

Dallas Police and Fire Pension System
Thursday, August 14, 2003
8:30 a.m.
2301 North Akard Street
First Floor Conference Room
Dallas, Texas

Regular meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Gary W. Edge, John M. Mays, Rector C. McCollum, Steven G. Shaw, Councilmember Maxine Thornton-Reese, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: Deputy Mayor Pro Tem Donald Hill

Staff

Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Pat McGennis, Don McMillan, Jay Jackson, John Holt, Jerry Chandler, and Linda Rickley

Others

Walter Lindsay, Ravi Mantha, Virginie Maisonneuve, Greg Jones, Jonna Keefe, Gary Lawson, Gus Fields, Eric Calhoun, Rich Mackesey, Kenneth Cooley, and Jon Donahue

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

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A. CONSENT AGENDA

1. Approval of Minutes

- Special meeting of June 27, 2003
- Special meeting of June 30, 2003
- Special meeting of July 1, 2003 (a.m.)
- Special meeting of July 1, 2003 (p.m.)
- Special meeting of July 2, 2003
- Regular meeting of July 10, 2003

2. Approval of the Monthly Trustee Summary for the Month of June 2003

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3. Approval of Refunds of Contributions for the Month of July 2003

Refund of Combined Pension Plan, Section 6.02 Group B Contributions

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Charles B. Bridges	P	June 27, 2003
Jennifer R. George	P	July 18, 2003
Amy E. Ginger	P	July 18, 2003
Jason P. Lambert	P	June 27, 2003
Marty Nevil	P	June 27, 2003

Reimbursement to City Controller's Office of Overpaid Pension Contributions for the Following Members:

None

4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for August 2003

New DROP Participants

EMPLOYEE NAME	DEPT.
Gregory D. Bielefeldt	Fire
John R. Colwick	Fire
S. Ike Griffith	Fire
Marion R. Thomas	Fire
Calvin L. Washington	Fire
Lester R. Williams	Fire
Willie Braggs, Jr.	Police
Brian F. Dagelewicz	Police
John T. Means	Police
Thomas A. Ward	Police
James E. Wright	Police

Retiree New DROP Enrollees

NAME	DEPT.	STATUS CODE
Obie D. Cartmill	Fire	1
Danny L. Millaway	Fire	1
Robert L. Stidger	Fire	1
Jack L. Beavers	Police	4
Dorothy L. Claggett	Police	1

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4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for August 2003 (continued)

Retiree New DROP Enrollees

NAME	DEPT.	STATUS CODE
Paul B. Fletcher	Police	1
Sherry L. Goelden	Police	1
Mona K. Neill	Police	4

DROP Status Changes

NAME	DEPT.	STATUS CODE
Victoria A. Fletcher	Police	2

DROP Status Codes	
1 - Active DROP to Retiree DROP	2 - Retiree DROP to Payment
3 - Retiree to Retiree DROP	4 - Active (No DROP) to Retiree DROP

Transfer Funds from DROP to 401(k)

MEMBER	DEPT.
Dwaine E. Hall	Police

5. Approval of Vested Rights Letter

Barbara J. Fitzhugh, Police Officer

6. Approval of Payment of Military Leave Contributions

Nathanial W. Chapman, Police Officer

7. Approval of Payment of Previously Withdrawn Contributions

- a. James W. Adams, Firefighter
- b. Calvin L. Washington, Firefighter
- c. James M. Smith, Police Officer

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8. Approval of Estate Settlements

Deceased (Member (M) or Survivor (S))	Dept.	Date Of Death	Estate Payment To	Group
Dan E. Grubbs (M)	Fire	Feb. 11, 2003	Otis Hallmark	A - Sec. 6.01
Harvey S. Upchurch, Sr. (M)	Fire	June 11, 2003	Jerri Beal	B - Sec. 6.02
Tommy G. Cox (M)	Police	June 14, 2003	Ramona Cox	A - Sec. 6.01
David L. Pate (M)	Police	June 21, 2003	Dorothy Atkinson	B - Sec. 6.02
Walter E. Smith (M)	Police	Mar. 10, 2003	Walter B. Smith	A - Sec. 6.01
Clara C. Wisseman (S)	Police	June 18, 2003	Mona Davis	A - Sec. 6.01

9. Approval of Service Retirements

Member	Dept.	Effective	Group	* DROP Participant	100% J & S
Craig G. Anderson	Fire	Jul 30, 2003	B - Sec. 6.02(b)	Yes/VI	Yes
Obie D. Cartmill	Fire	Aug 9, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Remie J. James	Fire	Jul 26, 2003	B - Sec. 6.02(d)	Yes/V	Yes
Danny L. Millaway	Fire	Aug 1, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Billy E. Reed	Fire	Aug 1, 2003	B - Sec. 6.02(b)	Yes/VI	No
Robert L. Stidger	Fire	Jul 20, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Walter White	Fire	Jul 22, 2003	B - Sec 6.02(c)	No	No
James W. Andrews	Police	Jul 5, 2003	B - Sec. 6.02(b)	Yes/V	No
Jack L. Beavers	Police	Jul 24, 2003	B - Sec. 6.02(b)	No/VIII	No
Dorothy L. Claggett	Police	Jul 8, 2003	B - Sec. 6.02(d)	Yes/VIII	Yes
Paul B. Fletcher	Police	Jul 5, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Sherry L. Goelden	Police	Jul 30, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Mona K. Neill	Police	Aug 1, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Floyd E. Perry	Police	Jul 16, 2003	B - Sec. 6.02(b)	Yes/V	No
Tommy L. Pettiet	Police	Jul 30, 2003	B - Sec. 6.02(b)	Yes/VI	No

* Distribution Method	
NE - Not Eligible	V - Monthly Payments
I - Life Annuity	VI - Although Eligible - No Distribution Elected
II - Joint/Survivor Annuity	VII - Did Not Join
III - Lump Sum ASAP	VIII - Retiree DROP
IV - Lump Sum Partial or Delayed Payment	IX - 100% Joint & Survivor

10. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.	Group
Charlotte Furr	Doyle L. Furr	Police	B - Sec.6.02

11. Approval of Request for Acknowledgment of Name Change

Old Name	Dept.	Effective Payroll	New Name
Ruth Rhine	Fire	August 2003	Ruth Abbotts

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After discussion, Mr. Wachsman made a motion to approve the items on the Consent Agenda, subject to the final review and approval of the Administrator. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Portfolio review by Fidelity Management Trust Company

Messrs. Lindsay and Mantha reviewed the second quarter 2003 performance of the System's international equity portfolio with Fidelity and discussed the international equity markets.

After discussion, Mr. Shaw made a motion to receive and file the Fidelity portfolio review. Messrs. Tomasovic and Wachsman jointly seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:15 a.m.

The meeting was reconvened at 9:22 a.m.

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2. Portfolio review by Clay Finlay, Inc.

Ms. Maisonneuve, Ms. Keefe, and Mr. Jones, of Clay Finlay, reviewed the second quarter 2003 performance of the System's international equity portfolio with Clay Finlay and discussed the international equity markets. Ms. Maisonneuve stated that Clay Finlay focuses on long-term growth, but not extreme growth. Their allocation is driven primarily by bottom-up stock selection considerations; however, they are benchmark-aware. She reported that Frances Dakers, one of the Clay Finlay directors and portfolio managers, is retiring after more than two decades with the firm.

After discussion, Mr. Edge made a motion to receive and file the Clay Finlay portfolio review. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:25 a.m.

The meeting was reconvened at 10:33 a.m.

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3. Hancock Agricultural Investment Group

- a. Proposed changes to the existing guidelines governing TMPC
 - b. Possible investment opportunity
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- a. Mr. Tettamant presented redrafted investment guidelines to the Board. The changes included the previously approved change in allocation and the new suggestion of increasing the maximum size of any individual property in the portfolio to 30% of the total.
 - b. Mr. Tettamant briefed the Board on a possible investment opportunity through Hancock. The properties include a) 427 acres of almonds valued at \$3,300,000; b) 386 acres of almonds valued at \$3,000,000; and c) 569 acres of pistachios valued at \$6,250,000. The next step is the retention of an independent farm and ranch appraiser to evaluate the properties' market value. The Townsend Group, the System's real estate consultant, is assisting staff in selecting the appraiser from a list of appraisers.

After discussion, Mr. Edge made a motion to approve the proposed changes to the Hancock Agricultural Investment Group's (TMPC) guidelines. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Mays made a motion to authorize the Administrator to proceed with the possible Hancock investment opportunity with the assistance of the Townsend Group, the System's real estate consultant. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:58 a.m.

The meeting was reconvened at 11:40 a.m.

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4. CDK Realty Advisors

- a. Update on Camel Square
- b. Consideration of proposed real estate investments
- c. The Cedars at 2901 South Lamar in Dallas

In accordance with the terms of Section 551.072, Texas Government Code, the Board went into a closed executive real estate session at 1:38 p.m. to discuss potential investment opportunities through CDK Realty Advisors.

The meeting was reopened at 2:30 p.m.

Messrs. Cooley and Donahue, of CDK Realty Advisors, updated the Board on Camel Square Office Park in Phoenix, Arizona, a real estate investment of the System. CDK Realty Advisors also presented several potential real estate investments for the System. In addition, they discussed the recent purchase of a real estate investment in the Cedars area of Dallas, Texas.

After discussion, Mr. Umlor made a motion to receive and file the report by CDK Realty Advisors. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Edge made a motion to proceed with the proposed investment. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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5. Possible changes to the System's real estate asset allocation

Mr. Tettamant stated that several investment opportunities in real estate have become available. Staff reviewed the actual real estate market value and the projected cost of the proposed acquisitions and discussed possible changes to the System's real estate asset allocation.

No motion was made.

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6. Discussion of possible revisions to Board's Records Management Policy

The Board and staff discussed a proposed Records Management Policy in order to comply with State requirements. The proposed policy would replace the existing Records Management Policy and Procedure adopted by the Board effective November 17, 1994.

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**6. Discussion of possible revisions to Board's Records Management Policy
(continued)**

At the July 17, 2003 meeting, the Board adopted the State's Local Schedule GR, Third Edition (Retention Schedule for Records Common to All Local Governments).

After discussion, Mr. Shaw made a motion to approve the proposed revisions to the Board's Records Management Policy. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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7. Legal issues including, but not limited to:

- a. Police Officer and Firefighter pay lawsuits
- b. Britton et al. v. DPFPS, Dallas Park Ranger Department, City of Dallas, et al.
- c. Elisabetha Buhk v. DFP Board

In accordance with the terms of Section 551.071 of the Texas Government Code, the meeting was closed to the public at 10:33 a.m. for an executive legal session.

Discussions were held with legal counsel regarding the above items.

The meeting was reopened at 10:58 a.m.

No motion was made.

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8. Pension-related legislative issues

- a. Constitutional amendment
- b. Reports from legislative consultants
- c. Other legislation

Mr. Tettamant stated that the constitutional amendment to protect the Members' rights to their promised benefits (HJR 54) will go before the voters of Texas in the general election to be held September 13, 2003. The Administrator discussed the System's efforts to help publicize the election, including articles included in the July and August System newsletters and a special insert to be included in the August benefit checks and advices of deposit.

The Administrator briefed the Board on pending retirement-related federal and state legislation. Copies of legislative reports prepared by Hillco Partners for the special session were provided.

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8. Pension-related legislative issues (continued)

After discussion, Mr. Shaw made a motion to receive and file the reports on pension-related legislative issues. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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9. Second reading of the Fiscal Year 2003-2004 Administrative and Professional Services Budgets

Mr. Tettamant stated that the proposed Administrative and Professional Services Budgets for the 15-month transition year 2003-2004 were presented to the Board for review and comments at the June 12, 2003 meeting.

The proposed budget was distributed to the active members in the System newsletter, *Pension Update*, the week of June 30, 2003, and the Board held the first reading at the July 10, 2003 Board meeting. At that time, the Board authorized the second reading of the budget at the August 14, 2003 regular meeting. The proposed budgets were again provided to the membership and the second reading announced in the *Pension Update* distributed the week of July 27, 2003.

The details of the FY 2003-2004 Administrative and Professional Services Budgets were provided.

The Administrator discussed a proposed increase of \$19,480 in the salary category of the Administrative Services budget, representing a 0.82% increase from the salary and benefits portion of the budget approved for second reading.

After discussion, Mr. Shaw made a motion to approve the second and final reading of the Fiscal Year 2003-2004 Administrative and Professional Services Budgets with the recommended revision to the Administrative Services budget. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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10. Monthly asset allocation report

- a. Monthly asset allocation report
- b. Wilshire Associates' recommendations for rebalancing the Pension System's investment portfolio

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10. Monthly asset allocation report (continued)

The Asset Allocation Monitoring Report and the Real Estate Portfolio Report are included in Minute Book Number 33 on pages _____.

Wilshire Associates Inc. stated that all asset classes and managers, with the exception of the overweight Oak Associates, are within their respective asset allocation target ranges. Wilshire recommends that the System withdraw \$6.0 million from Oak Associates to satisfy the System's cash needs.

Staff, per Board-approved policy, recommended an additional withdrawal of \$17,680,000 to bring Oak Associates back to its target allocation.

After discussion, Mr. Shaw made a motion to receive and file the August 2003 monthly asset allocation report and approve a withdrawal of \$23,680,000 from Oak Associates. Six million dollars would be used to satisfy the System's cash needs and \$17,680,000 would be invested in the S&P 500 index fund managed by State Street Global Advisors. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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11. Pension System's monthly financial statement

The Board and staff discussed the monthly financial statements for the period ended June 30, 2003 with the Board.

The staff also presented for consideration by the Board a revised format for the monthly financial statement for future reporting periods. The revised format would provide a comparison of current month and year-to-date financial data to the relevant data for the corresponding month and year-to-date from the prior year, with percentage changes from the prior year.

After discussion, Mr. Edge made to receive and file the monthly financial statement for the period ended June 30, 2003 and approve the revised format for future reporting periods. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**DALLAS POLICE AND FIRE PENSION SYSTEM
AUGUST 2003 ASSET ALLOCATION MONITORING REPORT**

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
EQUITY									
<u>Domestic Equity</u>									
S & P Index	SSgA	297.60	16.00	269.71	14.50	9.00	17.50		(27.89)
Large Cap Growth	Oak Assoc.	111.60	6.00	135.28	7.27	5.00	7.00		23.68
Micro Cap	Deutsche Asset Mgmt	93.00	5.00	88.48	4.76	4.00	6.00		(4.52)
Large Cap Value	Alliance Capital	111.60	6.00	107.12	5.76	5.00	7.00		(4.48)
Private Equity	NTOP/Huff Alternative	0.00	0.00	23.54	1.27	0.00	5.00		23.54
Energy	Mitchell Group	18.60	1.00	18.60	1.00	1.00	1.50		0.00
Total Domestic Equity		<u>632.40</u>	<u>34.00</u>	<u>642.73</u>	<u>34.57</u>				10.33
<u>International Equity</u>									
Active Large Cap	Bank of Ireland	204.60	11.00	205.84	11.07	9.50	12.50		1.24
Active ACWI x US	Clay Finlay	111.60	6.00	114.19	6.14	5.00	7.00		2.59
Active Enhanced EAFE	Fidelity	130.20	7.00	132.29	7.11	6.00	8.00		2.09
Total International Equity		<u>446.40</u>	<u>24.00</u>	<u>452.32</u>	<u>24.31</u>				5.92
Total Equity		<u>1,078.80</u>	<u>58.00</u>	<u>1095.05</u>	<u>58.88</u>				16.25
FIXED INCOME									
<u>Global High Quality</u>	Deutsche Asset Mgmt	186.00	10.00	165.36	8.89	8.50	11.50		(20.64)
<u>Domestic High Yield</u>	W.R. Huff	93.00	5.00	91.64	4.93	3.00	7.00		(1.36)
<u>Global Opportunistic</u>									
Global Opportunistic Funds	W.R. Huff	No Target		10.17	0.55				0.00
	Oaktree	No Target		48.77	2.62				0.00
	TCW Spl Credits	No Target		0.33	0.02				0.00
	Highland Crusader Fund	No Target		20.00	1.08				0.00
Total Global Opportunistic Funds		55.80	3.00	79.27	4.25	0.00	4.00		23.47
GOFI Separate Account	Loomis-Sayles	167.40	9.00	160.72	8.64	8.00	10.00		(6.68)
Total Global Opportunistic		<u>223.20</u>	<u>12.00</u>	<u>239.99</u>	<u>12.89</u>				16.79
Total Fixed Income		<u>502.20</u>	<u>27.00</u>	<u>496.99</u>	<u>26.71</u>				(5.21)
<u>REAL ESTATE</u>		279.01	15.00	262.11	14.09	13.00	17.00		(16.90)
<u>CASH EQUIVALENTS</u>		0.00	0.00	5.86	0.33	0.00	0.00		5.86
Total Assets		<u><u>1,860.01</u></u>	<u><u>100.00</u></u>	<u><u>1,860.01</u></u>	<u><u>100.00</u></u>				<u><u>(0.00)</u></u>

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**DALLAS POLICE AND FIRE PENSION SYSTEM
AUGUST 2003 ASSET ALLOCATION MONITORING REPORT
Real Estate Portfolio**

Real Estate Manager	Market Value	Percentage of Real Estate Assets	Target Percentage	Committed Capital	Variance from Target Vs Committed
Managers in Redemption					
Heitman Capital Management (JMB III & IV)	53,351	0.02%	0.00%		53,351
Prudential (Strategic Value Investors. LLC)	6,275,918	2.39%	0.00%		6,275,918
Subtotal	6,329,269	2.41%	0.00%	0	6,329,269
Separate Account Managers					
Agricultural - Hancock	22,912,351	8.74%	10.00%	28,171,879	(5,259,528)
Forest Investment Associates	41,068,639	15.67%	12.50%	35,214,849	5,853,790
INVESCO Realty	8,550,033	3.26%	17.50%	49,300,789	(40,750,756)
Kennedy Associates	26,248,276	10.02%	12.50%	35,214,849	(8,966,573)
L & B Real Estate Counsel	22,526,695	8.60%	15.00%	42,257,819	(19,731,124)
RREEF	34,323,347	13.10%	17.50%	49,300,789	(14,977,442)
CDK Realty Advisors	30,356,182	11.58%	NA	NA	
Subtotal	185,985,523	70.96%	85.00%	239,460,974	(83,831,633)
Opportunistic Partnerships					
Hearthstone (MSII Homebuilding)	1,630,887	0.62%		10,000,000	(8,369,113)
Crow Holdings Realty Partners II	15,962,022	6.09%		20,000,000	(4,037,978)
Oaktree Capital Management (OCM R E Opportunities Fund B)	4,231,282	1.61%		15,000,000	(10,768,718)
Hudson Advisors (Brazos, Lone Star I, II, III,IV)	26,653,535	10.17%		38,572,897	(11,919,362)
Olympus Real Estate Fund II & III	21,296,360	8.13%		30,000,000	(8,703,640)
Subtotal	69,774,086	26.62%	15.00%	113,572,897	(43,798,811)
Total Real Estate	262,088,878	100.00%	100.00%	353,033,871	(121,301,175)
Market value total fund	1,859,986,411				
	\$	%			
Target Value (\$ and %)	281,718,793	15.00%	Total Committed Capital	359,363,140	
Market Value (\$ and %)	262,088,878	14.09%	Managers in Redemption	6,329,269	
Variance from Target	(19,629,915)	-0.91%	Actual Committed Capital	353,033,871	

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12. Staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended

- a. Conference: Opal: Investment Trend Summit
Dates: July 20-22, 2003**

Messrs. Shaw, Tomasovic, Brown, and Tettamant reported on the Investment Trend Summit.

- b. Conference: National Conference of State Social Security Admin. (NCSSSA)
Dates: August 10-13, 2003**

Mr. Rohan reported on the conference.

After discussion, Mr. Shaw made a motion to receive and file the staff and Board members' reports on the due diligence meetings, seminars and/or conferences attended. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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13. Preliminary agenda for the Annual Board/Staff Workshop to be held on October 13-17, 2003

Mr. Tettamant provided a list of proposed topics for the annual workshop and requested input from the Board regarding the subjects to be covered.

Discussion was held, but no motion was made.

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14. Communications on System's investments and operations

The Board and staff discussed communications regarding the System's investments and operations.

No motion was made.

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15. Possible plan amendments

No discussion was held nor action taken.

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C. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

No active members or pensioners were present to address the Board.

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2. Administrator's report

- a. Custodial bank/consultants update, including monthly investment performance summary
- b. Investment managers update
- c. Professional services providers update
- d. Coalition to Preserve Retirement Security (CPRS), National Conference on Public Employee Retirement Systems (NCPERS), and the Texas Association of Public Employee Retirement Systems (TEXPERS)
- e. General administration update
- f. Continuing education/investment research

Mr. Tettamant presented the monthly report on performance returns by JPMorgan Chase & Company, the System's custodial bank.

Mr. Tettamant updated the Board on the investment managers and professional services providers, and other current developments relating to the Pension System.

Mr. Shaw made a motion to receive and file the Administrator's report. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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3. Board operations and procedures

No action was taken.

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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Tomasovic and a second by Mr. McCollum, the meeting was adjourned at 4:07 p.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF June 30, 2003

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
EQUITY-DOMESTIC ADVISORS:			

ALLIANCE CAPITAL MANAGEMENT	104,549,572.77	5.6 %	16.8 %
DEUTSCHE ASSET MGMT MCRO-CAP	82,495,657.83	4.5 %	13.3 %
HUFF ALTERNATIVE FUND LP	18,205,535.03	1.0 %	2.9 %
NORTH TEXAS OPPORTUNITY	3,952,946.24	0.2 %	0.6 %
OAK ASSOCIATES	128,353,662.80	7.0 %	20.6 %
SSGA S&P 500 FLAGSHIP	265,016,720.97	14.4 %	42.6 %
THE MITCHELL GROUP	19,643,219.64	1.1 %	3.2 %
*** TOTAL EQUITY-DOMESTIC ADVISORS:	622,217,315.28	33.8 %	100.0 %
FIXED INCOME ADVISORS:			

HUFF ALTERNATIVE INCOME FUND	8,340,930.99	0.5 %	5.8 %
OCM FUND IV	48,762,589.20	2.6 %	33.7 %
TCW SPECIAL CREDITS TR III	332,379.17	0.0 %	0.2 %
W.R. HUFF HIGH YIELD	87,060,844.87	4.7 %	60.3 %
*** TOTAL FIXED INCOME ADVISORS: ***	144,496,744.23	7.8 %	100.0 %
INTERNATIONAL FIXED INCOME ADVISORS:			

DEUTSCHE ASSET MGMT GLOBAL FIX. INC	170,688,100.56	9.3 %	51.2 %
LOOMIS SAYLES & CO	162,481,962.63	8.8 %	48.8 %
*** TOTAL INTERNATIONAL FIXED INCOME	333,170,063.19	18.1 %	100.0 %
REAL ESTATE ADVISORS:			

CDK REALTY ADVISORS	29,084,131.74	1.5 %	10.8 %
CROW HOLDINGS	16,169,204.20	0.9 %	6.0 %
FOREST INVESTMENT ASSOCIATES	41,576,493.01	2.3 %	15.4 %
HANCOCK AGRICULTURAL INVEST FD	23,378,815.10	1.3 %	8.6 %
HEARTHSTONE MSH HOMEBUILDING	1,455,694.75	0.1 %	0.5 %
HEITMAN CAPITAL MANAGEMENT	37,598.00	0.0 %	0.0 %
HUDSON ADVISORS	27,167,934.13	1.5 %	10.0 %
INVESCO	6,827,960.91	0.4 %	2.5 %
KENNEDY ASSOCIATES	26,232,478.18	1.4 %	9.7 %
L & B	23,619,030.35	1.3 %	8.7 %
OCM REAL ESTATE/OPPORTUNITIES FUND	14,828,728.00	0.8 %	5.5 %
OLYMPUS REAL ESTATE	19,039,995.26	1.0 %	7.0 %
PRUDENTIAL INVESTMENTS	6,027,821.98	0.3 %	2.2 %
RREEF	35,406,893.10	1.9 %	13.1 %
*** TOTAL REAL ESTATE ADVISORS: ***	270,852,778.71	14.7 %	100.0 %
EQUITY-INTERNATIONAL ADVISORS:			

BANK OF IRELAND	201,932,583.08	11.0 %	45.8 %
CLAY FINLAY INC	110,293,176.17	6.0 %	25.0 %
FIDELITY ENHANCED EAFE	128,743,429.11	7.0 %	29.2 %
*** TOTAL EQUITY-INTERNATIONAL ADVIS	440,969,188.36	24.0 %	100.0 %
CASH:			

COMMINGLED CASH	7,893,350.19	0.4 %	26.8 %
CONTRIBUTION & EXPENSE ACCOUNT	21,567,930.94	1.2 %	73.2 %
*** TOTAL CASH: ***	29,461,281.13	1.6 %	100.0 %
TOTAL MASTER TRUST	1,841,167,370.90	100.0 %	100.0 %
CITY CONTRIBUTIONS	6,043,203.80		
EMPLOYEE CONTRIBUTIONS	1,248,386.52		
BENEFIT DISTRIBUTIONS	-7,865,978.31		
EXPENSES	-434,290.84		