

**West Palm Beach Police Pension Fund
2100 North Florida Mango Road
West Palm Beach, Florida 33409**

Minutes

**November 10, 2023
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on November 10, 2023, at 8:36 AM, in the main conference room of the Ernest George Building of the Palm Beach County Police Benevolent Association.

Present at the meeting: Jonathan Frost, Board Chairman; Sean Williams, Board Trustee; Dana Fragakis, Board Trustee, Joseph Ahern, Board Trustee, Troy Marchese, Board Trustee.

Also present: John Dickie, Highvista (previously known as Aberdeen); Patrick Miller J.P. Morgan; Brendon Vavrica, Andco Consulting; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Louis Penque, Plan Administrator and Amy Sinnott, Retiree.

PUBLIC COMMENTS

No comments.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any changes required to the minutes of October 13, 2023. Mr. Marchese made the motion to approve the minutes as noted, which was seconded by Mrs. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

Perry Lafrance NLOD Disability Payment: Mrs. Jensen advised the Board that she was contacted by the Attorney representing Mr. Lafrance (Mr. King) requesting that Mr. Lafrance be permitted to begin collecting his previously approved non-duty disability while his appeal process is moving forward. After a brief discussion Mrs. Fragakis made a motion to approve the request. This motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

SPD Policy: Mrs. Jensen presented the revised Statement of Policy regarding Supplemental Pension Distribution which was drafted by Jeff Amrose from GRS. Mrs. Jensen reviewed the additions to the Policy in section 1(C) and after a brief discussion Mr. Ahern made a motion to approve the additions. This motion was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

HB 3: Mrs. Jensen advised the comprehensive reports were completed to comply with HB-3 and that the report consists largely of the Board's Investment Policy Guidelines.

INVESTMENT REPORT – HIGHVISTA previously ABERDEEN

Mr. Dickie presented the November 2023, portfolio report to the Board of Trustees. Mr. Dickie began his presentation explaining the company's name change from ABERDEEN to HIGHVISTA:

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We have partnered with HighVista Strategies to lift out our private markets business from our previous parent company, abrtn. The transaction closed on October 2nd, 2023.

HighVista is a partner-owned investment firm based in Boston that is focused on alternative investment strategies.

As part of the transaction, our entire investment and operations teams, along with all of our funds, transferred over to HighVista. We will continue to manage our PE program with the same team and strategy going forward.

We have known HighVista for years, and there is a strong cultural fit between the two client-centric, investment-led organizations.

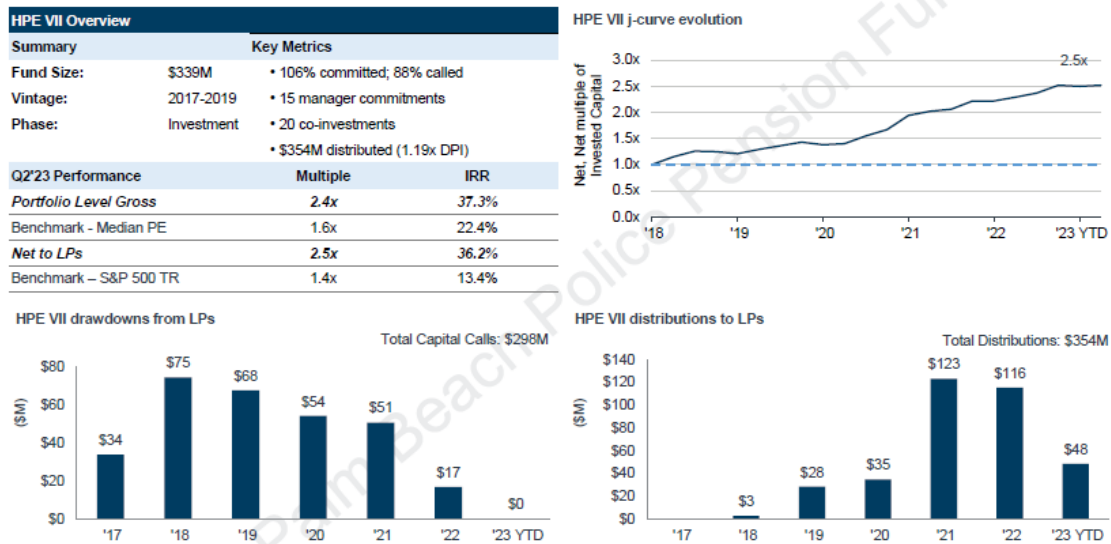
Combined, the business now has 70+ people, 25+ investment professionals, broad alternative investment capabilities, institutional infrastructure, and approximately \$8.6bn in AUM.

The breadth of our capabilities and networks should improve our ability to generate great returns for our clients, leading to attractive investment offerings for sophisticated investors.

HighVista’s client relationship team will help to augment and improve our client service capabilities.

PERFORMANCE

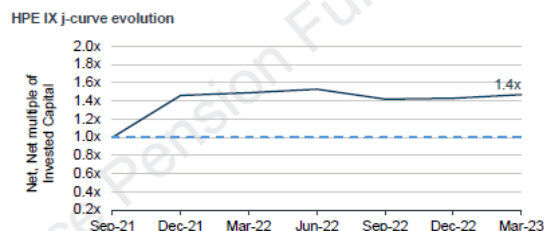
Mr. Dickie reviewed over the performance of Fund model 7 where 88% of the \$12 million commitment has been called:



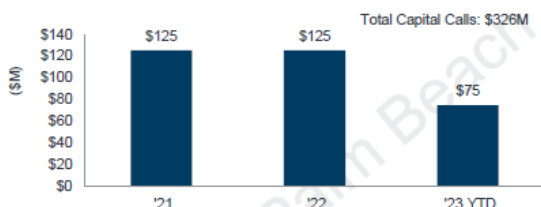
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After some discussion, Mr. Dickie conducted a review over Fund model 9: where 65% of the \$12 million commitment has been called:

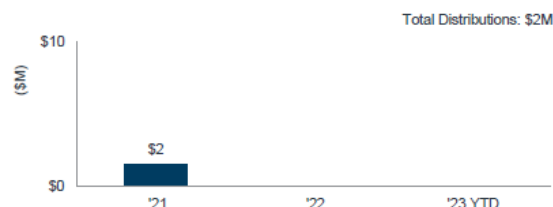
HPE IX Overview		
Summary		Key Metrics
Fund Size:	\$501M	• 104% committed; 65% called
Vintage:	2021-2022	• 13 manager commitments to date
Phase:	Investment	• 30 co-investments to date
		• 3 secondaries to date
		• \$2M distributed (0.00x DPI)
Q2'23 Performance		Multiple
Portfolio Level Gross		1.5x
Benchmark - Median PE		n/a
Net to LPs		1.4x
Benchmark – S&P 500 TR		1.1x
		IRR
Portfolio Level Gross		35.7%
Benchmark - Median PE		n/a
Net to LPs		34.7%
Benchmark – S&P 500 TR		6.5%



HPE IX drawdowns from LPs



HPE IX distributions to LPs



INVESTMENT REPORT – J.P. Morgan¹

Mr. Miller presented the November 10, 2023, portfolio report to the Board of Trustees. The portfolio Commitments and Performance summary as of September 30, 2023:

\$ millions	Capital Account				Net Fund Performance as of 6/30/2023				
	Fund Vintage Years	Commitment	Capital Invested	Distributions Received	Remaining Value ¹	Portfolio IRR ¹	Portfolio MOIC ¹	Direct Alpha ²	PME ³
	Global Private Equity VII 2017-2020	\$12.0	\$10.3	\$2.5	\$12.9	16%	1.5x	7%	1.2
	Global Private Equity IX 2020-est. 2023	\$12.0	\$7.0	\$0.5	\$8.8	23%	1.4x	16%	1.3
	Global Private Equity X 2021-est. 2024	\$12.0	\$2.7	-	\$2.7	8%	1.0x	(14%)	1.0
	Total as of 6/30/2023	\$36.0	\$19.9	\$3.0	\$24.5				
	Cash Flows 7/1/2023 - 9/30/2023	-	-	-					
	Grand Total as of 9/30/2023	\$36.0	\$19.9	\$3.0					

¹ Emerging Market Blend Debt.

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Mr. Miller provided an overview of PEG Private Equity Fund 7:

Fund Characteristics		
Vintage:	2018-2020	
Fund Size:	\$850mm	
Committed:	\$883mm (104% of raised)	
Capital Invested:	\$776mm (88% of committed)	
Distributions:	\$272mm (35% of paid-in)	
Remaining Value ¹ as of 6/30/2023	\$944mm	
Investment Performance ¹ as of 6/30/2023 (Gross)		
PEG Global Private Equity VII	IRR	MOIC
	20%	1.6x
Investment Type Performance ¹ as of 6/30/2023 (Gross)		
Primary Investments	21%	1.5x
Directs, Co-Investments, & Secondary Investments	19%	1.7x

Investment Performance ² as of 6/30/2023 (Net)		
PEG Global Private Equity VII	IRR	MOIC
	16%	1.5x
Benchmarks as of 6/30/2023 (Net)		
Relative to MSCI World	Direct Alpha ³	PME ⁴
	7%	1.20

Mr. Miller noted this fund started out with a Direct Growth Equity transaction which accounts for the slow start of the overall investment, commenting this type of investment would not be repeated.

Mr. Miller provided an overview of PEG Private Equity Fund 9:

Fund Characteristics		
Vintage:	2020-2023	
Fund Size:	\$905mm	
Committed:	\$946mm (105% of raised)	
Capital Invested:	\$568mm (60% of committed)	
Distributions:	\$79mm (14% of paid-in)	
Remaining Value ¹ as of 6/30/2023	\$716mm	
Investment Performance ¹ as of 6/30/2023 (Gross)		
PEG Global Private Equity IX	IRR	MOIC
	25%	1.4x
Investment Type Performance ¹ as of 6/30/2023 (Gross)		
Primary Investments	8%	1.1x
Co-Investments & Secondary Investments	34%	1.7x
Investment Performance ² as of 6/30/2023 (Net)		
PEG Global Private Equity IX	IRR	MOIC
	23%	1.4x
Benchmarks as of 6/30/2023 (Net)		
Relative to MSCI World	Direct Alpha ³	PME ⁴
	16%	1.25

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Mr. Miller provided an overview of PEG Private Equity Fund 10:

Fund Characteristics		
Vintage:	2021-est.2024	
Fund Size:	\$1,273mm	
Committed:	\$857mm (67% of raised)	
Capital Invested:	\$374mm (44% of committed)	
Distributions:	\$1mm (0% of paid-in)	
Remaining Value ¹ as of 6/30/2023	\$270mm	
Investment Performance ¹ as of 6/30/2023 (Gross)		
PEG Global Private Equity X	IRR	MOIC
	11%	1.1x
Investment Type Performance ¹ as of 6/30/2023 (Gross)		
Primary Investments	(3%)	1.0x
Co-Investments & Secondary Investments	17%	1.1x
Investment Performance ² as of 6/30/2023 (Net)		
PEG Global Private Equity X	IRR	MOIC
	8%	1.0x
Benchmarks as of 6/30/2023 (Net)		
Relative to MSCI World	Direct Alpha ³	PME ⁴
	(14%)	0.95

Mr. Miller concluded his presentation by reviewing a recent secondary investment transaction, Project Pine, led by Timothy Henn;

Transaction Overview

Deal Type

- Carve-out of two mid-market buyout funds from larger LP transaction
- Seller Type: Endowment

Opportunity Overview

- Highly diversified portfolio with the potential for meaningful value appreciation
- Total PEG Exposure: \$59 million
- Headline Discount: 14% of NAV
- Effective Discount (at Close): 30% of NAV
- Purchase Type: Cash
- Closed: March 2023
- Early realizations have returned 0.2x+ purchase price

PEG Secondary Advantage

- Part of the PEG GP Network
- Restrictive GP
- Access to GP during diligence process

Portfolio Overview

Portfolio Company Investment Vintage By NAV

Vintage	Percentage
2019	33%
2018	26%
2017	25%
2016	16%

Portfolio Company Industry By NAV

Industry	Percentage
Healthcare	33%
Fin Services	23%
Consumer	20%
Bus Services	18%
Other	6%

INVESTMENT CONSULTANT - AndCo Consulting

Mr. Brendon Vavrica presented the September 30, 2023, investment report. The Fund return for the fiscal year was reported to be 8.52%, which was in the 85th percentile compared to other funds.

Mr. Vavrica was asked by Mr. Frost if there was concern on the total equity return trailing the Benchmark for the 3- & 5-year period. Mr. Vavrica did not recommend any changes and the fund is looking forward to better times to come.

Mr. Vavrica reviewed over the POB and reported that as of 9/30/2023 the Bond gained \$19,209,594 since inception in 2016.

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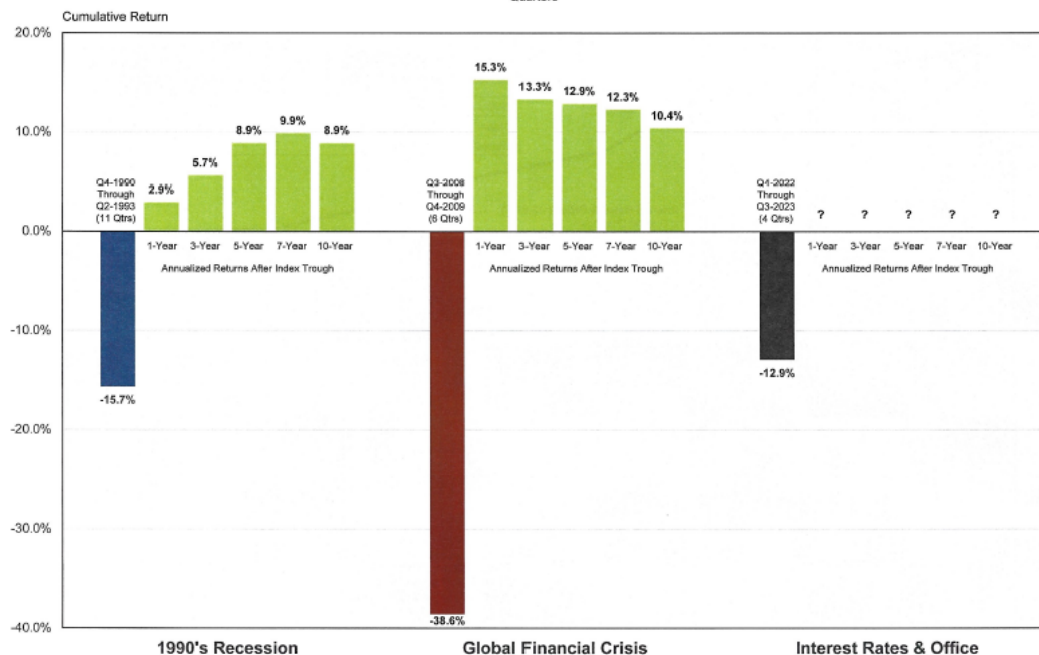
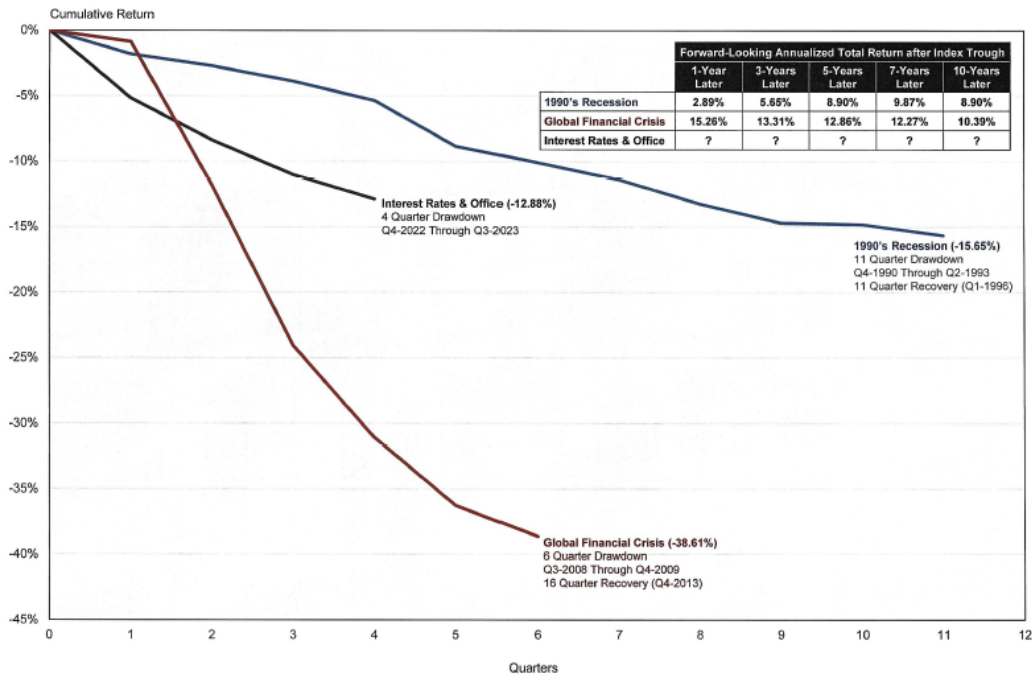
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At the request of Mr. D. Williams, Mr. Penque shared an Israeli Bond investment announcement to determine if the Board wanted a formal presentation. The City of Hollywood, Florida recently committed \$6 million in a 2-year Bond earning 5.3%. After a brief discussion and input from Mr. Vavrica the Board advised they were not interested in a presentation.

Mr. Vavrica did not make any recommendations for changes to the Fund.

Mr. Vavrica reviewed over the historical Core Real Estate Index Drawdowns and historical interest rate impacts:



NEW BUSINESS

Experience Study Report: Ms. Jensen presented the Board with an experience study proposal from GRS. The last study was conducted in 2010. The cost of the study was not to exceed \$27,000.00. After a brief discussion a motion was made by Mrs. Fragakis to accept the proposal, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

ADMINISTRATOR’S REPORT

Warrants approved since the last meeting were presented to the Board in spreadsheet format by Mr. Penque. Mr. Marchese made the motion to approve, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0. Mr. Frost was off the dais.

Mr. Penque congratulated the Board of Trustees and the Plan Sponsor (City of West Palm Beach) for attaining the Public Pension Standards Award For Funding and Administration 2023.

The Public Pension Coordinating Council (PPCC) is a coalition of three national associations that represent public retirement systems and administrators: NASRA, the National Council on Teacher Retirement (NCTR) and the National Conference on Public Employee Retirement Systems (NCPERS). Together, these associations represent more than 500 of the largest pension plans in the United States, serving most of the nation’s 18+ million state and local government employees.

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark to measure public defined benefit plans. All public retirement systems and the state and local governments sponsoring them are encouraged to meet the standards.

RECOGNITION AWARD FOR ADMINISTRATION

To receive the Recognition Award for Administration, the retirement system must certify that it meets the requirements in five areas of assessment.

Those areas are:

1. Comprehensive Benefit Program. The system must provide a comprehensive benefit program including service retirement benefits, in-service death benefits, disability benefits, vesting, and provisions for granting a cost-of-living adjustment.
2. Actuarial. An Actuarial Valuation must be completed at least every two years using generally-recognized and accepted actuarial principles and practices.
3. Audit. The system must obtain an unqualified opinion from an independent audit conducted following government auditing standards generally accepted in the United States.
4. Investments. The system must follow written investment policies and written fiduciary standards and the system must obtain an annual investment performance evaluation from an outside investment review entity.
5. Communications. Members must be provided a handbook or summary plan description, regular updates to the documents, and an annual benefit statement. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.

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RECOGNITION AWARD FOR FUNDING

To receive the Recognition Award for Funding, the retirement system must certify that it meets the requirements for funding adequacy, as defined as meeting one or more of the following criteria:

- a. A funded ratio of 100 percent;
- b. Contribution rates equal to or greater than 100 percent of the Annual Required Contribution; or
- c. A plan has been approved by the governing body to achieve one or both of these criteria within five years.

The PPCC Award may be viewed on-line at:

<http://www.wpbppf.com/modules/announcements/index.asp>

OPEN DISCUSSION

None.

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 10:29 AM

Next meeting is scheduled for December 08, 2023, at 8:30 AM.



Troy Marchese, Board Secretary