

# AGENDA



**Date:** August 10, 2007

A quarterly meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Tuesday, August 14, 2007 in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda will be presented to the Board:

## **A. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

- 1. Reports and recommendations of NEPC, including, but not limited to the following:**
  - a. Quarterly investment performance report for the second quarter ended June 30, 2007
  - b. Energy update
- 2. Hancock Agricultural Investment Group**

Possible extension of investment terms regarding the Ironbark Fund
- 3. CDK Realty Advisors**
  - a. Possible investment in Tucson, Arizona through CDK Realty Advisors
  - b. Status of existing portfolio and plans for future activities with regard to that portfolio

## **B. BRIEFING ITEMS**

### **Administrator's report**

Administrative update

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board 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 Board 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 Board on any briefing item or item discussed in executive session.

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

**Dallas Police and Fire Pension System**  
**Thursday, August 14, 2007**  
**8:30 a.m.**  
**2301 North Akard Street**  
**First Floor Conference Room**  
**Dallas, Texas**

Special 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, Richard H. Wachsman, and Steven H. Umlor

Absent: None

**Staff**

Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Mike Taylor, John Holt, Matt Siekielski, Talal Ellass, and Linda Rickley

**Others**

Rhett Humphreys, Kenneth Cooley, Jon Donahue, and Regina Weaver

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

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**A. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Reports and recommendations of NEPC, including, but not limited to the following:**

- a. Quarterly investment performance report for the second quarter ended June 30, 2007
- b. Energy update

The reports included the quarterly investment performance for the period ended June 30, 2007, and an energy update report. The investment performance is summarized in the following chart:

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**1. Reports and recommendations of NEPC, including, but not limited to the following: (continued)**

|                             | <b>Second<br/>Quarter 2007</b> | <b>1-year</b> | <b>3-year</b> | <b>5-year</b> |
|-----------------------------|--------------------------------|---------------|---------------|---------------|
| <b>Total Fund</b>           | 4.0%                           | 19.0%         | 15.5%         | 14.6%         |
| <b>Financial Composite*</b> | 5.1%                           | 21.5%         | 15.3%         | 14.6%         |

\*Financial Composite excludes the Real Estate and Alternative Equity Managers.

After discussion, Mr. Wachsman made a motion to receive and file the quarterly investment performance report for the second quarter ended June 30, 2007. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Edge made a motion to receive and file the reports and recommendations of NEPC, including the energy update. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:45 a.m.

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

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**2. Hancock Agricultural Investment Group**

Possible extension of investment terms regarding the Ironbark Fund

Staff provided the following information: Hancock Agricultural Investment Group is the System's advisor for agricultural investments. The portfolio consists of a domestic allocation and an Australian allocation. As of June 30, 2007, the total portfolio was valued at approximately \$59.8 million. The Australian portion of the portfolio was valued at approximately \$12.3 million as of June 30, 2007.

In March 2005, the System allocated \$10 million to the Ironbark fund that invests in agricultural investments in Australia. The Private Placement Memorandum for Ironbark required 80%, or \$48 million, from investors to be called prior to May 31, 2007. As of that date, only 62% of the capital commitments from investors were called.

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**2. Hancock Agricultural Investment Group (continued)**

The advisor requested an extension to invest the remaining allocation from the original tranche I. The System's share of the requested capital commitment is \$2,975,000.

The advisor requested an extension to December 31, 2007 to invest the System's remaining tranche I capital for \$2,975,000 in the Ironbark fund. In addition, the advisor requested an extension to initiate the closing of an additional \$60 million for a tranche II investment in the Ironbark fund no earlier than January 1, 2008. The approval for a tranche II extension does not commit the System to fund tranche II.

After discussion, Mr. Wachsman made a motion to approve the extension of the investment terms regarding the Ironbark Fund for tranche I and tranche II. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:50 a.m.

The meeting was reconvened at 10:57 a.m.

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**3. CDK Realty Advisors**

- a. Possible investment in Tucson, Arizona through CDK Realty Advisors
- b. Status of existing portfolio and plans for future activities with regard to that portfolio

Messrs. Cooley and Donahue and Ms. Weaver, from CDK Realty Advisors, discussed a possible investment in Tucson, Arizona. The advisor also discussed the status of the existing portfolio and plans for future activities with regard to that portfolio.

The Board went into a closed executive session – real estate at 10:57 a.m.

The meeting was reopened at 11:59 a.m.

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**3. CDK Realty Advisors (continued)**

After discussion, Mr. McCollum made a motion to approve the Tucson investment through CDK Realty Advisors, subject to successful due diligence, contract negotiations, and the final approval of the Administrator and legal counsel, to authorize the Chairman to execute the contract, and to authorize the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate the investment and ongoing operation. Mr. Edge seconded the motion, which was approved by the following vote:

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

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**B. BRIEFING ITEMS**

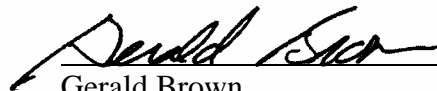
**Administrator's report**

Mr. Tettamant briefed the Board on current developments related to the Pension System.

After discussion, 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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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Wachsman and a second by Mr. Edge, the meeting was adjourned at 12:00 noon.

  
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Gerald Brown  
Chairman

**ATTEST:**

  
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Richard L. Tettamant  
Secretary