

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, May 19, 2021**

The Pension and Investment Committee Meeting of the North Broward Hospital District was held on May 19, 2021, at 10:00 a.m., at the Broward Health Corporate Spectrum Location, 1700 NW 49<sup>th</sup> 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 10:06 a.m.

### **3. COMMITTEE MEMBERS**

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

#### *Senior Leadership*

*Additionally Present:* Nancy W. Gregoire, Commissioner  
Christopher J. Pernicano, Commissioner (via WebEx)  
Levi G. Williams, Jr., Commissioner (arrived at 11:30 a.m.)  
Shane Strum, President/Chief Executive Officer  
Alan Goldsmith, Chief Operating Officer  
Alex Fernandez, Chief Financial Officer  
Linda Epstein, Corporate General Counsel

### **4. PUBLIC COMMENTS**

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

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

Without objection, Chair Angier approved the minutes, dated February 17, 2021.

Motion *carried* without dissent.

6.

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

## 7. TOPIC OF DISCUSSION

### 7.1. Review Private Equity Investments quarter ending 12/31/2020 (Presenter – Chris Lagan, Congress Asset Management)

For further detail, related slides are available on the Board of Commissioners' webpage. See the May 19, 2021 Pension and Investment Committee meeting book.

Mr. Lagan gave an overview of Congress Asset Management's role, highlighting that they consult on the private equity funds for the Board. Mr. Lagan noted that Rosemary Guillette, Segal Marco Financial Advisors, consults for the Board's non-private equity investments.

Congress's role is to source, perform diligence, commit to, and manage private equity funds on behalf of Broward Health. He further noted that Congress had been working with Broward Health for 11 years.

Private equity partnerships are 10-year investments; investments are made over a five-year period.

The benefits of working with two consultants include:

- Diversification.
- Lower volatility.
- Excess return.

Understanding Consulting Fees:

- Investments are generally not liquid.
- Investments are labor and time intensive.
- Upfront due diligence and a lot of amendments and adjustments.

Summaries were presented for the items listed below:

- Unrestricted Funds
  - Valuation Summary.
  - Performance benchmarking was reviewed.
- Pension Fund
  - Valuation Summary.
    - Active commitments.
  - Performance benchmarking was reviewed.
- Active Commitments through December 2020

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

- Unrestricted Funds: \$91,650,00.
- Pension Fund: \$71,050,00.
  
- Broward Health Portfolio – Watch list
  - 2008 Banyan Mezzanine Fund.
  - 2016 WAVE Equity Fund.

## 7.2. Review Investments (non-private Equity) quarter ending 3/31/2021 (Presenter: Rosemary Guillette, Segal Marco Financial Advisors)

For further detail, related slides are available on the Board of Commissioners' webpage. See the May 19, 2021, Pension and Investment Committee meeting book.

Ms. Guillette shared slides referencing a positive market trend in terms of growth within the last quarter. She also noted that Broward Health was in line with its polices, which is part of good governance.

- Financial Market Conditions.
- Total Fund.
- Investment Manager Roster.

### 7.2.1. Broward Unrestricted Composite 1Q21

Ms. Guillette presented the Unrestricted Summary, as of March 31, 2021, which had a positive increase from \$695 million to \$709 million for the year.

The Unrestricted Fund was at \$709,854,971 at the end of March 2021.

### 7.2.2. Broward Pension Composite 1Q21

For further detail, related slides are available on the Board of Commissioners' webpage. See the May 19, 2021, Pension and Investment Committee meeting book.

Ms. Guillette presented the Pension Summary, as of March 31, 2021, which had a positive increase from \$419 million to \$426 million for the year.

The Pension Fund was at \$426,872,293 at the end of March 2021.

On behalf of the Committee and based on discussion, Mr. Fernandez detailed what Mr. Lagan and Ms. Guillette should include in their presentations moving forward.

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

- Congress Asset Management: Analysis of Broward Health's fees for private equity investment and look at net of fees amount per investment.
- Segal Marco Financial Advisors: Greater details on returns by manager, net of fees, and benchmark in each category.
- List of accomplishments related to negotiating lower fees with managers over time.

### 7.3. Active vs. Passive Investments Presentation (Presenter – Rosemary Guillette, Segal Marco Financial Advisors)

Ms. Guillette shared a presentation titled, *Identifying Risk in the Active/Passive Debate*, which included the following topics:

- Definition of passive investing.
- Index methodology.
- Why does indexing work?
- Risks
  - Money flow.
  - Influence.
  - Volatility.
  - Behavioral.

It was noted that active and passive styles of investment management are both appropriate for most institutional investors.

### 7.4. Presentation by Brandes Investment Partners and the Emerging Markets Equity Investment Portfolio (Presenter – Christopher J. Garrett, CFA, Director of the Institutional Group)

For further detail, related slides are available on the Board of Commissioners' webpage. See the May 19, 2021 Pension and Investment Committee meeting book.

In response to Brandes' recent performance, Mr. Garrett gave an overview to their assets under management, their investment process, and their plan on how to improve their performance.

Mr. Garrett introduced the Brandes Emerging Markets Investment Committee.

The following topics were discussed in the Emerging Markets Equity Presentation:

- Global market overview.
- Investment process.
- Performances and benchmarks.
- Key Performance factors.

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

- Industry expertise.
- Top 10 holdings.
- Summary of portfolio changes.
- Brandes teams.
  - Emerging Markets Investment Committee.
  - Research Teams.
  - Investment Oversight Committee.

## 8. ADJOURNMENT

There being no further business on the agenda, the Chair adjourned the meeting at 12:13 p.m.

Respectfully submitted,

Commissioner Christopher J. Pernicano, Secretary/Treasurer

APPROVED