

## AGENDA



Date: March 5, 2008

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m.** on **Thursday, March 13, 2008** 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. CONSENT AGENDA

#### 1. Approval of Minutes

- a. Quarterly meeting of February 12, 2008
- b. Actuarial Funding Committee meeting of February 14, 2008
- c. Regular meeting of February 14, 2008
- d. Special meeting of February 21, 2008

#### 2. Approval of Refunds of Contributions for the Month of February 2008

#### 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2008

#### 4. Approval of Estate Settlements

Deceased (Member (M), Pensioner (P) or Survivor (S))	Dept.	Date Of Death	Estate Payment To
Doris Douglas (S)	Fire	February 13, 2008	Don K. Douglas

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

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment
Bobby R. Cunningham	Fire	Feb. 1, 2008	Geneva L. Cunningham	Yes
William J. Hammer	Fire	Feb. 17, 2008	Madalyn Hammer	Yes
Charles Whitaker	Fire	Feb. 6, 2008	Ericka Whitaker	No
Lee R. Burns	Police	Feb. 14, 2008	Carron L. Burns	Yes
Hugh F. Davis	Police	Feb. 20, 2008	Margaret M. Davis	Yes
William C. Grinnell	Police	Feb. 8, 2008	Sally A. Grinnell	Yes
Terry R. Hauck	Police	Feb. 7, 2008	Claudia A. Hauck	Yes

## 6. Approval of Service Retirements

Member	Dept.	Effective
Ronnie L. Cessna	Fire	Feb. 20, 2008
Clifford E. Schauer	Fire	Feb 29, 2008
E. J. Herbst	Police	Mar. 5, 2008
Richard A. Hight	Police	Feb. 27, 2008
James F. Hughes	Police	Feb. 8, 2008
Gary R. Jones	Police	Mar. 5, 2008
Anthony G. Murray	Police	Feb. 27, 2008
Gary L. Opry	Police	Mar. 5, 2008
Joe D. Philpott	Police	Mar. 5, 2008
Mark S. Reed	Police	Feb. 20, 2008
Carl M. Rhoades	Police	Mar. 5, 2008
Thomas A. Ward	Police	Mar. 5, 2008

## 7. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.
Valerie C. Gage	Curtis L. Gage	Police

## B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

### 1. Clay Finlay Inc.

- a. Organizational update
- b. Status of existing portfolio and plans for future activities with regard to that portfolio

### 2. Economic update by William B. Brueggeman, Ph.D, Real Estate Department Chair, Cox School of Business, Southern Methodist University, and L&B Realty Advisors

### 3. Possible investment in Lone Star CRA Fund

- a. Review of North Texas Opportunity Fund and Lone Star Growth Capital
- b. Possible investment in Lone Star CRA Fund

### 4. First reading of proposed revised Strategic Investment Policy

### 5. Legal issues including, but not limited to:

- a. Police Officer and Firefighter pay lawsuits
- b. Citrus Queensland PTY LTD & ORD v. Sunstate Orchards PTY LTD

**6. Pension-related issues for possible legislative consideration**

- a. Pending legislation
- b. Reports from legislative consultants

**7. Actuarial mortality assumption**

**8. 2006 audit report**

**9. Investment and financial reports**

- a. Group Trust's monthly asset allocation report and recommendations for rebalancing the Group Trust's investment portfolio
- b. Group Trust's monthly unitization report
- c. Financial statements

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

**C. BRIEFING ITEMS**

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

**2. Administrator's report**

- a. Custodial bank/consultants update
- b. Investment managers update
- c. Professional services providers update
- d. 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

**3. Board operations and procedures**

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, March 13, 2008**  
**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, Pauline Medrano, David A. Neumann, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: Dwaine R. Caraway and Vonciel Jones Hill

**Staff**

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

**Others**

Rosalind M. Hewsenian, Henrik Strabo, Keith Flynn, Nancy McNally, Dr. William B. Breuggeman, G. Andrews Smith, Christine Mullis, Arthur Hollingsworth, Keith Camp, Will Walters, Jennifer Alpin, Gary Lawson, and Phil Rivers (via telephone)

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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**

- a. Quarterly meeting of February 12, 2008
- b. Actuarial Funding Committee meeting of February 14, 2008
- c. Regular meeting of February 14, 2008
- d. Special meeting of February 21, 2008

**Regular Board Meeting  
Thursday, March 13, 2008**

**2. Approval of Refunds of Contributions for the Month of February 2008**

<b>Refund of Combined Pension Plan, Section 6.02 Group B Contributions</b>
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<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Kenneth W. Long	Fire	January 25, 2008
Agustin Andrade	Police	February 22, 2008
Andrew S. Lynch	Police	February 22, 2008

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2008**

**New DROP Participants**

Byron G. Bointy	Fire
Daniel W. Carter	Fire
David A. Dunnahoo	Fire
Bernard Pipkins	Fire
Brett H. Binford	Police
Mark E. Ford	Police
Elizabeth A. Gates	Police
Reed D. Maynard	Police
Will J. Mixon	Police
Brenda S. Nichols	Police
Kimberly Palmolea	Police
John R. Pike	Police
Dan W. Runnels	Police
Stacy L. Ward	Police
Jimmy G. Willhoite	Police

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

Robert Simmons	Fire
Raymond Beaudreault	Police
Artie C. Christian	Police
Dale V. Erves	Police

**Regular Board Meeting  
Thursday, March 13, 2008**

**4. Approval of Estate Settlements**

<b>(P) or Survivor (S)</b>				
Doris Douglas (S)	Fire	February 13, 2008	Don K. Douglas	

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

Bobby R. Cunningham	Fire	Feb. 1, 2008	Geneva L. Cunningham	Yes
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**6. Approval of Service Retirements**

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Carl M. Rhoades	Police	Mar. 5, 2008
Thomas A. Ward	Police	Mar. 5, 2008

**7. Approval of Alternate Payee Benefits**

Alternate Payee	Member	Dept.
Valerie C. Gage	Curtis L. Gage	Police

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

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**Regular Board Meeting  
Thursday, March 13, 2008**

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

**1. Clay Finlay Inc.**

- a. Organizational update
- b. Status of existing portfolio and plans for future activities with regard to that portfolio

Rosalind M. Hewsenian, Chief Executive Officer, Henrik Strabo, Chief Investment Officer, Keith Flynn, Vice President, Sales and Client Service, and Nancy McNally, Principal, Sales and Consultant Relations, were present from Clay Finlay to update the Board on the System's international equity account. The Clay Finlay team discussed an organizational update and the status of the existing portfolio and plans for future activities with regard to that portfolio.

Clay Finlay, one of the System's international equity investment managers, has acted as an advisor to the System since April 2002. The annualized net return since inception is 14.5%.

After discussion, Mr. Edge made a motion to receive and file the Clay Finlay Inc. reports. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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**2. Economic update by William B. Brueggeman, Ph.D, Real Estate Department Chair, Cox School of Business, Southern Methodist University, and L&B Realty Advisors**

William B. Brueggeman, Ph.D., reviewed and discussed the current economic environment facing our capital markets in 2008. Dr. Brueggeman is a Consulting Director, Research, for L&B Realty Advisors, one of the System's real estate investment advisors. Dr. Brueggeman is responsible for strategic research for capital markets and property sectors at L&B Realty Advisors. He is also the Clara and Leo F. Corrigan Chair in Real Estate at Southern Methodist University.

Andy Smith and Christine Mullis, of L&B Realty Advisors, also were present.

After discussion, Mr. Edge made a motion to receive and file the economic update by William B. Brueggeman, Ph.D. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting  
Thursday, March 13, 2008**

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**3. Possible investment in Lone Star CRA Fund**

- a. Review of North Texas Opportunity Fund and Lone Star Growth Capital
- b. Possible investment in Lone Star CRA Fund

Arthur Hollingsworth, Managing Partner, and the investment team consisting of Keith Camp, Will Walters, and Jennifer Alpin, reviewed the North Texas Opportunity Fund and Lone Star Growth Capital.

The meeting was recessed at 11:32 a.m.

The meeting was reconvened at 12:10 p.m.

Arthur Hollingsworth and the investment team discussed a possible new private equity investment in the Lone Star CRA Fund.

After discussion, Mr. Wachsman made a motion to authorize the Administrator to negotiate a \$50 million capital commitment to the new private equity investment known as the Lone Star CRA Fund and subject to recommendation of the Administrator and legal counsel, the Chairman to execute all necessary documents and thereafter, the Administrator to carry out all necessary operations and manage administrative details. The expected capital outlay for this proposed investment is estimated to be \$15,000,000. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**4. First reading of proposed revised Strategic Investment Policy**

Mr. Blake, Assistant Administrator – Investments, stated that the Strategic Investment Policy was last amended on March 8, 2007. As discussed recently with the Board and the consultant, certain changes are being proposed for a revised Strategic Investment Policy. The proposed changes to the policy are as follows:

	<b>Current Policy</b>	<b>Proposed Policy</b>
Domestic Equity*	32.0%	20.0%
Portable Alpha	n/a	10.0%
International Equity	16.0%	0.0%
Global Equity	5.0%	20.0%
Global Bonds	7.0%	5.0%
Global Opportunistic	15.0%	15.0%
GAA-Global Asset Allocation	5.0%	10.0%
Real Estate	20.0%	20.0%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>



**Regular Board Meeting  
Thursday, March 13, 2008**

**4. First reading of proposed revised Strategic Investment Policy (continued)**

- \* The proposed Domestic Equity target includes a 15% allocation to private equity and a 5% allocation to US Small Cap stocks.

After discussion, Mr. Wachsman made a motion to approve the first reading of the proposed revised Strategic Investment Policy. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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

- a. Police Officer and Firefighter pay lawsuits
- b. Citrus Queensland PTY LTD & ORD v. Sunstate Orchards PTY LT

Legal counsel reported on current legal issues.

Everard Davenport, General Counsel, briefly described litigation filed in Pima County, Arizona, regarding zoning on TDB Tucson.

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

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**6. Pension-related issues for possible legislative consideration**

- a. Pending legislation
- b. Reports from legislative consultants

The Board and staff discussed pending legislation and reports from the System's legislative consultants. Phil Rivers, of Locke Lord Bissell & Liddell LLP, participated in the discussion via teleconferencing.

After discussion, Mr. Wachsman 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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**Regular Board Meeting  
Thursday, March 13, 2008**

**7. Actuarial mortality assumption**

Mr. Rohan, Assistant Administrator – Operations, stated that at the October 2007 Board workshop, Rich Mackesey, the System’s actuarial consultant, presented an analysis of the System’s actuarial assumptions as previously approved by the Board and recommended the Board consider a change to the mortality assumption.

In reviewing the actuarial assumptions at that meeting, Mr. Mackesey stated that the mortality assumption was last changed in December 2001. He noted that recent experience showed that the number of actual deaths (441) equaled the number of expected deaths for the five-year period January 2002 through December 2006. Mr. Mackesey further noted that it is desirable that there be some margin in the number of expected deaths over the number of actual. The Board then directed Mr. Mackesey to further review the assumptions and report back to the Board at a later date.

Mr. Mackesey again discussed the mortality assumption at the February 14, 2008, meeting of the Actuarial Funding Committee and recommended that the Board adopt a change to provide a one-year set-back in the mortality assumption used for the actuarial valuation. In valuing the System with a one-year set-back, the actuary assumes each Member is one year younger than his/her actual age. For example, a 50 year old is viewed as age 49. This is a conservative measure to anticipate future mortality improvements by adding additional life expectancy for each Member. Mr. Mackesey estimates that the change would add approximately three years to the System’s funding period. The Actuarial Funding Committee made the recommendation that the Board adopt the change to the mortality assumption recommended by Mr. Mackesey.

After discussion, Mr. Umlor made a motion to approve a change to the mortality assumptions adopted by the Board for actuarial valuation to provide a one-year set-back from the actual ages of Members. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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**8. 2006 audit report**

Mr. Taylor, Chief Financial Officer, provided an update on the status of the 2006 audit report.

After discussion, Mr. Umlor made a motion to receive and file the status report on the 2006 audit report. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting  
Thursday, March 13, 2008**

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**9. Investment and financial reports**

- a. Group Trust's monthly asset allocation report and recommendations for rebalancing the Group Trust's investment portfolio
- b. Group Trust's monthly unitization report
- c. Unaudited draft monthly investment performance (Flash) report
- d. Financial statements

Staff discussed the above reports with the Board.

The Asset Allocation Monitoring Reports and the Real Estate Portfolio Reports for March 2008 are included in Minute Book Number 37 on pages \_\_\_\_\_.

Staff stated that all of the assets classes are within their respective asset allocation ranges.

There are pending real estate investments for March 2008 totaling \$34,900,000. To fund these pending investments, staff recommends withdrawing \$10,000,000 from Loomis Sayles. The remaining funds will come from the Bank of America line of credit.

After discussion, Mr. Umlor made a motion to approve the March 2008 monthly asset allocation report and approve the staff recommendations. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to receive and file the Group Trust monthly unitization report. Mr. Edge seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Shaw made a motion to receive and file the unaudited draft monthly investment performance (Flash) report. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to receive and file the monthly financial statements. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting**  
**March 13, 2008**  
**DALLAS POLICE & FIRE GROUP TRUST**

As of March 11, 2008  
**ASSET ALLOCATION**

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
<b>EQUITY</b>									
<b>US Large Cap</b>									
S & P Enhanced Index	INTECH	113.53	3.50%	114.36	3.53%	2.50	4.50		0.83
S & P Enhanced Index	T Rowe Price	113.53	3.50%	122.04	3.76%	2.50	4.50		8.51
Large Cap Growth	INTECH	64.87	2.00%	61.87	1.91%	1.50	2.50		(3.00)
Large Cap Growth	T Rowe Price	64.87	2.00%	60.03	1.85%	1.50	2.50		(4.84)
Large Cap Value	AllianceBernstein	97.31	3.00%	96.49	2.97%	2.00	4.00		(0.82)
Energy	Mitchell Group	48.66	1.50%	52.95	1.63%	0.00	2.00		4.29
Energy	Orleans Capital	48.66	1.50%	48.52	1.50%	0.00	2.00		(0.14)
<b>Total US Large Cap</b>		<b>551.43</b>	<b>17.00%</b>	<b>556.26</b>	<b>17.15%</b>				<b>4.83</b>
<b>US Small Cap</b>									
<b>Total US Small Cap</b>		<b>162.18</b>	<b>5.00%</b>	<b>146.13</b>	<b>4.51%</b>	<b>4.00</b>	<b>6.00</b>		<b>(16.05)</b>
<b>Private Equity</b>									
	NTOF	0.00	Committed	4.75	0.15%	0.00	0.00		0.00
	Huff Alternative Fund	100.00	Committed	97.52	3.01%	0.00	0.00		0.00
	Merit Energy	55.00	Committed	15.74	0.49%	0.00	0.00		0.00
	Levine Leichtman Capital Partners	75.00	Committed	44.22	1.36%	0.00	0.00		0.00
	Huff Energy Fund LP	100.00	Committed	28.60	0.88%	0.00	0.00		0.00
	Lone Star Growth Capital	16.00	Committed	12.20	0.38%	0.00	0.00		0.00
	JPMorgan Infrastructure	20.00	Committed	20.00	0.62%	0.00	0.00		0.00
	RREEF Infrastructure	50.00	Committed	50.85	1.57%	0.00	0.00		0.00
	Pharos	30.00	Committed	24.85	0.77%	0.00	0.00		0.00
	BankCap Partners	20.00	Committed	7.62	0.23%	0.00	0.00		0.00
<b>Total Private Equity</b>		<b>324.37</b>	<b>10.00%</b>	<b>306.35</b>	<b>9.44%</b>	<b>8.00</b>	<b>12.00</b>		<b>(18.02)</b>
<b>Total Domestic Equity</b>		<b>1037.98</b>	<b>32.00%</b>	<b>1,008.74</b>	<b>31.10%</b>				
<b>International Equity</b>									
Active Large Cap	Bank of Ireland	129.75	4.00%	117.25	3.61%	3.00	5.00		(12.50)
Active ACWI x US	Clay Finlay	129.75	4.00%	128.41	3.96%	3.00	5.00		(1.34)
Active Enhanced EAFE	Pyramis (Fidelity)	259.50	8.00%	235.75	7.27%	6.00	10.00		(23.75)
<b>Total International Equity</b>		<b>518.99</b>	<b>16.00%</b>	<b>481.41</b>	<b>14.84%</b>				<b>(37.58)</b>
<b>Global Equity</b>									
<b>Total Global Equity</b>		<b>162.18</b>	<b>5.00%</b>	<b>136.87</b>	<b>4.22%</b>	<b>1.50</b>	<b>3.50</b>		<b>(25.31)</b>
<b>Total Equity</b>		<b>1719.16</b>	<b>53.00%</b>	<b>1627.02</b>	<b>50.16%</b>				<b>(92.14)</b>
<b>FIXED INCOME</b>									
<b>Global Aggregate Bonds</b>									
<b>Total Aggregate Global Bonds</b>		<b>227.06</b>	<b>7.00%</b>	<b>232.72</b>	<b>7.17%</b>				<b>5.66</b>
<b>Global Opportunistic FI</b>									
Global Opportunistic Funds	Huff Alternative Income	0.00	0.00%	0.13	0.00%	0.00	0.00		0.00
	Oaktree	32.44	1.00%	57.74	1.78%	1.00	3.00		25.30
	W.R. Huff High Yield	97.31	3.00%	91.68	2.83%	2.00	4.00		(5.63)
	Ashmore	64.87	2.00%	75.36	2.32%	1.00	3.00		10.49
	Ashmore GSSF 4	0.00	0.00%	14.00	0.43%	0.00	0.00		0.00
	Highland Crusader Fund	97.31	3.00%	73.54	2.27%	2.00	4.00		(23.77)
	Highland Credit Opportunities CDO, L.P	32.44	1.00%	30.93	0.95%	0.00	2.00		(1.51)
GOFI Separate Account	Loomis Sayles	162.18	5.00%	173.42	5.35%	4.00	6.00		11.24
<b>Total Global Opportunistic FI</b>		<b>486.55</b>	<b>15.00%</b>	<b>516.80</b>	<b>15.93%</b>				<b>30.25</b>
<b>Total Fixed Income</b>		<b>713.61</b>	<b>22.00%</b>	<b>749.52</b>	<b>23.11%</b>				<b>35.91</b>
<b>GAA</b>									
<b>Total GAA</b>		<b>162.18</b>	<b>5.00%</b>	<b>150.36</b>	<b>4.64%</b>	<b>1.00</b>	<b>2.40</b>		<b>(11.82)</b>
<b>REAL ESTATE</b>									
<b>Total Real Estate</b>		<b>648.74</b>	<b>20.00%</b>	<b>688.70</b>	<b>21.23%</b>	<b>17.00</b>	<b>22.00</b>		<b>39.96</b>
<b>SHORT TERM INVESTMENTS</b>									
<b>Total Assets</b>		<b>3,243.69</b>	<b>100.00%</b>	<b>3,243.69</b>	<b>100.00%</b>				<b>0.00</b>

Regular Board Meeting  
March 13, 2008  
Dallas Police & Fire Group Trust

**ASSET ALLOCATION AS OF 03/11/2008**

**Real Estate Portfolio**

Real Estate Manager	Total Market Value	Loan Program	Net Equity	Percentage of Real Estate Assets
<b>Separate Account Managers</b>				
Hancock Agricultural	60,405,358	0	60,405,358	8.77%
Forest Investment Associates	42,930,358	0	42,930,358	6.23%
RMK Timberland Group	36,047,331	0	36,047,331	5.23%
INVESCO	50,001,737	27,054,500	22,947,237	3.33%
Kennedy Associates	31,278,769	0	31,278,769	4.54%
L & B Real Estate Advisors LLP	100,987,461	32,420,000	68,567,461	9.96%
Capmark Investments (GMAC)	85,020,815	31,526,000	53,494,815	7.77%
Land Baron	106,632,491	94,656,987	11,975,504	1.74%
Criswell Radovan	54,453,736	18,000,000	36,453,736	5.29%
RREEF	35,136,776	0	35,136,776	5.10%
CDK Realty Advisors	338,576,266	106,179,513	232,396,753	33.74%
Kundson Luxury Housing	32,000,103	28,800,000	3,200,103	0.46%
<b>Subtotal</b>	<b>973,471,202</b>	<b>338,637,000</b>	<b>634,834,202</b>	<b>92.18%</b>
<b>Opportunistic Partnerships</b>				
Hearthstone (MSIII Homebuilding)	743,626	0	743,626	0.11%
Crow Holdings Realty Partners II	205,025	0	205,025	0.03%
Oaktree Capital Management (OCM Fund B)	4,283,540	0	4,283,540	0.62%
Olympus Real Estate Fund II & III	4,896,522	0	4,896,522	0.71%
Hudson Advisors ( Lone Star I, II, III,IV,V)	43,741,475	0	43,741,475	6.35%
<b>Subtotal</b>	<b>53,870,188</b>	<b>0</b>	<b>53,870,188</b>	<b>7.82%</b>
<b>Total Real Estate</b>	<b>1,027,341,390</b>	<b>338,637,000</b>	<b>688,704,390</b>	<b>100.00%</b>

**Total Real Estate with Loan Program (net)**

**\$688,704,390**

**Total Fund Market Value**

**\$3,243,710,000**

\$

%

**Target Value (\$ and % )**

**\$648,742,000**

**20.00%**

**Market Value (\$ and %)**

**\$688,704,390**

**21.23%**

**Variance from Target**

**\$39,962,390**

**1.23%**

**Regular Board Meeting  
Thursday, March 13, 2008**

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

- a. Conference: House Committee on Pension & Investments Hearing**  
**Dates: January 15, 2008**

Messrs. Brown and Shaw reported on the hearing. Mr. Tettamant also attended the hearing, but was not present at the Board meeting today.

- b. Conference: Napa Executive Board Meeting**  
**Dates: February 20, 2008**

Messrs. Brown and Shaw briefed the Board on the meeting. Mr. Tettamant also attended the meeting.

- c. Conference: Due Diligence: Knudson Companies**  
**Dates: February 27 -29, 2008**

Messrs. Brown, McCollum, Shaw, Umlor, Wachsman, Blake, Taylor, and Ellass reported on the Knudson due diligence. Mr. Tettamant also attended the due diligence.

- d. Conference: Due Diligence: L&B Realty Advisors**  
**Dates: February 28, 2008**

Messrs. Brown, McCollum, Shaw, Umlor, Wachsman, Blake, Taylor, and Ellass reported on the L&B due diligence. Mr. Tettamant also attended the due diligence.

- e. Conference: Due Diligence: CDK Realty Advisors & Hancock Ag. Investment Group**  
**Dates: February 29 - March 8, 2008**

Messrs. Brown, McCollum, Shaw, Umlor, Wachsman, and Taylor briefed the Board on the CDK and Hancock due diligences. Mr. Tettamant also attended the due diligences.

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

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**Regular Board Meeting  
Thursday, March 13, 2008**

**C. BRIEFING ITEMS**

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

No members or pensioners were present to discuss concerns. No motion was made.

\* \* \* \* \*

**2. Administrator's report**

- a. Custodial bank/consultants update
- b. Investment managers update
- c. Professional services providers update
- d. 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. Rohan briefed 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. Tomasovic seconded the motion, which was unanimously approved by the Board.

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**3. Board operations and procedures**

Staff briefed the Board on a business continuity issue regarding a Board quorum. The Board directed the staff to prepare a plan for discussion at the April regular Board meeting.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
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The Assistant Administrator Operations stated that there was no further business to come before the Board. On a motion by Mr. Wachsman and a second by Mr. Tomasovic, the meeting was adjourned at 2:09 p.m.

*[Signature]*

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Gerald Brown  
Chairman

**ATTEST:**

*[Signature]*

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Richard L. Tettamant  
Secretary