

## AGENDA



**Date:** June 7, 2024

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, June 13, 2024, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas and via telephone conference for audio at 214-271-5080 access code 588694 or Toll-Free (US & CAN): 1-800-201-5203 and Zoom meeting for visual <https://us02web.zoom.us/j/83364156526?pwd=OG5CbEFhajN5V0hWaUFJMLhYcHQ2Zz09> Passcode: 923237.** Items of the following agenda will be presented to the Board:

### **A. MOMENT OF SILENCE**

### **B. APPROVAL OF MINUTES**

- 1. Required Public meeting of May 9, 2024**
- 2. Regular meeting of May 9, 2024**

**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Independent Actuarial Analysis and Recommendations and Section 2.025 Update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**2. Financial Audit Status**

**3. Executive Director Approved Pension Ministerial Actions**

**4. Monthly Contribution Report**

**5. Board approval of Trustee education and travel**

**a. Future Education and Business-related Travel**

**b. Future Investment-related Travel**

**6. Portfolio Update**

**7. First Quarter 2024 Investment Performance Analysis and Fourth Quarter 2024 Private Markets & Real Assets Review**

**8. Lone Star Investment Advisors**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**9. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

**10. Closed Session - Board serving as Medical Committee**

Discussion of the following will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

Disability Recall 2024-2R

## **D. BRIEFING ITEMS**

### **1. Public Comment**

### **2. Executive Director's Report**

#### **a. Associations' newsletters**

- NCPERS Monitor (June 2024)
- TEXPERS Pension Observer (Vol. 2 2024)

<https://online.anyflip.com/mxfu/jzon/mobile/index.html>

#### **b. Open Records**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by the Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, Section 551.076 for deliberation regarding security devices or security audits, and Section 551.078 for review of medical records.





## **MOMENT OF SILENCE**

**In memory of our Members and Pensioners who recently passed away**

NAME	ACTIVE/ RETIRED	DEPARTMENT	DATE OF DEATH
Ernest A. Reyes	Retired	Police	04/30/2024
Michael C. Mason	Retired	Police	05/02/2024
Charles E. Peters	Retired	Fire	05/06/2024
Mark A. Williamson	Retired	Fire	05/06/2024
Vincent E. Miles	Retired	Police	05/15/2024
David A. Brintnell	Retired	Police	05/18/2024
Elmer L. Boyd	Retired	Police	05/24/2024
D. R. Kern	Retired	Fire	05/31/2024

*Regular Board Meeting –Thursday, June 13, 2024*

**Dallas Police and Fire Pension System  
Thursday, May 9, 2024  
8:30 a.m.  
4100 Harry Hines Blvd., Suite 100  
Second Floor Board Room  
Dallas, TX**

Required Public meeting, Nicholas A. Merrick, Chairman, presiding:

**ROLL CALL**

**Board Members**

Present at 8:31 a.m. Nicholas Merrick, Tina Hernandez Patterson, Michael Taglienti, Michael Brown, Tom Tull, Marcus Smith, Matthew Shomer, Nancy Rocha, Mark Malveaux

By telephone Anthony Scavuzzo, Steve Idoux

Absent None

**Staff**

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Christina Wu, Akshay Patel, Kyle Schmit, John Holt, Nien Nguyen, Milissa Romero, Cynthia J. Thomas

**Others**

Jody Hillenbrand, Gay Donnell Willis

By telephone Ken Haben, Jeffrey Williams

\* \* \* \* \*

The first of two annual public meetings of the Dallas Police and Fire Pension System Board of Trustees as required by Section 3.01 (j-9) of Article 6243a-1 of Vernon’s Revised Civil Statutes.

\* \* \* \* \*

The Required Public meeting was called to order at 8:31 a.m.

\* \* \* \* \*

- 1. Report on the health and performance of the Pension System**
  - a. The Chief Financial Officer presented the first quarter 2024 financial statements.
  - b. The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

**Required Public Meeting  
Thursday, May 9, 2024**

\* \* \* \* \*

**2. Public Comment**

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

\* \* \* \* \*

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Brown and a second by Mr. Tull, the meeting was adjourned at 8:39 a.m.

\_\_\_\_\_  
Nicholas A. Merrick  
Chairman

**ATTEST:**

\_\_\_\_\_  
Kelly Gottschalk  
Secretary

**Dallas Police and Fire Pension System  
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Absent None

**Staff**

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Christina Wu, Akshay Patel, Kyle Schmit, John Holt, Nien Nguyen, Milissa Romero, Cynthia J. Thomas

**Others**

Jody Hillenbrand, Gay Donnell Willis

By telephone Ken Haben, Jeffrey Williams

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The meeting was called to order and recessed at 8:31 a.m.

The meeting reconvened at 8:39 a.m.

\* \* \* \* \*

**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of retired police officers John D. James, Roland Kuykendall, Jimmy E. Little, Clayton R. Heyse, and retired firefighters Jack D. Baxter, Wallace J. Graves, Daryle E. Flood.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, May 9, 2024**

**B. APPROVAL OF MINUTES**

Regular meeting of April 11, 2024

After discussion, Mr. Brown made a motion to approve the Regular minutes of the meeting of April 11, 2024. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Quarterly Financial Reports**

The Chief Financial Officer presented the first quarter 2024 financial statements.

No motion was made.

\* \* \* \* \*

**2. Monthly Contribution Report**

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

\* \* \* \* \*

**3. Report on Audit Committee Meeting**

The Audit Committee met with Jody Hillenbrand from BDO on May 9, 2024 to review the Audit Plan for the 2023 audit. The Committee Chair commented on the meeting and the audit plan.

No motion was made.

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**4. Audit Plan**

Jody Hillenbrand from BDO, DPFP's external independent audit firm, discussed their audit plan for the year ended December 31, 2023.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, May 9, 2024**

**5. Independent Actuarial Analysis and Recommendations and Section 2.025 Update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

The Executive Director provided an update on the process involving Section 2.025 of Article 6243a-1 and recommendations and the Board provided feedback on the recommendations.

No motion was made.

\* \* \* \* \*

Mr. Idoux left the meeting at 10:17 a.m.

\* \* \* \* \*

**6. January 1, 2024 Actuarial Valuation Assumptions**

An Actuarial Valuation is performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and it is an important part of the annual financial audit. Pursuant to Article 16, Section 67 (f)(3) of the Texas Constitution, the Board determines the assumptions used in the valuation.

Segal Consulting, DFPF’s actuary, reviewed the assumptions used for January 1, 2023 Actuarial Valuation and does not recommend changing any assumptions for January 1, 2024 Actuarial Valuation. After this Actuarial Valuation and before next Actuarial Valuation (January 1, 2025) an Experience Study is due which may result in recommendations for modifications to some assumptions.

After discussion, Mr. Shomer made a motion to direct Segal to use the same assumptions for the January 1, 2024 Actuarial Valuation that were used in January 1, 2023 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting  
Thursday, May 9, 2024**

**7. Executive Director Approved Pension Ministerial Actions**

The Executive Director reported on the April pension ministerial actions.

No motion was made.

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**8. Board approval of Trustee education and travel**

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.

No motion was made.

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**9. Portfolio Update**

Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.

No motion was made.

\* \* \* \* \*

**10. Clarion – Possible sale of CCH Lamar**

The Board went into closed executive session – Real Estate at 10:28 a.m.

The meeting reopened at 11:03 a.m.

Staff updated the Board on the status of the possible sale of CCH Lamar.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, May 9, 2024**

**11. Lone Star Investment Advisors**

The Board went into closed executive session – Legal at 10:28 a.m.

The meeting reopened at 11:03 a.m.

Investment staff updated the Board on investments managed by Lone Star Investment Advisors.

No motion was made.

\* \* \* \* \*

**12. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

The Board went into closed executive session – Legal at 10:28 a.m.

The meeting reopened at 11:03 a.m.

The Board and staff discussed legal issues.

No motion was made.

\* \* \* \* \*



**Regular Board Meeting  
Thursday, May 9, 2024**

**D. BRIEFING ITEMS**

**1. Public Comments**

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

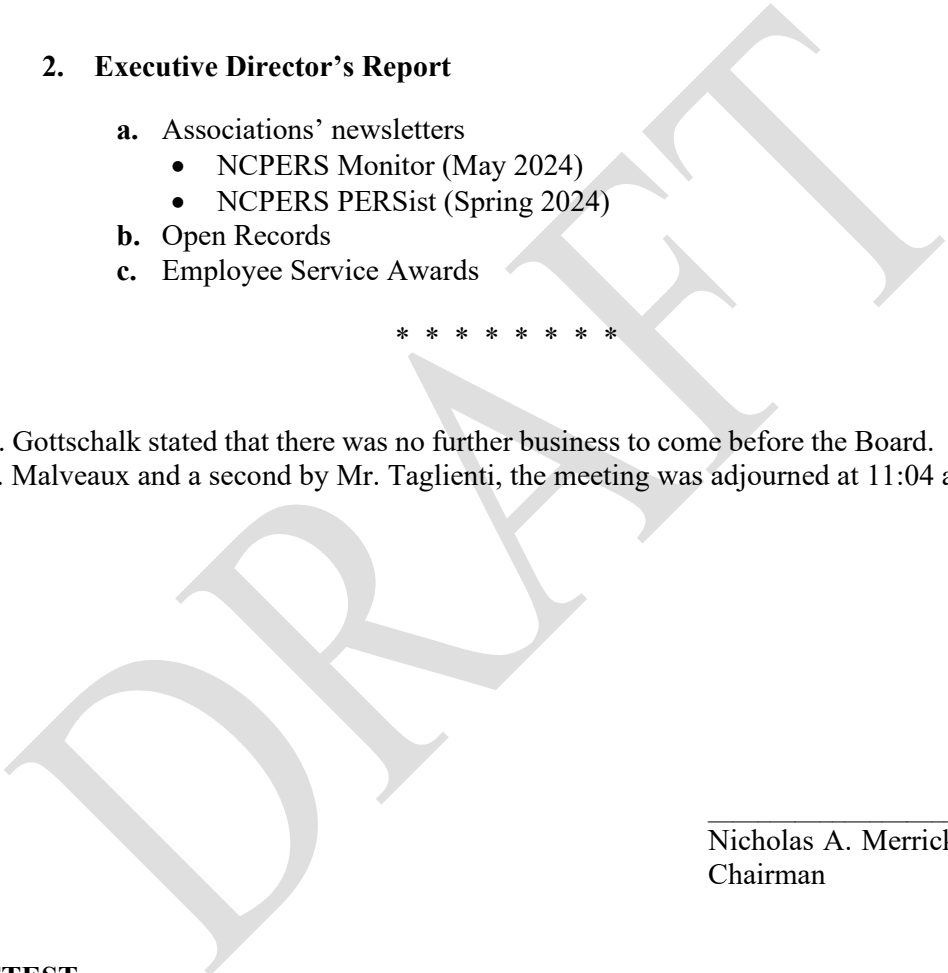
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**2. Executive Director's Report**

- a. Associations' newsletters
  - NCPERS Monitor (May 2024)
  - NCPERS PERSist (Spring 2024)
- b. Open Records
- c. Employee Service Awards

\* \* \* \* \*

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Malveaux and a second by Mr. Taglienti, the meeting was adjourned at 11:04 a.m.



\_\_\_\_\_  
Nicholas A. Merrick,  
Chairman

**ATTEST:**

\_\_\_\_\_  
Kelly Gottschalk  
Secretary



## DISCUSSION SHEET

### ITEM #C1

**Topic:** **Independent Actuarial Analysis and Recommendations and Section 2.025 Update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**Discussion:** Section 2.025 of Article 6243a-1 requires the Texas Pension Review Board to select, and DFPF to hire, an independent actuary to perform an actuarial analysis of DFPF's most recently completed actuarial valuation to (i) determine if DFPF meets Texas statutory funding requirements and (ii) recommend changes to benefits and contribution rates for employees and the City of Dallas. This analysis is due on or before October 1, 2024.

Cheiron, Inc., was hired as the independent actuary. In November 2023, Cheiron presented the preliminary report based on DFPF's January 1, 2022 actuarial valuation. In February 2024, Cheiron presented its official report under Section 2.025 based on DFPF's January 1, 2023 actuarial valuation. Staff presented recommendations to the Board in April 2024 and May 2024.

Staff will provide updates on the process and recommendations since the May meeting.

*Regular Board Meeting – Thursday, June 13, 2024*



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



## **Staff Recommendation on 2.025 Funding Requirement Considering the Independent Actuarial Analysis**

*June 13, 2024*  
Board Meeting

# Commerce Street Report on DPF and ERF

- Commerce Street Investment Management provided an initial report on DPF and Dallas ERF, which was commissioned by the City of Dallas, to the Dallas Ad Hoc Pensions Committee on Thursday, June 6.
- There were several concerning issues with the report including:
  - 1. Commerce Street did not reach out to DPF investment staff until the day prior to issuing the report.**
  - 2. Several apples to oranges comparisons creating distorted results, which were pointed out by DPF staff and not corrected. Example: comparing returns of other public plans with different year-end dates.**
- DPF is willing to work with Commerce Street on any follow-up report, including providing public information and meeting with the Commerce Street team to explain the investment portfolio, governance and procedures, provided Commerce Street agrees to present their final report to the DPF Board and IAC and allows the Board/IAC an opportunity to respond to the report, if needed.

# Cheiron Recommendations

Cheiron was selected as the Independent Actuary as required by Section 2.025 to develop recommendations on amendments to the plan, and they made the following three recommendations:

1. City contributions paid based on the Actuarial Determined Contribution (ADC)
2. Reduce employee contributions as the funding level improves
3. Provide some Cost-of-Living Adjustment earlier (COLA)

Cheiron provided a series of options in the November and February presentations and others based on requests from DFPF and the City since the February meeting.

# Comparison of Recommendations (City June 6, 2024)

- City staff recommendation
  - ADC with five-year step-up
  - Modify COLA based on CPI not to exceed 1.5%
  - Future opportunity to increase COLA based on CPI not to exceed 3.0% contingent on additional City funding
  - Supplemental pay 1% increase to pension base in 2025
  - Supplemental pay 1% per year stipend 2026 until 70% funded contingent on positive return
- DFPF staff recommendation
  - ADC with three-year step-up
  - Modify COLA based on 70% Purchasing Power
  - Supplemental Pay (\$5 x year of service x year retired since 2017)

Note: In addition to the items above, the City has proposed significant measures to erode the Board's control and increase the City's control over the contribution calculation. No agreement has been made on any of those items at this time.

# PRB Principles of Plan Design

In 2018, the PRB Board adopted the “Principles of Plan Design”. The PRB intends the Principles to guide and inform public retirement systems and the associated governmental entities on how to structure retirement plans.

The 12 Principles include two that specifically address the crucial need for an adequate COLA:

- Benefits should be designed to place employees on the path to financial security in retirement in consideration of participation or nonparticipation in Social Security. (Principle 5)
- Retirement benefits should be protected against the erosion of the benefit’s value due to inflation; such benefits should not exceed actual inflation and should be funded in accordance with the Pension Review Board’s Pension Funding Guidelines. (Principle 8)



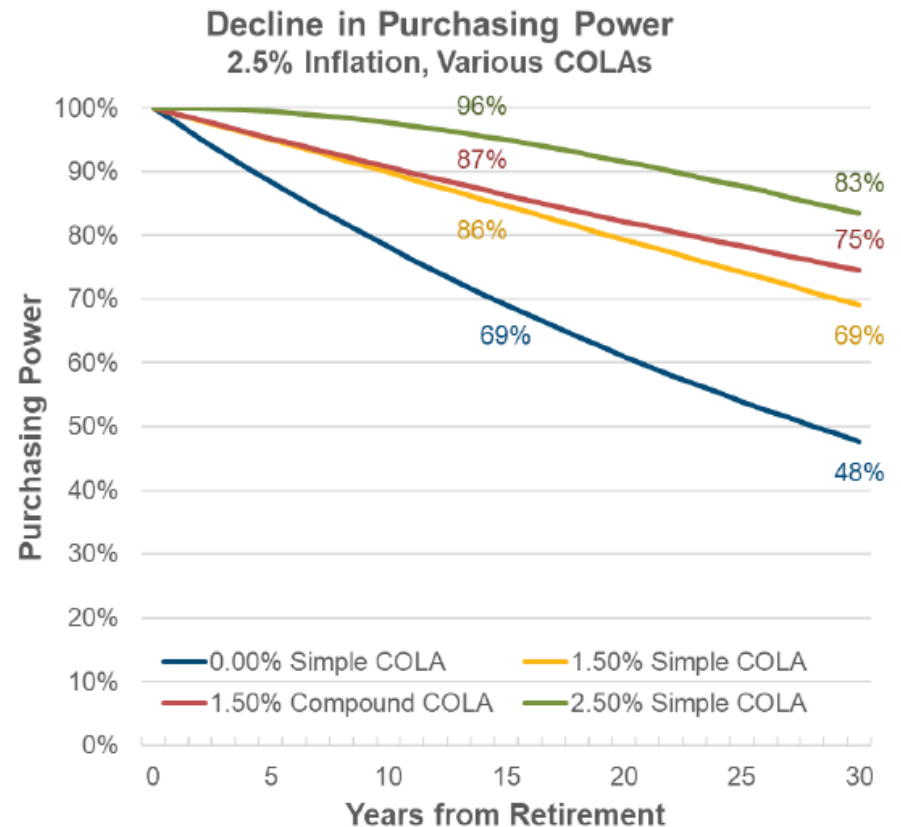
# DPFP's Role in the COLA Conversation

- To meet the funding requirements mandated by the Statute, a change to the COLA is not required.
- Some plans do not have a COLA. However, here, the drastic inequity between retirees from the same city is not logical from a pension design perspective. Both plans are undergoing modifications now, so now is the time to consider the inequity.
- In the role of a Trustee, a Trustee is neither obligated to nor prohibited from urging or adopting a plan that includes a modification to the COLA.
- The obligation of the DPFP Trustee is to adopt rules that meet the funding requirements and consider the recommendations of the independent actuary in that consideration.
- One of Cheiron's three recommendations was to "provide some COLA earlier." This recommendation was the catalyst for DPFP to consider the COLA.
- DPFP believes the City is not considering the reality of benefit erosion for uniformed retirees while valuing it highly for civilian employees.



# Cheiron COLA Provides Purchasing Power Protection (Feb. 8, 2024)

- DFPF members are not covered by Social Security
  - Social Security benefits are fully indexed to inflation
- Over time, COLAs that don't keep up with inflation erode the retiree's purchasing power
- COLAs are expensive



# Cheiron COLA Background (Feb 8, 2024)

## Dallas Police & Fire Pension System

- After HB 3158 (Effective 9/1/2017)
  - Ad Hoc
  - Simple COLA that depends on investment returns (not inflation)
    - 5-year average return minus 5%
    - Expected 1.5% COLA
      - $6.5\% \text{ expected return} - 5.0\% = 1.5\%$
    - Maximum of 4%
  - Can only be granted if funded percentage > 70%
    - 2023 valuation projects first COLA in 2073
    - With revised funding plan, first COLA expected to be paid about 2046

## Dallas Employees Retirement Fund

- Hired prior to January 1, 2017
  - Automatic
  - Simple COLA equal to CPI
  - Maximum = 5.0%
- Hired after December 31, 2016
  - Automatic
  - Simple COLA equal to CPI
  - Maximum = 3.0%

**Since 2016, an ERF retiree has added 27% to their base benefit, thereby keeping up with inflation, and a DFPF retiree has added ZERO.**

# Cheiron – Purchasing Power Impact (Feb. 8, 2024)

## Dallas Police and Fire – Current COLA

### Purchasing Power

#### Retirement

Year	2024	2029	2034	2039	2044	2049	2054
2023	100%	88%	78%	69%	63%	60%	56%
2022	96%	85%	75%	66%	60%	57%	54%
2021	88%	77%	68%	60%	55%	52%	49%
2020	83%	73%	65%	57%	52%	49%	47%
2019	82%	73%	64%	57%	52%	49%	46%
2018	81%	71%	63%	56%	51%	48%	45%
2017	79%	70%	61%	54%	49%	47%	44%
2016	76%	67%	60%	53%	48%	45%	43%
2015	78%	69%	61%	54%	49%	46%	43%
2010	86%	76%	67%	59%	54%	50%	47%
2005	93%	83%	73%	65%	58%	54%	50%
2000	94%	83%	73%	65%	58%	54%	
1995	92%	82%	72%	64%	57%		
1990	90%	79%	70%	62%			
1985	84%	75%	66%				
1980	70%	62%					

## Dallas ERF – Tier B Current COLA (max. 3%)

### Purchasing Power

#### Retirement

Year	2024	2029	2034	2039	2044	2049	2054
2023	100%	99%	98%	95%	92%	88%	83%
2022	96%	95%	93%	91%	88%	84%	80%
2021	88%	87%	86%	83%	80%	77%	73%
2020	83%	82%	81%	79%	76%	72%	69%
2019	82%	82%	80%	78%	75%	72%	69%
2018	81%	80%	79%	77%	74%	71%	67%
2017	79%	78%	77%	75%	72%	69%	66%
2016	76%	76%	74%	72%	70%	67%	64%
2015	78%	77%	75%	73%	70%	67%	64%
2010	86%	84%	81%	77%	74%	70%	66%
2005	93%	90%	86%	81%	77%	72%	68%
2000	94%	89%	85%	80%	75%	70%	
1995	92%	87%	82%	77%	72%		
1990	90%	84%	79%	73%			
1985	84%	79%	73%				
1980	70%	65%					

All current retirees are Tier A with a maximum COLA of 5%. The purchasing power reflected in the Table above was calculated as if they were Tier B with a maximum COLA of 3%. The majority of the current employees will be eligible for the higher COLA up to 5%.

# City Recommended COLA (City Presentation June 6, 2024)

## Supplemental Pay – City Staff Recommendation

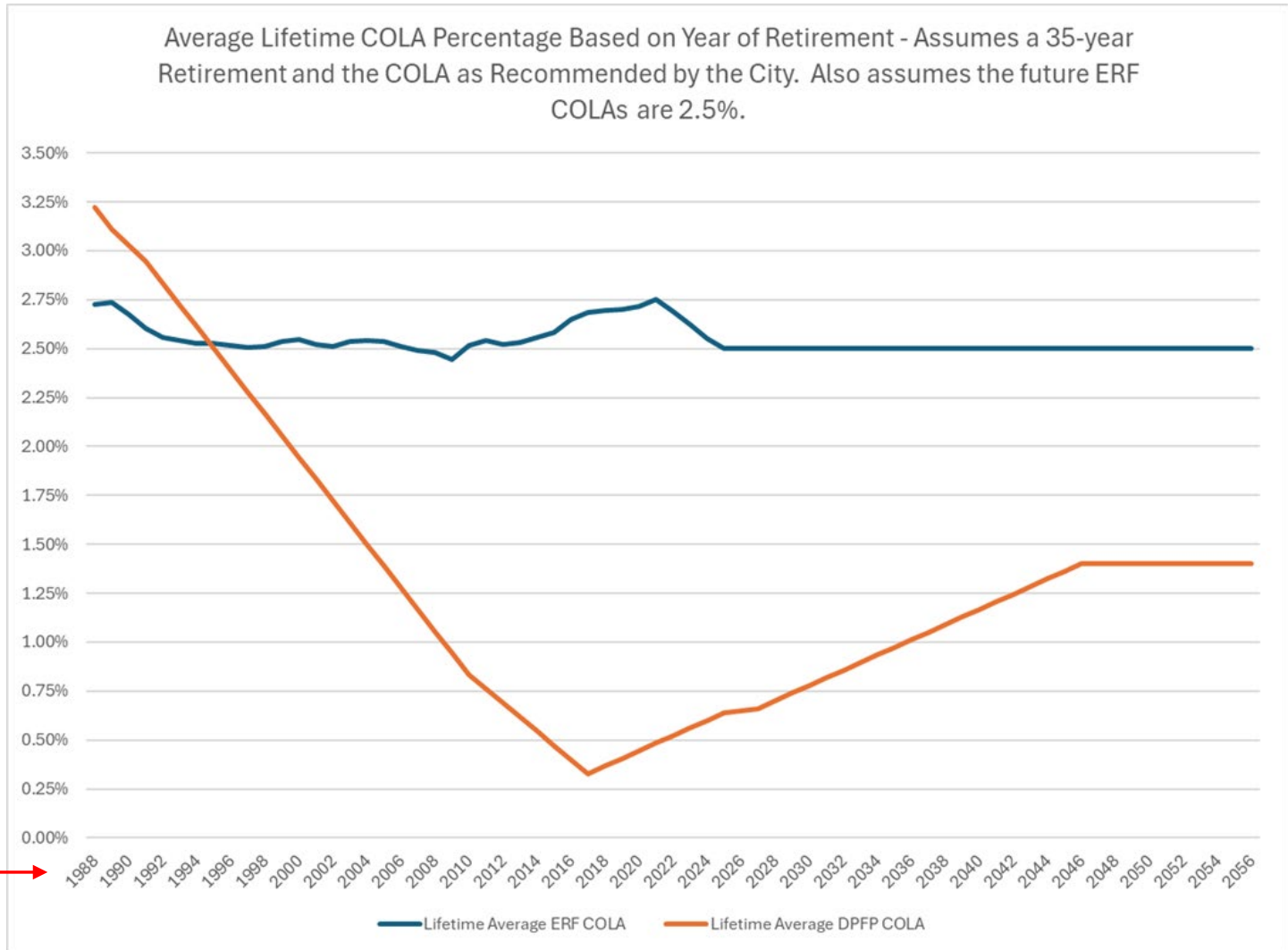
- HB3158 suspended COLA until DPFPP reaches 70% funding (forecast to be 2046)
- City staff recommends two-part supplemental pay to bridge 2025 to 2046
  - Provide 1% increase to retiree base pension in 2025 (for all retirees as of December 31, 2024)
  - Provide additional 1% per year as stipend that does not add to retiree base pension, and contingent on DPFPP having a positive return (2026-2046)

# City Recommended COLA (City Presentation June 6, 2024)

- City staff recommends continued compliance with HB3158 that provides ad hoc COLA once DFPF is 70% funded
- Staff supports modifying the HB3158 COLA methodology
  - Current: 5-year average return less 5%, not to exceed 4% per year
    - Current actuarial assumption is 1.5% per year
  - Alternative: based on CPI, not to exceed 1.5% per year
    - No change to current actuarial assumption
  - Future adjustment: contingent on City providing significant lump sum contribution or providing additional ongoing source of revenue, City may increase maximum ad hoc simple COLA based on CPI from 1.5% to 3.0%
    - Since contingent on new funding sources, will not be reflected in current actuarial assumption



# Lifetime Average COLA % Based on Year of Retirement – DPF and ERF



Year of Retirement →

# Growth of the Pension Benefit under DPFP with the City's recommendation and ERF.

Annual Pension Payments			
Two Employees retiring Under DPFP and ERF in 2024 with the same pension benefit			
	ERF Tier A (cap of 5%, modeled to match GRS assumption of 2.5%)	ERF Tier B (cap of 3%, modeled at GRS assumption of 2.2%)	DPFP with the City's recommended 1% one-time COLA in 2025 thru until 2045 and 1.5% after 2046.
2024	\$ 54,000	\$ 54,000	\$ 54,000
2025	\$ 55,350	\$ 55,188	\$ 54,540
2026	\$ 56,700	\$ 56,376	\$ 55,080
2027	\$ 58,050	\$ 57,564	\$ 55,080
2028	\$ 59,400	\$ 58,752	\$ 55,080
2029	\$ 60,750	\$ 59,940	\$ 55,080
2030	\$ 62,100	\$ 61,128	\$ 55,080
2031	\$ 63,450	\$ 62,316	\$ 55,080
2032	\$ 64,800	\$ 63,504	\$ 55,080
2033	\$ 66,150	\$ 64,692	\$ 55,080
2034	\$ 67,500	\$ 65,880	\$ 55,080
2035	\$ 68,850	\$ 67,068	\$ 55,080
2036	\$ 70,200	\$ 68,256	\$ 55,080
2037	\$ 71,550	\$ 69,444	\$ 55,080
2038	\$ 72,900	\$ 70,632	\$ 55,080
2039	\$ 74,250	\$ 71,820	\$ 55,080
2040	\$ 75,600	\$ 73,008	\$ 55,080
2041	\$ 76,950	\$ 74,196	\$ 55,080
2042	\$ 78,300	\$ 75,384	\$ 55,080
2043	\$ 79,650	\$ 76,572	\$ 55,080
2044	\$ 81,000	\$ 77,760	\$ 55,080
2045	\$ 82,350	\$ 78,948	\$ 55,080
2046	\$ 83,700	\$ 80,136	\$ 54,810
2047	\$ 85,050	\$ 81,324	\$ 55,620
2048	\$ 86,400	\$ 82,512	\$ 56,430
2049	\$ 87,750	\$ 83,700	\$ 57,240
2050	\$ 89,100	\$ 84,888	\$ 58,050
2051	\$ 90,450	\$ 86,076	\$ 58,860
2052	\$ 91,800	\$ 87,264	\$ 59,670
2053	\$ 93,150	\$ 88,452	\$ 60,480
2054	\$ 94,500	\$ 89,640	\$ 61,290
2055	\$ 95,850	\$ 90,828	\$ 62,100
2056	\$ 97,200	\$ 92,016	\$ 62,910
2057	\$ 98,550	\$ 93,204	\$ 63,720
2058	\$ 99,900	\$ 94,392	\$ 64,530
2059	\$ 101,250	\$ 95,580	\$ 65,340
2060	\$ 102,600	\$ 96,768	\$ 66,150
Total	\$ 2,897,100	\$ 2,789,208	\$ 2,117,340
Extra Lifetime Payments to the ERF Employee			\$ 779,760

Beginning in 2026, the City's proposal includes a possible Supplement Payment that does not get added to the base. The Supplemental Payment is not guaranteed. The calculations in the table assume the Supplemental Payment is received each year. Of the \$55,080 that is received each year from 2026-2045, \$540 is the Supplemental Payment.

# DPFP Staff Recommendation – COLA

## Recommending a 2-part COLA and modifications to the Current COLA

Bridge

1. Bridge – Bridge until 70% funded - \$5 per years of service per years retired since 2017

New COLA

2. New COLA: 70% Purchasing Power COLA

Modify Current COLA

3. Modify the Current COLA in the Statute:

- The Current COLA is a component of most of the Cheiron-modeled COLAs. It is a component of item 2 above.
- The modifications do not increase the cost of the current COLA.
- Modifications align the Current COLA with the purpose of a COLA - to avoid erosion of the benefit due to inflation.



# DPFP Staff Recommendation – Bridge COLA

Staff Recommended Bridge COLA: \$5 per years of service per years retired since 2017 & Current COLA

Bridge

- 13<sup>th</sup> check = \$5 Per year of Service Per Year of Retirement Since 2017
- Payable October 1, 2025, and every October 1 thereafter until the fund is 70% funded and the regular or new COLA is funded.
  - Assumed to be paid October 1, 2025 through October 1, 2045
- Example: a member had 20 years of service at retirement and retired before 2017, payment would be:
  - 2025:  $\$5 \times 20 \times 8 = \$800$
  - 2026:  $\$5 \times 20 \times 9 = \$900$
  - 2027:  $\$5 \times 20 \times 10 = \$1,000$
  - Etc.

# DPFP Staff Recommendation – New COLA

## Staff Recommended New COLA Option:

### 70% Purchasing Power

#### New COLA

- The 70% Purchasing Power COLA option directly addresses the principle of protecting against benefit erosion due to inflation.
- The 70% Purchasing Power COLA is the best long-term solution in the modest cost range. Other options provide more protection but were not included due to cost.
- The cost is modest and in line with other options provided by Cheiron.
- Because this COLA will not trigger until approximately 15 years, and no COLA has been granted since 2016, a very modest additional COLA is recommended as a **Bridge** to allow for some benefit increase before the **New COLA** is triggered. Also, **modifications to the Current COLA** in the statute are recommended to align the Current COLA with the intended purpose of granting a COLA.

# 70% Purchasing Power COLA

## Purchasing Power

Retirement Year	2024	2029	2034	2039	2044	2049	2054
2023	100%	88%	78%	70%	70%	70%	70%
2022	96%	85%	75%	67%	67%	67%	67%
2021	88%	77%	68%	61%	61%	61%	61%
2020	83%	73%	65%	58%	58%	58%	58%
2019	82%	73%	64%	58%	58%	58%	58%
2018	81%	71%	63%	56%	56%	56%	56%
2017	79%	70%	61%	55%	55%	55%	55%
2016	76%	67%	60%	53%	53%	53%	53%
2015	78%	69%	61%	54%	54%	54%	54%
2010	86%	76%	67%	60%	60%	60%	60%
2005	93%	83%	73%	65%	65%	65%	65%
2000	94%	83%	73%	66%	66%	66%	
1995	92%	82%	72%	65%	65%		
1990	90%	79%	70%	63%			
1985	84%	75%	66%				
1980	70%	62%					

Provides floor to directly protect retirees' purchasing power from declining too far

- Floor = 70% of the 2024 purchasing power
- Purchasing power gradually erodes with inflation until it reaches the floor (~15 years)
- Thereafter, inflationary COLAs are provided to maintain the floor purchasing power level

Using 2024 purchasing power as the benchmark

Addition to UAL (cost) ~ \$142 million.

# Cost of Living Adjustment (COLA) – Current Statute

- Article 6243a-1 (current COLA)
  - Requirements to receive a COLA:
    - Average five-year return is above 5%.
    - Plan is 70% funded after considering the cost of the COLA
    - Earlier of the member being age 62 or retired at least 3 years
    - Board must approve any COLA
  - Calculation:
    - Average return less than 5%, capped at 4%
    - The percentage is multiplied by the base benefit only (not the prior annual adjustment or the benefit supplement).
    - Not compounding
  - Modeled by Cheiron as:
    - 1.5% Annual COLA (6.5% - 5%)
    - Beginning in year 2046
    - Cheiron recommended providing some COLA earlier

# DPFP Staff Recommendation – Modify Current COLA

## Modify Current COLA

### Current COLA Recommended Modifications:

- Change the requirement from the Board “may grant” to the Board “shall grant” (ad hoc vs. automatic).
- Set the COLA amount to 1.5% annually on the base benefit.
- Grant a COLA in years when the funding level is met (70%), and the Dallas Employees Retirement Fund granted a COLA in any amount.
- Remove the requirements that the member must be either 62 or 3 years retired to receive a COLA.

# Cost Comparison of the City and DPFP Recommendations

- The percentage increase for the City-recommended COLA over the ADC without the COLA is a 1.22% increase in total contributions over 30 years.
- The percentage increase of the DPFP recommended package is an increase of 3.74% over 30 years.
- The increase to the City contributions to provide the uniform employees the same COLA as the lowest Tier civilian ERF employees (hired after 2017) would be between \$2.2 and \$2.8 billion over 30 years, depending on the assumptions. As a percentage, the increase over the COLA recommended by the City for the uniformed employees is between 19.5% and 25.1%, depending on assumptions.
  - This cost estimate reflects the massive differential between the COLAs for the two systems.



# Summary of Recommendations

1. Adopt the ADC funding model based on Cheiron's recommendation, phasing the percentage of the ADC that is contributed up over a 3-year period to 100% of the ADC.
2. No change to the employee contributions.
3. Adopt a two-part COLA and modify the Current COLA
  - New COLA
  - Bridge to the New COLA
  - Modify the Current COLA – no additional cost



## DISCUSSION SHEET

### ITEM #C2

**Topic:** Financial Audit Status

**Discussion:** The Chief Financial Officer will provide a status update on the annual financial audit.

*Regular Board Meeting – Thursday, June 13, 2024*





## DISCUSSION SHEET

### ITEM #C3

**Topic:** Executive Director Approved Pension Ministerial Actions

**Discussion:** The Executive Director approved ministerial membership actions according to the Retirement and Payments Approval Policy. Membership actions approved are summarized in the provided report.

*Regular Board Meeting – Thursday, June 13, 2024*

Membership Actions -2024

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	23	22	21	26	16	21							129
DROP - Join	1	1	2	0	5	1							10
Estate Payments	2	1	3	5	3	1							15
Survivor Benefits	4	6	3	8	5	4							30
Retirements	10	10	16	9	13	10							68
Alternate Payees	2	0	2	1	1	1							7
Spouse Wed After Retirement	0	0	0	0	0	0							0
Service Purchases	0	2	0	1	7	2							12
Earnings Test	0	0	0	0	0	0							0

Membership Actions -2023

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	26	19	12	13	17	14	23	13	57	53	18	21	286
DROP - Join	3	3	0	2	2	2	0	0	3	0	3	0	18
Estate Payments	0	5	7	5	1	2	4	92	5	3	5	9	138
Survivor Benefits	1	6	8	6	4	3	5	6	6	2	3	6	56
Retirements	12	16	11	14	11	12	10	13	10	17	6	12	144
Alternate Payees	0	2	1	0	2	3	1	3	2	0	0	1	15
Spouse Wed After Retirement	1	0	0	0	0	0	0	0	1	1	1	0	4
Service Purchases	2	0	0	1	0	2	0	1	0	0	2	0	8
Earnings Test	0	0	0	0	0	9	0	0	0	0	0	0	9

Data is based on Agenda/Executive Approval Date  
 Service purchases include Military, DROP Revocation, and Previously Withdrawn Contributions  
 The increase in Refunds in September 2023 and October 2023 is due to the Refund Project  
 87 of the Estate Payments in August 2023 are approvals for the Pending Death Project



## DISCUSSION SHEET

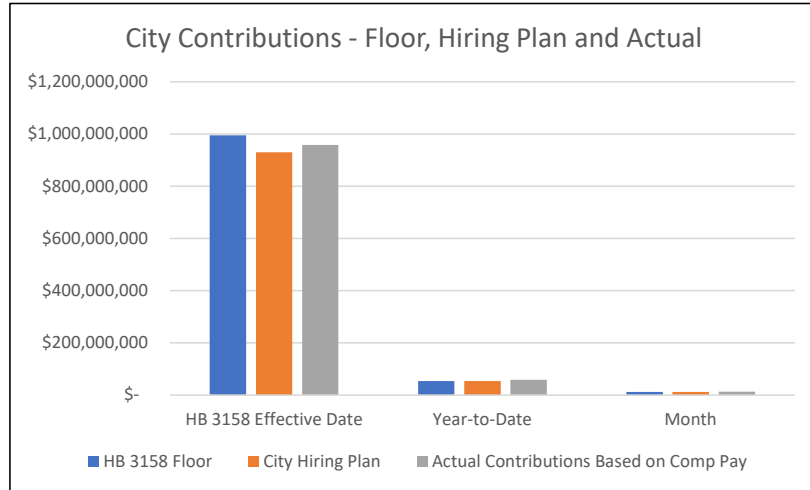
### ITEM #C4

**Topic:** Monthly Contribution Report

**Discussion:** Staff will review the Monthly Contribution Report.

*Regular Board Meeting – Thursday, June 13, 2024*

**Contribution Tracking Summary - June 2024 (April 2024 Data)**

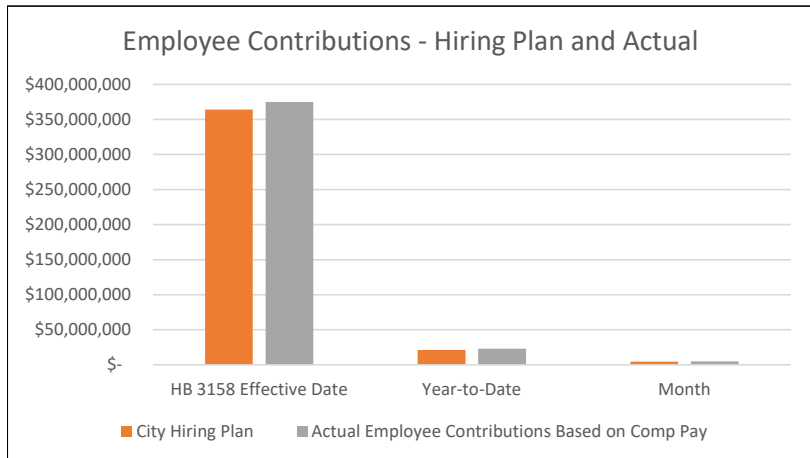


Actual Comp Pay was 103% of the Hiring Plan estimate since the effective date of HB 3158.

The Floor for 2024 is equal to the Hiring Plan estimate of \$6,024,000 per pay period. The Hiring Plan increased by 3.65% in 2024. It is expected that actual contributions will exceed the Floor through 2024.

Through 2024 the HB 3158 Floor is in place so there is no City Contribution shortfall.

The combined actual employees were 3 more than the Hiring Plan for the pay period ending May 10, 2024. Fire was over the estimate by 282 Fire Fighters and Police was under by 279 Police Officers.



Employee contributions exceeded the Hiring Plan estimate for the month, the year and since inception.

There is no Floor on employee contributions.

**Contribution Summary Data**

**City Contributions**

<b>Apr-24</b>	<b>Number of Pay Periods Beginning in the Month</b>	<b>HB 3158 Floor</b>	<b>City Hiring Plan</b>	<b>Actual Contributions Based on Comp Pay</b>	<b>Additional Contributions to Meet Floor Minimum</b>	<b>Comp Pay Contributions as a % of Floor Contributions</b>	<b>Comp Pay Contributions as a % of Hiring Plan Contributions</b>
Month	2	\$ 12,048,000	\$ 12,048,462	\$ 13,139,927	\$ -	109%	109%
Year-to-Date		\$ 54,216,000	\$ 54,218,077	\$ 58,924,941	\$ -	109%	109%
HB 3158 Effective Date		\$ 994,549,000	\$ 930,438,462	\$ 958,281,352	\$ 48,990,866	96%	103%

*Due to the Floor through 2024, there is no cumulative shortfall in City Contributions  
Does not include the flat \$13 million annual City Contribution payable through 2024.  
Does not include Supplemental Plan Contributions.*

**Employee Contributions**

<b>Apr-24</b>	<b>Number of Pay Periods Beginning in the Month</b>	<b>City Hiring Plan</b>	<b>Actual Employee Contributions Based on Comp Pay</b>	<b>Actual Contribution Excess Compared to Hiring Plan</b>	<b>Actuarial Valuation Contribution Assumption</b>	<b>Actual Contributions as a % of Hiring Plan Contributions</b>	<b>Actual Contributions as a % of Actuarial Val Assumption</b>
Month	2	\$ 4,714,615	\$ 5,139,584	\$ 424,969	\$ 4,236,924	109%	121%
Year-to-Date		\$ 21,215,769	\$ 23,057,971	\$ 1,842,202	\$ 19,066,158	109%	121%
HB 3158 Effective Date		\$ 364,084,615	\$ 374,797,295	\$ 10,712,679	\$ 350,885,836	103%	107%

Potential Earnings Loss from the Shortfall based on Assumed Rate of Return \$ 577,942

*Does not include Supplemental Plan Contributions.*

**Reference Information**

**City Contributions: HB 3158 Bi-weekly Floor and the City Hiring Plan Converted to Bi-weekly Contributions**

	HB 3158 Bi-weekly Floor	City Hiring Plan-Bi-weekly	HB 3158 Floor Compared to the Hiring Plan	Hiring Plan as a % of the Floor	% Increase/ (decrease) in the Floor	% Increase/ (decrease) in the Hiring Plan
2017	\$ 5,173,000	\$ 4,936,154	\$ 236,846	95%		
2018	\$ 5,344,000	\$ 4,830,000	\$ 514,000	90%	3.31%	-2.15%
2019	\$ 5,571,000	\$ 5,082,115	\$ 488,885	91%	4.25%	5.22%
2020	\$ 5,724,000	\$ 5,254,615	\$ 469,385	92%	2.75%	3.39%
2021	\$ 5,882,000	\$ 5,413,846	\$ 468,154	92%	2.76%	3.03%
2022	\$ 6,043,000	\$ 5,599,615	\$ 443,385	93%	2.74%	3.43%
2023	\$ 5,812,000	\$ 5,811,923	\$ 77	100%	-3.82%	3.79%
2024	\$ 6,024,000	\$ 6,024,231	\$ (231)	100%	3.65%	3.65%

The HB 3158 Bi-weekly Floor ends after 2024

**Employee Contributions: City Hiring Plan and Actuarial Val. Converted to Bi-weekly Contributions**

	City Hiring Plan Converted to Bi-weekly Employee Contributions	Actuarial Valuation Assumption Converted to Bi-weekly Employee contributions	Actuarial Valuation as a % of Hiring Plan
2017	\$ 1,931,538	\$ 1,931,538	100%
2018	\$ 1,890,000	\$ 1,796,729	95%
2019	\$ 1,988,654	\$ 1,885,417	95%
2020	\$ 2,056,154	\$ 2,056,154	100%
2021	\$ 2,118,462	\$ 2,118,462	100%
2022	\$ 2,191,154	\$ 2,191,154	100%
2023	\$ 2,274,231	\$ 2,274,231	100%
2024	\$ 2,357,308	\$ 2,357,308	100%

The information on this page is for reference. The only numbers on this page that may change before 2025 are the Actuarial Valuation Employee Contributions Assumptions for the years 2020-2024 and the associated percentage.

**Reference Information - Actuarial Valuation and GASB 67/68 Contribution Assumptions**

**Actuarial Assumptions Used in the Most Recent Actuarial Valuation - These assumptions will be reevaluated annually & may change.**

City Contributions are based on the Floor through 2024, the Hiring Plan from 2025 to 2037, after 2037 an annual growth rate of 2.75% is assumed  
 Employee Contributions for 2018 are based on the 2017 actual employee contributions inflated by the growth rate of 2.75% and the Hiring Plan for subsequent years until 2038, when the 2037 Hiring Plan is increased by the 2.75 growth rate for the next 10 years

**Actuarial/GASB Contribution Assumption Changes Since the Passage of HB 3158**

	Actuarial Valuation	GASB 67/68
<b>YE 2017 (1/1/2018 Valuation)</b>		
2018 Employee Contributions Assumption - based on 2017 actual plus growth rate not the Hiring Plan Payroll	\$ (2,425,047)	*
<b>2019 Estimate (1/1/2019 Valuation)</b>		
2019 Employee Contribution Assumption	\$ 9,278	*
<i>*90% of Hiring Plan was used for the Cash Flow Projection for future years in the 12/31/2017 GASB 67/68 calculation. At 12-31-17, 12-31-18 and 12-31-2019 this did not impact the pension liability or the funded percentage.</i>		

The information on this page is for reference. It is intended to document contribution related assumptions used to prepare the Actuarial Valuation and changes to those assumptions over time, including the dollar impact of the changes. Contribution changes impacting the GASB 67/68 liability will also be included.

<b>City Hiring Plan - Annual Computation Pay and Numbers of Employees</b>						
Year	Computation Pay			Number of Employees		
	Hiring Plan	Actual	Difference	Hiring Plan	Actual EOY	Difference
2017	\$ 372,000,000	Not Available	Not Available	5,240	4,935	(305)
2018	\$ 364,000,000	\$ 349,885,528	\$ (14,114,472)	4,988	4,983	(5)
2019	\$ 383,000,000	\$ 386,017,378	\$ 3,017,378	5,038	5,104	66
2020	\$ 396,000,000	\$ 421,529,994	\$ 25,529,994	5,063	4,988	(75)
2021	\$ 408,000,000	\$ 429,967,675	\$ 21,967,675	5,088	4,958	(130)
2022	\$ 422,000,000	\$ 439,104,541	\$ 17,104,541	5,113	5,074	(39)
2023	\$ 438,000,000	\$ 460,982,051	\$ 22,982,051	5,163	5,136	(27)
2024	\$ 454,000,000			5,213		
2025	\$ 471,000,000			5,263		
2026	\$ 488,000,000			5,313		
2027	\$ 507,000,000			5,363		
2028	\$ 525,000,000			5,413		
2029	\$ 545,000,000			5,463		
2030	\$ 565,000,000			5,513		
2031	\$ 581,000,000			5,523		
2032	\$ 597,000,000			5,523		
2033	\$ 614,000,000			5,523		
2034	\$ 631,000,000			5,523		
2035	\$ 648,000,000			5,523		
2036	\$ 666,000,000			5,523		
2037	\$ 684,000,000			5,523		

Comp Pay by Month - 2024	Annual Divided by 26 Pay Periods	Actual	Difference	2024 Cumulative Difference	Number of Employees EOM	Difference
January	\$ 52,384,615	\$ 56,848,897	\$ 4,464,281	\$ 4,464,281	5,183	(30)
February	\$ 34,923,077	\$ 37,710,735	\$ 2,787,658	\$ 7,251,939	5,166	(47)
March	\$ 34,923,077	\$ 38,150,554	\$ 3,227,478	\$ 10,479,417	5230	17
April	\$ 34,923,077	\$ 38,086,745	\$ 3,163,668	\$ 13,643,085	5216	3
May	\$ 34,923,077					
June	\$ 34,923,077					
July	\$ 52,384,615					
August	\$ 34,923,077					
September	\$ 34,923,077					
October	\$ 34,923,077					
November	\$ 34,923,077					
December	\$ 34,923,077					





## DISCUSSION SHEET

### ITEM #C5

**Topic:** Board approval of Trustee education and travel

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

**Discussion:**

- a. Per the Education and Travel Policy and Procedure, planned Trustee education and business-related travel and education which does not involve travel requires Board approval prior to attendance.

Attached is a listing of requested future education and travel noting approval status.

- b. Per the Investment Policy Statement, planned Trustee travel related to investment monitoring, and in exceptional cases due diligence, requires Board approval prior to attendance.

There is no future investment-related travel for Trustees at this time.

*Regular Board Meeting – Thursday, June 13, 2024*

**Future Education and Business Related Travel & Webinars  
Regular Board Meeting – June 13, 2024**

ATTENDING APPROVED

1. **Conference**      **NCPERS Chief Officers Summit**  
**Dates:**            June 17-19, 2024  
**Location:**        Nashville, TN  
**Est Cost:**         \$800
  
2. **Conference**      **NCPERS Public Pension Funding Forum**  
**Dates:**            August 18-20, 2024  
**Location:**        Boston, MA  
**Est Cost:**         \$745
  
3. **Conference:**     **TEXPERS Summer Educational Forum**  
**Dates:**            August 18-20, 2024  
**Location:**        San Antonio, TX  
**Est Cost:**         \$25
  
4. **Conference:**     **NCPERS Public Pension HR Summit**  
**Dates:**            September 24-26, 2024  
**Location:**        Denver, CO  
**Est Cost:**         \$750
  
5. **Conference**       **NCPERS Accredited Fiduciary (NAF)**  
**Dates:**            October 26-27, 2024  
**Location:**        Palm Springs, CA  
**Est Cost:**         \$900

**Future Education and Business Related Travel & Webinars  
Regular Board Meeting – June 13, 2024**

ATTENDING APPROVED

6. **Conference:** NCPERS Program for Advanced Trustee Studies (PATS)  
**Dates:** October 26-27, 2024  
**Location:** Palm Springs, CA  
**Est Cost:** \$900
7. **Conference:** NCPERS Public Safety Conference  
**Dates:** October 27-30, 2024  
**Location:** Palm Springs, CA  
**Est Cost:** \$775



## DISCUSSION SHEET

### ITEM #C6

**Topic:** Portfolio Update

**Discussion:** Investment Staff will brief the Board on recent events and current developments with respect to the investment portfolio.

*Regular Board Meeting – Thursday, June 13, 2024*



D A L L A S  
POLICE & FIRE  
PENSION SYSTEM



## Portfolio Update

*June 13, 2024*

*Board Meeting*

## Executive Summary

- **Estimated YTD Return (As of 5/31/24):** 3.97% for DFPF Portfolio; 6.2% for Public Portfolio (ex-Cash) which makes up 72.5% of the assets.
- **Liquidation of private market assets remains a top focus.**
  - \$9.8M of distributions received YTD, \$69M in distributions received in 2023.
- **Rebalancing :** Staff rebalanced \$28M of Global Equity to refill the Safety Reserve back to the 9% target in April.
- **Custodian Search:** Staff held interviews with finalist firms on June 11 and expects to bring a recommendation to the Board in July.

# Investment Initiatives – 2024 Plan

## Q3 2024

- Additional Asset Allocation mixes presented to IAC
- Custodian Selection
- Asset Allocation Review to Board

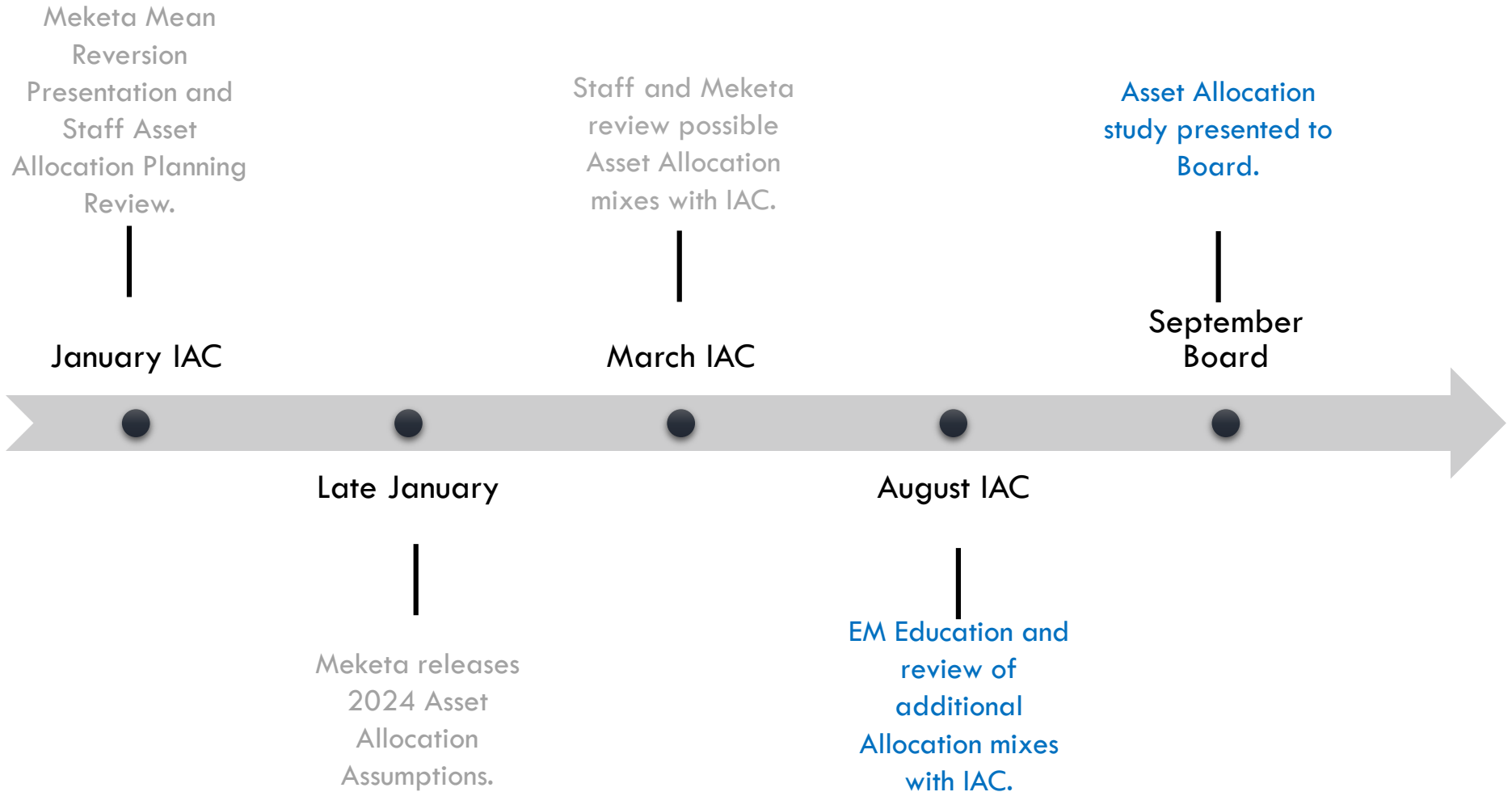
## Q4 2024

- Investment Policy Statement review and updates
- Private Market Planning – Update IPS provision, pacing studies, etc.

## 2025 & Beyond

- Initial New Private Market Investments

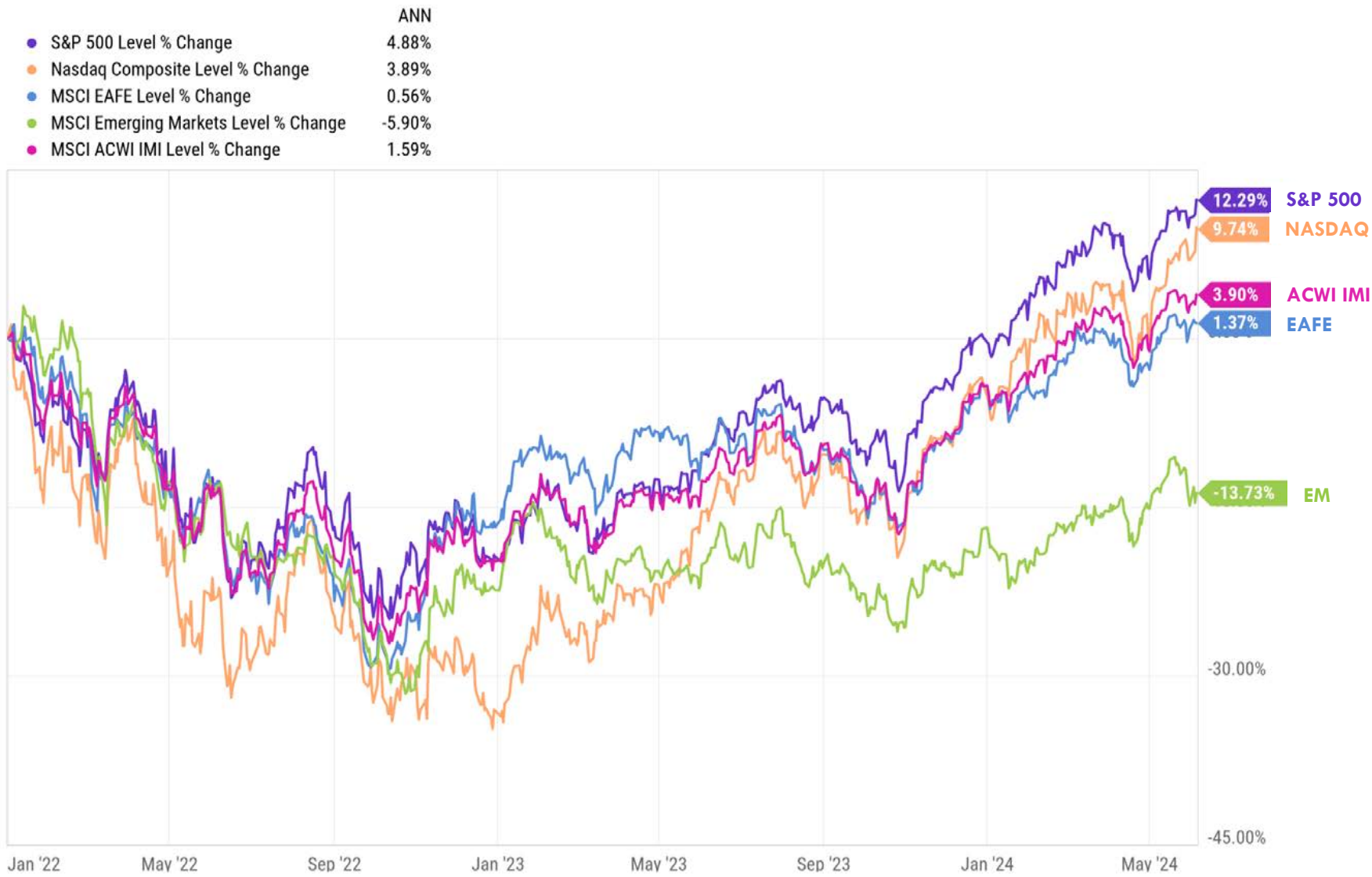
# 2024 Asset Allocation Study Timeline





# Equity Market Returns (1/1/22 to 6/6/24)

Equity Indices - Return since beginning of 2022



# Market Charts!

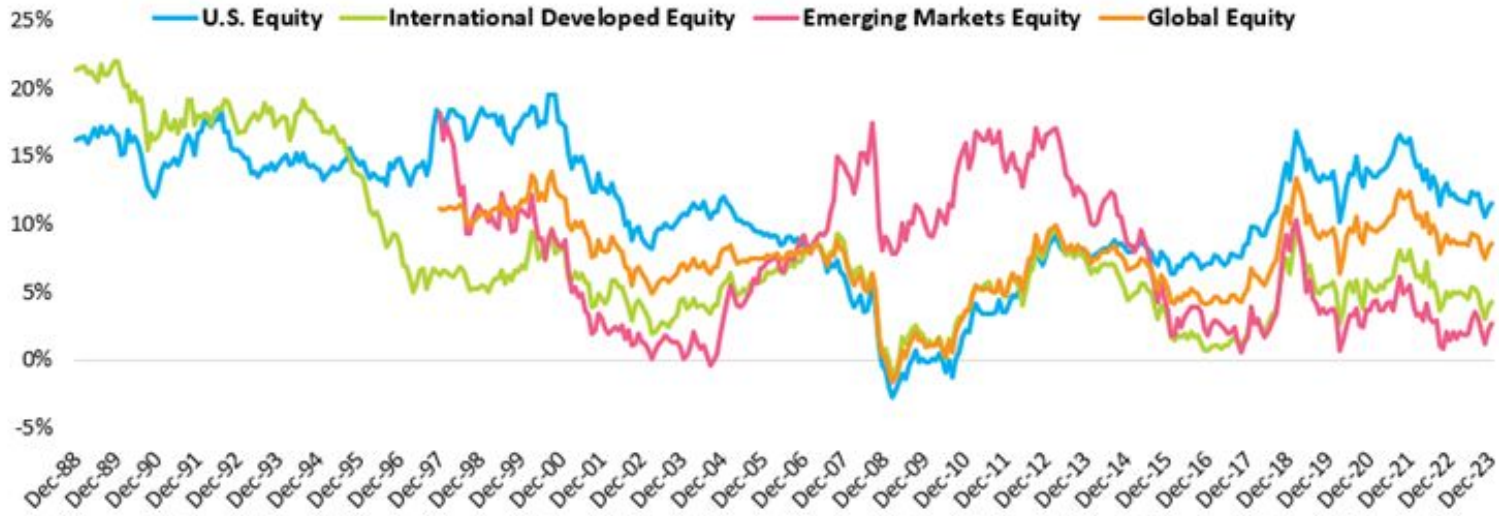


Dallas Police and Fire Pension System

Public Equity Returns Analysis

## Comparing 10-year Annualized Rolling Returns<sup>1</sup>

- Over a 10-year rolling return period, the U.S. outperformed emerging markets in periods ending 1998-2005 and again in 2015-2023.
- Emerging markets outperformed the U.S. in 10-year rolling periods ending in 1997 and 2006-2014.
- International developed outperformed the U.S. in periods ending 1988-1994 and 2007-2012 and trailed over periods 1995-2006 and 2013-2023.



<sup>1</sup> U.S. Equity = Russell 3000 Index, Int'l Developed Market = MSCI EAFE Index, Emerging Markets = MSCI Emerging Markets, Global Equity = MSCI ACWI. MSCI ACWI and Emerging Markets Index inception date is 1/1/1988.

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# Public Markets Performance Snapshot

Public Markets (ex-Cash) currently make up 72.5% of DFPF Investment Portfolio.

Dallas Police & Fire System

Asset Allocation & Performance | As of May 31, 2024

Performance Summary Ending May 31, 2024					
	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
<b>Total Public Portfolio (ex-Cash)</b>	<b>1,430,757,133</b>	<b>3.0</b>	<b>6.2</b>	<b>2.8</b>	<b>7.4</b>
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>		<i>3.0</i>	<i>3.5</i>	<i>0.4</i>	<i>6.2</i>
<b>Public Equity</b>	<b>1,058,400,865</b>	<b>3.7</b>	<b>8.0</b>	<b>3.8</b>	<b>11.1</b>
<i>MSCI AC World IMI Index (Net)</i>		<i>4.1</i>	<i>8.3</i>	<i>4.5</i>	<i>11.3</i>
<b>Global Equity</b>	<b>962,254,800</b>	<b>3.8</b>	<b>8.4</b>	<b>4.5</b>	<b>11.6</b>
<i>MSCI AC World IMI Index (Net)</i>		<i>4.1</i>	<i>8.3</i>	<i>4.5</i>	<i>11.3</i>
Boston Partners Global Equity Fund	120,275,030	3.9	9.3	7.1	12.7
<i>MSCI World Net</i>		<i>4.5</i>	<i>9.5</i>	<i>6.7</i>	<i>12.8</i>
Manulife Global Equity Strategy	119,512,122	2.8	9.3	6.7	11.5
<i>MSCI ACWI Net</i>		<i>4.1</i>	<i>8.9</i>	<i>5.1</i>	<i>11.7</i>
Walter Scott Global Equity Fund	118,580,697	2.9	5.6	5.0	11.5
<i>MSCI ACWI Net</i>		<i>4.1</i>	<i>8.9</i>	<i>5.1</i>	<i>11.7</i>
WCM Global Equity	120,023,857	3.2	13.1	--	--
<i>MSCI AC World Index Growth (Net)</i>		<i>5.1</i>	<i>11.0</i>	<i>5.2</i>	<i>14.3</i>
NT ACWI Index IMI	362,057,924	4.1	8.4	4.9	--
<i>MSCI AC World IMI Index (Net)</i>		<i>4.1</i>	<i>8.3</i>	<i>4.5</i>	<i>11.3</i>
Eastern Shore US Small Cap	63,295,394	4.0	3.5	--	--
<i>Russell 2000 Index</i>		<i>5.0</i>	<i>2.7</i>	<i>-1.7</i>	<i>8.6</i>
Global Alpha International Small Cap	58,419,132	6.1	5.8	--	--
<i>MSCI EAFE Small Cap (Net)</i>		<i>4.3</i>	<i>3.7</i>	<i>-2.9</i>	<i>5.7</i>

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# Public Markets Performance Snapshot

## Dallas Police & Fire System

### Asset Allocation & Performance | As of May 31, 2024

	Market Value (\$)	1 Mo (%)	YTD (%)	3 Yrs (%)	5 Yrs (%)
<b>Emerging Markets Equity</b>	<b>96,146,065</b>	<b>3.1</b>	<b>3.7</b>	<b>-3.4</b>	<b>4.0</b>
<i>MSCI Emerging Markets IMI (Net)</i>		<i>0.6</i>	<i>3.4</i>	<i>-5.2</i>	<i>4.4</i>
RBC Emerging Markets Equity	96,146,065	3.1	3.7	-3.4	4.0
<i>MSCI Emerging Markets IMI (Net)</i>		<i>0.6</i>	<i>3.4</i>	<i>-5.2</i>	<i>4.4</i>
<b>Public Fixed Income</b>	<b>372,356,269</b>	<b>1.2</b>	<b>1.4</b>	<b>-1.0</b>	<b>1.6</b>
<i>Bloomberg Global Multiverse Index</i>		<i>1.3</i>	<i>-3.1</i>	<i>-5.6</i>	<i>-1.4</i>
IR&M 1-3 Year Strategy	116,002,043	0.8	1.2	0.7	1.8
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		<i>0.7</i>	<i>0.8</i>	<i>0.3</i>	<i>1.2</i>
Longfellow Core Fixed Income	63,201,671	1.8	-0.9	-2.7	--
<i>Blmbg. U.S. Aggregate Index</i>		<i>1.7</i>	<i>-1.6</i>	<i>-3.1</i>	<i>-0.2</i>
Aristotle Pacific Capital Bank Loan	63,519,922	0.8	4.2	6.6	5.7
<i>Credit Suisse Leveraged Loan</i>		<i>0.9</i>	<i>4.2</i>	<i>6.0</i>	<i>5.4</i>
Loomis US High Yield Fund	63,718,938	1.1	1.1	0.4	--
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		<i>1.1</i>	<i>1.6</i>	<i>1.8</i>	<i>4.2</i>
Metlife Emerging Markets Debt Blend	65,913,695	1.7	1.4	--	--
<i>35% JPMEMBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBI-EM Di</i>		<i>1.6</i>	<i>0.6</i>	<i>--</i>	<i>--</i>

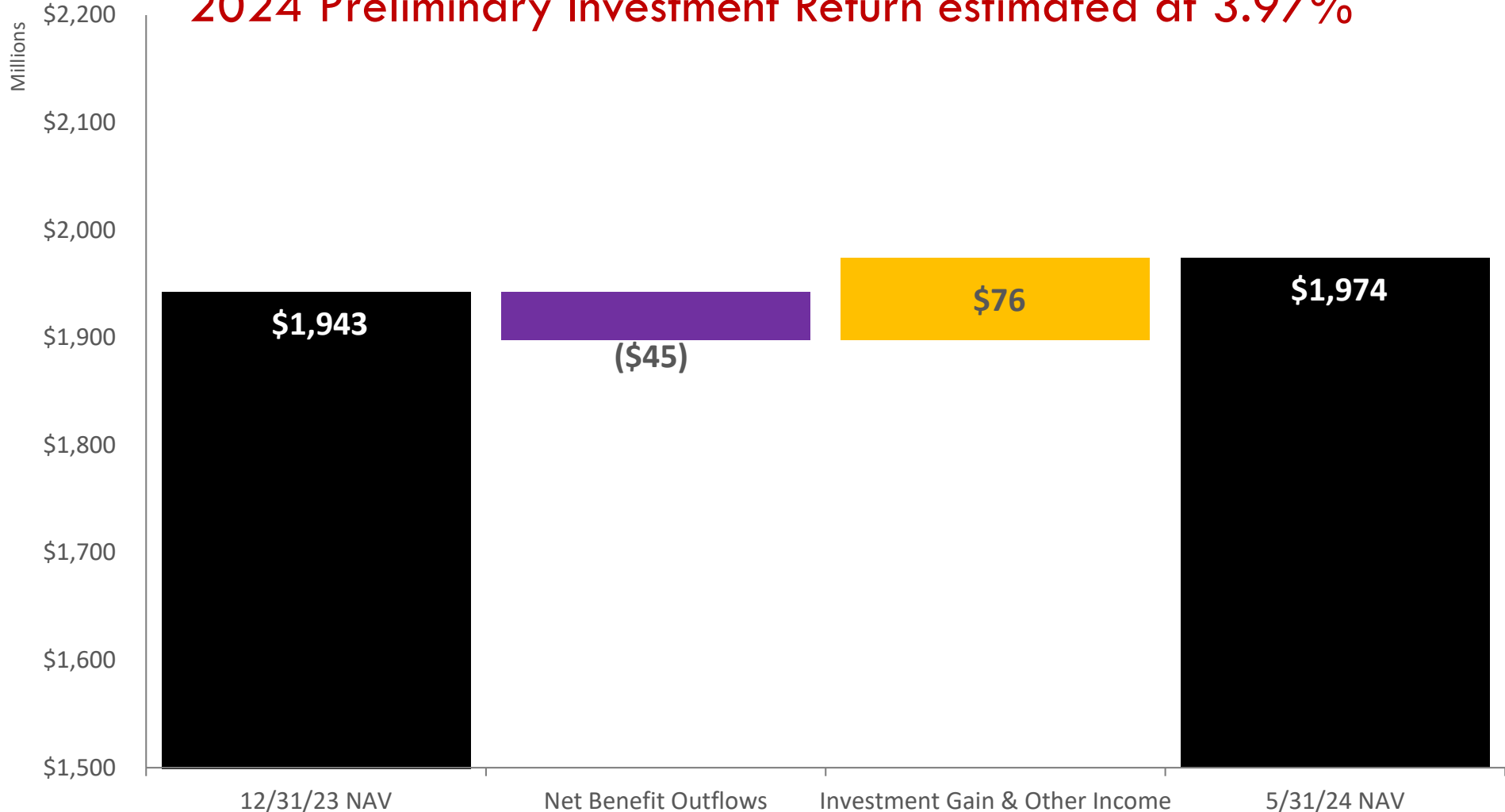
MEKETA INVESTMENT GROUP



# 2024 - Change in Market Value Bridge Chart

*In Millions*

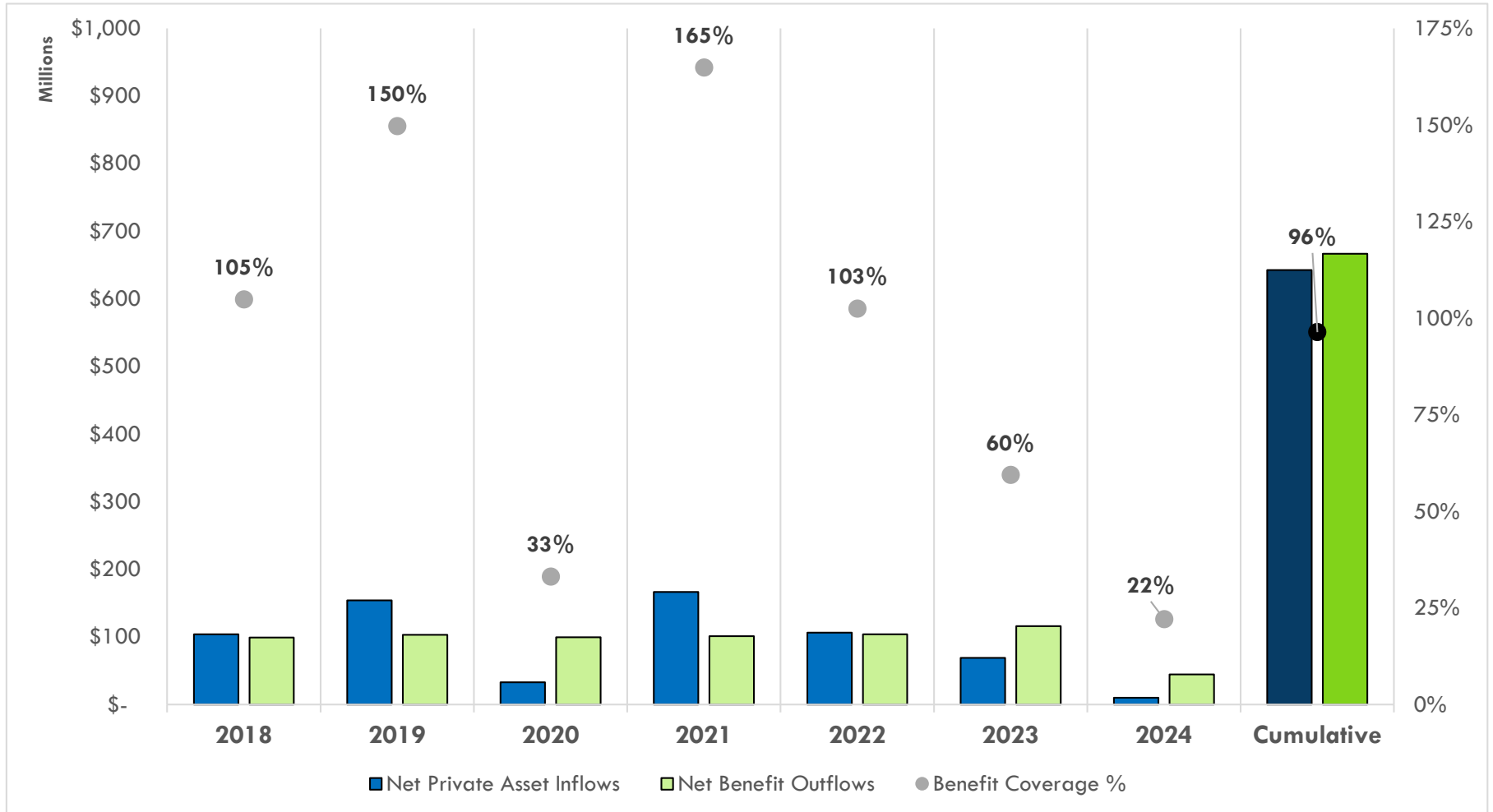
**2024 Preliminary Investment Return estimated at 3.97%**



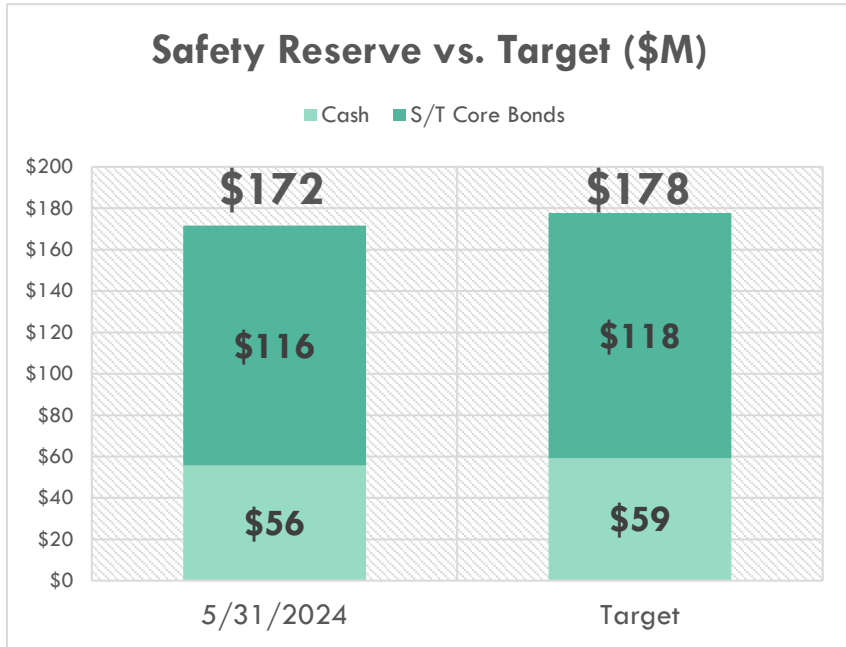
The beginning 12/31/23 value is from the Q4 2023 Meketa Performance Report and includes a one-quarter lag on private assets.  
 Numbers may not foot due to rounding.

# Benefit Outflow Coverage

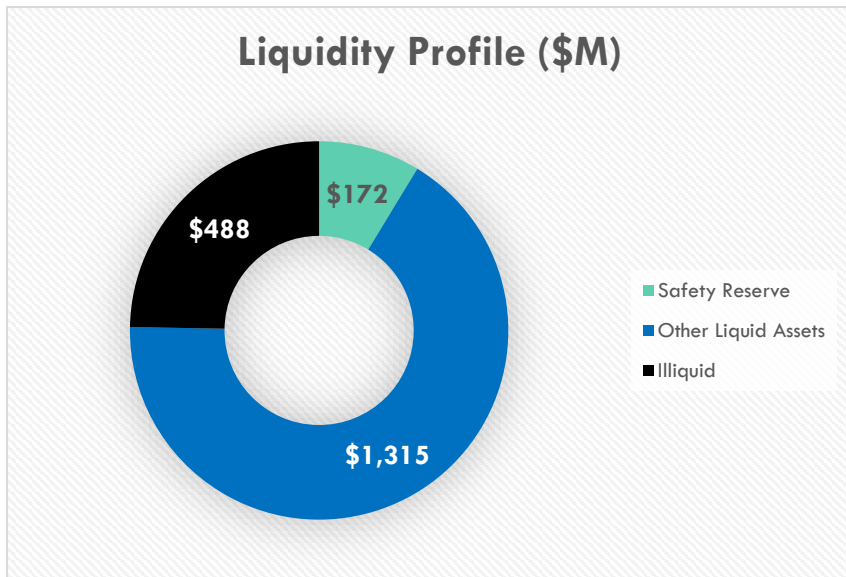
**Since 2018, net Private Asset inflows have covered 96% of net benefit outflows.**



# Safety Reserve Dashboard



Projected Net Monthly outflows of **\$8.5M** per month. Safety Reserve of **\$172M** would cover net monthly outflows for next **20 months** or through **January 2026**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	5/31/24		\$55.6	2.8%
City Contribution	6/7/24	\$9.6	\$55.9	2.8%
City Contribution	6/21/24	\$9.6	\$65.5	3.3%
Pension Payroll	6/26/24	(\$28.7)	\$36.9	1.9%
City Contribution	7/5/24	\$9.6	\$46.5	2.4%
City Contribution	7/19/24	\$9.6	\$56.2	2.9%
Pension Payroll	7/31/24	(\$28.7)	\$27.6	1.4%
City Contribution	8/2/24	\$9.6	\$37.2	1.9%
City Contribution	8/16/24	\$9.6	\$46.8	2.4%

Numbers may not foot due to rounding.



# Asset Allocation Detail

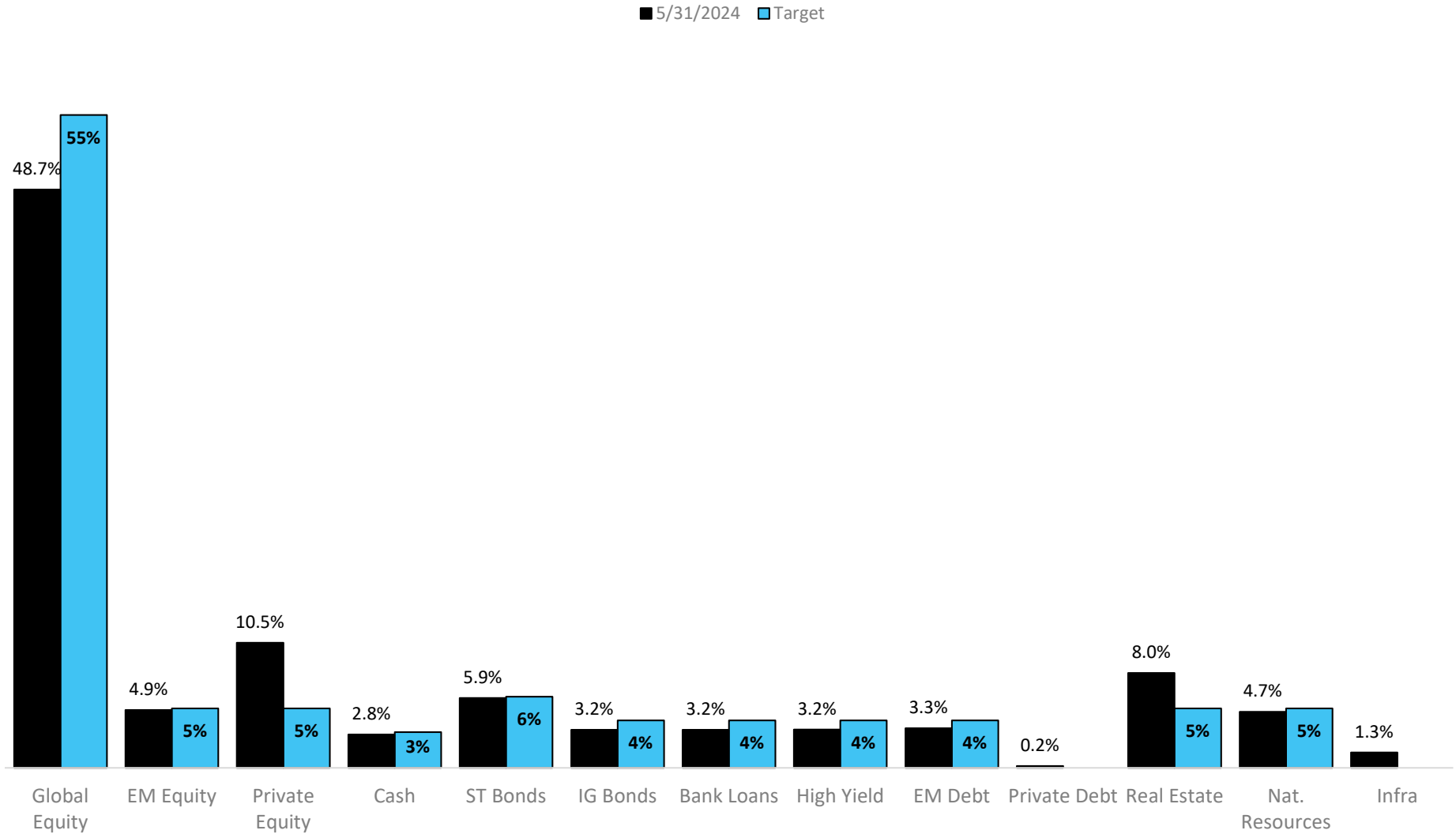
DPFP Asset Allocation	5/31/2024		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
<b>Equity</b>	<b>1,267</b>	<b>64.2%</b>	<b>1,283</b>	<b>65%</b>	<b>99%</b>	<b>-17</b>	<b>-0.8%</b>
Global Equity	962	48.7%	1,086	55%	89%	-124	-6.3%
<i>Boston Partners</i>	<i>120</i>	<i>6.1%</i>	<i>118</i>	<i>6%</i>	<i>102%</i>	<i>2</i>	<i>0.1%</i>
<i>Manulife</i>	<i>120</i>	<i>6.1%</i>	<i>118</i>	<i>6%</i>	<i>101%</i>	<i>1</i>	<i>0.1%</i>
<i>Walter Scott</i>	<i>119</i>	<i>6.0%</i>	<i>118</i>	<i>6%</i>	<i>100%</i>	<i>0</i>	<i>0.0%</i>
<i>WCM</i>	<i>120</i>	<i>6.1%</i>	<i>118</i>	<i>6%</i>	<i>101%</i>	<i>2</i>	<i>0.1%</i>
<i>Northern Trust ACWI IMI Index</i>	<i>362</i>	<i>18.3%</i>	<i>494</i>	<i>25%</i>	<i>73%</i>	<i>-132</i>	<i>-6.7%</i>
<i>Eastern Shore US Small Cap</i>	<i>63</i>	<i>3.2%</i>	<i>59</i>	<i>3%</i>	<i>107%</i>	<i>4</i>	<i>0.2%</i>
<i>Global Alpha Intl Small Cap</i>	<i>58</i>	<i>3.0%</i>	<i>59</i>	<i>3%</i>	<i>99%</i>	<i>-1</i>	<i>0.0%</i>
Emerging Markets Equity - RBC	96	4.9%	99	5%	97%	-3	-0.1%
Private Equity*	208	10.5%	99	5%	211%	109	5.5%
<b>Fixed Income</b>	<b>431</b>	<b>21.8%</b>	<b>494</b>	<b>25%</b>	<b>87%</b>	<b>-62</b>	<b>-3.2%</b>
Cash	56	2.8%	59	3%	94%	-4	-0.2%
S/T Investment Grade Bonds - IR+M	116	5.9%	118	6%	98%	-2	-0.1%
Investment Grade Bonds - Longfellow	63	3.2%	79	4%	80%	-16	-0.8%
Bank Loans - Aristotle Pacific	64	3.2%	79	4%	80%	-15	-0.8%
High Yield Bonds - Loomis Sayles	64	3.2%	79	4%	81%	-15	-0.8%
Emerging Markets Debt - MetLife	66	3.3%	79	4%	83%	-13	-0.7%
Private Debt*	3	0.2%	0	0%		3	0.2%
<b>Real Assets*</b>	<b>277</b>	<b>14.0%</b>	<b>197</b>	<b>10%</b>	<b>140%</b>	<b>79</b>	<b>4.0%</b>
Real Estate*	158	8.0%	99	5%	160%	59	3.0%
Natural Resources*	93	4.7%	99	5%	94%	-6	-0.3%
Infrastructure*	26	1.3%	0	0%		26	1.3%
<b>Total</b>	<b>1,974</b>	<b>100.0%</b>	<b>1,974</b>	<b>100%</b>		<b>0</b>	<b>0.0%</b>
Safety Reserve ~\$162M=18 mo net CF	172	8.7%	178	9%	97%	-6	-0.3%
*Private Market Assets	488	24.7%	296	15%		192	9.7%

Source: Preliminary JP Morgan Custodial Data, Staff Estimates and Calculations.

Numbers may not foot due to rounding



# Asset Allocation – Actual vs Target





## DISCUSSION SHEET

### ITEM #C7

**Topic:** **First Quarter 2024 Investment Performance Analysis and Fourth Quarter 2024 Private Markets & Real Assets Review**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

**Attendees:** Aaron Lally, Principal - Meketa Investment Group  
Colin Kowalski, Investment Analyst - Meketa Investment Group

**Discussion:** Meketa and Investment Staff will review investment performance.

*Regular Board Meeting – Thursday, June 13, 2024*



## Dallas Police & Fire Pension System

June 13, 2024

Public Credit Review



**Dallas Police & Fire Pension System**

**Public Credit Review**

**Public Credit Allocation**

3/31/24	Market Value (\$)	Yield to Maturity (%)	Current Allocation (%)	Target (%)
Total Credit	192,510,624	8.5	9.6	12.0

- Public credit has a total target allocation of 12.0%, and at 3/31/24 had a market value of \$192.5 million or approximately 9.6% of the DPFP Portfolio.
- The allocation is composed of High Yield, Bank Loans, and Emerging Markets Debt with a 4% target to each.
- The role of public credit is to provide diversification to the broader fixed income allocation as well as higher yields than the investment grade allocation.

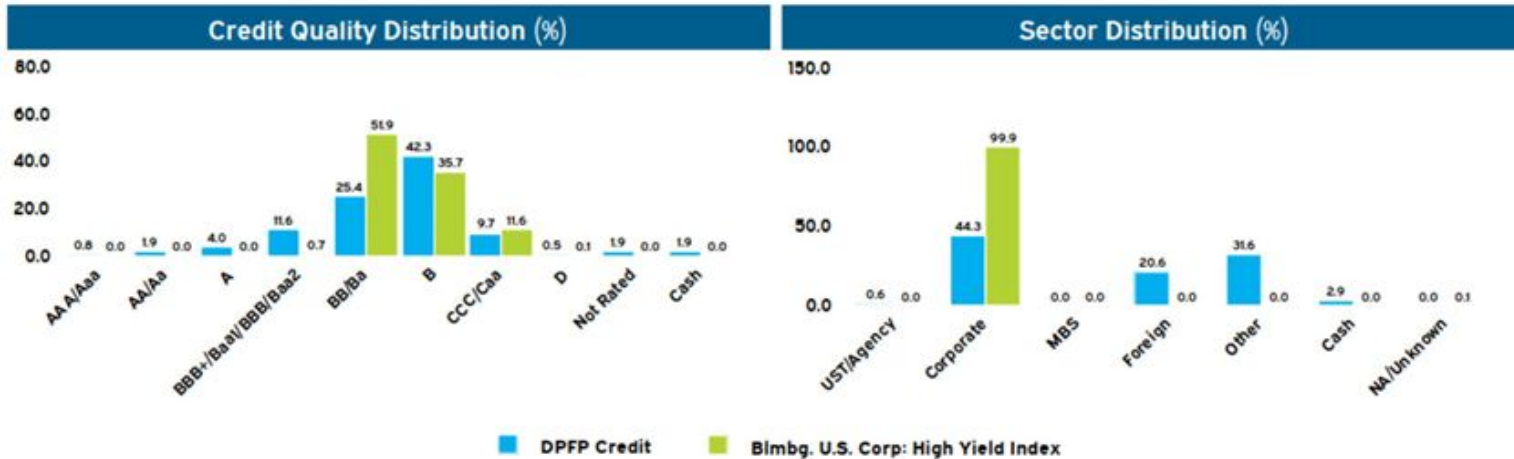


Dallas Police & Fire Pension System

Public Credit Review

Public Credit Allocation

	Manager	Duration (Years)	Yield to Maturity (%)	Avg. Quality	Credit Risk	Liquidity
Bank Loans	Aristotle Pacific Capital	0.4	9.2	B	Moderate	Monthly
High Yield Bonds	Loomis Sayles	3.4	8.1	B	Moderate	Daily
Emerging Markets Debt	Metlife	5.6	8.2	BB+	Moderate	Monthly
<b>Total Credit</b>	--	<b>3.2</b>	<b>8.5</b>	<b>B</b>	<b>Moderate</b>	<b>Monthly/Daily</b>
<i>Blomberg US Corp High Yield</i>	--	<i>3.9</i>	<i>8.2</i>	<i>B</i>	<i>Moderate</i>	--





## Dallas Police & Fire Pension System

### Public Credit Review

#### High Yield

##### Trailing Performance

3/31/24	Market Value (\$M)	QTD (%)	1-yr (%)	3-yr (%)	Since Dec 20 (%)
Loomis US High Yield	63.8	1.2	9.7	1.0	0.9
BBG US HY 2% Issuer Cap	--	1.5	11.2	2.2	2.8
eV US HY Fixed Inc Rank	--	77	67	95	99

##### Risk Statistics Since Inception

3/31/24	SD (%)	Beta	Sharpe Ratio	Up Capture (%)	Down Capture (%)
Loomis US High Yield	8.2	1.0	-0.1	92	112
BBG US HY 2% Issuer Cap	7.9	1.0	0.1	100	100

- DPFP originally invested in the Loomis Sayles High Yield Full Discretion bond portfolio in 1998, led by portfolio manager Dan Fuss. The strategy was known for significant dispersion from the benchmark, and was often positioned with a “bar-belled” allocation, especially in 2017-2019 (with substantial holdings in cash and treasuries offset with low quality energy sector positions).
- In 2020, after PM Dan Fuss transitioned off the strategy and weak relative performance, DPFP rotated its investment into the more benchmark aware Loomis US High Yield strategy.



## Dallas Police & Fire Pension System

### Public Credit Review

#### High Yield (continued)

- Since the inception in the more benchmark aware strategy in 2020, it has produced 0.9% annualized return versus 2.8% for the Bloomberg US Corporate High Yield 2% Capped Index.
- The strategy does not take significant rate risk given their current duration neutral positioning. However, they take additional credit risk with off-benchmark exposure to emerging markets and other sectors. This off benchmark exposure has resulted in underperformance against the US Corporate High Yield index and US High Yield peers.
- The Loomis US High Yield performance has been disappointing - based on both top-down risk positioning and security selection.
- One of the largest positioning mistakes was the strategy's higher credit quality positioning during a period of time when the market has seen a rally in riskier (lower credit quality) assets. Even with the rally in risk assets, the higher conviction CCC names that they own did not fully participate in that rally.
- Loomis is still confident in their CCC names and is sticking with them, and even added exposure at wider spread levels.
- They also continue to hold significant off-benchmark exposure such as EM Corporates which has not paid off. As a result, we've seen a substantial decrease in AUM over the last couple years across the high yield product suite.
- Trailing performance ranks in the bottom quartile.



## Dallas Police & Fire Pension System

### Public Credit Review

### Bank Loans

#### Trailing Performance

3/31/24	Market Value (\$M)	QTD (%)	1-yr (%)	3-yr (%)	5-yr (%)	Since Aug 17 (%)
Aristotle Pacific Bank Loans	62.7	2.8	13.2	6.5	5.7	5.2
<i>Credit Suisse Lev Loan</i>	--	2.5	12.4	5.8	5.3	4.9
<i>eV US float-Rate Bank Loan Rank</i>	--	24	15	6	9	7

#### Risk Statistics Since Inception

3/31/24	SD (%)	Beta	Sharpe Ratio	Up Capture (%)	Down Capture (%)
Aristotle Pacific Bank Loans	5.1	0.8	0.6	95	83
<i>Credit Suisse Lev Loan</i>	6.3	1.0	0.5	100	100

- The strategy has outperformed the benchmark over all trailing time periods through March 2024.
- Aristotle seeks to outperform by building a high conviction portfolio, investing in larger loans, and focusing on a select group of loans, that have traditionally had lower default rates.
- Risk-adjusted returns has been particularly strong, ranking in the top quartile of the universe for all trailing time periods. Downside protection is evident as indicated by attractive downside market capture data.





## Dallas Police & Fire Pension System

### Public Fixed Income Review

#### Emerging Markets Debt

##### Trailing Performance

3/31/24	Market Value (\$M)	QTD (%)	1-yr (%)	Since Oct 22 (%)
Metlife EMD	66.1	1.7	11.7	15.1
<i>Blended Benchmark</i>	--	0.7	8.0	12.3
<i>eV All EM Debt Rank</i>	--	53	31	38

##### Risk Statistics Since Inception

3/31/24	SD (%)	Beta	Sharpe Ratio	Up Capture (%)	Down Capture (%)
Metlife EMD	10.7	1.3	0.9	123	124
<i>Blended Benchmark</i>	8.3	1.0	0.9	100	100

- Since funding in 2022, Metlife's annualized returns have been 15.1%, with 2.8% of excess returns over the custom benchmark (35% JPM EMBI GI/35% CEMBI Brd Div/30% GBI EM GI Dv).
- The strategy seeks alpha predominately generated through opportunistically rotating across the entire EMD universe, identifying inefficiencies and focusing on relative value across the credit spectrum.
- Year-over-year excess return can be quite variable given the benchmark agnostic nature of the strategy. However, the strategy is off to a strong start for DFPF on a relative and absolute basis.

<sup>1</sup> 35% JPM EBI Global/35% JPM CEMBI Broad Diversified/30% JPM GBI EM Diversified.



**Dallas Police & Fire Pension System**

**Public Fixed Income Review**

**Appendix**



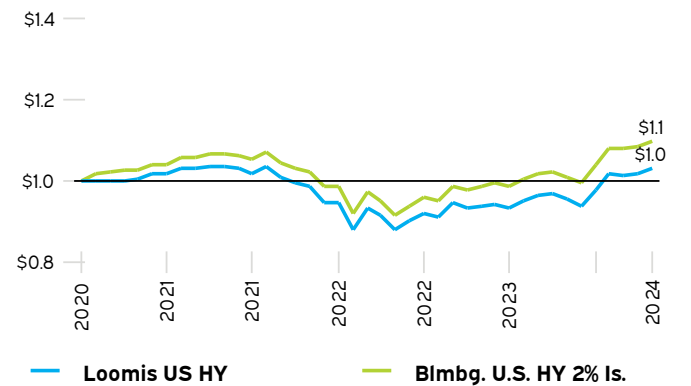
Dallas Police & Fire System

Loomis US High Yield Fund | As of March 31, 2024

**Account Information**

Account Name	Loomis US High Yield Fund
Account Structure	Separate Account
Inception Date	12/01/2020
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. High Yield - 2% Issuer Cap
Peer Group	eV US High Yield Fixed Inc

**Investment Growth**



**Fixed Income Characteristics**

	Q1 2024	
	Loomis US High Yield Fund	Blmbg. U.S. High Yield - 2% Issuer Cap
<b>Fixed Income Characteristics</b>		
Yield To Maturity (%)	8.1	7.7
Average Duration	3.4	-
Average Quality	B	B
Weighted Average Maturity	5.4	4.9
<b>US Sector Allocation</b>		
UST/Agency	1.8	
Corporate	90.4	99.9
MBS	0.1	
ABS		0.1
Other	5.4	
Cash	2.4	
<b>Credit Quality Allocation</b>		
AAA	0.3	
AA	3.8	
A	0.1	
BBB	5.1	0.9
BB	43.2	47.3
B	34.8	38.2
CCC	12.6	13.7

**Portfolio Performance Summary**

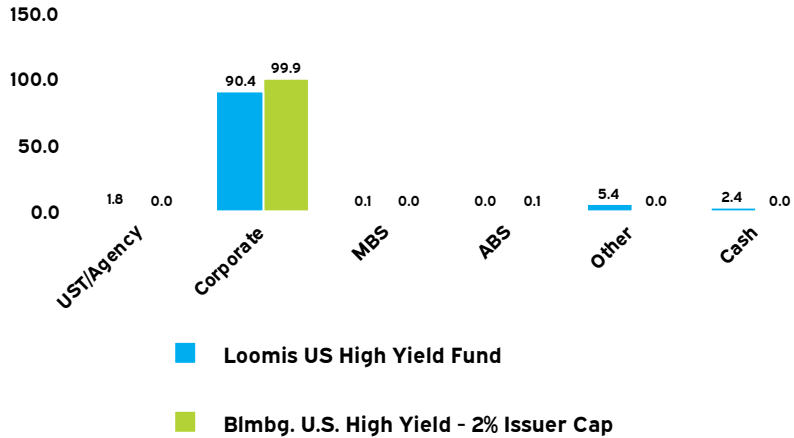
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Loomis US High Yield Fund	1.2	9.7	0.9	-	-	0.9	12/01/2020
Blmbg. U.S. High Yield - 2% Issuer Cap	1.5	11.2	2.2	4.2	4.4	2.8	



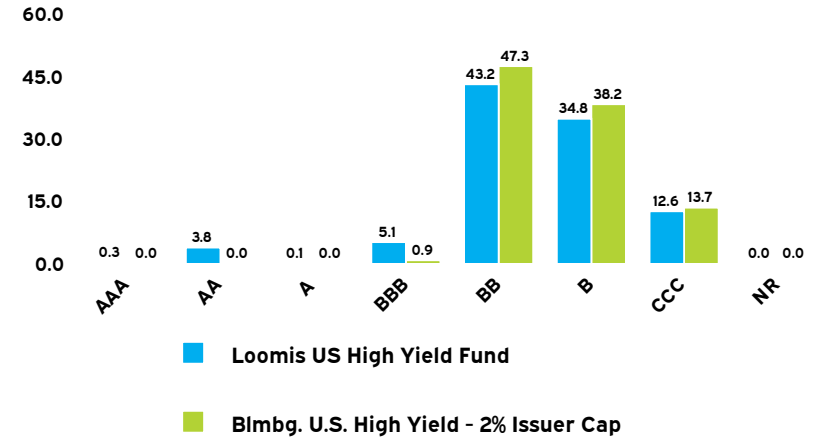
Dallas Police & Fire System

Loomis US High Yield Fund | As of March 31, 2024

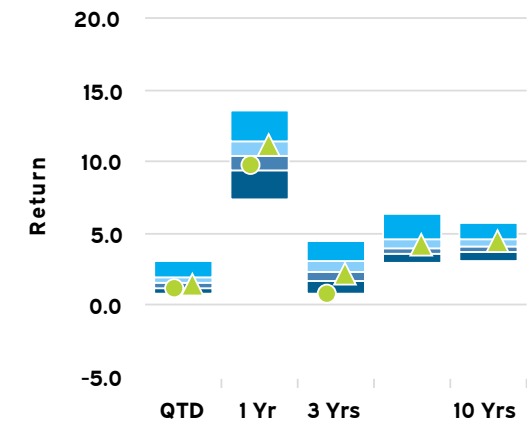
Sector Allocation



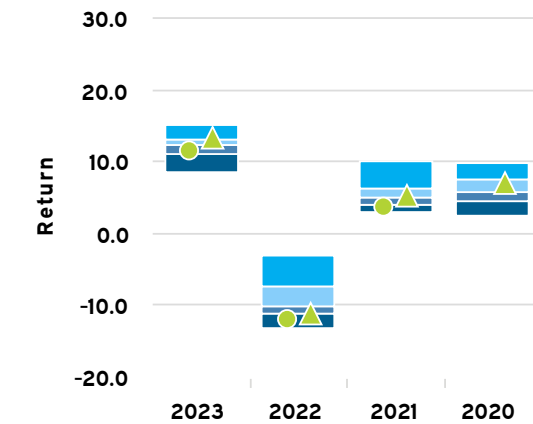
Credit Quality Allocation



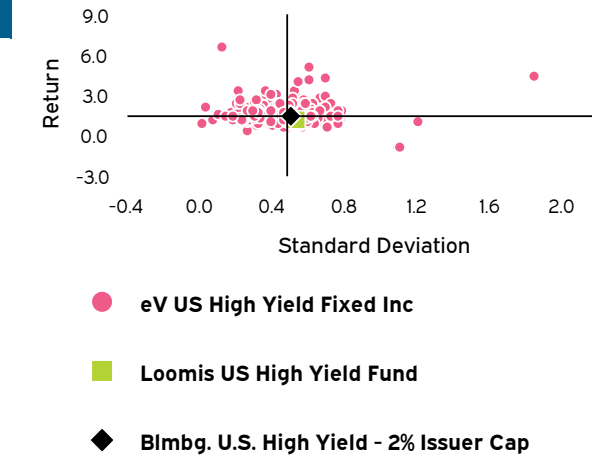
Rolling Peer Group Returns  
eV US High Yield Fixed Inc



Calendar Year Peer Group Returns  
eV US High Yield Fixed Inc



Risk Reward





Dallas Police & Fire System

Loomis US High Yield Fund | As of March 31, 2024

	Statistics Summary Since Inception										
	Cumulative Return	Return	Excess Performance	Standard Deviation	Alpha	Beta	Sharpe Ratio	R-Squared	Up Capture	Down Capture	Inception Date
Loomis US High Yield Fund	3.0	0.9	-1.9	8.2	-1.9	1.0	-0.1	1.0	92.2	111.6	12/01/2020
Blmbg. U.S. High Yield - 2% Issuer Cap	9.7	2.8	0.0	7.9	0.0	1.0	0.1	1.0	100.0	100.0	



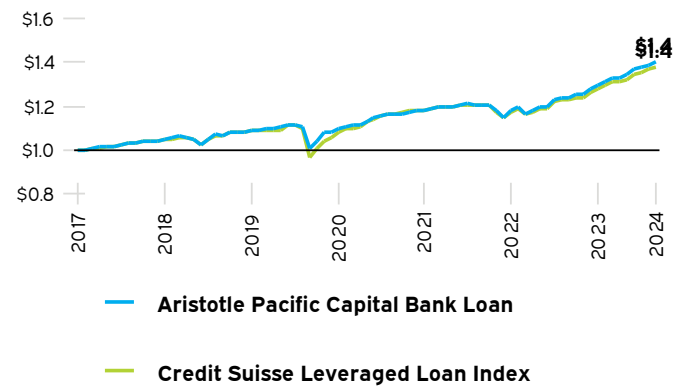
Dallas Police & Fire System

Aristotle Pacific Capital Bank Loan | As of March 31, 2024

**Account Information**

Account Name	Aristotle Pacific Capital Bank Loan
Account Structure	Commingled Fund
Inception Date	07/28/2017
Asset Class	US Fixed Income
Benchmark	Credit Suisse Leveraged Loan
Peer Group	eV US Float-Rate Bank Loan Fixed Inc

**Investment Growth**



**Fixed Income Characteristics**

	Q1 2024	
	Aristotle Pacific Capital Bank Loan	Credit Suisse Leveraged Loan Index
<b>Fixed Income Characteristics</b>		
Yield To Maturity (%)	9.2	10.1
Average Duration	0.4	0.3
Average Quality	B	B
Weighted Average Maturity	-	4.2
<b>US Sector Allocation</b>		
Corporate	7.8	
Other	91.7	100.0
Cash	0.6	
<b>Credit Quality Allocation</b>		
AAA/Aaa		0.0
BBB-/Baa3	0.1	5.6
BB/Ba	7.8	32.3
B	76.3	50.5
CCC/Caa	10.0	4.4
D		0.5
Not Rated	5.9	6.7

**Portfolio Performance Summary**

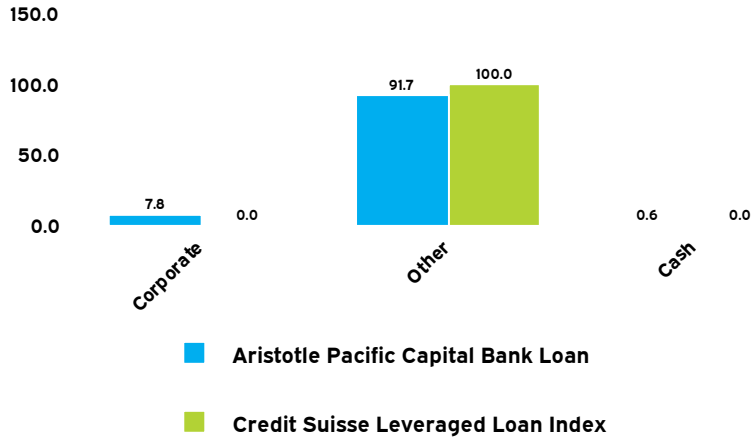
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Aristotle Pacific Capital Bank Loan	2.8	13.2	6.5	5.7	-	5.2	08/01/2017
Credit Suisse Leveraged Loan	2.5	12.4	5.8	5.3	4.6	4.9	



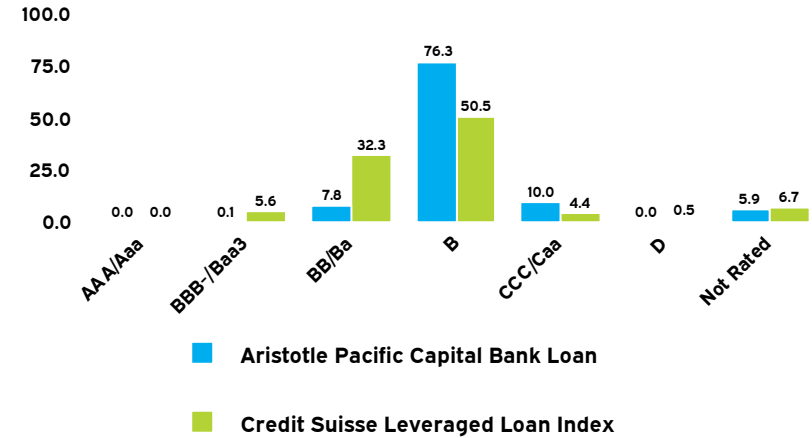
Dallas Police & Fire System

Aristotle Pacific Capital Bank Loan | As of March 31, 2024

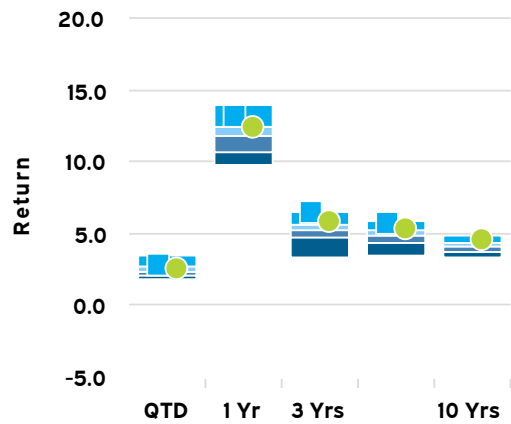
Sector Allocation



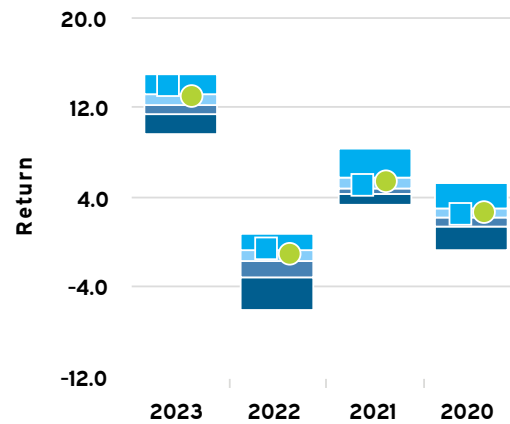
Credit Quality Allocation



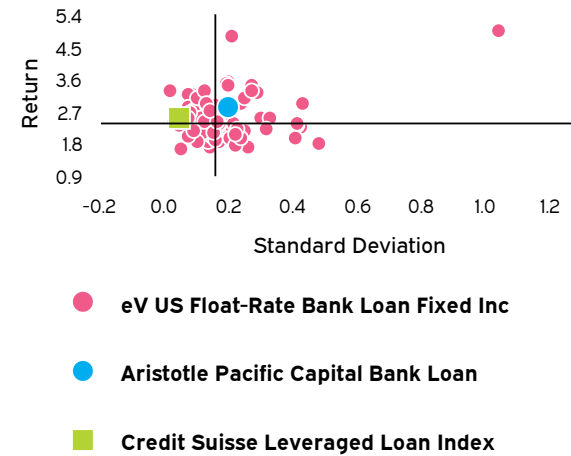
Rolling Peer Group Returns  
eV US Float-Rate Bank Loan Fixed Inc



Calendar Year Peer Group Returns  
eV US Float-Rate Bank Loan Fixed Inc



Risk Reward





Dallas Police & Fire System

Aristotle Pacific Capital Bank Loan | As of March 31, 2024

Statistics Summary Since Inception											
	Cumulative Return	Return	Excess Performance	Standard Deviation	Alpha	Beta	Sharpe Ratio	R-Squared	Up Capture	Down Capture	Inception Date
Aristotle Pacific Capital Bank Loan	40.4	5.2	0.3	5.1	1.3	0.8	0.6	0.9	94.8	83.0	08/01/2017
Credit Suisse Leveraged Loan	37.9	4.9	0.0	6.3	0.0	1.0	0.5	1.0	100.0	100.0	

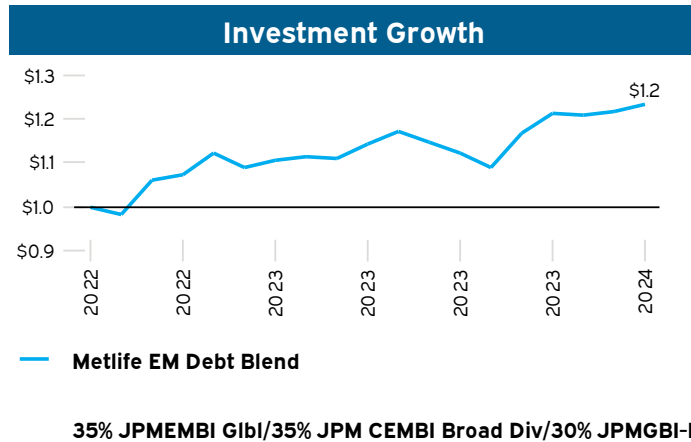




Dallas Police & Fire System

Metlife Emerging Markets Debt Blend | As of March 31, 2024

Account Information	
Account Name	Metlife Emerging Markets Debt Blend
Account Structure	Commingled Fund
Inception Date	10/01/2022
Asset Class	International Fixed Income
Benchmark	35% JPMEMBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBl-EM Di
Peer Group	eV All Emg Mkts Fixed Inc



Fixed Income Characteristics	Q1 2024	
	Metlife Emerging Markets Debt Blend	35% JPMEMBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBl-EM Di
<b>Fixed Income Characteristics</b>		
Yield To Maturity (%)	8.2	6.7
Average Duration	5.6	5.4
Average Quality	BB+	BBB-
Weighted Average Maturity	9.4	8.4
<b>US Sector Allocation</b>		
Corporate	34.4	35.0
Foreign	31.7	35.0
Other	28.3	30.0
Cash	5.6	0.0
<b>Credit Quality Allocation</b>		
AAA/Aaa	2.1	0.1
AA/Aa	1.9	7.0
A	11.5	23.4
BBB+/Baa1/BBB/Baa2	28.8	34.7
BB/Ba	24.8	18.8
B	17.2	10.9
CCC/Caa	6.6	3.2

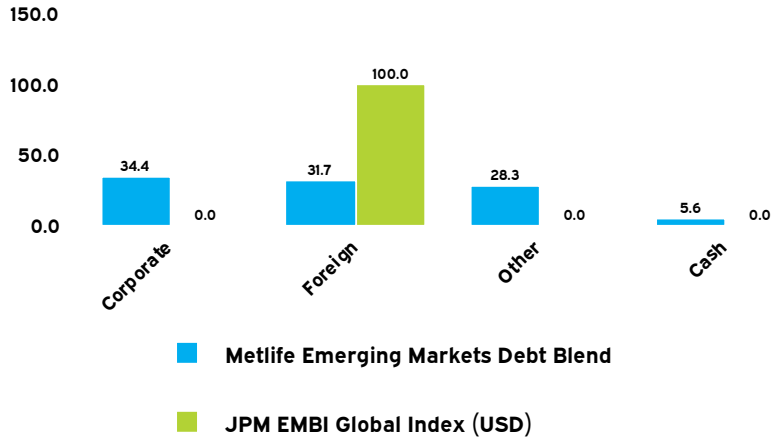
Portfolio Performance Summary	QTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
	(%)	(%)	(%)	(%)	(%)		
Metlife Emerging Markets Debt Blend	1.7	11.7	-	-	-	15.1	10/01/2022
35% JPMEMBI Gbl/35% JPM CEMBI Br Div/30% JPMGBl-EM	0.7	8.0	-	-	-	12.3	



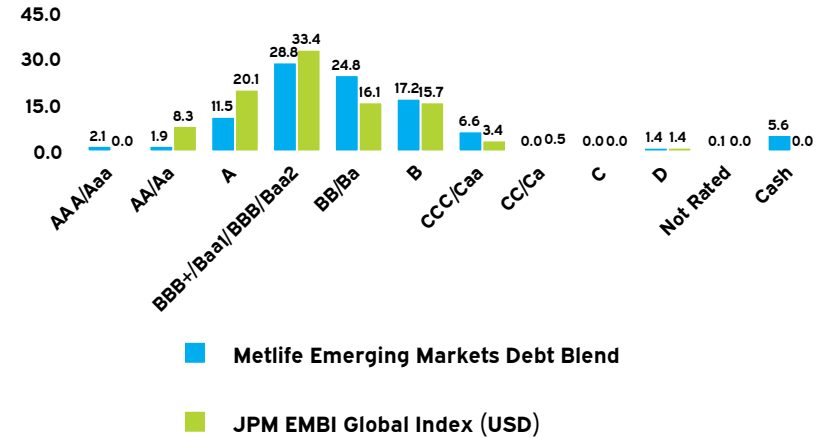
Dallas Police & Fire System

Metlife Emerging Markets Debt Blend | As of March 31, 2024

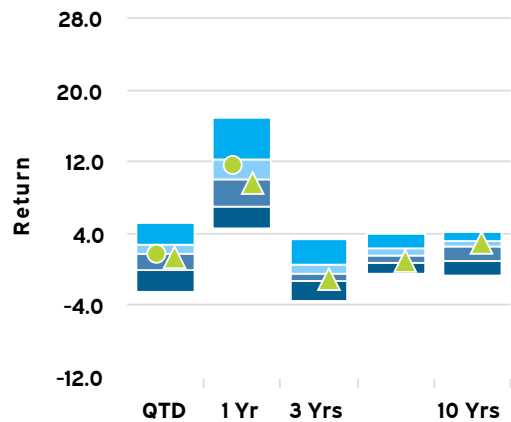
Sector Allocation



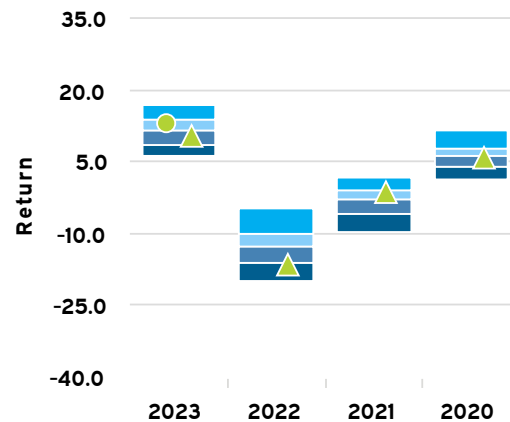
Credit Quality Allocation



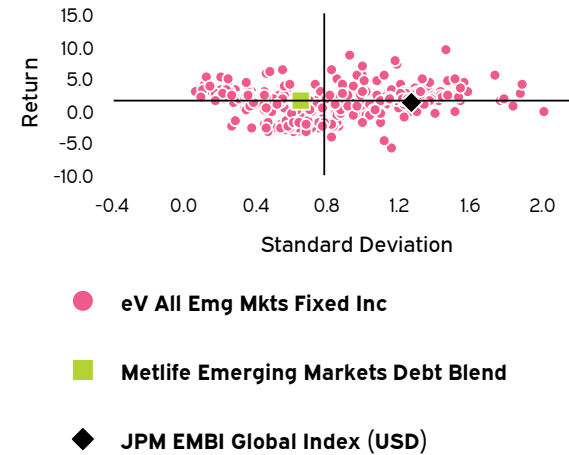
Rolling Peer Group Returns  
eV All Emg Mkts Fixed Inc



Calendar Year Peer Group Returns  
eV All Emg Mkts Fixed Inc



Risk Reward





Dallas Police & Fire System

Metlife Emerging Markets Debt Blend | As of March 31, 2024

Statistics Summary Since Inception											
	Cumulative Return	Return	Excess Performance	Standard Deviation	Alpha	Beta	Sharpe Ratio	R-Squared	Up Capture	Down Capture	Inception Date
Metlife Emerging Markets Debt Blend	23.5	15.1	2.8	10.7	-0.4	1.3	0.9	1.0	123.3	124.4	10/01/2022
35% JPMEMBI Gbl/ 35% JPM CEMBI Br Div/ 30% JPMGBI-EM	19.0	12.3	0.0	8.3	0.0	1.0	0.9	1.0	100.0	100.0	



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# Dallas Police & Fire Pension System

March 31, 2024

Fund Evaluation Report



## Dallas Police & Fire Pension System

### Agenda

## Agenda

1. Executive Summary
2. Performance Update As of March 31, 2024
3. Disclaimer, Glossary and Notes

## **Executive Summary As of March 31, 2024**



## Dallas Police & Fire Pension System

### Executive Summary

#### DPFP Trailing One-Year Flash Summary

Category	Results	Notes
Total Fund Performance Return	Positive	10.1%
Performance vs. Policy Index	Underperformed	10.1% vs. 15.7%
Performance vs. Peers <sup>1</sup>	Outperformed	10.1% vs. 7.8% median (43rd percentile)
Asset Allocation vs. Targets	Negative	Underweight global equity and overweight real estate hurt
Public Active Management	Outperformed	6 of 11 active public managers beat benchmarks
DPFP Public Markets vs. 60/40 <sup>2</sup>	Outperformed	16.7% vs. 13.3%
DPFP Public Markets vs. Peer Plans	Outperformed	16.7% vs. 7.8%
Safety Reserve Exposure	Below Target	\$156.5 million (approximately 7.8%)
Compliance with Targets	Yes	All asset classes in compliance

<sup>1</sup> InvestorForce Public DB \$1-5 billion net.

<sup>2</sup> Performance of Total Fund excluding private market investments relative to a 60% MSCI ACWI IMI Net/40% Barclays Global Aggregate Index.

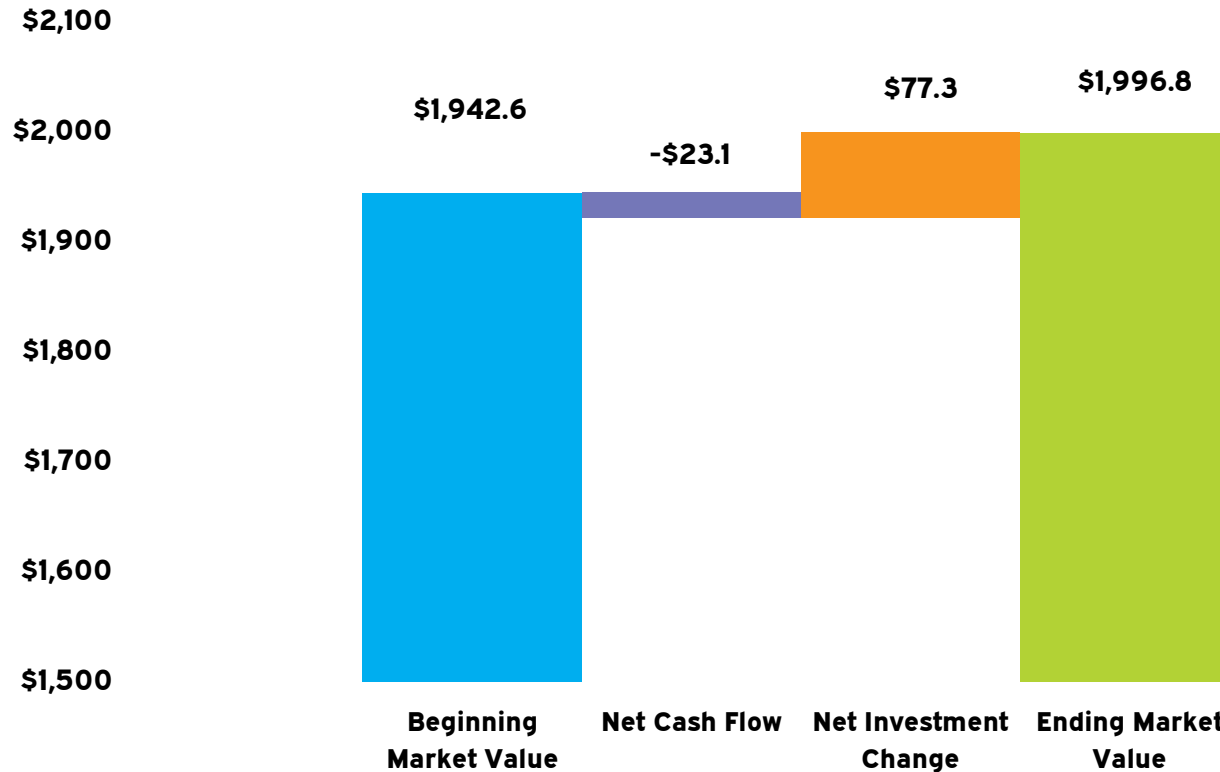




Dallas Police & Fire Pension System

Executive Summary

Quarterly Change in Market Value



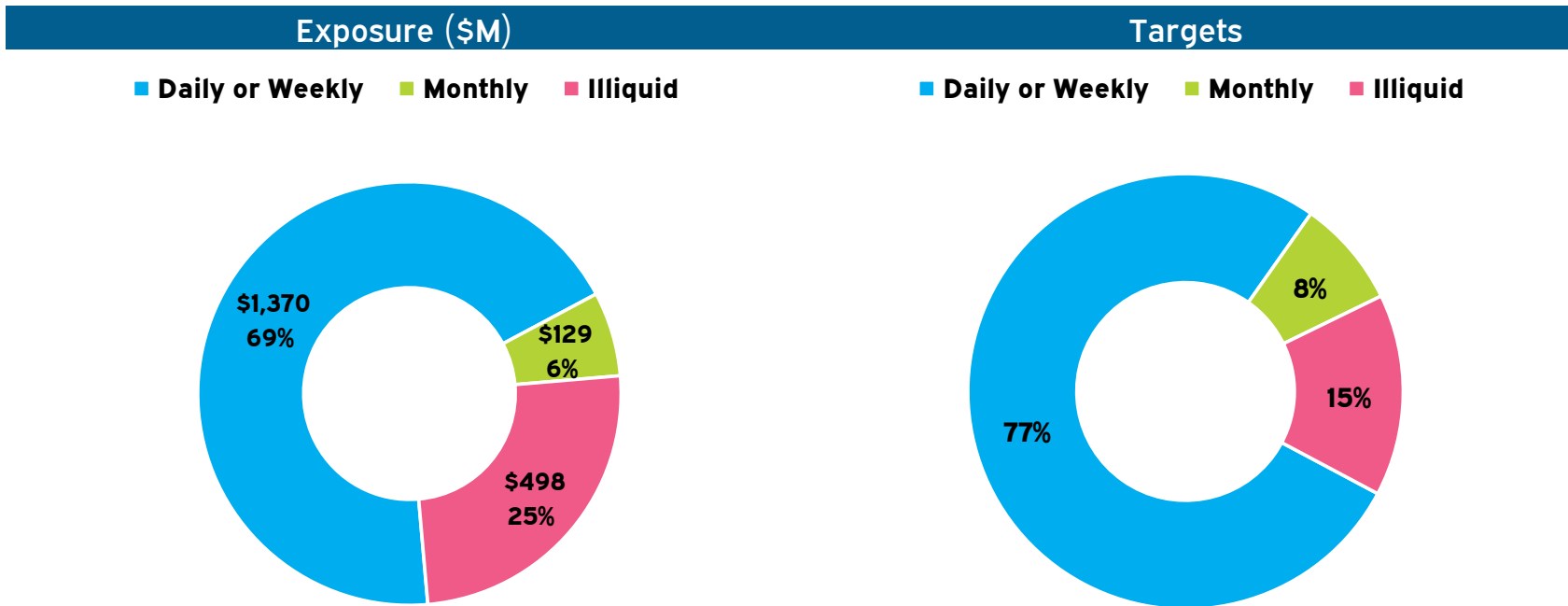
→ Total market value increased due to positive investment change despite negative net cash flow.



## Dallas Police & Fire Pension System

### Executive Summary

#### Liquidity Exposure As of March 31, 2024



→ Approximately 25% of the DPFP's assets are illiquid versus 15% of the target allocation.



## Dallas Police & Fire Pension System

### Executive Summary

#### Quarterly Manager Scorecard

	1-Year Outperformance vs. Benchmark	3-Year Outperformance vs. Benchmark	5-Year Outperformance vs. Benchmark
Boston Partners Global Equity Fund	No	Yes	No
Manulife Global Equity Strategy	Yes	Yes	Yes
Walter Scott Global Equity Fund	No	Yes	Yes
WCM Global Equity	NA	NA	NA
Eastern Shore US Small Cap	Yes	NA	NA
Global Alpha Int'l Small Cap	No	NA	NA
RBC Emerging Markets Equity	No	Yes	No
IR&M 1-3 Year Strategy	Yes	Yes	Yes
Longfellow Core Fixed Income	Yes	Yes	NA
Aristotle Pacific Capital Bank Loan	Yes	Yes	Yes
Loomis High Yield Fund	No	No	NA
Metlife Emerging Markets Debt	Yes	NA	NA

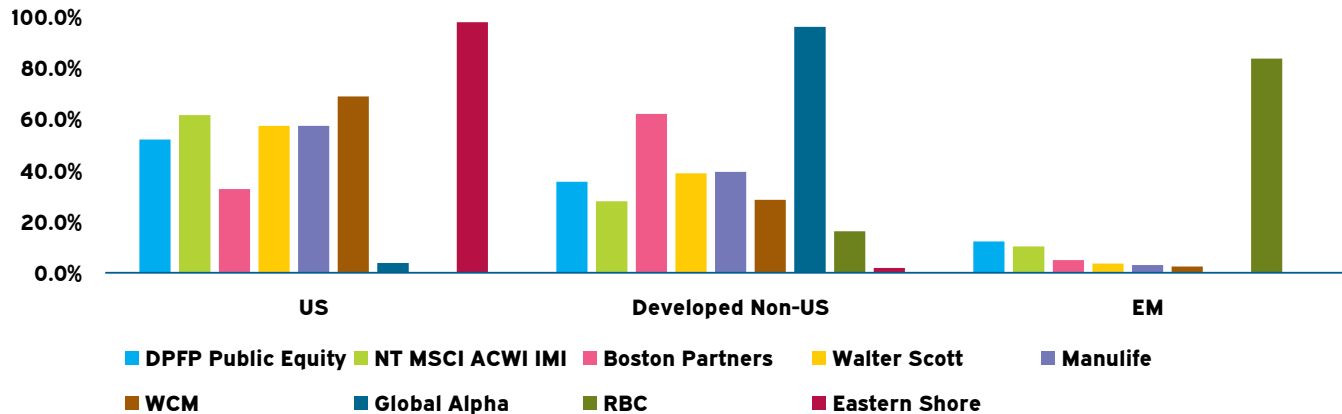


Dallas Police & Fire Pension System

Executive Summary

Equity Regional Exposure<sup>1</sup>

	Market Value (\$)	% of DFPF Public Equity	US (%)	Developed Non-US (%)	EM (%)
NT MSCI ACWI IMI	359,782,292	33	62	28	10
Boston Partners	124,998,514	12	33	62	5
Manulife	126,089,572	12	58	40	3
Walter Scott	125,143,572	12	58	39	4
WCM	133,443,822	12	69	29	3
RBC	93,124,718	9	-	16	84
Eastern Shore	65,755,130	6	98	2	-
Global Alpha	57,438,136	5	4	96	-
<b>DFPF Public Equity</b>	<b>1,085,775,756</b>	<b>100</b>	<b>52</b>	<b>36</b>	<b>12</b>
<i>MSCI ACWI IMI</i>			<i>62</i>	<i>28</i>	<i>10</i>

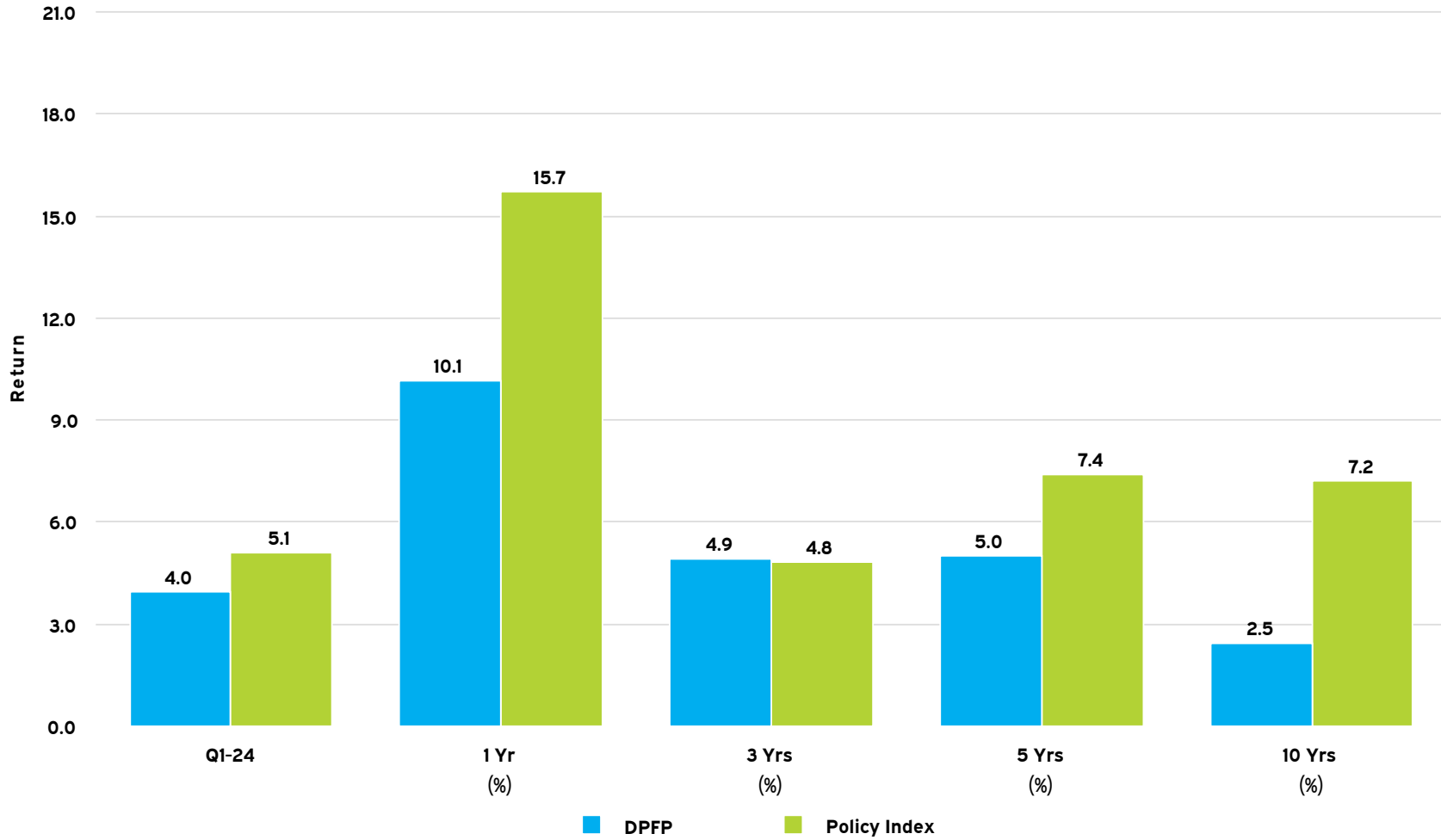


<sup>1</sup> Percentages may not always sum to 100% due to rounding. Given the multinational nature of many of the underlying holdings in these strategies, country allocation is not always clear and can vary between different data sources.

## **Performance Update** **As of March 31, 2024**



**Net Return Summary  
Ending March 31, 2024**

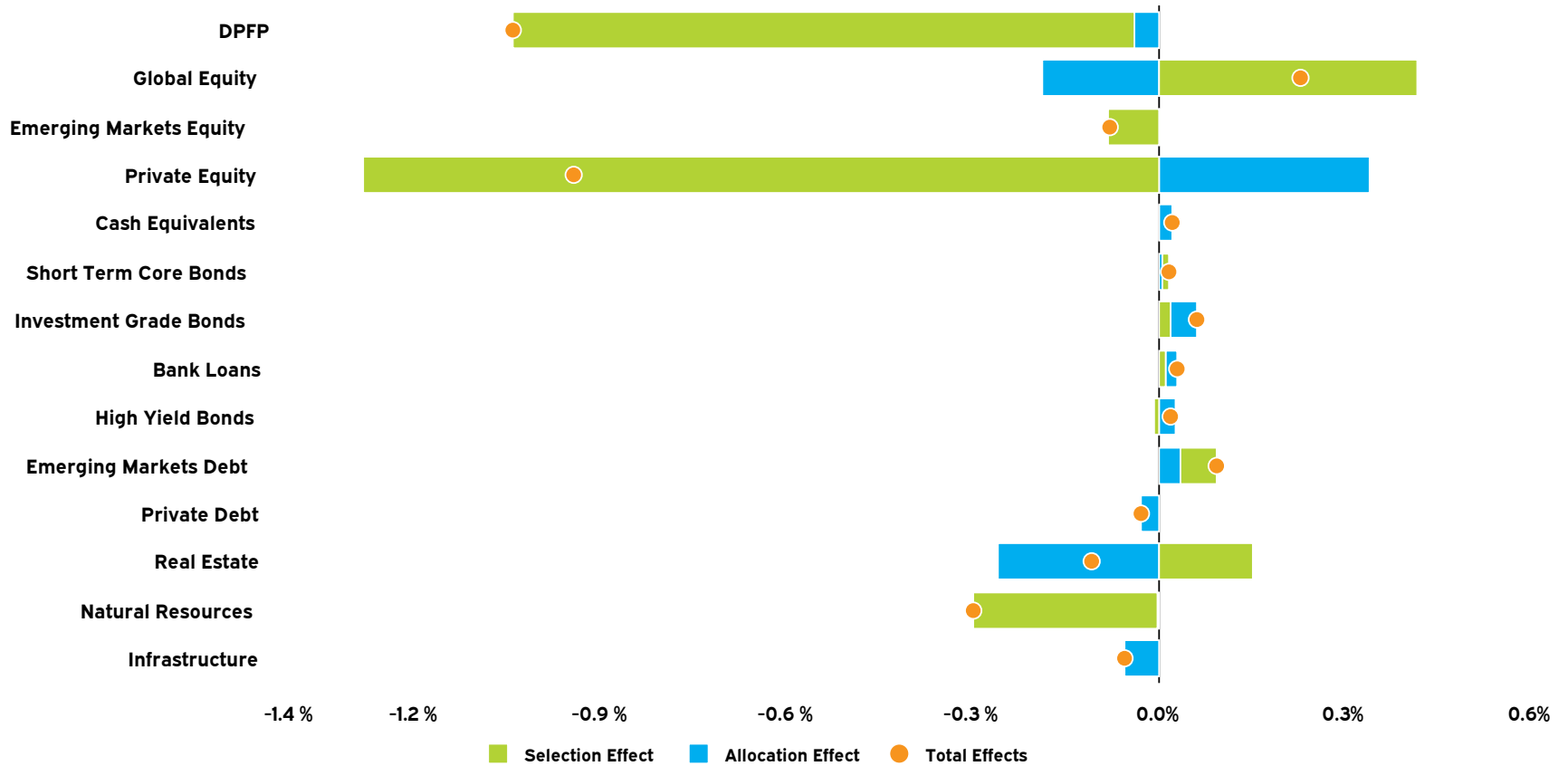




Dallas Police & Fire System

Total Plan Attribution | As of March 31, 2024

**Attribution Effects vs. Policy Benchmark  
3 Months Ending March 31, 2024**



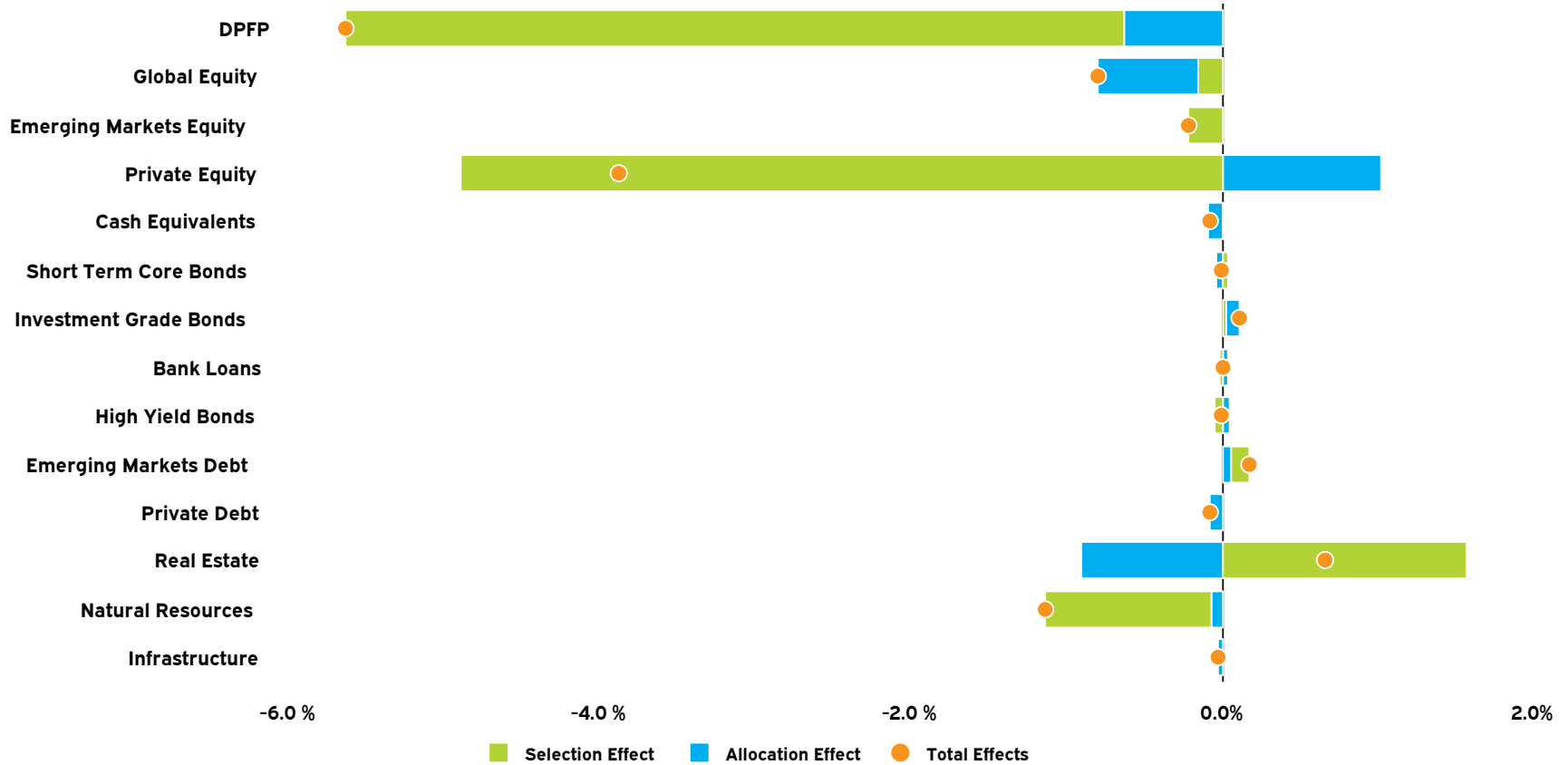
The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.



Dallas Police & Fire System

Total Plan Attribution | As of March 31, 2024

**Attribution Effects vs. Policy Benchmark  
1 Year Ending March 31, 2024**

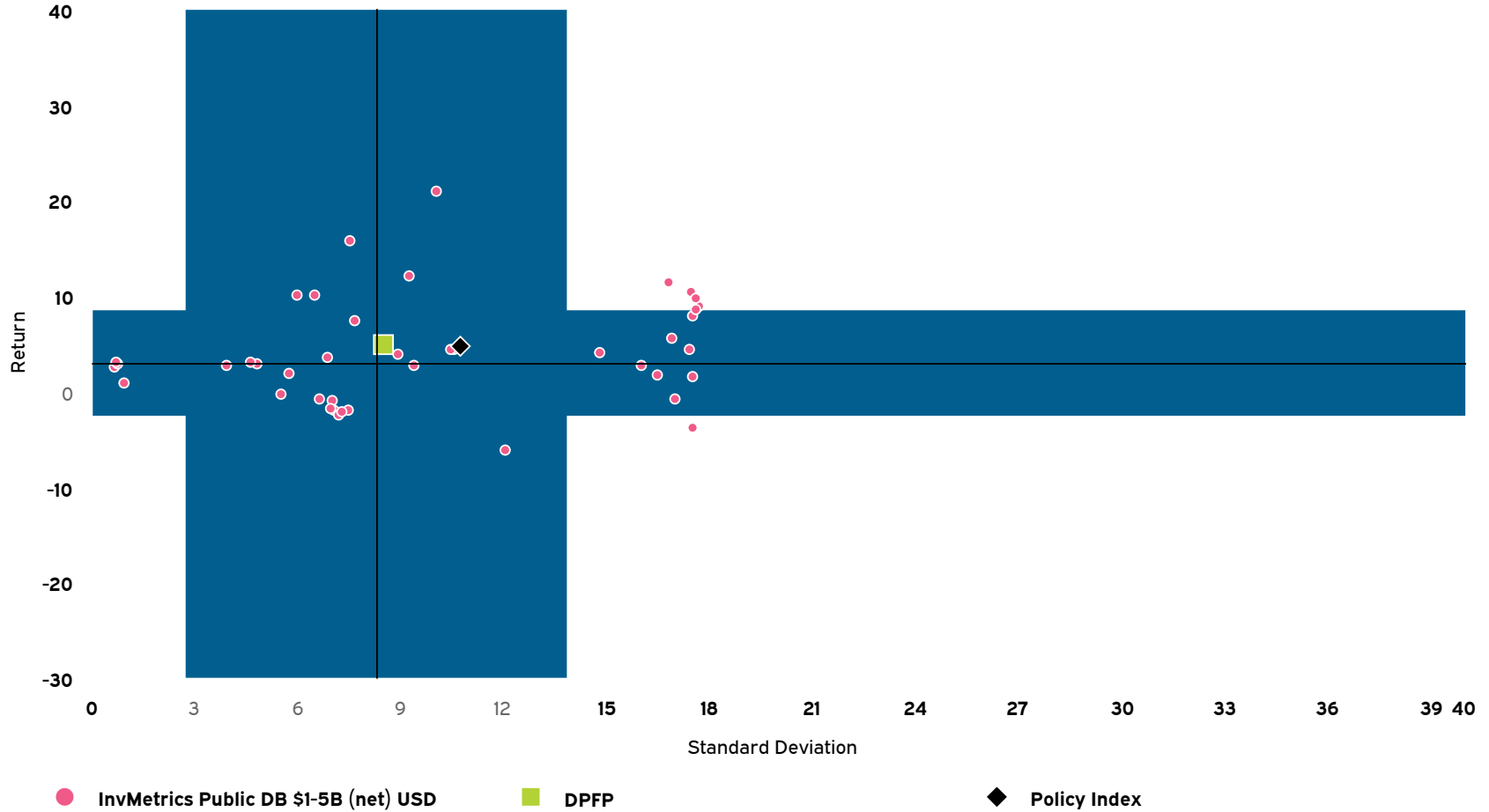


The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.





Annualized Return vs. Annualized Standard Deviation  
3 Years Ending March 31, 2024





## Dallas Police &amp; Fire System

## Asset Allocation &amp; Performance | As of March 31, 2024

Asset Class Performance Summary (Net)									
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>DPFP</b>	<b>1,996,823,205</b>	<b>100.0</b>	<b>4.0</b>	<b>10.1</b>	<b>4.9</b>	<b>5.0</b>	<b>2.5</b>	<b>5.7</b>	<b>Jun-96</b>
<i>Policy Index</i>			<i>5.1</i>	<i>15.7</i>	<i>4.8</i>	<i>7.4</i>	<i>7.2</i>	<i>--</i>	
<i>Allocation Index</i>			<i>4.5</i>	<i>12.6</i>	<i>4.9</i>	<i>6.9</i>	<i>7.0</i>	<i>7.2</i>	
<i>Total Fund Ex Private Markets</i>			<i>6.0</i>	<i>16.7</i>	<i>4.5</i>	<i>7.3</i>	<i>5.8</i>	<i>5.8</i>	
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>			<i>3.7</i>	<i>13.3</i>	<i>1.9</i>	<i>6.0</i>	<i>5.2</i>	<i>6.0</i>	
<b>Global Equity</b>	<b>992,741,955</b>	<b>49.7</b>	<b>8.6</b>	<b>22.0</b>	<b>7.0</b>	<b>11.0</b>	<b>9.5</b>	<b>7.6</b>	<b>Jul-06</b>
<i>MSCI AC World IMI Index (Net)</i>			<i>7.7</i>	<i>22.5</i>	<i>6.3</i>	<i>10.6</i>	<i>8.4</i>	<i>7.2</i>	
<b>Emerging Markets Equity</b>	<b>93,124,718</b>	<b>4.7</b>	<b>0.4</b>	<b>5.2</b>	<b>-3.8</b>	<b>2.9</b>	<b>--</b>	<b>2.0</b>	<b>Jan-18</b>
<i>MSCI Emerging Markets IMI (Net)</i>			<i>2.2</i>	<i>9.8</i>	<i>-3.9</i>	<i>3.0</i>	<i>3.2</i>	<i>1.2</i>	
<b>Private Equity</b>	<b>216,983,888</b>	<b>10.9</b>	<b>-0.9</b>	<b>-8.7</b>	<b>11.0</b>	<b>2.5</b>	<b>-3.8</b>	<b>0.2</b>	<b>Oct-05</b>
<i>Russell 3000 + 2% Lagged</i>			<i>10.5</i>	<i>31.8</i>	<i>12.1</i>	<i>17.2</i>	<i>15.4</i>	<i>13.3</i>	
<b>Cash Equivalents</b>	<b>41,074,666</b>	<b>2.1</b>	<b>1.3</b>	<b>5.6</b>	<b>2.7</b>	<b>2.1</b>	<b>--</b>	<b>1.8</b>	<b>Apr-15</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>	<i>1.4</i>	<i>1.5</i>	
<b>Short Term Core Bonds</b>	<b>115,399,316</b>	<b>5.8</b>	<b>0.6</b>	<b>4.2</b>	<b>0.7</b>	<b>1.9</b>	<b>--</b>	<b>1.9</b>	<b>Jul-17</b>
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>			<i>0.5</i>	<i>3.6</i>	<i>0.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.4</i>	
<b>Investment Grade Bonds</b>	<b>63,629,923</b>	<b>3.2</b>	<b>-0.2</b>	<b>2.3</b>	<b>-2.2</b>	<b>--</b>	<b>--</b>	<b>-0.3</b>	<b>Oct-19</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>-0.8</i>	
<b>Bank Loans</b>	<b>62,698,210</b>	<b>3.1</b>	<b>2.8</b>	<b>11.8</b>	<b>6.0</b>	<b>5.6</b>	<b>4.7</b>	<b>4.8</b>	<b>Jan-14</b>
<i>Credit Suisse Leveraged Loan</i>			<i>2.5</i>	<i>12.4</i>	<i>5.8</i>	<i>5.3</i>	<i>4.6</i>	<i>4.6</i>	
<b>High Yield Bonds</b>	<b>63,758,775</b>	<b>3.2</b>	<b>1.2</b>	<b>9.7</b>	<b>1.0</b>	<b>3.0</b>	<b>3.1</b>	<b>5.0</b>	<b>Jan-11</b>
<i>Blmbg. U.S. Corp. High Yield Index</i>			<i>1.5</i>	<i>11.2</i>	<i>2.2</i>	<i>4.2</i>	<i>4.4</i>	<i>5.7</i>	



## Dallas Police & Fire System

### Asset Allocation & Performance | As of March 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Emerging Markets Debt</b>	<b>66,053,639</b>	<b>3.3</b>	<b>1.7</b>	<b>11.7</b>	<b>-5.2</b>	<b>-3.1</b>	<b>0.0</b>	<b>1.0</b>	<b>Jan-11</b>
<i>50% JPM EMBI/50% JPM GBI-EM</i>			<i>-0.1</i>	<i>8.1</i>	<i>-1.5</i>	<i>0.5</i>	<i>1.3</i>	<i>2.1</i>	
<b>Private Debt</b>	<b>3,202,194</b>	<b>0.2</b>	<b>-9.4</b>	<b>-19.5</b>	<b>12.8</b>	<b>8.5</b>	<b>--</b>	<b>3.9</b>	<b>Jan-16</b>
<i>Bloomberg US High Yield+2%</i>			<i>2.0</i>	<i>13.4</i>	<i>4.2</i>	<i>6.3</i>	<i>6.5</i>	<i>8.2</i>	
<b>Real Estate</b>	<b>157,954,198</b>	<b>7.9</b>	<b>-1.2</b>	<b>8.6</b>	<b>7.7</b>	<b>4.2</b>	<b>-0.9</b>	<b>3.8</b>	<b>Mar-85</b>
<i>NCREIF Property (Q Lag)</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</i>	<i>7.6</i>	
<b>Natural Resources</b>	<b>94,696,225</b>	<b>4.7</b>	<b>-3.6</b>	<b>-12.7</b>	<b>-6.6</b>	<b>-3.5</b>	<b>-0.3</b>	<b>1.5</b>	<b>Jan-11</b>
<i>NCREIF Farmland (Q Lag)</i>			<i>2.3</i>	<i>5.0</i>	<i>7.5</i>	<i>6.0</i>	<i>7.3</i>	<i>10.0</i>	
<b>Infrastructure</b>	<b>25,505,498</b>	<b>1.3</b>	<b>0.8</b>	<b>9.9</b>	<b>22.8</b>	<b>7.0</b>	<b>7.7</b>	<b>7.5</b>	<b>Jul-12</b>
<i>S&amp;P Global Infrastructure TR USD</i>			<i>1.3</i>	<i>4.1</i>	<i>5.5</i>	<i>4.9</i>	<i>5.2</i>	<i>6.9</i>	



## Dallas Police &amp; Fire System

## Asset Allocation &amp; Performance | As of March 31, 2024

Trailing Net Performance									
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>DPFP</b>	<b>1,996,823,205</b>	<b>100.0</b>	<b>4.0</b>	<b>10.1</b>	<b>4.9</b>	<b>5.0</b>	<b>2.5</b>	<b>5.7</b>	<b>Jun-96</b>
<i>Policy Index</i>			5.1	15.7	4.8	7.4	7.2	--	
<i>Allocation Index</i>			4.5	12.6	4.9	6.9	7.0	7.2	
<i>Total Fund Ex Private Markets</i>			6.0	16.7	4.5	7.3	5.8	5.8	
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>			3.7	13.3	1.9	6.0	5.2	6.0	
InvMetrics Public DB \$1-5B (net) USD Rank			38	43	31	47	78	--	
<b>Total Equity</b>	<b>1,302,850,561</b>	<b>65.2</b>	<b>6.3</b>	<b>16.2</b>	<b>7.3</b>	<b>8.5</b>	<b>4.4</b>	<b>5.8</b>	<b>Jan-11</b>
<i>MSCI AC World IMI Index (Net)</i>			7.7	22.5	6.3	10.6	8.4	8.7	
<b>Public Equity</b>	<b>1,085,866,673</b>	<b>54.4</b>	<b>7.9</b>	<b>20.4</b>	<b>6.0</b>	<b>10.4</b>	<b>9.1</b>	<b>7.4</b>	<b>Jul-06</b>
<i>MSCI AC World IMI Index (Net)</i>			7.7	22.5	6.3	10.6	8.4	7.2	
eV All Global Equity Rank			42	46	47	50	37	42	
<b>Global Equity</b>	<b>992,741,955</b>	<b>49.7</b>	<b>8.6</b>	<b>22.0</b>	<b>7.0</b>	<b>11.0</b>	<b>9.5</b>	<b>7.6</b>	<b>Jul-06</b>
<i>MSCI AC World IMI Index (Net)</i>			7.7	22.5	6.3	10.6	8.4	7.2	
eV All Global Equity Rank			34	40	36	42	30	40	
NT ACWI Index IMI	359,782,292	18.0	7.7	22.7	6.8	--	--	6.8	Apr-21
<i>MSCI AC World IMI Index (Net)</i>			7.7	22.5	6.3	10.6	8.4	6.3	
eV Global All Cap Equity Rank			43	35	39	--	--	39	
Walter Scott Global Equity Fund	125,143,572	6.3	7.7	19.8	8.0	11.2	10.5	10.4	Dec-09
<i>MSCI ACWI Net</i>			8.2	23.2	7.0	10.9	8.7	9.2	
eV Global Large Cap Growth Eq Rank			51	61	14	53	46	56	
WCM Global Equity	133,443,822	6.7	14.3	--	--	--	--	18.5	Dec-23
<i>MSCI ACWI Net</i>			8.2	23.2	7.0	10.9	8.7	10.4	
eV Global Large Cap Growth Eq Rank			11	--	--	--	--	21	



## Dallas Police &amp; Fire System

## Asset Allocation &amp; Performance | As of March 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Boston Partners Global Equity Fund	124,998,514	6.3	8.1	19.5	9.5	11.5	--	9.1	Jul-17
<i>MSCI World Net</i>			<i>8.9</i>	<i>25.1</i>	<i>8.6</i>	<i>12.1</i>	<i>9.4</i>	<i>10.9</i>	
eV Global All Cap Value Eq Rank			10	35	11	13	--	19	
Manulife Global Equity Strategy	126,089,572	6.3	9.8	25.4	9.3	11.1	--	9.7	Jul-17
<i>MSCI ACWI Net</i>			<i>8.2</i>	<i>23.2</i>	<i>7.0</i>	<i>10.9</i>	<i>8.7</i>	<i>9.9</i>	
eV Global Large Cap Value Eq Rank			8	10	15	22	--	14	
Eastern Shore US Small Cap	65,755,130	3.3	7.5	19.8	--	--	--	-1.2	Oct-21
<i>Russell 2000 Index</i>			<i>5.2</i>	<i>19.7</i>	<i>-0.1</i>	<i>8.1</i>	<i>7.6</i>	<i>0.0</i>	
eV US Small Cap Equity Rank			30	46	--	--	--	77	
Global Alpha International Small Cap	57,438,136	2.9	4.0	1.6	--	--	--	0.4	May-22
<i>MSCI EAFE Small Cap (Net)</i>			<i>2.4</i>	<i>10.4</i>	<i>-1.4</i>	<i>4.9</i>	<i>4.7</i>	<i>3.5</i>	
eV Global Small Cap Equity Rank			63	98	--	--	--	91	
<b>Emerging Markets Equity</b>	<b>93,124,718</b>	<b>4.7</b>	<b>0.4</b>	<b>5.2</b>	<b>-3.8</b>	<b>2.9</b>	<b>--</b>	<b>2.0</b>	<b>Jan-18</b>
<i>MSCI Emerging Markets IMI (Net)</i>			<i>2.2</i>	<i>9.8</i>	<i>-3.9</i>	<i>3.0</i>	<i>3.2</i>	<i>1.2</i>	
eV Emg Mkts Equity Rank			84	79	52	63	--	44	
RBC Emerging Markets Equity	93,124,718	4.7	0.4	5.2	-3.8	2.9	--	2.0	Jan-18
<i>MSCI Emerging Markets IMI (Net)</i>			<i>2.2</i>	<i>9.8</i>	<i>-3.9</i>	<i>3.0</i>	<i>3.2</i>	<i>1.2</i>	
eV Emg Mkts Equity Rank			84	79	52	63	--	44	
<b>Private Equity</b>	<b>216,983,888</b>	<b>10.9</b>	<b>-0.9</b>	<b>-8.7</b>	<b>11.0</b>	<b>2.5</b>	<b>-3.8</b>	<b>0.2</b>	<b>Oct-05</b>
<i>Russell 3000 + 2% Lagged</i>			<i>10.5</i>	<i>31.8</i>	<i>12.1</i>	<i>17.2</i>	<i>15.4</i>	<i>13.3</i>	
<b>Total Fixed Income and Cash</b>	<b>415,816,723</b>	<b>20.8</b>	<b>1.1</b>	<b>8.6</b>	<b>1.0</b>	<b>2.2</b>	<b>2.1</b>	<b>4.4</b>	<b>Jul-06</b>
<i>Bloomberg Global Multiverse Index</i>			<i>-1.9</i>	<i>0.9</i>	<i>-4.5</i>	<i>-1.0</i>	<i>0.1</i>	<i>2.4</i>	
eV All Global Fixed Inc Rank			30	28	26	42	52	26	



## Dallas Police &amp; Fire System

## Asset Allocation &amp; Performance | As of March 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Cash Equivalents</b>	<b>41,074,666</b>	<b>2.1</b>	<b>1.3</b>	<b>5.6</b>	<b>2.7</b>	<b>2.1</b>	<b>--</b>	<b>1.8</b>	<b>Apr-15</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>	<i>1.4</i>	<i>1.5</i>	
<b>Public Fixed Income</b>	<b>371,539,863</b>	<b>18.6</b>	<b>1.1</b>	<b>8.6</b>	<b>-0.3</b>	<b>1.7</b>	<b>2.3</b>	<b>3.9</b>	<b>Jan-11</b>
<i>Bloomberg Global Multiverse Index</i>			<i>-1.9</i>	<i>0.9</i>	<i>-4.5</i>	<i>-1.0</i>	<i>0.1</i>	<i>0.9</i>	
eV All Global Fixed Inc Rank			30	28	41	51	45	25	
<b>Short Term Core Bonds</b>	<b>115,399,316</b>	<b>5.8</b>	<b>0.6</b>	<b>4.2</b>	<b>0.7</b>	<b>1.9</b>	<b>--</b>	<b>1.9</b>	<b>Jul-17</b>
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>			<i>0.5</i>	<i>3.6</i>	<i>0.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.4</i>	
IR&M 1-3 Year Strategy	115,399,316	5.8	0.6	4.2	0.6	1.8	--	1.9	Jul-17
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>			<i>0.5</i>	<i>3.6</i>	<i>0.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.4</i>	
eV US Short Duration Fixed Inc Rank			51	52	47	34	--	30	
<b>Investment Grade Bonds</b>	<b>63,629,923</b>	<b>3.2</b>	<b>-0.2</b>	<b>2.3</b>	<b>-2.2</b>	<b>--</b>	<b>--</b>	<b>-0.3</b>	<b>Oct-19</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>-0.8</i>	
eV US Core Fixed Inc Rank			21	47	46	--	--	37	
Longfellow Core Fixed Income	63,629,923	3.2	-0.2	2.4	-2.1	--	--	-1.9	Jul-20
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>-2.5</i>	
eV US Core Fixed Inc Rank			21	39	38	--	--	37	
<b>Bank Loans</b>	<b>62,698,210</b>	<b>3.1</b>	<b>2.8</b>	<b>11.8</b>	<b>6.0</b>	<b>5.6</b>	<b>4.7</b>	<b>4.8</b>	<b>Jan-14</b>
<i>Credit Suisse Leveraged Loan</i>			<i>2.5</i>	<i>12.4</i>	<i>5.8</i>	<i>5.3</i>	<i>4.6</i>	<i>4.6</i>	
eV US Float-Rate Bank Loan Fixed Inc Rank			24	48	13	12	7	8	
Aristotle Pacific Capital Bank Loan	62,698,210	3.1	2.8	13.2	6.5	5.7	--	5.2	Aug-17
<i>Credit Suisse Leveraged Loan</i>			<i>2.5</i>	<i>12.4</i>	<i>5.8</i>	<i>5.3</i>	<i>4.6</i>	<i>4.9</i>	
eV US Float-Rate Bank Loan Fixed Inc Rank			24	15	6	9	--	7	



## Dallas Police &amp; Fire System

## Asset Allocation &amp; Performance | As of March 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>High Yield Bonds</b>	<b>63,758,775</b>	<b>3.2</b>	<b>1.2</b>	<b>9.7</b>	<b>1.0</b>	<b>3.0</b>	<b>3.1</b>	<b>5.0</b>	<b>Jan-11</b>
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>1.5</i>	<i>11.2</i>	<i>2.2</i>	<i>4.2</i>	<i>4.4</i>	<i>5.7</i>	
eV US High Yield Fixed Inc Rank			77	67	94	94	94	65	
Loomis US High Yield Fund	63,758,775	3.2	1.2	9.7	0.9	--	--	0.9	Dec-20
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>			<i>1.5</i>	<i>11.2</i>	<i>2.2</i>	<i>4.2</i>	<i>4.4</i>	<i>2.8</i>	
eV US High Yield Fixed Inc Rank			77	67	95	--	--	99	
<b>Emerging Markets Debt</b>	<b>66,053,639</b>	<b>3.3</b>	<b>1.7</b>	<b>11.7</b>	<b>-5.2</b>	<b>-3.1</b>	<b>0.0</b>	<b>1.0</b>	<b>Jan-11</b>
<i>50% JPM EMBI/50% JPM GBI-EM</i>			<i>-0.1</i>	<i>8.1</i>	<i>-1.5</i>	<i>0.5</i>	<i>1.3</i>	<i>2.1</i>	
eV All Emg Mkts Fixed Inc Rank			53	31	99	100	89	80	
Metlife Emerging Markets Debt Blend	66,053,639	3.3	1.7	11.7	--	--	--	15.1	Oct-22
<i>35% JPMEBIBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBI-EM Di</i>			<i>0.7</i>	<i>8.0</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>12.3</i>	
eV All Emg Mkts Fixed Inc Rank			53	31	--	--	--	38	
<b>Private Debt</b>	<b>3,202,194</b>	<b>0.2</b>	<b>-9.4</b>	<b>-19.5</b>	<b>12.8</b>	<b>8.5</b>	<b>--</b>	<b>3.9</b>	<b>Jan-16</b>
<i>Bloomberg US High Yield+2%</i>			<i>2.0</i>	<i>13.4</i>	<i>4.2</i>	<i>6.3</i>	<i>6.5</i>	<i>8.2</i>	
<b>Total Real Assets</b>	<b>278,155,921</b>	<b>13.9</b>	<b>-1.8</b>	<b>-1.5</b>	<b>3.6</b>	<b>1.6</b>	<b>-0.4</b>	<b>-0.5</b>	<b>Jan-11</b>
<i>Total Real Assets Policy Index</i>			<i>-0.4</i>	<i>-1.6</i>	<i>6.1</i>	<i>5.2</i>	<i>7.1</i>	<i>9.1</i>	
<b>Real Estate</b>	<b>157,954,198</b>	<b>7.9</b>	<b>-1.2</b>	<b>8.6</b>	<b>7.7</b>	<b>4.2</b>	<b>-0.9</b>	<b>3.8</b>	<b>Mar-85</b>
<i>NCREIF Property (Q Lag)</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</i>	<i>7.6</i>	
<b>Natural Resources</b>	<b>94,696,225</b>	<b>4.7</b>	<b>-3.6</b>	<b>-12.7</b>	<b>-6.6</b>	<b>-3.5</b>	<b>-0.3</b>	<b>1.5</b>	<b>Jan-11</b>
<i>NCREIF Farmland (Q Lag)</i>			<i>2.3</i>	<i>5.0</i>	<i>7.5</i>	<i>6.0</i>	<i>7.3</i>	<i>10.0</i>	
<b>Infrastructure</b>	<b>25,505,498</b>	<b>1.3</b>	<b>0.8</b>	<b>9.9</b>	<b>22.8</b>	<b>7.0</b>	<b>7.7</b>	<b>7.5</b>	<b>Jul-12</b>
<i>S&amp;P Global Infrastructure TR USD</i>			<i>1.3</i>	<i>4.1</i>	<i>5.5</i>	<i>4.9</i>	<i>5.2</i>	<i>6.9</i>	

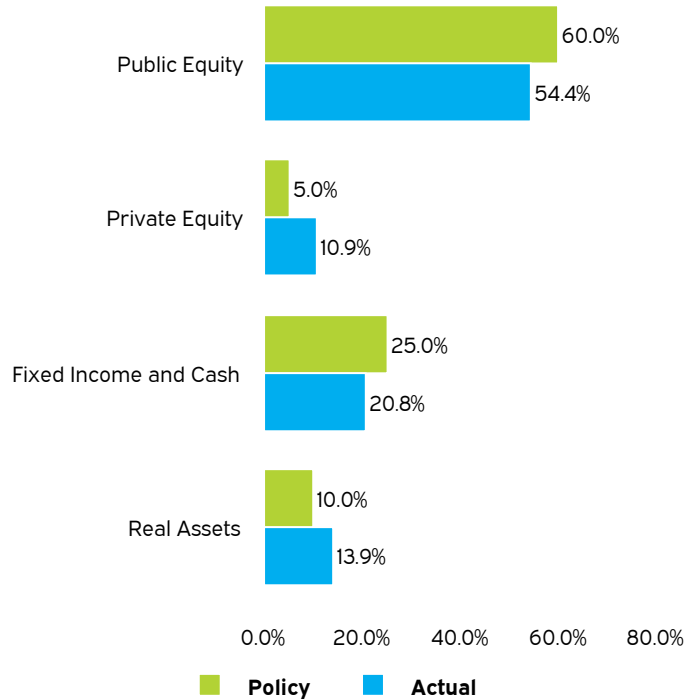
All Private Markets market values are one quarter lagged unless otherwise noted.



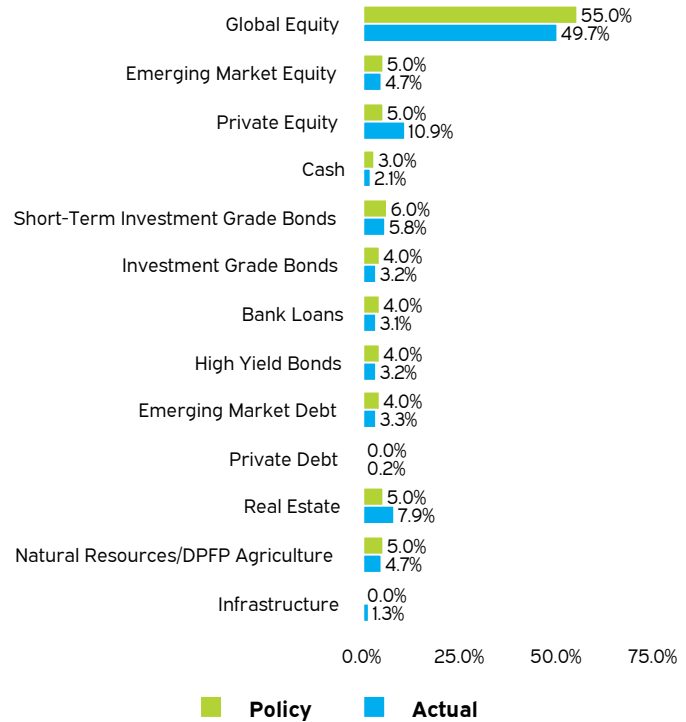
Dallas Police & Fire System

DPFP | As of March 31, 2024

**Asset Category Actual vs Target Allocation (%)**  
As of March 31, 2024



**Asset Class Actual vs Target Allocation (%)**  
As of March 31, 2024







## Dallas Police & Fire System

### Asset Allocation Compliance | As of March 31, 2024

	Current Balance (\$)	Current Allocation (%)	Policy (%)	Policy Range (%)	Within IPS Range?
Public Equity	1,085,866,673	54	60	20 - 70	Yes
Global Equity	992,741,955	50	55	36 - 60	Yes
Emerging Market Equity	93,124,718	5	5	3 - 7	Yes
Private Equity	216,983,888	11	5		
Private Equity	216,983,888	11	5		
Fixed Income and Cash	415,816,723	21	25	5 - 40	Yes
Cash	41,074,666	2	3	0 - 6	Yes
Short-Term Investment Grade Bonds	115,399,316	6	6	0 - 9	Yes
Investment Grade Bonds	63,629,923	3	4	2 - 6	Yes
Bank Loans	62,698,210	3	4	2 - 6	Yes
High Yield Bonds	63,758,775	3	4	2 - 6	Yes
Emerging Market Debt	66,053,639	3	4	2 - 6	Yes
Private Debt	3,202,194	0	0		
Real Assets	278,155,921	14	10		
Real Estate	157,954,198	8	5		
Natural Resources/DPFP Agriculture	94,696,225	5	5		
Infrastructure	25,505,498	1	0		
<b>Total</b>	<b>1,996,823,205</b>	<b>100</b>	<b>100</b>		

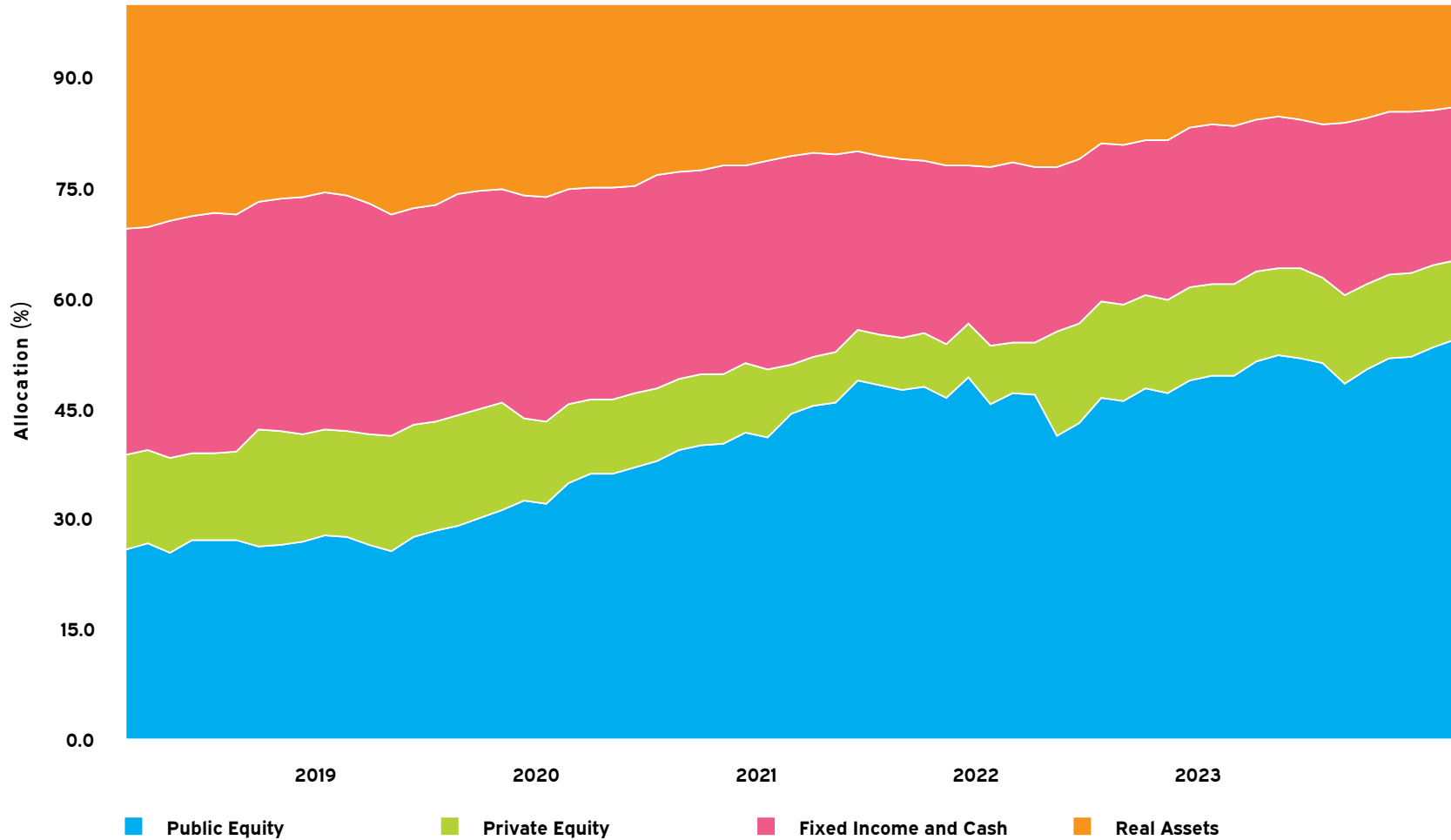
As of 3/31/2024, the Safety Reserve Exposure was approximately \$156.5 million (7.8%).  
Rebalancing ranges are not established for illiquid assets (Private Equity, Private Debt, Natural Resources, Infrastructure, and Real Estate).



### Dallas Police & Fire System

Historical Asset Allocation | As of March 31, 2024

## Asset Allocation History vs. Policy 5 Years Ending March 31, 2024





## Dallas Police & Fire System

### Multi Time Period Statistics | As of March 31, 2024

Statistics Summary 5 Years Ending March 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
DPFP	5.0	8.3	-0.4	0.6	0.4	6.5
Policy Index	7.4	10.8	-	1.0	0.5	0.0
Public Equity	10.4	17.6	-0.1	1.0	0.5	2.2
MSCI AC World IMI Index (Net)	10.6	17.9	-	1.0	0.5	0.0
Global Equity	11.0	18.0	0.2	1.0	0.6	2.2
MSCI AC World IMI Index (Net)	10.6	17.9	-	1.0	0.5	0.0
Emerging Markets Equity	2.9	18.0	-0.1	0.9	0.1	4.4
MSCI Emerging Markets IMI (Net)	3.0	18.8	-	1.0	0.1	0.0
Private Equity	2.5	54.2	-0.1	-0.5	0.2	60.1
Russell 3000 + 2% Lagged	17.2	18.8	-	1.0	0.8	0.0
Short Term Core Bonds	1.9	2.1	0.5	1.0	-0.1	1.0
Blmbg. U.S. Aggregate 1-3 Yrs	1.3	1.8	-	1.0	-0.4	0.0
Bank Loans	5.6	5.0	0.1	0.7	0.7	2.8
Credit Suisse Leveraged Loan	5.3	7.1	-	1.0	0.5	0.0
High Yield Bonds	3.0	10.1	-0.7	1.1	0.1	1.6
Blmbg. U.S. Corp: High Yield Index	4.2	9.3	-	1.0	0.3	0.0
Emerging Markets Debt	-3.1	14.6	-0.7	1.3	-0.3	4.6
50% JPM EMBI/50% JPM GBI-EM	0.5	11.1	-	1.0	-0.1	0.0
Real Estate	4.2	4.8	0.0	0.0	0.5	7.5
NCREIF Property (Q Lag)	4.3	5.6	-	1.0	0.4	0.0



## Dallas Police & Fire System

### Multi Time Period Statistics | As of March 31, 2024

	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Natural Resources	-3.5	6.5	-1.3	0.1	-0.8	7.1
NCREIF Farmland (Q Lag)	6.0	3.2	-	1.0	1.2	0.0
Infrastructure	7.0	15.6	0.1	0.0	0.4	24.0
S&P Global Infrastructure TR USD	4.9	18.9	-	1.0	0.2	0.0



**Dallas Police & Fire System**

**Benchmark History | As of March 31, 2024**

Benchmark History		
From Date	To Date	Benchmark
<b>DPFP</b>		
10/01/2021	Present	4.0% Blmbg. U.S. Aggregate Index, 4.0% Blmbg. U.S. Corp: High Yield Index, 6.0% Blmbg. U.S. Aggregate 1-3 Yrs, 5.0% MSCI Emerging Markets IMI (Net), 55.0% MSCI AC World IMI Index (Net), 3.0% ICE BofA 3 Month U.S. T-Bill, 5.0% Russell 3000 +2% 1Q Lag, 5.0% NCREIF Property (Q Lag), 5.0% NCREIF Farmland (Q Lag), 4.0% 50% JPM EMBI/50% JPM GBI-EM, 4.0% S&P/LSTA Leveraged Loan
08/01/2021	10/01/2021	4.0% Blmbg. U.S. Aggregate Index, 4.0% Blmbg. U.S. Corp: High Yield Index, 6.0% Blmbg. U.S. Aggregate 1-3 Yrs, 5.0% MSCI Emerging Markets IMI (Net), 55.0% MSCI AC World IMI Index (Net), 3.0% ICE BofA 3 Month U.S. T-Bill, 5.0% NCREIF Property (Q Lag), 5.0% NCREIF Farmland (Q Lag), 4.0% 50% JPM EMBI/50% JPM GBI-EM, 4.0% S&P/LSTA Leveraged Loan, 5.0% Cambridge Associates UE PE and VC (1 Qtr Lag)
01/01/2019	08/01/2021	4.0% Blmbg. U.S. Aggregate Index, 4.0% Blmbg. U.S. Corp: High Yield Index, 12.0% Blmbg. U.S. Aggregate 1-3 Yrs, 10.0% MSCI Emerging Markets IMI (Net), 40.0% MSCI AC World IMI Index (Net), 4.0% Blmbg. Global Aggregate Index, 3.0% ICE BofA 3 Month U.S. T-Bill, 5.0% NCREIF Property (Q Lag), 5.0% NCREIF Farmland (Q Lag), 4.0% 50% JPM EMBI/50% JPM GBI-EM, 4.0% S&P/LSTA Leveraged Loan, 5.0% Cambridge Associates UE PE and VC (1 Qtr Lag)
10/01/2018	01/01/2019	4.0% Blmbg. U.S. Aggregate Index, 10.0% MSCI Emerging Markets Index, 40.0% MSCI AC World Index, 5.0% NCREIF Property Index 4.0% Blmbg. U.S. High Yield - 2% Issuer Cap, 12.0% Blmbg. U.S. Aggregate 1-3 Yrs, 4.0% Blmbg. Global Aggregate Index, 3.0% ICE BofA 3 Month U.S. T-Bill, 5.0% Russell 3000 +2% Lagged, 4.0% 50% JPM EMBI/50% JPM GBI-EM, 4.0% S&P/LSTA Leveraged Loan, 5.0% Natural Resources Benchmark (Linked)
04/01/2016	10/01/2018	5.0% MSCI Emerging Markets Index, 20.0% MSCI AC World Index, 2.0% HFRX Absolute Return Index, 12.0% NCREIF Property Index, 2.0% Blmbg. U.S. Aggregate 1-3 Yrs, 3.0% Blmbg. Global Aggregate Index, 5.0% Blmbg. Global High Yield Index, 2.0% ICE BofA 3 Month U.S. T-Bill, 3.0% CPI +5% (Seasonally Adjusted), 5.0% Russell 3000 +2% Lagged, 6.0% 50% JPM EMBI/50% JPM GBI-EM, 6.0% HFRI RV: FI (50/50-ABS/Corp), 5.0% Barclays Global High Yield +2%, 8.0% 60% MSCI ACWI/40% Barclays Global Agg, 5.0% S&P Global Infrastructure TR USD, 6.0% S&P/LSTA Leveraged Loan, 5.0% Natural Resources Benchmark (Linked)
04/01/2014	04/01/2016	15.0% NCREIF Property Index, 15.0% MSCI AC World Index (Net), 15.0% Blmbg. Global Aggregate Index, 30.0% CPI +5% (Seasonally Adjusted), 10.0% Total Global Natural Resources Custom Benchmark, 15.0% S&P 500 + 2%
<b>Total Real Assets</b>		
01/11/2010	Present	50.0% NCREIF Property (Q Lag), 50.0% NCREIF Farmland (Q Lag)

## **Disclaimer, Glossary, and Notes**



## Disclaimer, Glossary, and Notes

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SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

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## Disclaimer, Glossary, and Notes

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$ .

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.





## Disclaimer, Glossary, and Notes

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.



## Disclaimer, Glossary, and Notes

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.



# Dallas Police & Fire Pension System

As of December 31, 2023

Private Markets Review



## Dallas Police & Fire Pension System

### Agenda

## Agenda

1. Private Markets Executive Summary
2. Performance Update as of December 31, 2023

## **Private Markets Executive Summary As of December 31, 2023**



**Dallas Police & Fire Pension System**

**Private Markets Executive Summary**

**Quarterly Change – Total Private Markets**

Total Private Markets	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
9/30/2023	1,179	1,203	882	523	
12/31/2023	1179	1204	900	498	
<b>CHANGE</b>	-	<b>+\$1</b>	<b>+\$18</b>	<b>-\$25</b>	<b>-1.5%</b>

4Q23 distributions over \$1.0M		
Infra	JPM Maritime Fund	\$15.5
PE	Lone Star Bridge Loan	\$2.0



Dallas Police & Fire Pension System

Private Markets Executive Summary

Quarterly Change by Asset Class

Private Equity

Private Equity	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
9/30/2023	409	447	241	223	
12/31/2023	409	447	243	220	
<b>CHANGE</b>	-	-	<b>+\$2</b>	<b>-\$3</b>	<b>-0.4%</b>

Real Estate

Real Estate	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
9/30/2023	515	507	384	161	
12/31/2023	515	507	385	158	
<b>CHANGE</b>	-	-	<b>+\$1</b>	<b>-\$3</b>	<b>-1.2%</b>



## Dallas Police & Fire Pension System

### Private Markets Executive Summary

#### Quarterly Change by Asset Class (continued)

##### Infrastructure

Infrastructure	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
9/30/2023	97	92	57	41	
12/31/2023	97	93	72	26	
<b>CHANGE</b>	-	<b>+\$1</b>	<b>+\$15</b>	<b>-\$15</b>	<b>-2.4%</b>

##### Agriculture

Agriculture	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
9/30/2023	74	74	178	83	
12/31/2023	74	74	178	81	
<b>CHANGE</b>	-	-	-	<b>-\$2</b>	<b>-2.4%</b>





## Dallas Police & Fire Pension System

### Private Markets Executive Summary

#### Quarterly Change by Asset Class (continued)

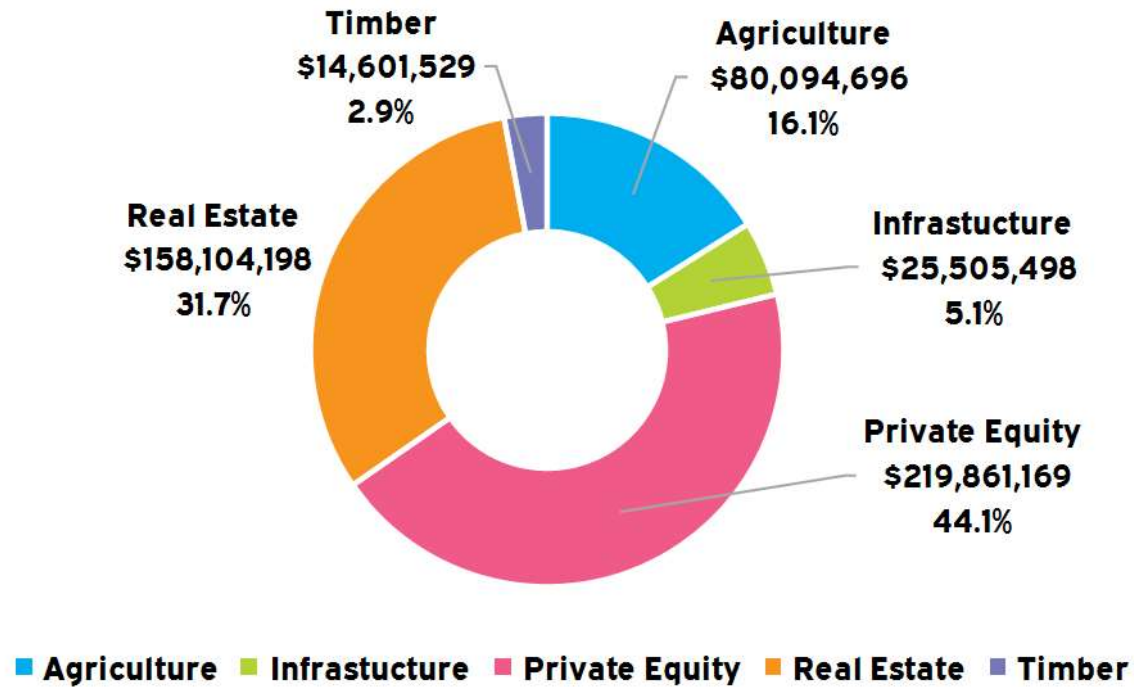
##### Timber

Timber	Committed (\$M)	Called (\$M)	Distributed (\$M)	NAV (\$M)	QTR Return (%)
9/30/2023	83	83	21	15	
12/31/2023	83	83	21	15	
<b>CHANGE</b>	-	-	-	-	<b>0%</b>

**Performance Update**  
**As of December 31, 2023**



**Private Market Investments as of December 31, 2023**  
**Market Value Allocation by Asset Class**



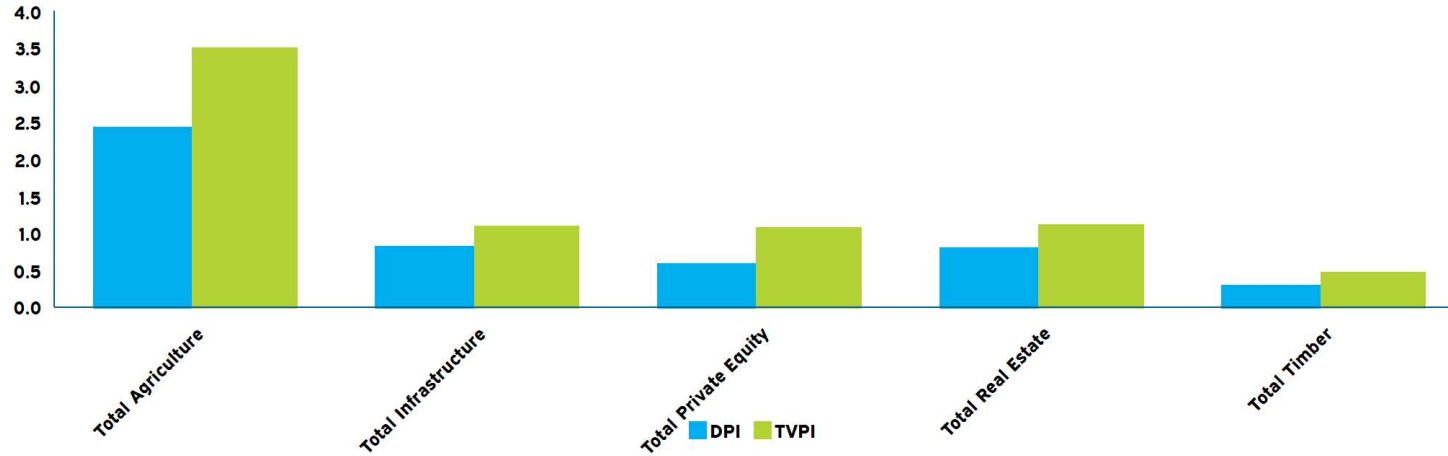
1. Private Equity is composed of Private Equity and Private Debt.



## Dallas Police & Fire System

### Private Markets Review | As of December 31, 2023

#### Private Market Investments as of December 31, 2023 DPI and TVPI by Asset Class



1. Private Equity is composed of Private Equity and Private Debt.  
2. Private markets performance reflected is composed of active investments only.



## Dallas Police & Fire System

### Private Markets Review | As of December 31, 2023

Private Market Investments Overview										
Active Funds	Commitments		Distributions & Valuations				Performance			
Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
Total Agriculture	74,420,001	74,420,001	177,592,840	80,094,696	257,687,536	183,267,535	1.00	2.39	3.46	14.05
Total Infrastructure	97,000,000	92,587,313	72,348,476	25,505,498	97,853,974	5,266,660	0.95	0.78	1.06	0.58
Total Private Equity	409,251,115	446,591,631	243,400,692	219,861,169	463,261,861	16,670,230	1.09	0.55	1.04	0.42
Total Real Estate	515,368,020	506,758,017	385,244,955	158,104,198	543,349,153	36,591,136	0.98	0.76	1.07	0.80
Total Timber	82,985,536	83,250,533	21,350,000	14,601,529	35,951,529	-48,094,190	1.00	0.26	0.43	-9.75
<b>Total</b>	<b>1,179,024,672</b>	<b>1,203,607,496</b>	<b>899,936,963</b>	<b>498,167,090</b>	<b>1,398,104,053</b>	<b>193,701,372</b>	<b>1.02</b>	<b>0.75</b>	<b>1.16</b>	<b>1.78</b>

1. Private Equity is composed of Private Equity and Private Debt.
2. Private markets performance reflected is composed of active investments only.
3. Commitment value is equal to paid in capital for direct investments made outside of a traditional limited partnership fund structure.



## Dallas Police & Fire System

### Active Funds with Unfunded Commitments Overview | As of December 31, 2023

Active Funds with Unfunded Commitments				
Active Funds		Commitments		
Investment Name	Vintage Year	Commitment (\$)	Paid In Capital (\$)	Unfunded Commitment (\$)
<b>Infrastructure</b>				
TRG AIRRO	2008	37,000,000	35,197,018	1,802,982
TRG AIRRO II	2013	10,000,000	8,748,439	2,240,622
JPM Maritime Fund, LP	2009	50,000,000	48,641,857	1,365,941
<b>Total Infrastructure</b>		<b>97,000,000</b>	<b>92,587,313</b>	<b>5,409,546</b>
<b>Private Equity</b>				
Industry Ventures Partnership IV	2016	5,000,000	3,754,985	485,000
Riverstone Credit Partners LP	2016	10,000,000	12,242,390	514,296
<b>Total Private Equity</b>		<b>15,000,000</b>	<b>15,997,375</b>	<b>999,296</b>
<b>Real Estate</b>				
Hearthstone MS III Homebuilding Investors	2003	10,000,000	1,221,446	1,997,675
<b>Total Real Estate</b>		<b>10,000,000</b>	<b>1,221,446</b>	<b>1,997,675</b>
<b>Total</b>		<b>122,000,000</b>	<b>109,806,134</b>	<b>8,406,517</b>

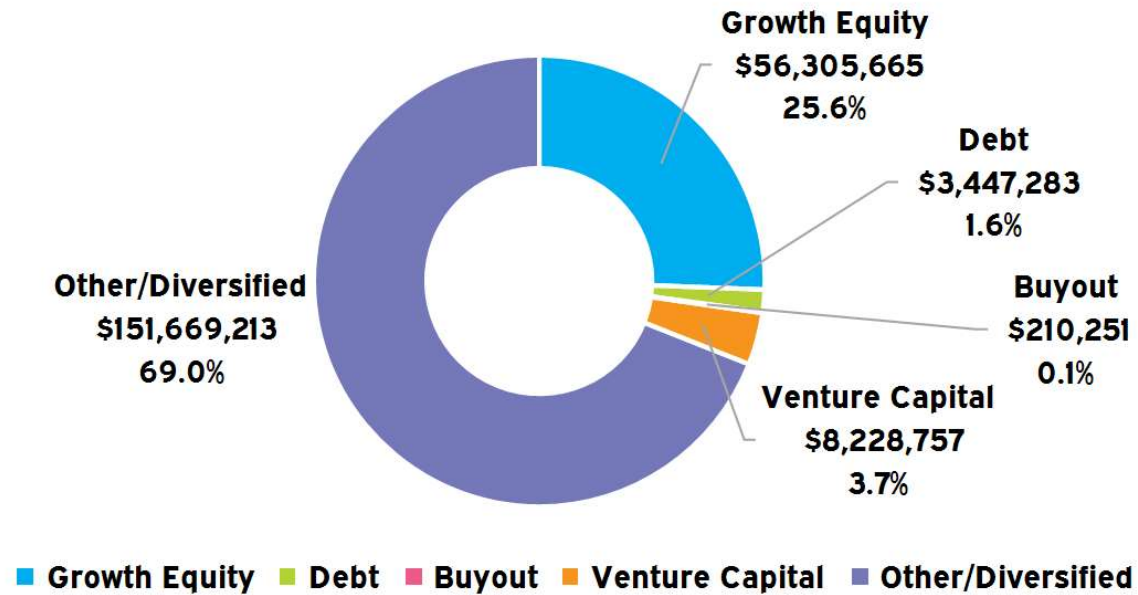
1. Private markets performance reflected is composed of active investments only.
2. The funds and figures above represent investments with unfunded capital commitments.



Dallas Police & Fire System

Private Equity and Debt | As of December 31, 2023

Private Equity and Debt Investments as of December 31, 2023  
Market Value Allocation by Strategy

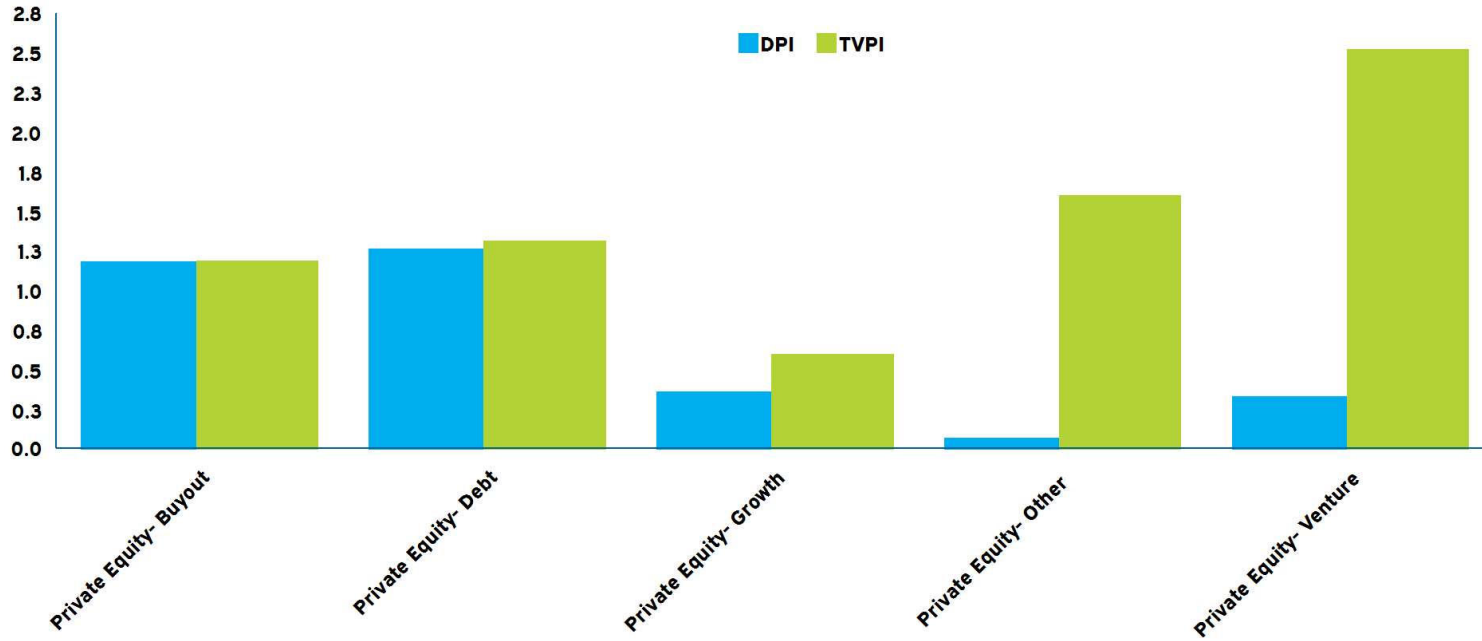




Dallas Police & Fire System

Private Equity and Debt | As of December 31, 2023

Private Equity and Debt Investments as of December 31, 2023  
DPI and TVPI by Strategy



1. Private markets performance reflected is composed of active investments only.





Dallas Police & Fire System

Private Equity and Debt | As of December 31, 2023

Private Equity and Debt Investments Overview											
Active Funds		Commitments		Distributions & Valuations				Performance			
Investment Name	Vintage Year	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
<b>Buyout</b>											
Huff Alternative Fund	2000	66,795,718	78,833,017	91,299,373	210,251	91,509,624	12,676,607	1.18	1.16	1.16	1.74
<b>Total Buyout</b>		<b>66,795,718</b>	<b>78,833,017</b>	<b>91,299,373</b>	<b>210,251</b>	<b>91,509,624</b>	<b>12,676,607</b>	<b>1.18</b>	<b>1.16</b>	<b>1.16</b>	<b>1.74</b>
<b>Debt</b>											
Highland Crusader Fund	2003	50,955,397	50,955,397	67,245,424	426,486	67,671,910	16,716,513	1.00	1.32	1.33	4.66
Riverstone Credit Partners LP	2016	10,000,000	12,242,390	10,910,241	3,020,797	13,931,038	1,688,648	1.22	0.89	1.14	4.19
<b>Total Debt</b>		<b>60,955,397</b>	<b>63,197,787</b>	<b>78,155,665</b>	<b>3,447,283</b>	<b>81,602,948</b>	<b>18,405,161</b>	<b>1.04</b>	<b>1.24</b>	<b>1.29</b>	<b>4.63</b>
<b>Growth Equity</b>											
Hudson Clean Energy	2009	25,000,000	24,994,470	5,091,517	376,465	5,467,982	-19,526,488	1.00	0.20	0.22	-20.67
Lone Star CRA	2008	50,000,000	60,703,798	34,326,323	49,018,436	83,344,759	22,640,961	1.21	0.57	1.37	5.08
Lone Star Growth Capital	2006	16,000,000	26,679,375	17,064,533	0	17,064,533	-9,614,842	1.67	0.64	0.64	-20.47
Lone Star Opportunities V	2012	75,000,000	75,153,125	531,444	4,000,000	4,531,444	-70,621,681	1.00	0.01	0.06	-33.99
Lone Star Bridge Loan	2020	500,000	3,862,000	2,000,000	1,500,000	3,500,000	-362,000	7.72	0.52	0.91	-4.93
North Texas Opportunity Fund	2000	10,000,000	10,000,000	9,249,355	1,410,764	1,407,473	-8,592,527	1.00	0.92	0.14	0.68
<b>Total Growth Equity</b>		<b>176,500,000</b>	<b>201,392,768</b>	<b>68,263,172</b>	<b>56,305,665</b>	<b>115,316,191</b>	<b>-86,076,577</b>	<b>1.14</b>	<b>0.34</b>	<b>0.57</b>	<b>-8.54</b>
<b>Other/Diversified</b>											
Huff Energy Fund LP	2006	100,000,000	99,210,178	4,477,394	151,669,213	156,146,607	56,936,429	0.99	0.05	1.57	3.37
<b>Total Other/Diversified</b>		<b>100,000,000</b>	<b>99,210,178</b>	<b>4,477,394</b>	<b>151,669,213</b>	<b>156,146,607</b>	<b>56,936,429</b>	<b>0.99</b>	<b>0.05</b>	<b>1.57</b>	<b>3.37</b>
<b>Venture Capital</b>											
Industry Ventures Partnership IV	2016	5,000,000	3,754,985	1,159,889	8,228,757	9,388,646	5,633,661	0.75	0.31	2.50	19.60
<b>Total Venture Capital</b>		<b>5,000,000</b>	<b>3,754,985</b>	<b>1,159,889</b>	<b>8,228,757</b>	<b>9,388,646</b>	<b>5,633,661</b>	<b>0.75</b>	<b>0.31</b>	<b>2.50</b>	<b>19.60</b>
<b>Unclassified</b>											
Miscellaneous Private Equity Expenses	2016		202,896	45,200							
<b>Total Unclassified</b>			<b>202,896</b>	<b>45,200</b>							
<b>Total</b>		<b>409,251,115</b>	<b>446,591,631</b>	<b>243,400,692</b>	<b>219,861,169</b>	<b>463,261,861</b>	<b>16,670,230</b>	<b>1.09</b>	<b>0.55</b>	<b>1.04</b>	<b>0.42</b>

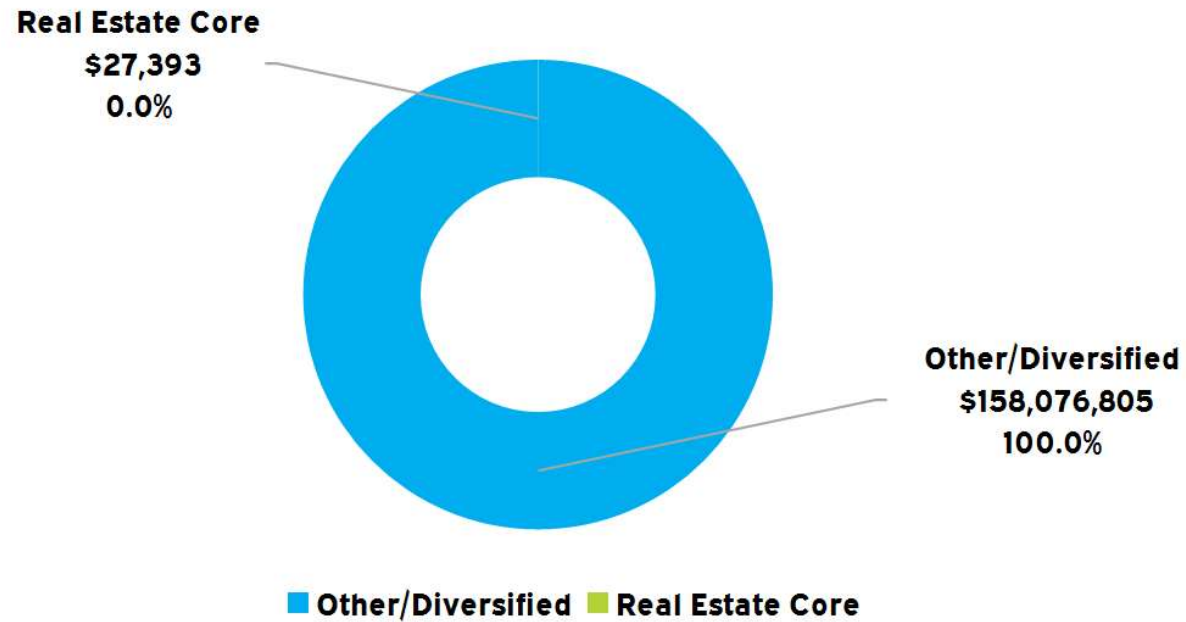
1. Private markets performance reflected is composed of active investments only.
2. The "IRRs" listed for Lone Star Growth Capital and Lone Star Opportunities Fund V are since inception total return figures.
3. Hudson Clean Energy and Lone Star CRA shows 12/31/2021 NAVs cash flow adjusted through 12/31/2023.
4. Huff Alternative Fund and North Texas Opportunity Fund statements were not available at time of report creation. These values are as of 9/30/2023.



Dallas Police & Fire System

Real Estate | As of December 31, 2023

Real Estate Investments as of December 31, 2023  
Market Value Allocation by Strategy



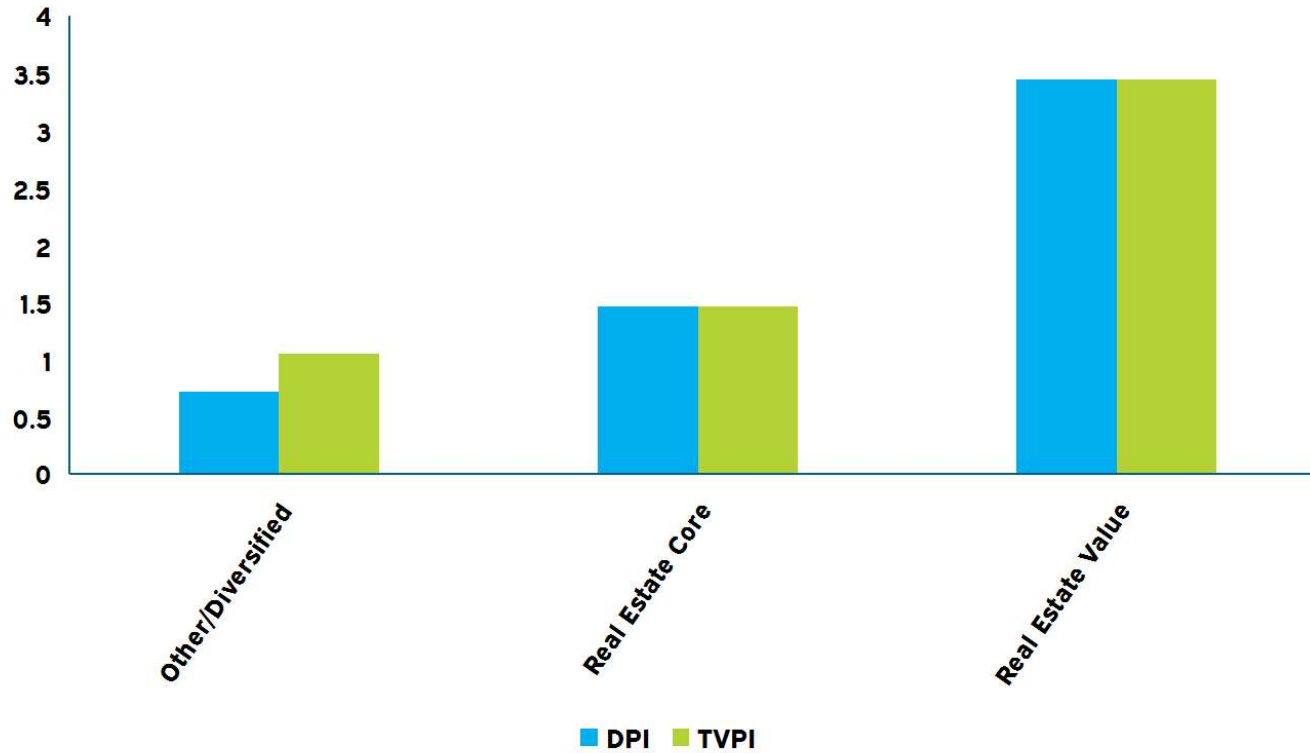
1. Other/Diversified is composed of direct real estate investments made by the fund.



Dallas Police & Fire System

Real Estate | As of December 31, 2023

Real Estate Investments as of December 31, 2023  
DPI and TVPI by Strategy



1. Other/Diversified is composed of direct real estate investments made by the fund.  
2. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire System

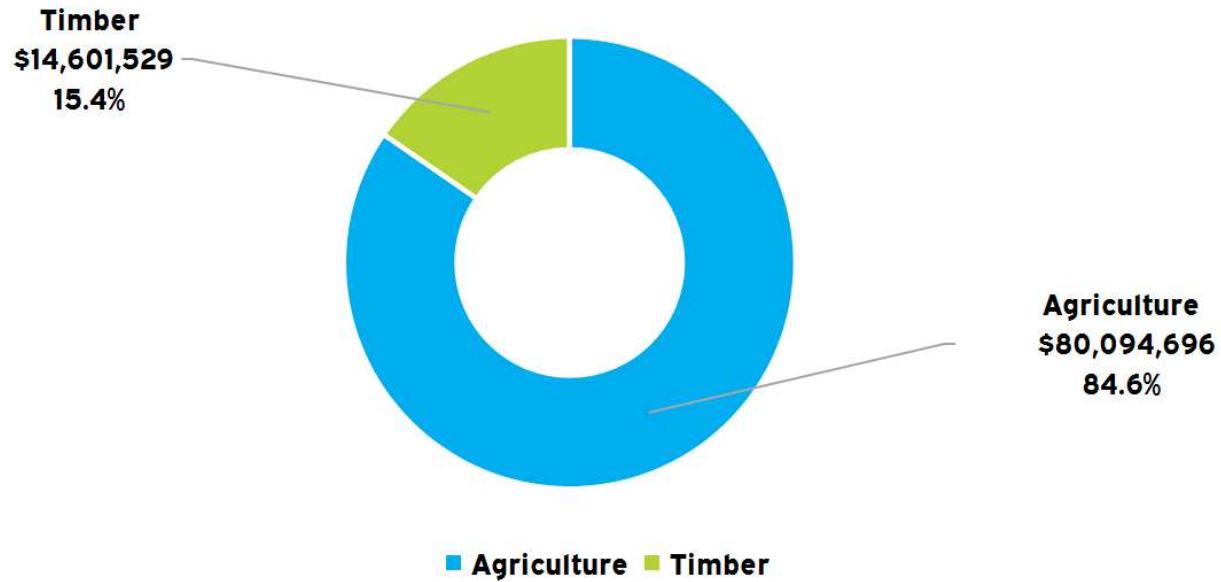
Real Estate | As of December 31, 2023

Real Estate Investments Overview										
Active Funds	Commitments		Valuations				Performance			
Investment Name	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
Total Other/Diversified Real Estate Core	486,049,173	486,049,173	352,016,461	158,076,805	510,093,266	24,044,093	1.00	0.72	1.05	0.57
Total Real Estate Core Real Estate Value	19,318,847	19,318,847	28,234,489	27,393	28,261,882	8,943,035	1.00	1.46	1.46	6.42
Total Real Estate Value	10,000,000	1,221,446	4,217,011	0	4,217,011	2,995,565	0.12	3.45	3.45	24.58
<b>Total</b>	<b>515,368,020</b>	<b>506,758,017</b>	<b>385,244,955</b>	<b>158,104,198</b>	<b>543,349,153</b>	<b>36,591,136</b>	<b>0.98</b>	<b>0.76</b>	<b>1.07</b>	<b>0.80</b>

1. Private markets performance reflected is composed of active investments only.  
 2. Commitment value is equal to paid in capital for direct investments made outside of a traditional Limited Partnership fund structure.



**Natural Resources Investments as of December 31, 2023  
Market Value Allocation by Strategy**

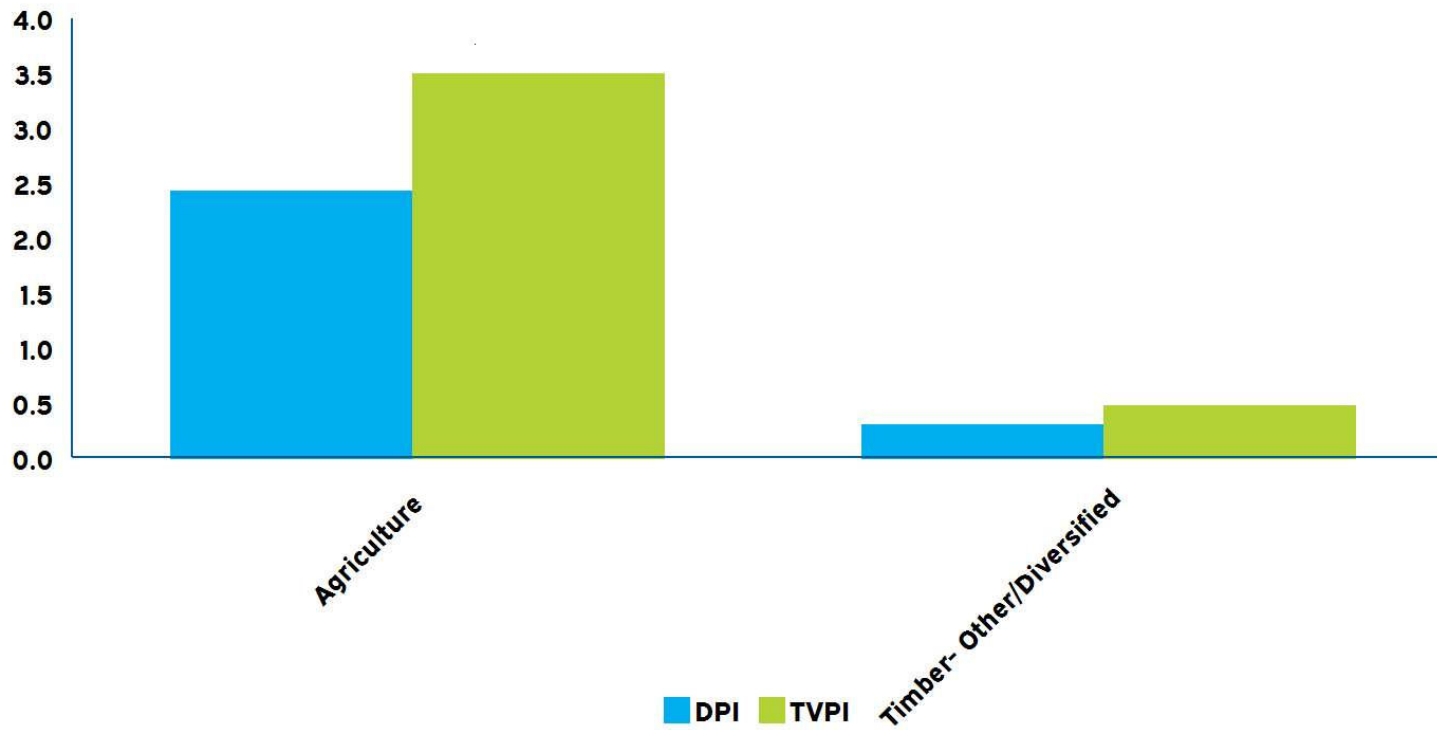




Dallas Police & Fire System

Natural Resources | As of December 31, 2023

Natural Resource Investments as of December 31, 2023  
DPI and TVPI by Strategy



1. Agriculture 'Other/Diversified' ('Agriculture') is composed of permanent and row crops exposure.  
2. Timber 'Other/Diversified' is composed of domestic and global timber exposure.  
3. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire System

Natural Resources | As of December 31, 2023

Natural Resource Investments Overview											
Active Funds		Commitments		Valuations				Performance			
Investment Name	Vintage Year	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
<b>Agriculture</b>											
Manulife Agricultural	1998	74,420,001	74,420,001	177,592,840	80,094,696	257,687,536	183,267,535	1.00	2.39	3.46	14.05
<b>Total Agriculture</b>		<b>74,420,001</b>	<b>74,420,001</b>	<b>177,592,840</b>	<b>80,094,696</b>	<b>257,687,536</b>	<b>183,267,535</b>	<b>1.00</b>	<b>2.39</b>	<b>3.46</b>	<b>14.05</b>
<b>Timber</b>											
BTG Pactual	2006	82,985,536	83,250,533	21,350,000	14,601,529	35,951,529	-48,094,190	1.00	0.26	0.43	-9.75
<b>Total Timber</b>		<b>82,985,536</b>	<b>83,250,533</b>	<b>21,350,000</b>	<b>14,601,529</b>	<b>35,951,529</b>	<b>-48,094,190</b>	<b>1.00</b>	<b>0.26</b>	<b>0.43</b>	<b>-9.75</b>
<b>Total</b>		<b>157,405,537</b>	<b>157,670,534</b>	<b>198,942,840</b>	<b>94,696,225</b>	<b>293,639,065</b>	<b>135,173,345</b>	<b>1.00</b>	<b>1.26</b>	<b>1.86</b>	<b>8.30</b>

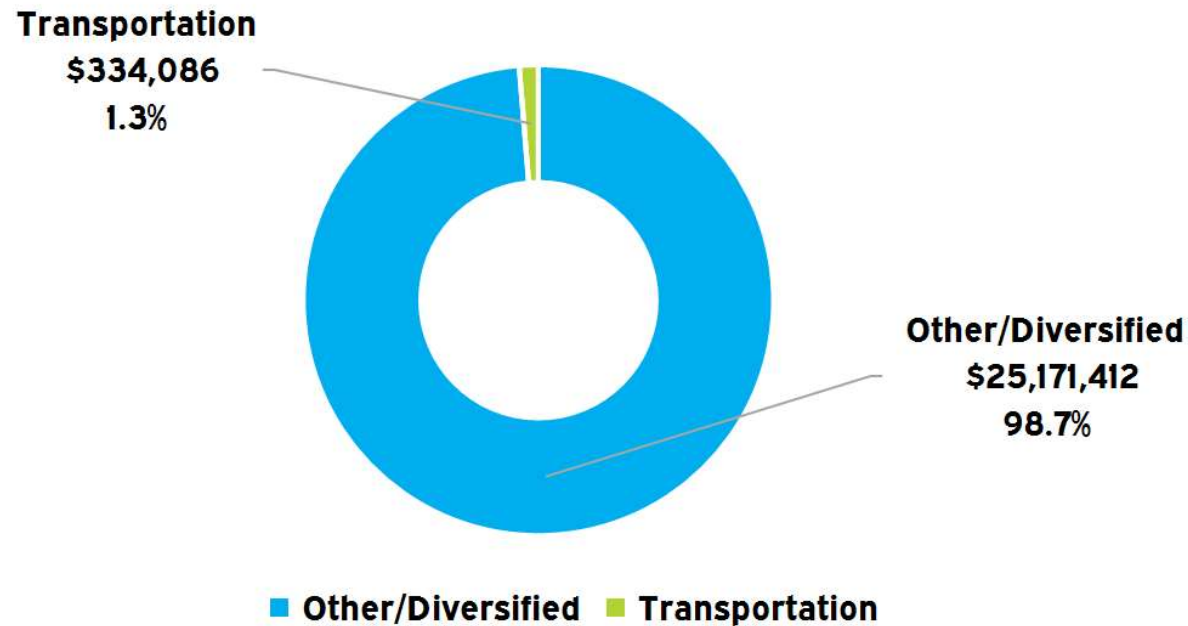
1. Private markets performance reflected is composed of active investments only.  
 2. Commitment value is equal to paid in capital for direct investments made outside of a traditional limited partnership fund structure.  
 3. Manulife Agriculture was previously known as Hancock Agriculture Fund.



Dallas Police & Fire System

Infrastructure | As of December 31, 2023

Infrastructure Investments as of December 31, 2023  
Market Value Allocation by Strategy



1. 'Other/Diversified' is composed of various operating and developing infrastructure project exposure.

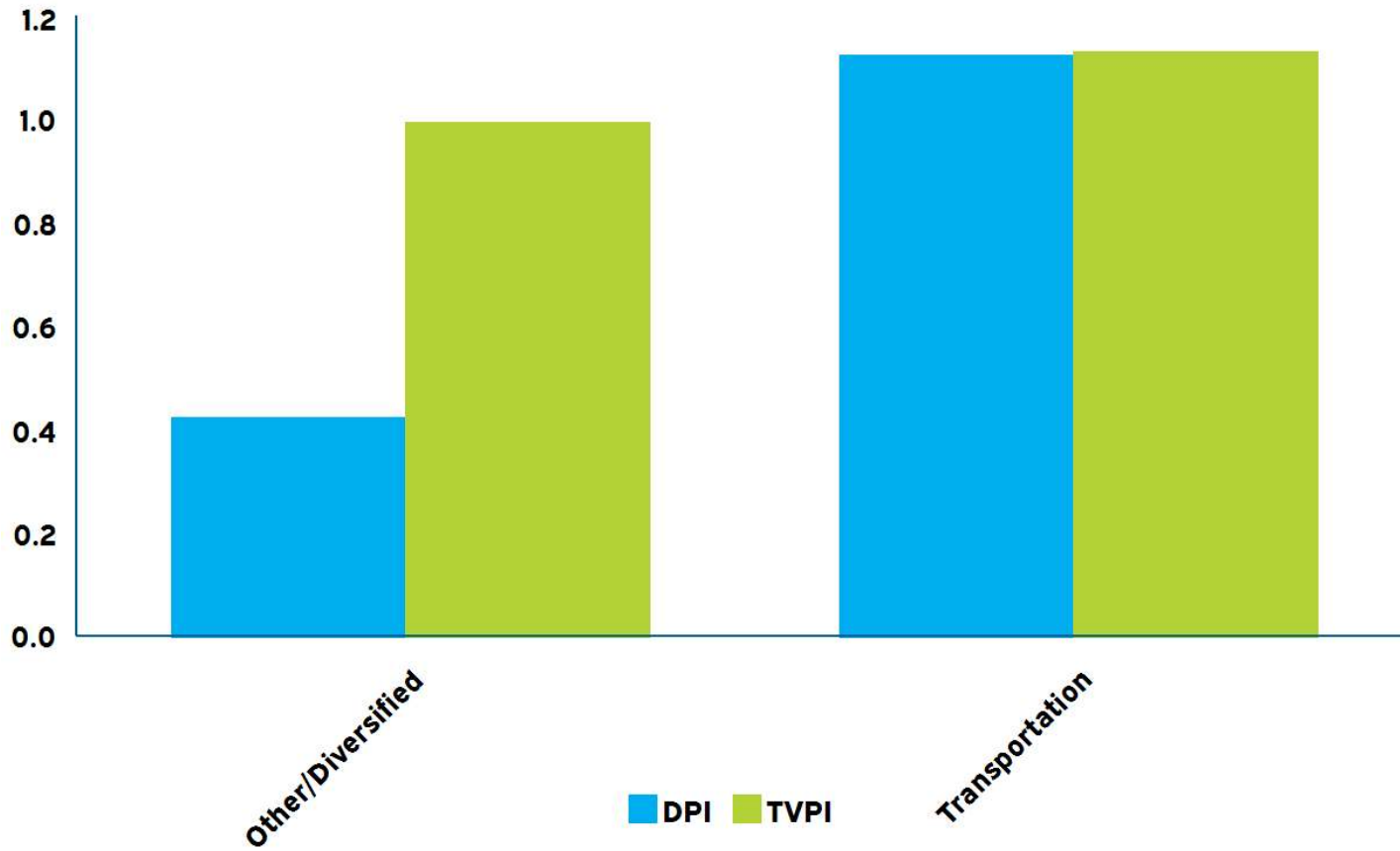




### Dallas Police & Fire System

Infrastructure | As of December 31, 2023

Infrastructure Investments as of December 31, 2023  
DPI and TVPI by Strategy



1. 'Other/Diversified' is composed of various operating and developing infrastructure project exposure.  
2. Private markets performance reflected is composed of active investments only.



Dallas Police & Fire System

Infrastructure | As of December 31, 2023

Infrastructure Investments Overview											
Active Funds		Commitments		Distributions & Valuations				Performance			
Investment Name	Vintage Year	Commitment (\$)	Paid-In Capital (\$)	Distributions (\$)	Valuation (\$)	Total Value (\$)	Gain/Loss (\$)	Call Ratio	DPI	TVPI	IRR (%)
<b>Infrastructure</b>											
TRG AIRRO	2008	37,000,000	35,197,018	18,054,261	18,528,567	36,582,828	1,385,810	0.95	0.51	1.04	-0.79
TRG AIRRO II	2013	10,000,000	8,748,439	58,731	6,642,845	6,701,576	-2,046,863	0.87	0.01	0.77	-1.08
JPM Maritime Fund, LP	2009	50,000,000	48,641,857	54,235,484	334,086	54,569,570	5,927,713	0.97	1.11	1.12	1.89
<b>Total Infrastructure</b>		<b>97,000,000</b>	<b>92,587,313</b>	<b>72,348,476</b>	<b>25,505,498</b>	<b>97,853,974</b>	<b>5,266,660</b>	<b>0.95</b>	<b>0.78</b>	<b>1.06</b>	<b>0.58</b>

1. Private markets performance reflected is composed of active investments only.



## Private Markets Review List of Completed Funds



Dallas Police & Fire System

Private Markets Review | As of December 31, 2023

Total Real Assets Program											
Completed Funds	Vintage Year	Commitment Amount	Paid in Capital	Addtl Fees	Cummulative Distributions	Valuation	Total Value	Gain/Loss	DPI Ratio	TVPI Ratio	IRR
AEW Creative Holdings	2007	13,035,849	13,035,849	0	0	0	0	-13,035,849	0.00	0.00	N/A
Barings Lake Luciana	2006	95,025,191	95,025,191	0	17,872,293	0	17,872,293	-77,152,898	0.19	0.19	-19.89%
Barings Lake P&F Real Estate	2010	18,112,486	18,112,486	0	4,227,991	0	4,227,991	-13,884,495	0.23	0.23	-15.79%
Bentall Green Oak	2004	20,269,554	20,269,554	0	34,650,146	0	34,650,146	14,380,592	1.71	1.71	5.63%
BTG U.S. Timberland	2007	22,230,000	22,230,000	0	33,065,920	0	33,065,920	10,835,920	1.49	1.49	4.82%
CDK Multifamily I	2014	10,559,876	10,617,376	0	10,025,434	0	10,025,434	-591,942	0.94	0.94	-1.99%
Clarion 1210 South Lamar	2014	10,500,000	10,201,489	0	13,214,065	0	13,214,065	3,012,576	1.30	1.30	12.85%
Clarion 4100 Harry Hines Land	2006	3,088,810	3,092,788	0	3,641,946	0	3,641,946	549,158	1.18	1.18	1.69%
Clarion Beat Lofts	2005	8,729,783	8,730,183	0	1,137,817	0	1,137,817	-7,592,366	0.13	0.13	-30.76%
Clarion Bryan Street Lofts	2005	5,112,048	5,112,048	0	4,163,659	0	4,163,659	-948,389	0.81	0.81	-2.23%
Clarion Four Leaf	2005	16,892,767	16,892,767	0	3,733,148	0	3,733,148	-13,159,619	0.22	0.22	-39.69%
Clarion The Tribute	2007	29,929,676	29,929,676	0	47,138,778	0	47,138,778	17,209,102	1.57	1.57	4.84%
Forest Investment Associates	1992	59,649,696	59,649,696	0	104,895,920	0	104,895,920	45,246,224	1.76	1.76	7.41%
Hearthstone Dry Creek	2005	52,303,043	52,303,043	0	8,973,059	0	8,973,059	-43,329,984	0.17	0.17	-38.78%
Hearthstone Project Holdings	2005	155,158,158	155,158,158	0	42,739,602	0	42,739,602	-112,418,556	0.28	0.28	-13.40%
Hearthstone MS II Homebuilding Investors	1999	10,000,000	7,973,058	0	10,989,565	0	10,989,565	3,016,507	1.38	1.38	26.70%
Hearthstone Nampa	2006	11,666,284	11,666,284	0	2,562,654	0	2,562,654	-9,103,630	0.22	0.22	-31.90%
JP Morgan Infrastructure Investments Fund	2007	37,000,000	37,000,000	-5,658	44,302,131	0	44,302,131	7,307,789	1.20	1.20	2.48%
L&B Realty Advisors Beach Walk	2006	33,013,796	33,013,796	0	36,752,690	0	36,752,690	3,738,894	1.11	1.11	2.19%
L&B Realty Advisors KO Olina	2008	28,609,658	28,609,658	0	30,529,136	0	30,529,136	1,919,478	1.07	1.07	1.11%
L&B Realty Advisors West Bay Villas	2007	8,712,411	8,712,411	0	3,785,480	0	3,785,480	-4,926,931	0.43	0.43	-8.29%
LBJ Infrastructure Group Holdings, LLC (LBJ)	2009	50,000,000	44,346,229	0	77,892,000	0	77,892,000	33,545,771	1.76	1.76	12.77%
Lone Star Fund III (U.S.), L.P.	2000	20,000,000	19,827,576	0	40,701,250	0	40,701,250	20,873,674	2.05	2.05	31.88%
Lone Star Fund IV (U.S.), L.P.	2001	20,000,000	19,045,866	0	43,898,442	0	43,898,442	24,852,576	2.30	2.30	30.15%
Lone Star Fund V (U.S.), L.P.	2005	22,500,000	22,275,229	0	20,605,895	0	20,605,895	-1,669,334	0.93	0.93	-1.41%
Lone Star Fund VI (U.S.), L.P.	2008	25,000,000	20,034,018	0	31,712,968	0	31,712,968	11,678,950	1.58	1.58	21.76%
Lone Star Real Estate Fund (U.S.), L.P.	2008	25,000,000	20,743,769	0	25,403,707	0	25,403,707	4,659,938	1.22	1.22	5.15%
Lone Star Real Estate Fund II	2011	25,000,000	22,169,907	0	32,789,371	0	32,789,371	10,619,464	1.48	1.48	24.73%
Lone Star Real Estate Fund III	2014	25,000,000	23,490,784	0	26,638,028	0	26,638,028	3,147,244	1.13	1.13	8.20%
Museum Tower	2006	126,387,820	126,387,820	0	133,408,439	0	133,408,439	7,020,619	1.00	1.06	1.79%
M&G Real Estate Debt Fund II	2013	29,808,841	21,523,663	0	17,088,107	0	17,088,107	-4,435,556	0.79	0.79	-15.04%
NTE 3a-3b	2012	50,000,000	23,794,565	0	28,186,978	0	28,186,978	4,392,413	1.18	1.18	16.03%
NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	43,397,054	0	105,890,000	0	105,890,000	62,492,946	2.44	2.44	19.33%
Olympus II-Hyphen Solutions	2007	836,511	836,511	0	1,418,149	0	1,418,149	581,638	1.70	1.70	5.96%
P&F Housing IV	2006	134,015,889	134,015,889	0	83,179,802	0	83,179,802	-50,836,087	0.62	0.62	-8.44%
RREEF North American Infrastructure Fund	2007	50,000,000	50,000,000	846,289	55,238,755	0	55,238,755	4,392,466	1.09	1.09	12.59%
Sungate	2005	6,481,568	6,481,568	0	308,624	0	308,624	-6,172,944	0.05	0.05	-22.30%
Tucson Loan	2014	4,500,000	4,500,000	0	5,082,785	0	5,082,785	582,785	1.13	1.13	5.75%
<b>Total Completed Funds</b>		<b>1,314,129,715</b>	<b>1,250,205,959</b>	<b>840,631</b>	<b>1,187,844,734</b>	<b>0</b>	<b>1,187,844,734</b>	<b>-63,201,856</b>	<b>0.95</b>	<b>0.95</b>	



Dallas Police & Fire System

Private Markets Review | As of December 31, 2023

Private Equity & Debt Funds											
Completed Funds	Vintage Year	Commitment Amount	Paid in Capital	Addnl Fees	Cummulative Distributions	Valuation	Total Value	Gain/Loss	DPI Ratio	TVPI Ratio	IRR
Ashmore Global Special Situations Fund IV	2007	70,000,000	70,012,300	0	39,652,711	0	39,652,711	-30,359,589	0.57	0.57	-10.12%
BankCap Partners Fund I	2007	20,000,000	20,000,000	0	24,960,986	0	24,960,986	4,960,986	1.25	1.25	2.58%
BankCap Partners Opportunity Fund, LP	2013	20,000,000	19,587,052	0	18,266,454	0	18,266,454	-1,320,598	0.93	0.93	-5.69%
CDK Southern Cross	2008	1,535,316	1,535,316	0	0	0	0	-1,535,316	0.00	0.00	-20.08%
Highland Credit Ops	2006	35,348,165	35,348,165	0	29,994,190	0	29,994,190	-5,353,975	0.85	0.85	-2.06%
HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	1,933,378	39,792,545	0	39,792,545	-6,495,081	0.86	0.86	-4.01%
Huff Alternative Income Fund	1994	40,000,000	40,000,000	2,018,676	66,940,198	0	66,940,198	24,921,522	1.59	1.59	17.82%
Kainos Capital Partners, LP.	2013	35,000,000	30,316,015	0	43,263,688	0	43,263,688	12,947,673	1.43	1.43	24.76%
Levine Leichtman Capital Partners IV	2008	50,000,000	38,009,085	0	78,916,788	0	78,916,788	40,907,703	2.08	2.08	20.12%
Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	19,181,272	-4,405	24,506,336	0	24,506,336	5,329,469	1.28	1.28	15.26%
Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	11,025,662	88,688,224	0	88,688,224	2,662,562	1.03	1.03	0.73%
Levin Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	17,961,807	-175	18,691,764	0	18,691,764	730,132	1.04	1.04	1.30%
Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	24,241,467	0	23,459,730	0	23,459,730	-781,737	0.97	0.97	-3.28%
Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,469,024	0	41,624,566	0	41,624,566	18,155,542	1.77	1.77	47.54%
Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	22,564,537	0	28,017,551	0	28,017,551	5,453,014	1.24	1.24	16.26%
Merit Energy Partners E-I	2004	7,018,930	7,031,052	-1,741	14,975,776	0	14,975,776	7,946,465	2.13	2.13	14.48%
Merit Energy Partners F-I	2005	8,748,346	8,749,275	0	3,801,206	0	3,801,206	-4,948,069	0.43	0.43	-17.19%
Merit Energy Partners G, LP	2008	39,200,000	39,320,050	0	26,756,651	0	26,756,651	-12,563,399	0.68	0.68	-9.96%
Merit Energy Partners H, LP	2010	10,000,000	10,033,415	0	6,870,451	0	6,870,451	-3,162,964	0.68	0.68	-13.78%
Oaktree Fund IV	2001	50,000,000	50,000,000	0	82,516,590	0	82,516,590	32,516,590	1.65	1.65	28.36%
Oaktree Loan Fund 2X	2007	60,000,000	60,004,628	0	65,066,951	0	65,066,951	5,062,323	1.08	1.08	2.24%
Oaktree Power Fund III	2011	30,000,000	16,167,147	0	23,839,959	0	23,839,959	7,672,812	1.47	1.47	12.35%
Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	10,019,157	0	10,019,157	-9,980,843	0.50	0.50	-9.92%
Pharos Capital Co-Investment, LP	2008	40,000,000	40,000,000	0	67,459,271	0	67,459,271	27,459,271	1.69	1.69	8.42%
Pharos Capital Partners IIA, L.P.	2005	20,000,000	20,080,306	0	17,715,199	0	17,715,199	-2,365,107	0.88	0.88	-2.39%
Pharos Capital Partners III, LP	2012	50,000,000	28,397,038	-54,286	20,196,932	0	20,196,932	-8,145,820	0.71	0.71	-19.95%
Yellowstone Capital	2008	5,283,254	5,112,307	0	1,465,725	0	1,465,725	-3,646,582	0.29	0.29	-31.26%
<b>Total Completed Funds</b>		<b>869,434,011</b>	<b>786,475,506</b>	<b>14,917,109</b>	<b>907,459,599</b>	<b>0</b>	<b>907,459,599</b>	<b>106,066,984</b>	<b>1.13</b>	<b>1.13</b>	



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## DISCUSSION SHEET

### ITEM #C8

**Topic:** Lone Star Investment Advisors

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code

**Discussion:** Investment staff will update the Board on investments with this manager.

*Regular Board Meeting – Thursday, June 13, 2024*



## **DISCUSSION SHEET**

### **ITEM #C9**

**Topic:**                    **Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

**Discussion:**            Counsel will brief the Board on these issues.

*Regular Board Meeting – Thursday, June 13, 2024*





## DISCUSSION SHEET

### ITEM #C10

**Topic:** Closed Session - Board serving as Medical Committee

Discussion of the following will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

Disability Recall 2024-2R

**Discussion:** Section 6.15 of Article 6243a-1 allows the Board to require pensioners under the age of 50, receiving a disability pension to undergo a medical examination to determine if the pensioner's disability continues or has been removed to the extent that the pensioner is able to resume duties within the department. At the initial approval of this Pensioner's disability pension the Board required a recall evaluation in two years. Staff will present findings from the disability recall evaluation in closed session. Specific information related to this pensioner is included in the materials for the closed portion of the agenda.

*Regular Board Meeting – Thursday, June 13, 2024*



## DISCUSSION SHEET

### ITEM #D1

**Topic:** Public Comment

**Discussion:** Comments from the public will be received by the Board.

*Regular Board Meeting – Thursday, June 13, 2024*



## DISCUSSION SHEET

### ITEM #D2

**Topic:** Executive Director's Report

- a. Associations' newsletters
  - NCPERS Monitor (June 2024)
  - TEXPERS Pension Observer (Vol. 2 2024)  
<https://online.anyflip.com/mxfu/jzon/mobile/index.html>
- b. Open Records

**Discussion:** The Executive Director will brief the Board regarding the above information.

*Regular Board Meeting – Thursday, June 13, 2024*

THE NCPERS

# MONITOR

The Latest in Legislative News

June 2024

NCPERS

Executive Director's Corner




## Pensions Remain a Powerful Recruitment and Retention Tool, But Communication is Key

By [Hank Kim](#), Executive Director and Counsel, NCPERS



While some may argue that pensions are [no longer a relevant tool](#) for recruitment and retention, the historical data and broader research show otherwise. However, as financial literacy has become a significant challenge in the United States, it is critical that employers provide the necessary education around these benefits in order to maximize their potential as a 'secret weapon' in the battle for talent.

As pensions have become less common in the private sector, they have increasingly become a highly coveted benefit for current and prospective public servants. A [2020 study](#) from the National Institute on Retirement Security examined millennial state and local government employees' views on their compensation and benefits. They found that 74 percent of millennials pursued their role in the public sector because the employer offered a pension, and 84 percent remain in their current positions because of this benefit. 

The same study found that 71 percent of millennials would be more likely to leave their jobs in the public sector if their pensions were cut. This has proven to be true in cities and states that have cut pensions in favor of 401(k)-style defined contribution plans, as public sector workers have left in droves.

Since Alaska closed its two statewide pension plans in 2005, it has experienced crisis-levels of public sector worker shortages. Since the switch, the state has seen the number of workers participating in the defined contribution plans [quit at 4.5-4.7 times the rate](#) of employees in the defined benefit plans. It's gotten so dire that one borough voted this year to arm its residents because Alaska State Troopers [cannot recruit enough staff](#), despite offering sign-on bonuses. The state has incurred significant costs in attempts to recruit workers, and policymakers pushed to reopen the plans this year. While the effort to bring back pensions fell short this year, it's significant that this was the first time a bill to restore a defined benefit pension for all public employees passed one of the two legislative chambers since the plans were closed. It paves the way for further action in 2025 legislative cycle.

Employee turnover itself is expensive, with the annual costs to U.S. businesses [estimated at \\$1 trillion annually](#). At the same time, pensions are surprisingly cost-effective because of economies of scale and risk pooling. In fact, pensions provide twice as much benefit than defined contribution plans [at the same cost](#) to taxpayers.

We've seen [growing support](#) and interest in pensions in recent years, so employers offering these highly sought after benefits should have leg up with job seekers. But—as fewer Americans live in households with access to pensions—it becomes even more critical that employers are providing the necessary education around these benefits to maximize their full potential as successful tools for recruitment and retention.

# NCPERS Public Pension HR Summit

September 24–26  
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In the under-35 demographic of the public sector, [recent data](#) from MissionSquare found that 1 in 5 employees did not know whether they were participating in a defined benefit or defined contribution plan. But it's not just younger generations struggling with financial literacy, despite the increasing anxiety most are experiencing around their ability to enjoy a secure retirement. Across generations, nearly [half of Americans do not know what a 401\(k\) is](#).

Workers are seeking out roles that provide pensions (and are staying in their roles because of them), but the lack of understanding around retirement planning means that employers risk losing talent if workers don't understand the full value of the compensation and benefits packages. There needs to be a concerted effort to rethink how to communicate about these resources and provide employees with the education needed to plan for their futures.

It's clear that benefits matter to workers, playing a key role in recruitment and retention. A [recent survey](#) of U.S. workers found that 70 percent of respondents would leave their current role for better benefits, with younger workers expressing the greatest willingness to jump ship. But in order to maximize the impact of offering a highly competitive benefit—like a pension—employers need to rethink how to effectively communicate with and educate workers today.

NCPERS offers several resources to its members to help public pensions optimize their communications with stakeholders. We host recurring virtual [roundtable meetings](#) to bring together public pension staff to ask questions, share ideas, and learn best practices. Learn more about our Communications, Member Services, Human Resources, CEO, and CIO Roundtables [here](#), and please don't hesitate to reach out to [membership@ncpers.org](mailto:membership@ncpers.org) to find out how we can assist your fund with its communications and recruitment endeavors. ♦

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## How Do Pension Plans Impact Recruitment and Retention of Law Enforcement?

By: [Tony Roda](#), Partner, Williams & Jensen



**O**n May 14, as part of its Police Week legislative agenda, the House passed the Recruit and Retain Act with a strong bipartisan vote of 370-18. The bill, S. 546, had been approved by the Senate in July 2023 on a voice vote. President Biden is expected to sign the legislation into law in the coming days.

S. 546, among other provisions, requires the Government Accountability Office (GAO) to conduct a study to consider the comprehensive effects of recruitment and retention on federal, state, tribal, and local law enforcement agencies in the U.S. In particular, the study would identify the primary reasons individuals join law enforcement agencies and resign or retire from those agencies. The study also will drill down in an attempt to identify how the reasons may have changed over time, the effects of recruitment and retention on public safety, the effects of electronic media on recruitment, barriers to recruitment and retention, and recommendations for ways to address the barriers.

It is a timely study to launch. Communities, large and small, throughout the country are struggling to fill their ranks of law enforcement officers. It is important to note that the legislation instructs the GAO to "...endeavor to ensure accurate representation of law enforcement agencies...by surveying a broad cross-section...from various regions... different sizes...rural, suburban, and urban jurisdictions." Although the study's findings are not due to be reported to Congress until 540 days after enactment of the legislation, when they are received, we expect Congress to pay attention. ☺

One issue that is likely to be raised by law enforcement during the survey process is employee and retiree benefits. Specific to the interests of NCPERS' members are defined benefit (DB) plans. There have been some notable examples of changes to DB plans or the outright repeal of such plans leading to major disruptions in recruitment and retention of law enforcement personnel.

For example, I've heard it said by presenters at national pension conferences that the best place to find an Alaska-trained public safety officer is not in Alaska. It is, instead, in the lower 48 states, and it's not too difficult to understand why. In 2005, Alaska closed two of its statewide DB plans, including the plan for public safety employees. Since then, Alaska has been struggling to retain law enforcement officers. Alaska spends its tax revenue to train these personnel only to see them take jobs in other states with more robust benefit plans, including DB pension plans.

The experience of Palm Beach, Florida, which was well documented in a [2018 report](#) by the National Institute on Retirement Security (NIRS), is also instructive. In 2012, the Palm Beach Town Council closed its DB plans for all employees, including public safety. The existing DB plans were replaced by a dramatically lower DB plan benefit coupled with a defined contribution (DC) retirement savings account. In its Executive Summary, NIRS's report states:

Employees' reactions to losing expected DB pension benefits were swift. The town's two public safety pensions had covered 120 employees at the end of 2011. In addition to the 20 percent of the town's workforce that retired after the change, 109 other protective officers left before retirement in the next four years. Mid-career public safety officers departed the forces in unprecedented numbers with 53 vested police officers and firefighters departing Palm Beach 's forces from 2012 to 2015, compared to just two such experienced employees in the four years from 2008 to 2011.

Much like in Alaska, experienced and well-trained public safety officers left Palm Beach for other jurisdictions. The Palm Beach benefit change was a failure and, in 2016, the Town Council voted to abandon the DC plans and restore the DB plan to a more generous benefit.

# NCPERS Chief Officers Summit

*Where Public Pension Leaders Engage*

June 17-19, 2024  
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The two examples tell the same simple story. Law enforcement, and fire personnel, have unique and highly sought after skills that are applicable in any community. If their personal lives allow for it, they can vote with their feet if circumstances change in their jurisdiction, such as happened with the policy changes affecting DB plans in Alaska and Palm Beach. Thousands of miles of relocation were needed for an Alaska public safety officer, while only a few miles were necessary in Florida—possibly not even a change in home address, only in workplace. Yet, the results were the same. These highly skilled workers moved on, and benefit changes, specifically changes to their pension plans, were the cause.

Once the Recruit and Retain Act is signed into law by President Biden, GAO will create its methodology and begin its survey of law enforcement agencies. NCPERS expects that the importance of DB plans to recruitment and retention will be one of the most significant pieces to this puzzle.

Note: NCPERS [2024 Public Safety Conference](#), held October 27-30 in Palm Springs, is the premier learning and networking event for leaders of pension systems for fire, police, and other first responders. [Sign up here](#) to learn more. ♦

***Tony Roda** is a partner at the Washington, D.C. law and lobbying firm **Williams & Jensen**, where he specializes in legislative, regulatory, and fiduciary matters affecting state and local pension plans. He represents the National Conference on Public Employee Retirement Systems and state-wide, county, and municipal pension plans in California, Colorado, Georgia, Kentucky, Ohio, Tennessee, and Texas. Tony has an undergraduate degree in government and politics from the University of Maryland, J.D. from the Catholic University of America, and LL.M (tax law) from the Georgetown University Law Center.*

# NCPERS Accredited Fiduciary (NAF) Program

**FALL CLASS**

**October 26-27  
Palm Springs, CA**



Earn your NCPERS Accredited Fiduciary (NAF) designation and become a nationally recognized expert in public pension governance. This two-day course educates public pension trustees and administrators about best practices for plan governance, oversight, and administration.

**REGISTER NOW**



## Public Pension Workforce Update: How DEI Policies Impact Recruitment & Retention

By: [Lizzy Lees](#), Director of Communications, NCPERS

Join NCPERS for a free on-demand webinar to discover how diversity, equity, and inclusion (DEI) policies can impact recruitment and retention rates in the public pension workplace.

[Public Pension Workforce Update: How DEI Policies Impact Recruitment and Retention](#) will be held June 13th at 1:00pm ET. In honor of Pride month, we've recruited a distinguished panel of experts to share insights and discuss how they support their LGBTQ+ workforce and members through various initiatives.

- Todd Sears, CEO of Out Leadership, will share insights into their latest research on the LGBTQ+ workforce and how public pensions can support this key talent cohort.
- Taylor Sprague, senior compensation consultant for CBIZ, will discuss broader trends around compensation and benefits offerings, drawing insights from the Public Pension Compensation Survey.
- Michelle Tucker, human resources director at CalPERS, will provide insights into the fund's DEI strategy and the role it plays in their broader recruitment and retention efforts, particularly with the LGBTQ+ community.

[Register now](#) to join the webinar live or view on demand. Please direct any questions to [education@ncpers.org](mailto:education@ncpers.org). ♦

## NCPERS 2024 Public Retirement Systems Study: Trends in Fiscal, Operational, and Business Practices



[LEARN MORE](#)

## Register Now for NCPERS 2024 Public Pension Funding Forum

By: [Reshana Peters](#), Digital Media & Marketing Coordinator, NCPERS



Registration is now open for NCPERS 11th annual [Public Pension Funding Forum](#), held August 18-20 in Boston. Throughout this three-day event, attendees will acquire a comprehensive understanding of the fiscal challenges facing public pension plans and learn about cutting-edge solutions that can help ensure their long-term sustainability.

NCPERS curates a [program](#) featuring the latest research, case studies, and best practices to help address public pension funding challenges faced across the U.S. and Canada. In light of the shifting demographics, this year's program has a special focus on funding challenges for mature plans. Session highlights include:

- How Did Connecticut's Mature State Employees Retirement System Become a Success Story? *John Herrington, division of pensions, office of the state comptroller, will share how they were able to improve funding levels, as well as net amortization position, of the Connecticut State Employees Retirement System.*
- Strategies for Plans with Growing Negative Cash Flows. *Dan Doonan, National Institute on Retirement Security, and Russell Kamp, Ryan Alm, will discuss how pension funds can synchronize investment strategies to match their pension benefits obligations.*
- States Have Shored Up Funding, What Else Can They Do? *David Draine, PEW, will present recent research on the states that have improved their net amortization position and discuss various indicators funds should be monitoring.*
- Artificial Intelligence and the Future of Public Pensions. *Frank Williams, Teacher Retirement System of Texas, will discuss how pension funds can capitalize on the benefits of AI while mitigating risk. He will share strategies currently being implemented at TRS of Texas.*

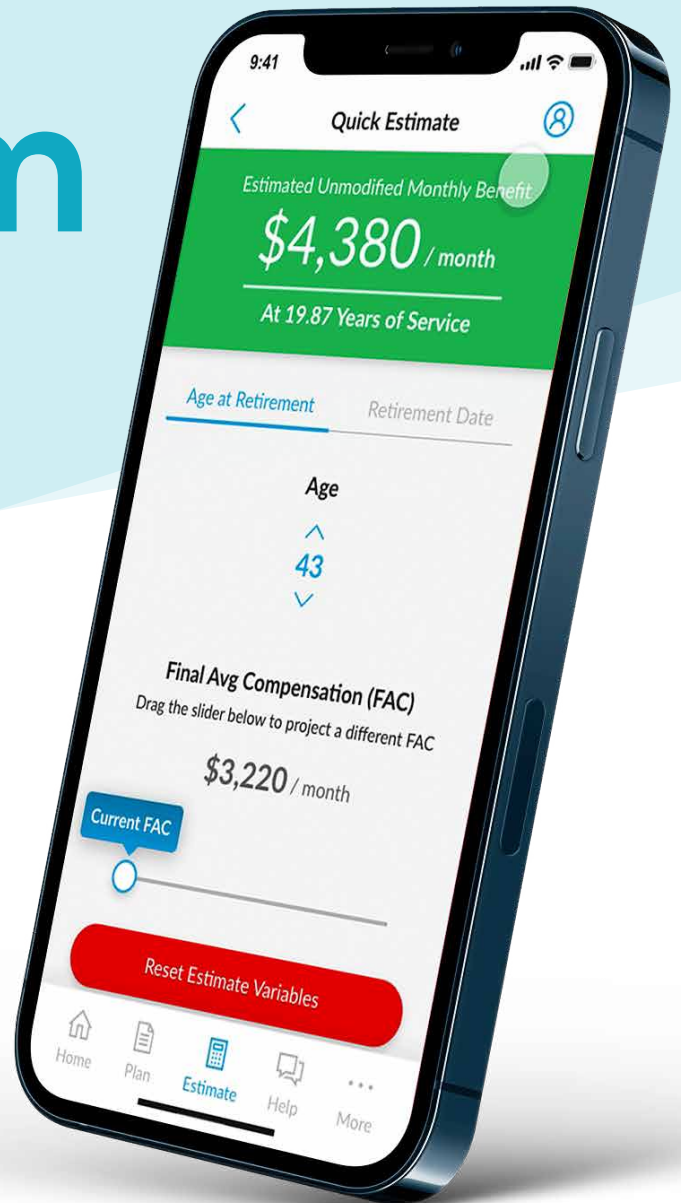
This exclusive event provides you with an opportunity to engage with colleagues and clients, delving into emerging funding solutions and practical case studies that offer valuable insights into what works and what doesn't. [Register now](#) to be part of the community that is propelling innovation and change in the field of pension funding. ♦

# NCPERS PensionX Digital Platform

NCPERS has partnered with Digital Deployment to offer its members a **10% DISCOUNT** on PensionX, the premier digital platform that securely enables pensions to engage with active and retired participants via a mobile self-service app and portal.



**pensionX**



Learn more about this new NCPERS member benefit at [ncpers.org/pensionx](https://ncpers.org/pensionx)

### [Last-ditch Attempt to Return Alaska Teacher, Public Employee Pensions Fails on Senate Floor](#)

The Senate approved a pension bill in January that didn't advance in the House, and there hasn't been a public sign that the House majority has had a change of heart. Senate Majority Leader Cathy Giessel, R-Anchorage and the pension bill's sponsor, introduced the bill's language as a 52-page amendment to the education bill. The Senate narrowly approved the addition, but Giessel rescinded the amendment after a break.

[READ MORE](#)

Source: *Alaska Public Media*

### [Retirement Flexibility in Store for Louisiana Higher Ed Faculty, Staff](#)

The Louisiana Senate gave final legislative approval to a bill that would provide more lucrative retirement savings options to thousands of state college and university employees. House Bill 31 by Rep. Barbara Freiberg, R-Baton Rouge, was unanimously approved by the Senate. It would allow participants in the optional plan of the Teachers Retirement System of Louisiana (TRSL) hired before July 31, 2020, to switch to a defined benefit plan.

[READ MORE](#)

Source: *Louisiana Illuminator*

### [NYC Pensions Invests \\$60M for 25% Stake in Affordable Housing Joint Venture](#)

New York City's pension funds have made a \$60 million investment in Community Stabilization Partners, a joint venture backed by nonprofit finance company the Community Preservation Corporation, affordable housing nonprofit Neighborhood Restore, and Related Fund Management, the investment management arm of real estate firm Related Companies.

[READ MORE](#)

Source: *Chief Investment Officer*

### [Ohio State Teachers to Explore Supplemental Benefit in Lieu of COLA](#)

The supplemental benefit check would be a potential alternative to a specific cost-of-living adjustment for the upcoming fiscal year beginning July 1, because actuarial consultant Cheiron has said a COLA for the upcoming fiscal year would materially impact the fiscal integrity of the plan. Ohio state statute requires that the pension fund's actuarial consultant must approve any COLA voted on by the board.

[READ MORE](#)

Source: *Pensions & Investments*

### [OCERS' Funding Ratio Rises to 80.8% — Preliminary Report](#)

Orange County Employees Retirement System's funding ratio is expected to rise to 80.8% as of Dec. 31, from 77% a year earlier. The \$22 billion pension plan earned a return on the fund's market value of 11.6%, topping its 7% assumed rate of return, the preliminary report said.

[READ MORE](#)

Source: *Pensions & Investments*





## UPCOMING EVENTS

### June

#### **Chief Officers Summit**

June 17-19  
Nashville, TN

### August

#### **Public Pension Funding Forum**

August 18-20  
Boston, MA

### September

#### **Public Pension HR Summit**

September 24-26  
Denver, CO

### October

#### **NCPERS Accredited Fiduciary (NAF) Program**

October 26-27  
Palm Springs, CA

#### **Program for Advanced Trustee Studies (PATS)**

October 26-27  
Palm Springs, CA

#### **Public Safety Conference**

October 27-30  
Palm Springs, CA

View all upcoming NCPERS conferences at  
[www.ncpers.org/future-conferences](http://www.ncpers.org/future-conferences).

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