

AGENDA



Date: February 4, 2009

A quarterly meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Tuesday, February 10, 2009 in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Board:

DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Reports and recommendations of The Townsend Group, real estate investment consultants**
 - a. Quarterly real estate investment performance report for the third quarter ended September 30, 2008
 - b. Real estate market update

- 2. Reports and recommendations of NEPC, including, but not limited to the following:**
 - a. Quarterly investment performance report for the fourth quarter ended December 31, 2008
 - b. Third quarter 2008 private markets review
 - c. Private markets program review and 2009 strategic private markets plan
 - d. 2009 asset allocation update
 - e. Mellon Capital Management update \ GAA rebalancing

- 3. Update on possible new investment in Irving Holdings**

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
Tuesday, February 10, 2009
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, Texas**

Quarterly meeting, Steven G. Shaw, Vice-Chairman, presiding:

ROLL CALL

Board Members

Present: Jerry R. Allen, Gary W. Edge, John M. Mays, Rector C. McCollum, Pauline Medrano, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: Gerald Brown, Dwaine R. Caraway, and David A. Neumann

Staff

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

Others

Richard W. Brown, Heather Fernstrom, Rhett Humphreys, Ashli Aslin, Wayne Antrobus, and Clint Conway

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The meeting was called to order at 8:32 a.m.

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DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Reports and recommendations of The Townsend Group, real estate investment consultants**
 - a. Quarterly real estate investment performance report for the third quarter ended September 30, 2008
 - b. Real estate market update

**Quarterly Board Meeting
Tuesday, February 10, 2009**

1. Reports and recommendations of The Townsend Group, real estate investment consultants (continued)

Richard Brown, Principal, and Heather Fernstrom, Associate Consultant, from the Townsend Group, the System's real estate investment consultant, were present to discuss the quarterly real estate investment performance for the third quarter ended September 30, 2008.

The real estate investment performance was as follows:

Portfolio Return	Third Quarter 2008	1-year	3-year	5-year	10-year
Before Fee	-1.68%	7.87%	12.58%	16.67%	12.92%
After Fee	-1.81%	6.82%	10.62%	14.66%	11.28%

In addition, the consultant team presented a real estate market update.

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

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The meeting was recessed at 9:55 a.m.

The meeting was reconvened at 10:11 a.m.

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

- a. Quarterly investment performance report for the fourth quarter ended December 31, 2008
- b. Third quarter 2008 private markets review
- c. Private markets program review and 2009 strategic private markets plan
- d. 2009 asset allocation update
- e. Mellon Capital Management update \ GAA rebalancing

Rhett Humphreys, CFA, Partner, and Ashli Aslin, Analyst, were present from NEPC, the System's general investment consultant, to present quarterly investment performance for the fourth quarter ended December 31, 2008.

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3. Reports and recommendations of NEPC (continued)

The investment performance “Flash” Report for the third quarter 2008 (net) is summarized in the following chart:

	Third Quarter 2008	1-year	3-year	5-year
Total Fund (net)	-11.4%	-22.1%	0.1%	4.7%
Financial Composite*	-20.0%	-37.9%	-7.1%	-0.4%

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

The consultant also presented a third quarter 2008 private markets review and a report on the private markets program review and 2009 strategic private markets plan. In addition, the consultant presented the 2009 asset allocation update. An update on Mellon Capital Management was discussed including a recommendation for rebalancing the GAA (Global Asset Allocation) portfolio.

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

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4. Update on possible new investment in Irving Holdings

Mr. Tettamant reported that Board and staff have conducted three recent on site visits as a part of the due diligence process involving a possible investment in Irving Holdings. Staff gave an update to the Board on the Irving Holdings investment and review process.

After discussion, Mr. Wachsman made a motion to receive and file the staff update on a possible new investment in Irving Holdings. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**Quarterly Board Meeting
Tuesday, February 10, 2009**

The Administrator stated that there was no further business to come before the Board. On a motion by Mr. McCollum and a second by Mr. Edge, the meeting was adjourned at 12:02 p.m.

Steven G. Shaw
Vice-Chairman

ATTEST:

Richard L. Tettamant
Secretary