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Dallas Police & Fire Pension System

Third Quarter 2016 Private Markets Performance Review (Abbreviated Report)

March, 2017

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Information Disclosure

- NEPC, LLC uses, as its data source, the plan's fund manager and custodian bank or fund service company, and NEPC, LLC relies on those sources for all transactions, including capital calls, distributions, income/expense and reported values. While NEPC, LLC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- The Investment Performance Analysis is provided as a management aid for the client's internal use only. Portfolio performance reported in the Investment Performance Analysis does not constitute a recommendation by NEPC, LLC.
- Information in this report on market indices and security characteristics is received from sources external to NEPC, LLC. While efforts are made to ensure that this external data is accurate, NEPC, LLC cannot accept responsibility for errors that may occur.



March, 2017

Trustees
 Dallas Police & Fire Pension System
 4100 Harry Hines Blvd – Suite 100
 Dallas, TX 75219

RE: Private Markets Strategy – 3rd Quarter 2016

Dear Trustees:

We are pleased to present the September 30, 2016 Private Markets Report for Dallas Police & Fire Pension System, (DPFP). The report provides a variety of performance analysis for the private markets portfolio. The reports include trailing performance, performance by investment stage and vintage year performance.

The DPFP experienced a positive quarter with a nominal IRR of 0.43%. The annualized IRR of the private markets portfolio since inception was 1.19% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.05.

The following table presents the status of the DPFP private markets portfolio as of September 30, 2016:

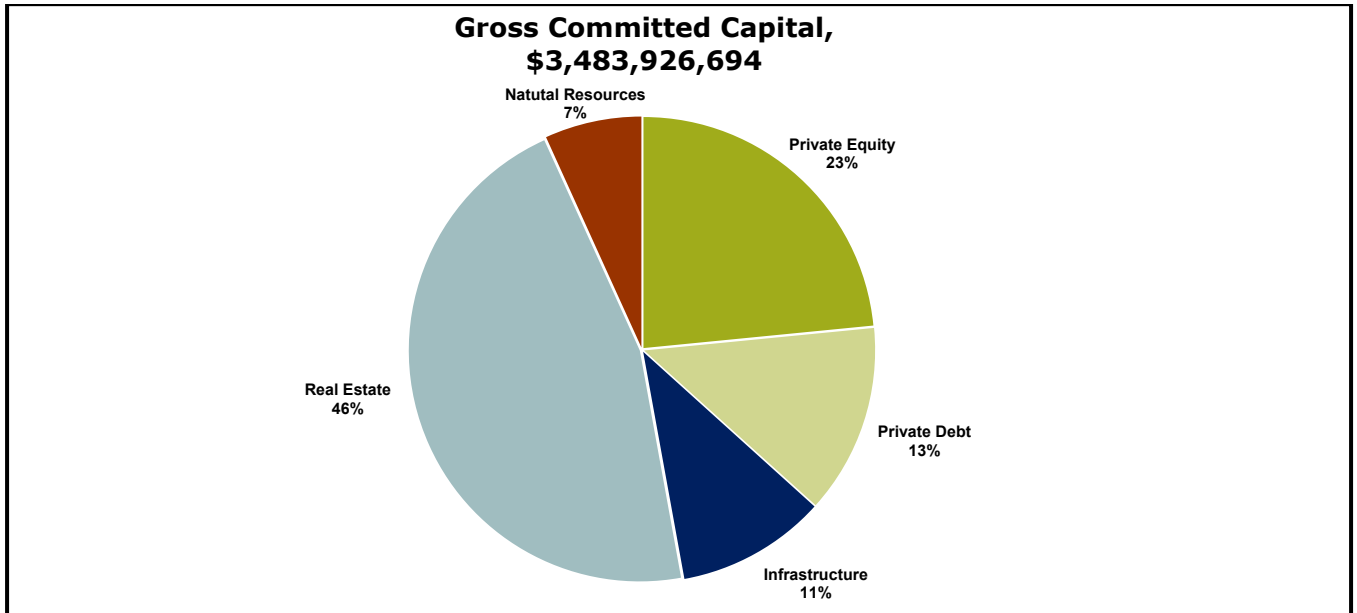
Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$3,483,926,694	\$2,945,752	\$2,998,887,485	\$1,622,008,688	\$1,559,744,102	86.08%	54.09%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 9/30/2016	Private Markets Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$502,246,398	\$2,061,990,500	\$2,393,209,829	Varies By Category	65.17%	86.16%

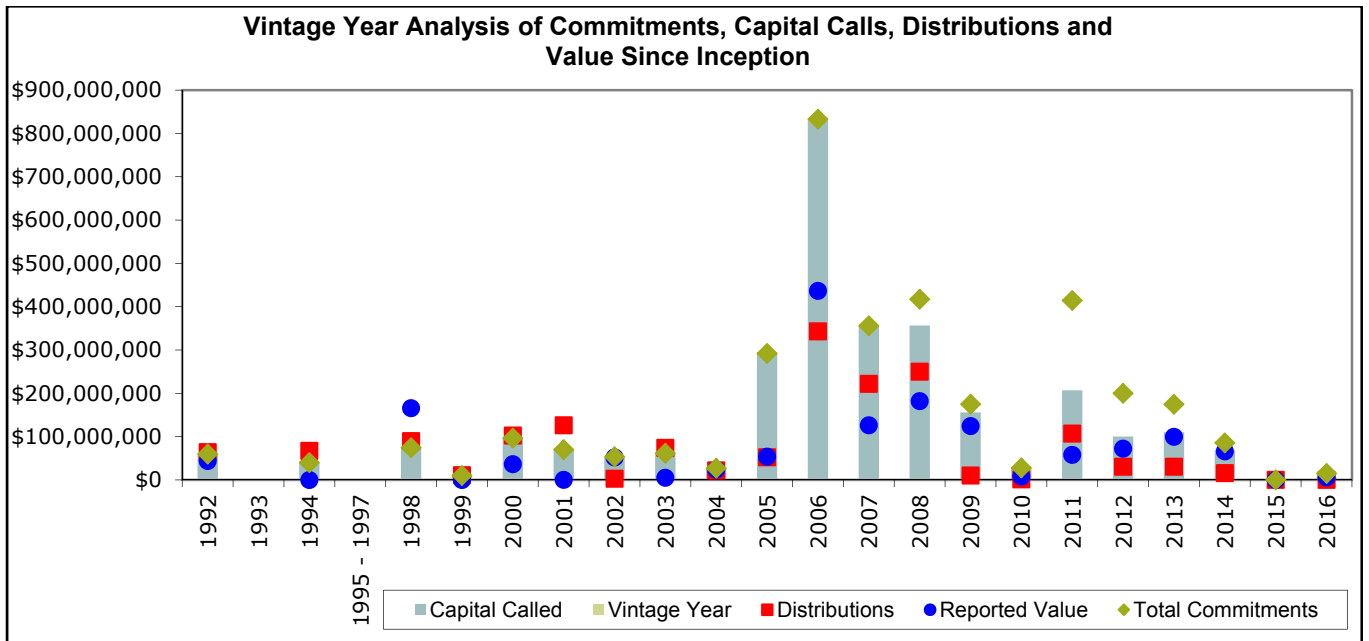
Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception (October 13, 1994)
\$3,181,752,790	1.05	1.19%



As of September 30, 2016, the DPFP has made commitments totaling \$3,483.93 million to 86 private markets assets.



The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value for the private markets program:

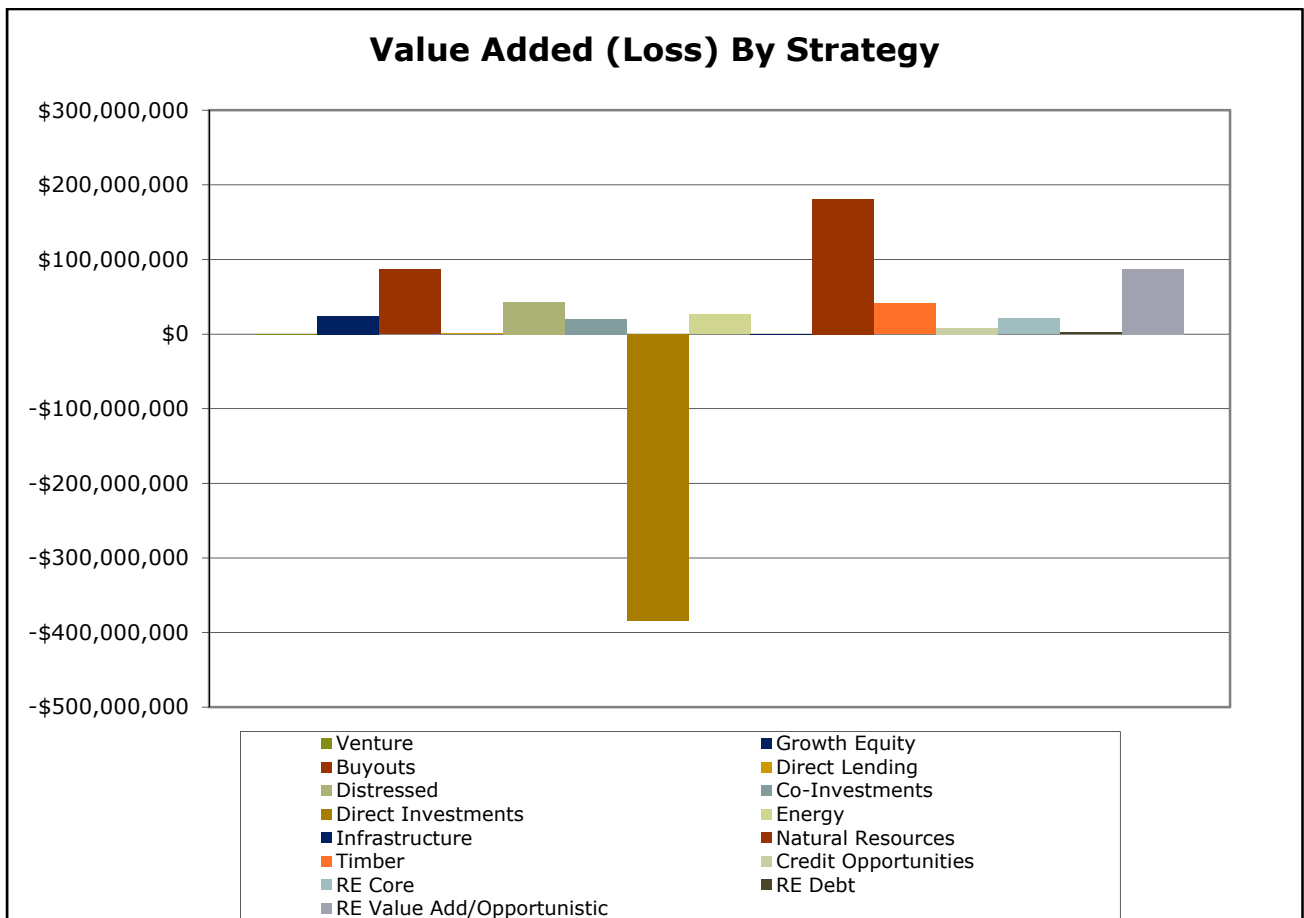




During the quarter-ended September 30, 2016, the DFPF private markets portfolio funded 34 investments and received 34 distributions from its funds. The summary of the cash flows follows:

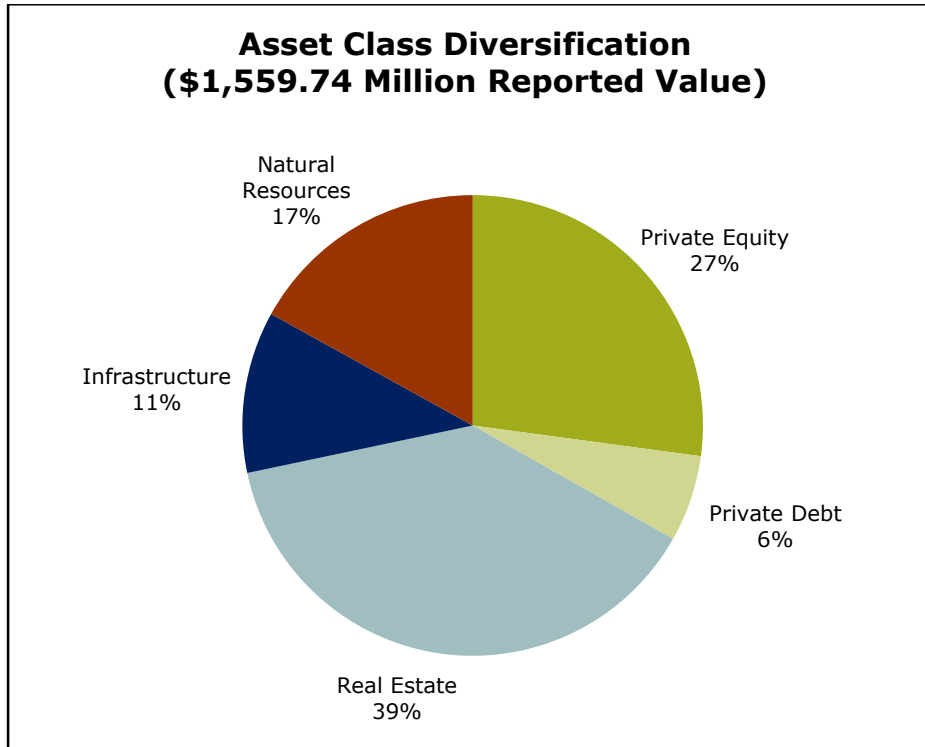
Amount Funded for the Quarter	Number of Funds Calling Capital	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$19,697,869	34	\$115,114,342	34	\$95,416,472

Since inception the DFPF private markets portfolio added \$156.68 million in value to the DFPF. Investment strategies adding value include Growth Equity \$24.30 million, Buyouts \$86.99 million, Direct Lending \$0.30 million, Distressed \$42.97 million, Energy \$25.86 million, Natural Resources \$180.83 million, Timber \$41.02 million, Credit Opportunities \$8.17 million, RE Core \$20.70 million, RE Debt \$2.24 million, RE Value Add/Opportunistic \$87.16 million, and Co-Investments \$20.27 million. Direct Investments lost (\$383.49) million, Venture lost (\$0.008) million, and Infrastructure lost (\$0.63) million.





As of September 30, 2016, the private markets funds in the DFPF portfolio had the following investment strategy diversification based on the investment fund's reported value:



We thank you for the opportunity to work with the DFPF and look forward to continued success in the future.

Dallas Police & Fire Pension System
Performance Analysis - Total Private Markets Program

9/30/2016

Investment Name	Commitment Amount	Paid in Capital	Capital to be Funded	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR (SI)
Private Equity / Debt	\$ 1,278,185,126	\$ 1,088,020,803	\$ 207,371,512	\$ 803,475,144	\$ 517,960,681	\$ 1,321,435,825	\$ 207,312,450	85%	0.72	1.19	4.29%
Real Assets	\$ 2,205,741,568	\$ 1,910,866,682	\$ 294,874,886	\$ 818,533,545	\$ 1,041,783,421	\$ 1,860,316,966	\$ (50,633,061)	87%	0.43	0.97	-0.60%
Total	\$ 3,483,926,694	\$ 2,998,887,485	\$ 502,246,398	\$ 1,622,008,689	\$ 1,559,744,102	\$ 3,181,752,791	\$ 156,679,389	86%	0.54	1.05	1.19%

Performance Analysis - Private Markets Subsectors

Investment Name	Commitment Amount	Paid in Capital	Capital to be Funded	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR (SI) ¹
Private Equity	\$ 816,881,564	\$ 660,020,340	\$ 174,068,413	\$ 407,624,880	\$ 423,227,300	\$ 830,852,181	\$ 155,864,874	81%	0.60	1.23	4.81%
Private Debt	\$ 461,303,562	\$ 428,000,463	\$ 33,303,099	\$ 395,850,263	\$ 94,733,381	\$ 490,583,644	\$ 51,447,575	93%	0.90	1.12	3.28%
Natural Resources	\$ 236,397,292	\$ 236,397,292	\$ -	\$ 193,631,632	\$ 264,618,702	\$ 458,250,334	\$ 221,853,042	100%	0.82	1.94	10.09%
Real Estate	\$ 1,605,344,276	\$ 1,390,132,527	\$ 215,211,749	\$ 518,057,788	\$ 600,218,056	\$ 1,118,275,844	\$ (271,856,682)	87%	0.37	0.80	-4.68%
Infrastructure	\$ 364,000,000	\$ 284,336,863	\$ 79,663,137	\$ 106,844,125	\$ 176,946,663	\$ 283,790,787	\$ (629,421)	78%	0.38	1.00	-0.07%
Total	\$ 3,483,926,694	\$ 2,998,887,485	\$ 502,246,398	\$ 1,622,008,688	\$ 1,559,744,102	\$ 3,181,752,790	\$ 156,679,388	86%	0.54	1.05	1.19%

Notes:

1. IRR's are since inception as of the following dates: Private Equity (10.13.94), Private Debt (12.20.01), Real Estate (3.31.99), Natural Resources (3.12.99), Infrastructure (10.3.07)



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Dallas Police & Fire Pension System

Third Quarter 2016 *Private Equity & Private Debt*

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Private Equity and Private Debt

The following table presents the status of the DFPF PRIVATE EQUITY portfolio as of September 30, 2016:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$816,881,564	\$2,945,752	\$660,020,340	\$407,624,880	\$423,227,300	80.80%	61.76%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 9/30/2016	Private Equity Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$174,068,413	\$597,295,713	\$2,393,209,829	5%	17.68%	24.96%

Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception
\$830,852,180	1.23	4.81%

The following table presents the status of the DFPF PRIVATE DEBT portfolio as of September 30, 2016:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$461,303,562	\$0	\$428,000,463	\$395,850,263	\$94,733,381	92.78%	92.49%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 9/30/2016	Private Debt Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$33,303,099	\$128,036,480	\$2,393,209,829	5%	3.96%	5.35%

Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception
\$490,583,644	1.12	3.28%

Dallas Police & Fire Pension System
Private Equity & Debt Funds - IRR Summary

9/30/2016

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
Ashmore Global Special Situations Fund IV	2007	70,000,000	1.88	5.42	21.25	-12.16	-11.01	-8.47
BankCap Partners Fund I	2007	20,000,000	1.66	-1.49	-2.72	0.49	-0.03	-1.52
BankCap Partners Opportunity Fund, LP	2013	20,000,000	-1.01	-2.35	11.00	0.51		-0.37
Highland Credit Ops	2006	35,348,165	0.00	0.00	4.16	3.52	35.49	-2.39
Highland Crusader Fund	2003	50,955,397	-25.12	0.26	-2.62	-5.47	15.35	4.32
HM Capital Sector Performance Fund	2008	47,300,000				-3.19	18.85	-4.01
Hudson Clean Energy Partners	2009	25,000,000	-16.85	-24.89	-24.98	-8.37	-12.35	-7.77
Huff Alternative Fund	2000	66,795,718	2.90	-4.65	5.19	1.30	4.09	1.09
Huff Alternative Income Fund	1994	40,000,000						17.82
Huff Energy Fund	2006	100,000,000	-4.84	16.62	19.09	-13.21	-2.82	4.82
Industry Ventures Partnership Holdings IV	2016	5,000,000						-4.27
Kainos Capital Partners, L.P.	2013	35,000,000	4.98	21.48	30.77	31.62		28.70
Levine Leichtman Capital Partners IV	2008	50,000,000	-1.11	6.45	20.28	13.34	19.64	19.58
Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	4.22	7.99	16.10	13.55		12.22
Levine Leichtman Deep Value Fund	2006	75,000,000	-0.23	-13.49	-15.74	2.78	-4.40	0.73
Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	-6.83	-4.00	-2.14	-1.36		-1.00
Lone Star CRA Fund	2008	50,000,000	2.27	8.07	-34.03	-20.46	-4.78	17.85
Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	19.37	26.40	32.38			30.69
Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	-8.09	-15.21	-18.77	19.25	46.22	48.22
Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	-0.71	-12.26	-12.51	22.34		21.28
Lone Star Growth Capital	2006	16,000,000	5.94	11.13	-15.36	-12.22	6.94	8.92
Lone Star Opportunities Fund V, LP	2012	75,000,000	3.29	9.30	-34.91	-16.94		-3.58
Merit Energy Partners E-I	2004	7,018,930	-6.12	-6.46	-16.44	-8.72	4.83	14.81
Merit Energy Partners F-I	2005	8,748,346	2.50	10.30	-7.31	-17.81	-10.37	-16.76
Merit Energy Partners G, LP	2008	39,200,000	-18.19	-10.69	-26.81	-13.15	-11.43	-7.24
Merit Energy Partners H, LP	2010	10,000,000	-0.18	2.46	-10.17	-7.84	-7.07	-6.96
North Texas Opportunity Fund	2000	10,000,000	-0.97	-4.86	-9.47	-15.00	-13.55	3.11
Oaktree Loan Fund 2X	2007	60,000,000	-4.34	2.21	-7.13	-6.36	9.21	2.65
Oaktree Power Fund III	2011	30,000,000	-3.51	2.30	21.36	10.03	14.79	12.50
OCM Opportunities Fund IV	2001	50,000,000	-0.29	9.30	8.71	18.01	10.98	28.36
Pharos Capital Co-Investment, LLC	2007	20,000,000				8.64	37.88	-9.92
Pharos Capital Co-Investments, LP	2008	40,000,000	-0.01	-0.15	-0.15	23.18	16.56	9.02
Pharos Capital Partners IIA, L.P.	2005	20,000,000	-0.97	-9.67	-11.36	-7.61	-2.29	4.33
Pharos Capital Partners III, LP	2012	50,000,000	2.77	15.27	13.35	5.54		0.69
Riverstone Credit Partners	2016	10,000,000	1.49					7.54
Yellowstone Energy Ventures II, L.P.	2008	5,283,254	4.58	14.49	-12.01	-42.62	-35.10	-29.11
Total: Dallas Police & Fire Pension System		1,278,185,126	-1.68	4.84	1.81	-3.19	3.09	4.29

Dallas Police & Fire Pension System
Private Equity & Debt Funds - Performance Analysis by Investment Strategy

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
100 Venture													
1 Industry Ventures Partnership Holdings IV	2016	5,000,000	200,000	4,800,000	0	0	191,441	191,441	-8,559	4%	0.00	0.96	-4.27%
Subtotal: 100 Venture		5,000,000	200,000	4,800,000	0	0	191,441	191,441	-8,559	4%	0.00	0.96	-4.27%
110 Growth Equity													
1 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	2,485,941	15,247,298	17,733,239	-2,266,761	100%	0.12	0.89	-1.52%
2 BankCap Partners Opportunity Fund, LP	2013	20,000,000	14,569,026	5,430,974	0	0	14,495,403	14,495,403	-73,623	73%	0.00	0.99	-0.37%
3 Hudson Clean Energy Partners	2009	25,000,000	24,912,744	87,256	0	3,661,896	13,475,752	17,137,648	-7,775,096	100%	0.15	0.69	-7.77%
4 Lone Star CRA Fund	2008	50,000,000	14,852,941	42,500,000	0	12,928,698	17,712,473	30,641,171	15,788,230	30%	0.87	2.06	17.85%
5 Lone Star Growth Capital	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	10,750,759	23,550,759	10,750,759	80%	1.00	1.84	8.92%
6 Lone Star Opportunities Fund V, LP	2012	75,000,000	30,000,000	45,000,000	0	531,444	28,028,297	28,559,741	-1,440,259	40%	0.02	0.95	-3.58%
7 North Texas Opportunity Fund	2000	10,000,000	10,000,000	0	0	8,798,464	4,567,930	13,366,394	3,366,394	100%	0.88	1.34	3.11%
8 Pharos Capital Partners IIA, L.P.	2005	20,000,000	20,000,000	0	0	10,896,166	14,765,027	25,661,193	5,661,193	100%	0.54	1.28	4.33%
9 Pharos Capital Partners III, LP	2012	50,000,000	28,250,000	21,750,000	-54,286	1,635,955	26,848,942	28,484,897	289,183	57%	0.06	1.01	0.69%
Subtotal: 110 Growth Equity		286,000,000	175,384,711	130,768,230	-54,286	53,738,564	145,891,881	199,630,445	24,300,020	57%	0.31	1.14	3.18%
120 Buyouts													
1 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
2 Huff Alternative Fund	2000	66,795,718	66,795,718	0	12,022,676	52,998,260	31,971,636	84,969,896	6,151,502	100%	0.67	1.08	1.09%
3 Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
4 Kainos Capital Partners, L.P.	2013	35,000,000	30,163,455	4,836,545	0	11,149,211	32,284,952	43,434,163	13,270,708	86%	0.37	1.44	28.70%
5 Levine Leichtman Capital Partners IV	2008	50,000,000	37,933,751	12,066,249	0	62,380,847	13,776,052	76,156,899	38,223,148	76%	1.64	2.01	19.58%
6 Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	17,597,023	7,402,977	-4,405	1,399,995	19,782,541	21,182,536	3,589,918	70%	0.08	1.20	12.22%
7 Oaktree Power Fund III	2011	30,000,000	16,096,514	13,903,486	0	11,940,647	11,480,358	23,421,005	7,324,491	54%	0.74	1.46	12.50%
Subtotal: 120 Buyouts		294,095,718	252,940,709	38,209,257	15,970,325	246,601,702	109,295,539	355,897,241	86,986,208	87%	0.92	1.32	8.02%
135 Direct Lending													
1 Riverstone Credit Partners	2016	10,000,000	5,373,854	4,626,146	110,118	254,949	5,531,302	5,786,251	302,279	54%	0.05	1.06	7.54%
Subtotal: 135 Direct Lending		10,000,000	5,373,854	4,626,146	110,118	254,949	5,531,302	5,786,251	302,279	54%	0.05	1.06	7.54%
150 Distressed													
1 Ashmore Global Special Situations Fund IV	2007	70,000,000	70,000,000	0	0	37,580,583	5,277,763	42,858,346	-27,141,654	100%	0.54	0.61	-8.47%
2 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	78,873,960	9,808,615	88,682,575	2,656,913	100%	0.92	1.03	0.73%
3 Levine Leichtman Private Capital Solutions II, L.P.	2012	25,000,000	17,909,974	7,090,026	-175	56,789	17,351,521	17,408,310	-501,490	72%	0.00	0.97	-1.00%
4 Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	20,292,982	14,707,018	0	2,040,493	22,477,460	24,517,953	4,224,970	58%	0.10	1.21	30.69%
5 Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,459,112	1,540,888	0	38,839,625	3,223,491	42,063,116	18,604,004	94%	1.66	1.79	48.22%
6 Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	19,660,978	5,339,022	0	13,318,016	12,795,505	26,113,521	6,452,542	79%	0.68	1.33	21.28%
7 Oaktree Loan Fund 2X	2007	60,000,000	60,000,000	0	0	64,287,256	1,864,390	66,151,646	6,151,646	100%	1.07	1.10	2.65%
8 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	162,873	82,526,874	32,526,874	100%	1.65	1.65	28.36%
Subtotal: 150 Distressed		365,000,000	336,323,047	28,676,953	11,025,487	317,360,723	72,961,618	390,322,341	42,973,806	92%	0.91	1.12	4.29%
200 Co-Investment													
1 Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
2 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	2,849,525	70,247,417	30,247,417	100%	1.68	1.76	9.02%
Subtotal: 200 Co-Investment		60,000,000	60,000,000	0	0	77,417,049	2,849,525	80,266,574	20,266,574	100%	1.29	1.34	4.39%

Dallas Police & Fire Pension System
Private Equity & Debt Funds - Performance Analysis by Investment Strategy

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
400 Energy													
1 Huff Energy Fund	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	131,208,655	135,686,049	36,753,359	100%	0.05	1.37	4.82%
2 Merit Energy Partners E-I	2004	7,018,930	7,018,930	0	-1,741	12,933,530	2,440,711	15,374,241	8,357,052	100%	1.84	2.19	14.81%
3 Merit Energy Partners F-I	2005	8,748,346	8,748,346	0	0	3,644,724	200,515	3,845,239	-4,903,107	100%	0.42	0.44	-16.76%
4 Merit Energy Partners G, LP	2008	39,200,000	39,200,000	0	0	6,532,135	23,468,244	30,000,379	-9,199,621	100%	0.17	0.77	-7.24%
5 Merit Energy Partners H, LP	2010	10,000,000	10,000,000	0	0	1,241,072	7,146,231	8,387,303	-1,612,697	100%	0.12	0.84	-6.96%
6 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,038,711	534,558	1,573,269	-3,539,038	97%	0.20	0.31	-29.11%
Subtotal: 400 Energy		170,250,530	169,959,604	290,926	-949,072	29,867,566	164,998,914	194,866,480	25,855,948	100%	0.18	1.15	2.58%
502 Credit Opportunities													
1 Highland Credit Ops	2006	35,348,165	35,348,165	0	0	17,010,655	12,431,871	29,442,526	-5,905,639	100%	0.48	0.83	-2.39%
2 Highland Crusader Fund	2003	50,955,397	50,955,397	0	0	61,223,936	3,808,590	65,032,526	14,077,129	100%	1.20	1.28	4.32%
Subtotal: 502 Credit Opportunities		86,303,562	86,303,562	0	0	78,234,591	16,240,461	94,475,052	8,171,490	100%	0.91	1.09	1.49%
Total: Dallas Police & Fire Pension System ¹		1,278,185,126	1,088,020,803	207,371,512	26,102,572	803,475,144	517,960,681	1,321,435,825	207,312,450	85%	0.72	1.19	4.29%

Note:

1. Total Includes funding for CDK Southern Cross investment

Dallas Police & Fire Pension System
Private Equity & Debt Funds - Vintage Year Performance Analysis

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1994													
1 Huff Alternative Income Fund	1994	40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
Subtotal: 1994		40,000,000	40,000,000	0	2,018,676	66,940,198	0	66,940,198	24,921,522	100%	1.59	1.59	17.82%
2000													
1 Huff Alternative Fund	2000	66,795,718	66,795,718	0	12,022,676	52,998,260	31,971,636	84,969,896	6,151,502	100%	0.67	1.08	1.09%
2 North Texas Opportunity Fund	2000	10,000,000	10,000,000	0	0	8,798,464	4,567,930	13,366,394	3,366,394	100%	0.88	1.34	3.11%
Subtotal: 2000		76,795,718	76,795,718	0	12,022,676	61,796,724	36,539,566	98,336,290	9,517,896	100%	0.70	1.11	1.43%
2001													
1 OCM Opportunities Fund IV	2001	50,000,000	50,000,000	0	0	82,364,001	162,873	82,526,874	32,526,874	100%	1.65	1.65	28.36%
Subtotal: 2001		50,000,000	50,000,000	0	0	82,364,001	162,873	82,526,874	32,526,874	100%	1.65	1.65	28.36%
2003													
1 Highland Crusader Fund	2003	50,955,397	50,955,397	0	0	61,223,936	3,808,590	65,032,526	14,077,129	100%	1.20	1.28	4.32%
Subtotal: 2003		50,955,397	50,955,397	0	0	61,223,936	3,808,590	65,032,526	14,077,129	100%	1.20	1.28	4.32%
2004													
1 Merit Energy Partners E-I	2004	7,018,930	7,018,930	0	-1,741	12,933,530	2,440,711	15,374,241	8,357,052	100%	1.84	2.19	14.81%
Subtotal: 2004		7,018,930	7,018,930	0	-1,741	12,933,530	2,440,711	15,374,241	8,357,052	100%	1.84	2.19	14.81%
2005													
1 Merit Energy Partners F-I	2005	8,748,346	8,748,346	0	0	3,644,724	200,515	3,845,239	-4,903,107	100%	0.42	0.44	-16.76%
2 Pharos Capital Partners IIA, L.P.	2005	20,000,000	20,000,000	0	0	10,896,166	14,765,027	25,661,193	5,661,193	100%	0.54	1.28	4.33%
Subtotal: 2005		28,748,346	28,748,346	0	0	14,540,890	14,965,542	29,506,432	758,086	100%	0.51	1.03	0.43%
2006													
1 Highland Credit Ops	2006	35,348,165	35,348,165	0	0	17,010,655	12,431,871	29,442,526	-5,905,639	100%	0.48	0.83	-2.39%
2 Huff Energy Fund	2006	100,000,000	99,880,021	119,979	-947,331	4,477,394	131,208,655	135,686,049	36,753,359	100%	0.05	1.37	4.82%
3 Levine Leichtman Deep Value Fund	2006	75,000,000	75,000,000	0	11,025,662	78,873,960	9,808,615	88,682,575	2,656,913	100%	0.92	1.03	0.73%
4 Lone Star Growth Capital	2006	16,000,000	12,800,000	16,000,000	0	12,800,000	10,750,759	23,550,759	10,750,759	80%	1.00	1.84	8.92%
Subtotal: 2006		226,348,165	223,028,186	16,119,979	10,078,331	113,162,009	164,199,900	277,361,909	44,255,393	93%	0.49	1.19	2.90%
2007													
1 Ashmore Global Special Situations Fund IV	2007	70,000,000	70,000,000	0	0	37,580,583	5,277,763	42,858,346	-27,141,654	100%	0.54	0.61	-8.47%
2 BankCap Partners Fund I	2007	20,000,000	20,000,000	0	0	2,485,941	15,247,298	17,733,239	-2,266,761	100%	0.12	0.89	-1.52%
3 Oaktree Loan Fund 2X	2007	60,000,000	60,000,000	0	0	64,287,256	1,864,390	66,151,646	6,151,646	100%	1.07	1.10	2.65%
4 Pharos Capital Co-Investment, LLC	2007	20,000,000	20,000,000	0	0	10,019,157	0	10,019,157	-9,980,843	100%	0.50	0.50	-9.92%
Subtotal: 2007		170,000,000	170,000,000	0	0	114,372,937	22,389,451	136,762,388	-33,237,612	100%	0.67	0.80	-4.18%
2008													
1 HM Capital Sector Performance Fund	2008	47,300,000	44,354,248	0	1,933,378	39,792,545	0	39,792,545	-6,495,081	100%	0.86	0.86	-4.01%
2 Levine Leichtman Capital Partners IV	2008	50,000,000	37,933,751	12,066,249	0	62,380,847	13,776,052	76,156,899	38,223,148	76%	1.64	2.01	19.58%
3 Lone Star CRA Fund	2008	50,000,000	14,852,941	42,500,000	0	12,928,698	17,712,473	30,641,171	15,788,230	30%	0.87	2.06	17.85%
4 Merit Energy Partners G, LP	2008	39,200,000	39,200,000	0	0	6,532,135	23,468,244	30,000,379	-9,199,621	100%	0.17	0.77	-7.24%
5 Pharos Capital Co-Investments, LP	2008	40,000,000	40,000,000	0	0	67,397,892	2,849,525	70,247,417	30,247,417	100%	1.68	1.76	9.02%
6 Yellowstone Energy Ventures II, L.P.	2008	5,283,254	5,112,307	170,947	0	1,038,711	534,558	1,573,269	-3,539,038	97%	0.20	0.31	-29.11%

Dallas Police & Fire Pension System
Private Equity & Debt Funds - Vintage Year Performance Analysis

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
Subtotal: 2008		233,318,570	182,988,562	54,737,196	1,933,378	190,070,828	58,340,852	248,411,680	63,489,740	77%	1.03	1.34	6.75%
2009													
1 Hudson Clean Energy Partners	2009	25,000,000	24,912,744	87,256	0	3,661,896	13,475,752	17,137,648	-7,775,096	100%	0.15	0.69	-7.77%
Subtotal: 2009		25,000,000	24,912,744	87,256	0	3,661,896	13,475,752	17,137,648	-7,775,096	100%	0.15	0.69	-7.77%
2010													
1 Merit Energy Partners H, LP	2010	10,000,000	10,000,000	0	0	1,241,072	7,146,231	8,387,303	-1,612,697	100%	0.12	0.84	-6.96%
Subtotal: 2010		10,000,000	10,000,000	0	0	1,241,072	7,146,231	8,387,303	-1,612,697	100%	0.12	0.84	-6.96%
2011													
1 Lone Star Fund VII (U.S.), L.P.	2011	25,000,000	23,459,112	1,540,888	0	38,839,625	3,223,491	42,063,116	18,604,004	94%	1.66	1.79	48.22%
2 Oaktree Power Fund III	2011	30,000,000	16,096,514	13,903,486	0	11,940,647	11,480,358	23,421,005	7,324,491	54%	0.74	1.46	12.50%
Subtotal: 2011		55,000,000	39,555,626	15,444,374	0	50,780,272	14,703,849	65,484,121	25,928,495	72%	1.28	1.66	28.89%
2012													
1 Levine Leichtman Private Capital Solutions II, LP	2012	25,000,000	17,909,974	7,090,026	-175	56,789	17,351,521	17,408,310	-501,490	72%	0.00	0.97	-1.00%
2 Lone Star Opportunities Fund V, LP	2012	75,000,000	30,000,000	45,000,000	0	531,444	28,028,297	28,559,741	-1,440,259	40%	0.02	0.95	-3.58%
3 Pharos Capital Partners III, LP	2012	50,000,000	28,250,000	21,750,000	-54,286	1,635,955	26,848,942	28,484,897	289,183	57%	0.06	1.01	0.69%
Subtotal: 2012		150,000,000	76,159,974	73,840,026	-54,461	2,224,187	72,228,760	74,452,947	-1,652,566	51%	0.03	0.98	-1.25%
2013													
1 BankCap Partners Opportunity Fund, LP	2013	20,000,000	14,569,026	5,430,974	0	0	14,495,403	14,495,403	-73,623	73%	0.00	0.99	-0.37%
2 Kainos Capital Partners, L.P.	2013	35,000,000	30,163,455	4,836,545	0	11,149,211	32,284,952	43,434,163	13,270,708	86%	0.37	1.44	28.70%
3 Levine Leichtman Capital Partners V, L.P.	2013	25,000,000	17,597,023	7,402,977	-4,405	1,399,995	19,782,541	21,182,536	3,589,918	70%	0.08	1.20	12.22%
4 Lone Star Fund VIII (U.S.), L.P.	2013	25,000,000	19,660,978	5,339,022	0	13,318,016	12,795,505	26,113,521	6,452,542	79%	0.68	1.33	21.28%
Subtotal: 2013		105,000,000	81,990,483	23,009,517	-4,405	25,867,221	79,358,401	105,225,622	23,239,545	78%	0.32	1.28	18.53%
2014													
1 Lone Star Fund IX (U.S.), L.P.	2014	35,000,000	20,292,982	14,707,018	0	2,040,493	22,477,460	24,517,953	4,224,970	58%	0.10	1.21	30.69%
Subtotal: 2014		35,000,000	20,292,982	14,707,018	0	2,040,493	22,477,460	24,517,953	4,224,970	58%	0.10	1.21	30.69%
2016													
1 Industry Ventures Partnership Holdings IV	2016	5,000,000	200,000	4,800,000	0	0	191,441	191,441	-8,559	4%	0.00	0.96	-4.27%
2 Riverstone Credit Partners	2016	10,000,000	5,373,854	4,626,146	110,118	254,949	5,531,302	5,786,251	302,279	54%	0.05	1.06	7.54%
Subtotal: 2016		15,000,000	5,573,854	9,426,146	110,118	254,949	5,722,743	5,977,692	293,720	37%	0.04	1.05	7.11%
Total: Dallas Police & Fire Pension System ¹		1,278,185,126	1,088,020,803	207,371,512	26,102,572	803,475,144	517,960,681	1,321,435,825	207,312,450	85%	0.72	1.19	4.29%

Note:

1. Total includes funding for CDK Southern Cross investment



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Dallas Police & Fire Pension System

Third Quarter 2016 ***Private Real Assets Program*** **(Real Estate, Infrastructure, Natural Resources)**

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Real Estate and Real Assets

The following table presents the status of the DFPF **REAL ESTATE** portfolio as of September 30, 2016:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$1,605,344,276	\$0	\$1,390,132,527	\$518,057,788	\$600,218,056	86.59%	37.27%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 9/30/2016	Real Estate Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$215,211,749	\$815,429,805		\$2,393,209,829	12%	25.08%	34.07%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$1,118,275,844			0.80		-4.68%	

The following table presents the status of the DFPF **NATURAL RESOURCES** portfolio as of September 30, 2016:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$236,397,292	\$0	\$236,397,292	\$193,631,632	\$264,618,702	100.00%	81.91%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 9/30/2016	Natural Resources Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$0	\$264,618,702		\$2,393,209,829	3%	11.06%	11.06%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$458,250,334			1.94		10.09%	

The following table presents the status of the DFPF **INFRASTRUCTURE** portfolio as of September 30, 2016:

Since Inception Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$364,000,000	\$0	\$284,336,863	\$106,844,125	\$176,946,663	78.11%	37.58%
Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)		Total Fund Composite as of 9/30/2016	Infrastructure Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$79,663,137	\$256,609,800		\$2,393,209,829	5%	7.39%	10.72%
Total Value (Reported Value + Distributions)			Total Value To Capital Call Ratio		Internal Rate of Return IRR, Since Inception	
\$283,790,788			1.00		-0.07%	

Dallas Police & Fire Pension System
Investment Strategy Performance Analysis

9/30/2016¹

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio
Real Estate												
Direct Investments ²	Various	1,382,263,253	1,192,596,266	189,666,987	0	300,858,552	533,261,052	834,119,603	-358,476,663	86%	0.25	0.70
CDK Multifamily I	2014	10,484,876	10,484,876	0	0	42,934	10,786,650	10,829,584	344,708	100%	0.00	1.03
Hearthstone MS II Homebuilding Investors	1999	10,000,000	7,970,115	2,029,885	0	10,989,565	3,069	10,992,634	3,022,519	80%	1.38	1.38
Hearthstone MS III Homebuilding Investors	2003	10,587,389	10,587,389	0	0	12,863,833	1,272,825	14,136,658	3,549,269	100%	1.22	1.34
Lone Star Fund III (U.S.), L.P.	2000	20,000,000	19,827,415	172,585	0	40,674,181	49,281	40,723,462	20,896,047	99%	2.05	2.05
Lone Star Fund IV (U.S.), L.P.	2001	20,000,000	19,045,201	954,799	0	43,786,407	138,762	43,925,169	24,879,968	95%	2.30	2.31
Lone Star Fund V (U.S.), L.P.	2005	22,500,000	22,254,975	245,025	0	16,592,341	4,487,193	21,079,534	-1,175,441	99%	0.75	0.95
Lone Star Fund VI (U.S.), L.P.	2008	25,000,000	20,005,358	4,994,642	0	26,884,679	5,307,601	32,192,280	12,186,922	80%	1.34	1.61
Lone Star Real Estate Fund (U.S.), L.P.	2008	25,000,000	20,719,418	4,280,582	0	22,817,586	3,082,149	25,899,735	5,180,317	83%	1.10	1.25
Lone Star Real Estate Fund II	2011	25,000,000	22,152,461	2,847,539	0	29,244,379	4,681,219	33,925,598	11,773,137	89%	1.32	1.53
Lone Star Real Estate Fund III	2014	25,000,000	23,192,974	1,807,026	0	8,627,553	20,856,430	29,483,983	6,291,009	93%	0.37	1.27
M&G Real Estate Debt Fund II	2013	29,508,758	21,296,078	8,212,680	0	4,675,779	16,291,826	20,967,604	-328,474	72%	0.22	0.98
Subtotal: Real Estate		1,605,344,276	1,390,132,527	215,211,749	0	518,057,788	600,218,056	1,118,275,844	-271,856,682	87%	0.37	0.80
Infrastructure												
AIRRO Consolidated (2 investments)	Various	77,000,000	42,645,976	34,354,024	-762,541	4,677,250	34,923,922	39,601,172	-2,282,264	55%	0.11	0.93
JP Morgan Consolidated (2 Investments)	Various	87,000,000	80,924,501	6,075,499	-404	14,959,141	55,051,160	70,010,301	-10,913,796	93%	0.18	0.87
LBJ Infrastructure Group Holding, LLC (LBJ)	2009	50,000,000	44,346,229	5,653,771	0	1,782,000	44,346,035	46,128,035	1,781,806	89%	0.04	1.04
NTE 3a-3b	2012	50,000,000	23,794,565	26,205,435	0	28,186,978	0	28,186,978	4,392,413	48%	1.18	1.18
NTE Mobility Partners Holding, LLC (NTE)	2009	50,000,000	42,625,592	7,374,408	0	2,000,000	42,625,545	44,625,545	1,999,953	85%	0.05	1.05
RREEF North American Infrastructure Fund	2007	50,000,000	50,000,000	0	846,289	55,238,755	0	55,238,755	4,392,466	100%	1.09	1.09
Subtotal: Infrastructure		364,000,000	284,336,863	79,663,137	83,344	106,844,125	176,946,663	283,790,787	-629,421	78%	0.38	1.00
Natural Resources												
Hancock Agricultural	1998	74,420,001	74,420,001	0	0	89,596,343	165,654,516	255,250,859	180,830,858	100%	1.20	3.43
BTG Timberland	2006	102,327,595	102,327,595	0	0	40,056,506	55,181,020	95,237,526	-7,090,069	100%	0.39	0.93
FIA Timberland	1992	59,649,696	59,649,696	0	0	63,978,783	43,783,166	107,761,949	48,112,253	100%	1.07	1.81
Subtotal: Natural Resources		236,397,292	236,397,292	0	0	193,631,632	264,618,702	458,250,334	221,853,042	100%	0.82	1.94
Total: Real Assets		2,205,741,568	1,910,866,682	294,874,886	83,344	818,533,545	1,041,783,421	1,860,316,966	-50,633,061	87%	0.43	0.97

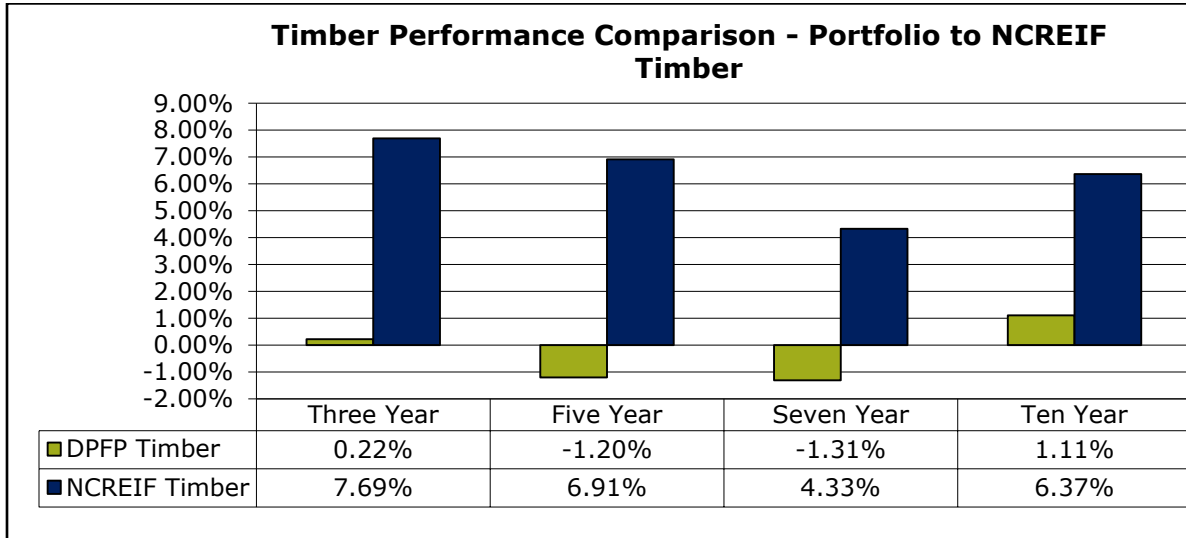
Notes:

1. Data provided from managers as of September 30, 2016

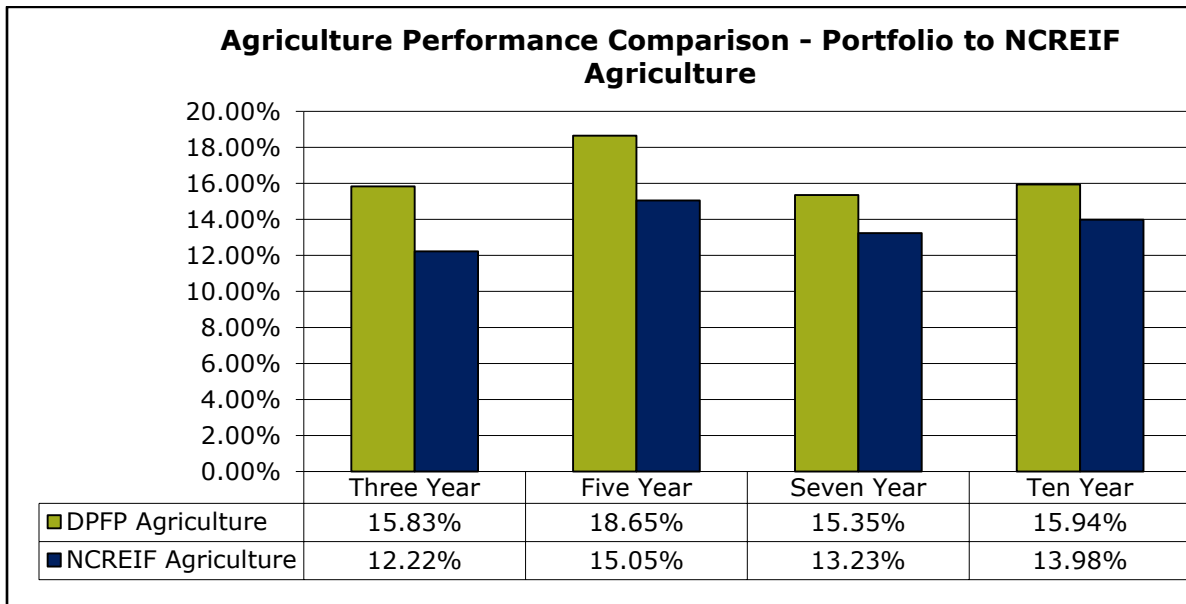
2. Unfunded commitment includes Sumitomo line of credit of \$188,900,000

Timber and Agriculture Benchmarks

The following graph shows the performance of the DFPF **Timber** portfolio vs. the NCREIF Timber Index as of September 30, 2016:

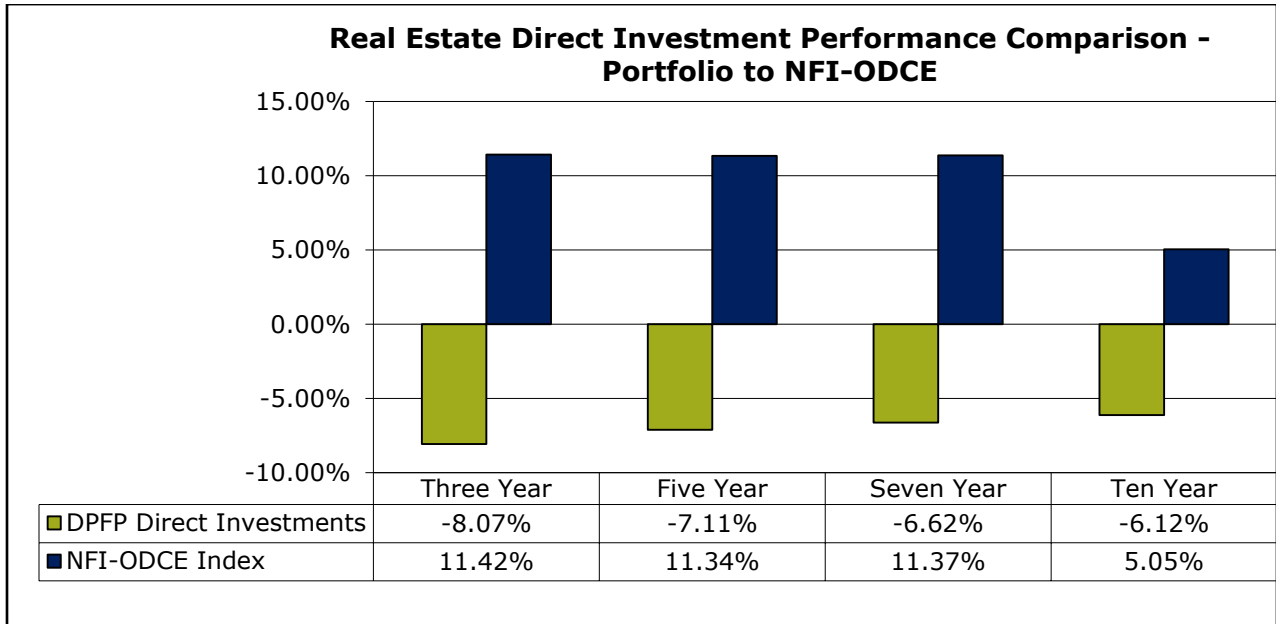


The following graph shows the performance of the DFPF **Agriculture** portfolio vs. the NCREIF Agriculture Index as of September 30, 2016:



Real Estate Benchmark

The following graph shows the performance of the DPFP **Direct Investment Real Estate** portfolio vs. the NCREIF NFI-ODCE Index as of September 30, 2016:



**Dallas Police & Fire Pension System
As of 9/30/2016**

U.S. RE					IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Commitment	Funding	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
CDK Multifamily I	2014	\$ 10.5	\$ 10.5	33	1.52%	12.83%	10.81%	5.31%	0.00x	0.13x	0.06x	0.00x	1.03x	1.19x	1.12x	1.07x	4	4	4	
Hearthstone MS II Homebuilding Investors	1999	\$ 10.0	\$ 8.0	16	26.70%	17.81%	10.22%	9.23%	1.38x	1.78x	1.46x	1.40x	1.38x	1.81x	1.48x	1.40x	1	4	4	U.S RE
Hearthstone MS III Homebuilding Investors	2003	\$ 10.6	\$ 10.6	25	25.15%	20.10%	10.83%	-1.62%	1.22x	1.62x	1.37x	0.91x	1.34x	1.76x	1.46x	0.91x	1	3	3	U.S RE

European RE					IRR				DPI				TVPI				Quartile Rank			Benchmark	
Fund Name	Vintage Year	Commitment	Funding	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI		
M&G Real Estate Debt Fund II	2013	\$ 29.5	\$ 21.3	#N/A	-1.29%	NA	NA	NA	0.22x	NA	NA	NA	0.98x	NA	NA	NA	NA	NA	NA		NA

Global RE					IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Commitment	Funding	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
Lone Star Fund III (U.S.), L.P.	2000	\$ 20.0	\$ 19.8	17	31.88%	24.23%	18.37%	13.29%	2.05x	2.06x	1.53x	1.37x	2.05x	2.10x	1.75x	1.46x	1	2	2	
Lone Star Fund IV (U.S.), L.P.	2001	\$ 20.0	\$ 19.0	20	30.15%	26.53%	18.83%	9.09%	2.30x	1.90x	1.65x	1.40x	2.31x	1.90x	1.66x	1.44x	1	1	1	Global RE
Lone Star Fund V (U.S.), L.P.	2005	\$ 22.5	\$ 22.3	66	-0.99%	2.52%	-0.98%	-7.55%	0.75x	1.06x	0.70x	0.43x	0.95x	1.17x	0.95x	0.70x	3	2	3	Global RE
Lone Star Fund VI (U.S.), L.P.	2008	\$ 25.0	\$ 20.0	50	22.62%	12.05%	8.88%	4.50%	1.34x	1.41x	1.10x	0.76x	1.61x	1.55x	1.40x	1.25x	1	2	1	Global RE
Lone Star Real Estate Fund (U.S.), L.P.	2008	\$ 25.0	\$ 20.7	50	5.65%	12.05%	8.88%	4.50%	1.10x	1.41x	1.10x	0.76x	1.25x	1.55x	1.40x	1.25x	3	3	4	Global RE
Lone Star Real Estate Fund II	2011	\$ 25.0	\$ 22.2	53	26.74%	20.62%	16.60%	12.83%	1.32x	1.23x	1.04x	0.61x	1.53x	1.70x	1.48x	1.38x	1	1	2	Global RE
Lone Star Real Estate Fund III	2014	\$ 25.0	\$ 23.2	44	19.35%	12.40%	9.38%	1.31%	0.37x	0.13x	0.06x	0.00x	1.27x	1.17x	1.10x	1.01x	1	1	1	Global RE

Infrastructure					IRR				DPI				TVPI				Quartile Rank			Benchmark
Fund Name	Vintage Year	Commitment	Funding	Sample Size	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	Fund	1st Quartile	Median	3rd Quartile	IRR	DPI	TVPI	
AIRRO	2008	\$ 37.0	\$ 35.7	9	0.14%	11.39%	9.26%	7.32%	0.13x	0.64x	0.50x	0.37x	1.01x	1.56x	1.49x	1.44x	4	4	4	
AIRRO II	2013	\$ 40.0	\$ 7.0	8	-14.80%	---	---	---	0.00x	---	---	---	0.62x	---	---	---	NA	NA	NA	Infrastructure
J.P. Morgan Maritime Fund, L.P.	2009	\$ 50.0	\$ 43.9	3	-24.26%	---	---	---	0.06x	---	---	---	0.60x	---	---	---	NA	NA	NA	Infrastructure
JP Morgan Infrastructure Investments Fund	2007	\$ 37.0	\$ 37.0	7	2.37%	---	---	---	0.33x	---	---	---	1.17x	---	---	---	NA	NA	NA	Infrastructure
LBJ Infrastructure Group Holding, LLC (LBJ)	2009	\$ 50.0	\$ 44.3	3	1.11%	---	---	---	0.04x	---	---	---	1.04x	---	---	---	NA	NA	NA	Infrastructure
NTE 3a-3b	2012	\$ 50.0	\$ 23.8	9	16.03%	23.29%	10.53%	3.87%	1.18x	0.24x	0.14x	0.05x	1.18x	1.46x	1.20x	1.07x	NA	NA	NA	Infrastructure
NTE Mobility Partners Holding, LLC (NTE)	2009	\$ 50.0	\$ 42.6	3	1.18%	---	---	---	0.05x	---	---	---	1.05x	---	---	---	4	4	4	Infrastructure
RREEF North American Infrastructure Fund	2007	\$ 50.0	\$ 50.0	7	12.59%	---	8.10%	---	1.09x	---	0.58x	---	1.09x	---	1.41x	---	2	2	4	Infrastructure

Note:
Benchmark Data from Thomson One/Cambridge Associates as of 9.30.16