



D A L L A S
POLICE & FIRE
PENSION SYSTEM

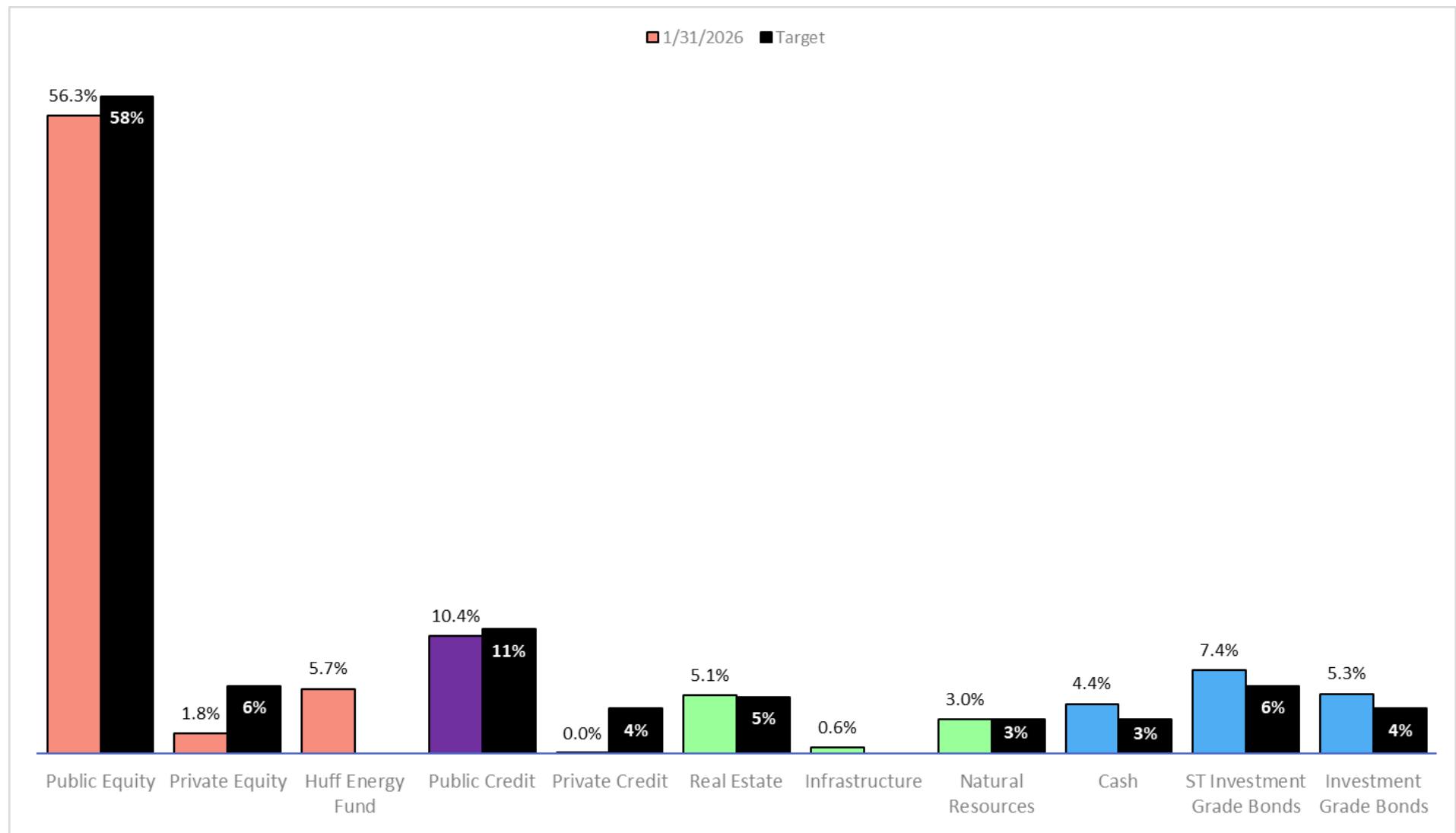


Portfolio Update
February 12, 2026
Board Meeting

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	Forma	Actual NAV	%	\$ mil.	Forma Target %	\$ mil.	Forma Variance %
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%
<i>Northern Trust ACWI IMI Index</i>	<i>543</i>	<i>23.9%</i>	<i>16%</i>	<i>30%</i>			<i>543</i>	<i>24.0%</i>		<i>610</i>	<i>27%</i>	<i>-66.7</i>	<i>-3.0%</i>
<i>Boston Partners</i>	<i>145</i>	<i>6.4%</i>	<i>4%</i>	<i>8%</i>			<i>145</i>	<i>6.4%</i>		<i>136</i>	<i>6%</i>	<i>9.3</i>	<i>0.4%</i>
<i>Manulife</i>	<i>143</i>	<i>6.3%</i>	<i>4%</i>	<i>8%</i>			<i>143</i>	<i>6.3%</i>		<i>136</i>	<i>6%</i>	<i>7.8</i>	<i>0.3%</i>
<i>Walter Scott</i>	<i>136</i>	<i>6.0%</i>	<i>4%</i>	<i>8%</i>			<i>136</i>	<i>6.0%</i>		<i>136</i>	<i>6%</i>	<i>0.0</i>	<i>0.0%</i>
<i>WCM</i>	<i>134</i>	<i>5.9%</i>	<i>4%</i>	<i>8%</i>			<i>134</i>	<i>5.9%</i>		<i>136</i>	<i>6%</i>	<i>-1.8</i>	<i>-0.1%</i>
<i>Northern Trust Russell 2000</i>	<i>33</i>	<i>1.5%</i>	<i>0.5%</i>	<i>2.5%</i>			<i>33</i>	<i>1.5%</i>		<i>34</i>	<i>1.5%</i>	<i>-0.8</i>	<i>0.0%</i>
<i>Global Alpha Intl Small Cap</i>	<i>56</i>	<i>2.4%</i>	<i>0.5%</i>	<i>2.5%</i>			<i>56</i>	<i>2.5%</i>		<i>34</i>	<i>1.5%</i>	<i>21.9</i>	<i>1.0%</i>
<i>RBC Emerging Markets Equity</i>	<i>93</i>	<i>4.1%</i>	<i>2%</i>	<i>6%</i>			<i>93</i>	<i>4.1%</i>		<i>90</i>	<i>4%</i>	<i>2.2</i>	<i>0.1%</i>
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%
<i>ICG Global Total Credit</i>	<i>55</i>	<i>2.4%</i>	<i>2%</i>	<i>6%</i>			<i>52.0</i>	<i>107</i>	<i>4.7%</i>	<i>90</i>	<i>4%</i>	<i>16.6</i>	<i>0.7%</i>
<i>Aristotle Pacific Bank Loans</i>	<i>90</i>	<i>3.9%</i>	<i>1%</i>	<i>3%</i>			<i>-22.0</i>	<i>68</i>	<i>3.0%</i>	<i>45</i>	<i>2%</i>	<i>22.6</i>	<i>1.0%</i>
<i>Loomis Sayles High Yield Bonds</i>	<i>76</i>	<i>3.3%</i>	<i>1%</i>	<i>3%</i>			<i>-25.0</i>	<i>51</i>	<i>2.3%</i>	<i>45</i>	<i>2%</i>	<i>5.7</i>	<i>0.3%</i>
<i>MetLife Emerging Market Debt</i>	<i>70</i>	<i>3.1%</i>	<i>1%</i>	<i>5%</i>			<i>15.0</i>	<i>85</i>	<i>3.8%</i>	<i>68</i>	<i>3%</i>	<i>17.5</i>	<i>0.8%</i>
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

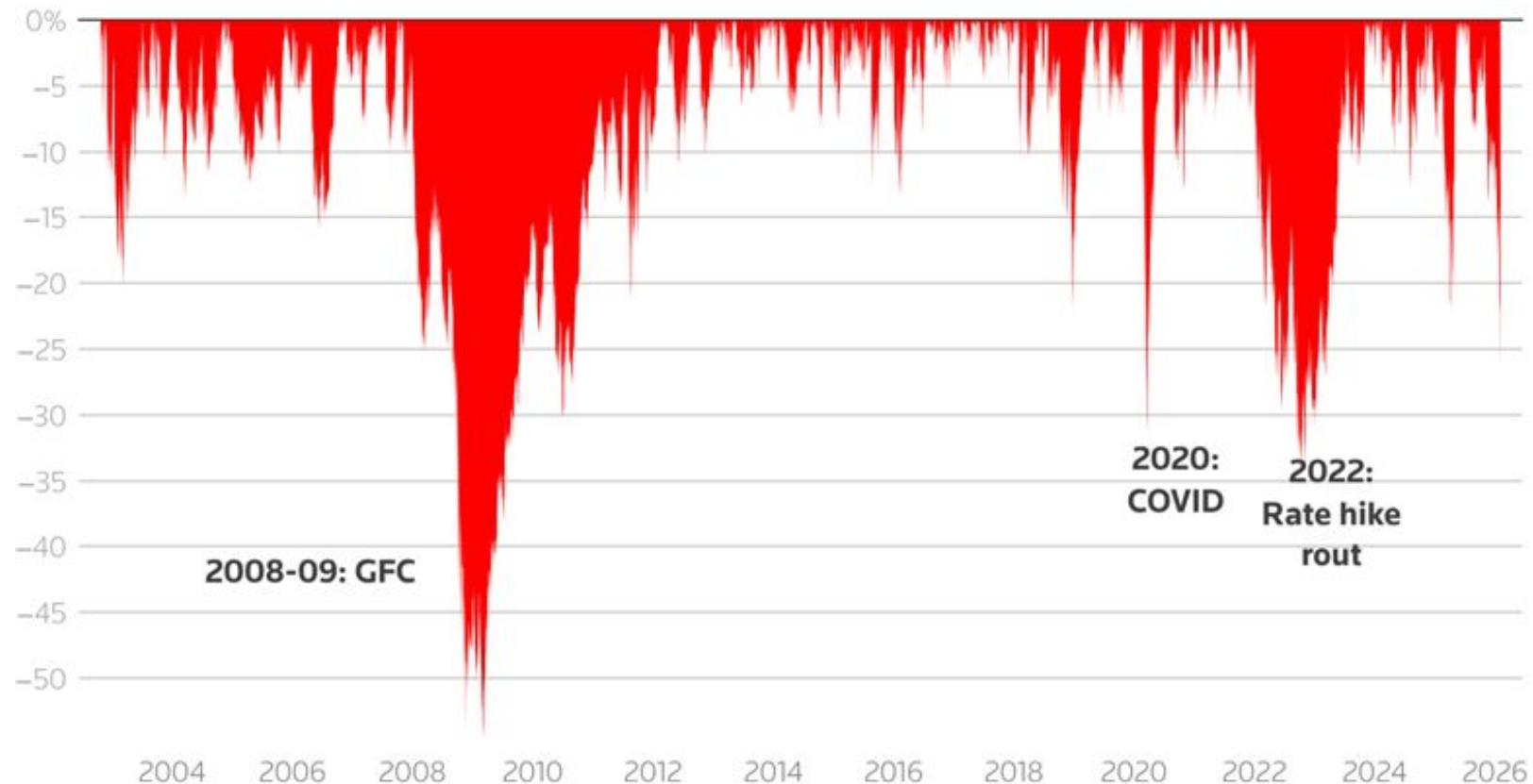
2026 Investment Initiatives Timeline	Q1			Q2			Q3			Q4		
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
Asset Allocation Study												
Asset Allocation Kickoff with IAC												
Board Investment Beliefs & Risk Sentiment Survey												
Staff & Meketa Develop Suggested Potential Mixes												
IAC Review and Discussion of Initial Mixes												
Asset Allocation Study Update to Board												
Staff & Meketa Incorporate IAC and Board Feedback												
Staff & Meketa Proposed Asset Allocation to IAC												
Staff & Meketa Final Asset Allocation Proposal Tweaks												
Final Asset Allocation Proposal to Board												
Private Equity and Private Credit Pacing Plans												
Private Markets Underwriting & Approval of Commitments												
Global Equity Core/Value Search												
US Small Cap Search												
Launch Second MAC Search												

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

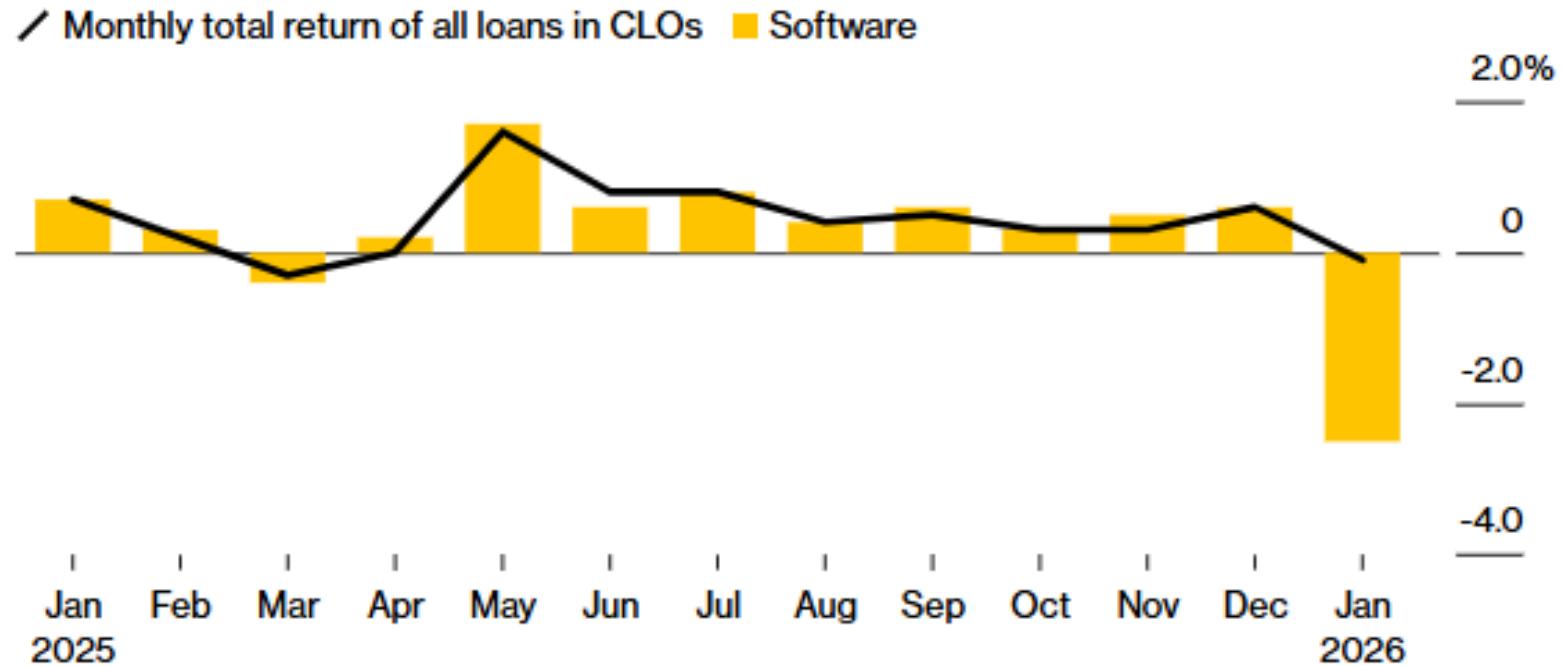


Note: The software and services index <SPLRCIS>

Source: LSEG | Saqib Ahmed

Software Selloff Not Exclusive to Equities

Software Loans in CLOs Lag January Total Returns



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 (^MSEMTR) Level % Change	7.40%



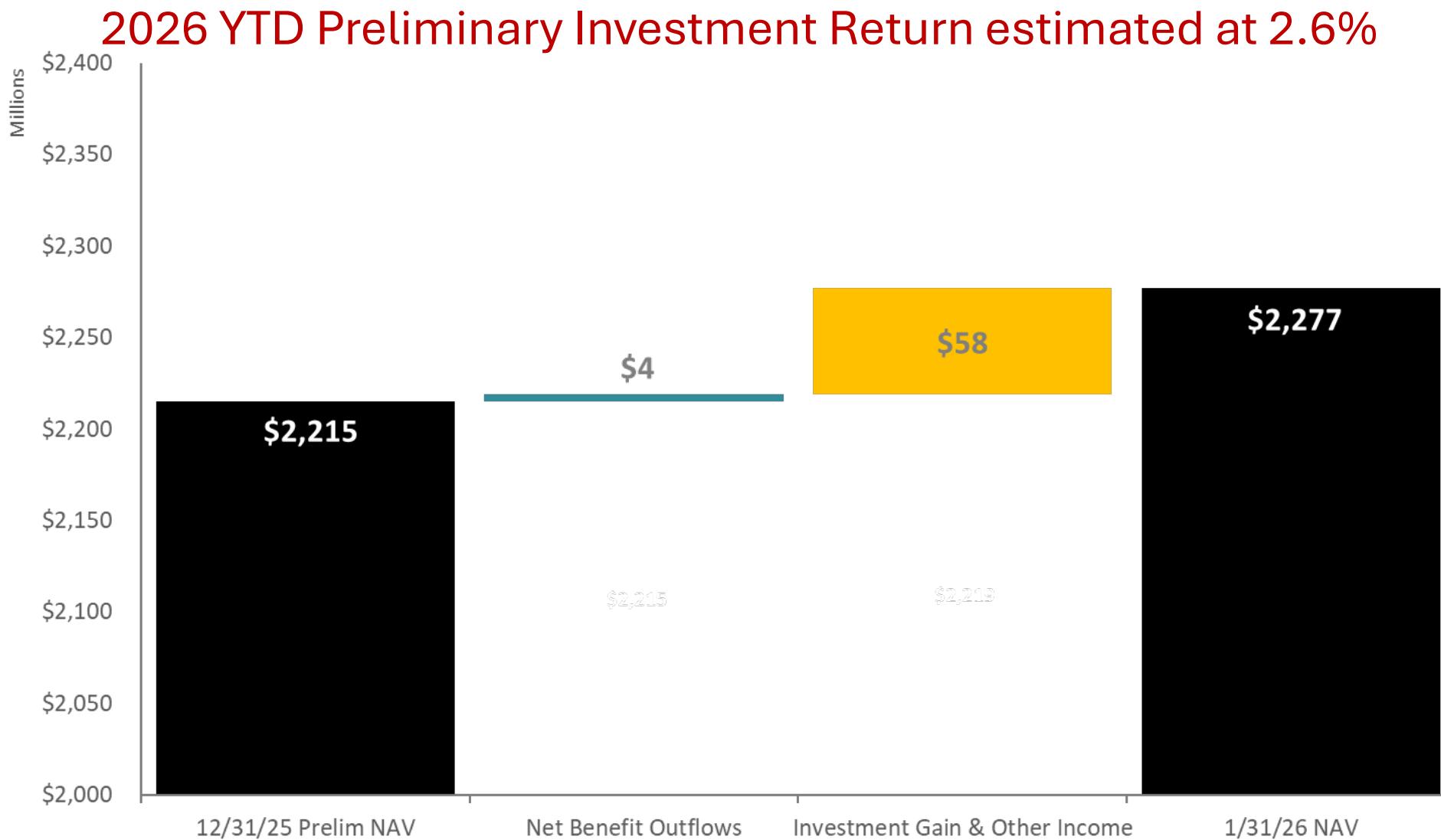
Equity Markets Returns (3 Years Ending 1/31/26)

- 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%

Feb 6, 2026, 10:30 AM EST Powered by 

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

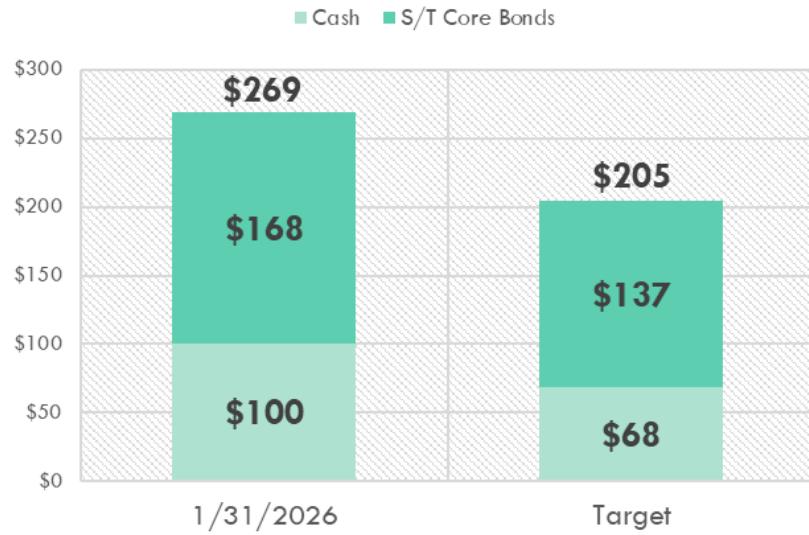
In Millions



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

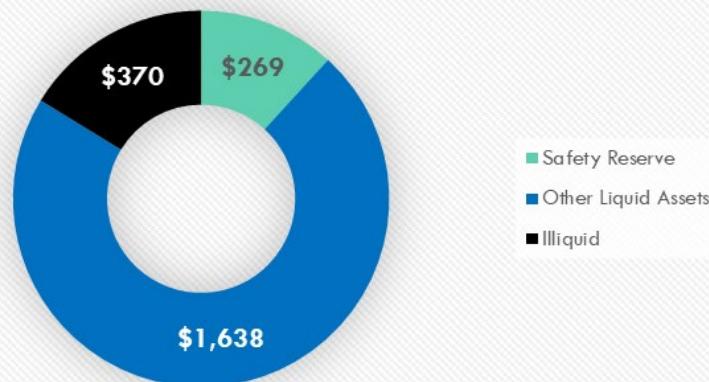
Liquidity Dashboard – As of 1/31/26

Cash & ST Bonds vs. Target (\$M)



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

Liquidity Profile (\$M)



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.