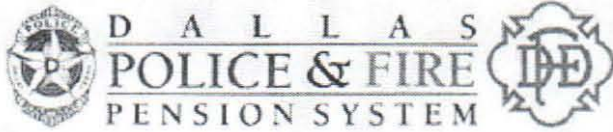


AGENDA



Date: October 2, 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, October 8, 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 Five-Year Certificates for the Third Quarter 2009

Fire

Waylon E. Rhyne Aug. 16, 2009

Police

Roy E. Alston	July 17, 2009
Juan A. Amaya	July 30, 2009
Larry K. Ashley	Sep. 30, 2009
Major T. Berry	Aug. 4, 2009
Patrick J. Burke	Sep. 24, 2009
Daniel C. Camacho	Sep. 23, 2009
Justin W. Carlson	Sep. 24, 2009
Rodney B. Choate	Sep. 24, 2009
Katherine T. Chustz	July 30, 2009
Jordan L. Colunga	Sep. 24, 2009
Justin L. Cooley	July 30, 2009
Christopher R. Cordray	Sep. 24, 2009
Aaron L. Diggins	July 30, 2009
James E. Farmer	Sep. 24, 2009
Bradley D. Hance	Sep. 24, 2009
Thaddeus Hasse	Sep. 24, 2009
Vikkie D. Hodge	Sep. 24, 2009
Sondra L. Hodges	Sep. 24, 2009
Amanda N. Hol	July 30, 2009
Edward N. King	Sep. 24, 2009
Timothy M. Lewis	Sep. 24, 2009
Angela M. Plattero	Sep. 24, 2009
Victor Renteria	Sep. 24, 2009
Dominique C. Rhymes	July 30, 2009
John D. Richmond	Sep. 24, 2009
Arnold T. Rodriguez	Sep. 24, 2009
Kassandra L. Schiver	July 30, 2009
Kurtis D. Schmidt	Sep. 24, 2009

1. Approval of Five-Year Certificates for the Third Quarter 2009 (continued)

Police (continued)

Timothy C. Schwab	July 30, 2009
Crystal Taylor	July 31, 2009
Candice L. Thomas	July 30, 2009
Kraig E. Thomas	Sep. 24, 2009
Joshua J. Vogel	Sep. 24, 2009

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

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

4. Approval of Estate Settlements

Deceased (Member (M), Pensioner (P), or Survivor (S))	Dept.	Date Of Death	Estate Payment To
Billy L. Sandefer(P)	Fire	Aug. 5, 2009	Billie J. Blackwell
Timothy P. Bordelon(P)	Police	Aug. 13, 2009	Jason A. Bordelon
Billie J. Sawyer(S)	Police	June 14, 2009	Linda Bennett
Robbie L. Souter(S)	Police	June 11, 2008	Rebecca Souter-Senini

5. Approval of Survivor Benefits - Deceased Retirees

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment
Marion R. Bailey	Fire	Aug. 29, 2009	Hester A. Bailey	No
Bill W. Anglin	Police	Aug. 8, 2009	Thelma A. Anglin	Yes
John P. Smith	Police	Aug. 27, 2009	Beverly K. Smith	No

6. Approval of Service Retirements

Member	Dept.	Effective
Vincent J. Aurentz	Police	Sep. 30, 2009
Michael R. Bowles	Police	Oct. 1, 2009
Gloria F. Broadnax	Police	Sep. 16, 2009
Philip L. Brown	Police	Sep. 10, 2009
Hans W. Bryson	Police	Oct. 7, 2009
James W. Lawton	Police	Sep. 16, 2009

8. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.
Maria L. Anderson	Eric N. Anderson	Fire
Patricia K. Baker	Dudley S. Baker	Fire
Karen M. Sturch	Billy G. Sturch	Fire
Shirley S. Cowley	William D. Cowley	Police
Kristan A. Hall	Claude S. Hall	Police
Rhonda T. Welch	David M. Welch	Police

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Pharos Capital Group, LLC

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

2. RMK Timberland Group

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

3. First reading of the 2010 Administrative and Professional Services Budgets

4. Closed Session - Board serving as Medical Committee

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

Disability application:

David P. Brummett, Police

5. HM Capital Partners

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

6. Amendment to the contract with Yellowstone Energy Ventures II, L.P.

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

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:

Police Officer and Firefighter pay lawsuits

9. Employee recognition – Third Quarter 2009

- a. Employee Service Award
- b. Employee of the Quarter Award

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

- a. Napa Executive Board Meeting
- b. 2009 TLFFRA Educational Conference
- c. IMN: Alternative Investments Summit
- d. HM Capital Partners 2009 Annual Partners' Meeting
- e. Due Diligence: L & B Realty Advisors
- f. Due Diligence: Walter Scott Global Investment Management
- g. Due Diligence: Rob Lawson Consulting
- h. Due Diligence: Cintra Developments
- i. Due Diligence: JPMorgan Maritime
- j. Due Diligence: Capmark Investments
- k. Due Diligence: Transtrend
- l. Due Diligence: Robeco – Emerging Markets
- m. Due Diligence: Rabobank Group

11. Annual Board/Staff Workshop to be held on October 19 -22, 2009

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 (September 2009)
- b. Future continuing education and investment research programs and conferences
- c. Employee commendation

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, October 8, 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, Don Rohan, Brian Blake, Mike Taylor, Everard Davenport, Josh Mond, Pat McGennis, John Holt, Corina Terrazas, Talal Ellass, Larry Landfried, Greg Irlbeck, Christina Wu, and Linda Rickley

Others Gary Lawson, Dr. Kneeland Youngblood, Bob Crants, Jim McBride, Robert Sinclair, David P. Brummett, Sherri Brummett, Sgt. Dennis Craig, Darryl Crow, Peter Brodsky, Joe Colonna, Charles Bauer, Andrew Rosen, Wayne Antrobus, and Ed Dresser

* * * * *

The meeting was called to order at 8:30 a.m.

* * * * *

A. CONSENT AGENDA

1. Approval of Minutes

- a. Special meeting of September 8, 2009
- b. Regular meeting of September 10, 2009

**Regular Board Meeting
Thursday, October 8, 2009**

2. Approval of Five-Year Certificates for the Third Quarter 2009

Fire

Waylon E. Rhyne Aug. 16, 2009

Police

Roy E. Alston	July 17, 2009
Juan A. Amaya	July 30, 2009
Larry K. Ashley	Sep. 30, 2009
Major T. Berry	Aug. 4, 2009
Patrick J. Burke	Sep. 24, 2009
Daniel C. Camacho	Sep. 23, 2009
Justin W. Carlson	Sep. 24, 2009
Rodney B. Choate	Sep. 24, 2009
Katherine T. Chustz	July 30, 2009
Jordan L. Colunga	Sep. 24, 2009
Justin L. Cooley	July 30, 2009
Christopher R. Cordray	Sep. 24, 2009
Aaron L. Diggins	July 30, 2009
James E. Farmer	Sep. 24, 2009
Bradley D. Hance	Sep. 24, 2009
Thaddeus Hasse	Sep. 24, 2009
Vikkie D. Hodge	Sep. 24, 2009
Sondra L. Hodges	Sep. 24, 2009
Amanda N. Hol	July 30, 2009
Edward N. King	Sep. 24, 2009
Timothy M. Lewis	Sep. 24, 2009
Angela M. Plattero	Sep. 24, 2009
Victor Renteria	Sep. 24, 2009
Dominique C. Rhymes	July 30, 2009
John D. Richmond	Sep. 24, 2009
Arnold T. Rodriguez	Sep. 24, 2009
Kassandra L. Schiver	July 30, 2009
Kurtis D. Schmidt	Sep. 24, 2009
Timothy C. Schwab	July 30, 2009
Crystal Taylor	July 31, 2009
Candice L. Thomas	July 30, 2009
Kraig E. Thomas	Sep. 24, 2009
Joshua J. Vogel	Sep. 24, 2009

**Regular Board Meeting
Thursday, October 8, 2009**

3. Approval of Refunds of Contributions for the Month of September 2009

**Refund of Combined Pension Plan, Section 6.02 Group B
Contributions**

<u>Employee Name</u>	<u>Dept.</u>	<u>Refund Date</u>
Thierron B. Hadnot	Fire	Sep. 4, 2009
Bobby D. Cole, Jr.	Police	Sep. 11, 2009
Chance M. Oliver	Police	Sep. 25, 2009
Matthew S. Passmore	Police	Sep. 4, 2009
Nicole H. Puckett	Police	Sep. 4, 2009
Rogelio Romero	Police	Aug. 28, 2009
Kristen E. Smith	Police	Sep. 18, 2009
Manuel S. Williams	Police	Sep. 25, 2009

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

New DROP Participants

<u>Employee Name</u>	<u>Dept.</u>
Matthew E. Leatherwood	Fire
John A. Zaby	Fire
Robert D. Cockerill	Police
Larry T. Coddington	Police
Shelly M. Dennis	Police
Bradley A. Dirks	Police
John C. Drennan	Police
Ricky G. Holder	Police
Thomas W. Lawrence, Jr.	Police
William J. Marks	Police
Danny L. Muniz	Police
Kevin R. Nickell	Police
Steven D. Reideler	Police
Brian D. Rippenkroeger	Police
Michael J. Smith	Police
Steven K. Sterling	Police
Alvin L. Sutton	Police

Regular Board Meeting
Thursday, October 8, 2009

4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for October 2009 (continued)

Transfer Funds from DROP to 401(k)

Member	Dept.
Victor M. Barrientes	Fire
Roberto B. Garcia	Police

5. Approval of Estate Settlements

Deceased (Member (M), Pensioner (P), or Survivor (S))	Dept.	Date Of Death	Estate Payment To
Billy L. Sandefer(P)	Fire	Aug. 5, 2009	Billie J. Blackwell
Timothy P. Bordelon(P)	Police	Aug. 13, 2009	Jason A. Bordelon
Billie J. Sawyer(S)	Police	June 14, 2009	Linda Bennett
Robbie L. Souter(S)	Police	June 11, 2008	Rebecca Souter-Senini

6. Approval of Survivor Benefits - Deceased Retirees

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment
Marion R. Bailey	Fire	Aug. 29, 2009	Hester A. Bailey	No
Bill W. Anglin	Police	Aug. 8, 2009	Thelma A. Anglin	Yes
John P. Smith	Police	Aug. 27, 2009	Beverly K. Smith	No

7. Approval of Service Retirements

Member	Dept.	Effective
Vincent J. Aurentz	Police	Sep. 30, 2009
Michael R. Bowles	Police	Oct. 1, 2009
Gloria F. Broadnax	Police	Sep. 16, 2009
Philip L. Brown	Police	Sep. 10, 2009
Hans W. Bryson	Police	Oct. 7, 2009
James W. Lawton	Police	Sep. 16, 2009

**Regular Board Meeting
Thursday, October 8, 2009**

8. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.
Maria L. Anderson	Eric N. Anderson	Fire
Patricia K. Baker	Dudley S. Baker	Fire
Karen M. Sturch	Billy G. Sturch	Fire
Shirley S. Cowley	William D. Cowley	Police
Kristan A. Hall	Claude S. Hall	Police
Rhonda T. Welch	David M. Welch	Police

After discussion, Mr. Wachsman made a motion to approve the items on the Consent Agenda, subject to the final review and approval of the Administrator. Mr. Umlor 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. Pharos Capital Group, LLC

Status of existing portfolio and plans for future activities with regard to that portfolio

Dr. Kneeland Youngblood, Co-founder and Managing Partner, and Mr. Robert Crants, Co-founder and Managing Partner of Pharos Capital Group, LLC, discussed an organizational update and reviewed the status of the existing portfolio and plans for future activities with regard to that portfolio. Pharos Capital Group, a Dallas based private equity firm, is one of the System's private equity managers through the Pharos Capital Partners II-A, L.P. Pharos Capital has a focus on middle markets and underserved markets for private equity investments. The investments through Pharos Capital are part of the System's 15% target allocation to private equity investments.

The System has funded approximately \$15.0 million in capital commitments to the fund and the remaining unfunded capital commitment to the fund is approximately \$5.0 million. The current market value of the System's investment in Pharos Capital Partners II-A, L.P. is approximately \$14.3 million. The fund's net return through June 30, 2009 is 11.0% IRR.

Regular Board Meeting
Thursday, October 8, 2009

1. Pharos Capital Group, LLC (continued)

The System also has three co-investments with Pharos Capital which are Medfinders (\$10 million), Time Domain (\$10 million), and American Beacon (\$40 million), totaling \$60 million. Medfinders and Time Domain have returned a -3.7% net IRR since inception (August 2007). American Beacon has returned a -26.5% net IRR since inception (September 2008).

After discussion, Mr. Tomasovic made a motion to receive and file the presentation by Pharos Capital Group, LLC. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:30 a.m.

The meeting was reconvened at 9:41 a.m.

* * * * *

2. RMK Timberland Group

Status of existing portfolio and plans for future activities with regard to that portfolio

Jim McBride, Vice President, and Bob Sinclair, Regional Manager and Portfolio Manager of RMK Timberland Group, discussed an organizational update and the status of existing portfolio and plans for future activities with regard to that portfolio. RMK Timberland Group is one of the System's timber investment advisors. RMK Timberland Group is a Regions Morgan Keegan company that is owned by Regions Financial Corporation, a public company. The timber assets are part of a 10% target allocation to Global Natural Resources.

RMK Timberland Group currently manages a portfolio of timber investments for the System located in the United States, Uruguay and Brazil that currently has a market value of approximately \$40.1 million. The timber portfolio has returned approximately 13% net of fees since inception (October 2006). In May 2008, the Board approved an additional allocation of \$25 million to be invested in timber investments in Brazil.

The RMK representatives discussed a potential new investment for the timber portfolio located in Brazil. This potential purchase would complete the System's allocation to investments in Brazil.

**Regular Board Meeting
Thursday, October 8, 2009**

2. RMK Timberland Group (continued)

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

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3. First reading of the 2010 Administrative and Professional Services Budgets

Mr. Tettamant stated that the proposed Administrative and Professional Services Budgets for Fiscal Year 2010 were presented to the Board for review and comments at the September 10, 2009 meeting of the Board.

The Board authorized the first reading of the budgets to be presented at the October 8, 2009 Board meeting. The System's September newsletter provided notice to Members of the first reading of the budgets. Details and an overview of the budgets were included in the newsletter. The newsletter was distributed on or about September 29, 2009.

No changes have been made to the budgets as presented at the September 10 meeting of the Board.

After discussion, Mr. Wachsman made a motion to approve the first reading of the Fiscal Year 2010 Administrative and Professional Services Budgets and authorize the second reading to be presented at the November 12, 2009 Board meeting. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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4. Closed Session - Board serving as Medical Committee

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

Disability application:

David P. Brummett, Police

The Board went into a closed executive session – medical at 10:21 a.m.

Detailed medical reports and recommendations regarding the disability application were reviewed by the Trustees.

Regular Board Meeting
Thursday, October 8, 2009

4. Closed Session - Board serving as Medical Committee (continued)

The meeting was reopened at 10:24 a.m.

After discussion, Mr. Shaw made a motion to grant **David P. Brummett** an off-duty, Combined Pension Plan, Group B disability benefit, waive the 90 day waiting period for the start of pension payment, and waive requirement for future recalls. Mr. Brummett is not subject to the Annual Earnings Test Review as he was hired before May 1, 1990. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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5. HM Capital Partners

Status of existing portfolio and plans for future activities with regard to that portfolio

Peter Brodsky, Partner, Joe Colonna, Partner, Andrew Rosen, Partner, and Charles Bauer, Vice President from HM Capital Partners, a Dallas based private equity manager, were present. The firm is headed by John Muse, co-founder and Chairman, and he is well known in the industry as a private equity investor. HM Capital Partners is one of the System's private equity managers through the Sector Performance Fund L.P. The HM Capital representatives discussed an organizational update of the firm and the status of the existing portfolio and plans for future activities with regard to that portfolio. HM Capital Partners has been a private equity manager for the System since April 2007.

The System has funded approximately \$33.1 million in capital commitments to the fund and the remaining unfunded capital commitment to the fund is approximately \$14.2 million. The current market value of the System's investment in the Sector Performance Fund, L.P. is approximately \$26.1 million. The Sector Performance Fund L.P. concentrates on private investments in media, energy, and food companies.

After discussion, Mr. Shaw made a motion to receive and file the HM Capital Partners presentation. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 12:03 p.m.

Regular Board Meeting
Thursday, October 8, 2009

The meeting was reconvened at 12:37 p.m.

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6. Amendment to the contract with Yellowstone Capital Partners, LLC

Mr. Tettamant explained that Yellowstone Energy Ventures II, L.P. is a private equity investment for the System that invests in alternative energy investments. The System has a \$20 million capital commitment to the fund with \$18 million remaining in unfunded capital commitments. The current market value of the System's investment is approximately \$1.7 million.

The General Partner has requested that the investors extend the fund raising period of the Yellowstone Energy Ventures II, L.P. from August 27, 2009 to March 31, 2010. The General Partner believes that the fund could benefit from additional capital which would allow for better diversification and the ability to lead transactions through larger investments. The General Partner is not requesting to extend the life of the fund or the commitment period.

After discussion, Mr. Wachsman made a motion to approve the amendment to extend the fund raising period to March 31, 2010, subject to the final approval of the Administrator and legal counsel. Mr. Umlor 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. 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 October 2009 are included in Minute Book Number 40 on pages 83 & 84.

- a. Staff discussed the above reports with the Board and reported that all of the assets classes are within their respective asset allocation ranges, except for Mitchell Group (\$9,000,000), and Loomis Sayles (\$37,000,000). Staff recommends withdrawing these amounts to be used in funding future cash needs.

**Regular Board Meeting
Thursday, October 8, 2009**

7. Investment and financial reports (continued)

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

- b. 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.
- c. After discussion, Mr. Wachsman made a motion to receive and file the performance report unaudited draft. Mr. Shaw seconded the motion, which was unanimously approved by the Board.
- d. After discussion, Mr. Wachsman made a motion to receive and file the unaudited statements of net assets available for benefits for the period ending August 31, 2009. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

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:

Police Officer and Firefighter pay lawsuits

No report was given. No motion was made.

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The meeting was recessed at 10:37 a.m.

The meeting was reconvened at 10:54 a.m.

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DALLAS POLICE & FIRE GROUP TRUST

As of October 7, 2009

ASSET ALLOCATION

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Min	Max	Target	\$
Global Equity									
	T Rowe Price								
	Global Equity with Growth Tilt	0.00	0.00%	48.81	1.71%	3.00	5.00		48.81
	Large Cap Growth	0.00	0.00%	29.34	1.03%	0.00	0.00		29.34
	AllianceBernstein								
	Large Cap Value	0.00	0.00%	50.79	1.78%	0.00	0.00		50.79
	Strategic Value Global Equity	85.42	3.00%	43.42	1.52%	2.50	3.50		(42.00)
Domestic Small Capitalization Core Equity	Eagle Asset Management	142.37	5.00%	127.69	4.48%	4.00	6.00		(14.68)
Global Growth Equity	Clay Finlay	0.00	0.00%	91.28	3.21%	3.00	5.00		91.28
Select Global Equity Core	Pyramis (Fidelity)	227.80	8.00%	178.29	6.26%	7.00	9.00		(49.51)
Global Growth Equity	OFI	85.42	3.00%	64.39	2.26%	2.50	3.50		(21.03)
Global REIT	RREEF	56.95	2.00%	41.28	1.45%	1.00	3.00		(15.67)
Total Global Equity		768.81	27.00%	675.29	23.72%				(93.52)
Global Private Equity									
	Lone Star Growth								
	NTOF	0.00	Committed	12.66	0.44%	0.00	0.00		0.00
	Lone Star Growth Capital	16.00	Committed	19.32	0.68%	0.00	0.00		0.00
	Lone Star CRA	50.00	Committed	15.00	0.53%	0.00	0.00		0.00
	W. R. Huff								
	Huff Alternative Fund	100.00	Committed	64.43	2.26%	0.00	0.00		0.00
	Huff Energy Fund LP	100.00	Committed	40.61	1.43%	0.00	0.00		0.00
	Merit Energy	55.00	Committed	16.72	0.59%	0.00	0.00		0.00
	Levine Leichtman								
	Levine Leichtman Capital Partners	75.00	Committed	24.89	0.87%	0.00	0.00		0.00
	Levine Leichtman Capital Partners IV	50.00	Committed	6.06	0.21%	0.00	0.00		0.00
	JP Morgan								
	JPMorgan Infrastructure	20.00	Committed	18.48	0.65%	0.00	0.00		0.00
	JP Morgan Asian Infrastructure	56.00	Committed	6.89	0.24%	0.00	0.00		0.00
	Pharos	90.00	Committed	63.93	2.25%	0.00	0.00		0.00
	Ashmore GSSF 4	70.00	Committed	59.83	2.10%	0.00	0.00		0.00
	HM Capital Partners	50.00	Committed	35.05	1.23%	0.00	0.00		0.00
	Yellowstone Capital	10.00	Committed	2.11	0.07%	0.00	0.00		0.00
	BankCap Partners	20.00	Committed	17.28	0.61%	0.00	0.00		0.00
Total Private Equity		427.12	15.00%	403.26	14.16%				(23.86)
Global Natural Resources									
Energy Equity	Orleans Capital	37.02	1.30%	36.60	1.29%	1.10	1.60		(0.42)
Energy Equity	Mitchell Group	37.02	1.30%	46.55	1.63%	1.10	1.60		9.53
Global Water Strategy	SAM	34.17	1.20%	31.07	1.09%	1.00	1.50		(3.10)
Global Environmental Technology Strategy	RCM	34.17	1.20%	28.82	1.01%	1.00	1.50		(5.35)
	Hudson Clean Energy	25.00	-	10.30	0.36%				
Agricultural Investments	Hancock Agricultural	51.25	1.80%	71.89	2.52%				
Domestic Timberland	Forest Investment Associates	45.56	1.60%	45.95	1.61%				
Global Timberland	RMK Timberland Group	45.56	1.60%	44.11	1.55%				
Total Global Natural Resources		284.74	10.00%	315.29	11.07%				30.55
Global Fixed Income									
High Yield Global Fixed Income	W.R. Huff High Yield	85.42	3.00%	97.77	3.43%	2.00	4.00		12.35
Opportunistic Global Fixed Income	Loomis Sayles	142.37	5.00%	179.48	6.30%	4.00	6.00		37.11
Investment Grade Global Fixed Income	Mondrian Investment Partners	71.19	2.50%	73.56	2.58%	2.00	3.00		2.37
Investment Grade Global Fixed Income	Brandywine	71.19	2.50%	80.72	2.83%	2.00	3.00		9.53
Senior Bank Loans	Oaktree	56.95	2.00%	38.09	1.34%				
Emerging Market Debt	Ashmore	56.95	2.00%	73.03	2.56%				
	Highland Capital								
Senior Bank Loans	Highland Crusader Fund	56.95	2.00%	21.00	0.74%				
Multistrategy Private Debt	Highland Credit Opportunities, L.P.	28.47	1.00%	9.51	0.33%				
Total Global Fixed Income		569.49	20.00%	573.16	20.13%				3.67
GAA									
Global Asset Allocation	Bridgewater	96.81	3.40%	45.02	1.58%	2.40	4.40		(51.79)
Global Asset Allocation	Mellon	93.97	3.30%	36.61	1.29%	2.30	4.30		(57.36)
Global Asset Allocation	GMO	93.97	3.30%	48.98	1.72%	2.30	4.30		(44.99)
Total GAA		284.74	10.00%	130.61	4.59%				(154.13)
REAL ESTATE									
Total Real Estate		512.54	18.00%	687.33	24.14%	16.00	20.00		174.79
SHORT TERM INVESTMENTS		0.00	0.00%	62.50	2.19%	0.00	0.00		62.50
Total Assets		2,847.44	100.00%	2,847.44	100.00%				0.00

1. T. Rowe Price to New Global Growth manager (Walter Scott - pending)
2. Clay Finlay to New Global Value manager (Tradewinds - pending) and cash
3. Alliance Large Cap to Alliance Global Strategic Value

Dallas Police & Fire Group Trust

ASSET ALLOCATION AS OF 10/07/2009

Real Estate Portfolio

Real Estate Manager	Total Market Value	Loan Program	Net Equity	Percentage of Real Estate Assets
Separate Account Managers				
INVESCO	50,179,527	27,054,500	23,125,027	3.36%
Kennedy Associates	42,270,490	0	42,270,490	6.15%
L & B Real Estate Advisors LLP	106,321,266	36,120,000	70,201,266	10.21%
Capmark Investments (GMAC)	31,526,000	31,526,000	0	0.00%
Land Baron	106,980,350	94,656,987	12,323,363	1.79%
Criswell Radovan	76,777,562	24,000,000	52,777,562	7.68%
Luciana Lots	12,048,891	0	12,048,891	1.75%
CDK Realty Advisors	533,334,532	151,079,513	382,255,019	55.61%
Kundson Luxury Housing	127,287,621	105,000,000	22,287,621	3.24%
Subtotal	1,086,726,241	469,437,000	617,289,241	89.80%
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)	2,677,119	0	2,677,119	0.39%
Olympus Real Estate Fund II & III	3,295,613	0	3,295,613	0.48%
Hudson Advisors (Lone Star I, II, III,IV,V, VI, Real Estate)	64,027,000	0	64,027,000	9.31%
Subtotal	70,143,776	0	70,143,776	10.20%
Total Real Estate	1,156,870,016	469,437,000	687,433,016	100.00%

Total Real Estate with Loan Program (net)
Total Fund Market Value

\$687,433,016
\$2,847,440,000
\$
\$512,539,200
\$687,433,016
\$174,893,816

Target Value (\$ and %)
Market Value (\$ and %)
Variance from Target

%
18.00%
24.14%
6.14%

**Regular Board Meeting
Thursday, October 8, 2009**

9. Employee recognition – Third Quarter 2009

- a. Employee Service Award
- b. Employee of the Quarter Award

The Chairman presented an Employee Service Award for the Third Quarter, 2009 to Everard Davenport for 20 years of service with the City of Dallas and the Pension System.

The Chairman presented a performance award for Employee of the Quarter, Third Quarter 2009 to Aimee Jasper, Retirement Benefits Counselor.

No motion was made.

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

Reports were given on the following meetings. Those who attended are listed.

- a. **Conference: Napa Executive Board Meeting**
Dates: September 17, 2009

Messrs. Brown, Shaw, Tettamant, and Taylor

- b. **Conference: 2009 TLFRA Educational Conference**
Dates: September 13-16, 2009

Messrs. Wachsman and Salinas

- c. **Conference: IMN: Alternative Investments Summit**
Dates: September 22-23, 2009

Mr. Umlor

- d. **Conference: HM Capital Partners 2009 Annual Partners' Meeting**
Dates: September 23-24, 2009

Messrs. Brown, Neumann, Umlor, and Tettamant

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

- e. Conference: Due Diligence: L & B Realty Advisors**
Dates: September 28, 2009

Messrs. Brown, McCollum, Wachsman, Tettamant, Taylor, and Ellass

- f. Conference: Due Diligence: Walter Scott Global Investment Management**
Dates: September 29, 2009

Messrs. Brown, McCollum, Wachsman, Tettamant, Taylor, and Ellass

- g. Conference: Due Diligence: Rob Lawson Consulting**
Dates: September 30-October 1, 2009

Messrs. Brown, Tettamant, Taylor, and Ellass

- h. Conference: Due Diligence: Cintra Developments**
Dates: September 30-October 1, 2009

Messrs. McCollum, Wachsman, and Irlbeck

- i. Conference: Due Diligence: JPMorgan Maritime**
Dates: October 1, 2009

Messrs. Tomasovic and Umlor

- j. Conference: Due Diligence: Capmark Investments**
Dates: October 2, 2009

Messrs. Brown, McCollum, Wachsman, Tettamant, Taylor, and Ellass

- k. Conference: Due Diligence: Transtrend**
Dates: October 5, 2009

Messrs. Brown, McCollum, Wachsman, Tettamant, Taylor, and Ellass

- l. Conference: Due Diligence: Robeco – Emerging Markets**
Dates: October 5, 2009

Messrs. Brown, McCollum, Wachsman, Tettamant, Taylor, and Ellass

**Regular Board Meeting
Thursday, October 8, 2009**

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

m. Conference: Due Diligence: Rabobank Group
Dates: October 5, 2009

Messrs. Brown, McCollum, Wachsman, Tettamant, Taylor, and Elass

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

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11. Annual Board/Staff Workshop to be held on October 19 - 22, 2009

Mr. Tettamant discussed the final plans for the annual workshop. Workshop materials were distributed.

After discussion, Mr. Shaw made a motion to receive and file the discussion. Mr. Tomasovic 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. Associations' newsletters**
 - TEXPERS Outlook (September 2009)

**Regular Board Meeting
Thursday, October 8, 2009**

2. Administrator's report (continued)

- b. Future continuing education and investment research programs and conferences
- c. Employee commendation

Mr. Tettamant briefed the Board on the Administrator's report items, including a commendation received for staff member, Ms. Ann Matthews.

Mr. Wachsman 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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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Tomasovic and a second by Mr. Shaw, the meeting was adjourned at 2:06 p.m.

[signature]

Gerald Brown
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary