



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



# Portfolio Update

*July 10, 2025*

*Board Meeting*

# Executive Summary

- **Estimated YTD Return (through 6/30):** 7.3% for DPFP Portfolio; 9.4% for Public Portfolio which makes up 80.7% of the assets.
- Direct Lending: KKR legal review has been completed, and subscription docs were submitted for the 6/30/25 closing. Golub legal review is underway, next closing date is 9/30/25.
- Staff conducted semi-final interviews with a group of 4 Multi Asset Credit (MAC) managers after initial review of 11 RFP responses. Staff is planning to narrow the search to two finalists prior to conducting on site due diligence. The finalist firms will present at the July 24<sup>th</sup> IAC meeting.
- Staff and Meketa continue to monitor the portfolio for potential rebalancing opportunities.

# 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
- Diligence of Secondary Private Equity Funds
- Diligence of Additional Private Credit Investments

## Q4 2025 & Beyond

- MAC Manager Selection and Funding
- Possible Global Equity Value Search

# Asset Class Returns (as of 6/30/25)

2010–2024		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Ann.	Vol.																
Large Cap	Small Cap	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Comdty.	Large Cap	Large Cap	DM Equity
13.9%	20.6%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	25.0%	19.9%
Small Cap	EM Equity	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	Small Cap	EM Equity
10.3%	17.9%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	11.5%	15.6%
REITs	REITs	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Comdty.	High Yield	Small Cap	Asset Alloc.	Asset Alloc.
9.4%	16.8%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	10.0%	7.0%
Asset Alloc.	DM Equity	Comdty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Comdty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	High Yield	High Yield
7.2%	16.5%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	9.2%	6.8%
High Yield	Comdty.	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	EM Equity	Large Cap
5.9%	16.1%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	8.1%	6.2%
DM Equity	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Comdty.	Comdty.
5.7%	15.1%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	5.4%	5.5%
EM Equity	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash	Fixed Income
3.4%	10.4%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	5.3%	4.0%
Fixed Income	High Yield	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Comdty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	REITs	Cash
2.4%	9.4%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	4.9%	2.1%
Cash	Fixed Income	Fixed Income	Comdty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Comdty.	DM Equity	Comdty.	Comdty.	Fixed Income	Small Cap	Cash	DM Equity	REITs
1.2%	4.7%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.3%	1.8%
Comdty.	Cash	Cash	EM Equity	Comdty.	Comdty.	Comdty.	Comdty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Comdty.	Fixed Income	Small Cap
-1.0%	0.9%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	1.3%	-1.8%

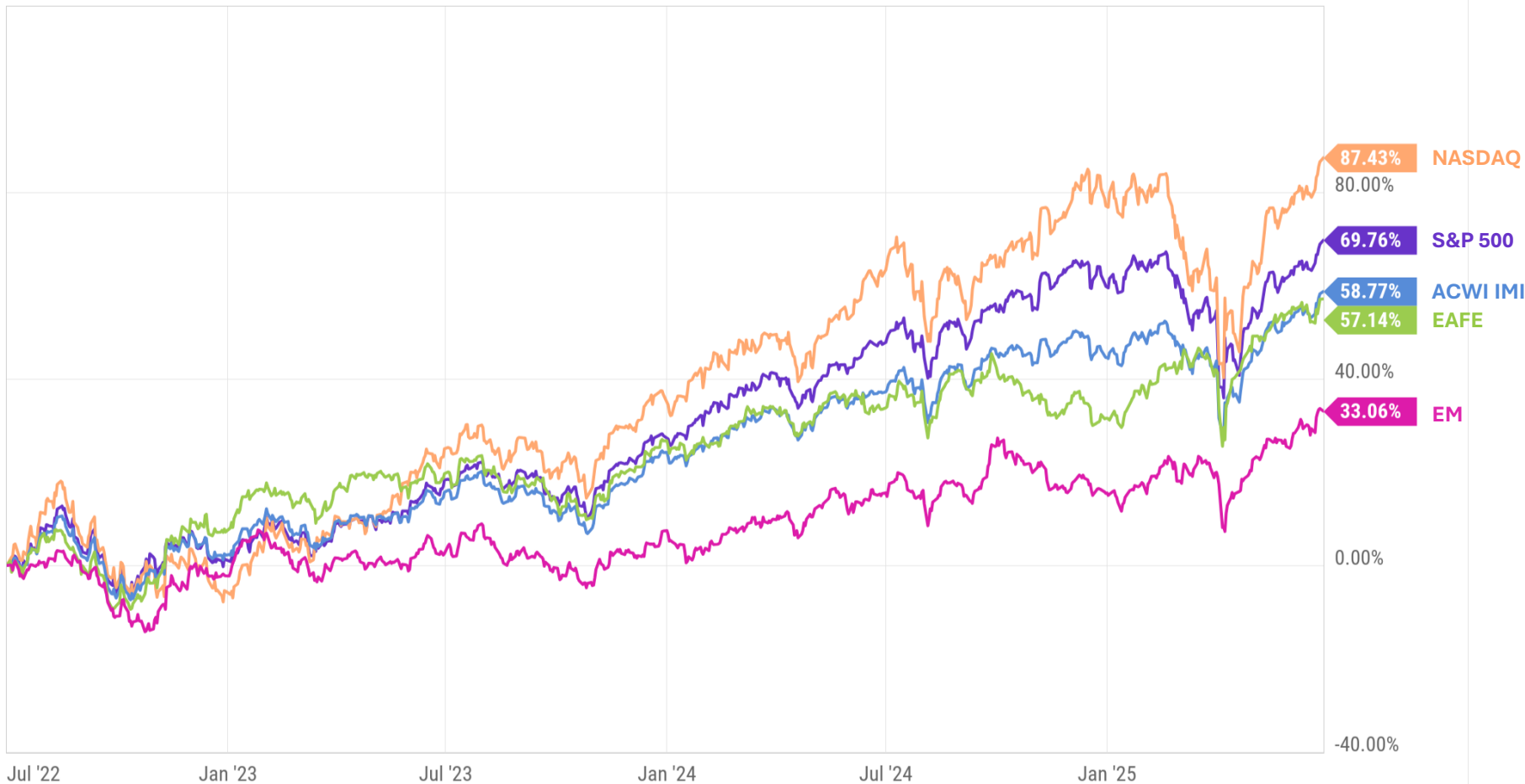
Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index, and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2009 to 12/31/2024. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of June 30, 2025.

# Equity Market Returns (3 Years Ending 6/30/25)

	ANN
● S&P 500 Total Return (^SPXTR) Level % Change	19.31%
● Nasdaq Composite Total Return (^NACTR) Level % Change	23.32%
● MSCI ACWI IMI Net Total Return (^MSACIMNTR) Level % Change	16.68%
● MSCI EAFE Net Total Return (^MSEAFENTR) Level % Change	16.28%
● MSCI Emerging Markets Net Total Return (^MSEMNTNTR) Level % Change	10.00%



Jul 7, 2025, 4:30 PM EDT Powered by **YCHARTS**

# Public Markets Performance Snapshot

Public Markets made up 80.7% of DPFP Investment Portfolio.

Trailing Net Performance | As of June 30, 2025

Performance Summary Ending June 30, 2025		Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>Total Public Portfolio</b>		1,686,034,572	3.3	9.4	13.7	13.4	9.1
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>			3.5	8.9	13.2	11.1	7.5
<b>Public Equity</b>		1,210,621,447	4.1	11.8	16.8	16.3	13.1
<i>MSCI AC World IMI Index (Net)</i>			4.5	9.8	15.9	16.8	13.4
Boston Partners Global Equity Fund		142,426,616	3.6	22.1	24.1	18.4	18.0
<i>MSCI World Net</i>			4.3	9.5	16.3	18.3	14.6
Manulife Global Equity Strategy		129,854,571	3.5	9.5	11.7	14.5	12.9
<i>MSCI ACWI Net</i>			4.5	10.0	16.2	17.3	13.7
Walter Scott Global Equity Fund		128,556,310	2.3	6.1	7.4	14.1	10.6
<i>MSCI ACWI Net</i>			4.5	10.0	16.2	17.3	13.7
WCM Global Equity		140,595,815	4.2	15.2	32.1	--	--
<i>MSCI AC World Index Growth (Net)</i>			5.1	9.3	16.7	21.4	13.9
NT ACWI Index IMI		452,284,397	4.6	10.1	16.2	17.2	--
<i>MSCI AC World IMI Index (Net)</i>			4.5	9.8	15.9	16.8	13.4
Eastern Shore US Small Cap		63,326,703	5.3	1.6	12.5	10.8	--
<i>Russell 2000 Index</i>			5.4	-1.8	7.7	10.0	10.0
Global Alpha International Small Cap		63,407,207	4.6	19.2	14.0	7.7	--
<i>MSCI EAFE Small Cap (Net)</i>			4.3	20.9	22.5	13.3	9.3
RBC Emerging Markets Equity		90,169,828	5.3	15.3	14.5	11.1	7.8
<i>MSCI Emerging Markets IMI (Net)</i>			6.0	14.6	14.3	10.2	7.6

# Public Markets Performance Snapshot

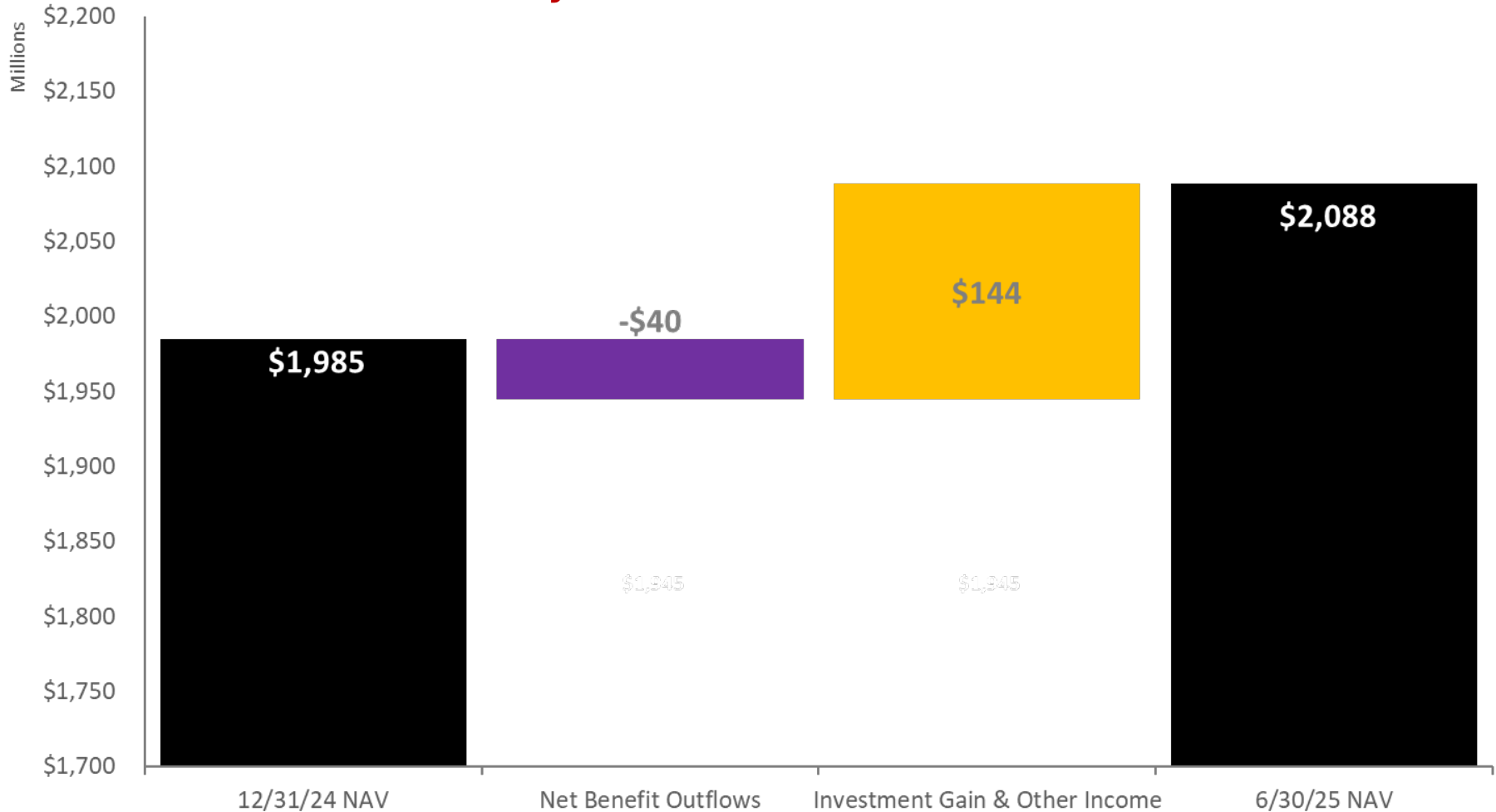
Trailing Net Performance | As of June 30, 2025

	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>Fixed Income and Cash</b>	<b>253,506,335</b>	<b>1.0</b>	<b>3.3</b>	<b>6.2</b>	<b>3.9</b>	<b>1.8</b>
<i>Fixed Income and Cash Blended Benchmark</i>		0.8	3.1	5.7	3.6	1.2
<b>IR&amp;M 1-3 Year Strategy</b>	<b>127,183,869</b>	<b>0.7</b>	<b>3.1</b>	<b>6.4</b>	<b>4.3</b>	<b>2.1</b>
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		0.6	2.9	5.9	3.8	1.6
<b>Longfellow Core Fixed Income</b>	<b>83,220,456</b>	<b>1.8</b>	<b>4.2</b>	<b>6.4</b>	<b>3.2</b>	<b>-0.1</b>
<i>Blmbg. U.S. Aggregate Index</i>		1.5	4.0	6.1	2.5	-0.7
<b>Cash Equivalents</b>	<b>43,102,010</b>	<b>0.3</b>	<b>2.3</b>	<b>5.0</b>	<b>4.8</b>	<b>2.9</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>		0.3	2.1	4.7	4.6	2.8
<b>Public Credit</b>	<b>221,906,790</b>	<b>1.7</b>	<b>4.6</b>	<b>9.8</b>	<b>9.4</b>	<b>4.5</b>
<i>Credit Blended Benchmark</i>		1.5	4.7	9.3	9.4	5.5
<b>Aristotle Pacific Capital Bank Loan</b>	<b>86,494,828</b>	<b>0.9</b>	<b>2.9</b>	<b>7.1</b>	<b>10.0</b>	<b>7.2</b>
<i>S&amp;P UBS Leveraged Loan Index</i>		0.8	3.0	7.6	9.6	7.4
<b>Loomis US High Yield Fund</b>	<b>71,819,723</b>	<b>1.8</b>	<b>4.7</b>	<b>11.6</b>	<b>9.6</b>	<b>—</b>
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		1.8	4.6	10.3	9.9	6.0
<b>Metlife Emerging Markets Debt Blend</b>	<b>63,592,239</b>	<b>2.6</b>	<b>7.0</b>	<b>11.1</b>	<b>—</b>	<b>—</b>
<i>35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Di</i>		2.1	7.0	10.2	8.1	2.3

# Change in Market Value Bridge Chart - As of 6/30/2025

*In Millions*

**2025 YTD Preliminary Investment Return estimated at 7.3%**

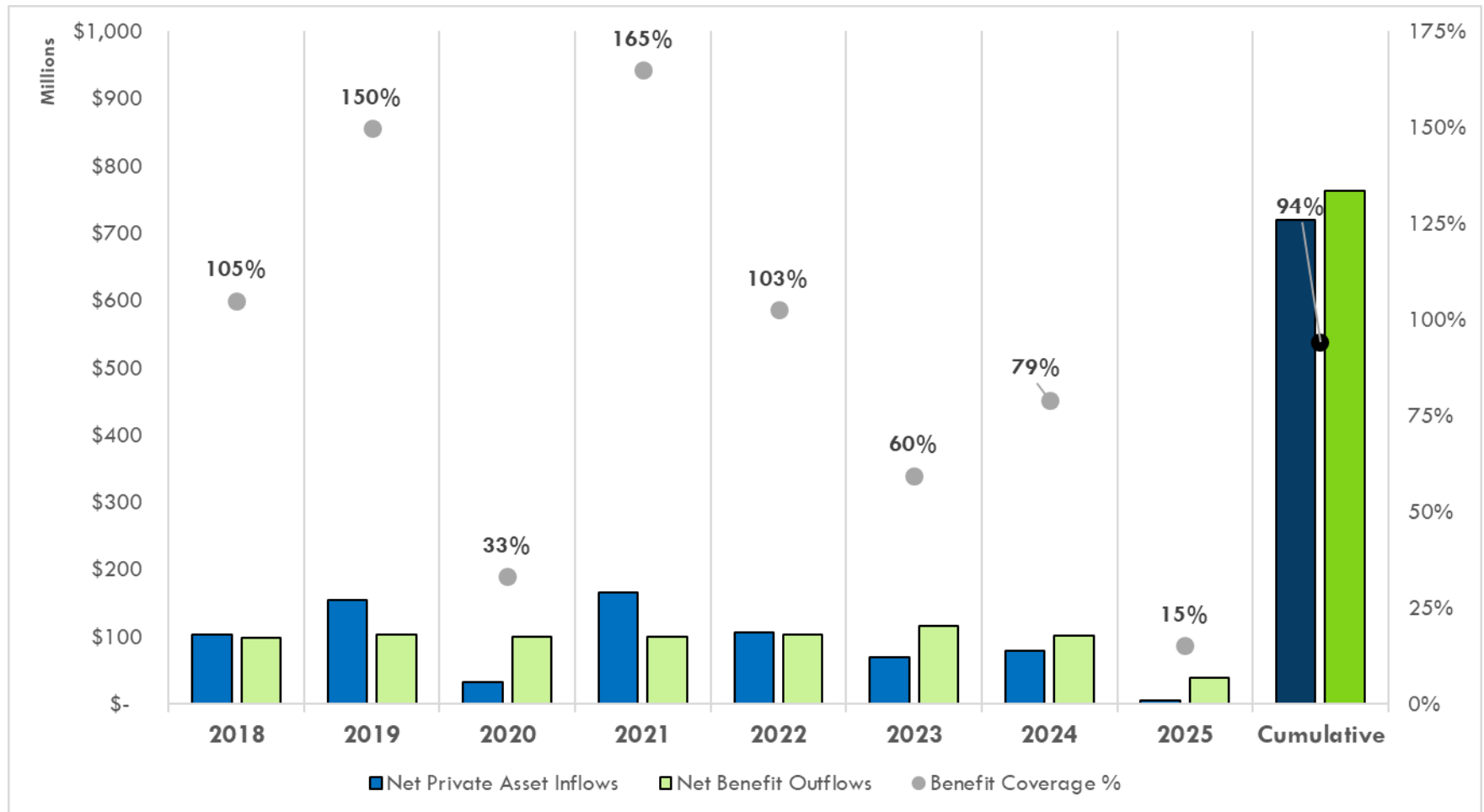


The beginning 12/31/24 value includes a one-quarter lag on private assets.  
Numbers may not foot due to rounding.



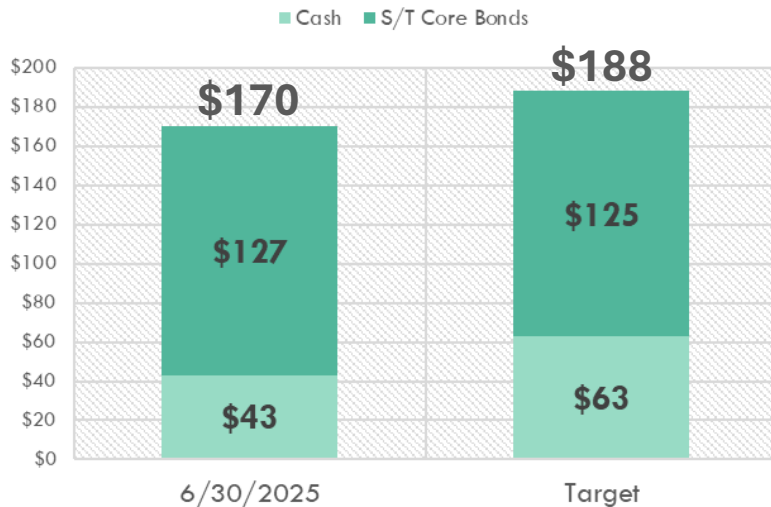
# Benefit Outflow Coverage

**Since 2018, net Private Asset inflows have covered 95% of net benefit outflows.**



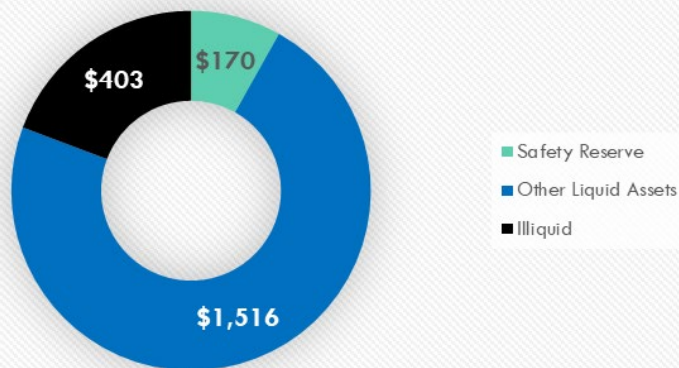
# Safety Reserve Dashboard – As of 6/30/25

Safety Reserve vs. Target (\$M)



Projected Net Monthly outflows of **\$6.3M** per month. Safety Reserve of **\$170M** would cover net monthly outflows for next **26 months** or through **August 2027**.

Liquidity Profile (\$M)



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	6/30/25		\$42.8	2.1 %
City & Member Contribution	7/3/25	\$10.8	\$53.7	2.6 %
City & Member Contribution	7/18/25	\$10.8	\$64.5	3.1 %
Pension Payroll	7/30/25	(\$28.9)	\$35.6	1.7 %
City & Member Contribution	8/1/25	\$10.8	\$46.4	2.2 %
City & Member Contribution	8/15/25	\$10.8	\$57.3	2.7 %
Pension Payroll	8/27/25	(\$28.9)	\$28.4	1.4 %
City & Member Contribution	8/29/25	\$10.8	\$39.2	1.9 %
City & Member Contribution	9/12/25	\$10.8	\$50.0	2.4 %
Pension Payroll	9/24/25	(\$28.9)	\$21.1	1.0 %
City & Member Contribution	9/26/25	\$10.8	\$32.0	1.5 %

Numbers may not foot due to rounding.

# Asset Allocation Detail

DPFP Asset Allocation	6/30/2025		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
<b>Equity</b>	<b>1,370</b>	<b>65.6%</b>	<b>1,337</b>	<b>64%</b>	<b>103%</b>	<b>34</b>	<b>1.6%</b>
Public Equity	1,211	58.0%	1,211	58%	100%	-1	0.0%
<i>Northern Trust ACWI IMI Index</i>	452	21.7%	501	24%	90%	-49	-2.3%
<i>Boston Partners</i>	142	6.8%	125	6%	114%	17	0.8%
<i>Manulife</i>	130	6.2%	125	6%	104%	5	0.2%
<i>Walter Scott</i>	129	6.2%	125	6%	103%	3	0.2%
<i>WCM</i>	141	6.7%	125	6%	112%	15	0.7%
<i>Eastern Shore US Small Cap</i>	63	3.0%	63	3%	101%	1	0.0%
<i>Global Alpha Intl Small Cap</i>	63	3.0%	63	3%	101%	1	0.0%
<i>RBC Emerging Markets Equity</i>	90	4.3%	84	4%	108%	7	0.3%
Private Equity	40	1.9%	125	6%	32%	-85	-4.1%
Huff Energy Fund	120	5.7%	0	0%		120	5.7%
<b>Credit</b>	<b>223</b>	<b>10.7%</b>	<b>313</b>	<b>15%</b>	<b>71%</b>	<b>-90</b>	<b>-4.3%</b>
Public Credit	222	10.6%	230	11%	97%	-8	-0.4%
<i>Aristotle Pacific Bank Loans</i>	86	4.1%	84	4%	104%	3	0.1%
<i>Loomis Sayles High Yield Bonds</i>	72	3.4%	84	4%	86%	-12	-0.6%
<i>MetLife Emerging Market Debt</i>	64	3.0%	63	3%	102%	1	0.0%
Private Credit	1	0.1%	84	4%	2%	-82	-3.9%
<b>Real Assets</b>	<b>242</b>	<b>11.6%</b>	<b>167</b>	<b>8%</b>	<b>145%</b>	<b>75</b>	<b>3.6%</b>
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%
<b>Fixed Income &amp; Cash</b>	<b>253</b>	<b>12.1%</b>	<b>271</b>	<b>13%</b>	<b>93%</b>	<b>-18</b>	<b>-0.9%</b>
Cash	43	2.1%	63	3%	68%	-20	-0.9%
IR+M Short Term Bonds	127	6.1%	125	6%	102%	2	0.1%
Longfellow IG Bonds	83	4.0%	84	4%	100%	0	0.0%
<b>Total</b>	<b>2,088</b>	<b>100.0%</b>	<b>2,088</b>	<b>100%</b>		<b>0</b>	<b>0.0%</b>
Safety Reserve	170	8.1%	188	9%	90%	-18	-0.9%
Private Market Assets	403	19.3%	376	18%		27	-4.5%

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

# Asset Allocation – Actual vs Target

