



NEPC, LLC

YOU DEMAND MORE. So do we.<sup>SM</sup>



## Dallas Police & Fire Pension System

### First Quarter 2017 Private Markets Performance Review (Abbreviated Report)

September, 2017

Rhett Humphreys, CFA  
Partner

Keith Stronkowsky, CFA  
Senior Consultant

Jeff Roberts  
Senior Research Consultant

Michael Yang  
Research Consultant

255 State Street, Boston, MA 02109  
TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

<b>Table of Contents</b>	<b>Page</b>
Summary Letter	1
Private Markets Performance Summary	5
<b>I. Private Equity &amp; Private Debt</b>	
Summary by Asset Class	6
Portfolio Executive IRR Summary	7
Portfolio by Investment Strategy	8
Benchmarking Report	10
Portfolio by Vintage Year	11
<b>II. Real Assets: Real Estate, Infrastructure, Natural Resources</b>	
Summary by Asset Class	13
Real Assets Portfolio Summary	14
Benchmarking Reports	15

#### **Information Disclosure**

- NEPC, LLC uses, as its data source, the plan's fund manager and custodian bank or fund service company, and NEPC, LLC relies on those sources for all transactions, including capital calls, distributions, income/expense and reported values. While NEPC, LLC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- The Investment Performance Analysis is provided as a management aid for the client's internal use only. Portfolio performance reported in the Investment Performance Analysis does not constitute a recommendation by NEPC, LLC.
- Information in this report on market indices and security characteristics is received from sources external to NEPC, LLC. While efforts are made to ensure that this external data is accurate, NEPC, LLC cannot accept responsibility for errors that may occur.



September, 2017

Trustees  
 Dallas Police & Fire Pension System  
 4100 Harry Hines Blvd – Suite 100  
 Dallas, TX 75219

**RE:** Private Markets Strategy – 1<sup>st</sup> Quarter 2017

Dear Trustees:

We are pleased to present the March 31, 2017 Private Markets Report for Dallas Police & Fire Pension System, (DPFP). The report provides a variety of performance analysis for the private markets portfolio. The reports include trailing performance, performance by investment stage and vintage year performance.

The DPFP experienced a negative quarter with a nominal IRR of -4.32%. The annualized IRR of the private markets portfolio since inception was 1.18% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.05.

In the quarter ended March 31, 2017, the DPFP received distributions from Evercore secondary sales of 18 funds. The distributions totaled \$113,176,715.85 across the 18 funds.

The following table presents the status of the DPFP private markets portfolio as of March 31, 2017:

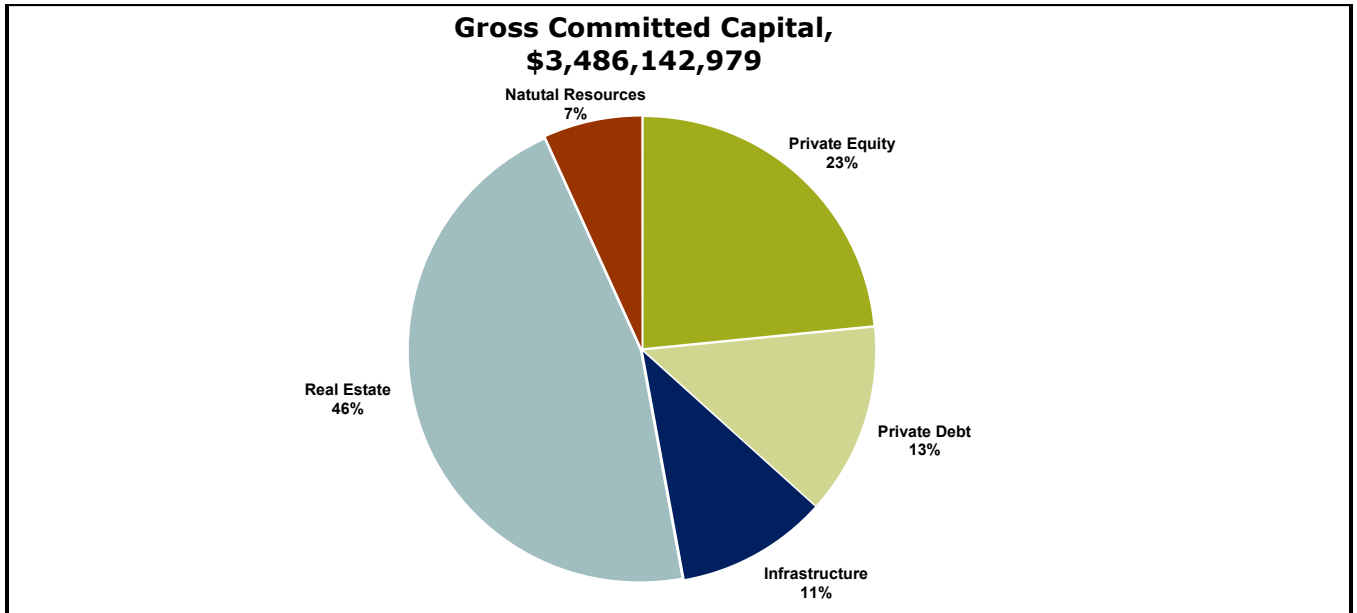
Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$3,486,142,979	\$145,359,450	\$3,106,659,844	\$1,993,891,410	\$1,302,950,627	89.11%	64.18%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 3/31/2017	Private Markets Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$255,192,990	\$1,558,143,617	\$2,114,590,093	Varies By Category	61.62%	73.69%

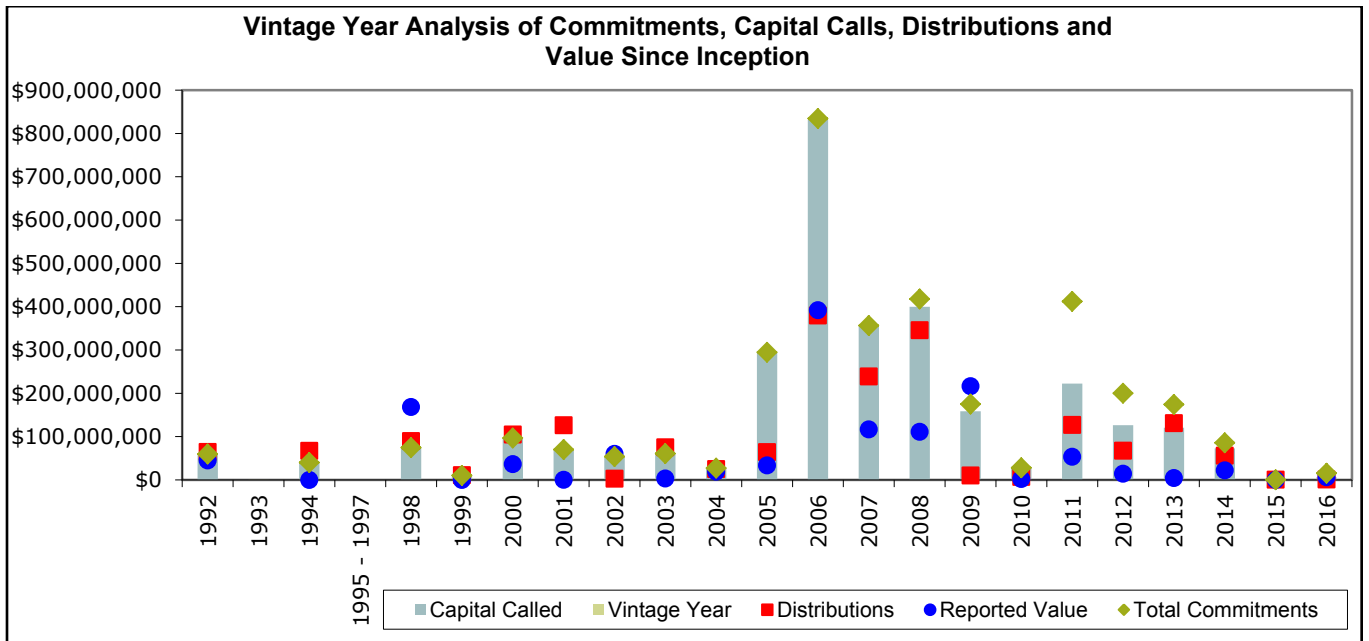
Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception (October 13, 1994)
\$3,296,842,037	1.05	1.18%



As of March 31, 2017, the DPFP has made commitments totaling \$3,488.64 million to 87 private markets assets.



The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value for the private markets program:

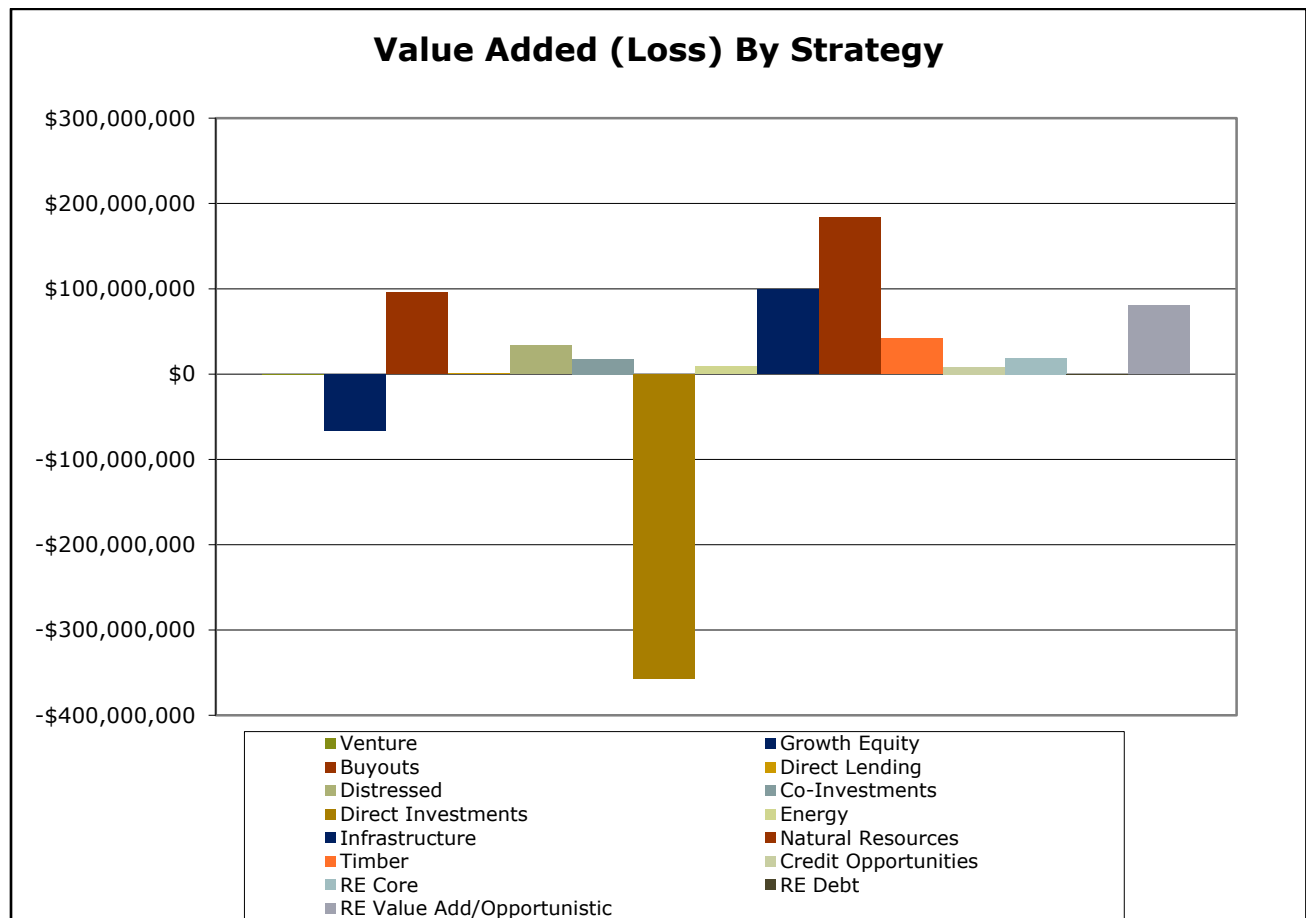




During the quarter-ended March 31, 2017, the DFPF private markets portfolio funded 32 investments and received 34 distributions from its funds. The summary of the cash flows follows:

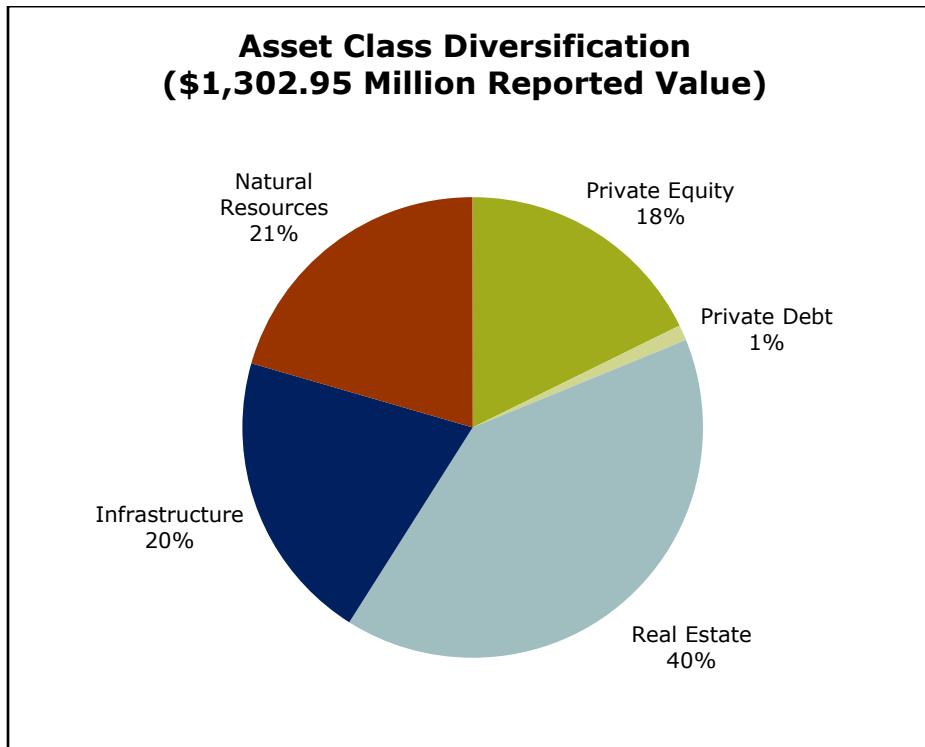
Amount Funded for the Quarter	Number of Funds Calling Capital	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$38,560,659	32	\$186,093,348	34	\$147,532,689

Since inception the DFPF private markets portfolio added \$164.00 million in value to the DFPF. Investment strategies adding value include Venture \$0.02 million, Buyouts \$95.99 million, Direct Lending \$0.77 million, Distressed \$33.64 million, Co-investments \$17.48 million, Energy \$8.91 million, Infrastructure \$98.96 million, Natural Resources \$183.37 million, Timber \$41.63 million, Credit Opportunities \$8.37 million, RE Core \$18.94 million, RE Value Add/Opportunistic \$80.08 million. Strategies losing value include Growth Equity (\$66.08) million, Direct Investments (\$356.93) million, and RE Debt (\$1.13) million.





As of March 31, 2017, the private markets funds in the DFPF portfolio had the following investment strategy diversification based on the investment fund's reported value:



We thank you for the opportunity to work with the DFPF and look forward to continued success in the future.

**Dallas Police & Fire Pension System**  
**Performance Analysis - Total Private Markets Program**

3/31/2017

Investment Name	Commitment Amount	Paid in Capital	Capital to be Funded	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR (SI)
Private Equity / Debt	\$ 1,278,353,156	\$ 1,171,080,078	\$ 44,203,498	\$ 1,049,446,624	\$ 245,121,153	\$ 1,294,567,776	\$ 97,393,102	92%	0.88	1.08	2.17%
Real Assets	\$ 2,207,789,823	\$ 1,935,579,766	\$ 210,989,492	\$ 944,444,787	\$ 1,057,829,474	\$ 2,002,274,261	\$ 66,611,151	88%	0.49	1.03	0.70%
<b>Total</b>	<b>\$ 3,486,142,979</b>	<b>\$ 3,106,659,844</b>	<b>\$ 255,192,990</b>	<b>\$ 1,993,891,410</b>	<b>\$ 1,302,950,627</b>	<b>\$ 3,296,842,037</b>	<b>\$ 164,004,253</b>	<b>89%</b>	<b>0.64</b>	<b>1.05</b>	<b>1.18%</b>

**Performance Analysis - Private Markets Subsectors**

Investment Name	Commitment Amount	Paid in Capital	Capital to be Funded	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR (SI) <sup>1</sup>
Private Equity	\$ 817,049,594	\$ 736,346,713	\$ 39,577,352	\$ 575,222,074	\$ 230,713,221	\$ 805,935,295	\$ 54,621,615	90%	0.77	1.07	1.85%
Private Debt	\$ 461,303,562	\$ 434,733,365	\$ 4,626,146	\$ 474,224,550	\$ 14,407,932	\$ 488,632,481	\$ 42,771,487	94%	1.06	1.10	2.76%
Natural Resources	\$ 236,397,292	\$ 236,397,292	\$ -	\$ 194,131,632	\$ 267,266,599	\$ 461,398,231	\$ 225,000,939	100%	0.82	1.95	9.89%
Real Estate	\$ 1,607,392,531	\$ 1,411,390,724	\$ 174,014,855	\$ 630,570,855	\$ 523,471,063	\$ 1,154,041,918	\$ (257,348,806)	88%	0.45	0.82	-4.13%
Infrastructure	\$ 364,000,000	\$ 287,791,750	\$ 36,974,636	\$ 119,742,299	\$ 267,091,813	\$ 386,834,112	\$ 98,959,018	79%	0.42	1.34	8.06%
<b>Total</b>	<b>\$ 3,486,142,979</b>	<b>\$ 3,106,659,844</b>	<b>\$ 255,192,990</b>	<b>\$ 1,993,891,410</b>	<b>\$ 1,302,950,627</b>	<b>\$ 3,296,842,037</b>	<b>\$ 164,004,253</b>	<b>89%</b>	<b>0.64</b>	<b>1.05</b>	<b>1.18%</b>

Notes:

1. IRR's are since inception as of the following dates: Private Equity (10.13.94), Private Debt (12.20.01), Real Estate (3.31.99), Natural Resources (3.12.99), Infrastructure (10.3.07)



NEPC, LLC

YOU DEMAND MORE. So do we.<sup>SM</sup>



## **Dallas Police & Fire Pension System**

### **First Quarter 2017 *Private Equity & Private Debt***

255 State Street, Boston, MA 02109  
TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO



### Private Equity and Private Debt

The following table presents the status of the DFPF **PRIVATE EQUITY** portfolio as of March 31, 2017:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$817,049,594	\$61,358,775	\$736,346,713	\$575,222,074	\$230,713,221	90.12%	78.12%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 3/31/2017	Private Equity Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$39,577,352	\$270,290,573		\$2,114,590,093	5%	10.91%	12.78%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$805,935,295			1.07		1.85%	

The following table presents the status of the DFPF **PRIVATE DEBT** portfolio as of March 31, 2017:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$461,303,562	\$21,944,052	\$434,733,365	\$474,224,550	\$14,407,932	94.24%	109.08%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 3/31/2017	Private Debt Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$4,626,146	\$19,034,078		\$2,114,590,093	5%	0.68%	0.90%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$488,632,482			1.10		2.76%	

**Dallas Police & Fire Pension System**  
**Private Equity & Debt Funds - Executive IRR Summary**

3/31/2017

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
<b>Active Funds:</b>								
BankCap Partners Fund I	2007	20,000,000	-4.51	-4.51	39.25	7.47	5.78	1.30
Highland Credit Ops	2006	35,348,165	0.00	0.00	3.52	0.56	20.65	-2.18
Highland Crusader Fund	2003	50,955,397	-5.87	-5.87	303.53	-6.94	-1.66	4.27
Hudson Clean Energy Partners	2009	25,000,000	-16.25	-16.25	-49.33	-20.93	-19.82	-13.36
Huff Alternative Fund	2000	66,795,718	-2.21	-2.21	13.88	4.99	5.87	1.76
Huff Energy Fund	2006	100,000,000	0.86	0.86	-11.92	-6.40	-5.32	3.20
Industry Ventures Partnership Holdings IV	2016	5,000,000	8.90	8.90				4.94
Lone Star CRA Fund	2008	50,000,000	-34.14	-34.14	-60.36	-55.58	-49.33	-45.34
Lone Star Growth Capital	2006	16,000,000	-84.40	-84.40	-83.91	-46.21	-28.59	1.97
Lone Star Opportunities Fund V, LP	2012	75,000,000	-79.54	-79.54	-95.04	-94.40	-94.40	-94.40
North Texas Opportunity Fund	2000	10,000,000	0.06	0.06	-54.57	-39.29	-22.77	1.03
OCM Opportunities Fund IV	2001	50,000,000	-5.14	-5.14	-6.14	7.44	11.46	28.36
Pharos Capital Co-Investments, LP	2008	40,000,000	-6.20	-6.20	-97.67	10.11	18.65	8.42
Riverstone Credit Partners	2016	10,000,000	2.60	2.60				17.02
Yellowstone Energy Ventures II, L.P.	2008	5,283,254	-5.31	-5.31	5.25	-36.67	-36.38	-28.54
<b>Total: Active Funds</b>		<b>559,550,564</b>	<b>-22.90</b>	<b>-22.90</b>	<b>-28.73</b>	<b>-14.16</b>	<b>-6.16</b>	<b>1.90</b>
<b>Completed Funds:</b>								
Ashmore Global Special Situations Fund IV <sup>1</sup>	2007	70,000,000	0.00	0.00	-65.68	-20.95	-15.78	-10.12
BankCap Partners Opportunity Fund, LP <sup>2</sup>	2013	20,000,000	N/A	N/A	-13.00	-4.39		-5.69
CDK Southern Cross	2008	1,535,316			N/A	N/A	-35.09	-20.08
HM Capital Sector Performance Fund	2008	47,300,000				-4.38	13.95	-4.01
Huff Alternative Income Fund	1994	40,000,000						17.82
Kainos Capital Partners, L.P. <sup>2</sup>	2013	35,000,000	N/A	N/A	16.78	31.04		24.76
Levine Leichtman Capital Partners IV <sup>2</sup>	2008	50,000,000	N/A	N/A	25.72	14.62	17.27	20.12
Levine Leichtman Capital Partners V, L.P. <sup>2</sup>	2013	25,000,000	N/A	N/A	20.26	17.81		15.26
Levine Leichtman Deep Value Fund	2006	75,000,000	N/A	N/A	-24.79	8.83	-5.29	0.73
Levine Leichtman Private Capital Solutions II, L.P. <sup>2</sup>	2012	25,000,000	N/A	N/A	-2.07	0.46	1.56	1.30
Lone Star Fund IX (U.S.), L.P. <sup>1</sup>	2014	35,000,000	0.00	0.00	-5.07			-2.81
Lone Star Fund VII (U.S.), L.P. <sup>1</sup>	2011	25,000,000	0.00	0.00	-25.27	12.01	51.41	47.55
Lone Star Fund VIII (U.S.), L.P. <sup>1</sup>	2013	25,000,000	0.00	0.00	-11.92	11.51		16.40
Merit Energy Partners E-I <sup>1</sup>	2004	7,018,930	0.00	0.00	-28.91	-23.73	-4.71	14.49
Merit Energy Partners F-I <sup>1</sup>	2005	8,748,346	0.00	0.00	-21.51	-37.65	-15.90	-17.18
Merit Energy Partners G, LP <sup>1</sup>	2008	39,200,000	0.00	0.00	-36.25	-19.81	-16.71	-9.84
Merit Energy Partners H, LP <sup>1</sup>	2010	10,000,000	0.00	0.00	-28.01	-17.27	-14.40	-13.60
Oaktree Loan Fund 2X <sup>1</sup>	2007	60,000,000	0.00	0.00	-63.21	-33.44	2.23	2.24
Oaktree Power Fund III <sup>1</sup>	2011	30,000,000	0.00	0.00	0.28	8.61	16.19	12.44
Pharos Capital Partners IIA, L.P. <sup>2</sup>	2005	20,000,000	N/A	N/A	-67.13	-30.68	-17.08	-2.39
Pharos Capital Partners III, LP <sup>2</sup>	2012	50,000,000	N/A	N/A	-37.14	-18.21		-19.95
<b>Total: Completed Funds</b>		<b>698,802,592</b>	<b>-1.94</b>	<b>-1.94</b>	<b>-13.92</b>	<b>-1.28</b>	<b>1.16</b>	<b>3.18</b>
<b>Total: Dallas Police &amp; Fire Pension System</b>		<b>1,278,353,156</b>	<b>-20.58</b>	<b>-20.58</b>	<b>-22.92</b>	<b>-8.84</b>	<b>-2.81</b>	<b>2.17</b>

1. Funds sold in Evercore secondary sale during Q1 2017.

2. Funds sold in Evercore secondary sale during Q4 2016.

**Dallas Police & Fire Pension System**  
**Private Equity & Debt Funds - Performance Analysis by Investment Strategy**

3/31/2017

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>Venture</b>													
1 Industry Ventures Partnership Holdings IV	2016	5,000,000	525,000	4,475,000	0	0	543,086	543,086	18,086	11%	0.00	1.03	4.94%
<b>Subtotal: Venture</b>		<b>5,000,000</b>	<b>525,000</b>	<b>4,475,000</b>	<b>0</b>	<b>0</b>	<b>543,086</b>	<b>543,086</b>	<b>18,086</b>	<b>11%</b>	<b>0.00</b>	<b>1.03</b>	<b>4.94%</b>
<b>Growth Equity</b>													
1 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	12,019,046	10,239,336	22,258,382	2,258,382	100%	0.60	1.11	1.30%
2 Hudson Clean Energy Partners	2009	25,000,000	24,938,574	61,426	0	3,661,896	8,976,649	12,638,545	-12,300,029	100%	0.15	0.51	-13.36%
3 Lone Star CRA Fund	2008	50,000,000	57,352,941	0	0	12,928,698	39,215,558	52,144,256	-5,208,685	115%	0.23	0.91	-45.34%
4 Lone Star Growth Capital	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	1,590,420	14,390,420	1,590,420	80%	1.00	1.12	1.97%
5 Lone Star Opportunities Fund V, LP	2012	75,000,000	56,250,000	18,750,000	0	531,444	14,194,022	14,725,466	-41,524,534	75%	0.01	0.26	-94.40%
6 North Texas Opportunity Fund	2000	10,000,000	10,000,000	0	0	8,798,464	2,133,233	10,931,697	931,697	100%	0.88	1.09	1.03%
<b>Subtotal: 110 Growth Equity</b>		<b>196,000,000</b>	<b>181,341,515</b>	<b>34,811,426</b>	<b>0</b>	<b>50,739,549</b>	<b>76,349,218</b>	<b>127,088,767</b>	<b>-54,252,748</b>	<b>84%</b>	<b>0.28</b>	<b>0.70</b>	<b>-24.79%</b>
<b>Buyouts</b>													
1 Huff Alternative Fund	2000	66,795,718	66,795,718	0	12,022,676	55,278,462	34,172,993	89,451,455	10,633,061	100%	0.70	1.13	1.76%
<b>Subtotal: Buyouts</b>		<b>66,795,718</b>	<b>66,795,718</b>	<b>0</b>	<b>12,022,676</b>	<b>55,278,462</b>	<b>34,172,993</b>	<b>89,451,455</b>	<b>10,633,061</b>	<b>100%</b>	<b>0.70</b>	<b>1.13</b>	<b>1.76%</b>
<b>Direct Lending</b>													
1 Riverstone Credit Partners	2016	10,000,000	5,373,854	4,626,146	102,142	800,098	5,443,835	6,243,933	767,937	54%	0.15	1.14	17.02%
<b>Subtotal: Direct Lending</b>		<b>10,000,000</b>	<b>5,373,854</b>	<b>4,626,146</b>	<b>102,142</b>	<b>800,098</b>	<b>5,443,835</b>	<b>6,243,933</b>	<b>767,937</b>	<b>54%</b>	<b>0.15</b>	<b>1.14</b>	<b>17.02%</b>
<b>Distressed</b>													
1 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	153,935	82,517,936	32,517,936	100%	1.65	1.65	28.36%
<b>Subtotal: Distressed</b>		<b>50,000,000</b>	<b>50,000,000</b>	<b>0</b>	<b>0</b>	<b>82,364,001</b>	<b>153,935</b>	<b>82,517,936</b>	<b>32,517,936</b>	<b>100%</b>	<b>1.65</b>	<b>1.65</b>	<b>28.36%</b>
<b>Co-Investment</b>													
1 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	66,474	67,464,366	27,464,366	100%	1.68	1.69	8.42%
<b>Subtotal: Co-Investment</b>		<b>40,000,000</b>	<b>40,000,000</b>	<b>0</b>	<b>0</b>	<b>67,397,892</b>	<b>66,474</b>	<b>67,464,366</b>	<b>27,464,366</b>	<b>100%</b>	<b>1.68</b>	<b>1.69</b>	<b>8.42%</b>
<b>Direct Investment</b>													
1 Miscellaneous Private Equity Expenses	2016	168,030	168,030	0	0	8,866	0	8,866	-159,164	100%	0.05	0.05	N/A
<b>Subtotal: Direct Investment</b>		<b>168,030</b>	<b>168,030</b>	<b>0</b>	<b>0</b>	<b>8,866</b>	<b>0</b>	<b>8,866</b>	<b>-159,164</b>	<b>100%</b>	<b>0.05</b>	<b>0.05</b>	<b>N/A</b>
<b>Energy</b>													
1 Huff Energy Fund	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	119,472,826	123,950,220	25,017,530	100%	0.05	1.25	3.20%
2 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,458,572	108,624	1,567,196	-3,545,111	97%	0.29	0.31	-28.54%
<b>Subtotal: Energy</b>		<b>105,283,254</b>	<b>104,992,328</b>	<b>290,926</b>	<b>-947,331</b>	<b>5,935,966</b>	<b>119,581,450</b>	<b>125,517,416</b>	<b>21,472,419</b>	<b>100%</b>	<b>0.06</b>	<b>1.21</b>	<b>2.69%</b>
<b>Credit Opportunities</b>													
1 Highland Credit Ops	2006	35,348,165	35,348,165	0	0	23,595,921	6,215,935	29,811,856	-5,536,309	100%	0.67	0.84	-2.18%
2 Highland Crusader Fund	2003	50,955,397	50,955,397	0	0	62,263,032	2,594,227	64,857,259	13,901,861	100%	1.22	1.27	4.27%
<b>Subtotal: Credit Opportunities</b>		<b>86,303,562</b>	<b>86,303,562</b>	<b>0</b>	<b>0</b>	<b>85,858,953</b>	<b>8,810,162</b>	<b>94,669,114</b>	<b>8,365,552</b>	<b>100%</b>	<b>0.99</b>	<b>1.10</b>	<b>1.51%</b>
<b>Total: Active Funds</b>		<b>559,550,564</b>	<b>535,500,007</b>	<b>44,203,498</b>	<b>11,177,487</b>	<b>348,383,786</b>	<b>245,121,153</b>	<b>593,504,939</b>	<b>46,827,445</b>	<b>96%</b>	<b>0.64</b>	<b>1.09</b>	<b>1.90%</b>

**Dallas Police & Fire Pension System**  
**Private Equity & Debt Funds - Performance Analysis by Investment Strategy**

3/31/2017

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>Completed Funds:</b>													
1 Ashmore Global Special Situations Fund IV <sup>1</sup>	2007	70,000,000	70,000,000	0	0	39,652,711	0	39,652,711	-30,347,289	100%	0.57	0.57	-10.12%
2 BankCap Partners Opportunity Fund, LP <sup>2</sup>	2013	20,000,000	19,587,052	0	0	18,266,454	0	18,266,454	-1,320,597	100%	0.93	0.93	-5.69%
3 CDK Southern Cross	2008	1,535,316	1,535,316	0	0	0	0	0	-1,535,316	100%	0.00	0.00	-20.08%
4 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
5 Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
6 Kainos Capital Partners, L.P. <sup>2</sup>	2013	35,000,000	30,316,015	0	0	43,263,688	0	43,263,688	12,947,673	100%	1.43	1.43	24.76%
7 Levine Leichtman Capital Partners IV <sup>2</sup>	2008	50,000,000	38,009,085	0	0	78,916,788	0	78,916,788	40,907,703	100%	2.08	2.08	20.12%
8 Levine Leichtman Capital Partners V, L.P. <sup>2</sup>	2013	25,000,000	19,181,272	0	-4,405	24,506,336	0	24,506,336	5,329,470	100%	1.28	1.28	15.26%
9 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	88,688,224	0	88,688,224	2,662,562	100%	1.03	1.03	0.73%
10 Levine Leichtman Private Capital Solutions II, L.P. <sup>2</sup>	2012	25,000,000	17,961,807	0	-175	18,691,764	0	18,691,764	730,132	100%	1.04	1.04	1.30%
11 Lone Star Fund IX (U.S.), L.P. <sup>1</sup>	2014	35,000,000	24,130,688	0	0	23,459,730	0	23,459,730	-670,959	100%	0.97	0.97	-2.81%
12 Lone Star Fund VII (U.S.), L.P. <sup>1</sup>	2011	25,000,000	23,459,112	0	0	41,624,566	0	41,624,566	18,165,454	100%	1.77	1.77	47.55%
13 Lone Star Fund VIII (U.S.), L.P. <sup>1</sup>	2013	25,000,000	22,504,341	0	0	28,017,551	0	28,017,551	5,513,210	100%	1.24	1.24	16.40%
14 Merit Energy Partners E-I <sup>1</sup>	2004	7,018,930	7,018,930	0	-1,741	14,975,776	0	14,975,776	7,958,587	100%	2.13	2.13	14.49%
15 Merit Energy Partners F-I <sup>1</sup>	2005	8,748,346	8,748,346	0	0	3,801,206	0	3,801,206	-4,947,140	100%	0.43	0.43	-17.18%
16 Merit Energy Partners G, LP <sup>1</sup>	2008	39,200,000	39,200,000	0	0	26,756,651	0	26,756,651	-12,443,349	100%	0.68	0.68	-9.84%
17 Merit Energy Partners H, LP <sup>1</sup>	2010	10,000,000	10,000,000	0	0	6,870,451	0	6,870,451	-3,129,549	100%	0.69	0.69	-13.60%
18 Oaktree Loan Fund 2X <sup>1</sup>	2007	60,000,000	60,000,000	0	0	65,066,951	0	65,066,951	5,066,951	100%	1.08	1.08	2.24%
19 Oaktree Power Fund III <sup>1</sup>	2011	30,000,000	16,096,514	0	0	23,839,959	0	23,839,959	7,743,445	100%	1.48	1.48	12.44%
20 Pharos Capital Partners IIA, L.P. <sup>2</sup>	2005	20,000,000	20,080,306	0	0	17,715,199	0	17,715,199	-2,365,108	100%	0.88	0.88	-2.39%
21 Pharos Capital Partners III, LP <sup>2</sup>	2012	50,000,000	28,397,038	0	-54,286	20,196,932	0	20,196,932	-8,145,820	100%	0.71	0.71	-19.95%
<b>Total: Completed Funds</b>		<b>698,802,592</b>	<b>615,580,071</b>	<b>0</b>	<b>14,917,109</b>	<b>691,043,681</b>	<b>0</b>	<b>691,043,681</b>	<b>60,546,500</b>	<b>96%</b>	<b>1.10</b>	<b>1.10</b>	<b>3.18%</b>
<b>Total: Dallas Police &amp; Fire Pension System</b>		<b>1,278,353,156</b>	<b>1,171,080,078</b>	<b>44,203,498</b>	<b>26,094,596</b>	<b>1,049,446,624</b>	<b>245,121,153</b>	<b>1,294,567,776</b>	<b>97,393,102</b>	<b>92%</b>	<b>0.88</b>	<b>1.08</b>	<b>2.17%</b>

1. Funds sold in Evercore secondary sale during Q1 2017.

2. Funds sold in Evercore secondary sale during Q4 2016.

**Dallas Police & Fire Pension System**  
**As of 3/31/2017**

<b>Growth Equity</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
BankCap Partners Fund I	2007	18	1.30%	15.27%	10.65%	2.95%	0.60x	1.33x	1.02x	0.51x	1.11x	2.36x	1.58x	1.14x	4	3	4	
Hudson Clean Energy Partners	2009	7	-13.36%	---	10.82%	---	0.15x	---	0.50x	---	0.51x	---	1.63x	---	NA	NA	NA	U.S. Growth Equity
Lone Star CRA Fund	2008	6	-45.34%	---	9.82%	---	0.23x	---	0.88x	---	0.91x	---	1.56x	---	NA	NA	NA	U.S. Growth Equity
Lone Star Growth Capital	2006	12	1.97%	13.81%	6.86%	4.40%	1.00x	1.50x	1.27x	1.11x	1.12x	1.95x	1.36x	1.23x	4	4	4	U.S. Growth Equity
Lone Star Opportunities Fund V, LP	2012	12	-94.40%	16.08%	13.19%	11.98%	0.01x	0.26x	0.18x	0.03x	0.26x	1.48x	1.40x	1.33x	4	4	4	U.S. Growth Equity
North Texas Opportunity Fund	2000	13	1.03%	9.62%	4.40%	-4.42%	0.88x	1.59x	1.33x	0.76x	1.09x	1.67x	1.33x	0.76x	3	3	3	U.S. Growth Equity

<b>Buyouts</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
Huff Alternative Fund	2000	55	1.76%	22.04%	14.33%	10.32%	0.70x	2.24x	1.81x	1.50x	1.13x	2.35x	1.91x	1.52x	4	4	4	

<b>Direct Lending</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
Riverstone Credit Partners	2016	90	17.02%	7.46%	-5.84%	-17.88%	0.15x	0.00x	0.00x	0.00x	1.14x	1.05x	0.97x	0.89x	1	NA	1	

<b>Distressed</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
OCM Opportunities Fund IV	2001	4	28.36%	---	---	---	1.65x	---	---	---	1.65x	---	---	---	NA	NA	NA	

<b>Co-Investment</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
Pharos Capital Co-Investments, LP	2008	6	8.42%	---	9.82%	---	1.68x	---	0.88x	---	1.69x	---	1.56x	---	4	2	2	

<b>Energy</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
Huff Energy Fund	2006	10	4.65%	10.01%	1.99%	-6.54%	0.05x	1.38x	1.02x	0.49x	1.37x	1.54x	1.08x	0.75x	2	4	2	
Yellowstone Energy Ventures II, L.P.	2008	13	-28.54%	12.90%	5.65%	-1.26%	0.29x	0.79x	0.63x	0.44x	0.31x	1.61x	1.32x	0.94x	4	4	4	U.S. Energy

<b>Credit Opportunities</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
Highland Credit Ops	2006	4	-2.18%	---	---	---	0.67x	---	---	---	0.84x	---	---	---	NA	NA	NA	
Highland Crusader Fund	2003	3	4.27%	---	---	---	1.22x	---	---	---	1.27x	---	---	---	NA	NA	NA	Global Distressed

<b>Venture</b>			IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
Industry Ventures Partnership Holdings IV	2016	58	4.94%	10.33%	-3.03%	-16.04%	0.00x	0.00x	0.00x	0.00x	1.03x	1.08x	0.98x	0.88x	2	NA	2	

Benchmark data from Cambridge Associates/ThomsonOne as of 3.31.2017.  
Data only includes active funds.

**Dallas Police & Fire Pension System**  
**Private Equity & Debt Funds - Vintage Year Performance Analysis**

3/31/2017

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>1994</b>													
1 Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
<b>Subtotal: 1994</b>		<b>40,000,000</b>	<b>40,000,000</b>	<b>0</b>	<b>2,018,676</b>	<b>66,940,198</b>	<b>0</b>	<b>66,940,198</b>	<b>24,921,522</b>	<b>100%</b>	<b>1.59</b>	<b>1.59</b>	<b>17.82%</b>
<b>2000</b>													
1 Huff Alternative Fund	2000	66,795,718	66,795,718	0	12,022,676	55,278,462	34,172,993	89,451,455	10,633,061	100%	0.70	1.13	1.76%
2 North Texas Opportunity Fund	2000	10,000,000	10,000,000	0	0	8,798,464	2,133,233	10,931,697	931,697	100%	0.88	1.09	1.03%
<b>Subtotal: 2000</b>		<b>76,795,718</b>	<b>76,795,718</b>	<b>0</b>	<b>12,022,676</b>	<b>64,076,926</b>	<b>36,306,226</b>	<b>100,383,152</b>	<b>11,564,758</b>	<b>100%</b>	<b>0.72</b>	<b>1.13</b>	<b>1.66%</b>
<b>2001</b>													
1 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	153,935	82,517,936	32,517,936	100%	1.65	1.65	28.36%
<b>Subtotal: 2001</b>		<b>50,000,000</b>	<b>50,000,000</b>	<b>0</b>	<b>0</b>	<b>82,364,001</b>	<b>153,935</b>	<b>82,517,936</b>	<b>32,517,936</b>	<b>100%</b>	<b>1.65</b>	<b>1.65</b>	<b>28.36%</b>
<b>2003</b>													
1 Highland Crusader Fund	2003	50,955,397	50,955,397	0	0	62,263,032	2,594,227	64,857,259	13,901,861	100%	1.22	1.27	4.27%
<b>Subtotal: 2003</b>		<b>50,955,397</b>	<b>50,955,397</b>	<b>0</b>	<b>0</b>	<b>62,263,032</b>	<b>2,594,227</b>	<b>64,857,259</b>	<b>13,901,861</b>	<b>100%</b>	<b>1.22</b>	<b>1.27</b>	<b>4.27%</b>
<b>2004</b>													
1 Merit Energy Partners E-I	2004	7,018,930	7,018,930	0	-1,741	14,975,776	0	14,975,776	7,958,587	100%	2.13	2.13	14.49%
<b>Subtotal: 2004</b>		<b>7,018,930</b>	<b>7,018,930</b>	<b>0</b>	<b>-1,741</b>	<b>14,975,776</b>	<b>0</b>	<b>14,975,776</b>	<b>7,958,587</b>	<b>100%</b>	<b>2.13</b>	<b>2.13</b>	<b>14.49%</b>
<b>2005</b>													
1 Merit Energy Partners F-I	2005	8,748,346	8,748,346	0	0	3,801,206	0	3,801,206	-4,947,140	100%	0.43	0.43	-17.18%
2 Pharos Capital Partners IIA, L.P.	2005	20,000,000	20,080,306	0	0	17,715,199	0	17,715,199	-2,365,108	100%	0.88	0.88	-2.39%
<b>Subtotal: 2005</b>		<b>28,748,346</b>	<b>28,828,652</b>	<b>0</b>	<b>0</b>	<b>21,516,405</b>	<b>0</b>	<b>21,516,405</b>	<b>-7,312,248</b>	<b>100%</b>	<b>0.75</b>	<b>0.75</b>	<b>-5.35%</b>
<b>2006</b>													
1 Highland Credit Ops	2006	35,348,165	35,348,165	0	0	23,595,921	6,215,935	29,811,856	-5,536,309	100%	0.67	0.84	-2.18%
2 Huff Energy Fund	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	119,472,826	123,950,220	25,017,530	100%	0.05	1.25	3.20%
3 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	88,688,224	0	88,688,224	2,662,562	100%	1.03	1.03	0.73%
4 Lone Star Growth Capital	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	1,590,420	14,390,420	1,590,420	80%	1.00	1.12	1.97%
<b>Subtotal: 2006</b>		<b>226,348,165</b>	<b>223,028,186</b>	<b>16,119,979</b>	<b>10,078,331</b>	<b>129,561,539</b>	<b>127,279,181</b>	<b>256,840,720</b>	<b>23,734,203</b>	<b>93%</b>	<b>0.56</b>	<b>1.10</b>	<b>1.57%</b>
<b>2007</b>													
1 Ashmore Global Special Situations Fund IV	2007	70,000,000	70,000,000	0	0	39,652,711	0	39,652,711	-30,347,289	100%	0.57	0.57	-10.12%
2 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	12,019,046	10,239,336	22,258,382	2,258,382	100%	0.60	1.11	1.30%
3 Oaktree Loan Fund 2X	2007	60,000,000	60,000,000	0	0	65,066,951	0	65,066,951	5,066,951	100%	1.08	1.08	2.24%
4 Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
<b>Subtotal: 2007</b>		<b>170,000,000</b>	<b>170,000,000</b>	<b>0</b>	<b>0</b>	<b>126,757,865</b>	<b>10,239,336</b>	<b>136,997,201</b>	<b>-33,002,799</b>	<b>100%</b>	<b>0.75</b>	<b>0.81</b>	<b>-4.08%</b>
<b>2008</b>													
1 CDK Southern Cross	2008	1,535,316	1,535,316	0	0	0	0	0	-1,535,316	100%	0.00	0.00	-20.08%
2 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
3 Levine Leichtman Capital Partners IV	2008	50,000,000	38,009,085	0	0	78,916,788	0	78,916,788	40,907,703	100%	2.08	2.08	20.12%
4 Lone Star CRA Fund	2008	50,000,000	57,352,941	0	0	12,928,698	39,215,558	52,144,256	-5,208,685	115%	0.23	0.91	-45.34%
5 Merit Energy Partners G, LP	2008	39,200,000	39,200,000	0	0	26,756,651	0	26,756,651	-12,443,349	100%	0.68	0.68	-9.84%
6 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	66,474	67,464,366	27,464,366	100%	1.68	1.69	8.42%

**Dallas Police & Fire Pension System**  
**Private Equity & Debt Funds - Vintage Year Performance Analysis**

3/31/2017

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
7 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,458,572	108,624	1,567,196	-3,545,111	97%	0.29	0.31	-28.54%
<b>Subtotal: 2008</b>		<b>233,318,570</b>	<b>225,563,897</b>	<b>170,947</b>	<b>1,933,378</b>	<b>227,251,146</b>	<b>39,390,656</b>	<b>266,641,802</b>	<b>39,144,527</b>	<b>100%</b>	<b>1.00</b>	<b>1.17</b>	<b>4.48%</b>
<b>2009</b>													
1 Hudson Clean Energy Partners	2009	25,000,000	24,938,574	61,426	0	3,661,896	8,976,649	12,638,545	-12,300,029	100%	0.15	0.51	-13.36%
<b>Subtotal: 2009</b>		<b>25,000,000</b>	<b>24,938,574</b>	<b>61,426</b>	<b>0</b>	<b>3,661,896</b>	<b>8,976,649</b>	<b>12,638,545</b>	<b>-12,300,029</b>	<b>100%</b>	<b>0.15</b>	<b>0.51</b>	<b>-13.36%</b>
<b>2010</b>													
1 Merit Energy Partners H, LP	2010	10,000,000	10,000,000	0	0	6,870,451	0	6,870,451	-3,129,549	100%	0.69	0.69	-13.60%
<b>Subtotal: 2010</b>		<b>10,000,000</b>	<b>10,000,000</b>	<b>0</b>	<b>0</b>	<b>6,870,451</b>	<b>0</b>	<b>6,870,451</b>	<b>-3,129,549</b>	<b>100%</b>	<b>0.69</b>	<b>0.69</b>	<b>-13.60%</b>
<b>2011</b>													
1 Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,459,112	0	0	41,624,566	0	41,624,566	18,165,454	100%	1.77	1.77	47.55%
2 Oaktree Power Fund III	2011	30,000,000	16,096,514	0	0	23,839,959	0	23,839,959	7,743,445	100%	1.48	1.48	12.44%
<b>Subtotal: 2011</b>		<b>55,000,000</b>	<b>39,555,626</b>	<b>0</b>	<b>0</b>	<b>65,464,525</b>	<b>0</b>	<b>65,464,525</b>	<b>25,908,899</b>	<b>72%</b>	<b>1.65</b>	<b>1.65</b>	<b>28.13%</b>
<b>2012</b>													
1 Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	17,961,807	0	-175	18,691,764	0	18,691,764	730,132	100%	1.04	1.04	1.30%
2 Lone Star Opportunities Fund V, LP	2012	75,000,000	56,250,000	18,750,000	0	531,444	14,194,022	14,725,466	-41,524,534	75%	0.01	0.26	-94.40%
3 Pharos Capital Partners III, LP	2012	50,000,000	28,397,038	0	-54,286	20,196,932	0	20,196,932	-8,145,820	100%	0.71	0.71	-19.95%
<b>Subtotal: 2012</b>		<b>150,000,000</b>	<b>102,608,845</b>	<b>18,750,000</b>	<b>-54,461</b>	<b>39,420,140</b>	<b>14,194,022</b>	<b>53,614,162</b>	<b>-48,940,222</b>	<b>85%</b>	<b>0.38</b>	<b>0.52</b>	<b>-47.12%</b>
<b>2013</b>													
1 BankCap Partners Opportunity Fund, LP	2013	20,000,000	19,587,052	0	0	18,266,454	0	18,266,454	-1,320,597	100%	0.93	0.93	-5.69%
2 Kainos Capital Partners, L.P.	2013	35,000,000	30,316,015	0	0	43,263,688	0	43,263,688	12,947,673	100%	1.43	1.43	24.76%
3 Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	19,181,272	0	-4,405	24,506,336	0	24,506,336	5,329,470	100%	1.28	1.28	15.26%
4 Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	22,504,341	0	0	28,017,551	0	28,017,551	5,513,210	100%	1.24	1.24	16.40%
<b>Subtotal: 2013</b>		<b>105,000,000</b>	<b>91,588,680</b>	<b>0</b>	<b>-4,405</b>	<b>114,054,030</b>	<b>0</b>	<b>114,054,030</b>	<b>22,469,755</b>	<b>98%</b>	<b>1.25</b>	<b>1.25</b>	<b>15.67%</b>
<b>2014</b>													
1 Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	24,130,688	0	0	23,459,730	0	23,459,730	-670,959	100%	0.97	0.97	-2.81%
<b>Subtotal: 2014</b>		<b>35,000,000</b>	<b>24,130,688</b>	<b>0</b>	<b>0</b>	<b>23,459,730</b>	<b>0</b>	<b>23,459,730</b>	<b>-670,959</b>	<b>69%</b>	<b>0.97</b>	<b>0.97</b>	<b>-2.81%</b>
<b>2016</b>													
1 Industry Ventures Partnership Holdings IV	2016	5,000,000	525,000	4,475,000	0	0	543,086	543,086	18,086	11%	0.00	1.03	4.94%
2 Miscellaneous Private Equity Expenses	2016	168,030	168,030	0	0	8,866	0	8,866	-159,164	100%	0.05	0.05	N/A
3 Riverstone Credit Partners	2016	10,000,000	5,373,854	4,626,146	102,142	800,098	5,443,835	6,243,933	767,937	54%	0.15	1.14	17.02%
<b>Subtotal: 2016</b>		<b>15,168,030</b>	<b>6,066,884</b>	<b>9,101,146</b>	<b>102,142</b>	<b>808,964</b>	<b>5,986,921</b>	<b>6,795,885</b>	<b>626,859</b>	<b>40%</b>	<b>0.13</b>	<b>1.10</b>	<b>12.95%</b>
<b>Total: Dallas Police &amp; Fire Pension System</b>		<b>1,278,353,156</b>	<b>1,171,080,078</b>	<b>44,203,498</b>	<b>26,094,596</b>	<b>1,049,446,624</b>	<b>245,121,153</b>	<b>1,294,567,776</b>	<b>97,393,102</b>	<b>92%</b>	<b>0.88</b>	<b>1.08</b>	<b>2.17%</b>



NEPC, LLC

YOU DEMAND MORE. So do we.<sup>SM</sup>



## **Dallas Police & Fire Pension System**

### **First Quarter 2017 *Private Real Assets Program* (Real Estate, Infrastructure, Natural Resources)**

255 State Street, Boston, MA 02109  
TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO



### Real Estate and Real Assets

The following table presents the status of the DFPF **REAL ESTATE** portfolio as of March 31, 2017:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$1,607,392,531	\$22,823,410	\$1,411,390,724	\$630,570,855	\$523,471,063	87.81%	44.68%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 3/31/2017	Real Estate Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$174,014,855	\$697,485,918		\$2,114,590,093	12%	24.76%	32.98%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$1,154,041,918			0.82		-4.13%	

The following table presents the status of the DFPF **NATURAL RESOURCES** portfolio as of March 31, 2017:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$236,397,292	\$0	\$239,397,292	\$194,131,632	\$267,266,599	101.27%	81.09%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 3/31/2017	Natural Resources Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$0	\$267,266,599		\$2,114,590,093	3%	12.64%	12.64%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$461,398,231			1.95		9.89%	

The following table presents the status of the DFPF **INFRASTRUCTURE** portfolio as of March 31, 2017:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$364,000,000	\$39,233,614	\$287,791,750	\$119,742,299	\$267,091,813	79.06%	41.61%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 3/31/2017	Infrastructure Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$36,974,636	\$304,066,449		\$2,114,590,093	5%	12.63%	14.38%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$386,834,112			1.34		8.06%	

**Dallas Police & Fire Pension System**  
**Total Real Assets Program - Investment Strategy Performance Analysis**

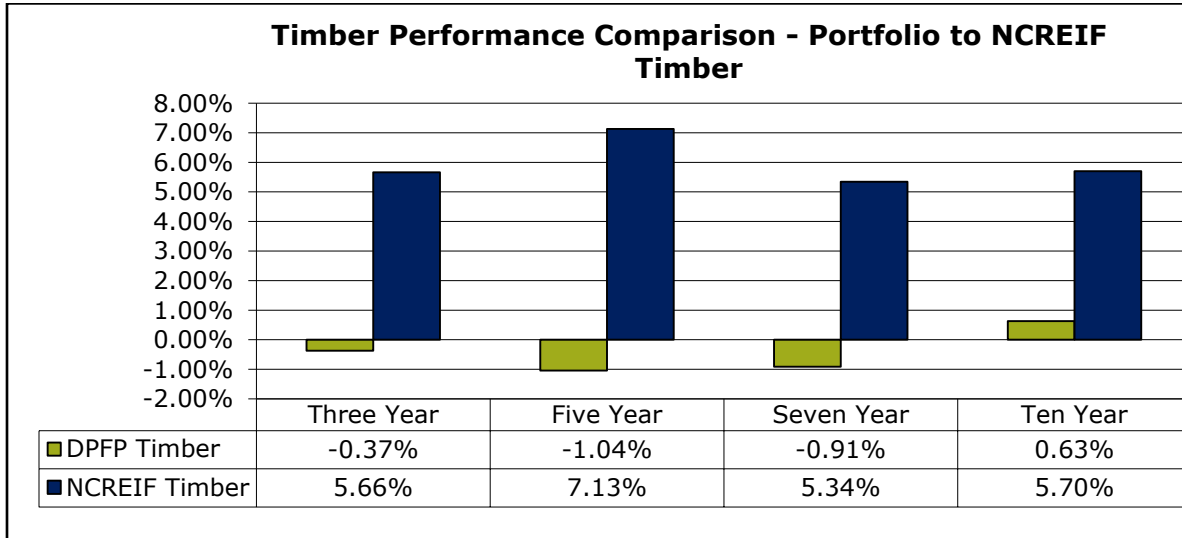
3/31/2017

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>RE Direct Investments<sup>1</sup></b>		<b>1,064,710,228</b>	<b>893,310,229</b>	<b>171,400,000</b>	<b>0</b>	<b>195,875,877</b>	<b>470,638,149</b>	<b>666,514,026</b>	<b>-226,796,203</b>	<b>84%</b>	<b>0.22</b>	<b>0.75</b>	<b>-4.91%</b>
<b>RE Core</b>		<b>72,121,800</b>	<b>72,121,800</b>	<b>0</b>	<b>0</b>	<b>60,932,119</b>	<b>30,130,645</b>	<b>91,062,764</b>	<b>18,940,964</b>	<b>100%</b>	<b>0.84</b>	<b>1.26</b>	<b>4.47%</b>
<b>RE Debt</b>		<b>15,000,000</b>	<b>14,663,698</b>	<b>336,302</b>	<b>0</b>	<b>5,835,272</b>	<b>12,067,852</b>	<b>17,903,124</b>	<b>3,239,426</b>	<b>98%</b>	<b>0.40</b>	<b>1.22</b>	<b>10.90%</b>
<b>RE Value Add/Oppportunistic</b>													
1 CDK Multifamily I	2014	10,559,876	10,559,876	0	0	42,934	10,000,000	10,042,934	-516,942	100%	0.00	0.95	-1.90%
2 Hearthstone MS II Homebuilding Investors	1999	10,000,000	7,970,115	1,000,000	0	10,989,565	0	10,989,565	3,019,450	80%	1.38	1.38	26.70%
3 Hearthstone MS III Homebuilding Investors	2003	10,000,000	10,587,389	1,278,554	0	12,863,833	634,417	13,498,250	2,910,861	106%	1.22	1.27	24.69%
<b>Subtotal: RE Value Add/Opportun</b>		<b>30,715,430</b>	<b>29,272,934</b>	<b>2,278,554</b>	<b>0</b>	<b>24,375,751</b>	<b>10,634,417</b>	<b>35,010,168</b>	<b>5,737,234</b>	<b>93%</b>	<b>0.83</b>	<b>1.20</b>	<b>23.92%</b>
<b>Infrastructure</b>													
1 AIRRO	2008	37,000,000	35,845,534	1,154,466	-361,150	16,682,607	24,808,078	41,490,685	6,006,301	97%	0.47	1.17	2.91%
2 AIRRO II	2013	40,000,000	7,436,001	32,563,999	-401,391	24,675	4,217,778	4,242,453	-2,792,157	19%	0.00	0.60	-14.35%
3 J.P. Morgan Maritime Fund, L.P.	2009	50,000,000	46,743,828	3,256,172	-404	2,677,751	27,484,755	30,162,506	-16,580,918	93%	0.06	0.65	-18.13%
4 JP Morgan Infrastructure Investments Fund	2007	37,000,000	37,000,000	0	0	13,149,533	30,581,201	43,730,734	6,730,734	100%	0.36	1.18	2.34%
5 LBJ Infrastructure Group Holding, LLC (LBJ)	2009	50,000,000	44,346,229	0	0	1,782,000	76,110,000	77,892,000	33,545,771	89%	0.04	1.76	14.29%
6 NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	42,625,592	0	0	2,000,000	103,890,000	105,890,000	63,264,408	85%	0.05	2.48	21.64%
<b>Subtotal: Infrastructure</b>		<b>264,000,000</b>	<b>213,997,185</b>	<b>36,974,636</b>	<b>-762,945</b>	<b>36,316,566</b>	<b>267,091,813</b>	<b>303,408,379</b>	<b>90,174,139</b>	<b>85%</b>	<b>0.17</b>	<b>1.42</b>	<b>7.68%</b>
<b>Natural Resources</b>													
1 Hancock Agricultural	1998	74,420,001	74,420,001	0	0	89,596,343	168,191,947	257,788,290	183,368,289	100%	1.20	3.46	16.51%
<b>Subtotal: Natural Resources</b>		<b>74,420,001</b>	<b>74,420,001</b>	<b>0</b>	<b>0</b>	<b>89,596,343</b>	<b>168,191,947</b>	<b>257,788,290</b>	<b>183,368,289</b>	<b>100%</b>	<b>1.20</b>	<b>3.46</b>	<b>16.51%</b>
<b>Timber</b>													
1 BTG International Timberland	2006	80,097,595	80,097,595	0	0	7,000,000	54,091,799	61,091,799	-19,005,796	100%	0.09	0.76	-4.95%
2 BTG U.S. Timberland	2007	22,230,000	22,230,000	0	0	33,056,506	9,799	33,066,305	10,836,305	100%	1.49	1.49	4.82%
3 FIA Timberland	1992	59,649,696	59,649,696	0	0	64,478,783	44,973,054	109,451,837	49,802,141	100%	1.08	1.83	7.93%
<b>Subtotal: Timber</b>		<b>161,977,291</b>	<b>161,977,291</b>	<b>0</b>	<b>0</b>	<b>104,535,289</b>	<b>99,074,652</b>	<b>203,609,941</b>	<b>41,632,650</b>	<b>100%</b>	<b>0.65</b>	<b>1.26</b>	<b>4.00%</b>
<b>Total: Active Investments</b>		<b>1,682,944,750</b>	<b>1,459,763,137</b>	<b>210,989,492</b>	<b>-762,945</b>	<b>517,467,217</b>	<b>1,057,829,474</b>	<b>1,575,296,691</b>	<b>116,296,499</b>	<b>87%</b>	<b>0.35</b>	<b>1.08</b>	<b>1.41%</b>
<b>Total: Completed Investments</b>		<b>524,845,073</b>	<b>475,816,629</b>	<b>0</b>	<b>846,289</b>	<b>426,977,570</b>	<b>0</b>	<b>426,977,570</b>	<b>-49,685,348</b>	<b>95%</b>	<b>0.90</b>	<b>0.90</b>	<b>-4.18%</b>
<b>Total: Dallas Police &amp; Fire Pension System</b>		<b>2,207,789,823</b>	<b>1,935,579,766</b>	<b>210,989,492</b>	<b>83,344</b>	<b>944,444,787</b>	<b>1,057,829,474</b>	<b>2,002,274,261</b>	<b>66,611,151</b>	<b>88%</b>	<b>0.49</b>	<b>1.03</b>	<b>0.70%</b>

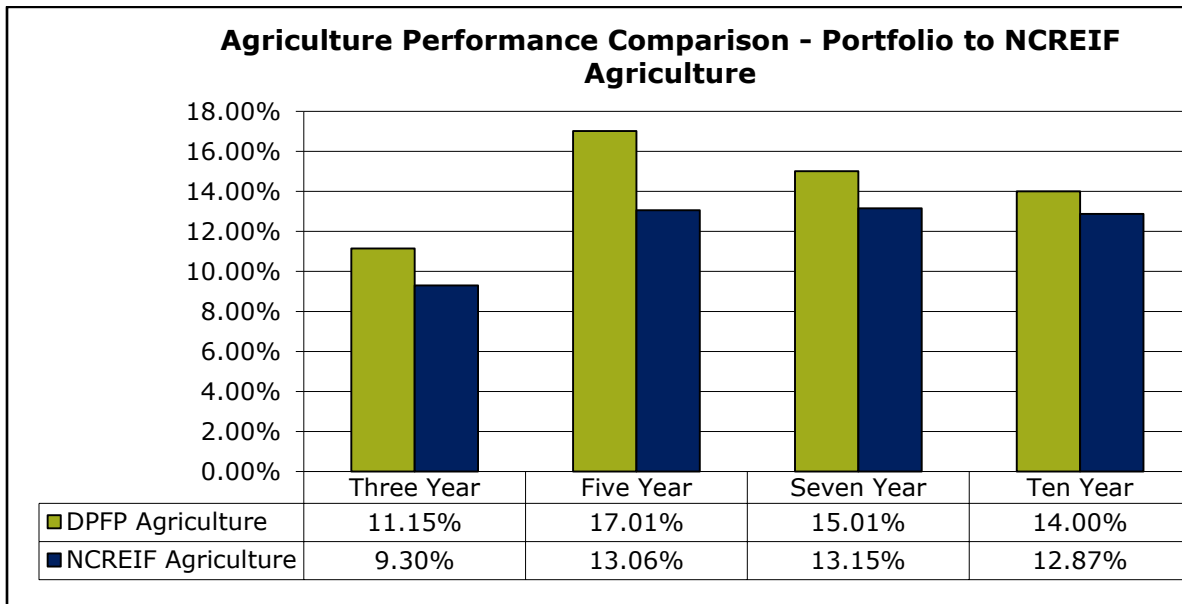
1. Includes Sumitomo line of Credit of 171,400,000

## Timber and Agriculture Benchmarks

The following graph shows the performance of the DFPF **Timber** portfolio vs. the NCREIF Timber Index\* as of March 31, 2017:



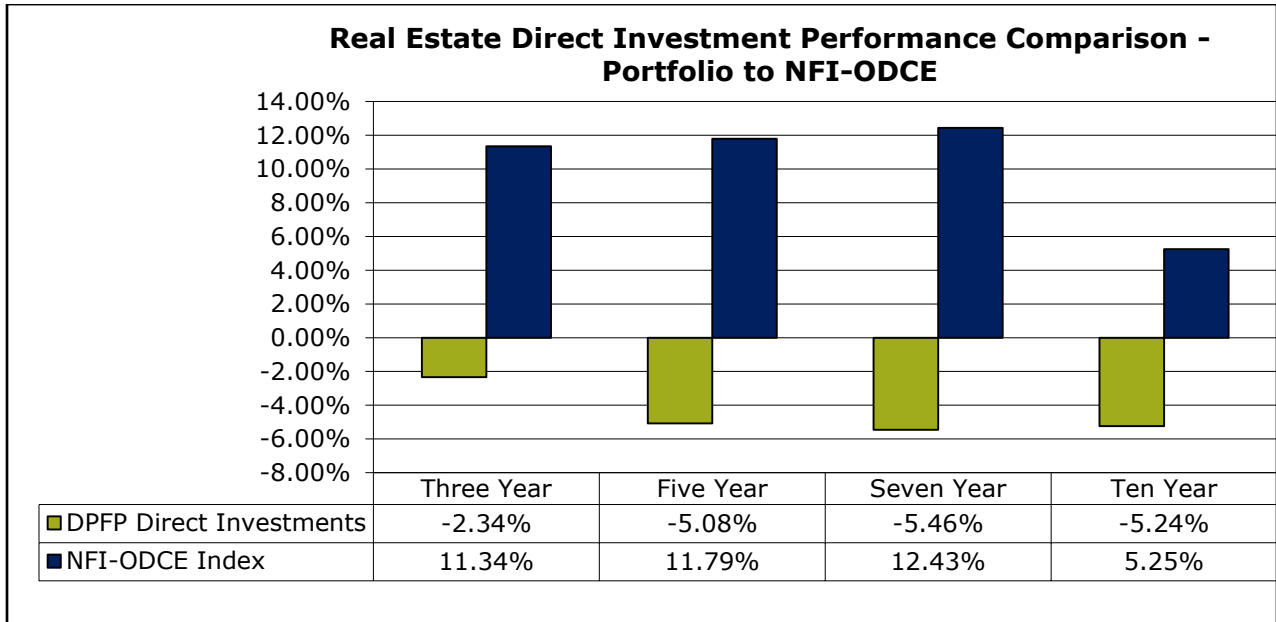
The following graph shows the performance of the DFPF **Agriculture** portfolio vs. the NCREIF Agriculture Index\* as of March 31, 2017:



\*NCREIF Agriculture and Timber index returns are calculated gross of fees and on a time-weighted basis, NEPC has used an assumed fee of 100 basis points. DFPF returns are calculated net of fees using a money-weighted return

## Real Estate Benchmark

The following graph shows the performance of the DPFP **Direct Investment Real Estate** portfolio vs. the NCREIF NFI-ODCE Index\*\* as of March 31, 2017:



\*\*NFI-ODCE Index returns are net of fees and calculated on a time-weighted basis; DPFP returns are calculated net of fees using a money-weighted return

**Dallas Police & Fire Pension System**  
**As of 3/31/2017**

<b>U.S. RE</b>			IRR				DPI				TVPI				Quartile Rank			
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	Benchmark
CDK Multifamily I	2014	35	-1.90%	15.15%	11.60%	6.96%	0.00x	0.26x	0.08x	0.00x	0.95x	1.25x	1.16x	1.09x	4	4	4	U.S RE
Hearthstone MS II Homebuilding Investors	1999	16	26.70%	17.81%	10.22%	9.23%	1.38x	1.78x	1.50x	1.40x	1.38x	1.81x	1.51x	1.40x	1	4	4	U.S RE
Hearthstone MS III Homebuilding Investors	2003	25	24.69%	20.10%	10.80%	-1.62%	1.22x	1.76x	1.39x	0.91x	1.27x	1.76x	1.52x	0.91x	1	3	3	U.S RE

<b>Infrastructure</b>			IRR				DPI				TVPI				Quartile Rank			
Fund Name	Vintage Year	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	Benchmark
AIRRO	2008	9	2.91%	12.06%	7.98%	6.22%	0.47x	0.64x	0.50x	0.42x	1.17x	1.57x	1.52x	1.40x	4	3	4	Infrastructure
AIRRO II	2013	8	-14.35%	8.32%	-0.66%	-3.50%	0.00x	0.09x	0.04x	0.00x	0.60x	1.25x	0.99x	0.93x	4	4	4	Infrastructure
J.P. Morgan Maritime Fund, L.P.	2009	3	-18.13%	---	---	---	0.06x	---	---	---	0.65x	---	---	---	NA	NA	NA	Infrastructure
JP Morgan Infrastructure Investments Fund	2007	7	2.34%	---	7.52%	---	0.36x	---	0.58x	---	1.18x	---	1.39x	---	NA	NA	NA	Infrastructure
LBJ Infrastructure Group Holding, LLC (LBJ)	2009	3	14.29%	---	---	---	0.04x	---	---	---	1.76x	---	---	---	NA	NA	NA	Infrastructure
NTE Mobility Partners Holding, LLC (NTE)	2009	3	21.64%	---	---	---	0.05x	---	---	---	2.48x	---	---	---	NA	NA	NA	Infrastructure

Benchmark data from Cambridge Associates/ThomsonOne as of 3.31.2017.  
Data only includes active funds.