

AGENDA



Date: November 23, 2010

A meeting of the Dallas Police and Fire Pension System Investment Advisory Committee will be held at **1:30 p.m. on Tuesday, November 30, 2010 in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Committee:

A. CONSENT AGENDA

Approval of Minutes

Regular meeting of May 13, 2010

B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. **Courtland Partners, Ltd.**
2. **GMO**
3. **Merit Energy Fund H**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Committee may, 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 any point during the consideration of the above items, the Committee 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. An expression of preference or a preliminary vote may be taken by the Committee on any briefing item or item discussed in executive session.

At the discretion of the Committee, items on this agenda may be considered at times other than those indicated above.

Dallas Police Fire Pension System
Tuesday, November 30, 2010
1:30 p.m.
4100 Harry Hines Blvd., Suite 100
Dallas, TX

Investment Advisory Committee, Steven H. Umlor, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Sheffield Kadane, Rector C. McCollum, Richard A. Salinas, Steven G. Shaw, George Tomasovic, Steven H. Umlor, Richard H. Wachsman

Absent: None

Staff Richard Tettamant, Don Rohan, Brian Blake, Mike Taylor, Talal Ellass, Josh Mond, John Holt, Pat McGennis, Larry Landfried, Christina Wu, Greg Irlbeck, Linda Rickley

Others Michael Humphrey, Steven Novick, Robert Rodgers, Tim McCusker (via telephone), John Allen, Dwight Walker

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The meeting was called to order at 1:46 p.m.

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A. CONSENT AGENDA

Approval of Minutes

Regular meeting of May 13, 2010

Mr. Wachsman made a motion to approve the minutes of the regular meeting of May 13, 2010. Mr. Salinas seconded the motion, which was unanimously approved by the Committee.

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B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Courtland Partners, Ltd.

Michael Humphrey, Steven Novick, and Robert Rodgers, of Courtland Partners, were present to discuss possible real estate consulting services for the System.

After discussion, Mr. Shaw made a motion to recommend that the Board hire Courtland Partners, Ltd. for a three-year term. Mr. Tomasovic seconded the motion, which was unanimously approved by the Committee.

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The meeting was recessed at 2:45 p.m.

The meeting was reconvened at 2:50 p.m.

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2. GMO

John Allen, of GMO, was present to discuss a possible conversion of the System's investment from the GMO Real Return Global Balanced Asset Allocation Strategy (RRGBAL) to the GMO Global Allocation Absolute Return Strategy (GAAR).

The GMO team discussed differences between the RRGBAL strategy and the GAAR strategy including: portfolio composition and structure, performance goals and measures, fees, and relative performance.

Tim McCusker, of NEPC, the System's investment consultant, participated in the discussion via teleconference.

After discussion Mr. Salinas made a motion to recommend that the Board approve conversion of the System's investment in the Real Return Global Balanced Asset Allocation strategy to an investment in the Global Allocation Absolute Return strategy. Mr. McCollum seconded the motion, which was unanimously approved by the Committee.

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Investment Advisory Committee
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3. Merit Energy Fund H

Mr. Tettamant explained that the Board reviewed a possible investment in the new Merit Energy H Fund at the October 14, 2010 Board meeting. At that meeting, the Board approved an investment in the Merit Energy H Fund, subject to funding that would come from the return of capital or profits from Merit Energy.

The funding requirement approved by the Board for the new fund was not approved as a term by Merit Energy. Therefore, staff reviewed possible future cash flows from the existing Merit Energy investments and now recommends a \$10,000,000 capital commitment to the Merit Energy H Fund.

After discussion, Mr. McCollum made a motion to present to the Board at the December 9 Board meeting a possible \$10,000,000 capital commitment to the Merit Energy H Fund. Mr. Brown seconded the motion, which was unanimously approved by the Committee.

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The Administrator stated that there was no further business to come before the Committee. On a motion by Mr. Brown and a second by Mr. Shaw, the meeting was adjourned at 3:52 p.m.

[signature]

Steven H. Umlor
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

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