



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTE SUMMARY
Board Meeting
Thursday, November 14, 2013

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, November 14, 2013, 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. Received and filed the monthly investment and financial reports.
2. Approved the 2014 Board meeting calendar, subject to the final approval of the Administrator.
3. Discussed 2014 workshop plans.
4. Received and filed reports by Board and staff members on due diligence meetings, seminars and/or conferences attended.
5. The Chairman and the Administrator presented a performance award for Employee of the Quarter, Third Quarter 2013, to Carol Huffman, Executive Secretary.
6. Approved the second and final reading of the Calendar Year 2014 Administrative and Professional Services Budgets.
7. Approved the revised Continuing Education and Investment Research Policy.

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8. Approved a \$50 million commitment to Loomis Sayles Senior Floating Rate and Fixed Income Strategy, subject to due diligence, and authorized the Administrator to perform due diligence, execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate this investment.
- 9a. No report was given on the Police Officer and Firefighter pay lawsuits. No motion was made.
- 9b. Authorized the Administrator to proceed with investigating the Ariad Pharmaceuticals case and bring suit, if warranted.

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 10:04 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 10:04 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 proposed Calendar Year 2014 Supplemental Fund Budget.

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2. Received and filed the monthly investment and financial reports.

The meeting was adjourned at 10:04 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF September 30, 2013

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
GLOBAL PUBLIC EQUITY				
EAGLE ASSET MANAGEMENT	108,268,211.83	3.2 %		16.5 %
OFI INSTITUTIONAL ASSET MGMT	133,818,516.74	4.0 %		20.4 %
PYRAMIS GLOBAL ADVISORS TRUST CO	219,017,098.86	6.5 %		33.3 %
RREEF REIT	58,127,567.98	1.7 %		8.8 %
WALTER SCOTT & PARTNERS LIMITED	137,665,728.73	4.1 %		21.0 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	656,897,124.14	19.4 %		100.0 %
GLOBAL PRIVATE EQUITY				
ASHMORE INVESTMENT MGMT GSSF IV	30,587,869.78	0.9 %		4.1 %
BANKCAP PARTNERS FUND I, LP	17,427,215.05	0.5 %		2.4 %
BANKCAP PARTNERS OPPORTUNITY LP	373,087.43	0.0 %		0.1 %
CREATIVE HOLDINGS	15,195,330.05	0.4 %		2.1 %
DALLAS POLICE AND FIRE RED CONSOLIDA	165,334,914.55	4.9 %		22.3 %
DPFP HM CAPITAL PARTNERS	1,132,085.52	0.0 %		0.2 %
HUFF ALTERNATIVE FUND LP	42,759,595.15	1.3 %		5.8 %
HUFF ENERGY FUND LP - HUFF ENERGY	201,593,225.67	6.0 %		27.2 %
LEICHTMAN CAPITAL PARTNERS DEEP VALU	5,746,782.02	0.2 %		0.8 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	45,022,605.52	1.3 %		6.1 %
LEVINE LEICHTMAN CAPITAL PTNERS V	3,709,686.93	0.0 %		0.1 %
LLCP DEEP VALUE FUND LP	32,204,296.93	1.0 %		4.4 %
LONE STAR CRA FUND LP	20,916,172.83	0.6 %		2.8 %
LONE STAR GROWTH CAPITAL LP	15,706,482.10	0.5 %		2.1 %
LONE STAR OPPORTUNITIES FUND V	13,262,589.04	0.4 %		1.8 %
MERIT PARTNERS LP	30,390,334.05	0.9 %		4.1 %
NORTH TEXAS OPPORTUNITY FUND	8,585,402.28	0.3 %		1.2 %
OAKTREE POWER OPPORTUNITIES FUND III	11,929,067.19	0.4 %		1.6 %
PHAROS CAPITAL PARTNERS	75,084,211.91	2.2 %		10.1 %
PHAROS CAPITAL PARTNERS III,LP	2,134,235.01	0.1 %		0.3 %
SOUTHERN CROSS	2,031,000.00	0.1 %		0.3 %
YELLOWSTONE ENERGY VENTURES	2,066,087.33	0.1 %		0.3 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	740,192,276.34	21.9 %		100.0 %
GLOBAL NATURAL RESOURCES				
ENERGY OPPORTUNITIES CAPITAL MGMT	39,407,176.21	1.2 %		10.1 %
FOREST INVESTMENT ASSOCIATES	40,371,004.26	1.2 %		10.4 %
HANCOCK AGRICULTURAL INVEST FD	110,601,873.12	3.3 %		28.4 %
HUDSON CLEAN ENERGY PARTNERS	17,039,031.54	0.5 %		4.4 %
RCM	30,976,958.95	0.9 %		8.0 %
RMK TIMBERLAND GROUP	64,364,668.72	1.9 %		16.5 %
SUSTAINABLE ASSET MANAGEMENT	43,789,006.98	1.3 %		11.3 %
THE MITCHELL GROUP	42,583,397.49	1.3 %		10.9 %
*** TOTAL GLOBAL NATURAL RESOURCES *	389,133,117.27	11.5 %		100.0 %
GLOBAL FIXED INCOME				
ASHMORE EMERGING MARKETS	22,891,865.10	0.7 %		4.8 %
ASHMORE INVESTMENT MANAGEMENT	43,167,694.07	1.3 %		9.0 %
BRANDYWINE ASSET MANAGEMENT	73,793,790.70	2.2 %		15.4 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	17,567,832.61	0.5 %		3.7 %
HIGHLAND CRUSADER FUND LP	11,419,238.35	0.3 %		2.4 %
LONE STAR FUND VII	10,327,479.90	0.3 %		2.2 %
LONE STAR FUND VIII, LP	1,267,980.30	0.0 %		0.3 %
LOOMIS SAYLES & CO	138,198,492.71	4.1 %		28.9 %
MONDRIAN INVESTMENT PARTNERS	66,345,826.97	2.0 %		13.9 %
OCM FUND IV	2,787,669.64	0.1 %		0.6 %
W.R. HUFF HIGH YIELD	90,613,060.45	2.7 %		18.9 %
*** TOTAL GLOBAL FIXED INCOME ***	478,380,930.80	14.1 %		100.0 %
GLOBAL ASSET ALLOCATION				
AQR CAPITAL MANAGEMENT, LLC	10,000,000.00	0.3 %		2.8 %
BRIDGEWATER ASSOCIATES, INC	117,543,118.90	3.5 %		33.3 %
GMO MULTI-STRATEGY FUND	119,968,400.87	3.5 %		34.0 %
PUTNAM TOTAL RETURN	57,654,286.00	1.7 %		16.3 %
ROBECO TRANSTREND DIVERSIFIED FUND	48,088,302.00	1.4 %		13.6 %
*** TOTAL GLOBAL ASSET ALLOCATION **	353,254,107.77	10.4 %		100.0 %

DALLAS POLICE & FIRE PENSION SYSTEM
 ASSET DISTRIBUTION BY ADVISOR - AS OF September 30, 2013

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
<u>GLOBAL INFRASTRUCTURE</u>			
J P MORGAN ASIAN INFRASTRUCTURE & RE	32,155,114.06	0.9 %	23.1 %
JP MORGAN GLOBAL MARITIME INV FUND	5,236,197.55	0.2 %	3.8 %
JP MORGAN INFRASTRUCTURE INV FUND	34,205,654.56	1.0 %	24.6 %
LBJ INFRASTRUCTURE	32,155,638.22	0.9 %	23.1 %
NTE MOBILITY PARTNERS HOLDINGS LLC	32,219,857.06	1.0 %	23.2 %
NTE SEGMENTS 3	3,171,643.77	0.1 %	2.3 %
*** TOTAL GLOBAL INFRASTRUCTURE ***	139,144,105.22	4.1 %	100.0 %
<u>REAL ESTATE</u>			
BENTALL KENNEDY REAL ESTATE	27,003,589.05	0.8 %	4.4 %
CDK REALTY ADVISORS	386,966,686.34	11.4 %	63.1 %
CRISWELL RADOVAN	32,088,603.73	0.9 %	5.2 %
DALLAS P & F - REAL ESTATE FUND	39,052,103.58	1.2 %	6.4 %
LONE STAR REAL ESTATE FUND II	13,004,094.82	0.4 %	2.1 %
INVESCO	15,216,078.40	0.4 %	2.5 %
KNUDSON LUXURY HOUSING	1,128,220.22	0.0 %	0.2 %
L & B	44,581,783.63	1.3 %	7.3 %
LAND BARON	30,670,393.38	0.9 %	5.0 %
TDB REAL ESTATE	22,960,232.95	0.7 %	3.7 %
TRECAP PARTNERS LLC	158,464.52	0.0 %	0.0 %
*** TOTAL REAL ESTATE ***	612,830,250.62	18.1 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	15,186,100.08	0.4 %	98.9 %
LOAN PROGRAM	0.00	0.0 %	0.0 %
DPFP TRANSITION ACCOUNT	173,429.17	0.0 %	1.1 %
*** TOTAL CASH/LOAN PROGRAM ***	15,359,529.25	0.5 %	100.0 %
TOTAL MASTER TRUST	3,385,191,441.41	100.0 %	100.0 %
CITY CONTRIBUTIONS	8,028,042.14		
EMPLOYEE CONTRIBUTIONS	1,962,963.62		
BENEFIT DISTRIBUTIONS	-18,502,934.00		
ADVISORY FEES	-81,860.96		

Dallas Police and Fire Pension System
Thursday, November 14, 2013
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, George Tomasovic, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald D. Brown, Samuel L. Friar, Scott Griggs, John M. Mays, Richard A. Salinas, Joseph P. Schutz, George J. Tomasovic, Daniel W. Wojcik

Absent: Tennell Atkins (on City of Dallas business), Kenneth S. Haben, Philip T. Kingston (on City of Dallas business), Lee M. Kleinman (on City of Dallas business),

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

Others Gary Lawson, Rebecca Shaw, Brian Hass, Greg Holliday, Steve Thompson

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

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Regular meeting of October 10, 2013
- b. Special meeting of October 24, 2013

2. Approval of Refunds of Contributions for the Month of October 2013

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for November 2013

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A. CONSENT AGENDA (continued)

- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Five-Year Certificates for the Third Quarter 2013**

After discussion, Mr. Mays made a motion to approve the items on the Consent Agenda, subject to final approval by the Administrator. Mr. Brown 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. Investment and financial reports

The Board and staff reviewed the investment and financial reports.

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

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2. 2014 Board meetings

Staff presented a proposed 2014 Board meeting calendar.

After discussion, Mr. Mays made a motion to approve the proposed Board meeting calendar. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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3. 2014 Annual Board/Staff Workshop

The Board and staff discussed various options for the 2014 annual workshop.

No motion was made.

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4. 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. Schutz, Wojcik

b. Due Diligence: M&G Investments, Old Mutual Global Index Trackers (US) LLC

Messrs. Blake, Brown, Friar, Taylor, Tettamant, Tomasovic

c. Due Diligence: Regions/BTG Pactual (Timber)

Messrs. Brown, Friar, Taylor, Tettamant, Tomasovic

d. Levine Leichtman Capital Partners 2013 Annual Meeting.

Messrs. Schutz, Wojcik

e. Invesco Real Estate US Client Conference

Messrs. Friar, Salinas, Schutz, Wojcik

f. Texans for Secure Retirement Board Annual Meeting

Messrs. Tomasovic

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

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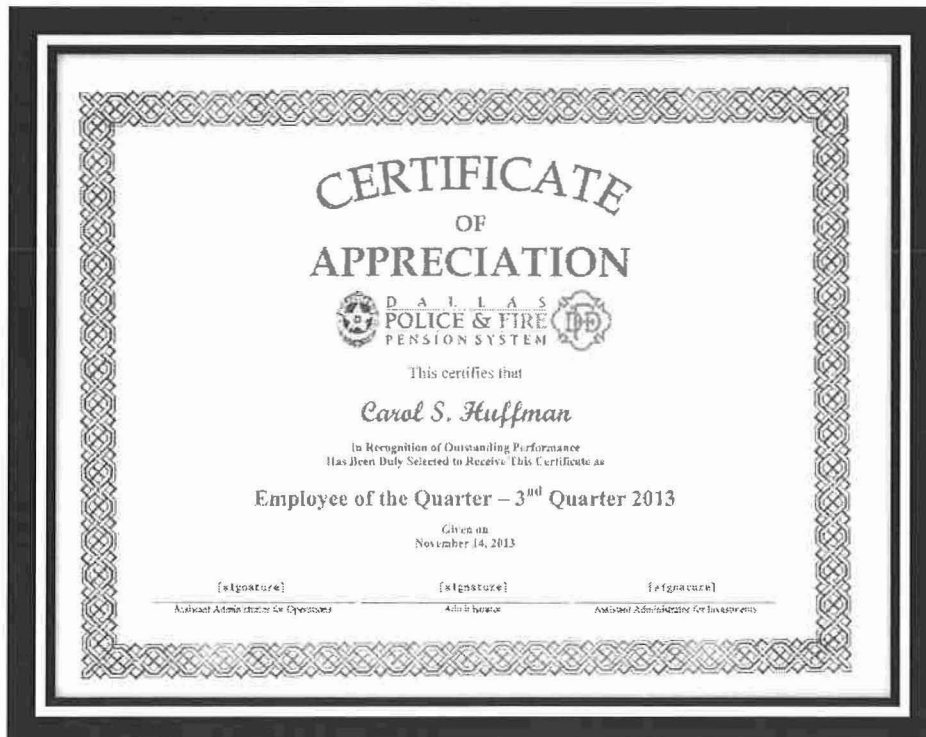
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5. Employee recognition – Third Quarter 2013

Employee of the Quarter Award

Messrs. Tomasovic and Tettamant presented a performance award for Employee of the Quarter, Third Quarter 2013, to Carol Huffman, Executive Secretary.

After discussion, Mr. Friar made a motion to receive and file the Employee of the Quarter award. 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 9:43 a.m.

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Regular Board Meeting
Thursday, November 14, 2013

6. Second reading of the 2014 Administrative and Professional Services Budgets

Mr. Tettamant stated that the first reading of the budgets was held at the October 10, 2013, Board meeting. At that time, the Board authorized the second reading of the budget at the November 14, 2013, Board meeting.

After discussion, Mr. Salinas made a motion to approve the second and final reading of the 2014 Administrative and Professional Services Budgets. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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7. Possible revisions to the Continuing Education and Investment Research Policy

In the discussion of the proposed 2014 budget at the September 12, 2013, regular meeting of the Board, the Board directed staff to add additional funds in the budget to cover the cost of professional trustee training for each Trustee for every other year and to revise the Continuing Education and Investment Research Policy accordingly.

After discussion, Mr. Friar made a motion to approve the revised Continuing Education and Investment Research Policy. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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8. Possible new investment through Loomis Sayles

Loomis Sayles presented their Senior Floating Rate and Fixed Income strategy to the Investment Advisory Committee (IAC) on October 24.

After discussion, Mr. Brown made a motion to adopt the IAC recommendation to approve a \$50 million commitment to Loomis Sayles Senior Floating Rate and Fixed Income Strategy (which will be funded as follows: \$10 million each from Mondrian and Brandywine, and \$30 million from Global Public Equity), subject to due diligence, and authorize the Administrator to perform due diligence, execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate this investment. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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9. 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:

- a. Police Officer and Firefighter pay lawsuits
- b. Ariad Pharmaceuticals

- a. No report was given. No motion was made.
- b. The Board went into a closed executive session – legal at 9:47 a.m.

The meeting was reopened at 9:56 a.m.

Mr. Brown made a motion to authorize the Administrator to proceed with investigating the Ariad Pharmaceuticals case and bring suit, if warranted. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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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 Members or Pensioners requested to discuss concerns with the Board. No motion was made.

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Regular Board Meeting
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2. Administrator's report

Associations' newsletters

- NCPERS Monitor (October 2013)
- TEXPERS Outlook (November 2013)

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

After discussion, Mr. Mays made a motion to receive and file the reports. Mr. Salinas 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. Griggs and a second by Mr. Salinas, the meeting was adjourned at 10:04 a.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

**Regular Board Meeting
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