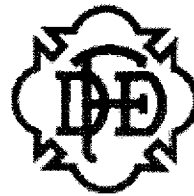




D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTE SUMMARY
Board Meeting
Thursday, June 14, 2012

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, June 14, 2012, in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas. Items of the following agenda were presented to the Board:

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

A. CONSENT AGENDA

Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. The IT Manager provided training on the new agenda distribution method. No motion was made.
2. Received and filed the 2011 audit report, subject to the final approval of the Administrator.
3. Waived the 180-day rule and granted Cathryn Lafitte's request to be permitted to apply for a disability pension.
4. No discussion was held regarding an asset-liability modeling study. No motion was made.
5. Received and filed the Museum Tower update.
6. Received and filed the Group Trust's monthly asset allocation report, the monthly unitization report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits.
7. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
8. Received and filed reports on pension-related legislative issues.
9. Directed the staff regarding Board preferences for workshop agenda topics and speakers.

MINUTE SUMMARY
Board Meeting
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10. No report was given on legal issues. No motion was made.

C. BRIEFING ITEMS

1. Listened to the concerns of active members. No motion was made.
2. Received and filed the Administrator's report.

The meeting was adjourned 10:01 a.m.

SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

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

The meeting was reconvened at 10:01 a.m.

A. CONSENT AGENDA

Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Received and filed the 2011 audit report, subject to the final approval of the Administrator.
2. Received and filed the Group Trust's monthly asset allocation report, the monthly unitization report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits.

The meeting was adjourned at 10:02 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF April 30, 2012

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
GLOBAL PRIVATE EQUITY			
ASHMORE INVESTMENT MGMT GSSF IV	42,869,329.59	1.4 %	6.9 %
BANKCAP PARTNERS FUND I, LP	16,707,335.97	0.5 %	2.7 %
DPFP HM CAPITAL PARTNERS	32,155,193.34	1.0 %	5.2 %
HUFF ALTERNATIVE FUND LP	37,984,226.22	1.2 %	6.1 %
HUFF ENERGY FUND LP - HUFF ENERGY	137,975,767.37	4.4 %	22.2 %
J P MORGAN ASIAN INFRASTRUCTURE & RE	18,526,510.53	0.6 %	3.0 %
JP MORGAN GLOBAL MARITIME INV FUND	1,945,226.79	0.1 %	0.3 %
JP MORGAN INFRASTRUCTURE INV FUND	34,436,240.18	1.1 %	5.6 %
LBJ INFRASTRUCTURE	16,054,361.96	0.5 %	2.6 %
LEVINE LEICHTMAN CAPITAL PARTNER IV, LLC	42,647,271.97	1.4 %	6.9 %
LLCP DEEP VALUE FUND LP	53,663,964.47	1.7 %	8.7 %
LONE STAR CRA FUND LP	15,333,290.00	0.5 %	2.5 %
LONE STAR FUND VII	10,124,197.65	0.3 %	1.6 %
LONE STAR GROWTH CAPITAL LP	19,684,001.02	0.6 %	3.2 %
LONE STAR OPPORTUNITIES FUND V	5,000,000.00	0.2 %	0.8 %
LONE STAR REAL ESTATE FUND II	9,025,970.71	0.3 %	1.5 %
MERIT PARTNERS LP	26,312,023.86	0.8 %	4.2 %
NORTH TEXAS OPPORTUNITY FUND	12,622,038.00	0.4 %	2.0 %
NTE MOBILITY PARTNERS HOLDINGS LLC	17,712,788.79	0.6 %	2.9 %
PHAROS CAPITAL PARTNERS	66,062,153.97	2.1 %	10.7 %
YELLOWSTONE ENERGY VENTURES	2,606,420.33	0.1 %	0.4 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	619,448,312.72	19.9 %	100.0 %
GLOBAL EQUITY			
BERNSTEIN GLOBAL STRATEGIC VALUE	77,931.66	0.0 %	0.0 %
EAGLE ASSET MANAGEMENT	99,608,331.03	3.2 %	15.0 %
OFI INSTITUTIONAL ASSET MGMT	107,536,282.37	3.5 %	16.1 %
PYRAMIS GLOBAL ADVISORS TRUST CO	163,428,158.71	5.2 %	24.5 %
RREEF REIT	51,160,147.11	1.6 %	7.7 %
TRADEWINDS GLOBAL INVESTORS	124,507,158.26	4.0 %	18.7 %
WALTER SCOTT & PARTNERS LIMITED	119,781,107.46	3.8 %	18.0 %
*** TOTAL GLOBAL EQUITY ***	666,099,116.60	21.4 %	100.0 %
GLOBAL NATURAL RESOURCES			
ENERGY OPPORTUNITIES CAPITAL MGMT	34,149,141.69	1.1 %	9.6 %
FOREST INVESTMENT ASSOCIATES	38,531,323.50	1.2 %	10.8 %
HANCOCK AGRICULTURAL INVEST FD	96,529,735.02	3.1 %	27.0 %
HUDSON CLEAN ENERGY PARTNERS	18,525,165.60	0.6 %	5.2 %
OAKTREE POWER OPPORTUNITIES FUND III RCM	2,582,390.20	0.1 %	0.7 %
RCM	24,512,553.05	0.8 %	6.9 %
RMK TIMBERLAND GROUP	70,555,170.11	2.3 %	19.7 %
SUSTAINABLE ASSET MANAGEMENT	34,438,928.00	1.1 %	9.6 %
THE MITCHELL GROUP	37,690,640.57	1.2 %	10.5 %
*** TOTAL GLOBAL NATURAL RESOURCES *	357,515,047.74	11.5 %	100.0 %
GLOBAL FIXED INCOME			
ASHMORE EMERGING MARKETS	24,727,183.07	0.8 %	4.9 %
ASHMORE INVESTMENT MANAGEMENT	51,542,857.55	1.7 %	10.3 %
BRANDYWINE ASSET MANAGEMENT	74,346,394.55	2.4 %	14.9 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	12,870,246.05	0.4 %	2.6 %
HIGHLAND CRUSADER FUND LP	26,688,210.50	0.9 %	5.3 %
LOOMIS SAYLES & CO	127,812,680.53	4.1 %	25.6 %
MONDRIAN INVESTMENT PARTNERS	70,527,091.14	2.3 %	14.1 %
OCM FUND IV	26,009,055.28	0.8 %	5.2 %
W.R. HUFF HIGH YIELD	85,495,386.25	2.7 %	17.1 %
*** TOTAL GLOBAL FIXED INCOME ***	500,019,104.92	16.0 %	100.0 %
GAA			
BRIDGEWATER ASSOCIATES, INC	91,217,053.73	2.9 %	34.9 %
GMO MULTI-STRATEGY FUND	87,807,154.95	2.8 %	33.6 %
PUTNAM TOTAL RETURN	31,455,156.00	1.0 %	12.0 %
ROBECO TRANSTREND DIVERSIFIED FUND	51,037,614.00	1.6 %	19.5 %
*** TOTAL GAA ***	261,516,978.68	8.4 %	100.0 %
REAL ESTATE			
BENTALL KENNEDY REAL ESTATE	33,315,224.11	1.1 %	4.6 %

DALLAS POLICE & FIRE PENSION SYSTEM
 ASSET DISTRIBUTION BY ADVISOR - AS OF April 30, 2012

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
CDK REALTY ADVISORS	519,842,005.11	16.7 %	71.6 %
CRISWELL RADOVAN	36,933,544.06	1.2 %	5.1 %
DALLAS P & F - REAL ESTATE FUND	65,886,690.74	2.1 %	9.1 %
INVESCO	20,535,005.20	0.7 %	2.8 %
KNUDSON LUXURY HOUSING L & B	36,590,303.64	0.0 %	0.1 %
LAND BARON	36,578,633.33	1.2 %	5.0 %
TRECAP PARTNERS LLC	12,245,029.07	0.0 %	0.0 %
	12,366,658.81	0.4 %	1.7 %
*** TOTAL REAL ESTATE ***	726,293,094.07	23.3 %	100.0 %
<u>ACCOUNTS IN LIQUIDATION</u>			
BANK OF IRELAND	15,729.28	0.0 %	16.2 %
CLAY FINLAY INC	81,537.39	0.0 %	83.8 %
*** TOTAL ACCOUNTS IN LIQUIDATION **	97,266.67	0.0 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	-15,228,287.15	-0.5 %	100.2 %
LOAN PROGRAM	0.00	0.0 %	0.0 %
DPPF TRANSITION ACCOUNT	27,791.69	0.0 %	-0.2 %
*** TOTAL CASH/LOAN PROGRAM ***	-15,200,495.46	-0.5 %	100.0 %
TOTAL MASTER TRUST	3,115,788,425.94	100.0 %	100.0 %
CITY CONTRIBUTIONS	7,914,749.56		
EMPLOYEE CONTRIBUTIONS	1,620,825.39		
BENEFIT DISTRIBUTIONS	-17,393,854.67		
ADVISORY FEES	-942,662.57		

Dallas Police and Fire Pension System
Thursday, June 14, 2012
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, George J. Tomasovic, Chairman, presiding:

ROLL CALL

Board Members

Present: Jerry R. Allen, Samuel L. Friar, Scott Griggs, Delia D. Jasso, Sheffield Kadane, John M. Mays, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsman, Thomas White, Dan Wojcik

Absent: None

Staff

Richard Tettamant, Don Rohan, Brian Blake, Mike Taylor, Josh Mond, John Holt, Jerry Chandler, Corina Terrazas, Pat McGennis, Larry Landfried, Ryan Wagner, Christina Wu, Greg Irlbeck, Mitchell Miller, Linda Rickley

Others

Gary Lawson, W. B. Wilson, Wayne Antrobus, Robert Valles, Greg Holliday, Gary Jacobson

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

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Regular meeting of May 17, 2012
- b. Special meeting of May 24, 2012

2. Approval of Retired Member Returning to Active Service, Section 6.02 Group B

3. Approval of Refunds of Contributions for the Month of May 2012

**Regular Board Meeting
Thursday, June 14, 2012**

A. CONSENT AGENDA (continued)

- 4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for June 2012**
- 5. Approval of Estate Settlements**
- 6. Approval of Survivor Benefits**
- 7. Approval of Service Retirements**
- 8. Approval of Alternate Payee Benefits**
- 9. Approval of Earnings Test**
- 10. Approval of Payment of Military Leave Contributions**

After discussion, Mr. Wachsman made a motion to approve the items on the Consent Agenda, subject to the final 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. Agenda distribution

The IT Manager provided training on the new agenda distribution method.

No motion was made.

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2. 2011 audit report

Mr. Taylor discussed the 2011 financial audit performed by MFR, PC.

After discussion, Mr. Umlor made a motion to receive and file the 2011 audit report, subject to the final approval of the Administrator. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

Regular Board Meeting
Thursday, June 14, 2012

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3. Update on request by Cathryn Lafitte for consideration of disability retirement

The Board went into a closed executive session – medical at 8:45 a.m.

The meeting was reopened at 8:59 a.m.

After discussion, Mr. Friar made a motion to waive the 180-day rule and grant Cathryn Lafitte's request to be permitted to apply for a disability pension. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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4. Asset liability modeling

No discussion was held regarding an asset-liability modeling study.

No motion was made.

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5. Museum Tower update

Mr. Tettamant provided an update on the Museum Tower project.

After discussion, Mr. Umlor made a motion to receive and file the Museum Tower update. Mr. White seconded the motion, which was unanimously approved by the Board.

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6. Investment and financial reports

- a. Group Trust monthly asset allocation report
- b. Group Trust monthly unitization report
- c. Group Trust performance report unaudited draft
- d. Group Trust unaudited statement of net assets available for benefits

After discussion, Mr. Wachsman made a motion to receive and file the Group Trust's monthly asset allocation report, the monthly unitization report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits. Mr. Mays seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
Thursday, June 14, 2012**

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7. 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:** IFEBP: Portfolio Concepts at the Wharton School
Dates: May 21-24, 2012

Mr. Salinas

- b. Conference:** Lone Star Real Estate Fund II Investor Meeting
Dates: May 31, 2012

Messrs. Blake, Wagner

- c. Conference:** Texans for Secure Retirement Meeting
Dates: June 5, 2012

Messrs. Tomasovic, Rohan

- d. Conference:** Pharos Annual Investors Conference
Dates: June 6-7, 2012

Messrs. Salinas, Wojcik, Mays, White

After discussion, Mr. Wachsman made a motion to receive and file reports by staff and Board members on due diligence meetings, seminars and/or conferences attended. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:26 a.m.

The meeting was reconvened at 9:52 a.m.

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**Regular Board Meeting
Thursday, June 14, 2012**

8. Pension-related legislative issues

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

The Board and staff discussed legislative issues and reports from legislative consultants.

After discussion, Mr. Wachsman made a motion to receive and file reports on pension-related legislative issues. Mr. Salinas 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 22 - 25, 2012

The Board and staff discussed preliminary topics for the 2012 annual workshop. After discussion, Mr. Salinas made a motion to receive and file the preliminary workshop agenda. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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10. Legal issues

No report was given on legal issues.

No motion was made.

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C. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

Listened to the concerns of active members.

No motion was made.

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**Regular Board Meeting
Thursday, June 14, 2012**

2. Administrator's report

- a. Associations' newsletters
 - TEXPERS Outlook (May 2012)
 - TEXPERS Outlook (June 2012)
 - TEXPERS Pension Observer (Spring 2012)
 - TEXPERS Report on the Asset Allocation and Investment Performance of Texas Public Employee Retirement Systems (February 2012)
- b. Future continuing education and investment research programs and conferences

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

Mr. Umlor made a motion to receive and file the Administrator's Report. Mr. Mays 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. Umlor and a second by Mr. Salinas, the meeting was adjourned at 10:01 a.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary