

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

February 18, 2022

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, February 18, 2022, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, C. Marano, C. Boyd, P. Laskowski, Justin Schweighardt & M. Djokic¹.

Also present were Laurette Jean², City of Hollywood; Brendon Vavrica, AndCo Consulting; Robert Maddock & Adrian Sancho, Inverness Counsel; Stuart Kaufman³, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

PUBLIC COMMENT

Mr. Strauss sadly announced the passing of Mr. Stephen Cypen on February 6, 2022. Steve served as the Board's Counsel from 1969 – 2016. He will be sorely missed⁴.

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 JANUARY 28, 2022 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the January 28, 2022 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of the January 28, 2022 pension board meeting, which was seconded by Mr. Boyd. All board members voted yes.

ATTORNEY'S REPORT

Line of Duty Death - Mr. Kaufman advised that Mr. Klausner has been in discussions with Mr. Keller, City of Hollywood. A draft ordinance will be prepared so an impact statement can be sought from the Actuary.

Side Letter Entrust - Mr. Kaufman informed the Board that Entrust sent a side letter for the ETG Co Investment Special Opportunities Fund related to expanded withdraw rights. Mr. Strauss executed same.

Chidsey Matter – It was reported by Mr. Kaufman this matter is fully briefed. Awaiting for the court response.

Citrix - Mr. Kaufman informed the Board that a British company has reported a greater loss. Matter is under review to determine if in fact they have standing in the case.

¹ Attended Remotely.

² Attended Remotely.

³ Attended Remotely.

⁴ <https://www.legacy.com/us/obituaries/herald/name/stephen-cypen-obituary?id=32815002>

Legislation: Brief update on COVID & PTSD Bills. Matters still pending.

ADMINISTRATIVE REPORT

Mr. Strauss asked Mr. Williams to confirm that the Actuary is preparing the DROP rate of return report on a quarterly basis.

Mr. Williams presented the Administrative Report to the Board.

Trustee Election: Mr. Williams sent out the notice for nomination and election to the active membership.

Notice may be viewed at:

<http://hollywoodpolicepensionfund.com/docs/announcements/NOTICE%20OF%20BOARD%20NOMINATION%20&%20ELECTION%2002-15-2022.pdf>

Return of Pension Contributions: Mr. Williams provided the request of former member Jonathan Owoc who asked for a refund of pension contributions. Motion to approve by Mrs. Marano, seconded by Mr. Schweighardt. All board members present voted yes.

DROP ENTRY: Mr. Williams reported the drop entry information for Ms. Nancy Toler and Mr. Michael Whiting. After review, a motion to approve was made by Mr. Schweighardt and seconded by Mr. Boyd. All board members voted yes.

Supplemental Distribution Adjustment: Mr. Williams noted an overpayment that was identified during the audit for Mr. Silva. It was determined that the custodian didn't make the requested adjustment as requested. Mr. Williams confirmed the foregoing and reviewed his findings with the member. The overage will be deducted by reducing the supplemental distribution.

QUARTERLY INVESTMENT PRESENTATIONS

INVERNESS COUNSEL

Mr. Adrian Sancho & Mr. Robert Maddox provided the following investment report -

Positives

Discretionary Spending - consumer spending accounts for 70% of the U.S. economy. Consumers are awash with record savings and are ready to spend on travel and leisure as the global economy reopens.

Company Fundamentals –potential to see continuation of strong S&P earnings, inventory rebuilding, and an easing of supply chain problems across a variety of industries.

Increased Productivity–companies are also spending heavily on technology to support the productivity gains discovered during the pandemic and a more flexible workforce.

Concerns

Record Returns –this has been one of the biggest rallies in decades and a lot of good news may already be priced into the markets.

Inflation –has picked up over the last year, which has translated to higher prices and acts as a tax increase for the lower-end consumer.

Interest Rates –the Fed has signaled an intent to raise rates from historically low levels and could face timing issues later in the year as we approach the midterm elections.

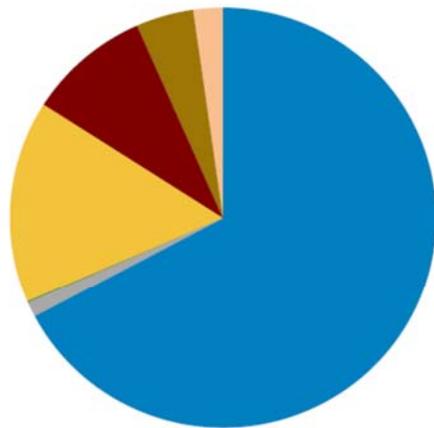
Inverness Equity Performance:

	Annualized (%)*				
	FYTD	1 Year	3 Year	5 Year	Inception
Inverness Equity	11.21	30.51	29.52	20.05	11.26
S&P 500 Index	11.03	28.71	26.07	18.47	10.61

INVESTMENT MONITOR REPORT
AndCo Consulting

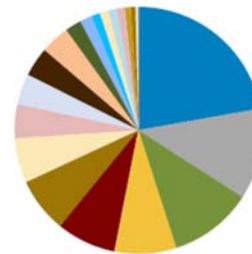
Mr. Vavrica presented the December 31, 2021 investment report, the portfolio was valued at \$452,725,207.00. The total fund return was 6.71%⁵. That quarterly return was outpaced by the benchmark policy⁶. Mr. Vavrica advised - All Public Plans Total Fund Median return was 4.36%. Longer term results⁷ were also outlined on a 1, 3 and 5-year basis 18.42%, 17.02% and 12.08% respectively.

Asset Allocation By Segment as of December 31, 2021 : \$452,725,207



Allocation	Market Value	Allocation
Domestic Equity	304,365,327	67.2
Emerging Equity	5,108,837	1.1
Global Equity	656,534	0.1
Domestic Fixed Income	70,413,417	15.6
Real Estate	42,211,150	9.3
Private Equity	19,759,086	4.4
Cash Equivalent	10,210,856	2.3

Asset Allocation By Manager as of December 31, 2021 : \$452,725,207



Allocation	Market Value	Allocation
Inverness Equity	100,458,603	22.2
Rhumbline S&P Mid Cap 400	54,001,041	11.9
Allspring LCV	49,490,141	10.9
GHA Fixed	36,440,112	8.0
Tocqueville Fixed Inc	35,284,478	7.8
Intercontinental Real Estate	32,572,584	7.2
Sawgrass LCG	26,492,672	5.9
Eagle Equity	20,142,660	4.4
Crawford Small Cap Core	18,206,905	4.0
Polen Capital	17,441,822	3.9
Rhumbline R1000G	17,212,595	3.8
TerraCap Partners V	9,638,566	2.1
EnTrust Special Opportunities Fund IV	7,199,960	1.6
ETG Co-Invest Opportunities Fund LP (Class B)	5,183,138	1.1
ABS Emerging Markets Strategic Portfolio, L.P.	5,108,837	1.1
Vanguard Total Stock Mkt (VTSAX)	4,972,086	1.1
R&D	4,846,484	1.1
Affiliated Housing Impact Fund LP	3,568,997	0.8
EnTrust Global Blue Ocean Onshore Fund LP (class F)	2,699,159	0.6
Crescent Direct Lending Levered Fund III	1,107,832	0.2
EnTrust Global Activist Fund	656,534	0.1

The entire investment report may be viewed on-line at:

<http://hollywoodpolicepensionfund.com/docs/investments/2021-12-31%20Hollywood%20Police%20Quarterly%20Report.pdf>

⁵ On a gross basis.

⁶ 5.95%.

⁷ On a net basis.

An updated performance snapshot⁸ was provided through January 31, 2022 by Mr. Vavrica.

Mr. Vavrica advised the Board that Mr. Gregory S. Gosch, Institutional Client Services of Sawgrass Asset Management has separated employment. No impact on the portfolio.

Mr. Vavrica advised Brandywine transition is well underway.

Mr. Vavrica will present PE Secondaries at the next meeting.

OPEN DISCUSSION

None.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:21 A.M.

The next scheduled meeting is March 25, 2022 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson

⁸ 1.85% FYTD through January 31, 2022.