



D A L L A S
POLICE & FIRE
PENSION SYSTEM



January 31, 2017
Board Monthly Investment Reports

Asset Allocation vs. Target

January 31, 2017

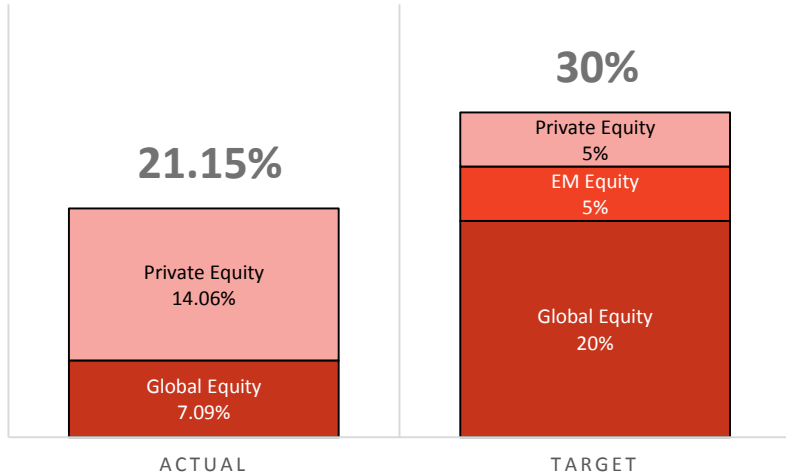
	Actual			Target	Target Range		
	\$ (M)	Gross %	Net %	\$ (M)	Low	%	High
EQUITY							
Global Equity	160.66	7.09%	7.52%	427.06	10%	20%	23%
Emerging Market Equity	-	0.00%	0.00%	106.76	0%	5%	8%
Private Equity	318.44	14.06%	14.91%	106.76	4%	5%	15%
TOTAL EQUITY	479.10	21.15%	22.44%	640.58	20%	30%	40%
FIXED INCOME							
Short Term Core Bonds	-	0.00%	0.00%	42.71	0%	2%	5%
Global Bonds	60.48	2.67%	2.83%	64.06	0%	3%	6%
High Yield	77.31	3.41%	3.62%	106.76	2%	5%	8%
Bank Loans	56.58	2.50%	2.65%	128.12	3%	6%	9%
Emerging Market Debt	38.54	1.70%	1.81%	128.12	0%	6%	9%
Absolute Return & Structured Credit	-	0.00%	0.00%	128.12	0%	6%	9%
Private Debt	60.87	2.69%	2.85%	106.76	2%	5%	7%
TOTAL FIXED INCOME	293.78	12.97%	13.76%	704.64	15%	33%	38%
GLOBAL ASSET ALLOCATION (GAA)							
Risk Parity	75.30	3.32%	3.53%	106.76	2%	5%	8%
GTAA	20.42	0.90%	0.96%	64.06	0%	3%	6%
Absolute Return	38.22	1.69%	1.79%	42.71	0%	2%	5%
TOTAL GAA	133.94	5.91%	6.27%	213.53	5%	10%	15%
REAL ASSETS							
Liquid Real Assets	-	0.00%	0.00%	64.06	0%	3%	6%
Natural Resources	264.53	11.68%	12.39%	106.76	3%	5%	10%
Infrastructure	167.18	7.38%	7.83%	106.76	3%	5%	10%
Real Estate	579.57	25.58%	27.14%	256.23	10%	12%	25%
TOTAL REAL ASSETS	1,011.28	44.64%	47.36%	533.82	20%	25%	45%
CASH	347.16	15.33%	16.26%	42.71	0%	2%	5%
GROSS INVESTMENT ASSETS	2,265.28	100%	106.09%				
DPPF DEBT	(130.00)		-6.09%	-	0%	0%	15%
NET ASSET VALUE	2,135.28		100%				

Asset Allocation vs. Target – Based on Liquidity

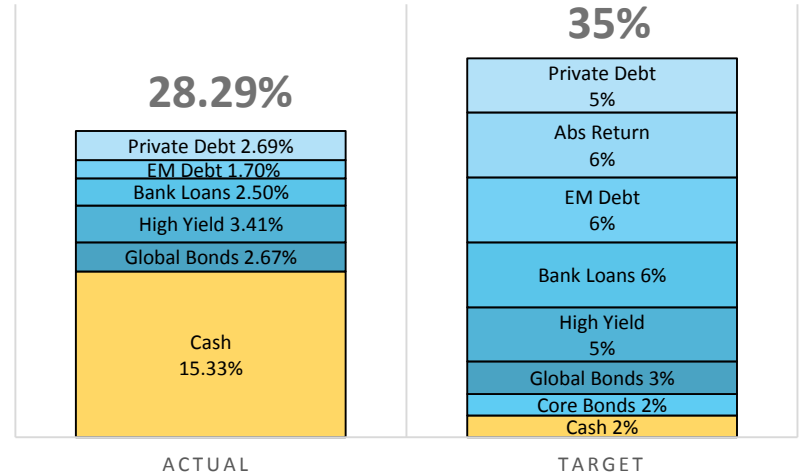
January 31, 2017

	Actual			Target	Target Range		
	\$ (M)	Gross %	Net %	\$ (M)	Low	%	High
EQUITY							
Global Equity	160.66	7.09%	7.52%	427.06	10%	20%	23%
Emerging Market Equity	-	0.00%	0.00%	106.76	0%	5%	8%
LIQUID EQUITY	160.66	7.09%	7.52%	533.82	25%		
FIXED INCOME							
Short Term Core Bonds	-	0.00%	0.00%	42.71	0%	2%	5%
Global Bonds	60.48	2.67%	2.83%	64.06	0%	3%	6%
High Yield	77.31	3.41%	3.62%	106.76	2%	5%	8%
Bank Loans	56.58	2.50%	2.65%	128.12	3%	6%	9%
Emerging Market Debt	38.54	1.70%	1.81%	128.12	0%	6%	9%
Absolute Return & Structured Credit	-	0.00%	0.00%	128.12	0%	6%	9%
LIQUID FIXED INCOME	232.92	10.28%	10.91%	597.88	28%		
GLOBAL ASSET ALLOCATION (GAA)							
Risk Parity	75.30	3.32%	3.53%	106.76	2%	5%	8%
GTAA	20.42	0.90%	0.96%	64.06	0%	3%	6%
Absolute Return	38.22	1.69%	1.79%	42.71	0%	2%	5%
TOTAL GAA	133.94	5.91%	6.27%	213.53	10%		
LIQUID REAL ASSETS	-	0.00%	0.00%	64.06	0%	3%	6%
CASH	347.16	15.33%	16.26%	42.71	0%	2%	5%
TOTAL LIQUID INVESTMENTS	874.68	38.61%	40.96%	1,451.99	68%		
PRIVATE REAL ASSETS							
Natural Resources	264.53	11.68%	12.39%	106.76	3%	5%	10%
Infrastructure	167.18	7.38%	7.83%	106.76	3%	5%	10%
Real Estate	579.57	25.58%	27.14%	256.23	10%	12%	25%
TOTAL PRIVATE REAL ASSETS	1,011.28	44.64%	47.36%	469.76	22%		
PRIVATE MARKETS							
Private Equity	318.44	14.06%	14.91%	106.76	4%	5%	15%
Private Debt	60.87	2.69%	2.85%	106.76	2%	5%	7%
TOTAL PRIVATE MARKETS	379.31	16.74%	17.76%	213.53	10%		
TOTAL PRIVATE INVESTMENTS	1,390.60	61.39%	65.12%	683.29	32%		
GROSS INVESTMENT ASSETS	2,265.28	100%	106.09%				
DPPF DEBT	(130.00)		-6.09%	-	0%	0%	15%
NET ASSET VALUE	2,135.28		100%				

EQUITY



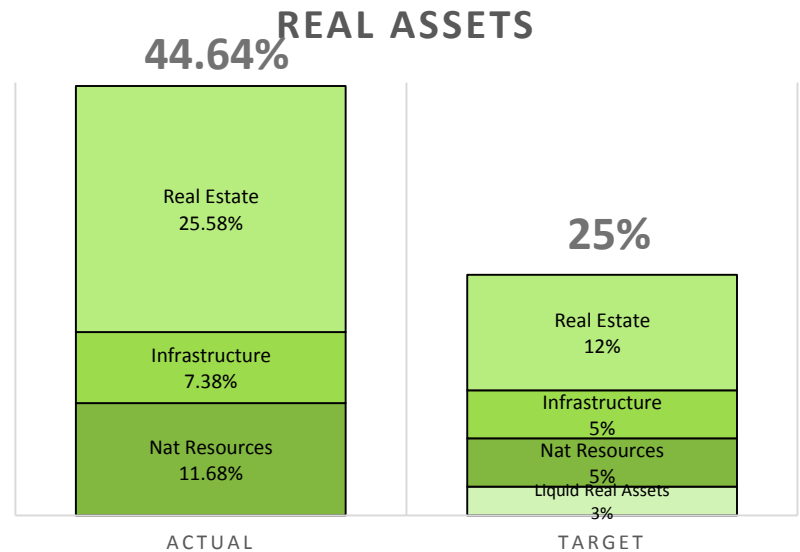
FIXED INCOME & CASH



GLOBAL ASSET ALLOCATION

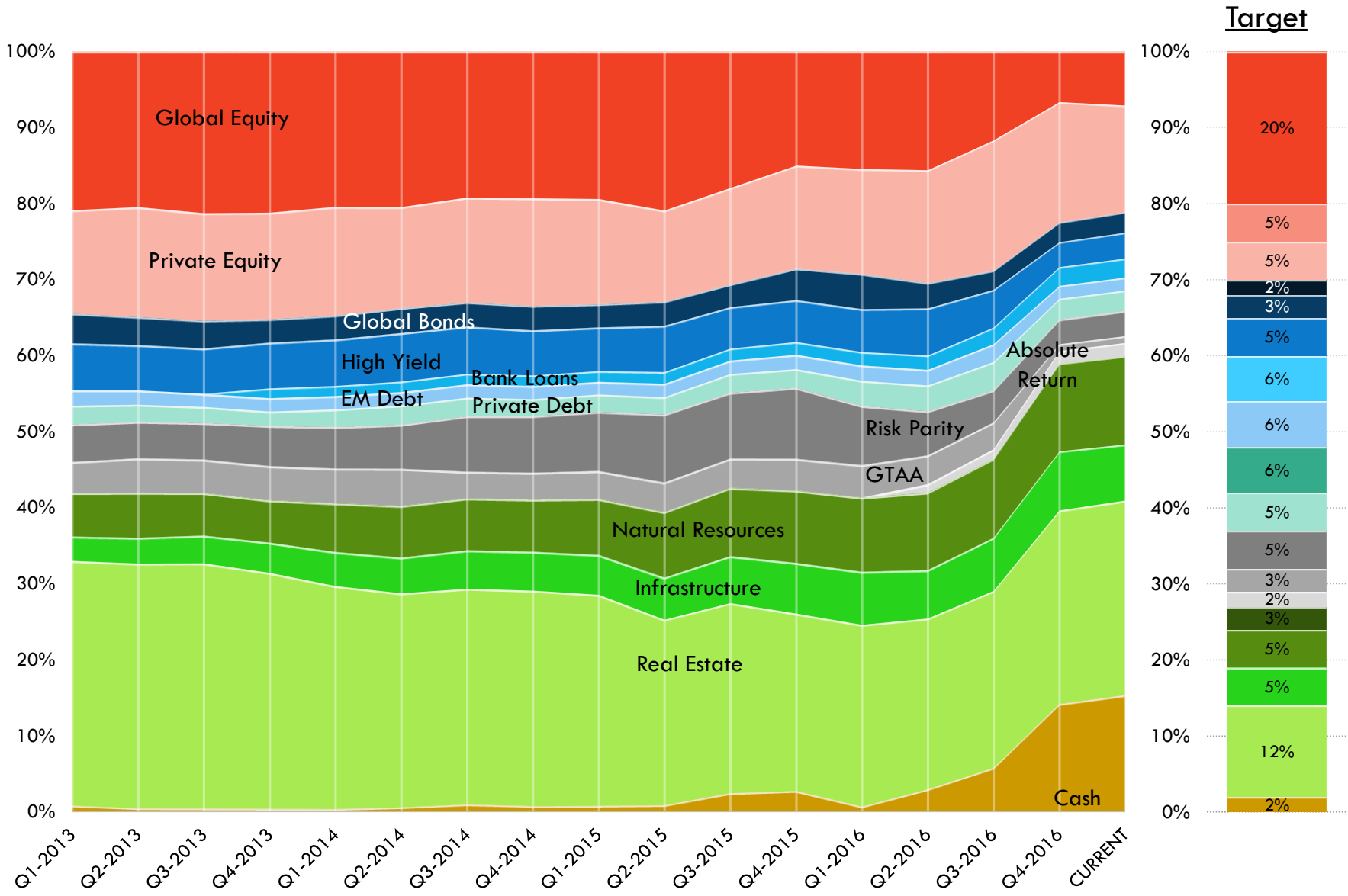


REAL ASSETS



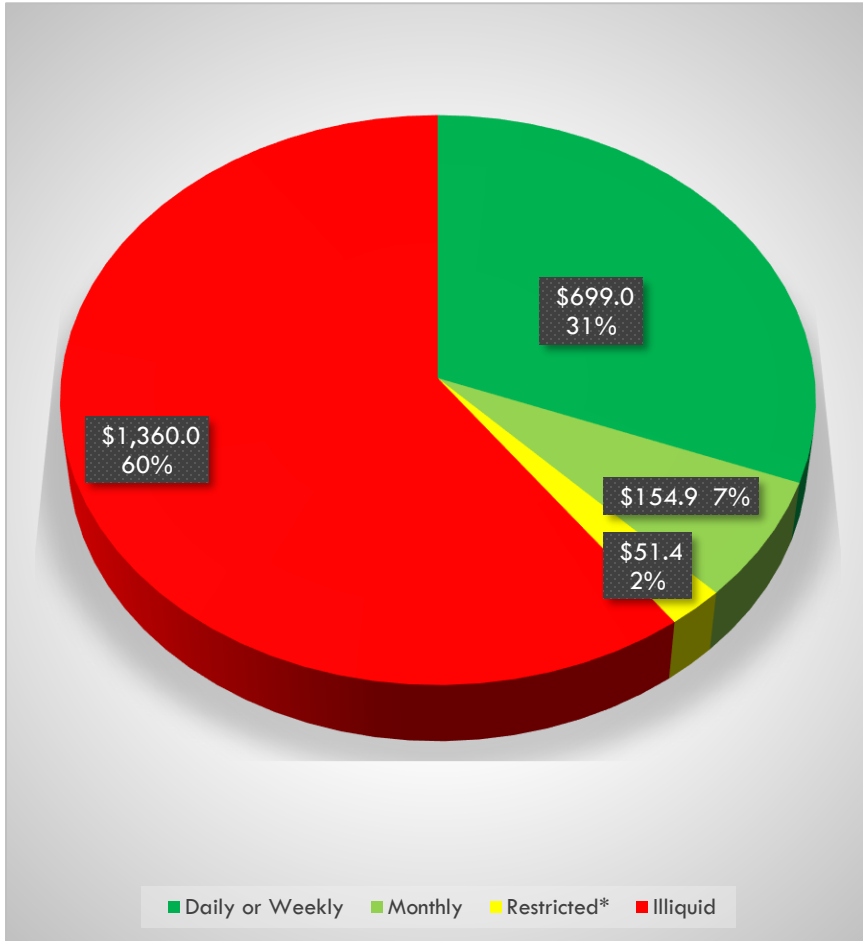
Asset Allocation History (Quarterly)

January 31, 2017

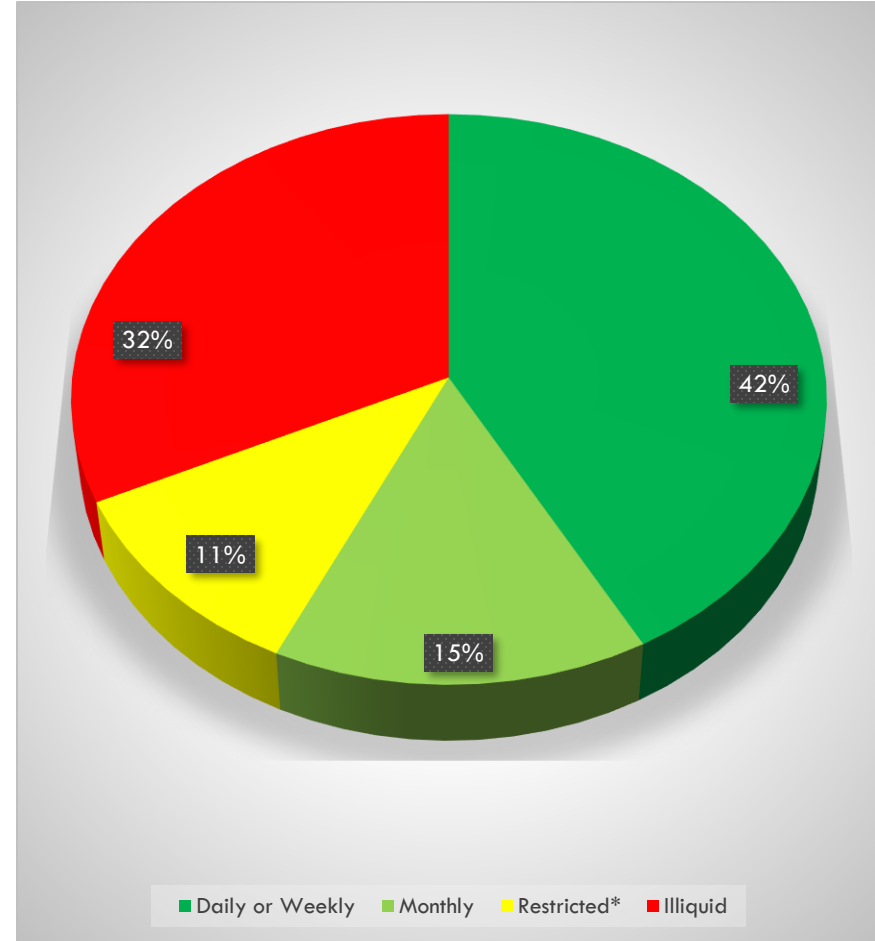


In Millions

ACTUAL – GROSS INVESTMENT ASSETS



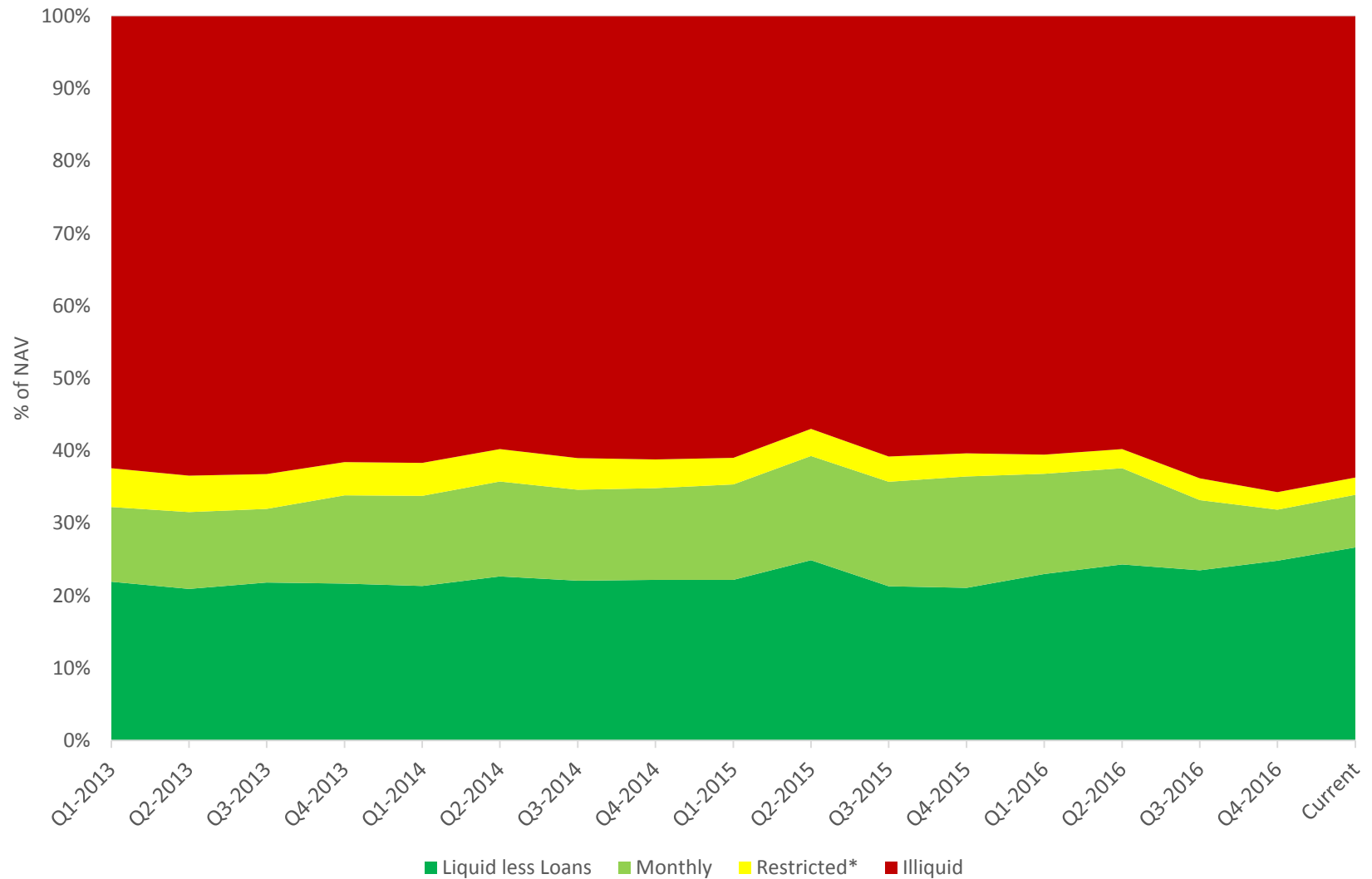
BASED ON TARGET ASSET ALLOCATION



* - Assets can be redeemed between monthly and annual basis often with gating, lock-ups or notice of more than 30 days required.

Liquidity History- As Percentage (Quarterly)

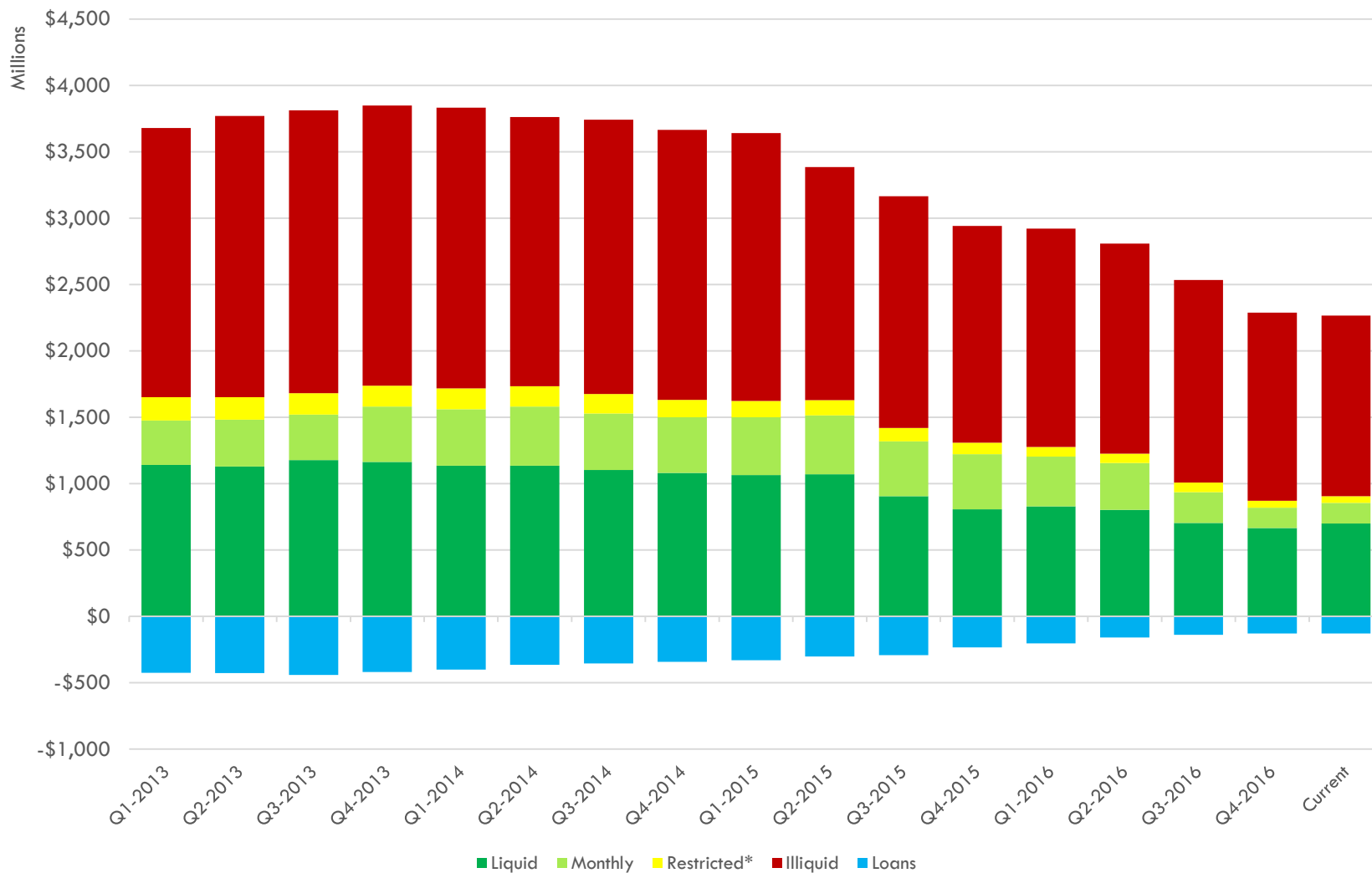
January 31, 2017



* - Assets can be redeemed between monthly and annual basis often with gating, lock-ups or notice of more than 30 days required.

Liquidity History – Investment Value (Quarterly)

January 31, 2017



* - Assets can be redeemed between monthly and annual basis often with gating, lock-ups or notice of more than 30 days required.

Unfunded Capital Commitments

January 31, 2017

Fund	Vintage	Asset Class	Total Commitment	Unfunded Capital
JPM AIRRO	2008	Infra	37,000,000	1,150,000
JPM AIRRO II	2013	Infra	40,000,000	33,016,054
JPM Maritime	2009	Infra	50,000,000	3,256,172
Hudson Clean Energy Partners	2009	PE	25,000,000	297,643
Huff Energy Fund	2006	PE	100,000,000	119,979
Industry Ventures	2016	PE	5,000,000	4,475,000
Lone Star Growth Capital	2006	PE	16,000,000	16,000,000
Lone Star Opportunities Fund V	2012	PE	75,000,000	18,750,000
Lone Star Fund IX	2014	Private Debt	35,000,000	12,855,193
Lone Star Fund VII	2011	Private Debt	25,000,000	1,540,888
Lone Star Fund VIII	2013	Private Debt	25,000,000	4,621,964
Riverstone	2016	Private Debt	10,000,000	4,626,146
Lone Star Fund III	2000	RE	20,000,000	172,586
Lone Star Fund IV	2002	RE	20,000,000	954,801
Lone Star Fund VI	2008	RE	25,000,000	4,994,642
Lone Star Real Estate Fund I	2008	RE	25,000,000	4,280,582
Lone Star Real Estate Fund II	2011	RE	25,000,000	2,847,542
Lone Star Real Estate Fund III	2014	RE	25,000,000	1,639,038
M&G Real Estate Debt Fund II	2013	RE	29,476,000	8,011,030
TOTAL PRIVATE PORTFOLIO				\$ 123,609,260

TOTAL MONTHLY CAPITAL CALLS & CONTRIBUTIONS	\$15,000,000
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Outflows over \$1 m

AEW RCH - Debt Payment*	Capital Call	\$15,000,000
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TOTAL MONTHLY DISTRIBUTIONS	\$55,975,025
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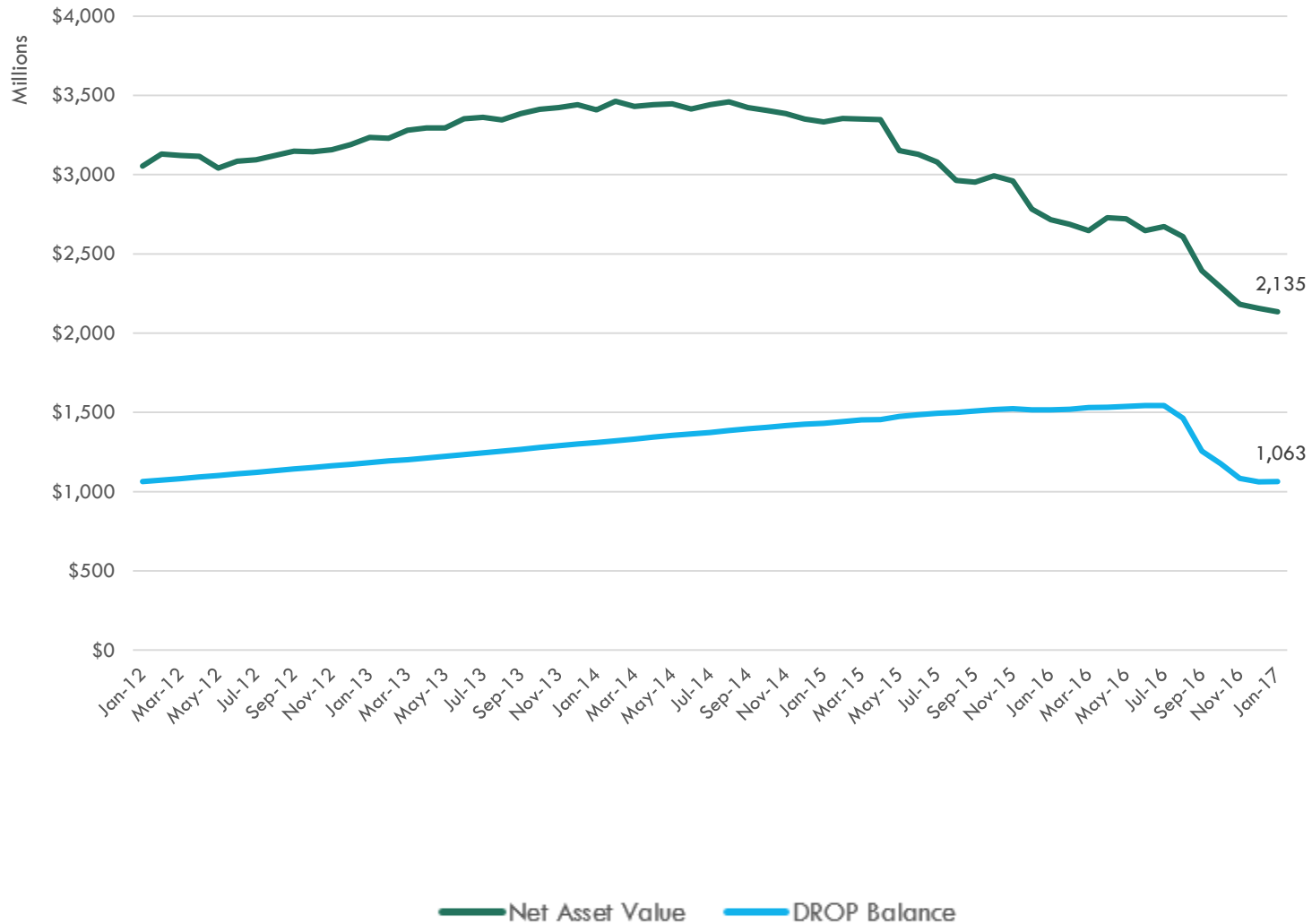
Inflows over \$1 m

AEW RCH - Cityscape Apts*	Distribution	\$15,000,000
LSF VIII	Distribution	\$1,048,852
Merit E	Secondary Sale	\$2,042,246
Merit G	Secondary Sale	\$20,224,516
Merit H	Secondary Sale	\$5,629,379
JPM AIRRO	Distribution	\$12,030,032

* AEW RCH sale proceeds used to pay debt at RCH company level

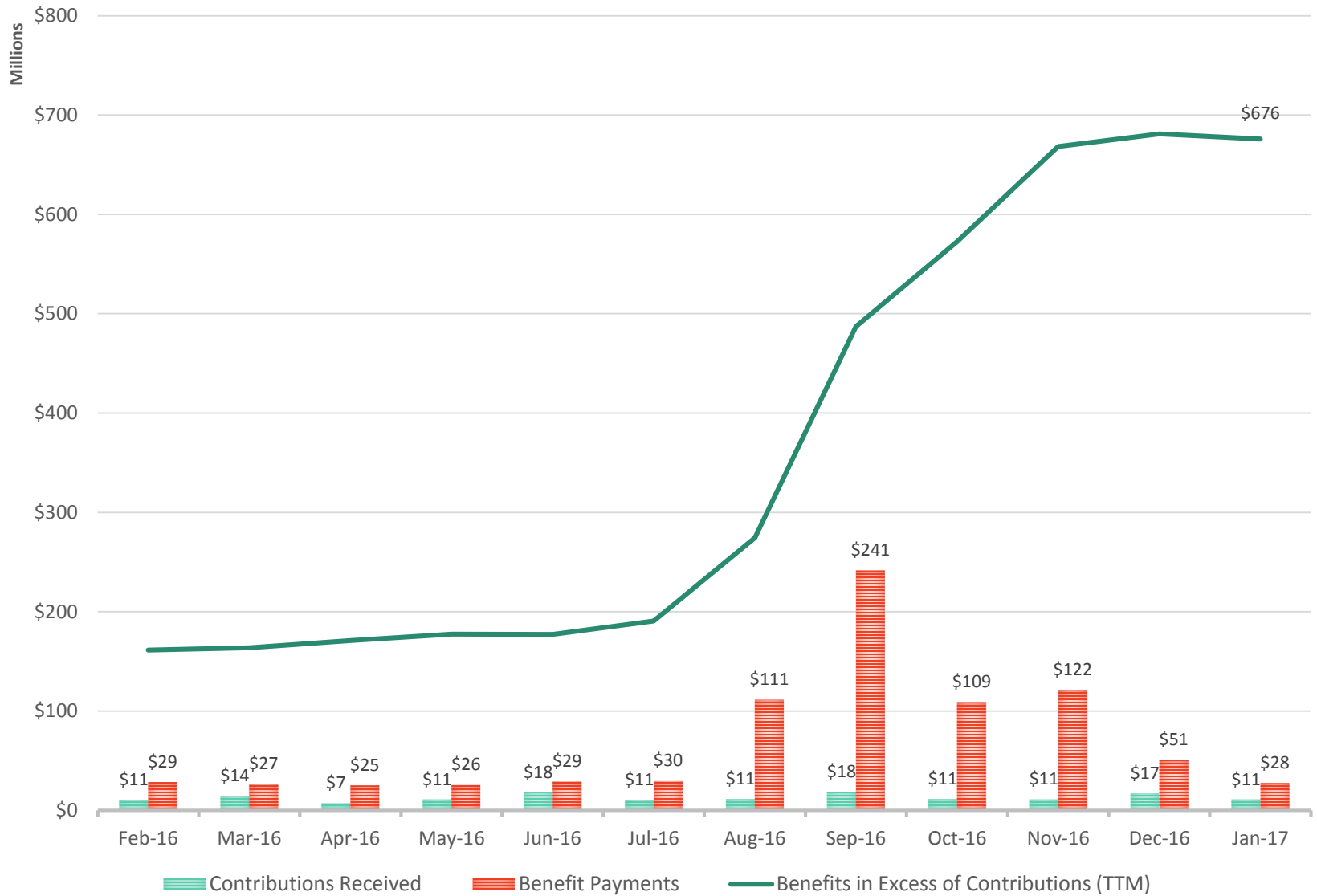
Monthly NAV & DROP Balances

January 31, 2017



Trailing 12-month Funding Gap

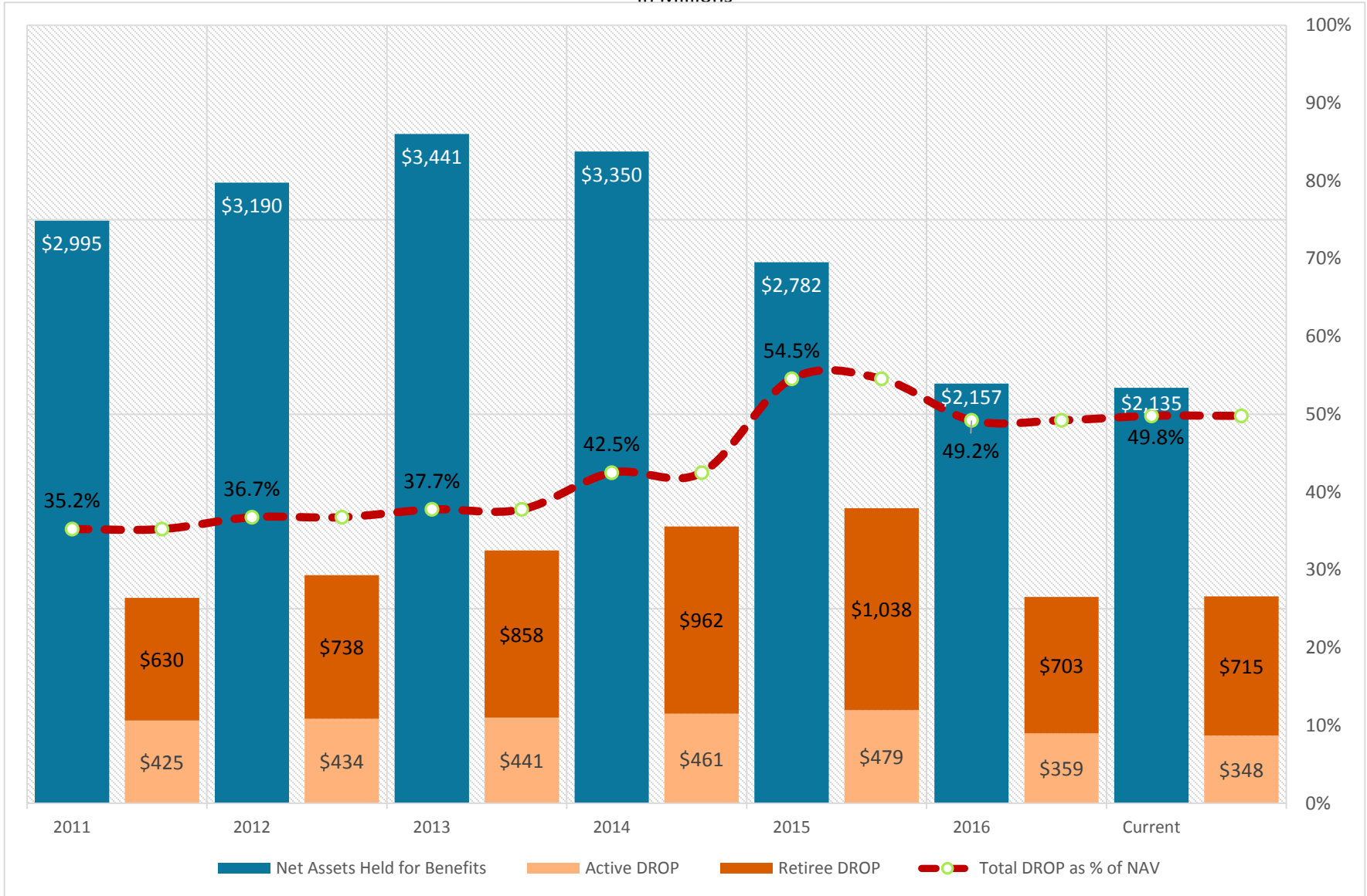
January 31, 2017



DROP Balance as % of NAV

January 31, 2017

In Millions



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

	PRELIMINARY	
	12/31/2016	12/31/15
	<i>(unaudited)</i>	<i>(audited)</i>
Assets		
Investments, at fair value (NOTE)		
Short-term investments	\$ 7,153,792	\$ 29,986,714
Fixed income securities	280,925,570	383,057,125
Equity securities	154,659,095	439,815,460
Real assets	1,023,658,897	1,135,348,482
Private equity	351,599,610	445,014,054
Alternative investments	133,939,703	395,025,520
Forward currency contracts	(286,788)	(388,840)
Total investments (NOTE)	1,951,649,879	2,827,858,515
Invested securities lending collateral	21,671,395	94,246,253
Receivables		
City	1,288,353	633,223
Members	279,469	141,171
Interest and dividends	2,944,626	5,640,971
Investment sales proceeds	24,710,879	51,977,685
Other receivables	307,317	175,363
Total receivables	29,530,644	58,568,413
Cash and cash equivalents	326,784,552	77,072,359
Prepaid expenses	459,284	201,452
Capital assets, net	12,042,991	12,191,563
Total assets	2,342,138,745	3,070,138,555
Liabilities		
Notes payable	130,000,000	235,314,513
Payables		
Securities purchased	24,352,550	37,341,033
Securities lending obligations	21,671,395	94,246,253
Accounts payable and other accrued liabilities	5,973,238	3,655,746
Total liabilities	181,997,183	370,557,545
Net position		
Net investment in capital assets	12,042,991	12,191,563
Unrestricted	2,148,098,572	2,687,389,446
Net position held in trust - restricted for position	\$ 2,160,141,563	\$ 2,699,581,009

(NOTE) Private asset values have not yet been reported for Q416. Values will be updated as final reporting is received.
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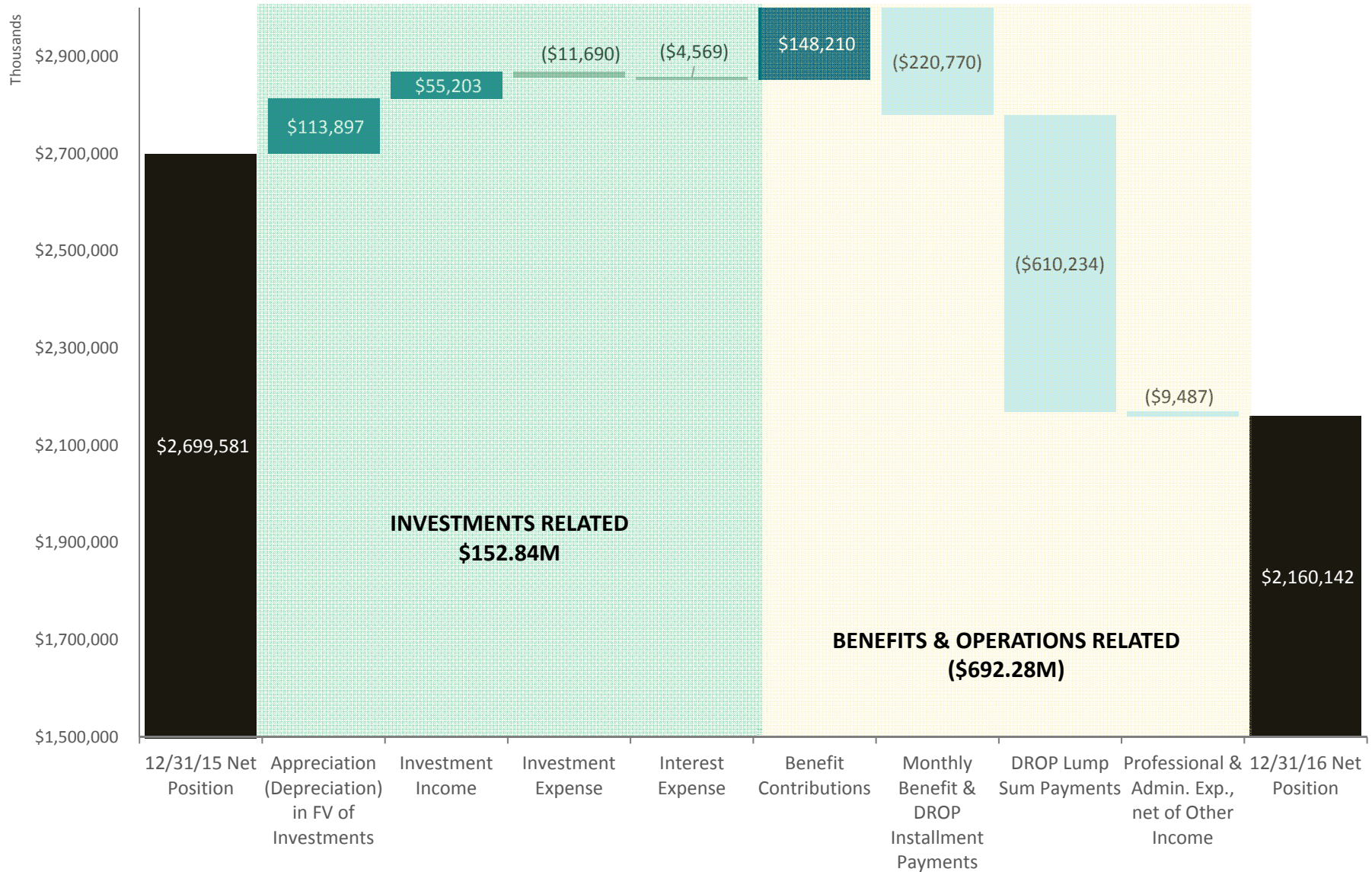
DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Changes in Fiduciary Net Position

	PRELIMINARY	
	12 Months ended	12 Months ended
	12/31/2016	12/31/2015
	<i>(unaudited)</i>	<i>(audited)</i>
	<hr/>	<hr/>
Contributions		
City	\$ 122,227,040	\$ 117,328,513
Members	25,983,438	25,719,685
Total contributions	<hr/> 148,210,478	<hr/> 143,048,198
Investment income		
Net appreciation (depreciation) in fair value of investments (NOTE)	113,896,904	(300,923,186)
Interest and dividends	54,801,148	73,415,798
Total gross investment income	<hr/> 168,698,052	<hr/> (227,507,388)
less: investment expense	(11,690,110)	(10,064,542)
Net investment income	<hr/> 157,007,942	<hr/> (237,571,930)
Securities lending income		
Securities lending income	662,329	751,896
Securities lending expense	(260,252)	(208,240)
Net securities lending income	<hr/> 402,077	<hr/> 543,656
Other income	151,700	131,699
Total additions	<hr/> 305,772,197	<hr/> (93,848,377)
Deductions		
Benefits paid to members	827,698,304	285,857,072
Refunds to members	3,305,542	1,785,719
Interest expense	4,569,460	6,049,220
Professional and administrative expenses	9,638,337	8,478,645
Total deductions	<hr/> 845,211,643	<hr/> 302,170,656
Net decrease in net position	<hr/> (539,439,446)	<hr/> (396,019,033)
Net position		
Beginning of period	2,699,581,009	3,095,600,042
End of period	<u><u>\$ 2,160,141,563</u></u>	<u><u>\$ 2,699,581,009</u></u>

(NOTE) Private asset values have not yet been reported for Q416. Values will be updated as final reporting is received.
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PRELIMINARY Change in Net Fiduciary Position

December 31, 2015 – December 31, 2016



* Private asset values have not yet been reported for Q4 2016. Values will be updated as final reporting is received.