

AGENDA



Date: March 4, 2009

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 12, 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:

A. CONSENT AGENDA

1. Approval of Minutes

- a. Quarterly meeting of February 10, 2009
- b. Actuarial Funding Committee meeting of February 12, 2009
- c. Regular meeting of February 12, 2009

2. Approval of Refunds of Contributions for the Month of February 2009

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2009

4. Approval of Estate Settlements

Deceased (Member (M), Pensioner (P) or Survivor (S))	Dept.	Date Of Death	Estate Payment To
Bertha J. Randall (S)	Fire	Jan. 31, 2008	Annise L. Clemons
Thomas J. Stephens (P)	Fire	Jan. 6, 2009	Jeffrey L. Stephens
James F. Butcher (P)	Police	Jan. 17, 2009	Mary B. Haag
Amatine C. Cheeves (S)	Police	Dec. 11, 2008	Mary L. Connelly
Mary E. McBride (S)	Police	Dec. 4, 2008	Glenda A. McDonald
Nina "Lee" S. Reynolds (S)	Police	Jan. 4, 2009	Vera H. Satchell

5. Approval of Estate Settlement (Active Member)

Deceased (Member (M), Pensioner (P) or Survivor (S))	Dept.	Date Of Death	Estate Payment To
Shaunta Flowers (M)	Police	Nov. 17, 2008	Florice R. Flowers Melvin L. Flowers

6. Approval of Survivor Benefits - Deceased Retirees

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment
Marshall D. Elliott	Police	Feb. 11, 2009	Marvis M. Elliott	Yes
Hart L. Holmsley	Police	Feb. 1, 2009	Margie E. Holmsley	Yes

7. Approval of Service Retirements

Member	Dept.	Effective
Larry G. Bailey	Fire	Feb. 11, 2009
Jake J. Escamilla	Fire	Feb. 19, 2009
Kenneth D. Foster	Fire	Mar. 3, 2009
Harold L. Sumner	Fire	Mar. 4, 2009
William B. Buchanan	Police	Mar. 4, 2009
Gladys P. Chatman	Police	Mar. 4, 2009
Calvin A. Cunigan	Police	Feb. 18, 2009
Ronald G. Hale	Police	Feb. 28, 2009
John C. Henderson	Police	Feb. 25, 2009
Howard E. Johnson	Police	Mar. 4, 2009
Michael C. Mason	Police	Mar. 4, 2009
Jack Misak	Police	Feb. 18, 2009
Steven B. Oulliber	Police	Mar. 1, 2009
Curtis Watts	Police	Mar. 3, 2009

8. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.
Rosalie A. Jefferson	Robert A. Jefferson	Fire
Mary I. Addison	Michael D. Addison	Police
Candace L. Davis	Kenneth Penrod	Police

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Certification of applications for Trustee for 2009 Trustee Election ballot
2. TEXPERS
 - a. Policy resolutions for consideration
 - b. Proposed amendments to bylaws
3. 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:

Police Officer and Firefighter pay lawsuits

- 4. Pension-related legislative issues**
 - a. Hillco Partners - client advisory on state and local legislative issues
 - b. Locke Lord Bissell & Liddell LLP – client advisory on federal and state legislative issues
- 5. 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
- 6. Infrastructure update**
- 7. Panel discussion on global economy and investing in the current economic climate, including participation by the following:**
 - a. Southern Methodist University, Cox School of Business
 - b. Ashmore Investment Management Limited
 - c. Clay Finlay, LLC
 - d. JPMorgan Asset Management
 - e. NEPC
- 8. Staff and Board Members’ reports on due diligence meetings, seminars and/or conferences attended**
 - a. NCPERS: Corporate Governance Roundup
 - b. Due Diligence: Site Visit to Napa Property
 - c. Napa Executive Board Meeting (9 – Voting Members)
 - d. RREEF Alternative Investments
- 9. L&B Realty Advisors**
 - a. Possible refinance of a current investment.
 - b. Status of existing portfolio and plans for future activities with regard to that portfolio
- 10. Possible real estate in Northern California**
 - a. Update on investment in Northern California
 - b. Possible acquisition of additional lots
- 11. 2008 audit report schedule**
- 12. Continuing Education and Investment Research Policy**

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. Associations' newsletters
 - TEXPERS Outlook (February 2009)

 - b. Email from member regarding *First Responder* article: Prudent Investing and Due Diligence Go Hand in Hand

 - c. 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, March 12, 2009
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, Texas

Regular meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Jerry R. Allen, Gerald Brown, Gary W. Edge, John M. Mays, Rector C. McCollum, David A. Neumann, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: Dwaine R. Caraway and Pauline Medrano

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

Gary Lawson, Josh Mond, Michael L. Davis, Jerome Booth (via telephone), Mark Weiller, Greg Stanek, Keith Flynn, Stephen Weddle, Erik Knutzen, Jeff T. Markarian, Warren B. Wilson, Wayne Antrobus, Robert Benitez, James Braddock, Michael R. Buehler, George R. Lee, and Richard Salinas

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The meeting was called to order at 8:31 a.m.

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Quarterly meeting of February 10, 2009
- b. Actuarial Funding Committee meeting of February 12, 2009
- c. Regular meeting of February 12, 2009

2. Approval of Refunds of Contributions for the Month of February 2009

Refund of Combined Pension Plan, Section 6.02 Group B Contributions

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Dana Blount	Police	February 13, 2009
Jonathan Cursey	Police	February 13, 2009
Courtney A. McLemore	Police	February 6, 2009

**Regular Board Meeting
Thursday, March 12, 2009**

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2009

New DROP Participants

Mizell Kendrick	Fire
Michael L. McGehee	Fire
Stuart J. O'Connor	Fire
Kenneth G. Odom	Fire
Darryl W. Whitman	Fire
Arthur B. Browning	Police
Robert I. Canon	Police
Eric S. Edwards	Police
George Farmakis, II	Police
Robert J. Grant	Police
Ronald D. Grant	Police
Michael D. Poole	Police
Jerry Sanchez	Police
Stephen W. Wright	Police

Transfer Funds from DROP to 401(k)

Hubert A. Springer	Fire
Roy B. Walker	Fire
Raymond Beaudreault	Police
Dale Erves	Police
W.R. Nunn	Police
James A. Wallace	Police

4. Approval of Estate Settlements

Deceased (Member (M), Pensioner (P) or Survivor (S))	Dept.	Date Of Death	Estate Payment To
Bertha J. Randall (S)	Fire	Jan. 31, 2008	Annise L. Clemons
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**Regular Board Meeting
Thursday, March 12, 2009**

5. Approval of Estate Settlement - Active Member

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Shaunta Flowers (M)	Police	Nov. 17, 2008	Florice R. Flowers

6. Approval of Survivor Benefits - Deceased Retirees

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8. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.
Rosalie A. Jefferson	Robert A. Jefferson	Fire
Mary I. Addison	Michael D. Addison	Police
Candace L. Davis	Kenneth Penrod	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. Wachsman seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, March 12, 2009**

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Certification of applications for Trustee for 2009 Trustee Election ballot

Mr. Tettamant stated that at the January 11, 2009 meeting, the Board called for an election to fill four Trustee positions that expire May 31, 2009, as follows:

<u>Place</u>	<u>Incumbent</u>
Fire Trustee (Place F-1)	Jerry Brown
Police Trustee (Place P-1)	Steve Umlor
Fire Pensioner Trustee (Place 1)	Richard Wachsmann
Police Pensioner Trustee (Place 1)	John Mays

In addition, at the January meeting, the Board accepted the resignation of Gary Edge from Fire Trustee position F-2, and in accordance with Section 3.01 (d) of the Plan, called for a special election concurrent with the regular election to fill the remaining term expiring May 31, 2011.

The period for submitting applications for candidacy was scheduled for the period from 8:00 a.m., February 23, 2009, through 4:00 p.m. on March 4, 2009. The voting period is scheduled from 8:00 a.m., Friday, March 27, 2009, through 12:00 noon, Monday, April 6, 2009.

The Administrator has determined that the applicants listed below have been duly qualified to be placed on the official ballot for the Trustee election. In accordance with the Trustee Election Procedure, the Board will certify the names to be placed on the election ballot not less than fourteen (14) days before regular voting commences.

Applicants for the place positions indicated:

<u>Police Trustee Place #1 (P-1)</u> Sgt. Steve Umlor † Sr. Cpl. Paul Eric Jez	<u>Fire Trustee Place #1 (F-1)</u> Lt. Gerald Brown (Unopposed) †*
<u>Police Pensioner Trustee Place #1</u> John Mays (Unopposed) †*	<u>Fire Pensioner Trustee Place #1</u> Richard Wachsmann (Unopposed) †*

**Regular Board Meeting
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**1. Certification of applications for Trustee for 2009 Trustee Election ballot
(continued)**

Applicants for the place positions indicated: (continued)

SPECIAL ELECTION

Fire Trustee Place #2 (F-2)

Driver Engineer James Braddock

Capt. Michael Buehler

Lt. Richard Ewing

Driver Engineer Rick Lee

Fire & Rescue Officer Rick Salinas

Lt. Greg Sturch

† Denotes incumbent

* The Trustee Election Procedure provides that when a candidate is unopposed, the candidate will be declared elected and his name will not be placed on the ballot.

After discussion, Mr. Wachsmann made a motion to certify the trustee applicant names to be placed on the ballot, subject to each candidate's completion of the required Trustee Candidate Training, with the exception of the incumbents, whose attendance requirement is waived, and determined the order of the names on the ballot. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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2. TEXPERS

- a. Policy resolutions for consideration
- b. Proposed amendments to bylaws

Mr. Tettamant stated that each year, the Board discusses policy resolutions for consideration by TEXPERS at its annual meeting. The following are proposed for discussion along with any ideas suggested by trustees:

- Support for analysis of US health care system
- Support for HELPS II legislation
- Support for HR 710
- Preservation of defined benefit plans
- Support for HR 721
- Opposition to mandatory investment requirements

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2. TEXPERS (continued)

The Administrator provided a copy of the proposed Bylaws that will be voted upon at the TEXPERS Annual Members Business Meeting. The meeting will take place on March 29, 2009 in Austin, Texas.

After discussion, Mr. Wachsman made a motion to approve the proposed TEXPERS resolution supporting analysis of the US health care system. Mr. Shaw seconded the motion, which was unanimously approved by the following vote:

Approved: Allen, Brown, Edge, Mays, McCollum, Neumann, Shaw,
Tomasovic, and Wachsman
Opposed: Umlor

After discussion, Mr. Wachsman made a motion to approve the proposed TEXPERS resolution supporting HELPS II legislation. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Shaw made a motion to approve the proposed TEXPERS resolution supporting HR 710. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to approve the proposed TEXPERS resolution in favor of the preservation of defined benefit plans. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to approve the proposed TEXPERS resolution supporting HR 721. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to approve the proposed TEXPERS resolution opposing mandatory investment requirements. Messrs. Umlor and McCollum jointly seconded the motion, which was unanimously approved by the Board.

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3. 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:

Police Officer and Firefighter pay lawsuits

Mr. Tettamant stated that no action was needed on legal issues.

**Regular Board Meeting
Thursday, March 12, 2009**

3. Legal issues (continued)

No motion was made.

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4. Pension-related legislative issues

- a. Hillco Partners - client advisory on state and local legislative issues
- b. Locke Lord Bissell & Liddell LLP – client advisory on federal and state legislative issues

Mr. Davenport reported on pending legislation that may affect the Pension System and similar entities. Additionally, the Board and staff discussed reports from the System’s legislative consultants.

After discussion, Mr. Umlor made a motion to receive and file the reports on pension-related legislative issues. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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5. 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

The Asset Allocation Monitoring Reports and the Real Estate Portfolio Reports for March 2009 are included in Minute Book Number 39 on pages 186 & 187.

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

All of the assets classes are within their respective asset allocation ranges. There is no need for cash at this time.

After discussion, Mr. Wachsman made a motion to approve the March 2009 monthly asset allocation report and approve the staff recommendations. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman 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.

DALLAS POLICE & FIRE GROUP TRUST

As of March 11, 2009

ASSET ALLOCATION

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Min	Max	Target	\$
Global Equity									
S & P Enhanced Index	INTECH	0.00	0.00%	26.66	1.06%	0.00	0.00		26.66
Global Equity with Growth Tilt	T Rowe Price	0.00	0.00%	32.85	1.30%	3.00	5.00		32.85
Large Cap Growth	INTECH	0.00	0.00%	30.46	1.21%	0.00	0.00		30.46
Large Cap Growth	T Rowe Price	0.00	0.00%	32.58	1.29%	0.00	0.00		32.58
Large Cap Value	AllianceBernstein	0.00	0.00%	29.30	1.16%	0.00	0.00		29.30
Domestic Small Capitalization Core Equity	Eagle Asset Management	126.17	5.00%	86.52	3.43%	4.00	6.00		(39.65)
Global Growth Equity	Clay Finlay	0.00	0.00%	61.37	2.43%	3.00	5.00		61.37
Select Global Equity Core	Pyramis (Fidelity)	0.00	0.00%	116.84	4.63%	3.00	5.00		116.84
Strategic Value Global Equity	AllianceBernstein	100.94	4.00%	24.70	0.98%	3.00	5.00		(76.24)
Global Growth Equity	OFI	100.94	4.00%	40.40	1.60%	3.00	5.00		(60.54)
Global REIT	RREEF	50.47	2.00%	14.53	0.58%	1.00	3.00		(35.94)
Total Global Equity		378.51	27.00%	496.21	19.66%				117.70
Global Private Equity									
	NTOF	0.00	Committed	2.34	0.09%	0.00	0.00		0.00
	Huff Alternative Fund	100.00	Committed	78.90	3.13%	0.00	0.00		0.00
	Merit Energy	55.00	Committed	16.72	0.66%	0.00	0.00		0.00
	Levine Leichtman Capital Partners	75.00	Committed	39.85	1.58%	0.00	0.00		0.00
	Levine Leichtman Capital Partners IV	50.00	Committed	6.54	0.26%	0.00	0.00		0.00
	Huff Energy Fund LP	100.00	Committed	50.26	1.99%	0.00	0.00		0.00
	Lone Star Growth Capital	16.00	Committed	13.03	0.52%	0.00	0.00		0.00
	Lone Star CRA	50.00	Committed	15.00	0.59%	0.00	0.00		0.00
	JPMorgan Infrastructure	20.00	Committed	23.37	0.93%	0.00	0.00		0.00
	Pharos	90.00	Committed	71.03	2.81%	0.00	0.00		0.00
	Ashmore GSSF 4	70.00	Committed	62.09	2.46%	0.00	0.00		0.00
	JP Morgan Asian Infrastructure	36.00	Committed	6.89	0.27%	0.00	0.00		0.00
	HM Capital Partners	50.00	Committed	28.18	1.12%	0.00	0.00		0.00
	Yellowstone Capital	10.00	Committed	2.00	0.08%	0.00	0.00		0.00
	BankCap Partners	20.00	Committed	15.68	0.62%	0.00	0.00		0.00
Total Private Equity		378.51	15.00%	431.88	17.12%				53.37
Global Natural Resources									
Energy Equity	Orleans Capital	32.80	1.30%	22.76	0.90%	1.10	1.60		(10.04)
Energy Equity	Mitchell Group	32.80	1.30%	31.64	1.25%	1.10	1.60		(1.16)
Global Water Strategy	SAM	30.28	1.20%	20.14	0.80%	1.00	1.50		(10.14)
Global Environmental Technology Strategy	RCM	30.28	1.20%	23.62	0.94%	1.00	1.50		(6.66)
Agricultural Investments	Hancock Agricultural	45.42	1.80%	67.87	2.69%				
Domestic Timberland	Forest Investment Associates	40.37	1.60%	46.28	1.83%				
Global Timberland	RMK Timberland Group	40.37	1.60%	43.44	1.72%				
Total Global Natural Resources		252.34	10.00%	255.75	10.14%				3.41
Global Fixed Income									
High Yield Global Fixed Income	W.R. Huff High Yield	75.70	3.00%	70.83	2.81%	2.00	4.00		(4.87)
Opportunistic Global Fixed Income	Loomis Sayles	126.17	5.00%	114.73	4.55%	4.00	6.00		(11.44)
Investment Grade Global Fixed Income	Mondrian Investment Partners	63.08	2.50%	70.41	2.79%	2.00	3.00		7.33
Investment Grade Global Fixed Income	Brandywine	63.08	2.50%	70.55	2.80%	2.00	3.00		7.47
Senior Bank Loans	Oaktree	50.47	2.00%	44.58	1.77%				
Emerging Market Debt	Ashmore	50.47	2.00%	63.21	2.50%				
Senior Bank Loans	Highland Crusader Fund	50.47	2.00%	52.48	2.08%				
Multistrategy Private Debt	Highland Credit Opportunities, L.P	25.23	1.00%	14.96	0.59%				
Total Global Fixed Income		504.68	20.00%	501.75	19.88%				(2.93)
GAA									
Global Asset Allocation	Bridgewater	85.79	3.40%	42.48	1.68%	2.40	4.40		(43.31)
Global Asset Allocation	Mellon	83.27	3.30%	32.18	1.28%	2.30	4.30		(51.09)
Global Asset Allocation	GMO	83.27	3.30%	44.10	1.75%	2.30	4.30		(39.17)
Total GAA		252.34	10.00%	118.76	4.71%				(133.58)
REAL ESTATE									
Total Real Estate		454.21	18.00%	712.83	28.25%	16.00	20.00		258.62
SHORT TERM INVESTMENTS									
Total Assets		2,523.38	100.00%	2,523.38	100.00%				0.00

Dallas Police & Fire Group Trust

ASSET ALLOCATION AS OF 03/11/2009

Real Estate Portfolio

Real Estate Manager	Total Market Value	Loan Program	Net Equity	Percentage of Real Estate Assets
Separate Account Managers				
INVESCO	52,279,338	27,054,500	25,224,838	3.54%
Kennedy Associates	49,936,104	0	49,936,104	7.01%
L & B Real Estate Advisors LLP	123,354,718	36,120,000	87,234,718	12.24%
Capmark Investments (GMAC)	66,989,692	31,526,000	35,463,692	4.98%
Land Baron	106,732,491	94,656,987	12,075,504	1.69%
Criswell Radovan	67,596,799	24,000,000	43,596,799	6.12%
Luciana Lots	11,548,891	0	11,548,891	1.62%
CDK Realty Advisors	514,529,168	151,079,513	363,449,655	50.99%
Kundson Luxury Housing	57,773,613	45,000,000	12,773,613	1.79%
Subtotal	1,050,740,814	409,437,000	641,303,814	89.97%
Opportunistic Partnerships				
Hearthstone (MSIII Homebuilding)	0	0	0	0.00%
Crow Holdings Realty Partners II	144,044	0	144,044	0.02%
Oaktree Capital Management (OCM Fund B)	3,489,586	0	3,489,586	0.49%
Olympus Real Estate Fund II & III	5,461,445	0	5,461,445	0.77%
Hudson Advisors (Lone Star I, II, III,IV,V, VI, Real Estate)	62,434,600	0	62,434,600	8.76%
Subtotal	71,529,675	0	71,529,675	10.03%
Total Real Estate	1,122,270,488	409,437,000	712,833,488	100.00%

Total Real Estate with Loan Program (net)

\$712,833,488

Total Fund Market Value

\$2,523,380,000

\$

%

Target Value (\$ and %)

\$454,208,400

18.00%

Market Value (\$ and %)

\$712,833,488

28.25%

Variance from Target

\$258,625,088

10.25%

**Regular Board Meeting
Thursday, March 12, 2009**

5. Investment and financial reports (continued)

After discussion, Mr. Wachsman 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. Wachsman made a motion to receive and file the monthly financial statements for the period ending January 31, 2009. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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6. Infrastructure update

Staff provided an overview of the System's infrastructure investments.

Summary of Commitments:

<u>Investment</u>	<u>Date</u>	<u>Amount</u>	<u>Invested</u>
JPMorgan Infrastructure Fund	10/01/2007	\$ 37 million	\$ 20 million
JPMorgan Asian Infrastructure Fund	08/31/2008	\$ 37 million	\$ 8.1 million
North Tarrant Express PPP	01/29/2009	\$ 37 million*	
<u>LBJ PPP</u>	02/26/2009	<u>\$ 45 million*</u>	
TOTAL		\$156 million	\$28.1 million

* Total current commitment. Final amount may change, but will not exceed \$50 million for each investment.

After discussion, Mr. Shaw made a motion to receive and file the infrastructure update. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:07 a.m.

The meeting was reconvened at 10:18 a.m.

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7. Panel discussion on global economy and investing in the current economic climate, including participation by the following:

- a. Southern Methodist University, Cox School of Business
- b. Ashmore Investment Management Limited
- c. Clay Finlay, LLC
- d. JPMorgan Asset Management
- e. NEPC

**Regular Board Meeting
Thursday, March 12, 2009**

7. Panel discussion on global economy and investing in the current economic climate (continued)

Mr. Tettamant stated that staff had organized a panel discussion on the global economy and investing in the current economic climate. Dr. Michael L. Davis, Senior Lecturer, Finance Department, Cox School of Business, Southern Methodist University, began the discussion with a general overview of the global economy.

Representing Ashmore Investment Management were Dr. Jerome Booth, Head of Research, and Mr. Mark Weiller, Head of Product & Client Management - Americas. Mr. Mark Weiller was present and Dr. Jerome Booth discussed the System's portfolio and emerging markets via teleconference. Ashmore is one of System's global fixed income investment advisors that specializes in emerging market debt instruments. The System currently invests in the Ashmore Global Special Situation Fund and Ashmore Emerging Market Debt Fund, totaling \$127 million, as of January 31, 2009.

Mr. Greg Stanek, Principal, Portfolio Manager and Senior Research Analyst, and Keith Flynn, Vice President, Client Services from Clay Finlay LLC, were present to discuss the System's international equity portfolio and emerging markets. Clay Finlay has been a fiduciary for the System since 2002 and as of January 31, 2009, manages \$69 million in assets on behalf of the System.

Mr. Stephen Weddle, Vice President of JPMorgan Asset Management, Real Assets Group, was present to discuss infrastructure investments in the current economic environment. The System has two investments with JPMorgan known as JPMorgan Infrastructure Investments Fund and JPMorgan Asian Infrastructure & Related Resources Opportunity Fund, currently valued at approximately \$23 million and \$7 million, respectively.

Mr. Erik Knutzen, Chief Investment Officer, represented NEPC, the System's general investment consultant. He discussed NEPC's view on investing in emerging markets.

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

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The meeting was recessed at 12:04 p.m.

The meeting was reconvened at 12:45 p.m.

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**Regular Board Meeting
Thursday, March 12, 2009**

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

a. Conference: NCPERS: Corporate Governance Roundup

Date: February 23, 2009

Messrs. Wachsman and Tettamant briefed the Board on the NCPERS seminar.

b. Conference: Due Diligence: Site Visit to Napa Property

Dates: February 24, 2009

Messrs. Mays, Umlor, Tettamant, and Taylor reported on the Napa due diligence meeting.

c. Conference: Napa Executive Board Meeting (9 – Voting Members)

Dates: February 24, 2009

Messrs. Shaw, Tettamant, and Taylor discussed the Napa Executive Board meeting with the Pension System Trustees.

d. Conference: RREEF Alternative Investments

Date: February 24-25, 2009

Mr. Shaw reported on the RREEF conference.

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

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9. L&B Realty Advisors

- a. Possible refinance of a current investment.
- b. Status of existing portfolio and plans for future activities with regard to that portfolio

The discussion with L&B Realty Advisors was postponed.

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10. Possible real estate investment in Northern California

- a. Update on investment in Northern California
- b. Possible acquisition of additional lots

**Regular Board Meeting
Thursday, March 12, 2009**

10. Possible real estate investment in Northern California (continued)

The Board went into a closed executive session – real estate at 1:21 p.m.

The meeting was reopened at 1:53 p.m.

After discussion, Mr. Wachsman made a motion to authorize the Administrator to purchase additional lots in Northern California, maintain the project, refinance the debt, and if necessary, guarantee the debt, subject to the final review and approval of the Chairman and Vice-Chairman. If the Board elects to pursue this additional real estate opportunity, then the terms and negotiation of the investment should be delegated to the Administrator, subject to the final approval of the Administrator and legal counsel. Further, to authorize and direct the Administrator to manage and sell the various properties at Lake Luciana and Aetna Springs to maximize the return for the System. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 1:55 p.m.

The meeting was reconvened at 2:16 p.m.

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11. 2008 audit report schedule

The Administrator and Internal Control Manager briefed the Board on the schedule for the 2008 audit which will be prepared by Mir•Fox & Rodriguez, P.C.

After discussion, Mr. Tomasovic made a motion to accept the 2008 audit report schedule. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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12. Continuing Education and Investment Research Policy

The Administrative and Audit Advisory Committee discussed the Board's Continuing Education and Investment Research policy at a Committee meeting this same date and presented recommendations to the Board regarding possible changes to the policy.

No motion was made.

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**Regular Board Meeting
Thursday, March 12, 2009**

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. Associations' newsletters
 - TEXPERS Outlook (February 2009)
- b. Email from member regarding *First Responder* article: Prudent Investing and Due Diligence Go Hand in Hand
- c. Future continuing education and investment research programs and conferences

Mr. Tettamant briefed the Board on the Administrator's report items.

Mr. Edge made a motion to receive and file the Administrator's report. Mr. Wachsman 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. Edge and a second by Mr. Wachsman, the meeting was adjourned at 2:26 p.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary