



MINUTE SUMMARY
Board Meeting
Thursday, December 11, 2014

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, December 11, 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. MOMENT OF SILENCE

The Board observed a moment of silence in memory of pensioners who recently passed away.

B. CONSENT AGENDA

Approved, subject to the final review of the staff.

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Received from counsel the update on the Plan amendment litigation.
2. Received and filed the Committee report on same sex partner benefits.
3. Received and filed the Bridgewater portfolio review, organizational update and risk parity educational presentation.
4. Received and filed The Townsend Group's real estate strategy presentation.
5. Discussed with CDK Realty Advisors the potential sale of real estate in Dallas, TX and authorized CDK to proceed with finalizing the sale.
6. Received and filed the monthly investment and financial reports.

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7. The General Counsel briefed the Board on the Pension Review Board's Minimum Educational Training (MET) Program for trustees and system administrators of Texas public retirement systems.
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.

D. BRIEFING ITEMS

1. Received comments from an active member during the open forum.
2. Received and filed the Administrator's report.

The meeting was adjourned at 11:39 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 11:39 a.m.

A. CONSENT AGENDA

Approved, subject to the final review of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

Received and filed the monthly investment and financial reports.

The meeting was adjourned at 11:40 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2014

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
GLOBAL PUBLIC EQUITY				
BANKCAP DISTRIBUTIONS	2,312,856.47	0.1 %		0.4 %
EAGLE ASSET MANAGEMENT	83,596,538.54	2.5 %		14.2 %
OFI INSTITUTIONAL ASSET MGMT	128,082,253.54	3.8 %		21.8 %
PYRAMIS GLOBAL ADVISORS TRUST CO	184,366,465.62	5.4 %		31.3 %
RREEF REIT	61,011,870.56	1.8 %		10.4 %
WALTER SCOTT & PARTNERS LIMITED	129,047,001.66	3.8 %		21.9 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	588,416,986.39	17.3 %		100.0 %
GLOBAL PRIVATE EQUITY				
ASHMORE INVESTMENT MGMT GSSF IV	13,353,238.66	0.4 %		2.0 %
BANKCAP PARTNERS FUND I, LP	15,958,143.71	0.5 %		2.3 %
BANKCAP PARTNERS OPPORTUNITY LP	400,000.00	0.0 %		0.1 %
CREATIVE HOLDINGS	4,769,954.00	0.1 %		0.7 %
HUFF ALTERNATIVE FUND LP	42,773,022.00	1.3 %		6.2 %
HUFF ENERGY FUND LP - HUFF ENERGY	148,686,104.00	4.4 %		21.7 %
KAINOS CAPITAL PARTNERS, LP	12,032,454.00	0.4 %		1.8 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	34,363,177.73	1.0 %		5.0 %
LEVINE LEICHTMAN CAPITAL PTNERS V	6,572,051.50	0.2 %		1.0 %
LEVINE LEICHTMAN DEEP VALUE FUND	14,170,972.60	0.4 %		2.1 %
LEVINE LEICHTMAN PCS II	17,968,770.87	0.5 %		2.6 %
LONE STAR CRA FUND LP	26,893,932.86	0.8 %		3.9 %
LONE STAR GROWTH CAPITAL LP	10,505,374.00	0.3 %		1.5 %
LONE STAR OPPORTUNITIES FUND V	14,263,253.07	0.4 %		2.1 %
MERIT PARTNERS LP	58,825,142.20	1.7 %		8.6 %
NORTH TEXAS OPPORTUNITY FUND	9,537,577.00	0.3 %		1.4 %
OAKTREE POWER OPPORTUNITIES FUND III	16,963,775.64	0.5 %		2.5 %
PHAROS CAPITAL PARTNERS III,LP	7,506,326.62	0.2 %		1.1 %
PHAROS IIA AND CO-INVESTMENTS	87,177,477.38	2.6 %		12.7 %
RED CONSOLIDATED HOLDINGS	140,640,774.00	4.1 %		20.5 %
YELLOWSTONE ENERGY VENTURES	1,408,774.00	0.0 %		0.2 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	684,770,295.84	20.1 %		100.0 %
GLOBAL NATURAL RESOURCES				
ALLIANZ GLOBAL	27,902,544.32	0.8 %		6.7 %
BTG PACTUAL	95,132,551.00	2.8 %		22.8 %
ENERGY OPPORTUNITIES CAPITAL MGMT	31,986,045.42	0.9 %		7.7 %
FOREST INVESTMENT ASSOCIATES	42,509,461.93	1.2 %		10.2 %
HANCOCK AGRICULTURAL INVEST FD	121,497,766.81	3.6 %		29.1 %
HUDSON CLEAN ENERGY PARTNERS	17,317,176.00	0.5 %		4.1 %
SUSTAINABLE ASSET MANAGEMENT	43,077,310.84	1.3 %		10.3 %
THE MITCHELL GROUP	37,866,448.09	1.1 %		9.1 %
*** TOTAL GLOBAL NATURAL RESOURCES *	417,289,304.41	12.3 %		100.0 %
GLOBAL FIXED INCOME				
ASHMORE EM MKTS LOCAL CURRENCY	21,651,785.73	0.6 %		4.1 %
ASHMORE EMERGING MARKETS DEBT FUND	43,951,897.02	1.3 %		8.4 %
BRANDYWINE ASSET MANAGEMENT	64,993,305.06	1.9 %		12.4 %
HIGHLAND CREDIT OPPORTUNITIES FUND,	19,422,451.27	0.6 %		3.7 %
HIGHLAND CRUSADER FUND LP	9,085,328.21	0.3 %		1.7 %
LONE STAR FUND VII	7,485,858.87	0.2 %		1.4 %
LONE STAR FUND VIII, LP	14,721,927.87	0.4 %		2.8 %
LOOMIS SAYLES & CO	142,495,297.27	4.2 %		27.3 %
LOOMIS SAYLES SENIOR FLTG RT & FI TR	51,838,829.99	1.5 %		9.9 %
MONDRIAN INVESTMENT PARTNERS	55,348,019.20	1.6 %		10.6 %
OAKTREE FUND IV & 2X LOAN FUND	2,655,077.00	0.1 %		0.6 %
W.R. HUFF HIGH YIELD	88,777,262.30	2.6 %		17.1 %
*** TOTAL GLOBAL FIXED INCOME ***	522,427,039.79	15.3 %		100.0 %
GLOBAL ASSET ALLOCATION				
AQR CAPITAL MANAGEMENT, LLC	37,584,540.00	1.1 %		9.4 %
BRIDGEWATER ASSOCIATES, INC	132,738,879.33	3.9 %		33.2 %
GMO MULTI-STRATEGY FUND	130,176,946.00	3.8 %		32.5 %
PANAGORA ASSET MANAGEMENT	36,983,934.71	1.1 %		9.2 %
PUTNAM TOTAL RETURN	62,644,865.00	1.8 %		15.7 %
*** TOTAL GLOBAL ASSET ALLOCATION **	400,129,165.04	11.7 %		100.0 %

DALLAS POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2014

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
GLOBAL INFRASTRUCTURE				

J P MORGAN ASIAN INFRASTRUCTURE & RE	34,742,607.57	1.0 %		18.3 %
JP MORGAN ASIAN INFRASTRUCTURE II	9,505,895.44	0.3 %		5.0 %
JP MORGAN GLOBAL MARITIME INV FUND	24,280,494.73	0.7 %		12.8 %
JP MORGAN INFRASTRUCTURE INV FUND	35,743,381.08	1.0 %		18.8 %
LBJ INFRASTRUCTURE	37,165,142.49	1.1 %		19.6 %
NTE MOBILITY PARTNERS HOLDINGS LLC	41,689,475.70	1.2 %		21.9 %
NTE SEGMENTS 3	6,865,133.97	0.2 %		3.6 %
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*** TOTAL GLOBAL INFRASTRUCTURE ***	189,992,130.98	5.6 %		100.0 %
REAL ESTATE				

BENTALL KENNEDY REAL ESTATE	25,943,152.15	0.8 %		4.5 %
CDK REALTY ADVISORS	609,699,192.83	17.9 %		106.5 %
CRISWELL RADOVAN	94,480,344.00	2.8 %		16.5 %
INVESCO	9,845,167.62	0.3 %		1.7 %
L & B	73,732,994.25	2.2 %		12.9 %
LONE STAR REAL ESTATE FUND II	10,111,896.10	0.3 %		1.8 %
LONE STAR REAL ESTATE FUND III	7,399,023.67	0.2 %		1.3 %
M&G REAL ESTATE DEBT FUND II	8,266,597.25	0.2 %		1.4 %
P&F HOLDINGS	29,285,199.25	0.9 %		5.1 %
P&F HOUSING IV, L.P.	18,055,909.09	0.5 %		3.2 %
P&F REAL ESTATE	16,309,865.00	0.5 %		2.8 %
REAL ESTATE	24,079,469.93	0.7 %		4.2 %
MASTER LOANS	-354,629,513.00	-10.4 %		-61.9 %
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*** TOTAL REAL ESTATE ***	572,579,298.14	16.8 %		100.0 %
CASH				

CONTRIBUTION & EXPENSE ACCOUNT				
CONTROL CASH	29,910,173.61	0.9 %		99.5 %
DPFP TRANSITION ACCOUNT	156,553.88	0.0 %		0.5 %
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*** TOTAL CASH ***	30,066,727.49	0.9 %		100.0 %
TOTAL MASTER TRUST	3,405,670,948.08	100.0 %		100.0 %
CITY CONTRIBUTIONS	8,674,439.54			
EMPLOYEE CONTRIBUTIONS	2,226,023.05			
BENEFIT DISTRIBUTIONS	-22,278,088.85			
ADVISORY FEES	-2,789,925.28			

Dallas Police and Fire Pension System
Thursday, December 11, 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: 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: Tennell Atkins

Staff

Don Rohan, Brian Blake, Summer Loveland, Joshua Mond, John Holt, Carlos Ortiz, Pat McGennis, Ryan Wagner, Milissa Schmidt, Christina Wu, Greg Irlbeck, Linda Rickley, Kevin Killingsworth

Others

Gary Lawson, James L. Haskel, Robert Smith, Keith Stronkowsky, Richard Brown, Martin Rosenberg, Jeff Leighton, Ken Cooley, Jon Donahue, Brigid Seay, Amanda Cooley, Steve Umlor, Mike Flusche, Michael Barrett, Bronda Davis, Diana S. Salinas, George Florence, David Waks, Bryan Waugh

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

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of Bobby G. Brown, Charles W. Deloney, and James K. Ramsey, retired police officers, and Louie G. Burns, Sidney V. Coleman, Paul J. Gaskell, Robert E. Jackson and Ronald J. Pinkerton, retired firefighters, who recently passed away.

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**Regular Board Meeting
Thursday, December 11, 2014**

B. CONSENT AGENDA

- 1. Approval of Minutes**
 - a. Special meeting of October 13-16, 2014
 - b. Regular meeting of October 9, 2014
- 2. Approval of Refunds of Contributions for the Month of November 2014**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for December 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 Third Quarter 2014**

After discussion, Mr. Brown made a motion to approve the items on the Consent Agenda, with the correction to the November 13, 2014, Board minutes, subject to final approval by the Interim Administrator. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Update on Plan amendment litigation

The Board went into a closed executive session – legal at 8:32 a.m.

The meeting was reopened at 8:42 a.m.

No motion was made.

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**Regular Board Meeting
Thursday, December 11, 2014**

2. Committee report on same sex partner benefits

Mr. Rohan stated that at the October 9, 2014, meeting of the Board, the Board appointed a committee to review an issue regarding the survivor rights of same sex partners and report back to the Board in December. The Committee is comprised of Active Police Trustee Dan Wojcik, Chairman, Pensioner Fire Trustee Jerry Brown and Councilmember Scott Griggs. Chairman Wojcik asked Police Officer Barbara Hobbs to serve on the committee as well. Chairman Wojcik reported on the committee meeting held on Wednesday, November 17, 2014.

After discussion, Mr. Haben made a motion to receive and file the Committee report on same sex partner benefits. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:20 a.m.

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

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3. Bridgewater

James L. Haskel, Senior Portfolio Strategist, and Robert Smith, Client Advisor, of Bridgewater Associates, LP, were present to provide a portfolio review, organizational update and education on risk parity. Keith Stronkowsky, Senior Consultant, NEPC, also was present for this topic and discussion.

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

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4. The Townsend Group – Real Asset Strategy Discussion

Richard Brown, Principal, Martin Rosenberg, Principal, and Jeff Leighton, Analyst, of The Townsend Group, DFP's Real Asset Consultant, were present to discuss the long term investment strategy of the DFP real estate portfolio. As part of the discussion, Townsend also addressed the strategic objectives, risk controls, potential real estate investment policy guidelines and implementation of the strategy.

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4. The Townsend Group – Real Asset Strategy Discussion (continued)

After discussion, Mr. Salinas made a motion to receive and file the Townsend Group’s real asset strategy presentation. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:00 a.m.

The meeting was reconvened at 11:16 a.m.

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5. CDK Realty Advisors

Ken Cooley, Principal, Jon Donahue, Principal, Brigid Seay, Asset Manager, and Amanda Cooley, Asset Manager, of CDK Realty Advisors, were present to discuss the potential sale of real estate in Dallas, TX.

The Board went into a closed executive session – real estate at 11:17 a.m.

The meeting was reopened at 11:28 a.m.

After discussion, Mr. Salinas made a motion to have CDK finalize negotiations and consummate the sale of the excess land at 4100 Harry Hines Boulevard, Dallas, Texas, as reviewed by The Townsend Group. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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6. 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 Asset Allocation Report, Group Trust Monthly NAV Report, JPMorgan DPFPS Performance - Preliminary Report Package, Group Trust Net Investment Assets Report, and the Group Trust Real Estate Holdings Report. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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7. Trustee educational requirements

Mr. Mond stated that the 83rd Texas Legislature required the Pension Review Board (PRB) to establish a Minimum Educational Training (MET) Program for trustees and system administrators of Texas public retirement systems. The MET program will go into effect on January 1, 2015. Mr. Mond briefed the Board on the MET requirements.

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

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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. Canadian Alternative Investments in Pensions Forum

Messrs. Brown, Irlbeck

b. Hudson Clean Energy Partners Annual Meeting

Mr. Schutz

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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9. Legal issues

Police Officer and Firefighter pay lawsuits

No report was given. No motion was made.

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Regular Board Meeting
Thursday, December 11, 2014

D. BRIEFING ITEMS

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

Mr. Michael Barrett, Active Member, spoke to the Board.

Mr. Salinas made a motion to receive and file the member's comments. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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2. Administrator's report

Associations' newsletters

- NCPERS Monitor (December 2014)
- NCPERS Persist (Fall 2014)
- TEXPERS Outlook (December 2014)
- TEXPERS Pension Observer (Fall 2014)

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

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Mr. Rohan stated that there was no further business to come before the Board. On a motion by Mr. Salinas and a second by Mr. Mays, the meeting was adjourned at 11:39 a.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Donald C. Rohan
Secretary