



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

March 20, 2025

Board Meeting

Executive Summary

- **Estimated YTD Return:** 2.0% for DPFP Portfolio; 2.8% for Public Portfolio which makes up 79.2% of the assets.
- **Final 2024 Returns:** 7.9% for DPFP Portfolio; 3- and 5-yr trailing returns of 5.2% and 4.5% respectively as of year-end 2024.
- **Private Asset Distributions:** \$79.98M in distributions received in 2024, covering 79% of Net Benefit Outflows. No material distributions YTD.
- Direct lending diligence progressing. The Private Markets Sub-Committee will interview finalists in April.
- Staff has started diligence in the multi asset credit space based on the recently approved Public Credit Asset Class Structure that includes a 4% multi asset credit allocation.

Investment Initiatives – 2025 Plan

Q1 2025

- Appointment of Private Markets Sub-Committee
- Private Credit Pacing Plan
- Public Equity and Public Credit Asset Class Structure Reviews

Q2 2025

- Private Equity Pacing Plan
- Sub-Committee Review of New Private Credit Investments
- Initiate Multi Asset Credit Search
- Board Approval of Initial Private Credit Commitments

Q3 2025 & Beyond

- Initial New Private Equity Investments
- Multi Asset Credit Manager Selection and Funding

YTD Sector Rotation (as of 3/18 Close)

Communication Services -0.93%		Consumer Discretionary -13.75%		Consumer Staples +1.45%		Energy +6.63%	
GOOGL -29.27 (-15.12%)	META -3.27 (-0.54%)	AMZN -26.97 (-12.11%)	TSLA -188.59 (-44.21%)	WMT -4.86 (-5.27%)	COST -18.60 (-1.99%)	XOM +6.08 (5.64%)	CVX +15.76 (11.03%)
NFLX +39.49 (4.34%)	TMUS +39.91 (18.12%)	HD -39.93 (-10.13%)	BABA +59.91 (68.35%)	PG +0.06 (0.04%)	KO +7.20 (11.44%)	SHEL +8.22 (13.28%)	TTE +8.73 (16.20%)
T +3.87 (16.86%)	VZ +4.18 (10.60%)	TM -4.37 (-2.27%)	MCD +13.73 (4.73%)	PM +33.90 (27.83%)	PEP -3.12 (-2.02%)	COP +1.34 (1.37%)	PBR +1.02 (7.93%)
Financials +1.45%		Health Care +6.74%		Industrials +0.09%		Information Technology -8.76%	
BRK.A +102930.72 (15.09%)	JPM -4.72 (-1.98%)	LLY +50.65 (6.54%)	UNH -2.04 (-0.41%)	GE +34.21 (20.38%)	RTX +16.89 (14.66%)	AAPL -37.96 (-15.07%)	MSFT -38.49 (-9.01%)
V +18.72 (5.93%)	MA +3.63 (0.69%)	JNJ +19.46 (13.57%)	ABBV +36.25 (20.34%)	CAT -26.51 (-7.18%)	UBER +11.42 (18.62%)	NVDA -19.53 (-14.04%)	TSM -24.80 (-12.33%)
BAC -2.29 (-5.23%)	WFC +0.87 (1.24%)	NVO -4.99 (-5.86%)	MRK -4.76 (-4.78%)	UNP +9.08 (3.97%)	HON -16.20 (-7.15%)	AVGO -44.50 (-18.62%)	ORCL -17.71 (-10.32%)
Materials +3.29%		Real Estate +3.07%		Utilities +3.91%			
LIN +42.00 (10.04%)	BHP +1.71 (3.50%)	PLD +6.80 (6.32%)	AMT +31.14 (17.15%)	NEE -1.01 (-1.38%)	SO +7.94 (9.61%)		
RIO +5.27 (9.06%)	SHW -4.49 (-1.29%)	WELL +24.15 (19.00%)	EQIX -103.56 (-10.78%)	DUK +13.03 (12.08%)	CEG -13.33 (-5.75%)		
SCCO +8.25 (9.21%)	ECL +19.24 (8.27%)	SPG -7.50 (-4.30%)	PSA -0.95 (-0.31%)	NGG +4.41 (7.39%)	AEP +13.74 (14.92%)		

Source: YCharts, based on SPDR Sector ETFs

YTD Geographic Rotation (as of 3/18 Close)

DPFP Public Equities

1.5% VAL

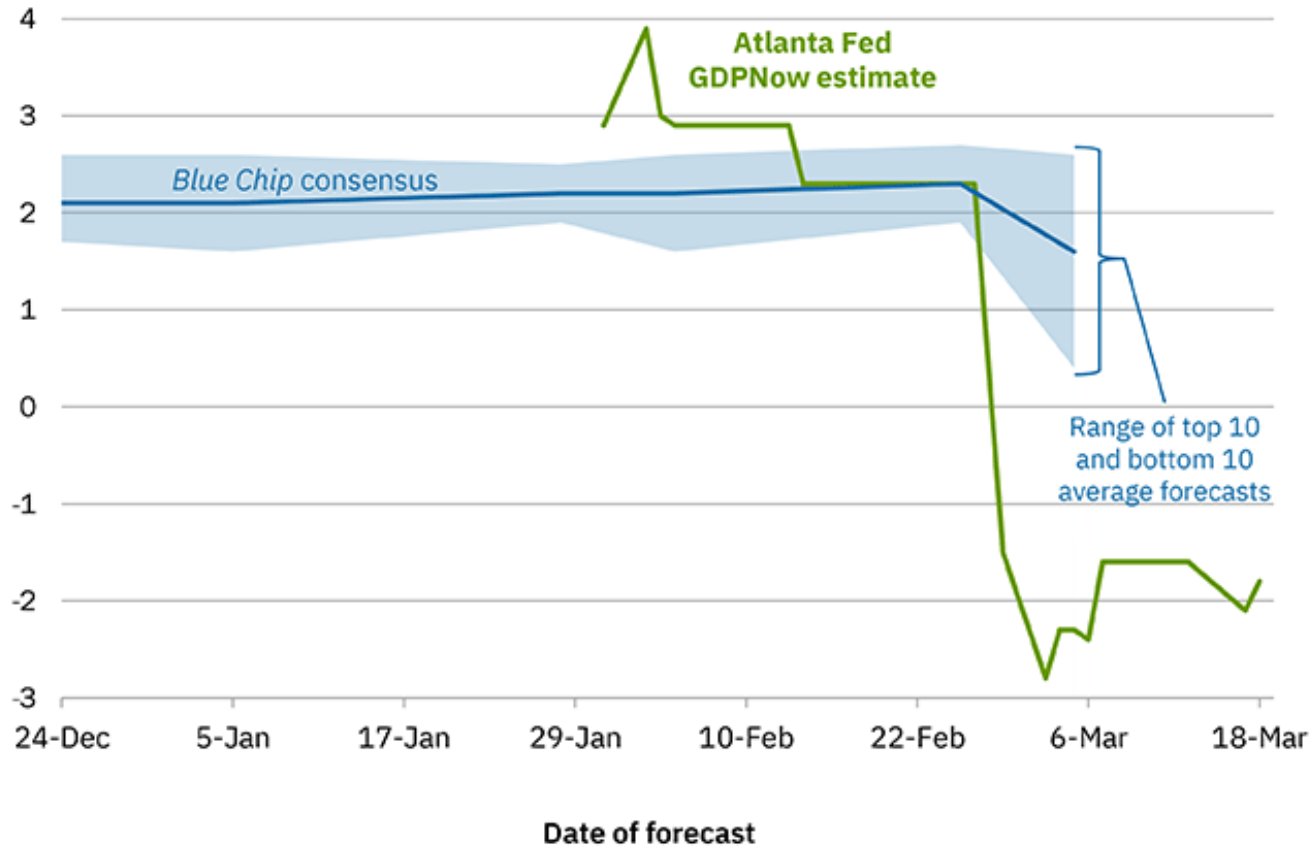
- MSCI EAFE (^MSEAFE) Level % Change 11.06%
- MSCI Emerging Markets IMI (^MSEMIMI) Level % Change 5.13%
- MSCI ACWI IMI (^MSACWIIMI) Level % Change -0.39%
- S&P 500 (^SPX) Level % Change -3.79%
- Nasdaq Composite (^IXIC) Level % Change -8.41%



Mar 19, 2025, 12:37 PM EDT Powered by YCHARTS

Policy Impacting Economy

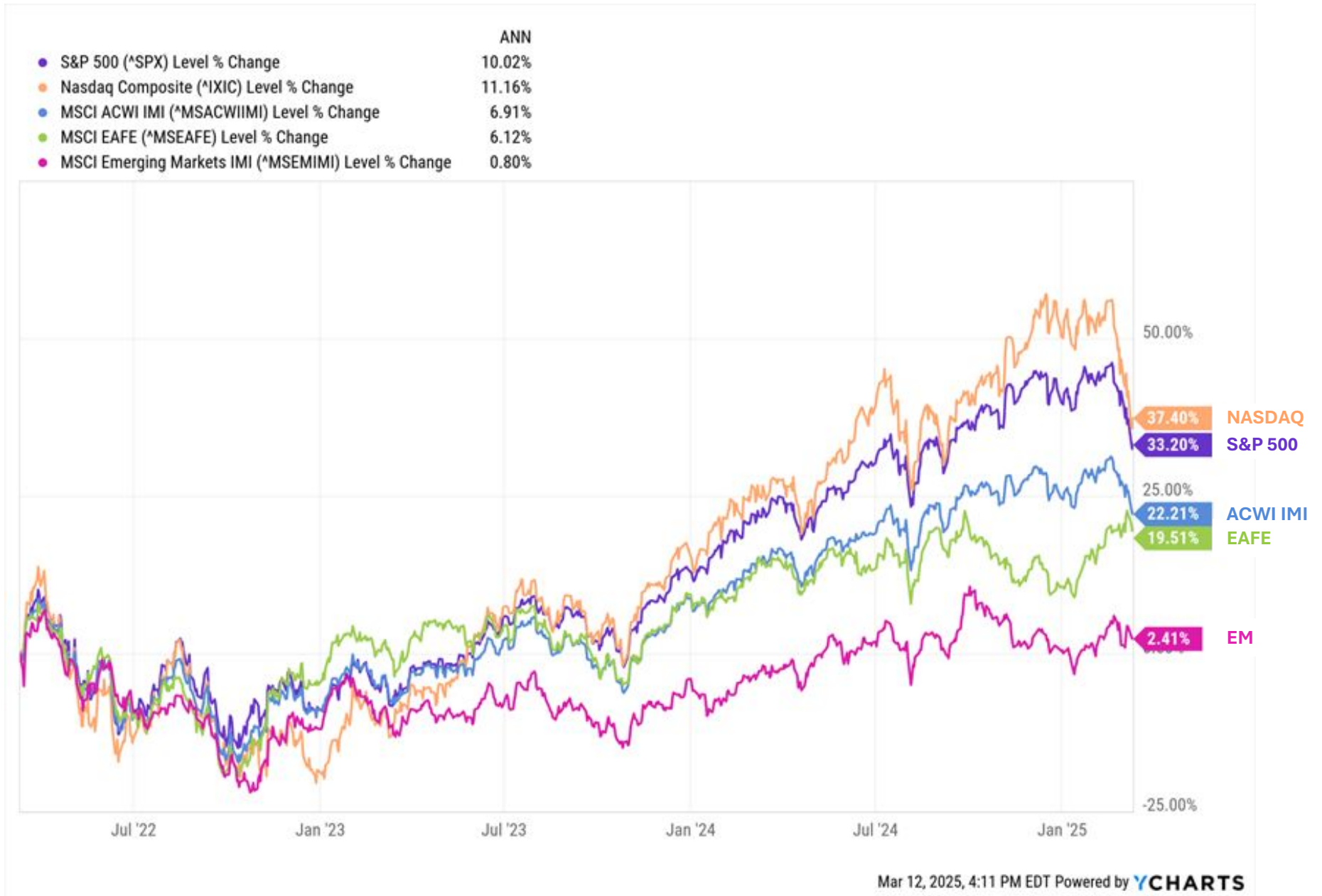
Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q1
 Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

Source: Atlanta Fed GDPNow Forecast as of 3/18/25

Equity Market Returns (3 Years Ending 3/11/25)



Public Markets Performance Snapshot

Public Markets made up 79.2% of DFPF Investment Portfolio.

Asset Allocation & Performance | As of February 28, 2025

Performance Summary Ending February 28, 2025						
	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Total Public Portfolio	1,600,334,390	-0.1	2.8	11.1	6.7	8.4
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>		0.0	2.2	9.6	3.9	6.6
Public Equity	1,117,265,407	-0.6	3.2	12.6	7.9	12.1
<i>MSCI AC World IMI Index (Net)</i>		-0.9	2.4	14.1	8.5	12.4
Boston Partners Global Equity Fund	126,507,796	3.1	8.4	14.4	9.3	14.3
<i>MSCI World Net</i>		-0.7	2.8	15.6	10.2	13.9
Manulife Global Equity Strategy	125,030,640	1.1	5.4	11.4	8.8	12.2
<i>MSCI ACWI Net</i>		-0.6	2.7	15.1	9.1	12.8
Walter Scott Global Equity Fund	123,728,306	-1.8	2.1	5.3	7.1	10.8
<i>MSCI ACWI Net</i>		-0.6	2.7	15.1	9.1	12.8
WCM Global Equity	125,373,575	-2.6	3.0	25.0	--	--
<i>MSCI AC World Index Growth (Net)</i>		-2.6	-0.1	15.7	10.2	14.4
NT ACWI Index IMI	421,145,881	-0.8	2.6	14.6	9.0	--
<i>MSCI AC World IMI Index (Net)</i>		-0.9	2.4	14.1	8.5	12.4
Eastern Shore US Small Cap	61,508,013	-4.4	-1.3	8.3	2.5	--
<i>Russell 2000 Index</i>		-5.3	-2.9	6.7	3.3	9.4
Global Alpha International Small Cap	54,678,634	0.1	2.8	-1.4	--	--
<i>MSCI EAFE Small Cap (Net)</i>		-0.3	3.1	6.4	0.7	5.7
RBC Emerging Markets Equity	79,292,562	0.6	1.4	9.2	2.2	5.0
<i>MSCI Emerging Markets IMI (Net)</i>		0.0	1.2	8.3	0.7	4.9

Source: Meketa

Public Markets Performance Snapshot

Asset Allocation & Performance | As of February 28, 2025

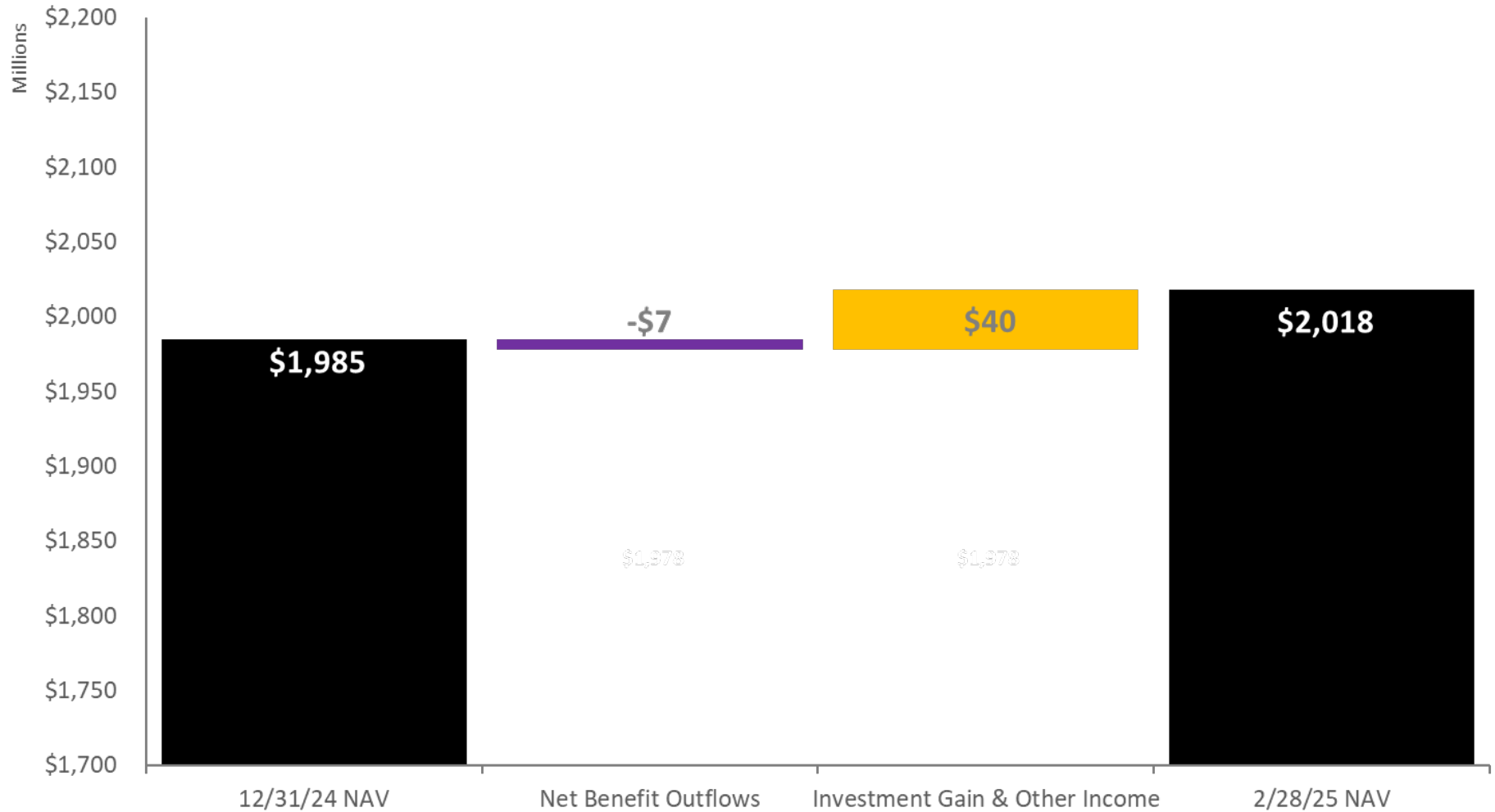
	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Fixed Income and Cash	267,118,533	1.1	1.5	6.1	2.2	1.8
<i>Fixed Income and Cash Blended Benchmark</i>		<i>1.1</i>	<i>1.5</i>	<i>5.6</i>	<i>2.0</i>	<i>1.1</i>
IR&M 1-3 Year Strategy	124,876,044	0.8	1.2	6.0	3.0	2.1
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		<i>0.7</i>	<i>1.2</i>	<i>5.6</i>	<i>2.5</i>	<i>1.5</i>
Longfellow Core Fixed Income	82,244,548	2.3	2.9	6.6	0.1	--
<i>Blmbg. U.S. Aggregate Index</i>		<i>2.2</i>	<i>2.7</i>	<i>5.8</i>	<i>-0.4</i>	<i>-0.5</i>
Cash Equivalents	59,997,942	0.3	0.7	5.2	4.3	2.7
<i>ICE BofA 3 Month U.S. T-Bill</i>		<i>0.3</i>	<i>0.7</i>	<i>5.1</i>	<i>4.1</i>	<i>2.5</i>
Public Credit	215,950,450	0.6	1.8	8.8	4.6	3.6
<i>Credit Blended Benchmark</i>		<i>0.7</i>	<i>1.8</i>	<i>8.6</i>	<i>5.3</i>	<i>4.3</i>
Aristotle Pacific Capital Bank Loan	84,642,513	0.2	0.7	7.7	7.5	6.3
<i>S&P UBS Leveraged Loan Index</i>		<i>0.2</i>	<i>0.9</i>	<i>8.2</i>	<i>7.2</i>	<i>6.1</i>
Loomis US High Yield Fund	70,201,723	0.8	2.3	11.3	4.4	--
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		<i>0.7</i>	<i>2.0</i>	<i>10.1</i>	<i>4.9</i>	<i>4.9</i>
Metlife Emerging Markets Debt Blend	61,106,215	1.1	2.9	7.7	--	--
<i>35% JPMEMBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBI-EM Di</i>		<i>1.3</i>	<i>2.7</i>	<i>7.0</i>	<i>3.0</i>	<i>1.0</i>

Source: Meketa

Change in Market Value Bridge Chart - As of 2/28/2025

In Millions

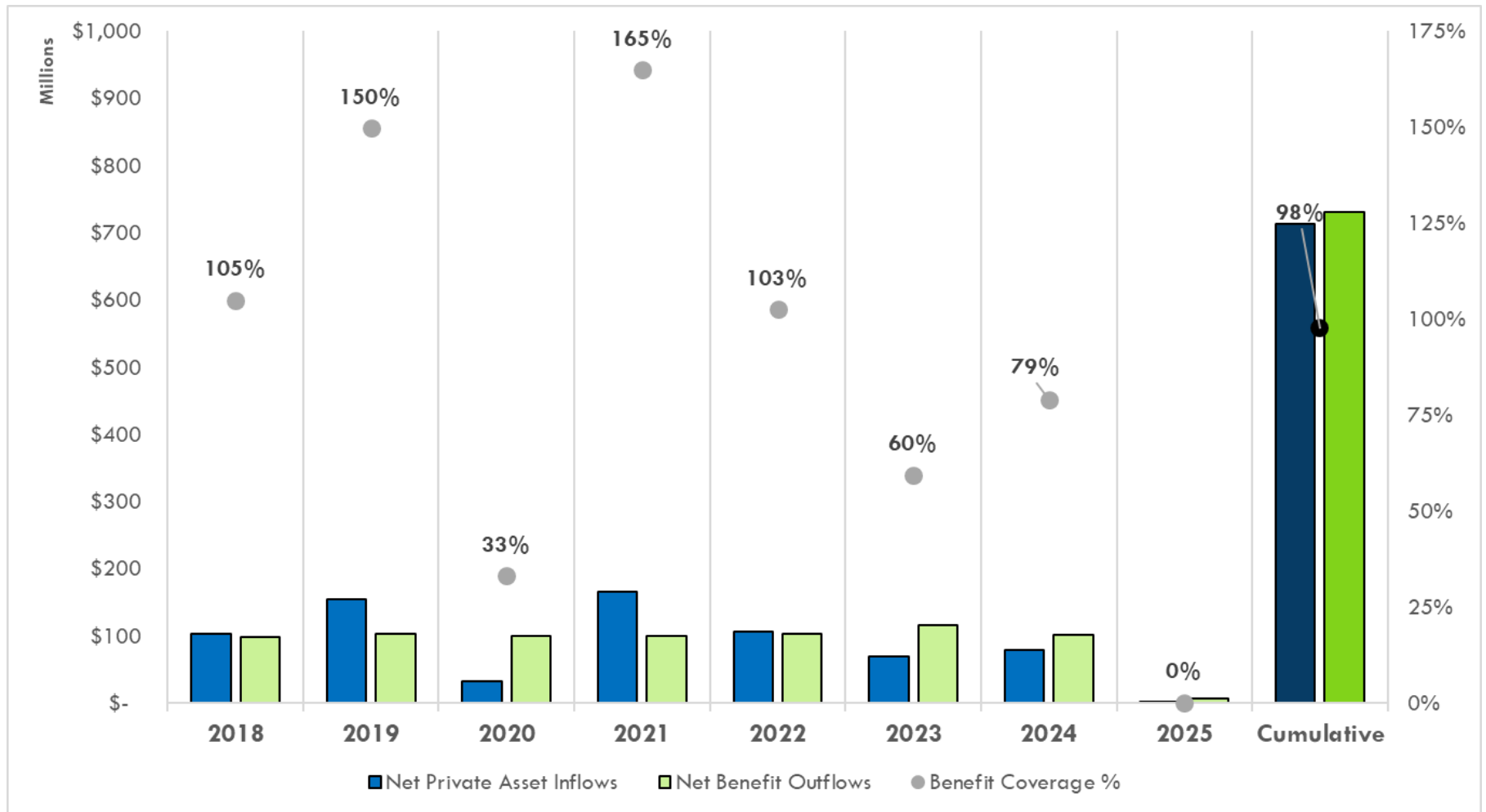
2025 YTD Preliminary Investment Return estimated at 2.0%



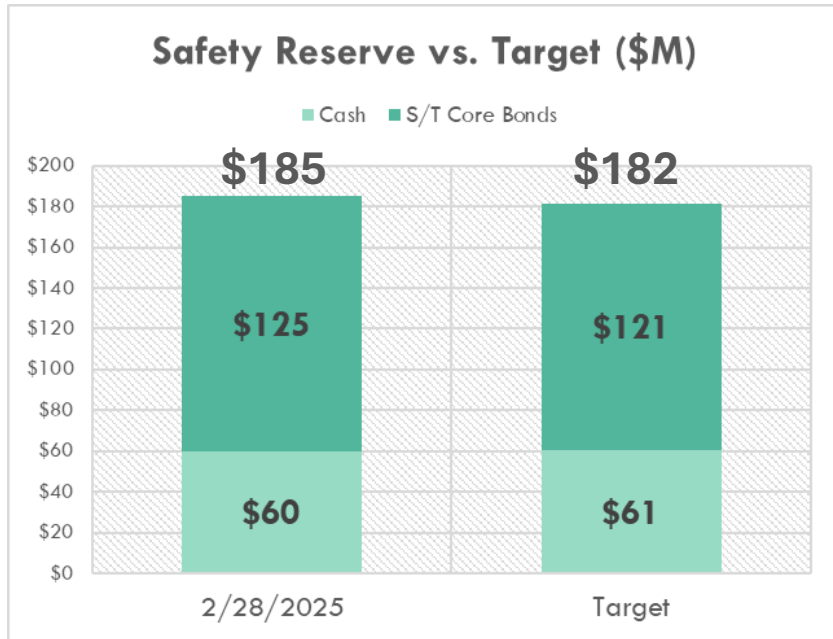
The beginning 12/31/24 value includes a one-quarter lag on private assets.
 Numbers may not foot due to rounding.

Benefit Outflow Coverage

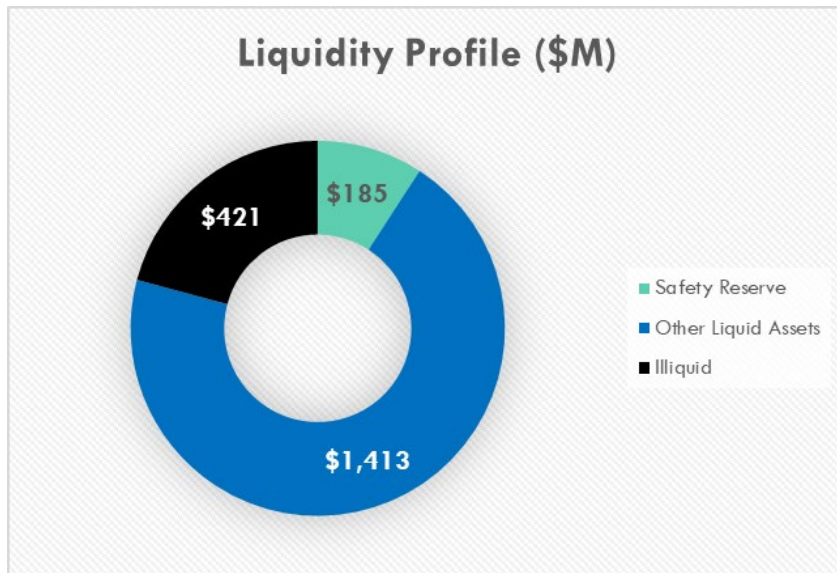
Since 2018, net Private Asset inflows have covered 98% of net benefit outflows.



Safety Reserve Dashboard – As of 2/28/25



Projected Net Monthly outflows of **\$6.4M** per month. Safety Reserve of **\$185M** would cover net monthly outflows for next **28 months** or through **June 2027**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	2/28/25		\$60.0	3.0%
City Contribution	3/28/25	\$10.8	\$70.8	3.5%
Pension Payroll	3/26/25	(\$28.9)	\$41.9	2.1%
City Contribution	4/11/25	\$10.8	\$52.6	2.6%
City Contribution	4/25/25	\$10.8	\$63.4	3.1%
Pension Payroll	4/30/25	(\$28.9)	\$34.5	1.7%
City Contribution	5/9/25	\$10.8	\$45.3	2.2%
City Contribution	5/23/25	\$10.8	\$56.1	2.8%
Pension Payroll	5/28/25	(\$28.9)	\$27.1	1.3%
City Contribution	6/6/25	\$10.8	\$37.9	1.9%
City Contribution	6/20/25	\$10.8	\$48.7	2.4%

Numbers may not foot due to rounding.

Asset Allocation Detail

DPFP Asset Allocation	2/28/2025		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
Equity	1,278	63.3%	1,291	64%	99%	-14	-0.7%
Public Equity	1,115	55.3%	1,170	58%	95%	-55	-2.7%
<i>Northern Trust ACWI IMI Index</i>	421	20.9%	484	24%	87%	-63	-3.1%
<i>Boston Partners</i>	127	6.3%	121	6%	104%	5	0.3%
<i>Manulife</i>	125	6.2%	121	6%	103%	4	0.2%
<i>Walter Scott</i>	124	6.1%	121	6%	102%	3	0.1%
<i>WCM</i>	125	6.2%	121	6%	104%	4	0.2%
<i>Eastern Shore US Small Cap</i>	62	3.1%	61	3%	102%	1	0.1%
<i>Global Alpha Intl Small Cap</i>	53	2.6%	61	3%	88%	-7	-0.4%
<i>RBC Emerging Markets Equity</i>	79	3.9%	81	4%	97%	-2	-0.1%
Private Equity	43	2.1%	121	6%	35%	-78	-3.9%
Huff Energy Fund	120	5.9%	0	0%		120	5.9%
Credit	216	10.7%	303	15%	71%	-87	-4.3%
Public Credit	215	10.7%	222	11%	97%	-7	-0.3%
<i>Aristotle Pacific Bank Loans</i>	85	4.2%	81	4%	105%	4	0.2%
<i>Loomis Sayles High Yield Bonds</i>	70	3.5%	81	4%	87%	-11	-0.5%
<i>MetLife Emerging Market Debt</i>	60	3.0%	61	3%	99%	0	0.0%
Private Credit	1	0.1%	81	4%	1%	-80	-3.9%
Real Assets	257	12.7%	161	8%	159%	95	4.7%
Real Estate	153	7.6%	101	5%	152%	52	2.6%
Natural Resources	90	4.4%	61	3%	148%	29	1.4%
Infrastructure	14	0.7%	0	0%		14	0.7%
Fixed Income & Cash	267	13.2%	262	13%	102%	5	0.2%
Cash	60	3.0%	61	3%	99%	-1	0.0%
IR+M Short Term Bonds	125	6.2%	121	6%	103%	4	0.2%
Longfellow IG Bonds	82	4.1%	81	4%	102%	2	0.1%
Total	2,018	100.0%	2,018	100%		0	0.0%
Safety Reserve	185	9.2%	182	9%	102%	3	0.2%
Private Market Assets	421	20.8%	363	18%		57	-3.1%

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

Asset Allocation – Actual vs Target

