

AGENDA



Date: August 8, 2025

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, August 14, 2025, 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=OG5CbEFhajN5V0hWaUFJMTlhYcHQ2Zz09> Passcode: 923237. Items of the following agenda will be presented to the Board:

A. MOMENT OF SILENCE

B. APPROVAL OF MINUTES

Regular meeting of July 10, 2025

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Actuarial Experience Review and Actuarial Valuation Assumptions**
 - a. Actuarial Experience Review
 - b. January 1, 2025 Actuarial Valuation Assumptions
- 2. 2025 Mid-Year Budget Review**
- 3. Financial Audit Status**
- 4. Quarterly Financial Reports**
- 5. Executive Director Approved Pension Ministerial Actions**
- 6. City Contribution Update**
- 7. Board Approval of Trustee Education and Travel**
 - a. Future Education and Business-related Travel
 - b. Future Investment-related Travel
- 8. Board Members' Reports on Meetings, Seminars and/or Conferences Attended**

- 9. Portfolio Update**
- 10. Multi Asset Credit Recommendation**
- 11. Report on Investment Advisory Committee Meeting**
- 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 DPFP and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**
 - a. DPFP v. City of Dallas**
 - b. Dallas Police Retired Officers Association v. DPFP**
- 13. Recognition of Outgoing Trustee**

D. BRIEFING ITEMS

- 1. Public Comment**

2. Executive Director's Report

a. Associations' newsletters

- [NCPERS Monitor August 2025](#)
- [NCPERS PERSist Summer 2025](#)

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
Jesse D. Cochran	Retired	Fire	Jun. 21, 2025
James F. Francis	Retired	Police	Jun. 21, 2025
Jerry D. Stanger	Retired	Fire	Jul. 12, 2025
Rector C. McCollum	Retired	Police	Jul. 16, 2025
Ross C. Maris	Retired	Fire	Jul. 23, 2025
Bobby L. Smith	Retired	Police	Jul. 25, 2025
John T. Williams	Retired	Police	Jul. 27, 2025
Bennie Ray Click	Retired	Police	Jul. 27, 2025

Regular Board Meeting –Thursday, August 14, 2025

**Dallas Police and Fire Pension System
Thursday, July 10, 2025
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Regular meeting, Michael Taglienti, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m. Michael Taglienti, Tom Tull, Michael Brown, Matthew Shomer, Joe Colonna, Anthony Scavuzzo, David Kelly, Marcus Smith, Robert Walters

Present at 8:39 a.m. Steve Idoux (by telephone)

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Christina Wu, Kyle Schmit, Luis Solorzano Trejo, John Holt, Nien Nguyen, Milissa Romero, Cynthia J. Thomas (by telephone)

Others

David Elliston, Rick Salinas, Suzanne Zieman, Ben Mesches, David Harper

By telephone Ken Shoji, Leandro Festino, Colin Kowalski

* * * * *

The meeting was called to order at 8:30 a.m.

* * * * *

A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Walter R. Denny, William B. Smith, Jerry P. Damron, William L. Savell; active fire fighter Juan O. Chaidez; and retired firefighter Bobby J. Talbot.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, July 10, 2025**

B. APPROVAL OF MINUTES

1. Required Public meeting of June 12, 2025
2. Regular meeting of June 12, 2025

After discussion, Mr. Walters made a motion to approve the minutes of the Required Public meeting of June 12, 2025. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Shomer made a motion to approve the minutes of the Regular meeting of June 12, 2025. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

* * * * *

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

1. Certification of Non-Member Trustees Election Results

The terms of the three Non-member Trustees (Marcus Smith, Anthony R. Scavuzzo, and Nancy Rocha, who resigned in April 2025) expire on August 31, 2025.

Pursuant to the election rules adopted by the Board, three trustees have been elected by the members and pensioners from a slate of nominees selected and vetted by the nominations committee as required by Article 6243a-1 of the Texas Statutes. The terms of the three Non-member Trustees will run from September 1, 2025, to August 31, 2028.

The election process was conducted in accordance with the Board's election policy by an independent third-party election company. The election company, YesElections, provided a report of the election results.

After discussion, Mr. Tull made a motion to certify the election of Yvette Duenas, Tina Hernandez Patterson, and Anthony R. Scavuzzo as Non-member Trustees to serve from September 1, 2025 until August 31, 2028. Mr. Smith seconded the motion, which was unanimously approved by the Board.

Regular Board Meeting Thursday, July 10, 2025

1. Certification of Non-Member Trustees Election Results (continued)


Election-America
In the business of perfection

Election-America, Inc.
1775 Eye Street NW, Suite 1150
Washington, DC 20006
Phone: (202) 360-4420
Toll Free: (866) 514-2995
services@election-america.com

Results – 2025 Non-Member Trustee

Race	Candidate/Choice	Votes
Yvette Duenas	Yes, I approve	803
Yvette Duenas	No, I do not approve	169
Race	Candidate/Choice	Votes
Tina Hernandez Patterson	Yes, I approve	882
Tina Hernandez Patterson	No, I do not approve	90
Race	Candidate/Choice	Votes
Tony Scavuzzo, CFA	Yes, I approve	812
Tony Scavuzzo, CFA	No, I do not approve	160

Turnout by Division

	Internet	Paper	Phone	Total	Electorate	Total %
Active	278	0	56	334	5528	6.04
Retiree	479	0	159	638	4019	15.87

* * * * *

2. Board Committee Appointments

The Board has three permanent committees, the Audit Committee, the Professional Services Committee, and the Investment Advisory Committee.

After discussion, Mr. Kelly made a motion to appoint Mr. Colonna to serve on the Audit Committee and Mr. Scavuzzo as the Chair of the Audit Committee as nominated by the Chairman. Mr. Walters seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, July 10, 2025**

3. Financial Audit Status

The Chief Financial Officer provided a status update on the annual financial audit.

No motion was made.

* * * * *

4. City Contribution Update

The Executive Director provided an update on the amount of City Contributions received and any shortage since October 1, 2024.

No motion was made.

* * * * *

5. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the July pension ministerial actions.

No motion was made.

* * * * *

6. Board Approval of Trustee Education and Travel

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

After discussion, Mr. Taglienti made a motion to approve Mr. Shomer's request to attend the TEXPERS 2025 Summer Forum. Mr. Smith seconded the motion, which was unanimously approved by the Board.

* * * * *

7. Benefit Underpayment Notification

Staff notified the Board regarding an underpayment which is required to be given to the Board under the Correction of Errors in Benefits Payments Policy.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, July 10, 2025**

8. Hardship Request – 2025-1H

The Executive Director reviewed a hardship request with the Board.

After discussion, Mr. Smith made a motion to deny the hardship request 2025-1H. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

* * * * *

9. Portfolio Update

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

After discussion, Mr. Shomer made a motion to authorize staff, with the approval of Meketa and the Chair of the Investment Advisory Committee to (1) reduce the DPFP investment in Eastern Shore to any level staff deems appropriate and (2) invest the proceeds of any such reduction temporarily in a passive small capital strategy. Mr. Tull seconded the motion, which was unanimously approved by the Board.

* * * * *

10. Lone Star Investment Advisors

The Board went into closed executive session – Legal at 9:34 a.m.

The meeting reopened at 10:49 a.m.

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

No motion was made.

* * * * *

11. 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 DPFP 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 9:34 a.m.

The meeting reopened at 10:49 a.m.

The Board and staff discussed legal issues.

No motion was made.

**Regular Board Meeting
Thursday, July 10, 2025**

* * * * *

12. DPFP Security Posture

The Board went into closed executive session – Legal at 9:34 a.m.

The meeting reopened at 10:49 a.m.

Staff provided a briefing on building security.

No motion was made.

D. BRIEFING ITEMS

1. Public Comment

Prior to commencing items for Board discussion and deliberation, the Board received public comments during the open forum.

* * * * *

2. Executive Director's Report

- a. Associations' newsletters
 - [NCPERS Monitor \(June 2025\)](#)
- b. Open Records

The Executive Director's report was presented.

* * * * *

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Tull and a second by Mr. Shomer, the meeting was adjourned at 10:50 a.m.

Michael Taglienti,
Chairman

ATTEST:

Kelly Gottschalk,
Secretary



DISCUSSION SHEET

ITEM #C1

Topic: **Actuarial Experience Review and Actuarial Valuation Assumptions**

- a. Actuarial Experience Review
- b. January 1, 2025 Actuarial Valuation Assumptions

Attendees: Jeff Williams, Vice President & Consulting Actuary, Segal Consulting
Caitlin Grice, Vice President & Consulting Actuary, Segal Consulting

Discussion:

- a. Segal has completed an actuarial experience review for DPFP for the period of January 1, 2020 to December 31, 2024. The primary purpose of an experience review is to compare the reasonableness of the demographic and economic assumptions used in preparing the Actuarial Valuation to the actual historical experience as well as expectations for the future. Segal will present the results of their review and may recommend the Board consider modifying certain assumptions.
- b. 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. Segal Consulting is preparing the January 1, 2025 actuarial valuation reports for the Regular Plan (Combined Plan) and the Supplemental Plan. Many economic and demographic assumptions are required to prepare the valuation. Pursuant

Regular Board Meeting – Thursday, August 14, 2025

DISCUSSION SHEET

ITEM #C1 (continued)

to Article 16, Section 67 (f)(3) of the Texas Constitution, the Board determines the assumptions used in the valuation.

Staff

- Recommendation:**
- a. **Accept** the Review of Actuarial Experience and **submit** the document to the Pension Review Board.
 - b. **Provide** direction to Segal on the assumptions to be used in preparing the January 1, 2025 actuarial valuation reports for the Regular Plan (Combined Plan) and the Supplemental Plan.

Regular Board Meeting – Thursday August 14, 2025

Dallas Police and Fire Pension System

Review of Actuarial Experience

For the Period January 1, 2020 to December 31, 2024

August 14, 2025 Board Meeting / Jeff Williams / Caitlin Grice

| Agenda

Overview and Experience Review

Proposed Assumption Changes

Demographic Assumptions

Economic Assumptions

Actuarial Methods

Appendices

Overview and Experience Review

Overview: Purpose of an Experience Study

- An experience study provides the basis for developing recommended assumptions to be used in the annual actuarial valuation.
 - Performed on a periodic basis
 - Last full experience study was conducted in 2020 for the five-year period ended December 31, 2019
 - Current study is based on the period January 1, 2020 through December 31, 2024
- Actuarial Standards of Practice Statement 27 provides guidance on best practices for performing assumption-setting analysis.
 - Each assumption should be the actuary's best estimate.
- Segal's role is to make appropriate "best estimate" recommendations to the Board for each assumption.



The assumptions are the Board's assumptions, and the Board can adopt all, none, or some of the recommendations of the actuary.

Overview: How Assumptions Are Set

- Review past experience
- Compare past experience (“actual”) with assumptions (“expected”)
- Determine trends – make judgments about future
- Develop component parts of each assumption
 - Maintain linkage with investments
 - Maintain internal consistency
- Keep in mind
 - No “right” answer – best estimate
 - Assumptions are long-term, but need to be reviewed and revised periodically
 - Behavioral patterns can change over time
- Appendix 1 includes details of the current and proposed assumptions
- Appendix 2 contains a summary of actual, expected, and proposed experience
 - Proposed mortality counts include updated mortality projection scale



Overview: Actuarial Assumptions and Methods

Demographic

- Death in active service
- Death after retirement
 - Non-Disabled
 - Disabled
 - Contingent survivor
- Mortality improvement
- Retirement
 - DROP
 - Non-DROP
- Disability
- Withdrawal
- Other assumptions, including percent married, spousal age difference, etc.

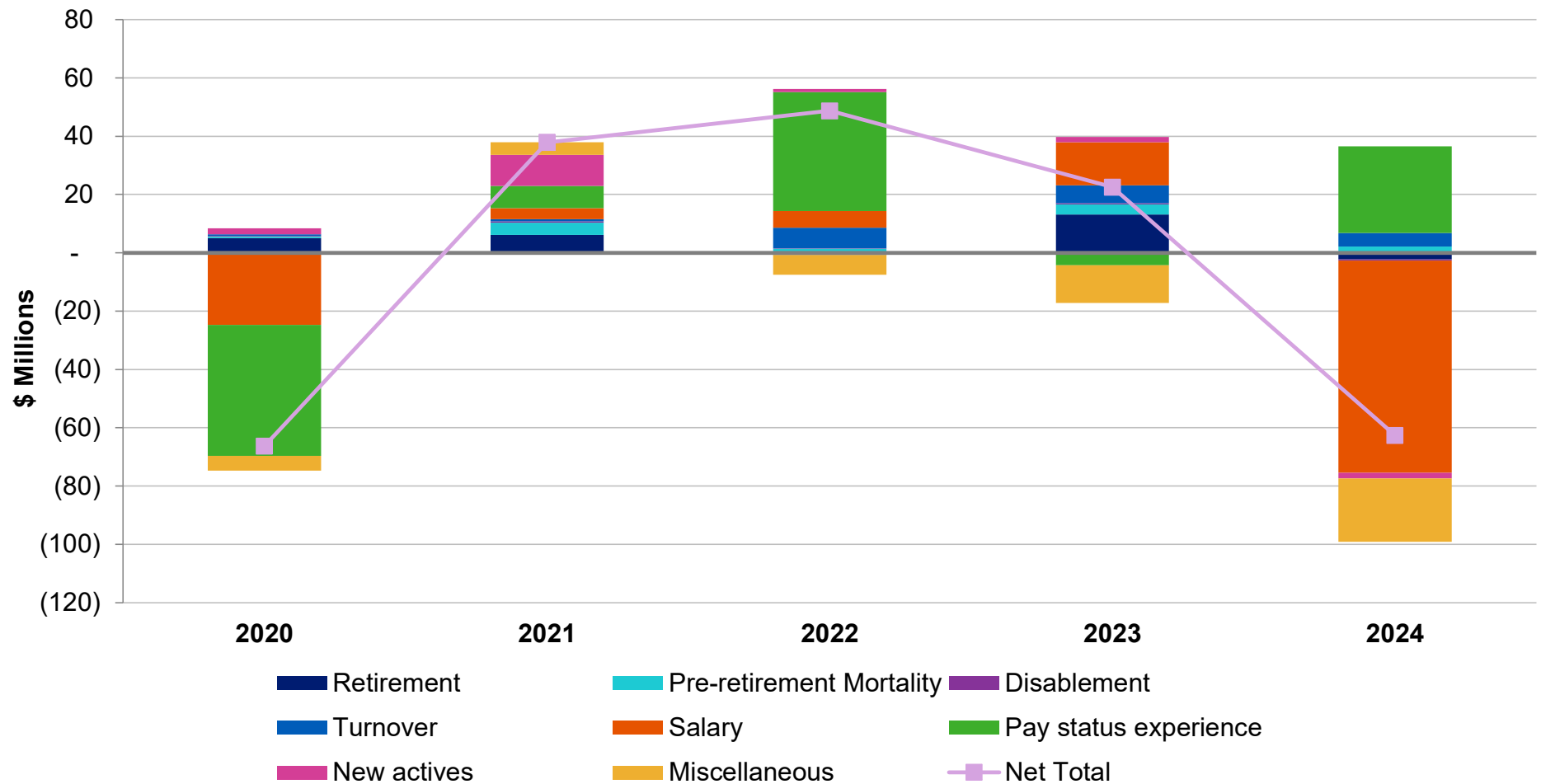
Economic

- Salary increases
- Payroll growth
- Inflation
- Discount rate (investment rate of return)
- Administrative expenses
- COLA

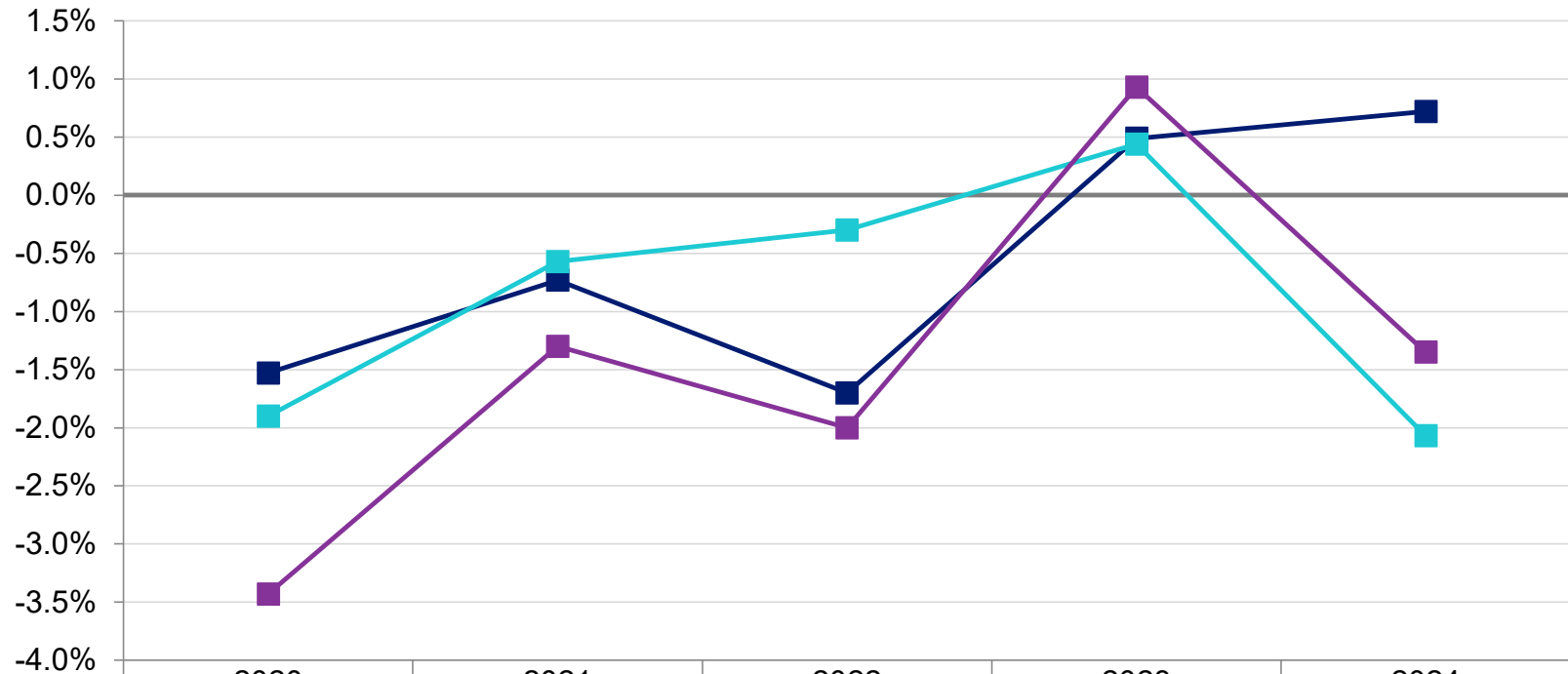
Methods

- Funding method
- Amortization method
- Asset method

Sources of Gain/(Loss) by Year



Experience Gains and Losses as a % of Actuarial Accrued Liability in Study Period



	2020	2021	2022	2023	2024
Investment	-1.53%	-0.73%	-1.70%	0.49%	0.72%
Non-Investment	-1.90%	-0.57%	-0.30%	0.44%	-2.07%
Total	-3.43%	-1.30%	-2.00%	0.93%	-1.35%

Proposed Assumption Changes

Summary of Proposed Assumptions

Assumption	Current Assumption	Proposed Assumption
Healthy Annuitant Mortality	Pub-2010 Public Safety Retiree Amount-weighted Mortality Table, set back one year for females	Pub-2016 Public Safety Retiree Amount-weighted Mortality Table, multiplied times 1.25 for males and multiplied by 0.8 for females
Contingent Beneficiary Mortality	Pub-2010 Public Safety Contingent Survivor Amount-weighted Mortality Table, set back one year for females	Pub-2016 Public Safety Contingent Survivor Amount-weighted Mortality Table, multiplied times 1.1 for males and multiplied by 1.25 for females
Disabled Annuitant Mortality	Pub-2010 Public Safety Disabled Retiree Amount-weighted Mortality Table, set forward four years for males and females	Pub-2016 Public Safety Disabled Retiree Amount-weighted Mortality Table, set forward five years for males
Pre-Retirement Mortality	Pub-2010 Public Safety Employee Amount-weighted Mortality Table, set forward five years for males	Pub-2016 Public Safety Employee Amount-weighted Mortality Table, set forward five years for males and set back two years for females
Mortality Improvement	Projected generationally with Scale MP-2019	Projected generationally with Scale MP-2021
DROP Retirement	Separate age-based rates for Fire and Police, with 100% retirement at age 65; 75% retirement after ten years in DROP	Lowered age-based rates covering the same service age ranges for each group
Non-DROP Retirement	Two separate age-based rates based on hire date and service, with 100% retirement at age 62 or after benefit multiplier hits 90% maximum	Updated age-based rates covering the same service age ranges for each group
DROP Utilization	No members are assumed to elect to enter the DROP	No change

Summary of Proposed Assumption Changes

Assumption	Current Assumption	Proposed Assumption
Terminated Vested Retirement	Age 50 if terminate pre-September 1, 2017; Age 58 if terminate on or after September 1, 2017 75% of those who terminate prior to age 40 will take a cash out at age 40	25% of those who terminate will take a cash out within the first two years after termination Afterwards, 100% retirement at normal retirement age
Disability	Age-based rates; rates zero out after age 54	Lowered age-based rates covering the same service age range
Service-Related Disability	100% of disabilities assumed service-related	No change
Turnover	Separate service-based rates for Fire and Police; rates zero out after 24 years of service	Updated service-based rates covering the same service ranges for each group
Percent Married	75% for Males and Females	No change
Spousal Age Difference	Females three years younger than males	Females two years younger than males
Inflation	2.50%	No change
Investment Return	6.50%	No change
Payroll Growth	2.50%	3.50%
Salary Scale	Separate salary scales based on rank as stated in the 2023 Meet and Confer agreement with an ultimate rate of 2.50% or 3.00%	Salary scales based on service, with 10-14% increase based on rank in first year based on 2025 Pay Scales
Administrative Expenses	Greater of \$7,000,000 per year or 1% of computation pay	No change
Cost-of-Living Adjustment (COLA)	Beginning October 1, 2025, 0.85% for 1 st 5 years, 1.00% for years 6-10, 1.25% for years 11-15 & 1.50% thereafter	No change

Impact of Each Proposed Change on Key Metrics

Assumption	Change in ADC as a Percent of Pay	Change in Funded Ratio (AVA)
Spouse Age Difference	-0.13%	0.03%
Turnover	-0.02%	0.01%
Mortality	-2.16%	0.86%
Mortality Scale	-0.28%	0.11%
Disability	-0.02%	0.00%
Retirement	-0.62%	0.15%
TV Retirement	0.27%	-0.03%
Payroll Growth	-3.70%	0.00%
Salary Scale	3.95%	-0.69%
All changes	-2.72%	0.44%

The results above reflect the incremental changes from one change to the next.

Impact of Proposed Changes on Overall Results

The chart below provides the estimated impact of the assumption changes, based on the preliminary January 1, 2025 valuation results. All dollar amounts are in millions.

	1	2	3
Item	January 1, 2024 Valuation Results	Preliminary January 1, 2025 Valuation Results	Recommended Changes
Employer Normal Cost	\$38.33	\$42.72	\$58.99
Actuarial Accrued Liability (AAL)	5,719.38	5,956.82	5,874.47
Actuarial Value of Assets (AVA)	1,831.29	1,892.29	1,892.29
Unfunded Actuarial Accrued Liability (UAAL)	3,888.09	4,064.53	3,982.18
Funded Percentage (AVA/AAL)	32.02%	31.77%	32.21%
Actuarially Determined Contribution (ADC)	\$262.01	\$308.89	\$304.54
ADC as a Percentage of Projected Payroll	53.47%	55.42%	52.70%
Projected payroll	\$490.00	\$557.37	\$577.86

Demographic Assumptions

Healthy Annuitant Mortality

Current Assumption

- Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019

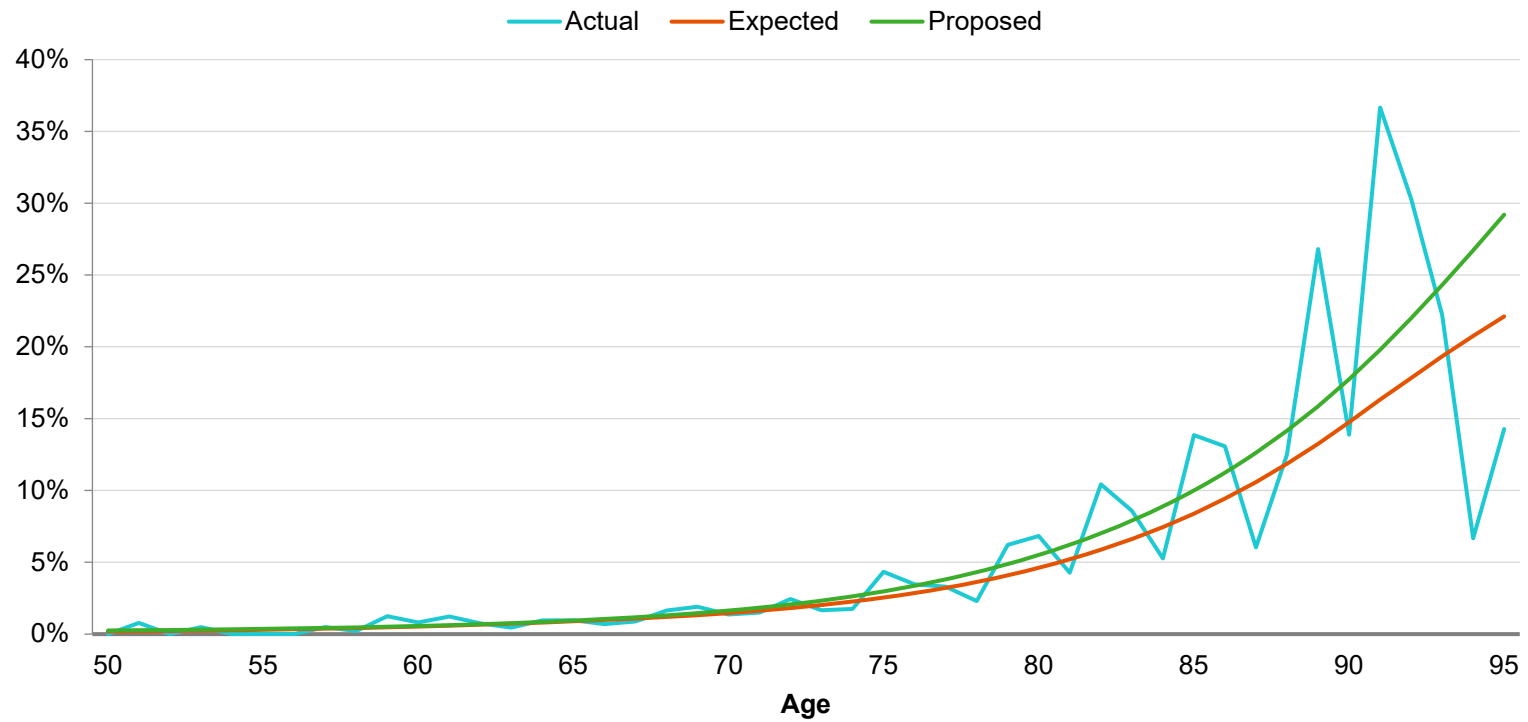
Findings

- Post-retirement mortality is the most important component of mortality assumptions; it determines the duration over which retirement benefits are paid.
- There were 18,937 non-disabled retiree exposures over the study period:
 - 467 actual deaths (not enough for full credibility)
 - 388 deaths were expected
 - 450 deaths would have been expected under the new assumptions

Recommendation

- Pub-2016 Public Safety Retiree Amount-Weighted Mortality Table, multiplied times 1.25 for males and multiplied times 0.8 for females, projected generationally using Scale MP-2021

Male Retiree Mortality



Contingent Beneficiary Mortality

Current Assumption

- Pub-2010 Public Safety Contingent Survivor Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019

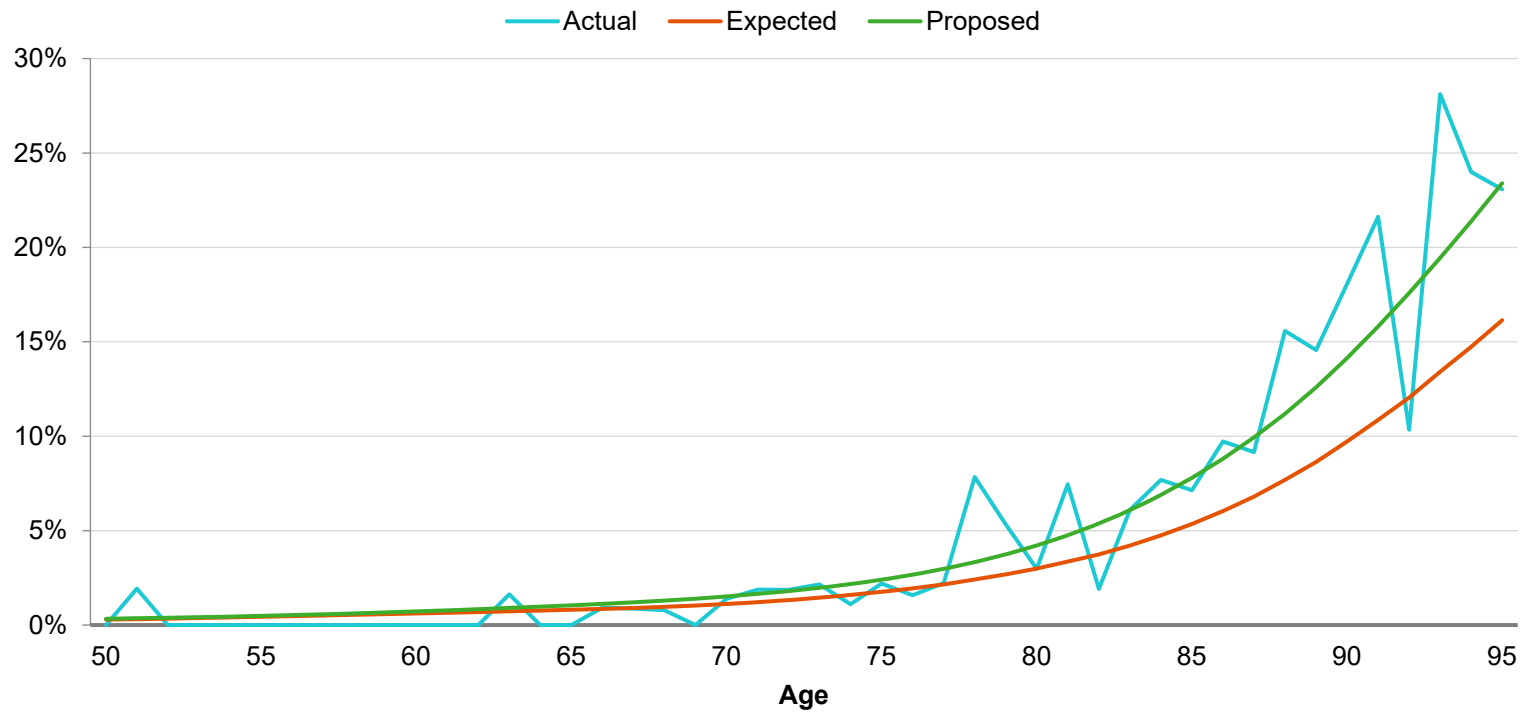
Findings

- Post-retirement mortality is the most important component of mortality assumptions; it determines the duration over which retirement benefits are paid.
- There were 5,695 beneficiary exposures over the study period:
 - 270 actual deaths (not enough for full credibility)
 - 176 deaths were expected
 - 250 deaths would have been expected under the new assumptions

Recommendation

- Pub-2016 Public Safety Contingent Survivor Amount-Weighted Mortality Table, multiplied by 1.1 for males and multiplied by 1.25 for females, projected generationally using Scale MP-2021

Female Beneficiary Mortality



Disabled Annuitant Mortality

Current Assumption

- Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for males and females, projected generationally using Scale MP-2019

Findings

- Post-retirement mortality is the most important component of mortality assumptions; it determines the duration over which retirement benefits are paid.
- There were 579 disabled retiree exposures over the study period:
 - 36 actual deaths (not enough for full credibility)
 - 29 deaths were expected
 - 32 deaths would have been expected under the new assumptions

Recommendation

- Pub-2016 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2021

Pre-Retirement Mortality

Current Assumption

- Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019

Findings

- There were 26,753 active and terminated vested exposures over the study period:
 - 35 actual deaths (not enough for full credibility)
 - 32 deaths were expected.
 - 32 deaths would have been expected under the new assumptions

Recommendation

- Pub-2016 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males and set back 2 years for females, projected generationally using Scale MP-2021

Retirement Rates

Current Assumptions

- Four separate sets of retirement rates; separate rates for DROP and non-DROP participants
- Rates are age-based
- For DROP participants:
 - Separate rates for Fire and Police
 - The retirement rate is set to 75% after ten years in DROP and 100% at age 65
- For non-DROP participants:
 - Same rates for Fire and Police
 - Separate rates based on years of service as of 9/1/2017
 - The retirement rate is set to 100% at age 62 or once benefit multiplier hits 90% maximum
- DROP utilization: No members are assumed to elect to enter the DROP

Retirement Rates – DROP Participants

Findings

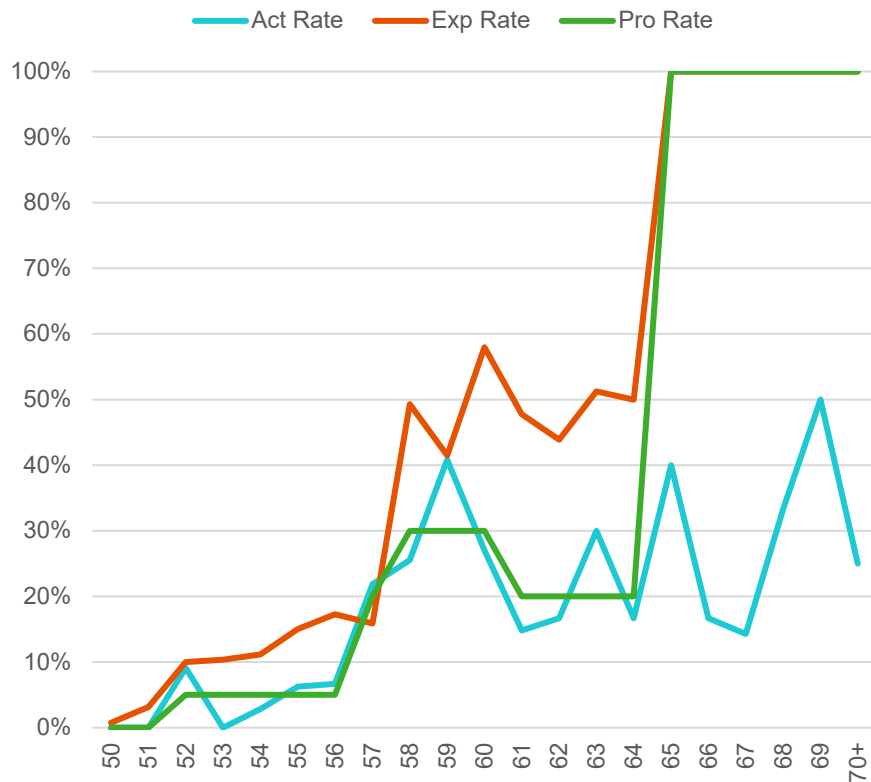
- **Fire:** 605 exposures over the study period
 - 121 actual retirements
 - 219 retirements were expected
 - 147 retirements would have been expected under the new assumptions
 - Through age 64
 - 109 actual, 176 expected, 104 proposed
- **Police:** 891 exposures over the study period
 - 142 actual retirements
 - 307 retirements were expected
 - 191 retirements would have been expected under the new assumptions
 - Through age 64
 - 137 actual, 252 expected, 136 proposed

Recommendation

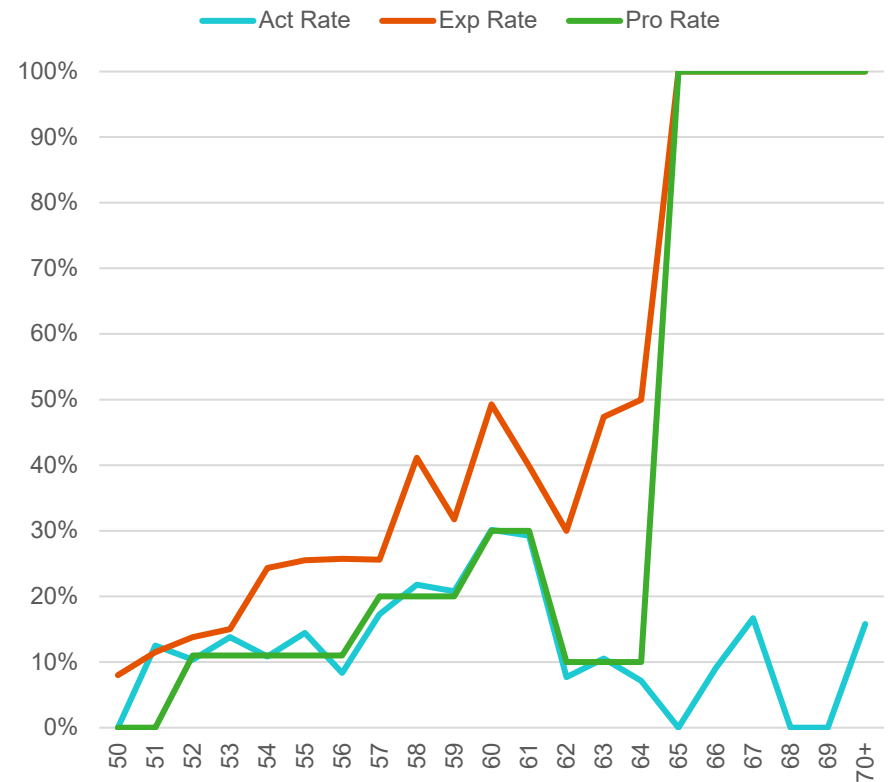
- Lower the rates used and begin at age 52
- Maintain the 75% retirement after 10 years in DROP and 100% retirement at age 65 assumption.

Retirement Rates – DROP Participants

Fire



Police



Retirement Rates – Non-DROP Participants

Findings

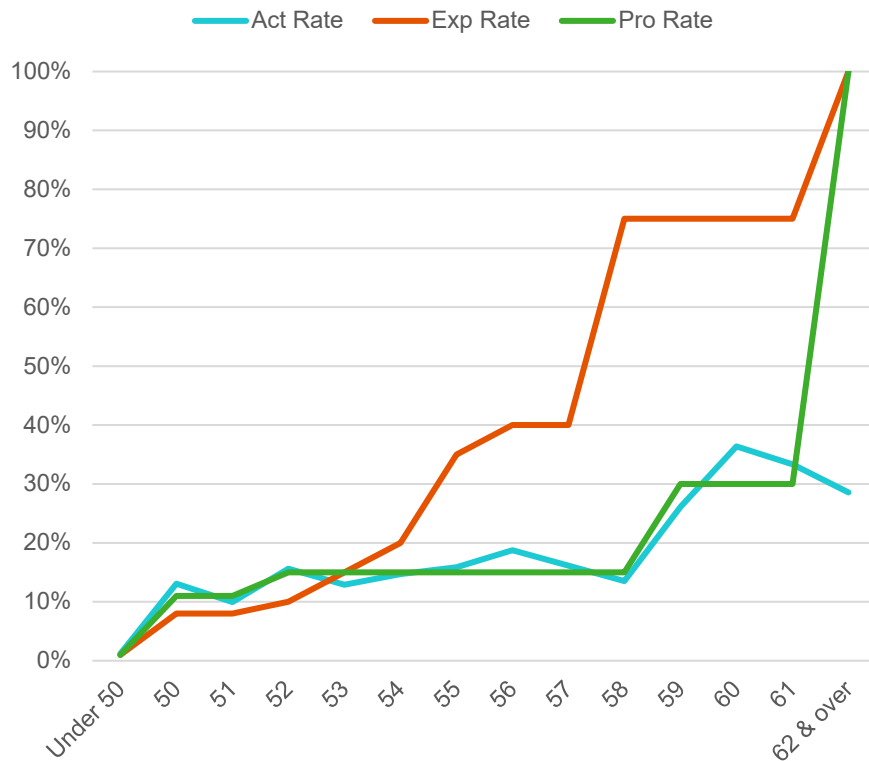
- **Service \geq 20 as of 9/1/2017:** 1,809 exposures over the study period
 - 217 actual retirements
 - 348 retirements were expected
 - 219 retirements would have been expected under the new assumptions
- **Service $<$ 20 as of 9/1/2017:** 3,759 exposures over the study period
 - 146 actual retirements
 - 171 retirements were expected
 - 168 retirements would have been expected under the new assumptions
- **DROP utilization:** 5,568 exposures over the study period
 - 90 new DROP elections

Recommendation

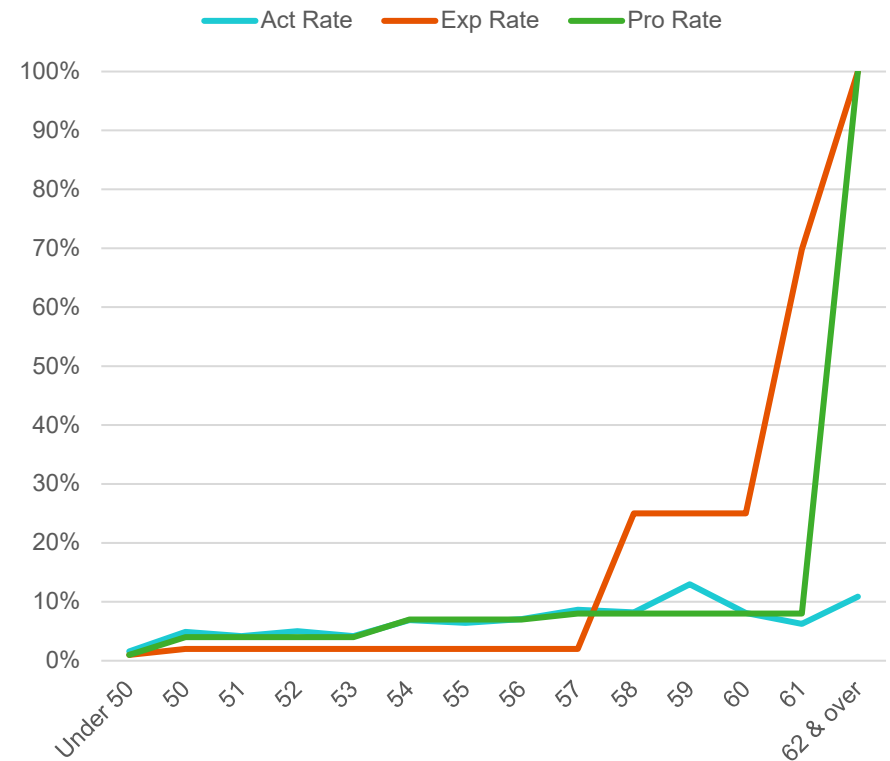
- Update the rates used
- Maintain the 100% retirement at age 62 or when benefit multiplier hits 90% maximum assumptions.
- Maintain the assumption that no new members are assumed to enter DROP

Retirement Rates – Non-DROP Participants

Service > 20 as of 9/1/2017



Service <= 20 as of 9/1/2017



Inactive Vested Participants

Current Assumption

- Members who terminated prior to September 1, 2017 retire at age 50
- Members who terminated on or after September 1, 2017 retire at age 58
- 75% of those who terminate prior to age 40 take a lump sum cash out at age 40

Findings

- 138 terminated vested participants either retired or cashed out during the study period:
 - 85, or 61.6%, retired at average age 50
 - 53, or 38.4%, cashed out at average age 36

Recommendation

- Update assumed retirement age to be Normal Retirement Age
- Adjust cash out assumption to assume 25% cash out within first two years of terminating

Disability Rates

Current Assumption

- Age-based rates ranging from 0.01% to 0.044%, stopping at age 54
- 100% of disabilities are assumed to be service-related

Findings

- There were 25,531 exposures over the study period:
 - 6 actual disabilities
 - 5 disabilities were expected
- 2 non-duty disabilities

Recommendation

- Lower rates at all ages
- Maintain assumption that 100% of disabilities are assumed to be service-related

Turnover Rates

Current Assumption

- Service-based rates with rates decreasing with longer services
- Rates differ for Fire and Police
- Rates do not apply once eligible for normal retirement

Findings

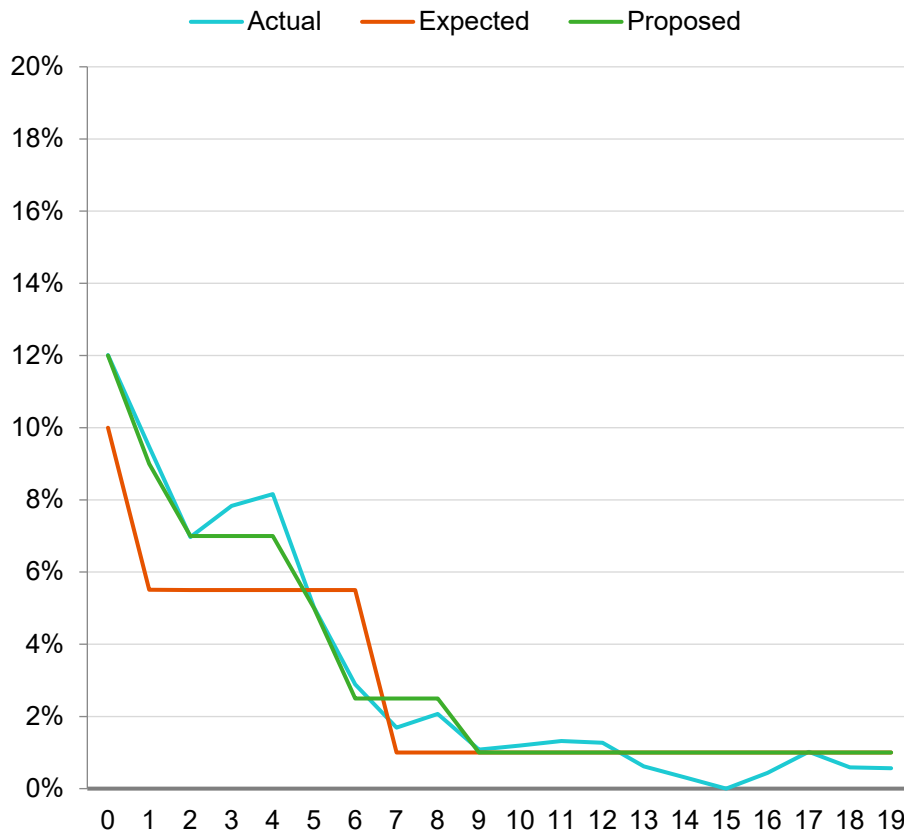
- **Fire:** 7,551 exposures over the study period
 - 308 actual terminations
 - 250 terminations were expected
 - 296 terminations would have been expected under the new assumptions
- **Police:** 11,131 exposures over the study period
 - 460 actual terminations
 - 455 terminations were expected
 - 458 terminations would have been expected under the new assumptions

Recommendation

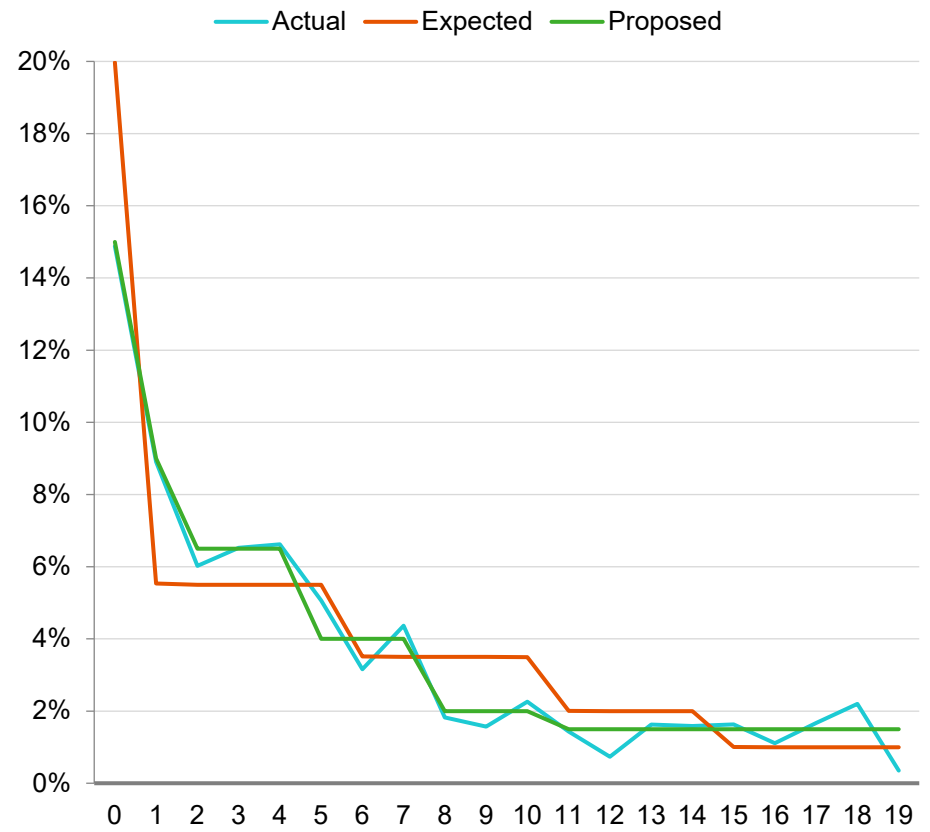
- Update the current rates

Turnover Rates

Fire



Police



Other Demographic Assumptions

Form of Benefit Election

- Married participants are assumed to elect the 50% J&S Annuity, unmarried are assumed to elect the Single Life Annuity
- No change recommended

Spousal Age Difference

- Females are assumed to be three years younger than males
- Females were approximately 1.3 years younger than their male spouses
- Recommend updating the assumption to assume females are two years younger than males

Percentage of Participants Married

- 75% of participants are assumed to be married
- Approximately 77% of participants were married at the time of retirement
- No change recommended

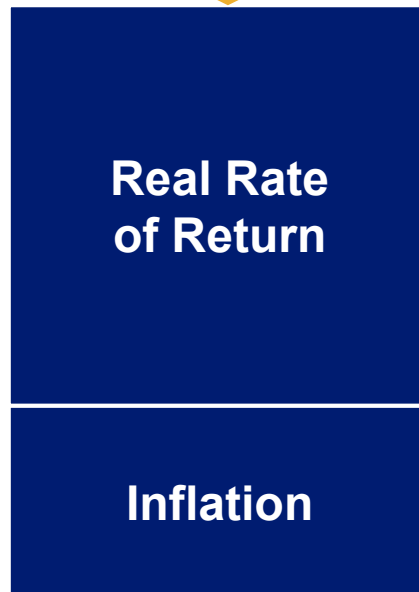
Economic Assumptions

Economic Assumptions

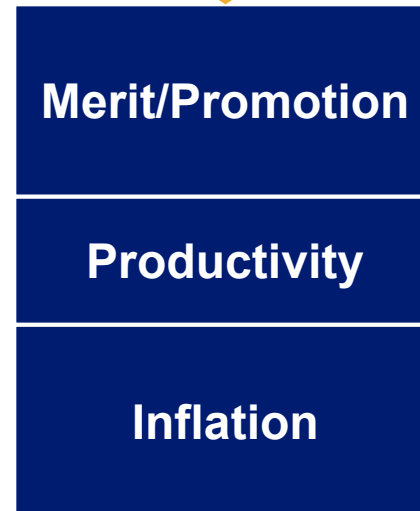
Building Blocks

These economic assumptions have two or three components (or building blocks).

**INVESTMENT RATE
OF RETURN
(Discount Rate)**



**SALARY
INCREASES**



**PAYROLL
GROWTH**



Building blocks must be consistent across all economic assumptions.

Inflation

Current Assumption: 2.50%

Comments

- 2025 OASDI Trustees Report:
 - 3.0% for high-cost projection, 2.4% for intermediate projection, 1.8% for low-cost projection
- Historical (through December 2024):

Average Annual Change in CPI-U	
Last 5 years	4.17%
Last 10 years	2.86%
Last 20 years	2.57%
Last 30 years	2.53%
Last 100 years	2.95%

Recommendation: No change

Investment Rate of Return

Current Assumption: 6.50%

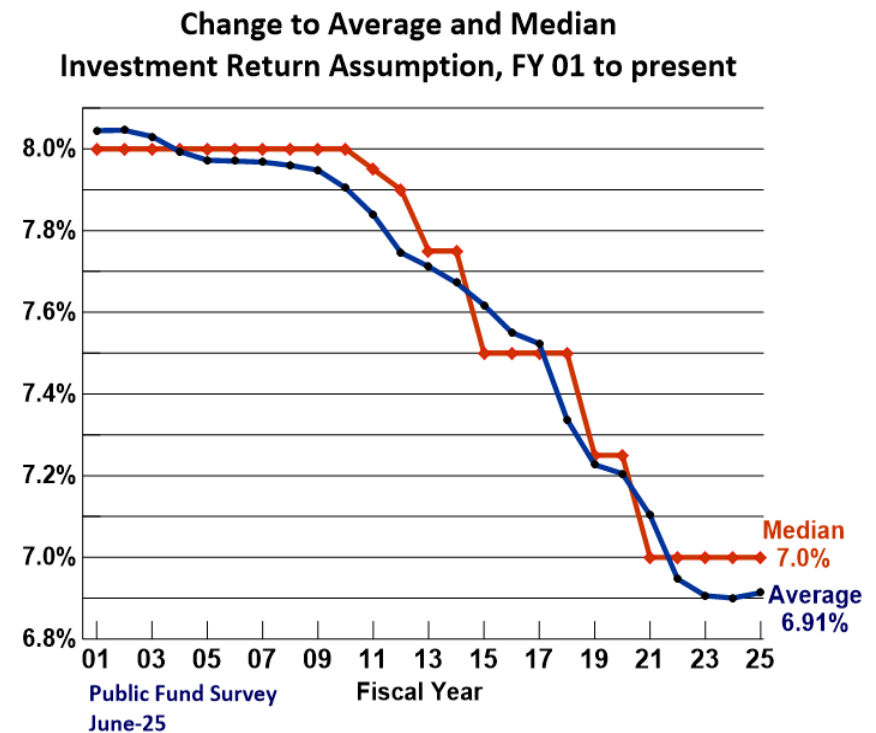
- NASRA Survey, November 2024
 - With FY24, the median has dropped to 7.00%, and the average is 6.91%.
 - Chart shows ongoing trend towards lower investment return assumptions.

Findings

- Based on the current asset allocation and Segal Marco Advisor's capital market assumptions as of December 31, 2024, over the next 20 years, the System has a:
 - 56% chance of exceeding 6.50%

Recommendation: No change

Change in Distribution of Public Pension Investment Return Assumptions, FY 01 to FY 25



Investment Rate of Return

- The chart below shows actuarial value and market value investment returns over the five-year period ending December 31, 2024.

Year Ended December 31	Actuarial Value Investment Return	Market Value Investment Return	Assumed Return
2020	3.46%	-0.45%	7.00%
2021	4.68%	16.99%	6.50%
2022	-9.78%	-11.46%	6.50%
2023	7.98%	13.90%	6.50%
2024	8.92%	9.27%	6.50%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return	0.21%	5.08%
Most recent ten-year average return	-3.90%	3.13%
Most recent 15-year average return	-0.44%	3.48%
20-year average return	0.01%	1.83%

Payroll Growth

Current Assumption: 2.50%

- Used to determine the amortization payment on the unfunded actuarial accrued liability (UAL)
- Payment on UAL expected to increase at payroll growth rate
- Usually equivalent to inflation assumption or inflation plus productivity

Recommendation: Increase to 3.50%

Average Annual Change in Covered Payroll

Last 5 years	6.10%
Last 7 years (since 2018)	6.39%
Last 10 years	3.38%

Salary Scale

Current Assumption

- Rates based on rank and the 2023 Meet and Confer Agreement
- Higher rates in 2023 with ultimate rates of 2.5% or 3%
- The current rates reflect assumed inflation of 2.50%.

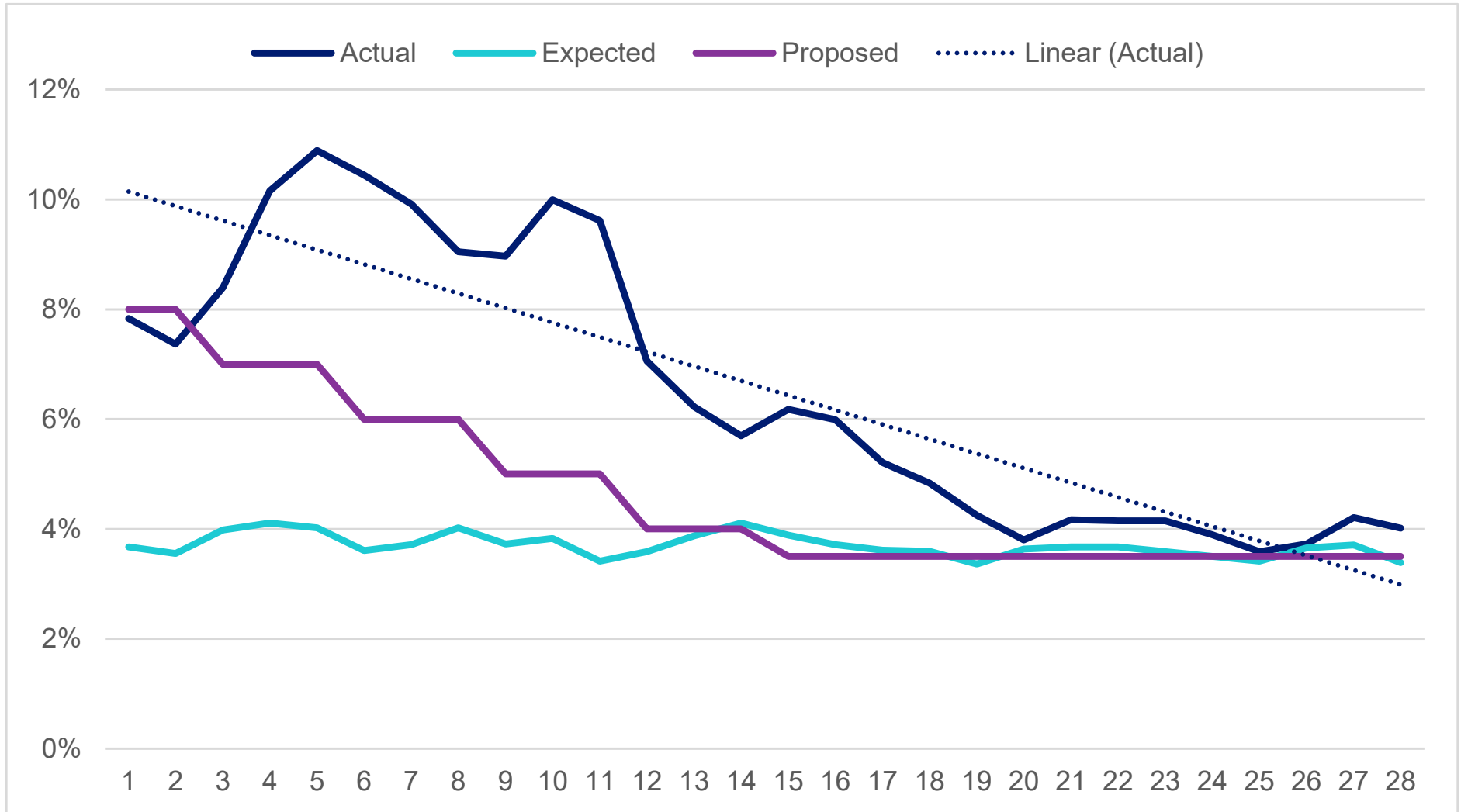
Findings

- Actual increases over the period were much higher than assumed, with an average increase of almost 9.5% per year

Recommendation

- Update to service-based table with rates ranging from 8% to 3.5%
- Assume initial 10% or 14% increase based on rank in 2025 to reflect the increased 2025 Pay Scales

Salary Scale



Administrative Expenses

Current Assumption

- The administrative expenses are assumed to be \$7,000,000 a year and are occasionally updated to coincide with recent experience

Recommendation

- No Change

Year	Assumed Expenses	Actual Expenses
2020	\$8,500,000	\$6,534,350
2021	7,000,000	6,390,829
2022	7,000,000	6,361,999
2023	7,000,000	5,974,248
2024	7,000,000	7,408,894
Total	\$36,500,000	\$32,670,320
Average	\$7,300,000	\$6,534,064

Cost-of-Living Adjustment (COLA)

Current Assumption

- Beginning October 1, 2025, 0.85% on original benefit for first five years, 1.00% for years six through 10, 1.25% for years 11 through 15, 1.5% thereafter
- As part of the plan changes adopted by the Board on August 8, 2024, a partial COLA is payable while the Plan is under 70% funded on a market value basis

Recommendation

- Maintain assumption
- Will review as needed if plan changes or System and City agree to alternative funding plan

Actuarial Methods

Actuarial Cost Method

Current Method: Traditional Entry Age

- Entry Age is the most common method used for public sector plans in the U.S.
- Normal cost stays constant as a percentage of payroll for each member.
- Provides more stable normal cost calculation, when assumptions are met
- Actuarial Standard of Practice #4 (ASOP 4) requires disclosure under the “Traditional” Entry Age approach, as does the GASB.

Recommendation

Maintain current method.

Actuarial Asset Smoothing Method

Current Method

- Reflects 5-year straight-line amortization of each year's market value investment gain or loss
- 20% corridor around market
- Treats realized and unrealized losses equally
 - Sale of assets does not affect actuarial value.

Recommendation

Maintain current method.



Amortization of the Unfunded Actuarial Accrued Liability

Current Method

- Two initial amortization bases established as of January 1, 2023
 - First amortization base for \$2.25 billion and is amortized over 30 years on a level percent of pay basis
 - Second amortization base for \$1.33 billion and has a three-year step up of the amortization payment, with the outstanding balance after three years to be amortized over 27 years on a level percent of pay basis
- Beginning January 1, 2024, new bases established based on plan's experience and are amortized over the amortization period remaining on the initial 2023 bases
- Beginning in 2033, newly established bases will be set at a period of 20 years

Recommendation

- Maintain current method and amortization periods
- Revisit assumption if System and City agree to alternative funding plan



Questions

Jeffrey S. Williams, FCA, ASA, MAAA, EA

Vice President and Consulting Actuary

jwilliams@segalco.com

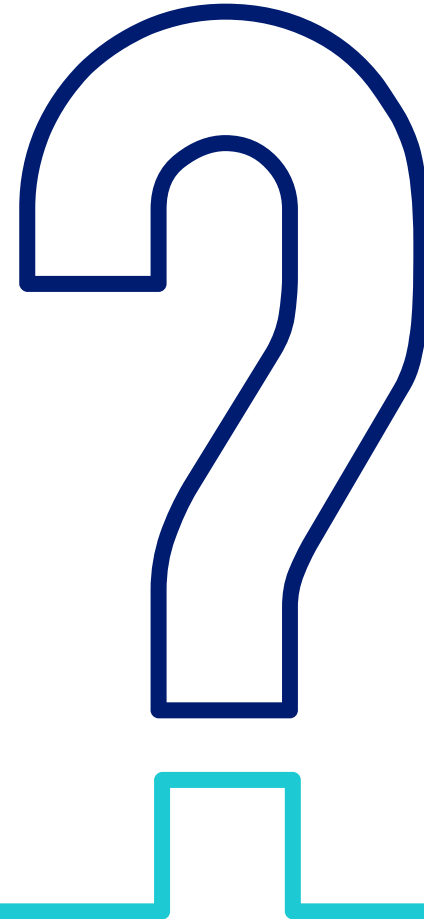
2727 Paces Ferry Road,
Building One, Suite 1400
Atlanta, GA 30339-4053
678.306.3147

Caitlin E. Grice, FCA, ASA, MAAA, EA

Vice President and Consulting Actuary

cgrice@segalco.com

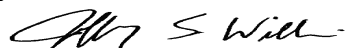
1800 M Street NW, Suite 900S
Washington, DC 20011
202.222.5187



Actuarial Certification

- This document was prepared in accordance with generally accepted actuarial principles as prescribed by the Actuarial Standards Board and the American Academy of Actuaries at the request of the Board to assist in administering the System.
- The actuarial calculations included in this document were performed under the supervision of Jeffrey S. Williams, ASA, FCA, MAAA, EA with the assistance of Caitlin Grice and Justin Cash. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.
- To the best of my knowledge, the information supplied in this presentation is complete and accurate.
- The results in this document are based on the preliminary January 1, 2025 valuation results. Use of the information in this document is subject to the caveats and limitations of use as described in the January 1, 2024 valuation report and upcoming January 1, 2025 valuation report. Please refer to the valuation report for a description of Segal's actuarial modeling software, the risks associated with these results, disclosure of Low-Default-Risk Obligation Measure information as required under Actuarial Standards of Practice No. 4, as well as the assumptions, methods, and plan provisions. The report also includes more comprehensive information regarding the Plan's membership, assets, and experience during the most recent plan year.
- This document was prepared as part of a presentation made to the Board of the Dallas Police & Fire Pension System on August 14, 2025 and is not complete without the upcoming January 1, 2025 valuation report. Except as may be required by law, this document should not be shared, copied, or quoted, in whole or in part, without the consent of Segal.

Certified by:



Jeffrey S. Williams, ASA, FCA, MAAA, EA
Vice President and Consulting Actuary

| Appendix 1 - Assumptions

Healthy Post-Retirement Mortality

Beneficiary Mortality

Disabled Post-Retirement Mortality

Active/Pre-Retirement Mortality

Retirement

Disability

Turnover

Salary Scale

Appendix 1

Healthy Post-Retirement Mortality

Males

Age	Current Mortality Rate	Proposed Mortality Rate
55	0.31%	0.37%
60	0.51%	0.57%
65	0.88%	0.93%
70	1.57%	1.68%
75	2.83%	3.15%
80	5.10%	5.81%
85	9.14%	10.43%
90	15.86%	18.26%

Females

Age	Current Mortality Rate	Proposed Mortality Rate
55	0.23%	0.20%
60	0.40%	0.32%
65	0.69%	0.54%
70	1.19%	0.93%
75	2.06%	1.68%
80	3.55%	3.07%
85	6.13%	5.57%
90	10.59%	10.09%

Mortality rates shown above include applicable set forwards and are unprojected. For actuarial valuation purposes, the proposed mortality rates will be projected from 2016 on a generational basis using the MP-2021 improvement scale.

Appendix 1

Healthy Beneficiary Mortality

Males

Age	Current Mortality Rate	Proposed Mortality Rate
55	0.82%	0.97%
60	1.01%	1.16%
65	1.38%	1.45%
70	2.13%	2.06%
75	3.38%	3.42%
80	5.36%	6.06%
85	8.74%	10.56%
90	14.42%	18.28%

Females

Age	Current Mortality Rate	Proposed Mortality Rate
55	0.42%	0.51%
60	0.58%	0.72%
65	0.83%	1.05%
70	1.24%	1.61%
75	1.95%	2.59%
80	3.21%	4.45%
85	5.61%	8.06%
90	10.15%	14.4%

Mortality rates shown above include applicable set forwards and are unprojected. For actuarial valuation purposes, the proposed mortality rates will be projected from 2016 on a generational basis using the MP-2021 improvement scale.

Appendix 1

Disabled Post-Retirement Mortality

Males

Age	Current Mortality Rate	Proposed Mortality Rate
55	0.67%	0.70%
60	1.08%	1.07%
65	1.73%	1.78%
70	2.89%	3.01%
75	5.06%	5.40%
80	8.31%	9.60%
85	14.24%	15.78%
90	22.31%	24.40%

Females

Age	Current Mortality Rate	Proposed Mortality Rate
55	0.64%	0.46%
60	0.98%	0.60%
65	1.48%	0.99%
70	2.25%	1.75%
75	3.55%	2.99%
80	6.13%	5.35%
85	10.59%	8.02%
90	17.40%	12.61%

Mortality rates shown above include applicable set forwards and are unprojected. For actuarial valuation purposes, the proposed mortality rates will be projected from 2016 on a generational basis using the MP-2021 improvement scale.

Appendix 1

Pre-Retirement Mortality

Males

Age	Current Mortality Rate	Proposed Mortality Rate
20	0.04%	0.03%
25	0.04%	0.04%
30	0.05%	0.05%
35	0.06%	0.06%
40	0.08%	0.08%
45	0.12%	0.12%
50	0.18%	0.18%
55	0.26%	0.29%
60	0.41%	0.47%

Females

Age	Current Mortality Rate	Proposed Mortality Rate
20	0.02%	0.01%
25	0.02%	0.01%
30	0.03%	0.02%
35	0.04%	0.03%
40	0.05%	0.04%
45	0.07%	0.06%
50	0.09%	0.09%
55	0.12%	0.13%
60	0.17%	0.19%

Mortality rates shown above include applicable set forwards and are unprojected. For actuarial valuation purposes, the proposed mortality rates will be projected from 2016 on a generational basis using the MP-2021 improvement scale.

Appendix 1

DROP Retirement Rates

Police

Age	Current Rate	Proposed Rate
Under 50	1.00%	0.00%
50	10.00%	0.00%
51	15.00%	0.00%
52-53	15.00%	11.00%
54-56	25.00%	11.00%
57	25.00%	20.00%
58-59	30.00%	20.00%
60-61	30.00%	30.00%
62	30.00%	10.00%
63	40.00%	10.00%
64	50.00%	10.00%
65 & over	100.00%	100.00%

Fire

Age	Current Rate	Proposed Rate
Under 50	0.75%	0.00%
50-51	0.75%	0.00%
52-54	10.00%	5.00%
55-56	15.00%	5.00%
57	15.00%	20.00%
58-60	40.00%	30.00%
61-62	40.00%	20.00%
63-64	50.00%	20.00%
65 & over	100.00%	100.00%

Appendix 1

Non-DROP Retirement Rates

Service ≥ 20 as of
September 1, 2017

Age	Current Rate	Proposed Rate
Under 50	1%	1%
50-51	8%	11%
52	10%	15%
53	15%	15%
54	20%	15%
55	35%	15%
56-57	40%	15%
58	75%	15%
59-61	75%	30%
62 & over	100%	100%

Service < 20 as of
September 1, 2017

Age	Current Rate	Proposed Rate
Under 50	1%	1%
50-53	2%	4%
54-56	2%	7%
57	2%	8%
58-60	25%	8%
61	50%	8%
62 & over	100%	100%

Appendix 1

Disability Rates

Age	Current	Proposed
20	0.010%	0.004%
21	0.011%	0.005%
22	0.012%	0.006%
23	0.013%	0.007%
24	0.014%	0.008%
25	0.015%	0.009%
26	0.016%	0.010%
27	0.017%	0.011%
28	0.018%	0.012%
29	0.019%	0.013%
30	0.020%	0.014%
31	0.021%	0.015%
32	0.022%	0.016%
33	0.023%	0.017%
34	0.024%	0.018%
35	0.025%	0.019%
36	0.026%	0.020%
37	0.027%	0.021%
38	0.028%	0.022%
39	0.029%	0.023%

Age	Current	Proposed
40	0.030%	0.024%
41	0.031%	0.025%
42	0.032%	0.026%
43	0.033%	0.027%
44	0.034%	0.028%
45	0.035%	0.029%
46	0.036%	0.030%
47	0.037%	0.031%
48	0.038%	0.032%
49	0.039%	0.033%
50	0.040%	0.034%
51	0.041%	0.035%
52	0.042%	0.036%
53	0.043%	0.037%
54	0.044%	0.038%

Appendix 1

Turnover Rates

Police

Service	Current	Proposed
0	20.0%	15.0%
1	5.5%	9.0%
2-4	5.5%	6.5%
5	5.5%	4.0%
6-7	3.5%	4.0%
8-10	3.5%	2.0%
11-14	2.0%	1.5%
15-20	1.0%	1.5%
21-24	1.0%	1.0%
25 & over	0.0%	0.0%

Fire

Service	Current	Proposed
0	10.00%	12.00%
1	5.50%	9.00%
2-4	5.50%	7.00%
5	5.50%	5.00%
6	5.50%	2.50%
7-8	1.00%	2.50%
9-24	1.00%	1.00%
25 & over	0.00%	0.00%

Appendix 1

Salary Scale

Current Rates

Year	Officers	Corporals, Drivers & Senior Officers	Sergeants, Lieutenants, Captains, Majors, Deputy Chiefs, Assistant Chiefs & Chiefs
2023	7.25%	6.75%	6.25%
2024+	3.00%	3.00%	2.50%

Proposed Rates

Year	Officers	Corporals, Drivers & Senior Officers	Sergeants, Lieutenants, Captains, Majors, Deputy Chiefs, Assistant Chiefs & Chiefs
2025	10.00%	14.00%	10.00%
2026+	Service based rates	Service based rates	Service based rates

Service	Rate
0-2	8.00%
3-5	7.00%
6-8	6.00%
9-11	5.00%
12-14	4.00%
15+	3.50%

Appendix 2 - Experience

Healthy Post-Retirement Mortality

Beneficiary Mortality

Disabled Post-Retirement Mortality

Active/Pre-Retirement Mortality

Retirement

Disability

Turnover

Salary

Appendix 2 – Healthy Retiree Mortality Experience

Males

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Expected Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	885	2	0.23%	1.99	0.22%	100.45%	2.56	0.29%	78.17%
55-59	2,119	10	0.47%	8.26	0.39%	121.06%	9.31	0.44%	107.39%
60-64	3,248	27	0.83%	21.40	0.66%	126.16%	22.49	0.69%	120.04%
65-69	3,015	37	1.23%	32.87	1.09%	112.58%	35.61	1.18%	103.91%
70-74	3,317	58	1.75%	60.70	1.83%	95.55%	69.56	2.10%	83.38%
75-79	2,155	84	3.90%	68.11	3.16%	123.33%	80.52	3.74%	104.32%
80-84	1,308	92	7.03%	75.50	5.77%	121.86%	90.03	6.88%	102.18%
85-89	613	86	14.03%	63.64	10.38%	135.14%	76.03	12.40%	113.11%
90 & over	232	58	25.00%	41.05	17.69%	141.29%	51.26	22.10%	113.15%
Total	16,892	454	2.69%	373.52	2.21%	121.55%	437.38	2.59%	103.80%

Females

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Expected Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	224	0	0.00%	0.36	0.16%	0.00%	0.32	0.14%	0.00%
55-59	473	0	0.00%	1.52	0.32%	0.00%	1.17	0.25%	0.00%
60-64	615	1	0.16%	3.11	0.51%	32.14%	2.42	0.39%	41.29%
65-69	332	2	0.60%	2.63	0.79%	75.98%	2.13	0.64%	94.10%
70-74	247	6	2.43%	3.30	1.33%	182.05%	2.73	1.11%	219.48%
75-79	130	1	0.77%	2.87	2.21%	34.81%	2.48	1.90%	40.40%
80-84	22	1	4.55%	0.78	3.56%	127.54%	0.70	3.20%	142.05%
85-89	0	0	0.00%	0.00	0.00%	0.00%	0.00	0.00%	0.00%
90 & over	2	2	100.00%	0.22	10.76%	929.76%	0.21	10.48%	953.79%
Total	2,045	13	0.64%	14.79	0.72%	87.89%	12.16	0.59%	106.92%
Grand Total	18,937	467	2.47%	388.31	2.05%	120.27%	449.54	2.37%	103.88%

Appendix 2 – Beneficiary Mortality Experience

Males

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Assumed Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	61	0	0.00%	0.39	0.65%	0.00%	0.47	0.76%	0.00%
55-59	17	0	0.00%	0.16	0.94%	0.00%	0.18	1.05%	0.00%
60-64	31	1	3.23%	0.35	1.14%	282.23%	0.39	1.25%	257.75%
65-69	19	0	0.00%	0.28	1.50%	0.00%	0.30	1.57%	0.00%
70-74	12	1	8.33%	0.29	2.41%	345.75%	0.30	2.53%	329.77%
75-79	7	0	0.00%	0.26	3.70%	0.00%	0.29	4.12%	0.00%
80-84	8	0	0.00%	0.47	5.90%	0.00%	0.58	7.19%	0.00%
85-89	4	1	25.00%	0.40	10.09%	247.84%	0.52	12.91%	193.67%
90 & over	3	1	33.33%	0.55	18.35%	181.67%	0.71	23.52%	141.75%
Total	162	4	2.47%	3.17	1.96%	126.25%	3.72	2.30%	107.55%

Females

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Assumed Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	416	2	0.48%	1.33	0.32%	150.80%	1.52	0.37%	131.70%
55-59	383	0	0.00%	1.96	0.51%	0.00%	2.20	0.57%	0.00%
60-64	560	2	0.36%	3.86	0.69%	51.78%	4.74	0.85%	42.17%
65-69	605	3	0.50%	5.55	0.92%	54.04%	7.39	1.22%	40.59%
70-74	833	14	1.68%	11.24	1.35%	124.54%	15.32	1.84%	91.40%
75-79	855	31	3.63%	18.47	2.16%	167.88%	25.51	2.98%	121.51%
80-84	806	42	5.21%	30.63	3.80%	137.12%	43.93	5.45%	95.60%
85-89	654	71	10.86%	44.11	6.75%	160.95%	64.34	9.84%	110.35%
90 & over	421	101	23.99%	55.79	13.25%	181.03%	80.81	19.20%	124.98%
Total	5,533	266	4.81%	172.94	3.13%	153.81%	245.77	4.44%	108.23%
Grand Total	5,695	270	4.74%	176.11	3.09%	153.32%	249.48	4.38%	108.22%

Appendix 2– Disabled Retiree Mortality Experience

Males

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Assumed Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	41	1	2.44%	0.17	0.42%	580.79%	0.20	0.49%	499.91%
55-59	48	1	2.08%	0.39	0.82%	254.40%	0.39	0.81%	258.12%
60-64	51	1	1.96%	0.70	1.37%	143.35%	0.68	1.34%	146.10%
65-69	53	2	3.77%	1.10	2.07%	182.26%	1.18	2.22%	170.10%
70-74	73	5	6.85%	2.46	3.37%	203.54%	2.69	3.69%	185.73%
75-79	47	4	8.51%	2.62	5.58%	152.53%	3.04	6.48%	131.38%
80-84	78	8	10.26%	7.51	9.63%	106.48%	8.96	11.49%	89.27%
85 & over	66	12	18.18%	11.95	18.10%	100.42%	13.70	20.75%	87.61%
Total	457	34	7.44%	26.90	5.89%	126.39%	30.84	6.75%	110.23%

Females

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Assumed Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	45	0	0.00%	0.18	0.40%	0.00%	0.14	0.31%	0.00%
55-59	18	0	0.00%	0.15	0.82%	0.00%	0.09	0.51%	0.00%
60-64	18	1	5.56%	0.21	1.15%	482.00%	0.13	0.71%	781.46%
65-69	17	0	0.00%	0.28	1.62%	0.00%	0.21	1.21%	0.00%
70-74	13	0	0.00%	0.30	2.34%	0.00%	0.26	1.98%	0.00%
75-79	6	0	0.00%	0.23	3.91%	0.00%	0.21	3.45%	0.00%
80-84	4	0	0.00%	0.31	7.65%	0.00%	0.25	6.32%	0.00%
85 & over	1	1	100.00%	0.10	9.95%	1005.28%	0.08	7.77%	1287.44%
Total	122	2	1.64%	1.76	1.44%	113.96%	1.36	1.12%	146.98%
Grand Total	579	36	6.22%	28.66	4.95%	125.62%	32.20	5.56%	111.79%

Appendix 2 – Pre-Retirement Mortality Experience

Males

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Assumed Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	21,050	24	0.11%	22.18	0.11%	108.20%	21.74	0.10%	110.42%
55-59	1,462	7	0.48%	4.49	0.31%	156.03%	4.90	0.34%	142.80%
60-64	354	4	1.13%	1.79	0.51%	223.12%	2.00	0.56%	200.24%
65-69	76	0	0.00%	0.71	0.93%	0.00%	0.83	1.09%	0.00%
70 & over	34	0	0.00%	0.62	1.84%	0.00%	0.74	2.17%	0.00%
Total	22,976	35	0.15%	29.79	0.13%	117.48%	30.20	0.13%	115.89%

Females

Average Age	Number Exposed	Actual Deaths	Actual Mortality Rate	Expected Deaths	Assumed Mortality Rate	Ratio of Actual Rate to Expected Rate	Proposed Deaths	Proposed Mortality Rate	Ratio of Actual Rate to Proposed Rate
Under 55	3,481	0	0.00%	1.99	0.06%	0.00%	1.57	0.04%	0.00%
55-59	217	0	0.00%	0.32	0.15%	0.00%	0.31	0.14%	0.00%
60-64	60	0	0.00%	0.11	0.19%	0.00%	0.13	0.22%	0.00%
65-69	19	0	0.00%	0.05	0.26%	0.00%	0.06	0.32%	0.00%
70 & over	0	0	0.00%	0.00	0.00%	0.00%	0.00	0.00%	0.00%
Total	3,777	0	0.00%	2.46	0.07%	0.00%	2.07	0.05%	0.00%
Grand Total	26,753	35	0.13%	32.26	0.12%	108.50%	32.27	0.12%	108.46%

Appendix 2 – Active DROP Police Retirement Experience

Age	Total Exposures	Actual	Actual Rate	Expected	Current Assumed Rate	Ratio of Actual Rate to Expected Rate	Proposed Retirements	Proposed Rate
50	2	0	0.00%	0.16	8.00%	0.00%	0.00	0.00%
51	8	1	12.50%	0.92	11.50%	108.70%	0.00	0.00%
52	29	3	10.34%	4.00	13.79%	75.00%	3.19	11.00%
53	58	8	13.79%	8.70	15.00%	91.95%	6.38	11.00%
54	83	9	10.84%	20.20	24.34%	44.55%	9.13	11.00%
55	97	14	14.43%	24.75	25.52%	56.57%	10.67	11.00%
56	108	9	8.33%	27.80	25.74%	32.37%	11.88	11.00%
57	110	19	17.27%	28.15	25.59%	67.50%	22.00	20.00%
58	101	22	21.78%	41.55	41.14%	52.95%	20.20	20.00%
59	77	16	20.78%	24.45	31.75%	65.44%	15.40	20.00%
60	63	19	30.16%	31.05	49.29%	61.19%	18.90	30.00%
61	41	12	29.27%	16.35	39.88%	73.39%	12.30	30.00%
62	26	2	7.69%	7.80	30.00%	25.64%	2.60	10.00%
63	19	2	10.53%	9.00	47.37%	22.22%	1.90	10.00%
64	14	1	7.14%	7.00	50.00%	14.29%	1.40	10.00%
65+	55	5	9.09%	55.00	100.00%	9.09%	55.00	100.00%
Total	891	142	15.94%	306.88	34.44%	46.27%	190.95	21.43%

Appendix 2 – Active DROP Fire Retirement Experience

Age	Total Exposures	Actual	Actual Rate	Expected	Current Assumed Rate	Ratio of Actual Rate to Expected Rate	Proposed Retirements	Proposed Rate
50	1	0	0.00%	0.01	0.75%	0.00%	0.00	0.00%
51	3	0	0.00%	0.10	3.17%	0.00%	0.00	0.00%
52	11	1	9.09%	1.10	10.00%	90.91%	0.55	5.00%
53	14	0	0.00%	1.45	10.36%	0.00%	0.70	5.00%
54	35	1	2.86%	3.90	11.14%	25.64%	1.75	5.00%
55	48	3	6.25%	7.20	15.00%	41.67%	2.40	5.00%
56	75	5	6.67%	12.95	17.27%	38.61%	3.75	5.00%
57	96	21	21.88%	15.25	15.89%	137.70%	19.20	20.00%
58	94	24	25.53%	46.35	49.31%	51.78%	28.20	30.00%
59	71	29	40.85%	29.45	41.48%	98.47%	21.30	30.00%
60	37	10	27.03%	21.45	57.97%	46.62%	11.10	30.00%
61	27	4	14.81%	12.90	47.78%	31.01%	5.40	20.00%
62	18	3	16.67%	7.90	43.89%	37.97%	3.60	20.00%
63	20	6	30.00%	10.25	51.25%	58.54%	4.00	20.00%
64	12	2	16.67%	6.00	50.00%	33.33%	2.40	20.00%
65+	43	12	27.91%	43.00	100.00%	27.91%	43.00	100.00%
Total	605	121	20.00%	219.25	36.24%	55.19%	147.35	24.36%

Appendix 2 – Active Non-DROP Retirement Experience of Participants with less than 20 years of service as of 9/1/2017

Age	Total Exposures	Actual	Actual Rate	Expected	Current Assumed Rate	Ratio of Actual Rate to Expected Rate	Proposed retirements	Proposed Rate
Under 50	1,695	27	1.59%	16.95	1.00%	159.29%	16.95	1.00%
50	430	21	4.88%	8.60	2.00%	244.19%	17.20	4.00%
51	359	15	4.18%	7.18	2.00%	208.91%	14.36	4.00%
52	280	14	5.00%	5.60	2.00%	250.00%	11.20	4.00%
53	240	10	4.17%	4.80	2.00%	208.33%	9.60	4.00%
54	189	13	6.88%	3.78	2.00%	343.92%	13.23	7.00%
55	140	9	6.43%	2.80	2.00%	321.43%	9.80	7.00%
56	99	7	7.07%	1.98	2.00%	353.54%	6.93	7.00%
57	81	7	8.64%	1.62	2.00%	432.10%	6.48	8.00%
58	61	5	8.20%	15.25	25.00%	32.79%	4.88	8.00%
59	54	7	12.96%	13.50	25.00%	51.85%	4.32	8.00%
60	37	3	8.11%	9.25	25.00%	32.43%	2.96	8.00%
61	48	3	6.25%	33.50	69.79%	8.96%	3.84	8.00%
62+	46	5	10.87%	46.00	100.00%	10.87%	46.00	100.00%
Total	3,759	146	3.88%	170.81	4.54%	85.48%	167.75	4.46%

Appendix 2 – Active Non-DROP Retirement Experience of Participants with greater than 20 years of service as of 9/1/2017

Age	Total Exposures	Actual	Actual Rate	Expected	Current Assumed Rate	Ratio of Actual Rate to Expected Rate	Proposed retirements	Proposed Rate
Under 50	340	4	1.18%	3.40	1.00%	117.65%	3.40	1.00%
50	199	26	13.07%	15.92	8.00%	163.32%	21.89	11.00%
51	241	24	9.96%	20.20	8.38%	118.81%	26.51	11.00%
52	237	37	15.61%	27.30	11.52%	135.53%	35.55	15.00%
53	225	29	12.89%	38.85	17.27%	74.65%	33.75	15.00%
54	177	26	14.69%	43.40	24.52%	59.91%	26.55	15.00%
55	145	23	15.86%	56.60	39.03%	40.64%	21.75	15.00%
56	96	18	18.75%	44.40	46.25%	40.54%	14.40	15.00%
57	62	10	16.13%	29.60	47.74%	33.78%	9.30	15.00%
58	37	5	13.51%	28.25	76.35%	17.70%	5.55	15.00%
59	23	6	26.09%	17.75	77.17%	33.80%	6.90	30.00%
60	11	4	36.36%	8.25	75.00%	48.48%	3.30	30.00%
61	9	3	33.33%	7.25	80.56%	41.38%	2.70	30.00%
62+	7	2	28.57%	7.00	100.00%	28.57%	7.00	100.00%
Total	1,809	217	12.00%	348.17	19.25%	62.33%	218.55	12.08%

Appendix 2 – Disability Experience

Average Age	Number Exposed	Actual Awards	Actual Disability Rate	Expected Awards	Expected Disability Rate	Ratio of Actual Rate to Expected Rate	Proposed Disabilities	Proposed Disability Rate
Under 25	805	0	0.00%	0.11	0.01%	0.00%	0.06	0.01%
25-29	3,464	0	0.00%	0.60	0.02%	0.00%	0.39	0.01%
30-34	4,332	0	0.00%	0.95	0.02%	0.00%	0.69	0.02%
35-39	4,559	0	0.00%	1.23	0.03%	0.00%	0.95	0.02%
40-44	3,822	1	0.03%	1.22	0.03%	81.84%	0.99	0.03%
45-49	3,457	3	0.09%	1.28	0.04%	234.87%	1.07	0.03%
50-54	2,878	1	0.03%	0.03	0.00%	3073.14%	1.03	0.04%
55 & over	2,214	1	0.05%	0.00	0.00%	32467.53%	0.84	0.04%
Total	25,531	6	0.02%	5.42	0.02%	110.72%	6.03	0.02%

Appendix 2 – Turnover Experience - Police

Average Service	Total Exposures	Actual Turnover	Actual Turnover Rate	Expected Turnover	Current Expected Rate	Ratio of Actual Rate to Expected Rate	Proposed Turnover	Proposed Rate
0	484	72	14.88%	96.66	19.97%	74.49%	72.60	15.00%
1	842	75	8.91%	46.60	5.53%	160.94%	75.78	9.00%
2	830	50	6.02%	45.65	5.50%	109.53%	53.95	6.50%
3	736	48	6.52%	40.48	5.50%	118.58%	47.84	6.50%
4	695	46	6.62%	38.23	5.50%	120.34%	45.18	6.50%
5	573	29	5.06%	31.52	5.50%	92.02%	22.92	4.00%
6	570	18	3.16%	20.03	3.51%	89.87%	22.80	4.00%
7	550	24	4.36%	19.25	3.50%	124.68%	22.00	4.00%
8	493	9	1.83%	17.26	3.50%	52.16%	9.86	2.00%
9	445	7	1.57%	15.58	3.50%	44.94%	8.90	2.00%
10	486	11	2.26%	16.98	3.49%	64.78%	9.72	2.00%
11-20	4,370	61	1.40%	66.51	1.52%	91.72%	65.55	1.50%
21-24	57	10	17.54%	0.57	1.00%	1754.39%	0.57	1.00%
Total	11,131	460	4.13%	455.30	4.09%	101.03%	457.67	4.11%

Appendix 2 – Turnover Experience - Fire

Average Service	Total Exposures	Actual Turnover	Actual Turnover Rate	Expected Turnover	Current Expected Rate	Ratio of Actual Rate to Expected Rate	Proposed Turnover	Proposed Rate
0	358	43	12.01%	35.80	10.00%	120.11%	42.96	12.00%
1	549	52	9.47%	30.24	5.51%	171.96%	49.41	9.00%
2	574	40	6.97%	31.57	5.50%	126.70%	40.18	7.00%
3	549	43	7.83%	30.20	5.50%	142.41%	38.43	7.00%
4	527	43	8.16%	28.99	5.50%	148.35%	36.89	7.00%
5	518	26	5.02%	28.49	5.50%	91.26%	25.90	5.00%
6	450	13	2.89%	24.75	5.50%	52.53%	11.25	2.50%
7	355	6	1.69%	3.55	1.00%	169.01%	8.88	2.50%
8	386	8	2.07%	3.86	1.00%	207.25%	9.65	2.50%
9-24	3,285	34	1.04%	32.85	1.00%	103.50%	32.85	1.00%
Total	7,551	308	4.08%	250.29	3.31%	123.06%	296.40	3.93%

Appendix 2 – Salary Experience

Average Service	Total Exposures	Prior Year Average Salary	Current Year Expected Average Salary	Expected Rate	Current Year Average Salary	Actual Rate	Proposed Average Salary	Proposed Rate
0	1,315	\$28,584	\$29,448	3.02%	\$67,993	137.87%	\$30,871	8.00%
1	1,329	\$64,333	\$66,697	3.67%	\$69,371	7.83%	\$69,480	8.00%
2	1,332	\$66,208	\$68,561	3.55%	\$71,086	7.37%	\$71,505	8.00%
3	1,197	\$68,257	\$70,976	3.98%	\$73,988	8.40%	\$73,035	7.00%
4	1,130	\$70,861	\$73,771	4.11%	\$78,056	10.15%	\$75,821	7.00%
5	1,076	\$73,287	\$76,232	4.02%	\$81,267	10.89%	\$78,417	7.00%
6	937	\$75,552	\$78,279	3.61%	\$83,445	10.45%	\$80,085	6.00%
7	858	\$77,624	\$80,507	3.71%	\$85,324	9.92%	\$82,281	6.00%
8	832	\$82,171	\$85,474	4.02%	\$89,607	9.05%	\$87,102	6.00%
9	809	\$84,996	\$88,162	3.73%	\$92,617	8.97%	\$89,246	5.00%
10	833	\$83,862	\$87,074	3.83%	\$92,245	10.00%	\$88,055	5.00%
11	960	\$84,874	\$87,769	3.41%	\$93,036	9.62%	\$89,118	5.00%
12	995	\$87,272	\$90,402	3.59%	\$93,430	7.06%	\$90,763	4.00%
13	1,021	\$90,237	\$93,732	3.87%	\$95,852	6.22%	\$93,847	4.00%
14	986	\$92,343	\$96,138	4.11%	\$97,606	5.70%	\$96,037	4.00%
15+	8,441	\$95,968	\$99,436	3.61%	100,398	4.62%	\$99,327	3.50%
Total	24,051	\$81,404	\$84,423	3.71%	\$89,063	9.41%	\$85,406	4.92%



DISCUSSION SHEET

ITEM #C2

Topic: 2025 Mid-Year Budget Review

Discussion: Attached is a review of the 2025 Operating Expense Budget detailing expenses for the first six months of the calendar year.

Expense items with significant variances to the prorated budget as of June 30, 2025 are discussed in the attached review.

Regular Board Meeting – Thursday, August 14, 2025

DALLAS POLICE AND FIRE PENSION SYSTEM

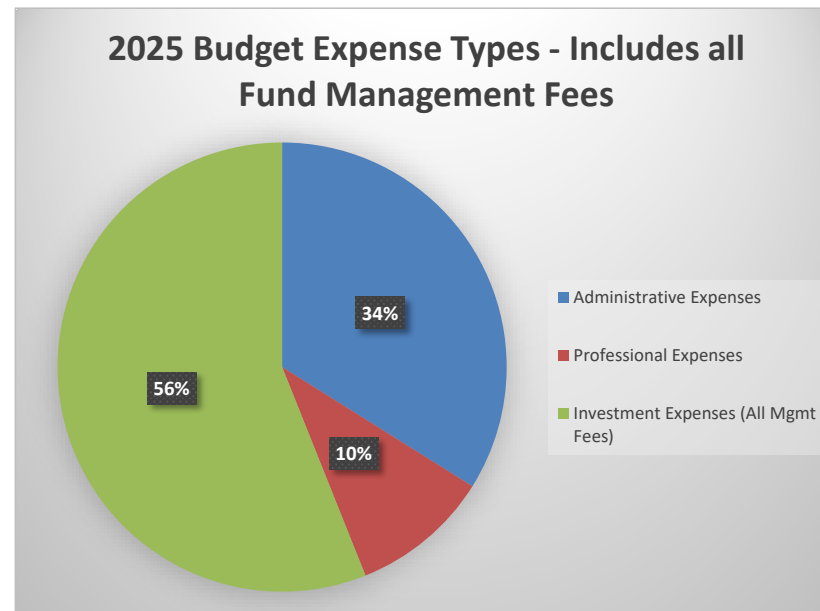
2025 MID-YEAR BUDGET REVIEW

August 14, 2025



2025 Mid-Year Budget Review

- The System budget year is January – December.
- The Budget Adoption Policy requires a mid-year budget review each August.
- The annual budget of \$19.3M is straight-lined over the year.



2025 Mid-Year Budget Review

In the summary budget, we track three broad categories of expenses:

- Administrative Expenses
- Professional Expenses
- Investment Expenses



2025 Mid-Year Budget Review

Summary Budget

Expense Type	2025 Six Months Actual	2025 Six Months Budget	2024 Six Months Actual	2025 Actual vs Budget \$ Variance	2025 Actual vs Budget % Variance
Administrative Expenses	\$ 2,974,350	\$ 3,272,697	\$ 2,752,355	\$ (298,347)	(9.1%)
Professional Expenses	851,183	968,833	716,669	(117,649)	(12.1%)
Investment Expenses **	3,343,440	3,408,169	2,864,528	(64,729)	(1.9%)
Total	\$ 7,168,973	\$ 7,649,698	\$ 6,333,552	\$ (480,725)	(6.3%)

** Does not include Indirect Investment Management Fees

2025 Mid -Year Budget Review

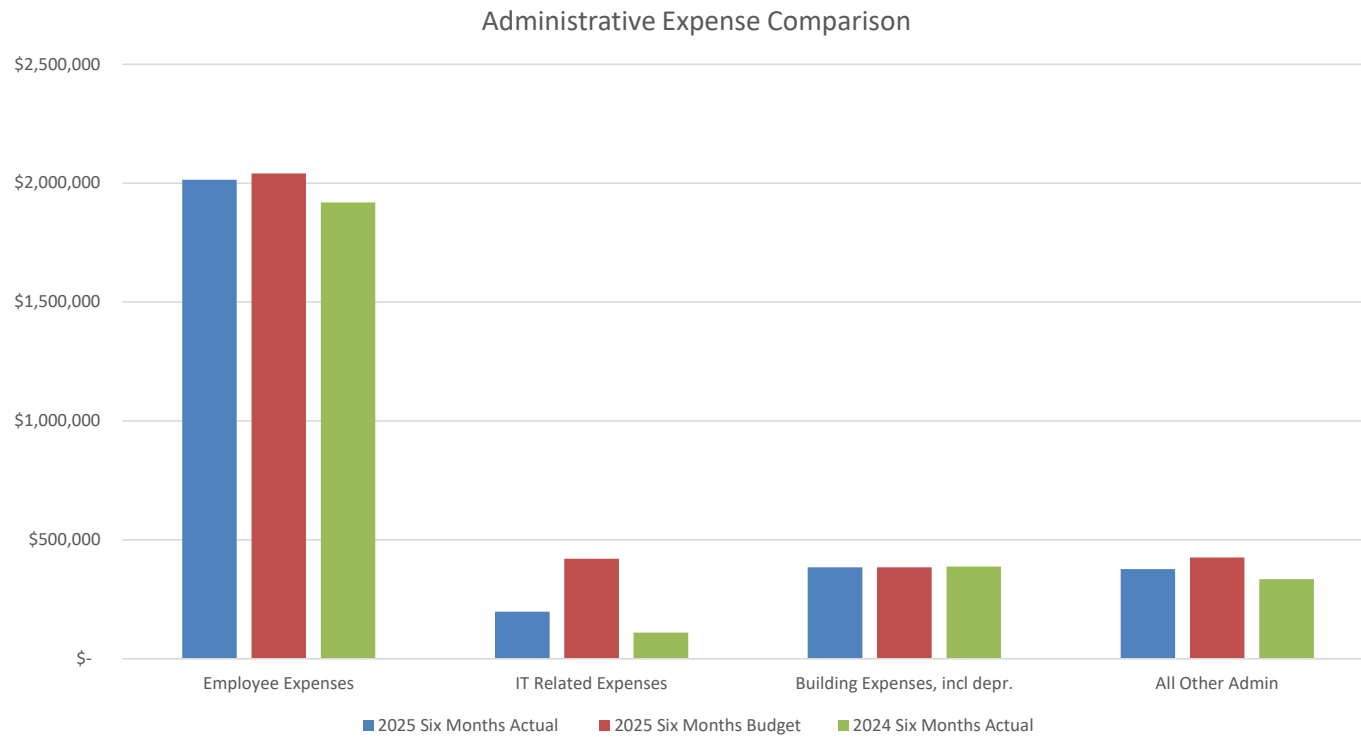
Administrative Expenses

Expense Type	2025 Six Months Actual	2025 Six Months Budget	2024 Six Months Actual	2025 Actual vs Budget \$ Variance	2025 Actual vs Budget % Variance
Employee Expenses	\$ 2,014,582	\$ 2,040,744	\$ 1,918,786	\$ (26,162)	(1.3%)
IT Related Expenses	198,068	420,743	110,194	(222,675)	(52.9%)
Building Expenses, incl depr.	384,068	384,789	388,104	(721)	(0.2%)
All Other Admin	377,632	426,421	335,271	(48,789)	(11.4%)
Total	\$ 2,974,350	\$ 3,272,697	\$ 2,752,355	\$ (298,347)	(9.1%)

- IT Related Expenses – Largest variance is related to timing of expenses for the Pension Administration Project. We expect more expenses in the second half of the year.
- Employee and Building Expenses – Actual Expenses are close to budget with overall variances of 1.3% or less.
- All Other Admin Expenses – Liability Insurance is under budget by \$23k as the actual policy renewals came in under budgeted projections.

2025 Mid-Year Budget Review

Administrative Expense Comparison



2025 Mid-Year Budget Review

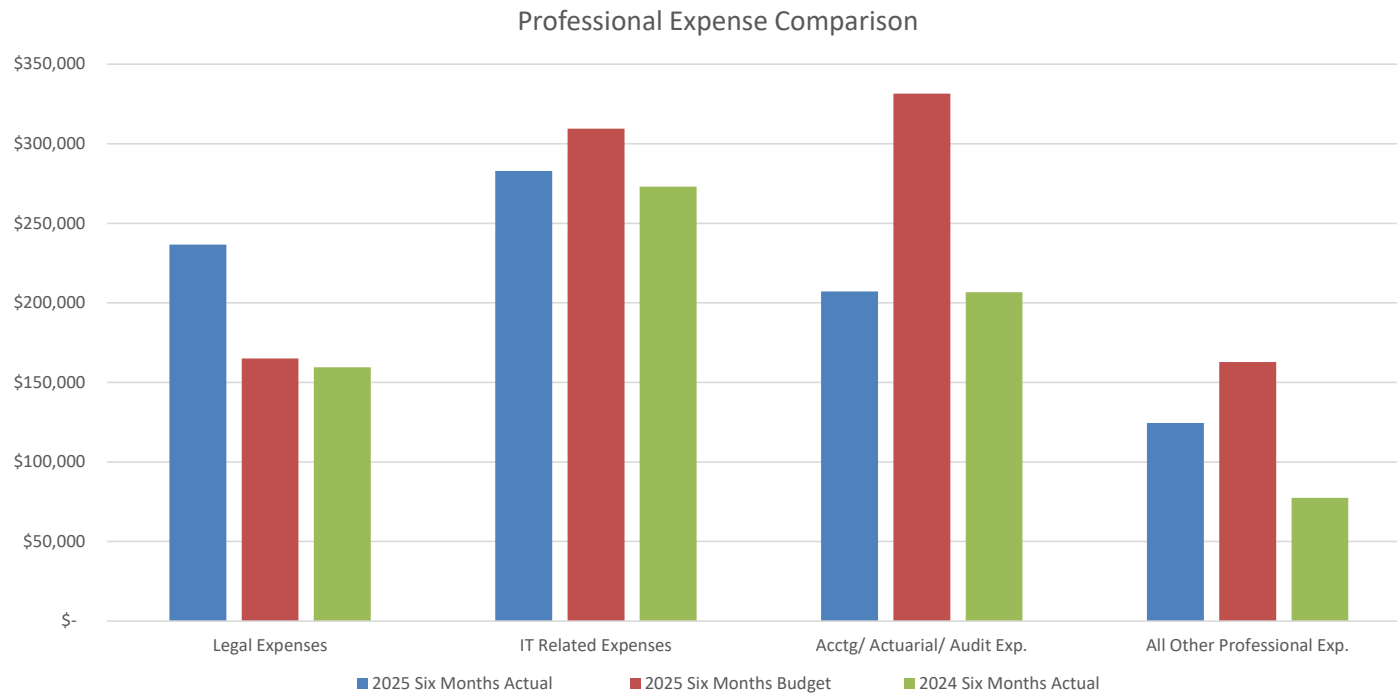
Professional Expenses

Expense Type	2025 Six Months Actual	2025 Six Months Budget	2024 Six Months Actual	2025 Actual vs Budget \$ Variance	2025 Actual vs Budget % Variance
Legal Expenses	\$ 236,562	\$ 165,000	\$ 159,578	\$ 71,562	43.4%
IT Related Expenses	282,921	309,500	272,971	(26,579)	(8.6%)
Acctg/ Actuarial/ Audit Exp.	207,124	331,433	206,715	(124,309)	(37.5%)
All Other Professional Exp.	124,577	162,900	77,405	(38,323)	(23.5%)
Total	\$ 851,183	\$ 968,833	\$ 716,669	\$ (117,649)	(12.1%)

- Legal expenses – Variance reflects the current litigation expenses during the first six months of the year.
- Accounting / Actuarial / Audit Expenses – Actuarial expenses are \$116K less than expected due in part to the timing of the work performed.

2025 Mid-Year Budget Review

Professional Expense Comparison



2025 Mid-Year Budget Review

Investment Expenses

Expense Type	2025 Six Months Actual	2025 Six Months Budget	2024 Six Months Actual	2025 Actual vs Budget \$ Variance	2025 Actual vs Budget % Variance
Investment due diligence	\$ 31,141	\$ 36,160	\$ 20,787	\$ (5,019)	(13.9%)
Custodian fees	113,500	113,500	108,129	-	0.0%
Investment portfolio operating exp.	727,562	397,000	195,935	330,562	83.3%
Investment consultant and reporting	311,250	307,084	175,000	4,167	1.4%
Fund management fees (direct only)	2,159,986	2,554,425	2,364,677	(394,439)	(15.4%)
Total Investment Expenses	\$ 3,343,440	\$ 3,408,169	\$ 2,864,528	\$ (64,729)	(1.9%)

- Portfolio Operating Expenses – Variance is related to larger than expected legal fees with an investment manager, partially offset by the timing of appraisal, audit and other investment related expenses.
- Fund Management Fees – Less than budgeted due to negotiated fee reductions and the timing of some fees.

2025 Mid-Year Budget Review

Account Detail – sorted by largest to smallest dollar variance

	Expense Type	2025 Six Months Actual	2025 Six Months Budget	2024 Six Months Actual	2025 Actual vs Budget \$ Variance	2025 Actual vs Budget % Variance
1	Investment portfolio operating expenses	\$ 727,562	\$ 397,000	\$ 195,935	\$ 330,562	83.3%
2	Legal fees	236,562	165,000	159,578	71,562	43.4%
3	Postage	24,400	13,600	15,183	10,800	79.4%
4	Investment consultant and reporting	311,250	307,084	175,000	4,167	1.4%
5	Bank Fees	9,924	6,500	5,562	3,424	52.7%
6	Bad Debt Expense	2,469	-	-	2,469	100.0%
7	Miscellaneous professional services	20,977	19,375	14,405	1,602	8.3%
8	Printing	3,910	3,425	1,763	485	14.2%
9	Board meetings	1,673	1,300	1,119	373	28.7%
10	Disability medical evaluations	3,500	3,250	-	250	7.7%
11	Subscriptions/Publications	532	470	284	62	13.3%
12	Records storage	1,896	1,868	1,550	29	1.5%
13	Communications (phone/internet)	14,355	14,332	12,594	23	0.2%
14	Custodian fees	113,500	113,500	108,129	-	0.0%

2025 Mid-Year Budget Review

Account Detail – sorted by largest to smallest dollar variance

	Expense Type	2025 Six Months Actual	2025 Six Months Budget	2024 Six Months Actual	2025 Actual vs Budget \$ Variance	2025 Actual vs Budget % Variance
15	Leased equipment	10,973	11,000	9,804	(27)	(0.2%)
16	Member educational programs	1,662	2,000	-	(338)	(16.9%)
17	Staff meetings	-	400	461	(400)	(100.0%)
18	Building expenses, incl depreciation	384,068	384,790	388,104	(722)	(0.2%)
19	Business continuity	29,218	30,000	23,249	(782)	(2.6%)
20	Elections	5,912	7,025	-	(1,113)	(15.8%)
21	Network security monitoring	121,051	122,500	110,901	(1,449)	(1.2%)
22	Accounting services	29,500	30,975	29,500	(1,475)	(4.8%)
23	Employee service recognition	509	2,000	908	(1,491)	(74.5%)
24	Salaries and benefits	1,982,455	1,984,163	1,894,013	(1,708)	(0.1%)
25	Memberships and dues	9,459	11,419	10,362	(1,960)	(17.2%)
26	Conference registration/materials - board	2,625	6,000	450	(3,375)	(56.3%)
27	Office supplies	10,250	14,175	12,100	(3,925)	(27.7%)
28	Travel - board	6,003	11,000	762	(4,997)	(45.4%)
29	Investment due diligence	31,141	36,160	20,787	(5,019)	(13.9%)
30	Miscellaneous expense	118	6,000	-	(5,882)	(98.0%)
31	Travel - staff	20,652	26,675	9,476	(6,023)	(22.6%)

2025 Mid-Year Budget Review

Account Detail – sorted by largest to smallest dollar variance

	Expense Type	2025 Six Months Actual	2025 Six Months Budget	2024 Six Months Actual	2025 Actual vs Budget \$ Variance	2025 Actual vs Budget % Variance
32	Independent audit	65,000	71,958	-	(6,958)	(9.7%)
33	Conference/training registration/materials - staff	6,848	14,607	3,840	(7,759)	(53.1%)
34	IT software/hardware	3,461	12,500	9,328	(9,039)	(72.3%)
35	Employment expenses	4,118	13,300	10,549	(9,182)	(69.0%)
36	IT subscriptions/services/licenses	77,570	88,738	65,605	(11,168)	(12.6%)
37	Legislative consultants	94,189	108,250	63,000	(14,061)	(13.0%)
38	Depreciation exp - IT hardware	7,674	25,174	8,622	(17,500)	(69.5%)
39	Repairs and maintenance	24,219	46,331	16,488	(22,112)	(47.7%)
40	Liability insurance	267,519	290,933	259,383	(23,413)	(8.0%)
41	Pension administration software & WMS	132,651	157,000	138,821	(24,349)	(15.5%)
42	Public Relations Expense	-	25,000	-	(25,000)	(100.0%)
43	Actuarial services	112,624	228,500	177,215	(115,876)	(50.7%)
44	Information technology projects	95,008	280,000	14,045	(184,992)	(66.1%)
45	Fund management fees (direct only)	2,159,986	2,554,425	2,364,677	(394,439)	(15.4%)
	Gross Total	\$ 7,168,973	\$ 7,649,698	\$ 6,333,552	\$ (480,725)	(6.3%)
	Less: Allocation to Supplemental Plan Budget*	75,284	83,585	74,210	(8,301)	(9.9%)
	Total Regular Plan Budget	\$ 7,093,689	\$ 7,566,113	\$ 6,259,342	\$ (472,424)	(6.2%)

2025 Mid-Year Budget Review

Any questions?





DISCUSSION SHEET

ITEM #C3

Topic: Financial Audit Status

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

Regular Board Meeting – Thursday, August 14, 2025



DISCUSSION SHEET

ITEM #C4

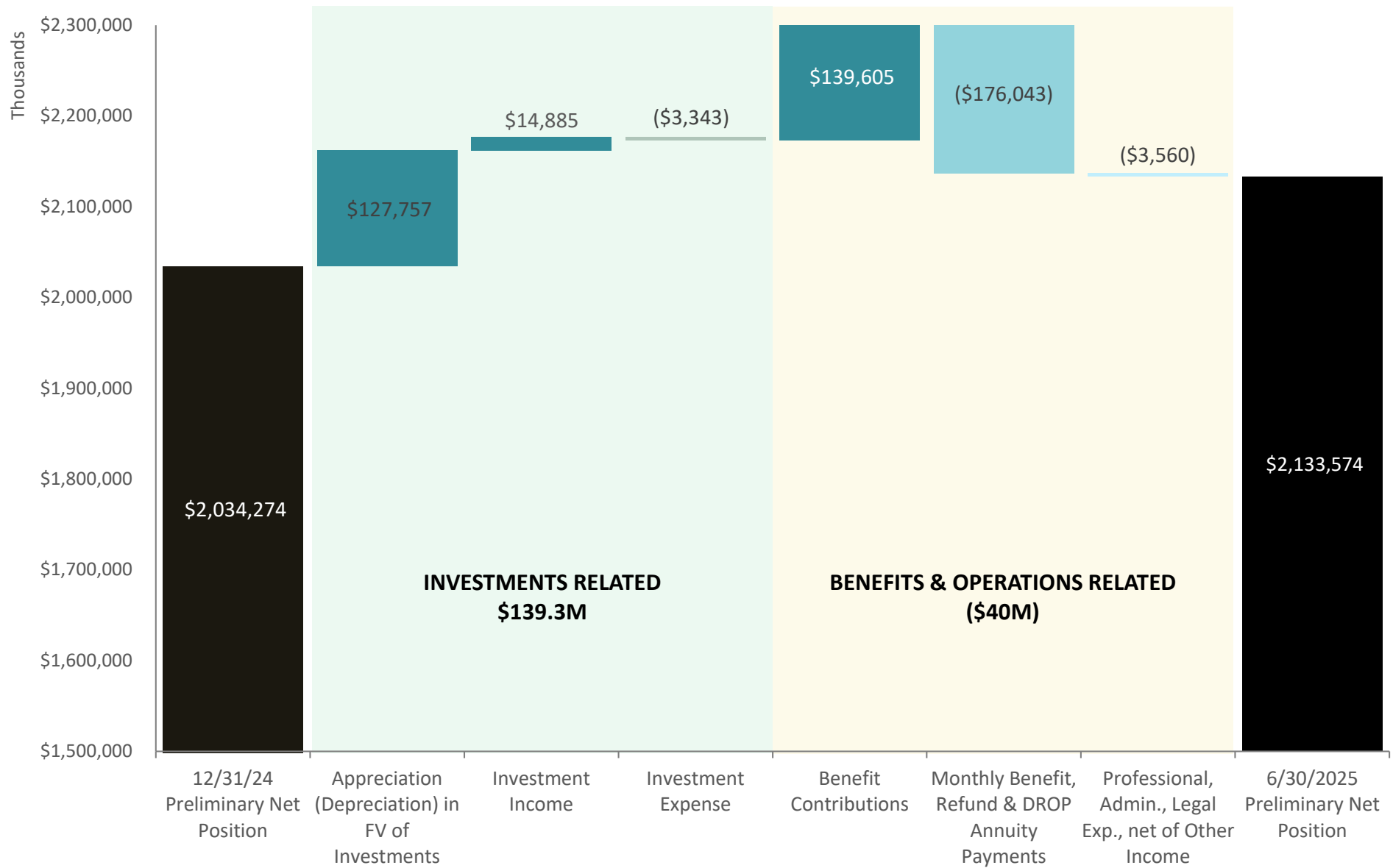
Topic: Quarterly Financial Reports

Discussion: The Chief Financial Officer will present the second quarter 2025 financial statements.

Regular Board Meeting – Thursday, August 14, 2025

Change in Net Fiduciary Position

December 31, 2024 – June 30, 2025 - Preliminary



Components may not sum exactly due to rounding.

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Fiduciary Net Position

	June 30, 2025	PRELIMINARY December 31, 2024	\$ Change	% Change
Assets				
Investments, at fair value				
Short-term investments	\$ 19,653,628	\$ 27,946,218	\$ (8,292,590)	-30%
Fixed income securities	424,525,098	406,365,175	18,159,923	4%
Equity securities	1,196,721,061	1,067,813,755	128,907,306	12%
Real assets	241,829,630	250,144,667	(8,315,037)	-3%
Private equity	184,747,245	187,559,581	(2,812,336)	-1%
Forward currency contracts	(586)	(50)	(536)	1072%
Total investments	2,067,476,076	1,939,829,346	127,646,730	7%
Receivables				
City	7,354,403	7,787,490	(433,087)	-6%
Members	2,695,243	2,635,212	60,031	2%
Interest and dividends	5,294,130	4,546,990	747,140	16%
Investment sales proceeds	3,180,662	60,732	3,119,930	5137%
Lease Receivable	2,609,709	2,752,939	(143,230)	-5%
Other receivables	7,886	23,729	(15,843)	-67%
Total receivables	21,142,033	17,807,092	3,334,941	19%
Cash and cash equivalents	45,077,908	72,316,825	(27,238,917)	-38%
Prepaid expenses	957,315	602,217	355,098	59%
Capital assets, net	11,358,518	11,480,088	(121,570)	-1%
Total assets	\$ 2,146,011,850	\$ 2,042,035,568	\$ 103,976,282	5%
Liabilities				
Payables				
Securities purchased	5,985,906	116,339	5,869,567	5045%
Accounts payable and other accrued liabilities	4,182,516	5,206,380	(1,023,864)	-20%
Total liabilities	10,168,422	5,322,719	4,845,703	91%
Deferred inflow of resources	2,269,890	2,438,997	(169,107)	-7%
Net position restricted for pension benefits	<u>\$ 2,133,573,538</u>	<u>\$ 2,034,273,852</u>	<u>\$ 99,299,686</u>	<u>5%</u>

*The ending period amounts are preliminary and may change as the 2024 results are finalized.

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Changes in Fiduciary Net Position

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	\$ Change	% Change
Contributions				
City	\$ 102,285,631	\$ 91,391,540	\$ 10,894,091	12%
Members	37,318,877	33,658,898	3,659,979	11%
Total Contributions	139,604,508	125,050,438	14,554,070	12%
Investment income				
Net appreciation (depreciation) in fair value of investments	127,757,283	86,691,125	41,066,158	47%
Interest and dividends	14,884,539	12,944,222	1,940,317	15%
Total gross investment income	142,641,822	99,635,347	43,006,475	43%
less: investment expense	(3,343,439)	(2,864,528)	(478,911)	17%
Net investment income	139,298,383	96,770,819	42,527,564	44%
Other income	265,247	225,921	39,326	17%
Total additions	279,168,138	222,047,178	57,120,960	26%
Deductions				
Benefits paid to members	173,934,223	172,186,204	1,748,019	1%
Refunds to members	2,108,695	2,652,138	(543,443)	-20%
Legal expense	236,562	159,578	76,984	48%
Legal expense reimbursement	-	-	-	0%
Legal expense, net of reimbursement	236,562	159,578	76,984	48%
Staff Salaries and Benefits	1,982,455	1,894,013	88,442	5%
Professional and administrative expenses	1,606,517	1,415,433	191,084	14%
Total deductions	179,868,452	178,307,366	1,561,086	1%
Net increase (decrease) in net position	99,299,686	43,739,812		
Beginning of period	2,034,273,852	1,954,624,389		
End of period	<u>\$ 2,133,573,538</u>	<u>\$ 1,998,364,201</u>		



DISCUSSION SHEET

ITEM #C5

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, August 14, 2025

Membership Actions -2025

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	38	27	16	15	10	13	12	21					152
DROP - Join	2	2	0	0	0	0	0	0					4
Estate Payments	6	7	8	9	3	4	3	9					49
Survivor Benefits	4	11	4	9	3	4	1	5					41
Retirements	7	10	8	9	10	7	11	13					75
Alternate Payees	0	0	2	1	2	1	2	1					9
Spouse Wed After Retirement	0	0	0	1	0	0	0	0					1
Service Purchases	1	1	0	0	2	2	1	1					8
Earnings Test	0	0	0	0	0	0	11	0					11

Membership Actions -2024

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	23	22	21	26	16	21	13	19	37	18	20	32	268
DROP - Join	1	1	2	0	5	1	1	1	0	1	0	0	13
Estate Payments	2	1	3	5	3	1	4	5	10	7	7	9	57
Survivor Benefits	4	6	3	8	5	4	6	5	3	4	5	3	56
Retirements	10	10	16	9	13	10	9	11	7	5	8	6	114
Alternate Payees	2	0	2	1	1	1	0	0	0	1	0	0	8
Spouse Wed After Retirement	0	0	0	0	0	0	0	0	1	0	0	0	1
Service Purchases	0	2	0	1	7	2	1	2	1	2	5	1	24
Earnings Test*	0	0	0	0	0	0	10	0	0	0	0	0	10

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 #C6

Topic: City Contribution Update

Discussion: Staff will update the Board on the accumulated amount of City Contributions paid compared to the City Contributions due under the law.

Regular Board Meeting – Thursday, August 14, 2025

City Regular Plan Contributions				
Pay Period Date	Date Contributions Received	City Contribution Paid (Excluding Excess Benefit Plan Contributions)	City Contributions Due under Based on Current Law as Confirmed by the Court	Contribution Shortage
City Contributions Beginning 10-1-2024				
10/1/2024-10/8/2024	Pro-rated last payroll	\$ 3,814,556.76	\$ 4,727,428.57	\$ 912,871.81
10/9/2024 -10/22/2024	10/24/2024	\$ 6,588,862.07	\$ 8,273,000.00	\$ 1,684,137.93
10/23/2024 - 11/5/2024	11/7/2024	\$ 6,707,431.25	\$ 8,273,000.00	\$ 1,565,568.75
11/6/2024 - 11/19/2024	11/21/2024	\$ 6,612,830.37	\$ 8,273,000.00	\$ 1,660,169.63
City Catch Up based on City Plan - with Errors	12/3/2024	\$ 1,762,120.67	\$ -	\$ (1,762,120.67)
11/20/2024 -12/3/2024	12/6/2024	\$ 7,790,959.24	\$ 8,273,000.00	\$ 482,040.76
12/4/2024 -12/17/2024	12/19/2024	\$ 7,708,704.35	\$ 8,273,000.00	\$ 564,295.65
12/18/2024 - 12/31/2024	1/2/2025	\$ 7,787,490.19	\$ 8,273,000.00	\$ 485,509.81
1/1/2025 -1/14/2025	1/17/2025	\$ 7,884,160.99	\$ 8,273,000.00	\$ 388,839.01
1/15/2025 - 1/28/2025	1/30/2025	\$ 7,899,488.32	\$ 8,273,000.00	\$ 373,511.68
1/29/2025 - 2/11/2025	2/13/2025	\$ 7,913,485.36	\$ 8,273,000.00	\$ 359,514.64
2/12/2025 - 2/25/2025	2/28/2025	\$ 7,934,532.31	\$ 8,273,000.00	\$ 338,467.69
2/26/2025 - 3/11/2025	3/14/2025	\$ 7,904,750.02	\$ 8,273,000.00	\$ 368,249.98
3/12/2025 - 3/25/2025	3/28/2025	\$ 7,912,333.15	\$ 8,273,000.00	\$ 360,666.85
3/26/2025 - 4/8/2025	4/11/2025	\$ 7,917,680.65	\$ 8,273,000.00	\$ 355,319.35
4/9/2025 - 4/22/2025	4/25/2025	\$ 7,966,183.27	\$ 8,273,000.00	\$ 306,816.73
4/23/2025 - 5/6/2025	5/8/2025	\$ 7,915,846.40	\$ 8,273,000.00	\$ 357,153.60
5/7/2025 - 5/20/2025	5/22/2025	\$ 7,918,548.61	\$ 8,273,000.00	\$ 354,451.39
5/21/2025 - 6/3/2025	6/6/2025	\$ 7,925,137.14	\$ 8,273,000.00	\$ 347,862.86
6/4/2025 - 6/17/2025	6/18/2025	\$ 7,919,179.02	\$ 8,273,000.00	\$ 353,820.98
6/18/2025 - 7/1/2025	7/2/2025	\$ 7,920,126.26	\$ 8,273,000.00	\$ 352,873.74
7/2/2025 - 7/15/2025	7/18/2025	\$ 7,917,562.71	\$ 8,273,000.00	\$ 355,437.29
FY 2025 YTD Shortage		\$ 159,621,969.11	\$ 170,187,428.57	\$ 10,565,459.46
FY 2024 Shortage - City Commitment (\$184,733,285 minus \$181,798,953.77)				\$ 2,934,331.23
Total Shortage Through 6/17/2025				\$ 13,499,790.69



DISCUSSION SHEET

ITEM #C7

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, August 14, 2025

Future Education and Business Related Travel & Webinars

Regular Board Meeting – August 14, 2025

REQUESTED APPROVED

- | | | | | |
|----|--|--|--------|------------|
| 1. | Conference: NCPERS Public Pension Funding Forum
Dates: August 17-19, 2025
Location: Chicago, IL
Est Cost: \$995 | | | |
| 2. | Conference: NCPERS Public Pension HR Summit
Dates: September 24-26, 2025
Location: Philadelphia, PA
Est Cost: \$800 | | | |
| 3. | Conference: NCPERS Accredited Fiduciary Program (NAF)
Dates: October 25-26, 2025
Location: Fort Lauderdale, FL
Est Cost: \$900 | | MT, MS | 06/12/2025 |
| 4. | Conference: NCPERS Program for Advanced Trustee Studies (PATs)
Dates: October 25-26, 2025
Location: Fort Lauderdale, FL
Est Cost: \$900 | | | |
| 5. | Conference: NCPERS Financial, Actuarial, Legislative & Legal (FALL) Conference
Dates: October 26-29, 2025
Location: Fort Lauderdale, FL
Est Cost: \$850 | | | |



DISCUSSION SHEET

ITEM #C8

Topic: Board Members' Reports on Meetings, Seminars and/or Conferences Attended

Discussion: **Conference:** **TEXPERS 2025 Summer Forum** **MT**
Dates: August 4-5, 2025
Location: El Paso, TX

Regular Board Meeting – Thursday, August 14, 2025



DISCUSSION SHEET

ITEM #C9

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, August 14, 2025



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

August 14, 2025

Board Meeting

Executive Summary

- **Estimated YTD Return (through 7/31):** 7.8% for DPFP Portfolio; 10.0% for Public Portfolio which makes up 80.8% of the assets.
- **\$37M public equity rebalancing** was implemented in July with outperforming active managers being trimmed back to target with \$20M of proceeds being invested in the Northern Trust ACWI IMI Index and \$17M held back with the Cash allocation.
- **\$14.9M of private market proceeds** received YTD with \$8.8M distributed from the Lone Star CRA portfolio company sale on 8/1.
- US Small Cap manager **Eastern Shore was successfully liquidated for \$64M** on 8/5 with \$60M of the proceeds being reinvested into the passive Northern Trust Russell 2000 fund.

Investment Initiatives – 2025 Plan

Q1 & Q2 2025

- Appointment of Private Markets Sub-Committee
- Private Credit Pacing Plan
- Public Equity and Public Credit Asset Class Structure Reviews
- Private Equity Pacing Plan
- Sub-Committee Review of New Private Credit Investments
- Initiate Multi-Asset Credit Search
- Board Approval of Initial Private Credit Commitments

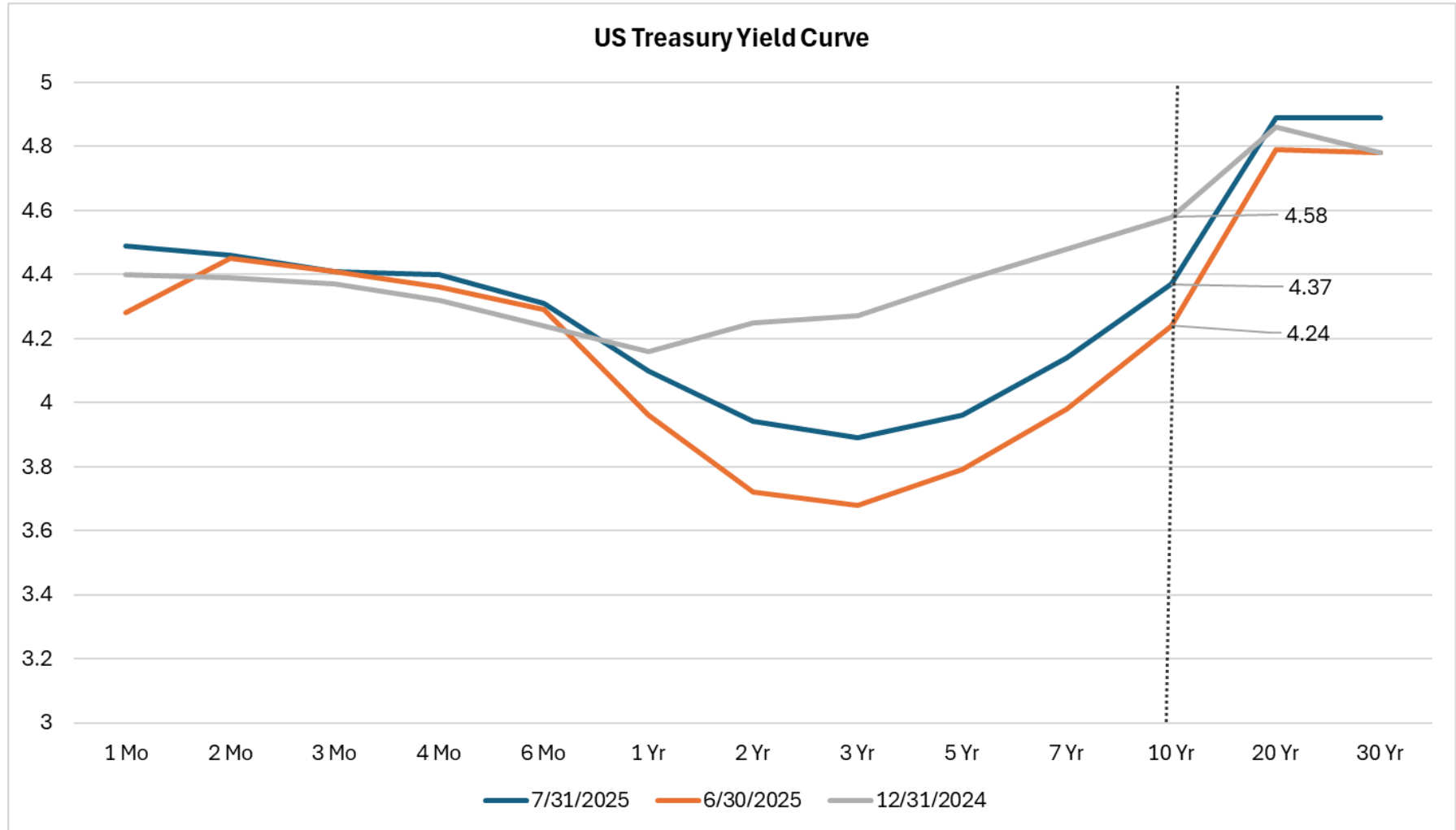
Q3 2025

- Multi Asset Credit (MAC) Search and Manager Selection
- MAC Funding
- Diligence of Buyout and Secondary Private Equity Funds
- Diligence of Additional Private Credit Investments

Q4 2025 & Beyond

- IAC review of Public Equity Portfolio
- Possible Global Equity Value Search

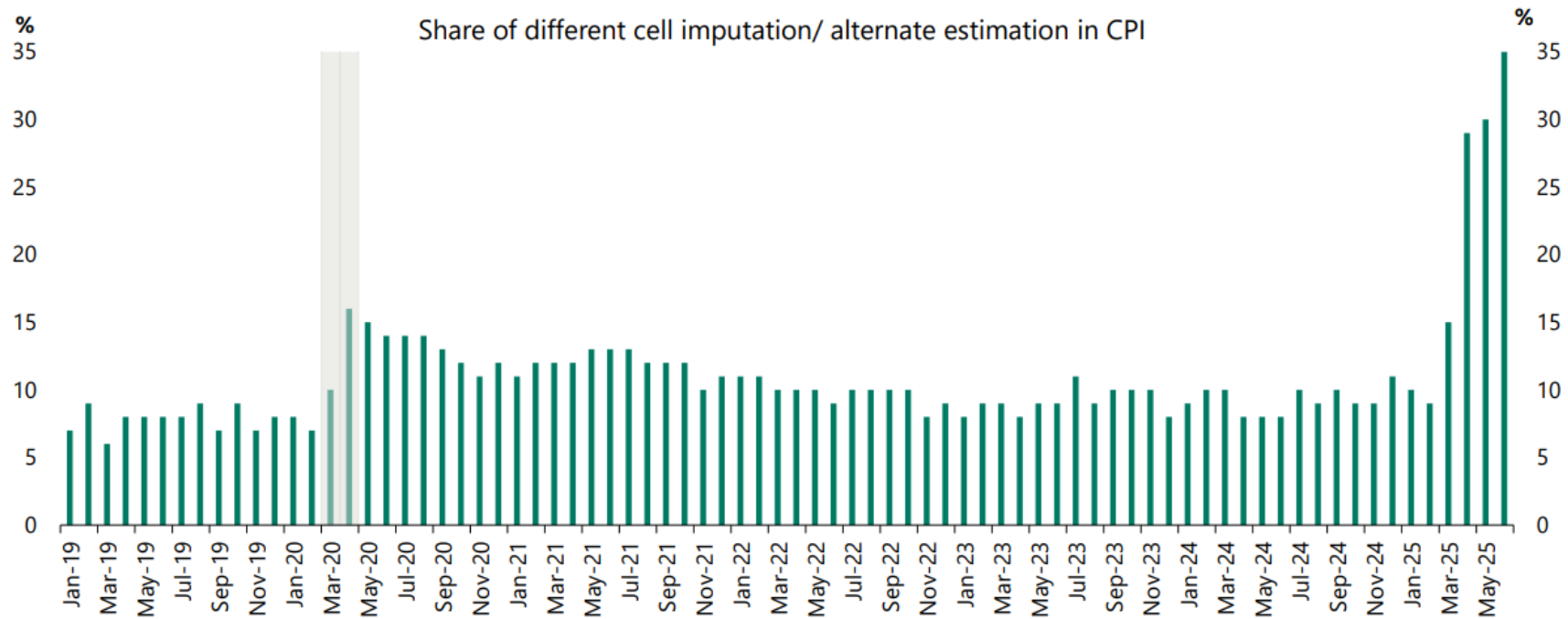
US Treasury Yield Curve



CPI Data

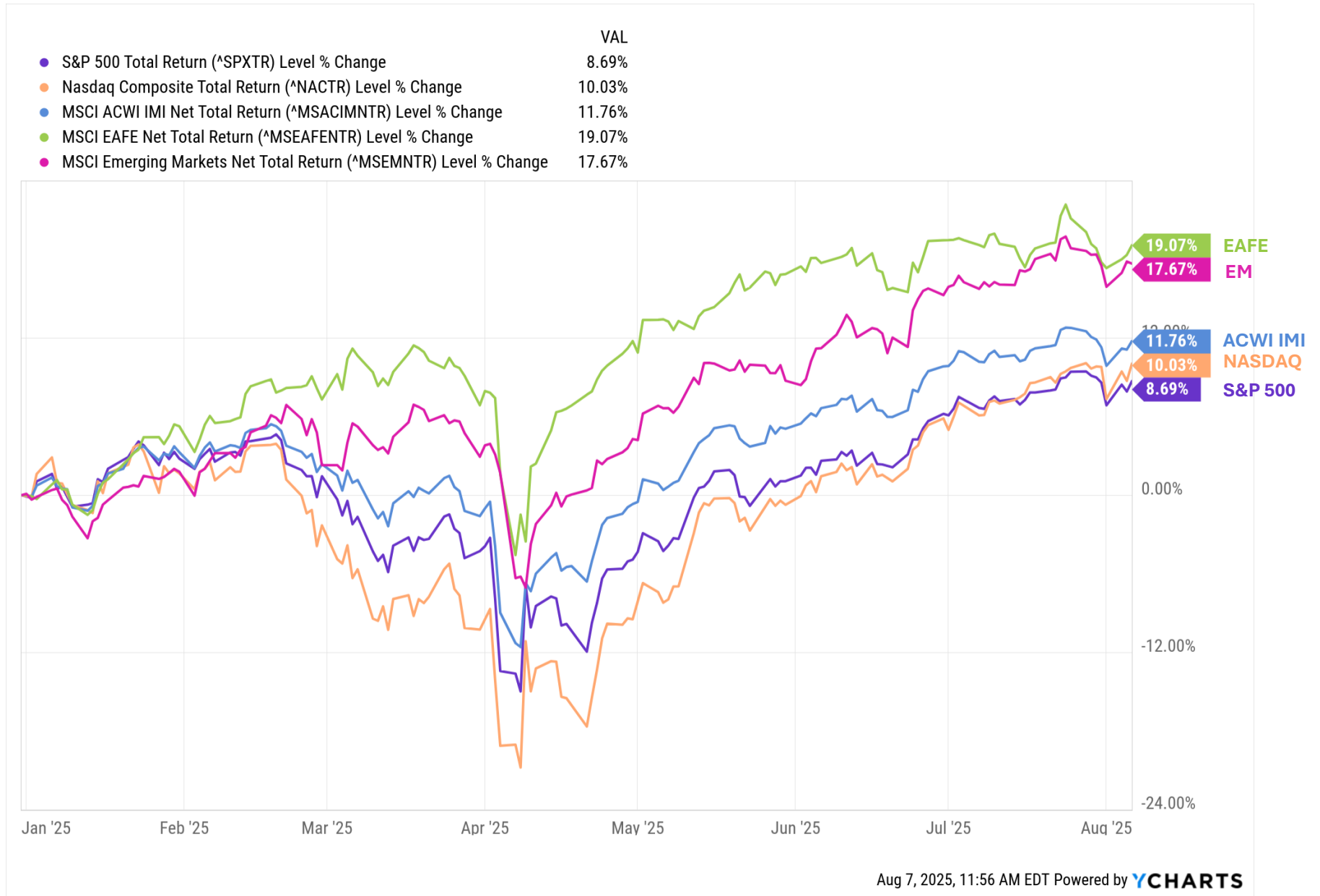
APOLLO

Significant increase in the share of alternate estimation in the CPI

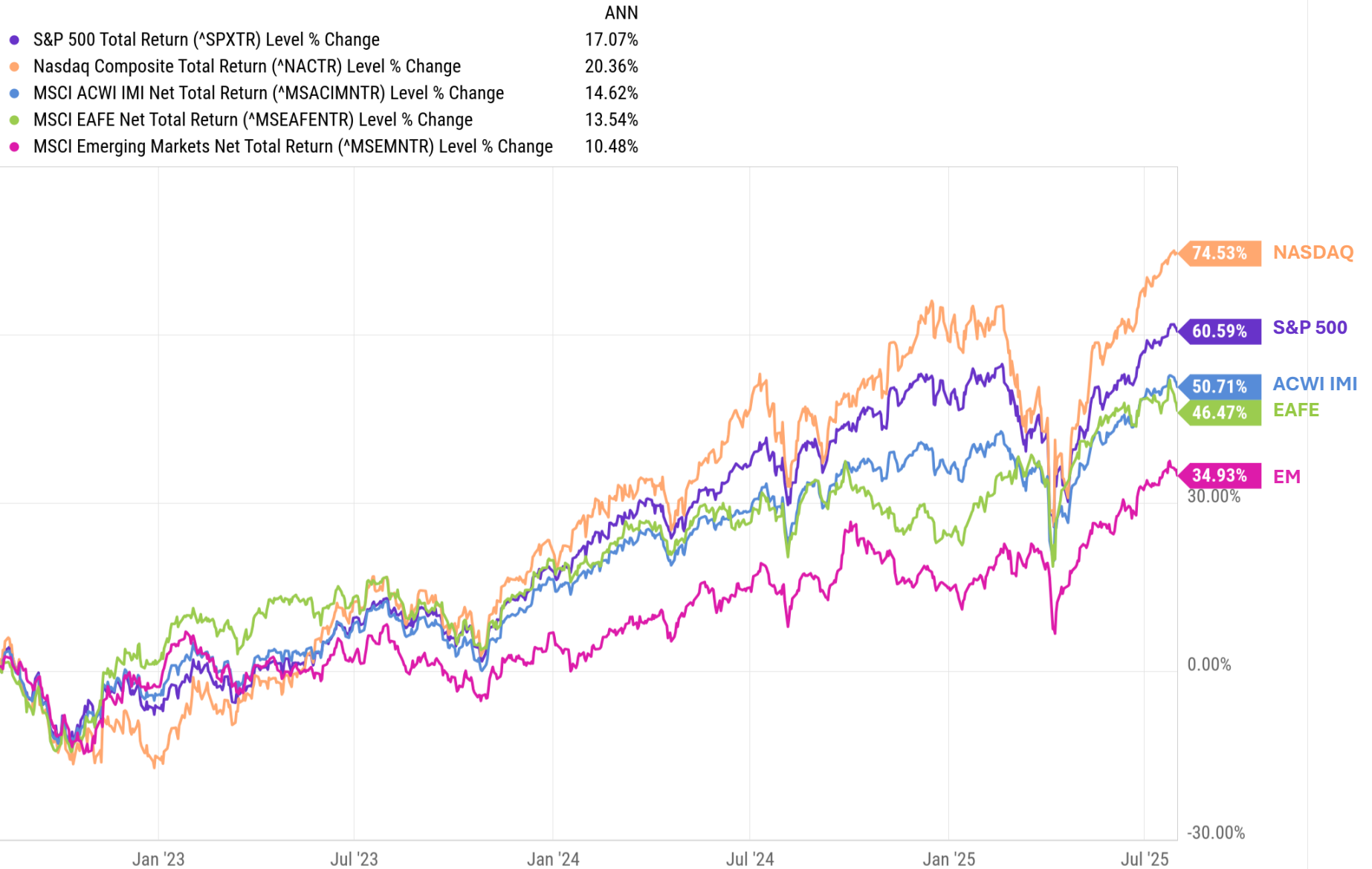


Note: Different cell imputation is where uncollected prices are imputed from collected prices of the same item in other geographic areas or from collected prices of related item categories in the same geographic area. Sources: BLS, Apollo Chief Economist

YTD Equity Markets Returns (As of 8/6/25)



Global Equity Markets Returns (3 Years Ending 7/31/25)

Aug 4, 2025, 3:12 PM EDT Powered by **YCHARTS**

Public Markets Performance Snapshot

Public Markets made up 80.8% of DPFP Investment Portfolio.

Trailing Net Performance | As of July 31, 2025

Performance Summary Ending July 31, 2025								
	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Total Public Portfolio	1,686,199,431	0.5	10.0	12.0	11.8	8.5	6.9	Oct-05
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>		<i>0.2</i>	<i>9.1</i>	<i>10.8</i>	<i>9.4</i>	<i>6.6</i>	<i>5.9</i>	
Public Equity	1,200,420,964	0.6	12.4	14.6	14.2	12.1	7.9	Jul-06
<i>MSCI AC World IMI Index (Net)</i>		<i>1.3</i>	<i>11.3</i>	<i>15.1</i>	<i>14.7</i>	<i>12.5</i>	<i>7.7</i>	
Boston Partners Global Equity Fund	128,650,005	0.2	22.3	18.4	16.6	17.3	10.2	Jul-17
<i>MSCI World Net</i>		<i>1.3</i>	<i>10.9</i>	<i>15.7</i>	<i>15.8</i>	<i>13.8</i>	<i>11.6</i>	
Manulife Global Equity Strategy	127,549,315	0.5	10.0	8.3	13.1	11.9	9.5	Jul-17
<i>MSCI ACWI Net</i>		<i>1.4</i>	<i>11.5</i>	<i>15.9</i>	<i>15.3</i>	<i>12.8</i>	<i>10.8</i>	
Walter Scott Global Equity Fund	127,754,935	-0.6	5.5	6.0	10.8	9.4	9.9	Dec-09
<i>MSCI ACWI Net</i>		<i>1.4</i>	<i>11.5</i>	<i>15.9</i>	<i>15.3</i>	<i>12.8</i>	<i>9.7</i>	
WCM Global Equity	128,886,197	1.0	16.3	33.5	--	--	33.5	Dec-23
<i>MSCI AC World Index Growth (Net)</i>		<i>2.1</i>	<i>11.6</i>	<i>20.2</i>	<i>18.4</i>	<i>12.7</i>	<i>24.7</i>	
NT ACWI Index IMI	478,330,319	1.3	11.5	15.4	15.0	--	9.3	Apr-21
<i>MSCI AC World IMI Index (Net)</i>		<i>1.3</i>	<i>11.3</i>	<i>15.1</i>	<i>14.7</i>	<i>12.5</i>	<i>8.9</i>	
Eastern Shore US Small Cap	64,408,888	1.8	3.3	5.1	7.9	--	2.0	Oct-21
<i>Russell 2000 Index</i>		<i>1.7</i>	<i>-0.1</i>	<i>-0.6</i>	<i>7.0</i>	<i>9.8</i>	<i>1.5</i>	
Global Alpha International Small Cap	62,023,139	-2.2	16.6	6.7	4.6	--	2.6	May-22
<i>MSCI EAFE Small Cap (Net)</i>		<i>-0.1</i>	<i>20.8</i>	<i>15.8</i>	<i>10.9</i>	<i>8.5</i>	<i>8.0</i>	
RBC Emerging Markets Equity	82,818,166	-0.4	14.9	13.6	11.4	6.1	4.3	Jan-18
<i>MSCI Emerging Markets IMI (Net)</i>		<i>1.8</i>	<i>16.6</i>	<i>16.0</i>	<i>10.8</i>	<i>6.1</i>	<i>3.7</i>	

Public Markets Performance Snapshot

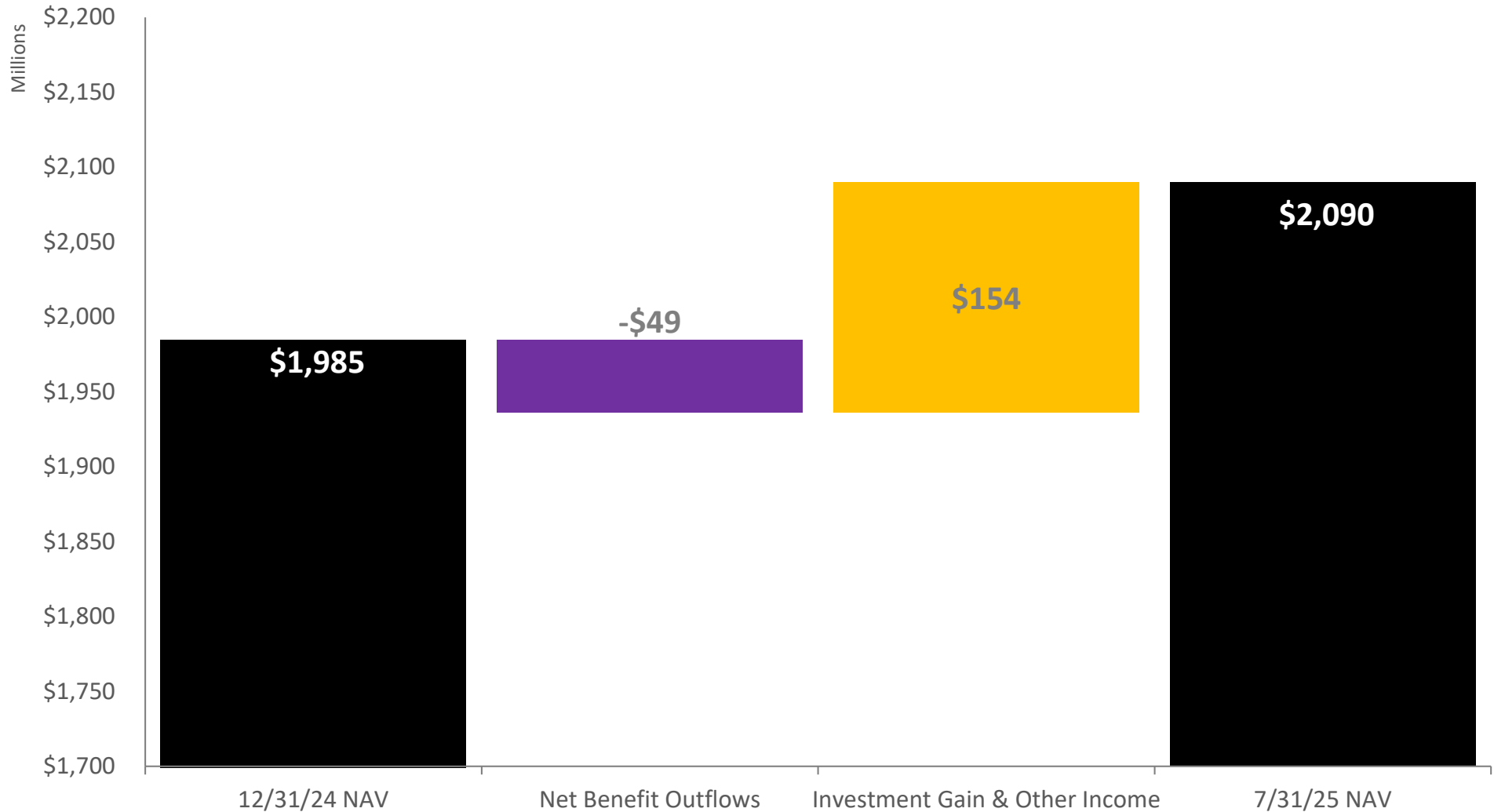
Trailing Net Performance | As of July 31, 2025

	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Since Inception	Inception Date
Fixed Income and Cash	262,226,923	0.1	3.3	4.9	3.7	1.5	2.2	May-18
<i>Fixed Income and Cash Blended Benchmark</i>		<i>0.0</i>	<i>3.1</i>	<i>4.3</i>	<i>3.3</i>	<i>1.0</i>	<i>2.2</i>	
IR&M 1-3 Year Strategy	127,291,457	0.1	3.2	5.2	4.1	2.0	2.5	Jul-17
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		<i>0.0</i>	<i>2.9</i>	<i>4.7</i>	<i>3.6</i>	<i>1.5</i>	<i>2.0</i>	
Longfellow Core Fixed Income	83,054,326	-0.2	4.0	3.8	2.5	-0.4	-0.2	Jul-20
<i>Blmbg. U.S. Aggregate Index</i>		<i>-0.3</i>	<i>3.7</i>	<i>3.4</i>	<i>1.6</i>	<i>-1.1</i>	<i>-0.8</i>	
Cash Equivalents	51,881,141	0.4	2.7	5.0	4.9	3.0	4.7	Jul-96
<i>ICE BofA 3 Month U.S. T-Bill</i>		<i>0.3</i>	<i>2.4</i>	<i>4.6</i>	<i>4.7</i>	<i>2.8</i>	<i>2.3</i>	
Public Credit	223,551,544	0.8	5.4	8.8	8.6	3.9	3.5	May-18
<i>Credit Blended Benchmark</i>		<i>0.6</i>	<i>5.3</i>	<i>8.3</i>	<i>8.4</i>	<i>5.0</i>	<i>4.7</i>	
Aristotle Pacific Capital Bank Loan	87,222,816	0.9	3.8	7.2	9.5	7.0	5.6	Aug-17
<i>S&P UBS Leveraged Loan Index</i>		<i>0.8</i>	<i>3.9</i>	<i>7.6</i>	<i>9.2</i>	<i>7.2</i>	<i>5.4</i>	
Loomis US High Yield Fund	72,382,251	0.7	5.5	10.4	7.8	--	3.5	Jan-21
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		<i>0.5</i>	<i>5.0</i>	<i>8.7</i>	<i>8.0</i>	<i>5.1</i>	<i>4.2</i>	
Metlife Emerging Markets Debt Blend	63,946,477	0.6	7.6	9.3	--	--	11.8	Oct-22
<i>35% JPMEB Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Di</i>		<i>0.5</i>	<i>7.5</i>	<i>8.8</i>	<i>7.7</i>	<i>1.8</i>	<i>10.3</i>	

Change in Market Value Bridge Chart - As of 7/31/2025

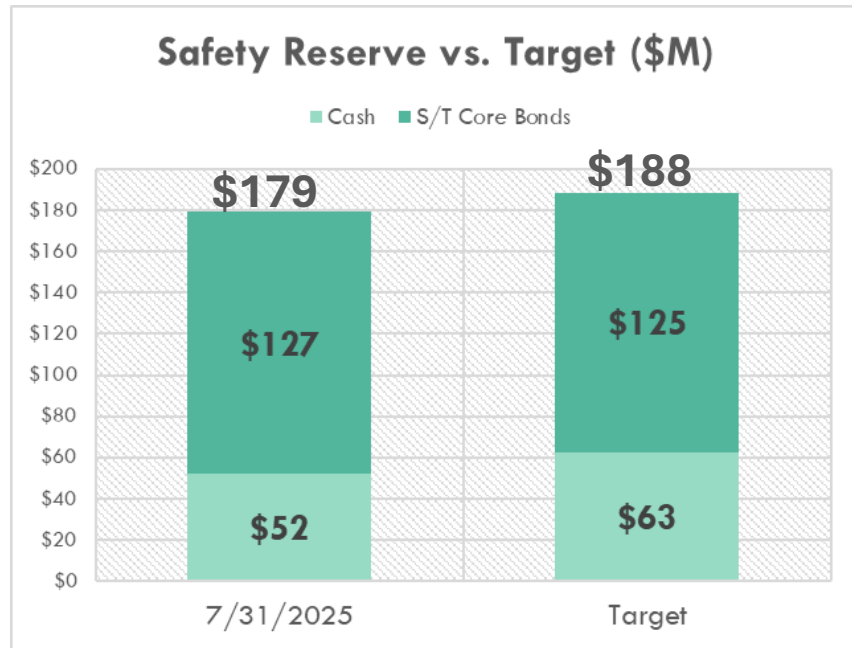
In Millions

2025 YTD Preliminary Investment Return estimated at 7.8%

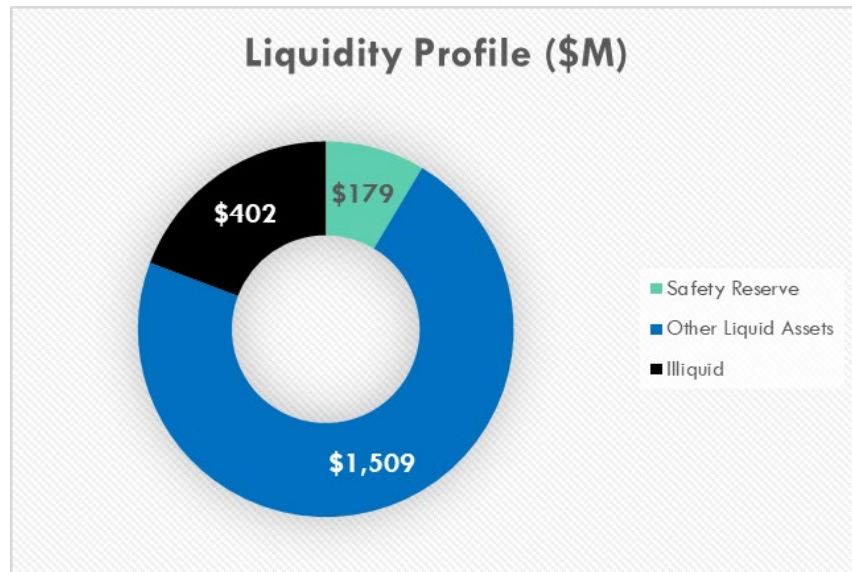


The beginning 12/31/24 value includes a one-quarter lag on private assets.
Numbers may not foot due to rounding.

Safety Reserve Dashboard – As of 7/31/25



Projected Net Monthly outflows of **\$6.5M** per month. Safety Reserve of **\$179M** would cover net monthly outflows for next **27 months** or through **October 2027**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	7/31/25		\$51.9	2.5%
City & Member Contribution	8/1/25	\$10.8	\$62.7	3.0%
City & Member Contribution	8/15/25	\$10.8	\$73.6	3.5%
Pension Payroll	8/27/25	(\$28.9)	\$44.7	2.1%
City & Member Contribution	8/29/25	\$10.8	\$55.5	2.7%
City & Member Contribution	9/12/25	\$10.8	\$66.3	3.2%
Pension Payroll	9/24/25	(\$28.9)	\$37.4	1.8%
City & Member Contribution	9/26/25	\$10.8	\$48.3	2.3%
City & Member Contribution	10/10/25	\$10.8	\$59.1	2.8%
City & Member Contribution	10/24/25	\$10.8	\$69.9	3.3%

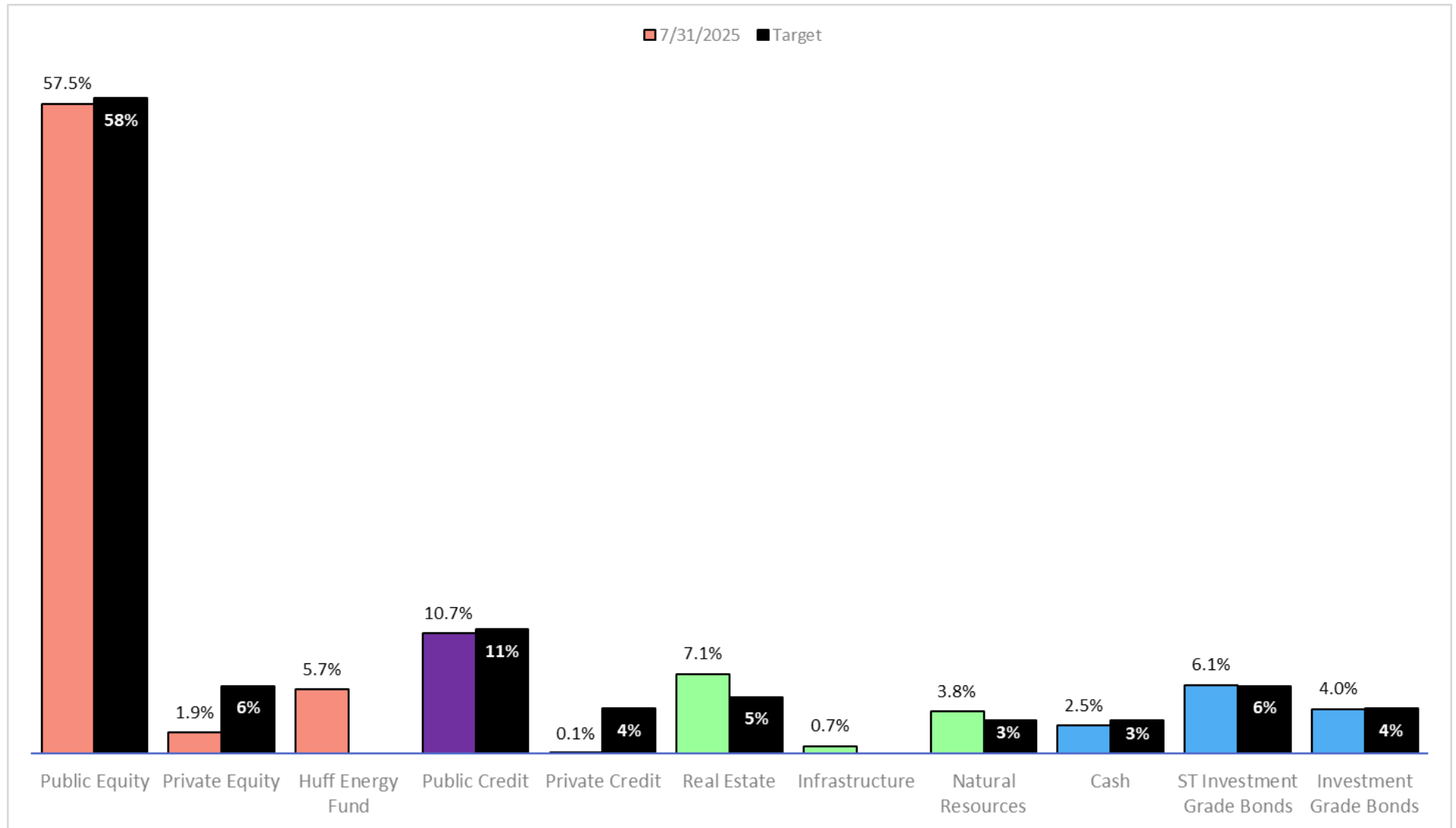
Numbers may not foot due to rounding.

Asset Allocation Detail

DPFP Asset Allocation	7/31/2025		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
Equity	1,361	65.1%	1,337	64%	102%	24	1.1%
Public Equity	1,202	57.5%	1,212	58%	99%	-10	-0.5%
<i>Northern Trust ACWI IMI Index</i>	<i>478</i>	<i>22.9%</i>	<i>502</i>	<i>24%</i>	<i>95%</i>	<i>-23</i>	<i>-1.1%</i>
<i>Boston Partners</i>	<i>129</i>	<i>6.2%</i>	<i>125</i>	<i>6%</i>	<i>103%</i>	<i>3</i>	<i>0.2%</i>
<i>Manulife</i>	<i>128</i>	<i>6.1%</i>	<i>125</i>	<i>6%</i>	<i>102%</i>	<i>2</i>	<i>0.1%</i>
<i>Walter Scott</i>	<i>128</i>	<i>6.1%</i>	<i>125</i>	<i>6%</i>	<i>102%</i>	<i>2</i>	<i>0.1%</i>
<i>WCM</i>	<i>129</i>	<i>6.2%</i>	<i>125</i>	<i>6%</i>	<i>103%</i>	<i>4</i>	<i>0.2%</i>
<i>Eastern Shore US Small Cap</i>	<i>65</i>	<i>3.1%</i>	<i>63</i>	<i>3%</i>	<i>103%</i>	<i>2</i>	<i>0.1%</i>
<i>Global Alpha Intl Small Cap</i>	<i>63</i>	<i>3.0%</i>	<i>63</i>	<i>3%</i>	<i>101%</i>	<i>1</i>	<i>0.0%</i>
<i>RBC Emerging Markets Equity</i>	<i>83</i>	<i>4.0%</i>	<i>84</i>	<i>4%</i>	<i>99%</i>	<i>-1</i>	<i>0.0%</i>
Private Equity	40	1.9%	125	6%	32%	-86	-4.1%
Huff Energy Fund	120	5.7%	0	0%		120	5.7%
Credit	225	10.8%	313	15%	72%	-89	-4.2%
Public Credit	224	10.7%	230	11%	97%	-6	-0.3%
<i>Aristotle Pacific Bank Loans</i>	<i>87</i>	<i>4.2%</i>	<i>84</i>	<i>4%</i>	<i>104%</i>	<i>4</i>	<i>0.2%</i>
<i>Loomis Sayles High Yield Bonds</i>	<i>72</i>	<i>3.5%</i>	<i>84</i>	<i>4%</i>	<i>87%</i>	<i>-11</i>	<i>-0.5%</i>
<i>MetLife Emerging Market Debt</i>	<i>64</i>	<i>3.1%</i>	<i>63</i>	<i>3%</i>	<i>102%</i>	<i>1</i>	<i>0.1%</i>
Private Credit	1	0.1%	84	4%	1%	-82	-3.9%
Real Assets	241	11.6%	167	8%	144%	74	3.6%
Real Estate	148	7.1%	104	5%	142%	44	2.1%
Natural Resources	79	3.8%	63	3%	126%	16	0.8%
Infrastructure	14	0.7%	0	0%		14	0.7%
Fixed Income & Cash	262	12.5%	272	13%	97%	-9	-0.5%
Cash	52	2.5%	63	3%	83%	-11	-0.5%
IR+M Short Term Bonds	127	6.1%	125	6%	102%	2	0.1%
Longfellow IG Bonds	83	4.0%	84	4%	99%	-1	0.0%
Total	2,090	100.0%	2,090	100%		0	0.0%
Safety Reserve	179	8.6%	188	9%	95%	-9	-0.4%
Private Market Assets	402	19.2%	376	18%		26	-4.5%

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

Asset Allocation – Actual vs Target





DISCUSSION SHEET

ITEM #10

Topic: Multi Asset Credit Recommendation

Attendees: Leandro Festino, Managing Principal – Meketa (by phone)

Discussion: Staff, with assistance from Meketa, has conducted a search for a Multi Asset Credit manager. The Investment Advisory Committee provided feedback and guidance throughout the process and interviewed two finalists at the July 24th, 2025 IAC meeting. Staff will discuss the search process and the recommendation. Meketa will be available to answer questions.

Staff

Recommendation: Available at meeting.

Regular Board Meeting – Thursday, August 14, 2025

ICG Global Total Credit



PROPOSED NEW INVESTMENT	
1) Name of investment and manager	ICG Global Total Credit
2a) DPFP Asset Class	Public Credit
2b) Asset class allocation / target	10.7% current / 11% target
3a) DPFP Sub-Asset Class	Multi Asset Credit
3b) Sub-Asset class allocation / target	0% current / 4% target
4) Proposed investment size	~\$80M - 4% of DPFP
5) Projected funding date and schedule	Q3/Q4 2025
INVESTMENT STRATEGY/STRUCTURE	
1) Investment strategy	Multi Asset Credit
2) Strategy / Vehicle AUM	\$1.2B / \$0.8B
3) Firm assets under management	\$106B
4) Investment Legal Structure	Commingled Fund
5) Subscription / Redemption Terms	Daily with 1 Business Day Notice / Daily with 21 Calendar Day Notice
6) Stated Benchmark	35% ICE BofA US Non-Financial High Yield Constrained Index, 35% S&P UBS Institutional Leveraged Loan Index, 15% ICE BofA European Currency Non-Financial High Yield 3% Constrained Index and 15% S&P UBS Institutional Western European Leveraged Loan Index
7) Peer Group	Multi Asset Credit
DUE DILIGENCE INFO	
1) Staff meetings with manager	Staff Meetings: 3/19/2025, 6/25/2025, 7/8/2025, 7/16/2025 IAC Interview: 7/24/2025
2) Consultant Recommendation	Attached
3) Staff Recommendation	Attached
4) IAC Interview & Recommendation Date	7/24/2025
5) Expected Board Approval Date	8/14/2025



MULTI ASSET CREDIT MANAGER RECOMMENDATION

Date: August 14th, 2025

To: DPFP Board of Trustees

From: DPFP Investments Staff

Subject: Multi Asset Credit Manager Recommendation

Executive Summary:

The Investment Advisory Committee (“IAC”) reviewed the inclusion of a Multi Asset Credit (“MAC”) mandate through the Public Credit Structure Review in January 2025, which was subsequently approved by the Board in February. Staff began initial diligence on a wide range of strategies, ultimately meeting with 23 different managers offering a variety of approaches to MAC. The IAC formally approved the search process at the April 24th, 2025 meeting. Staff, with the assistance of Meketa, narrowed the shortlist to 11 products offered by 10 firms who responded to an invite only RFP process. After reviewing the RFP responses and deliberating with Meketa, staff narrowed the focus of the search towards high conviction, concentrated MAC approaches and selected four products as semi-finalists for further diligence meetings. Staff, after discussion with Meketa, then selected two finalist products for additional diligence.

The two finalists presented to the IAC at the July 24th, 2025 meeting. The IAC agreed with staff’s recommendation to hire ICG Global Total Credit. Based on the Public Credit Structure review, the target allocation to this MAC manager is 4%. If approved by the board, staff will fund the amount of approximately \$80M to ICG Global Total Credit by reducing the allocation to Aristotle Pacific Bank Loans and Loomis US High Yield from 4% to 2%.

Search Process:

Historically, DPFP’s credit portfolio consisted of separate 4% allocations to high yield and bank loan mandates. The 2025 Public Credit Portfolio Structure review outlined a 2% reduction to each of these mandates to fund a 4% allocation to MAC, which can offer a more attractive risk return profile, allows managers to take advantage of relative value trades at the asset class and issuer level and provide a more active credit exposure to take advantage of dislocations. Staff and Meketa have had multiple discussions about a future search, likely in the next year, to collapse the remaining standalone bank loan and high yield assets into a second, complementary, MAC manager.

Staff began the search through a high-level screen of the eVestment Multi Asset Credit universe (99 strategies). The strategies went through an initial screen on the following criteria:

1. The firm AUM must exceed \$5B.
2. The product AUM must exceed \$800M.
3. The product must not be ESG focused.

This initial screen narrowed the number of applicable strategies to 55. Staff then considered, but did not hard screen on, the following criteria in order to further narrow the list:



1. Strategy focus geared towards bank loans and high yield debt.
2. Limited exposure to emerging market debt due to existing exposure in the Public Credit Portfolio.
3. Limited exposure to investment grade credit and treasuries, with those exposures being taken only opportunistically.
4. Favorable Upside/Downside Capture against the 50/50 HY/Levered Loan Benchmark.
5. Risk measures including portfolio characteristics as compared to the 50/50 HY/Levered Loan Benchmark.

This narrowed the list to 23 unique strategies. Staff reviewed the initial list with Meketa's research team to ensure that there were no other products that staff should review that may have been excluded through screening. Consistent with the Investment Policy Statement guidelines, consideration was given to any relevant diverse managers. At this stage no firms that had over 50% diverse ownership remained, and staff confirmed with Meketa that there was only one diverse MAC manager in the space, but that the manager had a short track record and strategy assets of only ~\$100M.

Staff held initial diligence meetings with all 23 strategies at this stage to gain an understanding of the respective investment teams' qualifications, philosophy and process, as well as the fit of the strategies within DPFP's Public Credit Portfolio. Of these strategies, 13 were rated by Meketa and Meketa had informal views on several of the unrated strategies. Following initial diligence meetings and discussions with Meketa, the list was narrowed to a shortlist, which was presented at the April IAC meeting. The RFP was issued to 11 strategies offered by 10 firms on April 28th with a submission deadline of May 23rd.

Request for Proposal Candidates:

1. Ares Global Multi Asset Credit (GMAC)
2. Beach Point Diversified Credit
3. Brigade Opportunistic Credit
4. Caspian LP Multi Asset Credit
5. HPS Institutional Credit
6. ICG Global Total Credit
7. KKR KMAC
8. KKR Global Credit Opportunities Fund (GCOF)
9. Oaktree Global Credit
10. Oak Hill Advisors Diversified Credit
11. Shenkman Multi Asset Credit

All 11 RFPs were submitted by the deadline. Staff independently evaluated the responses based on the criteria laid out in the search document.

While there are many ways to categorize approaches to MAC, one key distinction is between conviction driven approaches that are more concentrated and diversified approaches that offer exposure to a wider array of sub-asset classes (e.g., municipal bonds, ABS, RMBS, CMBS, EMD, etc.). After a number of discussions with Meketa, staff determined that as an initial MAC mandate which will be accompanied by the ballast of remaining dedicated bank loan and high yield strategies, a higher conviction and more concentrated approach would be the best fit for the Public



Credit Portfolio. Several of the firms from the RFP process are strong contenders for a future MAC mandate to replace the remaining high yield and bank loan standalone mandates, and their exclusion from the semi-finals does not necessarily reflect a negative view by staff or Meketa. After completing the initial review, staff held a call with Meketa to discuss views of each of the firms, areas of concern and fit within the broader Public Credit Portfolio. Staff and Meketa agreed to narrow the list down to four semi-finalists.

Managers Selected for Interview:

Staff independently graded all semi-finalists and used forced ranking for grading within each category, with a four representing the best in the category and one representing the worst in the category. All four investment team members scores were then averaged to create a category score, and then category scores were weighted to arrive at an overall score using similar weights as prior searches.

	Organization 20%	Investment Team 20%	Philosophy & Process 25%	Performance 25%	Fees 10%	Overall Score Rank	
ICG	3.3	3.0	3.8	3.5	3.0	3.4	1
KKR (GCOF)	3.5	3.0	2.5	2.5	2.0	2.8	2
Oaktree	2.3	3.0	1.3	1.0	4.0	2.0	3
Caspian	1.0	1.0	2.5	3.0	1.0	1.9	4

At the July 24th IAC meeting, staff recommended hiring ICG Global Total Credit. This recommendation was due in part to ICG's inclusion of a more balanced allocation to European credit which allows the manager to take advantage of more credit market dislocations and make relative value trades across a broader universe of sub-IG credit. Additionally, ICG has historically leveraged the firm's skill and relationships to strategically create value in distressed situations when they offer a highly attractive risk/reward profile (historically no more than 1% of the portfolio) and employs a robust bottom-up approach to evaluating individual credits. After interviewing both KKR GCOF and ICG Global Total Credit, the IAC preferred recommending ICG to the board for approval, which aligned with staff's recommendations.

ICG Global Total Credit Summary: Information required by section 7.A.6 of the Investment Policy.

a. Description of the organization and key people:

ICG, headquartered in London, was established in 1989 with a focus on investing balance sheet assets in European subordinated debt and began managing outside capital in 1994. ICG has a global presence and strategies spanning structured capital, private equity, real assets, private debt and credit. ICG is publicly traded on the London Stock Exchange.

The Global Total Credit product has been led by co-PMs Harry Suggiarto (London, EU IC member) and Ron Attar (New York City, US IC member) since its inception in 2017. Harry has been with ICG for nearly 20 years and has led the European MAC product since its inception in



2012. Ron has been with ICG since 2013 and has played a key role in developing the firm's US liquid credit business.

b. Description of the investment process and philosophy:

All credits on the ICG platform go through either the US IC or the EU IC depending on the jurisdiction of the credit. Once a credit has been approved by the IC, Ron and Harry have discretion to select individual credits to build a 100-125 name portfolio and typically confer heavily with IC members, analysts and PMs of ICG's various standalone products. While this strategy is a bottom-up relative value driven approach, top-down allocation decisions are driven by the Global Strategy Meeting which occurs weekly to discuss relative value, macro-economic conditions and technical factors in the market and includes both co-PMs. The strategy allocates across senior secured loans, high yield bonds, CLO debt tranches, and special situations investments in both the US and Europe (EU soft limit of 55%).

c. Description of historical performance and future expectations:

Owing to strong security selection and the ability to more effectively allocate between the US and EU depending on relative value, ICG has had an upside capture of 120.9 and a downside capture of 39.7 over the trailing five years against the 50/50 US HY/US Levered Loan benchmark. While the upside/downside capture against this US benchmark illustrates the benefits of including European credit in the mandate, ICG's net performance has ranked in the top quartile over the trailing 1-, 3- and 5-year periods against the eVestment Multi Asset Credit universe.

Looking forward, the product should be expected to achieve a low downside capture – partially protecting against losses in periods when credit spreads widen out and broad market default rates increase. Additionally, due to the ability to move the portfolio actively during periods of dislocation, ICG Global Total Credit should be expected to achieve outsized returns coming out of periods of dislocation as credit spreads tighten. During more muted periods in the sub-investment grade market, characterized by tighter spreads and less volatility, the strategy should be expected to marginally outperform the benchmark.

d. The risks inherent in the investment and the manager's approach:

Credit risk is inherent in all sub-investment grade credit strategies, but it is worth noting ICG typically maintains higher exposure to CCC rated issuers than the benchmark and in a high default environment, as credit spreads widen, negative performance should be expected with a significant upside capture coming out of the dislocation.

e. The proper time horizon for evaluation of results:

Evaluation of performance should be undertaken over longer time periods for the concentrated approach of ICG Global Total Credit. Staff views trailing 3-year and 5-year perspectives as appropriate time horizons for evaluation.

f. Identification of relevant comparative measures such as benchmarks and/or peer

The managers stated benchmark, which includes European loans, bonds, and securitized debt should be the primary comparative measure for strategy performance: *35% ICE BofA US Non-Financial High Yield Constrained Index, 35% S&P UBS Institutional Leveraged Loan Index, 15% ICE BofA European Currency Non-Financial High Yield 3% Constrained Index and 15%*



S&P UBS Institutional Western European Leveraged Loan Index. Performance evaluation should also include comparison to the eVestment Multi Asset Credit Universe, as well as the 50% Bloomberg US HY 2% Issuer Cap / 50% S&P UBS Levered Loan Index.

g. The suitability of the investment within the relevant asset class:

ICG Global Total Credit is suitable as a multi asset credit manager at a 4% target within the Public Credit asset class based on the Public Credit Structure approved by the Board in February 2025.

h. The expected cost of the investment.

The annual management fee is expected to amount to \$320,000.



D A L L A S
POLICE & FIRE
PENSION SYSTEM

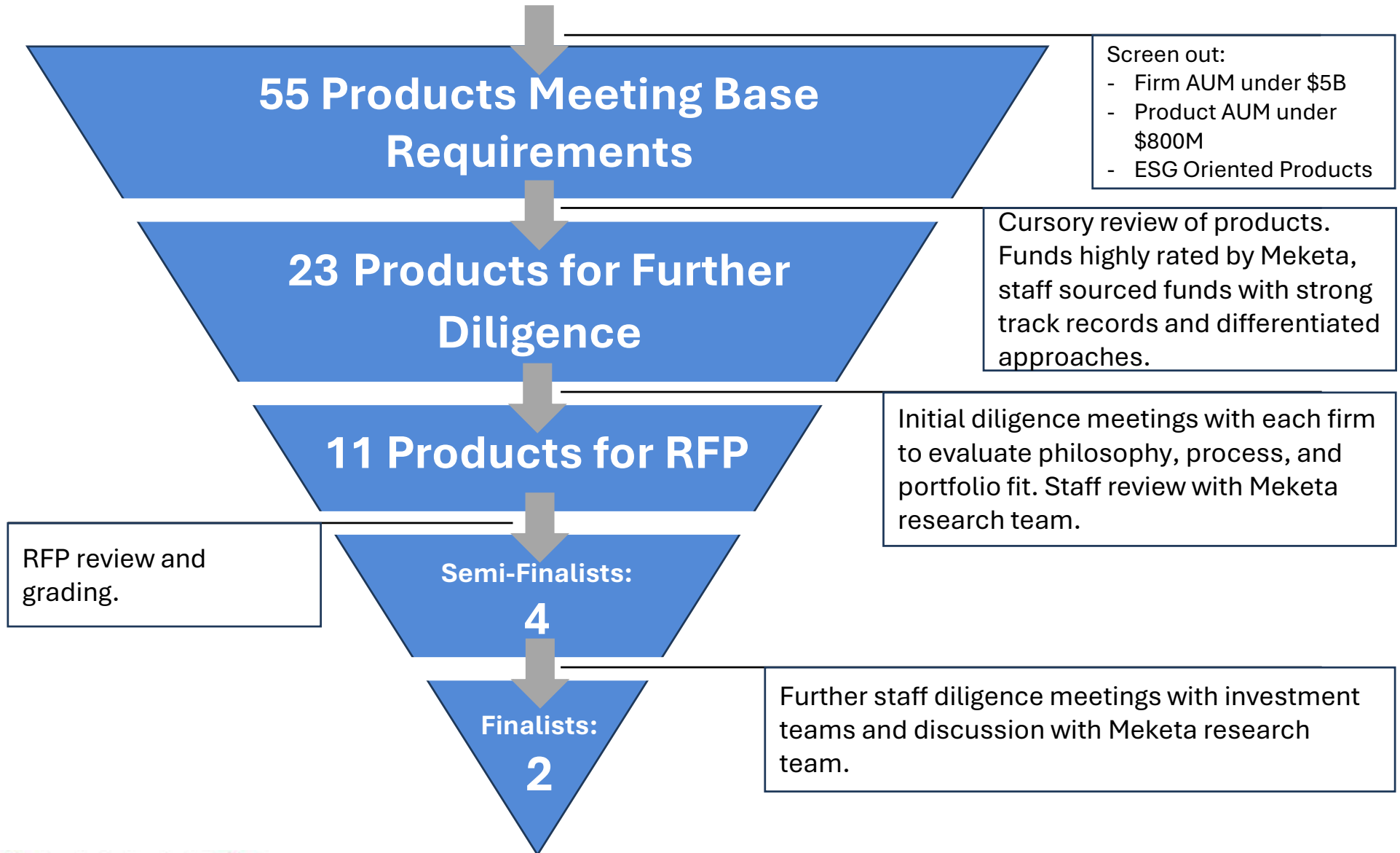


Multi Asset Credit Manager Search Process & Finalist Recommendation

August 14th, 2025

Multi Asset Credit Manager Search Process

eVestment Universe: 99



Multi Asset Credit Search RFP List

After conducting initial diligence meetings with 23 different products and discussing with Meketa's research team, RFPs were requested from and received by the following 11 products:

1. Ares Global Multi Asset Credit
2. Beach Point Diversified Credit
3. Brigade Opportunistic
4. Caspian LP Mutli Asset Credit
5. HPS Institutional Credit
6. ICG Global Total Credit
7. KKR KMAC
8. KKR Global Credit Opportunities Fund (GCOF)
9. Oaktree Global Credit
10. Oak Hill Advisors Diversified Credit
11. Shenkman Multi Asset Credit

Multi Asset Credit Search Interview Process

After reviewing the RFPs, the following managers were selected as semi-finalists and interviewed for one and a half hours each between June 23rd and July 1st.

1. Caspian LP Multi Asset Credit
2. ICG Global Total Credit
3. KKR Global Credit Opportunities Fund (GCOF)
4. Oaktree Global Credit

Following interviews and staff scoring, the below managers were selected as finalist candidates. Staff conducted additional diligence meetings with both firms and conducted reference checks.

1. ICG Global Total Credit
2. KKR Global Credit Opportunities Fund (GCOF)

Outline of Multi Asset Credit Search Criteria

1. Clearly defined investment philosophy and process that engenders DPFP staff conviction.
2. Appropriate fit within DPFP's Public Credit Portfolio.
3. Primary focus on bank loans and high yield debt.
4. Limited exposure to emerging market debt.
5. Limited exposure to illiquid/private debt. If there is exposure to illiquid/private debt, the manager should have a well-articulated description of those holdings and the role they play in the portfolio.
6. Limited exposure to investment grade credit and treasuries, with those exposures being taken only opportunistically.
7. Available product capacity with appropriate capacity controls and limits.
8. Firm AUM over \$5 billion.
9. Product AUM over \$800 million.
10. Institutional share of product AUM over 30%.
11. Section 7.A.8.b of the IPS states: On all public active manager searches, staff will request an RFP from at least one Diverse Manager, so long as the firm meets the minimum criteria outlined in the specific search process. To be considered a Diverse Manager, the firm must have economic ownership of more than 50% of any combination of the following groups: female, veteran, disabled and/or minority (non-white).

FINALISTS OVERVIEW AND PERFORMANCE COMPARISON

Finalist Comparison

	ICG Global Total Credit Fund	KKR Global Credit Opportunities Fund
Firm AUM:	\$106B	\$637B
Product AUM:	\$1.2B	\$4.6B
Vehicle AUM:	\$786 M	\$2.9B
Strategy Inception:	Nov 2017	May 2008
Employee Ownership:	Publicly Traded	Publicly Traded
Firm Diversity:	ICG is governed under a number of jurisdictions and can not track these statistics in all of them.	Investment Team is 34% non-white and 28% female.
Investment Team:	2 PM / 30 Analyst	5 PMs / 24 Analysts
Philosophy/Process:	True global approach to multi asset credit with a focus on fundamentals and relative value portfolio construction.	Capital preservation through rigorous underwriting/due diligence, focused largely on US credits.
Meketa Rating:	Not Rated – One other client invested	4 out of 5

MAC Semi Finalists Overview

<i>All Data As of 3/31/25</i>	ICG Global Total Credit Fund	KKR Global Credit Opportunities Fund	Caspian Opportunistic Credit Strategy	Oaktree Global Credit strategy
Current # of Issuers	169	286	68	849
Current # of Issuances	229	350	182	1093
% of Portfolio in Top 10 Issuers	18.7%	22.1%	30.9%	7.2%
% of Portfolio in Top 25 Issuers	37.5%	44.1%	58.8%	13.1%
5 Yr Upside / Downside Capture (against 50/50 US HY/Lev. Loan Benchmark)	121.4% / 40.7%	113.9% / 71.7%	97.07% / 42.5%	94.8% / 62.3%
Yield to Worst	9.6%	8.9%	10.6%	8.3%
Average Coupon	7.6%	10.0%	8.8%	7.3%
Standard Deviation	6.1%	6.2%	5.0%	5.1%
Average Quality	B	B-	B	BB-
Average Duration	0.8	1.1	1.6	1.9

Product Benchmarks:

- **ICG:** 35% ICE BofA US Non-Financial High Yield Constrained Index, 35% S&P UBS Institutional Leveraged Loan Index, 15% ICE BofA European Currency Non-Financial High Yield 3% Constrained Index and 15% S&P UBS Institutional Western European Leveraged Loan Index
- **KKR GCOF:** 50% Morningstar LSTA / 50% ICE BofA US High Yield Index
- **Caspian:** 50% S&P LSTA Leveraged Loan Index and 50% Bloomberg U.S. High Yield 2% Issuer Capped Index
- **Oaktree:** 50% ICE BofA Merrill Lynch Non-Financial Developed Market High Yield Constrained (USD Hedged) Index, 40% Credit Suisse Leveraged Loan Index and 10% Credit Suisse Western European Leveraged Loan Index (USD Hedged)

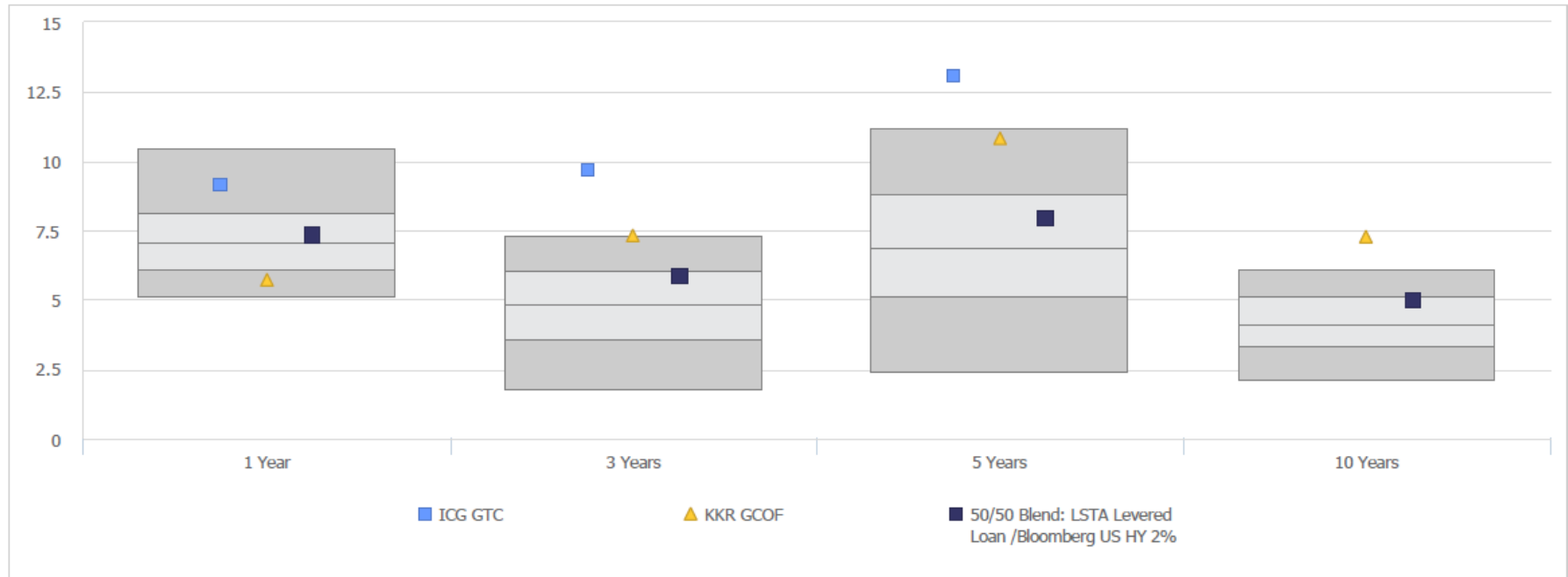
Staff Scoring Summary

Managers force ranked 1 thru 4 in each category, with 1 being worst.

Ranks by category below based on average ranking of Ryan, Kyle, Luis and Christina.

	Organization 20%	Investment Team 20%	Philosophy & Process 25%	Performance 25%	Fees 10%	Overall Wtd. Avg (Rank)
ICG	3.3 <ul style="list-style-type: none"> Firm is well established and has a strong European presence as well as in the US Multiple firm resources that can be utilized if needed 	3.0 <ul style="list-style-type: none"> PM's Harry and Ron leverage the full liquid credit research team from ICG and knowledge from standalone product PMs Harry has managed MAC mandates since 2012 	3.8 <ul style="list-style-type: none"> Inclusion of EU Credit to create a truly global MAC mandate allows the product an additional lever to pull and more dislocations to take advantage of 	3.5 <ul style="list-style-type: none"> Net performance is strong, especially when compared to domestically focused strategies and benchmarks Portfolio has also demonstrated strong downside protection 	3.0 <ul style="list-style-type: none"> Flat fee option 	3.4 (1) <p>Top overall score and staff preference for this search. Staff has high conviction in the inclusion of EU credits in the mandate. Ability to thoughtfully include distressed credit is a plus.</p>
KKR	3.5 <ul style="list-style-type: none"> Firm has diligence resources from across the private markets arm which gives a leg up on underwriting new issuances 	3.0 <ul style="list-style-type: none"> The 5 PM's on the GCOF strategy are also heavily involved in other products, which gives them a depth of understanding in each sleeve Deep bench of talent 	2.5 <ul style="list-style-type: none"> Philosophy is centered on performing credits and protecting the portfolio from defaults. Does not participate in distressed issuances even when attractive. 	2.5 <ul style="list-style-type: none"> Net performance is partially degraded by GCOF's high fee, but still ranks in the top quartile net of fees over longer periods 	2.0 <ul style="list-style-type: none"> Flat & Performance Fee Option 	2.8 (2) <p>A strong option which is highly rated by Meketa. While net of fee performance is limited by the high fee burden, GCOF has been successful and has a long track record.</p>
Oaktree	2.3 <ul style="list-style-type: none"> Minor staff concerns surrounding acquisition by Brookfield Deferred comp across the firm is linked to this strategy, which ensures strong alignment 	3.0 <ul style="list-style-type: none"> Oaktree has a deep and strong bench across all areas that the strategy invests in 	1.3 <ul style="list-style-type: none"> Rating of philosophy and process reflects the more diversified nature of the strategy which is not a strong fit for the initial, more concentrated, MAC search 	1.0 <ul style="list-style-type: none"> While the strategy has illustrated a lower standard deviation than other semi-finalists, more diversified nature has also produced returns in line with the benchmark 	4.0 <ul style="list-style-type: none"> Flat & Performance Fee Option 	2.0 (3) <p>Strong firm and team. Staff determined that the more diversified nature of this strategy is a better fit for a future MAC search.</p>
Caspian	1.0 <ul style="list-style-type: none"> Key PM & Owner, Adam, has strong credit roots and unique approach Staff ultimately felt there was a very high degree of key man risk with Adam 	1.0 <ul style="list-style-type: none"> Leaner team with a less deep bench than many managers in the MAC space Not a clear succession plan if something unexpected were to occur 	2.5 <ul style="list-style-type: none"> Catalyst driven investing Team has depth of experience with and is not afraid to engage in LMEs to extract value 	3.0 <ul style="list-style-type: none"> Performance is indicative of the highly concentrated approach and strong hit rate on names in the portfolio 	1.0 <ul style="list-style-type: none"> Performance Fee Option 	1.9 (4) <p>While Caspian offers a differentiated approach with strong performance, staff ultimately felt a significant amount of further diligence would be required to gain comfort with the manager.</p>

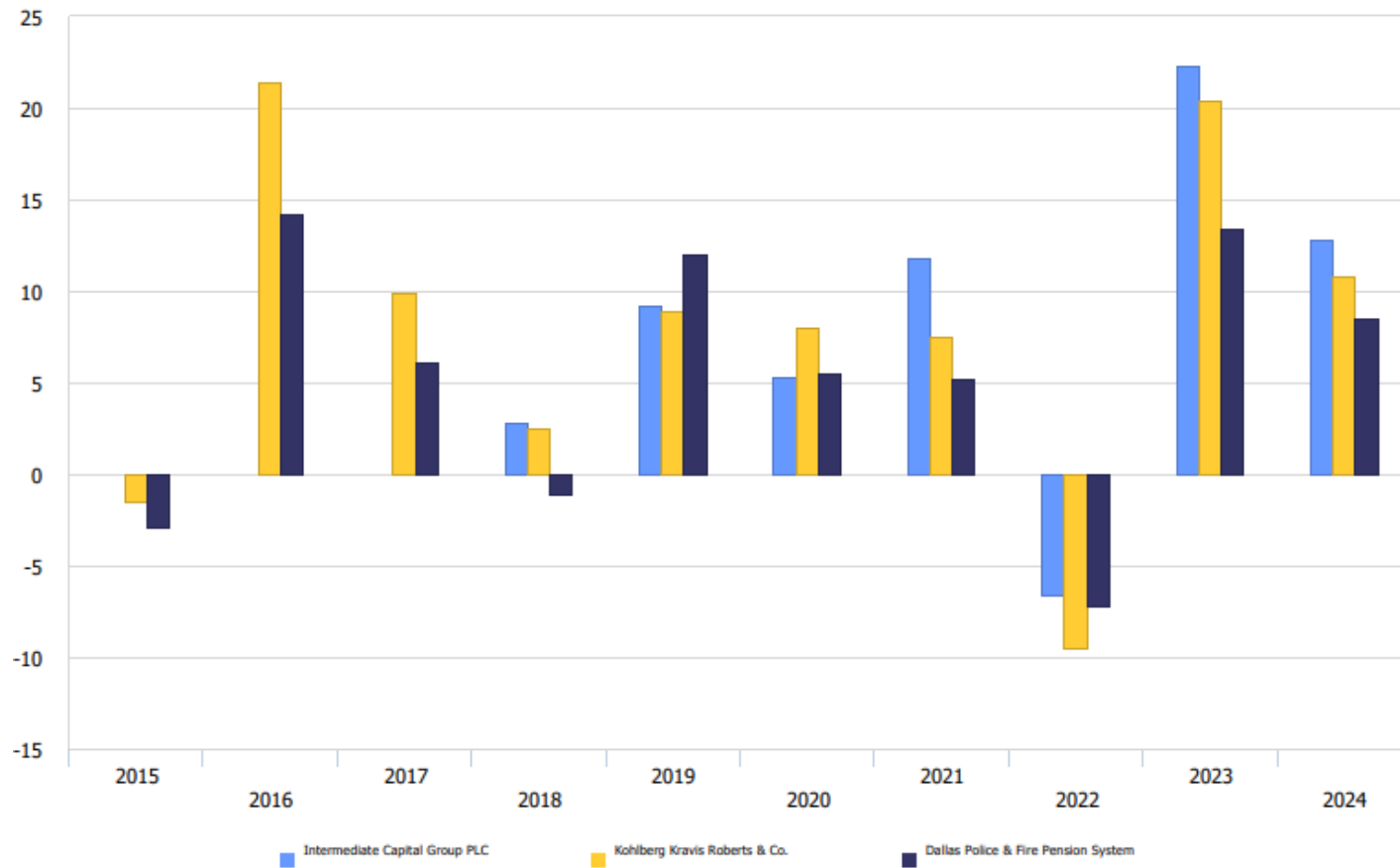
Finalists – Performance Annualized Returns (as of 3/31/2025)



Firm Name	Product Name	1 Year	Rank	3 Years	Rank	5 Years	Rank	10 Years	Rank
Intermediate Capital Group PLC	ICG GTC	9.15	12	9.69	1	13.08	1	---	---
Kohlberg Kravis Roberts & Co.	KKR GCOF	5.72	87	7.33	5	10.83	6	7.28	1
Dallas Police & Fire Pension System	50/50 Blend: LSTA Levered Loan /Bloomberg US HY 2%	7.35	43	5.87	30	7.95	34	5.00	32

Source: eVestment; comparison to eVestment Multi Asset Credit Universe; as of 3/31/2025

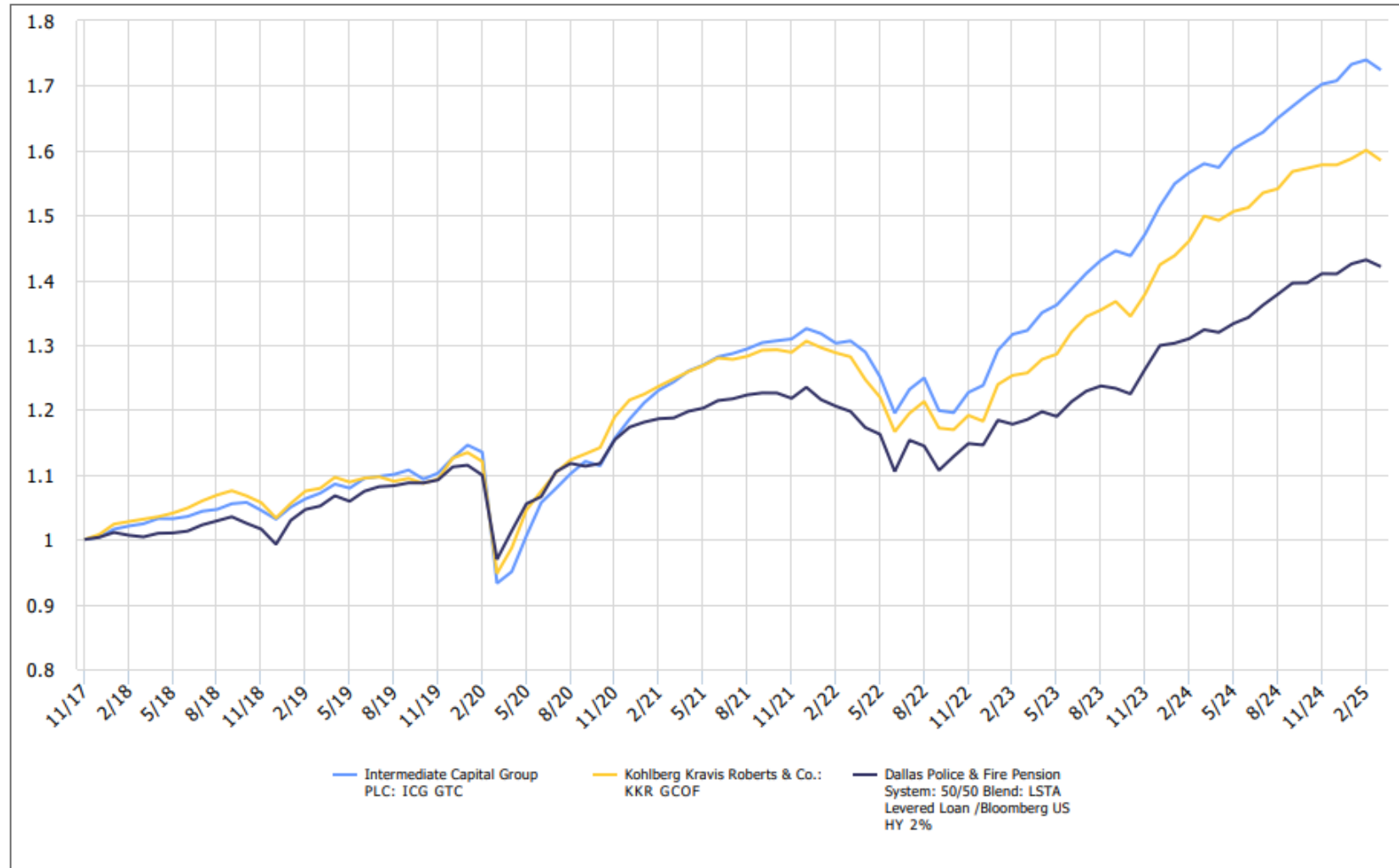
Finalists – Performance Calendar Year



Firm Name	Product Name	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Intermediate Capital Group PLC	ICG GTC	---	---	---	2.76	9.16	5.32	11.79	-6.61	22.34	12.76
Kohlberg Kravis Roberts & Co.	KKR GCOF	-1.45	21.36	9.91	2.52	8.93	7.97	7.48	-9.46	20.41	10.81
Dallas Police & Fire Pension System	50/50 Blend: LSTA Levered Loan /Bloomberg US HY 2%	-2.90	14.21	6.13	-1.08	12.03	5.51	5.24	-7.21	13.39	8.50

Source: eVestment

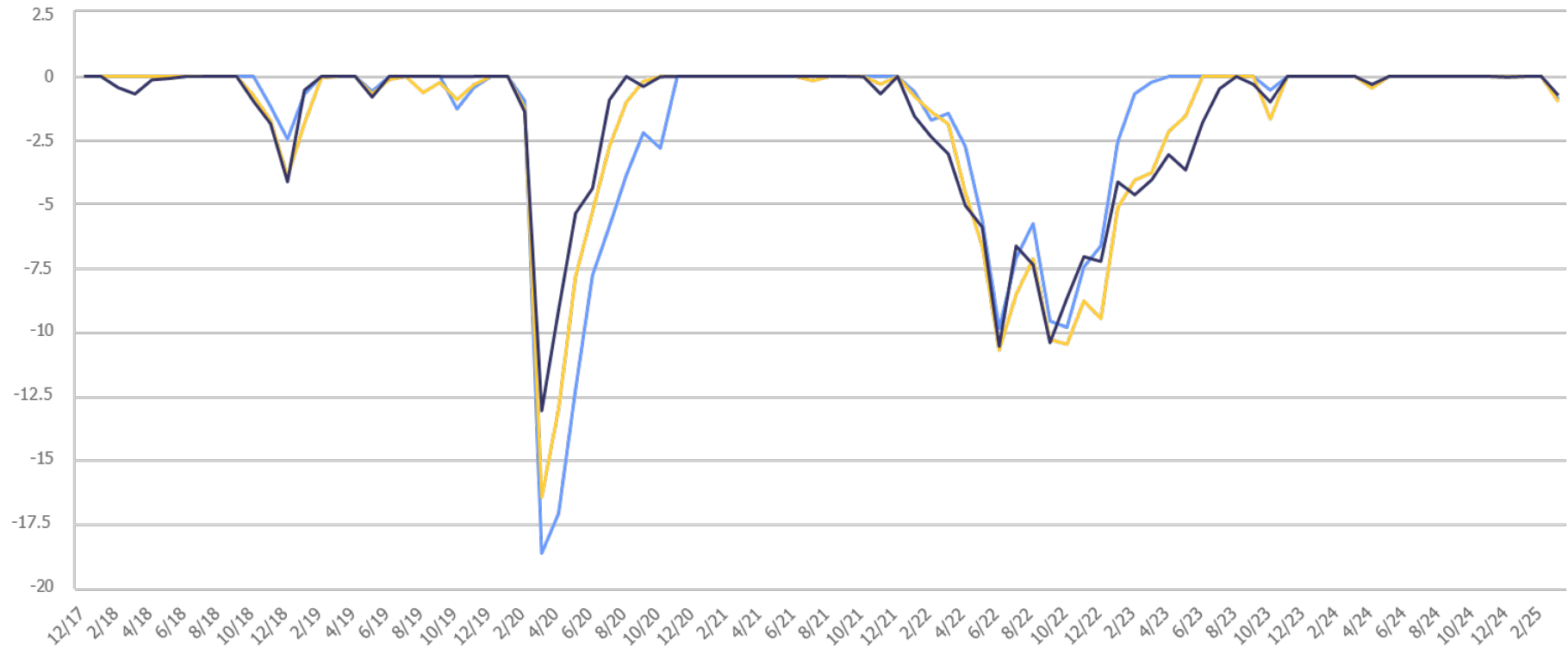
Finalists - Growth of \$1 (Common Period)



Source: eVestment; as of 3/31/2025

Over the long run, both managers have outperformed the 50/50 US HY/Lev. Loan Benchmark

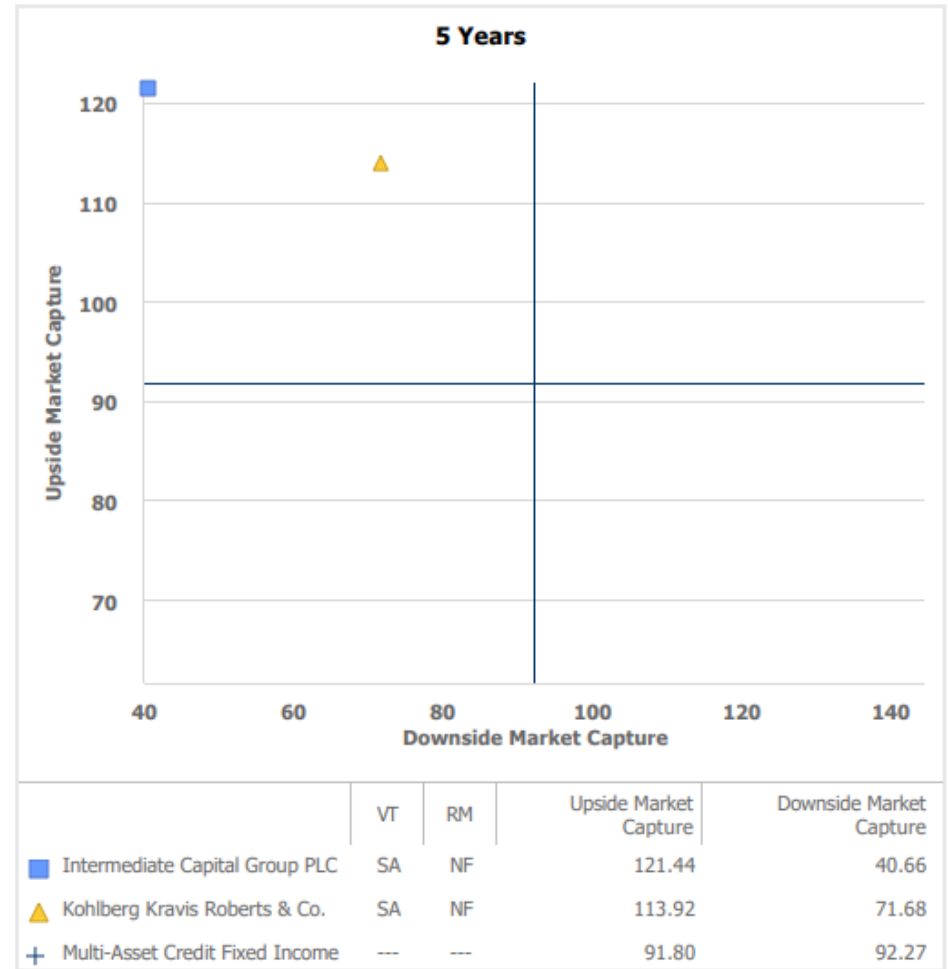
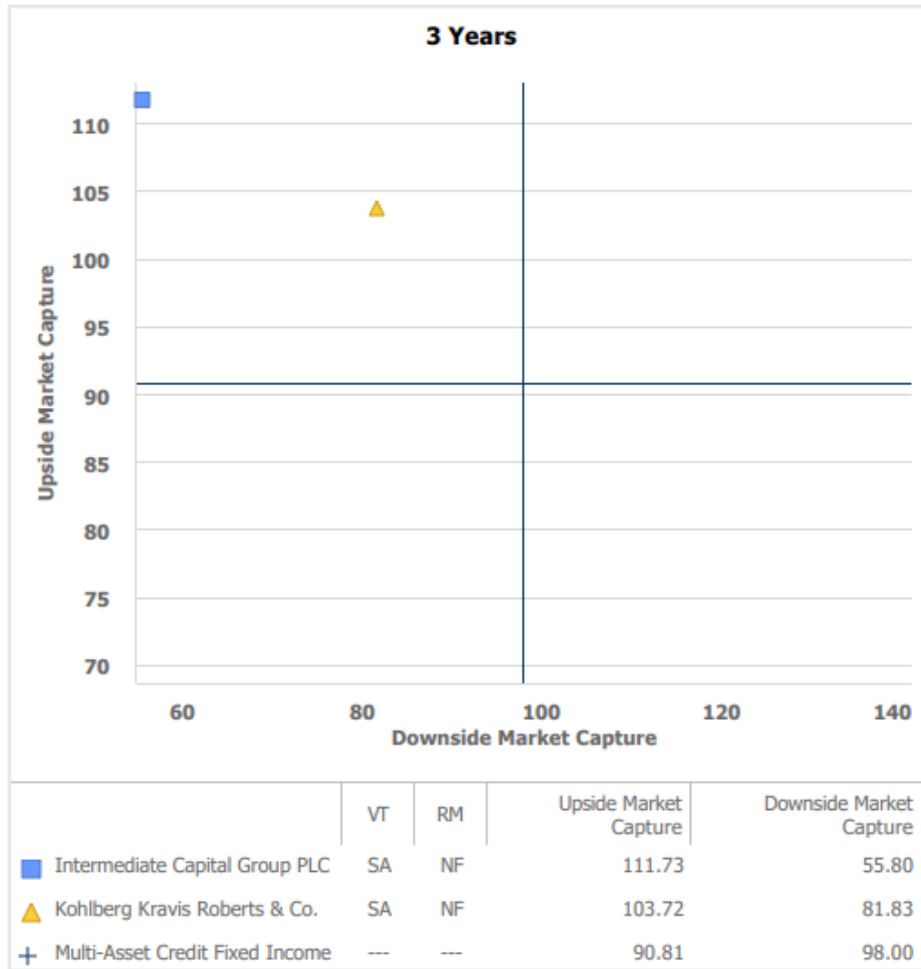
Finalists – Drawdown Insights



	ICG Global Total Credit Fund	KKR Global Credit Opportunities Fund	50/50 US HY/Levered Loan Benchmark
Max Drawdown:	-18.6%	-16.4%	-13.0%
Max Drawdown Length:	2 months	2 months	2 months
Months to Recovery:	8 months	7 months	5 months

Source: eVestment; as of 3/31/2025

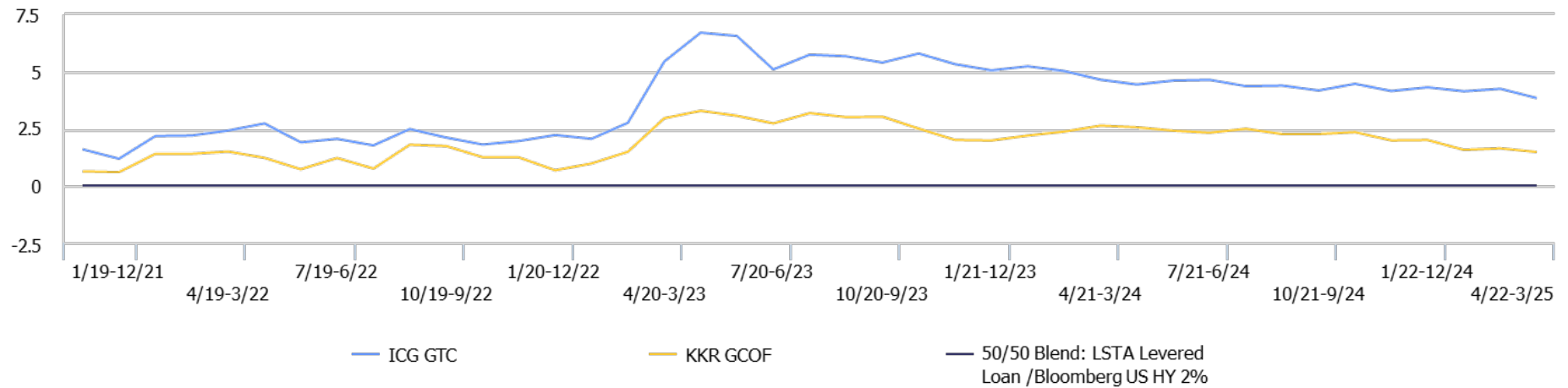
Finalists – Upside/Downside Capture



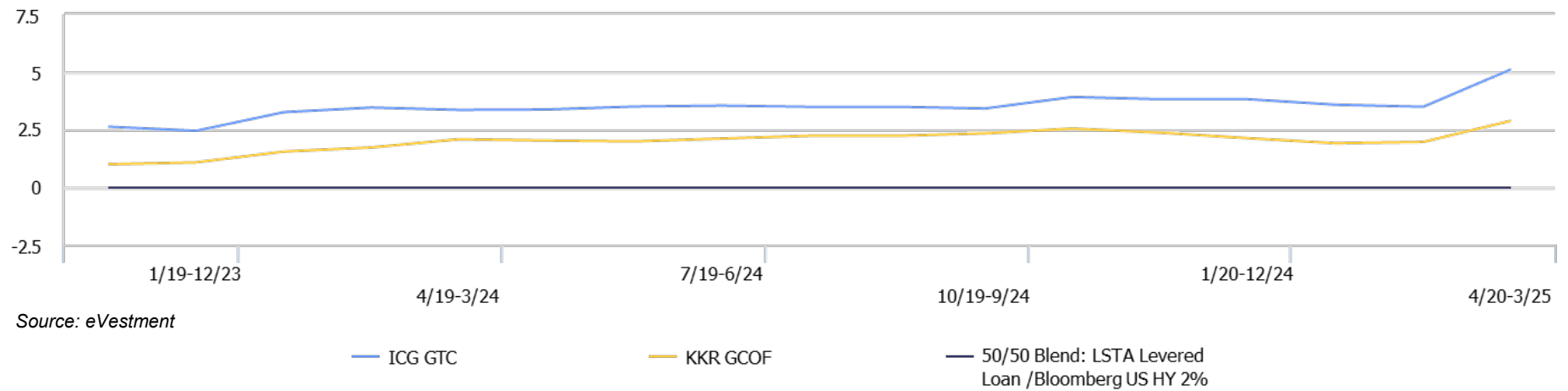
Source: eVestment; as of 3/31/2025

Finalists – Rolling Excess Returns

Rolling 3 Yrs. Excess Returns

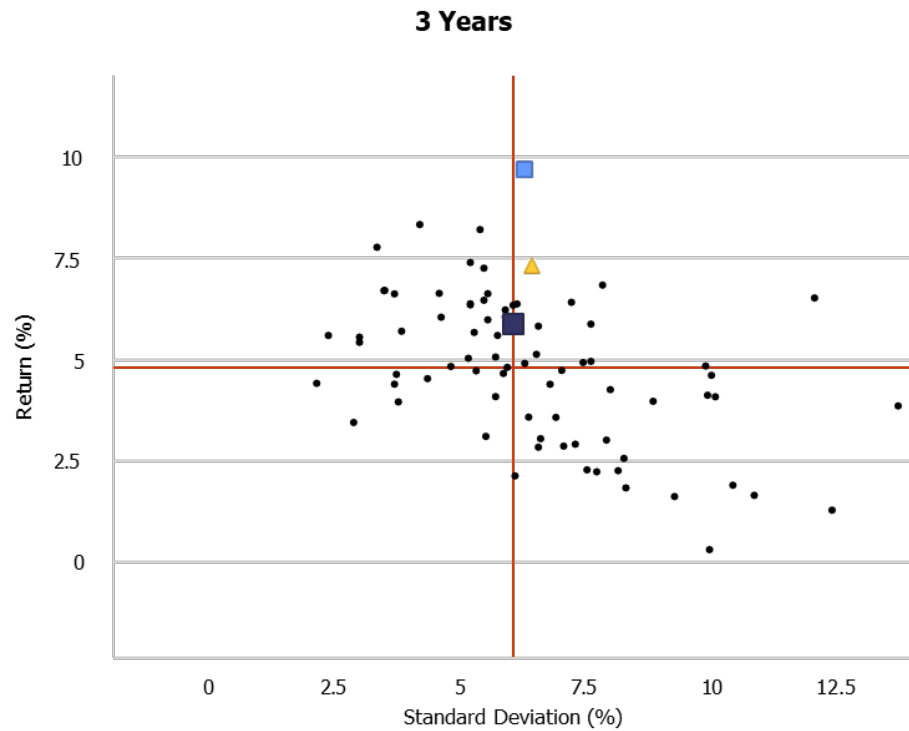


Rolling 5 Yrs. Excess Returns

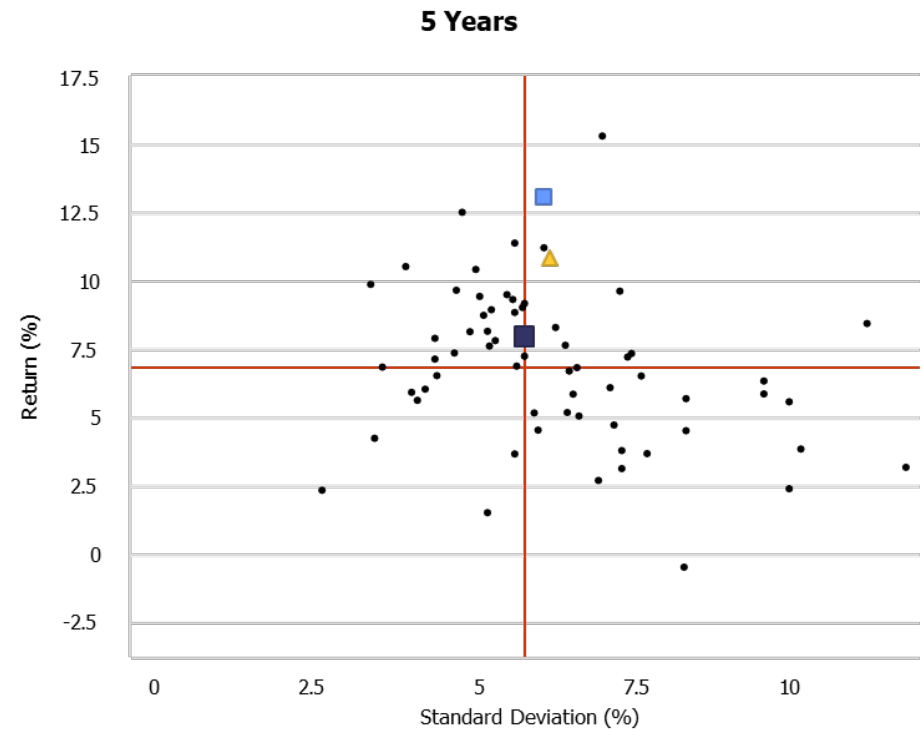


Source: eVestment

Finalists – Risk vs Reward (as of 3/31/2025)



- Multi-Asset Credit Fixed Income
- ▲ KKR GCOF
- + Multi-Asset Credit Fixed Income
- ICG GTC
- 50/50 Blend: LSTA Levered Loan / Bloomberg US HY 2%

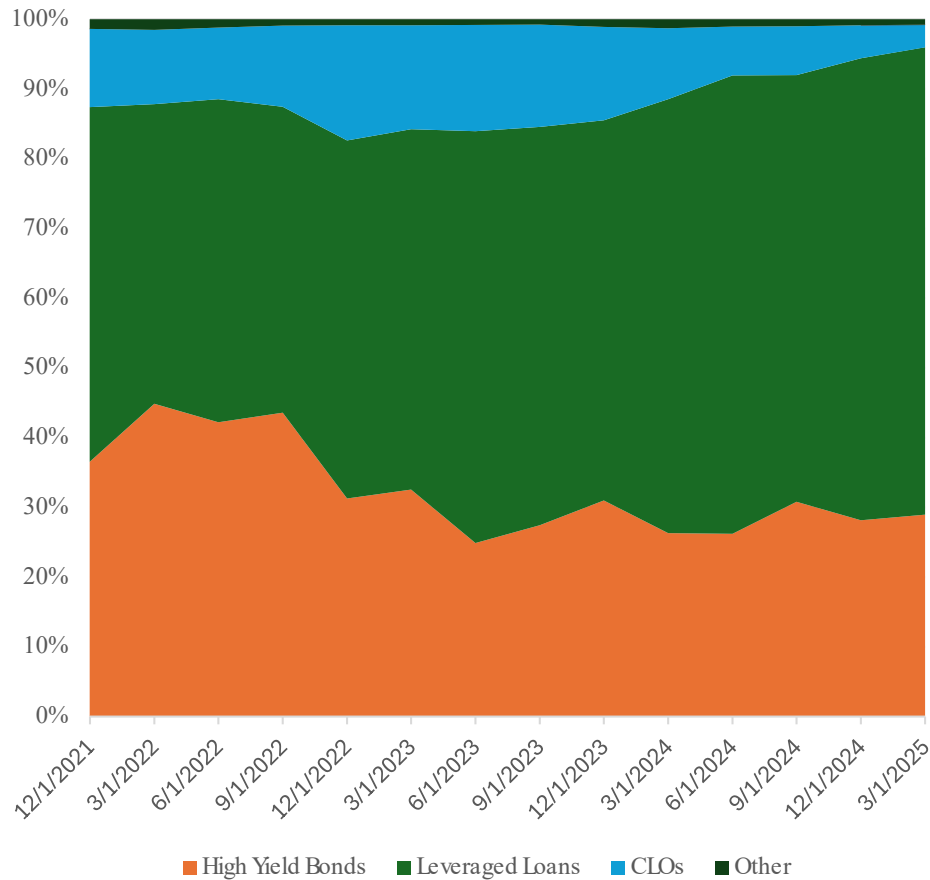


- Multi-Asset Credit Fixed Income
- ▲ KKR GCOF
- + Multi-Asset Credit Fixed Income
- ICG GTC
- 50/50 Blend: LSTA Levered Loan / Bloomberg US HY 2%

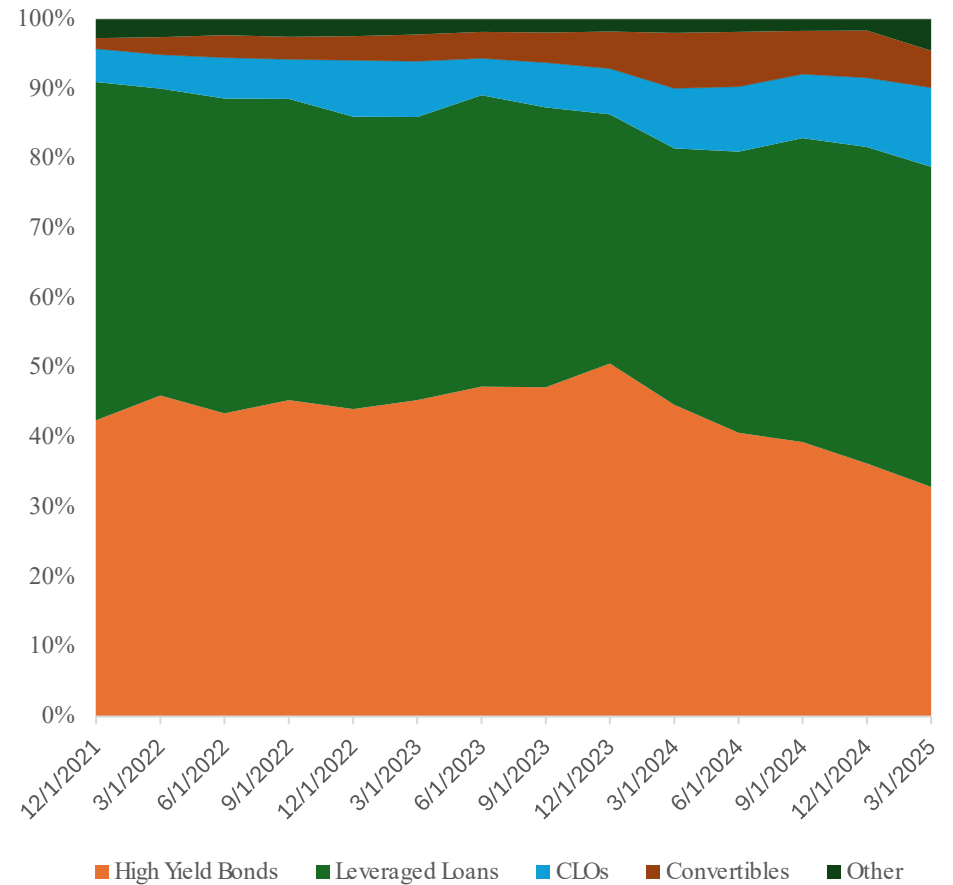
Source: eVestment

Finalist Allocation Comparison – by Issuance Type

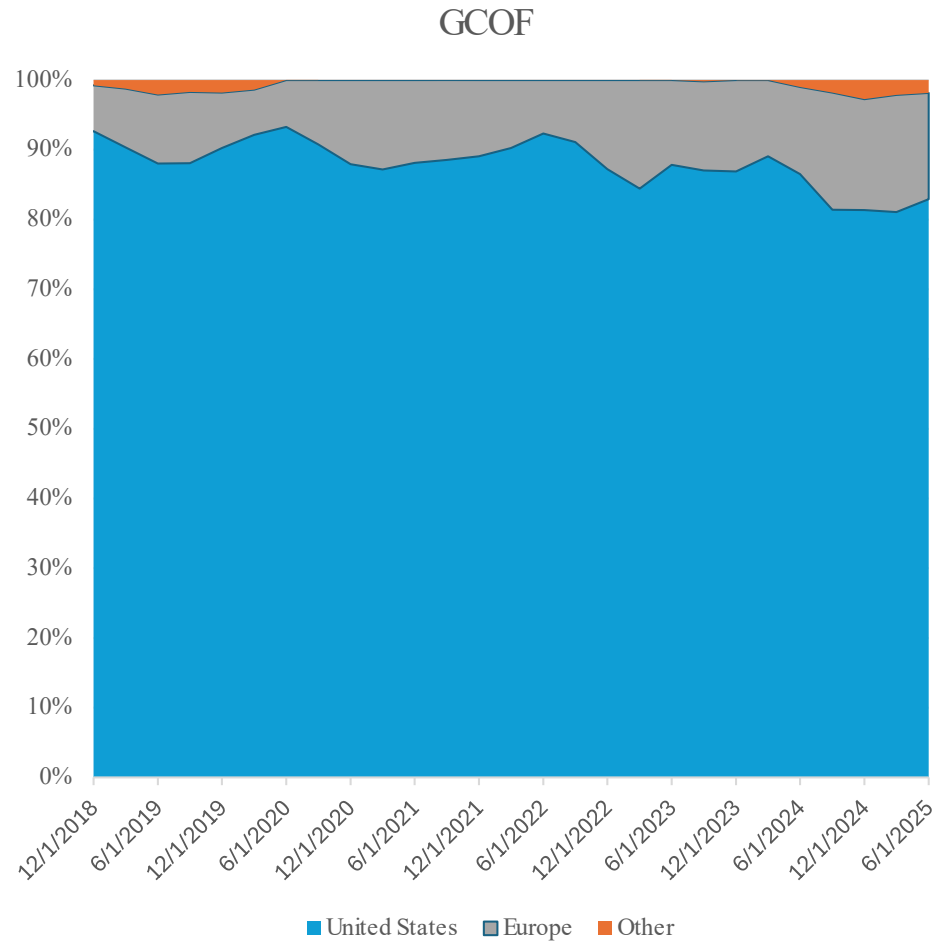
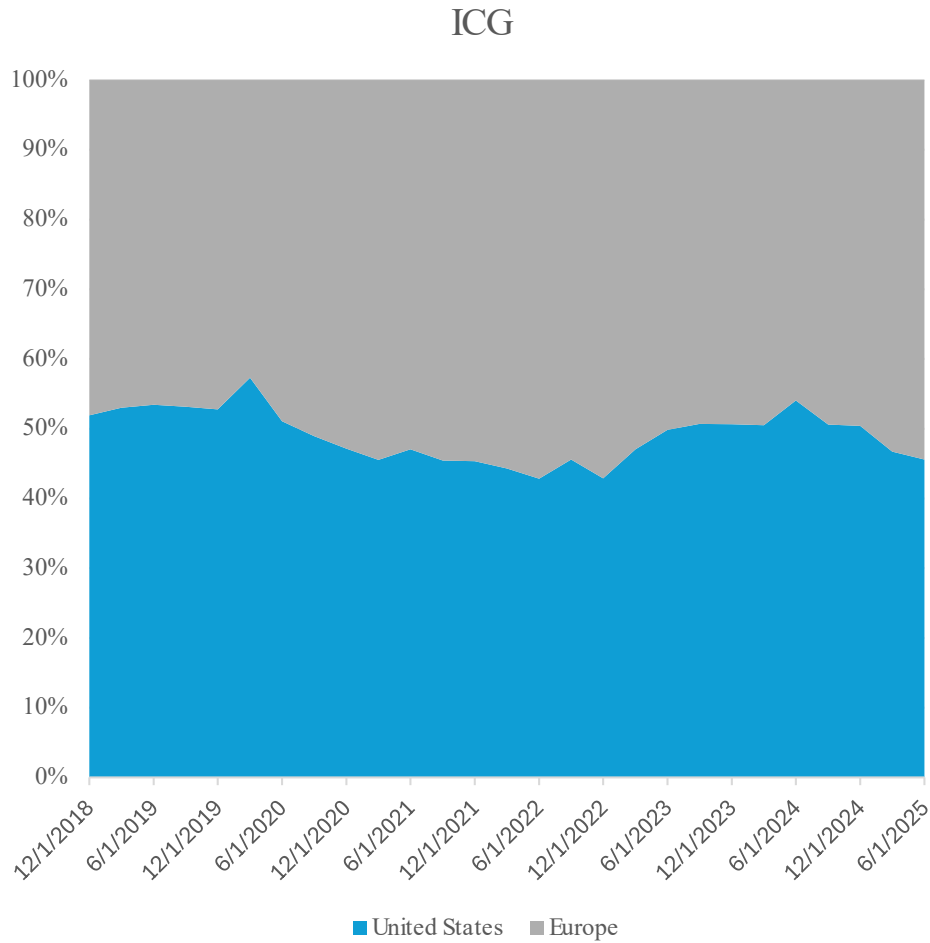
ICG



GCOF

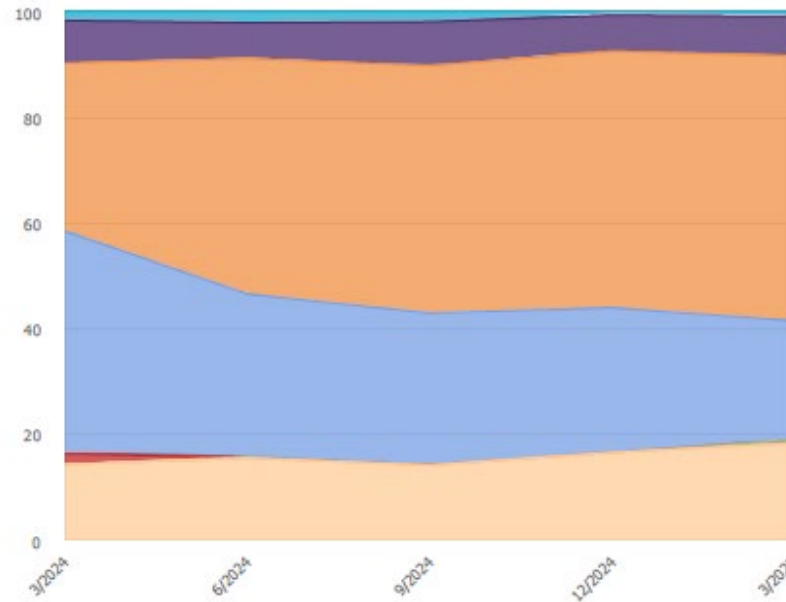


Finalist Allocation Comparison – by Geography



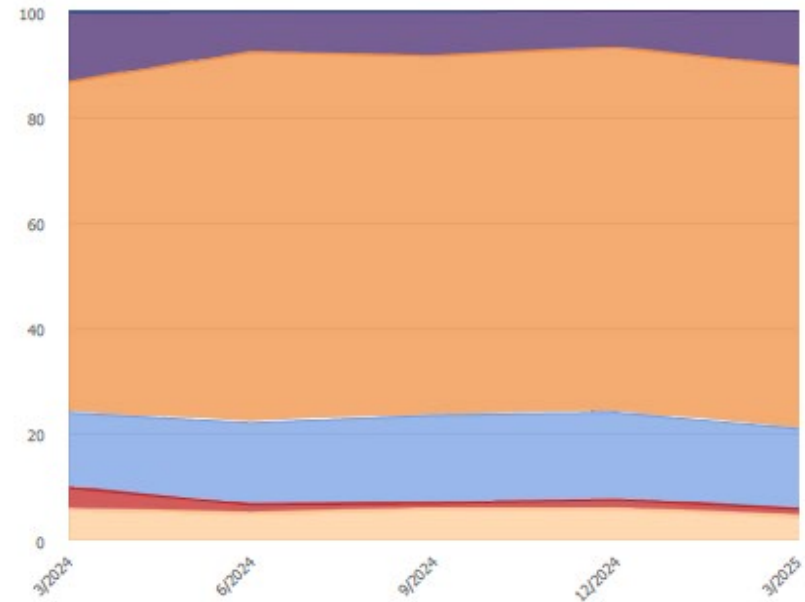
Finalist Allocation Comparison – by Rating

Kohlberg Kravis Roberts & Co.



	3/2024	6/2024	9/2024	12/2024	3/2025
	%	%	%	%	%
Government Guaranteed: Current	0.0	0.0	0.0	0.0	0.0
AAA/Aaa: Current	0.0	0.0	0.0	0.0	0.0
AA/Aa: Current	0.0	0.0	0.0	0.0	0.0
A: Current	0.1	0.1	0.1	0.1	0.1
BBB/Baa: Current	1.8	2.2	2.0	0.8	1.0
BB/Ba: Current	8.1	6.8	8.3	6.8	7.5
B: Current	31.9	44.6	46.8	48.6	50.1
CCC/Caa: Current	42.1	31.0	28.8	27.4	22.7
CC/Ca: Current	2.0	0.0	0.0	0.0	0.2
C: Current	0.0	0.1	0.0	0.0	0.4
Distressed Debt: Current	0.0	0.0	0.1	0.0	0.0
Not Rated: Current	14.1	15.3	13.9	16.3	18.1

Intermediate Capital Group PLC



	3/2024	6/2024	9/2024	12/2024	3/2025
	%	%	%	%	%
Government Guaranteed: Current	0.0	0.0	0.0	0.0	0.0
AAA/Aaa: Current	0.0	0.0	0.0	0.0	0.0
AA/Aa: Current	0.0	0.0	0.0	0.0	0.0
A: Current	0.0	0.0	0.0	0.0	0.0
BBB/Baa: Current	0.2	0.2	0.2	0.0	0.1
BB/Ba: Current	13.2	7.7	8.4	7.0	10.4
B: Current	62.7	70.1	68.0	69.1	68.6
CCC/Caa: Current	14.2	15.5	16.6	16.4	15.2
CC/Ca: Current	4.1	1.7	1.2	1.8	1.4
C: Current	0.0	0.0	0.0	0.0	0.0
Distressed Debt: Current	0.0	0.0	0.0	0.0	0.0
Not Rated: Current	5.5	4.7	5.6	5.6	4.3

Source: eVestment



Finalists – Correlation of Excess Returns to DPFP Managers

Correlation of Manager Excessive Return
vs 50/50 US HY/Levered Loan Benchmark
(Excess return – 5 Yr. as of March 31, 2025)

	Aristotle Pacific Bank Loans	Loomis Sayles US High Yield	ICG GTC	KKR GCOF
ICG Global Total Credit Fund	0.43	-0.47	1.0	
KKR Global Credit Opportunities Fund	0.36	-0.35	0.71	1.0

Benchmark: 50/50 US HY/Levered Loan Index

A consideration when combining managers within a multi-manager portfolio is the co-movement, or correlation, of their excess returns over time. Excess returns are defined as an individual manager's performance relative to the index. Ideally, each manager within the portfolio will exhibit a low correlation of excess returns with other managers in the multi-manager program.



5796 Armada Drive
Suite 110
Carlsbad, CA 92008

760.795.3450
Meketa.com

MEMORANDUM

TO: Dallas Police & Fire Pension System
FROM: Leandro Festino, Aaron Lally, Colin Kowalski, Mark Mckeown, Ricky Pamensky, Meketa
DATE: August 14, 2024
RE: DPFP Multi-Asset Credit Manager Search Process

Background

At the April 2025 meeting, the DPFP Investment Advisory Committee (IAC) approved a Multi-Asset Credit ("MAC") manager search, based on the recommendation from Staff, and supported by Meketa. In this document we provide a high-level review of the process followed by Staff in conjunction with Meketa under the guidance of the Investment Advisory Committee.

Manager Search Process

- Fall 2024:
 - Meketa and DPFP Staff ("Staff") initiated discussions around the public credit allocation and possible introduction of a Multi-Asset Credit mandate.
- January 2025:
 - The IAC reviewed the inclusion of a Multi-Asset Credit mandate through the public credit structure review.
- February 2025:
 - The Board reviewed and approved the inclusion of a Multi-Asset Credit mandate through the public credit structure review.
- March 2025:
 - Staff began initial diligence on a wide range of strategies, ultimately meeting with 23 different managers offering a variety of approaches to MAC. 13 of the strategies were formally rated by Meketa. Meketa offered informal views on all unrated strategies.
 - Following initial diligence meetings and discussions with Meketa, the list was narrowed to a shortlist, which was presented at the April IAC meeting.
- April 2025:
 - The IAC formally approved the search process at the April 24th, 2025 meeting.
 - Staff drafted the RFP questions and Meketa reviewed, suggesting a few minor edits.
 - The RFP was issued to 11 strategies offered by 10 firms on April 28th with a submission deadline of May 23rd.



August 14, 2025

→ June 2025:

- After reviewing the RFP responses and deliberating with Meketa, Staff narrowed the focus of the search towards high conviction, concentrated MAC approaches.
- After completing the initial review, Staff held a call with Meketa to discuss views on each of the firms, possible areas of concern and fit within the broader Public Credit Portfolio. Staff and Meketa agreed to narrow the list down to four semi-finalists.

→ July 2025:

- Staff, after more discussion with Meketa, then selected two finalist products, KKR Global Credit Opportunities Fund (“GCOF”) and ICG Global Total Credit Fund. Meketa concurred with Staff.
- Staff held an additional diligence meeting with both finalist firms which further strengthened their conviction in each.
- The IAC interviewed the two finalist firms, KKR and ICG, at the July 24th meeting and voted to recommend ICG for the mandate.

Summary and Recommendation

DPFP Investment Staff has carried out a thoughtful, comprehensive, robust and well documented process to identify qualified firms to manage the Multi-Asset Credit mandate. The process was transparent and carried out under the guidance of the IAC, with extensive collaboration with Meketa. We believe that Staff, the IAC and Meketa’s efforts on this search are in line with guidance provided in the Investment Policy Statement (IPS) and consistent with industry best practices.

Meketa supports the IAC’s decision to recommend ICG Global Total Credit Fund for the mandate.

We would be pleased to elaborate on this topic at the August 14th, 2025 Board of Trustees meeting. In the meantime, if we can be of assistance, please don’t hesitate to contact us at (760) 795-3450.

LF/AL/CK/MM/RP/sf



Appendix

Minimum Requirements:

1. Five-year multi-asset credit track record.
2. Compliance with Global Investment Performance Standards (GIPS).
3. Clean legal and regulatory track record for past five years.
4. Minimum \$5 billion in firm AUM and \$800 million in Multi-Asset Credit AUM.

Evaluation Criteria:

1. A variety of fund vehicles may be considered.
2. Clearly defined investment philosophy and process that engenders DPFP staff conviction.
 - a. Preference for credit strategies that incorporate a wide range of public credit instruments (bonds, loans, structured, etc.) and have a demonstrated skillset in leveraging changes in the relative value between those instruments.
3. Appropriate fit within DPFP's Public Credit Portfolio.
4. Organization strength and stability.
 - a. Qualifications and stability of key firm personnel.
 - b. Employee and ownership diversity metrics, trends, and initiatives, including leadership roles.
 - c. Firm and Product AUM is stable or growing modestly and provides solid financial footing.
 - d. Organization structure is stable and appropriate.
 - e. Ownership plans and trends are clear and support organization strength and stability.
 - f. Clean regulatory, compliance and audit history.
 - g. Well-diversified client base across firm and product.
5. Investment Team, Philosophy and Process.
 - a. Qualifications of key investment personnel for strategy.
 - b. Succession planning and investment team stability.
 - c. Well defined investment philosophy and process.
 - d. Well defined risk controls.
6. Investment reporting appropriately explains positioning and key drivers of performance (absolute and relative).
7. Fees will be evaluated relative to the reporting universe and candidates under consideration.



Dallas Police and Fire Pension System

July 2025

Multi-Asset Credit Manager
Search



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Table of Contents

- 1. Manager Candidates**
 - KKR GCOF
 - ICG Total Credit
- 2. Historical Performance, Portfolio Characteristics, and Management Fees**
- 3. Glossary**



Dallas Police and Fire Pension System
Multi-Asset Credit Manager Search

Manager Candidates



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Manager Overviews As of March 31, 2025

	KKR	ICG
Firm Location	New York, NY	London, UK
Firm Inception	1976	1989
Ownership Structure	Publicly Traded	Publicly Traded
Strategy Name	Global Credit Opportunities (GCOF)	Global Multi-Asset Credit
Benchmark	50% ICE BofA US High Yield 50% LSTA Leveraged Loan	Custom Index ¹
Strategy Inception	May 2008	Nov 2017
Assets Under Management (Firm)	\$664 billion	\$112 billion
Assets Under Management (Strategy)	\$4.7 billion	\$1.1 billion

¹ 35% ICE BofA US Non-Financial High Yield Constrained Index, 35% S&P UBS Institutional Leveraged Loan Index, 15% ICE BofA European Currency Non-Financial High Yield 3% Constrained Index and 15% S&P UBS Institutional Western European Leveraged Loan Index.



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

KKR GCOF

Firm Overview

- KKR is a publicly traded New York based global investment firm founded in 1976 by Jerome Kohlberg, Henry Kravis, and George Roberts. The business initially focused on US Private Equity ("PE") but expanded globally in the 1990s and into credit in 2004. KKR operates through three primary business segments: Private Markets, Public Markets and Capital Markets. KKR's primary business lines are augmented by operational consultants, advisors, public affairs executives, capital raising executives and macro research professionals.
- As of March 2025, KKR managed a total of \$664 billion with \$253 billion in credit. The GCOF strategy, launched in May 2008, is managed within the leveraged credit platform, and had \$4.7 billion AUM.

Investment Team Overview

- The GCOF team is led by Chris Sheldon, Partner & Head PM. The strategy has a dedicated Investment Committee, the KKR Credit US Leveraged Credit IC, comprised of Mr. Sheldon, John Reed (Partner and Head Trader), Jeremiah Lane, James Newman, Dima Mostovoy and Richard Schoenfeld. Chris Sheldon, Jeremiah Lane, Richard Schoenfeld and James Newman are the primary portfolio managers for GCOF. The senior members of the investment team have been working together for over a decade.
- Although not on the portfolio management team, Henry McVey also contributes to the process from the top down as the Global Head of Macro, he joins the portfolio managers on a weekly basis to discuss his views.



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

KKR GCOF (continued)

Investment Philosophy and Process

- The team is trying to exploit the broad market's inability to appropriately assess credit risk. Their deep, fundamentally driven approach allows them to capitalize upon market mis-pricings, thereby adding value for their investors. Although top-down macro-economic overlay influences their portfolio construction, the bulk of GCOF's alpha relies on detailed bottom-up, security-based credit analysis.
- They construct a portfolio by (i) identifying attractive risk/return credits and securities where they are comfortable with the credit and (ii) weighting these credits based on conviction of the risk/return profile and availability in the marketplace. They then review the portfolio to identify specific risks (i.e., commodity, industry) as well as market risk (i.e., duration, beta) and adjust to where they are comfortable.
- KKR Credit will only invest in a credit once it has undergone a deep due diligence analysis and the respective Investment Committee ("IC") has determined that we have a competitive advantage via their sourcing, analysis, or diligence findings. The IC approves or removes credits for their approved credit list. The Portfolio Management Committee ("PMC") has direct oversight and monitoring of process and approval of key limits and allocations.
- Sponsor due diligence is a key part of their investment process. They evaluate a sponsor's track record and experience in the industry as well as their motivations and investment thesis behind an investment. When doing diligence on a KKR sponsored company, their analysts spend a lot of time with their private equity teams to ensure they understand their investment thesis and industry views.
- Their portfolio composition is organized into investment themes that take advantage of credit market dislocations, spanning asset types and liquidity profiles. In all there will be roughly 100 trades in the portfolio.



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

ICG Total Credit

Firm Overview

- ICG is a global alternative asset manager founded in 1989 with approximately \$112 billion of assets under management as of March 2025. ICG is headquartered in London but has a global presence with offices across North America, Europe and Asia. ICG has been listed on the London Stock Exchange since 1994 (LSE: ICG) and invests across four business verticals: Structured Capital & Private Equity, Private Debt, Real Assets and Credit.
- The Global Multi-Asset Credit Strategy was inceptioned in November 2017 and had \$1.1 billion in AUM as of March 2025.

Investment Team Overview

- The investment team responsible for the proposed strategy is ICG's Credit Fund Management team ("CFM"). CFM is responsible for over \$17 billion in assets under management senior secured loans, high yield bonds, and structured credit
- The Global-Multi Asset Credit Strategy is led by Harry Sugiarto based in London, and Ron Attar based in New York. They are supported by 10 sector-specializing credit analysts in the US and 11 in Europe, who are based in New York and London respectively. There is a dedicated CLO investment team led by Sridhar Beareilly.
- Analysts are sector and region focused, covering both loans and bonds across the platform. Portfolio Managers are generalists with extensive credit experience and are focused on managing their strategies.



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

ICG Total Credit (continued)

Investment Philosophy and Process

- They believe in capital preservation with excess returns generated through comprehensive analysis of companies combined within a relative value framework. This approach enables them to exploit market inefficiencies while remaining true to investing in good quality credits. Portfolio construction is name-by-name, rather than top-down or thematic.
- The team believes that highly diversified portfolios dilute the value-add from credit selection and therefore they run more concentrated portfolios comprised of 100-125 credits.
- The strategy's opportunity set consists of senior secured loans, high yield bonds, CLO debt, and special situation investments in the US and Europe. The strategy has a hard limit of 30% exposure to CLO debt, and a soft limit in the low 20% range. A team of credit analysts review each new opportunity that comes to market and considers its credit quality to determine whether it is in line with the high-level investment criteria of ICG's credit funds and whether it should be added to the coverage universe.
- If a credit is deemed appropriate, the analyst will undertake a detailed review of the company and the sector within which it operates, resulting in a detailed investment proposal being presented to the Investment Committee. The role of the IC is to evaluate credit/default risk, so the parameter for approving investments is based on a company's strengths and weaknesses and its ability to repay debt. If approved, the issue is added to the buy/approved list.
- The Portfolio Managers are ultimately responsible for buy and sell decisions. Their responsibilities include credit selection, sizing, asset allocation and portfolio construction. Portfolio Managers can only buy names that are on a buy recommendation, within the approved limits.



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Historical Performance, Portfolio Characteristics, and Management Fees



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Portfolio Characteristics As of March 31, 2025

	KKR	ICG	50% ICE BofA HY / 50% LSTA LL
Portfolio Profile:			
Average Duration	1.1	0.8	1.7
Average Coupon	10.0	7.6	7.0
Yield to Worst	8.9	9.6	7.9
Average Price	95.4	91.0	96.9
Average Quality	B-	B	B
Credit Quality Breakdown (%):			
AAA, AA, and A	0	-	0
BBB	1	0	1
BB	8	10	32
B	50	69	56
CCC or Lower	23	17	11
Not Rated	18	4	1
Sector Allocation (%):			
U.S. IG Corporate Bonds	1	-	-
US High Yield Corporate Bonds	33	13	50
Developed HY Corp. Bonds	-	16	-
EM Corporate & Sovereign	-	-	-
CLOs	11	3	-
Other Structured Credit	-	-	-
Bank Debt (Leveraged Loans)	46	67	50
Convertible Bonds	5	-	-
Equity	3	0	-
Private Credit	-	-	-
Cash Equivalents	-	-	-
Other	-	1	-
Portfolio Concentration:			
Number of Issues	350	229	3,230
Number of Issuers	286	169	1,679
% of portfolio in top 10 issuers	22	19	6
% of portfolio in top 25 issuers	44	38	10



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Trailing and Calendar Year Performance (net of fees) As of June 30, 2025

	KKR	ICG	50% LSTA LL / 50% BBG US HY 2%
Trailing Period Returns (%):			
YTD	3.2	3.3	3.7
1 Year	7.7	9.1	8.8
3 Years	11.8	13.9	9.8
5 Years	8.7	10.8	6.7
7 Years	6.5	7.9	5.5
10 Years	7.3	---	5.3
Calendar Year Returns (%):			
2024	10.8	12.8	8.6
2023	20.4	22.4	13.4
2022	-9.5	-6.6	-6.0
2021	7.5	11.8	5.2
2020	8.0	5.3	5.1
2019	8.9	9.2	11.5
2018	2.5	2.8	-0.8
2017	9.9	---	5.8
2016	21.4	---	13.6
2015	-1.5	---	-2.6



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Common Period¹ Historical Risk-Adjusted Returns (net of fees)² As of June 30, 2025

	KKR	ICG	50% LSTA LL / 50% BBG US HY 2%
Performance:			
Common Period Performance (%)	6.6	7.8	5.2
Up Period Percent (%)	64	67	NA
Down Period Percent (%)	56	63	NA
Risk Measures:			
Standard Deviation (%)	8.1	8.7	6.7
Tracking Error (%)	2.8	4.0	NA
Beta	1.15	1.17	1.00
Correlation to Benchmark	0.95	0.90	1.00
Downside Deviation (%)	10.4	12.1	8.0
Upside Capture (%)	117	120	NA
Downside Capture (%)	104	90	NA
Risk-Adjusted Performance:			
Jensen Alpha (%)	1.02	2.11	NA
Sharpe Ratio	0.51	0.60	0.41
Information Ratio	0.51	0.64	NA

¹ Common period is December 2017.

² Risk Statistics calculated vs the 50% LSTA Leveraged Loan Index / 50% Bloomberg US Corporate High Yield 2% issuer cap index



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Trailing Three-Year Rolling Excess Returns (net of fees)¹ April 2011 to June 2025



As of 06/30/2025	Total Periods	Periods Outperformed	Percentage (%)	Average Excess Return (%)	Median Excess Return (%)	Max (%)	Min (%)	Range (%)
KKR	171	170	99	3.7	2.7	13.1	-0.2	13.3
ICG	56	56	100	3.0	3.0	6.4	0.3	6.1

¹ Rolling excess returns calculated vs the 50% LSTA Leveraged Loan Index / 50% Bloomberg US Corporate High Yield 2% issuer cap index.

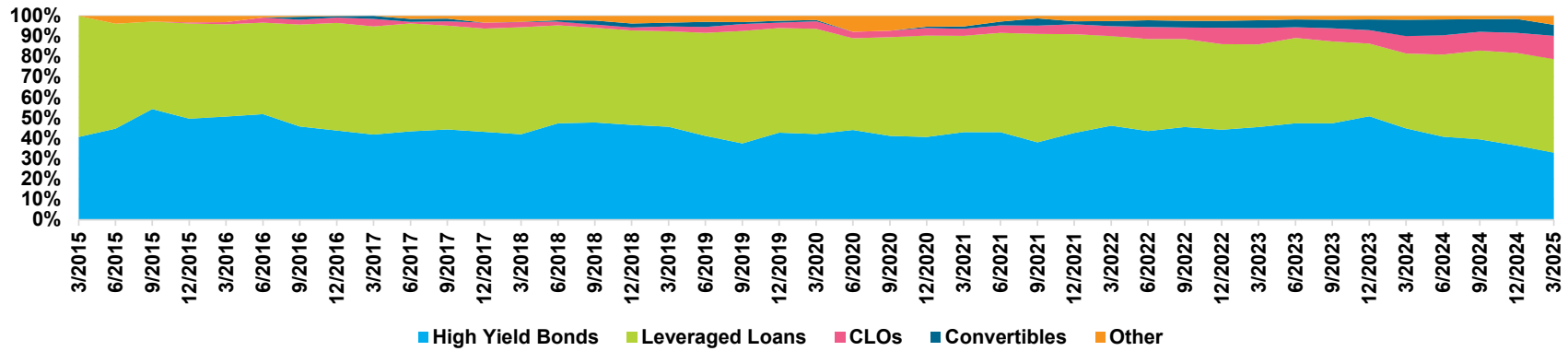


Dallas Police and Fire Pension System

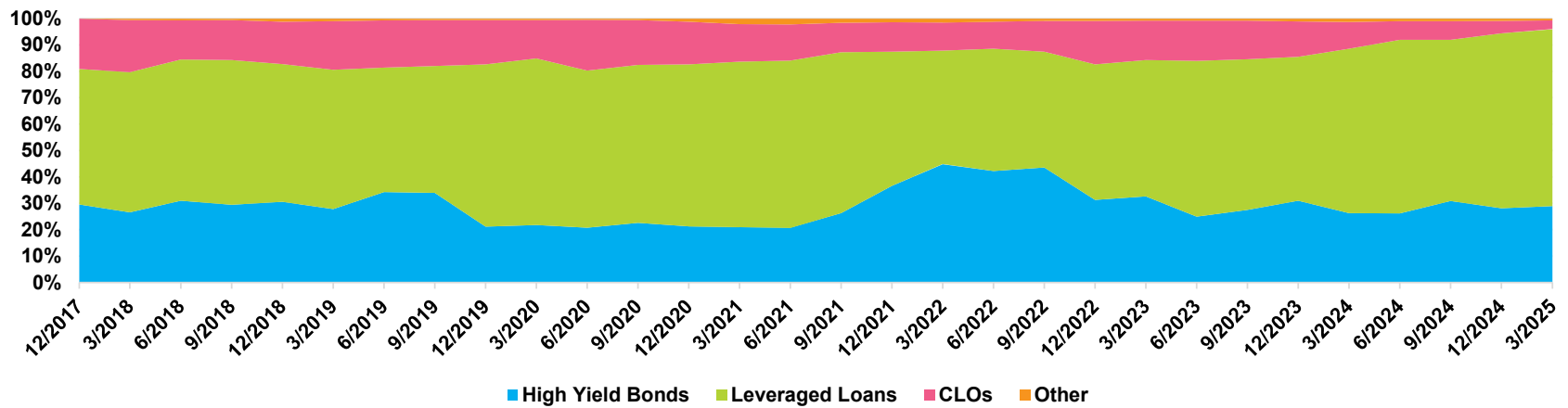
Multi-Asset Credit Manager Search

Historical Sector Exposures

KKR



ICG





Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

Performance and Positioning Commentary

→ KKR GCOF

- The GCOF strategy has consistently performed very well since inception in May 2008, outperforming the blended 50% LSTA lev Loan / 50% BBG US HY 2% Cap index 99% of the time (net of fees) over three year rolling periods by an average of 372 basis points.
- Relative to the index the strategy takes on meaningfully more risk through CCC exposure and is relatively concentrated in the top 25 issuers (44% MV).
- The team has managed risk well through time given the higher beta than the index but relative to ICG they have protected less on the downside over the common period.

→ ICG Total Credit

- ICG's strategy has also consistently outperformed the index since inception in November 2017. The strategy has averaged an excess return over three year rolling periods of 304 basis points net of fees.
- Over this shorter track record they have outperformed the KKR GCOF strategy primarily given additional exposure to floating rate debt during a period where loans have meaningfully outperformed bonds.
- The ICG strategy has more of a global focus than GCOF through both their European loan and European high yield bond allocations.



Dallas Police and Fire Pension System
Multi-Asset Credit Manager Search

Glossary



Dallas Police and Fire Pension System

Multi-Asset Credit Manager Search

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.

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.

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.

Tracking Error: This statistic measures the standard deviation of excess returns relative to a benchmark. Tracking error is calculated by multiplying the standard deviation of the monthly excess returns of a portfolio relative to a benchmark by the square root of twelve in order to annualize. The higher the tracking error, the greater the volatility of excess returns relative to a benchmark.

Upside/Downside Market Capture: A measure of the manager's performance in up(down) markets relative to the market itself. For UMC, a value of 110 suggests the manager performs ten percent better than the market when the market is up during the selected time period. For DMC, A value of 90 suggests the manager's loss is only nine tenths of the market's loss during the selected time period. The Upside/Downside Capture Ratio is calculated by dividing the return of the manager during the up market periods by the return of the market for the same period. Generally, the higher the UMC Ratio and lower the DMC, the better (If the manager's UMC Ratio is negative, it means that during that specific time period, the manager's return for that period was actually negative and if the DMC is negative, the manager's return for that period was actually positive)

Up/Down Period Percent: Measures the number of periods that a fund outperformed the benchmark when the benchmark return was greater(less) or equal to than 0%, divided by the number of periods that the benchmark return was greater(less) than or equal to 0%. The larger the ratio, the better, indicating the percentage of periods that the product outperformed the benchmark in an up(down) market.

Sources:

www.evestment.com



Disclaimer

THIS REPORT (THE "REPORT") HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

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

THE INFORMATION USED TO PREPARE THIS REPORT MAY HAVE BEEN OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. SOME OF THIS REPORT MAY HAVE BEEN PRODUCED WITH THE ASSISTANCE OF ARTIFICIAL INTELLIGENCE ("AI") TECHNOLOGY. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY, ADEQUACY, VALIDITY, RELIABILITY, AVAILABILITY, OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN, WHETHER OBTAINED EXTERNALLY OR PRODUCED BY THE AI.

THE RECIPIENT SHOULD BE AWARE THAT THIS REPORT MAY INCLUDE AI-GENERATED CONTENT THAT MAY NOT HAVE CONSIDERED ALL RISK FACTORS. THE RECIPIENT IS ADVISED TO CONSULT WITH THEIR MEKETA ADVISOR OR ANOTHER PROFESSIONAL ADVISOR BEFORE MAKING ANY FINANCIAL DECISIONS OR TAKING ANY ACTION BASED ON THE CONTENT OF THIS REPORT. WE BELIEVE THE INFORMATION TO BE FACTUAL AND UP TO DATE BUT DO NOT ASSUME ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS IN THE CONTENT PRODUCED. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OR ANY DAMAGES WHATSOEVER, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORT, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THIS CONTENT. IT IS IMPORTANT FOR THE RECIPIENT TO CRITICALLY EVALUATE THE INFORMATION PROVIDED.

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 REPORT 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 REPORT.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.



DISCUSSION SHEET

ITEM #C11

Topic: **Report on the Investment Advisory Committee**

Discussion: The Investment Advisory Committee met on July 24, 2025. The Committee Chair and Investment Staff will comment on Committee observations and advice.

Regular Board Meeting – Thursday, August 14, 2025



DISCUSSION SHEET

ITEM #C12

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 DPFP and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.

- a. DPFP v. City of Dallas**
- b. Dallas Police Retired Officers Association v. DPFP**

Discussion:

Counsel will brief the Board on these issues.

Regular Board Meeting – Thursday, August 14, 2025



DISCUSSION SHEET

ITEM #C13

Topic: Recognition of Outgoing Trustee

Discussion: The term of Marcus Smith (3 years of service as a Trustee) is expiring, and his successor is set to begin their term as Trustee on September 1.

Staff and the Board would like to thank Mr. Smith for his service to the Board and the members.

Regular Board Meeting – Thursday, August 14, 2025



DISCUSSION SHEET

ITEM #D1

Topic: Public Comment

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

Regular Board Meeting – Thursday, August 14, 2025



DISCUSSION SHEET

ITEM #D2

Topic: Executive Director's Report

- a. Associations' newsletters
 - [NCPERS Monitor August 2025](#)
 - [NCPERS PERSist Summer 2025](#)
- b. Open Records

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

Regular Board Meeting – Thursday, August 14, 2025