

PENSION FUNDS

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Florida Retirement System notches net 7.5% for fiscal year

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The Florida State Capitol.

VIEW KEY DATA:

Florida State Board of Administration

Florida Retirement System, Tallahassee, returned a net 7.5% for the fiscal year ended June 30.

The \$185.7 billion pension fund's return fell short of the benchmark return of 10.1% for the period, according to a performance report emailed by Paul W. Groom II, deputy executive director of on the **Florida State Board of Administration**, which oversees the pension fund's investments.

For the three, five and 10 years ended June 30, the pension fund returned an annualized net 9.3%, 7.4% and 8%, respectively, above the respective benchmarks of 8.1%, 6.6% and 7.2%.

The pension fund had returned a net -6.3% for the fiscal year ended June 30, 2022.

The latest fiscal year's improved performance likely benefited from stronger market returns for the period in both equities and fixed income. For the year ended June 30, the Russell 3000 and Bloomberg U.S. Aggregate Bond index returned 19% and -0.2%, respectively, well above their respective returns of -13.9% and -10.3% for the year ended June 30, 2022.

Of the 59 U.S. public pension funds whose fiscal-year returns have been tracked by *Pensions & Investments* as of Wednesday, the median return for the period was 7.6%.

By asset class, the pension fund's top performer for the fiscal year ended June 30 was global equities, which returned a net 16.4% (above the benchmark return of 16.1%), followed by strategic investments, with a net 5% (below the 8.4% benchmark); cash, a net 3.8% (3.7%); fixed income, -0.2% (-0.6%); real estate, -2.1% (-3.6%); and private equity, -5.7% (19.1%).

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The report noted that private-market valuations are subject to "significant delays relative to the reporting period."

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As of June 30, the pension fund's actual allocation was 50.6% global equities, 16.1% fixed income, 11.4% strategic investments, 11.2% real estate, 9.4% private equity and 1.3% cash and cash equivalents.

The target allocation is 53% global equities, 18% fixed income, 12% strategic investments, 10% real estate, 6% private equity and 1% cash and cash equivalents.

The **Florida State Board of Administration** oversees a total of \$237.7 billion in state retirement plan, endowment, insurance and other assets.

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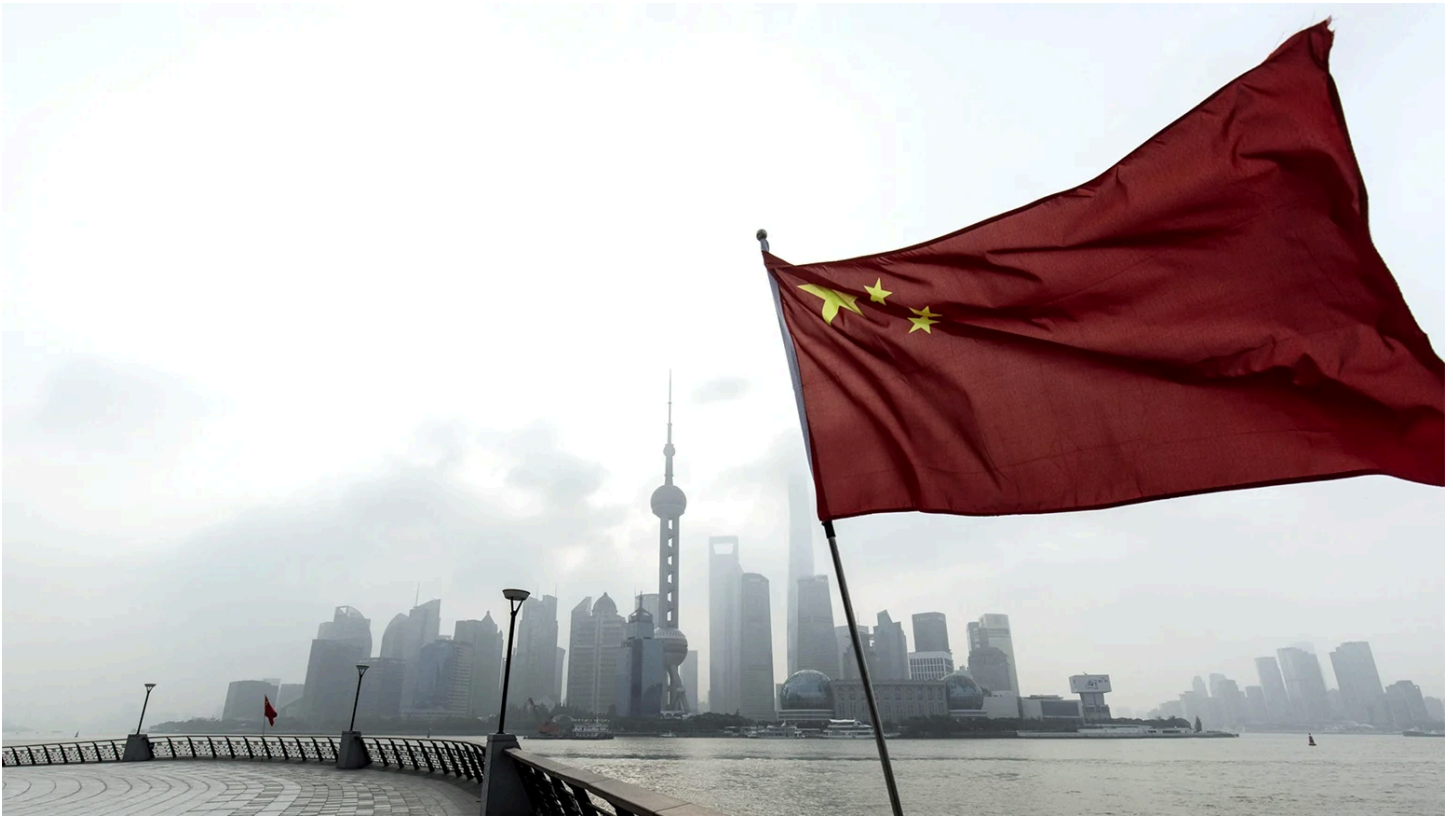
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