

Florida Growth Fund Program Investments: 2025

Report 25-09

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OPPAGA

Office of Program Policy Analysis and Government Accountability

Florida Growth Fund Program Investments: 2025

EXECUTIVE SUMMARY

State law authorizes the State Board of Administration to invest up to 1.5% of Florida Retirement System Pension Fund (FRS Pension Fund) assets in technology and growth businesses either domiciled in Florida or with a principal address in Florida. In Fiscal Year 2024-25, the Florida Growth Fund Program made new and additional investments in 15 companies through direct investments and 24 private equity funds; these investments totaled \$64.3 million.¹ Most of the direct investments were in five industry sectors—computer system design services, other computer related services, automatic environmental control manufacturing, other communications equipment manufacturing, and all other specialty trade contractors.

All direct investments were made in companies with a Florida presence. The majority of direct investments were concentrated in six Florida counties—Broward, Duval, Hillsborough, Palm Beach, Sarasota, and Seminole. Investment managers reported that most Florida Growth Fund Program private equity investments had a significant Florida presence.

In Fiscal Year 2024-25, the program distributed \$130.4 million to the FRS Pension Fund. Since inception, funds within the Florida Growth Fund Program have exceeded investment benchmarks for each fund. In Fiscal Year 2024-25, investment managers reported that program investments had a net gain of 1,281 jobs and \$94.3 million in capital expenditures in Florida.

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

The review period for this report is July 1, 2024, through June 30, 2025.

¹ This is OPPAGA's 18th annual report on the Florida Growth Fund Program. Prior reports are available on OPPAGA's [website](#).

BACKGROUND

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. Of the funds managed by the SBA, the largest is the Florida Retirement System Pension Fund (FRS Pension Fund). State law authorizes the SBA to invest up to 1.5% of FRS Pension Fund assets in technology and growth businesses either domiciled in Florida or that have a principal address in Florida.² Technology and growth investments may include space technology, aerospace and aviation engineering, computer technology, renewable energy, and medical and life sciences.

The SBA makes such investments through the Florida Growth Fund Program, which is divided into three separate funds that include seven tranches of capital totaling \$1.25 billion in investment commitments.³ (See Exhibit 1.) 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.

Exhibit 1

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 A	2019	\$125 million	J.P. Morgan Asset Management
Tranche B	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 data.



The most recent program funding commitment was made on July 15, 2025, which is outside of the review period. Specifically, the SBA reappointed J.P. Morgan as manager for a new tranche—a \$300 million commitment to the Florida Sunshine State Fund Tranche C. Investment managers make program investments directly by co-investing alongside a private equity fund with a general partner or indirectly through private equity funds. (See Exhibit 2.)

² Section [215.47\(7\)](#), F.S.

³ Tranches are segments of a pooled collection of assets that are split up by characteristics such as risk, or strategy and asset class.

Exhibit 2

Florida Growth Fund Program Asset Classes Include Direct Investments and Private Equity Investments

Direct Investment (or Direct Equity Co-Investment) 	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 resources, expertise, and networks to make a joint investment and share potential profits. Direct investments are made in companies that are based in Florida or that have a significant portion of company business generated in Florida.
Private Equity 	An investment in which funds are raised from investors, pooled, or co-mingled and used to acquire entity ownership in private companies that are not listed on a public stock exchange. General partners that manage private equity funds may or may not reside in the state but intend to invest in Florida-based economies.

Source: OPPAGA analysis of State Board of Administration, Hamilton Lane, and J.P. Morgan Asset Management.

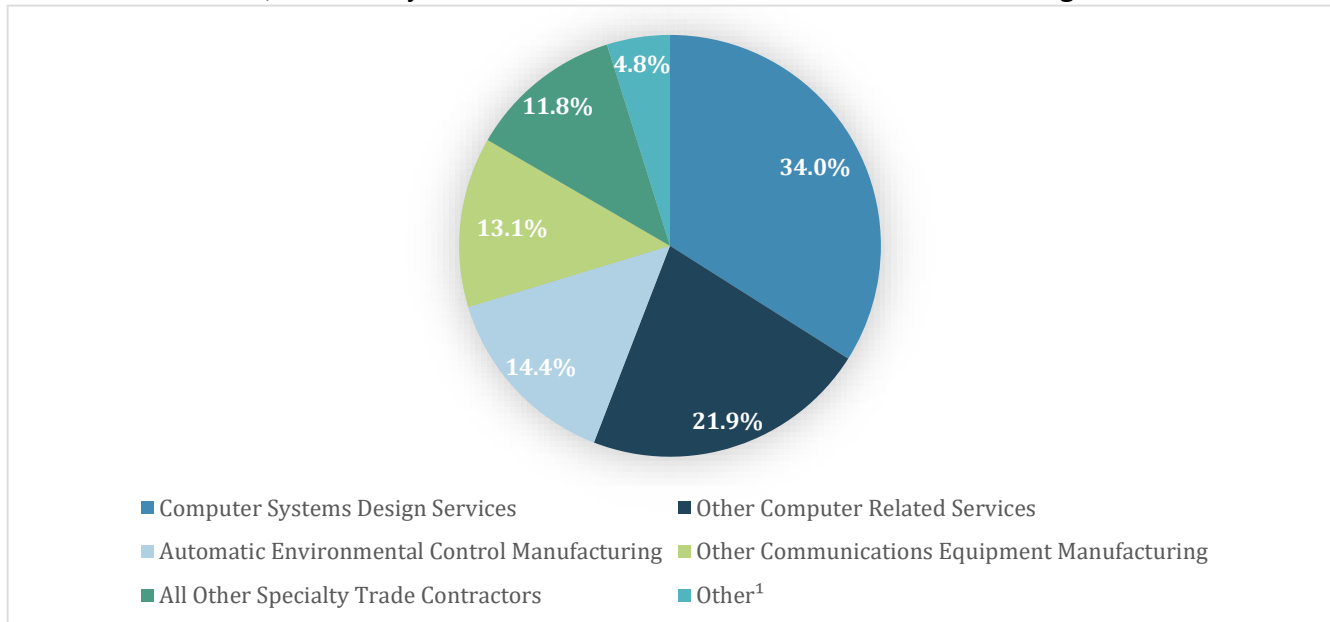
FINDINGS

The Florida Growth Fund Program invested \$64.3 million in Fiscal Year 2024-25

During the review period, program investment managers invested \$64.3 million in 39 companies and private equity funds. Of these, 15 were direct investments (\$35.3 million) and 24 were private equity fund investments (\$29.0 million).⁴ Of the \$35.3 million in direct investments, \$33.6 million (95.2%) were in five industry sectors, with \$19.7 million (55.9%) in computer-related industries. (See Exhibit 3.) (See Appendix A for detailed information about Florida Growth Fund Program investments.)

Exhibit 3

In Fiscal Year 2024-25, Five Industry Sectors Accounted for 95.2% of Florida Growth Fund Program Direct Investments



¹ The Other category includes other commercial and industrial machinery and equipment rental and leasing; temporary help services; all other telecommunications; landscaping services; roofing contractors; lumber, plywood, millwork, and wood panel merchant wholesalers; and marketing research and public opinion polling.

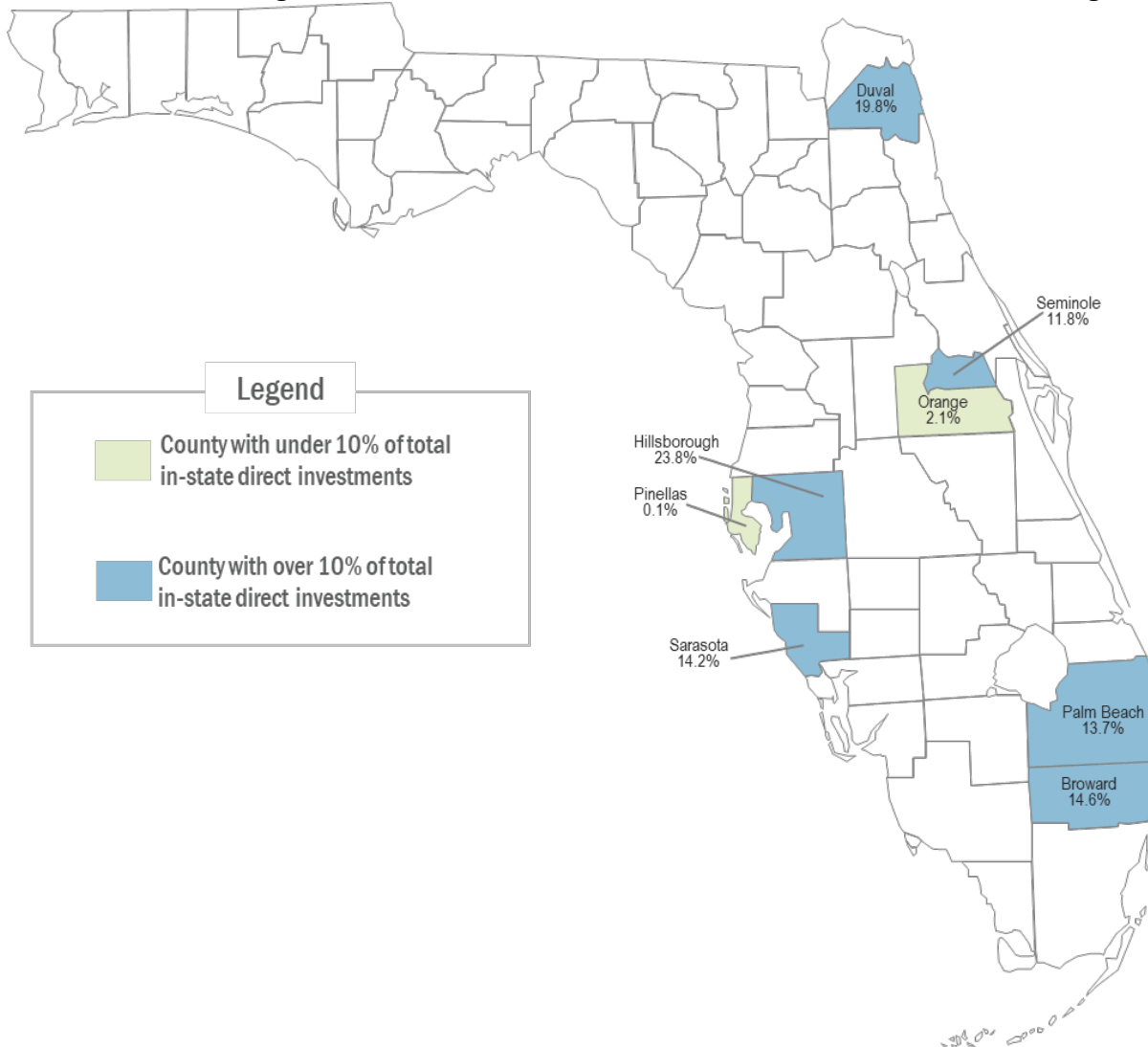
⁴ During the review period, the program made five new direct investments and eight new private equity fund investments.

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

OPPAGA's analysis of program data found that in Fiscal Year 2024-25, all direct investments had a Florida presence. The program's direct investments were located in eight counties, with 97.8% concentrated in six counties—Broward, Duval, Hillsborough, Palm Beach, Sarasota, and Seminole. Direct investment amounts during the review period totaled \$35.3 million, with individual investments ranging from \$6,086 in Orange County to \$7.7 million in Hillsborough County. (See Exhibit 4.)

Exhibit 4

Florida Growth Fund Program Direct Investments Made in Fiscal Year 2024-25 Were Located in Eight Counties



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

Private equity funds cannot be reported by distinct industry sector or county because, unlike direct investments, program private equity investments are made in a family of funds (i.e., a group of mutual funds that share administrative and distributions systems); each fund in a family may differ by industry, investment objective, and investment strategy. Investment managers reported that most Florida Growth Fund Program private equity investments had a significant Florida presence. However, the Florida presence of private equity fund investments may vary, because private equity funds are composed of multiple companies, so investment manager determinations of a funds' Florida presence is less certain at the outset and during the term of an investment.

Program investments distributed \$130.4 million to the FRS Pension Fund in Fiscal Year 2024-25

As of June 30, 2025, the FRS Pension Fund had a market value of \$211.5 billion in assets, with Florida Growth Fund Program investments representing \$586.8 million (0.3%) of the value of those assets. During the review period, program investment managers reported \$130.4 million in distributions to the FRS Pension Fund. These distributions were the net result of realized gains from program investments.⁵

In Fiscal Year 2024-25, three investments in companies or private equity funds exited the program, having provided \$28.2 million in distributions since program inception and \$22.0 million during the review period. The Florida Growth Fund Program invested \$21.1 million in these three investments, resulting in a realized gain of \$7.0 million. The program had one write-off during the period, which resulted in a loss of \$8.3 million.

Program returns since inception have generally exceeded investment benchmarks established by investment managers. However, returns for some investments did not meet short-term benchmarks. Investment managers reported that instances where the rates of return did not meet the benchmarks reflect normal short-term volatility rather than a change in long-term performance. Negative performance can occur when management fees and acquisition expenses outweigh the early value of investments or during periods when the public market outperforms the private investment.⁶ (See Appendix B for more information about Florida Growth Fund Program rates of return and benchmarks.)

Companies receiving program investments reported creating 1,281 jobs and making \$94.3 million in capital expenditures in Florida in Fiscal Year 2024-25

To measure the economic benefits to the state resulting from Florida Growth Fund Program investments in technology and growth industries, OPPAGA analyzed reported job creation and capital expenditures by companies receiving program investments.

Overall, companies receiving program investments during Fiscal Year 2024-25 through direct investments or private equity funds reported a net gain of 1,281 jobs and \$94.3 million in capital expenditures. For direct investments, companies with a Florida presence reported a net gain of 951 new jobs and \$64.7 million in capital expenditures in the state.⁷ The program's private equity fund investments reported a net gain of 330 new jobs and \$29.5 million in capital expenditures.

⁵ A realized gain results from selling an asset at a price higher than the original purchase price.

⁶ Management fees are annual charges paid to a private equity fund's manager and range from 0.5% to 3% of the investors committed capital. Private equity investments may use the public market equivalent (PME) as a financial metric to compare the performance of a private equity fund to a public market benchmark, such as the Russell 2000. The PME helps investment managers determine whether the capital invested and the associated returns from the private equity fund would have performed better in the public market.

⁷ 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.

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.

APPENDIX A

Florida Growth Fund Program Investments, Capital Expenditures, and Jobs

During the review period (Fiscal Year 2024-25), the Florida Growth Fund Program directly invested in 15 companies in 12 industry sectors, totaling \$35.3 million.⁸ (See Exhibit A-1.) These 15 companies reported \$64.7 million in capital expenditures and a net gain of 951 jobs in Florida. Not all direct investments created jobs and made capital expenditures in Florida during this time.

Exhibit A-1

During the Review Period, the Florida Growth Fund Program Invested \$35.3 Million in 15 Companies That Made \$64.7 Million in Capital Expenditures and Created 951 Net Jobs

Fiscal Year 2024-25			
Direct Investments – Technology and Growth Companies (by industry name)	Amount Invested (millions)	Reported Capital Expenditures in Florida (millions)	Reported Net Jobs Created in Florida
All Other Specialty Trade Contractors	\$4.2	\$0.5	428
All Other Telecommunications	0.2	0	0
Automatic Environmental Control Manufacturing	5.1	3.2	7
Computer Systems Design Services	12.0	0.4	12
Landscaping Services	0.08	0	0
Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	0.03	1.7	23
Marketing Research and Public Opinion Polling	0.02	0	0
Other Commercial and Industrial Machinery and Equipment Rental and Leasing	0.7	50.4	75
Other Communications Equipment Manufacturing	4.6	4.6	193
Other Computer Related Services	7.7	3.9	12
Roofing Contractors	0.05	0.06	-28
Temporary Help Services	0.7	0.09	229
Total	\$35.3	\$64.7	951

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

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

⁸ During the review period, the program made five new direct investments.

Exhibit A-2 provides similar information for the 24 private equity fund investments totaling \$29.0 million during the review period.⁹ These investments reported \$29.5 million in capital expenditures and a net gain of 330 jobs in Florida. 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

During the Review Period, Florida Growth Fund Program Private Equity Investments Were \$29.0 Million Resulting in \$29.5 Million in Capital Expenditures and 330 Net Jobs

Fiscal Year 2024-25			
Fund Tranche	Amount Invested (millions)	Reported Capital Expenditures in Florida (millions)	Reported Net Jobs Created in Florida
Florida Sunshine State Fund Tranche I	4.2	5.0	31
Florida Sunshine State Fund Tranche II	24.8	24.5	299
Total	\$29.0	\$29.5	330

¹ Columns may not add up to totals due to rounding.
Source: OPPAGA analysis of Hamilton Lane and J.P. Morgan Asset Management data.

⁹ During the review period, the program made eight new private equity investments.

APPENDIX B

Florida Growth Fund Program Rates of Return and Benchmarks

To measure investment performance against comparable investments, investment managers established benchmarks for each tranche of capital using market indices. Since inception, the performance of funds within the Florida Growth Fund Program has exceeded the benchmarks by 0.1% to 14.0%. (See Exhibit B-1.)

Exhibit B-1

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	
7/1/2024	1-year	-4.5%	4.8%	
7/1/2022	3-year	-8.23%	9.6%	
7/1/2020	5-year	0.8%	10.9%	
	Since inception (2009)	10.4%	10.4%	0.1%
		Florida Growth Fund I Tranche II	Russell 2000 HL/Bison PME	
7/1/2024	1-year	-15.7%	6.4%	
7/1/2022	3-year	0.8%	10.5%	
7/1/2020	5-year	14.5%	14.2%	
	Since inception (2012)	10.9%	8.8%	2.1%
		Florida Growth Fund I Credit Tranche	Credit Suisse LLJ HL/Bison PME	
7/1/2024	1-year	-37.0%	6.0%	
7/1/2022	3-year	-6.0%	9.9%	
7/1/2020	5-year	0.3%	7.8%	
	Since inception (2014)	6.1%	3.9%	2.2%
		Florida Growth Fund II Tranche I	Russell 2000 HL/Bison PME	
7/1/2024	1-year	-3.0%	7.8%	
7/1/2022	3-year	3.7%	9.7%	
7/1/2020	5-year	15.5%	14.5%	
	Since inception (2015)	10.2%	8.7%	1.4%
		Florida Growth Fund II Tranche II	Russell 2000 HL/Bison PME	
7/1/2024	1-year	6.5%	11.8%	
7/1/2022	3-year	12.3%	11.2%	
7/1/2020	5-year	20.1%	7.3%	
	Since inception (2019)	19.9%	5.8%	14.0%
		Florida Sunshine State Fund Tranche I	Russell 2000	
7/1/2024	1-year	3.0%	8.3%	
7/1/2022	3-year	5.0%	9.7%	
7/1/2020	5-year	14.2%	7.8%	
	Since inception (2019)	14.4%	7.0%	7.4%
		Florida Sunshine State Fund Tranche II	Russell 2000	
7/1/2024	1-year	12.2%	8.1%	
7/1/2022	3-year	N/A	N/A	
7/1/2020	5-year	N/A	N/A	
	Since inception (2022)	18.8%	10.5%	8.3%

¹ Net internal rates of return are calculated using historical cash flows and the net asset values of the fund's respective tranches. Net asset value is the value of a fund's assets minus any liabilities and expenses. Investment managers determine these values in accordance with managers' valuation policies and are then aggregated for Florida Growth Fund Program reporting.

² The State Board of Administration 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 data.

APPENDIX C

Agency Response



STATE BOARD OF ADMINISTRATION OF FLORIDA

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December 17, 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: 2025*. 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

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