

HOLLYWOOD POLICE OFFICERS' RETIREMENT SYSTEM
Office of Retirement
4205 Hollywood Blvd., Suite 4
Hollywood, Florida 33021

August 19, 2022

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, August 19, 2022, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; J. Marano, P. Laskowski, M. Djokic, C. Boyd & J. Schweighardt.

Also present were Laurette Jean¹, City of Hollywood, Budget Director; Kevin Campbell, Eric Wilcomes & Mr. Mark Eisner – Taurus Private Markets; Brenda Alfaro, Mike Chalker² & Luis Maizel³ – LM Capital Group; Robert K. Maddock, III & Adrian Sancho – Inverness Counsel; Brendon Vavrica - AndCo Consulting; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

PUBLIC COMMENT

Mr. Robert K. Maddock, III & Mr. Adrian Sancho of Inverness Counsel informed the Board that Inverness Counsel is becoming a partner of CI Financial. Inverness continues to keep our clients top of mind and provide a best-in-class solution for generations to come. CI Financial was the clear choice for us. They are a permanent strategic partner and bring the size and scale necessary to take our business to the next stage of growth and development. We are excited to be working with them to build the CI Private Wealth platform and by the opportunities for our team members in being part of a larger, national firm, while continuing to provide the same investment strategies and processes that we have built and executed on for decades.

What does this event mean for our relationship with you? In short, in all important ways, our relationship will remain the same.

- Inverness Counsel will continue to operate under the same name.
- We will continue to manage your accounts under the existing investment advisory agreement and fee schedule.
- You will still have the same team providing financial planning and investment management decisions.
- Your custodian bank will not change.

Having legal review and Board consensus, Mr. Strauss executed the consent agreement accordingly.

READING OF THE WARRANTS

The warrants since the last meeting were reviewed and executed by the Board of Trustees.

APPROVAL OF THE MINUTES OF THE JULY 22, 2022 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the July 22, 2022, pension board meeting.

¹ Attended Remotely.

² Attended Remotely.

³ Attended Remotely.

Mr. Laskowski made a motion to approve the Minutes of the July 22, 2022, pension board meeting, which was seconded by Mr. Marano. All board members voted yes.

ATTORNEY'S REPORT

Covetrus Matter: Mr. Kaufman advised that the Covetrus Matter is pending final court approval on October 2022.

Visa, Inc – Proposed Matter: Mr. Kaufman presented a Books & Records request from Saxena White regarding Visa, Inc. Mr. Kaufman has reviewed the matter and feels the Board should consider such action.

In summary, the Hollywood Police Officers' Retirement System (the "Retirement System") currently holds 14,202 shares of Visa, Inc. ("Visa" or the "Company") common stock—an investment of more than \$3 million at current trading prices.

Saxena White is investigating potential shareholder claims for breach of fiduciary duty against senior officers and directors of Visa in connection with their knowingly allowing Visa to continue a commercial relationship processing payments for MindGeek, a company that runs websites publishing substantial amounts of illicit content, including: (i) child pornography in violation of the Trafficking Victims Protection Reauthorization Act; (ii) violent, non-consensual sexual acts including rape; and (iii) sexual videos made and/or posted without the consent of the individuals depicted. The role of Visa in knowingly processing payments to monetize this illicit content is the subject of an ongoing litigation by victims and widespread criticism in the media and among market participants. The failure of Visa's corporate leaders to timely sever their relationship with MindGeek—even in the face of prominent public criticism of the relationship—has given rise to a prospect of substantial financial liability and significant reputational harm for Visa, threatening long-term shareholder welfare.

Saxena White believes that Visa's decision to continue its relationship with MindGeek constituted an extreme corporate governance failure and that Visa's specific corporate leaders who knowingly allowed the relationship to continue should be held personally accountable for the harm that inexplicable decision has caused to Visa and its reputation. Accordingly, as detailed further below, we believe it would be appropriate for the Retirement System to investigate potential breach of fiduciary duty claims against the senior officers and directors of Visa who permitted the Company to knowingly process payments monetizing videos of child pornography and other illicit content.

Recommendation: Saxena White believes that Visa's decision to continue its relationship with MindGeek constituted an extreme corporate governance failure and that Visa's specific corporate leaders who knowingly allowed the relationship to continue should be held personally accountable for the harm that inexplicable decision has caused to Visa and its reputation.

Accordingly, Saxena White believes it would be appropriate to investigate potential shareholder breach of fiduciary duty claims against the senior officers and directors of Visa who permitted the Company to knowingly process payments monetizing videos of child pornography and other illicit content. We do not currently know exactly which officers and directors were involved in the perpetuation of this immense governance failure. We therefore recommend that the Retirement System exercise its rights under Delaware law to obtain nonpublic internal documents of Visa to assess what actionable stockholder claims might exist.

Specifically, Visa is a Delaware corporation governed by Delaware law.

Section 220 of the Delaware General Corporation Law ("Section 220") provides a statutory method through which a Visa stockholder may demand to view the Company's internal books-and-records, as long as that request is made for a purpose reasonably related to its status as a stockholder and the scope of records being requested is tailored to that purpose.

One purpose that the courts have found to be legitimate is a desire to investigate possible mismanagement by corporate officers or directors.

In fact, the Delaware courts have repeatedly encouraged investors to use a Section 220 demand as an investigatory tool prior to commencing litigation. As long as there is a credible basis to believe that wrongdoing has occurred, inspections for this purpose are usually permitted.

In a round robin consensus, the Board felt that a police pension plan would be the appropriate party to pursue such a matter.

Mr. Laskowski made a motion to retain Saxena White to exercise our Section 220 rights to demand inspection of Visa's corporate records for the purpose of investigating the alleged internal failures that permitted the Company to continue its relationship with MindGeek. The motion was seconded by Mr. Marano. All board members voted yes.

The Board thanked Mr. Kaufman and Saxena White for protecting the Plan.

Summary Plan Description (SPD): Mr. Kaufman provided a copy of the draft to the SPD. Absent of input from the Trustees he will make final minor adjustments.

ESG Investing: Mr. Kaufman cited that Governor Ron DeSantis has a pending resolution directing the state of Florida's fund managers to invest state funds in a manner that prioritizes the highest return on investment for Florida's taxpayers and retirees without considering the environmental, social, and corporate governance (ESG) movement. This update to the fiduciary duties of the SBA's investment fund managers and investment advisors clearly defines the factors fiduciaries are to consider in investment decisions and states that ESG considerations will not be included in the state of Florida's pension investment management practices. While the proposed action does not apply to local pension plans, it is anticipated to be considered by the legislation next session.

ADMINISTRATIVE REPORT

2023 Meeting Dates: Mr. Williams presented a draft of the 2023 meeting dates. Absent of any adjustments the meeting dates will be posted accordingly.

<http://hollywoodpensionfund.com/docs/boardMeetings/2023%20Hollywood%20Meeting%20Dates.pdf#zoom=100>

DROP Loan(s): Mr. Williams cited a member's loan request(s). He outlined that the member(s) has the funds in his/her personal DROP account to cover the loan and he/she has been a participant(s) in the DROP plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Schweighardt made a motion to approve the loan(s) presented. This motion was seconded by Mr. Boyd. All board members voted yes.

NEW BUSINESS

LM Capital Group – Global Fixed Income⁴: Ms. Brenda Alfaro, Mr. Mike Chalker & Mr. Luis Maizel – LM Capital Group presented their Global Fixed Income product for the Board to consider.

⁴ Enhanced Core Plus.

Firm Overview:

- Founded in 1989 to provide active fixed income management using a global macroeconomic approach.
- \$4.7 billion in firm-wide assets under management.
- Headquartered in San Diego, CA.
- Privately held and 99% employee-owned.
- Consistent senior management with minimal turnover since inception of the firm.
- Minority Business Enterprise (Hispanic designation).

All portfolios are managed utilizing the same proprietary investment philosophy and process.

- Robust product development and customized solutions for clients, including ESG integration.
- A decade's long track record of performance in our flagship products – Strategic Core and Active Core Plus.
- At the forefront of Emerging Market Debt investing with over 30 years of experience.
- Dedicated Emerging Market Debt (EMD) Strategy launched in April 2015.
- Opportunistic Credit – Offers customized solutions tailored to client restrictions and objectives.

Philosophy and Process:

Proprietary global macroeconomic approach –

- One of the first firms to utilize Scenario Planning—a process to help mitigate against global event risk.
- Risk adverse portfolio management.
- Team-based process.
- Consistent, “time-tested” philosophy that is definable and repeatable.

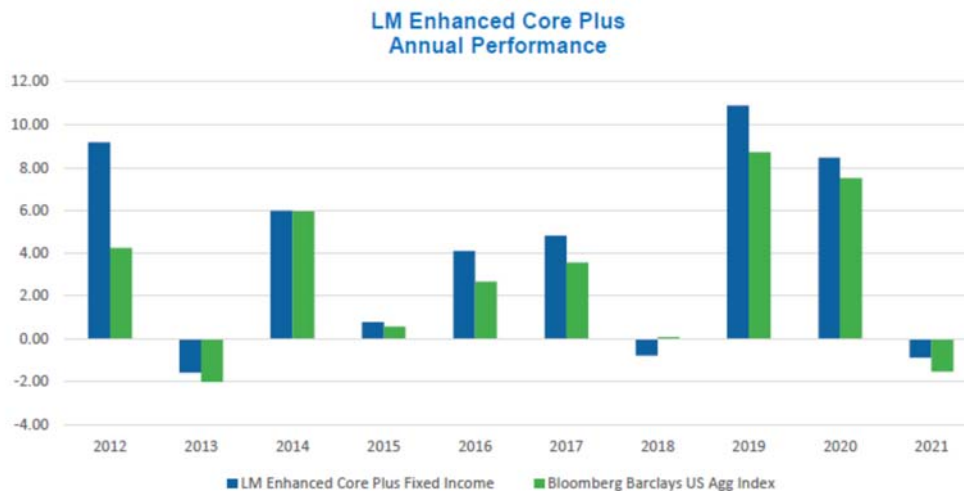
Performance -

- Long-term track record of relative outperformance with below average risk.
- Competitive risk-adjusted returns.
- Compelling upside/downside capture.
- Low portfolio turnover.
- Consistent performance has led to client relationships for over 30 years.

LM Capital believes in a global approach to managing fixed income securities, based upon top-down analysis of global macroeconomic factors. Our time-tested investment process has provided consistent risk-adjusted returns over time. They analyze over 30 economic indicators in major global markets and categorize them into six primary factors. Macroeconomic factors are graded on a scale using five scores. The Investment Strategy Group (ISG) then scores each factor in each country on a quarterly basis to identify (un)favorable fixed income market conditions. Duration and Sector Allocation targets are set based on Trend Identification Scores augmented by historical spread analysis. How the Trend Score and Spread Analysis Guide Duration and Sector Allocation Decisions. Working from an approved issuer list of 200 issuers, the lead portfolio manager chooses the most appropriate securities for the portfolio.

LM Capital believes that integrating Environmental, Social, and Governance (ESG) factors into the fixed income management process is prudent and necessary. And importantly, as other investors pursue ESG Integration, it has become increasingly meaningful to incorporate this information into the investment process.

Sell Discipline: Another form of Risk Management was reviewed as well.



The Board thanked the representatives for the educational presentation, as the Board considers further diversification for the Plan.

Taurus – Private Markets⁵: Mr. Kevin Campbell, Mr. Eric Wilcomes & Mr. Mark Eisner – Taurus Private Markets made a thought-provoking presentation to the Board to consider.

- Taurus Private Markets is raising a private equity fund of funds.
- Target return of 17-20% net return and a 1.75x – 2.0x net multiple on invested capital.
- Founders have an average of 20+ years experience in private equity and have worked together since 2010.
- Focus on lower middle market leveraged buyout, private credit, and venture capital investment strategies.
- Active members of FPPTA.
- Agreed to fiduciary compliance under Florida Statutes Section 112.661.
- Signed the NCPERS Code of Conduct.
- Estimated average annual management fee of 47 bps.
- Personal investment by the team.

The Fund will have approximately 85% of Primary Fund Commitments with the balance in Co – investments & Secondaries.

The representatives made their argument for investment in the lower middle market.

Return Market Dynamics and Exit Options were detailed.

The Due Diligence Process was outlined. Leverage Buyouts, Private Credits and Venture Capital were also discussed.

The Board thanked the representatives for the educational information put forth in a clear and concise manner.

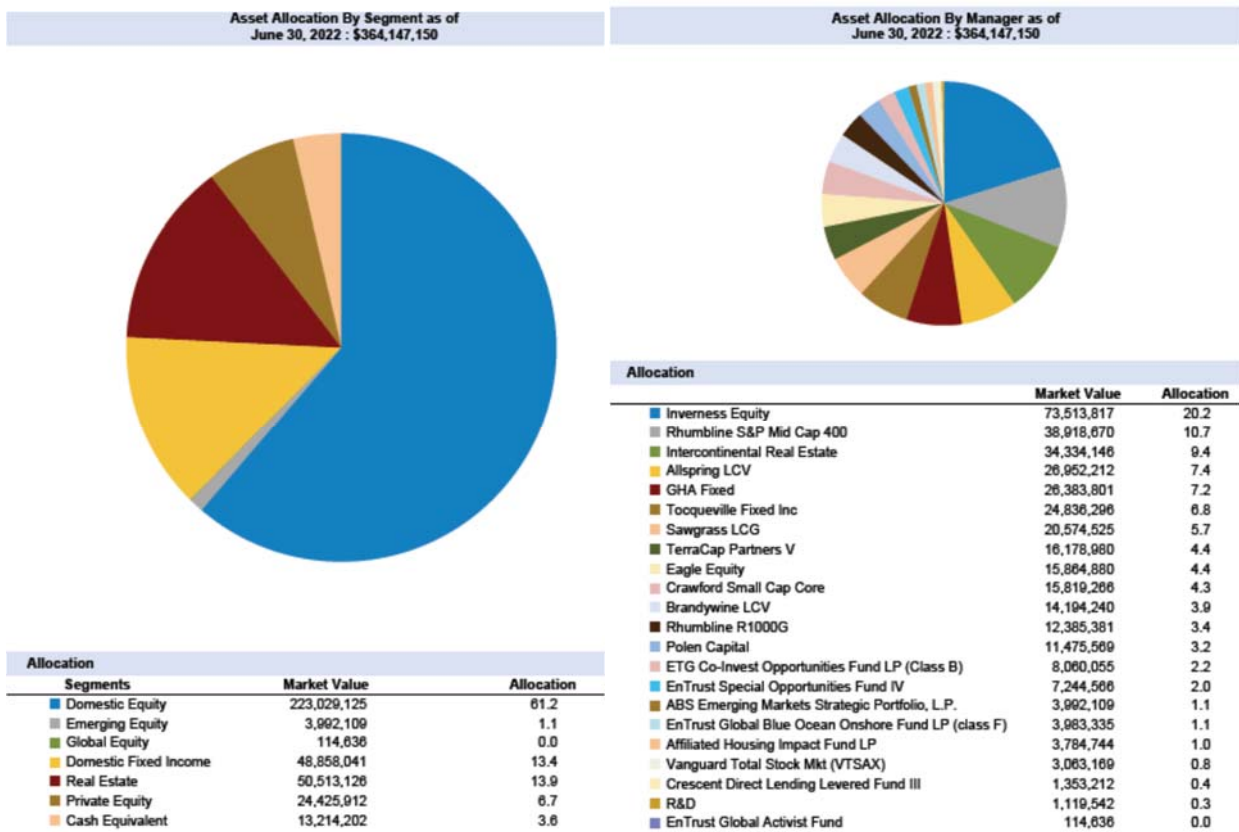
Mr. Vavrica presented and reviewed a private equity fund of funds search. No action was taken at this juncture.

⁵ Fund II.

INVESTMENT MONITOR REPORT

Mr. Vavrica presented the June 30, 2022, investment report, the portfolio was valued at \$364,147,150. The total fund return was -10.50%. That quarterly return was less volatile than benchmark policy. Mr. Vavrica advised - All Public Plans Total Fund Median return was -10.61%. Longer term results were also outlined on a 1, 3 and 5-year basis -8.46%, 6.38% and 7.36% respectively. A historical return dating back to October 1, 1992, was valued at 7.49%, beating the benchmark and "All Public Plans-Total Fund Median".

Manager and Sector Allocation was detailed as follows:



In a spirit of transparency, the Board of Trustees post the entire investment report, which may be viewed on-line at:

<http://hollywoodpolicepensionfund.com/docs/investments/2022-06-30%20Hollywood%20Police%20Quarterly%20Report.pdf>

Additionally, Mr. Vavrica presented a flash report for the quarter ending July 31, 2022. The quarterly return was valued at 6.31%. For the fiscal year the return was reported at -2.98% vs. the benchmark return of -3.16%. Quite a recovery from the June 30th quarter.

OPEN DISCUSSION

No discussion ensued.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 12:33 P.M.

Hollywood Police Officers' Retirement Board - Minutes
August 19, 2022
Page 7

The next scheduled meeting is September 23, 2022, at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson