

**Dallas Police and Fire Pension System
Board and Staff Workshop
Monday, October 28, 2013 - Thursday, October 31, 2013
160 Cliffs Drive
Graford, TX 76449**

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

ROLL CALL

Board Members

Present: Gerald D. Brown, Samuel L. Friar, Kenneth S. Haben, Philip T. Kingston, Lee M. Kleinman, John M. Mays, George J. Tomasovic, Richard A. Salinas, Joseph P. Schutz, Daniel W. Wojcik

Absent: Tennell Atkins, Scott Griggs

Staff

Richard Tettamant, Don Rohan, Brian Blake, Mike Taylor, Josh Mond, John Holt, Jerry Chandler, Pat McGennis, Christina Wu, Greg Irlbeck, Ryan Wagner, Linda Rickley, Linh Ho

Others

Brian Nottage, Bernard McNamara, Michael E. Smith, Ryan Holgan, Richard W. Brown, Martin Rosenberg, Dan Geuther, Paul Nelson, Mike Sobolik, Chris Cleghorn, Charles O. Schetter, Cindy Gilmore, Jack Matthews, Paul Briggs, Paul A. Boneham, Kenneth Cooley, Jon Donahue, Brent W. Kroener, Michael Ebert, Whitney Farley, Dr. William Brueggeman, Christine M. Mullis, G. Andrews Smith, Tendai Musikavanhu, Jan Dehn, Fiona Gibbons, Kolawole Olofinboba, M.D., Yvonne Bakkum, Dr. Jerry Webman, Rich Walsh, Rhett Humphreys, Keith Stronkowsky, Timothy F. McCusker, Thorsten Winkelmann, Peter A. Sullivan, Kevin Fenwick, Todd Rittenhouse, Mark G. Roberts, Elizabeth Wohlleb, Dr. Mary Kathryn Champion, Arthur Hollingsworth, John McGuire, Will Walters, Adrian Ocegueda, Owen Jones, David L. Driscoll, David Kent, Michael R. Horton, Neal T. "Buddy" Jones, R. Clint Smith, Robert Miller, Senator John Whitmire, Yuniedth Midence-Steen, Gary Lawson, A. D. "Gus" Fields

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The meeting was called to order at 4:18 p.m. on Monday, October 28, 2013.

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OPENING SESSION

1. Workshop Welcome

Mr. Tettamant, Administrator, and Mr. Tomasovic, Chairman, welcomed the participants to the 2013 Annual Board and Staff Workshop.

No motion was made.

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2. Keynote speakers: Economic Recovery and Real Assets – Are We There Yet?

Brian Nottage, Head of Research for Real Estate Separate Accounts, and Bernard McNamara, Executive Director and Product Manager for JPMorgan Real Assets, presented a keynote speech on the workshop theme: “Economic Recovery – Are We There Yet?” In addition, they led a broad discussion on the current state of economic recovery and provided a review and outlook for real estate and real assets investments. Michael Smith, Executive Director and the System’s client service representative, and Ryan Holgan, Associate, of JPMorgan, also participated in the discussion.

After discussion, Mr. Salinas made a motion to receive and file the J.P. Morgan presentations. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 5:50 p.m. on Monday, October 28, 2013

The meeting was reconvened at 8:01 a.m. on Tuesday, October 29, 2013

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REAL ESTATE INVESTMENTS

3. Reports and recommendations of The Townsend Group

Richard Brown, Principal, Martin Rosenberg, Principal, and Dan Geuther, Associate, from The Townsend Group, the System's real asset investment consultant, were present to discuss the second quarter 2013 real assets performance report and provided an update on the real estate, agriculture and timber markets. Townsend also discussed investment and allocation strategies for the System's real estate portfolio in 2014.

After discussion, Mr. Salinas made a motion to receive and file the reports and recommendations from the Townsend Group. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:21 a.m.

The meeting was reconvened at 9:43 a.m.

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4. Housing Recovery Panel

Mike Sobolik, Senior Director, Regional Director of Research, North America, Paul Nelson, Senior Director, Portfolio Manager, and Chris Cleghorn, Associate Portfolio Manager, all of Invesco Real Estate, and Charles O. Schetter, President, and Cindy Gilmore, Senior Vice President, both of Hearthstone, Jack Matthews, President of Matthews Southwest, Paul A. Boneham, Executive Vice President, and Paul Briggs, Vice President, Head of U. S. Research, both of Bentall Kennedy, participated in a panel discussion on their views on the current state of the housing recovery and what bearing this will have on real estate returns in 2014.

After discussion, Mr. Brown made a motion to receive and file the housing recovery panel discussion. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:10 a.m.

The meeting was reconvened at 11:23 a.m.

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REAL ESTATE INVESTMENTS (continued)

5. Retail and Retail with Mixed Used Investing

Kenneth Cooley, Principal, Jon Donahue, Principal, Brent Kroener, Principal, of CDK Realty Advisors, and Michael Ebert, Managing Partner of RED Consolidated Holdings, LLC, discussed retail real estate and retail with mixed use real estate investing in the United States. The discussion included retail, multifamily, and hotel real estate assets.

After discussion, Mr. Brown made a motion to receive and file reports from CDK Realty Advisors and RED Consolidated Holdings, LLC. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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

The meeting was reconvened at 1:02 p.m.

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6. Fundamentals of Institutional Real Estate Investing

Dr. William B. Brueggeman, Department Chair, SMU Cox School of Business, Clara R. and Leo F. Corrigan, Sr. Endowed Chair, and Whitney Farley, Director of Underwriting, Invesco Real Estate, presented an educational session on real estate. The educational session covered real estate concepts important to understanding institutional real estate investing.

G. Andrews Smith, Managing Partner and Chief Executive Officer, and Christine M. Mullis, Executive Vice President – Portfolio Manager, also were present from L&B Realty Advisors, LLP.

Mr. Salinas made a motion to receive and file the educational session on real estate. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 2:40 p.m.

The meeting was reconvened at 3:14 p.m.

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REAL ESTATE INVESTMENTS (continued)

7. African Investing Panel

Tendai Musikavanhu, CFA, Chief Executive Officer of Old Mutual Global Index Trackers, Jan Dehn, Head of Research, of Ashmore Investment Management, Kolawole Olofinboba, MD, Partner of Fairview Capital Partners, and Yvonne Bakkum, Director of Investment Management of FMO, participated in a panel of experts with experience investing in both African public securities and African private equity and discussed their views on the opportunities, challenges, market entry strategies, and future of investing in Africa.

Fiona Gibbons, Institutional Account Manager, of Ashmore Investment Management, also was present.

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

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The meeting was recessed at 4:28 p.m.

The meeting was reconvened at 7:23 p.m.

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REAL ESTATE INVESTMENTS (continued)

8. Global Economic Recovery – Are We There Yet?

OFI's Chief Economist, Dr. Jerry A. Webman, Ph.D., discussed views on the current status and future outlook for the global economy, and implications for investment returns in 2014. Also present was Richard Walsh, Senior Relationship Manager, of OFI Global Asset Management.

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REAL ESTATE INVESTMENTS (continued)

8. Global Economic Recovery – Are We There Yet? (continued)

After discussion, Mr. Salinas made a motion to receive and file the OFI presentation. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 8:40 p.m. on Tuesday, October 29, 2013

The meeting was reconvened at 8:00 a.m. on Wednesday, October 30, 2013

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GENERAL INVESTMENTS

9. Reports and recommendations of NEPC

Rhett Humphreys, CFA, Partner, Keith Stronkowsky, CFA, Senior Consultant, and Tim McCusker, CAIA, CFA, FSA, Director of Traditional Research, of NEPC, the System's general investment consultant, shared their views on the progress of the economic recovery and discussed the System's current asset allocation strategy with the Board. In addition, NEPC provided a portfolio review for the quarter ending June 30, 2013, and a private market review covering the performance of private investments for first quarter of 2013.

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

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The meeting was recessed at 8:53 a.m.

The meeting was reconvened at 9:18 a.m.

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The meeting was recessed at 10:17 a.m.

The meeting was reconvened at 10:27 a.m.

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GENERAL INVESTMENTS (continued)

10. European Recovery Panel

A panel of several of the System's investment managers from different asset classes discussed views on the current status and future outlook for the European markets and economies, and the implications for European investment returns in 2014.

Panelists were Thorsten Winkelmann, Director, Allianz Global Investors, Jan Dehn, Head of Research, Ashmore Investment Management, Kevin Fenwick, Portfolio Manager, Mondrian Investment Partners, and Mark G. Roberts, Managing Director, Global Head of Research, RREEF.

Also present were Peter A. Sullivan, Director, Relationship Manager, Allianz Global Investors, Fiona Gibbons, Institutional Account Manager, Ashmore Investment Management, Todd Rittenhouse, Senior Vice President, Client Services, Mondrian Investment Partners, and Elizabeth Wohlleb, Director, Alternatives Investment Specialist, RREEF.

After discussion, Mr. Salinas made a motion to receive and file the reports on European recovery. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 12:02 p.m.

The meeting was reconvened at 1:00 p.m.

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GENERAL INVESTMENTS (continued)

11. Asset Allocation for Institutional Investors

Dr. Mary Kathryn Campion, Ph.D., CFA, AIFA, President and Portfolio Manager of Champion Capital Research, discussed views on institutional investment portfolio asset allocation and implications for achieving maximum risk-adjusted returns.

After discussion, Mr. Salinas made a motion to receive and file Dr. Campion's report. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 2:21 p.m.

The meeting was reconvened at 2:45 p.m.

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ADMINISTRATIVE ISSUES

12. Pension Benefits Program

Staff provided an overview of the Pension System benefits program.

After discussion, Mr. Mays made a motion to receive and file the staff presentation. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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13. When Disaster Strikes – Are We Ready?

Mr. Tettamant, Administrator, Mr. Rohan, Assistant Administrator of Operations, Mr. Taylor, Chief Financial Officer, and Mr. Holt, Information Technology Manager, reviewed the System's Business Continuity Plan (BCP). The review explained why the System has a BCP and highlighted major features of the plan.

After discussion, Mr. Mays made a motion to receive and file the business continuity review. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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ADMINISTRATIVE ISSUES (continued)

14. Financial Integrity

Messrs. Tettamant, Taylor, and Rohan reviewed the System's Internal Controls procedures and how they have helped maintain the financial integrity of System processes. Staff also briefed the Board on current status and changes made during the last year.

After discussion, Mr. Mays made a motion to receive and file the internal controls review. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 4:33 p.m.

The meeting was reconvened at 7:23 p.m.

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GENERAL INVESTMENTS (continued)

15. Fundamentals of Private Equity

Lone Star Investment Advisors led a presentation on the fundamentals of private equity investing.

Representing Lone Star Investment Advisors were Arthur Hollingsworth, Managing Partner, John McGuire, Director of Operations, Will Walters, Vice President, Adrian Ocegueda, Vice President, and Owen Jones, Financial Analyst.

After discussion, Mr. Salinas made a motion to receive and file the Lone Star presentation. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 8:21 p.m. on Wednesday, October 30, 2013

The meeting was reconvened at 8:00 a.m. on Thursday, October 31, 2013

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ACTUARIAL ISSUES

16. Actuarial Science Basics

David L. Driscoll, F.S.A., Principal, Consulting Actuary, David Kent, F.S.A., E.A., M.A.A.A., Director, Retirement Actuary, and Michael R Horton, Senior Consultant, Retirement, of Buck Consultants, the System's actuarial consultant, presented to the Board an educational session on the basics of actuarial science, explaining actuarial concepts and the role they play in determining pension funding.

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

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The meeting was recessed at 8:50 a.m.

The meeting was reconvened at 9:15 a.m.

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LEGISLATIVE ISSUES

17. Legislative Basics

Senator John Whitmire, Robert Miller, and Yuniedth Midence-Steen of Locke Lord, LLP, and Neal T. "Buddy" Jones and R. Clint Smith of HillCo Partners, the System's legislative consultants, introduced their respective firms and reviewed for the Board their history with the System and the services they have provided. Additionally, the two firms presented an educational session on legislative basics. Finally, the firms looked back on the 2013 federal and state legislative sessions and looked forward to 2014.

After discussion, Mr. Salinas made a motion to receive and file the legislative update. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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

The meeting was reconvened at 10:56 a.m.

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LEGAL ISSUES

18. Legal Issues

Gary Lawson, Partner, and A. D. "Gus" Fields, Of Counsel, both of Strasburger & Price, LLP, discussed current litigation involving pension issues in Texas and around the country.

After discussion, Mr. Salinas made a motion to receive and file the litigation update. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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BOARD INITIATIVES

19. Environmental, Social & Governance (ESG) Concepts

Mr. Tettamant, Mr. Wagner, Investment Analyst, and Mr. Irlbeck, Investments Manager, provided an overview on the role of Environmental, Social & Governance (ESG) concepts in institutional investing.

After discussion, Mr. Salinas made a motion to receive and file the ESG presentation. 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. Friar and a second by Mr. Haben, the meeting was adjourned at 12:00 p.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

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