



JANUARY 2025 MATERIALS

MEMORIAL HEALTHCARE SYSTEM

JANUARY 2025

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2024 CAPITAL MARKETS IN REVIEW



PROPRIETARY & CONFIDENTIAL

CAPITAL MARKETS OVERVIEW

The stars aligned for the U.S. economy in 2024 as slowing inflation paved the way for policy easing, while consumption and growth defied expectations

Global central banks shifted to policy easing as inflation pressures subsided; market pricing reflects expectations for further policy easing into 2025

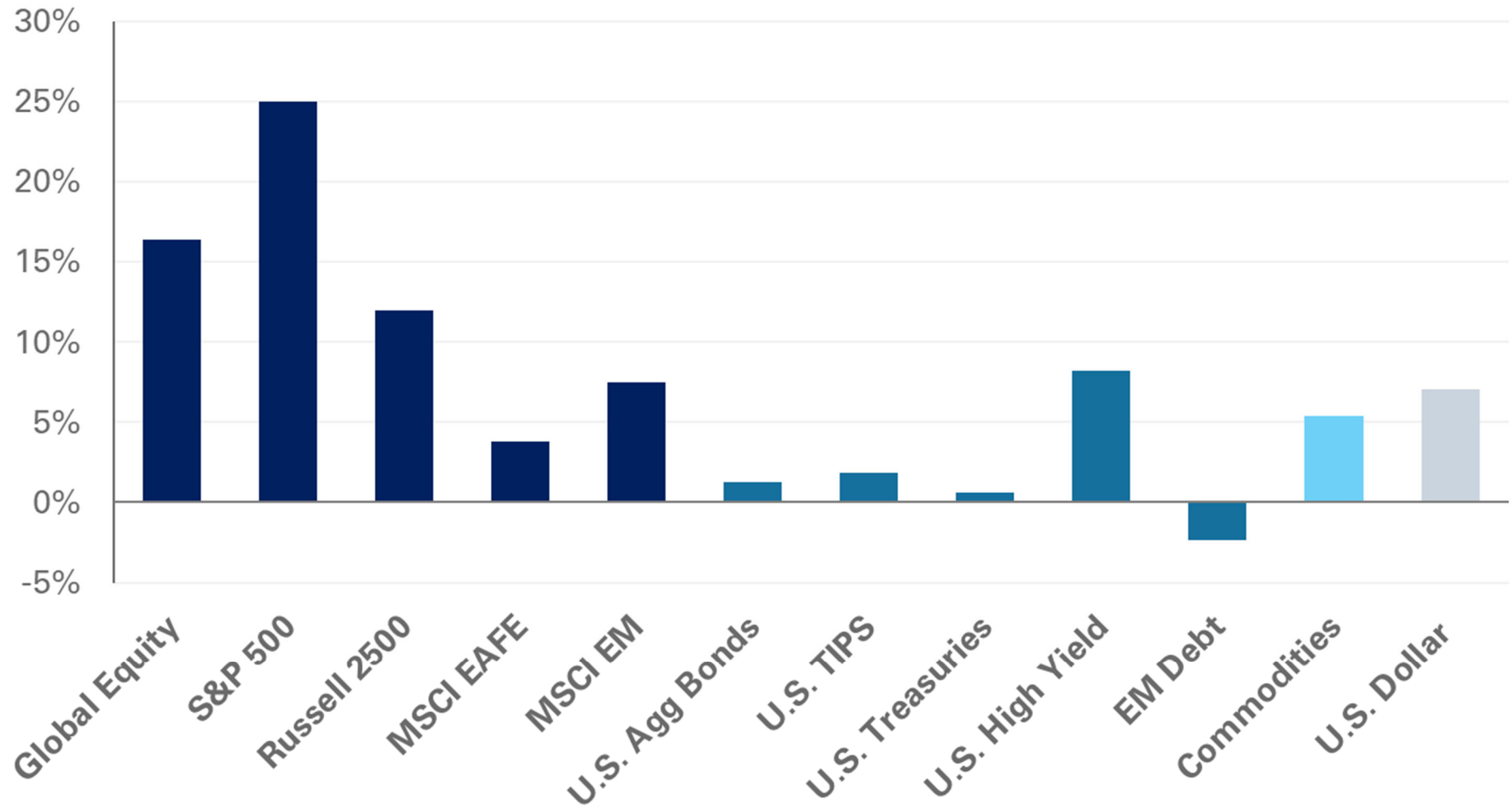
A resilient U.S. economy and consumer pushed rate cuts to the back half of 2024, forcing investors to recalibrate monetary policy expectations

U.S. markets outperformed meaningfully with a resilient economy, U.S. dollar strength, and acceleration of the A.I. cap-ex cycle supporting risk asset returns

A backdrop of elevated global geopolitical tensions **heightens economic tail risks and introduces uncertainty** for capital markets in 2025

INVESTORS HAD LITTLE TO COMPLAIN ABOUT IN 2024

2024 ANNUAL ASSET CLASS RETURNS



Notes: Global equity: MSCI ACWI IMI, EM Debt: JPM GBI-EM Global Diversified Index, U.S. Dollar Index: DXY Index.
Sources: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, FactSet



ANNUAL ASSET CLASS PERFORMANCE

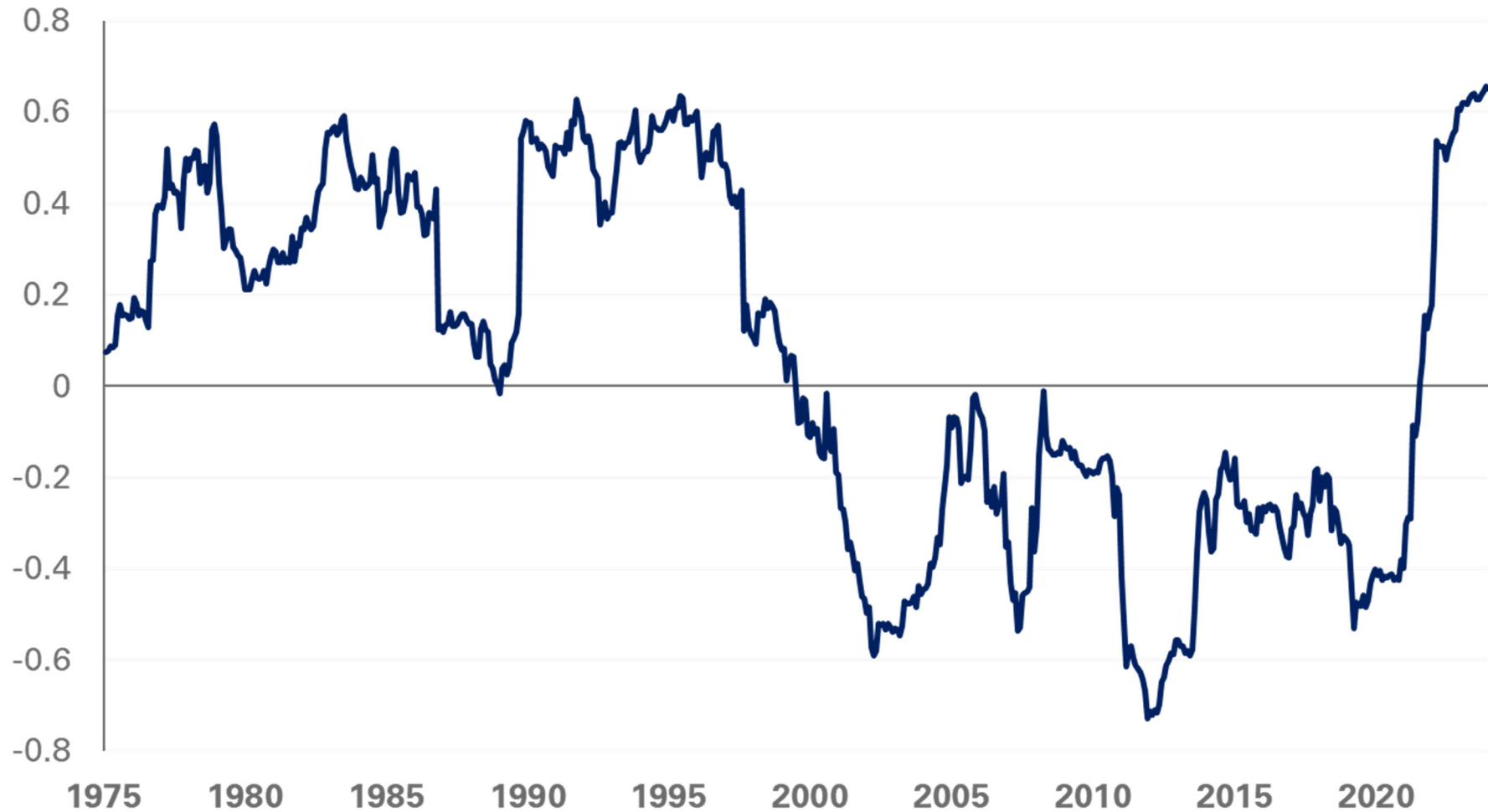
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
S&P 500 13.7%	S&P 500 1.4%	U.S. High Yield 17.1%	MSCI EM 37.3%	U.S. Treasury 0.9%	S&P 500 31.5%	S&P 500 18.4%	S&P 500 28.7%	Commodities 16.1%	S&P 500 26.3%	S&P 500 25.0%
U.S. Credit 7.5%	EMD (Hard) 1.2%	S&P 500 12.0%	MSCI EAFE 25.0%	U.S. Agg 0.0%	MSCI ACWI 26.6%	MSCI EM 18.3%	Commodities 27.1%	U.S. High Yield -11.2%	MSCI ACWI 22.2%	MSCI ACWI 17.5%
EMD (Hard) 7.4%	U.S. Treasury 0.8%	Commodities 11.8%	MSCI ACWI 24.0%	U.S. TIPS -1.3%	MSCI EAFE 22.0%	MSCI ACWI 16.3%	MSCI ACWI 18.5%	EMD (Local) -11.7%	MSCI EAFE 18.2%	U.S. High Yield 8.2%
U.S. Agg 6.0%	U.S. Agg 0.5%	MSCI EM 11.2%	S&P 500 21.8%	U.S. High Yield -2.1%	MSCI EM 18.4%	U.S. TIPS 11.0%	MSCI EAFE 11.3%	U.S. TIPS -11.8%	U.S. High Yield 13.4%	MSCI EM 7.5%
U.S. Treasury 5.1%	U.S. Credit -0.8%	EMD (Hard) 10.2%	EMD (Local) 15.2%	U.S. Credit -2.1%	EMD (Hard) 15.0%	U.S. Credit 9.4%	U.S. TIPS 6.0%	U.S. Treasury -12.5%	EMD (Local) 12.7%	EMD (Hard) 6.5%
MSCI ACWI 4.2%	MSCI EAFE -0.8%	EMD (Local) 9.9%	EMD (Hard) 10.3%	EMD (Hard) -4.3%	U.S. High Yield 14.3%	U.S. Treasury 8.0%	U.S. High Yield 5.3%	U.S. Agg -13.0%	EMD (Hard) 11.1%	Commodities 5.4%
U.S. TIPS 3.6%	U.S. TIPS -1.4%	MSCI ACWI 7.9%	U.S. High Yield 7.5%	S&P 500 -4.4%	U.S. Credit 13.8%	MSCI EAFE 7.8%	U.S. Credit -1.1%	MSCI EAFE -14.5%	MSCI EM 9.8%	MSCI EAFE 3.8%
U.S. High Yield 2.5%	MSCI ACWI -2.4%	U.S. Credit 5.6%	U.S. Credit 6.2%	EMD (Local) -6.2%	EMD (Local) 13.5%	U.S. Agg 7.5%	U.S. Agg -1.5%	U.S. Credit -15.3%	U.S. Credit 8.2%	U.S. Credit 2.0%
MSCI EM -2.2%	U.S. High Yield -4.5%	U.S. TIPS 4.7%	U.S. Agg 3.5%	MSCI ACWI -9.4%	U.S. Agg 8.7%	U.S. High Yield 7.1%	EMD (Hard) -1.8%	EMD (Hard) -17.8%	U.S. Agg 5.5%	U.S. TIPS 1.8%
MSCI EAFE -4.9%	MSCI EM -14.9%	U.S. Agg 2.6%	U.S. TIPS 3.0%	Commodities -11.2%	U.S. TIPS 8.4%	EMD (Hard) 5.3%	U.S. Treasury -2.3%	S&P 500 -18.1%	U.S. TIPS 4.1%	U.S. Agg 1.3%
EMD (Local) -5.7%	EMD (Local) -14.9%	U.S. Treasury 1.0%	U.S. Treasury 2.3%	MSCI EAFE -13.8%	Commodities 7.7%	EMD (Local) 2.7%	MSCI EM -2.5%	MSCI ACWI -18.4%	U.S. Treasury 3.9%	U.S. Treasury 0.6%
Commodities -17.0%	Commodities -24.7%	MSCI EAFE 1.0%	Commodities 1.7%	MSCI EM -14.6%	U.S. Treasury 6.9%	Commodities -3.1%	EMD (Local) -8.7%	MSCI EM -20.1%	Commodities -7.9%	EMD (Local) -2.4%



Sources: S&P, MSCI, Bloomberg, JPM, FactSet

STOCK-BOND CORRELATIONS REMAIN POSITIVE

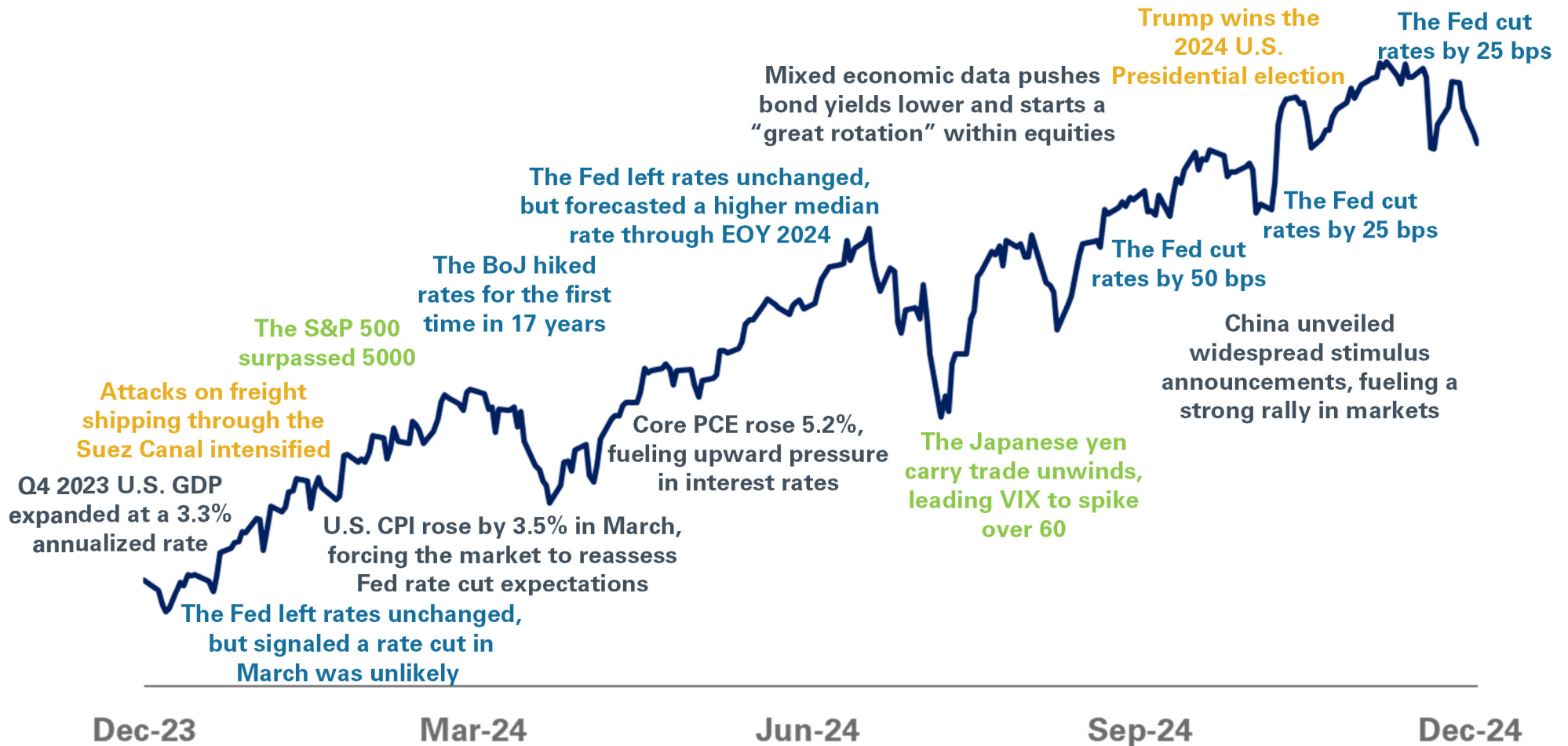
3-YEAR ROLLING CORRELATION S&P 500 AND U.S. TREASURIES



Sources: S&P, Bloomberg, FactSet

2024 IN REVIEW

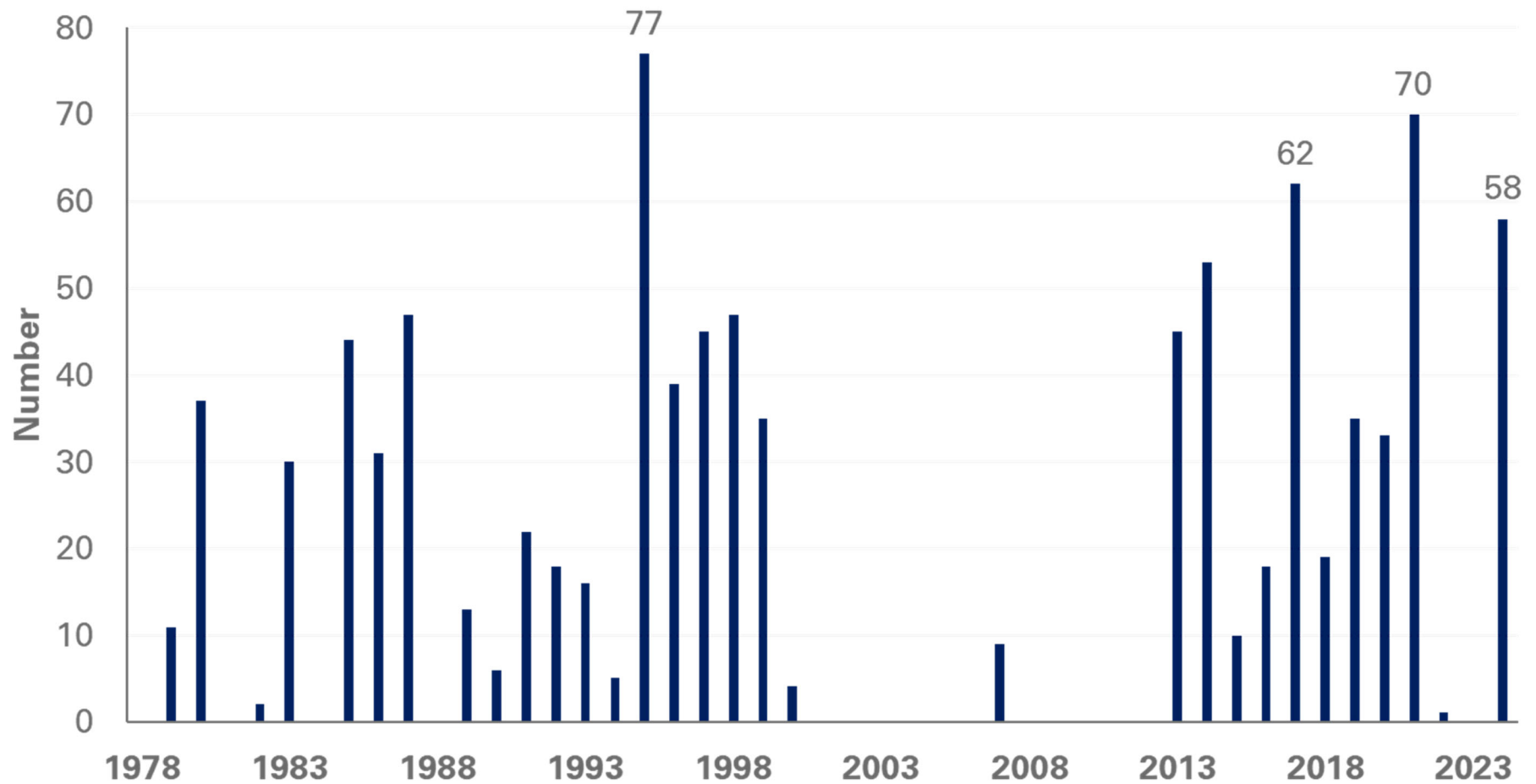
S&P 500 2024 PRICE PATH



Sources: S&P, FactSet

MARKETS REACHED ALL TIME HIGHS... REPEATEDLY

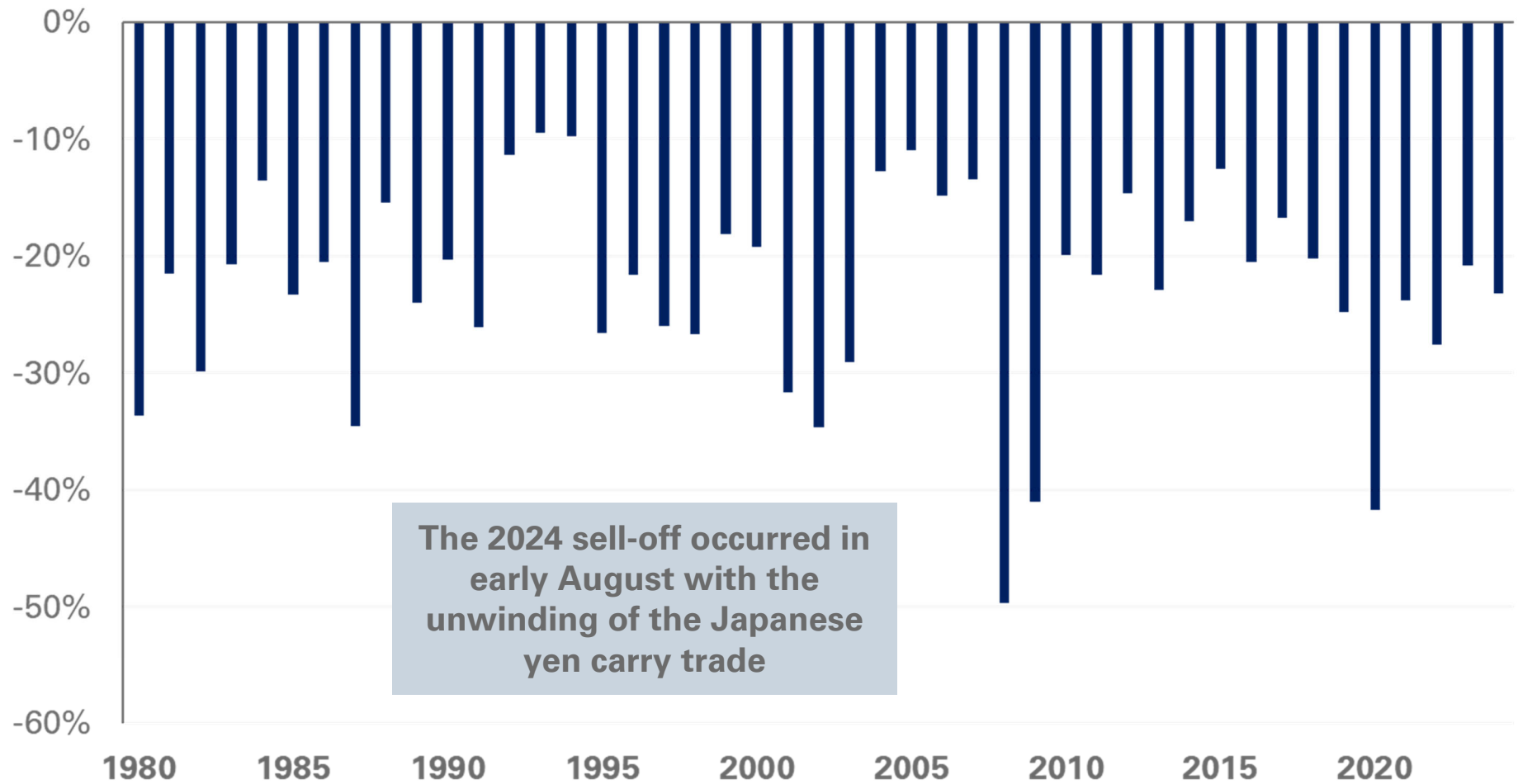
S&P 500 INDEX: NEW HIGHS REACHED PER CALENDAR YEAR



Sources: S&P, FactSet, NEPC

MARKETS WEREN'T IMMUNE FROM A SELL-OFF

MAXIMUM INTRA-YEAR DRAWDOWN



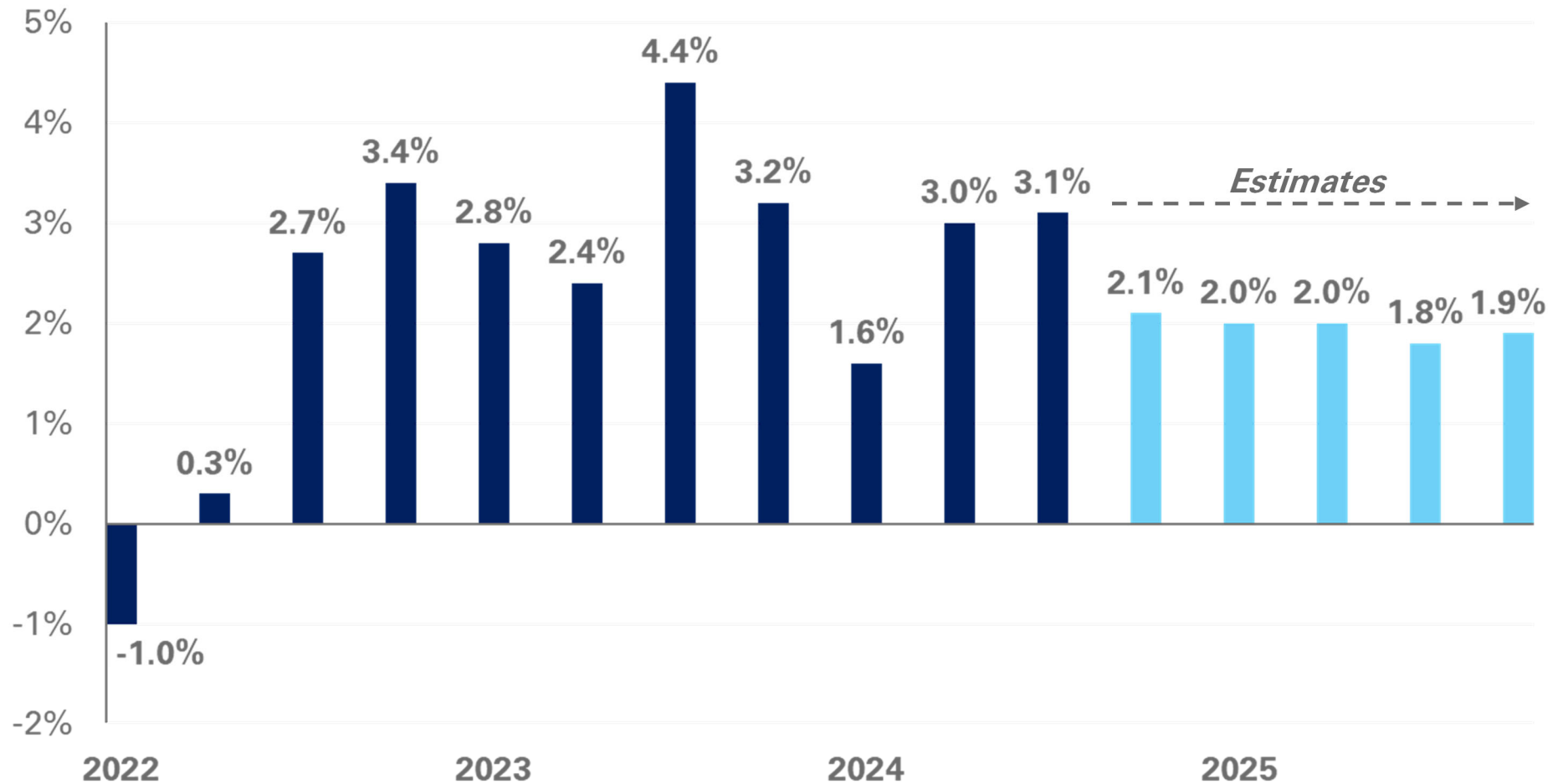
The 2024 sell-off occurred in early August with the unwinding of the Japanese yen carry trade

Note: Data reflects price returns.
Sources: S&P, FactSet, NEPC



THE U.S. ECONOMY OUTPACED EXPECTATIONS

U.S. REAL GDP GROWTH (%)

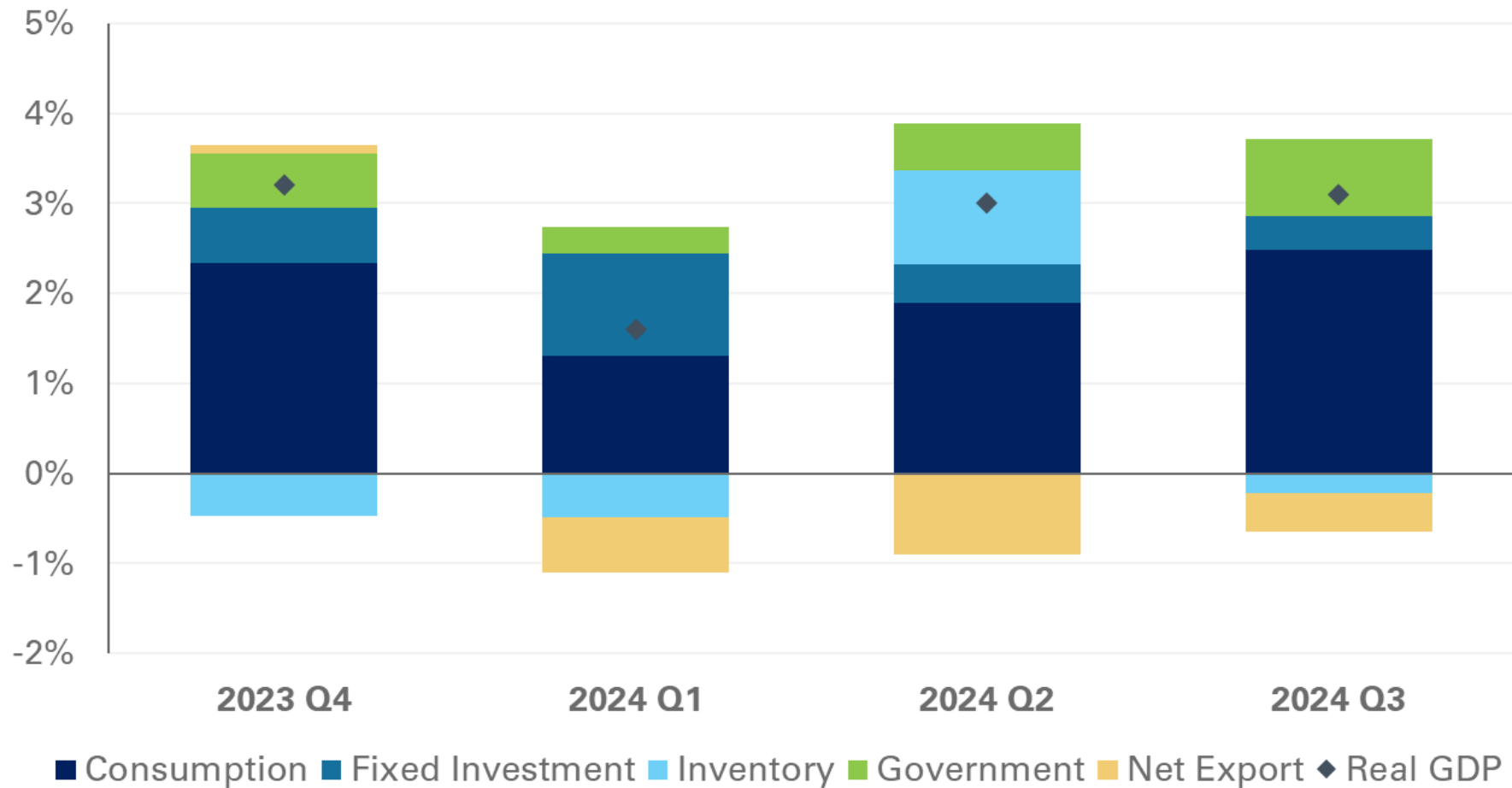


Note: Estimates reflect FactSet Economic Estimates
Sources: U.S. Bureau of Economic Analysis, FactSet, NEPC



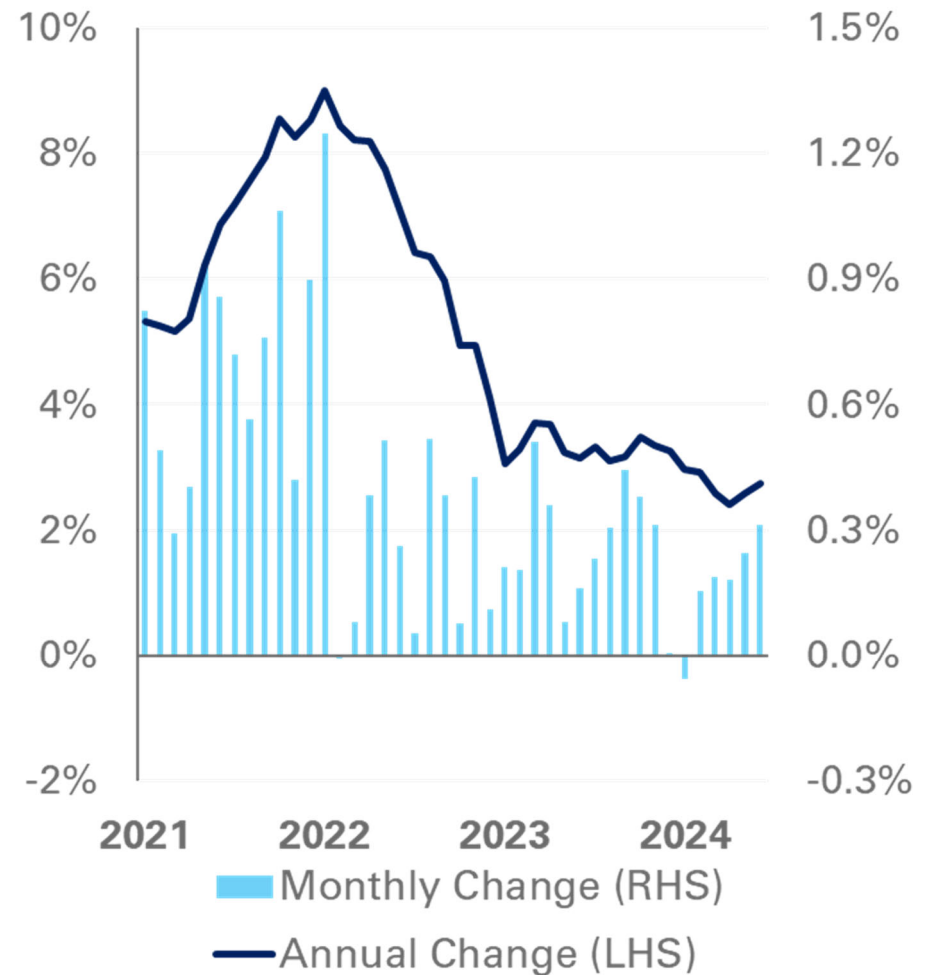
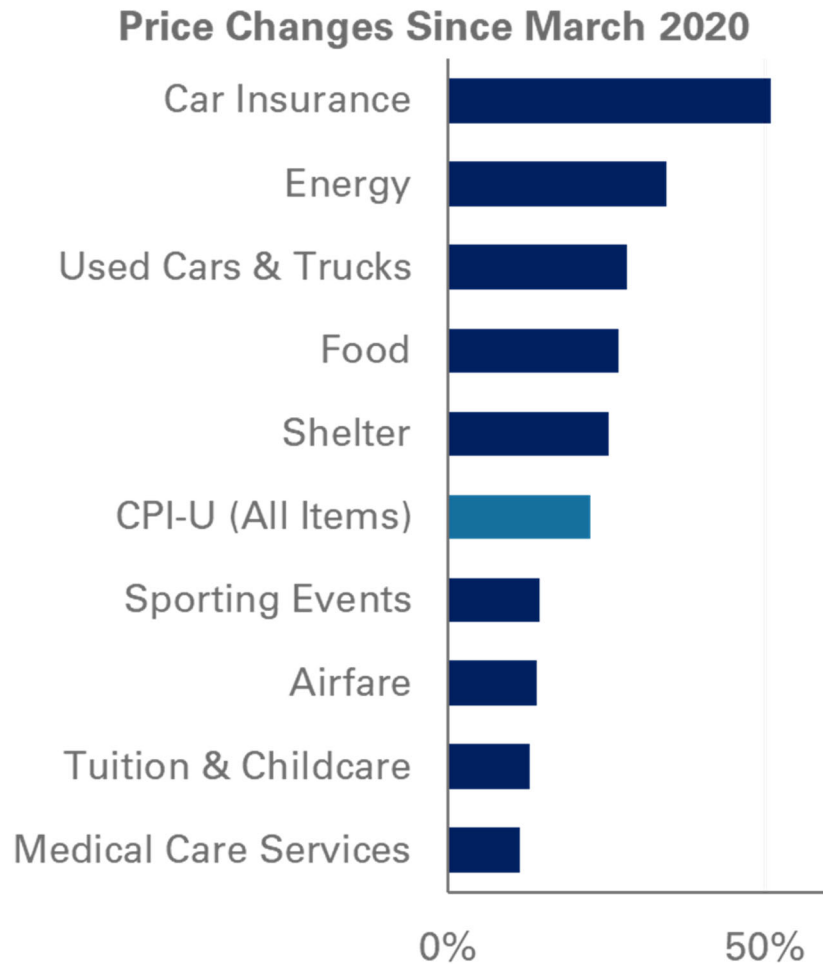
THE CONSUMER UNDERPINNED THE RESILIENCY

U.S. QUARTERLY REAL GDP COMPOSITION



INFLATION SLOWED, BUT PRICES STILL ELEVATED

U.S. CONSUMER PRICE INDEX

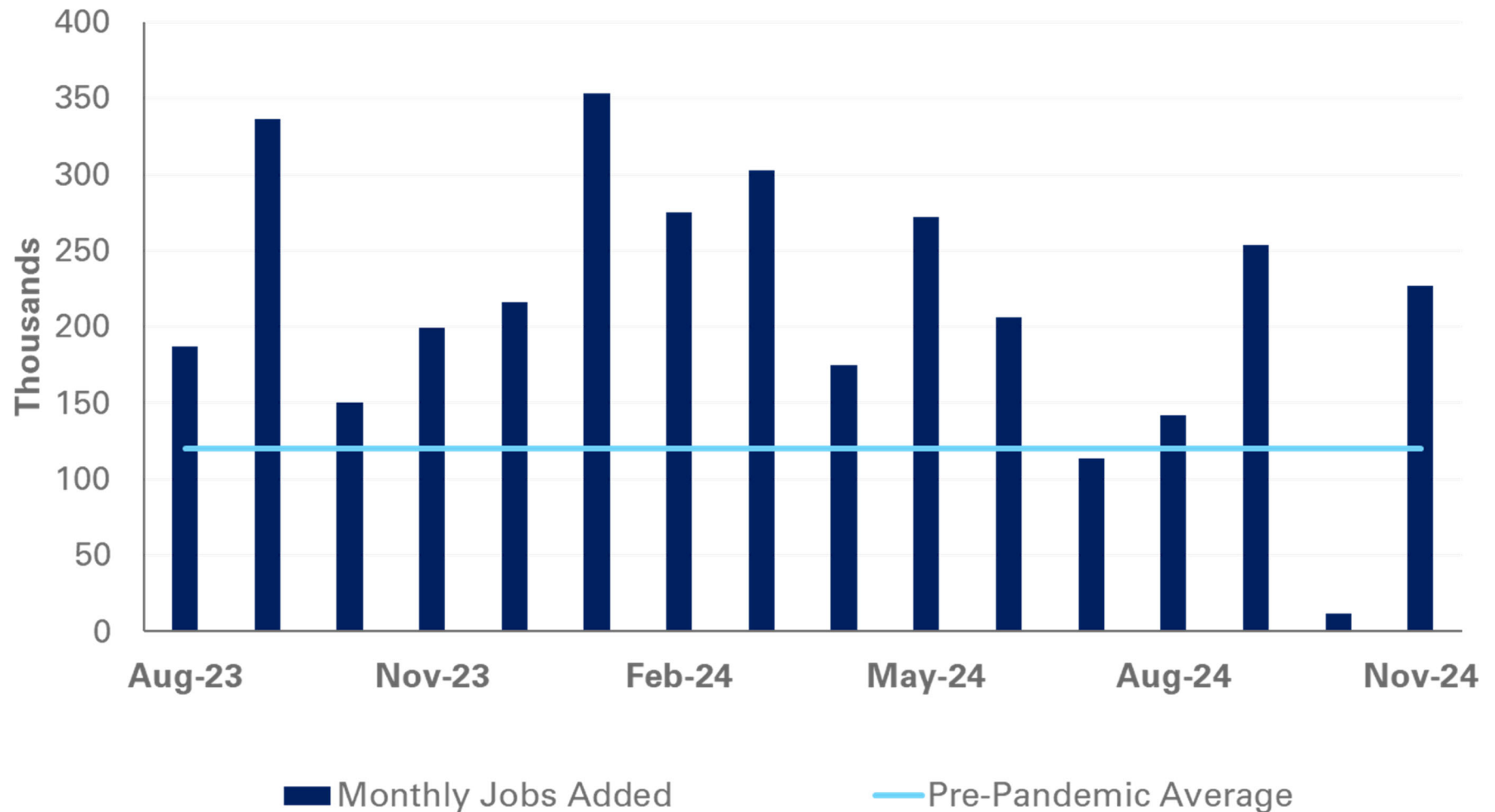


Note: Data as of 11/30/2024
 Sources: Bureau of Labor Statistics, FactSet, NEPC



THE LABOR MARKET CONTINUED TO NORMALIZE

U.S. NONFARM PAYROLLS – MONTHLY JOBS ADDED

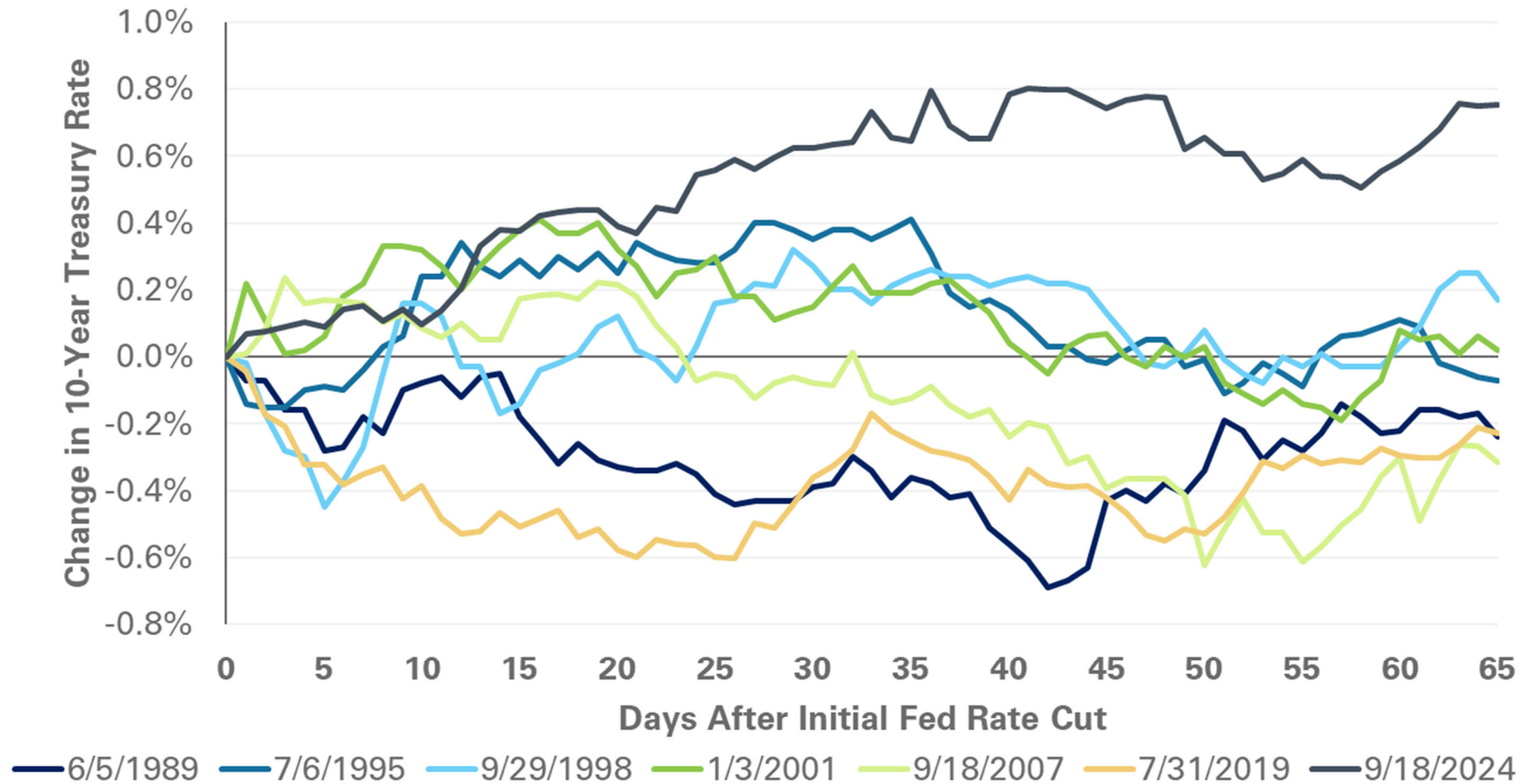


Note: Pre-pandemic average calculated 1965-2019
Sources: U.S. Department of Labor, FactSet



RATES PRESSURED HIGHER DESPITE FED CUTS

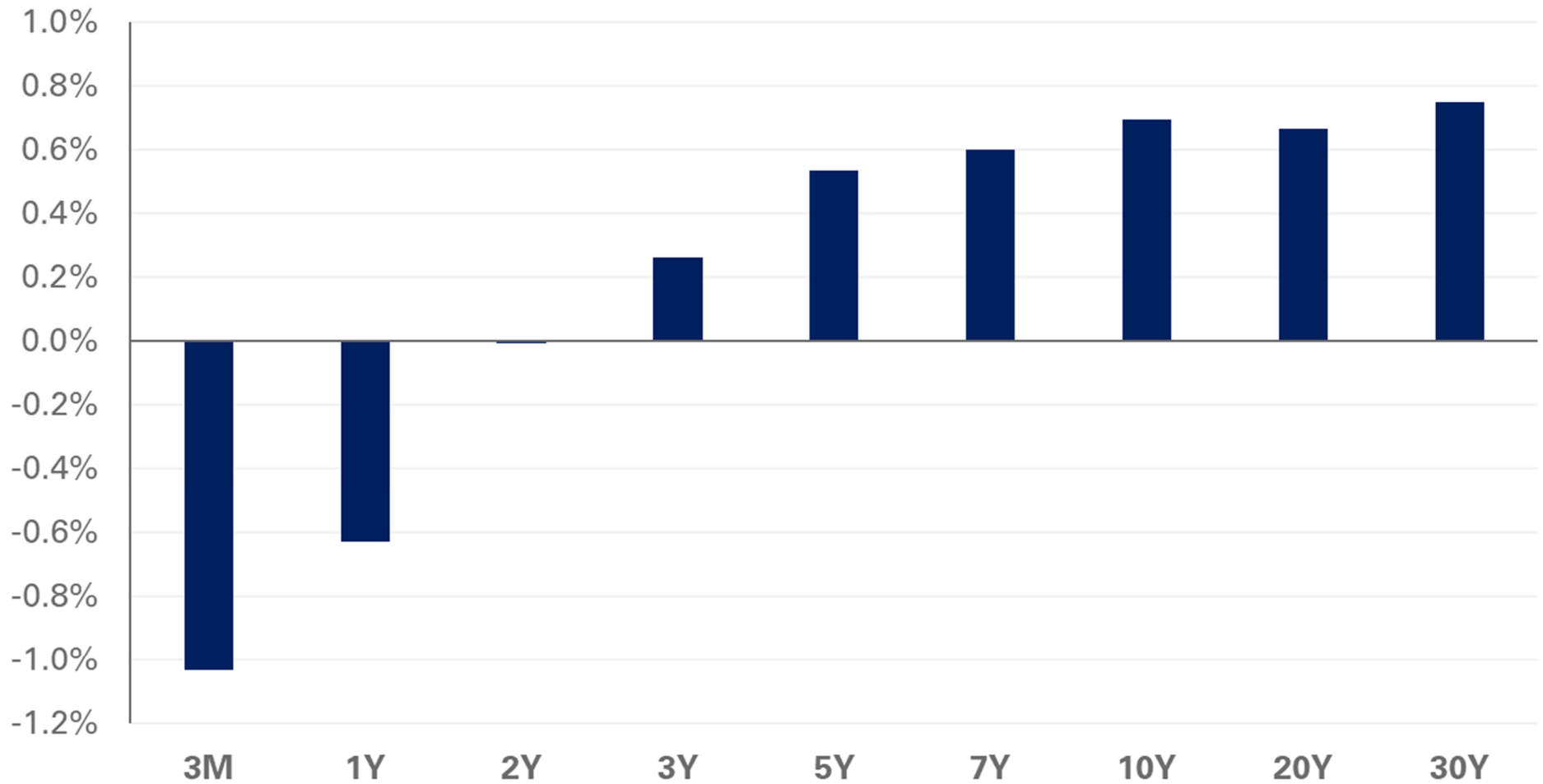
CHANGE IN 10Y TREASURY YIELD FOLLOWING INITIAL FED CUT



Sources: FactSet, NEPC

THE U.S. YIELD CURVE STEEPENED

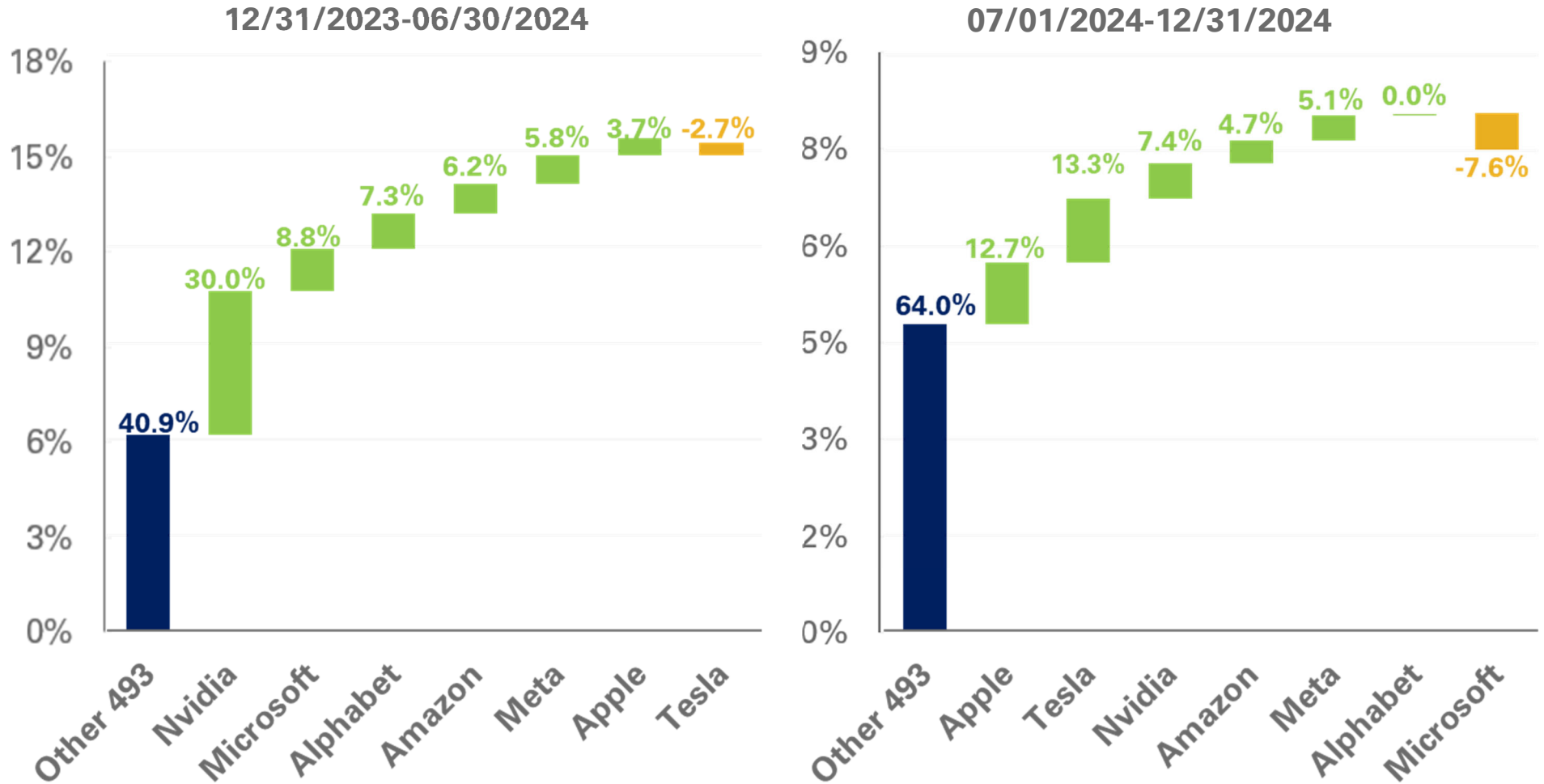
2024 ANNUAL CHANGE IN THE U.S. TREASURY YIELD CURVE



Source: FactSet

A TALE OF TWO HALVES FOR THE S&P 500

S&P 500 INDEX RETURN CONTRIBUTIONS



Sources: S&P, FactSet, NEPC

THE MAG-7 NOW REPRESENT OVER 30% OF THE S&P 500 INDEX

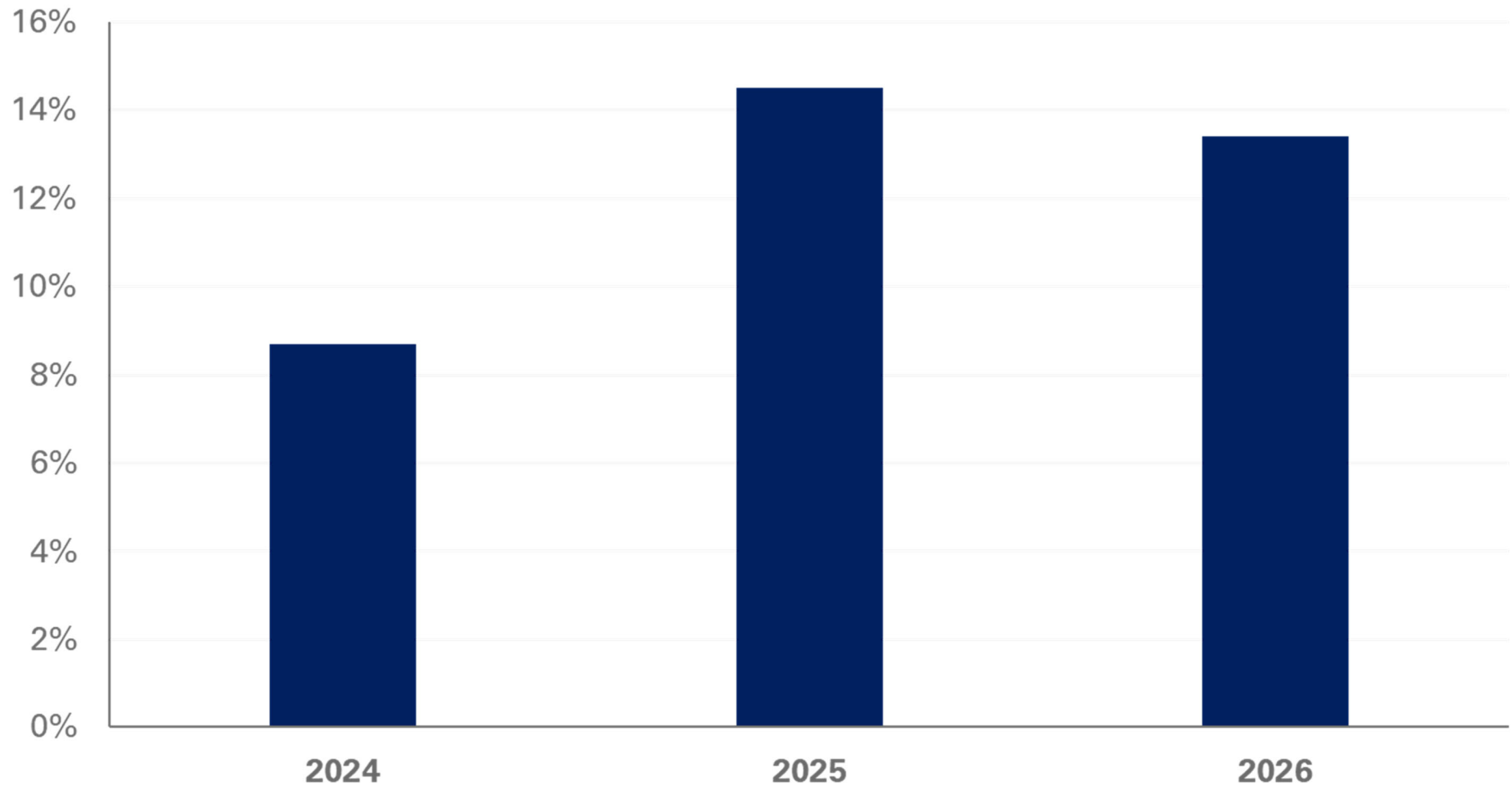
MAGNIFICENT 7 WEIGHT IN THE S&P 500 INDEX



Sources: S&P, FactSet

S&P EARNINGS ESTIMATES REMAIN ROSY

S&P 500 CALENDAR YEAR EARNINGS GROWTH ESTIMATES



Source: FactSet



PERFORMANCE UPDATE

December 31, 2024



PROPRIETARY & CONFIDENTIAL

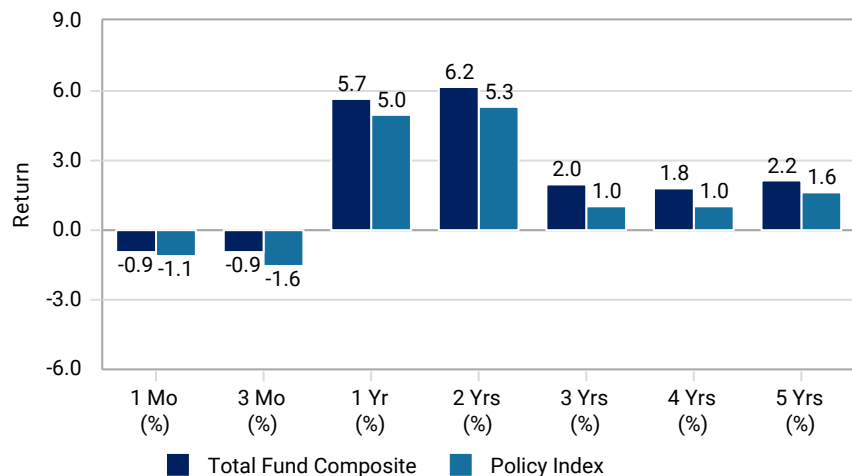
SOUTH BROWARD HOSPITAL DISTRICT – OPERATING FUNDS

December 31, 2024



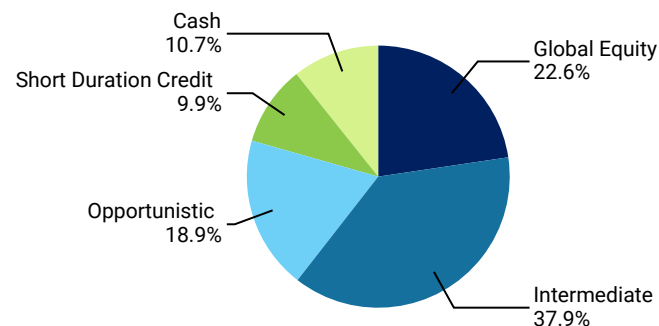
EXECUTIVE SUMMARY

Return Summary Ending December 31, 2024

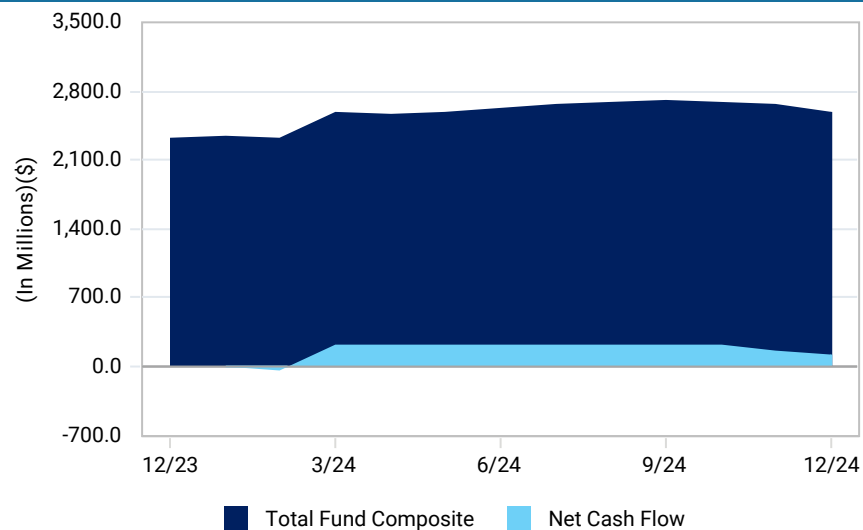


	Current (\$)	Current (%)	Policy (%)	Differences (%)
Global Equity	589,242,345	22.6	20.0	2.6
Intermediate	986,399,342	37.9	35.0	2.9
Opportunistic	492,658,929	18.9	20.0	-1.1
Short Duration Credit	256,497,269	9.9	10.0	-0.1
Cash	278,716,936	10.7	15.0	-4.3
Total	2,603,514,821	100.0	100.0	0.0

Current Allocation



Market Value History 1 Year Ending December 31, 2024

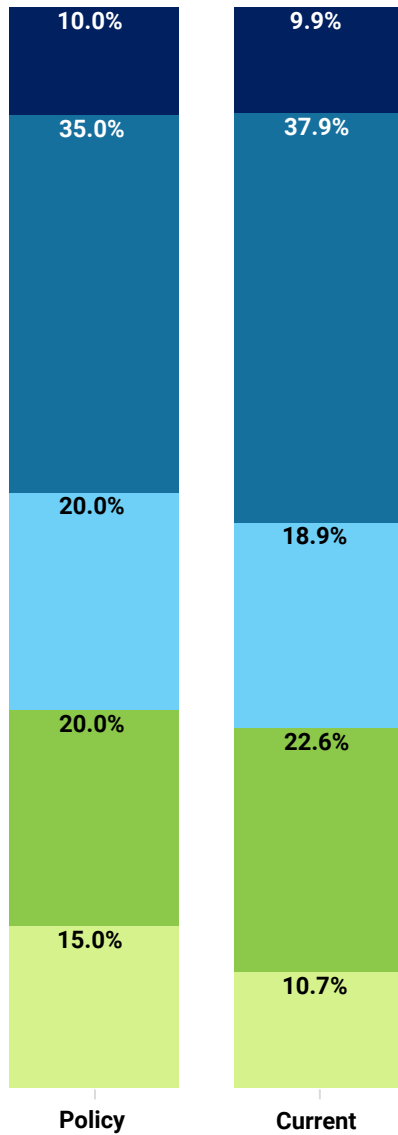


Summary of Cash Flows

	1 Month	1 Year	3 Years
Beginning Market Value	2,677,509,350	2,341,109,499	2,651,858,382
Net Cash Flow	-50,021,779	118,573,448	-196,010,659
Net Investment Change	-23,972,751	143,831,873	147,667,099
Ending Market Value	2,603,514,821	2,603,514,821	2,603,514,821

ASSET ALLOCATION VS. POLICY

Asset Allocation vs. Target

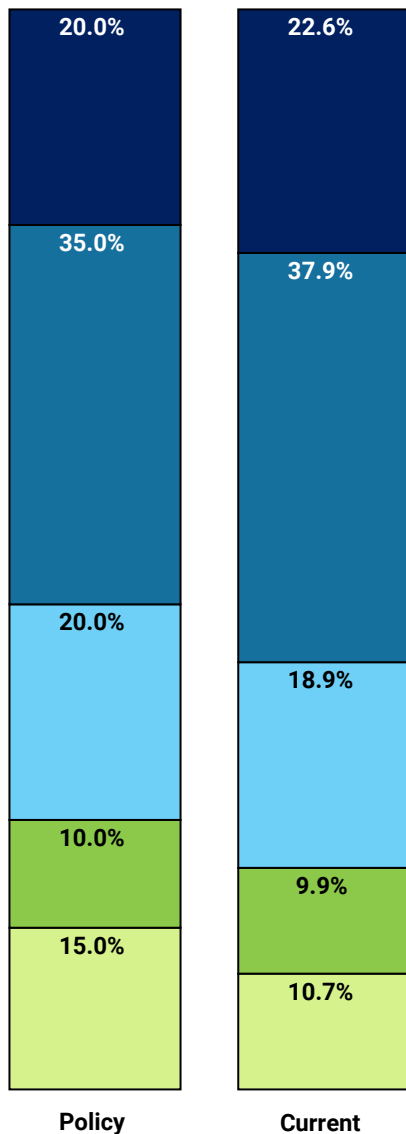


	Current (\$)	Current (%)	Policy (%)	Differences* (%)	Policy Range (%)	Within Range
Short Term Composite	256,497,269	9.9	10.0	-0.1	5.0 - 15.0	Yes
Intermediate Term Composite	986,399,342	37.9	35.0	2.9	30.0 - 40.0	Yes
Opportunistic Composite	492,658,929	18.9	20.0	-1.1	15.0 - 25.0	Yes
Global Equity Composite	589,242,345	22.6	20.0	2.6	15.0 - 25.0	Yes
Cash Composite	278,716,936	10.7	15.0	-4.3	15.0 - 20.0	No
Total Fund Composite	2,603,514,821	100.0	100.0	0.0		

*Difference between Policy and Current Allocation

ASSET ALLOCATION VS. POLICY

Asset Allocation vs. Target



	Current Balance (\$)	Policy (%)	Current Allocation (%)	Differences (%)	Policy Range (%)	Within Range
Global Equity	589,242,345	20.0	22.6	2.6	15.0 - 25.0	Yes
Vanguard Global Minimum Volatility Equity	275,149,530		10.6			
Parametric Global Defensive Equity	314,092,815		12.1			
Intermediate	986,399,342	35.0	37.9	2.9	30.0 - 40.0	Yes
Galliard Intermediate Government	239,650,097		9.2			
Merganser Intermediate Bond	232,165,305		8.9			
Fort Washington Intermediate Bond	198,971,287		7.6			
Lord Abbett Intermediate Bond	228,927,414		8.8			
PFM - Self Insurance Fund	48,027,826		1.8			
PFM - Disability Fund	21,258,908		0.8			
PFM - Workmen's Compensation Fund	11,669,839		0.4			
PFM - Health & Dental Fund	5,728,665		0.2			
Opportunistic	492,658,929	20.0	18.9	-1.1	15.0 - 25.0	Yes
Galliard Opportunistic	152,209,878		5.8			
Merganser Opportunistic	152,110,215		5.8			
Fort Washington Active Fixed Income	188,338,835		7.2			
Short Duration Credit	256,497,269	10.0	9.9	-0.1	5.0 - 15.0	Yes
Lord Abbett Short Duration	129,058,508		5.0			
Loop Capital Asset Management	127,438,761		4.9			
Cash	278,716,936	15.0	10.7	-4.3	15.0 - 20.0	No
PNC Treasury Management	278,712,697		10.7			
U.S. Bank Cash	4,240		0.0			
Total	2,603,514,821	100.0	100.0	0.0		

*Difference between Policy and Current Allocation



TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)
Total Fund Composite	2,603,514,821	100.0	-0.9	-0.9	5.1	5.7	6.2	2.0	1.8	2.2
<i>Policy Index</i>			-1.1	-1.6	5.4	5.0	5.3	1.0	1.0	1.6
Fixed Income Composite	1,735,555,540	66.7	-0.7	-1.5	4.6	3.5	4.5	0.3	0.0	1.0
Short Term Composite	256,497,269	9.9	-0.1	-0.6	4.5	4.2	4.6	1.2	0.7	1.2
<i>Blmbg. 1-5 Year Gov/Credit</i>			-0.1	-0.7	4.4	3.8	4.3	0.9	0.5	1.3
Lord Abbett Short Duration	129,058,508	5.0	-0.1	-0.6	4.5	4.1	4.6	1.3		
<i>Blmbg. 1-5 Year Gov/Credit</i>			-0.1	-0.7	4.4	3.8	4.3	0.9		
Loop Capital Asset Management	127,438,761	4.9	-0.1	-0.5	4.5	4.2	4.7	1.1	0.6	1.1
<i>Blmbg. 1-5 Year Gov/Credit</i>			-0.1	-0.7	4.4	3.8	4.3	0.9	0.5	1.3
Intermediate Term Composite	986,399,342	37.9	-0.6	-1.5	4.6	3.6	4.5	0.3	0.0	0.9
<i>Blmbg. Intermed. U.S. Government/Credit</i>			-0.6	-1.6	4.6	3.0	4.1	-0.2	-0.5	0.9
Galliard Intermediate Government	239,650,097	9.2	-0.7	-1.5	5.0	3.9	4.9	0.4	0.1	1.1
<i>Blmbg. Intermed. U.S. Government/Credit</i>			-0.6	-1.6	4.6	3.0	4.1	-0.2	-0.5	0.9
Merganser Intermediate Bond	232,165,305	8.9	-0.7	-1.5	4.5	3.5	4.5	0.3	0.0	0.9
<i>Blmbg. Intermed. U.S. Government/Credit</i>			-0.6	-1.6	4.6	3.0	4.1	-0.2	-0.5	0.9
Fort Washington Intermediate Bond	198,971,287	7.6	-0.7	-1.7	4.5	3.2	4.4	0.1		
<i>Blmbg. Intermed. U.S. Government/Credit</i>			-0.6	-1.6	4.6	3.0	4.1	-0.2		
Lord Abbett Intermediate Bond	228,927,414	8.8	-0.6	-1.5	4.6	3.3	4.4	0.2		
<i>Blmbg. Intermed. U.S. Government/Credit</i>			-0.6	-1.6	4.6	3.0	4.1	-0.2		
PFM - Self Insurance Fund	48,027,826	1.8	-0.1	-0.6	4.5	4.1	4.5	1.2	0.7	1.5
<i>ICE BofA 1-5 Yr Treasury & Agency</i>			-0.1	-0.8	4.2	3.4	3.9	0.7	0.3	1.1
PFM - Disability Fund	21,258,908	0.8	-0.1	-0.6	4.5	4.0	4.5	1.2	0.7	1.4
<i>ICE BofA 1-5 Yr Treasury & Agency</i>			-0.1	-0.8	4.2	3.4	3.9	0.7	0.3	1.1
PFM - Workmen's Compensation Fund	11,669,839	0.4	0.3	0.4	4.1	4.5	4.8	2.1	1.5	1.7
<i>ICE BofA U.S. Agencies, 1-3yr</i>			0.3	0.3	4.0	4.3	4.5	1.7	1.1	1.5
PFM - Health & Dental Fund	5,728,665	0.2	0.3	0.3	4.1	4.6	4.8	2.1	1.4	1.7
<i>ICE BofA U.S. Agencies, 1-3yr</i>			0.3	0.3	4.0	4.3	4.5	1.7	1.1	1.5

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)
Opportunistic Composite	492,658,929	18.9	-1.0	-2.1	4.7	3.1	4.4	-0.1	-0.4	0.9
<i>Blmbg. U.S. Intermediate Aggregate</i>			-0.9	-2.1	4.9	2.5	3.8	-0.8	-0.9	0.3
Galliard Opportunistic	152,209,878	5.8	-1.0	-2.0	5.1	3.3	4.5	-0.3	-0.5	0.9
<i>Blmbg. U.S. Intermediate Aggregate</i>			-0.9	-2.1	4.9	2.5	3.8	-0.8	-0.9	0.3
Merganser Opportunistic	152,110,215	5.8	-0.9	-1.9	4.5	3.1	4.3	-0.1	-0.4	0.8
<i>Blmbg. U.S. Intermediate Aggregate</i>			-0.9	-2.1	4.9	2.5	3.8	-0.8	-0.9	0.3
Fort Washington Active Fixed Income	188,338,835	7.2	-1.0	-2.2	4.6	3.0	4.4	0.0		
<i>Blmbg. U.S. Intermediate Aggregate</i>			-0.9	-2.1	4.9	2.5	3.8	-0.8		
Global Equity Composite	589,242,345	22.6	-2.3	-0.5	7.8	13.0	12.1	5.7	7.4	6.2
<i>MSCI AC World Minimum Volatility Index (Net)</i>			-3.8	-3.5	9.2	11.4	9.5	2.5	5.2	4.7
Vanguard Global Minimum Volatility Equity	275,149,530	10.6	-3.7	-1.9	7.3	13.5	10.7	5.4	7.0	4.7
<i>MSCI AC World Minimum Volatility Index (Net)</i>			-3.8	-3.5	9.2	11.4	9.5	2.5	5.2	4.7
Parametric Global Defensive Equity	314,092,815	12.1	-1.0	0.8	8.3	12.7	13.6	6.1	7.8	6.8
<i>50% MSCI ACWI / 50% 90 Day T-Bill</i>			-1.0	0.1	7.9	11.3	12.5	5.0	6.0	6.6
Cash Composite	278,716,936	10.7	0.4	1.2	3.6	5.3	5.2	3.9	2.9	2.5
<i>90 Day U.S. Treasury Bill</i>			0.4	1.2	3.5	5.3	5.1	3.9	2.9	2.5
PNC Treasury Management	278,712,697	10.7	0.4	1.2	3.6	5.3	5.2	3.9	2.9	2.5
<i>90 Day U.S. Treasury Bill</i>			0.4	1.2	3.5	5.3	5.1	3.9	2.9	2.5
U.S. Bank Cash	4,240	0.0								
<i>90 Day U.S. Treasury Bill</i>			0.4	1.2	3.5	5.3	5.1	3.9	2.9	2.5

* All data prior to 5/2023 was received from Marquette Associates.

* Policy Index consist of 35% Bloomberg Intermediate U.S. Gov/Credit, 20% Bloomberg U.S. Intermediate Aggregate, 10% Bloomberg 1-5 Year Gov/Credit, 20% MSCI AC World Minimum Volatility Index (Net), and 15% 90 Day U.S. T-Bills.

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Fund Composite	2,603,514,821	100.0	6.7	-5.9	1.1	3.9	5.3	1.2	1.3	1.1	1.1
<i>Policy Index</i>			5.7	-7.1	1.0	3.9	5.7	1.2	0.8	0.9	0.8
Short Term Composite	256,497,269	9.9	5.1	-5.2	-1.0	3.2	3.5	1.6	0.7	0.8	0.6
<i>Blmbg. 1-5 Year Gov/Credit</i>			4.9	-5.5	-1.0	4.7	5.0	1.4	1.3	1.6	1.0
Lord Abbett Short Duration	129,058,508	5.0	5.1	-4.9							
<i>Blmbg. 1-5 Year Gov/Credit</i>			4.9	-5.5							
Loop Capital Asset Management	127,438,761	4.9	5.1	-5.6	-0.9	3.2	3.5	1.6	0.7	1.0	0.4
<i>Blmbg. 1-5 Year Gov/Credit</i>			4.9	-5.5	-1.0	4.7	5.0	1.4	1.3	1.6	1.0
Intermediate Term Composite	986,399,342	37.9	5.5	-7.5	-1.0	4.8	4.6	1.5	1.3	1.2	1.2
<i>Blmbg. Intermed. U.S. Government/Credit</i>			5.2	-8.2	-1.4	6.4	6.8	0.9	2.1	2.1	1.1
Galliard Intermediate Government	239,650,097	9.2	5.8	-8.1	-0.6	5.1	4.6	1.5	1.4	1.3	1.1
<i>Blmbg. Intermed. U.S. Government/Credit</i>			5.2	-8.2	-1.4	6.4	6.8	0.9	2.1	2.1	1.1
Merganser Intermediate Bond	232,165,305	8.9	5.5	-7.6	-1.0	4.6	4.6	1.5	1.3	1.2	1.0
<i>Blmbg. Intermed. U.S. Government/Credit</i>			5.2	-8.2	-1.4	6.4	6.8	0.9	2.1	2.1	1.1
Fort Washington Intermediate Bond	198,971,287	7.6	5.6	-7.9							
<i>Blmbg. Intermed. U.S. Government/Credit</i>			5.2	-8.2							
Lord Abbett Intermediate Bond	228,927,414	8.8	5.5	-7.7							
<i>Blmbg. Intermed. U.S. Government/Credit</i>			5.2	-8.2							
PFM - Self Insurance Fund	48,027,826	1.8	5.0	-5.0	-0.9	4.6	4.6	1.4	1.1	1.3	1.0
<i>ICE BofA 1-5 Yr Treasury & Agency</i>			4.3	-5.2	-1.1	4.2	4.2	1.5	0.7	1.1	1.0
PFM - Disability Fund	21,258,908	0.8	5.0	-5.1	-0.9	4.6	4.6	1.3	1.1	1.3	1.0
<i>ICE BofA 1-5 Yr Treasury & Agency</i>			4.3	-5.2	-1.1	4.2	4.2	1.5	0.7	1.1	1.0
PFM - Workmen's Compensation Fund	11,669,839	0.4	5.1	-3.0	-0.5	2.8	3.5	1.6	0.7	1.0	0.7
<i>ICE BofA U.S. Agencies, 1-3yr</i>			4.7	-3.7	-0.4	2.7	3.5	1.8	0.7	1.0	0.7
PFM - Health & Dental Fund	5,728,665	0.2	5.0	-3.1	-0.5	2.8	3.5	1.7	0.7	1.0	0.7
<i>ICE BofA U.S. Agencies, 1-3yr</i>			4.7	-3.7	-0.4	2.7	3.5	1.8	0.7	1.0	0.7

TOTAL FUND PERFORMANCE DETAIL

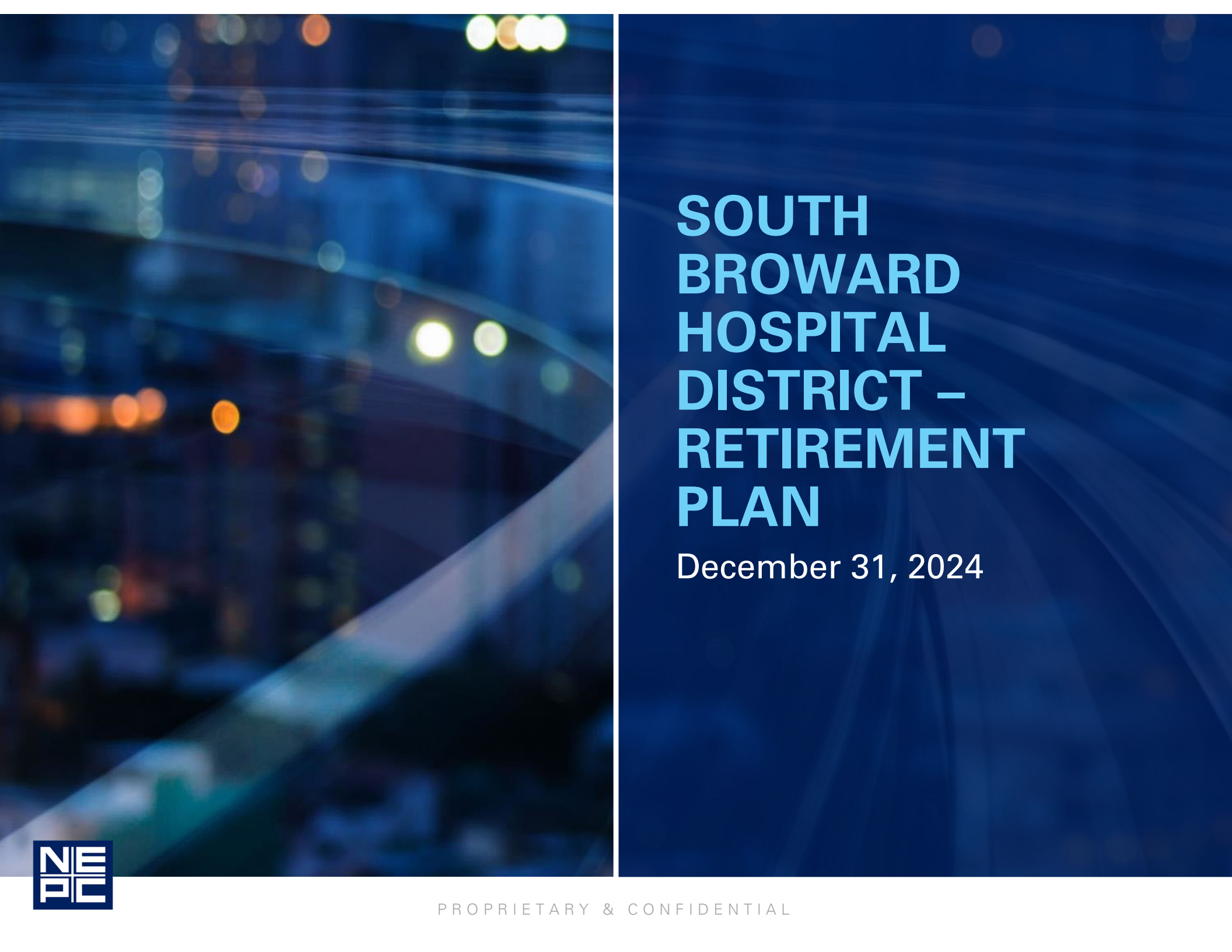
	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	2023	2022	2021	2020	2019	2018	2017	2016	2015
Opportunistic Composite	492,658,929	18.9	5.7	-8.5	-1.4	6.3	5.9	1.3	2.0	1.6	1.5
<i>Blmbg. U.S. Intermediate Aggregate</i>			5.2	-9.5	-1.3	5.6	6.7	0.9	2.3	2.0	1.2
Galliard Opportunistic	152,209,878	5.8	5.7	-9.2	-1.1	6.6	5.9	1.3	2.2	1.6	1.4
<i>Blmbg. U.S. Intermediate Aggregate</i>			5.2	-9.5	-1.3	5.6	6.7	0.9	2.3	2.0	1.2
Merganser Opportunistic	152,110,215	5.8	5.6	-8.3	-1.4	5.9	5.8	1.4	1.7	1.6	1.2
<i>Blmbg. U.S. Intermediate Aggregate</i>			5.2	-9.5	-1.3	5.6	6.7	0.9	2.3	2.0	1.2
Fort Washington Active Fixed Income	188,338,835	7.2	5.8	-8.2							
<i>Blmbg. U.S. Intermediate Aggregate</i>			5.2	-9.5							
Global Equity Composite	589,242,345	22.6	11.2	-6.0	12.7	1.4	17.0				
<i>MSCI AC World Minimum Volatility Index (Net)</i>			7.7	-10.3	13.9	2.7	21.1				
Vanguard Global Minimum Volatility Equity	275,149,530	10.6	8.0	-4.5	12.0	-3.9	22.7				
<i>MSCI AC World Minimum Volatility Index (Net)</i>			7.7	-10.3	13.9	2.7	21.1				
Parametric Global Defensive Equity	314,092,815	12.1	14.6	-7.5	13.1	2.6	14.1				
<i>50% MSCI ACWI / 50% 90 Day T-Bill</i>			13.6	-8.5	9.0	9.1	14.1				
Cash Composite	278,716,936	10.7	5.1	1.3	0.1	0.8	2.4	1.9	0.9	0.5	
PNC Treasury Management	278,712,697	10.7	5.1	1.3	0.1	0.8	2.4	1.9	0.9	0.5	0.2
<i>90 Day U.S. Treasury Bill</i>			5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0
U.S. Bank Cash	4,240	0.0									
<i>90 Day U.S. Treasury Bill</i>			5.0	1.5	0.0	0.7	2.3				

* All data prior to 5/2023 was received from Marquette Associates.

* Policy Index consist of 35% Bloomberg Intermediate U.S. Gov/Credit, 20% Bloomberg U.S. Intermediate Aggregate, 10% Bloomberg 1-5 Year Gov/Credit, 20% MSCI AC World Minimum Volatility Index (Net), and 15% 90 Day U.S. T-Bills.

CASH FLOW SUMMARY BY MANAGER

	1 Month Ending December 31, 2024					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flows	Gain/Loss	Ending Market Value
Lord Abnett Short Duration	\$129,247,275	-	-	-	-\$188,767	\$129,058,508
Loop Capital Asset Management	\$127,600,999	-	-	-	-\$162,239	\$127,438,761
Galliard Intermediate Government	\$241,403,874	-	-	-	-\$1,753,777	\$239,650,097
Merganser Intermediate Bond	\$233,744,547	-	-	-	-\$1,579,242	\$232,165,305
Fort Washington Intermediate Bond	\$200,441,781	-	-	-	-\$1,470,495	\$198,971,287
Lord Abnett Intermediate Bond	\$230,399,485	-	-	-	-\$1,472,070	\$228,927,414
PFM - Self Insurance Fund	\$48,062,228	-	-	-	-\$34,402	\$48,027,826
PFM - Disability Fund	\$21,274,060	-	-	-	-\$15,152	\$21,258,908
PFM - Workmen's Compensation Fund	\$11,638,092	-	-	-	\$31,747	\$11,669,839
PFM - Health & Dental Fund	\$5,713,041	-	-	-	\$15,625	\$5,728,665
Galliard Opportunistic	\$153,670,514	-	-	-	-\$1,460,636	\$152,209,878
Merganser Opportunistic	\$153,546,770	-	-	-	-\$1,436,555	\$152,110,215
Fort Washington Active Fixed Income	\$190,250,423	-	-	-	-\$1,911,587	\$188,338,835
Vanguard Global Minimum Volatility Equity	\$285,777,227	-	-	-	-\$10,627,697	\$275,149,530
Parametric Global Defensive Equity	\$317,257,446	-	-	-	-\$3,164,631	\$314,092,815
PNC Treasury Management	\$327,477,364	-	-\$50,021,779	-\$50,021,779	\$1,257,111	\$278,712,697
U.S. Bank Cash	\$4,224	-	-	-	\$16	\$4,240
Total	\$2,677,509,350	-	-\$50,021,779	-\$50,021,779	-\$23,972,751	\$2,603,514,821



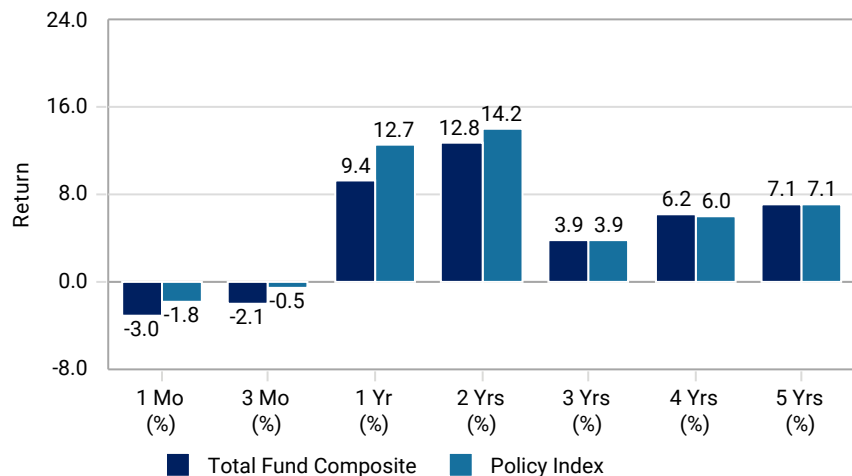
SOUTH BROWARD HOSPITAL DISTRICT – RETIREMENT PLAN

December 31, 2024



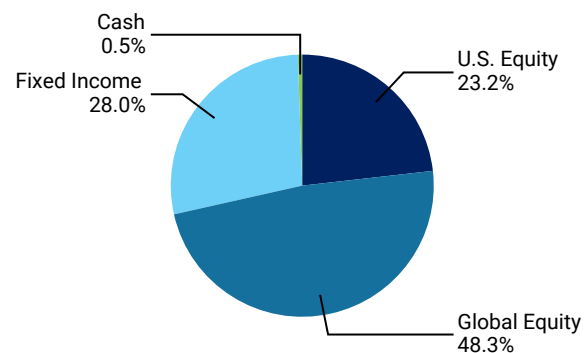
EXECUTIVE SUMMARY

Return Summary Ending December 31, 2024

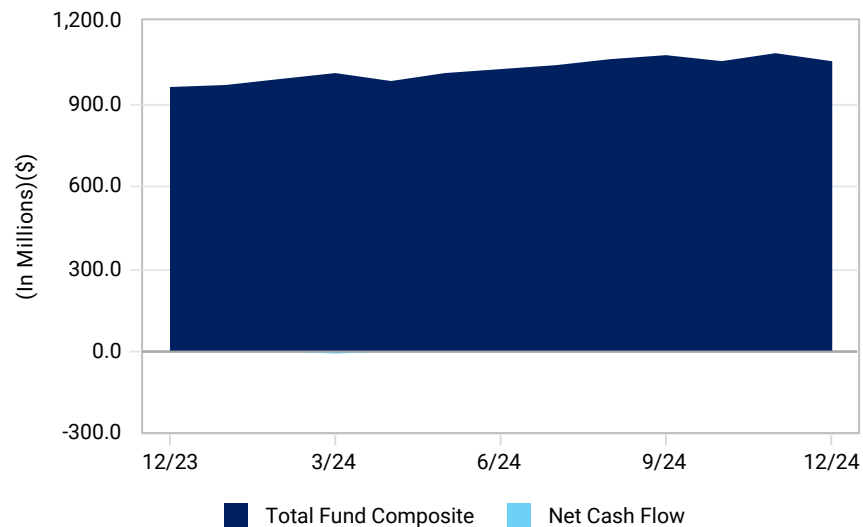


	Current (\$)	Current (%)	Policy (%)	Differences (%)
U.S. Equity	245,231,627	23.2	20.0	3.2
Global Equity	510,263,988	48.3	45.0	3.3
Fixed Income	295,785,115	28.0	35.0	-7.0
Cash	5,653,276	0.5	0.0	0.5
Total	1,056,934,007	100.0	100.0	0.0

Current Allocation



Market Value History 1 Year Ending December 31, 2024

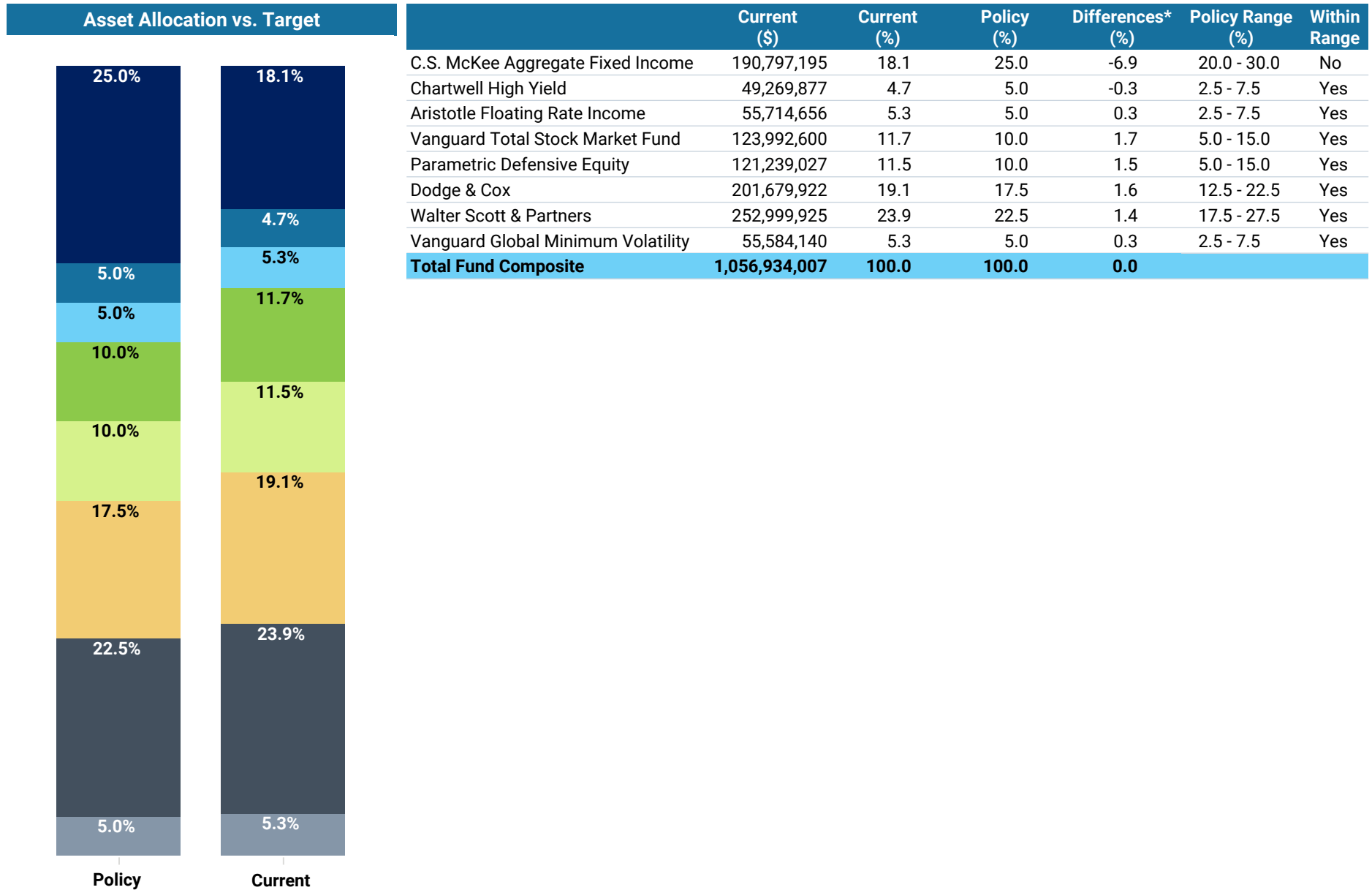


Summary of Cash Flows

	1 Month	1 Year	3 Years
Beginning Market Value	1,089,650,526	967,099,836	944,070,041
Net Cash Flow	235,237	-1,394,224	-4,373,865
Net Investment Change	-32,951,756	91,228,394	117,237,830
Ending Market Value	1,056,934,007	1,056,934,007	1,056,934,007



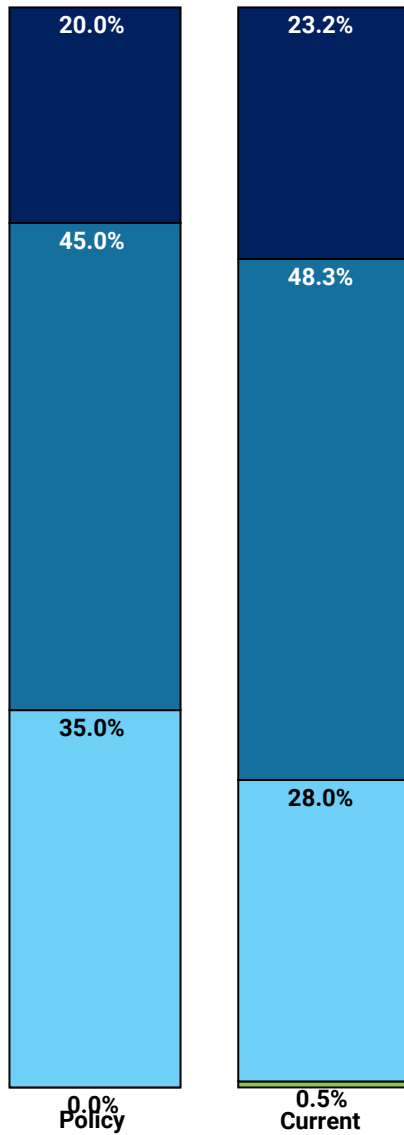
ASSET ALLOCATION VS. POLICY



*Difference between Policy and Current Allocation

ASSET ALLOCATION VS. POLICY

Asset Allocation vs. Target



	Current Balance (\$)	Policy (%)	Current Allocation (%)	Differences (%)	Policy Range (%)	Within Range
U.S. Equity	245,231,627	20.0	23.2	3.2	15.0 - 25.0	Yes
Vanguard Total Stock Market Fund	123,992,600		11.7			
Parametric Defensive Equity	121,239,027		11.5			
Global Equity	510,263,988	45.0	48.3	3.3	40.0 - 50.0	Yes
Dodge & Cox	201,679,922		19.1			
Walter Scott & Partners	252,999,925		23.9			
Vanguard Global Minimum Volatility	55,584,140		5.3			
Fixed Income	295,785,115	35.0	28.0	-7.0	30.0 - 40.0	No
C.S. McKee Aggregate Fixed Income	190,797,195		18.1			
Chartwell High Yield	49,269,877		4.7			
Aristotle Floating Rate Income	55,714,656		5.3			
Wellington LCP Legacy Portfolio	3,387		0.0			
Cash	5,653,276	0.0	0.5	0.5	0.0 - 0.0	No
Money Market	1,412,470		0.1			
Vanguard Treasury Money Market	4,240,806		0.4			
Total	1,056,934,007	100.0	100.0	0.0		

*Difference between Policy and Current Allocation

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)
Total Fund Composite	1,056,934,007	100.0	-3.0	-2.1	7.0	9.4	12.8	3.9	6.2	7.1
Policy Index			-1.8	-0.5	10.1	12.7	14.2	3.9	6.0	7.1
Fixed Income Composite	295,785,115	28.0	-1.1	-1.9	4.8	3.5	5.5	0.2	0.1	1.3
Custom Index			-1.1	-1.8	4.9	3.1	5.1	-0.2	-0.1	1.2
C.S. McKee Aggregate Fixed Income	190,797,195	18.1	-1.8	-3.3	5.0	1.9	3.8	-2.1	-2.0	-0.1
Blmbg. U.S. Aggregate Index			-1.6	-3.1	4.7	1.3	3.4	-2.4	-2.2	-0.3
Chartwell High Yield	49,269,877	4.7	0.0	0.5	5.0	6.2	7.1	3.7	3.3	3.5
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year			0.0	0.8	5.3	6.7	7.8	4.0	3.8	4.1
Aristotle Floating Rate Income	55,714,656	5.3	0.4	1.9	4.6	7.8	10.6	6.6	6.1	5.2
S&P UBS Leveraged Loan Index			0.6	2.3	5.6	9.0	11.0	6.8	6.5	5.7
Wellington LCP Legacy Portfolio	3,387	0.0								
U.S. Equity Composite	245,231,627	23.2	-2.0	2.6	14.3	19.8	20.4	7.7	11.1	11.6
CRSP U.S. Total Market TR Index			-3.0	2.6	17.7	23.8	24.9	7.9	12.1	13.8
Vanguard Total Stock Market Fund	123,992,600	11.7	-3.0	2.7	17.7	23.8	24.9	7.9	12.1	13.8
CRSP U.S. Total Market TR Index			-3.0	2.6	17.7	23.8	24.9	7.9	12.1	13.8
Parametric Defensive Equity	121,239,027	11.5	-0.9	2.6	11.0	16.0	16.4	7.8	10.1	9.0
50% S&P 500/50% 90 Day T-Bill			-1.0	1.8	10.5	14.9	15.2	6.8	8.5	8.8
Global Equity Composite	510,263,988	48.3	-4.6	-4.3	4.9	8.4	14.1	4.4	7.8	8.7
MSCI AC World Index (Net)			-2.4	-1.0	12.3	17.5	19.8	5.4	8.6	10.1
Dodge & Cox	201,679,922	19.1	-5.1	-7.3	1.8	5.1	12.4	6.0	9.5	8.8
MSCI AC World Index Value (Net)			-5.2	-4.7	6.9	10.8	11.3	4.6	8.2	6.4
Walter Scott & Partners	252,999,925	23.9	-4.4	-2.3	7.0	10.1	16.4	2.9	6.6	9.0
MSCI World Growth (Net)			0.4	3.8	19.0	25.9	31.3	6.9	10.3	14.6
Vanguard Global Minimum Volatility	55,584,140	5.3	-3.7	-1.9	7.3	13.5	10.7	5.4	7.0	4.7
MSCI AC World Minimum Volatility Index (Net)			-3.8	-3.5	9.2	11.4	9.5	2.5	5.2	4.7
Cash Composite	5,653,276	0.5	0.4	1.1	2.8	5.0	4.6	3.3	2.4	2.0
90 Day U.S. Treasury Bill			0.4	1.2	3.5	5.3	5.1	3.9	2.9	2.5

TOTAL FUND PERFORMANCE DETAIL

- All data is preliminary. Chartwell November value is rolled, December statement not available yet.
- Memorial Health Systems' Fiscal Year ends in April.
- All data prior to 5/2023 was received from Marquette Associates.
- Policy Index consist of 40% MSCI ACWI, 5% MSCI ACWI Minimum Volatility, 25% Bloomberg U.S. Aggregate, 10% CRSP US Total Market Index, 10% CBOE Put Write Index, 5% BofAML 1-3 Year High Yield BB, and 5% Credit Suisse Leveraged Loan Index.
- Custom Index consist of 71.4% Bloomberg U.S. Aggregate, 14.3% BofA Merrill Lynch 1-3 Yrs High Yield BB, and 14.3% Credit Suisse Leveraged Loan Index.

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	2023	2022	2021	2020	2019
Total Fund Composite	1,056,934,007	100.0	16.3	-11.9	13.4	11.0	19.5
<i>Policy Index</i>			15.7	-13.9	12.6	11.7	19.6
Fixed Income Composite	295,785,115	28.0	7.5	-9.5	-0.2	6.3	8.6
<i>Custom Index</i>			7.1	-10.0	0.1	6.7	8.7
C.S. McKee Aggregate Fixed Income	190,797,195	18.1	5.9	-12.9	-1.8	7.6	8.9
<i>Blmbg. U.S. Aggregate Index</i>			5.5	-13.0	-1.5	7.5	8.7
Chartwell High Yield	49,269,877	4.7	8.1	-3.0	2.3	4.2	7.0
<i>ICE BofA U.S. High Yield Cash Pay BB 1-3 Year</i>			8.9	-3.1	3.2	5.4	8.7
Aristotle Floating Rate Income	55,714,656	5.3	13.4	-0.8	4.6	1.6	8.3
<i>S&P UBS Leveraged Loan Index</i>			13.0	-1.1	5.4	2.8	8.2
Wellington LCP Legacy Portfolio	3,387	0.0					
U.S. Equity Composite	245,231,627	23.2	21.0	-13.8	21.8	13.6	23.5
<i>CRSP U.S. Total Market TR Index</i>			26.0	-19.5	25.7	21.0	30.8
Vanguard Total Stock Market Fund	123,992,600	11.7	26.0	-19.5	25.7	21.0	30.7
<i>CRSP U.S. Total Market TR Index</i>			26.0	-19.5	25.7	21.0	30.8
Parametric Defensive Equity	121,239,027	11.5	16.9	-7.7	17.2	5.0	16.0
<i>50% S&P 500/50% 90 Day T-Bill</i>			15.5	-8.2	13.7	10.1	16.3
Global Equity Composite	510,263,988	48.3	20.2	-12.8	19.0	12.4	27.1
<i>MSCI AC World Index (Net)</i>			22.2	-18.4	18.5	16.3	26.6
Dodge & Cox	201,679,922	19.1	20.3	-5.8	20.8	6.0	23.8
<i>MSCI AC World Index Value (Net)</i>			11.8	-7.5	19.6	-0.3	20.6
Walter Scott & Partners	252,999,925	23.9	23.1	-19.6	18.7	18.9	30.5
<i>MSCI World Growth (Net)</i>			37.0	-29.2	21.2	33.8	33.7
Vanguard Global Minimum Volatility	55,584,140	5.3	8.0	-4.5	12.0	-3.9	22.7
<i>MSCI AC World Minimum Volatility Index (Net)</i>			7.7	-10.3	13.9	2.7	21.1
Cash Composite	5,653,276	0.5	4.2	0.7	0.0	0.4	2.0
<i>90 Day U.S. Treasury Bill</i>			5.0	1.5	0.0	0.7	2.3

TOTAL FUND PERFORMANCE DETAIL

- All data is preliminary. Chartwell November value is rolled, December statement not available yet.
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- All data prior to 5/2023 was received from Marquette Associates.
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- Custom Index consist of 71.4% Bloomberg U.S. Aggregate, 14.3% BofA Merrill Lynch 1-3 Yrs High Yield BB, and 14.3% Credit Suisse Leveraged Loan Index.

CASH FLOW SUMMARY BY MANAGER

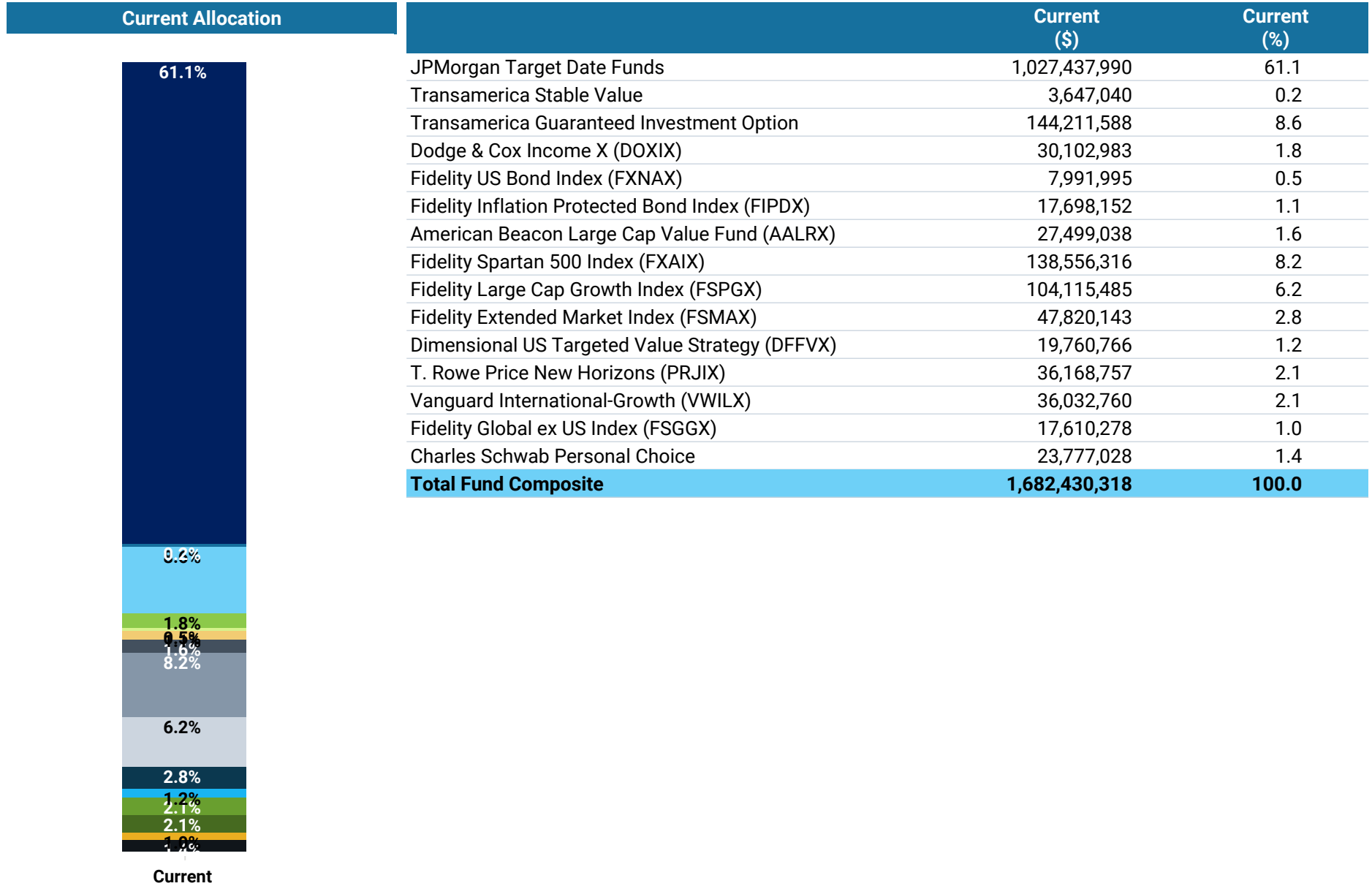
	1 Month Ending December 31, 2024					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flows	Gain/Loss	Ending Market Value
C.S. McKee Aggregate Fixed Income	\$194,379,059	-	-	-	-\$3,581,865	\$190,797,195
Chartwell High Yield	\$49,269,877	-	-	-	-	\$49,269,877
Aristotle Floating Rate Income	\$55,476,481	-	-\$4,517	-\$4,517	\$242,693	\$55,714,656
Wellington LCP Legacy Portfolio	\$2,434	-	-	-	\$953	\$3,387
Vanguard Total Stock Market Fund	\$128,292,402	-	-\$402,684	-\$402,684	-\$3,897,118	\$123,992,600
Parametric Defensive Equity	\$122,321,613	-	-	-	-\$1,082,587	\$121,239,027
Dodge & Cox	\$212,466,823	-	-	-	-\$10,786,901	\$201,679,922
Walter Scott & Partners	\$264,707,520	-	-	-	-\$11,707,594	\$252,999,925
Vanguard Global Minimum Volatility	\$57,731,087	-	-	-	-\$2,146,947	\$55,584,140
Money Market	\$992,029	\$426,345	-\$9,416	\$416,928	\$3,513	\$1,412,470
Vanguard Treasury Money Market	\$4,011,201	\$4,305,042	-\$4,079,532	\$225,510	\$4,096	\$4,240,806
Total	\$1,089,650,526	\$4,731,387	-\$4,496,150	\$235,237	-\$32,951,756	\$1,056,934,007

MEMORIAL HEALTHCARE SYSTEM DEFINED CONTRIBUTION PLANS

December 31, 2024



ASSET ALLOCATION VS. POLICY



MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	
	\$	%
Total Fund Composite	1,399,565,673	100.0
JP Morgan Target Date Funds	846,986,512	60.5
JPMorgan SmartRetirement Blend Income (JIYBX)	36,593,256	2.6
JPMorgan SmartRetirement Blend 2020 (JSYRX)	61,428,426	4.4
JPMorgan SmartRetirement Blend 2025 (JBYSX)	129,731,356	9.3
JPMorgan SmartRetirement Blend 2030 (JRBYX)	143,775,677	10.3
JPMorgan SmartRetirement Blend 2035 (JPYRX)	130,081,155	9.3
JPMorgan SmartRetirement Blend 2040 (JOBYX)	102,344,526	7.3
JPMorgan SmartRetirement Blend 2045 (JMYAX)	89,811,485	6.4
JPMorgan SmartRetirement Blend 2050 (JNYAX)	80,902,591	5.8
JPMorgan SmartRetirement Blend 2055 (JTYBX)	43,995,109	3.1
JPMorgan SmartRetirement Blend 2060 (JAAYX)	24,217,705	1.7
JPMorgan SmartRetirement Blend 2065 (JSBYX)	4,105,225	0.3
Core Funds	533,282,475	38.1
Transamerica Stable Value	425,069	0.0
Transamerica Guaranteed Investment Option	131,535,332	9.4
Dodge & Cox Income X (DOXIX)	25,365,517	1.8
Fidelity US Bond Index (FXNAX)	7,258,851	0.5
Fidelity Inflation Protected Bond Index (FIPDX)	14,957,944	1.1
American Beacon Large Cap Value Fund (AALRX)	24,175,720	1.7
Fidelity Spartan 500 Index (FXAIX)	113,338,957	8.1
Fidelity Large Cap Growth Index (FSPGX)	83,504,451	6.0
Fidelity Extended Market Index (FSMAX)	40,201,458	2.9
Dimensional US Targeted Value Strategy (DFFVX)	16,807,251	1.2
T. Rowe Price New Horizons (PRJIX)	29,982,969	2.1
Vanguard International-Growth (VWILX)	30,310,934	2.2
Fidelity Global ex US Index (FSGGX)	15,418,023	1.1
Brokerage	19,296,687	1.4
Charles Schwab Personal Choice	19,296,687	1.4

MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	
	\$	%
Total Fund Composite	107,123,325	100.0
JPMorgan Target Date Funds	86,305,316	80.6
JPMorgan SmartRetirement Blend Income (JIYBX)	1,060,943	1.0
JPMorgan SmartRetirement Blend 2020 (JSYRX)	2,290,960	2.1
JPMorgan SmartRetirement Blend 2025 (JBYSX)	6,065,202	5.7
JPMorgan SmartRetirement Blend 2030 (JRBYX)	8,121,502	7.6
JPMorgan SmartRetirement Blend 2035 (JPYRX)	11,116,704	10.4
JPMorgan SmartRetirement Blend 2040 (JOBYX)	11,393,694	10.6
JPMorgan SmartRetirement Blend 2045 (JMYAX)	13,974,805	13.0
JPMorgan SmartRetirement Blend 2050 (JNYAX)	15,061,572	14.1
JPMorgan SmartRetirement Blend 2055 (JTYBX)	11,169,196	10.4
JPMorgan SmartRetirement Blend 2060 (JAAYX)	5,323,743	5.0
JPMorgan SmartRetirement Blend 2065 (JSBYX)	726,994	0.7
Core Funds	20,671,546	19.3
Transamerica Stable Value	3,131,318	2.9
Transamerica Guaranteed Investment Option	1,333,249	1.2
Dodge & Cox Income X (DOXIX)	406,401	0.4
Fidelity US Bond Index (FXNAX)	551,775	0.5
Fidelity Inflation Protected Bond Index (FIPDX)	554,798	0.5
American Beacon Large Cap Value Fund (AALRX)	1,009,142	0.9
Fidelity Spartan 500 Index (FXAIX)	4,598,725	4.3
Fidelity Large Cap Growth Index (FSPGX)	3,761,362	3.5
Fidelity Extended Market Index (FSMAX)	1,223,278	1.1
Dimensional US Targeted Value Strategy (DFFVX)	879,040	0.8
T. Rowe Price New Horizons (PRJIX)	772,162	0.7
Vanguard International-Growth (VWILX)	909,685	0.8
Fidelity Global ex US Index (FSGGX)	1,540,614	1.4
Brokerage	146,462	0.1
Charles Schwab Personal Choice	146,462	0.1

MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	
	\$	%
Total Fund Composite	150,482,100	100.0
JPMorgan Target Date Funds	72,330,487	48.1
JPMorgan SmartRetirement Blend Income (JIYBX)	3,357,954	2.2
JPMorgan SmartRetirement Blend 2020 (JSYRX)	5,258,576	3.5
JPMorgan SmartRetirement Blend 2025 (JBYSX)	12,001,420	8.0
JPMorgan SmartRetirement Blend 2030 (JRBYX)	12,522,696	8.3
JPMorgan SmartRetirement Blend 2035 (JPYRX)	11,308,066	7.5
JPMorgan SmartRetirement Blend 2040 (JOBYX)	9,075,023	6.0
JPMorgan SmartRetirement Blend 2045 (JMYAX)	8,687,670	5.8
JPMorgan SmartRetirement Blend 2050 (JNYAX)	6,961,303	4.6
JPMorgan SmartRetirement Blend 2055 (JTYBX)	2,174,708	1.4
JPMorgan SmartRetirement Blend 2060 (JAAYX)	877,097	0.6
JPMorgan SmartRetirement Blend 2065 (JSBYX)	105,974	0.1
Core Funds	73,817,735	49.1
Transamerica Stable Value	2,284	0.0
Transamerica Guaranteed Investment Option	11,054,171	7.3
Dodge & Cox Income X (DOXIX) - 457(b) Retirement Plan	4,222,553	2.8
Fidelity US Bond Index (FXNAX) - 457(b) Plan	181,370	0.1
Fidelity Inflation Protected Bond Index (FIPDX)	1,825,907	1.2
American Beacon Large Cap Value Fund (AALRX)	2,241,935	1.5
Fidelity Spartan 500 Index (FXAIX)	19,509,078	13.0
Fidelity Large Cap Growth Index (FSPGX)	15,851,777	10.5
Fidelity Extended Market Index (FSMAX)	6,270,609	4.2
Dimensional US Targeted Value Strategy (DFFVX)	2,074,474	1.4
T. Rowe Price New Horizons (PRJIX)	5,186,512	3.4
Vanguard International-Growth (VWILX)	4,745,425	3.2
Fidelity Global ex US Index (FSGGX)	651,640	0.4
Brokerage	4,333,879	2.9
Charles Schwab Personal Choice	4,333,879	2.9

MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	
	\$	%
Total Fund Composite	25,259,219	100.0
JPMorgan Target Date Funds	21,815,675	86.4
JPMorgan SmartRetirement Blend Income (JIYBX)	1,345,687	5.3
JPMorgan SmartRetirement Blend 2020 (JSYRX)	213,349	0.8
JPMorgan SmartRetirement Blend 2025 (JBYSX)	6,833,795	27.1
JPMorgan SmartRetirement Blend 2030 (JRBYX)	6,366,560	25.2
JPMorgan SmartRetirement Blend 2035 (JPYRX)	4,332,460	17.2
JPMorgan SmartRetirement Blend 2040 (JOBYX)	2,277,239	9.0
JPMorgan SmartRetirement Blend 2045 (JMYAX)	403,534	1.6
JPMorgan SmartRetirement Blend 2050 (JNYAX)	43,051	0.2
JPMorgan SmartRetirement Blend 2055 (JTYBX)		0.0
JPMorgan SmartRetirement Blend 2060 (JAAYX)		0.0
JPMorgan SmartRetirement Blend 2065 (JSBYX)		0.0
Core Funds	3,443,544	13.6
Transamerica Stable Value	88,370	0.3
Transamerica Guaranteed Investment Option	288,836	1.1
Dodge & Cox Income X (DOXIX)	108,513	0.4
Fidelity US Bond Index (FXNAX)		0.0
Fidelity Inflation Protected Bond Index (FIPDX)	359,503	1.4
American Beacon Large Cap Value Fund (AALRX)	72,241	0.3
Fidelity Spartan 500 Index (FXAIX)	1,109,556	4.4
Fidelity Large Cap Growth Index (FSPGX)	997,896	4.0
Fidelity Extended Market Index (FSMAX)	124,798	0.5
Dimensional US Targeted Value Strategy (DFFVX)		0.0
T. Rowe Price New Horizons (PRJIX)	227,114	0.9
Vanguard International-Growth (VWILX)	66,717	0.3
Fidelity Global ex US Index (FSGGX)		0.0
Brokerage		0.0
Charles Schwab Personal Choice		0.0

PERFORMANCE DETAIL

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Total Fund Composite	1,682,430,318	100.0							
JPMorgan Target Date Funds	1,027,437,990	61.1							
JPMorgan SmartRetirement Blend Income (JIYBX)	42,357,840	2.5	-2.0	-1.8	8.4	1.5	4.0	4.3	4.5
<i>S&P Target Date Retirement Income Index</i>			-1.7	-2.1	6.5	1.5	3.6	4.0	4.1
JPMorgan SmartRetirement Blend 2020 (JSYRX)	69,191,311	4.1	-2.0	-1.8	8.4	1.6	4.2	4.4	5.0
<i>S&P Target Date 2020 Index</i>			-1.9	-1.9	8.1	1.9	4.9	5.1	5.5
JPMorgan SmartRetirement Blend 2025 (JBYSX)	154,631,772	9.2	-2.1	-1.9	9.0	1.6	4.9	5.1	5.7
<i>S&P Target Date 2025 Index</i>			-1.9	-2.0	8.4	2.1	5.6	5.7	6.1
JPMorgan SmartRetirement Blend 2030 (JRBYX)	170,786,435	10.2	-2.4	-1.9	10.5	2.2	5.9	6.0	6.5
<i>S&P Target Date 2030 Index</i>			-2.2	-1.9	9.9	2.8	6.5	6.4	6.9
JPMorgan SmartRetirement Blend 2035 (JPYRX)	156,838,385	9.3	-2.6	-1.8	12.1	3.0	7.0	6.8	7.3
<i>S&P Target Date 2035 Index</i>			-2.3	-1.9	11.4	3.4	7.4	7.2	7.6
JPMorgan SmartRetirement Blend 2040 (JOBXX)	125,090,482	7.4	-2.8	-1.7	13.3	3.6	7.8	7.5	7.9
<i>S&P Target Date 2040 Index</i>			-2.5	-1.8	12.9	4.0	8.3	7.9	8.2
JPMorgan SmartRetirement Blend 2045 (JMYAX)	112,877,494	6.7	-2.9	-1.6	14.2	4.0	8.4	8.0	8.3
<i>S&P Target Date 2045 Index</i>			-2.6	-1.9	13.6	4.4	8.8	8.2	8.5
JPMorgan SmartRetirement Blend 2050 (JNYAX)	102,968,518	6.1	-3.0	-1.6	14.7	4.2	8.6	8.1	8.4
<i>S&P Target Date 2050 Index</i>			-2.6	-1.7	14.3	4.7	9.1	8.5	8.8
JPMorgan SmartRetirement Blend 2055 (JTYBX)	57,339,013	3.4	-3.0	-1.6	14.7	4.2	8.6	8.1	8.4
<i>S&P Target Date 2055 Index</i>			-2.7	-1.7	14.3	4.7	9.1	8.5	8.8
JPMorgan SmartRetirement Blend 2060 (JAAYX)	30,418,545	1.8	-3.0	-1.6	14.7	4.3			
<i>S&P Target Date 2060 Index</i>			-2.7	-1.7	14.4	4.8			
JPMorgan SmartRetirement Blend 2065 (JSBYX)	4,938,193	0.3	-3.0	-1.8	14.6				
<i>S&P Target Date 2065+ Index</i>			-2.7	-1.6	14.8				

PERFORMANCE DETAIL

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Core Funds	613,605,022	36.5							
Transamerica Stable Value	3,647,040	0.2	0.2	0.6	2.6	2.2	1.8	1.7	1.5
<i>90 Day U.S. Treasury Bill</i>			0.4	1.2	5.3	3.9	2.5	2.4	1.8
Transamerica Guaranteed Investment Option	144,211,588	8.6	0.2	0.6	2.6	2.4	2.2	2.0	1.7
<i>90 Day U.S. Treasury Bill</i>			0.4	1.2	5.3	3.9	2.5	2.4	1.8
Dodge & Cox Income X (DOXIX)	30,102,983	1.8	-1.9	-3.3	2.3	-0.5	1.3	2.2	2.5
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-3.1	1.3	-2.4	-0.3	1.0	1.3
Fidelity US Bond Index (FXNAX)	7,991,995	0.5	-1.6	-3.1	1.3	-2.4	-0.3	0.9	1.3
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-3.1	1.3	-2.4	-0.3	1.0	1.3
Fidelity Inflation Protected Bond Index (FIPDX)	17,698,152	1.1	-1.6	-2.9	2.0	-2.3	1.8	2.3	2.2
<i>Blmbg. U.S. TIPS</i>			-1.6	-2.9	1.8	-2.3	1.9	2.3	2.2
American Beacon Large Cap Value Fund (AALRX)	27,499,038	1.6	-5.9	-1.4	15.2	7.4	10.4	9.4	9.1
<i>Russell 1000 Value Index</i>			-6.8	-2.0	14.4	5.6	8.7	8.4	8.5
Fidelity Spartan 500 Index (FXAIX)	138,556,316	8.2	-2.4	2.4	25.0	8.9	14.5	13.8	13.1
<i>S&P 500 Index</i>			-2.4	2.4	25.0	8.9	14.5	13.8	13.1
Fidelity Large Cap Growth Index (FSPGX)	104,115,485	6.2	0.9	7.1	33.3	10.5	18.9	18.0	
<i>Russell 1000 Growth Index</i>			0.9	7.1	33.4	10.5	19.0	18.1	
Fidelity Extended Market Index (FSMAX)	47,820,143	2.8	-7.0	4.7	17.0	2.6	9.9	9.3	9.5
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>			-7.0	4.7	16.9	2.4	9.8	9.1	9.3
Dimensional US Targeted Value Strategy (DFFVX)	19,760,766	1.2	-7.6	1.0	9.3	7.6	12.4	9.0	9.2
<i>Russell 2000 Value Index</i>			-8.3	-1.1	8.1	1.9	7.3	6.1	7.1
T. Rowe Price New Horizons (PRJIX)	36,168,757	2.1	-8.7	0.5	4.0	-7.3	6.7	10.3	11.4
<i>Russell 2000 Growth Index</i>			-8.2	1.7	15.2	0.2	6.9	7.2	8.1
Vanguard International-Growth (VWILX)	36,032,760	2.1	-3.4	-5.4	9.5	-4.5	6.6	6.8	8.7
<i>MSCI AC World ex USA (Net)</i>			-1.9	-7.6	5.5	0.8	4.1	3.5	4.8
Fidelity Global ex US Index (FSGGX)	17,610,278	1.0	-2.5	-7.6	5.3	0.8	4.1	3.6	4.9
<i>MSCI AC World ex USA (Net)</i>			-1.9	-7.6	5.5	0.8	4.1	3.5	4.8
Brokerage	23,777,028	1.4							
Charles Schwab Personal Choice	23,777,028	1.4							



PERFORMANCE DETAIL

- All data prior to 5/2023 was received from Marquette Associate
- Transamerica Stable Value Fund is not an open option for plan participants
- Assets include: Memorial Healthcare System RSP Gold 403(b) Plan, Memorial Healthcare System 401(a) Plan, Memorial Healthcare System 457(b) Plan, Memorial Healthcare System SERP 457(Plan
- Performance is net of fees and is annualized for periods longer than one year. Performance is ranked within PARis's style-specific universes, where "1" refers to the top percentile and "100" to bottom percentile.

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Fund Composite	1,682,430,318										
JPMorgan SmartRetirement Blend Income (JIYBX)	42,357,840		11.8	-13.7	6.3	9.6	14.1	-3.8	10.7	5.8	-0.7
<i>S&P Target Date Retirement Income Index</i>			10.3	-11.2	5.1	8.8	13.3	-2.5	8.5	5.0	-0.2
JPMorgan SmartRetirement Blend 2020 (JSYRX)	69,191,311		12.0	-13.7	6.4	10.1	15.5	-4.5	13.4	6.8	-0.7
<i>S&P Target Date 2020 Index</i>			12.3	-12.8	8.8	10.2	16.5	-4.2	12.8	7.2	-0.2
JPMorgan SmartRetirement Blend 2025 (JBYSX)	154,631,772		13.4	-15.2	9.1	11.3	18.3	-5.7	15.6	7.2	-0.7
<i>S&P Target Date 2025 Index</i>			13.0	-13.1	10.7	11.2	18.4	-5.0	14.6	7.8	-0.3
JPMorgan SmartRetirement Blend 2030 (JRBYX)	170,786,435		15.3	-16.1	11.3	12.2	20.4	-6.6	17.4	7.9	-0.8
<i>S&P Target Date 2030 Index</i>			14.8	-14.0	12.6	11.9	20.4	-6.0	16.2	8.3	-0.3
JPMorgan SmartRetirement Blend 2035 (JPYRX)	156,838,385		17.1	-16.7	14.1	12.6	22.3	-7.4	18.9	8.3	-1.0
<i>S&P Target Date 2035 Index</i>			16.6	-15.0	14.9	12.8	22.2	-6.9	17.8	8.9	-0.3
JPMorgan SmartRetirement Blend 2040 (JOBYSX)	125,090,482		18.4	-17.2	15.9	13.0	23.8	-8.0	20.3	8.8	-1.1
<i>S&P Target Date 2040 Index</i>			18.2	-15.6	16.5	13.4	23.4	-7.4	18.9	9.2	-0.4
JPMorgan SmartRetirement Blend 2045 (JMYAX)	112,877,494		19.5	-17.6	17.7	13.1	24.6	-8.3	20.5	8.8	-1.0
<i>S&P Target Date 2045 Index</i>			19.1	-15.8	17.5	13.7	24.0	-7.7	19.6	9.5	-0.5
JPMorgan SmartRetirement Blend 2050 (JNYAX)	102,968,518		19.8	-17.6	17.8	13.4	24.6	-8.3	20.5	8.8	-1.1
<i>S&P Target Date 2050 Index</i>			19.6	-16.0	18.0	13.9	24.4	-7.9	20.2	9.7	-0.5
JPMorgan SmartRetirement Blend 2055 (JTYBX)	57,339,013		19.7	-17.6	17.8	13.2	24.7	-8.4	20.4	8.8	-1.0
<i>S&P Target Date 2055 Index</i>			19.6	-16.0	18.2	13.9	24.5	-8.0	20.5	9.9	-0.5
JPMorgan SmartRetirement Blend 2060 (JAAYX)	30,418,545		19.7	-17.4	17.8						
<i>S&P Target Date 2060 Index</i>			19.7	-16.0	18.0						
JPMorgan SmartRetirement Blend 2065 (JSBYX)	4,938,193		19.1								
<i>S&P Target Date 2065+ Index</i>			19.8								
Transamerica Stable Value	3,647,040		2.5	1.6	1.0	1.2	1.8	1.3	1.0	1.0	1.0
<i>90 Day U.S. Treasury Bill</i>			5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0
Transamerica Guaranteed Investment Option	144,211,588		2.5	2.2	2.3	1.6	1.8	1.3	1.0	1.0	1.0
<i>90 Day U.S. Treasury Bill</i>			5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0



TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	2023	2022	2021	2020	2019	2018	2017	2016	2015
Dodge & Cox Income X (DOXIX)	30,102,983		7.8	-10.8	-0.9	9.5	9.7	-0.3	4.4	5.6	-0.6
<i>Blmbg. U.S. Aggregate Index</i>			5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
Fidelity US Bond Index (FXNAX)	7,991,995		5.5	-13.0	-1.8	7.8	8.5	0.0	3.5	2.5	0.6
<i>Blmbg. U.S. Aggregate Index</i>			5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
Fidelity Inflation Protected Bond Index (FIPDX)	17,698,152		3.8	-12.0	5.9	10.9	8.3	-1.4	3.0	4.9	-1.7
<i>Blmbg. U.S. TIPS</i>			3.9	-11.8	6.0	11.0	8.4	-1.3	3.0	4.7	-1.4
American Beacon Large Cap Value Fund (AALRX)	27,499,038		13.5	-5.2	28.0	3.4	29.7	-12.0	17.1	16.0	-6.1
<i>Russell 1000 Value Index</i>			11.5	-7.5	25.2	2.8	26.5	-8.3	13.7	17.3	-3.8
Fidelity Spartan 500 Index (FXAIX)	138,556,316		26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4
<i>S&P 500 Index</i>			26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4
Fidelity Large Cap Growth Index (FSPGX)	104,115,485		42.8	-29.2	27.6	38.4	36.4	-1.6	30.1		
<i>Russell 1000 Growth Index</i>			42.7	-29.1	27.6	38.5	36.4	-1.5	30.2		
Fidelity Extended Market Index (FSMAX)	47,820,143		25.4	-26.4	12.4	32.2	28.0	-9.4	18.2	16.1	-3.3
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>			25.0	-26.5	12.4	32.2	27.9	-9.6	18.1	15.7	-3.4
Dimensional US Targeted Value Strategy (DFFVX)	19,760,766		19.3	-4.6	38.8	3.8	21.5	-15.8	9.6	26.9	-5.7
<i>Russell 2000 Value Index</i>			14.6	-14.5	28.3	4.6	22.4	-12.9	7.8	31.7	-7.5
T. Rowe Price New Horizons (PRJIX)	36,168,757		21.5	-36.9	9.8	57.9	37.8	4.2	31.7	7.9	4.5
<i>Russell 2000 Growth Index</i>			18.7	-26.4	2.8	34.6	28.5	-9.3	22.2	11.3	-1.4
Vanguard International-Growth (VWILX)	36,032,760		14.8	-30.8	-0.7	59.7	31.5	-12.6	43.2	1.8	-0.5
<i>MSCI AC World ex USA (Net)</i>			15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.7
Fidelity Global ex US Index (FSGGX)	17,610,278		15.6	-15.7	7.8	10.7	21.3	-13.9	27.4	4.6	-5.6
<i>MSCI AC World ex USA (Net)</i>			15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.7
Charles Schwab Personal Choice	23,777,028										

- All data prior to 5/2023 was received from Marquette Associates
 - Transamerica Stable Value Fund is not an open option for plan participants
 - Assets include: Memorial Healthcare System RSP Gold 403(b) Plan, Memorial Healthcare System 401(a) Plan, Memorial Healthcare System 457(b) Plan, Memorial Healthcare System SERP 457(f) Plan
 - Performance is net of fees and is annualized for periods longer than one year. Performance is ranked within PARis's style-specific universes, where "1" refers to the top percentile and "100" th bottom percentile.





GOVERNMENT/ CREDIT FIXED INCOME DISCUSSION



PROPRIETARY & CONFIDENTIAL

INTERMEDIATE GOV / CREDIT DISCUSSION

- **NEPC previously indicated there could be an opportunity to achieve lower fees by splitting the Intermediate Fixed Income mandates into separate Treasury and Credit mandates**
 - The Treasury market is very efficient with a limited number of on the run securities
 - Paying active management for this segment of the portfolio may not be cost efficient
- **Given the large allocation to Treasuries within the Intermediate segment of the portfolio, exploring cost efficient implementation is favorable**
- **Potential to reduce fees 3-6 bps based on preliminary analysis**
 - Would need to further explore with existing managers
 - Based on Intermediate segment of portfolio and current fee schedule

RECORDKEEPING RFP PROCESS



PROPRIETARY & CONFIDENTIAL

DUE DILIGENCE AND PROCEDURAL PROCESS

- **According to the DOL, fiduciaries will want to understand the fees and expenses charged and the services provided**
- **NEPC has structured its Request for Proposal document to include 16 categories of questions**
 - Organization
 - Systems
 - Security
 - Conversion
 - Client Service
 - Administration
 - Compliance
 - Communications & Education
 - The Participant Experience
 - Financial Wellness Platform
 - Administration of Investments
 - Trust and Custody
 - Non-qualified Plan Services (if needed)
 - Defined Benefit Services (if needed)
 - Financial Considerations
 - Service Level Agreements

A typical NEPC RFP includes a custom questionnaire based on operational requirements and the client's goals and objectives

The NEPC database is then leveraged to supplement the custom RFP with general plan administration information

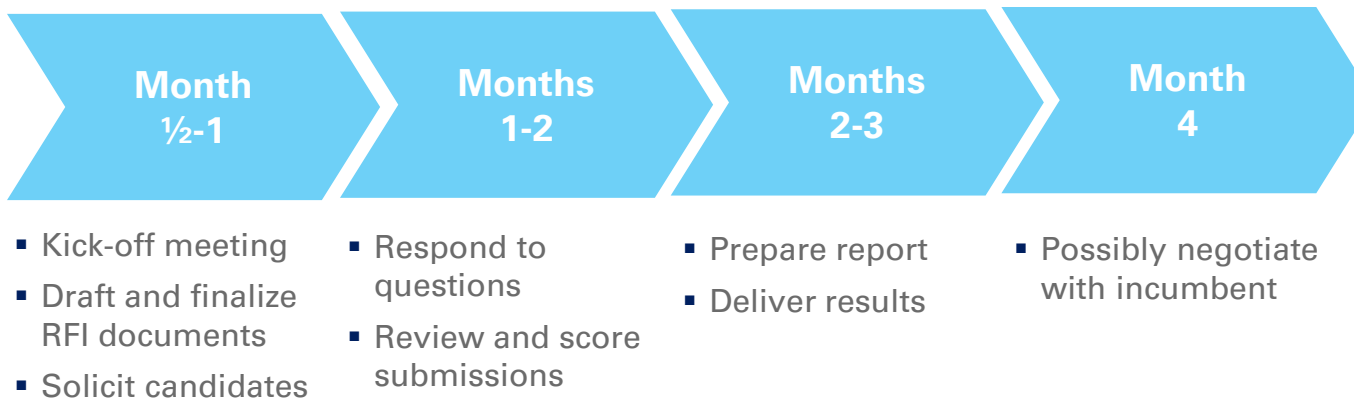
NEPC's analysis includes a **comparative summary** and **score** for each answer

TYPICAL PROJECT PLAN TIMELINES

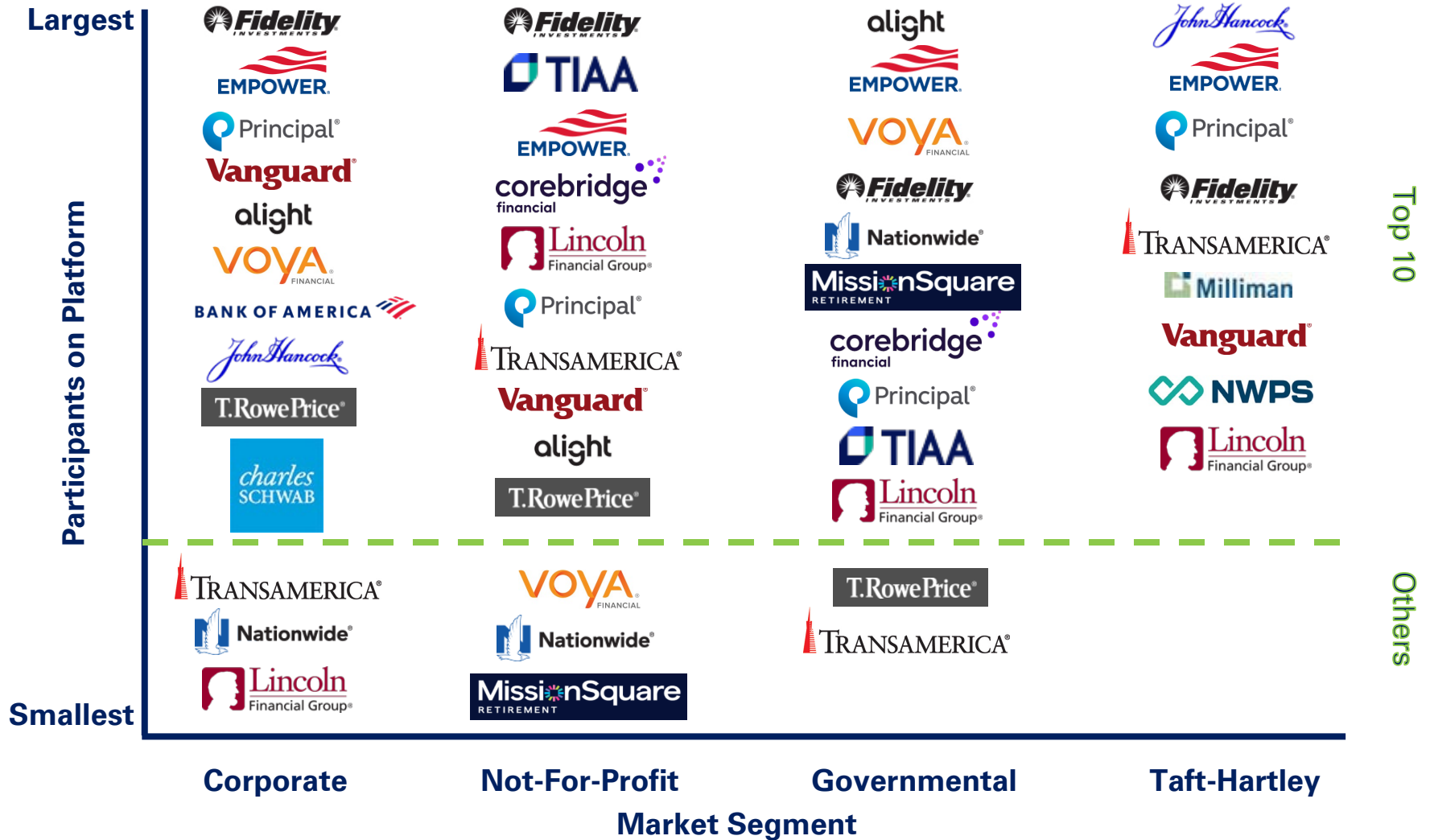
Request for Proposal (RFP)



Request for Information (RFI)



RECORDKEEPERS BY MARKET SEGMENT*



* Using data self-reported by the recordkeepers for the 2024 NEPC database update.



APPENDIX



INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.



Summary of Changes to the Investment Policy Statement (IPS) of the \$2.7 Billion Operating Funds Investments – January 2025

To enable the investment into the new MSCI ACWI Index Global Equity Fund, the following changes will be made to the Operating Fund IPS. These changes are outlined in the table below and reflected in the attached redlined IPS. There are three categories of changes:

1. **General Cleanup** – Adjustments to Benchmarks, Allocation tables, and description of existing investments
2. **Commingled Funds** – This change reflects the adoption of commingled funds as an investment vehicle, which allows for lower fees. It also highlights that this structure is already permitted in the Retirement Fund Policy.
3. **Securities Lending** – A mechanism that allows the global equity fund to generate additional income by temporarily lending securities in the fund’s portfolio, which serves as a valuable source of additional returns. Notably, approximately 1.5% of the ACWI Index Fund's assets participated in securities lending over the last three years.

Note, there are no changes to the credit quality for any investments.

Summary of Changes to the Investment Policy Statement (IPS) of the \$2.7 Billion Operating Funds Investments – January 2025

Change/Update	Section and Page # on Redlined Version	Additional Comments
Cleanup item. Removing old policy targets listed from 2020. No changes required for the use of ACWI Index Fund.	Section III – Strategic Allocation Targets (p. 3)	No change to 20% long-term targets for return and growth for equity.
Cleanup item. Removing old policy targets listed from 2020. No changes required for the use of ACWI Index Fund.	Section A – Principal Protection Component Targets (p. 4)	No change to long-term targets for fixed income.
Cleanup item. Updating to reflect correct benchmark names.	Section A – Principal Protection Return Benchmarks and Duration Objectives (p. 4)	
Cleanup item. Removing old policy targets listed from 2020. No changes required for the use of ACWI Index.	Section B – Liquidity Components for Principal Protection Targets (p. 5)	No change to long-term targets; liquidity remains at 15%.
Clarification of “Purpose” description to	Section C – Return and Growth	Clarification item only.

Summary of Changes to the Investment Policy Statement (IPS) of the \$2.7 Billion Operating Funds Investments – January 2025

Change/Update	Section and Page # on Redlined Version	Additional Comments
permit flexibility for growth equity products.	(p. 5, 6)	
Update policy targets within the 20% equity allocation to: 10% Defense Equity and 10% Global Equity.	Section C – Return and Growth Weightings for Growth Targets Components (p. 6)	
Delete benchmark for Global Low Volatility Equity.	Section C – Return and Growth Benchmarks/ Beta Objectives Targets Components (p. 6)	
Update investment instruments to allow the use of Commingled Funds .	Investment Managers (p. 7)	Already permitted under SBHD’s Retirement Fund Policy.
Update Custodian Bank responsibilities to permit the use of Securities Lending .	Custodian Banks (p. 11, 12)	Already permitted under SBHD’s Retirement Fund Policy.
Update the list of permitted investment instruments to include Commingled Funds .	Listing of Authorized Instruments (p. 14)	Already permitted under SBHD’s Retirement Fund Policy.

Summary of Changes to the Investment Policy Statement (IPS) of the \$2.7 Billion Operating Funds Investments – January 2025

Change/Update	Section and Page # on Redlined Version	Additional Comments
Cleanup item. Update language to properly reflect defensive equity investment	Section VI – Listing of Authorized Investments (sub bullet 11 - p. 14)	No change to current implementation.
Addition of risk requirements for the use of Commingled Funds .	Section VII – Risk and Diversification (p. 19, 20)	Already permitted under SBHD’s Retirement Fund Policy.
Cleanup item. Update analytics used for portfolio and manager performance monitoring.	Section VIII – Investment Performance Objectives and Targets (p. 20)	

INVESTMENT POLICY

for

OPERATING FUND INVESTMENTS

for the

SOUTH BROWARD HOSPITAL DISTRICT

d/b/a

MEMORIAL HEALTHCARE SYSTEM

Revised

~~August 2021~~ January 2025

INVESTMENT POLICY FOR OPERATING FUNDS

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STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES FOR THE SOUTH BROWARD HOSPITAL DISTRICT

I. AUTHORIZATION AND SCOPE FOR THIS INVESTMENT POLICY

This investment policy reflects the 2016 amendment to Section 37 of section 3 chapter 2004-37, Laws of Florida relating to South Broward Hospital District (“District”) and its Charter (“Charter”) which revised the authority of the District’s Board of Commissioners (“Board”) to invest funds listed in an investment policy (“Policy”) adopted ~~be~~by the Board. Per the 2016 amendment to the District’s Charter, the investment policy shall be designed to maximize the financial return to the South Broward Hospital District consistent with the risks incumbent in each investment and shall be designed to preserve the appropriate diversification of the portfolio.

In addition to any investments authorized by general law, including Section 218.415, Florida Statutes, and to the extent created by the State Constitution, the Board is authorized and empowered to invest any funds in its control or possession in accordance with an investment policy approved by the board which mandates prudent investment practices which shall include, among other items, the investment objectives and permitted securities described in the policy.

II. INVESTMENT OBJECTIVES

The foremost objective of this investment program is the safety of the principal of the Operating Fund Investments with secondary objectives being liquidity and return generation. These investment objectives are broadly labeled in three categories to which asset allocation targets are applied. The three categories are: Principal Protection (safety of principal), Liquidity (liquidity), and Return and Growth (return generation).

III. STRATEGIC ALLOCATION TARGETS

As a result of asset allocation studies, analyses and discussions involving the Investment Consultant, District Management and the Finance Committee the following asset allocation Policy Targets and implementation timeline were approved by the Board of Commissioners.

Implementation Plan for Operating Portfolios Asset Allocation – Policy Targets		
	<u>10/31/2020</u>	<u>Long-term</u> <u>1/1/2022</u>
Principal Protection	73.5%	65.0%
Liquidity	16.5%	15.0%
Return and Growth	10.0%	20.0%
Total Portfolio	100%	100%

~~*The implementation and subsequent timing of future Return and Growth investments will be opportunistic and may not conform to the timeframes above.~~

The Policy Targets represent midpoints within a +/-5% Policy Range. The Policy Range allows for fluctuations due to market conditions. District Management with input from the investment

consultant may rebalance between and within the categories as market circumstances and/or asset weightings dictate. Additionally, Policy Targets may be adjusted based on liquidity needs, strategy implementation and/or economic forecasts.

A. Principal Protection

General Description. The Principal Protection category of investments consists of assets that are exposed and/or are susceptible to changes in interest rates. Such investments typically contain relatively low levels of risk and exhibit lower volatility. Investments within the Principal Protection category are expected to produce relatively low levels of returns commensurate with their relatively lower risk profile. In addition, periodic income will be a material portion of this category's investment return.

Purpose. The Principal Protection assets provide the bulk of the of the total investment return for the Operating Funds due to the significant over-weighting relative to the Liquidity and Return and Growth categories. The Principal Protection category is expected to maintain its purchasing power and produce nominal returns that are near, or slightly exceed the rate of inflation.

Risk Factor Exposures. The major risk factor is interest rate risk. The minor risk factors are inflation risk and liquidity risk.

Components. There are three portfolio components, or pools, that comprise Principal Protection assets. The pools are: Short Term, Intermediate Term and Opportunistic pools.

Components and Weightings for Principal Protection Assets – Policy Targets		
	<u>Current</u> 10/31/2020	<u>Long-term</u> 1/1/2022
Short Term Pool	6.5%	10.0%
Intermediate Term Pool	43.5%	35.0%
Opportunistic Pool	23.5%	20.0%
Category Total	73.5%	65.0%

The Policy Targets represent midpoints within a +/-5% Policy Range. The Policy Range allows for fluctuations due to market conditions. District Management with input from the investment consultant may rebalance between and within the sub-categories or pools as market circumstances and/or asset weightings dictate.

Principal Protection Return Benchmarks and Duration Objectives.

	Benchmark	Duration Objective*
Short Term Pool	<i>Bloomberg Barelays-1-5 Yr Gov't/Credit</i>	+ / - 20% of Benchmark
Intermediate Term Pool	<i>Barelays-Bloomberg US Intermediate Gov't/Credit</i>	+ / - 20% of Benchmark
Opportunistic Pool	<i>Bloomberg Barelays-Intermediate Aggregate</i>	+ / - 20% of Benchmark

*Overall average duration of the Principal Protection and Liquidity Categories shall not exceed 4 years.

Specific investment mandates within the Principal Protection category components may utilize benchmarks that more accurately reflect the mandate, i.e. self-insurance and disability funds.

Duration objectives for these category component mandates are the same as the Intermediate Term Pool.

B. Liquidity

General Description. The Liquidity category of investments consists of assets that are only minimally exposed or susceptible to changes in interest rates. Such investments contain very low levels of risk and exhibit minimal volatility. Investments within the Liquidity category are expected to produce returns and risk commensurate with investments in high quality cash equivalent securities.

Purpose. The Liquidity category assets are available to support immediate liquidity needs, i.e. natural disaster and/or support for self-liquidity bond financing programs. Return generation is a secondary objective to the ability to achieve 100% cash position within 7 days without incurring a material realized loss.

Risk Factor Exposures. The major risk factor is a systemic issue facing the short term capital markets which would impede the ability to liquidate these assets at par or without incurring material realized losses with a 7 day period.

Components. None.

Components and Weightings for Principal Protection Assets – Policy Targets		
	<u>Current</u> 10/31/2020	<u>Long-term</u> 1/1/2022
Liquidity	16.5%	15.0%
Category Total	16.5%	15.0%

Liquidity Category Benchmark and Duration Objective.

	Benchmark	Duration Objective*
Liquidity	US Treasury 91-Day T Bill Return	+ / - 20% of Benchmark

*Overall average duration of the Principal Protection and Liquidity Categories shall not exceed 4 years.

C. Return and Growth

General Description. The Return and Growth category of investments consists of assets that are largely exposed and/or are susceptible to changes in global economic growth and corporate profitability. Such investments typically contain relatively high degrees of risk and exhibit more volatility than other categories. Investments within the Return and Growth category utilize liquid structures to add returns and long-term growth potential and to diversify the overall risk profile of the Operating Fund Investments.

Purpose. Return and Growth assets provide enhanced return opportunity and risk diversification at the portfolio level for the Operating Funds. This return opportunity is due to the equity risk premium. While volatile, it is the reward associated with bearing economic and corporate risk. To mitigate some of this volatility, strategies employed will be both liquid and defensive within

the portfolio's overall risk tolerance. Over longer term investment horizons, the equity risk premium is generally significantly positive after accounting for inflation.

Risk Factor Exposures. The major risk factor is global economic growth risk. The minor risk factor is interest rate risk.

Components.

Components and Weightings for Return and Growth Assets – Policy Targets*		
	<u>Current</u> 10/31/2020	<u>Long-term</u> 1/1/2022
Defensive Equity	7.0%	7.5 <u>1</u> 0%
Global Low Volatility Equity	3.0%	7.5%
Global Equity	0.0%	5 <u>1</u> 0.0%
Category Total	10.0%	20.0%

*The implementation and subsequent timing of Return and Growth investments will be opportunistic and may not conform to the timeframes above.

Return and Growth Benchmarks and Beta Objectives.

	Benchmark	Beta Objective
Defensive Equity (Global)	50% MSCI ACWI / 50% 91Day T-Bill	0.50
Global Low Volatility Equity	MSCI ACWI Minimum Volatility Index	0.75
Global Equity	MSCI ACWI Index	1.0

IV. ASSIGNMENT OF RESPONSIBILITY

Board of Commissioners. The Board of Commissioners of the South Broward Hospital District is authorized and empowered to invest any funds in its control or possession in accordance with an investment policy approved by the Board which mandates prudent investment practices which shall include, among other items, the investment objectives and permitted securities described in the Policy.

Finance Committee. On behalf of the Board the Finance Committee will recommend for its acceptance or approval:

- Retaining an investment consultant to assist in monitoring the investment portfolio and evaluating the consultant's effectiveness and contributions to investment performance.
- Reviewing and evaluating the results of each investment component and manager in the context of established standards of performance, and reporting those results at least quarterly to the Board of Commissioners.

In the normal course of its business, the Finance Committee shall:

- Evaluate and select investment managers, pooled funds, mutual funds, or other appropriate investment vehicles, for each investment category of the Operating Funds investments.
- Communicate the investment objectives, guidelines and standards (including any material changes that may occur) to the investment managers or responsible representatives of the selected investment alternatives.
- Take whatever corrective action is deemed prudent and appropriate if investment results are below expectations.
- Appoint one or more persons to carry out the technical administrative functions as a proxy for the Finance Committee, e.g. signing documents.
- Select a Custodian Bank, and evaluate the bank's quality, timeliness, and cost-effectiveness of service.

District Management. The Board and Finance Committee delegate the following responsibilities to District Management:

- The day-to-day oversight of the investment portfolio's assets.
- Acting as the primary contact between the District, the investment managers, investment consultant, custodian, and any other parties in the management of the Operating Fund's assets.
- Rebalancing the portfolio after consultation with the investment consultant, provided the resulting portfolio categories and sub categories are within the +/- 5% of the Policy Target percentage allocations approved in this Policy.
- Such other duties as may be described in this Policy, by applicable State and Federal law, or as delegated by the Finance Committee.

Investment Managers. Operating Fund investments may be comprised of both active and passive structures.

For mutual funds, ~~and~~ exchange traded funds, and other commingled fund investments, the investment managers must meet all obligations as established in their respective Fund prospectus. These investment objectives shall remain in line with the Investment Objectives and descriptions outlined in this Policy.

In recognition of their role as fiduciaries of the investment portfolio, each active investment manager must assume the following responsibilities:

- Acknowledgment in writing accepting the objectives, guidelines, and standards of performance as defined in this Policy, and invest the assets of the investment portfolio in

accordance with the objectives, guidelines, and standards of performance, as herein defined.

- Exercise full discretionary authority as to all buy, hold and sell decisions for each security under management, subject to the guidelines as herein defined.
- Make recommendations as to changes in this Policy based upon material and sustained changes in the capital markets.
- Initially and as requested provide a written statement describing, in brief form, the specific investment program to be undertaken to achieve the objectives and goals herein stated.
- Provide monthly reports as requested in GASB 40 compliant reporting format of:
 - Portfolio composition showing asset structure for each major class of security.
 - Positions, by individual security, showing both cost and market value (except for commingled assets, in which case, showing the unit position and unit value)
 - All principal cash transactions, including all buys and sells in sufficient descriptive detail.
- Annually provide:
 - A copy of the manager's Form ADV, Part II.
- Upon request the investment manager will provide:
 - Copies of all documentation in support of any buy, sell or hold decision.
 - Evidence of suitable insurance coverage of the investment manager's fiduciary responsibilities.
 - Summaries of proxy votes.
- As a matter of course the investment manager will:
 - At the time of a security downgrade determine the appropriate action based on the perceived risk and expected return of the position and will promptly inform District Management, the Finance Committee and the investment consultant in writing of the action taken. The Investment Consultant will evaluate the manager's action and report to the Finance Committee in the Quarterly Performance Report on the specific action taken by the manager.
 - Provide notice of material changes in the manager's outlook, policy, and tactics.

- Provide notice of material changes in firm ownership, organizational structure, financial conditions, senior staffing, and management.
- Provide notice of involvement in any litigation or regulatory investigation.
- Use its best judgment to obtain brokerage services resulting in the optimal balance of the twin considerations of best execution of trades and the lowest cost to the investment portfolio. Upon request, managers will provide summaries of brokerage activity and soft dollar budgets.
- Unless otherwise requested by the Finance Committee, the investment managers are responsible for voting all proxies for the exclusive benefit of the investment portfolio. All proxies will be forwarded to the appropriate investment manager. The investment managers will keep summaries of their votes, as well as document that all proxies are being voted.

At the request of the Finance Committee, District Management, or the Investment Consultant participate in a review meeting, the agenda to include:

- A review and reappraisal of the investment program; commentary on investment results in light of the appropriate standards of performance as stated in this Policy; a synopsis of the key investment decisions made by the manager, the underlying rationale, and how those decisions could affect future results; the manager's outlook, what specific investment decisions this outlook may trigger and how these decisions could affect future results; and, an update on the manager's organization, covering such things as ownership, asset growth, account and personnel turnover, and any other relevant matters.

Investment Consultant. The Investment Consultant will assume the following responsibilities:

- **Role as Fiduciary.** The investment Consultant will acknowledge that it acts as a fiduciary within the meaning and in accordance with ERISA Section 3(21)(a)(ii) and renders investment advice for a fee.
- **Investment Policy.** Prepare a draft investment policy or revisions thereto highlighting policy issues affecting the investment portfolio for consideration by the Finance Committee and approval by the Board of Commissioners. The investment policy should describe the responsibilities of key parties, specify the broad investment objectives of the investment portfolio, provide investment policy guidelines, and set appropriate performance standards for all components of the asset structure of the portfolio.
- **Asset Allocation.** Evaluate and recommend, with supporting materials, the appropriate portfolio weightings among various major asset classes of the investment portfolio. This recommendation will include a proposed process for accommodating draws and contributions for periodic re-balancing of asset class and manager weightings, as well as capital market movements that may cause the actual weightings to diverge from the target weightings.

- **Selection of Investment Structures and Managers.** Assist the Finance Committee through the selection process by identifying and screening investment structures and manager candidates for appropriate portfolio, performance, and organizational characteristics. Perform due diligence checks. Help quantify and explain the salient differences, as well as the trade-offs between expected returns and risks among various alternatives. Function as the information-gathering conduit for the Finance Committee.
- **Compensation Negotiation.** Assist in compensation negotiations with investment managers, custodians and other service providers.
- **Performance Evaluation.** A summary (Flash) report of portfolio performance will be provided monthly to District Management. A performance evaluation of the investment portfolio and its component parts will be conducted on a quarterly basis. This written report will be provided to the Finance Committee following the close of each calendar quarter. This report will be presented to the Board of Commissioners for acceptance after review by the Finance Committee. The written report will cover five basic areas:
 - Returns: Total time-weighted returns over various periods.
 - Comparisons: Returns will be compared to the appropriate benchmark indices and a statistical universe of similar funds, managers or portfolios.
 - Diagnostics: Measurement of risk-adjusted performance, analyses of risks, style characteristics, and return attribution.
 - Compliance: Portfolios will be checked for compliance with the objectives, targets and policy guidelines specified in this Policy.
 - Manager Analysis: Qualitative analysis dealing with each manager's organization, philosophy, account and personnel growth and turnover, and any other issues that may affect the manager's ability to meet the Policy's expectations.
 - **Review Meetings.** Conducted quarterly, or at the request of the Finance Committee, the Investment Consultant will participate in a review meeting that will address at a minimum: a review and re-appraisal of the investment program; commentary on investment results in light of the appropriate standards of performance and market conditions; discussion of any policy issues facing the Finance Committee or Board of Commissioners relating to this Policy; and, any other matters as deemed appropriate by the Finance Committee.
- **Investment Manager Review.** Facilitate formal investment manager reviews and evaluations in the normal course and as triggered by circumstances or events automatic review section.

- **Administrative Support.** While the investment consultant does not have discretionary control over the investment portfolio's investments or assets and thus, has no authority to effect transitions, portfolio rebalancing, or any other related asset movements, the investment consultant will assist District Management or the Finance Committee in reviewing documents, drafting letters, and facilitating processes as requested.
- **Documentation of Consultant's Investment Advisor Registration.** Annually or upon material revision, provide a copy of Form ADV, Part II.

Custodian Bank. Florida Statute 218.415 requires governmental entities to utilize third-party custodians to hold securities, with the exception of certificates of deposit, purchased by, and all collateral obtained by the governmental entity to be designated as an asset of the governmental entity. The custodian must assume the following responsibilities as they pertain to investments owned by the District.

- **Safekeeping of Securities.** Provide secure storage of stock certificates and bonds, such that there is essentially no risk of loss due to theft, fire, or accident. Electronic transfer records at the Depository Trust Company ("DTC") are preferred.
- **Settlement of Trades.** Arrange for timely and business-like settlement of all purchases and sales made for the investment portfolio. Transactions shall be on a delivery-versus-payment (DVP) basis unless provided for in writing by the Finance Committee.
- **Collection of Income.** Provide for receipt and prompt crediting of all dividend, interest and principal payments received as a result of the investment portfolio's portfolio holdings. Monitor income receipts to ensure that income is received when due and institute investigative process to trace and correct late or insufficient payments, including reimbursement for any interest loss due to tardiness or shortfall.
- **Cash Sweep.** Sweep excess cash daily into interest bearing accounts featuring a high degree of safety of principal and liquidity.
- **Reporting.** Provide monthly reports showing individual asset holdings with sufficient descriptive detail to include units, unit price, cost, market value, CUSIP number (where available), and any other information required by this Policy. Principal cash transactions, including dividend, interest and principal payments received, contributions and withdrawals, securities purchased, sold, and matured, and fee payments will also be listed.
- **Transfer.** At the direction of the Finance Committee or District Management, expeditiously transfer funds into and out of specified accounts.
- **Securities Lending.** Securities Lending is prohibited in separately managed investment funds. In the case of mutual funds and commingled vehicles, it may be difficult to

control the use of securities lending within those vehicles. Securities lending is currently not approved for use in the investment portfolio.

- **Proxy Materials.** Promptly forward all proxy materials received to the appropriate investment manager.

V. PRUDENCE AND ETHICAL STANDARDS

The "Prudent Person Rule" shall be used by the investment professionals in the management of the overall investment Portfolio. The "Prudent Person Rule" states: "Investment shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as probable income to be derived there from.

While the standard of prudence to be used by investment officials who are officers or employees is the "Prudent Person" standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

Persons or organizations involved in the investment program shall refrain from personal business activities that could conflict with the proper execution of the investment decisions. Employees and investment officers shall subordinate their personal investment transactions to those of the District, particularly with regard to the timing of purchase and sales.

Persons or organizations involved in the investment process shall disclose to the District any material financial interests in financial institutions that conduct business with the District, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the District's investment program.

VI. LISTING OF AUTHORIZED INVESTMENTS

Investments should be made subject to the cash flow needs of the District as reviewed from time to time. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Treasurer may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the District's custodian.

The following instruments are authorized by the Board for investment by the District in its Operating Funds:

- (1) The trust fund known as the Local Government Surplus Funds Trust Fund as created and established by section 218.405, Florida Statutes.
- (2) Bankers Acceptances which are drawn upon and accepted by a commercial bank which is a member bank of the Federal Reserve System maintaining capital accounts in excess of 7.5 percent of total assets, and which member bank, or its holding company, carries a credit rating in one of the two highest alphabetical categories from at least two nationally recognized debt rating agencies.
- (3) Commercial Paper of prime quality rated by at least two nationally recognized debt rating agencies in the following manner: Moody's, P1; Standard & Poors, A1+ or A1; Fitch, F1+ or F1. If not so rated, such prime quality commercial paper may be purchased if secured by a letter of credit provided by a commercial bank, which bank, or its holding company, carries a credit rating in one of the two highest alphabetical categories from at least two nationally recognized debt rating agencies.
- (4) Interest bearing time deposits or savings accounts in banks organized under the laws of the State, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in a federal savings and loan association located in this state and organized under federal law and federal supervision, provided said financial institutions are Qualified Public Depositories as defined in Chapter 280, Florida Statutes, as amended.
- (5) Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities.
- (6) Federal Agencies and Instrumentalities
- (7) Interest bearing notes, bonds, debentures, and other such evidence of indebtedness with a fixed maturity of any domestic corporation within the United States which is listed on any one or more of the recognized national stock exchanges in the United States and conforms with the periodic reporting requirements under the Securities Exchange Act of 1934. Such obligations shall either carry ratings in one of the four highest classifications of at least two nationally recognized debt rating agencies (for example: Standard and Poor's "AAA" , "AA" , "A" or "BBB") or be secured by a letter of credit provided by a commercial bank, rated as above
- (8) Repurchase agreements and Reverse Repurchase agreements may be

entered into with a member bank of the Federal Reserve System or a primary dealer in United States Government Securities provided such repurchase agreements and reverse repurchase agreements are fully collateralized by the types of securities disclosed in sections (5) and (6) above. The use of reverse repurchase agreements shall be limited to those transactions where the proceeds are intended to provide liquidity and for which the District has sufficient resources.

- (9) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (10) Municipal bond investments that carry ratings in one of the top two classifications of at least two (2) nationally recognized rating agencies (for example; Standard and Poor's "AAA" or "AA") or such debt may be secured by bond insurance or a letter of credit by a commercial bank rated as above.
- (11) US-Defensive equity exposure obtained through approximate equal weightings of a S&P-500MSCI ACWI Index fund and short term US Treasury securities that are combined with futures, options and or swaps to enhance the combined returns of the underlying assets (also referred to as defensive equity or enhanced indexing strategies). ~~The underlying securities and financial instruments must be managed in a separate custody account and not in a commingled fund.~~
- ~~(12)~~ Global equity exposure obtained through a ~~low volatility SEC registered~~ mutual fund, commingled fund or exchange traded fund.

VII. RISK AND DIVERSIFICATION

The Operating Funds investments should be adequately diversified to control the risk of loss. To the extent practicable, the diversification of the investments should prevent the over-concentration of assets in a specific maturity, instrument, dealer, or bank through which financial assets are purchased. Diversification strategies will be reviewed periodically by the investment consultant and EVP and Chief Financial Officer, or his designee.

Credit Risk. For separately managed fixed income portfolios, each investment manager, will maintain an average credit quality of at least A.

Duration. The average duration of the fixed income investment portfolios in their entirety shall not exceed four years. (The calculation of average duration shall not include underlying securities of repurchase agreements.)

Other Limitations for Authorized Investments.

- (1) Local Government Surplus Funds Trust Funds (the "Fund")

A maximum of fifty percent (50%) of the Investment Portfolio may be invested in the Local Government Surplus Funds Trust Fund. (Any bond/revenue certificate proceeds may be deposited in the Fund and said funds will not be part of this calculation.)

(2) Bankers' Acceptances ("BAs")

A maximum of twenty (20%) of the Investment Portfolio may be invested in domestic Bankers' Acceptances. No portion of the investment portfolio may be invested in foreign BAs. The BAs should be inventory based and not based upon other types of working capital.

As described in Authorized Investments, above, the commercial bank shall be a member of the Federal Reserve System, maintain capital accounts in excess of 7.5% of total assets, and carry a credit rating in one of the two highest alphabetical categories from at least two nationally recognized rating agencies.

The original maturity of the security must be 210 days or less.

The maximum length of maturity of any BA investment shall be 180 days from the date of purchase.

The maximum of 5% of the Investment Portfolio may be invested with any one issuer.

(3) Commercial Paper

A maximum of thirty percent (30%) of the Investment Portfolio may be invested in Commercial Paper issued by a United States Company or by a foreign company via a U.S. subsidiary located in the United States which is listed on any one or more of the recognized stock exchanges and conforms with the periodic reporting requirements of the SEC.

As described in Authorized Investments, above, commercial paper shall be of prime quality, rated by at least two (2) nationally recognized rating agencies in the following manner: Moody's, P1; Standard & Poors, A1+ or A1; Fitch, F1+ or F1.

The maximum length of maturity of any commercial paper investment shall be 270 days from the date of purchase.

The maximum of 5% of the Investment Portfolio may be invested with any one issuer.

(4) Interest Bearing Time Deposits

A maximum of thirty percent (30%) of the Investment Portfolio may be invested in non-negotiable interest bearing time deposits and savings accounts with banks and savings and loan associations so long as these financial institutions are deemed "Qualified Public Depositories" under the Security for Public Deposits Act of the State of Florida, Chapter 280, F.S., as amended. In addition to being a Qualified Public Depository, a bank or savings and loan must also meet its primary capital requirements. The District's investment in any one Qualified Public Depository shall be limited to the lesser of 15% of the financial institution's capital or net worth or \$20 million.

The maximum maturity of any time deposit shall be one (1) year.

(5) Government Securities

A maximum of one hundred percent (100%) of the Investment Portfolio may be invested in Government Securities. A minimum of thirty percent (30%) of the Investment Portfolio shall be invested in Government Securities. Government Securities shall include direct obligations of the United States of America, obligations the principal and interest of which are unconditionally guaranteed by the United States Government. Government Securities will also include obligations of Federal agencies and instrumentalities

The District may invest in bonds, debentures, notes or callable bonds issued or guaranteed by United States Government sponsored agencies (Federal Instrumentalities) which are non-full faith and credit agencies limited to the following:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its district banks (FHLB)
- Federal National Mortgage Association (FNMA)
- Federal Home Loan Mortgage Corporation (Freddie-Macs)
including Federal-Home Loan Mortgage Corporation
participation certificates
- Student Loan Marketing Association (Sallie-Mae)

A maximum of thirty percent (30%) of the Investment Portfolio maybe invested in the securities of the aforementioned agencies where the evidence of indebtedness is an adjustable rate security or the interest rate is determined by some other source (i.e. collateralized mortgage obligations (CMOs) when said CMOs pass the FFIEC test.)

The maximum term to maturity of any government security shall be thirty (30) years; however, investments for the portfolio will be made in concert with the duration parameters and cash flow requirements stated previously.

(6) Corporate Bonds

A maximum of fifty percent (50%) of the Investment Portfolio may be invested in Corporate Bonds, defined as interest bearing bonds, debentures, and other such evidences of indebtedness with a fixed maturity of any domestic corporation within the United States .

Investments in 144A securities may not exceed ten (10%) of the Investment Portfolio. Individual 144A investments must be in securities that are of size to be index eligible.

At purchase, corporate bond investments shall carry investment grade ratings from at least two (2) nationally recognized rating agencies (for example; Standard and Poors "AAA", "AA", "A" or "BBB") or such debt may be secured by a letter of credit by a commercial bank rated as above. Rating changes during the holding period will be monitored and evaluated to minimize loss to the District. Bond Ratings will be checked quarterly at a minimum.

The maximum amount held in BBB rated Corporate securities will not exceed 15%.

The maximum amount held in AAA rated Asset-Backed Securities ("ABS"), Commercial Mortgage-Backed Securities ("CMBS"), and Residential Mortgage Backed Securities ("RMBS"), collectively known as Securitized Investments will not collectively exceed 15%.

The maximum amount to be held in the portfolio of any one industry will not exceed 15%.

The maximum amount to be held in the portfolio from any one issuer will not exceed 5%.

The maximum maturity of any corporate issue will not exceed ten (10) Years.

The maximum amount of corporate investments (defined as Corporate Bonds, Commercial Paper and Securitized Investments) in the Investment Portfolio will not exceed fifty percent (50%).

If a security is downgraded to below investment grade by any of the rating agencies, the Trustees and the investment consultant must promptly (within 30 days) be informed as to the security's information and the investment manager's plan of action in regard to the security.

(7) Repurchase/Reverse Repurchase Agreements

A maximum of fifty percent (50%) of the Investment Portfolio may be in Repurchase Agreements. Further, to provide additional diversification, up to fifty percent (50%) of those amounts authorized to be in Repurchase Agreements may be invested with any one (1) counterparty.

The maximum term of a Repurchase Agreement will be six (6) months.

All firms with whom the South Broward Hospital District enters into Repurchase Agreements ("Repo") shall have in place an executed Master Repurchase Agreement using the Public Securities Association (PSA) Master Repurchase Agreement as a guide. Such agreement will address, at a minimum, the following:

- A. Representations that the parties to the agreement are duly authorized to execute and deliver said agreement and the transactions contemplated thereby.
- B. Securities underlying the Repo must be periodically marked to market. Disposition of any interest paid on the underlying security to the transaction should be determined (i.e. retained by buyer or returned to seller).
- C. In the event an independent third party acts as custodian to the underlying securities, the securities underlying the repo are to be held separate from its own assets and from the seller's assets.
- D. Each party's rights in the repo and the significant conditions of those rights. Significant conditions may include:
 - 1. Specifications for delivery of the underlying securities.
 - 2. Rights of the purchaser to liquidate securities in the event of default by the seller.
 - 3. Required margin over cost of underlying securities.
 - 4. Specifications for the re-pricing of the market value of the underlying securities, as necessary.
 - 5. Rights and/or specifications regarding the substitution of securities.
 - 6. Rights regarding additional securities or return of cash when the market value of securities falls below the

necessary margin.

7. Any remedial action that may be taken in the event of a violation of the repo provisions.

E. Securities which are authorized for purchase by the District under repurchase agreements include only the following:

US Treasury Bills, Notes, and Bonds
Federal Agencies limited to those referenced above in VII (5)

F. Securities held in the Investment Portfolio under repurchase agreements will not be subject to tests for duration or performance as above.

(8) A maximum of 50% of the investment portfolio may be invested in Securities and Exchange Commission registered money market funds with the highest credit quality from a nationally recognized rating agency.

(9) Municipal Securities

A maximum of thirty percent (30%) of the Investment Portfolio may be invested in taxable or non-taxable municipal bonds.

At purchase, municipal bond investments shall carry ratings in one of the top two classifications of at least two (2) nationally recognized rating agencies (for example; Standard and Poor's "AAA" or "AA") or such debt may be secured by bond insurance or a letter of credit by a commercial bank rated as above. The maximum amount to be held in the portfolio from any one issuer will not exceed 5%. The maximum maturity of any municipal issue will not exceed ten (10) years.

(10) Supranational Securities

The maximum maturity of any Supranational issue shall not exceed five and one-half (5.5) years. A maximum of twenty-five percent (25%) of the Investment Portfolio may be invested in such obligations. The maximum amount to be held in the portfolio from any one issuer will not exceed five percent (5%).

(11) Equity Mutual Funds and Exchange Traded Funds

Investments in equity mutual funds and exchange traded funds must be registered under the securities Act of 1940 or otherwise SEC-registered, sponsored by a well-known and highly regarded company, and have daily liquidity.

(12) Commingled Funds

Investments in commingled funds must be approved by the Finance Committee and be sponsored by a well-known and highly regarded company.

VIII. INVESTMENT PERFORMANCE OBJECTIVES AND TARGETS

The Investment Performance Objectives and Targets described below should be viewed as broad guidelines. Failure by a manager to meet one or more of these objectives or targets does not necessarily constitute cause for dismissal, but rather should serve to raise issues for the Finance Committee to review with the investment consultant.

Time Horizon. Progress of the Portfolios against their return objectives will be measured over a full market cycle, generally three to five years. For the investment portfolio's purposes, a full market cycle encompasses both a down leg and an up leg, in either order. The up or down portions each will be of at least two consecutive quarters in length. Shortfalls relative to the return objectives for the Portfolios and will be tolerated over portions of the market cycles, provided that the return objectives for the Plan are met over the full market cycle.

Return Goals. Each component of the investment portfolio is expected to earn a rate of return net of fees greater than its corresponding benchmark index. Deviations from this expectation may result, for example, if the volatility of quarterly returns is proportionately less than the benchmark index.

- **Allocation Index.** The Allocation Index is constructed by selecting appropriate benchmark indices and assigning beginning of the quarter weightings by asset class. The total return of the Plan is expected to exceed the total return of the Allocation Index.
- **Policy Index.** The Policy Index is constructed by selecting appropriate benchmark indices and assigning constant weightings consistent with the target asset allocation. The total return of the Plan is expected to exceed the total return of the Policy Index
- **Statistical Universe of Similar Mandates – Peer Group Comparisons.** Portfolio and manager performance will be compared to relevant InvestorForce Investment Metrics Peer universes. InvestorForce Investment Metrics is a subsidiary of MSCI Confluence. The platform is utilized by 45 investment consulting firms with over 3,500 members 80% of the top 20 investment consulting companies. (Investment Metrics acquired InvestorForce).
- **Risk Adjusted Performance.** The Sharpe Ratio divides the excess return (portfolio return less risk-free return) by the standard deviation of total return, and will be the measure of risk-adjusted performance. Over a market cycle, the Sharpe Ratios for the Total Portfolio and each component are expected to exceed the Sharpe Ratios for the appropriate comparative indices.

Automatic Review of Investment Managers. Investment performance reviews of all managers and strategies will be conducted quarterly, or at the request of the Finance Committee, to ascertain progress against the return objectives of each component. The reports will cover these basic areas: returns, comparisons of returns to benchmarks and a statistical universe of similar portfolios, diagnostic risk analyses, and compliance with relevant policies and objectives. Beyond these customary reviews, certain circumstances or events identified by the investment consultant may trigger automatic formal reviews and where appropriate, reconsideration by the Finance Committee of the appropriateness of continuing to use the affected manager in the investment structure.

IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Investment managers shall only purchase securities from financial institutions, which are qualified as public depositories by the Treasurer of the State of Florida, or institutions designated as "Primary Securities Dealers" by the Federal Reserve Bank of New York. Investment managers shall only enter into repurchase agreements with financial institutions that are state qualified public depositories and primary securities dealers as designated by the Federal Reserve Bank of New York.

X. BID REQUIREMENTS

Security Sales. All security sales, regardless of the security type, will be executed to produce the highest net proceeds to the District. The fixed income traders are required to seek bids from multiple dealers that are known market makers in the security being sold. The trader will record the winning bid and document the decision-making process. Documentation of trade will be available for review in order to verify best execution.

Security Purchases. All security purchases, regardless of the security type, will be executed to produce the lowest net cost to the client. The fixed income traders, who are organized by specialized security type, are expected to be knowledgeable regarding the general level of prices at which securities have recently traded. The traders also maintain close contact with the major securities dealers to determine those securities that are currently offered for sale. For the purchase of "on-the-run" issues, the traders will seek offerings from a minimum of three dealers and will record the lowest cost offering along with the two next lowest offerings on the purchase trade ticket. Due to the limited supply of many fixed income issues, a given security may be only available from one dealer. In these cases, the fixed income trader and the portfolio manager will use their combined knowledge of the levels at which comparable securities have recently traded to determine an appropriate price to pay for the security.

XI. RESPONSIBLE OFFICIALS - SIGNATURES

In accordance with a Board resolution, which may be amended from time to time, documents requiring signatures will bear the signatures as provided therein. The President and Chief Executive Officer, the Executive Vice President and Chief Strategy Officer, and the Executive

Vice President and Chief Financial Officer are the designated “Authorized Officers” by the resolution and acting together their signatures will appear related to the opening and closing of accounts and transfer of securities and funds. For investments under certain bond covenants and self-insurance trusts, the indenture or agreements adopted by the Board of Commissioners will prevail.

XII. INTERNAL CONTROLS

To safeguard the funds of the District and ensure the proper recording of investment transactions, internal controls will be in place. Internal controls will, at a minimum, include the following:

- Upon request each investment managers shall complete documentation showing the bids/offer received and the winning bid/offer, as applicable.
- Securities transactions will be reviewed by the Treasurer / Director of Treasury Services using a sample of trade confirms.
- All securities will be transferred DVP (Delivery vs. Payment).
- The investment consultant will provide a monthly flash report for District management and the Finance Committee to show investment performance and activity. This same report is available for the Accounting Manager or designee, for purposes of reconciling custodian and investment manager statements.
- A review of the portfolio and investment activity will be conducted by the District’s independent auditors as a part of the annual audit of the District.
- At least quarterly, a portfolio performance and manager attribution report will be prepared for the District's Finance Committee for acceptance by the Board of Commissioners at its next regularly scheduled meeting.
- Monthly statements from the custodian and investment managers will be maintained electronically.

XIII. CONTINUING EDUCATION

The Treasurer/Director of Treasury Services and appropriate staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

XIV. COMMISSION RECAPTURE AND TRANSITION MANAGEMENT

Commission Recapture. District Management, at its discretion, may encourage its investment managers to direct a significant portion of all brokerage transactions for the investment portfolio assets through designated commission recapture brokers. Best execution is defined as achieving the most favorable price and execution service available, bearing in mind the District’s best interests, and considering all relevant factors.

All rebates or credits from commissions paid by the investment portfolio’s Managers to the commission recapture brokers will be realized in cash and used exclusively to reduce the normal operating expenses of the investment portfolio

Transition Management. During periods of large scale asset movements as a result of manager terminations, manager hiring, or other significant liquidations, the Finance Committee may elect to use a transition manager to seek the lowest cost, best execution possible. Due to the time sensitive nature surrounding the transition of assets, the Finance Committee may delegate authority to District Management in consultation with the investment consultant to select the transition manager.

XV. POLICY AMENDMENTS

This investment policy may be amended by presentation of such amendments to the Finance Committee who will make its recommendations for amendment to the District's Board of Commissioners at its next regularly scheduled meeting. The current policy will remain in effect until the new or amended policy is approved by the Board.

XVI. POLICY ADOPTION

This Investment Policy was approved by the Board of Commissioners at its meeting held on

~~August-January 25220, 2021-2025.~~

Secretary/Treasurer, Board of Commissioners

Chair, Board of Commissioners