



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



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, November 8, 2012**

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, November 8, 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 of the staff.

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

1. The Board discussed Museum Tower. No motion was made.
2. Received and filed the Sector Performance Fund, L.P. update given by HM Capital Partners and Kainos Capital, LLC. Approved an investment of \$35 million with Kainos Capital, LLC, subject to the negotiation of the Administrator.
3. Approved the disability continuations.
4. Approved the second and final reading of the 2013 Administrative and Professional Services Budgets.
5. 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.
6. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
7. Received and filed reports on the pension-related legislative issues.
8. No report was given on legal issues. No motion was made.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, November 8, 2012**

9. The Board discussed personnel issues in closed session. No motion was made.

**C. BRIEFING ITEMS**

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

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

**A. CONSENT AGENDA**

Approved, subject to the final review of the staff.

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

1. Approved the second and final reading of the Calendar Year 2013 Supplemental Plan Budget.
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 11:40 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF September 30, 2012

	NET ASSET VALUE	% OF ASSETS	FUND	ADVISOR
			% OF ASSETS	% OF CLASS
<b>GLOBAL PRIVATE EQUITY</b>				
ASHMORE INVESTMENT MGMT GSSF IV	38,976,049.01		1.2 %	5.0 %
BANKCAP PARTNERS FUND I, LP	16,695,636.95		0.5 %	2.1 %
DALLAS POLICE AND FIRE RED CONSOLIDA	111,345,535.95		3.5 %	14.4 %
DPFP HM CAPITAL PARTNERS	41,374,784.23		1.3 %	5.3 %
HUFF ALTERNATIVE FUND LP	37,387,739.24		1.2 %	4.8 %
HUFF ENERGY FUND LP - HUFF ENERGY	148,131,250.75		4.7 %	19.0 %
J P MORGAN ASIAN INFRASTRUCTURE & RE	19,773,031.08		0.6 %	2.5 %
JP MORGAN GLOBAL MARITIME INV FUND	3,701,425.91		0.0 %	0.1 %
JP MORGAN INFRASTRUCTURE INV FUND	34,233,909.00		1.1 %	4.4 %
LBJ INFRASTRUCTURE	20,988,119.79		0.7 %	2.7 %
LEICHTMAN CAPITAL PARTNERS DEEP VALU	3,911,079.42		0.1 %	0.5 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	49,527,720.58		1.6 %	6.4 %
LLCP DEEP VALUE FUND LP	52,707,047.98		1.7 %	6.8 %
LONE STAR CRA FUND LP	15,102,665.00		0.5 %	1.9 %
LONE STAR FUND VII	20,330,824.69		0.6 %	2.6 %
LONE STAR GROWTH CAPITAL LP	25,041,970.94		0.8 %	3.2 %
LONE STAR OPPORTUNITIES FUND V	5,060,354.00		0.2 %	0.6 %
LONE STAR REAL ESTATE FUND II	9,089,143.59		0.3 %	1.2 %
MERIT PARTNERS LP	27,107,017.76		0.9 %	3.5 %
NORTH TEXAS OPPORTUNITY FUND	11,136,339.98		0.4 %	1.4 %
NTE MOBILITY PARTNERS HOLDINGS LLC	22,214,306.53		0.7 %	2.8 %
PHAROS CAPITAL PARTNERS	66,227,448.60		2.1 %	8.5 %
YELLOWSTONE ENERGY VENTURES	2,711,295.67		0.1 %	0.3 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	779,774,696.65		24.8 %	100.0 %
<b>GLOBAL EQUITY</b>				
BERNSTEIN GLOBAL STRATEGIC VALUE	17,654.74		0.0 %	0.0 %
EAGLE ASSET MANAGEMENT	101,567,807.19		3.2 %	17.4 %
OFI INSTITUTIONAL ASSET MGMT	112,096,490.59		3.6 %	19.2 %
PYRAMIS GLOBAL ADVISORS TRUST CO	192,038,011.23		6.1 %	33.0 %
RREEF REIT	53,415,675.74		1.7 %	9.2 %
TRADEWINDS GLOBAL INVESTORS	7,112.37		0.0 %	0.0 %
WALTER SCOTT & PARTNERS LIMITED	123,566,584.94		3.9 %	21.2 %
*** TOTAL GLOBAL EQUITY ***	582,709,336.80		18.5 %	100.0 %
<b>GLOBAL NATURAL RESOURCES</b>				
ENERGY OPPORTUNITIES CAPITAL MGMT	32,793,038.86		1.0 %	9.2 %
FOREST INVESTMENT ASSOCIATES	38,858,680.67		1.2 %	10.9 %
HANCOCK AGRICULTURAL INVEST FD	98,834,581.02		3.1 %	27.8 %
HUDSON CLEAN ENERGY PARTNERS	20,927,207.70		0.7 %	5.9 %
OAKTREE POWER OPPORTUNITIES FUND III	5,291,932.20		0.2 %	1.5 %
RCM	23,783,382.32		0.8 %	6.7 %
RMK TIMBERLAND GROUP	63,788,025.00		2.0 %	17.9 %
SUSTAINABLE ASSET MANAGEMENT	34,555,875.15		1.1 %	9.7 %
THE MITCHELL GROUP	37,158,705.54		1.2 %	10.4 %
*** TOTAL GLOBAL NATURAL RESOURCES *	355,991,428.46		11.3 %	100.0 %
<b>GLOBAL FIXED INCOME</b>				
ASHMORE EMERGING MARKETS	25,124,008.08		0.8 %	5.0 %
ASHMORE INVESTMENT MANAGEMENT	46,960,422.08		1.5 %	9.4 %
BRANDYWINE ASSET MANAGEMENT	77,435,707.04		2.5 %	15.4 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	14,440,709.40		0.5 %	2.9 %
HIGHLAND CRUSADER FUND LP	19,077,043.62		0.6 %	3.8 %
LOOMIS SAYLES & CO	131,916,015.95		4.2 %	26.3 %
MONDRIAN INVESTMENT PARTNERS	72,460,782.50		2.3 %	14.4 %
OCM FUND IV	26,710,653.48		0.8 %	5.3 %
W.R. HUFF HIGH YIELD	87,760,443.36		2.8 %	17.5 %
*** TOTAL GLOBAL FIXED INCOME ***	501,885,785.51		15.9 %	100.0 %
<b>GAA</b>				
BRIDGEWATER ASSOCIATES, INC	97,228,482.34		3.1 %	35.6 %
GMO MULTI-STRATEGY FUND	88,912,269.01		2.8 %	32.5 %
PUTNAM TOTAL RETURN	32,541,785.00		1.0 %	11.9 %
ROBECO TRANSTREND DIVERSIFIED FUND	54,598,992.50		1.7 %	20.0 %
*** TOTAL GAA ***	273,281,528.85		8.7 %	100.0 %

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF September 30, 2012

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
<u>REAL ESTATE</u>				
BENTALL KENNEDY REAL ESTATE	47,632,799.23	1.5 %		7.3 %
CDK REALTY ADVISORS	416,772,490.21	13.2 %		63.4 %
CRISWELL RADOVAN	39,123,536.63	1.2 %		5.9 %
DALLAS P & F - REAL ESTATE FUND	61,359,024.72	1.9 %		9.3 %
INVESCO	21,307,173.11	0.7 %		3.2 %
KNUDSON LUXURY HOUSING	35,590,303.64	0.0 %		0.1 %
L & B	35,615,324.28	1.1 %		5.4 %
LAND BARON	22,687,029.28	0.7 %		3.4 %
TRECAP PARTNERS LLC	13,202,975.74	0.4 %		2.0 %
*** TOTAL REAL ESTATE ***	658,290,656.84	20.9 %		100.0 %
<u>CASH/LOAN PROGRAM</u>				
CONTRIBUTION & EXPENSE ACCOUNT				
CONTROL CASH	-4,451,202.07	-0.1 %		105.2 %
LOAN PROGRAM	0.00	0.0 %		0.0 %
DPFP TRANSITION ACCOUNT	221,174.33	0.0 %		-5.2 %
*** TOTAL CASH/LOAN PROGRAM ***	-4,230,027.74	-0.1 %		100.0 %
TOTAL MASTER TRUST	3,147,703,405.37	100.0 %		100.0 %
CITY CONTRIBUTIONS	7,713,652.57			
EMPLOYEE CONTRIBUTIONS	1,640,455.83			
BENEFIT DISTRIBUTIONS	-17,373,740.12			
ADVISORY FEES	-59,109.04			

**Dallas Police and Fire Pension System**  
**Thursday, November 8, 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, Delia D. Jasso, Sheffield Kadane, John M. Mays, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsman, Dan Wojcik

Absent: Scott Griggs, Thomas White

**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, Linda Rickley

**Others**

Gary Lawson, Gary Jacobson, Ed Dresser, Jo James, Robert O'Connor, Ron Pinkston, Wayne Antrobus, Andrew Rosen, Sarah Bradley, Bob Sperry, Robert Miller (via telephone)

\* \* \* \* \*

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

\* \* \* \* \*

**A. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of October 11, 2012

**2. Approval of Refunds of Contributions for the Month of October 2012**

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

**4. Approval of Estate Settlements**

**Regular Board Meeting  
Thursday, November 8, 2012**

- 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. Wachsman made a motion to approve the items on the Consent Agenda, subject to the final approval of the Administrator. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

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

**1. Museum Tower**

The Board went into a closed executive session – real estate at 10:39 a.m. to discuss Museum Tower.

The meeting was reopened at 11:30 a.m.

No motion was made.

\* \* \* \* \*

**2. HM Capital Partners and Kainos Capital, LLC**

- a. Sector Performance Fund, L.P. update**
- b. Possible new investment in Kainos Capital Partners, L.P.**

Andrew Rosen, Partner, Sarah Bradley, Partner, and Bob Sperry, Partner, of HM Capital, provided an update on the HM Capital Sector Performance Fund and discussed a potential new investment in Kainos Capital Partners, L.P.

After discussion, Mr. Wachsman made a motion to receive and file the Sector Performance Fund, L.P. update and approve an investment of \$35 million with Kainos Capital Partners, L.P., subject to successful due diligence, contract negotiations, and the final approval of the Administrator and legal counsel, to authorize the Chairman to execute the contract, and to authorize the

**Regular Board Meeting  
Thursday, November 8, 2012**

**2. HM Capital Partners and Kainos Capital, LLC (continued)**

Administrator to perform all necessary acts and exercise all appropriate discretion to consummate the investment and ongoing operation. Mr. Mays seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

The meeting was recessed at 9:42 a.m.

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

\* \* \* \* \*

**3. 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 recall "A"
- Disability recall "B"

The Board went into a closed executive session – medical at 10:03 a.m. to review the on-duty disability pension of two Plan B Members.

The meeting was reopened at 10:05 a.m.

After discussion, Mr. Wachsman made a motion to grant continuance of both on-duty, Combined Pension Plan, Group B disability benefits, according to the staff recommendations. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**4. Second reading of the 2013 Administrative and Professional Services Budgets**

Mr. Tettamant stated that the first reading of the budgets was held at the October 11, 2012, Board meeting. At that time, the Board authorized the second reading of the budget at the November 8, 2012, regular meeting.

**Regular Board Meeting**  
**Thursday, November 8, 2012**

**4. Second reading of the 2013 Administrative and Professional Services Budgets (continued)**

After discussion, Mr. Salinas made a motion to approve the second and final reading of the 2013 Administrative and Professional Services Budgets. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**5. 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. Umlor made a motion to receive and file the investment and financial reports named above. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**6. 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. Society of Pension Professionals

Messrs. White, Wojcik

- b. Investment Research: CDK

Messrs. Salinas, Umlor

- c. Schweser CFA

No report was given.

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



**Regular Board Meeting**  
**Thursday, November 8, 2012**

\* \* \* \* \*

**7. Pension-related legislative issues**

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

Robert Miller, Partner, Locke Lord LLP, gave a legislative update by telephone.

After discussion, Mr. Salinas made a motion to receive and file the reports from the legislative consultants. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**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 and no motion was made.

\* \* \* \* \*

**9. Closed Session – Personnel**

The Board went into a closed executive session – personnel at 11:31 a.m.

The meeting was reopened at 11:36 a.m.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting**  
**Thursday, November 8, 2012**

**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.

\* \* \* \* \*

**2. Administrator's report**

No report was given and no motion was made.

\* \* \* \* \*

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. Mays, the meeting was adjourned at 11:39 a.m.

*[signature]*

\_\_\_\_\_  
George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

\_\_\_\_\_  
Richard L. Tettamant  
Secretary