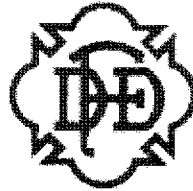




D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTE SUMMARY
Board Meeting
Thursday, September 13, 2012

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, September 13, 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. Approved the proposed revisions to the Investment Implementation Policy, subject to the final review 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.
3. Authorized the first reading of the Calendar Year 2013 Administrative and Professional Services Budget at the October 11, 2012, regular meeting of the Board.
4. Received and filed reports on pension-related legislative issues.
5. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
6. Approved the disability continuations.
7. Received and filed the update from Huff Energy Fund.
8. No report was given on legal issues. No motion was made.

MINUTE SUMMARY
Board Meeting
Thursday, September 13, 2012

C. BRIEFING ITEMS

1. No active members or pensioners requested to discuss concerns with the Board.
2. Received and filed the Administrator's report.

ADDENDUM

Held a closed executive session – legal. No motion was made.

The meeting was adjourned at 10:28 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 10:28 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. Authorized the first reading of the Calendar Year 2013 Supplemental Plan Budget at the October 11, 2012, regular meeting of the Board.
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 10:29 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF July 31, 2012

	NET ASSET VALUE	% OF ASSETS	FUND	ADVISOR
			% OF ASSETS	% OF CLASS
GLOBAL PRIVATE EQUITY				
ASHMORE INVESTMENT MGMT GSSF IV	39,331,031.25		1.3 %	6.0 %
BANKCAP PARTNERS FUND I, LP	16,707,841.00		0.5 %	2.5 %
DPFP HM CAPITAL PARTNERS	34,058,575.56		1.1 %	5.2 %
HUFF ALTERNATIVE FUND LP	36,859,349.18		1.2 %	5.6 %
HUFF ENERGY FUND LP - HUFF ENERGY	157,693,758.12		5.1 %	24.1 %
J P MORGAN ASIAN INFRASTRUCTURE & RE	18,536,797.31		0.6 %	2.8 %
JP MORGAN GLOBAL MARITIME INV FUND	881,847.32		0.0 %	0.1 %
JP MORGAN INFRASTRUCTURE INV FUND	34,685,162.12		1.1 %	5.3 %
LBJ INFRASTRUCTURE	19,063,437.61		0.6 %	2.9 %
LEICHTMAN CAPITAL PARTNERS DEEP VALU	3,862,612.62		0.1 %	0.6 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	44,301,875.94		1.4 %	6.7 %
LLCP DEEP VALUE FUND LP	54,670,572.43		1.8 %	8.3 %
LONE STAR CRA FUND LP	13,759,124.00		0.4 %	2.1 %
LONE STAR FUND VII	16,639,964.42		0.5 %	2.5 %
LONE STAR GROWTH CAPITAL LP	24,871,577.98		0.8 %	3.8 %
LONE STAR OPPORTUNITIES FUND V	5,000,000.00		0.2 %	0.8 %
LONE STAR REAL ESTATE FUND II	8,921,420.73		0.3 %	1.4 %
MERIT PARTNERS LP	26,730,325.71		0.9 %	4.1 %
NORTH TEXAS OPPORTUNITY FUND	11,035,864.01		0.4 %	1.7 %
NTE MOBILITY PARTNERS HOLDINGS LLC	20,027,239.69		0.6 %	3.0 %
PHAROS CAPITAL PARTNERS	66,629,381.79		2.2 %	10.1 %
YELLOWSTONE ENERGY VENTURES	2,711,295.33		0.1 %	0.4 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	656,979,054.12		21.2 %	100.0 %
GLOBAL EQUITY				
BERNSTEIN GLOBAL STRATEGIC VALUE	71,923.09		0.0 %	0.0 %
EAGLE ASSET MANAGEMENT	95,744,293.19		3.1 %	15.9 %
OFI INSTITUTIONAL ASSET MGMT	111,441,924.94		3.6 %	18.5 %
PYRAMIS GLOBAL ADVISORS TRUST CO	217,166,543.00		7.0 %	36.1 %
RREEF REIT	52,479,308.20		1.7 %	8.7 %
TRADEWINDS GLOBAL INVESTORS	8,288.70		0.0 %	0.0 %
WALTER SCOTT & PARTNERS LIMITED	125,456,025.75		4.1 %	20.8 %
*** TOTAL GLOBAL EQUITY ***	602,368,306.87		19.5 %	100.0 %
GLOBAL NATURAL RESOURCES				
ENERGY OPPORTUNITIES CAPITAL MGMT	31,585,480.75		1.0 %	9.1 %
FOREST INVESTMENT ASSOCIATES	38,858,681.34		1.3 %	11.2 %
HANCOCK AGRICULTURAL INVEST FD	96,529,735.07		3.1 %	27.7 %
HUDSON CLEAN ENERGY PARTNERS	20,771,643.73		0.7 %	6.0 %
OAKTREE POWER OPPORTUNITIES FUND III	5,402,390.18		0.2 %	1.6 %
RCM	22,678,067.05		0.7 %	6.5 %
RMK TIMBERLAND GROUP	63,788,025.00		2.1 %	18.3 %
SUSTAINABLE ASSET MANAGEMENT	33,159,330.77		1.1 %	9.5 %
THE MITCHELL GROUP	35,127,254.29		1.1 %	10.1 %
*** TOTAL GLOBAL NATURAL RESOURCES *	347,900,608.18		11.2 %	100.0 %
GLOBAL FIXED INCOME				
ASHMORE EMERGING MARKETS	24,479,166.67		0.8 %	5.0 %
ASHMORE INVESTMENT MANAGEMENT	45,571,083.23		1.5 %	9.3 %
BRANDYWINE ASSET MANAGEMENT	75,508,818.07		2.4 %	15.4 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	13,198,486.82		0.4 %	2.7 %
HIGHLAND CRUSADER FUND LP	20,613,121.72		0.7 %	4.2 %
LOOMIS SAYLES & CO	127,355,240.48		4.1 %	26.0 %
MONDRIAN INVESTMENT PARTNERS	70,913,635.39		2.3 %	14.5 %
OCM FUND IV	25,819,052.58		0.8 %	5.3 %
W.R. HUFF HIGH YIELD	86,705,521.42		2.8 %	17.6 %
*** TOTAL GLOBAL FIXED INCOME ***	490,164,126.38		15.8 %	100.0 %
GAA				
BRIDGEWATER ASSOCIATES, INC	93,105,217.21		3.0 %	35.2 %
GMO MULTI-STRATEGY FUND	87,053,683.74		2.8 %	33.0 %
PUTNAM TOTAL RETURN	31,016,174.00		1.0 %	11.7 %
ROBECO TRANSTREND DIVERSIFIED FUND	52,989,223.00		1.7 %	20.1 %
*** TOTAL GAA ***	264,164,297.95		8.5 %	100.0 %

DALLAS POLICE & FIRE PENSION SYSTEM
 ASSET DISTRIBUTION BY ADVISOR - AS OF July 31, 2012

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
<u>REAL ESTATE</u>			
BENTALL KENNEDY REAL ESTATE	34,268,928.97	1.1 %	4.6 %
CDK REALTY ADVISORS	519,122,435.39	16.8 %	69.7 %
CRISWELL RADOVAN	38,833,536.63	1.3 %	5.2 %
DALLAS P & F - REAL ESTATE FUND	65,098,534.90	2.1 %	8.8 %
INVESCO	21,129,171.25	0.7 %	2.8 %
KNUDSON LUXURY HOUSING	21,590,303.64	0.0 %	0.1 %
L & B	32,122,912.02	1.0 %	4.3 %
LAND BARON	20,822,029.07	0.7 %	2.8 %
TRECAP PARTNERS LLC	12,867,117.69	0.4 %	1.7 %
*** TOTAL REAL ESTATE ***	744,854,969.56	24.1 %	100.0 %
<u>ACCOUNTS IN LIQUIDATION</u>			
BANK OF IRELAND	14,635.94	0.0 %	15.9 %
CLAY FINLAY INC	77,670.19	0.0 %	84.1 %
*** TOTAL ACCOUNTS IN LIQUIDATION **	92,306.13	0.0 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	-11,531,729.26	-0.4 %	101.9 %
LOAN PROGRAM	0.00	0.0 %	0.0 %
DPPF TRANSITION ACCOUNT	217,713.99	0.0 %	-1.9 %
*** TOTAL CASH/LOAN PROGRAM ***	-11,314,015.27	-0.4 %	100.0 %
TOTAL MASTER TRUST	3,095,209,653.92	100.0 %	100.0 %
CITY CONTRIBUTIONS	7,822,380.38		
EMPLOYEE CONTRIBUTIONS	1,664,132.71		
BENEFIT DISTRIBUTIONS	-16,612,634.36		
ADVISORY FEES	-2,369,276.95		

Dallas Police and Fire Pension System
Thursday, September 13, 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, Thomas White, Dan Wojcik

Absent: Richard H. Wachsman

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

Others Gary Lawson, Ed Dresser, Gil Travis, Gary Jacobson, W.R. Huff (via telephone), Bryan Bloom (via telephone)

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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

Regular meeting of August 9, 2012

2. Approval of Refunds of Contributions for the Month of August 2012

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for September 2012

4. Approval of Estate Settlements

Regular Board Meeting
Thursday, September 13, 2012

A. CONSENT AGENDA (continued)

- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Payment of Military Leave Contributions**

After discussion, Mr. Umlor made a motion to approve the items on the Consent Agenda, subject to the final approval of the Administrator. Mr. Mays 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. Revisions to the Investment Implementation Policy

Mr. Tettamant presented proposed revisions to the Investment Implementation Policy, which provides the framework to implement the broad guidelines of the Strategic Investment Policy. The proposal sets parameters in various investment categories so that the broad policies of the Strategic Investment Policy can be accomplished over time.

After discussion, Mr. Umlor made a motion to approve the proposed revisions to the Investment Implementation Policy, subject to the final review of the Administrator. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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2. 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**

Regular Board Meeting
Thursday, September 13, 2012

2. Investment and financial reports (continued)

Mr. Umlor 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. Salinas seconded the motion, which was unanimously approved by the Board.

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3. Presentation and discussion of the 2013 Administrative and Professional Services Budgets

Mr. Tettamant stated that the Administrative and Audit Advisory Committee reviewed the budget proposal at its August 9, 2012, meeting and approved presentation to the Board at the September meeting with no recommended changes.

After discussion, Mr. Mays made a motion to authorize the first reading of the Calendar Year 2013 Administrative and Professional Services Budget at the October 11, 2012, regular meeting of the Board. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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4. Pension-related legislative issues

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

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

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

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Regular Board Meeting
Thursday, September 13, 2012

5. 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:** TEXPERS Summer Educational Forum
Dates: August 19-21, 2012

Messrs. Tomasovic, Allen, Salinas, Wojcik, Friar, Wachsman, Kadane, White, Blake, Scoggins, Mond

- b. Conference:** Merit Energy Due Diligence
Dates: August 21-22, 2012

Messrs. Umlor, Tettamant, Taylor

- c. Conference:** The Future of Corporate Reform Public Funds Forum
Dates: September 4-6, 2013

Mr. Friar

- d. Conference:** Mid-Sized Retirement & Healthcare Conference
Dates: September 9-12, 2012

Mr. Wojcik

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

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6. Closed Session - Board serving as Medical Committee

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

Disability recalls

The Board went into a closed executive session – medical at 9:09 a.m.

The meeting was reopened at 9:11 a.m.

Regular Board Meeting
Thursday, September 13, 2012

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

After discussion, Mr. Umlor made a motion to grant continuance of both on-duty, Combined Pension Plan, Group B disability benefits, without further recall. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:12 a.m.

The meeting was reconvened at 9:31 a.m.

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7. Huff Energy Fund update

William R. Huff, President, and Bryan Bloom, General Counsel, of W.R. Huff Asset Management Company, presented an update on the Huff Energy Fund by telephone.

After discussion, Mr. Umlor made a motion to receive and file the Huff Energy Fund update. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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8. Legal issues

Portions of the discussion under this topic 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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C. BRIEFING ITEMS

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

No active member or pensioner requested to address the Board with concerns.

**Regular Board Meeting
Thursday, September 13, 2012**

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2. Administrator's report

- a. Associations' newsletters
 - NCPERS Monitor (August 2012)
 - NCPERS PERSist (Summer 2012)
 - TEXPERS Outlook (September 2012)
- b. Future continuing education and investment research programs and conferences

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

Mr. Salinas made a motion to receive and file the Administrator's Report. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

* * * * *

ADDENDUM

Legal issues

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code:

Open records request of Dallas Morning News and potential litigation

The Board went into a closed executive session – legal at 10:02 a.m.

The meeting was reopened at 10:26 a.m.

No motion was made in open session.

**Regular Board Meeting
Thursday, September 13, 2012**

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 10:28 a.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

**Regular Board Meeting
Thursday, September 13, 2012**

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