

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

## **PENSION AND INVESTMENT COMMITTEE MEETING** **1:00 p.m., Wednesday, February 22, 2023**

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 OF MEETING**

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 Vice Chair Paul C. Tanner at 1:07 p.m.

### **3. ROLL CALL**

*Present:*

Commissioner Ray T. Berry  
Commissioner Paul C. Tanner, Vice Chair

*Not Present:*

Commissioner Christopher J. Pernicano, Chair

*Additionally Present:*

Stacy L. Angier, Commissioner  
Nancy W. Stamper, Commissioner  
Levi G. Williams, Jr., Commissioner (arrived @ 1:09 p.m.)  
Shane Strum, President, Chief Executive Officer  
Alan Whaley, EVP/Chief Operating Officer  
Alex Fernandez, SVP, Chief Financial Officer  
Linda Epstein, Corporate General Counsel

### **4. PUBLIC COMMENTS**

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

### **5. APPROVAL OF MEETING MINUTES**

5.1. Approval of Pension and Investment Committee Meeting Minutes dated November 30, 2022

Without objection, Vice Chair Tanner approved the minutes, dated November 30, 2022.

Motion *carried* without dissent.

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## 6. TOPIC OF DISCUSSION

6.1. Review Investments (non-Private Equity) quarter ending 12/31/2022 (Presenters – Rosemary Guillette, Segal Marco Financial Advisors)

6.1.1. Broward Unrestricted Composite 4Q22

Segal Marco Financial Advisors representative, Rosemary Guillette, was in attendance via TEAMS and provided the following high-level overview of the quarter in review of market conditions:

- U.S. Equities
  - up 7.2% and down 19.2% for the year
- International equities income
  - up 17.3% and down 14.5% for the year
- U.S. fixed income
  - up 1.9% and down 13.0% for the year
- Asset Class Index Returns
- Unrestricted Compliance Report
  - Total Fund Composite
  - Allocation
  - Performance Net of Fees (%); and
  - Net Investment Change Since Inception (\$000)

\*Note, Item 6.1.3., Recommendation to place the Invesco Real Estate fund on the Watch List, was heard prior to Item 6.1.2., Broward Pension Composite 4Q22.

6.1.3. Recommendation to place the Invesco Real Estate fund on the Watch List

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

The Pension and Investment Committee recommends that the Board of Commissioners of the North Broward Hospital District place the Invesco Real Estate fund in both the Pension and Unrestricted Funds on the Watch List based on performance.

Motion *carried* unanimously.

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## 6.1.2. Broward Pension Composite 4Q22

Ms. Guillette spoke to the following:

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

## 6.2. Review and Approval of Investment Policy Statements (IPS)

Ms. Guillette presented the summary of the following Investment Policy Statements (IPS) which is reviewed annually, in February.

### 6.2.1. Unrestricted Policy Review and Vote

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

The Pension and Investment Committee reviewed the February 16, 2022 Amended and Restated Investment Policy Statement of the North Broward Hospital District dba Broward Health Unrestricted Funds (“Unrestricted Funds Investment Policy”) and recommends that the Board of Commissioners of the North Broward Hospital District approve the proposed amendments, as presented.

Discussion ensued and Mr. Fernandez confirmed that a thorough process is in place, including that policy statement revisions capture all current standards.

Motion *carried* unanimously.

### 6.2.2. Pension Policy Review and Vote

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

The Pension and Investment Committee reviewed the February 16, 2022 Amended and Restated Investment Policy Statement of the North Broward Hospital District dba Broward Health Employees’ Pension Plan (“Employees’ Pension Plan Investment Policy”) and recommends that the Board of Commissioners of the North Broward Hospital District approve the proposed amendments, as presented.

Motion *carried* unanimously.

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### 6.3. Review Private Equity Investments quarter ending 12/31/2022 (Preliminary) (Presenter – Chris Lagan, Congress Asset Management)

Mr. Lagan provided the following high-level summary:

- Both Unrestricted Fund and Employees' Pension continue to perform quite well:
  - Returns remain strong for both funds, ahead of the comp set S&P 500 +300 basis points
  - Healthy distributions YTD: Unrestricted received \$17.5 million (1.9x cost), Pension received \$10 million (2.1x cost)
  - Cumulative Net Benefit is estimated at record mark December 31, 2022:
    - Unrestricted Fund estimated net benefit was \$65 million vs. \$59 million at year end 2021 (\$36 in 2020)
    - Pension estimated net benefit was \$45 million vs. \$39 million at year end 2021 (\$25 in 2020)
- Both Unrestricted Fund and Employees' Pension continue to perform quite well:
  - Gains attributable to performance
  - Pull back in public equities and fixed income
  - Some 2013 / 2014 funds are taking longer to liquidate than expected (approximately 25% of market value are in these vintages)
  - Some 2020 funds investing capital quicker than anticipated
- Recent Actions
  - No additional commitments in 4Q22 to remain within allocation target
  - Distributions are slowing as expected in 4Q22

Commissioner Williams requested that the District's total portfolio fee in comparison to a new client total portfolio fee, be provided at a future meeting.

For further detail, related slides are available within the February 2023 Pension and Investment Committee Meeting book on the Board of Commissioners' webpage.

## 7. ADJOURNMENT

There being no further business on the agenda, the Vice Chair adjourned the meeting at 1:40 p.m.

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