

North Broward Hospital District Board of Commissioners
1601 South Andrews Avenue, Suite 100, Fort Lauderdale, FL 33316

**PENSION AND INVESTMENT COMMITTEE MEETING
10:00 AM, Tuesday, August 23, 2022**

The Pension and Investment Committee Meeting of the North Broward Hospital District was held at the Broward Health Sports Medicine Building, 1601 South Andrews Avenue, Suite 100, Fort Lauderdale, FL 33316.

1. NOTICE

Official notice is attached to these minutes, titled EXHIBIT I. Agenda of this meeting is attached to the minutes, titled EXHIBIT II. Supporting documents, if applicable, are attached to these minutes, titled EXHIBIT III. These 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 Christopher J. Pernicano at 10:09 a.m.

3. COMMITTEE MEMBERS

Present: Commissioner/Vacant, Member
Commissioner Ray T. Berry, Vice Chair
Commissioner Christopher J. Pernicano, Chair

Additionally Present: Shane Strum, President, Chief Executive Officer
Alan Whaley, EVP, Chief Operating Officer
Alex Fernandez, SVP, Chief Financial Officer
Linda Epstein, Corporate General Counsel
Paul C. Tanner, Commissioner
Stacy L. Angier, Commissioner
Levi G. Williams, Jr., Commissioner

Consistent with article III, section 12(e) of the Bylaws of the Board of Commissioners of North Broward Hospital District and section 3.12(e) of the Board’s Codified Resolutions, as Chair of the Pension and Investment Committee, Chair Pernicano appointed Commissioner Paul C. Tanner to serve as a substitute committee member on the Pension and Investment Committee to conduct Committee business.

4. PUBLIC COMMENTS

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

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5. APPROVAL OF MINUTES

5.1. Approval of meeting minutes dated May 18, 2022

Without objection, Chair Pernicano approved the minutes, dated May 18, 2022.

Motion *carried* without dissent.

6. TOPIC OF DISCUSSION

6.1. Review Private Equity Investments quarter ending 06/30/2022 - Preliminary (Presenter – Chris Lagan, Congress Asset Management)

Mr. Lagan introduced Mr. Dean Raymond, Analyst with Congress Asset Management to the Board who provided his professional background.

Mr. Lagan provided the following high-level summary:

- Both Unrestricted Fund and Employees' Pension continue to perform quite well:
 - o Returns are very strong for both funds, ahead of the comp set S&P 500 +300 basis points
 - o Record year for cash distributions in 2021: Unrestricted received \$19M, Pension received \$11M
 - o Distributions YTD 2022 also strong: Unrestricted received \$14M (1.8x cost), Pension received \$9M (2.0x cost)
 - o Cumulative Net Benefit is estimated at record mark June 30, 2022
 - Unrestricted Fund estimated net benefit was \$62M vs. \$59M at year end 2021 (\$36M in 2020)
 - Pension estimated net benefit was \$41M vs. \$39M at year end 2021 (\$25M in 2020)
- Both plans above 7.5% target allocation despite record cash returns
 - o Gains attributable to performance
 - o Pull back in public equities and fixed income
 - o Some 2013 / 2014 funds are taking longer to liquidate than expected (approximately 30% of market value are in these vintages)
 - o Some 2020 funds investing capital quicker than anticipated
- Recent Actions
 - o Unrestricted Fund approve \$10M in commitments to 2022 vintage funds:
 - April: Committed \$5M to Trivest: Split between Trivest Fund VII and Trivest Discovery Fund II
 - July: Committed \$5M to Sentinel Capital Partners Fund VII

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- Sold Carlyle Global Financial Services Partners III in secondary sale
 - o Unrestricted fund received \$5.2 MM, 1.4x capital, 22% net Internal Rate of Return (IRR)
 - o Pension fund received \$3.1 MM, 1.4x capital, 22% net Internal Rate of Return (IRR)

6.2. Review Investments (non-Private Equity) quarter ending 06/30/2022 (Presenter – Robert Hungerbuhler, Segal Marco Financial Advisors)

*Note, Item 6.2.2., Broward Pension Composite, was heard prior to Item 6.2.1., Broward Unrestricted Composite 2Q22.

6.2.2. Broward Pension Composite 2Q22

Mr. Hungerbuhler, further spoke to the following slides of the Pension Composite for 2Q22:

- Pension Composite Report
 - o Quarter In Review
 - o Asset Allocation
- Pension Compliance Report
 - o Total Fund Composite
 - o Allocation
 - o Performance Net of Fees (%); and
 - o Net Investment Change Since Inception (\$000)

6.2.1. Broward Unrestricted Composite 2Q22

Segal Marco Financial Advisors representative, Robert Hungerbuhler, spoke to the following slides of the Unrestricted Composite 2Q22:

- Unrestricted Composite Report
 - o Total Fund Composite
- Unrestricted Compliance Report
 - o Total Fund Composite
 - o Allocation
 - o Performance Net of Fees (%); and
 - o Net Investment Change Since Inception (\$000)

For further detail, related slides are available within the August 2022 Pension and Investment Committee Meeting book on the Board of Commissioners' webpage.

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7. ADJOURNMENT

There being no further business on the agenda, the Chair adjourned the meeting at 10:59 a.m.

Respectfully submitted,
Commissioner Paul C. Tanner, Secretary/Treasurer

DRAFT