



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



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, February 13, 2014**

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, February 13, 2014, 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 reports and recommendations of The Townsend Group, the System's real asset consultant.
2. Received and filed reports from NEPC, the System's general investment consultant.
3. Approved the disability continuance.
4. Received and filed the organizational update and portfolio review from The Mitchell Group.
5. Received and filed the monthly investment and financial reports.
6. Received and filed the reports and recommendations of Buck Consultants, Inc., the System's actuary.
7. Received and filed reports by Board and staff members on due diligence meetings, seminars and/or conferences attended.
8. No report was given on legal issues and no motion was made.

**MINUTE SUMMARY**  
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**C. BRIEFING ITEMS**

1. Received pensioner comments. No motion was made.
2. Received and filed the Administrator's report.

The meeting was adjourned at 1:34 p.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 1:34 p.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. Received and filed the reports and recommendations of Buck Consultants, Inc.

The meeting was adjourned at 1:35 p.m.

## DALLAS POLICE &amp; FIRE PENSION SYSTEM

## ASSET DISTRIBUTION BY ADVISOR - AS OF December 31, 2013

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
<b>GLOBAL PUBLIC EQUITY</b>				
EAGLE ASSET MANAGEMENT	106,379,835.23	3.1 %		16.3 %
OFI INSTITUTIONAL ASSET MGMT	143,776,532.35	4.2 %		22.0 %
PYRAMIS GLOBAL ADVISORS TRUST CO	201,358,043.16	5.9 %		30.8 %
RREEF REIT	57,347,598.29	1.7 %		8.8 %
WALTER SCOTT & PARTNERS LIMITED	144,866,806.49	4.2 %		22.1 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	653,728,815.52	19.0 %		100.0 %
<b>GLOBAL PRIVATE EQUITY</b>				
ASHMORE INVESTMENT MGMT GSSF IV	23,236,183.82	0.7 %		3.2 %
BANKCAP PARTNERS FUND I, LP	17,295,469.00	0.5 %		2.4 %
BANKCAP PARTNERS OPPORTUNITY LP	373,087.43	0.0 %		0.1 %
CREATIVE HOLDINGS	15,195,330.00	0.4 %		2.1 %
DALLAS POLICE AND FIRE RED CONSOLIDA	164,580,983.11	4.8 %		22.4 %
DPFP HM CAPITAL PARTNERS	1,132,085.52	0.0 %		0.2 %
HUFF ALTERNATIVE FUND LP	43,084,112.34	1.3 %		5.9 %
HUFF ENERGY FUND LP - HUFF ENERGY	200,502,996.01	5.8 %		27.3 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	44,896,059.58	1.3 %		6.1 %
LEVINE LEICHTMAN CAPITAL PTNERS V	3,089,979.30	0.1 %		0.4 %
LEVINE LEICHTMAN DEEP VALUE FUND	25,951,109.71	0.8 %		3.5 %
LEVINE LEICHTMAN PCS II	5,732,359.03	0.2 %		0.8 %
LONE STAR CRA FUND LP	21,196,151.06	0.6 %		2.9 %
LONE STAR GROWTH CAPITAL LP	15,901,798.10	0.5 %		2.2 %
LONE STAR OPPORTUNITIES FUND V	13,822,659.01	0.4 %		1.9 %
MERIT PARTNERS LP	28,610,119.01	0.8 %		3.9 %
NORTH TEXAS OPPORTUNITY FUND	8,616,853.28	0.3 %		1.2 %
OAKTREE POWER OPPORTUNITIES FUND III	14,321,113.19	0.4 %		2.0 %
PHAROS CAPITAL PARTNERS	76,524,163.03	2.2 %		10.4 %
PHAROS CAPITAL PARTNERS III,LP	5,362,288.00	0.2 %		0.7 %
SOUTHERN CROSS	2,031,000.00	0.1 %		0.2 %
YELLOWSTONE ENERGY VENTURES	2,066,087.34	0.1 %		0.2 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	733,521,986.87	21.3 %		100.0 %
<b>GLOBAL NATURAL RESOURCES</b>				
BTG PACTUAL	61,057,304.96	1.8 %		15.4 %
ENERGY OPPORTUNITIES CAPITAL MGMT	40,301,771.03	1.2 %		10.1 %
FOREST INVESTMENT ASSOCIATES	39,866,498.63	1.2 %		10.0 %
HANCOCK AGRICULTURAL INVEST FD	115,364,875.38	3.4 %		29.1 %
HUDSON CLEAN ENERGY PARTNERS	16,232,788.65	0.5 %		4.1 %
RCM ECOTRENDS	33,629,677.43	1.0 %		8.5 %
SUSTAINABLE ASSET MANAGEMENT	47,674,573.72	1.4 %		12.0 %
THE MITCHELL GROUP	42,970,535.58	1.2 %		10.8 %
*** TOTAL GLOBAL NATURAL RESOURCES *	397,098,025.38	11.5 %		100.0 %
<b>GLOBAL FIXED INCOME</b>				
ASHMORE EM MKTS LOCAL CURRENCY	22,222,222.24	0.6 %		4.3 %
ASHMORE EMERGING MARKETS DEBT FUND	45,289,644.78	1.3 %		8.8 %
BRANDYWINE ASSET MANAGEMENT	62,975,742.51	1.8 %		12.3 %
HIGHLAND CREDIT OPPTS CDO LP - HIGHLA	18,017,788.85	0.5 %		3.5 %
HIGHLAND CRUSADER FUND LP	9,485,790.92	0.3 %		1.9 %
LONE STAR FUND VII	10,943,996.24	0.3 %		2.1 %
LONE STAR FUND VIII, LP	2,075,864.76	0.1 %		0.4 %
LOOMIS SAYLES & CO	140,369,631.26	4.1 %		27.4 %
LOOMIS SAYLES SENIOR FLTG RT & FI TR	50,000,259.35	1.5 %		9.8 %
MONDRIAN INVESTMENT PARTNERS	56,009,268.04	1.6 %		10.9 %
OCM FUND IV	2,674,551.03	0.1 %		0.5 %
W.R. HUFF HIGH YIELD	92,307,618.94	2.7 %		18.1 %
*** TOTAL GLOBAL FIXED INCOME ***	512,372,378.92	14.9 %		100.0 %
<b>GLOBAL ASSET ALLOCATION</b>				
AQR CAPITAL MANAGEMENT, LLC	10,223,215.00	0.3 %		2.7 %
BRIDGEWATER ASSOCIATES, INC	123,289,263.57	3.6 %		32.6 %
GMO MULTI-STRATEGY FUND	125,165,721.86	3.6 %		33.1 %
PANAGORA ASSET MANAGEMENT	9,970,628.10	0.3 %		2.6 %
PUTNAM TOTAL RETURN	60,570,302.00	1.8 %		16.0 %
ROBECO TRANSTREND DIVERSIFIED FUND	48,799,402.39	1.4 %		13.0 %
*** TOTAL GLOBAL ASSET ALLOCATION **	378,018,532.92	11.0 %		100.0 %

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

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
<b>GLOBAL INFRASTRUCTURE</b>			
J P MORGAN ASIAN INFRASTRUCTURE & RE	32,249,533.65	0.9 %	21.1 %
JP MORGAN GLOBAL MARITIME INV FUND	11,773,702.36	0.3 %	7.7 %
JP MORGAN INFRASTRUCTURE INV FUND	35,739,837.97	1.0 %	23.4 %
LBJ INFRASTRUCTURE	35,426,120.14	1.0 %	23.1 %
NTE MOBILITY PARTNERS HOLDINGS LLC	34,478,543.03	1.0 %	22.5 %
NTE SEGMENTS 3	3,379,928.27	0.1 %	2.2 %
*** TOTAL GLOBAL INFRASTRUCTURE ***	153,047,665.42	4.4 %	100.0 %
<b>REAL ESTATE</b>			
BENTALL KENNEDY REAL ESTATE	27,122,621.00	0.8 %	4.5 %
CDK REALTY ADVISORS	379,233,210.42	11.0 %	63.3 %
CRISWELL RADOVAN	34,368,605.10	1.0 %	5.7 %
DALLAS P & F - REAL ESTATE FUND	34,842,386.43	1.0 %	5.8 %
LONE STAR REAL ESTATE FUND II	14,256,674.33	0.4 %	2.4 %
HUNT INVESTMENT MANAGEMENT	0.33	0.0 %	0.0 %
INVESCO	16,506,001.27	0.5 %	2.8 %
KNUDSON LUXURY HOUSING	540,690.00	0.0 %	0.1 %
L & B	35,890,298.01	1.0 %	6.0 %
LAND BARON	32,501,488.34	0.9 %	5.4 %
M&G REAL ESTATE DEBT FUND II	1,112,802.88	0.0 %	0.2 %
TDB REAL ESTATE	22,497,113.00	0.7 %	3.8 %
*** TOTAL REAL ESTATE ***	598,871,891.11	17.4 %	100.0 %
<b>CASH/LOAN PROGRAM</b>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	14,273,804.64	0.4 %	98.8 %
DPPF TRANSITION ACCOUNT	172,666.00	0.0 %	1.2 %
*** TOTAL CASH/LOAN PROGRAM ***	14,446,470.64	0.4 %	100.0 %
TOTAL MASTER TRUST	3,441,105,766.78	100.0 %	100.0 %
CITY CONTRIBUTIONS	8,061,305.32		
EMPLOYEE CONTRIBUTIONS	2,189,216.26		
BENEFIT DISTRIBUTIONS	-22,675,617.02		
ADVISORY FEES	-52,080.48		

**Dallas Police and Fire Pension System**  
**Thursday, February 13, 2014**  
**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, Lee M. Kleinman, John M. Mays, Richard A. Salinas, Joseph P. Schutz, George J. Tomasovic, Daniel W. Wojcik

Absent: Philip T. Kingston

**Staff**

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

**Others**

Gary Lawson, Rebecca Shaw, Richard Brown, Martin Rosenberg, Jeff Leighton, Rhett Humphreys (via teleconference), Bradley Mitchell, Douglas M. Hohertz, Anthony M. Montano, Richard Manuel, Curtis Goodwin, Greg Holliday, Darren Allen, Chris Evans, Frederick Mends, Ed Dresser, Brian Hass, Darry Gary, Steve Thompson

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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**

- a. Regular meeting of January 9, 2014
- b. Special meeting of January 21, 2014
- c. Special meeting of January 24, 2014
- d. Special meeting of January 30, 2014
- e. Special meeting of February 4, 2014

**Regular Board Meeting  
Thursday, February 13, 2014**

**A. CONSENT AGENDA (continued)**

- 2. Approval of Refunds of Contributions for the Month of January 2014**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for February 2014**
- 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 Fourth Quarter 2013**
- 9. 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. Reports and recommendations of The Townsend Group, real asset investment consultants**

Richard Brown, Principal, Martin Rosenberg, Principal, and Jeff Leighton, Analyst, of The Townsend Group, were present to discuss the third quarter 2013 real assets performance report.

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

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**Regular Board Meeting**  
**Thursday, February 13, 2014**

The meeting was recessed at 9:32 a.m.

The meeting was reconvened at 9:45 a.m.

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**2. NEPC reports**

Rhett Humphreys, CFA and Partner, of NEPC, discussed various investment reports with the Board and staff via telephone.

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

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**3. Closed Session - Board serving as Medical Committee**

Disability recall

The Board went into a closed executive session – medical at 10:58 a.m. to review the on-duty disability pension of a Plan B Member.

The meeting was reopened at 11:08 a.m.

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

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**4. The Mitchell Group**

Bradley Mitchell, President and General Counsel, Douglas M. Hohertz, Chief Investment Officer and Anthony M. Montano, Vice President, Investments, of The Mitchell Group, provided an organizational update and a portfolio review.

After discussion, Mr. Mays made a motion to receive and file the organizational update and portfolio review from The Mitchell Group. Mr. Brown seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting**  
**Thursday, February 13, 2014**

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

The meeting was reconvened at 12:45 p.m.

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**5. Investment and financial reports**

The Board and staff reviewed the investment and financial reports.

After discussion, Mr. Wojcik 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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**6. Reports and recommendations of Buck Consultants, Inc. including, but not limited to:**

- a. Actuarial assumptions and methods
- b. Estimated actuarial funding results

Mr. Tettamant stated that David Driscoll and David Kent of Buck Consultants, Inc. were present at the Actuarial Funding Committee (AFC) meeting held on February 6, 2014. The actuaries reviewed the Board adopted actuarial assumptions and methods and recommended no changes be made to the existing assumptions.

As part of their report to the AFC, the actuarial consultants also presented estimated funding results for the System as of January 1, 2014, based on preliminary investment return, contribution and benefit payment information.

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

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**Regular Board Meeting**  
**Thursday, February 13, 2014**

**7. 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. Brown, Schutz, Wojcik

**b. NCPERS Legislative Conference**

Messrs. Brown, Friar, Haben, Kleinman, Mays, Salinas, Schutz, Tomasovic, Wojcik, Tettamant, Rohan, Taylor, Mond, and Ms. Loveland

**c. NAPO Conference**

Messrs. Haben, Salinas, Schutz, Wojcik

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

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**8. Legal issues**

Police Officer and Firefighter pay lawsuits

No discussion was held. 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**

Received pensioner comments.

No motion was made.

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**2. Administrator's report**

Associations' newsletters

**Regular Board Meeting  
Thursday, February 13, 2014**

- NCPERS Monitor (January 2014)
- NCPERS Monitor (February 2014)
- NCPERS Persist (Winter 2014)
- TEXPERS Outlook (February 2014)

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

Mr. Brown made a motion to receive and file the reports. Mr. Haben 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. Mays and a second by Mr. Haben, the meeting was adjourned at 1:34 p.m.

[signature]

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George J. Tomasovic  
Chairman

**ATTEST:**

[signature]

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Richard L. Tettamant  
Secretary