



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

October 9, 2025

Board Meeting

Executive Summary

- **Estimated YTD Return (through 9/30/25):** 13.1% for DPFP Portfolio; 14.5% for Public Portfolio which makes up 81.1% of the assets.
- **\$15.6M of private market proceeds** received YTD.
- The IAC will review the Public Equity portfolio at the October 23rd meeting and bring any recommendations back to the Board for consideration.

Investment Initiatives – 2025/26 Plan

Q1 – Q3 2025

- Appointment of Private Markets Sub-Committee
- Private Credit Pacing Plan
- Public Equity and Public Credit Asset Class Structure Reviews
- Private Equity Pacing Plan
- Sub-Committee Review of New Private Credit Investments
- Initiate Multi Asset Credit Search
- Board Approval of Initial Private Credit Commitments
- Multi Asset Credit (MAC) Search and Manager Selection

Q4 2025

- IAC Review of Public Equity Portfolio
- ICG Funding
- Board Review of New Private Credit Opportunities
- Sub-Committee review of Private Equity Secondary Opportunities

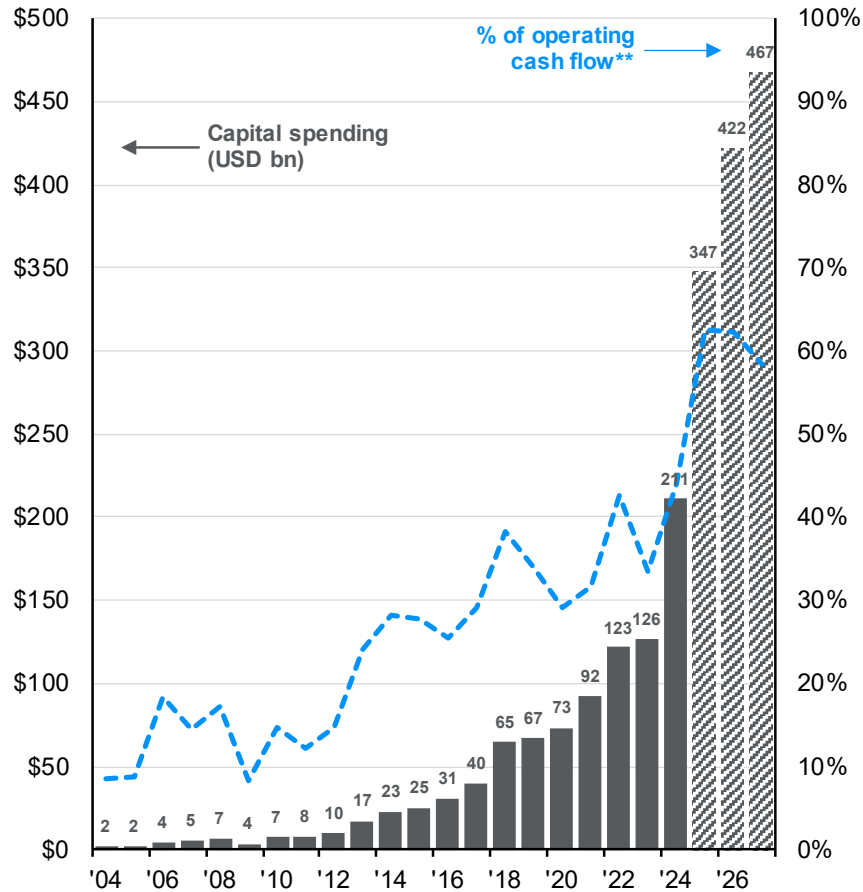
2026

- Possible Global Equity Value Search
- Possible Small Cap equity searches
- Search for 2nd MAC Manager

AI CapEx Spending

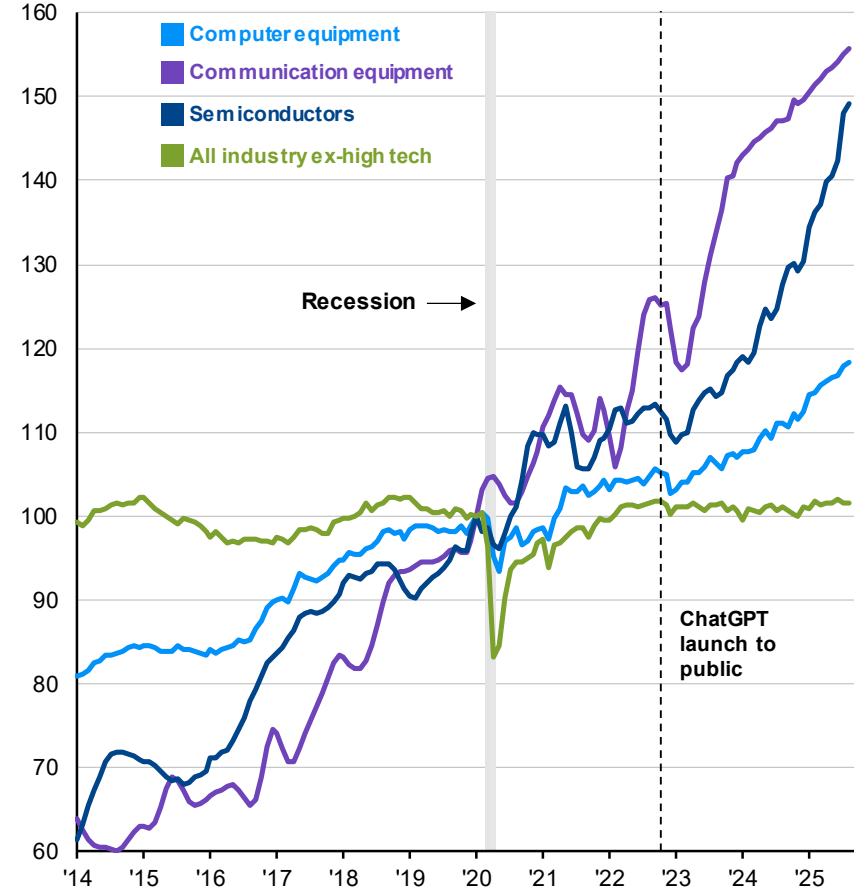
Capex from the major AI hyperscalers*

USD billions; Alphabet, Amazon (AWS), Meta, Microsoft, Oracle



U.S. industrial production of high tech industries

Indexed to 100 in Jan 2020



Source: J.P. Morgan Asset Management; (Left) Bloomberg; (Right) Federal Reserve Board.

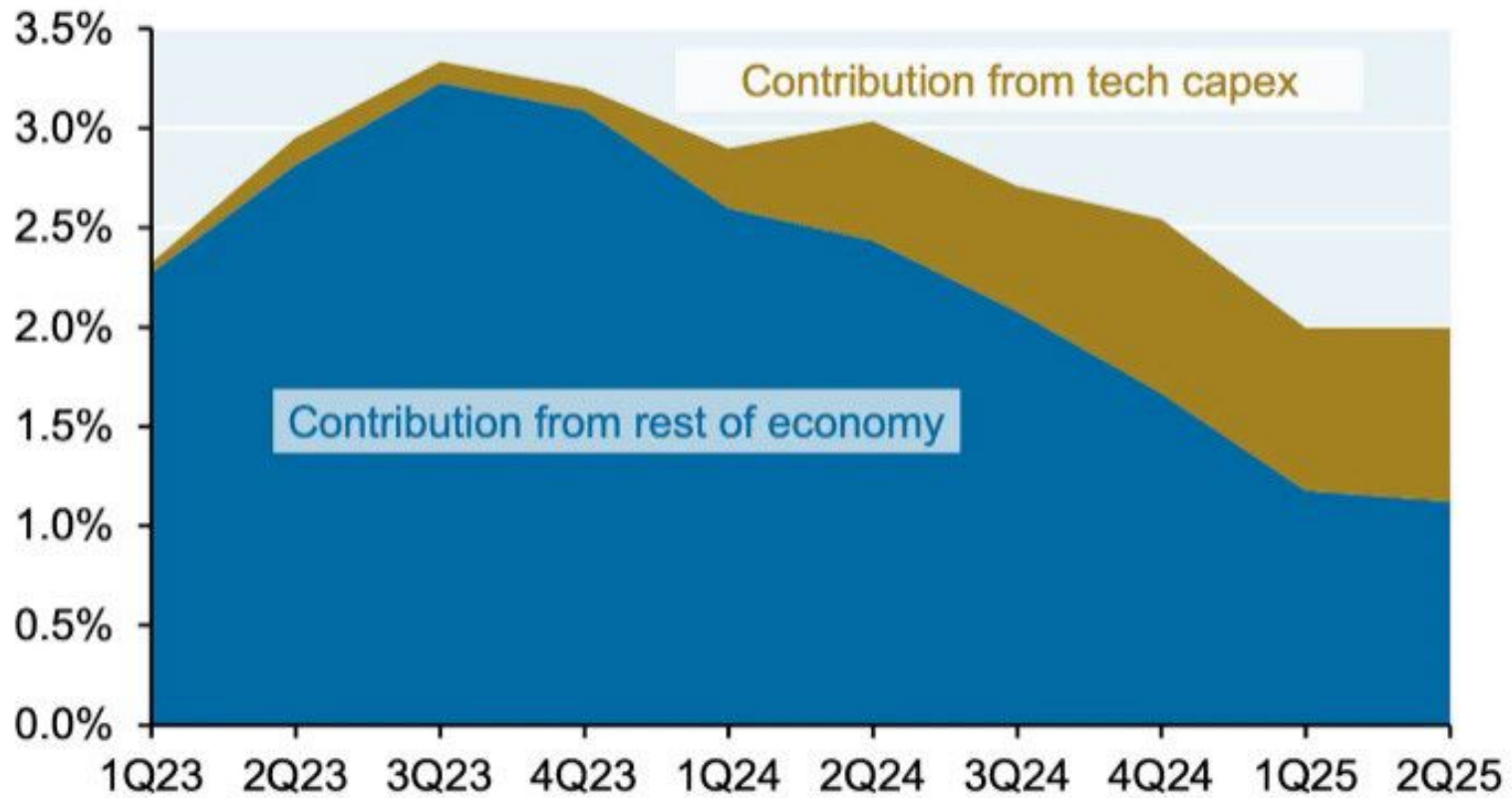
Data for 2025, 2026 and 2027 reflect consensus estimates. Capex shown is company total, except for Amazon, which reflects an estimate for AWS spend (2004 to 2012 are J.P. Morgan Asset Management estimates and 2012 to current are Bloomberg consensus estimates). *Hyperscalers are the large cloud computing companies that own and operate data centers with horizontally linked servers that, along with cooling and data storage capabilities, enable them to house and operate AI workloads. **Reflects cash flow before capital expenditures in contrast to free cash flow, which subtracts out capital expenditures.

Guide to the Markets – U.S. Data are as of September 30, 2025.

AI CapEx Spend & Contribution to GDP

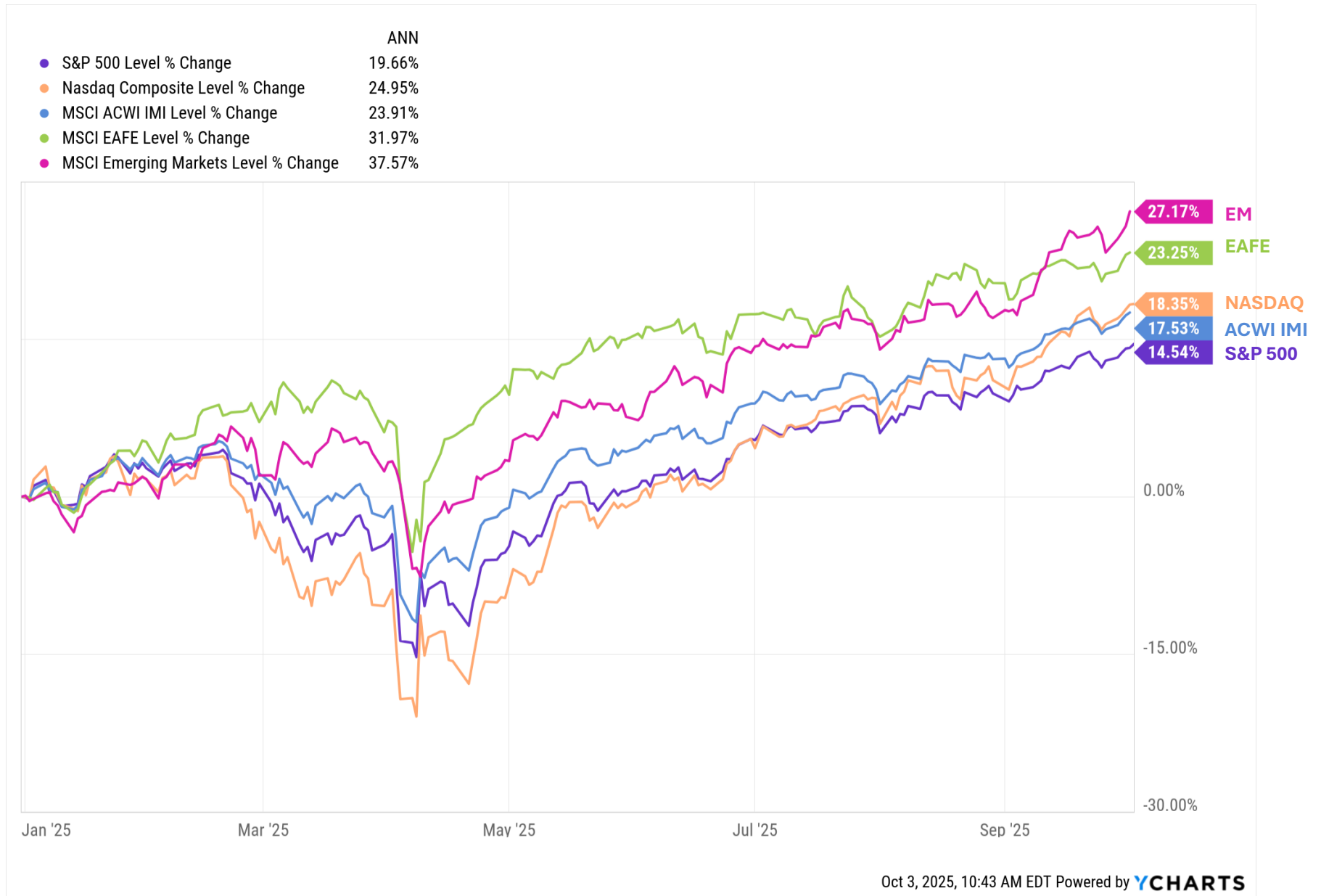
US real GDP growth contribution from tech capex

Percent

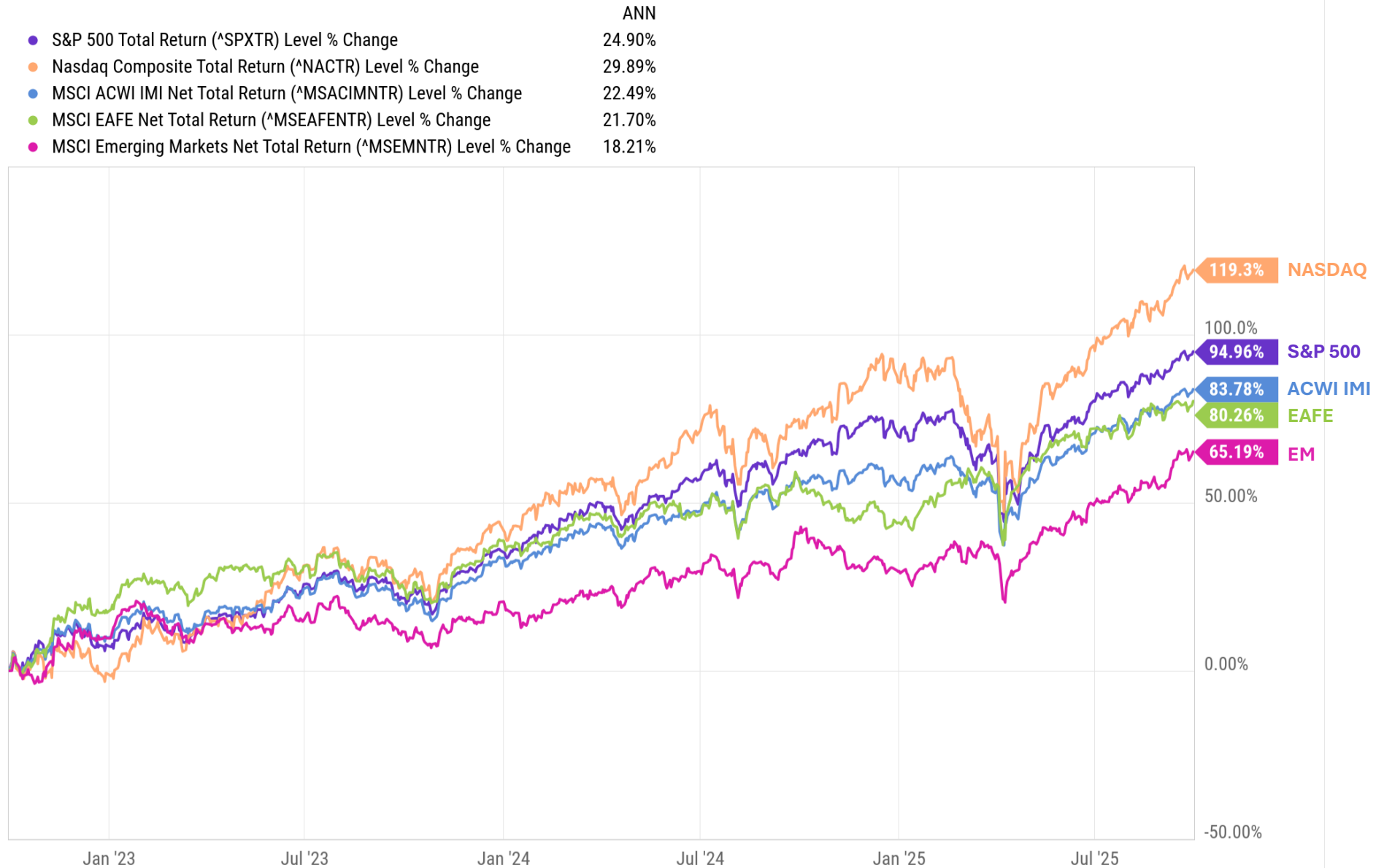


Source: Bridgewater, August 2025

YTD Equity Markets Returns (As of 10/3/25)



Global Equity Markets Returns (3 Years Ending 9/30/25)



Public Markets Performance Snapshot

Public Markets made up 81.1% of DPFP Investment Portfolio.

Trailing Net Performance | As of September 30, 2025

Performance Summary Ending September 30, 2025								
	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Total Public Portfolio <i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>	1,772,032,854	2.6 2.3	14.5 14.1	12.7 11.0	17.7 15.5	9.1 7.3	7.0 6.1	Oct-05
Public Equity <i>MSCI AC World IMI Index (Net)</i>	1,269,675,463	3.4 3.4	18.9 18.3	16.3 16.8	22.2 22.5	12.8 13.3	8.1 8.0	Jul-06
Boston Partners Global Equity Fund <i>MSCI World Net</i>	134,482,190	1.8 3.2	27.8 17.4	20.2 17.2	23.2 23.7	18.2 14.4	10.6 12.1	Jul-17
Manulife Global Equity Strategy <i>MSCI ACWI Net</i>	132,805,700	1.6 3.6	14.6 18.4	10.6 17.3	19.5 23.1	12.3 13.5	9.8 11.4	Jul-17
Walter Scott Global Equity Fund <i>MSCI ACWI Net</i>	131,327,821	1.3 3.6	8.4 18.4	5.4 17.3	17.8 23.1	9.3 13.5	10.0 10.0	Dec-09
WCM Global Equity <i>MSCI AC World Index Growth (Net)</i>	142,337,028	8.2 4.9	28.4 19.1	38.8 22.2	-- 27.5	-- 13.3	37.2 26.6	Dec-23
NT Russell 2000 Index <i>Russell 2000 Index (Net)</i>	65,835,774	3.1 3.1	-- 10.1	-- 10.3	-- 14.7	-- 11.1	-- 10.4	Aug-25
NT ACWI Index IMI <i>MSCI AC World IMI Index (Net)</i>	508,540,429	3.5 3.4	18.5 18.3	17.1 16.8	23.0 22.5	-- 13.3	10.4 10.0	Apr-21
Global Alpha International Small Cap <i>MSCI EAFE Small Cap (Net)</i>	63,824,399	0.4 1.6	20.0 28.4	6.7 17.7	12.4 19.6	-- 8.5	3.4 9.5	May-22
RBC Emerging Markets Equity <i>MSCI Emerging Markets IMI (Net)</i>	90,522,123	6.6 6.4	25.5 25.9	15.0 16.0	19.1 18.2	7.7 7.6	5.4 4.7	Jan-18

Public Markets Performance Snapshot

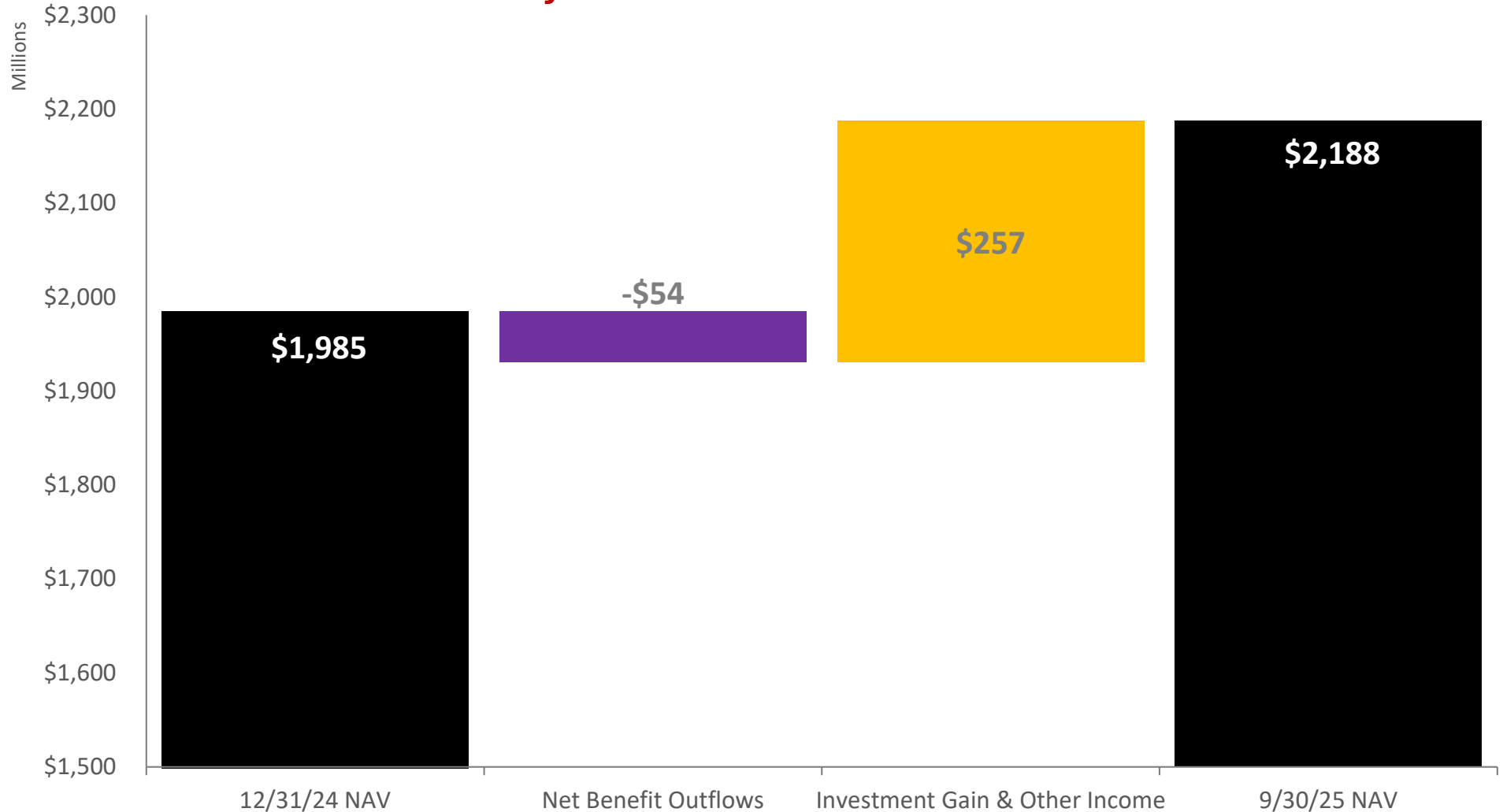
Trailing Net Performance | As of September 30, 2025

	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Fixed Income and Cash	273,826,111	0.6	4.8	4.5	5.1	1.9	2.4	May-18
<i>Fixed Income and Cash Blended Benchmark</i>		<i>0.6</i>	<i>4.5</i>	<i>3.8</i>	<i>4.8</i>	<i>1.4</i>	<i>2.3</i>	
IR&M 1-3 Year Strategy	128,928,309	0.4	4.5	4.7	5.3	2.2	2.6	Jul-17
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		<i>0.3</i>	<i>4.2</i>	<i>4.1</i>	<i>4.7</i>	<i>1.8</i>	<i>2.1</i>	
Longfellow Core Fixed Income	85,021,441	1.2	6.4	3.3	5.6	0.2	0.3	Jul-20
<i>Blmbg. U.S. Aggregate Index</i>		<i>1.1</i>	<i>6.1</i>	<i>2.9</i>	<i>4.9</i>	<i>-0.4</i>	<i>-0.3</i>	
Cash Equivalents	59,876,361	0.3	3.6	4.8	5.0	3.2	4.7	Jul-96
<i>ICE BofA 3 Month U.S. T-Bill</i>		<i>0.3</i>	<i>3.2</i>	<i>4.4</i>	<i>4.8</i>	<i>3.0</i>	<i>2.4</i>	
Public Credit	228,531,280	1.0	7.7	7.7	11.2	4.3	3.7	May-18
<i>Credit Blended Benchmark</i>		<i>0.8</i>	<i>7.3</i>	<i>7.3</i>	<i>10.6</i>	<i>5.3</i>	<i>4.8</i>	
Aristotle Pacific Capital Bank Loan	88,206,717	0.6	5.0	7.2	10.2	7.0	5.6	Aug-17
<i>S&P UBS Leveraged Loan Index</i>		<i>0.5</i>	<i>4.8</i>	<i>7.2</i>	<i>9.7</i>	<i>6.9</i>	<i>5.4</i>	
Loomis US High Yield Fund	74,308,752	1.1	8.2	8.7	10.9	—	3.9	Jan-21
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		<i>0.8</i>	<i>7.2</i>	<i>7.4</i>	<i>11.1</i>	<i>5.5</i>	<i>4.5</i>	
Metlife Emerging Markets Debt Blend	66,015,811	1.5	11.1	8.1	12.3	—	12.3	Oct-22
<i>35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Di</i>		<i>1.3</i>	<i>10.7</i>	<i>7.2</i>	<i>10.8</i>	<i>2.6</i>	<i>10.8</i>	

Change in Market Value Bridge Chart - As of 9/30/2025

In Millions

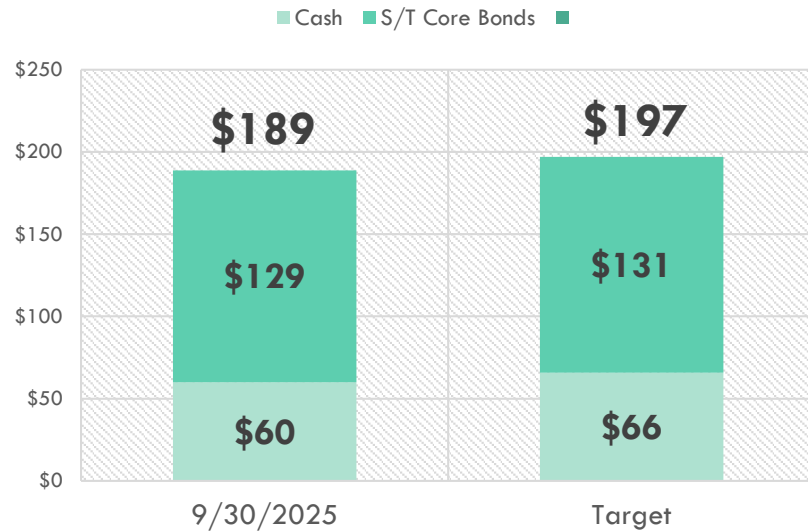
2025 YTD Preliminary Investment Return estimated at 13.1%



The beginning 12/31/24 value includes a one-quarter lag on private assets.
Numbers may not foot due to rounding.

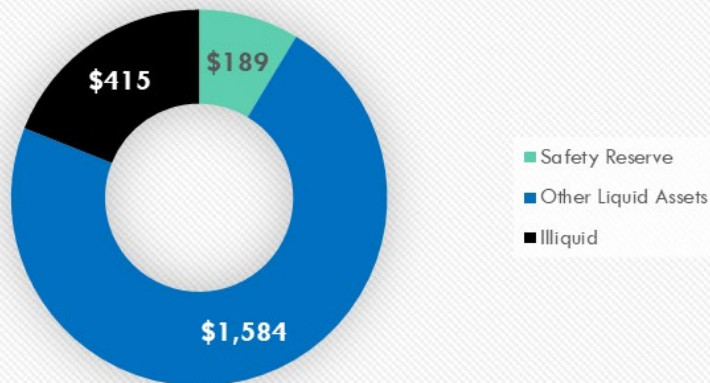
Liquidity Dashboard – As of 9/30/25

Safety Reserve vs. Target (\$M)



Projected Net Monthly outflows of **\$6.4M** per month. Safety Reserve of **\$189M** would cover net monthly outflows for next **29 months** or through **February 2028**.

Liquidity Profile (\$M)



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	9/30/25		\$59.6	2.8%
City & Member Contribution	10/10/25	\$10.8	\$70.4	3.3%
City & Member Contribution	10/24/25	\$10.8	\$81.2	3.8%
Pension Payroll	10/29/25	(\$28.9)	\$52.3	2.4%
City & Member Contribution	11/7/25	\$10.8	\$63.2	2.9%
City & Member Contribution	11/21/25	\$10.8	\$74.0	3.4%
Pension Payroll	11/26/25	(\$28.9)	\$45.1	2.1%
City & Member Contribution	12/5/25	\$10.8	\$55.9	2.6%
City & Member Contribution	12/19/25	\$10.8	\$66.8	3.1%
Pension Payroll	12/31/25	(\$28.9)	\$37.9	1.8%

Numbers may not foot due to rounding.

Asset Allocation Detail

DPFP Asset Allocation	9/30/2025		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
Equity	1,447	66.1%	1,400	64%	103%	47	2.1%
Public Equity	1,271	58.1%	1,269	58%	100%	2	0.1%
<i>Northern Trust ACWI IMI Index</i>	<i>509</i>	<i>23.2%</i>	<i>525</i>	<i>24%</i>	<i>97%</i>	<i>-16</i>	<i>-0.8%</i>
<i>Boston Partners</i>	<i>134</i>	<i>6.1%</i>	<i>131</i>	<i>6%</i>	<i>102%</i>	<i>3</i>	<i>0.1%</i>
<i>Manulife</i>	<i>134</i>	<i>6.1%</i>	<i>131</i>	<i>6%</i>	<i>102%</i>	<i>3</i>	<i>0.1%</i>
<i>Walter Scott</i>	<i>131</i>	<i>6.0%</i>	<i>131</i>	<i>6%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>
<i>WCM</i>	<i>142</i>	<i>6.5%</i>	<i>131</i>	<i>6%</i>	<i>108%</i>	<i>11</i>	<i>0.5%</i>
<i>Northern Trust Russell 2000</i>	<i>66</i>	<i>3.0%</i>	<i>66</i>	<i>3%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>
<i>Global Alpha Intl Small Cap</i>	<i>64</i>	<i>2.9%</i>	<i>66</i>	<i>3%</i>	<i>97%</i>	<i>-2</i>	<i>-0.1%</i>
<i>RBC Emerging Markets Equity</i>	<i>91</i>	<i>4.1%</i>	<i>88</i>	<i>4%</i>	<i>103%</i>	<i>3</i>	<i>0.1%</i>
Private Equity	46	2.1%	131	6%	35%	-86	-3.9%
Huff Energy Fund	130	6.0%	0	0%		130	6.0%
Credit	230	10.5%	328	15%	70%	-98	-4.5%
Public Credit	229	10.4%	241	11%	95%	-12	-0.6%
<i>Aristotle Pacific Bank Loans</i>	<i>88</i>	<i>4.0%</i>	<i>88</i>	<i>4%</i>	<i>101%</i>	<i>1</i>	<i>0.0%</i>
<i>Loomis Sayles High Yield Bonds</i>	<i>74</i>	<i>3.4%</i>	<i>88</i>	<i>4%</i>	<i>85%</i>	<i>-13</i>	<i>-0.6%</i>
<i>MetLife Emerging Market Debt</i>	<i>66</i>	<i>3.0%</i>	<i>66</i>	<i>3%</i>	<i>101%</i>	<i>0</i>	<i>0.0%</i>
Private Credit	1	0.1%	88	4%	1%	-86	-3.9%
Real Assets	237	10.8%	175	8%	135%	62	2.8%
Real Estate	148	6.8%	109	5%	135%	39	1.8%
Natural Resources	76	3.5%	66	3%	115%	10	0.5%
Infrastructure	13	0.6%	0	0%		13	0.6%
Fixed Income & Cash	274	12.5%	284	13%	96%	-10	-0.5%
Cash	60	2.7%	66	3%	91%	-6	-0.3%
IR+M Short Term Bonds	129	5.9%	131	6%	98%	-2	-0.1%
Longfellow IG Bonds	85	3.9%	88	4%	97%	-2	-0.1%
Total	2,188	100.0%	2,188	100%		0	0.0%
Safety Reserve	189	8.6%	197	9%	96%	-8	-0.4%
Private Market Assets	414	18.9%	394	18%		20	-5.0%

Source: Preliminary BNY Custodial Data, Staff Estimates and Calculations. Numbers may not foot due to rounding.

Asset Allocation – Actual vs Target

