INVESTMENT ADVISORY COUNCIL

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

Peter Jones, Chair

(See Attachments 1A – 1B)

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

INVESTMENT ADVISORY COUNCIL

Item 2. Opening Remarks / Reports

Chris Spencer, Executive Director
Lamar Taylor, Chief Investment Officer

(See Attachments 2A – 2E)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

IAC Prepared Comments

Lamar Taylor, Chief Investment Officer

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

SBA Major Mandate Performance

Official Performance Through: June 30, 2025

Managed Return

Mandate	1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
FRS Investment Plan	3.54%	7.97%	12.63%	12.16%	9.72%	7.77%
Florida PRIME	0.38%	1.10%	4.96%	4.92%	3.01%	2.22%
Cat Fund	0.35%	1.07%	4.77%	3.88%	1.67%	0.00%
FRS Pension Plan	2.73%	6.37%	10.32%	9.44%	9.72%	8.06%
Asset Allocation	3.11%	7.32%	11.74%	10.98%	9.47%	7.63%
Global Equity xTrans	4.65%	11.83%	16.36%	17.13%	13.53%	10.08%
Fixed Income xTrans	1.62%	1.37%	6.41%	3.30%	0.48%	2.02%
Real Estate	0.34%	0.86%	-0.27%	-2.73%	4.11%	5.75%
Private Equity	0.39%	2.69%	7.17%	2.59%	17.70%	14.76%
Strategic Investments	1.02%	2.16%	7.66%	6.90%	9.05%	6.93%
Active Credit xTrans	0.95%	3.52%	10.31%	0.00%	0.00%	0.00%
Cash & Central Custody + Enhanced Cash	0.36%	1.11%	5.16%	4.41%	2.44%	1.84%

SBA Major Mandate Performance

Official Performance Through: June 30, 2025

Active Return

Mandate	1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
FRS Investment Plan	0.05%	-0.15%	-0.19%	-0.10%	-0.15%	0.08%
Florida PRIME	0.02%	0.03%	0.27%	0.38%	0.25%	0.25%
Cat Fund	0.12%	0.34%	1.57%	0.61%	0.36%	0.00%
FRS Pension Plan	-0.38%	-1.00%	-1.47%	-1.56%	0.28%	0.43%
Asset Allocation	0.00%	-0.04%	-0.05%	-0.02%	0.02%	0.00%
Global Equity xTrans	0.10%	0.09%	0.39%	0.29%	0.12%	0.36%
Fixed Income xTrans	0.08%	0.17%	0.33%	0.49%	0.46%	0.32%
Real Estate	0.04%	-0.05%	-1.69%	1.59%	1.71%	0.99%
Private Equity	-4.29%	-9.45%	-11.29%	-16.79%	1.50%	2.15%
Strategic Investments	-0.54%	-1.42%	-1.84%	-2.09%	-0.26%	0.23%
Active Credit xTrans	-0.22%	0.48%	1.25%	0.00%	0.00%	0.00%
Cash & Central Custody + Enhanced Cash	0.02%	0.03%	0.41%	-0.24%	-0.39%	-0.16%

FRS Pension Plan: Performance Attribution Report for IAC

June 30, 2025

Name		Market Value (In Millions)	3 Months	1 Year	3 Year
Total Fund		$ 211,513	6.37%	10.32%	9.44%
	Policy Benchmark		7.37%	11.79%	11.00%
	+ / - Benchmark		*-1.00%*	*-1.47%*	*-1.56%*
Global Equity		$ 101,180	11.83%	16.36%	17.13%
	Policy Benchmark		11.74%	15.96%	16.83%
	+ / - Benchmark		0.09%	0.39%	0.29%
	Attribution to Total Fund + / - Benchmark		*0.04%*	*0.18%*	*0.13%*
Fixed Income		$ 40,765	1.37%	6.41%	3.30%
	Policy Benchmark		1.21%	6.08%	2.81%
	+ / - Benchmark		0.17%	0.33%	0.49%
	Attribution to Total Fund + / - Benchmark		*0.04%*	*0.07%*	*0.09%*
Real Estate		$ 19,903	0.86%	-0.27%	-2.73%
	Policy Benchmark		0.91%	1.42%	-4.33%
	+ / - Benchmark		-0.05%	-1.69%	1.59%
	Attribution to Total Fund + / - Benchmark		*-0.01%*	*-0.18%*	*0.19%*
Private Equity		$ 18,938	2.69%	7.17%	2.59%
	Policy Benchmark		12.14%	18.46%	19.38%
	+ / - Benchmark		-9.45%	-11.29%	-16.79%
	Attribution to Total Fund + / - Benchmark		*-0.90%*	*-1.08%*	*-1.67%*
	+ / - Secondary Benchmark		*0.92%*	*0.66%*	*0.44%*
Strategic Investments		$ 12,613	2.16%	7.66%	6.90%
	Policy Benchmark		3.58%	9.50%	8.98%
	+ / - Benchmark		-1.42%	-1.84%	-2.09%
	Attribution to Total Fund + / - Benchmark		*-0.09%*	*-0.12%*	*-0.21%*
Active Credit		$ 9,993	3.52%	10.31%	0.00%
	Policy Benchmark		3.04%	9.06%	0.00%
	+ / - Benchmark		0.48%	1.25%	0.00%
	Attribution to Total Fund + / - Benchmark		*0.00%*	*0.08%*	*0.00%*
Cash CC + Enhanced Cash		$ 1,569	1.11%	5.16%	4.41%
	Policy Benchmark		1.07%	4.75%	4.66%
	+ / - Benchmark		0.03%	0.41%	-0.24%
	Attribution to Total Fund + / - Benchmark		*0.00%*	*0.00%*	*0.00%*
Other**		$ 6,552			
	Other Attribution to Total Fund + / - Benchmark		*-0.03%*	*-0.38%*	*-0.07%*
AA Attribution to Total Fund + / - Benchmark			*-0.04%*	*-0.05%*	*-0.02%*

* Totals might not add due to methodology and rounding

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

Major Mandate Performance

6/30/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Cat Fund	Managed Return	0.35%	1.07%	4.77%	3.88%	1.67%	
	Benchmark Return[1]	0.23%	0.73%	3.20%	3.27%	1.31%	
	+Over/-Under Benchmark	0.12%	0.34%	1.57%	0.61%	0.36%	

[1] Showing FHCF Operating Claims Paying Fund, benchmarked to BBG 1 Month Treasury

6/30/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Florida PRIME	Managed Return	0.38%	1.10%	4.96%	4.92%	3.01%	2.22%
	Benchmark Return	0.35%	1.08%	4.69%	4.55%	2.76%	1.97%
	+Over/-Under Benchmark	0.02%	0.03%	0.27%	0.38%	0.25%	0.25%

6/30/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
FRS Investment Plan	Managed Return	3.54%	7.97%	12.63%	12.16%	9.72%	7.77%
	Benchmark Return	3.49%	8.12%	12.82%	12.25%	9.86%	7.69%
	+Over/-Under Benchmark	0.05%	-0.15%	-0.19%	-0.10%	-0.15%	0.08%

6/30/2025		1 Mo	3 Mo	1-Yr	3-Yr	5-Yr	10-Yr
FRS Pension Plan	Managed Return	2.73%	6.37%	10.32%	9.44%	9.72%	8.06%
	Benchmark Return	3.11%	7.37%	11.79%	11.00%	9.44%	7.63%
	+Over/-Under Benchmark	-0.38%	-1.00%	-1.47%	-1.56%	0.28%	0.43%
Asset Allocation	Managed Return	3.11%	7.32%	11.74%	10.98%	9.47%	7.63%
	Benchmark Return	3.11%	7.37%	11.79%	11.00%	9.44%	7.63%
	+Over/-Under Benchmark	0.00%	-0.04%	-0.05%	-0.02%	0.02%	0.00%
Global Equity xTrans	Managed Return	4.65%	11.83%	16.36%	17.13%	13.53%	10.08%
	Benchmark Return	4.55%	11.74%	15.96%	16.83%	13.42%	9.72%
	+Over/-Under Benchmark	0.10%	0.09%	0.39%	0.29%	0.12%	0.36%
Fixed Income xTrans	Managed Return	1.62%	1.37%	6.41%	3.30%	0.48%	2.02%
	Benchmark Return	1.54%	1.21%	6.08%	2.81%	0.02%	1.70%
	+Over/-Under Benchmark	0.08%	0.17%	0.33%	0.49%	0.46%	0.32%
Real Estate	Managed Return	0.34%	0.86%	-0.27%	-2.73%	4.11%	5.75%
	Benchmark Return	0.30%	0.91%	1.42%	-4.33%	2.40%	4.76%
	+Over/-Under Benchmark	0.04%	-0.05%	-1.69%	1.59%	1.71%	0.99%
Private Equity	Managed Return	0.39%	2.69%	7.17%	2.59%	17.70%	14.76%
	Benchmark Return	4.67%	12.14%	18.46%	19.38%	16.19%	12.61%
Primary Bchmark	+Over/-Under Benchmark	-4.29%	-9.45%	-11.29%	-16.79%	1.50%	2.15%
Secondary Bchmark*	+Over/-Under Benchmark			0.66%	0.44%	2.85%	2.58%
Strategic Investments	Managed Return	1.02%	2.16%	7.66%	6.90%	9.05%	6.93%
	Benchmark Return	1.56%	3.58%	9.50%	8.98%	9.31%	6.70%
	+Over/-Under Benchmark	-0.54%	-1.42%	-1.84%	-2.09%	-0.26%	0.23%
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	Benchmark Return	1.17%	3.04%	9.06%			
	+Over/-Under Benchmark	-0.22%	0.48%	1.25%			
Cash & Central Custody + Enhanced Cash	Managed Return	0.36%	1.11%	5.16%	4.41%	2.44%	1.84%
	Benchmark Return	0.34%	1.07%	4.75%	4.66%	2.82%	2.00%
	+Over/-Under Benchmark	0.02%	0.03%	0.41%	-0.24%	-0.39%	-0.16%

*Cambridge Peer Based Secondary Bchmark Lagged by 1 Quarter

INVESTMENT ADVISORY COUNCIL

Item 3. Asset Liability Review

Katie Comstock, Aon
Phil Kivarkis, Aon
John Sullivan, Aon

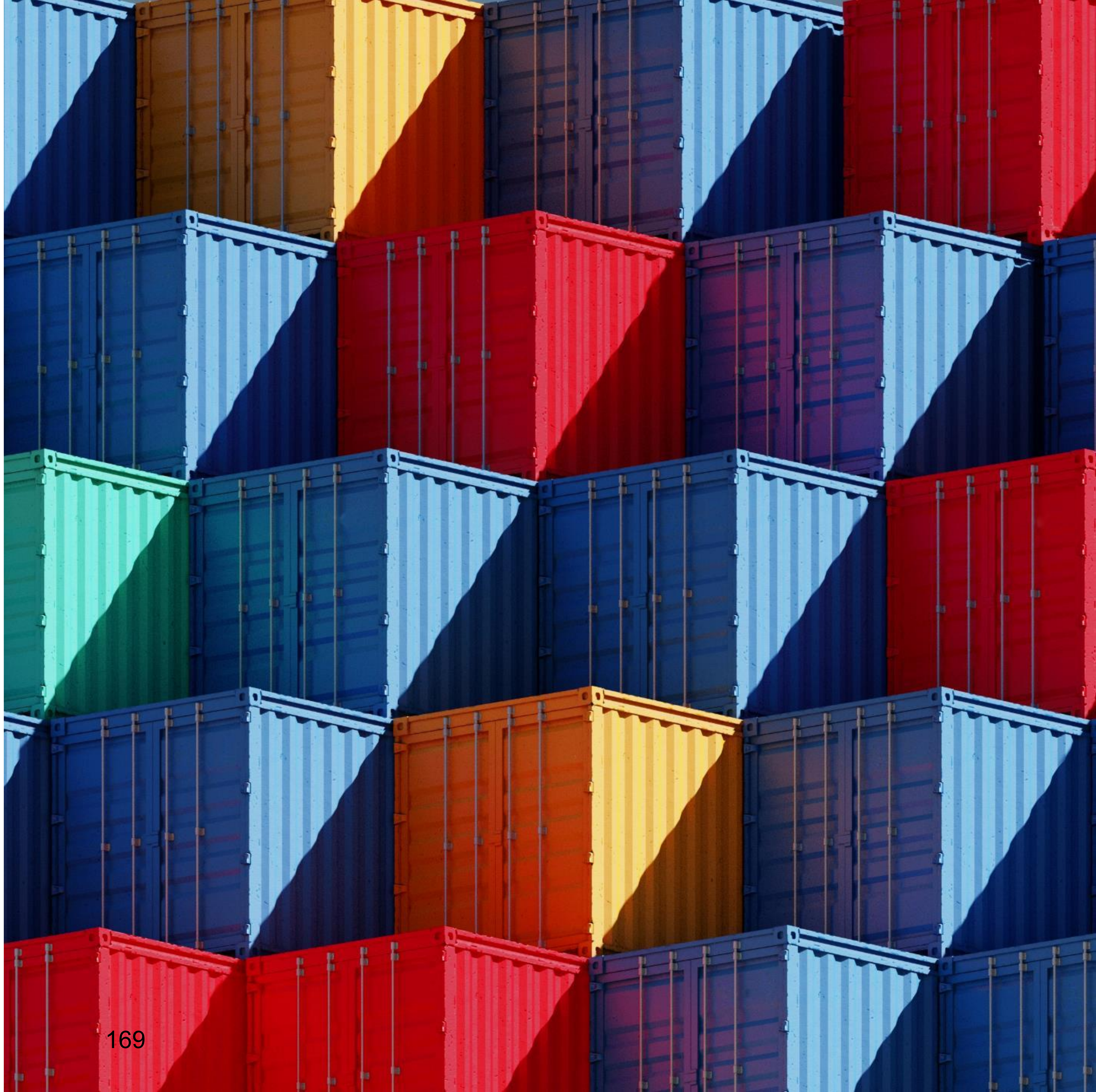
(See Attachment 3)

State Board of Administration
September 9, 2025

Asset-Liability Study: Results

Florida State Board of Administration (SBA)

August 2025

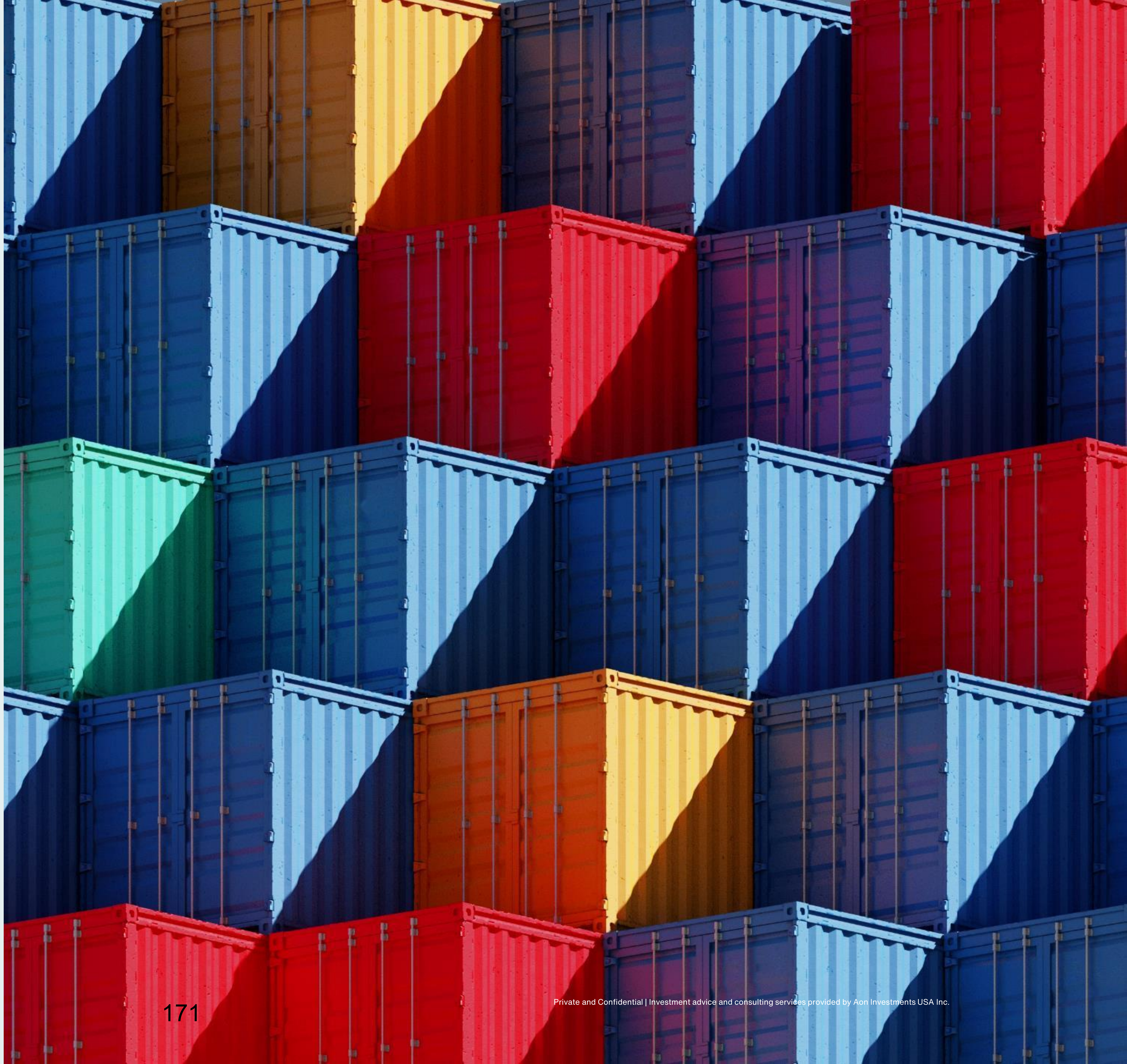


Today's Agenda

1. Executive Summary
2. Analysis
    — Asset-Liability Profile
    — SBA Approach to Assumption Development
    — Portfolio Analysis
    — Asset-Liability Projection Analysis
    — Liquidity Analysis
3. Summary and Conclusions
4. Appendix

1

Executive Summary



Executive Summary

What is an asset-liability study?

What?

A comprehensive toolkit for making decisions on a **fund's asset allocation and investment risk that align with the liabilities** those funds support

Why?

Aon believes optimal decisions regarding pension plan management are made when they are based on a **clear understanding of the assets and liabilities** and how they interact

When?

Aon suggests conducting asset-liability studies every **3 to 5 years** depending on client specifics, or more frequently should circumstances dictate

How?

Identify future trends in the financial health of the fund based on economic uncertainties that may not be evident from an actuarial valuation

Executive Summary

Investment strategy cycle: first step - asset-liability study

Asset-Liability Study: Return-Seeking vs. Risk-Reducing Exposure

- Primary driver of long-term success
- Important to set strategy in the context of plan liabilities
- The SBA has an **78%** return-seeking allocation posture

Asset Allocation Review: Asset Class Utilization

- Translate results of asset-liability study into an actionable strategic asset allocation

Structure Review: Structure of Asset Classes

- Assure implementation conforms with stated objectives and risk tolerance
  - Risk-focused approach
  - Efficient, cost-effective implementation

Ongoing Review: Performance as planned; no surprises

- Proactive assessment of portfolio and risks
- Related oversight functions: proxy voting, etc.

Today's Goal: Determine if the 78% Return-Seeking allocation continues to be appropriate or if there is merit to altering the risk level

AON

Executive Summary

Key themes of the asset-liability study

Current/Future Trends

- FRS has an estimated funded ratio of 87% as of 6/30/2025 using a market-based funded ratio
- Under the current asset allocation, FRS is expected to reach full funding by **FYE 2042** in our central expectation
  - The plan has a hurdle rate surplus – i.e., asset growth outpacing liability growth – that is helping to close the funding shortfall over time
- Higher (or lower) risk strategies adjust the time to full funding

Investment Strategy

- Current asset allocation is 78% return-seeking assets and has an expected return[1] of **6.32%**, which falls short of the actuarial assumed rate of return (6.70%)
- The equity risk premium is 1.00%[2] in this 2025 Asset-Liability Study, compared to 0.75% from 2024
- Aon studied portfolios up/down the risk spectrum

Liquidity

- SBA's current target allocation has **sufficient liquidity** in the modeled Base Case, Recession, and Dark Skies scenarios

[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. For asset classes that can be implemented passively, which includes most public assets, alpha and active management fees are not included in the return expectations. For asset classes that can only be implemented actively, such as hedge funds and private assets, we assume alpha and higher active manager fees. Expected returns are geometric (long-term compounded). Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from the model expected returns presented based on your plan's individual fees/expenses. AIUSA's advisory fees are described in Part 2A of AIUSA's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

[2] Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk; all returns are 10-year geometric average (compounded) expected returns based on Aon, Mercer, and Wilshire capital market assumptions

Executive Summary

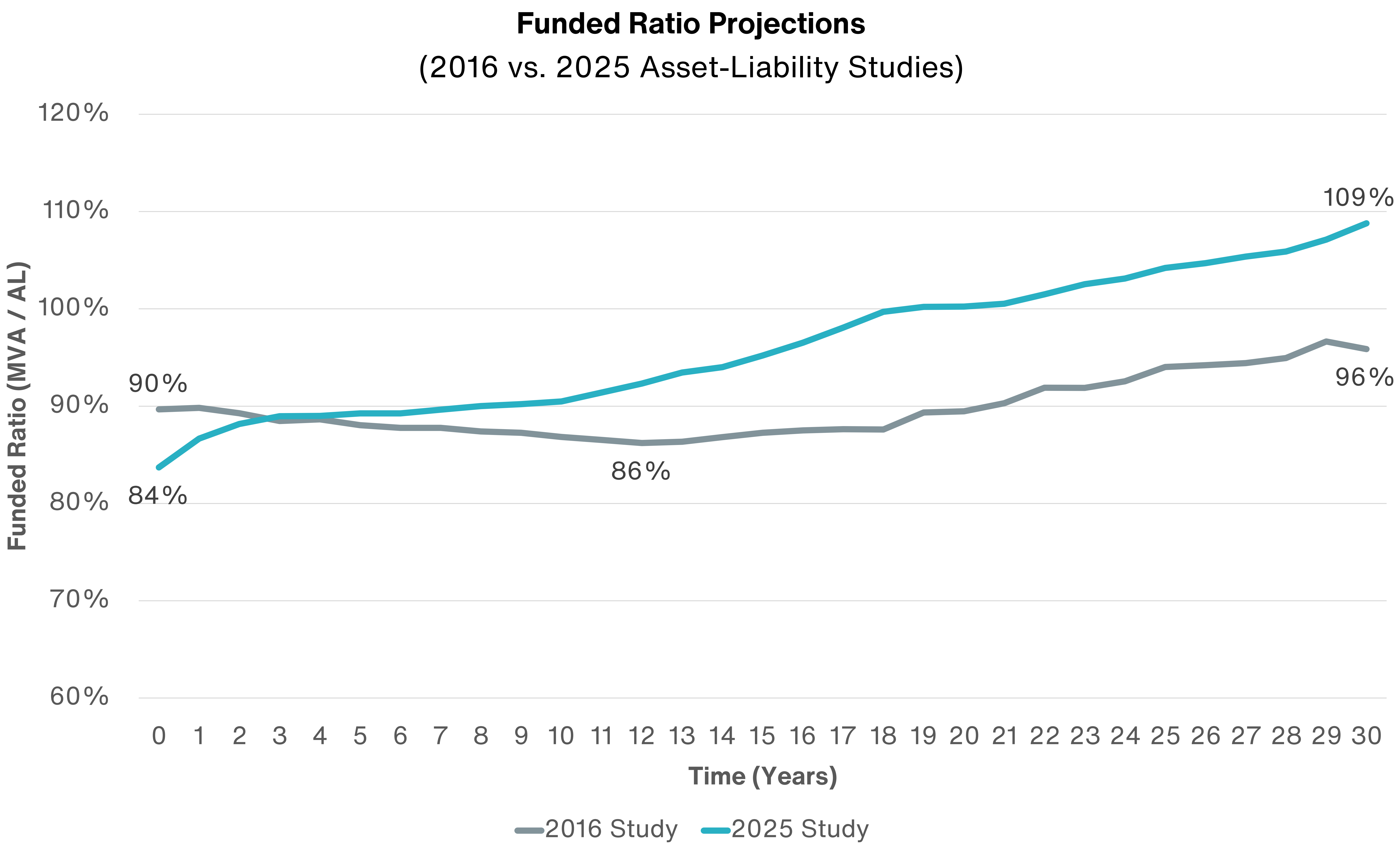
Evolution of asset-liability study projections

The chart to the right illustrates the median funded ratio results of the 2016 vs. 2025 asset-liability studies

- The 2016 trendline dips and then ultimately ends up close to where it started over the 30-year projection period
- The 2025 trendline is a steadier, upward trend over the projection period

Underpinning the results are the assumptions at the time of the respective studies:

- **2016 study:** 7.65% actuarial assumed rate of return; layered 30-year amortization periods
- **2025 study:** 6.70% actuarial assumed rate of return; layered 20-year amortization periods



AON

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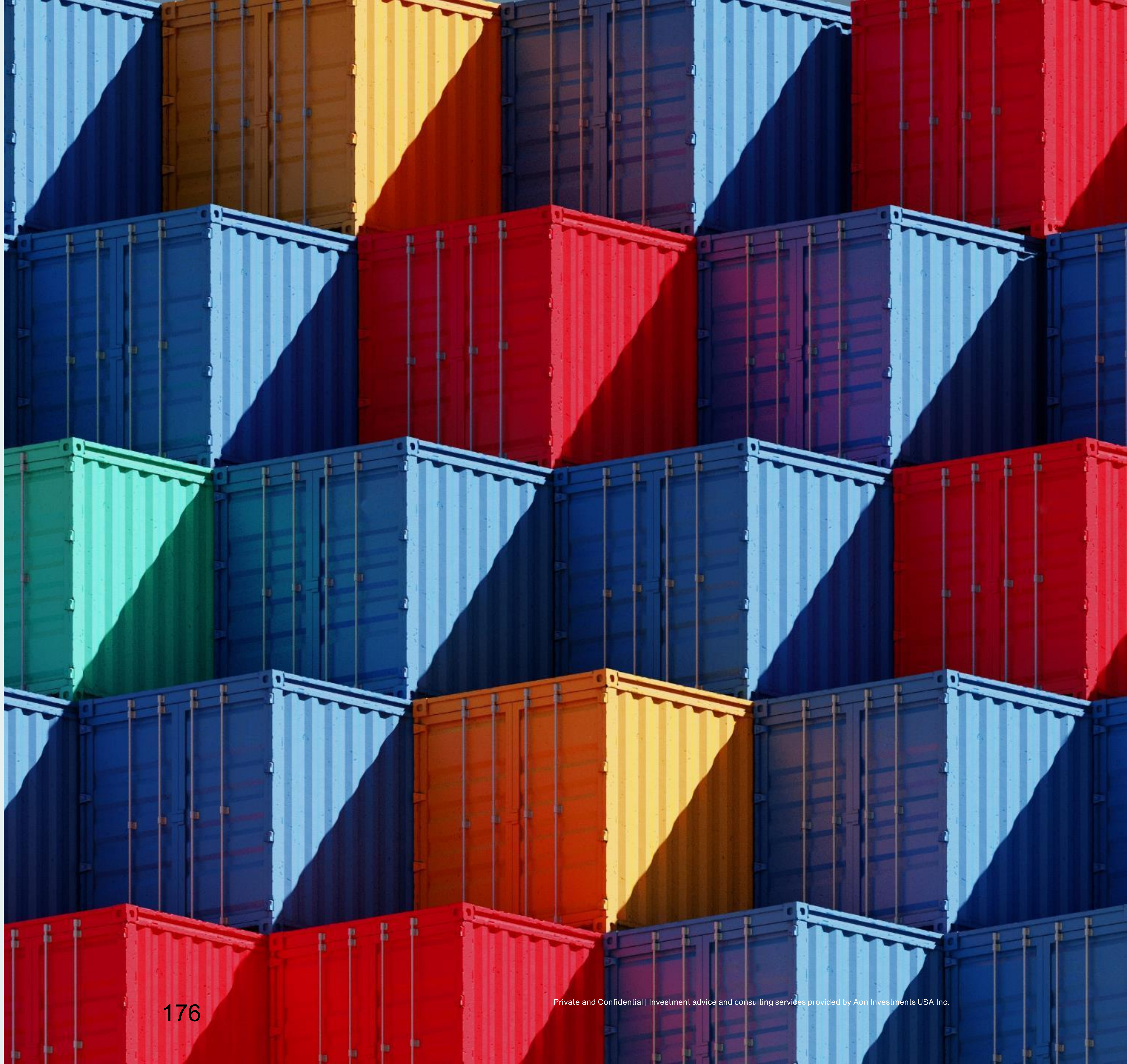
Analysis

- Asset-Liability Profile
- SBA Approach to Assumption Development
- Portfolio Analysis
- Asset-Liability Projection Analysis
- Liquidity Analysis



Asset-Liability Profile

Section 2: Analysis

Current State Overview
Estimated as of June 30, 2025

86.7%

Funded ratio as of June 30, 2025

- Based on market value of assets using a 6.70% actuarial discount rate

6.32%

30-year expected return[1,2]

- SBA's custom assumption for the current target asset allocation as of June 30, 2025
- SBA uses the equity risk premiums (ERP) from 3 consulting firms (Aon, Mercer, and Wilshire) to remove biases from any one firm
  - Assumed ERPs
    - Average: 1.00%
    - Aon's: 2.00%
- Expected return falls short of the 6.70% actuarial assumed rate of return

9.48%

Asset Hurdle Rate

- Liabilities projected to grow each year primarily due to interest cost and normal cost
- Asset growth rate of 9.48% needed to keep pace with liability growth rate
  - Higher growth will improve the funded ratio
- Assets will grow via a combination of investment performance and contributions/funding

78%

Current target level of return-seeking assets

- Overall asset allocation strategy is generally considered the single most impactful investment decision

[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. For asset classes that can be implemented passively, which includes most public assets, alpha and active management fees are not included in the return expectations. For asset classes that can only be implemented actively, such as hedge funds and private assets, we assume alpha and higher active manager fees. Expected returns are geometric (long-term compounded). Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from the model expected returns presented based on your plan's individual fees/expenses. AIUSA's advisory fees are described in Part 2A of AIUSA's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

[2] The portfolio's expected return of 6.32% is based upon current policy target weights for each asset class and the asset classes' expected returns and correlations. The portfolio's expected return is subject to change should the current policy targets change and/or the investment objective of an asset class change.

Detailed Current State Asset-Liability Profile (as of June 30, 2025)

FRS projects to have a slight hurdle rate surplus, improving near-term funded status

Asset-Liability Snapshot				
	As of 7/1/2024		Est. 6/30/2025	
Metric ($, Billions)	**Value**	**Fund %**	**Value**	**Fund %**
Market Value of Assets	$198.7	83.7%	$211.5	86.7%
Actuarial Value of Assets	$191.6	80.7%		
Liability Metrics				
Actuarial Liability (AL) – Funding[1]	$237.4		$244.0	

Asset-Liability Growth Metrics as of 6/30/2025			
Metric ($, Billions)	**Value**	**% Liability**	**% Assets**
AL Discount Cost	$16.4	6.70%	7.73%
AL Normal Cost	$3.7	1.50%	1.74%
Plan Expenses	$0.0	0.01%	0.01%
Total Liability Hurdle Rate	**$20.1**	**8.21%**	**9.48%**
Expected Return on Assets[2]	$13.4	5.48%	6.32%
Total Contributions	$6.9	2.83%	3.26%
Total Exp. Asset Growth	**$20.3**	**8.31%**	**9.58%**
Hurdle Rate Surplus/(Shortfall)	**$0.2**	**0.10%**	**0.10%**
Est. Benefit Payments	$13.3	5.46%	6.30%

Key Takeaways

- Pension plan is estimated to be **86.7%** funded on a market value of assets basis as of June 30, 2025
- Asset hurdle rate of **9.48%**, via cash funding and investment returns, needed to maintain or improve funded status
- The total expected asset growth rate (EROA plus contributions) exceeds the asset hurdle rate by **10 bps**

Target Asset Allocation as of 6/30/2025		
Metric ($, Billions)	**Value**	**Alloc %**
Return-Seeking		
- Public Equity	$95.2	45%
- Private Equity	$21.1	10%
- Liquid Alternatives	$6.3	3%
- Liquid Return-Seeking Fixed Income	$6.3	3%
- Illiquid Return-Seeking Fixed Income	$8.5	4%
- Open-End Real Assets	$21.1	10%
- Closed-End Real Assets	$6.3	3%
- Total	$165.0	78%
Risk-Reducing		
- Cash & Short Duration Fixed Income	$2.1	1%
- Core Bonds	$44.4	21%
- Total	$46.5	22%
Total	$211.5	100%

[1] Based on a 6.70% discount rate consistent with the July 1, 2024 actuarial valuation results.

[2] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. For asset classes that can be implemented passively, which includes most public assets, alpha and active management fees are not included in the return expectations. For asset classes that can only be implemented actively, such as hedge funds and private assets, we assume alpha and higher active manager fees. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $29MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Percentages may not sum to 100% due to rounding.

Asset Hurdle Rates

Growth needs of the plan adjust with funded status changes

What is the Asset Hurdle Rate?

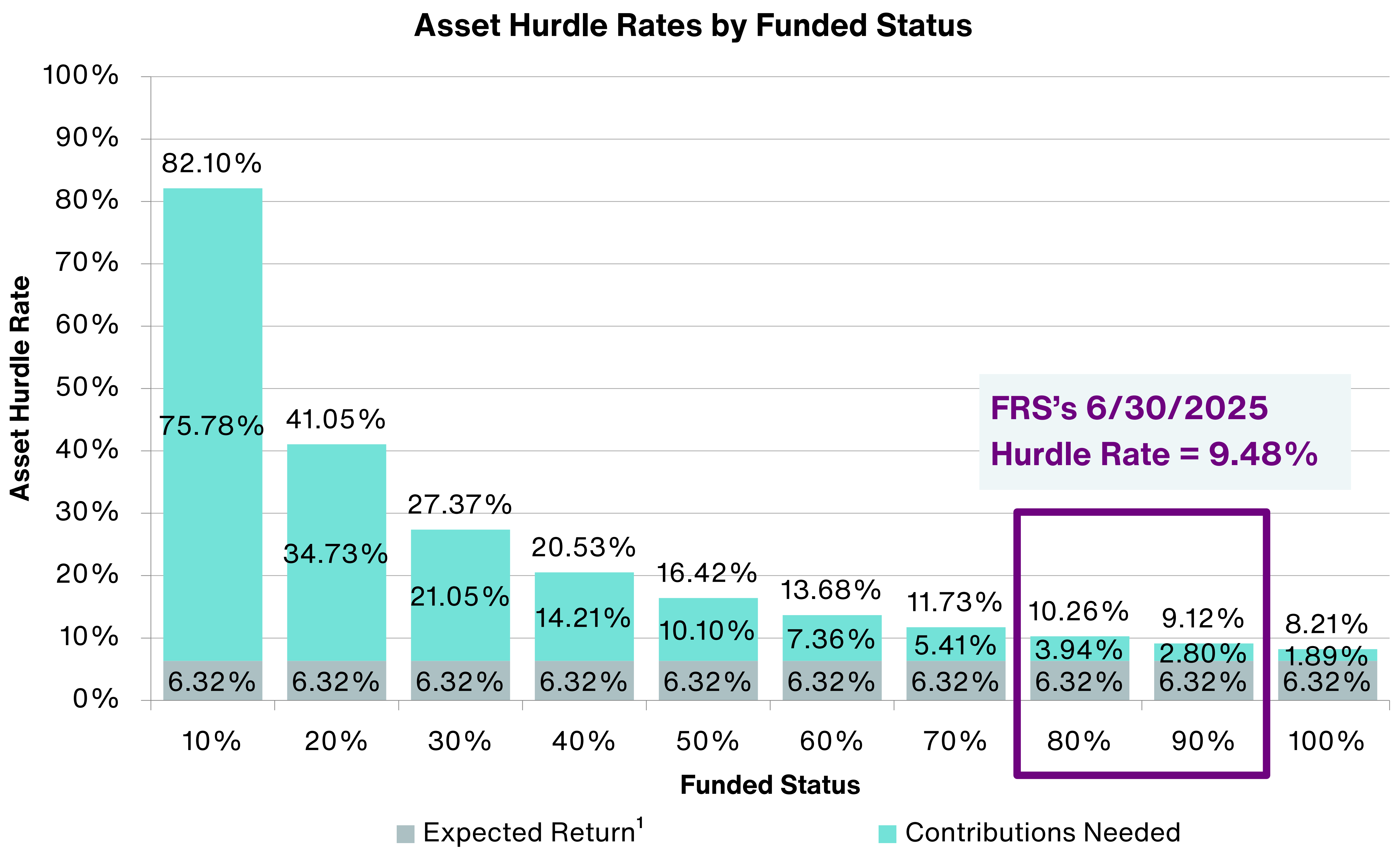
Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

Asset hurdle rates are expected to decline as the funded status increases



[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. For asset classes that can be implemented passively, which includes most public assets, alpha and active management fees are not included in the return expectations. For asset classes that can only be implemented actively, such as hedge funds and private assets, we assume alpha and higher active manager fees. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes $29MM in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Percentages may not sum to total due to rounding.

SBA Approach to Assumption Development

Section 2: Analysis

SBA Approach to Assumption Development

Overview

The SBA approach averages the global equity risk premiums[1] from three investment advisors (Aon Investments, Mercer, and Wilshire)

Building block approach is used

- Price inflation and fixed income returns reflect market conditions and yields
- For all other asset classes (“risk assets”), a risk premium is added to fixed income returns

Average risk premium is used to scale Aon Investments’ expected returns for the “risk assets”

The difference between Aon Investments’ equity risk premium and the average equity risk premium is added to “risk asset” capital market assumptions from Aon Investments to normalize the expected returns

Based on feedback from the Investment Advisory Council (IAC), the time period used in the averaging method is 10 years

[1] Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk

Mercer and Wilshire capital market assumptions provided by Florida SBA. Aon is not affiliated with Mercer or Wilshire and does not guarantee the accuracy or completeness of this information and cannot be held accountable for inaccurate data provided by third parties.

SBA Approach to Assumption Development

Equity risk premium

The SBA averages the global equity risk premiums[1] from three consulting firms and then uses that average risk premium to scale Aon Investments' expected returns for the "risk assets"

2025 Average Global Equity Risk Premium = Average (Global Equity Return – U.S. Bond Return) = 1.00%

	Aon Investments	Mercer	Wilshire	Average
2025 Assumptions (10-year geometric average expected returns)				
- As of Date	June 2025	July 2025	June 2025	
- Global Equity	6.90%	5.90%	4.85%	5.88%
- Core U.S. Bonds	4.90%	4.70%	5.05%	4.88%
- Global Equity Risk Premium	**2.00%**	1.20%	-0.20%	**1.00%**
2024 Global Equity Risk Premium	2.00%	0.40%	-0.15%	0.75%
Change 2025 vs. 2024	0.00%	+0.80%	-0.05%	+0.25%
Prior Years:				
- 2023	2.20%	1.50%	1.30%	1.67%
- 2022	3.95%	3.40%	2.55%	3.30%
- 2021	4.55%	3.67%	3.55%	3.92%
- 2020	5.50%	4.77%	5.20%	5.15%

An average ERP of 1.00% would mean that Aon's capital market assumptions for risk assets would be **reduced by 100bps** in the 2025 asset-liability analysis

[1] Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk; all returns are 15-year (Pre-2023) / 10-year (Post-2023) geometric average (compounded) expected returns. Calculations may not sum to total due to rounding.

AON

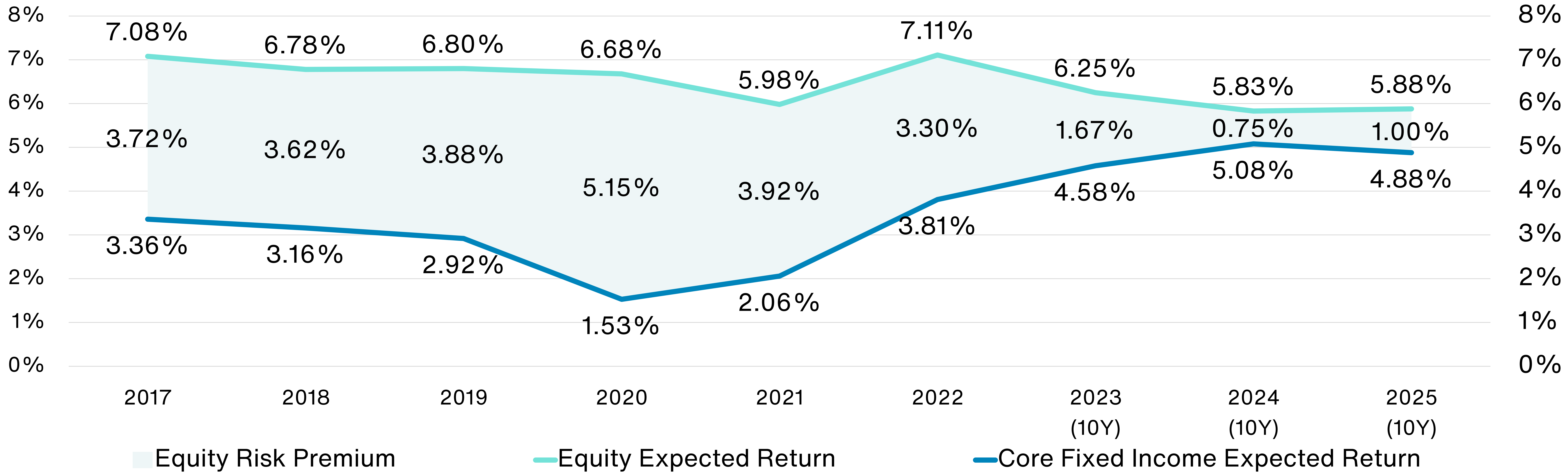
SBA Approach to Assumption Development

Breakdown of equity risk premium assumption

The increase in the 2025 equity risk premium[1] was driven by the combination of a decreases in projected fixed income returns and slightly increasing projected equity returns

- Below is a 9-year historical look at the breakdown of the global equity risk premium

Breakdown of Global Equity Risk Premium

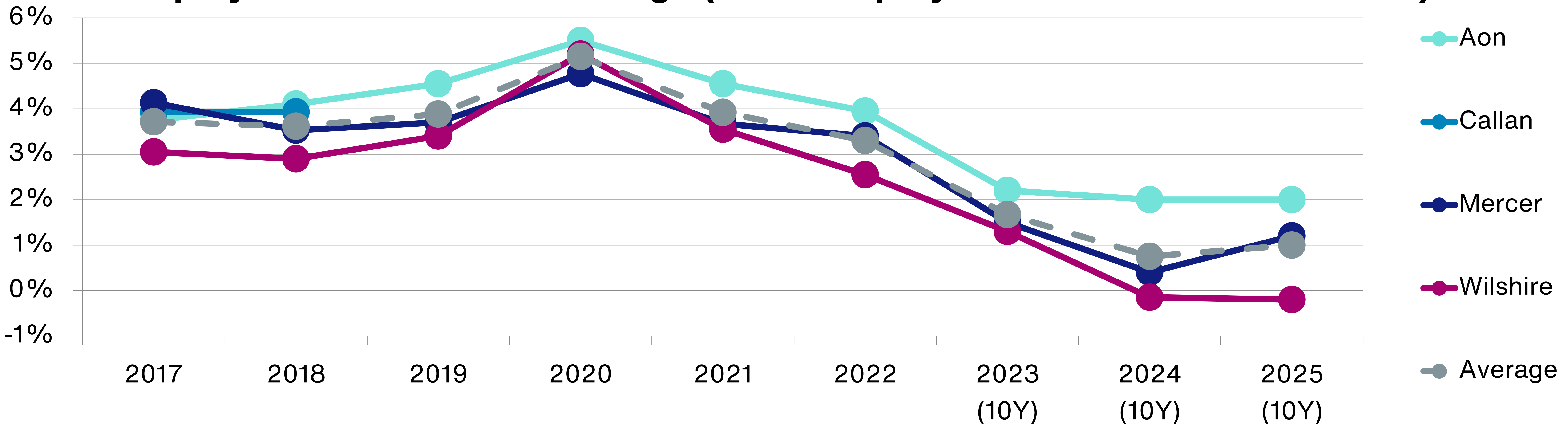


[1] Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk; all returns are 15-year (Pre-2023) / 10-year (Post-2023) geometric average (compounded) expected returns
Pre-2019 averaging based on Aon, Callan, Mercer, and Wilshire capital market assumptions; 2019 and beyond based on Aon, Mercer, and Wilshire capital market assumptions

SBA Approach to Assumption Development

Historical equity risk premium assumption

Average Global Equity Risk Premium = Average (Global Equity Return – U.S. Bond Return)



Equity Risk Premium[1]	Asset-Liability Study								
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023 (10Y)**	**2024 (10Y)**	**2025 (10Y)**
Aon	3.75%	4.10%	4.55%	5.50%	4.55%	3.95%	2.20%	2.00%	**2.00%**
Callan	3.93%	3.93%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mercer	4.13%	3.53%	3.70%	4.77%	3.67%	3.40%	1.50%	0.40%	1.20%
Wilshire	3.05%	2.90%	3.40%	5.20%	3.55%	2.55%	1.30%	-0.15%	-0.20%
Average	3.72%	3.62%	3.88%	5.15%	3.92%	3.30%	1.67%	0.75%	**1.00%**

Aon Investments' capital market assumptions for risk assets would be **reduced by 100bps** in the 2024 asset-liability analysis

[1] Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk; all returns are 15-year (Pre-2023) / 10-year (Post-2023) geometric average (compounded) expected returns
[2] Callan was previously included in the averaging but removed starting in 2019 because its capital market assumption date did not coincide with the same timeframe as the other consultants and the asset-liability study; Callan only updates their capital market assumptions once a year while the other consultants update quarterly

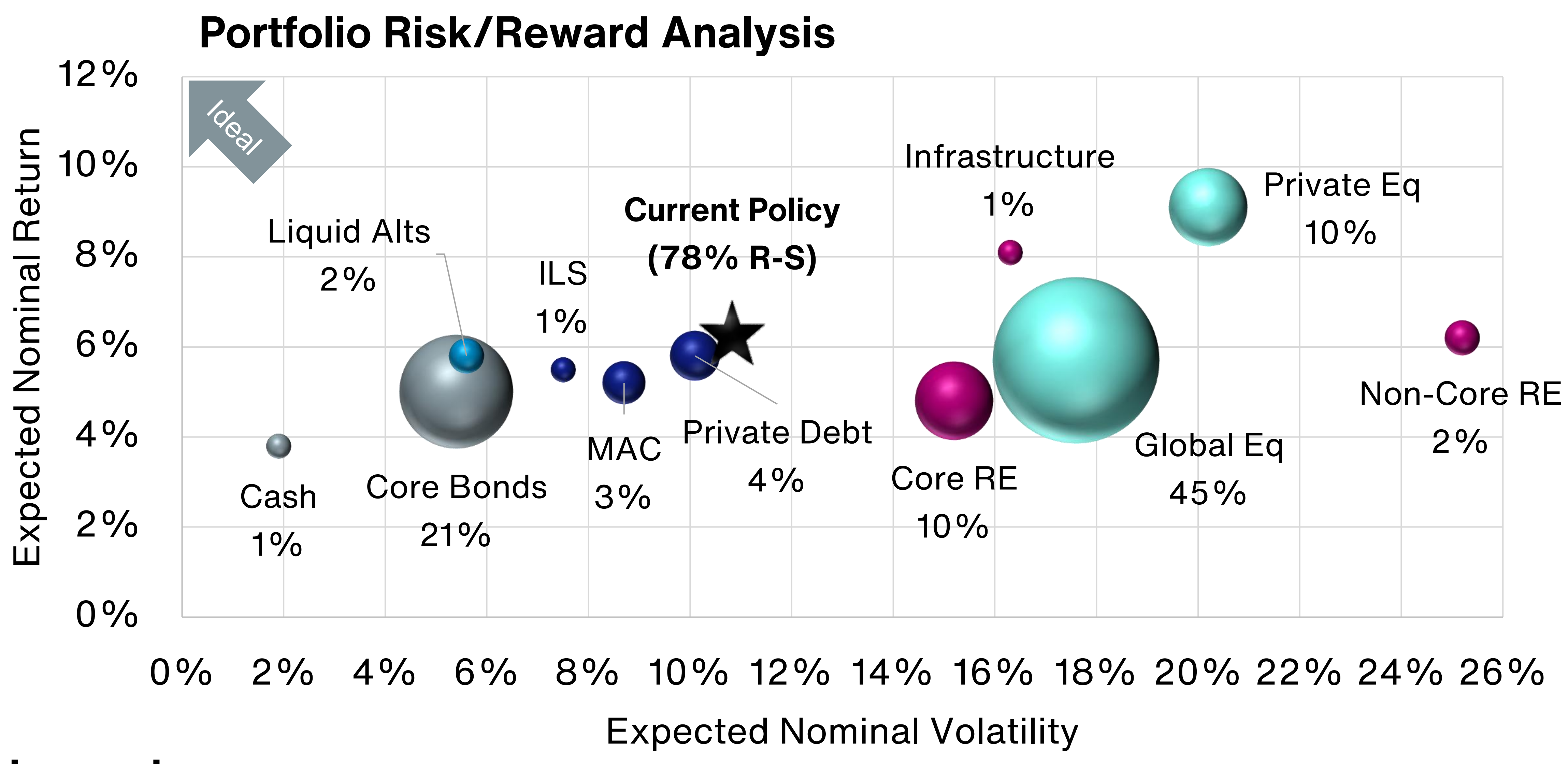
AON

Portfolio Analysis

Section 2: Analysis

Portfolio Analysis

Current diversification results in an expected return of 6.32%[1]



Legend:

Bubble size proportional to current asset allocation (i.e., larger bubbles = larger allocations); Asset classes are color coded:

- Equities (teal), Liquid Alternatives (blue), Return-Seeking Fixed Income (navy blue), Real Assets (purple), Safety (gray)

Asset Class – Target %	Expected Real Return[1]	Expected Nominal Return[1]	Expected Nominal Volatility
Equity			
Global Equity IMI – 45%	3.3%	5.7%	17.6%
Fixed Income			
Cash (Gov't) – 1%	1.5%	3.8%	1.9%
Core Fixed Income – 21%	2.6%	5.0%	5.4%
Multi-Asset Credit – 3%	2.8%	5.2%	8.7%
Alternatives			
Direct Hedge Funds – 2%	3.4%	5.8%	5.6%
Core Real Estate – 10%	2.4%	4.8%	15.2%
Non-Core Real Estate – 2%	3.8%	6.2%	25.2%
Private Equity – 10%	6.6%	9.1%	20.2%
Infrastructure - 1%	5.7%	8.1%	16.3%
Private Debt – 4%	3.4%	5.8%	10.1%
Insurance Linked Securities – 1%	3.1%	5.5%	7.5%
Portfolio Metrics (30-Year Assumptions)			
Total Fund[1,2]	**3.95%**	**6.32%**	**10.83%**

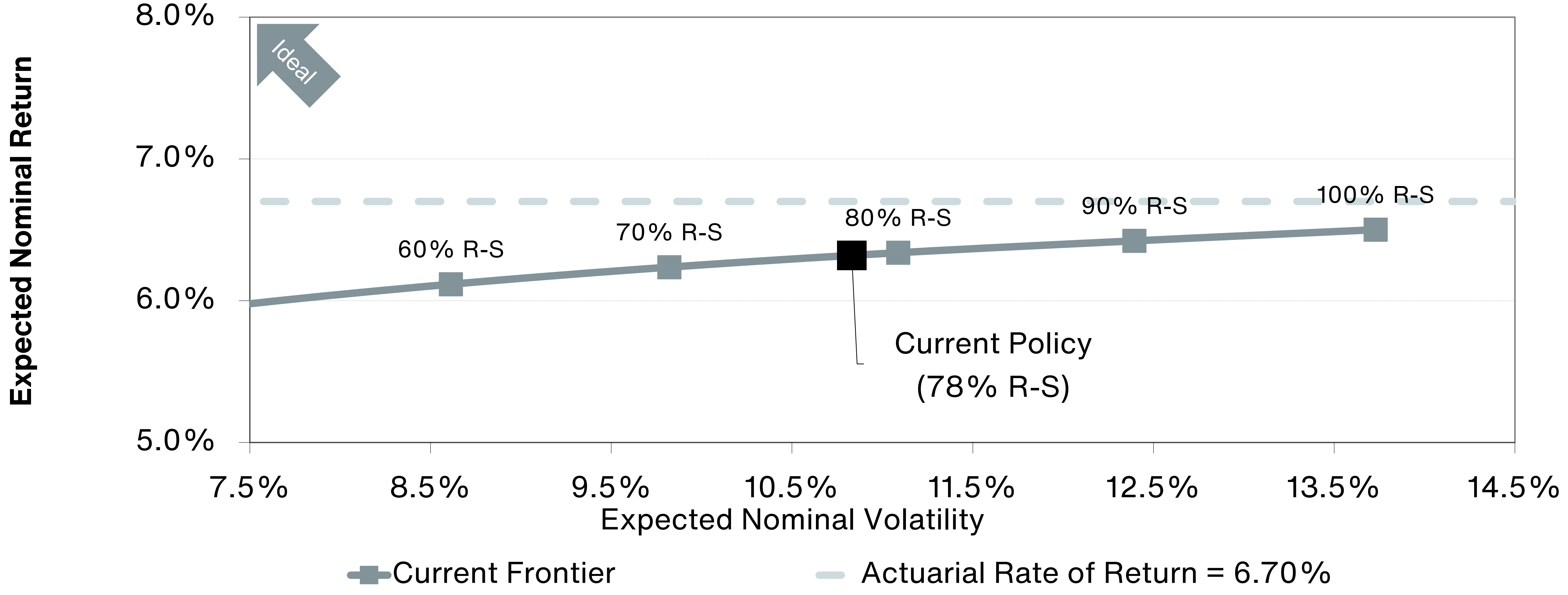
[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

[2] The portfolio's expected return of 6.32% is based upon current policy target weights for each asset class and the asset classes' expected returns and correlations. The portfolio's expected return is subject to change should the current policy targets change and/or the investment objective of an asset class change.

Percentages may not sum to 100% due to rounding.

Portfolio Analysis – Risk/Reward Spectrum

Current policy has an expected return below the actuarial assumed rate of return



Key Observation

- Current portfolio is diversified across return-seeking asset classes and expected to earn a 6.32% return

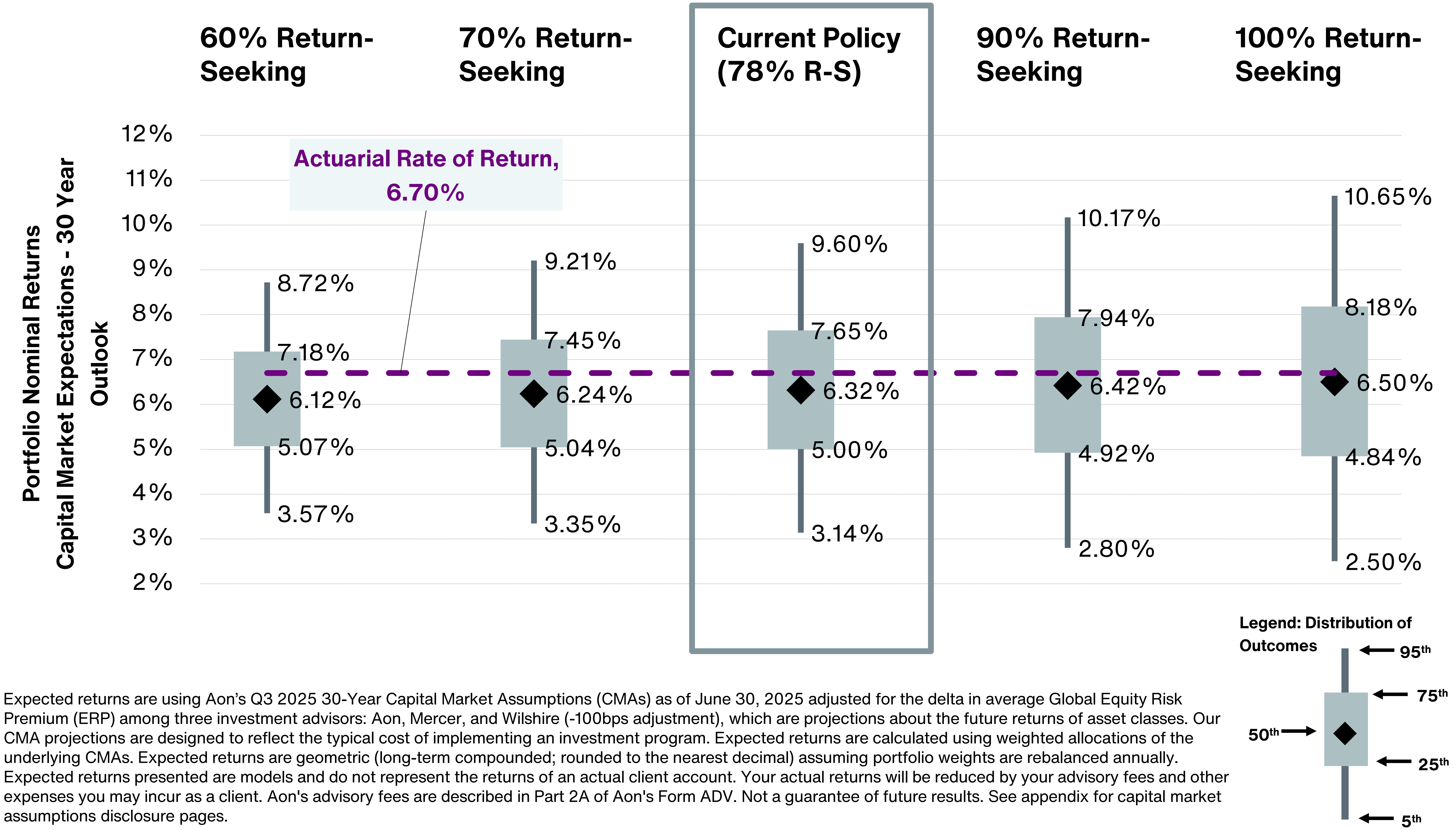
	Portfolio Metrics			Return-Seeking (R-S) Assets							Risk-Reducing/ Safety Assets	
	Exp. Nominal Return[1]	**Exp. Nominal Volatility**	**Sharpe Ratio**	**Public Equity**	**Private Equity**	**Liquid Alts**	**Liquid R-S Fixed Income**	**Illiquid R-S Fixed Income**	**Open-End Real Assets**	**Closed-End Real Assets**	**Cash**	**Core Bonds**
Current Policy (80% R-S)	6.32%	10.83%	0.23	45%	10%	3%	3%	4%	10%	3%	1%	21%
Alternative Frontier												
60% Return-Seeking	6.12%	8.61%	0.27	35%	8%	2%	2%	3%	8%	2%	1%	39%
70% Return-Seeking	6.24%	9.82%	0.25	40%	9%	3%	3%	4%	9%	3%	1%	29%
80% Return-Seeking	6.34%	11.09%	0.23	46%	10%	3%	3%	4%	10%	3%	1%	19%
90% Return-Seeking	6.42%	12.39%	0.21	52%	12%	3%	3%	5%	12%	3%	1%	9%
100% Return-Seeking	6.50%	13.73%	0.20	58%	13%	4%	4%	5%	13%	4%	1%	0%

[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Percentages may not sum to 100% due to rounding.

Portfolio Analysis – Range of Expected Returns

Higher risk portfolios have an increased expected return but a wider range of potential outcome



[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

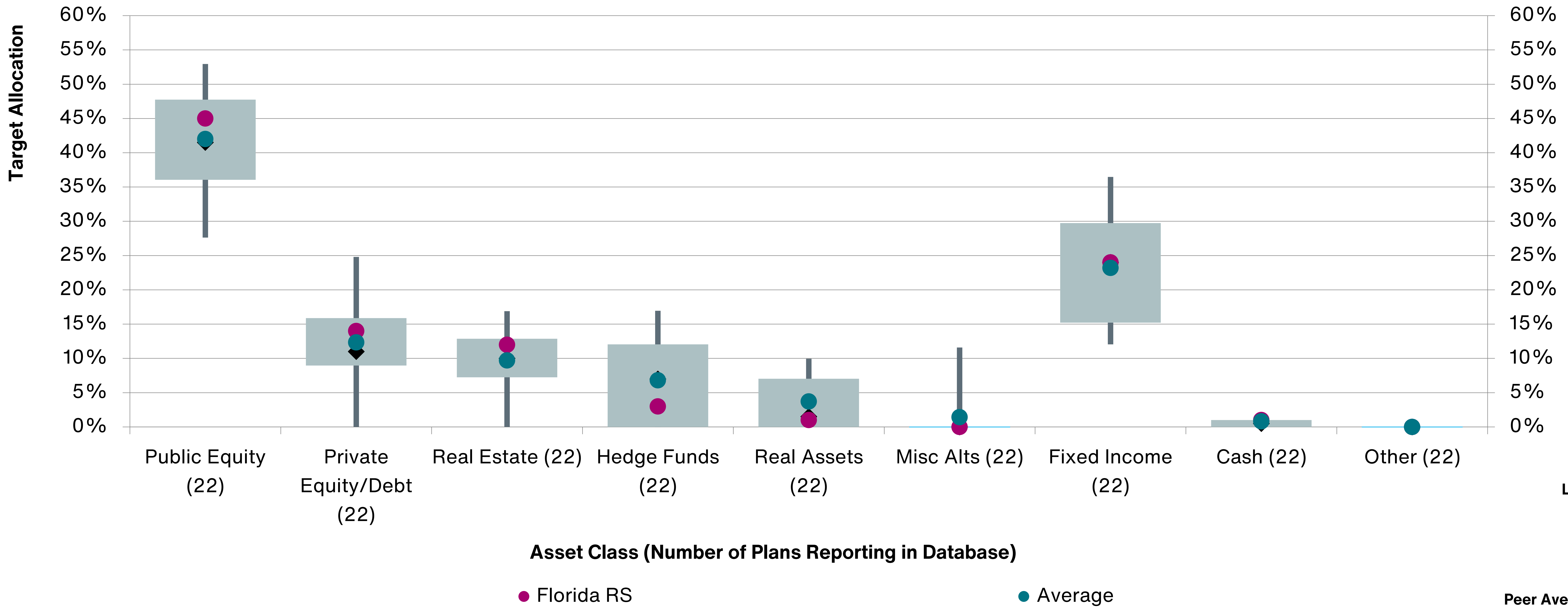
Key Observations

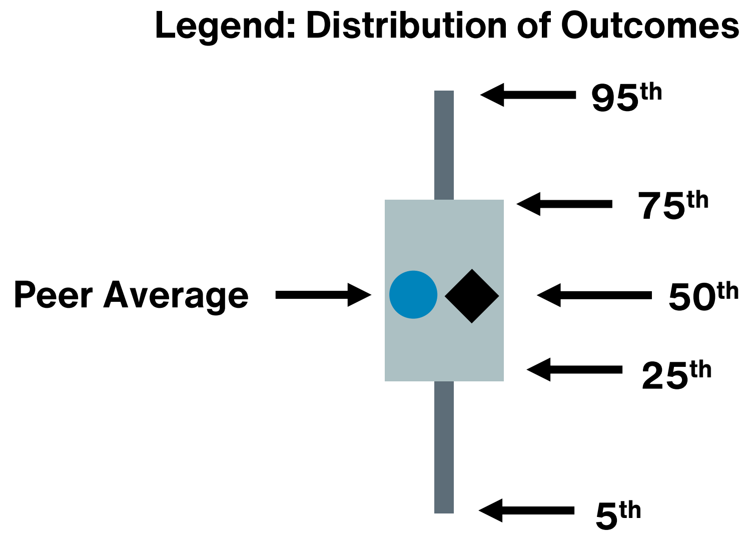
- Higher allocations to return-seeking assets increase the expected return[1] (50th percentile outcome) but with a wider range of outcomes
- The probability of meeting the actuarial rate of return by portfolio is the following:
  - 60% R-S: 35%
  - 70% R-S: 40%
  - **78% R-S (Current): 42%**
  - 90% R-S: 45%
  - 100% R-S: 47%

Peer Comparisons

Distribution of U.S. public pension target asset allocations (> $50B)[1]

Distribution of U.S. Public Pension Target Asset Allocations (FYE 2024)





Source: Public Plans Data (publicplansdata.org) as of July 2025

[1] Peers defined as public plans published within publicplansdata.org as of July 2025; Number of plans per year are shown in parentheses

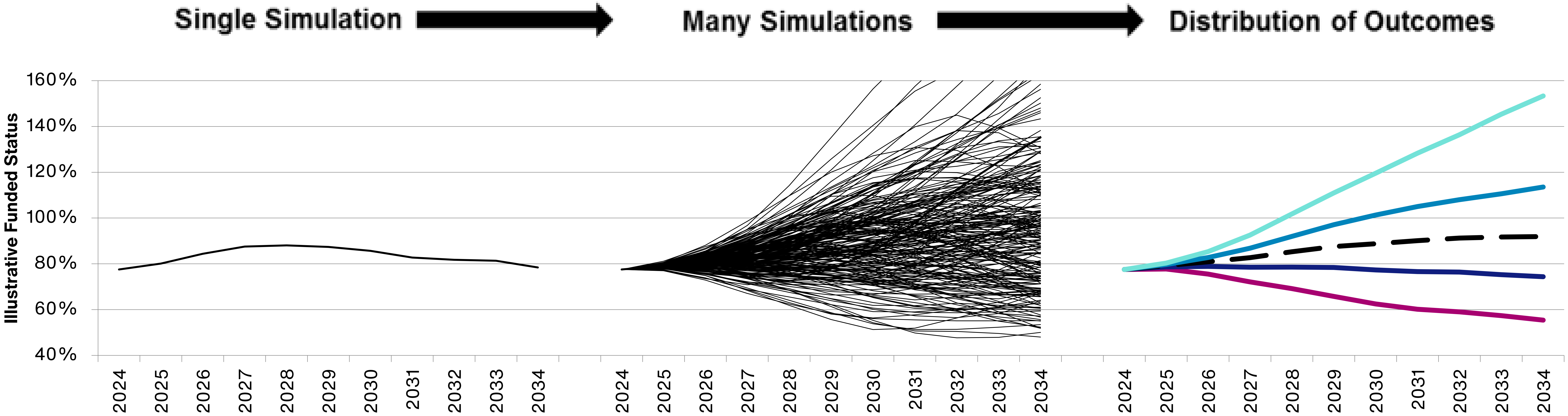
Asset-Liability Projection Analysis

Section 2: Analysis

Asset-Liability Projection Analysis

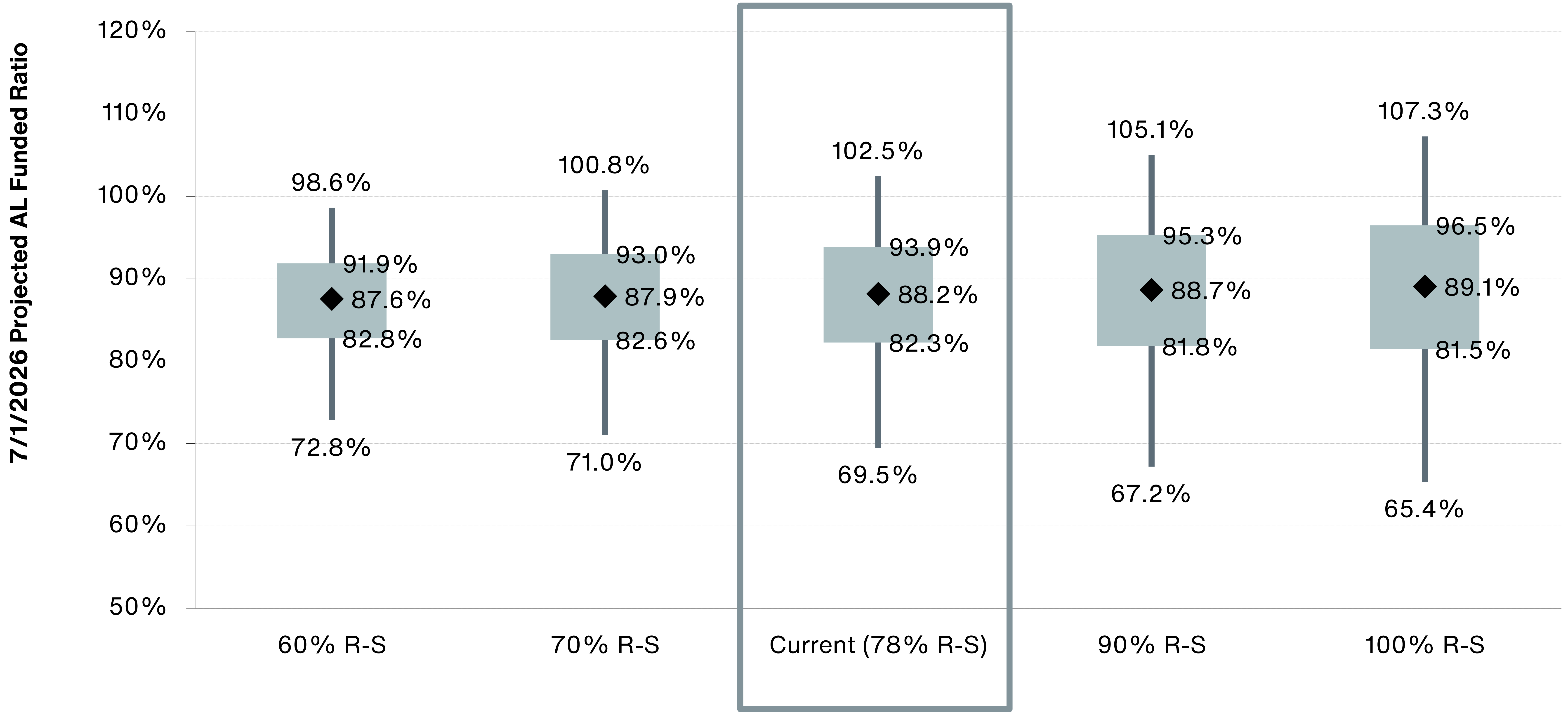
Simulation overview (illustrative example)

- Thousands of simulations plotted in one graph would be impossible to interpret
- Instead, we rank the simulations at each point over the future
- This produces a distribution of outcomes illustrating the degree of uncertainty of a plan's financial position over the projection period
- Different investment strategies will produce different distributions of outcomes



Asset-Liability Projection Analysis – Funded Ratio (MVA)

Short-term funded ratio sensitivity driven by investment risk

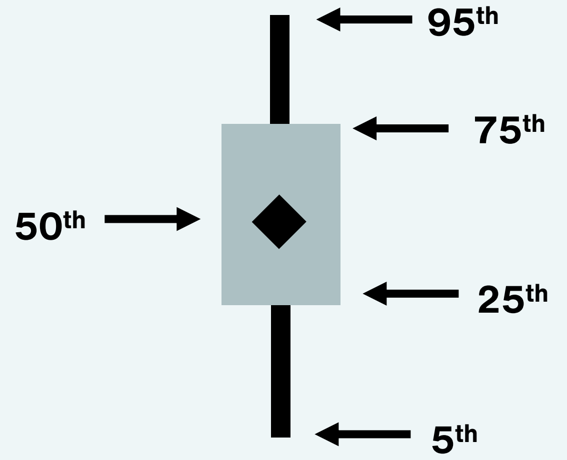


Projections assume a constant 6.70% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through June 30, 2025. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

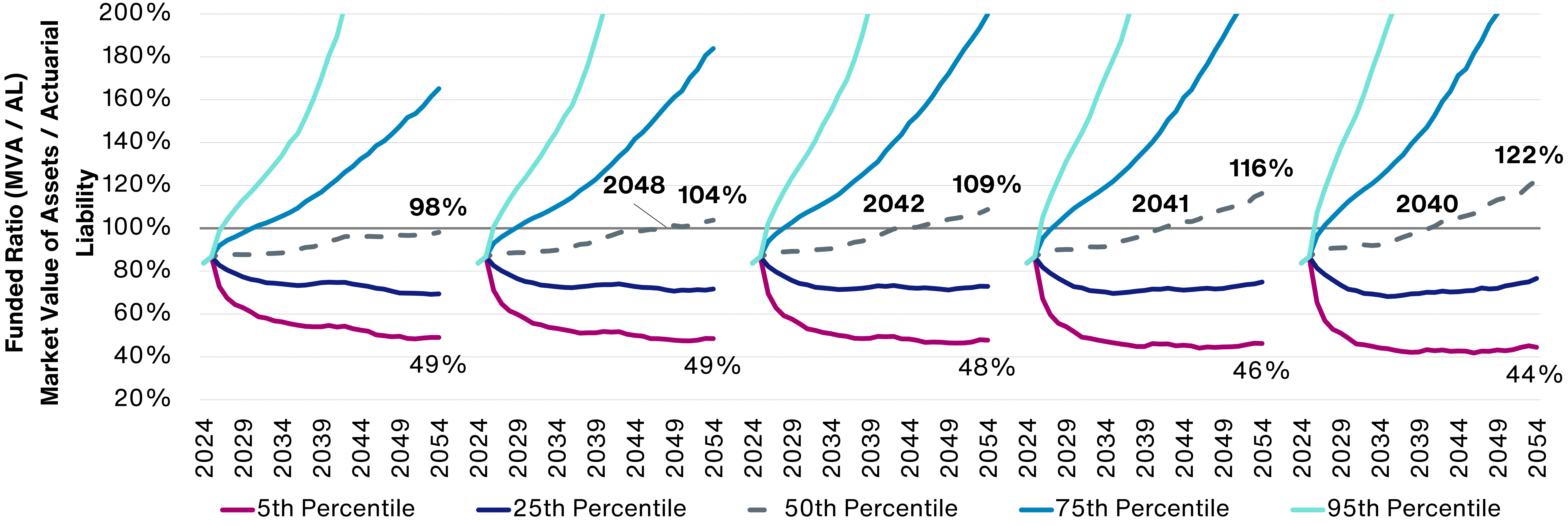
- Higher risk portfolios are projected to have both more upside and downside potential over a short time horizon
- Similarly, lower risk portfolios will have a narrower range of potential outcomes

Legend: Distribution of Outcomes



Asset-Liability Projection Analysis – Funded Ratio (MVA)

Plan is expected to reach full funding by 2042; alternative portfolios can adjust time to full funding and volatility of outcomes



Strategy	60% Return-Seeking			70% Return-Seeking			Current Policy (78% R-S)			90% Return-Seeking			100% Return-Seeking		
Year	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**
5th Percentile	56%	53%	49%	53%	50%	49%	51%	48%	48%	47%	45%	46%	44%	43%	44%
25th Percentile	74%	73%	69%	73%	73%	72%	72%	72%	73%	70%	71%	75%	69%	70%	77%
50th Percentile	89%	96%	98%	90%	98%	104%	90%	100%	109%	91%	103%	116%	92%	105%	122%
75th Percentile	106%	132%	165%	110%	142%	184%	114%	149%	200%	119%	161%	>200%	124%	171%	>200%
95th Percentile	134%	>200%	>200%	145%	>200%	>200%	155%	>200%	>200%	171%	>200%	>200%	184%	>200%	>200%
Probability > 100%	33%	47%	49%	37%	49%	53%	40%	50%	56%	42%	52%	60%	44%	54%	62%

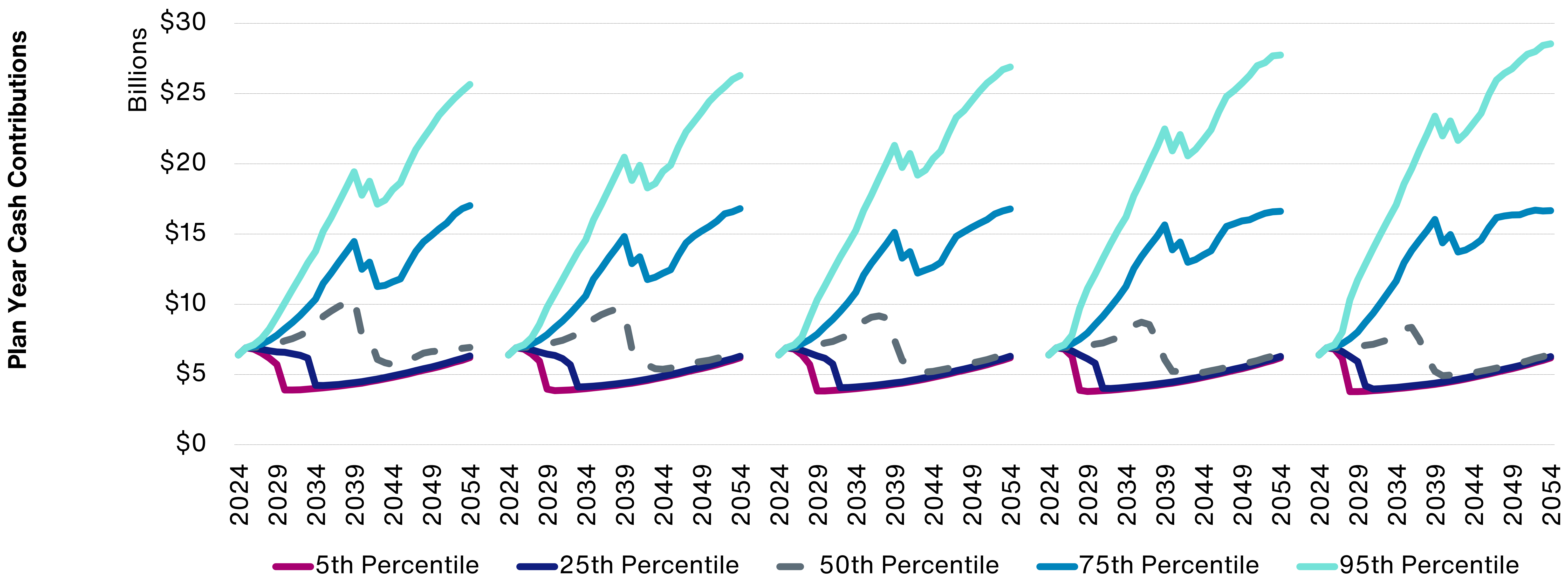
Projections assume a constant 6.70% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through June 30, 2025. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

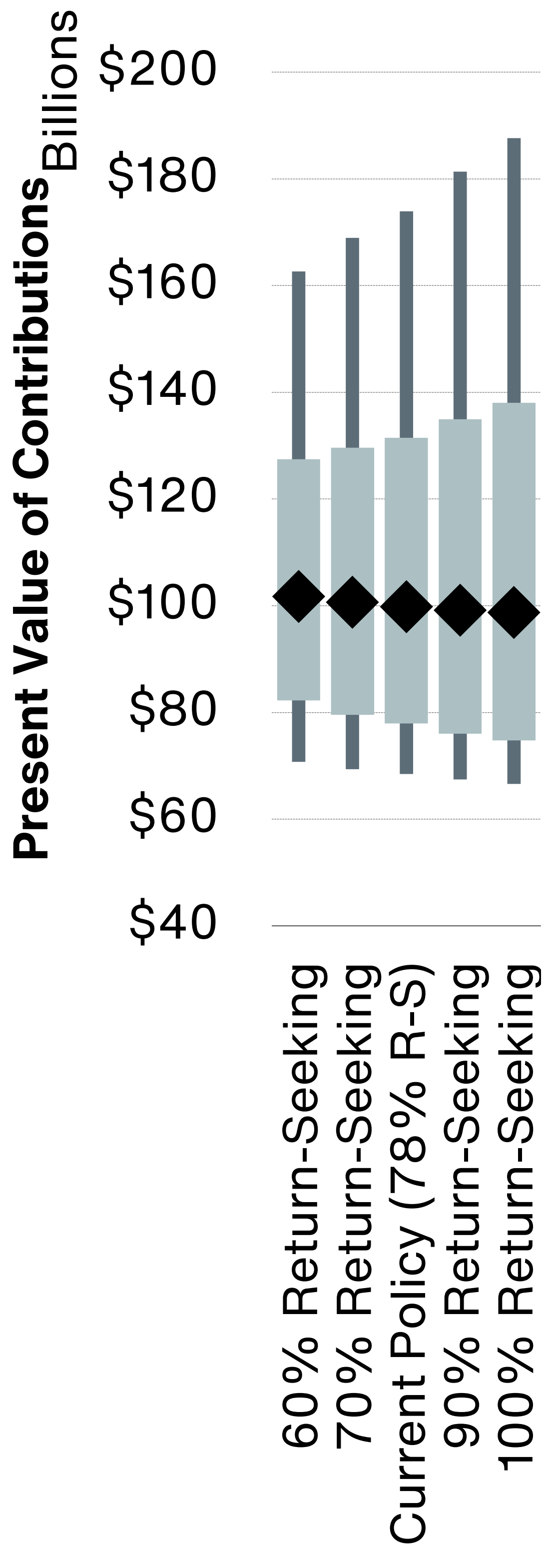
Key Observations

- The Current Policy is expected to reach full funding by 2042
- Higher return-seeking allocations are expected to have
  - Higher central expectations
  - Shorter times to expected full funding
  - Wider ranges of potential outcomes

Asset-Liability Projection Analysis – Total Contributions

Total contributions are expected to increase before decreasing across strategies





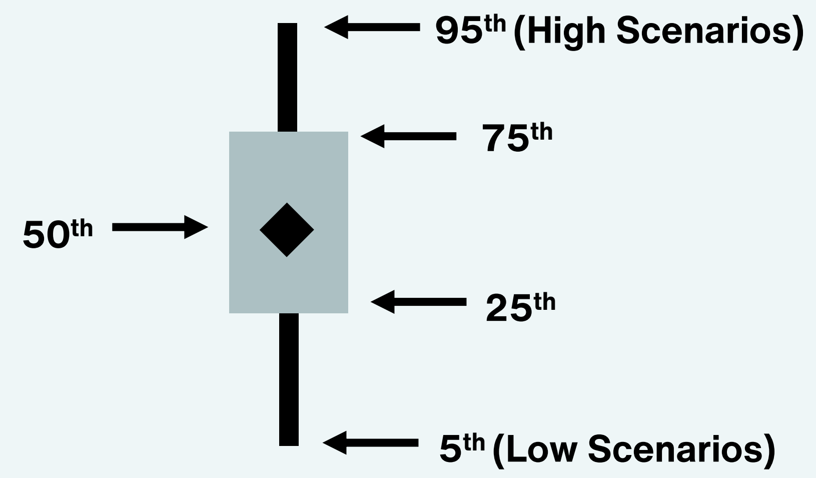
Strategy	60% Return-Seeking			70% Return-Seeking			Current Policy (78% R-S)			90% Return-Seeking			100% Return-Seeking		
Year	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**
5th Percentile	$4.0	$4.8	$6.2	$4.0	$4.8	$6.2	$4.0	$4.8	$6.2	$4.0	$4.8	$6.2	$4.0	$4.8	$6.2
25th Percentile	$4.2	$4.9	$6.3	$4.1	$4.9	$6.3	$4.1	$4.9	$6.3	$4.1	$4.9	$6.3	$4.1	$4.9	$6.3
50th Percentile	$8.3	$5.7	$6.9	$8.2	$5.4	$6.6	$8.0	$5.2	$6.5	$7.8	$5.1	$6.5	$7.7	$5.1	$6.4
75th Percentile	$10.4	$11.6	$17.0	$10.6	$12.2	$16.8	$10.9	$12.6	$16.8	$11.3	$13.5	$16.6	$11.7	$14.2	$16.7
95th Percentile	$13.8	$18.1	$25.7	$14.6	$19.5	$26.3	$15.3	$20.4	$26.9	$16.2	$21.7	$27.7	$17.1	$22.9	$28.5

Projections assume a constant 6.70% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through June 30, 2025. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented. Present value calculated at 6.70%.

Key Observations

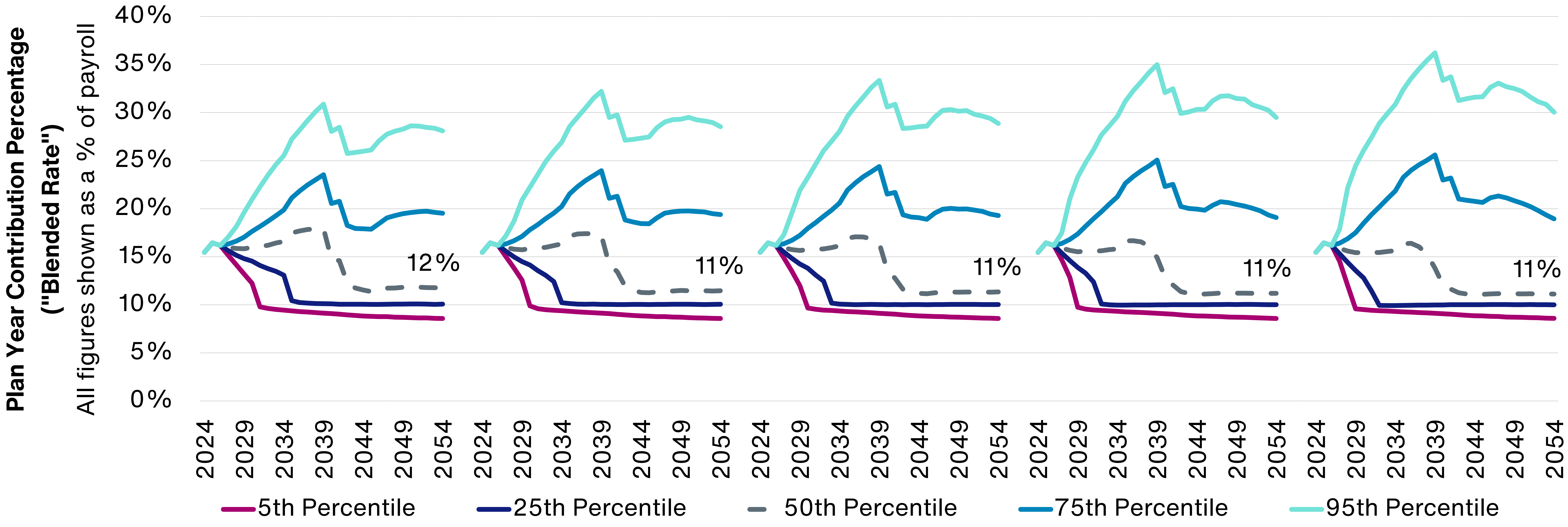
- Total contribution amounts are expected to increase before decreasing once amortization bases are fully recognized and/or the plan reaches full funding
- Higher or lower return-seeking allocations have cost/risk trade-offs

Legend: Distribution of Outcomes



Asset-Liability Projection Analysis – "Blended Rate"

Employer "blended rate" is expected to gradually increase before decreasing across strategies



Strategy	60% Return-Seeking			70% Return-Seeking			Current Policy (78% R-S)			90% Return-Seeking			100% Return-Seeking		
Year	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**
5th Percentile	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
25th Percentile	13%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
50th Percentile	17%	12%	12%	16%	11%	11%	16%	11%	11%	16%	11%	11%	16%	11%	11%
75th Percentile	20%	18%	20%	20%	18%	19%	21%	19%	19%	21%	20%	19%	22%	21%	19%
95th Percentile	26%	26%	28%	27%	27%	29%	28%	29%	29%	30%	30%	29%	31%	32%	30%

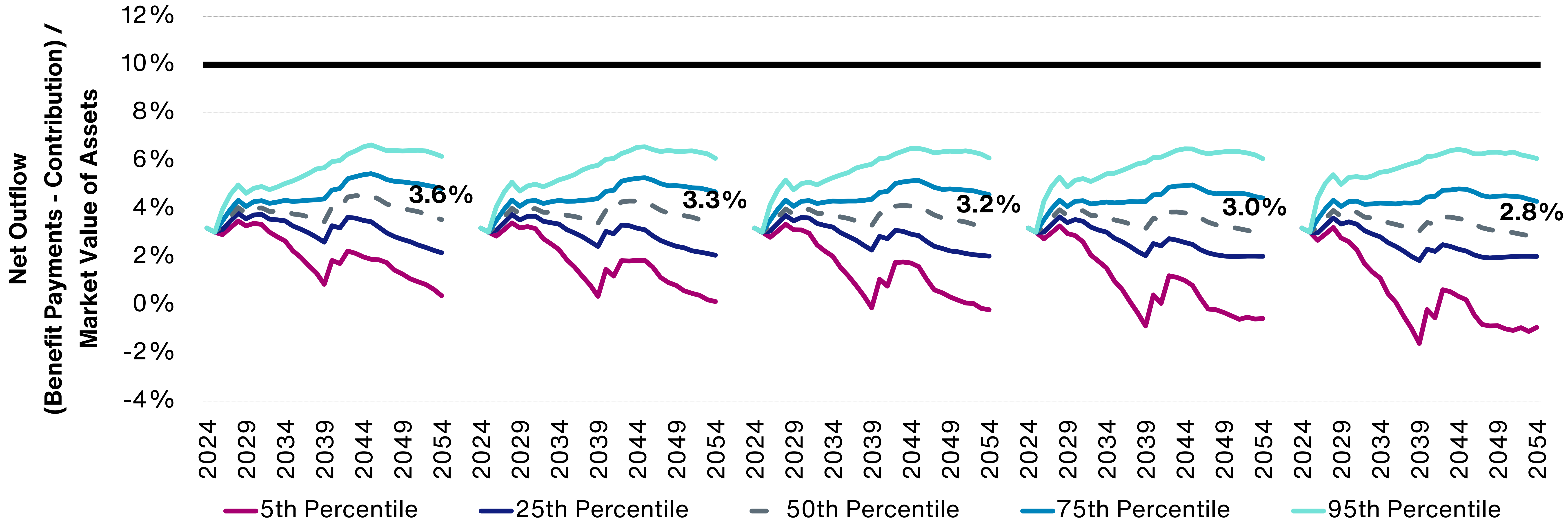
Projections assume a constant 6.70% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through June 30, 2025. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- "Blended Rate" is expected to gradually increase before decreasing once amortization bases are fully recognized and/or the plan reaches full funding
- Higher return-seeking allocations are projected to decrease the central trend line while lower return-seeking allocations are projected to reduce the volatility of outcomes

Asset-Liability Projection Analysis – Net Outflow

Net outflow is consistent across investment strategies; higher risk portfolios have slightly lower expected outcomes



Strategy	60% Return-Seeking			70% Return-Seeking			Current Policy (78% R-S)			90% Return-Seeking			100% Return-Seeking		
Year	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**	**2034**	**2044**	**2054**
5th Percentile	2.7%	2.0%	0.4%	2.3%	1.9%	0.1%	2.0%	1.7%	-0.2%	1.5%	1.0%	-0.6%	1.1%	0.4%	-0.9%
25th Percentile	3.5%	3.5%	2.2%	3.4%	3.2%	2.1%	3.2%	2.9%	2.0%	3.0%	2.6%	2.0%	2.8%	2.3%	2.0%
50th Percentile	3.9%	4.6%	3.6%	3.9%	4.3%	3.3%	3.8%	4.1%	3.2%	3.7%	3.8%	3.0%	3.6%	3.6%	2.8%
75th Percentile	4.4%	5.4%	4.8%	4.3%	5.3%	4.7%	4.3%	5.2%	4.6%	4.3%	5.0%	4.5%	4.2%	4.8%	4.3%
95th Percentile	5.1%	6.6%	6.2%	5.2%	6.6%	6.1%	5.3%	6.5%	6.1%	5.5%	6.5%	6.1%	5.5%	6.5%	6.1%
Probability > 10%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%

Projections assume a constant 6.70% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through June 30, 2025. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- Net outflow is consistent across the policies modeled with central expectations (50th percentile outcome) in the 3-4% range
- Higher risk portfolios have lower central expectations due to higher projected asset values
- Net outflows of 10%+ can put stress on fund liquidity over time; however, it is not likely over the projection period

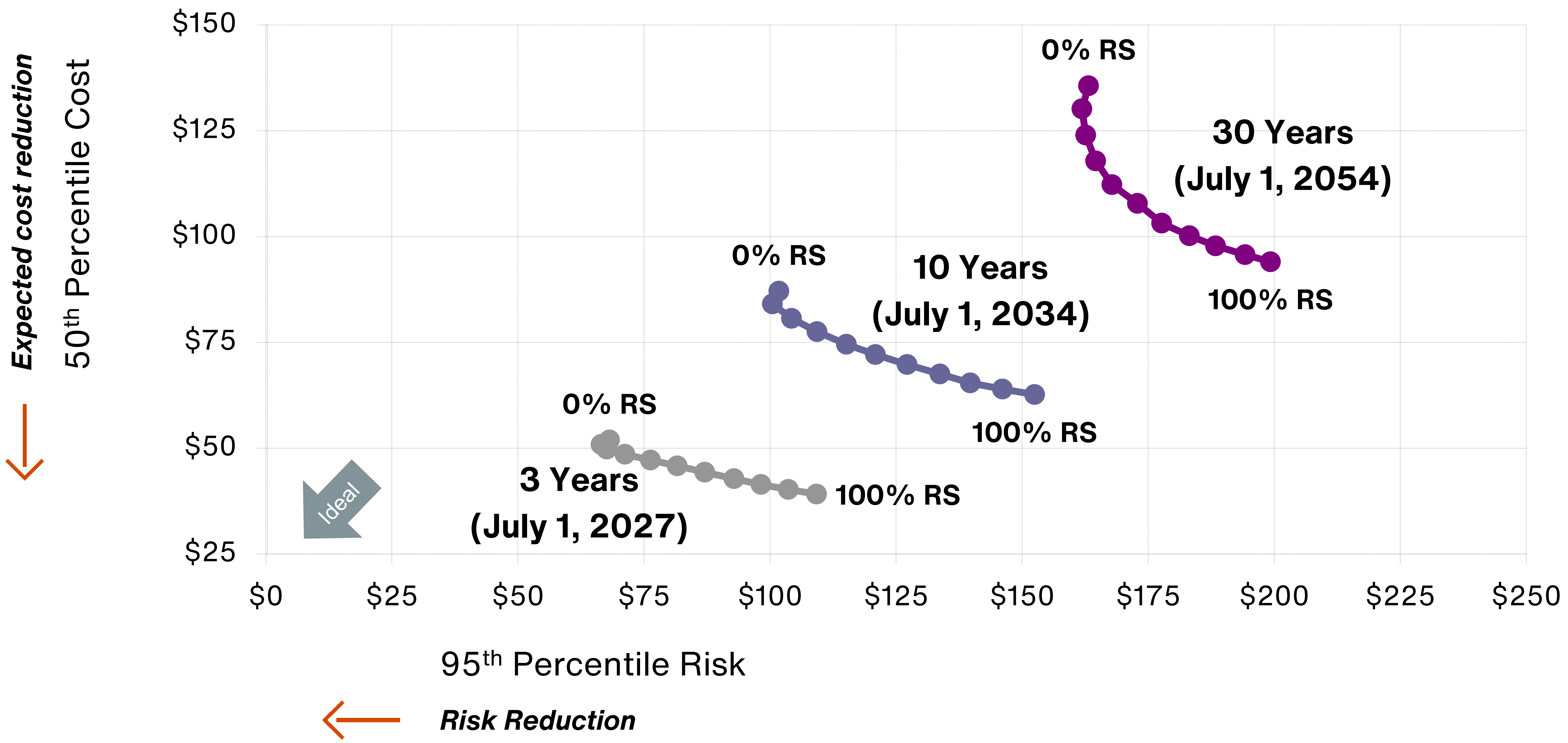
AON

Economic Cost and Risk

Longer time horizons incentivize risk taking

Economic Cost

Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 6.70%, $Billions



Projections assume constant 6.70% discount rate for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.
Note: Excludes 50% of surplus in excess of 120% of Actuarial liability, and includes twice the shortfall below 40% of Actuarial liability, on a market value basis.

Key Observations

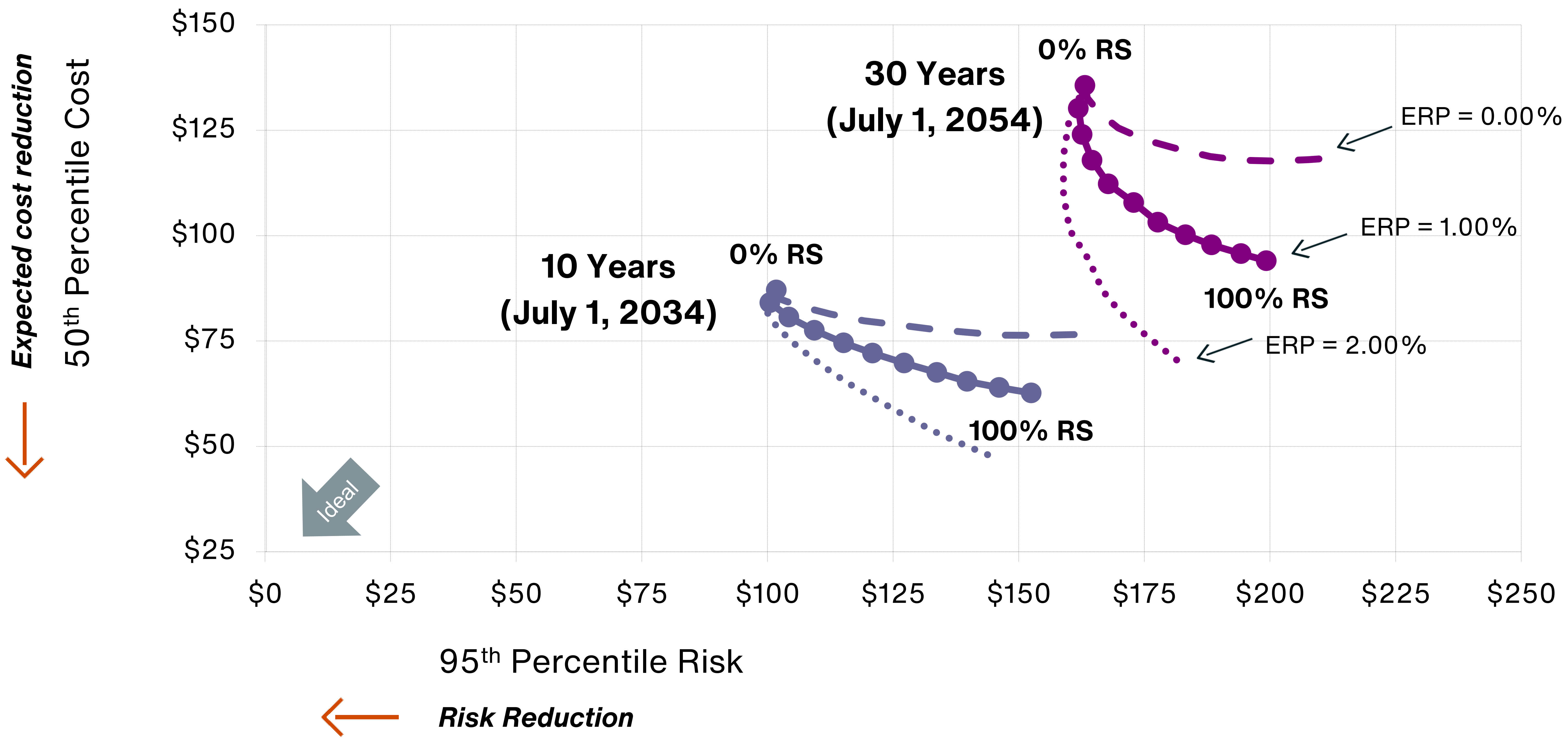
- Horizontal economic cost curves imply that added risk does not result in a significant expected reward/economic cost reduction
- Vertical economic cost curves imply that added risk does result in a significant expected reward/economic cost reduction
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time

Economic Cost and Risk

Sensitivity to equity risk premium ("ERP") assumption

Economic Cost

Present Value of Contributions plus Asset-Liability Funding Shortfall/(Surplus)* at 6.70%, $Billions



Projections assume constant 6.70% discount rate for pension liabilities for all investment policies studied. Projections in this material include estimated expenses paid from plan assets, provided by the plan actuary, which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.
Note: Excludes 50% of surplus in excess of 120% of Actuarial liability, and includes twice the shortfall below 40% of Actuarial liability, on a market value basis.

Key Observations

- The dashed lines illustrate how the Economic Cost curve shifts under alternative equity risk premium assumptions over a 10 and 30-year time horizon.
- The economic curves over the projection periods shown are increasingly more vertical over longer time periods indicating that additional risk in the portfolio is more beneficial to economic cost reduction over time
- A similar relationship exists related to the ERP; higher ERP incentivizes more risk taking; as the ERP moves higher, average costs move down and the incremental risk becomes lower

Asset-Liability Projection Analysis

Summary of Results

Portfolios	Portfolio Metrics (30-year CMAs)				Financial Results (30-Year Figures)						
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.70%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ billions)		Economic Cost (in $ billions)	
						Expected[2]	Downside[3]	Expected[2]	Downside[4]	Expected[2]	Downside[4]
Current Policy (78% R-S)	**6.32%**	**10.83%**	**0.23**	**42%**	**2042**	**109%**	**48%**	**$99.8**	**$173.9**	**$98.1**	**$187.5**
Current Frontier											
0% Return-Seeking	4.99%	5.35%	0.22	4%	Not Achieved	69%	44%	$120.5	$136.8	$135.6	$163.2
10% Return-Seeking	5.23%	5.07%	0.28	6%	Not Achieved	72%	46%	$116.3	$136.7	$130.2	$161.9
20% Return-Seeking	5.44%	5.20%	0.32	9%	Not Achieved	75%	48%	$112.3	$139.6	$124.0	$162.6
30% Return-Seeking	5.64%	5.70%	0.32	16%	Not Achieved	80%	49%	$109.0	$144.4	$117.9	$164.6
40% Return-Seeking	5.82%	6.50%	0.31	23%	Not Achieved	85%	49%	$106.0	$150.0	$112.3	$167.8
50% Return-Seeking	5.98%	7.49%	0.29	30%	Not Achieved	91%	49%	$103.4	$156.4	$107.8	$172.9
60% Return-Seeking	6.12%	8.61%	0.27	35%	Not Achieved	98%	49%	$101.8	$162.6	$103.2	$177.7
70% Return-Seeking	6.24%	9.82%	0.25	40%	2048	104%	49%	$100.7	$168.9	$100.2	$183.2
80% Return-Seeking	6.34%	11.09%	0.23	43%	2042	110%	48%	$99.7	$175.2	$97.8	$188.4
90% Return-Seeking	6.42%	12.39%	0.21	45%	2041	116%	46%	$99.2	$181.4	$95.7	$194.3
100% Return-Seeking	6.50%	13.73%	0.20	47%	2040	122%	44%	$98.8	$187.6	$94.0	$199.3

[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations

[3] Downside = 5th percentile outcome across all 5,000 simulations

[4] Downside = 95th percentile outcome across all 5,000 simulations

Liquidity Analysis

Section 2: Analysis

Liquidity Analysis Overview

Background

SBA's liquidity analysis is performed under the Current target allocations

Intended as a stress-testing model, incorporating the profile of the liabilities as well as expected future contributions

Uses different scenarios for economic environments and other relevant events

Shows how the portfolio's liquidity profile could evolve with a given investment strategy

We categorized investments by liquidity into five buckets

Liquid (Risk-Reducing Assets): Less than 3 months needed for return of capital (e.g., publicly traded securities)

Liquid (Return-Seeking Assets): Less than 3 months needed for return of capital (e.g., publicly traded securities)

Quasi-Liquid: Typical lock-up of 3–12 months; Conservatively, we assumed a 1-year lock-up in most economic environments, 2 years in a Recession scenario, and 3 years in a Dark Skies scenario (e.g., many hedge funds, open-end real assets)

Illiquid: Potential lock-up of 5–10 years, depending on economic environment (e.g., closed-end real assets)

Illiquid: Potential lock-up of 10+ years (e.g., typical private equity)

This is intended to be a conservative approximation of the actual liquidity properties of the assets

Liquidity Analysis

Asset allocation, liquidity category, and economic scenarios

Liquidity Category	Asset Class	Current Target Allocation (78% R-S)
Liquid (Risk-Reducing Assets)	Core Fixed Income	21%
	Cash	1%
	Subtotal	**22%**
Liquid (Return-Seeking Assets)	Public Equity	45%
	Return-Seeking Fixed Income	3%
	Subtotal	**48%**
Quasi-Liquid Assets	Open-End Real Estate	10%
	Hedge Funds	2%
	Insurance Linked Securities	1%
	Subtotal	**13%**
Illiquid 5-10 Years	Private Debt	4%
	Closed-End Real Estate	2%
	Subtotal	**6%**
Illiquid 10+ Years	Private Equity	10%
	Closed-End Infrastructure	1%
	Subtotal	**11%**
Totals	Asset Allocation	100%
	Quasi + Illiquid Assets	**30%**

Base Case Scenario

- Markets perform consistent with Aon's Capital Market Assumptions (~50th percentile)

Recession Scenario

- Somewhat pessimistic outlook for the markets
- Return-seeking assets decline in the first two years with a modest rebound in later years

Dark Skies Scenario

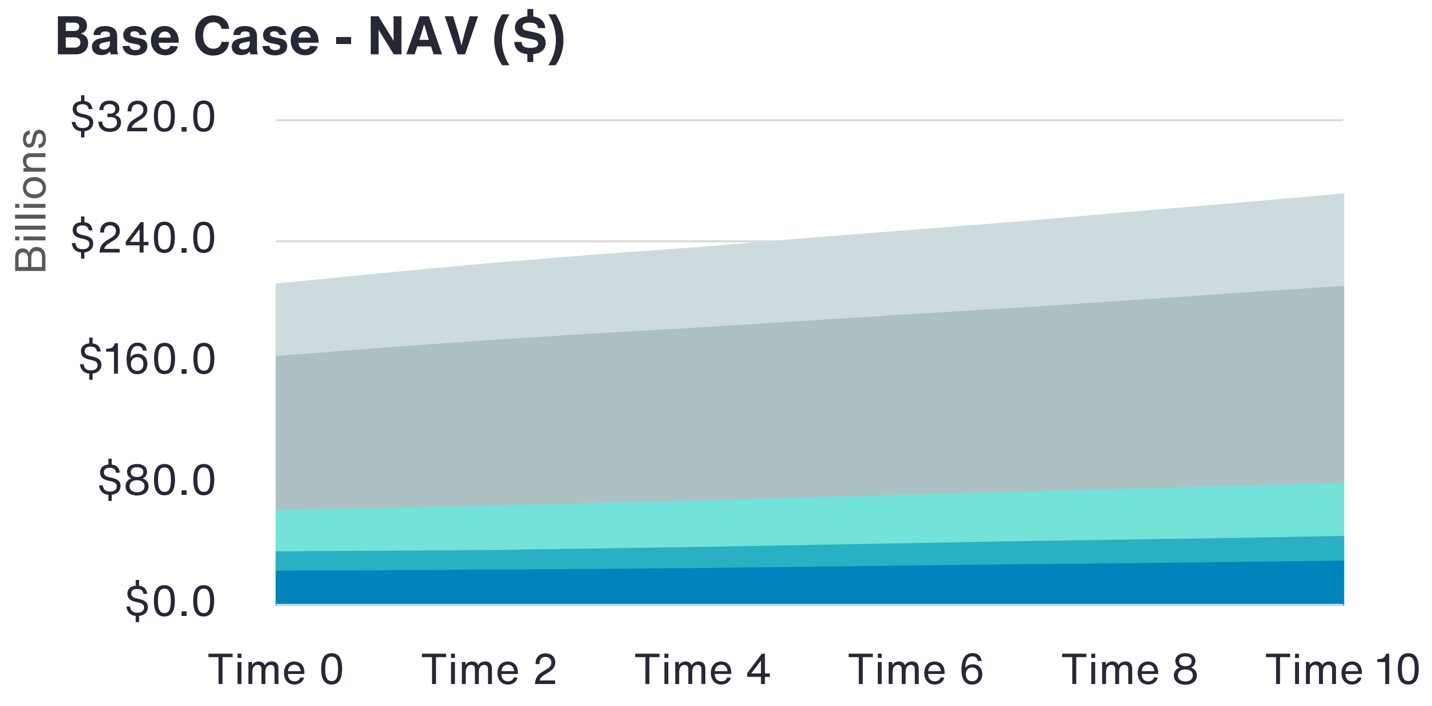
- Very pessimistic outlook for markets
- Return-seeking assets decline significantly
- The value of public equities declines approximately 50% over three years, without an immediate rebound

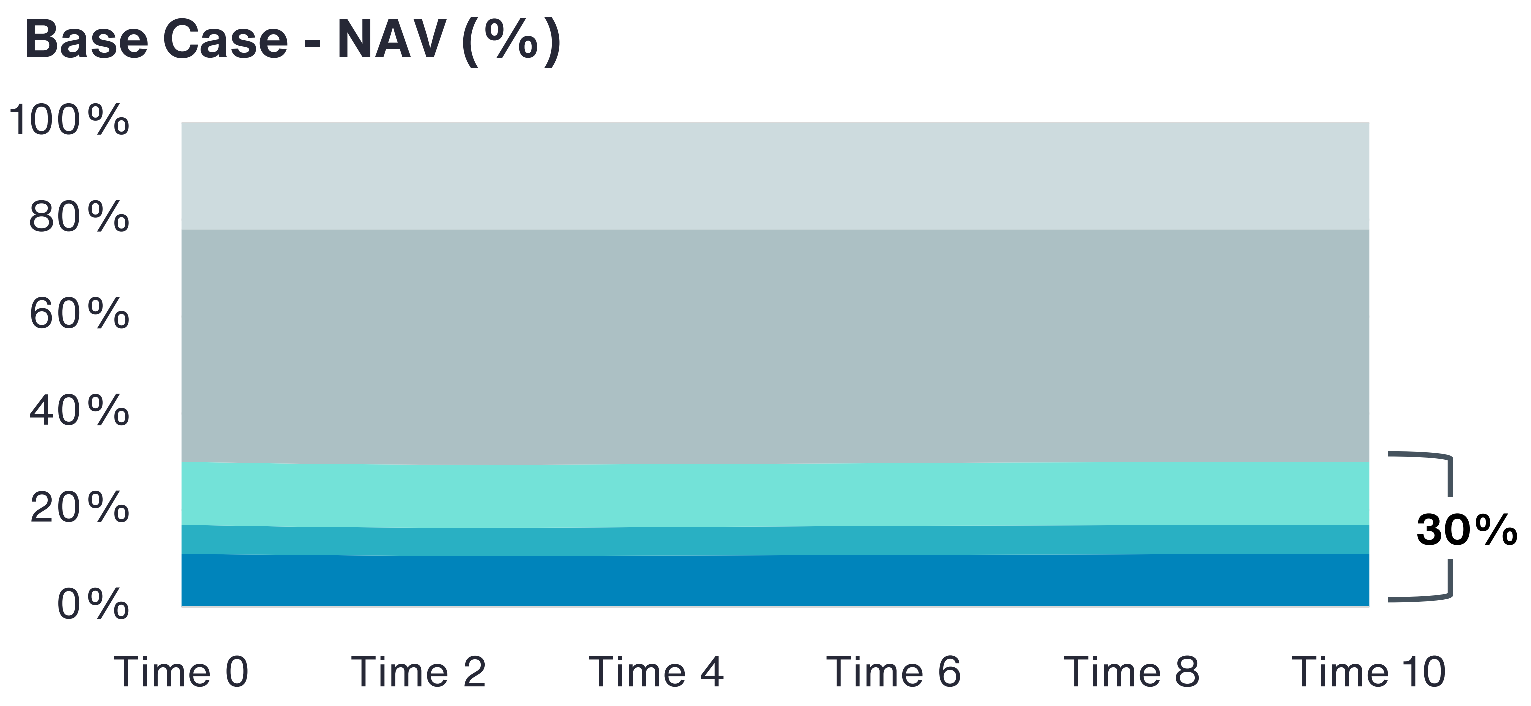
AON

Liquidity Analysis – Results

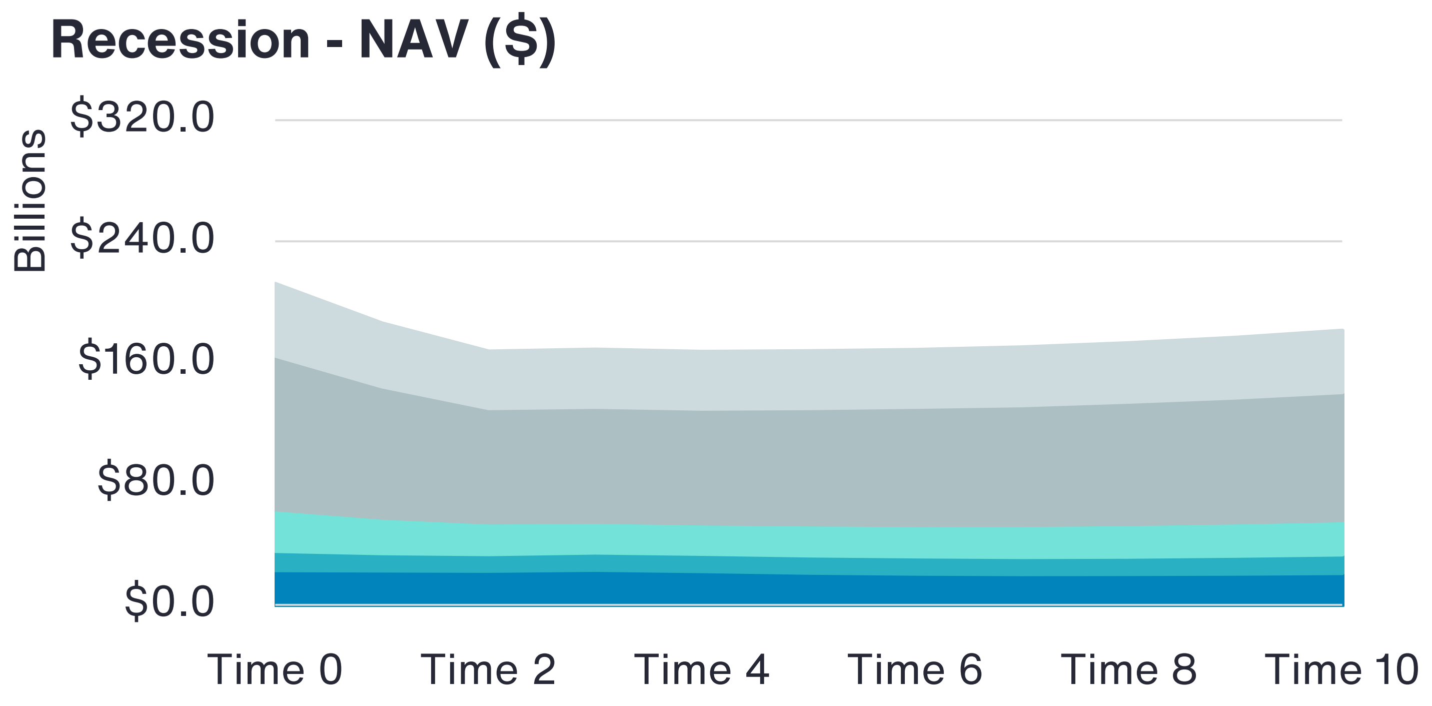
Current Policy (78% R-S; 30% illiquid assets)

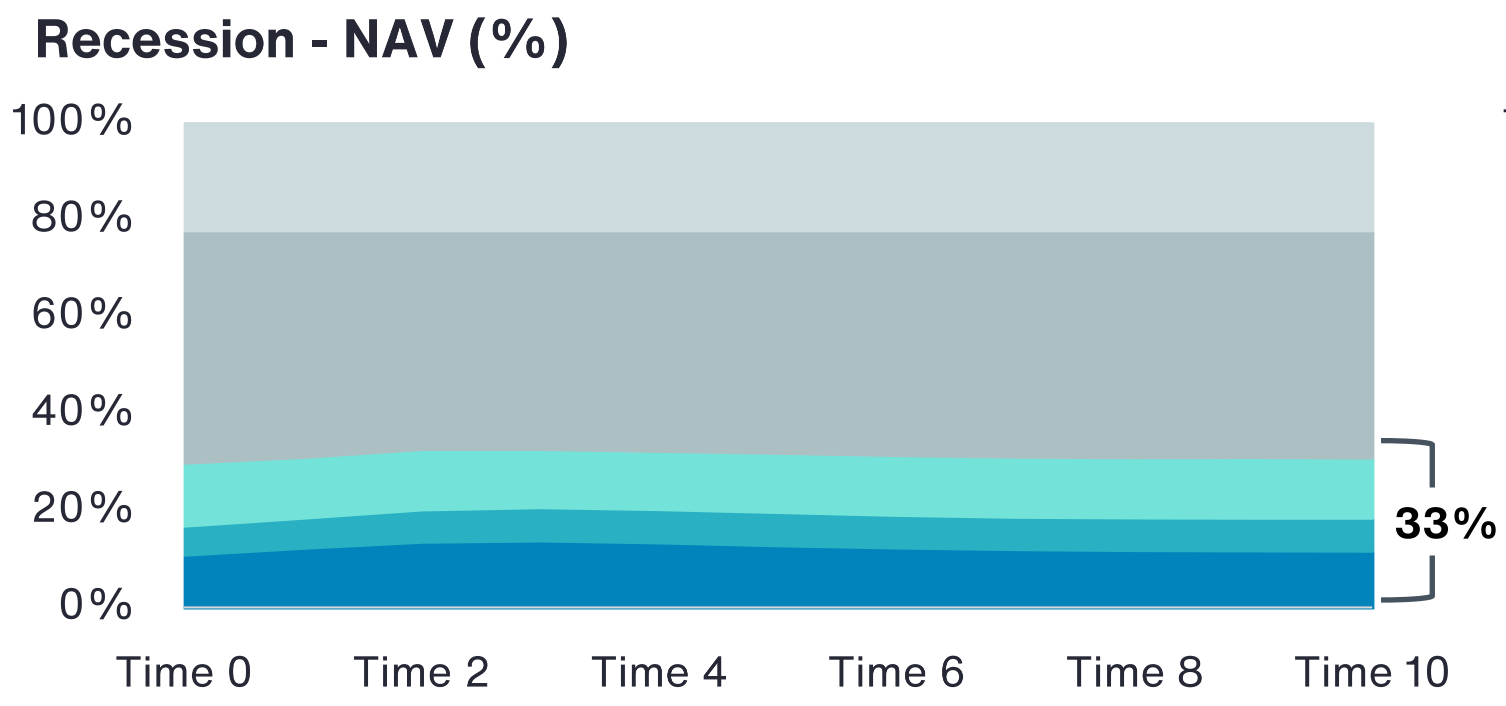
Base Case



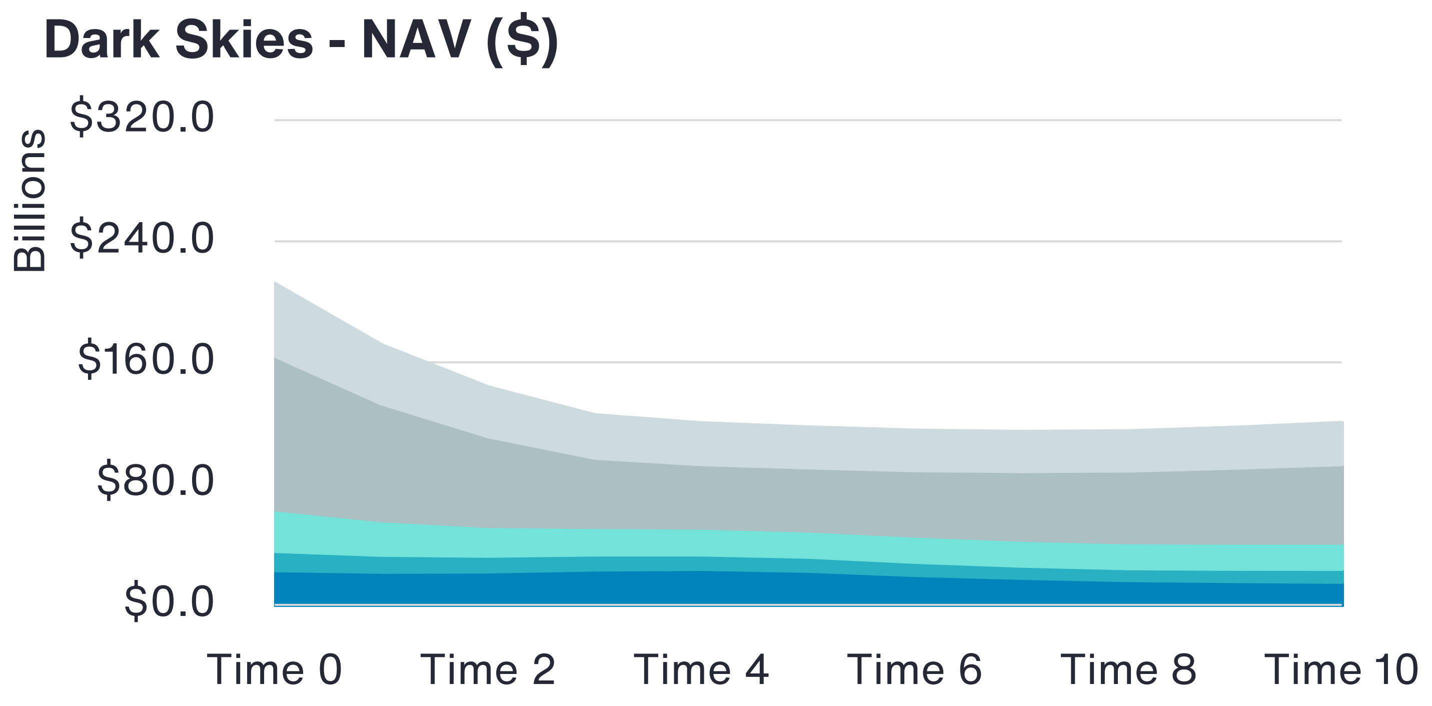


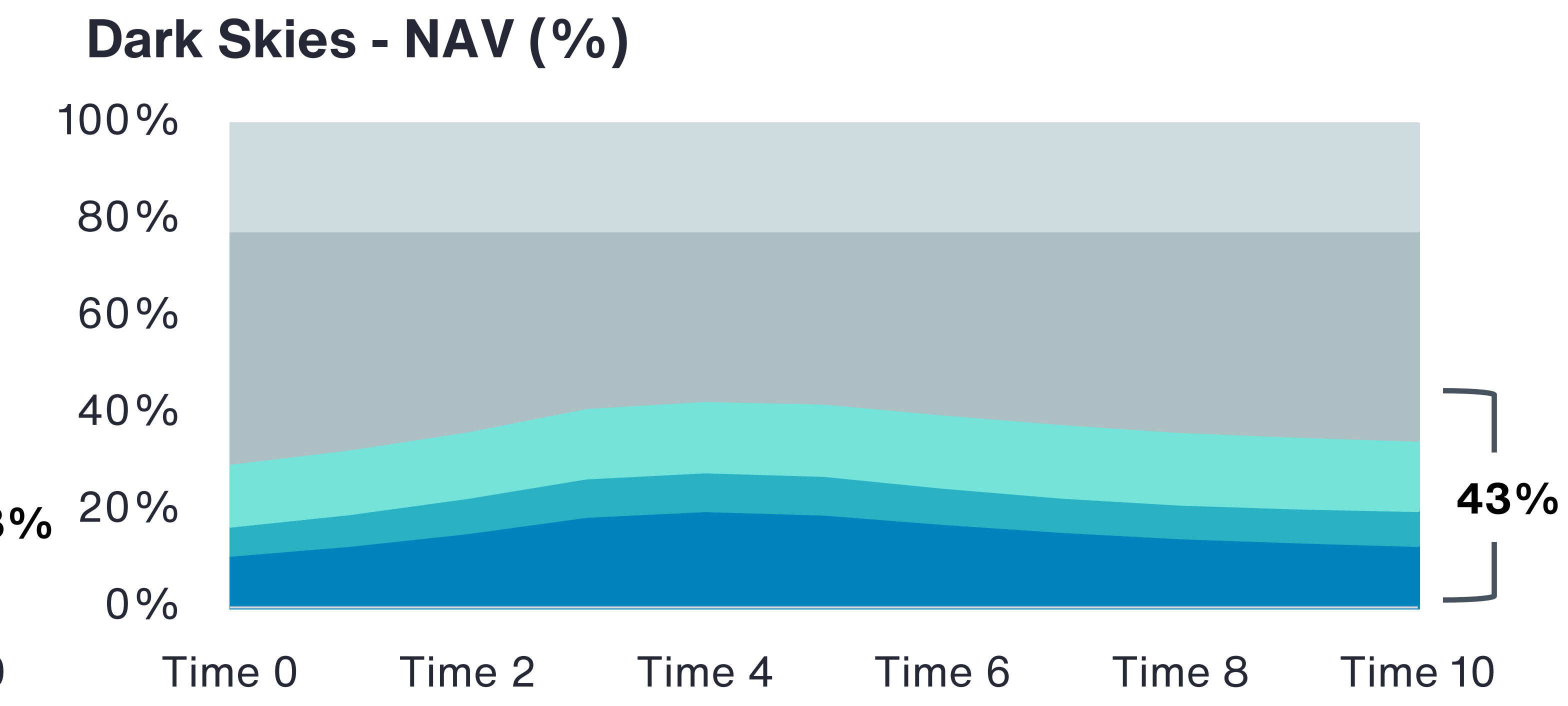
Recession





Dark Skies





■ Illiquid: 10+ Years ■ Illiquid: 5-10 Years ■ Quasi-Liquid ■ Liquid (Return-Seeking Assets) ■ Liquid (Risk-Reducing Assets)

Note: Time 0 represents a starting point of June 30, 2025

AON

Liquidity Analysis – Summary of Results

Sufficient liquidity in base case, recession, and dark skies scenarios

	Current Policy (78% R-S)	
	Max Illiquid Allocation	**Ratio of Max Illiquids to Base Case**
Base Case	30%	1.00
Recession	33%	1.10
Dark Skies	43%	1.43

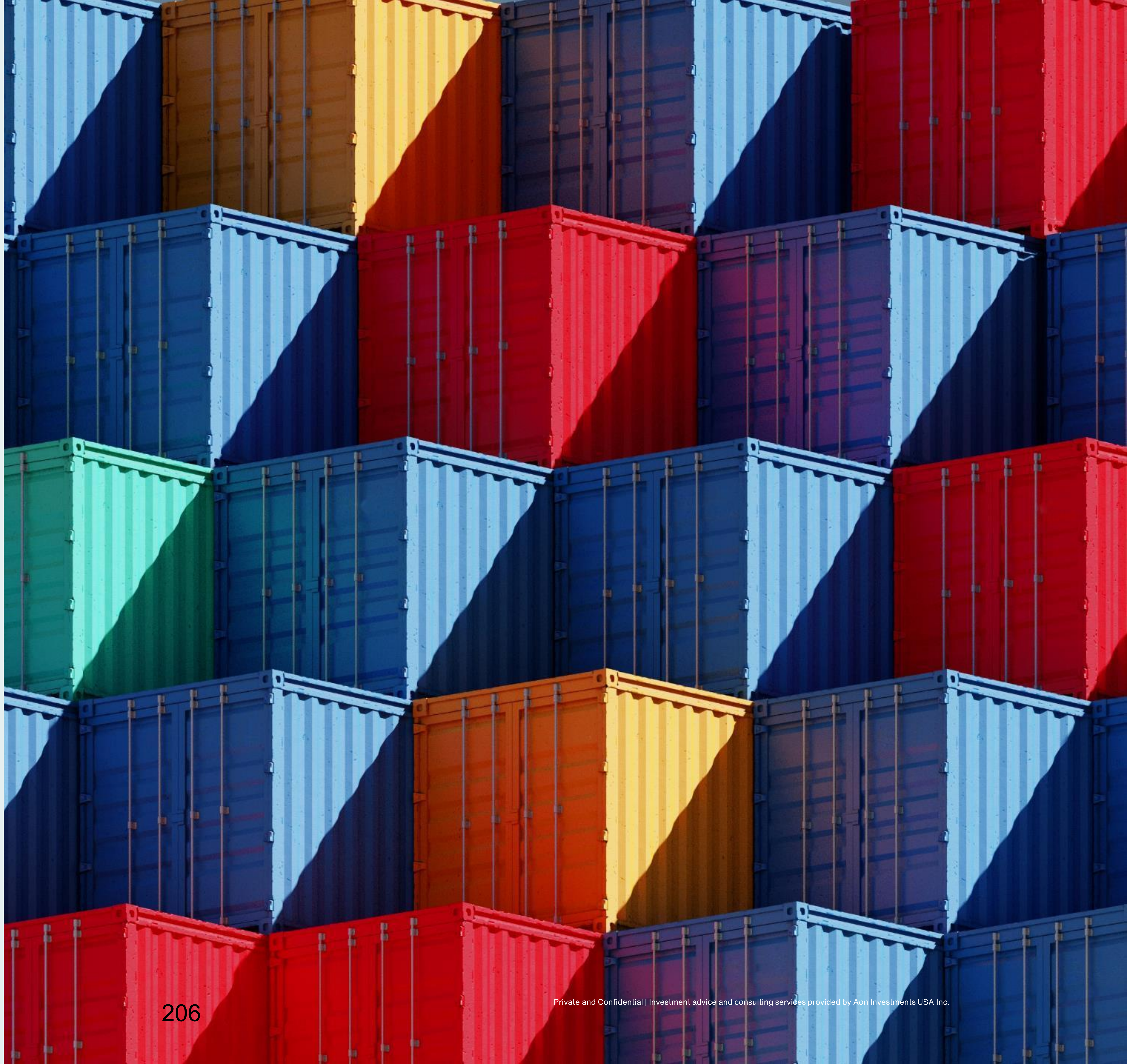
Key Takeaways

- SBA has sufficient liquidity in the modeled Base Case, Recession, and Dark Skies economic scenarios for the Current target allocation
  - The modeled scenarios show no problems paying benefits to participants
- In a Dark Skies economic scenario, assets are projected to decline increasing the proportion of illiquid assets
  - Potential remedies if the Dark Skies scenario occurs include:
    - Accepting this risk
    - Paring back commitments more than assumed in this analysis and/or selling on the secondary market
    - Adjusting the funding policy

Note: This analysis is highly sensitive to the assumed contributions. If SBA receives less contributions than assumed, especially in a Dark Skies environment, then illiquid and quasi-liquid investments would drift even further from target and the potential for liquidity issues increases

3

Summary & Conclusions



Summary & Conclusions

Key themes of the asset-liability study

Current/Future Trends

- FRS has an estimated funded ratio of 87% as of 6/30/2025 using a market-based funded ratio
- Under the current asset allocation, FRS is expected to reach full funding by **FYE 2042** in our central expectation
  - The plan has a hurdle rate surplus – i.e., asset growth outpacing liability growth – that is helping to close the funding shortfall over time
- Higher (or lower) risk strategies adjust the time to full funding

Investment Strategy

- Current asset allocation is 78% return-seeking assets and has an expected return[1] of **6.32%**, which falls short of the actuarial assumed rate of return (6.70%)
- The equity risk premium is 1.00%[2] in this 2025 Asset-Liability Study, compared to 0.75% from 2024
- Aon studied portfolios up/down the risk spectrum

Liquidity

- SBA's current target allocation has **sufficient liquidity** in the modeled Base Case, Recession, and Dark Skies scenarios

[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. For asset classes that can be implemented passively, which includes most public assets, alpha and active management fees are not included in the return expectations. For asset classes that can only be implemented actively, such as hedge funds and private assets, we assume alpha and higher active manager fees. Expected returns are geometric (long-term compounded). Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from the model expected returns presented based on your plan's individual fees/expenses. AIUSA's advisory fees are described in Part 2A of AIUSA's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

[2] Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk; all returns are 10-year geometric average (compounded) expected returns based on Aon, Mercer, and Wilshire capital market assumptions

Summary & Conclusions

Summary of Results

Portfolios	Portfolio Metrics (30-year CMAs)				Financial Results (30-Year Figures)						
	Exp. Nominal Return[1]	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.70%	Exp. Year of Full Funding	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in $ billions)		Economic Cost (in $ billions)	
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[1] Expected returns are using Aon's Q3 2025 30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

[2] Expected = 50th percentile outcome or central expectation across all 5,000 simulations

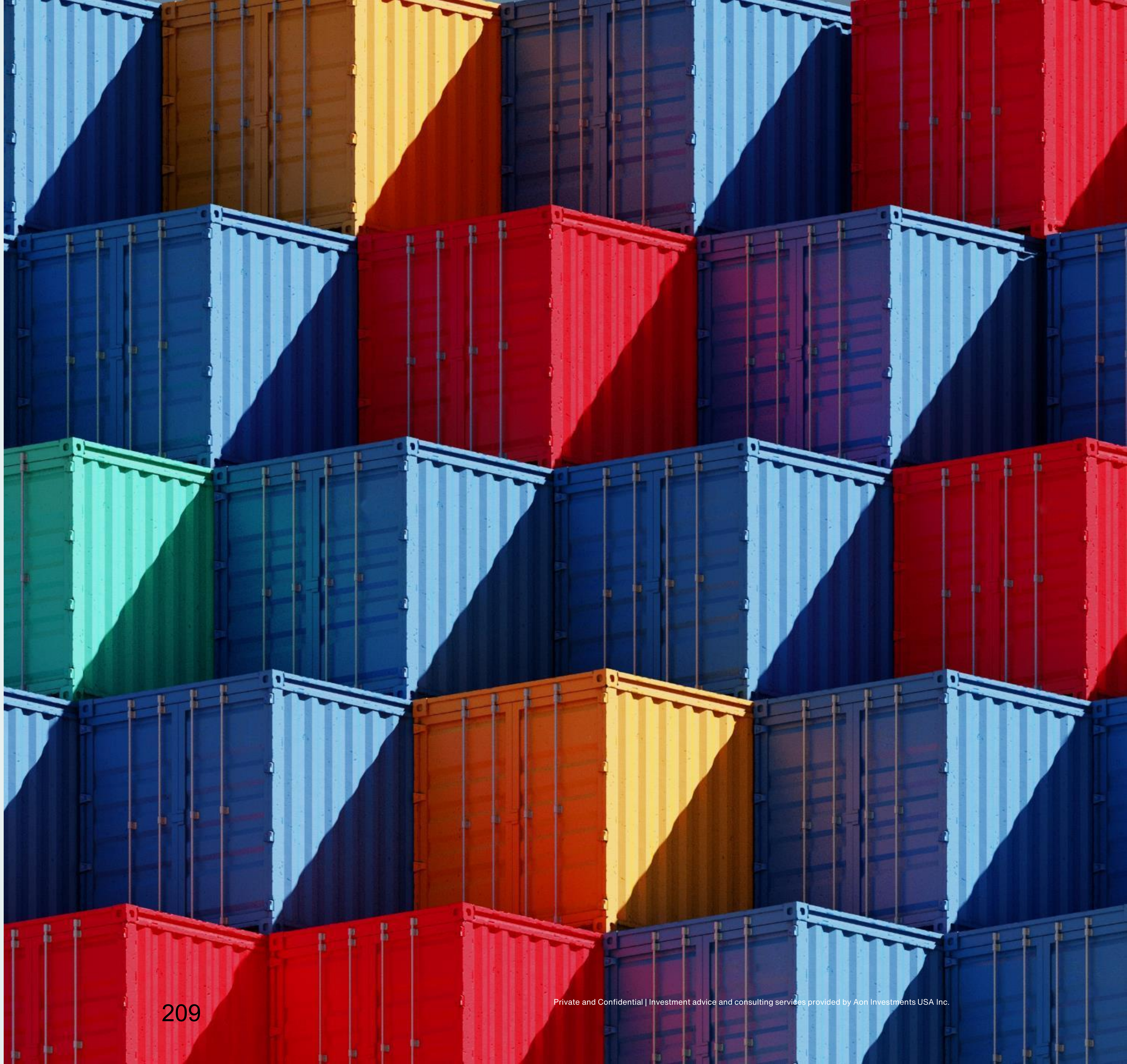
[3] Downside = 5th percentile outcome across all 5,000 simulations

[4] Downside = 95th percentile outcome across all 5,000 simulations

4

Appendix

- Methods & Assumptions
- 2025 Horizon Survey Results
- Peer Comparisons
- Liquidity Analysis Detail
- Asset-Liability Management Overview
- Disclosures



Methods & Assumptions

Section 4: Appendix

Actuarial Assumptions and Methods

Data

- Actuarial information was taken from the July 1, 2024 actuarial valuation results

Actuarial assumptions:

- Valuation Rate of Interest = 6.70%
- Inflation = 2.40%
- Payroll Growth = 3.50%
- Actuarial Value of Assets: Reflects a five-year averaging methodology where 20% of the difference between the actual market value and the expected actuarial value of assets is immediately recognized but restricted to a 20% corridor around the Market Value of Assets
- All other assumptions as documented in the Actuarial Valuation Report as of July 1, 2024, unless noted otherwise

Actuarial Assumptions and Methods

Contribution Policy

- Normal Cost plus a level percent amortization of the unfunded liability using a 3.50% salary scale
- New amortization bases are established each year, creating a layered 20-year amortization base
- Blended Contribution Rate = projected combined amount that would be contributed for both the FRS Pension Plan and the FRS Investment Plan based on the total projected payroll for both plans
  - FRS Investment Plan employer rate is assumed to remain level at 9.51%
- Employee contribution rate is assumed to remain level at 3.00%

Projection Assumptions

- Projected liabilities are adjusted for the difference in simulated vs assumed inflation over the projection period
- Future benefit payments and payroll projections (used for GASB 67 purposes) were supplied by the plan actuary and used in our analysis
- 75% of Special Risk new entrants are assumed to elect the pension plan and 25% of new entrants from other groups are assumed to elect the pension plan
- Actual asset experience was factored in using an asset value of $211.5 billion as of June 30, 2025

Actuarial Assumptions and Methods

Blended Contribution Rate

Combined projected contributions for both the FRS Pension Plan and the FRS Investment Plan as percentage of total system payroll

Blended Employer Contribution Rate is less than Pension Plan Employer Contribution Rate since UAL amortization is divided by total payroll rather than pension-only payroll

Penson Plan Employer Normal Cost Rate[1] + UAL Contribution Rate = **Pension Plan Employer Contribution Rate**

Blended Employer Normal Cost Rate

$$\frac{\underbrace{\text{(Employer Normal Cost Rate}^{1}\text{ x Payroll)}}_{\text{Pension Plan}} + \underbrace{\text{(Employer Rates x Payroll)}}_{\text{Investment Plan}}}{\text{Total System Payroll}}$$

\+

Blended UAL Contribution Rate

$$\frac{\underbrace{\text{(UAL Rate x UAL Payroll)}}_{\text{Pension Plan}}}{\text{Total System Payroll}}$$

= **Blended Employer Contribution Rate**

[1] Net of expected employee contribution rate of 3.00%

Aon's Capital Market Assumptions

Background

- Long-term (10- and 30-year forecasts) forward-looking assumptions (asset class geometric return, volatility, and correlations)
- Building Block approach, primarily based on consensus expectations and market-based inputs
- Best estimates of annualized returns (50/50 better or worse)
- Market returns: no active management value added (except for certain assets classes, such as hedge funds)
- Net of investment fees
- Updated quarterly

Custom FRS Capital Market Assumptions

As of June 30, 2025

		10-Year CMAs				30-Year CMAs			
		Expected Real Return[1]	Expected Nominal Return[1]	Expected Nominal Volatility	Assumed Global Equity Beta	Expected Real Return[1]	Expected Nominal Return[1]	Expected Nominal Volatility	Assumed Global Equity Beta
	Equity								
1	Global Equity IMI	3.4%	5.9%	17.3%	1.00	3.3%	5.7%	17.6%	1.00
	Fixed Income								
2	Cash (Gov't)	1.3%	3.7%	1.2%	0.01	1.5%	3.8%	1.9%	0.01
3	Core Fixed Income	2.4%	4.9%	5.0%	0.01	2.6%	5.0%	5.4%	0.01
4	Multi-Asset Credit	2.5%	5.0%	8.4%	0.30	2.8%	5.2%	8.7%	0.30
	Alternatives								
5	Direct Hedge Funds[2,3]	3.2%	5.7%	5.2%	0.22	3.4%	5.8%	5.6%	0.24
6	Core Real Estate	2.4%	4.9%	15.0%	0.30	2.4%	4.8%	15.2%	0.30
7	Non-Core Real Estate	4.1%	6.6%	24.9%	0.65	3.8%	6.2%	25.2%	0.65
8	Private Equity	6.6%	9.2%	20.0%	0.69	6.6%	9.1%	20.2%	0.69
9	Infrastructure	5.7%	8.2%	16.0%	0.31	5.7%	8.1%	16.3%	0.31
10	Private Debt	3.8%	6.3%	9.7%	0.23	3.4%	5.8%	10.1%	0.24
11	Insurance Linked Securities	3.3%	5.8%	5.5%	0.01	3.1%	5.5%	7.5%	0.01
	Inflation								
12	Inflation	0.0%	2.4%	1.7%		0.0%	2.3%	1.7%	

[1] Expected returns are using Aon's Q3 2025 10/30-Year Capital Market Assumptions (CMAs) as of June 30, 2025 adjusted for the delta in average Global Equity Risk Premium (ERP) among three investment advisors: Aon, Mercer, and Wilshire (-100bps adjustment), which are projections about the future returns of asset classes. For asset classes that can be implemented passively, which includes most public assets, alpha and active management fees are not included in the return expectations. For asset classes that can only be implemented actively, such as hedge funds and private assets, we assume alpha and higher active manager fees. Expected returns are geometric (long-term compounded). Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from the model expected returns presented based on your plan's individual fees/expenses. AIUSA's advisory fees are described in Part 2A of AIUSA's Form ADV. Not a guarantee of future results.

[2] Alpha incorporated in Expected Nominal Return

[3] Represents diversified portfolio of Direct hedge fund investments.

Aon's Capital Market Assumptions

As of June 30, 2025

	Nominal Correlations	1	2	3	4	5	6	7	8	9	10	11	12
1	Global Equity IMI	**1.00**	0.08	0.03	0.62	0.75	0.35	0.45	0.60	0.34	0.42	0.02	0.09
2	Cash (Gov't)	0.08	**1.00**	0.42	0.12	0.21	0.15	0.14	0.09	0.13	0.08	0.26	0.38
3	Core Fixed Income	0.03	0.42	**1.00**	0.30	0.22	0.06	0.05	0.03	0.06	0.05	0.11	-0.01
4	Multi-Asset Credit	0.62	0.12	0.30	**1.00**	0.69	0.19	0.26	0.35	0.20	0.73	0.03	0.12
5	Direct Hedge Funds	0.75	0.21	0.22	0.69	**1.00**	0.30	0.38	0.50	0.30	0.53	0.06	0.11
6	Core Real Estate	0.35	0.15	0.06	0.19	0.30	**1.00**	0.96	0.31	0.18	0.16	0.04	0.08
7	Non-Core Real Estate	0.45	0.14	0.05	0.26	0.38	0.96	**1.00**	0.35	0.21	0.20	0.03	0.08
8	Private Equity	0.60	0.09	0.03	0.35	0.50	0.31	0.35	**1.00**	0.31	0.29	0.02	0.06
9	Infrastructure	0.34	0.13	0.06	0.20	0.30	0.18	0.21	0.31	**1.00**	0.16	0.04	0.07
10	Private Debt	0.42	0.08	0.05	0.73	0.53	0.16	0.20	0.29	0.16	**1.00**	0.02	0.13
11	Insurance Linked Securities	0.02	0.26	0.11	0.03	0.06	0.04	0.03	0.02	0.04	0.02	**1.00**	0.10
12	Inflation	0.09	0.38	-0.01	0.12	0.11	0.08	0.08	0.06	0.07	0.13	0.10	**1.00**

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

The following capital market assumptions were developed by Aon's Global Asset Allocation Team and represent the long-term capital market outlook (i.e., 10 years) based on data at the end of the second quarter of 2025. The assumptions were developed using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecast and market data sources including, but not limited to MSCI, FactSet and Bloomberg. Our long-term assumptions for other asset classes are based on historical results, current market characteristics, and our professional judgment. Expected returns are using Aon 10 Year Capital Market Assumptions as of 6/30/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

Inflation – Expected Level (2.4%)

Based on Consensus Economics long-term estimates and our near-term economic outlook, we expect U.S. consumer price inflation to be approximately 2.4% during the next 10 years.

Real Returns for Asset Classes

Fixed Income		
Cash	1.3%	Over the long run, we expect the real yield on cash and money market instruments to produce a real return of 1.3% in a moderate to high-inflationary environment.
TIPS	2.1%	We expect intermediate duration Treasury Inflation-Protected Securities to produce a real return of about 2.1%.
Core Fixed Income (i.e., Market Duration)	2.4%	We expect intermediate duration Treasuries to produce a real return of about 1.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.6%, resulting in a long-term real return of 2.4%.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

Fixed Income		
Core Plus Bonds	2.8%	Modeled as 20% 5-year duration gov't bonds real return of 1.9% and 80% 5-year duration corporate bonds real return of 3.0%
Long Duration Bonds – Government and Credit	3.3%	We expect Treasuries with a duration of ~14 to produce a real return of 3.1%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.2%, resulting in an expected real return of 3.3%.
Long Duration Bonds – Credit	3.4%	We expect Treasuries with a duration of ~12 years comparable to produce a real return of 3.1%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 0.3%, resulting in an expected real return of 3.4%.
Long Duration Bonds – Government	3.1%	We expect Treasuries with a duration of ~16 years to produce a real return of 3.1% during the next 10 years.
High Yield Bonds	3.3%	We expect intermediate duration Treasuries to produce a real return of about 1.8%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults and downgrades) to be 1.5%, resulting in an expected real return of 3.3%.
Bank Loans	3.4%	We expect cash to produce a real return of about 1.3%. We estimate the fair value credit spread (credit risk premium - expected losses from defaults) to be 2.1%, resulting in an expected real return of 3.4%.
Non-U.S. Developed Bonds: 50% Hedged	1.8%	We forecast real returns for non-US developed market bonds to be 1.8% over a 10-year period after adjusting for a 50% currency hedge. We assume a blend of one-third investment grade corporate bonds and two-thirds government bonds. We also produce assumptions for 0% hedged and 100% hedged non-US developed bonds.
Emerging Market Bonds (Sovereign; USD)	4.0%	We forecast real returns for emerging market sovereign bonds denominated in US dollars to be 4.0% over a 10-year period.
Emerging Market Bonds (Corporate; USD)	3.5%	We forecast real returns for emerging market corporate bonds denominated in US dollars to be 3.5% over a 10-year period.
Emerging Market Bonds (Sovereign; Local)	3.0%	We forecast real returns for emerging market sovereign bonds denominated in local currency to be 3.0% over a 10-year period.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

Liquid Return-Seeking Fixed Income Institutional Quality	4.3%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.5% plus 0.8% from alpha for institutional quality managers, over a 10-year period.
Liquid Return-Seeking Fixed Income Universe	3.5%	We assume real returns from beta exposure to high yield, bank loans and emerging market debt to add 3.5%. We assume no alpha from universe funds, over a 10-year period.
Private Debt-Direct Lending	4.8%	The base building block is bank loans 3.4% + spread 1.4% (net of management fees and performance incentives). There is 100% leverage included in the assumption with the cost of financing at LIBOR +2.0%.
Equities		
Large Cap U.S. Equity	4.2%	This assumption is based on 1.03 beta to global equities plus inflation and real cash return
Small Cap U.S. Equity	4.4%	Adding a 0.2% return premium for small cap U.S. equity over large cap U.S. equity results in an expected real return of 4.7%. This return premium is theoretically justified by the higher risk inherent in small cap U.S. equity versus large cap U.S. equity and is also justified by historical data. In recent years, higher small cap valuations relative to large cap equity has reduced the small cap premium.
Global Equity (Developed & Emerging Markets)	4.4%	We employ a building block process to develop discounted cash flows using the developed and emerging markets that comprise the MSCI All-Country World Index. Our roll-up model produces an expected real return of 4.4% for global equity.
International (Non-U.S.) Equity, Developed Markets	3.8%	This assumption is based on 0.85 beta to global equities plus inflation and real cash return
Emerging Market Stocks	4.2%	This assumption is based on 1.14 beta to global equities plus inflation and real cash return
85% ACWI/15% Russell 3000	4.4%	Based on a mix of Global (Developed & Emerging Markets)/U.S. Large and Small Caps

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

Alternative Asset Classes		
Low Beta (Defensive) Hedge Funds	2.2%	Encompasses defensive/low volatility hedge fund strategies with low correlations to risk assets. This assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectation.
Low Beta (Defensive) Hedge Funds Institutional Quality	3.2%	Represent defensive/low volatility hedge fund strategies with low correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
High Beta (Return Enhancing) Hedge Funds	3.2%	Encompasses return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. The assumption represents median manager performance. 1% base fee + 10% performance fee is deducted from the return expectations.
High Beta (Return Enhancing) Hedge Funds Institutional Quality	5.2%	Represents return enhancing/higher volatility hedge fund strategies with higher correlations to risk assets. 1% base fee + 7% performance fee is deducted from return expectations. To use this category the funds must be institutional quality.
Direct Hedge Funds Universe	2.7%	Generic hedge fund investments which represents a portfolio of diversified strategies. We assume 50% defensive/50% return enhancing strategies. 1% base fee + 10% performance fee is deducted from the return expectations.
Direct Hedge Funds Institutional Quality	4.2%	Generic hedge fund investments which represents a portfolio of diversified strategies. We assume 50% defensive institutional quality/50% return enhancing institutional quality strategies. To use this category the funds must be institutional quality. 1% base fee + 7% performance fee is deducted from the return expectations.
Core Real Estate	3.4%	Our real return assumption for core real estate is based a gross income of about 3.9%, management fees of roughly 1%, 25% leverage and future capital appreciation near the rate of inflation during the next 10 years. We assume a portfolio of equity real estate holdings that is diversified by property and by geographic region.
Non-Core Real Estate	5.1%	Core real estate is levered approximately 100% as the base building block for this assumption. We subtract financing costs for the leverage and 2% management costs. We also assume nominal alpha of 2% over core real estate. We assume a 50/50 mix of value-add and opportunistic investments.
U.S. REITs	4.0%	Our real return assumption for U.S. REITs is based on income of about 4.0% and future capital appreciation near the rate of inflation during the next 10 years. REITs are a sub-set of U.S. small/mid cap equity universe.

Aon Investments' Capital Market Assumptions

Explanation of Capital Market Assumptions—6/30/2025

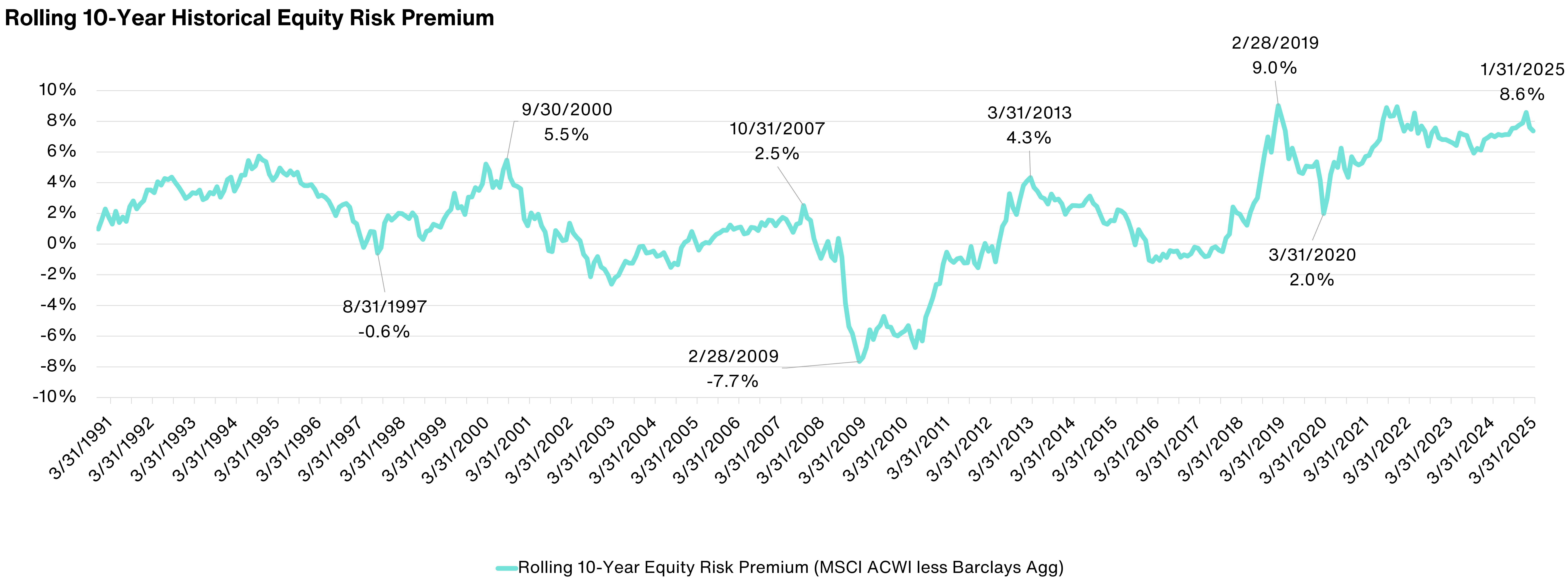
Commodities	1.3%	Our commodity assumption is for a diversified portfolio of commodity futures contracts. Commodity futures returns are composed of three parts: spot price appreciation, collateral return, and roll return (positive or negative change implied by the shape of the future curve). We believe that spot prices will converge with CPI over the long run (i.e., 2.4%). Collateral is assumed to be Gov't cash (1.3%). Also, we believe the roll effect will be -2.4%, resulting in a real return of about 1.3% for commodities.
Private Equity	7.6%	Our private equity assumption reflects a diversified fund of funds with exposure to buyouts and venture capital
Open-End Infrastructure	5.6%	Our open-end infrastructure assumption assumes a mix of 65% core, 25% value-add and 10% opportunistic strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
Closed-End Infrastructure	6.6%	Our closed-end infrastructure assumption assumes a mix of 50% value-add, 35% opportunistic and 15% private equity strategies. Return formulated through estimates of income and capital growth, leverage, debt costs, taxes and management expenses.
eLDI	3.7%	Combination of various long credit strategies (1/6 real estate debt, 1/3 securitized debt, 1/6 CMOs, 1/3 private placements).
Open-End Real Assets	4.8%	Combination of 50% Core Real Estate and 50% Open-End Infrastructure
Closed-End Real Assets	6.6%	Combination of 50% Non-Core Real Estate and 50% Closed-End Infrastructure

Volatility/Correlation Assumptions

Assumed volatilities are formulated with reference to implied volatilities priced into option contracts of various terms, as well as with regard to historical volatility levels. For asset classes which are not marked to market (for example real estate), we "de-smooth" historical returns before calculating volatilities. Importantly, we consider expected volatility trends in the future – in recent years we assumed the re-emergence of an economic cycle and a loss of confidence in central bankers would lead to an increase in volatility. Correlation assumptions are generally similar to actual historical results; however, we do make adjustments to reflect our forward-looking views as well as current market fundamentals.

Realized Equity Risk Premia – Rolling 10-Year History

Average rolling ERP since 1991 has been 2.0%



Data: monthly returns from 1/1/1990 to 3/31/2025 for the MSCI ACWI Index and Barclays Aggregate Bond Index
Equity Risk Premium is defined as the excess return earned over bonds that compensates investors for taking on higher risk

2025 Horizon Survey Results

Section 4: Appendix

2025 Horizon Survey Results

What is the Horizon Survey?

Since 2010, Horizon Actuarial Services, LLC has conducted a capital market assumption survey of investment firms to aid in determining reasonable assumptions for a pension plan's expected return on assets

- While Aon does not seek to change our approach based on how we stack up to peers, it is a helpful double-check to make sure we are not too far off from others in the industry

For the 2025 survey, 41 investment advisors participated.

How does Aon compare to the 2025 survey results?

Aon Investments' 2025 10-year assumptions for expected returns (as of December 31, 2024)

- ***Equities:*** approximately middle of the pack for U.S. Equities; lower for Non-U.S. Equities
- ***Fixed Income:*** approximately middle of the pack relative to the survey's median level; higher for Cash, Emerging Market Debt, and Long Duration Credit
- ***Alternatives:*** approximately middle of the pack relative to the survey's median level; higher for Infrastructure; lower for Real Estate

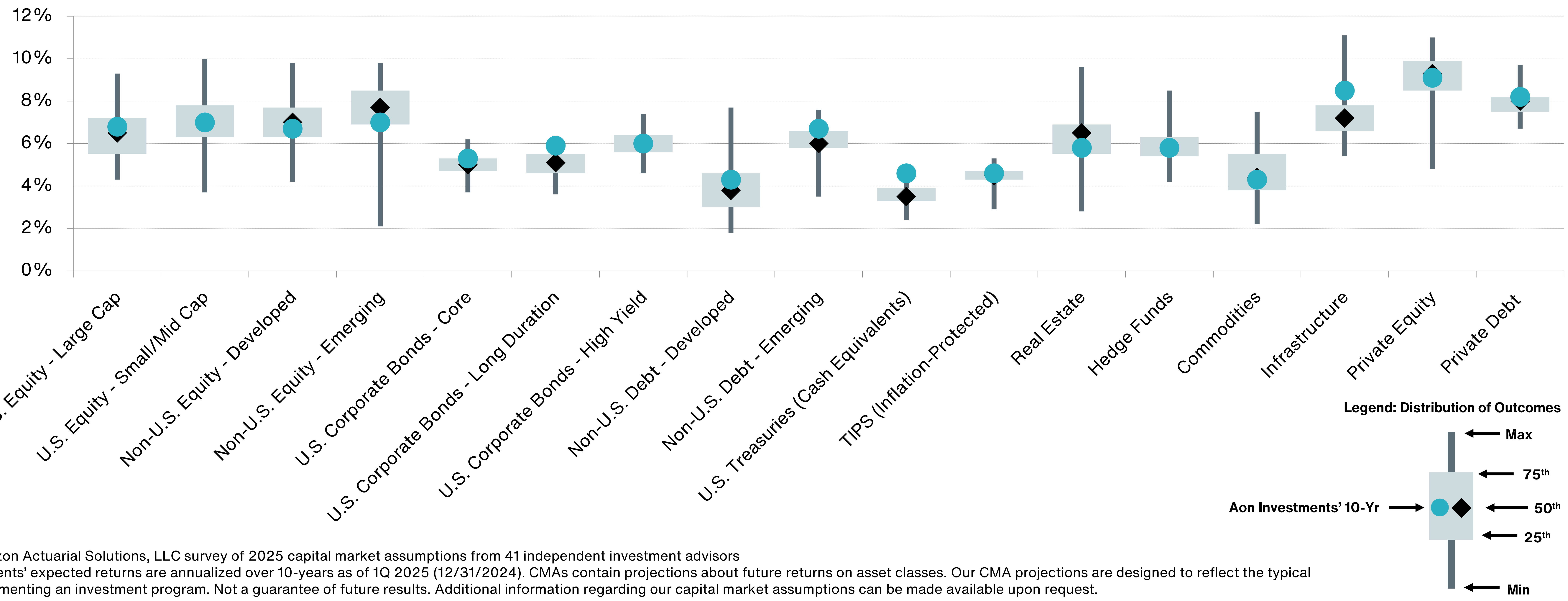
A description of the methodology used by Horizon Actuarial Services, LLC in conducting their survey is outlined in the 2025 version of the report found online at the link below:

- https://www.horizonactuarial.com/survey-of-capital-market-assumptions

The survey was conducted by Horizon Actuarial Services, LLC, an independent consulting firm specializing in providing actuarial and consulting services to multiemployer benefit plans. Aon Investments USA Inc. ("AIUSA") is not affiliated with Horizon Actuarial Services, LLC. AIUSA did not pay to participate in the survey and no direct or indirect compensation has been provided by AIUSA for participation. Please refer to the more thorough disclosure and additional information about the methodology used in compiling the survey results via the website of the publication. Clicking the above link will bring you to a site that contains information that has been created, published, maintained, or otherwise posted by an organization independent of AIUSA. AIUSA does not endorse, approve, certify, or control this website and does not assume responsibility for the accuracy, completeness, or timeliness of the information located there.

Aon Investments' Capital Market Assumptions vs. Horizon Survey
10-Year Assumptions

Expected Geometric Returns of 41 Investment Advisors (10-Year Forecast)



Source: Horizon Actuarial Solutions, LLC survey of 2025 capital market assumptions from 41 independent investment advisors
Aon Investments' expected returns are annualized over 10-years as of 1Q 2025 (12/31/2024). CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Not a guarantee of future results. Additional information regarding our capital market assumptions can be made available upon request.

Aon Investments vs. Peers (2025 Horizon Survey)

10-Year Assumptions

	Horizon Survey[1]		Aon Investments[2]		Difference	
	10-Year Assumptions		10-Year Assumptions		Aon Investments – Horizon Survey	
Asset Class	**Expected Return**	**Expected Risk**	**Expected Return**	**Expected Risk**	**Expected Return**	**Expected Risk**
U.S. Equity - Large Cap	6.5%	16.5%	6.8%	18.5%	0.3%	2.0%
U.S. Equity - Small/Mid Cap	7.0%	20.4%	7.0%	24.5%	0.0%	4.1%
Non-U.S. Equity – Developed	7.0%	18.2%	6.7%	18.7%	-0.3%	0.5%
Non-U.S. Equity – Emerging	7.7%	23.4%	7.0%	22.0%	-0.7%	-1.4%
U.S. Fixed Income – Core	5.0%	6.2%	5.3%	5.4%	0.3%	-0.8%
U.S. Fixed Income - Long Duration Corp	5.1%	10.7%	5.9%	11.0%	0.8%	0.3%
U.S. Fixed Income - High Yield	6.0%	9.8%	6.0%	10.5%	0.0%	0.7%
Non-U.S. Fixed Income – Developed	3.8%	7.5%	4.3%	6.2%	0.5%	-1.3%
Non-U.S. Fixed Income – Emerging	6.0%	10.6%	6.7%	11.0%	0.7%	0.4%
Treasuries (Cash Equivalents)	3.5%	1.5%	4.6%	1.4%	1.1%	-0.1%
TIPS (Inflation-Protected)	4.5%	6.0%	4.6%	4.3%	0.1%	-1.7%
Real Estate	6.5%	16.2%	5.8%	15.0%	-0.7%	-1.2%
Hedge Funds	5.8%	8.0%	5.8%	5.2%	0.0%	-2.8%
Commodities	4.4%	17.8%	4.3%	17.0%	-0.1%	-0.8%
Infrastructure	7.2%	14.9%	8.5%	16.0%	1.3%	1.1%
Private Equity	9.3%	22.2%	9.1%	20.0%	-0.2%	-2.2%
Private Debt	8.0%	11.8%	8.2%	16.1%	0.2%	4.4%
Inflation	2.4%	1.9%	2.3%	1.7%	-0.1%	-0.2%

[1] **Notes (Horizon Survey):**
Source: Horizon Actuarial survey of 2025 capital market assumptions from 41 independent investment advisors. The survey was conducted by Horizon Actuarial Services, LLC, an independent consulting firm specializing in providing actuarial and consulting services to multiemployer benefit plans. Aon does not guarantee the accuracy or completeness of this information and cannot be held accountable for inaccurate data provided by third parties. Reliance upon information in this material is at the sole discretion of the reader.

Expected returns are median annualized (geometric). Please see following slide for additional information on this survey methodology.

[2] **Notes (Aon Investments' Assumptions):**
Aon Investments' assumptions are for 12/31/2024

- U.S. Equity - Small/Mid Cap assumptions represents Aon's assumption for U.S. Small Cap
- U.S. Fixed Income - Long Duration assumptions represents Aon's assumption for Long Duration Credit
- Non-U.S. Fixed Income - Developed assumptions represents Aon's assumption for Non-U.S. Fixed Income - Developed (50% Hedged)
- Non-U.S. Fixed Income - Emerging assumptions represents Aon's assumption for Emerging Market Bonds - Sovereign USD
- Real Estate assumptions represents Aon's assumption for Core Real Estate
- Hedge Fund assumptions represents Aon's assumption for Direct Hedge Funds (Universe)

Expected returns are using Aon's Q1 2025 10-Year Capital Market Assumptions (CMAs) as of 12/31/2024. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Not a guarantee of future results. Additional information regarding our capital market assumptions can be made available upon request.

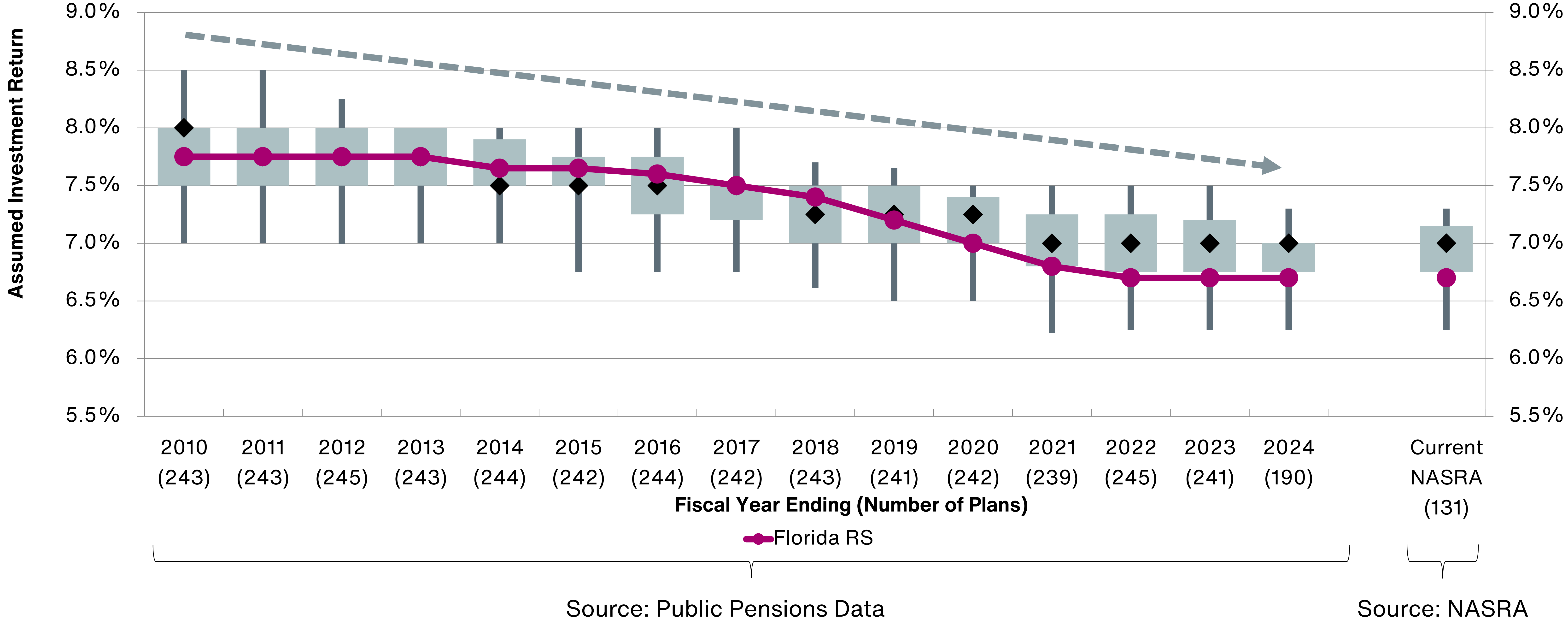
Peer Comparisons

Section 4: Appendix

Peer Comparisons – All Public Plans

Expected return assumption versus peers[1]

Distribution of U.S. Public Pension Investment Return Assumptions



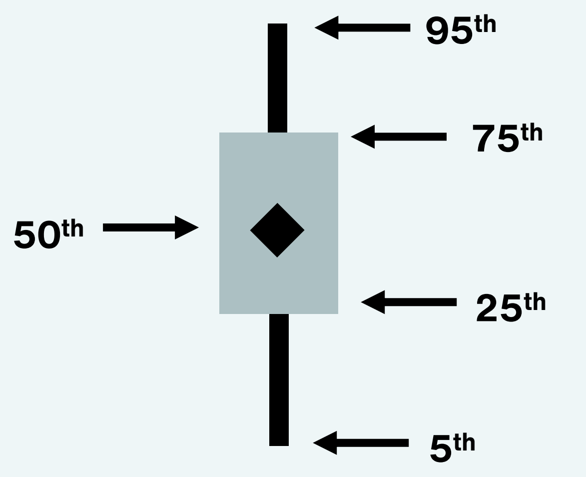
The actuarial investment return assumption is set by numerous factors including investment return assumptions, actuarial experience study recommendations, financial outcomes through asset-liability analysis, how the assumed rate of return is used, consideration to an acceptable return assumptions range to promote contribution stability, industry trends (e.g., Horizon survey), and peer data (e.g., NASRA assumptions)

Sources: Public Plans Data (publicplansdata.org) as of July 2025; NASRA downloadable investment return assumptions as of August 2025
[1] Peers defined as public funds published within publicplansdata.org as of July 2025 and NASRA as of August 2025; Number of plans per year are shown in parentheses

Key Takeaways:

- Since FYE 2010, actuarial rates of return have declined from a median assumption of 8.00% down to 7.00%
- Current actuarial assumptions, as tracked by NASRA as of August 2025, have a median actuarial assumption of 7.00%

Legend: Distribution of Outcomes



Peer Comparisons – Similar Asset Size

Expected return assumption versus peers[1]

Plan	Expected Return Assumption
California Public Employees' Retirement System	6.90%
California State Teachers' Retirement System	7.00%
Florida Retirement System	6.70%
New York State and Local Employees' Retirement System	5.90%
New York State Teachers' Retirement System	6.95%
Teacher Retirement System of Texas	7.00%
Average	6.74%
Median	6.93%

Key Takeaway

- Using plans with large asset bases, Florida Retirement System's expected return assumption is in-line with the peer average and just under the median expectation

[1] Source: NASRA downloadable investment return assumptions as of August 2025
Peers shown are similar in size to Florida SBA. Return assumptions provided by the third-party sources listed above. Aon does not guarantee the accuracy or completeness of this information and cannot be held accountable for inaccurate data provided by third parties. Reliance upon information in this material is at the sole discretion of the reader.

Liquidity Analysis Detail

Section 4: Appendix

Liquidity Analysis Background

Aon Investments' approach to analysing liquidity risk from alternatives

Background

- Intended as a stress-testing model
- Develops multi-year projections of assets and spending needs
- Uses different scenarios for economic environments and other relevant events
- Shows how the portfolio's liquidity profile could evolve with a given investment strategy
- Incorporates the profile of the liabilities as well as expected future contributions

Assumptions

- Starting assets based on estimated market value of assets as of June 30, 2025
- The plan's contribution policy is actuarially-based, leveraging our asset-liability study projections
- Assumes the portfolio starts at the target asset allocation levels for illiquid assets, maintaining close to the portfolio targets over the next 10 years
- Illiquid asset commitments are assumed to continue under each economic scenario subject to the conditions below:
  - Should actual allocations exceed targets by 10%, future commitments are trimmed 15%
  - Should actual allocations exceed targets by 20%, future commitments are trimmed 30%
- Quasi-liquid assets are assumed to be redeemed under each economic scenario subject to the conditions below:
  - Should actual allocations exceed targets by 20%, 15% of assets are redeemed
  - Should actual allocations exceed targets by 50%, 25% of assets are redeemed
- Base case economic scenario assumptions equal the 10-year capital market assumptions used in the asset-liability projection analysis
  - Aon's stressed scenarios were also reduced by the equity risk premium adjustments per the SBA methodology

Liquidity Analysis Background

Process inputs and outputs

Asset Level and Investment Strategy

Benefit Payments

(cash outflows)

Economic Scenarios

Contributions

(cash inflows)

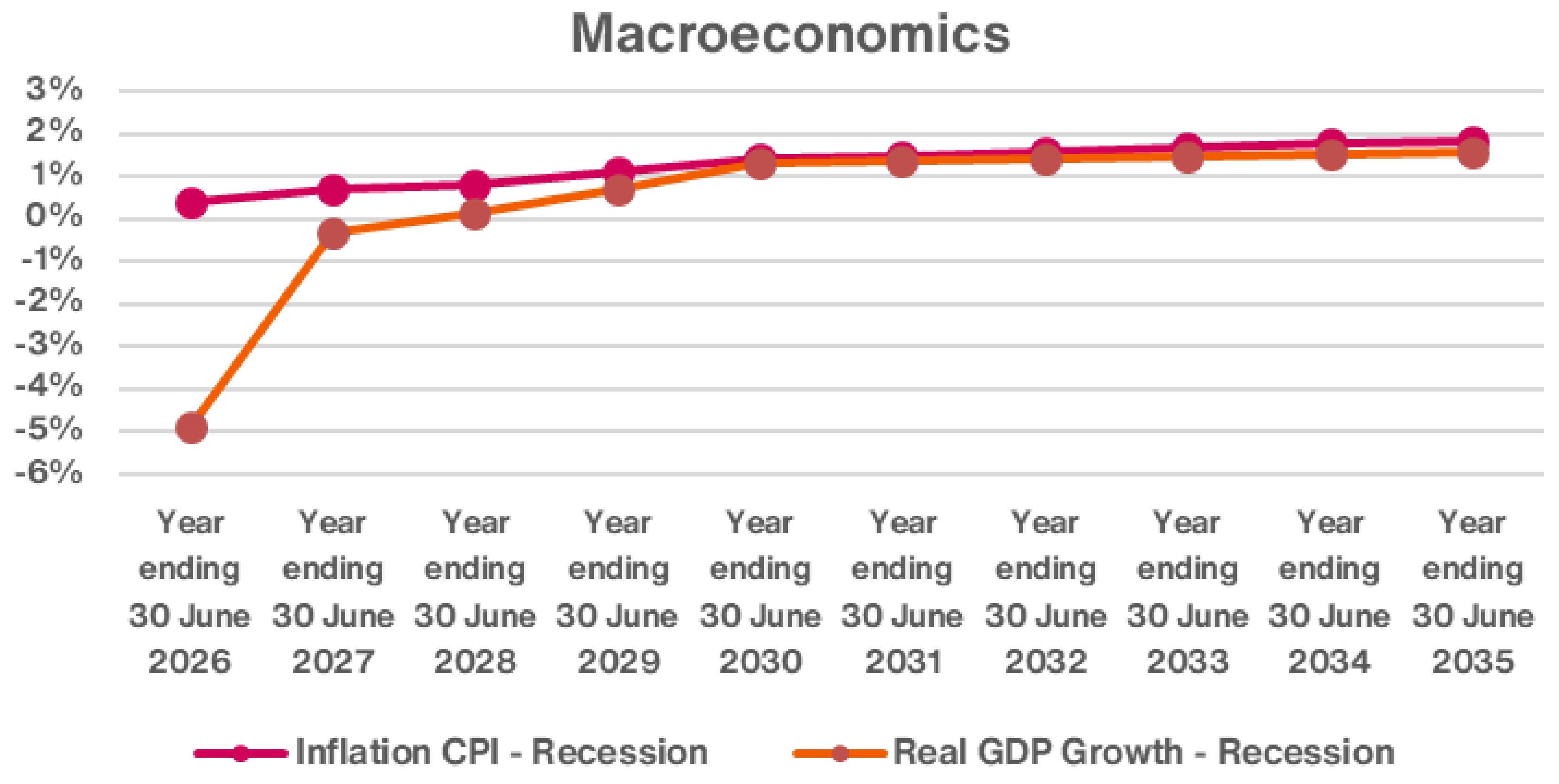
Asset Allocation Liquidity Profile

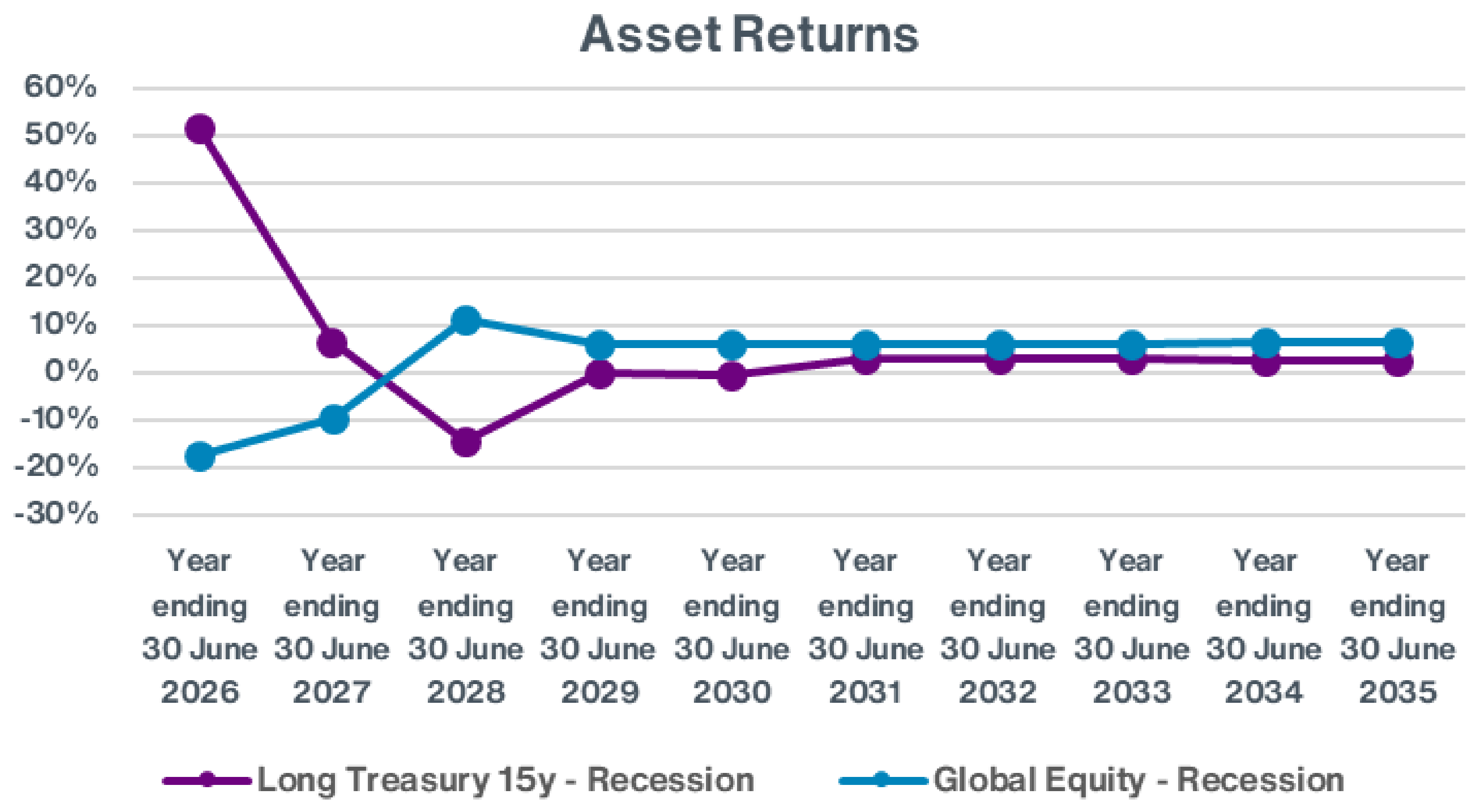
Recession Scenario

Description

The U.S. economy slips into a recession

- Global growth weakens as a tilt towards more protectionist trade and immigration policies outweighs productivity gains from technological advancements. Weaker global growth, combined with still relatively restrictive monetary policy, lead to a recession in the U.S.
- The economic slowdown leads to many large economies, including the U.S., choosing to continue to run large fiscal deficits and accumulate further government debt. Meanwhile, central banks make larger than expected policy rate cuts in an effort to stimulate consumption, increase business investment and support the labour market.
- These policy actions are only somewhat effective as they only improve the demand side of the economy. The U.S. exits recession around two years later, at which point global growth also starts to pick up. Protectionist policies then begin to reverse across the world as their negative economic impact becomes clearer and more widespread.
- Inflation is lower than the base case. However, inflation starts to rise in later years as the post-recession recovery gets underway.
- Treasury yields fall while TIPS yields remain at low levels as the U.S. enters recession. Yields rise in later years as a recovery gets underway. Corporate spreads rise significantly due to the poor economic situation, with increased incidences of downgrades and defaults.
- Most risk assets make losses in the first two years but rebound in later years as the economy recovers.





Source: Aon, as of June 30, 2025. Annual projection starts from June 30, 2025. Projections of general asset class returns and economic conditions are forward-looking expectations by Aon based on informed historical results and internal analysis. Forecasts, estimates and other information contained herein are based upon proprietary research and our framework of analyzing fundamental, valuation and long-term drivers of capital markets. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance. Such information is hypothetical in nature, does not reflect actual results, and is not a guarantee of future results. Economic factors and return assumptions depend on current market conditions and, as such, may change over time. Our economic scenario analysis is designed to reflect the typical cost of implementing an investment program. Asset return projections do not include the deduction of management fees and other expenses that may be incurred in managing an investment account.

Recession Scenario

Data

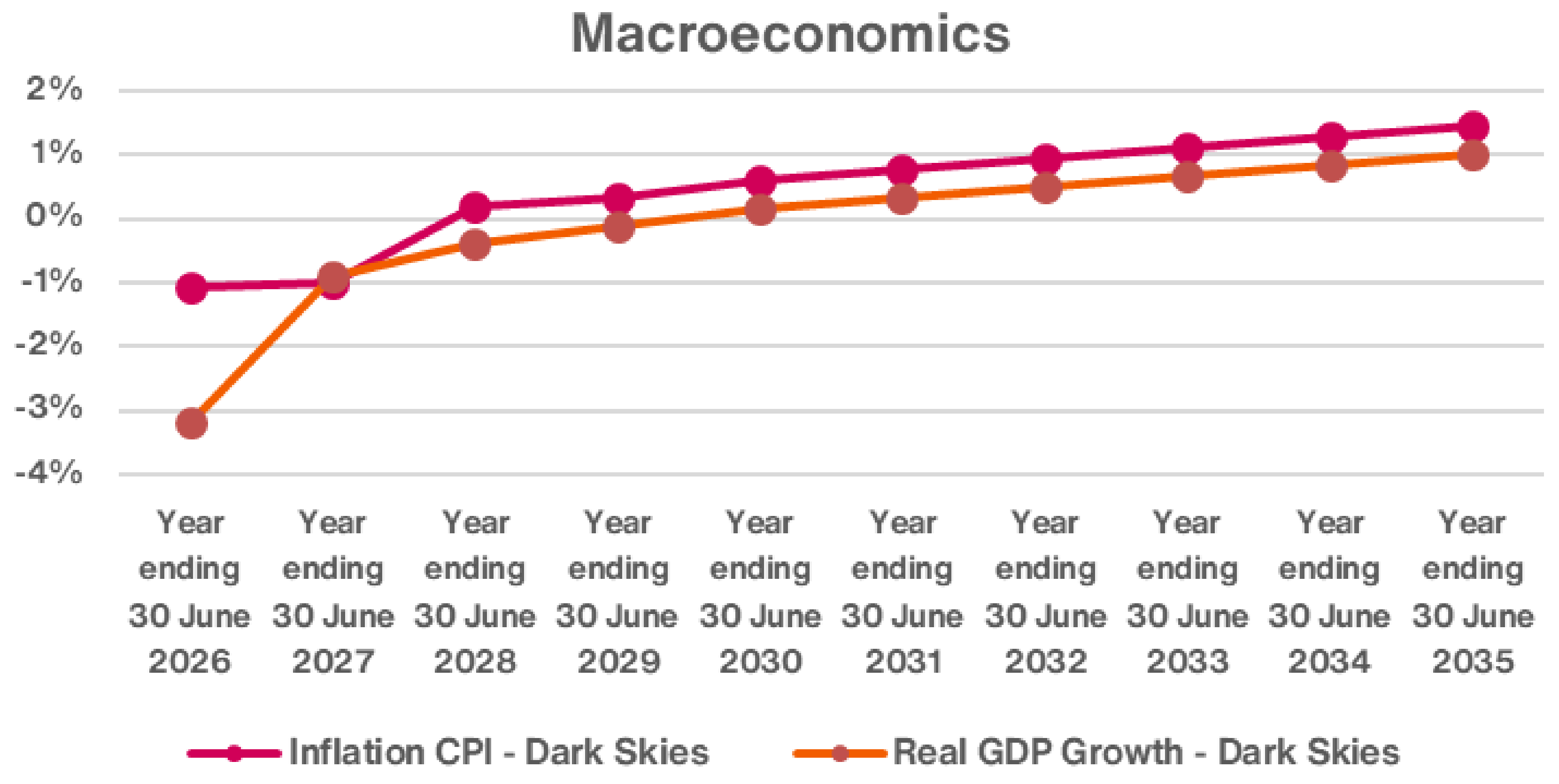
Recession Scenario		Time 0	Time 1	Time 2	Time 3	Time 4	Time 5	Time 6	Time 7	Time 8	Time 9	Time 10
Fixed Income Yields	Treasury yield 5y	3.9%	1.5%	1.3%	2.2%	2.6%	3.1%	3.2%	3.4%	3.5%	3.7%	3.8%
	Long Treasury yield 15y	4.9%	2.2%	1.9%	3.2%	3.4%	3.8%	3.8%	3.9%	3.9%	4.0%	4.1%
	TIPS yield 5y	1.5%	-0.2%	-0.3%	0.3%	0.5%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%
	Long TIPS yield 15y	2.4%	0.3%	0.2%	1.1%	1.2%	1.5%	1.6%	1.7%	1.7%	1.8%	1.9%
	Breakeven price inflation 15y	2.5%	1.9%	1.7%	2.1%	2.2%	2.3%	2.3%	2.2%	2.2%	2.2%	2.2%
	A Corporate bond yield 5y	4.7%	4.9%	5.1%	5.7%	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
	A Corporate spread 5y	0.7%	3.3%	3.8%	3.5%	2.8%	2.4%	2.3%	2.1%	2.0%	1.9%	1.7%
	Long A Corporate bond yield 10y	5.3%	4.7%	4.9%	6.0%	5.7%	5.8%	5.8%	5.9%	5.9%	5.9%	5.9%
	Long A Corporate spread 10y	0.8%	2.8%	3.2%	3.0%	2.5%	2.3%	2.2%	2.1%	2.0%	1.9%	1.8%
Expected Nominal Returns	Equity – U.S.		-15.0%	-8.0%	11.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	Equity – Global		-17.0%	-9.0%	12.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.0%
	EAFE		-20.0%	-10.0%	11.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	EM Equity		-28.0%	-17.0%	14.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	Cash		4.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	3.0%	3.0%
	Core Fixed Income		10.0%	3.0%	1.0%	4.0%	4.0%	5.0%	5.0%	5.0%	6.0%	6.0%
	U.S. Core Real Estate		-13.0%	-8.0%	-3.0%	1.0%	5.0%	5.0%	5.0%	5.0%	6.0%	6.0%
	U.S. Non-Core Real Estate		-17.0%	-10.0%	-3.0%	1.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
	Private Equity Smoothed		-11.0%	-5.0%	7.0%	8.0%	8.0%	9.0%	10.0%	11.0%	10.0%	10.0%
	Private Credit Smoothed		-8.0%	-8.0%	3.0%	2.0%	3.0%	4.0%	4.0%	5.0%	5.0%	5.0%
	Open-Ended Infrastructure		-5.0%	0.0%	3.0%	4.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
	Closed-Ended Infrastructure		-3.0%	1.0%	4.0%	5.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
	Hedge Funds - Broad		-13.5%	-8.5%	8.5%	7.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
	U.S. High Yield		-14.0%	-12.0%	4.0%	5.0%	3.0%	5.0%	5.0%	5.0%	6.0%	6.0%
	Bank Loans		-10.0%	-7.0%	5.0%	3.0%	3.0%	3.0%	3.0%	4.0%	4.0%	4.0%
	USD Emerging Market Debt		-12.0%	-8.0%	8.0%	6.0%	5.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	Local Emerging Market Debt		-12.0%	-9.0%	7.0%	5.0%	4.0%	5.0%	5.0%	5.0%	6.0%	6.0%

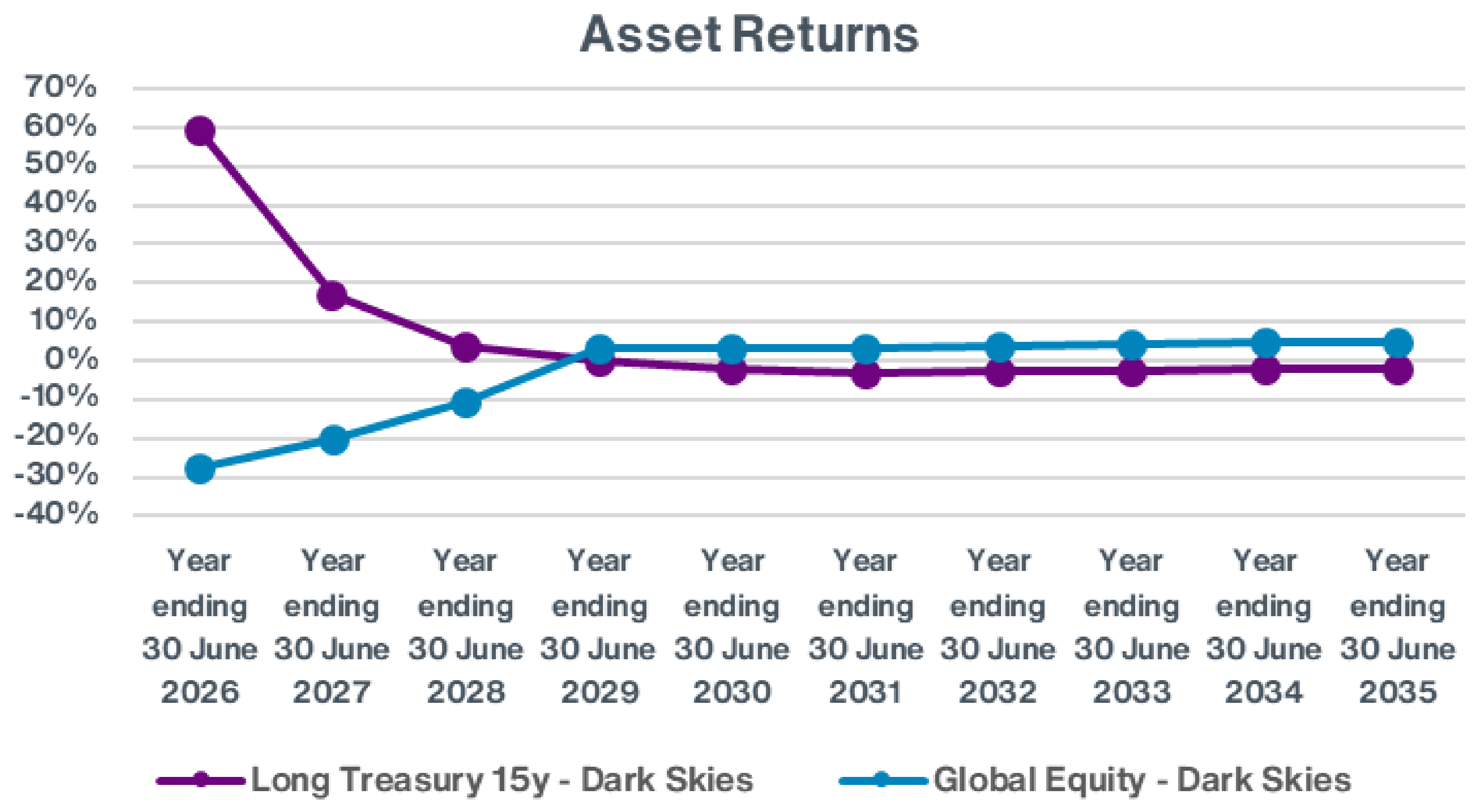
Source: Aon, as of June 30, 2025. Annual projection starts from June 30, 2025. Projections of general asset class returns and economic conditions are forward-looking expectations by Aon based on informed historical results and internal analysis. Forecasts, estimates and other information contained herein are based upon proprietary research and our framework of analyzing fundamental, valuation and long-term drivers of capital markets. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance. Such information is hypothetical in nature, does not reflect actual results, and is not a guarantee of future results. Economic factors and return assumptions depend on current market conditions and, as such, may change over time. Our economic scenario analysis is designed to reflect the typical cost of implementing an investment program. Asset return projections do not include the deduction of management fees and other expenses that may be incurred in managing an investment account.

Dark Skies Scenario
Description

A deep recession followed by a longer period of stagnant growth

- Worsening geopolitical instability and central banks' still restrictive monetary policy has a severe impact on global growth leading to an economic depression.
- Global supply chains are disrupted on a prolonged basis due to geopolitical events. China experiences a sharp deterioration in economic growth following an abrupt decoupling from western economies caused by a severe global tilt towards protectionism.
- Failures of smaller banks along with widespread corporate bankruptcies lead to the collapse of some systematically important banks, triggering a new financial crisis, forcing central banks to cut rates to record low levels.
- Fiscal pressures force governments to unwind stimulus measures before economies fully recover.
- Weak demand means inflation falls sharply in 2025 and sluggish growth over the following years keeps inflation below target.
- Treasury yields fall and remain at low levels as the U.S. enters recession. Corporate spreads rise significantly due to the poor economic situation and increased risks of downgrades or defaults.
- Risk assets suffer losses as the economic situation remains poor for a long time, weighing on returns in later years.





Source: Aon, as of June 30, 2025. Annual projection starts from June 30, 2025. Projections of general asset class returns and economic conditions are forward-looking expectations by Aon based on informed historical results and internal analysis. Forecasts, estimates and other information contained herein are based upon proprietary research and our framework of analyzing fundamental, valuation and long-term drivers of capital markets. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance. Such information is hypothetical in nature, does not reflect actual results, and is not a guarantee of future results. Economic factors and return assumptions depend on current market conditions and, as such, may change over time. Our economic scenario analysis is designed to reflect the typical cost of implementing an investment program. Asset return projections do not include the deduction of management fees and other expenses that may be incurred in managing an investment account.

Dark Skies Scenario
Data

Dark Skies Scenario		Time 0	Time 1	Time 2	Time 3	Time 4	Time 5	Time 6	Time 7	Time 8	Time 9	Time 10
Fixed Income Yields	Treasury yield 5y	3.9%	1.4%	0.1%	0.0%	0.1%	0.3%	0.6%	1.0%	1.3%	1.7%	2.0%
	Long Treasury yield 15y	4.9%	1.8%	0.8%	0.6%	0.7%	0.9%	1.2%	1.5%	1.8%	2.1%	2.4%
	TIPS yield 5y	1.5%	-0.1%	-1.0%	-1.2%	-1.1%	-0.9%	-0.7%	-0.4%	-0.2%	0.0%	0.2%
	Long TIPS yield 15y	2.4%	0.1%	-0.6%	-0.8%	-0.7%	-0.5%	-0.2%	0.0%	0.2%	0.5%	0.7%
	Breakeven price inflation 15y	2.5%	1.7%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.6%	1.7%	1.7%
	A Corporate bond yield 5y	4.7%	5.8%	5.2%	4.6%	3.7%	3.4%	3.5%	3.7%	3.9%	4.1%	4.2%
	A Corporate spread 5y	0.7%	4.4%	5.1%	4.7%	3.7%	3.0%	2.9%	2.7%	2.6%	2.4%	2.2%
	Long A Corporate bond yield 10y	5.3%	5.2%	4.8%	4.4%	3.8%	3.6%	3.8%	4.0%	4.2%	4.4%	4.6%
	Long A Corporate spread 10y	0.8%	3.6%	4.2%	3.9%	3.2%	2.8%	2.6%	2.5%	2.4%	2.3%	2.2%
Expected Nominal Returns	Equity – U.S.		-25.0%	-18.0%	-9.0%	3.0%	3.0%	3.0%	4.0%	4.0%	5.0%	5.0%
	Equity – Global		-28.0%	-20.0%	-11.0%	3.0%	3.0%	3.0%	4.0%	4.0%	5.0%	5.0%
	EAFE		-30.0%	-22.0%	-12.0%	2.0%	2.0%	3.0%	3.0%	4.0%	4.0%	4.0%
	EM Equity		-44.0%	-32.0%	-19.0%	1.0%	1.0%	2.0%	2.0%	3.0%	3.0%	4.0%
	Cash		4.0%	1.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	2.0%
	Core Fixed Income		8.0%	6.0%	2.0%	3.0%	1.0%	0.0%	1.0%	1.0%	2.0%	2.0%
	U.S. Core Real Estate		-15.0%	-11.0%	-5.0%	0.0%	2.0%	3.0%	3.0%	3.0%	4.0%	4.0%
	U.S. Non-Core Real Estate		-19.0%	-14.0%	-6.0%	0.0%	3.0%	3.0%	4.0%	4.0%	5.0%	5.0%
	Private Equity Smoothed		-18.0%	-13.0%	-6.0%	-1.0%	0.0%	2.0%	3.0%	4.0%	8.0%	8.0%
	Private Credit Smoothed		-19.0%	-22.0%	-20.0%	-11.0%	-2.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%
	Open-Ended Infrastructure		-11.0%	-7.0%	-3.0%	2.0%	4.0%	5.0%	5.0%	5.0%	6.0%	6.0%
	Closed-Ended Infrastructure		-10.0%	-6.0%	-2.0%	3.0%	5.0%	6.0%	6.0%	6.0%	7.0%	7.0%
	Hedge Funds - Broad		-16.5%	-11.0%	-5.5%	2.0%	2.0%	2.5%	2.5%	3.0%	3.5%	3.5%
	U.S. High Yield		-19.0%	-13.0%	-11.0%	-2.0%	-4.0%	-5.0%	-4.0%	-2.0%	-1.0%	0.0%
	Bank Loans		-24.0%	-20.0%	-13.0%	-1.0%	-2.0%	-1.0%	-1.0%	0.0%	1.0%	2.0%
	USD Emerging Market Debt		-19.0%	-13.0%	-8.0%	2.0%	1.0%	1.0%	1.0%	2.0%	2.0%	3.0%
	Local Emerging Market Debt		-20.0%	-14.0%	-9.0%	1.0%	0.0%	0.0%	1.0%	1.0%	2.0%	2.0%

Source: Aon, as of June 30, 2025. Annual projection starts from June 30, 2025. Projections of general asset class returns and economic conditions are forward-looking expectations by Aon based on informed historical results and internal analysis. Forecasts, estimates and other information contained herein are based upon proprietary research and our framework of analyzing fundamental, valuation and long-term drivers of capital markets. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance. Such information is hypothetical in nature, does not reflect actual results, and is not a guarantee of future results. Economic factors and return assumptions depend on current market conditions and, as such, may change over time. Our economic scenario analysis is designed to reflect the typical cost of implementing an investment program. Asset return projections do not include the deduction of management fees and other expenses that may be incurred in managing an investment account.

Asset-Liability Management Overview

Section 4: Appendix

Asset-Liability Management Overview

Ultimate retirement benefit cost equation

The cost ultimately borne by the Plan will be represented by the financing equation shown below:

(Benefits Paid + Administrative Expenses) = (Investment Returns + Plan Funding (EE + ER))

The asset-liability study will analyze the variability of future investment returns on the Plan financials

Higher than expected returns will result in lower future Plan costs

Lower than expected returns will result in higher future Plan costs

Asset-Liability Management Overview

Hurdle rate analysis: How are assets and liability expected to move in the coming year?

What is the Asset Hurdle Rate?

Asset Hurdle Rate is the required rate of asset growth needed to keep pace with the growth of the Plan liabilities

- Assets must grow at this rate or more in order to maintain or reduce a potential funding shortfall
- **Formula = (Normal Cost + Discount Cost + Plan Expenses) / Funded Ratio**

Assets can grow in two ways:

- Investment returns
- Funding contributions

Asset hurdle rates are expected to decline as the funded status increases

Sample Calculation

(1) Assets (in $B)	$9
(2) Liabilities (in $B)	$10
(3) Funded Ratio (= 1 / 2)	90%
(4) Liability Growth Rate	9%
(5) Asset Hurdle Rate (= 4 / 3)	10%

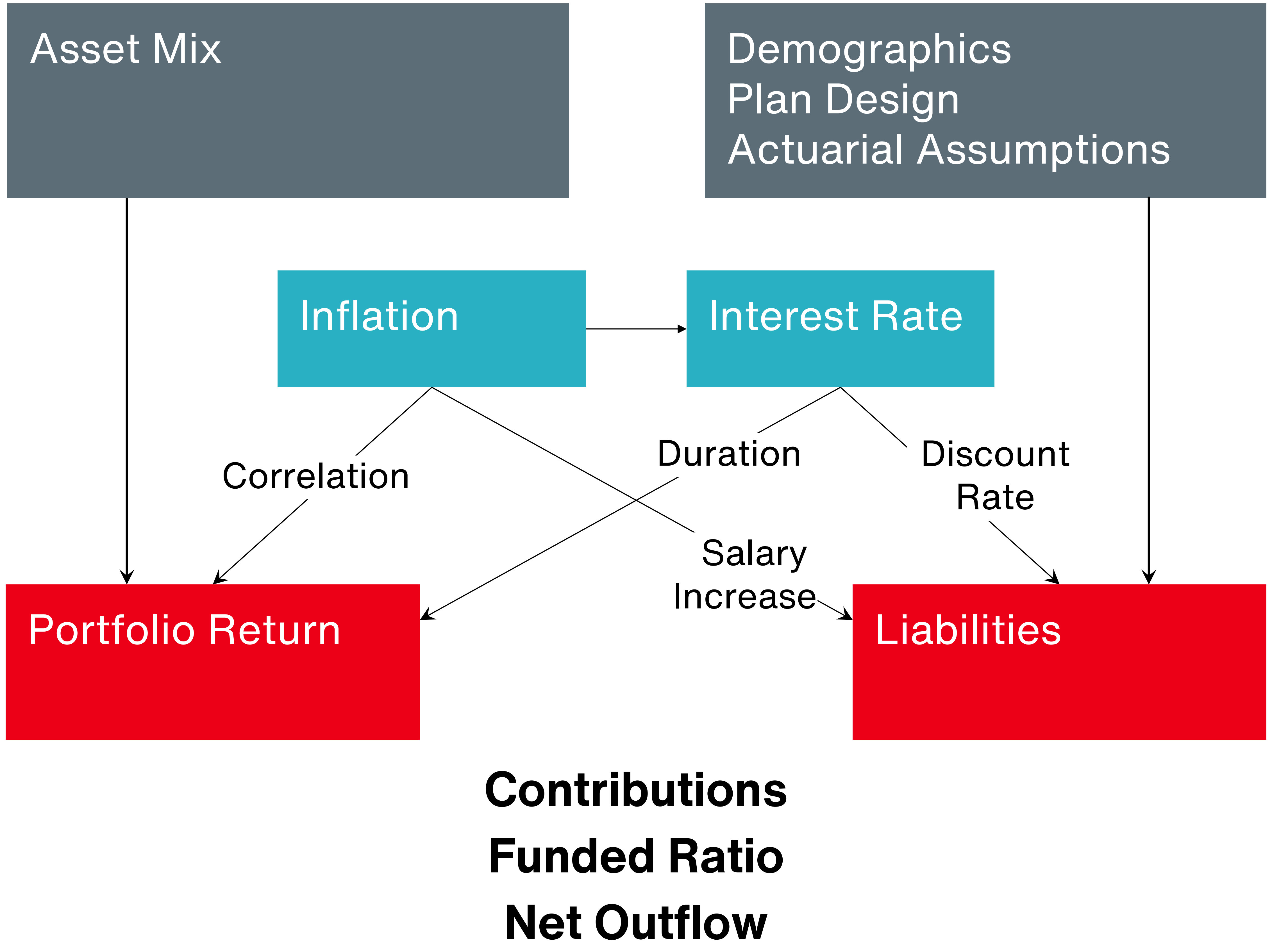
How Does the Asset Hurdle Rate Inform Future Projections?

Short-term funded ratio progress can be estimated from the asset hurdle rate analysis

- If investment returns + contributions exceed the asset hurdle rate, funded ratio can expect to grow
- If investment return + contributions fall short of the asset hurdle rate, funded ratio can expect to diminish

Asset-Liability Management Overview

Mechanics of the asset-liability modeling process



Key Features

Asset and liability modeling integrated in single platform

Integrates impact of key economic variables such as portfolio returns, inflation, and interest rates

Stochastic and deterministic modeling performed

Flexibility in modeling parameters and output to client preferences

Asset-Liability Management Overview

Future projection approaches: Deterministic vs. stochastic forecasting

Deterministic Forecasting

Places certainty in the path of future outcomes

- Assumes a single future path, often with the assumption that actual experience will equal all actuarial assumptions resulting in no unexpected (gain)/loss

Stochastic Forecasting

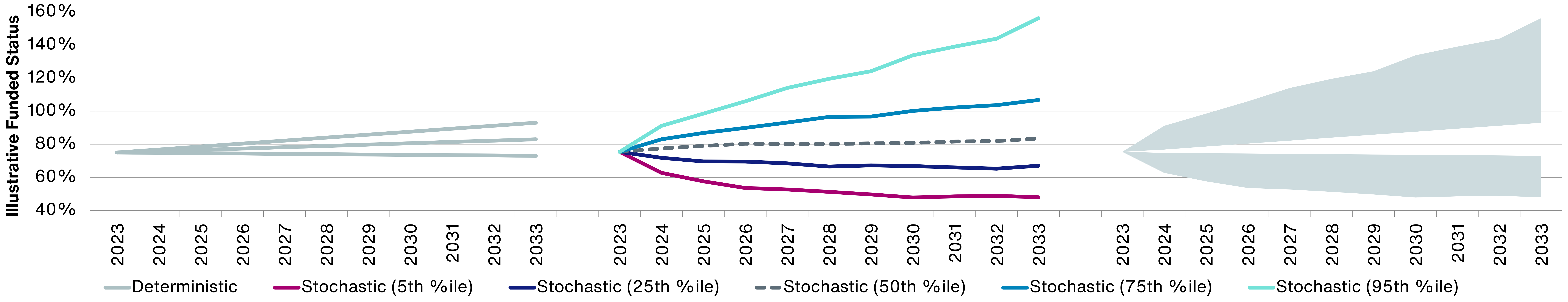
Embraces uncertainty by modeling a range of potential future outcomes

- Aon's approach utilizes up to 5,000 projection trials, representing a wide range of economic scenarios, and then ranks results of key variables into percentile distributions

Benefits of Stochastic Modeling

Encompasses a much broader view than deterministic forecasting alone (i.e., the shaded area below), especially in extreme cases which may potentially go unnoticed to stakeholders

- Shows impact of market expectations differing from actuarial assumptions
- Illustrates interplay of economic uncertainty with funding policies



AON

Disclosures

Section 4: Appendix

Glossary of Terms

AVA	Actuarial value of assets (i.e., incorporates smoothing of gains and losses)
Asset Hurdle Rate	The required rate of growth of the assets (through both contributions and investment returns) to keep pace with the growth of the liability
Current Frontier	Uses the Plan's mix of asset classes within the return-seeking allocation, then dials the return-seeking allocation up and down from 0% to 100% to illustrate forecasted returns at various return-seeking / safety asset mixes
Economic Cost	Present value of forecasted future contributions + present value of funding shortfall/(surplus) at the end of the projection period
Liability Growth Rate	The projected growth of the liability over the coming year as measured by the sum of the normal cost (new benefit accruals), discount/interest cost (one less year of discounting at the time value of money), and plan expenses
MVA	Market value of assets (i.e., un-smoothed/economic reality)
Return-Seeking Assets ("R-S")	All non "safety" assets
Risk-Reducing/Safety Assets	Assets where the primary function is risk control/downside mitigation.
Target Asset Allocation	The allocation of assets between return-seeking assets and safety assets

About This Material

This material includes a summary of calculations and consulting related to the finances of the **Florida Retirement System (FRS)** and **Florida State Board of Administration (SBA)**. The following variables have been addressed:

- Contributions, Economic Cost, Funded Ratio, Hurdle Rate, Liquidity, Net Outflow

This analysis is intended to assist the Investment Council with a review of the associated issues and options, and its use may not be appropriate for other purposes. This analysis has been prepared solely for the benefit of the Investment Council. Any further dissemination of this report is not allowed without the written consent of Aon Investments USA Inc.

Our calculations were generally based on the methodologies identified in the actuary's valuation report for FRS. We believe the methodology used in these calculations conforms to the applicable standards identified in the report.

Models are used to develop alternative scenarios based on the underlying valuation model and project financial results under those scenarios. The models were developed by experts outside and within Aon. Where outside models were used, the models were reviewed by experts within Aon. The models were selected as appropriate for these projections by the undersigned.

Experience different than anticipated could have a material impact on the ultimate costs of the benefits. In addition, changes in plan provisions or applicable laws could have a significant impact on cost. Actual experience may differ from our modeling assumptions.

Our calculations were based on data provided by the plan actuary. The actuarial assumptions and methods and plan provisions reflected in these projections are the same as those used for the 2024 fiscal year actuarial valuations for FRS as noted in the actuarial reports, except where noted in this report. Unless specifically noted, our calculations do not reflect any other changes or events after the June 30, 2024 valuation date. Reflecting events after these dates would impact the results of the projection.

In conducting these projections, we have relied on plan design, demographic and financial information provided by other parties, including the plan's actuary and plan sponsor. While we cannot verify the accuracy of all of the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

These projections have been conducted in accordance with generally accepted actuarial principles and practices, including applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. The undersigned actuary is familiar with the near-term and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon Investments USA Inc. providing services to FRS/SBA has any direct financial interest or indirect material interest in FRS/SBA. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this report for FRS/SBA.

Aon Investments USA Inc.

Phil Kivarkis FSA, CFA

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Aon Investments USA Inc. is a federally registered investment advisor with the U.S. Securities and Exchange Commission. Aon Investments is also registered with the Commodity Futures Trading Commission as a commodity pool operator and a commodity trading advisor and is a member of the National Futures Association. The Aon Investments ADV Form Part 2A disclosure statement is available upon written request to:

Aon Investments USA Inc.
200 E. Randolph Street
Suite 600
Chicago, IL 60601
ATTN: Aon Investments Compliance Officer

INVESTMENT ADVISORY COUNCIL

Item 4. Global Equity Asset Class Review

Tim Taylor, Senior Investment Officer

(See Attachment 4A)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

Global Equity Asset Class Update

State Board of Administration
September 9, 2025

INVESTMENT TEAM OVERVIEW

- **Senior Investment Officer** – Tim Taylor
  - **Administration** – Whitney Harrell
  - **External Manager Oversight**
    - Daniel Gold
    - Dustin Heintz
    - Hayden O'Connor
    - Jeff Smithson
    - Luke Tucker
  - **Internal Management**
    - Ted Nation
    - Brian Staverosky
    - James Wells
    - Joe Wnuk
  - **Trading**
    - Sam Kane
    - Burk Moffett
    - Jennifer Myers
  - **Analytics & Reporting**
    - Denise Hale
    - Madison Maloney

- Experienced staff with complementary skills
- Average of 14 years experience at the SBA
- Significant overlap and collaboration

INVESTMENT POLICY STATEMENT

Invest to achieve or exceed the return of the benchmark over a long period of time

- Remain well-diversified relative to the benchmark
- Maintain a reliance on low-cost passive strategies scaled according to:
  - The degree of efficiency in underlying securities markets
  - Capacity in effective active strategies
  - Ongoing total fund liquidity requirements

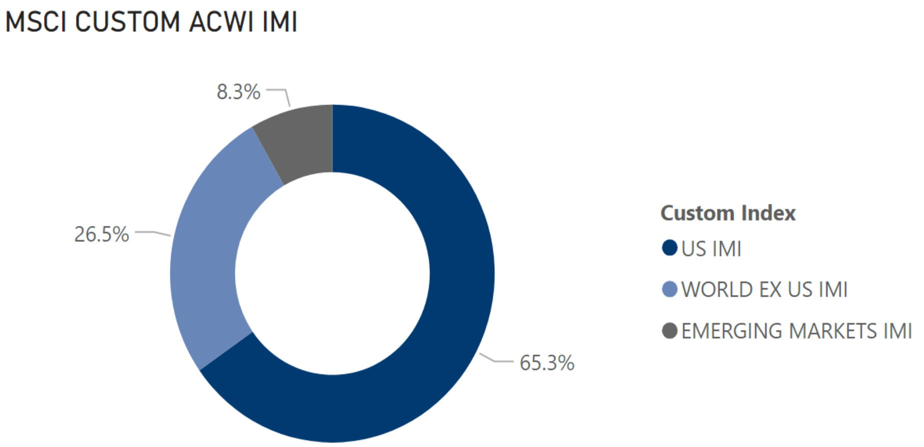
Source: DB Plan Investment Policy Statement

SBA FLORIDA STATE BOARD OF ADMINISTRATION

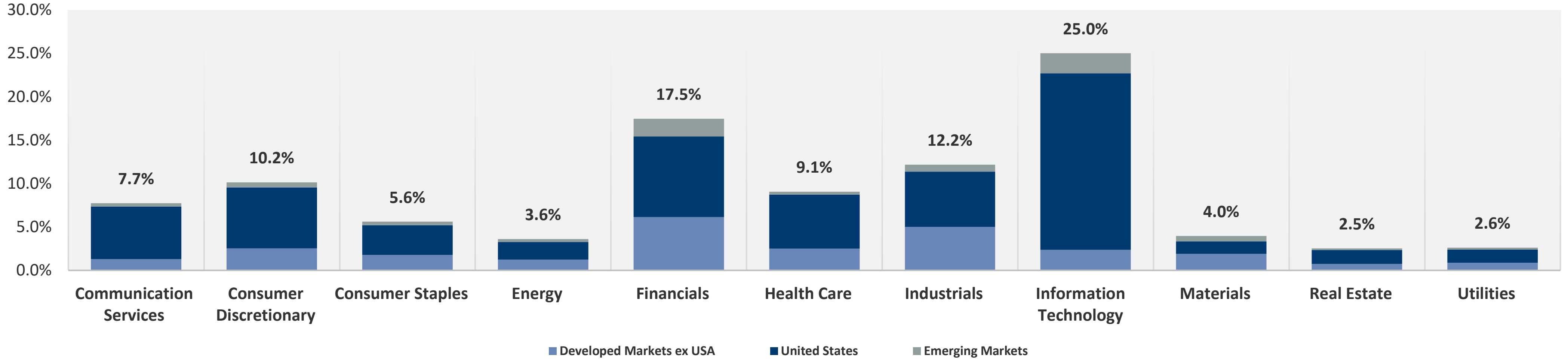
INVESTMENT POLICY: BENCHMARK

MSCI FRS Custom ACWI IMI

- Large, mid and small capitalization
- In US dollar terms
- Reflects provisions of Protecting Florida's Investments Act (PFIA) and other Florida Legislation
- Includes 45 countries and over 7,300 securities



Benchmark Global Sector Weights



Note: Source MSCI, FactSet. As of June 30, 2025

INVESTMENT POLICY: IMPLEMENTATION SNAPSHOT

Diversified Sources of Alpha

$101 bn
USD assets under management

7700+
unique securities

55
countries

54
externally managed strategies

8
internally managed strategies
(5 passive / 3 active)

Diversified for Market Conditions

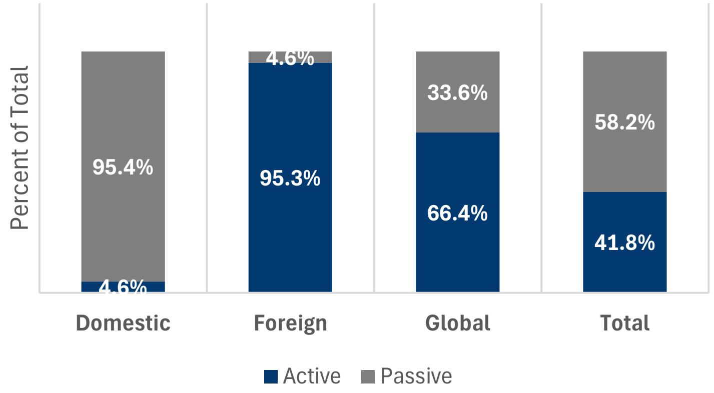
Defensive
Low Beta
High Yield
Earnings Stability

Passive
Broad Market Exposure

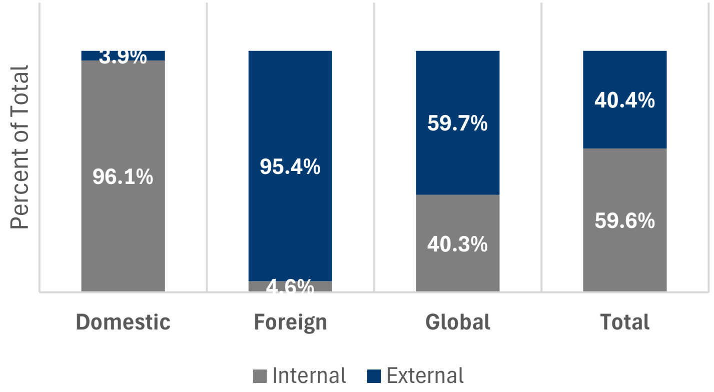
Core
Multi-factor Quant
Quality
Regional

Upmarket
High-Growth
Pro-Cyclical

Reliance on Low-Cost Passive Strategies



Invest to Achieve or Exceed Benchmark



As of June 30, 2025

OBJECTIVES DRIVE WHAT WE DO

	What We Do	Pitfalls We Strive to Avoid
Provide Beta	Manage 58% of assets passively.	Becoming an index fund.
Manage Costs	For external mandates aggressively, and fairly, negotiate fees. Research/run internal solutions that provide fee advantages while not sacrificing alpha.	Overpaying for non-unique beta and alpha.
Diversify Sources of Alpha	Invest in strategies with varying philosophies, processes, geographic focus and sector exposures.	Relying on a specific market condition or environment to drive relative performance.
Manage Low Active Risk	Manage relative to a risk budget of 75 bps (3-year active risk standard). Focus on aggregate construction using multiple risk lenses.	Taking uncompensated or concentrated risks or not identifying a notable risk (unintended risk).
Use Risk Budget Strategically	Deliberately allocate risk budget across a variety of regions based on market efficiency and selectively invest in non-traditional strategies.	Allowing large scale to dampen opportunism.
Provide Liquidity	Consistently raise funds with emphasis on enhancing risk/return profile, maintaining benchmark characteristics, and minimizing transaction costs.	Sacrificing excess return potential by not funding, or limiting, less liquid strategies. → $5.1b raised CYTD 2025 for liquidity and asset allocation changes; and over $100b since July 2010.

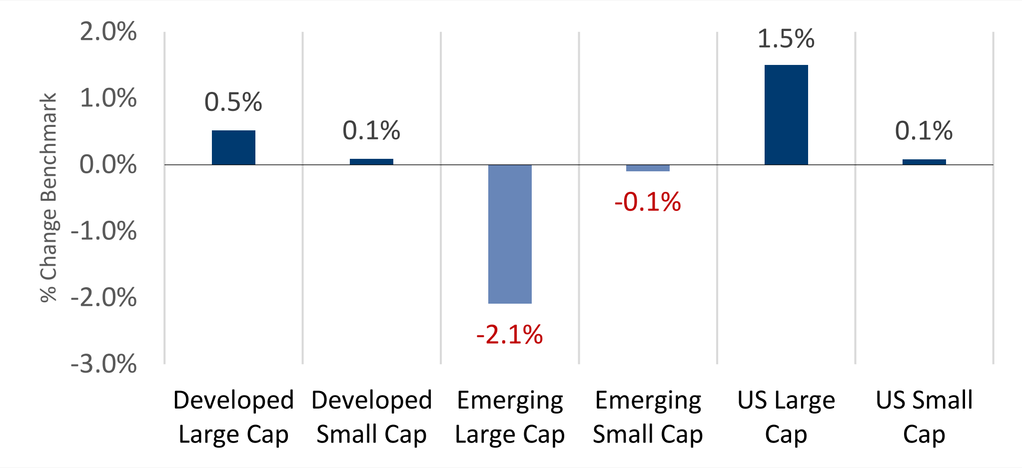
MEETING OBJECTIVES: LOOKING FORWARD

	Selected Elements of FY 2025/2026 Work Plan
Provide Beta	• Continue to strive for effective management and best execution in internally managed passive and active strategies; support staff development and resources related to this important function.
Manage Costs	• Further research opportunities to manage strategies internally (active and factor index solutions). • Continue to review, negotiate and (as appropriate) renegotiate fees.
Diversify Sources of Alpha	• Maintain focus on monitoring and structuring active aggregates while identifying external managers with excellent potential.
Manage Active Risk	• Continue to build Analytics capabilities by investing in human capital and systems, enhancing the framework for evaluating risks at the total asset class and sub-aggregate levels.
Use Risk Budget Strategically	• Identify and evaluate the most promising non-traditional strategies that may add value to the GE aggregate by improving the risk/return profile of the asset class (portable alpha, long/short, etc.).
Provide Liquidity	• Use liquidity draws to rebalance / reposition the GE aggregate and address modest structural biases. • Maintain significant exposure to liquid portfolios while selectively adding to less-liquid strategies.

INVESTMENT POLICY BENCHMARK: EXCLUDE CHINA & HONG KONG

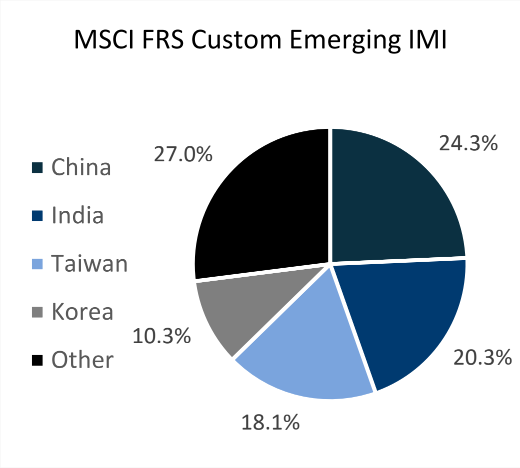
GE reallocation in Q2 due to exclusion of China/HK

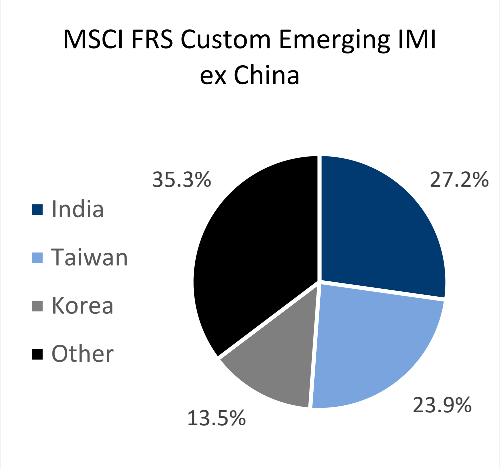
- Aligned with asset raise for Active Credit
- Reduced EM exposure by $1.755B



Emerging Markets opportunity set now excludes China

- EM Index exposure to India, Taiwan, and Korea increased from 48.7% to 64.7%



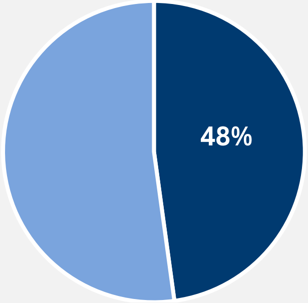


Comparison of data between April 14th, 2025 and April 15th, 2025. Source: Factset, MSCI

GLOBAL EQUITY BY THE NUMBERS

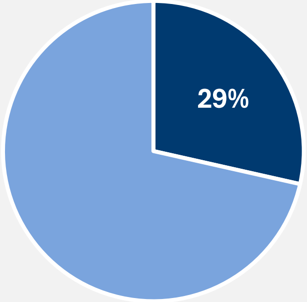
TOP DOWN VIEW: GLOBAL EQUITY'S ROLE IN THE TOTAL FUND

% of Total FRS Assets



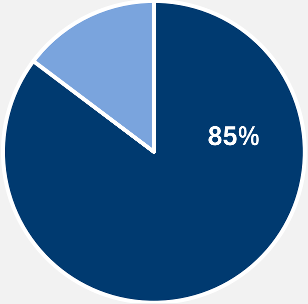
Policy Range:
35% - 60%, With 45% Target

% of Total FRS Assets Internally Managed by GE



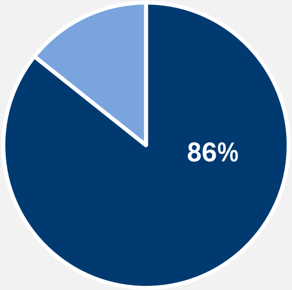
Policy Goal:
Reliance on Low Cost (Passive) Strategies

% of Liquidity Provided by GE in Last 3 Years



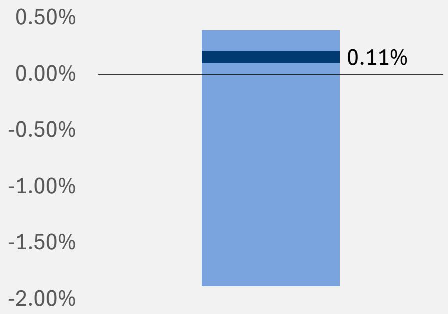
Policy Goal:
Meet Ongoing Funding Requirements
Amount Raised in 3 Years: $17.8 bn

Contribution to Total FRS 3-Yr Absolute Return



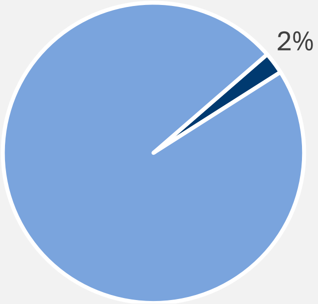
Policy Goal:
Seek Absolute Returns

Contribution to Total FRS 3-Yr Excess Return



Policy Goal:
Exceed Returns of Benchmark

% Contribution to Total FRS Active Risk



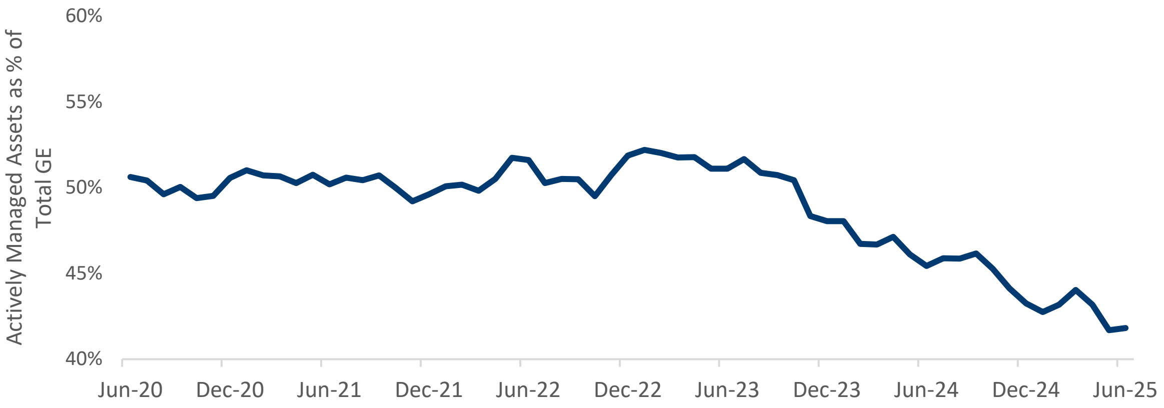
Policy Goal:
Passive with Active Risk in Less Efficient Markets

■ GE ■ Rest of Fund

Note: As of June 30, 2025. % of Active Risk is a measure of GE contribution to total fund, based on 1 year predicted risk. Source: Aladdin
Contribution to Total FRS 3-Yr Excess Return includes liquidity and transition account data.

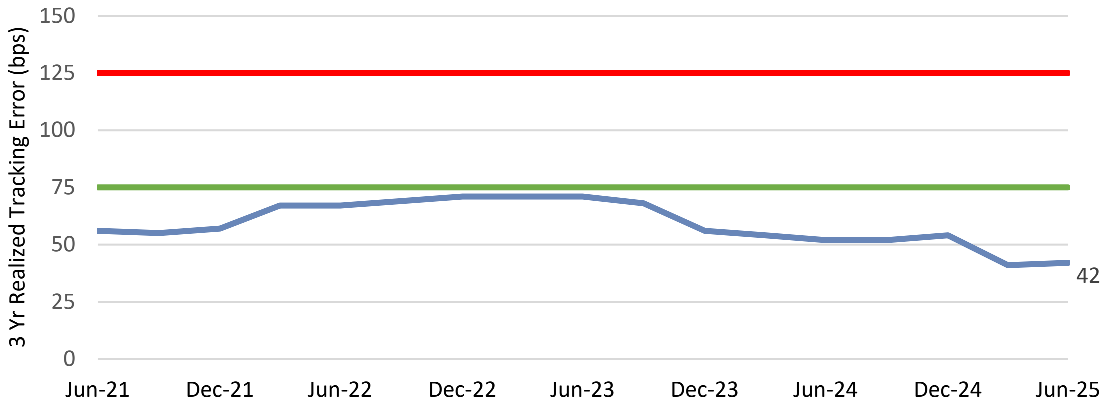
DELIVERING ON OBJECTIVES

Provide Beta and Alpha: % Actively Managed



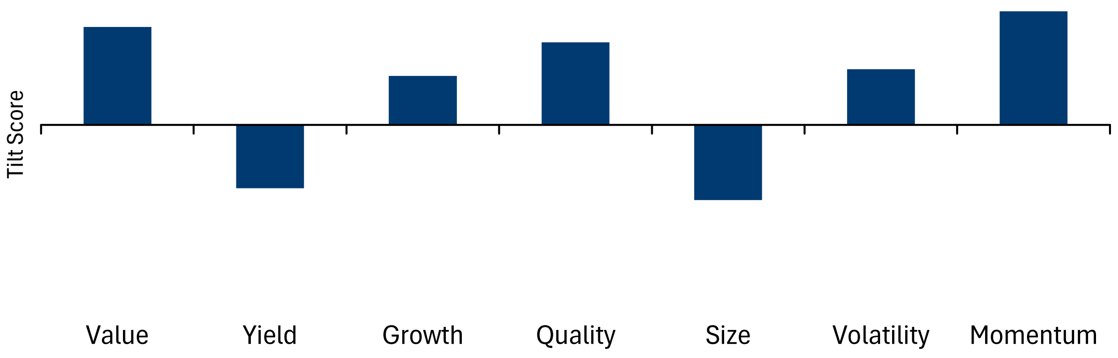
Policy Range: 40% - 60%
Current Aggregate Beta: 0.99

Manage Low Active Risk: Tracking Error Over Time

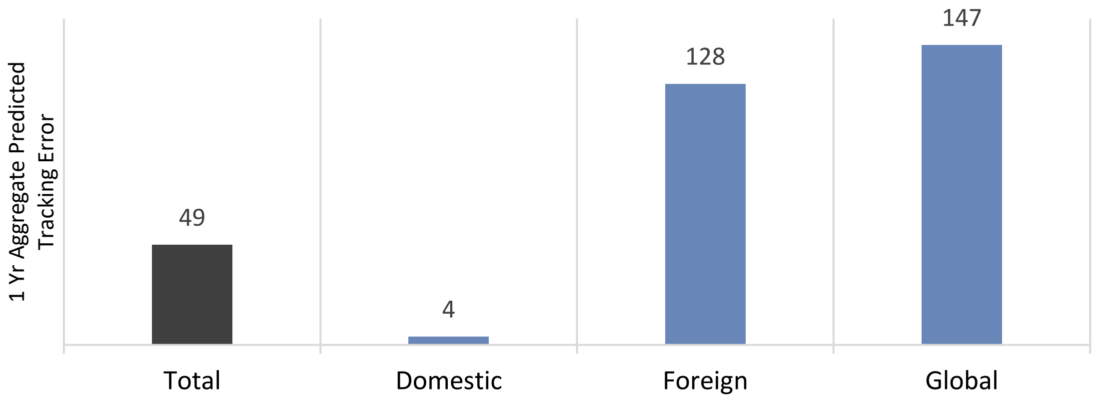


Policy: 0.75% Monitoring Standard and 1.25% Escalation Standard

Diversify Sources of Alpha: Style Tilts Relative to Benchmark



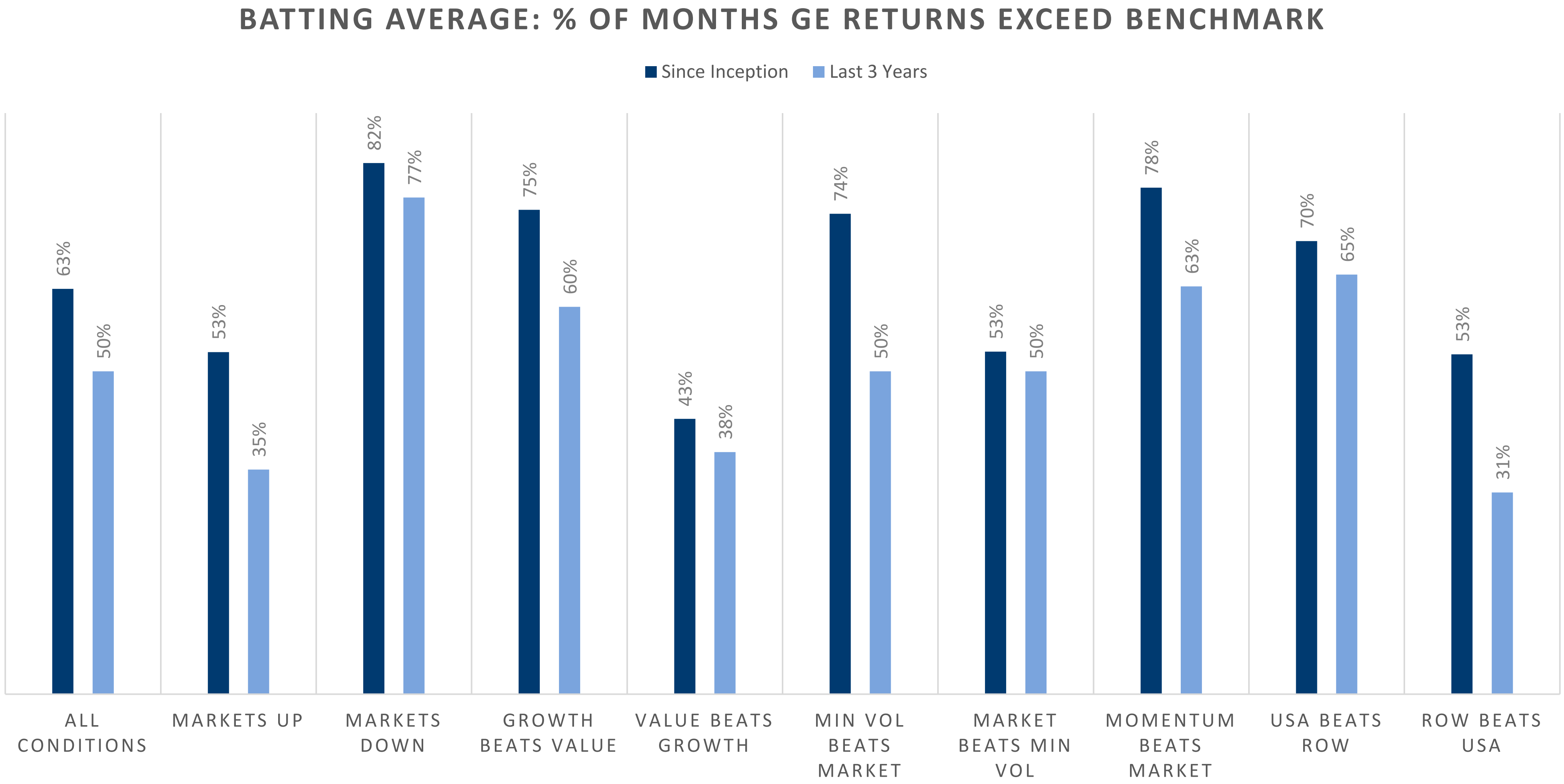
Risk Budget: Take Tracking Error Where Rewarded



Range Tracking Error for Individual Strategies: 0.06% to 12.9%

Note: As of June 30, 2025. Active Risk Budget is measured over rolling 3-year periods. Source: Style Analytics, Barra

STRUCTURED TO PERFORM IN A VARIETY OF MARKET CONDITIONS



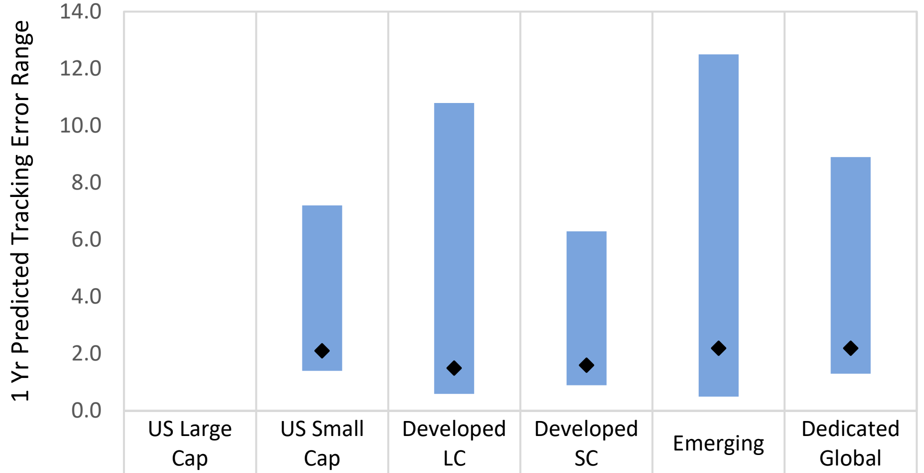
Note: Based on Global Equity monthly returns since inception (July 2010) and MSCI indices.

DIVERSIFY ALPHA: ACTIVE MANAGEMENT STRUCTURE

Higher Active Percentages in Less Efficient Segments

	Total AUM ($mm)	% Active	Average Active Mandate Size ($mm)	# of Active Strategies
US LC	$52,436	0.0%	$0	0
Developed LC	$19,305	92.5%	$1,985	9
Global	$12,944	66.4%	$1,075	8
Emerging LC	$6,540	100%	$727	9
Developed SC	$3,815	100%	$477	8
US SC	$2,566	80.7%	$233	11
Emerging SC	$1,489	100%	$298	5
Non-Traditional	$1,380	100%	$460	3

Active Management Tracking Error Range



	US Large Cap	US Small Cap	Developed LC	Developed SC	Emerging	Dedicated Global
Min		2.4	1.3	2.3	1.2	2.0
Max		6.5	10.1	5.6	11.8	8.2
◆ Current		2.1	1.5	1.6	2.2	2.2

Note: As of June 30, 2025. US All Cap passive strategy assets allocated to the US LC and US SC groups in line with the benchmark large cap/small cap split. US SC includes microcap. Source: Barra

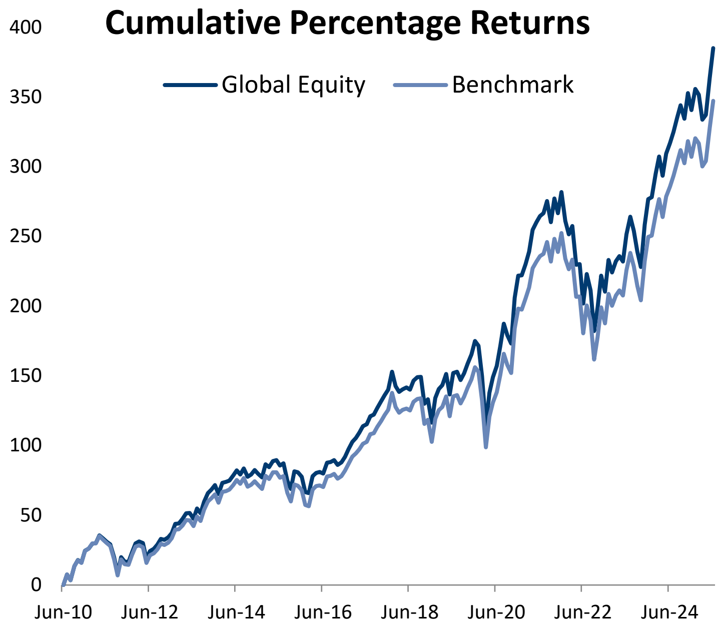
PERFORMANCE REVIEW

PERFORMANCE: TOTAL GLOBAL EQUITY

Returns vs MSCI FRS Custom ACWI IMI

	Qtr	CYTD	1 Year	3 Year	5 Year	10 Year	SI
Global Equity	11.83%	10.07%	16.36%	17.13%	13.53%	10.08%	11.10%
Target	11.74%	9.89%	15.96%	16.83%	13.42%	9.72%	10.50%
Active Return	**0.09%**	**0.18%**	**0.39%**	**0.29%**	**0.12%**	**0.36%**	**0.60%**
Tracking Error			0.42%	0.42%	0.60%	0.51%	0.52%
Info Ratio			0.84%	0.56%	0.14%	0.61%	1.00%

Total Market Value: $101,180,173,272



Note: Returns as of June 30, 2025 and are net of fees. GE Inception July 2010.

PERFORMANCE: RETURNS BY APPROACH AND REGION

	Weight (% of Asset Class)	One Year Excess Return	Three Year Excess Return	Five Year Excess Return
By Approach				
Passively Managed Strategies	58%	0.03%	0.06%	0.08%
Actively Managed Strategies	42%	0.30%	0.29%	-0.03%
By Region				
Domestic (US)	55.0%	-0.17%	-0.12%	0.10%
Foreign	30.8%	0.80%	0.78%	0.13%
Global	12.8%	0.71%	-0.33%	-0.85%

Note: Returns as of June 30, 2025. GE Inception July 2010.

PERFORMANCE: STRUCTURED FOR CONSISTENCY

Rolling Returns (Net) vs MSCI FRS Custom ACWI IMI

	1 Year		3 Year		5 Year		10 Year	
YEAR	SBA	ACWI	SBA	ACWI	SBA	ACWI	SBA	ACWI
FY 2010-2011	31.13	30.11						
FY 2011-2012	-5.11	-6.79						
FY 2012-2013	18.56	17.23	13.84	12.45				
FY 2013-2014	23.52	23.36	11.59	10.47				
FY 2014-2015	1.92	0.89	14.28	13.42	13.18	12.09		
FY 2015-2016	-3.09	-3.83	6.85	6.18	6.54	5.52		
FY 2016-2017	19.60	19.06	5.71	4.93	11.58	10.81		
FY 2017-2018	11.55	11.11	8.94	8.36	10.23	9.63		
FY 2018-2019	4.98	4.55	11.88	11.42	6.70	6.06		
FY 2019-2020	2.03	1.25	6.11	5.56	6.73	6.14	9.91	9.07
FY 2020-2021	41.78	40.95	14.94	14.27	15.17	14.57	10.77	9.95
FY 2021-2022	-17.20	-16.51	6.20	6.01	7.00	6.72	9.27	8.74
FY 2022-2023	16.43	16.14	10.98	10.97	7.92	7.66	9.07	8.64
FY 2023-2024	18.61	18.42	4.57	4.71	10.59	10.38	8.63	8.20
FY 2024-2025	16.36	15.96	17.13	16.83	13.53	13.42	10.08	9.72
Outperformed	**93%**		**92%**		**100%**		**100%**	
# of Years	**14/15**		**12/13**		**11/11**		**6/6**	

Outperform

Underperform

Note: Returns as of June 30, 2025 and are net of fees. GE Inception July 2010.

PERFORMANCE: BY ACTIVE AGGREGATE

Active Strategy Group	Weight (% of Asset Class)	Q2 2025 Excess Return	One Year Excess Return	Three Year Excess Return	Five Year Excess Return	Key Drivers of Q2 Excess Returns
Developed Large Cap	18%	0.49%	1.22%	0.82%	0.00%	The aggregate outperformed in an environment where the benchmark surged 12%. Positives included an overweight in Information Technology and strong stock selection in Industrials, particularly in Aerospace and Defense. Underweights to Japan and Canada hurt, but this was more than offset by several off-benchmark holdings in South Korea and Taiwan.
Dedicated Global	9%	0.50%	0.87%	-0.61%	-1.27%	The redesigned aggregate was led by our higher growth, higher beta managers and their positions in Applovin, Netflix, and TSMC. A notable underweight to Apple, which was down -7.5%, was the single greatest contributor.
Emerging Markets	8%	0.13%	0.27%	1.35%	0.76%	The EM allocation's active performance was driven by the EM Small Cap aggregate's strong stock selection in South Korea and Taiwan, along with its underweight allocation to Saudi Arabia and Turkey. The EM Large Cap aggregate's underperformance was due to an overweight to China (which was removed from the index on April 15th) and Cash.
Developed Small Cap	4%	-0.31%	1.16%	1.92%	0.96%	The DSC aggregate underperformed in Q2 amidst a remarkably strong market defined by volatility. Several mandates contributed positively due to momentum, volatlity and growth tilts, while Cash was a notable drag in the risk-on environment that favored higher beta names.
US Small Cap	3%	-1.21%	-1.88%	0.26%	1.74%	In a total reversal of Q1 2025, a sharp decline in tariff fears fueled a lower-quality, higher volatility rally which punished the majority of active managers. A narrow subset of mandates outperformed, either benefitting from a higher vol stance or idiosyncratic drivers.

Note: Returns as of June 30, 2025

Thank You

INVESTMENT ADVISORY COUNCIL

Item 4. Global Equity Asset Class Review

Ryan Morris, Mercer

Jay Love, Mercer

(See Attachment 4B)

State Board of Administration

September 9, 2025

Mercer

welcome to brighter

Review of Public Equity

Florida State Board of Administration

A business of Marsh McLennan

Table of Contents

SBA's Public Markets Investment Program

1

SBA’s Public Markets Investment Program

Guiding Principles

- All asset classes shall be invested to achieve or exceed the return on their respective benchmarks over a long period of time. To obtain appropriate compensation for associated performance risks:
  - Public market asset classes shall be well diversified with respect to their benchmarks and have a reliance on low-cost passive strategies scaled according to the degree of efficiency in underlying securities markets, capacity in effective active strategies, and ongoing total fund liquidity requirements.

SBA's Public Markets Investment Program

Mercer's General Observations

- FRS is very intensive in its manager due diligence, selection and monitoring
- The global equity asset class is managed in a prudent, risk-controlled fashion
- Appropriate levels of delegation are given to the staff
- FRS is a significant user of passive management, albeit slightly less than peers (49% of Portfolio vs. 54% of peers[1])
- Active risk levels are monitored against predetermined ranges
- The Plan effectively uses internal resources to keep costs low (~52% of Portfolio vs. 43% of peers[1])
- Results have been favorable relative to peers

[1] Source: Data as of 12/31/2023 – CEM 2024 Survey

Review of Equities

2

Review of Equities

Asset Allocation – Passive versus Active

- The SBA uses more internal passive management and external active management relative to peers
  - SBA does not utilize external passive management

	FRS[1]	Peers
Internal Passive	49.0%	30.5%
Internal Active	2.5%	12.7%
External Passive	0.0%	23.1%
External Active	48.5%	33.7%

[1] May not add to 100% due to rounding.

Source: Data as of 12/31/2023 – CEM 2024 Survey

Review of Equities

Asset Allocation – Region

- In July 2010 the SBA consolidated its separate allocations to US and Foreign Equity asset classes into a single Global Equity asset class benchmarked to the MSCI FRS Custom ACWI IMI
- Compared to peers, the SBA has a smaller direct allocation to dedicated global equity

Product[1]	FRS	Large Plan Peers	US Public Plans	MSCI ACWI IMI
US Equity	51.5%	46.1%	48.8%	61.6%
Developed Market ex US	24.4%	21.2%	23.9%	28.1%
Emerging Markets	14.0%	10.2%	9.9%	10.3%
Global Equity[2]	10.1%	21.9%	14.8%	-
Other	0.0%	0.5%	2.6%	-

[1] May not add to 100% due to rounding
[2] The lower allocation to global equities is due to a greater use of dedicated strategies.
Source: Data as of 12/31/2023 – CEM 2024 Survey

Review of Equities

Asset Allocation – Passive vs. Active

- Compared to peers, the SBA uses more passive management for its US Equity allocation and more active management for its Non-US, Emerging Markets, and Global Equity allocations
  - Consistent with the Investment Policy Statement's reliance on low-cost passive strategies based on market efficiency
  - The majority of Developed Market ex-US mandates are fully active and all Emerging Market mandates are fully active

Product	FRS	Peers[1]
US Equity		
Passive	88.6%	69.7%
Active	11.4%	30.3%
Developed Market ex US		
Passive	0.1%	22.1%
Active	99.9%	77.9%
Emerging Markets		
Passive	0.0%	20.1%
Active	100.0%	79.9%
Global Equity		
Passive	23.5%	56.8%
Active	76.5%	43.1%

[1] May not add to 100% due to rounding

Source: Data as of 12/31/2023 – CEM 2024 Survey

Mercer

Review of Equities

Fees: Global Equity vs. Peers

- Since the CEM 2023 Survey, FRS' absolute fees have come down and/or stayed relatively flat
  - FRS' fees have become more competitive vs. the median
- Relative to peers, FRS' fees are cheaper than the median for external active and passive management
  - Exception: US Equity is in line with the median

Product	FRS	Median Peer
US Equity (External Active & Passive)	30.2	30.2
Developed Market ex-US		
External Active	29.1	37.9
External Passive	0.4	1.6
Emerging Markets (External Active)	46.2	54.0
Global Equity (External Active)	34.2	44.5

Fees in basis points

Source: Data as of 12/31/2023 – CEM 2024 Survey

Review of Equities

Performance: US, Non-US, & Dedicated Global Equity

Periods Ending 6/30/2025	Year to Date Return (Rank)	1 Year Return (Rank)	3 Years Return (Rank)	5 Years Return (Rank)	Inception (April 1988) Return
FRS US Equity [1, 2]	5.69% (63)	15.12% (36)	18.96% (16)	16.06% (22)	11.11%
Benchmark	5.75%	15.30%	19.08%	15.96%	11.06%
Value Added	-0.06%	-0.17%	-0.12%	0.10%	0.05%
Information Ratio [3]	--	--	-0.60	0.44	--
Tracking Error [3]	--	--	0.20%	0.23%	--
	Year to Date Return (Rank)	**1 Year Return (Rank)**	**3 Years Return (Rank)**	**5 Years Return (Rank)**	**Inception (October 1992) Return**
FRS Non-US Equity [2, 4]	18.10% (48)	18.88% (28)	14.76% (38)	10.38% (42)	7.38%
Benchmark	18.24%	18.08%	13.98%	10.25%	6.46%
Value Added	-0.15%	0.80%	0.78%	0.13%	0.92%
Information Ratio [3]	--	--	0.72	0.09	--
Tracking Error [3]	--	--	1.08%	1.44%	--
	Year to Date Return (Rank)	**1 Year Return (Rank)**	**3 Years Return (Rank)**	**5 Years Return (Rank)**	**Inception (June 2003) Return**
FRS Dedicated Global Equity [2, 5]	10.19% (28)	16.91% (3)	17.63% (1)	13.31% (27)	8.97%
Benchmark	9.70%	16.20%	17.96%	14.16%	9.60%
Value Added	0.49%	0.71%	-0.33%	-0.85%	-0.63%
Information Ratio [3]	--	--	-0.25	-0.45	--
Tracking Error [3]	--	--	1.33%	1.90%	--

FRS US Equity

- Over the 3 and 5 –year periods, relative performance has been strong compared to peers
- Given the US Equity portfolio is 88.6% passive, the net of fees performance is relatively in line with the benchmark

FRS Non-US Equity

- Over the 3 and 5 –year periods, relative performance has been strong compared to both the benchmark and peers

FRS Dedicated Global Equity

- Over the 3 and 5 –year periods, relative performance has been strong compared to peers

[1] Compared to the Public Funds >$1B – US Equity universe; rankings are based on gross-of-fees FRS performance.
[2] Returns are shown net of fees.
[3] Calculated using monthly returns
[4] Compared to the Public Funds >$1B – Non-US Equity universe; rankings are based on gross-of-fees FRS performance.
[5] Compared to the Public Funds >$1B – Global Equity universe; rankings are based on gross-of-fees FRS performance

Mercer

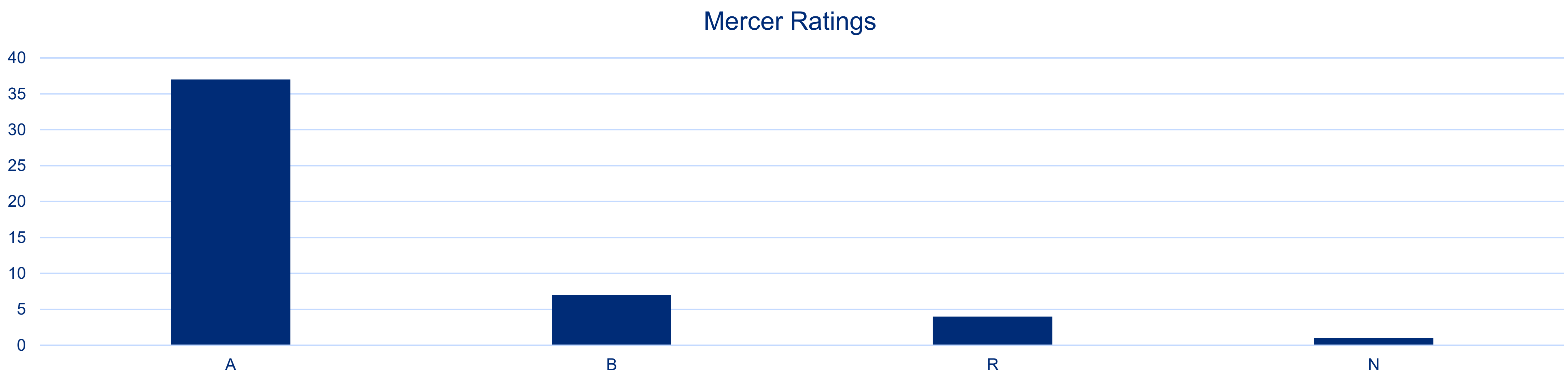
Recent Activity

3

Mercer Research Rating Review

Breakdown of Strategies by Rating

- Of the 49 external public equity strategies in the Plan, 37 strategies (~76%) are rated "A"



Mercer Ratings:

A = "Above Average" prospects of outperformance

B = "Average" prospects of outperformance

C = "Below Average" prospects of outperformance

N = Not Rated

R = Mercer does not maintain formal ratings, but has reviewed the strategy

Mercer

Recent Activity

- YTD 2025:
  - US Large Cap Enhanced Index (2Q2025)
- 2024:
  - Global Quantitative Core Equity Search (1Q2024)
- 2023:
  - Emerging Markets Large Cap Equity Search (4Q2023)
  - Global Defensive Equity Search (2Q2023)
- Quarterly: Regularly working with staff conducting ongoing performance and manager monitoring
- Increased focus on operational due diligence, including in manager monitoring reports

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INVESTMENT ADVISORY COUNCIL

Item 5. Active Credit Asset Class Review

John Mogg, Senior Investment Officer

(See Attachment 5A)

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

INVESTMENT ADVISORY COUNCIL

Asset Class Update

John Mogg, SIO Active Credit

State Board of Administration
September 9, 2025

Agenda

Active Credit Introduction

- Year in Review
- Overview of Asset Class
- Goals
- Objectives
- Benchmarks
- Team

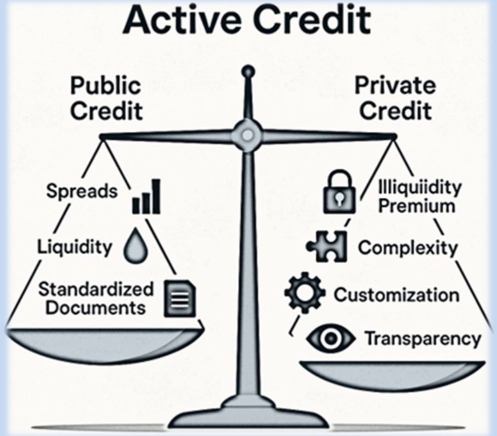
Asset Class Investment Strategies

- Private Credit
- Multi-Asset Credit

Fiscal Year 2026 Goals

- Research Initiatives
- Private Credit Initiatives
- Enhanced Monitoring and Risk Management

Active Credit Year in Review



$8.5 Billion

Over the course of the year the team has committed $8.5 billion to <u>17</u> Multi-Asset Credit and Private Credit SMA Strategies.

Since the inception of Active Credit in June 2024

Asset Class Structure

- *MAC Risk Budgeting Study*
- *MAC Portfolio Construction Framework*
- *Hired PC Consultant*
- *PC Portfolio Construction Framework*

Team Buildout

6

The team has grown from one to six investment professionals.

PC Portfolio Repositioning

50 LP interests

Staff repositioned the private credit portfolio with a landmark private credit secondary sale

Private Credit

- *US DL SMA Upsizing*
- *European DL Search and Diligence*
- *Revamped investment pacing model*

$2.0 Billion

Multi-Asset Credit

- *Market exposure to passive HY and EMD.*
- *Conducted 4 Active searches and diligence for MAC, BL, HY and EMD*

$6.5 Billion

Research Initiatives

4

Staff has undertaken research projects in Real Estate Credit, Asset Backed Lending, Credit Co-Investments, and FL focused Credit

Overview

New Asset Class Creation – Active Credit

Approval & Launch

- **Approved by IAC**: June 27, 2023
- **Operations Commenced**: June 2024

Day 1 Initiatives

- **Investment Policy Statement**: Developed to define objectives, guidelines, and constraints for the asset class.
- **FY 2025 Workplan**: Created to outline strategic priorities, pacing, and implementation milestones.
- **Team Formation**: Hired a dedicated team including portfolio managers, analyst, and support staff.
- **Governance & Operations**:
    - Established policies and procedures for investment selection, monitoring, and reporting.
    - Designed workflows, governance structures, and operational protocols.
    - Implemented controls to ensure compliance, transparency, and risk management.

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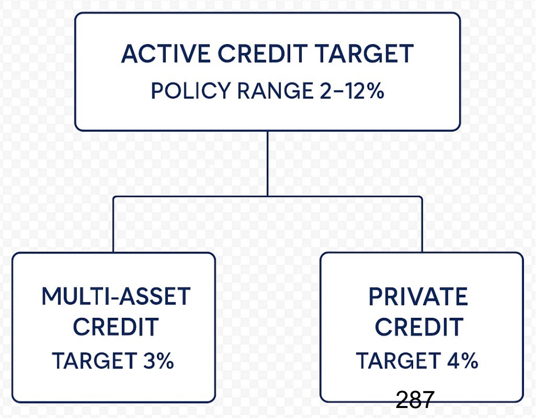
Active Credit Goals

Strategic Goals

- Create a portfolio of private credit and multi-asset credit investments that outperforms our benchmarks while remaining within the bounds of our asset class risk budget
- Establish prudent portfolio diversification while minimizing proliferation of manager relationships

Asset Class Targets

- The Active Credit asset class has a policy target of 7% of the FRS.



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Asset Class Objectives – Investment Policy Statement

The Active Credit Asset Class invests globally in public and private partnerships whose strategies fall within the following broad categories:

- Private Credit
  - Senior lending, distressed and special situations, specialty finance, structured credit, real estate credit, real assets credit
- Multi-Asset Credit
  - Multi asset credit rotators (dynamically rotate between high yield, bank loans, and emerging markets debt)
  - Dedicated high yield, bank loans, and emerging markets debt managers

Per Policy:

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

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Benchmarking

Private Credit:

- Morningstar LSTA Leveraged Loan Index + 175bps premium

Multi-Asset Credit:

- Custom Index – Equally weighted, floating until fully ramped
-

Component	Weight	Index Used
High Yield Bonds	33%	Bloomberg U.S. High Yield Index
Bank Loans	33%	LSTA Leveraged Loan Index
Emerging Market Debt	33%	Composite of: 50% Bloomberg EM Local Currency Govt (10% Country Capped) 25% Bloomberg EM USD Sovereign 25% Bloomberg EM USD Corporate

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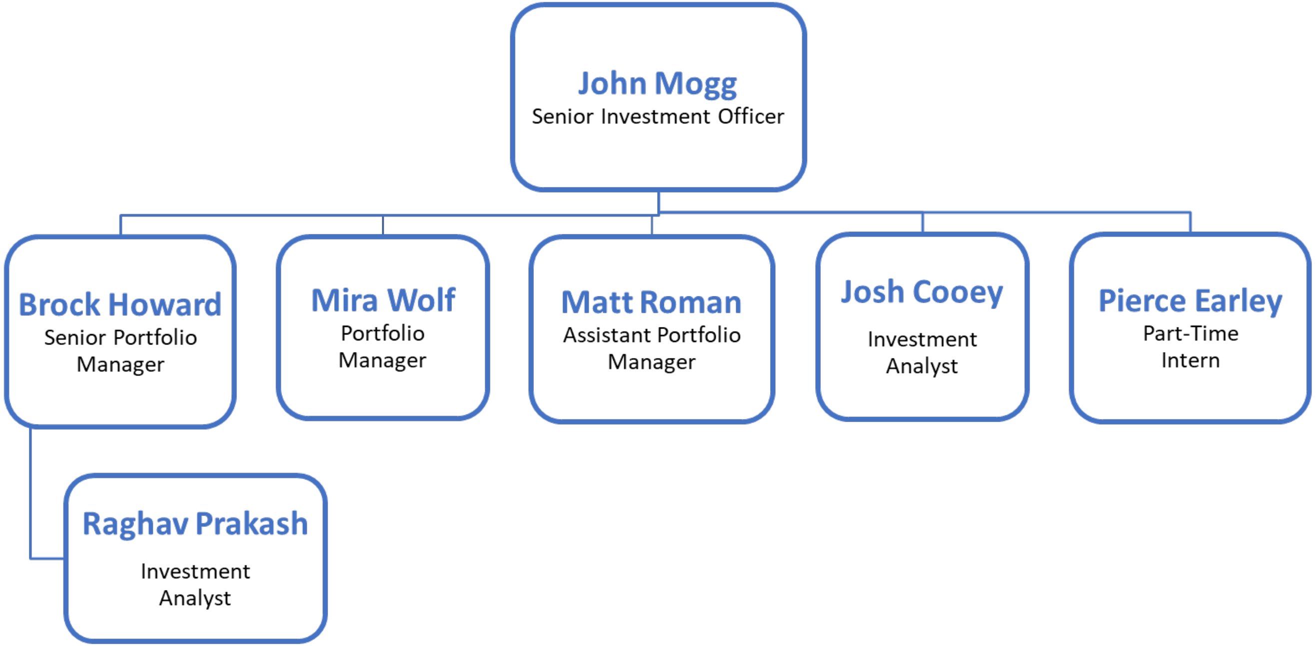
Team

Active Credit Investment Team



- Supported by Private Credit (Aksia) and Public Credit (Mercer) Investment Consultants

Private Credit

Private Credit

Accomplishments – Fiscal Year 2024-25

- Hired Aksia as the new private credit investment consultant
  - Transitioned private credit fund data from Cambridge
- Developed a new Private Credit portfolio construction framework
- Implemented a new pacing model for Private Credit to reflect new portfolio construction framework
- Repositioned the portfolio through a private credit secondary sale
- Re-underwrote existing and prospective US and European direct lending managers

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Private Credit

New Portfolio Construction Framework

- The new Active Credit asset class is designed to be more income oriented
    - LSTA Leveraged Loan Index + 175 basis points, aligns performance expectations with the asset class’s revised risk-return profile.

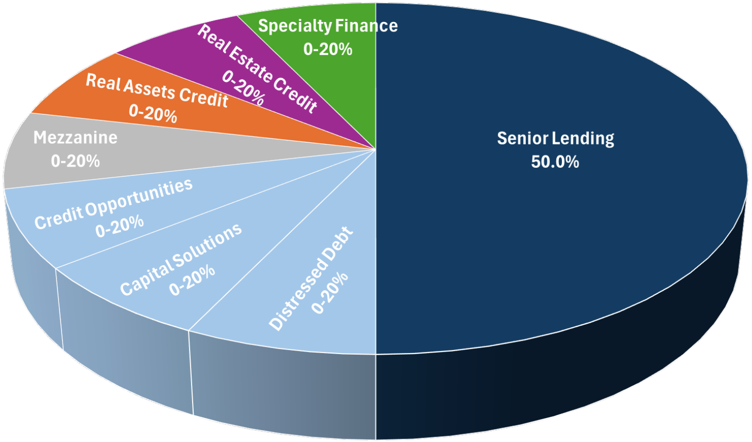
- Staff worked closely with Aksia, to develop a portfolio construction framework that better supports the asset class’s long-term objectives.

Portfolio Allocation Targets:

- **Core Allocation:** Approximately 50% in senior secured lending, with flexibility between 30–70%, ensuring a strong foundation of top-of-capital-structure exposure.
- **Satellite Allocation:** The remaining portfolio will be deployed across select sub-strategies within private credit that meet the revised risk-return criteria.

TARGET PORTFOLIO

CORE STRATEGIES
Senior Lending 50%
SATELLITE STRATEGIES
Distressed Debt 0–20%
Capital Solutions 0–20%
Credit Opportunities 0–20%
Mezzanine 0–20%
Real Assets Credit 0–20%
Real Estate Credit 0–20%
Specialty Finance 0–20%



Investment Pacing Model: Key Takeaways

Revised Aksia Pacing Model

- Dataset that includes performance and cash flow information across multiple market cycles, strategies, and vintages for a broad universe of private credit funds.
- “More informed” assumptions around capital deployment and distributions
  - Improves the model’s reliability while acknowledging the limitations inherent in embedded assumptions.

FRS Pension Plan Growth Scenarios Evaluated:

- **Base Case:** 3% annual growth
- **Slow Growth Case:** 1% annual growth
- **Downside Case:** -10% growth in years 1–2 and then 3% growth (base case) in years 3–10.

Commitment Forecasts (Assuming 3% Growth):

- **2026:** $2.25 billion
- **2027-2034:** $1.5 billion annually

Private Credit

Investment Pacing Model Projections – 3% FRS Growth Rate

Net Asset Value/Total Portfolio Value	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
NAV/Total Portfolio Value - Base	3.75%	3.87%	4.00%	4.15%	4.32%	4.45%	4.64%	4.82%	4.95%	5.04%
Net Asset Value - Base	$ 7,681,347,789.51	$ 8,173,520,789.64	$ 8,682,907,709.78	$ 9,291,355,662.77	$ 9,949,830,058.83	$ 10,564,150,454.14	$ 11,360,874,804.95	$ 12,131,998,332.64	$ 12,834,690,855.12	$ 13,479,615,894.46
Total Portfolio Value - Base	$ 204,866,649,259.98	$ 211,012,648,737.78	$ 217,343,028,199.91	$ 223,863,319,045.90	$ 230,579,218,617.28	$ 237,496,595,175.79	$ 244,621,493,031.07	$ 251,960,137,821.99	$ 259,518,941,956.65	$ 267,304,510,215.35

Committed Capital by Vintage Year and Strategy	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Budget	**$ 2,500,000,000.00**	**$ 2,250,000,000.00**	**$ 1,500,000,000.00**	**$ 1,500,000,000.00**	**$ 1,500,000,000.00**	**$ 1,500,000,000.00**	**$ 1,500,000,000.00**	**$ 1,500,000,000.00**	**$ 1,500,000,000.00**	**$ 1,500,000,000.00**
Senior Lending	$ 2,000,000,000.00	$ 1,237,500,000.00	$ 825,000,000.00	$ -	$ -	$ -	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00
Capital Solutions	$ 87,500,000.00	$ 67,500,000.00	$ 45,000,000.00	$ 90,000,000.00	$ 90,000,000.00	$ 90,000,000.00	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00
Credit Opportunities	$ 87,500,000.00	$ 90,000,000.00	$ 60,000,000.00	$ 120,000,000.00	$ 120,000,000.00	$ 120,000,000.00	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00
Distressed Debt & Special Situations	$ 87,500,000.00	$ 67,500,000.00	$ 45,000,000.00	$ 90,000,000.00	$ 90,000,000.00	$ 90,000,000.00	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00	$ 75,000,000.00
Mezzanine	$ -	$ -	$ 75,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00
Real Assets Credit	$ -	$ 225,000,000.00	$ 150,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 225,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00
Real Estate Credit	$ 118,750,000.00	$ 337,500,000.00	$ 225,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00
Specialty Finance	$ 118,750,000.00	$ 225,000,000.00	$ 75,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 375,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00	$ 300,000,000.00

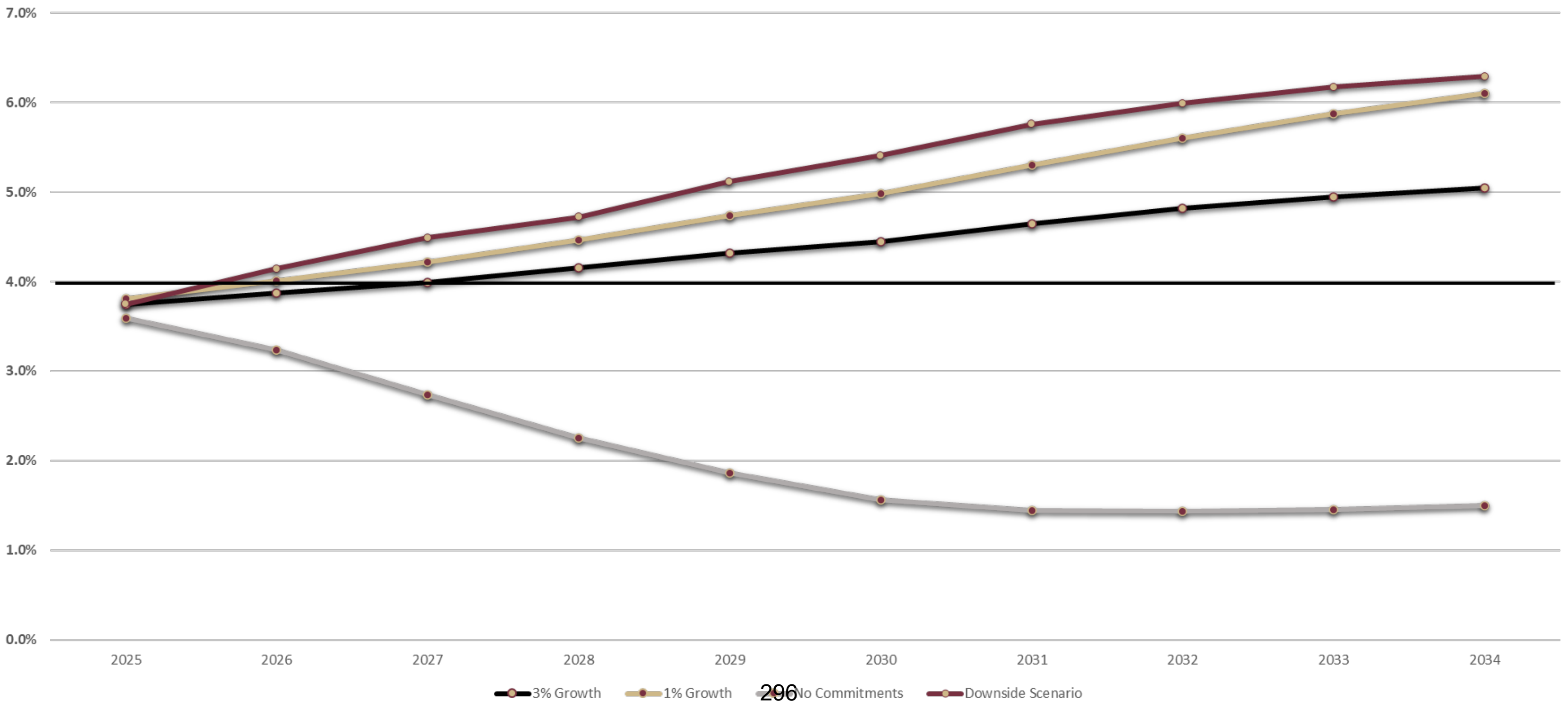
Committed Capital (%) by Vintage Year and Strategy	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Senior Lending	80%	55%	55%	0%	0%	0%	5%	5%	5%	5%
Capital Solutions	4%	3%	3%	6%	6%	6%	5%	5%	5%	5%
Credit Opportunities	4%	4%	4%	8%	8%	8%	5%	5%	5%	5%
Distressed Debt & Special Situations	4%	3%	3%	6%	6%	6%	5%	5%	5%	5%
Mezzanine	0%	0%	5%	20%	20%	20%	20%	20%	20%	20%
Real Assets Credit	0%	10%	10%	20%	20%	15%	20%	20%	20%	20%
Real Estate Credit	5%	15%	15%	20%	20%	20%	20%	20%	20%	20%
Specialty Finance	5%	10%	5%	20%	20%	25%	20%	20%	20%	20%

Net Asset Value by Strategy	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Senior Lending	$ 1,650,823,134.04	$ 2,438,461,265.26	$ 3,403,575,210.01	$ 4,249,114,212.73	$ 4,842,787,858.92	$ 5,227,889,923.72	$ 5,490,415,103.87	$ 5,693,936,229.19	$ 5,869,236,995.34	$ 6,035,432,378.69
Capital Solutions	$ 1,055,634,244.65	$ 925,583,423.34	$ 862,969,884.44	$ 786,968,944.91	$ 698,229,544.93	$ 687,005,473.23	$ 775,303,823.65	$ 835,282,261.45	$ 917,192,105.11	$ 995,026,987.16
Credit Opportunities	$ 751,544,209.54	$ 721,821,236.06	$ 597,995,674.64	$ 538,084,417.26	$ 569,302,431.45	$ 617,254,042.80	$ 700,561,279.28	$ 737,397,495.65	$ 780,642,277.47	$ 810,492,080.04
Distressed Debt & Special Situations	$ 962,909,087.60	$ 995,754,374.50	$ 876,615,048.98	$ 861,018,003.91	$ 861,373,125.97	$ 889,226,024.23	$ 987,241,190.17	$ 1,073,456,857.58	$ 1,184,612,666.95	$ 1,295,167,708.23
Mezzanine	$ 786,780,774.42	$ 741,734,115.73	$ 609,235,842.65	$ 502,376,616.21	$ 467,680,832.20	$ 497,379,104.45	$ 588,597,207.29	$ 766,277,918.63	$ 933,028,002.53	$ 1,052,342,476.23
Real Assets Credit	$ 676,278,734.02	$ 854,216,102.71	$ 993,995,484.21	$ 957,433,642.47	$ 935,062,605.09	$ 868,307,688.23	$ 822,969,020.19	$ 870,315,618.98	$ 913,155,329.73	$ 978,670,939.85
Real Estate Credit	$ 1,015,554,225.57	$ 836,457,076.08	$ 727,987,529.43	$ 785,790,737.71	$ 920,997,640.39	$ 1,016,679,208.31	$ 1,096,516,640.37	$ 1,136,599,970.70	$ 1,153,086,773.60	$ 1,184,288,962.94
Specialty Finance	$ 781,823,379.67	$ 659,493,195.95	$ 610,533,035.42	$ 610,569,087.56	$ 654,396,019.88	$ 760,408,989.18	$ 899,270,540.14	$ 1,018,731,980.46	$ 1,083,736,704.38	$ 1,128,194,361.34

Net Asset Value (%) by Strategy	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Senior Lending	21.49%	29.83%	39.20%	45.73%	48.67%	49.49%	48.33%	46.93%	45.73%	44.77%
Capital Solutions	13.74%	11.32%	9.94%	8.47%	7.02%	6.50%	6.82%	6.88%	7.15%	7.38%
Credit Opportunities	9.78%	8.83%	6.89%	5.79%	5.72%	5.84%	6.17%	6.08%	6.08%	6.01%
Distressed Debt & Special Situations	12.54%	12.18%	10.10%	9.27%	8.66%	8.42%	8.69%	8.85%	9.23%	9.61%
Mezzanine	10.24%	9.07%	7.02%	5.41%	4.70%	4.71%	5.18%	6.32%	7.27%	7.81%
Real Assets Credit	8.80%	10.45%	11.45%	[illegible]	9.40%	8.22%	7.24%	7.17%	7.11%	7.26%
Real Estate Credit	13.22%	10.23%	8.38%	8.46%	9.26%	9.62%	9.65%	9.37%	8.98%	8.79%
Specialty Finance	10.18%	8.07%	7.03%	6.57%	6.58%	7.20%	7.92%	8.40%	8.44%	8.37%

Private Credit

Investment Pacing Model Projections – FRS Growth Scenarios



Portfolio Repositioning - Secondary Sale

Advisor Engagement

- Staff engaged Evercore to explore a secondary sale of legacy private credit assets.

Strategic Objective

- Reduce exposure to non-core, equity-like positions
  - Almost a billion dollars of pure equity exposure (Common, Pref, Warrants), which equates to ~ 25% of the total NAV for those funds
- Reposition toward income-oriented senior lending strategies
  - Sell and reinvest analysis generates a higher return with conservative assumptions

Execution & Outcome

- A Q4 secondary sale was completed involving multiple buyers.
- 50 LP interests were sold, primarily in less secured, mezzanine, subordinated, and equity-oriented investments.
- These positions no longer aligned with the portfolio’s long-term risk and return objectives.

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Private Credit

European Direct Lending

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

US Direct Lending

- **Re-underwrote:** Existing direct lending SMA managers
- **Selected Managers:** Three existing managers identified for additional capital of $1 billion
  - Middle Market SMA: $500 million
  - Upper-Middle Market SMA: $300 million
  - Opportunistic: $200 million
- **Performance:** All managers have exceeded their benchmark since inception
- **Portfolio Target:** Consistent with goal of 40-50% in mid-market lending
- **Target Close:** All three deals closed on May 31st

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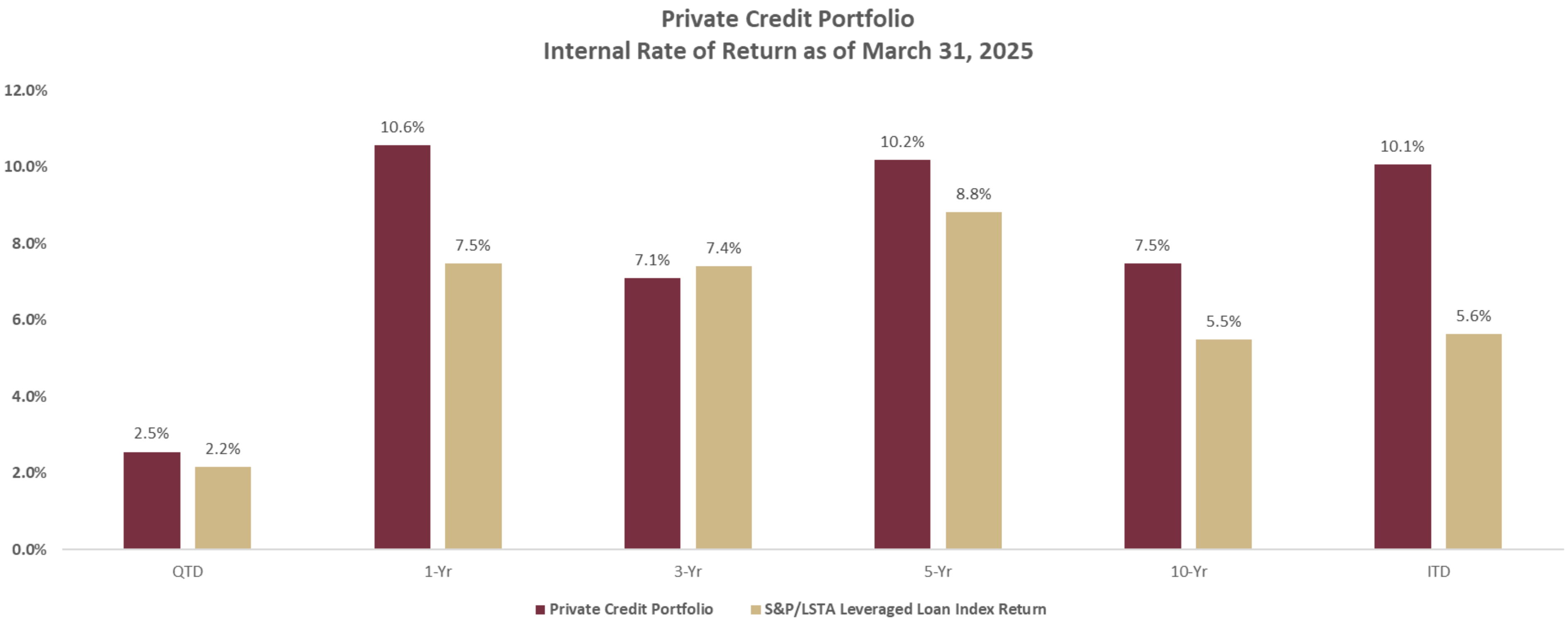
Private Credit Performance



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

Multi-Asset Credit

Multi-Asset Credit

Accomplishments for FY 2024-25

- Worked with Mercer, public markets consultant, to conduct and complete a risk budgeting study
- Designed a new portfolio construction framework for the strategy
- Funded two new passive strategies (High Yield and Emerging Markets Debt)
- Conducted and completed active MAC, Bank Loan, High Yield and Emerging Market Debt searches.

New Portfolio Construction Framework

Original Thesis (MAC):

- The initial thesis hypothesized that generating alpha in underlying strategies, Bank Loans (BL), High Yield (HY), and Emerging Market Debt (EMD), is inherently challenging.

Initial Portfolio Design:

- Mercer's original risk budgeting study proposed a target portfolio with a 22% passive allocation.

Staff Research Findings:

- Upon evaluating long-term performance across MAC rotators, BL, HY, and EMD managers, staff observed:
  - A broad universe of managers consistently generating alpha net of fees over rolling 3-, 5-, and 10-year periods
  - Screened on high batting averages (70–100%) across these timeframes
  - Tracking error remained within acceptable portfolio constraints

Portfolio Revision:

- Based on these findings, staff removed the passive allocation and updated the portfolio targets to reflect a 100% active management approach.

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Updated Portfolio Construction Framework – 100% Active

Detailed Strategy Allocations (%)

Base Case	Asset Class	Original Target Portfolio	Revised 100% Active Portfolio
Passive	Emerging Markets Debt (Local/ Hard)	7.0%	0.0%
Passive	US High Yield	8.0%	0.0%
Passive	Bank Loans	7.0%	0.0%
Active	MAC/ Sector Rotators	45.0%	35.0%
Active	Emerging Markets Debt	18.0%	33.0%
Active	US High Yield	5.0%	16.0%
Active	Bank Loans	10.0%	16.0%
Total		**100.0%**	**100.0%**
Active		**78.0%**	**100.0%**
Passive		**22.0%**	**0.0%**

Expectations & Allocations

Risk/ Return Metric	Original Target Portfolio	Revised 100% Active Portfolio
Arithmetic Return	8.03%	8.11%
Geometric Return	7.60%	7.65%
Risk	9.61%	10.08%
Return/Risk Ratio	0.79	0.76
Sharpe Ratio	0.46	0.44
Tracking Error	2.85%	3.84%
Excess Return (Net)	0.74%	0.80%
Allocations	**Original Target Portfolio**	**Revised 100% Active Portfolio**
Active	78.0%	100.0%
Passive	22.0%	0.0%
EMD	31.9%	33.0%
US High Yield	26.9%	16.0%
Bank Loans	30.9%	16.0%
Private	10.4%	10.0%
Standalone MAC	45.0%	35.0%

Multi-Asset Credit

Phase I Implementation: Complete

- **Mandates Closed:** Three Multi-Asset Credit (MAC) and three Bank Loan (BL) mandates on April 30
- **Total Commitments:** $3.3 billion ($2.25 billion MAC and $1.05 billion BL – SMA's)
- **Funding:** Multistage funding over three quarters, first investments on May 1st with the last tranche of funding scheduled for December 1st

Phase II Implementation: Complete

- **Active Searches:** High Yield and Emerging Market Debt
- **Finalists:**
  - **High Yield Managers:** Three finalists – selected one
  - **Emerging Market Debt Managers:** Five finalists – selected three
- **Total Commitments: $2.0 billion ($1.5 billion EMD and $0.5 billion HY – SMA's)**
- **Target Close:** All four deals closed on August 29
- **Funding Timeline:** Multistage funding over three quarters, first investments on Sept 2
- **Potential Acceleration:** Funding may accelerate if market conditions become favorable

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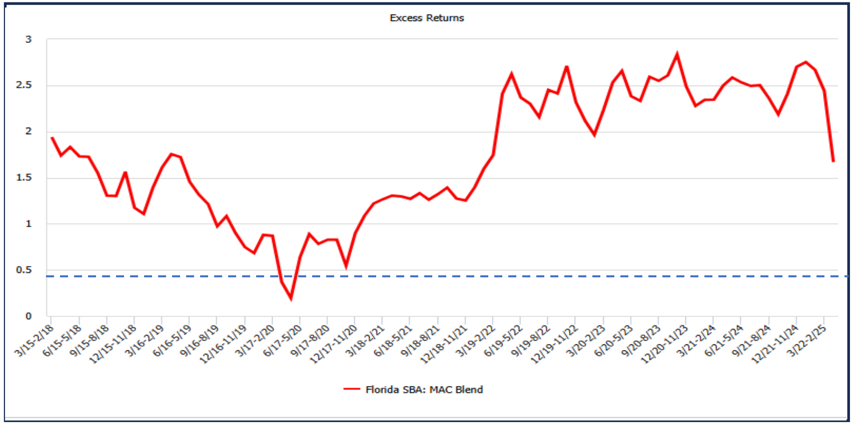
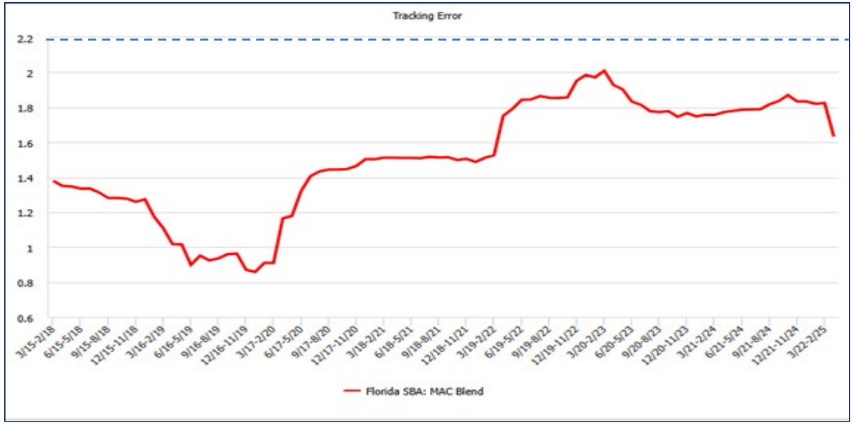
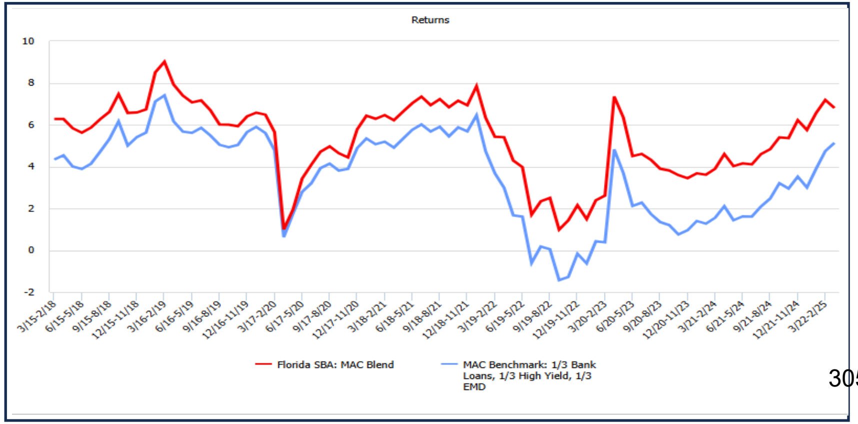
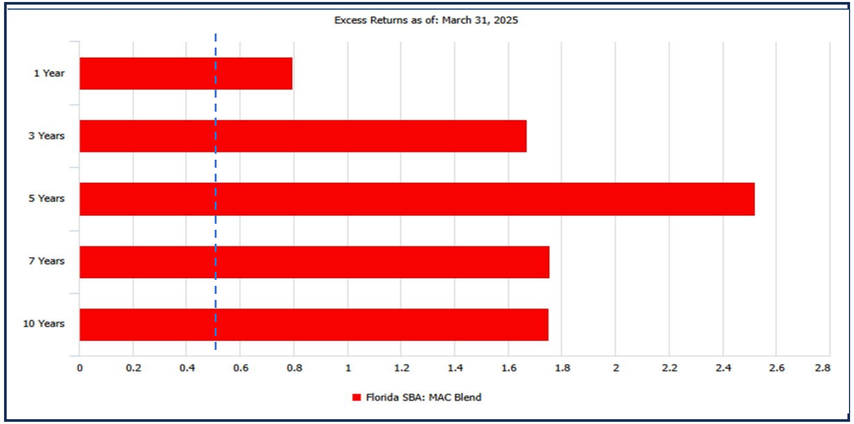
Multi-Asset Credit

MAC Portfolio: Historical Statistics Manager Weights (3-year Rolling)









Multi-Asset Credit

Progress and Plans for Multi-Asset Credit (MAC) Portfolio

Current Portfolio Status:

- $5.3 billion committed across MAC Strategy Rotators and dedicated managers in:
  - High Yield (HY)
  - Emerging Market Debt (EMD)
  - Bank Senior Loans (BSL)

Phase 1–2: Initial Deployment

- Existing mandates are fully invested
- Portfolio is 16.1% underweight relative to the 3% MAC target

Phase 3: Expansion Plan

- Add one High Yield manager with a $500 million allocation
- Post-addition, portfolio remains 8.1% underweight vs. the 3% MAC target

MAC Benchmark Allocation

Asset Class	Benchmark (%)	Benchmark ($)
Bank Loans	33.3%	$2.11
High Yield	33.3%	$2.11
Emerging Market Debt	33.3%	$2.11
Total Target at 3% of FRS	100%	$6.32

Phase 1-2 Current Portfolio vs. Benchmark

Asset Class	Benchmark (%)	Benchmark ($)	Portfolio (%)	Portfolio ($)	Over/Underweight (%)	Over/Underweight ($)
Bank Loans	33.3%	$2.11	41.0%	$2.18	+7.7%	$0.070
High Yield	33.3%	$2.11	30.7%	$1.63	–2.6%	-$0.480
Emerging Market Debt	33.3%	$2.11	28.3%	$1.50	–5.0%	-$0.610
Total	100%	$6.32	100%	$5.30		**-$1.020**
					Over/Underweight versus 3% MAC Target (%)	**-16.1%**

Phase 3 Proforma Portfolio (Post New High Yield Manager)

Asset Class	Benchmark (%)	Benchmark ($)	Portfolio (%)	Portfolio ($)	Over/Underweight (%)	Over/Underweight ($)
Bank Loans	33.3%	$2.11	37.5%	$2.18	+4.2%	$0.070
High Yield	33.3%	$2.11	36.6%	$2.13	+3.3%	$0.020
Emerging Market Debt	33.3%	$2.11	25.9%	$1.50	–7.4%	-$0.610
Total	100%	$6.32	100%	$5.81		**-$0.510**
					Over/Underweight versus 3% MAC Target (%)	**-8.1%**

* FRS $211 Billion as of 03/31

* Assumes commitments are fully invested

Multi-Asset Credit

Progress and Plans for Multi-Asset Credit Portfolio

FY 2026 Commitment Pipeline

High Yield Strategy Expansion

- Staff is revisiting several highly rated managers identified in the recent search.
- A commitment of approximately $500 million is anticipated to one dedicated High Yield manager, pending due diligence.

Emerging Markets Debt Strategy

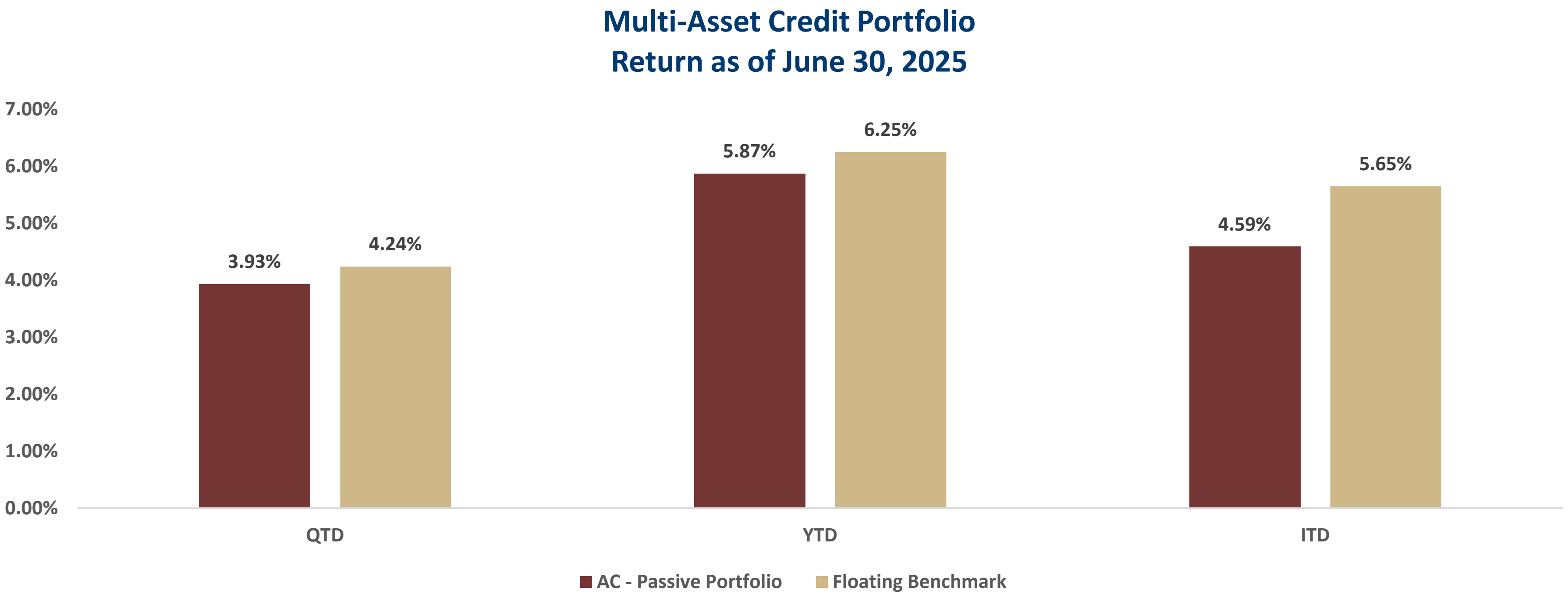
- Staff continues to monitor the three newly onboarded managers.
- Focus areas include potential upsizing of allocations and tactical reallocations based on performance and market conditions.

MULTI-ASSET CREDIT PORTFOLIO

Multi-Asset Credit Rotators	
Florida Gulfcoast Partners MAC	$900 million
Tidewater Partners MAC	$900 million
Mineral Springs Partners MAC	$450 million
Bank Loans	
Florida Gulfcoast Partners BL	$350 million
Tidewater Partners BL	$350 million
Apalach Partners BL	$350 million
High Yield	
Miccosukee Partners HY	$500 million
Emerging Markets Debt	
Turtle Bay Partners EMD Fund	$500 million
Manatee Cove Partners	$500 million
Black Bear Capital Partners	$500 million

* Committed capital, not invested

Multi-Asset Credit Performance



Note: The floating benchmark is currently a weighted average return, based on the weights of our passive investments to the Bloomberg US Corporate HY TR Index Value Unhedged USD and EMD Blended benchmark

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Fiscal Year 2026 Goals

Active Credit

Private Credit

Research Initiatives

Senior Lending – Evaluate the marginal risk and return associated with expanding the senior lending portfolio to include sponsor and non-sponsor-backed lower middle market borrowers, typically defined as companies with EBITDA between $3 - $15 million.

- 1 to 3 new direct lending fund commitments in US and/or Europe

Commercial Real Estate Lending – Researching the evolving opportunity set, with a focus on identifying areas where the imbalance between capital supply and borrower demand is most pronounced. Dialogue with banks, general accounts, and institutional investors.

- Evaluating:
  - The overall attractiveness of the opportunity set
  - The most compelling strategies within CRE lending
  - End of Q3 recommendation and implementation plan

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Private Credit

Research Initiatives

Asset Backed Lending – Researching the potential diversification benefits of adding asset-backed lending strategies.

- Research focused on three key segments:
  - Traditional ABL (e.g., receivables, inventory, equipment, and trade finance)
  - Specialty finance and consumer credit (e.g., auto loans, point-of-sale financing and student loans)
  - Esoteric and emerging collateral types (e.g., royalty streams, recurring revenue, and litigation finance).

- Evaluating:
  - The overall attractiveness of the opportunity set
  - The most compelling strategies within ABL
  - End of Q3 recommendation and implementation plan

Private Credit

Private Credit Initiatives

Private Credit Co - Investment Program – Further development on a co-investment framework focused on direct lending, in partnership with a third-party investment manager.

- Benefits
  - Savings on management fees and carried interest – potential for better net returns
  - Provide transparency and deal-level insights, further strengthening the team’s ability to evaluate and select fund investments.
- Q1 recommendation and implementation plan

Florida Credit Tranche – Evaluate the potential to add a Florida-based credit tranche to the Florida Growth Fund Program.

- Focus on senior secured loans to Florida-based companies
- Same rigorous risk/return requirements as national private lending
- Staff has identified a potential partner and will conduct further diligence over the next two quarters.

Active Credit

Other Areas of Focus

Enhanced Monitoring and Risk Management

- Staff has been working to create custom reporting for monitoring existing investments, benchmarking investments, and for underwriting new investments.

Areas of focus include:

- **Covenant information** – Financial maintenance covenants, leverage covenants, thresholds and breaches.
- **Key deal terms** – SOFR floors, call protection, cash/PIK interest
- **Status at underwriting** – EBITDA/free cash flow, debt (drawn and undrawn), LTV, valuation (if syndicated compared to others)
- **Status post underwriting** – amendments, extensions, cash pay to PIK, LTV, covenant compliance, EBITDA/revenue migration.

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Appendix

Active Credit Exposure

Current Exposure

- Today, Active Credit is approximately $10.0 billion or 4.73% of FRS
  - Private Credit $7.39 billion or 3.49% of FRS (as of Q1 2025)
    - » Roughly $3.97 billion in unfunded commitments
    - » There are currently 48 general partner relationships managing 82 funds (37 active GPs & 66 active funds)
  - Multi-Asset Credit $2.61 billion or 1.23% of FRS (as of 7/30/2025)
    - » There are currently 5 investment managers managing 8 funds
    - » Anticipated funding of 4 new investment managers managing 4 funds on September 1
    - » These fundings will equate to $2 billion

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GP Concentration

	Total Commitments ($mm)	Total Exposure ($mm)	% of AC Portfolio	Contributions ($mm)	Distributions ($mm)	Number of Holdings	ITD Net IRR	Net TVPI
Cerberus Capital Management LP	1,325.0	1,490.3	12.9%	1,006.1	292.7	6	7.5%	1.4x
Blackstone Group LP	950.0	729.2	6.3%	766.1	676.3	4	11.3%	1.4x
Audax Group	550.0	677.7	5.9%	436.2	232.5	3	7.0%	1.8x
Primary Wave IP Investment Management	521.0	551.5	4.8%	494.6	243.3	4	13.3%	1.4x
BlackRock Inc	1,100.0	549.1	4.7%	1,364.0	1,238.8	6	7.1%	1.2x
Kennedy Lewis Investment Management LP	400.0	529.2	4.6%	360.4	79.1	2	11.4%	1.4x
Blue Torch Capital LP	450.0	519.7	4.5%	413.7	135.4	1	12.9%	1.3x
Torchlight Investors	400.0	423.1	3.7%	317.3	40.9	2	4.3%	1.1x
Metric Capital Partners LP	391.9	405.4	3.5%	328.1	152.7	3	14.7%	1.4x
Chambers Energy Management LP	450.0	352.0	3.0%	549.5	534.4	3	13.6%	1.2x
GP Relationships Top 10	6,537.9	6,227.4	53.8%	6,035.9	3,626.2	34	8.9%	1.3x
GP Relationships Remaining (56)	17,068.6	5,356.1	46.2%	15,324.1	16,926.7	117	9.0%	1.3x
Total Portfolio (66)	23,606.5	11,583.5	100.0%	21,360.0	20,553.0	151	8.9%	1.3x

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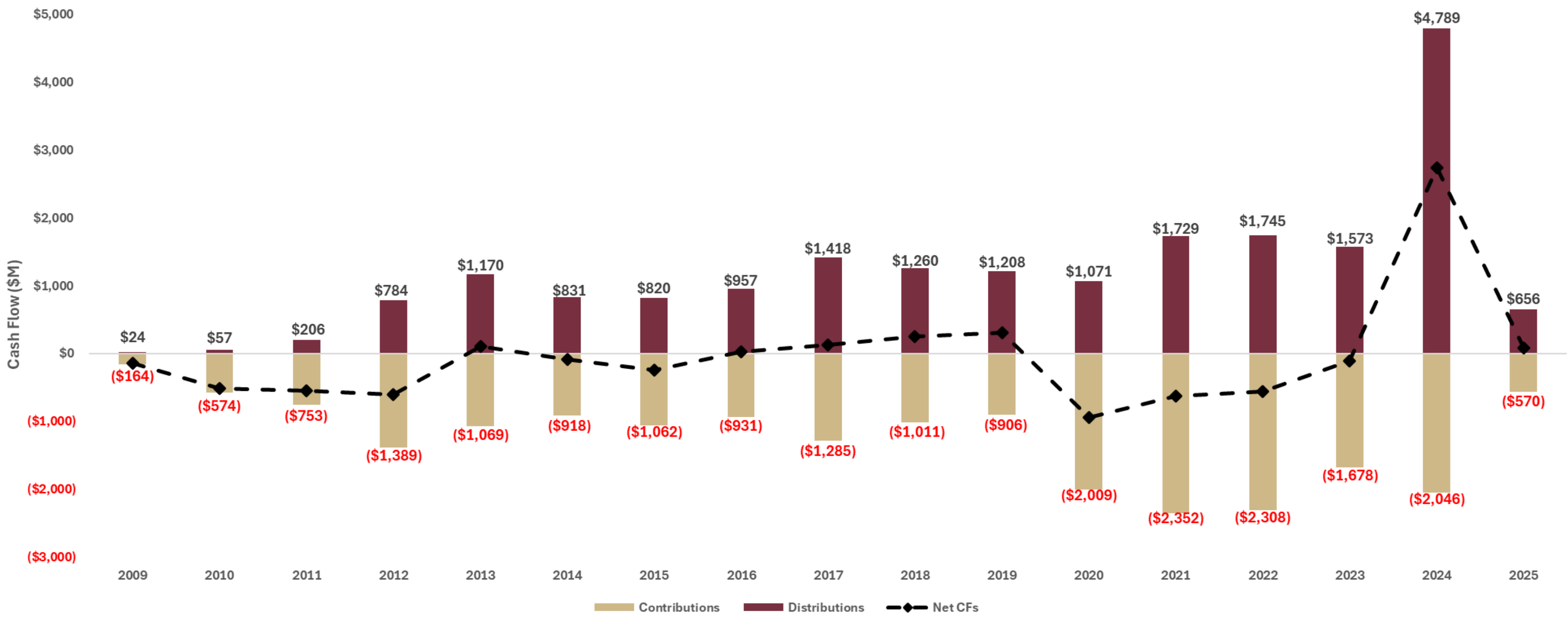
Cash Flow History

As of June 30, 2025



Active Credit Partnership Performance

As of March 31, 2025

Holding Name	Vintage Year	Total Invested	Total Redeemed	NAV	TVPI	DPI	LTD Net IRR
ABRY Advanced Securities Fund II LP	2011	$155,162,834.78	$225,753,760.24	$0.00	1.45x	1.45x	13.01%
ABRY Advanced Securities Fund III LP	2014	$221,822,746.86	$218,649,315.37	$222,671.19	0.99x	0.99x	-0.34%
ABRY Advanced Securities Fund LP	2008	$160,257,018.66	$251,927,312.69	$0.00	1.57x	1.57x	19.36%
ABRY Senior Equity III LP	2010	$66,665,993.99	$102,331,983.49	$0.00	1.53x	1.53x	16.47%
ABRY Senior Equity IV LP	2012	$66,175,114.09	$108,982,765.96	$0.00	1.65x	1.65x	14.41%
ABRY Senior Equity V LP	2017	$64,356,700.69	$96,377,210.77	$0.00	1.50x	1.50x	11.77%
Apollo Accord Fund IV LP	2020	$37,000,000.00	$44,122,859.25	$0.00	1.19x	1.19x	25.17%
Apollo Accord Fund V L.P.	2022	$222,469,608.15	$234,299,193.93	$0.00	1.05x	1.05x	8.14%
Apollo Accord Fund VI LP	2023	$21,725,766.57	($88,165.82)	$23,521,819.47	1.09x	0.00x	15.42%
Apollo Credit Liquidity Fund LP	2007	$118,356,262.30	$145,264,886.00	$0.00	1.23x	1.23x	20.00%
Appian Credit (UST) Strategies I LP	2023	$37,230,746.57	$173,791.53	$34,223,998.00	0.92x	0.00x	-16.55%
Atalaya Special Opportunities Fund IX LP	2024	$33,899,196.00	$35,571,819.36	$0.00	1.05x	1.05x	4.93%
Atalaya Special Opportunities Fund VI LP	2015	$120,346,085.86	$173,640,728.38	$0.00	1.44x	1.44x	13.24%
Atalaya Special Opportunities Fund VII LP	2018	$171,985,906.10	$211,908,339.90	$0.00	1.23x	1.23x	7.73%
Atalaya Special Opportunities Fund VIII LP	2022	$141,113,732.51	$173,946,076.61	$0.00	1.23x	1.23x	13.17%
Audax Credit Opportunities (SBA) LLC	2010	$208,391,250.02	$69,026,734.99	$425,057,025.76	2.37x	0.33x	6.61%
Audax Mezzanine Fund IV A LP	2016	$142,117,845.20	$138,373,488.42	$38,519,883.00	1.24x	0.97x	10.12%
Audax Mezzanine Fund V A LP	2020	$90,205,673.82	$29,635,718.40	$77,887,254.00	1.19x	0.33x	14.31%
Bayview Opportunity Domestic III B LP	2013	$187,364,159.00	$248,781,944.33	$0.00	1.33x	1.33x	10.27%
Bayview Opportunity Domestic IVb LP	2014	$121,472,362.47	$176,460,356.13	$0.00	1.45x	1.45x	12.69%
Bayview Opportunity Master Fund II B LP	2010	$103,366,259.67	$154,148,039.69	$0.00	1.49x	1.49x	18.73%
Benefit Street Partners Debt Fund IV LP	2017	$187,082,654.00	$249,673,097.00	$0.00	1.33x	1.33x	8.50%

Active Credit Partnership Performance

As of March 31, 2025

Holding Name	Vintage Year	Total Invested	Total Redeemed	NAV	TVPI	DPI	LTD Net IRR
BioPharma Credit Investments V LP	2022	$117,958,039.44	$138,726,952.76	$0.00	1.18x	1.18x	10.49%
BlackRock US CRE Debt Fund C7 LP	2021	$384,141,217.22	$275,518,963.59	$139,876,793.27	1.08x	0.72x	7.92%
Blackstone Credit Liquidity Partners LP	2008	$103,685,283.83	$102,976,730.73	$0.00	0.99x	0.99x	-1.16%
Blackstone Green Private Credit Fund III LP	2022	$37,081,079.00	$9,807,702.00	$30,696,149.00	1.09x	0.26x	14.56%
Blackstone GSO Capital Solutions Fund LP	2010	$148,721,203.00	$178,360,046.00	$0.00	1.20x	1.20x	9.06%
Blackstone Tactical Opportunities Fund FD II LP	2022	$140,852,040.46	$13,147,904.33	$148,795,446.00	1.15x	0.09x	19.89%
Blackstone Tactical Opportunities Fund FD LP	2019	$215,059,117.66	$132,887,823.12	$188,827,058.00	1.50x	0.62x	14.76%
Blackstone Tactical Opportunities Fund II LP	2015	$173,641,630.70	$242,724,793.45	$28,644,171.00	1.56x	1.40x	14.37%
Blantyre Special Situations Fund II LP	2020	€ 125,254,338.54	€ 2,893,708.75	€ 137,947,657.00	1.12x	0.02x	4.04%
Blue Torch Credit Opportunities SBAF Fund LP	2020	$415,493,902.00	$137,217,203.00	$407,233,634.00	1.31x	0.33x	12.88%
BSPCC Liquidation LLC (F.K.A. Benefit Street Partners CRE)	2014	$125,000,000.00	$144,648,450.00	$0.00	1.16x	1.16x	5.05%
Carbon Capital III Inc	2009	$82,067,840.05	$92,023,323.79	$0.00	1.12x	1.12x	11.26%
Carbon Capital V Inc	2013	$150,000,000.00	$181,675,206.64	$0.00	1.21x	1.21x	6.94%
Carbon Capital VI LP	2016	$136,229,688.26	$132,837,402.37	$0.00	0.98x	0.98x	-0.74%
Carlyle Mezzanine Partners II LP	2008	$139,223,813.86	$162,867,419.00	$5,321,100.00	1.21x	1.17x	9.57%
Castlelake III LP	2014	$69,449,222.00	$102,434,726.00	$0.00	1.47x	1.47x	6.30%
Castlelake IV LP	2015	$98,518,520.00	$145,436,635.00	$0.00	1.48x	1.48x	7.10%
Cerberus FSBA Corporate Credit Fund LP	2020	$190,535,255.66	$547,570.91	$242,341,323.00	1.27x	0.00x	8.20%
Cerberus FSBA Levered Loan Opportunities Fund LP	2016	$281,337,691.04	$66,015,711.01	$387,724,691.00	1.61x	0.23x	9.29%
Cerberus Institutional Real Estate Partners III LP	2013	$164,098,102.52	$222,562,750.66	$42,865,988.00	1.62x	1.36x	11.54%
Cerberus Institutional Real Estate Partners IV LP	2015	$194,373,681.03	$40,661,687.48	$109,780,043.00	0.77x	0.21x	-5.12%
Cerberus Institutional Real Estate Partners V LP	2020	$173,411,842.60	$5,476,648.00	$237,596,476.00	1.40x	0.03x	10.91%
Cerberus Institutional Real Estate Partners VI LP	2023	$63,123,860.06	$12,030,760.82	$52,784,628.00	1.03x	0.19x	2.94%

Active Credit Partnership Performance

As of March 31, 2025

Holding Name	Vintage Year	Total Invested	Total Redeemed	NAV	TVPI	DPI	LTD Net IRR
Chambers Energy Capital III LP	2016	$62,541,151.85	$71,196,101.10	$10,859,689.00	1.31x	1.14x	7.88%
Chambers Energy Capital IV LP	2020	$451,213,786.77	$434,636,080.00	$97,337,031.00	1.18x	0.96x	17.92%
Chambers Energy Capital V LP	2023	$34,710,633.41	$27,469,830.18	$10,373,902.00	1.09x	0.79x	8.44%
CL Forgotten Coast Fund LP	2022	$84,487,805.00	($487,805.00)	$95,151,235.37	1.13x	0.01x	12.33%
Coastline Fund LP	2015	$299,172,920.62	$336,700,513.06	$32,156,080.00	1.23x	1.13x	6.29%
Coastline Fund LP Tranche II	2017	$343,684,953.61	$240,493,973.58	$240,517,612.00	1.40x	0.70x	10.51%
Colony Distressed Credit and Special Situations Fund III LP	2014	$188,419,401.00	$222,739,822.00	$0.00	1.18x	1.18x	6.38%
Colony Distressed Credit and Special Situations Fund IV LP	2015	$235,035,395.73	$209,716,116.73	$0.00	0.89x	0.89x	-3.45%
Colony Distressed Credit Fund II LP	2011	$104,995,283.00	$126,829,959.00	$0.00	1.21x	1.21x	7.38%
CRC Single Investor Fund XIX LLC	2021	$181,493,277.60	$69,293,277.60	$160,089,194.43	1.26x	0.38x	10.36%
CRC Single Investor Fund XIX, LLC Tranche II	2021	$172,000,000.00	$22,000,000.00	$157,751,470.27	1.05x	0.13x	9.14%
Crescent Credit Solutions VIII LP	2021	$200,877,616.93	$86,407,726.93	$147,547,899.00	1.16x	0.43x	10.60%
Crescent Mezzanine Partners VI LP	2012	$186,553,509.46	$243,101,699.46	$0.00	1.30x	1.30x	8.63%
Crescent Mezzanine Partners VII LP	2016	$171,058,748.00	$218,645,602.00	$0.00	1.28x	1.28x	8.67%
CVI Credit Value Fund A IV LP	2018	$168,609,107.00	$227,276,197.52	$0.00	1.35x	1.35x	7.76%
CVI Credit Value Fund A LP	2011	$95,000,000.00	$214,308,817.60	$0.00	2.26x	2.26x	18.83%
CVI Credit Value Fund A V LP	2020	$334,560,794.00	$391,328,789.32	$0.00	1.17x	1.17x	7.35%
CVI Credit Value Fund II A LP	2013	$190,000,000.00	$271,665,953.84	$0.00	1.43x	1.43x	8.28%
CVI Credit Value Fund III A LP	2015	$190,316,458.00	$262,532,051.69	$0.00	1.38x	1.38x	8.34%
CVI Global Value Fund A LP	2008	$239,367,716.00	$550,096,916.56	$0.00	2.30x	2.30x	20.96%
Deerfield Private Design Fund IV LP	2016	$103,839,683.00	$167,486,889.00	$0.00	1.61x	1.61x	9.26%
Distressed Managers II FL LP (F.K.A. Goldman Sachs Distressed)	2004	$95,057,168.82	$77,569,326.53	$0.00	0.82x	0.82x	-7.17%

Active Credit Partnership Performance

As of March 31, 2025

Holding Name	Vintage Year	Total Invested	Total Redeemed	NAV	TVPI	DPI	LTD Net IRR
EFL Special Partners LP	2020	$188,235,701.00	$163,051,885.00	$49,952,397.00	1.13x	0.87x	9.85%
EIG Energy Fund XVI LP	2013	$98,566,521.03	$72,578,500.84	$40,177,855.59	1.14x	0.74x	2.86%
EIG Global Project Fund V LP	2020	$227,587,354.87	$256,748,812.68	$0.00	1.13x	1.13x	9.32%
Falcon Strategic Partners III LP	2009	$107,916,028.97	$144,671,668.19	$8,333,807.00	1.42x	1.34x	9.43%
Falcon Strategic Partners IV LP	2012	$194,774,010.26	$170,238,400.60	$37,276,182.00	1.07x	0.87x	2.06%
Florida Growth Fund LLC - Credit Tranche	2014	$126,600,191.00	$137,345,925.00	$9,678,420.00	1.16x	1.08x	6.14%
Gallatin Point Capital Partners II LP	2021	$152,842,763.21	$32,540,902.39	$154,774,735.00	1.23x	0.21x	12.72%
Gallatin Point Capital Partners LP	2018	$103,751,611.60	$80,861,759.10	$90,542,798.00	1.65x	0.78x	17.34%
Glendon Opportunities Fund III (GOF III) Feeder B L.P.	2022	$67,500,000.00	$76,018.49	$89,884,888.79	1.33x	0.00x	22.27%
GOF II Feeder B LP (A.K.A Glendon)	2019	$135,834,200.94	$129,254,023.33	$112,560,509.65	1.78x	0.95x	16.46%
Green Credit Investors LP	2008	$0.00	$156,571.00	$0.00	0.00x	0.00x	0.00%
GSO Capital Opportunities Fund II LP	2011	$226,913,689.00	$270,961,050.00	$0.00	1.19x	1.19x	9.47%
GSO Capital Opportunities Fund III LP	2016	$239,474,465.00	$309,826,203.00	$0.00	1.29x	1.29x	11.53%
GSO Capital Opportunities Fund LP	2008	$243,669,890.98	$287,622,199.00	$0.00	1.18x	1.18x	15.37%
GSO Capital Solutions Fund II LP	2014	$214,116,744.00	$218,358,906.00	$0.00	1.02x	1.02x	1.17%
GSO Capital Solutions Fund III LP	2018	$143,522,801.00	$166,353,033.00	$0.00	1.16x	1.16x	9.24%
GSO Energy Select Opportunities Fund II LP	2019	$103,904,957.00	$125,122,737.00	$0.00	1.20x	1.20x	16.26%
GSO Energy Select Opportunities Fund LP	2015	$89,077,157.00	$116,361,671.00	$0.00	1.31x	1.31x	10.11%
H.I.G. Whitehorse FSBA LP	2023	$122,712,008.68	$6,158,681.24	$137,112,179.00	1.17x	0.05x	15.91%
HealthCare Royalty Partners III LP	2014	$70,947,663.17	$88,381,439.05	$0.00	1.25x	1.25x	8.86%
Highbridge Convertible Dislocation Fund (Delaware) LP	2020	$152,442,754.74	$153,248,864.36	$25,510,681.00	1.17x	1.01x	12.68%

Active Credit Partnership Performance

As of March 31, 2025

Holding Name	Vintage Year	Total Invested	Total Redeemed	NAV	TVPI	DPI	LTD Net IRR
ICG Europe Fund VIII SCSp	2022	€ 126,029,375.13	€ 17,399,589.52	€ 132,228,037.79	1.19x	0.14x	15.79%
ICG Europe Middle Market Fund II SCSp	2024	€ 21,674,028.67	€ 208,925.93	€ 19,533,816.81	0.91x	0.01x	-16.67%
ISAF III (USD) LP	2022	$99,583,152.00	$81,246,156.00	$38,383,808.00	1.20x	0.82x	21.50%
KLCP ERISA Fund E III LP	2021	$139,382,307.50	$933,158.37	$179,503,137.00	1.29x	0.01x	12.80%
KLCP ERISA Fund E2 (US) LP	2020	$215,551,702.00	$74,873,558.00	$233,237,024.00	1.43x	0.35x	11.12%
Lake Jackson LP	2020	$251,121,159.83	$305,460,089.82	$24,195,915.00	1.31x	1.22x	23.21%
LCM Partners COPS 4 (USD) SLP	2020	$161,962,631.94	$38,229,265.40	$161,771,500.16	1.23x	0.24x	11.40%
LCM Partners IIIa LP	2016	$107,807,168.48	$104,063,962.72	$32,398,904.92	1.27x	0.97x	5.67%
LCM Partners SOLO Va LP	2020	$59,445,957.10	$67,335,144.59	$0.00	1.13x	1.13x	5.90%
Marathon European Credit Opportunity Fund II LP	2014	$91,125,363.07	$123,788,791.81	$0.00	1.36x	1.36x	8.12%
MCP Private Capital Fund III SCSp	2017	€ 85,117,787.30	€ 62,302,059.94	€ 77,774,270.00	1.65x	0.73x	14.49%
MCP Private Capital Fund IV SCSp	2020	€ 170,717,425.50	€ 73,107,848.78	€ 159,223,004.00	1.36x	0.43x	14.09%
MCP Private Capital Fund V	2023	€ 45,932,957.86	€ 8,104,673.93	€ 54,697,624.00	1.37x	0.18x	76.22%
Morgan Stanley Real Estate Mezzanine Partners A LP	2007	$34,922,139.74	$691,113.72	$0.00	0.02x	0.02x	-98.33%
MSD SBAFLA Fund LP	2020	$255,548,325.68	$135,634,503.93	$161,569,508.00	1.16x	0.53x	8.96%
NovaQuest Pharma Opportunities Fund V LP	2019	$120,687,228.81	$22,700,215.08	$94,964,922.00	0.97x	0.19x	-0.86%
Oaktree Opportunities Fund IX LP	2013	$100,541,799.00	$183,024,737.33	$0.00	1.82x	1.82x	8.05%
Oaktree Opportunities Fund VIII LP	2010	$110,065,476.31	$156,271,206.42	$0.00	1.42x	1.42x	9.08%
Oaktree Opportunities Fund VIIIb LP	2011	$50,982,973.40	$85,649,544.67	$0.00	1.68x	1.68x	8.25%
Oaktree Opportunities Fund Xb LP	2018	$150,517,912.00	$244,401,381.08	$0.00	1.62x	1.62x	11.65%
OCM Opportunities Fund VIIb LP	2008	$36,220,768.46	$42,549,886.40	$0.00	1.17x	1.17x	14.09%
OHA Tactical Investment Fund LP	2020	$187,270,415.61	$232,796,388.70	$0.00	1.24x	1.24x	8.20%
OIC Credit Opportunities IV, LP	2024	$34,236,407.00	$1,203,786.00	$35,061,926.00	1.06x	0.04x	11.94%

Active Credit Partnership Performance

As of March 31, 2025

Holding Name	Vintage Year	Total Invested	Total Redeemed	NAV	TVPI	DPI	LTD Net IRR
Orion Energy Credit Opportunities Fund III LP	2020	$176,591,092.00	$202,567,807.00	$0.00	1.15x	1.15x	8.79%
Orion Mine Finance (Master) Fund I LP (F.K.A. Red Kite II)	2012	$128,098,208.99	$151,942,770.95	$0.00	1.19x	1.19x	3.42%
Orion Mine Finance Co-Fund II LP	2018	$47,249,925.31	$47,130,464.68	$47,646,143.00	2.01x	1.00x	19.20%
Orion Mine Finance Fund II LP	2017	$143,002,958.85	$115,204,751.34	$80,280,947.00	1.37x	0.81x	8.75%
PAG Loan Fund IV LP	2020	$144,116,422.27	$61,210,235.19	$74,113,293.00	0.94x	0.42x	-2.66%
PCG Special Situation Partners LP	2003	$67,625,853.24	$113,281,409.00	$0.00	1.68x	1.68x	19.49%
PGIM Energy Partners (SBA) II, L.P.	2024	$0.00	$0.00	$258,934.22	0.00x	0.00x	
Primary Wave Music IP Fund 1 LP	2017	$84,147,549.92	$130,420,035.92	$0.00	1.55x	1.55x	17.55%
Primary Wave Music IP Fund 2 LP	2020	$151,485,135.00	$94,713,211.00	$148,173,036.00	1.60x	0.63x	15.61%
Primary Wave Music IP Fund 3 LP	2021	$233,649,491.00	$66,782,941.00	$241,767,281.00	1.32x	0.29x	12.18%
Primary Wave Music IP Fund 4, LP	2024	$78,228,947.00	$21,836,420.00	$60,779,155.00	1.06x	0.28x	8.08%
Providence Debt Fund III LP	2013	$177,112,434.00	$224,918,118.00	$0.00	1.27x	1.27x	5.93%
Providence TMT Debt Opportunity Fund II LP	2010	$103,340,227.00	$151,505,113.00	$0.00	1.47x	1.47x	10.75%
Providence TMT Special Situation Fund LP	2008	$100,869,310.17	$170,819,512.00	$0.00	1.69x	1.69x	52.66%
Quantum Capital Solution II Co-Investment Fund LP	2023	$2,736,830.95	$98,446.36	$3,222,823.00	1.21x	0.04x	28.80%
Quantum Capital Solutions II LP	2023	$14,546,311.08	($1,314,004.52)	$16,210,424.00	1.20x	0.09x	2.91%
SBAF Mortgage Fund I Holding LLC (A.K.A. Principal RE Debt)	2009	$886,205,229.03	$859,101,519.06	$165,127,956.63	1.16x	0.97x	6.91%
Searchlight Opportunities Fund II LP	2021	$162,235,513.00	$50,741,085.00	$145,669,549.00	1.21x	0.31x	11.75%
Silver Lake Waterman Fund III LP	2020	$174,571,382.71	$193,134,259.20	$0.00	1.11x	1.11x	5.07%
Sixth Street TAO Partners (F.K.A. TSSP Adjacent Opportunities Partners)	2015	$205,884,751.00	$298,221,941.00	$0.00	1.45x	1.45x	8.34%
Special Situation Partners II LP	2007	$92,486,308.81	$116,173,319.26	$22,462,286.00	1.50x	1.26x	11.20%

Active Credit Partnership Performance

As of March 31, 2025

Holding Name	Vintage Year	Total Invested	Total Redeemed	NAV	TVPI	DPI	LTD Net IRR
Sprott Private Resource Lending (US) LP	2017	$74,387,539.16	$89,711,867.53	$0.00	1.21x	1.21x	11.37%
Sprott Private Resource Lending II LP	2019	$158,285,575.24	$143,563,225.36	$58,925,477.00	1.28x	0.91x	10.27%
Sprott Private Resource Lending III LP	2022	$76,947,155.85	$4,268,587.71	$79,920,835.00	1.09x	0.06x	8.82%
SVB Innovation Credit Fund VIII LP (F.K.A. WestRiver VIII)	2019	$254,649,335.00	$333,031,402.40	$0.00	1.31x	1.31x	16.19%
TAC 2007 LP (A.K.A. TPG Credit Fund)	2007	$70,233,278.91	$75,493,988.06	$0.00	1.07x	1.07x	10.42%
TCW Crescent Mezzanine Partners V LP	2008	$161,274,915.53	$213,184,553.21	$0.00	1.32x	1.32x	8.97%
The Varde Fund X (C) LP	2010	$106,567,743.01	$178,506,438.93	$0.00	1.68x	1.68x	9.85%
The Varde Fund XI (C) LP	2013	$200,070,738.79	$261,852,610.00	$0.00	1.31x	1.31x	4.26%
The Varde Fund XII (C) LP	2016	$200,283,297.10	$258,867,952.34	$0.00	1.29x	1.29x	4.70%
Tiverton AgriFinance III LP	2023	$22,500,000.00	($4,490.45)	$21,761,093.00	0.97x	0.00x	-4.61%
Torchlight Debt Fund VII LP	2020	$263,309,093.00	$27,935,391.00	$258,168,874.00	1.09x	0.11x	4.32%
Torchlight Debt Fund VIII LP	2022	$60,526,427.00	$19,628,467.00	$43,349,491.00	1.04x	0.32x	3.78%
Vine Media Opportunities - Fund III LP	2014	$98,916,398.04	$75,952,859.33	$0.00	0.77x	0.77x	-4.76%
Vine Media Opportunities - Fund IV LP	2017	$280,388,535.74	$298,269,112.87	$0.00	1.06x	1.06x	8.36%
VSS Structured Capital II LP	2009	$91,349,866.00	$188,172,590.00	$0.00	2.06x	2.06x	26.07%
Wayzata Opportunities Fund II LP	2007	$33,343,948.52	$73,531,454.66	$0.00	2.21x	2.21x	48.29%
Wayzata Opportunities Fund III LP	2013	$75,896,866.00	$78,125,822.00	$2,528,110.00	1.06x	1.03x	1.30%

INVESTMENT ADVISORY COUNCIL

Item 5. Active Credit Asset Class Review

Rahul Desai, Aksia

(See Attachment 5B)

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Private Credit Program Update

Florida State Board of Administration

September 2025

www.aksia.com

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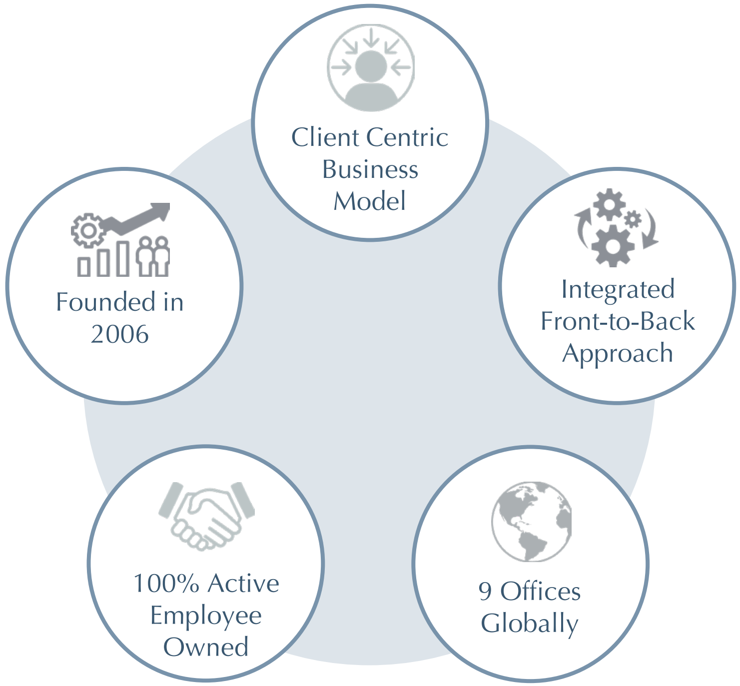

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3.8
Staff to Client Ratio[1]

All references to Aksia herein refer to Aksia LLC, together with its wholly owned subsidiaries (collectively, "Aksia"). [1]As of May 31, 2025. AUA is defined as the sum of the NAV and unfunded commitments of our advisory clients' underlying investments. AUM is defined as the sum of the NAV and unfunded commitments of our investment management clients' underlying investments and the amounts committed to an Aksia-managed vehicle but not yet committed to an underlying investment. AUA/AUM represents assets advised and/or managed by Aksia and tracked by Aksia's Client Operations team. AUM includes all accounts where Aksia serves as the investment manager and regular supervisory or management services. [2]As of July 31, 2025. [3]As of June 30, 2025. Due diligence has been performed (IDD, ODD, or Insight Report).

Aksia Private Credit

Aksia

Footprint	Team	Sourcing
$118bn AUA[1] **$18bn** AUM[1]	**31** Private Credit Investment Specialists[3]	**85+** PC Sub-strategies
Client Investments in **>980** Unique Programs[1]	**56** Private Credit Risk Professionals[3]	**63%** Program Size <$1bn[2] **48%** Global or Outside the Americas[2]
Due Diligence on **>1,300** PC Opportunities[2]	**9 Offices** Deep Research Coverage & Local Presence Across Global Markets	**~$35.7bn** of Co-investments Sourced LTM[4]

[1]As of May 31, 2025. AUA is defined as the sum of the NAV and unfunded commitments of our advisory clients' underlying investments. AUM is defined as the sum of the NAV and unfunded commitments of our investment management clients' underlying investments and the amounts committed to an Aksia-managed vehicle but not yet committed to an underlying investment. AUA/AUM represents assets advised and/or managed by Aksia and tracked by Aksia's Client Operations team. AUM includes all accounts where Aksia serves as the investment manager and provides continuous and regular supervisory or management services. A program is defined as a group of funds managed by the same manager which pursue a similar investment strategy, leverage, and/or investor pooling. [2]As of June 30, 2025. Due diligence has been performed (IDD, ODD, or Insight Report). Coverage by geography and fund size is representative of the universe of investment programs on which Aksia has conducted due diligence. [3]As of July 31, 2025. Professionals that spend some or all of their time covering Private Credit strategies. [4]As of June 30, 2025.

Private Credit Addressable Market

Aksia

Direct Lending

U.S. Direct Lending
- Senior
- Opportunistic
- LMM (sponsored)
- LMM (non-sponsored)
- Private BDCs
- Industry Focused
- Revolvers

European Direct Lending
- Senior
- Opportunistic
- LMM
- Country-Specific Funds

Emerging Markets Lending
- Asian
- African
- CEE/Middle East
- Latin American
- Pan-EM

Global Direct Lending

Distressed Debt & Special Situations

Corporate Distressed
- Stress / Distressed Trading
- Influence / Control
- Diversified Distressed

Opportunistic Structured Credit
- 3rd Party CLO Equity
- Captive CLO Equity
- CLO Debt
- CLO Multi
- Consumer ABS
- CMBS/CRE
- Esoteric ABS
- European Structured Credit
- RMBS
- Structured Credit Multi-Sector

Real Estate Distressed

NPLs

Capital Solutions

PC Special Situations

PC Secondaries

Specialty Finance

Consumer & SME Lending
- Marketplace Finance
- Lender/Platform Finance

Rediscount Lending

Factoring & Receivables

Regulatory Capital Relief

Music/Film/Media Royalties

Oil & Gas Minerals Royalties

Metals Royalties

Healthcare Lending & Royalties
- Healthcare Lending
- Healthcare Royalties

Venture Lending

Technology Lending

Financial Services Credit

Insurance Linked Credit
- Diversified
- Life Insurance
- Non-Life

Litigation Finance
- Litigation Finance
- Merger Appraisal Rights

PE Portfolio Finance

Stretch ABL

Diversified Specialty Finance

Real Estate Credit

U.S. CRE Core Lending

Asia CRE Lending

U.S. CRE Transitional Lending
- Large Loan
- Middle Market
- Small Balance
- Opportunistic

U.S. CRE Bridge Lending
- Large Loan
- Middle Market
- Small Balance

European CRE Lending
- Bridge
- Transitional
- Core

Emerging Markets CRE Lending

CRE Structured Credit
- Agency CRE B-Piece
- Non-Agency CRE B-Piece

Residential Mortgages
- Residential NPLs
- Single Family Rental
- Mortgage Servicing Rights
- Residential Origination

Real Assets Credit

Infrastructure Lending
- Senior Focus
- Sub-IG Focus
- Mezz Focus

Energy Credit
- Energy Lending
- Energy Mezzanine Lending
- Opportunistic

Trade Finance

Metals & Mining Finance

Agricultural Credit

Transportation
- Aviation Lending
- Maritime Lending
- Road & Rail Lending
- Transportation Lending (Multi)

Mezzanine

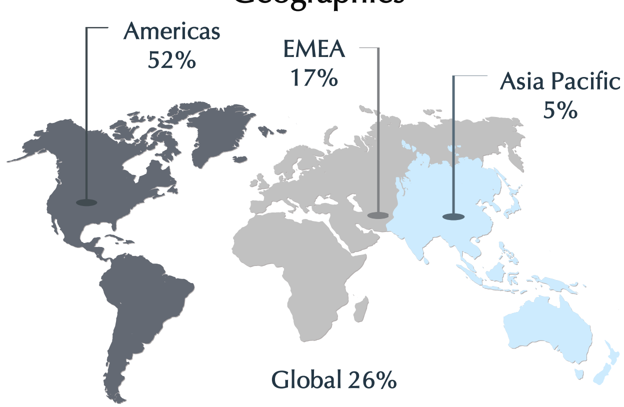
U.S. Mezzanine
- Upper Middle Market
- Middle Market
- Lower Middle Market

European Mezzanine

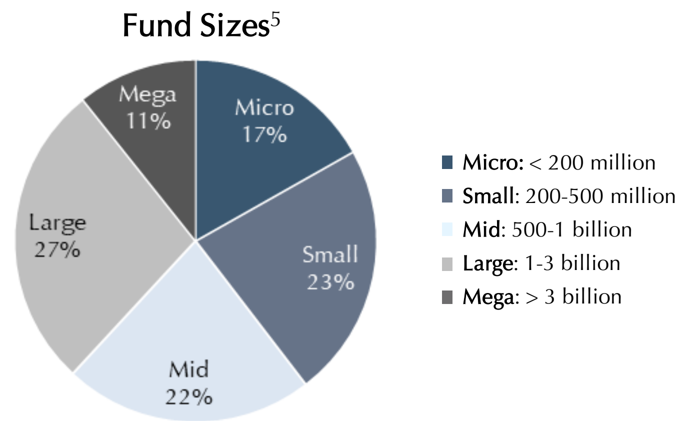
Structured Equity

	Preliminary Review[1]	Further Review[2]	Due Diligence Report[3]
Direct Lending	1,547	1,110	458
Mezzanine	296	218	69
Distressed Debt & Special Situations	1,594	1,052	408
Specialty Finance	741	462	188
Real Assets Credit	337	225	94
Real Estate Credit	717	445	149
Total[4]	**5,232**	**3,512**	**1,366**

Geographies[5]



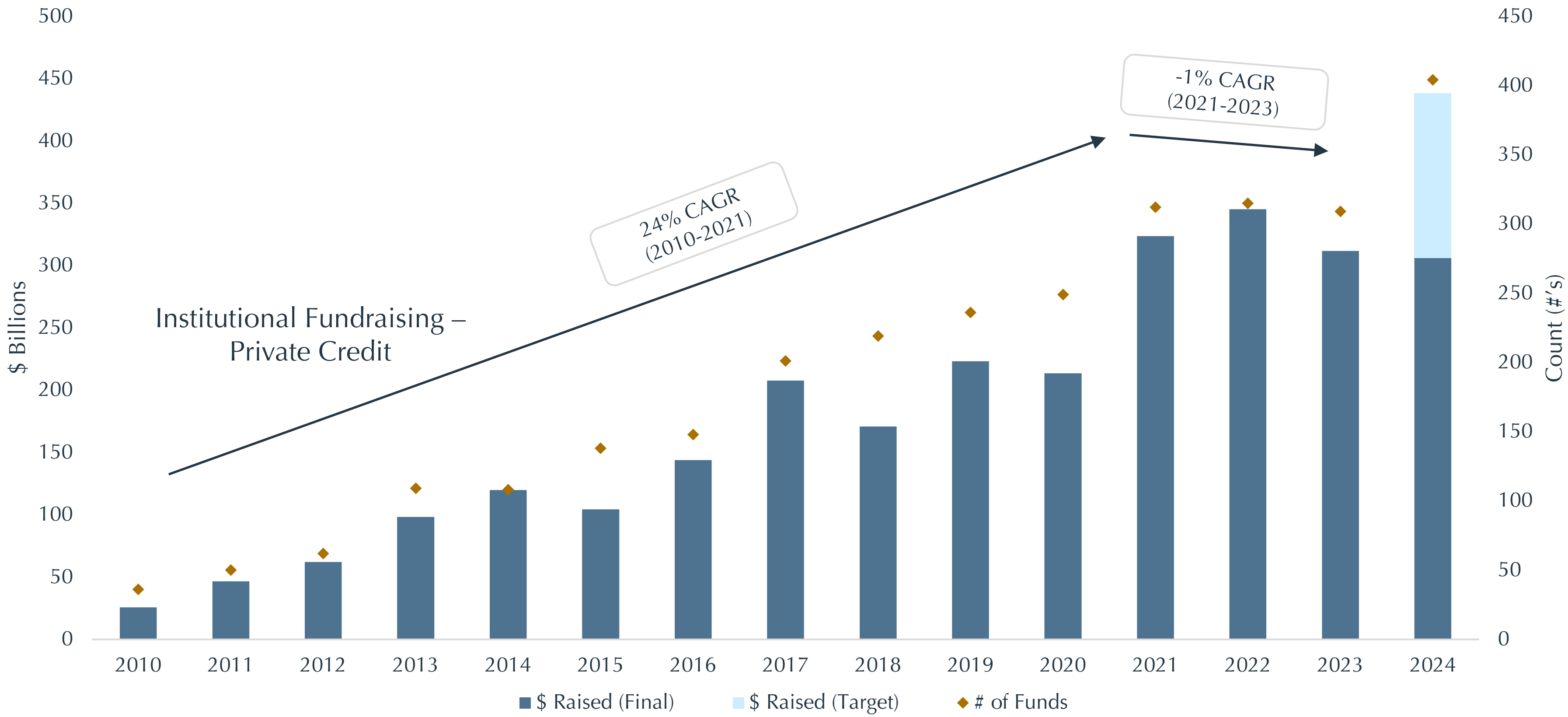
Fund Sizes[5]



As of June 30, 2025. [1]Received fund materials. [2]Conducted at minimum an initial call or meeting. [3]Due diligence has been performed (IDD, ODD, or Insight Report). Insight Reports are high-level investment summaries (substantially shorter than full investment due diligence reviews) that convey the investment team's initial opinions of a fund. [4]Access to a fund manager's confidential information may be subject to Aksia's receipt of such manager's consent to disclose confidential information to the client. [5] Coverage by geography and fund size is representative of the universe of investment programs (where a program is defined as a group of funds managed by the same manager which pursue a similar investment strategy, leverage, and/or investor pooling) on which Aksia has conducted due diligence (IDD, ODD, or Insight Report).

Private Credit Market Update

Private Credit Capital Raising Continues to Evolve

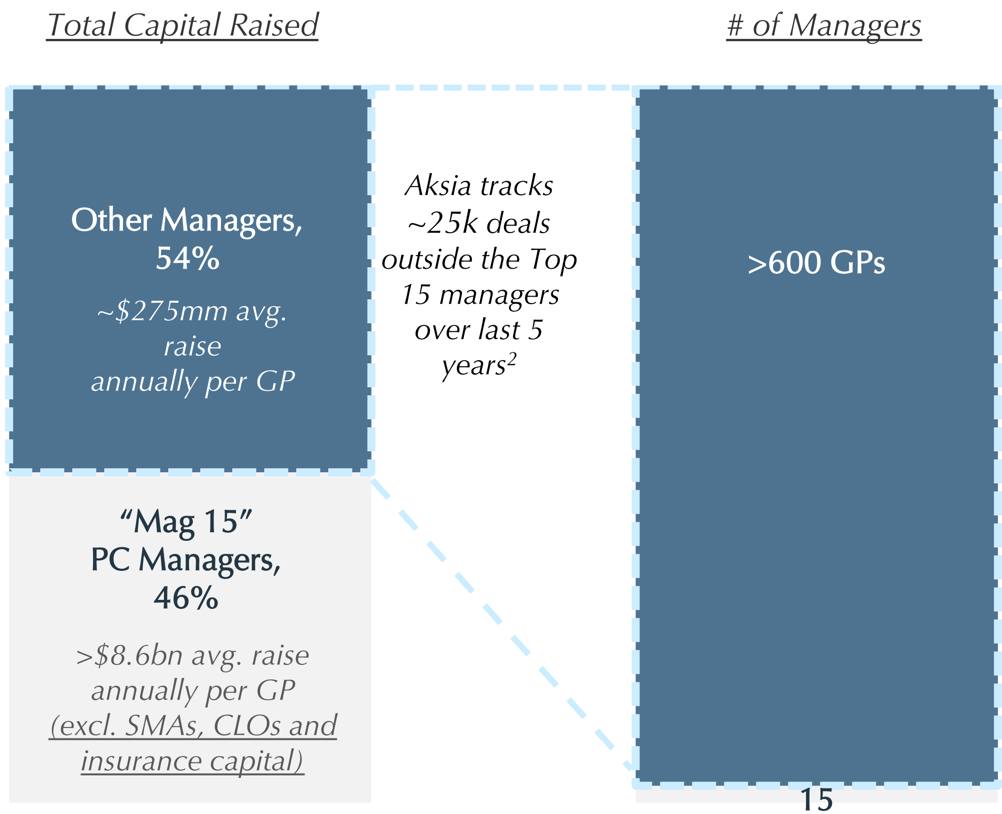


We do not believe the global private capital market is entering a phase of maturity or stability. On the contrary, the market has resumed its frenetic pace of fundraising activity, signaling continued investor appetite and momentum across strategies.

Aksia as of January 22, 2025. 2024 includes both actual and target fundraise amounts, prior vintages include actual only. Note: Offerings with an incomplete fundraising profile were excluded.

Fundraise Concentration

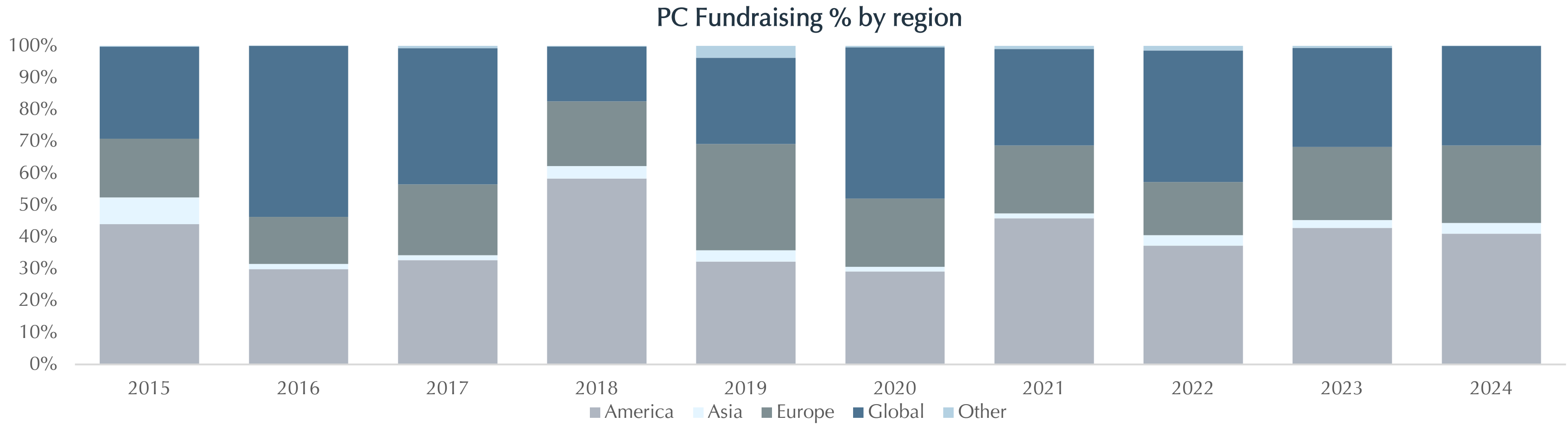
Private Credit Fundraising (Last 5 Years)[1]

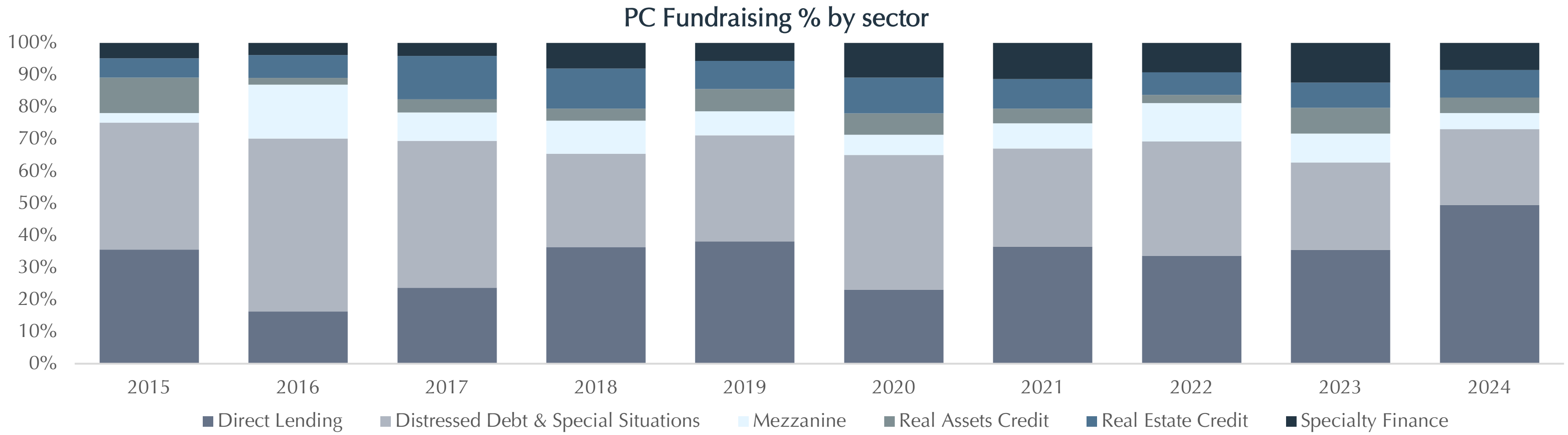


Capital raise dynamics considerably different for "smaller managers" featuring more niche strategies and limited access to global institutions, wealth or insurance channels.

Aksia as of March 31, 2025. 1. Fundraising information based on Aksia proprietary fundraising data on Private Credit funds since 2020. 2. Deal information based on Aksia proprietary private markets and transaction database; all Private Credit transactions since 2020.

Activity Remains Diversified Across Markets and Regions



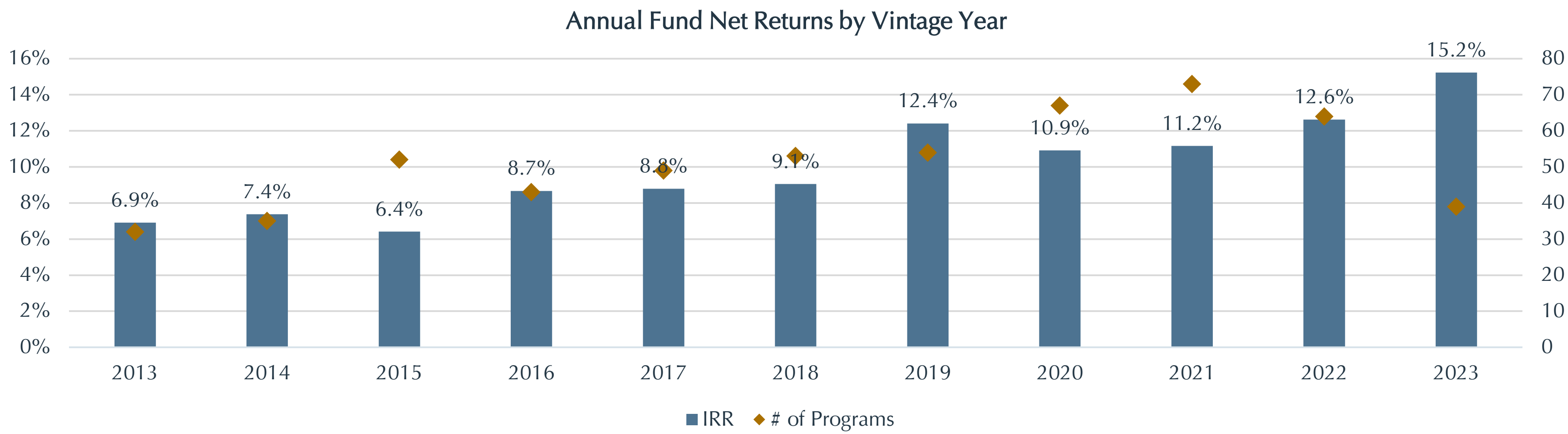


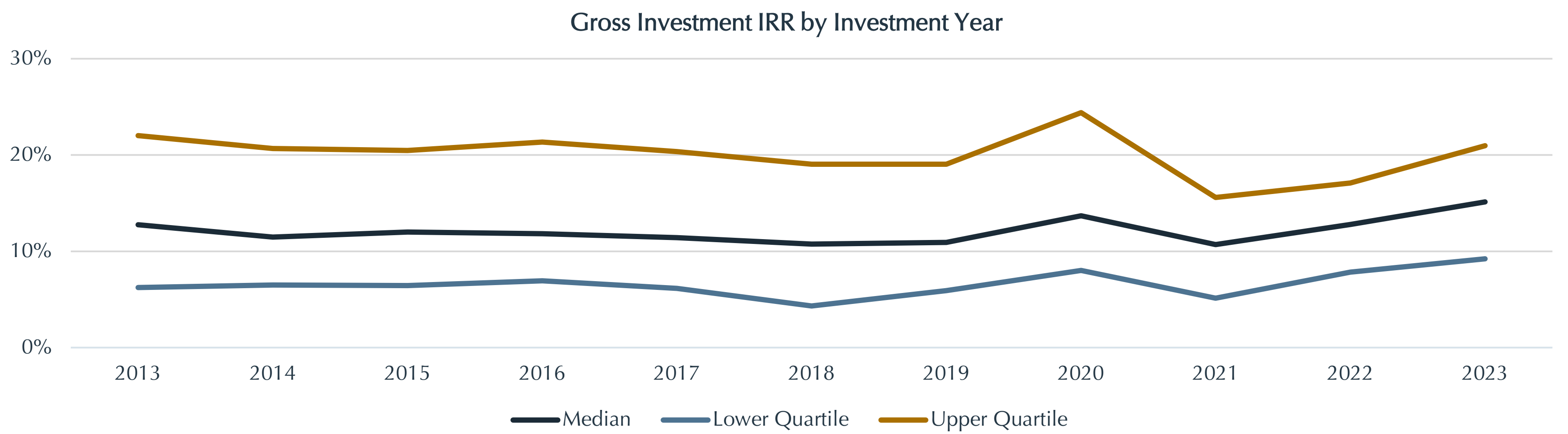
Private credit remains a market characterized by a highly diversified group of underlying strategies – potentially more so than any other private markets asset class.

Aksia as of January 22, 2025. Note: Offerings with an incomplete fundraising profile were excluded.

Private Credit Returns Mostly Meeting Expectations

Aksia

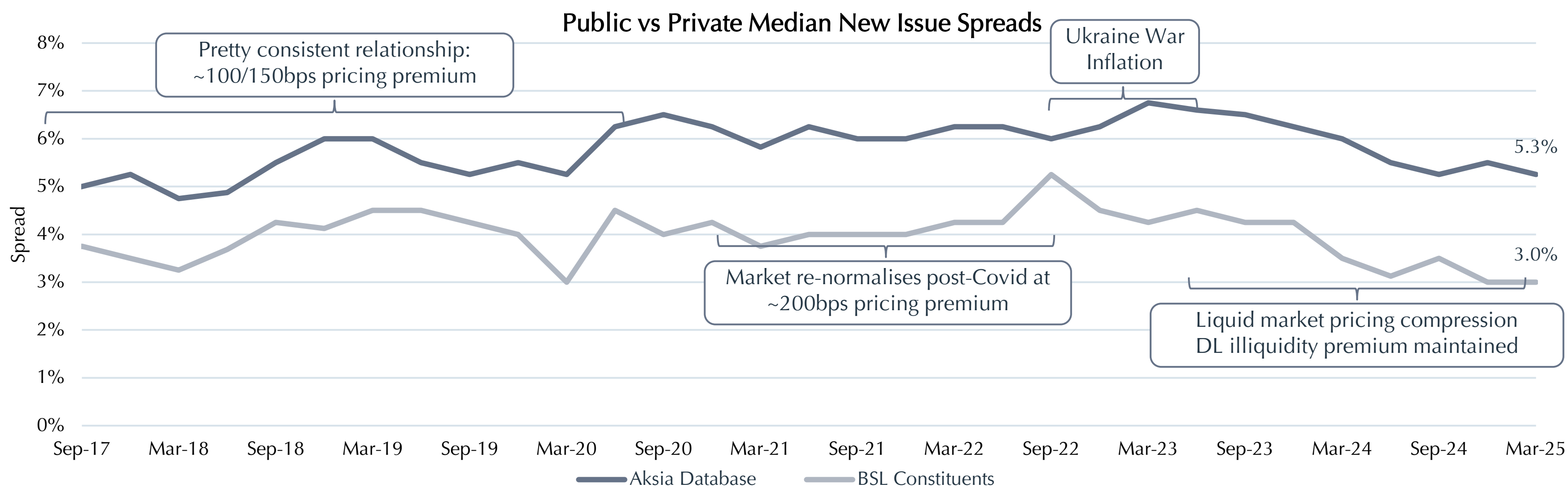


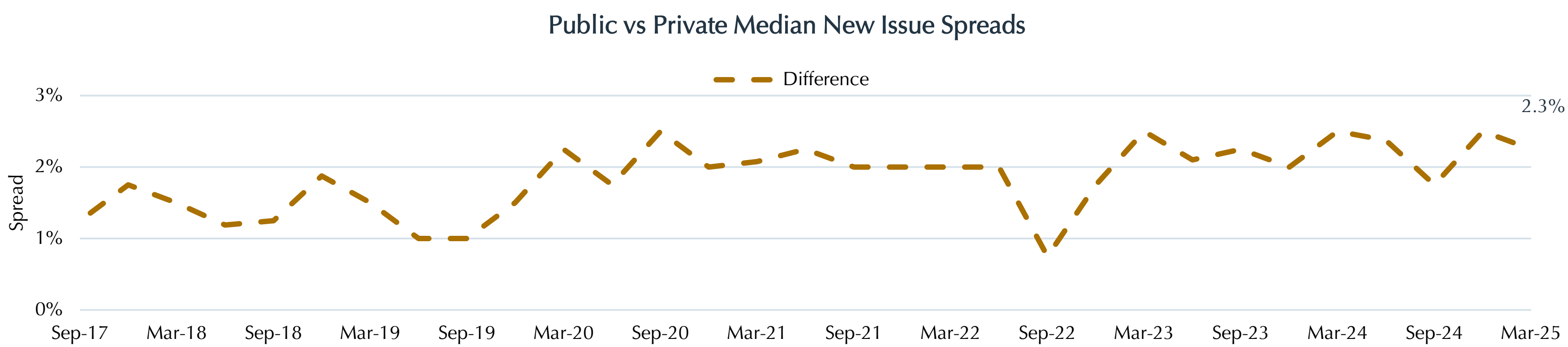


From a returns standpoint, performance across the private credit asset class remains strong and is supported by elevated interest rates across the U.S. and Europe, albeit dispersion across managers appears to be widening.

Aksia, investment level returns as of June 30, 2024. Past performance is not indicative of future results.

Direct Lending New Issue Spreads



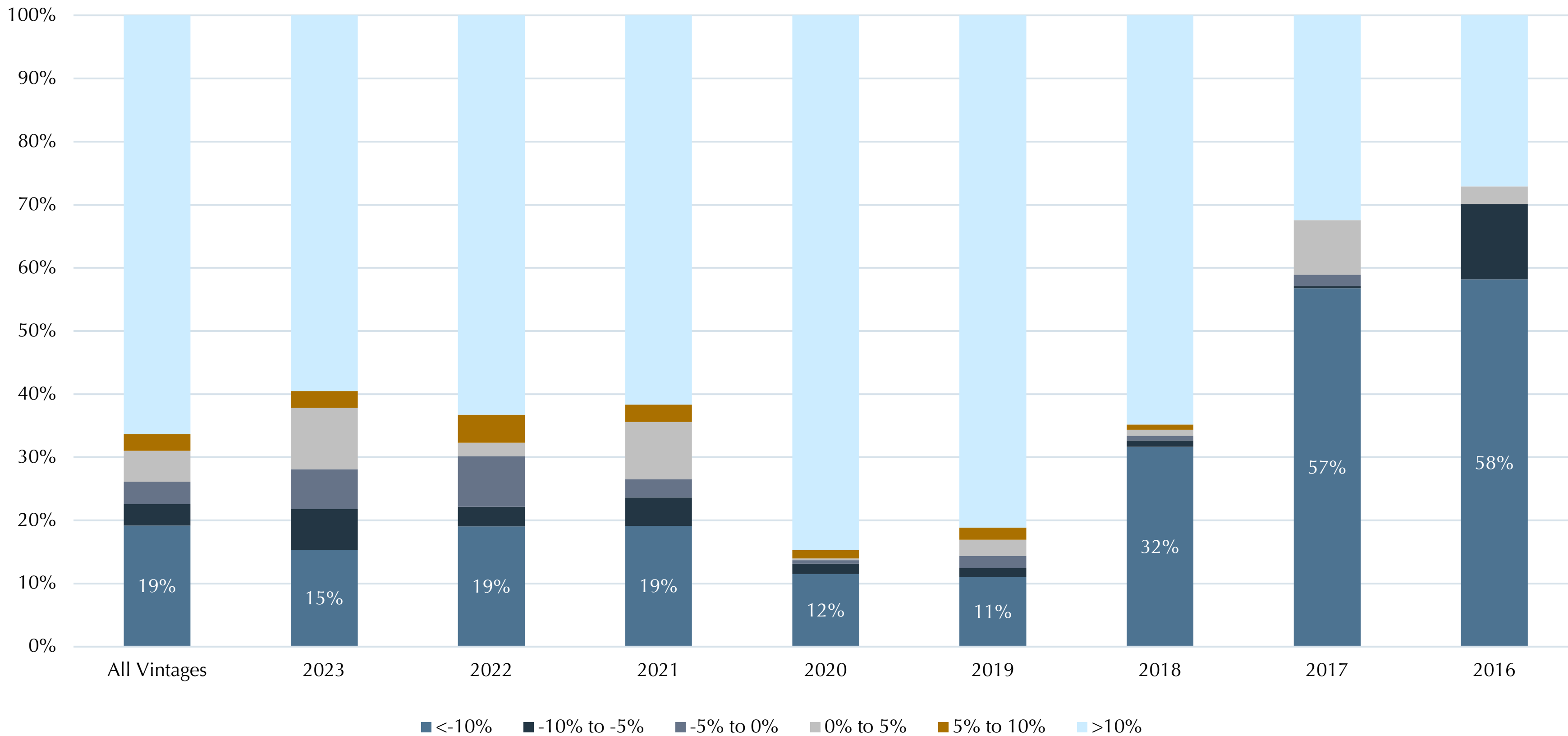


In recent years, an oversupply of capital in the public credit markets has led to a noticeable erosion in credit spreads. In contrast, the private credit market has exhibited greater spread stability and has delivered a robust premium relative to public credit.

Credit Suisse, Aksia MM Database as of March 31, 2025.

Cracks are Showing Up in Older Vintage Deals

Global EBITDA Performance by Loan Vintage (N.A. + Eur)

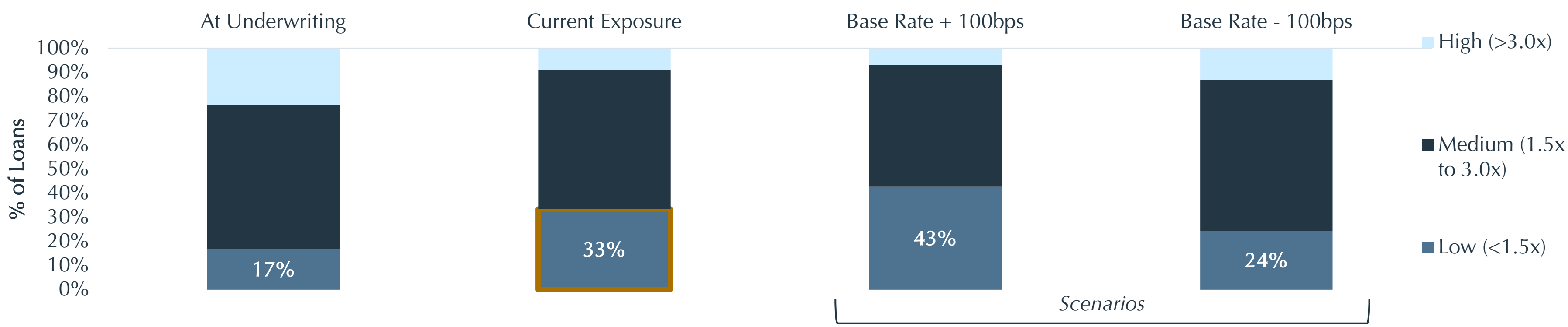


Examining the EBITDA performance across different vintages, we see over longer horizons that generally the higher EBITDA growth borrowers significantly outweighs the underperforming borrowers. The trend shifts markedly when we move back into older vintage loans as better performing credits are likely to be re/prepaid as they grow into new capital structures and underperforming positions are more likely to remain outstanding.

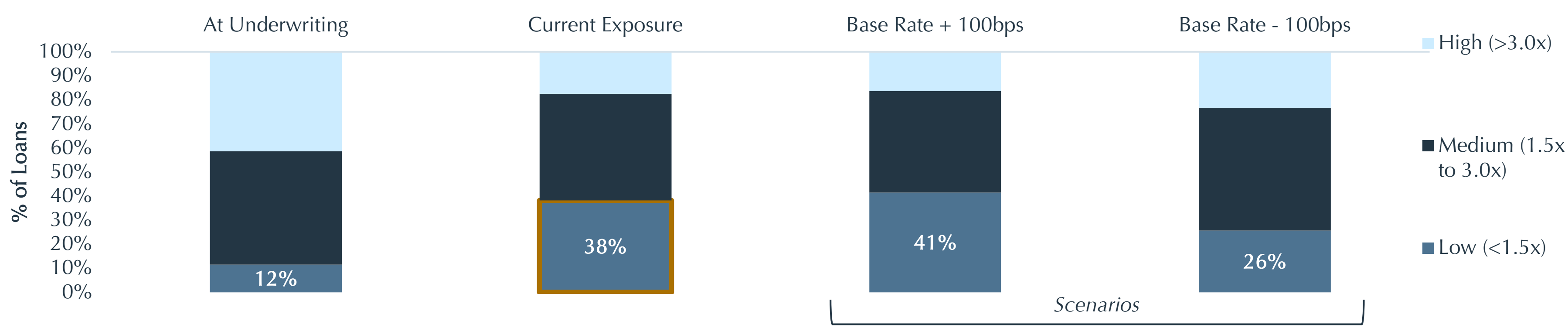
Aksia MM Database. Data as of Q2 2024. Past performance is not indicative of future results.

Interest Coverage Remains Tight Across the Market

EBITDA Interest Cover Analysis - North America



EBITDA Interest Cover Analysis - Europe



Borrower liquidity and potential interest rate stress is well represented by the Interest Cover Ratio (ICR), along with sensitivity analysis to potential rate shocks. Both US and Europe now reflect similar levels of borrower stress, with ~1/3 borrowers in each region featuring ICRs which we would classify as 'Low'.

Aksia MM Database. Data as of Q2 2024.

Private Credit Investment Themes

Investment Theme	*Key Market Drivers*	*Investment Opportunities*
Exploring the Many Flavors of "ABL"	▪ Regional banking issues and increasing regulation ▪ LP desire to diversify beyond direct lending ▪ Insurance cos. affiliated with private credit platforms	▪ Hard Assets (e.g. Aviation, Equipment, Data Centers) ▪ Esoteric Assets (e.g. Music & Entertainment, Litigation) ▪ Reg Cap (SRT/CRT)
Private Credit-Focused "Liquidity Solutions"	▪ Muted M&A and slow PE fund distributions ▪ Overweight LP private markets allocations ▪ Continued need for new capital by corporate borrowers	▪ NAV Lending / Portfolio Finance ▪ Capital Solutions / Complex Lending ▪ PC Secondaries (GP/LP-led)
New Opportunities in Real Estate Debt	▪ CRE maturity wall ▪ Increased financing costs ▪ New wave of supply in multifamily and industrial assets ▪ Spiraling office market	▪ CRE Bridge Financing ▪ CRE Capital Solutions ▪ Opportunistic CRE Lending

The above represents Aksia's market observations. Observations are subject to change.

Aksia – SBA Partnership

Aksia Resources for SBA

Aksia

Dedicated Client Team

- 3 person dedicated client team: Patrick Adelsbach, Rahul Desai, and Rhiannon Whyte
- Understands the SBA's portfolio objectives and opines on strategic direction of the portfolio
- Assists with sourcing of investment ideas and investment pipeline & prioritization
- Makes tailored portfolio recommendations
- Assists with portfolio pacing analysis
- Supports staff with ad hoc projects

Investment Sourcing & Diligence

- Deep global resources[1]:
  - 31 dedicated Private Credit Investment Research Professionals
  - 63 Operational Due Diligence Professionals
  - 56 Risk Management Professionals
- Established footprint in private credit and broader private markets provides a robust sourcing engine
- Stringent operational due diligence
- Direct access to Aksia research professionals

Post-investment Monitoring

- Full middle and back-office support
- Performance and custom reporting
- Fund and portfolio level risk exposures, including loan level data
- Qualitative risk assessment & monitoring
- Attribution and trend analyses
- Online access to manager research, portfolio accounting, risk analytics, etc. via client portal, MAX

[1]As of July 31, 2025. Includes professionals that spend some or all of their time covering Private Credit strategies. Operational Due Diligence are generalists and cover all asset classes.

Activity Recap & Areas of Focus

Aksia

Onboarding

- Successfully onboarded legacy private credit holdings into MAX allowing for inception to date portfolio and investment performance tracking and reporting
- Successfully began receiving quarterly position level data for all active private credit holdings

Portfolio Framework

- Collaborated with SBA's Active Credit team to review and refine the Private Credit portfolio's Core/Satellite portfolio framework
- Performed pacing analysis using SBA's holdings data and Aksia's forward projections
- Reviewed existing exposure with Aksia's research team to exchange views and identify potential gaps

Develop Core Allocations

- Successfully upsized 3 existing SMAs with US direct lending managers
- Identified, diligenced, and committed to 3 new European direct lending SMAs
- Continue to build out core portfolio allocations in areas such as real estate credit and asset-backed finance

Develop Satellite Allocations

- Identify complementary exposures to the core allocations by targeting strategies that provide diversification and/or enhanced returns
- Areas under consideration include specialty finance, PC special situations, opportunistic credit, and other niche opportunities

Accomplished | Ongoing

Appendix

Aksia's Private Markets Analysis Engine

Aksia collects private markets risk exposure data to support private markets clients with ongoing investment monitoring.

$9+ Trillion
Fair value

157,000+
Deals

5,000+
Funds and co-investments

1,200+
Managers

75+
Possible data points

Standard Transaction Information

Asset-Class Specific Details

Underlying Investment Performance

Fund Performance

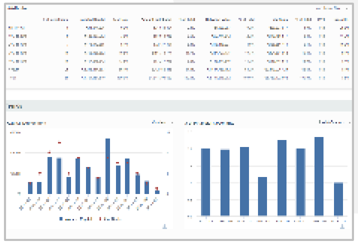
Track Record Analysis

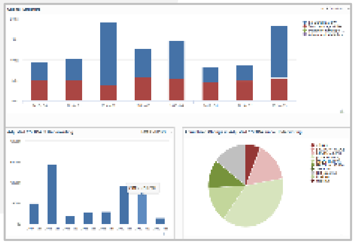
Fund & Portfolio Risk Monitoring

DealVault

Attributes		Financial Health	
Vintage	Industry	Revenue	Leverage
Holding Period	Asset Class	EBITDA	Valuation Bridges
Geography	Deal-type	Capital Structure	Covenants

Attribution | **Outlier** | **Trends**





Data availability is subject to the receipt of information from the General Partner. Data as of March 31, 2025 or most recently reported from each fund or co-investment. Data retrieved on June 26, 2025.

MAX Platform

Proprietary "MAX" online portal is used by both Aksia professionals and our clients. MAX was designed for professional alternative investors, both front and back-office, with client feedback incorporated into its features.

<u>Online Access to:</u>

Aksia's Manager Research:
- Insight Reports
- Investment Reviews
- Operational Reviews
- Ongoing Activities (Meetings, Calls, Notes and Media Reviews)
- Analytics including custom benchmarking, peer groups

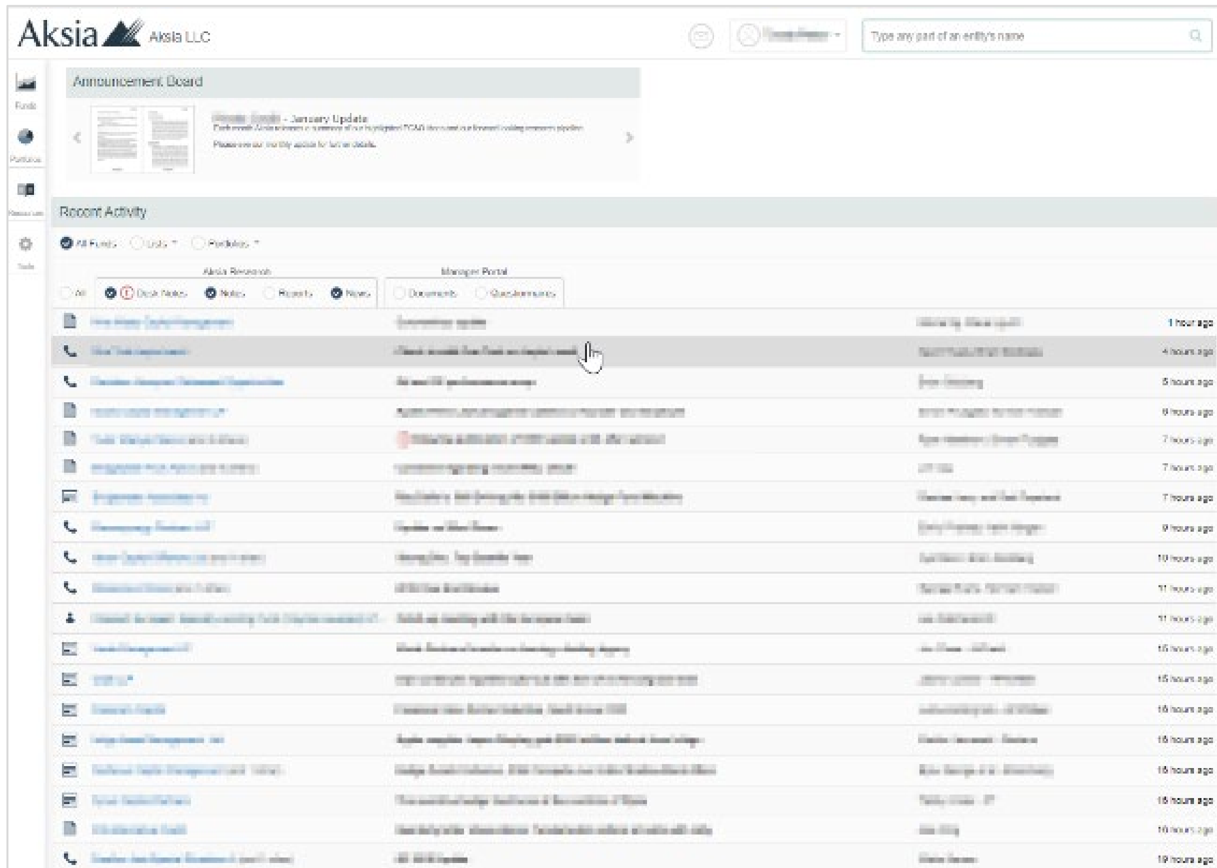
Your Portfolio:
- Holdings and Transactions
- Performance and Attribution
- Sector / Strategy Breakdown

Risk Analysis and Portfolio Construction Tools

Customizable Manager Searches

Document Retention Center

Educational Materials



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RECOMMENDATIONS: Any Aksia recommendation or opinion contained in these materials is a statement of opinion provided in good faith by Aksia and based upon information which Aksia reasonably believes to be true. Recommendations or opinions expressed in these materials reflect Aksia's judgment as of the date shown, and are subject to change without notice. Except as otherwise agreed between Aksia and the Intended Recipient, Aksia is under no future obligation to review, revise or update its recommendations or opinions.

INVESTMENT ADVISORY COUNCIL

Item 5. Active Credit Asset Class Review

Ryan Morris, Mercer

(See Attachment 5C)

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Review of Active Credit

Florida State Board of Administration

Table of Contents

Active Credit Program: Project Overview

1

Mercer: Active Credit Project Overview

Active Credit Asset Class Structure Review

- Mercer was approached to assist the SBA with an asset class structure review for the Florida Retirement System Pension Plan's Active Credit allocation

- Overall objective was to identify the optimal mix of investment strategies and managers within the identified risk/ return budget

Risk/Return Parameters

- Total Pension Target Allocation: 3.0%
- Relative Risk Target (Tracking Error): 225 – 350bps
- Relative Alpha Target (Net): ~30 – 50bps

- **Mercer conducted five (5) separate investment manager searches**
  - Identify and screen the investment universe to develop a subset of managers to review
  - Provide a quantitative and qualitative summary report on the subset of managers
  - Assist in developing the final manager list for review
  - Coordinate and attend the finalist presentation(s) for each search conducted
  - Assist in the implementation of the selected investment manager(s)
  - Provide final concurrence and/or prudent person memos

Mercer

Mercer: Active Credit Project Overview

Active Credit Inception: June 2024

$8.5

Billion

Public and Private Credit Mandates

Active Credit Asset Class Structure Review

Mercer conducted five (5) separate investment manager searches

Passive Multi-Asset Credit
Active Multi-Asset Credit
Emerging Markets Debt (Local/ Hard)
US High Yield
Bank Loans

Multi-Asset Credit

$6.5

Billion

Passive Multi-Asset Credit

- State Street Global Advisors

Active Multi-Asset Credit

- Oak Hill Advisors
- Shenkman Capital Management
- UBS Asset Management

Bank Loans

- Oak Hill Advisors
- Kohlberg Kravis Roberts & Co
- UBS Asset Management

Emerging Markets Debt

- Grantham, Mayo, Van Otterloo & Co. LLC
- RBC Global Asset Management (BlueBay)
- Aberdeen Investments

High Yield

- Artisan Partners

Active Credit Investment Structure Overview

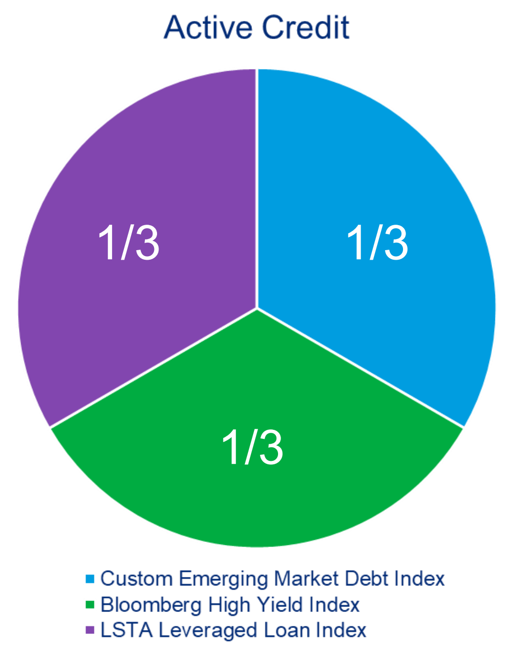
2

Active Credit Investment Structure Overview

Original Base Case

50% Passive	50% Active		
	Specialists:	Sector Rotators:	Public/ Private Debt:
Split evenly: - Emerging Markets Debt (Local/ Hard) - US High Yield - Bank Loans	20% split evenly - Emerging Markets Debt (Local/ Hard) - US High Yield - Bank Loans	20% (MAC)	10% (Specialist)

Management Type	Number of Managers	Strategy	Total Pension Target[1]	Asset Class Structure Target[1]
Passive	1	Emerging Markets Debt (Local/ Hard)	0.5%	16.7%
Passive	1	US High Yield	0.5%	16.7%
Passive	1	Bank Loans	0.5%	16.7%
Active	2	MAC/ Sector Rotators	0.9%	30.0%
Active	1	Emerging Markets Debt (Local/ Hard)	0.2%	6.7%
Active	1	US High Yield	0.2%	6.7%
Active	1	Bank Loans	0.2%	6.7%
Total	**9**		**3.0%**	**100.0%**



[1] *May not sum due to rounding.*

Active Credit Investment Structure Overview

Portfolio Evolution

Management Type	Original Number of Managers	Updated Number of Managers	Strategy	Original Base Case[1,2]	Original Target Portfolio[1]	Revised 100% Active Portfolio[1]	Changes (%)
Passive	1	0	Emerging Markets Debt (Local/ Hard)	16.7%	7.0%	0.0%	-7.0%
Passive	1	0	US High Yield	16.7%	8.0%	0.0%	-8.0%
Passive	1	0	Bank Loans	16.7%	7.0%	0.0%	-7.0%
Active	2	3	MAC/ Sector Rotators	30.0%	45.0%	35.0%	-10.0%
Active	1	3	Emerging Markets Debt	6.7%	18.0%	33.0%	+15.0%
Active	1	2	US High Yield	6.7%	5.0%	16.0%	+11.0%
Active	1	3	Bank Loans	6.7%	10.0%	16.0%	+6.0%
Total	**9**	**11**		**100.0%**	**100.0%**	**100.0%**	
Risk/ Return Metric							
Geometric Return				6.88%	7.60%	7.65%	
Risk				9.12%	9.61%	10.08%	
Tracking Error				1.40%	2.85%	3.84%	
Ex. Return (Net)				0.31%	0.74%	0.80%	

1. May not sum due to rounding.
2. Original starting point prior to Mercer Active Credit Investment Structure Review

Mercer

Active Credit Program Timeline

3

Active Credit Program Timeline

Phase 1

Q3 2024 · Q4 2024 · Q1 2025

March – April 2024: Mercer conducted and completed Passive Multi-Asset Credit search

Passive Multi-Asset Credit
- Manager Search Decks
- Concurrence/Prudent Person Memos
- ODD Reports

August 2024: Mercer contracted by SBAFL to conduct Active Credit Structure Review

August 2024: Mercer shares intitial Active Credit Structure Review presentation with SBAFL Active Credit Team

September 2024: Final Active Credit Structure Review completed

October - November 2024: Mercer conducted Active Muilt-Asset Credit and Bank Loan searches

Active Muilt-Asset Credit and Bank Loan
- Manager Search Decks
- Concurrence/Prudent Person Memos
- ODD Reports

Phase 2

Q2 2025 · Q3 2025

April – May 2025: Mercer conducted Emerging Market Debt and US High Yield searches

Emerging Market Debt and US High Yield
- Manager Search Decks
- Concurrence/Prudent Person Memos
- ODD Reports

August 2025: SBAFL Active Credit IAC Meeting

INVESTMENT ADVISORY COUNCIL

Item 6. Florida Growth Fund Review

Sheila Ryan, Cambridge Associates

(See Attachment 6)

State Board of Administration
September 9, 2025

FLORIDA GROWTH FUND PROGRAM REVIEW

FSBA IAC MEETING

CAMBRIDGE ASSOCIATES

SEPTEMBER 2025

- SBA authorized to invest up to 1.5% of net trust fund assets in technology and growth businesses either domiciled in Florida or having a principal address in Florida
- Investments can be in the form of private equity funds and/or direct co-investments
  - Fund investments require either the GP to be based in FL or investing significantly in FL
  - For co-investments, companies must be either based in or have a significant portion of their business in FL
- To date, the program is comprised of 3 funds across 8 tranches managed by 2 managers:

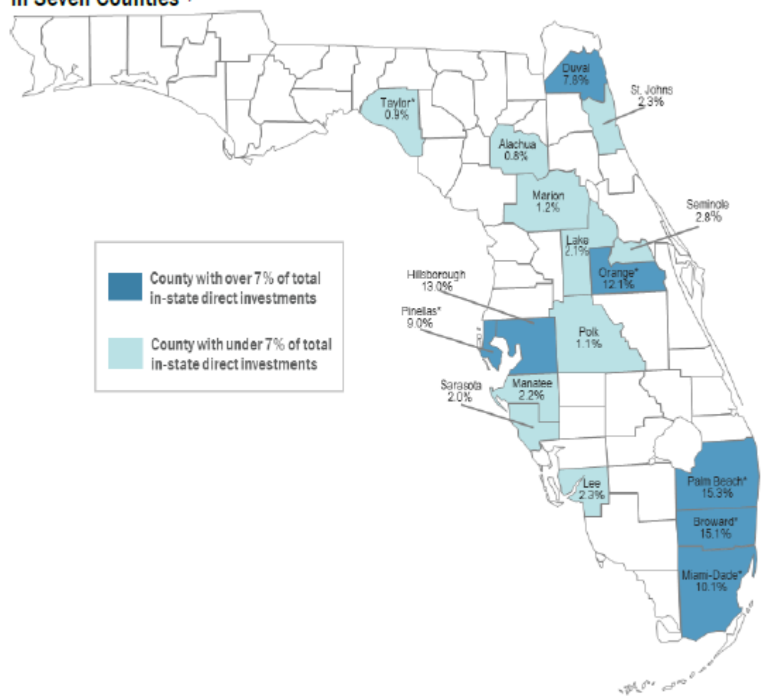
	Year Established	Fund Commitment at Program Inception (millions)	Investment Manager
Florida Growth Fund I			
Tranche I	2009	$250	Hamilton Lane
Tranche II	2012	$150	Hamilton Lane
Credit Tranche	2014	$100	Hamilton Lane
Sub-total		$500	
Florida Growth Fund II			
Tranche I	2015	$250	Hamilton Lane
Tranche II	2019	$125	Hamilton Lane
Sub-total		$375	
Florida Sunshine State Fund			
Tranche A	2019	$125	J.P. Morgan Asset Management
Tranche B	2022	$250	J.P. Morgan Asset Management
Tranche C	2025	$300	J.P. Morgan Asset Management
Sub-total		$675	
Total		**$1,550**	

Source: State Board of Administration of Florida

Positive impact of the FGF program to date

- Results as outlined in the Jan 2025 OPPAGA report (reflective of data as of 6/30/24):
  - Since program inception:
    - $1.2B in commitments
    - $1.1B of invested capital in 153 investments, including 91 companies through direct investments and 62 private equity funds
    - $1.1B in distributions
    - 98.9% of direct investments have been in companies with a Florida presence; most fund commitments were to managers with a significant presence in the state
  - Direct investments of $645.7M span 17 Florida counties (graphic)
    - The majority of program direct investments have been located in seven counties
    - The range is wide from $5.1M in Alachua County to $98.0M in Palm Beach County
  - For the fiscal year ending June 30, 2024:
    - $59.1 million invested
    - $133.5M in distributions
    - 2,300 jobs created
    - $391.0M in capital expenditures
    - All direct investments had a Florida presence

Since Inception, the Majority of the Florida Growth Fund Program Direct Investments in Florida Have Been Located in Seven Counties[1, 2]

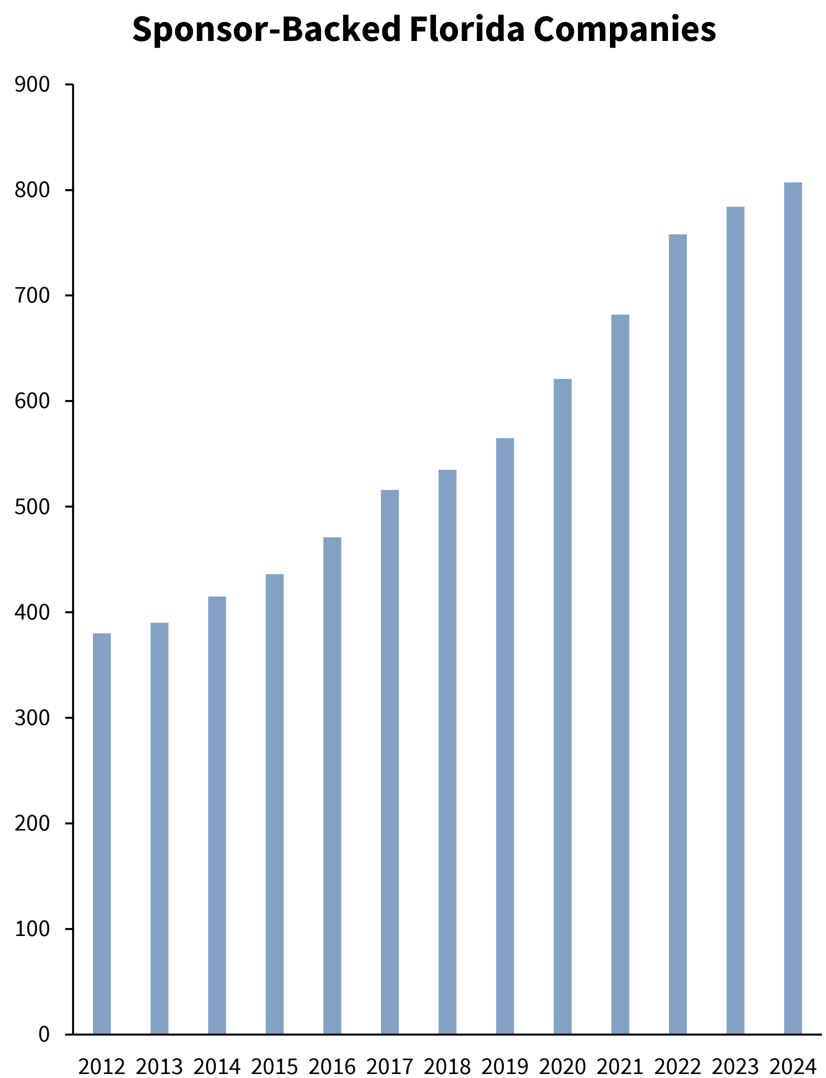


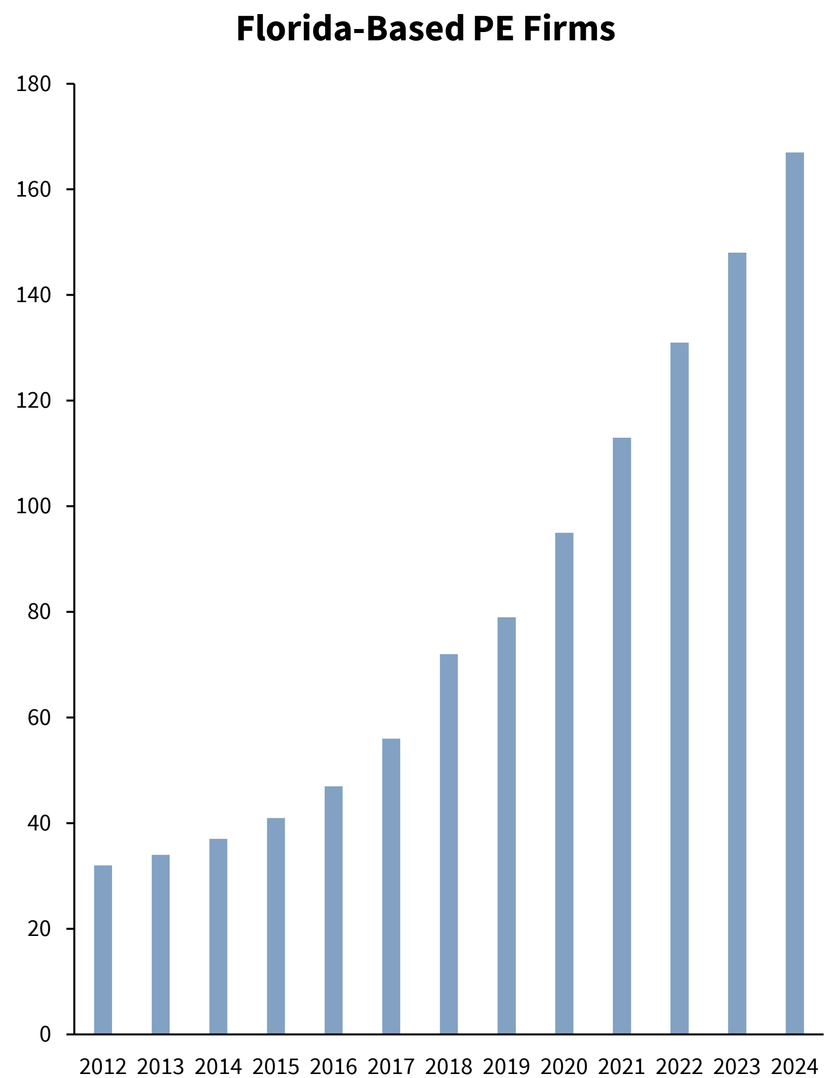
[1] Companies headquartered in counties with asterisks received investments during the review period.
[2] The total of the percentages reported in this exhibit does not equal the total amount invested because one investment (0.8% of total investments) did not have a significant Florida presence. The percentages in each county reflect where the company received the majority of each investment. These companies may have operations in additional counties that may have received a percentage of fund investments not shown in this exhibit. The total of the percentages exceeds 100% due to rounding.

Source: OPPAGA analysis of Hamilton Lane and J.P. Morgan Asset Management data.

Notes: Commitment data provided by JP Morgan and Hamilton Lane as of July 31, 2025. Invested capital in Alachua and Palm Beach County equals the % of FGF program direct investments in those counties multiplied by the amount of direct investments made by the program since inception excluding the one direct investment made outside of Florida ($640.5 million).

Opportunity set in FL continues to grow





Source: Cassel Salpeter & Co 2024 Florida Sponsor Report and Pitchbook.
“Sponsor” includes buyout, growth, recapitalization, and add-on investments, excluding real estate investments.
Sponsor-backed Florida Companies incudes companies headquartered in Florida that are in part or in whole backed by sponsor firms.
Florida-Based Sponsor firms includes sponsor firms with headquarters in Florida that were either actively investing or raising funds during the reported periods.

Hamilton Lane - Florida Growth Fund Performance

Performance data is manager-reported as of March 31, 2025.

Fund	Florida Growth Fund I - Tranche I	Florida Growth Fund I - Tranche II	Florida Growth Fund Credit Tranche*	Florida Growth Fund II - Tranche I	Florida Growth Fund II - Tranche II
Vintage Year	2009	2012	2014	2015	2019
Total Fund Size (Millions)	$238.6	$146.0	$107.6	$240.7	$110.6
LP Summary					
Paid-in Capital	$238.6	$153.7	$105.0	$248.2	$103.6
Distributions	$373.0	$230.3	$131.2	$269.7	$112.8
Net Asset Value (NAV)	$42.4	$61.8	$9.7	$126.8	$96.0
Total Value (Dist + NAV)	$415.4	$292.1	$140.9	$396.5	$208.8
Distributions / Paid-in (DPI)					
Florida Growth Fund	1.6x	1.5x	1.3x	1.1x	1.1x
U.S. Buyout Median*	2.4x	1.7x	1.2x*	1.5x	0.3x
Quartile	4th	3rd	2nd*	4th	1st
Total Value / Paid-in (TVPI)					
Florida Growth Fund	1.7x	1.8x	1.2x	1.5x	1.8x
U.S. Buyout Median*	2.5x	2.0x	1.3x*	2.1x	1.6x
Quartile	4th	3rd	3rd*	4th	2nd
Net Internal Rates Of Return (IRR)					
Florida Growth Fund	10.5%	11.1%	6.2%	10.4%	20.4%
U.S. Buyout Median*	23.4%	15.6%	7.0%*	17.7%	14.5%
Quartile	4th	3rd	3rd*	4th	1st
Impairment And Capital Loss Ratios					
Florida Growth Fund Impairment Ratio	42.8%	20.0%	10.9%	12.0%	9.3%
U.S. Buyout Impairment Ratio*	13.5%	26.7%	21.2%*	20.7%	18.1%
Florida Growth Fund Capital Loss Ratio	0.0%	0.0%	5.4%	0.0%	0.0%
U.S. Buyout Capital Loss Ratio	9.8%	9.7%	6.1%*	8.7%	1.2%

Notes: Data as of March 31, 2025. Performance is manger-reported for all funds. . Benchmark data for all funds represents the Cambridge Associates US Buyout Benchmark. Funds quartiles are relative to the US Buyout benchmark statistics.
*Florida Growth Fund Credit Tranche is benchmarked against the Cambridge Associates US Private Credit Benchmark.

Hamilton Lane FGF I, FGF Credit, FGF II

FGF I

- Tranche I (2009) has significantly underperformed relative to the Cambridge Associates US Buyout Benchmark, as nearly half of invested capital is held below cost. Venture capital deals were driver of underperformance; Co-investments have generated 1.8x gross MOIC
- Tranche II (2012) lands in the 3rd quartile relative to the Cambridge Associates US Buyout Benchmark; Performance is primarily dragged down by write-downs of two co-investments

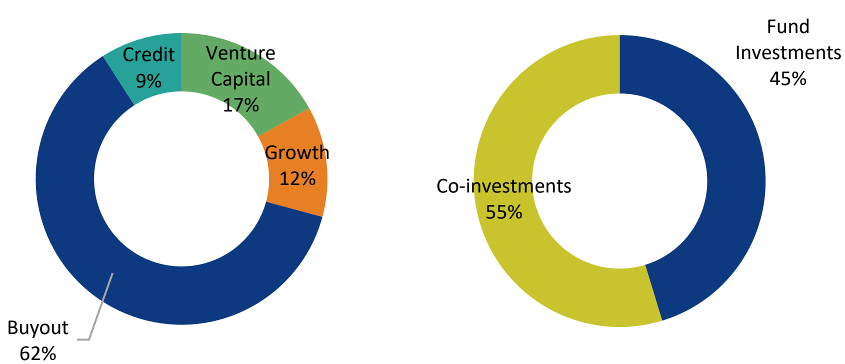
FGF Credit

- FGF Credit (2014) has returned a 1.3x gross MOIC to date, with a majority of invested capital held between a 1.0x and 1.5x gross MOIC

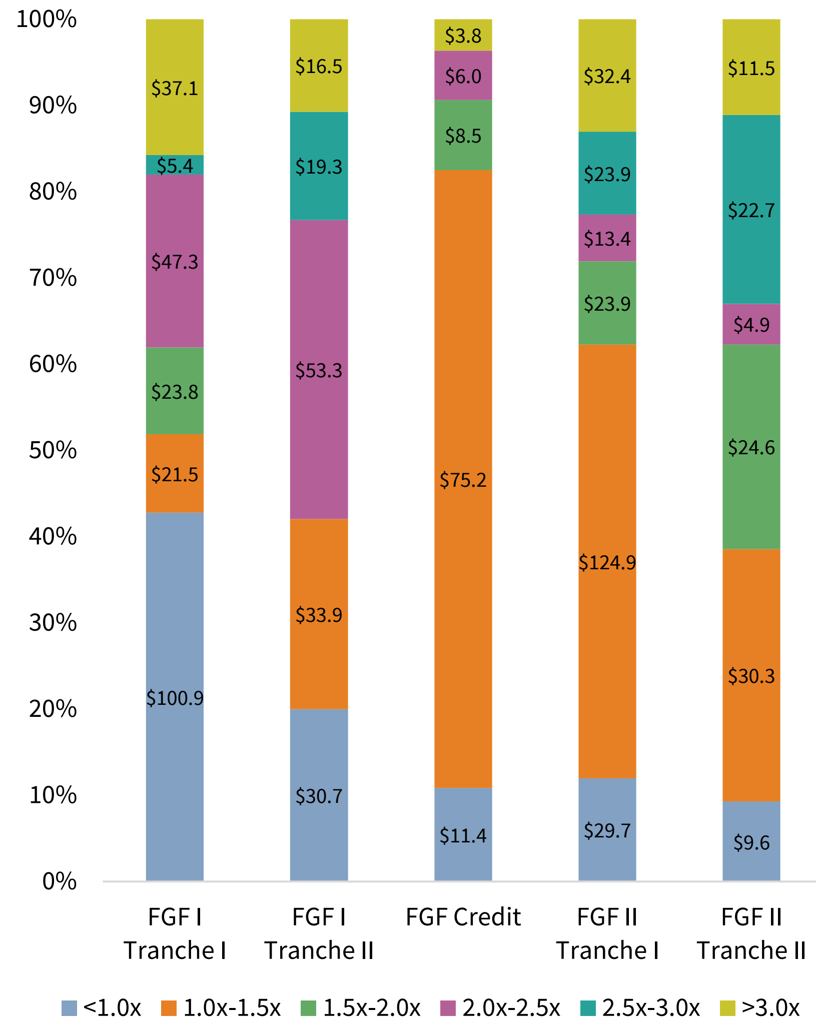
FGF II

- The majority of Tranche I (2015) is held below a 1.5x gross MOIC, while performance for mature funds in the portfolio has materialized
- Tranche II (2019) has posted strong returns to date, driven by positive momentum in the co-investment portfolio

FUND COMPOSITION BY COMMITTED CAPITAL*



MOIC DISPERSION BY TRANCHE AS % OF INVESTED CAPITAL



Note: Data as of March 31, 2025. Performance is manager reported.
*Fund composition by asset class and investment type excludes FGF Credit Tranche, which is composed of 100% credit investments. Graphs represent weighted average exposure by commitments.

JP Morgan - Florida Sunshine State Fund Performance

Performance data is manager-reported as of March 31, 2025.

Fund	Florida Sunshine State Fund Tranche A	Florida Sunshine State Fund Tranche B
Vintage Year	2019	2022
Total Fund Size (Millions)	$126.9	$244.0
LP Summary		
Paid-in Capital	$115.6	$170.0
Distributions	$73.4	$28.0
Net Asset Value (NAV)	$102.6	$161.8
Total Value (Dist + NAV)	$176.0	$189.8
Distributions / Paid-in (DPI)		
Florida Sunshine State Fund	0.6x	0.2x
U.S. Buyout Median	0.3x	0.0x
Quartile	1st	1st
Total Value / Paid-in (TVPI)		
Florida Sunshine State Fund	1.5x	1.3x
U.S. Buyout Median	1.6x	1.2x
Quartile	3rd	1st
Net Internal Rates Of Return (IRR)		
Florida Sunshine State Fund	14.0%	19.0%
U.S. Buyout Median	14.4%	11.6%
Quartile	3rd	1st
Impairment And Capital Loss Ratios		
Florida Sunshine State Fund Impairment Ratio	16.0%	10.7%
U.S. Buyout Impairment Ratio	18.1%	12.8%
Florida Sunshine State Fund Capital Loss Ratio	0.0%	0.0%
U.S. Buyout Capital Loss Ratio	1.2%	0.0%

Notes: Data as of March 31, 2025. Performance is manger-reported for all funds. Benchmark data for all funds represents the Cambridge Associates US Buyout Benchmark. Funds quartiles are relative to the US Buyout benchmark statistics.

J.P. Morgan Tranches A and B

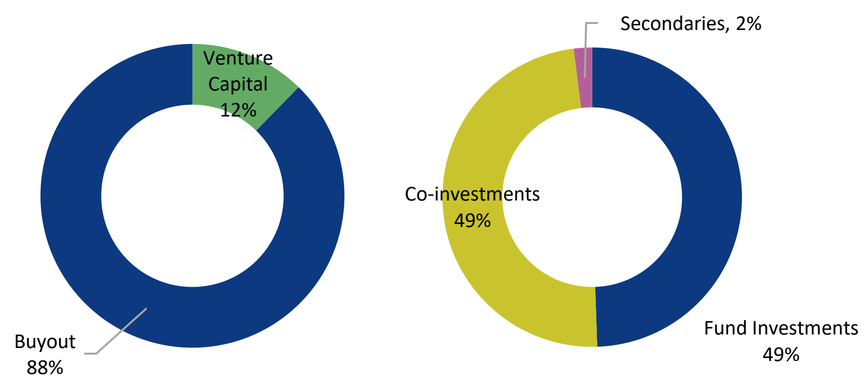
Tranche A (2019)

- Has performed well, with approximately 50% of invested capital held above a 1.5x gross MOIC
- Co-investments have driven performance to date, returning 1.8x gross MOIC to the fund; primary fund investments have returned 1.4x gross MOIC
- Average age of underlying portfolio companies in funds is 3.4 years, still fairly early in their hold period.

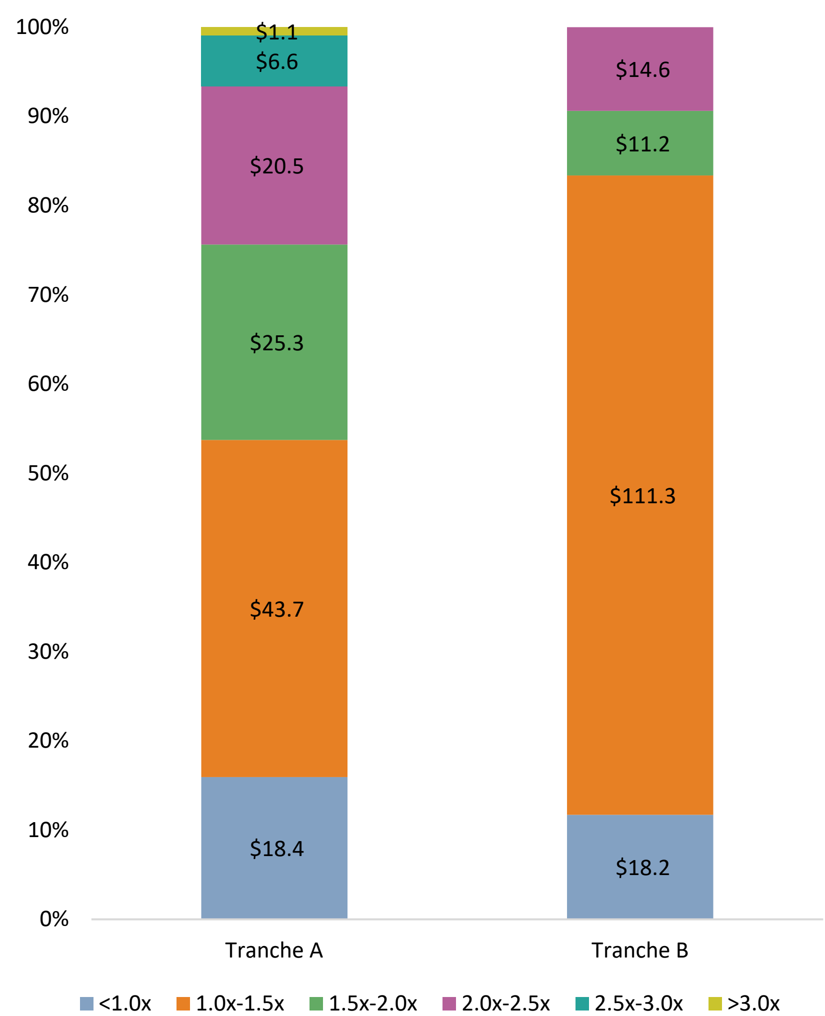
Tranche B (2022)

- The majority of the portfolio was held between a 1.0x to 1.5x gross MOIC
- Co-investments, which comprise 53% of the fund, have driven early performance, with a gross MOIC of 1.4x
- Fund investments are still young, and performance is developing

FUND COMPOSITION BY COMMITTED CAPITAL



MOIC DISPERSION BY TRANCHE AS % OF INVESTED CAPITAL



Note: Data as of March 31, 2025. Performance is manager reported. Fund composition graphs represent weighted average exposure by commitments.

- Hamilton Lane was the sole manager of the program until 12/2018 when JP Morgan Asset Management (JPMAM) was added.
  - Adding a second manager allowed the SBA to diversify the manager exposure, broaden the pipeline of opportunities and resulted in more competitive fees.
- Hamilton Lane has invested $847M to date, across FGF I-II, realized $1,117M, resulting in current net cash flows of $270M, as of March 31, 2025. The manager has no remaining capital available for deployment.
  - HL committed client capital alongside 10.4% of deals in FGF I, 42.9% of deals in FGF Credit and 38.6% of deals in FGF II.
- JPMAM invested $116M of the $125M ($127M including GP commitment) Tranche A from 2019 to 2022 and distributed $73M, resulting in current net cash flows of ($43M), as of June 30, 2025. The manager began investing Tranche B in April 2022 and has invested $170M of the $250M ($253 including GP commitment) fund as of June 30, 2025. The manager noted that the fund was fully invested as of July 2025. Tranche B has distributed $28M to date.
  - JPMAM committed client capital alongside 73.9% of deals in Tranche A and 36.8% of deals in Tranche B.
- The FSBA closed on $300M for Sunshine State Fund Tranche C in July 2025. Overall Tranche C's portfolio construction will be similar to Tranches A and B, however it may target slightly more venture fund commitments than prior Tranches to reflect the expanding venture opportunity set in Florida.

Note: Percent of deals HL and JPMAM committed capital alongside FGF and FSSF was calculated based on deal count and is as of June 30, 2025.

Summary

- Program has been successful at achieving strategic objectives
- The combined FGF and FSSF exposures represent 0.28%[1] of trust assets vs. target of 1.5%, as of March 31, 2025
  - Including additional exposure to Florida-based companies across the SBA's private equity portfolio, total exposure accounts for 0.58%[2] of trust assets, as of March 31, 2025.
- The market opportunity set continues to grow as more PE firms relocate to FL. Covid provided strong tailwinds for this trend. More than 150 GPs are located in FL today, compared to just 37 when the program first began.
- Performance for the early Hamilton Lane tranches has been mixed, driven by a combination of some weak venture results and some lower risk credit investments. As the focus moved away from venture and credit to more direct deals and buyouts, performance has improved.
- HL is out of capital to deploy while JPM is preparing to invest Tranche C ($300M).
- Diversifying the program across 2 managers has been beneficial in terms of widening exposures, providing access to complementary deal flow, increasing GP/LP alignment, and improving fee structures.

Source: Cambridge Associates and the State Board of Administration of Florida
[1]Data is based on FSBA's reported Total Portfolio Market Value as of March 31, 2025 and The Florida Growth Fund's total NAV as of March 31, 2025, as reported by the State Board of Administration of Florida.
[2]Value excludes FSBA's exposure through Fund of Funds.

CAMBRIDGE ASSOCIATES

INVESTMENT ADVISORY COUNCIL

Item 7. Asset Class SIO Updates

John Bradley, Senior Investment Officer – Private Equity

(See Attachment 7A)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

Private Equity Asset Class Update

John Bradley, SIO Private Equity

State Board of Administration
September 9, 2025

SBA FLORIDA STATE BOARD OF ADMINISTRATION

Market/Portfolio Update

- Market
  - Liberation day volatility weighed on the PE market during Q2
    - Deal flow cooled during Q2, down 18% from Q1 but up YoY
    - Valuation multiples avg. 9.3x, up from 2022 lows
  - Exit activity fell in Q2, reversing the rebound experienced in Q1
  - Fundraising continues to remain challenged with no signs of reversing its downward trend

- Portfolio
  - PE portfolio up 1.1% for Q1 2025
  - 2025 net cash flow though July: $400 million
    - $1.3 billion in distributions
    - $900 million of contributions

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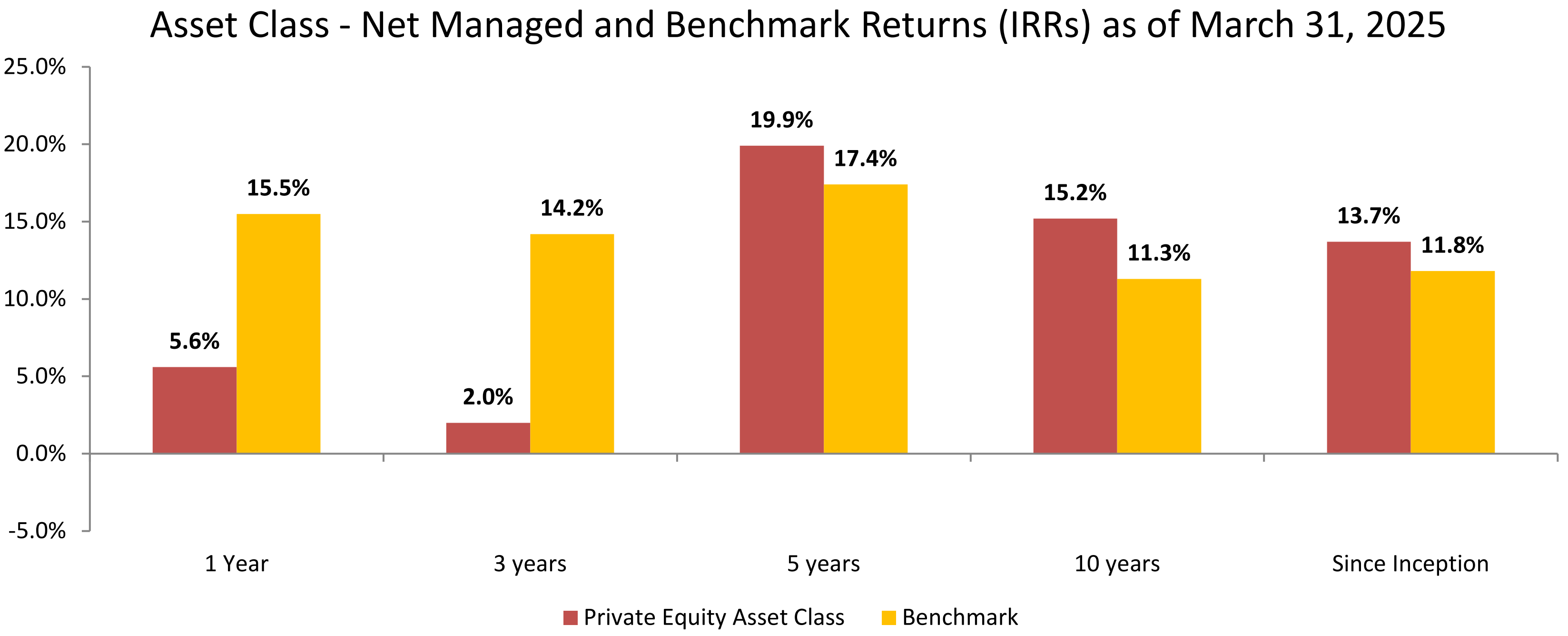
STATE BOARD OF ADMINISTRATION

Private Equity Performance



Note: Asset class IRR performance data is provided by Cambridge Associates. The PE benchmark is currently the Custom Iran- and Sudan-free ACWI IMI + 250bps. From July 2014 through December 2023 the benchmark was the Russell 3000 + 300 bps. From July 2010 through June 2014 the benchmark was the Russell 3000 + 300 bps. Prior to July 2010 , the benchmark was the Russell 3000 + 450 bps. Prior to November 1999, Private Equity was part of the Domestic Equities asset class and its benchmark was the Domestic Equities target index + 750 bps.

Please see Appendix for performance of the Legacy or pre-asset class portfolio.

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STATE BOARD OF ADMINISTRATION

Sub-Strategy Performance

As of March 31, 2025

	1yr	3yr	5yr	10yr	Since Inception	S.I. PME Benchmark
U.S. Buyouts	7.3%	6.5%	19.4%	15.2%	12.8%	7.5%
Non-U.S. Buyouts	5.0%	4.3%	17.0%	14.8%	12.2%	9.1%
U.S. Venture	4.8%	-6.3%	24.7%	17.5%	14.9%	6.6%
U.S. Growth Equity	4.3%	0.1%	26.9%	17.5%	15.0%	8.6%
Non-U.S. Growth Equity	0.1%	-1.8%	6.4%	6.8%	6.4%	9.4%
Distressed/Turnaround	3.4%	6.6%	20.8%	13.5%	18.9%	8.3%
Secondaries	3.4%	1.3%	14.2%	11.1%	14.9%	8.7%
Co-Investments	32.5%	-	-	-	36.0%	4.5%
Total PE Asset Class	5.6%	2.0%	19.9%	15.2%	13.7%	7.5%

Sub-strategy returns and benchmark returns provided by Cambridge Associates and are calculated net of all fees and expenses. The benchmark is a public market equivalent (PME) benchmark and evaluates what a portfolio's return would have been had it been invested in a public market index. The index used for all strategies except for U.S. Venture is the MSCI ACWI IMI. The benchmark used for U.S. Venture is the Russell Microcap Growth Index.

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STATE BOARD OF ADMINISTRATION

2025 Commitment Activity

- Commitments totaling $1.1 billion to 12 funds and 12 co-investments through July 2025
  - $520 million to 6 buyout funds
    - Small 50%, Middle-Market 21%, Large 29%
  - $241 million to 3 venture funds
  - $125 million to 1 distressed/turnaround fund
  - $104 million to 2 secondary funds
  - $117 million to 12 co-investments

  - Geographic Focus
    - US 84%, Europe 3%, Asia 0%, Global 14%

Appendix

Private Equity Aggregates

Dollar-Weighted Performance (IRRs) as of March 31, 2025

	Inception Date	Market Value (in Millions)	1yr	3yr	5yr	10yr	Since Inception
Total Private Equity	1/27/1989	$18,907	5.6%	2.0%	19.9%	15.2%	10.7%
Custom Iran- and Sudan-free ACWI IMI +250bps			15.5%	14.2%	17.4%	11.3%	10.7%
Private Equity Legacy Portfolio	1/27/1989	$0	0%	0%	0%	-8.8%	3.7%
Custom Iran- and Sudan-free ACWI IMI +250bps			0%	0%	0%	0%	0%
Private Equity Asset Class Portfolio	8/31/2000	$18,907	5.6%	2.0%	19.9%	15.2%	13.7%
Custom Iran- and Sudan-free ACWI IMI +250bps			15.5%	14.2%	17.4%	11.3%	11.8%

Note: Asset class IRR performance data is provided by Cambridge Associates. The PE benchmark is currently the Custom Iran- and Sudan-free ACWI IMI + 250bps. From July 2014 through December 2023 the benchmark was the Russell 3000 + 300 bps. From July 2010 through June 2014 the benchmark was the Russell 3000 + 300 bps. Prior to July 2010 , the benchmark was the Russell 3000 + 450 bps. Prior to November 1999, Private Equity was part of the Domestic Equities asset class and its benchmark was the Domestic Equities target index + 750 bps.

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

INVESTMENT ADVISORY COUNCIL

Item 7. Asset Class SIO Updates

Todd Ludgate, Senior Investment Officer – Fixed Income

(See Attachment 7B)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

Fixed Income Asset Class Update

Todd Ludgate, Senior Investment Officer Fixed Income

State Board of Administration
September 9, 2025

Asset Class Portfolio Performance

- Asset class outperformed benchmark over 1-year, 3-year, 5-year and 10-year time periods with well-controlled active risk and a strong Information Ratio.
- For FYTD through 06/30/2025, Fixed Income outperformed by 0.33%.

Fixed Income ex Transition	EMV ($M)	1 Yr	3 Yr	5 Yr	10 Yr
Asset Class Return	$40,765	6.41%	3.30%	0.48%	2.02%
vs Target		6.08%	2.81%	0.02%	1.70%
Excess Return		**0.33%**	**0.49%**	**0.46%**	**0.32%**
Tracking Error			0.30%	0.31%	0.40%
Return/Risk (IR)			1.56	1.42	0.78

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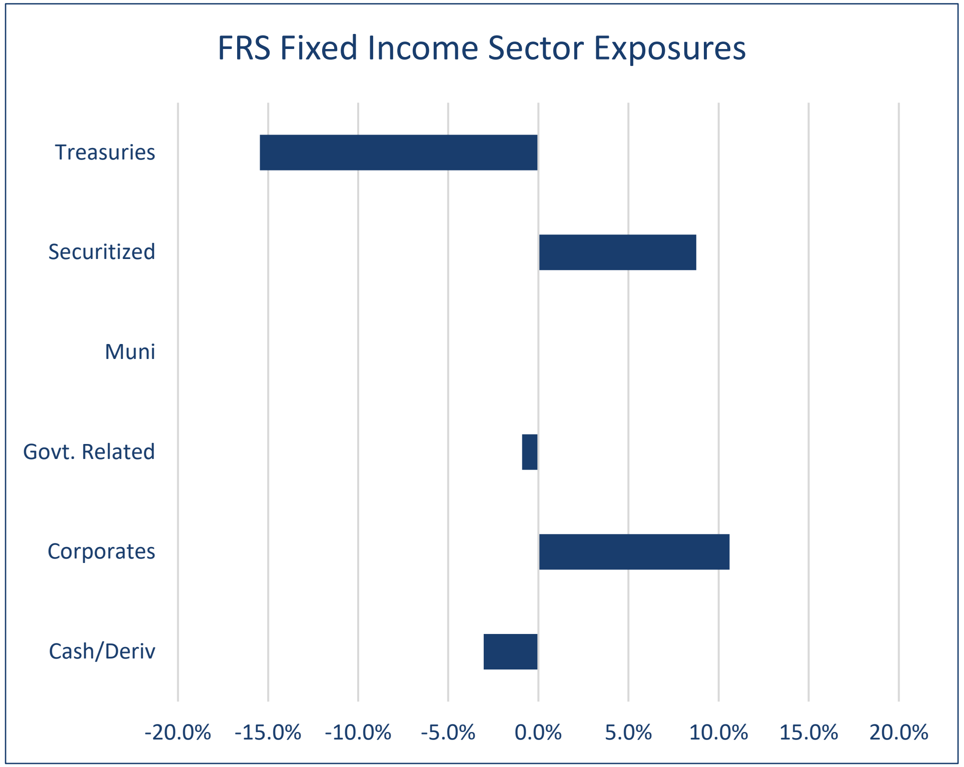
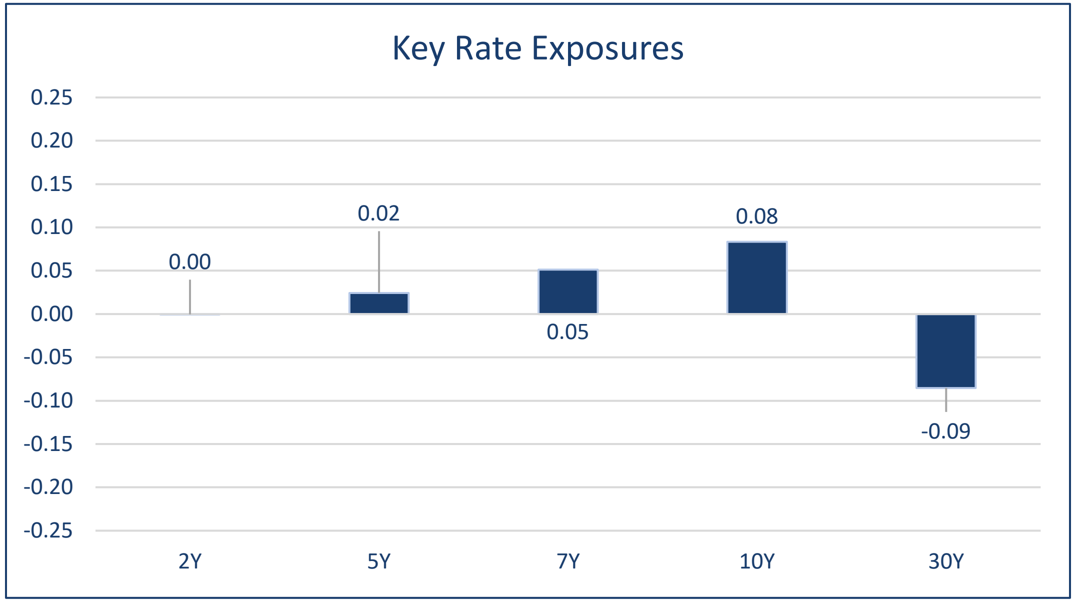
STATE BOARD OF ADMINISTRATION

Total Fixed Income Portfolio Positioning

The portfolio is overweight spread product.



The portfolio is positioned with a small curve steepener.



Source: Bloomberg Finance L.P./Aladdin/BNY Mellon/Manager Provided, as of 6/30/2025

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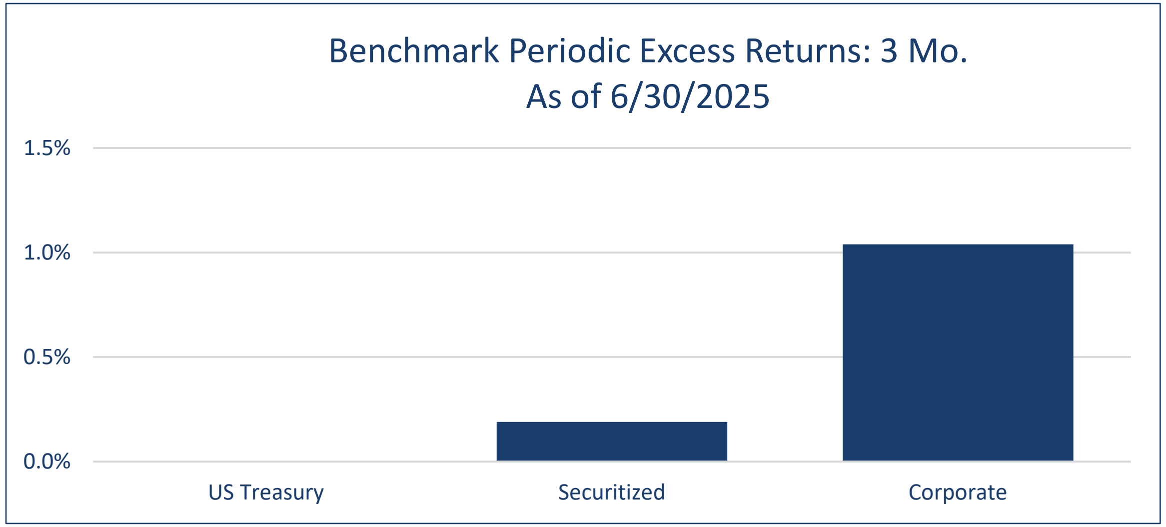
Fixed Income Excess Returns

- Fixed Income spread sectors were positive for the quarter. Credit outperformed Securitized markets.
- Corporate credit outperformed with strong technicals taking spreads tighter as concerns around macro and policy uncertainty abated.

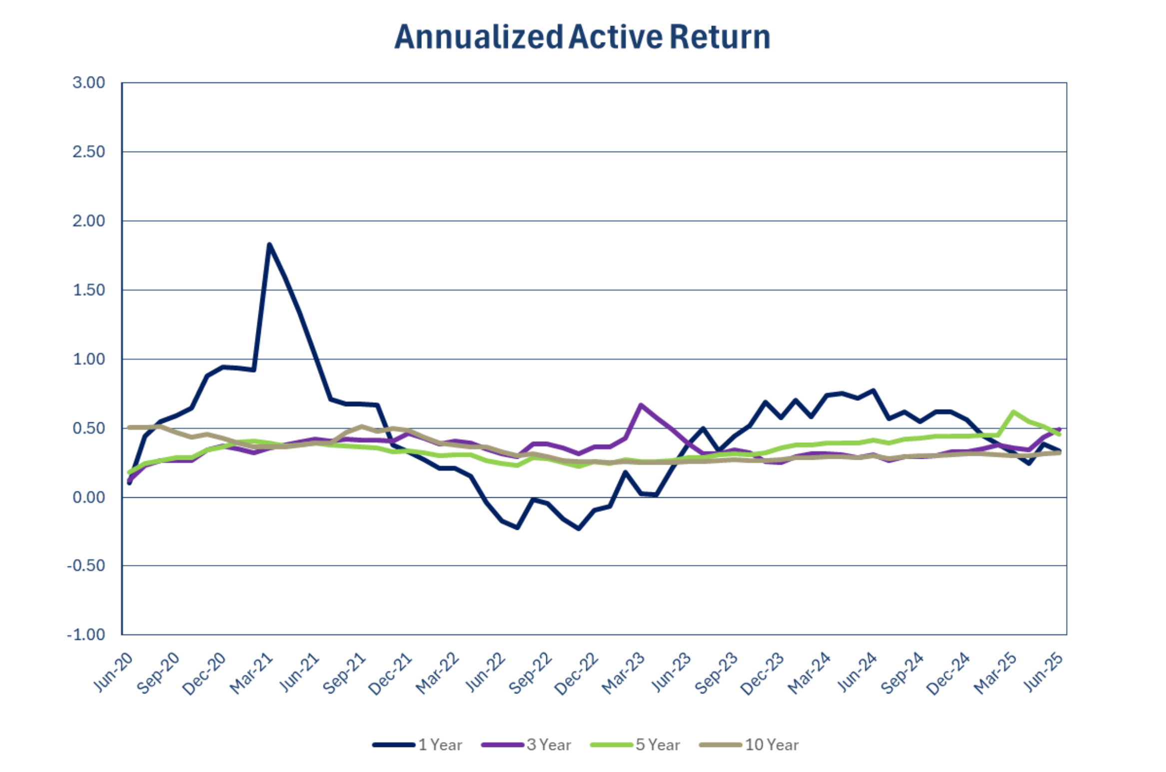


Source: Bloomberg Finance L.P. as of 6/30/2025

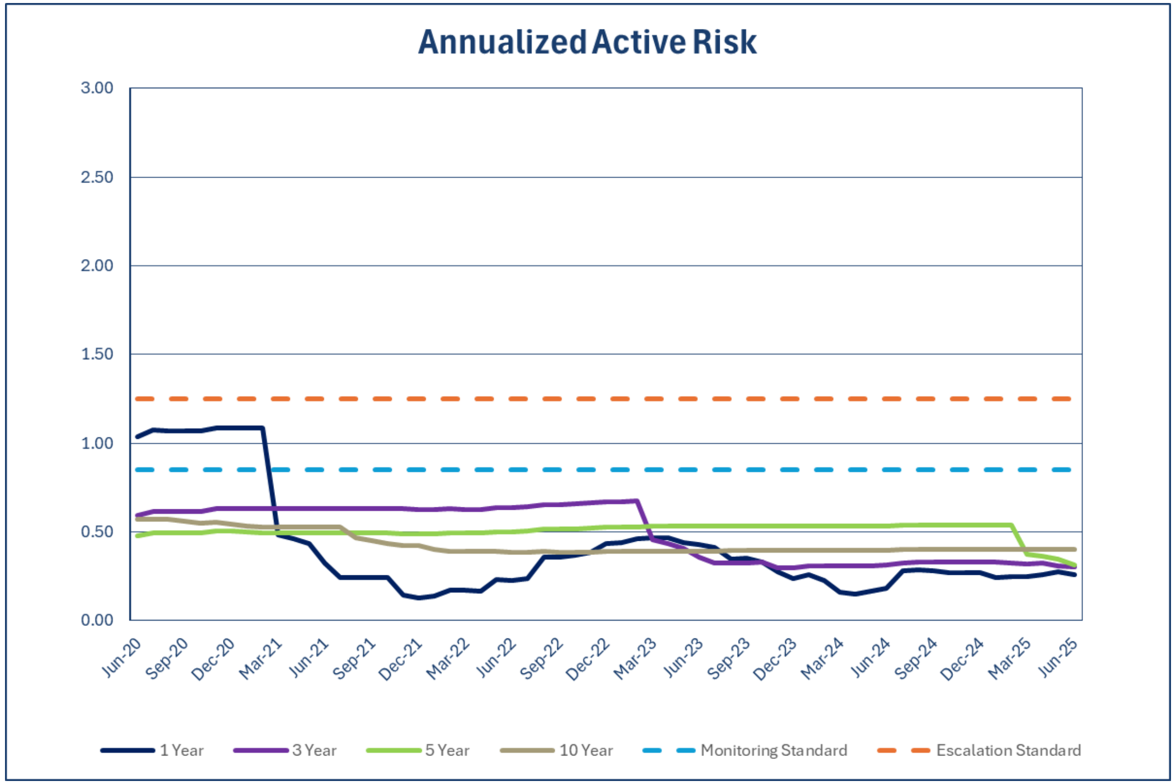
SBA FLORIDA STATE BOARD OF ADMINISTRATION

Total Fixed Income Portfolio Risk

Volatility of active return remains modest compared to recent peaks.



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



Source: SBA Analytics and Performance Snapshot, as of 06/30/2025

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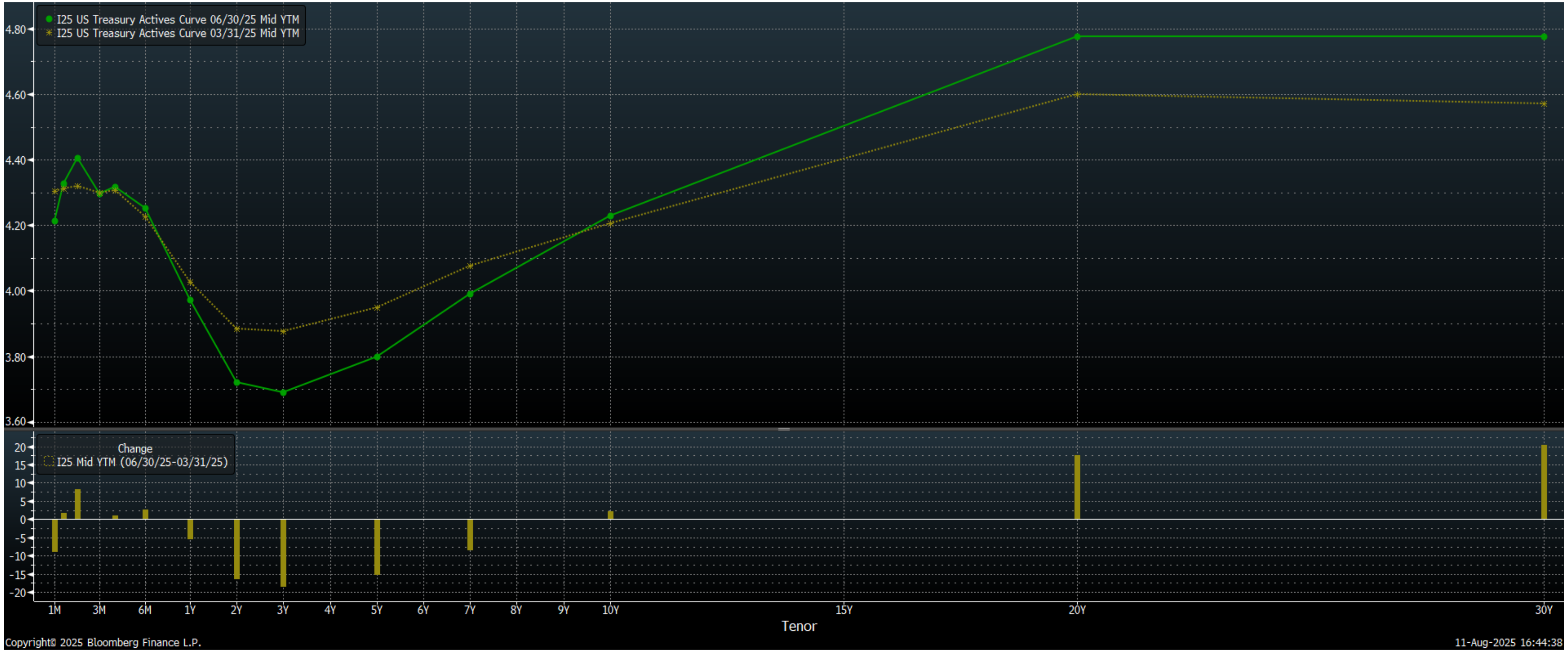
STATE BOARD OF ADMINISTRATION

U.S. Treasury Curve

US Treasury Curve 03/31/2025 vs. 6/30/2025:



Source: Bloomberg Finance L.P.

US Corporate Spreads

IG Corporate OAS History

March 2025 to June 2020

Source: Bloomberg Finance L.P.

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Fixed Income: Looking Forward

- Risk pricing remains very tight
- Continuing to work on defined contribution project
- Continue to refine asset class construction and analysis to achieve alpha target
- Newly-hired Manager of Systems, Reporting and Analytics working to completely overhaul our reporting and analytics.

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Thank You

CONTACT: Todd Ludgate
Email: todd.ludgate@sbafla.com

INVESTMENT ADVISORY COUNCIL

Item 7. Asset Class SIO Updates

Trent Webster, Senior Investment Officer – Strategic Investments

(See Attachment 7C)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

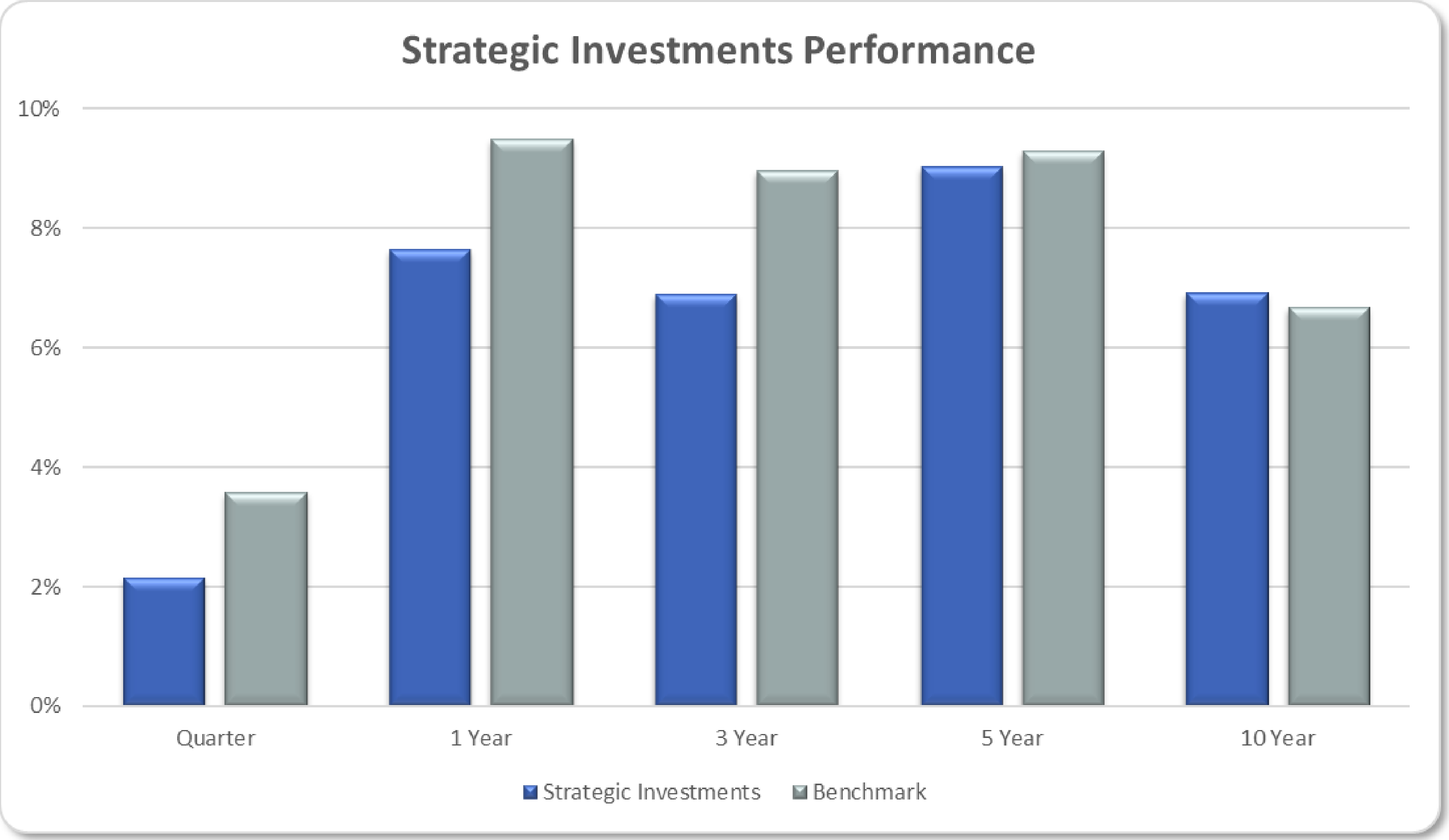
Strategic Investments Update

Trent Webster, Senior Investment Officer – Strategic Investments

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

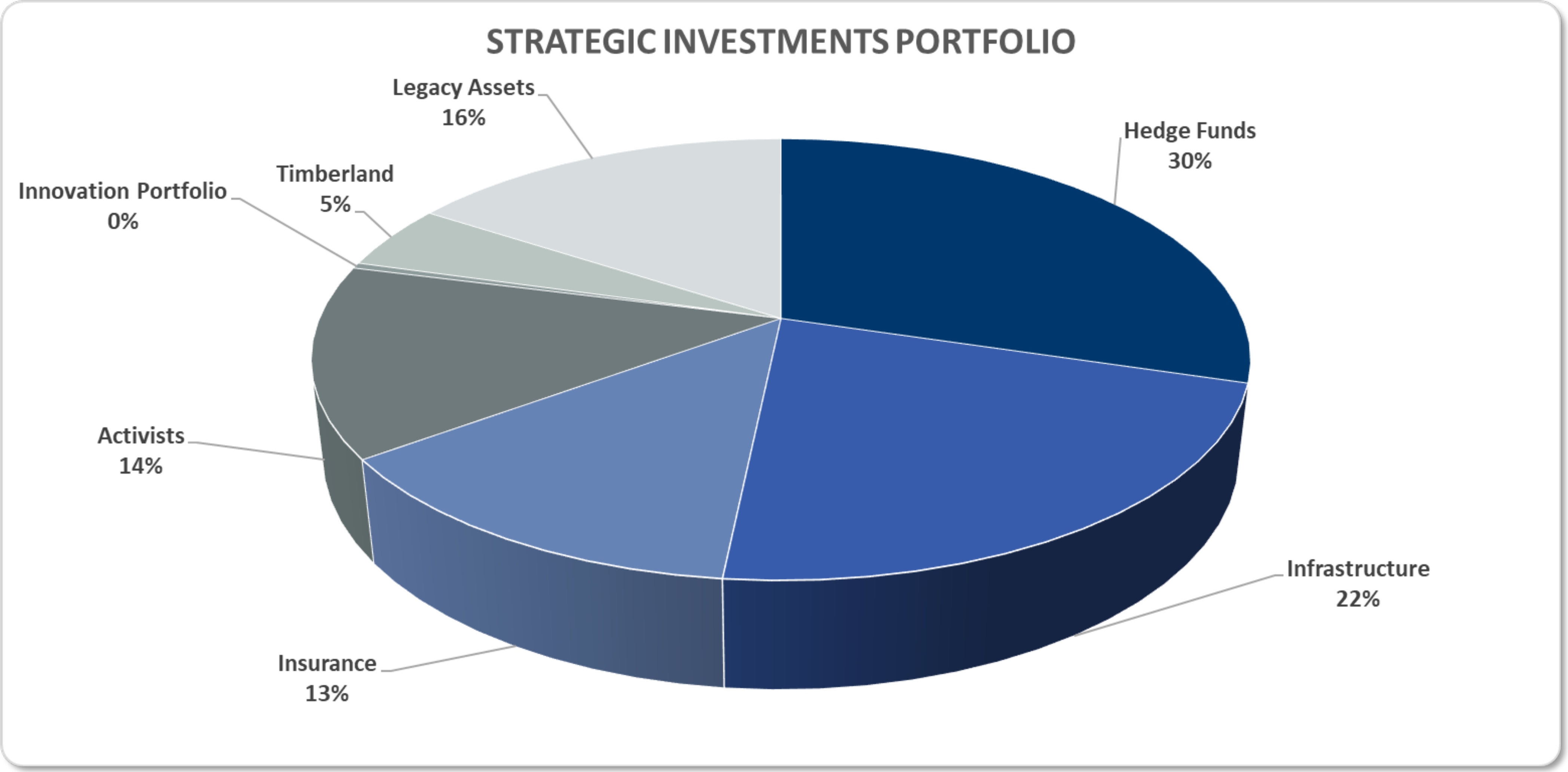
PERFORMANCE



RECENT ACTIVITY

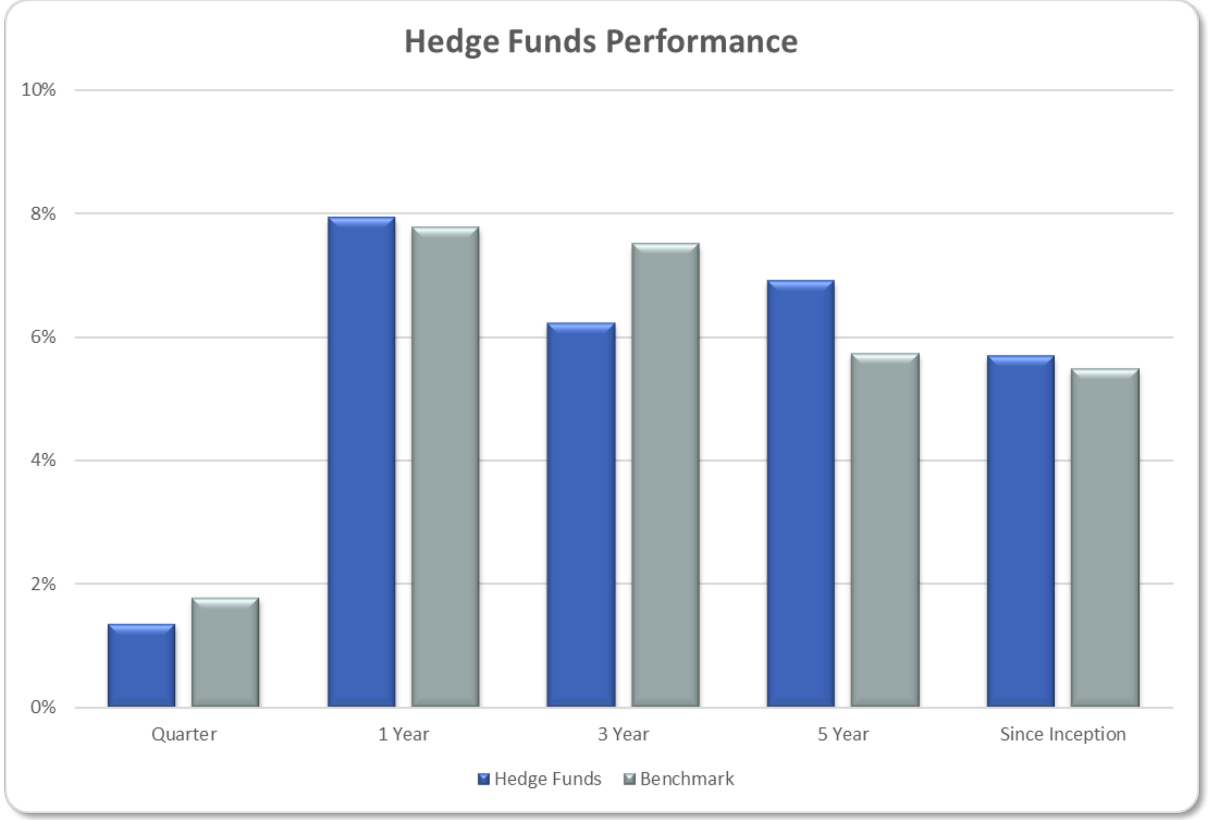
- Quarterly cash inflow was $133 million
- Cash inflow for the fiscal year has been $808 million
- Committed $350 million to two funds in the last quarter
- One fund has closed in this quarter
- Eleven funds in the Pipeline totaling $1.325 billion

STRATEGIC INVESTMENTS PORTFOLIO



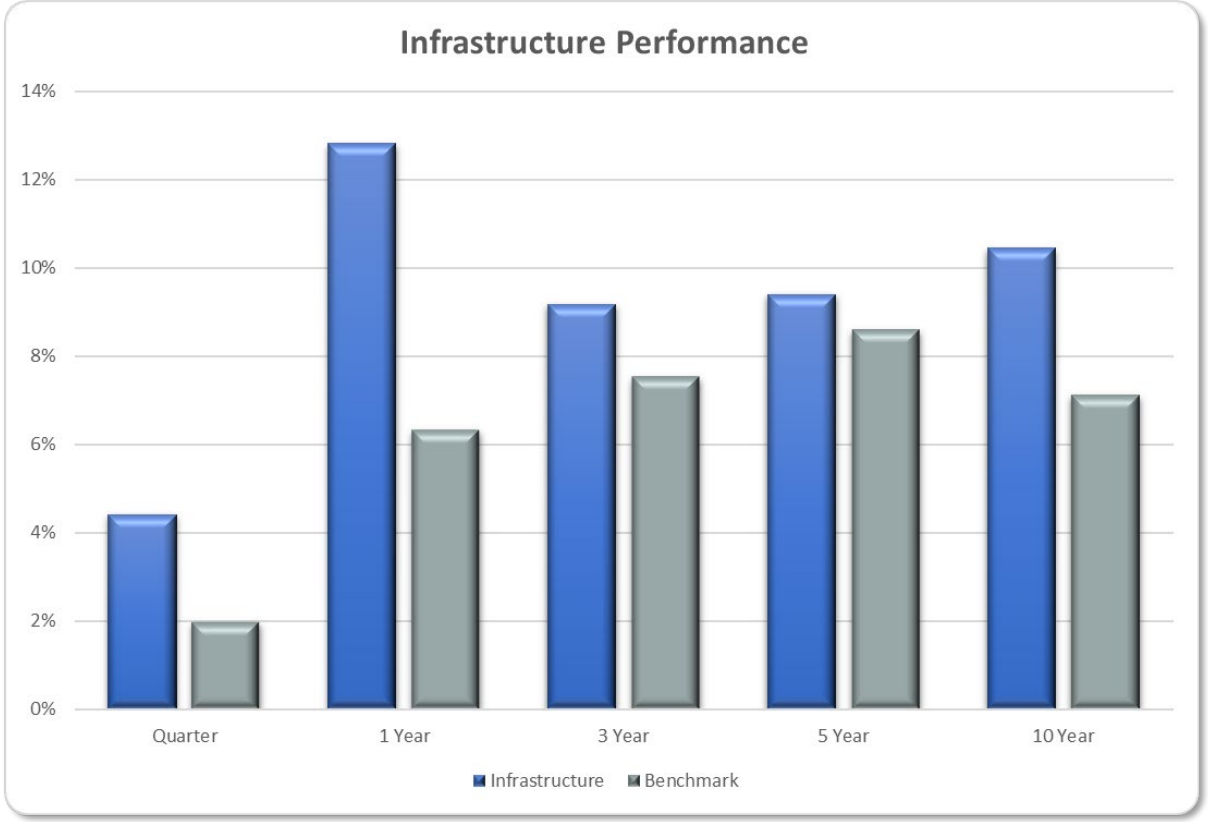
HEDGE FUNDS

- Target up to 2% of the FRS
- Currently 1.7% of the Total Fund
- Allocation – 79% Diversifying / 21% Growth Hedge Funds
- Commodities, Global Macro, Quant, Relative Value and Diversifying Credit remain of interest
- Four funds in the Pipeline
    - One each in Commodities, Credit Long/Short, Global Macro, and Managed Futures



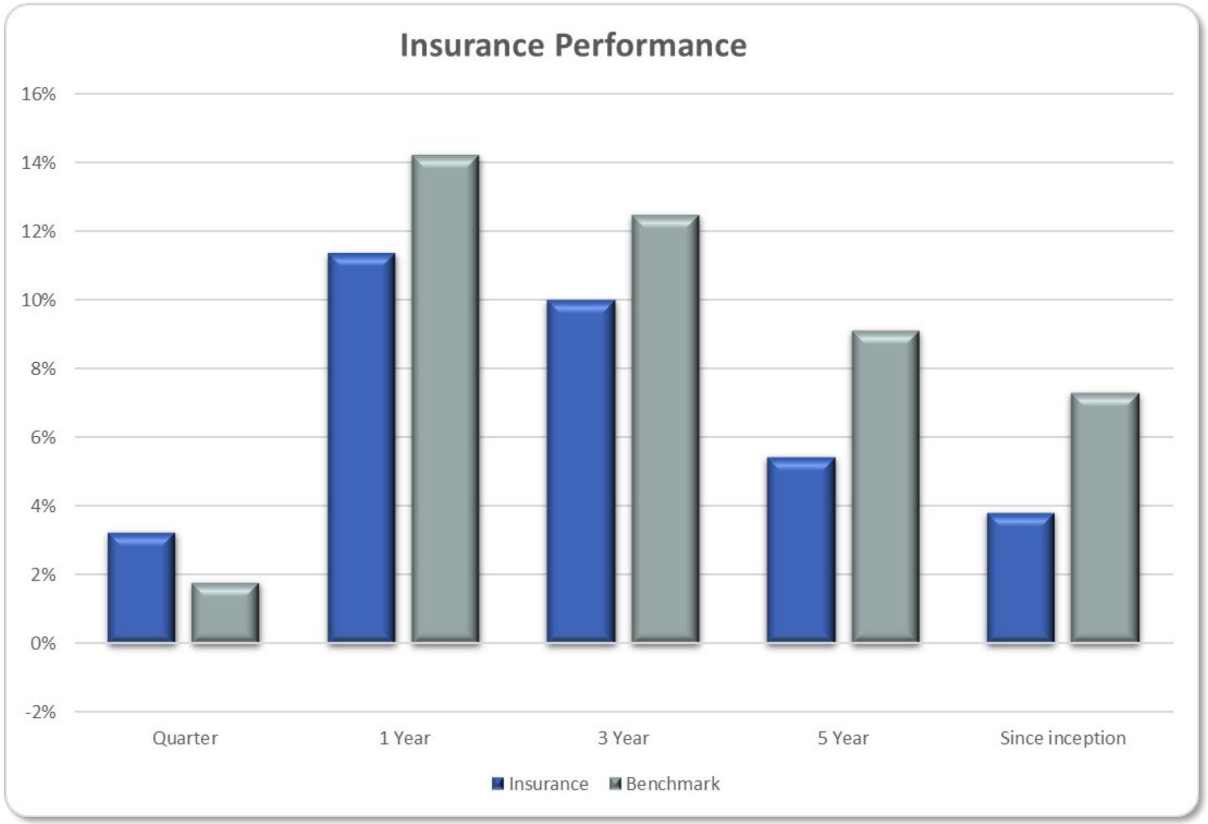
INFRASTRUCTURE

- Target 1% of the FRS
- Currently 1.3% of the Total Fund
- Focus on
  - Middle Market funds
  - Power / Energy
  - Smaller, opportunistic funds
- Four funds in the Pipeline
  - One Digital Infrastructure
  - One Emerging Markets
  - One Lower Middle Market North America
  - One Power



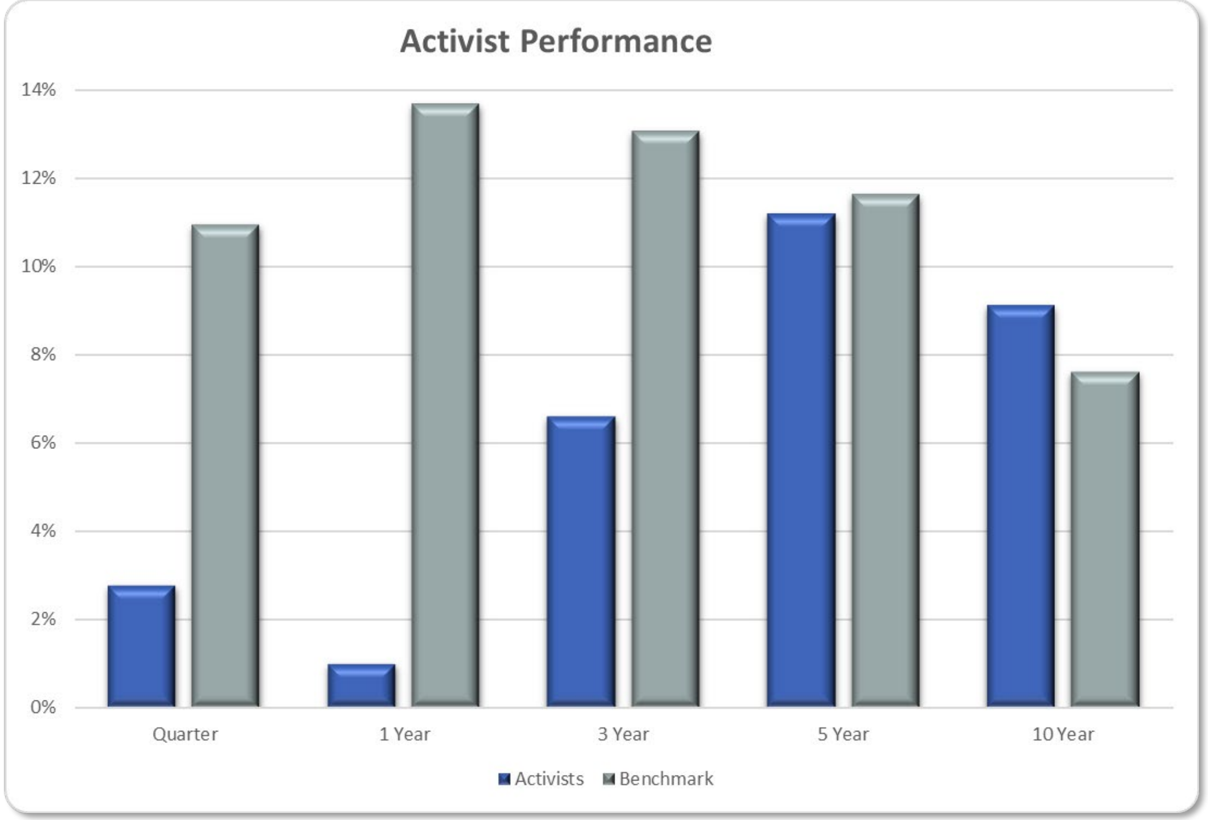
INSURANCE

- Target up to 1% of the FRS
- Currently 0.9% of the Total Fund
- Hard market remains but increases are declining
- Cat bonds have outperformed
- Two funds in Pipeline
    - Specialty Lines
    - Quota Share



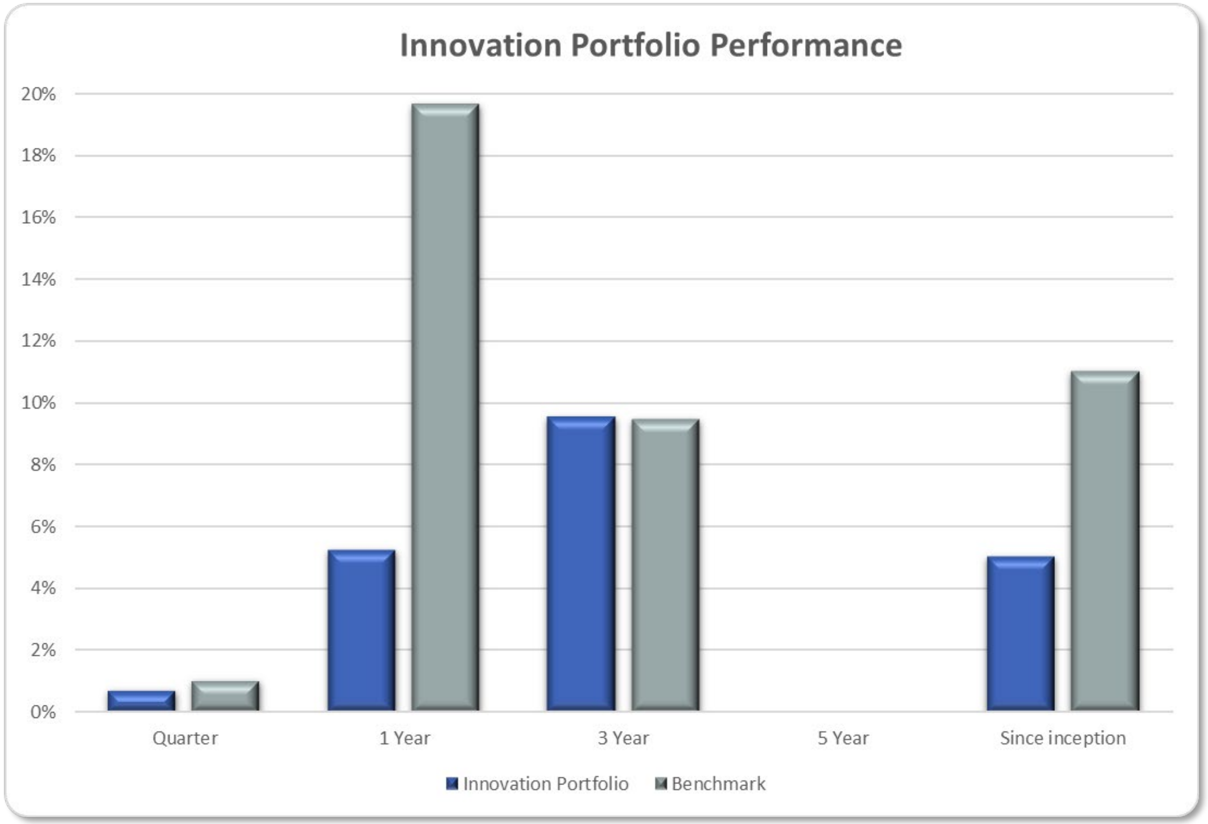
OPPORTUNISTIC – ACTIVISTS

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



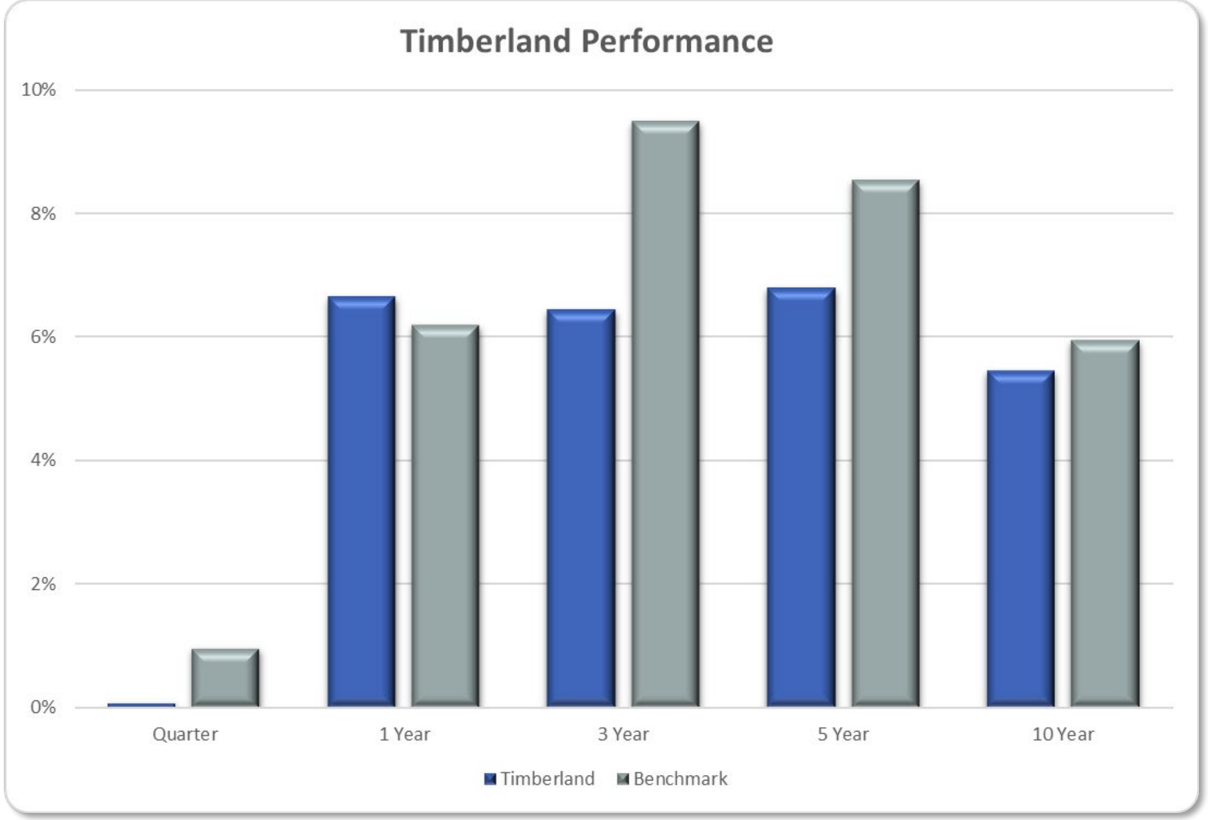
OPPORTUNISTIC – INNOVATION PORTFOLIO

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



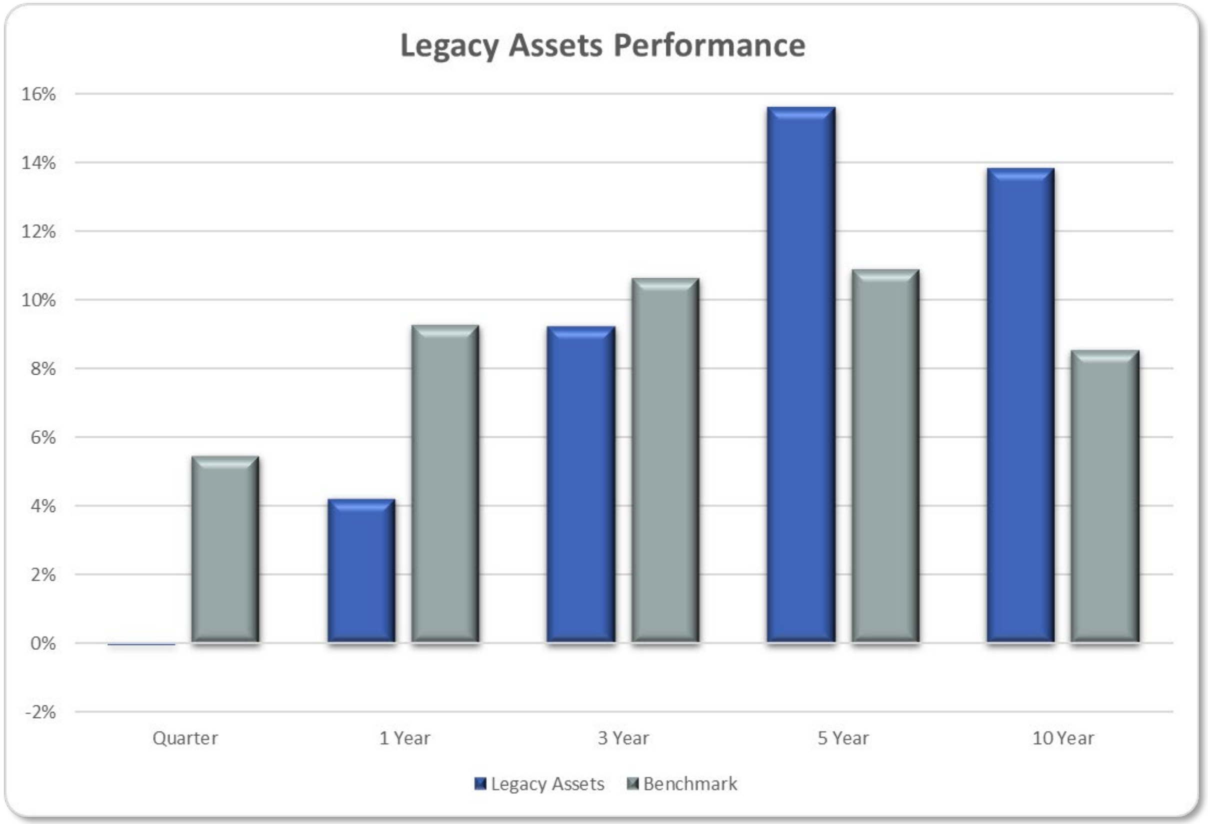
OPPORTUNISTIC - TIMBERLAND

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



OPPORTUNISTIC – LEGACY ASSETS

- Currently 1.0% of the Total Fund
- Funds in run-off
- Private Equity 92%, Real Estate 8%
- Outperformance driven by GP Investments and Private Equity



Q&A

CONTACT: Trent Webster
Email: Trent.Webster@sbafla.com
PH: 850-413-1049

Thank You

CONTACT: Trent Webster
Email: Trent.Webster@sbafla.com
PH: 850-413-1049

INVESTMENT ADVISORY COUNCIL

Item 7. Asset Class SIO Updates

Lynne Gray, Senior Investment Officer – Real Estate

(See Attachment 7D)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

Real Estate Asset Class Update

Lynne Gray, Senior Investment Officer

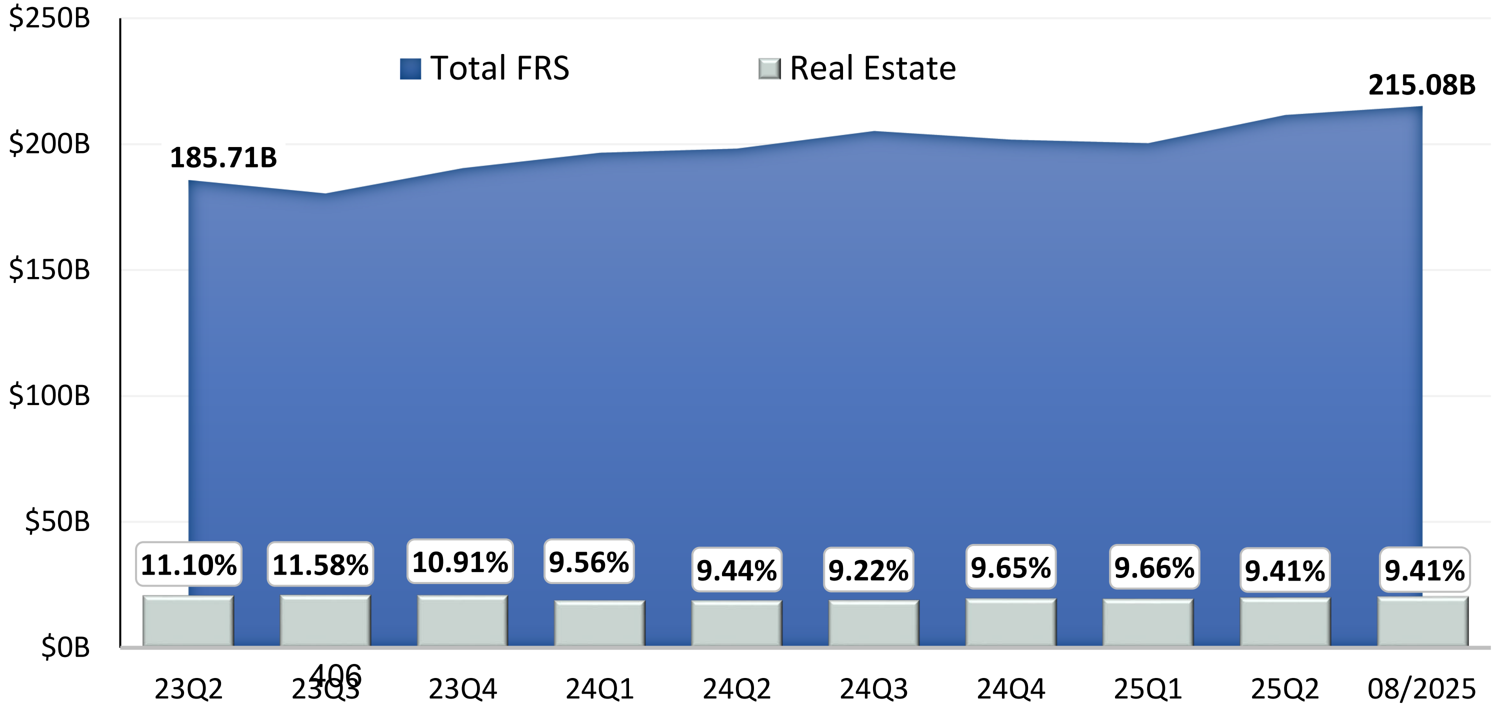
State Board of Administration
September 2025

Real Estate
ALLOCATION

Target Allocation: 12%

Allocation Range: 8% - 20%

Allocation as of 08-15-25: 9.41%



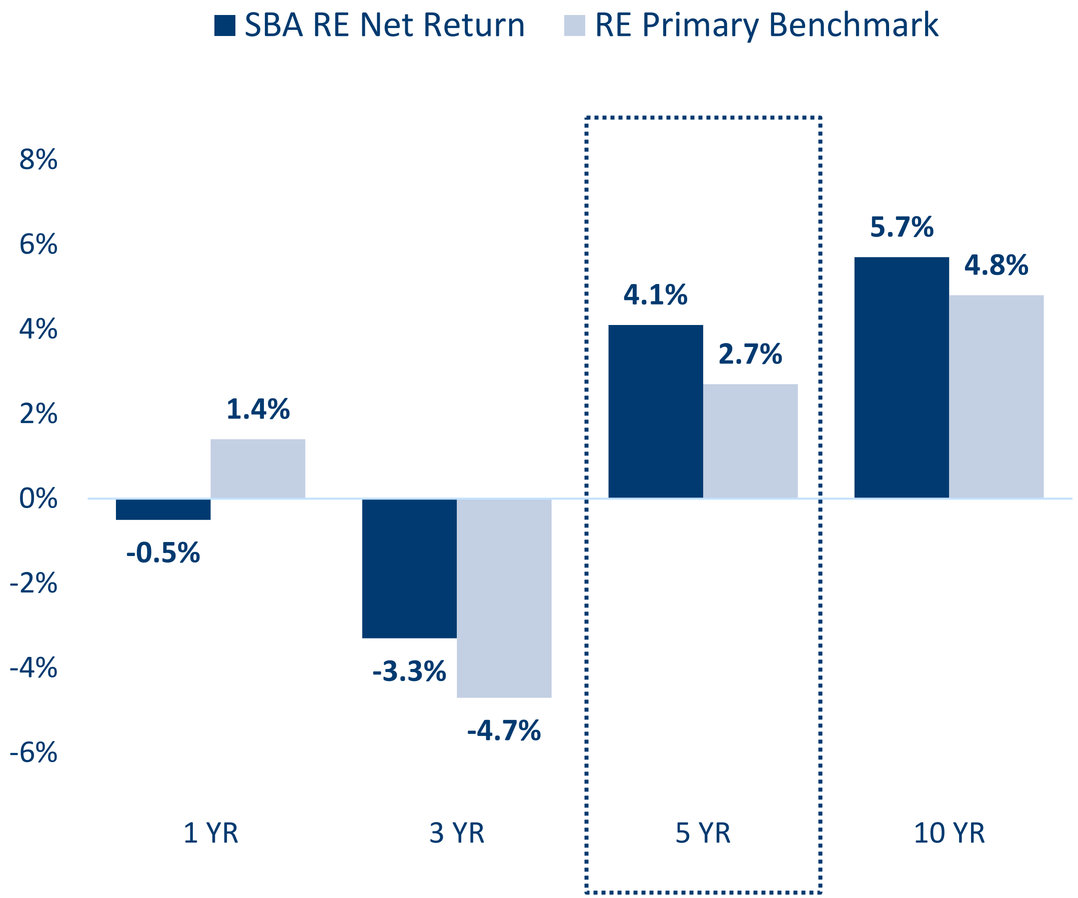
Source: Townsend Group, SBA RE eFront, SBA Accounting

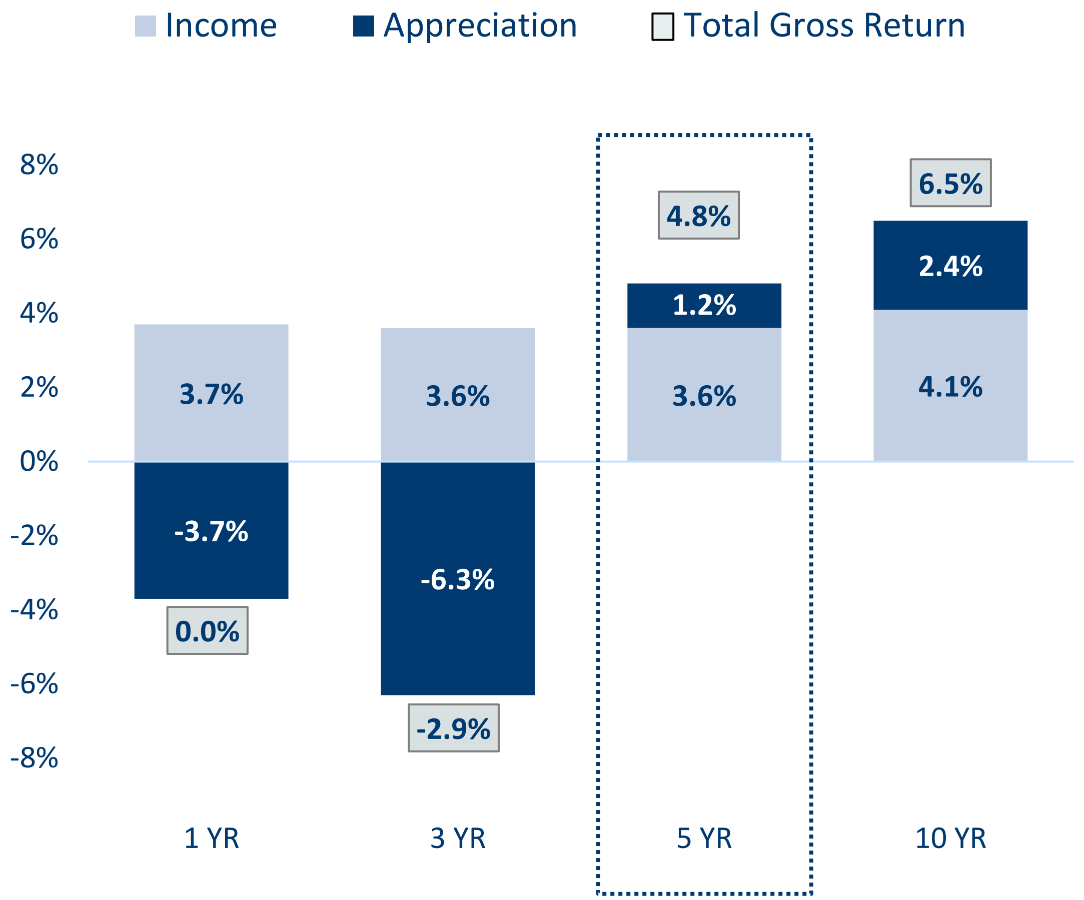
REAL ESTATE PORTFOLIO PERFORMANCE

as of 3/31/2025

	1 YR		3 YR		5 YR		10 YR	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
SBA RE Portfolio	**0.0%**	**-0.5%**	**-2.9%**	**-3.3%**	**4.8%**	**4.1%**	**6.5%**	**5.7%**
SBA Primary Benchmark	1.4%		-4.7%		2.7%		4.8%	

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



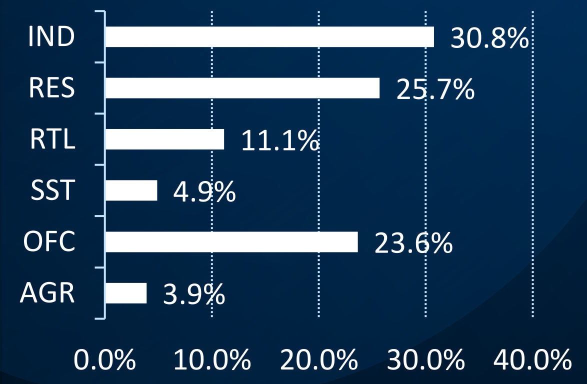


Source: Townsend Group

Principal Investments Return Contribution by Property Type

As of 3/31/2025

Principal Investments
Property Type Diversification

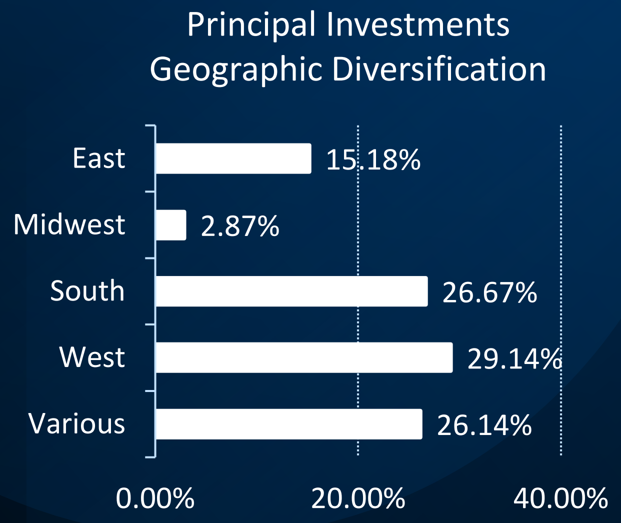


PROPERTY TYPE	1 YR	3 YR	5 YR	10 YR
AGR - Agriculture	-0.433%	-0.272%	-0.134%	0.061%
IND - Cold Storage	0.086%	0.034%	0.018%	0.010%
IND - Industrial	0.448%	1.390%	2.961%	2.418%
OFC - Life Science	-0.375%	-0.104%	-0.058%	-0.031%
OFC - Medical Office	-0.008%	-0.231%	0.306%	0.277%
OFC - Office	-1.083%	-2.323%	-0.608%	0.908%
RES - Apartment	-0.561%	-1.655%	0.301%	0.907%
RES - Manufactured Housing	-0.022%	0.102%	0.034%	0.018%
RES - Senior Housing	0.000%	0.000%	-0.040%	-0.029%
RES - Single Family Rental	0.007%	0.002%	0.001%	0.001%
RES - Student Housing	0.413%	0.354%	0.431%	0.324%
RTL - Retail	0.512%	0.032%	0.220%	0.508%
SST - Self Storage	-0.190%	-0.178%	0.385%	0.316%
PI Portfolio Total TWR*, net	**-1.207%**	**-2.848%**	**3.817%**	**5.688%**
ODCE Total, net	**0.782%**	**-5.237%**	**2.261%**	**5.004%**

Source: Townsend Group
*TWR = Time Weighted Return

Principal Investments Return Contribution by Region

As of 3/31/2025



REGION | PROPERTY TYPE	1 YR	3 YR	5 YR	10 YR
East	**-0.410%**	**-1.354%**	**-0.195%**	**0.554%**
Apartment	0.065%	-0.140%	0.125%	0.178%
Industrial	0.217%	0.128%	0.267%	0.256%
Office	-0.830%	-1.411%	-0.636%	0.024%
Retail	0.137%	0.069%	0.049%	0.096%
Midwest	**0.180%**	**0.132%**	**0.170%**	**0.164%**
Apartment	0.000%	0.000%	0.000%	0.033%
Industrial	0.180%	0.132%	0.170%	0.131%
South	**0.770%**	**-0.066%**	**0.974%**	**1.115%**
Apartment	-0.012%	-0.283%	0.350%	0.511%
Industrial	0.640%	0.455%	0.414%	0.307%
Office	-0.194%	-0.386%	0.091%	0.185%
Retail	0.342%	0.150%	0.120%	0.113%
Student Housing	-0.005%	-0.002%	-0.001%	-0.001%
West	**-1.996%**	**-1.714%**	**0.984%**	**2.185%**
Apartment	-0.614%	-1.232%	-0.173%	0.185%
Industrial	-1.177%	0.186%	1.068%	0.946%
Life Science	-0.375%	-0.104%	-0.058%	-0.031%
Office	-0.059%	-0.526%	-0.063%	0.700%
Retail	0.035%	-0.188%	0.052%	0.299%
Student Housing	0.195%	0.149%	0.159%	0.085%
Various	**0.249%**	**0.153%**	**1.884%**	**1.670%**
Agriculture	-0.433%	-0.272%	-0.134%	0.061%
Cold Storage	0.086%	0.034%	0.018%	0.010%
Industrial	0.588%	0.490%	1.041%	0.778%
Manufactured Housing	-0.022%	0.102%	0.034%	0.018%
Medical Office	-0.008%	-0.231%	0.306%	0.277%
Retail	-0.002%	-0.001%	0.000%	0.000%
Self Storage	-0.190%	-0.178%	0.385%	0.316%
Senior Housing	0.000%	0.000%	-0.040%	-0.029%
Single Family Rental	0.007%	0.002%	0.001%	0.001%
Student Housing	0.222%	0.207%	0.273%	0.239%
PI Portfolio Total TWR*, net	**-1.207%**	**-2.848%**	**3.817%**	**5.688%**
ODCE Total, net	**0.782%**	**-5.237%**	**2.261%**	**5.004%**

Source: Townsend Group

*TWR = Time Weighted Return

PRINCIPAL INVESTMENTS

Property Type Attribution

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

Attribution Analysis of Prior Twenty Quarters (Five Years, Q2 2020 - Q1 2025)

Property Type	Weight Portfolio	Gross Return Portfolio	Weight Index	Gross Return Index
Apartment	25.80%	2.99%	27.59%	4.29%
Hotel	0.00%	0.00%	0.33%	1.15%
Industrial	22.40%	18.68%	29.41%	12.29%
Office	29.97%	-2.04%	27.39%	-4.65%
Retail	11.96%	2.13%	15.28%	1.44%
Attribution Total	**90.13%**	**4.60%**	**100.00%**	**3.25%**
Other*	9.87%	-4.28%		
Portfolio Total	100.00%	4.18%		

SBA FL Value Added: 5 Years as of 3/31/2025				
Property	Allocation	Selection	Cross	Total
Apartment	-0.02%	-0.36%	0.02%	-0.35%
Hotel	0.01%	0.00%	0.00%	0.01%
Industrial	-0.63%	1.88%	-0.45%	0.80%
Office	-0.20%	0.72%	0.07%	0.58%
Retail	0.06%	0.11%	-0.02%	0.14%
Attribution Total	**-0.79%**	**2.34%**	**-0.38%**	**1.17%**

*Other includes Agriculture and Self Storage.

Source: Townsend Group

PRINCIPAL INVESTMENTS
Geographic Attribution

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

Attribution Analysis of Prior Twenty Quarters (Five Years, Q2 2020 – Q1 2025)

Region	Weight Portfolio	Gross Return Portfolio	Weight Index	Gross Return Index	SBA FL Value Added: 5 Years as of 3/31/2025				
					Region	Allocation	Selection	Cross	Total
East	20.57%	-1.69%	29.81%	1.47%	East	0.16%	-0.94%	0.29%	-0.48%
Midwest	1.82%	11.15%	7.44%	2.20%	Midwest	0.06%	0.67%	-0.50%	0.22%
South	18.90%	6.29%	22.04%	5.87%	South	-0.08%	0.09%	-0.01%	0.00%
West	33.52%	2.89%	40.71%	3.33%	West	-0.01%	-0.18%	0.03%	-0.15%
Attribution Total	**74.81%**	**2.01%**	**100.00%**	**3.25%**	**Attribution Total**	**0.14%**	**-0.36%**	**-0.19%**	**-0.42%**
Various US*	25.19%	8.59%							
Portfolio Total	100.00%	4.18%							

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

Source: Townsend Group

REAL ESTATE TRANSACTION ACTIVITY

(Since Last IAC Report)

Principal Investments

Acquisitions (Equity)	**$ 365.4 million**
❑ Apartment	$ 150.7 million
❑ Single Family Rental	$ 43.9 million
❑ Student Housing	$ 63.7 million
❑ Retail	$ 4.6 million
❑ Industrial	$ 35.3 million
❑ Medical Office	$ 36.3 million
❑ Self Storage	$ 31.0 million
Dispositions	
❑ Student Housing	$ 31.5 million

Externally Managed

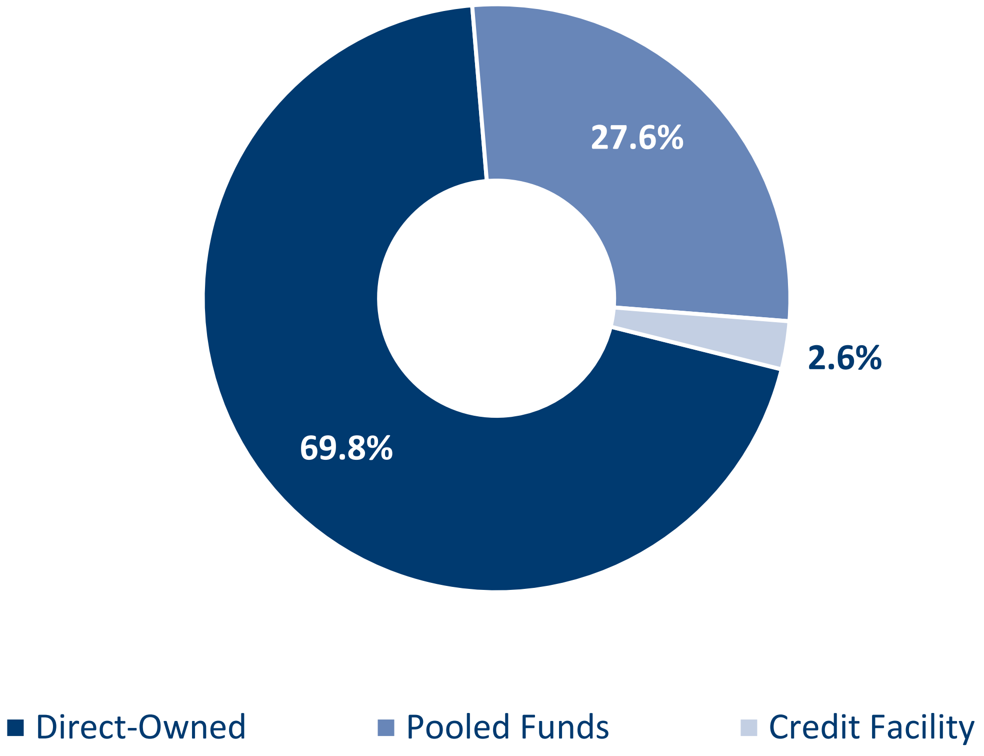
New Commitments	**$ 475 million**
❑ U.S. Diversified Value-Add Fund	$ 75 million
❑ U.S. Multifamily Value-Add Fund	$ 100 million
❑ Global Opportunistic Fund	$ 100 million
❑ U.S. Residential Value-Add Fund	$ 100 million
❑ U.S. Retail Value-Add Fund	$ 100 million

REAL ESTATE PORTFOLIO COMPOSITION

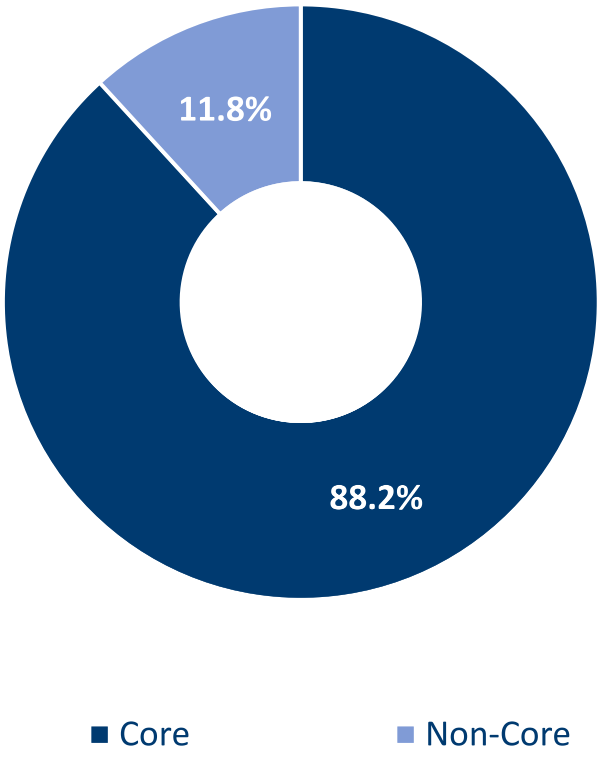
as of 3/31/2025

Total Portfolio NAV: $19.87B

INVESTMENT VEHICLE



RISK PROFILE



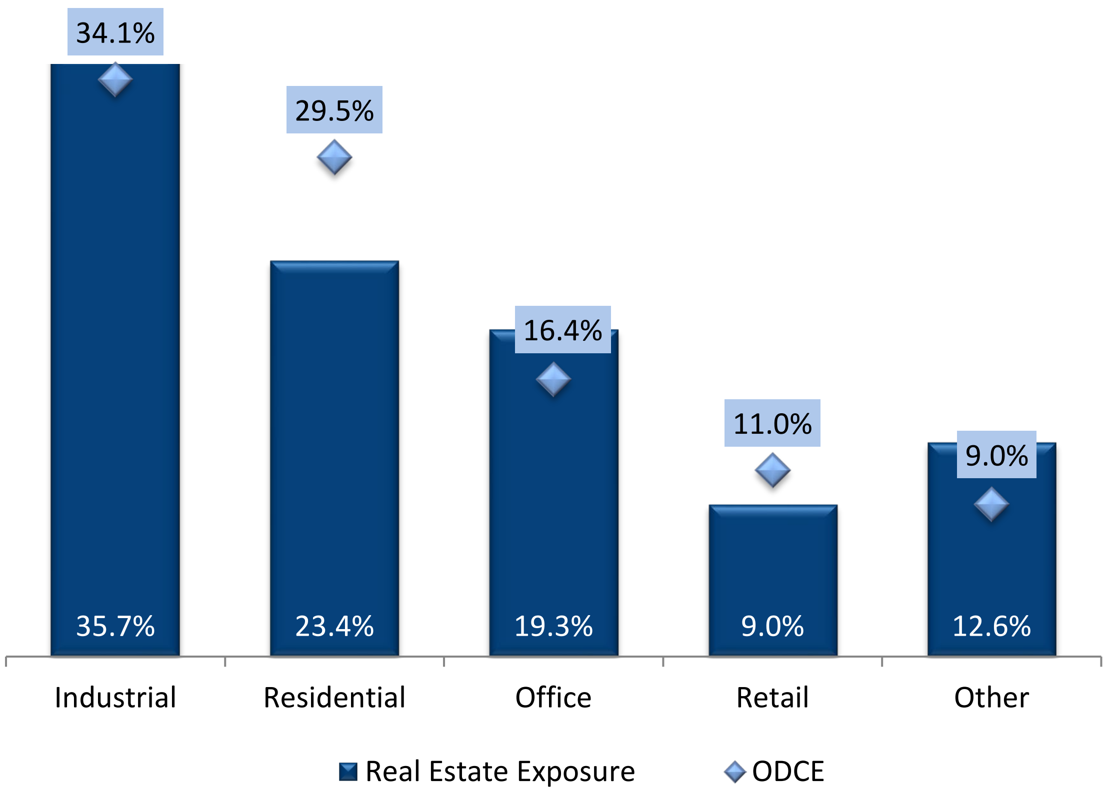
Source: Townsend Group, SBA RE eFront

REAL ESTATE PORTFOLIO DIVERSIFICATION

as of 3/31/2025

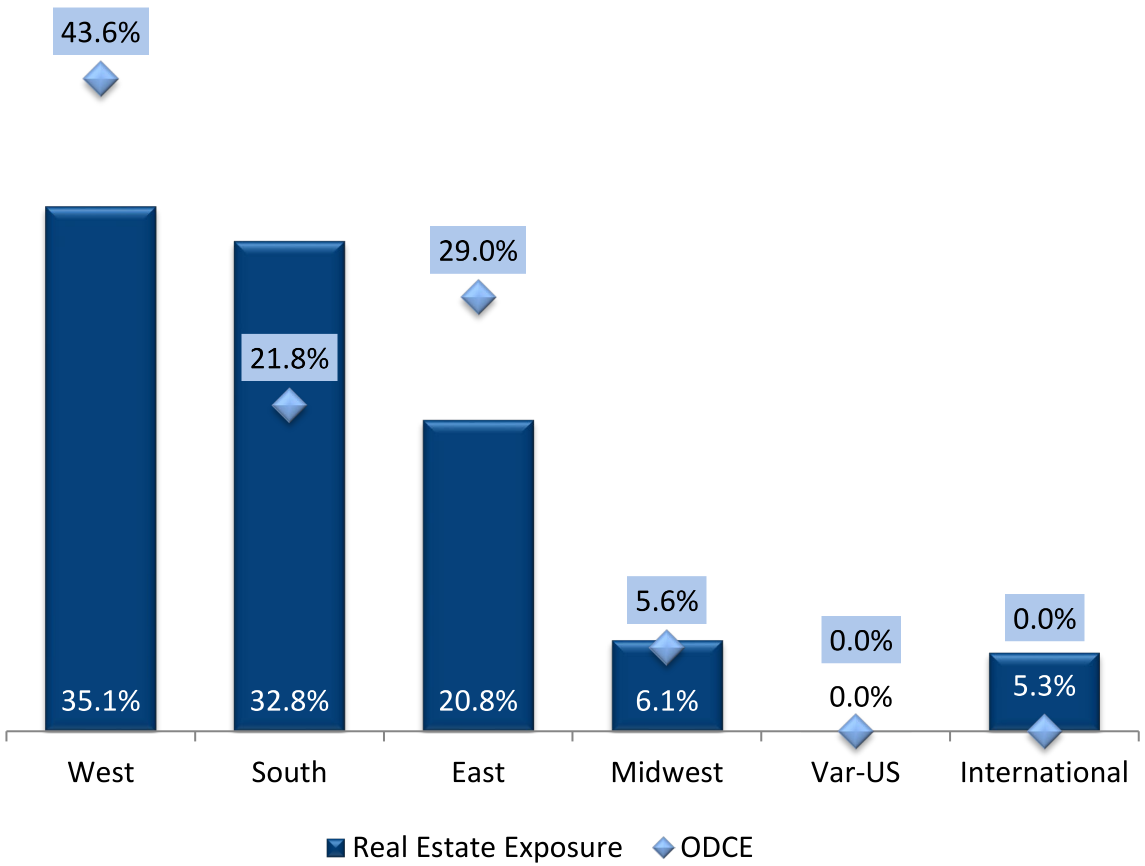
Total Portfolio NAV: $19.87B

Property Type Diversification



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

Geographic Diversification



Source: Townsend Group, SBA RE eFront

REAL ESTATE PORTFOLIO LEVERAGE

as of 3/31/2025

Portfolio Leverage

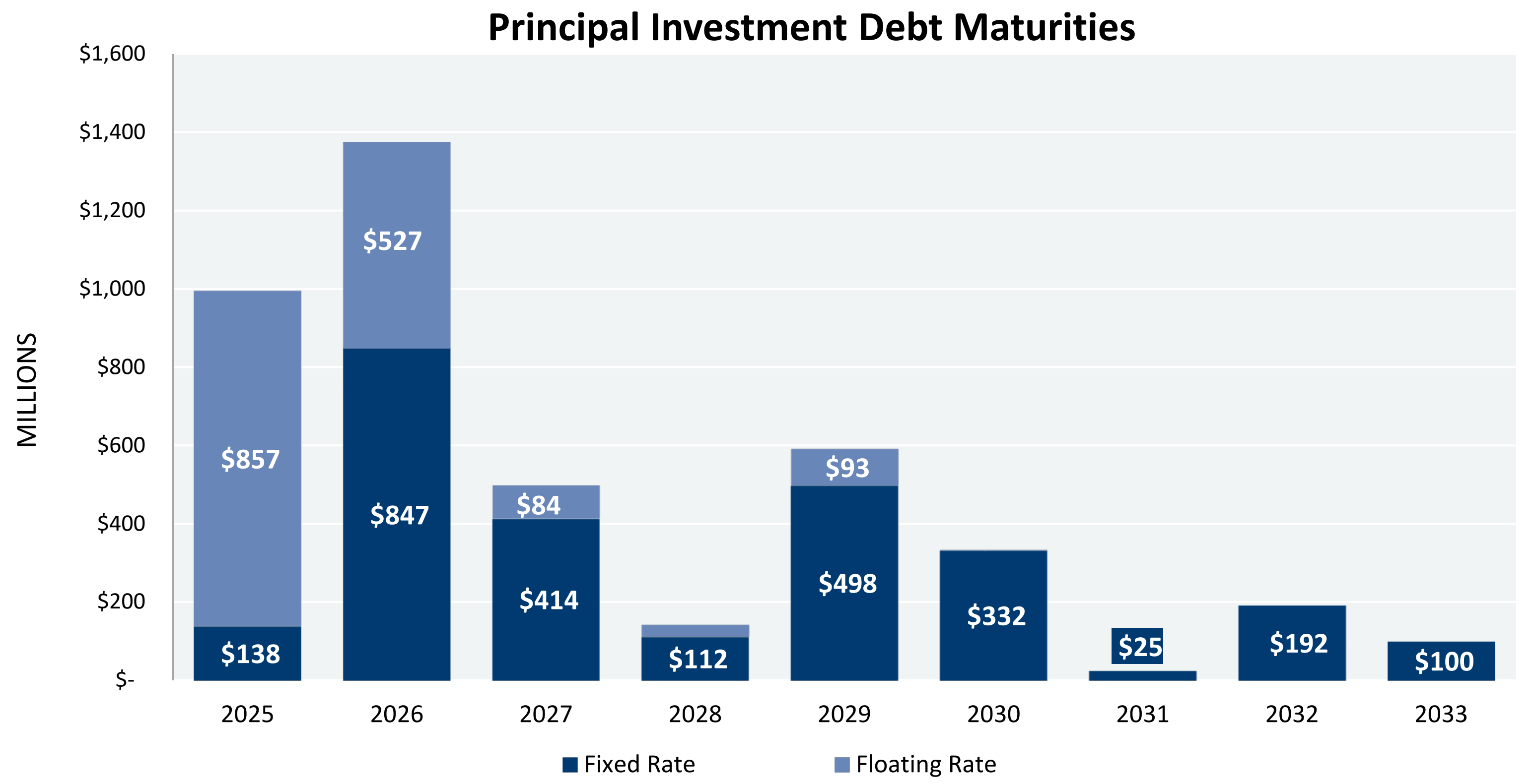
Total Portfolio Loan to Value ("LTV")	**28.52%**
Principal Investments	21.34%
Externally Managed	42.27%
NFI – ODCE LTV	**26.70%**

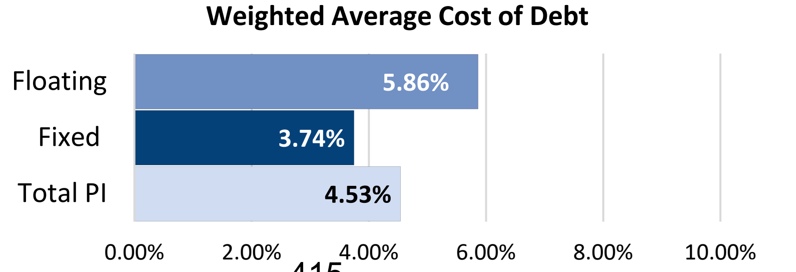
Investment Portfolio Guidelines

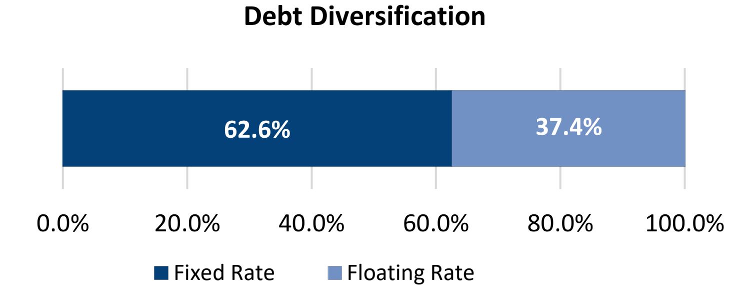
Total Portfolio Leverage is limited to **40% LTV**

Principal Investments

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





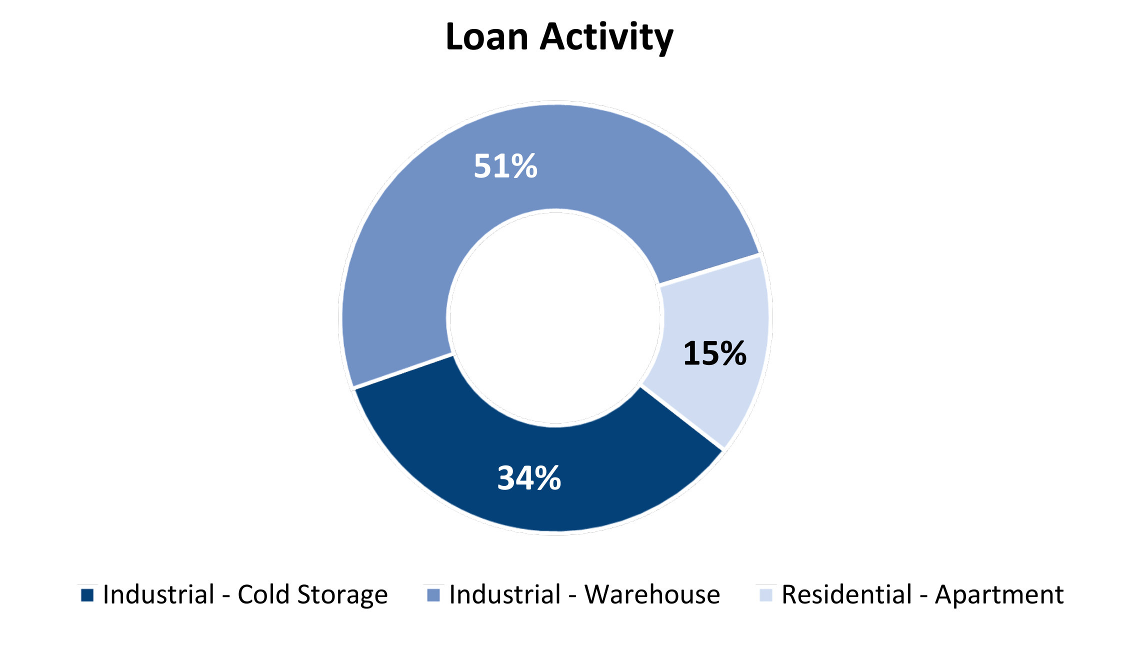


CREDIT FACILITY PROGRAM

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

Status	Loan Amount	Average Loan-to-cost
Closed	$ 811,200,000	57.92%
In Progress	$71,100,000	31.63%
Pipeline	-	-
Total Activity	$882,300,000	52.01%

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



Thank You

CONTACT: Lynne Gray
Email: lynne.gray@sbafla.com
PH: 850-413-1145

INVESTMENT ADVISORY COUNCIL

Item 7. Asset Class SIO Updates

Dan Beard, Chief of Defined Contribution Programs

(See Attachment 7E)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

FLORIDA RETIREMENT SYSTEM (FRS) INVESTMENT PLAN

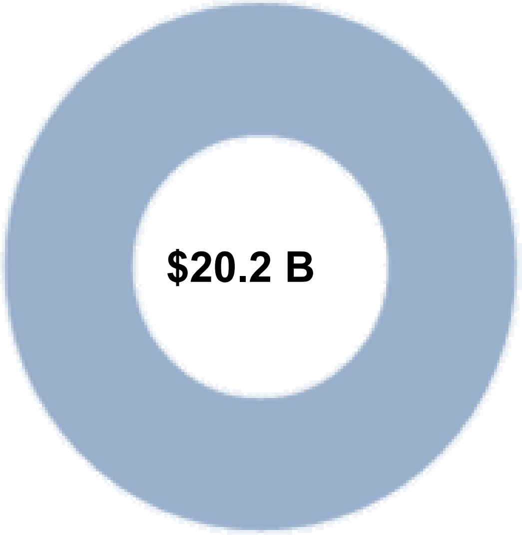
Daniel Beard, Chief of Defined Contribution Programs

State Board of Administration
September 9, 2025

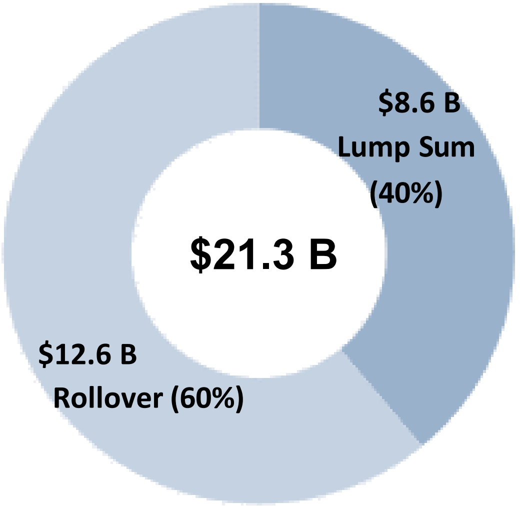
FRS INVESTMENT PLAN SNAPSHOT

(as of June 30, 2025)

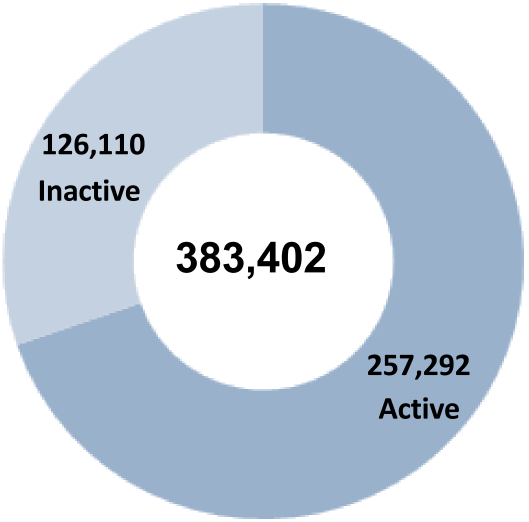
Assets



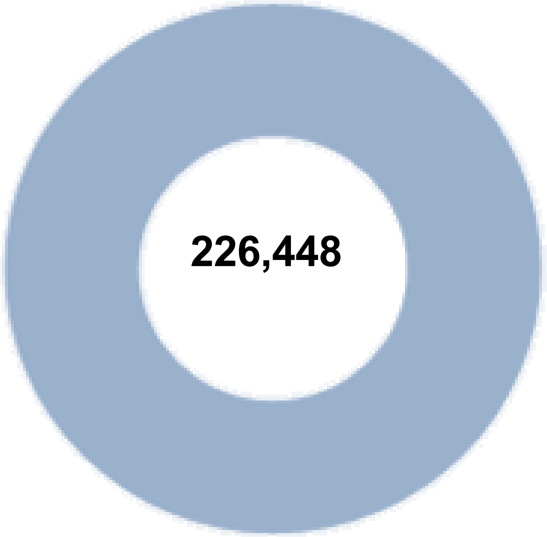
Distributions



Members



Retirees



Average Statistics

(Active Members)

Female 65%   Male 35%

Age 45

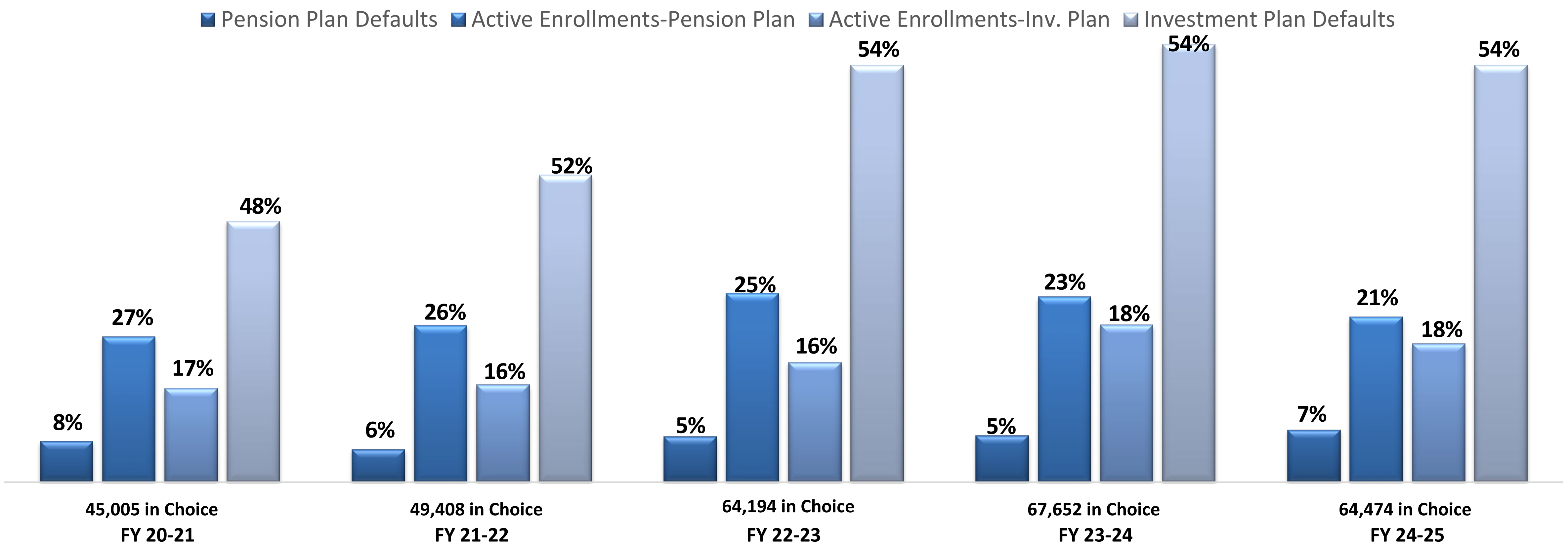
$55,144 balance

5 years of service

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

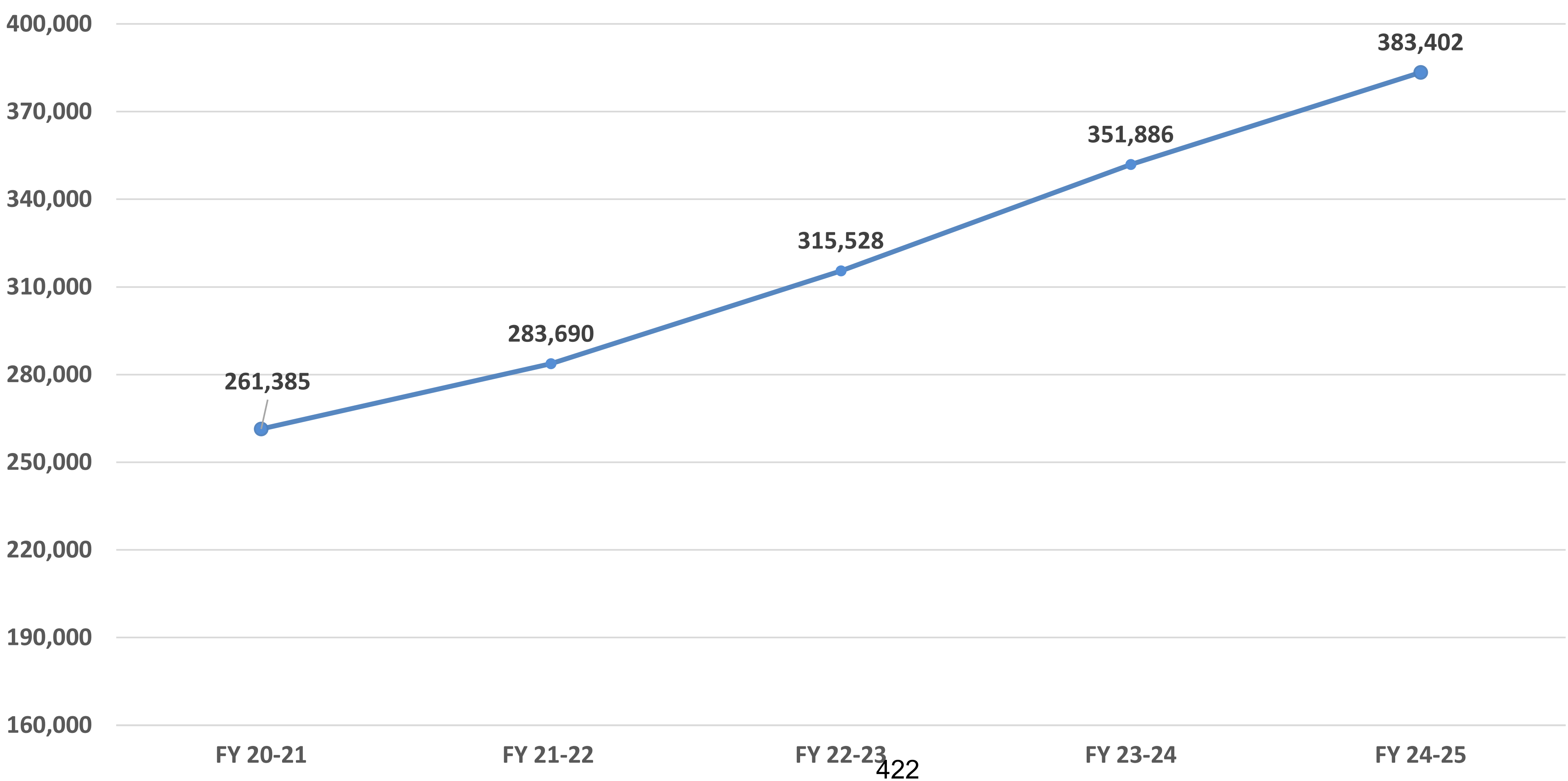
PLAN CHOICE STATISTICS

(as of June 30, 2025)



SBA FLORIDA
STATE BOARD OF ADMINISTRATION

INVESTMENT PLAN MEMBERSHIP GROWTH



SBA FLORIDA
STATE BOARD OF ADMINISTRATION

ASSET CLASS PERFORMANCE

(as of June 30, 2025)

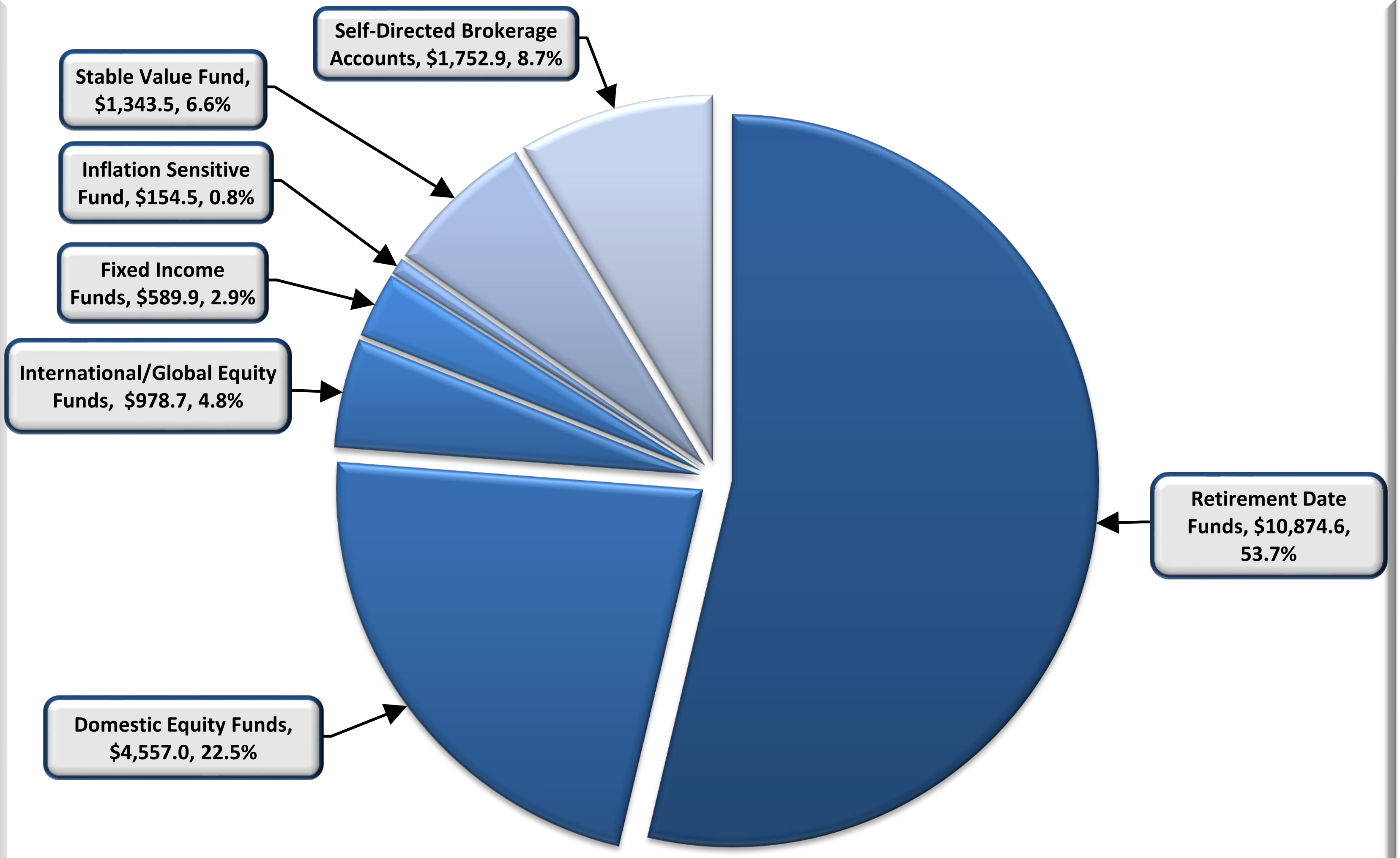
	QTD	FYTD	1 Yr	3 Yr	5 Yr	Incept.
Total Fund	7.97%	12.63%	12.63%	12.16%	9.72%	7.35%
Stable Value	0.77%	3.12%	3.12%	2.78%	2. 39%	2.26%
Inflation Protected Assets & TIPS*	2.10%	7.65%	7.65%	2.66%	4.85%	2.32%
Fixed Income	1.91%	7.35%	7.35%	4.32%	0.90%	4.07%
Domestic Equities	10.61%	14.64%	14.64%	19.02%	15.55%	11.02%
Global & International Equities	12.49%	18.24%	18.24%	14.65%	10.77%	8.13%
Retirement Date Funds	8.11%	13.39%	13.39%	11.23%	9.30%	6.82%
Real Estate	1.30%	6.44%	6.44%	-4.11%	4.02%	4.23%
TF x RDFs	7.79%	11.61%	11.61%	13.17%	10.16%	7.72%

*Prior to 2014, TIPS only.
Retirement Date Funds Inception July 1, 2014
TF x RDFs Inception July 1, 2014
Real Estate was added January 1, 2018
Stable Value Fund Inception July 1, 2021

SBA FLORIDA STATE BOARD OF ADMINISTRATION

FRS INVESTMENT PLAN AUM

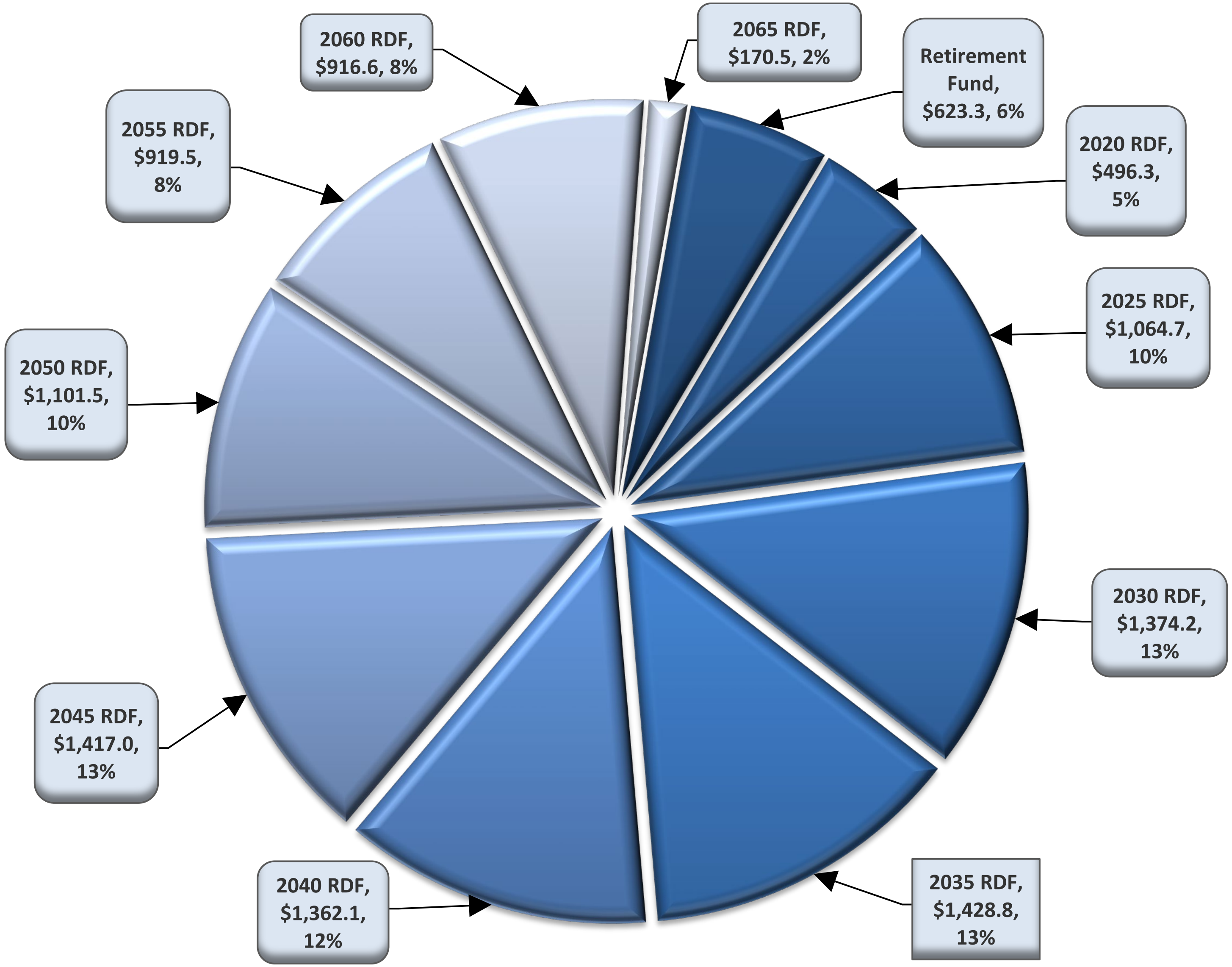
(by Asset Class—in $millions, as of June 30, 2025)



Asset allocation is a result of member investment selection

CURRENT RETIREMENT DATE FUNDS

($ RDF Assets in millions, % RDF Assets, as of June 30, 2025)



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

SBA FLORIDA STATE BOARD OF ADMINISTRATION

MyFRS FINANCIAL GUIDANCE PROGRAM

(July 1, 2024-June 30, 2025)

INVESTMENT EDUCATION

EY FINANCIAL PLANNER CALLS	FINANCIAL PLANNING WORKSHOPS	ATTENDANCE FINANCIAL WORKSHOPS	WEBSITE HITS	WEBSITE CHATS
289,592	564	26,034	3,011,587	141,022
-1%	+5%	+8%	+8%	+22%

(% change from previous 12 months)

108 Annuities purchased last 12 months - $14.2 million
454 Total Annuities purchased inception to date - $57.3 million

SBA FLORIDA STATE BOARD OF ADMINISTRATION

Q&A

INVESTMENT ADVISORY COUNCIL

Item 7. Asset Class SIO Updates

Mike McCauley, Senior Officer – Investment Programs & Governance

(See Attachment 7F)

State Board of Administration
September 9, 2025

INVESTMENT ADVISORY COUNCIL

Investment Programs & Governance (IP&G)

Corporate Governance—Quarterly Review

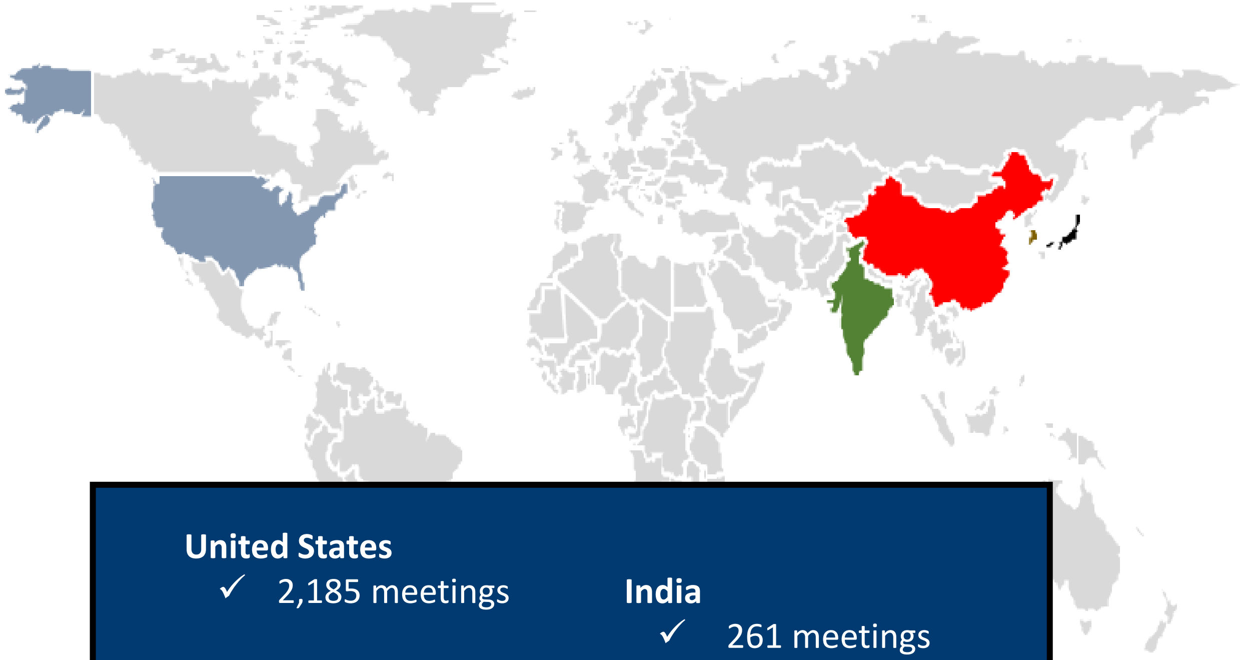
Michael McCauley, Senior Officer

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Global Proxy Voting Q2/2025

Voting Category	*FY2024*	*FY2025*	***Q2 2025***
Total Meetings Voted	**12,584**	**11,660**	**6,507**
Individual Ballot Items Voted	**114,660**	**106,946**	**72,447**
Markets Voted	**67**	**68**	**56**
Total Companies Votes	**9,289**	**8,655**	**5,905**
% Total Votes "For"	**82.3%**	**83.4%**	**83.7%**
% Total Votes "Against"	**15.6%**	**14.7%**	**14.2%**
% Total Votes "Abstain" or Do Not Vote (DNV)	**2.1%**	**1.9%**	**1.6%**
% Total Votes Against Management Recommended Vote (MRV)	**15.4%**	**14.5%**	**13.8%**
% of Director Elections "For"	**81.4%**	**82.9%**	**84.3%**
% of Compensation Items "For"	**69.2%**	**68.7%**	**65.9%**
% of Merger-Acquisition Items "For"	**95.0%**	**91.4%**	**95.7%**
% of All Shareowner Proposals (SHPs) "For"	**21.1%**	**27%**	**27.3%**



United States
- ✓ 2,185 meetings

Japan
- ✓ 855 meetings

China
- ✓ 704 meetings

India
- ✓ 261 meetings

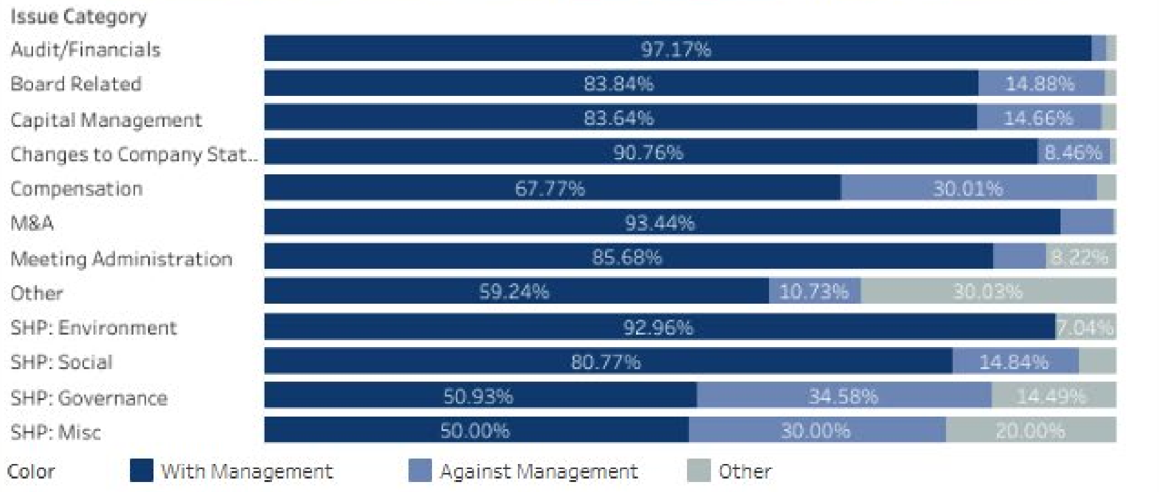
South Korea
- ✓ 12 meetings

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

SBA Voting—Major Ballot Categories (All Markets, Q2/2025)

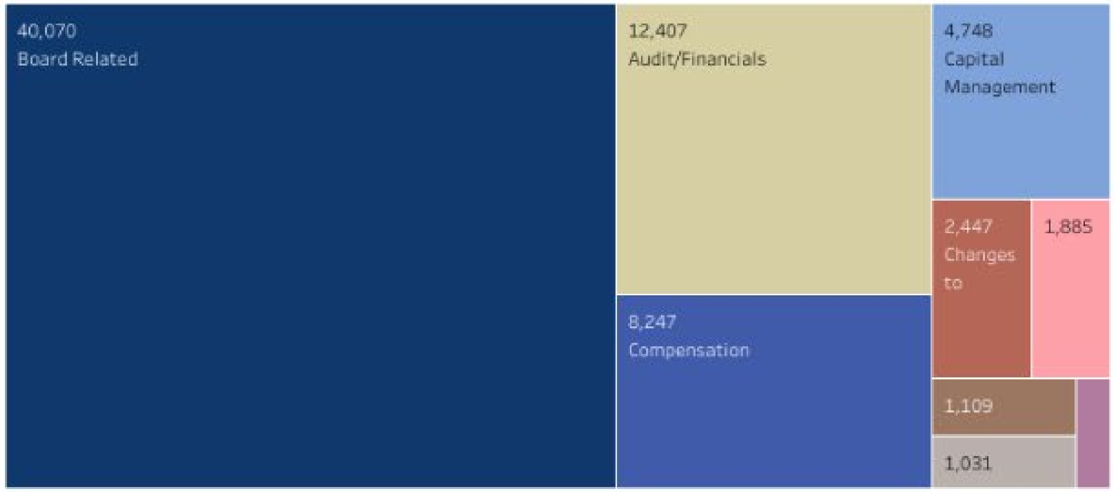
Support for Management (Country: All)

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



Treemap of Issues (Country: All)

*Click a box to view issue description



SBA Voting—2025 U.S. Proxy Season Review

Director Elections—the SBA supported 83.8% of 17,258 individual board nominees at U.S. companies, a slight increase of 0.5% from last fiscal year. In FY2023 and FY2024, SBA staff supported 83.4% and 83.3% of all U.S. director nominees, respectively.

Auditor Ratification—the SBA ratified 99.2% of all external auditors among U.S. companies within the Russell 3000 stock index, unchanged from last fiscal year.

Mergers & Acquisitions—the SBA supported 92.5 of all U.S. merger/acquisition proposals, a decrease of 3.1% from last fiscal year.

Executive Compensation & Say-on-Pay *(SOP)*—the SBA supported 45.6% of all compensation related ballot items at U.S. companies within the Russell 3000 stock index, a decrease of 1% from last fiscal year. In FY2023 and FY2024, SBA staff supported 36.4% and 46.6% of all U.S. compensation related ballot items, respectively. Across all voted markets, the SBA supported 44% of all advisory say-on-pay (SOP) ballot items.

Proxy Contests—during the fiscal year, SBA staff voted on a total of 12 contested board elections globally, supporting management board proposals 25% of the time. Other ballot items received mixed SBA support, with the highest support for mergers and acquisition and issues involving shareholder meeting administration.

Shareowner Resolutions—on a year-over-year fiscal basis, the SBA's voting support for all U.S. shareholder proposals (SHPs) increased by approximately 10%. The increase in support was due solely to an increase in fundamental governance proposals, as both the number of proposals and the support percentages for environmental and social shareowner proposals continued to decline.

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Proxy Contests in Q2 2025

April 30, 2025
Vision One
Slate/proposal: Proxy fight for two board seats and vote against say-on-pay
Result: *Settled, agreement to appoint one non-affiliated director*

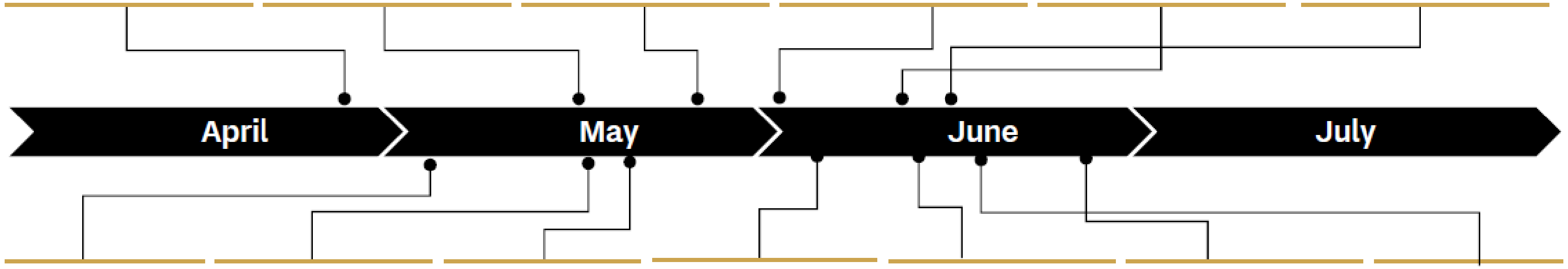
May 14, 2025
H Partners
Slate/proposal: Withhold vote campaign for three directors**
Result: *Company's three directors were reelected*

May 28, 2025
Stadium Capital
Slate/proposal: Proxy fight for four directors
Result: *Withdrawn following an agreement that three incumbent directors will resign (in addition to two previously announced retirements)*

June 5, 2025
Engine Capital
Slate/proposal: Proxy fight for two directors
Result: *Withdrawn after company raised its buyback program to the level Engine requested*

June 11, 2025
Ancora Advisors
Slate/proposal: Withhold vote campaign for three directors**
Result: *Accepted resignation of one director after failing to receive required vote; two directors voluntarily resigned post-vote*

June 18, 2025
Starboard Value
Slate/proposal: Announced plan to nominate three directors
Result: *Settled, agreement to appoint two non-affiliated directors*



May 6, 2025
Ancora Advisors
Slate/proposal: Filed proxy for full slate of nine directors
Result: *Withdrawn*

May 20, 2025
Elliott
Slate/proposal: Urging company to split into three independent companies
Result: *Settled, agreement to appoint one Elliott-affiliated director*

May 21, 2025
Elliott
Slate/proposal: Proxy fight for four board seats
Result: *Split, dissident won two of four board seats*

June 10, 2025
Engaged Capital
Slate/proposal: Announced nomination of two directors
Result: *Entered into an agreement, company to identify one new director after 2025 AGM*

June 13, 2025
JANA Partners
Slate/proposal: Announced nomination of two directors
Result: *Settled, agreement to appoint three directors, one JANA affiliate and two non-affiliated directors*

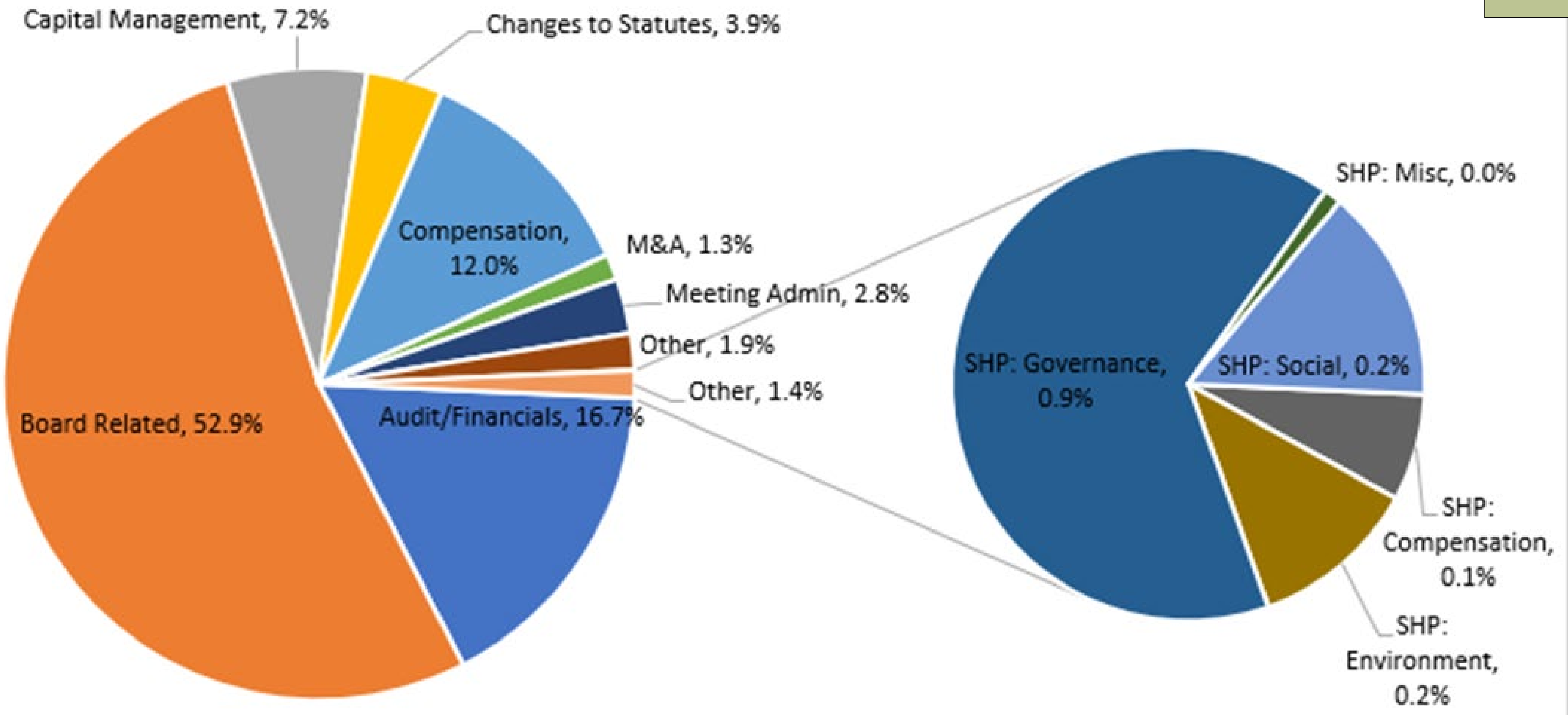
June 17, 2025
HG Vora
Slate/proposal: Proxy fight for three directors, challenging company's decrease of open board seats from three to two
Result: *Two non-affiliated directors elected*

June 18, 2025
Anson Funds
Slate/proposal: Proxy fight for three directors, vote against say-on-pay and declassify board
Result: *Withdrawn*

Source: FactSet and Freshfields US LLP, used with permission. All data as of June 16, 2025. *Timeline reflects dates of the 2025 annual shareholder meeting.
**Withold vote campaigns where the activist challenges the company's board nominees without proposing an alternative slate of nominees.

Proxy Voting Ballot Item Detail (All Markets, FY2025)

Shareowner Proposals Represent 1.4% of Proxy Voting vs 1.2% prior year



SBA Proxy Voting Primarily Focused on the Board of Directors, Audit Matters, and Executive Compensation

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

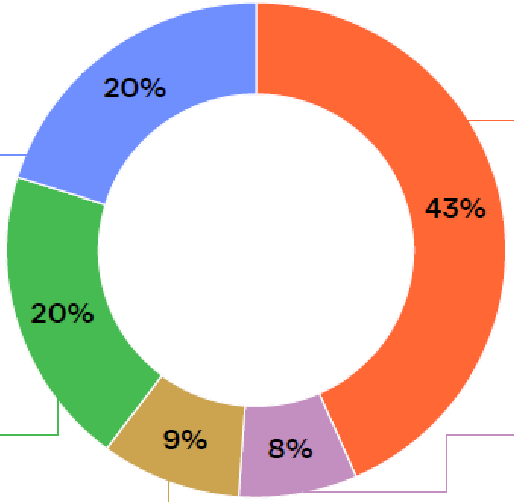
Shareholder Proposals by Category at S&P 500 Companies

Governance Proposals: 244

Examples include:
- Independent chair
- Director resignation policy
- Simple majority voting threshold
- Right to act by written consent
- One vote per share
- Right to call special meeting
- Board declassification
- Board committee creation

Environmental Proposals: 140

Examples include:
- Climate Transition Plans
- Plastic packaging and pollution
- Reporting on GHG emissions
- Deforestation
- Water use
- Climate lobbying
- Food waste
- Community impact reporting



Other Proposals: 65

Social Proposals: 311

Examples include:
- Human rights
- Diversity – board/workforce
- Racial equity audit
- Workplace safety
- Child safety
- Pay disparity – gender/race
- Political/lobbying/ charitable contributions

Compensation Proposals: 55

Examples include:
- Shareholder approval of termination pay
- Share retention policies
- Clawback provisions
- Executive pay ratio

Proposals By the Numbers[2]

Source: Freshfields US LLP, used with permission. All data as of June 16, 2025

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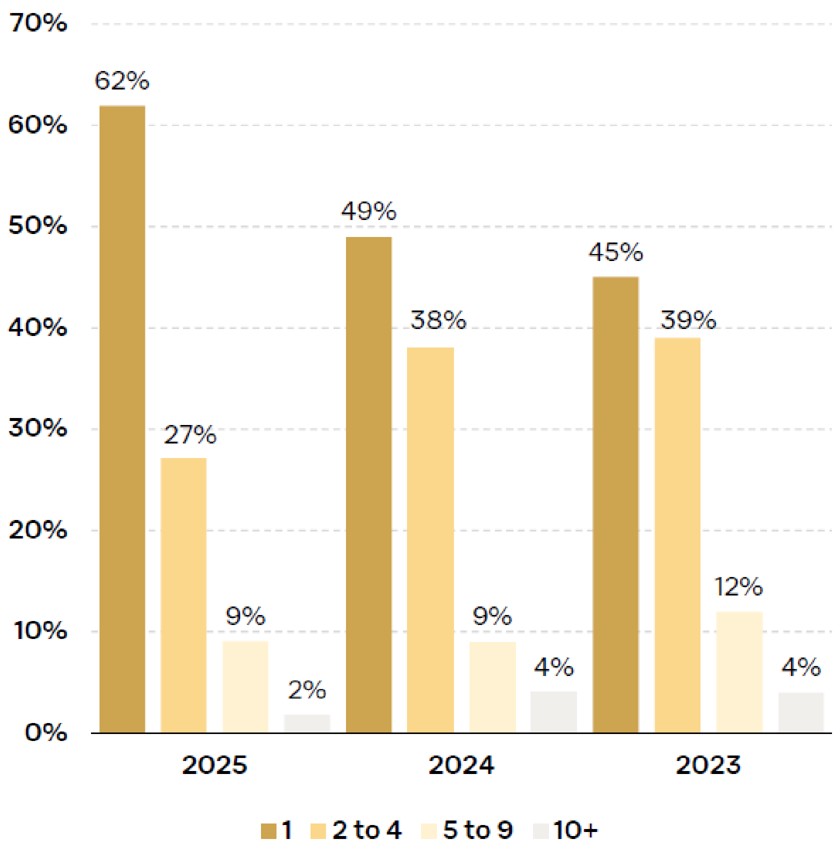
STATE BOARD OF ADMINISTRATION

Shareholder Proposals at S&P 500 Companies

276 companies in the S&P 500 received an aggregate of 595 known shareholder proposals in 2025—72% of all known proposals, compared to 76% in 2024 and 80% in 2023

Number of Shareholder Proposals S&P 500 Companies Received for Companies that Received at Least One Proposal



2.2

Average number of shareholder proposals received by S&P 500 companies receiving a proposal, compared to 2.5 in 2024 and 2.8 in 2023

16

Amazon received the highest number of known shareholder proposals sent to a single S&P 500 company for the third year in a row, after receiving 18 in 2024 and 21 in 2023

10%

Five companies received 10% of all proposals submitted to S&P 500 companies in 2025

Sector Focus

Consistent with recent years, there are no discernable trends based on sector – companies that receive multiple proposals represent a wide range of industries

- Sharp drop in the number of shareholder proposals, in part due to the SEC's willingness to grant no-action relief after publication of SLB 14M mid-season.

Source: Freshfields US LLP, used with permission. All data as of June 16, 2025

STATE BOARD OF ADMINISTRATION

Shareholder Proposals by Type (US Meetings)

	YTD 2025			2024			2023		
	Total	% Approved	Average Votes For	Total	% Approved	Average Votes For	Total	% Approved	Average Votes For
Call Special Meetings	60	15.5%	32.2%	23	17.4%	43.5%	40	22.5%	35.9%
Diversity, Equity, and Inclusion	53	0.0%	6.4%	76	0.0%	14.0%	66	3.1%	17.9%
Climate	46	0.0%	10.8%	81	2.5%	19.8%	82	1.2%	20.2%
Political Contributions or Lobbying	25	18.2%	30.0%	61	1.6%	22.5%	55	3.8%	27.7%
Human Rights/Conflict Issues	24	0.0%	10.4%	44	0.0%	11.6%	39	0.0%	12.9%
Require Independent Chair	24	0.0%	31.9%	40	0.0%	30.4%	81	0.0%	30.0%
AI/Cybersecurity/Content Moderation	16	0.0%	8.6%	21	0.0%	15.1%	15	0.0%	7.7%
Waste Management / Recycling	17	0.0%	9.5%	14	0.0%	NA	9	0.0%	NA
Drug Access/Public Health	12	0.0%	10.9%	21	0.0%	10.8%	26	0.0%	13.7%
Human Capital	11	0.0%	11.8%	31	0.0%	17.4%	28	7.4%	23.6%
Public Advocacy/Stewardship	11	0.0%	1.4%	7	0.0%	2.7%	7	0.0%	5.0%
Act By Written Consent	10	10.0%	28.9%	8	0.0%	36.5%	5	20.0%	40.8%
Animal Welfare	5	0.0%	8.3%	22	0.0%	NA	12	0.0%	NA
Declassify Board	5	75.0%	80.3%	6	100.0%	66.6%	1	100.0%	88.1%
Remove Unequal Voting	4	0.0%	24.9%	5	0.0%	32.3%	7	14.3%	36.1%
Proxy Access	0	NA	NA	2	50.0%	53.6%	2	0.0%	16.4%

Note: Calendar year. Votes "For" exclude abstentions, % Approved excludes withdrawn proposals. Years based on date of shareholder meeting.

Source: Bloomberg Intelligence

Bloomberg Intelligence BI

- 30% YOY decline in DEI, with average support falling into the mid-single digits from 14% in 2024
- Traditional governance matters, such as special meetings or action by written consent, increased in both total and approved proposals

Source: Bloomberg LLP. Data as of July 30, 2025.

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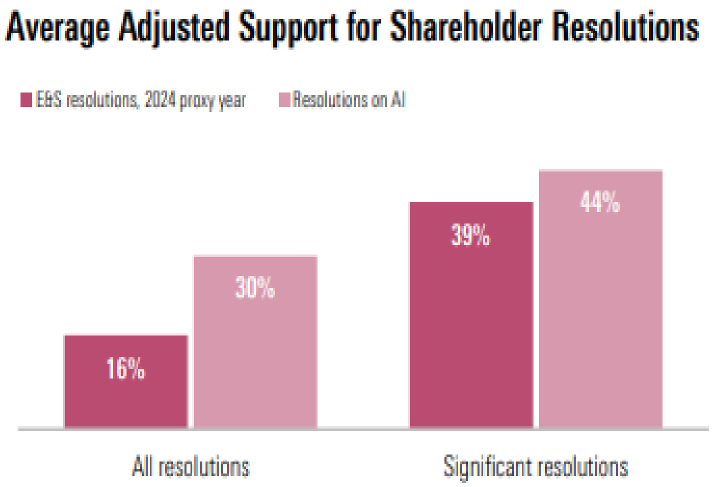
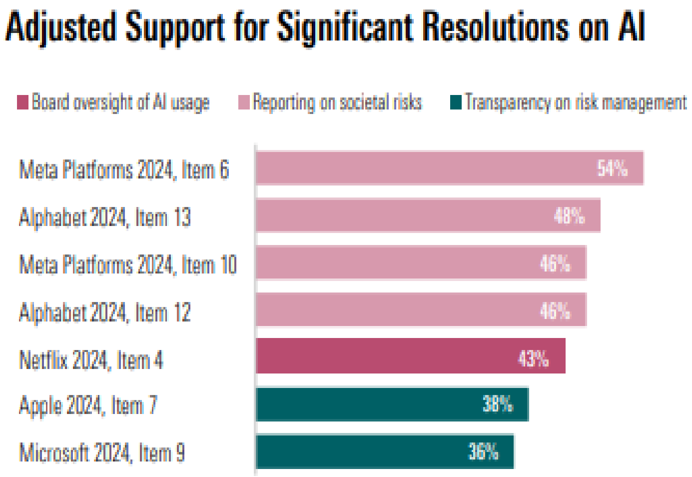
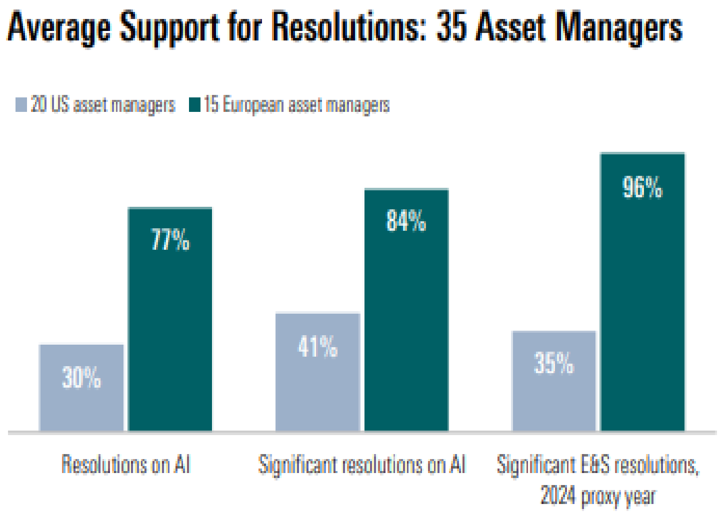
SHP Voting on Artificial Intelligence (AI) SHPs







- Shareowner support for AI-related resolutions averaged 30%, nearly double the support for other environmental and social (E&S) proposals (16%).
- The most supported proposals focused on misinformation/disinformation risks and AI-driven targeted advertising.
- Most resolutions were filed at companies like Alphabet, Meta, Microsoft, Apple, and Amazon.
- Investors are pushing for clearer board-level oversight of AI activities and risk management.
- Shareowners want detailed disclosures on AI governance, ethical guidelines, and data sourcing practices.

Source: Morningstar proxy voting database, public filings, asset managers' voluntary disclosures. Data as of May 7, 2025

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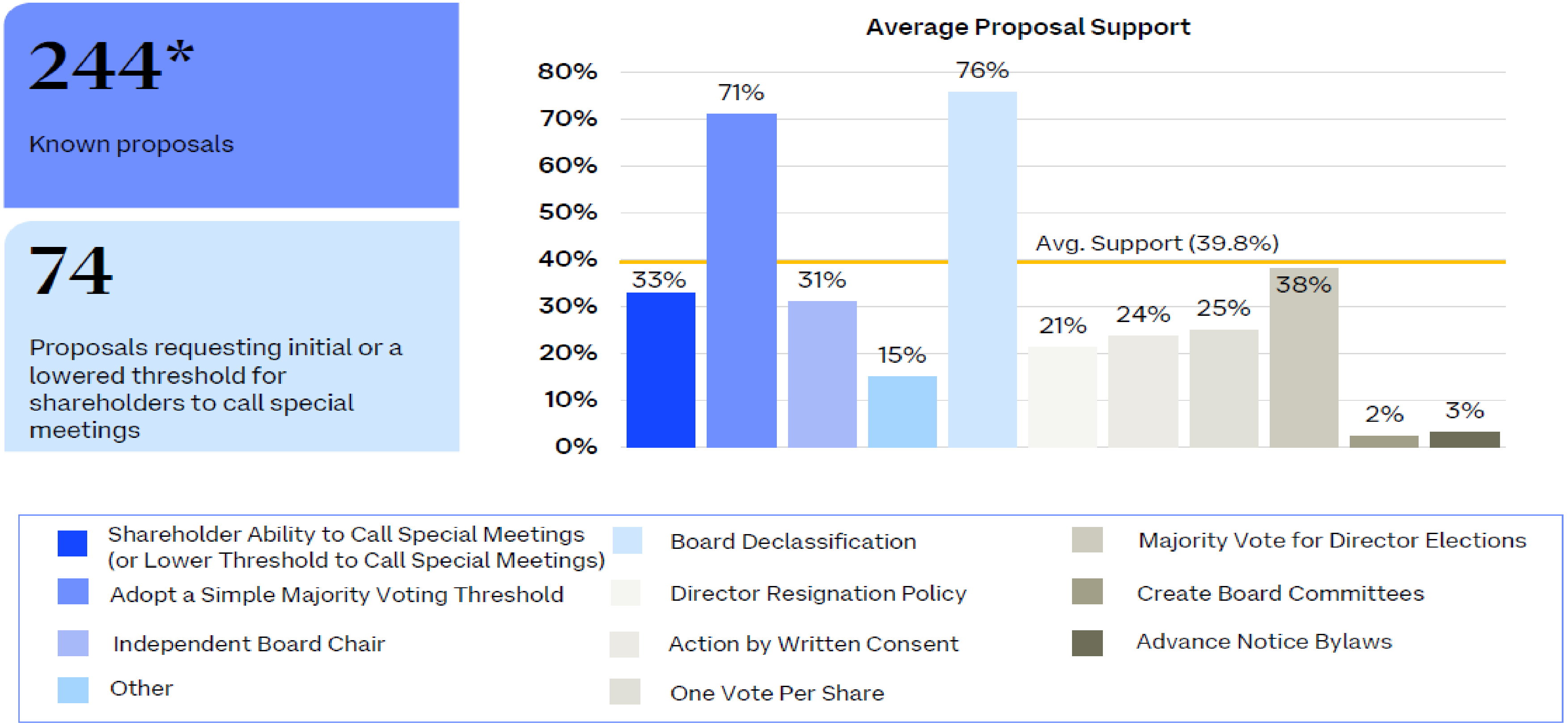
Governance Proposals among S&P 500 Companies

As of June 16, 2025, 42 governance proposals received majority support, a continued increase from 38 in 2024 and 17 in 2023

- 244 known governance-related proposals were submitted, as compared to 252 in 2024 and 236 in 2023
- One proponent submitted approximately 62% of all known proposals, focusing on special meeting call rights, simple majority voting requirements, independent board chairs and the right to act by written consent



Source: Freshfields US LLP, used with permission. All data as of June 16, 2025. Includes one anti-ESG proposal.

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Environmental Proposals among S&P 500 Companies

As of June 16, 2025, no environmental proposals received majority support

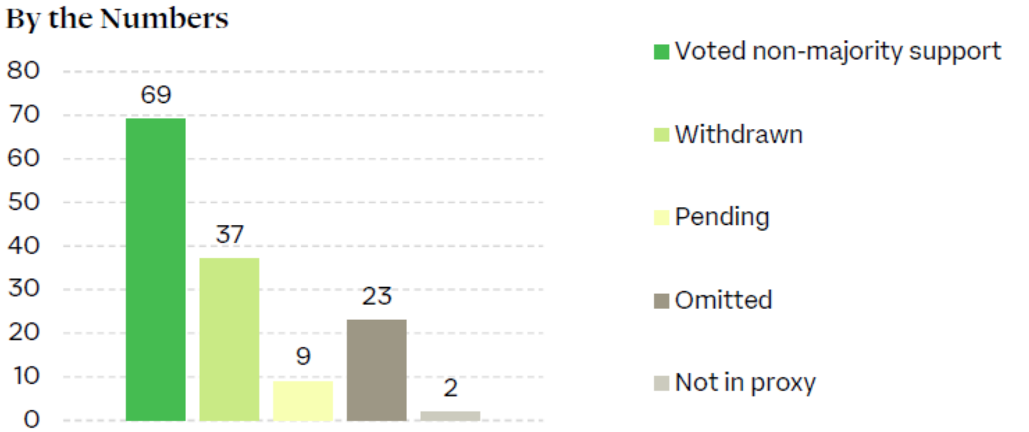
Environmental proposals covered a wide range of requests for disclosure or reporting on climate-related topics, including on emissions reduction and climate transition plans, climate risk to retirement accounts and lobbying. Proposals were also submitted on sustainability topics such as plastic use, biodiversity impact, deep sea mining, water supply risk, deforestation, regenerative agriculture and food waste

140*

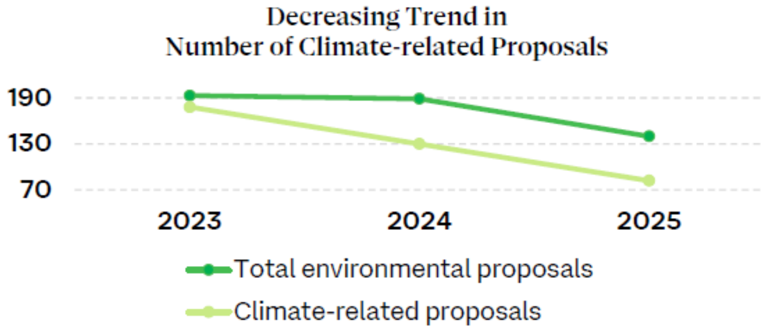
Known proposals

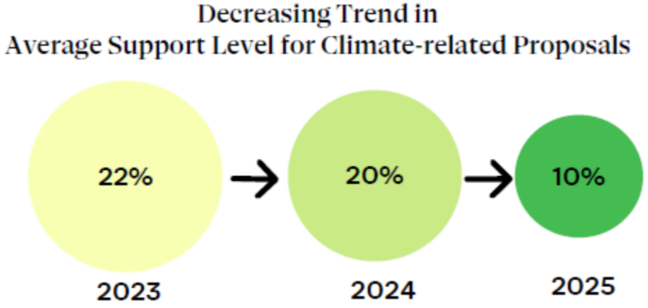
82

Climate-related proposals



Support for environmental proposals ranged from 0.5%–23.8%





Source: Freshfields US LLP, used with permission. All data as of June 16, 2025. Includes 14 anti-ESG proposals.

Social Proposals among S&P 500 Companies

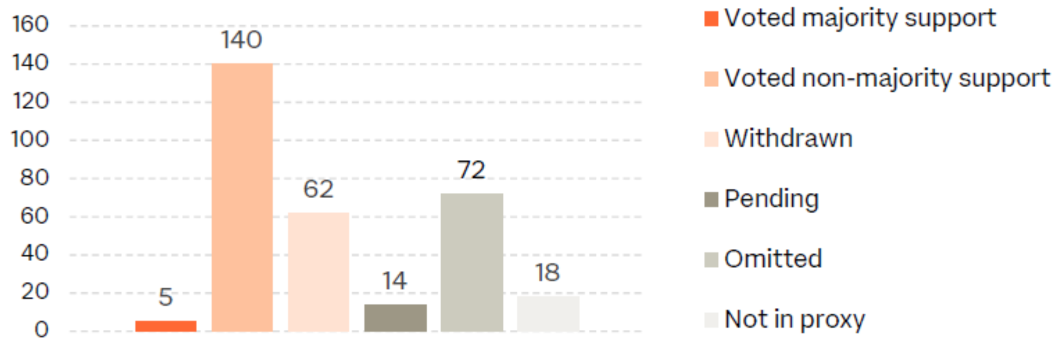
As of June 16, 2025, five proposals, all requesting reports on political contributions, received majority support. Average support for the majority-supported proposals was 54.1% (ranging from 51.0%–57.9%)

Social proposals covered topics such as DEI, human rights, workplace safety, healthcare access, data privacy, political activities and general business practices

311*
Known proposals

92
Anti-ESG proposals

By the Numbers



Excluding the five proposals that received majority support, support for social proposals ranged from 0.1%–43.9%

Decreasing Trend in Number of Social Proposals

407 → 395 → 311*

2023 2024 2025

The number of social proposals overall has steadily declined in recent years, down 21.3% and 23.6% from 2024 and 2023, respectively

Increasing Trend in Number of Anti-ESG Social Proposals

56 → 67 → 92

2023 2024 2025

The percentage of anti-ESG social proposals has increased to 29.6% of total social proposals, compared to 17.0% in 2024 and 13.8% in 2023

Source: Freshfields US LLP, used with permission. All data as of June 16, 2025. *Includes 91 anti-ESG proposals.

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Compensation Proposals among S&P 500 Companies

As of June 16, 2025, 55 known proposals were submitted on topics including shareholder approval of termination pay, clawback provisions, share retention policies and CEO pay ratios, down from 65 known proposals in 2024

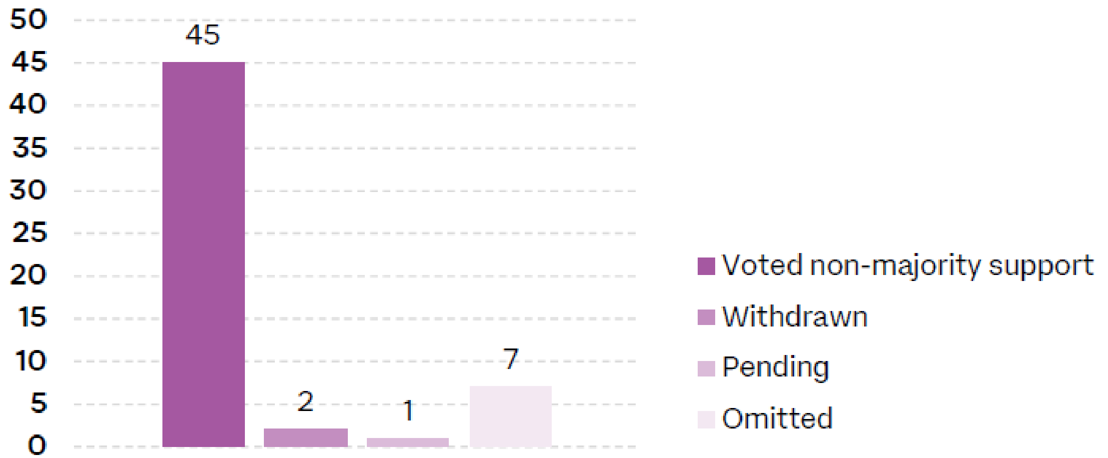
55

Known proposals

45

Voted proposals

By the Numbers



Support for compensation proposals ranged from 1.3%–47.7%

1.3% 47.7%

76.4%

The percentage of all compensation proposals submitted by one proponent

18.7%

The average support received by compensation proposals

Source: Freshfields US LLP, used with permission. All data as of June 16, 2025.

SBA Proxy Voting on Shareowner Proposals (U.S. Meetings only—as of 6/30/25)

Key Metrics

Issue Category	FY2022			FY2023			FY2024			FY2025		
	Proposal	% of SHP	SBA Support %	Proposal	% of SHP	SBA Support %	Proposal	% of SHP	SBA Support %	Proposal	% of SHP	SBA Support %
SHP: Environment	158	13.17%	19.62%	210	14.90%	7.62%	199	13.75%	2.51%	172	11.18%	0.00%
SHP: Social	276	23.00%	35.51%	277	19.66%	15.88%	316	21.84%	18.67%	219	14.23%	12.33%
SHP: Governance	754	62.83%	38.86%	899	63.80%	35.93%	906	62.61%	26.49%	1,127	73.23%	33.90%
SHP: Misc	12	1.00%	25.00%	23	1.63%	17.39%	26	1.80%	7.69%	21	1.36%	28.57%
Grand Total	**1,200**	**100.00%**	**35.42%**	**1,409**	**100.00%**	**27.47%**	**1,447**	**100.00%**	**21.15%**	**1,539**	**100.00%**	**26.97%**

Vote Decision

Issue Category	"For"				"Against&Withhold"				"Abstain"				"Other"			
	FY2022	FY2023	FY2024	FY2025	FY2022	FY2023	FY2024	FY2025	FY2022	FY2023	FY2024	FY2025	FY2022	FY2023	FY2024	FY2025
SHP: Environment	31	16	5	0	117	181	189	165	1	1	1	0	9	12	4	7
SHP: Social	98	44	59	27	171	228	242	180	1	4	2	5	6	1	13	7
SHP: Governance	293	323	240	382	325	503	553	636	33	13	41	35	103	60	72	68
SHP: Misc	3	4	2	6	6	16	17	11	1	0	0	1	2	3	7	3
Grand Total	**425**	**387**	**306**	**415**	**619**	**928**	**1,001**	**992**	**36**	**18**	**44**	**41**	**120**	**76**	**96**	**85**

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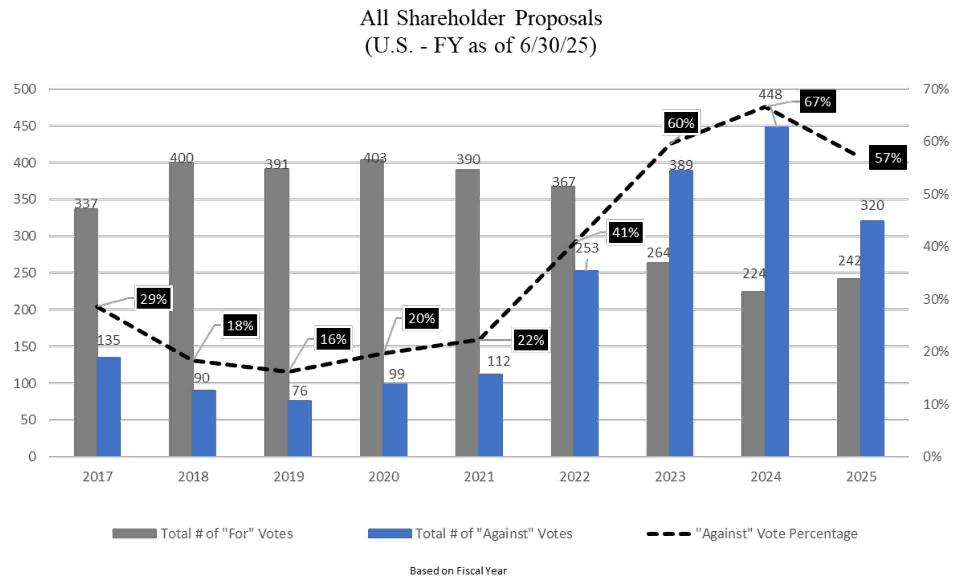
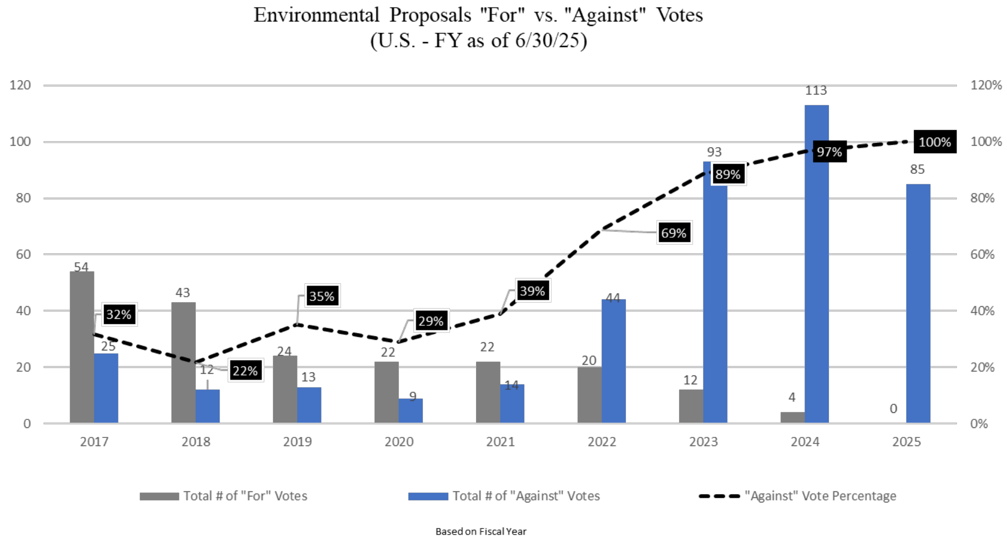
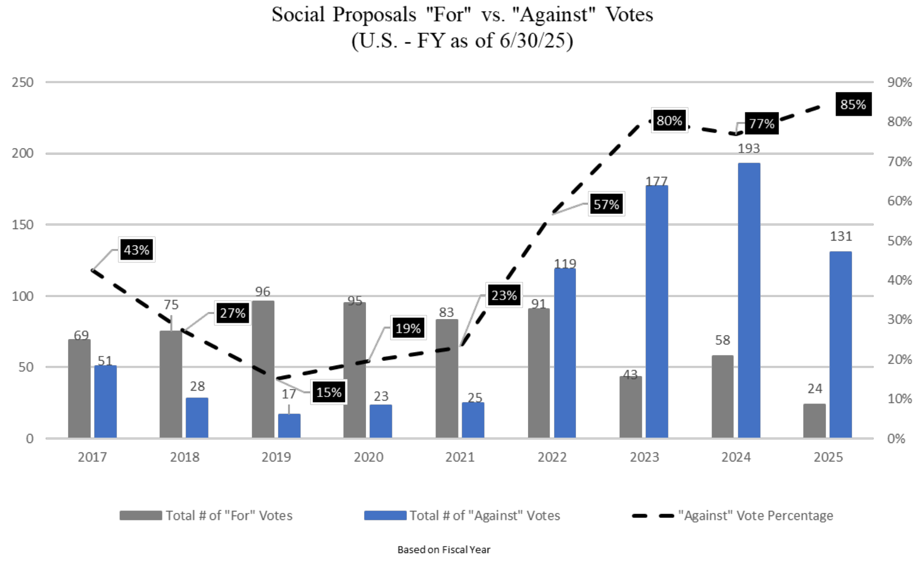
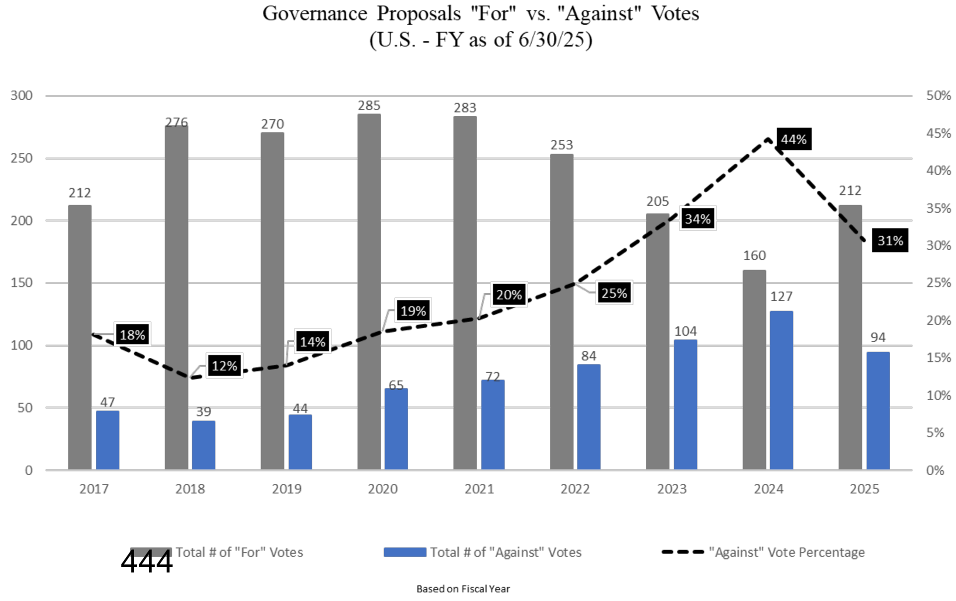
SBA Proxy Voting on Shareowner Proposals (US Meetings Only)









SBA FLORIDA
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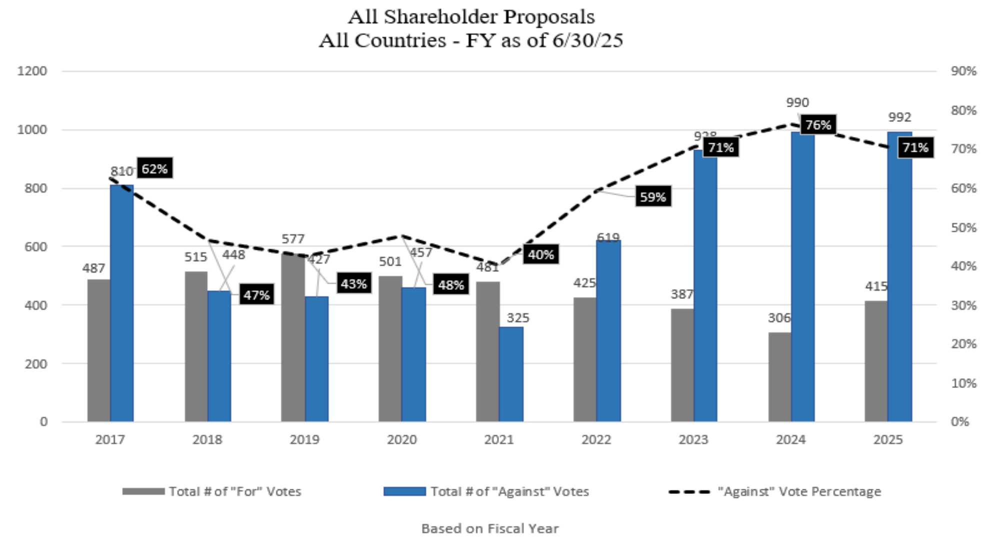
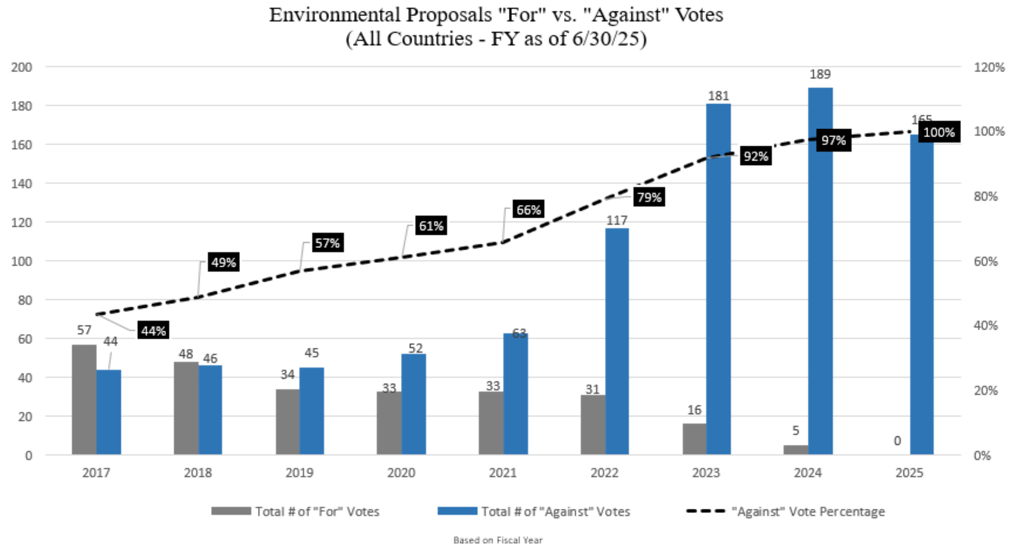
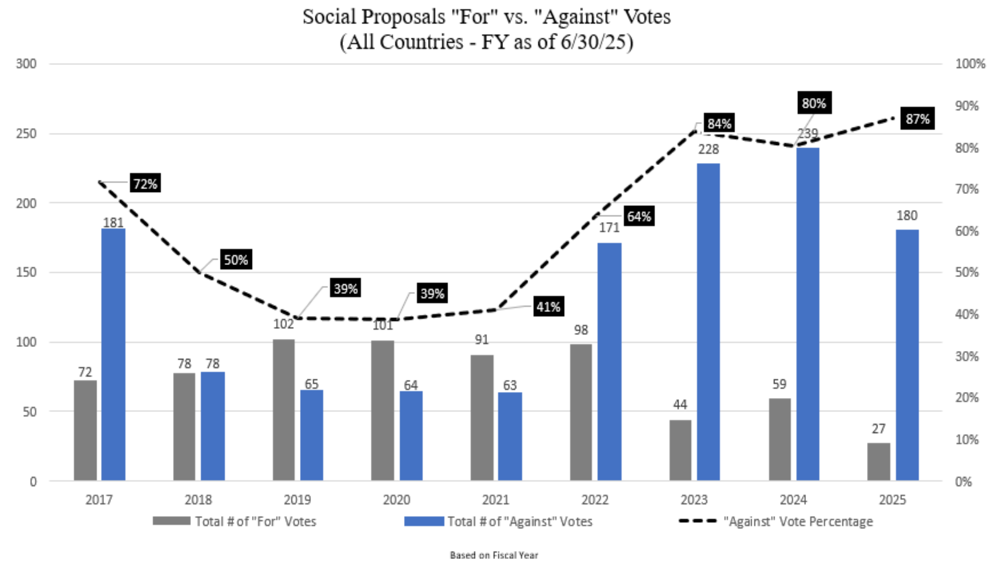
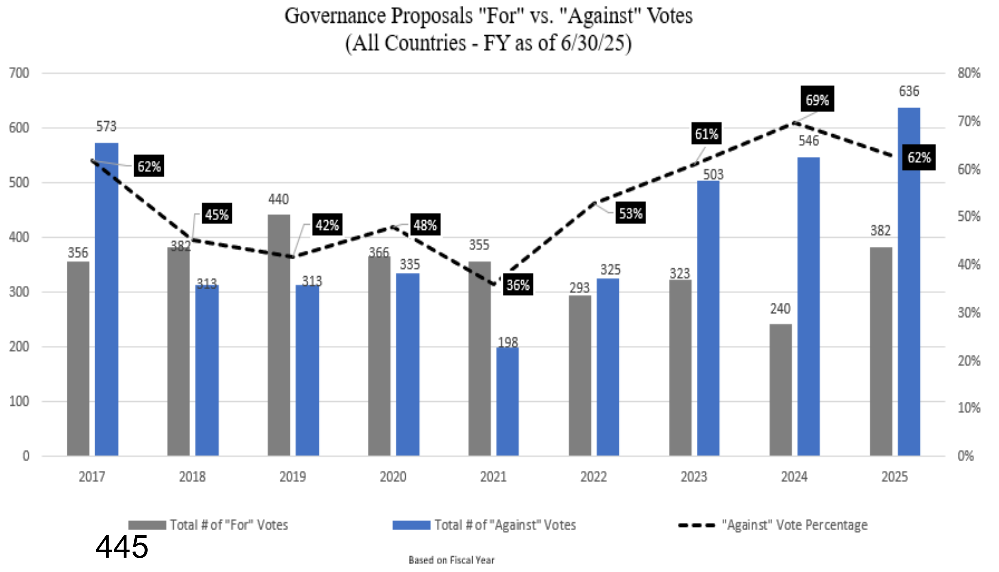
SBA Proxy Voting on Shareowner Proposals (All Countries)

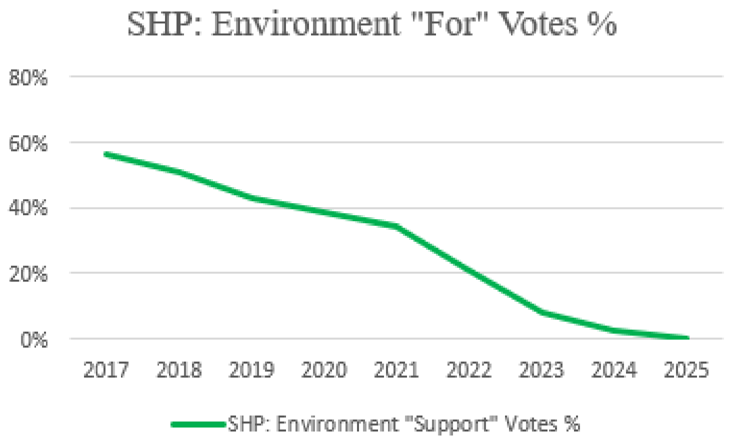


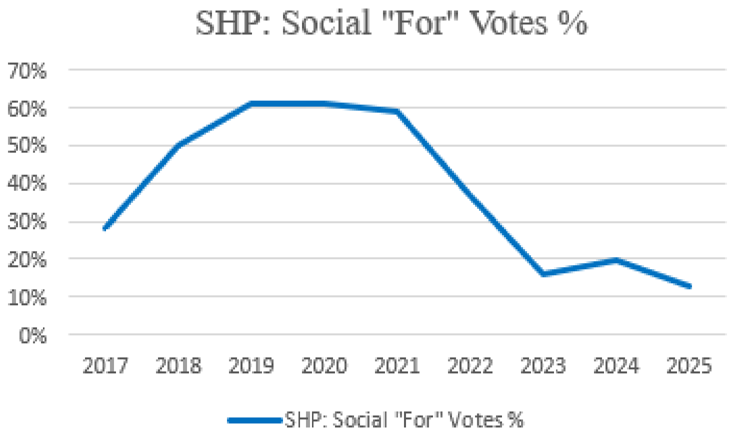


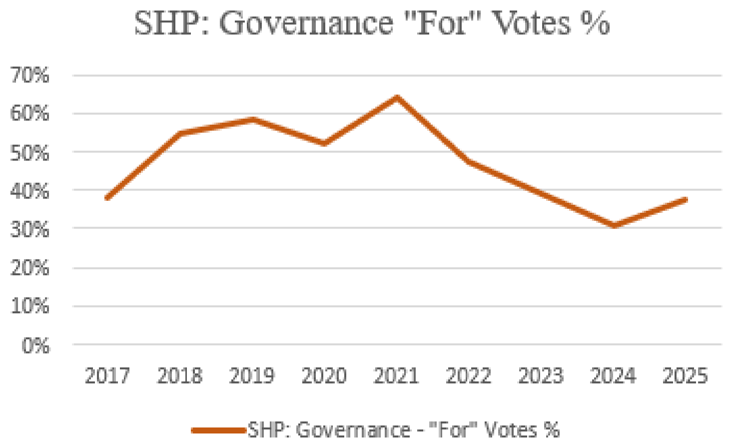


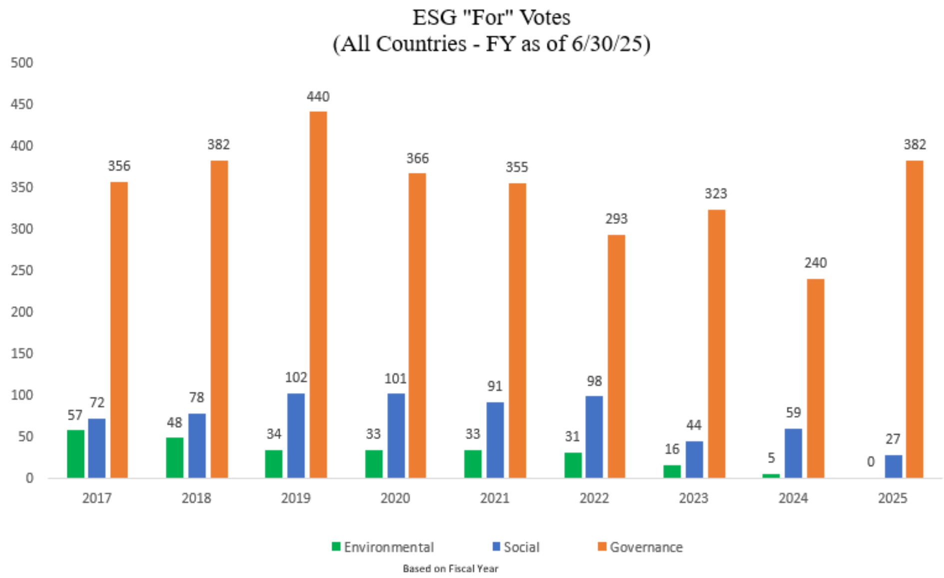


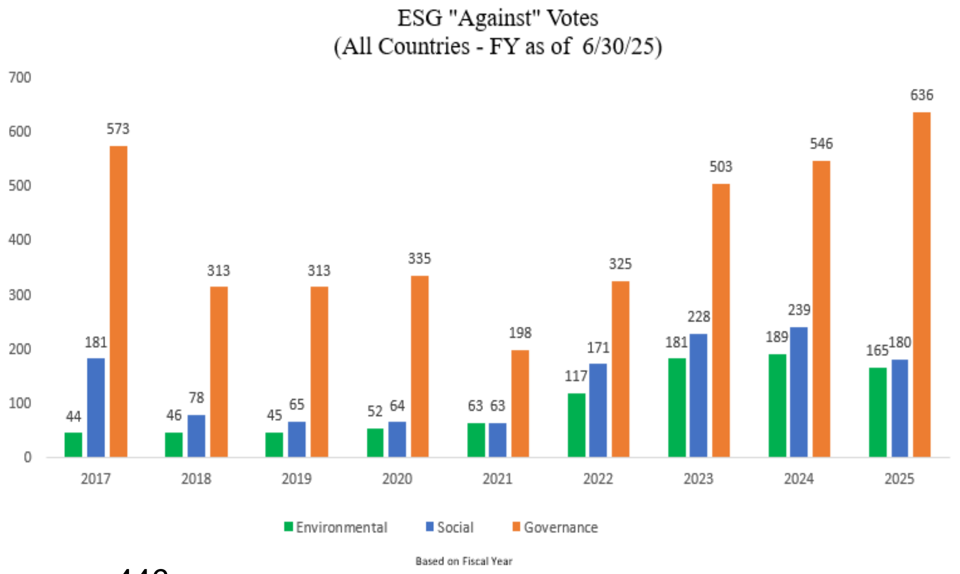
Proxy Voting on Shareowner Proposals (All Countries)











SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Q&A

CONTACT: Michael McCauley
Email: governance@sbafla.com

INVESTMENT ADVISORY COUNCIL

Item 8. Major Mandate Performance Review

Katie Comstock, Aon

(See Attachment 8)

State Board of Administration
September 9, 2025

AON

Second Quarter 2025 Major Mandates Performance Review

State Board of Administration of Florida

September 9, 2025

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

To protect the confidential and proprietary information included in this material, it may not be disclosed or provided to any third parties without the approval of Aon.

Table of Contents

Executive Summary
Quarter Ending June 30, 2025

- Each of the major mandates produced favorable returns relative to the respective benchmarks over the long-term trailing periods as of June 30, 2025
- The Pension Fund outperformed the Performance Benchmark over the trailing five- and ten-year periods.
- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing ten-year period.
- The FHCF's performance is strong over long-term periods
- Florida PRIME has continued to outperform its benchmark over both short- and long-term time periods.

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Pension Plan: Executive Summary

As of June 30, 2025

- The Pension Plan ended second quarter 2025 at $211.5 billion, an increase of $11.1 billion over the quarter
- The Pension Plan outperformed its benchmark over the trailing five-year, ten-year and fifteen-year periods
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan outperformed the trailing quarter, one-, three-, five-, ten-, fifteen-, and twenty- time periods.
- The total plan is well diversified across seven broad asset classes.
  - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
  - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
  - Asset allocation is monitored daily to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Investments and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

FRS Pension Plan Change in Market Value

Periods Ending June 30, 2025

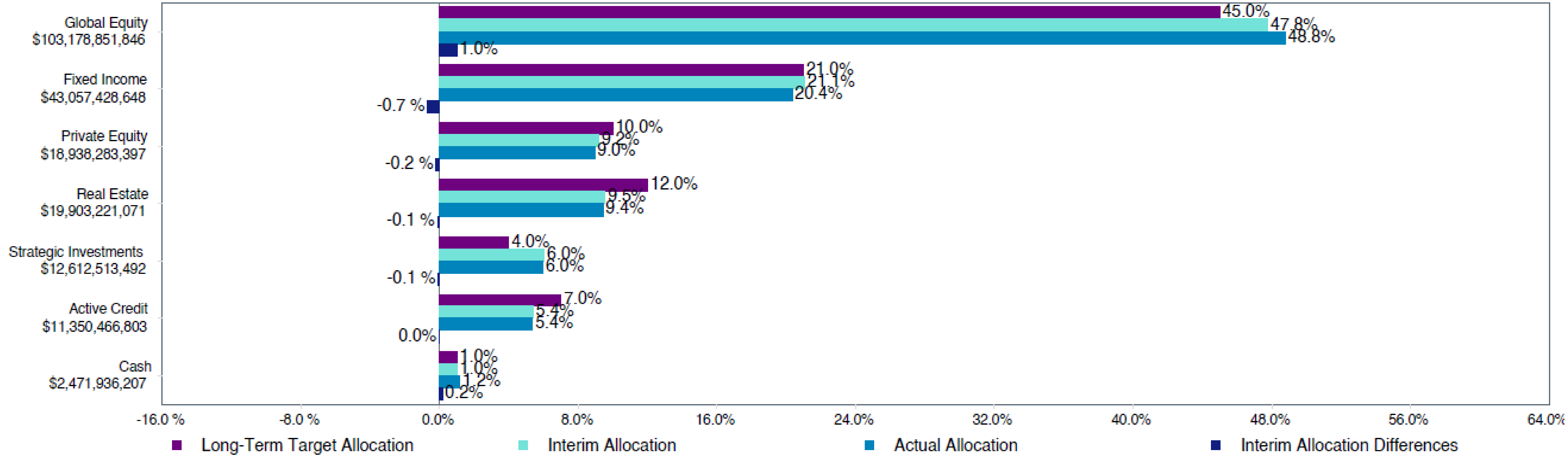
Summary of Cash Flows		
	Second Quarter	**Fiscal Year 2025**
Beginning Market Value	$200,374,912,527	$ 198,228,790,282
+/- Net Contributions/(Withdrawals)	-$ 1,593,783,106	-$ 6,833,797,846
Investment Earnings	$ 12,731,572,044	$ 20,117,709,029
= Ending Market Value	$ 211,512,701,464	$ 211,512,701,464
Net Change	$ 11,137,788,938	$ 13,283,911,183

AON

Asset Allocation as of June 30, 2025

Total Fund Assets = $211.5 Billion

	Market Value $	Current Allocation %	Interim Allocation %	Long-Term Target Allocation %	Minimum Allocation %	Maximum Allocation %
Total Fund	**211,512,701,464**	**100.0**	**100.0**	**100.0**		
Global Equity	103,178,851,846	48.8	47.8	45.0	35.0	60.0
Fixed Income	43,057,428,648	20.4	21.1	21.0	12.0	30.0
Private Equity	18,938,283,397	9.0	9.2	10.0	6.0	20.0
Real Estate	19,903,221,071	9.4	9.5	12.0	8.0	20.0
Strategic Investments	12,612,513,492	6.0	6.0	4.0	2.0	14.0
Active Credit	11,350,466,803	5.4	5.4	7.0	2.0	12.0
Cash	2,471,936,207	1.2	1.0	1.0	0.3	5.0



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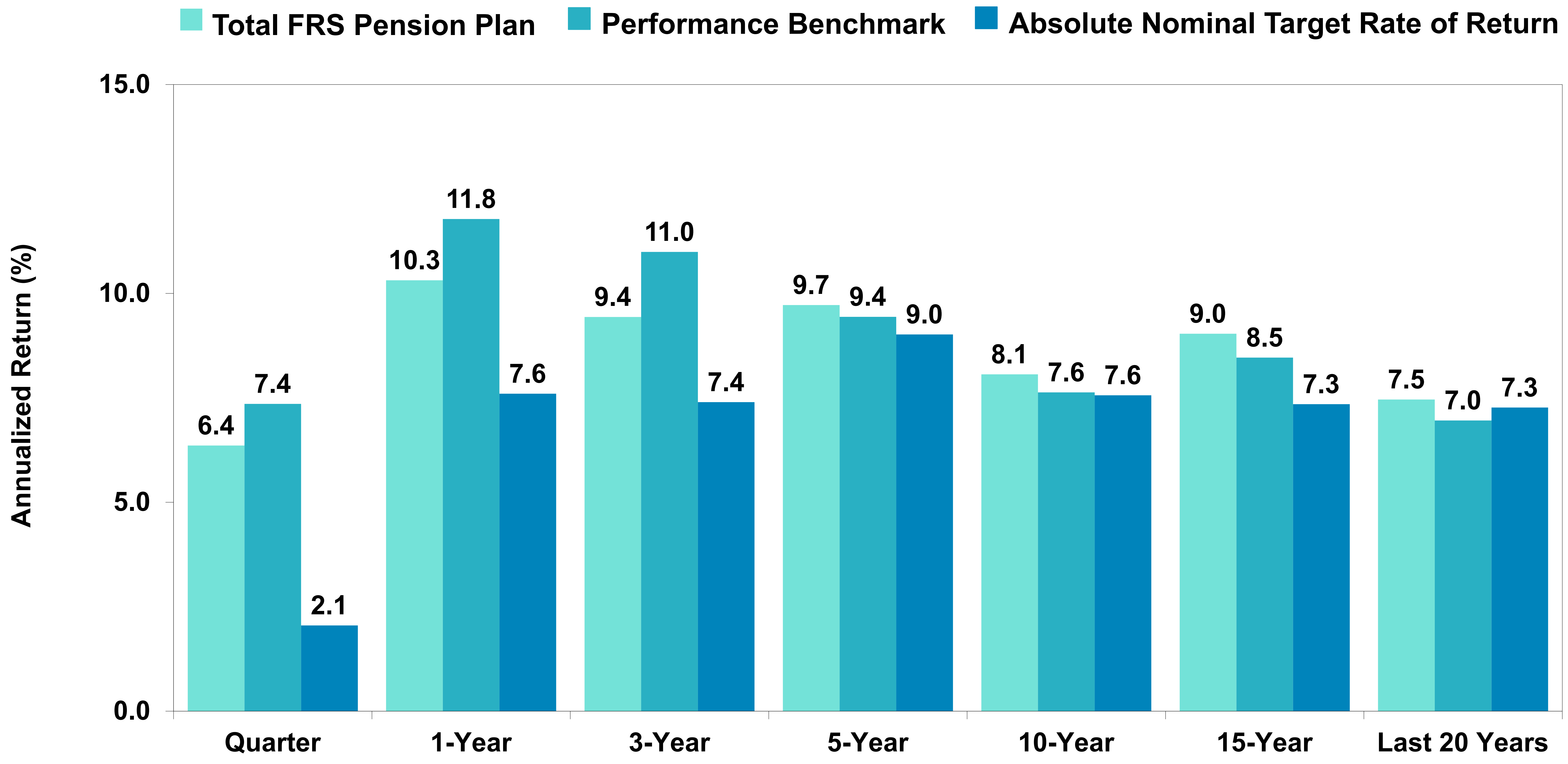
Investment advice and consulting services provided by Aon Investments USA Inc.

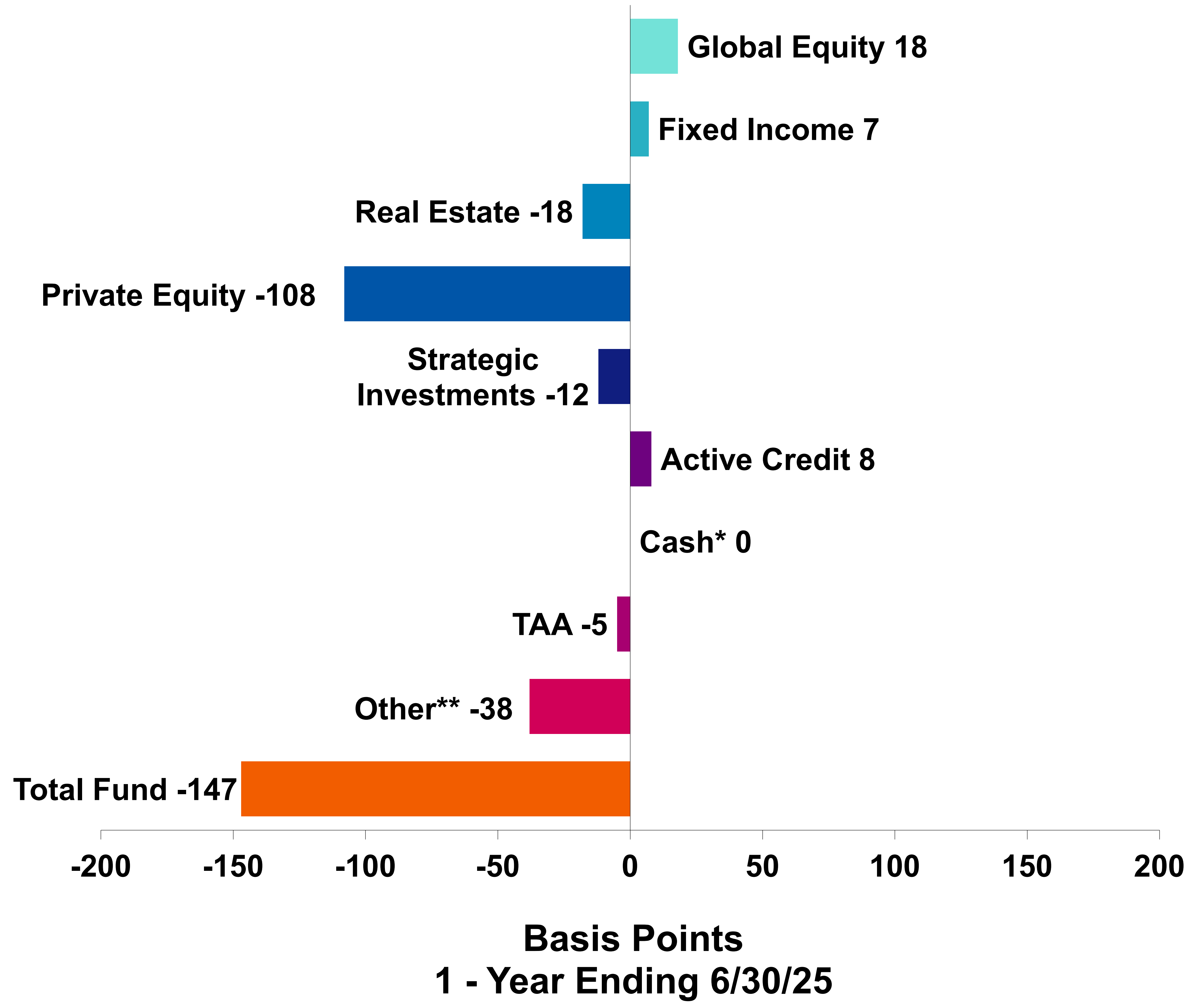
FRS Pension Plan Investment Results

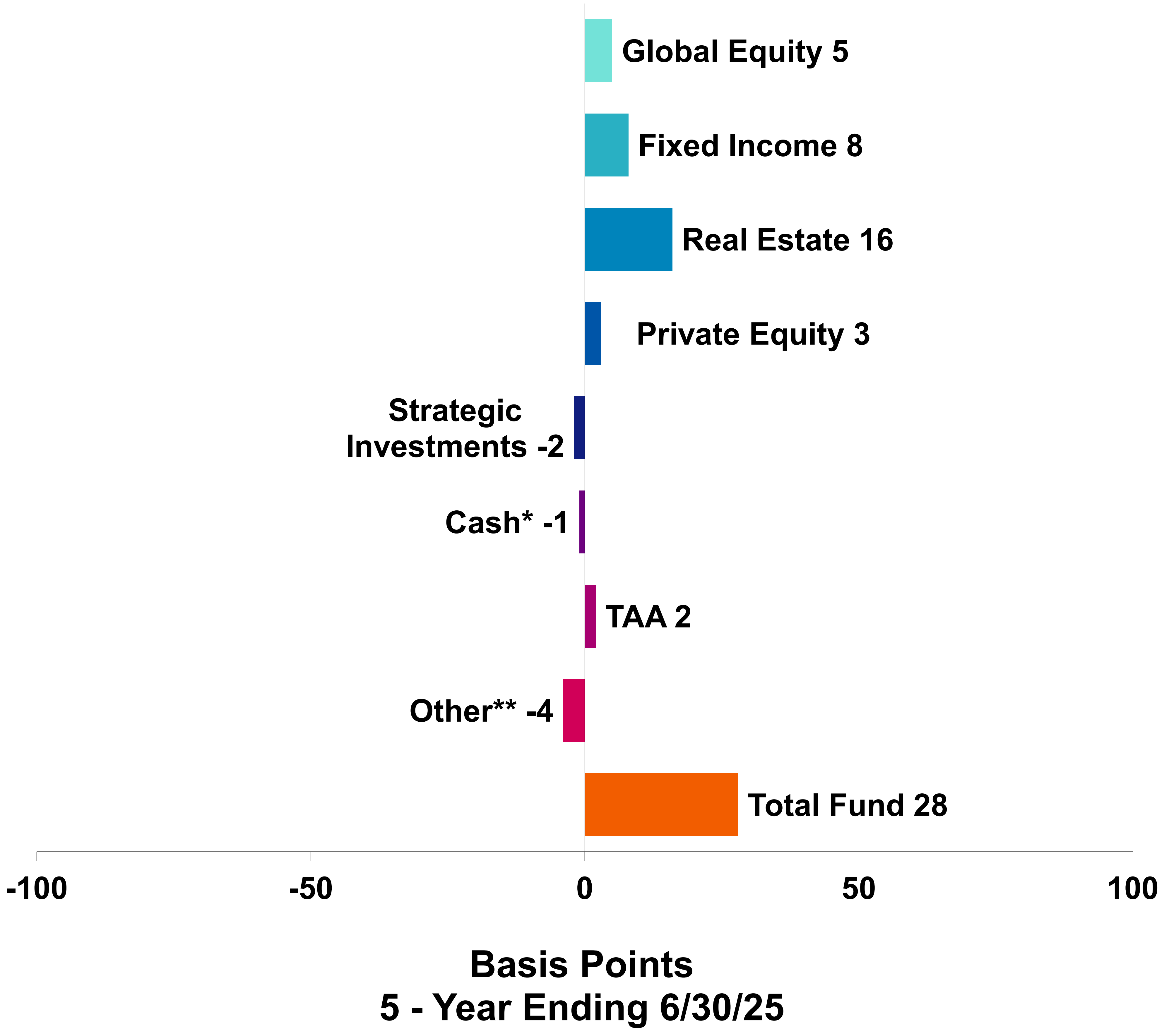
Periods Ending June 30, 2025



FRS Pension Plan Attribution

As of June 30, 2025



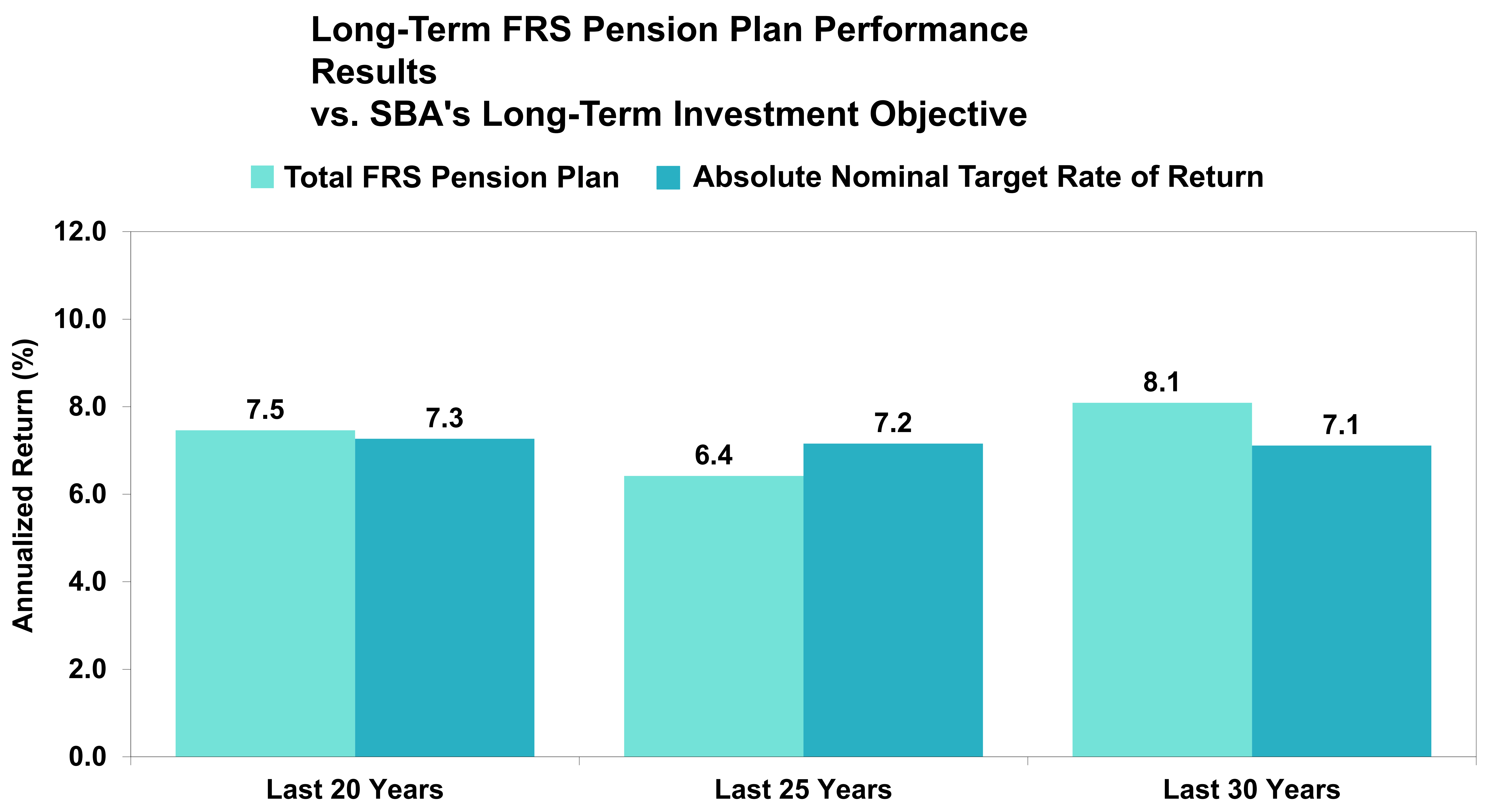


*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

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

FRS Pension Plan Investment Results

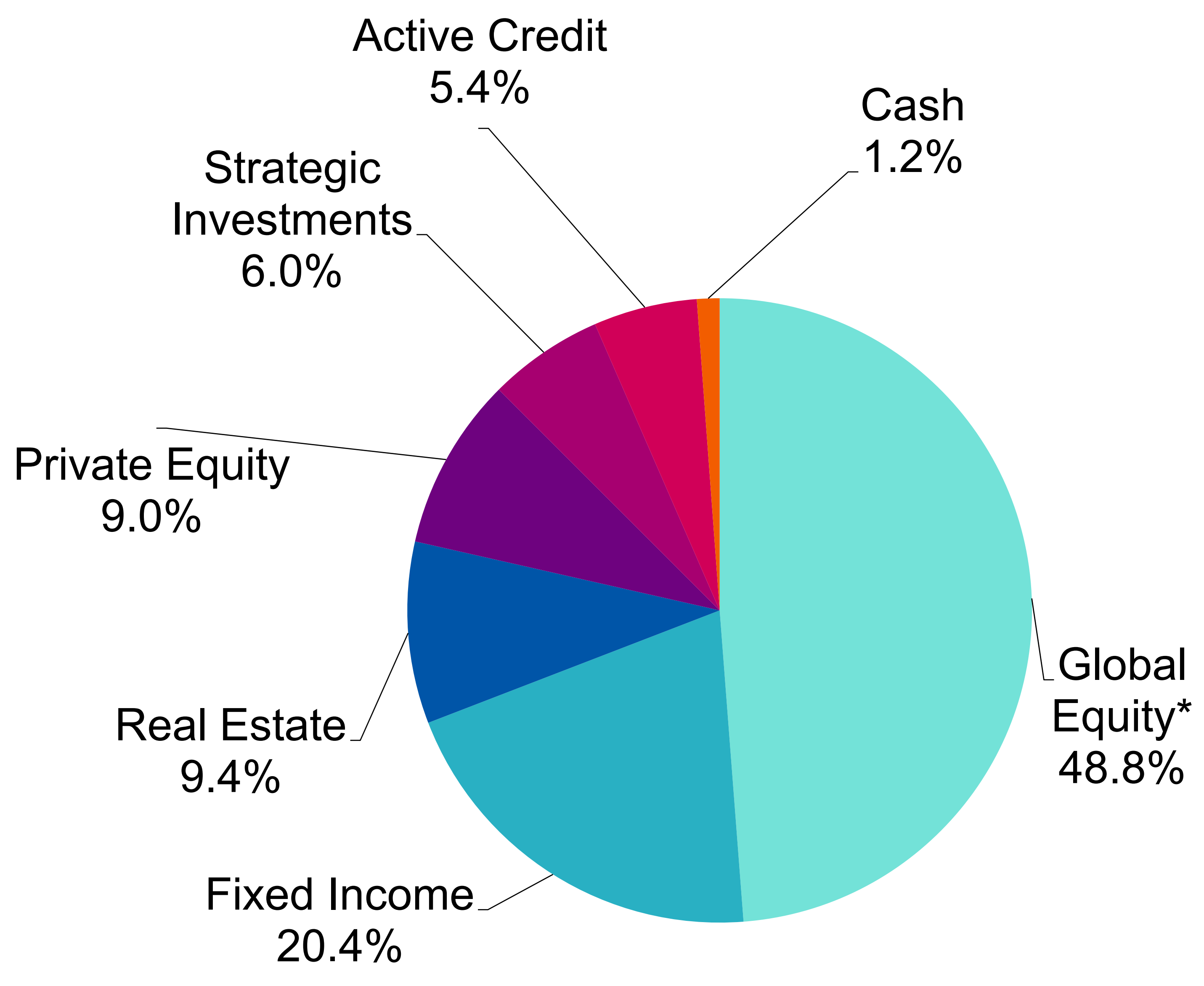
Periods Ending June 30, 2025



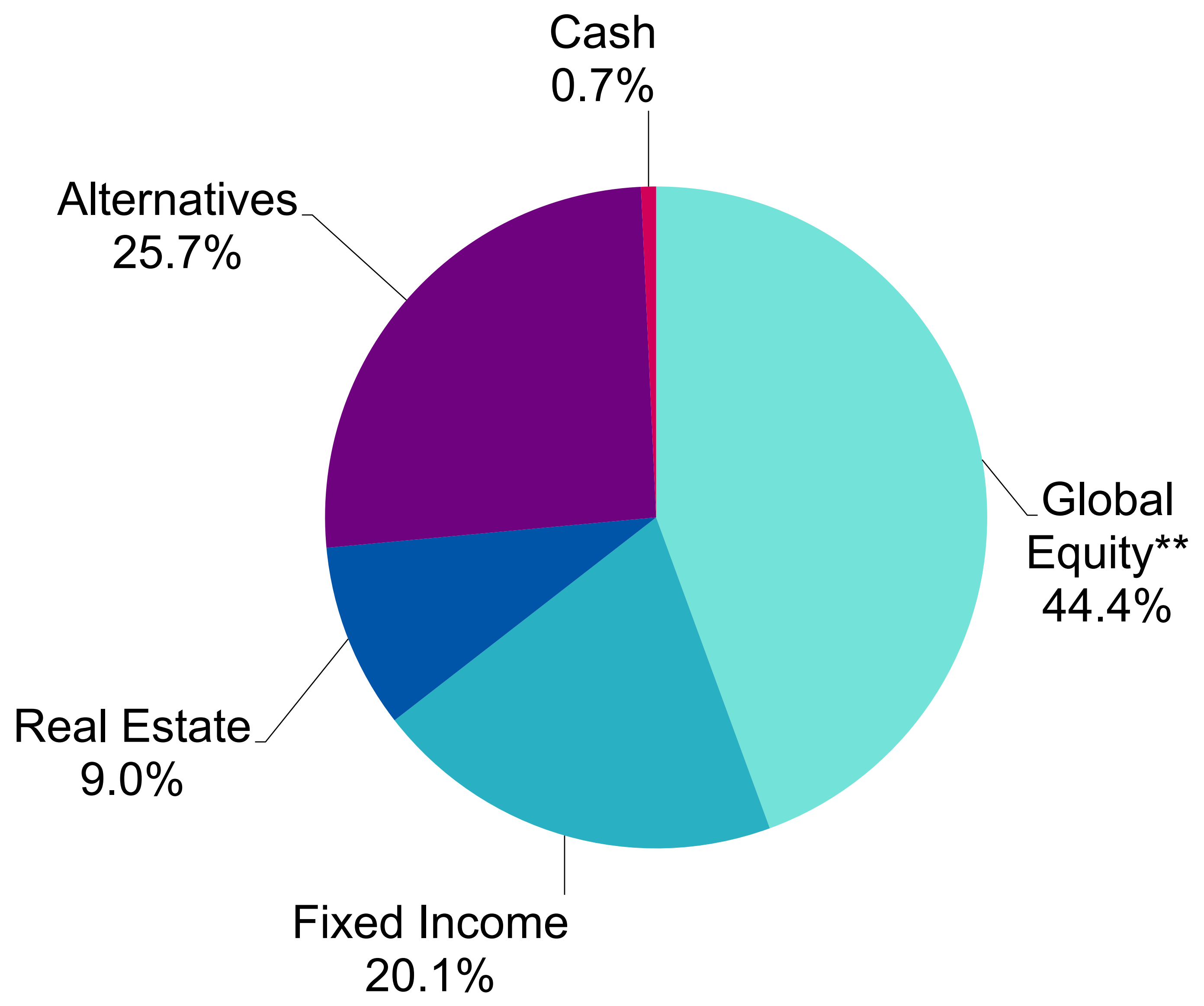
Comparison of Asset Allocation (TUCS Top Ten)

FRS Pension Plan vs. Top Ten Defined Benefit Plans

FRS TOTAL FUND
As of 6/30/2025



TUCS TOP TEN
As of 12/31/2024



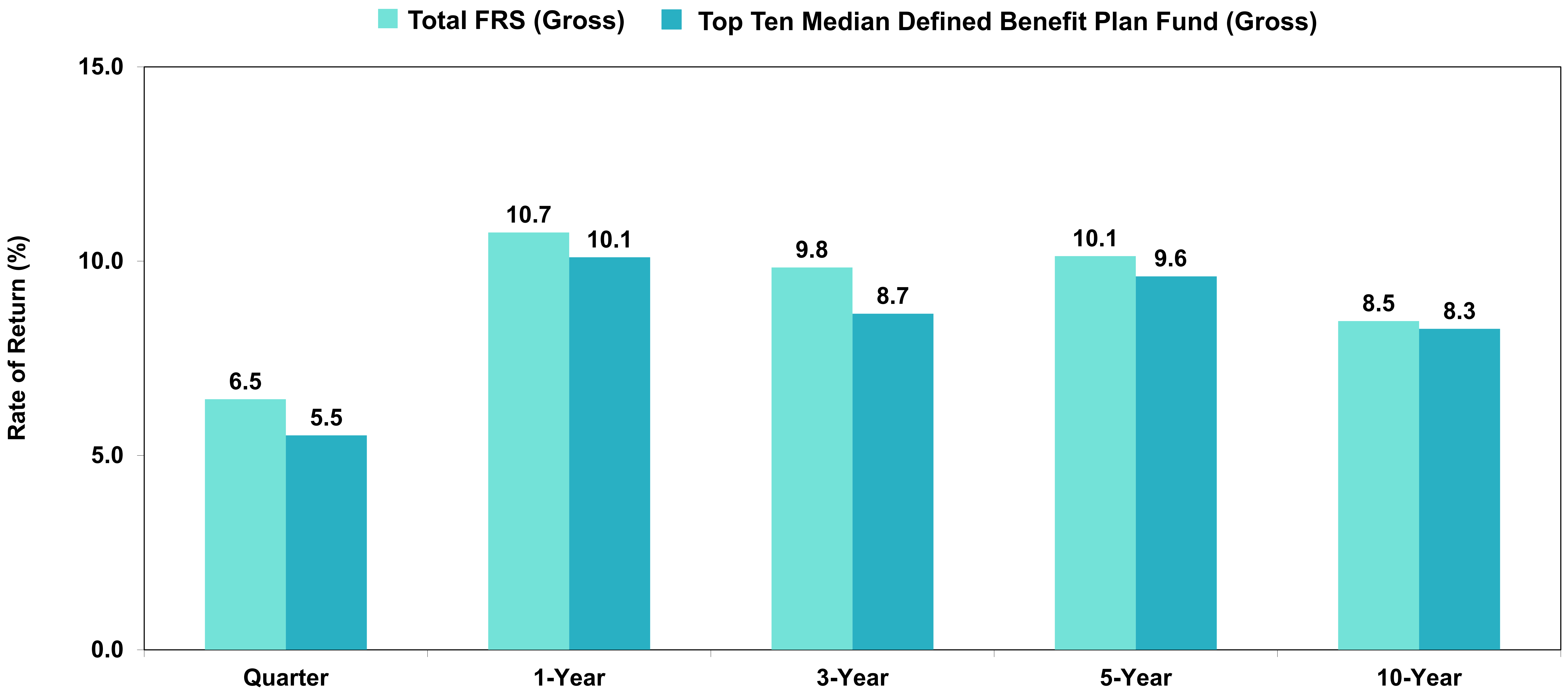
*Global Equity Allocation: 26.3% Domestic Equities; 14.8% Foreign Equities; 6.1% Global Equities; 0.7% Global Equity Cash; 0.9% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

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

Note: The data set includes $2,302 billion in total assets. The median fund size was $211 billion, and the average fund size was $230 billion as of 6/30/25. The Asset allocation shown above reflects the final universe data as of 12/31/2024, which offers complete universe data.
Note: Due to rounding, percentage totals displayed may not sum perfectly.

FRS Results Relative to TUCS Top Ten Defined Benefit Plans

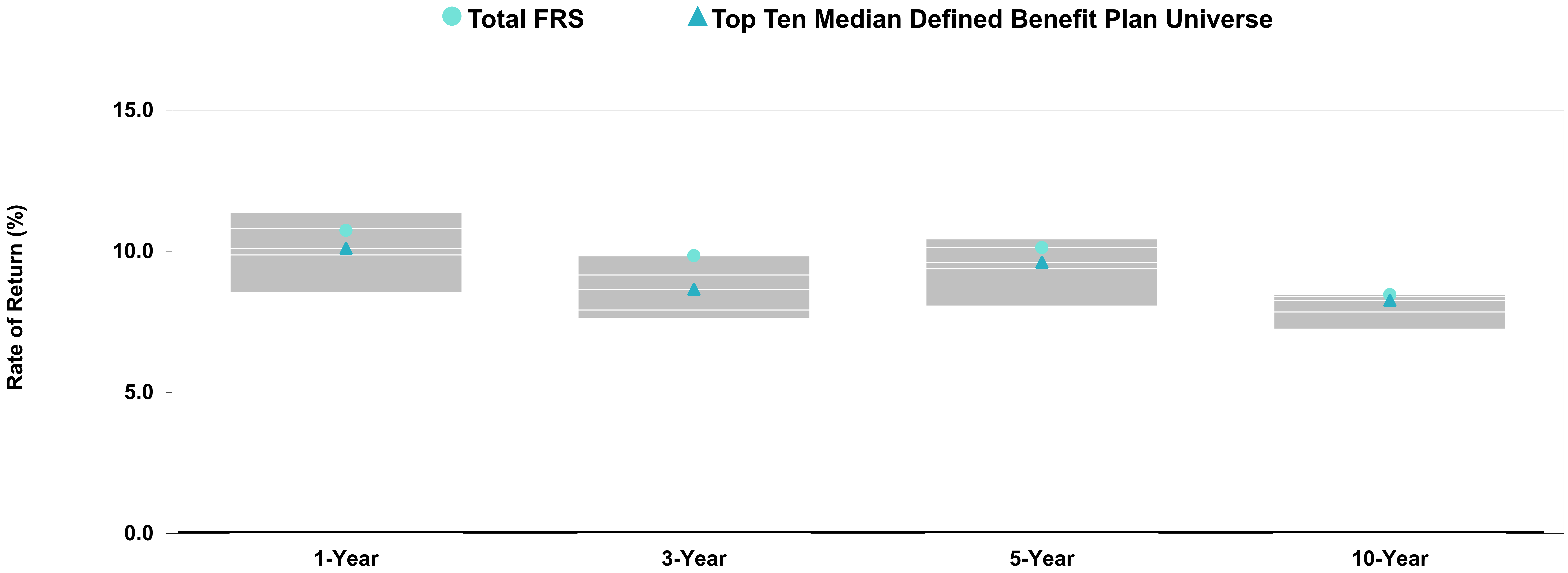
Periods Ending June 30, 2025



Note: The data set includes $2,302 billion in total assets. The median fund size was $211 billion, and the average fund size was $230 billion.
Note: Due to rounding, percentage totals displayed may not sum perfectly.

Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS)

Periods Ending June 30, 2025



FRS Percentile Ranking	**37**	**5**	**25**	**5**

Note: The data set includes $2,302 billion in total assets. The median fund size was $211 billion, and the average fund size was $230 billion.
Note: Due to rounding, percentage totals displayed may not sum perfectly.

Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the long-term. Nearer and mid term relative performance has trailed primarily driven by public equity options and stable value.

- The FRS Investment Plan's total expense ratio is in line with peer defined contribution plans, based on year-end 2023 data. The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. Communication and education costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group.

- Management fees are lower than the median as represented by eVestment's mutual fund universe for every investment category.

- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.

- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

Total Investment Plan Returns & Cost

Periods Ending 6/30/2025*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	**12.6%**	**12.2%**	**9.7%**	**7.8%**
*Total Plan Aggregate Benchmark***	12.8	12.3	9.9	7.7
FRS Investment Plan vs. Total Plan Aggregate Benchmark	-0.2	-0.1	-0.2	0.1

Periods Ending 12/31/2023***

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

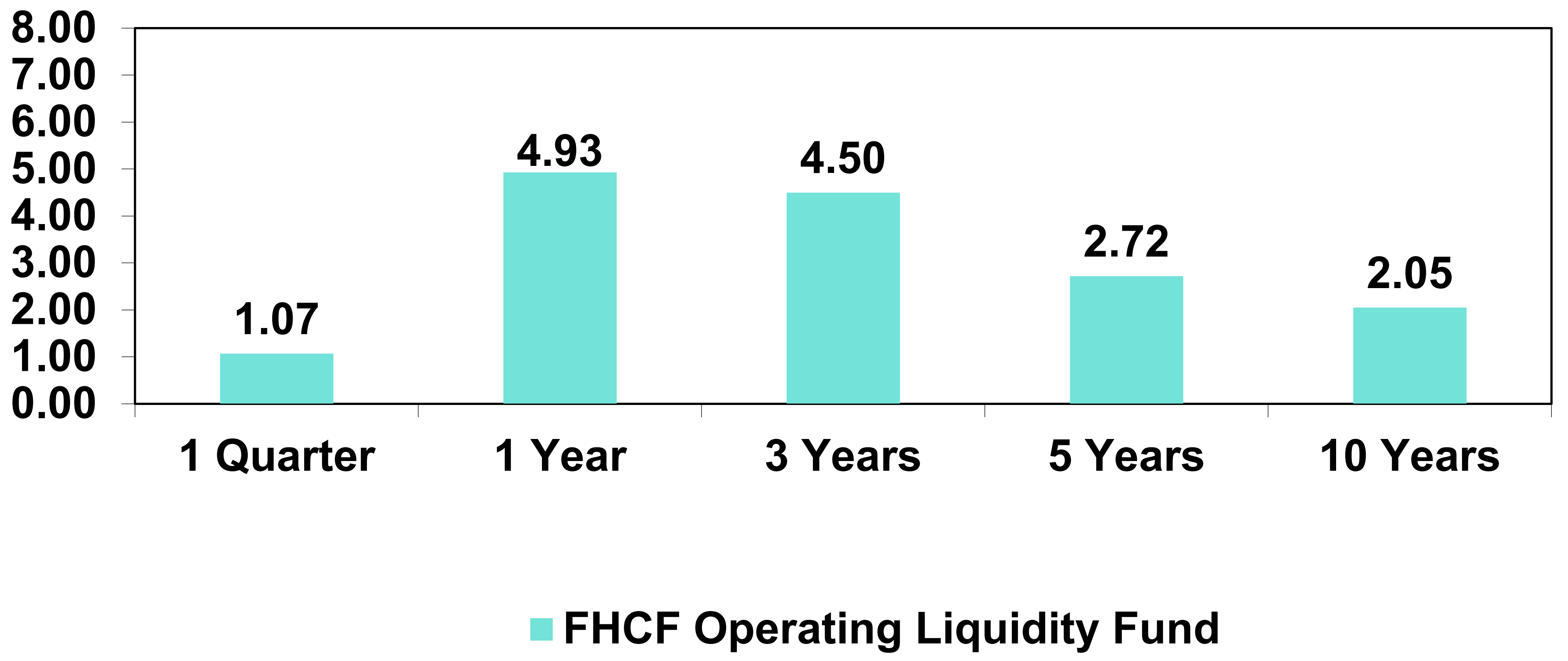
*Returns shown are net of fees.
**Aggregate benchmark returns are an average of the individual portfolio benchmark returns at their actual weights.
***Source: 2023 CEM Benchmarking Report. Peer group for the Five-Year Average Return and Value Added represents the U.S. Median plan return based on the CEM 2023 Survey that included 120 U.S. defined contribution plans with assets ranging from $114 million to $63.2 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 18 DC plans including corporate and public plans with assets between $3.4 - $26.9 billion.
****Returns shown are gross of fees.
*****The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

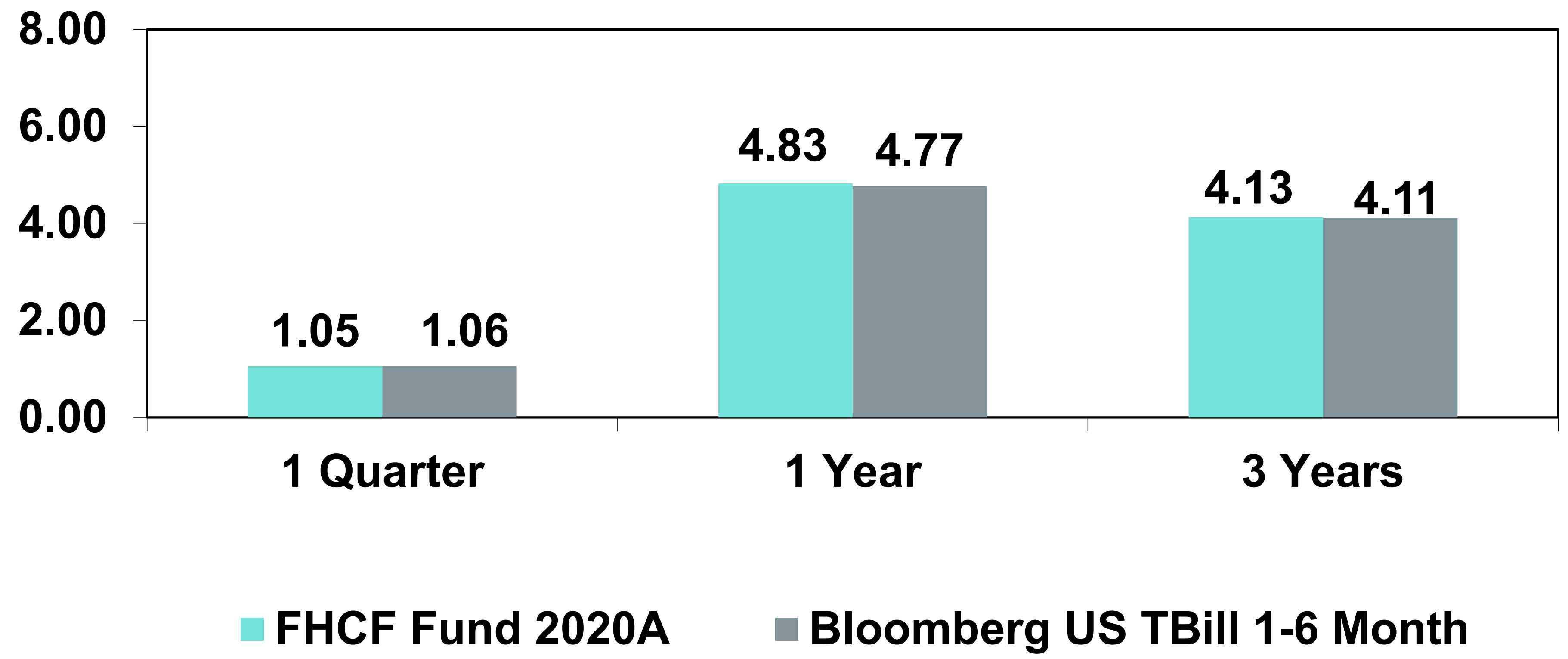
Florida Hurricane Catastrophe Fund (FHCF): Executive Summary

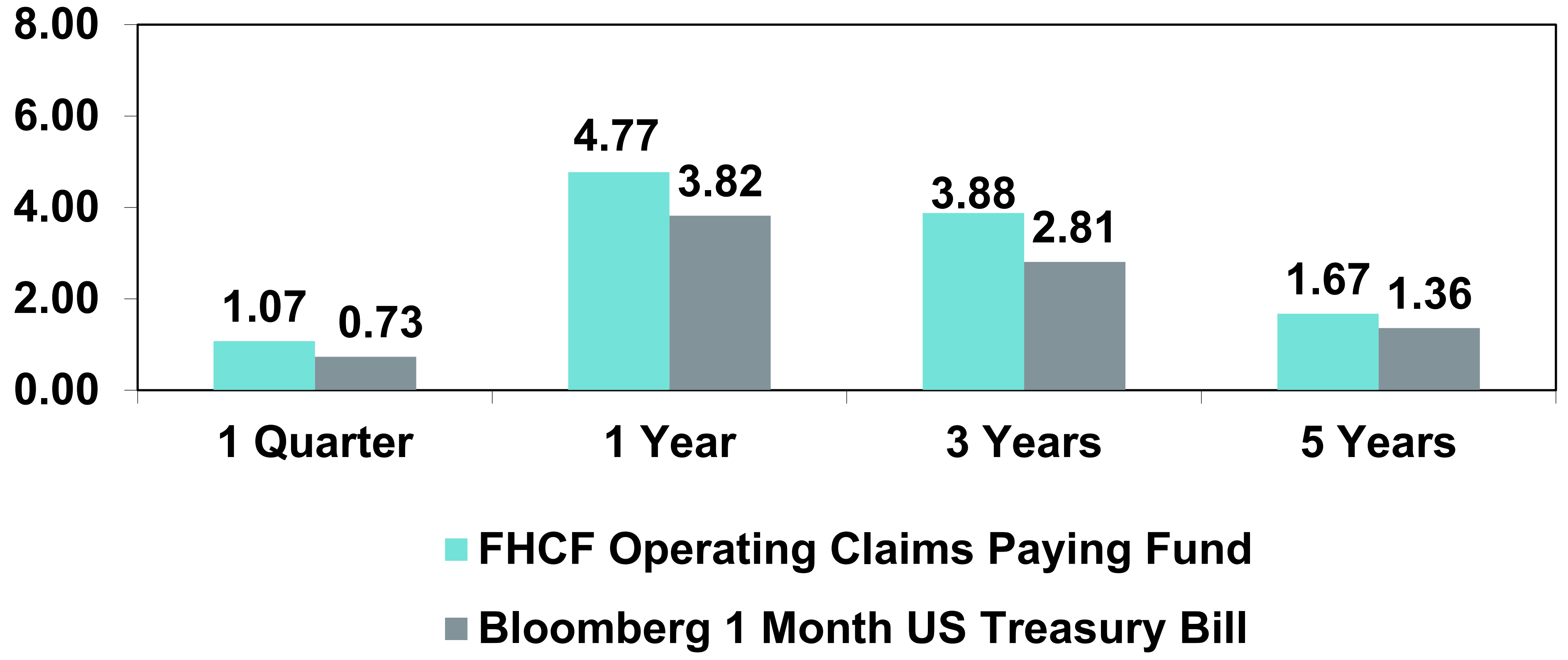
- Returns have picked up modestly given the overall higher interest rate environment of recent years
- The FHCF is adequately diversified across issuers within the short-term bond market.
- The Investment Portfolio Guidelines appropriately constrain the FHCF to invest in short-term and high-quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the FHCF.
- The Investment Portfolio Guidelines are revisited periodically to ensure that the structure and guidelines of the FHCF are appropriate, taking into consideration the FHCF's goals and objectives.

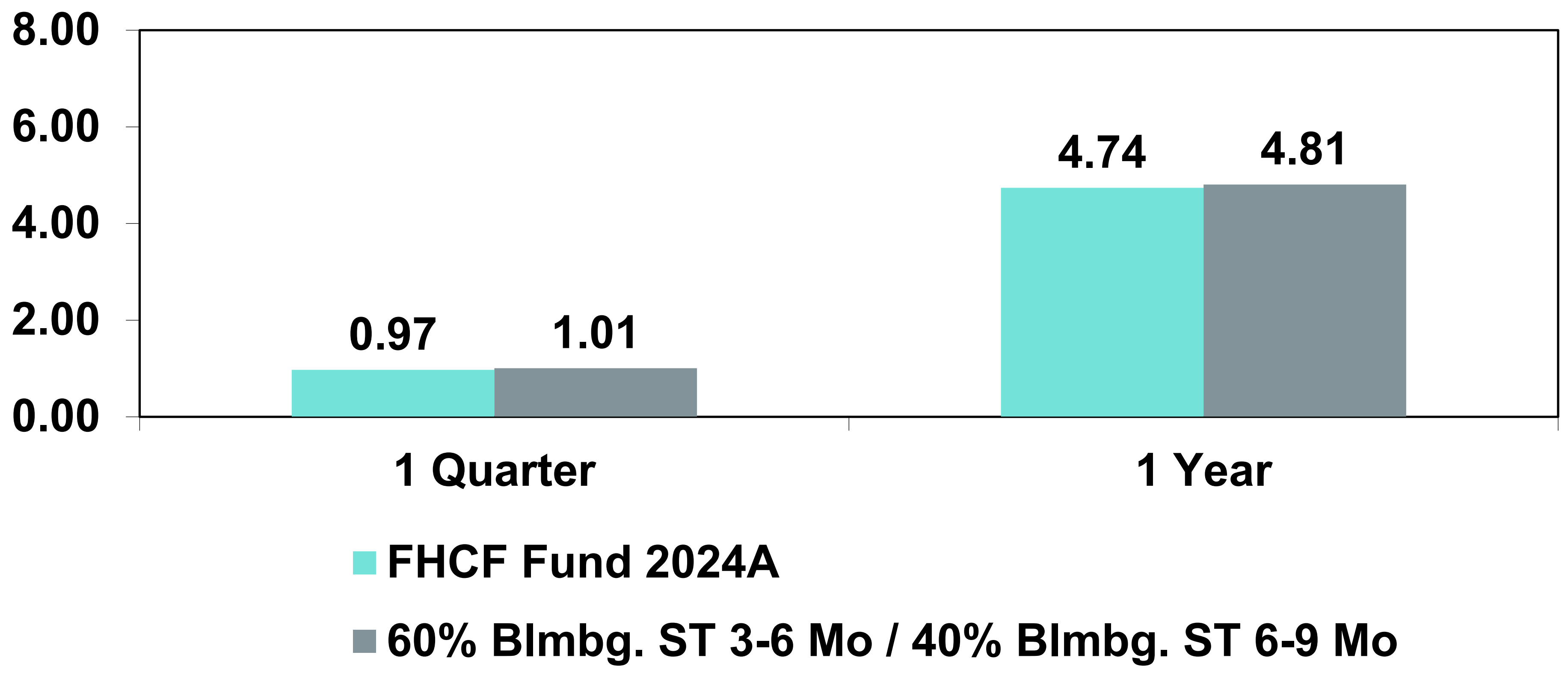
FHCF's Investment Results

Periods Ending June 30, 2025









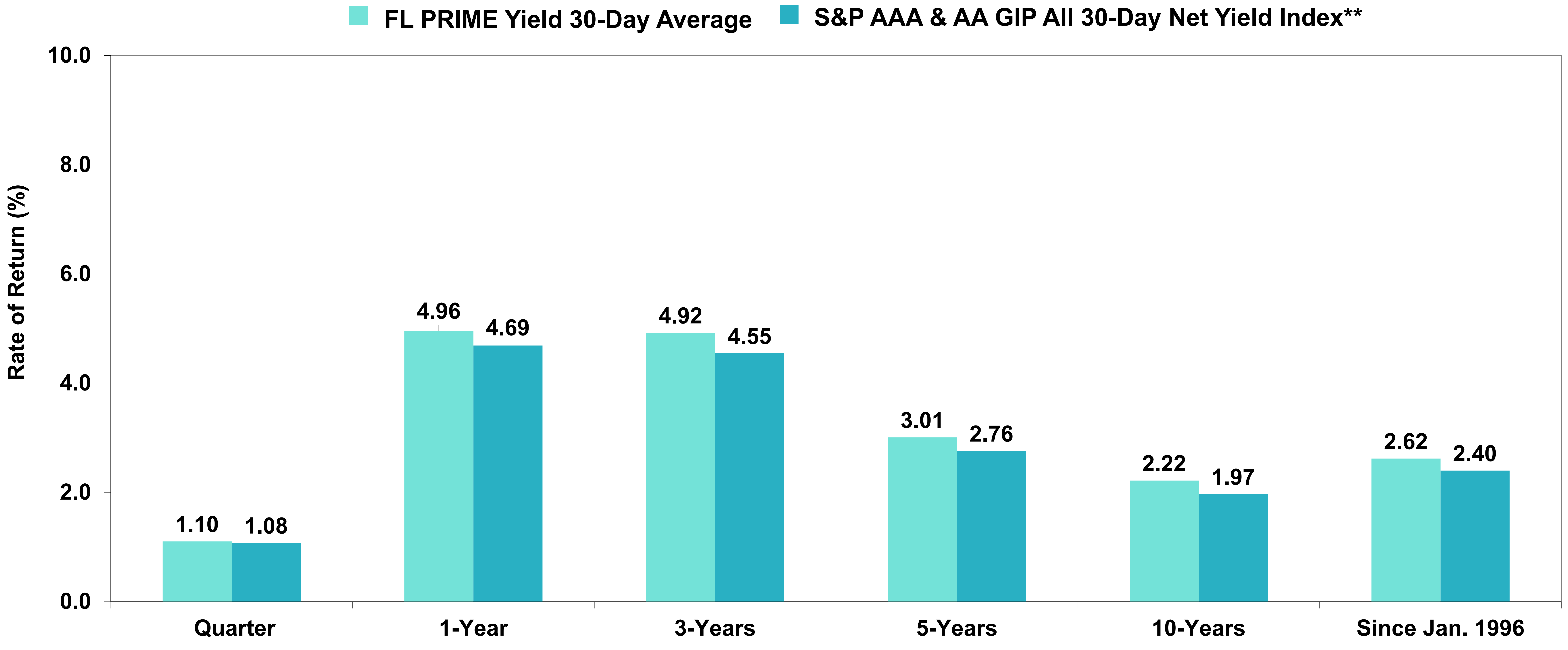
1. FHCF Operating Claims Paying Fund benchmark evolved from a 65% U.S. Treasury 1–3 Year / 35% AA Corporate blend (BofA Merrill Lynch indices) prior to 2021, to a similar Bloomberg-based blend effective January 1, 2021. On October 1, 2022, the benchmark shifted to Managed Return (portfolio total return), and as of March 31, 2025, it changed to Bloomberg U.S. Treasury Bills 1 Month.
2. FHCF Fund 2020A (Pre Event Bond) was initially benchmarked to its own total return through February 2024. March 1, 2024, the benchmark transitioned to the Bloomberg U.S. Treasury Bills 1–6 Months Index.
3. FHCF Fund 2024A (SBA Finance Corp 2024A – Pre Event Bond) has maintained the same benchmark since inception: a custom blend of 60% Bloomberg Short U.S. Treasury 3–6 Months and 40% Bloomberg Short U.S. Treasury 6–9 Months.

Florida PRIME: Executive Summary

- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high-quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME has been strong over short- and long-term time periods, outperforming its performance benchmark over the trailing quarter, one-, three-, five-, and ten-year time periods.
- As of June 30, 2025, the total market value of Florida PRIME was $27.6 billion.
- Aon Investments USA Inc., in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

Florida PRIME Investment Results

Periods Ending June 30, 2025



*Returns less than one year are not annualized.

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

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Appendix

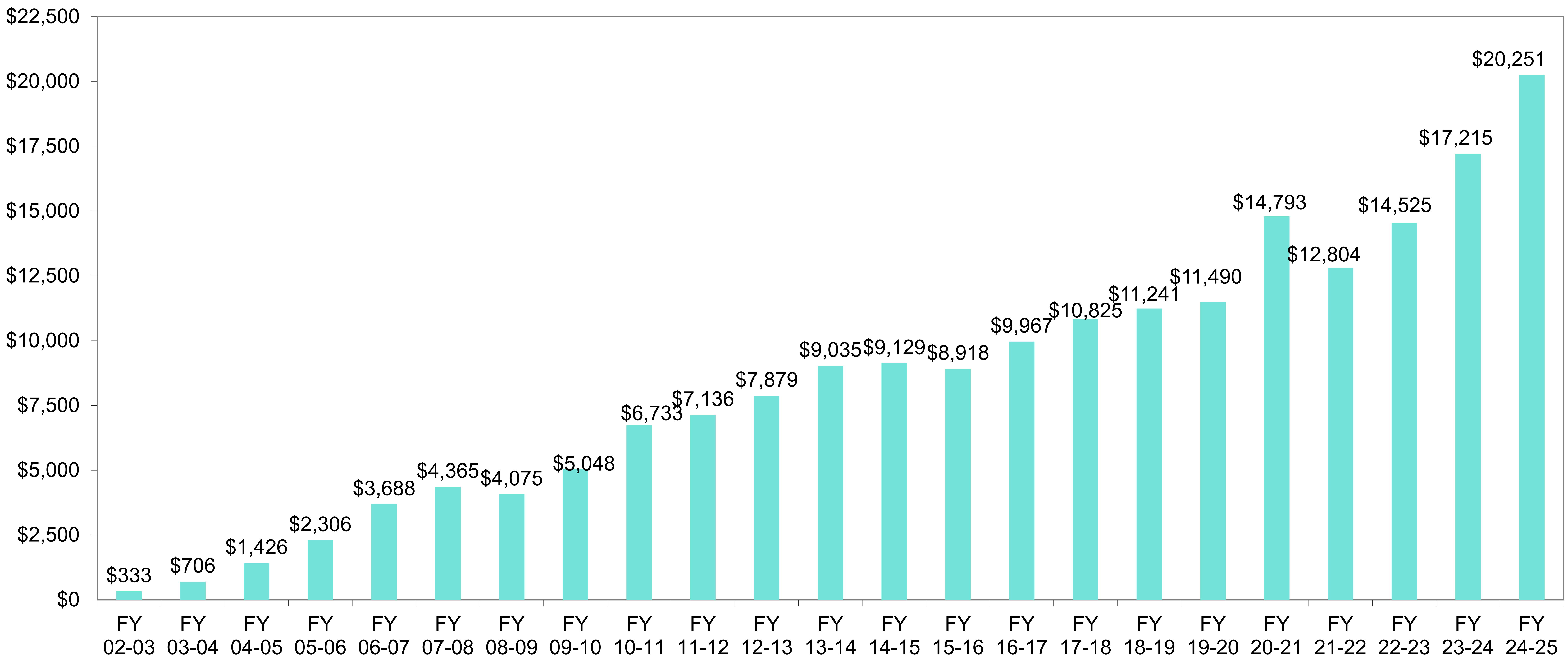
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Median Mutual Fund Fee**
Domestic Equity	0.18%	0.84%
International & Global Equity	0.29%	0.85%
Diversified Bonds	0.16%	0.45%
Target Date	0.16%	0.31%
Stable Value	0.08%	0.39%
Inflation Protected Securities	0.35%	0.40%

*Average fee of multiple products in category as of 6/30/2025.

**Source: Aon's mutual fund expense analysis as of 6/30/2025.

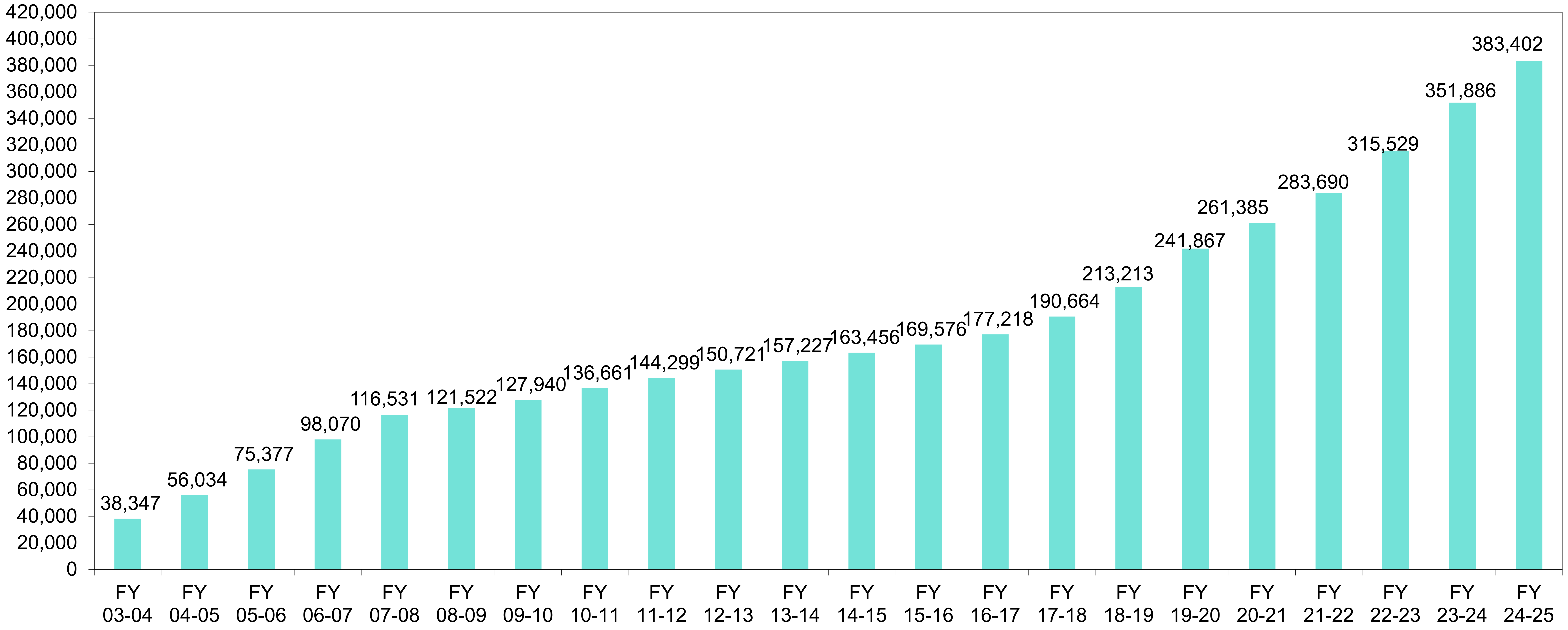
Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

AON

Investment Plan Membership



Source: Investment Plan Administrator

Florida Hurricane Catastrophe Fund's Background and Details

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.

- The FHCF Operating Funds, along FHCF 2020 A and FHCF 2024 A Fund are internally managed portfolios.
  - FHCF 2013 A Fund was liquidated during 4Q 2020
  - FHCF 2016 A Fund was liquidated during 3Q 2021

- As of June 30, 2025, the total value of:
  - The FHCF Operating Funds was $11.7 billion
  - The FHCF 2020 A Fund was $2.4 billion
  - The FHCF 2024 A Fund was $1.1 billion

- History of the FHCF Benchmarks: *Beginning February 2018, the FHCF Operating Liquidity Fund was benchmarked to the B of A Merrill Lynch 3-6 Month U.S. Treasury Bill Index, and the FHCF Operating Claims Paying Fund benchmarked to a blend of 35% of the Bank of America Merrill Lynch 1-3 Year AA U.S. Corporate Bond Index and 65% of Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index. Beginning January 2021, the FHCF Operating Liquidity Fund was benchmarked to Bloomberg U.S. Treasuries Bills 3-6 Months & U.S. Treasury Bills 6-9 Months Custom Blend Index. This benchmark is comprised of 60% of the 3-6 month U.S. Treasury Bills and 40% 6-9 month U.S. Treasury Bills., and the FHCF Operating Claims Paying Fund is benchmarked Bloomberg U.S. Treasury 1-3 Years & Corporate AA+ ex 144A Reg S Custom Blend Index. This benchmark is comprised of 65% 1-3 year Treasury and 35% of 1-3 year Corporate AA or better excluding 144A and Reg S Securities.*

FHCF Fund Characteristics

Period Ending June 30, 2025

FHCF Operating Liquidity Fund

Maturity Analysis	
1 to 30 Days	49.89%
31 to 60 Days	32.42%
61 to 90 Days	3.02%
91 to 120 Days	4.52%
121 to 180 Days	3.04%
181 to 270 Days	3.09%
>= 271 Days	4.01%
None	0.00%
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AA	74.54%
A	25.45%
Not Rated	0.00%
Other	0.00%
Total % of Portfolio	100.00%

FHCF Operating Claims Fund

Maturity Analysis	
1 to 30 Days	68.79%
31 to 60 Days	27.05%
61 to 90 Days	0.00%
91 to 120 Days	0.00%
121 to 180 Days	0.00%
181 to 270 Days	0.00%
>= 271 Days	4.15%
None	0.01%
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AA	71.07%
A	29.37%
Not Rated	-0.45%
Other	0.01%
Total % of Portfolio	100.00%

FHCF 2020A Pre-Event Fund

Maturity Analysis	
1 to 30 Days	34.81%
31 to 60 Days	21.24%
61 to 90 Days	12.98%
91 to 120 Days	23.39%
121 to 180 Days	2.58%
181 to 270 Days	0.00%
>= 271 Days	4.99%
None	0.01%
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AA	80.58%
A	19.40%
Not Rated	0.00%
Other	0.01%
Total % of Portfolio	100.00%

FHCF 2024A Pre-Event Fund

Maturity Analysis	
1 to 30 Days	4.31%
31 to 60 Days	0.00%
61 to 90 Days	20.64%
91 to 120 Days	25.34%
121 to 180 Days	27.52%
181 to 270 Days	14.67%
>= 271 Days	7.36%
None	0.15%
Total % of Portfolio:	100.00%

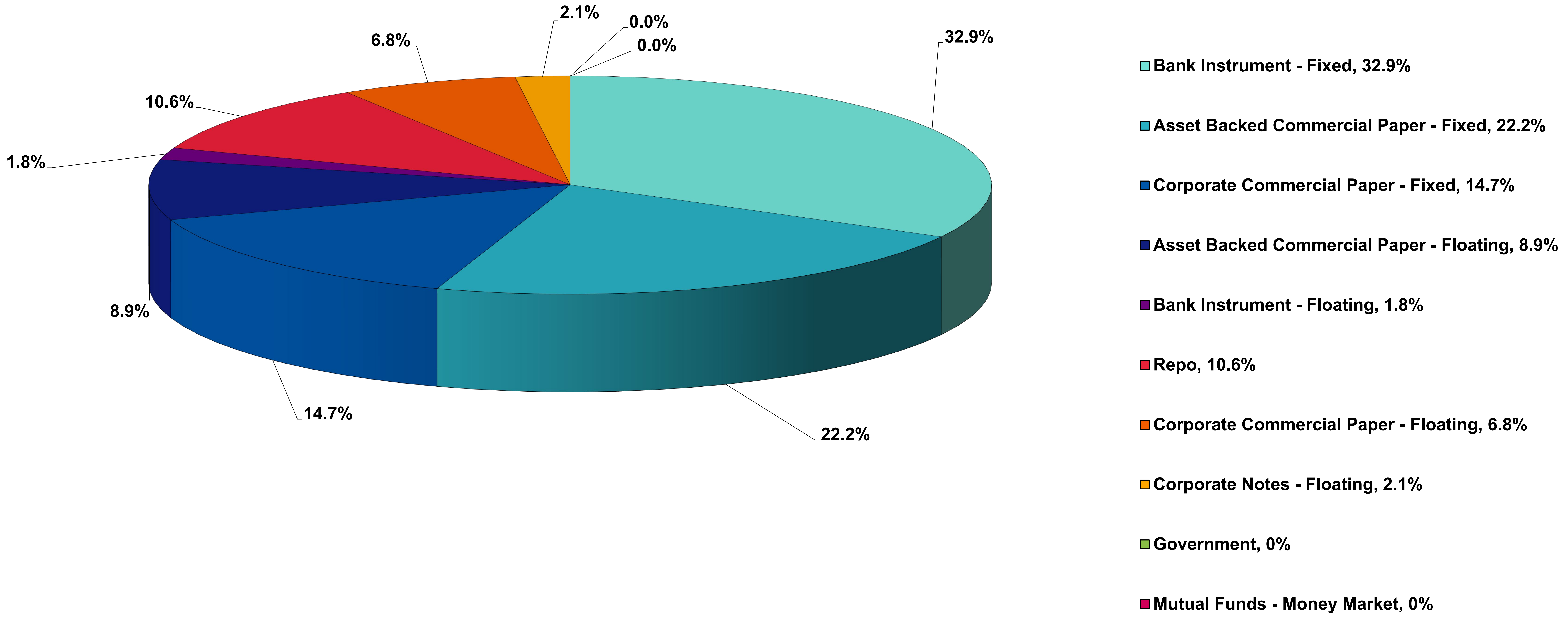
Bond Rating Analysis	
AA	87.12%
A	12.73%
Not Rated	0.00%
Other	0.15%
Total % of Portfolio	100.00%

Florida PRIME Characteristics
Quarter Ending June 30, 2025

As of 06/30/25	First Quarter	One Year
Opening Balance	$31,421,565,231	$25,484,484,623
Participant Deposits	$6,442,240,322	$41,396,702,963
Gross Earnings	$333,025,806	$1,372,307,522
Participant Withdrawals	($10,564,292,348)	(40,613,953,712)
Fees	($2,480,422)	(9,482,807)
Closing Balance	$27,630,058,589	$27,630,058,589
Change	**($3,791,506,642)**	**$2,145,573,966**

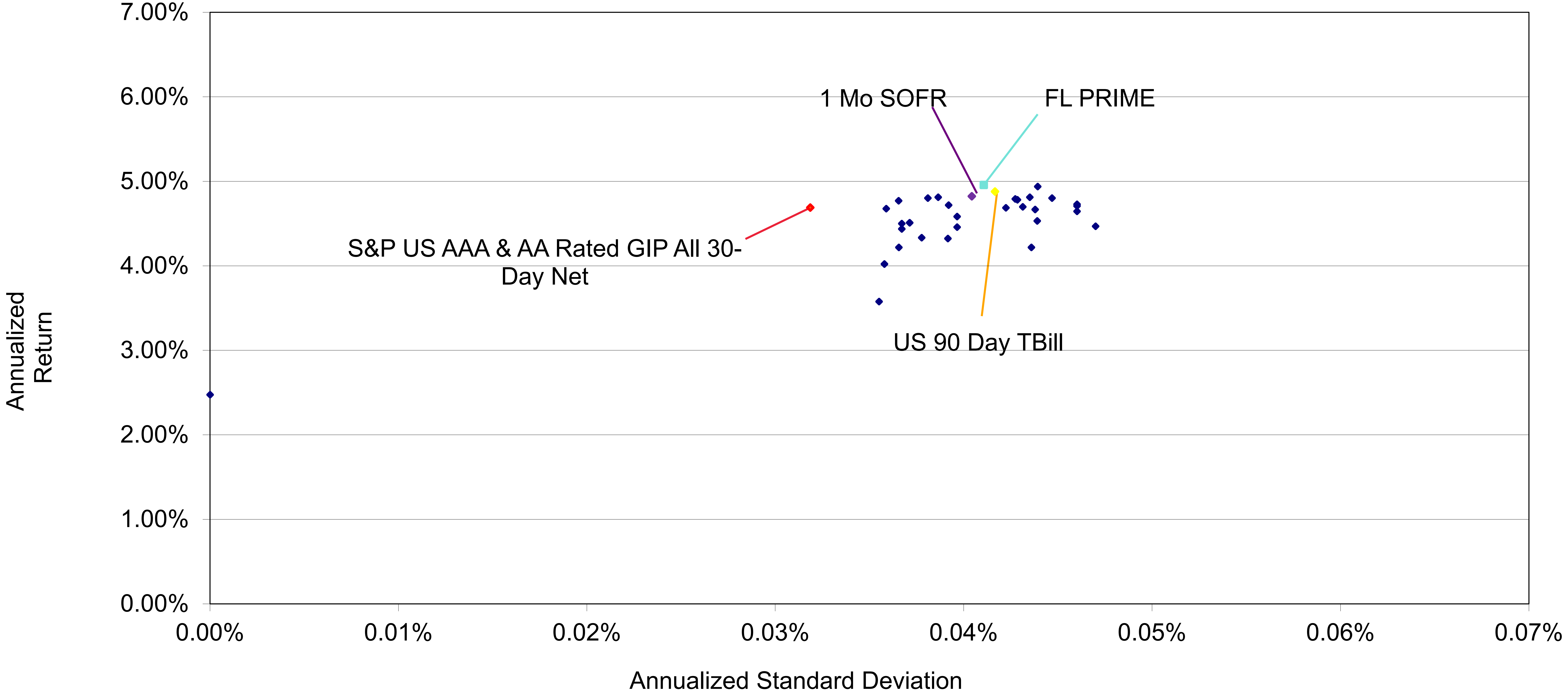
Florida PRIME Characteristics

Quarter Ending June 30, 2025



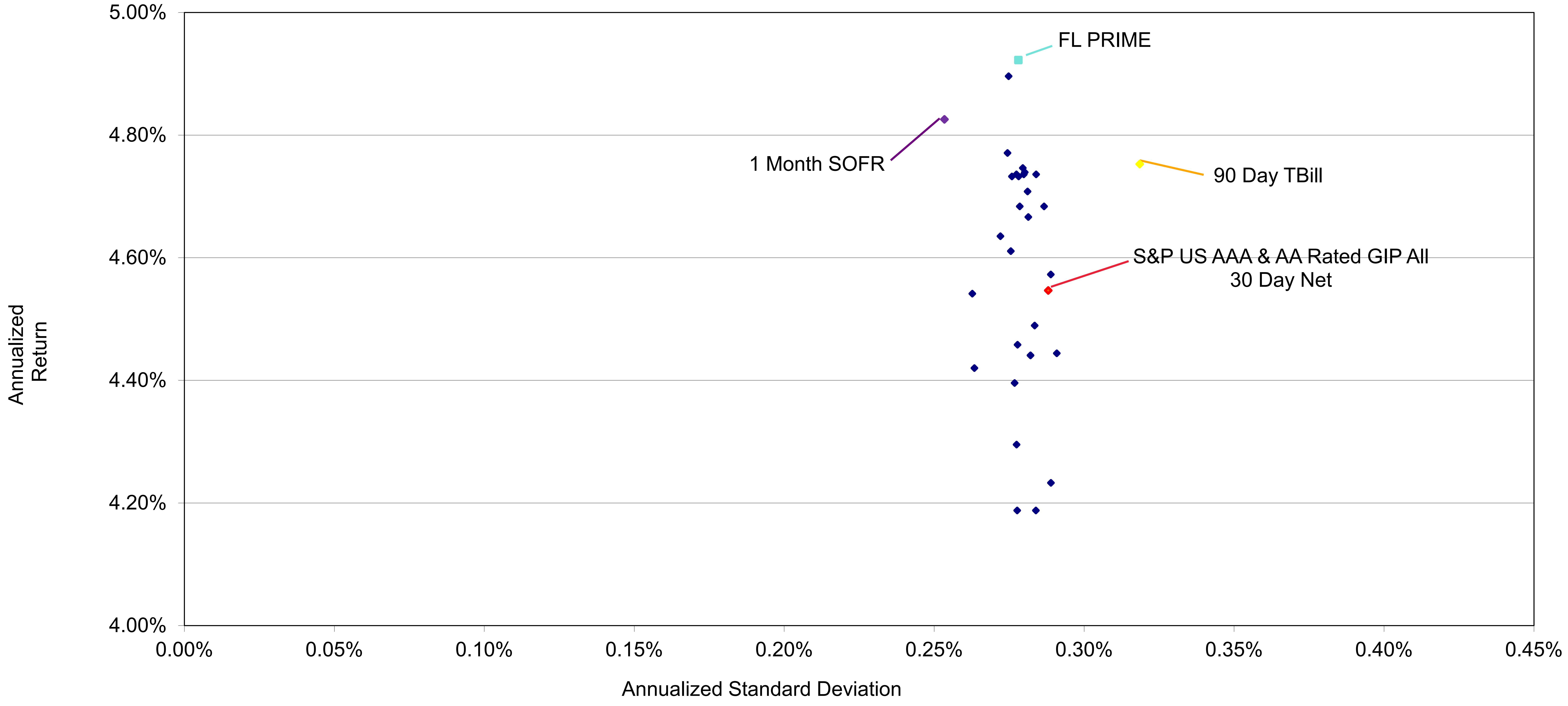
Florida PRIME Risk vs. Return

1 Years Ending June 30, 2025



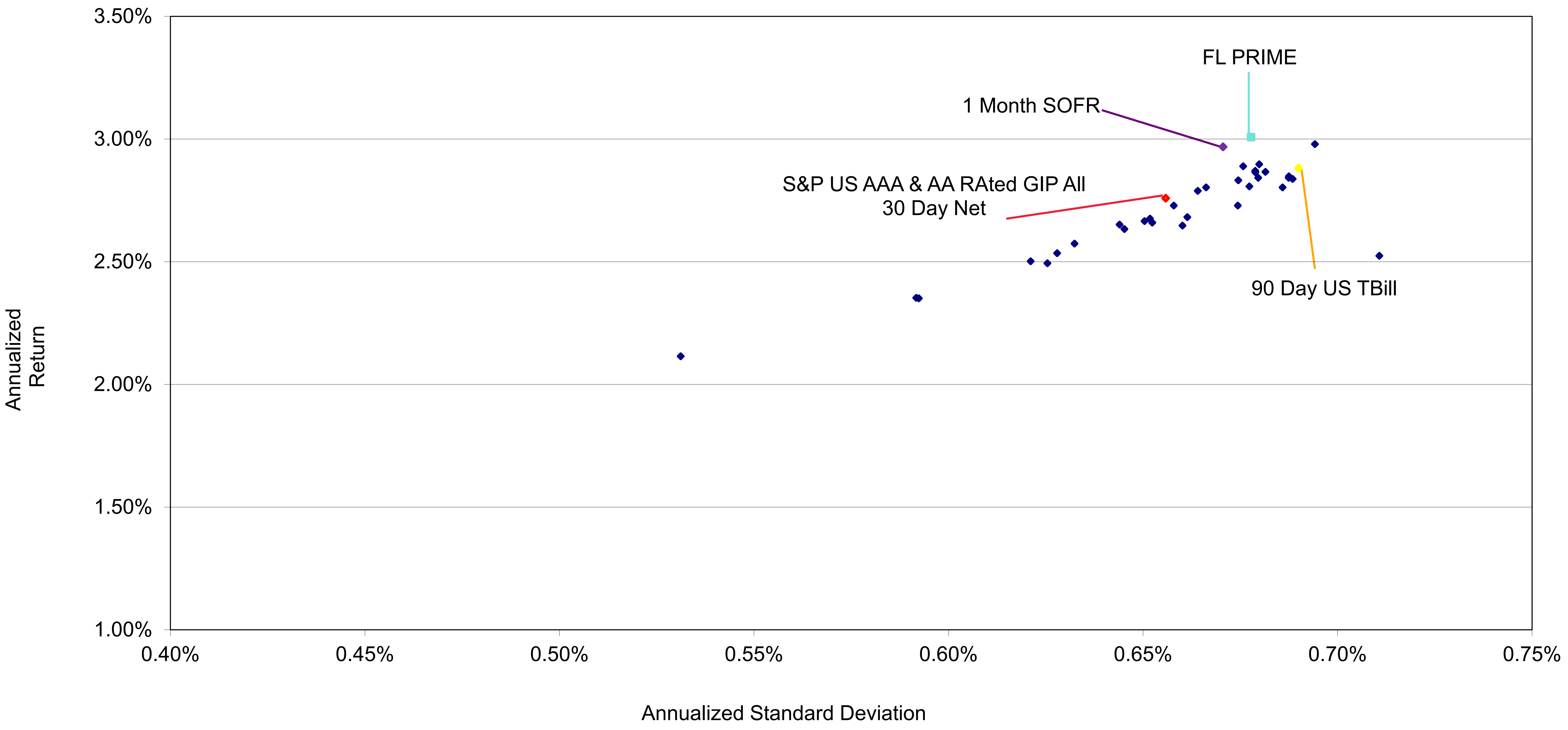
Florida PRIME Risk vs. Return

3 Years Ending June 30, 2025

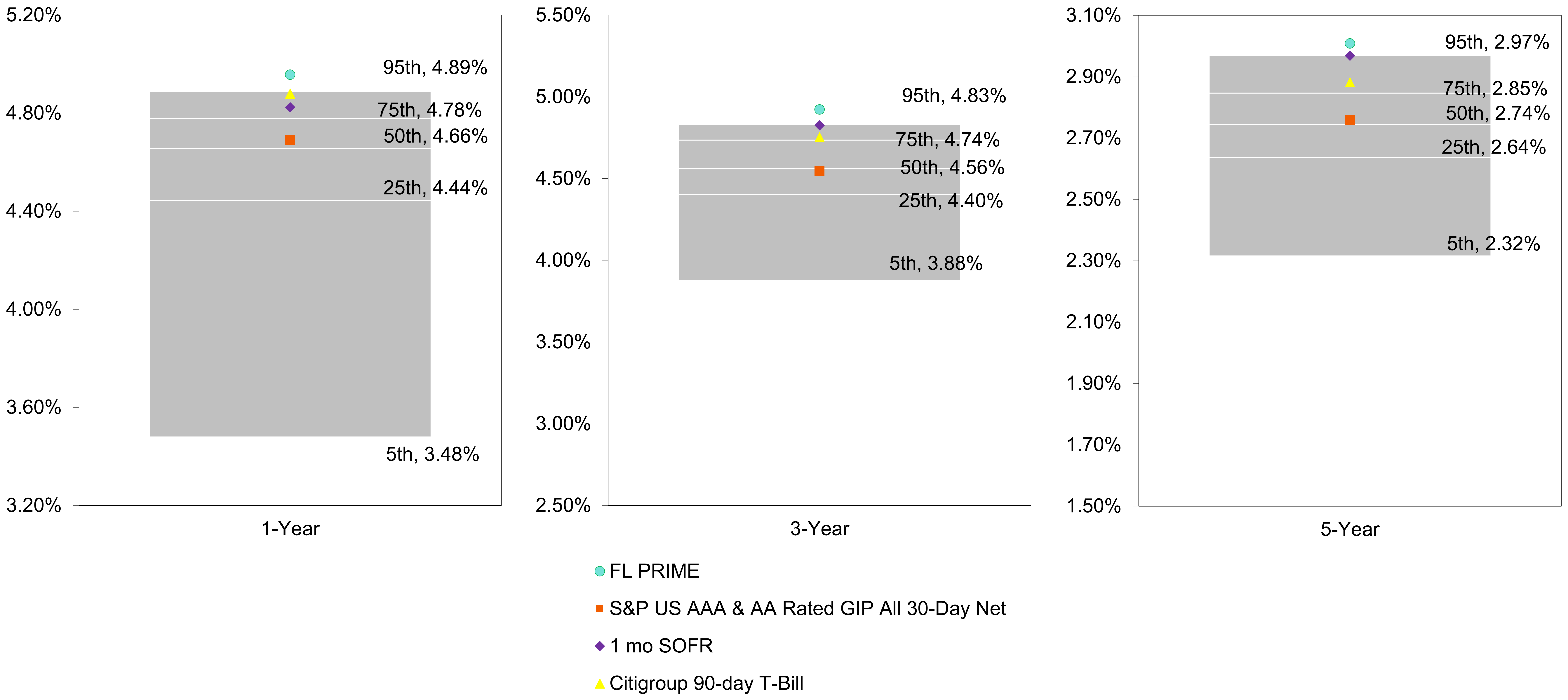


Florida PRIME Risk vs. Return

5 Years Ending June 30, 2025

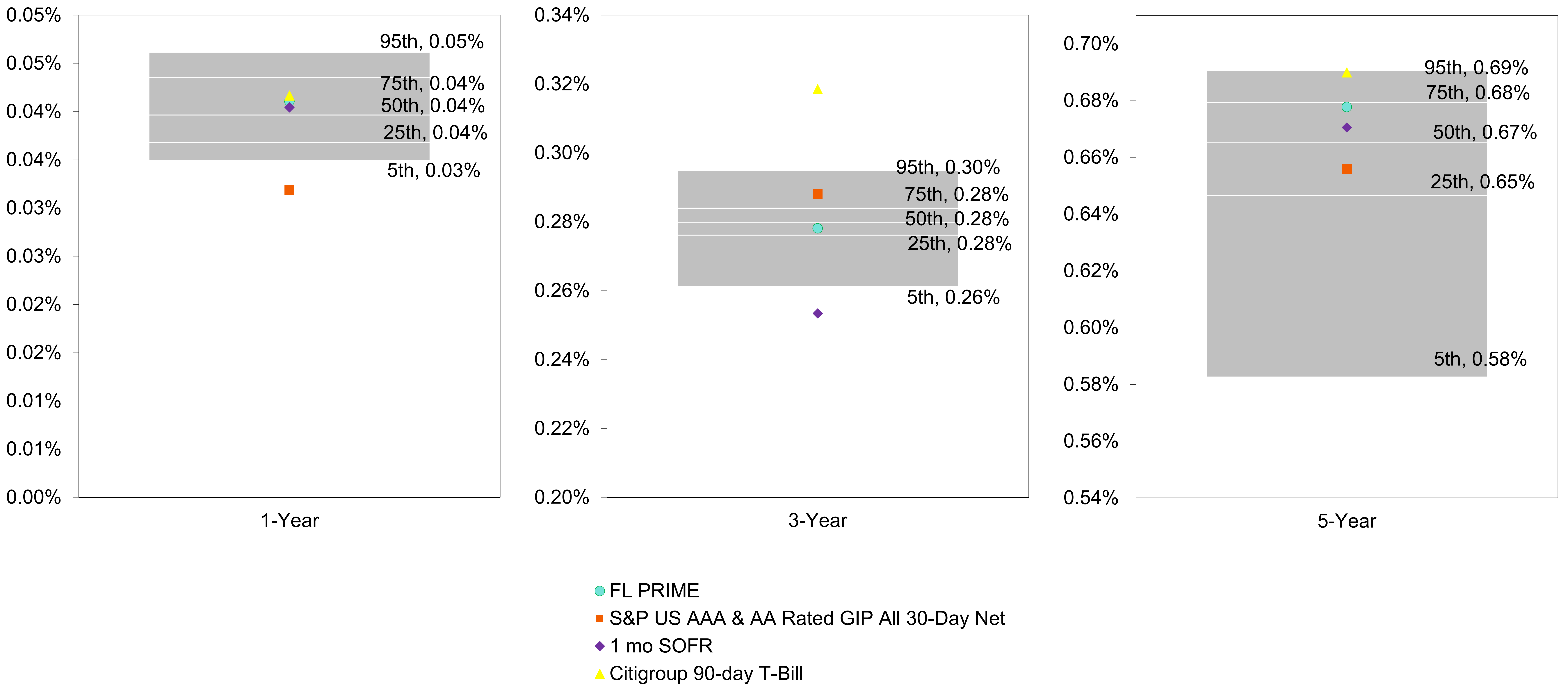


Return Distribution
Periods Ending June 30, 2025



Standard Deviation Distribution

Periods Ending June 30, 2025



Florida PRIME Characteristics
Period Ending June 30, 2025

Effective Maturity Schedule	
1-7 Days	55.0%
8 - 30 Days	6.5%
31 - 90 Days	17.6%
91 - 180 Days	12.6%
181+ Days	8.3%
Total % of Portfolio:	**100.0%**

S & P Credit Quality Composition	
A-1+	58.2%
A-1	41.8%
Total % of Portfolio:	**100.0%**

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

INVESTMENT ADVISORY COUNCIL

Item 9. IAC Compensation Subcommittee Update

Vinny Olmstead, IAC Compensation Subcommittee Chair

(See Attachment 9)

State Board of Administration
September 9, 2025

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

INVESTMENT ADVISORY COUNCIL

Item 10. Audience Comments / Election of Vice Chair / Closing Remarks / Adjourn

Peter Jones, Chair

(See Attachment 10)

State Board of Administration
September 9, 2025