



D A L L A S
POLICE & FIRE
P E N S I O N S Y S T E M



Portfolio Update

September 12th, 2024

Board Meeting

Executive Summary

- **Estimated YTD Return (As of 8/31/24):** 7.8% for DPFP Portfolio; 11.8% for Public Portfolio (ex-Cash) which makes up 73% of the assets.
- **Liquidation of private market assets remains a top focus.**
 - ~\$55M of distributions received YTD with ~\$36M coming from Lone Star CRA in early September.
- **Custodian Search:** Board approved hiring BNY for custodian services on July 11th, 2024.
- **Rebalancing Actions:** At the end of July 2024, the staff rebalanced \$17M from active Public Equity managers to restore the Safety Reserve back to the 9% target.

Investment Initiatives – 2024 Plan

Q3 2024

- Recommended Asset Allocation mix presented to IAC
- Albourne Private Credit Overview to IAC
- Huff Reclassification Discussion with Board
- Albourne On-Boarding

Q4 2024

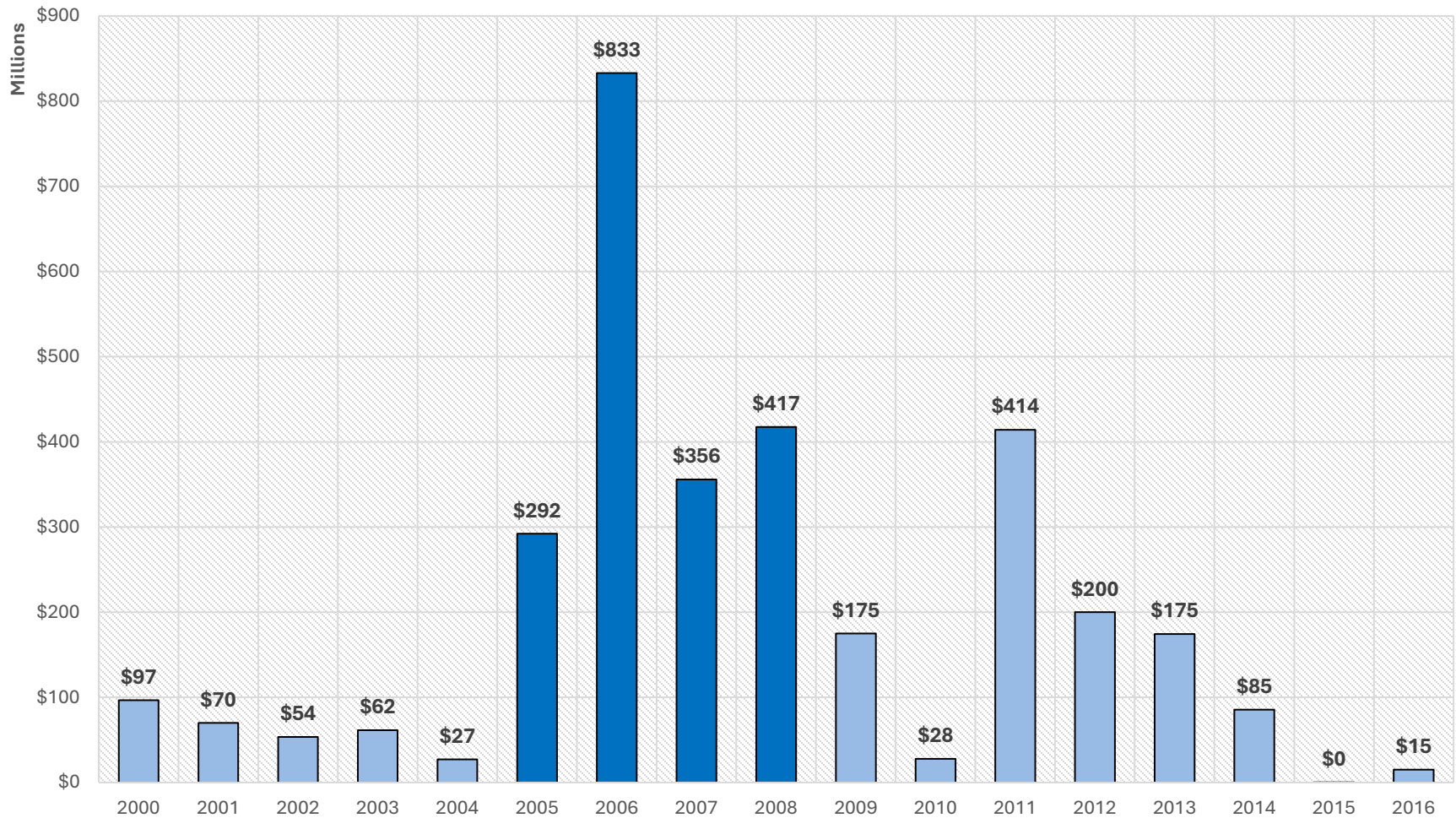
- Asset Allocation Study to Board
- Investment Policy Statement review and updates
- Discussion of when to initiate new private market investments
- Private Market Planning – Update IPS provision, pacing studies, etc.

2025 & Beyond

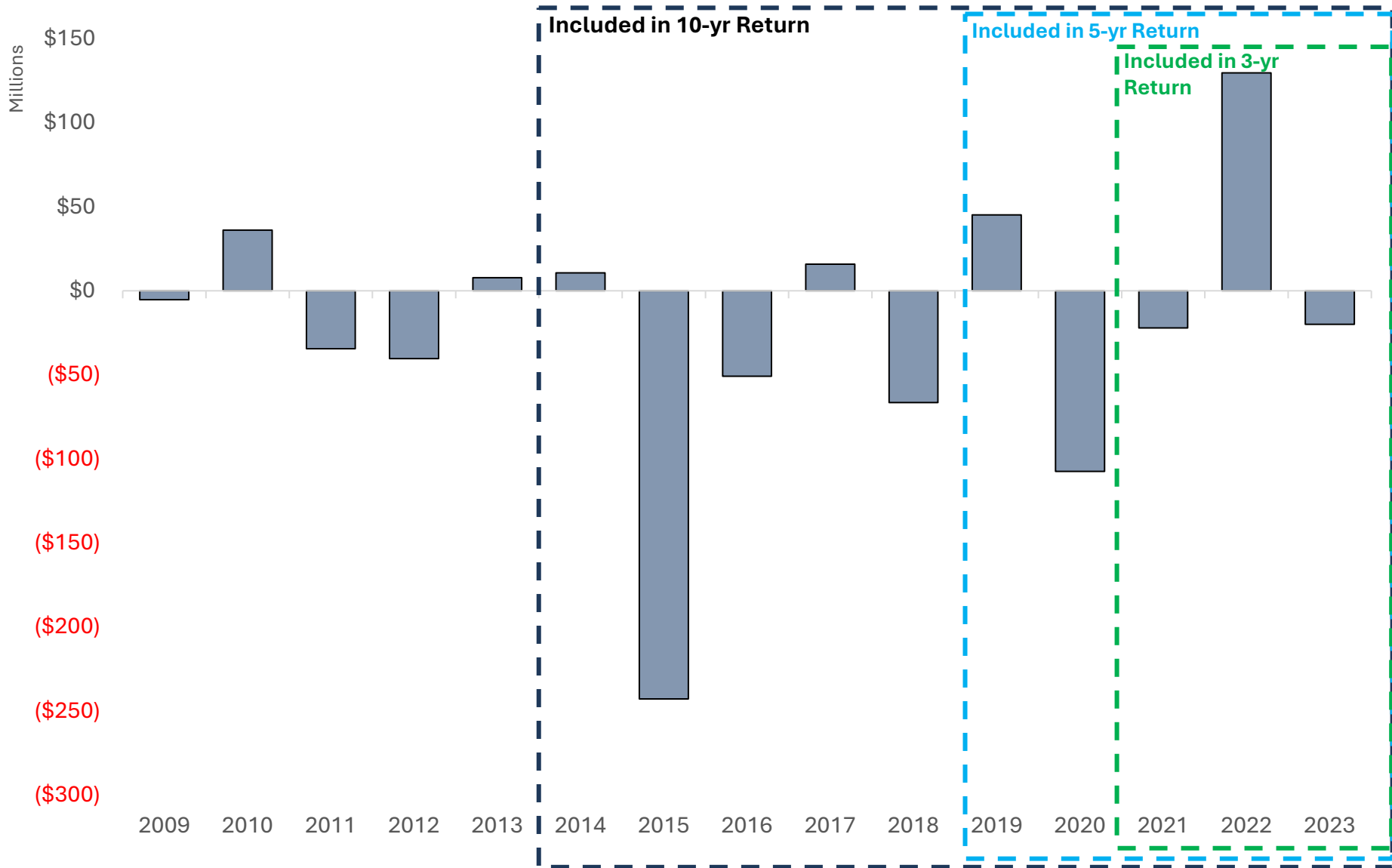
- Initial New Private Market Investments

Private Market Commitments by Vintage Year

\$1.9B of Capital Commitments occurred between 2005-2008



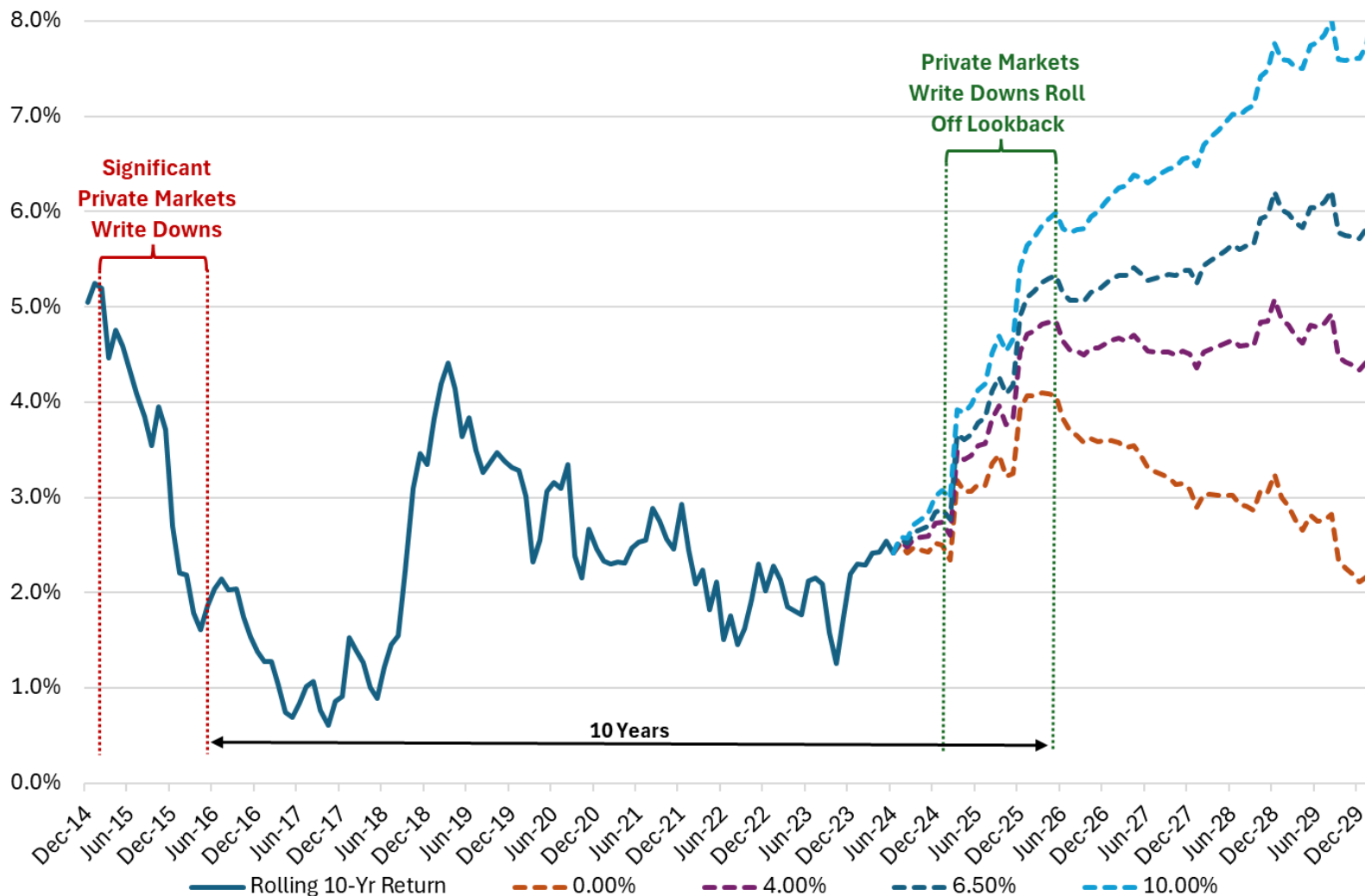
DPPF Private Market Gain/Loss by Year



Source: Meketa Investment Group.

Potential Paths of DPFP 10-Yr Rolling Return

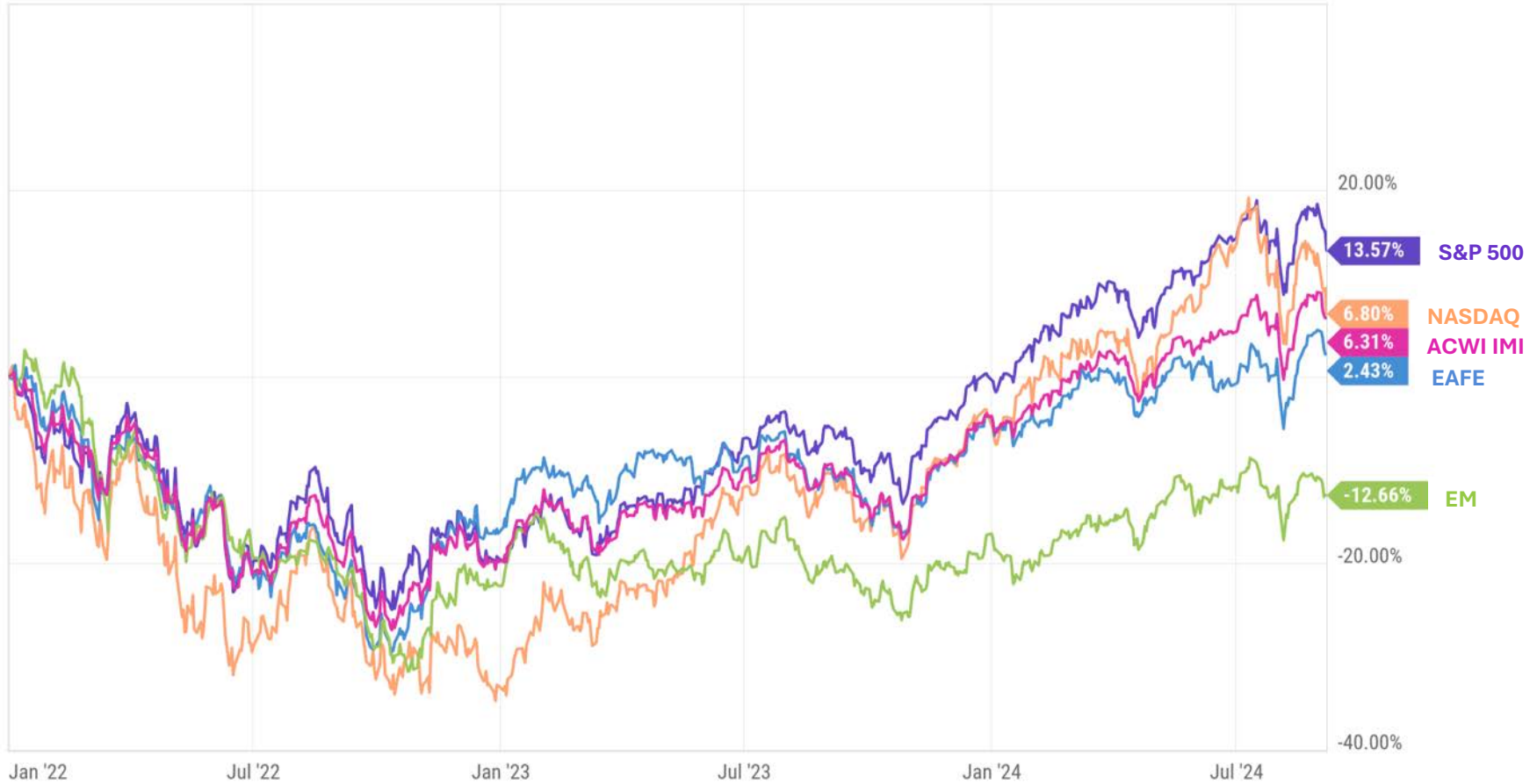
Potential Paths of DPFP 10-Year Rolling Return



Source: Total Fund net monthly returns through 6/30/2024, DPFP Staff analysis. Dotted lines represent hypothetical path of the ten year net return if a given annual return were to be consistently achieved moving forward.

Equity Market Returns (1/1/22 to 9/5/24)

	ANN
● S&P 500 Level % Change	4.85%
● Nasdaq Composite Level % Change	2.48%
● MSCI EAFE Level % Change	0.90%
● MSCI Emerging Markets Level % Change	-4.92%
● MSCI ACWI IMI Level % Change	2.31%



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Public Markets Performance Snapshot

Public Markets (ex-Cash) currently make up 73% of DFPF Investment Portfolio.

Asset Allocation & Performance | As of August 31, 2024

Performance Summary Ending August 31, 2024					
	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
Total Public Portfolio (ex-Cash)	1,488,380,477	2.0	11.8	3.7	8.0
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>		2.3	9.7	1.5	6.6
Public Equity	1,103,082,718	2.3	14.3	4.6	11.4
<i>MSCI AC World IMI Index (Net)</i>		2.3	15.2	5.2	11.8
Global Equity	1,001,732,106	2.4	14.8	5.1	11.9
<i>MSCI AC World IMI Index (Net)</i>		2.3	15.2	5.2	11.8
Boston Partners Global Equity Fund	123,302,112	2.3	14.0	9.3	12.8
<i>MSCI World Net</i>		2.6	16.7	6.9	13.1
Manulife Global Equity Strategy	122,246,001	1.4	14.6	7.4	11.5
<i>MSCI ACWI Net</i>		2.5	16.0	5.8	12.1
Walter Scott Global Equity Fund	124,827,268	3.4	12.2	4.2	11.4
<i>MSCI ACWI Net</i>		2.5	16.0	5.8	12.1
WCM Global Equity	126,092,530	4.2	21.8	--	--
<i>MSCI AC World Index Growth (Net)</i>		2.4	18.0	4.4	14.3
NT ACWI Index IMI	385,167,900	2.4	15.3	5.7	--
<i>MSCI AC World IMI Index (Net)</i>		2.3	15.2	5.2	11.8
Eastern Shore US Small Cap	61,216,776	-0.1	13.5	--	--
<i>Russell 2000 Index</i>		-1.5	10.4	0.6	9.7
Global Alpha International Small Cap	58,785,513	1.1	6.5	--	--
<i>MSCI EAFE Small Cap (Net)</i>		2.0	8.3	-2.4	6.4

Source: Meketa

Public Markets Performance Snapshot

Asset Allocation & Performance | As of August 31, 2024

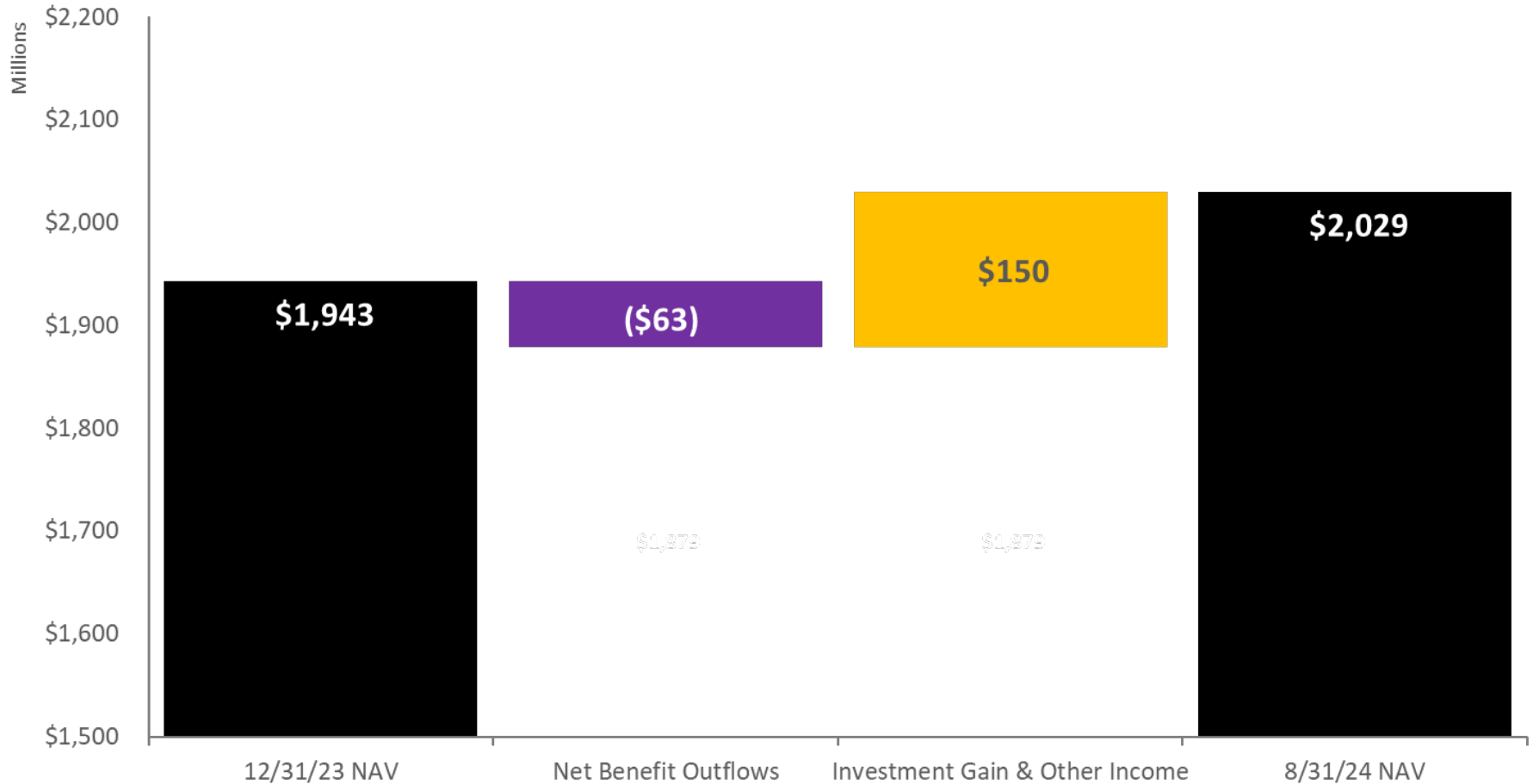
	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
Emerging Markets Equity	101,350,612	1.4	9.3	0.1	5.1
<i>MSCI Emerging Markets IMI (Net)</i>		<i>1.6</i>	<i>9.4</i>	<i>-2.3</i>	<i>5.6</i>
RBC Emerging Markets Equity	101,350,612	1.4	9.3	0.1	5.1
<i>MSCI Emerging Markets IMI (Net)</i>		<i>1.6</i>	<i>9.4</i>	<i>-2.3</i>	<i>5.6</i>
Public Fixed Income	385,297,760	1.2	4.9	-0.3	2.1
<i>Bloomberg Global Multiverse Index</i>		<i>2.4</i>	<i>2.0</i>	<i>-3.9</i>	<i>-1.2</i>
IR&M 1-3 Year Strategy	119,204,204	0.9	4.0	1.6	2.0
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		<i>0.9</i>	<i>3.5</i>	<i>1.2</i>	<i>1.5</i>
Longfellow Core Fixed Income	66,278,765	1.4	3.9	-1.7	--
<i>Blmbg. U.S. Aggregate Index</i>		<i>1.4</i>	<i>3.1</i>	<i>-2.1</i>	<i>0.0</i>
Aristotle Pacific Capital Bank Loan	64,485,914	0.4	5.8	6.8	5.7
<i>Credit Suisse Leveraged Loan</i>		<i>0.6</i>	<i>5.8</i>	<i>6.3</i>	<i>5.5</i>
Loomis US High Yield Fund	66,662,947	1.6	5.8	1.3	--
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		<i>1.6</i>	<i>6.3</i>	<i>2.5</i>	<i>4.4</i>
Metlife Emerging Markets Debt Blend	68,665,930	2.1	5.7	--	--
<i>35% JPMEMBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBI-EM Di</i>		<i>2.3</i>	<i>5.1</i>	<i>--</i>	<i>--</i>

Source: Meketa

2024 - Change in Market Value Bridge Chart

In Millions

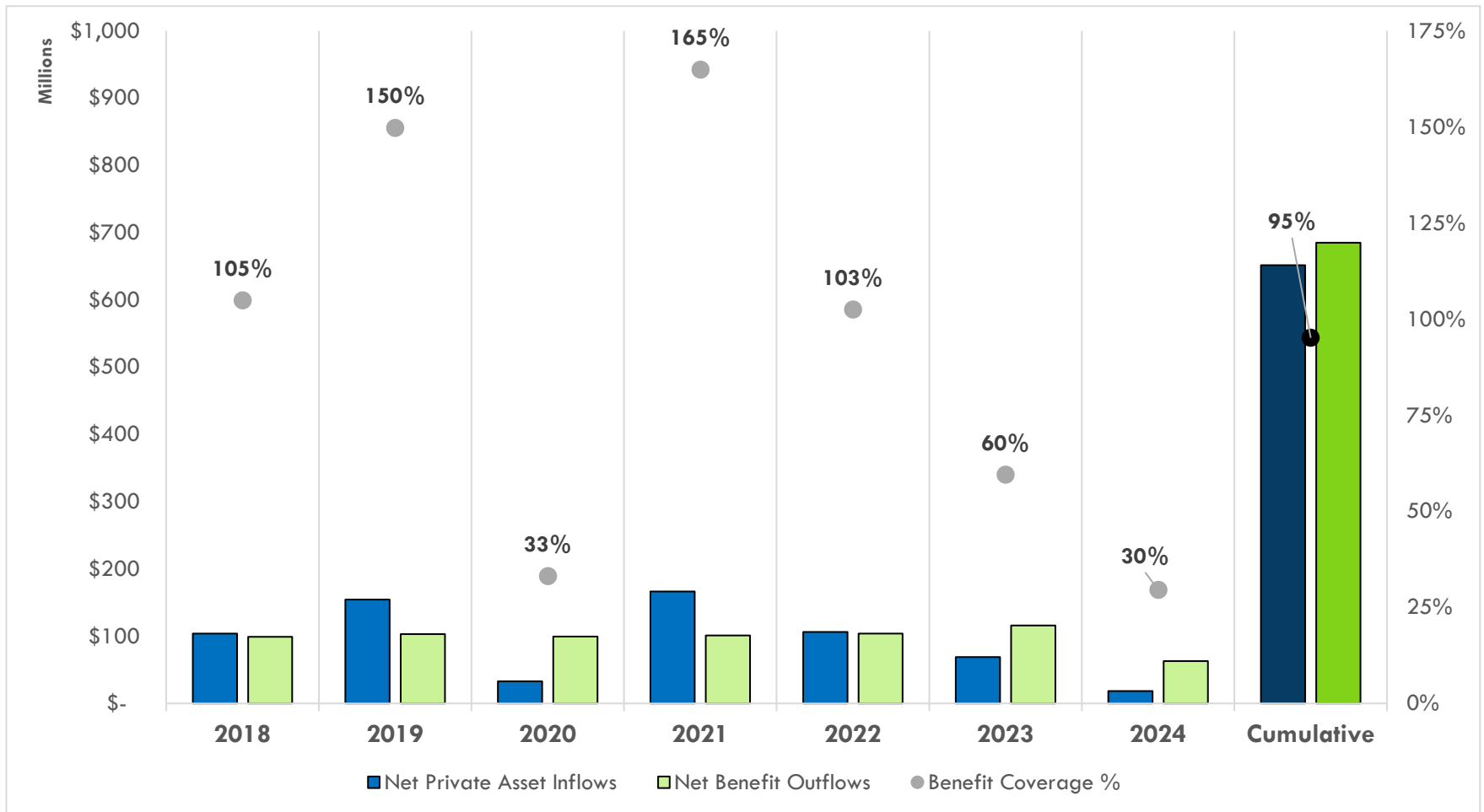
2024 Preliminary Investment Return estimated at 7.8%



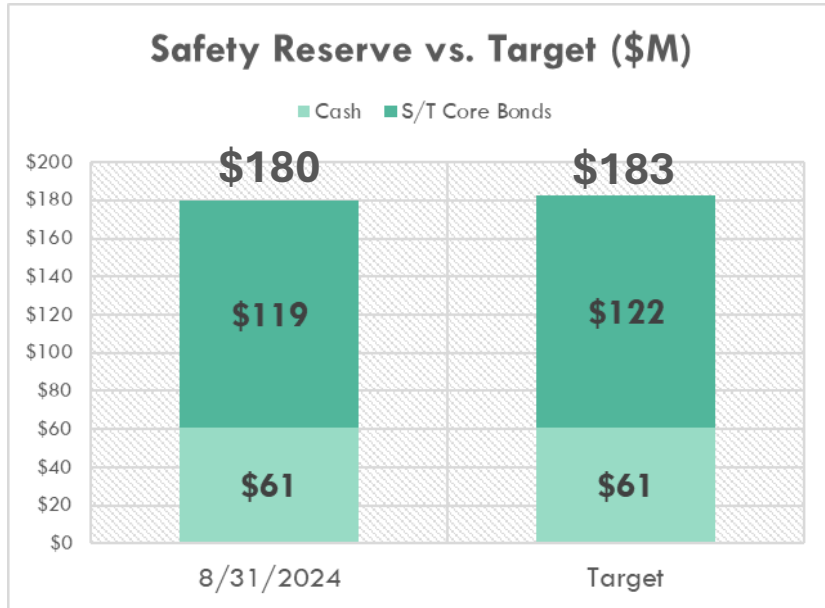
The beginning 12/31/23 value is from the Q4 2023 Meketa Performance Report and includes a one-quarter lag on private assets.
Numbers may not foot due to rounding.

Benefit Outflow Coverage

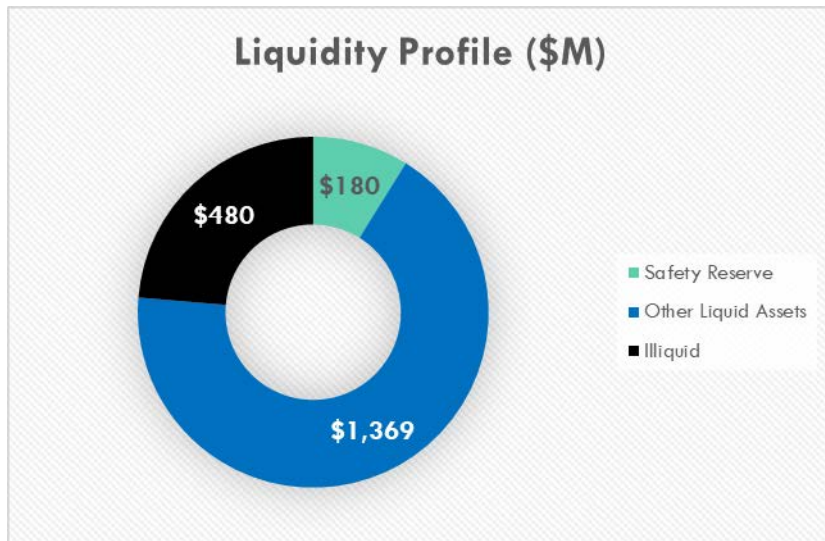
Since 2018, net Private Asset inflows have covered 95% of net benefit outflows.



Safety Reserve Dashboard



Projected Net Monthly outflows of **\$8.6M** per month. Safety Reserve of **\$180M** would cover net monthly outflows for next **21 months** or through **June 2026**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash	Projected
			Balance (\$M)	Cash (%)
	8/31/24		\$60.7	3.0%
City Contribution	9/13/24	\$9.7	\$70.4	3.5%
Pension Payroll	9/25/24	(\$28.7)	\$41.7	2.1%
City Contribution	9/27/24	\$9.7	\$51.4	2.5%
City Contribution	10/11/24	\$9.7	\$61.2	3.0%
Pension Payroll	10/23/24	(\$28.7)	\$32.4	1.6%
City Contribution	10/25/24	\$9.7	\$42.1	2.1%
City Contribution	11/8/24	\$9.7	\$51.9	2.6%
City Contribution	11/22/24	\$9.7	\$61.6	3.0%
Pension Payroll	11/27/24	(\$28.7)	\$32.8	1.6%
City Contribution	12/6/24	\$9.7	\$42.6	2.1%

Numbers may not foot due to rounding.

Asset Allocation Detail

DPPF Asset Allocation	8/31/2024		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
Equity	1,313	64.7%	1,319	65%	100%	-6	-0.3%
Global Equity	1,002	49.4%	1,116	55%	90%	-114	-5.6%
<i>Boston Partners</i>	123	6.1%	122	6%	101%	2	0.1%
<i>Manulife</i>	122	6.0%	122	6%	100%	0	0.0%
<i>Walter Scott</i>	125	6.2%	122	6%	103%	3	0.2%
<i>WCM</i>	126	6.2%	122	6%	104%	4	0.2%
<i>Northern Trust ACWI IMI Index</i>	385	19.0%	507	25%	76%	-122	-6.0%
<i>Eastern Shore US Small Cap</i>	61	3.0%	61	3%	101%	0	0.0%
<i>Global Alpha Intl Small Cap</i>	59	2.9%	61	3%	97%	-2	-0.1%
Emerging Markets Equity - RBC	101	5.0%	101	5%	100%	0	0.0%
Private Equity*	210	10.3%	101	5%	207%	108	5.3%
Fixed Income	449	22.1%	507	25%	89%	-58	-2.9%
Cash	61	3.0%	61	3%	100%	0	0.0%
S/T Investment Grade Bonds - IR+M	119	5.9%	122	6%	98%	-3	-0.1%
Investment Grade Bonds - Longfellow	66	3.3%	81	4%	82%	-15	-0.7%
Bank Loans - Aristotle Pacific	64	3.2%	81	4%	79%	-17	-0.8%
High Yield Bonds - Loomis Sayles	67	3.3%	81	4%	82%	-15	-0.7%
Emerging Markets Debt - MetLife	69	3.4%	81	4%	85%	-13	-0.6%
Private Debt*	3	0.2%	0	0%		3	0.2%
Real Assets*	267	13.2%	203	10%	132%	64	3.2%
Real Estate*	150	7.4%	101	5%	148%	49	2.4%
Natural Resources*	90	4.5%	101	5%	89%	-11	-0.5%
Infrastructure*	26	1.3%	0	0%		26	1.3%
Total	2,029	100.0%	2,029	100%		0	0.0%
Safety Reserve ~\$162M=18 mo net CF	180	8.9%	183	9%	99%	-3	-0.1%
*Private Market Assets	480	23.7%	304	15%		176	8.7%

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

Numbers may not foot due to rounding

Asset Allocation – Actual vs Target

