

Florida Growth Fund Program Investments Provided \$134 Million in FRS Distributions in Fiscal Year 2023-24

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OPPAGA

Office of Program Policy Analysis and Government Accountability

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EXECUTIVE SUMMARY

The State Board of Administration is authorized to invest up to 1.5% of Florida Retirement System Pension Fund assets in Florida technology and high-growth businesses. As of June 30, 2024, the board’s Florida Growth Fund Program invested in 91 companies through direct investments and invested in 62 private equity funds, totaling \$1.1 billion. This includes direct investments in 12 companies and investments in 15 private equity funds during Fiscal Year 2023-24, totaling \$59.1 million. Most of these direct investments were in five industry sectors.

The majority of direct investments made since program inception are largely concentrated in seven Florida counties. During the review period, all Florida Growth Fund Program direct investments were made in companies with a Florida presence.

From program inception in 2008 through June 30, 2024, the program distributed \$1.1 billion to the Florida Retirement System Pension Fund. During the review period, the amount distributed was \$133.5 million. Since inception, funds within the Florida Growth Fund Program have exceeded benchmarks set for each fund.

The Florida Growth Fund Program’s investments have resulted in economic benefits. As of June 30, 2024, investment managers reported that program investments had a net gain of 2,300 jobs and made \$391.0 million in capital expenditures in Florida during the review period.

REPORT SCOPE

Section 215.474, *Florida Statutes*, directs OPPAGA to annually review the State Board of Administration’s Florida Growth Fund Program, which invests in technology and growth industries. The review must include

- the dollar amount of fund assets invested in state technology and growth industries and the investments’ percentage share of the Florida Retirement System’s trust fund net assets;
- a list of investments in the state which the board identified as technology and growth investments within each asset class; and
- an analysis of the direct and indirect economic benefits to the state resulting from the investments.

This 17th annual report addresses the board’s progress in managing the program and presents information on the economic impact of fund investments. The review period for this report is July 1, 2023, through June 30, 2024.

INTRODUCTION

The State Board of Administration (SBA) is a constitutionally created organization authorized to invest funds for state agencies, state universities and colleges, and local governments. The SBA is governed by a three-member board of trustees composed of the Governor as chair, the Chief Financial Officer, and the Attorney General. The trustees delegate authority to the SBA’s executive director and chief investment officer to provide strategic direction and execute day-to-day operations. Of the funds managed by the SBA, the largest is the Florida Retirement System Pension Fund (FRS Pension Fund), which had a market value of \$198.7 billion in assets as of June 30, 2024. This is an increase of over \$13.0 billion compared to the market value as of June 2023.

The Florida Technology and Growth Act of 2008 established the Florida Growth Fund Program to invest a portion of the FRS Pension Fund. Specifically, consistent with its fiduciary duties, the SBA is authorized by Florida law to invest up to 1.5% of net system trust fund (i.e., FRS Pension Fund) assets in technology and growth businesses either domiciled in Florida or that have a principal address in Florida.¹ Technology and growth investments may include, but are not limited to, space technology, aerospace and aviation engineering, computer technology, renewable energy, and medical and life sciences. As of June 30, 2024, Florida Growth Fund Program investments were 0.3% of the value of FRS Pension Fund assets.²

The program is divided into three separate funds that include seven tranches of capital totaling over \$1.2 billion in commitments.³ The SBA contracts with two vendors to manage program funds. Hamilton Lane manages Florida Growth Funds I and II, and J.P. Morgan Asset Management manages the Florida Sunshine State Fund. The most recent program funding commitment was made on April 14, 2022, when J.P. Morgan was reappointed by the SBA as manager for a new tranche—a \$250 million commitment to Florida Sunshine State Fund Tranche II. (See Exhibit 1.)

Exhibit 1

Since Inception, the Florida Growth Fund Program Has Committed \$1.25 Billion for Investments

	Year Established	Fund Commitment at Program Inception ¹	Investment Manager
Florida Growth Fund I			
Tranche I	2009	\$250 million	Hamilton Lane
Tranche II	2012	\$150 million	Hamilton Lane
Credit Tranche	2014	\$100 million	Hamilton Lane
Subtotal		\$500 million	
Florida Growth Fund II			
Tranche I	2015	\$250 million	Hamilton Lane
Tranche II	2019	\$125 million	Hamilton Lane
Subtotal		\$375 million	
Florida Sunshine State Fund			
Tranche I	2019	\$125 million	J.P. Morgan Asset Management
Tranche II	2022	\$250 million	J.P. Morgan Asset Management
Subtotal		\$375 million	
Total		\$1.250 billion	

¹ Investment managers often retain a portion of a fund’s committed capital for reserves to pay fees and expenses and for follow-on investments in the manager’s portfolio companies. Funds typically reserve 5% to 15% for these purposes. Fees that apply to the Florida Growth Fund Program are management fees, fund expenses, and carried interest.

Source: State Board of Administration.

¹ Section [215.47\(7\)](#), F.S. For the purposes of this program, the SBA defines the FRS Pension Fund as composed solely of assets from the FRS Pension Plan Fund.

² For more information on the SBA, including annual investment reports, see www.sbafla.com/reporting/.

³ Tranches are segments of a pooled collection of assets.

Investment managers make program investments directly by co-investing alongside a private equity fund with a general partner or indirectly through private equity funds, such as buyout and venture capital.^{4,5} Direct investments are made in companies that are based in Florida or that have a significant portion of company business generated in Florida. General partners that manage private equity funds may or may not reside in the state but intend to invest in Florida-based companies.⁶

FINDINGS

The Florida Growth Fund Program invested \$59.1 million in Fiscal Year 2023-24

Since its inception, the Florida Growth Fund Program has invested in 91 companies (direct investments) and invested in 62 private equity funds; the total amount invested as of June 30, 2024, was \$1.1 billion. During the review period, program investment managers invested \$59.1 million in 27 companies and private equity funds. Of these, 12 were direct investments (\$40.4 million) and 15 were private equity fund investments (\$18.8 million). (See Appendix A for detailed investment data for the Florida Growth Fund Program.)

Most Florida Growth Fund Program direct investments made during the review period were in five industry sectors. Since program inception, investment managers have made direct investments in a wide range of industries, including software publishers and telecommunications companies. During the review period, 77.9% of the direct investments were in five industries.⁷ (See Exhibit 2, highlighted rows.)

Exhibit 2

During the Review Period, Most Direct Investments Were in Five Technology and Growth Industry Sectors

Industry Sector	Amount Invested (millions)	Percentage of Total Invested
Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	\$7.5	18.6%
Professional Employer Organizations	\$7.5	18.6%
Roofing Contractors	\$6.0	14.9%
Prefabricated Metal Building and Component Manufacturing	\$5.5	13.5%
Computer Systems Design Services	\$5.0	12.4%
Marinas	\$2.6	6.5%
Engineering Services	\$2.3	5.7%
Residential Property Managers	\$1.4	3.6%
Landscaping Services	\$1.0	2.5%
All Other Telecommunications	\$0.8	2.1%
Home Health Care Services	\$0.6	1.4%
Other Communications Equipment Manufacturing	\$0.1	0.4%
Total	\$40.4	100%

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

⁴ A direct investment (also referred to as a direct equity co-investment) refers to a collaborative investment structure in which a private equity firm (general partner) and external investors collectively invest in a private company. This approach allows multiple parties to pool financial resources, expertise, and networks to make a joint investment and share potential profits. SBA representatives reported that the Florida Growth Fund Program will not be the sole investor in a company.

⁵ Private equity is an investment in which funds from investors are pooled or co-mingled and used to acquire equity ownership in private companies that are not listed on a public stock exchange.

⁶ A general partner is an individual or an entity typically affiliated with an investment firm that raises money from limited partners for a private fund and both invests in and manages the fund. A limited partner commits capital to a private fund. Unlike a general partner, a limited partner's participation in the fund's investment activities is restricted, and its personal liability for fund debt is limited to the amount of money that the limited partner contributed.

⁷ Industry sectors were determined using the 2022 North American Industry Classification System.

All program private equity investments are made in a family of funds, which is a group of mutual funds that shares administrative and distribution systems. Each fund in a family may be in a different industry, have different investment objectives, and follow different investment strategies. Thus, OPPAGA was unable to report program investments in private equity funds by distinct industry sector.

Most Florida Growth Fund Program direct investments were made in companies with a Florida presence; Florida presence of private equity fund investments may vary. As noted above, state law authorizes the State Board of Administration to invest up to 1.5% of Florida Retirement System Pension Fund assets in technology and growth businesses domiciled in Florida or with a principal address in the state, while also requiring such investments to be made consistent with the SBA's fiduciary duties.⁸ The SBA reviews the investment managers' proposed investments and the investments' financial merits and Florida presence, but SBA officials noted that there is no specific language in the investment manager contract specifying a precise amount of Florida exposure; thus, investment managers may pursue the best financial opportunities for the state regardless of Florida presence. Further, SBA officials reported that the Florida Growth Fund Program will not invest in a fund just because it is located in the state. Consequently, not all Florida Growth Fund Program investments have a Florida presence.

Since inception, 98.9% of program direct investment dollars have been in companies with a Florida presence. During the review period, OPPAGA's analysis of program investment data found that all direct investments had a Florida presence.

With regard to private equity, investment managers reported that determining a significant Florida presence is dependent on each investment opportunity. Investment managers provided examples of significant Florida presence, including that

- the company is headquartered in the state;
- the company has a significant operational footprint (e.g., manufacturing sites, warehouses, or office locations) in the state;
- a meaningful portion of the company's revenues come from Florida; or
- a significant number of the company's employees are located in Florida.

Based on the above criteria, investment managers reported that most Florida Growth Fund Program private equity investments had a significant presence in Florida. However, because private equity funds are composed of multiple companies, investment manager determinations of the funds' Florida presence are less certain both at the outset of the investment and during its term.⁹ Additionally, private equity funds are a blind pool, meaning investments are not known upon commitment to the fund.

Program direct investments since inception are largely concentrated in seven Florida counties. The program's direct investments in Florida since inception are located in 17 counties, with a majority concentrated in 7 counties—Broward, Duval, Hillsborough, Miami-Dade, Orange, Palm Beach, and Pinellas. Direct investments in these seven counties account for 81.8% of all program direct investments.¹⁰ (See Exhibit 3.) Individual direct investment amounts since program inception total \$645.7 million and range from \$420,000 (in Orange County) to \$20.4 million (also in Orange County).

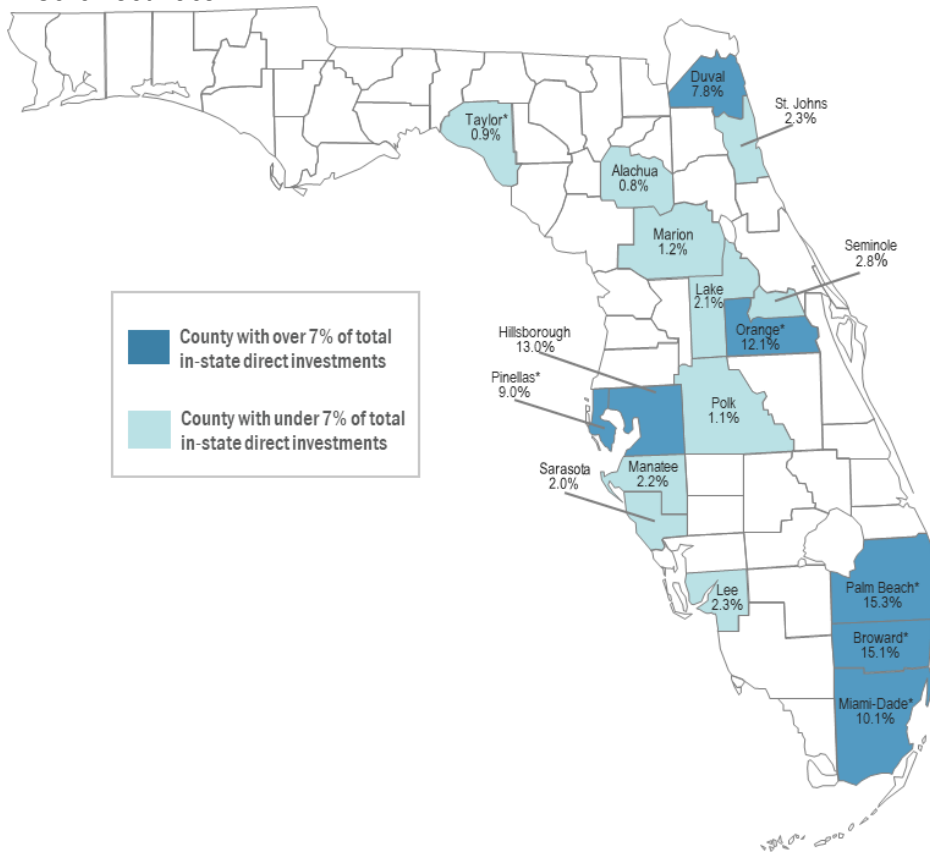
⁸ Section [215.47\(7\)](#), F.S.

⁹ The SBA reported that in some instances, the amount of Florida exposure at the inception of an investment may be low because the general partner may have planned to make a significant number of Florida based add-on acquisitions to the company that would increase the Florida exposure of the deal. It may also start out high but decline over time because of a business selling assets that are underperforming, which may be in Florida.

¹⁰ One direct investment from 2019 was made in a company headquartered in Ohio and without a significant Florida presence.

Exhibit 3

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.

The Florida Growth Fund Program continues to demonstrate positive returns to the FRS Pension Fund

During the review period, realized gains from program investments provided for \$133.5 million in distributions to the FRS Pension Fund. Additionally, program returns since inception have generally exceeded investment benchmarks. However, returns for some investments did not meet short-term benchmarks due to fluctuations in public markets.

The FRS Pension Fund benefits from Florida Growth Fund Program positive returns. Investment managers reported that the FRS Pension Fund has received \$1.1 billion in distributions from Florida Growth Fund Program investments since the program's inception. During the review period, investment managers reported \$133.5 million in distributions to the FRS Pension Fund. These distributions were the net result of realized gains from program investments.¹¹

Since program inception, net internal rates of returns have exceeded benchmarks. To measure investment performance against comparable investments, investment managers have established

¹¹ A realized gain results from selling an asset at a price higher than the original purchase price.

benchmarks for each tranche of capital using market indices.¹² Since inception, the program tranches have exceeded the benchmarks by 0.2% to 18.0% of the benchmark used to evaluate the net performance. (See Exhibit 4.) However, returns for some investments did not meet short-term benchmarks. Investment managers attribute this underperformance to changing public market conditions, which declined throughout 2022 due to various economic and geopolitical factors but have since rebounded. Investment managers noted that a fund’s value compounds over time. Thus, fund performance against benchmarks is most accurately measured since the fund’s inception, which reflects a longer period.

Exhibit 4

Since Inception, Florida Growth Fund Program Net Returns Have Exceeded Market-Based Investment Benchmarks

Benchmark Date	Time Period	Net Internal Rates of Return ¹	Benchmark ²	Difference
		Florida Growth Fund I Tranche I	Russell 2000 HL/Bison PME	
7/1/2023	1-year	5.7%	10.1%	
7/1/2021	3-year	-3.8%	-5.5%	
7/1/2019	5-year	1.5%	7.0%	
	Since inception (2009)	10.6%	10.4%	0.2%
		Florida Growth Fund I Tranche II	Russell 2000 HL/Bison PME	
7/1/2023	1-year	-2.5%	-10.0%	
7/1/2021	3-year	5.2%	-4.9%	
7/1/2019	5-year	11.3%	7.8%	
	Since inception (2012)	11.6%	8.9%	2.7%
		Florida Growth Fund I Credit Tranche	Credit Suisse LLJ HL/Bison PME	
7/1/2023	1-year	-15.4%	11.0%	
7/1/2021	3-year	1.3%	4.4%	
7/1/2019	5-year	4.1%	3.6%	
	Since inception (2014)	7.1%	3.9%	3.2%
		Florida Growth Fund II Tranche I	Russell 2000 HL/Bison PME	
7/1/2023	1-year	13.7%	7.3%	
7/1/2021	3-year	7.2%	-4.3%	
7/1/2019	5-year	11.7%	8.8%	
	Since inception (2015)	11.1%	8.7%	2.4%
		Florida Growth Fund II Tranche II	Russell 2000 HL/Bison PME	
7/1/2023	1-year	17.0%	9.8%	
7/1/2021	3-year	18.6%	-2.5%	
7/1/2019	5-year	22.6%	4.6%	
	Since inception (2019)	22.6%	4.6%	18.0%
		Florida Sunshine State Fund Tranche I	Russell 2000	
7/1/2023	1-year	3.4%	8.6%	
7/1/2021	3-year	9.9%	-6.8%	
7/1/2019	5-year	17.6%	4.2%	
	Since inception (2019)	16.9%	4.7%	12.2%
		Florida Sunshine State Fund Tranche II	Russell 2000	
7/1/2023	1-year	22.6%	15.8%	
7/1/2021	3-year	N/A	N/A	
7/1/2019	5-year	N/A	N/A	
	Since inception (2022)	32.6%	19.7%	12.9%

¹ Net internal rates of return are calculated using historical cash flows and the net asset values of the funds’ respective tranches. Net asset value is the value of a fund’s assets minus any liabilities and expenses. These values are determined by the investment managers in accordance with their valuation policies and are then aggregated for Florida Growth Fund Program reporting. In the early years of a fund’s life, the internal rate of return may be negatively affected by the relatively small amount of invested capital as compared to the management fees that have been paid.

² The SBA uses a modified public market equivalent benchmark methodology to present fund performance, which allows stakeholders to compare private equity fund activity to that of a public market index. OPPAGA did not independently assess the reliability of the benchmark selections.

Source: Hamilton Lane and J.P. Morgan Asset Management.

As of June 30, 2024, 42 Florida Growth Fund Program investments in companies or private equity funds have exited since program inception, providing \$615.4 million in distributions to the FRS Pension Fund, with a realized gain of \$311.4 million. (See Appendix B for all exited investments since

¹² In displaying performance, fund companies are required to present benchmarks that are representative of the fund’s sector or strategy. Fund companies have discretion over the choice of benchmarks; however, benchmarks must meet the criteria of federal securities laws.

program inception.) Of these investments, five were exited during the review period, having provided \$91.9 million in distributions since program inception. The Florida Growth Fund Program invested \$44.0 million in these five investments, resulting in a realized gain of \$48.0 million. The program had one write-off during Fiscal Year 2023-24, which resulted in a loss of \$8.0 million.¹³

Companies receiving investments reported creating 2,300 jobs and making \$391.0 million in capital expenditures in Florida during the review period

While Florida statutes require the Florida Growth Fund Program to maximize the financial return to the FRS Pension Fund consistent with the risks incumbent in each investment, the law also acknowledges that the program may generate other economic benefits to the state.¹⁴ To measure these economic benefits, OPPAGA analyzed data on reported jobs and capital expenditures created by companies receiving Florida Growth Fund Program investments.

Overall, companies receiving Florida Growth Fund Program investments through direct investments or private equity funds reported a net gain of 2,300 jobs and made \$391.0 million in capital expenditures in Fiscal Year 2023-24. For direct investments, companies with a Florida presence reportedly had a net loss of 422 jobs but made \$309.2 million in capital expenditures in the state.¹⁵ Investment managers noted that job growth tends to occur earlier in the investment periods for established tranches and reported that the net job loss was due to three large companies implementing cost-optimization efforts, including layoffs. The program's private equity fund investments reported a net gain of 2,722 new jobs and made \$81.8 million in capital expenditures during the review period.¹⁶ (See Appendix A for all jobs and capital expenditures during the review period.)

AGENCY RESPONSE

In accordance with the provisions of s. 11.51(2), *Florida Statutes*, OPPAGA submitted a draft of this report to the State Board of Administration. The board's written response has been reproduced in Appendix C.

¹³ A write-off is the reduction of a company's value to zero, typically a realization of the failure of the company.

¹⁴ Sections [215.47\(10\)](#) and [215.474\(3\)](#), *F.S.*

¹⁵ Capital expenditures may include expenses such as acquiring, repairing, or improving physical assets (such as equipment or property), including starting new businesses and adapting property to a different use.

¹⁶ For private equity investments, the specific location of reported jobs is unknown beyond association with investments with a Florida presence. Private equity investments having a Florida presence may or may not have created jobs in the state.

APPENDIX A

Florida Growth Fund Program Investments, Capital Expenditures, and Jobs as of June 30, 2024

As of June 30, 2024, the Florida Growth Fund Program directly invested in 91 companies in 71 industry sectors, totaling \$645.7 million since program inception. Exhibit A-1 provides information on the direct investments made since inception and during the review period. Not all direct investments created jobs and made capital expenditures in Florida during the review period.

Exhibit A-1

As of June 30, 2024, Florida Growth Fund Program Direct Investments Were \$645.7 Million in 71 Industry Sectors

Direct Investments— Technology and Growth Companies (by Industry Name)	Amount Invested Since Inception (millions)	Amount Invested in Fiscal Year 2023-24 (millions)	Reported Capital Expenditures in Florida in Fiscal Year 2023-24 (millions)	Reported Jobs Created in Florida in Fiscal Year 2023-24
Radio Stations	\$4.9	\$0.0	\$0.0	4
Advertising Agencies	\$1.5	\$0.0	\$0.0	0
Advertising Material Distribution Services	\$5.0	\$0.0	\$0.0	0
All Other Basic Organic Chemical Manufacturing	\$5.0	\$0.0	\$0.0	0
All Other Miscellaneous Food Manufacturing	\$13.6	\$0.0	\$5.4	40
All Other Outpatient Care Centers	\$7.3	\$0.0	\$0.0	0
All Other Telecommunications	\$19.5	\$0.8	\$27.4	-22
All Other Transportation Equipment Manufacturing	\$2.0	\$0.0	\$1.1	0
Automobile Driving Schools	\$6.0	\$0.0	\$0.0	0
Baked Goods Retailers	\$8.5	\$0.0	\$0.0	0
Beauty Salons	\$10.0	\$0.0	\$0.3	-11
Car Washes	\$4.9	\$0.0	\$10.3	9
Computer Systems Design Services	\$5.0	\$5.0	<\$0.1	5
Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	\$18.0	\$0.0	\$0.0	0
Couriers and Express Delivery Services	\$10.0	\$0.0	\$0.0	0
Custom Computer Programming Services	\$14.4	\$0.0	\$0.0	0
Educational Services	\$7.0	\$0.0	\$37.2	75
Electronic Shopping and Mail- Order Houses	\$2.5	\$0.0	<\$0.1	0
Engineering Services	\$8.8	\$2.3	\$0.2	23
Financial Transactions Processing, Reserve, and Clearinghouse Activities	\$7.0	\$0.0	\$0.3	10
Food Service Contractors	\$4.8	\$0.0	\$0.0	0
Full-Service Restaurants	\$13.1	\$0.0	\$60.3	-394
Funeral Homes and Funeral Services	\$3.4	\$0.0	\$0.0	0
General Line Grocery Merchant Wholesalers	\$7.5	\$0.0	\$1.1	4
Glass Container Manufacturing	\$9.9	\$0.0	\$3.8	-60

Direct Investments— Technology and Growth Companies (by Industry Name)	Amount Invested Since Inception (millions)	Amount Invested in Fiscal Year 2023-24 (millions)	Reported Capital Expenditures in Florida in Fiscal Year 2023-24 (millions)	Reported Jobs Created in Florida in Fiscal Year 2023-24
Golf Courses and Country Clubs	\$7.0	\$0.0	\$6.4	7
Hardware Retailers	\$7.8	\$0.0	\$0.0	0
Home Health Care Services	\$9.6	\$0.6	\$2.7	195
Industrial Launderers	\$16.4	\$0.0	\$4.3	39
Insurance Agencies and Brokerages	\$17.6	\$0.0	\$0.4	56
Irradiation Apparatus Manufacturing	\$25.7	\$0.0	\$0.0	0
Kidney Dialysis Centers	\$6.1	\$0.0	<\$0.1	1
Landscaping Services	\$4.6	\$1.0	\$1.9	0
Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	\$7.5	\$7.5	\$4.3	14
Marinas	\$4.9	\$2.6	\$0.3	6
Marketing Consulting Services	\$14.5	\$0.0	\$0.0	0
Marketing Research and Public Opinion Polling	\$6.0	\$0.0	\$0.0	0
Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	\$12.3	\$0.0	\$0.6	-7
Motor Vehicle Supplies and New Parts Merchant Wholesalers	\$11.8	\$0.0	\$2.5	-3
Offices of All Other Miscellaneous Health Practitioners	\$5.5	\$0.0	\$18.4	75
Offices of Dentists	\$3.8	\$0.0	\$0.0	0
Offices of Physicians (except Mental Health Specialists)	\$18.9	\$0.0	\$5.1	95
Ophthalmic Goods Merchant Wholesalers	\$15.2	\$0.0	\$0.0	-153
Other Commercial and Industrial Machinery and Equipment Rental and Leasing	\$5.0	\$0.0	\$78.7	148
Other Communications Equipment Manufacturing	\$2.2	\$0.1	\$1.7	9
Other Concrete Product Manufacturing	\$5.0	\$0.0	\$1.0	-10
Other Individual and Family Services	\$7.4	\$0.0	\$0.0	0
Other Scientific and Technical Consulting Services	\$10.4	\$0.0	\$0.0	0
Other Support Activities for Air Transportation	\$10.0	\$0.0	\$0.0	0
Other Warehousing and Storage	\$8.4	\$0.0	\$0.0	0
Packaged Frozen Food Merchant Wholesalers	\$8.9	\$0.0	\$15.3	17
Pharmaceutical Preparation Manufacturing	\$4.2	\$0.0	\$0.9	2
Plumbing, Heating, and Air- Conditioning Contractors	\$0.4	\$0.0	<\$0.1	0
Prefabricated Metal Building and Component Manufacturing	\$5.5	\$5.5	\$1.1	4
Process, Physical Distribution, and Logistics Consulting Services	\$7.1	\$0.0	\$0.0	0
Professional Employer Organizations	\$15.1	\$7.5	\$2.3	13

Direct Investments— Technology and Growth Companies (by Industry Name)	Amount Invested Since Inception (millions)	Amount Invested in Fiscal Year 2023-24 (millions)	Reported Capital Expenditures in Florida in Fiscal Year 2023-24 (millions)	Reported Jobs Created in Florida in Fiscal Year 2023-24
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	\$6.0	\$0.0	\$0.0	0
Radio Broadcasting Stations	\$11.4	\$0.0	\$0.0	0
Real Estate Credit	\$2.4	\$0.0	\$0.0	0
Residential Property Managers	\$1.4	\$1.4	\$0.2	47
Roofing Contractors	\$6.0	\$6.0	\$0.5	16
Security Guards and Patrol Services	\$9.6	\$0.0	\$0.0	0
Security Systems Services (except Locksmiths)	\$25.0	\$0.0	\$8.4	-759
Soap and Other Detergent Manufacturing	\$4.2	\$0.0	\$0.1	0
Software Publishers	\$45.2	\$0.0	\$0.0	-29
Solid Waste Landfill	\$7.1	\$0.0	\$0.0	0
Sporting and Athletic Goods Manufacturing	\$5.5	\$0.0	<\$0.1	0
Telecommunications Resellers	\$8.9	\$0.0	\$0.0	0
Temporary Help Services	\$17.2	\$0.0	\$0.3	45
Travel Agencies	\$4.0	\$0.0	\$0.0	0
Veterinary Services	\$7.4	\$0.0	\$4.1	67
Total¹	\$645.7	\$40.4	\$309.2	-422

¹ Columns may not add up to totals due to rounding.

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

Exhibit A-2 provides similar information for the 62 private equity fund investments totaling \$411.2 made since program inception; holdings are listed by fund tranche because the companies comprising a fund may be in several industries. Each row of the exhibit represents an investment in a private equity fund.

Exhibit A-2

As of June 30, 2024, the Florida Growth Fund Program Private Equity Investments Were \$411.2 Million in 62 Private Equity Funds

Fund Tranche	Amount Invested Since Inception (millions)	Amount Invested in Fiscal Year 2023-24 (millions)	Reported Capital Expenditures in Florida in Fiscal Year 2023-24 (millions)	Reported Jobs Created in Florida in Fiscal Year 2023-24
	\$7.5	\$0.0	\$0.0	0
	\$1.4	\$0.0	\$0.0	0
	\$6.2	\$0.0	\$0.0	0
	\$10.0	\$0.0	\$0.0	0
	\$15.0	\$0.0	\$0.0	0
Florida Growth Fund I Tranche I	\$15.0	\$0.0	\$0.0	0
	\$10.0	\$0.0	\$0.0	15
	\$4.1	\$0.0	\$0.0	0
	\$7.5	\$0.0	\$0.0	65
	\$5.0	\$0.0	\$0.0	0
	\$5.0	\$0.0	\$0.0	0
	\$15.0	\$0.0	\$0.0	0
Florida Growth Fund I Tranche II	\$7.5	\$0.0	\$0.0	-450
	\$10.0	\$0.0	\$0.0	1
	\$11.3	\$0.0	\$0.1	-5
	\$7.5	\$0.0	\$0.0	0

Fund Tranche	Amount Invested Since Inception (millions)	Amount Invested in Fiscal Year 2023-24 (millions)	Reported Capital Expenditures in Florida in Fiscal Year 2023-24 (millions)	Reported Jobs Created in Florida in Fiscal Year 2023-24
	\$5.0	\$0.0	\$0.7	-6
	\$15.0	\$0.0	\$1.6	25
	\$7.5	\$0.0	\$10.3	1
	\$7.5	\$0.0	\$0.6	-47
	\$5.0	\$0.0	\$0.0	0
	\$7.5	\$0.0	\$0.0	3
	\$4.4	\$0.0	\$0.0	0
	\$7.5	\$0.0	\$0.0	0
	\$7.5	\$0.0	\$7.2	728
	\$7.5	\$0.0	\$0.6	107
	\$6.8	\$0.0	\$0.0	0
	\$7.5	\$0.0	\$0.1	-16
Florida Growth Fund II Tranche I	\$10.0	\$0.0	\$2.0	49
	\$7.5	\$0.0	<\$0.1	-28
	\$5.0	\$0.0	\$0.0	14
	\$7.5	\$0.0	\$0.3	2
	\$10.0	\$0.0	\$0.9	-15
	\$10.0	\$0.0	\$2.7	51
	\$7.5	\$0.0	\$0.0	0
	\$7.5	\$0.0	\$0.0	0
	\$2.5	\$0.0	\$3.9	258
	\$5.0	\$0.0	\$7.1	382
	\$5.0	\$0.0	\$1.0	55
Florida Growth Fund II Tranche II	\$2.5	\$0.0	\$0.0	0
	\$5.0	\$0.0	\$0.0	0
	\$5.0	\$0.0	\$6.1	-159
	\$7.0	\$0.0	\$2.4	73
	\$5.0	\$0.0	\$0.0	0
	\$5.0	\$0.0	\$0.0	0
	\$1.9	\$0.1	\$0.0	0
	\$5.4	<\$0.1	\$1.8	293
	\$3.4	\$0.7	\$1.8	126
	\$2.8	\$1.8	\$0.0	214
Florida Sunshine State Fund Tranche I	\$6.4	\$0.0	\$0.0	3
	\$5.7	\$0.0	\$1.0	51
	\$7.0	\$0.3	\$2.9	195
	\$4.3	\$0.4	<\$0.1	1
	\$2.3	\$0.9	\$0.3	1
	\$7.9	\$0.1	\$16.1	142
	\$2.6	\$0.4	\$0.7	13
	\$6.7	\$1.3	\$0.4	65
	\$8.8	\$4.6	\$8.8	306
Florida Sunshine State Fund Tranche II	\$1.9	\$1.9	\$0.3	4
	\$2.5	\$1.0	\$0.0	196
	\$1.8	\$1.6	\$0.0	0
	\$6.3	\$3.3	\$0.0	9
Total¹	\$411.2	\$18.8	\$81.8	2,722

¹ Columns may not add up to totals due to rounding.

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

APPENDIX B

Florida Growth Fund Program Exited Investments

Florida Growth Fund Program investments that have exited provide investment returns. Since program inception, exited investments accounted for \$615.4 million in distributions to the FRS Pension Fund. Each row of Exhibit B-1 is the amount invested in each industry type; highlighted rows denote the five industries that had investments that were exited during the review period (July 1, 2023, through June 30, 2024). Exited private equity investments resulted in additional distributions of \$16.8 million.

Exhibit B-1

Exited Direct Investments Have Distributed \$615.4 Million to the FRS Pension Fund Since Florida Growth Fund Program Inception

Exited Investments (by Industry Name)	Distributions (millions)	Date Exited
Advertising Agencies	\$7.3	12/28/2012
Advertising Material Distribution Services ¹	>\$0.0	6/30/2016
All Other Basic Organic Chemical Manufacturing	\$21.4	1/7/2016
All Other Outpatient Care Centers	\$22.0	1/7/2021
Automobile Driving Schools	\$14.0	6/19/2020
Baked Goods Retailers	\$14.0	11/18/2019
Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services ¹	\$11.7	3/31/2024
Couriers and Express Delivery Services	\$33.0	12/21/2022
Custom Computer Programming Services	\$15.3	5/2/2024
Food Service Contractors	\$40.5	10/19/2016
Full-Service Restaurants	\$28.6	7/27/2017
Funeral Homes and Funeral Services	\$6.3	9/15/2021
Hardware Retailers	\$20.8	1/11/2021
Home Health Care Services	\$3.4	12/31/2015
Insurance Agencies and Brokerages	\$27.1	11/28/2022
Irradiation Apparatus Manufacturing ¹	\$13.7	3/31/2016
Marketing Consulting Services	\$49.4	9/30/2014
Offices of Physicians (except Mental Health Specialists)	\$8.9	6/12/2020
Other Individual and Family Services	\$8.5	5/9/2017
Other Scientific and Technical Consulting Services	\$23.5	8/31/2016
Other Support Activities for Air Transportation	\$20.1	9/5/2023
Other Warehousing and Storage	\$10.9	1/31/2023
Process, Physical Distribution, and Logistics Consulting Services	\$15.1	6/11/2021
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	\$13.4	4/18/2024
Real Estate Credit ¹	\$0.7	3/31/2016
Security Guards and Patrol Services	\$10.8	7/12/2019
Security Systems Services (except Locksmiths)	\$22.2	12/5/2018
Software Publishers	\$97.7	3/6/2024
Solid Waste Landfill	\$17.5	10/20/2014
Telecommunications Resellers ¹	\$0.0	1/1/2021
Temporary Help Services	\$11.3	11/22/2022
Travel Agencies	\$5.3	5/19/2015
Veterinary Services	\$4.2	6/1/2021
Total	\$615.4	

¹ Indicates a write-off (realized loss) resulting from distributions being lower than the initial investment.

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

APPENDIX C

Agency Response



STATE BOARD OF ADMINISTRATION
OF FLORIDA

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JIMMY PATRONIS
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ASHLEY MOODY
ATTORNEY GENERAL

CHRIS SPENCER
EXECUTIVE DIRECTOR

January 9, 2025

Ms. Kara Collins-Gomez, Coordinator
Office of Program Policy Analysis & Government
Accountability (OPPAGA)
Claude Pepper Building, Room 312
111 West Madison Street
Tallahassee, Florida 32399-1475

Dear Ms. Collins-Gomez:

We have reviewed the preliminary and tentative OPPAGA report titled: *Florida Growth Fund Program Investments Provided More Than \$134 Million in FRS Distributions in Fiscal Year 2023-24*. We have no objection or questions regarding the information presented in the report.

We welcome OPPAGA's efforts and, as always, we appreciate your diligence and professionalism.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Spencer".

Chris Spencer
Executive Director

CS/apw



OPPAGA

Office of Program Policy Analysis and Government Accountability

OPPAGA provides performance and accountability information about Florida government in several ways.

- [Reports](#) deliver program evaluation and policy analysis to assist the Legislature in overseeing government operations, developing policy choices, and making Florida government more efficient and effective.
- [Government Program Summaries](#) (GPS), provides descriptive information on Florida state agencies, including funding, contact information, and references to other sources of agency information.
- [PolicyNotes](#), an electronic newsletter, delivers brief announcements of research reports, conferences, and other resources of interest for Florida's policy research and program evaluation community.
- Visit OPPAGA's [website](#).

OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

Project supervised by Alex Regalado (850/717-0506)
Project conducted by Chris Hilliard and Melaine Couch
Kara Collins-Gomez, Coordinator