

**CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND**

CALENDAR OF ITEMS

REGULAR BOARD MEETING

JUNE 20, 2024

AGENDA ITEM 1

CALL TO ORDER

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 2
ROLL CALL
PLEDGE OF ALLEGIANCE

AGENDA ITEM 2.A.
AGENDA ADOPTION



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2600 Hollywood Blvd. • City Hall Annex Building, 2ND Floor, Room 20 • Hollywood, FL 33020
(954) 921-3333 • (954) 921-3332 Fax • www.hollywoodpension.com

AGENDA REGULAR PENSION BOARD MEETING THURSDAY, JUNE 20, 2024 at 9:00 AM CITY HALL, ROOM 219, 2600 HOLLYWOOD BOULEVARD

1. CALL TO ORDER
2. ROLL CALL AND PLEDGE OF ALLEGIANCE
 - A. Agenda Adoption
 - B. Absent and Excused
3. CONSENT AGENDA
 - A. May 28, 2024 Regular Meeting Minutes
 - B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
 - C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities
4. FINANCIAL
 - A. Actuarial Valuation Report as of October 1, 2023 - Updated
 - B. Financial Reports and Investment Summary
5. INVESTMENT (Segal Marco Advisors)
 - A. April 2024 Flash Performance Report
 - B. Apogem Private Equity (fka Goldpoint)
 - C. Fiscal Year 2023 Manager Fee Detailed Schedule
 - D. 2023 Segal Manager Research Meetings Memorandum
 - E. Work Plan 2024
6. LEGAL (Ron Cohen – Lorium Law)
 - A. Legal Update
 - B. Request for Executive Session to Discuss Pending Litigation
7. EXECUTIVE DIRECTOR'S REPORT
 - A. City Commission Communication
 - B. CPMS Update
 - C. Communications from the Executive Director
8. PUBLIC COMMENTS
9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS
10. ADJOURNMENT

*PERSONS WITH DISABILITIES WHO REQUIRE REASONABLE ACCOMMODATION TO PARTICIPATE IN AN EMPLOYEES' RETIREMENT FUND BOARD MEETING MAY CALL THE PENSION OFFICE FIVE (5) BUSINESS DAYS IN ADVANCE AT 954-921-3333 (VOICE). IF AN INDIVIDUAL IS HEARING OR SPEECH IMPAIRED, PLEASE CALL 800-955-8771 (V-TDD). * ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSES MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE. * THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATION MEDIA TECHNOLOGY, THE TYPE BEING A SPEAKER TELEPHONE. * IN COMPLIANCE OF STATE LAW, THE BOARD OF TRUSTEES FINDS THAT A PROPER AND LEGITIMATE PURPOSE IS SERVED WHEN MEMBERS OF THE PUBLIC HAVE BEEN GIVEN A REASONABLE OPPORTUNITY TO BE HEARD ON A MATTER BEFORE THE BOARD. THEREFORE, THE BOARD OF TRUSTEES HAVE DETERMINED AND DECLARED THAT THEY WILL ALLOW THE PUBLIC TO COMMENT; HOWEVER, EACH PERSON IS LIMITED TO NO MORE THAN (3) THREE MINUTES TO COMMENT AT EACH MEETING. * TWO OF MORE MEMBERS OF ANY OTHER CITY BOARD, COMMISSION, OR COMMITTEE, WHO ARE NOT MEMBERS OF THE EMPLOYEES' RETIREMENT FUND BOARD MAY ATTEND THIS MEETING AND MAY, AT THAT TIME, DISCUSS MATTERS ON WHICH FORESEEABLE ACTION MAY LATER BE TAKEN BY THEIR BOARD, COMMISSION, OR COMMITTEE. *

AGENDA ITEM 2.B.

ABSENT AND EXCUSED

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 3.A.

CONSENT AGENDA

MAY 28, 2024

REGULAR MEETING MINUTES

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, MAY 28, 2024 AT 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:10a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair Barbara Armand; Secretary Robert Strauss, Jeffrey Greene; and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds of Segal Marco; Ron Cohen of Lorium Law; Jeffrey Amrose and Trisha Amrose of Gabriel Roeder, Smith, and Company.

Trustee George Keller was absent.

A. May 28, 2024 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to adopt the May 28, 2024 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

3. CONSENT AGENDA

- A. April 23, 2024 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to approve Consent Agenda Items 3a through 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

4. FINANCIAL

A. Actuarial Valuation Report as of October 1, 2023

Mr. Jeffrey Amrose of Gabriel Roeder, Smith and Company (GRS) reviewed the Actuarial Valuation Report as of October 1, 2023. He advised that the Actuarially Determined Contributions were \$28,087,036 as of October 1, 2024, an increase of \$1,578,036. He stated that the increase was primarily due to increases in Normal Cost and the amortization payments on the unfunded accrued liability. He stated that while the Normal Cost decreased as a percentage of payroll, it increased by \$300,000 because payroll increased by 12%. He further stated that the method used to calculate the amortization payments on the unfunded accrued liability and the losses from prior years increased the amortization payment by \$1.28 million. He advised that the conditions were not met for a supplemental pension distribution for Fiscal Year 2023.

Mr. Amrose noted that the Funded Ratio was 64.8% as of October 1, 2023, up from 64.4% a year earlier. He stated that this was considered low but noted that the Board had taken steps to improve the ratio. He stated that the steps the Board had taken to improve the funded ratio included, lowering the assumption rate and amortization period. In response to a question, Mr. Amrose advised that the recognized investment return based on the actuarial value of assets was different from that based on the market value of assets because of the asset-smoothing method used in determining investment return.

Trustee Strauss noted the higher number of deaths in recent years and asked how it had affected the valuation. Mr. Amrose advised that the impact of these deaths was modest. He noted that the main sources of the gains and losses were the investments. In response to a question from Trustee Strauss, Mr. Amrose reminded the Board that you cannot look at one number to compare plans. He noted that another plan might look healthier than this plan if using more aggressive assumptions, however, if using this plan's assumptions, they could be less healthy than this plan.

B. Experience Investigation for the 8-Year Period Ended September 30, 2023

Jeffrey Amrose and Trisha Amrose of GRS presented the results of their May 24, 2024 experience investigation for the 8-years ended September 30, 2023. Before discussing details, Mr. Amrose emphasized that actuarial assumptions did not control the cost of

the Fund but rather alter the timing of when Fund contributions were made to cover actual experience. He advised that by using assumptions which most accurately reflect the Fund's actual experience on a year-to-year basis, the annual costs of the Fund would be more realistic and large contributions in future years due to large actuarial losses can be avoided.

Mr. Amrose reviewed the experience of each assumption and provided the following recommendations to the Board for consideration:

- Slightly higher future salary increase rate assumptions to reflect higher salary percentage increases in the early years of employment and spikes from the new longevity pay package now offered by the City.
- Change the retirement rate assumptions to reflect the significantly higher levels of retirements experienced than expected.
- Change the withdrawal rate assumptions to reflect the higher amounts of withdrawals experienced than expected.
- Significantly lower the rates of disability to reflect the significantly lower amount of disability retirements experienced than expected.
- Change the current method of calculating the administrative assumption expense from the prior year's expense to an average of the prior two years' expenses to dampen volatility.
- Lower the amortization period to 20 years. He noted that continuing to lower the amortization period by one year each year would be acceptable.
- Lower investment return assumption to 6.75% or 6.50% net of investment expenses. He noted however, that the current 7.0% net of investment expenses assumption was within the realm of reasonableness.

The Board discussed the recommendations. Trustee D. Keller noted that a lot of people retired during COVID and questioned whether that was considered in drafting the assumption. Mr. Amrose noted that some consideration was given to the impact of COVID but he noted that the proposed assumptions maintained the credibility of the prior assumptions which was a less volatile experience. The Board requested that the Actuary revisit the retirement assumptions and the impact of retirement spikes from plan changes and COVID during the experience period.

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to adjust the Fund's assumptions on Administrative Expenses, Salary Increase Rates, Withdrawal Rates, and Disability Rates; to not make adjustments on the Retirement Rate and ask the Actuary to revisit his recommendation based on the meeting discussions; to adjust the amortization rate by one year, each year until it reaches a 20-year amortization, and to wait one year before considering a change to the Interest Rate Assumption. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

C. Proposed Capital Budget for Fiscal Years 2022-2024

Ms. Bailey presented the Proposed Capital Budget Modification for Fiscal Years 2022-2024 in reallocate funds within the budget from contingencies to reflect renovation and CPMS project expenditures which the Board had previously approved.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to approve the recommended modification in the Capital Budget. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

D. Proposed Budget for Fiscal Year 2025

Ms. Bailey presented the Proposed Budget for Fiscal Year 2025 for \$2,116,700. She noted that there would be additional estimated Investment Fees not paid directly by the Fund of \$3,488,100.

MOTION made by Trustee Greene, seconded by Trustee Armand, to accept the Proposed Budget for Fiscal Year 2025 as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

- E. Financial Reports and Investment Summary
Ms. Bailey provided the Board with the Preliminary April 2024 Financial Report and Investment Summaries. She also provided the Budget Variance Report as of April 30, 2024.

5. INVESTMENT (Keith Reynolds – Segal Marco)

- A. March 2024 Flash Performance Report
Mr. Reynolds provided the Board with the Flash Performance Report for March 2024. He noted that the Fund's market value of assets as of March 31, 2024 increased to \$465.6 million. He also noted that the estimated return for the Fund was up 2.0% net of fees for the month of March 2024, and up 10.7% net of fees for the fiscal year to date.
- B. Fourth Quarter Performance Review
Mr. Reynolds reported the Fund's performance for the quarter ended December 31, 2023. He noted that the assets available for investments were \$456.3 million and performance was 6.6% net of fees for the quarter. He noted that the Fund outperformed its peers across the three-, five-, seven-, and ten-year periods.
- C. 2024 Work Plan
Mr. Reynolds reviewed the 2024 Work Plan.

Mr. Reynolds noted that expected 10-year geometric return on the City of Hollywood Investments, based on Segal's projection, was 7.5%, and the 20-year geometric return was 7.2%. He advised that these projections were supported by the Fund's asset allocation.

6. LEGAL (Ron Cohen – Lorium Law)

- A. Legal Update
Mr. Cohen advised that Brightwood had sent a new side letter that included a slight advantage on records and would be ready for signature shortly.
- B. Overview of Form 1
Mr. Cohen urged Trustees to complete the Form 1 timely as there were penalties for late filing. He noted that each trustee should have received an email containing a Username and Password. He advised that Trustees could go directly to the Commission of Ethics website and get their Username and Password. He noted that the Form could only be filed electronically. He noted that the form no longer had to be sent to their Supervisor of Elections.
- Trustee Shaw recommended that the Trustees submit their questions to Ms. Bailey to aggregate and forward to Mr. Cohen for a response. Mr. Cohen noted that the Commission had staff trained and available to answer questions on the form.
- C. Request for Executive Session to Discuss Pending Litigation
Mr. Cohen requested an Executive Session to discuss the pending lawsuit Virginia Tisdale-Ferguson v. Blanche T. Pressley and the Board of Trustees of the City of Hollywood Employees' Retirement Fund.

7. EXECUTIVE DIRECTOR'S REPORT

- A. City Commission Communication
The Board received the City Commission Communication with amendments.
- B. Communications from the Executive Director
- Ms. Bailey reminded the Board that the benefit payments of one retiree was stopped in 2023. She advised that the Fund had not yet communicated with the

retiree. She reported that nine retirees' benefit payments were stopped in May 2024. She advised that two of those stopped had reached out to the Office and once their certificates were received, they would be restarted.

- Ms. Bailey advised that Human Resources had not yet completed their review of a disability application as the applicant had been unresponsive and unavailable to meet. She advised that she had reviewed the Disability Procedures with Mr. Cohen and expected to make recommendations for changes in the procedures at an upcoming meeting.
- Ms. Bailey advised that there was a three week lag in the delivery of materials for the Pension Office renovation and once the materials had arrived, the Department of Design and Construction management would provide an updated timeline for completion.
- Ms. Bailey advised that 109 active, vested and retired members as well as beneficiaries in pay would begin testing the Member Self Service (MSS) Portal on June 4th. She advised that the MSS Portal should be available to all members in September.
- Ms. Bailey advised that June 26th there would be a Special Commission meeting for Board Appointments.
- Ms. Bailey provided the Board with the DROP Participant List.

8. PUBLIC COMMENTS

There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Greene asked if someone had applied for the Board position. Ms. Bailey confirmed that one person had applied.

10. ADJOURNMENT

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. The meeting adjourned at 11:45a.m.

Phyllis Shaw, Chair

Date

AGENDA ITEM 3.B.

CONSENT AGENDA

**RATIFICATION OF DISTRIBUTIONS (CONTRIBUTIONS AND
DROP) AND PLAN EXPENSES**

EMPLOYEES' RETIREMENT FUND
Refunds and DROP Distributions
June 20, 2024 Regular Pension Board Meeting

| Name | Refund |
|---|----------------------|
| <u>Refunds of Contributions</u> | |
| Burros, Olusola | \$ 1,279.72 |
| Galvez, Chaneyda | 3,999.65 |
| Hollingsworth, Lexus | 4,669.27 |
| Palmer, Antonio | 3,282.52 |
| Pereira, Natalia | 1,236.26 |
| Pressey, Markus | 2,934.44 |
| Thompson, Shellie-Ann | 3,777.48 |
| Zayas-Morales, Michael | 2,739.46 |
| | \$ 23,918.80 |
| <u>Planned Retirement</u> | |
| None | \$ - |
| <u>Partial Lump Sum Distribution</u> | |
| None | \$ 0.00 |
| <u>DROP Distributions</u> | |
| D'Arpino-Vazques, Linda | \$ 263,914.93 |
| | \$ 263,914.93 |
| TOTAL: | \$ 287,833.73 |

**CITY OF HOLLYWOOD
EMPLOYEES RETIREMENT FUND
Disbursements Processed
May 1, 2024 to May 31, 2024**

| | |
|--|------------------------------|
| 2450 Center Court Condominium | (\$3,717.22) |
| Gary Tunncliffe & Jack Ziegler LLC | (\$20,025.00) |
| Principal Custody Solutions (Jan-Mar 2024) | (\$12,762.79) |
| Segal Advisors Inc (April 2024) | (\$4,166.67) |
| Segal Advisors Inc (April 2024) | (\$10,833.33) |
| The Northern Trust Company (Jan-Mar 2024) | (\$8,251.31) |
| Wellington Trust Company (Jan-Mar 2024) | <u>(\$95,539.42)</u> |
| | <u><u>(\$155,295.74)</u></u> |

AGENDA ITEM 3.C.

CONSENT AGENDA

APPROVAL/RATIFICATION OF NEW RETIREMENT

/DROP/VESTED/DEATH ANNUITIES

EMPLOYEES' RETIREMENT FUND
New Retirement/DROP/Death/Vested Annuities - Monthly Amounts
June 20, 2024 Regular Pension Board Meeting

| <u>New Retirement</u> | <u>Future Benefit</u> | <u>Pension</u> |
|--|-----------------------|----------------|
| Bacchus, Ashraf - 01/01/2024 | Normal Annuity | \$ 720.32 |
| D'Arpino-Vazquez, Linda - DROP 01/01/2020 | Normal Annuity | \$ 3,133.26 |
| Porter, Paula - Beneficiary of Troy Porter | None - Beneficiary | \$ 3,840.10 |
| Santiago, Cesar - 04/02/2024 | Normal Annuity | \$ 1,885.18 |
| Stabile, Jennifer - 04/16/2024 | Normal Annuity | \$ 759.18 |

Benefits Stopped

| | | |
|-----------------------------------|--------------------|---------------|
| Greca, Anna - Died 04/30/2024 | None - Beneficiary | \$ (905.12) |
| Porter, Troy - Died 04/24/2024 | Joint & Equal | \$ (3,840.10) |
| Thoampson, Joan - Died 04/05/2024 | None | \$ (2,130.15) |

Benefits Stopped May 25, 2024- Missing Life Certificates

| | |
|--------------------|-------------|
| Anderson, Mark | \$ 914.79 |
| Dees, Thomas | \$ 516.93 |
| Marks, David | \$ 1,215.59 |
| Prendes, Ernest | \$ 2,200.69 |
| Rizzo, Steve | \$ 3,544.74 |
| King Soto, Sherian | \$ 1,148.28 |
| Thomas, Jason | \$ 377.74 |
| Vassall, Violet | \$ 927.20 |

AGENDA ITEM 4.A.

FINANCIAL

**ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2023 - UPDATED**

City of Hollywood
Employees' Retirement Fund
ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2023

ANNUAL EMPLOYER CONTRIBUTION FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2025





June 7, 2024

Board of Trustees
City of Hollywood Employees' Retirement Fund
Hollywood, Florida

**Re: City of Hollywood Employees' Retirement Fund
Actuarial Valuation as of October 1, 2023**

Dear Members of the Board:

The results of the October 1, 2023 Annual Actuarial Valuation of the City of Hollywood (City) Employees' Retirement Fund (Retirement Fund or Plan) are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement Fund and those designated or approved by the Board. This report may be provided to parties other than the Retirement Fund only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Retirement Fund's funding progress and to determine the employer contribution rate for the fiscal year ending September 30, 2025. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics in Section A but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through October 1, 2023. The valuation was based upon information furnished by the Plan Administrator and the City concerning plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

This report was prepared using certain assumptions approved by the Board as authorized under and prescribed by the Florida Statutes, as described in the section of this report entitled Actuarial Assumptions and Cost Method. The investment return assumption was prescribed by the Board, and the assumed mortality rates were prescribed by the Florida Statutes in accordance with Chapter 112.63, Florida Statutes.

All actuarial assumptions used in this report are reasonable for purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report entitled Actuarial Assumptions and Cost Method.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.


Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company (GRS) will be pleased to review this valuation and report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By: 
Jeffrey Amrose, MAAA, FCA
Enrolled Actuary No. 23-6599
Senior Consultant & Actuary


By: 
Trisha Amrose, MAAA, FCA
Enrolled Actuary No. 23-8010
Consultant & Actuary



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SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The following is a comparison of required contributions developed in this year's and last year's actuarial valuations.

| Required Employer Contribution | For FYE 9/30/2025 Based on 10/1/2023 Valuation | For FYE 9/30/2024 Based on 10/1/2022 Valuation | Increase (Decrease) |
|---|---|---|------------------------|
| If paid in full on October 1 Date of Payment | 10/1/2024 | 10/1/2023 | |
| Actuarially Determined Contribution As a Dollar Amount | \$ 28,245,281 | \$ 26,508,097 | \$ 1,737,184 |
| As % of Covered Payroll | 59.27 % | 62.61 % | (3.34) % |

Payment of Required Contribution

The required contribution displayed above is the required contribution if the payment is made in full on the first day of the fiscal year. The required contribution if paid biweekly during the fiscal year, adjusted for interest on the basis that payment is made at the end of each pay period, is \$29,075,381, or 61.19% of covered payroll, for the fiscal year ending September 30, 2025.

The actual employer contribution for the fiscal year ending September 30, 2023 was \$25,542,306 (\$25,492,473 from the City plus \$49,833 from the County). The actuarially determined minimum required contribution was \$25,505,646.

Revisions in Benefits

There were no revisions in benefits since the previous valuation.

Revisions in Actuarial Assumptions or Methods

The assumed rates of salary increase, withdrawal and disability, and the administrative expense assumption, were updated. In addition, the amortization period for new unfunded actuarial accrued liability bases will continue to be lowered by one year in each future valuation until 20 years is reached. The retirement rates are under further review and will be updated in the October 1, 2024 actuarial valuation report. Please see the Experience Investigation for the 8-Year Period Ended September 30, 2023



report dated May 24, 2024 for additional details. The assumption changes increased the required employer contribution by 0.16% of covered payroll.

Actuarial Experience

There was a net actuarial loss of \$9,419,774 for the year, which means that actual experience was less favorable than anticipated. The loss is primarily due to the recognized investment return falling below the assumed rate of 7.0%, a greater number of service/DROP retirements during the year than expected (25 actual vs. 12 expected), and higher than expected salary increases on average for continuing active members (11.4% actual vs. 5.8% expected). The recognized investment return was 6.0% based on the actuarial value of assets (9.9% based on the market value of assets). The net loss increased the required employer contribution by 1.20% of covered payroll.

Supplemental Pension Distribution

Since the investment return for the fiscal year ending September 30, 2023 is below 11.5% (i.e., 4.5% above the 7.0% assumed rate effective for the fiscal year ending September 30, 2023), a Supplemental Pension Distribution is not payable for the fiscal year ending September 30, 2023.

Funded Ratio

The funded ratio this year is 64.5% (64.8% before the assumption changes) compared to 64.4% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Analysis of Change in Employer Contributions

The components of change in the required employer contribution as a percent of payroll reflecting bi-weekly timing are as follows:

| | |
|----------------------------------|---------------|
| Contribution Rate Last Year | 64.81 % |
| Changes in Benefits | 0.00 |
| Changes in Actuarial Assumptions | 0.16 |
| Actuarial Experience | 1.20 |
| Amortization Payment on UAAL | (4.29) |
| Normal Cost Rate | (0.52) |
| Administrative Expenses | <u>(0.01)</u> |
| Contribution Rate This Year | 61.35 |



Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Actuarial Value of Assets exceeds the Market Value of Assets by \$13,885,236 as of the valuation date (see Section C). This difference will be gradually recognized over the next several years. In turn, the computed employer contribution rate will increase by approximately 1.77% of covered payroll over the same period in the absence of offsetting gains.

Another potential area of variability has to do with the annual payment on the unfunded accrued liability (UAL). This payment is computed as a level percent of covered payroll under the assumption that covered payroll will rise by 3.5% per year or, if less, the average payroll growth over the most recent ten years. The most recent ten-year average is 5.10% (5.07% before assumption changes) compared to 3.46% last year. If the ten-year average falls below 3.5% next year, the amortization payments will increase. For example, if the payroll growth assumption was lowered to 0%, the UAL payment would have increased from \$22,705,365 to \$27,272,355.

Relationship to Market Value

If market value of assets had been used in the valuation instead of the actuarial value of assets, the City contribution rate on a bi-weekly basis would have been 63.12% (62.96% before the assumption changes), and the funded ratio would have been 62.4% (62.6% before the assumption changes). In the absence of other gains and losses, the City contribution rate should increase to that level over the next several years.

Conclusion and Recommendations

It is important to note that plan assets are not sufficient to cover the liabilities for current inactive members. As of October 1, 2023, the market value of assets is \$404.1 million, and the liability for current inactive members is \$539.7 million.

The funded ratio dropped from 82.5% in 2000 to the current level of 64.5%. Some steps have been taken to improve funding, such as strengthening the actuarial assumptions including lowering the assumed investment return rate and shortening the amortization period.

The remainder of this report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.



RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy and Florida Statutes. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.



Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Ratio of the market value of assets to payroll | 8.78 | 9.27 |
| Ratio of actuarial accrued liability to payroll | 14.07 | 15.44 |
| Ratio of actives to retirees and beneficiaries | 0.5 | 0.5 |
| Ratio of net cash flow to market value of assets | -2.82 % | -3.95 % |

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.



Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: \$849,038,566 (compared to Actuarial Accrued Liability of \$647,851,952 developed using funding assumptions)

B. Discount rate used to calculate the LDROM: 4.63% based on Fidelity Investments’ “20-Year Municipal GO AA Index” as of September 29, 2023

C. Other significant assumptions that differ from those used for the funding valuation: None

D. Actuarial cost method used to calculate the LDROM: Individual Entry-Age Actuarial Cost Method

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: None

F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.



SECTION B

VALUATION RESULTS

| PARTICIPANT DATA | | | |
|---|---|--|------------------------|
| | October 1, 2023 After Assumption Changes | October 1, 2023 Before Assumption Changes | October 1, 2022 |
| ACTIVE MEMBERS | | | |
| Number | 621 | 621 | 587 |
| Covered Annual Payroll | \$ 46,043,744 | \$ 45,909,716 | \$ 40,906,705 |
| Average Annual Payroll | \$ 74,145 | \$ 73,929 | \$ 69,688 |
| Average Age | 46.4 | 46.4 | 47.0 |
| Average Past Service | 7.6 | 7.6 | 8.3 |
| Average Age at Hire | 38.8 | 38.8 | 38.7 |
| ACTIVE TRANSFERS | | | |
| Number | 0 | 0 | 6 |
| Covered Annual Payroll | \$ 0 | \$ 0 | \$ 783,331 |
| Average Annual Payroll | \$ 0 | \$ 0 | \$ 130,555 |
| Average Age | 0.0 | 0.0 | 46.8 |
| Average Past Service | 0.0 | 0.0 | 3.3 |
| RETIRES, BENEFICIARIES & DROP PLAN MEMBERS | | | |
| Number | 1,129 | 1,129 | 1,123 |
| Annual Benefits ¹ | \$ 39,255,565 | \$ 39,255,565 | \$ 38,012,395 |
| Average Annual Benefit | \$ 34,770 | \$ 34,770 | \$ 33,849 |
| Average Age | 68.9 | 68.9 | 68.6 |
| DISABILITY RETIREES | | | |
| Number | 34 | 34 | 36 |
| Annual Benefits ¹ | \$ 1,075,121 | \$ 1,075,121 | \$ 1,080,110 |
| Average Annual Benefit | \$ 31,621 | \$ 31,621 | \$ 30,003 |
| Average Age | 66.7 | 66.7 | 66.1 |
| TERMINATED VESTED MEMBERS | | | |
| Number | 67 | 67 | 63 |
| Annual Benefits | \$ 1,011,608 | \$ 1,011,608 | \$ 941,544 |
| Average Annual Benefit | \$ 15,099 | \$ 15,099 | \$ 14,945 |
| Average Age | 50.3 | 50.3 | 49.2 |

¹ Does not include any Supplemental Pension Distribution.



| ACTUARIALLY DETERMINED CONTRIBUTION (ADC) | | | |
|---|--|---|-----------------|
| A. Valuation Date | October 1, 2023 <i>After Assumption Changes</i> | October 1, 2023 <i>Before Assumption Changes</i> | October 1, 2022 |
| B. ADC to Be Paid During Fiscal Year Ending | 9/30/2025 | 9/30/2025 | 9/30/2024 |
| C. Assumed Date of Employer Contribution | Biweekly | Biweekly | Biweekly |
| D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability | \$ 22,705,365 | \$ 22,553,394 | \$ 21,317,615 |
| E. Employer Normal Cost | 4,584,478 | 4,584,805 | 4,294,202 |
| F. ADC if Paid on the Valuation Date: D + E | 27,289,843 | 27,138,199 | 25,611,817 |
| G. ADC Adjusted for Frequency of Payments | 28,249,436 | 28,092,459 | 26,512,405 |
| H. ADC as % of Covered Payroll | 61.35 % | 61.19 % | 64.81 % |
| I. Assumed Rate of Increase in Covered Payroll to Contribution Year | 3.50 % | 3.50 % | 3.50 % |
| J. Covered Payroll for Contribution Year | 47,655,275 | 47,516,556 | 42,338,440 |
| K. ADC for Contribution Year: H x J | 29,236,511 | 29,075,381 | 27,439,543 |
| L. ADC as % of Covered Payroll in Contribution Year: K ÷ J | 61.35 % | 61.19 % | 64.81 % |
| M. ADC for Contribution Year if Paid in Full on the First Day of the Fiscal Year | 28,245,281 | 28,087,036 | 26,508,097 |
| N. ADC as % of Covered Payroll in Contribution Year: K ÷ J | 59.27 % | 59.11 % | 62.61 % |



| ALLOCATION OF REQUIRED EMPLOYER CONTRIBUTION BY EMPLOYEE GROUP | | | | | | |
|--|--|---------------------------------|------------------------------------|---|---|----------------------|
| Group | Employer Normal Cost (Before Expenses) | % of Total Employer Normal Cost | Active Actuarial Accrued Liability | % of Active Actuarial Accrued Liability | Allocated Required Employer Contribution for FYE 9/30/2025* | |
| | | | | | Percentage | Dollar Amount |
| Non-General Fund Members | \$ 1,066,030 | 29.54% | \$ 33,122,155 | 30.63% | 30.45% | \$ 8,902,875 |
| Grandfathered Non-General Fund Members | 43,502 | 1.21% | 1,887,253 | 1.75% | 1.65% | 483,805 |
| General Fund Members | 2,484,778 | 68.87% | 72,731,422 | 67.26% | 67.53% | 19,743,707 |
| Grandfathered General Fund Members | 13,552 | 0.38% | 389,710 | 0.36% | 0.37% | 106,124 |
| Total | \$ 3,607,862 | 100.00% | \$ 108,130,540 | 100.00% | 100.00% | \$ 29,236,511 |

* The Employer Normal Cost is allocated based on each group's percentage of the Employer Normal Cost for benefits, and the annual payment to amortize the UAL is allocated based on each group's percentage of the Actuarial Accrued Liability for active members.



ACTUARIAL VALUE OF BENEFITS AND ASSETS

| A. Valuation Date | October 1, 2023 <i>After Assumption Changes</i> | October 1, 2023 <i>Before Assumption Changes</i> | October 1, 2022 |
|---|--|---|-----------------|
| B. Actuarial Present Value of All Projected Benefits for | | | |
| 1. Active Members | | | |
| a. Service Retirement Benefits | \$ 150,751,678 | \$ 134,782,754 | \$ 130,833,644 |
| b. Vesting Benefits | 11,719,129 | 10,773,570 | 9,972,307 |
| c. Disability Benefits | 3,863,486 | 14,286,105 | 13,282,595 |
| d. Preretirement Death Benefits | 3,880,925 | 3,595,904 | 3,445,054 |
| e. Return of Member Contributions | 1,564,249 | 1,593,271 | 1,300,094 |
| f. Total | 171,779,467 | 165,031,604 | 158,833,694 |
| 2. Inactive Members | | | |
| a. Service Retirees & Beneficiaries | 517,754,395 | 517,754,395 | 505,305,813 |
| b. Disability Retirees | 12,489,668 | 12,489,668 | 12,831,568 |
| c. Terminated Vested Members | 9,477,349 | 9,477,349 | 8,626,332 |
| d. Total | 539,721,412 | 539,721,412 | 526,763,713 |
| 3. Total for All Members | 711,500,879 | 704,753,016 | 685,597,407 |
| C. Actuarial Accrued (Past Service) Liability (Entry Age Normal) | 647,851,952 | 645,162,787 | 631,435,869 |
| D. Actuarial Present Value of Accumulated Plan Benefits per FASB Statement No. 35 | 625,345,641 | 627,816,933 | 616,580,042 |
| E. Plan Assets | | | |
| 1. Market Value | 404,109,450 | 404,109,450 | 379,344,092 |
| 2. Actuarial Value | 417,994,686 | 417,994,686 | 406,687,916 |
| F. Unfunded Actuarial Accrued Liability: C - E2 | 229,857,266 | 227,168,101 | 224,747,953 |
| G. Actuarial Present Value of Projected Covered Payroll | 417,327,679 | 394,175,025 | 347,965,317 |
| H. Actuarial Present Value of Projected Member Contributions | 34,157,202 | 32,267,895 | 28,634,616 |
| I. Accumulated Contributions of Active Members | 21,793,058 | 21,793,058 | 21,892,088 |



CALCULATION OF EMPLOYER NORMAL COST

| A. Valuation Date | October 1, 2023 <i>After Assumption Changes</i> | October 1, 2023 <i>Before Assumption Changes</i> | October 1, 2022 |
|--|--|---|------------------|
| B. Normal Cost for | | | |
| 1. Service Retirement Benefits | \$ 5,676,603 | \$ 4,940,815 | \$ 4,583,283 |
| 2. Vesting Benefits | 965,207 | 910,559 | 849,895 |
| 3. Disability Benefits | 249,443 | 957,910 | 866,275 |
| 4. Preretirement Death Benefits | 187,208 | 177,063 | 161,812 |
| 5. Return of Member Contributions | 338,798 | 364,759 | 318,260 |
| 6. Total for Future Benefits | <u>7,417,259</u> | <u>7,351,106</u> | <u>6,779,525</u> |
| 7. Assumed Amount for Administrative Expenses | <u>976,616</u> | <u>1,031,636</u> | <u>921,596</u> |
| 8. Total Normal Cost | 8,393,875 | 8,382,742 | 7,701,121 |
| C. Expected Member Contribution | 3,809,397 | 3,797,937 | 3,406,919 |
| D. Employer Normal Cost: B8-C | 4,584,478 | 4,584,805 | 4,294,202 |
| E. Employer Normal Cost as % of Covered Payroll | 9.96 % | 9.99 % | 10.50 % |

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

| A. UAAL Amortization Period and Payments | | | | | |
|--|-------------------|-----------------------|-----------------|-----------------------|----------------------|
| Original UAAL | | | Current UAAL | | |
| Date Established | Source | Amount | Years Remaining | Amount | Payment |
| 10/1/08 | Combined Base | \$ 120,402,171 | 5 | \$ 54,292,679 | \$ 11,592,521 |
| 10/1/08 | Assumption Change | 6,133,233 | 15 | 5,648,699 | 470,422 |
| 10/1/09 | Experience Loss | 21,720,025 | 16 | 18,956,654 | 1,502,712 |
| 10/1/10 | Experience Loss | 5,090,043 | 17 | 4,443,843 | 336,596 |
| 10/1/10 | Assumption Change | (11,684,981) | 17 | (10,201,532) | (772,707) |
| 10/1/10 | Plan Change | (17,448,058) | 17 | (15,232,967) | (1,153,810) |
| 10/1/11 | Experience Loss | 26,493,199 | 18 | 23,397,093 | 1,699,077 |
| 10/1/12 | Experience Loss | 16,888,651 | 19 | 14,924,502 | 1,042,211 |
| 10/1/13 | Experience Loss | 934,513 | 20 | 839,895 | 56,552 |
| 10/1/13 | Plan Change | 5,490,249 | 20 | 4,934,361 | 332,244 |
| 10/1/13 | Assumption Change | 23,450,820 | 20 | 21,076,426 | 1,419,133 |
| 10/1/14 | Experience Gain | (4,233,453) | 21 | (3,850,571) | (250,593) |
| 10/1/14 | Assumption Change | 5,726,542 | 21 | 5,208,620 | 338,974 |
| 10/1/15 | Experience Gain | (3,077,339) | 22 | (2,864,698) | (180,588) |
| 10/1/15 | Assumption Change | 4,368,350 | 22 | 4,066,502 | 256,348 |
| 10/1/15 | Plan Change | 598,036 | 22 | 556,714 | 35,095 |
| 10/1/16 | Experience Gain | (11,069,062) | 23 | (10,520,097) | (643,655) |
| 10/1/16 | Assumption Change | 23,064,814 | 23 | 21,920,923 | 1,341,196 |
| 10/1/17 | Experience Gain | (3,970,427) | 24 | (3,830,601) | (227,881) |
| 10/1/17 | Assumption Change | 5,064,314 | 24 | 4,885,968 | 290,664 |
| 10/1/18 | Experience Gain | (4,790,305) | 25 | (4,700,719) | (272,350) |
| 10/1/18 | Assumption Change | 5,193,624 | 25 | 5,096,495 | 295,281 |
| 10/1/18 | Plan Change | 47,242,260 | 25 | 46,358,750 | 2,685,932 |
| 10/1/19 | Experience Gain | (871,242) | 26 | (857,478) | (48,458) |
| 10/1/20 | Experience Gain | (1,751,522) | 26 | (1,743,482) | (98,528) |
| 10/1/20 | Assumption Change | 1,511,349 | 26 | 1,504,410 | 85,018 |
| 10/1/21 | Experience Gain | (720,822) | 26 | (729,593) | (41,231) |
| 10/1/21 | Assumption Change | 19,210,871 | 26 | 19,444,581 | 1,098,858 |
| 10/1/22 | Experience Loss | 14,564,366 | 26 | 14,722,950 | 832,028 |
| 10/1/23 | Experience Loss | 9,419,774 | 26 | 9,419,774 | 532,333 |
| 10/1/23 | Assumption Change | 2,689,165 | 26 | 2,689,165 | 151,971 |
| | | <u>\$ 305,639,158</u> | | <u>\$ 229,857,266</u> | <u>\$ 22,705,365</u> |



B. Amortization Schedule

The UAAL is being liquidated as a level percent of payroll over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

| Amortization Schedule | |
|-----------------------|----------------|
| Year | Expected UAAL |
| 2023 | \$ 229,857,266 |
| 2024 | 221,652,544 |
| 2025 | 212,023,165 |
| 2026 | 200,839,653 |
| 2027 | 187,962,416 |
| 2028 | 173,241,011 |
| 2033 | 156,281,449 |
| 2038 | 116,222,752 |
| 2043 | 58,000,539 |
| 2048 | 5,936,450 |
| 2049 | 0 |

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

| | |
|--|----------------|
| 1. Last Year's UAAL (After Changes in Benefits, Assumptions, or Methods) | \$ 224,747,953 |
| 2. Last Year's Employer Normal Cost | 4,294,202 |
| 3. Last Year's Employer Contributions (City and County) | 25,542,306 |
| 4. Interest at the Assumed Rate on: | |
| a. 1 and 2 for one year | 16,032,951 |
| b. 3 from dates paid | 1,784,473 |
| c. a - b | 14,248,478 |
| 5. This Year's Expected UAAL (Before any Changes in Assumptions or Benefits): 1 + 2 - 3 + 4c | 217,748,327 |
| 6. Change in UAAL Due to Change in Assumptions/Methods | 2,689,165 |
| 7. Change in UAAL Due to Change in Benefits | 0 |
| 8. This Year's Expected UAAL (After Changes in Assumptions and Benefits): 5 + 6 + 7 | 220,437,492 |
| 9. This Year's Actual UAAL (After Changes in Assumptions and Benefits) | 229,857,266 |
| 10. Net Actuarial Gain (Loss): 8 - 9 | (9,419,774) |
| 11. Gain (Loss) Due to Investments | (4,176,392) |
| 12. Gain (Loss) From Other Sources | (5,243,382) |

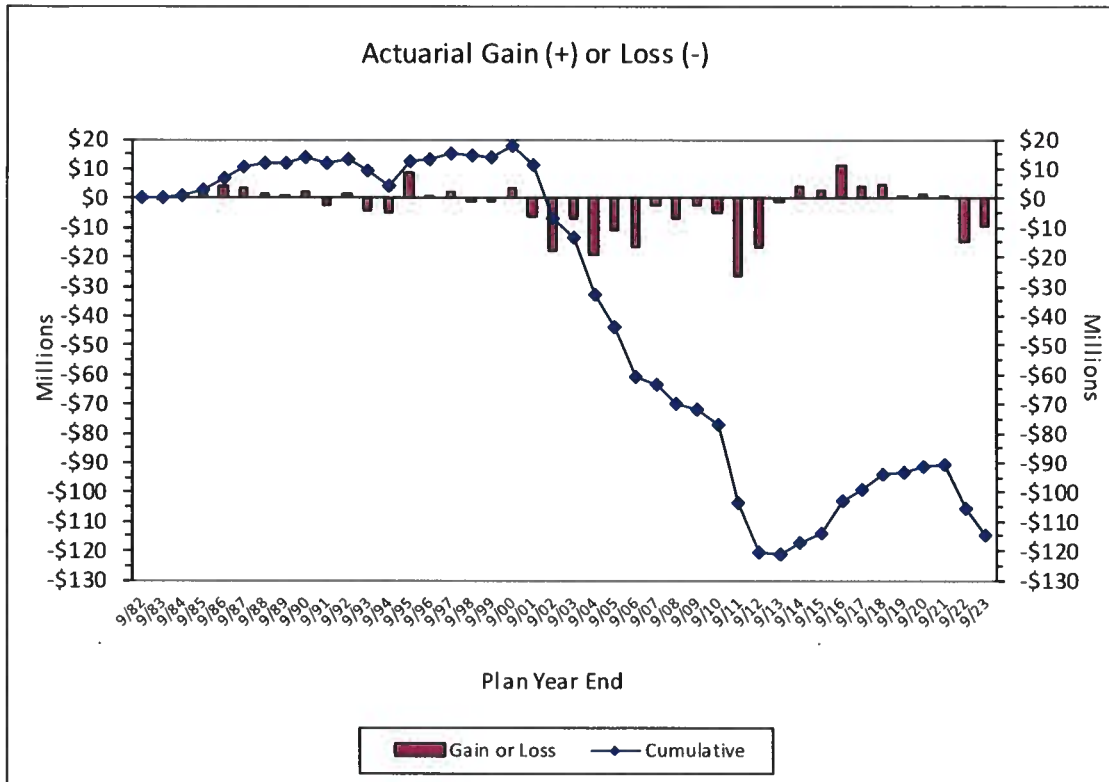


Net actuarial gains in previous years have been as follows:

| Year Ended | Net Gain (Loss) | |
|------------|-----------------|--------------|
| | Prior* | Supplemental |
| 9/30/1982 | \$ 357,574 | \$ (293,400) |
| 9/30/1983 | (53,055) | (47,952) |
| 9/30/1984 | 655,952 | 13,007 |
| 9/30/1985 | 1,910,328 | 214,974 |
| 9/30/1986 | 3,522,953 | 387,117 |
| 9/30/1987 | 3,085,353 | 541,011 |
| 9/30/1988 | 1,673,391 | (20,803) |
| 9/30/1989 | 631,806 | (395,640) |
| 9/30/1990 | 2,021,350 | (117,331) |
| 9/30/1991 | (2,112,517) | N/A |
| 9/30/1992 | 1,394,549 | N/A |
| 9/30/1993 | (4,345,862) | N/A |
| 9/30/1994 | (4,780,402) | N/A |
| 9/30/1995 | 8,381,537 | N/A |
| 9/30/1996 | 694,600 | N/A |
| 9/30/1997 | 2,097,065 | N/A |
| 9/30/1998 | (859,539) | N/A |
| 9/30/1999 | (828,976) | N/A |
| 9/30/2000 | 3,710,238 | N/A |
| 9/30/2001 | (6,021,041) | N/A |
| 9/30/2002 | (18,219,741) | N/A |
| 9/30/2003 | (6,740,689) | N/A |
| 9/30/2004 | (19,270,365) | N/A |
| 9/30/2005 | (11,135,131) | N/A |
| 9/30/2006 | (16,622,969) | N/A |
| 9/30/2007 | (2,621,034) | N/A |
| 9/30/2008 | (6,640,889) | N/A |
| 9/30/2009 | (2,172,025) | N/A |
| 9/30/2010 | (5,090,043) | N/A |
| 9/30/2011 | (26,493,199) | N/A |
| 9/30/2012 | (16,888,651) | N/A |
| 9/30/2013 | (934,513) | N/A |
| 9/30/2014 | 4,233,453 | N/A |
| 9/30/2015 | 3,077,339 | N/A |
| 9/30/2016 | 11,069,062 | N/A |
| 9/30/2017 | 3,970,427 | N/A |
| 9/30/2018 | 4,790,305 | N/A |
| 9/30/2019 | 871,242 | N/A |
| 9/30/2020 | 1,751,522 | N/A |
| 9/30/2021 | 720,822 | N/A |
| 9/30/2022 | (14,564,366) | N/A |
| 9/30/2023 | (9,419,774) | N/A |

* After 1990, these are the figures for the entire Retirement Fund.





The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The following table shows the historical actual fund earnings and salary increase rates compared to the assumed rates:

| Year Ending | Investment Return | | Salary Increases | | | |
|-------------|-------------------|---------|------------------|---------|----------------------------|--------------------|
| | Actual | Assumed | Prior Members | | Other Members ¹ | |
| | | | Actual | Assumed | Actual | Assumed |
| 9/30/1977 | 8.9 % | 5.0 % | 10.0 % | 3.0 % | N/A % | N/A % |
| 9/30/1978 | 9.5 | 6.5 | 8.3 | 5.0 | 7.1 | 5.0 |
| 9/30/1979 | 8.8 | 6.5 | 8.1 | 5.0 | 14.1 | 5.0 |
| 9/30/1980 | 8.4 | 6.5 | 18.5 | 5.0 | 24.8 | 5.0 |
| 9/30/1981 | 0.4 | 6.5 | 11.0 | 5.0 | 12.1 | 5.0 |
| 9/30/1982 | 9.2 | 8.0 | 4.2 | 8.0 | 7.6 | 8.0 |
| 9/30/1983 | 9.8 | 8.0 | 6.5 | 8.0 | 9.2 | 8.0 |
| 9/30/1984 | 10.3 | 8.0 | 5.1 | 8.0 | 8.4 | 8.0 |
| 9/30/1985 | 13.7 | 8.0 | 5.1 | 8.0 | 7.2 | 8.0 |
| 9/30/1986 | 16.1 | 8.0 | 2.8 | 8.0 | 4.7 | 8.0 |
| 9/30/1987 | 14.4 | 8.0 | 4.6 | 8.0 | 6.0 | 8.0 |
| 9/30/1988 | 11.2 | 7.5 | 8.3 | 7.0 | 10.0 | 8.0 |
| 9/30/1989 | 11.5 | 7.5 | 11.8 | 7.0 | 12.9 | 8.0 |
| 9/30/1990 | 10.6 | 7.5 | 3.5 | 7.0 | 5.8 | 8.0 |
| 9/30/1991 | 7.9 | 8.75 | 2.5 | 7.0 | 5.0 | 8.0 |
| 9/30/1992 | 10.8 | 8.75 | 2.9 | 7.0 | 5.9 | 8.0 |
| 9/30/1993 | 7.1 | 8.75 | 6.4 | 7.0 | 9.9 | 8.0 |
| 9/30/1994 | 0.9 | 8.3 | N/A ² | 5.7 | N/A ² | 5.7 |
| 9/30/1995 | 14.6 | 8.3 | N/A | N/A | 6.5 | 5.7 |
| 9/30/1996 | 12.3 | 8.3 | N/A | N/A | 7.3 | 5.7 |
| 9/30/1997 | 11.0 | 8.3 | N/A | N/A | 7.4 | 5.7 |
| 9/30/1998 | 10.2 | 8.3 | N/A | N/A | 5.0 | 5.7 |
| 9/30/1999 | 11.0 | 8.3 | N/A | N/A | 8.4 | 5.7 |
| 9/30/2000 | 12.7 | 8.3 | N/A | N/A | 5.3 | 5.7 |
| 9/30/2001 | 8.1 | 8.3 | N/A | N/A | 7.0 | 5.7 |
| 9/30/2002 | 0.5 | 8.3 | N/A | N/A | 7.9 | 5.7 |
| 9/30/2003 | 5.0 | 8.3 | N/A | N/A | 6.9 | 5.0 |
| 9/30/2004 | 4.4 | 8.3 | N/A | N/A | 8.2 | 6.0 |
| 9/30/2005 | 3.0 | 8.3 | N/A | N/A | 9.3 | 6.1 |
| 9/30/2006 | 6.0 | 8.3 | N/A | N/A | 7.0 | 5.7 |
| 9/30/2007 | 9.6 | 8.3 | N/A | N/A | 7.3 | 5.5 |
| 9/30/2008 | 4.3 | 8.3 | N/A | N/A | 5.8 | 5.7 |
| 9/30/2009 | (1.0) | 8.0 | N/A | N/A | 3.2 | 6.6 |
| 9/30/2010 | 5.4 | 8.0 | N/A | N/A | 1.9 | 6.2 |
| 9/30/2011 | 0.8 | 8.0 | N/A | N/A | (0.6) | (1.5) [#] |
| 9/30/2012 | 1.9 | 8.0 | N/A | N/A | 0.2 | 1.4 [#] |
| 9/30/2013 | 7.2 | 8.0 | N/A | N/A | 1.9 | 5.8 |
| 9/30/2014 | 9.8 | 8.0 | N/A | N/A | 5.8 | 5.8 |
| 9/30/2015 | 8.5 | 7.9 | N/A | N/A | 5.2 | 4.9 |
| 9/30/2016 | 10.3 | 7.8 | N/A | N/A | 7.4 | 5.0 |
| 9/30/2017 | 9.5 | 7.7 | N/A | N/A | 6.2 | 5.1 |
| 9/30/2018 | 8.3 | 7.6 | N/A | N/A | 2.2 | 4.9 |
| 9/30/2019 | 7.0 | 7.5 | N/A | N/A | 3.9 | 4.7 |
| 9/30/2020 | 8.0 | 7.5 | N/A | N/A | 3.1 | 5.4 |
| 9/30/2021 | 10.0 | 7.3 | N/A | N/A | 3.3 | 5.5 |
| 9/30/2022 | 5.4 | 7.0 | N/A | N/A | 4.5 | 5.8 |
| 9/30/2023 | 6.0 | 7.0 | N/A | N/A | 11.4 | 5.8 |
| Averages | 8.0 % | --- | 7.0 % | --- | 6.8 % | --- |

¹ All members after 9/30/1994.

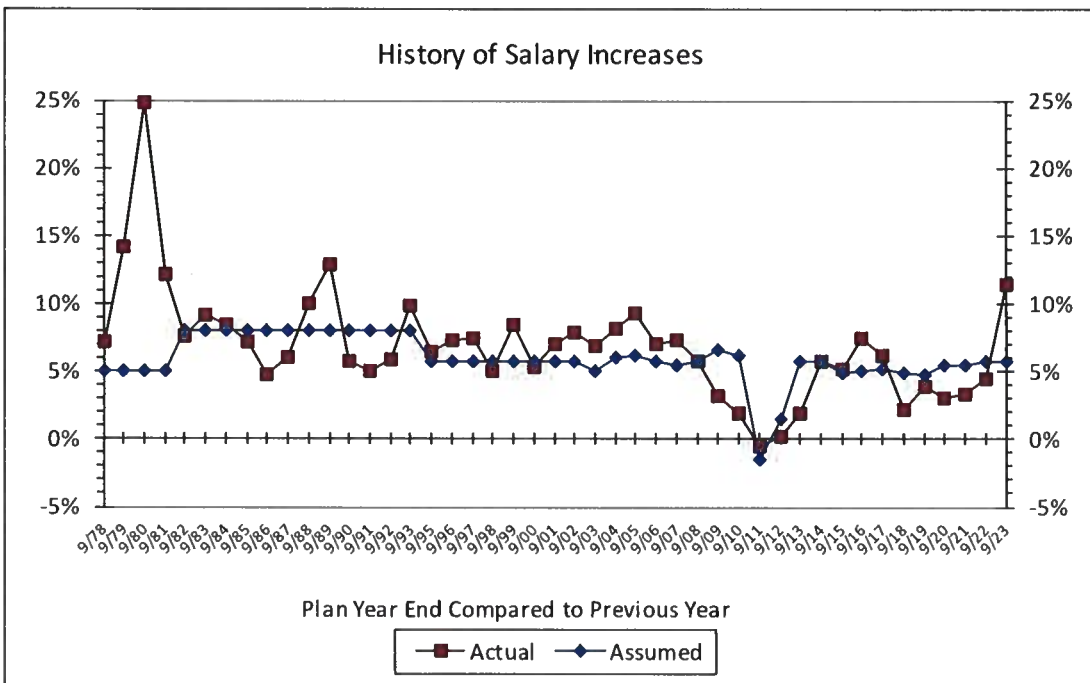
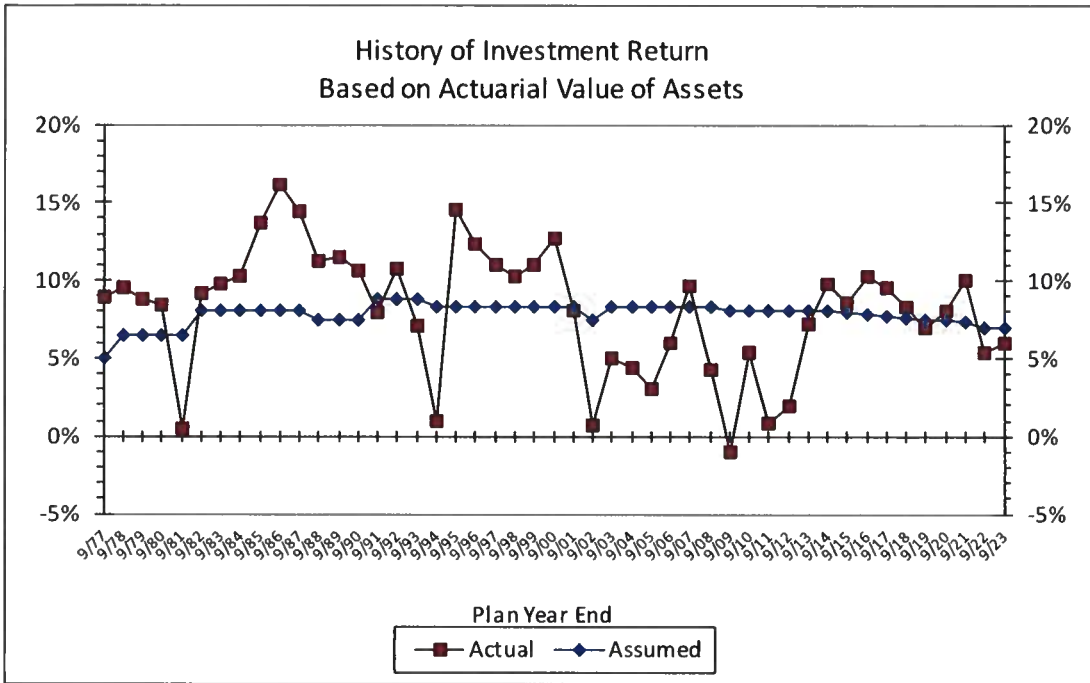
² Because the salary basis reported to the actuaries changed from 10/1/1993 to 10/1/1994, a meaningful salary increase figure was not computed.

³ Reflects a one-time pay reduction for general fund members and no pay increases for non-general fund members.

⁴ Reflects no pay increases for general fund members.



The actual investment return rates shown on the previous page are based on the actuarial value of assets. The actual salary increase rates shown on the previous page are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.



**Actual (A) Compared to Expected (E) Decrements
Among Active Employees**

| Year Ended | Number Added During Year | | Service & DROP Retirement | | Disability Retirement | | Death | | Terminations | | | | Active Members End of Year |
|----------------|--------------------------|-----|---------------------------|-----|-----------------------|----|-------|----|--------------|-------|--------|-----|----------------------------|
| | A | E | A | E | A | E | A | E | Vested | Other | Totals | | |
| | | | | | | | | | A | A | A | E | |
| 9/30/2010 | 7 | 56 | 26 | 14 | 3 | 3 | 1 | 1 | 13 | 13 | 26 | 26 | 668 |
| 9/30/2011 | 12 | 146 | 114 | 16 | 2 | 3 | 1 | 1 | 15 | 14 | 29 | 22 | 534 |
| 9/30/2012 | 35 | 47 | 22 | 8 | 3 | 2 | 0 | 1 | 10 | 12 | 22 | 19 | 522 |
| 9/30/2013 | 41 | 47 | 19 | 7 | 1 | 2 | 0 | 1 | 12 | 15 | 27 | 18 | 516 |
| 9/30/2014 | 78 | 57 | 28 | 50 | 1 | 2 | 1 | 1 | 17 | 10 | 27 | 17 | 537 |
| 9/30/2015 | 86 | 49 | 17 | 9 | 1 | 2 | 0 | 1 | 6 | 25 | 31 | 26 | 574 |
| 9/30/2016 | 72 | 40 | 6 | 9 | 1 | 3 | 1 | 1 | 8 | 24 | 32 | 32 | 606 |
| 9/30/2017 | 64 | 34 | 16 | 11 | 0 | 3 | 1 | 1 | 0 | 17 | 17 | 36 | 636 |
| 9/30/2018 | 57 | 64 | 17 | 12 | 3 | 3 | 0 | 1 | 7 | 37 | 44 | 39 | 629 |
| 9/30/2019 | 69 | 106 | 75 | 74 | 0 | 3 | 1 | 1 | 1 | 29 | 30 | 38 | 592 |
| 9/30/2020 | 71 | 64 | 35 | 11 | 0 | 2 | 0 | 1 | 0 | 29 | 29 | 38 | 599 |
| 9/30/2021 | 73 | 69 | 24 | 12 | 0 | 2 | 1 | 1 | 4 | 40 | 44 | 38 | 603 |
| 9/30/2022 | 88 | 104 | 36 | 10 | 1 | 3 | 2 | 1 | 12 | 53 | 65 | 38 | 587 |
| 9/30/2023 | 115 | 81 | 25 | 12 | 0 | 3 | 0 | 1 | 8 | 48 | 56 | 39 | 621 |
| 9/30/2024 | | | | 12 | | 1 | | 1 | | | | 48 | |
| 14-Yr Totals * | 868 | 964 | 460 | 255 | 16 | 36 | 9 | 14 | 113 | 366 | 479 | 426 | |

* Totals are through current year.

RECENT HISTORY OF VALUATION RESULTS

| Valuation Date | Number of | | Covered Annual Payroll | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) - Entry Age | Unfunded AAL (UAAL) | Funded Ratio | Employer Normal Cost (NC) | NC as % of Payroll |
|----------------|-----------------|------------------|------------------------|---------------------------|---|---------------------|--------------|---------------------------|--------------------|
| | Active Members* | Inactive Members | | | | | | | |
| 10/1/1991 | 755 | 411 | \$ 20,630,207 | \$ 76,669,632 | \$ 79,506,348 | \$ 2,836,716 | 96.4 % | \$ 1,043,805 | 5.06 % |
| 10/1/1992 | 727 | 439 | 20,191,327 | 83,752,649 | 85,450,424 | 1,697,775 | 98.0 | 860,076 | 4.26 |
| 10/1/1993 | 736 | 469 | 22,147,889 | 88,296,336 | 95,668,897 | 7,372,561 | 92.3 | 1,520,178 | 6.86 |
| 10/1/1994 | 587 | 667 | 18,757,186 | 88,937,435 | 129,179,737 | 40,242,302 | 68.8 | 2,241,185 | 11.95 |
| 10/1/1995 | 659 | 662 | 21,560,893 | 100,881,259 | 135,034,342 | 34,153,083 | 74.7 | 1,507,437 | 6.99 |
| 10/1/1996 | 742 | 656 | 24,532,562 | 112,060,623 | 141,765,578 | 29,704,955 | 79.0 | 1,405,716 | 5.73 |
| 10/1/1997 | 739 | 656 | 25,596,439 | 121,232,151 | 146,459,241 | 25,227,090 | 82.8 | 1,210,712 | 4.73 |
| 10/1/1998 | 773 | 645 | 27,581,966 | 129,407,169 | 154,243,888 | 24,836,719 | 83.9 | 1,412,197 | 5.12 |
| 10/1/1999 | 776 | 648 | 28,950,262 | 141,673,440 | 172,564,633 | 30,891,193 | 82.1 | 1,809,391 | 6.25 |
| 10/1/2000 | 778 | 668 | 30,000,733 | 156,750,497 | 189,916,733 | 33,166,236 | 82.5 | 1,983,048 | 6.61 |
| 10/1/2002 | 878 | 722 | 36,664,439 | 164,597,832 | 213,758,531 | 49,160,699 | 77.0 | 3,810,183 | 10.39 |
| 10/1/2003 | 872 | 745 | 38,497,328 | 175,458,765 | 233,155,961 | 57,697,196 | 75.3 | 4,123,269 | 10.71 |
| 10/1/2004 | 879 | 770 | 40,421,513 | 180,192,031 | 257,632,743 | 77,440,712 | 69.9 | 4,451,446 | 11.01 |
| 10/1/2005 | 840 | 811 | 41,480,512 | 185,301,557 | 275,757,219 | 90,455,662 | 67.2 | 4,704,515 | 11.34 |
| 10/1/2006 | 825 | 851 | 41,755,261 | 195,193,325 | 303,778,626 | 108,585,301 | 64.3 | 4,949,811 | 11.85 |
| 10/1/2007 | 827 | 885 | 45,999,379 | 212,980,592 | 325,892,851 | 112,912,259 | 65.4 | 5,342,240 | 11.61 |
| 10/1/2008 | 792 | 900 | 45,848,717 | 222,098,827 | 348,634,231 | 126,535,404 | 63.7 | 6,445,410 | 14.05 |
| 10/1/2009 | 717 | 927 | 44,084,422 | 220,155,870 | 369,526,337 | 149,370,467 | 59.6 | 5,138,036 | 11.65 |
| 10/1/2010 | 668 | 947 | 38,748,664 | 223,942,457 | 351,118,031 | 127,175,574 | 63.8 | 2,971,772 | 7.67 |
| 10/1/2011 | 534 | 1,053 | 29,823,518 | 224,237,503 | 376,225,569 | 151,988,066 | 59.6 | 2,187,628 | 7.34 |
| 10/1/2012 | 522 | 1,074 | 29,111,818 | 217,907,548 | 387,472,215 | 169,564,667 | 56.2 | 2,191,076 | 7.53 |
| 10/1/2013 | 516 | 1,091 | 28,007,058 | 227,700,385 | 424,004,184 | 196,303,799 | 53.7 | 2,324,011 | 8.30 |
| 10/1/2014 | 537 | 1,112 | 31,028,415 | 243,861,301 | 438,745,548 | 194,884,247 | 55.6 | 2,075,371 | 6.69 |
| 10/1/2015 | 574 | 1,119 | 34,141,024 | 262,500,651 | 452,765,023 | 190,265,372 | 58.0 | 2,304,306 | 6.75 |
| 10/1/2016 | 606 | 1,117 | 37,818,489 | 288,322,823 | 483,798,487 | 195,475,664 | 59.6 | 2,704,760 | 7.15 |
| 10/1/2017 | 636 | 1,119 | 41,566,583 | 311,932,945 | 502,163,903 | 190,230,958 | 62.1 | 3,155,193 | 7.59 |
| 10/1/2018** | 570 | 1,182 | 37,870,123 | 334,799,360 | 564,930,767 | 230,131,407 | 59.3 | 3,675,379 | 9.71 |
| 10/1/2019 | 592 | 1,186 | 40,869,983 | 341,286,411 | 565,621,420 | 224,335,009 | 60.3 | 3,868,791 | 9.47 |
| 10/1/2020 | 599 | 1,190 | 40,789,456 | 369,068,328 | 583,426,971 | 214,358,643 | 63.3 | 3,875,138 | 9.50 |
| 10/1/2021 | 603 | 1,185 | 41,931,489 | 393,278,367 | 613,804,664 | 220,526,297 | 64.1 | 4,329,102 | 10.32 |
| 10/1/2022 | 587 | 1,222 | 40,906,705 | 406,687,916 | 631,435,869 | 224,747,953 | 64.4 | 4,294,202 | 10.50 |
| 10/1/2023 | 621 | 1,230 | 46,043,744 | 417,994,686 | 647,851,952 | 229,857,266 | 64.5 | 4,584,478 | 9.96 |

* Excludes transfers.

**Reflects Actuarial Impact Statement dated June 17, 2019.

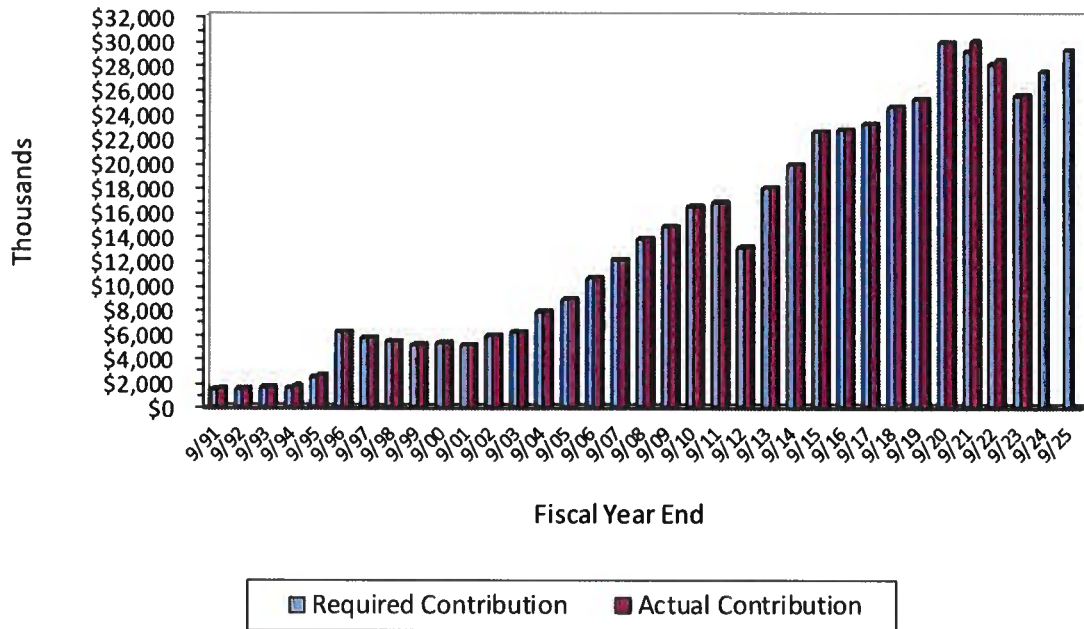


| RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS | | | | |
|---|------------------------------------|--------------------------------|--------------|------------------------------|
| Valuation Date | For Fiscal Year Ended September 30 | Required Employer Contribution | | Actual Employer Contribution |
| | | Amount | % of Payroll | |
| 10/1/89 | 1991 | \$ 1,437,693 | 7.43 % | \$ 1,484,132 |
| 10/1/90 | 1992 | 1,473,155 | 7.07 | 1,484,743 |
| 10/1/91 | 1993 | 1,617,462 | 7.84 | 1,623,342 |
| 10/1/92 | 1994 | 1,554,337 | 7.70 | 1,758,060 |
| 10/1/93 | 1995 | 2,458,234 | 11.10 | 2,648,667 |
| 10/1/94 | 1996 | 6,169,517 | 32.89 | 6,169,521 |
| 10/1/95 | 1997 | 5,647,078 | 26.19 | 5,647,180 |
| 10/1/96 | 1998 | 5,399,263 | 22.01 | 5,399,263 |
| 10/1/97 | 1999 | 5,101,822 | 19.93 | 5,101,822 |
| 10/1/98 | 2000 | 5,256,720 | 19.06 | 5,256,720 |
| 10/1/99 | 2001 | 5,071,643 | 17.52 | 5,071,643 |
| 10/1/00 | 2002 | 5,878,301 | 18.09 | 5,878,301 |
| 10/1/01 | 2003 | 6,164,953 | 18.09 | 6,164,953 |
| 10/1/02 | 2004 | 7,805,841 | 20.57 | 7,805,841 |
| 10/1/03 | 2005 | 8,817,640 | 22.13 | 8,817,640 |
| 10/1/04 | 2006 | 10,559,474 | 25.24 | 10,559,474 |
| 10/1/05 | 2007 | 12,087,074 | 28.15 | 12,087,074 |
| 10/1/06 | 2008 | 13,761,179 | 31.84 | 13,761,179 |
| 10/1/07 | 2009 | 14,743,450 | 30.97 | 14,743,450 |
| 10/1/08 | 2010 | 16,406,324 | 34.58 | 16,406,324 |
| 10/1/09 | 2011 | 16,734,454 | 36.68 | 16,734,454 |
| 10/1/10 | 2012 | 13,050,878 | 36.14 | 13,050,878 |
| 10/1/11 | 2013 | 17,913,508 | 59.43 | 17,913,508 |
| 10/1/12 | 2014 | 19,834,090 | 67.51 | 19,834,090 |
| 10/1/13 | 2015 | 22,547,585 | 80.30 | 22,547,585 |
| 10/1/14 | 2016 | 22,716,242 | 69.56 | 22,716,242 |
| 10/1/15 | 2017 | 23,189,007 | 66.33 | 23,189,007 |
| 10/1/16 | 2018 | 24,580,287 | 63.11 | 24,580,287 |
| 10/1/17 | 2019 | 25,225,862 | 58.64 | 25,225,862 |
| 10/1/18* | 2020 | 29,845,528 | 69.92 | 29,845,528 |
| 10/1/19 | 2021 | 29,106,927 | 68.81 | 29,944,811 |
| 10/1/20 | 2022 | 28,082,806 | 66.52 | 28,424,569 |
| 10/1/21 | 2023 | 25,505,646 | 58.77 | 25,542,306 |
| 10/1/22 | 2024 | 27,439,543 | 64.81 | --- |
| 10/1/23 | 2025 | 29,236,511 | 61.35 | --- |

*Reflects Actuarial Impact Statement dated June 17, 2019.



Recent History of Required and Actual Contributions



ACTUARIAL ASSUMPTIONS AND COST METHOD

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) percent-of-payroll contributions over a reasonable period of future years. The amortization period for new Unfunded Actuarial Accrued Liability amortization bases is currently 26 years, and will continue to be lowered by one year in each future year until reaching 20 years.

Actuarial Value of Assets - The Actuarial Value of Assets phases in the difference between the actual return on market value and the expected return on Actuarial Value of Assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section. Certain economic and demographic assumptions were established following the Experience Study Report dated May 24, 2024 covering the eight years ending September 30, 2023 (retirement rates were established following the Experience Study Report as of October 1, 2014 covering the five years ending September 30, 2014 and updated pursuant to the Actuarial Impact Statement dated June 17, 2019). The mortality table is based on the assumption used by the Florida Retirement System Pension Plan, as required by Chapter 112.63, Florida Statutes.

Economic Assumptions

The investment return rate assumed in the valuation is 7.0% per year, compounded annually (net after investment expenses).

The **Inflation Rate** assumed in this valuation is 2.5% per year. The Inflation Rate is defined to be the expected long-term rate of increases in the prices of goods and services.

The assumed **real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 7.0% investment return rate translates to an assumed real rate of return over inflation of 4.5%.



The active member population is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll is assumed to grow at 3.5% per year, but not greater than the actual ten-year average. The most recent ten-year average is 5.10% (5.07% before assumption changes).

Total payroll is projected to the contribution year by applying a 3.5% payroll increase assumption.

Pay increase assumptions for individual active members are shown below. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.5% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

The rates of salary increase used are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based. To allow for the inclusion of the lump sum payment of unused sick and vacation leave in average final compensation, projected benefits for active members hired before July 15, 2009 are increased by the calculated percentage based on each member's accrued unused sick leave hours as of October 1, 2002 and vacation leave hours as of March 2014 divided by 6,240 hours (equal to 2,080 hours for each year in 3-year averaging period).

| Years of Service | % Increase in Salary | | |
|------------------|----------------------|-----------------|----------------|
| | Merit and Seniority | Base (Economic) | Total Increase |
| 1 | 3.50 % | 2.50 % | 6.00 % |
| 2 | 3.50 | 2.50 | 6.00 |
| 3 | 3.50 | 2.50 | 6.00 |
| 4 | 3.50 | 2.50 | 6.00 |
| 5 | 8.20 | 2.50 | 10.70 |
| 6 | 3.00 | 2.50 | 5.50 |
| 7 | 3.00 | 2.50 | 5.50 |
| 8 | 3.00 | 2.50 | 5.50 |
| 9 | 3.00 | 2.50 | 5.50 |
| 10 | 5.75 | 2.50 | 8.25 |
| 11 | 2.50 | 2.50 | 5.00 |
| 12 | 2.50 | 2.50 | 5.00 |
| 13 | 4.75 | 2.50 | 7.25 |
| 14 | 2.00 | 2.50 | 4.50 |
| 15 | 3.50 | 2.50 | 6.00 |
| 16 | 1.25 | 2.50 | 3.75 |
| 17 | 1.25 | 2.50 | 3.75 |
| 18 | 1.25 | 2.50 | 3.75 |
| 19 | 1.25 | 2.50 | 3.75 |
| 20 | 1.00 | 2.50 | 3.50 |
| 21 or more | 1.00 | 2.50 | 3.50 |



Demographic Assumptions

The mortality table for healthy lives is the PUB-2010 Headcount Weighted General Below Median Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set back one year for males, with mortality improvements projected to all future years after 2010 using Scale MP-2018. These are the same rates used for (non-Teacher) Regular Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

FRS Healthy Post-Retirement Mortality for Regular Class Members

| Sample Attained Ages (in 2023) | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|--------------------------------------|-----------------------------------|-------|-----------------------------------|-------|
| | Men | Women | Men | Women |
| 50 | 0.19 | 0.57 | 33.34 | 37.13 |
| 55 | 0.95 | 0.57 | 28.97 | 32.68 |
| 60 | 1.12 | 0.59 | 24.86 | 28.13 |
| 65 | 1.28 | 0.68 | 20.78 | 23.53 |
| 70 | 1.78 | 1.08 | 16.75 | 19.05 |
| 75 | 2.83 | 1.85 | 13.03 | 14.86 |
| 80 | 4.74 | 3.34 | 9.74 | 11.09 |

FRS Healthy Pre-Retirement Mortality for Regular Class Members

| Sample Attained Ages (in 2023) | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|--------------------------------------|-----------------------------------|-------|-----------------------------------|-------|
| | Men | Women | Men | Women |
| 50 | 0.19 | 0.11 | 37.88 | 40.41 |
| 55 | 0.29 | 0.17 | 32.87 | 35.28 |
| 60 | 0.45 | 0.26 | 28.01 | 30.25 |
| 65 | 0.64 | 0.37 | 23.31 | 25.32 |
| 70 | 0.89 | 0.56 | 18.74 | 20.49 |
| 75 | 1.33 | 0.92 | 14.30 | 15.80 |
| 80 | 2.10 | 1.55 | 9.99 | 11.28 |

For active transfers, the mortality table used is the PUB-2010 Headcount Weighted Safety Below Median Employee Mortality Table for males (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Mortality Table for females (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Mortality Table for males (post-retirement), and the PUB-2010 Safety Healthy Retiree Mortality Table for females (post-retirement), with ages set forward one year for males and females, and with mortality improvements projected to all future years after 2010 using Scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.



FRS Healthy Post-Retirement Mortality for Special Risk Class Members

| Sample Attained Ages (in 2023) | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|--------------------------------------|-----------------------------------|-------|-----------------------------------|-------|
| | Men | Women | Men | Women |
| 50 | 0.42 | 0.20 | 32.69 | 36.52 |
| 55 | 0.55 | 0.35 | 27.91 | 31.48 |
| 60 | 0.91 | 0.60 | 23.31 | 26.68 |
| 65 | 1.31 | 0.92 | 19.03 | 22.15 |
| 70 | 2.07 | 1.43 | 14.99 | 17.88 |
| 75 | 3.49 | 2.38 | 11.38 | 13.95 |
| 80 | 6.19 | 4.08 | 8.29 | 10.46 |

FRS Healthy Pre-Retirement Mortality for Special Risk Class Members

| Sample Attained Ages (in 2023) | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|--------------------------------------|-----------------------------------|-------|-----------------------------------|-------|
| | Men | Women | Men | Women |
| 50 | 0.16 | 0.10 | 35.82 | 39.73 |
| 55 | 0.25 | 0.16 | 30.74 | 34.59 |
| 60 | 0.42 | 0.22 | 25.78 | 29.51 |
| 65 | 0.68 | 0.30 | 21.00 | 24.49 |
| 70 | 1.17 | 0.54 | 16.46 | 19.58 |
| 75 | 2.05 | 1.05 | 12.21 | 14.87 |
| 80 | 6.19 | 4.08 | 8.29 | 10.46 |

For disabled lives, the mortality table used is the PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, with separate rates for males and females and ages set forward 3 years for both males and females, with no provision being made for future mortality improvements. These are the same rates used for Regular Class members in the July 1, 2022 actuarial valuation of the FRS Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

| Sample Attained Ages | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|----------------------------|-----------------------------------|--------|-----------------------------------|-------|
| | Men | Women | Men | Women |
| 50 | 2.02 % | 1.64 % | 20.99 | 23.92 |
| 55 | 2.53 | 1.91 | 18.18 | 20.88 |
| 60 | 3.08 | 2.27 | 15.50 | 17.88 |
| 65 | 3.93 | 2.83 | 12.94 | 14.91 |
| 70 | 5.08 | 3.79 | 10.53 | 12.07 |
| 75 | 6.98 | 5.46 | 8.29 | 9.45 |
| 80 | 10.12 | 8.31 | 6.33 | 7.19 |



The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

| Members Hired Before July 15, 2009 | | |
|--|---|--------------------------------------|
| Number of Years After First Eligibility for Normal Retirement | Probability of Normal Retirement | |
| | For 55 and 5 Retirement | For 25 and Out Retirement |
| 0 | 20 % | 30 % |
| 1 | 5 | 20 |
| 2 | 5 | 20 |
| 3 | 5 | 20 |
| 4 | 5 | 20 |
| 5 | 5 | 100 |
| 6 | 5 | 100 |
| 7 | 25 | 100 |
| 8 | 10 | 100 |
| 9 | 10 | 100 |
| 10 | 50 | 100 |
| 11 | 50 | 100 |
| 12 | 50 | 100 |
| 13 | 50 | 100 |
| 14 | 50 | 100 |
| 15 | 100 | 100 |

**Members Hired On or After July 15, 2009 and
Before October 1, 2011 for General Fund Members
or Before March 5, 2014 for Non-General Fund**

| Age | Probability of Normal Retirement for 60 and 7 Retirement** |
|------------|---|
| 60 | 50 % |
| 61 | 30 |
| 62 | 30 |
| 63 | 55 |
| 64 | 40 |
| 65 | 40 |
| 66 | 40 |
| 67 | 50 |
| 68 | 10 |
| 69 | 10 |
| 70 | 30 |
| 71+ | 100 |

*** For members hired on or after July 15, 2009 and before October 1, 2011 for general fund members or before March 5, 2014 for non-general fund members, 100% probability of retirement is assumed upon attaining age 57 with 25 years of service or upon attaining 30 years of service regardless of age.*

**General Fund Members Hired After September 30, 2011 and
Non-General Fund Members Hired After March 5, 2014**

| Age | Years of Service | | | | |
|------------|-------------------------|----------------|----------------|----------------|-------------|
| | 7 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30+* |
| 60 | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 30.0 % |
| 61 | 0.0 | 0.0 | 0.0 | 0.0 | 30.0 |
| 62 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| 63 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| 64 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| 65 | 30.0 | 40.0 | 50.0 | 100.0 | 100.0 |
| 66 | 30.0 | 30.0 | 30.0 | 100.0 | 100.0 |
| 67 | 30.0 | 30.0 | 30.0 | 100.0 | 100.0 |
| 68 | 30.0 | 30.0 | 30.0 | 100.0 | 100.0 |
| 69 | 30.0 | 30.0 | 30.0 | 100.0 | 100.0 |
| 70 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

* Upon attaining 30 years of service, the retirement rates for the first and second years of eligibility are 30% and the rate for the third year is 100% (regardless of age).



Rates of separation from active membership are as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

| Sample Ages | Years of Service | % of Active Members Separating Within Next Year |
|--------------------|-------------------------|--|
| ALL | 0 | 20.0 % |
| | 1 | 13.0 |
| | 2 | 12.0 |
| | 3 | 10.0 |
| | 4 | 9.0 |
| | 5 | 5.0 |
| | 6 | 5.0 |
| 20 | 7 & Over | 12.0 |
| 25 | | 12.0 |
| 30 | | 12.0 |
| 35 | | 8.0 |
| 40 | | 4.0 |
| 45 | | 2.0 |
| 50 | | 2.0 |
| 55 | | 2.0 |
| 60 | | 2.0 |

Rates of disability among active members (25% of disabilities are assumed to be service-connected).

| Sample Ages | % Becoming Disabled Within Next Year |
|--------------------|---|
| 20 | 0.02 % |
| 25 | 0.02 |
| 30 | 0.02 |
| 35 | 0.03 |
| 40 | 0.04 |
| 45 | 0.07 |
| 50 | 0.11 |
| 55 | 0.22 |
| 60 | 0.37 |

Changes Since Previous Valuation

The amortization period for new Unfunded Actuarial Accrued Liability (UAAL) bases was lowered from 27 years to 26 years, and will continue to be lowered by one year for each year until reaching 20 years (previously 25 years).

The administrative expense assumption was changed to the average of the prior two years' expenses (previously equal to the prior year's expenses).

The rates of salary increase used were in accordance with the following table. This assumption was used to project a member's current salary to the salaries upon which benefits will be based. To allow for the inclusion of the lump sum payment of unused sick and vacation leave in average final compensation, projected benefits for active members hired before July 15, 2009 are increased by the calculated percentage based on each member's accrued unused sick leave hours as of October 1, 2002 and vacation leave hours as of March 2014 divided by 6,240 hours (equal to 2,080 hours for each year in 3-year averaging period).

| Years of Service | % Increase in Salary | | |
|------------------|----------------------|-----------------|----------------|
| | Merit and Seniority | Base (Economic) | Total Increase |
| 1 | 5.00 % | 2.50 % | 7.50 |
| 2 | 4.25 | 2.50 | 6.75 |
| 3 | 4.25 | 2.50 | 6.75 |
| 4 | 4.25 | 2.50 | 6.75 |
| 5 | 4.25 | 2.50 | 6.75 |
| 6 | 4.25 | 2.50 | 6.75 |
| 7 | 4.25 | 2.50 | 6.75 |
| 8 | 4.25 | 2.50 | 6.75 |
| 9 | 4.25 | 2.50 | 6.75 |
| 10 | 5.50 | 2.50 | 8.00 |
| 11 | 0.50 | 2.50 | 3.00 |
| 12 | 0.50 | 2.50 | 3.00 |
| 13 | 0.50 | 2.50 | 3.00 |
| 14 | 0.50 | 2.50 | 3.00 |
| 15 | 4.50 | 2.50 | 7.00 |
| 16 | 0.50 | 2.50 | 3.00 |
| 17 | 0.50 | 2.50 | 3.00 |
| 18 | 0.50 | 2.50 | 3.00 |
| 19 | 0.50 | 2.50 | 3.00 |
| 20 | 2.50 | 2.50 | 5.00 |
| 21 or more | 0.50 | 2.50 | 3.00 |

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measured the probabilities of members remaining in employment.

| Sample Ages | Years of Service | % of Active Members Separating Within Next Year |
|------------------------|-----------------------------|--|
| ALL | 0 | 13.0 % |
| | 1 | 12.0 |
| | 2 | 12.0 |
| | 3 | 11.0 |
| | 4 | 10.0 |
| 20 | 5 & Over | 12.0 |
| 25 | | 12.0 |
| 30 | | 12.0 |
| 35 | | 8.0 |
| 40 | | 3.8 |
| 45 | | 2.0 |
| 50 | | 2.0 |
| 55 | | 2.0 |
| 60 | | 2.0 |

Rates of disability among active members (25% of disabilities are assumed to be service-connected).

| Sample Ages | % Becoming Disabled Within Next Year |
|------------------------|---|
| 20 | 0.06 % |
| 25 | 0.08 |
| 30 | 0.10 |
| 35 | 0.13 |
| 40 | 0.17 |
| 45 | 0.27 |
| 50 | 0.46 |
| 55 | 0.86 |
| 60 | 1.49 |

Miscellaneous and Technical Assumptions

| | |
|--|---|
| <i>Administrative & Investment Expenses</i> | The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the prior two years' expenses. Assumed administrative expenses are added to the Normal Cost. |
| <i>Benefit Service</i> | Exact fractional service is used to determine the amount of benefit payable. |
| <i>COLA</i> | The COLA delay is 3 years for projected benefits of active members who are not eligible to enter the DROP. The COLA delay is assumed to be 6 years for current DROP members who entered the DROP after August 17, 2009. |
| <i>Data Assumptions/ Adjustments</i> | Where complete participant data was not available, we have used data assumptions which we believe are reasonable and internally consistent. |
| <i>Decrement Operation</i> | Disability and mortality decrements operate during retirement eligibility. |
| <i>Decrement Timing</i> | Decrements of all types are assumed to occur at the beginning of the year. |
| <i>Eligibility Testing</i> | Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur. |
| <i>Forfeitures</i> | For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions. |
| <i>Incidence of Contributions</i> | Employer contributions are assumed to be made in equal installments biweekly throughout the year. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made. |
| <i>Marriage Assumption</i> | 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes. |

| | |
|---|--|
| Maximum Benefit | The maximum accrued benefit payable as a life annuity reflects the 415(b) limit (\$265,000 for 2023 for ages 62 through 65). The limitation is projected to increase by 4.0% per year and is adjusted for other commencement ages based on IRS regulations. |
| Normal Form of Benefit | A life annuity is the normal form of benefit. |
| Pay Increase Timing | Beginning of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date. |
| Planned Retirement Program | <p>Eligible members are assumed to first elect the Planned Retirement Program once they are five years past their earliest normal retirement date.</p> <p>Employees who enter the Planned Retirement Program are assumed to elect the following benefit with the greatest value:</p> <ul style="list-style-type: none"> ▪ Value of the normal retirement benefit ▪ Value of the one to five year Planned Retirement Program benefit. For example, a five year Planned Retirement Program present value is calculated as the accumulated value of the accrued benefit from five years ago plus the present value of this reduced benefit. <p>The deposits to the Planned Retirement Program accounts are credited with an assumed interest rate of 5.6% per year.</p> |
| Pre-Funding of Supplemental Pension Distribution | Projected benefits for members eligible for the Supplemental Pension Distribution currently and in the future are loaded by 5.7% to recognize the effect of the Supplemental Pension Distribution in years when the investment return is 4.5% above the assumed rate (i.e., 11.5%, based on the current assumed rate 7.0%). |
| Service Credit Accruals | It is assumed that members accrue one year of service credit per year. |
| Sick and Vacation Leave | To allow for the inclusion of the lump sum payment of unused sick and vacation leave in average final compensation, projected benefits for active members hired before July 15, 2009 are increased by the calculated percentage based on each member's accrued unused sick leave hours as of October 1, 2002 and vacation leave hours as of March 2014 divided by 6,240 hours (equal to 2,080 hours for each year in 3-year averaging period). |



GLOSSARY

| | |
|--|---|
| <i>Actuarial Accrued Liability (AAL)</i> | The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs. |
| <i>Actuarial Assumptions</i> | Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items. |
| <i>Actuarial Cost Method</i> | A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability. |
| <i>Actuarial Equivalent</i> | Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions. |
| <i>Actuarial Present Value (APV)</i> | The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made. |
| <i>Actuarial Present Value of Future Benefits (APVFB)</i> | The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due. |
| <i>Actuarial Valuation</i> | The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental Retirement Fund typically also includes calculations of items needed for compliance with GASB Statement No. 67. |
| <i>Actuarial Value of Assets</i> | The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution (ADC). |

| | |
|---|--|
| <i>Amortization Method</i> | A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase. |
| <i>Amortization Payment</i> | That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability. |
| <i>Amortization Period</i> | The period used in calculating the Amortization Payment. |
| <i>Actuarially Determined Contribution (ADC)</i> | The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADC consists of the Employer Normal Cost and Amortization Payment. |
| <i>Closed Amortization Period</i> | A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. |
| <i>Employer Normal Cost</i> | The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions. |
| <i>Equivalent Single Amortization Period</i> | For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment. |
| <i>Experience Gain/Loss</i> | A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected. |

| | |
|---|---|
| <i>Funded Ratio</i> | The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability. |
| <i>GASB</i> | Governmental Accounting Standards Board. |
| <i>GASB Statement No. 67 and GASB Statement No. 68</i> | These are the governmental accounting standards that set the accounting rules for public Retirement Funds and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public Retirement Funds, while Statement No. 67 sets the rules for the systems themselves. |
| <i>Normal Cost</i> | The annual cost assigned, under the Actuarial Cost Method, to the current plan year. |
| <i>Open Amortization Period</i> | An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll. |
| <i>Unfunded Actuarial Accrued Liability</i> | The difference between the Actuarial Accrued Liability and Actuarial Value of Assets. |
| <i>Valuation Date</i> | The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date. |

SECTION C

PENSION FUND INFORMATION

Statement of Plan Assets at Market Value

| Item | September 30 | |
|--|----------------|----------------|
| | 2023 | 2022 |
| A. Cash and Cash Equivalents (Operating Cash) | \$ - | \$ - |
| B. Receivables | | |
| 1. Member Contributions | \$ - | \$ - |
| 2. Employer Contributions | - | - |
| 3. Investment Income and Other Receivables | 1,541,301 | 1,085,444 |
| 4. Total Receivables | \$ 1,541,301 | \$ 1,085,444 |
| C. Investments | | |
| 1. Short Term Investments | \$ 1,831,145 | \$ 7,095,536 |
| 2. Domestic Equities | 109,893,475 | 94,912,315 |
| 3. International Equities | 66,552,873 | 63,622,863 |
| 4. Domestic Fixed Income | 104,054,438 | 96,100,410 |
| 5. International Fixed Income | 946,251 | - |
| 6. Real Estate | 36,557,663 | 44,589,770 |
| 7. Private Equity/Debt/Infrastructure | 92,629,376 | 79,931,698 |
| 8. Total Investments | \$ 412,465,221 | \$ 386,252,592 |
| D. Liabilities | | |
| 1. Benefits Payable | \$ (561,514) | \$ (536,787) |
| 2. Prepaid City Contributions | - | - |
| 3. Accrued Expenses and Other Payables | (1,253,621) | (1,139,222) |
| 4. Total Liabilities | \$ (1,815,135) | \$ (1,676,009) |
| E. Total Market Value of Assets Available for Benefits | \$ 412,191,387 | \$ 385,662,027 |
| F. DROP Accounts | \$ (8,081,937) | \$ (6,317,935) |
| G. Supplemental Pension Distribution | \$ - | \$ - |
| H. Market Value Net of Reserves | \$ 404,109,450 | \$ 379,344,092 |
| I. Allocation of Investments | | |
| 1. Short Term Investments | 0.4% | 1.8% |
| 2. Domestic Equities | 26.6% | 24.6% |
| 3. International Equities | 16.1% | 16.5% |
| 4. Domestic Fixed Income | 25.2% | 24.9% |
| 5. International Fixed Income | 0.3% | 0.0% |
| 6. Real Estate | 8.9% | 11.5% |
| 7. Private Equity/Debt/Infrastructure | 22.5% | 20.7% |
| 8. Total Investments | 100.0% | 100.0% |



Reconciliation of Plan Assets

| Item | September 30 | |
|--|-----------------|-----------------|
| | 2023 | 2022 |
| A. Market Value of Assets at Beginning of Year | \$ 385,662,027 | \$ 442,686,502 |
| B. Adjustment to Match Prior Year's Financial Statements | \$ - | \$ - |
| C. Revenues and Expenditures | | |
| 1. Contributions | | |
| a. Employee Contributions | \$ 3,674,798 | \$ 3,507,528 |
| b. City Contributions | 25,492,473 | 28,387,441 |
| c. County Contributions | 49,833 | 37,128 |
| d. Total | \$ 29,217,104 | \$ 31,932,097 |
| 2. Investment Income | | |
| a. Interest, Dividends, and Other Income | \$ 23,876,232 | \$ 5,477,861 |
| b. Net Realized/Unrealized Gains/(Losses)* | 14,492,313 | (45,485,428) |
| c. Investment Expenses | (570,349) | (648,438) |
| d. Net Investment Income | \$ 37,798,196 | \$ (40,656,005) |
| 3. Benefits and Refunds | | |
| a. Regular Monthly Benefits | \$ (36,375,107) | \$ (35,157,992) |
| b. Supplemental Pension Distribution | - | (7,578,907) |
| c. Refunds | (940,866) | (921,883) |
| d. DROP Distributions | (2,138,331) | (3,720,189) |
| e. Total | \$ (39,454,304) | \$ (47,378,971) |
| 4. Administrative and Miscellaneous Expenses | \$ (1,031,636) | \$ (921,596) |
| 5. Transfers | \$ - | \$ - |
| D. Market Value of Assets at End of Year | \$ 412,191,387 | \$ 385,662,027 |
| E. DROP Accounts | \$ (8,081,937) | \$ (6,317,935) |
| F. Supplemental Pension Distribution | \$ - | \$ - |
| G. Market Value Net of Reserves | \$ 404,109,450 | \$ 379,344,092 |

* The breakdown between realized and unrealized gains/(losses) was not provided.



Development of Actuarial Value of Assets

| Fiscal Year Ending September 30 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|----------------|----------------|--------------|--------------|--------------|-------------|
| A. Actuarial Value of Assets Beginning of Year | \$ 407,786,180 | \$ 413,005,851 | | | | |
| B. Market Value End of Year | 385,662,027 | 412,191,387 | | | | |
| C. Market Value Beginning of Year | 442,686,502 | 385,662,027 | | | | |
| D. Non-Investment/Administrative Net Cash Flow | (16,368,470) | (11,268,836) | | | | |
| E. Investment Income | | | | | | |
| E1. Actual Market Total: B - C - D | (40,656,005) | 37,798,196 | | | | |
| E2. Assumed Rate of Return | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| E3. Assumed Amount of Return | 27,972,136 | 28,516,000 | | | | |
| E4. Amount Subject to Phase-In: E1 - E3 | (68,628,141) | 9,282,196 | | | | |
| F. Phased-In Recognition of Investment Income | | | | | | |
| F1. Current Year: 0.2 x E4 | (13,725,628) | 1,856,439 | | | | |
| F2. First Prior Year | 9,975,477 | (13,725,628) | 1,856,439 | | | |
| F3. Second Prior Year | (85,062) | 9,975,477 | (13,725,628) | 1,856,439 | | |
| F4. Third Prior Year | (2,197,620) | (85,062) | 9,975,477 | (13,725,628) | 1,856,439 | |
| F5. Fourth Prior Year | (351,162) | (2,197,618) | (85,060) | 9,975,475 | (13,725,629) | 1,856,440 |
| F6. Total Phase-Ins | (6,383,995) | (4,176,392) | (1,978,772) | (1,893,714) | (11,869,190) | 1,856,440 |
| G. Actuarial Value of Assets End of Year | | | | | | |
| G1. Preliminary Actuarial Value of Assets End of Year: | | | | | | |
| A + D + E3 + F6 | \$ 413,005,851 | \$ 426,076,623 | | | | |
| G2. Upper Corridor Limit: 120% x B | 462,794,432 | 494,629,664 | | | | |
| G3. Lower Corridor Limit: 80% x B | 308,529,622 | 329,753,110 | | | | |
| G4. Actuarial Value of Assets End of Year | 413,005,851 | 426,076,623 | | | | |
| G5. DROP Accounts | (6,317,935) | (8,081,937) | | | | |
| G6. Supplemental Pension Distribution | - | - | | | | |
| G7. Final Actuarial Value of Assets End of Year | 406,687,916 | 417,994,686 | | | | |
| H. Difference between Market & Actuarial Value of Assets | (27,343,824) | (13,885,236) | | | | |
| I. Actuarial Rate of Return | 5.40% | 5.97% | | | | |
| J. Market Value Rate of Return | -9.36% | 9.95% | | | | |
| K. Ratio of Actuarial Value of Assets to Market Value | 107.09% | 103.37% | | | | |



Reconciliation of DROP Accounts

| <u>Year Ended 9/30</u> | <u>Balance at Beginning of Year</u> | <u>Adjustment</u> | <u>Credits</u> | <u>Interest</u> | <u>Distributions</u> | <u>Balance at End of Year</u> |
|------------------------|-------------------------------------|-------------------|----------------|-----------------|----------------------|-------------------------------|
| 2009 | \$6,528,104 | \$ - | \$ 2,274,151 | \$ 419,340 | \$ (1,708,212) | \$7,513,383 |
| 2010 | 7,513,383 | - | 2,973,674 | 585,319 | (1,099,439) | 9,972,937 |
| 2011 | 9,972,937 | 4,989 | 3,882,345 | 266,041 | (2,612,900) | 11,513,412 |
| 2012 | 11,513,412 | - | 5,203,864 | 1,494,309 | (4,659,576) | 13,552,009 |
| 2013 | 13,552,009 | - | 4,668,559 | 1,628,934 | (4,190,755) | 15,658,747 |
| 2014 | 15,658,747 | - | 3,937,061 | 1,510,901 | (5,811,164) | 15,295,545 |
| 2015 | 15,295,545 | 6,075 | 3,135,456 | 385,571 | (5,183,264) | 13,639,383 |
| 2016 | 13,639,383 | - | 1,621,561 | 626,094 | (12,503,182) | 3,383,856 |
| 2017 | 3,383,856 | - | 352,814 | 152,609 | (1,100,372) | 2,788,907 |
| 2018 | 2,788,907 | - | 208,776 | 48,155 | (1,709,139) | 1,336,699 |
| 2019 | 1,336,699 | 1,969 | 8,016,654 | 881,041 | (1,821,383) | 8,414,980 |
| 2020 | 8,414,980 | (88,679) | 2,409,734 | 467,782 | (5,190,976) | 6,012,841 |
| 2021 | 6,012,841 | - | 2,794,545 | 1,271,152 | (3,149,632) | 6,928,906 |
| 2022 | 6,928,906 | - | 3,020,829 | 88,389 | (3,720,189) | 6,317,935 |
| 2023 | 6,317,935 | 311 | 3,350,991 | 551,031 | (2,138,331) | 8,081,937 |

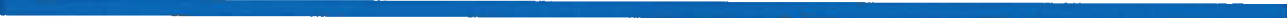


| Year Ended | Investment Rate of Return | |
|-------------------------|---------------------------|-----------------------|
| | Market Value Basis | Actuarial Value Basis |
| 9/30/1977 | 8.5 % | 8.9 % |
| 9/30/1978 | 4.2 | 9.5 |
| 9/30/1979 | 1.3 | 8.8 |
| 9/30/1980 | 0.7 | 8.4 |
| 9/30/1981 | (2.4) | 0.4 |
| 9/30/1982 | 34.9 | 9.2 |
| 9/30/1983 | 16.5 | 9.8 |
| 9/30/1984 | 8.2 | 10.3 |
| 9/30/1985 | 22.5 | 13.7 |
| 9/30/1986 | 16.5 | 16.1 |
| 9/30/1987 | 3.0 | 14.4 |
| 9/30/1988 | 11.9 | 11.2 |
| 9/30/1989 | 11.0 | 11.5 |
| 9/30/1990 | 6.0 | 10.6 |
| 9/30/1991 | 16.2 | 7.9 |
| 9/30/1992 | 12.2 | 10.8 |
| 9/30/1993 | 7.5 | 7.1 |
| 9/30/1994 | (0.3) | 0.9 |
| 9/30/1995 | 21.3 | 14.6 |
| 9/30/1996 | 13.4 | 12.3 |
| 9/30/1997 | 17.8 | 11.0 |
| 9/30/1998 | 5.4 | 10.2 |
| 9/30/1999 | 12.8 | 11.0 |
| 9/30/2000 | 17.9 | 12.7 |
| 9/30/2001 | (8.5) | 8.1 |
| 9/30/2002 | (8.6) | 0.5 |
| 9/30/2003 | 17.4 | 5.0 |
| 9/30/2004 | 8.7 | 4.4 |
| 9/30/2005 | 9.2 | 3.0 |
| 9/30/2006 | 7.1 | 6.0 |
| 9/30/2007 | 11.9 | 9.6 |
| 9/30/2008 | (13.6) | 4.3 |
| 9/30/2009 | (2.4) | (1.0) |
| 9/30/2010 | 8.5 | 5.4 |
| 9/30/2011 | 0.0 | 0.8 |
| 9/30/2012 | 19.8 | 1.9 |
| 9/30/2013 | 14.0 | 7.2 |
| 9/30/2014 | 11.0 | 9.8 |
| 9/30/2015 | 1.8 | 8.5 |
| 9/30/2016 | 10.5 | 10.3 |
| 9/30/2017 | 11.5 | 9.5 |
| 9/30/2018 | 6.8 | 8.3 |
| 9/30/2019 | 4.2 | 7.0 |
| 9/30/2020 | 7.7 | 8.0 |
| 9/30/2021 | 21.3 | 10.0 |
| 9/30/2022 | (9.4) | 5.4 |
| 9/30/2023 | 9.9 | 6.0 |
| Average Returns: | | |
| Last 5 Years | 6.3 % | 7.3 % |
| Last 10 Years | 7.3 % | 8.3 % |
| All Years Shown | 8.2 % | 8.0 % |

The above rates are based on the Retirement Fund's financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.



SECTION D



FINANCIAL ACCOUNTING INFORMATION

FASB STATEMENT NO. 35 INFORMATION

| A. Valuation Date | October 1, 2023 | October 1, 2022 |
|---|---------------------|---------------------|
| B. Actuarial Present Value of Accumulated Plan Benefits | | |
| 1. Vested Benefits | | |
| a. Members Currently Receiving Payments | \$ 530,244,063 | \$ 518,137,381 |
| b. Terminated Vested Members | 9,477,349 | 8,626,332 |
| c. Other Members | 77,444,665 | 81,428,640 |
| d. Total | <u>617,166,077</u> | <u>608,192,353</u> |
| 2. Non-Vested Benefits | 8,179,564 | 8,387,689 |
| 3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2 | 625,345,641 | 616,580,042 |
| 4. Accumulated Contributions of Active Members | 21,793,058 | 21,892,088 |
| C. Changes in the Actuarial Present Value of Accumulated Plan Benefits | | |
| 1. Total Value at Beginning of Year | 616,580,042 | 599,454,792 |
| 2. Increase (Decrease) During the Period Attributable to: | | |
| a. Plan Amendment | 0 | 0 |
| b. Change in Actuarial Assumptions | (2,471,292) | 0 |
| c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period | 51,903,855 | 63,804,861 |
| d. Benefits Paid (Net Basis) | <u>(40,666,964)</u> | <u>(46,679,611)</u> |
| e. Net Increase | 8,765,599 | 17,125,250 |
| 3. Total Value at End of Period | 625,345,641 | 616,580,042 |
| D. Market Value of Assets | 404,109,450 | 379,344,092 |
| E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Cost Method | | |

SECTION E

MISCELLANEOUS INFORMATION

| RECONCILIATION OF MEMBERSHIP DATA | | |
|---|----------------------------|----------------------------|
| | From 10/1/22 To 10/1/23 | From 10/1/21 To 10/1/22 |
| A. Active Members | | |
| 1. Number Included in Last Valuation | 587 | 603 |
| 2. New Members Included in Current Valuation | 115 | 88 |
| 3. Non-Vested Employment Terminations | (48) | (53) |
| 4. Vested Employment Terminations | (8) | (12) |
| 5. Service Retirements | (15) | (13) |
| 6. DROP Retirements | (10) | (23) |
| 7. Disability Retirements | 0 | (1) |
| 8. Deaths | 0 | (2) |
| 9. Other - Rehires/Data Corrections | 0 | 0 |
| 10. Number Included in This Valuation | 621 | 587 |
| B. Active Transfers | | |
| 1. Number Included in Last Valuation | 6 | 9 |
| 2. Additions | 0 | 0 |
| 3. Non-Vested Employment Terminations | 0 | 0 |
| 4. Vested Employment Terminations | 0 | 0 |
| 5. Service Retirements | (2) | 0 |
| 6. DROP Retirements | (4) | (3) |
| 7. Deaths | 0 | 0 |
| 8. Number Included in This Valuation | 0 | 6 |
| C. Terminated Vested Members and Deferred Beneficiaries | | |
| 1. Number Included in Last Valuation | 63 | 54 |
| 2. Additions from Active Members | 8 | 12 |
| 3. Additions from Service Retirees (Deferred Beneficiary) | 0 | 0 |
| 4. Lump Sum Payments/Refund of Contributions | (3) | 0 |
| 5. Payments Commenced | (2) | (2) |
| 6. Deaths | 0 | (1) |
| 7. Other - Rehires/Data Corrections | 1 | 0 |
| 8. Number Included in This Valuation | 67 | 63 |
| D. DROP Plan Members | | |
| 1. Number Included in Last Valuation | 68 | 61 |
| 2. Additions from Active Members and Transfers | 14 | 26 |
| 3. Retirements | (14) | (19) |
| 4. Deaths Resulting in No Further Payments | 0 | 0 |
| 5. Other - Data Corrections | 0 | 0 |
| 6. Number Included in This Valuation | 68 | 68 |
| E. Service Retirees, Disability Retirees and Beneficiaries | | |
| 1. Number Included in Last Valuation | 1,091 | 1,070 |
| 2. Additions from Active Members and Transfers | 17 | 14 |
| 3. Additions from Terminated Vested Members | 2 | 2 |
| 4. Additions from DROP Plan Members | 14 | 19 |
| 5. Deaths Resulting in No Further Payments | (28) | (18) |
| 6. Deaths Resulting in New Survivor Benefits | 0 | 4 |
| 7. End of Certain Period - No Further Payments | 0 | 0 |
| 8. Other - Data Corrections | (1) | 0 |
| 9. Number Included in This Valuation | 1,095 | 1,091 |



ACTIVE PARTICIPANT SCATTER

| Age Group | Years of Service to Valuation Date | | | | | | | | | | | | Totals |
|---------------|------------------------------------|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|---------|--------|
| | 0-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35 & Up | |
| 15-19 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 20-24 | 11 | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17 |
| 25-29 | 18 | 11 | 4 | 6 | 2 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 45 |
| 30-34 | 22 | 8 | 7 | 6 | 2 | 15 | 1 | 0 | 0 | 0 | 0 | 0 | 61 |
| 35-39 | 15 | 16 | 4 | 6 | 6 | 22 | 3 | 2 | 0 | 0 | 0 | 0 | 74 |
| 40-44 | 9 | 6 | 3 | 3 | 5 | 16 | 6 | 9 | 8 | 0 | 0 | 0 | 65 |
| 45-49 | 9 | 3 | 11 | 6 | 5 | 15 | 5 | 9 | 10 | 0 | 0 | 0 | 73 |
| 50-54 | 14 | 14 | 3 | 4 | 3 | 27 | 7 | 10 | 22 | 4 | 0 | 0 | 108 |
| 55-59 | 10 | 8 | 3 | 5 | 4 | 26 | 7 | 11 | 9 | 4 | 0 | 0 | 87 |
| 60-64 | 3 | 4 | 4 | 4 | 8 | 16 | 5 | 8 | 7 | 3 | 0 | 1 | 63 |
| 65 & Up | 3 | 0 | 1 | 2 | 1 | 14 | 2 | 1 | 3 | 0 | 0 | 0 | 27 |
| Totals | 115 | 73 | 42 | 43 | 36 | 155 | 36 | 50 | 59 | 11 | 0 | 1 | 621 |

INACTIVE PARTICIPANT SCATTER

| Age Group | Terminated Vested / Deferred Beneficiaries | | Disabled | | Retired/DROP | | Deceased with Beneficiary | |
|--------------------|---|-------------------|-----------|-------------------|--------------|-------------------|------------------------------|-------------------|
| | Number | Total Benefits | Number | Total Benefits | Number | Total Benefits | Number | Total Benefits |
| Under 20 | - | - | - | - | - | - | - | - |
| 20-24 | - | - | - | - | - | - | - | - |
| 25-29 | - | - | - | - | - | - | 3 | 55,927 |
| 30-34 | 3 | 24,045 | - | - | - | - | 4 | 35,660 |
| 35-39 | 3 | 34,722 | - | - | - | - | 5 | 67,706 |
| 40-44 | 9 | 122,956 | - | - | 3 | 32,451 | 4 | 67,427 |
| 45-49 | 14 | 201,847 | 1 | 11,975 | 7 | 369,742 | 8 | 54,960 |
| 50-54 | 25 | 489,234 | 3 | 104,990 | 32 | 1,354,092 | 7 | 123,641 |
| 55-59 | 8 | 93,050 | 4 | 101,397 | 116 | 5,515,653 | 10 | 166,448 |
| 60-64 | 3 | 28,510 | 4 | 145,543 | 187 | 7,776,395 | 13 | 257,749 |
| 65-69 | 1 | 8,622 | 10 | 315,203 | 204 | 8,006,544 | 26 | 478,901 |
| 70-74 | - | - | 6 | 247,140 | 167 | 5,887,955 | 28 | 705,886 |
| 75-79 | 1 | 8,622 | 3 | 91,003 | 114 | 3,490,669 | 27 | 636,788 |
| 80-84 | - | - | 2 | 34,155 | 76 | 2,093,199 | 20 | 368,548 |
| 85-89 | - | - | 1 | 23,715 | 27 | 848,299 | 14 | 316,618 |
| 90-94 | - | - | - | - | 13 | 270,443 | 5 | 81,696 |
| 95-99 | - | - | - | - | 6 | 167,234 | 2 | 17,220 |
| 100 & Over | - | - | - | - | 1 | 7,714 | - | - |
| Total | 67 | 1,011,608 | 34 | 1,075,121 | 953 | 35,820,390 | 176 | 3,435,175 |
| Average Age | | 50 | | 67 | | 69 | | 69 |

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances

The Plan was established under the Code of Ordinances for the City of Hollywood, Florida, and was most recently restated under Ordinance No. O-2003-07, passed and adopted on June 4, 2003. The Plan was most recently amended under Ordinance No. O-2019-14, adopted on June 19, 2019. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

October 1, 1958

C. Plan Year

October 1 through September 30

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

All regular full-time employees who are contributing to the pension plan.

F. General Fund Member

Any member paid out of the City's general fund and/or other City funds, with the exception of the water and sewer utility, storm water utility, parking and sanitation funds.

G. Credited Service

Service rendered to the City for which the member has received Compensation and has made contributions to the fund. No service is credited for any periods of employment for which the member received a refund of employee contributions.

H. Compensation

Members Hired Prior to July 15, 2009

Gross wages received from the City, including overtime and excluding payouts for blood time and compensatory time. Compensation includes payments for accumulated sick leave not to exceed the amount accumulated as of October 1, 2002. Compensation includes payments for accumulated annual leave not to exceed the amount accumulated as of March 2014 and limited to 125 hours for employees covered by a bargaining unit and are limited to 60 hours for employees not covered by a bargaining unit.



Members Hired on or After July 15, 2009

Compensation includes only base pay and longevity pay.

I. Average Final Compensation (AFC)

Members Hired Prior to July 15, 2009

The average of Compensation over the highest 78 consecutive biweekly pay periods of Credited Service prior to termination or retirement.

Members Hired on or After July 15, 2009 but Before October 1, 2011 for General Fund Members or Before March 5, 2014 for Non-General Fund Members

The average of Compensation over the highest 104 consecutive biweekly pay periods of Credited Service prior to termination or retirement.

Members Hired on or After October 1, 2011 for General Fund Members or March 5, 2014 for Non-General Fund

The average of Compensation over the highest 130 consecutive biweekly pay periods or the last 260 biweekly pay periods of Credited Service prior to termination or retirement.

J. Normal Retirement

Members Hired Prior to July 15, 2009

Eligibility: A member may retire upon attaining age 55 with 5 years of Credited Service or upon attaining 25 years of Credited Service regardless of age.

Benefit: 3.0% of AFC multiplied by years of Credited Service, up to 81% of AFC.

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: 2.0% per year commencing 3 years after retirement benefits begin.

Members Hired on or After July 15, 2009 but Before October 1, 2011 for General Fund Members or Before March 5, 2014 for Non-General Fund Members

Eligibility: A member may retire upon attaining age 60 with 7 years of Credited Service, upon attaining age 57 with 25 years of Credited Service, or upon attaining 30 years of Credited Service regardless of age.

Benefit: 2.5% of AFC multiplied by years of Credited Service, up to 81% of AFC.



Normal Form
of Benefit: Single Life Annuity; other options are also available.

COLA: None.

Members Hired on or After October 1, 2011 for General Fund Members or March 5, 2014 for Non-General Fund

Eligibility: A member may retire upon attaining age 65 with 7 years of Credited Service, age 62 with 25 years of Credited Service, or 30 years of Credited Service regardless of age.

Benefit: 2.5% of AFC multiplied by years of Credited Service, up to 81% of AFC.

Normal Form
of Benefit: Single Life Annuity; other options are also available.

COLA: None.

K. Early Retirement

None.

L. Delayed Retirement

Same as Normal Retirement taking into account Compensation earned and service credited until the date of actual retirement.

M. Service Connected Disability

Members Hired Prior to July 15, 2009

Eligibility: Any member who becomes totally and permanently disabled and unable to perform the specific duties of the member's position as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: 75% of salary.

Normal Form
of Benefit: Single Life Annuity; or until recovery from disability.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.



Members Hired on or After July 15, 2009

Eligibility: Any member who becomes totally and permanently disabled and unable to perform the specific duties of the member's position as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: 75% of salary.

Normal Form
of Benefit: Single Life Annuity; or until recovery from disability.

COLA: None.

N. Non-Service Connected Disability

Members Hired Prior to July 15, 2009

Eligibility: Any member with 5 years of Credited Service who becomes totally and permanently disabled and unable to perform the specific duties of the member's position is immediately eligible for a disability benefit.

Benefit: The greater of:
(1) Accrued Normal Retirement Benefit taking into account Compensation earned and service credited until the date of disability, or
(2) 20% of AFC.

Normal Form
of Benefit: Single Life Annuity; or until recovery from disability.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

Members Hired on or After July 15, 2009

Eligibility: Any member with 7 years of Credited Service who becomes totally and permanently disabled and unable to perform the specific duties of the member's position is immediately eligible for a disability benefit.

Benefit: The greater of:
(1) Accrued Normal Retirement Benefit taking into account Compensation earned and service credited until the date of disability, or
(2) 20% of AFC.

Normal Form
of Benefit: Single Life Annuity; or until recovery from disability.

COLA: None.



O. Death in the Line of Duty

Members Hired Prior to July 15, 2009

Eligibility: Members are eligible for survivor benefits after the completion of 5 years of Credited Service.

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.

Normal Form of Benefit: Single Life Annuity.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

The designated beneficiary of a plan member with less than 5 years of Credited Service will receive a refund of the member's accumulated contributions.

Members Hired on or After July 15, 2009

Eligibility: Members are eligible for survivor benefits after the completion of 7 years of Credited Service.

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.

Normal Form of Benefit: Single Life Annuity.

COLA: None.

The designated beneficiary of a plan member with less than 7 years of Credited Service will receive a refund of the member's accumulated contributions.

P. Other Pre-Retirement Death

Members Hired Prior to July 15, 2009

Eligibility: Members are eligible for survivor benefits after the completion of 5 years of Credited Service.

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.



Normal Form
of Benefit: Single Life Annuity.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

The designated beneficiary of a plan member with less than 5 years of Credited Service will receive a refund of the member's accumulated contributions.

Members Hired on or After July 15, 2009

Eligibility: Members are eligible for survivor benefits after the completion of 7 years of Credited Service.

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.

Normal Form
of Benefit: Single Life Annuity.

COLA: None.

The designated beneficiary of a plan member with less than 7 years of Credited Service will receive a refund of the member's accumulated contributions.

Q. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

R. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are the 5, 10 and 20 Year Certain and Life Annuity options and the 50% and 100% Joint and Survivor options. Members who are eligible for normal retirement may elect to receive a Partial Lump Sum of up to 25% of the present value of the benefit with the remainder as a monthly benefit. The lump sum amount is calculated using the Plan's definition of actuarial equivalence.

S. Vested Termination

Members Hired Prior to July 15, 2009

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service.

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins at age 55 (age 60 for members hired on or after July 15, 2009).



Normal Form
of Benefit: Single Life Annuity; other options are also available.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

Members terminating employment with less than 5 years of Credited Service will receive a refund of their own accumulated contributions.

Members Hired on or After July 15, 2009 but Before October 1, 2011 for General Fund Members or Before March 5, 2014 for Non-General Fund Members

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 7 years of Credited Service.

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins at 60.

Normal Form
of Benefit: Single Life Annuity; other options are also available.

COLA: None.

Members terminating employment with less than 7 years of Credited Service will receive a refund of their own accumulated contributions.

Members Hired on or After October 1, 2011 for General Fund Members or March 5, 2014 for Non-General Fund

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 7 years of Credited Service.

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins at 65.

Normal Form
of Benefit: Single Life Annuity; other options are also available.

COLA: None.

Members terminating employment with less than 7 years of Credited Service will receive a refund of their own accumulated contributions.



T. Refunds

Eligibility: All members terminating non-vested are eligible. Optionally, vested members may elect a refund in lieu of the vested benefits otherwise due.

Benefit: A refund of the member's contributions with simple interest at 4% per year through date of separation.

U. Member Contributions

Members Hired Prior to July 15, 2009

9.0% of Compensation.

Members Hired on or After July 15, 2009 but Before October 1, 2011 for General Fund Members or Before March 5, 2014 for Non-General Fund Members

9.0% of Compensation.

Members Hired on or After October 1, 2011 for General Fund Members or March 5, 2014 for Non-General Fund

8.0% of Compensation.

V. Employer Contributions

The amount determined by the actuary needed to fund the Plan properly according to State laws.

W. Cost of Living Increases

Members Hired Prior to July 15, 2009

2.0% per year commencing 3 years after retirement benefits begin. For Members who enter the DROP, the COLA begins 1 year after separation of employment, if later.

Members Hired on or After July 15, 2009

Members hired on or after July 15, 2009 are not eligible for the COLA.

X. Deferred Retirement Option Plan (DROP)

Members Hired Prior to July 15, 2009

Eligibility: A member may enter the DROP upon attaining age 55 with 10 years of Credited Service or upon attaining 25 years of Credited Service regardless of age, but before completing 30 years of Credited Service.



Benefit: The member's Credited Service and AFC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AFC.

Maximum

DROP Period: 5 years but no later than completion of 32 years of Credited Service.

Interest

Credited: The member's DROP account is credited with interest at the same rate as the net rate of investment return on plan assets.

Normal Form

of Benefit: Lump Sum or Direct Rollover.

COLA: 2.0% per year commencing 3 years after DROP payments begin or 1 year after separation of employment, if later.

Members Hired on or After July 15, 2009

Members hired on or after July 15, 2009 are not eligible to enter the DROP.

Y. Planned Retirement Program

The Planned Retirement Program is available for members who were hired before July 15, 2009 and offers the following features:

- A member may backdrop for up to five years but not prior to the date when normal retirement eligibility was attained
- The retirement benefit is calculated based on service and average final compensation at the retroactive Planned Retirement Program date
- The Planned Retirement Program deposits are credited with interest according to the following schedule:
 - If the Plan's return is negative, the member shares in the losses
 - If the Plan's funded ratio is below 80%, the member receives the first 4%, the Plan receives the next 2%, and the member receives any additional earnings above 6%
 - If the Plan's funded ratio is between 80% and 90%, the member receives the first 4%, the Plan receives the next 1%, and the member receives any additional earnings above 5%
 - If the Plan's funded ratio is above 90%, the member receives the full Plan return



Z. Supplemental Pension Distribution

The Plan provides that a supplemental pension distribution may be paid to eligible benefit recipients if the market value rate of return exceeds the assumed rate of return plus 4.5% (effective as of October 1, 2007). An eligible recipient is any member employed by the City on October 1, 2002, any member receiving benefits on that date, and any spouse of deceased members receiving benefits on that date. The Supplemental Pension Distribution is not payable while an eligible recipient participates in the DROP. The total Supplemental Pension Distribution is equal to the actuarial present value of future retirement benefits with respect to eligible recipients multiplied by the excess (not to exceed 2%) of the net market rate of return over the assumed rate of return plus 4.5%. The amount allocated to each eligible recipient is determined by multiplying the total Supplemental Pension Distribution by each individual member's years of Credited Service divided by total years of Credited Service for all recipients. Credit Service is limited to 25 years.

AA. Transfers

Members who transfer to another City plan are eligible to receive benefits from this Plan. The employee contributions for transferred members remain in the fund. The benefit is based on the Credited Service accrued under this Plan, the multiplier in effect at the date of transfer, and the Compensation earned through date of termination or DROP participation. Eligibility for benefits is based on all service. Death and disability benefits are not payable from this Plan after the date of transfer. Members hired on or after July 15, 2009 who transfer to another City plan are treated as terminated employees.

AB. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Hollywood Employees' Retirement Fund liability if continued beyond the availability of funding by the current funding source.

AC. Changes from Previous Valuation

None.



AGENDA ITEM 4.B.

FINANCIAL

FINANCIAL OPERATIONS AND INVESTMENT SUMMARY

CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND
FINANCIAL OPERATIONS AND INVESTMENT SUMMARY
PRELIMINARY
May 31, 2024
Fiscal Year-To-Date

| <u>Investment Balances</u> | <u>Market Value</u> | <u>Book Value</u> | <u>Unrealized Gain (Loss)</u> |
|--|--------------------------|--------------------------------|-----------------------------------|
| Balance October 1, 2023 | \$ 412,465,220.26 | \$ 335,070,926.30 | \$ 77,394,293.96 |
| Contributions and Payments: | | | |
| City Contributions | | \$ 26,508,097.00 | |
| Employees Contributions | | \$ 2,791,607.75 | |
| Pension Disbursement | | \$ (26,251,505.58) | |
| Building | | \$ (119,186.97) | |
| Furniture | | \$ (49,433.52) | |
| CPMS project | | \$ (61,025.00) | |
| Administrative Expenses | | \$ (888,018.36) ⁽¹⁾ | |
| Net Contributions/Payments | | \$ 1,930,535.32 | |
| Investment Income: | | | |
| Dividends & Interest Received | | \$ 5,890,373.29 | |
| Gain on Sales (Realized Gains/(Loss)) | | \$ 5,206,283.91 | |
| Commission Recapture | | \$ - | |
| Total Invest. Professional Fees | | \$ (344,830.22) ⁽²⁾ | |
| Net Investment Income | | \$ 10,751,826.98 | |
| Balance May 31, 2024 | <u>\$ 460,683,776.91</u> | <u>\$ 347,753,288.60</u> | <u>\$ 112,930,488.31</u> |
| Increase (Decrease) for the Period | <u>\$ 48,218,556.65</u> | <u>\$ 12,682,362.30</u> | <u>\$ 35,536,194.35</u> |
| Unreconciled | | | (1,768,242.28) |
| Unrealized Gain (Loss) Account | | | |
| Composition of Increases (Decreases) | | | |
| Affiliated Development | | | \$ (1,709.77) |
| AG Direct Lending | | | \$ 134,928.01 |
| Angelo-Gordon Realty | | | \$ (377,736.03) |
| Baird Core Plus Bond Fund | | | \$ 2,167,316.49 |
| Brightwood | | | \$ (470,011.39) |
| Earnest Partners | | | \$ 2,860,533.92 |
| EnTrust Blue Ocean | | | \$ 887,526.99 |
| Golden Tree | | | \$ 1,404,176.16 |
| Gold Point | | | \$ (304,136.45) |
| Harbourvest Dover IX49 | | | \$ 23,977.01 |
| IFM Global | | | \$ 280,027.40 |
| LM Capital | | | \$ 1,810,381.44 |
| Loomis Sayles | | | \$ 2,884,751.06 |
| Marathon | | | \$ 201,337.21 |
| Morgan Stanley | | | \$ (819,684.42) |
| NB Crossroads | | | \$ 328,838.44 |
| NB Private Debt | | | \$ (608,617.98) |
| Neuberger Short Duration | | | \$ 1,759,820.81 |
| Northern Trust-Extended | | | \$ 1,618,359.04 |
| Northern Trust | | | \$ 9,959,330.34 |
| Principal Investors | | | \$ (1,175,489.18) |
| RBC Emerging Markets | | | \$ 2,375,230.77 |
| Wellington International | | | \$ 8,828,802.20 |
| | | | <u>\$ 33,767,952.07</u> |
| Investment Return | | | |
| Net Investment Income | | | \$ 10,751,826.98 |
| Increases (Decrease) in Unrealized Gain/Loss | | | \$ 35,536,194.35 |
| Total Investment Return for the Period | | | <u>\$ 46,288,021.33</u> |
| Beginning Market Value | | | \$ 412,465,220.26 |
| Plus/(Less): Net Contributions/Payment | | | \$ 1,930,535.32 |
| Assets Available for Investment | | | <u>\$ 414,395,755.58</u> |
| Investment Return as a result of % of Assets Available for Investments | | | <u>11.17%</u> |

⁽¹⁾ ⁽²⁾ Refer to Cash Payments Detail

**CITY OF HOLLYWOOD
EMPLOYEES RETIREMENT FUND
Disbursements Processed
May 1, 2024 to May 31, 2024**

| | |
|--|-----------------------|
| 2450 Center Court Condominium | (\$3,717.22) |
| Gary Tunncliffe & Jack Ziegler LLC | (\$20,025.00) |
| Principal Custody Solutions (Jan-Mar 2024) | (\$12,762.79) |
| Segal Advisors Inc (April 2024) | (\$4,166.67) |
| Segal Advisors Inc (April 2024) | (\$10,833.33) |
| The Northern Trust Company (Jan-Mar 2024) | (\$8,251.31) |
| Wellington Trust Company (Jan-Mar 2024) | (\$95,539.42) |
| | <u>(\$155,295.74)</u> |

| <u>FYE 2024 Expenses</u> | | <u>FYE 2024 Disbursements By Type</u> | | <u>FYE 2024 Disbursements</u> |
|------------------------------|--------------------------|---------------------------------------|--------------------------|-----------------------------------|
| September | \$ (39,211.00) | | | \$ - |
| October | \$ (191,986.82) | | | \$ (229,674.00) |
| November | \$ (92,756.70) | Building | \$ (119,186.97) | \$ (227,418.14) |
| December | \$ (86,721.55) | Furniture | \$ (49,433.52) | \$ (106,765.55) |
| January | \$ (225,788.24) | CPMS Project | \$ (61,025.00) | \$ (225,788.24) |
| February | \$ (182,296.11) | Admin. Expenses | \$ (888,018.36) | \$ (182,296.11) |
| March | \$ (122,804.76) | Total Invest. Prof. Fees | \$ (344,830.22) | \$ (122,804.76) |
| April | \$ (212,451.53) | | | \$ (212,451.53) |
| May | \$ (155,295.74) | | | \$ (155,295.74) |
| | <u>\$ (1,309,312.45)</u> | | <u>\$ (1,462,494.07)</u> | <u>\$ (1,462,494.07)</u> |

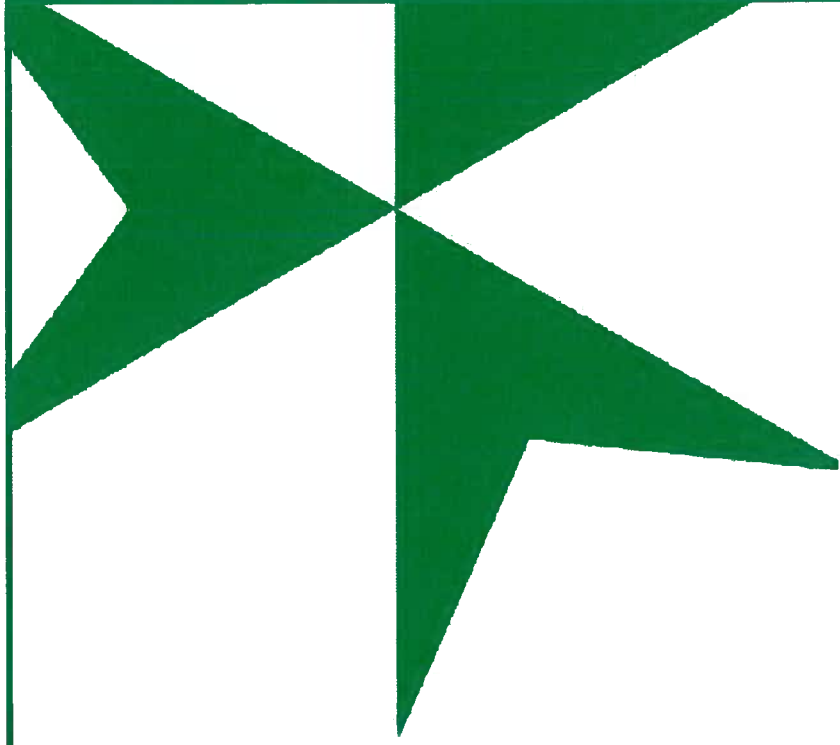
City of Hollywood Employees Retirement Fund
Budget v. Actual
For Year Ending 09/30/2024
Expenses as of 5/31/2024

| | 2024 Approved Modified Budget (A) | May-24 | YTD Actual (B) | Remaining Available (A-B) | % Remaining Available (A-B)/(A) |
|--|---|----------------|-------------------|---------------------------------|--|
| Investment Fees: | | | | | |
| LM Capital | 27,500 | - | 18,838 | 8,662 | 31.50% |
| Northern Trust | 40,000 | 8,251 | 22,885 | 17,115 | 42.79% |
| Thompson Siegel (TSW) | - | - | - | - | 0.00% |
| Wellington | 415,000 | 95,539 | 265,023 | 149,977 | 36.14% |
| Custodial Fees | 55,200 | 12,763 | 38,085 | 17,115 | 31.01% |
| Total Invest. Professional Fees | 537,700 | 116,554 | 344,830 | 192,870 | 35.87% |
| Administrative Fees: | | | | | |
| Consultants | 130,000 | 10,833 | 86,667 | 43,333 | 33.33% |
| Accounting | 50,000 | 4,167 | 33,333 | 16,667 | 33.33% |
| Audit | 23,000 | - | 23,000 | - | 0.00% |
| GRS-Actuarial and other Fees | 100,500 | - | 18,562 | 81,938 | 81.53% |
| Medical Svcs (Disability Verification) | 4,800 | - | 6,495 | (1,695) | -35.31% |
| Lorium PLLC- Board Attorney | 108,000 | - | 59,693 | 48,308 | 44.73% |
| Total Admin. Professional Fees | 416,300 | 15,000 | 227,750 | 188,551 | 45% |
| Personnel Expenses: | | | | | |
| Salaries - Staff | 351,100 | - | 198,368 | 152,732 | 43.50% |
| Salaries - Temporary | 50,000 | - | 16,618 | 33,382 | 66.76% |
| Taxes & Benefits | 111,000 | - | 67,508 | 43,492 | 39.18% |
| Insurance | 184,000 | - | 150,564 | 33,436 | 18.17% |
| Total Personnel Expenses | 696,100 | - | 433,058 | 263,042 | 38% |
| Other Expenses: | | | | | |
| Continuing Education/Dues | 42,000 | - | 26,222 | 15,778 | 37.57% |
| Training-Travel, Meals & Lodging | 45,000 | - | 25,005 | 19,995 | 44.43% |
| Participant/Member Education | 5,000 | - | - | 5,000 | 100.00% |
| Equipment Rent | 5,000 | - | 811 | 4,189 | 83.78% |
| Software Maintainance | 44,000 | - | 42,044 | 1,956 | 4.45% |
| Printing & Postage Cost | 3,000 | - | 1,109 | 1,891 | 63.05% |
| Equipment & Supplies | 15,000 | - | 1,249 | 13,751 | 91.67% |
| Outside service | 3,000 | - | 136 | 2,864 | 95.47% |
| Moving Costs | 15,000 | - | - | 15,000 | 100.00% |
| Project Management Services | 202,500 | 20,025 | 92,700 | 109,800 | -100.00% |
| Architecture Services | 10,000 | - | 6,514 | 3,486 | -100.00% |
| Office Condo Utilities | 13,200 | 3,238 | 27,317 | (14,117) | -106.95% |
| Office Condo Fees and Assessments | 41,030 | 480 | 4,104 | 36,926 | 90.00% |
| Total Other Expenses: | 443,730 | 23,742 | 227,211 | 216,519 | 48.80% |
| Administrative Expenses | 1,556,130 | 38,742 | 888,018 | 668,112 | 42.93% |
| Capital Expenditures | - | - | 229,645 | - | - |
| Contingency Reserves | 220,000 | - | - | 220,000 | - |
| Total Expenditure FYE 2024 | 2,313,830 | 155,296 | 1,462,494 | 1,080,981 | 46.72% |
| FYE 2024 Prepaid Exp Paid 2023 | - | - | 39,211 | (39,211) | - |
| FYE 2023 Accrued Expenses Paid 2024 | - | - | (192,393) | 192,393 | - |
| Total Cost FYE 2024 | 2,313,830 | 155,296 | 1,309,312 | 1,234,163 | - |

AGENDA ITEM 5.A.

INVESTMENT

APRIL 2024 FLASH PERFORMANCE REPORT



Monthly Flash Report

City of Hollywood Employees' Retirement Fund

Period Ending April 30, 2024

J. Keith Reynolds
Vice President & Senior Consultant

Felicia Ewell
Associate Consultant

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 **Segal Marco Advisors**

Market Environment – April 2024

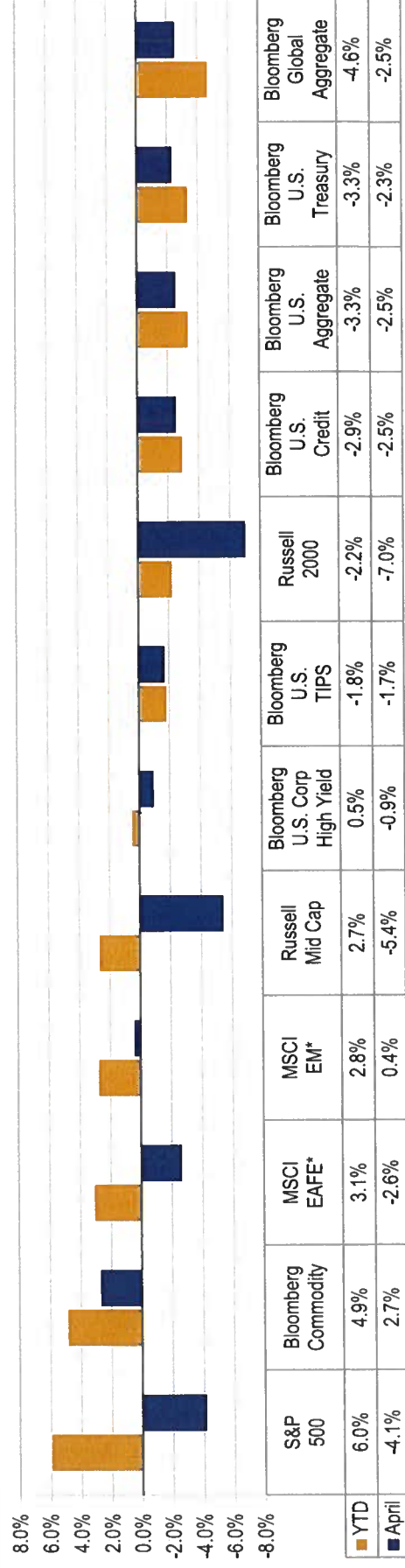
April Highlights

- The consumer price index (CPI) increased by 0.4% month-on-month in March with annual inflation slightly higher at 3.5%. US GDP growth was lower than expected at 1.6% in Q1. The Fed continued to hold rates steady at a targeted range of 5.25%-5.5% with recent comments suggesting fewer interest rate cuts later in the year.
- U.S. stocks of all sizes were negative this month, especially sectors sensitive to interest rates. Utilities (+1.6%) led all S&P 500 sectors for the month, while real estate (-8.5%) posted the lowest sector return.
- Developed global stocks were mostly negative with Europe (-1.7%) outpacing the Pacific (-3.7%) region. Emerging market stocks were positive led by Turkey (14.3%) and a rebound in China (+6.6%).
- Bond prices fell again as yields in the medium- to long-term curve increased further as the 10-year Treasury yield reached 4.7% near month-end. Except for 3-month T-Bills, all bond sectors were negative with 30-year Treasuries (-6.5%) performing the worst.
- Commodities continued to rebound with further gains in precious and industrial metals.

2024 Highlights

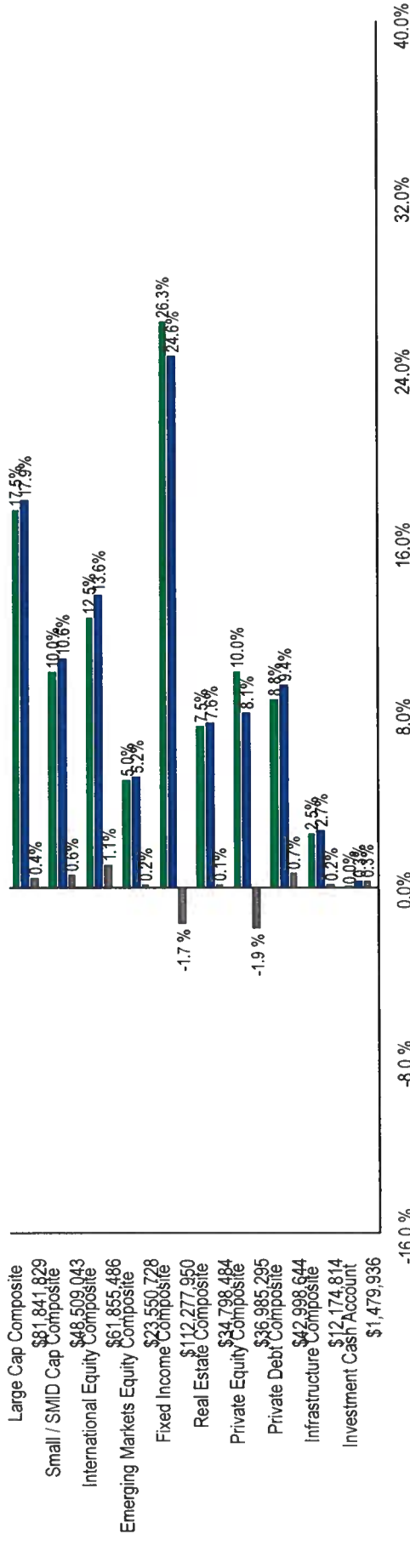
- Global equity markets performance remains positive based on resilient economics data and diverging central bank interest rate movement expectations. US mega caps stocks remain in the lead driven by communication services (+12.7%) companies & a resurgence in energy (+15.8%).
- Non-U.S. developed market stocks remain positive led by a handful of mega cap stocks. Japan's Nikkei index finally set a new high at a level last reached in 1989. Emerging markets remain constrained by China's continued economic weakness.
- Most fixed income sector returns fell as bond yields increased inversely impacted bond prices. Anticipated interest rate cuts have been reduced as economic conditions remain strong & inflation elevated. Short-term T-Bills (+1.8%) & high yield (+0.5%) are the only positive sectors this year.
- Commodities continued to rebound this year with further gains in precious and industrial metals.

Returns



*Net dividends reinvested

Page 1



| | Asset Allocation (\$) | Asset Allocation (%) | Target Allocation (%) | Differences (%) | Minimum Allocation (%) | Maximum Allocation (%) |
|-----------------------------------|-----------------------|----------------------|-----------------------|-----------------|------------------------|------------------------|
| Total Fund Composite* | 456,472,209 | 100.0 | 100.0 | 0.0 | 10.0 | 25.0 |
| Large Cap Composite | 81,841,829 | 17.9 | 17.5 | 0.4 | 5.0 | 15.0 |
| Small / SMID Cap Composite | 48,509,043 | 10.6 | 10.0 | 0.6 | 7.5 | 17.5 |
| International Equity Composite | 61,855,486 | 13.6 | 12.5 | 1.1 | 2.0 | 8.0 |
| Emerging Markets Equity Composite | 23,550,728 | 5.2 | 5.0 | 0.2 | 20.0 | 35.0 |
| Fixed Income Composite | 112,277,950 | 24.6 | 26.3 | -1.7 | 0.0 | 12.5 |
| Real Estate Composite | 34,798,484 | 7.6 | 7.5 | 0.1 | 0.0 | 15.0 |
| Private Equity Composite | 36,985,295 | 8.1 | 10.0 | -1.9 | 0.0 | 14.0 |
| Private Debt Composite | 42,998,644 | 9.4 | 8.8 | 0.7 | 0.0 | 5.0 |
| Infrastructure Composite | 12,174,814 | 2.7 | 2.5 | 0.2 | 0.0 | 5.0 |
| Investment Cash Account | 1,479,936 | 0.3 | 0.0 | 0.3 | 0.0 | 5.0 |

*Total does not include non-investment cash account

The City of Hollywood
Asset Allocation

As of April 30, 2024

| | Total Fund (\$) | % |
|---|--------------------|--------------|
| Total Fund Composite* | 456,472,209 | 100.0 |
| Domestic Equity Composite | 130,350,872 | 28.6 |
| Large Cap Composite | 81,841,829 | 17.9 |
| Northern Trust S&P 500 | 81,841,829 | 17.9 |
| Small / SMID Cap Composite | 48,509,043 | 10.6 |
| Earnest Partners Small/Mid Cap Value Equity | 18,673,527 | 4.1 |
| Loomis, Sayles Small/Mid Cap Growth | 17,522,712 | 3.8 |
| Northern Trust Extended Equity Market Index | 12,312,804 | 2.7 |
| International Equity Composite | 61,855,486 | 13.6 |
| Wellington International | 61,855,486 | 13.6 |
| Emerging Markets Equity Composite | 23,550,728 | 5.2 |
| RBC Emerging Markets Equity | 23,550,728 | 5.2 |
| Fixed Income Composite | 112,277,950 | 24.6 |
| Baird Core Plus Bond | 41,624,237 | 9.1 |
| LM Capital Group, LLC Active Core Plus | 11,851,760 | 2.6 |
| Neuberger & Berman Short Duration | 41,477,030 | 9.1 |
| GoldenTree Multi-Sector LP | 17,324,922 | 3.8 |
| Real Estate Composite | 34,798,484 | 7.6 |
| Morgan Stanley | 12,014,433 | 2.6 |
| Principal Enhanced Property Fund | 11,474,699 | 2.5 |
| AG Realty Value Fund X | 6,629,756 | 1.5 |
| Affiliated Housing Impact Fund | 4,679,597 | 1.0 |
| Private Equity Composite | 36,985,295 | 8.1 |
| NB Crossroads Fund XXI | 19,043,160 | 4.2 |
| HarbourVest Dover Fund IX | 6,080,420 | 1.3 |
| Apogem Heritage Fund VI LP | 11,861,715 | 2.6 |
| Private Debt Composite | 42,998,644 | 9.4 |
| AG Direct Lending Fund II, L.P. | 5,253,744 | 1.2 |
| EnTrust Blue Ocean Onshore Fund LP | 9,958,901 | 2.2 |
| Brightwood Capital Fund V, LP | 3,203,492 | 0.7 |
| Marathon Healthcare Finance Fund | 6,759,017 | 1.5 |
| NB Private Debt Fund IV LP | 15,987,986 | 3.5 |
| Brightwood Capital SBIC III, LP | 1,835,504 | 0.4 |
| Infrastructure Composite | 12,174,814 | 2.7 |
| IFM Global Infrastructure | 12,174,814 | 2.7 |
| Investment Cash Account | 1,479,936 | 0.3 |

*Total does not include non-investment cash account.

| | Jan-2024 | | Apr-2024 | | Oct-2023 | | Performance (%) | | | | | | |
|---|----------|----------|----------|----------|----------|----------|-----------------|-------|-------|-------|-----------|------------|--|
| | To | Mar-2024 | To | Apr-2024 | To | Apr-2024 | 1 | 3 | 5 | 7 | Since | Inception | |
| | | | | | | | Year | Years | Years | Years | Inception | Date | |
| Total Fund Composite (Gross) | 4.0 | | -1.8 | | 8.9 | | 9.5 | 3.9 | 7.7 | 7.5 | 7.8 | 02/01/1991 | |
| Total Fund Composite (Net) | 4.0 | | -1.8 | | 8.8 | | 9.3 | 3.7 | 7.5 | 7.3 | 7.7 | | |
| Policy Index* | 4.0 | | -2.9 | | 9.5 | | 8.5 | 1.6 | 6.0 | 6.5 | 7.7 | | |
| Domestic Equity | | | | | | | | | | | | | |
| Northern Trust S&P 500 (Gross) | 10.5 | | -4.1 | | 18.4 | | 22.6 | 8.1 | 13.2 | 13.2 | 13.8 | 11/01/2012 | |
| Northern Trust S&P 500 (Net) | 10.5 | | -4.1 | | 18.4 | | 22.6 | 8.0 | 13.2 | 13.2 | 13.8 | | |
| S&P 500 | 10.6 | | -4.1 | | 18.4 | | 22.7 | 8.1 | 13.2 | 13.2 | 13.8 | | |
| Earnest Partners Small/Mid Cap Value Equity (Gross) | 7.7 | | -7.0 | | 13.1 | | 15.4 | N/A | N/A | N/A | 4.4 | 02/01/2023 | |
| Earnest Partners Small/Mid Cap Value Equity (Net) | 7.5 | | -7.0 | | 12.7 | | 14.7 | N/A | N/A | N/A | 3.8 | | |
| Russell 2500 Value Index | 6.1 | | -6.3 | | 13.1 | | 15.2 | 1.7 | 7.2 | 6.8 | 3.8 | | |
| Loomis, Sayles Small/Mid Cap Growth (Gross) | 8.9 | | -4.4 | | 12.5 | | 9.4 | -3.9 | N/A | N/A | 3.3 | 08/06/2020 | |
| Loomis, Sayles Small/Mid Cap Growth (Net) | 8.9 | | -4.4 | | 12.5 | | 9.4 | -3.9 | N/A | N/A | 3.3 | | |
| Russell 2500 Growth Index | 8.5 | | -7.5 | | 13.1 | | 13.5 | -4.4 | 7.0 | 9.1 | 5.2 | | |
| Northern Trust Extended Equity Market Index (Gross) | 7.0 | | -6.5 | | 15.1 | | 20.9 | -2.7 | 7.8 | N/A | 6.2 | 09/01/2018 | |
| Northern Trust Extended Equity Market Index (Net) | 7.0 | | -6.5 | | 15.1 | | 20.9 | -2.7 | 7.8 | N/A | 6.2 | | |
| DJ U.S. Completion TSM Indx | 7.0 | | -6.5 | | 14.9 | | 20.8 | -2.8 | 7.7 | 8.4 | 6.1 | | |
| International Equity | | | | | | | | | | | | | |
| Wellington International (Gross) | 5.7 | | -1.0 | | 15.3 | | 10.2 | 0.0 | 6.4 | 5.8 | 5.2 | 11/01/2013 | |
| Wellington International (Net) | 5.6 | | -1.1 | | 14.9 | | 9.5 | -0.6 | 5.6 | 5.0 | 4.5 | | |
| MSCI AC World ex USA (Net) | 4.7 | | -1.8 | | 12.8 | | 9.3 | 0.3 | 5.0 | 5.3 | 4.0 | | |
| Emerging Markets Equity | | | | | | | | | | | | | |
| RBC Emerging Markets Equity** | 1.0 | | 0.1 | | 9.7 | | 7.4 | -3.9 | N/A | N/A | 2.1 | 09/16/2020 | |
| MSCI EM (Net) | 2.4 | | 0.4 | | 10.9 | | 9.9 | -5.7 | 1.9 | 3.5 | 1.0 | | |

The City of Hollywood
Comparative Performance

As of April 30, 2024

| | Performance (%) | | | | | | | Inception Date | |
|--|----------------------|----------------------|----------------------|--------|---------|---------|---------|----------------|-----------------|
| | Jan-2024 To Mar-2024 | Apr-2024 To Apr-2024 | Oct-2023 To Apr-2024 | 1 Year | 3 Years | 5 Years | 7 Years | | Since Inception |
| Fixed Income | | | | | | | | | |
| Baird Core Plus Bond** | -0.2 | -2.4 | 4.4 | 0.4 | -2.8 | 0.7 | N/A | 1.2 | 06/01/2017 |
| Bimbg. U.S. Aggregate | -0.8 | -2.5 | 3.3 | -1.5 | -3.5 | -0.2 | 0.6 | 0.5 | |
| LM Capital Group, LLC Active Core Plus (Gross) | -0.2 | -2.2 | 3.9 | 0.1 | N/A | N/A | N/A | 0.9 | 07/01/2022 |
| LM Capital Group, LLC Active Core Plus (Net) | -0.2 | -2.2 | 3.8 | -0.1 | N/A | N/A | N/A | 0.7 | |
| Bimbg. U.S. Aggregate | -0.8 | -2.5 | 3.3 | -1.5 | -3.5 | -0.2 | 0.6 | -0.5 | |
| Neuberger & Berman Short Duration** | 2.1 | -0.2 | 5.8 | 7.5 | 1.0 | 2.3 | N/A | 2.4 | 02/01/2018 |
| NB Blended Benchmark*** | 0.9 | 0.1 | 3.0 | 4.3 | 1.7 | 1.7 | 1.7 | 1.8 | |
| Bimbg. Intermed. U.S. Government/Credit | -0.2 | -1.3 | 3.0 | 0.7 | -1.7 | 0.8 | 1.1 | 1.3 | |
| GoldenTree Multi-Sector LP** | 3.3 | 0.2 | 8.8 | 12.4 | 4.5 | 5.3 | N/A | 5.2 | 10/01/2017 |
| GT Blended Index**** | 2.0 | 0.0 | 6.6 | 10.5 | 4.0 | 4.4 | 4.4 | 4.4 | |
| Bimbg. U.S. Aggregate | -0.8 | -2.5 | 3.3 | -1.5 | -3.5 | -0.2 | 0.6 | 0.4 | |
| Real Estate | | | | | | | | | |
| Morgan Stanley** | -1.3 | 0.0 | -3.5 | -5.8 | 5.6 | 5.0 | 5.8 | 5.5 | 05/01/2008 |
| NCREIF ODCE Equal Weighted | -2.4 | 0.0 | -7.1 | -11.3 | 3.4 | 3.7 | 4.9 | 4.7 | |
| Principal Enhanced Property Fund** | -1.7 | 1.7 | -3.3 | -8.1 | 4.9 | 4.7 | 6.0 | 8.8 | 11/01/2013 |
| NCREIF Property Index | -1.0 | 0.0 | -4.0 | -7.2 | 3.6 | 3.8 | 4.7 | 6.6 | |
| Infrastructure | | | | | | | | | |
| IFM Global Infrastructure** | -1.1 | 0.8 | 2.4 | 4.9 | 9.1 | 9.7 | N/A | 11.4 | 09/01/2017 |

*Policy Index (Oct 2020-current) consists of 17.5% S&P 500, 10% Russell 2500, 12.5% MSCI ACWI ex US (net), 5% MSCI EM (net), 35% Bloomberg U.S. Aggregate, 2.5% NCREIF ODCE (ew), 3% NCREIF NPI, 2% NCREIF NPI+3%, 10% Russell 3000+3% and 2.5% CPI+3.5%

**Performance shown net of fees

***NB Blended Benchmark consists of 40% Bloomberg 1-3 Year Gov/Credit and 60% BofA Merrill Lynch 3 Month T-Bill.

****GT Blended Index consists of 33.34% BofA Merrill Lynch High Yield Master II, 33.33% HFRI RV: Fixed Income-Corporate Index, and 33.33% S&P/LSTA Leveraged Loan Index.

The City of Hollywood

Comparative Performance - IRR

As of April 30, 2024

| | Market Value (\$) | % | Oct-2023 To Apr-2024 | 1 Year | 3 Years | 5 Years | 7 Years | Since Inception | Inception Date |
|------------------------------------|-------------------|-----|----------------------|--------|---------|---------|---------|-----------------|----------------|
| Private Equity | | | | | | | | | |
| Private Equity Composite | 36,985,295 | 8.1 | 0.8 | 3.2 | 12.5 | 18.9 | 18.2 | 17.9 | 06/23/2016 |
| NB Crossroads Fund XXI | 19,043,160 | 4.2 | 1.6 | 1.9 | 11.9 | 17.1 | 16.6 | 15.9 | 06/23/2016 |
| HarbourVest Dover Fund IX | 6,080,420 | 1.3 | 1.2 | 0.3 | 5.4 | 16.0 | 19.2 | 20.5 | 12/16/2016 |
| Apogem Heritage Fund VI LP | 11,861,715 | 2.6 | -0.9 | 7.1 | 17.7 | 25.5 | N/A | 21.8 | 04/23/2018 |
| Private Debt | | | | | | | | | |
| Private Debt Composite | 42,998,644 | 9.4 | 5.3 | 11.3 | 14.2 | 12.4 | N/A | 12.1 | 05/31/2017 |
| AG Direct Lending Fund II, L.P. | 5,253,744 | 1.2 | 2.6 | 9.0 | 13.9 | 10.5 | N/A | 10.5 | 05/31/2017 |
| EnTrust Blue Ocean Onshore Fund LP | 9,958,901 | 2.2 | 9.4 | 15.0 | 22.1 | N/A | N/A | 21.3 | 09/22/2020 |
| Brightwood Capital Fund V, LP | 3,203,492 | 0.7 | 1.5 | 9.8 | N/A | N/A | N/A | 10.2 | 07/12/2021 |
| Marathon Healthcare Finance Fund | 6,759,017 | 1.5 | 3.4 | 7.6 | N/A | N/A | N/A | 7.6 | 05/23/2022 |
| NB Private Debt Fund IV LP | 15,987,986 | 3.5 | 3.6 | 10.1 | N/A | N/A | N/A | 11.9 | 07/21/2022 |
| Brightwood Capital SBIC III, LP | 1,835,504 | 0.4 | N/A | N/A | N/A | N/A | N/A | 17.3 | 01/19/2024 |
| Private Real Estate | | | | | | | | | |
| AG Realty Value Fund X | 6,629,756 | 1.5 | -4.0 | -6.8 | 11.5 | N/A | N/A | 11.3 | 06/10/2019 |
| Affiliated Housing Impact Fund | 4,679,597 | 1.0 | 10.5 | 27.4 | N/A | N/A | N/A | 25.1 | 11/18/2021 |

**City of Hollywood Employees' Retirement Fund
Investment Manager Fee Table
Period Ended April 31, 2024**

| Manager | Mandate | Market Value | Fee Schedule | Estimated Annual Fee (\$) ¹ | Estimated Annual Fee (%) ² |
|--|-----------------------------|-----------------------|--|--|---------------------------------------|
| Northern Trust S&P 500 | Passive Large Cap Equity | \$ 81,841,829 | 3.5 bps on assets | \$ 28,645 | 0.04% |
| Earnest Partners | SMID Cap Value Equity | \$ 18,673,527 | 60 bps on assets | \$ 112,041 | 0.60% |
| Loomis Sayles | Small/Mid Cap Growth Equity | \$ 17,522,712 | 65 bps on assets | \$ 113,898 | 0.65% |
| Northern Trust Extended Equity Market Wellington | SMID Cap Core Equity | \$ 12,312,804 | 3 bps on assets | \$ 3,694 | 0.03% |
| RBC Emerging Markets Equity | International Equity | \$ 61,855,486 | 71 bps on assets | \$ 439,174 | 0.71% |
| Neuberger & Berman Short Duration | Emerging Markets Equity | \$ 23,550,728 | 88 bps on assets | \$ 207,246 | 0.88% |
| Baird Core Plus Bond | Short Duration Fixed Income | \$ 41,477,030 | 43 bps on assets | \$ 178,351 | 0.43% |
| LMI Capital Group, LLC Active Core Plus | Core Plus Fixed Income | \$ 41,624,237 | 30 bps on assets | \$ 124,873 | 0.30% |
| GoldenTree Multi-Sector Fund | Core Plus Fixed Income | \$ 11,851,760 | 25 bps on assets | \$ 29,629 | 0.25% |
| AG Direct Lending Fund II, LP ¹ | Multi-Sector Credit | \$ 17,324,922 | 75 bps on assets | \$ 129,937 | 0.75% |
| EnTrust Blue Ocean ² | Direct Lending Fixed Income | \$ 5,253,744 | 100 bps on first \$50MM, 85 bps on \$50-\$100MM, 80 bps on \$100-\$200MM, 60 bps above \$200MM | \$ 52,537 | 1.00% |
| Brightwood Capital Fund V, LP | Direct Lending Fixed Income | \$ 9,958,901 | 150 bps on invested capital + incentive fee | \$ 149,384 | 1.50% |
| Marathon Healthcare Finance Fund | Direct Lending Fixed Income | \$ 3,203,492 | 150 bps on invested equity capital, 15% performance fee, 6.5% preferred return | \$ 48,052 | 1.50% |
| NB Private Debt Fund IV LP | Direct Lending Fixed Income | \$ 6,759,017 | 150 bps on committed capital, 20% incentive fee, 8% hurdle | \$ 300,000 | 1.50% |
| Brightwood Capital SBIC III, LP | Direct Lending Fixed Income | \$ 15,987,986 | 100 bps on invested capital, 12.5% incentive fee, 7% hurdle | \$ 159,880 | 1.00% |
| Morgan Stanley | Real Estate | \$ 12,014,433 | 200 bps on committed capital during investment period, 200 bps on invested capital during harvest period; 0.5% per annum on drawn leverage, 20% incentive fee, 6.5% hurdle | \$ 60,000 | 2.00% |
| Principal ³ | Real Estate | \$ 11,474,699 | 84 basis points base fee, plus a monthly accrued performance based fee equal to 5% multiplied by NAV multiplied by comparable property NOI growth for the month | \$ 100,921 | 0.84% |
| AG Realty Value Fund X ⁴ | Real Estate | \$ 6,629,756 | 130 bps on assets + incentive fee | \$ 149,171 | 1.30% |
| Affiliated Housing Impact Fund ⁵ | Real Estate | \$ 4,679,597 | 100 bps on assets + incentive fee | \$ 66,298 | 1.00% |
| Neuberger Berman Crossroads XXI ⁶ | Real Estate | \$ 19,043,160 | 150 bps on capital commitments during the investment period, 150 bps on invested contributions thereafter | \$ 75,000 | 1.50% |
| HarbourVest Dover Fund IX ⁷ | Private Equity | \$ 6,080,420 | 25.8 bps on assets | \$ 49,131 | 0.26% |
| Apogem Heritage Fund VI LP ⁸ | Private Equity | \$ 11,861,715 | 70 bps on assets | \$ 42,563 | 0.70% |
| IFM Global Infrastructure ⁹ | Infrastructure | \$ 12,174,814 | 1% on committed capital during investment period, 1% on invested capital thereafter | \$ 100,000 | 1.00% |
| Investment Management Fees | | \$ 454,992,273 | | \$ 2,814,171 | 0.62% |
| Segal Marco | Investment Consulting | | \$130,000 annual retainer | \$ 130,000 | 0.03% |
| Principal | Custodian | | 0.3 bps plus account and transaction based charges ¹⁰ | \$ 53,856 | 0.01% |
| TOTAL FEES | | | | \$ 2,998,027 | 0.66% |

¹ Fees shown are estimated and does not include incentive fees.
² Incentive fee is equal to 15% of the profits in excess of an 7% net IRR to investors.
³ Incentive fee is equal to 15% of the profits in excess of an 11% net IRR to investors.
⁴ Incentive fee is equal to 15% of the profits in excess of an 8% preferred return to investors.
⁵ Incentive fee is equal to 20% of the profits in excess of an 8% preferred return to investors.
⁶ Incentive fee is equal to 20% of the profits in excess of an 8% preferred return per annum.
⁷ Incentive fee is equal to 20% of the profits in excess of an 8% preferred return per annum.
⁸ Incentive fee is equal to 20% of the profits in excess of an 8% preferred return per annum.
⁹ Incentive fee is equal to 10% of the profits in excess of 8% per annum.
¹⁰ Incentive fee is equal to 10% of the profits in excess of 8% per annum.

*The fee for the Dover IX Fund is 75 bps, but the City of Hollywood is retaining a 5 bps fee discount.

Cash Flow Activity Detail – April 2024

| Manager | Product | Wire Type | Transfer Date | Transfer Amount |
|-----------------------------|----------------------------------|------------------------|---------------|-----------------------|
| Brightwood Capital Advisors | SBIC III | Capital Distribution | 4/11/2024 | \$73,200 |
| Baird | Core Plus Bond | Mutual Funds Trade | 4/12/2024 | \$1,000,000 |
| Brightwood Capital Advisors | Brightwood Capital Fund V | Capital Distribution | 4/12/2024 | \$42,995 |
| Principal Financial Group | DB Account | Internal Bank Transfer | 4/15/2024 | \$3,000,000 |
| Principal Global Investor | Principal Enhanced Property Fund | Capital Distribution | 4/16/2024 | \$560,207.90 |
| Affiliated Development | Affiliated Housing Impact Fund | Capital Call | 4/25/2024 | \$171,130.95 |
| Total | | | | \$4,847,533.85 |

AGENDA ITEM 5.B.

INVESTMENT

APOGEM PRIVATE EQUITY

Apogem Capital

City of Hollywood Employees' Retirement Fund

June 2024



Apogem Capital

A NEW YORK LIFE INVESTMENTS COMPANY

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Apogem (f.k.a. New York Life Investments Alternatives LLC), integrated and combined its three relying advisers PA Capital, LLC, GoldPoint Partners, LLC, and Madison Capital Funding (collectively, the "Former Relying Advisers"), to create a singular and unified alternative investment firm in early 2022. This presentation contains information related to the historical advisory businesses of the Former Relying Advisers, including assets under management, number of GP relationships, investment performance, employee tenure, and other metrics. This information is being provided to demonstrate the Former Relying Adviser's investment process, underlying manager/sponsor relationships, and the contributions of each Former Relying Adviser's investment professionals. There can be no assurance that similar investment opportunities that resulted in the performance presented herein will be identified, available for investment, bear the same characteristics, pass due diligence, and/or replicate past performance. The integration of the Former Relying Advisers represents a change in ownership and branding, not a change in advisory services. The integration and combination of the Former Relying Advisers did not result in material changes in the functions or personnel of the investment committees which make investment decisions on a consensus basis.

Important Disclosures Regarding GoldPoint Partners

This presentation contains information related to the historical advisory business of GoldPoint Partners LLC ("GoldPoint"), including assets under management, number of GP relationships, investment performance, and other metrics. These metrics reflect the collective effort of GoldPoint's management team who developed and implemented an investment process over the past 20 years. Investment decisions were made by the Investment Committees of GoldPoint's various investment funds. In August 2021, the resignations of most of the management team (including six of the seven voting members of the investment committees) were accepted by GoldPoint. Upon acceptance of these resignations, GoldPoint ceased all fundraising, and the investment periods of its funds terminated. While there has been significant and meaningful turnover of the members of GoldPoint's Investment Committees, performance information and other key metrics are being provided to demonstrate GoldPoint's investment process, the underlying manager relationships, and deal flow that may still exist, and the contributions of GoldPoint's remaining investment professionals. The remaining investment professionals at GoldPoint participated in origination, sourcing, underwriting, execution, participation in Investment Committee meetings, and monitoring of the investments. There can be no assurance that similar investment opportunities that resulted in the performance presented herein will be identified, available for investment, bear the same characteristics, pass due diligence, and/or replicate past performance. The investment committees of GoldPoint's funds are currently comprised of the remaining member of GoldPoint's investment committee, a returning GoldPoint employee who was previously involved in the Investment Committees (departed in early 2021; rejoined in January 2022), as well as legacy investment professionals from PA Capital and Madison Capital.

No offer to purchase or sell securities. Neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever. If at any time there should commence an offering of securities, any decision to invest in any such offer to subscribe for or acquire such securities must be based wholly on the information contained in a final offering document issued or to be issued in connection with any such offer and not on the contents hereof. This document does not constitute and should not be considered as any form of financial opinion or recommendation by us or any of our affiliates.

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Forward-looking statements. Certain statements provided in this presentation are not historical facts and may contain forward-looking statements. These forward-looking statements are based on the current beliefs and expectations of the investment manager and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate, or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements. Please see the offering documents for various risks inherent with these investments which could cause actual results to differ materially from those in any forward-looking statements. While we believe that our assumptions are reasonable as of the date of this presentation, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Apogem undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Risk Factors. Notwithstanding the foregoing, please note the following with respect to investment funds managed by Apogem Capital: Investments in the funds are meant only for sophisticated investors and involve a high degree of risk. Investors can lose all or a substantial portion of their investment. Investment returns may be volatile. Investments in underlying funds may not be diversified. Funds of funds have substantial fees and expenses that will offset profits, if any. Investments in the funds are subject to significant restrictions on transfers. There is no secondary market for interests in the funds and none is expected to develop. The underlying funds' use of leverage in the course of their trading could exacerbate losses.

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Past Performance. Past performance is not indicative of future returns. Rate of return information is provided solely as to how the fund will be managed and is not intended to be viewed as an indicator of likely performance returns to investors in the fund. Where past performance has been aggregated across a strategy, these results should not be interpreted as a single fund in which an investment could have been made.

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Apogem Capital Platform

| | | | | |
|-------------------|--------------|------------------------------|---------------------------------|------------------|
| Experience | Scale | Alignment² | Relationships & Data | Stability |
|-------------------|--------------|------------------------------|---------------------------------|------------------|

30+
Years
Investing

\$42B
Firm-wide
AUM¹



320+
Active
Sponsor
Relationships³

250+
Employees⁶

Deep Experience & Access Across the Middle Market

| | | |
|-------------|---------------------------|--|
| Credit | 1,500 350 | Total Private Credit Investments Total Sponsors Invested Alongside |
| Funds | 450 315 | Total Fund Investments Active Fund Investments ⁴ |
| Co-invests | 390 140 | Total Direct Investments Active Direct Investments |
| Secondaries | 55+ 50+ | LP Secondary Investments GP Secondary Investments |
| GP Stakes | 6 | Active GP Stakes Investments ⁵ |

Data as of March 31, 2024, unless otherwise noted. 1. AUM is estimated and unaudited as of March 31, 2024. AUM includes non-discretionary and co-advised assets, as well as assets managed for New York Life and certain of its subsidiaries. 2. Apogem Capital is a wholly owned subsidiary of New York Life Insurance Company ("NYL") through New York Life Investment Management Holdings, LLC ("NYLIM"). 3. As of December 31, 2023. For private equity investments, includes GPs/sponsors where Apogem has an active fund, co-investment, or secondary investments. For private credit investments, includes sponsors where Apogem has closed a deal within the last 5 years. 4. Includes unrealized funds in vintage years 2010 and 2020. 5. Ridgelaque Partners is a joint venture between Ottawa Avenue Private Capital ("OAPC") and Apogem Capital. OAPC and Apogem/NYL team members participate in investment committee activity and day-to-day management of Ridgelaque Partners. Includes all current investments made by Ridgelaque Partners. 6. As of January 2024.

Confidential — Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.



An Integrated Senior Leadership Team



Josh Niedner
Chief Executive Officer



Chris Stringer
President

Private Credit Leadership Committee

Private Equity Leadership Committee

Operating Committee

Other Leadership

Josh Niedner
Head of Credit

Ashish Shah
Head of Direct Lending

Chris Stringer
Head of Private Equity

Chaz Cocuzza
Funds & Co-Investments

John Grady
Chief Financial Officer

David Fann
Head of Business Dev. & IR

Robert Douglass Jr.
Chief Credit Officer

William Kindorf
Co-Head of Sponsor Coverage

Zac McCarrroll
Private Real Assets

Todd Milligan
GP Stakes

Henry Lehmann
Head of Fund Admin.

Chip Moelchert
Senior Advisor

Marcus Meyer
Sponsor Coverage

Michael Nativi
Sponsor Coverage

Kee Rabb
Funds & Co-Investments

Louise Smith
Funds & Co-Investments

Steve Scolnik
Chief Technology Officer

Megan Nixon
Head of Sustainability

Adam Willis
Co-Head of Sponsor Coverage

Richard Wiltshire
Funds & Co-Investments

Mike Zeleniuch
Secondaries

Additional Committee Invitees:¹

| | | |
|---|---------------------------------|---|
| Kevin Power Chief Compliance Officer | André Warner General Counsel | Lindsay Abrams Head of Human Resources |
|---|---------------------------------|---|

75+
Additional Private Credit Investment Professionals

Average of 14 years with the Firm

Average of 22 years of investment experience

30+
Additional Private Equity Investment Professionals

Average of 14 years with the Firm

Average of 21 years of investment experience

115+
Additional Operations, BD/IR and Other Professionals

Note: As of June 2024. 1. Employees of New York Life.

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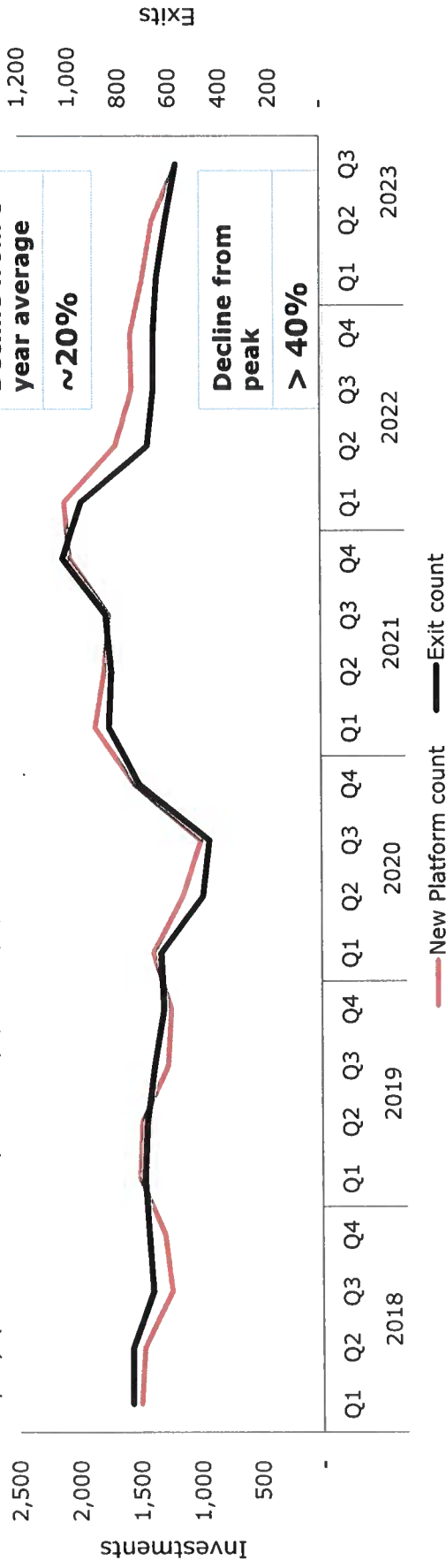
Private Equity Market Update: Investment & Exit Activity

Investment and exit activity has fallen sharply amid economic uncertainty, falling multiples, and less availability of leverage

- **Investment Activity:** significant pullback in new platform activity with GPs focusing on existing portfolio companies and prioritizing add-on investments
- **Exit Activity by Buyer:**
 - **Sponsor-to-sponsor exits** fell by 35% in 2022 and ~55% in 2023 (annualized) from 2021 peak
 - **IPO activity** ground to a halt in 2022 with some activity resuming in H1 2023 but well below 2020 / 2021 highs
 - **Corporate acquisitions** relatively resilient (<10% decline in 2022 from 2021); activity has slowed more significantly in 2023

Rolling 6-Month Investment & Exit Activity

US Private Equity | Investments (left axis) | Exits (right axis) Number of deals



Source: PitchBook, "US Private Equity Breakdown, 2023 Q3."

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.



City of Hollywood Employees' Retirement Fund Exposure Overview (As of 12/31/23)

| | GPP VI | AHF VI | Combined ¹ |
|--------------------------------------|--------|--------|-----------------------|
| <i>\$ in millions</i> | | | |
| Vintage | 2018 | 2018 | 2018 |
| Committed Capital | \$10 | \$11 | \$10 |
| Contributions | \$11 | \$12 | \$11 |
| Distributions | \$19 | \$3 | \$10 |
| DPI² | 1.7x | 0.3x | 0.9x |
| NAV | <\$1 | \$12 | \$12 |
| Available Capital³ | <\$1 | <\$1 | <\$1 |
| Net MoC | 1.7x | 1.3x | 1.9x |
| Net IRR⁴ | 19.8% | 70.0% | 23.0% |

Note: Data estimated as of December 31, 2023. Past performance is no guarantee of future results, which will vary. 1. Includes original commitment transferred into AHF VI from legacy GoldPoint Partners Co-Investment VI. 2. Distributions to paid-in (DPI) represents distributed capital divided by contributed capital. 3. Represents fund-level available capital, including GP. 4. Net IRR represents the compound annual rate of return based on actual cash flows and estimated GAAP valuations as of December 31, 2023 after the deduction of management fees, expenses and carried interest. Net IRR calculations do not include capital contributed by the General Partner.

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.



Apogem Heritage Fund VI: Portfolio Overview

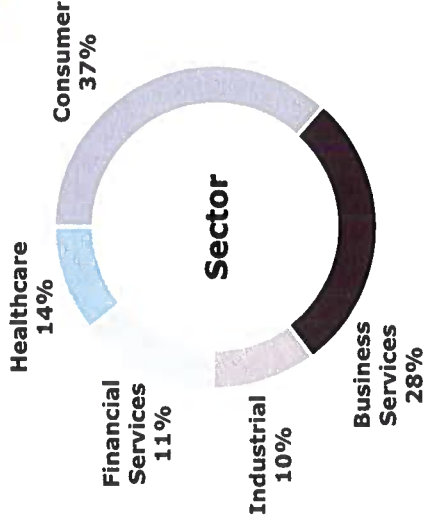
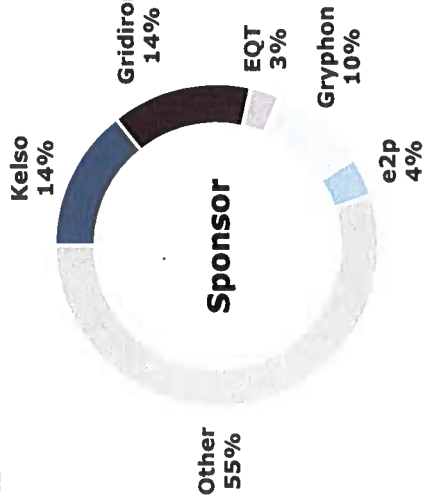
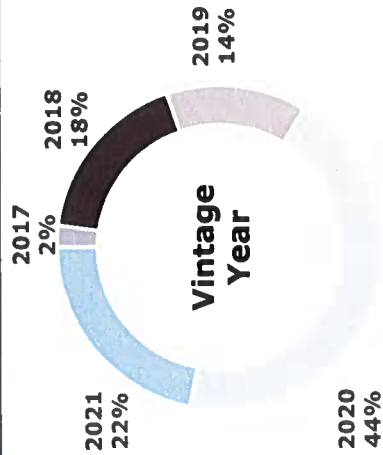
Portfolio Snapshot

| | GoldPoint Co-Invest VI | Apogem Heritage Fund VI |
|-------------------------------------|------------------------|-------------------------|
| Vintage Year: | 2017 | 2023 |
| Fund Size: | \$850 | \$930 |
| # of Deals (Unrealized / Total): | 32 / 41 | 32 / 36 |
| Entry TEV Mult. ¹ : | 12.2x | 14.1x |
| Entry Leverage Mult. ¹ : | 5.6x | 6.3x |
| Entry EBITDA ¹ : | \$46 | \$67 |
| % Called ² | 112% | 94% |
| DPI ² | 75% | 16% |
| Dry Powder ² | \$32 | \$44 |

Returns Snapshot³

| | Original Investors | Heritage Fund |
|----------------------|--------------------|-----------------|
| | (\$ millions) | (\$ millions) |
| Invested Capital | \$906 | \$1,005 |
| Total Value | \$1,959 | \$1,311 |
| | \$1,044 Unrized | \$1,044 Unrized |
| | \$914 Rized | \$266 Rized |
| Q4 '23 Gross Returns | 2.2x 26% | 1.3x 86% |
| Q4 '23 Net Returns | 1.9x 23% | 1.3x 72% |

Remaining Portfolio⁴



Data as of December 31, 2023, unless otherwise noted. Past performance is no guarantee of future results, which will vary. 1. Represents median. 2. As of May 2024, Dry Powder represents (uncalled capital + recyclable). 3. Gross and net IRR represent the compound annual internal rate of return based on actual cashflows and GAAP valuations as of December 31, 2023 before and after deduction of management fees, expenses and carried interest, respectively. Net IRR calculations do not include capital contributed by the General Partner. 4. Diversification charts weighted by unrealized value as of December 31, 2023.

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.



Apogem Heritage Fund VI: Top 10 Exposure by NAV¹

| Asset & Sponsor | | Original Funds | | | | Heritage Funds | | | Apogem Assessment | | | |
|----------------------|----------------------|-------------------------------|--|------------------------|----------------------|------------------------|----------------------|--------------------------------|------------------------------|-------------------|----------------------|-----------------|
| | | NAV (% of total) ¹ | Description | Gross MoC ² | Net MoC ² | Gross MoC ² | Net MoC ² | LTM EBITDA Growth ³ | LTM Rev. Growth ³ | Performance Trend | Outlook ⁴ | Equity Reserves |
| GSM OUTDOORS | GRIDIRON CAPITAL | \$90.5 (9%) | Sportsman & outdoor consumable products | 3.0x | 2.7x | 1.4x | 1.3x | 28% | 3% | | | |
| KNOX LANE | GRIDIRON CAPITAL | \$64.9 (6%) | HVAC, plumbing, and electrical home services | 3.2x | 2.9x | 3.6x | 3.5x | 8% | 22% | | | |
| RISK | KELSO PRIVATE EQUITY | \$56.3 (5%) | Risk mgmt. consultancy and insurance broker | 2.8x | 2.5x | 1.8x | 1.7x | 26% | 25% | | | ✓ |
| ISHEL D | KELSO PRIVATE EQUITY | \$56.1 (5%) | Consulting firm servicing insurance market | 2.2x | 2.0x | 1.6x | 1.6x | 19% | 23% | | | |
| VESSCO | GRYPHON INDUSTRIAL | \$53.9 (5%) | Water treatment equipment distributor | 2.8x | 2.5 | 2.2x | 2.2x | 26% | 59% | | | |
| bolle | HARVEST | \$45.1 (4%) | Protective eyewear and related products | 1.7x | 1.5x | 1.4x | 1.4x | 85% | (5%) | | | ✓ |
| InsihtGlobal | HARVEST | \$44.8 (4%) | IT, accounting, finance & engineering staffing | 2.5x | 2.2x | 0.8x | 0.8x | (14%) | (1%) | | | |
| AML RIGHTSOURCE | GRIDIRON CAPITAL | \$39.9 (4%) | Provider of AML, KYC and Bank Secrecy Act services | 2.0x | 1.8x | 1.2x | 1.2x | (22%) | (8%) | | | |
| RAW SUGAR | WM PARTNERSHIP | \$39.9 (4%) | Natural, clean-label personal care products | 1.6x | 1.4x | 1.8x | 1.7x | 1% | 15% | | | |
| KELSO PRIVATE EQUITY | KELSO PRIVATE EQUITY | \$36.8 (4%) | Food service distributor focused on Italian foods | 1.2x | 1.1x | 1.3x | 1.2x | 3% | (1%) | | | |

Top 10 Positions: \$528.2 (51%)

| Total Portfolio ⁵ | EBITDA Growth (vs. Entry) | | Leverage | | Interest Coverage ⁶ | |
|------------------------------|---------------------------|----------|------------|--------------|--------------------------------|--------------|
| | 85% Total Δ | 18% CAGR | 5.6x Entry | 5.1x Current | 2.4x Entry | 1.6x Current |

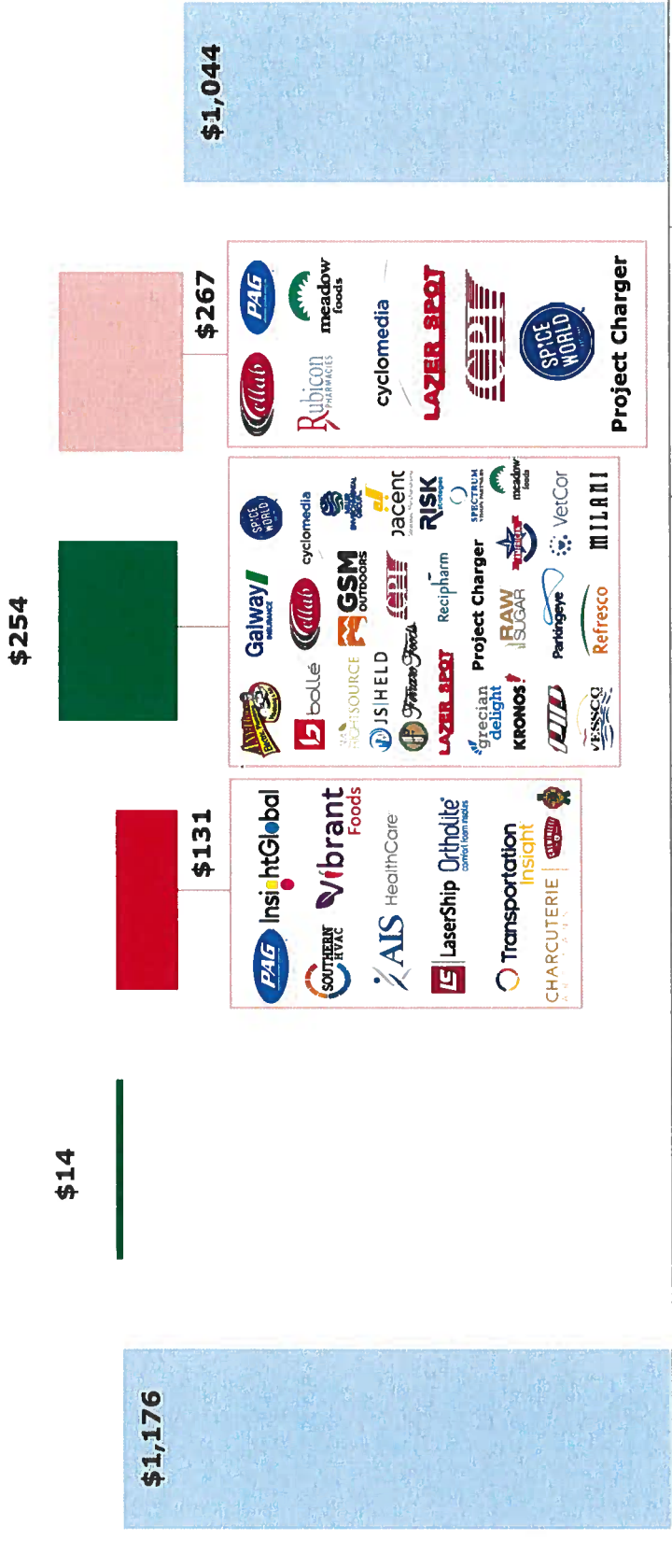
Note: As of December 31, 2023, unless otherwise noted. 1. As of December 31, 2023. 2. Implied net performance is estimated by applying the ratio of fund level net to gross return to individual portfolio companies. 3. As of December 31, 2023 or latest available reporting. 4. Based on Apogem's belief of estimated MoC at exit (Green = 2x; Yellow = 1-2x; Red <1x). There can be no assurance that the expected returns will be achieved. 5. Weighted by unrealized value as of December 31, 2023. 6. Interest coverage = EBITDA / (debt + int. rate); entry int. rate assumption of 7%, current int. rate assumption of 11%.

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.



Apogem Heritage Fund VI: LTM NAV Bridge

LTM NAV Bridge^{1,2}



12/31/22 NAV Follow-Ons Negative Movers Positive Movers Return of Capital / Gains 12/31/23 NAV

DPI: 0.6x
 Net MoC: 1.8x
 Net IRR: 25.7%

DPI³: 0.9x
 Net MoC³: 1.9x
 Net IRR³: 22.8%

Negative Movers

Positive Movers

Return of Capital / Gains

Note: Data is estimated and unaudited as of December 31, 2023. Past performance is no guarantee of future results, which will vary. Net MoC calculations do not include capital contributed by the General Partner. 1. Distributions to paid-in (DPI) represents distributed capital divided by contributed capital as of December 31, 2023. 2. Net IRR represents the compound annual internal rate of return based on actual cash flows and GAAP valuations as of December 31, 2023 after deduction of management fees, expenses and carried interest, respectively. Net IRR calculations do not include capital contributed by the General Partner. 3. Represents returns for GoldPoint Partners Co-investment Fund VI as if no CV transaction occurred.

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.



Apogem Heritage Fund VI: Potential Near Term Exits

| | | |
|--|---|---|
| <p>Potential Near Term Exits¹</p> | <p>Estimated Gross Proceeds (% of 12/31/23 NAV)</p> | <p>City of Hollywood's Estimated Gross Proceeds (% of 12/31/23 NAV)²</p> |
|--|---|---|



\$323mm
(31%)

\$4mm
(32%)

1. Near term exits defined as through 2024. There are no assurances that these events will occur. 2. Reflects City of Hollywood Employees' Retirement Fund estimated NAV as of December 31, 2023.

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.

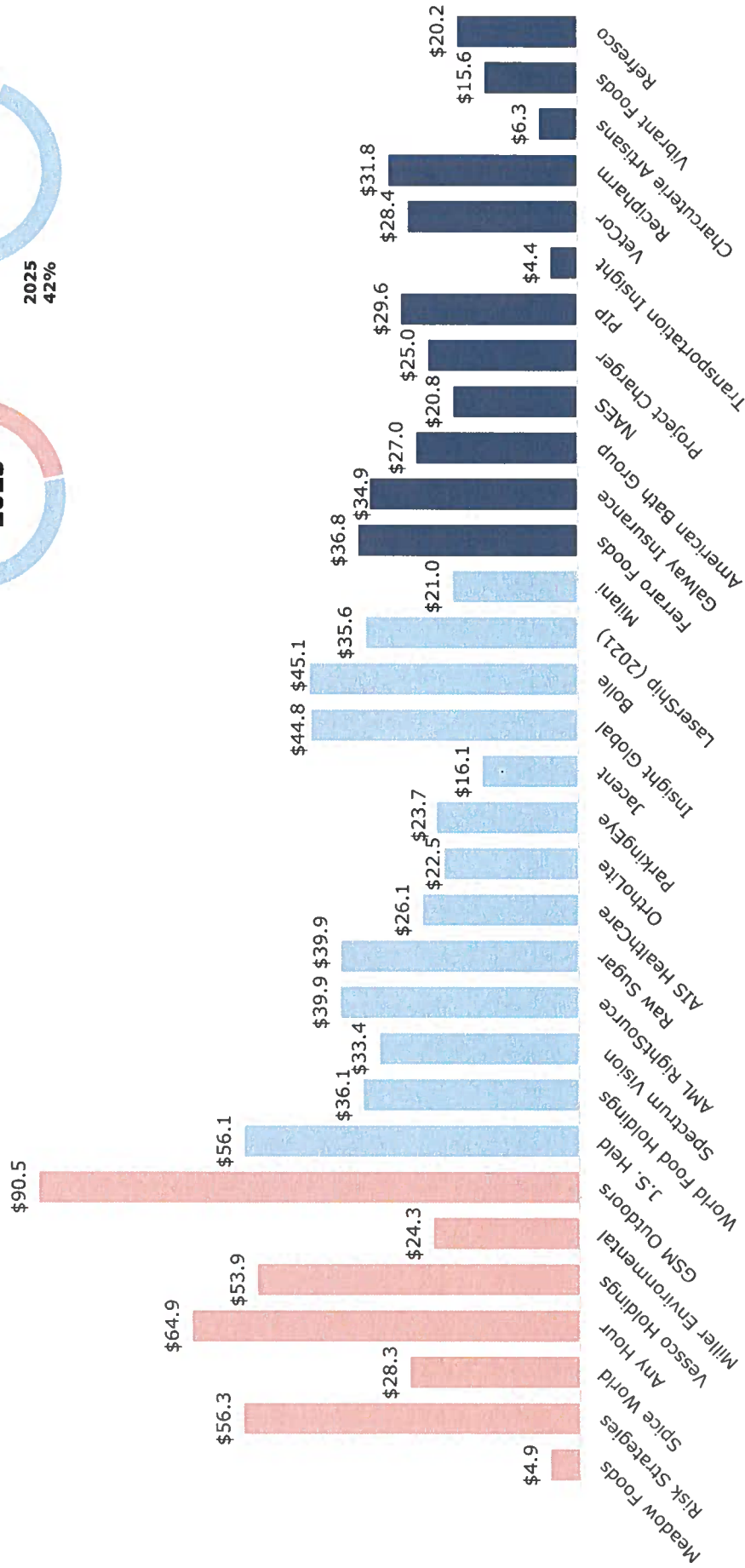
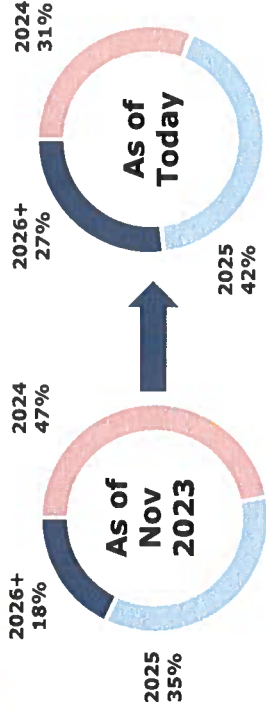


Exit Expectations – As of June 2024

Apogem Heritage Fund VI – Unrealized Value (\$mm)

Anticipated Exit Timing:

- 2024
- 2025
- 2026 or later



Note: Unrealized value in millions, estimated as of December 31, 2023.

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.

Appendix





State of the Market

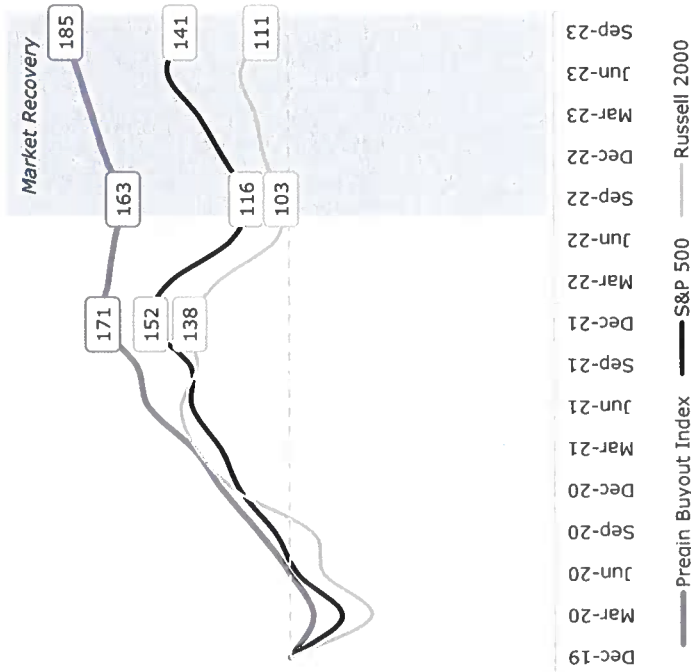
Public Market Performance

PE buyouts: more growth and less volatility

Public markets have rallied in '23, whereas PE buyouts maintained consistent performance

Buyout vs. Public Market Performance¹

(% Change, Indexed to Dec-19)

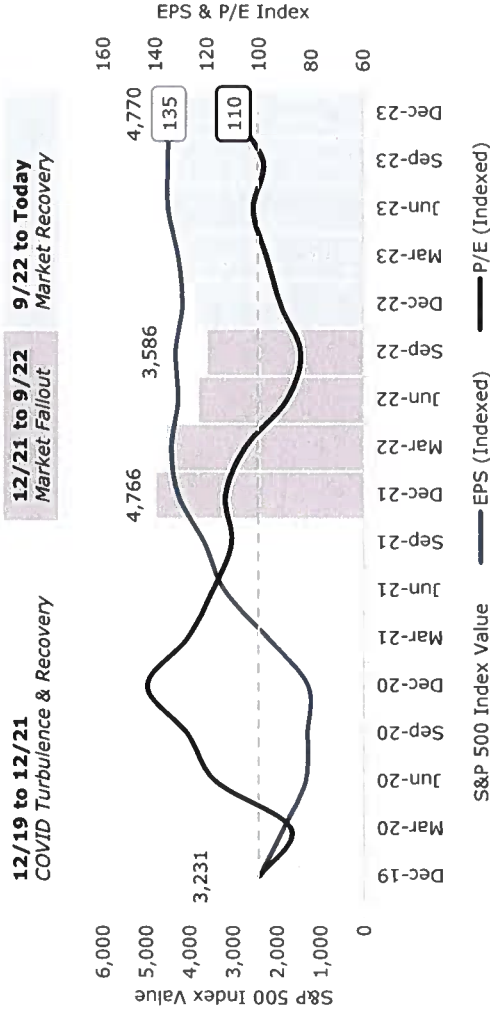


Multiples driving volatility, not earnings

Post-COVID public market volatility primarily driven by multiple re-rating(s) despite consistent earnings growth

S&P 500: Earnings & Multiples²

(S&P 500 Index; S&P 500 EPS & P/E Multiples Indexed to Dec-19)
(All S&P 500 financial metrics (excl. index value) calculated on a per share basis)



| (% change) | '19-'21 | YTD Sep-22 | Q3 '23 - Q4 '23 | '19-'23 CAGR |
|----------------|---------|------------|-----------------|--------------|
| S&P Index | 48% | (25%) | 33% | 10% |
| Normalized EPS | 31% | 1% | 2% | 8% |
| Normalized P/E | 13% | (25%) | 30% | 2% |

1. Source: Preqin Quarterly Index; "Preqin Buyout Index" reflects Preqin's "Buyout" asset class performance; 2. Source: Capital IQ.

Confidential – Past performance does not guarantee or indicate future results. There is no guarantee investment objectives will be achieved.



State of the Market (Cont'd)

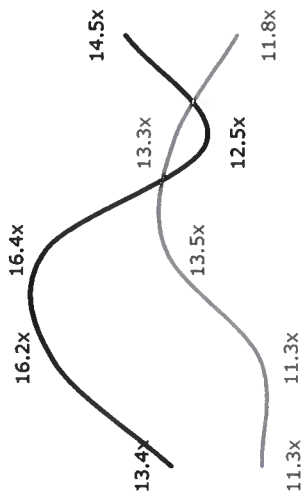
Private Market Valuations

Public multiple rollercoaster

S&P 500 multiples troughed in Q4 '22, converging with PE buyout multiples before re-establishing the pre-COVID premium

Public vs. Private Equity Valuations¹

(EV/EBITDA Multiples)

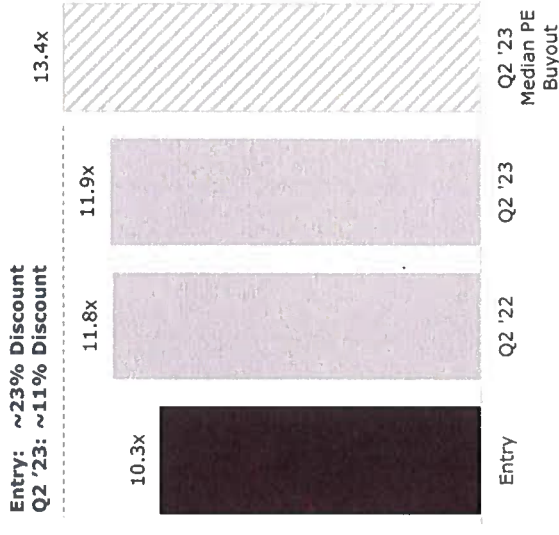


Portfolio marks provide reassurance

Y/Y value growth (median +10%) primarily driven by earnings, while implied EBITDA multiple was flat and below market

Apogem Co-Investment Multiples²

(EV/EBITDA Multiples)

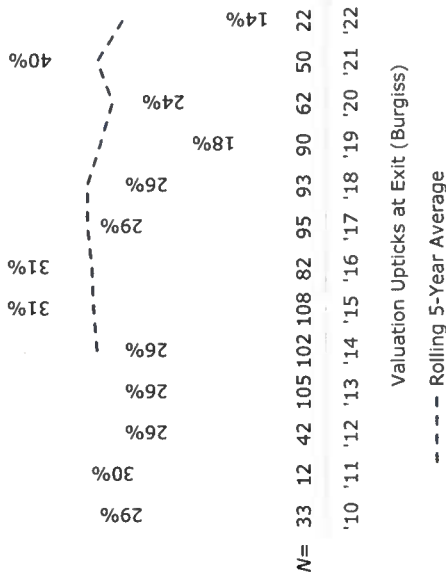


Consistent write-ups of values at exit

Exit multiples have increased ~25-30% on average at exit compared to 2Q prior from 2010-2022

Historical Valuation Upticks at Exit³

(% Change in NAV at Exit vs. 2Q Prior; Burgiss PE data)



Across 18 Apogem co-investment exits in '22/'23, the average increase was +29% versus the carrying value two quarters prior

1. Source: S&P 500 from Capital IQ, Median PE Buyout from Pitchbook and reflects annualYTD averages. 2. Comprises unrealized co-investments in dedicated co-investment vehicles where valuation information is available. 3. Source: Burgiss, Capital IQ, "Uptick" calculation based on the change in NAV at the quarter of exit announcement compared to NAV from two quarters prior; table includes subset of non-Apogem private equity transactions and is not comprehensive.

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State of the Market (Cont'd)

Private Equity Market Overview

Slower fundraising environment

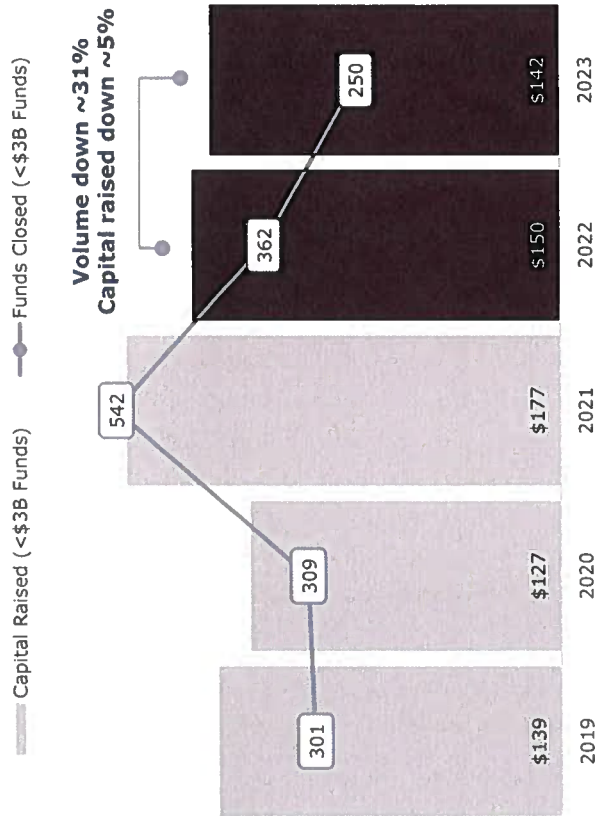
The number of <\$3B funds closed in 2023 was down ~30% y/y

Lower transaction volumes

U.S. deal volume and exits in 2023 were both down ~30% y/y

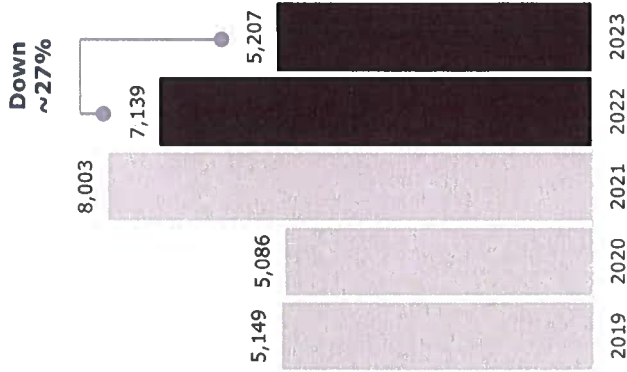
North American PE Fundraising Trends¹

(# of funds, \$ in billions)
(only includes <\$3B funds)



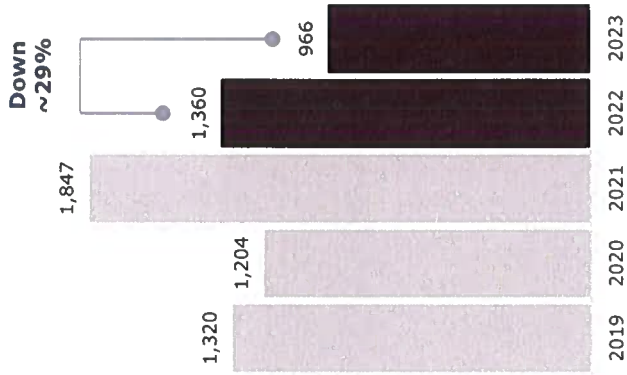
U.S. PE Deal Volume²

(# of deals)



U.S. PE Exits²

(# of deals)



1. Source: Preqin; Excludes Venture Capital, Co-Investment, Multi-Manager, Direct Secondaries, Fund of Funds, Hybrid Fund of Funds and Secondaries funds; 2. Source: Pitchbook; Deal Volume includes both Buyouts/LBOs and Add-ons.

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Apogem Heritage Fund VI: Track Record

| As of 12/31/23 | | | | | | | | | | |
|--|--------------------|-----------------|------------------|-------------------|------------------|------------------|------------------|------------------------|----------------------|---------------|
| Company | Sponsor | Investment Date | Invested Capital | Realized Proceeds | Unrealized Value | Total Value | Multiple of Cost | Gross IRR ¹ | Net Multiple of Cost | Net IRR |
| Realized & Partially Realized | | | | | | | | | | |
| CycloMedia | Volpi | Jun-23 | \$40.2 | \$61.0 | \$0.0 | \$61.0 | 1.5x | N/A | 1.5x | N/A |
| Ellab | EQT | Jun-23 | 51.2 | 73.2 | 0.0 | 73.2 | 1.4x | 319.2% | 1.4x | 267.7% |
| Labor Spot | Harvest | Jun-23 | 34.4 | 50.1 | 0.0 | 50.1 | 1.5x | N/A | 1.4x | N/A |
| Meadow Foods | Exponent | Jun-23 | 19.0 | 29.3 | 4.9 | 34.2 | 1.8x | 296.6% | 1.7x | 248.8% |
| Precision Aviation Group | GenNx360 | Jun-23 | 38.8 | 42.5 | 0.0 | 42.5 | 1.1x | 28.0% | 1.1x | 23.5% |
| Total Realized & Partially Realized | | | \$183.6 | \$256.2 | \$4.9 | \$261.1 | 1.4x | 896.8% | 1.4x | 752.1% |
| Unrealized | | | | | | | | | | |
| AIS HealthCare | Excellere | Jun-23 | \$24.0 | \$0.0 | \$26.1 | \$26.1 | 1.1x | 18.6% | 1.1x | 15.6% |
| American Bath Group | Centerbridge | Jun-23 | 19.6 | 0.0 | 27.0 | 27.0 | 1.4x | 90.0% | 1.3x | 75.5% |
| AML RightSource | Gridiron | Jun-23 | 32.7 | 0.0 | 39.9 | 39.9 | 1.2x | 49.0% | 1.2x | 41.1% |
| Any Hour | Knox Lane | Jun-23 | 18.2 | 0.0 | 64.9 | 64.9 | 3.6x | 1165.7% | 3.5x | 977.7% |
| Bolle | A&M | Jun-23 | 31.3 | 0.0 | 45.1 | 45.1 | 1.4x | 106.4% | 1.4x | 89.2% |
| Charcuterie Artisans (fka Daniele) | e2p | Jun-23 | 61.0 | 0.0 | 6.3 | 6.3 | 0.1x | -- | 0.1x | -- |
| Ferraro Foods | Kelso | Jun-23 | 29.4 | 0.0 | 36.8 | 36.8 | 1.3x | 56.2% | 1.2x | 47.2% |
| Galway Insurance | Oak Hill / Harvest | Jun-23 | 21.1 | 0.0 | 34.9 | 34.9 | 1.7x | 170.7% | 1.6x | 143.1% |
| GSM Outdoors | Gridiron | Jun-23 | 66.4 | 0.0 | 90.5 | 90.5 | 1.4x | 84.8% | 1.3x | 71.1% |
| Insight Global | Harvest | Jun-23 | 56.4 | 0.0 | 44.8 | 44.8 | 0.8x | -- | 0.8x | -- |
| J.S. Held | Kelso | Jun-23 | 34.6 | 0.0 | 56.1 | 56.1 | 1.6x | 162.0% | 1.6x | 135.9% |
| Jacent | Gridiron | Jun-23 | 7.4 | 0.0 | 16.1 | 16.1 | 2.2x | 361.8% | 2.1x | 303.4% |
| LaserShip (2021) | Greenbriar | Jun-23 | 40.2 | 0.0 | 35.6 | 35.6 | 0.9x | -- | 0.9x | -- |
| Milani | Gryphon | Jun-23 | 9.1 | 0.0 | 21.0 | 21.0 | 2.3x | 429.0% | 2.2x | 359.8% |
| Miller Environmental | GenNx360 | Jun-23 | 17.0 | 0.0 | 24.3 | 24.3 | 1.4x | 103.4% | 1.4x | 86.7% |
| North American Essential Home Services | Gryphon | Jun-23 | 14.4 | 0.0 | 20.8 | 20.8 | 1.4x | 107.7% | 1.4x | 90.3% |
| Ortholite | Trilantic | Jun-23 | 15.0 | 0.0 | 22.5 | 22.5 | 1.5x | 123.5% | 1.4x | 103.6% |
| ParkingEye | MML | Jun-23 | 17.3 | 0.0 | 23.7 | 23.7 | 1.4x | 88.4% | 1.3x | 74.1% |
| Project Charger | Confidential | Jun-23 | 21.1 | 9.5 | 25.0 | 34.6 | 1.6x | 412.7% | 0.0x | 346.1% |
| Protective Industrial Products | Odyssey | Jun-23 | 19.0 | 0.0 | 29.6 | 29.6 | 1.6x | 140.3% | 1.5x | 117.7% |
| Raw Sugar | WM Partners | Jun-23 | 22.5 | 0.0 | 39.9 | 39.9 | 1.8x | 211.1% | 1.7x | 177.1% |
| Recipharm | EQT | Jun-23 | 26.7 | 0.0 | 31.8 | 31.8 | 1.2x | 41.2% | 1.2x | 34.6% |
| Refresco | PAI | Jun-23 | 14.4 | 0.0 | 20.2 | 20.2 | 1.4x | 94.9% | 1.4x | 79.6% |
| Risk Strategies Company | Kelso | Jun-23 | 31.8 | 0.0 | 56.3 | 56.3 | 1.8x | 210.8% | 1.7x | 176.8% |
| Spectrum Vision Partners | Blue Sea | Jun-23 | 26.8 | 0.0 | 33.4 | 33.4 | 1.2x | 54.8% | 1.2x | 46.0% |
| Spice World | Palladium | Jun-23 | 22.2 | 0.7 | 28.3 | 29.0 | 1.3x | 72.0% | 1.3x | 60.4% |
| Transportation Insight | Gryphon | Jun-23 | 32.3 | 0.0 | 4.4 | 4.4 | 0.1x | -- | 0.1x | -- |
| Vesco Holdings | Gryphon | Jun-23 | 24.0 | 0.0 | 53.9 | 53.9 | 2.2x | 398.6% | 2.2x | 334.3% |
| VetCor | Harvest | Jun-23 | 22.1 | 0.0 | 28.4 | 28.4 | 1.3x | 64.8% | 1.2x | 54.3% |
| Vibrant Foods | Exponent | Jun-23 | 24.5 | 0.0 | 15.6 | 15.6 | 0.6x | -- | 0.6x | -- |
| World Food Holdings | e2p | Jun-23 | 19.2 | 0.0 | 36.1 | 36.1 | 1.9x | 251.2% | 1.8x | 210.7% |
| Total Unrealized | | | \$821.4 | \$10.3 | \$1,039.5 | \$1,049.7 | 1.3x | 63.8% | 1.2x | 53.5% |
| Total | | | \$1,005.1 | \$266.4 | \$1,044.4 | \$1,310.8 | 1.3x | 86.1% | 1.3x | 72.2% |

Note: Data is estimated and unaudited. Past performance is no guarantee of future results, which will vary. 1. Implied net performance is estimated by applying the ratio of fund level net to gross return to individual portfolio companies. Gross and net IRR represent the compound annual internal rate of return based on actual cashflows and estimated GAAP valuations as of December 31, 2023 before and after deduction of management fees, expenses and carried interest, respectively. Net IRR calculations do not include capital contributed by the General Partner.

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Co-Investment Fund VI: Track Record

As of the CV Transaction

| | | As of 12/31/23 | | | | | | | | | |
|--|---------------------|-----------------|------------------|-------------------|------------------|------------------|------------------|------------------------|----------------------|--------------|--|
| Company | Sponsor | Investment Date | Invested Capital | Realized Proceeds | Unrealized Value | Total Value | Multiple of Cost | Gross IRR ¹ | Net Multiple of Cost | Net IRR | |
| Realized & Partially Realized | | | | | | | | | | | |
| Communications & Power Industries | | | | | | | | | | | |
| LaserShip (2018) | Odyssey | Jul-17 | \$25.0 | \$48.7 | \$0.0 | \$48.7 | 1.9x | 13.6% | 1.7x | 11.8% | |
| Refresco | Greenbriar | Feb-18 | 25.1 | 266.4 | 0.0 | 266.4 | 10.6x | 108.1% | 9.4x | 93.4% | |
| Rubicon Pharmacies | PAI | Mar-18 | 39.7 | 100.5 | 20.2 | 120.7 | 2.5x | 27.5% | 2.2x | 23.7% | |
| AIS HealthCare | TorQuest | Mar-18 | 22.4 | 25.2 | 0.0 | 25.2 | 1.1x | 3.0% | 1.0x | 2.6% | |
| Meadow Foods | Excellere | Jun-18 | 15.0 | 7.6 | 26.1 | 33.7 | 2.2x | 21.3% | 2.0x | 18.4% | |
| Precision Aviation Group | Exponent | Jul-18 | 13.1 | 29.5 | 4.9 | 34.4 | 2.6x | 19.9% | 2.3x | 17.1% | |
| Spice World | GenNx360 | Jul-18 | 10.0 | 42.5 | 0.0 | 42.5 | 4.2x | 31.4% | 3.8x | 27.1% | |
| CycloMedia | Palladium | Jul-18 | 20.0 | 11.4 | 28.3 | 39.7 | 2.0x | 15.7% | 1.8x | 13.6% | |
| BDP International | Volpi | Aug-18 | 14.4 | 61.8 | 0.0 | 61.8 | 4.3x | 35.5% | 3.8x | 30.7% | |
| Aldeviron | Greenbriar | Dec-18 | 15.1 | 65.0 | 0.0 | 65.0 | 4.3x | 58.2% | 3.8x | 50.3% | |
| Ellab | EQT | Sep-19 | 30.1 | 98.8 | 0.0 | 98.8 | 3.3x | 81.9% | 2.9x | 70.7% | |
| Insight Global | EQT | Sep-19 | 22.6 | 73.2 | 0.0 | 73.2 | 3.2x | 34.1% | 2.9x | 29.5% | |
| Lazer Spot | Harvest | Sep-19 | 30.0 | 30.4 | 44.8 | 75.2 | 2.5x | 34.5% | 2.2x | 29.8% | |
| Project Charger | Harvest | Dec-19 | 20.0 | 50.1 | 0.0 | 50.1 | 2.5x | 30.9% | 2.2x | 26.7% | |
| Total Realized & Partially Realized | Confidential | May-20 | 216 | 9.5 | 25.0 | 34.6 | 1.6x | 31.9% | 1.4x | 27.5% | |
| | | | \$324.2 | \$900.5 | \$149.4 | \$1,049.8 | 3.2x | 40.7% | 2.9x | 35.1% | |
| Unrealized | | | | | | | | | | | |
| OrthoLite | Trilantic | Aug-17 | \$18.1 | \$0.0 | \$22.5 | \$22.5 | 1.2x | 3.4% | 1.1x | 2.9% | |
| Spectrum Vision Partners | Blue Sea | Feb-18 | 19.4 | 0.0 | 33.4 | 33.4 | 1.7x | 10.9% | 1.5x | 9.4% | |
| Milani | Gryphon | Jun-18 | 15.6 | 0.0 | 21.0 | 21.0 | 1.3x | 5.7% | 1.2x | 4.9% | |
| Bolle | A&M | Aug-18 | 26.7 | 0.0 | 45.1 | 45.1 | 1.7x | 10.9% | 1.5x | 9.4% | |
| Transportation Insight | Gryphon | Dec-18 | 16.0 | 0.0 | 4.4 | 4.4 | 0.3x | -- | 0.2x | -- | |
| J.S. Held | Gridiron | Apr-19 | 15.3 | 0.0 | 16.1 | 16.1 | 1.0x | 1.0% | 0.9x | 0.9% | |
| Charcuterie Artisans (fka Daniele) | Kelso | Jun-19 | 25.3 | 0.0 | 56.1 | 56.1 | 2.2x | 19.4% | 2.0x | 16.8% | |
| ParkingEye | e2p | Nov-19 | 50.8 | 1.4 | 6.3 | 7.7 | 0.2x | -- | 0.1x | -- | |
| Risk Strategies Company | Kelso | Feb-20 | 20.2 | 0.0 | 56.3 | 56.3 | 2.8x | 30.4% | 2.5x | 26.3% | |
| World Food Holdings | e2p | Apr-20 | 20.0 | 7.2 | 36.1 | 43.4 | 2.2x | 26.9% | 1.9x | 23.2% | |
| Vibrant Foods | Exponent | Apr-20 | 23.6 | 0.0 | 15.6 | 15.6 | 0.7x | -- | 0.6x | -- | |
| AML RightSource | Gridiron | Sep-20 | 20.0 | 0.0 | 39.9 | 39.9 | 2.0x | 23.9% | 1.8x | 20.7% | |
| VetCor | Harvest | Sep-20 | 20.0 | 0.0 | 28.4 | 28.4 | 1.4x | 11.4% | 1.3x | 9.8% | |
| Vessco Holdings | Gryphon | Nov-20 | 19.2 | 0.0 | 53.9 | 53.9 | 2.8x | 38.5% | 2.5x | 33.2% | |
| GSM Outdoors | Gridiron | Nov-20 | 30.0 | 0.0 | 90.5 | 90.5 | 3.0x | 42.3% | 2.7x | 36.5% | |
| American Bath Group | Centerbridge | Nov-20 | 20.1 | 5.3 | 27.0 | 32.3 | 1.6x | 20.7% | 1.4x | 17.9% | |
| Miller Environmental | GenNx360 | Nov-20 | 15.0 | 0.0 | 24.3 | 24.3 | 1.6x | 17.0% | 1.4x | 14.7% | |
| Galway Insurance | Oak Hill / Harvest | Dec-20 | 20.1 | 0.0 | 34.9 | 34.9 | 1.7x | 19.9% | 1.5x | 17.2% | |
| Protective Industrial Products | Odyssey | Dec-20 | 20.7 | 0.0 | 29.6 | 29.6 | 1.4x | 12.9% | 1.3x | 11.1% | |
| Ferraro Foods | Kelso | Mar-21 | 30.1 | 0.0 | 36.8 | 36.8 | 1.2x | 7.6% | 1.1x | 6.6% | |
| LaserShip (2021) | Greenbriar | May-21 | 23.9 | 0.0 | 35.6 | 35.6 | 1.5x | 16.7% | 1.3x | 14.4% | |
| Recipharm | EQT | Jun-21 | 33.3 | 0.0 | 31.8 | 31.8 | 1.0x | -- | 0.8x | -- | |
| Any Hour | Knox Lane | Jul-21 | 20.2 | 0.0 | 64.9 | 64.9 | 3.2x | 61.5% | 2.9x | 53.1% | |
| Raw Sugar | WM Partners | Aug-21 | 25.0 | 0.0 | 39.9 | 39.9 | 1.6x | 22.1% | 1.4x | 19.1% | |
| Total Unrealized | Gryphon | Oct-21 | 16.0 | 0.0 | 20.8 | 20.8 | 1.3x | 12.4% | 1.2x | 10.7% | |
| | | | \$581.8 | \$13.9 | \$895.0 | \$908.9 | 1.6x | 13.2% | 1.4x | 11.4% | |
| Total | | | \$906.0 | \$914.3 | \$1,044.4 | \$1,958.7 | 2.2x | 26.4% | 1.9x | 22.8% | |

Note: Data is estimated and unaudited. Past performance is no guarantee of future results, which will vary. 1. Implied net performance is estimated by applying the ratio of fund level net to gross return to individual portfolio companies. Gross and net IRR represent the compound annual internal rate of return based on actual cashflows and estimated GAAP valuations as of December 31, 2023 before and after deduction of management fees, expenses and carried interest, respectively. Net IRR calculations do not include capital contributed by the General Partner.

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Glossary of Terms

Gross IRR (Gross Internal Rate of Return) = compound annual rate of return calculated net of fees and expenses by the underlying partnerships based on actual cash flows and fund valuations, but before fees or expenses paid to and charged by Apogem

Net IRR (Net Internal Rate of Return) = compounds annual rate of return calculated after fees or expenses paid to and charged by the underlying partnerships and Apogem. Net IRR calculations do not include capital contributed by the General Partner

Capital Account Value = the present value of remaining investments in the portfolio, less any hypothetical carried interest

DPI (Distributions to Paid-In Capital)¹ = total distributions divided by total contributions

Total Contributions = total capital called from Limited Partners (for investments, management fees, etc.)

Total Distributions² = total capital returned to Limited Partners (return of capital, dividends, interest, etc. less any carried interest owed)

Percentage Called = Contributions as a percentage of total commitment

TVPI (Total Value to Paid-In Capital)¹ = (total distributions + capital account value) divided by total contributions

Adjusted TVPI = total distributions + estimated (latest month available) unrealized market value divided by total contributions

Adjusted TVCC = total distributions + estimated (latest month available) unrealized market value divided by total committed capital

Note: As of June 2024, 1. DPI and TVPI both take into account fees & carried interest paid by Limited Partners to both the underlying sponsors and to Apogem. 2. Distributions are often used to fund capital calls so not all contributions are funded "out of pocket" and not all distributions are returned to investors.

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Important Information

Valuation Methodology Disclosure

Important disclosures regarding valuation methodology for all Apogem Funds. All figures are estimated, unaudited and subject to change unless otherwise noted and are shown net of all expenses, management fees, and estimated carried interest. All figures reflect the reinvestment of dividends and other earnings, where applicable. Performance estimates are shown on a capital account basis and are based on the individual capital account values as reported to us by the underlying managers, which are subject to change and have not been independently verified or audited. Net IRR is calculated using Fund-level cash flows and the capital account value of the Fund. Individual performance may differ based upon new issue eligibility. **Please see Effects of Leverage on Gross and Net IRR disclosure for additional information.**

Prior Performance Disclosure: The Partnership is managed by Apogem Capital LLC ("Apogem Capital"). Apogem is responsible for sourcing and diligence for the investments in the Partnership, however, investment decisions are made by the investment committee referenced in this presentation. Thus, it should be noted the historical performance information discussed in this presentation is that of GoldPoint Capital, now a part of Apogem Capital. The addition of investment committee members from other affiliated boutiques, now under Apogem Capital, may have affected the past performance in an unknown manner. In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results and there can be no assurance that the Partnership will achieve its objective or will not incur substantial losses. The Partnership is not required by law to follow any standard methodology when calculating and presenting performance data. The performance of the Partnership may not be directly comparable to the performance of other private investment funds. In addition, there can be no assurance that unrealized investments will be realized at the valuations shown as actual realized returns. Most of such unrealized investments are in privately-held companies for which there is no trading market. Prospective investors are cautioned not to rely on the prior returns set forth herein in making a decision whether or not to purchase the interests offered hereby. The return information contained herein has not been audited or verified by any independent party and should not be considered representative of the returns that may be received by an investor in the Partnership. Actual returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Nothing contained herein should be deemed to be a prediction or projection of future performance of the Partnership.

Effects of Leverage on Gross and Net IRRs Disclosure. Calculations of net and gross IRRs in respect of investment and performance data included and/or referred to herein are based on the payment date of capital contributions received from limited partners, even in instances where a fund or account utilizes borrowings under a subscription-based credit facility. The use of a subscription-based credit facility (or other fund-level leverage) with respect to investments may result in a higher or lower reported gross IRR and net IRR at the fund-level than if such subscription facility (or other fund-level leverage) had not been used and instead the investors' capital had been contributed at the inception of each such investment. This is due to the fact that calculations of gross IRR and net IRR are based on the period of time between (a) the date of limited partner contributions for a relevant investment (and not the date the investment was made) and (b) the date of distribution from the applicable fund or account to investors. Therefore, if a subscription facility is used to fund an investment, capital may be called more slowly from the limited partners to repay such borrowings, which would shorten the time between such contribution and distribution and consequently increase or decrease gross IRR and net IRR.

Apogem Aggregate Pooled Net IRR. Apogem aggregate pooled net IRR represents investments made in several Apogem Capital funds and is not representative of a single fund available for purchase. This information is estimated and unaudited and is being provided for informational and comparison purposes only. Capital account balances are as reported to us by the underlying managers. The Internal Rates of Return ("IRR") are calculated by aggregating the net cash flows for relevant funds and then aggregating their net terminal values to create a series of cash flows that can be used to calculate an aggregate IRR.

Apogem Aggregate Pooled Gross IRR Disclosure. Apogem Capital ("PA") aggregate pooled IRR represents investments made in several Apogem funds and is not representative of a single fund available for purchase. This information is estimated and unaudited and is being provided for informational and comparison purposes only. Capital account balances are as reported to us by the underlying managers. The Internal Rates of Return ("IRRs") are calculated by aggregating the cash flows for relevant funds and then aggregating their net terminal values to create a series of cash flows that can be used to calculate an aggregate IRR. The unrealized funds mentioned in this illustrative analysis are subject to ongoing investment return fluctuation.

Disclosure & Risk Summary. This presentation is intended solely for the recipient by accepting this presentation, the recipient acknowledges that distribution to any other person is unauthorized, and any reproduction of this presentation, in whole or in part, or the divulgence of its contents, without the prior written consent of Apogem Capital, LLC is strictly prohibited. This communication is not to be construed as an offer to sell or the solicitation of an offer to buy any security. Any such offer or solicitation can only be made by means of the delivery of a Confidential Private Placement Memorandum, which contains a description of the significant risks involved in such an investment. All figures are estimated and unaudited unless otherwise noted and are shown net of all expenses, management fees and estimated incentive allocations. All figures reflect the reinvestment of dividends and other earnings, where applicable. Actual returns may differ from the reported results due to differences in contribution dates, fee structures and new issue eligibility. Past performance is not necessarily indicative of future results. Notwithstanding the foregoing, please note the following with respect to investment funds managed by Apogem Capital, LLC: Investments in the funds are meant for sophisticated investors and involve a high degree of risk. Investors can lose all or a substantial portion of their investment. Investment returns may be volatile. Investments in underlying funds may not be diversified. Funds of funds have substantial fees and expenses that will offset profits, if any. Investments in the funds are subject to significant restrictions on transfers. There is no secondary market for interests in the funds and none is expected to develop. The underlying funds' use of leverage in the course of their trading could exacerbate losses. These materials are not intended to constitute legal, tax or accounting advice or investment recommendations. Prospective investors should consult their own advisors regarding such matters.

Apogem Capital LLC is a registered investment advisor under the U.S. Investment Advisors Act of 1940. Apogem's Form ADV Part 2A brochure supplement, which contains important information about Apogem Capital LLC, is available to our existing investors by request or at adviserinfo.sec.gov.

AGENDA ITEM 5.C.

INVESTMENT

FISCAL YEAR 2023 MANAGER FEE

DETAILED SCHEDULE

City of Hollywood Employees' Retirement Fund
 Summary of Investment Management Fees
 As of September 30, 2023

| Investment Manager | Mandate | Commitment | Fee Schedule | Actual Allocation 9.30.23 | Market Value 9.30.23 | FYTD 2023* | | | Total Fees FYTD 2023 |
|---|-------------------------|--------------|---|------------------------------|-------------------------|--------------------|------------------|--------------------------|-------------------------|
| | | | | | | Management Fee | Performance Fee | Administrative/Other Fee | |
| Northern Trust S&P 500 | Large Cap | | 3.5 bps on assets | 17.13% | \$70,617,581 | \$25,961 | - | \$10,384 | \$36,345 |
| Earnest Partners - Small/Mid Value | SMID Value | | 60 bps on assets | 4.01% | \$16,514,791 | \$99,089 | - | - | \$99,089 |
| Loomis Sayles Small/Mid Cap Growth | SMID Growth | | 65 bps on assets | 2.93% | \$12,067,367 | \$78,438 | - | - | \$78,438 |
| Northern Trust Extended Equity Market Index | SMID Core | | 3 bps on assets | 2.59% | \$10,694,445 | \$3,050 | - | \$7,849 | \$10,899 |
| Domestic Equity Total | | | | 26.66% | \$109,894,184 | \$206,538 | \$0 | \$18,233 | \$224,771 |
| Wellington International | International Developed | | 71 bps on assets | 11.42% | \$47,090,459 | \$310,968 | - | - | \$310,968 |
| International Equity Total | | | | 11.42% | \$47,090,459 | \$310,968 | \$0 | \$0 | \$310,968 |
| RBC Emerging Markets Equity | Emerging Market Equity | | 88 bps on assets | 4.72% | \$19,462,516 | \$171,270 | - | - | \$171,270 |
| Emerging Markets Equity Total | | | | 4.72% | \$19,462,516 | \$171,270 | \$0 | \$0 | \$171,270 |
| Baird Core Plus Bond | Core Plus | | 30 bps on assets | 9.75% | \$40,203,146 | \$120,609 | - | - | \$120,609 |
| LM Capital Group, LLC Active Core Plus | Core Plus | | 25 bps on assets | 2.38% | \$9,810,825 | \$24,727 | - | - | \$24,727 |
| Neuberger & Berman Short Duration | Short Duration | | 43 bps on assets | 9.51% | \$39,201,271 | \$125,181 | - | - | \$125,181 |
| GoldTree Multi-Sector LP | Multi-Sector Credit | | 75 bps on assets | 3.86% | \$15,931,722 | \$119,488 | - | - | \$119,488 |
| Fixed Income Total | | | | 25.51% | \$105,146,964 | \$390,005 | \$0 | \$0 | \$390,005 |
| Morgan Stanley Prime Property | Real Estate | | 84 basis points base fee, plus a monthly accrued performance based fee equal to 5% multiplied by NAV multiplied by comparable property NOI growth for the month | 3.19% | \$13,145,162 | \$119,052 | \$22,427 | N/A | \$141,479 |
| Principal Enhanced Property Fund ¹ | Real Estate | | 130 bps on assets + incentive fee | 3.40% | \$14,026,531 | \$188,475 | - | - | \$188,475 |
| AG Realty Value Fund X ² | Real Estate | \$10,000,000 | 100 bps on assets + incentive fee | 1.72% | \$7,093,492 | \$102,753 | - | \$78,155 | \$180,908 |
| Affiliated Housing Impact Fund ³ | Real Estate | \$5,000,000 | 150 bps on capital commitments during the investment period, 150 bps on invested contributions thereafter | 0.61% | \$1,572,440 | \$62,500 | - | - | \$62,500 |
| Real Estate Total | | | | 8.92% | \$36,787,625 | \$472,779 | \$22,427 | \$78,155 | \$573,362 |
| NB Crossroads Fund XXI ⁴ | Private Equity | \$20,000,000 | 25.8 bps on assets | 5.35% | \$22,066,751 | \$80,000 | (\$27,336) | \$195,305 | \$247,969 |
| HarbourVest Dover Fund IX ⁵ | Private Equity | \$10,000,000 | 70 bps on assets | 1.47% | \$6,068,227 | \$118,330 | - | \$93,329 | \$211,659 |
| Apogem Heritage Fund VI LP ⁶ | Private Equity | \$10,000,000 | 1% on committed capital during investment period, 1% on invested capital thereafter | 3.27% | \$13,465,421 | \$41,483 | \$98,971 | \$10,238 | \$150,692 |
| Private Equity Total | | | | 10.09% | \$41,600,399 | \$239,813 | \$71,635 | \$298,672 | \$610,320 |
| AG Direct Lending Fund II, L.P. ⁷ | Direct Lending | \$12,000,000 | 100 bps on first \$50MM, 85 bps on \$50-\$100MM, 80 bps on \$100-\$200MM, 60 bps above \$200MM | 1.27% | \$5,215,352 | \$106,890 | \$121,299 | \$31,036 | \$259,225 |
| EnTrust Blue Ocean Onshore Fund LP ⁸ | Direct Lending | \$7,500,000 | 150 bps on invested capital + incentive fee | 2.39% | \$9,847,060 | \$89,414 | \$139,140 | - | \$228,554 |
| Brightwood Capital Fund V, LP | Direct Lending | \$7,500,000 | 150 bps on invested equity capital, 15% performance fee, 6.5% preferred return | 0.89% | \$3,673,423 | \$1,860 | - | - | \$1,860 |
| Marathon Healthcare Finance Fund | Direct Lending | \$20,000,000 | 150 bps on committed capital, 20% incentive fee, 8% hurdle | 1.41% | \$5,803,680 | \$74,375 | \$97,213 | - | \$171,588 |
| NB Private Debt Fund IV LP | Direct Lending | \$20,000,000 | 100 bps on invested capital, 12.5% incentive fee, 7% hurdle | 3.54% | \$14,594,676 | \$244,809 | \$253,585 | \$38,076 | \$536,470 |
| Private Debt Total | | | | 9.49% | \$39,194,191 | \$517,346 | \$611,237 | \$69,112 | \$1,197,697 |
| IFM Global Infrastructure ⁹ | Infrastructure | \$10,000,000 | 77 bps on assets | 2.89% | \$11,894,787 | \$92,492 | \$158,324 | \$19,927 | \$270,743 |
| Infrastructure Total | | | | 2.89% | \$11,894,787 | \$92,492 | \$158,324 | \$19,927 | \$270,743 |
| Investment Cash Account | Cash | | | 0.30% | \$1,239,561 | - | - | - | - |
| Investment Management Fees | | | | 100.00% | \$412,250,685 | \$2,401,212 | \$863,624 | \$484,300 | \$3,749,135 |
| Segal Marco Advisors ¹⁰ | Investment Consulting | | \$180,000 annual retainer | | | | | | \$180,000 |
| Principal ¹¹ | Custodian | | 0.3 bps plus account and transaction based charges ¹⁰ | | | | | | \$45,236 |
| Total Fees | | | | | | | | | \$3,974,371 |

¹ Fees provided by the investment manager
 Incentive fee is equal to 15% of the profits in excess of an 11% net net to investors
² Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
³ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
⁴ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
⁵ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
⁶ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
⁷ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
⁸ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
⁹ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
¹⁰ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
¹¹ Incentive fee is equal to 20% of the profits in excess of an 11% net net to investors
 Net estimate as of January 1, 2023.

AGENDA ITEM 5.D.

INVESTMENT

2023 SEGAL MANAGER

RESEARCH MEETINGS MEMORANDUM



Felicia Ewell
 Associate Consultant
 T 770.541.4832
 fewell@segalmarco.com

400 Galleria Parkway
 Suite 1470
 Atlanta, GA 30339-1700
 segalmarco.com

Memorandum

To: The City of Hollywood Employees' Retirement Fund

From: Felicia Ewell, Associate Consultant

Date: June 20, 2024

Re: 2023 Segal Manager Research Meetings

The Segal Marco Advisors research group conduct reviews of each of the City of Hollywood Employees' Retirement Fund's investment managers on at least an annual basis. The following schedule details when these reviews were conducted in 2023. The content of these reviews was discussed at quarterly investment committee meetings and with staff periodically throughout 2023.

| Fund | 2023 |
|---|--|
| Northern Trust S&P 500 | August |
| Earnest Partners Small/Mid Cap Value Equity | October/December |
| Loomis, Sayles Small/Mid Cap Growth | March/April/May/August/December |
| Northern Trust Extended Equity Market Index | August |
| Wellington International | October |
| RBC Emerging Markets Equity | November/December |
| Baird Core Plus Bond | July |
| LM Capital Group, LLC Active Core Plus | July |
| Neuberger & Berman Short Duration | October |
| GoldenTree Multi-Sector LP | July |
| Morgan Stanley | December |
| Principal Enhanced Property Fund | January/August/October |
| TPG AG Realty Value Fund X | March/November |
| Affiliated Housing Impact Fund | August |
| NB Crossroads Fund XXI | October |
| HarbourVest Dover Fund IX | January/February/March/August/October |
| Apogem Heritage Fund VI LP | January/February/March/April/May/June/July |
| TPG AG Direct Lending Fund II, L.P. | March/May/November |
| EnTrust Blue Ocean Onshore Fund LP | January/March |

| | |
|----------------------------------|---------------------------------|
| Brightwood Capital Fund V, LP | March/June/September/December |
| Marathon Healthcare Finance Fund | March/June/October |
| NB Private Debt Fund IV LP | January/March/October |
| IFM Global Infrastructure | January/February/April/December |

If you have any questions, please do not hesitate to call me at 770.541.4832.

cc: Christine Bailey, Executive Director
Keith Reynolds, Segal Marco Advisors

AGENDA ITEM 5.E.

INVESTMENT

WORK PLAN

City of Hollywood Employees' Retirement Fund

2024 Work Plan*

| MEETING DATE | SEGAL MARCO INVESTMENT ITEMS | MANAGER PRESENTATIONS |
|--------------|--|--|
| January 23 | November 2023 Flash Performance Report Third Quarter Performance Review | |
| February 27 | December 2023 Flash Performance Report | Loomis Sayles SMID Cap Angelo Gordon VA RE |
| March 26 | January 2024 Flash Performance Report | |
| April 23 | February 2024 Flash Performance Report | |
| May 28 | March 2024 Flash Performance Report Fourth Quarter Performance Review | |
| June 20 | April 2024 Flash Performance Report FY23 Manager Fee Detailed Schedule 2023 Segal Manager Research Meetings Memo | Apogem Private Equity (fka Goldpoint) |
| July 23 | May 2024 Flash Performance Report First Quarter Performance Review New Opportunities Discussion - Private Equity | |
| August 27 | June 2024 Flash Performance Report Board Insurance Program Renewal | Principal Real Estate |
| September 17 | July 2024 Flash Performance Report Board Insurance Program Renewal | |
| October 22 | August 2024 Flash Performance Report Second Quarter Performance Review | Wellington International RBC Emerging Markets |
| December 10 | Sept & Oct 2023 Flash Performance Report Annual Investment Policy Review | |

**This is a working document and subject to change.*

AGENDA ITEM 6.A.

LEGAL

LEGAL UPDATE

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 6.B.

LEGAL

**REQUEST FOR EXECUTIVE SESSION
TO DISCUSS PENDING LITIGATION**

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 7.A.
EXECUTIVE DIRECTOR'S REPORT
CITY COMMISSION COMMUNICATION



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2600 Hollywood Blvd. • City Hall Annex Building, 2ND Floor, Room 20 • Hollywood, FL 33020
(954) 921-3333 • (954) 921-3332 Fax • www.hollywoodpension.com

CITY COMMISSION COMMUNICATION JUNE 2024

The following information is provided to the City Commission for informational purposes only.

BOARD OF TRUSTEES

Phyllis Shaw – Chair
Barbara Armand – Vice Chair

Robert Strauss – Secretary
Jeffrey Greene

David Keller
George Keller

*One citizen member position on the Board of Trustees is vacant. This member is appointed by and serves at the pleasure of the City Commission; must be a resident of the City; and cannot be identified with the City government.

Five Trustees attended the May 28, 2024 Regular Meeting of the Board of Trustees. Trustee George Keller was absent.

ITEMS OF INTEREST TO THE CITY COMMISSION

- The estimated value of the Fund's assets available for investments on April 30, 2024 was \$456.5 million, down 1.8% net of fees for the month of April 2024, and up 8.9% for the fiscal year to date.
- The Funded Ratio (the value of the actuarial assets divided by the actuarial accrued liability) was 64.5% as of October 1, 2023, up from 64.4% as of October 1, 2022, and up from 64.1% as of October 1, 2021.
- The Fund's Actuarial Valuation Report as of October 1, 2023 has been completed and Required Employer Contribution for Fiscal Year 2025 has been submitted to City Management. If paid in full on October 1, 2024 the Actuarially Determined Contribution will be \$28,245,281.
- The Fund is involved in a lawsuit related to the survivor benefit of a deceased retiree, in which more than one party claimed the benefit. The Fund has previously prevailed in a Writ of Certiorari. The party that lost has again filed suit against the Fund.

UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

- FPPTA Annual Conference
June 23 - 26, 2024
Renaissance, Orlando
- Koried Global Summit
July 17 - 19, 2024
Biltmore, Coral Gables
- FPPTA Fall School
September 22-25, 2024
Hilton, Bonnet Creek
- Segal Marco Advisors 2024 Client Conference
October 24 – 26, 2024
Vinoy, St. Petersburg
- IFEBP New Trustee Institute and Annual Con.
November 10 - 13, 2024
San Diego, California
- Police Officers' and Firefighters' Pension trustee Conference .
November 13 - 15, 2024
The Shores, Daytona Beach Shores

MEETING SCHEDULE 2024

All Commissioners are invited to attend.

| <u>Dates</u> | <u>Time</u> | <u>Location</u> |
|-----------------|----------------|---------------------|
| July 23, 2024 | 9:00am-12:00pm | City Hall, Room 219 |
| August 27, 2024 | 9:00am-12:00pm | City Hall, Room 219 |
| Sept. 17, 2024 | 9:00am-12:00pm | City Hall, Room 219 |

| <u>Dates</u> | <u>Time</u> | <u>Location</u> |
|-------------------|----------------|---------------------|
| October 22, 2024 | 9:00am-12:00pm | City Hall, Room 219 |
| December 10, 2024 | 9:00am-12:00pm | City Hall, Room 219 |

AGENDA ITEM 7.B.
EXECUTIVE DIRECTOR'S REPORT
CPMS UPDATE

**COHERF-CPMS
Member Self Service Website
Update - User Acceptance Testing Round 3**

Member Comments

| |
|---|
| <p>"CONGRATULATIONS!!! This website is one of the easiest to sign up that I have seen for a long time. It took not more than five minutes to sign up and unlike some of the others, there was not one error when creating. I viewed my information and was thrilled with the transparency, no clicking on here and there to get records. Love it !! Thank you for making navigating so easy. I am always anxious to see my account and can now check without having to wait for the paper statement."</p> |
| <p>"Getting signed up was a breeze. I located the registration link right away and went through the process fairly quickly. Navigating the site was just simple, not complicated at all. I encountered no issues. Overall, I found the site to be very user-friendly and easy to understand."</p> |
| <p>"My first impression is that this system is user friendly and very convenient for seeing retirement benefit estimates. I think every employee will like to see their updated retirement information. I would like to see more descriptions of the beneficiary options. Great Job!!!!!"</p> |
| <p>"Good afternoon, I have signed on to the website for the first time and found it relatively simple to use. The links all work, and the information appears to be accurate... All in all, it is a useful site."</p> |
| <p>"I like the site. Many insightful areas. I would like to see a copy of the quarterly report that is sent to me in here so that I can see the information online if possible."</p> |
| <p>"I registered on the new website today. The self-registration was very easy, and I had no issues. I also review all the attached links and had no issues. The site is very user friendly."</p> |
| <p>"Site looks and functions good. Thank you for including me in the process and Congrats."</p> |
| <p>"Very well done and easy to follow thanks!"</p> |
| <p>"So far so good.. keep you posted."</p> |

Member Self Service Website is Nearly Live

- Round 3 User Acceptance Testing started Tuesday June 4th and ends Wednesday July 31st.
- During this time members will see their retirement data updated from 5 biweekly payrolls, 2 monthly pension payrolls, 2 monthly DROP deposits, and 2 COLA anniversary increases.
- 108 members were selected as testers for the website.
- So far, 42 members have registered to access the site for a 39% participation rate.
- Changes to the site based on user experience will be addressed in August.
- Site will go-live for nearly 1900 members following a rolling launch:
 - Tuesday September 3rd for Active and DROP members
 - Tuesday September 10th for Retired members
 - Monday September 16th for Vested Deferred members and beneficiaries receiving survivor benefits.

AGENDA ITEM 7.C.

EXECUTIVE DIRECTOR'S REPORT

COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR



Communications – June 20, 2024

- Life Certificates 2024
- Disability Application Update
- Pension Office Renovation Update
- Florida Department of Management Services
 - 53rd Annual Police Officers' and Firefighters' Pension Conference
- DROP Participant List



Communications – June 20, 2024

- Life Certificates 2024
- Disability Application Update
- Survivor Benefit – Victor Swackhammer
- Pension Office Renovation Update
- Florida Department of Management Services
 - 53rd Annual Police Officers' and Firefighters' Pension Conference
- DROP Participant List

Christine Bailey

From: Florida Retirement System <donotreply@info.frs.fl.gov>
Sent: Wednesday, June 5, 2024 5:28 PM
To: Christine Bailey
Subject: [EXT]53rd Annual Police Officers' and Firefighters' Pension Conference Nov. 13-15 in Daytona Beach Shores, Florida
Attachments: 2024 Police & Fire Pension Conference Brochure.pdf

You don't often get email from donotreply@info.frs.fl.gov. [Learn why this is important](#)

53RD ANNUAL POLICE OFFICERS' AND FIREFIGHTERS' PENSION TRUSTEES' CONFERENCE

The 53rd Annual Police Officers' and Firefighters' Pension Trustees' Conference is the only educational program tailored to meet the needs of the Chapters 175 and 185 pension trustees. No other program can better inform on current issues affecting Chapters 175 and 185 pension plans or provide the same opportunity to network with pension plan peers.

Conference Details

Save the date for the 53rd Annual Police Officers' and Firefighters' Pension Conference, happening Nov. 13-15 at The Shores Resort and Spa located at 2637 South Atlantic Avenue, Daytona Beach Shores, FL. Sponsored by the DMS Division of Retirement, the conference is a free event informing members, trustees, administrators, and agency representatives on issues and legislation that may affect Chapter 175 and Chapter 185 municipal police officer and firefighter retirement plans.

Conference materials will be available for free download on our website on Friday, November 8. Note that this conference may possibly be used towards continuing education hours for professional certification. Please remember, we are only able to continue providing these cost-effective conferences for our plans based on satisfactory attendance. To continue providing essential educational opportunities to plan participants and board members, we are encouraging you to consider our programs when making your training plans.

Itinerary

Wednesday, Nov. 13

Wednesday's program is designed specifically for new trustees, those interested in becoming trustees, or those who want a basic understanding of Chapter 175 and Chapter 185 pension plans. The day will include an overview of how the pension plans work, including guidance from the Division of Retirement on trustee responsibilities and lectures from an investment consultant, a plan attorney, and an actuary. Participants will be encouraged to ask questions and participate in group discussions on the fundamentals of pension fund management. All new trustees are encouraged to join on Wednesday.

Thursday, Nov. 14 and Friday, Nov. 15

Programs on Thursday and Friday will feature presentations and question-and-answer sessions for new and seasoned trustees. The programs will discuss legal, actuarial, investment, administrative, and Government in the Sunshine topics and will provide updates on any 2024 legislative changes.

Registration

Book your hotel room using this [link](#), or state that you are attending the Police Officers' and Firefighters' Pension Conference when checking in to the hotel. The booking rate includes the use of the facility and supports the continued operation of the conference. Without hotel guests, the conference cannot exist, so it is imperative that you identify yourself as an attendee.

Register for this free conference via Eventbrite by clicking [here](#).

(see attached conference brochure)

[Unsubscribe](#) to stop receiving these emails.

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
DROP
June 2024 Regular Pension Board Meeting

| | Name | | DROP Start Date | DROP end Date | Payroll Reports Received |
|----|-------------------|-----------|-------------------|--------------------|--------------------------|
| 1 | Linares | Teresa | August 1, 2019 | July 31, 2024 | Yes |
| 2 | Mincy | Donald | August 1, 2019 | July 31, 2024 | Yes |
| 3 | Montalvan | Mario | August 1, 2019 | July 31, 2024 | Yes |
| 4 | Myrvil | Jean | August 1, 2019 | July 31, 2024 | Yes |
| 5 | Thornton | Tamara | September 1, 2019 | August 31, 2024 | Yes |
| 6 | Doklean | Dana | November 1, 2019 | October 31, 2024 | Yes |
| 7 | Foard | Timothy | January 1, 2020 | December 31, 2024 | Yes |
| 8 | Keller | George | January 1, 2020 | December 31, 2024 | Yes |
| 9 | Nelson | Barbara | January 1, 2020 | December 31, 2024 | Yes |
| 10 | Saint Remy | Jean | January 1, 2020 | December 31, 2024 | Yes |
| 11 | Williams | Horace | January 1, 2020 | December 31, 2024 | Yes |
| 12 | Zaske | Michael | January 1, 2020 | December 31, 2024 | Yes |
| 13 | Hogarth | Delroy | July 1, 2020 | June 30, 2025 | Yes |
| 14 | Seidl | Luanne | July 1, 2020 | June 30, 2025 | Yes |
| 15 | Lopez | Sergio | August 1, 2020 | July 31, 2025 | Yes |
| 16 | Manimala | Jacob | August 1, 2020 | July 31, 2025 | Yes |
| 17 | Stanley | Angela | August 1, 2020 | July 31, 2025 | Yes |
| 18 | Avitable | Doreen | September 1, 2020 | August 31, 2025 | Yes |
| 19 | Bailey | Lorna | October 1, 2020 | September 30, 2025 | Yes |
| 20 | Bently | Michael | October 1, 2020 | September 30, 2025 | Yes |
| 21 | Perrin | Edward | October 1, 2020 | September 30, 2025 | Yes |
| 22 | Hitchcock | Kathleen | November 1, 2020 | October 31, 2025 | Yes |
| 23 | Kalil-Cobos | Yvonne | December 1, 2020 | November 30, 2025 | Yes |
| 24 | Wilson | Henry | January 1, 2021 | December 31, 2025 | Yes |
| 25 | Carter | Michelle | March 1, 2021 | February 28, 2026 | Yes |
| 26 | Johns | Mary | April 1, 2021 | March 31, 2026 | Yes |
| 27 | Bennett | Lisa | April 1, 2021 | March 31, 2026 | Yes |
| 28 | Maldonado-Juriga | Yolanda | June 1, 2021 | May 31, 2026 | Yes |
| 29 | Castillo | Jamie | June 1, 2021 | May 31, 2026 | Yes |
| 30 | Tozzi | Donna | August 1, 2021 | July 31, 2026 | Yes |
| 31 | Sanchez | Pamela | September 1, 2021 | August 31, 2026 | Yes |
| 32 | Caraballo | Luis | December 1, 2021 | November 30, 2026 | Yes |
| 33 | Batista | Francisco | January 1, 2022 | December 31, 2026 | Yes |
| 34 | Smith | Lisa | March 1, 2022 | February 28, 2027 | Yes |
| 35 | Fiorillo | Richard | March 1, 2022 | February 28, 2027 | Yes |
| 36 | Ramos | Edgar | May 1, 2022 | April 30, 2027 | Yes |
| 37 | DeRosa | Anthony | May 1, 2022 | April 30, 2027 | Yes |
| 38 | Cerny | Patricia | May 1, 2022 | March 12, 2027 | Yes |
| 39 | Schiff | Christine | June 1, 2022 | May 31, 2027 | Yes |
| 40 | Clift | William | June 1, 2022 | May 31, 2027 | Yes |
| 41 | Blouin | Lisa | June 1, 2022 | February 13, 2027 | Yes |
| 42 | Russ | Lemmie | June 1, 2022 | May 31, 2027 | Yes |
| 43 | Irizarry Figueroa | Fernando | June 1, 2022 | May 31, 2027 | Yes |

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

DROP

June 2024 Regular Pension Board Meeting

| | Name | | DROP Start Date | DROP end Date | Payroll Reports Received |
|----|-------------|-----------|-------------------|-------------------|--------------------------|
| 44 | Andrews | Henry | July 1, 2022 | June 30, 2027 | Yes |
| 45 | Kimble | LaShanda | August 1, 2022 | July 31, 2027 | Yes |
| 46 | Saintange | Carmen | August 1, 2022 | July 31, 2027 | Yes |
| 47 | Vazquez | David | August 1, 2022 | July 31, 2027 | Yes |
| 48 | Greene | Charmaine | September 1, 2022 | August 31, 2027 | Yes |
| 49 | Davis | Curtis | September 1, 2022 | August 31, 2027 | Yes |
| 50 | Kis | Laslo | September 1, 2022 | August 31, 2027 | Yes |
| 51 | Estevez | Andrew | November 1, 2022 | October 31, 2027 | Yes |
| 52 | Graves | Kimberly | January 1, 2023 | December 31, 2027 | Yes |
| 53 | Morris | Travis | January 1, 2023 | December 31, 2027 | Yes |
| 54 | Cairns | William | January 1, 2023 | December 31, 2027 | Yes |
| 55 | Sheinfeld | Scott | February 1, 2023 | January 31, 2028 | Yes |
| 56 | Sabillon | Karrie | March 1, 2023 | February 28, 2028 | Yes |
| 57 | Senecharles | Francis | May 1, 2023 | April 30, 2028 | Yes |
| 58 | Di Sassicio | Alex | May 1, 2023 | April 30, 2028 | Yes |
| 59 | Wharton | Michael | June 1, 2023 | May 31, 2028 | Yes |
| 60 | Isaac | Septimus | June 1, 2023 | May 31, 2028 | Yes |
| 61 | Leo | Justin | June 1, 2023 | May 31, 2028 | Yes |
| 62 | Rivers | Miguel | June 1, 2023 | May 31, 2028 | Yes |
| 63 | Caruso | Nancy | August 1, 2023 | July 31, 2028 | Yes |
| 64 | Kiriazis | Dan | November 1, 2023 | October 31, 2028 | Yes |
| 65 | Randazzo | John | November 1, 2023 | October 31, 2028 | Yes |
| 66 | Gardner | Irish | November 1, 2023 | July 31, 2028 | Yes |
| 67 | Parma | Ganga | December 1, 2023 | June 30, 2028 | Yes |
| 68 | Lahoud | Cheryl | January 1, 2024 | December 5, 2026 | Yes |
| 69 | Beech | Alan | January 1, 2024 | December 31, 2028 | Yes |
| 70 | Pacheco | Rose | January 1, 2024 | December 31, 2028 | Yes |
| 71 | Carter | Ronnie | January 1, 2024 | December 31, 2028 | Yes |
| 72 | Vera | Omar | February 1, 2024 | January 31, 2029 | Yes |
| 73 | Valenzuela | Mari | April 1, 2024 | March 31, 2029 | Yes |
| 74 | Jackson | Sandie | May 1, 2024 | April 30, 2029 | Yes |
| 75 | Jones | Clinton | May 1, 2024 | April 30, 2029 | Yes |
| 76 | Armand | Barbara | June 1, 2024 | May 31, 2029 | |

AGENDA ITEM 8

PUBLIC COMMENT

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 9

TRUSTEE REPORTS, QUESTIONS AND COMMENTS

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 10

ADJOURNMENT

(NO BACKUP FOR THIS SECTION)