

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**CALENDAR OF ITEMS**

**REGULAR BOARD MEETING**

**APRIL 22, 2025**

# **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**

2450 Hollywood Blvd. • Suite 204 • Hollywood, FL 33020  
(954) 921-3333 • (954) 921-3332 Fax • [www.hollywoodpension.com](http://www.hollywoodpension.com)

### **AGENDA REGULAR PENSION BOARD MEETING TUESDAY, APRIL 22, 2025 at 9:00 AM PENSION OFFICE, 2450 HOLLYWOOD BOULEVARD, ROOM 209**

Agenda items not scheduled for a specific time may be considered at any time during the meeting, at the Board's discretion. However, time certain items will not be considered by the Board earlier than the time listed for those items, although those items may be taken up at a later time. The following items on this agenda are time certain items.

11:00 AM - Item – 6B

- 1. CALL TO ORDER**
- 2. ROLL CALL AND PLEDGE OF ALLEGIANCE**
  - A. Agenda Adoption
- 3. CONSENT AGENDA**
  - A. March 25, 2025 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. Financial Statements For The Year Ended September 30, 2024
  - B. Audit Committee Report
  - C. Financial Reports and Investment Summary
- 5. INVESTMENT (Segal Marco Advisors)**
  - A. February 2025 Flash Performance Report
  - B. New Opportunities Update
  - C. Work Plan
- 6. LEGAL (Ron Cohen – Lorium Law)**
  - A. Legal Update

#### **11:00 AM TIME CERTAIN EXECUTIVE SESSION (Or as soon thereafter as the agenda permits)**

- B. Attorney Client Meeting (Closed)  
Under Section 286.011(8) F.S., the person Chairing the meeting shall announce the commencement of and estimated length of a closed attorney client session, and the names of all persons attending. The meeting will be to discuss the pending litigation known as Virginia Tisdale-Ferguson, individually and as the personal representative of the Estate of John L. Tisdale, (Deceased) v. Blanche Pressley and the Board of Trustees of the City of Hollywood Employees' Retirement Fund, In the Circuit Court of the 17th Judicial Circuit in and For Broward County, Florida, CASE NO. CACE23014008 (02).

Estimated length of Attorney-Client Session: one and one-half hours

Reopen Public Meeting/ Announce Termination of Attorney-Client Meeting/Resume Regular Pension Board meeting

- C. Request for Executive Session to Discuss Pending Litigation

## **7. EXECUTIVE DIRECTOR'S REPORT**

- A. City Commission Communication
- B. 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 3.A.**

## **CONSENT AGENDA**

**MARCH 25, 2025**

**REGULAR MEETING MINUTES**

**MINUTES**  
**REGULAR PENSION BOARD MEETING**  
**CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**  
**TUESDAY, MARCH 25, 2025 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 David Keller; Secretary Robert Strauss; April Allen; Jeffrey Greene; and George Keller (joined at 9:15a.m.) Also present: Executive Director Christine Bailey; Keith Reynolds, Alan Kosan, Michael St. Germaine, and Felicia Ewell of Segal Marco; and Ron Cohen of Lorium Law.

**A. March 25, 2025 Regular Board Meeting Agenda**

**MOTION** made by Trustee D. Keller, seconded by Trustee Strauss to adopt the March 25, 2025 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.** February 25, 2025 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 Greene, seconded by Trustee D. Keller, 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. Financial Reports and Investment Summary**

Ms. Bailey provided the Preliminary February 2025 Financial Report and Investment Summaries. She also provided the Budget Variance Report as of February 28, 2025. In response to a question from Trustee Strauss, Ms. Bailey noted that the capital expenditures was expected to significantly decrease going forward, as all the capital projects were either completed or near completion.

**5. INVESTMENT (Keith Reynolds – Segal Marco)**

**A. January 2025 Flash Performance Report**

Mr. Reynolds provided the Flash Performance Report for January 2025. He noted that the Fund's market value of assets as of January 31, 2025 increased to \$490.8 million. He also noted that the estimated return for the Fund was up 1.8% net of fees for the month of January 2025, and up 1.0% net of fees for the fiscal year to date.

In response to questions from Trustees, Mr. Reynolds advised that it has been hard to gauge the market reaction in the short term. He noted that the US was still strong in relation to other countries. He noted that if the US dollar devalues, the Plan's international investments would be expected to do well.

**B. New Opportunities Discussion**

Mr. Kosan reviewed the Private Equity Program and the Board's decision to introduce primary investment opportunities with the current multimanager programs. He reviewed the implementation of the program including interviews with recommended investment managers.

Mr. St. Germaine advised that Segal recommended that the Board consider 50 South Capital as a fund of fund manager with their Private Equity Core Fund XI with its final close being in the 3<sup>rd</sup> quarter of 2025, and with final indications of interest by June 30, 2025. He noted that the Plan could alternately invest in the same strategy in Private Equity Core Fund XII with a first close expected by September or October 2025.

Trustee Shaw requested that Segal provide the portfolio construction modeling tool so that the Board could see the impact of the recommendation on the overall portfolio. The Board discussed the need for an investment meeting and determined that the 50 South Capital presentation should be made to the full Board.

**MOTION** made by Trustee Greene, seconded by Trustee D. Keller, to invite 50 South Capital to one of the next Board meetings. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Reynolds advised that Segal was reviewing Affiliated and recommended that Affiliated attend and present their Fund II at the May 2025 meeting at which time Segal will make their recommendation on the investment and any funding commitment. In response to a question, Mr. Reynolds advised that the Fund II investments would be similar to the Fund I investments.

C. Work Plan

Mr. Reynolds reviewed the work plan. He reminded the Board that the plan was flexible and could be changed as needed.

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Update

Mr. Cohen advised that he had been working with Segal to complete the Bayview Agreement and that he anticipated that it would be completed shortly. He noted that one of the ongoing issues was Public Records.

Mr. Cohen noted that the Fund received a Petition of Foreign Guardian to Manage Property of Non resident Ward for Gina McDonald. He advised that he expected an order would be entered which would provide the Fund with a foreign guardian to manage Ms. McDonald's property.

With regard to the Tisdale-Ferguson case, Mr. Cohen advised that the court denied the plaintiff's motion to strike our affirmative defenses. He advised that there would be an executive session at the April Board meeting.

B. 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.

Trustee Shaw advise that IFEBP had recommended that Trustees attend the Washington Legislative Update Conference in Washington, DC from May 19-20, 2025. Trustee Allen and Trustee Shaw expressed their interest in attending.

Trustee Shaw advised that she would be completing the FPPTA Trustee Leadership Council training. She advised that FPPTA had asked that she remain on their Education Committee. She also advised that the FPPTA had asked that the Fund, together with the Fire and Police Funds, present the pension changes and reforms implemented in Hollywood.

B. COHERF Comprehensive Pay Plan

Ms. Bailey presented the Proposed Comprehensive Pay Plan. She also provided a comparative analysis of the pay plans of the City of Hollywood and COH Community Redevelopment Agency. She also provided position and salary data to the Board. Ms.

Bailey also presented a proposed reorganization of the staffing structure to reflex the additional tasks being performed by staff as well as changes in tasks assigned to staff since the Pension Office was first set up.

The Board discussed the proposed plans and requested redline copies of the changes. The Chair asked that upon receipt, Trustees provide any comments or suggestions to Ms. Bailey or Mr. Cohen.

**B. Communications from the Executive Director**

- Ms. Bailey advised that the audit of the financial statements was near completion, with only one item remaining outstanding.
- Ms. Bailey advised that the data for the actuarial valuation as at October 1, 2024 had been submitted to the Actuary.
- Ms. Bailey reminded Trustees that the City of Hollywood Volunteer Appreciation Dinner would be held on April 9, 2025.
- Ms. Bailey proposed that the Pension Office Open House be held on May 21, 2025. The Board discussed alternative dates. The Board agreed that the Open House Date would be May 22, 2025, assuming there were no conflicting events.
- Ms. Bailey advised the Board of a leak in the Pension Office space. She advised that, at the request of the Chair, the Fund would be sending a letter to the buildings Board and Management company requesting that they rectify the problem and ensure that there would not be a recurrence.
- Ms. Bailey reminded the Board of the FPPTA scholarship deadline of May 1<sup>st</sup> at 5:00p.m.
- Ms. Bailey advised that the IFEBP had requested that the Fund attend the Washington Legislative Update
- Ms. Bailey provided the DROP Participant List.

**8. PUBLIC COMMENTS**

Judith Mehrmann provided public comments.

**9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS**

Trustee Strauss requested that the public be provided with a place for their materials in the Board room. Trustee G. Keller discussed assignment pay. Trustee Shaw discussed the pay plan. She also requested that Public Comment be heard earlier in the meeting.

**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 6-0. The meeting adjourned at 11:30a.m.

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Phyllis Shaw, Chair

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Date

# **AGENDA ITEM 3.B.**

## **CONSENT AGENDA**

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

**EMPLOYEES' RETIREMENT FUND**  
**Refunds and DROP Distributions**  
**April 22, 2025 Regular Pension Board Meeting**

<b>Name</b>	<b>Refund</b>
<b><u>Refunds of Contributions</u></b>	
Baquero Meza, Daniela	\$ 9,132.36
Burns, Yvonne	1,183.04
Cramer, Chadwick	2,287.13
Diaz, Elizabeth	2,458.59
Heran, Nicole	55,552.58
Horn, Zachary	671.70
Montgomery, Anthony	1,261.37
Neff, John	1,713.33
	<hr/>
	\$ 74,260.10
<b><u>Planned Retirement</u></b>	
None	<hr/>
	\$ -
<b><u>Partial Lump Sum Distribution</u></b>	
None	<hr/>
	\$ 0.00
<b><u>DROP Distributions</u></b>	
None	\$
	<hr/>
	\$ 0.00
<b>TOTAL:</b>	<hr/> <b>\$ 74,260.10</b> <hr/>



**EMPLOYEES RETIREMENT FUND**  
**Disbursements Processed**  
**March 1, 2025 to March 31, 2025**

2450 Center Court Condominium	(\$4,450.73)
Associates MD Medical Group Inc	(\$1,500.00)
CBIZ CPAs LLC.	(\$1,723.05)
FPPTA (New Trustee)	(\$150.00)
George Keller (FPPTA Winter Sch)	(\$434.77)
Lorium PLLC (Feb 2025)	(\$11,910.00)
Pension Technology Group	(\$11,000.00)
Segal Advisors Inc (Feb 2025)	(\$10,833.33)
Segal Advisors Inc (Feb 2025)	(\$4,166.67)
The Northern Trust (Oct - Dec 2024)	(\$8,836.13)
Wellington Trust Co (Oct - Dec 2024)	(\$95,156.48)
Wells Fargo CC	(\$8,718.47)
	<hr/> (\$158,879.63)

**Capital Expenditure**

Pension Technology Group	<hr/> (\$15,000.00)
	<hr/> (\$173,879.63)

# **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**  
**April 22, 2025 Regular Pension Board Meeting**

<b><u>New Retirement</u></b>	<b>Future Benefit</b>	<b>Pension</b>
Behmardi, Azita - 2/7/2025	Normal Annuity	\$ 1,949.61
<b><u>Benefits Stopped</u></b>		
Pantaleo, Janice - Died 02/21/2025	None	\$ (4,345.01)
<b><u>Benefits Stopped May 25, 2024- Missing Life Certificates</u></b>		
Anderson, Mark		\$ 914.79

# **AGENDA ITEM 4.A.**

## **FINANCIAL**

### **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**A PENSION TRUST FUND OF THE CITY OF HOLLYWOOD, FLORIDA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**DRAFT**

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

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## **INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditors' Report**

To the Board of Trustees and Executive Director  
**City of Hollywood Employees' Retirement Fund**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the City of Hollywood Employees' Retirement Fund (the "Plan") which comprise the statement of fiduciary net position as of September 30, 2024 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary net position of the Plan, as of September 30, 2024, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the City's net pension liability and related ratios, schedule of City contributions, and schedule of investment returns on pages 4 to 9 and 40 to 42 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Matter – Summarized 2023 Comparative Information***

The financial statements of the Plan as of and for the year ended September 30, 2023, were audited by a Marcum LLP whose report dated March 26, 2024 expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended September 30, 2023 was derived from the 2023 financial statements.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2025 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Fort Lauderdale, FL  
April XX, 2025

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

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# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This narrative discussion and analysis of the City of Hollywood Employees' Retirement Fund's (the "Plan") financial performance provides an overview of the Plan's financial activities for the fiscal years ended September 30, 2024 and 2023. It is meant to assist the reader in understanding significant changes between fiscal years. This discussion and analysis is intended to be read in conjunction with the financial statements.

### OVERVIEW OF FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The financial statements, which are prepared in accordance with Governmental Accounting Standards Board ("GASB") pronouncements, are as follows:

- **The Statement of Fiduciary Net Position** – presents the financial position of the Plan each fiscal year end. It provides information about the nature and amounts of resources that the Plan presently controls (assets), present and future obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), with the difference between assets and liabilities being reported as net position restricted for pension benefits. Investments, other than money market mutual funds, are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Statement of Changes in Fiduciary Net Position** – presents the results of activities during each fiscal year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in each year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to the Financial Statements** – provide additional information that is essential for a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information** – as required by GASB, it is presented after the notes to the financial statements. These schedules consist of information pertaining to the Plan's actuarial methods and assumptions and provide data on changes in the City's net pension liability and related ratios, the City's contribution, and the Plan's investment return.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**FINANCIAL HIGHLIGHTS**

- Plan net position restricted for pension benefits exceeded liabilities at the close of fiscal years ended September 30, 2024 and 2023 by \$474,925,595 and \$412,191,387, respectively.
- As of September 30, 2024, liabilities decreased by \$110,899 (or -6.1%) as compared to September 30, 2023. The decrease is primarily due to \$327,049 decrease in the DROP accrual offset by increases in unclaimed checks and administrative expense accruals of \$216,150 compared to 2023. The total liabilities as of September 30, 2024 consists primarily of refund of member contributions, unclaimed checks and administrative expenses due.
- For the fiscal year ended September 30, 2024, employer contributions to the Plan amounted to \$26,508,097 an increase of \$1,015,624 (or 4.0%) over fiscal year 2023. This was primarily the result of a net investment loss reported in prior years which led to an increase in the required employer contribution in fiscal year 2024.
- For the fiscal year ended September 30, 2024, net investment income increased by \$36,581,209 (or 96.8%) resulting in a net investment income of \$74,379,402 from favorable market conditions. Investment expenses were \$616,283 compared to \$570,350 in fiscal year 2023. Gross return on plan assets in 2024 was 17.6% versus 9.5% in 2023, resulting in an overall investment gain being recognized in the current year.
- For the fiscal year ended September 30, 2024, total deductions increased by \$1,720,526 (or 4.2%) from fiscal year ended September 30, 2023 to \$42,206,466. The increase in total deductions for the year was primarily the result of an increase in benefit payments of \$1,626,874 due to COLA and DROP lump sum payments increases compared to fiscal year 2023, offset by a decrease in refund of contributions of \$302,352. Administrative expenses also increased by \$318,746 due to post-implementation costs relating to pension software. Lastly, depreciation and amortization expense increased by \$77,258 as a result of a full year of depreciation of capital assets.
- Receivables and payables for investments are primarily generated through the timing differences between the trade and settlement dates for investment securities purchased or sold.

**PLAN HIGHLIGHTS**

For the fiscal year ended September 30, 2024, the relative gross gain of the portfolio was 17.6% for the trailing year underperforming the policy index of a portfolio with a similar composition of 20.9% with net investment gain of \$74,379,402 for the year. For the fiscal year ended September 30, 2023, the relative gross gain of the portfolio was 9.5% for the trailing year underperforming the policy index of a portfolio with a similar composition of 10.1% with net investment gain of \$37,798,193 for the year.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**USING THE AUDITED FINANCIAL STATEMENTS**

The financial statements, which reflect the activities of the Plan, are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on an accrual basis and reflect all the Plan's activities as incurred and account balances of investments for the fiscal year then ended.

**SUMMARY OF FIDUCIARY NET POSITION**

The following condensed comparative summary of fiduciary net position demonstrate the net position of the Plan at September 30, (in thousands):

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Receivables	\$ 3,129	\$ 104
Investments	471,973	412,465
Prepaid Expenses	--	39
Capital assets, net	<u>1,528</u>	<u>1,398</u>
<b>Total Assets</b>	476,630	414,007
<b>Total Liabilities</b>	<u>1,704</u>	<u>1,815</u>
<b>Net Position Restricted for Pension Benefits</b>	<u><u>\$ 474,926</u></u>	<u><u>\$ 412,191</u></u>

**SUMMARY OF CHANGES IN FIDUCIARY NET POSITION**

The summary of changes in fiduciary net position displays the effect of pension fund transactions that occurred during the fiscal year, where additions minus deductions equal net increase or (decrease) in Plan net position. The table below reflects a condensed comparative summary of the changes in net position and reflects the activities of the Plan for the fiscal years ended September 30, (in thousands):

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

	2024	2023
<b>Additions</b>		
City contributions	\$ 26,508	\$ 25,492
Local contributions	26	50
Member contributions	4,027	3,675
Investment income	74,379	37,798
<b>Total Additions</b>	<u>104,941</u>	<u>67,015</u>
<b>Deductions</b>		
Pension benefits	40,140	38,513
Refund of member contributions	639	941
Administrative expenses	1,295	976
Depreciation and amortization	132	55
<b>Total Deductions</b>	<u>42,206</u>	<u>40,486</u>
<b>Change in Net Position</b>	62,734	26,529
<b>Net Position Restricted for Pension Benefits</b>		
Beginning of year	412,191	385,662
End of year	<u>\$ 474,926</u>	<u>\$ 412,191</u>

The Plan's capital assets consist of the Pension Software, Furniture and Building. During the fiscal year 2024, additional capitalizable costs incurred were \$262,058 for a total increase in assets of \$129,616 (net of depreciation/amortization) or (9%).

The Plan's investment activities, measured as of the end of any month, quarter, or year, are a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Actual returns for the fiscal year ended September 30, 2024 increased from those of fiscal year ended September 30, 2023.

The benefit payments are a function of changing payments to retirees or their beneficiaries (i.e., deceased retiree, new retiree during the period, etc.).

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**ASSET ALLOCATION**

At September 30, 2024, the domestic equity portion comprised approximately 27.5% (\$130.0 million) of the total portfolio. The allocation to fixed income securities was 25.0% (\$118.1 million), while money market funds comprised 0.5% (\$1.85 million). Real estate partnerships comprised 7.8% (\$37.0 million), international equities comprised 18.0% (\$87.8 million), private equity investment comprised 7.6% (\$36.0 million), private debt investment comprised 10.9% (\$51.2 million), and infrastructure investments comprised 2.7% (\$12.6 million).

At September 30, 2023, the domestic equity portion comprised approximately 26.6% (\$109.9 million) of the total portfolio. The allocation to fixed income securities was 25.5% (\$105.0 million), while money market funds comprised 0.4% (\$1.8 million). Real estate partnerships comprised 8.9% (\$36.8 million), international equities comprised 16.1% (\$66.6 million), private equity investment comprised 10.1% (\$41.6 million), private debt investment comprised 9.5% (\$39.1 million), and infrastructure investments comprised 2.9% (\$11.9 million).

The authorized investment allocation ranges as of September 30, 2024 and 2023, were as follows:

Asset Class	Asset Allocation	
	2024	2023
Domestic equities	20-35%	20-35%
Fixed income	20-35%	20-35%
International equities	10-25%	10-25%
Private equity	0-15%	0-15%
Private debt	0-15%	0-14%
Private real estate	0-12.5%	0-12.5%
Private/global infrastructure	0-5%	0-5%
Cash	0-5%	0-5%



**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**CITY'S NET PENSION LIABILITY**

The fiduciary net position as a percentage of the total pension liability in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, as of September 30, 2024 and 2023 was 71.14 % and 63.53% respectively. GASB Statement No. 67 does not impact the fiduciary net position of the Plan. The notes and required supplementary information provide a summary of significant assumptions and other inputs used to calculate the total pension liability, including those about inflation, salary changes, and inputs to the discount rate, as well as certain information about mortality assumptions and investment returns.

**PLAN MEMBERSHIP**

The following table reflects the Plan membership as of the below actuarial valuation dates:

	October 1, 2024*	October 1, 2023
Inactive plan members and beneficiaries currently receiving benefits	1,175	1,163
Inactive plan members entitled but not yet receiving benefits	66	67
Active plan members	681	621
<b>Total Members</b>	<u>1,922</u>	<u>1,851</u>

\* The plan membership as of October 1, 2024. is based on the Plan's internal records as the actuarial valuation as of October 1, 2024 was not yet finalized as of the date of the independent auditor's report

**CONTACTING THE PLAN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Board of Trustees, membership, taxpayers, investors, and creditors with a general overview of the Plan finances, and to demonstrate accountability for the money the Plan receives. If you have any questions about this report or need additional financial information, contact the Executive Director Christine Bailey, City of Hollywood Employees' Retirement Fund, P.O. Box 229045, Hollywood, FL 33022-9045.

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## **FINANCIAL STATEMENTS**

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**DRAFT**

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**STATEMENT OF FIDUCIARY NET POSITION**

**SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)**

	2024	2023
<b>Assets</b>		
<b>Receivables</b>		
Accrued interest and dividends	\$ 128,996	\$ 104,092
Due from broker	3,000,000	--
<b>Total Receivables</b>	3,128,996	104,092
<b>Investments</b>		
Money market mutual funds	2,510,677	1,831,145
Bond mutual fund	44,992,085	40,203,146
U.S. government agencies	224,659	363,251
U.S. treasuries	2,707,616	2,422,145
Fixed income composites	61,985,271	55,122,017
Corporate bonds	4,216,499	3,273,869
Foreign government and corporate bonds	1,134,044	946,251
Asset backed securities	2,535,737	2,670,010
Large cap equity investment funds	79,296,638	70,617,577
Small cap equity investment funds	50,705,491	39,275,894
International equity investment funds	84,775,475	66,552,873
Private equity investment funds	35,999,334	41,600,399
Private debt investment fund	51,232,970	39,134,191
Infrastructure investment fund	12,614,940	11,894,786
Real estate investment funds	37,041,781	36,557,663
<b>Total Investments</b>	471,973,217	412,465,217
<b>Prepaid Expenses</b>	--	39,211
<b>Capital Assets, Net</b>	1,527,616	1,398,000
<b>Total Assets</b>	476,629,829	414,006,520
<b>Liabilities</b>		
Accounts payable and other accrued liabilities	1,704,234	1,815,133
<b>Total Liabilities</b>	1,704,234	1,815,133
<b>Net Position Restricted for Pension Benefits</b>	\$ 474,925,595	\$ 412,191,387

*The accompanying notes are an integral part of these financial statements.*

**DRAFT**

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2023)**

	2024	2023
<b>Additions</b>		
<b>Contributions</b>		
City	\$ 26,508,097	\$ 25,492,473
Local	25,913	49,833
Members	4,027,262	3,674,797
<b>Total Contributions</b>	30,561,272	29,217,103
<b>Investment Income</b>		
Net appreciation in fair value of investments	65,722,271	14,492,311
Interest and dividends	9,273,414	23,876,232
Investment income	74,995,685	38,368,543
Less: investment expenses	616,283	570,350
<b>Net Investment Income</b>	74,379,402	37,798,193
<b>Total Additions</b>	104,940,674	67,015,296
<b>Deductions</b>		
Pension benefits	40,140,312	38,513,438
Refund of member contributions	638,514	940,866
Administrative expenses	1,295,198	976,452
Depreciation and amortization	132,442	55,184
<b>Total Deductions</b>	42,206,466	40,485,940
<b>Change in Net Position</b>	62,734,208	26,529,356
<b>Net Position Restricted for Pension Benefits</b>		
Beginning of year	412,191,387	385,662,031
End of year	\$ 474,925,595	\$ 412,191,387

*The accompanying notes are an integral part of these financial statements.*

**DRAFT**

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## **NOTES TO FINANCIAL STATEMENTS**

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**DRAFT**

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***BASIS OF ACCOUNTING***

The financial statements of the City of Hollywood Employees' Retirement Fund (also known as the "General Employees' Retirement Fund", or the "Plan") are prepared using the accrual basis of accounting, in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Contributions from members are recorded in the period the City of Hollywood, Florida (the "City", or "Employer") makes payroll deductions from participants (members). City contribution requirements are statutorily required contributions which are determined by the Plan's actuary in accordance with State statutes and are generally funded by the employer within the appropriate fiscal year. Benefit payments and refunds to members are recognized when due and payable in accordance with the terms of the Plan. Member contributions and City contributions are recognized in the period in which the contributions are paid.

***USE OF ESTIMATES***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in net position restricted for Plan benefits. Actual results could differ from those estimates.

***RISKS AND UNCERTAINTIES***

Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect balances and the amounts reported in the statement of fiduciary net position.

***CAPITAL ASSETS***

Capital assets, which include property, furniture, and intangible assets (software) are stated at cost and depreciated/amortization using the straight-line method over the estimated lives of the assets:

Office Building	30 years
Software	5 years
Furniture	7 years

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INVESTMENTS***

Investments are reported at fair value, except for money market mutual funds, which are reported at amortized cost.

Realized and unrealized gains and losses are reported as net appreciation in fair value of investments on the statement of changes in fiduciary net position. Purchases and sales of securities are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. Dividends and interest income are recorded as earned. Refer to Note 3 for more detailed information regarding the methods used to measure the fair value of investments.

The investment policy is determined by the Board of Trustees and is implemented by investment advisors. At September 30, 2024, guidelines permit the following investments:

- Bonds, notes or other obligations of the U.S. government and its agencies;
- Common and preferred stock issued by a corporation created or existing under the laws of the United States or any state, district or territory thereof, provided that such securities shall be listed at the date of the purchase on a major stock exchange with an aggregate limitation of 35% of the total plan assets;
- Fixed income investments, provided that no one security issue of this type of obligation is more than five percent (5%) of the investment manager's portfolio;
- Time deposits or time certificates in any banking institution organized under the laws of the United States, provided that such investments are not more than five percent (5%) of the short-term investment account;
- International equity investments made through the purchase of units of commingled funds or group trusts are limited to a maximum of 25% of plan investments; and
- Real estate investments in pooled real estate vehicles, limited partnerships or other types of real estate investments, limited to a maximum of 12.5% of plan investments, as determined by the Board in consultation with the investment consultant.
- The Board, after consulting with the Investment Consultant, may authorize the use of any other investment for an account provided that such investment is considered prudent for a retirement fund. Assets that provide appropriate diversification (specifically low correlation with existing assets) will be considered.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INVESTMENTS (CONTINUED)***

Prohibited assets and/or transactions under the Plan's investment policy include selling short, letter stock, options other than covered call writing, and any investments not listed in the investment policy except as noted above.

The Plan's target asset allocation and authorized ranges as of September 30, 2024, were as follows:

<u>Asset Class</u>	<u>Target (%)</u>	<u>Allowable Range (%)</u>
Domestic equities	27.50%	20 - 35%
Fixed income	25.00%	20 - 35%
International equities	17.50%	10 - 25%
Private Equity	10.00%	0 - 15%
Private Debt	10.00%	0 - 15%
Private Real estate	7.50%	0 - 12.5%
Private Infrastructure	2.50%	0 - 5%
Cash	0.00%	0 - 5%

***INCOME TAX STATUS***

Management believes the Plan is operated in compliance with the Internal Revenue Code and is therefore exempt from Federal income taxes.

**NOTE 2 – PLAN DESCRIPTION**

The General Employees' Retirement Fund is a defined benefit plan. The Plan was established on October 1, 1958, as set forth in Article X, Section §10.01 of the City of Hollywood, Florida Charter. The Plan currently functions in accordance with the City Code of Ordinances, Section §33.025 - §33.031 and other existing federal and State laws. The Plan is governed by a seven (7) member board of trustees (the "Board"). The Board is comprised of two (2) persons designated as citizen members who are residents of the City appointed by the City Commission; the City Manager or his/her designee; two (2) members representing the employees, who shall be employee members (including Deferred Retirement Option Plan ("DROP") participants) with at least six (6) years of credited service and elected by vote of all employee members (including DROP participants); one (1) member representing the retirees,



**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

who shall be a retiree (but not a DROP participant) elected by vote of all retired members (excluding DROP participants); and one (1) member appointed by the City Manager, representing the employees whose positions are not included in a collective bargaining unit who has accounting or investment experience. The Board can recommend to the City changes to the provisions of the Plan.

The City requires that substantially all full-time employees of the City contribute to the Plan. Contributions required from members were at the rate of eight percent (8%) of compensation until June 18, 2019, when it changed to a rate of nine percent (9%) for general fund members hired prior to October 1, 2011 and non-general fund members hired prior to March 5, 2014. These contributions have been on a tax-deferred basis page since 1994. The City is required to contribute the remaining amounts necessary to fund the Plan using an actuarial basis as required by State statute. The City's actuarially determined contribution rate for fiscal year 2024, which was determined by the October 1, 2022 actuarial valuation, is 57.63 percent of annual covered payroll. The vesting period for members hired prior to July 15, 2009 is five (5) years of credited service. For members hired on or after July 15, 2009, the vesting period is seven (7) years of credited service.

The Plan is a single-employer public employee retirement system sponsored by the City, and is included as a pension trust fund in the City's Annual Comprehensive Financial Report (ACFR) as part of the City's financial reporting entity for the year ended September 30, 2024. For further information on the City, please see the ACFR.

At October 1, 2023, the date of the latest available actuarial valuation, membership in the Plan consisted of:

Inactive plan members and beneficiaries currently receiving benefits	1,163
Inactive plan members entitled but not yet receiving benefits	67
Active plan members	<u>621</u>
<b>Total Members</b>	<u><b>1,851</b></u>

***NORMAL RETIREMENT***

A member hired prior to July 15, 2009 must attain the age of 55 with five (5) years of credited service, or complete 25 years of credited service, regardless of age, in order to be eligible for normal retirement. For members hired on or after July 15, 2009, normal retirement date varies depending on date of hire and date of separation.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

**For Employees Hired Prior to July 15, 2009**

A member hired prior to July 15, 2009, who is currently employed by the City, who has been contributing to the Plan during their full period of employment, and who exercises normal retirement is entitled to receive a retirement benefit equal to three percent (3%) of their average final compensation (based on the 78 highest consecutive bi-weekly pay periods during employment) multiplied by years of credited service, up to a maximum of 27 years, with a maximum benefit equal to 81 percent of the member's average final compensation.

For members hired prior to July 15, 2009 who retire on or after August 17, 2009 without entering the DROP, a two percent (2%) cost of living adjustment ("COLA") will be payable annually three (3) years after retirement benefits begin. For members hired prior to July 15, 2009 who enter the DROP on or after August 17, 2009, a two percent (2%) COLA will be payable annually commencing the later of three (3) years after retirement benefits begin or one (1) year after separation employment following participation in the DROP.

For members hired prior to July 15, 2009 who retire or enter the DROP on or after August 17, 2009 compensation excludes all earnings and payouts for blood time and compensatory time. Payouts for accumulated annual leave that may be counted as compensation for such members will not exceed 125 hours for employees covered by the general employees' bargaining unit; and will not exceed 60 hours per year for employees who retire from a position not covered by the general employees' bargaining unit.

Members who participated in the Supplemental Retirement System who were hired on or after October 1, 1976 and elected to participate in the contributory plan had the option of keeping their benefit accrual rate of one percent (1%) for credited years of service prior to the date the member started contributions, or paying additional contributions to obtain an increased benefit accrual rate for credited years of service prior to the date the member started contributions. Upon exercising normal retirement, the monthly retirement benefit for such members who elected not to pay the additional contribution would be computed using a combination of a rate of one percent (1%) for credited years of service prior to the date the member started contributions, and currently a benefit accrual rate of three percent (3%) for credited years of service after the date the member started contributions.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

For General Fund Members Hired on or After July 15, 2009 but Prior to October 1, 2011 and Non-General Fund Members Hired on or After July 15, 2009 but Prior to March 5, 2014

For members hired on or after July 15, 2009, normal retirement date and average final compensation varies based on date of hire and date of separation. Normal retirement date is based on a combination of age and years of credited service. Upon reaching normal retirement date, a member is entitled to a normal retirement benefit of two and one-half to three percent (2.5%-3.0%) of average final compensation for each year of credited service, up to a maximum benefit of 81 percent of average final compensation. Average final compensation is based on the member's highest 104 or 130 consecutive bi-weekly pay periods of credited service.

Vesting period will be seven (7) years of credited service.

Compensation includes only the member's base pay, which includes longevity pay, but no other payments are included.

Eligibility for non-duty disability benefits commences upon the member completing seven (7) years of credited service.

A vested member who separates from City employment prior to his or her normal retirement date and does not receive a refund of contributions will have a right to receive a retirement benefit beginning at their normal retirement date based on the benefit formulas in effect on the date of separation from City employment, years of credited service and average final compensation on that date.

Members contribute nine percent (9%) of their compensation to the Plan.

Members are not eligible to participate in the DROP.

Members are not eligible for a COLA after their retirement benefits commence.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

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

A general fund member hired on or after October 1, 2011, or a non-general fund member hired on or after March 5, 2014, must attain the age of 65 with seven (7) years of credited service, age 62 or older with 25 years of credited service, or 30 years of credited service regardless of age, in order to be eligible for normal retirement.

General fund members hired on or after October 1, 2011 will receive the same retirement benefits as members hired on or after July 15, 2009 but prior to October 1, 2011 subject to the amendments below:

Non-general fund members hired on or after March 5, 2014 will receive the same retirement benefits as members hired on or after July 15, 2009 but prior to March 5, 2014 subject to the amendments below:

- Normal retirement date will be age 65 or older with seven (7) years credited service; age 62 or older with 25 years of credited service; or 30 years of credited service.
- Vesting period is seven (7) years of credited service
- Upon reaching normal retirement date, a member is entitled to a normal retirement benefit of two and one-half (2.5%) of average final compensation for each year of credited service, up to a maximum benefit of 81 percent of average final compensation.
- Average final compensation will be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.
- Eligibility for non-duty disability benefits commences after completing seven (7) years of credited service.
- Members are not eligible to participate in the DROP.
- Members are not eligible for a COLA.
- Members who separate from the City prior to their normal retirement date having completed seven (7) years of credited service, and having not received a refund of contributions, will have the right to receive a service retirement benefit beginning at age 65 based on the benefit formula in effect on the date of separation from City, years of credited service and average final compensation on that date.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

For General Fund Members Hired Prior to October 1, 2011 Who Separate from the City on or After that Date but Before June 19, 2019 and Non-General Fund Members Hired Prior to March 5, 2014 Who Separate from the City on or After that Date but Before June 19, 2019

As of September 30, 2011, benefits under the previously existing plan were frozen for general fund members. As of March 4, 2014, benefits under the previously existing plan were frozen for non-general fund members. (Note: For members in active service on June 19, 2019, benefits were restored.). The plan had numerous changes that impacted future benefits for members. Benefits were frozen and immediately vested for all members.

Member who was eligible to retire with normal retirement benefits on or before the plan freeze date were not frozen.

Under the benefit structure effective after the freeze date the normal retirement date was determined by hire date, age, amount of credited service on the freeze date, and date of separation.

Upon reaching normal retirement date, a member is entitled to a normal retirement benefit equal to the frozen benefit plus two and one-half percent (2.5%) of average final compensation for each year of credited service after the freeze date, up to a maximum benefit of 81 percent of average final compensation.

Average final compensation for future benefits after the freeze date will be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

Eligibility for non-duty disability benefits commences based on date of hire after completing five (5) or seven (7) years of credited service.

Members are not eligible to participate in the DROP.

Members are not eligible for a COLA for future benefits after the freeze date.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***DISABILITY RETIREMENT***

After five (5) years of credited service, a member hired prior to July 15, 2009 who becomes totally and permanently disabled, as defined by the Plan, may retire on a nonservice incurred disability retirement benefit. For members hired on or after July 15, 2009, eligibility for non-duty disability benefits commences upon the member completing seven (7) years of credited service.

A member under a disability retirement will be entitled to receive a retirement benefit equal to 75 percent of the member's salary if the disability occurred in the performance of an act of duty as an active employee of the City. A member under a disability retirement will be entitled to receive a retirement benefit equal to the member's accrued benefits, but not less than 20 percent of the member's average monthly compensation if the disability occurred in the performance of an act other than duty as an active employee of the City.

***PRERETIREMENT DEATH BENEFITS***

When an active member, who is vested, dies before retirement, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year, or benefit payments until the death of the last surviving beneficiary equal to the benefit payments the deceased member would have received had he or she retired on the day of his or her death having selected to receive his or her annuity as joint and last survivor, whereby the retired member will receive a reduced monthly benefit for life, and following the retired member's death, the same monthly benefit is paid to the member's designated beneficiary for life.

When a vested member, dies after separation from City employment but before retirement and having elected an optional form of benefit, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year, or benefit payments based on the elected option commencing on the date the vested member would have become eligible for benefit payments. If the deceased vested member, did not elect an optional form of benefit, his or her designated beneficiary (or beneficiaries) will receive the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year in lieu of any other benefit. If the vested member did not designate a beneficiary, the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year will be paid to the member's estate.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***DEFERRED RETIREMENT OPTION PLAN (DROP)***

This option is available to all members hired before July 15, 2009 and it may be elected on or after the member attains the age of 55, with at least 10 years of credited service, or 25 years of credited service, regardless of age, but prior to the completion of 30 years of credited service. The maximum participation in the DROP is the lesser of five (5) years or until the member's credited service plus DROP participation period equals 32 years. Members hired on or after July 15, 2009 are not eligible to participate in the DROP.

A member's credited service, accrued benefits and compensation calculation are frozen upon participation in the DROP. The monthly benefit amount is calculated based on credited service, average final monthly compensation, and retirement option selected.

Upon participation in the DROP, the member's contribution and the City's contribution to the Plan for the member cease as the member will not earn further credited service for pension purposes. For each member electing participation in the DROP, an individual DROP account will be created. Payment will be made by the Plan into the member's DROP account in an amount equal to the normal monthly retirement benefit, which the member would have received had the member separated from service and commenced receipt of pension benefits. Payments received by the member in the DROP account are tax deferred. DROP payments earn interest at the same rate as the net rate of investment returns on Plan assets except that in no event will DROP payments earn interest at a rate less than zero percent (0%) per annum. These amounts are included in the Plan's net position restricted for pension benefits.

Upon termination of employment, members will receive normal monthly retirement benefits as well as their funds from the DROP account in combination of a lump-sum distribution, and a rollover of the balance to another qualified retirement plan.

DROP participation does not affect any other death or disability benefits provided to members under federal law, State law, City ordinance or any rights or benefits under any applicable collective bargaining agreement. As of September 30, 2024, there were 77 members in the DROP and the estimated fair value of DROP investments was approximately \$10,333,000, which is included in the Plan's net position.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***COST-OF-LIVING ADJUSTMENT***

On an annual basis, members hired before July 15, 2009 will receive an increase in the monthly retirement benefit of two percent (2%) for COLA starting three (3) years after retirement benefits begin. For members who enter the DROP, a two percent (2%) COLA will be paid annually, commencing the later of three (3) years after retirement benefits begin or one year after separation from employment following participation in the DROP. Members hired on or after July 15, 2009 are not eligible for a COLA.

***SUPPLEMENTAL PENSION BENEFIT DISTRIBUTION***

Effective October 1, 2002, a supplemental pension benefit program was established for eligible members employed by the City on October 2, 2002, and members receiving benefits from the Plan on that date, or the spouses of such members if the members are deceased and the spouses are receiving benefits from the Plan. The benefit is payable for each year in which the net market rate of return on Plan assets exceeds the assumed rate of investment return plus four and one-half percent (4.5%). The net market rate of return on Plan assets met the required threshold to pay this benefit in fiscal year 2024 as the net market rate of return exceed the required threshold by 5.8%.

***OTHER***

Investment expenses directly billed to the Plan for investment management services totaled approximately \$616,000 for the year ended September 30, 2024. The remaining portion of investment expenses incurred by the Plan for fiscal year 2024 are not readily separable from investment income for certain investment managers and as such are netted against investment income on the accompanying statement of changes in fiduciary net position.

Administrative expenses incurred by the Plan for expenses with the Pension Office, employee wages, legal fees and custodian fees totaled approximately \$1,295,000 for the year September 30, 2024.



**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

***INTEREST RATE RISK***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Plan's investment policy limits interest rate risk, as a result of changes in interest rates on its investments, by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. As a means of limiting its exposure to interest rate risk, the Plan limits the majority of its debt type investments to a maximum of 10 years.

At September 30, 2024, the Plan had the following fixed income investments and maturities, with the exception of the fixed income composites and the private debt investment fund which have no maturity dates:

Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5 Years	6-10 Years	More Than 10 Years
<b>Bond Mutual Fund</b>	\$ 44,992,085	\$ --	\$ --	\$ 44,992,085	\$ --
<b>Asset Backed Securities</b>	2,535,737	--	--	--	2,535,737
<b>U.S. Treasuries</b>	2,707,616	--	506,526	504,037	1,697,053
<b>U.S. Government Agencies</b>	224,659	97,978	126,681	--	--
<b>Foreign Government and Corporate Bonds</b>	1,134,044	--	509,316	407,180	217,548
<b>Corporate Bonds</b>	4,216,499	510,971	2,128,344	927,810	649,374
<b>Total Maturities</b>	<u>\$ 55,810,640</u>	<u>\$ 608,949</u>	<u>\$ 3,270,867</u>	<u>\$ 46,831,112</u>	<u>\$ 5,099,712</u>

***CREDIT RISK***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S. government and U.S. government guaranteed securities are not considered to have credit risk.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***CREDIT RISK (CONTINUED)***

The following table discloses credit ratings by fixed income investment type for the Plan at September 30, 2024 as applicable:

Investment	Fair Value	Percentage of Portfolio
<b>U.S. Government Securities</b>	<u>\$ 2,932,275</u>	<u>2.49%</u>
<b>Quality Rating of Credit Risk Debt Securities</b>		
AAA	2,686,192	2.28%
AA+	407,930	0.35%
A+	217,548	0.18%
A	101,930	0.09%
A-	994,814	0.84%
Baa3	203,346	0.17%
BBB+	1,152,510	0.98%
BBB-	809,340	0.69%
BB+	440,842	0.37%
BB	253,664	0.22%
BB-	373,646	0.32%
B+	123,429	0.10%
B	<u>121,089</u>	<u>0.10%</u>
<b>Total Credit Risk of Debt Securities</b>	<u>7,886,280</u>	<u>6.69%</u>
<b>Not Rated</b>	<u>106,977,356</u>	<u>90.82%</u>
<b>Total Plan Fixed Income Investments</b>	<u>\$ 117,795,911</u>	<u>100.00%</u>

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***CUSTODIAL CREDIT RISK***

For investments, this is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2024, the Plan's investments are held by third-party safekeeping custodians selected by the Board and registered in the Plan's name.

***CONCENTRATION OF CREDIT RISK***

The investment policy of the Plan contains a limitation on the amount that can be invested in any one issuer, as well as portfolio allocation ranges and maximum percentages by types of investments.

At September 30, 2024, the Plan held certain investments that represent 5 percent or more of the Plan's net position. The investments included:

Investment	% of Plan Net Position
S&P 500 Index Fund – Non Lending	16.7%
Wellington Trust Company – CTF International	12.8%
Baird Core Plus Bond Fund	9.5%
Neuberger Berman - Short Duration Emerging Market Fund	5.6%
RBC Emerging Markets Equity Fund	5.1%

***FAIR VALUE HIERARCHY***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE HIERARCHY (CONTINUED)***

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

***Level 1***

Investments traded in an active market with available quoted prices for identical assets as of the reporting date.

***Level 2***

Investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date.

***Level 3***

Investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

The Plan has established a framework to consistently measure the fair value of the Plan's assets and liabilities in accordance with applicable accounting, legal and regulatory guidance. This framework has been provided by establishing a valuation policy and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

Fixed income and equity securities classified as Level 1 of the fair value hierarchy are valued using quoted prices at September 30 (or the most recent market close date if the markets are closed on September 30) in active markets from the custodian bank's external pricing vendors, which utilize primary exchanges.

Fixed income securities classified as Level 2 are valued using evaluated prices from the custodian bank's external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information. Foreign government and corporate bonds are included in level 2 investments and are not held in foreign currency.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE HIERARCHY (CONTINUED)***

Equity securities classified as Level 2 are valued using evaluated prices from the custodial bank's external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the custodial bank's external pricing vendors.

The Plan invests in private equity investments, debt equity investments, infrastructure and real estate investment funds which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value ("NAV") based on their proportionate share of the value of the investments as determined by the fund manager and are valued according to methodologies which include pricing models, property valuations (appraisals), discounted cash flow models, and similar techniques. Investments measured at NAV as a practical expedient are excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the investments' reported NAV as a matter of convenience.

Certain investments, such as money market mutual funds, are carried at amortized cost, and not priced at fair value.

At present the Plan does not value any of its investments using Level 3 inputs.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE HIERARCHY (CONTINUED)***

The following table summarize the valuation of the Plan's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2024:

Investment by Fair Value Level	Reported Value	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Fixed Income</b>				
Bond mutual fund	\$ 44,992,085	\$ 44,992,085	\$ --	\$ --
U.S. government agencies	224,659	--	224,659	--
U.S. treasuries	2,707,616	--	2,707,616	--
Fixed income composites	61,985,271	16,944,040	45,041,231	--
Corporate bonds	4,216,499	--	4,216,499	--
Foreign government and corporate bonds	1,134,044	--	1,134,044	--
Asset backed securities	2,535,737	--	2,535,737	--
Total Fixed Income	117,795,911	61,936,125	55,859,786	--
<b>Equity</b>				
Large cap equity investment funds	79,296,638	--	79,296,638	--
Small cap equity investment funds	50,705,491	--	50,705,491	--
International equity investment funds	84,775,475	24,037,646	60,737,829	--
Total Equity	214,777,604	24,037,646	190,739,958	--
<b>Total Investments by Fair Value Level</b>				
Level	332,573,515	\$ 85,973,771	\$ 246,599,744	\$ --
<b>Investments Measured at NAV</b>				
Private equity investment funds	35,999,334			
Private debt investment funds	51,232,970			
Infrastructure investment fund	12,614,940			
Real estate investment funds	37,041,781			
<b>Total Investments Measured at NAV</b>	136,889,025			
Money market mutual funds (exempt)	2,510,677			
<b>Total Investments</b>	\$ 471,973,217			

# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *FAIR VALUE HIERARCHY (CONTINUED)*

Fair value measurements of investments that are measured at net asset value as a practical expedient have the following commitments and restrictions and conditions of redemptions at September 30, 2024:

Investments Measured at NAV	Reported Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>Private Equity Investment Funds</b>				
NB Crossroads Fund XXI - Asset Allocation, LP	\$ 18,789,111	\$ 5,400,000	Not eligible	N/A
Apogem Heritage Fund VI, LP	11,667,538	506,992	Not eligible	N/A
HarbourVest Dover Fund IX, LP	5,542,685	900,000	Not eligible	N/A
<b>Total Private Equity Funds</b>	<u>35,999,334</u>	<u>6,806,992</u>		
<b>Private Debt Investment Funds</b>				
AG Direct Lending Fund II, LP	5,540,611	--	Not eligible	N/A
NB Private Debt Fund IV, LP	18,229,437	2,660,397	Not eligible	N/A
Brightwood Capital Fund V, LP	4,962,603	3,000,000	Not eligible	N/A
Brightwood Capital SBIC III, LP	2,448,106	1,050,000	Not eligible	N/A
Marathon Healthcare Finance Fund, LP	9,419,964	11,760,590	Not eligible	N/A
BCP Special Opportunities Fund III, LP	5,438	5,032,334	Not eligible	N/A
Entrust Blue Ocean Onshore Fund, LP	10,626,811	1,076,555	Not eligible	N/A
<b>Total Private Debt Funds</b>	<u>51,232,970</u>	<u>24,579,876</u>		
<b>Real Estate Investment Funds</b>				
AG Realty Value Fund X, LP	6,087,854	2,387,000	Not eligible	N/A
AG Realty Value Fund XI, LP	3,071,033	6,700,000	Not eligible	N/A
Morgan Stanley - Prime Property Fund, LLC	11,609,571	--	Quarterly	90 Days
Principal Enhanced Property Fund, LP	10,713,031	--	Quarterly	90 Days
Affiliated Housing Impact Fund, LP	5,560,292	1,076,156	Not eligible	N/A
<b>Total Real Estate Funds</b>	<u>37,041,781</u>	<u>10,163,156</u>		
<b>Infrastructure Investment Fund</b>				
IFM Global Infrastructure Investment Fund	12,614,940	--	Quarterly	90 Days
<b>Total Investments Measured at NAV</b>	<u>\$ 136,889,025</u>	<u>\$ 41,550,024</u>		

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION***

NB Crossroads Fund XXI - Assets Allocation, LP was formed in January 15, 2015 as a Delaware limited partnership for the purpose of acquiring, holding, selling and exchanging, either directly or indirectly, interest in limited partnerships or other pooled investment vehicles that are organized to make investments in large-cap buyout, mid-cap buyout, special situations and venture/growth capital investment funds, as well as securities, including co-investments. The general partner of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuations of the investments are reviewed and approved quarterly by the general partner. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

Apogem Heritage Fund VI, LP - Apogem Capital Heritage Fund VI, LP was formed in April 2022 through the combination of PA Capital, Madison Capital Funding and GoldPoint Partners to create a singular and unified, world class private markets' investment firm. Apogem Capital offers investors access to the middle market's growth engine through investments in leading private companies and funds. The Firm manages a streamlined suite of capital solutions, including direct lending, junior debt, primary fund investments, secondary investments, equity co-investments, GP stakes, private real assets and long/short equity. The partners of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate.

HarbourVest Dover Fund IX, LP is a closed-end fund. The goal is to provide investors with attractive risk adjusted returns by leveraging the firm's proven strategy of constructing a well-diversified portfolio of secondary investments with a focus on the less efficient segments of the secondary market. HarbourVest's investment and accounting teams measure fair value on a quarterly basis. The following methods are used for partnership investments fair value principles and are applied by managers in their financial reports in accordance with U.S. GAAP; publicly traded and quoted securities shall be valued at the closing price at the end of the valuation period; for non-marketable securities and direct investments the value is most likely to be an existing price in an orderly arm's length transaction between market participants as of the valuation date, using one of the acceptable valuation methods under U.S. GAAP (Guideline Company Method, Similar Transaction Method or Discounted Cash Flow). Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.



**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*INVESTMENT VALUATION (CONTINUED)*

AG Direct Lending Fund II, LP is a Delaware limited partnership which commenced operations on November 14, 2016. The partnership has been established to capitalize on investment opportunities available in middle market direct lending. The Partnership intends to provide corporate financing support to North American middle-market companies, focusing on senior secured debt and other debt instruments, including unitranche facilities, second lien debt, mezzanine loans and equity co-investments. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital. This fund is not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

NB Private Debt Fund IV, LP is a Delaware limited partnership commenced operations on December 9, 2020. The fund's objective is to create a portfolio through several holding partnerships in which the fund owns approximately 60%, which seek to provide attractive risk-adjusted returns by making investments in senior secured floating rate loans and complementary investments. The fund's investments most notably consist of 1<sup>st</sup> lien loans, 2<sup>nd</sup> lien loans, unitranche loans, and revolvers. The fund's private debt and equity investments are valued at fair value on a quarterly basis. The fund's advisors estimate the enterprise value of each portfolio company and compares such amount to the total amount of the company's debt and equity as well as the level of debt senior to the fund's interest. These estimates are based on specific measures such as EBITDA, free cash flow, net income, book value, or NAV, as believed most relevant for the given company, and compares this metric in relation to comparable company valuations based on the same metric. In determining the enterprise value, the advisors further consider factors such as the company's acquisition prices, credit metrics, historical and projected operational and financial performance, liquidity, industry trends, general economic conditions, scale, and competitive advantages. In certain cases, debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION (CONTINUED)***

Brightwood Capital Fund V, LP is a Delaware limited partnership that commenced operations on June 24, 2021. The fund is organized for the principal purposes of making investments in loans, notes and other debt instruments, total return swaps and other derivative instruments, participation interests, warrants, equity securities including common stock, preferred stock, direct equity investments, and structured equity products. For private equity and debt investments in operating companies for which prices are not observable, the fund measures fair value based on Level 3 inputs by reference to public market or private transactions or valuations for comparable companies or assets in the relevant asset class when such amounts are available. If investments cannot be valued by reference to observable valuation measures for comparable companies, then the primary analytical method used to estimate fair value of such investments is the discounted cash flow method. The fund estimates the fair value of debt securities using recently executed transactions, market price quotations and traded yields of corporate transactions when observable. When observable data is not available, fair value is estimated based on analysis of collateral, cash flow models with yield curve analysis, seniority of the debt, enterprise value relative to debt levels, projected financial condition and operating result, payment history and ability to generate sufficient cash flows to make payments when due, and prepayment penalties. Investments in equity and debt securities of portfolio companies may also be valued at cost for a period of time after acquisition as the best indicator of fair value.

Brightwood Capital SBIC III, LP is a Delaware limited partnership which was formed on June 11, 2019 and commenced operations on November 5, 2021. The partnership was organized for the principal purpose of operating as a Small Business Investment Company (an "SBIC") and making senior and mezzanine loans, and when feasible, obtaining warrants and other equity conversion rights in the portfolio companies to which it makes loans. The partnership may also make equity investments on an opportunistic basis alongside such loans. For private debt investments in operating companies for which prices are not observable, the fund measures fair value based on Level 3 inputs by reference to public or private transactions or valuations for comparable companies or assets in the relevant asset class when such amounts are available. If investments cannot be valued by reference to observable valuation measures for comparable companies, then the primary analytical method used to estimate fair value of such investments is the discounted cash flow method. The fund estimates the fair value of debt securities using recently executed transactions, market price quotations and traded yields of corporate transactions when observable. When observable data is not available, fair value is estimated based on analysis of collateral, cash flow models with yield curve analysis, seniority of the debt, enterprise value relative to debt levels, projected financial condition and operating result, payment history and ability to generate sufficient cash flows to make payments when due, and prepayment penalties.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION (CONTINUED)***

Marathon Healthcare Finance Fund, LP is a Delaware limited partnership which was formed on February 2, 2021, commenced operations on August 16, 2021. The partnership's investment objective is to seek to generate attractive, recession resilient, risk adjusted returns in the healthcare market by providing capital solutions primarily to healthcare companies focused on Food and Drug Administration approved therapeutics to address clinical needs in growth markets. The partnership's investments consist of affiliated private equity, affiliated private debt, and a special purpose vehicle ("SPV"). The following methods are used by the investment manager to measure the fair value of investments in affiliated private equity and affiliated private debt: broker quotations including sale negotiations and/or indicative purchase offers received from independent parties; recent market transactions of the instruments; independent third-party appraisals; recent sales valuations of comparable investments; and if the above are not available, other valuation methods including discounted cash flows, enterprise value/income approach, and/or recovery analysis. For the SPV, management determined the fair value of the investment using the net asset value as of the reporting measurement date as a practical expedient. The partnership periodically engages the services of an independent third-party valuation firm to assist in determining a reasonable range of fair values for particular investments.

BCP Special Opportunities Feeder III, LP (the "Onshore Fund") is a Delaware limited partnership which was formed on November 22, 2022 and commenced operations on April 13, 2023. The Onshore Fund invests its investable assets in BCP Special Opportunities Fund III LP, a Cayman Islands exempted limited partnership. The Valuation Committee of the Onshore Fund reviews valuation techniques and procedures and the reasonableness of quotations received from broker/dealers and other knowledgeable market participants that may trade or make a market for such investments, independent pricing services, and fair values derived internally based on specific valuation techniques for those thinly traded assets where no quotations are available.

Entrust Blue Ocean Onshore Fund, LP is a limited partnership organized under the laws of the State of Delaware. The partnership commenced operations on July 1, 2017. Investments in securities for which market quotations are not readily available are valued using prices provided by the unaffiliated market makers, broker-dealers, and price data vendors whose inputs include, but are not necessarily limited to, trading activity, crediting ratings of the issuers and interest rates. General Partner may also fair value investments based upon indications of pricing from dealers or counterparties or using other data or methods, including but not limited to, reviewing recent trading activity, utilizing third party appraisers, assessing the impact of trading restrictions and reviewing prices for similar instruments of the issuer or comparable companies.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION (CONTINUED)***

AG Realty Value Fund X, LP is a Delaware limited partnership which was formed on February 5, 2018, commenced operations on August 2, 2018. Investments are in real estate limited partnerships/companies include equity interests in limited partnerships and limited liability companies for the purpose of investing in real estate. The General Partner primarily utilizes an income valuation approach methodology including discounted cash flow analyses or direct capitalization analyses to value the Partnership's real estate investments. Unlevered cash flows utilized in discounted cash flow analyses are derived from property rental revenue less operating expenses, real estate taxes and capital and other costs, plus projected sales proceeds in the year of exit.

AG Realty Value Fund XI, LP is a Delaware limited partnership which was formed on November 3, 2021, commenced operations on March 31, 2022. Investments are in real estate limited partnerships/companies include equity, preferred equity and debt investments in limited partnerships and limited liability companies for the purpose of investing in real estate. The General Partner primarily utilizes an income valuation approach methodology including discounted cash flow analyses or direct capitalization analyses to value the Partnership's real estate investments. Unlevered cash flows utilized in discounted cash flow analyses are derived from property rental revenue less operating expenses, real estate taxes and capital and other costs, plus projected sales proceeds in the year of exit.

Morgan Stanley Prime Property Fund, LLC is an open-end fund established for the purpose to acquire, own, hold for investment and ultimately dispose of investments in real estate and real estate related assets with the intention of achieving current income, capital appreciation or both. All properties invested in as September 30, 2024 were located throughout the United States. An independent appraiser will perform quarterly appraisals of the Funds underlying properties and is reviewed by asset managers. The Fund determines individual investment values based on such appraisals. These processes are designed to assure that valuation is prepared using reasonable inputs and assumptions which are consistent with market data or with assumptions that would be used by a third party participant and assume highest and best use of the real estate investment. The fair value of the investment in this Fund has been determined using the NAV per unit of the ownership interest in the fund.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION (CONTINUED)***

Principal Enhanced Property Fund, LP is an open-end fund that will seek to make investments in stabilized, income producing assets, plus value-added and development projects in accordance with the investment guidelines. All properties invested in at September 30, 2024 were located throughout the United States. Principal will use a third-party appraisal firm, with approximately 25% of the portfolio appraised each quarter. Principal will use the appraised value and updated quarterly valuations for purpose of determining the fund's gross asset value and net asset value. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital.

Affiliated Housing Impact Fund, LP is a real estate fund that seeks to, indirectly through subsidiary entities, acquire or lease potential real estate development sites, including parcels of raw land or other sites or properties, in the State of Florida, and subsequently construct, develop, operate, lease, manage, renovate, finance, and/or market thereon affordable multifamily apartments for rent (which may also include ancillary retail or mixed-use components). As of September 30, 2024, the fund wholly owned certain real estate assets in the State of Florida which were either pre-development or under construction. The fund measures the fair value of these real estate investments using methods including annual third-party appraisals of each property.

IFM Global Infrastructure Investment Fund seeks to acquire and maintain a well-diversified portfolio of infrastructure investments. The strategy is to subject investment decisions to rigorous fundamental analysis and a disciplined investment process. The goal is to construct and maintain portfolios which consist of long-term, core infrastructure assets. Infrastructure investments are valued at the end of each quarter by independent valuation firms. The valuation method is employed for each asset at the discretion of the appointed independent valuer but must fall within the standards prescribed under AASB 139, U.S. GAAP ASC 820 and ASC 825 as appropriate. IFM Investors' infrastructure investments are typically valued on a discounted cash flow approach by the independent valuers. Discount rates are also determined by the valuer. Valuations are cross-checked with public market information and recent transactions.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***RATE OF RETURN***

For the year ended September 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.30%. The annual money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

**NOTE 4 – CITY'S NET PENSION LIABILITY**

The components of the net pension liability for the City (employer) at September 30, 2024 are as follows:

<b>Total Pension Liability</b>	\$ 667,579,643
Less: Plan fiduciary net position	<u>(474,925,595)</u>
<b>Net Pension Liability</b>	<u><u>\$ 192,654,048</u></u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	71.14%

The total pension liability was determined by an actuarial valuation as of October 1, 2023 with updated asset information as of September 30, 2024, using the following actuarial assumptions in the measurement:

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 4 – CITY'S NET PENSION LIABILITY (CONTINUED)**

**Actuarial Assumptions**

Assumed rate of return on investments	7.00% per annum
Annual salary increases	3.5% to 10.7% depending on service, including inflation
Inflation rate	2.50%
Cost-of-living adjustments	2% per year for eligible members
Mortality Tables (MT's)	Mortality tables PUB-2010 Headcount Weighted General Below Media Employee Male and Female Tables (pre-retirement) and PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male and Female Tables (post-retirement). These tables use ages set back one year for males and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2022 actuarial valuation report, as mandated by Chapter 112.63, Florida Statutes.

***LONG-TERM EXPECTED RATE OF RETURN***

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rates of Return</u>
Domestic Fixed Income	1.72%
Domestic Equity	6.29%
International Equity	6.39%
Real Estate	3.24%
Private Credit	5.91%
Private Equity	9.43%
Infrastructure	5.72%
Emerging Markets Equity	7.63%

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 4 – CITY'S NET PENSION LIABILITY (CONTINUED)**

***DISCOUNT RATE***

A single discount rate of 7.00% was used to measure the City's total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.00%) was applied to all periods of projected benefit payments to determine the City's total pension liability.

The following table illustrates the impact of discount rate sensitivity on the net pension liability as of September 30, 2024:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
<b>City's Net Pension Liability</b>	<u>\$ 266,486,200</u>	<u>\$ 192,654,048</u>	<u>\$ 130,838,781</u>



**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 5 – CAPITAL ASSETS**

As of September 30, 2024, the capital assets of the Plan consist of:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital Assets not Being Depreciated/Amortized</b>				
Furniture	\$ --	\$ 49,434	\$ --	\$ 49,434
Office Building	<u>790,973</u>	<u>178,199</u>	<u>--</u>	<u>969,172</u>
Total Capital Assets not Being Depreciated/Amortized	790,973	227,633	--	1,018,606
<b>Capital Assets Being Depreciated/Amortized</b>				
Software	<u>662,211</u>	<u>34,425</u>	<u>--</u>	<u>696,636</u>
Total Capital Assets being Depreciated/Amortized	662,211	34,425	--	696,636
<b>Less: Accumulated depreciation/amortization for</b>				
Software	<u>(55,184)</u>	<u>(132,442)</u>	<u>--</u>	<u>(187,626)</u>
Total Depreciation and Amortization	(55,184)	(132,442)	--	(187,626)
Net capital assets being depreciated and amortized	<u>607,027</u>	<u>(98,017)</u>	<u>--</u>	<u>509,010</u>
<b>Total, Net of Accumulated Depreciation and Amortization</b>	<u>\$1,398,000</u>	<u>\$ 129,616</u>	<u>\$ --</u>	<u>\$ 1,527,616</u>

The depreciation/amortization expense for year ended September 30, 2024 was \$132,442.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**

September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 7,351,106	\$ 6,779,525	\$ 6,631,353	\$ 6,445,297	\$ 6,616,301	\$ 5,887,828	\$ 5,738,426	\$ 5,017,634	\$ 4,493,709	\$ 4,587,285
Interest	44,504,400	42,681,318	42,664,590	43,225,655	42,124,159	38,173,241	35,698,698	33,809,853	33,373,524	33,065,052
Benefit changes	--	--	--	--	--	51,225,519	--	--	665,893	--
Differences between expected and actual experience	4,739,316	16,128,178	243,733	(336,198)	1,791,933	(3,670,131)	2,221,979	(2,204,530)	1,986,958	1,839,725
Assumption changes	2,948,190	--	19,015,461	617,488	--	5,212,188	31,374,925	23,474,009	4,147,745	4,976,256
Benefit payments	(40,140,312)	(38,513,438)	(46,457,088)	(36,207,880)	(34,235,265)	(41,161,931)	(30,896,779)	(29,804,293)	(38,120,911)	(31,649,219)
Refunds	(638,514)	(940,866)	(921,883)	(480,993)	(425,409)	(539,713)	(448,377)	(166,465)	(271,849)	(434,468)
<b>Net Change in Total Pension Liability</b>	18,764,186	26,134,717	21,176,166	13,263,369	15,871,719	55,127,001	43,688,872	30,126,208	6,275,069	12,384,631
<b>Total Pension Liability - Beginning</b>	648,815,457	622,680,740	601,504,574	588,241,205	572,369,486	517,242,485	473,553,613	443,427,405	437,152,336	424,767,705
<b>Total Pension Liability - Ending (a)</b>	<u>\$667,579,643</u>	<u>\$648,815,457</u>	<u>\$622,680,740</u>	<u>\$601,504,574</u>	<u>\$588,241,205</u>	<u>\$572,369,486</u>	<u>\$517,242,485</u>	<u>\$473,553,613</u>	<u>\$443,427,405</u>	<u>\$437,152,336</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 26,508,097	\$ 25,492,473	\$ 28,387,441	\$ 29,914,898	\$ 42,284,055	\$ 26,904,543	\$ 22,101,019	\$ 20,562,868	\$ 9,767,849	\$ 23,216,393
Contributions - non-employer contributing entity	25,913	49,833	37,128	29,913	29,738	26,734	12,694	11,723	10,433	8,469
Contributions - member	4,027,262	3,674,798	3,507,528	3,455,693	3,635,402	3,561,448	3,277,081	3,185,801	3,088,620	2,604,831
Net investment income (loss)	74,379,402	37,798,196	(40,656,005)	77,108,378	25,798,439	13,819,384	21,635,666	33,218,838	29,224,225	5,108,678
Benefit payments	(40,140,312)	(38,513,438)	(46,457,088)	(36,207,880)	(34,235,265)	(41,161,931)	(30,896,779)	(29,804,293)	(38,120,911)	(31,649,219)
Refunds	(638,514)	(940,866)	(921,883)	(480,993)	(425,409)	(539,713)	(448,377)	(166,465)	(271,849)	(434,468)
Administrative expense	(1,427,640)	(1,031,636)	(921,596)	(800,993)	(806,020)	(671,545)	(497,898)	(486,528)	(298,730)	(287,053)
<b>Net Change in Plan Fiduciary Net Position</b>	62,734,208	26,529,360	(57,024,475)	73,019,016	36,280,940	1,938,920	15,183,406	26,521,944	3,399,637	(1,432,369)
<b>Plan Fiduciary Net Position - Beginning</b>	412,191,387	385,662,027	442,686,502	369,667,486	333,386,546	331,447,626	316,264,220	289,742,276	286,342,639	287,775,008
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$474,925,595</u>	<u>\$412,191,387</u>	<u>\$385,662,027</u>	<u>\$442,686,502</u>	<u>\$369,667,486</u>	<u>\$333,386,546</u>	<u>\$331,447,626</u>	<u>\$316,264,220</u>	<u>\$289,742,276</u>	<u>\$286,342,639</u>
<b>Net Pension Liability - Ending (a-b)</b>	<u>\$192,654,048</u>	<u>\$236,624,070</u>	<u>\$237,018,713</u>	<u>\$158,818,072</u>	<u>\$218,573,719</u>	<u>\$238,982,940</u>	<u>\$185,794,859</u>	<u>\$157,289,393</u>	<u>\$153,685,129</u>	<u>\$150,809,697</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>										
Covered Payroll	71.14%	63.53%	61.94%	73.60%	62.84%	58.25%	64.08%	66.79%	65.34%	65.50%
	\$ 46,043,744	\$ 40,906,705	\$ 41,931,489	\$ 40,789,456	\$ 40,869,983	\$ 41,243,666	\$ 40,963,513	\$ 39,822,513	\$ 38,607,750	\$ 32,560,388
<b>Net Pension Liability as a Percentage of Covered Payroll</b>										
	418.42%	578.45%	565.25%	389.36%	534.80%	579.44%	453.56%	394.98%	398.07%	463.17%

*This schedule is presented as required by accounting principles generally accepted in the United States of America.*

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS**

September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution*	\$ 26,508,097	\$ 25,505,646	\$ 28,082,806	\$ 29,106,927	\$ 28,879,293	\$ 25,225,862	\$ 24,702,602	\$ 23,189,007	\$ 22,716,242	\$ 22,547,585
Actual Contributions**	26,534,010	25,542,306	28,424,569	29,944,811	42,313,793	26,931,277	22,113,713	20,574,591	9,778,282	23,224,862
Contribution Deficiency (Excess)**	\$ (25,913)	\$ (36,660)	\$ (341,763)	\$ (837,884)	\$ (13,434,500)	\$ (1,705,415)	\$ 2,588,889	\$ 2,614,416	\$ 12,937,960	\$ (677,277)
Covered Payroll	\$ 46,043,744	\$ 40,906,705	\$ 41,931,489	\$ 40,789,456	\$ 40,869,983	\$ 41,243,666	\$ 40,963,513	\$ 39,822,513	\$ 38,607,750	\$ 32,560,388
Contributions as a Percentage of Covered Payroll	57.63%	62.44%	67.79%	73.41%	103.53%	65.30%	53.98%	51.67%	25.33%	71.33%

**Notes to Schedule of Contributions**

\* Reflects the 5.7% liability load to prefund the supplemental pension distributions starting in the fiscal year ended September 30, 2015.

\*\* Contribution deficiencies are due to actual contributions excluding the supplemental pension distribution starting in fiscal year ending September 30, 2015. The actual contributions in fiscal year 2019 include a payment for the supplemental pension distributions owed for the fiscal year 2012 in the amount of \$4,299,167.

\*\*\* The City accumulated prepaid employer contributions of approximately \$10.4 million as of September 2015.

\*\*\*\* Includes the \$13,404,762 receivable City contribution due to the contribution shortfall owed by the City as of September 30, 2020 relating to the under-contributions for fiscal year ended September 30, 2015 through 2019 which the City was initially paying off over a five-year period beginning October 1, 2020, but was ultimately paid off in full during the fiscal year ended September 30, 2022.

**Valuation Date:**

October 1, 2022

Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Significant Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method Entry Age Normal  
Amortization Method Level Percent of Pay, Closed  
Remaining Amortization Period 27 years  
Asset valuation method 5-year smoothed market

Investment rate of return 7.00%  
Assumed annual salary increase 3.5% to 10.7%, depending on service, including inflation  
Inflation 2.50%

Cost-of-living adjustment 2% per year for those members hired on or before July 15, 2009  
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition

Mortality Mortality tables PUB-2010 Headcount Weighted General Below Media Employee Male and Female Tables (pre-retirement) and PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male and Female Tables (post-retirement). These tables use ages set back one year for males and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2021 actuarial valuation report, as mandated by Chapter 112.63, Florida Statutes.

*This schedule is presented as required by accounting principles generally accepted in the United States of America.*

**CITY OF HOLLYWOOD**  
**EMPLOYEES' RETIREMENT FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**

	SCHEDULE OF INVESTMENT RETURNS										
September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Annual money-weighted rate of return,											
net of investment expense	17.30%	9.30%	-9.70%	21.50%	7.63%	4.12%	6.69%	10.93%	10.53%	1.60%	

*This schedule is presented as required by accounting principles generally accepted in the United States of America.*

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## REPORTING SECTION

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**Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees and Executive Director  
**City of Hollywood Employees' Retirement Fund**

We have audited, in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of City of Hollywood Employees' Retirement Fund (the "Plan"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Plan's financial statements, and have issued our report thereon dated April XX, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Lauderdale, FL

April XX, 2025



# **AGENDA ITEM 4.B.**

## **FINANCIAL**

### **AUDIT COMMITTEE REPORT**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 4.C.**

## **FINANCIAL**

### **FINANCIAL OPERATIONS AND INVESTMENT SUMMARY**

**CITY OF HOLLYWOOD**  
**EMPLOYEES' RETIREMENT FUND**  
**FINANCIAL OPERATIONS AND INVESTMENT SUMMARY**  
**PRELIMINARY**  
**March 31, 2025**  
**Fiscal Year-To-Date**

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance October 1, 2024	\$ 474,975,612.37	\$ 347,101,259.75	\$ 127,874,352.62
Contributions and Payments:			
City Contributions		\$ 28,245,281.00	
Employees Contributions		\$ 2,277,809.12	
Pension Disbursement		\$ (21,733,577.31)	
Building		\$ (25,881.07)	
Furniture		\$ (11,650.00)	
CPMS project		\$ (30,000.00)	
Administrative Expenses		\$ (793,555.26)	(1)
Net Contributions/Payments		\$ 7,928,426.48	
Investment Income:			
Dividends & Interest Received		\$ 3,677,093.85	
Gain on Sales (Realized Gains/(Loss))		\$ 3,957,491.95	
Commission Recapture		\$ -	
Total Invest. Professional Fees		\$ (356,011.94)	(2)
Net Investment Income		\$ 7,278,573.86	
Balance March 31, 2025	\$ 490,192,796.81	\$ 362,308,260.09	\$ 127,884,536.72
Increase (Decrease) for the Period	\$ 15,217,184.44	\$ 15,207,000.34	\$ 10,184.10
Unreconciled			(4,367,210.59)
<b><u>Unrealized Gain (Loss) Account</u></b>			
Composition of Increases (Decreases)			
Affiliated Development			\$ -
AG Direct Lending			\$ 36,832.01
Angelo-Gordon Realty			\$ (3,322.98)
Baird Core Plus Bond Fund			\$ (885,959.59)
BC Partners			\$ 23,141.91
Brightwood			\$ (193,938.96)
Earnest Partners			\$ (1,077,020.12)
EnTrust Blue Ocean			\$ 147,206.04
Golden Tree			\$ 592,620.24
Gold Point			\$ (715,675.84)
Harbourvest Dover IX49			\$ (421,851.99)
IFM Global			\$ 339,907.74
LM Capital			\$ (303,023.03)
Loomis Sayles			\$ (1,186,315.54)
Marathon			\$ 196,129.21
Morgan Stanley			\$ (182,812.24)
NB Crossroads			\$ -
NB Private Debt			\$ (637,905.05)
Neuberger Short Duration			\$ (88,020.53)
Northern Trust-Extended			\$ (412,458.61)
Northern Trust			\$ 1,733,165.70
Principal Investors			\$ (136,166.07)
RBC Emerging Markets			\$ (1,565,868.17)
Wellington International			\$ 384,309.38
			\$ (4,357,026.49)
Investment Return			
Net Investment Income			\$ 7,278,573.86
Increases (Decrease) in Unrealized Gain/Loss			\$ 10,184.10
Total Investment Return for the Period			\$ 7,288,757.96
Beginning Market Value			\$ 474,975,612.37
Plus/(Less): Net Contributions/Payment			\$ 7,928,426.48
Assets Available for Investment			\$ 482,904,038.85
Investment Return as a result of % of Assets Available for Investments			1.51%

(1) (2) Refer to Cash Payments Detail

**EMPLOYEES RETIREMENT FUND**  
**Disbursements Processed**  
**March 1, 2025 to March 31, 2025**

2450 Center Court Condominium	(\$4,450.73)
Associates MD Medical Group Inc	(\$1,500.00)
CBIZ CPAs LLC.	(\$1,723.05)
FPPTA (New Trustee)	(\$150.00)
George Keller (FPPTA Winter Sch)	(\$434.77)
Lorium PLLC (Feb 2025)	(\$11,910.00)
Pension Technology Group	(\$11,000.00)
Segal Advisors Inc (Feb 2025)	(\$10,833.33)
Segal Advisors Inc (Feb 2025)	(\$4,166.67)
The Northern Trust (Oct - Dec 2024)	(\$8,836.13)
Wellington Trust Co (Oct - Dec 2024)	(\$95,156.48)
Wells Fargo CC	(\$8,718.47)
	<u>(\$158,879.63)</u>

**Capital Expenditure**

Pension Technology Group	<u>(\$15,000.00)</u>
	<u><u>(\$173,879.63)</u></u>

	<u>FYE 2025 Expenses</u>	<u>FYE 2025 Disbursements By Type</u>	<u>FYE 2025 Disbursements</u>
September			\$ (372,702.18)
October	\$ (248,051.40)		\$ (248,051.40)
November	\$ (74,704.60)	Building \$ (25,881.07)	\$ (85,537.93)
December	\$ (69,661.62)	Furniture \$ (11,650.00)	\$ (81,245.30)
January	\$ (193,085.12)	CPMS Project \$ (30,000.00)	\$ (193,085.12)
February	\$ (62,596.71)	Admin. Expenses \$ (793,555.26)	\$ (62,596.71)
March	\$ (173,879.63)	Total Invest. Prof. Fees \$ (356,011.94)	\$ (173,879.63)
	<u>\$ (821,979.08)</u>	<u>\$ (1,217,098.27)</u>	<u>\$ (1,217,098.27)</u>

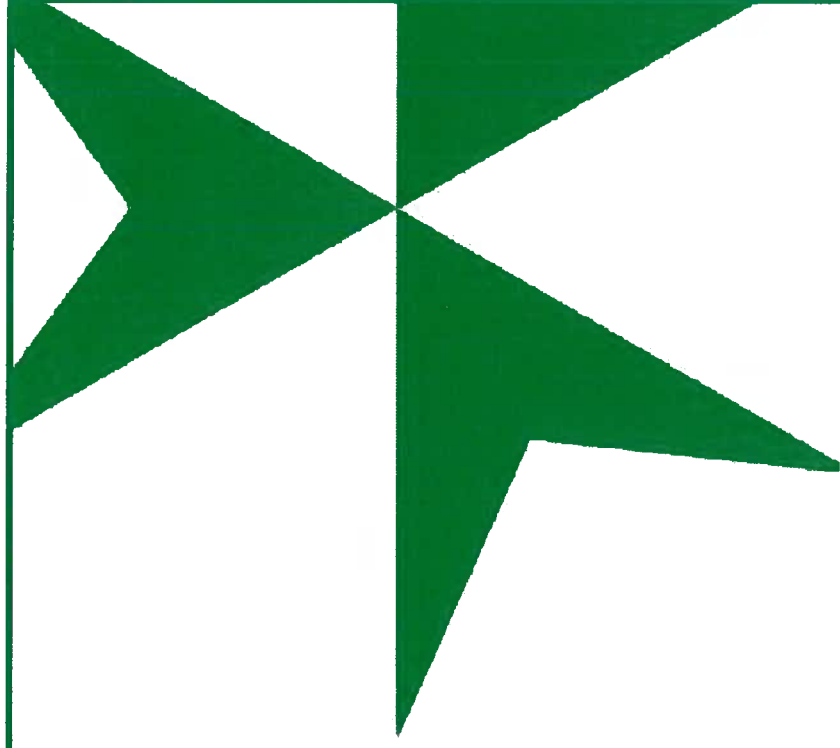
**City of Hollywood Employees Retirement Fund**  
**Budget v. Actual**  
**For Year Ending 09/30/2025**  
**Expenses as of 03/31/2025**

	2025 Approved Budget (A)	Mar-25	YTD Actual (B)	Remaining Available (A-B)	% Remaining Available (A-B)/(A)
<b>Investment Fees:</b>					
LM Capital	27,500	-	16,589	10,912	39.68%
Northern Trust	40,000	8,836	24,913	15,087	37.72%
Wellington	415,000	95,156	286,015	128,985	31.08%
Custodial Fees	55,200	-	28,495	26,705	48.38%
<b>Total Invest. Professional Fees</b>	<b>537,700</b>	<b>103,993</b>	<b>356,012</b>	<b>181,688</b>	<b>33.79%</b>
<b>Administrative Fees:</b>					
Consultants	130,000	10,833	65,000	65,000	50.00%
Accounting	50,000	4,167	25,000	25,000	50.00%
Audit	23,000	1,723	11,578	11,422	49.66%
GRS-Actuarial and other Fees	100,500	-	13,869	86,631	86.20%
Medical Svcs (Disability Verification)	4,800	1,500	1,500	3,300	68.75%
Lorium PLLC- Board Attorney	108,000	11,910	57,295	50,705	46.95%
<b>Total Admin. Professional Fees</b>	<b>416,300</b>	<b>30,133</b>	<b>174,242</b>	<b>242,058</b>	<b>58%</b>
<b>Personnel Expenses:</b>					
Salaries - Staff	351,100	-	172,531	178,570	50.86%
Salaries - Temporary	50,000	-	-	50,000	100.00%
Taxes & Benefits	111,000	-	61,688	49,312	44.43%
Insurance	184,000	-	218,395	(34,395)	-18.69%
<b>Total Personnel Expenses</b>	<b>696,100</b>	<b>-</b>	<b>452,613</b>	<b>243,487</b>	<b>35%</b>
<b>Other Expenses:</b>					
Continuing Education/Dues	42,000	8,218	14,831	27,169	64.69%
Training-Travel, Meals & Lodging	45,000	435	30,870	14,130	31.40%
Participant/Member Education	5,000	-	-	5,000	100.00%
Equipment Rent	5,000	-	1,290	3,710	74.19%
Software Maintainance	44,000	11,000	22,000	22,000	50.00%
Printing & Postage Cost	3,000	-	1,468	1,532	51.08%
Equipment & Supplies	15,000	178	2,660	12,340	82.26%
Outside service	3,000	473	6,615	(3,615)	-120.50%
Moving Costs	15,000	-	-	15,000	100.00%
Project Management Services	202,500	-	61,650	140,850	69.56%
Architecture Services	10,000	-	-	10,000	100.00%
Office Condo Utilities	13,200	458	2,870	10,330	78.26%
Office Condo Fees and Assessments	41,030	3,993	22,446	18,584	45.29%
<b>Total Other Expenses:</b>	<b>443,730</b>	<b>24,754</b>	<b>166,700</b>	<b>277,030</b>	<b>62.43%</b>
<b>Administrative Expenses</b>	<b>1,556,130</b>	<b>54,887</b>	<b>793,555</b>	<b>762,575</b>	<b>49.00%</b>
Capital Expenditures		15,000	67,531		
Contingency Reserves	220,000	-	-	220,000	
<b>Total Expenditure FYE 2025</b>	<b>2,313,830</b>	<b>173,880</b>	<b>1,217,098</b>	<b>1,164,263</b>	<b>50.32%</b>
FYE 2024 Accrued Expenses Paid 2025		-	(395,119)	395,119	
<b>Total Cost FYE 2025</b>	<b>2,313,830</b>	<b>173,880</b>	<b>821,978</b>	<b>1,559,383</b>	

# **AGENDA ITEM 5.A.**

## **INVESTMENT**

### **FEBRUARY 2025 FLASH PERFORMANCE REPORT**



## Monthly Flash Report

# City of Hollywood Employees' Retirement Fund

Period Ending February 28, 2025

J. Keith Reynolds  
Vice President & Senior Consultant

Felicia Ewell  
Associate Consultant

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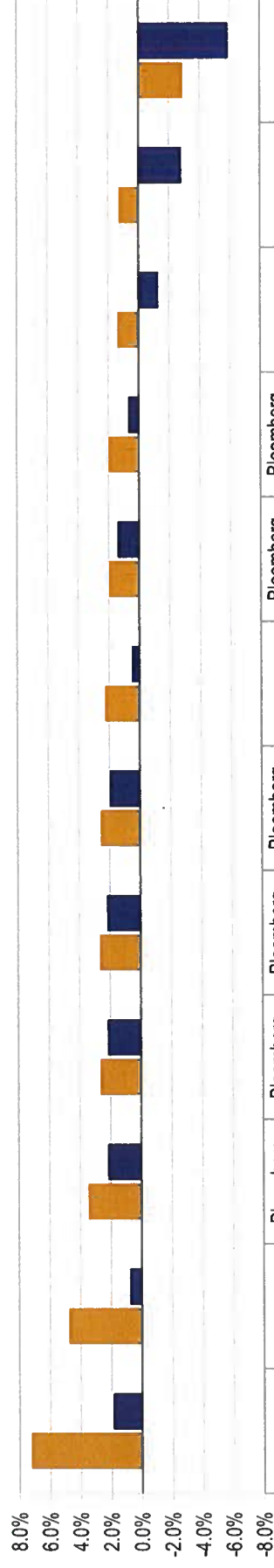
 **Segal Marco Advisors**

# Market Environment – February 2025

## February Highlights

- Although the 151,000 jobs reported by the BLS was up from January's 143,000, it was below expectations for the month and unemployment edged higher to 4.1%. The consumer price index (CPI) increased again by 0.5% month-on-month in January with annual inflation higher than expected at 3%. With this backdrop and increasing policy uncertainty, the Fed held rates steady in February at a targeted range of 4.25%-4.5%
- US stocks declined across the spectrum of size with only large value barely positive. Consumer staples (+5.7%) led all S&P 500 sectors for the month, while consumer discretionary (-9.4%) was the worst performing sector.
- Developed global stocks were mixed with Europe (+3.7%) significantly ahead of the Pacific (-1.3%). Emerging market stocks that include China (+11.8%), were also mixed with EMEA (+0.7%) and Asia (+0.7%) ahead of Latin America (-1.8%).
- Bond prices increased as yields fell across the yield curve. The 10-year Treasury yield remained volatile and closed the month down 30 basis point at 4.24%. All US bond sectors were positive with 30-year Treasuries (+5.6%) leading the way, while high yield and 1-3 year Treasuries were the worst performing sector (+0.7%).
- Commodities were positive. Energy (+4.9%) led all subsectors for the month, while agriculture (-2.3%) was the worst performing subsector.

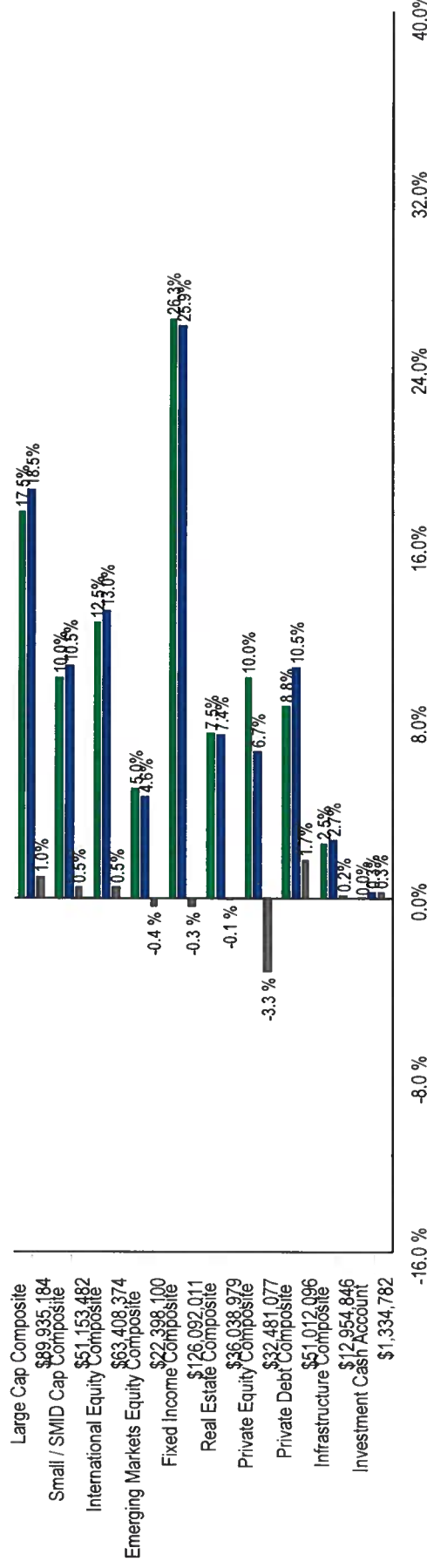
## Returns



## 2025 Highlights

- Global equity markets performance experienced wide dispersion given uncertainty of trade war impact and geopolitical priorities of the new US Administration. Annualized US GDP growth slowed to 2.3% in Q4.
- US stocks are now lagging global markets with health care (+8.4%) the top performing S&P 500 sector YTD, while consumer discretionary (-5.4%) is the worst performing sector. US small cap (-2.9%) stocks have declined the most.
- Non-U.S. developed market stocks surged, led higher by Europe (+10.8%). Emerging markets were also positive with broad stimulus actions by China (+12.8%) to reverse recent economic weakness.
- All fixed income sector returns are positive for the year as yields decreased most in the middle and long-end of the curve. Anticipated interest rate cuts expectations are lower, as economic uncertainty and inflation expectations continue to fluctuate amidst an increasingly uncertain backdrop.
- Commodities are positive at the start of the new year with performance dispersion across major subsectors, including precious metals (+7.5%), energy (+6.7%), industrial metals (+4.2%) and agriculture (+2.4%).





	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
<b>Total Fund Composite*</b>	<b>486,808,931</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		
Large Cap Composite	89,935,184	18.5	17.5	1.0	10.0	25.0
Small / SMID Cap Composite	51,153,482	10.5	10.0	0.5	5.0	15.0
International Equity Composite	63,408,374	13.0	12.5	0.5	7.5	17.5
Emerging Markets Equity Composite	22,398,100	4.6	5.0	-0.4	2.0	8.0
Fixed Income Composite	126,092,011	25.9	26.3	-0.3	20.0	35.0
Real Estate Composite	36,038,979	7.4	7.5	-0.1	0.0	12.5
Private Equity Composite	32,481,077	6.7	10.0	-3.3	0.0	15.0
Private Debt Composite	51,012,096	10.5	8.8	1.7	0.0	14.0
Infrastructure Composite	12,954,846	2.7	2.5	0.2	0.0	5.0
Investment Cash Account	1,334,782	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 February 28, 2025

	Total Fund	%
	(\$)	
<b>Total Fund Composite*</b>	<b>486,308,931</b>	<b>100.0</b>
<b>Domestic Equity Composite</b>	<b>141,088,666</b>	<b>29.0</b>
<b>Large Cap Composite</b>	<b>89,935,184</b>	<b>18.5</b>
Northern Trust S&P 500	89,935,184	18.5
<b>Small / SMID Cap Composite</b>	<b>51,153,482</b>	<b>10.5</b>
Earnest Partners Small/Mid Cap Value Equity	17,166,782	3.5
Loomis, Sayles Small/Mid Cap Growth	19,759,332	4.1
Northern Trust Extended Equity Market Index	14,227,367	2.9
<b>International Equity Composite</b>	<b>63,408,374</b>	<b>13.0</b>
Wellington International	63,408,374	13.0
<b>Emerging Markets Equity Composite</b>	<b>22,398,100</b>	<b>4.6</b>
RBC Emerging Markets Equity	22,398,100	4.6
<b>Fixed Income Composite</b>	<b>126,092,011</b>	<b>25.9</b>
Baird Core Plus Bond	46,981,185	9.7
LM Capital Group, LLC Active Core Plus	16,084,740	3.3
Neuberger & Berman Short Duration	44,131,793	9.1
GoldenTree Multi-Sector LP	18,894,293	3.9
<b>Real Estate Composite</b>	<b>36,038,979</b>	<b>7.4</b>
Morgan Stanley	11,096,186	2.3
Principal Enhanced Property Fund	9,457,012	1.9
AG Realty Value Fund X	5,881,710	1.2
Affiliated Housing Impact Fund	5,526,717	1.1
AG Realty Value Fund XI, L.P.	4,077,354	0.8
<b>Private Equity Composite</b>	<b>32,481,077</b>	<b>6.7</b>
NB Crossroads Fund XXI	18,107,825	3.7
HarbourVest Dover Fund IX	4,587,273	0.9
Apogem Heritage Fund VI LP	9,785,979	2.0
<b>Private Debt Composite</b>	<b>51,012,096</b>	<b>10.5</b>
AG Direct Lending Fund II, L.P.	5,577,443	1.1
EnTrust Blue Ocean Onshore Fund LP	8,241,967	1.7
Brightwood Capital Fund V, LP	6,352,872	1.3

\*Total does not include non-investment cash account

The City of Hollywood

Asset Allocation

As of February 28, 2025

	Total Fund	
	(\$)	%
Marathon Healthcare Finance Fund	10,116,093	2.1
NB Private Debt Fund IV LP	17,565,213	3.6
Brightwood Capital SBIC III, LP	2,663,898	0.5
BCP Special Opportunities Onshore Feeder III LP	494,610	0.1
<b>Infrastructure Composite</b>	<b>12,954,846</b>	<b>2.7</b>
IFM Global Infrastructure	12,954,846	2.7
<b>Investment Cash Account</b>	<b>1,334,782</b>	<b>0.3</b>

\*Total does not include non-investment cash account.

# The City of Hollywood

## Comparative Performance

As of February 28, 2025

	Jan-2025		Feb-2025		Oct-2024		Performance (%)					Inception Date
	To	Jan-2025	To	Feb-2025	To	Feb-2025	1 Year	3 Years	5 Years	7 Years	Since Inception	
<b>Total Fund Composite (Gross)</b>	1.8		-0.2		0.9		9.2	5.6	8.8	7.5	7.9	02/01/1991
<i>Total Fund Composite (Net)</i>	1.8		-0.2		0.8		8.9	5.4	8.6	7.3	7.8	
<i>Policy Index*</i>	2.0		0.1		0.6		10.1	5.0	7.6	6.7	7.8	
<b>Domestic Equity</b>												
Northern Trust S&P 500 (Gross)	2.8		-1.3		3.9		18.4	12.5	16.8	13.8	14.5	11/01/2012
Northern Trust S&P 500 (Net)	2.8		-1.3		3.9		18.3	12.5	16.8	13.7	14.5	
S&P 500	2.8		-1.3		3.9		18.4	12.6	16.9	13.8	14.5	
Earnest Partners Small/Mid Cap Value Equity (Gross)	4.6		-4.5		-1.1		5.8	N/A	N/A	N/A	6.4	02/01/2023
Earnest Partners Small/Mid Cap Value Equity (Net)	4.5		-4.6		-1.4		5.2	N/A	N/A	N/A	5.8	
Russell 2500 Value Index	3.4		-3.7		-0.7		9.3	4.9	11.4	7.7	7.6	
Loomis, Sayles Small/Mid Cap Growth (Gross)	4.7		-4.6		0.8		10.1	2.1	N/A	N/A	5.5	08/06/2020
Loomis, Sayles Small/Mid Cap Growth (Net)	4.7		-4.6		0.8		10.1	2.1	N/A	N/A	5.5	
Russell 2500 Growth Index	3.8		-6.7		-0.7		4.5	3.6	8.9	8.1	6.4	
Northern Trust Extended Equity Market Index (Gross)	5.0		-5.8		3.5		11.7	5.8	11.6	N/A	7.8	09/01/2018
Northern Trust Extended Equity Market Index (Net)	5.0		-5.8		3.5		11.7	5.8	11.6	N/A	7.7	
DJ U.S. Completion TSM Indx	5.0		-5.8		3.6		11.7	5.7	11.5	9.0	7.7	
<b>International Equity</b>												
Wellington International (Gross)	4.8		2.0		1.0		14.3	5.3	8.9	5.1	5.8	11/01/2013
Wellington International (Net)	4.7		1.9		0.8		13.6	4.6	8.1	4.3	5.1	
MSCI AC World ex USA (Net)	4.0		1.4		-2.5		9.7	4.6	7.6	4.2	4.4	
<b>Emerging Markets Equity</b>												
RBC Emerging Markets Equity**	0.8		0.8		-6.8		8.6	2.3	N/A	N/A	3.2	09/16/2020
MSCI EM (Net)	1.8		0.5		-5.9		10.1	0.5	4.3	1.2	2.3	

	Performance (%)								
	Jan-2025 To	Feb-2025 To	Oct-2024 To	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
	Jan-2025	Feb-2025	Feb-2025	Feb-2025	Years	Years	Years		
Fixed Income									
Baird Core Plus Bond**	0.6	2.1	0.0	6.6	0.6	0.4	2.4	2.1	06/01/2017
Bimbg. U.S. Aggregate	0.5	2.2	-0.4	5.8	-0.4	-0.5	1.7	1.4	
LM Capital Group, LLC Active Core Plus (Gross)	0.7	2.2	-0.1	6.5	N/A	N/A	N/A	3.5	07/01/2022
LM Capital Group, LLC Active Core Plus (Net)	0.7	2.1	-0.2	6.2	N/A	N/A	N/A	3.3	
Bimbg. U.S. Aggregate	0.5	2.2	-0.4	5.8	-0.4	-0.5	1.7	2.4	
Neuberger & Berman Short Duration**	0.3	-0.4	-0.2	6.5	4.1	2.5	2.9	2.9	02/01/2018
NB Blended Benchmark***	0.4	0.5	1.6	5.3	3.5	2.1	2.3	2.3	
Bimbg. Intermed. U.S. Government/Credit	0.6	1.4	0.3	5.9	1.2	0.7	2.2	2.1	
Golden Tree Multi-Sector LP**	1.2	0.7	3.2	10.5	7.0	6.6	5.8	5.9	10/01/2017
GT Blended Index****	1.0	0.4	2.6	9.1	6.2	5.5	5.2	5.0	
Bimbg. U.S. Aggregate	0.5	2.2	-0.4	5.8	-0.4	-0.5	1.7	1.3	
Real Estate									
Morgan Stanley**	0.0	0.0	0.5	-0.8	-0.2	4.1	4.9	5.2	05/01/2008
NCREIF ODCE Equal Weighted	0.0	0.0	1.0	-1.7	-2.4	3.1	4.2	4.5	
Principal Enhanced Property Fund**	1.4	0.5	3.1	2.8	-0.9	4.3	5.3	8.4	11/01/2013
NCREIF Property Index	0.0	0.0	0.9	0.4	-0.8	3.1	4.1	6.3	
Infrastructure									
IFM Global Infrastructure**	0.1	0.4	2.7	8.5	8.2	8.7	10.9	11.0	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% ICE BofA 3 Month U.S. T-Bill.

\*\*\*\*GT Blended Index consists of 50% ICE BofA U.S. High Yield Index and 50% Morningstar LSTA U.S. Leveraged Loan Index.



# The City of Hollywood

## Comparative Performance - IRR

As of February 28, 2025

	Market Value (\$)	%	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
<b>Private Equity</b>								
<b>Private Equity Composite</b>								
NB Crossroads Fund XXI	32,481,077	6.7	0.1	2.3	17.1	16.7	16.5	06/23/2016
HarbourVest Dover Fund IX	18,107,825	3.7	3.5	2.3	16.1	16.0	15.1	06/23/2016
Apogem Heritage Fund VI LP	4,587,273	0.9	-5.9	-4.1	12.1	15.7	18.5	12/16/2016
	9,785,979	2.0	-2.3	5.7	22.7	N/A	19.3	04/23/2018
<b>Private Debt</b>								
<b>Private Debt Composite</b>								
AG Direct Lending Fund II, L.P.	51,012,096	10.5	10.0	11.8	11.9	11.5	11.5	05/31/2017
EnTrust Blue Ocean Onshore Fund LP	5,577,443	1.1	7.7	12.1	10.5	10.3	10.3	05/31/2017
Brightwood Capital Fund V, LP	8,241,967	1.7	1.4	11.8	N/A	N/A	14.4	09/22/2020
Marathon Healthcare Finance Fund	6,352,872	1.3	17.0	11.9	N/A	N/A	12.3	07/12/2021
NB Private Debt Fund IV LP	10,116,093	2.1	7.4	N/A	N/A	N/A	7.3	05/23/2022
Brightwood Capital SBIC III, LP	17,565,213	3.6	12.1	N/A	N/A	N/A	12.9	07/21/2022
BCP Special Opportunities Onshore Feeder III LP	2,663,898	0.5	35.5	N/A	N/A	N/A	31.5	01/19/2024
	494,610	0.1	N/A	N/A	N/A	N/A	0.0	04/30/2024
<b>Private Real Estate</b>								
AG Realty Value Fund X	5,881,710	1.2	-4.9	1.6	9.3	N/A	8.8	06/10/2019
Affiliated Housing Impact Fund	5,526,717	1.1	5.0	14.6	N/A	N/A	17.1	11/18/2021
AG Realty Value Fund XI, L.P.	4,077,354	0.8	N/A	N/A	N/A	N/A	-11.8	05/23/2024

## Cash Flow Activity Detail – February 2025

Manager	Product	Wire Type	Transfer Date	Transfer Amount
Affiliated Development	Affiliated Housing Impact Fund	Capital Distribution	2/10/2025	\$33,575.15
Neuberger Berman	NB Private Debt Fund IV LP	Capital Distribution	2/13/2025	\$504,787
Principal Financial Group	DB Account	Internal Bank Transfer	2/14/2025	\$128,652.76
Principal Financial Group	DB Account	Internal Bank Transfer	2/27/2025	\$3,000,000
Brightwood Capital Advisors	SBIC III	Capital Call	2/28/2025	\$150,000
<b>Total</b>				<b>\$3,817,014.91</b>

# **AGENDA ITEM 5.B.**

## **INVESTMENT**

**PRESENTATION BY 50 SOUTH CAPITAL**





## PRIVATE EQUITY CORE FUND XI/XII

### City of Hollywood Employees' Retirement Fund April 22, 2025

**Brad Dorchinecz**

brad.dorchinecz@50southcapital.nt.rs.com  
Managing Director  
50 South Capital

**Ashley Alison**

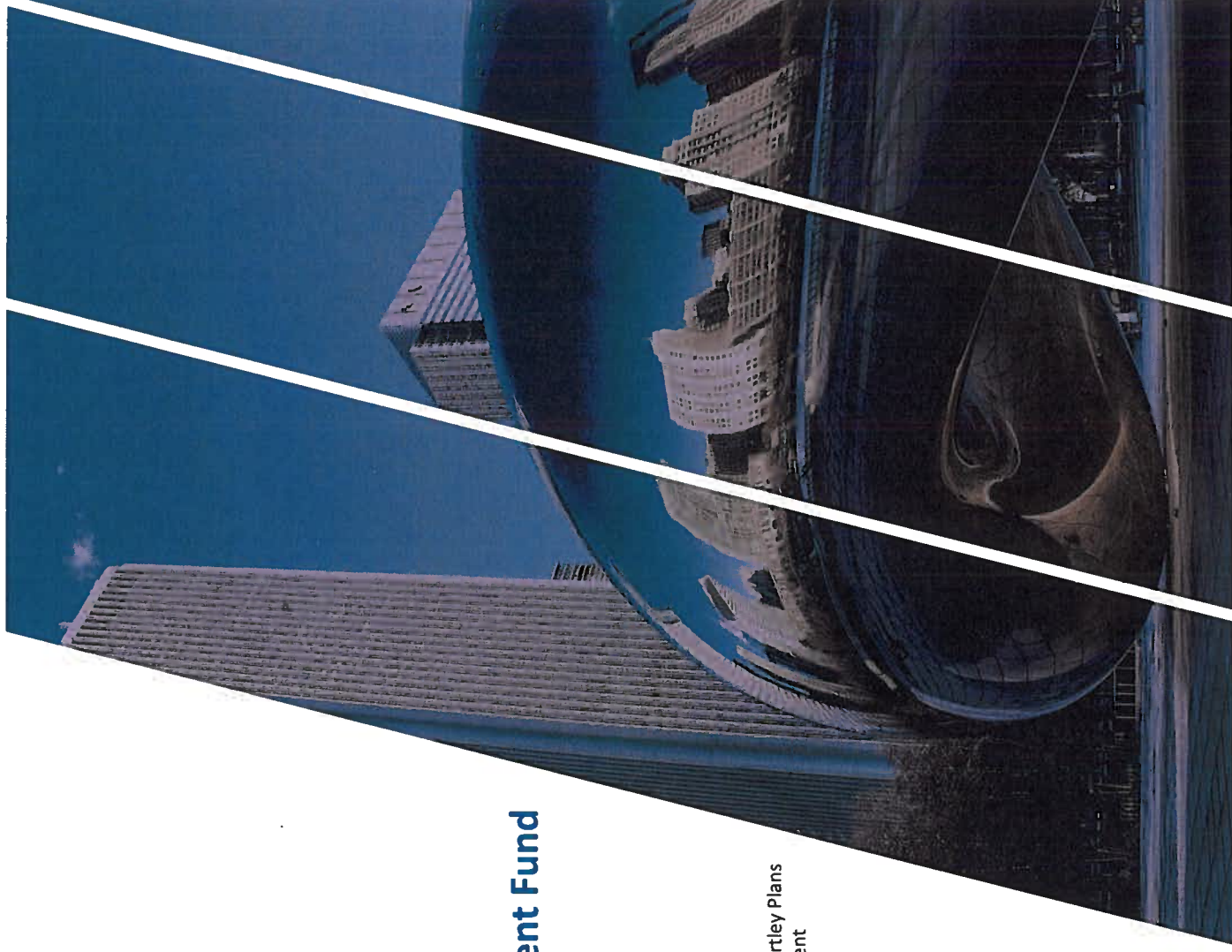
ah253@nt.rs.com  
Director, Public Funds & Taft-Hartley Plans  
Northern Trust Asset Management

**Mike Marderosian**

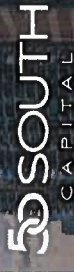
mike.marderosian@50southcapital.nt.rs.com  
Senior Vice President  
50 South Capital

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# 50 SOUTH CAPITAL ADVISORS



A global alternatives firm that provides differentiated solutions and valued access to private equity, private credit, and hedge fund investment opportunities.

## AT A GLANCE

- Experienced team with a 24-year history.
- Integrated alternative investment platform with hedge fund, private equity, and private credit solutions.
- Customized and multi-manager offerings.
- Wholly owned subsidiary of Northern Trust.

## DISTINGUISHED APPROACH

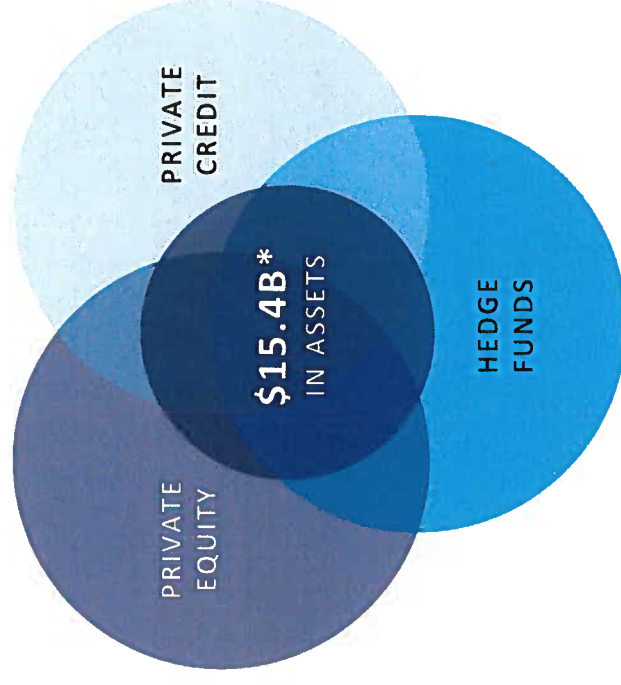
**Connected** to the global network and resources of Northern Trust.

**Focus** on inefficient markets, specifically small to mid-sized managers.

**Diversified** and growing client base.

**Thoughtful** portfolio construction.

**Skilled** at finding talent early.



Source: 50 South Capital. \*AUM=\$11.1B and AUA=\$4.3B as of 12/31/24. Categories for investor breakouts include 50 South Advisor clients (AUM) as well as clients of affiliates (AUA). 50 South Capital's business dates back to December 2000, when Northern Trust began providing hedge fund and private equity solutions. In January 2015, the business was rebranded into 50 South Capital Advisors, LLC. Funds discussed herein not insured by the Federal Deposit Insurance Corporation or any governmental agency and are not deposits or obligations of, or guaranteed or endorsed in any way by, 50 South Capital Advisors, LLC or its affiliates.

# 50 SOUTH CAPITAL STRIVES TO PROVIDE CLIENTS WITH EXPOSURE TO MANAGERS AND DIFFERENTIATED INVESTMENT OPPORTUNITIES



## Focused Strategy

- **Diversified approach** across sector, vintage year, geography, industry, and manager.
- Sole focus on seeking **accessing the world's most elite private equity fund managers.**

## Alignment of Interests

- The 50 South Capital team will make substantial personal commitments to the fund alongside investors.
- **The team is highly motivated and aligned** to succeed as their personal fund commitments are a key component of our long-term compensation.

## Low Fees

- Low all-in fee structure.
- **No carried interest in Fund XI on primary, co-investments, or secondary investments.**

Source: 50 South Capital Advisors Private Equity. For illustrative purposes only.

Funds discussed herein not insured by the Federal Deposit Insurance Corporation or any governmental agency and are not deposits or obligations of, or guaranteed or endorsed in any way by, 50 South Capital Advisors, LLC or its affiliates.

## TRACK RECORD

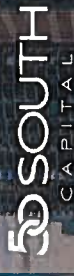
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## DISCLOSURE



The following information relates to funds for which 50 South Capital Advisors, LLC serves as investment manager/general partner. Investments in any of the funds discussed herein are not insured by the Federal Deposit Insurance Corporation, and are not deposits or obligations of, or guaranteed or endorsed in any way by, The Northern Trust Company, its affiliates, subsidiaries, or any other banking entity. Investments in the funds are not insured by the Federal Reserve Board, or any governmental agency and are subject to investment risks, including possible loss of principal invested.

Any losses in such covered fund will be borne solely by investors in the covered fund and not by The Northern Trust Company; its affiliates, subsidiaries or any other bank. Therefore losses in such covered fund will be limited to losses attributable to the ownership interests in the covered fund held by Northern Trust and any affiliate in its capacity as investor in the covered fund or as beneficiary of a restricted profit interest held by the business unit or any affiliate. Investors should read each Confidential Private Placement Memorandum carefully prior to investing.

# FUND PERFORMANCE – NET RETURNS



Data as of 9/30/24 (\$ in millions)

Fund	Vintage <sup>a</sup>	Fund Size <sup>b</sup>	Called Capital <sup>c</sup>	Net IRR <sup>d</sup>	Net TVPI <sup>e</sup>	Public Market Equivalent <sup>f</sup> (over/under)*	Net DPI <sup>1</sup>
Core Fund Strategies							
Private Equity Core Fund X	2022	\$912	36%	-	-	-	-
Global Venture Capital Opportunities Fund II	2022	\$388	37%	-	-	-	-
Private Equity Core Fund IX	2020	\$677	66%	13.9%	1.29x	-6bps	0.00x
Private Equity Core Fund VIII	2018	\$653	75%	13.7%	1.53x	+74bps	0.00x
Global Venture Capital Opportunities Fund I	2016	\$104	119%	22.6%	2.92x	+989bps	0.71x
Private Equity Core Fund VII	2016	\$541	86%	16.5%	1.97x	+477bps	0.54x
Private Equity Core Fund VI	2014	\$454	99%	21.0%	2.53x	+850bps	1.17x
Private Equity Core Fund V	2012	\$331	98%	14.4%	2.12x	+367bps	1.43x
Private Equity Core Fund IV	2009	\$270	99%	16.0%	2.65x	+564bps	2.09x
Private Equity Core Fund III	2007	\$359	97%	13.0%	2.07x	+415bps	1.97x
Private Equity Core Fund II	2005	\$227	97%	5.1%	1.37x	-81bps	1.35x
Private Equity Core Fund I	2000	\$70	96%	4.9%	1.33x	-2bps	1.33x
Secondary Fund Strategies							
PE Secondary Fund IV	2020	\$652	62%	22.9%	1.46x	+417bps	0.00x
PE Secondary Fund III	2016	\$277	83%	12.2%	1.68x	-72bps	0.87x
PE Secondary Fund II	2013	\$106	97%	14.3%	1.62x	+383bps	1.46x
PE Secondary Fund I	2009	\$25	100%	25.7%	3.03x	+1,402bps	2.67x
Co-investment Fund Strategies							
Direct Co-investment Fund I	2022	\$160	69%	-	-	-	-

50 South return data as of 9/30/24. Please see section "Performance Endnotes and Additional Information" of this presentation for important information regarding the calculation of fund returns. Past performance is not indicative or a guarantee of future results.

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# FUND PERFORMANCE – SECTOR DETAIL



Data as of 9/30/24 (\$ in millions)

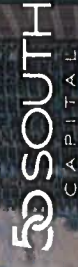
Fund	Vintage <sup>a</sup>	Committed Capital <sup>h</sup>	Net IRR <sup>d</sup>	Net TVPI <sup>e</sup>	Public Market Equivalent <sup>f</sup> (over/under)
<b>Buyout Fund Performance</b>					
Buyout Fund X	2022	\$660	-	-	-
Buyout Fund IX	2020	\$544	12.8%	1.26x	-51bps
Buyout Fund VIII	2018	\$492	13.8%	1.51x	+109bps
Buyout Fund VII	2016	\$429	16.7%	1.90x	+493bps
Buyout Fund VI	2014	\$363	24.2%	2.57x	+1,111bps
Buyout Fund V	2012	\$228	14.7%	1.91x	+348bps
Buyout Fund IV	2009	\$209	15.8%	2.28x	+533bps
Buyout Fund III	2007	\$252	13.7%	1.99x	+447bps
<b>Venture Capital Fund Performance</b>					
Venture Capital Fund X	2022	\$252	-	-	-
Global Venture Capital Fund II	2022	\$388	3.9%	1.04x	-1,428bps
Venture Capital Fund IX	2020	\$222	11.7%	1.26x	-163bps
Venture Capital Fund VIII	2018	\$169	10.7%	1.45x	-59bps
Venture Capital Fund VII	2016	\$169	15.5%	2.12x	+352bps
Global Venture Capital Fund I	2016	\$104	22.6%	2.92x	+989bps
Venture Capital Fund VI	2014	\$137	14.8%	2.40x	+320bps
Venture Capital Fund V	2012	\$114	13.4%	2.51x	+278bps
Venture Capital Fund IV	2009	\$84	17.4%	3.51x	+697bps
Venture Capital Fund III	2007	\$107	13.5%	2.28x	+420bps

50 South return data as of 9/30/24. There is no separate return data for Buyout Fund I, Buyout Fund II, Venture Capital Fund I or Venture Capital Fund II, as no such vehicles existed. Please see section "Performance Endnotes and Additional Information" of this presentation for important information regarding the calculation of fund returns. Past performance is not indicative of a guarantee of future results. Funds discussed herein not insured by the Federal Deposit Insurance Corporation or any governmental agency and are not deposits or obligations of, or guaranteed or endorsed in any way by, 50 South Capital Advisors, LLC or its affiliates.

# INVESTMENT STRATEGY

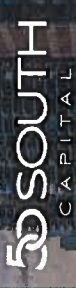
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# 50 SOUTH CAPITAL PRIVATE EQUITY INVESTMENT PRINCIPLES



Experienced investor in private equity since 2000.

GAIN ACCESS TO TOP PERFORMING PRIVATE EQUITY FUNDS

OVERWEIGHT SMALLER BUYOUT FUNDS AND EARLY STAGE VENTURE FUNDS

LEVERAGE THE RESOURCES OF NORTHERN TRUST FOR A COMPETITIVE ADVANTAGE

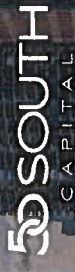
INVEST IN A CONCENTRATED NUMBER OF MANAGERS

DIVERSIFY ACROSS SECTOR, GEOGRAPHY, VINTAGE AND INVESTMENT TYPE

50 South Capital Advisors was formed on 6/30/15 from the Northern Trust Alternatives Group which began in 2001.

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# PE CORE FUND XI: EXPECTED PORTFOLIO CONSTRUCTION



**Investment Strategy: Diversified portfolios across geography, vintage, industry, strategy, primary, secondary, and co-investments.**

## U.S. & EUROPEAN BUYOUTS

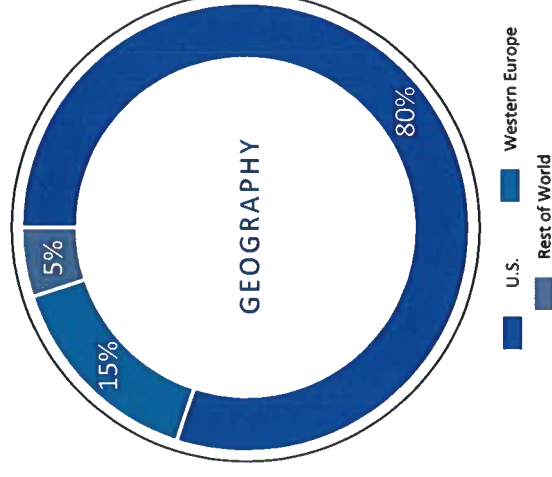
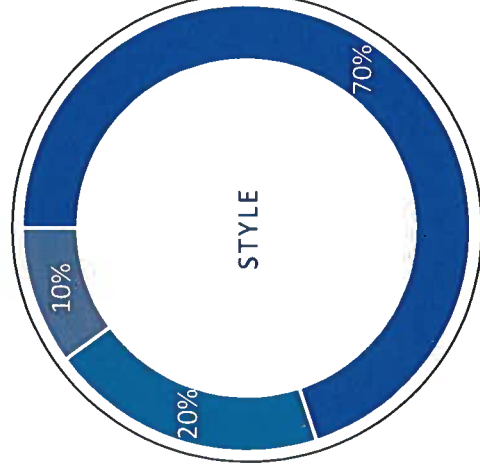
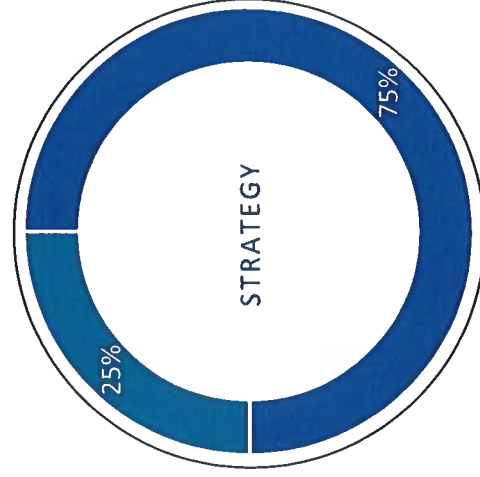
- Small & middle market focus
- Focus on fund sizes <\$1.0B
- \$680M median historical fund size
- 15 to 18 managers

## GLOBAL VENTURE CAPITAL

- Overweight early stage
- Information technology focus
- \$325M median historical fund size
- 12 to 15 managers

## OPPORTUNISTIC

- Buyout Co-investments
- Secondaries
- Structured & strategic transactions



Actual fund investments will differ from projected allocation based on available investment opportunities. Ranges are approximate only.

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# RIGOROUS INVESTMENT PROCESS

## DEAL SOURCING

- Meetings with over 1,500+ funds per year
- “Open door” policy
- Leverage multiple networks: Private Equity Team & Northern Trust

## PORTFOLIO CONSTRUCTION

- Bottom-up approach
- Broad diversification guidelines
- Thoughtful combination of smaller niche managers with select larger established funds

## DUE DILIGENCE

- Deep quantitative and qualitative assessments
- Firsthand research supplemented with perspectives of trusted third parties (e.g., legal documentation review, background checks, reference calls)

## INVESTMENT COMMITTEE APPROVAL

- Detailed investment memorandum
- Oversight committee must approve all investments

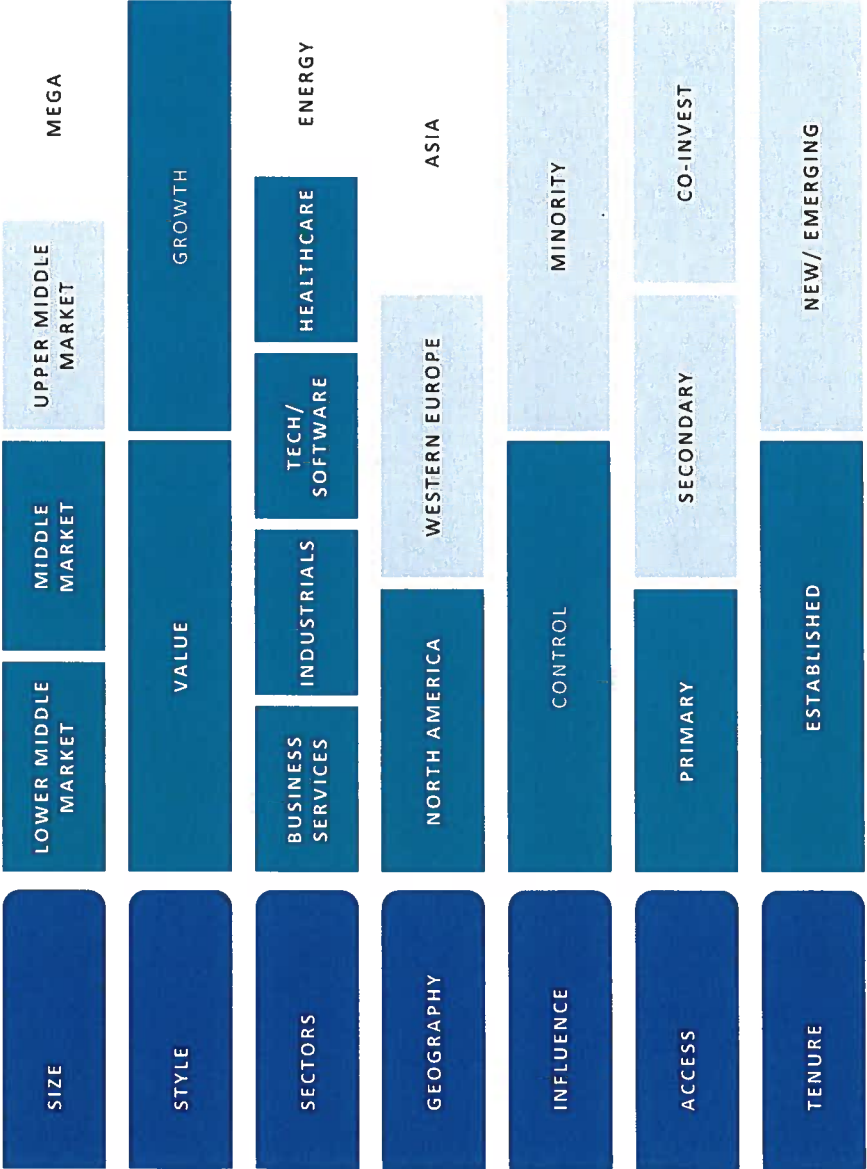
## PORTFOLIO MONITORING

- Focus on consistency of strategy & quality of returns
- Regular updates through quarterly conference calls and annual meetings
- Advisory board participation
- Portfolio review meetings
- Constant monitoring results in better investment decisions

Note that all steps of the analysis may not be taken for each fund investment. The analysis completed may occur at different points in the process than stated above. For illustrative purposes only. Funds discussed herein not insured by the Federal Deposit Insurance Corporation or any governmental agency and are not deposits or obligations of, or guaranteed or endorsed in any way by, 50 South Capital Advisors, LLC or its affiliates.



BUYOUT INVESTMENT CRITERIA



Color coding legend:  Substantial/Core exposure  Modest exposure  Limited to no exposure

**Key Selection Criteria**

- Differentiation and competitive advantage
- Low relative purchase prices
- Operational value-add

**Representative Manager Relationships**

FRANZIER  
HEALTHCARE PARTNERS

TOWER ARCH  
CAPITAL

TRIVEST

B·C·P  
Standard Capital Partners

KPS  
CAPITAL PARTNERS, LP

ARCOS

ATLAS HOLDINGS

astira.  
CAPITAL PARTNERS

CLAIRVEST

**50 South Access Differentiators**

- Deep industry network
- Strong market reputation
- Business owner seminars
- Direct fund expertise

Source: 50 South Capital internal as of April 2025. Logos represent the all the closed manager commitments from Private Equity Core Fund XI. Funds discussed herein not insured by the Federal Deposit Insurance Corporation or any governmental agency and are not deposits or obligations of, or guaranteed or endorsed in any way by, 50 South Capital Advisors, LLC or its affiliates.

VENTURE INVESTMENT CRITERIA

Key

Selection Criteria

- Differentiation and competitive advantage
- Sourcing angles and networks that are hard to replicate
- Stronger influence through board representation

Representative Manager Relationships

andreesenhorowitz

WndrCo

SVAngel

SAGA

J2 VENTURES

theoryfpv

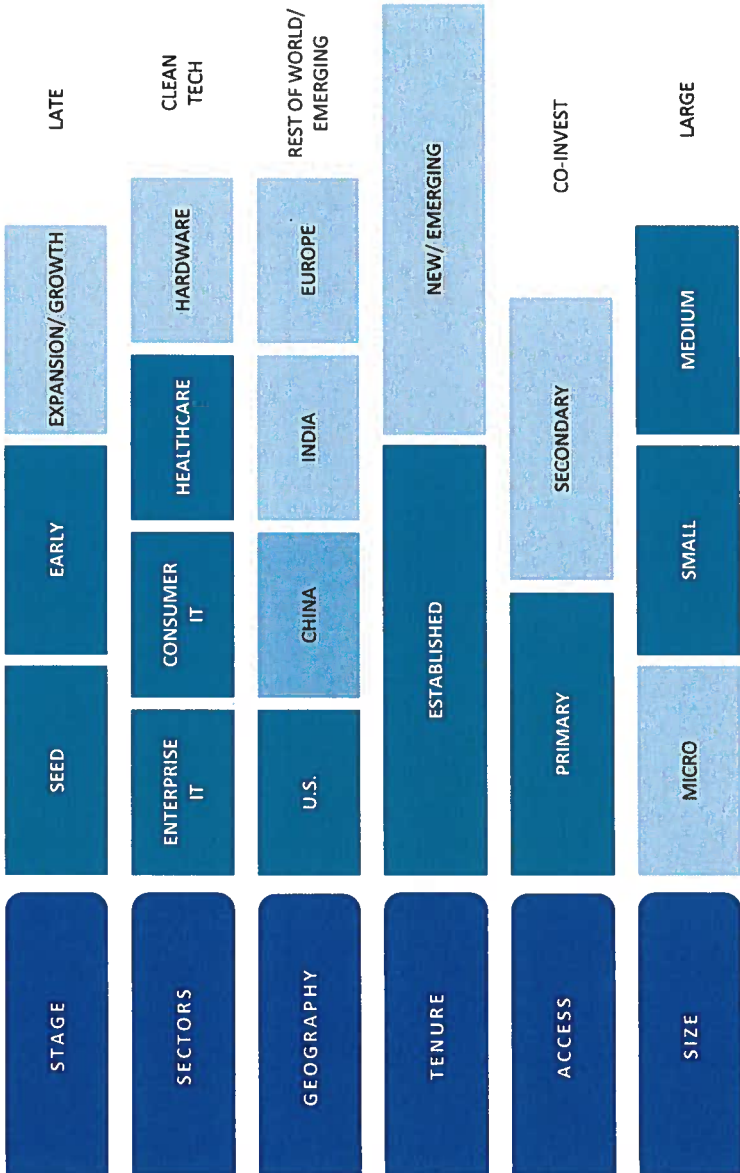
AcceL

LACHY GROOM

CONVICTION

50 South Access Differentiators

- Deep industry network
- Strong market reputation
- CTO resources
- Consistent market presence

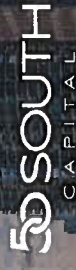


Color coding legend:  Substantial/Core exposure  Modest exposure  Limited to no exposure

Source: 50 South Capital internal as of April 2025. Logos represent the all the closed manager commitments from Private Equity Core Fund XI.

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# FUND XI – EXISTING PORTFOLIO



Manager/Investment Name	Strategy	Commitment (\$m)	Description
Arctos Sports Partners	Primary Buyout	\$27.5	Buyout oriented firm focused on making non-control investments in sports franchises as well as sports-related opportunities.
KPS Special Situations	Primary Buyout	\$20.0	Middle market firm focused on corporate carve-outs, turnarounds, and restructurings in manufacturing and industrial companies.
Clairvest Equity Partners	Primary Buyout	\$20.0	Lower middle market firm focused on buying high margin businesses with re-occurring cash flow and strong growth.
Astira Capital Partners	Primary Buyout	\$17.5	Lower middle market firm focused on control and minority growth investments in B2B workflow solutions.
Tower Arch Partners	Primary Buyout	\$26.0	Lower middle market firm targeting businesses with recurring, sustainable cash flows, barriers to entry, and high relative market share.
Frazier Healthcare.	Primary Buyout	\$31.9	Healthcare focused strategy looking to acquire established and profitable lower middle market healthcare businesses.
Trivest Growth	Primary Buyout	\$20.0	Focused on growing and profitable founder and family-owned businesses.
Benford Capital Partners	Primary Buyout	Pending	Targets investments in growing small companies, primarily in the Midwest, in industrial technology, food, and consumer packaging sectors.
Atlas Capital Resources	Primary Buyout	Pending	Middle market firms concentrating on turnarounds in businesses that are undergoing significant financial or operational distress.
Andreesen Horowitz (6 Funds)	Primary Venture	\$25.0	Venture capital firm that invests in consumer and enterprise technologies, crypto, biotech and digital health companies across stages.
Accel (3 Funds)	Primary Venture	\$31.0	Multi-stage venture firm focused on cloud, software as a service, consumer, enterprise, information technology, healthcare, and security.
Saga Ventures	Primary Venture	\$12.5	Focused on investing in early-stage companies across the enterprise software and consumer technology sectors.
J2 Ventures	Primary Venture	\$7.0	Targets early-stage companies that have meaningful revenue from government contracts in both governmental and civilian sectors.
Conviction Partners	Primary Venture	\$7.5	Invests in early-stage companies operating in data/AI applications, security/developer infrastructure, the future of work, and web3.
Theory Ventures	Primary Venture	\$10.0	Multi-stage focused firm investing in enterprise software companies.
SV Angel Growth	Primary Venture	\$13.0	Growth stage investor focused on investing in generational companies, broadly across the technology landscape.
FPV Ventures	Primary Venture	\$15.0	Focused on investing in mission-driven founders within the software, consumer, fintech and healthcare verticals.
Lachy Groom	Primary Venture	Pending	Focused on early-stage companies in the technology sector.
WndrCo	Primary Venture	Pending	Early-stage focused strategy investing in companies across consumer technology, cybersecurity, and developer Infrastructure sectors.
25 Secondary Transactions	Secondary	\$120.0	Secondary transactions across traditional LP interests, GP-led transactions, and preferred equity transactions.
6 Direct Co-investments	Co-investment	\$29.8	Direct investments in operating businesses alongside buyout managers where we also invest in their funds.

Source: 50 South Capital Fund XI investments that have closed or are approved through investment committee as of February 25, 2025.

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# PRIVATE EQUITY CORE FUND XI



## Summary of terms<sup>1</sup>

PRIVATE EQUITY CORE FUND XI		
INVESTMENT STRATEGY	Buyout: U.S. & Europe, middle market companies, operational value-add	
INVESTMENT PERIOD	Venture: U.S. & limited emerging markets, early-stage companies, IT focus 3 years from date of first close	
ANNUAL MANAGEMENT FEE	<u>Commitment Amount</u>	<u>Average Fee<sup>2</sup></u>
	<\$5 million	0.94%
	\$5 - \$20 million	0.64%
	\$20+ million	0.44%
CARRY	0%	
STRUCTURE	Onshore & offshore vehicles available; 3c7 fund	
CAPITAL CALL NOTICE	10 business days	
TERM	15 years	
LEGAL	Kirkland & Ellis LLP	
AUDIT	Deloitte LLP	
REPORTING	Quarterly valuations with annual audited financial statements	

(1) The terms of investment listed herein are subject to change. Additional information regarding the Fund listed herein, including fees, expenses and risks of investment, is contained in the Private Placement Memorandum, as supplemented from time to time (the "PPM"), and related documents, and should be carefully reviewed. An offer or solicitation of an investment in the Fund will only be made pursuant to a PPM. (2) Assumes three tier base fee levels of 1.35%, 0.90% and 0.60% instituted at the following amounts per year: yr-1, 75%; yr-2, 85%; yrs 3-7, 100%, yr-8, 85%; yr-9, 75%; yr-10, 65%; yrs 11-12, 50%, yrs 13-15, 25bps. No management fee after year 15.

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## PRESENTER BIOGRAPHIES

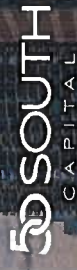
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## PRESENTER BIOGRAPHIES



### **BRADLEY M. DORCHINECZ**

Bradley Dorchinecz is a Senior Vice President and Managing Director of the Private Equity Group at 50 South Capital Advisors, a group he co-founded. He oversees all aspects of the investment process for primary, secondary and direct co-investments. This includes sourcing, and analyzing venture capital and buyout investment opportunities in the United States, Europe and Asia. He is responsible for fundraising, asset allocation and portfolio management activities for the Private Equity Group. He has made and overseen commitments to over 90 venture capital and buyout funds and 15 secondary investments. Brad also is a voting member of Northern Trust's Investment Policy Committee. He previously was an investment professional at Mercantile Capital Partners, a venture capital and growth equity fund located in Northbrook, Illinois. Prior to Mercantile, Brad spent five years at Heller Financial, a middle-market commercial finance company which was later acquired by General Electric. At Heller, Brad was an Assistant Vice President in the Corporate Finance Group and Heller Business Credit. He worked with Bob Morgan while at Heller. Brad is on the Advisory Boards for Trinity Ventures, Cowboy Ventures, Aleph Ventures, Torqx Capital Partners, Tower Arch Capital, Endless, and Vistria. He speaks frequently at industry conferences, including Super Return, Venture Capital Journal's Venture Alpha, the British Venture Capital Association's Venture Forum, the Association for Corporate Growth Conference, and the European Venture Capital Association Middle Market Buyout Forum. Brad graduated with High Honors from the University of Illinois in Urbana-Champaign with a degree in Finance and received his MBA with Honors from the University of Chicago's Booth School of Business.

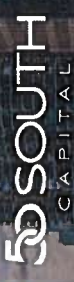


### **MICHAEL F. MARDEROSIAN**

Mike Marderosian is a Senior Vice President in the Private Equity Group for 50 South Capital. He is responsible for fundraising, investor relations and business development within the group. He also sources and analyzes primary, secondary and co-investment opportunities, primarily in the buyout and credit spaces. Prior to joining 50 South Capital, Mike was a Senior Associate at RCP Advisors, a middle-market buyout fund-of-funds based in Chicago. At RCP Advisors, he was active in all aspects of building and managing its institutional and private client investor base including identifying new channels and geographies for fundraising, leading the firm's relationships with investment consultants. Most recently, Mike was in charge of leading the advisory practice, managing client relationships and helping shape and implement investment policy for clients. Earlier in his career, he worked as a Managing Director of private equity sales at First Allied Securities, Inc., where he was responsible for raising capital for later stage venture-backed companies and building the investor base within a captive broker-dealer network. Mike received a B.S. in computer information systems from Indiana University's Kelley School of Business.

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## PRESENTER BIOGRAPHIES



### ASHLEY H. OLSON

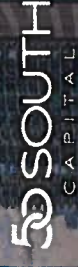
Ashley Olson is Senior Vice President, Public Funds & Taft-Hartley Plans at Northern Trust Asset Management. In her role, Ashley will deliver investment solutions, including equity, fixed income, and alternative asset classes, for these institutional segments on the East coast. Ashley has 15 years of financial industry experience, a majority of it developing business and managing client relationships with institutional investment programs. Ashley joined from Janus Capital Group, where she was a Client Executive, responsible for new business development with mid-sized public, corporate, endowment and foundation plans. Previously, she was a Senior Relationship Manager for Morgan Stanley Investment Management, focusing on large corporate liquidity sales. Ashley also held several roles at JPMorgan for eight years, most recently as a Client Advisor in Institutional Asset Management. Ashley earned a BS in Accounting with a minor in Finance from Purdue University. She holds Series 3, 7, 30 and 63 licenses

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# PERFORMANCE ENDNOTES AND ADDITIONAL INFORMATION

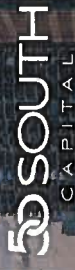
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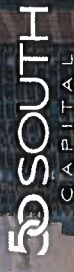
# RISKS AND DISCLOSURES



## Performance Endnotes:

- a. "Vintage" is the year of the initial closing date of the applicable investment vehicle.
- b. "Fund Size" is the aggregate capital commitments made to the applicable investment vehicle, including through any feeder vehicle.
- c. "Called Capital" is the percentage of aggregate capital commitments that have been called from investors, including recycled amounts.
- d. "Net IRR" represents the compound annual rate of return based on actual cash flows called from and distributed to all investors admitted to the applicable Fund at the highest applicable management fee class actually charged to an investor of such fund, net of all management fees, partnership expenses and any other expenses borne by such limited partners, but does not reflect taxes or withholding imposed at the level of a particular limited partner. Investors admitted to the initial closings of (i) each of Fund V QP, Buyout Fund V and Venture Capital Fund V received a 10% reduction on the first year of such investors' management fees, and (ii) each of the Fund VI QP through Fund IX QP, Buyout Fund VI through Venture Capital Fund IX received a 20% reduction on the first year of such investors' management fees, and in each case, such reductions are taken into account with respect to the "Net IRR" of each of the such investment vehicles. Certain Funds use a fund-level capital call facility to finance investments in advance of calling capital from investors. As "Net IRR" is calculated based on limited partner cash outlays to, and returns from, the applicable Fund, such returns depend on the amount and timing of limited partner capital contributions. Accordingly, the use of such capital call facilities (and related delay of limited partner capital calls) typically will result in a higher "Net IRR" than if such capital calls had not been delayed, even after taking into account the associated interest expense of the borrowing. An individual investor's "Net IRR" will vary based upon the timing of the investor's capital contributions and management fee class, which may differ from those presented herein.
- e. "Net TVPI" represents the multiple of invested capital (determined by dividing the Total Value (as defined below) of a Fund by the aggregate capital invested by such Fund), calculated on a net basis, received by all investors admitted to the applicable Fund at the highest applicable management fee class actually charged to an investor of such fund, net of all management fees, partnership expenses and any other expenses borne by such limited partners, but does not reflect taxes or withholding imposed at the level of a particular limited partner. Investors admitted to the initial closings of (i) each of Fund V QP, Buyout Fund V and Venture Capital Fund V received a 10% reduction on the first year of such investors' management fees, and (ii) each of the Fund VI QP through Fund IX QP, Buyout Fund VI through Venture Capital Fund IX and Venture Capital Fund V received a 20% reduction on the first year of such investors' management fees, and in each case, such reductions are taken into account with respect to the "Net IRR" of each of the such investment vehicles.
- f. "Public Market Equivalent (over/under)" equals the "Net IRR" of a Fund (as converted to basis points) minus the "Public Market Equivalent" (as defined below).
- g. "Total Value" is the sum of (i) the aggregate amount of cash and cash-like securities received in connection with an investment and (ii) the aggregate estimated remaining fair value of each portfolio fund and portfolio investment held by such Fund, as determined by 50 South. Actual realized proceeds on unrealized investments will depend on, among other factors, the value of the assets of each underlying portfolio fund, market conditions at the time of any portfolio fund's disposition of underlying investments, together with any related transaction costs and timing and manner of sale, all of which may differ from the assumptions on which the valuations reflected in the historical performance data contained herein are based. Accordingly, the actual realized proceeds on these unrealized investments may differ materially from the returns indicated herein and there can be no assurance that these values will ultimately be realized.
- h. "Committed capital" represents the money the fund has agreed to contribute to the underlying investments.
- i. "Net DPI" represents the multiple of distributions received to paid in capital (determined by dividing the dollar amount of distributions made by a particular investment vehicle by the Called Capital of such investment vehicle).
- j. "Public Market Equivalent" is calculated using the DA PME (Direct Alpha) method, whereby Internal Rate of Return (IRR) is computed from the cash flows of the applicable PE fund that were discounted using the returns of the benchmark portfolio (MSCI ACWI). Investors generally cannot invest directly in the public index. The criteria for including particular investments in the public index are different than 50 South's criteria for choosing investments for its funds. Specifically, the 50 South private equity funds do not invest in the securities comprising these indices.

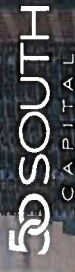
# RISKS AND DISCLOSURES



*Hypothetical Performance.* Any hypothetical performance has been provided for illustrative purposes only, and is not necessarily, and does not purport to be, indicative, or a guarantee, of future results. Hypothetical performance includes any performance targets, projections, multi-fund composites, pro forma returns adjustments or other similar presentations, and represents performance results that no individual fund, portfolio or investor has actually achieved. The preparation of such information is based on underlying assumptions, and because it does not represent the actual performance of any fund, portfolio or investor, it is subject to various risks and limitations that are not applicable to non-hypothetical performance presentations. For example, because cumulative multi-fund composite performance reflects different funds managed through various economic cycles, it is not, nor intended, to be representative of, the anticipated experience of an investor in a single fund. Any preparation of hypothetical performances involves subjective judgments. Although 50 South believes any hypothetical performance calculations described herein are based on reasonable assumptions, the use of different assumptions would produce different results. For the foregoing and other similar reasons, the comparability of hypothetical performance to the prior (or future) actual performance of a fund is limited, and prospective investors should not unduly rely on any such information in making an investment decision.



# RISKS AND DISCLOSURES



## IMPORTANT INFORMATION:

This information is neither an offer to sell, nor a solicitation of an offer to buy an interest in any investment fund (each, a “Fund,” and collectively, the “Funds”) managed by 50 South Capital Advisors, LLC (the “Manager”). Such offer could only be made after the time a qualified offeree receives offering materials describing such offer. Access to information is limited to investors who qualify under applicable securities regulations and are sophisticated in financial matters. Funds have different investor eligibility criteria. This presentation shall not constitute an offer to sell, or a solicitation of an offer to buy, with respect to a Fund, to any person who is not eligible to invest in such Fund. This information is qualified in its entirety by the offering materials for each Fund, is obtained from sources believed to be reliable, and its accuracy and completeness are not guaranteed. Information does not constitute a recommendation of any investment strategy, is not intended as investment advice and does not take into account all the circumstances of each investor. **Fund offering materials contain important details concerning investment objectives, strategies, fees, conflicts of interest and risks and should be carefully reviewed in their entirety before investing.** Alternative investment funds in which each Fund invests may charge higher fees and are less liquid than mutual funds and are not subject to the same regulatory requirements. This information is for informational purposes only and does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized; or to any person whom it is unlawful to make such offer or solicitation.

Certain Funds are fund of funds that invest substantially all of their respective assets in underlying funds. In such cases, investors will bear the fees and expenses of any Fund as well as the fees and expenses of the underlying funds, and as a result overall fees an investor pays may be higher than those an investor would pay if investing directly in the underlying funds. Most, if not all, underlying funds pay incentive fees. **Past performance is not indicative of or a guarantee of future results** which will fluctuate as market conditions change. This information should not be regarded as providing any assurance that any Fund will continue to have the features and attributes described herein. Information relating to performance and strategy exposures has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed.

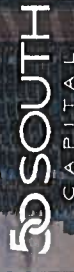
**Risk disclosure: All securities investing and trading activities risk the loss of capital.** Each Fund is subject to substantial risks including market risks, strategy risks, adviser risk and risks with respect to its investment in other structures. Each Fund primarily invests in alternative investment funds advised by third-party managers for which the Fund will not have the ability to direct or influence the management of their investments. As a result, the returns of each Fund will primarily depend on the performance of the managers and could suffer substantial adverse effects by the unfavorable performance of such managers. Third-party managers may experience financial difficulties that may never be overcome. An investor could lose all or a substantial amount of their investment. Each Fund is suitable only for a limited portion of an investment portfolio and is not a complete investment program. There can be no assurance that any Fund’s investment objectives will be achieved, or that any Fund will achieve profits or avoid incurring substantial losses. See “Risk Factors and Conflicts of Interest” in each Fund’s Confidential Private Placement Memorandum for additional information about these and other risks associated with an investment in the Fund.

Certain information contained herein constitutes “forward looking statements” that can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “intend,” “continue,” or “believe” or the negatives thereof or other variations thereof or comparable terminology. Furthermore, any projections or other estimates in contained herein, including estimates of returns or performance, are “forward-looking statements” and are based upon certain assumptions that may change. Due to various risks and uncertainties, including those set forth in the applicable Confidential Private Placement Memorandum or Offering Memorandum, actual events or results or the actual performance of a Fund may differ materially from those reflected or contemplated in such forward-looking statements. Moreover, actual events are difficult to project and often depend upon factors that are beyond the control of the Manager and its affiliates. Neither the delivery of the information contained herein at any time, nor any sale hereunder shall under any circumstances create an implication that the information contained herein is correct as of any time after the earlier of the relevant date specified herein or the date set forth above. In addition, unless the context otherwise requires, the words “include,” “includes,” “including” and other words of similar import are meant to be illustrative rather than restrictive.

Any comparative indices shown are provided as an indication of the performance of a particular segment of the capital markets and/or alternative strategies in general. Comparisons to indices are for illustrative purposes only and are not meant to imply that any Fund’s returns or volatility will be similar to the indices. Each Fund is compared to the indices because they are widely used performance benchmarks. It is generally not possible to invest directly in an index. No Fund will directly track any index and each Fund will differ from indices in important ways.

**Index Information:** The S&P 500 Index is comprised of 500 publicly traded stocks representing all major U.S. industries. The MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The Cambridge Associate PE FoF benchmark is compiled of 744 fund of funds, including fully liquidated partnerships, formed between 1987 and 2024. The Russell 2000 index is a market index composed of 2,000 small companies which is frequently used as a benchmark for measuring the performance of small-cap mutual funds.

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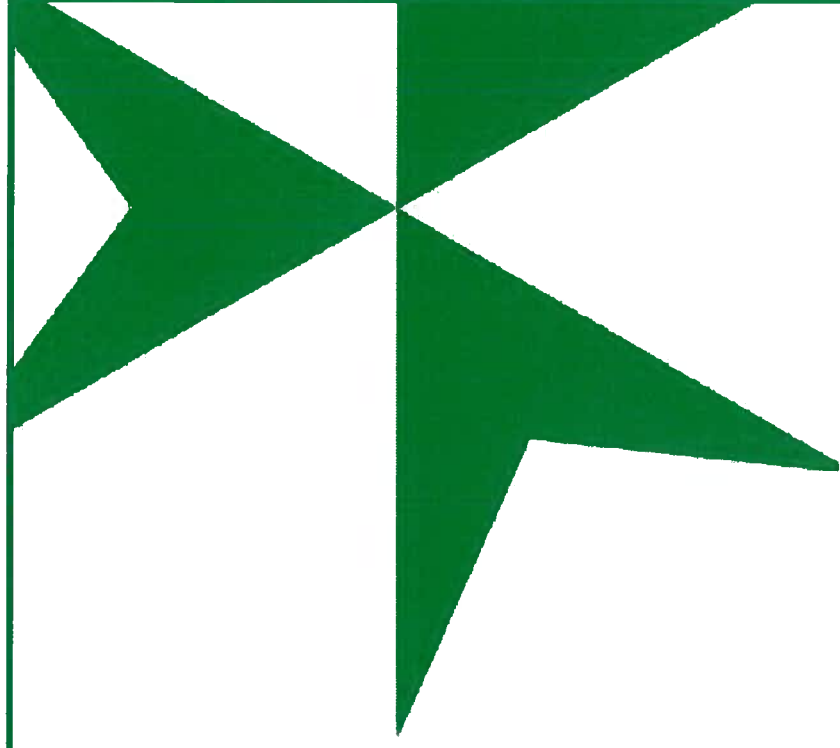
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# Manager Research Report

50 South Capital - Private Equity Core Fund XI



# Manager Research Report

## Summary

### Investment Opinion

*The PECF XI strategy (the "Strategy") managed by 50 South Capital is rated **Recommended**. The key observations relating to our Seven Principles are summarized below:*

- 50 South Capital is a boutique alternative asset management company and wholly-owned subsidiary of Northern Trust, Inc. Spun out in 2015, 50 South was designed to combine alternatives under one umbrella to more effectively focus on core, strategic alternative investments. As of 2Q 2022, 50SC oversees \$12.7 billion in assets across its private equity, private credit, hedge fund, and custom portfolio solutions platform
- Since its founding, 50 South has grown to have 46 employees across the firm, including 27 investment professionals. 50 South's Private Equity Team has grown to 34 dedicated professionals, with 18 investment team members who collectively have over 160 years of private equity experience. The senior members of 50SC's Private Equity investment committee average 25 years of experience and 12 years working together as an investment team.
- PECF XI is a diversified private equity fund of funds strategy investing primarily in North American and European small and middle market buyout and early-stage global venture capital funds. PECF XI will invest roughly 70% of its portfolio in primary funds with up to 30% allocated to special secondary opportunities and co-investments (20% secondaries, 10% coinvestment). PECF XI's primary objective is to generate outsized risk-adjusted returns in excess of the public equity markets, while seeking to reduce risks through fund, size, geographic, and vintage year diversification.
- 50 South employs a rigorous investment process that has been refined over two decades of analyzing private markets investment opportunities. The Firm's refined sourcing process, deep due diligence methodology and highly selective investment discipline are integral to the team's thoughtful portfolio construction philosophy of designing portfolios that are concentrated, yet amply diversified by strategy, sector, stage, vintage, and geography.
- 50SC maintains autonomy of strategy and investment management from Northern Trust but leverages the global resources and network of one of the largest financial institutions. As such, 50SC has one of the more robust middle and back office and operations units in place to support the Firm's investment functions, when compared to its peers.
- Since its inception, 50SC has raised \$5.1 billion of capital across its ten diversified PEFoF vintages, four Secondary Opportunity Fund programs, two Global Venture Capital Opportunities programs, two Sponsor Backed Credit Programs, one Asia Growth Fund, and one direct Co-Investment fund. The PECF platform has committed \$2.9 billion across its ten vintages, with paid-in capital of \$2.2 billion, realized capital of \$2.8 billion and a total value of \$5.9 billion since inception.. Performance across the core private equity funds has been strong, with an aggregate IRR of 18.13% IRR, 1.94x TVPI, and 0.92x DPI since is 2002 inception on a gross/net basis, respectively.
- PECF XI offers highly LP-friendly terms relative to its peers, most notably in not charging any carried interest. Negotiated client capital aggregation provides for greater economies of scale in surpassing commitment size hurdles. At the \$20M commitment tier, clients benefit from the lowest estimated average annual management fee tier of 44 bps over the life of the fund. 50SC has designed a unique carry model whereby investment team members personally commit to funds and Northern Trust leverages this commitment 6:1. The plan mirrors a traditional carried interest model; however, singularly unique to 50SC is that PECF XI LPs are not bearing the cost.

## Organization

### Facts

50 South Capital Advisors, LLC ("50 South"; "50SC"; or, the "Firm") is a boutique alternative asset management firm and wholly-owned subsidiary of Northern Trust Corporation. Spun-out in 2015, 50 South has combined alternatives under one umbrella to more effectively focus on core, strategic alternative investments including: private equity, private debt, hedge funds, customized separate accounts and client-tailored portfolio completion solutions. 50 South has worked closely with a wide range of institutional investors to design a platform that provides the flexibility and scalability required to meet specific investment objectives for investors seeking access to alternative investments. Now an independent group within Northern Trust, 50 South Capital is unique in its autonomy of strategy and investment management while leveraging the global resources and network of one of the world's largest financial institutions.

50 South Capital's business dates back to 2000, when Northern Trust began providing hedge fund and private equity solutions to clients. 50 South Capital believes that by identifying talent early, the firm can use its scale, stability, and deep experience to invest in early life-cycle, small-to-mid sized investment managers that offer unique and differentiated sources of return. 50 South manages concentrated commingled and customized portfolio solutions to provide institutional investors with access to unique premia and market segments that can help achieve their risk/return expectations. 50 South provides both commingled and customized portfolio solutions to provide institutions with access to market segments that may help achieve their risk-return expectations. As of September 30, 2022, 50 South capital oversees \$13.3 billion of assets across its alternatives platform with \$9.3 billion in assets under management and \$3.4 billion in assets under advisement.

### **Private Equity Platform Overview: \$10.6B in Assets (\$8.4B AuM, \$2.2M AuA) - As of September 30, 2022**

Since inception, 50 South has managed 20 private equity multi-manager private equity programs. This includes ten Private Equity Core Fund programs, four Private Equity Secondary Funds, two Sponsor Backed Credit Funds, two Global Venture Capital Funds, and one Direct Co-Investment Fund, and one Asia Growth Equity and Venture Capital Fund. Over the past 22 years, 50 South has made over 650 partnership investments, backed 180 unique GPs across nine countries. 50 South has developed a number of comprehensive private equity investment solutions across primary partnerships, credit, and secondary offerings. The firm's private equity programs are tailored to accommodate institutions of various sizes and provide access to different strategies (buyout, venture capital, growth, distressed/turnaround, and credit), vintage years, geographies (North America, Europe, Asia), industries and stages. 50 South has a core focus on commingled offerings, strategy-specific buyout and venture funds, and custom account solutions. The firm's primary investment approach is to design portfolios that are concentrated, yet amply diversified by strategy, sector, stage of investment, vintage, and geography.

### **Corporate Structure & Regulatory Overview**

50 South Capital Advisors, LLC is a Delaware limited liability company and was formerly the Alternative Investment Group of Northern Trust Investments, Inc., a registered investment adviser since 1988. 50 South was formed in January 2015 and is a wholly-owned subsidiary of Northern Trust Corporation, a financial holding company and publicly held company that owns 100% of 50 South. 50 South Capital is registered with the US SEC as a registered investment adviser: CRD# 174762; SEC# 801-81046. 50SC is also registered with the US CFTC as a CPO and CTA as well as a member of the NFA. 50 South is not registered as a broker-dealer nor does it have an application pending to register. However, 50 South and Northern Trust Securities, Inc. ("NTSI"), a broker-dealer registered under the Securities Exchange Act of 1934, are under common control. Certain management personnel of 50 South are registered as representatives with NTSI. NTSI serves as the placement agent for the non-registered 50 South Funds. For 50 South Capital, in May 2018, the SEC commenced an examination of 50 South Capital Advisors. The examination is still in process. No regulatory action has been taken against 50 South or its principals and there is no pending litigation against 50SC or any employees as of January 2023.

### Opinion

50 South Capital's business dates back to 2000, when Northern Trust began providing hedge fund and private equity solutions to clients that offer unique and differentiated sources of return. Tracing its roots back to the team and platform's founding, 50SC's philosophy has always been to identify talent early and leverage the platform's scale, stability, and deep experience to invest in early life-cycle, small-to-mid sized investment manager. Unlike larger, a-la-carte private equity multi-managers, 50SC manages two primary concentrated commingled private equity programs with its customized portfolio solutions offering to provide institutional investors with access to unique premia and market segments that can help achieve their risk/return expectations.

50 South Capital's competitive advantages vary depending on the platform vertical; however, what is prevalent across the firm's offerings is the team's ability to leverage the vast Northern Trust network, resources, and brand name to source, perform due diligence on and access top-tier investment managers. In addition, 50 South's long tenure as an investment partner provides additional access to niche managers that may not be available to all investors. As a wholly-owned subsidiary of Northern Trust Corporation, 50 South has the benefit of autonomy in strategy and investment management while leveraging the global resources of one of the world's largest financial institutions.

Performance has always been about having an edge, and in the fund of funds space, that edge seems increasingly thin. Some fund of funds hang their hats on their boutique culture and independence, others boast about their scale. 50 South Capital is uniquely positioned as it can claim a bit of both. The insights available to it from the rest of the Northern Trust and the ability to react quickly contributed to 50 South Capital's performance and, indirectly, its growth.



### Facts

50 South Capital's Private Equity Team brings a depth of experience in the management of its private equity programs and client relationships. The 50 South Private Equity Team was founded in 2000, by Bob Morgan and Brad Dorchinecz, to provide investors access to top-tier, lower-middle market buyout firms, and elite, early-stage venture capital managers globally. 50 South Capital is comprised of a tenured, stable, and growing group of 46 seasoned professionals with extensive experience across the alternative investment spectrum. The investment teams are supported by Northern Trust's infrastructure, platform, and in-house staff of 45+ employees from affiliated accounting, middle office, compliance, legal and administrative resources. As of 2Q 2022, 50 South maintains 27 investment professionals across its platform with over 275 years of combined investment experience.

50 South's Private Equity Team has grown to comprise 18 investment professionals who collectively have over 160 years of private equity experience. The senior members of 50SC's Private Equity investment committee average 25 years of experience with the senior investment team averaging over 15 years' experience. On average, the senior investment team has worked together for an average of 9 years while the investment committee has worked together for 12 years. Including operations and administration, 50SC has 34 employees dedicated to PESOF V. 50SC's Private Equity Team has experienced little turnover with three team member departing in the past five years. Nick Lawler left in 2021 and he focused on managing our investment banking relationships on the secondary side of our business. Maureen Wilkie left in 2020 and she focused on underwriting and sourcing buyout investments in North America. Emily Pollack left in 2017 and she focused on underwriting and sourcing buyout investments in Europe. It should be noted that another member left the Private Debt team left in mid-2018, Chris McCrory, but he did not have any involvement in the traditional private equity investment programs.

The following represents a list of Senior PE Investment Committee members (full investment and operations team members can be found in the bio section):

- Robert P. Morgan is the Managing Director and has management responsibility for the firm and is Chair of the Investment Committee.
- Bradley M. Dorchinecz is a Senior Vice President and the Director of the Private Equity Group at 50 South Capital Advisors, a group he co-founded
- Adam R. Freda is a Senior Vice President in the Private Equity Group at 50 South Capital Advisors.
- James R. Hart III "Trey" is a Senior Vice President in the Private Equity Group at 50 South Capital Advisors.

Team members are compensated with salary and bonus. Performance-related interest is split equally between the private equity team and Northern Trust. 50SC does not charge its limited partners a carried interest fee on its Private Equity Core Funds' program; however, does have a carried interest compensation component for its investment team. All performance interest units are awarded to professionals commensurate with their contributions to the firm, sourcing and firm growth achievements. In addition to salary and bonus, senior members of the Investment Team participate in a leveraged co-invest plan. Through this program the team members invest personally in the fund, and this investment is leveraged by Northern Trust using a ratio of 6:1. The leveraged portion of the investment vests over the three-year investment period for each fund. The personal commitments made by the Investment Team represent a significant portion of each member's net worth.

### Opinion

In its two-decade plus history, the 50SC investment committee members have made over 680 partnership investments, backed over 184 unique GPs across nine countries together and maintains a strong continuity amongst its senior investment team. 50 South's Private Equity Investment Team is a stable, broad and well-versed group of investment professionals with a wealth of experience in the private equity industry having worked for private equity funds in the past, led and closed investments in private companies and participated in the oversight of private companies as members of boards of directors. The team is highly proactive and seeks to leverage the Northern Trust name and resources to augment the team members' existing ability to gain access to closed or invitation-only funds primarily through the relationships established during their careers.

Employee retention, motivation, and alignment of interest were some of the key reasons for establishing 50 South Capital. An incentive plan was established that was tied directly to the financial performance of 50 South Capital, rather than Northern Trust as a whole. This decision was very unique for Northern Trust Corporation, further defining the group as a separate and distinct business unit, and has served to increase focus and retention of the team. The team also participates in a longer-term focused Leveraged Co-Investment plan. This plan aligns interest with investors and also serves as a long-term compensation plan for employees.

### Facts

PECF XI will be a diversified private equity fund of funds strategy investing primarily in North America and European small and middle market buyout and early-stage global venture capital funds, with small allocations to large buyout and the Asia-Pacific geography. Additionally, the Fund will invest up to 30% of its portfolio in secondary and co-investments. The PECF Strategy intends to construct a diversified portfolio across geography, vintage, industry, strategy, primary, secondary, and co-investments. PECF XI's primary objective is to generate outsized risk-adjusted returns in excess of the public equity markets, while seeking to reduce risks through fund size, geographic, and vintage year diversification.

The 50SC Private Equity Team has developed four core beliefs about investing in private equity funds. These beliefs drive 50 South Capital's investment strategy, investment process, and allocation decisions: (I) Different sectors within private equity will generate strong returns at different points in the cycle; (II) Although different techniques historically have been used in generating private equity returns, those firms that are able to build fundamentally sound businesses will generate the best returns over the long run; (III) The most successful funds are those whose principals have control of or significant influence by actively working with management and making and influencing decisions at the board of directors' level; (IV) Firms that have established a unique strategy and a proven competitive advantage will be more successful over the long-term than firms that are undifferentiated.

The aggregate PECF XI strategy has three primary portfolio sleeves: (I) U.S. & European Buyouts; (ii) Global Venture Capital; (iii) Opportunistic (co-investments, secondaries, structured and strategic investments). PECF XI's strategy is designed to invest in two core strategy sub-funds, PECF Buyout XI and PECF Venture XI representing 75% and 25% of non-opportunistic committed capital, respectively. The Opportunistic portfolio sleeve will be capped at 30% of the Fund. PECF XI will seek to invest in top-tier funds in each of the aforementioned market segments. Within each segment, the Investment Team will define sub-sectors and then actively seek to identify, meet with, and analyze firms with private equity funds focused in each defined sub-sector. PECF XI's strategy will seek to achieve its goal of making a commitment to one or more of the top-tier funds in each of these sub-segments. Sub-sectors may be defined by geography, industry, strategy, stage, or size of investment. The PECF XI's portfolio construction is anticipated to expose Segal Marco Advisors' clients to the following:

**I. Buyout Funds** (approximately 15 to 18 managers) - includes buyout funds generally and may also include control-oriented distressed debt funds and certain growth equity funds. Other funds viewed by 50 South Capital as consistent with the strategy and risk/return characteristics of a buyout fund may also be chosen for investment. While the Fund's investments in this sector will be comprised primarily of U.S.-based funds, investments may be made in funds located in other countries or regions, including, but not limited to, Europe and Asia. Within the sector, the investment team expects to commit the Fund mostly to small and middle market buyout funds, though it also may commit a small portion of the fund to upper middle market funds. The Private Equity Team believes that the market for investing in smaller companies is relatively inefficient compared to the large end of the market, and that private equity firms focused on this area have a greater potential to generate strong returns.

**Buyout Market Size Allocation Targets:** Upper Mid: 15% Middle: 55%, Lower Mid: 30%

**Sector Allocation Targets:** Industrials (30%), Business Services: 10%, Healthcare: 20%, Consumer Goods: 5%, Technology: 25%, Financials (10%)

**Geographic Targets:** North America: 80%, Europe: 20%, APAC: 0%, RoW: 0%

**II. Venture Capital Funds** (approximately 12 to 15 managers) - includes early, expansion and late stage venture capital funds along with certain growth-oriented venture capital funds. While the Fund's investments in this sector will be comprised primarily of U.S.-based funds, investments may also be made in funds located in other countries or regions, including, but not limited to, Israel, Europe and Asia. The Investment Team will seek to diversify the Fund's commitments within the venture capital sector in several ways: by segment, including information technology funds and life sciences funds; by stage, including early stage and late stage funds; and by geography, including firms headquartered throughout the U.S. and other parts of the world. However, the Investment Team expects to make most of the Fund's venture capital commitments to early-stage funds based in the U.S.

**Venture Stage Targets:** Early (60%), Seed (15%), Growth (25%)

**Sector/Industry Targets:** Enterprise IT (60%), Consumer (30%), Healthcare (10%)

**Geographic Targets:** North America (80%), China (10%), Europe: 5%, India (5%)

**PECF XI Master Fund:** As bottom-up investors, 50SC does not commit to funds based solely on industry or sector themes; however, their historical sector diversification across vintages and current market views position PECF XI with the following market exposures, portfolio construction guidelines and investment limitations:

**Investment Type:** Primaries (70%), Secondaries (20%), Co-Investments (10%)

**Strategy Targets:** Buyout (75%), Venture Capital (25%)

**Geographic Targets:** North America (80%); Europe (15%), Asia-Pacific (5%)

**Return Targets:** Gross/Net (20%-25% IRR/2.0x-2.25x TVPI); Net/Net: 15% - 20% IRR/1.8x - 2.0x TVPI; Spread to PME: 5-700 bps gross/net, 3-500 bps net/net

#### **Portfolio Construction Guidelines & Limits**

- Total fund level investments, including reinvestment or recycling, on an aggregate cost basis cannot exceed 120% of the Partnership's total commitments
- No more than 25% of its aggregate commitments in any single primary partnership, secondary deal, or co-investment
- No more than 25% of aggregate commitments in secondary and/or co-investment



### Opinion

50 South has embraced the structural complexities of relatively nascent and more esoteric market segments. Segal Marco Advisors believe that this often-overlooked opportunity set, combined with the firm's preference for smaller, nimbler managers presents our clients with a set of comprehensive and highly focused investment solutions tailored to specific objectives based risk/return characteristics. Across the alternatives spectrum, 50 South believes that focusing on smaller-and-mid-sized funds with a value orientation, who remain nimble offer the most compelling risk-adjusted return potential.

50 South intends to execute an investment strategy that the team has successfully implemented over eight vintages. Although refined over time, 50SC's strategy has never strayed from its four core philosophy principles which, in Segal Marco Advisors opinion, has enabled the Firm to consistently construct portfolios using a commonsense approach to diversification while dynamically allocating capital to sub-sector market anomalies in prevailing markets. This time-tested strategy has repeatedly produced top quartile returns relative to PMe, mitigating return erosion resulting from over diversification and over-sized fund growth experienced by many of its peers.

PECF XI will have a specific focus on small and middle market buyout funds and early-stage global venture capital funds. The investment team expects to commit to 15 to 18 buyout funds and 12 to 15 venture capital funds. Targeting to invest in this number of managers over a three-year period requires the 50SC to remain disciplined and highly selective. To date, 50SC has committed over 85% of its capital in buyouts to small and middle market managers with a median fund size of \$680mn and over 60% of its venture capital commitments have been to early stage focused firms with a median fund size of \$350mn. This line of demarcation provides a strict size focus suitable for the market segments sought by the strategy and thus why a preferred strategy by Segal Marco.

PECF XI's strategy of opportunistically making secondary and co-investments in operating companies in the buyout and venture capital segments can potentially enhance returns. PECF XI's faster deployment and return of capital should have a positive impact on IRR. While co-investments can increase a fund's risk, they also have the ability to increase both IRR and TVPI metrics. More importantly, Segal Marco prefers 50SC's lower allocation to these opportunistic investments relative to some peers which has historically been between 10% - 20% of prior core program vintages. Over the past 3-5 years, the secondary market has become much deeper and more liquid. PECF invests in underlying fund secondaries, not single asset deals. We view the increased stated allocation to secondaries as an understand of the evolution of the market, and the ability to be more flexible with entry point into funds. This enforces a strict focused on managing a fund of primary funds to provide the intended exposure of a core private equity program, not overloaded with esoteric secondary and co-investments that stray from the primary utilization of fund of funds for client's portfolios. Additionally, PECF does not charge carried interest, which is an incentive of many fund of fund groups to increase their % of AUM in secondaries.



## Investment Process

### Facts

50 South employs a rigorous due diligence process that has been refined over nearly two decades when analyzing private markets fund investment opportunities. The objective of the due diligence process is to identify funds that 50 South believes have the best chance of generating strong risk-adjusted returns. The Investment Team considers a number of factors throughout this process, including, but not limited to: (i) the quality and stability of the fund's management group; (ii) the historical investment performance of the firm; (iii) the uniqueness of the fund's strategy and its competitive advantages; (iv) the fund's reputation; (v) the way the firm generated past returns (e.g., cash flow growth, multiple arbitrage or debt repayment); and (vi) the fund's fit within the overall portfolio. The Investment Team completes numerous qualitative and quantitative analyses throughout the process and also relies heavily on its deep network of lenders, co-investors, and service providers established during its extensive experience in the private equity industry. The 50SC team generally adheres to the following investment process while conducting due diligence on prospective private equity and venture capital funds:

### Deal Sourcing

The Investment Team identifies fund investment opportunities from a number of sources. Based on its extensive experience in the private equity market, as direct investors, lenders, advisors and as fund investors, the Investment Team has developed a target list of firms in the market with whom the Team would like to invest. The Investment Team seeks to actively call on these targeted firms and build relationships in advance of when a firm raises a fund to position the Fund as a preferred investor. The Team also uses the many resources of Northern Trust, including its significant information technology staff and expertise, its wide network of local offices, and its high-quality client base, in order to seek to differentiate itself as a preferred, value-added, long-term strategic partner. The Investment Team also has established relationships with a very large percentage of the placement agents who assist funds in raising capital, and reviews nearly all offerings generated by these firms. The Team also reviews a number of opportunities referred through the Northern Trust network and extensive employee base, as well as the Investment Team's network of former colleagues and associates developed throughout their careers. The Investment Team's network includes: fund managers, lending institutions, other limited partners, placement agents, advisors, investment banking firms, law firms, consulting firms and accounting firms.

50 South Capital has developed a proprietary fund manager database, based on the Salesforce.com architecture, which has become an important tool in the Team's ability to track and maintain fund manager relationships, prioritize sourcing initiatives, and organize and analyze information obtained during the initial stage and throughout the investment selection process. 50SC's proprietary manager database tracks over 1,800 individual managers, over 3,500 individual funds of which the Team has committed to over 180 individual partnerships since inception. 50 South Capital's proprietary database is a robust and powerful information resource which stores and organizes information across the universe of buyout, venture capital, natural resources, and credit managers, providing analytical tools to improve performance in critical fund sourcing, fund selection, and portfolio management activities.

In particular, the proprietary database provides the following capabilities: (i) a centralized means of collecting, storing, and updating detailed information on the landscape of managers across 50 South's investment focus areas; (ii) detailed information on the individual funds sponsored by those managers; (iii) robust analytical functionality, which provides important tools that aid the performance of due diligence on individual funds and the comparison of terms and performance among a group of funds; (iv) integrated contact management tools which record a history of the timing and substance of meetings between 50 South and the managers and which assist in the setting of priorities for proactively maintaining those relationships and improving 50 South's sourcing capabilities; (v) organized system of storing all internal and external information collected on a particular manager; (vi) powerful sorting and reporting capabilities that assist the Team in setting priorities for fund sourcing and fund selection.

## **Preliminary Review**

Once the Investment Team identifies a particular investment opportunity, the Team will apply initial screening criteria to determine whether the opportunity warrants further investigation. First, the Investment Team will review a fund's offering documents to determine whether there is a strategic fit and whether the firm meets other minimum requirements. The Investment Team will then meet with the fund's management group in person and learn more about the principals' backgrounds, the fund's investment strategy, and the firm's historical performance. The Team will complete several initial reference calls, often with former colleagues at lending and investment banking institutions and with the firm's existing limited partners, to gain additional insights about the target firm and the opinions of others who have worked with members of the firm.

## **Exploratory Review**

If a fund passes the preliminary review, the Investment Team will initiate a more rigorous analysis of the fund. This will include a thorough analysis of the firm's track record, including: realized and unrealized investments, unrealized valuations and valuation methods, deal attribution, adherence to strategy, distribution of returns, comparison to benchmarks and the historical investment pace relative to the amount the fund is currently raising. The Investment Team also will make additional reference calls within its network in order to learn more about the fund's particular strengths and weaknesses. The Team will conduct more in-depth research of the fund's niche and/or industry and compare the fund to similar competitor funds. Members of the Investment Team will set up one or two additional meetings with the fund's management group to learn more about them and assess whether there are any organizational risks facing the fund.

## **Confirmatory Review**

If a fund makes it through the exploratory review stage, the Investment Team will then focus on confirming the information uncovered to-date, and begin to form conclusions. The Team will perform additional analysis on the firm's track record and will discuss specific deals and valuations with the firm and, if possible, its auditors. Members of the Investment Team will make additional reference calls, usually to portfolio company chief executive officers, chief financial officers, co-investors and lenders, to verify the principals' involvement with their previous funds' portfolio companies. The Investment Team will schedule an additional meeting with the management group to discuss any final issues or to meet the remaining members of the firm. The Team also will engage an outside private investigator to conduct background checks on the key principals of the fund. Members of the Team will review the proposed legal terms of the fund with outside counsel and other investors and will negotiate these terms with the fund's management group.

## **Approval Process**

The Investment Team must have unanimous consent of its members before a fund is brought to the approval stage. Prior to entering into a commitment to a particular fund, the Investment Team will prepare a detailed, comprehensive written summary of the fund and its management group that focuses on several areas, generally including: (i) the investment manager's strengths, strategy and differentiating factors; (ii) the risks of investing in the fund and mitigating factors; (iii) the historical track record of the management group; and (iv) the rationale for choosing to invest in the fund and how the fund fits within the overall portfolio. The summary document is then circulated to the Investment Committee and a meeting is scheduled. The Investment Committee must give its approval before a commitment is made to a fund. The summary document is then circulated to the investment committee and a meeting is scheduled. The Investment Committee must give its unanimous approval before a commitment is made to a fund. The Investment Committee is comprised of the five most senior investment professionals at 50 South Capital.



## Portfolio Construction

After making a commitment to a fund, the investment team conducts a performance review every quarter. The review includes a check on the fund's investments to assess performance, to determine whether the manager is adhering to its stated investment strategy and to confirm that the manager is investing the fund's capital at an appropriate pace. The team generally attends the scheduled annual meetings for each fund and discusses any issues facing the fund with the management group. The team also participates on periodic update calls held by fund managers and often meets with the managers one-on-one in their offices for periodic updates or when questions or issues arise.

There are several techniques which 50 South Capital pursues to mitigate the effect of fee drag and shallow the j-curve within a private equity program. These strategies include secondary investments (acquisition of existing limited partnership interests), mature primary investments where a manager is still fundraising and has made several platform investments that have been marked up or are displaying characteristics which would lead to the belief that they will outperform, and in certain circumstances, minority non-control co-investments directly in portfolio companies managed by general partners. The use of secondaries, mature primaries, and co-investments may mitigate the j-curve effect, and serve as a good complement to primary investments. However, implementation must be carefully measured against the amount of risk the portfolio should assume, as well as the targeted rate of return on both an IRR and TVPI basis.

## Portfolio Monitoring & Risk Management

50 South believes that active monitoring of investments is critical to achieving long-term success. The monitoring process provides feedback on a manager's execution of their stated strategy, evolving partnerships dynamics which could adversely affect execution and fund performance both relative and absolute. 50SC holds quarterly portfolio review meetings where we review each fund's performance, adherence to strategy, and team stability. The Team breaks down ongoing monitoring of a fund manager based on two criteria:

- I. **Qualitative Monitoring:** Once a fund commitment is made, an investment professional is assigned to oversee that partnership. Responsibilities include frequent contact with the GPs to learn about new investments or understand how the existing portfolio holdings are progressing; attendance at annual meetings; and service on advisory and valuation committees if secured. 50SC meets on a quarterly basis or as need dictates to review any managers which might be cause for concern.
  - II. **Quantitative Monitoring:** Quantitative tracking is performed on each fund and each portfolio on a quarterly basis. The investment team utilizes Private Informant to track and monitor both manager funds and underlying portfolio companies. 50 South is currently building out capability in their internal database and plan on transitioning away from Private Informant by H2 2023. Additionally, on a quarterly basis, 50SC complete a comprehensive portfolio review analysis to track fund managers performance and risk assessments related to underlying and fund investments.
- All manager interactions, calls, emails, meeting notes, updates and annual meeting reports are tracked in 50SC's proprietary database and reviewed by all investment professionals within the private equity group. 50 South Northern Trust Corporation maintains a Risk Committee that reports directly to the Executive Committee. One member of the Risk Committee generally attends the Private Equity Investment Committee meetings. The Risk Committee member assigned to the Private Equity Group is functionally responsible for identifying, escalating and mitigating any business, product, fiduciary, compliance or other risks associated with the group.

### Opinion

50 South employs a rigorous investment process that has been refined over two decades of analyzing private markets investment opportunities. The Firm's systematic sourcing process, deep due diligence methodology and highly selective investment discipline are integral to the team's thoughtful portfolio construction philosophy of designing portfolios that are concentrated, yet amply diversified. Relative to its peers, PECF's targeted portfolio of approx. 30 - 40 total investments provide a prudently concentrated exposure to core private equity asset classes without bearing over diversification risk that larger peers tend to exhibit, ultimately becoming an asset class beta allocation. Based on 50SC's investment experience both with multi-manager portfolios and direct investments, Segal Marco has found that their consistently superior returns are most often generated by 50SC's strategic focus on investing in GPs which add value to portfolio companies and assets via improved cash flow as opposed to financial engineering. This fact is further substantiated by the 50SC PE investment process producing a 3% conversion rate of its pipeline into investments over the past decade. As such, Segal Marco maintains strong conviction in the PECF's strategy to invest in funds that focus on small and mid-market buyouts and earlier and mid-stage venture capital and growth equity deals.

Access to top-tier partnerships is critical, awareness of the marketplace, access to the top managers, knowledge of fundraising pipelines and strong and deep relationships are critical factors in obtaining top quartile performance within the private markets. 50SC's Private Equity Investment Team has an impressive track record of gaining access to closed or invitation-only fund primarily through the relationships established during their respective individual and collective careers in the private equity industry. 50SC's extensive experience in the private equity market, as direct investors, lenders, advisors and as fund investors, the team has developed a target list of firms with whom they would like to invest. The investment team actively calls on these targeted firms and builds relationships in advance of when a firm raises a fund to position 50 South Capital as a preferred investor. The team also uses the many resources of Northern Trust, including its significant information technology staff and expertise, its wide network of local offices, and its high-quality client base, to differentiate itself as a preferred, value-added partner. 50 South's proprietary database brings an important element of discipline, precision, and consistency to sourcing, selection, and portfolio management activities.

50 South Capital stands apart from its peer group based on their approach to sourcing investments, emphasis on certain private equity fund sub-types, and status as a desired limited partner by fund managers. 50SC's investment process is proactive and seeks to leverage the Northern Trust name and resources through a refined value-add limited partner philosophy which takes various forms. 50SC uses any resources available to the team through the Northern Trust platform to develop strong GP relationships. It is this unique sourcing angle that has instilled a repeatable process of gaining access to top GP, positioning 50SC as a preferred LP in advance of when a firm raises a fund. 50SC's private equity investment process is founded on a focused, systematic, and targeted approach that based on building multi-faceted relationships that provide a competitive advantage in terms of access and equally as important on potential exits.

## Operations

### Facts

#### Compliance

50 South Capital and Northern Trust maintain a dedicated staff responsible for compliance matters pertaining to its investment advisory business. Antonio Muinos is the new Chief Compliance Officer at 50 South Capital, overseeing all asset management compliance matters. Antonio joined after nine years at Credit Suisse, where he was a Director of Compliance. Antonio is supported by two dedicated compliance professionals, Reed Hunter Garetto and Brendan Chrystal. 50 South Capital's in-house legal counsel, Justin Redeker and Steve Hughes (legal analyst), support 50SC's private equity program on a regular basis with additional support from outside counsel. Justin and Steve report up to Craig Carberry, who is a shared legal resource with Northern Trust. Kirkland, Winston & Strawn, and ArentFox Schiff are used as external counsel depending on the type of transaction and nature of conflicts available. 50SC's compliance infrastructure is further augmented by numerous members of the Northern Trust Asset Management Compliance Team support the compliance function for 50 South Capital.

50SC has a compliance manual and employees are trained on the requirements and policies set out in the manual. Northern Trust has a dedicated compliance department responsible for organizing and/or delivering employee training on a number of subjects, including anti-money laundering and providing mandatory induction training to all new entrants. Training is required based on roles and location including Basel II, Treating Customers Fairly, Managing Operational Risk, Fiduciary Risk and Compliance and International Anti-Bribery. Additionally, dependent on roles and responsibilities, Northern Trust Investments, Inc. employees may also be subject to training surrounding: Code of Ethics, Marketing, ERISA, Pay-to-Play, Commodity Pool Operator, and Portfolio Management & Trading.

#### Operations

Jeff Butth is a Managing Director and the CFO of 50 South Capital. He is responsible for financial and operational oversight. Jeff is supported by one controller, two assistant controllers, a Vice President, a senior administrative assistant, and two Vice Presidents and Analysts dedicated to operations. Broader resources include general compliance, information technology, client administration and fund administration staff that do significant work for the private equity group but have other responsibilities as well. Additionally, 50SC has a dedicated middle office, controlled and managed by Northern Trust Investments, which liaises between the back-office administration and the Investment Team. Back office and senior management staff are in regular communication through a combination of in-person meetings, conference calls and email.

50 South uses the SunGardDx system to provide administrative and reporting communications across its discretionary programs. All investor documents are stored and delivered via Sungard Data Exchange portal. Additionally, 50 South utilizes both Northern Trust Global Fund Services and Strata Fund Solutions to provide fund administration services for its programs. Both administrators utilize the Sungard Investran Accounting System for general ledger and allocation functions. The administrator is responsible for reconciling all cash movements and cash balances and reviewing all changes in investment valuations. Cash reconciliations are performed on a daily and weekly basis. Daily reconciliations are performed against bank account statements along with maintaining a general ledger of all accounts, which serves as a daily log of cash activity. On a weekly basis, the administrator performs a cash analysis for each private equity fund, which includes reconciliation against bank account statements. Additionally, each fund is reconciled on a quarterly basis.



## Cyber Security

Northern Trust employs a multi-layered approach to protecting clients from various cyber threats that could compromise their privacy and financial wellbeing. These layers include but are not limited to: firewall protected and segmented networks; intrusion detection systems; fraud detection systems that alert on suspicious login activity; data loss prevention systems; client-side malware identification systems that allow Northern Trust to disable accounts logging in from malware infected computers; and multi-factor authentication for various types of activities, such as transferring funds outside of Northern Trust.

If a security incident is identified as a breach, Northern Trust would employ its Cyber Security Incident Response Playbook which includes the security breach response process. The process is followed along with an immediate review and investigation of the circumstances of the reported event. The Security Breach Response Team (SBRT), which is led by Northern Trust's Chief Privacy Officer and includes representatives from Global Compliance, Legal, Fraud Prevention, Technology Risk Management and Technology, will bring together the appropriate business unit experts to evaluate the potential breach and its impact. In those cases when client information has been accessed by unauthorized persons or used inappropriately, the team will work with business partners to contain and control the incident to prevent further unauthorized access or use and notify regulators, law enforcement authorities, and clients as appropriate and/or legally required. Also, the process includes procedures for communicating security breaches to clients as required by law.

## BC/DR Policy & Procedures

50SC holds business continuity coverage supplied by Northern Trust Corp. NT's business continuity philosophy and ongoing review efforts emphasize disaster prevention, mitigation, and recovery. In the event of a disaster, NT has plans in place to respond effectively and efficiently. NT's work environment is regularly reviewed to identify potential sources of risk and the means to avoid and or minimize the likelihood of significant interruptions in service capabilities. Staff and automatic electronic sensing equipment monitor critical support system 24 hours a day, 7 days a week, 365 days a year. As part of its contingency policy, Northern Trust has two data centers in the event of a disaster at one, the other data center is equipped to recover critical processing within 12 hours or less. Since many of the distributed systems in use presently split their production demands between the facilities, this recovery time would likely be within 4-6 hours. Additionally, various techniques are in place to provide for no or minimal loss of data to maximize recovery capabilities.

## Cash Management

50SC's private equity platform maintains clear segregation of responsibilities for the approval and distribution of funds. 50 South Capital acts as the authorizer and maintains an Authorized Signers List. The middle office group, controlled and managed by Northern Trust Investments, coordinates the transaction with the back office. The back office, controlled and managed by Northern Trust Company, is responsible for moving the cash. The procedure for cash reconciliation is performed at the back-office level by a team of professionals from Northern Trust Company. The group generates and reviews daily cash logs to monitor all cash activity. Cash is monitored daily and, as discussed below, cash needs generally are funded with the line of credit.

50SC PE Fund Admin and Middle Office teams work together to determine cash needs from LPs and communicate the information to 50SC. 50SC personnel review this information and make final decisions regarding capital calls from LPs. If not all cash is used, it is held at a Northern Trust or First Republic Bank account. Master and sub-fund cash is reconciled daily by a Private Equity Fund Admin analyst and all cash reconciliations are reviewed by a PE Fund Admin team leader or manager. Two PE Authorized Signers are required for any wires. All wires are initiated by members within the PE Fund Admin team and the Middle Office teams. Private Equity Fund Administration wires must be approved by a Private Equity Fund Administration leader or manager, and Middle Office wires must be approved by a 50 South Capital senior manager. Cash management is overseen by Jeff Buth (CFO), Josh Abrego (Controller), and Kate Lazarevski (Assistance Controller). The following individuals have access to and/or are involved with the cash management procedures: Carolyn Buduan, Patricia Hurtado - Northern Trust Private Equity Fund Administration (PE Fund Admin - Back Office); Thalia Lloyd Thomas Needle, Phil Schwartzman, and Atif Uddin - 50 South Capital Middle Office; Justin Redeker, Steve Hughes, Adam Freda, Jeff Buth, and Josh Abrego - 50 South Capital (Front Office)

Capital call steps: (i) Determine if cash is needed from LPs as part of daily cash monitoring process; (ii) If cash is needed, calculate and review appropriate capital call amount for each LP; (iii) Prepare and distribute capital call notices to LPs; (iv) Receive and track cash receipts from LPs (LPs have 10 business days to make capital calls); (v) Utilize cash to make underlying fund investments, pay back line of credit, or pay Fund VIII expenses

Distribution steps: (i) Receive cash or in-kind distributions from underlying fund investments; (ii) If in-kind distributions, utilize Alex Brown (a division of Raymond James) or secondary brokers to liquidate securities as market orders; (iii) When Fund V cash distributable level approaches 2%, consider making a distribution to LPs; (iv) Calculate and review appropriate distribution amount for each LP; (v) Prepare and distribute notices and cash to LPs; (vi) Track receipt of cash payments by LPs

Leverage/Credit Facility: PESOF V will not utilize fund level borrowing as financial leverage to its investment portfolios. However, PESOF V does have a subscription credit facility to accommodate intra-quarter cash needs (e.g., capital calls, expense payments), which reduces the frequency of capital calls from LPs. More specifically, the facility is a capital call line of credit to smooth the timing and need or contributions related to underlying investment activity. Typically, this line of credit is renewed each calendar year and generally decreases over the life of the fund.

### Insurance Coverage

- Errors & Omissions: CNA, Zurich, Chubb, Liberty, Tokio Marine HCC, Axis, Arch, Nationwide, QBE/ \$100M
- Directors & Officers: CAN, ACE, Travelers, Chubb, Liberty, Zurich, Berkshire/\$125M
- Fiduciary Liability: CAN, Zurich, Chubb/ \$30M
- Fidelity Bonding: Chubb, AIG, Great American, Tokio Marine HCC, CAN/\$50M
- Electronic Computer Crime Policy: Chubb, AIG, Great American, Tokio Marine HCC, C NA , Berkshire, QBE, Lloyds, Everest/\$250M

**Valuation Policy:** 50SC is required to adhere to FASB ASC Topic 820 as part of its annual audits, and to review portfolio company valuations and assess their validity. To date, 50SC has not revised the valuation of any of its underlying partnerships/company holdings when reporting to clients. Holdings are valued on a quarterly basis within the funds and valuations are received on a quarterly basis from the underlying fund holdings. In determining the fair value of investments in portfolio companies, 50SC gives consideration to the portfolio company valuations provided by the portfolio funds. All private valuations are presented to the 50SC investment committee for approval-annually for primary investments and semi-annually for direct co-investments

**Review of Accounts:** Decisions regarding the investment allocations to primary, secondary, or co-investment opportunities are reviewed by the 50SC investment oversight committee. 50SC generally considers whether each selected investment is appropriate for commingled and separate account portfolios based on criteria germane to the investment objective, such as overall portfolio objectives, regulatory and other considerations, available capital, risk considerations, investment strategy, current investment portfolio, diversification requirements, legal and tax considerations. Investment guideline violations are promptly reported to 50SC's compliance department.

**Voting Client Securities:** 50SC has adopted proxy voting policies and procedures for the voting of proxies on behalf of client accounts for which 50SC has voting discretion. Under the proxy voting policy, 50SC must vote the shares to reflect its clients' best interests. As the 50SC funds are fund of funds, they rarely engage in direct trading of equities, proxy voting is infrequent.

### Third Party Service Providers

- Fund Administrator: Northern Trust Private Capital Administration, alterDomus
- Admin & Reporting: SunGardDX, Sungard Data Exchange
- Custody: Northern Trust Global Fund Services (qualified custodian)
- DDAs: Northern Trust Global Fund Services, First Republic Bank
- Credit Facility: First Republic Bank or Citizens Financial
- Audit: Deloitte & Touche Tohmatsu Limited (PCAOB)
- Tax: PricewaterhouseCoopers, LLP
- Legal: Kirkland and Ellis, LLP
- Fund Counsel: Kirkland and Ellis, LLP (onshore), Maples and Calder (offshore)



### Opinion

50 South Capital functions like a boutique firm while drawing on the extensive resources of the larger Northern Trust organization in order to execute the team's strategy. 50SC's private equity platform is supported by both dedicated and shared resources totaling 22 in-house staff of fund administration and operations professionals, including four client servicing and eight compliance/admin professionals dedicated to private equity. While 50 South maintains autonomy of strategy and investment management from Northern Trust, the 50SC alternatives platform leverages the global resources and network of one of the largest financial institutions. As such, 50 South has one of the more robust middle and back office and operations units in place to support the Firm's investment functions, when compared to its peers. 50 South's ability to leverage Northern Trust's worldwide infrastructure, further supported by top-tier service providers, has allowed the team to facilitate superb investment transactions and client services.

50SC has experienced turnover since the last fundraise cycle of PESOF/PECF. Steve Farmer and Wilson Leech from Northern Trust have left the firm. 50SC has hired a new head of compliance and revamped their internal legal department. 50SC has been open and transparent about the process, and the decision making lines between 50SC and Northern Trust are clarified and consistent.

50SC places significant emphasis on high-touch client service, education, communication and reporting. 50 South place a high priority on communicating with investors on a regular basis, responding to questions in a timely and concise manner and providing thorough updates and reports. 50 South will provide Segal Marco Advisors clients with detailed, yet easy-to-read, quarterly reports, including detail on each underlying fund's performance where confidentiality obligations permit. The Private Equity Investment Team also holds an interactive quarterly conference call and annual limited partner meeting, which highlight current market conditions and fund developments.

## Performance

### Facts

50 South Capital has managed 20 prior multi-manager private equity programs, including ten diversified PEFoF vintages, four Secondary Opportunity Fund programs, two Global Venture Capital Opportunities programs, two Sponsor Backed Credit Programs, one Asia Growth Fund, and one direct Co-Investment fund. Across its 20 prior multi-manager private equity vintages, 50SC has committed approximately \$8.4 billion of capital in over 680 primaries, secondaries, and co-investments globally. As of 2Q 2022, the funds have paid-in \$3.5 billion, distributed \$2.7 billion, and hold \$4.1 billion in unrealized value. This equates to a gross/net 1.93x TVPI, 1.17x RVPI, and 0.76x DPI.

The PECF program has committed \$2.9 billion across its ten vintages, with paid-in capital of \$2.2 billion, realized capital of \$2.8 billion and a total value of \$5.9 billion since inception. Absolute performance across the legacy PECF vintages has been strong, with the program producing gross/net trailing IRRs and MOICs as follows: 3YR - 29.29%/2.38x, 5YR - 26.36%/2.26x, 10YR - 21.38%/2.07x, and 18.13%/1.94x since its 2002 inception. Slightly over half of the previous seven PECF vintages rank in the 1st (29%) or 2nd (29%) quartiles on an IRR basis, 1st (43%) or 2nd (14%) quartiles for TVPI. The PECF DPI's are not as strong, with one 1<sup>st</sup> quartile performer out of the past 5 eligible years (2020 and 2022 are too early for DPI benchmarks to be material)..

The PESOF program has committed \$716 million across its four prior secondary vintages, with \$434 million of paid-in capital, \$485 million realized, and holds a total unrealized value of \$500 million. This equates to a 2.01x TPVI, 1.15x RVPI, and 0.86x DPI on a gross/net basis since inception, respectively. Performance across the four prior PESOF vintages has been strong, with the program producing gross/net trailing IRRs and MOICs as follows: 3YR - 30.1%/1.96x, 5YR - 23.1%/1.82x, 10YR - 26.4%/1.75x, and 28.7%/1.74x since its 2009 inception. Performance of the PESOF series compared to the benchmark has been strong. Two of the four of the = PESOF vintages are ranked in the first quartile for IRR with the 2016 vintage ranked in the third quartile and the 2019 in the 4<sup>th</sup> quartile (a DPI of 0.0 versus the 3<sup>rd</sup> quartile DPI floor of 0.11x). Two are ranked in the first quartile for TVPI with one in the second quartile and one in the 3<sup>rd</sup>. All four vintages are ranked in the first quartile for TVPI.

### Opinion

50SC's performance is attributable to the investment strategy and process the team has successfully implemented for two decades. Although refined over time, 50SC's strategy has never strayed from the founding philosophy and core principles that has enabled 50SC to consistently produce top-quartile private equity returns relative to Public Market Equivalents. Equally important, this performance has provided investors with core private equity exposure while mitigating return erosion resulting from over diversification and over-sized fund growth experienced by many in 50SC's peer group. 50SC's historic core private equity investments substantiate that 50SC's consistent returns are driven by its focus on making between \$5mn - \$15mn investments in a relatively concentrated portfolio that has generally achieved each performance target objective. Further, 50SC has maintained highly consistent deployment rates that enables the team to always be present in the market with capital at hand to participate in opportunities.

Performance in the PECF funds in the mid 2010s declined modestly. DPI multiples were in the 3<sup>rd</sup> and 4<sup>th</sup> quartiles for funds between 2012 and 2018. Performance (IRR and TVPI) was not up to the typical standard during those time periods. However, the most recent funds (2020 and 2022) vintages, appear to be performing well, with both in the 1<sup>st</sup> quartile for IRR and TVPI. 50SC's strategy has not changed materially, and with regard to TVPI and IRR, the PECF funds from 2012-2018 performed well on an absolute basis.

Unlike most of its peers, 50SC's conscious decision to never raise its fund sizes above its target market focus has proven to be a winning approach. In addition to the confidence in both portfolio and invested capital sizing attributes, 50SC's historic performance has been supported by a relatively shorter investment periods and approximately 70% net exposure of committed capital funded in three to four years. While PECF XI is permitted a three-year investment period, based on 50SC's historic experience and their current pipeline, it is expected that PECF XI will be fully committed in less than 30 months. This has produced shallower J-Curve and shorter durations for 50SC's core private equity funds, which also mitigate the effect of fee drag as supported in the historic gross/net spread of 9 bps.

## Terms

### Facts

Fund: Private Equity Core Fund XI, L.P.

Vehicle Structure: 3c1 and 3c7 Delaware Limited Partnerships and Cayman Islands Exempted Limited Partnership

Target Fund Size: \$750 million

Minimum Investment: \$1,000,000; 50SC will waive minimums at our request on a per-client basis.

First Close: 3/31/2023

Final Close: 3/31/2024

Investment Period: Three years from date of first close

Term: 12 years from the initial closing, subject to three one-year extensions at GP discretion

Recycling/Reinvestment Provision: PECF XI shall not exceed 120% of capital committed per limited partner. There is no reinvestment provision in PECF XI.

Management Fees: Three-Tier base average fee schedule charged on committed capital; no management fee after year 15 (i) < \$5M: 0.94%; (ii) \$5mn-\$20mn: 0.64%; (iii) > \$20mn: 0.44%. Regardless of fee tier, the following percentages of stated management fees will be charged: Yr-1 (75%), Yr-2 (85%), Yr-3-7 (100%), Yr-8 (85%), Yr-9 (75%), Yr-10 (65%), Yr-11-12 (50%). No management fees will be charged after the Fund's 12th year.

Carried Interest/Preferred Return/Clawback: N/A

Catch-Up Rate: PECF XI charges LPs admitted at any closing after the initial closing fairness adjustment of prime rate + 2%

Key-Man Provision: Yes (Bob Morgan & Brad Dorchinecz): Fund XI may be restricted from calling capital to make new Fund investments during the Investment Period if both Key Persons cease to be active in the Fund's affairs.

GP Commitment: 2%-3% of committed capital; committed in cash on behalf of the senior investment professionals and represents the majority of liquid net worth; this investment is leveraged by NT using a ratio of 6:1. The leveraged portion of the investment vests over the three-year investment period for each fund.

Investor Restrictions: Qualified Purchasers

ERISA Limit: None; 50SC is a QPAM and PECF XI will operate as a VCOC; PECF XI does not currently have an ERISA parallel fund; 50SC is a ERISA fiduciary and its funds are designed to be managed as Plan Assets vehicles.

Capital Call Notice: 10 business days

Reporting: Quarterly valuations with annual audited financial statements



PECF XI is comprised of five limited partnerships: (i) Private Equity Core Fund XI, L.P. (Onshore); (ii) Venture Capital Fund XI, L.P. (Onshore); (iii) Buyout Fund XI, L.P. (Onshore); (iv) Private Equity Core Fund XI (Offshore); (v) Venture Capital Fund XI (Offshore). For Segal Marco clients seeking access to the Diversified Core Private Equity Program, the following two limited partnerships of Fund XI will allocate capital to the two fund types represented by the Direct Funds (75% buyout and 25% venture capital.):

- Private Equity Core Fund XI, L.P. (Onshore) - capital allocated to the two fund types represented by the Direct Funds;
- Private Equity Core Fund XI (Offshore), L.P. (the "QP Offshore Fund") - capital allocated to the two fund types represented by the Direct Funds. The Offshore Fund is established for the sole purpose of permitting investors to participate in the Equity Fund through an entity classified as a corporation for U.S. federal income tax purposes.

PECF XI will not accept commitments made through 401(k) plans or other similar participant-directed benefit arrangements (other than IRAs). Commitments made be made by clients who are investing assets of their IRAs. Although IRAs are not generally subject to ERISA, they are subject to the provisions of Section 4975 of the Code, which prohibit transactions with "disqualified persons" and investments and transactions involving fiduciary conflicts. A prohibited transaction or conflict of interest could arise if the fiduciary making the decision to invest has a personal interest in or affiliation with the Component Funds, the General Partner, or any of their affiliates, or if the fiduciary's exercise of best judgment as a fiduciary is otherwise compromised in making such investment decision. A prohibited transaction or conflict of interest that involves the beneficiary of the IRA could result in disqualification of the IRA and assessment of penalties.

### Opinion

PECF XI offers highly LP-friendly and above average terms relative to its peers. PECF X has an estimated average annual management fee of 44 bps over the life of the Fund with no carried interest. 50SC has designed a unique carry model whereby investment team members personally commit to funds and Northern Trust leverages this commitment 6:1. The plan mirrors a traditional carried interest model; however, unique to 50SC is that PECF X LPs are not bearing the cost.

50SC PECF X offers a unique vehicle structure to accommodate various Segal Marco client types, a capability that is far and few between. PECF X is structured with feeder funds for both accredited, QIP, and ERISA-based investors. In addition, an offshore feeder structured as a Cayman Islands exempt limited partnership is in place for U.S. Tax-Exempt and non-U.S. limited partners, as well as serving as a UBTI blocker structure for tax exempt limited partners. This thoughtfully designed master-feeder structure provides an offering for discretionary and non-discretionary institutional clients as well our AdvisorEdge Solutions clients.

## Name

Robert P. Morgan is the Managing Director and has management responsibility for the firm and is Chair of the Investment Committee. He had previously been Director of Private Equity at Northern Trust, a position he held since co-founding the Private Equity funds group in 2000, and an area in which he remains heavily involved. Bradley M. Dorchinecz is a Senior Vice President and the Director of the Private Equity Group at 50 South Capital Advisors, a group he co-founded. He oversees all aspects of the investment process for primary, secondary and direct co-investments. This includes sourcing, and analyzing venture capital and buyout investment opportunities in the United States, Europe and Asia. He is responsible for fundraising, asset allocation and portfolio management activities for the Private Equity Group. Adam R. Freda is a Senior Vice President in the Private Equity Group at 50 South Capital Advisors. He focuses on sourcing, valuing and executing secondary investments and direct co-investments with buyout and venture capital funds, and participates in fundraising and portfolio management activities. Aaron G. Gillum is a Senior Vice President in the PE group. He is responsible for sourcing and analyzing venture capital partnership investment opportunities in the U.S. James R. Hart III "Trey" is a Senior Vice President in the Private Equity Group at 50 South Capital Advisors. He is responsible for sourcing and analyzing venture capital fund and direct investment opportunities in the U.S., Europe and Asia. Trey also is responsible for fundraising activities and portfolio management. Kevin T. Butts is a Vice President in the Private Equity Group at 50 South Capital Advisors. Kevin is responsible for sourcing and analyzing venture capital and buyout partnership investment opportunities, with an emphasis on buyout and natural resource-related strategies. He also is responsible for fundraising, investor relations and portfolio management. Charles R. Davis "Chip" is a Senior Associate in the Private Equity Group at 50 South Capital. He focuses on sourcing, valuing and executing secondary investments and direct co-investments with buyout and venture capital funds. Chip also participates in fundraising and portfolio management activities. Michael F. Marderosian is a Vice President in the Private Equity Group at 50 South Capital Advisors. He is responsible for fundraising, investor relations and business development within the Group. He also sources and analyzes fund investment opportunities, primarily in the buyout space.

# **AGENDA ITEM 5.C.**

## **INVESTMENT**

### **WORK PLAN**



# City of Hollywood Employees' Retirement Fund

## 2025 Work Plan

MEETING DATE	SEGAL MARCO INVESTMENT ITEMS	MANAGER PRESENTATIONS
January 14	Segal Marco Update – John DeMairo November 2024 Flash Performance Report Third Quarter Performance Review	
February 25	December 2024 Flash Performance Report New Opportunities Discussion - Private Equity (cont'd)	
March 25	January 2025 Flash Performance Report New Opportunities Update	
April 22	February 2025 Flash Performance Report	50 South PECF XI
May 20	March 2025 Flash Performance Report Fourth Quarter Performance Review	Affiliated Housing Impact Fund II
June 17	April 2025 Flash Performance Report	Baird Core Plus Bond Morgan Stanley RE
July 22	May 2025 Flash Performance Report First Quarter Performance Review	Earnest Partners Small/Mid Value
August 26	June 2025 Flash Performance Report	PE Manager (TBD)
September 16	July 2025 Flash Performance Report Board Insurance Program Renewal	
October 21	August 2025 Flash Performance Report Second Quarter Performance Review	LM Capital Active Core Plus
December 16	Sept & Oct 2025 Flash Performance Report Annual Investment Policy Review	

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

# **AGENDA ITEM 6.A.**

## **LEGAL**

### **LEGAL UPDATE**

IN THE CIRCUIT COURT OF THE  
17TH JUDICIAL CIRCUIT IN AND FOR  
BROWARD COUNTY, FLORIDA

GENERAL JURISDICTION DIVISION

CASE NO.: CACE 23-014008 (02)

VIRGINIA TISDALE-FERGUSON,  
INDIVIDUALLY AND AS THE PERSONAL  
REPRESENTATIVE OF THE ESTATE OF  
JOHN L. TISDALE (DECEASED),

Plaintiff,

v.

BLANCHE PRESSLEY, AND THE BOARD OF  
TRUSTEES OF THE CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND,

Defendants.

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**DEFENDANT BOARD OF TRUSTEES OF THE CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND'S MOTION FOR SUMMARY FINAL JUDGMENT**

Defendant, Board of Trustees of the City Of Hollywood Employees' Retirement Fund (the "Board"), moves this Court pursuant to Rule 1.510 of the Florida Rules of Civil Procedure for the entry of a summary final judgment in its favor and against Plaintiff, Virginia Tisdale-Ferguson, individually and as the Personal Representative of the Estate of John L. Tisdale (Deceased). The pleadings at issue in this case together with the affidavits filed in conjunction with this motion demonstrate that there are no genuine issues of material fact and that Defendant Board is entitled to the entry of summary final judgment as a matter of law. The grounds on which this motion is based and substantial matters of law to be argued are:

**STATEMENT OF MATERIAL FACTS**

**INTRODUCTION**

The Defendant Board's Motion for Summary Judgment is based on the Board's first three affirmative defenses: collateral estoppel, res judicata and law of the case. As will be demonstrated,

there has been previous litigation in this matter, and the issues and claims have been conclusively determined in favor of the Board and against Plaintiff Tisdale-Ferguson.

As will be set forth in more detail below, there have been three previous decisions:

- A Quasi-Judicial Proceeding after a hearing before the Board (the “Quasi-Judicial Proceeding”);
- A Petition for Writ of Certiorari in the Appellate Division of the Circuit Court for Broward County Court, which was denied on the merits (“Circuit Court Certiorari Proceeding”); and
- A Petition for Writ of Certiorari in the Fourth District Court of Appeals (“Fourth District Proceeding”).

In order to demonstrate that this matter has been determined adversely to Tisdale-Ferguson, and that she is barred by notions of finality and preclusion, it is necessary to discuss not only this case, but the previous proceedings as well.<sup>1</sup> In order for this Court to determine if the issues or claims sought to be litigated here were previously litigated, it is necessary to describe the previous proceedings in detail. We understand that this discussion may be somewhat lengthy, but there is simply no other way to present the facts:

### **THIS CASE**

1. This case is before the Court on the Plaintiff Tisdale-Ferguson’s *Verified Complaint*.
2. Tisdale-Ferguson’s factual allegations include that she is the daughter of John L. Tisdale (hereinafter sometimes “Tisdale” or “decedent”), and that during his lifetime, the decedent was an employee of the City of Hollywood, Florida. *Verified Complaint*, ¶¶ 7 and 8.

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<sup>1</sup> This Statement of Material Facts includes citations to the Record. There are Citations to the *Verified Complaint* in this case. Additionally, the Defendant Board has filed a Notice of Filing, along with a Table of Contents and Bates Stamped documents. Citation to these documents will be COHERF followed by the four-digit Bates Stamp number. COHERF stands for City of Hollywood Employees’ Retirement Fund.

3. The decedent retired in 1975 and received line of duty disability benefits from the Board for the remainder of his life. *Verified Complaint*, ¶ 10.

4. The decedent opted to reduce his lifetime benefits so that his survivor would receive benefits after he passed away. *Verified Complaint*, ¶ 14.

5. The decedent updated a retirement beneficiary designation form, which listed Plaintiff as a 90 percent primary beneficiary and the Defendant Pressley as a 10 percent contingent beneficiary. *Verified Complaint*, ¶ 15. (As will be shown below, this was not a permissible designation, and did not follow the explicit instructions on the form). *Verified Complaint*, ¶ 19.

6. The Plaintiff alleges that the Defendant Board altered the decedent's designation beneficiary form after he signed it, following a telephone conversation with a "Ms. Tisdale". *Id.*

7. Plaintiff alleges that it was the Defendant Pressley that advised the Defendant Board to alter this beneficiary designation. *Verified Complaint*, ¶¶ 20.

8. The altered beneficiary designation form changed the primary beneficiary from Plaintiff to Defendant Pressley, and it changed both percentage allocations to 100 percent. *Verified Complaint*, ¶¶ 21-22.

9. The decedent did not sign the altered beneficiary designation form, and the Board did not obtain the decedent's authorization to alter his original beneficiary designation form. *Verified Complaint*, ¶ 23.

10. The Board did not obtain written confirmation from the decedent that he had authorized any changes to the beneficiary designation, and the Board did not send the decedent any written confirmation of the change to his original beneficiary designation. *Verified Complaint*, ¶¶ 24-25.

11. The decedent died on October 6, 2020. *Verified Complaint*, ¶ 27.

12. Plaintiff alleges that the decedent was elderly and suffered from complete and total blindness. *Verified Complaint*, ¶ 29.

13. It was decedent's intention to leave his entire estate to Plaintiff. *Verified Complaint*, ¶30.

14. There are a number of allegations against Defendant Pressley concerning Pressley's understanding of the decedent's intention to leave his estate to the Plaintiff, including that Pressley occupied a confidential position with the decedent and that Pressley managed the decedent's money, had access to his bank accounts and paid his bills. *Verified Complaint*, ¶¶ 30-33.

15. Plaintiff also alleges that Defendant Pressley falsely advised the Defendant Board that she was decedent's wife. *Verified Complaint*, ¶ 34.

16. Pressley's purported marriage to the decedent was judicially determined to be a bigamous marriage under South Carolina law in a South Carolina court, and that the marriage was declared to be void. *Verified Complaint*, ¶ 35.

17. Plaintiff is the personal representative of decedent's estate. *Verified Complaint*, ¶ 39.

18. Defendant Pressley falsely advised the Board that she held a power of attorney. *Verified Complaint*, ¶ 40.

19. Tisdale-Ferguson held a durable power of attorney for the decedent. *Verified Complaint*, ¶ 40.

20. Plaintiff asserts one count in her *Verified Complaint* against the Defendant Board, alleging that the decedent did not properly administer his benefits, that the Board owed Plaintiff a duty to properly administer the benefits, that the Board did not notify the decedent that his original beneficiary form was unenforceable or invalid, or of any changes to the form, that the Board breached its duty when it altered the original beneficiary designation, the Board acted with reckless disregard for the rights of the decedent and the Plaintiff, and as a result, the decedent's intentions

were not carried out and that Plaintiff has been damaged in that she is not receiving the retirement benefits to which she would have otherwise been entitled. Plaintiff seeks damages. *See* Count III, *Verified Complaint*.

21. As will be shown in this Statement of Facts, and explained in the Argument Section below, these same facts and claims were presented in the Quasi-Judicial Proceeding, the Circuit Court Certiorari Proceeding and the Fourth District Proceeding.

### **THE QUASI-JUDICIAL PROCEEDING**

22. Since there were conflicting claims for the survivor benefit as a result of the death of Tisdale, the Board convened a quasi-judicial hearing. COHERF 0036.

23. At the quasi-judicial hearing, Tisdale-Ferguson was represented by counsel. Ms. Pressley was not, and did not appear. *Id.*

24. Prior to the hearing, Tisdale-Ferguson's counsel filed a "list of Exhibits with Annotations". Tisdale Ferguson Appendix Circuit Court. She filed the 2001 Designation of Beneficiary form (which was ultimately followed by the Board). She stated her position and argued that "[t]his form is invalid because the Notary Public altered/changed/revised/rewrote the terms of the Re-Designation of Beneficiary form." She then argued that the form was changed by a South Carolina notary and alleged that the "alteration" was invalid under South Carolina notary law. (This argument was fully briefed in the Circuit Court Certiorari Proceeding, which was denied on the merits). COHERF 0073.

25. Tisdale-Ferguson also filed the designation of Beneficiary form, which listed Virginia T. Tisdale-Ferguson as primary beneficiary at 90 percent and Blanche E. Tisdale as contingent beneficiary at 10 percent. COHERF 0089. She argued that this is the Designation of Beneficiary form which the Board should honor. COHERF 0074-0075. (This is the same form that was filled out contrary to the explicit instructions on the form).

26. Tisdale-Ferguson also filed the beneficiary designation form with the handwriting on it, COHERF 0070, and argued that this form was “invalid.” (The Board agreed that the form was invalid.) COHERF 0075.

27. Tisdale- Ferguson also filed the Last Will and Testament of John L. Tisdale (the “Will”) and argued that she was the beneficiary under the Will. COHERF 0082, 0077.

28. Tisdale-Ferguson wrote on the last page that “[t]herefore, the Board should find that Virginia Tisdale-Ferguson, the Claimant is the beneficiary.” *Id.*

29. Tisdale-Ferguson also filed affidavits, one of which claimed that Pressley manipulated and controlled the decedent. COHERF 0078. Tisdale-Ferguson’s affidavit was also before the Board. COHERF 0080. She made arguments about some of the forms that are also discussed in the *Verified Complaint*. She claimed that Pressley took advantage of a disabled, blind, elderly man. She also made complaints about a change on the form made by a South Carolina notary public.

30. The Will was also filed, and Tisdale-Ferguson’s counsel told the Board that “Mr. Tisdale’s will, which is being probated in South Carolina, ultimately leaves everything to my client, Virginia-Tisdale-Ferguson.” Transcript at p. 19; COHERF 0118.

31. Counsel for Tisdale-Ferguson argued that after Mr. Tisdale had an accident that blinded him, he moved to South Carolina to be near his mother. Transcript at p. 18; COHERF 0118.

32. Tisdale-Ferguson’s counsel further argued that women heard that he received a large settlement and that “vultures and gold diggers” were interested in Mr. Tisdale. Transcript at p. 18. Ms. Tisdale’s mother kept other women away but then Blanche Tisdale Pressley appeared on the scene. Transcript at pp. 18-19. COHERF 0118.

33. Counsel discussed the designation of beneficiary form which listed Blanche Pressley as the first beneficiary, and then two other beneficiaries. Transcript at p. 20. She discussed the South



Carolina notary's change to the document, argued that the change was illegal under South Carolina law, and argued that form was invalid, and "should be disregarded." Transcript at pp. 20-21; COHERF 0118-0119.

34. Counsel then discussed the form which listed Tisdale-Ferguson as the primary beneficiary (at 90 %) and Blanche as the contingent beneficiary (at 10%). Transcript at p. 21-22; COHERF 0119. Counsel also discussed at some length the document with the initials on it, arguing about the alteration by an employee of the Board and argued it was invalid:

However, if you turn to Exhibit C on page 25, this is the document that Ms. Bailey referred to with the notation at the top right-hand corner with the initials P.C. This designation form is invalid. An employee of the Retirement Fund should not have written changes on it purportedly based on a telephone call placed to the office. Mr. Tisdale was not present when the form was altered. The notation could said 11 Ms. Tisdale -- and I even took a magnifying glass. You can't see whether it's Ms. Tisdale" or "Mr. Tisdale."

But, in any event, this notation was made and the names were reversed. The same office staff member, P.C., changed Blanche Tisdale into the primary you can see where she crossed out "contingent" and wrote in "primary" from the original document -- I hope everybody's following, -- and the same P.C. took Virginia Ferguson, my client, the daughter, crossed out "primary" and wrote in "contingent." So, she completely reversed the intent of Mr. Tisdale in this document. This document was never mailed back to Mr. Tisdale to review or sign once changes had been made. This form is invalid, it's been doctored and it should not be considered.

Transcript at pp. 22-23; COHERF 0119.

35. Counsel for Tisdale-Ferguson also filed and discussed an Affidavit of Tina Brown:

Tina Brown grew up in this house with Mr. Tisdale, next door to Mr. Tisdale's father. She was aware of the relationship with Mr. Tisdale and his daughter, my client, Virginia. And this affidavit sets forth the fact that she, Tina Ann Brown, Mr. Tisdale's niece, who, by the way, still lives in South Carolina, believes firmly that my client, the daughter, Virginia, should be receiving the pension. And she says that very plainly in this sworn affidavit, which is part of the record.

Transcript at pp. 24-25; COHERF 0119-0120.

36. Counsel discussed the Affidavit of her client, Ms. Tisdale-Ferguson, and stated:

But, she absolutely fervently believes that the pension should have gone to her, that the documents that would award the pension to Ms. Blanche are not valid, they were doctored documents in each case and should be -- they're illegal. They should not be held to the standard for (inaudible).

So, that is our position, that primary beneficiary was to be Virginia Tisdale-Ferguson, ... and the contingent beneficiary was to be Blanche.

Again, if you turn to Exhibit B, that's the document that Mr. Tisdale signed before it was doctored.

Transcript pp. 25-26; COHERF 0120.

37. Tisdale-Ferguson's Power of Attorney was dated shortly before John L. Tisdale's death. COHERF 0122. A new beneficiary designation form was never filed. Tisdale-Ferguson was not named beneficiary pursuant to that Power of Attorney. COHERF 0124.

#### **The Board's Final Order**

38. At the conclusion of the hearing, an *Order* was entered by the Board. COHERF 0036-0039. This is the *Order* that was the subject of the Circuit Court *Petition for Writ of Certiorari*, which was denied on the merits.

39. The *Order* provided, *inter alia*, that there were conflicting claims from Blanche E. Tisdale, claiming to be Mr. Tisdale's wife, and from Virginia Tisdale-Ferguson, concerning who would receive the remaining payments. *Id.*

40. The *Order* provided that the Board held a hearing pursuant to its operating procedures. *Id.*

41. Tisdale-Ferguson was represented by counsel; Ms. Pressley was not. *Id.*

42. The *Order* discussed the Board's file, including different Designation of Beneficiary Forms. The *Order* discussed the Designation of Beneficiary Form that contains some handwriting and some crossing out. Among other handwritten notations, there was a handwritten notation that

contained the initial PC. Ms. Bailey confirmed that the initials PC were Phyllis Castronovo, who formally performed administrative services for the Fund. One handwritten notation included the words "pursuant to a phone conversation with" and then the handwriting is unintelligible. Ms. Bailey [the Executive Director] reported that she had spoken to Ms. Castronovo, who confirmed that handwritten notation was hers, but could not confirm that any of the circumstances concerning the filing of that form or the crossing out and other handwritten notations. *Id.*

43. The *Order* also discussed a designation of beneficiary form that Tisdale-Ferguson had furnished to Board counsel prior to the hearing, which listed Virginia T. Ferguson as primary beneficiary at 90% and Blanche E. Tisdale as contingent beneficiary at 10%. Tisdale-Ferguson's counsel argued that the form that Ms. Ferguson furnished to Board counsel had in fact been furnished to the Board, and that the form with the handwriting and crossing out was the same form furnished to Board counsel had been altered. The *Order* further provides that counsel for Tisdale-Ferguson argued that this form should be followed. *Id.*

44. The *Order* provided that the form contains a statement that "Each beneficiary must be designated as 'primary' or 'contingent'. The allocation percentages for all primary beneficiaries must total 100 percent, and the allocation for all 'contingent' beneficiaries must total 100 percent." *Id.*

45. The *Order* provided that the form without the handwritten changes (the one Tisdale-Ferguson argued should be followed) did not comply with the requirement because it showed Ms. Tisdale-Ferguson was primary beneficiary at 90 percent and Ms. Blanche Tisdale was contingent beneficiary at 10 percent. *Id.*

46. The *Order* discussed the form that contained some handwriting by the Notary:

The Board noted that there was a form on file dated August 15, 2001, in which Mr. Tisdale named Blanche E. T. Pressley, who was now known as Blanche E. Tisdale, Maude Eleese Tisdale and Lizzy May Tisdale Brown as his beneficiaries. Maude Tisdale and Lizzy May Tisdale Brown are deceased.

Previously, the plan only allowed a life annuity for a disability benefit. The Plan was changed, to allow a benefit to be left to a survivor in the event of the death of the disabled retiree, and the board was furnished with a Re-designation of Beneficiary for a Disability Retiree with a normal option to a joint and survivor option for Mr. Tisdale. Ms. Centerino [counsel for Tisdale-Ferguson] that the August 2001 form should not be followed because it had been altered by Freddie Faison, a Notary Public from South Carolina, in violation of South Carolina law. Included in that form was a statement that allowed the person to choose a re-designation of the form of benefit from normal to "Joint & Equal" or to "Joint & Half." There is an indication that somebody had marked "Joint & Half" and then crossed out that notation. The initials FF appear next to the crossing out and "Joint & Equal" was checked. Ms. Centerino argued that the initial FF belonged to Freddie Faison. The Board considered that the handwritten changes only dealt with the form of benefit, not the beneficiaries.

*Id.*

47. The Executive Director recommended that the Board honor the form that showed three beneficiaries. The Executive Director said that the form which showed Ms. Tisdale-Ferguson as a primary beneficiary at 90 percent could not be processed because there is not a calculation that can be done for that selection. The Executive Director pointed out that if you disregard that form and disregard the form with the handwriting on it [Tisdale-Ferguson said that form should be disregarded] the form prior to those forms leaves the benefit to Blanche Tisdale. Ms. Bailey said that all the forms on file with the Board named Blanche Tisdale as the primary beneficiary. *Id.*

48. Ms. Bailey said that if the Board disregards all the forms and does not accept any, Mr. Tisdale's benefit would revert to the normal form of benefit, the designation he had before he selected any beneficiaries and the payment would stop on his death. Ms. Bailey told the Board that in her view, the choices for the Board are to pay Ms. Tisdale a survivor benefit or there was no payment to any beneficiaries. The board passed a motion unanimously to pay the benefits to Blanche Tisdale. *Id.*

## THE CIRCUIT COURT PROCEEDING

49. In her *Petition for Writ of Certiorari/Petition to Review Quasi-Judicial Action Of Board/And Complaint For Declaratory Judgment And Injunctive Relief, Tisdale-Ferguson, Individually And As Personal Representative Of The Estate of John Tisdale*, (the "Petition"), Tisdale-Ferguson sought a writ of certiorari in Count I, but also brought a Count II (declaratory relief) and Count III (injunction). COHERF 0001-0033.

50. The Court entered an order to show cause ordering the defendant Board show cause why the petition for writ of certiorari should not be granted. COHERF 0172.

51. The defendant Board moved to dismiss the declaratory and injunctive relief counts. *The Board of Trustees of the City of Hollywood Employees' Retirement Fund's Motion to Dismiss the Declaratory Relief and Complaint for Injunctive Relief and to Quash Summons*. The Board stated that the matter had been placed in the appellate division, was properly before the Court as a writ of certiorari, as it was the nature of an appeal of a quasi-judicial action, and Tisdale-Ferguson should not be able to bring both an appeal and an original trial court action. COHERF 0075 -0081.

52. The Court entered its *Order Staying Counts II and III*, COHERF 0288, and explained:

The Appellate Division consists of a three-judge panel designed to hear appeals and extraordinary writs. See 17th Jud. Cir. Admin. Order 2020-89-Gen. Because the instant Petition's Count I is a claim for certiorari appellate review, the case has been assigned to the Circuit Court's Appellate Division. However, the Appellate Division lacks the jurisdiction to, and is not designed to, adjudicate Counts II and III, which seek de novo review.

Accordingly, it is hereby ORDERED that:

1. Counts II and III are STAYED until Count I, the Petition for Writ of Certiorari, has been decided, at which time, upon proper motion, Counts II and III may be assigned to the General Civil Division for further proceedings.

53. In her Circuit Court Certiorari *Petition*, Tisdale-Ferguson stated that she was the daughter of John L. Tisdale, a disabled retiree from the City of Hollywood Employees' Retirement Fund, ¶1, and that Tisdale was blind. COHERF 0008.

54. She also stated that she was a claimant to Tisdale's Retirement benefits. COHERF 0007.

55. Tisdale-Ferguson also raised that John Tisdale moved to South Carolina, where his mother took care of him, and she kept away women trying to take advantage of him. *Petition* at ¶¶15 and 16.

56. Tisdale-Ferguson alleged that under the will, Tisdale-Ferguson was to recover all his assets. COHERF 0009.

57. Tisdale-Ferguson filed an order of the South Carolina Court in the probate case that said that Blanche Pressley was never legally married. This was because there was no proof that John Tisdale was ever divorced from his previous wife. She attached the Order from the South Carolina Court. COHERF 0046.

58. There were also a number of allegations concerning the various forms that existed.

59. Tisdale-Ferguson discussed the Designation of Beneficiary Form that named three beneficiaries, each to receive one-third. One of these was Blanche Pressley. COHERF 0111. Tisdale-Ferguson conceded in her *Petition* that the other two beneficiaries were deceased. *Id.*

60. Tisdale-Ferguson said that this form was "void" because it had some handwriting by the South Carolina notary public. COHERF 0012.

61. Tisdale-Ferguson made allegations about another Designation of Beneficiary Form, stating that "it set forth her (90%) as the Primary Beneficiary and Respondent Pressley (10%) as Contingent Beneficiary." COHERF 0012.

62. Tisdale-Ferguson then wrote about what she referred to as an "altered version" of the form. COHERF 0012.

63. Tisdale-Ferguson complained that an employee of the Board wrote changes on the original form. COHERF 0013.

64. She explained the changes, as to who was going to be the primary beneficiary and who was to be the contingent beneficiary, and that there were changes to the percentages. She complained that these changes were not made in John Tisdale's presence, that the forms were not sent to him to review, and he was not asked to re-sign the forms again. She complained that the forms were "doctored by the Board's employee." She said this form was invalid. COHERF 0013 - 0014.

65. Tisdale-Ferguson recited that the Executive Director spoke about the handwriting on one of the forms, including the initial PC. The Executive Director said she spoke to the employee, Phyllis Castronovo, who confirmed that the notation was hers, "but could not confirm any of the circumstances concerning the filling out of that form or the crossing out and other handwritten notations." COHERF 0017.

66. Tisdale-Ferguson argued that John Tisdale's intent was that Virginia Tisdale-Ferguson would be the primary beneficiary. COHERF 0019.

67. Tisdale-Ferguson wrote about the Executive Director's view of the matter, including that there is not a calculation for a 90% primary beneficiary and a 10% contingent beneficiary. *Id.*

68. Tisdale-Ferguson included in her Petition that the Executive Director stated that if the Board disregarded all of the Designation of Beneficiary Forms, the payment would revert to the normal form of benefit, meaning the benefits would stop. *Id.*

69. Tisdale-Ferguson recited that the Executive Director said that John Tisdale's benefits were calculated with Pressley as the beneficiary, and that Pressley was older than Tisdale-Ferguson. COHERF 0020.

70. Tisdale-Ferguson said that if the benefit amounts were miscalculated, they should not enter into who should receive the benefits. *Id.*



71. In ¶64 of her *Petition*, Tisdale-Ferguson stated the Board's agents or employees "should have reviewed the documents in the Tisdale file from time to time to determine if they were valid or not, and if they were acceptable, especially from a blind former employee. The Board, its agents or employees should have contacted Tisdale to have his intent verified in the documents, corrected or clarified, but they did not." COHERF 0020-0021.

72. Tisdale-Ferguson complained that she was not given an opportunity to present sworn testimony. COHERF 0025. She claimed procedural due process was not afforded. *Id.*

73. In its *Response to the Order To Show Cause*, the Board demonstrated that Ferguson did not testify solely because she did not make it to the hearing. COHERF 0186.

74. In any event, her Affidavit and all the documents she wanted entered into evidence were admitted. COHERF 0122.

75. Tisdale-Ferguson complained that a continuance was not granted. COHERF 0023.

76. Tisdale-Ferguson complained that there was not competent substantial evidence, and that there was a departure from the essential requirements of law. COHERF 0006.

77. All of Tisdale-Ferguson's contentions were presented in the Circuit Court Certiorari Proceeding and were briefed extensively.

78. Tisdale-Ferguson stated that she attended a second meeting of the Board, this transcript is in the Notice of Filing, and once again requested that "the benefits be paid to Ferguson, or in the alternative, to Tisdale's estate." COHERF 0023.

79. The Defendant Board filed its *Respondent, the Board of Trustees of the City of Hollywood Employees' Retirement Fund's Response to Order to Show Cause* ("the Response"). COHERF 0183-0213. The Board discussed at length the various forms at issue in this case, including the form naming the three beneficiaries. This was the form the Board followed and paid the benefits to the only living beneficiary, Blanche. COHERF 0204-0255.

80. The form which lists Blanche Tisdale as contingent beneficiary at 10% and Virginia Tisdale-Ferguson at 90% as primary beneficiary was also discussed. COHERF 0205.

81. The Board's *Response* included that this form contained the following notation, "Note: each beneficiary must be designated as primary or contingent. The allocation percentages for all 'primary' beneficiaries must total 100%, and the allocation percentages for all contingent beneficiaries must total 100%." COHERF 0037.

82. The Defendant Board also discussed the forms that had handwriting and initials on it and changed the percentages and who was contingent and who was primary beneficiary. Tisdale-Ferguson claimed that this form should not be followed, and it was not. COHERF 0205.

83. The Board heard evidence that the form could not be followed, because it could not be processed, and the Plan did not contain such an option. COHERF 0206.

84. The Board discussed its decision to follow the form that listed Blanche as the only living beneficiary, and if it did not follow that, the benefit would have ended at Mr. Tisdale's death, and refuted the allegation that the Board's decision was a cost-saving approach. As stated in the Response, if the Board had not followed that form, and did not follow the form with the crossing out on it, or the form which violated the express instructions on the form, the benefit would have ended with Mr. Tisdale's death. COHERF 0205 – 0207.

85. The Board also refuted the alleged invalidity of the form it followed, as Tisdale-Ferguson claimed that it was invalid because the notary public had written on it and refuted the allegations that this made the form invalid. COHERF 0207 – 0208.

86. The Board also discussed Tisdale-Ferguson's allegation that the money should have been paid to the estate. The Board pointed out that the terms of the Plan provide the following definition: "BENEFICIARY. The person or persons entitled to receive benefits hereunder upon the death of a member who has or have been designated in writing by the member and filed with the

pension coordinator in accordance with the provisions of this pension plan”, and that pension benefits after death are not part of the probate estate. COHERF 0211.

87. The Defendant Board pointed out that the Will that was filed and followed was a Will for a person named John Tisale, not John Tisdale. COHERF 0212

88. Tisdale-Ferguson filed her *Petitioner, Virginia Tisdale-Ferguson, Individually, And As Personal Representative of the Estate of John L. Tisdale's Reply Brief* (the “Reply”). COHERF 0291. In it, she argued, inter alia, that the Board “failed to properly maintain the Designation of Beneficiary forms submitted by John Tisdale to give full effect to the requirements of this plan.” She also argued about the changing of the form by the employee of the Board and the intent of Mr. Tisdale. COHERF 0301.

#### **The Circuit Court's Order**

89. The Court entered its *Final Order Denying Petition for Writ of Certiorari*, rendered February 17, 2002. In a *Per Curiam* decision, the Court ruled:

Having carefully considered the Petition and Appendix, the Response to Order to Show Cause and Appendix, the Reply Brief and Supplemental Appendix, and the applicable law, without oral argument, the Petition for Writ of Certiorari is hereby **DENIED** on the merits.

COHERF 0387.

90. Tisdale-Ferguson filed her *Petitioner, Virginia Tisdale-Ferguson, Individually, and as Personal Representative of the Estate of John L. Tisdale's Motion for Rehearing* (the “Motion for Rehearing”). COHERF 0389. Tisdale-Ferguson discussed the forms, including the alteration of a form by an employee of the Defendant Board, and stated “The Board deprived Petitioner of the correct outcome as it relates to Mr. Tisdale's choice of beneficiary on the most recent (2012) Designation of Beneficiary form, by altering the form” and claimed that “[i]f this Court examines the 2012 form on the same basis as the 2001 form”, there would be a different outcome in this case”. COHERF 0393.

91. After the Board filed *The Board of Trustees of the City of Hollywood Employees' Retirement Fund's Response, to Petitioner/ Plaintiff's Motion for Rehearing*, the Court entered its *Order Denying Motion For Rehearing*. COHERF 0409.

#### **THE FOURTH DCA CERTIORARI PROCEEDING**

92. Tisdale-Ferguson then sought second-tier certiorari review by filing her *Petition for Writ of Certiorari*, in the Fourth District Court of Appeal. COHERF 0411.

93. Tisdale-Ferguson discussed the various designation of beneficiary forms. COHERF 0415.

94. She once again discussed the alteration of the form by the Board staff and the beneficiary designation form which listed Tisdale-Ferguson as a 90% primary beneficiary and Blanche Tisdale as a 10% contingent beneficiary. COHERF 0416.

95. Tisdale-Ferguson argued that there was a departure from clearly established principles of law and that there was a miscarriage of justice. COHERF 0419-0422.

96. Tisdale-Ferguson filed an appendix, and supplemental appendix, including everything that could be remotely related to this case. COHERF 0424-0994.

97. Without ever requiring a response, the Court unanimously ruled that the "petition for writ of certiorari is denied." COHERF 0996.

#### **RELEVANT PROCEDURAL BACKGROUND**

1. On May 25, 2023, Plaintiff, Virginian Tisdale-Ferguson, individually and as the Personal Representative of the Estate of John L. Tisdale's (Deceased), filed a *Verified Complaint* which includes only one count for negligence (Count III) against the Defendant Board.<sup>2</sup>

2. Defendant Board initially filed its *Answer and Affirmative Defenses* on April 30, 2024, and then filed a *Motion for Leave to File Amended Affirmative Defenses* on August 22, 2024,

which *Amended Affirmative Defenses* were deemed filed as of September 9, 2024 pursuant to an *Agreed Order* entered on that date.

### **STANDARD FOR SUMMARY JUDGMENT**

A court must grant a motion for summary judgment “if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Florida Rule of Civil Procedure 1.510(a) (2021).

In accordance with the 2021 amendments to the rule, Florida’s summary judgment standard “shall be construed and applied in accordance with the federal summary judgment standard. *Id.*”

The federal summary judgment standard differs from the previous standard utilized in Florida by asking “whether the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Colantonio v. Moog*, 326 So. 3d 807, 809 (Fla. 5<sup>th</sup> DCA 2021) (internal citations omitted). Moreover, under the new summary judgment standard, “the mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment.” *Nembhard v. Universal Prop. & Cas. Ins. Co.*, 326 So. 3d 760, 762 (Fla. 3d DCA 2021) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242 (1986)).

### **MEMORANDUM OF LAW**

In its Statement of Material Facts, the Defendant Board described three previous decisions, including a decision of the Appellate Division of this Court, in which Plaintiff Tisdale-Ferguson raised the same issues that she is now asserting in this case, and lost all three of those previous cases.

The three previous cases were (1) Quasi- Judicial proceeding before the Board(the “Quasi-Judicial Proceeding”); and (2) a Circuit Court Certiorari Petition (“the Certiorari Proceeding”); and (3) a Certiorari Proceeding in the Fourth District Court of Appeal (the “Fourth District Proceeding”). The Board has filed a somewhat lengthy and detailed Statement of the Facts, because it is necessary to

examine what was actually litigated in the previous cases. In this Memorandum, the Board will discuss collateral estoppel, res judicata and law of the case, and demonstrate that it is entitled to a summary judgment by these preclusion defenses.

### **COLLATERAL ESTOPPEL**

The doctrine of collateral estoppel (also called issue preclusion) is intended to prevent “repetitious litigation of what is essentially the same dispute.” *Zimmerman v. Office of Ins. Regulation*, 944 So. 2d 1163, 1166 (Fla. 4th DCA 2006). The Florida Supreme Court has explained the doctrine as follows:

“Collateral estoppel is a judicial doctrine which in general terms prevents identical parties from relitigating the same issues that have already been decided.” *Department of Health & Rehabilitative Services v. B.J.M.*, 656 So. 2d 906, 910 (Fla.1995). Under Florida law, collateral estoppel, or issue preclusion, applies when “the identical issue has been litigated between the same parties or their privies.” *Gentile v. Bauder*, 718 So. 2d 781, 783 (Fla.1998). In addition, the particular matter must be fully litigated and determined in a contest that results in a final decision of a court of competent jurisdiction. *See B.J.M.*, 656 So. 2d at 910.

*State v. McBride*, 848 So. 2d 287, 290-91 (Fla. 2003).

Collateral estoppel applies where:

(1) the identical issues were presented in a prior proceeding; (2) there was a full and fair opportunity to litigate the issues in the prior proceeding; (3) the issues in the prior litigation were a critical and necessary part of the prior determination; (4) the parties in the two proceedings were identical; and (5) the issues were actually litigated in the prior proceeding.

*Profl Roofing & Sales, Inc. v. Flemmings*, 138 So. 3d 524, 527 (Fla. 3rd DCA 2014) (citing *Porterv. Saddlebrook Resorts, Inc.*, 679 So. 2d 1212, 1214-15 (Fla. 2d DCA 1996)).

#### **The Identical Parties Had Their Rights Adjudicated in the Three Previous Proceedings**

In the Circuit Court Certiorari Petition, the petitioners are Virginia Tisdale-Ferguson, individually, and as Personal Representative of the Estate of John L. Tisdale, the same as the parties in this action. These same parties were likewise the parties in the Fourth District Proceedings. In the

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(Count I) and exploitation of an elderly adult (Count II) against Defendant Blanche Pressley.

quasi-judicial hearing, the title of the case was *In Re: Benefits To Be Paid As A Result of The Death of John Tisdale*. As demonstrated in the Board's Statement of Facts, Tisdale-Ferguson filed the initial Last Will and Testament of John L. Tisdale, and argued that she was a beneficiary under it.

¶21. Tisdale-Ferguson's counsel told the Board that "Mr. Tisdale's will, which is being probated in South Carolina, ultimately leaves everything to my client, Virginia-Tisdale-Ferguson." Transcript at p. 19.

Even if not a named party, a person or entity may be deemed to have been a participant in prior litigation for purposes of collateral estoppel or res judicata as long as the party is bound by the final judgment entered to the same extent as the named parties. *Massey v. David*, 831 So. 2d 226, 232 (Fla. 1st DCA 2002).

For one to be in privity with one who is a party to a lawsuit or for one to have been virtually represented by one who is a party to a lawsuit, one must have an interest in the action such that she will be bound by the final judgment as if she were a party. *Southeastern Fidelity Ins. Co. v. Rice*, 515 So. 2d 240 (Fla. 4th DCA 1987) ("One not a party to a suit is in privity with one who is where his interest in the action was such that he will be bound by the final judgment as if he were a party."); *Aerojet-General Corp. v. Askew*, 511 F.2d 710, 719 (5th Cir.), *cert. denied*, 423 U.S. 908, 96 S. Ct. 210, 46 L. Ed. 2d 137 (1975) ("A person may be bound by a judgment even though not a party if one of the parties to the suit is so closely aligned with his interests as to be his virtual representative.")

*Stogniew v. McQueen*, 656 So. 2d 917, 920 (Fla. 1995).

The Board submits that Virginia Tisdale-Ferguson, individually was in privity with Virginia Tisdale-Ferguson As Personal Representative of the Estate of Virginia Tisdale-Ferguson in the quasi-judicial proceeding. Tisdale-Ferguson certainly maintained that she was in privity when she brought the Circuit Court Certiorari Petition, seeking review of the quasi-judicial action, in the names of both herself individually and as Personal Representative of the Estate. Tisdale-Ferguson should not be permitted to maintain that she has a right to seek review of a decision as a representative of the estate when it suits her purposes, and then claim that she was not bound by that decision to avoid collateral estoppel. Thus, the decision in the Quasi-Judicial Proceeding



adjudicated the claims of both Virginia Tisdale-Ferguson, individually, and as a representative of the Estate Of John Tisdale.

### **The Identical Issues were Presented in Previous Proceedings**

The identical issues were presented in prior proceedings, and were actually litigated in all three cases. The Florida Supreme Court has explained that in determining whether the identical issues were litigated, courts look to “points and questions” previously litigated: “the principle of estoppel by judgment is applicable where the two causes of action are different, in which case the judgment in the first suit only estops the parties from litigating in the second suit issues--that is to say points and questions--common to both causes of action and which were actually adjudicated in the prior litigation.” *Trucking Empls. of N. Jersey Welfare Fund, Inc. v. Romano*, 450 So. 2d 843, 845 (Fla. 1984) (citing *Gordon v. Gordon*, 59 So.2d 40, 44 (Fla.), *cert. denied*, 344 U.S. 878, 97 L. Ed. 680, 73 S. Ct. 165 (1952)).

Now let us examine what issues were litigated in the three previous proceedings. The litigation involved the death of John L. Tisdale; that he was blind and disabled; the Last Will and Testament; the South Carolina probate proceeding; that Virginia Tisdale-Ferguson was the beneficiary of the Last Will and Testament; the various Designation of Beneficiary Forms; the South Carolina Notary Public’s handwriting on the form; that the writing did not affect the choice of beneficiaries; the form that purported to name Virginia Tisdale-Ferguson as 90% primary beneficiary and to leave Blanche Tisdale, as a 10% contingent beneficiary; the instructions on that form that required primary beneficiaries to total 100% and contingent beneficiaries total 100%; that the form naming one person as 90% primary beneficiary and a different person 10% contingent beneficiary could not be followed; the handwriting on a form by an employee of the Board; that Tisdale-Ferguson agreed with the Board that the form with the handwriting on it by an employee of the Board should not be followed; the handling of the beneficiary of designation forms; what was

written on the beneficiary designation forms; and whether those forms were signed, properly notarized, altered, or legal. Also litigated previously was the ultimate question of who should receive the benefits as a result of the Board's handling of the form. The prior cases litigated Tisdale's alleged desire (as demonstrated at least, in part, by the Last Will and Testament) to have his daughter, Virginia Tisdale-Ferguson, receive the benefit. All of these issues were a critical and necessary part of the previous proceedings.

The issues presented here – the Board's handling of the beneficiary designation forms and whom should receive the retirement benefits – are identical to the issues litigated in the previous cases. As demonstrated by the Statement of Material Facts, those issues were a critical and necessary part of the determination in the previous cases.

The law has also been previously argued and extensively briefed. Tisdale-Ferguson lost in the Quasi-Judicial Proceeding, lost again in the appellate division of this Court, (after full briefing and hundreds of pages of documents from the quasi-judicial hearing and the South Carolina court) and then lost again in the Fourth District. This is just the type of re-litigation that rules of finality, including collateral estoppel, is designed to prevent.

A quasi-judicial decision can serve as the basis for collateral estoppel. *Paresky v. Miami-Dade Cty. Bd. of Cty. Comm'rs*, 893 So. 2d 664 (Fla. 3d DCA 2005). Further, the Circuit Court Certiorari Proceeding was decided adversely to Tisdale-Ferguson, and the decision was on the merits.

In *Topps v. State*, 865 So. 2d 1253, 1258 (Fla. 2004), the Florida Supreme Court confronted whether the denial of an extraordinary writ should be considered a decision on the merits, finding that:

When a court intends to deny an extraordinary writ petition on the merits, the court need only include in its order a simple phrase such as 'with prejudice' or 'on the merits' to indicate that the merits of the case have been considered and determined and that the denial is on the merits. The simple addition of such a phrase to any order

which denies a writ petition will ensure that litigants' substantive rights will not be extinguished by an unelaborated denial of an extraordinary writ petition when the merits have not been the basis of the court's ruling.

Thus, henceforth, in this State, unelaborated denials in extraordinary writ cases shall not be deemed denials on the merits. We conclude that it is not unreasonable nor does it impose an unnecessary burden upon courts to require that we all enter orders that can be clearly understood in terms of scope and impact of the determination upon the parties and to be uniform in our application of Florida law.

The Board submits that the inclusion of the phrase "on the merits" in the *Order* denying the writ indicates "that the merits of the case have been considered and determined and that the denial is on the merits." *Id.*

The Board recognizes that, in this case, Tisdale-Ferguson is suing for negligence. However, there does not have to be an identity of the cause of action for collateral estoppel to apply under Florida law. In fact, collateral estoppel bars "relitigation of the same issues between the same parties in connection with a different cause of action." *Topps*, 865 So. 2d at 1255.

Likewise, in *M.C.G. v. Hillsborough County Sch. Bd.*, 927 So. 2d 224 (Fla. 2d DCA 2006), then Judge Canady, writing for the Court, explained that "[t]he doctrine of collateral estoppel – which is also known as issue preclusion and estoppel by judgment – 'bars relitigation of the same issues between the same parties in connection *with a different cause of action.*'" *Id.* at 226 (emphasis in original) (internal citations omitted). The *M.C.G.* court proceeded to observe that collateral estoppel only "comes into play in a case when, in an earlier proceeding involving a different cause of action, the 'same parties' litigated the 'same issues' that are presented once again for decision" and that "[t]he judgment in the first suit . . . estops the parties from litigating in the second suit issues--that is to say points and questions--common to both causes of action and which were actually adjudicated in the prior litigation." *Id.* (internal citations omitted).

The Fourth DCA has also recently opined that collateral estoppel can apply when the causes of action are different: "[t]he doctrine of collateral estoppel, or issue preclusion, 'bars relitigation of

the same issue between the same parties which has already been determined by a valid judgment,' even where the present and former cause of action are not the same." *Greenberg v. Country Isles Section One Maint. Ass'n, Inc.*, 383 So. 3d 827, 831 (Fla. 4th DCA 2024) (citing *Kowallek v. Lee Rehm*, 183 So. 3d 1175, 1177 (Fla. 4th DCA 2016) (quoting *Zikofsky v. Mktg. 10, Inc.*, 904 So. 2d 520, 525 (Fla. 4th DCA 2005))).

In the Fourth District Certiorari Proceeding, Tisdale-Ferguson specifically stated that she "does not argue deprivation of procedural due process." Instead, she argued that there was a departure from clearly established principles of law, and that there was a miscarriage of justice.

Accordingly, Tisdale-Ferguson can hardly be heard to complain that she did not have an opportunity to previously litigate her desired issues, as she was clearly given a full and fair opportunity to litigate all of the issues that she is now seeking to litigate once again in this action.

#### **RES JUDICATA**

Res judicata, also known as claims preclusion, bars relitigating a claim that was already decided in a prior final adjudication if the subsequent claim satisfies the following four elements: "1) identity in the thing sued for; 2) identity of the cause of action; 3) identity of persons and parties of the action; and 4) identity of the quality in the person for or against whom the claim is made." *Woodward v. Woodward*, 192 So. 3d 528, 530-31 (Fla. 4th DCA 2016) (citing *W & W Lumber of Palm Beach, Inc. v. Town & Country Builders, Inc.*, 35 So. 3d 79, 82-83 (Fla. 4<sup>th</sup> DCA 2010)).

The Defendant Board has detailed the three previous proceedings at length in its *Statement of Undisputed Material Facts* and its collateral estoppel argument sections of this Motion, including the parties involved in each such proceeding. The Defendant Board adopts those arguments here with respect to the identity of the persons and parties as well as the identity of the quality of the person for or against whom the claim is made.

Florida law provides that for res judicata purposes, in determining whether both litigations

involve “the thing being sued for,” the proper inquiry focuses on “the defendant’s conduct, rather than the plaintiff’s damages.” *Claims Holding Grp. v. AT&T Mobility*, 347 So. 3d 412, 414 (Fla. 3d DCA 2022) (emphasis added).

“The general test when ‘deciding whether the cause of action is the same is whether the facts or evidence necessary to maintain the suit are the same in both actions.’” *Crescent Shore Condo. Ass’n v. Lani Kai, L.P.*, 330 So. 3d 582, 585 (Fla. 2d DCA 2021) (citing *U.S. Project Mgmt., Inc. v. Parc Royale E. Dev., Inc.*, 861 So. 2d 74, 76 (Fla. 4<sup>th</sup> DCA 2003)).

Further, in determining the identity of “the thing being sued for”, the question is “whether the substantive issue of the claim, rather than the relief sought by the claimant, was the same.” *Claim Holding Grp.*, 347 So. 3d at 414. Moreover, a request for different relief in the second action does not take the first judgment out of the scope of res judicata. *Maison Grande Condo. Ass’n, Inc. v. Dorten, Inc.*, 621 So. 2d 762, 764 (Fla. 3d DCA 1993).

As shown above in the Statement of Material Facts, Tisdale-Ferguson has been complaining about, and has litigated the alleged mishandling of the decedent’s designation of beneficiary form. In the collateral estoppel section, the Board also discussed what was previously litigated. The Board adopts its previous statement of facts and argument, and will not repeat them here. As can be seen, the alleged misconduct upon which Tisdale-Ferguson complains in the *Verified Complaint* is the same misconduct upon which she complained of in the previous three proceedings.

While the Defendant Board will not repeat all the matters addressed in the previous proceedings, it does, however, wish to emphasize that in her Certiorari Petition in the Circuit Court Proceeding, Tisdale-Ferguson claimed that “[t]he Respondent Board’s agents or employees should have reviewed the documents in the TISDALE file from time to time to determine if they were valid or not, and if they were acceptable, especially from a blind former employee. The Board, its agents or employees should have contacted Tisdale to have his intent verified in the documents, corrected

or clarified, but they did not.” COHERF 0020-0021. This is the essence of what Tisdale-Ferguson is now seeking to litigate in this action, where she is attacking the Board’s handling of the Beneficiary designation forms and the payment to Blanche Pressley instead of to her. The mere fact that Tisdale-Ferguson labels her claim as negligence does not mean that the causes of action are different.

“[T]he fact that a different measure of relief is sought does not preclude the application of the prior judgment to estop the maintenance of a second action.” *Russell v. A & L Development, Inc.*, 273 So. 2d 439, 440 (Fla. 3d DCA 1973). “If the claim or cause of action is substantially the same in both actions, it is not material that the relief demanded is in some manner different.” *Id.*

In *Claim Holding Grp.*, the court followed this rule and explained that “*Russell* held that when a claim is the same in both actions, but plaintiff seeks different relief in the second action, res judicata bars the second action.” 347 So. 3d at 414.

The *Claims Holding Grp.* court also relied on *Seminole Tribe of Florida v. State Department of Revenue*, 202 So. 3d 971 (Fla. 1st DCA 2016), which “held, in part, that a second action, in which a claim for damages arises from a later time period, is barred by res judicata when the substantive issue before the two courts is the same in both cases.” *Id. Seminole Tribe*, 202 So. 3d at 973. Here, as in *Russell* and *Seminole Tribe*, the substantive issue before the Court has already been repetitively litigated, again, and again and again.

Defendant Board submits that the only argument with any substance that Tisdale-Ferguson may have would be that while in res judicata, a new lawsuit is barred by the prior decision, she may argue that this case is not a *new* lawsuit, but the same as, or a continuation of the Circuit Court Certiorari Proceeding. As will be shown, that position takes Tisdale-Ferguson nowhere, because if it is the same case, the case is barred by the law of the case doctrine.

Here, the Board refers the Court to its *Statement of Undisputed Material Facts*, §51-52. Not

to repeat, but to summarize: when Tisdale-Ferguson bought her Circuit Court Certiorari Proceeding, she coupled it with two counts, one for declaratory relief and one for injunctive relief. The Board moved to dismiss those counts, stating that the case had already been placed in the Appellate Division and was being treated as a Petition for Writ of Certiorari. The Court entered its *Order* staying the declaratory relief and injunctive relief counts, stating that the case was a claim for certiorari appellate review and had been assigned to the Circuit Court Appellate Division, and then ruled that Counts 2 and 3 are stayed “until Count 1, the Petition for Writ of Certiorari, has been decided, at which time, upon proper motion, Counts 2 and 3 may be assigned to the General Civil Division for further proceedings.”

Tisdale-Ferguson has not filed any motion to proceed in this Court, but has simply filed a new suit almost one year after rehearing was denied. Since Plaintiff has not filed a motion to proceed on Counts 2 and 3, the Defendant Board is not certain if this Court will permit this suit to be filed without a proper motion. If the Court decides that the case can proceed, Defendant Board is not certain if the Court will decide it is the same case, or a different case than the Circuit Court Certiorari proceeding. For these reasons, Defendant Board has plead both res judicata and law of the case in its Affirmative Defenses.

#### **LAW OF THE CASE / JUDICIAL ESTOPPEL**

The doctrines of the law of the case and res judicata differ in two important ways. First, law of the case applies only to proceedings within the same case, while res judicata applies to proceedings in different cases. *See Beverly Beach Properties, Inc. v. Nelson*, 68 So.2d 604, 607 (Fla. 1953); *Strazzulla v. Hendrick*, 177 So.2d 1, 3 (Fla. 1965). Second, the law of the case doctrine is narrower in application in that it bars consideration only of those legal issues that were actually considered and decided in a former appeal, while res judicata bars re-litigation in a subsequent cause of action not only of claims raised, but also claims that could have been raised. *See United States*



*Concrete Pipe Co. v. Boul*d, 437 So.2d 1061, 1063 (Fla. 1983), *Youngblood v. Taylor*, 89 So.2d 503, 505 (Fla. 1956); *Fla. DOT v. Juliano*, 801 So. 2d 101, 107 (Fla. 2001).

Accordingly, if this action is the same case as *Tisdale-Ferguson I*, then the case is barred by the law of the case doctrine. On the other hand, if it is a completely different case, then it is barred by res judicata.

It is important to point out that the Appellate Division of this Court denied Tisdale-Ferguson's Petition for Writ of Certiorari on the merits. In *Topps v. State*, 865 So. 2d 1253, 1258 (Fla. 2004), the Florida Supreme Court confronted whether the denial of an extraordinary writ should be considered a decision on the merits, finding that:

When a court intends to deny an extraordinary writ petition on the merits, the court need only include in its order a simple phrase such as 'with prejudice' or 'on the merits' to indicate that the merits of the case have been considered and determined and that the denial is on the merits. The simple addition of such a phrase to any order which denies a writ petition will ensure that litigants' substantive rights will not be extinguished by an unelaborated denial of an extraordinary writ petition when the merits have not been the basis of the court's ruling.

Thus, henceforth, in this State, unelaborated denials in extraordinary writ cases shall not be deemed denials on the merits. We conclude that it is not unreasonable nor does it impose an unnecessary burden upon courts to require that we all enter orders that can be clearly understood in terms of scope and impact of the determination upon the parties and to be uniform in our application of Florida law.

### **CONCLUSION**

For the reasons set forth in this Motion, Defendant Board is entitled to the entry of Summary Final Judgment as a matter of law.

WHEREFORE, Defendant, Board of Trustees of the City Of Hollywood Employees' Retirement Fund, respectfully requests that this Court enter a Summary Final Judgment in its favor and against Plaintiff, Virginian Tisdale-Ferguson, individually and as the Personal Representative of the Estate of John L. Tisdale (Deceased), in this cause, and for any other and further relief deemed fair and just under the circumstances.

Respectfully submitted,

**LORIUM LAW**

101 NE Third Avenue, Suite 1800

Fort Lauderdale, Florida 33301

Tel: (954) 462-8000

Fax: (954) 462-4300

By: /s/ Ronald J. Cohen

RONALD J. COHEN

Florida Bar No. 235504

rcohen@loriumlaw.com

RILEY W. CIRULNICK

Florida Bar No. 333270

rcirulnick@loriumlaw.com

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished electronically through the Florida Courts E-Filing Portal to Jacqueline C. Ledon, Esq., Ledon Law, P.A., 4300 Biscayne Boulevard, Suite 203, Miami, Florida 33137 at jledon@ledonlaw.com; service@ledonlaw.com this 21<sup>st</sup> day of March, 2025.

/s/ Ronald J. Cohen

RONALD J. COHEN

# **AGENDA ITEM 6.B.**

## **LEGAL**

### **ATTORNEY CLIENT MEETING**

**(NO BACKUP FOR THIS SECTION)**

***11:00 AM TIME CERTAIN EXECUTIVE SESSION***

**(Or as soon thereafter as the agenda permits)**

**Under Section 286.011(8) F.S., the person Chairing the meeting shall announce the commencement of and estimated length of a closed attorney client session, and the names of all persons attending. The meeting will be to discuss the pending litigation known as Virginia Tisdale-Ferguson, individually and as the personal representative of the Estate of John L. Tisdale, (Deceased) v. Blanche Pressley and the Board of Trustees of the City of Hollywood Employees' Retirement Fund, In the Circuit Court of the 17th Judicial Circuit in and For Broward County, Florida, CASE NO. CACE23014008 (02).**

**Estimated length of Attorney-Client Session: one and one-half hours**

**Reopen Public Meeting/ Announce Termination of Attorney-Client Meeting/Resume Regular Pension Board meeting**

# **AGENDA ITEM 6.C.**

## **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**

2450 Hollywood Boulevard • Suite 204 • Hollywood, FL 33022  
(954) 921-3333 • (954) 921-3332 Fax • [generalpensionhelp@hollywoodfl.org](mailto:generalpensionhelp@hollywoodfl.org)

### **CITY COMMISSION COMMUNICATION**

**April 2025**

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

### **BOARD OF TRUSTEES**

Phyllis Shaw – Chair  
David Keller, Vice Chair

Robert Strauss – Secretary  
April Allen

Jeffrey Greene  
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.

Six Trustees attended the February 25, 2025 Regular Meeting.

### **ITEMS OF INTEREST TO THE CITY COMMISSION**

- The estimated value of the Fund's assets available for investments on February 28, 2025 was \$486.8 million, down 0.2% net of fees for the month of February 2025, and up 0.8% net of fees 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 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 again filed suit on May 25, 2023 and the litigation is ongoing. A Mediation has been scheduled for April 29, 2025.

### **UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION**

- NCPERS Annual Conference  
May 18-21, 2025  
Denver, Colorado
- Koried Global Summit  
July 16-18, 2025  
Biltmore, Coral Gables
- FPPTA Annual Conference  
June 22 - 25, 2025  
Omni ChampionsGate, Orlando
- FPPTA Fall Trustee School  
October 5-8, 2025  
Marriott, Ponte Vedra

### **MEETING SCHEDULE 2024**

**All Commissioners are invited to attend.**

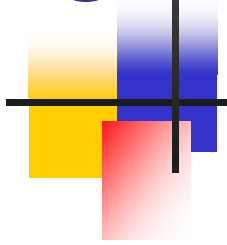
<b><u>Dates</u></b>	<b><u>Time</u></b>	<b><u>Location</u></b>
May 20, 2025	9:00am-12:00pm	Pension Office, 2450 Hollywood Boulevard, Room 209
June 17, 2025	9:00am-12:00pm	Pension Office, 2450 Hollywood Boulevard, Room 209
July 22, 2025	9:00am-12:00pm	Pension Office, 2450 Hollywood Boulevard, Room 209
August 26, 2025	9:00am-12:00pm	Pension Office, 2450 Hollywood Boulevard, Room 209
September 16, 2025	9:00am-12:00pm	Pension Office, 2450 Hollywood Boulevard, Room 209
October 21, 2025	9:00am-12:00pm	Pension Office, 2450 Hollywood Boulevard, Room 209
December 16, 2025	9:00am-12:00pm	Pension Office, 2450 Hollywood Boulevard, Room 209

# **AGENDA ITEM 7.B.**

## **EXECUTIVE DIRECTOR'S REPORT**

### **COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR**





# Communications – April 22, 2025

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- Actuarial Valuation Report as of October 1, 2024
- Open House – Proposed Date June 18, 2025
- Trustee Appointments – May 28, 2025
- COHERF Comprehensive Pay Plan
- DROP Participant List

**CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
DROP**

**April 2025 Regular Pension Board Meeting**

	Name		DROP Start Date	DROP End Date	Payroll Reports Received
1	Keller	George	January 1, 2020	December 31, 2024	Yes
2	Hogarth	Delroy	July 1, 2020	June 30, 2025	Yes
3	Seidl	Luanne	July 1, 2020	June 30, 2025	Yes
4	Lopez	Sergio	August 1, 2020	July 31, 2025	Yes
5	Manimala	Jacob	August 1, 2020	July 31, 2025	Yes
6	Bailey	Lorna	October 1, 2020	September 30, 2025	Yes
7	Bently	Michael	October 1, 2020	September 30, 2025	Yes
8	Perrin	Edward	October 1, 2020	September 30, 2025	Yes
9	Kalil-Cobos	Yvonne	December 1, 2020	November 30, 2025	Yes
10	Wilson	Henry	January 1, 2021	December 31, 2025	Yes
11	Carter	Michelle	March 1, 2021	February 28, 2026	Yes
12	Johns	Mary	April 1, 2021	March 31, 2026	Yes
13	Bennett	Lisa	April 1, 2021	March 31, 2026	Yes
14	Maldonado-Juriga	Yolanda	June 1, 2021	May 31, 2026	Yes
15	Castillo	Jamie	June 1, 2021	May 31, 2026	Yes
16	Tozzi	Donna	August 1, 2021	July 31, 2026	Yes
17	Sanchez	Pamela	September 1, 2021	August 31, 2026	Yes
18	Caraballo	Luis	December 1, 2021	November 30, 2026	Yes
19	Batista	Francisco	January 1, 2022	December 31, 2026	Yes
20	Smith	Lisa	March 1, 2022	February 28, 2027	Yes
21	Fiorillo	Richard	March 1, 2022	February 28, 2027	Yes
22	Ramos	Edgar	May 1, 2022	April 30, 2027	Yes
23	DeRosa	Anthony	May 1, 2022	April 30, 2027	Yes
24	Cerny	Patricia	May 1, 2022	March 12, 2027	Yes
25	Schiff	Christine	June 1, 2022	May 31, 2027	Yes
26	Clift	William	June 1, 2022	May 31, 2027	Yes
27	Russ	Lemmie	June 1, 2022	May 31, 2027	Yes
28	Irizarry Figueroa	Fernando	June 1, 2022	May 31, 2027	Yes
29	Kimble	LaShanda	August 1, 2022	July 31, 2027	Yes
30	Saintange	Carmen	August 1, 2022	July 31, 2027	Yes
31	Vazquez	David	August 1, 2022	July 31, 2027	Yes
32	Greene	Charmaine	September 1, 2022	August 31, 2027	Yes
33	Davis	Curtis	September 1, 2022	August 31, 2027	Yes
34	Kis	Laslo	September 1, 2022	August 31, 2027	Yes
35	Estevez	Andrew	November 1, 2022	October 31, 2027	Yes
36	Graves	Kimberly	January 1, 2023	December 31, 2027	Yes
37	Morris	Travis	January 1, 2023	December 31, 2027	Yes
38	Cairns	William	January 1, 2023	December 31, 2027	Yes
39	Sheinfeld	Scott	February 1, 2023	January 31, 2028	Yes

# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## DROP

April 2025 Regular Pension Board Meeting

	Name		DROP Start Date	DROP End Date	Payroll Reports Received
40	Sabillon	Karrie	March 1, 2023	February 28, 2028	Yes
41	Senecharles	Francis	May 1, 2023	April 30, 2028	Yes
42	Di Sciascio	Alex	May 1, 2023	April 30, 2028	Yes
43	Wharton	Michael	June 1, 2023	May 31, 2028	Yes
44	Isaac	Septimus	June 1, 2023	May 31, 2028	Yes
45	Leo	Justin	June 1, 2023	May 31, 2028	Yes
46	Rivers	Miguel	June 1, 2023	May 31, 2028	Yes
47	Caruso	Nancy	August 1, 2023	July 31, 2028	Yes
48	Kiriazis	Dan	November 1, 2023	October 31, 2028	Yes
49	Randazzo	John	November 1, 2023	October 31, 2028	Yes
50	Gardner	Irish	November 1, 2023	July 31, 2028	Yes
51	Parma	Ganga	December 1, 2023	June 30, 2028	Yes
52	Lahoud	Cheryl	January 1, 2024	December 5, 2026	Yes
53	Beech	Alan	January 1, 2024	December 31, 2028	Yes
54	Carter	Ronnie	January 1, 2024	December 31, 2028	Yes
55	Vera	Omar	February 1, 2024	January 31, 2029	Yes
56	Valenzuela	Mari	April 1, 2024	March 31, 2029	Yes
57	Jackson	Sandie	May 1, 2024	April 30, 2029	Yes
58	Jones	Clinton	May 1, 2024	April 30, 2029	Yes
59	Lopez	Margaret	August 1, 2024	July 31, 2029	Yes
60	Williams	Genise	September 1, 2024	August 31, 2029	Yes
61	Youmans	Heather	December 1, 2024	November 30, 2029	Yes
62	Caseus	Florence	January 1, 2025	December 31, 2029	Yes
63	Nelson	Burnon	February 1, 2025	January 31, 2030	Yes
64	Adamcik	Christine	February 1, 2025	January 31, 2030	Yes
65	Mullenski	Gregory	April 1, 2025	March 31, 2030	
66	Kine	Robert	May 1, 2025	April 30, 2030	
67	Ferguson-Smith	Virginia	June 1, 2025	May 21, 2030	
68	Roelofs	Bernadette	June 1, 2025	May 21, 2030	

# **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)**