



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

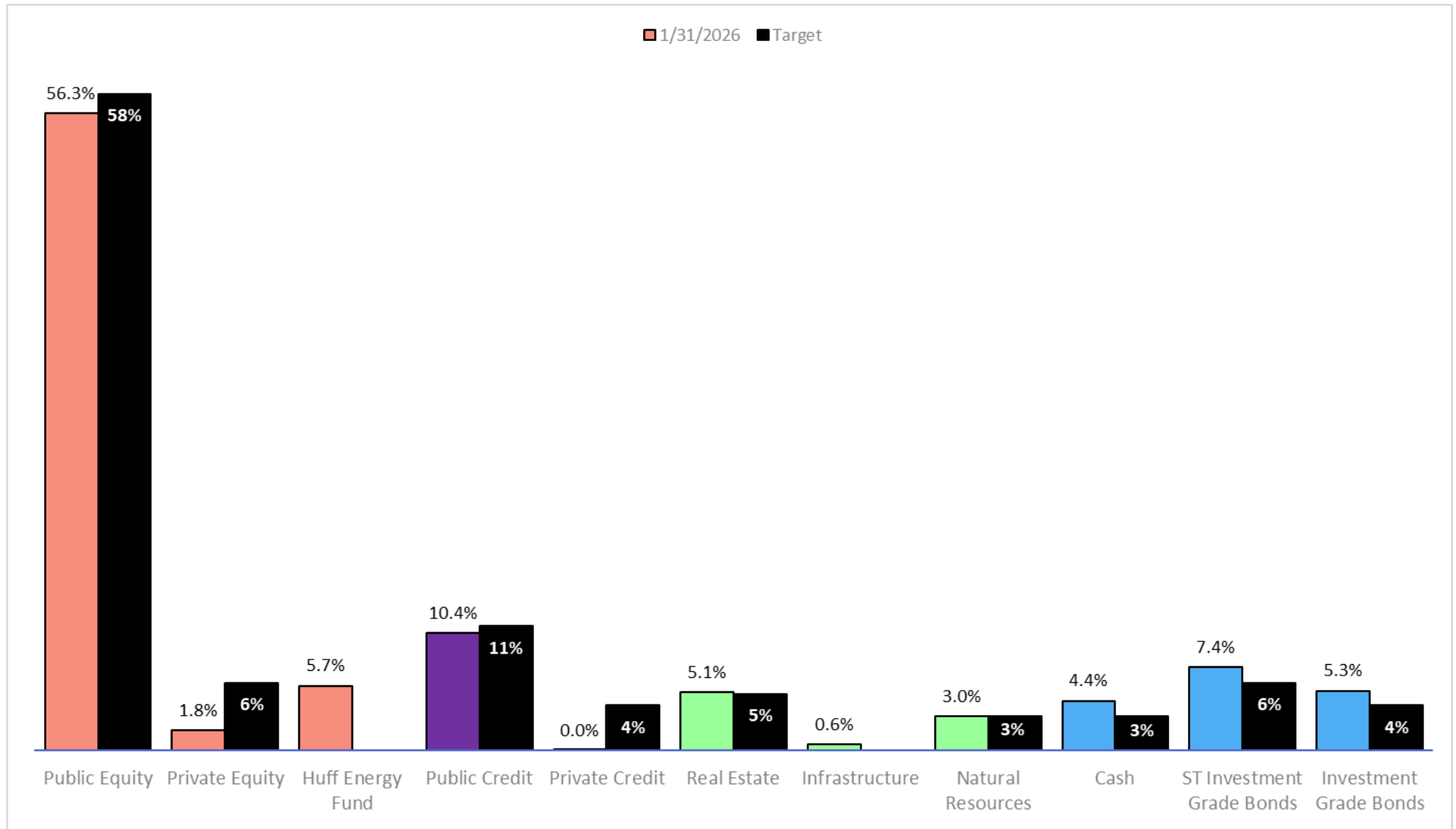
February 12, 2026

Board Meeting

Executive Summary

- **Estimated YTD Return (through 1/31/26):** 2.6% for DPFP Portfolio; 2.4% for Public Portfolio which makes up 83.8% of the assets.
- Huff Energy Fund sold 1776 Energy Partners and funds were distributed in early February. DPFP's portion of the proceeds was \$127.3M. Staff is finalizing a rebalancing plan to reallocate Huff proceeds across fixed income and public credit.
- Last week, Staff made an initial contribution to the ICG Global Total Credit Fund of \$55M from cash. The remaining funds will be contributed once redemptions are made from the Bank Loan and High Yield managers.

Asset Allocation – Actual vs Target Pre-Rebalance

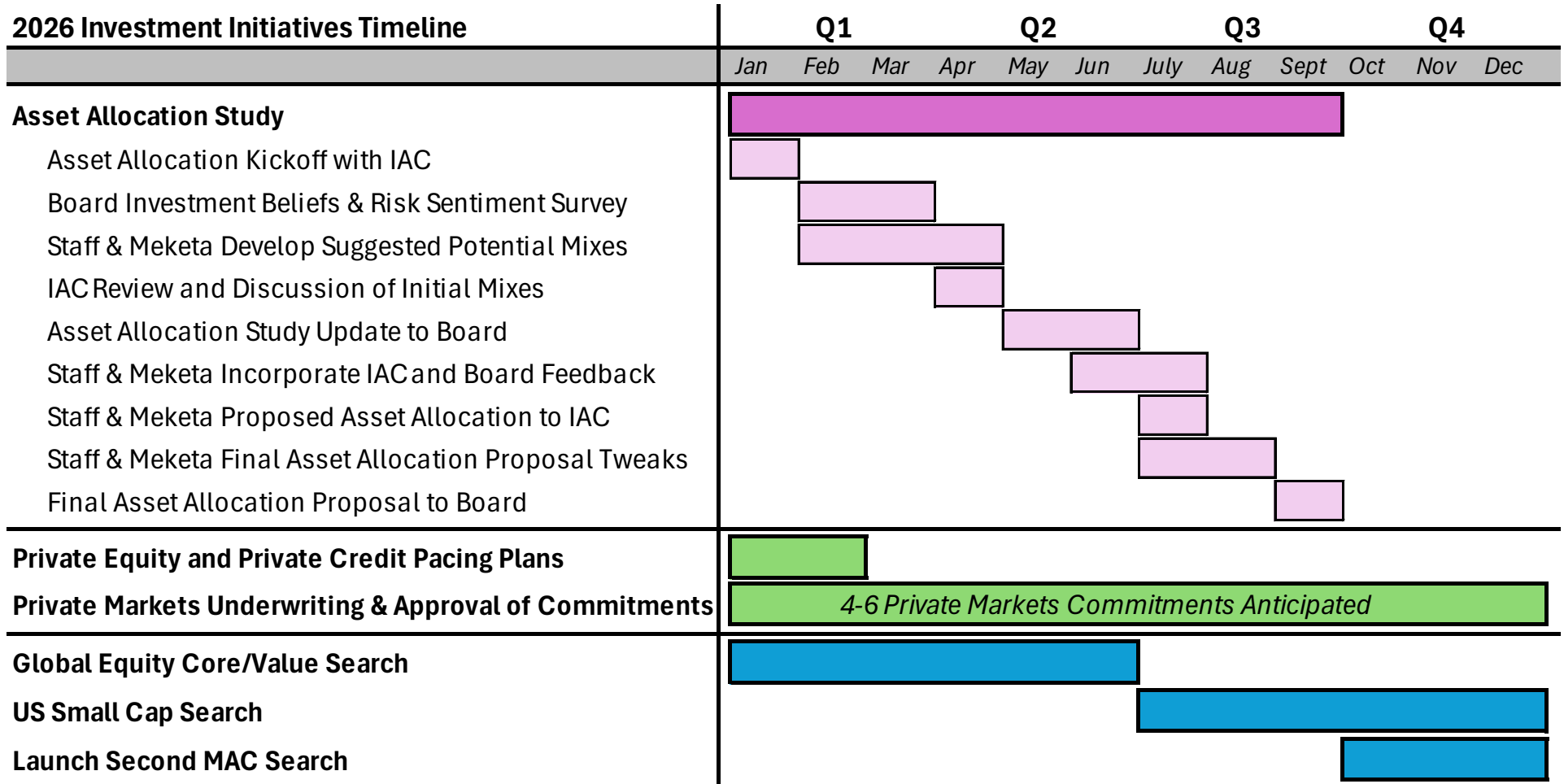


Asset Allocation & Rebalancing Huff Proceeds

DPFP Asset Allocation	1/31/2026		Target Ranges		Cash Flow		Post Rebal. Pro		Post Rebal. Pro		Post Rebal. Pro	
	NAV	%	Min %	Max %	Benefit/Dists.	Rebalancing	NAV	%	\$ mil.	%	\$ mil.	%
Equity	1,325	58.2%			0.0	0.0	1,325	58.7%	1,446	64%	-121	-5.3%
Public Equity	1,282	56.3%	50%	66%	0.0	0.0	1,282	56.8%	1,310	58%	-28	-1.2%
Northern Trust ACWI IMI Index	543	23.9%	16%	30%			543	24.0%	610	27%	-66.7	-3.0%
Boston Partners	145	6.4%	4%	8%			145	6.4%	136	6%	9.3	0.4%
Manulife	143	6.3%	4%	8%			143	6.3%	136	6%	7.8	0.3%
Walter Scott	136	6.0%	4%	8%			136	6.0%	136	6%	0.0	0.0%
WCM	134	5.9%	4%	8%			134	5.9%	136	6%	-1.8	-0.1%
Northern Trust Russell 2000	33	1.5%	0.5%	2.5%			33	1.5%	34	1.5%	-0.8	0.0%
Global Alpha Intl Small Cap	56	2.4%	0.5%	2.5%			56	2.5%	34	1.5%	21.9	1.0%
RBC Emerging Markets Equity	93	4.1%	2%	6%			93	4.1%	90	4%	2.2	0.1%
Private Equity	40	1.8%					40	1.8%	136	6%	-95	-4.2%
Huff Energy Fund	3	0.1%					3	0.1%	0	0%	3	0.1%
Credit	292	12.8%			0.0	20.0	312	13.8%	339	15%	-27	-1%
Public Credit	291	12.8%	7%	15%	0.0	20.0	311	13.8%	248	11%	62	2.8%
ICG Global Total Credit	55	2.4%	2%	6%		52.0	107	4.7%	90	4%	16.6	0.7%
Aristotle Pacific Bank Loans	90	3.9%	1%	3%		-22.0	68	3.0%	45	2%	22.6	1.0%
Loomis Sayles High Yield Bonds	76	3.3%	1%	3%		-25.0	51	2.3%	45	2%	5.7	0.3%
MetLife Emerging Market Debt	70	3.1%	1%	5%		15.0	85	3.8%	68	3%	17.5	0.8%
Private Credit	1	0.0%					1	0.0%	90	4%	-89	-4.0%
Real Assets	199	8.7%			0.0	0.0	199	8.8%	181	8%	18	0.8%
Real Estate	117	5.1%					117	5.2%	113	5%	4	0.2%
Natural Resources	69	3.0%					69	3.0%	68	3%	1	0.0%
Infrastructure	13	0.6%					13	0.6%	0	0%	13	0.6%
Fixed Income & Cash	461	20.3%			-18.0	-20.0	423	18.7%	294	13%	130	5.7%
Cash	173	7.6%	0%	6%	-18.0	-60.0	95	4.2%	68	3%	27.0	1.2%
IR+M Short Term Bonds	168	7.4%	0%	9%		30.0	198	8.8%	136	6%	62.6	2.8%
Longfellow IG Bonds	120	5.3%	2%	6%		10.0	130	5.8%	90	4%	40.1	1.8%
Total	2,277	100.0%			-18.0	0.0	2,259	100.0%	2,259	100%	0	0.0%
Private Market Assets	243	10.7%			0.0	0.0	243	10.7%	407	18%	-164	-7.4%

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

Investment Initiatives – 2026 Plan

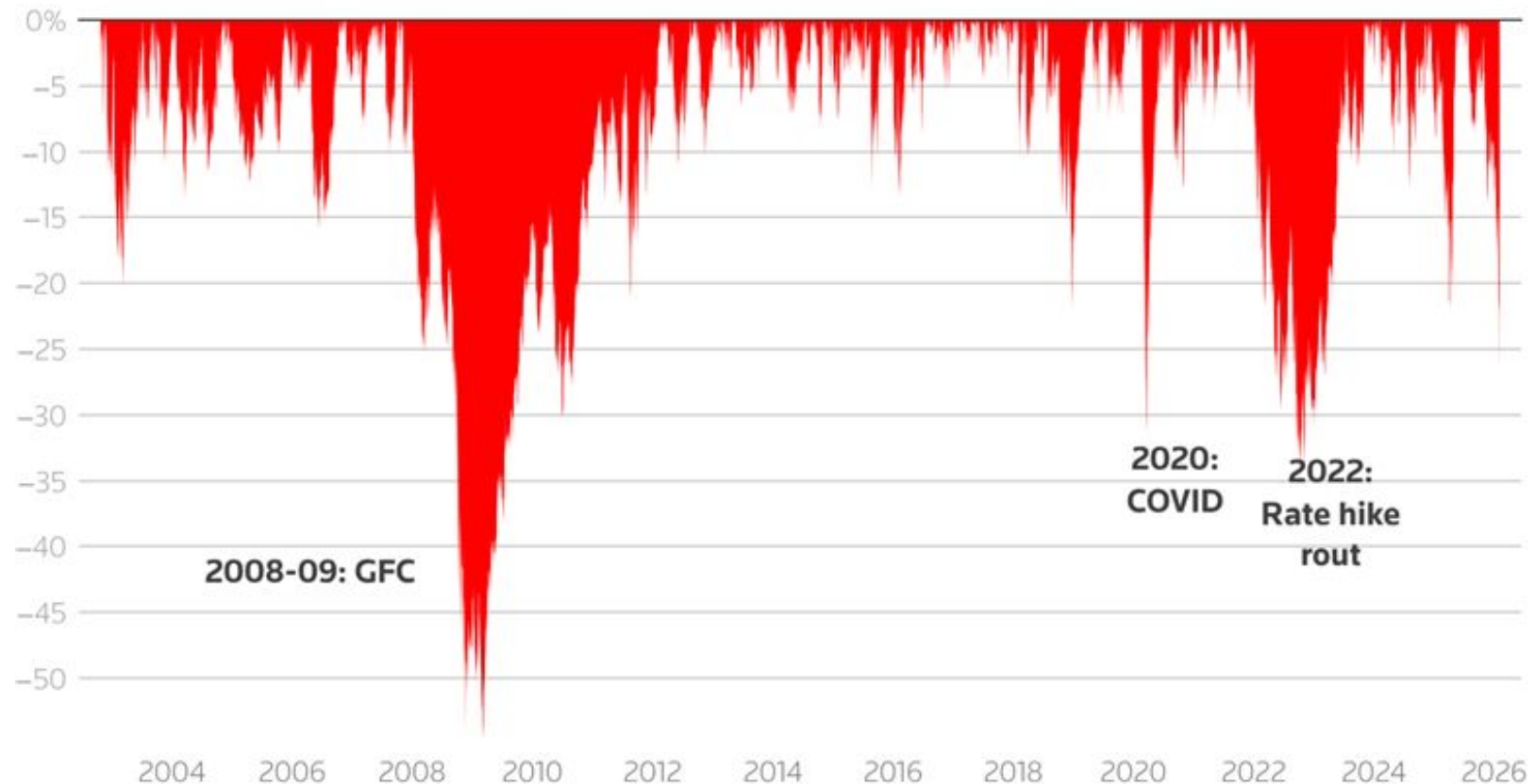


AI Fears Spark Software Selloff

Software glitch

The sector has experienced multiple sharp selloffs over two decades, with the current drawdown the worst since 2022's rate-driven rout

● Drawdown from record high



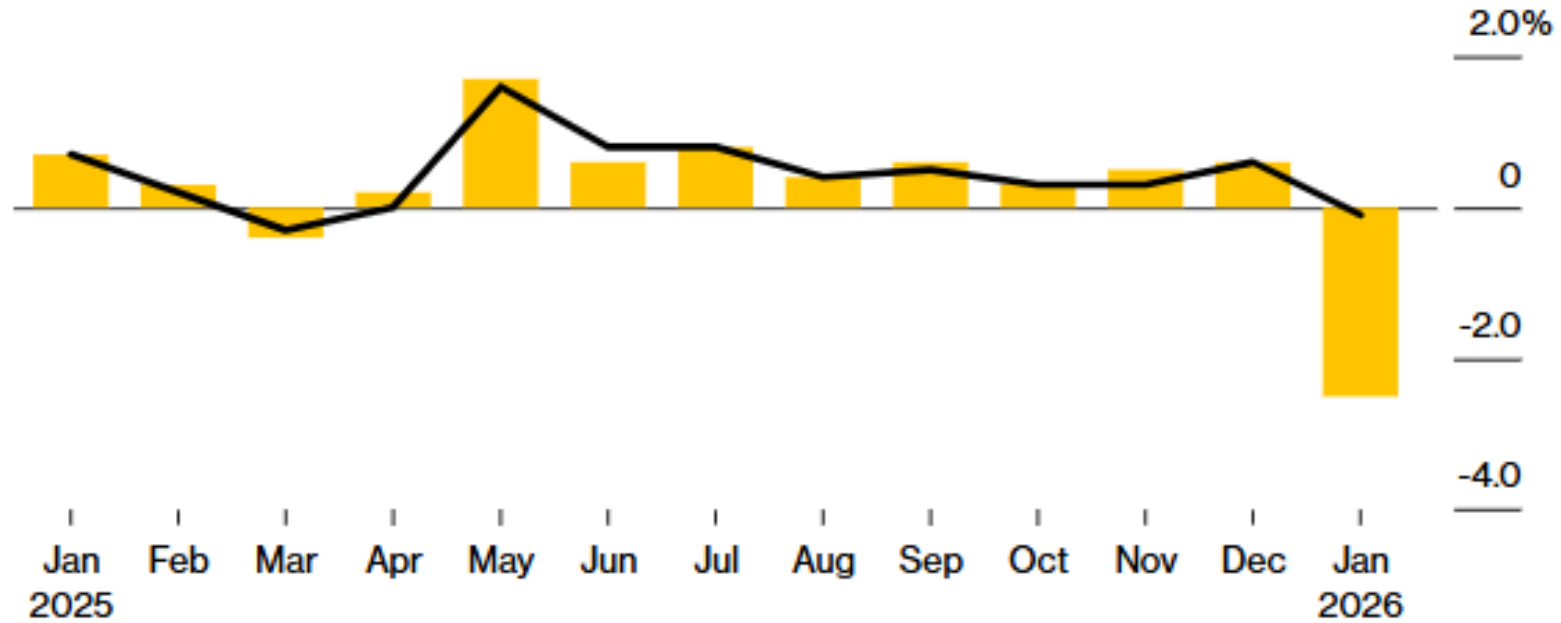
Note: The software and services index <.SPLRCIS>

Source: LSEG | Saqib Ahmed

Software Selloff Not Exclusive to Equities

Software Loans in CLOs Lag January Total Returns

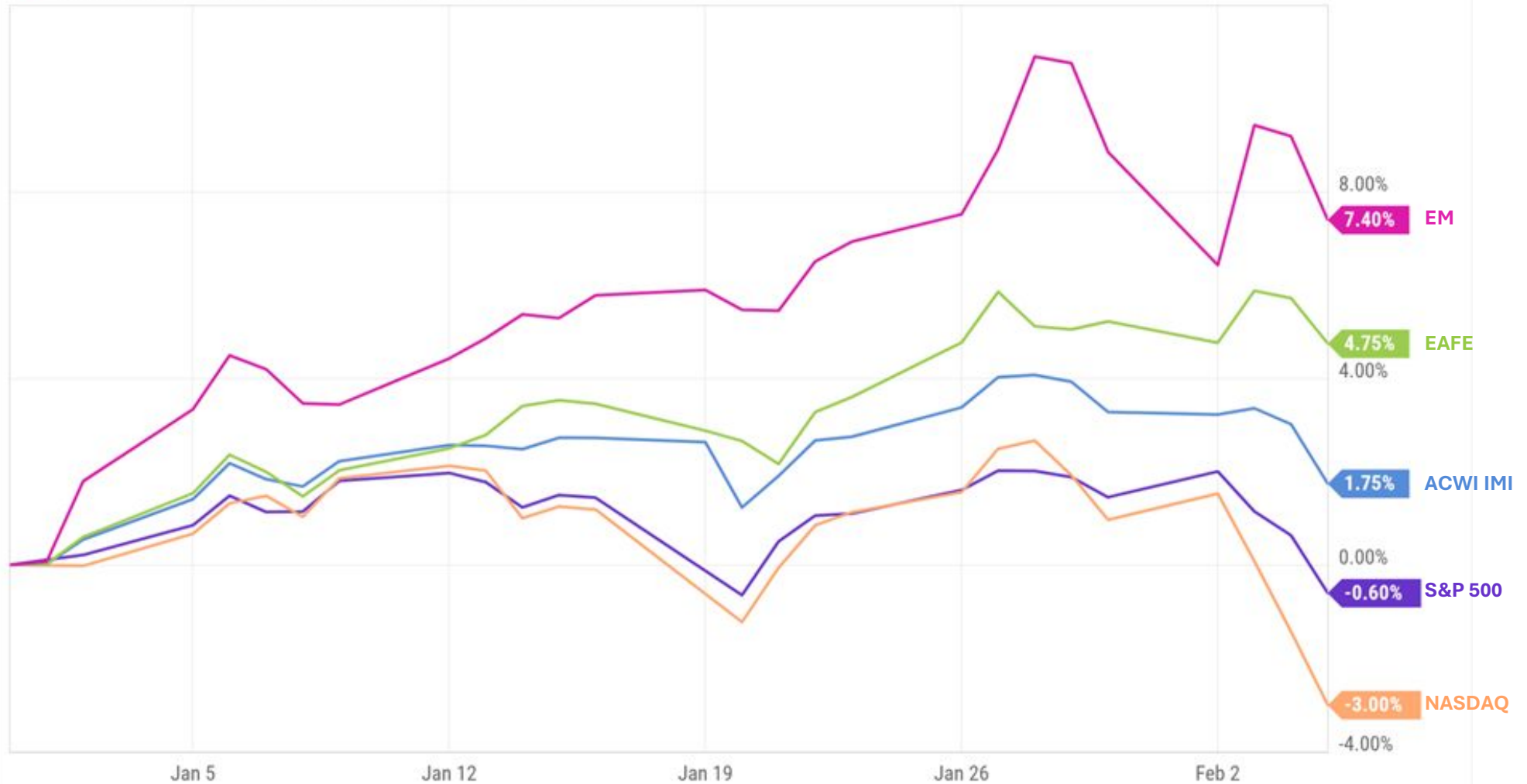
／ Monthly total return of all loans in CLOs ■ Software



Source: Bloomberg, Nomura

YTD Equity Markets Returns (As of 2/5/26)

● S&P 500 Total Return (^SPXTR) Level % Change	-0.60%
● Nasdaq Composite Total Return (^NACTR) Level % Change	-3.00%
● MSCI ACWI IMI Net Total Return (^MSACIMNTR) Level % Change	1.75%
● MSCI EAFE Net Total Return (^MSEAFENTR) Level % Change	4.75%
● MSCI Emerging Markets Net Total Return (^MSEMNTR) Level % Change	7.40%

Feb 6, 2026, 12:08 PM EST Powered by **YCHARTS**

Equity Markets Returns (3 Years Ending 1/31/26)

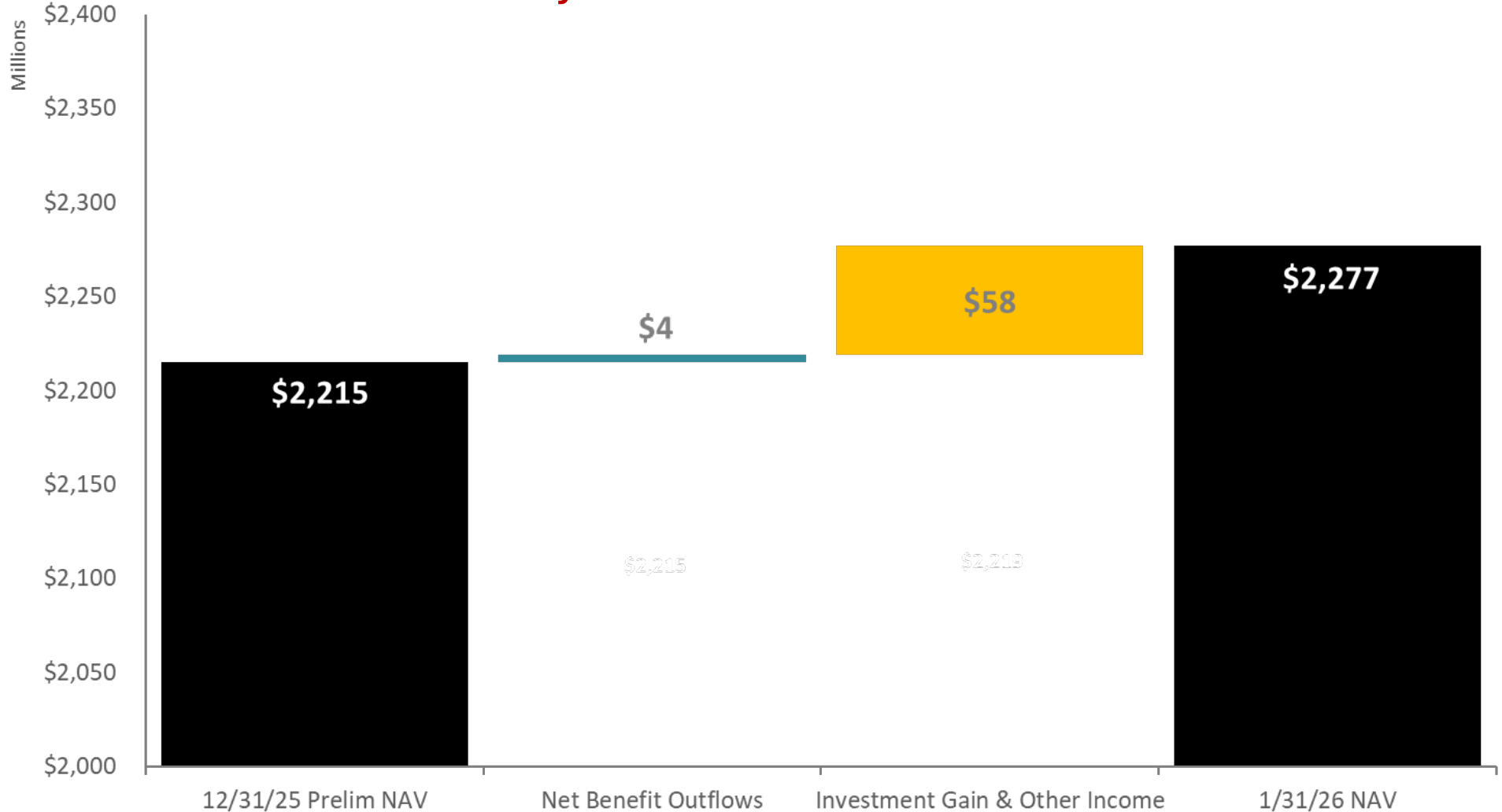
● S&P 500 Total Return (^SPXTR) Level % Change	20.00%
● Nasdaq Composite Total Return (^NACTR) Level % Change	24.42%
● MSCI ACWI IMI Net Total Return (^MSACIMNTR) Level % Change	17.31%
● MSCI EAFE Net Total Return (^MSEAFENTR) Level % Change	15.63%
● MSCI Emerging Markets Net Total Return (^MSEMNTR) Level % Change	15.92%

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Change in Market Value Bridge Chart - As of 1/31/2026

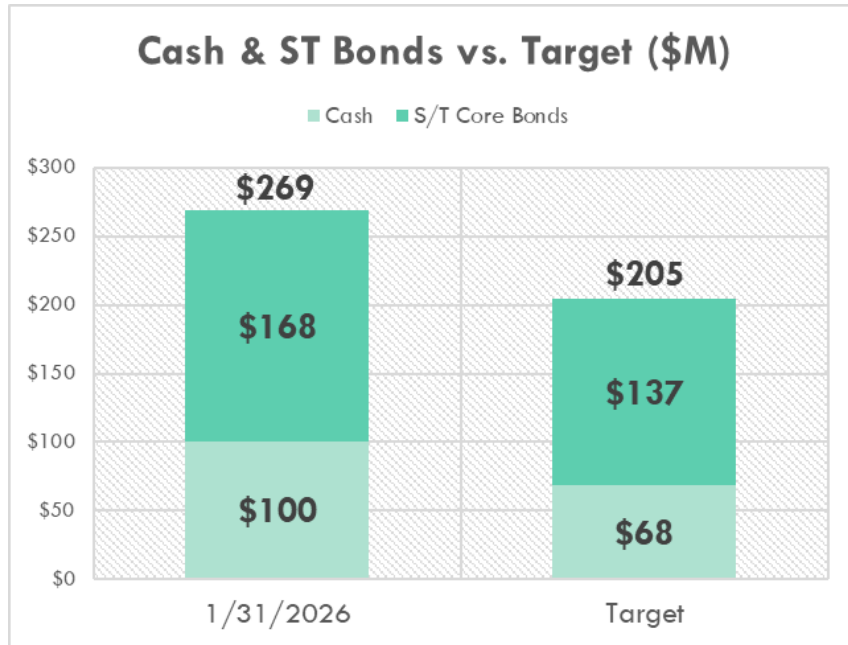
In Millions

2026 YTD Preliminary Investment Return estimated at 2.6%

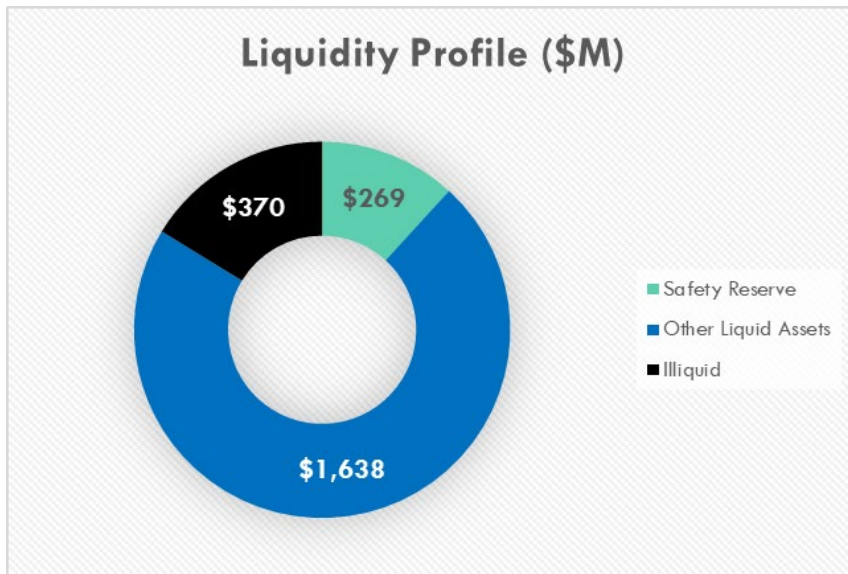


The beginning 12/31/25 value includes a one-quarter lag on private assets.
Numbers may not foot due to rounding.

Liquidity Dashboard – As of 1/31/26



Projected Net Monthly outflows of **\$5.1M** per month. **\$269M** of Cash and Short-Term Core Bonds would cover net monthly outflows through **2029**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	1/31/26		\$100.4	4.4%
City & Member Contribution	2/13/26	\$11.6	\$112.0	4.9%
Pension Payroll	2/25/26	(\$29.3)	\$82.7	3.6%
City & Member Contribution	2/27/26	\$11.6	\$94.3	4.1%
City & Member Contribution	3/13/26	\$11.6	\$105.8	4.6%
Pension Payroll	3/25/26	(\$29.3)	\$76.6	3.4%
City & Member Contribution	3/27/26	\$11.6	\$88.1	3.9%
City & Member Contribution	4/10/26	\$11.6	\$99.7	4.4%
City & Member Contribution	4/24/26	\$11.6	\$111.3	4.9%
Pension Payroll	4/29/26	(\$29.3)	\$82.0	3.6%

Numbers may not foot due to rounding.