



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



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, June 12, 2014**

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, June 12, 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. Accepted the resignation of Richard Tettamant, Administrator. Named Don Rohan, Assistant Administrator - Operations, as the Interim Administrator.
2. Received and filed reports from NEPC, the System's general investment consultant.
3. Approved the NEPC and staff recommendation to receive the BankCap Partners Fund I, L.P. distribution in cash.
4. Approved the NEPC and staff recommendation to liquidate the Transtrend investment and reallocate funds to AQR and PanAgora equally.
5. Received and filed the monthly investment and financial reports.
6. Received and filed the 2013 audit status update.
7. Voted to discontinue services from Spaeth Communications, with the exception of current work in progress.
8. Received and filed reports by Board and staff members on due diligence meetings, seminars and/or conferences attended.
9. No report was given on legal issues and no motion was made.

**MINUTE SUMMARY**  
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10. Directed the staff regarding Board preferences for annual workshop agenda topics and speakers.

**C. BRIEFING ITEMS**

1. No comments were received from active members or pensioners.
2. No motion was made regarding the Administrator's report.

The meeting was adjourned at 4:47 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 4:47 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 2013 audit status update.
2. Received and filed the monthly investment and financial reports.

The meeting was adjourned at 4:48 p.m.

DALLAS POLICE & FIRE PENSION SYSTEM  
ASSET DISTRIBUTION BY ADVISOR - AS OF April 30, 2014

|                                      | NET ASSET VALUE | % OF ASSETS | FUND<br>% OF CLASS |
|--------------------------------------|-----------------|-------------|--------------------|
| <b>GLOBAL PUBLIC EQUITY</b>          |                 |             |                    |
| EAGLE ASSET MANAGEMENT               | 93,924,402.36   | 2.7 %       | 15.3 %             |
| OFI INSTITUTIONAL ASSET MGMT         | 133,568,309.61  | 3.9 %       | 21.7 %             |
| PYRAMIS GLOBAL ADVISORS TRUST CO     | 192,481,208.34  | 5.6 %       | 31.3 %             |
| RREEF REIT                           | 60,618,791.32   | 1.8 %       | 9.9 %              |
| WALTER SCOTT & PARTNERS LIMITED      | 133,902,215.05  | 3.9 %       | 21.8 %             |
| *** TOTAL GLOBAL PUBLIC EQUITY ***   | 614,494,926.68  | 17.9 %      | 100.0 %            |
| <b>GLOBAL PRIVATE EQUITY</b>         |                 |             |                    |
| ASHMORE INVESTMENT MGMT GSSF IV      | 22,446,605.37   | 0.7 %       | 3.0 %              |
| BANKCAP PARTNERS FUND I, LP          | 17,950,166.00   | 0.5 %       | 2.4 %              |
| BANKCAP PARTNERS OPPORTUNITY LP      | 575,000.00      | 0.0 %       | 0.1 %              |
| CREATIVE HOLDINGS                    | 15,195,330.00   | 0.4 %       | 2.0 %              |
| DPFP HM CAPITAL PARTNERS             | 1,125,836.52    | 0.0 %       | 0.2 %              |
| HUFF ALTERNATIVE FUND LP             | 43,084,112.34   | 1.3 %       | 5.8 %              |
| HUFF ENERGY FUND LP - HUFF ENERGY    | 200,502,996.01  | 5.8 %       | 26.9 %             |
| KAINOS CAPITAL PARTNERS, LP          | 1,944,630.00    | 0.1 %       | 0.3 %              |
| LEVINE LEICHTMAN CAPITAL PARTNER IV, | 36,843,676.55   | 1.1 %       | 4.9 %              |
| LEVINE LEICHTMAN CAPITAL PTNERS V    | 3,012,641.04    | 0.1 %       | 0.4 %              |
| LEVINE LEICHTMAN DEEP VALUE FUND     | 14,630,310.18   | 0.4 %       | 2.0 %              |
| LEVINE LEICHTMAN PCS II              | 12,222,208.06   | 0.4 %       | 1.6 %              |
| LONE STAR CRA FUND LP                | 25,311,739.85   | 0.7 %       | 3.4 %              |
| LONE STAR GROWTH CAPITAL LP          | 16,164,340.10   | 0.5 %       | 2.2 %              |
| LONE STAR OPPORTUNITIES FUND V       | 14,496,253.01   | 0.4 %       | 1.9 %              |
| MERIT PARTNERS LP                    | 53,560,446.18   | 1.6 %       | 7.2 %              |
| NORTH TEXAS OPPORTUNITY FUND         | 7,489,629.24    | 0.2 %       | 1.0 %              |
| OAKTREE POWER OPPORTUNITIES FUND III | 17,368,433.19   | 0.5 %       | 2.3 %              |
| PHAROS CAPITAL PARTNERS III,LP       | 8,177,234.00    | 0.2 %       | 1.1 %              |
| PHAROS IIA AND CO-INVESTMENTS        | 81,177,809.82   | 2.4 %       | 10.9 %             |
| RED CONSOLIDATED HOLDINGS            | 149,497,728.14  | 4.3 %       | 20.0 %             |
| SOUTHERN CROSS                       | 2,031,000.03    | 0.1 %       | 0.3 %              |
| YELLOWSTONE ENERGY VENTURES          | 1,451,686.34    | 0.0 %       | 0.1 %              |
| *** TOTAL GLOBAL PRIVATE EQUITY ***  | 746,259,811.97  | 21.7 %      | 100.0 %            |
| <b>GLOBAL NATURAL RESOURCES</b>      |                 |             |                    |
| BTG PACTUAL                          | 88,894,803.96   | 2.6 %       | 21.2 %             |
| ENERGY OPPORTUNITIES CAPITAL MGMT    | 37,283,752.55   | 1.1 %       | 8.9 %              |
| FOREST INVESTMENT ASSOCIATES         | 41,615,509.84   | 1.2 %       | 9.9 %              |
| HANCOCK AGRICULTURAL INVEST FD       | 117,597,844.65  | 3.4 %       | 28.1 %             |
| HUDSON CLEAN ENERGY PARTNERS         | 17,439,049.65   | 0.5 %       | 4.2 %              |
| RCM ECOTRENDS                        | 29,804,485.95   | 0.9 %       | 7.1 %              |
| SUSTAINABLE ASSET MANAGEMENT         | 43,253,642.29   | 1.3 %       | 10.3 %             |
| THE MITCHELL GROUP                   | 42,476,282.84   | 1.2 %       | 10.3 %             |
| *** TOTAL GLOBAL NATURAL RESOURCES * | 418,365,371.73  | 12.2 %      | 100.0 %            |
| <b>GLOBAL FIXED INCOME</b>           |                 |             |                    |
| ASHMORE EM MKTS LOCAL CURRENCY       | 22,271,825.43   | 0.6 %       | 4.3 %              |
| ASHMORE EMERGING MARKETS DEBT FUND   | 45,289,645.45   | 1.3 %       | 8.6 %              |
| BRANDYWINE ASSET MANAGEMENT          | 64,438,030.80   | 1.9 %       | 12.3 %             |
| HIGHLAND CREDIT OPPS CDO LP - HIGHLA | 19,316,103.17   | 0.6 %       | 3.7 %              |
| HIGHLAND CRUSADER FUND LP            | 9,120,834.57    | 0.3 %       | 1.7 %              |
| LONE STAR FUND VII                   | 9,484,010.51    | 0.3 %       | 1.8 %              |
| LONE STAR FUND VIII, LP              | 8,181,247.72    | 0.2 %       | 1.6 %              |
| LOOMIS SAYLES & CO                   | 144,193,701.54  | 4.2 %       | 27.5 %             |
| LOOMIS SAYLES SENIOR FLTG RT & FI TR | 51,039,620.44   | 1.5 %       | 9.7 %              |
| MONDRIAN INVESTMENT PARTNERS         | 56,354,301.53   | 1.6 %       | 10.8 %             |
| OAKTREE FUND IV & 2X LOAN FUND       | 2,579,492.21    | 0.1 %       | 0.5 %              |
| W.R. HUFF HIGH YIELD                 | 91,334,523.54   | 2.7 %       | 17.5 %             |
| *** TOTAL GLOBAL FIXED INCOME ***    | 523,603,336.91  | 15.2 %      | 100.0 %            |
| <b>GLOBAL ASSET ALLOCATION</b>       |                 |             |                    |
| AQR CAPITAL MANAGEMENT, LLC          | 10,598,969.00   | 0.3 %       | 2.7 %              |
| BRIDGEWATER ASSOCIATES, INC          | 127,643,923.04  | 3.7 %       | 32.9 %             |
| GMO MULTI-STRATEGY FUND              | 127,807,534.08  | 3.7 %       | 32.9 %             |
| PANAGORA ASSET MANAGEMENT            | 10,443,084.55   | 0.3 %       | 2.7 %              |
| PUTNAM TOTAL RETURN                  | 62,318,021.00   | 1.8 %       | 16.0 %             |
| ROBECO TRANSTREND DIVERSIFIED FUND   | 49,491,484.48   | 1.4 %       | 12.8 %             |

DALLAS POLICE & FIRE PENSION SYSTEM  
ASSET DISTRIBUTION BY ADVISOR - AS OF April 30, 2014

|                                      | NET ASSET VALUE  | % OF ASSETS | FUND<br>% OF CLASS |
|--------------------------------------|------------------|-------------|--------------------|
| *** TOTAL GLOBAL ASSET ALLOCATION ** | 388,303,016.15   | 11.3 %      | 100.0 %            |
| <u>GLOBAL INFRASTRUCTURE</u>         |                  |             |                    |
| J P MORGAN ASIAN INFRASTRUCTURE & RE | 33,033,113.16    | 1.0 %       | 19.1 %             |
| JP MORGAN ASIAN INFRASTRUCTURE II    | 11,284,041.14    | 0.3 %       | 6.5 %              |
| JP MORGAN GLOBAL MARITIME INV FUND   | 14,940,840.11    | 0.4 %       | 8.6 %              |
| JP MORGAN INFRASTRUCTURE INV FUND    | 35,255,653.73    | 1.0 %       | 20.4 %             |
| LBJ INFRASTRUCTURE                   | 37,165,142.52    | 1.1 %       | 21.5 %             |
| NTE MOBILITY PARTNERS HOLDINGS LLC   | 36,983,321.61    | 1.1 %       | 21.4 %             |
| NTE SEGMENTS 3                       | 4,493,228.26     | 0.1 %       | 2.5 %              |
| *** TOTAL GLOBAL INFRASTRUCTURE ***  | 173,155,340.53   | 5.0 %       | 100.0 %            |
| <u>REAL ESTATE</u>                   |                  |             |                    |
| BENTALL KENNEDY REAL ESTATE          | 27,690,394.24    | 0.8 %       | 4.7 %              |
| CDK REALTY ADVISORS                  | 387,345,127.89   | 11.3 %      | 65.4 %             |
| CRISWELL RADOVAN                     | 37,193,604.38    | 1.1 %       | 6.3 %              |
| DALLAS P & F - REAL ESTATE FUND      | 31,922,429.72    | 0.9 %       | 5.4 %              |
| LONE STAR REAL ESTATE FUND II        | 14,911,784.82    | 0.4 %       | 2.5 %              |
| HUNT INVESTMENT MANAGEMENT           | 0.33             | 0.0 %       | 0.0 %              |
| INVESCO                              | 7,011,669.15     | 0.2 %       | 1.2 %              |
| KNUDSON LUXURY HOUSING               | 8,305,910.49     | 0.2 %       | 1.4 %              |
| L & B                                | 40,921,485.07    | 1.2 %       | 6.9 %              |
| LAND BARON                           | 18,611,508.64    | 0.5 %       | 3.1 %              |
| M&G REAL ESTATE DEBT FUND II         | 1,398,712.00     | 0.0 %       | 0.2 %              |
| TDB REAL ESTATE                      | 17,354,334.00    | 0.5 %       | 2.9 %              |
| *** TOTAL REAL ESTATE ***            | 592,666,960.73   | 17.2 %      | 100.0 %            |
| <u>CASH/LOAN PROGRAM</u>             |                  |             |                    |
| CONTRIBUTION & EXPENSE ACCOUNT       |                  |             |                    |
| CONTROL CASH                         | 17,020,649.58    | 0.5 %       | 33.6 %             |
| DPFP TRANSITION ACCOUNT              | 173,669.37       | 0.0 %       | 0.3 %              |
| MASTER LOANS                         | -33,388,000.00   | -1.0 %      | 66.1 %             |
| *** TOTAL CASH/LOAN PROGRAM ***      | -16,193,681.05   | -0.5 %      | 100.0 %            |
| TOTAL MASTER TRUST                   | 3,440,655,083.65 | 100.0 %     | 100.0 %            |
| CITY CONTRIBUTIONS                   | 8,361,021.98     |             |                    |
| EMPLOYEE CONTRIBUTIONS               | 2,208,040.99     |             |                    |
| BENEFIT DISTRIBUTIONS                | -19,992,517.79   |             |                    |
| ADVISORY FEES                        | 2,574,571.53     |             |                    |

**Dallas Police and Fire Pension System**  
**Thursday, June 12, 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, Philip T. Kingston, Lee M. Kleinman, John M. Mays, Richard A. Salinas, Joseph P. Schutz, George J. Tomasovic, Daniel W. Wojcik

Absent: None

**Staff**

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

**Others**

Gary Lawson, Rhett Humphreys, Jeff Roberts, Mark A. Taylor, Steve Umlor, Max Kirk, Don E. Howard III, Ron Tucker, Ron Pinkston, Brian Hass, A.D. Donald, Juan Urreta, Michael Barrett, Richard Todd, Orlando Robinson, Jerry M. Rhodes, Joshua Shipp, Gary S. Beck, David Landry, Gregory A. Griffin, Robert E. Rommel, Shawn Gary, Rector McCollum, Gary Jacobson, Steve Thompson, Tanya Eiserer, Mel Sayavedra, Ann Liss, Ron Baselice

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

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Fire Trustee George Tomasovic asked for a moment of silence to honor Fire Captain Charlie J. Jaimes, who passed away on June 9, 2014.

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**Regular Board Meeting  
Thursday, June 12, 2014**

**A. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of May 22, 2014

**2. Approval of Refunds of Contributions for the Month of May 2014**

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for June 2014**

**4. Approval of Survivor Benefits**

**5. Approval of Service Retirements**

**6. Approval of Alternate Payee Benefits**

**7. Approval of Earnings Test**

**8. Approval of Payment of Military Leave Contributions**

After discussion, Mr. Friar made a motion to approve the items on the Consent Agenda, subject to final approval by the Administrator. Mr. Atkins 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. Review of Administrator**

The Board went into a closed executive session – personnel at 8:31 a.m.

The meeting was recessed at 10:22 a.m.

The meeting was reconvened at 10:29 a.m.

The meeting was reopened at 11:25 a.m.

**Regular Board Meeting**  
**Thursday, June 12, 2014**

**1. Review of Administrator (continued)**

Mr. Wojcik made a motion to request the resignation of Richard Tettamant, Administrator. Mr. Atkins seconded the motion, which passed by the following vote:

For: Wojcik, Atkins, Griggs, Haben, Kleinman, Kingston, Salinas, Schutz, Tomasovic

Against: Brown, Friar, Mays

Mr. Tomasovic made a motion to appoint Don Rohan as Interim Administrator. Mr. Schutz seconded the motion, which was unanimously approved by the Board.

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**2. Reports and recommendations of NEPC**

Rhett Humphreys CFA, Partner, and Jeff Roberts, Senior Research Consultant, Private Markets, of NEPC, the System's general investment consultant, were present to discuss various reports and recommendations. Mr. Humphreys provided a quarterly portfolio review for the quarter ending March 31, 2014.

After discussion, Mr. Wojcik made a motion to receive and file the NEPC quarterly portfolio review. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

The meeting was recessed at 12:48 p.m.

The meeting was reconvened at 1:23 p.m.

Mr. Roberts gave the Private Markets review, which covered the performance of private investments through the fourth quarter of 2013.

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

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**Regular Board Meeting  
Thursday, June 12, 2014**

**3. BankCap Partners Fund I, L.P. distribution**

BankCap Partners Fund I, L.P. has been one of the System's private equity managers since 2007, focusing on growth oriented investments in the U.S. banking industry. BankCap Partners will be distributing its interest in one of the portfolio companies, TriState Capital Holdings, Inc. (TSC), to the Limited Partners and has given two distribution options; either to receive cash proceeds or a distribution in kind (shares of the public stock). This election is due by June 13, 2014.

After discussion, Mr. Brown made a motion to approve the NEPC and staff recommendation to receive the BankCap Partners Fund I, L.P. distribution in cash. Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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**4. Transtrend**

Mr. Rohan stated that Transtrend Diversified Fund, LLC, one of the System's Global Asset Allocation investments managed by Robeco Investment Management, provided a portfolio review to the Investment Advisory Committee (IAC) on January 7, 2014. The Board also discussed and reviewed the Transtrend investment at the January 9, 2014, Board meeting. After deliberation, the Board requested staff to research the managed futures strategy and provide an informational report.

Staff presented an introduction and overview of the Global Asset Allocation asset class and managed futures strategies at the April 17, 2014, IAC. Discussion included managed futures basics, relative performance, and comparison to other commodity strategies.

After discussion, Mr. Friar made a motion to approve the NEPC and staff recommendation to authorize the Interim Administrator to liquidate the Transtrend investment and reallocate funds to AQR and PanAgora equally, execute documentation, perform all necessary acts, and exercise all appropriate discretion to facilitate this recommendation. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting  
Thursday, June 12, 2014**

**5. Investment and financial reports**

The Board and staff reviewed the investment and financial reports.

After discussion, Mr. Salinas 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. Atkins seconded the motion, which was unanimously approved by the Board.

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**6. 2013 audit report**

Ms. Loveland discussed the progress of the 2013 financial statement audit.

After discussion, Mr. Atkins made a motion to receive and file the 2013 audit status update. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**7. Communications program**

Mr. Rohan stated that Mr. Kleinman has requested that the Board review the System's communication program and that Staff is preparing a Request for Information (RFI) for communications services and is prepared to go forward.

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

After discussion, Mr. Atkins made a motion to discontinue services from Spaeth Communications, with the exception of current work in progress. Mr. Haben seconded the motion, which was approved by the following vote:

For: Atkins, Haben, Brown, Friar, Griggs, Mays, Salinas, Schutz, Tomasovic,  
Wojcik

Against: Kleinman, Kingston

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**Regular Board Meeting  
Thursday, June 12, 2014**

**8. 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. Conference: Lone Star Funds Annual Investor Information Meeting**

Mr. Wojcik

**b. JPMorgan Global Real Assets Texas Roadshow**

Mr. Brown

**c. Opal Emerging Manager Summit**

Messrs. Friar, Salinas,  
Ms. Schmidt

After discussion, 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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**9. Legal Issues**

Police Officer and Firefighter pay lawsuits

No discussion was held. No motion was made.

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**10. Preliminary agenda for the annual Board/Staff Workshop to be held on October 13 – 16, 2014**

Mr. Rohan discussed the preliminary workshop plans and requested input from the Board. Board members directed the staff regarding their preferences for annual workshop agenda topics and speakers.

No motion was made.

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**Regular Board Meeting  
Thursday, June 12, 2014**

**ADDENDUM**

**Museum Tower**

The Board went into a closed executive session – real estate at 3:37 p.m.

The meeting was reopened at 4:46 p.m.

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**

No comments were received from active members or pensioners.

No motion was made.

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**2. Administrator's report**

Associations' newsletters

- NCPERS Monitor (June 2014)
- NCPERS Persist (Spring 2014)
- TEXPERS Outlook (June 2014)

No motion was made.

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**Regular Board Meeting  
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Mr. Rohan stated that there was no further business to come before the Board. On a motion by Mr. Friar and a second by Mr. Wojcik, the meeting was adjourned at 4:47 p.m.

[signature]

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George J. Tomasovic  
Chairman

**ATTEST:**

[signature]

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Donald C. Rohan  
Secretary