

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

PENSION AND INVESTMENT COMMITTEE MEETING **10:00 a.m., Wednesday, August 18, 2021**

The Pension and Investment Committee Meeting of the North Broward Hospital District was held on August 18, 2021, at 10:00 a.m., at the Broward Health Corporate Spectrum Location, 1700 NW 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

1. **NOTICE**

Notice and Agenda, titled EXHIBIT I and EXHIBIT II, are attached to the official meeting book archived at the Board of Commissioners' Office. Supporting documents, if applicable, are attached to these minutes, titled EXHIBIT III. Exhibits are presented for consideration of the Committee.

2. **CALL TO ORDER**

There being a quorum present, the meeting was called to order by Chair Stacy L. Angier at 10:17 a.m.

3. **ROLL CALL**

Present:

Commissioner Ray. T. Berry
Commissioner Marie C. Waugh, Vice Chair
Commissioner Stacy L. Angier, Chair

Senior Leadership

Additionally Present:

Jonathan K. Hage, Commissioner (via Microsoft Teams)
Nancy W. Gregoire, Commissioner
Levi G. Williams, Jr., Commissioner
Christopher J. Pernicano, Commissioner
Shane Strum, President, CEO
Alan Goldsmith, EVP, Chief Operating Officer
Alex Fernandez, SVP, Chief Financial Officer
Linda Epstein, Corporate General Counsel

4. **PUBLIC COMMENTS**

Chair Angier opened the floor for public comments, in which there were none.

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

5. APPROVAL OF MINUTES

Without objection, Chair Angier approved the minutes, dated May 19, 2021.

Motion *carried* without dissent.

6. TOPIC OF DISCUSSION

6.1. Review Private Equity Investments and Fees quarter ending 3/31/2021 (Presenter – Chris Lagan, Congress Asset Management)

For further detail, related slides are available on the Board of Commissioners' web page. See the August 18, 2021, Pension and Investment Committee Meeting book.

Summaries were presented for the items listed below:

- Unrestricted Fund
 - Valuation Summary.
 - Performance Summary.
 - Fund Benchmarking.
 - Capital Calls and Returns.
 - Private Equity Allocation Forecast.
 - Portfolio Review – Fee Analysis.
 - Portfolio Review – Appraisal.
- Pension Fund
 - Employee Pension.
 - Pension Benchmarking.
 - Capital Calls and Returns.
 - Private Equity Allocation Forecast.
 - Portfolio Review – Fee Analysis.
 - Portfolio Review – Appraisal.
- Active Commitments through
 - Unrestricted Funds: \$101,150,000.
 - Pension Fund: \$78,050,000.

6.2. Review Investments (non-Private Equity) quarter ending 6/30/2021 (Presenter – Rosemary Guillette, Segal Marco Advisors)

For further detail, related slides are available within the August 2021 Pension and Investment Committee Meeting book on the Board of Commissioners' web page.

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

Ms. Guillette shared slides referencing the current global market review through Q2 2021, a summary of Broward Health's investment returns, a quarterly synopsis, and index returns.

6.2.1 Broward Unrestricted Composite 2Q21

- Financial Market Conditions
- Total Fund
- Investment Manager Roster

- Summary of Investment Returns
 - Quarterly Synopsis
 - Index Returns
- Total Fund Composite
- Asset Allocation Comparison as of June 30, 2021
- Current Managers and Allocations
 - Comparative Performance
 - Comparative IRR
 - Total Fund Attribution Analysis
 - All Healthcare – Total Fund
 - Risk Return Statistics – 5 Years
 - All Corporate Plans – Total Funds
 - Total Fund Risk Analysis
 - Total Fund Cash Flow History Since Inception
 - Benchmark History
- Investment Manager Roster

6.2.2 Broward Pension Composite 2Q21

- Financial Market Conditions
- Total Fund
- Investment Manager Roster

- Summary of Investment Returns
 - Index Returns
- Total Fund Composite
- Asset Allocation Comparison as of June 30, 2021
- Current Managers and Allocations
 - Total Fund Allocation Performance
 - Comparative Performance

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

- Comparative IRR
- Total Fund Attribution Analysis
- All Healthcare – Total Fund
- All Public Plans – Total Fund
- Total Fund Risk Analysis
- Total Fund Cash Flow History Since Inception
- Benchmark History
- Investment Manager Roster

6.2.3 Pension Rebalance (Presenter – Rosemary Guillette, Segal Marco Advisors and Alex Fernandez, SVP, Chief Financial Officer, Broward Health)

For further detail, related slides are available within the August 2021 Pension and Investment Committee Meeting book on the Board of Commissioners’ web page.

MOTION It was *moved* by Commissioner Waugh, *seconded* by Commissioner Berry, that:

The Pension and Investment Committee recommend that the Board of Commissioners of the North Broward Hospital District approve rebalancing of the North Broward Hospital District by reducing the investment of BMO Global Asset Management and Brown Advisory by \$5M each, and invest \$10M with Baird Fixed Income.

Motion confirmed by roll-call vote:

- YES** Commissioner Ray. T. Berry
- YES** Commissioner Marie C. Waugh, Vice Chair
- YES** Commissioner Stacy L. Angier, Chair

Motion *carried* 3/0.

MOTION It was *moved* by Commissioner Berry, *seconded* by Commissioner Waugh, that:

The Pension and Investment Committee recommend that the Board of Commissioners of the North Broward Hospital District place a \$10M redemption for the INVESCO Core Real Estate fund.

Motion confirmed by roll-call vote:

- YES** Commissioner Ray. T. Berry
- YES** Commissioner Marie C. Waugh, Vice Chair
- YES** Commissioner Stacy L. Angier, Chair

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

Motion *carried* 3/0.

MOTION It was *moved* by Commissioner Waugh, *seconded* by Commissioner Berry, that:

The Pension and Investment Committee recommend that the Board of Commissioners of the North Broward Hospital District invest the monies received from INVESCO into the asset class that is under-allocated at the time the assets are received or are used for benefit payments.

Motion confirmed by roll-call vote:

YES Commissioner Ray. T. Berry

YES Commissioner Marie C. Waugh, Vice Chair

YES Commissioner Stacy L. Angier, Chair

Motion *carried* 3/0.

6.2.4 Fee Review (Presenter – Rosemary Guillette, Segal Marco Advisors)

For further detail, related slides are available within the August 2021 Pension and Investment Committee Meeting book on the Board of Commissioners' web page. Ms. Guillette

Ms. Guillette gave an educational presentation on fees, which included the following topics:

- Executive Summary
 - Fee Comparison
 - Equity
 - Fixed Income
 - Infrastructure
 - Real Estate
 - Fee Structure
 - September 2017 Fee Reductions
 - June 2021 Fee Reductions
- Equity Fee Analysis
 - Passive Large Cap Core
 - Large Cap Value
 - Large Cap Growth
 - SMID Cap Growth
 - International Equity
 - Emerging Markets Equity
- Fixed Income Fee Analysis
 - Core Fixed Income
 - Global Unconstrained Fixed Income

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

- Infrastructure and Real Estate Fee Analysis
 - Investment Period
 - Infrastructure
 - Management Fees
 - Performance Fees
 - Recommended Infrastructure Funds
 - Real Estate
 - Management Fees
 - Performance Fees
 - Recommended Real Estate Funds
 - Management Fees
 - Recommended Real Estate Funds

6.3 Presentation by Brown Advisory, Large Cap Equity

For further detail, related slides are available within the August 2021 Pension and Investment Committee Meeting book on the Board of Commissioners' web page.

Ms. Mary Gregory and Mr. Michael Rebarchak gave an overview of Brown Advisory, which included the following topics:

- Overview
 - Broward Health Relationship Overview
 - Firm Update
 - Diversity and Inclusion
 - Brown Advisory Overview
 - Asset Summary
 - Equity Research Team
 - Strategy Profile
- Performance
 - Portfolio Performance
 - Attribution Detail by Sector
 - Contribution to Return
 - Portfolio Activity
- Portfolio
 - 1-Year and 5-Year Rolling Returns
 - Top Holdings versus Benchmark
 - Portfolio Holdings
 - Portfolio Attributes

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

- Composite Performance
- Appendix
 - Process-Driven Excess Return
 - Soft Dollar Costs
 - Research and investment Team
 - Board of Directors
 - Large-Cap Growth Institutional Composite

7 ADJOURNMENT

There being no further business on the agenda, Chair Angier adjourned the meeting at 12:34 p.m.

Respectfully submitted,

Commissioner Christopher J. Pernicano, Secretary/Treasurer