

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

June 30, 2023

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, June 30, 2023, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss - Chairperson, C. Marano - Board Secretary, P. Laskowski, C. Boyd, J. Schweighardt, J. Marano and M. Djokic - Trustees.

Also present were Laurette Jean, City of Hollywood; Gregory Gosch & John Goodreds, Nuveen; Bryan Schneider, Entrust; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; & David M. Williams, Plan Administrator.

PUBLIC COMMENT

No Comments.

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 MAY 19, 2023 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the May 19, 2023, pension board meeting. Mr. Djokic made a motion to approve the Minutes of the May 19, 2023, pension board meeting, which was seconded by Mr. Marano. All board members voted yes.

ATTORNEY'S REPORT

First Republic: Mr. Kaufman advised that after consulting security litigation counsel, it was determined the best course of action was to dismiss the matter. The Chairman was contacted and agreed. Motion to affirm the action by the Chairman dismissing the action of First Republic by Mr. Laskowski, seconded by Mr. Boyd. All board members voted yes.

Other Litigation: Mr. Kaufman also provided updates on other active cases as well.

Mr. Kaufman provided a draft ordinance for review that will tie the line of duty death benefit that was negotiated in the collective bargaining agreement. Mr. Kaufman explained the issue to Ms. Jean as well. The ordinance will be transmitted to the city for consideration. A new impact statement would be required as well.

Mr. Kaufman advised that as a result of HB 3, a new annual report will have to be filed with the State of Florida on a bi-annual basis. The investment policy will also be updated to establish compliance with HB 3 as well.

Mr. Strauss informed Mr. Kaufman of the attempts made to change ACH information that was discovered to be fraudulent and the internal controls that thwarted the attempts.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DROP ENTRY: Mr. Williams reviewed the drop entry information for Mr. Justin Leo¹. After review, a motion to approve was made by Mrs. Marano and seconded by Mr. Laskowski. All board members voted yes.

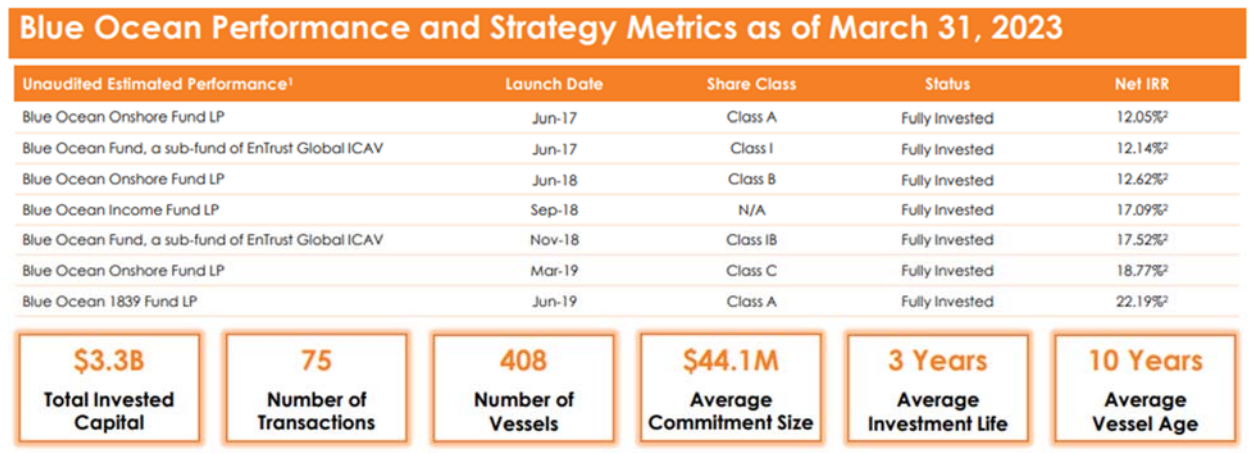
DROP Loan(s): Mr. Williams cited a member's loan request(s). He outlined that the member(s) has the funds in his/her personal DROP account to cover the loan and he/she has been a participant(s) in the DROP plan for the required amount of time². No conflict exists with the 12-month rule. Mrs. Marano made a motion to approve the loan(s) presented. This motion was seconded by Mr. Laskowski. All board members voted yes.

INVESTMENT MANAGER REPORT – ENTRUST

Mr. Bryan Schneider provided an update to the following portfolios:

Blue Ocean Onshore Fund II: Investment Objective - Generate long-term, consistent investor returns, predominantly in the form of income distributions, from direct lending and other investment opportunities within the global maritime and transportation industries. Targeting total net returns of 10-14% using a basket approach investing in a portfolio of loans, long-term leases and other investments across the capital structure.

The Fund primarily originates, structures and invests in transactions to a select customer base within the commodity shipping, maritime equipment, ports, offshore construction & energy infrastructure and passenger/car carrier industries. The Fund will opportunistically invest in other transportation sectors.

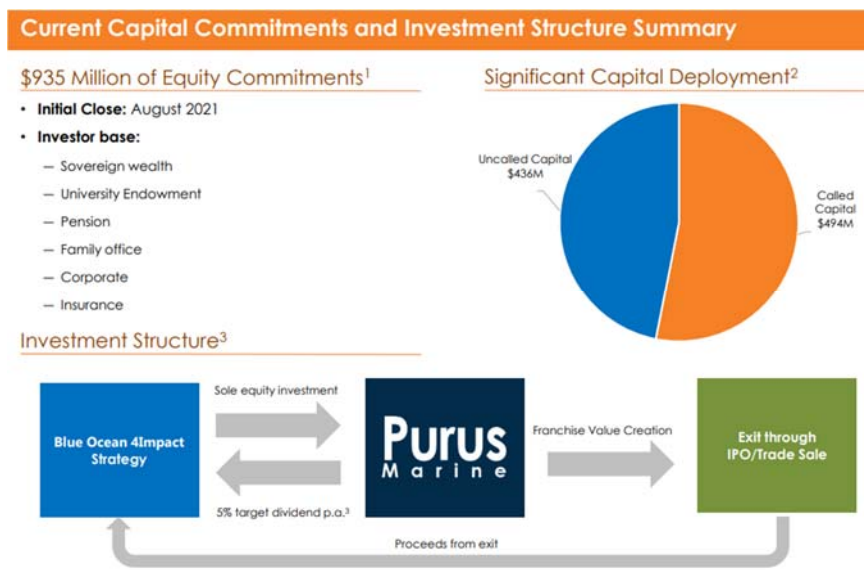


Blue Ocean 4Impact: Purus Marine – Leading the Global Energy Transition. Owner and operator of environmentally-advanced maritime assets. Focused on the production and transport of renewable energy and the hydrogen economy.

¹ Coordination of benefits with the GE Pension Plan.

² A question arose about if a member with a loan was terminated before the loan was paid in full. Mr. Williams advised the funds would be withdrawn from the members account and a 1099R would be issued.

Established business with expected run-rate EBITDA³ of over \$230M. De-risked cash flows with mid/long-term contracts to investment grade corp. / govt. customers.



Opportunistic Co-Investments: Strategy Summary - EnTrust Global inceptioned its first opportunistic co-investment in 2007. Opportunistic co-investments target individual, high-conviction ideas that result from market dislocations and/or event-driven catalysts. Opportunities involve a deep level of engagement with respect to the target investment. Alpha is generated by investment-specific characteristics and events rather than broader market dynamics. Flexible and opportunistic approach results in a diversified collection of idiosyncratic Investment.

Investment approach leads to the following: Management Change, Operational Turnaround, Strategic Transactions, Restructuring/Legal Process, IPO, Refinancing.

Since March 2018, 21 credit and equity co-investments have been realized on behalf of the Police Retirement System, generating a gross IRR of 11.36% and a gross MOIC⁴ of 1.18x.

NEW BUSINESS

Nuveen Global Farmland Fund (NGFF) Presentation: Mr. Gregory Gosch & Mr. John Goodreds provided the following information related to the Nuveen Global Farmland Fund. It was reported that Nuveen, is the global leader in farmland investing. Led by a senior management team averaging 24 years of investment experience, the investment team applies local market expertise to execute the global farmland strategy. NGFF seeks consistent, long-term risk-adjusted returns and regular income yields through a portfolio of high-quality agricultural assets, selected with a focus on diversification through local access. A top-down process filtering thousands of growing regions and crops, supplemented by deep localized expertise to identify farmland investment opportunities that we believe to be most optimal. We seek to acquire premier quality properties at favorable entry valuations across its global footprint, resulting in high deal selectivity across target geographies.

³ EBITDA, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income.

⁴ MOIC stands for “Multiple on Invested Capital” and measures investment returns by comparing the value of an investment on the exit date to the initial investment amount.

Achieving the desired risk/return balance: diversification across four key factors. Geography, Water Profile, Operating strategy and Crop Type.

Long-term farmland value drivers – Due to rising global population and limited supply of farmland.

The Trustees thanked the representatives for the thought-provoking presentation.

Administrative Budget: 2023/24: Mr. Williams outlined the Administrative Expense Budget provision. 175.061(8) and 185.05(8) require that all firefighter and police Boards of Trustees shall provide a detailed accounting report and operate under an administrative expense budget. A copy of the budget shall be provided to the plan sponsor and made available to plan members before the beginning of the fiscal year. If the Board amends the administrative expense budget, the Board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members. For plans that use a September 30 - October 1 fiscal year, the new administrative expense budget must be prepared and made available prior to October 1st. After review and discussion, Mr. Marano made a motion to approve the 2023/24 Administrative Expense Budget as presented, which was seconded by Mr. Djokic. All board members voted yes.

INVESTMENT MONITOR REPORT – ANDCO

Mr. Vavrica presented a monthly flash report for May 31, 2023. The fiscal year return was valued at 9.60%⁵.

OPEN DISCUSSION

Mr. Strauss asked that the Churchill Fund be tabled for the August meeting.

Due to the lack of a quorum, the July 21, 2023 meeting has been cancelled.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 12:28 P.M.

The next scheduled meeting is August 18, 2023 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson

⁵ Gross Basis.