

MINUTE SUMMARY
Board Meeting
Thursday, September 9, 2004

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at **8:30 a.m.** on **Thursday, September 9, 2004 in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda were presented to the Board:

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

A. CONSENT AGENDA - Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION

- Item 1.** Received an update on the real estate investment portfolio managed by CDK Realty Advisors. Authorized CDK to proceed with the proposed purchases.
- Item 2.** Approved the Fiscal Year 2005 Administrative and Professional Services budgets as amended and authorized the first reading at the October 14, 2004 regular meeting of the Board.
- Item 3.** Approved revisions to the System Employee Personnel Policy, subject to the final review and approval of the Administrator and legal counsel.
- Item 4.** Granted continuance of Leslie L. Howell's on-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability recall procedure to require Mr. Howell to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Howell is able to return to duty or two years, whichever is sooner.
- Item 5.** Accepted the fee reduction proposal from Bank of Ireland Asset Management.

B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION (continued)

- Item 6.** Approved the proposed contract and guidelines amendment for INVESCO Realty Advisors.
- Item 7.** No action was taken regarding the Brandywine contract.
- Item 8.** No action was taken regarding Deutsche Asset Management.
- Item 9.** The outside legal counsel reported on current legal issues. No motion was made.
- Item 10.** Received and filed the report on current pension-related legislative activity.
- Item 11.** Approved the DROP Interest Rate of 9.25% for the period of October 1, 2004 through September 30, 2005, based on Section 6.14(c) of the Plan Document.
- Item 12.** Received and filed the monthly financial statement for the period ending June 30, 2004.
- Item 13.** Received and filed the September 2004 monthly asset allocation reports and approved Wilshire Associates' recommendations for rebalancing the portfolio.
- Item 14.** Received and filed the staff and Board members' reports on due diligence meetings, seminars and/or conferences attended.
- Item 15.** Gave direction to the staff regarding the agenda for the annual Board/Staff Workshop to be held on October 18-21, 2004.

C. BRIEFING ITEMS

- Item 1.** No active members or pensioners requested to address concerns to the Board.
- Item 2.** Received and filed the Administrator's report.
- Item 3.** No discussion of operational and procedural issues was held.

The meeting was adjourned at 3:30 p.m.

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MINUTE SUMMARY
Board Meeting
Thursday, September 9, 2004

SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

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

The meeting was reconvened at 3:30 p.m.

A. CONSENT AGENDA - Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION

Item 1. Approved the 2005 Supplemental Fund Budget and authorized the first reading at the October 14, 2004 regular meeting of the Board.

Item 2. Received and filed the September 2004 monthly asset allocation report and approved Wilshire Associates recommendations for rebalancing the portfolio.

C. BRIEFING ITEMS

No Administrator's report was given.

The meeting was adjourned at 3:34 p.m.

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF July 31, 2004

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

ALLIANCE CAPITAL MANAGEMENT	127,702,617.86	5.8 %	17.1 %
DEUTSCHE ASSET MGMT MCRO-CAP	101,689,767.24	4.6 %	13.6 %
HUFF ALTERNATIVE FUND LP	45,650,951.91	2.1 %	6.1 %
NORTH TEXAS OPPORTUNITY	5,569,527.61	0.3 %	0.7 %
OAK ASSOCIATES	112,210,417.15	5.1 %	15.0 %
SSGA S&P 500 FLAGSHIP	328,270,213.44	15.0 %	43.8 %
THE MITCHELL GROUP	27,657,894.46	1.3 %	3.7 %
*** TOTAL EQUITY- DOMESTIC ADVISORS:	748,751,389.67	34.2 %	100.0 %
FIXED INCOME ADVISORS:			

HIGHLAND CRUSADER FUND LP	32,070,929.00	1.5 %	19.2 %
HUFF ALTERNATIVE INCOME FUND	16,964.04	0.0 %	0.0 %
OCM FUND IV	28,763,747.00	1.3 %	17.3 %
TCW SPECIAL CREDITS TR III	423,316.33	0.0 %	0.3 %
W. R. HUFF HIGH YIELD	105,100,712.95	4.8 %	63.2 %
*** TOTAL FIXED INCOME ADVISORS: ***	166,375,669.32	7.6 %	100.0 %
INTERNATIONAL FIXED INCOME ADVISORS:			

DELAWARE INTERNATIONAL ADVISORS	115,745,194.12	5.3 %	26.7 %
DEUTSCHE ASSET MGMT GLOBAL FIX. INC	38,377.72	0.0 %	0.0 %
LOOMIS SAYLES & CO	202,864,905.11	9.3 %	46.9 %
PARETO PARTNERS	114,137,834.89	5.2 %	26.4 %
*** TOTAL INTERNATIONAL FIXED INCOME	432,786,311.84	19.8 %	100.0 %
REAL ESTATE ADVISORS:			

CDK REALTY ADVISORS	42,059,679.99	1.9 %	13.8 %
CROW HOLDINGS	5,438,292.99	0.2 %	1.8 %
FOREST INVESTMENT ASSOCIATES	31,430,915.35	1.4 %	10.2 %
HANCOCK AGRICULTURAL INVEST FD	29,704,295.91	1.4 %	9.7 %
HEARTHSTONE MS II	257,137.77	0.0 %	0.1 %
HEARTHSTONE MS III	5,218,658.77	0.2 %	1.7 %
HEITMAN CAPITAL MANAGEMENT	18,004.00	0.0 %	0.0 %
HUDSON ADVISORS	32,890,344.74	1.5 %	10.7 %
INVESCO	17,823,207.00	0.8 %	5.8 %
KENNEDY ASSOCIATES	40,587,732.26	1.9 %	13.2 %
L & B	27,303,591.95	1.2 %	8.9 %
OCM REAL ESTATE/OPPORTUNITIES FUND	11,652,885.00	0.5 %	3.8 %
OLYMPUS REAL ESTATE	17,931,644.01	0.8 %	5.8 %
PRUDENTIAL INVESTMENTS	6,523,509.98	0.3 %	2.1 %
REEF	37,939,335.55	1.7 %	12.4 %
*** TOTAL REAL ESTATE ADVISORS: ***	306,779,235.27	14.0 %	100.0 %
EQUITY- INTERNATIONAL ADVISORS:			

BANK OF IRELAND	240,973,551.17	11.0 %	45.6 %
CLAY FINLAY INC	128,055,507.56	5.9 %	24.3 %
FIDELITY ENHANCED EAFE	158,783,147.22	7.3 %	30.1 %
*** TOTAL EQUITY- INTERNATIONAL ADVIS	527,812,205.95	24.1 %	100.0 %
CASH:			

COMMINGLED CASH	2,268.37	0.0 %	0.0 %
CONTRIBUTION & EXPENSE ACCOUNT	5,173,502.46	0.2 %	100.0 %
*** TOTAL CASH: ***	5,175,770.83	0.2 %	100.0 %

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF July 31, 2004

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
TOTAL MASTER TRUST	2,187,680,582.88	100.0 %	100.0 %
CITY CONTRIBUTIONS	9,442,010.89		
EMPLOYEE CONTRIBUTIONS	1,951,175.40		
BENEFIT DISTRIBUTIONS	-8,015,889.13		
EXPENSES	-838,142.91		