

# AGENDA



**Date:** June 3, 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, June 11, 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. BOARD OF TRUSTEES**

- 1. Welcome of re-elected trustees**
- 2. Election of officers of the Board of Trustees for June 1, 2009 through May 31, 2011**
- 3. Authorized signatories for the Board of Trustees**
- 4. Committee appointments and election of Committee officers**

## **B. CONSENT AGENDA**

- 1. Approval of Minutes**
  - a. Quarterly meeting of May 12, 2009
  - b. Actuarial Funding Committee of May 14, 2009
  - c. Regular meeting of May 14, 2009
- 2. Approval of Refunds of Contributions for the Month of May 2009**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for June 2009**
- 4. Approval of Estate Settlements**

<b>Deceased (Member (M), Pensioner (P) or Survivor (S))</b>	<b>Dept.</b>	<b>Date Of Death</b>	<b>Estate Payment To</b>
Bill W. Bowles (P)	Fire	Mar. 9, 2009	Michael R. Bowles
Michael D. Addison (P)	Police	Apr. 10, 2009	Timothy R. Addison

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

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment
J. J. Bassi	Fire	Mar, 26, 2009	Willie V. Bassi	No
Donald Crockett	Fire	Apr. 22, 2009	Emma W. Crockett	No
Troy L. Cox	Police	Apr. 19, 2009	Barbara J. Cox	Yes
Jack M. Wilson	Police	Apr. 12, 2009	Betty A. Wilson	Yes

**6. Approval of Service Retirements**

Member	Dept.	Effective
Dudley S. Baker	Fire	May 15, 2009
John W. Bass	Fire	June 2, 2009
Henry Castro	Fire	June 1, 2009
L.D. Fox	Fire	May 27, 2009
Garry Herring	Fire	June 10, 2009
John C. Meredith	Fire	May 27, 2009
Jerry T. Minter	Fire	June 10, 2009
Danny L. Morris	Fire	June 10, 2009
Mitchell K. Smith	Fire	June 3, 2009
M.L. Williams	Fire	May 13, 2009
Ronnie J. Acker	Police	May 30, 2009
James M. Brigdon	Police	May 27, 2009
Robert J. Crider II	Police	May 20, 2009
Charles R. Darden	Police	May 21, 2009
Brian Floerchinger	Police	May 15, 2009
Paul R. King	Police	May 28, 2009
Robert F. Neuman	Police	May 27, 2009
Robert A. Yowell	Police	June 10, 2009

**7. Approval of Alternate Payee Benefits**

Alternate Payee	Member	Dept.
Tonya L. Neal	Thomas W. Lawrence	Police

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

**1. Hancock Agricultural Investment Group**

- a. Status of existing portfolio and plans for future activities with regard to that portfolio
- b. Row crop investment

**2. 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. Review of Board of Trustees and Employees Statement of Ethics
- b. Police Officer and Firefighter pay lawsuits

**3. Approval of Earnings Test**

Member	Dept.	Effective
Arnaldo I. Rivera	Police	Oct. 17, 2006

**4. 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. Performance report unaudited draft
- d. Unaudited statements of net assets available for benefits

**5. 2008 audit report and 2008 annual report**

**6. Amendment to the Yellowstone Energy Ventures II, L.P. investment management contract**

**7. Pension-related legislative issues**

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

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

- a. Lone Star Fund VI Joint Investor Meeting  
Lone Star Real Estate Fund Investor Meeting
- b. Pharos Annual Investor Conference
- c. Texas State Pension Review Board Seminar

**9. Preliminary agenda for the annual Board/Staff Workshop to be held on October 19 -22, 2009**

**10. Possible real estate investment in California**

**11. Contract to develop and operate vineyards**

## **12. Criswell-Radovan**

### **D. 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**
    - NCPERS The Monitor (April 2009)
    - TEXPERS Outlook (April 2009)
    - TEXPERS Pension Observer (Winter 2009)
  - b. 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, June 11, 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, John M. Mays, Rector C. McCollum, Richard A. Salinas, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

**Absent:** Dwaine R. Caraway, Pauline Medrano, and David A. Neumann

**Staff**

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

**Others**

Gary Lawson, Jeffrey A. Conrad, Oliver S. Williams, Rob Lawson, Warren B. Wilson, and Wayne Antrobus

\* \* \* \* \*

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

\* \* \* \* \*

**A. BOARD OF TRUSTEES**

**1. Welcome of re-elected trustees**

The following re-elected service Trustees completed the notarized Oath of Office form for the term that began on June 1, 2009 and will end on May 31, 2013:

**Police Trustee**

Steven H. Umlor (Place P-1)

**Fire Trustee**

Gerald Brown (Place F-1)

**Police Pensioner Trustee**

John M. Mays (Place 1)

**Fire Pensioner Trustee**

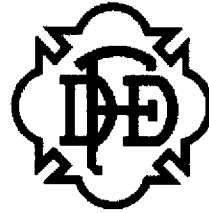
Richard H. Wachsman (Place 1)

The Oath of Office forms are included in Minute Book Number 39 on pages 232-235.

No motion was made.



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



OATH OF OFFICE

I, **Gerald Brown**, do solemnly swear (or affirm) that I will faithfully perform the duties of the office of Trustee of the Dallas Police and Fire Pension System and to that end will, to the best of my ability, adhere to the Constitution and all applicable laws of the State of Texas, and the United States.

[Signature]

Signature

June 11, 2009

Date

Subscribed and sworn before me, the undersigned authority, on this 11<sup>th</sup> day of June, 2009.

[Signature]

Notary Public in and for the State of Texas



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



OATH OF OFFICE

**I, John M. Mays, do solemnly swear (or affirm) that I will faithfully perform the duties of the office of Trustee of the Dallas Police and Fire Pension System and to that end will, to the best of my ability, adhere to the Constitution and all applicable laws of the State of Texas, and the United States.**

[Signature]

Signature

June 11, 2009

Date

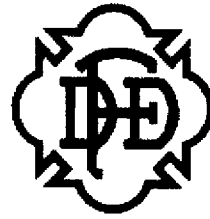
Subscribed and sworn before me, the undersigned authority, on this 11<sup>th</sup> day of June, 2009.

[Signature]

Notary Public in and for the State of Texas



D A L L A S  
POLICE & FIRE  
PENSION SYSTEM



OATH OF OFFICE

**I, Richard H. Wachsman, do solemnly swear (or affirm) that I will faithfully perform the duties of the office of Trustee of the Dallas Police and Fire Pension System and to that end will, to the best of my ability, adhere to the Constitution and all applicable laws of the State of Texas, and the United States.**

[Signature]

Signature

June 11, 2009

Date

Subscribed and sworn before me, the undersigned authority, on this 11<sup>th</sup> day of June, 2009.

[Signature]

Notary Public in and for the State of Texas





D A L L A S  
POLICE & FIRE  
PENSION SYSTEM



OATH OF OFFICE

**I, Steven H. Umlor, do solemnly swear (or affirm) that I will faithfully perform the duties of the office of Trustee of the Dallas Police and Fire Pension System and to that end will, to the best of my ability, adhere to the Constitution and all applicable laws of the State of Texas, and the United States.**

[Signature]

Signature

June 11, 2009

Date

Subscribed and sworn before me, the undersigned authority, on this 11<sup>th</sup> day of June, 2009.

[Signature]

Notary Public in and for the State of Texas

**Regular Board Meeting  
Thursday, June 11, 2009**

\* \* \* \* \*

**2. Election of officers of the Board of Trustees for June 1, 2009 through May 31, 2011**

Mr. Tettamant stated that the Trustees will need to elect officers for the period from June 1, 2009 through May 31, 2011, in accordance with Section 3.01(f) of the Plan Document. Current officers are Jerry Brown, Chairman, and Steve Shaw, Vice-Chairman. The Deputy Vice-Chairman position is currently vacant.

After discussion, Mr. Wachsman made a motion to re-elect Gerald Brown as Chairman. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Tomasovic made a motion to re-elect Steve Shaw as Vice-Chairman. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Shaw made a motion to elect George Tomasovic as Deputy Vice-Chairman. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**3. Authorized signatories for the Board of Trustees**

Mr. Tettamant explained that signature authorizations are necessary to facilitate the day-to-day operations of the System. In the past, the Board has authorized the Chairman to sign all documents (including any necessary payments) for the Board and System. If the Chairman is not available, then the Vice-Chairman is able to sign in the Chairman's place. If both the Chairman and Vice-Chairman are unavailable, then the Deputy Vice-Chairman is authorized to sign.

The Chairman, Vice-Chairman, Deputy Vice-Chairman, Administrator, Assistant Administrator – Investments, Assistant Administrator – Operations, and Chief Financial Officer completed the signature authorization form, which was then notarized.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, June 11, 2009**

**4. Committee appointments and election of Committee officers**

The Chairman may appoint Trustees to serve on the Administrative and Audit Advisory, the Investment Advisory and Actuarial Funding Committees for 2009-2011. The current appointments are as follows:

<u>Administrative and Audit Advisory Committee</u>	<u>Investment Advisory Committee</u>	<u>Actuarial Funding Committee*</u>
George Tomasovic (Chair)	Steve Umlor (Chair)	Steve Shaw (Chair)
Gerald Brown	John Mays	
Rector McCollum	Rick Salinas	
Richard Wachsman	Steve Shaw	

\*When established in 2003, two additional members were appointed to the committee, George Tomasovic and Gary Edge. Since that time, the committee has operated as a "Committee of the Whole."

Mr. Brown appointed Messrs. Wachsman, Umlor and Salinas to the Actuarial Funding Committee and made no changes to the current appointments to the Administrative and Audit Advisory Committee and the Investment Advisory Committee.

After discussion, Mr. Wachsman made a motion to approve the Committee appointments. Mr. Mays seconded the motion, which was unanimously approved by the Board.

The Board directed the Administrator to study the possibility of forming a Risk Management Committee.

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**B. CONSENT AGENDA**

**1. Approval of Minutes**

- a. Quarterly meeting of May 12, 2009
- b. Actuarial Funding Committee of May 14, 2009
- c. Regular meeting of May 14, 2009

**Regular Board Meeting  
Thursday, June 11, 2009**

**2. Approval of Refunds of Contributions for the Month of May 2009**



<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Ronnie Lane	Police	May 1, 2009
Amy K. Negrete	Police	May 8, 2009
Abe D. Santiago	Police	Mar. 27, 2009
Melanie R. Serrao	Police	May 8, 2009
James T. Sims	Police	May 8, 2009
Michael Tubaugh	Police	May 8, 2009
Toby S. Watson	Police	May 22, 2009
Matthew L. Wilson	Police	Apr. 24, 2009

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

**New DROP Participants**



Gary L. Bounds	Fire
Jeffrey L. Culver	Fire
Deborah M. Duarte	Fire
Parry W. Duncan	Fire
Danny D. Miller	Fire
John G. Myers	Fire
Jeffrey R. Baumann	Police
Michael S. Genovesi	Police
Rodney A. Haigh	Police
Julie R. Munster	Police
Timothy A. Prokof	Police
Martha C. Sanders	Police
Theodore L. Shinn, III	Police
Diane M. Takats	Police
Tony L. Takats	Police
Scott D. Whitemyer	Police

**Regular Board Meeting  
Thursday, June 11, 2009**

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

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

Member	Dept.
Ross C. Maris, Jr.	Fire
Stacy L. Ward	Police

**4. Approval of Estate Settlements**

Deceased Member (P) - Department (P) or Survivor (S)	Dept.	Date of Death	Estate Payment To
Bill W. Bowles (P)	Fire	Mar. 9, 2009	Michael R. Bowles
Michael D. Addison (P)	Police	Apr. 10, 2009	Timothy R. Addison

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

Deceased Retiree	Dept.	Date of Death	Qualified Survivor	Estate Payment
J. J. Bassi	Fire	Mar, 26, 2009	Willie V. Bassi	No
Donald Crockett	Fire	Apr. 22, 2009	Emma W. Crockett	No
Troy L. Cox	Police	Apr. 19, 2009	Barbara J. Cox	Yes
Jack M. Wilson	Police	Apr. 12, 2009	Betty A. Wilson	Yes

**6. Approval of Service Retirements**

Member	Dept.	Effective
Dudley S. Baker	Fire	May 15, 2009
John W. Bass	Fire	June 2, 2009
Henry Castro	Fire	June 1, 2009
L.D. Fox	Fire	May 27, 2009
Garry Herring	Fire	June 10, 2009
John C. Meredith	Fire	May 27, 2009
Jerry T. Minter	Fire	June 10, 2009
Danny L. Morris	Fire	June 10, 2009
Mitchell K. Smith	Fire	June 3, 2009
M.L. Williams	Fire	May 13, 2009
Ronnie J. Acker	Police	May 30, 2009
James M. Brigdon	Police	May 27, 2009
Robert J. Crider II	Police	May 20, 2009
Charles R. Darden	Police	May 21, 2009

**Regular Board Meeting  
Thursday, June 11, 2009**

**6. Approval of Service Retirements (continued)**

Member	Agency	Effective
Brian Floerchinger	Police	May 15, 2009
Paul R. King	Police	May 28, 2009
Robert F. Neuman	Police	May 27, 2009
Robert A. Yowell	Police	June 10, 2009

**7. Approval of Alternate Payee Benefits**

Alternate Payee	Member	Dept.
Tonya L. Neal	Thomas W. Lawrence	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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**B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Hancock Agricultural Investment Group**

- a. Status of existing portfolio and plans for future activities with regard to that portfolio
- b. Row crop investment

Jeffrey A. Conrad, President, and Oliver S. Williams, Director of Asset Management, from Hancock Agricultural Investment Group, discussed the status of the current agricultural portfolio and plans for future activities with regard to that portfolio.

Mr. Tettamant stated that per the Board discussion and direction from the August 7, 2008 Board meeting directing Hancock to reserve cash flows to create a row crop program, Hancock is now ready to implement the program. Messrs. Conrad and Williams discussed the row crops investment program. According to Hancock, row crops provide increased diversification and greater flexibility to the current agricultural portfolio. Staff provided several food-related articles discussing global demographics and global trends affecting food production and consumption. According to research, global economic and demographic trends should support long-term appreciation in commodity prices, resulting in higher farm income and land value appreciation.

**Regular Board Meeting  
Thursday, June 11, 2009**

**1. Hancock Agricultural Investment Group (continued)**

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

After discussion, Mr. McCollum made a motion to reaffirm the Board's decision at the August 7, 2008 Board meeting to implement the \$20 million dollar investment in row crops with the funding being provided by cash, debt, and the reinvestment of earnings from the agricultural portfolio. The investment is subject to the final approval of the Administrator and Legal Counsel. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**2. 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. Review of Board of Trustees and Employees Statement of Ethics
- b. Police Officer and Firefighter pay lawsuits

The review of the Statement of Ethics was postponed.

The Board went into closed executive session – legal at 1:13 p.m.

The meeting was reopened at 1:58 p.m.

No motion was made in open session.

\* \* \* \* \*

**3. Approval of Earnings Test**

<b>Member</b>	<b>Dept.</b>	<b>Effective</b>
Arnaldo I. Rivera	Police	Oct. 17, 2006

Mr. Tettamant stated that in accordance with Section 6.03 (k) of the Plan, the current disability pension of Arnaldo Rivera, retired Police Officer, is subject to reduction based on earnings he received in 2008.

**Regular Board Meeting  
Thursday, June 11, 2009**

**3. Approval of Earnings Test (continued)**

Section 6.03 (k) requires the System to test the outside earnings of any Pensioner who first became a Member of Plan B on or after May 1, 1990 and who is receiving a disability pension. If a disability Pensioner's total earnings plus disability benefits received from the System exceeds the annualized amount of the average of Computation Pay being received by the Pensioner as of the date the Pensioner left Active Service, the pension amount shall be reduced dollar for dollar by the amount of the overage. For the purpose of this calculation, the Pensioner's average Computation Pay is deemed increased at the rate of 4 percent as of January 1 of each year the Pensioner receives the disability pension.

Mr. Rivera was granted an on-duty disability pension effective January 15, 2005. In August 2008, the Board reduced Mr. Rivera's monthly disability pension amount by \$1,525.22, based on earnings he received in 2007.

After discussion, Mr. Wachsman made a motion to restore Mr. Rivera's benefit back to full disability benefit of \$2,458.11 per month effective July 1, 2009. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**4. 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. Performance report unaudited draft
- d. Unaudited statements of net assets available for benefits

The Asset Allocation Monitoring Reports and the Real Estate Portfolio Reports for June 2009 are included in Minute Book Number 39 on pages 243 & 244 .

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

All of the assets classes are within their respective asset allocation ranges except RREEF Global REIT. Staff recommends selling the entire INTECH Large Cap Growth portfolio to fund approximately \$18,000,000 in current cash needs for the month of June, and fund the remaining balance of approximately \$12,000,000 as an additional investment in the RREEF Global REIT portfolio.



# DALLAS POLICE & FIRE GROUP TRUST

As of June 9, 2009

## ASSET ALLOCATION

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Min	Max	Target	\$
<b>Global Equity</b>									
S & P Enhanced Index	INTECH	0.00	0.00%	35.00	1.28%	0.00	0.00		35.00
Global Equity with Growth Tilt	T Rowe Price	0.00	0.00%	43.26	1.58%	3.00	5.00		43.26
Large Cap Growth	INTECH	0.00	0.00%	30.36	1.11%	0.00	0.00		30.36
Large Cap Growth	T Rowe Price	0.00	0.00%	35.25	1.28%	0.00	0.00		35.25
Large Cap Value	AllianceBernstein	0.00	0.00%	43.33	1.58%	0.00	0.00		43.33
Domestic Small Capitalization Core Equity	Eagle Asset Management	137.23	5.00%	112.72	4.11%	4.00	6.00		(24.51)
Global Growth Equity	Clay Finlay	0.00	0.00%	83.30	3.04%	3.00	5.00		83.30
Select Global Equity Core	Pyramis (Fidelity)	0.00	0.00%	153.37	5.59%	3.00	5.00		153.37
Strategic Value Global Equity	AllianceBernstein	109.78	4.00%	35.69	1.30%	3.00	5.00		(74.09)
Global Growth Equity	OFI	109.78	4.00%	54.82	2.00%	3.00	5.00		(54.96)
Global REIT	RRREF	54.89	2.00%	21.94	0.80%	1.00	3.00		(32.95)
<b>Total Global Equity</b>		<b>741.03</b>	<b>27.00%</b>	<b>649.04</b>	<b>23.65%</b>				<b>237.36</b>
<b>Global Private Equity</b>									
	NTOF	0.00	Committed	3.00	0.11%	0.00	0.00		0.00
	Huff Alternative Fund	100.00	Committed	78.90	2.87%	0.00	0.00		0.00
	Metit Energy	55.00	Committed	15.07	0.55%	0.00	0.00		0.00
	Levine Leichtman Capital Partners	75.00	Committed	21.77	0.79%	0.00	0.00		0.00
	Levine Leichtman Capital Partners IV	50.00	Committed	6.90	0.25%	0.00	0.00		0.00
	Huff Energy Fund LP	100.00	Committed	50.26	1.83%	0.00	0.00		0.00
	Lone Star Growth Capital	16.00	Committed	13.26	0.48%	0.00	0.00		0.00
	Lone Star CRA	50.00	Committed	15.00	0.55%	0.00	0.00		0.00
	JPMorgan Infrastructure	20.00	Committed	23.37	0.85%	0.00	0.00		0.00
	Pharos	90.00	Committed	74.72	2.72%	0.00	0.00		0.00
	Ashmore GSSF 4	70.00	Committed	62.09	2.26%	0.00	0.00		0.00
	JP Morgan Asian Infrastructure	36.00	Committed	6.89	0.25%	0.00	0.00		0.00
	HM Capital Partners	50.00	Committed	29.04	1.06%	0.00	0.00		0.00
	Yellowstone Capital	10.00	Committed	2.00	0.07%	0.00	0.00		0.00
	BankCap Partners	20.00	Committed	11.67	0.43%	0.00	0.00		0.00
<b>Total Private Equity</b>		<b>411.68</b>	<b>15.00%</b>	<b>413.94</b>	<b>15.08%</b>				<b>2.26</b>
<b>Global Natural Resources</b>									
Energy Equity	Orleans Capital	35.68	1.30%	33.20	1.21%	1.10	1.60		(2.48)
Energy Equity	Mitchell Group	35.68	1.30%	42.92	1.56%	1.10	1.60		7.24
Global Water Strategy	SAM	32.93	1.20%	27.49	1.00%	1.00	1.50		(5.44)
Global Environmental Technology Strategy	RCM	32.93	1.20%	27.11	0.99%	1.00	1.50		(5.82)
Agricultural Investments	Hancock Agricultural	49.40	1.80%	72.38	2.64%				
Domestic Timberland	Forest Investment Associates	43.91	1.60%	47.78	1.74%				
Global Timberland	RAIK Timberland Group	43.91	1.60%	47.02	1.71%				
<b>Total Global Natural Resources</b>		<b>274.46</b>	<b>10.00%</b>	<b>297.90</b>	<b>10.85%</b>				<b>23.44</b>
<b>Global Fixed Income</b>									
High Yield Global Fixed Income	W.R. Huff High Yield	82.34	3.00%	84.01	3.06%	2.00	4.00		1.67
Opportunistic Global Fixed Income	Loomis Sayles	137.23	5.00%	148.76	5.42%	4.00	6.00		11.53
Investment Grade Global Fixed Income	Mondrian Investment Partners	68.61	2.50%	66.42	2.42%	2.00	3.00		(2.19)
Investment Grade Global Fixed Income	Brandywine	68.61	2.50%	70.98	2.59%	2.00	3.00		2.37
Senior Bank Loans	Oaktree	54.89	2.00%	49.76	1.81%				
Emerging Market Debt	Ashmore	54.89	2.00%	66.10	2.41%				
Senior Bank Loans	Highland Crusader Fund	54.89	2.00%	21.00	0.77%				
Multistrategy Private Debt	Highland Credit Opportunities, L.P.	27.45	1.00%	5.35	0.19%				
<b>Total Global Fixed Income</b>		<b>548.91</b>	<b>20.00%</b>	<b>512.38</b>	<b>18.67%</b>				<b>(36.53)</b>
<b>GAA</b>									
Global Asset Allocation	Bridgewater	93.31	3.40%	42.58	1.55%	2.40	4.40		(50.73)
Global Asset Allocation	Mellon	90.57	3.30%	34.18	1.25%	2.30	4.30		(56.39)
Global Asset Allocation	GMO	90.57	3.30%	43.82	1.60%	2.30	4.30		(46.75)
<b>Total GAA</b>		<b>274.46</b>	<b>10.00%</b>	<b>120.58</b>	<b>4.39%</b>				<b>(153.88)</b>
<b>REAL ESTATE</b>									
	All Real Estate	494.02	18.00%	742.11	27.04%	16.00	20.00		248.09
<b>Total Real Estate</b>		<b>494.02</b>	<b>18.00%</b>	<b>742.11</b>	<b>27.04%</b>	<b>16.00</b>	<b>20.00</b>		<b>248.09</b>
<b>SHORT TERM INVESTMENTS</b>									
		0.00	0.00%	8.60	0.31%	0.00	0.00		8.60
<b>Total Assets</b>		<b>2,744.55</b>	<b>100.00%</b>	<b>2,744.55</b>	<b>100.00%</b>				<b>0.00</b>

**Dallas Police & Fire Group Trust**  
**ASSET ALLOCATION AS OF 06/09/2009**

**Real Estate Portfolio**

Real Estate Manager	Total Market Value	Loan Program	Net Equity	Percentage of Real Estate Assets
<b>Separate Account Managers</b>				
INVESCO	52,279,338	27,054,500	25,224,838	3.40%
Kennedy Associates	59,649,856	0	59,649,856	8.04%
L & B Real Estate Advisors LLP	117,697,597	36,120,000	81,577,597	10.99%
Capmark Investments (GMAC)	62,052,393	31,526,000	30,526,393	4.11%
Land Baron	106,897,494	94,656,987	12,240,507	1.65%
Criswell Radovan	75,590,866	24,000,000	51,590,866	6.95%
Luciana Lots	12,048,891	0	12,048,891	1.62%
CDK Realty Advisors	533,518,184	151,079,513	382,438,671	51.53%
Kundson Luxury Housing	60,000,000	45,000,000	15,000,000	2.02%
<b>Subtotal</b>	<b>1,079,734,619</b>	<b>409,437,000</b>	<b>670,297,619</b>	<b>90.31%</b>
<b>Opportunistic Partnerships</b>				
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)	2,706,228	0	2,706,228	0.36%
Olympus Real Estate Fund II & III	3,285,090	0	3,285,090	0.44%
Hudson Advisors ( Lone Star I, II, III, IV, V, VI, Real Estate)	65,778,028	0	65,778,028	8.86%
<b>Subtotal</b>	<b>71,913,390</b>	<b>0</b>	<b>71,913,390</b>	<b>9.69%</b>
<b>Total Real Estate</b>	<b>1,151,648,009</b>	<b>409,437,000</b>	<b>742,211,009</b>	<b>100.00%</b>
<b>Total Real Estate with Loan Program (net)</b>	<b>\$742,211,009</b>			
<b>Total Fund Market Value</b>	<b>\$2,744,550,000</b>			
	<b>\$</b>			<b>%</b>
<b>Target Value (\$ and % )</b>	<b>\$494,019,000</b>			<b>18.00%</b>
<b>Market Value (\$ and %)</b>	<b>\$742,211,009</b>			<b>27.04%</b>
<b>Variance from Target</b>	<b>\$248,192,009</b>			<b>9.04%</b>

**Regular Board Meeting  
Thursday, June 11, 2009**

**4. Investment and financial reports (continued)**

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

After discussion, Mr. Wachsman made a motion to receive and file the performance report unaudited draft. Mr. Mays seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to receive and file the unaudited statements of net assets available for benefits for the period ending April 30, 2009. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**5. 2008 audit report and 2008 annual report**

Mr. Tettamant provided a status update and a draft of the 2008 audit report and annual report.

After discussion, Mr. Wachsman made a motion to approve the draft 2008 audit report and 2008 annual report. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**6. Amendment to the Yellowstone Energy Ventures II, L.P. investment management contract**

Mr. Tettamant explained that Yellowstone, one of the System's private equity investments, has proposed a contract amendment which will extend the Commitment Period from August 27, 2013 to August 27, 2014 without increasing the commitment amount, and lowering their management fees by half for most of the contract term after April 1, 2009. Between April 1, 2010 and August 27, 2013, fees may be set by Yellowstone at any amount between fees currently provided and one half of that amount.

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**6. Amendment to the Yellowstone Energy Ventures II, L.P. investment management contract (continued)**

The System has funded 20% or \$2,000,000 of the \$10,000,000 capital commitment to Yellowstone Energy Ventures II, L.P.

After discussion, Mr. Wachsman made a motion to approve the amendment to the Yellowstone contract, subject to the final approval of the Administrator and Legal Counsel. Messrs. Tomasovic and Mays jointly seconded the motion, which was unanimously approved by the Board.

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**7. Pension-related legislative issues**

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

The Board and staff discussed reports from legislative consultants and pension-related legislation.

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

\* \* \* \* \*

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

- a. Lone Star Fund VI Joint Investor Meeting  
Lone Star Real Estate Fund Investor Meeting

Messrs. Shaw and Blake reported on the Lone Star meetings.

- b. Pharos Annual Investor Conference

Messrs. Brown, Mays, McCollum, Salinas, Shaw, and Blake discussed the Pharos conference with the Board.

- c. Texas State Pension Review Board Seminar

Messrs. Brown, McCollum, Shaw, and Davenport briefed the Board on the Pension Review Board Seminar.

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

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

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**9. Preliminary agenda for the annual Board/Staff Workshop to be held on October 19 -22, 2009**

The Board and staff discussed possible topics for the 2009 annual workshop. The Board gave direction to the staff.

No motion was made.

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The meeting was recessed at 11:18 a.m.

The meeting was reconvened at 12:13 p.m.

\* \* \* \* \*

**10. Possible real estate investment in California**

The Board went into a closed executive session – real estate at 12:14 p.m.

The meeting was reopened at 1:05 p.m.

No motion was made in open session.

\* \* \* \* \*

**11. Contract to develop and operate vineyards**

The Board and staff discussed the possible hiring of Rob Lawson Consulting to operate a vineyard in California.

After discussion, Mr. Wachsman made a motion to authorize the Administrator and Legal Counsel to negotiate a contract with Rob Lawson Consulting to operate a vineyard. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting  
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**12. Criswell-Radovan**

Staff gave an update to the Board on the status of the System's investment in California through Criswell-Radovan.

No motion was made.

\* \* \* \* \*

**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.

\* \* \* \* \*

**2. Administrator's report**

- a. Associations' newsletters
  - NCPERS The Monitor (April 2009)
  - TEXPERS Outlook (April 2009)
  - TEXPERS Pension Observer(Winter 2009)
- b. Future continuing education and investment research programs and conferences

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

Mr. McCollum made a motion to receive and file the Administrator's report. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

The meeting was recessed at 1:12 p.m.

The meeting was reconvened at 1:13 p.m.

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\* \* \* \* \*

The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Wachsman and a second by Mr. McCollum, the meeting was adjourned at 1:58 p.m.

*[signature]*

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Gerald Brown  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary

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