

AGENDA



Date: November 6, 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, November 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. Actuarial Funding Committee of October 9, 2008
- b. Regular meeting of October 9, 2008
- c. Special meeting of October 23, 2008

2. Approval of Refunds of Contributions for the Month of October 2008

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

4. Approval of Estate Settlements

Deceased (Member (M), Pensioner (P) or Survivor (S))	Dept.	Date Of Death	Estate Payment To
Laura L. Bone (S)	Fire	October 3, 2008	Donna K. Cooper
Judy S. Russell (S)	Fire	May 4, 2008	Jef C. Russell, III

5. Approval of Survivor Benefits - Deceased Retirees

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment
J. W. English	Fire	Sept. 15, 2008	Edna C. English	Yes
Charles H. Haas	Fire	Oct. 15, 2008	Mildred M. Haas	Yes
James A. Minnis	Fire	Sept. 2, 2008	Mary W. Minnis	Yes
Billy L. Bass	Police	Oct. 24, 2008	Dorothy E. Bass	Yes
John C. Day	Police	Oct. 16, 2008	Ruth E. Day	Yes

6. Approval of Service Retirements

Member	Dept.	Effective
Ervin C. Jackson	Fire	November 12, 2008
Willie Braggs, Jr.	Police	October 29, 2008
Oscar L. Cantu	Police	November 12, 2008
Ricky J. Gaddis	Police	November 12, 2008
Michael B. McGee	Police	October 29, 2008
Donald R. O'Donnel	Police	October 1, 2008
Dean A. Sorenson	Police	October 23, 2008
David M. Thomas	Police	October 15, 2008
Minh Q. Tran	Police	July 18, 2008

7. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.
Jennifer A. Freeman	Gary R. Freeman	Fire
Gary R. Freeman	Jennifer A. Freeman	Fire
Deana M. Wright	Andrew D. Wright	Fire
Roberta King	Jerry W. King	Police
Donna Rippenkroeger	Brian D. Rippenkroeger	Police

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. AllianceBernstein Institutional Investments

- a. Organizational update
- b. Richards & Tierney Index portfolio review
- c. Global Strategic Value portfolio review

2. North Texas Opportunity Fund LP

- a. Organizational update
- b. Status of existing portfolio and plans for future activities with regard to that portfolio
- c. Possible new investment in Irving Holdings dba Yellow Checker Cab company

3. Lone Star Growth Capital LP

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

4. Lone Star CRA Fund LP

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

5. Closed Session - Board serving as Medical Committee

Discussion of the following disability recalls will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

- a. Greg V. Kirkpatrick, retired Firefighter
- b. Flynn O. Coon, retired Police Officer

6. GMO Multi-Strategy Fund. L.P.

- a. Amendment to GMO Multi-Strategy Fund Limited Partnership Agreement with regard to redemptions
- b. Quarterly report from GMO for the period ending September 30, 2008

7. 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

8. Legal issues

Portions of the discussion under these topics may be closed to the public under the terms of Section 551.071 of the Texas Government Code:

- a. Police Officer and Firefighter pay lawsuits
- b. Pension-related legal issues
 - 1) IRS audit program and determination letters
 - 2) Attorney General Opinion No. GA-0668 regarding notice requirements under the Texas Open Meetings Act, Chapter 551, Government Code

9. Pension-related legislative issues

- a. Hillco Partners Client Advisory on state and local legislative issues
- b. Locke Lord Bissell & Liddell LLP – advisory on federal and state legislative issues and possible post-election legislative session

10. Second reading of the 2009 Administrative and Professional Services Budgets

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

- NCPERS: Public Safety Conference
- Napa Executive Board Meeting
- Board and Staff Workshop
- Invesco Real Estate Client Conference
- Hart: Energy Solutions

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. Investment managers' reports

- Ashmore Group (Emerging Markets Debt Fund, September 30, 2008)
- Ashmore Investment Management Limited (Quarterly Fund Update, September 30, 2008)
- Brandywine Global Investment Management (Third Quarter 2008)
- Bridgewater Associates Inc. (All Weather 12% Trading, Ltd. Exposure Report September 30, 2008)
- Bridgewater Associates Inc. (All Weather 12% Trading, Ltd. Monthly Update September 30, 2008)
- Bridgewater Associates Inc. (All Weather 12% Trading, Ltd. Third Quarter Report October 2008)
- Capmark Riata Property Investors, LLC (Quarterly Report Second Quarter 2008)
- Capmark Select Apartment Properties, LLC (Quarterly Report Second Quarter 2008)
- Forest Investment Associates (Third Quarter 2008)
- GMO (Investment Management Review, September 30, 2008)
- Hancock Agricultural Investment Group (Farmland Investor Special Report Fall 2008)
- Hancock Agricultural Investment Group (TMPC Third Quarter Report September 30, 2008)
- Hancock Agricultural Investment Group (TMPC Australia Third Quarter 2008)
- INTECH Enhanced (Third Quarter Review 2008)
- INTECH Large Cap Growth (Third Quarter Review 2008)
- JP Morgan Infrastructure Investments Fund (Second Quarter 2008 Snapshot and Second Quarter 2008 Report)
- Loomis Sayles (Third Quarter September 30, 2008)
- Merit Energy Company (Fall 2008 Update Letter)
- Napa County Landmarks, Inc. (Aetna Spring Resort 2008)

2. Administrator's report (continued)

a. Investment managers' reports (continued)

- Oaktree Capital Management L.P. (The Limits to Negativism October 15, 2008)
- RREEF Alternative Investments (Market Watch October 13, 2008)
- RREEF Research (Estimating the Size of the Global Infrastructure Market October 2008)
- RREEF Research (Infrastructure Funds: The Role of Energy Assets)
- Timberland (Third Quarter)
- T. Rowe Price Associates (Large-Cap Growth Investment Flash Report September 30, 2008)
- T. Rowe Price Associates (Large-Cap Growth Investment Report ended August 31, 2008)
- T. Rowe Price Associates (Structured Research Investment Report ended August 31, 2008)

b. Associations' newsletters

- TEXPERS Outlook (October 2008)

c. List of future continuing education and investment research programs and conferences

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, November 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, Steven G. Shaw, George Tomasovic, and Steven H. Umlor

Absent: Jerry R. Allen, Dwaine R. Caraway, Pauline Medrano, David A. Neumann, and Richard H. Wachsman

Staff

Richard Tettamant, Don Rohan, Brian Blake, Everard Davenport, Mike Taylor, Pat McGennis, John Holt, Jerry Chandler, Talal Ellass, Larry Landfried, Greg Irlbeck, Christina Wu, and Linda Rickley

Others

Gus Fields, Josh Mond, Steve Malin, Judith A. DeVivo, James Thyne, Arthur Hollingsworth, Keith Camp, Will Walters, Adrian Ocegueda, Brian Grabowsky, W. B. Wilson, and Wayne Antrobus

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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.** Actuarial Funding Committee of October 9, 2008
- b.** Regular meeting of October 9, 2008
- c.** Special meeting of October 23, 2008

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

2. Approval of Refunds of Contributions for the Month of October 2008

Refund of Combined Pension Plan, Section 6.02 Group B Contributions
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<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Clyde B. Sherpell	Fire	October 17, 2008
Michael S. Taylor	Fire	October 17, 2008
Joel Dechoudens	Police	October 31, 2008
Kevin J. Hill	Police	October 17, 2008
James T. Huggins	Police	October 3, 2008
Jerry W. Rider	Police	September 26, 2008

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

New DROP Participants

Gregory A. Griffin	Fire
Ralph S. Mills, Jr.	Fire
Lance R. Roberts	Fire
Charles S. Swaner	Fire
David O. Brown	Police
Thomas L. Glover	Police
William C. Humphrey	Police
Wesley R. Johnson	Police
Timothy P. Lennington	Police
Eric J. Rathjen	Police
Ann T. Robinson	Police

4. Approval of Estate Settlement

<i>Member (M), Pensioner (P) or Survivor (S)</i>	Dept.	Date Of Death	To
Laura L. Bone (S)	Fire	October 3, 2008	Donna K. Cooper
Judy S. Russell (S)	Fire	May 4, 2008	Jef C. Russell, III

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

5. Approval of Survivor Benefits - Deceased Retirees

				Estate Payment
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Gary R. Freeman	Jennifer A. Freeman	Fire
Deana M. Wright	Andrew D. Wright	Fire
Roberta King	Jerry W. King	Police
Donna Rippenkroeger	Brian D. Rippenkroeger	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, November 13, 2008**

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. AllianceBernstein Institutional Investments

- a. Organizational update
- b. Richards & Tierney Index portfolio review
- c. Global Strategic Value portfolio review

Steve Malin, Ph.D., Senior Portfolio Manager – Global Value Equities, Judith A. DeVivo, Senior Vice President and Senior Portfolio Manager – Blend Securities, and James Thyne, Director, Western U.S., were present from AllianceBernstein Institutional Investments to discuss an organizational update and portfolio review. The portfolio review covered two equity portfolios managed by AllianceBernstein, the Richards and Tierney Index portfolio, and the Global Strategic Value Portfolio.

The Richards and Tierney Index portfolio is a passively managed diversified domestic value portfolio. As of October 31, 2008, the current market value for the Richards and Tierney Index portfolio was approximately \$47.1 million. The Global Strategic Value portfolio is an actively managed global equity portfolio. As of October 31, 2008, the current market value for the Global Strategic Value portfolio was approximately \$35.4 million.

After discussion, Mr. McCollum made a motion to receive and file the reports by AllianceBernstein Institutional Investments. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:43 a.m.

The meeting was reconvened at 9:50 a.m.

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2. North Texas Opportunity Fund

- a. Organizational update
- b. Status of existing portfolio and plans for future activities with regard to that portfolio
- c. Possible new investment in Irving Holdings

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

2. North Texas Opportunity Fund (continued)

Arthur Hollingsworth, Managing Director, and Keith Camp, Vice President, from the North Texas Opportunity Fund LP (NTOF), were present to discuss an organizational update, the status of the existing portfolio and plans for future activities with regard to the portfolio. In addition, the NTOF team discussed a possible new investment in Irving Holdings.

North Texas Opportunity Fund LP is one of the System's private equity investments and the current market value is approximately \$4.04 million.

After discussion, Mr. Edge made a motion to receive and file the reports on the North Texas Opportunity Fund. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. McCollum made a motion to direct the staff to pursue the proposed investment in Irving Holdings and bring sufficient information to the Board's January meeting so that a decision could be made. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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3. Lone Star Growth Capital LP

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

Messrs. Hollingsworth and Camp, Mr. Will Walters, Senior Associate, and Mr. Adrian Ocegueda, Associate, from Lone Star Growth Capital LP, discussed an organizational update and the status of the existing portfolio and plans for future activities with regard to the portfolio.

Lone Star Growth Capital LP is one of the System's private equity investments. The System has a \$16 million capital commitment to the fund and the System has funded \$12.8 million of the total capital commitment to date.

After discussion, Mr. Edge made a motion to receive and file the Lone Star Growth Capital LP organizational update and portfolio review. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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Regular Board Meeting
Thursday, November 13, 2008

4. Lone Star CRA Fund LP

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

Messrs. Hollingsworth, Camp, Walters, and Ocegueda, from Lone Star CRA Fund LP, discussed an organizational update and the status of the existing portfolio and plans for future activities with regard to the portfolio.

Lone Star CRA Fund LP is one of the System's private equity investments. The System has a \$50 million capital commitment to the fund and the System has funded \$15 million of the total capital commitment to date.

After discussion, Mr. Edge made a motion to receive and file the Lone Star CRA Fund LP organizational update and portfolio review. Mr. Shaw seconded the motion, which was unanimously approved by the Board

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5. Closed Session - Board serving as Medical Committee

Discussion of the following disability recalls was closed to the public under the terms of Section 551.078 of the Texas Government Code at 9:22 a.m.:

- a. Greg V. Kirkpatrick, retired Firefighter
- b. Flynn O. Coon, retired Police Officer

The meeting was reopened at 9:24 a.m.

After discussion, Mr. Edge made a motion to grant continuance of Gregory V. Kirkpatrick'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. Kirkpatrick to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Kirkpatrick is able to return to duty or two years, whichever is sooner. Mr. Kirkpatrick is subject to the Annual Earnings Test Review, as he was hired and suffered a disability after May 1, 1990. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Edge made a motion to grant continuance of Flynn Coon'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. Coon to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Coon is

Regular Board Meeting
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5. Closed Session - Board serving as Medical Committee (continued)

able to return to duty, or two years, whichever is sooner. Mr. Coon is subject to the Annual Earnings Test Review, as he was hired and suffered a disability after May 1, 1990. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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6. GMO Multi-Strategy Fund

- a. Amendment to GMO Multi-Strategy Fund Limited Partnership Agreement with regard to redemptions
- b. Quarterly report from GMO for the period ending September 30, 2008

Mr. Tettamant stated that GMO informed Pension System staff that they have not yet encountered an increase in redemptions, but that changing market conditions make them more likely. They will extend the waiting period for redemptions from five to 14 business days and have proposed modifying the contract to permit a pass-through to the redeeming party of any redemption fees assessed by entities in which the funds are invested. The changes on redemptions, designed to protect long term investors such as the System, are to take place on November 30, 2008.

GMO is one the of the System's Global Asset Allocation investment managers. As of September 30, 2008, the current market value of the account was approximately \$48.6 million. The System's latest quarterly report from GMO for the period ending September 30, 2008 was provided.

After discussion, Mr. McCollum made a motion to approve the proposed amendment to the GMO Multi-Strategy Fund Limited Partnership Agreement with regard to redemptions and related pass-through costs and receive and file the quarterly report from GMO for the period ending September 30, 2008. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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7. 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

Regular Board Meeting
Thursday, November 13, 2008

7. Investment and financial reports (continued)

The Asset Allocation Monitoring Reports and the Real Estate Portfolio Reports for November 2008 are included in Minute Book Number 39 on pages _____.

Staff discussed the above reports with the Board and reported the following:

There is a need for \$10,000,000.00 to fund Highland Credit Opportunities, and \$5,000,000.00 to fund cash flow. Staff recommends withdrawing \$15,000,000.00 from Mondrian Investment Partners.

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

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

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

After discussion, Mr. Edge made a motion to receive and file the monthly financial statements for the period ending September 30, 2008. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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8. Legal issues

Portions of the discussion under these topics may be closed to the public under the terms of Section 551.071 of the Texas Government Code:

- a. Police Officer and Firefighter pay lawsuits
- b. Pension-related legal issues
 - 1) IRS audit program and determination letters
 - 2) Attorney General Opinion No. GA-0668 regarding notice requirements under the Texas Open Meetings Act, Chapter 551, Government Code

Legal counsel stated that there was nothing new to report regarding the pay lawsuits.

The Board went into a closed executive session – legal at 11:28 a.m.

DALLAS POLICE & FIRE GROUP TRUST

As of November 11, 2008

ASSET ALLOCATION

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
Public Markets									
US Large Cap									
	S & P Enhanced Index	INTECH	0.00	0.00%	44.15	1.56%	0.00	0.00	44.15
	S & P Enhanced Index	T Rowe Price	0.00	0.00%	43.67	1.55%	0.00	0.00	43.67
	Large Cap Growth	INTECH	0.00	0.00%	36.11	1.28%	0.00	0.00	36.11
	Large Cap Growth	T Rowe Price	0.00	0.00%	36.02	1.28%	0.00	0.00	36.02
	Large Cap Value	AllianceBernstein	0.00	0.00%	44.18	1.56%	0.00	0.00	44.18
	Total US Large Cap		0.00	0.00%	204.13	7.23%			204.13
US Small Cap									
	Total US Small Cap	Eagle Asset Management	141.21	5.00%	106.91	3.79%	4.00	6.00	(34.30)
			141.21	5.00%	106.91	3.79%	4.00	6.00	(34.30)
International Equity									
	Active Large Cap	Bank of Ireland	0.00	0.00%	0.43	0.02%	0.00	0.00	0.43
	Active ACWI x US	Clay Finlay	0.00	0.00%	76.37	2.70%	0.00	0.00	76.37
	Active Enhanced EAFE	Pyramis (Fidelity)	0.00	0.00%	170.77	6.05%	0.00	0.00	170.77
	Total International Equity		0.00	0.00%	247.57	8.77%			247.57
Global Aggregate Bonds									
	Total Aggregate Global Bonds	Mondrian Investment Partners	70.60	2.50%	85.28	3.02%	2.00	3.00	14.68
		Brandywine	70.60	2.50%	73.27	2.59%	2.00	3.00	2.67
			141.21	5.00%	158.55	5.61%			17.34
Portable Alpha									
	Total Portable Alpha	Manager 1	84.72	3.00%	0.00	0.00%	2.50	3.50	(84.72)
		Manager 2	84.72	3.00%	0.00	0.00%	2.50	3.50	(84.72)
		Manager 3	112.97	4.00%	0.00	0.00%	3.20	4.80	(112.97)
			282.41	10.00%	0.00	0.00%			(282.41)
Global Equity									
	Total Global Equity	AllianceBernstein	112.97	4.00%	34.91	1.24%	3.00	5.00	(78.06)
		OFI	112.97	4.00%	47.69	1.69%	3.00	5.00	(65.28)
		Manager 1	112.97	4.00%	0.00	0.00%	3.00	5.00	(112.97)
		Manager 2	84.72	3.00%	0.00	0.00%	2.00	4.00	(84.72)
	Energy	Orleans Capital	36.71	1.30%	27.91	0.99%	1.10	1.60	(8.80)
	Energy	Mitchell Group	36.71	1.30%	37.52	1.33%	1.10	1.60	0.81
	Sustainable	SAM	33.89	1.20%	25.00	0.89%	1.00	1.50	(8.89)
	Sustainable	RCM	33.89	1.20%	25.00	0.89%	1.00	1.50	(8.89)
			225.93	20.00%	198.03	7.01%			(366.80)
Global Opportunistic FI									
	Total Global Opportunistic FI	W.R. Huff High Yield	84.72	3.00%	74.90	2.65%	2.00	4.00	(9.82)
	GOFI Separate Account	Loomis Sayles	141.21	5.00%	120.48	4.27%	4.00	6.00	(20.73)
			225.93	8.00%	195.38	6.92%			(30.55)
GAA									
	Total GAA	Bridgewater	96.02	3.40%	51.05	1.81%	2.40	4.40	(44.97)
		Mellon	93.20	3.30%	36.05	1.28%	2.30	4.30	(57.15)
		GMO	93.20	3.30%	48.60	1.72%	2.30	4.30	(44.60)
			282.41	10.00%	135.70	4.81%			(146.71)
REIT									
	Total REIT	RREFF	56.48	2.00%	20.44	0.72%	1.00	3.00	(36.04)
			56.48	2.00%	20.44	0.72%			(36.04)
	Total Public Markets		1694.48	60.00%	1266.71	44.85%			(427.77)
Private Markets									
Private Equity									
	Total Private Equity	NTOF	0.00	Committed	4.05	0.14%	0.00	0.00	0.00
		Huff Alternative Fund	100.00	Committed	89.09	3.15%	0.00	0.00	0.00
		Merit Energy	55.00	Committed	16.87	0.60%	0.00	0.00	0.00
		Levine Leichtman Capital Partners	75.00	Committed	46.40	1.64%	0.00	0.00	0.00
		Levine Leichtman Capital Partners IV	50.00	Committed	3.06	0.11%	0.00	0.00	0.00
		Huff Energy Fund LP	100.00	Committed	48.88	1.73%	0.00	0.00	0.00
		Lone Star Growth Capital	16.00	Committed	12.92	0.46%	0.00	0.00	0.00
		Lone Star CRA	50.00	Committed	15.00	0.53%	0.00	0.00	0.00
		JPMorgan Infrastructure	20.00	Committed	23.37	0.83%	0.00	0.00	0.00
		Pharos	30.00	Committed	70.98	2.51%	0.00	0.00	0.00
		Ashmore GSSF 4	70.00	Committed	72.54	2.57%	0.00	0.00	0.00
		JP Morgan Asian Infrastructure	36.00	Committed	6.89	0.24%	0.00	0.00	0.00
		HM Capital Partners	50.00	Committed	24.10	0.85%	0.00	0.00	0.00
		Yellowstone Capital	10.00	Committed	1.00	0.04%	0.00	0.00	0.00
		BankCap Partners	20.00	Committed	11.90	0.42%	0.00	0.00	0.00
			423.62	15.00%	447.05	15.83%	13.00	17.00	23.43
Private Debt									
	Total Global Opportunistic FI	Huff Alternative Income	0.00	0.00%	0.13	0.00%	0.00	0.00	0.00
		Oaktree	56.48	2.00%	54.37	1.93%	1.00	3.00	(2.11)
		Ashmore	56.48	2.00%	78.53	2.78%	1.00	3.00	22.05
		Highland Crusader Fund	56.48	2.00%	65.02	2.30%	1.00	3.00	8.54
		Highland Credit Opportunities CDO, L.P	28.24	1.00%	24.71	0.87%	0.00	2.00	(3.53)
			197.69	7.00%	222.76	7.89%			25.07
REAL ESTATE									
	Total Real Estate	All Real Estate	508.34	18.00%	881.01	31.20%	16.00	20.00	372.67
			508.34	18.00%	881.01	31.20%			372.67
	Total Private Markets		1129.65	40.00%	1550.82	54.91%			421.17
SHORT TERM INVESTMENTS									
	Total Assets		2,824.13	100.00%	2,824.13	100.00%			0.00

Dallas Police & Fire Group Trust

ASSET ALLOCATION AS OF 11/11/2008

Real Estate Portfolio

Real Estate Manager	Total Market Value	Loan Program	Net Equity	Percentage of Real Estate Assets
Separate Account Managers				
Hancock Agricultural	71,343,894	0	71,343,894	8.10%
Forest Investment Associates	45,989,490	0	45,989,490	5.22%
RMK Timberland Group	39,472,761	0	39,472,761	4.48%
INVESCO	52,161,407	27,054,500	25,106,907	2.85%
Kennedy Associates	48,806,195	0	48,806,195	5.54%
L & B Real Estate Advisors LLP	120,555,768	36,120,000	84,435,768	9.58%
Capmark Investments (GMAC)	69,586,432	31,526,000	38,060,432	4.32%
Land Baron	106,632,509	94,656,987	11,975,522	1.36%
Criswell Radovan	63,615,865	18,000,000	45,615,865	5.18%
Luciana Lots	11,590,183	0	11,590,183	1.32%
CDK Realty Advisors	484,272,545	113,979,513	370,293,032	42.03%
Kundson Luxury Housing	58,205,763	45,000,000	13,205,763	1.50%
Subtotal	1,172,232,811	366,337,000	805,895,811	91.47%
Opportunistic Partnerships				
Hearthstone (MSIII Homebuilding)	281,081	0	281,081	0.03%
Crow Holdings Realty Partners II	194,898	0	194,898	0.02%
Oaktree Capital Management (OCM Fund B)	4,078,794	0	4,078,794	0.46%
Olympus Real Estate Fund II & III	5,517,609	0	5,517,609	0.63%
Hudson Advisors (Lone Star I, II, III,IV,V, VI, Real Estate)	65,036,869	0	65,036,869	7.38%
Subtotal	75,109,251	0	75,109,251	8.53%
Total Real Estate	1,247,342,062	366,337,000	881,005,062	100.00%

Total Real Estate with Loan Program (net)

\$881,005,062

Total Fund Market Value

\$2,824,130,000

\$

%

Target Value (\$ and %)

\$564,826,000

20.00%

Market Value (\$ and %)

\$881,005,062

31.20%

Variance from Target

\$316,179,062

11.20%

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8. Legal issues (continued)

The meeting was reopened at 11:42 a.m.

No motion was made.

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The meeting was recessed at 11:42 a.m.

The meeting was reconvened at 12:19 p.m.

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9. Pension-related legislative issues

- a. Hillco Partners Client Advisory on state and local legislative issues
- b. Locke Lord Bissell & Liddell LLP – advisory on federal and state legislative issues and possible post-election legislative session

The Board and staff discussed legislative briefings from the legislative consultants.

After discussion, Mr. Shaw made a motion to receive and file the reports from legislative consultants. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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10. Second reading of the 2009 Administrative and Professional Services Budgets

Mr. Tettamant stated that the proposed Administrative and Professional Services Budgets for Calendar Year 2009 were presented to the Board for review and comments at the September 11, 2008 regular meeting.

The Board held the first reading of the budgets at the October 9, 2007, regular Board meeting. At that time, the Board authorized the second reading of the budget at the November 13, 2008, regular meeting. The proposed budgets were distributed to Active Members in the October and November issues of the System Active Member newsletter, *First Responder*.

After discussion, Mr. Edge made a motion to approve the second and final reading of the 2009 Administrative and Professional Services Budgets. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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

a. Conference: NCPERS: Public Safety Conference

Dates: October 12-15, 2008

Messrs. Edge, Wachsmann, and Tettamant reported on the National Conference on Public Retirement Systems' Public Safety Conference.

b. Conference: Napa Executive Board Meeting

Dates: October 15, 2008

Messrs. Brown, Shaw, and Tettamant briefed the Board on the Napa Executive Board meeting which was held via conference call.

c. Conference: Board and Staff Workshop

Dates: October 27-30, 2008

The Board and staff discussed the annual Board and Staff Workshop.

d. Conference: Invesco Real Estate Client Conference

Dates: November 4-6, 2008

Messrs. Brown, Shaw, Umlor, and Tettamant reported on the Invesco client conference.

e. Conference: Hart: Energy Solutions

Dates: November 6-7 2008

Messrs. Mays, McCollum, Tettamant, Taylor, and Ellass briefed the Board on the meeting.

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

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C. BRIEFING ITEMS

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

No members or pensioners requested to brief the Board regarding concerns.

No motion was made.

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2. Administrator's report

- a. Investment managers' reports
- b. Associations' newsletters
- c. List of future continuing education and investment research programs and conferences

Mr. Tettamant briefed the Board on the investment managers' reports, Associations' newsletters, and continuing education opportunities.

After discussion, 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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ADDENDUM

Possible infrastructure investment in Dallas and Tarrant Counties

The Board and staff discussed a potential infrastructure investment in Dallas and Tarrant Counties.

After discussion, Mr. Umlor made a motion to proceed with the infrastructure investment of up to \$50,000,000.00 in each of the two projects, 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. McCollum seconded the motion, which was approved by the following vote:

For: Umlor, McCollum, Brown, Edge, Shaw, Tomasovic
Opposed: Mays

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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 1:12 p.m.

[Signature]

Gerald Brown
Chairman

ATTEST:

[Signature]

Richard L. Tettamant
Secretary