

Broward Health

Equity Portfolio Structure

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Broward Health Pension Fund

Current Portfolio Structure – Pension Plan

Firm	Strategy	Benchmark		Weight
State Street	S&P 500 ex-tobacco index	S&P 500 Tobacco Free index	20.1%	9.3%
Brown Advisory	Large Cap Growth	R 1000 Growth	12.1%	5.6%
BMO	Disciplined Large Cap Value Equity	R 1000 Value	10.4%	4.8%
Westfield	SMID Growth	R 2500 Growth	10.4%	4.8%
Vanguard	Extended Market Index	S&P Completion Index	10.2%	4.7%
Wellington	International Opportunities	MSCI ACWI ex-US	17.1%	7.9%
Vanguard	Developed Market Index	MSCI EAFE	12.3%	5.7%
J.P. Morgan	Emerging Market Focused	MSCI EM	3.5%	1.6%
Brandes	Emerging Markets Equity	MSCI EM	3.7%	1.7%
Total		Russell 3000	100.0%	46.2%

Domestic Benchmark Relative Positioning

Broward Domestic Equity Portfolio v. Benchmark (Russell 3000)			
	Value -5.6	Core +3.3	Growth +1.9
Large -16.7	-6.9	-4.0	-5.9
Mid +10.7	-0.6	6.1	5.3
Small +5.7	1.9	1.2	2.6

- Domestic Equity Composite Performance over longer term broadly in line with benchmark
- Large Cap component has performed broadly in line with benchmark.
- SMID Cap component has underperformed due to style tilt toward growth and away from value over the last 12 months. But has delivered strong excess returns over the longer term.

Overseas Benchmark Relative Positioning

Broward Overseas Equity Portfolio v. Benchmark (MSCI ACWI ex-US)			
	Value -6.3	Core +0.9	Growth +5.4
Large -2.9	-7.2	0.5	3.7
Mid +1.7	-0.1	0.2	1.6
Small +1.3	1.0	0.2	0.2

- International Equity Composite has outperformed the benchmark over all time periods.
- Emerging Markets Equity Composite has outperformed since inception in the portfolio
- The portfolio exhibits a moderate tilt to growth, and slight underweight to large cap.

Performance to 12/31/2021

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Domestic Equity Composite	23.1	25.9	18.8	14.4	15.9	11.0	04/01/1993
<i>Russell 3000 Index</i>	25.7	25.8	18.0	14.5	16.3	10.7	
Large Cap Equity Composite	26.8	25.5	18.9	14.4	15.9	10.5	01/01/2007
<i>S&P 500</i>	28.7	26.1	18.5	14.9	16.6	10.7	
BMO Asset Management	30.0	17.7	12.0	10.0	13.6	9.6	04/01/2008
<i>Russell 1000 Value Index</i>	25.2	17.6	11.2	9.7	13.0	8.9	
SSGA S&P 500 ex Tobacco	28.7	26.1	18.6	N/A	N/A	15.4	06/01/2015
<i>S&P 500 Tobacco Free Index</i>	28.7	26.2	18.6	15.0	16.6	15.5	
Brown Advisory	20.3	31.4	25.8	18.7	N/A	17.8	02/01/2014
<i>Russell 1000 Growth Index</i>	27.6	34.1	25.3	19.6	19.8	19.4	
SMID Equity Composite	15.1	26.0	18.4	14.1	15.9	12.5	01/01/2007
<i>Russell 2500 Index</i>	18.2	21.9	13.8	11.7	14.1	9.7	
Vanguard Extended Market Index Instl	12.4	N/A	N/A	N/A	N/A	32.5	08/01/2020
<i>Vanguard Spliced Extended Market Index</i>	12.4	23.9	15.2	12.5	14.9	32.4	
Westfield Capital Management Company	17.3	29.0	21.2	14.8	16.8	13.6	01/01/2005
<i>Russell 2500 Growth Index</i>	5.0	25.1	17.7	13.8	15.7	11.2	
International Equity Composite	9.4	19.3	12.3	8.8	9.0	9.5	07/01/2002
<i>MSCI AC World ex USA (Net)</i>	7.8	13.2	9.6	6.6	7.3	7.0	
Vanguard Developed Markets Index Instl	11.4	N/A	N/A	N/A	N/A	18.5	03/01/2020
<i>Vanguard Spliced Developed ex North America Index</i>	11.6	14.5	10.1	7.4	8.5	19.2	
Wellington International	8.0	18.1	10.9	8.2	9.4	8.7	11/01/2011
<i>MSCI AC World ex USA (Net)</i>	7.8	13.2	9.6	6.6	7.3	6.5	
Emerging Markets Equity Composite	0.1	11.0	N/A	N/A	N/A	8.5	10/01/2018
<i>MSCI EM (net)</i>	-2.5	10.9	9.9	6.1	5.5	7.5	
Brandes Investment Partners	7.1	7.2	N/A	N/A	N/A	5.1	10/01/2018
<i>MSCI EM (net)</i>	-2.5	10.9	9.9	6.1	5.5	7.5	
<i>MSCI Emerging Markets Value (Net)</i>	4.0	7.1	7.0	4.0	3.3	4.3	
JP Morgan Investment Mgmt	-5.5	N/A	N/A	N/A	N/A	12.1	07/01/2019
<i>MSCI EM (net)</i>	-2.5	10.9	9.9	6.1	5.5	8.8	

Broward Health Unrestricted Fund

Current Portfolio Structure – Unrestricted Plan

Firm	Strategy	Benchmark		Weight
State Street	S&P 500 ex-tobacco index	S&P 500 Tobacco Free index	17.4%	6.6%
Brown Advisory	Large Cap Growth	R 1000 Growth	12.7%	4.8%
BMO	Disciplined Large Cap Value Equity	R 1000 Value	12.1%	4.6%
Westfield	SMID Growth	R 2500 Growth	8.7%	3.3%
Vanguard	Extended Market Index	S&P Completion Index	7.7%	2.9%
Wellington	International Opportunities	MSCI ACWI ex-US	18.7%	7.1%
Vanguard	Developed Market Index	MSCI EAFE	14.3%	5.4%
J.P. Morgan	Emerging Market Focused	MSCI EM	4.5%	1.7%
Brandes	Emerging Markets Equity	MSCI EM	4.0%	1.5%
Total		Russell 3000	100.0%	37.9%

Domestic Benchmark Relative Positioning

Broward Unrestricted Domestic Equity Portfolio v. Benchmark (Russell 3000)

	Value -5.2	Core +3.7	Growth +1.5
Large -13.7	-6.0	-2.5	-5.2
Mid +9.7	-0.6	5.4	4.8
Small +4.0	1.4	0.7	1.9

- Domestic Equity Composite Performance over longer term broadly in line with benchmark
- Large Cap component has performed broadly in line with benchmark.
- SMID Cap component has underperformed due to style tilt toward growth and away from value over the last 12 months. But has delivered strong excess returns over the longer term.

Overseas Benchmark Relative Positioning

Broward Unrestricted Overseas Equity Portfolio v. Benchmark (MSCI ACWI ex-US)

	Value -6.1	Core +0.9	Growth +5.2
Large -2.9	-6.9	0.5	3.5
Mid +1.7	-0.1	0.2	1.6
Small +1.2	0.9	0.2	0.2

- International Equity Composite has outperformed the benchmark over all time periods.
- Emerging Markets Equity Composite has outperformed since inception in the portfolio
- The portfolio exhibits a moderate tilt to growth, and slight underweight to large cap.

Performance to 12/31/2021

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Domestic Equity Composite	22.3	25.3	18.4	14.2	15.7	10.2	07/01/2007
<i>Russell 3000 Index</i>	25.7	25.8	18.0	14.5	16.3	10.4	
Large Cap Equity Composite	25.2	25.0	18.5	14.2	15.6	9.7	07/01/2007
<i>S&P 500</i>	28.7	26.1	18.5	14.9	16.6	10.5	
BMO Asset Management	29.0	17.3	11.8	9.9	13.4	9.5	04/01/2008
<i>Russell 1000 Value Index</i>	25.2	17.6	11.2	9.7	13.0	8.9	
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<i>S&P 500 Tobacco Free Index</i>	28.7	26.2	18.6	15.0	16.6	15.5	
Brown Advisory	19.3	31.0	25.5	18.4	N/A	17.5	02/01/2014
<i>Russell 1000 Growth Index</i>	27.6	34.1	25.3	19.6	19.8	19.4	
SMID Equity Composite	14.7	25.6	18.1	13.9	15.8	11.6	07/01/2007
<i>Russell 2500 Index</i>	18.2	21.9	13.8	11.7	14.1	9.4	
Vanguard Extended Market Index Instl	12.5	N/A	N/A	N/A	N/A	32.5	08/01/2020
<i>Vanguard Spliced Extended Market Index</i>	12.4	23.9	15.2	12.5	14.9	32.4	
Westfield Capital Management Company	16.5	28.4	20.9	14.6	16.7	12.7	07/01/2007
<i>Russell 2500 Growth Index</i>	5.0	25.1	17.7	13.8	15.7	10.9	
International Equity Composite	9.3	19.1	12.1	8.7	8.8	4.1	07/01/2007
<i>MSCI AC World ex USA (Net)</i>	7.8	13.2	9.6	6.6	7.3	3.1	
Vanguard Developed Markets Index Instl	11.4	N/A	N/A	N/A	N/A	18.6	03/01/2020
<i>Vanguard Spliced Developed ex North America Index</i>	11.6	14.5	10.1	7.4	8.5	19.2	
Wellington International	8.0	18.1	10.9	8.2	9.4	8.7	11/01/2011
<i>MSCI AC World ex USA (Net)</i>	7.8	13.2	9.6	6.6	7.3	6.5	
Emerging Markets Equity Composite	-2.9	10.5	N/A	N/A	N/A	8.1	10/01/2018
<i>MSCI EM (net)</i>	-2.5	10.9	9.9	6.1	5.5	7.5	
Brandes Investment Partners	7.1	7.2	N/A	N/A	N/A	5.1	10/01/2018
<i>MSCI EM (net)</i>	-2.5	10.9	9.9	6.1	5.5	7.5	
<i>MSCI Emerging Markets Value (Net)</i>	4.0	7.1	7.0	4.0	3.3	4.3	
JP Morgan Investment Mgmt	-10.2	N/A	N/A	N/A	N/A	12.3	11/01/2019
<i>MSCI EM (net)</i>	-2.5	10.9	9.9	6.1	5.5	10.3	

| Manager Selection

Observations on Manager Selection – U.S.

- Large Cap portfolio:
 - Brown Advisory is on Segal Marco Alpha Research Recommended list
 - However, product has not delivered strong risk adjusted returns in recent years on net of fees basis. Large Cap Growth has been a challenging area for active managers to consistently outperform benchmark over the last decade (Russell 1000 Growth index ranks in the 27th percentile of the peer group over that time)
 - BMO Large Cap Value
 - Product has recently been sold by BMO to Columbia Threadneedle, BMO investment team merged with existing Columbia Threadneedle team. Following this change we do not have high conviction in this strategy
- Small and Mid Cap portfolio:
 - Westfield Smid Cap Growth is on Segal Marco Alpha Research Recommended list
 - Growth at a Reasonable Price approach is well positioned to deliver excess return at this stage in the market cycle
 - Vanguard Extended Market Index provides broad index exposure, which leaves the overall portfolio tilted toward growth and away from value

Observations on Manager Selection – Non-U.S.

- Overseas:

- Wellington International Opportunities is a high conviction strategy on Segal Marco Alpha Research Recommended list
 - Provides diversified core exposure to the non-U.S. equity market
 - Benefits from broad range of resources brought to bare across Wellington Management

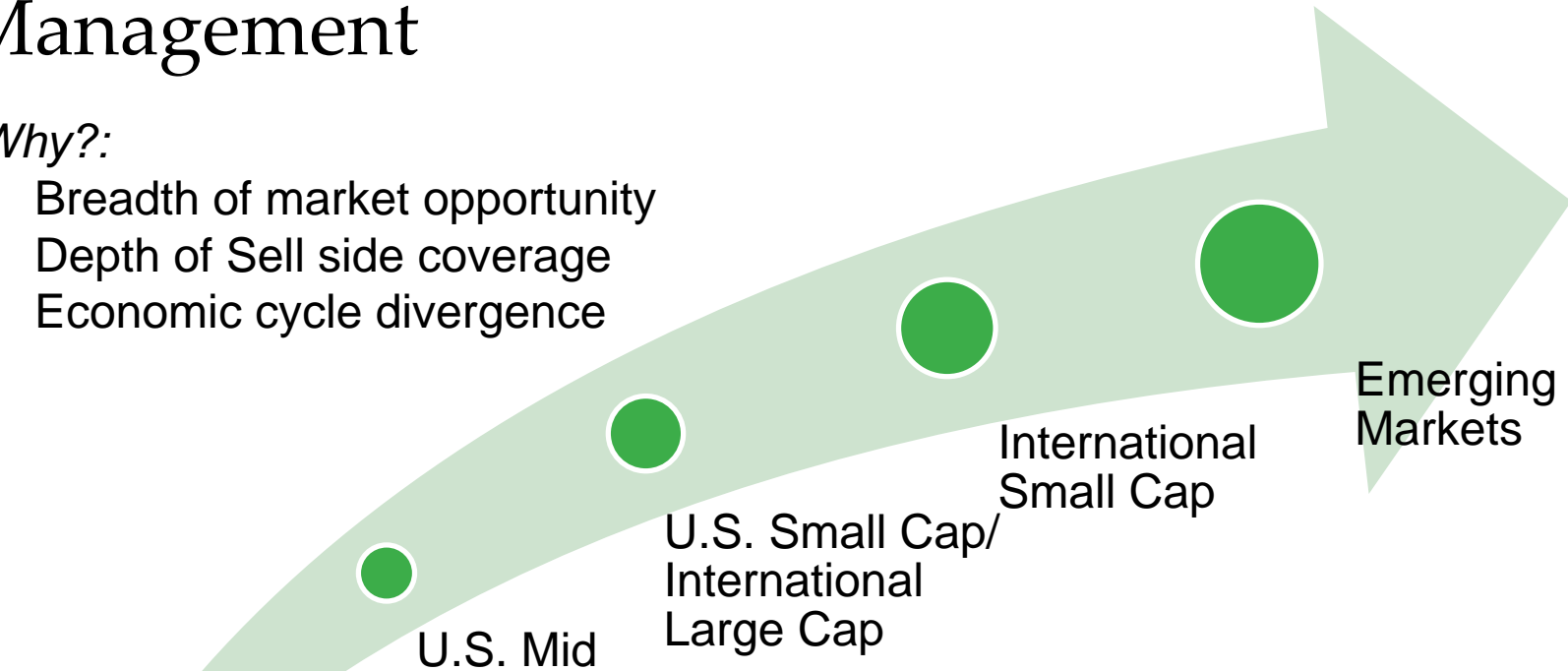
- Emerging Markets

- J.P. Morgan Global Emerging Market Focused is a high conviction strategy on Segal Marco Alpha Research Recommended list
 - Provides diversified quality core exposure to emerging market equities with a growth bias
 - Draws upon the depth of resource across JPM's Emerging Market Research Platform, using a time-tested process which has been in place for almost 30 years
- Brandes Emerging Markets Equity is on Segal Marco Alpha Research Recommended list
 - Deep value oriented investment philosophy is a good complement to J.P. Morgan strategy
 - Performance profile is volatile, and prone to extended periods of underperformance if value investing is out of favor

Market Efficiency – Opportunity for Active Management

Why?:

- Breadth of market opportunity
- Depth of Sell side coverage
- Economic cycle divergence



	Index	5yr Peer Rank	10yr Peer Rank
U.S. Large Cap	S&P 500	40 th	38 th
U.S. Mid Cap	S&P 400	68 th	71 st
U.S. Small Cap	Russell 2000	73 rd	81 st
International	MSCI EAFE	66 th	81 st
International Small	MSCI EAFE Small	60 th	69 th
Emerging Markets	MSCI EM	65 th	77 th

| Recommendations

Recommendation 1 – Terminate Active U.S. Large Cap Managers, move to Passive Index Strategy

- Plan has existing S&P 500 ex-Tobacco index strategy in place with State Street
- Low conviction in BMO Discipline Large Cap Value strategy, and challenging investment environment for Brown Advisory
- Consolidate active managers into State Street S&P 500 ex-Tobacco index, to reduce index relative volatility and reduce overall asset management fees

Recommendation 2 – U.S. Smid Cap Value search to replace existing Passive U.S. Smid Cap allocation

- Allocation to Vanguard Extended Market index was introduced to replace allocation to Fisher Small / Mid Cap Value in 2020, which has resulted in a style tilt toward growth in the portfolio since the Vanguard Fund was a core allocation
- Consider active Smid Cap Value manager to fill this allocation and moderate style tilt

Recommendation 3 – Consolidate Overseas Equity Manager Selection

- Non-U.S. Equity markets have a higher degree of market inefficiency than Domestic Equity markets and remain an attractive opportunity for active managers to add value in large cap equities
- Reallocate active management budget from terminated U.S. Large Cap active managers
 - Consolidate allocation to Vanguard Developed Market Index into Wellington International Opportunities
- Maintain Emerging Market allocation split between Brandes and JP Morgan

Summary (Pension Plan)

Firm	Strategy	Current	1	2	3
State Street	S&P 500 ex-tobacco index	20.1%	42.6%	20.1%	20.1%
Brown Advisory	Large Cap Growth	12.1%	-	12.1%	12.1%
BMO	Disciplined Large Cap Value Equity	10.4%	-	10.4%	10.4%
Westfield	SMID Growth	10.4%	10.4%	10.4%	10.4%
Vanguard	Extended Market Index	10.2%	10.2%	-	10.2%
New Active U.S.	Smid Cap Value Allocation	-	-	10.2%	-
Wellington	International Opportunities	17.1%	17.1%	17.1%	29.4%
Vanguard	Developed Market Index	12.3%	12.3%	12.3%	-
J.P. Morgan	Emerging Market Focused	3.5%	3.5%	3.5%	3.5%
Brandes	Emerging Markets Equity	3.7%	3.7%	3.7%	3.7%
Total		100.0%	100.0%	100.0%	100.0%

Summary (Unrestricted Plan)

Firm	Strategy	Current	1	2	3
State Street	S&P 500 ex-tobacco index	17.4%	42.2%	17.4%	17.4%
Brown Advisory	Large Cap Growth	12.7%	-	12.7%	12.7%
BMO	Disciplined Large Cap Value Equity	12.1%	-	12.1%	12.1%
Westfield	SMID Growth	8.7%	8.7%	8.7%	8.7%
Vanguard	Extended Market Index	7.7%	7.7%	-	7.7%
New Active U.S.	Smid Cap Value Allocation	-	-	7.7%	-
Wellington	International Opportunities	18.7%	18.7%	18.7%	33.0%
Vanguard	Developed Market Index	14.3%	14.3%	14.3%	-
J.P. Morgan	Emerging Market Focused	4.5%	4.5%	4.5%	4.5%
Brandes	Emerging Markets Equity	4.0%	4.0%	4.0%	4.0%
Total		100.0%	100.0%	100.0%	100.0%