20 plans originally went through a fund of funds route.  
21 We opted to go direct, but we opted to go to funds  
22 which were well known, which had first class back  
23 offices and operations.

24 And so our first -- what we did is that we  
25 hired the good people at Cambridge, and then we told

1       them what we were looking for. They gave us ten  
 2       names. And we did our very best, because we're  
 3       curmudgeons, to shoot down all their ideas. And if  
 4       we couldn't shoot them all down sufficiently enough,  
 5       then we hired those managers. So hired five  
 6       managers from that. And then we went and asked  
 7       them, okay, send us some more. And I think they  
 8       sent six, seven other managers. And from that we  
 9       hired two or three.

10       That was our first wave. And we focused not  
 11       just on the large managers but the managers that had  
 12       done well protecting capital during the global  
 13       financial crisis, because we looked at the world and  
 14       we said, well, you know, the FRS went down 20-some  
 15       percent. Global equities went down 40 percent.  
 16       We've got enough of that. So let's find things that  
 17       aren't that.

18       And I think the first 15 or 20 funds that we  
 19       hired, I think the average decline during 2008 was  
 20       eight and a half percent, whereas stock markets went  
 21       down 40 percent during that year, or thereabouts.

22       So that was the original thinking. And that  
 23       was in our first wave, was getting suggestions from  
 24       Cambridge. Then we went back to Cambridge and we  
 25       said, in our second wave we said, let's take a look

1       at all the comps of the firms that you've supplied  
 2       to us. And they gave us about 80 or 100 names. And  
 3       then from that, we went through every single one and  
 4       culled it down to about 40. And then we went and  
 5       met all of them and made a decision to hire  
 6       something like five or six of them.

7       And then in the third wave, where we got to  
 8       know hedge funds, we got to know the assets in the  
 9       hedge funds, got to know who the players were, we  
 10       spread our wings and we started to fly away from the  
 11       nest, and it became more of a partnership with hedge  
 12       funds, where we're sourcing ideas and bouncing it  
 13       off them and they're sourcing ideas and bouncing it  
 14       off us. We're working more like an integrated team.

15       The other change was that it evolved to focus  
 16       less on how you did in the financial crisis to more  
 17       focusing on strategies which were uncorrelated to  
 18       equity returns, because the first few waves of  
 19       strategies were in funds which were primarily credit  
 20       and equity.

21       So what we currently do is we're currently  
 22       looking for strategies which are not correlated to  
 23       equities and less focused on credit but with a big  
 24       caveat that we'll always find a place in the  
 25       portfolio for a high quality manager no matter what

1 they do, if they're equity, credit or whomever. So  
2 we'll always look at those types of managers, so  
3 we'll always have, we would imagine, exposures to  
4 those strategies.

5 But really the way we see it is a large portion  
6 of this book is to hedge the illiquid strategies in  
7 the private market structure, where we can access  
8 those exposures cheaper through a private market  
9 structure than we can through a more liquid hedge  
10 fund.

11 And so this is our performance since  
12 April 2011. And so from a total return standpoint,  
13 it's been probably less than what we had expected,  
14 but it has beaten its benchmark. It has beaten the  
15 industry. It has beaten the fund of funds. It's  
16 lagged the FRS, and it's lagged our real return  
17 benchmark. But if you look at it on a risk-adjusted  
18 basis, on a Sharpe ratio, it's ahead of all of  
19 those.

20 So there's a bit of a conundrum that we would  
21 be looking much better on an absolute return basis  
22 if our managers took more risk. But they've been  
23 running at about a three and a half percent vol  
24 since inception, and so they're not generating a  
25 great deal of return, but they are generating

1 attractive risk-adjusted return.

2 And not only that, but what we've seen over  
3 time is that we've seen the correlation of our hedge  
4 fund portfolios decline relative to the FRS. So the  
5 light blue line, that represents the total industry  
6 or the Credit Suisse Hedge Fund Index. The dark  
7 blue line, that's us.

8 One thing I forgot to mention on here on the  
9 performance is we don't include activists in it, but  
10 our activist book has been so strong because equity  
11 markets have been so strong and it's beaten the  
12 benchmark, that had we included activists, that  
13 return, hedge funds plus activists, would be  
14 8.8 percent since inception. So it just depends on  
15 what you're comparing.

16 And, finally, these are the returns, the three  
17 year returns where we have the most data for all our  
18 hedge fund strategies. The relative value is  
19 actually quite negative because we've had one fund  
20 that hasn't done well. But they're all lower than  
21 what we had expected. But this book has beaten its  
22 benchmark over three years by about 90 basis points.  
23 So that's all I had.

24 MR. PRICE: How long a leash do you give them?

25 MR. WEBSTER: That's a good question. We

1 typically go into any fund with the mind-set of  
2 three to five years. Now, if there's something  
3 that's going wrong fast, then we'll get out. And  
4 that has happened for us.

5 But ideally you'd like to give them a market  
6 cycle. But what's a market cycle these days? Ten,  
7 12 years is probably too long. So we typically  
8 think at about three to five years and then adjust  
9 accordingly. I think the average duration of our  
10 hedge funds are somewhere around three and a half,  
11 four years thus far.

12 MR. McGOULD: And, Trent, when you look at just  
13 the allocation of U.S. versus European or Asian  
14 hedge funds, are you actively looking for hedge  
15 funds outside of the U.S., or is it mainly U.S.  
16 focused?

17 MR. WEBSTER: Most of it's been U.S. focused.  
18 We do have a few things outside of North America.  
19 And broadly what we've been discussing as a group  
20 recently is, not just in the hedge funds but in the  
21 total fund, putting more money outside the U.S. And  
22 I would imagine over time we will. But I would  
23 guess that most of our assets will be in America.

24 The problem that we have with Asia is that we  
25 require full position level transparency from our

1 funds. And that's pretty difficult to get in Asia.  
2 So that's -- that stops us from doing business  
3 there. But ideally we'd like to put more money  
4 outside of the United States.

5 MR. COLLINS: Any questions?

6 MR. COBB: Yes, sir. I have a question.  
7 Trent, in your presentation particularly on hedge  
8 funds, you continue to emphasize risk -- minimizing  
9 risk. And clearly the hedge funds do that. On your  
10 very first slide -- and I commented on this I think  
11 twice during the last couple of years. No. Back to  
12 the very first slide of the whole presentation,  
13 where you talk about your objectives.

14 MR. WEBSTER: I'm sure there's a better way to  
15 do this.

16 MR. COBB: So there's absolutely no mention of  
17 risk or minimizing risk. And it seems to me that  
18 you're doing most of those things through other than  
19 hedge funds, but you also do have hedge funds. And  
20 although you're reducing it, which I would support,  
21 it's still 38 percent of your portfolio. And the  
22 reason I think you have those hedge funds is to  
23 minimize risk.

24 And so it seems to me one of your key policy  
25 objectives, and that's the main reason you're in the

1 hedge funds, is to minimize risk, which is  
2 completely different than diversification, by the  
3 way. So I know I brought this up before, but I  
4 think you disagreed with me then, and I'm still  
5 finding out whether you're still disagreeing with  
6 me.

7 MR. WEBSTER: Actually, you know something?  
8 There are two points here and why we're changing the  
9 policy. We're going to change it slightly. What  
10 you'll see here in the next couple of quarters is,  
11 because of the conversations that we've had,  
12 Ambassador, because you made a great point about  
13 downside protection, where I've always been a little  
14 bit worried about getting nailed on that is that  
15 there are some times where you want to be really  
16 aggressive in the markets. And so there could be  
17 times when stocks are at seven times earnings or  
18 whatever.

19 MR. COBB: But why isn't it one of five key  
20 policy objectives?

21 MR. WEBSTER: Let me explain. So I'm going to  
22 tell you what we're going to change. What we're  
23 going to change is, because I don't actually want to  
24 put downside protection in there, but what we're  
25 going to change it to, I think the exact wording is

1 outperform during a significant market decline. So  
2 if you get a big decline, this portfolio should do  
3 better, significantly better by the way we're  
4 constructing it.

5 And we acknowledge that that should be one of  
6 our objectives. So we're going to change it and add  
7 language which says that we should be doing better  
8 than the FRS during a market decline, and that  
9 should push us into strategies which will help  
10 mitigate the down side.

11 Part of our thing is that we actually -- if you  
12 have like a 40 percent decline, we don't expect to  
13 go up. We expect to go down. But we would go down  
14 10 percent, 15 percent, somewhere along those lines.  
15 But we will have strategies in there which will help  
16 mitigate it.

17 MR. COBB: The Cambridge slide two or three  
18 from now shows that -- it says the status, that we  
19 captured only 17 percent of the last downturn, if I  
20 understand this chart correctly. So, yes, we did  
21 accomplish that minimizing risk, but it seemed to me  
22 it should be the focus. That's all.

23 MR. WEBSTER: And that's fair. And it has been  
24 a focus for the last three years, which was why we  
25 haven't done any credit hedge funds. We've done one

1 equity hedge fund in the last four years.

2 MR. WILLIAMS: Mr. Chairman, can I help out  
3 here?

4 MR. COLLINS: Sure.

5 MR. WILLIAMS: Trent has just given us the long  
6 answer of yes. That's the answer.

7 MR. WEBSTER: I'm windy.

8 MR. WILLIAMS: The policy objective is to help  
9 reduce risk, yes. Thank you.

10 MR. COLLINS: And I think what the ambassador  
11 is saying is why don't we put something in there.  
12 If that is the case, why doesn't it appear anywhere?

13 MR. WEBSTER: That's coming.

14 MR. COLLINS: Is that a ditto, Ash? Okay.

15 MR. WEBSTER: And the other change we've had is  
16 again from conversations around here. I remember  
17 making this presentation, it might have been a year  
18 or two ago, and I said one of our objectives is to  
19 diversify the Florida Retirement System. And Mr.  
20 Price wisely said, Well, isn't that why you're all  
21 here?

22 So we're changing that actually, and the  
23 wording will be something along the lines of "dampen  
24 the volatility of the fund." We're actually going  
25 to strike that "provide a hedge against inflation"

1 because it's already implied in generating a real  
2 return. So you'll see a little bit of a change.

3 MR. COLLINS: All I'm going to say is it better  
4 be in there before the next meeting.

5 MR. WILLIAMS: Thank you. May we have another.

6 MR. COLLINS: Because I think he's going to say  
7 something again, and rightfully so.

8 MR. WEBSTER: We're with you in spirit.

9 MR. COLLINS: Continue.

10 MR. MEHTA: Thank you. We have a number of  
11 pages here. In the interest of time, we'll just go  
12 through a few, sort of building on the conversation  
13 that we've had already.

14 MR. COLLINS: Andre, for those that might not  
15 know up here, why don't you give a little bit of  
16 background on what you do specifically for the State  
17 Board at Cambridge.

18 MR. MEHTA: Sure. So at Cambridge we serve a  
19 number of different roles, both on the strategics  
20 side and then we also work with John Bradley,  
21 another team, on the private side. I think, as  
22 Trent described it, that really is a fair  
23 assessment. So we work hand in hand as real  
24 partners here, with a lot of debate going back and  
25 forth, being almost like another part of their

1 investment office, having weekly calls where we  
2 discuss what interesting managers we've met with,  
3 talk about interesting things we've heard out there  
4 in the markets, talk about strategies, about how to  
5 access difficult-to-access managers, how to convince  
6 them that providing transparency is the right thing  
7 to do, and also importantly to negotiate fees down,  
8 because fees are certainly a big cost of this.

9 So it's a wide ranging -- we talk about  
10 anything and everything. We'll interject thoughts  
11 on capital markets and how that might impact the  
12 program. So it's a very dynamic discussion. Is  
13 that helpful?

14 MR. COLLINS: Yes.

15 MR. MEHTA: So let me just flip to the right  
16 slide here. I'll start with this slide here called  
17 How Are Hedge Funds Different From Traditional  
18 Investments. And one of the ongoing discussions are  
19 the question of whether or not every incremental  
20 fund that we add really does serve to achieve those  
21 goals that Trent outlined earlier.

22 So what this honeycomb chart really is is  
23 looking at what are those investment strategies that  
24 you can achieve through traditional fixed income in  
25 blue through traditional equity in orange and hedge

1 funds in green, which is in addition to everything  
2 else that you see in the blue and the orange slides.

3 So the big picture point is that what we're  
4 trying to do is to find investments that generate a  
5 reasonable return, that do so in a very different  
6 way than what else is in the portfolio.

7 When thinking about which managers might fall  
8 into this portfolio of hedge funds as opposed to a  
9 hedge fund portfolio, every investor has their own  
10 unique goals and unique circumstances. And we've  
11 outlined here three broad goals of hedge fund  
12 portfolios. One is true diversification. Another  
13 on the other extreme end might be a very  
14 return-seeking goal, and in the middle certainly a  
15 blend of the two strategies.

16 And in this case we have focused on the  
17 diversification goal, so really again emphasizing  
18 that we're trying to find things that are different  
19 than what we might get elsewhere in the total FRS  
20 plan.

21 In terms of measuring, you brought up the  
22 question of have we protected in down markets. So  
23 let me just describe what this matrix is briefly.  
24 When we think about evaluating the performance of a  
25 portfolio of hedge funds, we're really thinking



1 about it from a return perspective, clearly, but  
2 also a risk perspective and a diversification  
3 perspective.

4 And so we'll talk about these various metrics  
5 on an ongoing basis, not only to evaluate  
6 performance but thinking about what might be missing  
7 and what might we be seeking in order to try and  
8 better the overall profile of the portfolio.

9 You did point out in the very bottom of that  
10 green block and the very top of that orange block,  
11 we are trying to capture a meaningful portion of  
12 market returns. And over the course of the past 78  
13 months since 2011, we've been able to achieve  
14 roughly a 60 percent market capture when markets are  
15 rising. And similarly, when market are falling,  
16 that has been roughly 17 percent.

17 So what we're looking for is that asymmetry,  
18 try and capture as much of the returns when markets  
19 are rising but try and really capture as little of  
20 the negative returns when markets are falling.

21 MR. CHHABRA: We're going to flip one more  
22 page. If you flip forward to --

23 MR. COLLINS: Can I just ask a question real  
24 quick?

25 MR. CHHABRA: Please.

1 MR. COLLINS: So on the 60 and the 17, so I  
2 guess a couple of pages or the next page, actually,  
3 it says we captured 55.9 and 24 percent of the -- of  
4 the up and 24 percent of the down. If our goal is  
5 60 and I think you said 17, is that right?

6 MR. MEHTA: That is historical. The goal is  
7 somewhat qualitative. We like to ideally capture  
8 100 percent when markets are rising and zero percent  
9 or negative -- make money when markets are falling.

10 MR. COLLINS: So I guess that answers sort of  
11 my whole issue with the hedge fund portfolio in  
12 general today, modern hedge fund portfolios. I  
13 think, along with some of the other people up here,  
14 I sit on other endowment boards or pension boards as  
15 well. The returns -- it's not so much the returns.  
16 It's the, hey, I thought I bought this and I got  
17 this. Right? And it was about two years of  
18 performance before we realized that we didn't get  
19 what we bought for, but we paid a lot, so that was  
20 good.

21 And so in the diversification, it seems to me  
22 that whenever somebody goes out to build a hedge  
23 fund portfolio or when they were starting to build  
24 hedge fund portfolios, oh, well, we need some of  
25 this and we need some of this and we need three or

1 four names here.

2 And before you know it, you've got 20 names.  
3 Right? And three different strategies, all of them  
4 Google. Right? And how can that be? Right? Well,  
5 one guy is buying puts, and somebody else is just  
6 going long, and then some idiot is going short.  
7 Right?

8 So at the end of the day, I wonder if the three  
9 of you and Trent, no offense, if we really have any  
10 idea how it's going to perform at certain levels of  
11 market performance. I just find it just baffling  
12 because I don't -- it's like grabbing onto sand.

13 MR. WEBSTER: Can I make a comment on that?  
14 Like on the diversifying strategies, what we have  
15 found is that during pull-backs, it's performed as  
16 we've expected. It's either been up or it's been  
17 down a little bit. And that's what we're looking  
18 for.

19 Now, when the market is up 20 percent or  
20 whatever, it's going to be up two or whatever. So  
21 you look at it and you go, gee, why aren't you in,  
22 you know, the market? And our argument is, well,  
23 that's not the market. This is something different,  
24 has a different role.

25 So parts of what we already -- what we have in

1 the portfolio is acting as it should. And then the  
2 other parts, which are more the growth engines and  
3 the growth drivers, they've done better than the  
4 market or, I'm sorry, better than the industry, but  
5 it lagged the market.

6 MR. COLLINS: So in the graph on this next page  
7 that I'm talking about, you've got MSCI Investable  
8 Market Index, 7.9, and you're saying we're at 4.4.  
9 Is that the right benchmark to judge whether we're  
10 getting 60 percent against or not?

11 MR. MEHTA: So it's the question of what really  
12 are the overall goals, right?

13 MR. COLLINS: Yeah. What is the market, right,  
14 that we're trying to grab 60 percent of.

15 MR. MEHTA: We're using the equity markets just  
16 as a proxy for that asset class which generates a  
17 substantial long-term return and that will drive  
18 performance of the overall plan most greatly. It  
19 may not be the right -- it may not be the right  
20 index. It may not be the right market, but there's  
21 a question with alternatives, which is what are you  
22 really trying to achieve overall. And defining the  
23 goals and defining a benchmark is something we could  
24 spend all day on.

25 MR. COLLINS: Like I say --

1 MR. MEHTA: I agree.

2 MR. COLLINS: -- it's like grabbing sand.

3 MR. MEHTA: One more comment.

4 MR. COLLINS: Expensive sand.

5 MR. MEHTA: It is expensive. We agree  
6 completely. And it is a big sand box, and there's a  
7 lot of people, a lot of grains of sand in there that  
8 really aren't worth it. And so we spend a lot of  
9 time trying to weave through those to find those  
10 which really are.

11 And at the same time, instead of trying to fill  
12 buckets -- and I think Trent's direction to us has  
13 been very clear on this. We're looking at it from a  
14 bottom-up perspective. So each individual manager  
15 needs to stand on its own. And what we really need  
16 to understand is, when you put a dollar in, you're  
17 going to expect a dollar plus out, and what is that  
18 mechanism in between that achieves that goal.

19 MR. WEBSTER: And you have an excellent point,  
20 because this is our realization, Peter, is that, you  
21 know, we can get the credit and equity exposure  
22 through the private market structure where the fees  
23 are lower, just do that. But we've got to hedge it,  
24 so we're hedging it with the stuff that will go up  
25 when the market goes down. That's how we think of

1 it holistically from a portfolio standpoint.

2 MR. DANIELS: Mr. Chairman?

3 MR. COLLINS: Yes.

4 MR. DANIELS: But aren't you really saying,  
5 when you look at the numbers, that you're paying a  
6 price to have this cushion, if you will, in a down  
7 market? Because if you didn't have the asset class  
8 at all and you went back and looked at since  
9 inception, which means you can stomach the down  
10 market, you'd do better without the asset class. So  
11 you're saying that you're willing to pay that  
12 overall return difference to have that damper in a  
13 down market.

14 MR. WEBSTER: Well, I do think that there's --  
15 and I'll defer to Ash on this. But from the total  
16 fund basis, I think there is a benefit to reducing  
17 volatility to the total fund. It depends on how  
18 much you want to --

19 MR. WILLIAMS: But directly to your question,  
20 Les, that is the proposition. And since we set this  
21 up -- keep in mind I got back in Q4 of '08. We  
22 hired Cambridge in '09, I guess, and did our first  
23 manager visits and fundings in '10. We haven't had  
24 a real downturn since then, and it's been an  
25 uncommonly long bull market.

1 UNIDENTIFIED SPEAKER: (Inaudible).

2 MR. WILLIAMS: True, that's true. But it  
3 wasn't like '08, '09 either or some of the other big  
4 downturns.

5 MR. PRICE: I think the Board, Ash, needs to  
6 turn from Trent and you and say, do you think, as  
7 the head of this place, 4.4 percent with the fees is  
8 sufficient.

9 MR. WILLIAMS: I think where we have the fees  
10 and the way we model out what the benefit will be,  
11 yes, it makes sense from a portfolio construction  
12 standpoint now. And as Trent just said, what we've  
13 continued to do is sharpen our pencils in terms of  
14 looking at these strategies and saying, wait a  
15 minute, this is really like -- effectively like  
16 something we can do in the public markets for almost  
17 no cost or something we can do in a long-only  
18 private market format at substantially less cost.  
19 We do that on a daily basis.

20 And I think the other trend that's in place in  
21 the hedge fund industry unambiguously is fees and  
22 terms are becoming more and more aligned between LPs  
23 and GPs.

24 MR. DANIELS: I'm not so concerned about -- the  
25 fees aren't a problem. What I'm getting at is you

1 are making a conscious decision that having that  
2 damper in down markets is worth paying a premium for  
3 over not having it.

4 MR. COLLINS: And not only that, but I think we  
5 have an asset allocation really, an overall asset  
6 allocation that is supposed to be helping us with  
7 that, and then you're taking part of that asset  
8 allocation that's supposed to be helping, and then  
9 you're doing it -- you know, you're doing it again  
10 on a sub-level that's really expensive.

11 And I'm not sure at the end of the day, if we  
12 have another '08 or '09, how much of that is going  
13 to be the real reason why we don't go down dollar  
14 for dollar and how much other portions of the asset  
15 allocation are going to really contribute.

16 MR. DANIELS: Putting it another way, it helps  
17 you sleep, but it doesn't necessarily help you eat  
18 over the long run.

19 MR. WILLIAMS: That's the best summary I've  
20 heard. That's really good. That may be right. And  
21 then the question is, you know, how much hunger is  
22 the sleep worth, I guess.

23 MR. DANIELS: That's the question.

24 MR. WILLIAMS: I get it. That's the balance.  
25 And, again, I would come back to it and say I guess

1 on a relative basis, if you think about -- this  
 2 seems to be a cost-benefit analysis. And if you  
 3 look at the cost, it's a relatively small cost. I  
 4 mean, all in, you're talking about, what did we say,  
 5 175 basis points, 160 across the book, something  
 6 like that?

7 MR. WEBSTER: Less than that.

8 MR. WILLIAMS: Right. So think about that and  
 9 then think about the capital preservation value. If  
 10 you have a material drawdown against that same  
 11 capital base, you could cover a fair number of years  
 12 in those fees in one good drawdown that you've  
 13 mitigated significantly through the holding of those  
 14 assets.

15 I think the other thing is, again, I can't  
 16 leave this point of the way we're continuing to  
 17 evolve the book. The last really big change we made  
 18 in this hedge fund portfolio was to add the CTA  
 19 exposure, which is probably the most powerful  
 20 capital protector in down environments, risk  
 21 mitigator, risk reducer, negatively correlated thing  
 22 you could have. It's also one of the very cheapest  
 23 exposures we've got.

24 MR. WEBSTER: Just as a point, when we did  
 25 this, we've done analysis of whether we could have

1 managed futures in the portfolio, and I think we ran  
 2 it through -- I think it was the FRS, or it was  
 3 stocks. I can't remember. It did reduce the  
 4 returns, but I think it reduced it by like 50 basis  
 5 points, 100 basis points. It reduced the volatility  
 6 by 40 percent. We look at that and that causes your  
 7 Sharpe ratio to spike, you know.

8 And it's a balance, because you can go  
 9 100 percent equity and make the same argument for  
 10 this whole fund. Just give all the money to Alison  
 11 and Tim and there you go. So it's a balance between  
 12 what sort of risk-return trade-off do you want to  
 13 have.

14 And as a point, we've seen in managed futures  
 15 fees absolutely collapse, below -- it's double digit  
 16 basis points, no carry. That's what we're seeing.  
 17 So for us it's worth it.

18 MR. WILLIAMS: And that fulfills exactly the  
 19 need we're trying to fulfill and does it very  
 20 cheaply.

21 MR. COBB: Mr. Chairman, I have a question for  
 22 Cambridge. And my question relates to the macro  
 23 world of both hedge funds and private equity, with  
 24 today, what, four, five trillion dollars, all  
 25 looking for inefficiencies in the market, when ten

1 years ago there was 5 percent of that or 10 percent  
2 of that amount of money looking for the same  
3 inefficiencies in the market.

4 So it seems to me it was pretty easy to justify  
5 fees because there were so many inefficiencies and  
6 so little capital. And your returns show that up  
7 until 2009 or '10. But since that time, just the  
8 supply of capital seems to me a factor. But it  
9 hasn't been mentioned at all in this presentation.

10 MR. MEHTA: What was subtly mentioned in  
11 Trent's presentation was a shift towards smaller  
12 managers that do have the ability to invest in  
13 things that the big, mega players cannot. So we are  
14 cognizant of the amount of capital, the vast amount  
15 of capital that exists in the alternative markets.

16 We are trying to find managers that that is not  
17 a hinderance. And one of the things that we measure  
18 very clearly is at what point does a manager's asset  
19 base exceed, or rather at what point do they start  
20 to diminish the returns by accepting additional  
21 capital.

22 MR. COLLINS: Bobby.

23 MR. JONES: The only point I wanted to make was  
24 I think all of us have some questions about the fees  
25 associated with hedge funds, how expensive that

1 insurance is. And, again, we haven't seen a payoff  
2 in quite a long time. So I think it's something we  
3 ought to keep looking at.

4 I think the other indication, though, is our  
5 performance against the other top endowments and  
6 pension funds has been in the top quartile, if not  
7 number one or better. So it's something that seems  
8 like we don't make a decision in one day but  
9 continue watching ourselves as well as our peers and  
10 make sure our returns stay better than the rest of  
11 the ocean.

12 MR. COLLINS: Yeah, I think I would agree with  
13 that. The only thing I would say about fees coming  
14 down, you know, a brand-new boat captain charges  
15 more than a boat captain with a really broken boat  
16 when you go to charter. And you can get really,  
17 really, really, really cheap boats. Not sure you  
18 want to go on it at the end of the day. Right?

19 So I love paying for alpha. Right? But I  
20 don't want to overpay for beta. And they can keep  
21 reducing the fee because they're not creating alpha  
22 and everybody is screaming. Right? But we're still  
23 overpaying for beta.

24 MR. WILLIAMS: If we're buying beta in that  
25 format, and I think I would argue we're not.

1 MR. COLLINS: And I would tell you that I think  
2 in all the diversification, I don't think that we're  
3 getting as much hedge as we think we are. None of  
4 us disagree with the hedging. I think, as I said,  
5 asset allocation is our greatest hedge. But I think  
6 when you get that many funds and that many different  
7 strategies, you never really know until you look in  
8 the rearview mirror.

9 But it just seems to me that if you deep dive  
10 into these various funds and you start looking at  
11 the names that are owned and what the strategy is on  
12 that name, you could have really good performance in  
13 one fund and really bad performance in another and  
14 you overpaid for one of them.

15 MR. WEBSTER: And we're cognizant of that. So  
16 one of the things that we have been studying for  
17 years and that we continue to look at is these risk  
18 premia, style premia, alternative beta, whatever you  
19 have. We have one of those funds from AQR. And we  
20 have met with a lot of the providers of that.  
21 That's a very -- that may be one of the solutions.

22 MR. COLLINS: I don't want to belabor it. So  
23 let's keep moving on, unless anybody else has any  
24 other questions.

25 MR. CHHABRA: Just one last point. I flipped

1 forward two pages. It's hard to see on the screen,  
2 two pages forward. But I think this is powerful to  
3 the point of morphing this part of the portfolio to  
4 be more focused on diversification.

5 Trent mentioned the addition of global macro,  
6 specifically CTAs over the last few years. That's  
7 done wonders, and along with that adding some other  
8 diversified strategies, to bring down the total  
9 correlation relative to what we're getting in the  
10 broader part of the portfolio.

11 So that's actually decreased the correlation of  
12 the strategic part of the portfolio to the rest of  
13 the portfolio by something like 40 percent. It's  
14 been -- going forward, should you have any worries  
15 about market valuation levels and the ability sort  
16 of to morph this to be more diversification in  
17 periods of stress, I think this is proof in the  
18 pudding that we should be well situated.

19 MR. COLLINS: Does anybody have any comment on  
20 that? Okay. All right. So do we have global  
21 equity next? Alison and Tim, or is it Katy? No.  
22 Alison and Tim. That's what I have in my book.

23 MR. WILLIAMS: I think we have another  
24 component.

25 MR. COLLINS: Oh, sorry.

1 MR. MARCUS: So we'll keep this brief. We know  
2 you've gone on quite a bit here with the strategic  
3 portfolio. So we'll jump ahead. Townsend has a  
4 couple of slides in here, and I'll give a quick  
5 explanation of what Townsend does.

6 MR. COLLINS: Just explain to everybody  
7 Townsend and your role and what you're doing in the  
8 portfolio.

9 MR. MARCUS: Absolutely. So there's a Townsend  
10 update later in the presentation. Townsend has  
11 about 34 years of experience working in the real  
12 estate and real assets asset classes. We've been  
13 working with the SBA since 2004, and we focus on  
14 real assets exclusively. So we work with both Trent  
15 on the strategic group, with a focus on real estate  
16 debt and also timber, and then with Steve Spook and  
17 his team on the real estate equity side of the  
18 portfolio.

19 So we are headquartered in Cleveland, Ohio,  
20 offices in London, Hong Kong and also in San  
21 Francisco. Trent and his team have recently  
22 utilized our international offices on some due  
23 diligence trips to Europe. And another recent  
24 update of Townsend is, announced on September 1st of  
25 this year, Aon, who you know well, announced the

1 acquisition of Townsend later this year. So we feel  
2 this is a great fit for Townsend's clients,  
3 yourself, as well as Townsend employees.

4 So Townsend will become a wholly-owned  
5 subsidiary of Aon, Aon's global retirement  
6 investment business, which as you know, really  
7 provides objective advice and investment management  
8 solutions to a wide range of global clients, and as  
9 a strong fiduciary, much like Townsend, has strong  
10 values, corporate culture, very like-minded  
11 organizations, putting the client first.

12 And the acquisition really provides stability  
13 here at the Townsend level, a large balance sheet,  
14 really a path of growth for Townsend as an  
15 organization, and all to support you-all and also  
16 our employees. Essentially it's being really  
17 structured as a reverse merger. So Townsend will  
18 retain its name, maintain its headquarters in  
19 Cleveland, the investment process, the investment  
20 committee. And to that point, Terry Ahern, someone  
21 you have met over the years, will remain the CEO of  
22 Townsend going forward in all the existing illiquid  
23 asset classes that AON covers.

24 MR. COLLINS: Anybody have any concerns there?  
25 I know that they're making him go through that slide



1 at every presentation.

2 MR. DANIELS: Have you thought about moving to  
3 Florida?

4 MR. WILLIAMS: The chief executive of Aon is  
5 right here, Steve Cummings, if you'd like to pose  
6 that question to Steve.

7 MR. DANIELS: Sure. Steve, you can answer that  
8 question.

9 MR. CUMMINGS: Am I moving to Florida?

10 MR. DANIELS: Move the company to Florida.

11 MR. CUMMINGS: Not in the immediate future,  
12 sir.

13 MR. MARCUS: Any other question on that? I'll  
14 jump just quickly to two slides of our presentation,  
15 talk about performance of the real estate debt and  
16 timber portfolio. So here on the slide in front of  
17 you we look at the real estate credit and timber  
18 portfolio performance.

19 This is a sub-allocation within the strategic  
20 investments of about 1.6 billion of market value  
21 today. It's 16 active positions. That's across --  
22 16 active positions in the debt side and two in the  
23 timber. And that's across ten different managers.  
24 There's been approximately 3 billion of capital  
25 commitments, with 1.7 billion returned to you-all,

1 with about 750 million of unfunded capital. Since  
2 the portfolio's inception, so the first investment  
3 was made in 2008, the portfolio has generated, as  
4 you'll see here, an 8.7 percent net IRR.

5 Flipping to the next slide, we focus on just  
6 the debt performance of the portfolio. And here is  
7 really the majority of the investments that we all  
8 cover at Townsend. Approximately 70 percent of  
9 those 3 billion in commitments were made to real  
10 estate debt investments. And we show again a very  
11 strong performance over these time periods.

12 We also show on the right-hand side the cash  
13 flows and market value of these investments dating  
14 back to that '07, late '07, '08 inception. And it's  
15 somewhat hard to see, but on the far right-hand side  
16 of this chart, you'll see the past six quarters of  
17 distributions have actually exceeded capital  
18 contributions. You'll see a slight decline in the  
19 net asset value.

20 And this is, to another point that Trent  
21 mentioned earlier, capital is being returned quicker  
22 than it's being invested. That's the nature of the  
23 market we're in today, the market environment, but  
24 also the life cycle of these funds. So they're  
25 reaching sort of their full term.

1 The last slide I'll touch on and then pass it  
2 back to you-all is really on the timber performance.  
3 So here on this slide we show both the performance  
4 of the two timber separate accounts as well as their  
5 diversification. However, you'll notice some  
6 underperformance in your timber portfolio versus the  
7 industry indices, not necessarily the benchmark  
8 within the SBA but the industry indices of the  
9 NCREIF timber index and the separate account index.

10 MR. COLLINS: Is that because of regionality of  
11 our holdings, or what would cause that  
12 underperformance relative to the index?

13 MR. MARCUS: The primary reason is inception.  
14 So your portfolio began in 2012. Both of these  
15 indices have long-standing cash flow and assets  
16 dating back to the eighties. So as your portfolio  
17 is still being created, value creation is still  
18 being implemented, a lot of your assets are being  
19 held at cost in the first year. So it's more of a  
20 timing issue than it is the diversification or  
21 allocation.

22 MR. COLLINS: Ash, we weren't in timber before  
23 2012?

24 MR. WILLIAMS: No.

25 MR. COLLINS: Really? In any way?

1 MR. WILLIAMS: Look, I've thought of about a  
2 half a dozen timber jokes here, and I'm going to  
3 steer away from all of them. But no.

4 MR. COLLINS: For sure we were involved with  
5 some Timcos or something way back when. Okay.

6 MR. MARCUS: So it's really the early onset of  
7 this portfolio. It will continue to grow. And if  
8 you just look at the long-term performance over the  
9 three year period, there's a slight  
10 underperformance, but it is tracking towards that  
11 benchmark.

12 So there's a number of other slides here, but  
13 in the interest of time and keeping it brief, I'll  
14 stop there and open it up to any questions.

15 MR. COLLINS: Any questions to them? We're  
16 just talking about timber. Any questions for  
17 Townsend? Okay. Thanks, everybody. Thanks, Seth.  
18 Thanks, Dick.

19 MR. MARCUS: Thank you.

20 MR. COLLINS: Alison, Tim, now you're up,  
21 unless Katy wants to go first.

22 MS. WOJCIECHOWSKI: No.

23 MR. COLLINS: Okay.

24 MS. ROMANO: Good afternoon. It's been alluded  
25 to many times in this discussion and I know you-all

1 know the markets well. Equity markets are way up.  
2 But I want to provide a few data points to provide  
3 some context around what I know you do want to talk  
4 about, which is performance. So I'm going to give  
5 some updated statistics to even what's on this page.

6 But just to give you a sense of how much the  
7 markets are up this year, through last Friday,  
8 domestic markets up 19.7 percent, non-U.S. developed  
9 markets, almost 22 percent, and year to date  
10 emerging markets up 31.5 percent this year.

11 One really interesting point, if you break down  
12 emerging markets, now close to 20 percent of the  
13 emerging market index is five companies. So how  
14 Tencent does, Samsung, Alibaba, Taiwan Semi and  
15 Naspers, which essentially owns Tencent, so you  
16 could say it's four companies, how they do has  
17 driven a lot of this quick rise in emerging markets.

18 MR. COLLINS: So what's the acronym for that?  
19 Like FANG, what's the acronym for that? Y'all  
20 haven't made one? Okay.

21 MS. ROMANO: So tech has had an incredible run,  
22 and particularly in emerging markets. And you can  
23 see in the bottom left graph there that it's not  
24 only been tech, but it's been a lot of the cyclical  
25 areas that have come back, materials, industrials,

1 financials. So if you want to call that a risk-on  
2 environment, we could.

3 I think what's also telling on the bottom, or  
4 sorry, the top right graph is how much growth has  
5 been in favor. So it looks like over the quarter  
6 it's only 71 BPs but, again, year to date through  
7 last Friday, growth has beaten value 10.6 percent  
8 across the world.

9 And I mention this because I think, as we  
10 started, we said everything looks expensive. But  
11 there is divergence within the equity market. So  
12 there could very well be opportunity for the right  
13 managers. For instance, is this now the time for  
14 value, because for so long growth has outperformed.  
15 And there's a lot of evidence to say, over very long  
16 periods of time, value should outperform.

17 So in periods where the market keeps going up  
18 and up -- and to give you another set, 13 months in  
19 a row of up performance for the MSCI World Index.  
20 It can be tough for active managers. Everything is  
21 rising in tandem.

22 But you'll see our performance on the next  
23 slide. We have outperformed. So 21 BPs  
24 outperformance in the third quarter, 98 BPs for the  
25 year and 79 BPs over the five years. We continue to

1 do this well within our risk budget, and actually  
2 well below the monitoring standard, to deliver  
3 ongoing strong risk-adjusted returns. And I'll turn  
4 it over to Tim to talk about the detail behind that  
5 performance.

6 MR. TAYLOR: Thank you, Alison. Good  
7 afternoon, everybody. Looking at the next page,  
8 under active performance summary, I'm not going to  
9 cover each line here, but I thought I'd focus on the  
10 top two and the bottom two. If you look at the  
11 emerging market active aggregate, it lagged its  
12 benchmark. Very strong market. It was up seven and  
13 a half percent in the quarter. Cash holdings  
14 detracted, as well as an underweight to the Chinese  
15 Internet names.

16 As Alison discussed, the EM benchmark has  
17 changed notably in the past couple of years, as the  
18 top five names account for such a large percentage  
19 of the benchmark. Three of the names that Alison  
20 mentioned, Tencent, Alibaba, Baidu, are all grouped  
21 into the category of Chinese Internet stocks. Just  
22 I think it was a week or two ago Tencent became the  
23 first Asian company to ever exceed a market  
24 capitalization of \$750 billion.

25 The struggle of U.S. small cap, those managers,

1 continued in the quarter. Headwinds have included  
2 the outperformance of, quote, unquote, non-earners.  
3 This would include biotechnology stocks. We  
4 recently completed a manager search in this space,  
5 and we funded two new managers. I'll talk very  
6 briefly about that in just a moment.

7 On the positive side, in the foreign developed  
8 large cap space we did well. Historically this has  
9 been a very good, consistent source of alpha. Here,  
10 one of the contributors was off-benchmark exposures.  
11 These managers actually held some of these names,  
12 Tencent and Alibaba, that our emerging market  
13 managers typically underweight, as well as some  
14 momentum tailwinds.

15 Finally on this page I'll note the positive  
16 developments in the U.S. large cap active aggregate.  
17 It was up 131 basis points in Q3. From our  
18 discussions previously, you know this has been a  
19 challenging space, and we've made some changes. It  
20 was our best performing aggregate in Q3. And now  
21 for the one year period it is above its benchmark.

22 And the last page we'll discuss with you today  
23 is an update on initiatives. We have been active  
24 with respect to structural enhancements. I  
25 mentioned the two new U.S. small cap managers. They

1 began their official performance on November 1st.  
2 We're also deep into the process for a search for a  
3 foreign developed value strategy to complement that  
4 successful aggregate.

5 And we are continuing to research potential  
6 strategies for internal management. Currently we're  
7 internally managing four passive strategies but also  
8 two active strategies, all in-house, all by SBA  
9 employees.

10 The bullet point here, we are identifying and  
11 targeting certain strategies for fee negotiations,  
12 with the goal of obtaining more attractive  
13 structures, more attractive schedules. We've been  
14 successful on many occasions already. And we know  
15 many of our managers read these transcripts. If  
16 you'd like to call us about a potential fee  
17 concession before we call you, that would be much  
18 appreciated.

19 MR. COLLINS: Where is Trent?

20 MR. TAYLOR: We recently established access to  
21 the Hong Kong Connect program with our global  
22 custodian BNY Mellon. This is really good. This is  
23 in advance of MSCI adding China A Share securities  
24 to our target, which will happen in only a few  
25 months. So we have access there in advance that we

1 can offer up to our managers. It wasn't  
2 particularly easy. There's still a lot of  
3 questions, but we do have access there.

4 On the staffing side in global equity, we're  
5 excited to have recently filled two open positions  
6 with talented individuals that bring impressive  
7 skills and also solid experience to our team. In  
8 some cases this helps us to further our custom  
9 analytic capability and also bolsters our internal  
10 management resources.

11 And the last bullet point here, provide  
12 liquidity. We've provided over \$5 billion year to  
13 date through Q3 for benefit payments and for other  
14 reasons, and we remain ready and able to raise funds  
15 efficiently when called upon. We're always at the  
16 ready for that.

17 Those were the last of our prepared comments.  
18 Mr. Chairman, I think you -- Ash had asked maybe to  
19 comment briefly on valuations perhaps in the asset  
20 class. I think there is an acknowledgment that  
21 valuations in equity across the board are very  
22 expensive. But I think it's in three tiers. It's  
23 the U.S., then the non-U.S., and in particularly  
24 emerging markets some would argue that there are  
25 values there.

1           There are discussions about are we in a bubble,  
2           particularly for U.S. equities. My personal belief,  
3           I don't think so. I don't think so. Valuations are  
4           rich. If you think of some of the companies that  
5           have really driven the performance, called the  
6           disrupters, if you think of Google, if you think of  
7           Facebook, these are tremendous businesses with  
8           tremendous growth potential still as we sit here  
9           today. So they are rich on some metrics, but they  
10          are real businesses. They are very well managed.  
11          So I think one of the risks that investment managers  
12          have is underestimating the power of these  
13          disrupters.

14          Also, with respect to equities, if you don't  
15          have your money in equities, where are you going to  
16          put your money? Relative to fixed income, fixed  
17          income is very expensive. Equities arguably are  
18          attractive. You don't want your money to be in  
19          cash. Where are you going to get your return? And  
20          then finally I'll mention that over the last few  
21          years, in many cases non-U.S. investors, we haven't  
22          seen flows from them into the U.S. market to  
23          purchase U.S. stocks. We're starting to see signs  
24          now that actually non-U.S. investors' money is  
25          flowing to U.S. equity markets, for whatever reasons

1           there. That's another positive as well.

2           So while valuations are very rich, there's  
3           still -- volatility levels remain very low and  
4           somewhat scary that they're so low. We don't think  
5           we're in a bubble, but we're particularly -- it's  
6           certainly not inexpensive to invest in equities  
7           right now. Thank you.

8           MR. PRICE: Mr. Chairman.

9           MR. COLLINS: Yes.

10          MR. PRICE: This is, what, 50 billion or so?

11          MR. TAYLOR: It's about 90 billion.

12          MR. PRICE: Ninety billion, of which half is  
13          active, half is passive?

14          MR. TAYLOR: Roughly, yes, sir.

15          MR. PRICE: In the active section and the  
16          passive combined, how many dollars do you have in  
17          the five more or less FANG stocks, Facebook, Apple,  
18          Google, Netflix, maybe Alibaba, how many dollars?

19          MR. TAYLOR: I do not know that metric off the  
20          top of my head. We certainly can get it to you.

21          MR. PRICE: I'd just be curious whether it was  
22          5 billion or 10 billion or even more than  
23          10 billion.

24          MS. ROMANO: I don't know the exact weight. I  
25          will tell you, given on the U.S. side our large cap

1 managers are a little more value focused, we're most  
 2 likely underweight some of the U.S. names.  
 3 Externally, on the emerging market managers, they  
 4 tend to be more quality and valuation sensitive.  
 5 They're going to be underweight. Our developed  
 6 market managers are growth focused, and they are the  
 7 ones that are overweight. So when you bring it all  
 8 together, they're not our top over or underweight.

9 MR. COLLINS: Could you do us a favor and get  
 10 that number to Ash, that dollar number to Ash, and  
 11 he can get it out to us?

12 MR. TAYLOR: Absolutely.

13 MR. COLLINS: How many names are you doing the  
 14 search for on the international value right now, the  
 15 new search?

16 MR. TAYLOR: How many names?

17 MR. COLLINS: Foreign, yeah, the foreign.

18 MR. TAYLOR: We did our interviews a few weeks  
 19 ago.

20 MR. COLLINS: I mean, will you add one? Will  
 21 you add two?

22 MR. TAYLOR: One certainly, two perhaps. It's  
 23 being debated right now.

24 MR. COLLINS: And what do you think the total  
 25 allocation to that will be?

1 MR. TAYLOR: It will be a significant mandate.  
 2 The account values in that space that are going to  
 3 be added are all very large, on the order of like  
 4 1 to \$2 billion accounts. This account will  
 5 probably be at least a billion dollars, perhaps up  
 6 to 1.5. So these are big accounts in that space.

7 MR. COLLINS: And what do you think the fee  
 8 would be on that, that you're going to pay?

9 MR. TAYLOR: Well, right now the proposals we  
 10 have are in the, let's say, 25 to 30 basis point  
 11 range. We will probably go back at them again if we  
 12 get real serious about putting forth the -- when we  
 13 get the recommendation together.

14 MR. COLLINS: Any other questions? Mr. Wendt?

15 MR. WENDT: Earlier today there was a comment  
 16 made about the need for transparency, there must be  
 17 absolute transparency. Now you're talking about  
 18 China stocks. Do you have a concern there that you  
 19 can't meet that test?

20 MS. ROMANO: I think part of the reason for  
 21 hiring active managers is because they are highly  
 22 focused on quality and transparency and corporate  
 23 governance. There are a lot of companies that our  
 24 managers won't invest in. There's state-owned  
 25 entities a lot of them will avoid outright and will

1 not invest heavily.

2 So, yes, we have concerns, but that's where we  
3 hire active managers to assist us. We did have a  
4 China A fund at some point. And while the market  
5 may be this, the investable market to address those  
6 questions does shrink quickly.

7 MR. WENDT: Thank you.

8 MR. COLLINS: Any other questions? Great.  
9 Thanks. Now -- sorry. Did somebody have a  
10 question? Okay. Katy.

11 MS. WOJCIECHOWSKI: I'll be pretty brief as  
12 well. Boring returns is all I can say. The yields  
13 on -- very low volatility in fixed income markets as  
14 well. We finally got I think the yield on the  
15 Intermediate Ag to about 2.50. So that's up from  
16 where I put my notes here, which was about 2.40.  
17 And the duration is still about 4.4, 4.2 years. So  
18 not very exciting.

19 Long corporates did incredibly well over the  
20 past 12 months. That's our off-index bet, so we  
21 have some long corporates but not a lot.  
22 Intermediate corporates also did well, and we have  
23 an overweight to that persistently. So the tide is  
24 coming in. Don't fight the Fed, those kind of  
25 things.

1 Just a couple of notes. Tim mentioned the wall  
2 of money coming into the United States. There's  
3 definitely still demand, central banks still buying.  
4 We are the high yielders if you look (inaudible),  
5 sad to say, but we are the high yielders throughout  
6 the world.

7 So we continue to see the wall of money  
8 possibly easing off, definitely in the United States  
9 over the next year, possibly hints from Europe, but  
10 that's about it. So we continue to see that  
11 persisting, which will keep a lid on rates. But we  
12 have recently assigned a little bit more of a  
13 non-zero probability that rates may rise.

14 So to Ash's question about what do we see for  
15 outlook, we see that corporations are still in good  
16 shape, so we don't see spreads widening  
17 continuously. And there is a lot of demand for  
18 buying. So we continue to see that as a positive,  
19 but also headwinds because valuations are, to Tim's  
20 point, very tight right now.

21 Rates, obviously on the short end we believe  
22 rates will continue to rise over the next 12 months,  
23 and possibly in the long run a little bit more. We  
24 saw it today a little bit with possible budget and  
25 tax reform. So we'll see.



1 Risk we continue to keep pretty low. We did  
 2 over the last year -- I'm just going to flip to this  
 3 because we did increase our allocation to core plus,  
 4 not because we're trying to reach for yield or  
 5 spreads or anything like that but because our core  
 6 plus manager has a little bit more allocation to  
 7 some different, like different arrows in their  
 8 quiver. So it will give them opportunities, without  
 9 taking more risk, to possibly get more  
 10 non-correlated returns. And we'll continue to do  
 11 that. We're looking at it seriously right now.

12 We're seriously considering a couple of  
 13 different strategies for fixed income, different  
 14 because there's not a lot of ways to spell  
 15 intermediate ag, investment grade fixed income, but  
 16 we continue to look at that.

17 And then we're just going to -- periodically we  
 18 like to discuss just briefly our sec lending  
 19 program. I think it doesn't get mentioned often,  
 20 but we do have a significant securities lending  
 21 program. It's historically been weighted towards  
 22 equities, sometimes a very significant add, and in  
 23 the past year it's been actually on fixed income a  
 24 little bit, right?

25 MS. JEFFRIES: Yes. So over the past year

1 there's been no changes to the program. The program  
 2 is performing well. The lendable assets actually  
 3 grew this year. Thank you, equity. Utilization is  
 4 still maintaining around 11 percent. And the net  
 5 earnings actually rose for calendar year 2016 to  
 6 49 million.

7 MS. WOJCIECHOWSKI: I just want to stress, we  
 8 are extremely risk controlled. There are other  
 9 people throughout the globe who are less -- who  
 10 invest more aggressively. We do not reinvest the  
 11 proceeds aggressively. And I think that's it.

12 MR. COLLINS: Any questions for Katy? Okay.  
 13 Thanks. Mr. Spook.

14 MR. SPOOK: Good afternoon. I'd like to start  
 15 with some very good news. At least it's very good  
 16 news for me. There are no hedge funds in my  
 17 portfolio.

18 MR. COLLINS: Trent, you're going to make him  
 19 pay for that later, aren't you?

20 MR. WEBSTER: Yes, I am.

21 MR. COLLINS: That he knows of anyway, Trent.

22 MR. COBB: And no Bitcoins either?

23 MR. SPOOK: No Bitcoins either. So real estate  
 24 performance continues to be very strong. Over the  
 25 one year period, 120 basis point outperformance.

1 Three year, 80 basis points. Five years, 190 basis  
2 points. And that outperformance is pretty evenly  
3 distributed across the portfolio.

4 Here you see the principal investments, which  
5 is our direct investment portfolio, with similar  
6 type of outperformance, 130 basis points one year,  
7 90 three year, 200 on the five year. And then  
8 outperformance in all periods for the externally  
9 managed portfolio as well, which is, as you know,  
10 our pooled funds and public REIT portfolios.

11 Here's the sector allocation. Our target is  
12 public 10 percent and private 90 percent. And  
13 that's exactly where we are. We target 20 percent  
14 for non-core, we're almost at that, 19 percent, and  
15 core, 81 percent. And that chart shows 8.9 percent.  
16 That's a little dated information. We're probably  
17 at closer to 8.6 percent of the total portfolio.  
18 That's partly Tim and Alison's fault, on the  
19 denominator effect. And we've continued to be net  
20 sellers.

21 Here's property type diversification. We're  
22 slightly below benchmark exposures in most property  
23 types except office, due to an overexposure in the  
24 alternative property types. We feel pretty good  
25 about this situation at this point in the cycle.

1 Office is by far the most volatile of the property  
2 types, and we've positioned ourselves in the "other"  
3 category in more defensive, less volatile property  
4 types.

5 Geographic, we're pretty close to the benchmark  
6 positions also, with the exception of the Midwest.  
7 We just don't see a lot of great opportunities in  
8 the Midwest.

9 And recent activity, three acquisitions.  
10 They're all fairly small acquisitions, but they're  
11 all hold-ons to existing portfolios that we have.  
12 So you may recall last year we purchased a  
13 66-property self storage portfolio. Ourselves and  
14 our JV partner continue to look to add on to that  
15 portfolio and buy these one-offs from mom and pops.  
16 You can add serious efficiencies. And so we think  
17 these small acquisitions are very prudent.

18 Same with medical office. We have an existing  
19 portfolio in the medical office space. Building up  
20 a portfolio creates value through aggregation. The  
21 large medical office REITs, you know, such as a  
22 Ventas or HCP, don't really have the time go out and  
23 find a \$6.3 million building in Akron, but we -- we  
24 aggregate those and are creating value that way.  
25 And retail, I think I've talked about that program

1 before, too, where we're buying High Street retail  
2 and creating a portfolio.

3 Dispositions, sold one senior housing deal in  
4 Seattle. Industrial, that's a JV where we're  
5 developing leasing, stabilizing and selling with our  
6 JV partners, so that's creating value there.

7 Student housing, that was -- we've got a portfolio  
8 there. We keep adding to the portfolio. This was  
9 one particular property that was a value add  
10 opportunity as opposed to a core opportunity.

11 Business plan was accomplished and sold it and made  
12 money. And multifamily, we sold a fairly large  
13 multifamily deal in San Diego.

14 Commingled funds, one domestic value add fund  
15 commitment, 75 million, and a European value add  
16 fund with 50 million commitment.

17 MR. DANIELS: Excuse me, Steve. Just a rough  
18 number if you have it, on a weighted average basis,  
19 what kind of cap rate are you acquiring at and what  
20 kind of cap rate were you disposing at?

21 MR. SPOOK: It depends on the property type  
22 obviously. That multifamily deal is probably a 4.3,  
23 4.4 cap rate, conventional property type in a larger  
24 market. Senior housing, you're going to get a  
25 higher cap right there. It's a higher risk type of

1 asset.

2 Student housing, we went into it with the idea  
3 that with cap rates so low on multifamily, that we  
4 could get a premium on student housing. That  
5 premium still exists, but it's come in. It's  
6 compressed quite a bit. We still like the sector  
7 because we believe it will behave differently than  
8 traditional multifamily in a downturn. People will  
9 still go to school. In the GFC enrollment actually  
10 went up.

11 Again, student housing depends if you're in a  
12 primary market for student housing, like  
13 Tallahassee, or if you're going to a smaller school.  
14 But on average you're going to see student housing  
15 probably between five and a half, 6 percent.

16 Medical office buildings, again, you would  
17 expect to see some premium to conventional office.  
18 Same ways in student housing now. We think it will  
19 act different than regular office in down times. So  
20 medical office buildings, again, depends on the  
21 market because what we consider a primary market or  
22 conventional office like New York, Washington, San  
23 Francisco, medical office can be in Davenport, Iowa,  
24 as long as it's associated with a leading health  
25 care provider.

1 MR. COLLINS: Mr. Wendt?

2 MR. WENDT: You obviously mathematically sold a  
3 lot more since the last report than you bought or  
4 invested in. There have been a lot of comments  
5 today about equity markets being highly valued. Do  
6 you think that has also happened in the real estate  
7 industry in general? Do you think the properties  
8 you're buying are overvalued?

9 MR. SPOOK: I think it depends on what measure  
10 you're looking at. If you're talking about price  
11 per pound, so price per square foot, versus  
12 historical valuations, yes, the market looks  
13 expensive. If you're looking at the spread between  
14 corporates or the risk-free rates, spread between  
15 cap rates and those other rates, it looks fairly  
16 valued today.

17 MR. WENDT: Do you think real estate is  
18 tracking at higher values than all other assets?

19 MR. SPOOK: I'm sorry?

20 MR. WENDT: Do you think the real estate  
21 values -- sorry. I didn't understand the answer to  
22 my question. But I think it was, yes, real estate  
23 values are going up, but so is everything else.

24 MR. SPOOK: So is everything else. So the  
25 spread between a cap rate you can buy a property at

1 and your alternatives such as corporate bonds or  
2 Treasuries, that spread is not out of line with  
3 historical averages. And so on that basis --

4 MR. WENDT: So you don't think real estate is  
5 overvalued today?

6 MR. SPOOK: It's expensive.

7 MR. COLLINS: He's a real estate guy, so he's  
8 going to give you five different answers for that.  
9 Right? He's going to say price per square foot,  
10 he's going to say, you know, a multiple on NOI.

11 MR. SPOOK: And Townsend is in the room. They  
12 may have an opinion on pricing also.

13 MR. WENDT: I didn't ask Townsend, though.

14 MR. COLLINS: Wow. Dick, did you hear that?

15 MR. BROWN: It was softly.

16 MR. COLLINS: Softly, okay. So I have a couple  
17 of questions for you. First, my favorite question,  
18 what is our leverage position today? Because as I  
19 look at --

20 MR. SPOOK: I knew that was coming.

21 MR. COLLINS: -- interest rates and we've had  
22 another quarter of pretty low interest rates -- and  
23 I'm going to pick on Townsend here for a second.  
24 Dick wasn't here when I brought this up last time,  
25 in all fairness.

1 MR. SPOOK: I'm sure he heard about it.

2 MR. COLLINS: So I asked one time in a meeting  
3 to -- you know, can we study this. Everybody is  
4 concerned about risk and everybody is concerned  
5 about taking on too much debt and over-risking the  
6 portfolio. And my premise is that we've got core  
7 assets in core markets and we have extremely low  
8 leverage on them.

9 And if you're -- but yet we're investing in  
10 opportunistic funds, right, that have higher risk  
11 with third parties and there's more leverage in  
12 those assets. So to boil my position down, I don't  
13 think there's any difference materially in going  
14 from, say, 25 percent leverage to 35 percent  
15 leverage in a core asset in a core market.

16 So I asked them to put together some  
17 information. And what you may remember we got from  
18 Townsend was a line chart. It wasn't even one of  
19 these unreadable, you know, that look like a sunset  
20 of the Grand Canyon charts. It was just a line, and  
21 it said, hey, as you up your leverage, your risk  
22 increases. And it was almost linear. Well, that  
23 can't be. Right? I mean, there's got to be some  
24 movement in that. You can't tell me it's a direct  
25 percentage-to-dollar ratio between 26 percent

1 leverage and 27 percent leverage. There's got to be  
2 a little bit of a flatness there, but this chart was  
3 a perfect slope. So what's our leverage? How are  
4 we doing today and what are your thoughts on that?

5 MR. SPOOK: So with deals that we have in  
6 process, so adjusted, we're somewhere between 28 and  
7 28 and a half percent. We've also identified a  
8 number of assets that would be suitable for putting  
9 leverage on, so fairly low-risk assets. And we're  
10 currently talking to brokers right now about getting  
11 quotes in the range of about 400, \$450 million. So  
12 it will go up a little bit. But then we are going  
13 to be bumping up against the new 30 percent cap.  
14 But it has fairly --

15 MR. COLLINS: I think when we first started  
16 looking at this, we were like 21, 22 percent.

17 MR. SPOOK: We were at about 21 percent.

18 MR. WILLIAMS: Mr. Chairman?

19 MR. COLLINS: Yes.

20 MR. WILLIAMS: I think another element of this  
21 is that as we've added the leverage in the real  
22 estate book, we've been pleasantly surprised at the  
23 structures and the cost of the leverage, which is to  
24 say both are better than we would have expected.  
25 The technique we used, as Steve just referred to, is

1 we use third parties to go out and canvass the  
 2 market for us and get the best terms we can get.  
 3 And then we get a fiduciary letter. We evaluate it.  
 4 We pick whoever the winner is and move on.

5 We have been getting fixed-rate stuff,  
 6 unbelievable terms, ridiculously low cost. It's  
 7 sort of the sort of thing that you hear people say,  
 8 well, the banks aren't replaying the mistakes they  
 9 made in prior cycles. I'm not so sure. But if  
 10 people are willing to give us money under these  
 11 terms, we're happy to take it.

12 MR. SPOOK: To add to that, like I said, we  
 13 pick our safest assets with the right kind of  
 14 leasing in place versus the long-term. And  
 15 typically we're between 40 and 50 percent loan to  
 16 value. So that's why we're getting such good terms.  
 17 We've got lenders fighting to get that business.

18 MR. COLLINS: Right.

19 MR. SPOOK: It would have to be worse than the  
 20 GFC really for them to lose money on that.

21 MR. PRICE: Mr. Chairman.

22 MR. COLLINS: Yes.

23 MR. PRICE: Do we have a place in our  
 24 portfolio, either with Steve or anywhere else, where  
 25 there's someone trading real estate investment

1 trusts at large discounts from net asset values  
 2 versus cap rates he's willing to pay? For instance,  
 3 you're out buying retail. I don't know. You said  
 4 it was High Street, not malls. But, for instance,  
 5 in the last couple of quarters, the mall stocks got  
 6 destroyed. Taubman, Macerich and General Growth all  
 7 came down 40 percent. Since then there have been  
 8 two tender offers and one proxy fight. So is  
 9 anybody taking advantage of that, with your real  
 10 estate knowledge, in the public markets?

11 MR. SPOOK: I'm sure they are, but we aren't  
 12 personally, no. We do have global REIT separate  
 13 accounts. They're more conventional accounts.

14 MR. PRICE: Under which pocket? Is it under  
 15 Trent?

16 MR. SPOOK: Under real estate.

17 MR. PRICE: Under you.

18 MR. SPOOK: Yes. Ten percent of the total real  
 19 estate book is public securities.

20 MR. COLLINS: But you're long.

21 MR. SPOOK: Yes.

22 MR. WILLIAMS: I hear what you're saying.  
 23 That's an interesting angle for I'm thinking maybe  
 24 somebody in a PE format. But I don't know that  
 25 we've really got anything that's hitting it.

1 MR. COLLINS: What you have is market knowledge  
2 every day. Right? You're the third largest public  
3 pension fund in the country. You're buying. You're  
4 selling. You know every player in the market. And  
5 you see these REITs out there and what they're  
6 trading at in terms of net asset value.

7 I think what Michael is saying is that you're  
8 just not doing anything with that knowledge, other  
9 than buying and selling traditional -- or buying and  
10 selling properties directly but not going --

11 MR. PRICE: Cap rates -- I know where there are  
12 public securities with liquidity trading much  
13 cheaper than he's paying, happily and financing  
14 well. That's all I'm saying. There's a place to  
15 put a few billion.

16 MR. COLLINS: So my second question would be  
17 California. Any update on California, the fires and  
18 everything there relative to our holdings in the  
19 state?

20 MR. SPOOK: No damage to our properties.  
21 Rainfall has been above average for the last couple  
22 of years now. Great snow pack. So from an ag point  
23 of view, we're looking pretty good. But, no, the  
24 fires didn't affect us at all.

25 MR. COLLINS: Any other questions of Steve?

1 Vinny?

2 MR. OLMSTEAD: One quick question. Obviously,  
3 we are disposing much more than we're acquiring.  
4 How does the pipeline look when you guys are looking  
5 at what's available out there and how close you are  
6 on buying some more stuff?

7 MR. SPOOK: We've got a pretty good pipeline.  
8 There are several deals that are in closing or due  
9 diligence right now.

10 MR. COLLINS: You're looking for more, Vinny?

11 MR. OLMSTEAD: Just curious, because the last  
12 time we were here also, it seems like we're  
13 obviously disposing more than we're acquiring. So  
14 overall the percentage is going down. If you  
15 believe there's a good market, it sounds like there  
16 is a pipeline there, it's logical just to -- if you  
17 think it's a good value.

18 MR. WILLIAMS: It might be helpful, if I may,  
19 Mr. Chair.

20 MR. COLLINS: Please.

21 MR. WILLIAMS: The degree of specificity that  
22 would really be responsive to that question might be  
23 better delivered off line, because sometimes when  
24 you have transactions that are in process, we don't  
25 want to broadcast, We've got our eye on this, if you

1 follow my drift.

2 MR. SPOOK: I can show you our pipeline after  
3 the meeting.

4 MR. COBB: Mr. Chairman.

5 MR. COLLINS: Yes.

6 MR. COBB: I would like to repeat what I think  
7 Steve has said, Vinny, because I heard it different  
8 than you. I heard that values are high per square  
9 foot, some of the highest they've ever been.  
10 They're high by other measurements. And the only  
11 measurement that they are not low but reasonable is  
12 vis-a-vis fixed income.

13 And so my conclusion of that is that I'm  
14 delighted we're selling more than we're buying,  
15 particularly that we've sold -- in San Francisco it  
16 was 3 percent cap rates, and some other places we've  
17 been selling 3 percent cap rates. So I want to  
18 applaud management, from my point of view. I think  
19 real estate is pretty fully valued.

20 MR. COLLINS: The other thing that I would say  
21 that in my opinion that they've done well is in this  
22 market it's tough to buy core. Right? Tough to buy  
23 core multifamily or core anything in a core market  
24 and pay better than a four cap.

25 MR. SPOOK: We've been manufacturing a lot of

1 that.

2 MR. COLLINS: Right. So what they've done is  
3 they've gone out and said, okay, well, if we can't  
4 buy it, we're going to build it and sell it to other  
5 people, and so they've been doing quite a bit of  
6 that.

7 MR. SPOOK: Or keep it.

8 MR. COLLINS: Or keep it. Right? Which you  
9 get a better basis if you're in there in the  
10 beginning. If you're developing something at a  
11 seven and a half percent --

12 MR. SPOOK: It's come down from that.

13 MR. COLLINS: Let's say seven, maybe a little  
14 bit lower, and selling at four and a half or five,  
15 that's a decent business. There's churn, but it's a  
16 decent business.

17 MR. WILLIAMS: I just wanted to make a  
18 clarifying point, following up on something Mr.  
19 Wendt said a moment ago that's very, very important.  
20 When I made the comment about information off line,  
21 I want to be very clear. What I meant was any  
22 member of the IAC who wants to contact me or any  
23 member of staff directly with any questions, fine.  
24 I did not mean any off line discussion among members  
25 of this body, which would be violative of Florida



1 law, to be very clear.

2 MR. COLLINS: Thank you for that, Ash. What is  
3 next? John Bradley.

4 MR. BRADLEY: Thank you and good afternoon.  
5 I'll start with a market update. U.S. buyout  
6 activity picked up in the third quarter at almost  
7 50 billion of activity, which was an increase from  
8 what we saw in quarter two, yet 2017 still trails  
9 2016. Not surprisingly, pricing continues to rise  
10 in aggregate. Pricing today is almost a full turn  
11 higher, at 10.6 times versus 9.7 times observed at  
12 the peak of the last cycle in 2007.

13 I would say this 10.6 headline number is being  
14 driven by the large end of the market, particularly  
15 large tech deals. The small to middle market has  
16 seen pricing trend down a bit over the last few  
17 quarters.

18 Asset sales and distributions remain strong  
19 across the entire industry. If this current pace  
20 continues, 2017 could set a new record for the PE  
21 industry in terms of distributions. And this will  
22 likely be the case within our portfolio. Our net  
23 cash flow through October stood at \$687 million.  
24 And there's a strong chance this will increase by  
25 the end of the year. And to put that 687 in

1 perspective, our past high for net cash flow was  
2 650 million in 2015.

3 And then the final bullet, over the past 12  
4 months, our distressed portfolio at 21.8 percent and  
5 our non-U.S. buyout portfolio at 21.1 percent, were  
6 our best performing strategies. Both of those  
7 strategies, performance was driven by some strong  
8 realizations seen throughout the year.

9 MR. PRICE: John, can I ask, you say technology  
10 is 40 percent of your portfolio. Is that because  
11 some venture deals matured largely?

12 MR. BRADLEY: Correct. That's a big part of  
13 it. What we'll also see here -- and what we've seen  
14 is if you put aside our venture and our tech-focused  
15 buyout guys, we've seen a lot of our generalists  
16 cycle into the tech space. And I would say, as long  
17 as these deals continue to be successful, which they  
18 have been to date, that trend will likely continue.

19 Our sector exposure. Geographically we remain  
20 focused on building out our non-U.S. portfolio.  
21 That portfolio today sits at 25 percent, which is a  
22 slight increase in what we observed last year. We  
23 were at 22 percent, and the year before that at 18.  
24 So the growth internationally continues, albeit at a  
25 slow pace.

1           We move to performance of the asset class. We  
2           can see our one year performance trails the  
3           benchmark by around 350 basis points. As everyone  
4           has mentioned today, public markets have been a  
5           pretty tough bogey to keep pace with over the past  
6           year. But you will see all other time periods  
7           showing outperformance versus the benchmark, with  
8           our three year return being particularly strong.

9           MR. COLLINS: I always really like the colors  
10          on that slide, John. Very nice.

11          MR. BRADLEY: Thank you, Peter. I like them,  
12          too.

13          MR. OLMSTEAD: John, real quick. When you look  
14          at the geographic exposure and you say you're  
15          looking outside the U.S., are you looking anywhere  
16          specifically or just sort of generically outside the  
17          U.S.?

18          MR. BRADLEY: I think our focus would be, maybe  
19          over the last four to five years we've kind of honed  
20          in our Europe portfolio and built that out, so  
21          anything in Europe would be on the margin, probably  
22          not adding a lot there. The focus has really been  
23          in Asia, and that's mainly been in China.

24          What I would tell you, though, is we've been  
25          focused there for probably three or four years and

1           have moved extremely slowly and have had  
2           difficulties finding groups that we're comfortable  
3           with. But the quality of the GP, the performance,  
4           the ability to diligence, that is getting much, much  
5           better.

6           Here we're at the slide with performance of the  
7           asset class sub-strategies. I guess what I would  
8           say is all strategies continue to perform well. And  
9           since inception only our non-U.S. growth strategy  
10          has underperformed it's peer benchmark.

11          And then finally I'll end with our commitment  
12          activity. This is through the first nine months of  
13          the year. So as of September 30 we've committed  
14          1.6 billion to 16 funds, that's 1.1 billion to 11  
15          buyout funds. I'd note over half of that went to  
16          funds focused on the small end of the market. We've  
17          committed 150 million to three venture funds and  
18          300 million to two distressed or turnaround funds.

19          MR. OLMSTEAD: Any other thoughts on sort of  
20          construct? I go to a number of these conferences,  
21          and they're sort of saying underweight the venture  
22          capital. Any changes in thoughts on buyout versus  
23          venture versus some of the sub-strategy performance?  
24          Is that how you're looking at it?

25          MR. BRADLEY: I don't think so. I think we've

1       been if nothing but consistent with kind of our  
2       targets, our overall targets. So when you look at  
3       what we're doing in venture, we're committing what  
4       we think we should be to maintain a 10 percent  
5       allocation to venture.

6             I think we believe in cycles of these markets.  
7       We hear our peers and we hear people concerned with  
8       venture, but we invest in these funds over ten year  
9       horizons and --

10       MR. OLMSTEAD: As a venture capitalist, I like  
11       to hear that.

12       MR. BRADLEY: That's it. Any other questions?

13       MR. COLLINS: Any more questions of Mr. Bradley  
14       on the private equity portfolio?

15       MR. WENDT: Do you think prices are getting  
16       high?

17       MR. BRADLEY: I think they are. I think they  
18       are historically. I think our GPs also think they  
19       have. Dry powder has been building in the industry.  
20       Our funds have been less active on the buy side. So  
21       I think their actions would also indicate that they  
22       think things are expensive today.

23       MR. COLLINS: You're probably the only person  
24       at the Board whose relationships cost more than  
25       Trent's. Have you thought about that?

1       MR. BRADLEY: Maybe.

2       MR. COLLINS: Dan. Where's Joan?

3       MR. WILLIAMS: We've got Dan on deck.

4       MR. COLLINS: Dan. Sorry. I was just asking  
5       where Joan was. I don't see her smiling face, but I  
6       like yours just as well.

7       MR. BEARD: Thank you. Good afternoon. Before  
8       I get into the slides, I want to do an update on a  
9       couple of legislative changes from this past session  
10       that impacted the FRS major. The first one was  
11       renewed membership was reopened. Effective July 1,  
12       2010, renewed membership was closed for any rehired  
13       retiree. They did open that back up effective  
14       July 1, 2017. But it was just for retirees from one  
15       of the optional plans, which the investment plan is.  
16       So effective July 1, 2017, it opened back up.

17       Since that point in time, we've had  
18       approximately 6,000 new members who have come back  
19       into the investment plan. They're mandatory in the  
20       investment plan. They don't have to make a choice.  
21       It's mandatory, as long as they retired from the  
22       investment plan. So that was one piece of the  
23       legislation.

24       The second piece is a change in the default.  
25       So the default is currently the pension plan. So

1 any member who, once they go through the choice  
2 period, if they don't make a choice, they default  
3 into the pension plan.

4 Well, effective January 1, 2018, that default  
5 is going to be changing to the investment plan. And  
6 that's for all new hires except those who are  
7 special risk. And special risk are your  
8 firefighters, correctional officers, your police,  
9 your troopers. They're all considered special risk.  
10 They will still default, if they don't make a  
11 choice, into the pension plan.

12 So the first time that we will see someone who  
13 actually defaults into the investment plan will be  
14 October 1, 2018, because the second part of that was  
15 they lengthened the choice period. Currently it's  
16 five months from the month of hire. Well, effective  
17 January 1, 2018, it goes to eight months from the  
18 month of hire in order to make a choice.

19 So those are two pieces of major legislation  
20 that impacted the Florida Retirement System. One  
21 has already gone into law, and the other one will be  
22 effective January 1, 2018.

23 So assets, as of September 30th, we were at  
24 10.3 billion. As of November 30th, we're at  
25 10.5 billion. For our returns, through

1 November 30th, calendar year to date return, is  
2 actually 15.23, and then fiscal year to date 7.10.  
3 We have 183,000 members. Again, that includes the  
4 5,000 mandatory investment plan members who are  
5 rehired retirees.

6 Average account balance has increased about  
7 3.5 percent over the year, and then we saw a  
8 10 percent increase in the number of retirees. And,  
9 again, the retirees are members who actually take a  
10 benefit from the plan, whether it be a partial  
11 benefit or the full benefit.

12 The next slide you see is how the assets are  
13 broken out. Again, the majority, as expected, is in  
14 the retirement date funds. The retirement date  
15 funds is the fund that they will default into, so  
16 that's a majority of the funds.

17 The next one is our performance both quarter  
18 year to date, fiscal year to date, one year, three  
19 years and five years. And as you can see, with the  
20 increase in the market, it also has been a benefit  
21 to our members.

22 Membership growth, this year 3.6 percent.  
23 Again, a lot of that is driven by that additional  
24 5,000 members who have come in due to the renewed  
25 membership. And then for the financial guidance

1 program, again, we do see a lot of hits to our  
2 website, as well as those members who are using  
3 chat, that continues to increase as we get a lot of  
4 people who want to communicate via chat.

5 Does anyone have any questions on what I've  
6 covered? Thank you.

7 MR. COLLINS: Any questions? Steve and Katie.

8 MR. CUMMINGS: Thank you, Mr. Chairman, members  
9 of the council. It's good to be here again. Once  
10 upon a time I was on the official SBA consulting  
11 team from Aon, but I think as you know, Kristen  
12 Doyle and Katie Comstock represent that team. I'm  
13 here today covering for Kristen. As I think you all  
14 are aware, she is due to deliver twins here in a few  
15 weeks, so she sends her best.

16 Logistically, we thought it was good for me to  
17 support Katie on this visit in case you had any  
18 questions for me or my colleagues, my soon-to-be  
19 colleagues from Townsend about our business  
20 transaction.

21 Kristen does expect to be back with you for  
22 your March meeting. In the event she's not able, I  
23 will be taking that meeting, along with Phil  
24 Kivarkis, because Katie will be out on maternity  
25 leave for your March meeting. So we are growing our

1 ranks.

2 MR. COLLINS: Did you guys schedule that,  
3 Katie, you and Kristen?

4 MS. COMSTOCK: We planned it out last year,  
5 absolutely.

6 MR. JONES: Kind of makes it hard to recruit  
7 women now.

8 MR. CUMMINGS: Actually, we were talking about  
9 that at lunch. We're enjoying great success in no  
10 small part because of -- our ranks are deep enough  
11 that we can accommodate these work-life balance  
12 issues that are so critically important to  
13 attracting and retaining. We just planned to roll  
14 out a new paternity leave policy as well in the new  
15 year. So we're excited.

16 Katie is going to cover the major market  
17 mandate review. As I think all of you know, over  
18 the years, we've done a variety of different tasks  
19 as your general consultant. And one of them is  
20 fairly routine but is also important as a  
21 check-the-box part of our services, to opine on the  
22 performance of the major markets at a very high  
23 level compared to appropriate benchmarks and peers.

24 So as usual, Katie will step through that. But  
25 before I hand it over to her, are there any other

1 questions as relates to -- I know Seth mentioned the  
2 pending acquisition of Townsend by Aon. We are  
3 waiting for regulatory approval, which we expect to  
4 come in the next few weeks, but you can't rush  
5 regulators. They have their own schedules.

6 But if you have any questions about what's  
7 going on at Aon or the consulting or the pending  
8 acquisition at Townsend, I'd be pleased to answer  
9 those questions. Otherwise I will quickly let Katie  
10 take over the rest of the presentation.

11 MR. COLLINS: Does anybody have any questions?  
12 Okay.

13 MS. COMSTOCK: Thanks, Steve. Good afternoon,  
14 everyone. We'll move right along. I will reiterate  
15 Ash's comments from earlier in this meeting that all  
16 is well across all fronts of the five major mandates  
17 that we report on, and we'll go into a little bit  
18 more detail. But the performance continues to be  
19 exceptional on an absolute and relative basis.

20 So moving ahead, starting with the pension plan  
21 performance, Ash gave updated numbers. All of our  
22 numbers in this report will be through the third  
23 quarter of 2017, so ending September 30th. The  
24 pension plan ended the quarter with \$157.6 billion,  
25 growth over the quarter of about 4 billion. As Ash

1 mentioned, that has risen to over 160 billion  
2 through December 1st, I believe. So all-time highs.

3 Growth being due to significant investment  
4 earnings. You can see over the quarter that was  
5 about \$5.9 billion in growth over a one year period.  
6 That represents investment earnings of 19.5, growth  
7 of \$12.9 billion.

8 Before we dive into the associated returns, I  
9 did want to stop on this page quickly. You heard  
10 from each of the asset class heads in silos, but  
11 just to aggregate that and to give one snapshot of  
12 how the overall portfolio is allocated across the  
13 different asset classes.

14 The green bar represents where the FRS is  
15 allocated at the end of the third quarter, the  
16 orange bar being the interim targets. I'll note  
17 that what's not on here is the longer-term targets,  
18 where each of these asset classes are at their  
19 long-term targets, with the exception of two, real  
20 estate and strategic investments.

21 The long-term target for real estate is  
22 10 percent, and strategic investments is 12 percent.  
23 And as you heard from your asset class heads, the  
24 challenges of growing that when you have an overall  
25 portfolio that continues to grow very quickly and

1 the asset classes continue to distribute capital,  
2 not a bad problem to have but will make reaching  
3 those longer-term targets a bit more challenging.

4 I also remind the committee, this came up at  
5 the last meeting, that in the March meeting we will  
6 be doing our refresher of the asset-liability and  
7 asset allocation study, where we will not get into  
8 strategy-specific discussions but at a higher level  
9 we will talk about the trade-offs of and ideally the  
10 goal of both eating well and sleeping well.

11 We'll talk about the roles of the asset classes  
12 and the implications not only on expected return but  
13 on volatility, on contribution rates, on funded  
14 status. So that's to come in the next meeting.

15 Now I want to talk about returns. You-all  
16 continue to make our lives fairly easy coming here  
17 in front of you-all. The FRS net investment returns  
18 through the end of the third quarter are represented  
19 by the beige bar. As you can see across the board,  
20 strong absolute returns, primarily driven by global  
21 equities, but also alternative investments, both  
22 private equity and real estate, have generated  
23 double digit returns across most of these time  
24 periods here.

25 We compare to two benchmarks on this page. The

1 first being the performance benchmark represented in  
2 blue. On a relative basis, strong outperformance,  
3 ranging from 20 basis points outperformance for the  
4 quarter, all the way up to 100 basis points for the  
5 one year period.

6 The longer term periods, the margin of  
7 outperformance has been very strong, and it's been  
8 diversified across the asset classes as well, which  
9 is also rare, when you see each asset class adding  
10 value across the board across these different time  
11 periods.

12 The next benchmark is the absolute nominal  
13 target rate of return, which was represented -- it  
14 was CPI plus 5 percent. As Trent touched on, it's  
15 now CPI plus four and a half percent. This is more  
16 appropriately evaluated over a longer time period,  
17 so we do include this metric. And the next slide,  
18 over the past 20, 25 and 30 years, you can see over  
19 the 20 year, the portfolio was in line with the  
20 longer-term target and ahead of the benchmark fairly  
21 significantly over the 25 and 30 year period.

22 The next few slides look at the FRS's  
23 performance relative to a peer group. This is the  
24 TUCS Top 10, so the top 10 largest pension plans in  
25 the United States. And we show here the asset

1 allocation of the FRS as of 9/30 relative to the  
2 median plan in this universe of other ten plans.  
3 And consistent with previous quarters, the greatest  
4 difference between these asset allocations and what  
5 drives the difference in returns that we'll look at  
6 on the next page is primarily the greater allocation  
7 FRS has to global equity.

8 You can see roughly 10 percentage points  
9 greater than the median plan in this universe. And  
10 if you look at the detail, the composition of the  
11 global equity, nearly all of that is coming from the  
12 FRS having greater weight to foreign securities. So  
13 recently that has been a tailwind that's been  
14 beneficial for relative performance.

15 If you look longer term, the U.S. has done  
16 exceptionally well. And so the FRS being an early  
17 mover to a global mandate, that had provided in the  
18 past some headwinds when you look at relative  
19 performance, but recently this has been beneficial.

20 The offset to that is the alternatives, where  
21 peers have about 22 percent and the FRS has about  
22 15 percent to what we would aggregate as  
23 alternative, being private equity and strategic  
24 investments.

25 Any questions on asset allocation? So I'm

1 looking at returns. This shows FRS returns over  
2 these same time periods. These are gross returns so  
3 we can have an apples to apples comparison with the  
4 TUCS universe, because they report on gross returns.  
5 But you can see, with the exception of the third  
6 quarter, the FRS has outperformed the median plan  
7 across all these time periods, and not only  
8 outperformed the median but has ranked in the top  
9 quartile.

10 The ranking for the FRS are those bottom  
11 numbers there. So over the one year period it  
12 ranked in the first percentile of that universe, so  
13 that top, that hot spot you want to be at over the  
14 one year period, and then in the top quartile in  
15 three and five year and the top 5 percent of plans  
16 over the ten year. So great performance relative to  
17 your peer groups.

18 Also we don't show this. We have this in the  
19 detail books, but we also look at your performance  
20 relative to another peer group, which is a little  
21 bit broader. It's roughly 100 other public pension  
22 plans with assets over a billion dollars. And the  
23 FRS ranks in the top quartile across all of these  
24 time periods as well.

25 So those are slides on the FRS performance.



1 Any questions? The next major mandate we cover is  
2 the investment plan. Any questions?

3 MR. COLLINS: I was just -- I had two questions  
4 of Ash. I said, How many times have we been number  
5 one? And he said, I don't think we've ever been. I  
6 said, Well, how many times have I been chairman?

7 MR. CUMMINGS: We could run a correlation on  
8 that for you, if you'd like.

9 MS. COMSTOCK: I think you were number one last  
10 quarter, so you're two for two at least. The  
11 investment plan, as you heard from Dan and Ash  
12 earlier as well, the performance continues to be  
13 very strong. The numbers to focus at on the top of  
14 the third line there, that shows the relative  
15 performance of the aggregated investment plan versus  
16 the aggregated benchmark. And what this is  
17 representing are the active managers and how they're  
18 performing relative to their benchmarks, as well as  
19 what Ash mentioned earlier, the lower fees that also  
20 come into play when selecting the investment options  
21 for the members.

22 So strong outperformance across the board.  
23 And, again, this is coming from -- diversified  
24 across all the asset classes. I think each fund has  
25 outperformed its benchmark across all of these time

1 periods, with one exception, the real assets fund,  
2 which we've spoken about in previous quarters. Over  
3 I believe the three and five year, more  
4 benchmark-like performance, given an allocation to  
5 commodities. But that has come back over the one  
6 year period. So great relative performance across  
7 the board for the investment plan options.

8 MR. COLLINS: Can I go back one slide for a  
9 second? On the asset allocation -- maybe a couple  
10 of slides -- on the alternatives. Do you happen to  
11 know the breakdown between how the universe looks at  
12 alternatives between, say, private equity and other  
13 versus how we are broken up in private equity,  
14 strategics?

15 MS. COMSTOCK: Yeah, that's a great question.  
16 Unfortunately, that's a tough -- that's an issue  
17 that most of these survey providers run across, is  
18 how specific can you break out alternatives.  
19 Unfortunately TUCS just has a broad alternatives  
20 allocation. They don't give the breakout between  
21 private equity or other, or sometimes commodities  
22 can be in there, managed futures.

23 MR. COLLINS: Hedge funds?

24 MS. COMSTOCK: Hedge funds absolutely are  
25 included in the alternatives. There are other

1 providers that will break out private equity and  
2 that will have then an "other" category, or some  
3 will do private equity and hedge funds. So we can  
4 provide some of that information. Unfortunately,  
5 this universe does not give us any detail on that.

6 MR. COLLINS: Okay.

7 MS. COMSTOCK: Jumping back to the investment  
8 plan, we did get updated universe data. So that's  
9 the table at the bottom. Numbers are a little bit  
10 hard to see, but this is the CEM benchmarking  
11 report. That is a survey that's done on an annual  
12 basis. The information here is through  
13 December 2016, as it takes time for them to collect  
14 and aggregate and then distribute the report.

15 So we look at three metrics from this peer  
16 survey. One is a five year average return. And we  
17 look at the investment plan relative to a peer group  
18 and how the FRS investment plan did. And you see  
19 that bottom line. The investment plan  
20 underperformed by one percentage point. This is  
21 going to be largely due to asset allocation and how  
22 the participants are allocating their assets, which  
23 you-all don't have control over.

24 So the difference there is that the peers had a  
25 greater allocation to equities than the investment

1 plan participants. And as equities have done well,  
2 when you aggregate overall performance, the  
3 performance is going to be better.

4 Before that reason, we also look at the net  
5 value added that the SBA's investment plan has added  
6 relative to its benchmark compared to peers. And so  
7 that's a positive number. Again, though, this will  
8 be impacted by how the participants are invested.  
9 If there's more assets in passively managed funds,  
10 then you won't see as great a level of  
11 outperformance relative to the benchmark. The  
12 number is positive. It's not as great as some of  
13 the peer -- as the median peer group here. But this  
14 is consistent with past surveys.

15 And then the last metric that we look at is the  
16 expense ratio. The overall annualized expense ratio  
17 is 33 basis points for the FRS investment plan.  
18 This has come down since the last survey about three  
19 basis points. And this includes the administrative  
20 costs as well as the investment manager fees.

21 And when you look, break this number down and  
22 compare it to peers on those two components, the  
23 investment management -- the investment management  
24 offerings have a lower fee relative to peers, which  
25 is what the participants are paying.

1 When you look at the aggregated fee relative to  
 2 the peer group, it looks -- the FRS is paying about  
 3 seven basis points greater than the peer group. And  
 4 that's all due to the investment advice program that  
 5 the SBA offers the participants that -- it is  
 6 unclear if other peers are offering that to their  
 7 programs and what that entails. So it's a little  
 8 bit of an apples to oranges comparison, but that's  
 9 where the extra fee is coming from.

10 The universe data here, this is pretty  
 11 consistent with what we've seen in past years as  
 12 well. So nothing really new to know but just new  
 13 numbers.

14 We'll move on to the hurricane catastrophe  
 15 fund. We can move pretty quickly through. The  
 16 performance on a relative basis continues to  
 17 outperform the benchmark. As a reminder, the goal  
 18 of these funds are to be stable, ongoing and provide  
 19 liquidity when it's needed. And as Ash mentioned,  
 20 the fund continues to be in excellent shape, with  
 21 about \$17 billion in assets at the end of the third  
 22 quarter.

23 Lawton Chiles Endowment Fund is the next major  
 24 mandate that we cover. Just a quick reminder that  
 25 it's about 70 percent invested in global equities,

1 which will drive performance. That global equity  
 2 allocation is managed by one active manager. That  
 3 active manager has done very well for the fund  
 4 across all these time periods and has driven the  
 5 outperformance of the total endowment relative to  
 6 the performance benchmark.

7 And the last major mandate that we cover is  
 8 Florida PRIME. Low absolute returns but, again,  
 9 relative to the benchmark, which is a peer group of  
 10 other local government investment pools, strong  
 11 outperformance here. With the increase in the  
 12 federal fund rate and expectations, we have seen an  
 13 uptick. Though it doesn't look that great, yields  
 14 have risen. We're expecting them to as well, which  
 15 will help absolute performance.

16 Here again, the goal is to provide stability,  
 17 preserve the capital that the participants are  
 18 investing and to provide liquidity. So that's the  
 19 reason for the low absolute returns, but the  
 20 relative returns continue to be very strong relative  
 21 to the peer group.

22 I ran through that pretty quickly, but are  
 23 there any questions on any of the five major  
 24 mandates that we cover?

25 MR. COLLINS: Any questions? Great. Thanks,

1 Katie.

2 MS. COMSTOCK: Thank you.

3 MR. COLLINS: Appreciate it. Thanks, Steve.

4 Is that it, Ash?

5 MR. WILLIAMS: I think that's it.

6 MR. COLLINS: I think that's it. Yeah. So we  
7 need --

8 MR. WILLIAMS: Audience remarks.

9 MR. COLLINS: Audience remarks. Anybody on the  
10 phone or anybody in the audience have anything that  
11 they would like to discuss with the Board or take  
12 up? Okay. And then dates for next year, so at Tab  
13 6 in your book, the meeting dates are there, the  
14 four meeting dates, March, June, September and  
15 December. These are the proposed meeting dates,  
16 so --

17 MR. WILLIAMS: Be aware of those.

18 MR. COLLINS: Yeah, be aware of those. If  
19 nothing else, we'll be adjourned. Thanks.

20 (Whereupon, the meeting was concluded at 3:30  
21 p.m.)  
22  
23  
24  
25

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16 IN WITNESS WHEREOF, I have hereunto set my hand  
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18  
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JO LANGSTON  
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**MINUTES  
INVESTMENT ADVISORY COUNCIL  
December 4, 2017**

A meeting of the Investment Advisory Council (IAC) was held on Monday, December 4, 2017, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida. The attached transcript of the December 4, 2017 meeting is hereby incorporated into these minutes by this reference.

**Members Present:** Peter Collins, Chair  
Gary Wendt, Vice Chair  
Chuck Cobb  
Les Daniels  
Bobby Jones  
Sean McGould  
Vinny Olmstead  
Michael Price

**SBA Employees:** Ash Williams, Executive Director/CIO  
Kent Perez  
John Benton  
Trent Webster  
Alison Romano  
Tim Taylor  
Katy Wojciechowski  
Cherie Jeffries  
Steve Spook  
John Bradley  
Daniel Beard

**Consultants:** Steve Cummings, Aon Hewitt  
Katie Comstock, Aon Hewitt  
André Mehta, Cambridge Associates  
Samit Chhabra, Cambridge Associates  
Jim Mnookin, Cambridge Associates (via telephone)  
Tod Trabocco, Cambridge Associates  
Richard Brown, Townsend Group  
Seth Marcus, Townsend Group

**WELCOME/CALL TO ORDER/APPROVAL OF MINUTES**

Mr. Peter Collins, Chair, called the meeting to order at 1:00 P.M. He asked the IAC members to look at the minutes from the September 25, 2017 IAC meeting. Mr. Michael Price made a motion to approve the minutes; the motion was seconded by Mr. Bobby Jones. The minutes were approved.

**OPENING REMARKS/REPORTS**

Mr. Ash Williams, Executive Director/Chief Investment Officer, provided a brief summary on the performance of the Florida Retirement System Pension Plan, stating that, as of December 1, 2017, the fund total was \$160.4 billion, up 15.61 percent on the year, 42 basis points ahead of target, and at an all-time high. Mr. Williams also discussed the Florida Retirement System Investment Plan, indicating that, as of month-end October, calendar year-to-date, it was up 11.79 percent and had aggregate assets of \$10.5 billion. Mr. Williams commented on the recent hurricane season and informed the IAC members that the Florida

Hurricane Catastrophe Fund is in excellent financial condition coming into the next hurricane season. He thanked the IAC members for their support which, he said, has empowered the SBA in recruitment and retention. Mr. Williams mentioned two new hires at the SBA as well as his plans to hire a head of cyber security. He informed the IAC members that the Trustees had reaffirmed the SBA Executive Director/CIO for another year and that they had accepted all of the IAC's recommendations with regard to his relationship with the Board. Mr. Williams thanked the IAC members for their work and for their leadership.

### **STRATEGIC INVESTMENTS ASSET CLASS REVIEW**

Mr. Trent Webster, Senior Investment Officer - Strategic Investments and Private Equity, provided a detailed presentation on the Strategic Investments asset class. He discussed their policy objectives and their processes, including fund selection, due diligence, risk management, manager monitoring and asset allocation. Mr. Webster described the portfolio, elaborating on net asset value, unfunded commitments, number of relationships, and illiquid and liquid strategies. He also provided details of their recent activity. Mr. Webster discussed asset class performance, benchmarks and strategy allocations. He described the six broad strategy allocations (portfolios): debt, equity, real assets, diversifying strategies, flexible mandates and special situations. Mr. Webster also discussed hedge funds and the role that they play in the portfolio. There was a brief discussion pertaining to the policy objectives, specifically regarding language on reducing risk. Mr. Webster explained that the asset class would be changing the policy language that currently reads "provide a hedge against inflation."

Mr. André Mehta, Cambridge Associates, began his presentation with a description of what Cambridge Associates does for the SBA, both on the strategic side and on the private side. He discussed hedge funds and hedge fund portfolios, briefly outlining three broad goals of the portfolios. There was an in-depth discussion about hedge fund portfolios. Mr. Samit Chhabra, Cambridge Associates, concluded the presentation by mentioning the asset class's addition of global macro and other diversified strategies.

Mr. Seth Marcus, Townsend Group, described Townsend's focus on real assets, including real estate debt and timber with the Strategic Investments asset class and real estate equity with the Real Estate asset class. He informed the IAC members that Aon will be acquiring Townsend. Mr. Marcus discussed the performance of the real estate debt and timber portfolio.

Questions were posed by IAC members throughout the Strategic Investments review and were answered by Mr. Webster, Mr. Williams, Mr. Mehta, Mr. Marcus and Mr. Steve Cummings, Aon Hewitt.

### **SIO UPDATES, DC PROGRAMS UPDATE**

The Senior Investment Officers of Global Equity, Fixed Income, Real Estate, and Strategic Investments and Private Equity (specifically, Private Equity), provided an update on the performance of their respective asset classes over the last quarter and trailing time periods and discussed general market conditions. Ms. Cherie Jeffries, Director of Fixed Income Trading, also provided an update on the SBA Securities Lending Program. Questions from IAC members were asked and answered.

Mr. Daniel Beard, Director of Administration - Defined Contribution Programs, provided an update on legislative changes from the past session which impacted the Florida Retirement System, and he provided a snapshot of the assets, number of members, average account balance, assets under management by asset class, performance, and membership growth for the Investment Plan.

### **MAJOR MANDATE PERFORMANCE REVIEWS**

Mr. Steve Cummings spoke briefly about the consulting team at Aon Hewitt and offered to answer any questions the IAC members might have concerning the pending acquisition of Townsend by Aon. Ms. Katie Comstock, Aon Hewitt, provided an overview of the performance of the Pension Plan, the


Investment Plan, the Florida Hurricane Catastrophe Fund, the Lawton Chiles Endowment Fund, and Florida PRIME. Questions posed by IAC members were answered by Ms. Comstock and Mr. Cummings.

**AUDIENCE COMMENTS/CLOSING REMARKS/PROPOSED 2018 MEETING DATES/  
ADJOURN**

There were no comments or questions from the audience. Mr. Collins announced that the proposed IAC meeting dates for 2018 are located behind Tab 6 in the meeting materials.

The meeting was adjourned at 3:30 P.M.

  
\_\_\_\_\_  
Peter Collins, Chair

  
\_\_\_\_\_  
Date



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**PAM BONDI  
ATTORNEY GENERAL**

**ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

## **MEMORANDUM**

**To:** Board of Trustees  
**From:** Gary Price, Chairman  
Participant Local Government Advisory Council (PLGAC)  
**Date:** March 2, 2018  
**Subject:** Quarterly Update – Florida PRIME™

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The Participant Local Government Advisory Council (the "Council") last met on December 14, 2017 and will meet next on March 22, 2018. Over the prior quarter, the Council continued to oversee the operations and investment management of Florida PRIME™.

### **CASH FLOWS / PERFORMANCE**

- During the 4<sup>th</sup> quarter of 2017, Florida PRIME™ delivered an aggregate \$31.75 million in gross investment earnings and experienced participant deposits totaling \$10.23 billion and participant withdrawals totaling \$6.88 billion; providing a net increase in the fund's net asset value (NAV) of approximately \$3.39 billion.
- Performance of Florida PRIME™ has been consistently strong over short-term and long-term periods. For the period ending December 31, 2017, Florida PRIME™ generated *excess* returns (performance above the pool's benchmark) of approximately 33 basis points (0.33 percent) over the last 12 months, 25 basis points (0.25 percent) over the last three years, and 20 basis points (0.20 percent) over the last five years. Based on December 31, 2017 fund values, the last 12 month excess return equals earnings of approximately \$37.7 million.
- Florida PRIME™ has outperformed all other government investment pools statewide.
- Through the five-year period ending December 31, 2017, Florida PRIME™ ranked as the highest performing investment vehicle when compared to all registered money market funds within iMoneyNet's First Tier Institutional Fund Universe.

### **POOL CHARACTERISTICS**

- As of December 31, 2017, the total market value of Florida PRIME™ was approximately \$11.43 billion.
- As of December 31, 2017, the investment pool had a seven-day SEC Yield equal to 1.53 percent, a Weighted Average Maturity (WAM) equal to 44.9 days, and a Weighted Average Life (WAL or Spread WAM) equal to 76.7 days.





STATE BOARD OF ADMINISTRATION OF  
FLORIDA

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Subject: Quarterly  
Audit Committee  
Report

RICK SCOTT  
GOVERNOR  
CHAIR

JIMMY PATRONIS  
CHIEF FINANCIAL OFFICER

PAM BONDI  
ATTORNEY GENERAL

ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

Date: February 7, 2018

To: Board of Trustees

From: Mark Thompson, Audit Committee Chair *MT*

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The State Board of Administration's Audit Committee met on January 29, 2018. Please see the attached agenda for the items discussed. Also please see the attached Office of Internal Audit Quarterly Report presented to the Audit Committee at the meeting.

In addition, in the appendix to OIA's report is the Governance, Risk and Compliance (GRC) Triennial Assessment Report – Executive Summary, as well the presentation Funston Advisory Services presented at the Audit Committee meeting. If you would like the full version of the GRC Triennial Assessment report, please contact the Chief Audit Executive, Kim Stirner, at 850-413-1244.

Thank you.

**STATE BOARD OF ADMINISTRATION**  
**Audit Committee Open Meeting**  
**Agenda**  
**January 29, 2018**  
**8:30 A.M. – Conclusion of Business**

1. Call to Order
2. Approve meeting minutes held on November 27, 2017:
  - a) November 27, 2017 - Closed Meeting
  - b) November 27, 2017 - Open Meeting
3. SBA Executive Director & CIO status report
  - SBA Update: investment performance, risks, opportunities and challenges
4. Presentation of the Funston Advisory Services' Triennial Governance, Risk and Compliance results
5. Presentation on the results of the SBA Local Government Surplus Funds Trust Fund (Florida PRIME)
6. Office of Internal Audit Quarterly Report
7. Approval of the Committee's annual independence statement
8. Election of the Committee's Chair and Vice Chair
9. Chief Risk & Compliance Officer Quarterly Report
10. Other items of interest
11. Closing remarks of the Audit Committee Chair and Members
12. Adjournment



# Office of Internal Audit (OIA) Quarterly Report to the Audit Committee

January 29, 2018



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• Real Estate Cash Transfers Advisory Project Summary	8
• Details of open items – Audit and Advisory Projects	9–10
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• Status of FY 2017–18 OIA Department Goals	12
• Other Items for Discussion	13

<b>Appendices:</b>	
Open Audit Recommendations and Action Plans at December 31, 2017	Appendix A
OPPAGA’s Florida Growth Fund Initiative Report	Appendix B

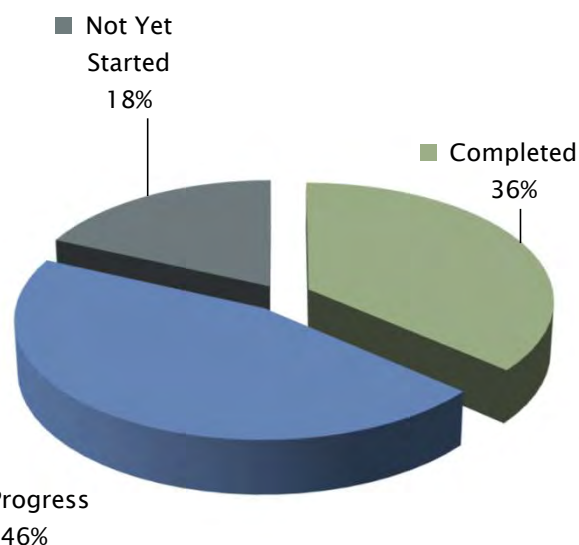


## Status of Annual Audit Plan >>



# Status of the FY 2017–18 Annual Audit Plan

## Internal Audit and Advisory Engagements



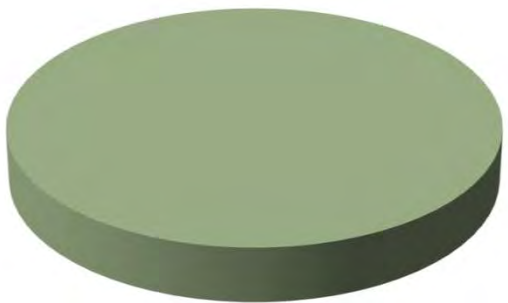
Highlighted: Completed since prior quarterly report.

<u>Projects Status</u>	<u>Type</u>	<u>Planned Timing</u>
<b>Completed</b>		
Internal Controls over Financial Reporting - DC	OIA Advisory	Q1
Real Estate, commingled	OIA Operational Audit	Q1
Continuous Monitoring - GE (Cost by Dealer report only)	OIA Advisory	Q1
Internal Controls Assessment - RE Cash Transfers	OIA Advisory	Q2
<b>In Progress</b>		
Quarterly Follow-up Audits/Action Plan Monitoring	OIA Operational Audit/Project Management	Ongoing
Continuous Monitoring - Payroll	OIA Advisory	Q2
Compliance Advisory, automation, efficiencies and gaps	OIA Advisory	Q2/Q3
Incentive Compensation Audit	OIA Operational Audit	Q3/Q4
Externally Managed Derivatives Audit	OIA Operational Audit	Q3/Q4
<b>Not Started</b>		
Continuous Monitoring - Accounts Payable	OIA Advisory	Q3/Q4
Continuous Monitoring - Pcards	OIA Advisory	Q3/Q4



# Status of the FY 2017–18 Annual Audit Plan

## External Engagement Oversight



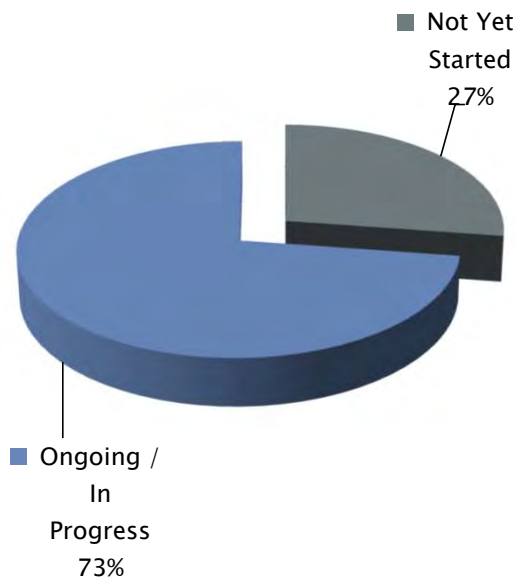
■ Completed  
100%

Highlighted: Completed since  
prior quarterly report.

<u>Project Status</u>	<u>Service Provider</u>	<u>Type</u>	<u>Planned Timing</u>
<b>Completed</b>			
Operational Audit (follow-up #2015-083)	Auditor General	External Operational Audit	Q1/Q2
Network Security, outsourced	BDO	External IT Audit	Q1/Q2
Florida Hurricane Catastrophe Fund	KPMG	External Financial Statement Audit	Q1/Q2
Florida Retirement System (FRS) Trust Fund	Crowe Horwath	External Financial Statement Audit	Q1/Q2
FRS Investment Plan Trust Fund	Crowe Horwath	External Financial Statement Audit	Q1/Q2
Florida PRIME	Auditor General	External Financial Statement Audit	Q1/Q2
Part of the Statewide CAFR	Auditor General	External Financial Statement Audit	Q2/Q3
Florida Growth Fund Initiative	OPPAGA	External Review	Q1/Q2
Triennial Governance, Risk & Compliance	Funston Advisory Services	External Advisory	Q1/Q2
<b>In Progress</b>			
None			
<b>Not Started</b>			
None			

# Status of the FY 2017–18 Annual Audit Plan

## Special Projects, Risk Assessments, and Other Activities



<u>Project Status</u>	<u>Type</u>	<u>Planned Timing</u>
<b>Completed</b>		
None		
<b>Ongoing/In Progress</b>		
Special requests from SBA management and/or Audit Committee	OIA Special Projects	Ongoing
WorkSmart Portal Enhancements	OIA Special Projects	Ongoing
Integrated Risk Management Solution Cost Benefit Analysis	OIA Special Projects	Q2/Q3
Data Analytics Tools Enhancements	OIA Special Projects	Ongoing
ISO 22301 Implementation Analysis (new request from management)	OIA Special Projects	Q2
OIA process improvement initiatives, including QAR identified initiatives	OIA Quality Assurance	Ongoing
Annual Risk Assessment	OIA Risk Assessment	Q1/Q2
Audit Committee Related Activities	OIA Audit Committee	Ongoing
<b>Not Yet Started</b>		
Risk Assessment Updates	OIA Risk Assessment	Q3/Q4
Annual Audit Plan	OIA Risk Assessment	Q3/Q4
Annual Quality Assessment Review	OIA Quality Assurance	Q3/Q4



# Presentation of OIA Reports Issued and Status of Management Action Plans/Recommendations >>



# Real Estate Cash Transfers Advisory Project Summary

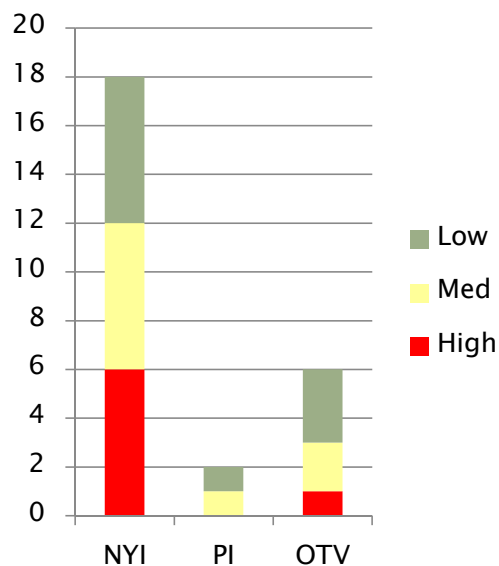
The Real Estate (RE) Cash Transfers Advisory engagement evaluated internal controls for outgoing wires to fund obligations, incoming wires for cash distributions, and invoice procedures for direct-owned and total portfolio expense payments. Our assessment documented potential risks to achieving RE cash transfers objectives, and the current state of the controls to mitigate those risks. The objectives and results of this engagement were as follows:

1. Determine if appropriate controls are in place for the following processes related to RE's cash transfers:
  - a. Cash transfers (outgoing wires) to fund outgoing obligations such as funding requests from Investment Advisor, operational needs, and manager fees
  - b. Cash transfers (incoming wires) for monthly cash distributions for direct-owned investments and other cash distributions
  - c. Invoice procedure for direct-owned investment and total portfolio expenses payment
    - I. Internal processing of invoices by SBA
    - II. External processing of invoices by Investment Advisors
2. Determine if appropriate controls are in place to reconcile movement of cash in and out of the RE cash account.

Legend for Control Assessment	# of Key Controls
In Place/Appropriately Designed	35
Opportunity for Improvement	1
Control Gap	0
Total Key Controls	36



# Status of Management Action Plans–Audits



For details, see [Appendix A](#).

Highlighted: New since prior quarterly report.

Report Title	Report Date
Travel Services Operational Audit (OIA)	02/13/2015
Accounts Payable Continuous Audit (OIA)	08/07/2015
Fixed Income Trading Activities Operational Audit (OIA)	01/29/2016
Trust Services Operational Audit (OIA)	07/25/2016
Global Equity Internal Trading Activities Operational Audit (OIA)	01/18/2017
Internally Managed Derivatives Operational Audit (OIA)	03/31/2017
Real Estate Externally Managed Portfolios Operational Audit (OIA)	09/29/2017
Auditor General Operational Audit 2017	11/13/2017
Fiscal Year 2016-17 FRS Audit (Crowe Horwath)	11/06/2017

## Legend:

NYI - Not Yet Implemented

PIRP - Partially Implemented and the Remainder is in Progress

OTV - OIA to Verify

*Management Action Plans relating to findings from audits performed by internal or external auditors. The OIA monitors and performs follow-up procedures on the management action plans in accordance with the IIA Standard 2500. A1. In certain cases, follow-up procedures are performed by external auditors.*

Risk Rating				Status			
High	Med	Low	Total	NYI	PIRP	OTV	Total
		1	1	1			1
	2		2	2			2
	1	1	2		2		2
1			1			1	1
1	1	1	3	2		1	3
5	3	4	12	11		1	12
	1		1			1	1
	1	1	2	1		1	2
		2	2	1		1	2
7	9	10	26	18	2	6	26
27%	35%	38%		69%	8%	23%	



# Status of Recommendations – Advisory Projects

Report Title	Report Date
Information Technology General Controls Advisory Engagement (OIA) <sup>1</sup>	01/20/2017
Internal Controls Over Financial Reporting Advisory – FRS Pension Plan (OIA) <sup>1</sup>	07/19/2017
Internal Controls Over Financial Reporting Advisory – FRS Investment Plan (OIA) <sup>1</sup>	09/28/2017
Network Security Assessment 2017 (BDO) <sup>2</sup>	11/02/2017

**Legend:**

- Pending - Further management discussion needed
- NYI - Not yet implemented
- PI - Partially Implemented, as represented by SBA management
- IMP - Implemented, as represented by SBA management

*Advisory Recommendations made by OIA or external consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The OIA monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1.*

<sup>1</sup>At the advice of the Audit Committee, the OIA closes Advisory Recommendations that management represented as “complete” once the OIA has considered those in the annual risk assessment. The next annual risk assessment will occur during Fiscal Year 2016-2017.

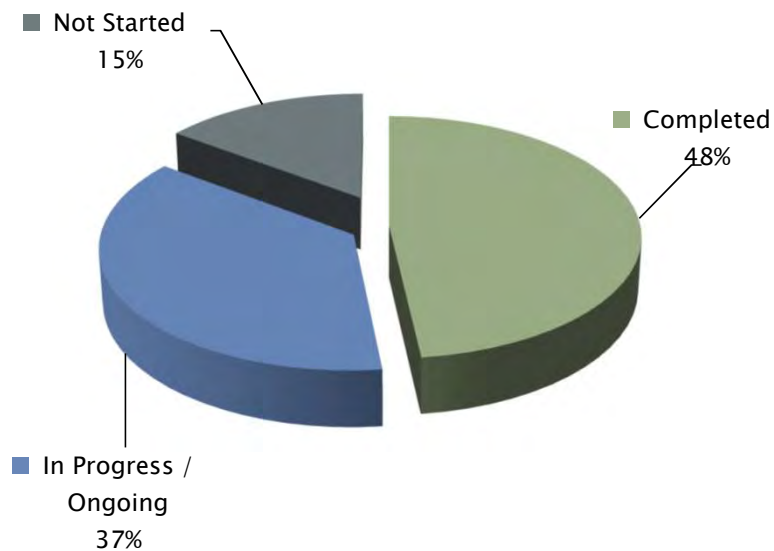
<sup>2</sup>Recommendations will be reviewed for remediation and closure by BDO as part of the 2018 Network Security Assessment.

Status				
Pending	NYI	PI	IMP	Total
6		5		11
	4			4
	2		1	3
	9		14	23
6	15	5	15	41



Other OIA Activities >>

# Status of FY 2017–18 OIA Department Goals



	Completed	In Progress / Ongoing	Not Yet Started
<b>Annual Audit Plan</b>	3	2	1
Successfully deliver the fiscal year 2016-17 Audit Plan and budget. Enhance communication of the COSO internal control framework.			
<b>Internal Audit Process</b>	3	3	2
Focus on enhancing OIA processes, programs and procedures, resulting in more efficient operation of the department administration and the effective development and utilization of department resources.			
<b>Use of Technology</b>	2	3	0
Implement audit technology solutions to enhance department effectiveness and efficiency.			
<b>People</b>	5	2	1
Evaluate staffing and development needs.			



# Other Items for Discussion

- ▶ Externally Managed Derivatives Audit Update
- ▶ Integrated Risk Management Solution Update
- ▶ Data Analytics Program Update
- ▶ Staffing
  - Promotion announcement
  - Intern recruitment
- ▶ Next Audit Committee Meeting Dates
  - Monday, April 30, 2018
  - Monday, ~~July 30, 2018~~ August 6, 2018
  - Monday, November 26, 2018

# Questions/Comments





**Florida State Board of Administration**

**Triennial  
Governance, Risk Management and Compliance  
Assessment**

FINAL REPORT  
Executive Summary  
January 15, 2018



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## Section 1. Executive Summary

### Background Information

The Florida State Board of Administration (SBA) was first established on June 21, 1928. The SBA provides a variety of investment, and trust services to various governmental entities. These investment services include managing the assets of the Florida Retirement System (FRS) Pension Plan, the FRS Investment Plan, the Lawton Chiles Endowment Fund (LCED), the Local Government Surplus Funds Trust Fund (aka Florida PRIME), the Florida Hurricane Catastrophe Fund (FHCF), and a variety of other mandates. The assets under SBA management have a market value of almost \$185 billion as of December 31, 2016. The SBA has the responsibility of administering the FRS Investment Plan established pursuant to Florida Statutes. The FRS Investment Plan was first offered to public sector employees in fiscal year 2003 and was modeled after private sector 401(k) plans.

### Governing Authority

The Governing Board of the SBA (herein referred to as the “Trustees”) is comprised of Florida’s Governor (as Chair), Chief Financial Officer, and Attorney General. All three are elected statewide to their respective positions as Governor, Chief Financial Officer, and Attorney General.

### Administrative Structure

The Trustees delegate authority to the Executive Director and Chief Investment Officer, who serves at the discretion of the Trustees, and is responsible for managing and directing all administrative, personnel, budgeting, investment policy, and investment functions. The Executive Director and Chief Investment Officer are the same person.

### Independent Advisory Councils and Oversight Committee

1. The Trustees appoint nine members to serve on the Investment Advisory Council (IAC). The IAC is charged with review and study of general portfolio objectives, policies and strategies, including a review of investment performance. The IAC meets on a quarterly basis.
2. The Trustees appoint six members to serve on the Participant Local Government Advisory Council (PLGAC). The PLGAC provides an additional measure to ensure that Florida PRIME is operated and managed in the best interest of investors. The PLGAC meets on a quarterly basis.
3. The Trustees appoint three members to serve on the SBA Audit Committee. The Audit Committee assists the Trustees in fulfilling their oversight responsibilities in the areas of financial reporting, internal controls and risks assessment, audit processes, and compliance. The Audit Committee meets at least on a quarterly basis.

### Mandates under SBA Management

The SBA manages the major mandates below, in addition to other smaller mandates.

- FRS Trust Fund (of the FRS Pension Plan, aka the defined benefit plan)
- FRS Investment Plan (the defined contribution plan)

- Florida PRIME (Local Government Investment Pool)
- Florida Hurricane Catastrophe Fund
- State Board of Administration Finance Corporation

## The SBA Audit Committee Charter

Part of the SBA Audit Committee charter includes the responsibility to “Commission a governance, risk management and compliance (GRC) program evaluation and performance improvement analysis (including the assessment of the utilization and effectiveness of both the internal and external audit functions) to be performed by an external provider no less frequently than every three years and incorporating input from SBA management.”

## Scope of Services

Funston Advisory Service LLC (FAS) was selected to conduct the 2017 GRC review. The scope of services included an assessment of SBA’s monitoring and oversight of its investment management activities, middle and back office operations, and certain other processes. The assessment was performed leveraging the Committee of Sponsoring Organizations (COSO) framework across the three lines of defense.<sup>1</sup> We also incorporated the latest guidance from COSO’s 2017 *Enterprise Risk Management—Integrating with Strategy and Performance* and other sources of leading and prevailing practices. The assessment included the identification of any gaps as compared to leading practices.

The following areas were included in the scope of the assessment (see Appendix A for a detailed description of scope): Senior Management and Independent Advisory Councils and Oversight Committee; The First Line of Defense: Operational Management; The Second Line of Defense: Enterprise Risk Management (ERM); Public Market Compliance (PMC); External Investment Manager Oversight (EIMO); Performance & Risk Analytics and Inspector General; and, the Third Line of Defense: Office of Internal Audit (OIA).

The review also evaluated the level of collaboration between the three lines of defense, specifically the 2nd and 3rd lines regarding the risk assessment process. We assessed the independence of the GRC functions relative to ERM, PMC, EIMO, Performance & Risk Analytics, Inspector General, and OIA, and their interaction with the Audit Committee and the IAC.

Based on the evaluation of the above GRC components, we have provided findings, conclusions and recommendations for improvement. On the following pages, we describe our review approach and our summary of conclusions and recommendations.

The Scope of Services required us to look at SBA’s GRC program from a number of different perspectives. This has led to some inevitable redundancies in the various sections. While unavoidable, we have tried to keep these to a minimum.

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<sup>1</sup> The integrated COSO framework used for this review is described Appendix B

## GRC Review Process

### Leading vs. Best Practice

While public pension systems have much in common, they are also unique. Each is “one of a kind” depending on its particular circumstances including, for example, legislative frameworks, board composition and dynamics, funded status, and stakeholder relations. We are often asked to recommend “best” practice based on our knowledge and experience with a wide variety of public pension systems. We prefer instead to describe what we consider to be “leading” practice (which is a matter of opinion) and leave it to our clients to determine what is best for their specific circumstances.

Each section of the report begins with a description of what we would expect to find in terms of leading practices and the Standard of Comparison for an organization like SBA. We cite what we consider to be leading practices and Standard of Comparison using the Committee of Sponsoring Organizations of the Treadway Commission (COSO, Basel Committee on Banking Supervision, risk intelligence, industry benchmarks, various professional standards, academic and peer references, as well as our experience and knowledge gained in working with public pension funds.

Second, we described what we found (our findings) regarding SBA’s current state compared to what we would expect to find. Third, we described our conclusions based on what we found in each area (i.e., leading, prevailing or lagging). Fourth, we made recommendations where we saw opportunities for improvement.

NOTE: Not every conclusion has a recommendation, so their numbering is not matched one to one. To help the reader we have used the following numbering convention.

All conclusions begin with a C and all recommendations begin with an R. Next, we describe the Section, the sub-section and the number of the conclusion or recommendation. For example, in Section 2. Governance, the first conclusion would be shown as follows:

**C2.A.1 The legislative framework and structure can be considered leading practice in most areas, as the fiduciary authorities of the SBA Board of Trustees are consistent with its responsibilities.**

The first recommendation is shown as follows:

**R2.A.1 The legislature should consider eliminating statutory constraints on investments to reduce compliance burden and avoid potential sub-optimal investment decisions in the future when markets change.**

### Leading, Prevailing and Lagging Practice

We considered a practice to be “leading” if it helps increase beneficial impact on organizational performance compared to other practices and not in common use among peers. Also, although some elements of a practice could be considered leading, there may still be opportunities for improvement.

A “prevailing” practice is one which is common to peers but could potentially still be a candidate for improvement. There is not a “leading” practice in every area and “prevailing” may be the most effective practice currently and commonly in use.

A “lagging” practice is one which has not kept pace with what we would consider prevailing practice and can detract from performance capabilities. Again, these judgments are a matter of our opinion.

### Common Terms

Throughout the report, we frequently refer to Governance, Risk and Compliance so it might be helpful to describe just what we mean.

By governance, we mean direction setting and oversight: What are the key decisions? Who gets to make them? What are their responsibilities and authorities? What are their goals and values about what is important? Have they provided clear direction? Is there effective oversight? Are staff executing those directions? How are they performing?

By risk, we mean the potential for loss or harm or missed opportunity. How bad can it get? How fast can it get that bad? What is an unacceptable difference between actual and expected performance?

By vulnerability, we mean exposure to unacceptable risk. How prepared are you to deal with this risk? How fast can you respond? Where are you most vulnerable? Is vulnerability or exposure getting better or worse or staying about the same?

By risk management, we mean: What are you doing about the exposures within your control? Who is responsible? What are the priorities?

By compliance, we mean to act within the applicable laws, regulations, and investment and organizational policies, including third parties. Who is responsible for complying? How do you know if you are in compliance?

### Recommendations and Implementation Roadmap

Our conclusions and recommendations for improving SBA’s performance are summarized at a high level on the following pages. A complete list of conclusions and recommendations by section of the report is provided in Appendix C. We have also worked with SBA to develop an implementation roadmap for recommendations. The roadmap prioritizes our recommendations, provides a timetable and identifies responsibilities and resources required. Obviously, SBA may not choose to accept all of our recommendations.

### SBA Project Steering Committee and Review Approach

We worked with a Steering Committee comprised of:

- Kim Stirner, Chief Audit Executive (Chair)
- Lamar Taylor, Chief Operating/Financial Officer
- Karen Chandler, Chief Risk & Compliance Officer
- Belinda Dixon, Director of External Investment Manager Oversight
- Marcia Main, Director of Enterprise Risk Management

We met with the Steering Committee regularly throughout the project to keep them apprised of our progress and to coordinate requests for further information. As part of our review, we completed the following activities. Please see Appendices for more detailed lists of the following:

1. Document reviews
2. Conducted surveys of:
  - a. Audit Committee
  - b. Investment Advisory Council
  - c. Participating Local Government Advisory Council
  - d. Senior Management
  - e. First Line of Defense: Operating Management
  - f. Second Line of Defense: RMC and IG
  - g. Third Line of Defense: Internal Audit
3. Conducted numerous interviews and cross-functional workshops
4. Prepared Swim Lane Diagrams for six Mega-Processes
5. Conducted numerous follow-up interviews and requested further documentation and support for verification
6. Discussed several drafts of our report with SBA and reviewed and considered their comments and additional facts and statements

Without exception, all parties were very responsive to our requests, and we sincerely appreciate their understanding, cooperation and support for this review.

### Structure of the Report

Our report is organized into seven sections:

1. Executive Summary
2. Governance
3. Performance and Risk
4. Compliance
5. Process Evaluations and Maturity
6. Lines of Defense and Maturity
7. Appendices

### Summary of Conclusions and Recommendations

#### Overview

SBA is a high performing investment organization with relatively high returns and low costs compared to its peer benchmarks. It is well respected and has a strong brand in the investment community. SBA has to take calculated investment risks to grow value and it also has to protect value from unrewarded risks. It has to be risk intelligent.

SBA is comprised of two main functions: Investment Management and Investment Operations. Investment Management is comprised of the asset investment staff who report to the Senior Investment Officers and then to the Executive Director and Chief Investment Officer (ED&CIO).

Investment Operations is comprised of Human Resources, Information Technology, Financial Operations, Accounting & Administrative Services, and Project Management, who report to the Chief Operating and Financial Officer, plus Risk Management and Compliance who reports to the Chief Risk and Compliance

Officer (CRCO), the Florida Hurricane Catastrophe Fund, Defined Contribution (DC) Program, the General Counsel, the Deputy Executive Director, the Inspector General, and the Director of External Affairs, who also report to the ED&CIO. The Chief Audit Executive reports functionally to the Audit Committee and administratively to the ED&CIO. The relationship between Investment Management and Investment Operations is symbiotic and mutually-dependent.

SBA's current GRC model was developed in response to the financial crisis of 2008-09 and demonstrated a strong commitment to ensure there was a comprehensive response to risk and compliance. Almost ten years later, it is appropriate to review SBA's progress and its GRC policies, processes and structures to determine whether they have kept pace with changes in the environment.

As good as they are, SBA believes they can be better. SBA commissioned this second triennial review to help identify opportunities to improve its GRC program. Throughout this report, we have made recommendations that reinforce SBA's commitment to continuously improving its performance, its risk intelligence, and its culture.

This report has focused on SBA's defensive capabilities. We make recommendations to improve alignment and support for Operating Management by the Risk Management and Compliance Unit (RMC) and OIA. SBA also needs support for its offensive capabilities to grow the portfolio. Effective oversight needs assurance and independent reassurance that the organization is performing within its approved policy directions and in compliance with applicable laws and regulations. SBA is already a performance-based culture. Improving its risk intelligence capabilities will help sharpen its focus.

Compared to prevailing guidance (the conventional GRC model) SBA demonstrates many leading GRC behaviors and practices. Because risk and compliance are embedded in everything SBA does, the scope of the review required us to analyze a wide range of activities in a very granular way. A high-level summary of our report follows.

## Governance

SBA's governance structure can be considered leading practice in most areas and it appears to be working well. The roles of the Board of Trustees (Trustees) and its committees and councils are well defined, and the Trustees receive timely information to exercise fiduciary oversight responsibilities. The Trustees, the Audit Committee, and the IAC are kept up to date on risk and compliance matters by the ED&CIO and the CRCO.

The Trustees have prudently delegated authority to the ED&CIO. We consider this a leading practice. There is an effective "tone at the top" and the ED&CIO is very accessible and informed. SBA has a strong commitment to ethical behavior and appears to have an effective culture. The recently-implemented incentive compensation program should reinforce performance and accountability and also help to continue to recruit and retain highly-capable investment staff. SBA has just begun to implement a formal succession planning program which should improve organizational and staff development.

Investment policy statements are developed and maintained for each fund, consistent with Florida statutes. However, SBA currently updates its asset allocations annually, which is a lagging practice for pension funds and may result in reacting to short-term market trends; three- to five-year updates are prevailing practice.



Although we did not conduct a detailed review of Investment Management Operations, SBA's due diligence practices appear to be adequate. However, lack of a due diligence policy which identifies minimum requirements and responsibilities is a lagging practice. SBA's approach to the compliance function is integrated with risk management, and has shared responsibilities with Investment Management for operational due diligence. This is unusual for a public pension fund, but we consider it to be an emerging leading practice. A formal due diligence policy, and additional operational due diligence resources, could improve the consistency of operational due diligence and manager monitoring.

Under the current organizational structure, lack of a Deputy CIO position increases succession risk, results in a large span of control for the ED&CIO, and may reduce oversight at the total fund level. There may also be an opportunity to improve cross-asset-class communication and staff development. SBA should conduct an independent investment management operations review to assess its investment decision-making processes, due diligence policies, and other key aspects of investment management and operations.

The SBA strategic planning process, which is led by the ERM function, is very comprehensive and includes an explicit consideration of risk. However, the planning process is not long term (i.e., three to five years), which results in short-term bias, and thus a lack of focus on the strategic capabilities needed to meet long-term goals. SBA should consider transferring responsibility for strategic planning to the Chief Operating/Financial Officer (COO/CFO). The new process should be conducted every three-to-five years, start with a focus on long-term goals and objectives, identify strategic capabilities required to meet those goals and be directly connected to its business model. A business model is how an organization creates, delivers, captures and preserves value. SBA should more clearly articulate its business model overall and for each of its business units.

An overall strategy should be developed and for each of its businesses and its chosen business model(s). A longer term, more strategic focus requires SBA to ask itself: What are the challenges and opportunities of the future? What capabilities (offensive and defensive) will we require to meet them? What will it take to keep SBA a high performing organization in all of its businesses (current and future)?

There are several key ways for SBA to move forward with Governance:

1. The Legislature should remove statutory restrictions on investments wherever possible and instead establish the prudent investor standard and eliminate its requirements for the annual reaffirmation of the appointment of the ED&CIO by the Trustees.
2. Strengthen and reinforce the focus of the Audit Committee on risk management in the Audit Committee charter and, potentially, by renaming the committee to be the Audit and Risk Committee.
3. Improve time management by conducting a "sunset review" of all current management oversight groups and meetings to determine which ones are critical (e.g., problem solving, decision making, or information only) and find more efficient ways to communicate information.
4. Consider adoption of an internal investment committee to potentially improve investment decision processes and staff development.
5. Consider expanding the incentive compensation plan to include investment operations staff.
6. Review the strategic asset allocation review and updating process and implement a policy of less frequent revisions, e.g., every three to five years.

7. Develop external manager due diligence and monitoring policy and related procedures, which ensure consistency and completeness of due diligence and monitoring activities.
8. Create the position of Deputy CIO to: reduce the ED&CIO's span of control; expedite investment policy approval and decision-making; and, improve succession planning.
9. Transfer responsibility for developing the strategic plan from the Chief Risk & Compliance Officer (CRCO) to the COO/CFO and implement a new three-to-five-year planning process, which starts with long-term goals and objectives.
10. Transfer policy development from the CRCO to the Deputy Executive Director (DED).
11. Conduct an independent review of investment management and investment operations.

## Performance and Risk Management

Risk management is embedded in everything SBA does. SBA has moved from managing risk and compliance in silos to enterprise-wide and enterprise-deep. SBA is very risk aware and takes risk very seriously. Significant management time and attention is devoted to ensuring there is effective risk management. The Board, the Audit Committee, the Investment Advisory Council and the PLGAC all address risk as do almost all management oversight groups.

The Audit Committee states it finds risk reports and the linkage of risks to the strategic plan very helpful. The Trustees, the Audit Committee and Advisory Councils also receive regular independent reassurance from the CRCO, the Chief Audit Executive (CAE) and the Inspector General (IG). The CRCO, CAE and IG can also independently escalate risks or issues as needed.

The CRCO leads the RMC Unit. This is a leading practice. The ERM program is the most developed and comprehensive we have seen in a U.S. public pension fund. There is clear linkage of risks to the strategic plan. Control activities appear to be robust. ERM and OIA verify controls for high inherent/low residual risks, which is a leading practice because of the criticality of those controls and the dependence placed on them. PRA also provides an investment performance measurement calculation portion while the bank provides a single one month and one-year number. Additionally, RMC plans to have this reporting infrastructure (with the database, on-demand reports, etc.) be the basis for the "next generation" ERM report.

Although communications are never "fixed", there are generally good communications. The IG provides an additional and independent perspective on Ethics and Compliance. The IG investigates potential ethical violations, of which there have been few and there were none under investigation at the time of this report. The IG reports that most hotline calls are typically external parties looking for complaint resolution rather than reporting allegations of misdeeds.

The three lines of defense: 1) operating management; 2) the Risk and Compliance functions; and 3) the OIA, work well together. There has been a significant improvement in collaboration between RMC, the OIA and business units over the past several years.

Compared to other large public pension funds, the RMC is leading practice. We are not aware of any other large public pension fund that has developed its capabilities as well as SBA. Having the CRCO report to the ED&CIO and independently to the Trustees is leading practice and more typical of large private sector financial institutions.

Currently, SBA has a risk framework that includes thirteen categories of risk and sub-risks (e.g., investment risk, operational risk, reputation risk, etc.). However, the risk framework is not directly connected to SBA's business model and is aggregated at the enterprise level but not disaggregated at the business unit level. This tends to reduce the relevance and utility of risk assessments for business risk owners.

As the first line of defense, business owners are accountable for performance and risk: Investment Management and Investment Operations. Currently, Investment Management tends to see operational risk as the job of SBA's Investment Operations (e.g., HR, IT and non-investment compliance) and this is appropriate to a certain extent. Tying risk directly to SBA's business model could help establish and reaffirm the connection to operations and reinforce the entire 1<sup>st</sup> line of defense's ownership of performance and risk.

A major component of GRC at SBA is its ERM process. As mentioned earlier, the ERM program is the most developed and comprehensive we have seen in a U.S. public pension fund. The majority of their practices are consistent with the latest guidance from the COSO Enterprise Risk Management 2017. We support much of the framework and have referenced it where we agree with its guidance.

However, the conventional COSO ERM model (including 2017) has several limitations (e.g., tendency to become overly bureaucratic, complex, not linked directly to performance and the business model, higher potential for misestimation of severity and preparedness based on likelihood, a focus on activities rather than performance and outcomes, and data without insight). Given its currently capability maturity, SBA has (in certain respects) reached the limits of conventional guidance about ERM. A paradigm shift will likely be required to take SBA's GRC performance to the next level of risk intelligent performance.

There are several key ways for SBA to move forward in Performance and Risk Management:

1. Sharpen the focus on performance and risk outcomes by directly matching to SBA's business model (overall and for each of its business units).
  - To accomplish this, SBA's business model (i.e., how the organization creates, delivers, captures and preserves value overall and in each of its businesses), needs to be clearly defined for both Investment Management and Investment Operations.
2. Operating management (with the concurrence of the CRCO) should define / refine acceptable and unacceptable differences between expected and actual performance for both SBA and its third-party providers and related metrics;
  - Increasing focus on business performance and risk will improve alignment with SBA's goals across its three lines of defense;
3. SBA should focus reporting on exceptional performance.
  - Increase the use of key quantitative performance and risk indicators.
  - Exceptions to expected performance should be escalated as required for recognition and accountability.
  - Expected performance should be reasonably assured by operating management and independently reassured by the 2<sup>nd</sup> and 3<sup>rd</sup> lines of defense.
4. RMC can help by using more quantitative data and metrics to focus on timely, value-added analytics and insights.
  - RMC should consider that part of its mission includes producing actionable intelligence for improved risk and reward judgments.

- RMC should increase its analytical capabilities and tools to focus on the early identification, management and reporting of exceptions to acceptable and unacceptable performance.
- Compliance should focus on SBA's highest non-compliance risks.
- RMC should reduce its reliance on qualitative assessments and the use of the term likelihood and thus reduce potential bias.
- RMC should change its risk assessment terminology to make it more intuitive (e.g. threat including velocity (how bad can it get and how fast can it get that bad?) and vulnerability (how exposed are we?).

The next generation of risk intelligence at SBA should be characterized by an increased focus on outcomes and the risks and rewards directly related to SBA's long and short performance for both value creation and protection.

## Compliance

The primary SBA compliance monitoring functions, referred to generally throughout this report as "Compliance" and the SBA Compliance Program, were moved out of the asset classes in 2008 and the role of the CRCO was established in 2009. The ED&CIO has established an overarching policy that created the RMC unit. The SBA Compliance program is primarily accomplished through two units in RMC, the Public Market Compliance Group (PMC) and the External Investment Manager Oversight Group (EIMO) and through implementation of SBA policies that address compliance. Responsibility was delegated to the CRCO to develop procedures to implement a compliance monitoring function. As noted earlier, closely linking enterprise risk management and compliance is a leading practice among public funds.

The SBA Compliance program is clearly focused on monitoring compliance while the responsibility for complying rests clearly with the operating management of the business units. The goals of the SBA compliance function "are to prevent compliance violations from occurring, to identify any violations that may have occurred, and to escalate violations to management for review and resolution. The SBA compliance team achieves these goals within a framework of routine compliance testing and reporting." Based on our review, SBA generally has prevailing policies and processes with respect to monitoring compliance with laws, policies and internal guidelines, but there is room for improvement.

In addition to the controls employed by operating management, Compliance is part of the second line of defense which ensures that the SBA complies with applicable laws, policies, guidelines, and contractual agreements and non-compliance is escalated until it is resolved.

Functions and individuals reporting to the ED&CIO are responsible for monitoring compliance with legislated mandates having to do with social and geo-political issues. These include divestment from issuers of securities doing business in/with terrorist sponsoring states as required by Florida statutes. This is prevailing practice for large public funds.

With respect to compliance by third parties supporting SBA (primarily external investment managers) SBA Compliance is working diligently to meet its responsibilities. However, it is hampered by a lack of resources and unclear priorities and responsibilities.

Priorities need to be set to focus on unacceptable non-compliance, accountability and better, more timely analytics. The focus should begin with the greatest risks of non-compliance. The Compliance program may not have sufficient personnel resources or adequate systems to perform some of its functions. RMC needs to evaluate whether it should continue to perform certain functions such as Investment Guideline monitoring (see below). An evaluation should be conducted to determine whether and to what extent certain compliance monitoring should continue prior to these priorities being set. Based on the evaluation a business case should be made by RMC if resource modifications are required. Where feasible, greater reliance on SBA's custodial bank, e.g., for the acquisition of investment guideline compliance information, should be a priority.

Concerns were raised by the asset classes about the relevance and effectiveness of current monitoring activities relating to manager compliance with contractual guidelines. SBA investment contracts in Global Equity and Real Estate often include terms such as "typically," "primarily," "generally," "normally," and "reasonable". Such terms make it very difficult to determine whether an investment manager is complying with the terms of the agreement and at what point SBA should be concerned. To improve relevance, upper and lower thresholds should be established by operating management for key investment, statutory and policy compliance requirements. Parameters should be established for when "general", "reasonable" or "typical" behavior becomes exceptional, unreasonable, or atypical, and thus non-compliant.

This requires a fundamental rethinking of how Compliance is currently managed, monitored and overseen to better prevent, identify and escalate non-compliance. Developing more specific thresholds and parameters for compliance will allow the SBA Compliance program to incorporate a higher level of analysis to provide additional timely, value-added analytics, insights and intelligence about compliance and exceptions. They should provide business risk owners with better risk intelligence and insights about compliance and exceptions. Without established risk tolerances, compliance will be difficult to measure, manage and reassure.

Compliance personnel are doing their best with the tools and resources they currently have but resources are stretched very thin. Staffing levels and experience requirements in the SBA Compliance program should be reviewed after the evaluation mentioned above is performed and as needs are determined positions should be filled with a view toward a higher-value added analytical role described above.

There are several key ways for SBA to move forward with Compliance:

1. Clearly establish what is important and mandatory compliance. Priorities need to be set. Resources should be focused / redeployed to essential, high-risk priorities.
2. Where current IPG or contract language is vague or non-descript, tolerance / threshold limits should be established by operating management with the concurrence of the CRCO.
  - This is the responsibility of the asset class / business risk owners and cannot be performed by the Compliance function alone. The business risk owner should determine the action required to resolve any non-compliance exceptions which are beyond the thresholds of "general" and "typical". The CRCO should concur with the risk assessment and thresholds defined by the business risk owners.

- Investment management contract language should be reviewed, and thresholds defined for what is undesirable vs. unacceptable variation between actual and expected performance by investment mandate.
- To the extent practical, monitoring of these contractual terms should be automated. In Real Estate, for example much of this information already resides with the Custodian and the SIO Real Estate, as the first line of defense, should be interested in making use of its value for monitoring compliance. The CRCO is in discussions with the Custodian to determine how their information can be customized to SBA's requirements and at what additional cost. Using automated reports, the Asset class owners and the CRCO should be notified when a non-compliance threshold is exceeded.
- 3. Non-compliance (i.e., thresholds exceeded) should be escalated by Compliance and the CRCO until resolved.
  - This will require clear direction and support from senior management and, as noted above, potentially additional compliance resources.
- 4. The IOGs in their current form should be eliminated
  - Operating management should present their response to exceptions directly to the RCC.
- 5. Compliance also needs to become more efficient through re-engineering its processes, automating and/or outsourcing.
- 6. Compliance should focus on providing value-added intelligence to the business risk owners.
  - The current OIA Advisory project on PMC should be leveraged. The cost/benefit analyses should be utilized to determine whether it is better to "build or buy" needed analytical services and tools.
- 7. From a new employee perspective, SBA can lay a stronger foundation for ethics and compliance by implementing a more systematic process to get key policies to candidates prior to employment (e.g., personal trading, ethics commission filings, fingerprinting).
- 8. SBA can also systematize its communication of changes in the law and policy that might affect stakeholders (Board, Councils, employees, managers, and other third parties, etc.)

## Lines of Defense

The term "Lines of Defense" (LOD) is well understood by the RMC (2<sup>nd</sup> LOD) and the OIA (3<sup>rd</sup> LOD) as a term of art but it is not well understood by some operating management (1<sup>st</sup> LOD). Their responsibilities for investment risk management are clear and appear to be well understood, however, the ownership of their role in operational risks (HR, IT, Compliance) could be improved.

To reinforce the importance of operational risk and compliance, we recommend the following:

- Include attention and commitment to operational risk and compliance as part of the annual staff performance evaluation and compensation process.
- Require explicit assertions from the business risk owners about the vulnerabilities (residual risk exposure) within their area of responsibility.
- Require business risk owners to define acceptable / unacceptable performance especially for compliance/non-compliance.
- Require business risk owners to present their risk assessment and any exceptions (including remediation plans) at the Risk and Compliance Committee (RCC).

## The Office of Internal Audit (OIA)

The OIA is one of several sources available to Trustees for independent reassurance regarding the reliability of operating management's assurances about performance, risk management and internal controls. By all accounts, the new CAE has brought positive changes in the past couple of years in the way the OIA interacts with the organization and the results it has achieved.

SBA management is pleased with the OIA's more collaborative attitude to partnering with SBA staff while maintaining its objectivity in performing its work and its independence from management decisions. In addition, OIA has adopted the Institute of Internal Auditors, Inc. (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* and *Code of Ethics*.

The OIA demonstrates leading practices regarding following up on management action plans for audit projects, the quality of reporting to the Audit Committee on a quarterly basis and performing annual quality assessment review. OIA monitors and validates management action plans monthly and reports the status to the Audit Committee, ERM, and Senior Management as agreed upon by these stakeholders.

OIA reports to the Audit Committee on a quarterly basis regarding the activities of internal audit, its independent view of risks, the status of recommendations and proposed changes to the internal audit plan. OIA conducts a comprehensive annual self-assessment that assesses compliance with the IIA's Code of Ethics and Standards and includes all internal audit activities such as risk-based planning, internal audit management, internal audit projects and ongoing monitoring of performance.

OIA's independent risk assessment linked to SBA's strategic plan is important for allocating internal audit resources to areas that create and protect the value of investment trusts under SBA management. Among public fund peers, SBA and OIA demonstrate leading practices in this area because SBA's culture and control environment enable OIA to be ethical, independent and objective when conducting a risk assessment.

OIA independently assesses risks by mapping the risks identified by management to processes and further evaluates the process with seven additional factors. OIA links the internal audit plan to SBA's strategy. One opportunity for improvement is to enhance the efficiency of OIA's risk assessment through greater collaboration with ERM to collect risk data by business model and processes identified by OIA.

The *Standards* require an internal audit department to have an external quality assessment conducted every five years. OIA (under leadership of the prior CAE) accomplished an external assessment through a self-assessment with independent external validation in 2014; however, the process for selecting and contracting the external assessor could be enhanced to align with SBA's procurement and contracting policies currently in place. In addition, the scope of the external quality assessment should include interviewing at least one Audit Committee member. The next assessment will be in fiscal year 2018-19.

## Process Evaluation

FAS grouped SBA's major GRC activities into the following six "Mega Processes":

1. Strategy and Oversight
2. Assess Risk
3. Change Control
4. Compliance
5. Policies and Performance
6. Internal Audit

We worked with the process owners to develop and discuss "Swim Lane Diagrams" (SLD) that describe the roles of each of the three Lines of Defense relative to each major step in each Mega Process. The SLD's are now the responsibility of the SBA process owners. The process owners are responsible for the continuous updating of the SLD's as activities and responsibilities change. Our evaluation of the Mega Processes is embedded throughout the executive summary and the main body of the report.



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## A. Acronyms

AC – Audit Committee	IPMP – Independent Performance Measurement Provider
APPFA – Association of Public Pension Fund Auditors	MIA – Manager of Internal Audit
BU – Business Units	OIA – Office of Internal Audit
CAE – Chief Audit Executive	PE – Private Equity
CFA – Chartered Financial Analyst	PMC – Public Market Compliance
CFO – Chief Financial Officer	PRA – Performance and Risk Analytics
COI – Conflict of Interest	QA – Quality Assessment
COO – Chief Operating Officer	QAIP – Quality Assurance and Improvement Program
COSO – Committee of Sponsoring Organizations of the Treadway Commission	QI – Quality Initiative
CRCO – Chief Risk and Compliance Officer	RCC – Risk and Compliance Committee
DED – Deputy Executive Director	RE – Real Estate
Dept. – Department	RMC – Risk Management and Compliance Unit
EIMO – External Investment Manager Oversight	ROR – Rate of return
ERM – Enterprise Risk Management	SAIV – Self-Assessment with Independent External Validation
EQA – External Quality Assessment	SIO – Senior Investment Officer
FI – Fixed Income	SIPO – Senior Investment Policy Officer
FMEA – Failure Modes and Effects Analysis	SOO-AAS – Senior Operating Officer – Accounting and Administrative Services
FRM – Financial Risk Manager	Sr. Mgmt. – Senior management
GE – Global Equity	<i>Standards</i> – The IIA’s International Standards for the Professional Practice of Internal Auditing
IAC – Investment Advisory Council	
IIA – The Institute of Internal Auditors	
IP&AA – Investment Policy & Asset Allocation	

## B. List of Interviewees

Summary of participation

Group	Participated
Senior Management	5
First Lines of Defense	12
Second Lines of Defense	9
Third Lines of Defense	3
Independent Advisory Councils	2
Audit Committee	3
External Financial Auditors	2
<b>Total</b>	<b>34</b>

The following people participated in interviews or workshops.

### Oversight/Audit Committee

Mark Thompson

Judy Goodman

Kimberly Ferrell

### Advisory Councils

#### Investment Advisory Council

Peter Collins, Chair

#### Participant Local Government Advisory Council

Gary Price, Chair

### Senior Management

Executive Director/ CIO - Ash Williams

Deputy Executive Director - Kent Perez

Chief Operating/Chief Financial Officer - Lamar Taylor

Chief of Defined Contribution Programs - Joan Haseman

Chief Operating Officer of Florida Hurricane Catastrophe Fund - Anne Bert

### First Line of Defense

#### Strategic Investments & Private Equity

Trent Webster

John Bradley

#### Fixed Income

Kathryn Wojciechowski

#### Global Equity

Tim Taylor

Alison Romano

#### Real Estate

Stephen Spook

#### IT Operations

Cheryl Garnett

William (Chuck) Pollock

### Investment Programs & Governance

Michael McCauley

### Financial Operations

Lori Guido

### Accounting and Administrative Services

Robert Copeland

### Human Resources

Randy Harrison

### Hurricane Catastrophe Fund

Gina Wilson

### Second Line of Defense

Chief Risk and Compliance Officer - Karen

Matthews Chandler

### Enterprise Risk Management and Compliance

Marcia Main

Belinda Dixon

Kelly Marsey

Sheilah Smith

Jennifer Barrett

### Inspector General - Kenneth Chambers

### Investment Policy

John Benton

### General Counsel

Maureen Hazen

### Third Line of Defense

Kimberly Stirner

Loveleen Verma

Elizabeth Scott

### External Financial Auditor

Crowe Horwath

Dan O'Malley

Kevin Smith

## C. List of Survey Participants

### Summary of Participation

Survey Group	Invited	Responded	% Response
Senior Management	5	4	80
First Lines of Defense	54	49	91
Second Lines of Defense	22	24	109
Third Lines of Defense	3	3	100
Independent Advisory Councils	11	10	91
Audit Committee	3	4	133
<b>Total</b>	<b>98</b>	<b>94</b>	<b>95%</b>

The following people were invited to participate in the survey.

#### Oversight/Audit Committee

Mark Thompson

Judy Goodman

Kimberly Ferrell

#### Advisory Councils

##### Investment Advisory Council

Peter Collins, Chair

Gary Wendt, Vice Chair

Chuck Cobb

Les Daniels

Bobby Jones

Sean McGould

Vinny Olmstead

Michael Price

##### Participant Local Government Advisory Council

Gary Price, Chair

Daniel Wolfson

Mark Peterson

#### Senior Management

Executive Director/ CIO - Ash Williams

Deputy Executive Director - Kent Perez

Chief Operating/Chief Financial Officer - Lamar Taylor

Chief of Defined Contribution Programs - Joan Haseman

Chief Operating Officer of Florida Hurricane Catastrophe Fund - Anne Bert

#### First Line of Defense

Strategic Investments & Private Equity

Trent Webster/John Bradley

Shoaib Khan

John Mogg

Luanne Good

Wesley Bradle

Subhasis Das

#### Fixed Income

Kathryn Wojciechowski

Cherie Jeffries

Brian Geller

Kevin Moose

Kevin Ceurvorst

Richard Smith

#### Global Equity

Tim Taylor

Raymond D. Sherlock, III

Jennifer Myers

Joseph Wnuk

Dustin Heintz

#### Real Estate

Stephen Spook

Lynne Gray

Michael Fogliano

#### IT Operations

Cheryl Garnett

Chuck Bunker

Eddie McEwen

William (Chuck) Pollock

Project Manager - Robert Vos

Investment Programs & Governance

Michael McCauley

Jacob Williams  
*Financial Operations*  
Lori Guido  
Cameron Huff  
Jane Zody  
Kelly Skelton  
Nina Willis  
*Accounting*  
Sarah Clemmons  
Mandi Dyal  
Donna Senn  
Ben Alonzo  
Gwendolyn McGilvray  
*Accounting and Administrative Services*  
Robert Copeland  
Janie Knight  
Jennifer Williams  
James Thomas Wellman  
*Human Resources*  
Randy Harrison  
Dorothy Melton  
Gregory Ortego  
*Hurricane Catastrophe Fund*  
Donna Simmons  
Gina Wilson  
Leonard Schulte  
Katherina Adkins  
Steve Szypula  
*Defined Contribution Program*  
Daniel Beard  
Stephen Tabb  
Walter Kelleher  
Mini Watson

*Director of External Affairs* - John Kuczwanski  
*Second Line of Defense*  
*Chief Risk and Compliance Officer* - Karen Matthews Chandler  
*Enterprise Risk Management and Compliance*  
Marcia Main  
Belinda Dixon  
Kelly Marsey  
Sheilah Smith  
Bridget Dervish  
Deanna Wasson  
Carolina Ramirez  
Carolyn McGriff  
Mykel Kenton  
Lisa Collins  
*Inspector General* – Kenneth Chambers  
*Investment Policy & Asset Allocation*  
John Benton  
Janice Yecco  
Angela Millard  
*General Counsel*  
Maureen Hazen  
Ruth Smith  
Craig Meyer  
Paul Groom  
John Brenneis  
Soonie Raymaker  
Crystalyn Voehl  
*Third Line of Defense*  
Kimberly Stirner  
Loveleen Verma  
Elizabeth Scott

# SBA Governance Risk and Compliance Review

Closing Presentation

January 29, 2018



# GRC Overview

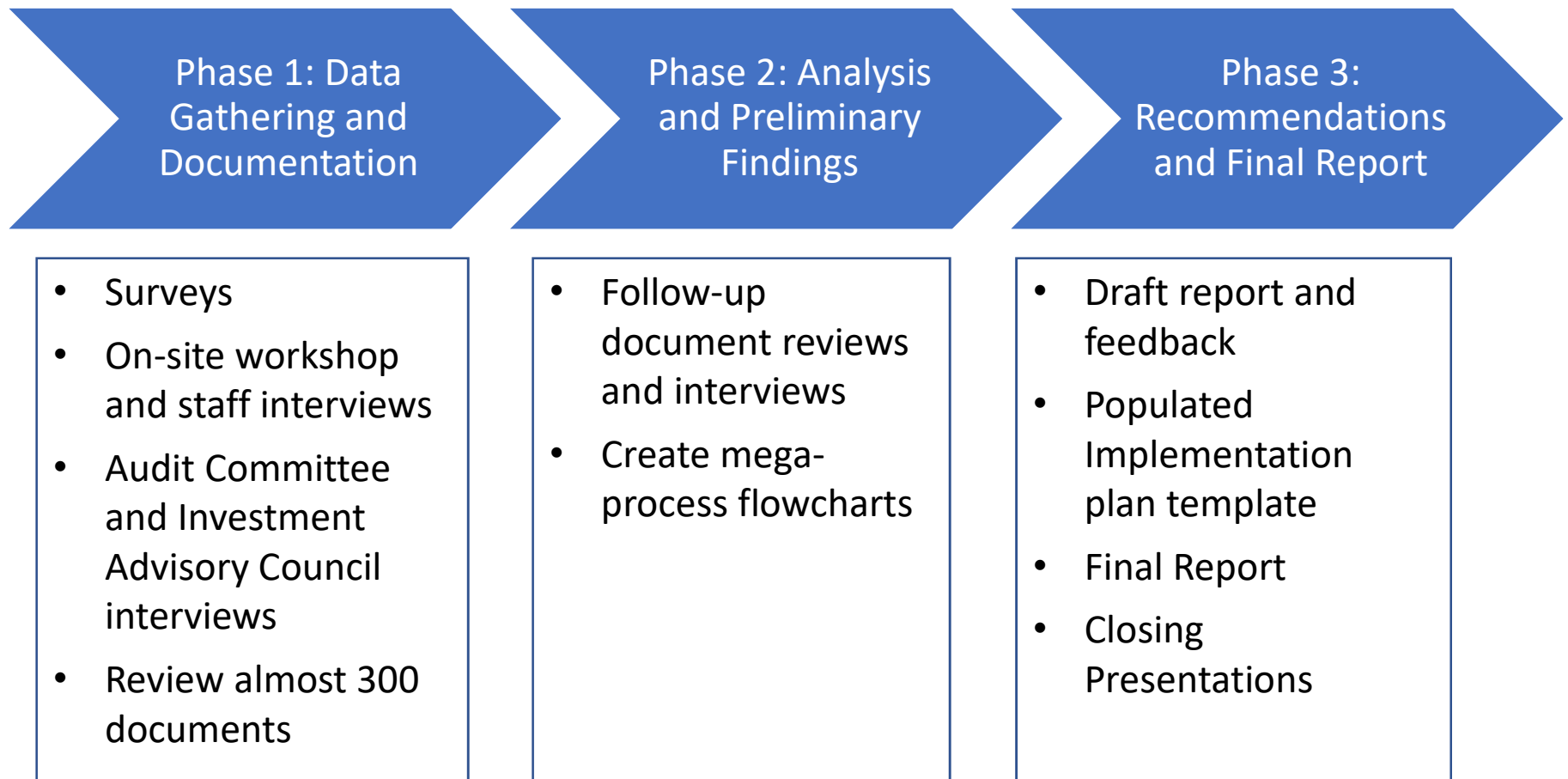
- Context and Scope
- Process
- Leading, Prevailing and Lagging Practice
- Governance
- Performance and Risk Management
- Compliance
- Lines of Defense
- Implementation Roadmap

# Context and Scope

- Many SBA GRC processes instituted following 2008
- Timely to review 10 years later
- SBA demonstrates many leading practices
- Strong culture and brand – widely respected in industry
- May have reached limits of conventional GRC model
- A new paradigm may be required to further improve performance



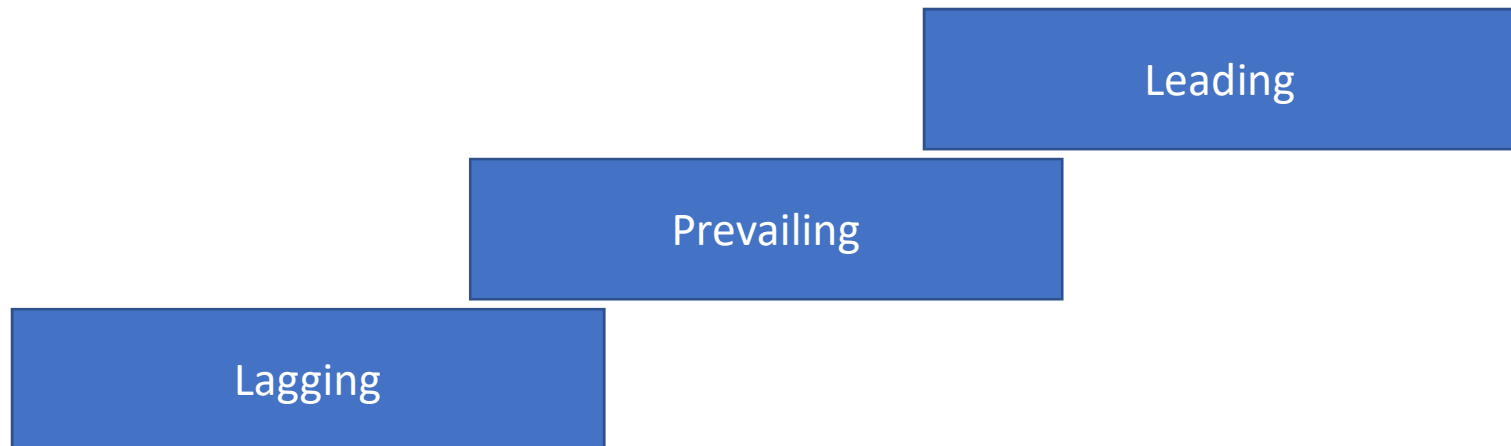
# Review Process



# Leading: A Matter of Opinion

Leading	Beneficial impact, not yet widely used
Prevailing	Widely used
Lagging	Widely disused

# Overlaps



# Governance

## Working Well

- Overall governance and oversight structure and practices
  - Board of Trustees
  - Audit Committee
  - Advisory Councils (IAC, FHC FAC)
- Board delegations to staff
- Overall SBA culture
- Investment staff incentive compensation plan
- Overall SBA policy framework
- Linkage of risk to strategic plan
- Transparency of meetings and reporting
- Overall independent reassurance, including selection process for external auditors and benchmarking

## Can be Improved

- Add a Deputy CIO position and internal investment committee for added fund-level oversight
- Less frequent (3-5 years) updates to the strategic asset allocation
- Eliminate legal list investment restrictions
- Extend incentive compensation to operations staff
- Implement a formal due diligence policy (including operational due diligence)
- Longer-term, less-frequent strategic planning process tied to the business model
- Eliminate unnecessary, information-only meetings

# Performance and Risk Management

## Working Well

- SBA is high performing organization
- Risk owners are accountable
- High level of commitment to risk, compliance and ethics
- Independent CRCO with ERM, PRA and Compliance
- Comprehensive risk framework
- Fully deployed ERM process – best we have seen – COSO ERM 2017
- PRA key to improving risk intelligence
- Leading practice
  - RCC
  - Velocity
  - Incident Management

## Can be Improved

- Reached limits of conventional model
- Align risks with SBA's business model and performance
- Reassign RMC's Strategic Planning and Policy responsibilities to increase focus on Risk and Compliance
- Focus on outcomes / exceptions
- Use KPIs and KRIs – more quantitative / less qualitative
- Revamp/eliminate IOGs
- Use Executive Summaries
- Use tools such as FMEA / RCA / SIPOC
- Revise risk assessment criteria and use threat and vulnerability
- Use likelihood to assign resources to vulnerabilities
- Focus on actionable risk intelligence

# Compliance

## Working Well

- Compliance is:
  - An integral part of SBA's risk management and governance processes, and
  - Integrated across multiple functions within SBA
- Prevention is paramount and monitoring is routine and part of SBA's culture and tone at the top
- Operating managers are responsible for compliance and specific compliance owners are clearly identified
- There is a thorough pre-trade personal securities trading policy

## Can be Improved

- Vague terminology in investment contracts
- Need to establish priorities and thresholds for non-compliance
- Monitoring of compliance with contractual terms should be automated and potentially outsourced / streamlined
- If SBA hires a Deputy CIO (DCIO), the DCIO should have oversight of investment compliance at the source of trading (both internally and externally)
- Each report should be reviewed for relevance / actionable intelligence and revised or eliminated accordingly
- SBA should adequately staff the PMC and EIMO functions and ensure proper analytical tools and optimal use of outsourcing

# Lines of Defense

## Working Well

## Can be Improved

1 <sup>st</sup> Op Mgmt	<ul style="list-style-type: none"> <li>• Senior management and the Audit Committee provide effective leadership</li> <li>• Operating management has primary responsibility for performance and risk</li> </ul>	<ul style="list-style-type: none"> <li>• Improve awareness of LOD model</li> <li>• Increase emphasis on quantifiable key performance metrics linked to key risk indicators</li> </ul>
2 <sup>nd</sup> RMC	<ul style="list-style-type: none"> <li>• Capable and adequate resources</li> <li>• Demonstrates many leading practices</li> </ul>	<ul style="list-style-type: none"> <li>• Discussed in Performance and Risk</li> </ul>
3 <sup>rd</sup> OIA	<ul style="list-style-type: none"> <li>• Links internal audit plan to strategy</li> <li>• Uses process model for risk assessment</li> <li>• Provides valuable consultation</li> <li>• Assesses management follow-up actions</li> <li>• Provides independent reassurance to AC, Senior Management, and CRCO team</li> <li>• Self and external assessments conform with The IIA <i>Standards</i> and <i>Code of Ethics</i></li> </ul>	<ul style="list-style-type: none"> <li>• For external QA, follow SBA contracting policies</li> <li>• External QA should include interview of at least one AC member</li> </ul>

# Lines of Defense: Collaboration and Independence

## Working Well

- Excellent collaboration across all three lines
- RMC provides reassurance and consultation but does not manage risk
- RMC and OIA have established effective communication and collaboration among their teams
- CRCO and RMC is independent source of reassurance to ED&CIO and IAC
- CRCO has direct access to Board and AC as needed

## Can be Improved

- Clarify RMC's role is to support risk management but not to manage risk
- Alignment with SBA business model will improve collaboration with 1LOD
- Improve relevance and value of risk and compliance activities with a focus on:
  - Outcomes,
  - Actionable intelligence, and
  - Independent reassurance of reliability of 1LOD assertions about exposures



# Implementation Roadmap

For each recommendation:

- Criticality
- Difficulty
- Resources required

Management has already begun to implement a number of recommendations

# Questions and Closing Remarks



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ATTORNEY GENERAL**

**ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

## **MEMORANDUM**

**To:** Ash Williams  
**From:** Michael McCauley  
**Date:** March 2, 2018  
**Subject:** Quarterly Standing Report - 4Q 2017 / Investment Programs & Governance

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### **GLOBAL EQUITY PROXY VOTING & OPERATIONS**

During calendar year 2017, SBA staff cast votes at over 10,500 companies worldwide, involving over 102,000 distinct voting items—voting 79.1 percent “For”, 19 percent “Against”, and 1.9 percent as “Abstained.” Of all votes cast, 19.3 percent were “Against” the management-recommended-vote. SBA proxy voting was conducted across 81 countries, with the top five countries comprised of the United States (2,799 votes), Japan (1,310), India (512), Canada (489), and the United Kingdom (423). During the 4<sup>th</sup> quarter of 2017, the SBA cast votes at 1,149 public companies, voting on ballot items including director elections, audit firm ratification, executive compensation plans, merger & acquisitions, and a variety of other management and shareowner proposals. The table below provides major statistics on the SBA’s proxy voting activities during the most recent quarter ending on December 31, 2017:

<b>Votes in Favor 79.5%</b>	<b>Votes aligned to Management’s Recommendation 80.2%</b>
<b>Most Voted Market (# of Votes) United States (219)</b>	<b>Total Voting Items (All Markets) 7,452</b>

### **CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP**

The most recent meeting of the Corporate Governance & Proxy Voting Oversight Group (Proxy Committee) occurred on December 12, 2017, and the Committee will meet next on March 27, 2018. The Proxy Committee continues to review ongoing governance issues including the volume and trends for recent SBA proxy votes, company-specific voting scenarios, corporate governance policies, governance-related investment factors, major regulatory developments and individual company research related to the Protecting Florida’s Investments Act (PFIA) and recent statutory investment requirements implemented for Israel and Northern Ireland, including a trustee resolution concerning companies with ties to the government of Venezuela.

### **LEADERSHIP & SPEAKING EVENTS**

Staff periodically participates in and often is an invited presenter at investor and other governance conferences. Typically, these events include significant involvement by corporate directors, senior members of management, and other key investor or regulatory stakeholders. The following items detail involvement at events that occurred recently:

- In December 2017, SBA staff participated in the International Corporate Governance Network’s (ICGN) Mid-Year conference, focusing on integrated reporting and corporate governance practices in France and continental Europe.

- In February 2018, SBA staff participated in the ICGN's spring conference, focusing on corporate governance practices in Japan and other Asian markets.

#### **ACTIVE OWNERSHIP & CORPORATE ENGAGEMENT**

From early December 2017 through late February 2018, SBA staff conducted engagement meetings with Amgen and Broadcom, owned within Florida Retirement System (FRS) portfolios.

#### **NOTABLE RESEARCH & GOVERNANCE TRENDS**

##### **Netflix is First U.S. Company to Revamp Compensation under New Tax Reform Rules**

In response to recent U.S. tax reforms, Netflix significantly changed its approach on executive pay. The firm shifted away from performance-based pay in favor of flat salaries. Recent tax reforms included sweeping changes to IRC Section 162(m), increasing tax burdens on incentive-based compensation. Formerly, the 162(m) requirement limited the company's tax deductibility of fixed executive pay to \$1 million, but allowed "performance-based" pay to be tax deductible (typically any amount above \$1 million was structured as performance-based by companies). This tax element led almost all U.S. companies to implement generous short and long-term incentive plans using cash, stock options and other equity-based incentive mechanisms and seemingly contributed to the decades-long acceleration in executive compensation levels. Netflix's filing states, "all cash compensation for 2018 will be paid as salary." Other companies are expected to make similar changes as a result of the tax code changes.

##### **SBA "Time is Money" Study**

In late January 2018, SBA staff published a corporate governance study analyzing the number of directorships at U.S. companies and its correlation with company stock performance. The investment study reviews "over-boarded" directors at U.S. companies within the Russell 3000 stock index, finding a strong inverse relationship between the level of directorships and total shareholder return (TSR) across the 1, 3, and 5 year time periods ending October 2017. Key insights of the *Time is Money* brief study: 1) Corporate boards with above average levels of directorships exhibited lower average 5-year stock performance of approximately 140 basis points (1.4%); 2) For those companies where the deviation was the most extreme—the top 50 companies by level of multiple directorship—firms underperformed by 102 basis points (1.02%) when compared to the full stock universe; 3) At those companies with the highest sum of directorships among all board members, the level of full board directorships was 76% higher than the average firm, and their 1, 3, and 5-year stock performance was lower than other companies with lower average board directorships; and 4) Applying SBA proxy voting guidelines to U.S. firms results in voting against 5.6% of all directors at American companies due to the risks presented by over-boarded directors.

Many critics of busy directors allege that such individuals don't have the time and resources to adequately monitor all the firms for which they serve. And as a result, they achieve poor levels of strategic management and oversight—that is, the effectiveness of corporate governance at those firms is less than what it would be if they were not over-boarded. Because of this alleged deficiency, many investors oppose busy directors, either through direct engagement with the company or through proxy votes cast at owned companies.

For the last two decades, the SBA has advocated limiting the number of simultaneous directorships held by U.S. board members. The SBA's governance principles espouse non-CEO directors who are also employed full time to hold fewer than four simultaneous directorships. In line with this policy, SBA staff have routinely cast commensurate proxy votes based on this numerical threshold and applied the policy on a global basis, regardless of any home country bias or local market norms. During calendar year 2017, the SBA cast votes against directors in foreign equity markets at rates of 14.5%, 10.9%, and 5.6% for India, China (including Taiwan & Hong Kong), and the United Kingdom. The U.S. is the single largest market for SBA director voting, comprising approximately 42% of annual individual director votes. Numerous academic and industry studies point to the likelihood of both higher costs and lower performance when directors are "over-boarded." As part of the review of individual director service, SBA staff often qualitatively examine other types of board membership including nonpublic entities (e.g., private companies), boards of trustees (e.g. for mutual funds), philanthropies, and foundations. As of October 2017, the average sum of all public-company directorships held by all board members at constituent companies in the Russell 3000 stock index equaled 14.9, with the average individual director serving on 1.65 boards.



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ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

## MEMORANDUM

---

**To:** Ashbel C. Williams, Executive Director & CIO  
**From:** Maureen M. Hazen, General Counsel *Maureen M. Hazen*  
**Date:** March 2, 2018  
**Subject:** Office of General Counsel: Standing Report  
For Period November 9, 2017 – February 28, 2018

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### SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 35 new agreements – including 5 Private Equity investments, 7 Strategic Investments, 2 Real Estate investments, 2 new Investment Management Agreement for the Global Equity asset class; 1 new Master Forward Agreements for Fixed Income (i.e. for TBA and other forward trading as will be required under the FINRA), and 1 new Investment Consulting Agreement for the FRS Investment Plan; (ii) 187 contract amendments, addenda or renewals; and (iii) seven (7) contract terminations.

### SBA Litigation.

(a) Passive. As of February 28, 2018, the SBA was monitoring (as an actual or putative passive member of the class) 596 securities class actions. During the period from November 9, 2017 – February 28, 2018, the SBA collected recoveries in the amount of \$1,339,303.07 as a passive member in 45 securities class actions.

(b) Active.

(i) In re Tribune Litigation. On January 24, 2012, the SBA was served a complaint (along with other defendants) now pending in the U.S. Bankruptcy Court, Southern District of New York by the Official Committee of Unsecured Creditors of the Tribune Company alleging damages for fraudulent conveyance and requesting the return of proceeds received by all defendant investors in a leveraged buy-out of the Tribune Company (which subsequently declared bankruptcy). Pursuant to a plan approved in the bankruptcy proceeding, the claim was transferred to the U.S. District Court, Southern District of New York (the "Court") and consolidated with additional parallel cases for multi-district litigation. The SBA received approximately \$11 million in connection with this leveraged buy-out. Several amended



complaints have been filed in the action in which the SBA was originally served in January, 2012 (the "FitzSimons Action"). In early 2017, the Court dismissed the intentional fraudulent transfer count (the only claim applicable to the SBA), and the SBA (and other defendants) are monitoring for a possible appeal.

(ii) Valeant Opt-Out Action. During the period covered by this report, the OGC recommended to the Trustees and you that the SBA file the opt-out with the group of plaintiffs being represented by Bernstein Litowitz. The SBA may have incurred more than \$62 million in recoverable damages. The Trustees approved filing of the action on November 6, 2017, and the SBA subsequently filed the Complaint. On November 29, 2017, the Court issued a stay in discovery in the case pending the conclusion of the trial in the criminal case filed by the U.S. Department of Justice. Therefore, as a practical matter, there will be progress in the case until the conclusion of the criminal matter.

(iii) LIBOR Litigation. The Attorney General's Office has commenced an investigation against several banks with respect to the alleged manipulation of LIBOR. The OGC and other SBA staff (e.g. Fixed Income, Financial Operations and Accounting) have been working with the Attorney General's Office since September, 2012. Since then, the Attorney General (representing the SBA) has settled the case with Barclays Bank and Deutsche Bank, and the SBA has recovered over \$12,000,000 in settlement proceeds. The cases against the other banks are ongoing.

(c) FRS Investment Plan. During the period covered by this report, the General Counsel's Office monitored and/or managed the following cases for the Florida Retirement System Investment Plan (the "Investment Plan"). The SBA issued seven (7) Final Orders, received notice of filing of seven (7) new cases, and continued to litigate eight (8) cases (including one appellate case) that were pending during the periods covered by previous reports.

#### **Other Matters.**

(a) Public Records. During the period covered by this report, the General Counsel's Office received 29 new public records requests and provided responses to 23 requests. As of the date of this report, the General Counsel's Office continues to work on 7 open requests.

(b) SBA Rule Activities.

(i) The following amendments have been drafted, received approval from OFARR to proceed with rulemaking and have been set forth in Notices of Development of Rulemaking that were published in *Florida Administrative Register* on August 30, 2017 (with no hearing requested). On October 17, 2017, the Trustees approved the filing of the rule amendments for notice and further to file for adoption if no member of the public requests a timely hearing. A Notice of Proposed Rule covering the amendments was published in the October 27, 2017 edition of *Florida Administrative Register*. At the same time, the SBA submitted the amendments to the Joint Administrative Procedures Committee ("JAPC") for review and comment. A rule hearing was offered to the public for November 20, 2017, but no rule hearing was requested. The SBA filed the amendments for adoption, and they became effective on February 12, 2018.



A. Rule Chapter 19-7: Rule 19-7.002, F.A.C.:

Rule 19-7.002, F.A.C., (Investment Policy Statements) has been amended to adopt the most recent revised Investment Policy Statement approved and made effective by the Trustees on June 14, 2017 for the Local Government Surplus Funds Trust Fund (Non-Qualified).

B. Rule Chapter 19-9: Rule 19-9.001, F.A.C.:

Rule 19-9.001, F.A.C., (Investment Policy Statement) was amended to adopt the most recent revised Investment Policy Statement approved and made effective by the Trustees on June 14, 2017 for the Florida Retirement System Investment Plan.

C. Rule Chapter 19-11: Revisions were made to the following rules:

19-11.001	Definitions
19-11.002	Beneficiary Designations and Distributions for FRS Investment Plan
19-11.003	Distributions from FRS Investment Plan Accounts
19-11.004	Excessive Trading in the FRS Investment Plan
19-11.006	Enrollment Procedures for New Hires
19-11.007	Second Election Enrollment Procedures for the FRS Retirement Programs
19-11.008	Forfeitures
19-11.009	Reemployment with an FRS-covered Employer after Retirement
19-11.012	Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan
19-11.013	FRS Investment Plan Self-Directed Brokerage Account
19-11.014	Benefits Payable for Investment Plan Disability and In-Line-Of-Duty Death Benefits.

- Certain changes to Rules 19-11.001 and 19-11.009 were necessitated by Chapter 2017-88, Laws of Florida, which amended Section 121.122, Florida Statutes to provide that a retiree of the Investment Plan, Senior Management Service Optional Annuity Program (SMSOAP), State University System Optional Retirement Program (SUSORP) or State Community College System Optional Retirement Program (SCCSORP) who is reemployed with a FRS-participating employer in a covered position on or after July 1, 2017 will be a mandatory renewed member of the Investment Plan, unless employed in a position eligible for participation in the SUSORP or SCCSORP. Such renewed member will be enrolled in the Regular Class, unless the position meets the requirements to enroll in the Special Risk Class, Elected Officers' Class or Senior Management Service Class.

- New forms were adopted by amendments to Rules 19-11.002, 19-11.003, 19-11.004, 19-11.006, 19-11.007, and 19-11.012, F.A.C.

- Rules 19-11.002 and 19-11.014, F.A.C. were amended to indicate that, as provided by Chapter 2017-88, Laws of Florida, survivorship benefits paid to the surviving spouse and children of an

Investment Plan member killed in the line-of-duty shall be paid as provided in Section 121.091(7)(d) and (i), Florida Statutes.

D. Rule Chapter 19-13: Rules 19-13.001 and 19-13.002, F.A.C. :

The rule amendments to Rule 19-13.001 serve to indicate that there no longer are just ten (10) target date funds that are available investment options to investment plan members. The total number of funds may continue to vary over time. Rule 19-13.002 was amended to recognize that Chapter 2017-88, Laws of Florida, amended Section 121.591(4), Florida Statutes, to provide for special in line-of-duty death benefits for the spouse and child(ren) of any investment plan member, and not just special risk class members. Thus, the Division of Retirement will now administer in-line-of-duty death benefits for all members.

For all of the above changes, there were no significant policy issues or controversial issues connected to the rule amendments. The amendments simply serve as an informational update. The proposed rule amendments did not impose any burdens on businesses; they did not restrict entry into a profession; they had no impact on the availability of services to the public; they had no impact on job retention; they did not impose any restrictions on employment seekers; and they did not impose any costs. No legislative ratification was required.





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ATTORNEY GENERAL  
AS SECRETARY  
ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

**MEMORANDUM**

**DATE:** February 28, 2018  
**TO:** Board of Trustees  
**FROM:** Ken Chambers, Inspector General  
**SUBJECT:** Quarterly Report on SBA Inspector General Activities

---

The SBA Inspector General (IG) is responsible for serving as the organization's ethics officer; conducting internal investigations; overseeing investment protection principles (IPP) compliance; and handling special projects as directed by the Executive Director.

**Ethics and Training**

- Mandatory ethics training and certification of compliance are required for all SBA employees on an annual basis. The on-line training covers gifts, conflicts of interest, financial disclosure, outside employment, lobbyist/principal restrictions, honorarium related events, etc. In addition to ethics training, mandatory training is annually required for all employees in the areas of harassment prevention, personal investment activity, insider trading, incident management framework, fiduciary duties, and cybersecurity awareness. For 2018, employees will also be required to complete training courses for public records and the Sunshine Law (these two courses are required every other year). The deadline for completing the courses is June 30, 2018. All new employees are required to take all of the mandatory training courses within 30 days of their start date.
- During the period November 14, 2017 to February 28, 2018, no instances were reported to the Inspector General concerning non-compliance with the SBA gift policy.

**Investment Protection Principles Compliance**

In September 2002, the Trustees of the SBA adopted Investment Protection Principles (IPPs) for broker-dealers and investment managers in the wake of Wall Street scandals

involving tainted equity research and conflicts of interest. The IPPs are geared toward promoting independence, transparency and regulatory compliance, and adherence to the highest standards of ethics and professionalism. On an annual basis, written certification is required from equity, fixed income and real estate investment managers, and broker-dealers. Additionally, annual certifications have been developed for the investment services related consulting firms engaged by the SBA. These consulting firms are required to certify their compliance with certain independence and disclosure principles.

Consultant Independence and Disclosure Certifications for 2017 were submitted to all applicable SBA consultants in January. The certifications have been received from all consultants, indicating full compliance with the principles. The IPP certifications for the equity, fixed income and real estate investment managers were disseminated in February. Some of the certifications have been completed and returned, and the compliance results for all of the investment managers will be included in the next Trustee's report.

### SBA Fraud Hotline

Since July 2006, The Network Inc. has been the independent provider of SBA Fraud Hotline services. Through an 800 number, SBA employees may anonymously report tips or information related to fraud, theft, or financial misconduct. The telephone number and information is prominently displayed on the SBA intranet home page. Additionally, the hotline information is available on the SBA internet site as part of the SBA Internal Control and Fraud Policy.

To date, no reports or tips have been received by the Hotline for 2018.

### Investment Advisory Council Disclosures

As per Chapter 215.444, Florida Statutes, all current IAC members are required to complete an annual Conflict Disclosure Statement. The disclosure statements were recently disseminated to the current council members, and all have been completed and returned.

### Training

In November 2017, the Inspector General attended the Association of Inspectors General annual training conference. The conference provides continuing professional education credits, which are required for the Certified Inspector General designation.

cc: Ash Williams



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**ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

DATE: March 2, 2018

TO: Ash Williams, Executive Director & CIO

FROM: Karen Chandler, Chief Risk & Compliance Officer

SUBJECT: Trustee Update – March 2018

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The role of the Risk Management and Compliance (RMC) unit is to assist the Executive Director & CIO in maintaining an appropriate and effective risk management and compliance program to identify, monitor and mitigate key investment and operational risks. RMC plays a critical role in developing and enhancing the enterprise-wide system of internal controls. RMC proactively works with the Executive Director & CIO and designees to ensure issues are promptly and thoroughly addressed by management.

SBA senior management has created a culture of risk management and compliance through the governance structure, allocation of budgetary resources, policies and associated training and awareness. Management is committed to ethical practices and to serving the best interests of the SBA's clients.

Included below is a brief status report of RMC activities and initiatives completed or in progress during the period November 14, 2017 to March 2, 2018.

**Compliance Exceptions**

A compliance exception related to prohibited securities was reported. Two securities were purchased by an external transition manager in preparation for the funding of new external Global Equity managers. The violation was immediately identified and addressed, and the securities were sold.

**Leverage Policy and Monitoring**

RMC collaborated with management to revise the leverage policy and develop leverage calculations. The new policy contains definitions, philosophy, standards, and monitoring requirements. Reports were developed and implemented for review against monitoring and escalation standards.

**Derivatives Monitoring**

RMC worked with the custodian bank to develop additional reporting on derivatives. The new report provides for ease in viewing internal and external derivative usage as well as the overall derivative categories (e.g., futures, options, etc.) and instrument types (e.g., interest rate futures).

**Risk Assessments and Management Plans**

The Risk and Compliance Committee (RCC) held a special meeting on November 16, 2017 to discuss the draft annual risk assessment results. There were no changes in the residual risk levels of the 13 top level risks in the Enterprise Risk Management Framework. The RCC held their quarterly meeting on January 11, 2018. Members finalized and approved the annual risk assessment ratings. Management continues to implement internal controls and monitor risk levels.

### **Charles River - Trading and Compliance System**

The project to upgrade the Charles River Investment Management Solution and move to the new Software as a Service (SAAS) operating model is currently in the testing phase. The trading and compliance modules have been enhanced, and the SBA is in the process of testing workflows to ensure their effectiveness prior to implementation. The upgraded environment is expected to be fully functional in April 2018. Going forward, the SAAS model will provide an annual upgrade service to capture the latest technology offered by Charles River.

### **Triennial GRC Assessment**

The Triennial external assessment of the SBA's Governance, Risk, and Compliance Program was completed. RMC is pleased with the results, including the consultant's remarks that the SBA Enterprise Risk Management process is "impressive and leading practice in almost all elements" and "the ERM program is the most developed and comprehensive we have seen in a U.S. public pension fund".

### **Counterparty Renewal and Monitoring**

RMC continues to enhance and streamline counterparty evaluation and monitoring processes. An interactive dashboard was developed and implemented to integrate available financial, trading, and market data on a real-time basis. The new interactive dashboard was presented to the Trading Oversight Group and is available to all staff.

### **Performance and Risk Analytics Dashboard**

RMC recently launched an interactive performance, risk and attribution dashboard as a complement to the on-demand reports. The dashboard allows the user to customize the time-periods of the returns, the benchmarks used as comparisons and groups of accounts to view. Dashboard enhancements will continue as feedback from users is received.

### **Annual Self-Assessment**

The Annual Self-Assessment was issued, outlining the role, accomplishments, strengths, challenges, and priorities for RMC. RMC achieved its fiscal year goals and objectives, and continued to add value to the operations of the State Board of Administration (SBA). This was accomplished through enhancements in the identification and management of risk, process streamlining, technology development, and strengthening expertise in key focus areas. The team has achieved a number of successes in the past fiscal year including implementation of the Charles River compliance system, automation of additional compliance rules, automation of risk reporting to provide enhanced risk insights, and the introduction of "On-Demand" investment performance reporting, which allows all SBA staff to have the latest performance information at their fingertips. Further, policies have been restructured to ensure clarity, relevance and effectiveness.

The RMC unit is effectively functioning as the "second line of defense," serving as a trusted advisor to the "first line" business units with primary responsibility for managing risk. RMC team members are uniquely skilled and positioned to provide insight and guidance as the team identifies or is informed of emerging risks across the organization. As a result, RMC team members have been asked to serve on, and/or lead oversight groups and ad-hoc working groups, and frequently assist business units implementing change. RMC unit responsibilities have increased, and new cross-functional processes and programs have been created to help efficiently and effectively manage risk.