



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

December 12th, 2024

Board Meeting

Executive Summary

- **Estimated YTD Return (As of 11/30/24):** 10.3% for DPFPP Portfolio; 15.0% for Public Portfolio (ex-Cash) which makes up 77% of the assets.
- **Custodian Transition a key focus:** Board approved hiring BNY for custodian services on July 11th, 2024. Conversion planned for 1/1/25.
- **Rebalancing Actions:** EM Equity (-\$21M) and EM Debt (-\$9M) were reduced towards the newly approved targets in early December, with proceeds going to cash. WCM was also trimmed back towards target by \$17.5M, with the proceeds funding the passive NT ACWI IMI fund.

Investment Initiatives – 2024/25 Plan

Q4 2024

- Asset Allocation Study to Board
- Investment Policy Statement review and updates
- Discussion of when to initiate new private market investments
- Private Market Planning – Update IPS provision, pacing studies, etc.

Q1 2025

- Private Credit Pacing Plan
- Public Equity and Public Credit Asset Class Structure updates
- Potential High Yield Search

Q2 2025 & Beyond

- Private Equity Pacing Plan
- Initial New Private Market Investments

S&P 500 Eclipses 6,000

S&P 500 Price Index



US Dominance of Market Cap Weighted Indices

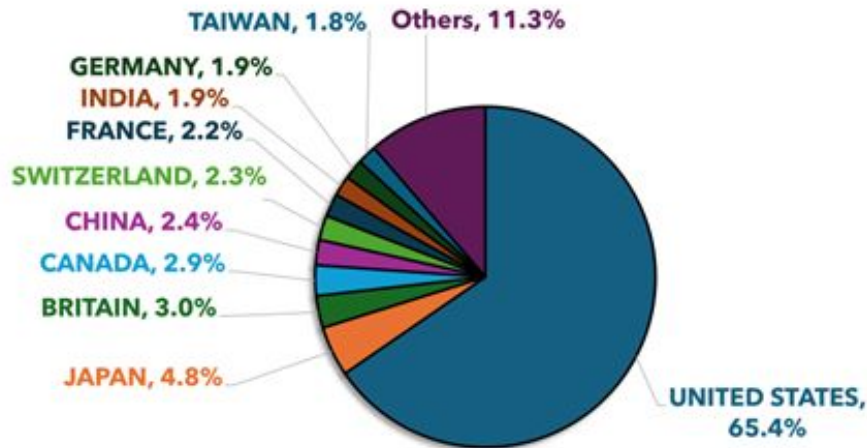
Market Cap vs GDP Weight



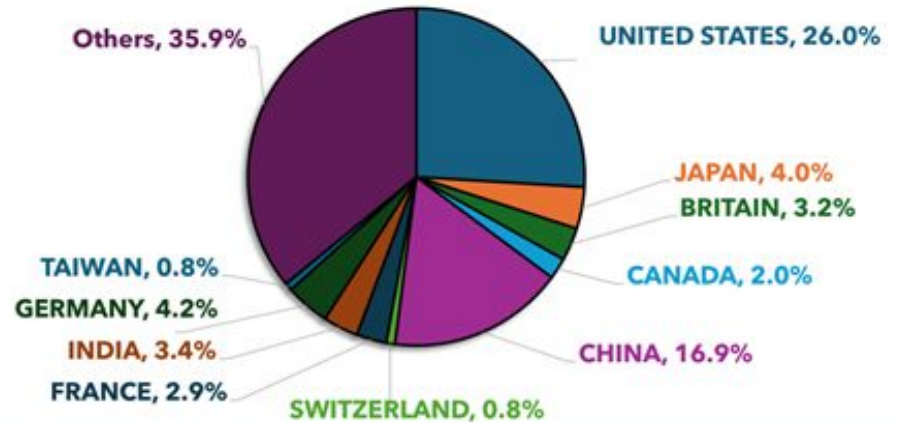
Market Cap Weight vs GDP Weighting of MSCI ACWI

As of 12/2/2024

Market Cap Weighting



GDP Weighting

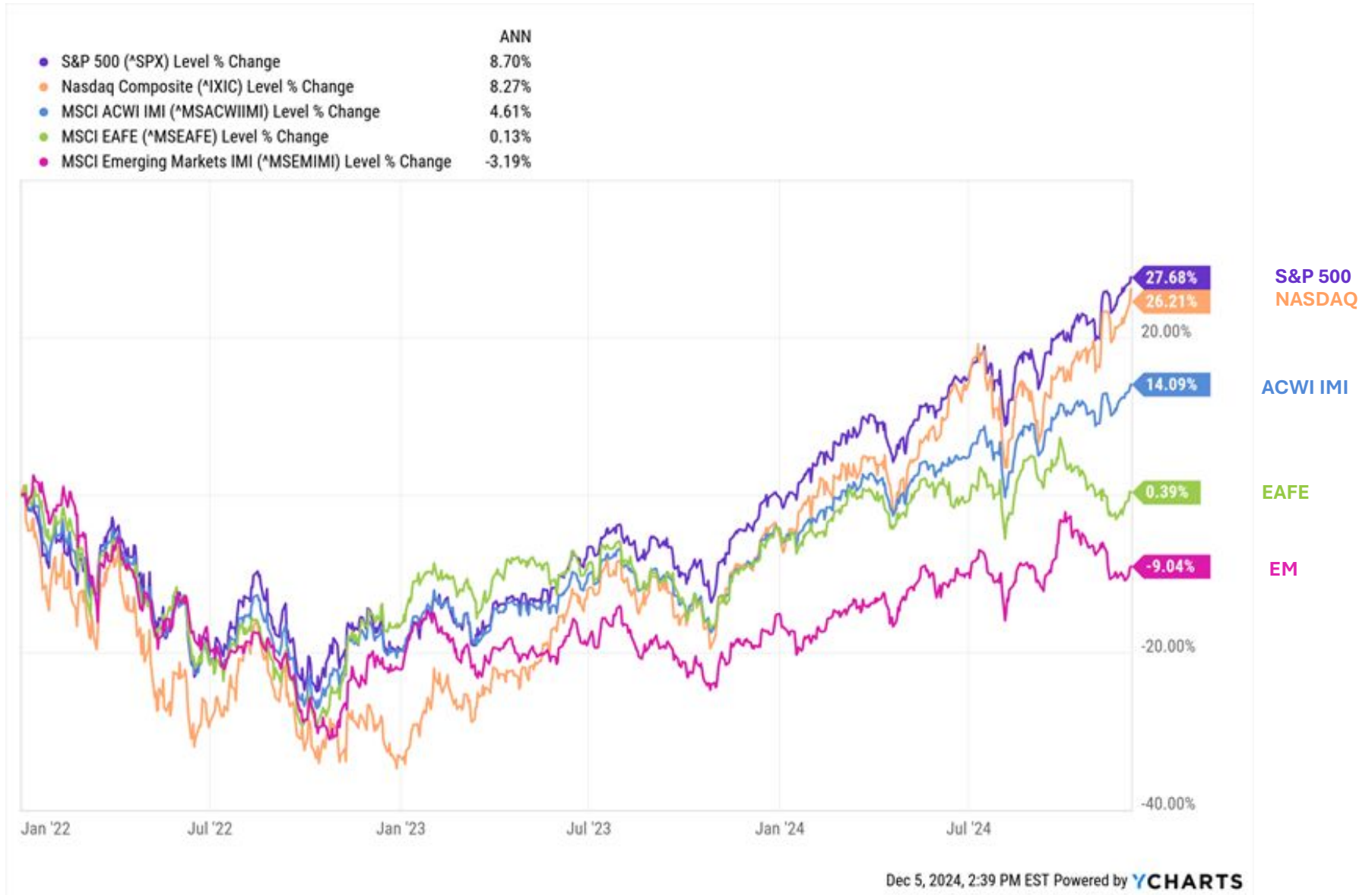


Source: Ritholtz Wealth Management, data via Bloomberg Finance L.P.

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Equity Market Returns (1/1/22 to 12/04/24)



Public Markets Performance Snapshot

Public Markets (ex-Cash) currently make up 77% of DFPF Investment Portfolio.

Asset Allocation & Performance | As of November 30, 2024

Performance Summary Ending November 30, 2024					
	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
Total Public Portfolio (ex-Cash)	1,572,435,858	3.2	15.0	5.7	7.8
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>		<i>2.5</i>	<i>11.6</i>	<i>2.8</i>	<i>6.1</i>
Public Equity	1,145,971,008	4.1	18.3	7.0	10.6
<i>MSCI AC World IMI Index (Net)</i>		<i>3.9</i>	<i>19.6</i>	<i>7.2</i>	<i>11.0</i>
Global Equity	1,045,227,672	4.7	19.3	7.4	11.1
<i>MSCI AC World IMI Index (Net)</i>		<i>3.9</i>	<i>19.6</i>	<i>7.2</i>	<i>11.0</i>
Boston Partners Global Equity Fund	121,464,769	1.7	12.5	10.2	11.0
<i>MSCI World Net</i>		<i>4.6</i>	<i>21.8</i>	<i>8.8</i>	<i>12.4</i>
Manulife Global Equity Strategy	123,955,161	3.4	16.2	8.6	10.2
<i>MSCI ACWI Net</i>		<i>3.7</i>	<i>20.3</i>	<i>7.7</i>	<i>11.4</i>
Walter Scott Global Equity Fund	126,843,198	4.1	14.0	5.7	10.4
<i>MSCI ACWI Net</i>		<i>3.7</i>	<i>20.3</i>	<i>7.7</i>	<i>11.4</i>
WCM Global Equity	144,849,701	11.3	39.9	--	--
<i>MSCI AC World Index Growth (Net)</i>		<i>4.3</i>	<i>23.7</i>	<i>6.2</i>	<i>13.8</i>
NT ACWI Index IMI	405,144,119	4.0	19.9	7.7	--
<i>MSCI AC World IMI Index (Net)</i>		<i>3.9</i>	<i>19.6</i>	<i>7.2</i>	<i>11.0</i>
Eastern Shore US Small Cap	68,122,163	9.9	26.2	2.9	--
<i>Russell 2000 Index</i>		<i>11.0</i>	<i>21.6</i>	<i>5.0</i>	<i>9.9</i>
Global Alpha International Small Cap	54,848,562	-0.7	-0.6	--	--
<i>MSCI EAFE Small Cap (Net)</i>		<i>0.1</i>	<i>4.2</i>	<i>-1.1</i>	<i>3.7</i>

MEKETA INVESTMENT GROUP

Source: Meketa

Public Markets Performance Snapshot

Asset Allocation & Performance | As of November 30, 2024

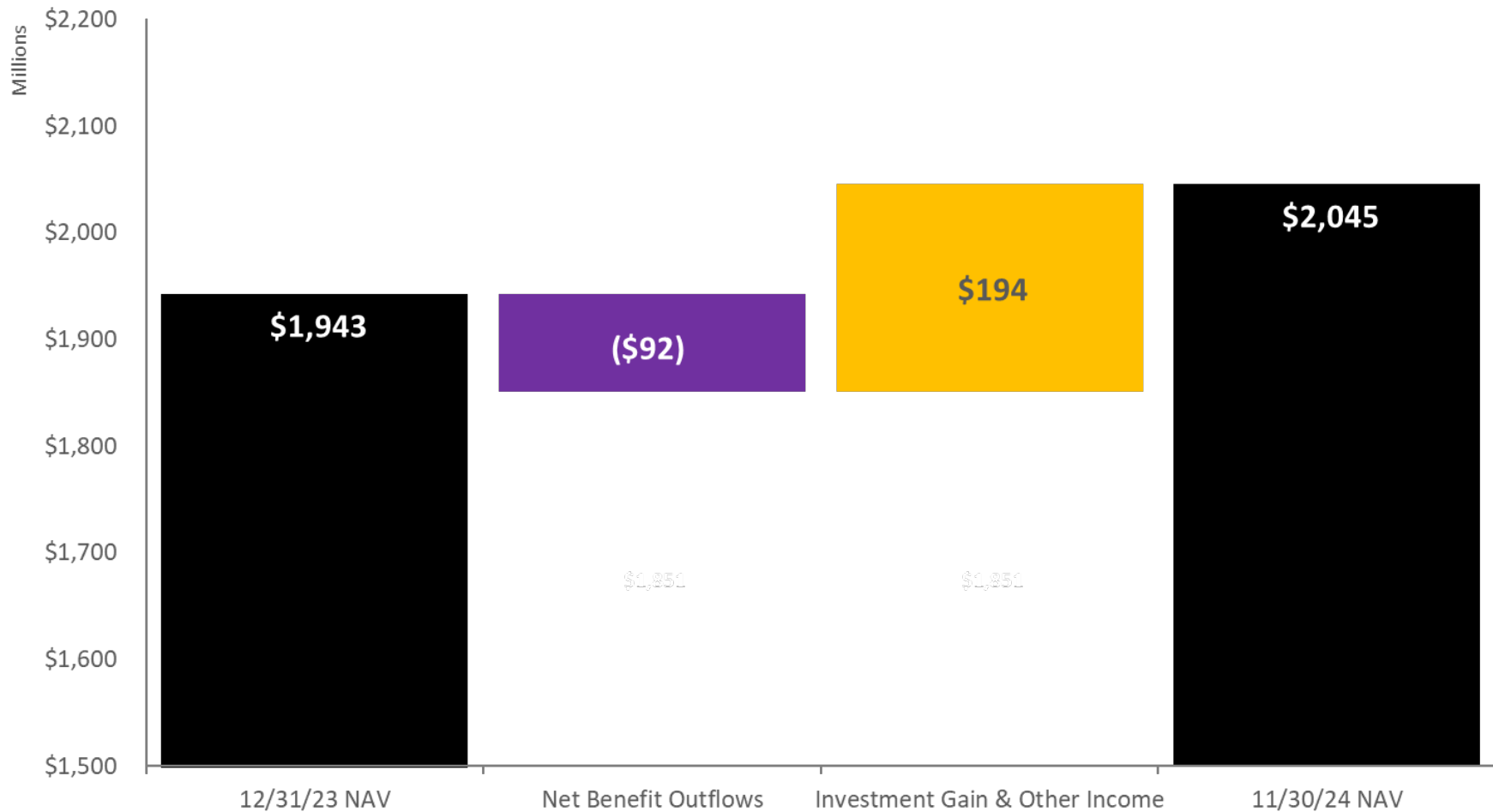
	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
Emerging Markets Equity	100,743,336	-1.6	8.7	2.4	4.2
<i>MSCI Emerging Markets IMI (Net)</i>		<i>-3.4</i>	<i>7.4</i>	<i>-0.6</i>	<i>4.0</i>
RBC Emerging Markets Equity	100,743,336	-1.6	8.7	2.4	4.2
<i>MSCI Emerging Markets IMI (Net)</i>		<i>-3.4</i>	<i>7.4</i>	<i>-0.6</i>	<i>4.0</i>
Public Fixed Income	426,464,850	0.9	6.4	1.1	2.3
<i>Bloomberg Global Multiverse Index</i>		<i>0.3</i>	<i>0.8</i>	<i>-3.6</i>	<i>-1.2</i>
IR&M 1-3 Year Strategy	123,170,025	0.5	4.8	2.1	2.1
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		<i>0.3</i>	<i>4.2</i>	<i>1.6</i>	<i>1.5</i>
Longfellow Core Fixed Income	81,374,876	1.0	3.9	-1.6	--
<i>Blmbg. U.S. Aggregate Index</i>		<i>1.1</i>	<i>2.9</i>	<i>-2.0</i>	<i>0.0</i>
Aristotle Pacific Capital Bank Loan	83,628,739	0.9	8.6	7.5	6.1
<i>Credit Suisse Leveraged Loan</i>		<i>0.8</i>	<i>8.4</i>	<i>6.9</i>	<i>5.9</i>
Loomis US High Yield Fund	69,077,651	1.6	9.6	3.2	--
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		<i>1.2</i>	<i>8.7</i>	<i>3.7</i>	<i>4.7</i>
Metlife Emerging Markets Debt Blend	69,213,561	0.5	6.5	--	--
<i>35% JPMEMBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBI-EM Di</i>		<i>0.5</i>	<i>5.3</i>	<i>--</i>	<i>--</i>

MEKETA INVESTMENT GROUP

Change in Market Value Bridge Chart - As of 11/30/24

In Millions

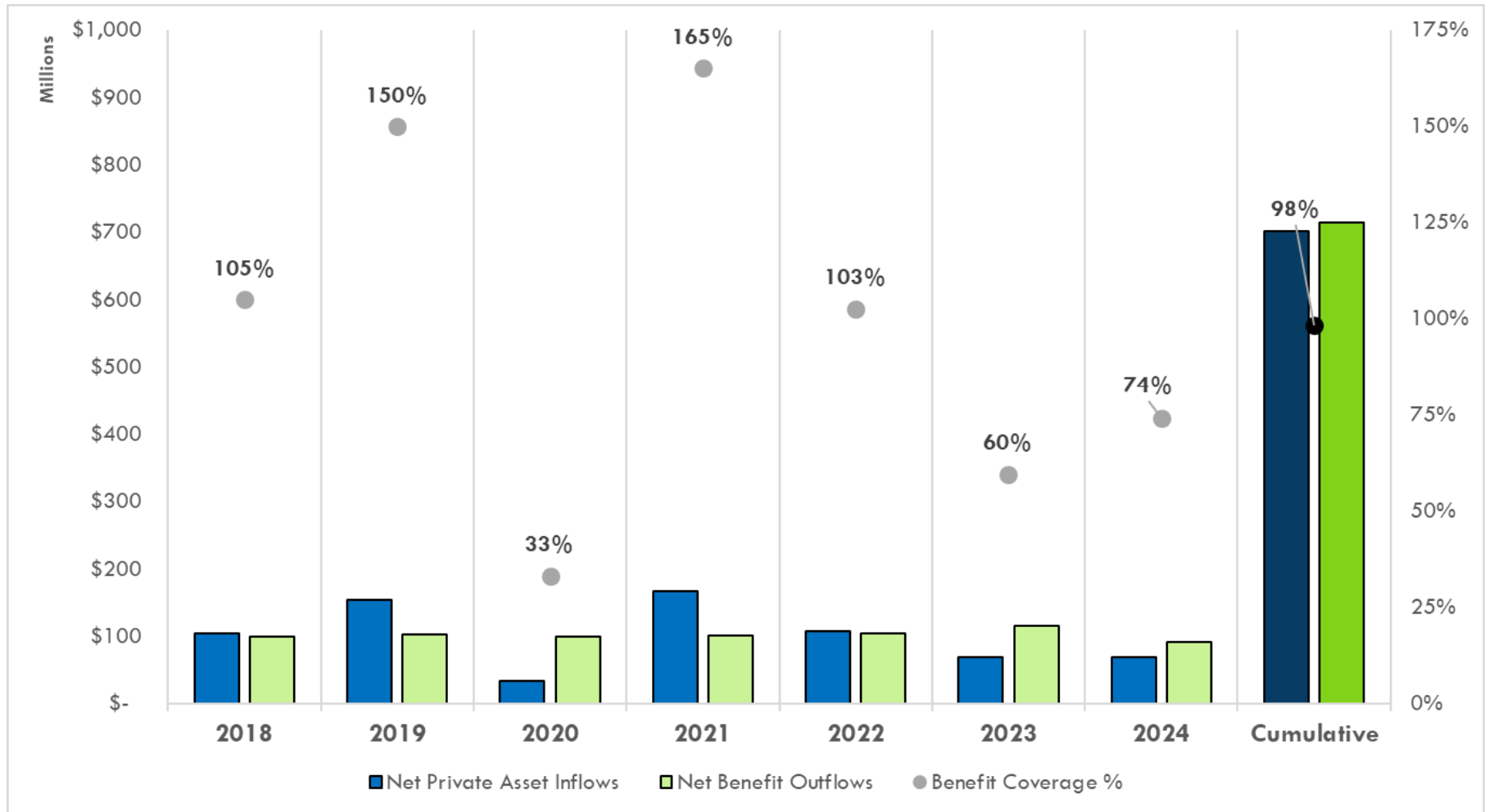
2024 YTD Preliminary Investment Return estimated at 10.3%



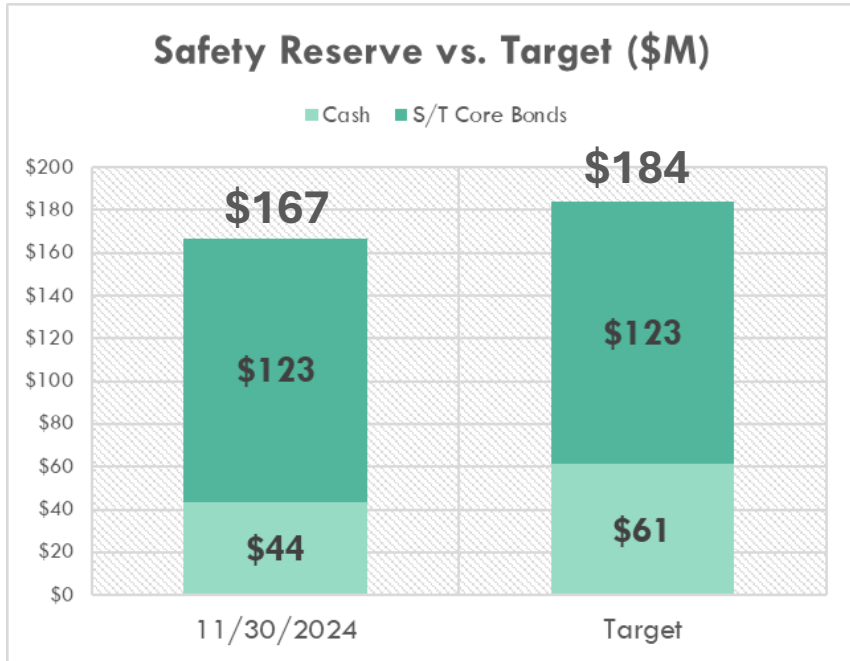
The beginning 12/31/23 value is from the Q4 2023 Meketa Performance Report and includes a one-quarter lag on private assets. Numbers may not foot due to rounding.

Benefit Outflow Coverage

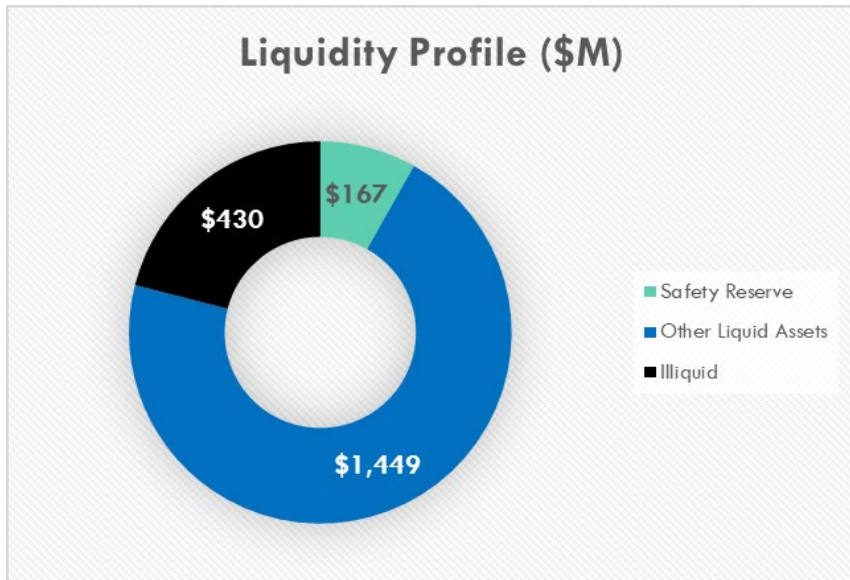
Since 2018, net Private Asset inflows have covered 98% of net benefit outflows.



Safety Reserve Dashboard – As of 11/30/24



Projected Net Monthly outflows of **\$8.3M** per month. Safety Reserve of **\$167M** would cover net monthly outflows for next **20 months** or through **July 2026**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	11/30/24		\$43.6	2.1%
City Contribution	12/6/24	\$9.7	\$53.3	2.6%
City Contribution	12/20/24	\$9.7	\$63.1	3.1%
Pension Payroll	12/25/24	(\$28.7)	\$34.3	1.7%
City Contribution	1/3/25	\$9.7	\$44.0	2.2%
City Contribution	1/17/25	\$9.7	\$53.8	2.6%
Pension Payroll	1/29/25	(\$28.7)	\$25.0	1.2%
City Contribution	1/31/25	\$9.7	\$34.8	1.7%
City Contribution	2/14/25	\$9.7	\$44.5	2.2%
Pension Payroll	2/26/24	(\$28.7)	\$15.7	0.8%
City Contribution	2/28/25	\$9.7	\$25.5	1.2%

Numbers may not foot due to rounding.

Asset Allocation Detail

DPPF Asset Allocation	11/30/2024		Cash Flow		Post Rebal. Pro Forma Actual		Post Rebal. Pro Forma Target		
	NAV	%	Benefit/Dists.	Rebalancing	NAV	%	\$ mil.	%	% of Target
Equity	1,311	64.1%	0.0	-21.0	1,290	63.1%	1,309	64%	99%
Global Equity	1,045	51.1%			1,045	51.1%	1,105	54%	95%
<i>Boston Partners</i>	<i>121</i>	<i>5.9%</i>			<i>121</i>	<i>5.9%</i>	<i>123</i>	<i>6%</i>	<i>99%</i>
<i>Manulife</i>	<i>124</i>	<i>6.1%</i>			<i>124</i>	<i>6.1%</i>	<i>123</i>	<i>6%</i>	<i>101%</i>
<i>Walter Scott</i>	<i>127</i>	<i>6.2%</i>			<i>127</i>	<i>6.2%</i>	<i>123</i>	<i>6%</i>	<i>103%</i>
<i>WCM</i>	<i>145</i>	<i>7.1%</i>		<i>-17.5</i>	<i>127</i>	<i>6.2%</i>	<i>123</i>	<i>6%</i>	<i>104%</i>
<i>Northern Trust ACWI IMI Index</i>	<i>405</i>	<i>19.8%</i>		<i>17.5</i>	<i>423</i>	<i>20.7%</i>	<i>511</i>	<i>25%</i>	<i>83%</i>
<i>Eastern Shore US Small Cap</i>	<i>68</i>	<i>3.3%</i>			<i>68</i>	<i>3.3%</i>	<i>61</i>	<i>3%</i>	<i>111%</i>
<i>Global Alpha Intl Small Cap</i>	<i>55</i>	<i>2.7%</i>			<i>55</i>	<i>2.7%</i>	<i>61</i>	<i>3%</i>	<i>89%</i>
Emerging Markets Equity - RBC	101	4.9%		-21.0	80	3.9%	82	4%	98%
Private Equity*	165	8.1%			165	8.1%	123	6%	134%
Fixed Income	471	23.0%	0.0	21.0	492	24.1%	573	28%	86%
Cash	44	2.1%		30.0	74	3.6%	61	3%	120%
S/T Investment Grade Bonds - IR+M	123	6.0%			123	6.0%	123	6%	100%
Investment Grade Bonds - Longfellow	81	4.0%			81	4.0%	82	4%	99%
Bank Loans - Aristotle Pacific	83	4.1%			83	4.1%	82	4%	102%
High Yield Bonds - Loomis Sayles	69	3.4%			69	3.4%	82	4%	84%
Emerging Markets Debt - MetLife	69	3.4%		-9.0	60	2.9%	61	3%	98%
Private Debt*	1	0.1%			1	0.1%	82	4%	
Real Assets*	263	12.9%	0.0	0.0	263	12.9%	164	8%	161%
Real Estate*	151	7.4%			151	7.4%	102	5%	147%
Natural Resources*	89	4.4%			89	4.4%	61	3%	146%
Infrastructure*	23	1.1%			23	1.1%	0	0%	
Total	2,045	100.0%	0.0	0.0	2,045	100.0%	2,045	100%	
Safety Reserve ~\$162M=18 mo net CF	167	8.2%	0.0	30.0	197	9.6%	184	9%	107%
*Private Market Assets	430	21.0%	0.0	0.0	430	21.0%	368	18%	

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

*Yellow targets in the post rebalancing column are reflective of the new strategic asset allocation.



Asset Allocation – Actual vs Target

