

# Florida Growth Fund Program Investments Provided More Than \$674 Million in FRS Distributions

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# OPPAGA

Office of Program Policy Analysis and Government Accountability

## Florida Growth Fund Program Provided More Than \$674 Million in FRS Distributions

### EXECUTIVE SUMMARY

The Florida Growth Fund Program allows the investment of Florida Retirement System Pension Fund assets in Florida technology and high-growth businesses. As of June 30, 2021, the program has made investments totaling \$809.5 million in 69 technology and growth companies and 46 private equity funds. This includes new investments in seven technology and growth companies and four private equity funds made in Fiscal Year 2020-21. Florida Growth Fund Program investments have been made in 14 Florida counties, with amounts ranging from \$6.8 million in Manatee County to \$194.9 million in Palm Beach County.

From fund inception through June 30, 2021, the program distributed \$674 million to the Florida Retirement System Trust Fund. Since inception, funds within the Florida Growth Fund Program have generally met or exceeded benchmarks set for each fund.

The Florida Growth Fund Program's investments resulted in economic benefits. Companies receiving program investments reported creating 23,658 Florida jobs as of June 30, 2021. Fund managers reported that current investments that created jobs paid average annual wages ranging from \$20,592 to \$117,639. The majority of these average wages exceed the state's 2021 overall average wage of \$50,020. Additionally, fund managers reported that companies and private equity funds receiving investments reported making \$87.6 million in capital expenditures from July 1, 2020 through June 30, 2021, bringing total capital expenditures to \$1.6 billion since fund inception.

#### 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 system's trust fund net assets;
- a list of investments in state industries 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 14<sup>th</sup> annual report addresses the board's progress in managing the program and presents information on the economic impact of fund investments.

# INTRODUCTION

The State Board of Administration (SBA) is constitutionally authorized to supervise the investment of state and local government funds. 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 appoint the SBA's executive director/chief investment officer, who oversees the day-to-day financial investments and operations of the organization. Of the funds managed by the SBA, the largest is the Florida Retirement System (FRS) Trust Fund, which had an unaudited net value of \$199.6 billion in assets as of June 30, 2021.<sup>1</sup>

The Florida Growth Fund Program was established to invest a portion of the FRS Trust Fund. The program, as authorized by s. 215.47(7), *Florida Statutes*, allows the SBA to invest up to 1.5% of net trust fund assets in technology and growth businesses either domiciled in Florida or that have a principal address in Florida. Growth and technology investments may include, but are not limited to, aerospace and aviation engineering, computer technology, medical and life sciences, space technology, and renewable energy. Consistent with its fiduciary duties, the SBA can make Florida Growth Fund Program investments directly (via co-investments) and indirectly (via private equity funds such as buyout and venture capital) in companies that are based in or target investments in Florida.

The program is divided into three separate funds that include six tranches of capital.<sup>2</sup> (See Exhibit 1.)

- **Florida Growth Fund I**—Two tranches of capital invested in private equity funds and growth and technology companies and one tranche used solely for credit opportunities.
- **Florida Growth Fund II**—Two tranches invested in private equity funds and growth and technology companies.
- **Florida Sunshine State Fund**—One tranche invested in private equity funds and growth and technology companies.

## Exhibit 1

### The Tranches of the Florida Growth Fund Program Were Established Over Several Fiscal Years

	Year Established	Fund Size at Inception (in millions)	Fund Manager
<b>Florida Growth Fund I</b>			
Tranche I	2009	\$250	Hamilton Lane
Tranche II	2012	\$150	Hamilton Lane
Credit Tranche	2014	\$100	Hamilton Lane
<b>Total</b>		<b>\$500</b>	
<b>Florida Growth Fund II</b>			
Tranche I	2015	\$250	Hamilton Lane
Tranche II	2019	\$125	Hamilton Lane
<b>Total</b>		<b>\$375</b>	
<b>Florida Sunshine State Fund</b>			
Tranche I	2019	\$125	J.P. Morgan Asset Management
<b>Total</b>		<b>\$125</b>	

Source: State Board of Administration.

<sup>1</sup> For the purposes of this program, the SBA defines the FRS Trust Fund as composed solely of assets from the FRS Pension Plan Fund.

<sup>2</sup> A tranche is a portion of a larger security.

SBA contracts with two vendors to manage the Florida Growth Fund Program; Hamilton Lane manages Florida Growth Funds I and II, and J.P. Morgan Asset Management manages the Florida Sunshine State Fund.<sup>3</sup> Hamilton Lane was the sole manager of Program funds until December 2018, when the board also contracted with J.P. Morgan Asset Management.

SBA reported several benefits of utilizing two investment managers.

- Diversifying risk—adding an investment manager reduces the potential operational and investment risks with having a single investment manager.
- Identifying deals—using two investment managers permits the SBA to find deals that may not be identified by just one investment manager.
- More competitive investment fees—adding another investment manager allows the SBA to be more competitive in negotiating attractive fee arrangements, which, in turn, can improve investment performance.

## FINDINGS

### **The Florida Growth Fund program has invested \$809.5 million in technology and growth companies and private equity funds**

From the first Florida Growth Fund Program investment in September 2009 until June 30, 2021, the Florida Growth Fund Program invested \$809.5 million in 69 technology and growth companies and 46 private equity funds.<sup>4</sup> (See Exhibit 2.) Compared to July 1, 2020 the Florida Growth Fund Program has seven additional investments in technology and growth companies and four private equity funds made from July 1, 2020 through June 30, 2021. SBA noted that in general, confining opportunities to a smaller geographic region (Florida) would result in fewer opportunities than investing nationally. SBA also noted that their agency experienced deals slowing temporarily during the pandemic, as companies were managing economic shutdowns.

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<sup>3</sup> Hamilton Lane is a Philadelphia-based investment company that has an office in Miami. J.P. Morgan Asset Management is an asset manager located in New York.

<sup>4</sup> Florida Growth Fund Program investments are 0.31% of the unaudited value of FRS Trust Fund assets as of June 30, 2021.

## Exhibit 2

As of June 30, 2021, the Florida Growth Fund Program Has Invested \$809.5 Million in 69 Technology and Growth Companies and 46 Private Equity Funds

Direct Investments— Technology and Growth Companies	Date Invested	Amount Invested (millions)	Private Equity Funds	Date Invested	Amount Invested (millions)
<b>Florida Growth Fund I</b>			<b>Florida Growth Fund I</b>		
Newspaper, Periodical, Book, and Directory Publishers	09/09	\$4.5	Multiple	10/09	\$15.2
Waste Treatment and Disposal	11/09	7.1	Multiple	05/10	14.6
Advertising, Public Relations, and Related Services	12/09	1.5	Multiple	07/10	6.2
Support Activities for Air Transportation	05/10	10.0	Multiple	07/10	7.1
Navigational, Measuring, Electro-medical, and Control Instruments Manufacturing	07/10	20.4	Multiple	01/11	15.0
Non-depository Credit Intermediation	08/10	2.4	Multiple	02/11	1.4
Software Publishers	09/10	6.7	Multiple	04/11	5.2
Professional and Commercial Equipment and Supplies Merchant Wholesalers	12/10	8.5	Multiple	04/11	5.2
Navigational, Measuring, Electro-medical, and Control Instruments Manufacturing	01/11	5.4	Multiple	06/11	10.0
Other Telecommunications	01/11	8.9	Multiple	08/11	4.0
Basic Chemical Manufacturing	02/11	5.0	Multiple	02/12	9.3
Other Telecommunications	02/11	15.1	Multiple	02/12	6.3
Management, Scientific, and Technical Consulting Services	02/11	14.5	Multiple	03/12	7.1
Advertising, Public Relations, and Related Services	04/11	5.0	Multiple	09/12	7.4
Management, Scientific, and Technical Consulting Services	06/11	10.4	Multiple	02/13	7.0
Restaurants and Other Eating Places	02/12	6.8	Multiple	03/13	6.5
Special Food Services	04/12	4.8	Multiple	04/13	5.0
Investigation and Security Services	05/12	10.0	Multiple	05/13	11.3
Couriers and Express Delivery Services	08/12	10.0	Multiple	07/13	7.2
Professional and Commercial Equipment and Supplies Merchant Wholesalers	03/13	15.2	Multiple	12/13	7.0
Restaurants and Other Eating Places	11/13	6.3	Multiple	04/14	13.2
Software Publishers	12/13	5.1	Multiple	04/14	10.6
Outpatient Care Centers	03/14	6.1	Multiple	12/15	5.5
Other Schools and Instruction	05/14	6.0	Multiple	12/15	5.5
Software Publishers	05/14	2.0	<b>Florida Growth Fund II</b>		
Computer Systems Design and Related Services	06/14	3.6	Multiple	12/14	8.6

Direct Investments— Technology and Growth Companies	Date Invested	Amount Invested (millions)	Private Equity Funds	Date Invested	Amount Invested (millions)
Professional and Commercial Equipment and Supplies Merchant Wholesalers	06/14	3.8	Multiple	12/15	5.4
Travel Arrangement and Reservation Services	11/14	4.0	Multiple	12/15	6.4
Home Health Care Services	02/15	3.0	Multiple	04/16	8.8
Specialty Food Stores	06/15	8.5	Multiple	06/16	5.5
Individual and Family Services	05/16	7.4	Multiple	10/16	6.4
Radio and Television Broadcasting	05/16	10.2	Multiple	11/16	15.4
Glass and Glass Product Manufacturing	12/16	9.9	Multiple	09/17	3.2
Offices of Dentists	02/17	3.8	Multiple	12/17	5.2
Software Publishers	11/17	11.8	Multiple	09/18	0.8
Offices of Physicians	02/18	7.4	Multiple	03/19	2.2
Warehousing and Storage	06/18	8.4	Multiple	07/19	0.5
Investigation and Security Services	10/18	9.6	Multiple	12/19	2.5
Data Processing, Hosting, and Related Services	10/18	9.9	Multiple	12/19	0.4
<b>Florida Growth Fund II</b>			Multiple	12/19	0.2
Management, Scientific, and Technical Consulting Services	07/15	7.1	Multiple	01/20	1.4
Building Material and Supplies Dealers	08/15	7.9	Multiple	08/20	0.3
Personal Care Services	08/15	10.0	Multiple	12/20	1.0
Investigation and Security Services	05/16	15.0	<b>Florida Sunshine State Fund</b>		
Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	07/16	10.8	Multiple	12/18	5.9
Employment Services	01/17	9.2	Multiple	04/20	4.2
Data Processing, Hosting, and Related Services	03/17	8.0	Multiple	12/20	0.6
Outpatient Care Centers	11/17	7.3	Multiple	04/21	1.5
Employment Services	02/18	8.0			
Dry-cleaning and Laundry Services	06/18	16.3			
Other Food Manufacturing	09/18	11.0			
Grocery and Related Product Merchant Wholesalers	03/19	8.9			
Software Publishers	06/19	15.0			
Employment Services	10/19	7.5			
Offices of Physicians	01/20	11.5			
Agencies, Brokerages, and Other Insurance-Related Activities	02/20	10.0			
Computer Systems Design and Related Services	03/20	4.9			
Other Professional, Scientific, and Technical Services	03/21	5.0			
Grocery and Related Product Merchant Wholesalers	03/21	7.5			

Direct Investments— Technology and Growth Companies	Date Invested	Amount Invested (millions)	Private Equity Funds	Date Invested	Amount Invested (millions)
Agencies, Brokerages, and Other Insurance-Related Activities	06/21	7.5			
<b>Florida Sunshine State Fund</b>					
Radio and Television Broadcasting	02/19	4.9			
Communications Equipment Manufacturing	06/19	6.0			
Death Care Services	06/19	4.9			
Other Professional, Scientific, and Technical Services	08/19	6.0			
Electronic Shopping and Mail- Order Houses	11/19	1.5			
Home Health Care Services	03/20	8.0			
Other Professional, Scientific, and Technical Services	07/20	1.1			
Pharmaceutical and Medicine Manufacturing	01/21	3.0			
Other Miscellaneous Manufacturing	03/21	5.0			
Services to Buildings and Dwellings	03/21	2.5			
<b>Subtotal Direct Investment</b>		<b>\$530.3</b>	<b>Subtotal Private Equity</b>		<b>\$279.2</b>
<b>Total Direct and Private Equity Investments—\$809.5 million</b>					

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

**The majority of Florida Growth Fund Program investments are made in companies with a Florida presence.** The SBA requires that all direct investments made by co-investing with a general partner be in companies based in Florida or that have a significant portion of business generated in the state. The SBA also seeks companies headquartered in Florida or conducting a significant portion of business in Florida for Florida Growth Fund Program private equity fund investments. However, general partners that may or may not be domiciled in the state managed private equity fund investments. Additionally, private equity funds are a blind pool and while the fund manager may intend to invest a majority of the fund in Florida that could change depending on the opportunity set during the investment period of the fund.<sup>5</sup>

The fund managers reported that most Florida Growth Fund Program investments are in companies that are headquartered in Florida and have a substantial portion of employees or business functions in Florida.

- 100% of Florida Growth Fund I technology and growth company investments and private equity investments are in companies that have headquarters and a substantial portion of employees or business functions in Florida.
- 100% of Florida Growth Fund II technology and growth company investments are in Florida-headquartered companies that also have a substantial portion of employees and/or business functions in the state. Sixteen of 18 Florida Growth Fund II private equity fund investments are in companies with headquarters and a substantial portion of employees or business functions in Florida. One private equity fund is headquartered in North Carolina and

<sup>5</sup> A blind pool is an investment fund in which the investors do not know what type of business activities or companies investments are supporting.

another is headquartered in Georgia, but both reported having a substantial portion of employees or business functions in Florida.

- 80% of Florida Sunshine State Fund technology and growth company investments are in companies that have headquarters and a substantial portion of employees or business functions in Florida.<sup>6</sup> Of the two technology and growth company investments headquartered outside of Florida, one reported having a substantial portion of operations in Florida, while the other does not. All four private equity investments made using Florida Sunshine State funds are headquartered in Florida and have a substantial portion of employees or business functions in Florida.

SBA's fund managers made direct investments in a wide range of industries, from restaurants to electronic product manufacturers to telecommunications companies. However, 39.5% of total direct investments are in seven industries.<sup>7</sup>

- Software Publishing—7.7%
- Investigation and Security Services—6.5%
- Management, Scientific, and Technical Consulting Services—6.0%
- Professional and Commercial Equipment and Supplies Merchant Wholesalers—5.2%
- Navigational, Measuring, Electro-medical, and Control Instruments Manufacturing—4.9%
- Employment Services—4.7%
- Other Telecommunications—4.5%

**Fund investments are largely concentrated in five counties.** Florida Growth Fund Program investments (both direct and private equity investments) are primarily located in 14 Florida counties, with the majority of these counties located in Central and South Florida. (See Exhibit 3.) Investment amounts range from \$6.8 million in Manatee County to \$194.9 million in Palm Beach County.<sup>8</sup> Program investments are concentrated in five counties—Broward, Hillsborough, Miami-Dade, Orange, and Palm Beach—and account for 76% of all program investments made in Florida. SBA reports the geographic concentration is not a result of targeting certain counties within the state. Both Hamilton Lane and J.P. Morgan make investments across the entire state, but much of the economic activity is in larger population centers.

While state law authorizes the SBA to invest in businesses domiciled in Florida or with a principal address in the state, statutes also require Florida Growth Fund Program investments to be made consistent with the SBA's fiduciary duties.<sup>9</sup> Thus, the SBA cannot invest in a private equity fund just because it is located in the state. Private equity funds may have offices in specific Florida counties but may invest in other counties, states, and countries. However, beyond a \$6.4 million investment in a North Carolina private equity firm and \$1 million invested in a Georgia private equity firm, fund managers did not report any investments in private equity funds outside of Florida.

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<sup>6</sup> SBA reported that some Florida Sunshine State Fund investments may initially reside with an in-state sponsor or fund and then may be provided to either Florida or out-of-state companies.

<sup>7</sup> Businesses' industry sectors were determined using North American Industry Classification System codes.

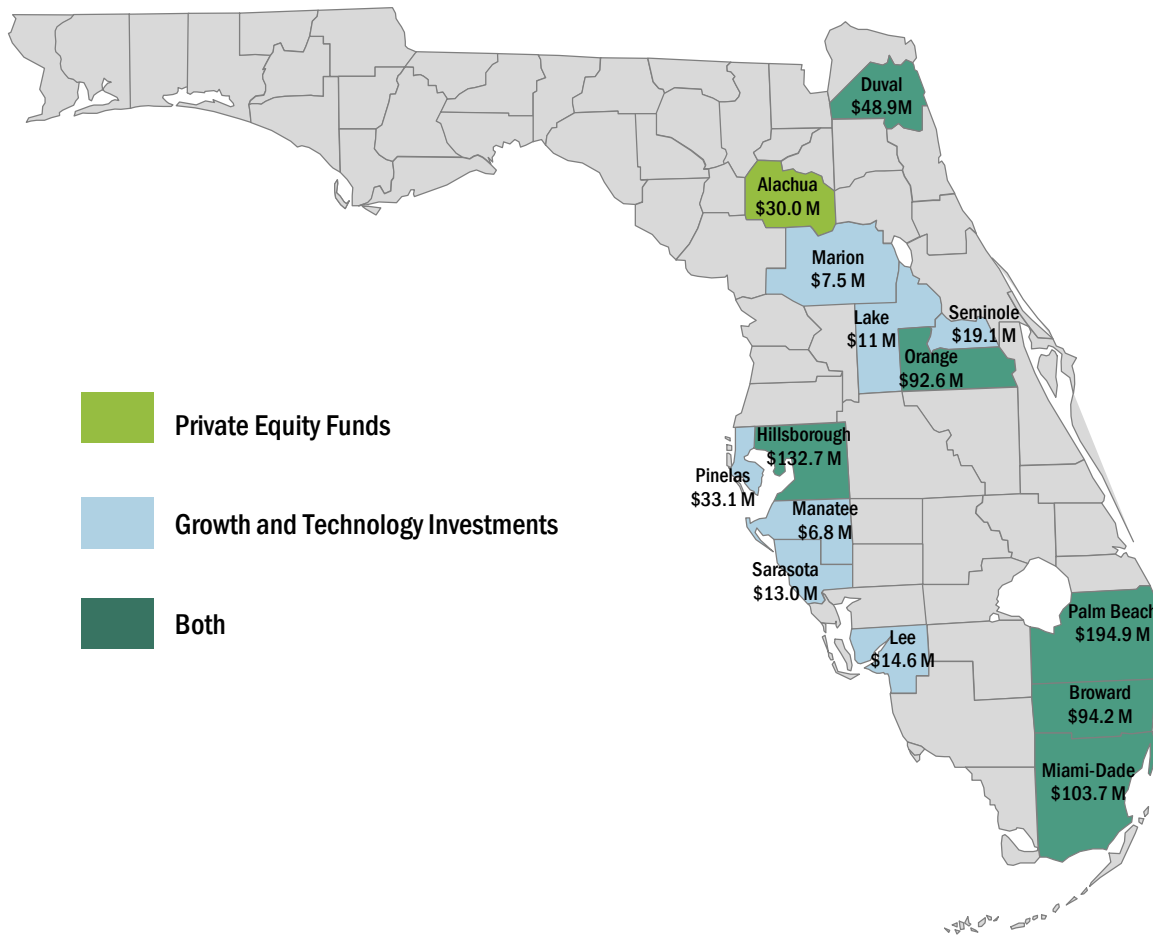
<sup>8</sup> The amount invested in Palm Beach represents a decline of over \$8 million from the prior fiscal year. This is due to a write-off associated with an exited investment.

<sup>9</sup> Section [215.47\(7\)](#), F.S.



### Exhibit 3

## The Majority of \$802.1 Million in Florida Growth Fund Program In-State Investments Are Located in Central and South Florida



Source: Data provided by Hamilton Lane and J.P. Morgan Asset Management.

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

**The FRS Trust Fund benefits from Florida Growth Fund Program positive returns.**<sup>10</sup> SBA managers reported that from program inception to June 30, 2021, the FRS Trust Fund has received \$674 million from the investment activities of the Florida Growth Fund Program. These returns have been the result of activities such as investments exiting the program and write-offs.

As of June 30, 2021, 28 investments have exited. These 28 investments provided more than \$396.4 million of the \$674 million in total distributions to the FRS Trust Fund from inception through the end of Fiscal Year 2020-21. (See Exhibit 4.) SBA reports that exits may occur in several conditions, including

- when business plans are completed and the managers are able to sell for underwritten returns;
- when smaller/mid-market private equity funds have been able to sell companies to larger private equity firms that desire such deals; and

<sup>10</sup> The SBA uses the internal rate of return and the multiple of invested capital to measure the performance of these types of investments.

- in credit arrangements where funds are exited because of refinancing or loan payoffs at maturity.

#### Exhibit 4

#### Exited Investments Have Distributed \$396.4 Million to the FRS Trust Fund

Industry	Date Exited	Distributions (in millions)
Management, Scientific, and Technical Consulting Services	09/14	\$49.4
Special Food Services	10/16	40.5
Restaurants and Other Eating Places	07/17	28.6
Management, Scientific, and Technical Consulting Services	08/16	23.5
Investigation and Security Services	12/18	22.0
Outpatient Care Centers	01/21	21.9
Basic Chemical Manufacturing	01/16	21.4
Building Material and Supplies Dealers	01/21	20.7
Waste Treatment and Disposal	10/14	17.5
Management, Scientific, and Technical Consulting Services	06/21	15.1
Newspaper, Periodical, Book, and Directory Publishers	07/13	14.1
Other Schools and Instruction	06/20	14.0
Specialty Food Stores	11/19	14.0
Software Publishers	06/19	13.6
Navigational, Measuring, Electro-medical, and Control Instruments Manufacturing	01/16	13.4
Data Processing, Hosting, and Related Services	02/21	11.7
Investigation and Security Services	07/19	10.8
Offices of Physicians	06/20	8.9
Individual and Family Services	05/17	8.5
Advertising, Public Relations, and Related Services	12/12	7.3
Travel Arrangement and Reservation Services	05/15	5.2
Computer Systems Design and Related Services	09/19	5.1
Software Publishers	04/18	4.8
Home Health Care Services	12/15	3.4
Non-depository Credit Intermediation	03/16	0.7
Navigational, Measuring, Electro-medical, and Control Instruments Manufacturing	03/16	0.3
Advertising, Public Relations, and Related Services	06/16	0.0
Other Telecommunications	01/21	0.0
<b>Total</b>		<b>\$396.4</b>

Source: Hamilton Lane.

In addition to exited investments, distributions to the FRS Trust Fund are also affected by write-offs. The Florida Growth Fund Program realized one write-off during Fiscal Year 2020-21 that totaled \$8.9 million.

**Since program inception, net returns have generally met or exceeded benchmarks.** To measure investment performance against comparable investments, fund managers have established benchmarks for the six tranches of capital based on market indices.<sup>11,12</sup> Since inception, five tranches met or exceeded the benchmarks by 0% to 5.8%, and one tranche fell short (-2.7%) of the benchmark used to evaluate the net performance. (See Exhibit 5.)

## Exhibit 5

### Net Returns for the Florida Growth Fund Program Have Generally Met or Exceeded Market-Based Investment Benchmarks Since Inception

Benchmark Date	Time Period	Net Internal Rates of Return	SBA Benchmark	Difference
		<b>Florida Growth Fund I Tranche I</b>	<b>Russell 2000 HL/Bison PME</b>	
7/1/2020	1-year	20.6%	62.7%	
7/1/2018	3-year	6.4%	11.6%	
7/1/2016	5-year	14.7%	16.3%	
	Since inception	11.8%	11.8%	0.0%
		<b>Florida Growth Fund I Tranche II</b>	<b>Russell 2000 HL/Bison PME</b>	
7/1/2020	1-year	36.9%	63.0%	
7/1/2018	3-year	12.0%	9.1%	
7/1/2016	5-year	12.8%	14.5%	
	Since inception	12.6%	11.4%	1.2%
		<b>Florida Growth Fund I Credit</b>	<b>Credit Suisse LLI HL/Bison PME</b>	
7/1/2020	1-year	2.8%	12.2%	
7/1/2018	3-year	8.2%	3.5%	
7/1/2016	5-year	8.2%	4.3%	
	Since inception	8.0%	3.9%	4.1%
		<b>Florida Growth Fund II Tranche I</b>	<b>Russell 2000 HL/Bison PME</b>	
7/1/2020	1-year	41.8%	66.6%	
7/1/2018	3-year	11.7%	15.0%	
7/1/2016	5-year	13.7%	16.5%	
	Since inception	12.9%	15.6%	-2.7%
		<b>Florida Growth Fund II Tranche II</b>	<b>Russell 2000 HL/Bison PME</b>	
7/1/2020	1-year	43.7%	58.2%	
7/1/2018	3-year	N/A	N/A	
7/1/2016	5-year	N/A	N/A	
	Since inception	35.7%	33.0%	2.7%
		<b>Florida Sunshine State Fund</b>	<b>Russell 2000 HL/Direct Alpha PME</b>	
7/1/2020	1-year	49.7%	5.8%	
7/1/2018	3-year	N/A	N/A	
7/1/2016	5-year	N/A	N/A	
	Since inception	35.1%	29.3%	5.8%

<sup>1</sup> The benchmarks used are modified public market benchmarks that allow investors to make direct comparisons between private market funds and public benchmarks. OPPAGA did not independently assess the reliability of the benchmark selections.

<sup>2</sup> The SBA states that performance data may not be accurate in the early years of any private equity investments due to factors such as distortion of the internal rate of return by early fluctuations in cash flows.

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

<sup>11</sup> Fund benchmarks are set using versions of common market indices. A market index tracks changes in stocks, bonds, or other investments from a specific starting date. For example, the Russell 2000 tracks the 2,000 smallest companies in the whole-market-tracking Russell 3000 index, which is a measure of the performance of smaller, domestically focused businesses. The benchmarks used by the Florida Growth Fund Program use public market equivalents (PMEs) methodology. The goal of PMEs is to translate the public market return into an internal rate of return-like metric that accounts for the timing of cash flows and fluctuating capital-at-work of a private market fund. PME analysis allows investors to make direct comparisons between private market funds and public benchmarks.

<sup>12</sup> Only one fund benchmark has been established for the Florida Sunshine State Fund because of the relatively short period of time the Florida Growth Fund Program has invested in the fund.

# Companies receiving investments reported creating 23,658 jobs and making \$1.6 billion in capital expenditures since program inception

While Florida statutes require the Florida Growth Fund Program to maximize the financial return to the FRS Trust Fund consistent with the risks incumbent in each investment, the same law acknowledges that the program may generate additional benefits. These benefits include the potential for high-growth, high-wage jobs that will provide significant benefits to state residents and a variety of business sectors. As of June 30, 2021, fund managers reported that companies currently receiving investments and exited investments created 23,658 jobs and made \$1.6 billion in capital expenditures since program inception.<sup>13</sup>

Hamilton Lane and J.P. Morgan Asset Management reported that from inception through June 30, 2021, current Florida Growth Fund Program direct investments and private equity investments generated a total of 18,239 jobs, an increase of 2,508 jobs reported as of June 30, 2021. (See Exhibit 6.) Thirty-nine investments resulted in no job growth or a loss. The increase in jobs is consistent with increases in statewide jobs during the same period. According to the Florida Department of Economic Opportunity, the statewide unemployment rate decreased from 11.3% in July 2020 to 5.0% in June 2021.

Moreover, direct investments exited in Fiscal Year 2020-21 created additional jobs. From inception through Fiscal Year 2020-21, exited direct investments created 5,419 reported jobs, an increase of 1,356 from the prior fiscal year. The majority of jobs created by exited investments were in the categories of Management, Scientific, and Technical Consulting Services; Outpatient Care Centers; Waste Treatment and Disposal; Restaurants and Other Eating Places; and Offices of Physicians.

The majority of current investments that created jobs reported average salaries that were higher than the 2020 Florida average wage of \$50,020.<sup>14</sup> Reported jobs created by 47 of the current investments paid average annual wages ranging from \$20,592 to \$117,639.<sup>15</sup> Fifteen of the current investments are associated with jobs that pay average annual wages less than the 2020 Florida average wage. Similarly, reported jobs created by the 28 exited investments paid average annual wages ranging from \$33,050 to \$80,584, with 7 of these exited investments reporting paying average wages below the 2020 Florida average wage.<sup>16</sup>

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<sup>13</sup> Capital expenditures are expenses incurred in acquiring, repairing, or improving physical assets (such as equipment or property), including starting new businesses and adapting property to a different use.

<sup>14</sup> U.S. Bureau of Labor Statistics.

<sup>15</sup> Includes only those current investments for which fund managers reported positive job growth and salary data.

<sup>16</sup> OPPAGA received information on 28 exited investments. The wage numbers presented are calculated for 18 exited investments for which fund managers reported positive job growth and salary data.

## Exhibit 6

### Current Florida Growth Fund Companies Reported Creating 18,239 Jobs Since Inception

Industry	Date Invested	Reported Jobs Created	Reported Average Salary
<b>Technology and Growth Companies</b>			
Data Processing, Hosting, and Related Services	3/24/17	1,105	\$117,639
Employment Services	2/16/18	446	30,400
Dry Cleaning and Laundry Services	6/28/18	368	20,592
Death Care Services	6/14/19	367	41,000
Grocery and Related Product Merchant Wholesalers	3/22/19	365	44,237
Home Health Care Services	3/17/20	341	100,000
Other Professional, Scientific, and Technical Services	8/5/19	324	42,000
Agencies, Brokerages, and Other Insurance-Related Activities	2/20/20	216	35,554
Couriers and Express Delivery Services	8/20/12	208	75,027
Professional and Commercial Equipment and Supplies Merchant Wholesalers	3/15/13	199	50,421
Software Publishers	9/28/10	117	78,884
Support Activities for Air Transportation	5/26/10	115	79,901
Services to Buildings and Dwellings	3/24/21	81	60,000
Offices of Dentists	2/17/17	75	65,669
Other Professional, Scientific, and Technical Services	3/16/21	70	47,195
Employment Services	1/30/17	62	95,300
Personal Care Services	8/27/15	59	82,714
Pharmaceutical and Medicine Manufacturing	1/8/21	51	39,500
Other Professional, Scientific, and Technical Services	7/30/20	45	80,000
Professional and Commercial Equipment and Supplies Merchant Wholesalers	6/26/14	43	69,166
Electronic Shopping and Mail-Order Houses	11/19/19	38	85,000
Other Miscellaneous Manufacturing	3/4/21	35	45,000
Employment Services	10/2/19	31	59,250
Software Publishers	6/21/19	30	76,113
Outpatient Care Centers	3/26/14	27	92,442
Communications Equipment Manufacturing	6/14/19	25	107,000
Grocery and Related Product Merchant Wholesalers	3/31/21	21	33,466
Other Food Manufacturing	9/3/18	6	76,200
Offices of Physicians	1/23/20	4	42,120
Radio and Television Broadcasting	2/4/19	3	97,000
Warehousing and Storage	6/15/18	2	38,100
Agencies, Brokerages, and Other Insurance-Related Activities	6/18/21	0	35,000
Professional and Commercial Equipment and Supplies Merchant Wholesalers	12/22/10	-5	59,417
Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	7/20/16	-15	55,548
Computer Systems Design and Related Services	3/5/20	-17	67,891
Software Publishers	11/29/17	-77	N/A
Investigation and Security Services	5/2/16	-78	48,581
Radio and Television Broadcasting	5/16/16	-105	55,038
Restaurants and Other Eating Places	11/19/13	-145	68,161

Industry	Date Invested	Reported Jobs Created	Reported Average Salary
Glass and Glass Product Manufacturing	12/28/16	-149	80,515
Other Telecommunications	2/24/11	-265	109,244
<b>Subtotal</b>		<b>4,023</b>	
<b>Private Equity Investments</b>			
Multiple	7/2/10	8,479	64,401
Multiple	5/17/10	1,954	51,188
Multiple	10/1/09	1,031	73,439
Multiple	3/15/13	507	99,000
Multiple	12/22/15	503	80,770
Multiple	7/16/13	376	68,663
Multiple	4/12/13	322	63,794
Multiple	9/25/12	275	75,759
Multiple	12/7/20	215	50,000
Multiple	12/18/18	198	72,500
Multiple	12/23/13	168	49,769
Multiple	4/10/20	144	62,490
Multiple	4/6/21	104	67,529
Multiple	2/28/12	49	49,750
Multiple	10/31/16	36	66,252
Multiple	2/20/12	27	99,081
Multiple	12/6/19	0	57,993
Multiple	12/31/19	0	75,759
Multiple	2/23/11	0	64,401
Multiple	5/31/13	0	64,401
Multiple	8/3/20	0	55,834
Multiple	6/17/16	0	99,000
Multiple	12/31/14	0	57,993
Multiple	7/20/10	0	93,894
Multiple	12/31/15	0	N/A
Multiple	6/30/11	0	55,834
Multiple	12/30/15	0	57,993
Multiple	12/31/19	0	75,759
Multiple	12/30/15	0	57,993
Multiple	12/30/20	0	N/A
Multiple	4/28/16	0	51,188
Multiple	4/1/14	0	73,439
Multiple	1/6/20	0	51,188
Multiple	3/29/19	0	49,769
Multiple	4/3/14	0	57,993
Multiple	2/28/13	0	55,834
Multiple	4/26/11	0	57,993
Multiple	7/23/19	0	55,834
Multiple	11/9/16	0	57,993

Industry	Date Invested	Reported Jobs Created	Reported Average Salary
Multiple	9/25/18	0	55,834
Multiple	9/8/17	0	75,759
Multiple	12/29/17	0	93,894
Multiple	8/24/11	-7	93,894
Multiple	1/21/11	-22	55,834
Multiple	3/23/12	-30	N/A
Multiple	4/26/11	-113	\$57,993
<b>Subtotal</b>		<b>14,216</b>	
<b>Total</b>		<b>18,239</b>	

<sup>1</sup>Data for these funds does not include information on companies that have exited the Florida Growth Fund Program.

Source: Hamilton Lane and J.P. Morgan Asset Management. Data as of June 30, 2021.

Hamilton Lane and J.P. Morgan Asset Management reported that Florida Growth Fund Program investments have also resulted in increased capital expenditures in Florida. Specifically, direct investments and private equity companies reported making an estimated \$87.6 million in capital expenditures from July 1, 2020 through June 30, 2021, bringing total reported capital expenditures to \$1.6 billion since the fund's inception. This includes capital investments by companies that have exited the Florida Growth Fund Program (both equity co-investments and credit co-investments) and that reported making \$249.1 million in Florida capital expenditures from inception through June 30, 2021.

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# OPPAGA

Office of Program Policy Analysis and Government Accountability

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

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