

AGENDA



Date: March 4, 2010

A quarterly meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Tuesday, March 9, 2010 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. Recognition of former Trustee of the Dallas Police & Fire Pension System**
- 2. Welcome of appointed Trustee**

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Reports and recommendations of NEPC, including, but not limited to the following:**
 - a. Quarterly investment performance report for the fourth quarter ended December 31, 2009
 - b. Third quarter 2009 private markets review
 - c. Private equity program review and 2010 strategic investment plan
 - d. 2010 asset allocation update
- 2. Bridgewater Associates, Inc. contract**
- 3. The Mitchell Group**
 - a. Organizational update
 - b. Status of existing portfolio and plans for future activities with regard to that portfolio
- 4. Pyramis Global Advisors**
 - a. Organizational update
 - b. Status of existing portfolio and plans for future activities with regard to that portfolio

5. Lone Star Investment Advisors

- a.** NTOF contract extension
- b.** Status of existing portfolios and plans for future activities with regard to those portfolios
- c.** Organizational update

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records. An expression of preference or a preliminary vote may be taken by the Board on any briefing item or item discussed in executive session.

At the discretion of the Board, items on this agenda may be considered at times other than those indicated above.

**Dallas Police and Fire Pension System
Tuesday, March 9, 2010
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, Texas**

Quarterly meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Jerry Allen, Gerald Brown, Sheffield Kadane, Ann Margolin, John M. Mays, Rector C. McCollum, David A. Neumann, Richard A. Salinas, Steven G. Shaw, George Tomasovic, Steven H. Umlor, Richard H. Wachsman

Absent: None

Staff

Richard Tettamant, Don Rohan, Brain Blake, Mike Taylor, Talal Ellass, Josh Mond, Everard Davenport, John Holt, Jerry Chandler, Corina Rocha, Pat McGennis, Larry Landfried, Christina Wu, Greg Irlbeck, Linda Rickley

Others

Mike Manning, Keith Stronkowsky, Doug Hohertz, Will Nixon, Lance McInerney, Gerard Branka, Arthur Hollingsworth, Keith Camp, Will Walters, John McGuire, Adrian Ocegueda, Ellen Billings

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

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A. BOARD OF TRUSTEES

1. Recognition of former Trustee of the Dallas Police & Fire Pension System

Dwaine Caraway, former Council Trustee, was unable to attend. Mr. Caraway was a City Council Member Trustee from January 2008 through January 2010.

No motion was made.

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2. Welcome of appointed Trustee

The Board members welcomed Councilmember Sheffield Kadane. The City Council appointed Mr. Kadane, Councilmember, District 9, to begin his first term as Trustee on the Pension System Board effective February 10, 2010. Mr. Kadane fills Place 4, which was vacated by Council Member Dwaine Caraway.

No motion was made.

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

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

- a. Quarterly investment performance report for the fourth quarter ended December 31, 2009
- b. Third quarter 2009 private markets review
- c. Private equity program review and 2010 strategic investment plan
- d. 2010 asset allocation update

Mike Manning, President, and Keith Stronkowsky, Senior Analyst, from NEPC, the System's general investment consultant, were present to discuss various reports and recommendations. The reports included the quarterly investment performance report for the fourth quarter ended December 31, 2009, the third quarter 2009 private markets review, and the private equity program review and 2010 strategic investment plan. In addition, an updated report on the 2010 asset allocation for the System was presented.

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

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2. Bridgewater Associates, Inc. contract

Messrs. Manning and Stronkowsky discussed the investment options proposed by Bridgewater Associates.

Bridgewater has proposed giving investors a choice between the current All Weather Fund (which maintains Bridgewater's ability to move into and out of the Safe portfolio at their discretion) and the All Weather II Fund (which would remain in the All Weather portfolio at all times).

NEPC and Bridgewater memos regarding this possible change were reviewed.

After discussion, Mr. McCollum made a motion to maintain the current All Weather investment, consistent with NEPC's recommendation. Mr. Wachsmann seconded the motion, which was unanimously approved by the Board.

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

The meeting was reconvened at 10:06 a.m.

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3. The Mitchell Group

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

Doug Hohertz, Senior Vice President, and Will Nixon, Marketing Director, from The Mitchell Group, were present to discuss an organizational update of the firm, the status of the existing portfolio and plans for future activities with regard to that portfolio. The Mitchell Group has been one of the System's public equity managers since 2001. The advisor specializes in the North American public equity energy sector. The investments through Mitchell are part of the System's 10% target allocation to Global Natural Resources.

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

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The meeting was recessed at 11:26 a.m.

The meeting was reconvened at 11:39 a.m.

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4. Pyramis Global Advisors

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

Lance M. McInerney, Institutional Portfolio Manager, and Gerard Branka, Relationship Manager, from Pyramis Global Advisors, were present to discuss an organizational update of the firm, the status of the existing portfolio and plans for future activities with regard to that portfolio. Pyramis Global Advisors has been one of the System's international and global equity managers since 2002. In 2010, the portfolio was expanded to include global equities and is part of the System's 27% target allocation to Public Global Equity.

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

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5. Lone Star Investment Advisors

- a. NTOF contract extension
- b. Status of existing portfolios and plans for future activities with regard to those portfolios
- c. Organizational update

Arthur Hollingsworth, Managing Partner, Keith Camp, Partner, Helen Billings, Chief Financial Officer, John McGuire, Vice President of Operations, Will Walters, Senior Associate, and Adrian Ocegueda, Associate, of Lone Star Investment Advisors, were present to discuss a possible extension of the North Texas Opportunity Fund and update the Board on the status of the System's investments with the firm including the Lone Star CRA Fund, Lone Star Growth Capital Fund, and North Texas Opportunity Fund.

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5. Lone Star Investment Advisors (continued)

The North Texas Opportunity Fund commenced in May 2000 and is approaching its expiration date of May 10, 2010. The partnership agreement permits up to three successive one-year extensions of the fund with the consent of two-thirds in interest of the limited partners. The manager recommends that the System consent to a one year extension in order to wind down the remaining assets in the fund and maximize investors' return.

After discussion, Mr. McCollum made a motion to approve the extension, subject to successful contract negotiations, and the final approval of the Administrator and legal counsel, to authorize the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate and execute the contract amendment. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to receive and file the Lone Star Investment Advisors organizational update and portfolio review. Mr. Umlor 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. Mays, the meeting was adjourned at 1:25 p.m.

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Gerald Brown
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

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