

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, August 11, 2005**

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at **8:30 a.m. on Thursday, August 11, 2005 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 began 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 and filed the portfolio review and organizational review presented by Fidelity Management Trust Company.
- Item 2.** Received and filed the update on Land Baron Investments.
- Item 3.** Received and filed the update on investments through CDK Realty Advisors.
- Item 4.** Received and filed the status report on the enhanced index manager implementation.
- Item 5.** Approved the assignment of contract from L&B Realty Advisors, Inc. to L&B Realty Advisors, LLP.
- Item 6.** The Board recognized the service of two Police and Fire Pension System employees who had completed 15 years of service.
- Item 7.** Approved the revisions to the Board's Committee Policy and Procedure, pending final review by the Administrator and legal counsel.
- Item 8.** Received a report by the outside legal counsel on current legal issues. No motion was made.
- Item 9.** Discussed progress on the proposed plan amendment election. The Board considered and authorized changes to the proposed list of amendments.

- Item 10.** Approved the Dallas Police and Fire Pension Fund City department budget for Fiscal Year 2005-2006.
- Item 11.** Received and filed the August 2005 monthly asset allocation report and approved Wilshire Associates' recommendations for rebalancing the portfolio.
- Item 12.** Received and filed the staff and Board members' reports on due diligence meetings, seminars and/or conferences attended.
- Item 13.** Gave direction to the staff regarding the proposed agenda and plans for the annual workshop in October.

**C. BRIEFING ITEMS**

- Item 1.** Heard the concerns of a Pensioner.
- 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 2:31 p.m.

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**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, August 11, 2005**

**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 1:58 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**

Received and filed the August 2005 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 1:59 p.m.

**Dallas Police and Fire Pension System**  
**Thursday, August 11, 2005**  
**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, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: Deputy Mayor Pro Tem Donald Hill and Councilmember Maxine Thornton-Reese

**Staff** Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Jay Jackson, John Holt, Jerry Chandler, and Linda Rickley

**Others** Walter Lindsay, Dino Davis, Gary Lawson, Gus Fields, Lisa Kane, Tony Peck, and Lorraine Peck

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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 July 6, 2005  
Regular meeting of July 14, 2005  
Quarterly meeting of July 21, 2005

**2. Approval of Refunds of Contributions for the Month of July 2005**

<b>Refund of Combined Pension Plan, Section 6.02 Group B Contributions</b>
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<b><u>EMPLOYEE NAME</u></b>	<b><u>DEPT.</u></b>	<b><u>REFUND DATE</u></b>
Jason J. Crear	F	July 15, 2005
Ryan Y. Nordyke	F	July 1, 2005
Erin D. Erdman	P	July 1, 2005
Dudley B. Munn	P	July 11, 2005

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**2. Approval of Refunds of Contributions for the Month of July 2005  
(continued)**

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<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Sovannsammang Soksovann	P	July 15, 2005
Mark E. Terrell	P	July 1, 2005

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for August 2005**

**New DROP Participants**

David L. Brazile	Fire
Elton D. Garrett	Fire
Michael A. Hamilton	Fire
Michael A. Johnson	Fire
A. P. Richardson	Fire
Patrick L. Bassinger	Police
Raul Duarte	Police
Duane R. Easterling	Police
Jose Losoya, Jr.	Police
Donald McMillion	Police
Thon R. Overstreet	Police
Steven G. Shaw	Police

**Retiree DROP Status Changes**

Vincent F. Aloï	Fire	1
Garry D. Castro	Fire	4
Bobby J. Cockrell	Fire	2
Robert J. Fahey	Fire	3
Thomas J. Ford	Fire	3
Jerry W. Graves	Fire	2
Charles W. Organ	Fire	2
Lynne M. Albright	Police	4
Marilyn F. Benedict	Police	1
Roger E. Martin	Police	1
Maria T. Sullivan	Police	2

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

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**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for August 2005 (continued)**

**Transfer Funds from DROP to 401(k)**

A. C. Christian	Police

**4. Approval of Estate Settlements**

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James D. Lewis ( <i>M</i> )	Fire	June 14, 2005	Anita Thompson	B - Sec. 6.02
Johnnie B. Jones ( <i>M</i> )	Police	June 3, 2005	Johnnie M. Jones	A - Sec. 6.01

**5. Approval of Survivor Benefits - Deceased Retirees**

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Kenneth E. Brooks	Fire	July 1, 2005	Patricia D. Hudson, guardian, FBO Elizabeth E. Brooks, child	Yes	B - Sec. 6.08
Brian A. Gibson	Fire	July 11, 2005	Amy L. Gibson, spouse & guardian, FBO Brooks W. Gibson & Brett A. Gibson, children	Yes	B - Sec. 6.08
John N. Crosby	Police	July 17, 2005	Gwendolyn Crosby	Yes	A - Sec. 6.07
Kenneth M. Mayfield	Police	June 6, 2005	Janis Mayfield	Yes	A - Sec. 6.07

**6. Approval of Survivor Benefits – Deceased Member**

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Gene A. Keith	Police	July 14, 2005	Linda S. Keith	Yes	B - Sec. 6.08
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**7. Approval of Service Retirements**

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Vincent F. Aloï, Jr.	Fire	August 9, 2005	B - Sec. 6.02(b)	Yes/VIII	Yes
Garry D. Castro	Fire	July 8, 2005	B - Sec. 6.02(d)	No/VIII	No
Luanne E. Kimball-East	Fire	July 30, 2005	B - Sec. 6.02(b)	No/VII	No

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**7. Approval of Service Retirements (continued)**

Thomas J. Ford	Fire	July 7, 2005	B - Sec. 6.02(c )	No/VIII	No
Danny W. Grammer	Fire	July 8, 2005	B - Sec. 6.02(b)	No/VII	No
Isiah Moore, Jr.	Fire	August 1, 2005	B - Sec. 6.02(b)	Yes/VI	Yes
James L. Roberson	Fire	August 3, 2005	B - Sec. 6.02(b)	Yes/V	No
Lynne M. Albright	Police	August 3, 2005	B - Sec. 6.02(d)	No/VIII	No
Raymond J. Ball	Police	August 3, 2005	B - Sec. 6.02(b)	Yes/VI	No
Marilyn F. Benedict	Police	July 27, 2005	B - Sec. 6.02(b)	Yes/VIII	No
Richard H. Garrett	Police	August 10, 2005	B - Sec. 6.02(b)	Yes/V	Yes
Truly M. Holmes	Police	July 27, 2005	B - Sec. 6.02(b)	Yes/V	Yes
Roger E. Martin	Police	July 27, 2005	B - Sec. 6.02(b)	Yes/VIII	No
Jacob P. Moore, III	Police	August 10, 2005	B - Sec. 6.02(b)	Yes/V	No
Nathan L. Trammell	Police	July 27, 2005	B - Sec. 6.02(b)	Yes/VI	No

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

After discussion, Mr. Tomasovic made a motion to approve the items on the Consent Agenda, subject to the final review and approval of the Administrator. Mr. Umlor 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. Fidelity Management Trust Company**

- a. Update on Fidelity
- b. Portfolio review

Mr. Tettamant provided the following background: Fidelity Management Trust Company (FMTC) is a fiduciary that manages an international equity portfolio for the System. Dino Davis, Investment Director, and Walter Lindsay, Relationship Manager, were present to discuss an update on Fidelity and review the international equity portfolio managed by FMTC.

Fidelity Management Trust Company has been a fiduciary for the System since March 2002 and managed approximately \$167.96 million in international equity assets as of June 30, 2005.

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**2. Fidelity Management Trust Company (continued)**

Fidelity's investment approach for the System uses a diversified approach, currently about 268 separate holdings, in a risk-controlled product that attempts to out perform Morgan Stanley's EAFE Index. The investment returns are the result of Fidelity's combination of fundamental research and quantitative risk control.

Fidelity's investment results through 6/30/2005 were as follows:

	<u>1 year</u>	<u>3 year</u>	<u>Since Inception (3/02)</u>
Fidelity (Net)	14.73	12.83	11.45
EAFE Index	13.65	12.06	10.45

After discussion, Mr. Wachsman made a motion to receive and file the portfolio review and organizational review presented by Fidelity Management Trust Company. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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**2. Update on Land Baron Investments**

The staff reported to the Board on the status of real estate assets purchased through Land Baron Investments.

After discussion, Mr. Wachsman made a motion to receive and file the report on Land Baron Investments. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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**3. Update on investments through CDK Realty Advisors**

In accordance with the terms of Texas Government Code, Section 551.072, the Board went into a closed executive session – real estate at 9:39 a. m.

The staff gave an update to the Board on the status of a real estate transaction in progress through CDK Realty Advisors.

The meeting was reopened at 9:42 a.m.

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



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**4. Update on enhanced index manager implementation**

Mr. Tettamant stated that the Board approved INTECH and T. Rowe Price as the two enhanced index equity investment managers at the March 17, 2005 Board meeting, subject to successful due diligence and successful contract negotiations, and the final approval of the Administrator and legal counsel. At the May 10, 2005 Board meeting, the Board approved the withdrawal of assets from the SSGA Flagship S&P 500 Index fund as the source of funding for the two new enhanced equity investment managers. Messrs. Tettamant and Blake gave an update to the Board on the status of the enhanced index manager implementation.

After discussion, Mr. Wachsman made a motion to receive and file the status report on the enhanced index manager implementation. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**5. Assignment of contract from L & B Realty Advisors, Inc. to L & B Realty Advisors, LLP**

Mr. Tettamant provided the following background: L & B Realty Advisors has been a fiduciary for the System since April 1984. Since August of 1994, L & B Realty Advisors has provided separate account management of real estate assets for the System. The advisor manages approximately \$48.6 million in equity market value for the System's real estate portfolio. L & B Realty Advisors had approximately \$2.4 billion in assets under management as of June 30, 2005.

Five years ago, Old Mutual acquired L & B Realty Advisors from United Asset Management (UAM). The current management team recently announced an employee buyout of L & B Realty Advisors from the Old Mutual. The advisor is requesting that the System approve an assignment of the investment contract from L & B Realty Advisors, Inc. to the new organization, L & B Realty Advisors, LLP.

After discussion, Mr. Edge made a motion to approve the assignment of the contract to L & B Realty Advisors, LLP, subject to the review of the real estate investment consultant and the final approval of the Administrator and legal counsel. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:49 a.m.

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The meeting was reconvened at 9:58 a.m.

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**6. Employee recognition**

- a. Quarterly service awards - Second Quarter 2005
- b. Employee of the Quarter - Second Quarter 2005

Mr. Brown, Chairman, and Mr. Tettamant, Administrator, presented quarterly service awards to employees, as shown below:

Everard Davenport, General Counsel, for 15 years of service  
Linda Rickley, Board Coordination Manager, for 15 years of service

Messrs. Brown and Tettamant also presented a performance award for Employee of the Quarter, Second Quarter 2005, to Carol Turbeville, Executive Secretary.



No motion was made.

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**7. Possible revisions to the Board's Committee Policy and Procedure**

Mr. Tettamant said that at the June 9, 2005 meeting of the Board, the Board directed staff to revise the Board Committee Policy and Procedure to add the Actuarial Funding Committee as a new Board committee.

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**7. Possible revisions to the Board's Committee Policy and Procedure  
(continued)**

The Board and staff discussed a draft revision to the Board Committee Policy and Procedure reflecting the requested change. Also included in the draft revision was language to add responsibilities to the Administrative Advisory Committee for the oversight of the independent audit of the Pension system. The Board directed the staff to include the requirement for a quorum of two Board members in the policy.

After discussion, Mr. McCollum made a motion to approve the revised Board Committee Policy and Procedure, pending final review by the Administrator and legal counsel. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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**8. Legal issues including, but not limited to:**

- a. Police Officer and Firefighter pay lawsuits
- b. TMPC lawsuit
- c. Former Chiefs Jackson and Taylor claims

Mr. Tettamant announced that Gary Lawson and Gus Fields had closed the firm of Lawson & Fields and joined Godwin Gruber LLP, effective July 18, 2005.

In accordance with the terms of Texas Government Code, Section 551.071, the Board went into a closed executive session - legal at 10:10 a.m.

Mr. Lawson, the System's outside legal counsel, gave an update on the above-mentioned cases.

The meeting was reopened at 10:46 a.m.

After discussion, Mr. Edge made a motion to receive and file the report by Mr. Lawson on legal issues. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**9. Possible plan amendments**

Messrs. Tettamant, Rohan, and Davenport discussed progress on the proposed plan amendment election. Staff is continuing to research the proposed changes and to develop plan document language.

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**9. Possible plan amendments (continued)**

After discussion, Mr. Shaw, referring to the 2005 Plan Amendment Election Proposed Plan Changes Talking Points distributed at the July 21, 2005 Board meeting (see page 72-82 of Minute Book Number 35), made a motion to remove the proposed Item #8 from the ballot. Mr. McCollum seconded the motion. The motion passed by the following vote:

For: Shaw, McCollum, Brown, Edge, Tomasovic, and Umlor  
Against: Mays and Wachsman

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The meeting was recessed at 11:16 a.m.

The meeting was reconvened at 12:11 p.m.

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**10. Dallas Police and Fire Pension Fund City department budget for Fiscal Year 2005-2006**

Mr. Tettamant stated that the System is required to submit a budget to the City for expenditures reimbursed by the System to the City. The expenses include the salaries and benefits of City employees of the System and property and liability insurance. Though these items are included in the System's 2005 budget, they are separated for reporting to the City on the City's fiscal year cycle (October 1, 2005 through September 30, 2006).

The proposed budget reflected the expected retirement of three City of Dallas employees during the Fiscal Year.

After discussion, Mr. McCollum made a motion to approve the proposed Dallas Police and Fire Pension Fund City department budget for Fiscal Year 2005-2006. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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**11. Monthly asset allocation report**

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

The Asset Allocation Monitoring Reports and the Real Estate Portfolio Reports for August 2005 are included in Minute Book Number 35 on pages \_\_\_\_\_.

**Regular Board Meeting  
Thursday, August 11, 2005**

**DALLAS POLICE AND FIRE PENSION SYSTEM  
AUGUST 2005 ASSET ALLOCATION MONITORING REPORT**

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
<b>EQUITY</b>									
<b><u>Domestic Equity</u></b>									
S & P Index	SSGA	412.70	16.00	368.86	14.30	9.00	17.50		(43.84)
Large Cap Growth	Oak Associates	154.76	6.00	139.48	5.41	5.00	7.00		(15.28)
Deutsche Micro Cap	Deutsche Asset Mgmt	0.00	0.00	0.29	0.01	0.00	0.00		0.00
Small Cap	Eagle Asset Management	128.97	5.00	121.39	4.71	4.00	6.00		(7.58)
Large Cap Value	Alliance Capital	154.76	6.00	147.21	5.71	5.00	7.00		(7.55)
Other Equity	NTOF/Huff Alt./Merit/Pharos	0.00	0.00	75.96	2.94	0.00	5.00		75.96
Energy	Mitchell Group	25.79	1.00	30.59	1.19	0.50	1.50		4.80
<b>Total Domestic Equity</b>		<b>876.98</b>	<b>34.00</b>	<b>883.78</b>	<b>34.28</b>				<b>6.80</b>
<b><u>International Equity</u></b>									
Active Large Cap	Bank of Ireland	283.73	11.00	272.82	10.58	9.50	12.50		(10.91)
Active ACWI x US	Clay Finlay	154.76	6.00	148.21	5.75	5.00	7.00		(6.55)
Active Enhanced EAFE	Fidelity	180.56	7.00	172.86	6.70	6.00	8.00		(7.70)
<b>Total International Equity</b>		<b>619.05</b>	<b>24.00</b>	<b>593.89</b>	<b>23.01</b>				<b>(25.16)</b>
<b>Total Equity</b>		<b>1,496.03</b>	<b>58.00</b>	<b>1477.67</b>	<b>57.29</b>				<b>(18.36)</b>
<b>FIXED INCOME</b>									
<b><u>Global High Quality</u></b>									
	Mondrian Investment Partners	128.97	5.00	113.99	4.42	4.00	6.00		(14.98)
	Brandywine	128.97	5.00	113.39	4.40	4.00	6.00		(15.58)
<b><u>Domestic High Yield</u></b>									
	W.R. Huff	128.97	5.00	117.83	4.57	3.00	7.00		(11.14)
<b><u>Global Opportunistic</u></b>									
Global Opportunistic Funds	Huff Alternative Income	No Target		0.00	0.00				0.00
	Oaktree	No Target		10.47	0.41				0.00
	TCW Spl Credits	No Target		0.23	0.01				0.00
	Ashmore	51.59	2.00	53.52	2.07	1.00	3.00		1.93
	Highland Crusader Fund	77.38	3.00	73.80	2.86	0.00	4.00		(3.58)
<b>Total Global Opportunistic Funds</b>		<b>128.97</b>	<b>5.00</b>	<b>138.02</b>	<b>5.35</b>				<b>9.05</b>
GOFI Separate Account	Loomis-Sayles	180.56	7.00	185.28	7.18	6.00	8.00		4.72
<b>Total Global Opportunistic</b>		<b>309.53</b>	<b>12.00</b>	<b>323.30</b>	<b>12.53</b>				<b>12.12</b>
<b>Total Fixed Income</b>		<b>696.44</b>	<b>27.00</b>	<b>668.53</b>	<b>25.92</b>				<b>(27.91)</b>
<b>REAL ESTATE</b>		<b>386.91</b>	<b>15.00</b>	<b>407.85</b>	<b>15.81</b>	<b>13.00</b>	<b>17.00</b>		<b>20.94</b>
<b><u>SHORT TERM INVESTMENTS</u></b>									
<b>Total Assets</b>		<b>2,579.38</b>	<b>100.00</b>	<b>2,579.38</b>	<b>100.00</b>				<b>0.00</b>

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**DALLAS POLICE AND FIRE PENSION SYSTEM  
AUGUST 2005 ASSET ALLOCATION MONITORING REPORT  
Real Estate Portfolio**

<b>Real Estate Manager</b>	<b>Equity Market Value</b>	<b>Loan Program</b>	<b>Percentage of Real Estate Assets</b>	<b>Target Percentage</b>	<b>Committed Capital</b>	<b>Variance from Target Vs Committed</b>
<b>Managers in Redemption</b>						
Heitman Capital Management (JMB III )	15,492	0	0.00%	0.00%		15,492
Prudential (Strategic Value Investors. LLC)	7,127,603	0	1.53%	0.00%		7,127,603
<b>Subtotal</b>	7,143,095	0	1.53%	0.00%	0	7,143,095
<b>Separate Account Managers</b>						
Agricultural - Hancock	44,517,440	0	9.55%	10.00%	38,686,219	5,831,221
Forest Investment Associates	31,320,078	0	6.72%	12.50%	48,357,774	(17,037,696)
INVESCO Realty	21,892,192	7,400,000	4.70%	12.50%	48,357,774	(33,865,582)
Kennedy Associates	50,214,979	7,059,000	10.77%	10.00%	38,686,219	4,469,760
L & B Real Estate Counsel	48,642,989	20,528,000	10.44%	12.50%	48,357,774	(20,242,785)
GMAC Institutional Advisors	31,910,800	0	6.85%	0.00%	31,910,800	0
Land Baron	6,355,514	0	1.36%	0.00%	6,355,514	0
RREEF	39,844,912	0	8.55%	15.00%	58,029,329	(18,184,417)
CDK Realty Advisors	121,758,039	23,239,000	26.12%	12.50%	48,357,774	73,400,265
<b>Subtotal</b>	396,456,943	58,226,000	85.06%	85.00%	318,741,402	(5,629,233)
<b>Opportunistic Partnerships</b>						
Hearthstone (MSII, MSIII Homebuilding)	4,248,048	0	0.91%		10,000,000	(5,751,952)
Crow Holdings Realty Partners II	5,052,480	0	1.08%		20,000,000	(14,947,520)
Oaktree Capital Management (OCM R E Opportunities)	11,065,238	0	2.37%		15,000,000	(3,934,762)
Hudson Advisors (Brazos, Lone Star I, II, III,IV,V)	32,358,676	0	6.94%		46,389,970	(14,031,294)
Olympus Real Estate Fund II & III	9,767,658	0	2.10%		30,000,000	(20,232,342)
<b>Subtotal</b>	62,492,100	0	13.41%	15.00%	121,389,970	(58,897,870)
<b>Total Real Estate</b>	466,092,138	58,226,000	100.00%	100.00%	440,131,372	(57,384,008)
<b>Total Real Estate with Loan Program (net)</b>	<b>407,866,138</b>					
<b>Total Fund Market Value</b>	<b>2,579,081,271</b>					
	\$		%			
<b>Target Value (\$ and %)</b>	<b>386,862,191</b>		<b>15.00%</b>		<b>Total Committed Capital</b>	<b>447,274,467</b>
<b>Market Value (\$ and %)</b>	<b>407,866,138</b>		<b>15.81%</b>		<b>Managers in Redemption</b>	<b>7,143,095</b>
<b>Variance from Target</b>	<b>21,003,947</b>		<b>0.81%</b>		<b>Actual Committed Capital</b>	<b>440,131,372</b>

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**11. Monthly asset allocation report (continued)**

Wilshire Associates Inc. stated that all of the asset classes and managers are within their respective asset allocation ranges on a net basis. The \$10 million in additional cash needs should come from Loomis Sayles (\$5 million) and SSGA S&P 500 (\$5 million). With respect to the international equity segment, Wilshire recommended transferring \$25 million from Bank of Ireland to Fidelity Enhanced as the first of four transfers to get to the international equity structure that the Board approved in July 2005. This move is equivalent to moving roughly 1% of the total fund assets. No other rebalancing was recommended.

After discussion, Mr. Tomasovic made a motion to receive and file the August 2005 monthly asset allocation reports and approve the investment consultant's recommendations for rebalancing the portfolio. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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

**a. Conference: IFE: International Investing - 2005**

**Dates:** July 17-22, 2005

**Location:** Vancouver, BC

Mr. Brown reported on the conference.

**b. Conference: American Legislative Exchange Council's (ALEC)**

**Dates:** August 3-6, 2005

**Location:** Grapevine, TX

Messrs. Brown and Shaw reported on the ALEC meeting.

After discussion, Mr. Wachsman made a motion to receive and file the reports on due diligence meetings, seminars and/or conferences attended by Board and staff members. 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 24-27, 2005**

Mr. Tettamant presented a list of proposed topics for the annual workshop and requested input from the Board for agenda items.

The Board gave direction to the staff. No motion was made.

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The meeting was recessed at 1:58 p.m.

The meeting was reconvened at 1:59 p.m.

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**C. BRIEFING ITEMS**

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

Anthony Peck, Pensioner, and his wife Lorraine Peck, were present to discuss concerns with the Board regarding Mr. Peck's change from DROP (deferred) to payment status. They requested to return to a DROP deferred status. The Board rejected the request, but stated that one of the proposed plan amendments, if passed, would allow Mr. Peck to change back to a DROP deferred status, but that the present plan document does not allow it.

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

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

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

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**3. Board operations and procedures**

No discussion was held.

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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Shaw and a second by Mr. Tomasovic, the meeting was adjourned at 2:31 p.m.



Gerald Brown  
Chairman

ATTEST:



Richard L. Tettamant  
Secretary