

MINUTES
SPECIAL PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, SEPTEMBER 26, 2023 AT 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:15a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller, Secretary Robert Strauss, Barbara Armand, Jeffrey Greene, and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, and Francois Otieno of Segal Marco; and Ronald Cohen of Lorium Law.

Trustee Charles Howell was absent.

A. September 26, 2023 Special Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to adopt the September 26, 2023 Special Board Meeting Agenda as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. NEW INVESTMENT OPPORTUNITIES AND RECOMMENDATIONS (Segal Marco)

Mr. Otieno provided a brief introduction of the proposed investment opportunities.

A. Bayview

Mr. Greg Geiling and Ms. Hunter Williams represented Bayview Asset Management. Mr. Geiling presented an overview of the Bayview MSR Opportunity Fund (MSR Fund), a mortgage servicing investment opportunity.

In response to questions, Mr. Geiling advised that the income of the fund was derived from fees on the servicing of the mortgages. He advised that the fees were hedged and therefore not affected by mortgage rate changes. He also advised that 100% of the mortgages serviced were government backed Fannie, Freddie, or Ginnie MSRs.

Mr. Geiling explained the structure of the investment including the outsourcing of the collection and distribution of the mortgage payments. He advised that the mortgage servicing company was 100% wholly owned subsidiary of the opportunity fund. He advised that there was no lock up period but that there was a 180-notice requirement. He further advised that the State of Florida was an investor in the Fund.

B. BC Partners

Mr. Ted Goldthorpe and Mr. Gordon Shu represented BC Partners. Mr. Goldthorpe presented an overview of the BC Partners Special Opportunities Fund III. He advised that the fund would be primarily invested in private lending and provision of structured equity. He noted that the fund investments would be in small companies, with less than \$50 million in assets. He noted that these companies tended to have lower leverage multiples and lower default rates.

Mr. Gordon advised that the reporting period was 90 days following the end of the quarter but typically the reports were available earlier.


C. Brightwood

Mr. Sengal Selassie and Zakira Ralling represented Brightwood Capital Advisors. Mr. Selassie presented an overview of the Brightwood Capital SBIC III fund. He discussed the advantages of the Brightwood investment including their differentiated strategy and enhanced transparency. He advised that the investment had an approximately 10-year life span and it intends to enhance returns by utilizing external debt financing from the SBA in the form of SBA-guaranteed debentures (the "SBA Debentures"). The SBA Debentures have a ten-year term and carry fixed interest rates that are generally lower than comparable bank debt and public debt. He discussed several of the SBIC investments. He also highlighted several of the investors in the Fund.

Mr. Selassie advised that the reporting period was usually 30 days following the end of the quarter for unaudited values, but the September 30 audited valuations would be expected at the end of February of the following year.

10. ADJOURNMENT

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:15a.m.



Phyllis Shaw, Chair

Date 11/14/2023