



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTE SUMMARY
Board Meeting
Thursday, December 12, 2013

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, December 12, 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. Approved a commitment by the Board to the Hunt Alternative Energy Investments co-investment, subject to due diligence and contract negotiation, and authorized the Administrator to perform due diligence, execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate this investment.
2. Received and filed the monthly investment and financial reports.
3. Approved the proposed 2014 Personalized Benefit Statement, subject to final review by the Administrator and legal counsel.
4. Approved the proposed 2014 Personalized DROP Statement, subject to final review by the Administrator and legal counsel.
5. Approved 2014 workshop plans.
6. Received and filed reports by Board and staff members on due diligence meetings, seminars and/or conferences attended.
7. No report was given on the Police Officer and Firefighter pay lawsuits. No motion was made.

MINUTE SUMMARY
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C. BRIEFING ITEMS

1. Received and filed comments from an active member who requested to speak to the Board.
2. Received and filed the Administrator's report.

The meeting was adjourned at 9:31 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 9:31 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 proposed 2014 Personalized Benefit Statement, subject to final review by the Administrator and legal counsel.
3. Approved the proposed 2014 Personalized DROP Statement, subject to final review by the Administrator and legal counsel.

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

DALLAS POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2013

| | NET ASSET VALUE | % OF ASSETS | FUND % OF CLASS |
|---------------------------------------|-----------------|-------------|-----------------|
| GLOBAL PUBLIC EQUITY | | | |
| EAGLE ASSET MANAGEMENT | 106,383,217.08 | 3.1 % | 16.1 % |
| OFI INSTITUTIONAL ASSET MGMT | 137,474,283.01 | 4.0 % | 20.8 % |
| PYRAMIS GLOBAL ADVISORS TRUST CO | 216,518,408.26 | 6.3 % | 32.7 % |
| RREEF REIT | 59,285,928.59 | 1.7 % | 9.0 % |
| WALTER SCOTT & PARTNERS LIMITED | 141,988,633.69 | 4.2 % | 21.5 % |
| *** TOTAL GLOBAL PUBLIC EQUITY *** | 661,650,470.63 | 19.4 % | 100.0 % |
| GLOBAL PRIVATE EQUITY | | | |
| ASHMORE INVESTMENT MGMT GSSF IV | 25,750,855.10 | 0.8 % | 3.5 % |
| 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 | 165,334,909.32 | 4.8 % | 22.5 % |
| DPPF 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 | 5.9 % | 27.4 % |
| LEVINE LEICHTMAN CAPITAL PARTNER IV, | 44,864,556.08 | 1.3 % | 6.1 % |
| LEVINE LEICHTMAN CAPITAL PTNERS V | 709,686.93 | 0.0 % | 0.1 % |
| LEVINE LEICHTMAN DEEP VALUE FUND | 32,282,198.62 | 0.9 % | 4.4 % |
| LEVINE LEICHTMAN PCS II | 5,746,782.02 | 0.2 % | 0.8 % |
| 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 | 13,262,589.03 | 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 | 0.3 % | 1.6 % |
| PHAROS CAPITAL PARTNERS | 75,848,510.67 | 2.2 % | 10.3 % |
| PHAROS CAPITAL PARTNERS III,LP | 1,862,288.02 | 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 *** | 735,767,460.44 | 21.6 % | 100.0 % |
| GLOBAL NATURAL RESOURCES | | | |
| ENERGY OPPORTUNITIES CAPITAL MGMT | 40,901,395.41 | 1.2 % | 10.5 % |
| FOREST INVESTMENT ASSOCIATES | 39,866,498.91 | 1.2 % | 10.2 % |
| HANCOCK AGRICULTURAL INVEST FD | 110,601,873.12 | 3.2 % | 28.3 % |
| HUDSON CLEAN ENERGY PARTNERS | 17,138,890.66 | 0.5 % | 4.4 % |
| RCM ECOTRENDS | 31,821,816.90 | 0.9 % | 8.1 % |
| RMK TIMBERLAND GROUP | 61,057,304.88 | 1.8 % | 15.6 % |
| SUSTAINABLE ASSET MANAGEMENT | 45,326,915.23 | 1.3 % | 11.6 % |
| THE MITCHELL GROUP | 44,354,853.24 | 1.3 % | 11.3 % |
| *** TOTAL GLOBAL NATURAL RESOURCES * | 391,069,548.35 | 11.5 % | 100.0 % |
| GLOBAL FIXED INCOME | | | |
| ASHMORE EM MKTS LOCAL CURRENCY | 23,523,327.45 | 0.7 % | 4.9 % |
| ASHMORE EMERGING MARKETS DEBT FUND | 43,999,592.59 | 1.3 % | 9.1 % |
| BRANDYWINE ASSET MANAGEMENT | 73,697,725.98 | 2.2 % | 15.3 % |
| HIGHLAND CREDIT OPPTS CDO LP - HIGHLA | 17,567,832.61 | 0.5 % | 3.7 % |
| HIGHLAND CRUSADER FUND LP | 11,569,556.27 | 0.3 % | 2.4 % |
| LONE STAR FUND VII | 10,272,385.62 | 0.3 % | 2.1 % |
| LONE STAR FUND VIII, LP | 1,267,980.30 | 0.0 % | 0.3 % |
| LOOMIS SAYLES & CO | 139,670,457.38 | 4.1 % | 29.0 % |
| MONDRIAN INVESTMENT PARTNERS | 66,560,500.35 | 2.0 % | 13.8 % |
| OCM FUND IV | 2,787,669.65 | 0.1 % | 0.6 % |
| W.R. HUFF HIGH YIELD | 90,314,101.88 | 2.6 % | 18.8 % |
| *** TOTAL GLOBAL FIXED INCOME *** | 481,231,130.08 | 14.1 % | 100.0 % |
| GLOBAL ASSET ALLOCATION | | | |
| AQR CAPITAL MANAGEMENT, LLC | 10,000,000.00 | 0.3 % | 2.7 % |
| BRIDGEWATER ASSOCIATES, INC | 121,042,460.80 | 3.5 % | 33.0 % |
| GMO MULTI-STRATEGY FUND | 119,968,400.87 | 3.5 % | 32.7 % |
| PANAGORA ASSET MANAGEMENT | 10,000,000.00 | 0.3 % | 2.7 % |
| PUTNAM TOTAL RETURN | 57,654,286.00 | 1.7 % | 15.7 % |
| ROBECO TRANSTREND DIVERSIFIED FUND | 48,088,302.00 | 1.4 % | 13.1 % |
| *** TOTAL GLOBAL ASSET ALLOCATION ** | 366,753,449.67 | 10.7 % | 100.0 % |

DALLAS POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2013

| | NET ASSET VALUE | % OF ASSETS | FUND | ADVISOR |
|--------------------------------------|------------------|-------------|---------|------------|
| | | | | % OF CLASS |
| <u>GLOBAL INFRASTRUCTURE</u> | | | | |
| J P MORGAN ASIAN INFRASTRUCTURE & RE | 32,155,114.06 | | 0.9 % | 22.6 % |
| JP MORGAN GLOBAL MARITIME INV FUND | 7,324,233.86 | | 0.2 % | 5.2 % |
| JP MORGAN INFRASTRUCTURE INV FUND | 34,205,654.38 | | 1.0 % | 24.1 % |
| LBJ INFRASTRUCTURE | 33,096,733.70 | | 1.0 % | 23.3 % |
| NTE MOBILITY PARTNERS HOLDINGS LLC | 32,219,857.06 | | 0.9 % | 22.7 % |
| NTE SEGMENTS 3 | 3,171,643.45 | | 0.1 % | 2.2 % |
| *** TOTAL GLOBAL INFRASTRUCTURE *** | 142,173,236.51 | | 4.2 % | 100.0 % |
| <u>REAL ESTATE</u> | | | | |
| BENTALL KENNEDY REAL ESTATE | 27,003,589.34 | | 0.8 % | 4.4 % |
| CDK REALTY ADVISORS | 387,816,686.65 | | 11.4 % | 63.7 % |
| CRISWELL RADOVAN | 33,121,127.62 | | 1.0 % | 5.4 % |
| DALLAS P & F - REAL ESTATE FUND | 39,052,104.59 | | 1.1 % | 6.4 % |
| LONE STAR REAL ESTATE FUND II | 13,909,318.36 | | 0.4 % | 2.3 % |
| HUNT INVESTMENT MANAGEMENT | 15,158,464.52 | | 0.0 % | 0.0 % |
| INVESCO | 15,169,078.35 | | 0.4 % | 2.5 % |
| KNUDSON LUXURY HOUSING | 1,128,220.31 | | 0.0 % | 0.2 % |
| L & B | 37,474,809.93 | | 1.1 % | 6.2 % |
| LAND BARON | 30,670,393.38 | | 0.9 % | 5.0 % |
| TDB REAL ESTATE | 22,960,232.95 | | 0.7 % | 3.8 % |
| *** TOTAL REAL ESTATE *** | 608,464,026.00 | | 17.8 % | 100.0 % |
| <u>CASH/LOAN PROGRAM</u> | | | | |
| CONTRIBUTION & EXPENSE ACCOUNT | | | | |
| CONTROL CASH | 26,073,296.42 | | 0.8 % | 99.3 % |
| DPFP TRANSITION ACCOUNT | 175,347.57 | | 0.0 % | 0.7 % |
| *** TOTAL CASH/LOAN PROGRAM *** | 26,248,643.99 | | 0.8 % | 100.0 % |
| TOTAL MASTER TRUST | 3,413,357,965.67 | | 100.0 % | 100.0 % |
| CITY CONTRIBUTIONS | 8,319,543.12 | | | |
| EMPLOYEE CONTRIBUTIONS | 2,133,398.75 | | | |
| BENEFIT DISTRIBUTIONS | -19,141,090.30 | | | |
| ADVISORY FEES | -1,757,259.30 | | | |

Dallas Police and Fire Pension System
Thursday, December 12, 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: Tennell Atkins, Gerald D. Brown, Samuel L. Friar, Scott Griggs, Kenneth S. Haben, Philip T. Kingston, John M. Mays, Richard A. Salinas, Joseph P. Schutz, George J. Tomasovic, Daniel W. Wojcik

Absent: Lee M. Kleinman

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

Others Gary Lawson, Rebecca Shaw, Katie Sibley, Gary S. Beck

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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. Special meeting of October 28-31, 2013
 - b. Regular meeting of November 14, 2013
- 2. Approval of Refunds of Contributions for the Month of November 2013**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for December 2013**

Regular Board Meeting
Thursday, December 12, 2013

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 Payment of Military Leave Contributions**

After discussion, Mr. Brown made a motion to approve the items on the Consent Agenda, subject to final approval by the Administrator. Mr. Haben 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. Hunt Investment Management

At the December 5 Investment Advisory Committee (IAC) meeting, Hunt Alternative Energy Investments presented a Combined Heat and Power (Co-generation) co-investment opportunity and the Committee toured a facility at the Dallas Southside Wastewater Treatment Plant that utilizes co-generation for on-site energy production. Eric Perreca, Brian Dunn and Doug Tibbetts from Hunt Investment Management attended the IAC meeting and tour. The investment vehicle will develop Combined Heat and Power (Co-generation) assets in various markets and different facilities.

After discussion, Mr. Brown made a motion to approve a commitment of \$35 million to the Hunt Alternative Energy Investments co-investment, subject to due diligence and contract negotiation, 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. Salinas seconded the motion, which was unanimously approved by the Board.

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Regular Board Meeting
Thursday, December 12, 2013

2. Investment and financial reports

The Board and staff reviewed the investment and financial reports.

After discussion, Mr. Mays 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. Brown seconded the motion, which was unanimously approved by the Board.

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3. 2014 Personalized Benefit Statement for Members of the Dallas Police & Fire Pension System

Staff presented for review and comment a proposed draft of the 2014 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund.

After discussion, Mr. Mays made a motion to approve the proposed 2014 Personalized Benefit Statement, subject to final review by the Administrator and legal counsel. Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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4. 2014 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police & Fire Pension System

Staff presented for review and comment a proposed draft of the 2014 Personalized DROP Statement for Members of the Dallas Police & Fire Pension System and Supplemental Plan who have joined DROP.

After discussion, Mr. Mays made a motion to approve the proposed 2014 Personalized DROP Statement, subject to final review by the Administrator and legal counsel. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, December 12, 2013**

5. 2014 Annual Board/Staff Workshop

Staff reported on possible sites for the 2014 Annual Board/Staff Workshop.

After discussion, Mr. Atkins made a motion to select Barton Creek for the 2014 Board/Staff Workshop. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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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. P&I: Custom Target-Date Strategies Summit

Mr. Wojcik

b. Hudson Clean Energy Partners 2013 Annual Meeting

Messrs. Taylor, Tettamant, Tomasovic, Mond

c. Opal: Alternative Investing Summit

Mr. Friar

After discussion, Mr. Brown 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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7. 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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Regular Board Meeting
Thursday, December 12, 2013

C. BRIEFING ITEMS

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

An Active Member spoke to the Board regarding the Deferred Retirement Option Plan (DROP).

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

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2. Administrator's report

Associations' newsletters

- NCPERS Monitor (November 2013)
- NCPERS Monitor (December 2013)
- NCPERS Persist (Fall 2013)
- TEXPERS Outlook (December 2013)
- TEXPERS Pension Observer (Fall 2013)

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

Mr. Mays 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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**Regular Board Meeting
Thursday, December 12, 2013**

The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Brown and a second by Mr. Atkins, the meeting was adjourned at 9:31 a.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary