

AGENDA



Date: September 8, 2023

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, September 14, 2023, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas and via telephone conference for audio at 214-271-5080 access code 588694 or Toll-Free (US & CAN): 1-800-201-5203 and Zoom meeting for visual <https://us02web.zoom.us/j/83364156526?pwd=OG5CbEFhajN5V0hWaUFJMIhYcHQ2Zz09> Passcode: 923237.** Items of the following agenda will be presented to the Board:

A. TRUSTEES

Welcome Newly Appointed Trustees

B. MOMENT OF SILENCE

C. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of August 10, 2023

- 2. Approval of Refunds of Contributions for the Month of August 2023**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for September 2023**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Spouse Wed After Retirement (SWAR)**

D. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Board Officers Election**
- 2. Board Committee Appointments**
- 3. Financial Audit Status**

4. Monthly Contribution Report

5. Board approval of Trustee education and travel

a. Future Education and Business-related Travel

b. Future Investment-related Travel

6. HB 4034 Update

7. Portfolio Update

8. Second Quarter 2023 Investment Performance Analysis and First Quarter 2023 Private Markets & Real Assets Review

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

9. Review of Public Fixed Income

10. Hardship Request

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

- 11. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

E. BRIEFING ITEMS

- 1. Public Comment**
- 2. Executive Director's report**
 - a. Associations' newsletters**
 - NCPERS Monitor (September 2023)
 - b. Open Records**
 - c. Employee Update**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by the Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records.

Memorandum



CITY OF DALLAS

DATE August 15, 2023
TO Bilierae Johnson, City Secretary
Kelly Gottschalk, Executive Director, Dallas Police & Fire Pension System
SUBJECT **Dallas Police & Fire Pension System Board of Trustees Appointment**

Dear Madam Secretary and Ms. Gottschalk:

I am proud to appoint Tom Tull to a three-year term of service on the Dallas Police & Fire Pension System Board of Trustees, effective immediately upon the conclusion of Trustee William Quinn's final term on August 31, 2023.

Mr. Tull has more than 40 years of investment experience in both private and public capital markets. He is the former Chief Investment Officer at the Employees Retirement System of Texas (ERS), where he managed a \$36 billion trust. While at the ERS, Mr. Tull was involved with over 200 completed investment transactions totaling \$13 billion and encompassing private equity, private real estate, global credit, hedge funds, and special situations. For more information about Mr. Tull's experience and credentials, you may reference his bio attached.

Should you have any questions, please contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Johnson'.

Eric L. Johnson
Mayor

c: Honorable Members of the Dallas City Council
T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
Mark Swann, City Auditor
Genesis D. Gavino, Chief of Staff to the City Manager

Tom Tull



Tom Tull, CFA, with 40+ years of investment experience in both private and public capital markets was the Chief Investment Officer at the Employees Retirement System of Texas (ERS) where he managed a \$36 billion Trust. While at ERS Mr. Tull has been involved with over 200 completed investment transactions totaling \$13 billion encompassing private equity, private real estate, global credit, hedge funds, and special situations.

Previously, he was a founding partner of Gulfstream Global Investors, Ltd., an SEC-registered investment adviser specializing in international equity management that was sold to West LB of Germany in January 2001.

Mr. Tull is the former Director - Employee Benefit Fund Investments for The LTV Corporation and also served as President of Western Reserve Capital Management, Inc., the pension asset management subsidiary of The LTV Corporation. In this capacity, he was responsible for the investment of a \$1.2 billion retirement trust. This responsibility included the management of a \$90 million international equity portfolio and the management of outside investment manager relationships.

Prior to joining LTV in February 1983, Mr. Tull served for seven years as Director - Pension Investments of The Cleveland-Cliffs Iron Company. He managed an in-house pension fund, introduced international investing and other diversification policies and performed a variety of corporate duties including corporate acquisitions. His investment career began in 1971.

He also served a three-year term as member of the National Adjudicatory Council of the Financial Industry Regulatory Authority (FINRA). FINRA is the largest independent regulator of securities firms doing business in the United States.

Mr. Tull received a B.S. in Finance from Ohio State University and an M.B.A. from Xavier University, and is a CFA® Charterholder. He also is an Advisory Board Member of a variety of organizations such as The Dallas CFA Society, The Long Center Endowment and The Dallas Police & Fire Pension System. Mr. Tull is a U.S. Army veteran with service time in both Korea and Vietnam.

Matthew Shomer



Matthew Shomer is a Captain in the Dallas Fire Department with 15 years of active service. He has a B.A. from Texas A&M University and an M.A. in Educational Administration from the University of North Texas. Matt owns Pioneer Realty LLC, a real estate brokerage handling both commercial & residential transactions in Texas, Oklahoma and Puerto Rico and Petrichor LLC which oversees mixed-use property development throughout the United States. Matt serves on the boards of two 501c3 charities focused on providing housing and care for displaced children in Haiti and educational opportunities for children in rural locations within Mexico. Matt enjoys traveling to places without cell phone reception, sailing and writing.

Michael Taglienti



Michael Taglienti is a Dallas Police Officer with 20 years of experience in law enforcement. He holds a B.S. degree from Texas A&M University and a M.S. degree from the University of Mississippi. He is also an adjunct faculty member at Texas A&M-Commerce, where he teaches courses on criminal justice and public administration. Michael is actively involved in the city of Dallas retirement plans, serving as the Vice-chair of the 401K board and a member of the 457 board. He writes about sports, economics, criminal justice, and politics for The Whitewright Sun newspaper. Michael is a station rep for the Dallas Police Association. He is passionate about helping his fellow officers and city employees achieve their financial goals and secure their future.



MOMENT OF SILENCE

In memory of our Members and Pensioners who recently passed away

NAME	ACTIVE/ RETIRED	DEPARTMENT	DATE OF DEATH
Tracy A. Murphy	Retired	Fire	July 20, 2023
T G. Gray	Retired	Fire	Aug. 2, 2023
Truman Graves	Retired	Fire	Aug. 3, 2023
Benny M. Newman	Retired	Police	Aug. 6, 2023
Barry M. Whitfield	Retired	Police	Aug. 6, 2023
Matthew E. Bacon	Active	Police	Aug. 8, 2023
Ronald R. Johnson	Retired	Fire	Aug. 19, 2023
Jose E. De La Rocha	Active	Police	Aug. 20, 2023
Ronnie L. Cessna	Retired	Fire	Aug. 30, 2023
Leonard F. Johnson	Retired	Fire	Aug. 30, 2023
John G. Kipp	Active	Police	Aug. 30, 2023

Regular Board Meeting –Thursday, September 14, 2023

**Dallas Police and Fire Pension System
Thursday, August 10, 2023
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Regular meeting, Nicholas A. Merrick, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza, Michael Brown, Kenneth Haben, Steve Idoux, Mark Malveaux (by telephone), Tina Hernandez Patterson, Nancy Rocha (by telephone and in person at 8:44 a.m.), Anthony Scavuzzo (by telephone), Marcus Smith

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Ryan Wagner, Brenda Barnes, John Holt, Nien Nguyen, Milissa Romero, Carol Huffman, Cynthia J. Thomas, Brookelynn Bateman

Others

Tom Tull, Michael Taglienti, Matthew Shomer, David Elliston

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The Regular meeting was called to order at 8:30 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officer Chris Jackson, retired police officers Harold R. Andrews, Floyd D. Pettigrew, David M. Kunkle, William D. Cobb, Stephen R. Norris, and retired firefighters Robert P. Trail, Harold W. Minter.

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of July 13, 2023

**Regular Board Meeting
Thursday, August 10, 2023**

B. CONSENT AGENDA (continued)

- 2. Approval of Refunds of Contributions for the Month of July 2023**
- 3. Approval of Estate Settlements**
- 4. Approval of Survivor Benefits**
- 5. Approval of Service Retirements**
- 6. Approval of Alternate Payee Benefits**
- 7. Approval of Payment of Previously Withdrawn Contributions**

After discussion, Mr. Garza made a motion to approve the minutes of the Regular meeting of July 13, 2023. Mr. Smith seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Haben made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Certification of Firefighter Trustee Runoff Election Results and Recognition of Outgoing Trustees**

The terms of Trustees William Quinn (Mayoral), Kenneth Haben (Police), and Armando Garza (Fire) expire on August 31, 2023. A general election was held for the Police Officer and Firefighter Trustee positions in June 2023. At the July 13th Board meeting, the Board certified the election results and authorized a runoff election for the Firefighter Trustee position because no candidate received more than 50% of the votes cast. In the general election, Michael Taglienti was elected as the Police Officer Trustee. The Mayor of Dallas will appoint the successor for William Quinn's Trustee position.

YesElections, an independent third-party election company, conducted the runoff election between the two candidates (Armando Garza and Matthew Shomer) that received the most votes in the general election process for the Firefighter Trustee position. The voting period for the Firefighter Trustee runoff election ended on August 1, 2023.

Regular Board Meeting Thursday, August 10, 2023

1. Certification of Firefighter Trustee Runoff Election Results and Recognition of Outgoing Trustees (continued)

Matthew Shomer received the most votes in the runoff election and was elected as the Firefighter Trustee. Both new trustees' terms are from September 1, 2023, to August 31, 2026.

Staff and the Board thanked William Quinn, Kenneth Haben, and Armando Garza for their dedication to the pension system and service to the Board and DFPF members.

After discussion, Mr. Brown made a motion to certify the election results of Firefighter Trustee election. Mr. Quinn seconded the motion, which was unanimously approved by the Board.

Mr. Haben abstained from the vote.

The screenshot displays the 'YesElections' interface, powered by Election America. It shows the results for a runoff election for Firefighter Trustee. The results table shows Matthew Shomer with 257 votes and Armando Garza (Incumbent) with 196 votes. Below the results is a turnout table showing 372 internet votes, 81 phone votes, a total of 453 votes, an electorate of 2024, and a turnout percentage of 22.38. The footer contains contact information for YesElections in Washington, DC, Mineola, NY, and San Diego, CA.

Results		
Race	Candidate/Choice	Votes
Firefighter Trustee	Matthew Shomer	257
Firefighter Trustee	Armando Garza (Incumbent)	196

Turnout				
Internet	Phone	Total	Electorate	Turnout %
372	81	453	2024	22.38

1775 I St NW, Suite 1150, Washington, DC 20006 | 155 Mineola Blvd., Suite 102, Mineola, NY 11501 | 4275 Executive Sq., Suite 200, San Diego, CA 92037
(800) 914-2999 | yeselections.com

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**Regular Board Meeting
Thursday, August 10, 2023**

2. Quarterly Financial Reports

The Chief Financial Officer presented the second quarter 2023 financial statements.

No motion was made.

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3. 2023 Mid-Year Budget Review

The Chief Financial Officer presented a review of the 2023 Operating Expense Budget detailing expenses for the first six months of the calendar year.

No motion was made.

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4. Financial Audit Status

The Chief Financial Officer provided a status update on the annual financial audit.

No motion was made.

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5. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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6. Board approval of Trustee education and travel

- a.** Future Education and Business-related Travel
- b.** Future Investment-related Travel

The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.

No motion was made.

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**Regular Board Meeting
Thursday, August 10, 2023**

7. Portfolio Update

Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.

No motion was made.

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8. Infrastructure Portfolio Review

Investment staff provided an overview of the three funds which comprise the infrastructure asset class: the Global Maritime Investment Fund managed by JPMorgan Asset Management, and the Asian Infrastructure and Related Resources Opportunity funds I and II, both managed by The Rohatyn Group.

No motion was made.

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9. Deferred Retirement Option Plan (DROP) Policy

- a.** DROP Policy Revisions
- b.** Approval of a De Minimis Payment
- c.** Hardship Request

The Board went into closed executive session – Legal at 9:42 a.m.

The meeting reopened at 10:42 a.m.

- a.** The DROP Policy was amended for the legislative change in 2021, allowing hardship distributions to any holder of a DROP annuity rather than just retirees. Staff reviewed this and other technical changes to the policy. After discussion, Mr. Garza made a motion to approve the DROP Policy Revisions. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.
- b.** A surviving spouse with a DROP annuity passed away and left a monthly DROP annuity payment of 25 cents to the beneficiary. The DROP annuity term ends in 2028. Staff believes it is more cost-effective to pay the annuity in full in a lump sum now rather than on a monthly basis over the next five years and is seeking Board approval to pay the de minimums payment as a lump sum. After discussion, Mr. Quinn made a motion to approve the De Minimis Payment. Mr. Smith seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
Thursday, August 10, 2023**

9. Deferred Retirement Option Plan (DROP) Policy (continued)

- c. Staff reviewed a hardship request with the Board. After discussion, Mr. Idoux made a motion to deny the hardship request. Mr. Quinn seconded the motion, which was approved by the following vote:

For: Mr. Merrick, Mr. Quinn, Mr. Garza, Mr. Brown, Mr. Scavuzzo, Mr. Haben, Mr. Smith, Mr. Idoux, Mr. Malveaux, Ms. Hernandez Patterson,
Opposed: Ms. Rocha

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10. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.

The Board went into closed executive session – Legal at 9:42 a.m.

The meeting reopened at 10:42 a.m.

The Board and staff discussed legal issues.

No motion was made.

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D. BRIEFING ITEMS

1. Public Comments

Prior to commencing items for Board discussion and deliberation, the Board received public comments during the open forum.

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**Regular Board Meeting
Thursday, August 10, 2023**

2. Executive Director's report

- a. Associations' newsletters
 - NCPERS Monitor (August 2023)
 - NCPERS PERSist (Summer 2023)
- b. Open Records
- c. Employee Update
- d. Independent Actuary

The Executive Director's report was presented.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Idoux and a second by Mr. Brown, the meeting was adjourned at 10:45 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary



DISCUSSION SHEET

ITEM #D1

Topic: Board Officers Election

Discussion: The Board Vice Chairman (William Quinn) and the Board Deputy Vice Chairman (Armando Garza) are no longer on the Board of Trustees. Board action is needed to elect their replacements.

Recommendation: Elect a Vice Chairman and Deputy Vice Chairman.

Regular Board Meeting – Thursday, September 14, 2023



DISCUSSION SHEET

ITEM #D2

Topic: Board Committee Appointments

Discussion: The Board has three permanent committees, the Audit Committee, the Professional Services Committee, and the Investment Advisory Committee.

The structure of the Audit Committee and the Professional Services Committee is established in the Committee Policy and Procedure. Each committee is comprised of a minimum of three members and a maximum of five members. The committee must include one Mayoral appointed Board member, one Board member selected by the Members (Police, Fire or non-member Trustee) and either the Chair of the Board or a Board member selected by the Chair of the Board.

The structure of the Investment Advisory Committee is established in the Investment Policy Statement. The IAC is composed of a minimum of three members including at least one current Board member and a majority of outside investment professionals.

Recommendation: **Appoint** Trustees to serve on committees as nominated by the Chairman.

Regular Board Meeting – Thursday, September 14, 2023

Chairman’s Proposed Committee Assignments

Audit Committee (AC)	Professional Services Committee (PSC)
Nick Merrick, Chair	Steve Idoux, Chair
Tony Scavuzzo	Mark Malveaux
Matt Schomer	Marcus Smith
	Michael Taglienti

	Investment Advisory Committee (IAC)	Terms Expire
Board Member #1	Tom Tull, Chair	09/14/2025
Board Member #2	Michael Brown	12/31/2024
Board Member #3	Nancy Rocha	12/31/2025
Board Member #4	Tina Hernandez Patterson	12/15/2024
External #1	Ryan Bailey	12/31/2025
External #2	Rakesh Dahiya	12/31/2025
External #3	Luke Gittemeier	12/31/2024
External #4	Ken Haben	09/14/2025
External #5	Robert Jones	12/31/2024
External #6	Jamil McNeal	12/31/2024

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Updated 9/13/2023



DISCUSSION SHEET

ITEM #D3

Topic: Financial Audit Status

Discussion: The Chief Financial Officer will provide a status update on the annual financial audit.

Regular Board Meeting – Thursday, September 14, 2023



DISCUSSION SHEET

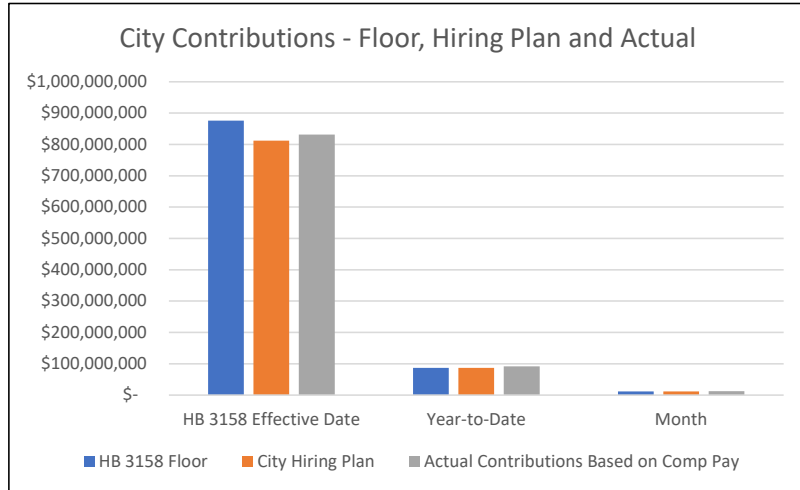
ITEM #D4

Topic: **Monthly Contribution Report**

Discussion: Staff will review the Monthly Contribution Report.

Regular Board Meeting – Thursday, September 14, 2023

Contribution Tracking Summary - September 2023 (July 2023 Data)

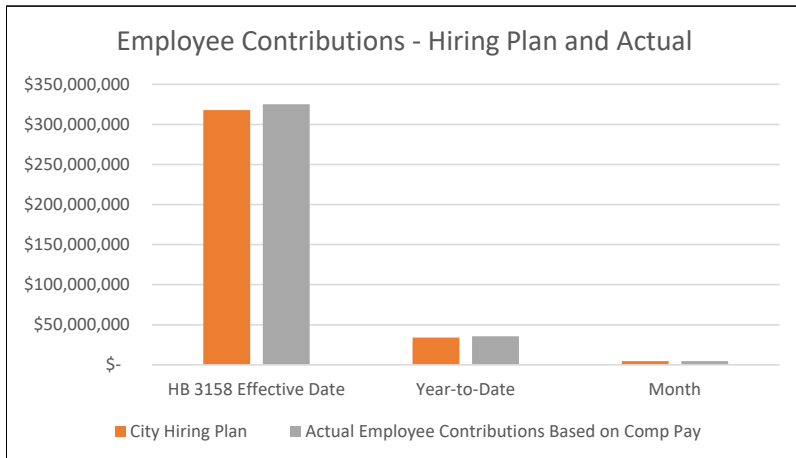


Actual Comp Pay was 102% of the Hiring Plan estimate since the effective date of HB 3158.

The Floor decreased for 2023 to equal the Hiring Plan, this was a decreased by 3.82% in 2023 for the Floor. The Hiring Plan increased by 3.79% in 2023. It is expected that actual contributions will exceed the Floor through 2024.

Through 2024 the HB 3158 Floor is in place so there is no City Contribution shortfall.

The combined actual employees was 107 less than the Hiring Plan for the pay period ending August 1, 2023. Fire was over the estimate by 143 Fire Fighters and Police under by 250 Police Officers.



Employee contributions exceeded the Hiring Plan estimate for the month, the year and since inception.

There is no Floor on employee contributions.

Contribution Summary Data

City Contributions

Jul-23	Number of Pay Periods Beginning in the Month	HB 3158 Floor	City Hiring Plan	Actual Contributions Based on Comp Pay	Additional Contributions to Meet Floor Minimum	Comp Pay Contributions as a % of Floor Contributions	Comp Pay Contributions as a % of Hiring Plan Contributions
Month	2	\$ 11,624,000	\$ 11,623,846	\$ 12,159,413	\$ -	105%	105%
Year-to-Date		\$ 87,180,000	\$ 87,178,846	\$ 91,451,429	\$ -	105%	105%
HB 3158 Effective Date		\$ 876,401,000	\$ 812,289,231	\$ 831,755,320	\$ 48,990,866	95%	102%

*Due to the Floor through 2024, there is no cumulative shortfall in City Contributions
Does not include the flat \$13 million annual City Contribution payable through 2024.
Does not include Supplemental Plan Contributions.*

Employee Contributions

Jul-23	Number of Pay Periods Beginning in the Month	City Hiring Plan	Actual Employee Contributions Based on Comp Pay	Actual Contribution Excess Compared to Hiring Plan	Actuarial Valuation Contribution Assumption	Actual Contributions as a % of Hiring Plan Contributions	Actual Contributions as a % of Actuarial Val Assumption
Month	2	\$ 4,548,462	\$ 4,757,977	\$ 209,515	\$ 4,236,924	105%	112%
Year-to-Date		\$ 34,113,462	\$ 35,796,323	\$ 1,682,862	\$ 31,776,930	105%	113%
HB 3158 Effective Date		\$ 317,852,308	\$ 325,286,535	\$ 7,434,228	\$ 308,516,596	102%	105%

Potential Earnings Loss from the Shortfall based on Assumed Rate of Return \$ 132,296

Does not include Supplemental Plan Contributions.

Reference Information

City Contributions: HB 3158 Bi-weekly Floor and the City Hiring Plan Converted to Bi-weekly Contributions						
	HB 3158 Bi-weekly Floor	City Hiring Plan-Bi-weekly	HB 3158 Floor Compared to the Hiring Plan	Hiring Plan as a % of the Floor	% Increase/ (decrease) in the Floor	% Increase/ (decrease) in the Hiring Plan
2017	\$ 5,173,000	\$ 4,936,154	\$ 236,846	95%		
2018	\$ 5,344,000	\$ 4,830,000	\$ 514,000	90%	3.31%	-2.15%
2019	\$ 5,571,000	\$ 5,082,115	\$ 488,885	91%	4.25%	5.22%
2020	\$ 5,724,000	\$ 5,254,615	\$ 469,385	92%	2.75%	3.39%
2021	\$ 5,882,000	\$ 5,413,846	\$ 468,154	92%	2.76%	3.03%
2022	\$ 6,043,000	\$ 5,599,615	\$ 443,385	93%	2.74%	3.43%
2023	\$ 5,812,000	\$ 5,811,923	\$ 77	100%	-3.82%	3.79%
2024	\$ 6,024,000	\$ 6,024,231	\$ (231)	100%	3.65%	3.65%

The HB 3158 Bi-weekly Floor ends after 2024

Employee Contributions: City Hiring Plan and Actuarial Val. Converted to Bi-weekly Contributions				
		City Hiring Plan Converted to Bi-weekly Employee Contributions	Actuarial Valuation Assumption Converted to Bi-weekly Employee contributions	Actuarial Valuation as a % of Hiring Plan
2017		\$ 1,931,538	\$ 1,931,538	100%
2018		\$ 1,890,000	\$ 1,796,729	95%
2019		\$ 1,988,654	\$ 1,885,417	95%
2020		\$ 2,056,154	\$ 2,056,154	100%
2021		\$ 2,118,462	\$ 2,118,462	100%
2022		\$ 2,191,154	\$ 2,191,154	100%
2023		\$ 2,274,231	\$ 2,274,231	100%
2024		\$ 2,357,308	\$ 2,357,308	100%

The information on this page is for reference. The only numbers on this page that may change before 2025 are the Actuarial Valuation Employee Contributions Assumptions for the years 2020-2024 and the associated percentage.

Reference Information - Actuarial Valuation and GASB 67/68 Contribution Assumptions

Actuarial Assumptions Used in the Most Recent Actuarial Valuation - These assumptions will be reevaluated annually & may change.

City Contributions are based on the Floor through 2024, the Hiring Plan from 2025 to 2037, after 2037 an annual growth rate of 2.75% is assumed
 Employee Contributions for 2018 are based on the 2017 actual employee contributions inflated by the growth rate of 2.75% and the Hiring Plan for subsequent years until 2038, when the 2037 Hiring Plan is increased by the 2.75 growth rate for the next 10 years

Actuarial/GASB Contribution Assumption Changes Since the Passage of HB 3158

	Actuarial Valuation	GASB 67/68
YE 2017 (1/1/2018 Valuation)		
2018 Employee Contributions Assumption - based on 2017 actual plus growth rate not the Hiring Plan Payroll	\$ (2,425,047)	*
2019 Estimate (1/1/2019 Valuation)		
2019 Employee Contribution Assumption	\$ 9,278	*
<i>*90% of Hiring Plan was used for the Cash Flow Projection for future years in the 12/31/2017 GASB 67/68 calculation. At 12-31-17, 12-31-18 and 12-31-2019 this did not impact the pension liability or the funded percentage.</i>		

The information on this page is for reference. It is intended to document contribution related assumptions used to prepare the Actuarial Valuation and changes to those assumptions over time, including the dollar impact of the changes. Contribution changes impacting the GASB 67/68 liability will also be included.

City Hiring Plan - Annual Computation Pay and Numbers of Employees						
Year	Computation Pay			Number of Employees		
	Hiring Plan	Actual	Difference	Hiring Plan	Actual EOY	Difference
2017	\$ 372,000,000	Not Available	Not Available	5,240	4,935	(305)
2018	\$ 364,000,000	\$ 349,885,528	\$ (14,114,472)	4,988	4,983	(5)
2019	\$ 383,000,000	\$ 386,017,378	\$ 3,017,378	5,038	5,104	66
2020	\$ 396,000,000	\$ 421,529,994	\$ 25,529,994	5,063	4,988	(75)
2021	\$ 408,000,000	\$ 429,967,675	\$ 21,967,675	5,088	4,958	(130)
2022	\$ 422,000,000	\$ 439,104,541	\$ 17,104,541	5,113	5,074	(39)
2023	\$ 438,000,000			5,163		
2024	\$ 454,000,000			5,213		
2025	\$ 471,000,000			5,263		
2026	\$ 488,000,000			5,313		
2027	\$ 507,000,000			5,363		
2028	\$ 525,000,000			5,413		
2029	\$ 545,000,000			5,463		
2030	\$ 565,000,000			5,513		
2031	\$ 581,000,000			5,523		
2032	\$ 597,000,000			5,523		
2033	\$ 614,000,000			5,523		
2034	\$ 631,000,000			5,523		
2035	\$ 648,000,000			5,523		
2036	\$ 666,000,000			5,523		
2037	\$ 684,000,000			5,523		

Comp Pay by Month - 2023	Annual Divided by 26 Pay Periods	Actual	Difference	2022 Cumulative Difference	Number of Employees EOM	Difference
January	\$ 33,692,308	\$ 35,387,168	\$ 1,694,860	\$ 1,694,860	4922	(241)
February	\$ 33,692,308	\$ 35,344,223	\$ 1,651,915	\$ 3,346,776	5045	(118)
March	\$ 50,538,462	\$ 53,203,452	\$ 2,664,991	\$ 6,011,766	5080	(83)
April	\$ 33,692,308	\$ 35,355,815	\$ 1,663,507	\$ 7,675,273	5060	(103)
May	\$ 33,692,308	\$ 35,314,654	\$ 1,622,347	\$ 9,297,620	5046	(117)
June	\$ 33,692,308	\$ 35,226,620	\$ 1,534,312	\$ 10,831,932	5044	(119)
July	\$ 33,692,308	\$ 35,244,675	\$ 1,552,367	\$ 12,384,299	5056	(107)
August	\$ 50,538,462					
September	\$ 33,692,308					
October	\$ 33,692,308					
November	\$ 33,692,308					
December	\$ 33,692,308					



DISCUSSION SHEET

ITEM #D5

Topic: Board approval of Trustee education and travel

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

Discussion:

- a. Per the Education and Travel Policy and Procedure, planned Trustee education and business-related travel and education which does not involve travel requires Board approval prior to attendance.

Attached is a listing of requested future education and travel noting approval status.

- b. Per the Investment Policy Statement, planned Trustee travel related to investment monitoring, and in exceptional cases due diligence, requires Board approval prior to attendance.

There is no future investment-related travel for Trustees at this time.

Regular Board Meeting – Thursday September 14, 2023

**Future Education and Business Related Travel & Webinars
Regular Board Meeting – September 14, 2023**

ATTENDING APPROVED

- 1. Conference: NCPERS Legislative Conference**
Dates: January 22-24, 2024
Location: Washington, DC
Est Cost: TBD

- 2. Conference: NCPERS Trustee Educational Seminar (TED)**
Dates: May 18-19, 2024
Location: Seattle, WA
Est Cost: TBD

- 3. Conference: NCPERS Annual Conference**
Dates: May 19-22, 2024
Location: Seattle, WA
Est Cost: TBD



DISCUSSION SHEET

ITEM #D6

Topic: HB 4034 Update

Discussion: Staff will brief the Board on the implementation of HB 4034.

Regular Board Meeting – Thursday, September 14, 2023



DISCUSSION SHEET

ITEM #D7

Topic: Portfolio Update

Discussion: Investment staff will brief the Board on recent events and current developments with respect to the investment portfolio.

Regular Board Meeting – Thursday, September 14, 2023



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

September 14, 2023

Board Meeting

Executive Summary

- Liquidation of private market assets remains the top focus.
 - \$52M in distributions received YTD, with vast majority coming from AEW Camel Square and JPM Maritime fund.
- **Global Growth Equity Search:** Two finalist firms expected to present at the September 28 IAC meeting.
- At the March 2022 Board meeting, staff notified the Board that the Safety Reserve would be drawn down to fund net benefit outflows. Staff and Meketa plan to discuss the Safety Reserve, and how operationally to exit the draw down mode at the September IAC meeting.
- **Rebalancing actions:**
 - Since the Safety Reserve was put into drawdown in March 2022, ~\$84M of proceeds have been reinvested into **Global Equity**, while ~\$105M of proceeds have been held within the **Safety Reserve**, which has extended coverage period from September 2023 to July 2024.
 - Utilized transition manager Russell to rebalanced **\$92M from Active Global Equity** into **Northern Trust ACWI IMI index fund** on August 23rd, based on the updated Public Equity Structure Review approved by the Board in July.
- **Estimated Year-to-Date Return (as of 8/31/23):** 6.9% for DFPF portfolio; 10.7% for the Public Assets which make up 70% of the assets.

Investment Initiatives – 2023/24 Plan

Q3 2023

- ~~Finalize Consultant decision~~
- ~~Approve updated Public Equity Structure~~
- Global Growth Search & RFP
- Safety Reserve Review

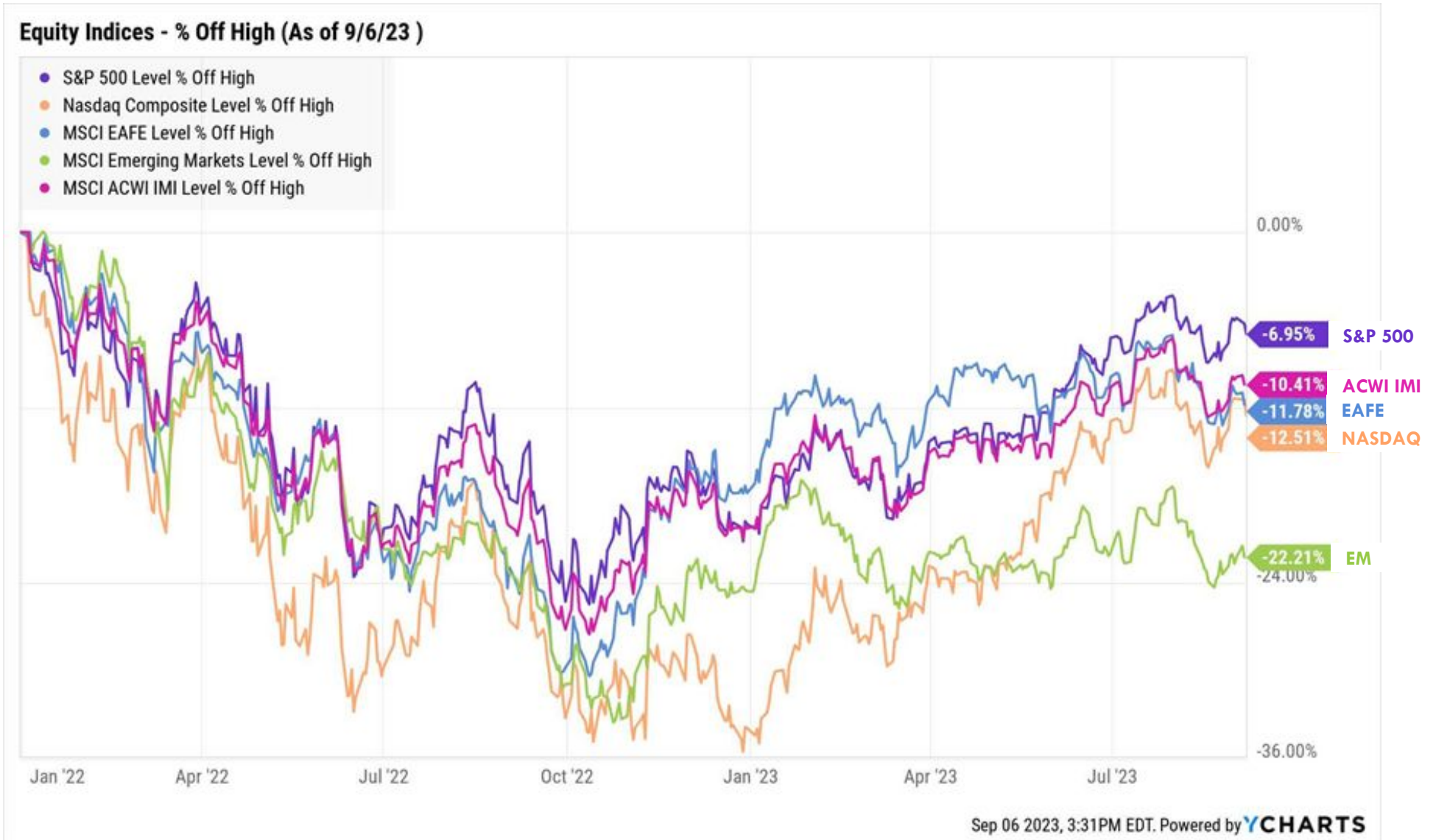
Q4 2023 & Beyond

- Global Growth Selection & Funding
- IPS Updates
- Private Market Planning – Update IPS provision, pacing studies, etc.

2024

- Custodian Search
- Asset Allocation Study
- Initial Private Markets investments

Equity Market Drawdown (1/1/22 to 9/6/23)



Public Markets Performance Snapshot

Public Markets (ex-Cash) currently make up 70% of DFPF Investment Portfolio.

DPFP | As of August 31, 2023

Performance Summary					
Ending August 31, 2023					
	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
Total Public Portfolio (ex-Cash)	1,344,020,616	-2.4	10.7	4.3	4.9
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>		-2.3	8.7	1.9	4.0
Public Equity	994,619,756	-3.2	12.5	7.4	7.3
<i>MSCI ACWI IMI Net USD</i>		-2.9	14.2	7.3	7.0
Global Equity	905,979,652	-2.8	13.2	8.0	7.7
<i>MSCI ACWI IMI Net USD</i>		-2.9	14.2	7.3	7.0
Boston Partners Global Equity Fund	115,977,677	-3.5	6.0	14.5	6.6
<i>MSCI World Net</i>		-2.4	16.1	8.4	8.3
Manulife Global Equity Strategy	117,168,629	-2.2	12.6	8.6	8.0
<i>MSCI ACWI Net</i>		-2.8	14.8	7.2	7.5
Russell Investments ACWI Growth	118,183,129	-2.8	--	--	--
<i>MSCI ACWI Growth NR USD</i>		-2.5	25.0	4.5	9.6
Walter Scott Global Equity Fund	116,499,795	-1.8	15.6	7.0	8.9
<i>MSCI ACWI Net</i>		-2.8	14.8	7.2	7.5
NT ACWI Index IMI	324,531,137	-2.8	14.6	--	--
<i>MSCI ACWI IMI Net USD</i>		-2.9	14.2	7.3	7.0
Eastern Shore US Small Cap	58,048,299	-2.0	9.3	--	--
<i>Russell 2000</i>		-5.0	9.0	8.1	3.1
Global Alpha International Small Cap	55,570,986	-3.0	7.1	--	--
<i>MSCI EAFE Small Cap</i>		-3.3	6.5	2.4	1.5

Public Markets Performance Snapshot

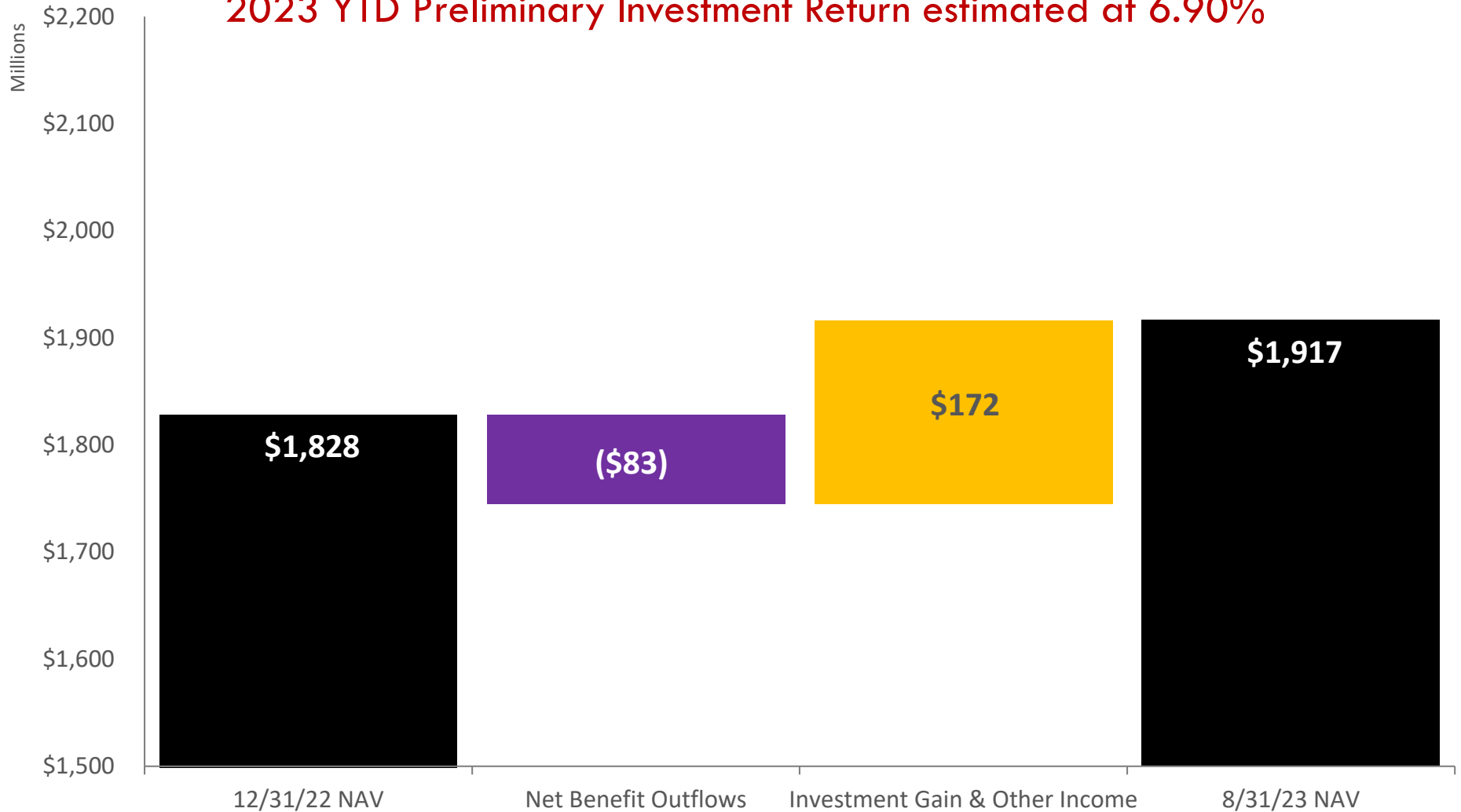
DPFP | As of August 31, 2023

	Ending August 31, 2023				
	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
Emerging Markets Equity	88,640,104	-6.9	6.3	1.3	2.9
<i>MSCI Emerging Markets IMI Net</i>		-5.5	6.1	0.0	1.6
RBC Emerging Markets Equity	88,640,104	-6.9	6.3	1.3	2.9
<i>MSCI Emerging Markets IMI Net</i>		-5.5	6.1	0.0	1.6
Public Fixed Income	349,400,860	-0.1	5.6	-0.7	1.3
<i>Bloomberg Multiverse TR</i>		-1.4	1.0	-5.8	-1.1
IR&M 1-3 Year Strategy	65,585,502	0.4	2.5	-0.3	1.6
<i>Bloomberg US Aggregate 1-3 Yr TR</i>		0.4	2.0	-0.7	1.2
Longfellow Core Fixed Income	67,414,635	-0.5	1.9	-3.9	--
<i>Bloomberg US Aggregate TR</i>		-0.6	1.4	-4.4	0.5
Aristotle Pacific Capital Bank Loan	78,550,742	1.2	9.9	5.8	4.5
<i>Credit Suisse Leveraged Loan</i>		1.2	9.0	5.8	4.3
Loomis US High Yield Fund	72,230,225	0.2	6.1	--	--
<i>Bloomberg US High Yield 2% Issuer Cap TR</i>		0.3	7.1	1.8	3.3
Metlife Emerging Markets Debt Blend	65,619,755	-1.9	7.0	--	--
<i>35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Diversified Global Index</i>		-1.5	5.3	--	--

2023 - Change in Market Value Bridge Chart

In Millions

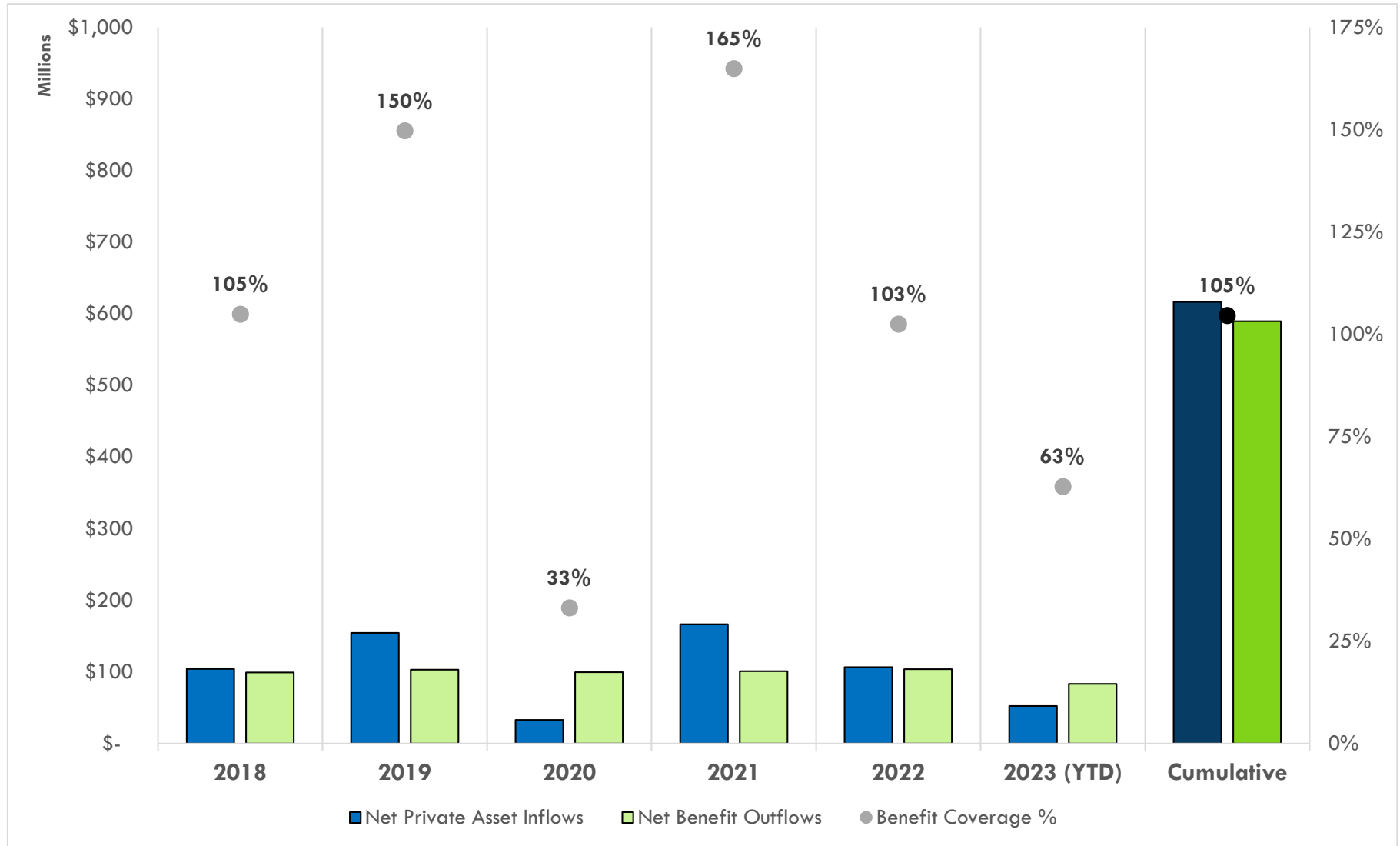
2023 YTD Preliminary Investment Return estimated at 6.90%



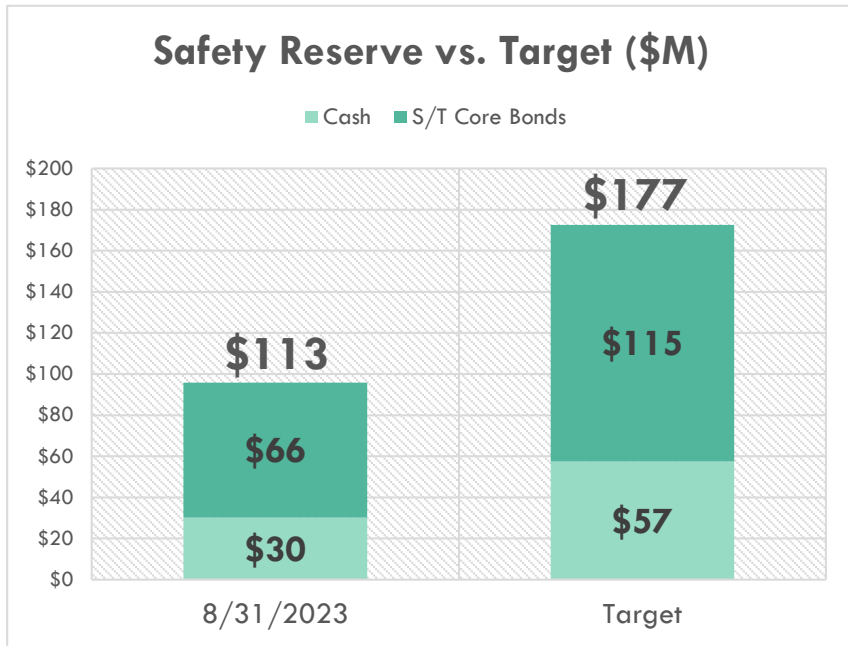
The beginning 12/31/22 value is from the Q4 2022 Meketa Performance Report and includes a one-quarter lag on private assets.
 Numbers may not foot due to rounding.

Benefit Outflow Coverage

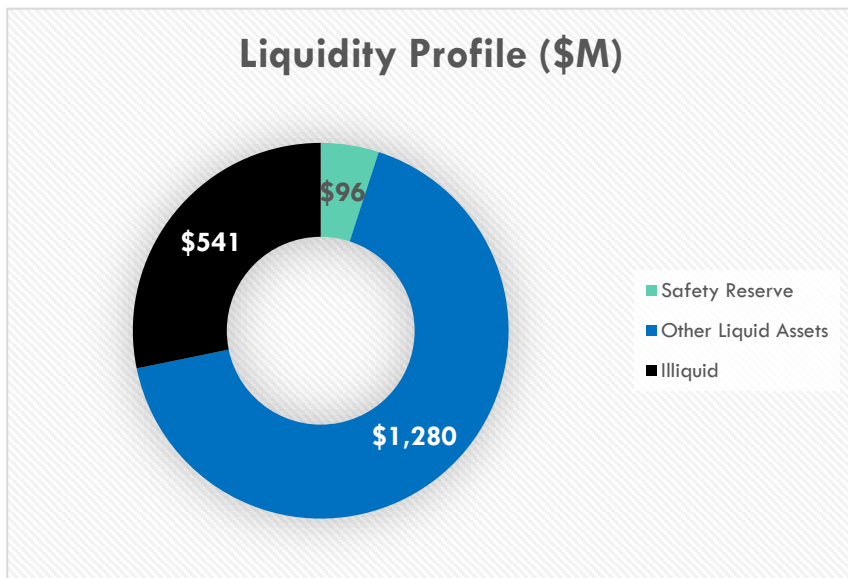
Since 2018, net Private Asset inflows have covered 105% of net benefit outflows.



Safety Reserve Dashboard



Projected Net Monthly outflows of **\$9.5M** per month. Safety Reserve of **\$96M** would cover net monthly outflows for next **10 months** or through **June 2024**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	8/31/23		\$30.2	1.6%
City Contribution	9/8/23	\$9.0	\$39.2	2.0%
City Contribution	9/22/23	\$9.0	\$48.2	2.5%
Pension Payroll	9/29/23	(\$28.2)	\$20.0	1.0%
City Contribution	10/6/23	\$9.0	\$29.0	1.5%
City Contribution	10/20/23	\$9.0	\$38.0	2.0%
Pension Payroll	10/27/23	(\$28.2)	\$9.7	0.5%

Numbers may not foot due to rounding

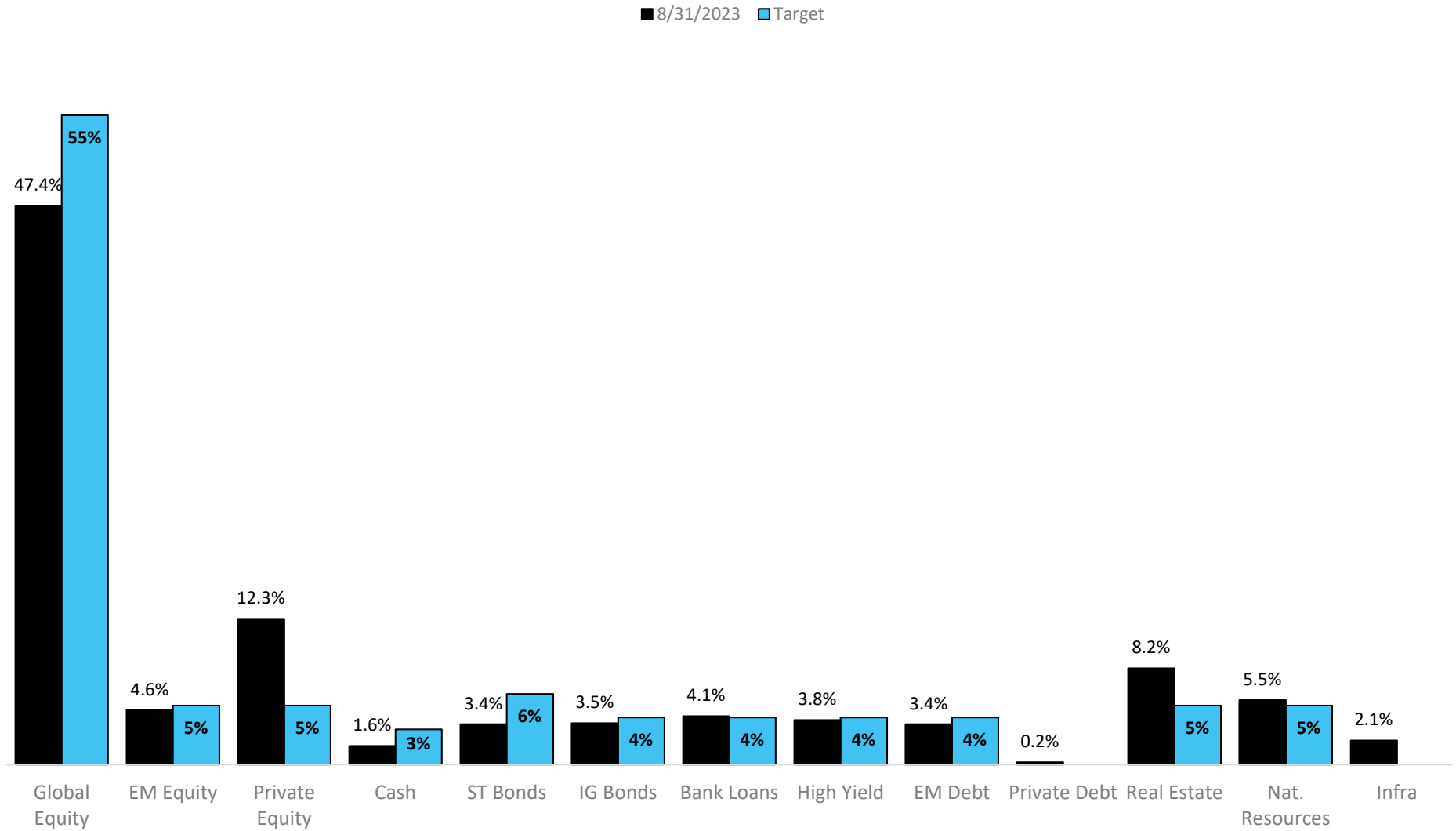
Asset Allocation Detail

DPFP Asset Allocation	8/31/2023		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
Equity	1,233	64.3%	1,246	65%	99%	-13	-0.7%
Global Equity	908	47.4%	1,054	55%	86%	-147	-7.6%
<i>Boston Partners</i>	116	6.1%	115	6%	101%	1	0.1%
<i>Manulife</i>	117	6.1%	115	6%	102%	2	0.1%
<i>Russell Transition - ACWI Growth</i>	118	6.2%	115	6%	103%	3	0.2%
<i>Walter Scott</i>	116	6.1%	115	6%	101%	1	0.1%
<i>Northern Trust ACWI IMI Index</i>	326	17.0%	479	25%	68%	-153	-8.0%
<i>Eastern Shore US Small Cap</i>	58	3.0%	57	3%	101%	1	0.0%
<i>Global Alpha Intl Small Cap</i>	56	2.9%	57	3%	97%	-2	-0.1%
Emerging Markets Equity - RBC	89	4.6%	96	5%	92%	-7	-0.4%
Private Equity*	236	12.3%	96	5%	247%	141	7.3%
Fixed Income	383	20.0%	479	25%	80%	-96	-5.0%
Cash	30	1.6%	57	3%	53%	-27	-1.4%
S/T Investment Grade Bonds - IR+M	66	3.4%	115	6%	57%	-49	-2.6%
Investment Grade Bonds - Longfellow	67	3.5%	77	4%	88%	-9	-0.5%
Bank Loans - Pacific Asset Management	79	4.1%	77	4%	102%	2	0.1%
High Yield Bonds - Loomis Sayles	72	3.8%	77	4%	94%	-4	-0.2%
Emerging Markets Debt - MetLife	66	3.4%	77	4%	86%	-11	-0.6%
Private Debt*	4	0.2%	0	0%		4	0.2%
Real Assets*	301	15.7%	192	10%	157%	109	5.7%
Real Estate*	156	8.2%	96	5%	163%	61	3.2%
Natural Resources*	105	5.5%	96	5%	109%	9	0.5%
Infrastructure*	39	2.1%	0	0%		39	2.1%
Total	1,917	100.0%	1,917	100%		0	0.0%
Safety Reserve ~\$162M=18 mo net CF	96	5.0%	172	9%	56%	-77	-4.0%
*Private Market Assets	541	28.2%	287	15%		253	13.2%

Source: Preliminary JP Morgan Custodial Data, Staff Estimates and Calculations.

Numbers may not foot due to rounding

Asset Allocation – Actual vs Target



2023 Board Investment Review Plan*

Staff presentations targeted for 15 minutes, Manager presentations 30 – 60 minutes.

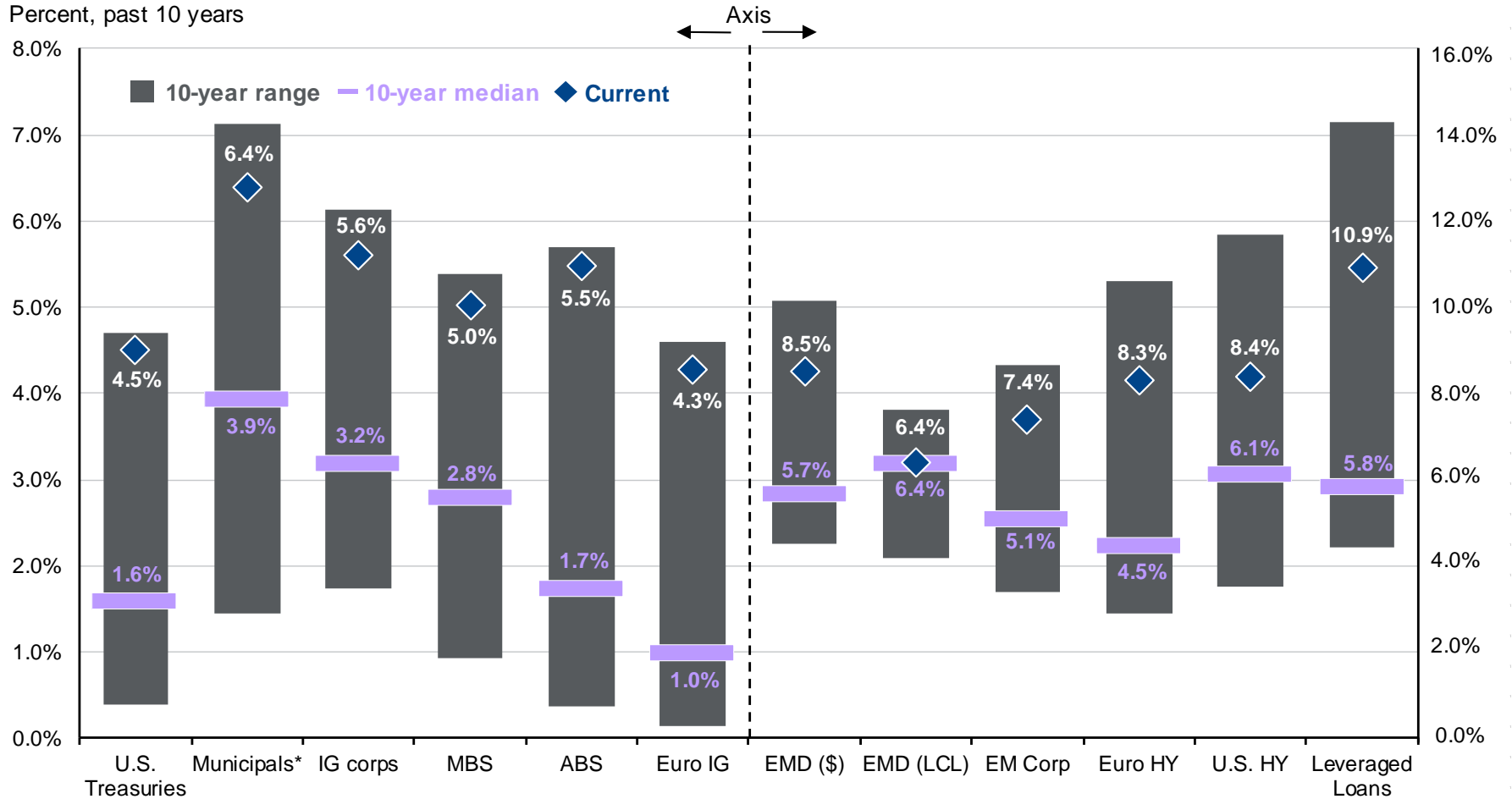
September	<ul style="list-style-type: none"> • Meketa review of Public Fixed Income managers
November	<ul style="list-style-type: none"> • Staff review of Private Equity and Debt
December	<ul style="list-style-type: none"> • Meketa review of Public Equity managers

*Presentation schedule is subject to change.

Fixed Income Valuations (JPM Guide to the Markets)

Yield-to-worst across fixed income sectors

Percent, past 10 years



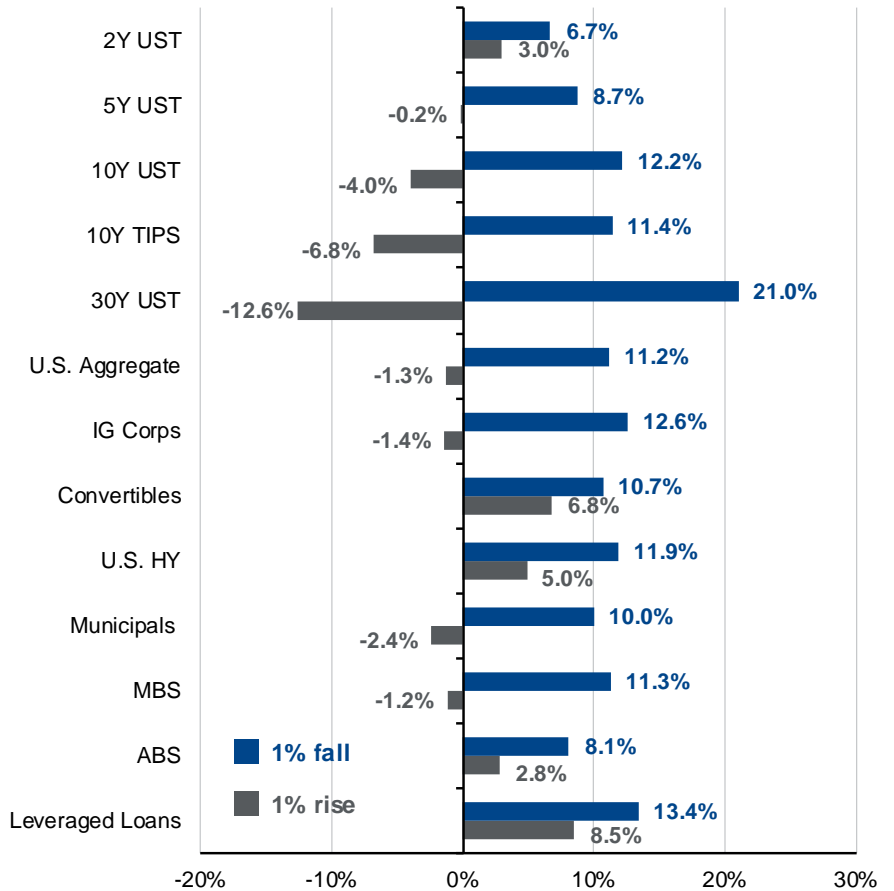
Source: Bloomberg, FactSet, J.P. Morgan Credit Research, J.P. Morgan Asset Management. Indices used are Bloomberg except for emerging market debt and leveraged loans: EMD (USD): J.P. Morgan EMIGLOBAL Diversified Index; EMD (LCL): J.P. Morgan GBI-EM Global Diversified Index; EM Corp.: J.P. Morgan CEMBI Broad Diversified; Leveraged Loans: JPM Leveraged Loan Index; Euro IG: Bloomberg Euro Aggregate Corporate Index; Euro HY: Bloomberg Pan-European High Yield Index. Yield-to-worst is the lowest possible yield that can be received on a bond apart from the company defaulting. All sectors shown are yield-to-worst except for Municipals, which is based on the tax-equivalent yield-to-worst assuming a top-income tax bracket rate of 37% plus a Medicare tax rate of 3.8%. *Guide to the Markets – U.S.* Data are as of August 31, 2023.

Fixed Income Market Dynamics (JPM Guide to the Markets)

U.S. Treasuries	Yield		Return			
	8/31/2023	12/31/2022	2023 YTD	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
2-Year	4.85%	4.41%	1.21%	2 years	0.73	-0.15
5-Year	4.23%	3.99%	0.69%	5	0.93	-0.13
10-Year	4.09%	3.88%	0.03%	10	1.00	-0.13
10-Year TIPS*	1.84%	1.53%	0.08%	10	0.78	0.31
30-Year	4.20%	3.97%	-2.25%	30	0.93	-0.17
Sector						
U.S. Aggregate	4.97%	4.68%	1.37%	8.5	0.86	0.22
IG Corps	5.61%	5.42%	2.76%	10.8	0.54	0.47
Convertibles	8.37%	7.58%	9.04%	-	-0.13	0.87
U.S. HY	8.41%	8.96%	7.13%	5.0	-0.09	0.74
Municipals	3.79%	3.55%	1.59%	13.1	0.54	0.22
MBS	5.02%	4.71%	0.95%	8.0	0.78	0.15
ABS	6.10%	5.89%	3.67%	3.3	0.20	0.02
Leveraged Loans	10.94%	11.41%	9.16%	2.4	-0.34	0.60

Impact of a 1% rise or fall in interest rates

Total return, assumes a parallel shift in the yield curve



Source: Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by – U.S. Aggregate; MBS: U.S. Aggregate Securitized - MBS; ABS: J.P. Morgan ABS Index; Corporates: U.S. Corporates; Municipals: Muni Bond; High Yield: Corporate High Yield; Leveraged Loans: J.P. Morgan Leveraged Loan Index; 10-Year TIPS: Bloomberg 10-Year TIPS On-The-Run Index; Convertibles: U.S. Convertibles Composite. Convertibles yield is as of most recent month-end and is based on U.S. portion of Bloomberg Global Convertibles Index. Yield and return information based on bellwethers for Treasury securities. Sector yields reflect yield-to-worst. Convertibles yield is based on U.S. portion of Bloomberg Global Convertibles. Correlations are based on 15-years of monthly returns for all sectors unless stated otherwise. Past performance is not indicative of future results. *10-Year TIPS yields and calculations are based on on-the-run real yields. 10-Year TIPS correlations are based on monthly returns since 2011 due to data availability.

Guide to the Markets – U.S. Data are as of August 31, 2023.



DISCUSSION SHEET

ITEM #D8

Topic: **Second Quarter 2023 Investment Performance Analysis and First Quarter 2023 Private Markets & Real Assets Review**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

Attendees: Leandro Festino, Managing Principal - Meketa Investment Group
Colin Kowalski, Investment Analyst – Meketa Investment Group

Discussion: Meketa and investment staff will review investment performance.

Regular Board Meeting – Thursday, September 14, 2023



Dallas Police & Fire Pension System

June 30, 2023

Fund Evaluation Report



Dallas Police & Fire Pension System

Agenda

Agenda

1. Executive Summary
2. Performance Update As of June 30, 2023
3. Disclaimer, Glossary and Notes

Executive Summary As of June 30, 2023



Dallas Police & Fire Pension System

Executive Summary

DPFP Trailing One-Year Flash Summary

Category	Results	Notes
Total Fund Performance Return	Positive	17.7%
Performance vs. Policy Index	Outperformed	17.7% vs. 10.6%
Performance vs. Peers ¹	Outperformed	17.7% vs. 7.7% median (1st percentile)
Asset Allocation vs. Targets	Negative	Underweight global equity and overweight real estate hurt
Public Active Management	Mixed	5 of 10 ² active public managers beat benchmarks
DPFP Public Markets vs. 60/40 ³	Outperformed	13.2% vs. 9.0%
DPFP Public Markets vs. Peers	Outperformed	13.2% vs. 7.7%
Safety Reserve Exposure	Below Target	\$115.8 million (approximately 6.0%)
Compliance with Targets	Yes	All asset classes in compliance

¹ InvestorForce Public DB \$1-5 billion net.

² Metlife Emerging Market Debt is excluded as they do not have a year track record yet.

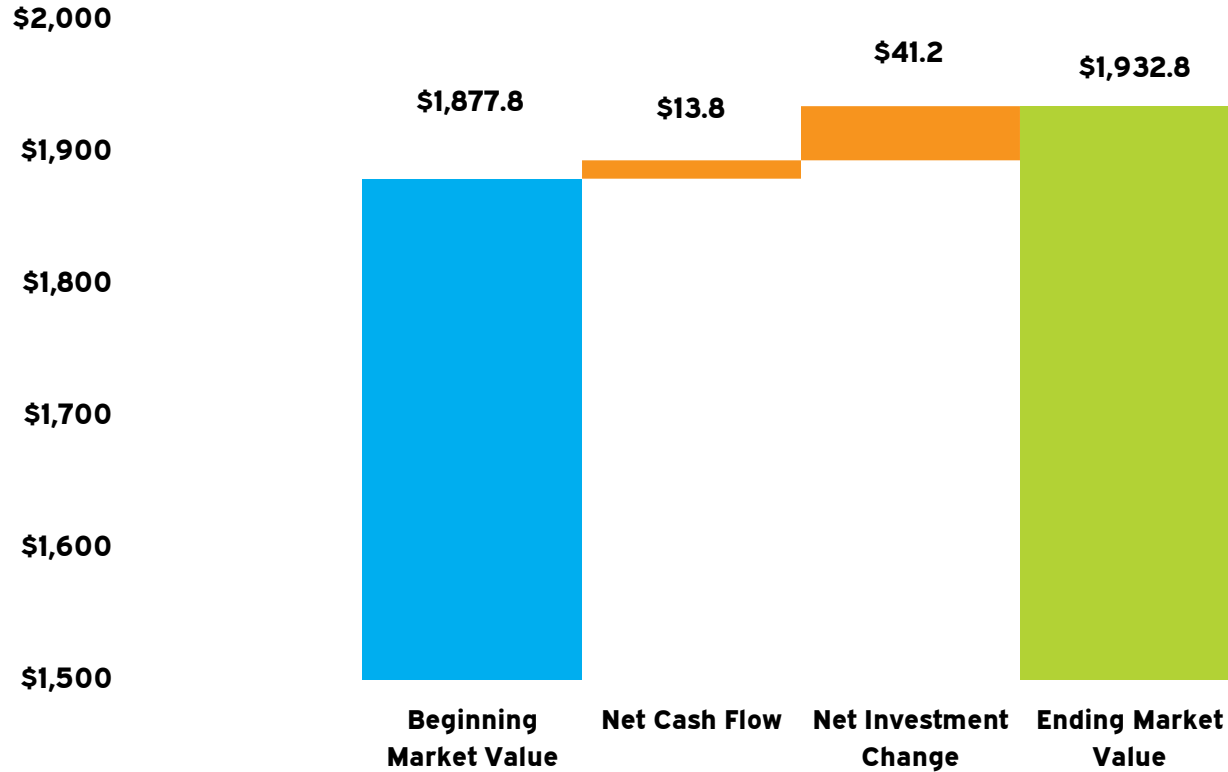
³ Performance of Total Fund excluding private market investments relative to a 60% MSCI ACWI IMI Net/40% Barclays Global Aggregate Index.



Dallas Police & Fire Pension System

Executive Summary

Quarterly Change in Market Value



→ Total market value increased due to positive net investment change and positive net cash flow.



Dallas Police & Fire Pension System

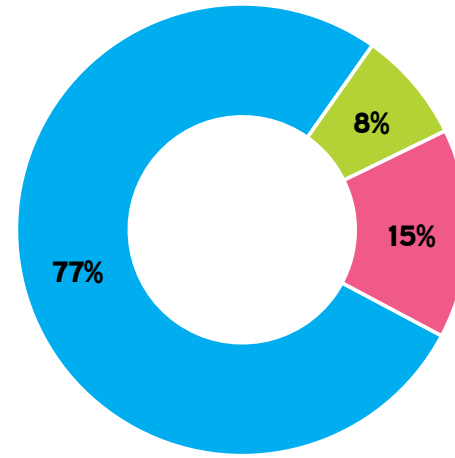
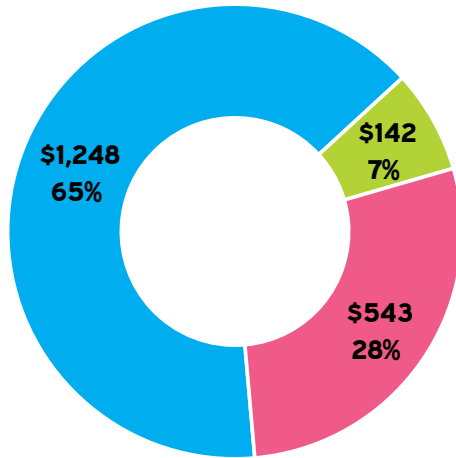
Executive Summary

Liquidity Exposure As of June 30, 2023

Exposure(\$M) Targets

■ Daily or Weekly ■ Monthly ■ Illiquid

■ Daily or Weekly ■ Monthly ■ Illiquid



→ Approximately 28% of the DFPF's assets are illiquid versus 15% of the target allocation.



Dallas Police & Fire Pension System

Executive Summary

Quarterly Manager Scorecard

	1 Yr Outperformance vs. Benchmark	3 Yr Outperformance vs. Benchmark	5 Yr Outperformance vs. Benchmark
Boston Partners Global Equity Fund	No	Yes	No
Manulife Global Equity Strategy	No	Yes	Yes
Walter Scott Global Equity Fund	Yes	No	Yes
Eastern Shore US Small Cap	No	NA	NA
Global Alpha Int'l Small Cap	No	NA	NA
RBC Emerging Markets Equity	Yes	Yes	Yes
IR&M 1-3 Year Strategy	Yes	Yes	Yes
Longfellow Core Fixed Income	Yes	Yes	NA
Aristotle Pacific Capital Bank Loan	Yes	No	Yes
Loomis High Yield Fund	No	NA	NA
Metlife Emerging Markets Debt	NA	NA	NA

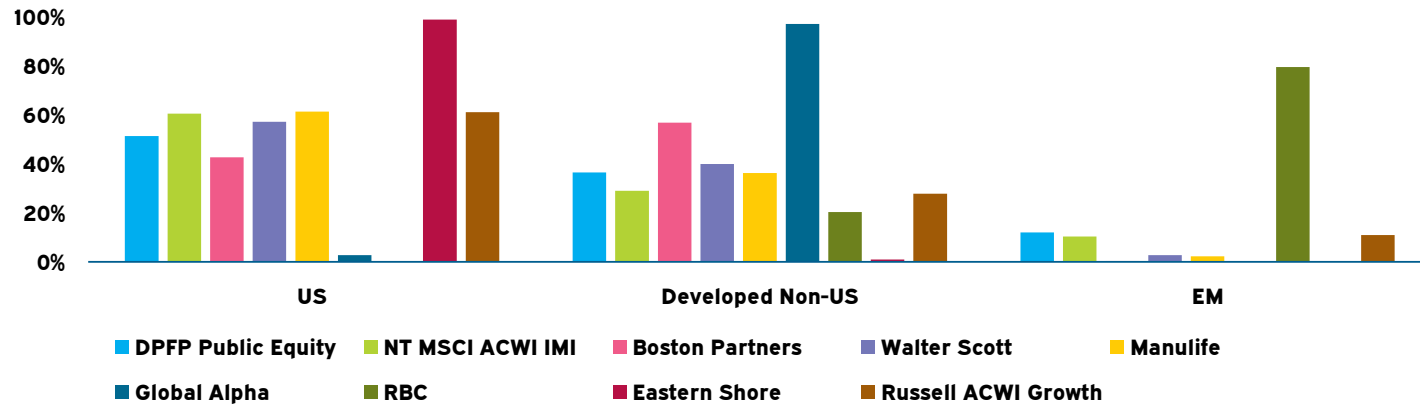


Dallas Police & Fire Pension System

Executive Summary

Equity Regional Exposure¹

	Market Value (\$)	% of DFPF Public Equity	US (%)	Developed Non-US (%)	EM (%)
NT MSCI ACWI IMI	230,495,576	23	61	29	10
Walter Scott	146,636,167	15	57	40	3
Russell ACWI Growth	143,001,280	14	61	28	11
Manulife	137,414,469	14	61	36	2
Boston Partners	133,419,626	13	43	57	0
RBC	90,819,685	9	-	20	80
Eastern Shore	56,955,846	6	99	1	-
Global Alpha	54,792,042	6	3	97	-
DFPF Public Equity	993,534,691	100	51	37	12
<i>MSCI ACWI IMI</i>			<i>61</i>	<i>29</i>	<i>10</i>



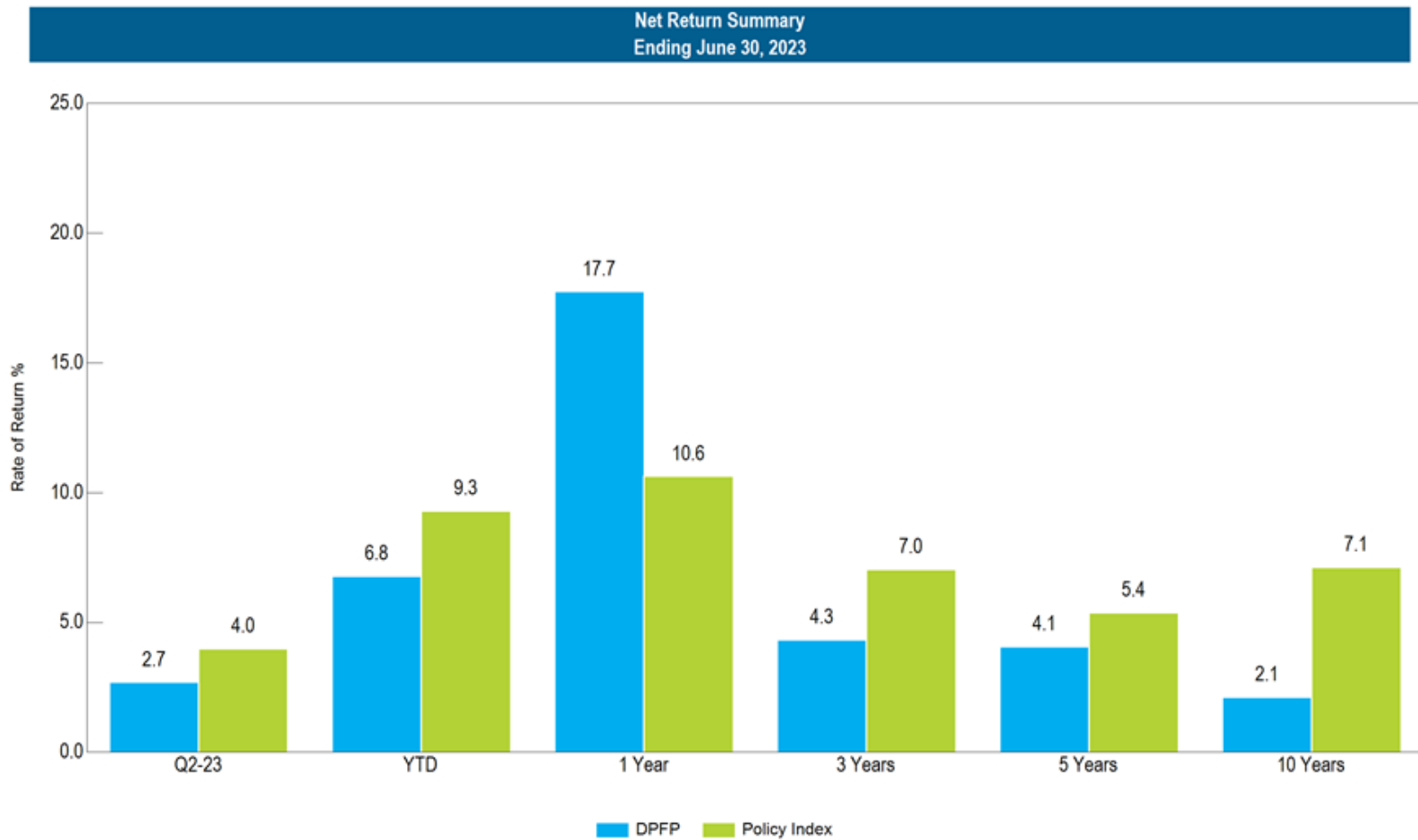
¹ Percentages may not always sum to 100% due to rounding. Given the multinational nature of many of the underlying holdings in these strategies, country allocation is not always clear and can vary between different data sources.

Performance Update
As of June 30, 2023



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

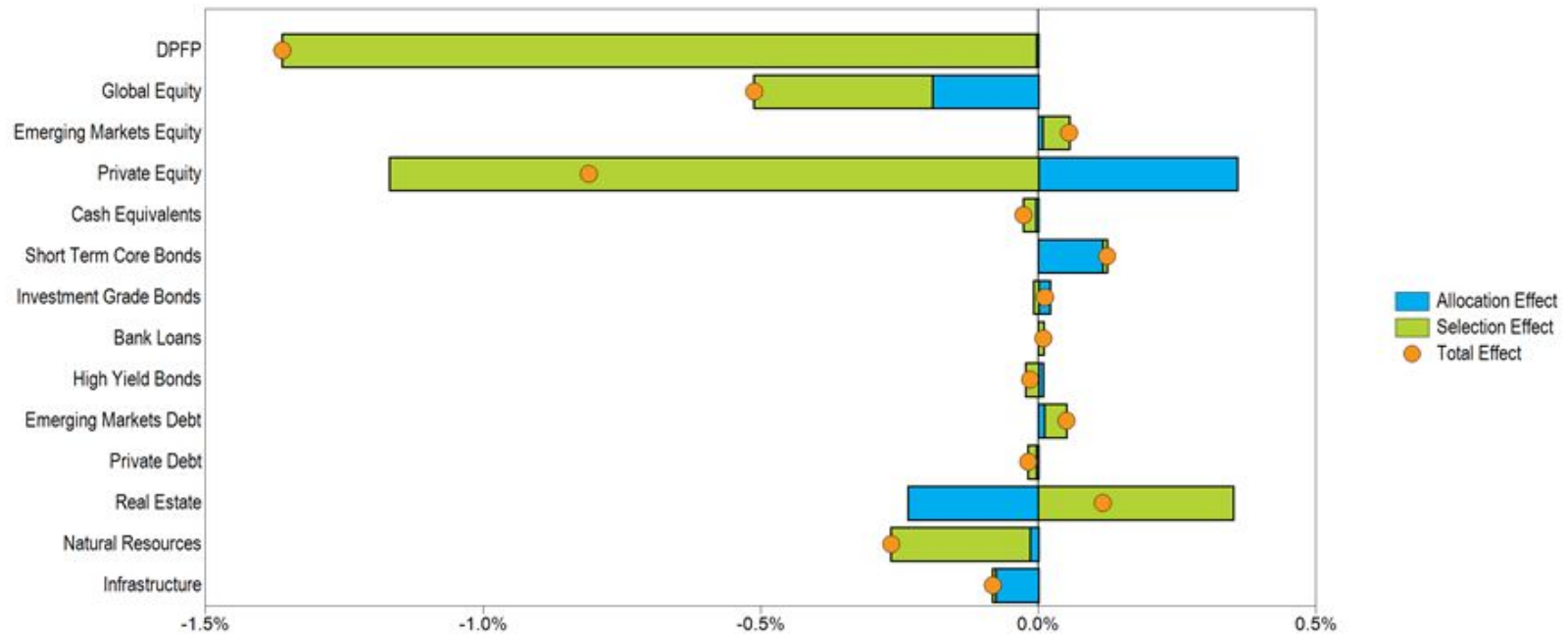




Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

**Attribution Effects vs. Policy Benchmark
3 Months Ending June 30, 2023**



Attribution Summary 3 Months Ending June 30, 2023						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Total	2.7%	4.0%	-1.4%	-1.4%	0.0%	-1.4%

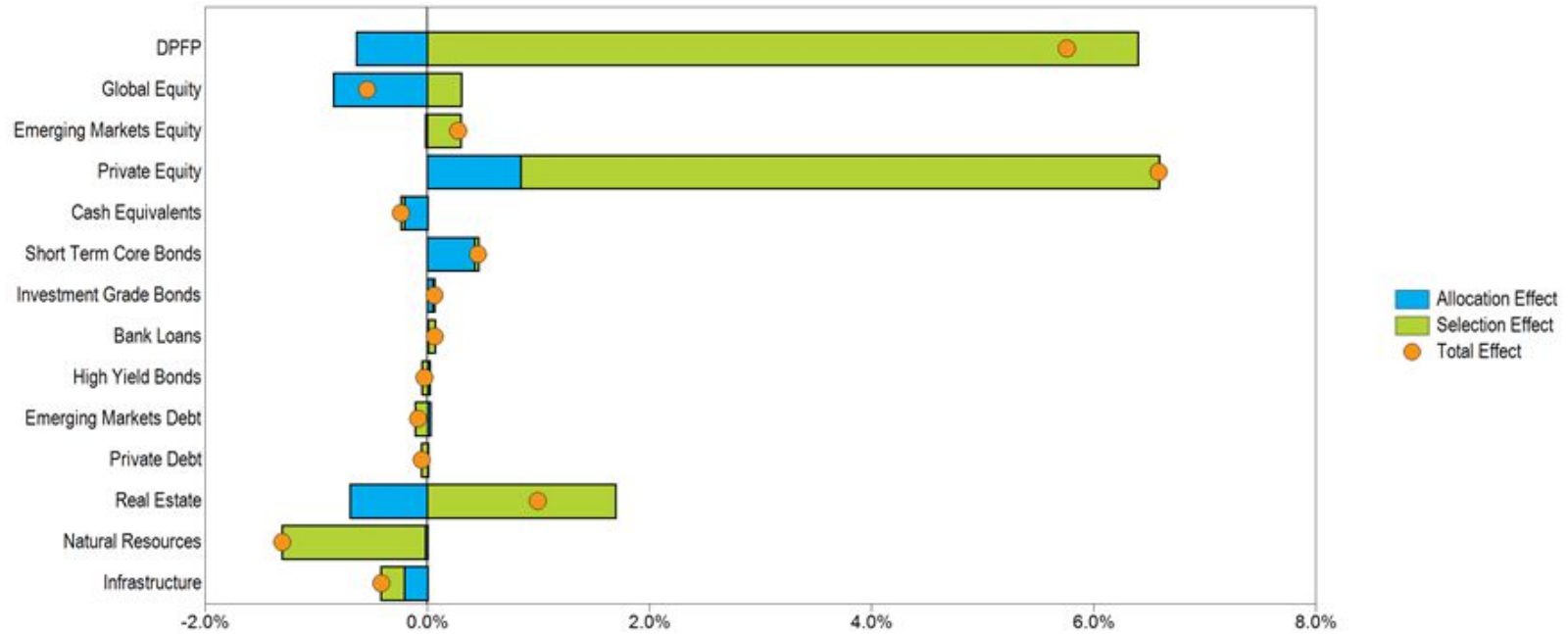
The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

Attribution Effects vs. Policy Benchmark
1 Year Ending June 30, 2023



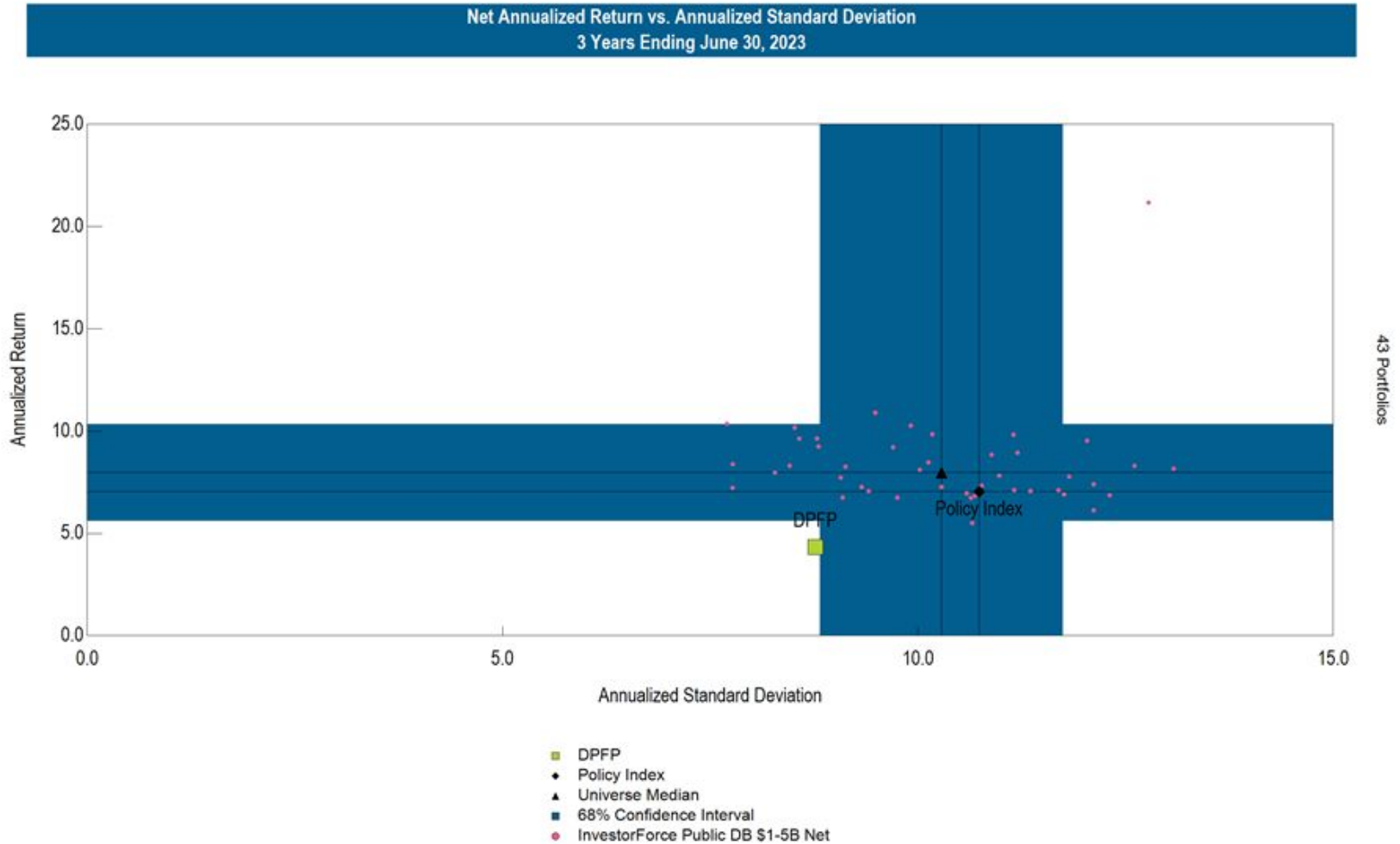
Attribution Summary 1 Year Ending June 30, 2023						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Total	17.7%	10.6%	5.7%	6.4%	-0.6%	5.7%

The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023





Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

Asset Class Performance Summary (Net)										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
DPFP	1,932,765,824	100.0	2.7	6.8	17.7	4.3	4.1	2.1	5.6	Jun-96
<i>Policy Index</i>			4.0	9.3	10.6	7.0	5.4	7.1	--	Jun-96
<i>Allocation Index</i>			2.9	6.7	6.8	6.8	5.4	7.2	7.0	Jun-96
<i>Total Fund Ex Private Markets</i>			3.9	10.1	13.2	6.4	5.5	5.7	5.5	Jun-96
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>			2.9	8.4	9.0	4.5	4.4	5.4	5.8	Jun-96
Global Equity	902,715,006	46.7	5.1	13.0	17.0	11.5	8.5	9.5	7.1	Jul-06
<i>MSCI ACWI IMI Net USD</i>			5.9	13.2	16.1	11.0	7.6	8.6	6.6	Jul-06
Emerging Markets Equity	90,819,685	4.7	2.6	8.9	9.4	5.1	3.6	--	1.8	Jan-18
<i>MSCI Emerging Markets IMI Net</i>			1.6	5.6	3.2	3.6	1.4	3.2	0.0	Jan-18
Private Equity	236,706,821	12.2	-0.5	-0.6	112.3	-0.1	4.8	-3.8	0.7	Oct-05
<i>Russell 3000 +2% Lagged</i>			8.9	17.3	21.3	16.6	14.3	15.5	12.7	Oct-05
Cash Equivalents	50,774,964	2.6	0.4	1.4	2.7	1.1	1.4	--	1.3	Apr-15
<i>91 Day T-Bills</i>			1.2	2.3	3.6	1.3	1.5	0.9	1.1	Apr-15
Short Term Core Bonds	65,005,107	3.4	-0.1	1.6	1.3	-0.4	1.6	--	1.4	Jun-17
<i>Bloomberg US Aggregate 1-3 Yr TR</i>			-0.4	1.1	0.5	-0.9	1.1	1.0	0.9	Jun-17
Investment Grade Bonds	67,767,148	3.5	-1.1	2.4	-0.6	-3.5	--	--	-1.2	Oct-19
<i>Bloomberg US Aggregate TR</i>			-0.8	2.1	-0.9	-4.0	0.8	1.5	-1.6	Oct-19
Bank Loans	76,577,141	4.0	3.3	7.1	11.5	6.0	4.3	--	4.3	Jan-14
<i>Credit Suisse Leveraged Loan</i>			3.1	6.3	10.1	6.2	4.0	--	4.0	Jan-14
High Yield Bonds	70,848,739	3.7	1.1	4.1	7.8	2.5	1.5	3.2	4.6	Dec-10
<i>Bloomberg US Corporate High Yield TR</i>			1.7	5.4	9.1	3.1	3.4	4.4	5.3	Dec-10
Emerging Markets Debt	65,370,629	3.4	3.6	6.6	6.1	-5.6	-3.3	-0.5	0.5	Dec-10
<i>50% JPM EMBI/50% JPM GBI-EM</i>			2.3	5.9	9.4	-2.2	0.5	1.0	1.8	Dec-10
Private Debt	4,111,597	0.2	-4.0	-6.8	-6.5	26.3	12.9	--	10.5	Jan-16
<i>Barclays Global High Yield +2%</i>			2.5	6.3	12.7	3.4	4.0	--	6.2	Jan-16



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

Asset Class Performance Summary (Net)										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Real Estate	158,494,403	8.2	2.1	7.4	14.5	4.6	3.7	-1.7	3.7	Mar-85
<i>NCREIF Property (1 Qtr Lag)</i>			-1.8	-5.3	-1.6	7.2	6.7	8.3	7.9	Mar-85
Natural Resources	105,767,154	5.5	-2.3	-6.0	-9.2	-0.5	-0.8	0.8	2.5	Dec-10
<i>NCREIF Farmland Total Return Index (1 Qtr Lag)</i>			2.1	5.4	9.1	7.6	6.6	8.5	10.4	Dec-10
Infrastructure	37,807,430	2.0	-0.1	-5.9	-3.0	17.3	3.5	7.3	7.1	Jul-12
<i>S&P Global Infrastructure TR USD</i>			-0.1	3.8	4.2	10.6	5.3	6.7	6.9	Jul-12

¹ Please see the Appendix for composition of the Custom Benchmarks. ²As of 6/30/2023, the Safety Reserve exposure was approximately \$115.8 million (6.0%).

³ All private market data is one quarter lagged, unless otherwise noted.



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

Trailing Net Performance											
	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
DPFP	1,932,765,824	100.0	--	2.7	6.8	17.7	4.3	4.1	2.1	5.6	Jun-96
<i>Policy Index</i>				4.0	9.3	10.6	7.0	5.4	7.1	--	Jun-96
<i>Allocation Index</i>				2.9	6.7	6.8	6.8	5.4	7.2	7.0	Jun-96
<i>Total Fund Ex Private Markets</i>				3.9	10.1	13.2	6.4	5.5	5.7	5.5	Jun-96
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>				2.9	8.4	9.0	4.5	4.4	5.4	5.8	Jun-96
<i>InvestorForce Public DB \$1-5B Net Rank</i>				39	47	1	99	99	99	99	Jun-96
Total Equity	1,230,241,512	63.7	63.7	3.8	9.7	28.9	6.5	6.7	4.8	5.2	Dec-10
<i>MSCI ACWI IMI Net USD</i>				5.9	13.2	16.1	11.0	7.6	8.6	8.0	Dec-10
Public Equity	993,534,691	51.4	80.8	4.9	12.6	16.2	10.9	8.2	9.3	6.9	Jul-06
<i>MSCI ACWI IMI Net USD</i>				5.9	13.2	16.1	11.0	7.6	8.6	6.6	Jul-06
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>				2.9	8.4	9.0	4.5	4.4	5.4	5.1	Jul-06
<i>eV All Global Equity Net Rank</i>				47	45	47	46	42	39	43	Jul-06
Global Equity	902,715,006	46.7	90.9	5.1	13.0	17.0	11.5	8.5	9.5	7.1	Jul-06
<i>MSCI ACWI IMI Net USD</i>				5.9	13.2	16.1	11.0	7.6	8.6	6.6	Jul-06
<i>eV All Global Equity Net Rank</i>				45	42	41	41	39	35	39	Jul-06
<i>NT ACWI Index IMI</i>	230,495,576	11.9	25.5	5.8	13.6	16.7	--	--	--	2.2	Apr-21
<i>MSCI ACWI IMI Net USD</i>				5.9	13.2	16.1	11.0	7.6	8.6	1.7	Apr-21
<i>eV Global All Cap Equity Net Rank</i>				36	41	47	--	--	--	45	Apr-21

¹ All Private Equity market values are one quarter lagged unless otherwise noted.

² 60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index composed of 60% MSCI ACWI (Net)/ 40% Bloomberg Global Aggregate in periods before 2/1/1997.



Dallas Police & Fire Pension System

DPPF | As of June 30, 2023

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Walter Scott Global Equity Fund	146,636,167	7.6	16.2	5.6	16.8	22.5	10.8	10.4	10.4	9.9	Dec-09
<i>MSCI ACWI Net</i>				6.2	13.9	16.5	11.0	8.1	8.8	8.5	Dec-09
<i>MSCI ACWI Growth</i>				9.2	24.2	23.1	9.6	10.4	11.0	10.4	Dec-09
<i>eV Global Large Cap Growth Eq Net Rank</i>				61	44	22	16	25	55	53	Dec-09
Boston Partners Global Equity Fund	133,419,626	6.9	14.8	2.3	6.0	16.7	17.3	7.5	--	7.5	Jul-17
<i>MSCI World Net</i>				6.8	15.1	18.5	12.2	9.1	9.5	9.4	Jul-17
<i>MSCI World Value</i>				3.0	4.0	10.7	12.5	5.7	6.7	5.6	Jul-17
<i>eV Global All Cap Value Eq Net Rank</i>				73	80	40	20	22	--	20	Jul-17
Manulife Global Equity Strategy	137,414,469	7.1	15.2	6.5	12.1	15.0	12.0	9.1	--	8.0	Jul-17
<i>MSCI ACWI Net</i>				6.2	13.9	16.5	11.0	8.1	8.8	8.5	Jul-17
<i>MSCI ACWI Value NR USD</i>				3.0	4.3	10.0	11.8	5.2	6.2	5.2	Jul-17
<i>eV Global Large Cap Value Eq Net Rank</i>				19	29	44	55	11	--	18	Jul-17
Eastern Shore US Small Cap	56,955,846	2.9	6.3	3.8	7.1	7.9	--	--	--	-9.4	Oct-21
<i>Russell 2000</i>				5.2	8.1	12.3	10.8	4.2	8.3	-7.1	Oct-21
<i>eV US Small Cap Equity Net Rank</i>				63	63	84	--	--	--	83	Oct-21
Global Alpha International Small Cap	54,792,042	2.8	6.1	-3.0	5.6	8.1	--	--	--	-3.3	May-22
<i>MSCI EAFE Small Cap</i>				0.6	5.5	10.2	5.7	1.3	6.2	-2.3	May-22
<i>eV Global Small Cap Equity Net Rank</i>				99	84	86	--	--	--	86	May-22
Russell Investments ACWI Growth	143,001,280	7.4	15.8	9.0	--	--	--	--	--	14.5	Mar-23
<i>MSCI ACWI Growth NR USD</i>				9.2	24.2	23.1	9.6	10.4	11.0	16.4	Mar-23



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	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Emerging Markets Equity	90,819,685	4.7	9.1	2.6	8.9	9.4	5.1	3.6	--	1.8	Jan-18
<i>MSCI Emerging Markets IMI Net</i>				1.6	5.6	3.2	3.6	1.4	3.2	0.0	Jan-18
<i>eV Emg Mkts Equity Net Rank</i>				46	33	36	43	29	--	30	Jan-18
RBC Emerging Markets Equity	90,819,685	4.7	100.0	2.6	8.9	9.4	5.1	3.6	--	1.8	Jan-18
<i>MSCI Emerging Markets IMI Net</i>				1.6	5.6	3.2	3.6	1.4	3.2	0.0	Jan-18
<i>eV Emg Mkts Equity Net Rank</i>				46	33	36	43	29	--	30	Jan-18
Private Equity	236,706,821	12.2	19.2	-0.5	-0.6	112.3	-0.1	4.8	-3.8	0.7	Oct-05
<i>Russell 3000 +2% Lagged</i>				8.9	17.3	21.3	16.6	14.3	15.5	12.7	Oct-05
Total Fixed Income and Cash	400,455,326	20.7	20.7	1.2	3.8	4.7	0.1	1.2	2.1	4.2	Jul-06
<i>Bloomberg Multiverse TR</i>				-1.4	1.6	-0.8	-4.7	-0.9	0.4	2.3	Jul-06
<i>eV All Global Fixed Inc Net Rank</i>				29	33	36	41	51	49	26	Jul-06
Cash Equivalents	50,774,964	2.6	12.7	0.4	1.4	2.7	1.1	1.4	--	1.3	Apr-15
<i>91 Day T-Bills</i>				1.2	2.3	3.6	1.3	1.5	0.9	1.1	Apr-15
Public Fixed Income	345,568,765	17.9	86.3	1.4	4.4	5.5	-0.2	1.1	2.5	3.7	Dec-10
<i>Bloomberg Multiverse TR</i>				-1.4	1.6	-0.8	-4.7	-0.9	0.4	0.7	Dec-10
<i>eV All Global Fixed Inc Net Rank</i>				26	26	31	44	53	41	24	Dec-10
Short Term Core Bonds	65,005,107	3.4	18.8	-0.1	1.6	1.3	-0.4	1.6	--	1.4	Jun-17
<i>Bloomberg US Aggregate 1-3 Yr TR</i>				-0.4	1.1	0.5	-0.9	1.1	1.0	0.9	Jun-17
IR&M 1-3 Year Strategy	65,005,107	3.4	100.0	-0.1	1.6	1.3	-0.4	1.6	--	1.4	Jul-17
<i>Bloomberg US Aggregate 1-3 Yr TR</i>				-0.4	1.1	0.5	-0.9	1.1	1.0	0.9	Jul-17
<i>eV US Short Duration Fixed Inc Net Rank</i>				60	39	49	39	22	--	25	Jul-17

¹ All Private Equity market values are one quarter lagged unless otherwise noted.



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	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Investment Grade Bonds	67,767,148	3.5	19.6	-1.1	2.4	-0.6	-3.5	--	--	-1.2	Oct-19
<i>Bloomberg US Aggregate TR</i>				<i>-0.8</i>	<i>2.1</i>	<i>-0.9</i>	<i>-4.0</i>	<i>0.8</i>	<i>1.5</i>	<i>-1.6</i>	<i>Oct-19</i>
<i>eV US Core Fixed Inc Net Rank</i>				<i>90</i>	<i>32</i>	<i>61</i>	<i>43</i>	<i>--</i>	<i>--</i>	<i>42</i>	<i>Oct-19</i>
Longfellow Core Fixed Income	67,767,148	3.5	100.0	-1.1	2.4	-0.6	-3.6	--	--	-3.6	Jul-20
<i>Bloomberg US Aggregate TR</i>				<i>-0.8</i>	<i>2.1</i>	<i>-0.9</i>	<i>-4.0</i>	<i>0.8</i>	<i>1.5</i>	<i>-4.0</i>	<i>Jul-20</i>
<i>eV US Core Fixed Inc Net Rank</i>				<i>90</i>	<i>32</i>	<i>61</i>	<i>47</i>	<i>--</i>	<i>--</i>	<i>47</i>	<i>Jul-20</i>
Bank Loans	76,577,141	4.0	22.2	3.3	7.1	11.5	6.0	4.3	--	4.3	Jan-14
<i>Credit Suisse Leveraged Loan</i>				<i>3.1</i>	<i>6.3</i>	<i>10.1</i>	<i>6.2</i>	<i>4.0</i>	<i>--</i>	<i>4.0</i>	<i>Jan-14</i>
<i>eV US Float-Rate Bank Loan Fixed Inc Net Rank</i>				<i>14</i>	<i>9</i>	<i>5</i>	<i>28</i>	<i>7</i>	<i>--</i>	<i>6</i>	<i>Jan-14</i>
Aristotle Pacific Capital Bank Loan	76,577,141	4.0	100.0	3.3	7.1	11.5	5.9	4.3	--	4.3	Aug-17
<i>Credit Suisse Leveraged Loan</i>				<i>3.1</i>	<i>6.3</i>	<i>10.1</i>	<i>6.2</i>	<i>4.0</i>	<i>--</i>	<i>4.1</i>	<i>Aug-17</i>
<i>eV US Float-Rate Bank Loan Fixed Inc Net Rank</i>				<i>14</i>	<i>9</i>	<i>5</i>	<i>28</i>	<i>10</i>	<i>--</i>	<i>8</i>	<i>Aug-17</i>
High Yield Bonds	70,848,739	3.7	20.5	1.1	4.1	7.8	2.5	1.5	3.2	4.6	Dec-10
<i>Bloomberg US Corporate High Yield TR</i>				<i>1.7</i>	<i>5.4</i>	<i>9.1</i>	<i>3.1</i>	<i>3.4</i>	<i>4.4</i>	<i>5.3</i>	<i>Dec-10</i>
<i>eV US High Yield Fixed Inc Net Rank</i>				<i>76</i>	<i>78</i>	<i>66</i>	<i>74</i>	<i>99</i>	<i>90</i>	<i>64</i>	<i>Dec-10</i>
Loomis US High Yield Fund	70,848,739	3.7	100.0	1.1	4.1	7.8	--	--	--	-2.1	Jan-21
<i>Bloomberg US High Yield 2% Issuer Cap TR</i>				<i>1.8</i>	<i>5.4</i>	<i>9.1</i>	<i>3.1</i>	<i>3.3</i>	<i>4.4</i>	<i>-0.6</i>	<i>Jan-21</i>
<i>eV US High Yield Fixed Inc Net Rank</i>				<i>76</i>	<i>78</i>	<i>66</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>96</i>	<i>Jan-21</i>



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Emerging Markets Debt	65,370,629	3.4	18.9	3.6	6.6	6.1	-5.6	-3.3	-0.5	0.5	Dec-10
50% JPM EMBI/50% JPM GBI-EM				2.3	5.9	9.4	-2.2	0.5	1.0	1.8	Dec-10
eV All Emg Mkts Fixed Inc Net Rank				20	25	76	99	99	94	83	Dec-10
Metlife Emerging Markets Debt Blend	65,370,629	3.4	100.0	3.6	6.6	--	--	--	--	14.4	Oct-22
35% JPMEMBI Global Index/35% JPM CEMBI				1.8	4.9	--	--	--	--	12.1	Oct-22
Broad Diversified Index/ 30% JPMGBI-EM				20	25	--	--	--	--	43	Oct-22
Diversified Global Index											
eV All Emg Mkts Fixed Inc Net Rank											
Private Debt	4,111,597	0.2	1.0	-4.0	-6.8	-6.5	26.3	12.9	--	6.8	Jan-16
Bloomberg US High Yield+2%				2.2	6.4	11.2	5.2	5.4	6.5	7.5	Jan-16
Total Real Assets	302,068,987	15.6	15.6	0.3	0.6	3.6	4.2	2.4	-0.2	-0.4	Dec-10
Total Real Assets Policy Index				0.1	0.0	3.7	7.4	6.7	8.4	9.8	Dec-10
Real Estate	158,494,403	8.2	52.5	2.1	7.4	14.5	4.6	3.7	-1.7	3.7	Mar-85
NCREIF Property (1 Qtr Lag)				-1.8	-5.3	-1.6	7.2	6.7	8.3	7.9	Mar-85
Natural Resources	105,767,154	5.5	35.0	-2.3	-6.0	-9.2	-0.5	-0.8	0.8	2.5	Dec-10
NCREIF Farmland Total Return Index (1 Qtr Lag)				2.1	5.4	9.1	7.6	6.6	8.5	10.4	Dec-10
Infrastructure	37,807,430	2.0	12.5	-0.1	-5.9	-3.0	17.3	3.5	7.3	7.1	Jul-12
S&P Global Infrastructure TR USD				-0.1	3.8	4.2	10.6	5.3	6.7	6.9	Jul-12

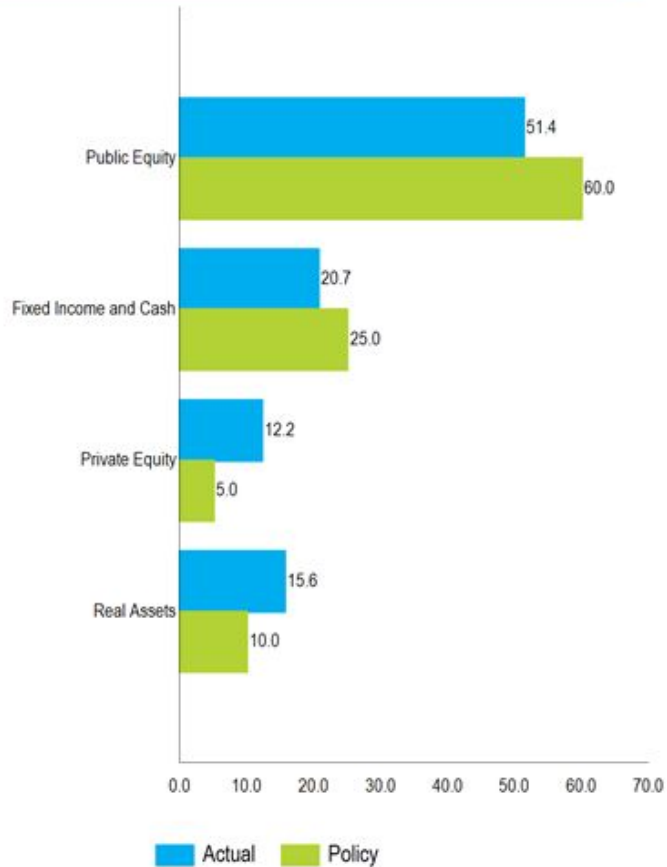
¹ All Private Market market values are one quarter lagged unless otherwise noted.



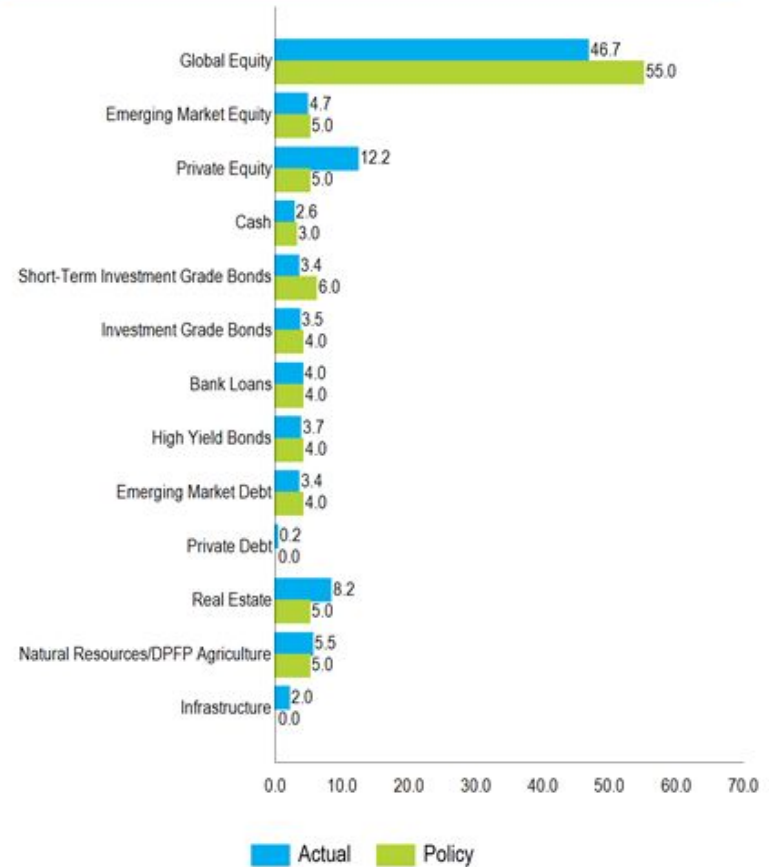
Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

Asset Category Actual vs Target Allocation (%)
As of June 30, 2023



Asset Classes Actual vs Target Allocation (%)
As of June 30, 2023





Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Equity	\$1,230,241,512	63%	65%		
Global Equity	\$902,715,006	47%	55%	36% - 60%	Yes
Emerging Market Equity	\$90,819,685	5%	5%	3% - 7%	Yes
Private Equity	\$236,706,821	12%	5%		
Fixed Income and Cash	\$400,455,326	21%	25%	5% - 40%	Yes
Cash	\$50,774,964	3%	3%	0% - 6%	Yes
Short-Term Investment Grade Bonds	\$65,005,107	3%	6%	0% - 9%	Yes
Investment Grade Bonds	\$67,767,148	4%	4%	2% - 6%	Yes
Bank Loans	\$76,577,141	4%	4%	2% - 6%	Yes
High Yield Bonds	\$70,848,739	4%	4%	2% - 6%	Yes
Emerging Market Debt	\$65,370,629	3%	4%	2% - 6%	Yes
Private Debt	\$4,111,597	0%	0%		
Real Assets	\$302,068,987	16%	10%		
Real Estate	\$158,494,403	8%	5%		
Natural Resources/DPFP Agriculture	\$105,767,154	5%	5%		
Infrastructure	\$37,807,430	2%	0%		
Total	\$1,932,765,824	100%	100%		

¹ As of 6/30/2023, the Safety Reserve exposure was approximately \$115.8 million (6.0%).

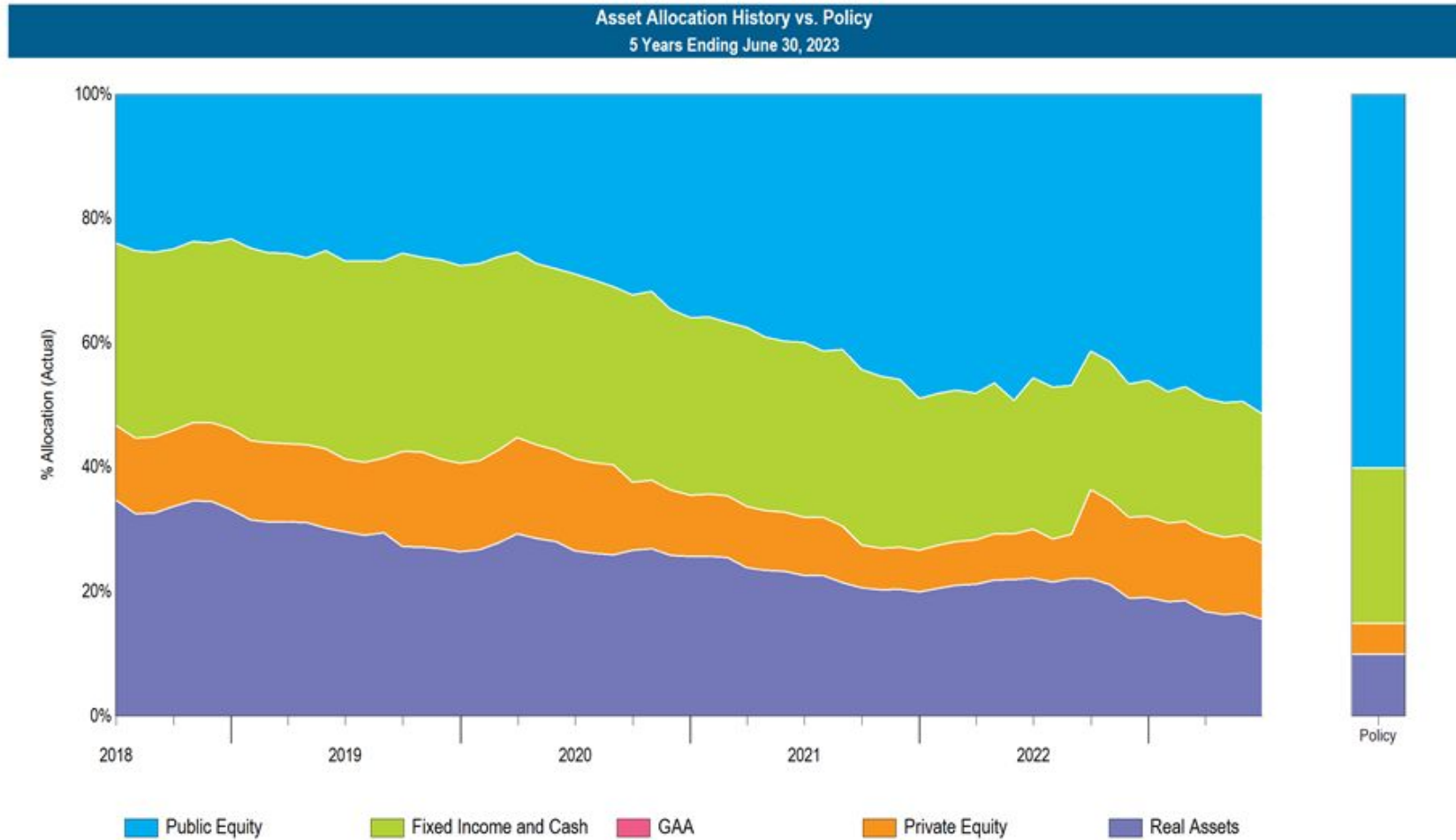
² Global equity consists of 26% US, 18% Developed Non-US, and 2% Emerging Markets.

³ Rebalancing ranges are not established for illiquid assets (Private Equity, Private Debt, Natural Resources, Infrastructure and Real Estate).



Dallas Police & Fire Pension System

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Dallas Police & Fire Pension System

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Statistics Summary						
5 Years Ending June 30, 2023						
	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
DPFP	4.1%	7.9%	-0.2	0.6	0.3	6.8%
Policy Index	5.4%	10.8%	--	1.0	0.4	0.0%
Public Equity	8.2%	17.9%	0.2	1.0	0.4	2.2%
MSCI ACWI IMI Net USD	7.6%	18.2%	--	1.0	0.3	0.0%
Global Equity	8.5%	18.4%	0.4	1.0	0.4	2.2%
MSCI ACWI IMI Net USD	7.6%	18.2%	--	1.0	0.3	0.0%
Emerging Markets Equity	3.6%	17.9%	0.5	0.9	0.1	4.4%
MSCI Emerging Markets IMI Net	1.4%	18.8%	--	1.0	0.0	0.0%
Private Equity	4.8%	54.5%	-0.2	-0.4	0.1	60.7%
Russell 3000 +2% Lagged	14.3%	19.4%	--	1.0	0.7	0.0%
Short Term Core Bonds	1.6%	2.0%	0.5	1.0	0.1	1.0%
Bloomberg US Aggregate 1-3 Yr TR	1.1%	1.7%	--	1.0	-0.2	0.0%
Bank Loans	4.3%	5.3%	0.1	0.7	0.5	2.8%
Credit Suisse Leveraged Loan	4.0%	7.3%	--	1.0	0.4	0.0%
High Yield Bonds	1.5%	10.1%	-1.1	1.1	0.0	1.6%
Bloomberg US Corporate High Yield TR	3.4%	9.3%	--	1.0	0.2	0.0%
Emerging Markets Debt	-3.3%	14.5%	-0.8	1.3	-0.3	4.5%
50% JPM EMBI/50% JPM GBI-EM	0.5%	11.1%	--	1.0	-0.1	0.0%



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

Statistics Summary						
5 Years Ending June 30, 2023						
	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Real Estate	3.7%	4.3%	-0.5	0.1	0.5	6.6%
NCREIF Property (1 Qtr Lag)	6.7%	5.3%	--	1.0	1.0	0.0%
Natural Resources	-0.8%	6.7%	-1.1	0.4	-0.3	6.9%
NCREIF Farmland Total Return Index (1 Qtr Lag)	6.6%	3.3%	--	1.0	1.6	0.0%
Infrastructure	3.5%	15.8%	-0.1	0.0	0.1	23.8%
S&P Global Infrastructure TR USD	5.3%	18.6%	--	1.0	0.2	0.0%



Dallas Police & Fire Pension System

DPFP | As of June 30, 2023

Benchmark History		
As of June 30, 2023		
DPFP		
10/1/2021	Present	55% MSCI ACWI IMI Net USD / 5% MSCI Emerging Markets IMI Net / 5% Russell 3000 + 2% 1Q Lagged / 6% Bloomberg US Aggregate 1-3 Yr TR / 4% Bloomberg US Corporate High Yield TR / 4% Bloomberg US Aggregate TR / 4% S&P/LSTA Leveraged Loan / 4% 50% JPM EMBI/50% JPM GBI-EM / 5% NCREIF Farmland Total Return Index (1 Qtr Lag) / 5% NCREIF Property (1 Qtr Lag) / 3% 91 Day T-Bills
8/1/2021	9/30/2021	55% MSCI ACWI IMI Net USD / 5% MSCI Emerging Markets IMI Net / 5% Cambridge Associates US All PE (1 Qtr Lag) / 6% Bloomberg US Aggregate 1-3 Yr TR / 4% Bloomberg US Corporate High Yield TR / 4% Bloomberg US Aggregate TR / 4% S&P/LSTA Leveraged Loan / 4% 50% JPM EMBI/50% JPM GBI-EM / 5% NCREIF Farmland Total Return Index (1 Qtr Lag) / 5% NCREIF Property (1 Qtr Lag) / 3% 91 Day T-Bills
1/1/2019	7/31/2021	40% MSCI ACWI IMI Net USD / 10% MSCI Emerging Markets IMI Net / 5% Cambridge Associates US All PE (1 Qtr Lag) / 12% Bloomberg US Aggregate 1-3 Yr TR / 4% Bloomberg Global Aggregate TR / 4% Bloomberg US Corporate High Yield TR / 4% Bloomberg US Aggregate TR / 4% S&P/LSTA Leveraged Loan / 4% 50% JPM EMBI/50% JPM GBI-EM / 5% NCREIF Farmland Total Return Index (1 Qtr Lag) / 5% NCREIF Property (1 Qtr Lag) / 3% 91 Day T-Bills
10/1/2018	12/31/2018	40% MSCI ACWI Gross / 10% MSCI Emerging Markets Gross / 5% Russell 3000 +2% Lagged / 12% Bloomberg US Aggregate 1-3 Yr TR / 4% Bloomberg Global Aggregate TR / 4% Bloomberg US High Yield 2% Issuer Cap TR / 4% S&P/LSTA Leveraged Loan / 4% Bloomberg US Aggregate TR / 4% 50% JPM EMBI/50% JPM GBI-EM / 5% Natural Resources Benchmark (Linked) / 5% NCREIF Property Index / 3% 91 Day T-Bills
4/1/2016	9/30/2018	20% MSCI ACWI Gross / 5% MSCI Emerging Markets Gross / 5% Russell 3000 +2% Lagged / 2% Bloomberg US Aggregate 1-3 Yr TR / 3% Bloomberg Global Aggregate TR / 5% Bloomberg Global High Yield TR / 6% S&P/LSTA Leveraged Loan / 6% HFRI RV: FI (50/50-ABS/Corp) / 6% 50% JPM EMBI/50% JPM GBI-EM / 5% Barclays Global High Yield +2% / 5% 60% MSCI ACWI/40% Barclays Global Agg / 3% 60% MSCI ACWI/40% Barclays Global Agg / 2% HFRX Absolute Return Index / 5% Natural Resources Benchmark (Linked) / 5% S&P Global Infrastructure TR USD / 12% NCREIF Property Index / 3% CPI + 5% (Seasonally Adjusted) / 2% 91 Day T-Bills
4/1/2014	3/31/2016	15% MSCI ACWI / 15% S&P 500 + 2% / 10% Total Global Natural Resources Custom Benchmark / 15% Bloomberg Global Aggregate TR / 20% CPI + 5% (Seasonally Adjusted) / 10% CPI + 5% (Seasonally Adjusted) / 15% NCREIF Property Index
Total Real Assets		
12/31/2010	Present	50% NCREIF Property (1 Qtr Lag) / 50% NCREIF Farmland Total Return Index (1 Qtr Lag)

Disclaimer, Glossary, and Notes



Disclaimer, Glossary, and Notes

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.



Disclaimer, Glossary, and Notes

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.



Disclaimer, Glossary, and Notes

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.



Disclaimer, Glossary, and Notes

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.



Dallas Police & Fire Pension System

As of March 31, 2023

Private Markets Review



Dallas Police & Fire Pension System

Agenda

Agenda

1. Private Markets Executive Summary
2. Performance Update as of March 31, 2023

Private Markets Executive Summary As of March 31, 2023



Dallas Police & Fire Pension System

Private Markets Executive Summary

Quarterly Change – Total Private Markets

Total Private Markets	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
12/31/2022	1,461	1,487	1,007	595	
3/31/2023	1,461	1,487	1,040	559	
CHANGE	-	-	+\$33	-\$36	-0.5%

1Q23 Distributions over \$1.0M		
RE	AEW Camel Square	\$16 M
Infra	JPM Maritime	\$16 M



Dallas Police & Fire Pension System

Private Markets Executive Summary

Quarterly Change by Asset Class

Private Equity

Private Equity	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
12/31/2022	409	447	240	244	
3/31/2023	409	447	240	242	
CHANGE	-	-	-	-\$2	-0.8%

Real Estate

Real Estate	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
12/31/2022	797	788	528	190	
3/31/2023	797	788	545	173	
CHANGE	-	-	+\$17	-\$17	0%



Dallas Police & Fire Pension System

Private Markets Executive Summary

Quarterly Change by Asset Class (continued)

Infrastructure

Infrastructure	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
12/31/2022	97	94	41	54	
3/31/2023	97	94	57	38	
CHANGE	-	-	+\$16	-\$16	0%

Agriculture

Agriculture	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
12/31/2022	74	74	178	93	
3/31/2023	74	74	178	91	
CHANGE	-	-	-	-\$2	-2.2%



Dallas Police & Fire Pension System

Private Markets Executive Summary

Quarterly Change by Asset Class (continued)

Timber

Timber	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
12/31/2022	84	84	21	16	
3/31/2023	84	84	21	15	
CHANGE	-	-	-	-\$1	-6.3%

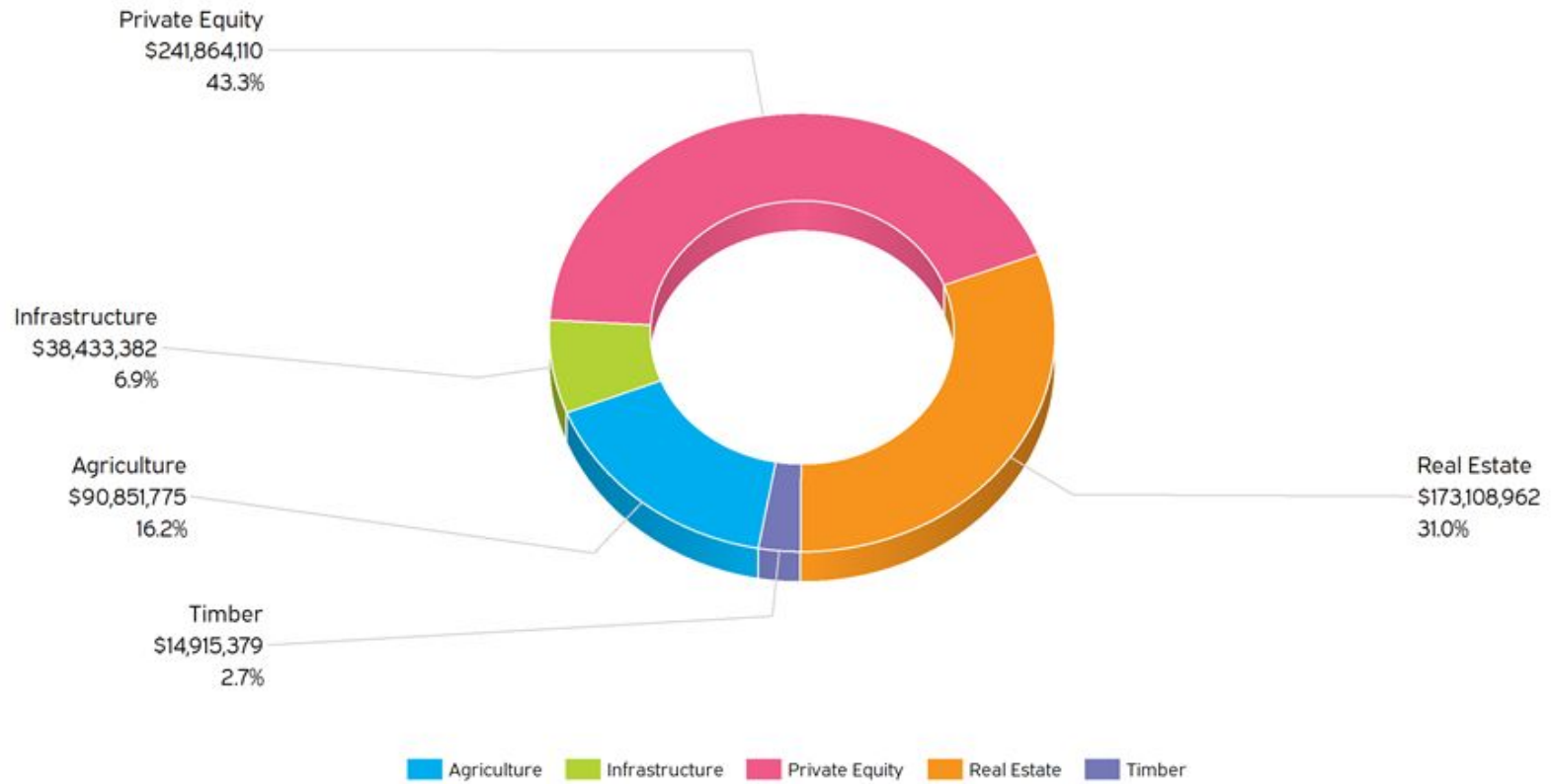
Performance Update
As of March 31, 2023



Dallas Police & Fire Pension System

Private Markets Review | As of March 31, 2023

Private Market Investments as of March 31, 2023
Market Value Allocation by Asset Class



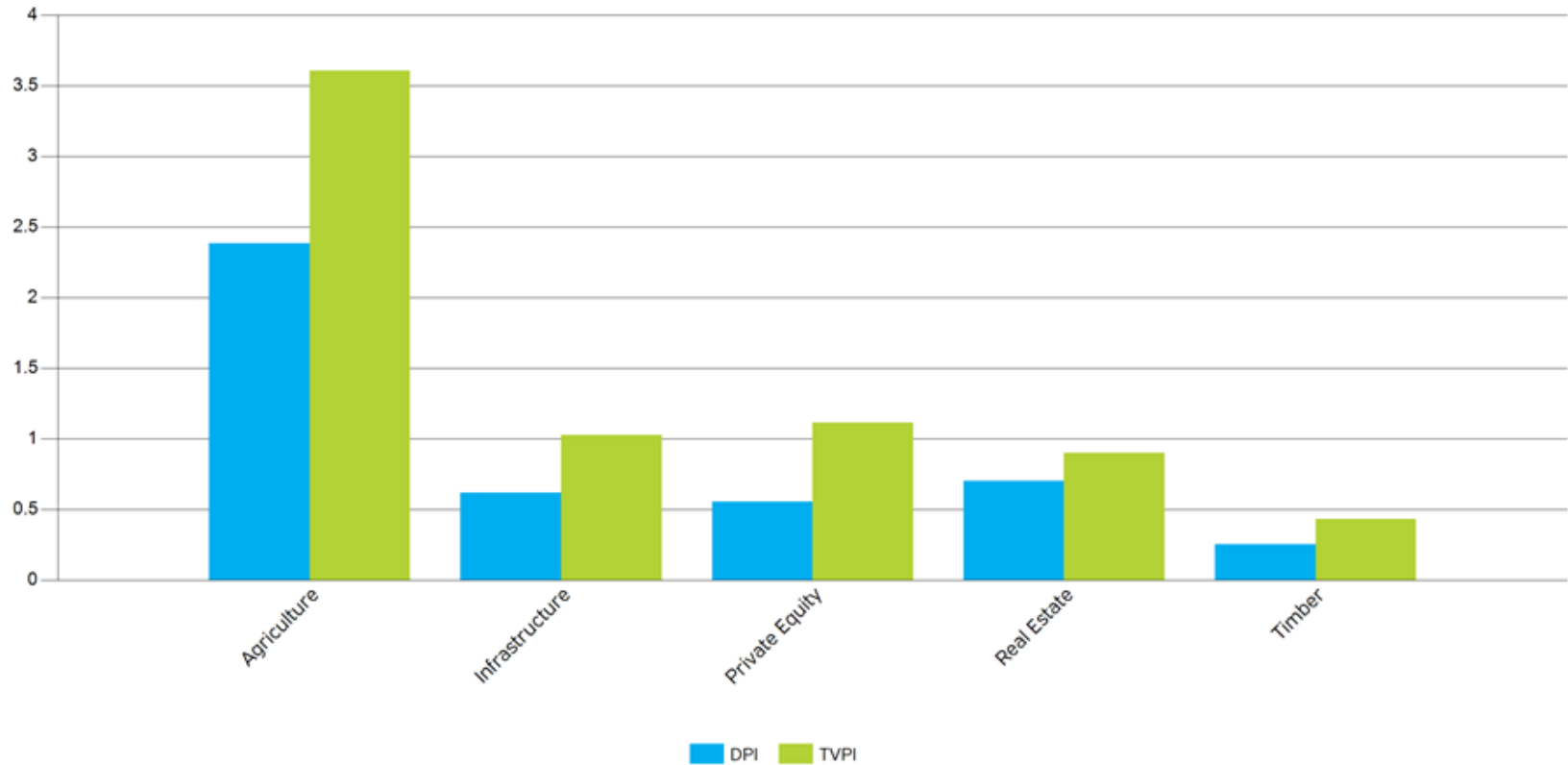
1. Private Equity is composed of Private Equity and Private Debt.



Dallas Police & Fire Pension System

Private Markets Review | As of March 31, 2023

Private Market Investments as of March 31, 2023
DPI and TVPI by Asset Class



- 1. Private Equity is composed of Private Equity and Private Debt.
- 2. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire Pension System

Private Markets Review | As of March 31, 2023

Private Market Investments Overview										
Active Funds	Commitments		Distributions & Valuations				Performance			
Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
Total Agriculture	74,420,001	74,420,001	177,592,840	90,851,775	268,444,615	194,024,614	1.00	2.39	3.61	14.37
Total Infrastructure	97,000,000	92,326,072	56,701,381	38,433,382	95,134,763	2,808,690	0.95	0.61	1.03	0.33
Total Private Equity	409,251,115	446,591,631	240,285,000	241,854,546	482,139,546	35,547,915	1.09	0.54	1.08	0.94
Total Real Estate	796,913,998	788,303,995	544,942,187	173,108,962	718,051,149	-70,252,846	0.99	0.69	0.91	-0.95
Total Timber	82,985,536	83,050,533	21,150,000	14,915,379	36,065,379	-47,780,340	1.00	0.25	0.43	-10.02
Total	1,460,570,650	1,484,692,233	1,040,671,408	559,164,044	1,599,835,452	114,348,034	1.02	0.70	1.08	1.37

1. Private Equity is composed of Private Equity and Private Debt.

2. Private markets performance reflected is composed of active investments only.

3. Commitment value is equal to paid in capital for direct investments made outside of a traditional limited partnership fund structure.



Dallas Police & Fire Pension System

Active Funds with Unfunded Commitments Overview | As of March 31, 2023

Active Funds with Unfunded Commitments				
Active Funds		Commitments		
Investment Name	Vintage Year	Commitment (\$)	Paid In Capital (\$)	Unfunded Commitment (\$)
Infrastructure				
TRG AIRRO	2008	37,000,000	35,021,106	1,978,894
TRG AIRRO II	2013	10,000,000	8,663,110	2,240,622
JPM Maritime Fund, LP	2009	50,000,000	48,641,857	1,365,941
Total Infrastructure		97,000,000	92,326,072	5,585,458
Private Equity				
Industry Ventures Partnership IV	2016	5,000,000	3,754,985	485,000
Riverstone Credit Partners LP	2016	10,000,000	12,242,390	514,296
Total Private Equity		15,000,000	15,997,375	999,296
Real Estate				
Hearthstone MS III Homebuilding Investors	2003	10,000,000	1,221,446	1,997,675
Total Real Estate		10,000,000	1,221,446	1,997,675
Total		122,000,000	109,544,893	8,582,429

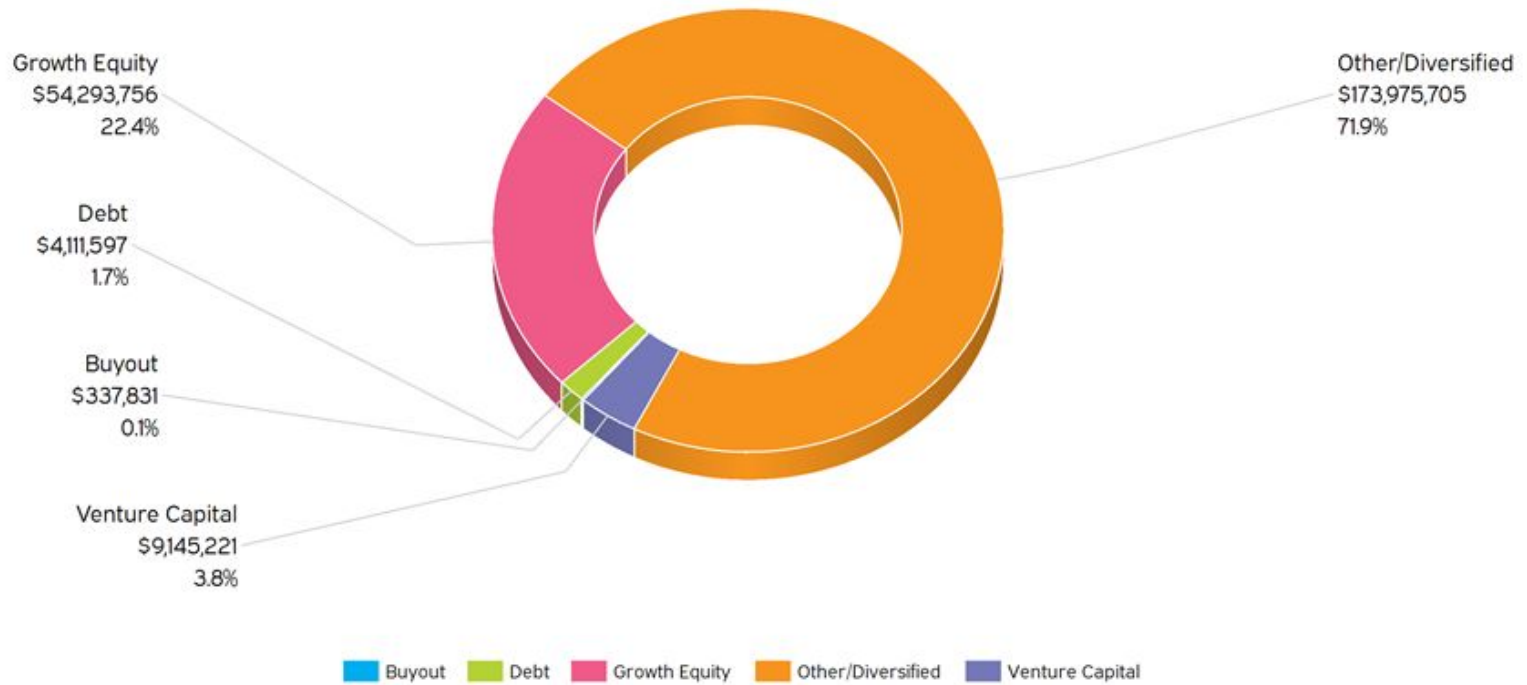
1. Private markets performance reflected is composed of active investments only.
2. The funds and figures above represent investments with unfunded capital commitments.



Dallas Police & Fire Pension System

Private Equity and Debt | As of March 31, 2023

Private Equity and Debt Investments as of March 31, 2023
Market Value Allocation by Strategy

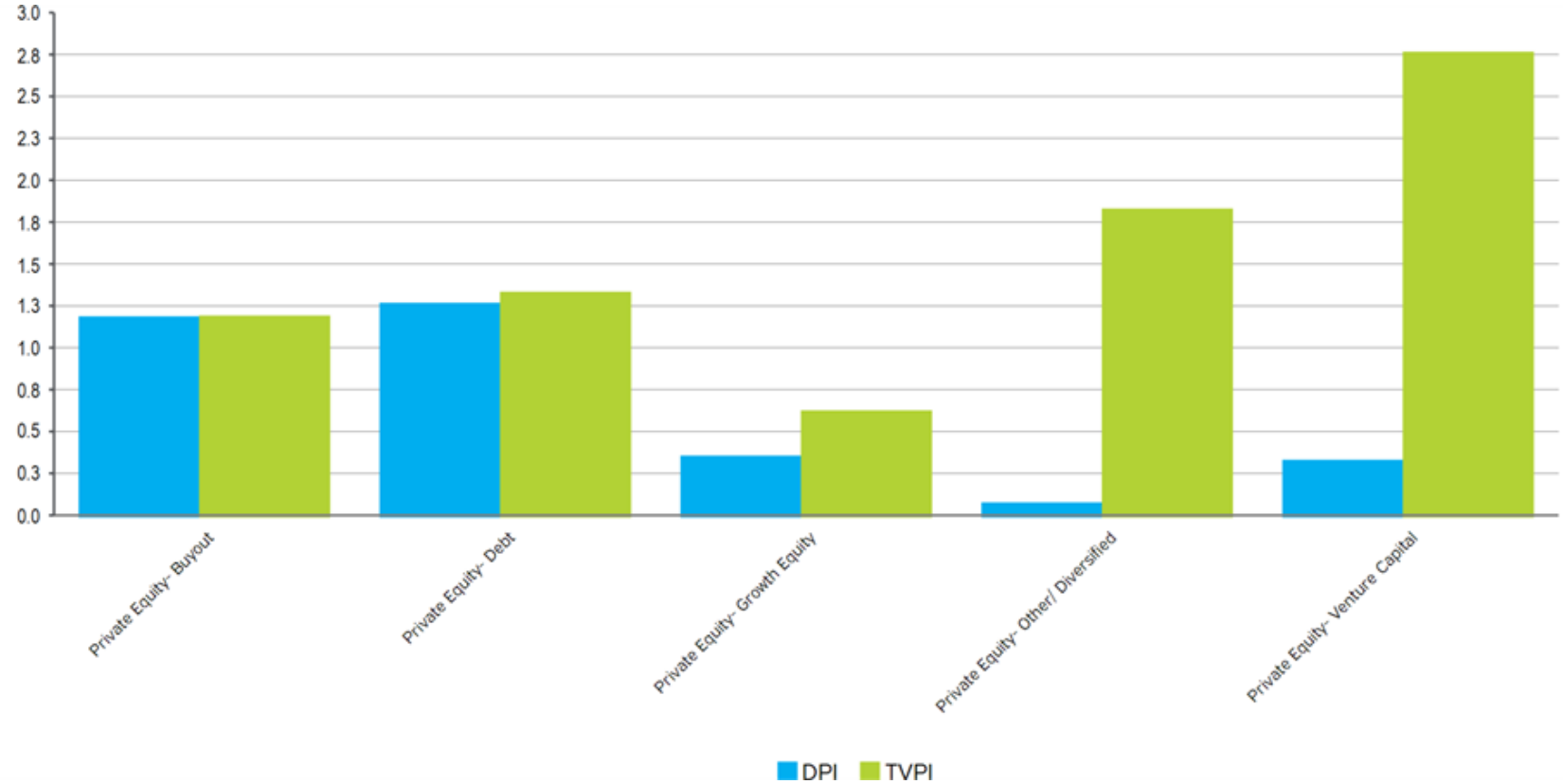




Dallas Police & Fire Pension System

Private Equity and Debt | As of March 31, 2023

Private Equity and Debt Investments as of March 31, 2023
DPI and TVPI by Strategy



1. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire Pension System

Private Equity and Debt | As of March 31, 2023

Private Equity and Debt Investments Overview											
Active Funds		Commitments		Distributions & Valuations				Performance			
Investment Name	Vintage Year	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
Buyout											
Huff Alternative Fund	2000	66,795,718	78,833,017	91,106,026	337,831	91,443,857	12,610,840	1.18	1.16	1.16	1.73
Total Buyout		66,795,718	78,833,017	91,106,026	337,831	91,443,857	12,610,840	1.18	1.16	1.16	1.73
Debt											
Highland Crusader Fund	2003	50,955,397	50,955,397	67,245,424	411,063	67,656,487	16,701,090	1.00	1.32	1.33	4.66
Riverstone Credit Partners LP	2016	10,000,000	12,242,390	10,910,241	3,700,534	14,610,775	2,368,385	1.22	0.89	1.19	5.90
Total Debt		60,955,397	63,197,787	78,155,665	4,111,597	82,267,262	19,069,475	1.04	1.24	1.30	4.74
Growth Equity											
Hudson Clean Energy	2009	25,000,000	24,994,470	5,086,525	376,465	5,462,990	-19,531,480	1.00	0.20	0.22	-21.15
Lone Star CRA	2008	50,000,000	60,703,798	33,443,970	49,018,436	82,462,406	21,758,608	1.21	0.55	1.36	5.29
Lone Star Growth Capital	2006	16,000,000	26,679,375	17,064,533	0	17,064,533	-9,614,842	1.67	0.64	0.64	-20.47
Lone Star Opportunities V	2012	75,000,000	75,153,125	531,444	0	531,444	-74,621,681	1.00	0.01	0.01	-99.30
Lone Star Bridge Loan	2020	500,000	3,862,000	0	3,500,000	3,500,000	-362,000	7.72	0.00	0.91	-7.19
North Texas Opportunity Fund	2000	10,000,000	10,000,000	9,249,355	1,389,291	10,638,646	638,646	1.00	0.92	1.06	0.67
Total Growth Equity		176,500,000	201,392,768	65,375,827	54,284,192	119,660,019	-81,732,749	1.14	0.32	0.59	-10.16
Other/Diversified											
Huff Energy Fund LP	2006	100,000,000	99,210,178	4,477,394	173,975,705	178,453,099	79,242,921	0.99	0.05	1.80	4.62
Total Other/Diversified		100,000,000	99,210,178	4,477,394	173,975,705	178,453,099	79,242,921	0.99	0.05	1.80	4.62
Venture Capital											
Industry Ventures Partnership IV	2016	5,000,000	3,754,985	1,124,889	9,145,221	10,270,110	6,515,125	0.75	0.30	2.74	23.48
Total Venture Capital		5,000,000	3,754,985	1,124,889	9,145,221	10,270,110	6,515,125	0.75	0.30	2.74	23.48
Unclassified											
Miscellaneous Private Equity Expenses	2016		202,896	45,200							
Total Unclassified			202,896	45,200							
Total		409,251,115	446,591,631	240,285,000	241,854,546	482,139,546	35,547,915	1.09	0.54	1.08	0.94

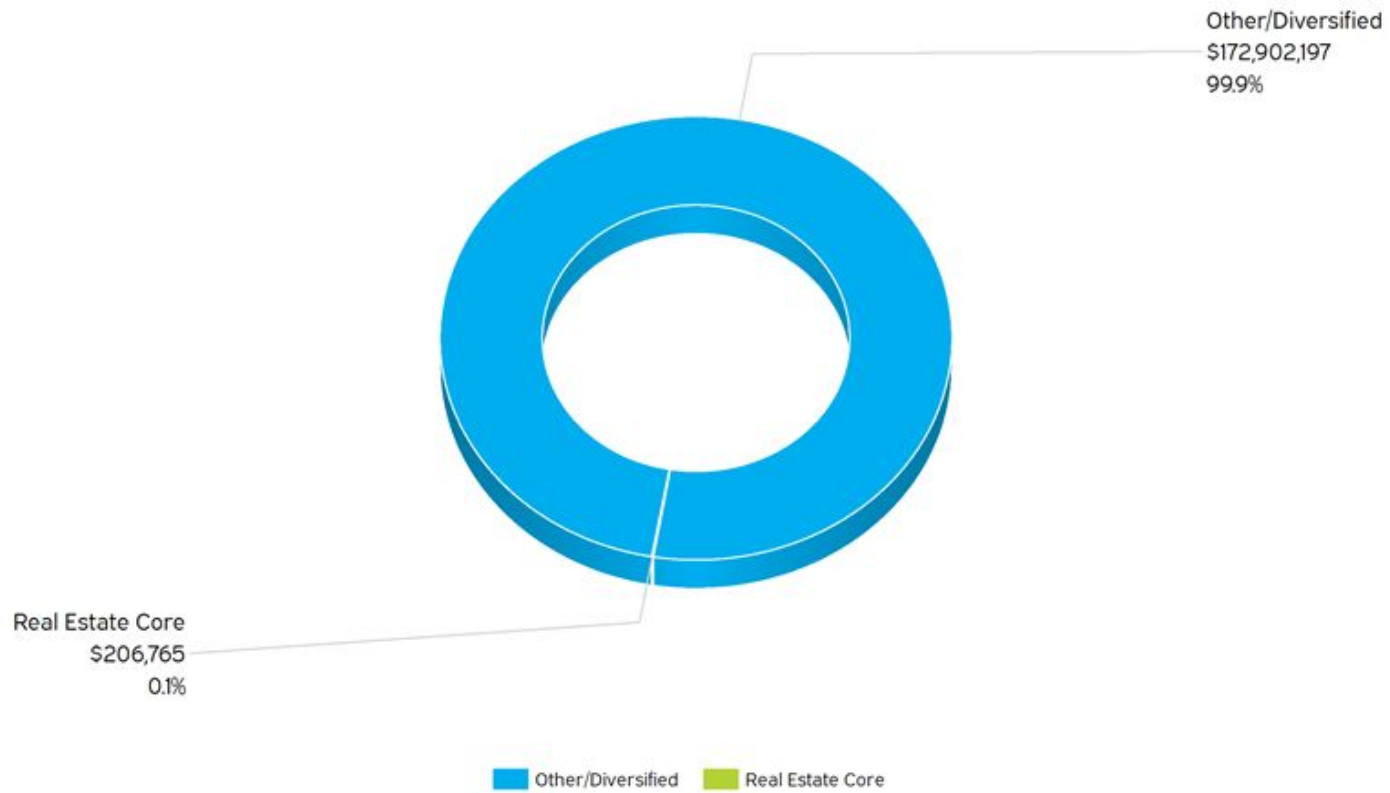
1. Private Markets performance reflected is composed of active investments only.
 2. The "IRRs" listed for Lone Star Growth Capital and Lone Star Opportunities Fund V are since inception total return figures.
 3. Hudson Clean Energy, Lone Star CRA and Huff Alternative shows 12/31/2021 NAVs cash flow adjusted through 3/31/2023.
 4. Huff Energy shows a 6/30/22 NAV cash flow adjusted through 3/31/2023.



Dallas Police & Fire Pension System

Real Estate | As of March 31, 2023

Real Estate Investments as of March 31, 2023 Market Value Allocation by Strategy

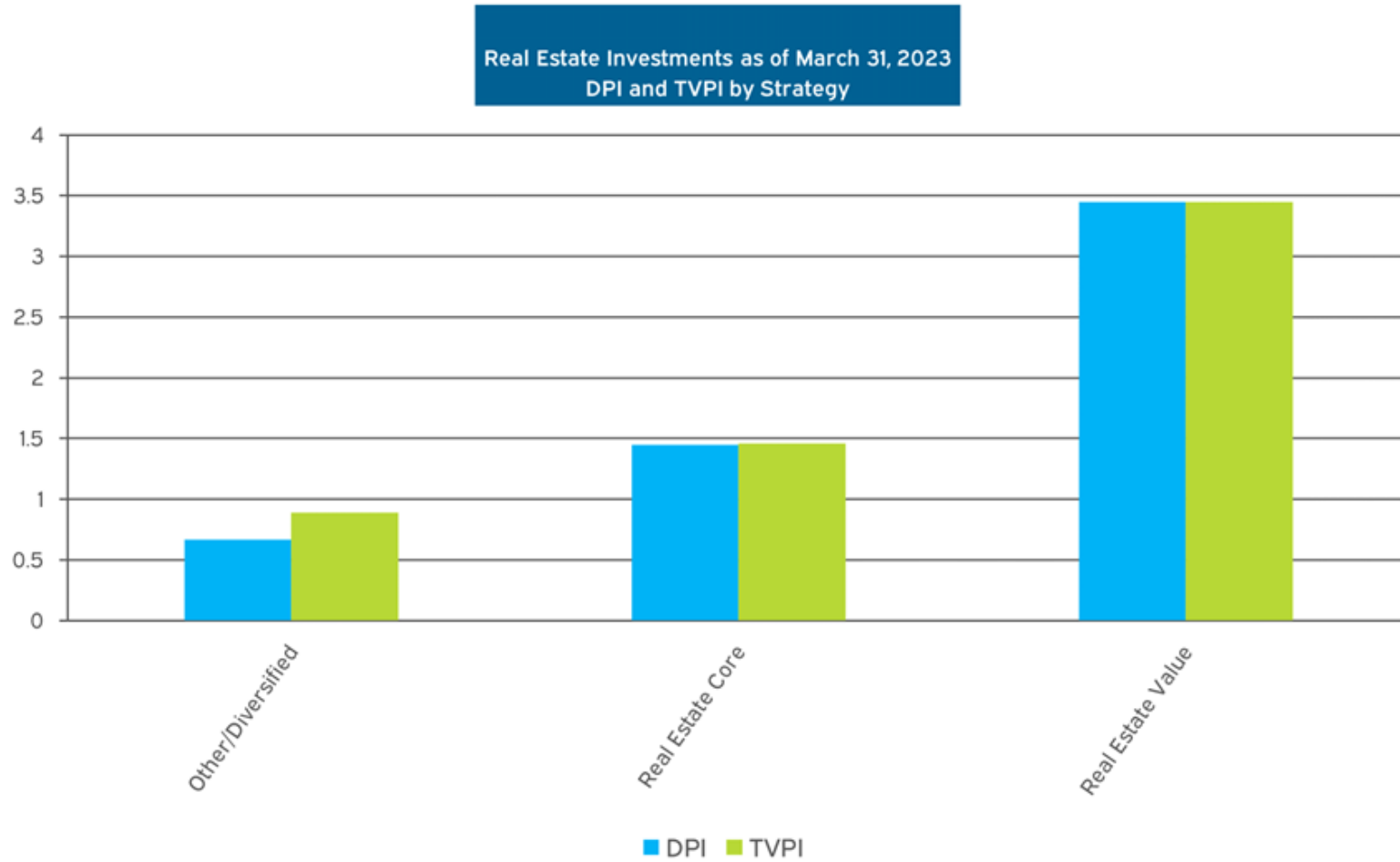


1. Other/Diversified is composed of direct real estate investments made by the fund.



Dallas Police & Fire Pension System

Real Estate | As of March 31, 2023



- 1. Other/Diversified is composed of direct real estate investments made by the fund.
- 2. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire Pension System

Real Estate | As of March 31, 2023

Investment Name	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
Total Other/Diversified	767,595,151	767,595,151	511,891,896	172,902,197	684,794,093	-82,801,058	1.00	0.67	0.89	-1.49
Real Estate Core										
Total Real Estate Core	19,318,847	19,318,847	28,056,286	206,765	28,263,051	8,944,204	1.00	1.45	1.46	6.42
Real Estate Value										
Total Real Estate Value	10,000,000	1,221,446	4,217,011	0	4,217,011	2,995,565	0.12	3.45	3.45	24.58
Total	796,913,998	788,303,995	544,942,187	173,108,962	718,051,149	-70,252,846	0.99	0.69	0.91	-0.95

1. Private markets performance reflected is composed of active investments only.

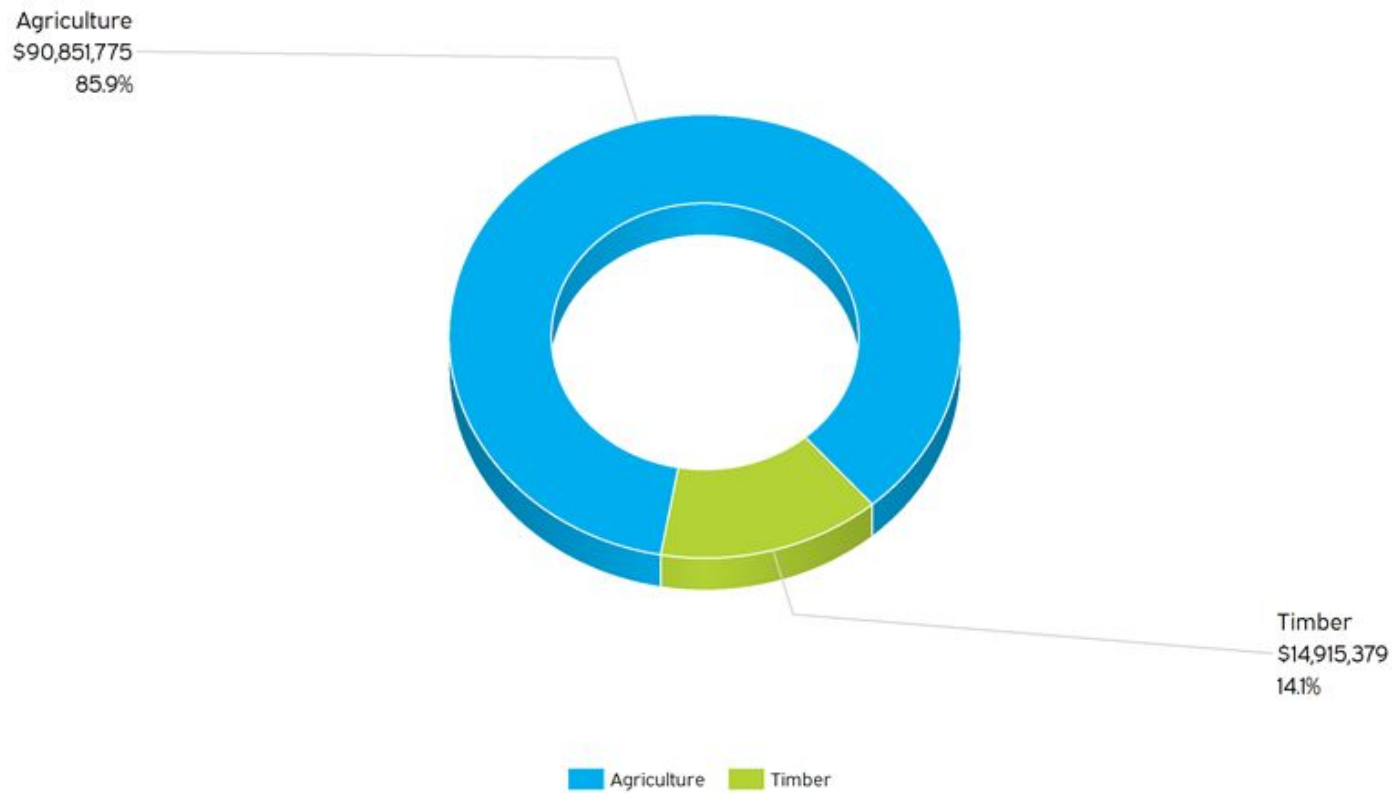
2. Commitment value is equal to paid in capital for direct investments made outside of a traditional Limited Partnership fund structure.



Dallas Police & Fire Pension System

Natural Resources | As of March 31, 2023

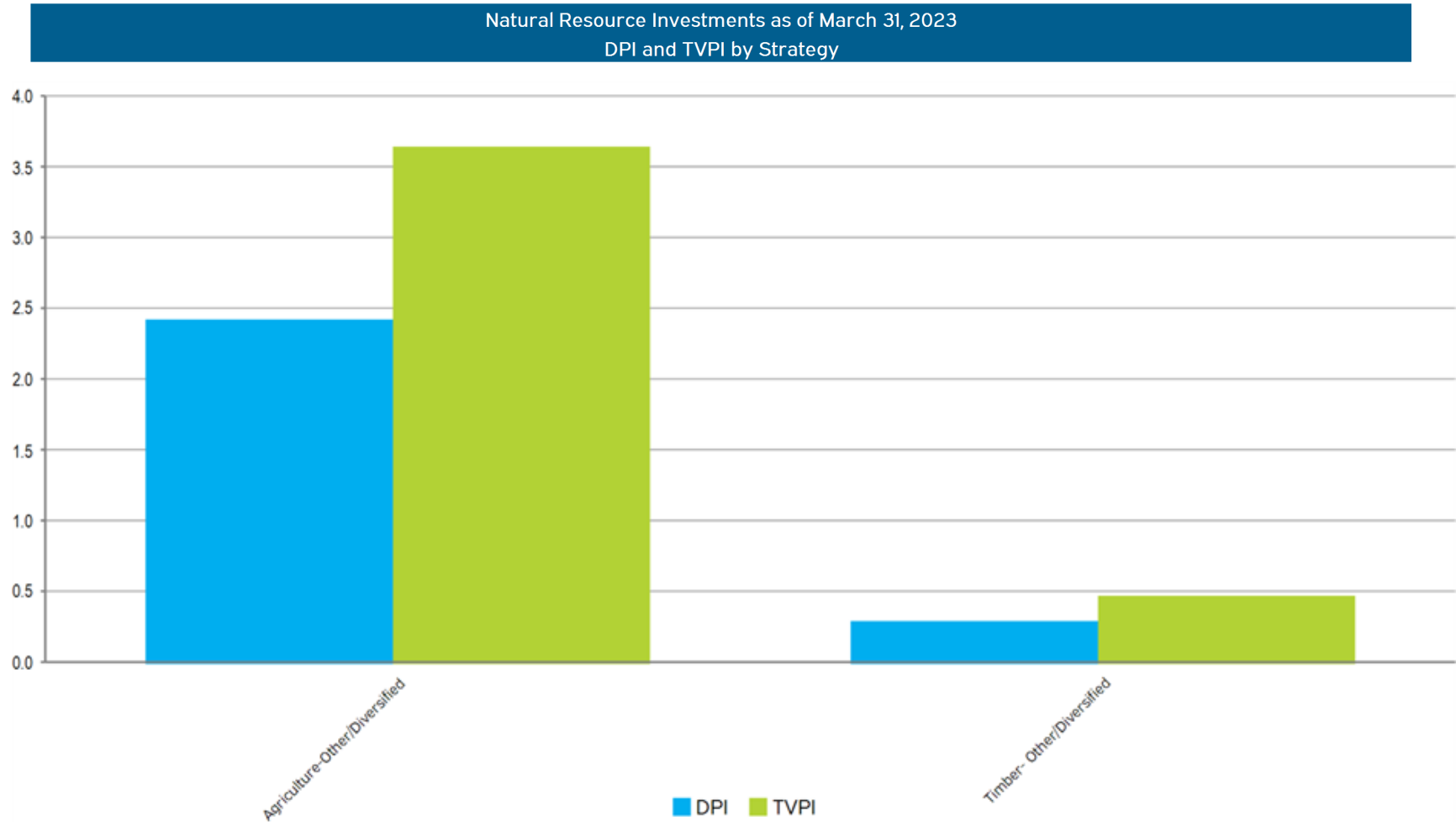
Natural Resources Investments as of March 31, 2023
Market Value Allocation by Asset Class





Dallas Police & Fire Pension System

Natural Resources | As of March 31, 2023



- 1. Agriculture 'Other/Diversified' is composed of permanent and row crops exposure.
- 2. Timber 'Other/Diversified' is composed of domestic and global timber exposure.
- 3. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire Pension System

Natural Resources | As of March 31, 2023

Natural Resource Investments Overview											
Active Funds		Commitments		Valuations				Performance			
Investment Name	Vintage Year	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Unrealized Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
Agriculture											
Manulife Agricultural	1998	74,420,001	74,420,001	177,592,840	90,851,775	268,444,615	193,631,864	1.00	2.39	3.61	14.37
Total Agriculture		74,420,001	74,420,001	177,592,840	90,851,775	268,444,615	193,631,864	1.00	2.39	3.61	14.37
Timber											
BTG Pactual	2006	82,985,536	83,050,533	21,150,000	14,915,379	36,065,379	-47,780,340	1.00	0.25	0.43	-10.02
Total Timber		82,985,536	83,050,533	21,150,000	14,915,379	36,065,379	-47,780,340	1.00	0.25	0.43	-0.35
Total		157,405,537	157,470,534	198,742,840	105,767,154	304,509,994	145,851,524	1.00	1.26	1.93	8.22

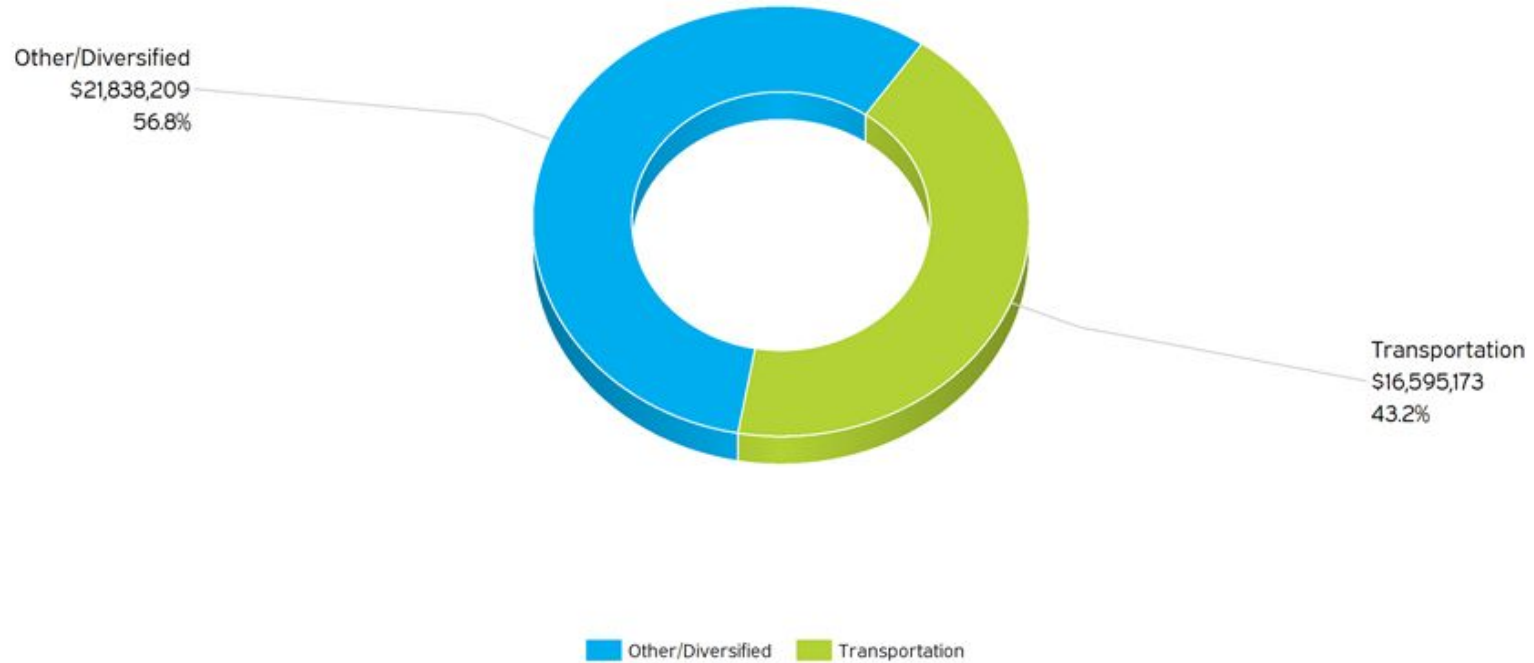
1. Private markets performance reflected is composed of active investments only.
 2. Commitment value is equal to paid in capital for direct investments made outside of a traditional limited partnership fund structure.
 3. Manulife Agriculture was previously known as Hancock Agriculture Fund.



Dallas Police & Fire Pension System

Infrastructure | As of March 31, 2023

Infrastructure Investments as of March 31, 2023 Market Value Allocation by Strategy



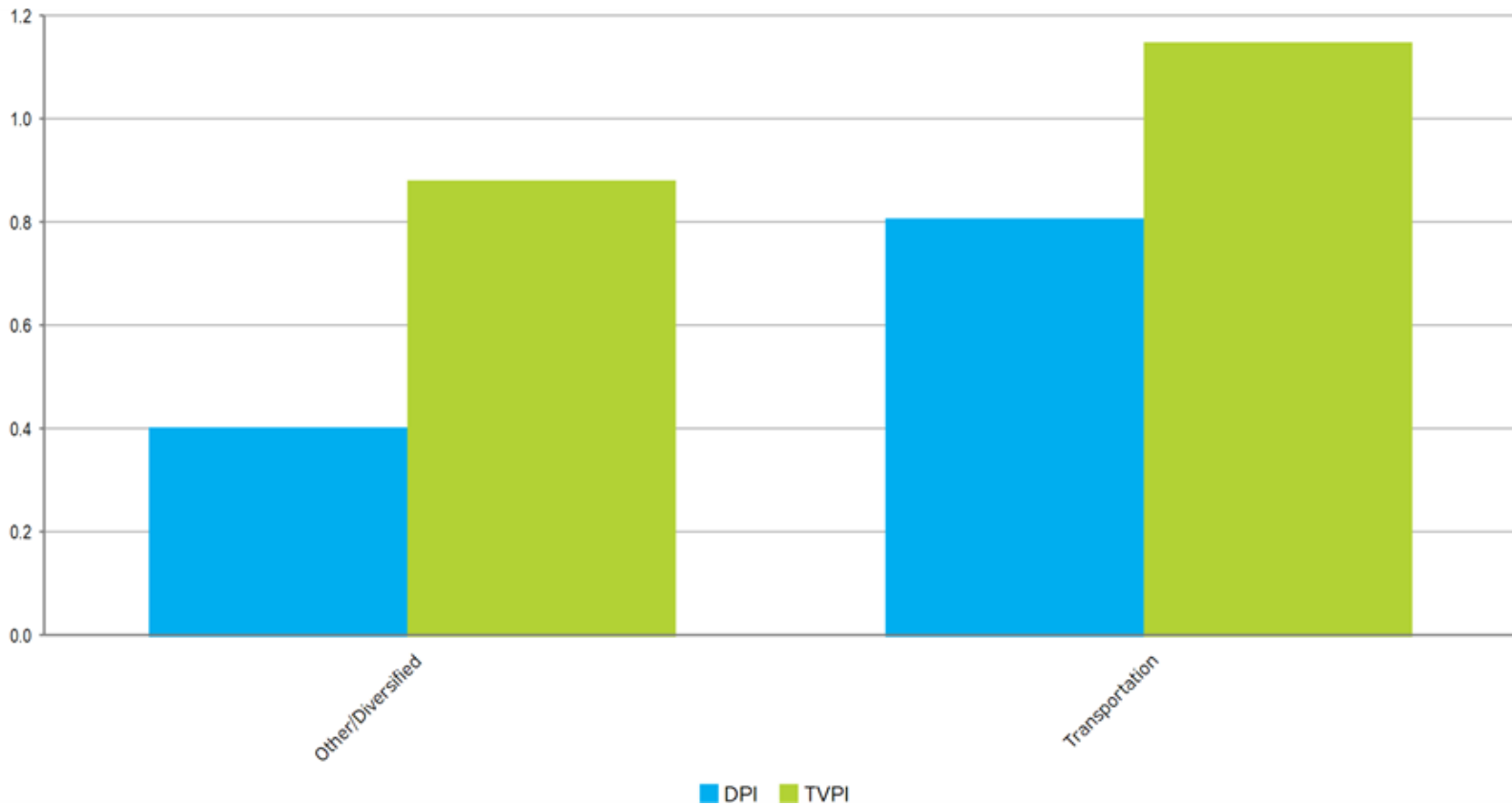
1.'Other/Diversified' is composed of various operating and developing infrastructure project exposure.



Dallas Police & Fire Pension System

Infrastructure | As of March 31, 2023

Infrastructure Investments as of March 31, 2023
DPI and TVPI by Strategy



- 1. Other/Diversified' is composed of various operating and developing infrastructure project exposure.
- 2. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire Pension System

Infrastructure | As of March 31, 2023

Infrastructure Investments Overview											
Active Funds		Commitments		Distributions & Valuations				Performance			
Investment Name	Vintage Year	Commitment (\$)	Paid-In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
Infrastructure											
TRG AIRRO	2008	37,000,000	35,021,106	17,873,234	17,106,421	34,979,655	-41,451	0.95	0.51	1.00	-1.23
TRG AIRRO II	2013	10,000,000	8,663,110	58,731	4,731,788	4,790,519	-3,872,591	0.87	0.01	0.55	-4.70
JPM Maritime Fund, LP	2009	50,000,000	48,641,857	38,769,416	16,595,173	55,364,589	6,722,732	0.97	0.80	1.14	2.12
Total Infrastructure		97,000,000	92,326,072	56,701,381	38,433,382	95,134,763	2,808,690	0.95	0.61	1.03	0.33

1. Private markets performance reflected is composed of active investments only.

**Private Markets Review
List of Completed Funds**



Dallas Police & Fire Pension System

Private Markets Review | As of March 31, 2023

Total Real Assets Program													
Completed Funds	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Addnl Fees	Cummulative Distributions	Valuation	Total Value	Gain/Loss	DPI Ratio	TVPI Ratio	IRR	
AEW Creative Holdings	2007	13,035,849	13,035,849	0	0	0	0	0	-13,035,849	0.00	0.00	N/A	
Barings Lake Luciana	2006	95,025,191	95,025,191	0	0	17,872,293	0	17,872,293	-77,152,898	0.19	0.19	-19.89%	
Barings Lake P&F Real Estate	2010	18,112,486	18,112,486	0	0	4,227,991	0	4,227,991	-13,884,495	0.23	0.23	-15.79%	
Bentall Green Oak	2004	20,269,554	20,269,554	0	0	34,650,146	0	34,650,146	14,380,592	1.71	1.71	5.63%	
BTG U.S. Timberland	2007	22,230,000	22,230,000	0	0	33,065,920	0	33,065,920	10,835,920	1.49	1.49	4.82%	
CDK Multifamily I	2014	10,559,876	10,617,376	0	0	10,025,434	0	10,025,434	-591,942	0.94	0.94	-1.99%	
Clarion 1210 South Lamar	2014	10,500,000	10,201,489	0	0	13,214,065	0	13,214,065	3,012,576	1.30	1.30	12.85%	
Clarion 4100 Harry Hines Land	2006	3,088,810	3,092,788	0	0	3,641,946	0	3,641,946	549,158	1.18	1.18	1.69%	
Clarion Beat Lofts	2005	8,729,783	8,730,183	0	0	1,137,817	0	1,137,817	-7,592,366	0.13	0.13	-30.76%	
Clarion Bryan Street Lofts	2005	5,112,048	5,112,048	0	0	4,163,659	0	4,163,659	-948,389	0.81	0.81	-2.23%	
Clarion Four Leaf	2005	16,892,767	16,892,767	0	0	3,733,148	0	3,733,148	-13,159,619	0.22	0.22	-39.69%	
Clarion The Tribute	2007	29,929,676	29,929,676	0	0	47,138,778	0	47,138,778	17,209,102	1.57	1.57	4.84%	
Forest Investment Associates	1992	59,649,696	59,649,696	0	0	104,895,920	0	104,895,920	45,246,224	1.76	1.76	7.41%	
Hearthstone Dry Creek	2005	52,303,043	52,303,043	0	0	8,973,059	0	8,973,059	-43,329,984	0.17	0.17	-38.78%	
Hearthstone MS II Homebuilding Investors	1999	10,000,000	7,973,058	0	0	10,989,565	0	10,989,565	3,016,507	1.38	1.38	26.70%	
Hearthstone Nampa	2006	11,666,284	11,666,284	0	0	2,562,654	0	2,562,654	-9,103,630	0.22	0.22	-31.90%	
JP Morgan Infrastructure Investments Fund	2007	37,000,000	37,000,000	0	-5,658	44,302,131	0	44,302,131	7,307,789	1.20	1.20	2.48%	
L&B Realty Advisors Beach Walk	2006	33,013,796	33,013,796	0	0	36,752,690	0	36,752,690	3,738,894	1.11	1.11	2.19%	
L&B Realty Advisors KO Oline	2008	28,609,658	28,609,658	0	0	30,529,136	0	30,529,136	1,919,478	1.07	1.07	1.11%	
L&B Realty Advisors West Bay Villas	2007	8,712,411	8,712,411	0	0	3,785,480	0	3,785,480	-4,926,931	0.43	0.43	-8.29%	
LBJ Infrastructure Group Holdings, LLC (LBJ)	2009	50,000,000	44,346,229	0	0	77,892,000	0	77,892,000	33,545,771	1.76	1.76	12.77%	
Lone Star Fund III (U.S.), L.P.	2000	20,000,000	19,827,576	0	0	40,701,250	0	40,701,250	20,873,674	2.05	2.05	31.88%	
Lone Star Fund IV (U.S.), L.P.	2001	20,000,000	19,045,866	0	0	43,898,442	0	43,898,442	24,852,576	2.30	2.30	30.15%	
Lone Star Fund V (U.S.), L.P.	2005	22,500,000	22,275,229	0	0	20,605,895	0	20,605,895	-1,669,334	0.93	0.93	-1.41%	
Lone Star Fund VI (U.S.), L.P.	2008	25,000,000	20,034,018	0	0	31,712,968	0	31,712,968	11,678,950	1.58	1.58	21.76%	
Lone Star Real Estate Fund (U.S.), L.P.	2008	25,000,000	20,743,769	0	0	25,403,707	0	25,403,707	4,659,938	1.22	1.22	5.15%	
Lone Star Real Estate Fund II	2011	25,000,000	22,169,907	0	0	32,789,371	0	32,789,371	10,619,464	1.48	1.48	24.73%	
Lone Star Real Estate Fund III	2014	25,000,000	23,490,784	0	0	26,638,028	0	26,638,028	3,147,244	1.13	1.13	8.20%	
M&G Real Estate Debt Fund II	2013	29,808,841	21,523,663	0	0	17,088,107	0	17,088,107	-4,435,556	0.79	0.79	-15.04%	
NTE 3a-3b	2012	50,000,000	23,794,565	0	0	28,186,978	0	28,186,978	4,392,413	1.18	1.18	16.03%	
NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	43,397,054	0	0	105,890,000	0	105,890,000	62,492,946	2.44	2.44	19.33%	
Olympus II-Hyphen Solutions	2007	836,511	836,511	0	0	1,418,149	0	1,418,149	581,638	1.70	1.70	5.96%	
P&F Housing IV	2006	134,015,889	134,015,889	0	0	83,179,802	0	83,179,802	-50,836,087	0.62	0.62	-8.44%	
RREEF North American Infrastructure Fund	2007	50,000,000	50,000,000	0	846,289	55,238,755	0	55,238,755	4,392,466	1.09	1.09	12.59%	
Sungate	2005	6,481,568	6,481,568	0	0	308,624	0	308,624	-6,172,944	0.05	0.05	-22.30%	
Tucson Loan	2014	4,500,000	4,500,000	0	0	5,082,785	0	5,082,785	582,785	1.13	1.13	5.75%	
Total Completed Funds		1,032,583,737	968,659,981		0	840,631	1,011,696,693	0	1,011,696,693	42,196,081	1.04	1.04	



Dallas Police & Fire Pension System

Private Markets Review | As of March 31, 2023

Private Equity & Debt Funds												
Completed Funds	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Addtl Fees	Cummulative Distributions	Valuation	Total Value	Gain/Loss	DPI Ratio	TVPI Ratio	IRR
Ashmore Global Special Situations Fund IV	2007	70,000,000	70,012,300	0	0	39,652,711	0	39,652,711	-30,359,589	0.57	0.57	-10.12%
BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	24,960,986	0	24,960,986	4,960,986	1.25	1.25	2.58%
BankCap Partners Opportunity Fund, LP	2013	20,000,000	19,587,052	0	0	18,266,454	0	18,266,454	-1,320,598	0.93	0.93	-5.69%
CDK Southern Cross	2008	1,535,316	1,535,316	0	0	0	0	0	-1,535,316	0.00	0.00	-20.08%
Highland Credit Ops	2006	35,348,165	35,348,165	0	0	29,994,190	0	29,994,190	-5,353,975	0.85	0.85	-2.06%
HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	0.86	0.86	-4.01%
Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	1.59	1.59	17.82%
Kainos Capital Partners, L.P.	2013	35,000,000	30,316,015	0	0	43,263,688	0	43,263,688	12,947,673	1.43	1.43	24.76%
Levine Leichtman Capital Partners IV	2008	50,000,000	38,009,085	0	0	78,916,788	0	78,916,788	40,907,703	2.08	2.08	20.12%
Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	19,181,272	0	-4,405	24,506,336	0	24,506,336	5,329,469	1.28	1.28	15.26%
Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	88,688,224	0	88,688,224	2,662,562	1.03	1.03	0.73%
Levin Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	17,961,807	0	-175	18,691,764	0	18,691,764	730,132	1.04	1.04	1.30%
Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	24,241,467	0	0	23,459,730	0	23,459,730	-781,737	0.97	0.97	-3.28%
Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,469,024	0	0	41,624,566	0	41,624,566	18,155,542	1.77	1.77	47.54%
Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	22,564,537	0	0	28,017,551	0	28,017,551	5,453,014	1.24	1.24	16.26%
Merit Energy Partners E-I	2004	7,018,930	7,031,052	0	-1,741	14,975,776	0	14,975,776	7,946,465	2.13	2.13	14.48%
Merit Energy Partners F-I	2005	8,748,346	8,749,275	0	0	3,801,206	0	3,801,206	-4,948,069	0.43	0.43	-17.19%
Merit Energy Partners G, LP	2008	39,200,000	39,320,050	0	0	26,756,651	0	26,756,651	-12,563,399	0.68	0.68	-9.96%
Merit Energy Partners H, LP	2010	10,000,000	10,033,415	0	0	6,870,451	0	6,870,451	-3,162,964	0.68	0.68	-13.78%
Oaktree Fund IV	2001	50,000,000	50,000,000	0	0	82,516,590	0	82,516,590	32,516,590	1.65	1.65	28.36%
Oaktree Loan Fund 2X	2007	60,000,000	60,004,628	0	0	65,066,951	0	65,066,951	5,062,323	1.08	1.08	2.24%
Oaktree Power Fund III	2011	30,000,000	16,167,147	0	0	23,839,959	0	23,839,959	7,672,812	1.47	1.47	12.35%
Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	0.50	0.50	-9.92%
Pharos Capital Co-Investment, LP	2008	40,000,000	40,000,000	0	0	67,459,271	0	67,459,271	27,459,271	1.69	1.69	8.42%
Pharos Capital Partners IIA, L.P.	2005	20,000,000	20,080,306	0	0	17,715,199	0	17,715,199	-2,365,107	0.88	0.88	-2.39%
Pharos Capital Partners III, LP	2012	50,000,000	28,397,038	0	-54,286	20,196,932	0	20,196,932	-8,145,820	0.71	0.71	-19.95%
Yellowstone Capital	2008	5,283,254	5,112,307	0	0	1,465,725	0	1,465,725	-3,646,582	0.29	0.29	-31.26%
Total Completed Funds		869,434,011	786,475,506	0	14,917,109	907,459,599	0	907,459,599	106,066,984	1.13	1.13	



Disclaimer

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.



DISCUSSION SHEET

ITEM #D9

- Topic:** **Public Fixed Income Portfolio Review**
- Attendees:** Leandro Festino, Managing Principal - Meketa Investment Group
Colin Kowalski, Investment Analyst – Meketa Investment Group
- Discussion:** Meketa and investment staff will provide an overview of DPFP public fixed income investments.

Regular Board Meeting – Thursday, September 14, 2023



Dallas Police & Fire Pension System

September 14, 2023

Public Fixed Income Review



Dallas Police & Fire Pension System

Public Fixed Income Review

Public Fixed Income Allocation

6/30/23	Market Value (\$)	Yield to Maturity (%)	Current Allocation (%)	Target (%)
Total Public Fixed Income & Cash	400,455,326	7.6	20.7	25.0

- Public Fixed Income and cash has a total target allocation of 25%, and at 6/30/23 had a market value of \$400.5 million or approximately 20.7% of the DPFP Portfolio.
- The allocation is composed of cash, short-term bonds, investment grade bonds, banks loans, high yield bonds, and emerging markets debt.
- The composite is benchmarked to the Bloomberg Multiverse Index which is a broad-based measure of the global fixed-income market.
- The role of public fixed income is to provide income, inflation protection, diversification, capital preservation, and liquidity.



Dallas Police & Fire Pension System

Public Fixed Income Review

Public Fixed Income Allocation

	Manager	Target (%)	Current Allocation (%)	Interest Rate Risk – Duration (Years)	Yield to Maturity (%)	Credit Risk	Liquidity
Cash	JPM	3	3	-	-	-	Daily
Short-Term Bonds	IR+M	6	3	1.8	5.6	Low	Daily
Investment Grade Bonds	Longfellow	4	4	6.4	5.3	Low	Daily
Bank Loans	Aristotle Pacific Capital	4	4	0.4	10.0	Moderate	Monthly
High Yield Bonds	Loomis Sayles	4	4	3.7	8.2	Moderate	Daily
Emerging Markets Debt	Metlife	4	3	5.7	8.4	High	Monthly

→ All mandates with exception of Emerging Markets Debt (Metlife) are US Fixed Income.

→ The current underweight to public fixed income is driven by short-term bonds and emerging markets debt.

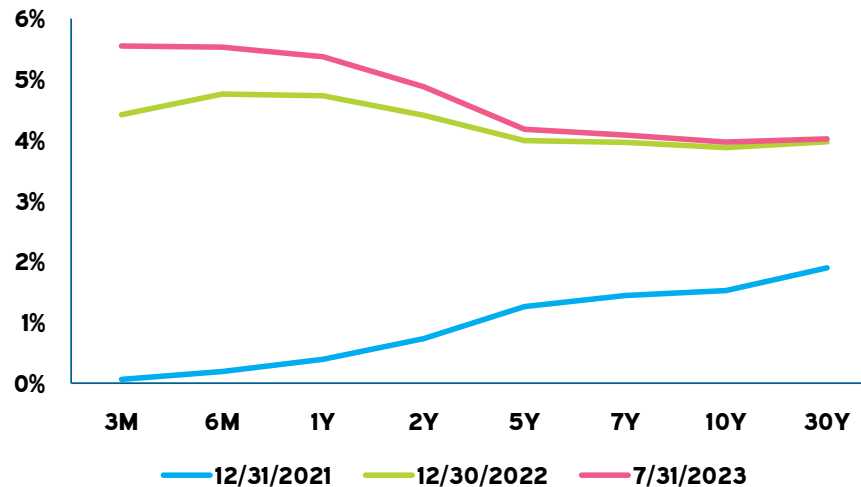


Dallas Police & Fire Pension System

Public Fixed Income Review

Public Fixed Income – Environment

US Yield Curve



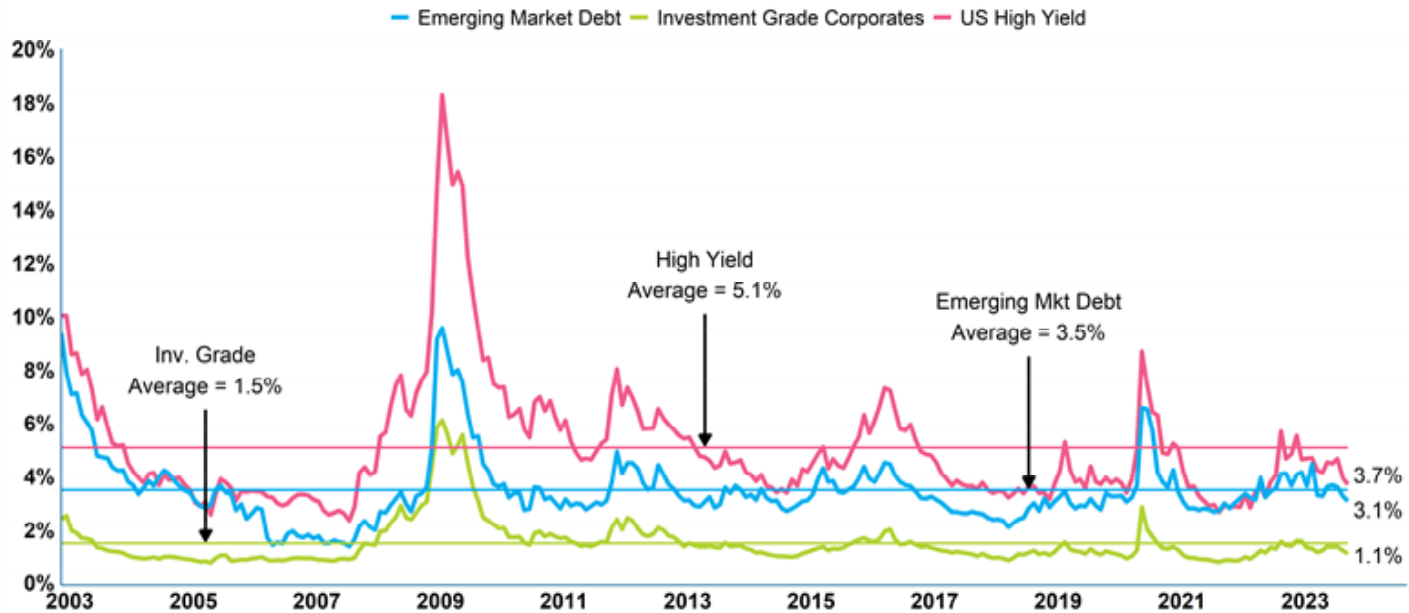
- In July, very short-term interest rates (6-months or less) fell as it appears interest rate hikes might be coming to an end. Longer dated maturities continued to drift higher, as economic data remains resilient. So far in 2023, rates overall remain higher, particularly the policy sensitive front-end of the yield curve.
- The yield curve remains inverted with the spread between two-year and ten-year Treasuries finishing the month at -0.91%. The more closely watched measure (by the Fed) of the three-month and ten-year Treasuries spread also remained inverted at -1.60%. Inversions in the yield curve have often preceded recessions.



Dallas Police & Fire Pension System

Public Fixed Income Review

Credit Spreads vs. US Treasury Bonds¹



→ Credit markets outperformed government bonds in July with spreads (the added yield above a comparable maturity Treasury) declining. Risk appetite was strong as growth remains resilient, while inflation continues to decline.

→ High yield spreads remain well below the long-term average. Investment grade and emerging market spreads are also below their respective long-term averages, but by smaller margins.

¹ Sources: Bloomberg. Data is as of July 31, 2023. Average lines denote the average of the investment grade, high yield, and emerging market spread values from August 2000 to the recent month-end, respectively.



Dallas Police & Fire Pension System

Public Fixed Income Review

Public Fixed Income – Performance

6/30/23	QTD	YTD	1-Yr	3-Yr	5-Yr	10-Yr	SI (Jul-06)
Total Public Fixed Income & Cash	1.2%	3.8%	4.7%	0.1%	1.2%	2.1%	4.2%
Bloomberg Multiverse	-1.4%	1.6%	-0.8%	-4.7%	-0.9%	0.4%	2.3%
eV All Global FI Rank	29	33	36	41	51	49	26

6/30/23	Standard Dev 3-Yr	Standard Dev 5-Yr	Sharpe Ratio 3-Yr	Sharpe Ratio 5-Yr
Total Public Fixed Income & Cash	4.5%	4.4%	-0.3	-0.1
Bloomberg Multiverse	8.0%	6.8%	-0.7	-0.4

- Total Public Fixed Income & Cash has outperformed the Bloomberg Multiverse over every trailing period and ranks better than median against the eV All Global FI peer universe over most periods.
- Allocations to high yield and bank loans have driven relative performance compared to the broad Bloomberg Multiverse Index.



Dallas Police & Fire Pension System

Public Fixed Income Review

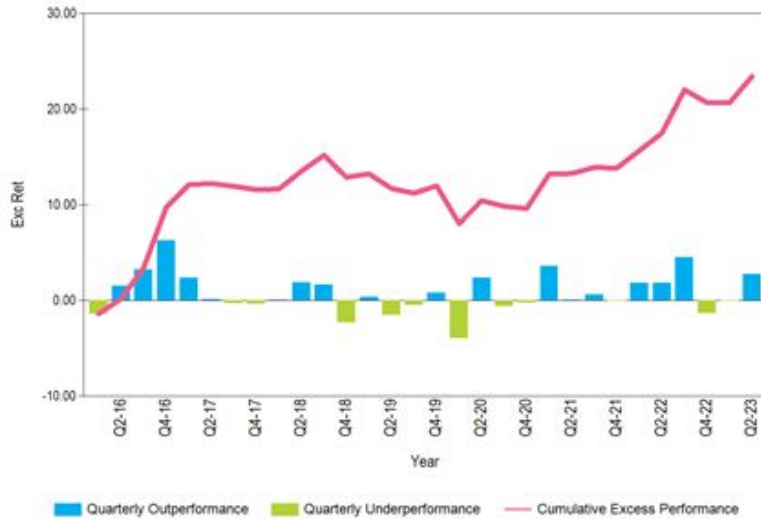
Appendix



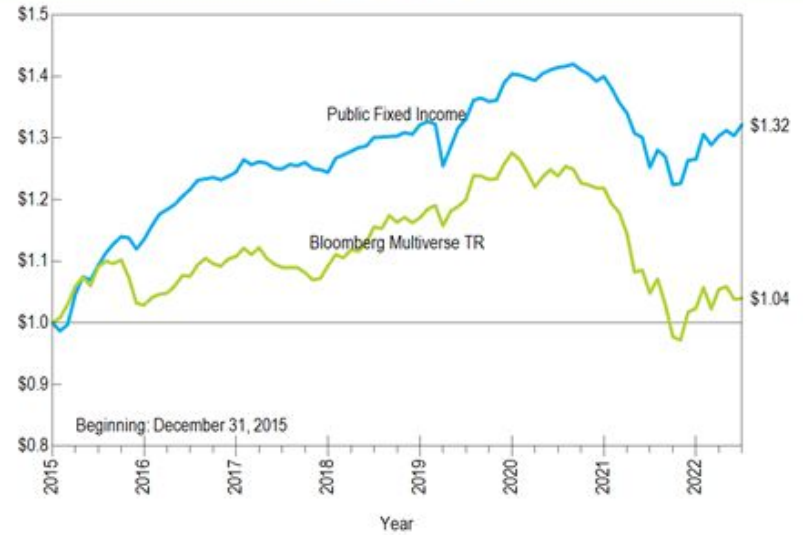
Dallas Police & Fire Pension System

Public Fixed Income | As of June 30, 2023

Quarterly Value Added and Cumulative Excess Performance



Growth of a Dollar



Statistics Summary											
3 Years Ending June 30, 2023											
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd	
Public Fixed Income	-0.7%	-0.2%	4.4%	5.4%	2.6%	0.6	-0.3	0.8	71.2%	50.8%	
Bloomberg Multiverse TR	-13.4%	-4.7%	0.0%	8.0%	0.0%	1.0	-0.7	1.0	100.0%	100.0%	

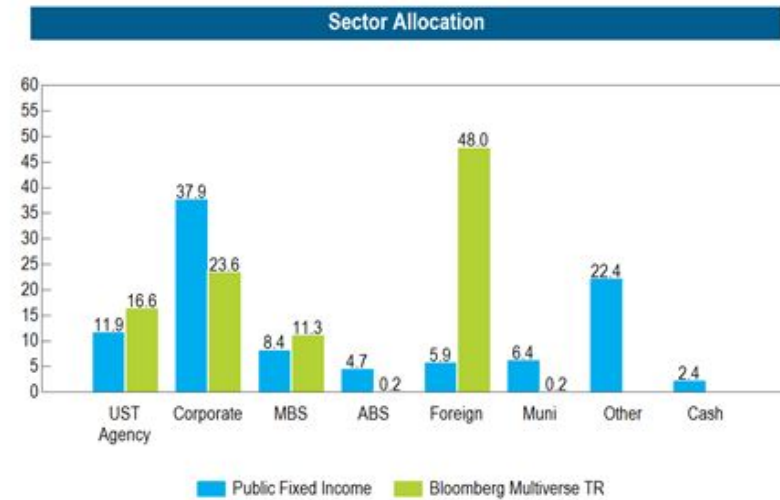
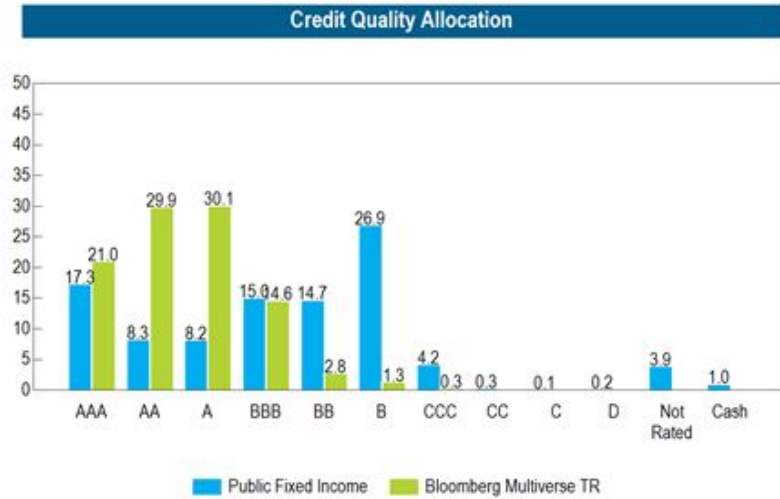


Dallas Police & Fire Pension System

Public Fixed Income | As of June 30, 2023

Public Fixed Income Characteristics vs. Bloomberg Multiverse TR			
	Portfolio Q2-23	Index Q2-23	Portfolio Q1-23
Fixed Income Characteristics			
Yield to Maturity	7.6	4.1	7.5
Average Duration	3.5	6.5	3.6
Average Quality	BBB	A	BBB
Weighted Average Maturity	5.9	10.3	6.4

Public Fixed Income Characteristics vs. Bloomberg Multiverse TR			
	Portfolio Q2-23	Index Q2-23	Portfolio Q1-23
US Sector Allocation			
UST/Agency	11.9	16.6	11.0
Corporate	37.9	23.6	39.5
MBS	8.4	11.3	8.5
ABS	4.7	0.2	4.3
Foreign	5.9	48.0	5.5
Muni	6.4	0.2	6.9
Other	22.4	--	21.9
Cash	2.4	0.0	2.4



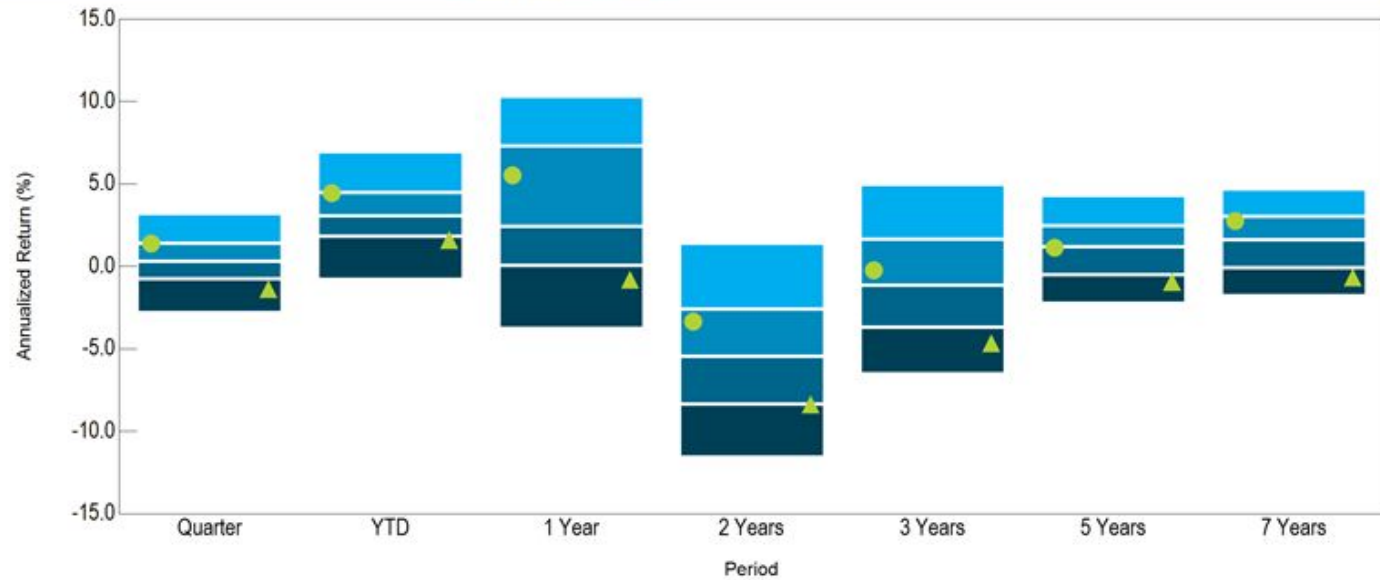
'Other' in sector allocation is made up of bank loans, currency derivatives and non-rated securities per the managers' classification.



Dallas Police & Fire Pension System

Public Fixed Income | As of June 30, 2023

**eV All Global Fixed Inc Net Return Comparison
Ending June 30, 2023**



	Return (Rank)													
	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years	
5th Percentile	3.2	6.9	10.3	1.4	5.0	4.3	4.7							
25th Percentile	1.4	4.5	7.3	-2.6	1.7	2.5	3.0							
Median	0.3	3.1	2.4	-5.4	-1.1	1.2	1.6							
75th Percentile	-0.7	1.9	0.1	-8.3	-3.7	-0.5	-0.1							
95th Percentile	-2.8	-0.8	-3.7	-11.5	-6.5	-2.2	-1.8							
# of Portfolios	387	382	381	370	358	332	301							
● Public Fixed Income	1.4	(26)	4.4	(26)	5.5	(31)	-3.4	(32)	-0.2	(44)	1.1	(53)	2.7	(30)
▲ Bloomberg Multiverse TR	-1.4	(83)	1.6	(78)	-0.8	(82)	-8.4	(76)	-4.7	(86)	-0.9	(82)	-0.7	(85)



Dallas Police & Fire Pension System

IR&M 1-3 Year Strategy | As of June 30, 2023

Account Information	
Account Name	IR&M 1-3 Year Strategy
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/17
Account Type	US Fixed Income Short Term
Benchmark	Bloomberg US Aggregate 1-3 Yr TR
Universe	eV US Short Duration Fixed Inc Net



IR&M 1-3 Year Strategy Fixed Income Characteristics vs. Bloomberg US Aggregate 1-3 Yr TR			
	Portfolio Q2-23	Index Q2-23	Portfolio Q1-23
Fixed Income Characteristics			
Yield to Maturity	5.6	5.2	5.0
Average Duration	1.8	1.9	1.8
Average Quality	AA	AA	A
Weighted Average Maturity	2.0	2.0	2.0
US Sector Allocation			
UST/Agency	26.6	65.6	24.2
Corporate	42.2	23.6	45.4
MBS	13.8	3.3	14.8
ABS	16.8	1.7	14.9
Foreign	0.0	5.7	0.0
Muni	0.4	0.1	0.5
Cash	0.2	0.0	0.3
Credit Quality Allocation			
AAA	11.9	8.1	10.0
AA	34.9	69.1	31.7
A	20.7	10.7	21.5
BBB	18.6	11.9	22.7
BB	0.0	0.2	0.0
Not Rated	13.9	0.0	14.1

Portfolio Performance Summary								
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
IR&M 1-3 Year Strategy	-0.1	1.6	1.3	-0.4	1.6	--	1.4	Jul-17
Bloomberg US Aggregate 1-3 Yr TR	-0.4	1.1	0.5	-0.9	1.1	1.0	0.9	Jul-17

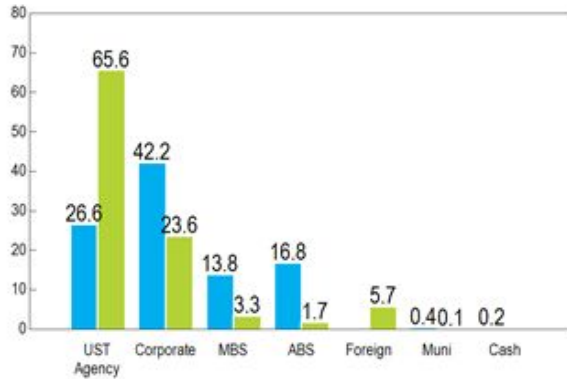
Statistics Summary Since Inception											
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd	
IR&M 1-3 Year Strategy	8.6%	1.4%	0.5%	1.8%	0.5%	1.0	0.0	0.7	113.6%	92.6%	
Bloomberg US Aggregate 1-3 Yr TR	5.7%	0.9%	0.0%	1.6%	0.0%	1.0	-0.3	1.0	100.0%	100.0%	



Dallas Police & Fire Pension System

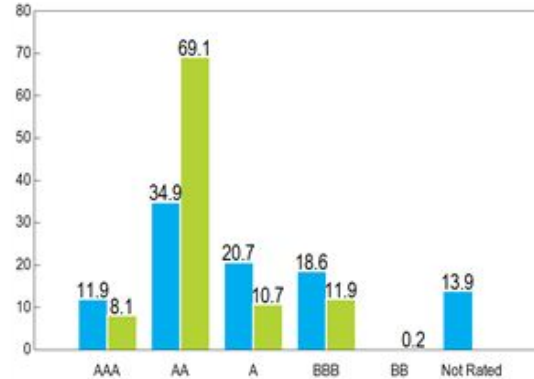
IR&M 1-3 Year Strategy | As of June 30, 2023

Sector Allocation



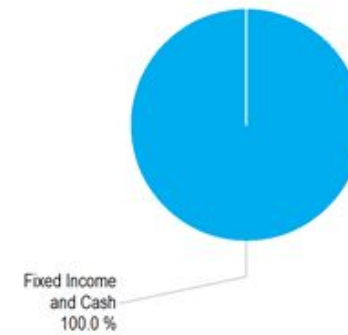
IR&M 1-3 Year Strategy
Bloomberg US Aggregate 1-3 Yr TR

Credit Quality Allocation

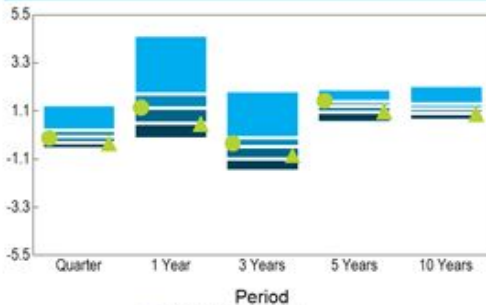


IR&M 1-3 Year Strategy
Bloomberg US Aggregate 1-3 Yr TR

Asset Allocation

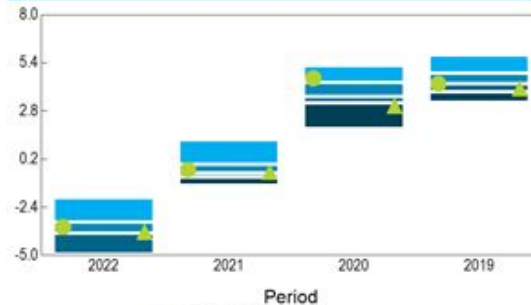


Rolling Peer Group Returns
eV US Short Duration Fixed Inc Net



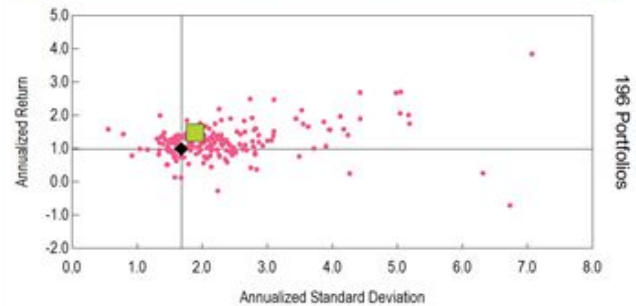
IR&M 1-3 Year Strategy
Bloomberg US Aggregate 1-3 Yr TR

Calendar Year Peer Group Returns
eV US Short Duration Fixed Inc Net



IR&M 1-3 Year Strategy
Bloomberg US Aggregate 1-3 Yr TR

Risk Reward



IR&M 1-3 Year Strategy
Bloomberg US Aggregate 1-3 Yr TR
eV US Short Duration Fixed Inc Net



Dallas Police & Fire Pension System

Longfellow Core Fixed Income | As of June 30, 2023

Account Information

Account Name	Longfellow Core Fixed Income
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/20
Account Type	US Fixed Income
Benchmark	Bloomberg US Aggregate TR
Universe	eV US Core Fixed Inc Net



Longfellow Core Fixed Income Fixed Income Characteristics vs. Bloomberg US Aggregate TR

	Portfolio Q2-23	Index Q2-23	Portfolio Q1-23
Fixed Income Characteristics			
Yield to Maturity	5.3	4.8	5.0
Average Duration	6.4	6.3	6.2
Average Quality	AA	AA	A
Weighted Average Maturity	9.2	13.1	9.1
US Sector Allocation			
UST/Agency	35.3	42.1	30.3
Corporate	20.1	24.9	25.3
MBS	29.6	28.6	29.1
ABS	8.1	0.5	8.9
Foreign	0.0	3.3	0.0
Muni	6.2	0.6	6.4
Cash	0.7	0.0	0.0
Credit Quality Allocation			
AAA	70.0	30.2	12.0
AA	6.0	45.6	62.0
A	9.0	10.8	6.0
BBB	15.0	13.2	20.0
BB	0.0	0.2	0.0

Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Longfellow Core Fixed Income	-1.1	2.4	-0.6	-3.6	--	--	-3.6	Jul-20
Bloomberg US Aggregate TR	-0.8	2.1	-0.9	-4.0	0.8	1.5	-4.0	Jul-20

Statistics Summary Since Inception

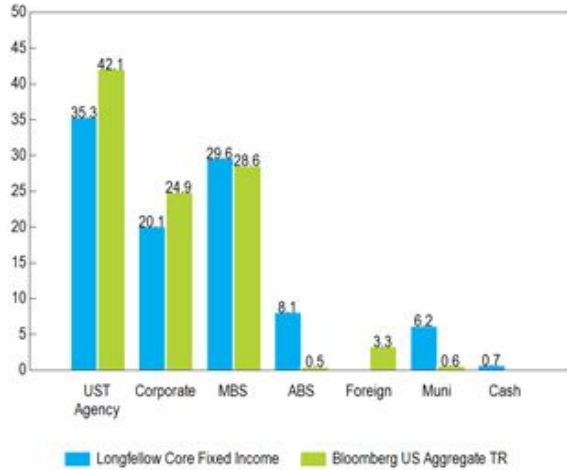
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Longfellow Core Fixed Income	-10.3%	-3.6%	0.4%	5.9%	0.2%	0.9	-0.8	1.0	94.1%	93.1%
Bloomberg US Aggregate TR	-11.4%	-4.0%	0.0%	6.2%	0.0%	1.0	-0.8	1.0	100.0%	100.0%



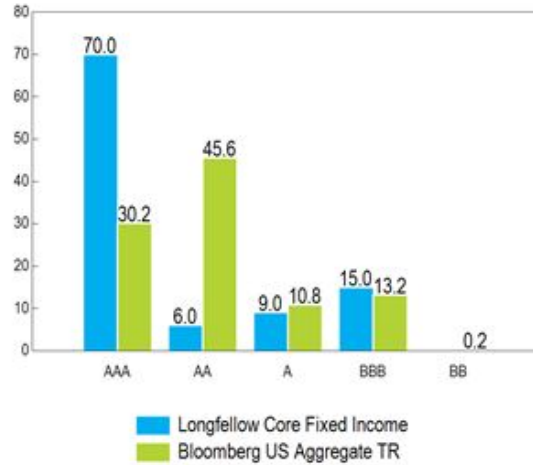
Dallas Police & Fire Pension System

Longfellow Core Fixed Income | As of June 30, 2023

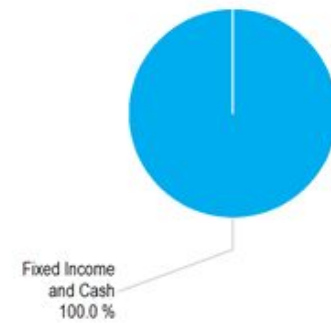
Sector Allocation



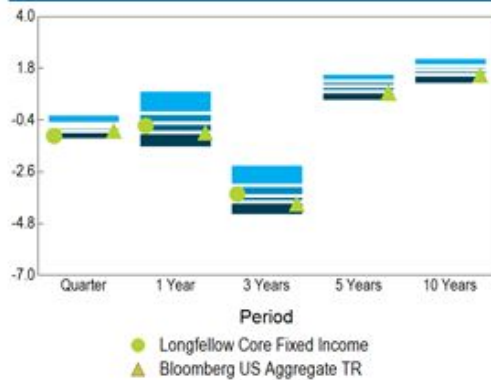
Credit Quality Allocation



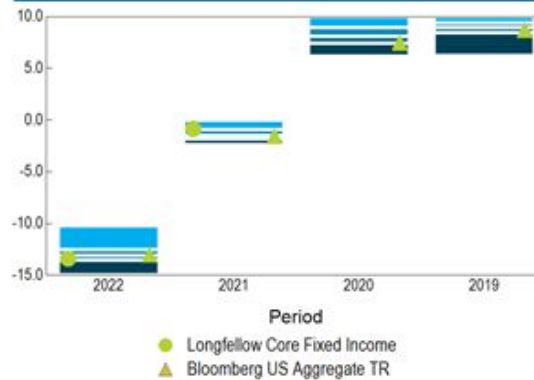
Asset Allocation



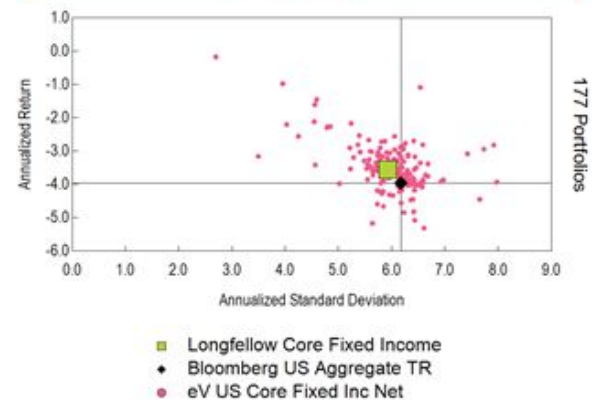
Rolling Peer Group Returns eV US Core Fixed Inc Net



Calendar Year Peer Group Returns eV US Core Fixed Inc Net



Risk Reward





Dallas Police & Fire Pension System

Aristotle Pacific Capital Bank Loan | As of June 30, 2023

Account Information		Investment Growth		Aristotle Pacific Capital Bank Loan Fixed Income Characteristics		
Account Name	Aristotle Pacific Capital Bank Loan			Portfolio		
Account Structure	Commingled Fund			Q2-23	Q1-23	
Investment Style	Active			Fixed Income Characteristics		
Inception Date	8/01/17			Yield to Maturity	10.0	9.9
Account Type	US Fixed Income High Yield			Average Duration	0.4	0.4
Benchmark	Credit Suisse Leveraged Loan			Average Quality	B	B
Universe	eV US Float-Rate Bank Loan Fixed Inc Net	Weighted Average Maturity	3.9	4.1		
US Sector Allocation						
		Corporate	6.1	7.0		
		Other	92.2	89.3		
		Cash	1.6	3.8		
Credit Quality Allocation						
		BBB	0.1	0.0		
		BB	7.3	6.1		
		B	76.8	74.3		
		CCC	9.5	11.2		
		Not Rated	4.7	4.7		
		Cash	1.6	3.8		

Portfolio Performance Summary								
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Aristotle Pacific Capital Bank Loan	3.3	7.1	11.5	5.9	4.3	--	4.3	Aug-17
<i>Credit Suisse Leveraged Loan</i>	3.1	6.3	10.1	6.2	4.0	--	4.1	Aug-17

¹ Characteristic benchmark unavailable for Aristotle Pacific Capital Bank Loan.

²Other¹ in sector allocation is Bank Loans.



Dallas Police & Fire Pension System

Aristotle Pacific Capital Bank Loan | As of June 30, 2023

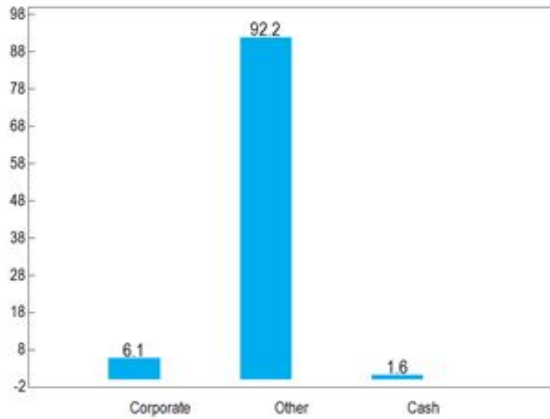
	Statistics Summary									
	Since Inception									
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Aristotle Pacific Capital Bank Loan	28.2%	4.3%	0.2%	5.4%	1.1%	0.8	0.5	0.9	92.7%	83.4%
Credit Suisse Leveraged Loan	26.5%	4.1%	0.0%	6.7%	0.0%	1.0	0.4	1.0	100.0%	100.0%



Dallas Police & Fire Pension System

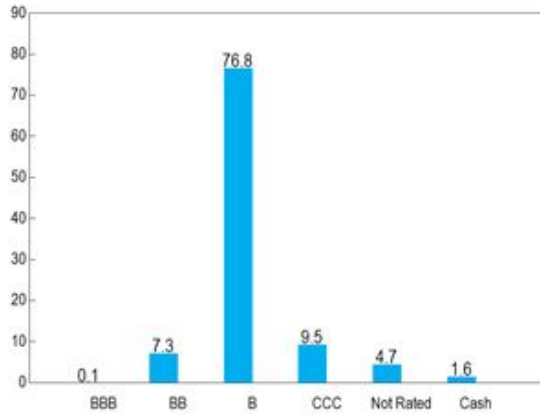
Aristotle Pacific Capital Bank Loan | As of June 30, 2023

Sector Allocation



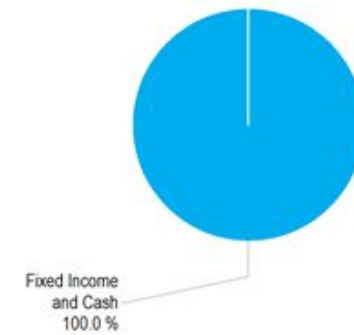
Aristotle Pacific Capital Bank Loan

Credit Quality Allocation

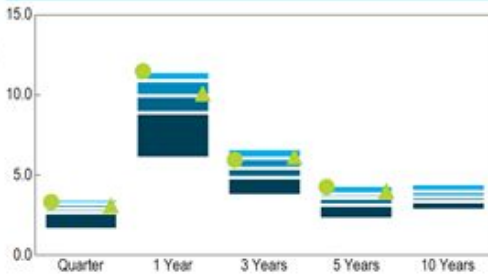


Aristotle Pacific Capital Bank Loan

Asset Allocation

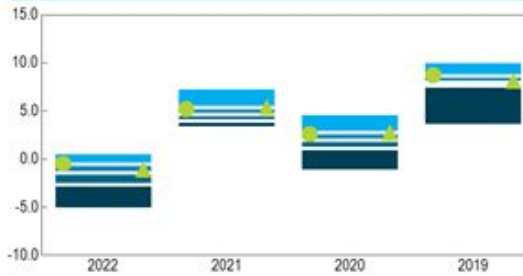


Rolling Peer Group Returns
eV US Float-Rate Bank Loan Fixed Inc Net



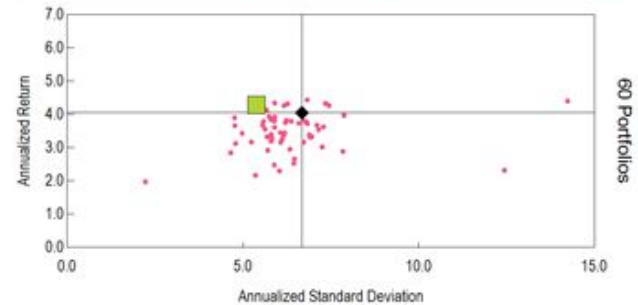
Aristotle Pacific Capital Bank Loan
Credit Suisse Leveraged Loan

Calendar Year Peer Group Returns
eV US Float-Rate Bank Loan Fixed Inc Net



Aristotle Pacific Capital Bank Loan
Credit Suisse Leveraged Loan

Risk Reward



Aristotle Pacific Capital Bank Loan
Credit Suisse Leveraged Loan
eV US Float-Rate Bank Loan Fixed Inc Net

¹¹ Other in sector allocation graph is Bank Loans.



Dallas Police & Fire Pension System

Metlife Emerging Markets Debt Blend | As of June 30, 2023

Account Information	
Account Name	Metlife Emerging Markets Debt Blend
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	10/01/22
Account Type	International Emerging Market Debt
Benchmark	35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Diversified Global Index
Universe	eV All Emg Mkts Fixed Inc Net



Metlife Emerging Markets Debt Blend Fixed Income Characteristics vs. JP Morgan EMBI Global TR			
	Portfolio Q2-23	Index Q2-23	Portfolio Q1-23
Fixed Income Characteristics			
Yield to Maturity	8.4	7.4	9.4
Average Duration	5.7	7.0	5.9
Average Quality	BBB	BBB	BBB
Weighted Average Maturity	9.3	11.9	10.1
US Sector Allocation			
Corporate	34.9	18.1	35.1
Foreign	31.2	81.1	28.6
Muni	26.9	0.0	28.9
Other	3.8	0.0	3.6
Cash	3.3	0.0	3.8
Credit Quality Allocation			
AAA	0.6	0.0	0.6
AA	2.8	9.4	4.3
A	13.1	20.4	12.6
BBB	35.0	33.3	34.9
BB	26.1	15.3	25.3
B	13.4	15.9	14.4
CCC	1.5	3.5	1.4
CC	1.8	0.0	1.5
C	0.3	0.0	0.3
D	1.1	1.2	0.6
Not Rated	1.1	0.0	0.3
Cash	3.2	0.0	3.8

Portfolio Performance Summary									
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date	
Metlife Emerging Markets Debt Blend	3.6	6.6	--	--	--	--	14.4	Oct-22	
35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Diversified Global Index	1.8	4.9	--	--	--	--	12.1	Oct-22	



Dallas Police & Fire Pension System

Metlife Emerging Markets Debt Blend | As of June 30, 2023

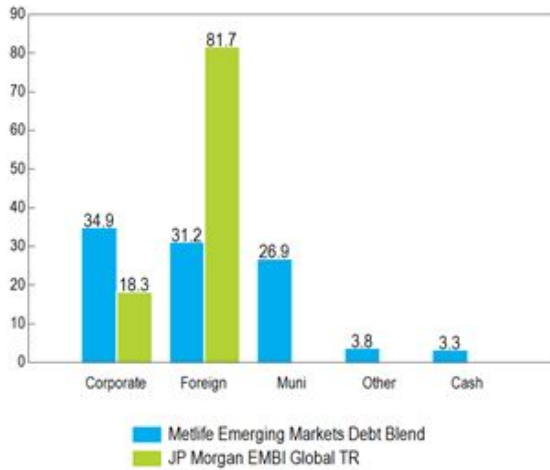
	Statistics Summary									
	Since Inception									
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Metlife Emerging Markets Debt Blend	14.4%	14.4%	2.4%	11.3%	-0.3%	1.2	1.0	1.0	118.2%	111.7%
35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Diversified Global Index	12.1%	12.1%	0.0%	9.1%	0.0%	1.0	1.0	1.0	100.0%	100.0%



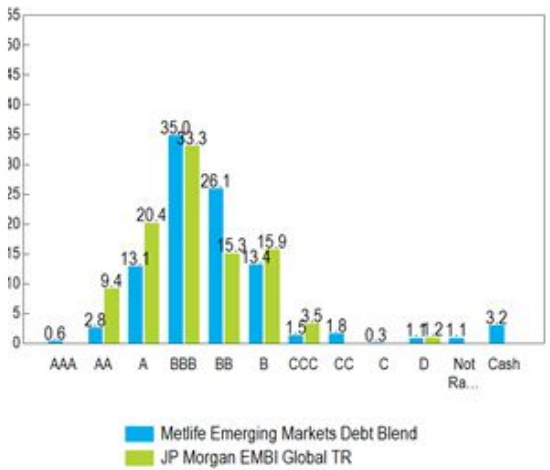
Dallas Police & Fire Pension System

Metlife Emerging Markets Debt Blend | As of June 30, 2023

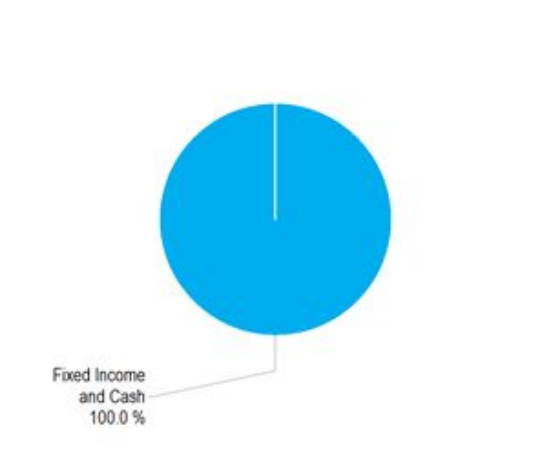
Sector Allocation



Credit Quality Allocation



Asset Allocation



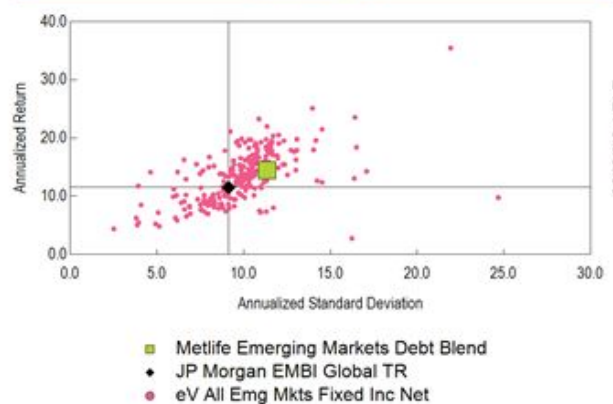
**Rolling Peer Group Returns
eV All Emg Mkts Fixed Inc Net**



**Calendar Year Peer Group Returns
eV All Emg Mkts Fixed Inc Net**



Risk Reward



Characteristic benchmark unavailable for Metlife Emerging Markets Debt Blend. Index used for characteristics comparison is JPM EMBI (USD) Index



Dallas Police & Fire Pension System

Loomis US High Yield Fund | As of June 30, 2023

Account Information

Account Name	Loomis US High Yield Fund
Account Structure	Separate Account
Investment Style	Active
Inception Date	1/01/21
Account Type	US Fixed Income High Yield
Benchmark	Bloomberg US High Yield 2% Issuer Cap TR
Universe	eV US High Yield Fixed Inc Net

Investment Growth



Loomis US High Yield Fund Fixed Income Characteristics vs. Bloomberg US High Yield TR

	Portfolio Q2-23	Index Portfolio Q2-23	Index Portfolio Q1-23
Fixed Income Characteristics			
Yield to Maturity	8.2	8.5	7.9
Average Duration	3.7	4.1	3.8
Average Quality	B	B	B
Weighted Average Maturity	5.3	5.1	--
US Sector Allocation			
UST/Agency	0.0	0.0	3.2
Corporate	88.1	99.8	87.4
ABS	0.0	0.2	0.0
Other	6.0	0.0	5.9
Cash	5.8	0.0	3.5
Credit Quality Allocation			
AAA	5.8	0.0	6.7
AA	0.1	0.0	0.0
A	0.4	0.0	0.0
BBB	9.3	0.2	7.5
BB	39.9	52.8	42.4
B	35.8	36.7	34.0
CCC	8.9	10.0	9.4
CC	0.0	0.1	0.0
D	0.0	0.1	0.0

Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Loomis US High Yield Fund	1.1	4.1	7.8	--	--	--	-2.1	Jan-21
Bloomberg US High Yield 2% Issuer Cap TR	1.8	5.4	9.1	3.1	3.3	4.4	-0.6	Jan-21

¹Loomis classifies all securities maturing in less than one year as cash equivalents.'Cash' included in AA allocation per Loomis' classification.



Dallas Police & Fire Pension System

Loomis US High Yield Fund | As of June 30, 2023

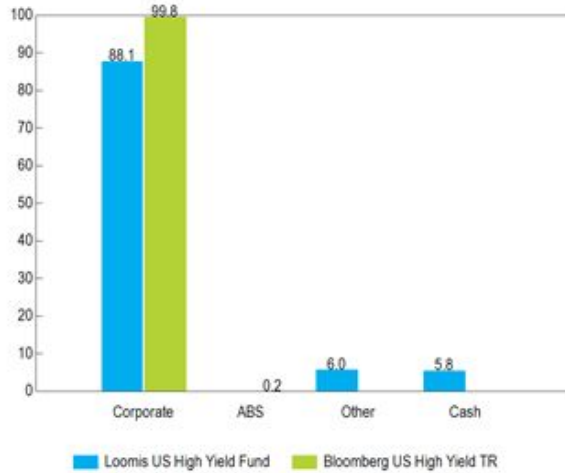
	Statistics Summary									
	Since Inception									
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Loomis US High Yield Fund	-5.1%	-2.1%	-1.5%	8.6%	-1.4%	1.0	-0.4	1.0	93.3%	107.4%
Bloomberg US High Yield 2% Issuer Cap TR	-1.5%	-0.6%	0.0%	8.3%	0.0%	1.0	-0.3	1.0	100.0%	100.0%



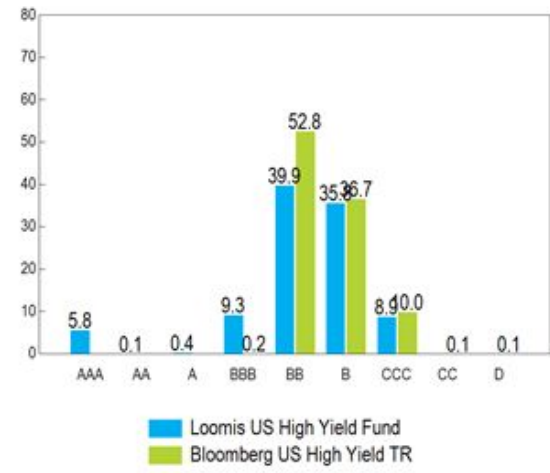
Dallas Police & Fire Pension System

Loomis US High Yield Fund | As of June 30, 2023

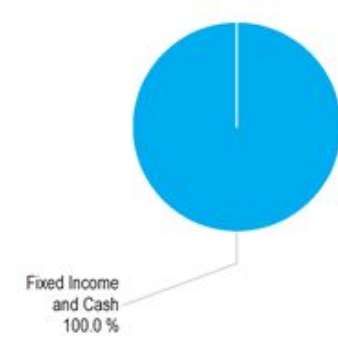
Sector Allocation



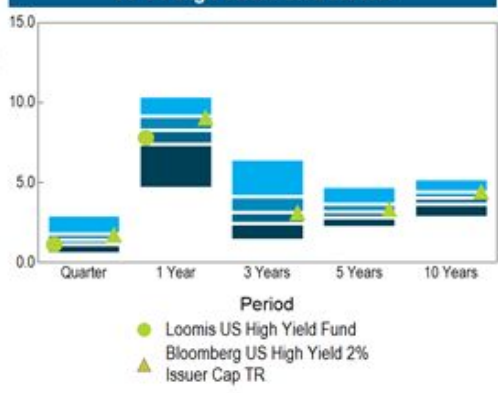
Credit Quality Allocation



Asset Allocation



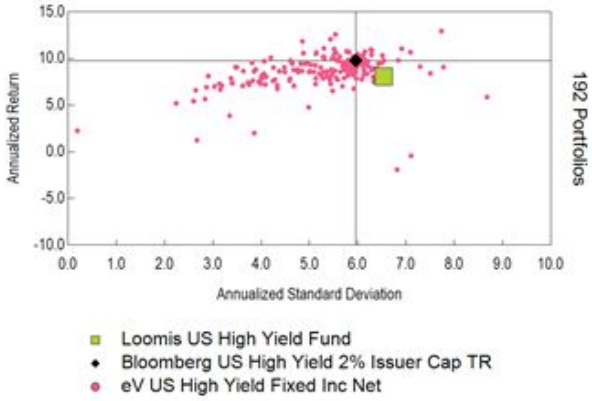
Rolling Peer Group Returns eV US High Yield Fixed Inc Net



Calendar Year Peer Group Returns eV US High Yield Fixed Inc Net



Risk Reward





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DISCUSSION SHEET

ITEM #D10

Topic: **Hardship Request**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

Discussion: Article 6243a-1 Section 6.14(e-3)(2) allows a lump-sum distribution from the DROP account in the event of a financial hardship that is not reasonably foreseeable. Section 6.14(e-4) required the Board to adopt rules related to hardship distributions. The Board's rules are contained in Section G of the DROP Policy.

A DROP Annuitant submitted an application for a lump sum distribution from the DROP balance in accordance with the DROP policy. The DROP Policy requires that:

- a.** severe financial hardship exists at the time of the application (i.e., not one that may occur sometime in the future);
- b.** the hardship cannot be relieved through any other financial means (i.e., compensation from insurance or other sources, monthly annuity benefits, or liquidation of personal assets) unless using those other sources would also cause a financial hardship; and

Regular Board Meeting – Thursday, September 14, 2023

DISCUSSION SHEET

ITEM #D10

(continued)

- c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.
- d. the hardship must relate to a circumstance authorized by the Board Policy or other similar extraordinary circumstances.

Staff

Recommendation: To be **provided** at the meeting.

Regular Board Meeting – Thursday, September 14, 2023



DISCUSSION SHEET

ITEM #D11

Topic: **Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

Discussion: Counsel will brief the Board on these issues.

Regular Board Meeting – Thursday, September 14, 2023



DISCUSSION SHEET

ITEM #E1

Topic: Public Comment

Discussion: Comments from the public will be received by the Board.

Regular Board Meeting – Thursday, September 14, 2023



DISCUSSION SHEET

ITEM #E2

Topic: Executive Director's report

- a. Associations' newsletters
 - NCPERS Monitor (September 2023)
- b. Open Records
- c. Employee Update

Discussion: The Executive Director will brief the Board regarding the above information.

Regular Board Meeting – Thursday, September 14, 2023

THE NCPERS

MONITOR

The Latest in Legislative News

September 2023

NCPERS

Executive Director's Corner



NCPERS Program for Advanced Trustee Studies (PATS) Returns

By [Hank Kim](#), Executive Director and Counsel, NCPERS



At NCPERS, we're always looking to improve our educational programs while adapting to the shifting needs of our member public pension plans and stakeholders. Sometimes, this involves launching new events (like this year's inaugural [Pension Communications Summit](#)). Other times, this can mean bringing back events where there is a clear need for additional programming.

Next month, after a COVID-related hiatus, we're excited to see the return of one of our always-popular events: NCPERS [Program for Advanced Trustee Studies \(PATS\)](#). Developed over a decade ago in collaboration with Harvard Law School, this program is perfect for advanced trustees and staff who crave an in-depth exploration of pension plan governance. This year's program will focus on two key topics: Investment in Private Equity and Actuarial Deep Dive for Pension Funds. We believe these two topics are especially important for our pension fund members and stakeholders to become well-acquainted with. [🔗](#)

NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS

According to the Center for Retirement Research at Boston College, state and local plans have increased their holdings in alternatives from 9 percent in 2001 to 34 percent in 2022. Their [research](#) found that, while alternatives have not helped overall returns, they may have reduced volatility. Recently, though, public pensions have been pulling away from private equity, with total commitments in Q2 decreasing 27.6 percent year over year. As an asset class, alternatives tend to be less broadly understood compared to equities. It's imperative for pension staff and trustees to have a deep comprehension of private equity markets in order to effectively fulfill their fiduciary duties.

Understanding actuarial science is key to accurately assessing the health of your pension fund. Trustees and staff will walk away from PATS with a deeper knowledge of these complex topics, allowing them to work effectively with actuaries and have a more holistic understanding of their fund's health when making decisions.

Both PATS and [NCPERS Accredited Fiduciary \(NAF\) program](#) are part of NCPERS University. These two-day, in-person events will be held October 21-22 in Las Vegas, immediately before our [2023 Financial, Actuarial, Legislative & Legal \(FALL\) Conference](#).

One of the biggest benefits of our NAF and PATS programs is having the opportunity to engage with peers from across the country and build valuable connections. With small class sizes, NCPERS University programs help facilitate the exchange of ideas. Attendees form a network of trusted peers who understand and experience the same challenges and opportunities.

Our FALL Conference is the perfect mid-sized event, featuring a mix of general session topics, exhibit hall breaks, and networking opportunities. Attendees will learn from industry leaders about the latest financial, actuarial, legislative, and legal issues facing public pensions of all sizes.

We hope to see you in Las Vegas for our final in-person events of the year. Be sure to [register](#) for both NCPERS University programs and our FALL Conference by September 20 for early-bird pricing. ♦

The banner features a horizontal navigation bar at the top with four colored segments: dark blue for 'FINANCIAL', teal for 'ACTUARIAL', orange for 'LEGISLATIVE', and red for 'LEGAL'. Below this, the text '2023 FALL CONFERENCE' is displayed in large, bold letters, with '2023' in orange, 'FALL' in red, and 'CONFERENCE' in dark blue. To the left of the text is a decorative graphic of five overlapping leaves in shades of yellow, orange, red, teal, and dark blue. To the right of the text, the dates 'October 22-25' and the location 'Paris Las Vegas Hotel Las Vegas, NV' are listed in a dark blue font. The banner is framed by a dark blue bar at the bottom.

Politics and Pension Governance: What's Happening in North Dakota?

By Bridget Early, Director of Membership & Strategic Alliances, NCPERS



Earlier this year, state lawmakers passed and Gov. Doug Burgum signed into law two major bills that will cause significant changes to the North Dakota Public Employee Retirement System (NDPERS). The first, HB 1040, levies significant costs to the North Dakota taxpayers and threatens the state's ability to recruit and retain employees. The second, included in the state's budget bill, stacks the board of trustees with lawmakers. Both changes are cause for concern for how lawmakers and public pension systems interact.

HB 1040, which closes NDPERS' defined benefit plan to new employees beginning in 2025, was lawmakers' 'solution' to the systems' \$1.9 billion unfunded liability. It is considered the [most expensive bill passed](#) in the state's history with an estimated price tag of [nearly \\$5 billion over the next 30 years](#). Closing the system to new employees means a loss of dollars from their contributions, and the dollars needed to fully fund the system and pay out benefits is now passed off to the taxpayers.

This is yet another example of the dangers of relying on funding ratios as the sole [measure of pension health](#). Funding ratios only convey a one-dimensional, single point-in-time measurement and do not provide trends and other important context. In the case of HB 1040, policymakers' flawed analysis of the health of NDPERS will have long-lasting implications for thousands of North Dakotan public servants and their families. It also makes the state a less attractive employer, which will make it harder to recruit and retain employees. States such as [Alaska and West Virginia](#) experienced these issues firsthand when closing their defined benefit plan. [🔗](#)

In addition to the challenges the system will face trying to ensure there is enough funding to pay out plan participants, the legislature moved to make significant changes to the board makeup that defy governance best practices. As part of the state's budget bill, four of the 11 board members are now state lawmakers appointed solely by the majority leaders of the House and Senate. For comparison, only three are elected by active participating members of NDPERS.

In the case of North Dakota, can a board member serve the legislative branch as a state lawmaker and the executive branch as an appointee to the NDPERS board without violating the separation of powers held in the state's constitution? That is what is at the center of a lawsuit brought to the state's Supreme Court by the NDPERS board. [Good governance practices are imperative to plan health.](#) When several board appointees have a duty to one branch of government, sitting on a board for another branch creates a conflict of interest that puts the fund at fiduciary risk.

The intersection between pension funds and lawmakers will always exist. What is vital is that these systems work together to drive solutions that protect the health of the fund and not the ideological views of elected officials. When it comes to public pensions, fiduciary responsibilities should always be the primary goal, not politics. ♦



NCPERS Accredited Fiduciary (NAF) Program

A trustee accreditation program specifically designed and tailored for public pension governance.

FALL CLASS
OCTOBER 21 - 22 | LAS VEGAS

REGISTER NOW

New Resource Available from NCPERS to Help Public Pensions Manage Securities Litigation Exposures

By: [Lizzy Lees](#), Director of Communications, NCPERS



On July 26, NCPERS hosted a webinar to share insights about a new pilot program, [NCPERS Securities Fraud Recovery Services](#), and discuss some of the challenges public pensions face in managing their securities litigation exposures.

Hank Kim, executive director and counsel for NCPERS, moderated the conversation among panelists Barbara Hannah, chief counsel for SBCERA; Lydia Lee, of counsel to Loeff, Cabraser, Heimann & Bernstein; and Irwin Schwartz, president of DIVIDEX Management.

To start, Kim provided background on why the pilot program was created and how it fits in with NCPERS other [affinity programs and services for plans](#). One aspect of NCPERS' mission is to "bring scale to small" by providing broader, affordable access to some of the best-in-class services used by the largest pensions in the country, he said. Our affinity programs make it possible for small and mid-market plans to take advantage of these services at a minimal cost.

As securities litigation has continued to get more and more complex, NCPERS identified the need for smaller plans to gain access to a service used by CalSTRS, MassPrim and others to help them optimize their recoveries and supplement their existing protocols for monitoring securities fraud opportunities. "I like to think of our pilot program as similar to the role that investments consultants play. As your plan is executing its investment mandates, you

rely on investment consultants to provide you with independent, unbiased opinions on asset managers. Likewise, we expect this program to act in a similar way relative to the merits of pursuing securities litigation cases,” added Kim. NCPERS is subsidizing the cost of the services, so eligible members can enroll for free. [Learn more about the program and find out how to enroll.](#)

Schwartz provided additional background on the pilot program, which was developed over a year-long period based on feedback from focus groups in the target demographic. Only NCPERS member pension funds with \$30 billion AUM or less (or with annual average securities litigation recoveries of less than \$2.5 million) are eligible to participate in the program.

The services included in the pilot program are designed to complement those offered by securities litigation firms, allowing funds to make more informed decisions and better meet their fiduciary duties. The pilot program services include:

- Up to three free consultations where, upon request, DIVIDEX Management will help your fund evaluate whether it makes sense to pursue a domestic or foreign securities fraud recovery opportunity. Such an evaluation may include a loss analysis and prudence of serving as lead plaintiff or opting-out of domestic cases, or joinder in foreign cases. Additional evaluation services are available for a fee of \$500 per case consultation.
- Free monthly reports containing information on foreign securities fraud recovery opportunities; claims filing deadlines for select class action settlements; and payouts from select large class action settlements.
- Reconciliation services to analyze the efficacy of the participating member’s securities class action settlement claims filings and recoveries on selected cases. For this service, participating funds will provide DIVIDEX Management with the subject securities transactions and holdings data. In the event a fund elects to receive a Settlement Recovery Evaluation, the cost will be \$100 per case, payable directly to DIVIDEX Management. ☉



2023 Program for Advanced Trustee Studies (PATS)

October 21 – 22
Las Vegas, NV

Deepen your expertise in pension plan governance.

REGISTER NOW



Next, Hannah shared why SBCERA decided to participate in the pilot program. The fund's securities litigation monitoring services have evolved over time, and—without access to the services offered through the pilot program—she views their participation as the next step in this evolution. “I believe that the services provided by DIVIDEX will give us another view of why we would join or why we would potentially be a lead plaintiff in a domestic litigated matter. It just provides another layer of analysis,” she said.

When deciding to participate in the program, she also learned that analyses are done on a case-by-case basis. If an analysis is requested, the fund only needs to securely share transaction data for that specific case—which she views as a plus.

The pilot program services don't replace what the law firm does, she added. At SBCERA, when there is a litigated matter the law firms provide a memo, and Hannah, as Chief Counsel, also provides a memo. With the added insights from a case analysis provided by DIVIDEX, the board and CEO can more easily make an informed decision about pursuing litigation.

Lee then discussed some of the challenges pension funds can face with managing securities litigation exposures. She noted the continued involvement of institutional investors maximizes the recovery for all shareholders, citing a Stanford University study that found “when a public fund serves as lead plaintiff in a case, the recovery is anywhere from 28 to 46 percent higher than in cases where public fund leadership is absent.”

In highlighting the benefits of working with law firms when deciding whether or not to pursue litigation, she noted that NCPERS member litigation firms are governed by strict ethical mandates. “It's critical to select more than one firm...to get different perspectives on cases.” If multiple firms are recommending you serve as lead plaintiff, it can also indicate the strength of the case.

She ended her portion of the presentation by reiterating that their pre-litigation services are free. “In exchange, public funds must occasionally undertake the responsibility of a lead plaintiff role... I think it's an obligation where everyone benefits, and the system will suffer if you do not participate.”

[Watch the full webinar recording](#), and find additional information about NCPERS Securities Fraud Recovery Services (including answers to frequently asked questions) [here](#). Be sure to [enroll today](#)—space is limited. ♦

Pension Industry Careers: Job Listings, Hiring, and Retirement Announcements

Brought to you by NCPERS



Anti-ESG Legislation

By: [Tony Roda](#), Partner, Williams & Jensen



On July 27, the last day the House was in session prior to the August recess, the Financial Services Committee approved on party line votes four bills designed to fulfill its promise of moving an anti-ESG slate of legislation through the House this year. The bills are expected to be considered on the House floor as early as September. Following are descriptions of the legislation.

H.R. 4655 would prohibit the Securities and Exchange Commission (SEC) from compelling the inclusion or discussion of shareholder proposals, proxy, or solicitation materials. The authors of the bill argue that these decisions are properly a matter of state law, and the SEC should be prohibited from intervening in those decisions.

H.R. 4767 would revise SEC regulations to provide that an issuer may exclude shareholder proposals that are substantially the same subject matter as a proposal or proposals previously included in proxy or consent solicitations, and may specifically reject any shareholder proposal on an ESG issue. For purposes of the “S” (Social) in ESG, the bill states that such a proposal may be excluded regardless of whether it is a significant social policy issue. This 50-page bill contains numerous additional provisions, including new registration requirements for proxy advisory firms. In part, that provision would require proxy advisory firms to disclose their procedures and methodologies in order to ensure their recommendations are in the best economic interests of the ultimate shareholders. The advisory firm also would be required to provide a description of any conflicts of interest that may arise due to its ownership structure. ☺

H.R. 4790 is designed to forestall the SEC from implementing regulations that would require certain climate-related disclosures. This legislation is in response to a proposed rule issued by the SEC in March 2022 that, in general, would require registrants to disclose in their registration statements and periodic reports climate-related risks that are material to their business, operations, or financial condition. In response, H.R. 4790 would require that whenever there is an SEC rulemaking regarding disclosure obligations the Commission shall expressly provide that an issuer is only required to disclose information in response to such disclosure obligations to the extent the issuer has determined that such information is material with respect to a voting or investment decision regarding the securities of such issuer.

Finally, H.R. 4823 would prohibit the Federal Reserve, Comptroller of the Currency, Federal Deposit Insurance Corporation, Housing Finance Administration, and the National Credit Union Administration from implementing a non-binding recommendation from the Financial Stability Oversight Council (FSOC) or contained in an Executive Order, unless the head of the specific agency first notifies the House Financial Services Committee and the Senate Banking Committee that the agency intends to implement the recommendation, its justification for implementation, and provides testimony to the Congressional Committees if requested. In addition, if a regulation would have a \$10 billion economic impact over 10 years, these same federal agencies would be prohibited from proposing or finalizing that regulation if it aligns or conforms with a recommendation from an international non-governmental organization, including FSOC, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Commission on Banking Supervisors, unless the federal agency provides the two Congressional Committees with notice, testimony, and detailed projections of economic costs, sectoral effects, impact on availability of credit, gross domestic product, and employment. The same agencies also would be required to keep contemporaneous records on their interactions with these international groups and report annually to the Committees on the interactions.

Given the political composition of the 118th Congress, this raft of partisan, anti-ESG, House Republican legislation will not gain traction in the Democratic-controlled Senate. However, the proposals and ideas will remain on the shelf for future Congresses to consider if the political will is there.

One additional item that needs to be mentioned is the investigation being spearheaded by House Judiciary Committee Chairman Jim Jordan (R-OH) on potential antitrust violations by money managers, institutional investors, financial institutions, and climate action groups on investment actions related to climate change. Chairman Jordan has issued a series of investigatory letters and subpoenas to these entities and the Committee Members and staff will review the responses in the coming months.

Please know that NCPERS will keep its members up to date on significant developments in this area. ◆

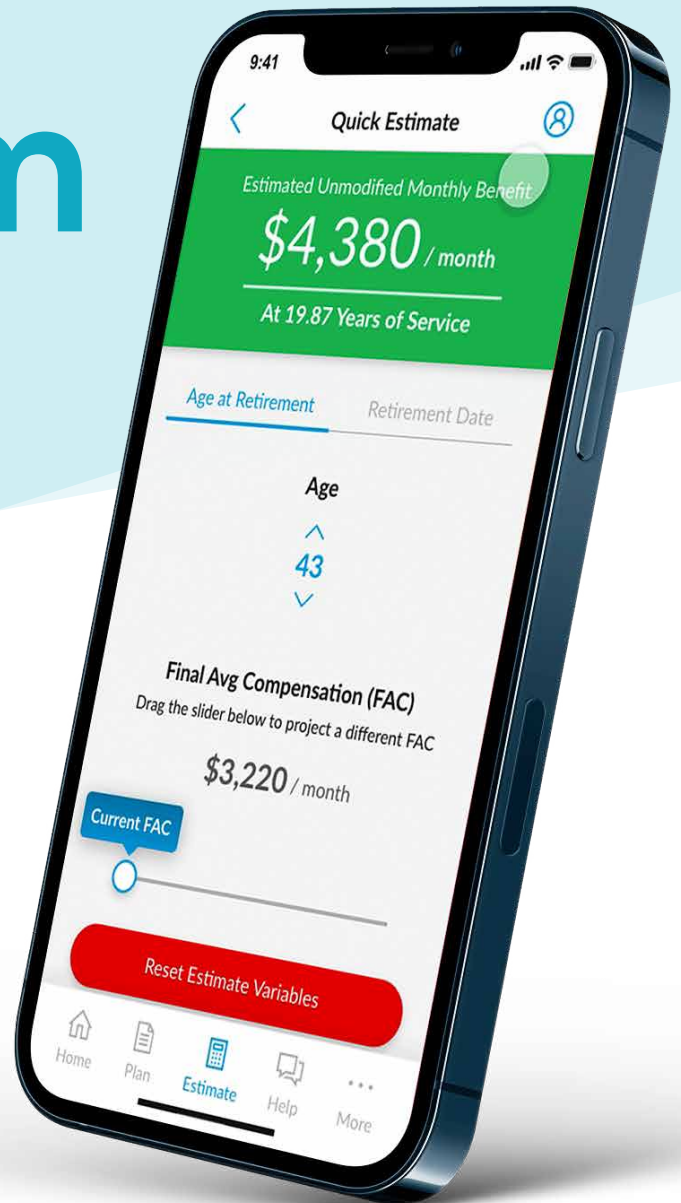
***Tony Roda** is a partner at the Washington, D.C. law and lobbying firm **Williams & Jensen**, where he specializes in legislative, regulatory, and fiduciary matters affecting state and local pension plans. He represents the National Conference on Public Employee Retirement Systems and state-wide, county, and municipal pension plans in California, Colorado, Georgia, Kentucky, Ohio, Tennessee, and Texas. He has an undergraduate degree in government and politics from the University of Maryland, J.D. from the Catholic University of America, and LL.M (tax law) from the Georgetown University Law Center.*

NCPERS PensionX Digital Platform

NCPERS has partnered with Digital Deployment to offer its members a **10% DISCOUNT** on PensionX, the premier digital platform that securely enables pensions to engage with active and retired participants via a mobile self-service app and portal.



pensionX



Learn more about this new NCPERS member benefit at ncpers.org/pensionx

Oklahoma Public Employees Pension System Takes Exemption to Banking Law

Trustees of the Oklahoma Public Employee Retirement System voted to take a financial exemption from a new law forbidding state pension systems from doing business with banks perceived to be hostile to oil and gas companies.

[READ MORE](#)Source: *Oklahoma Watch***House Bill Aims to Expand Pension Plan Access for North Carolina First Responders**

Rep. Greg Murphy, R-N.C., has introduced a bill that would grant non-profit first responders access to their state's pension plan.

[READ MORE](#)Source: *Pensions & Investments***Illinois Lawmakers Discuss Pension Debt Measure at Hearing**

Illinois legislators met again to discuss a measure that aims to provide an additional \$500 million yearly for the state's pension systems to address massive unfunded liabilities.

[READ MORE](#)Source: *The Center Square***NYC Pensions Seek Dismissal of ESG Lawsuit**

New York City pension funds filed a motion to dismiss a lawsuit that alleged three of the five funds jeopardized the retirement security of plan participants, due to the plans' divestment from securities of certain fossil fuel companies.

[READ MORE](#)Source: *PlanSponsor*

NCPERS 2023 Public Retirement Systems Study:

Trends in Fiscal, Operational,
and Business Practices

[READ THE REPORT](#)



NCPERS

Around the Regions

Governor Beshear Proposes Salary, Pension Changes for Kentucky State Troopers

Beshear is asking for a pay increase, expanded benefits and more safety measures for Kentucky State Police. The governor said he wants a defined pension benefit for troopers along with a \$2,500 pay raise.

[READ MORE](#)

Source: *WAVE News*

CalPERS Vendor Pension Benefit Information Sued for Breach of Retirees' Data

A CalPERS service provider, Pension Benefits Information, is facing a new class-action lawsuit after it disclosed a breach of retirees and beneficiaries' personal information, part of a widespread attack by a Russian ransomware gang.

[READ MORE](#)

Source: *Pensions & Investments*

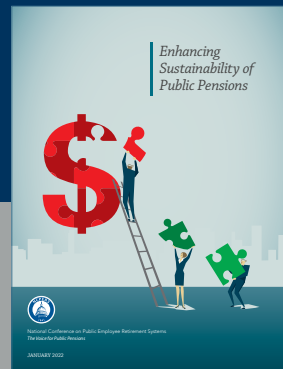
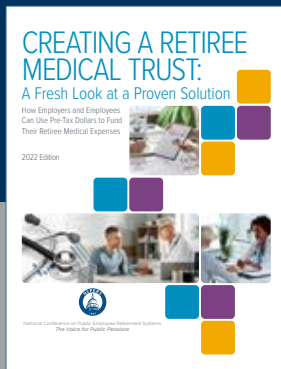
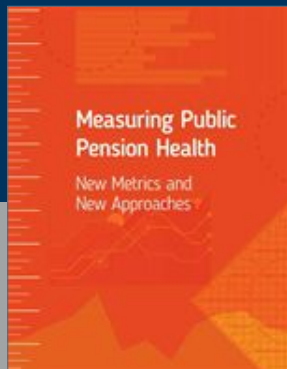
New Front in ESG Wars: Securities Industry Sues Missouri

The Securities Industry and Financial Markets Association ("SIFMA") – a leading Wall Street industry association – filed suit to enjoin new Missouri regulations requiring investment advisors ("IA's") and broker-dealers ("BDs") there to obtain a prescribed form of client consent, if they use "social" or "nonfinancial" objectives in their investment analysis.

[READ MORE](#)

Source: *JD Supra*

Don't miss the latest research from NCPERS.



Find new metrics and approaches for measuring public pension health, research on how employers and employees can use pre-tax dollars to fund retiree medical expenses, and more.

[LEARN MORE](#)



Upcoming Events

October

NCPERS Accredited Fiduciary (NAF) Program

October 21-22
Las Vegas, NV

Program for Advanced Trustee Studies (PATs)

October 21-22
Las Vegas, NV

Financial, Actuarial, Legislative, and Legal Conference (FALL)

October 22-25
Las Vegas, NV

View all upcoming NCPERS conferences at www.ncpers.org/future-conferences.

January

Pension Communications Summit

January 21-22
Washington, DC

Legislative Conference

January 22-24
Washington, DC

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