

**Dallas Police and Fire Pension System
Tuesday, February 12, 2008
8:30 a.m.
2301 North Akard Street
First Floor Conference Room
Dallas, Texas**

Quarterly meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Dwaine R. Caraway, Gary W. Edge, John M. Mays, Rector C. McCollum, and Steven H. Umlor

Absent: Vonciel Jones Hill, Pauline Medrano, David A. Neumann, Steven G. Shaw (on System business) George Tomasovic (on System business), and Richard H. Wachsman

Staff

Brian Blake, Don Rohan, Everard Davenport, Mike Taylor, Brad Goodsell, Pat McGennis, John Holt, Jerry Chandler, Matt Siekielski, Talal Ellass, and Linda Rickley

Others

Rhett Humphreys, Thomas H. Weaver, Mark Baumgartner, and Jordan R. Gershuny

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

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A. BOARD OF TRUSTEES

1. Welcome of appointed trustees

Mr. Brown, Chairman of the Board, recognized and welcomed new City Councilmember Board appointee Deputy Mayor Pro Tem Dwaine R. Caraway.

No motion was made.

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2. Committee appointments

No committee appointments were made.

No motion was made.

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B. 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 fourth quarter ended December 31, 2007
- b. Third quarter 2007 private markets review

Rhett Humphreys, CFA, Partner and Senior Consultant, from NEPC, the System's general investment consultant, reported that the Charlotte, North Carolina satellite office of NEPC is now open.

Mr. Humphreys discussed and reviewed reports and recommendations from NEPC, including the preliminary quarterly investment performance for the fourth quarter ended December 31, 2007. The final investment performance for the third quarter 2007 is summarized in the following chart:

	2.0%	18.6%	16.4%	18.1%
Financial Composite*	1.7%	19.4%	15.9%	18.3%

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

After discussion, Mr. McCollum made a motion to receive and file the preliminary quarterly investment performance report for the fourth quarter ended December 31, 2007. Mr. Edge seconded the motion, which was unanimously approved by the Board.

Mr. Humphreys also discussed the third quarter 2007 private markets review.

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1. Reports and recommendations of NEPC (continued)

After discussion, Mr. McCollum made a motion to receive and file the third quarter 2007 private markets review. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:53 a.m.

The meeting was reconvened at 9:59 a.m.

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2. 2008 Strategic Plan Recommendations

Mr. Humphreys discussed the 2008 Strategic Plan Recommendations.

After discussion, Mr. McCollum made a motion to receive and file NEPC's 2008 Strategic Plan Recommendations and to request that staff have a recommendation regarding the 2008 Strategic Plan Recommendations at the April Board meeting. Direct the consultant to review and discuss the 2008 Strategic Plan Recommendations at the May quarterly Board meeting. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:55 a.m.

The meeting was reconvened at 12:38 p.m.

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3. Enhanced return strategy

Tom Weaver, Managing Director, Mark Baumgartner, Managing Director, and Jordan Gershuny, Executive Director, from Morgan Stanley, presented an educational session on an enhanced return strategy.

After discussion, Mr. Edge made a motion to receive and file the educational presentation by Morgan Stanley on an enhanced return strategy. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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C. BRIEFING ITEMS

Administrator's report

Administrative update

No report was given.

No motion was made.

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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Umlor and a second by Mr. McCollum, the meeting was adjourned at 1:38 p.m.

[Signature]

Gerald Brown
Chairman

ATTEST:

[Signature]

Richard L. Tettamant
Secretary