



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

June 12, 2025

Board Meeting

Executive Summary

- **Estimated YTD Return (through 5/31):** 4.5% for DPFP Portfolio; 5.9% for Public Portfolio which makes up 80.3% of the assets.
- Since Board approval of KKR and Golub direct lending funds in May, legal review is in process.
- Staff received, and is in the process of reviewing, responses from all 11 Multi Asset Credit products invited to the MAC search.
- Staff and Meketa continue to monitor the portfolio for potential rebalancing opportunities.
- DPFP added an Investment Analyst, Luis Solorzano Trejo, to the team in June.

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

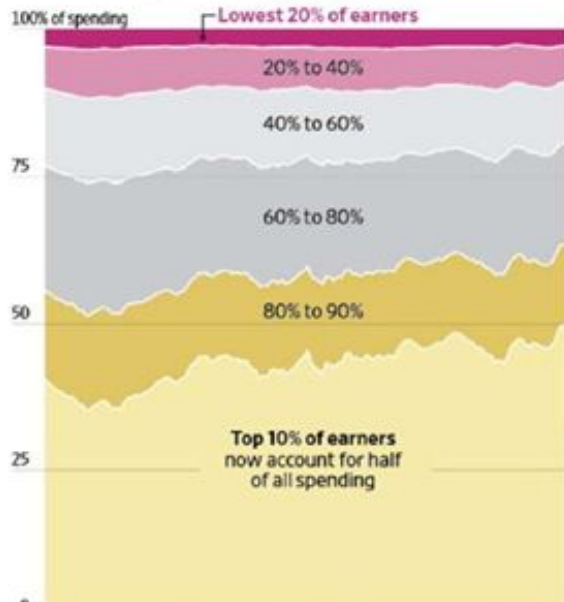
- Multi Asset Credit Search
- Diligence of Secondary Private Equity funds
- Diligence of Additional Private Credit Investments

Q4 2025 & Beyond

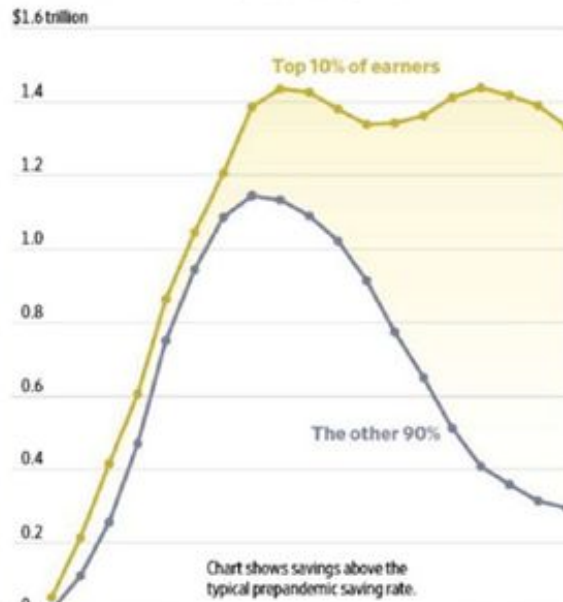
- Multi Asset Credit Manager Selection and Funding
- Possible Global Equity Value Search

US Consumer Weakening

Share of spending, by income group



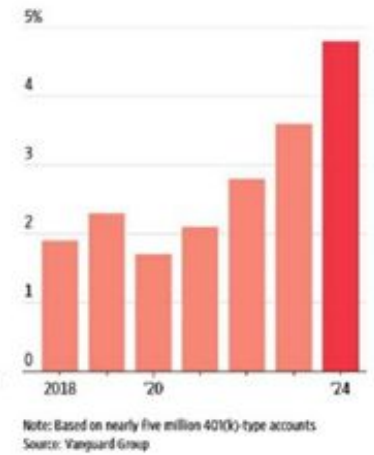
Cumulative excess savings, by income group



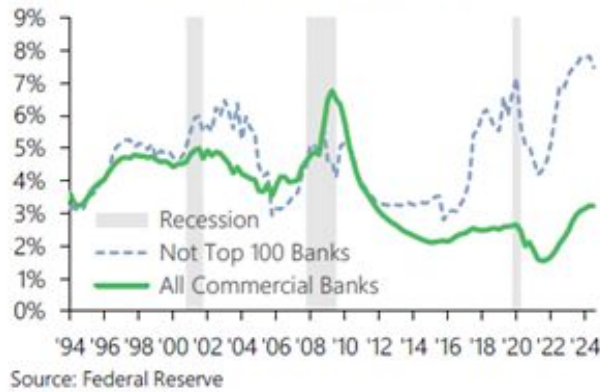
Strapped Workers Turn to 401(k)s

PINCH: Financial emergencies are pushing more Americans to break into their 401(k) accounts. Some 4.8% of account holders took early withdrawals last year for reasons such as preventing a foreclosure or paying medical bills. **A9**

Share of 401(k) participants taking early withdrawals due to economic hardship



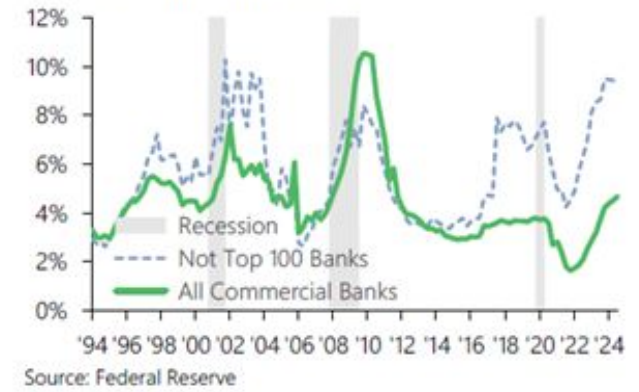
U.S. Credit Card 30-Day Delinquency Rates



U.S. Auto Loan Delinquency Rates

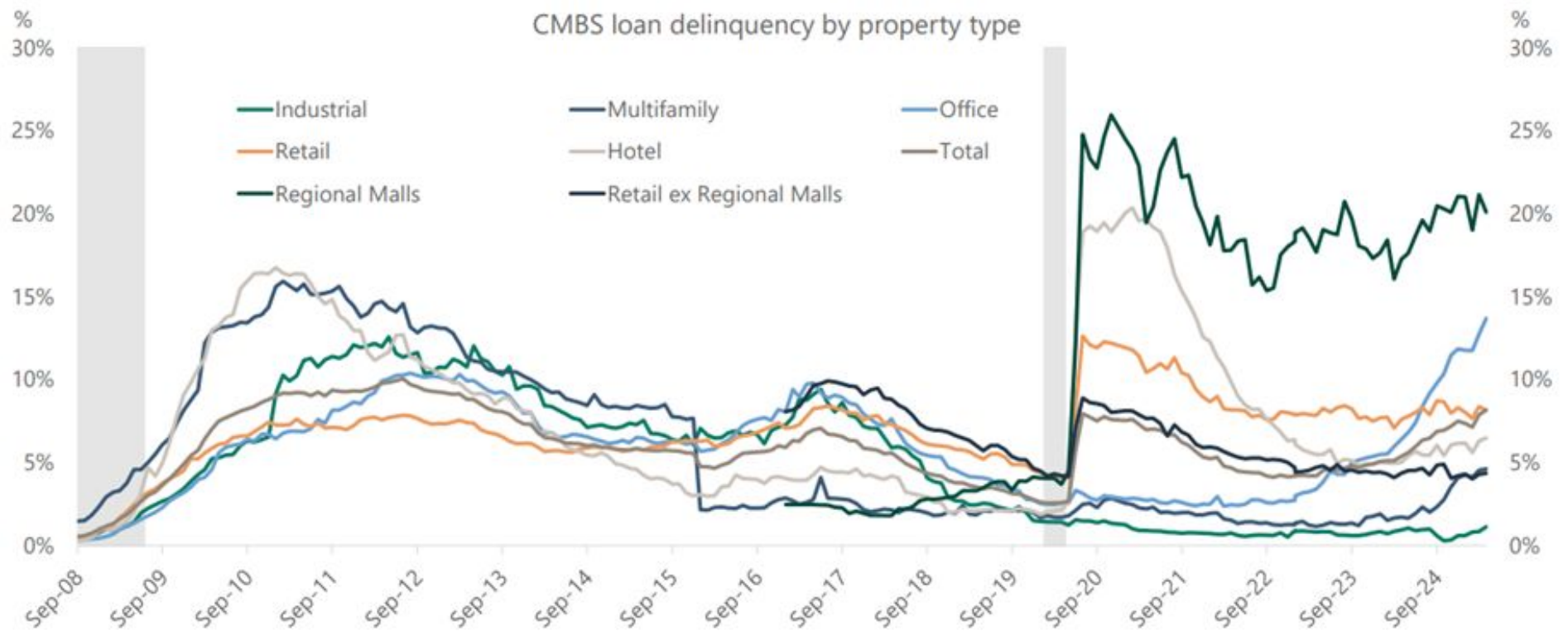


U.S. Credit Card Charge-Off Rates



CRE Delinquencies Rising

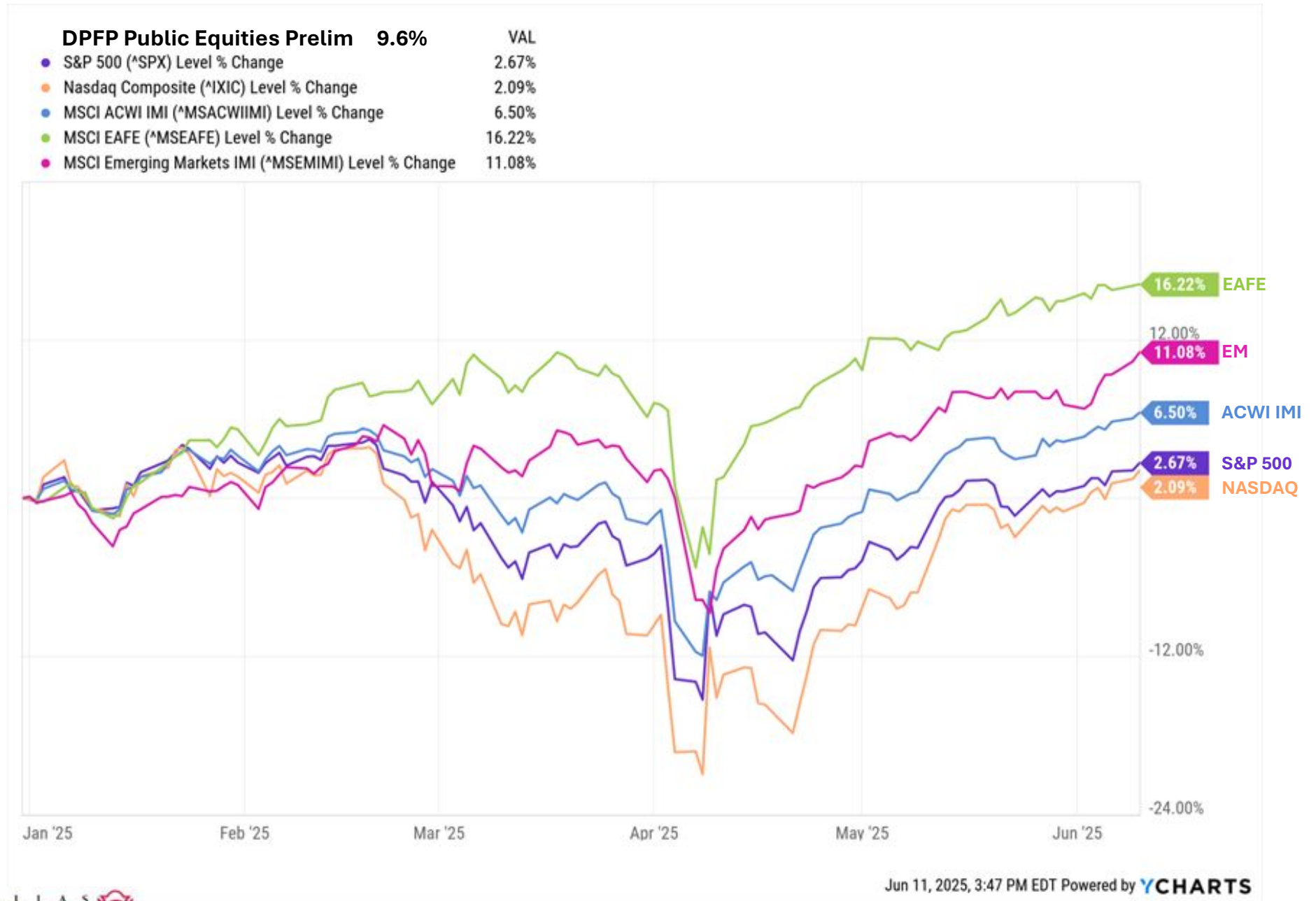
Rates higher for longer continues to put upward pressure on delinquency rates for CRE



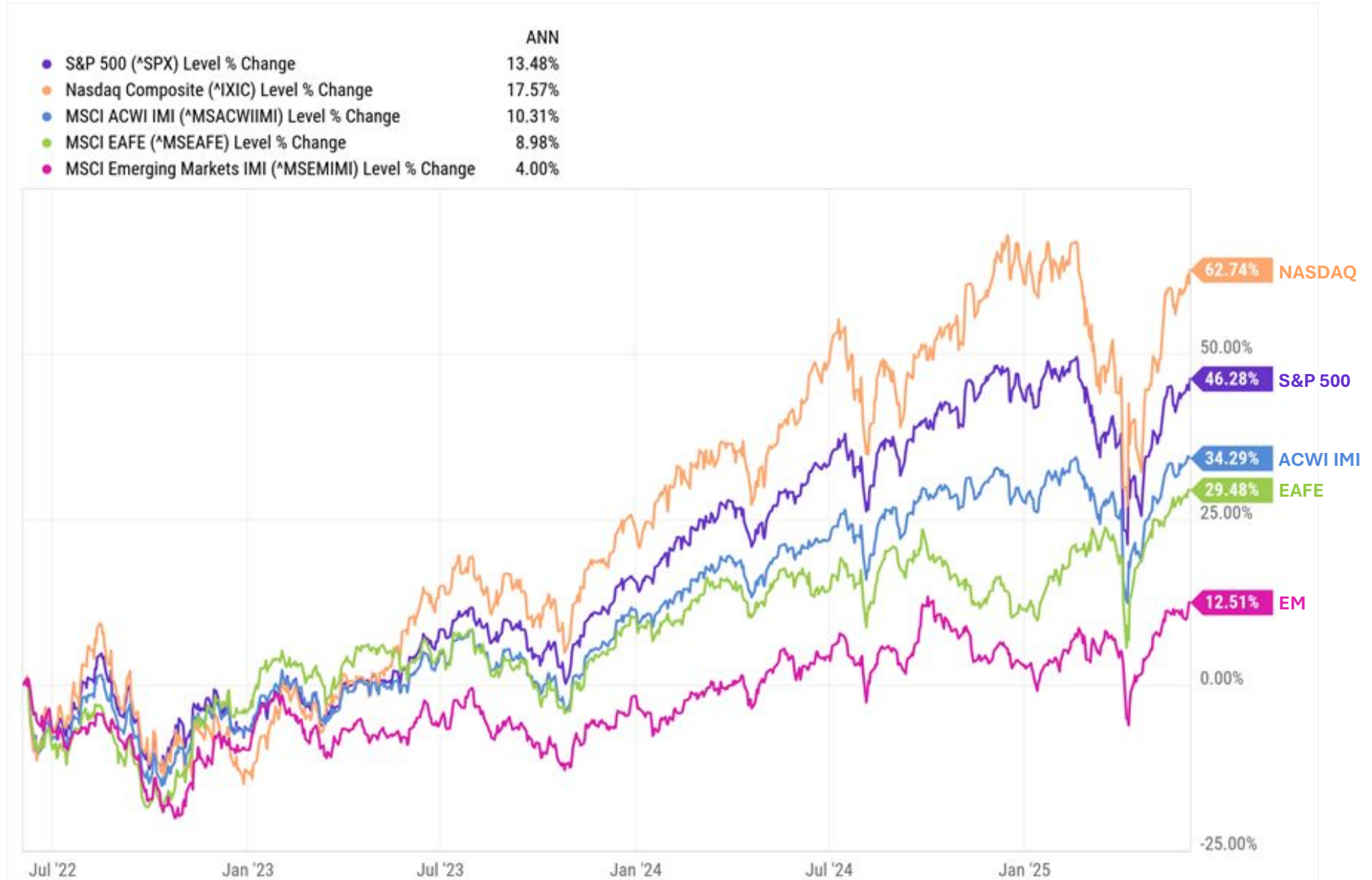
Source: Moody's Analytics, Apollo Chief Economist

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Equity Market Returns YTD (Ending 6/10/2025)



Equity Market Returns (3 Years Ending 5/31/25)



Public Markets Performance Snapshot

Public Markets made up 80.3% of DPFP Investment Portfolio.

Trailing Net Performance | As of May 31, 2025

Performance Summary Ending May 31, 2025		Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Total Public Portfolio		1,639,915,837	4.3	5.9	10.9	9.6	8.9
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>			3.3	5.2	10.6	7.4	7.3
Public Equity		1,162,557,983	6.1	7.3	13.2	11.6	12.8
<i>MSCI AC World IMI Index (Net)</i>			5.8	5.1	12.9	11.7	13.1
Boston Partners Global Equity Fund		137,519,188	5.7	17.9	16.2	12.8	17.6
<i>MSCI World Net</i>			5.9	4.9	13.7	13.2	14.2
Manulife Global Equity Strategy		125,491,573	5.1	5.8	7.5	10.5	12.7
<i>MSCI ACWI Net</i>			5.7	5.3	13.7	12.3	13.4
Walter Scott Global Equity Fund		125,642,146	5.1	3.7	7.0	10.3	10.4
<i>MSCI ACWI Net</i>			5.7	5.3	13.7	12.3	13.4
WCM Global Equity		134,968,021	10.7	10.6	31.1	--	--
<i>MSCI AC World Index Growth (Net)</i>			8.2	3.9	16.3	16.0	13.9
NT ACWI Index IMI		432,569,598	5.8	5.3	13.2	12.1	--
<i>MSCI AC World IMI Index (Net)</i>			5.8	5.1	12.9	11.7	13.1
Eastern Shore US Small Cap		60,150,744	5.5	-3.5	7.6	5.3	--
<i>Russell 2000 Index</i>			5.3	-6.8	1.2	5.0	9.6
Global Alpha International Small Cap		60,610,360	6.1	13.9	3.9	2.4	--
<i>MSCI EAFE Small Cap (Net)</i>			5.6	15.9	13.8	7.5	8.7
RBC Emerging Markets Equity		85,606,354	4.4	9.5	12.5	7.5	8.1
<i>MSCI Emerging Markets IMI (Net)</i>			4.8	8.2	12.0	5.5	7.9

Public Markets Performance Snapshot

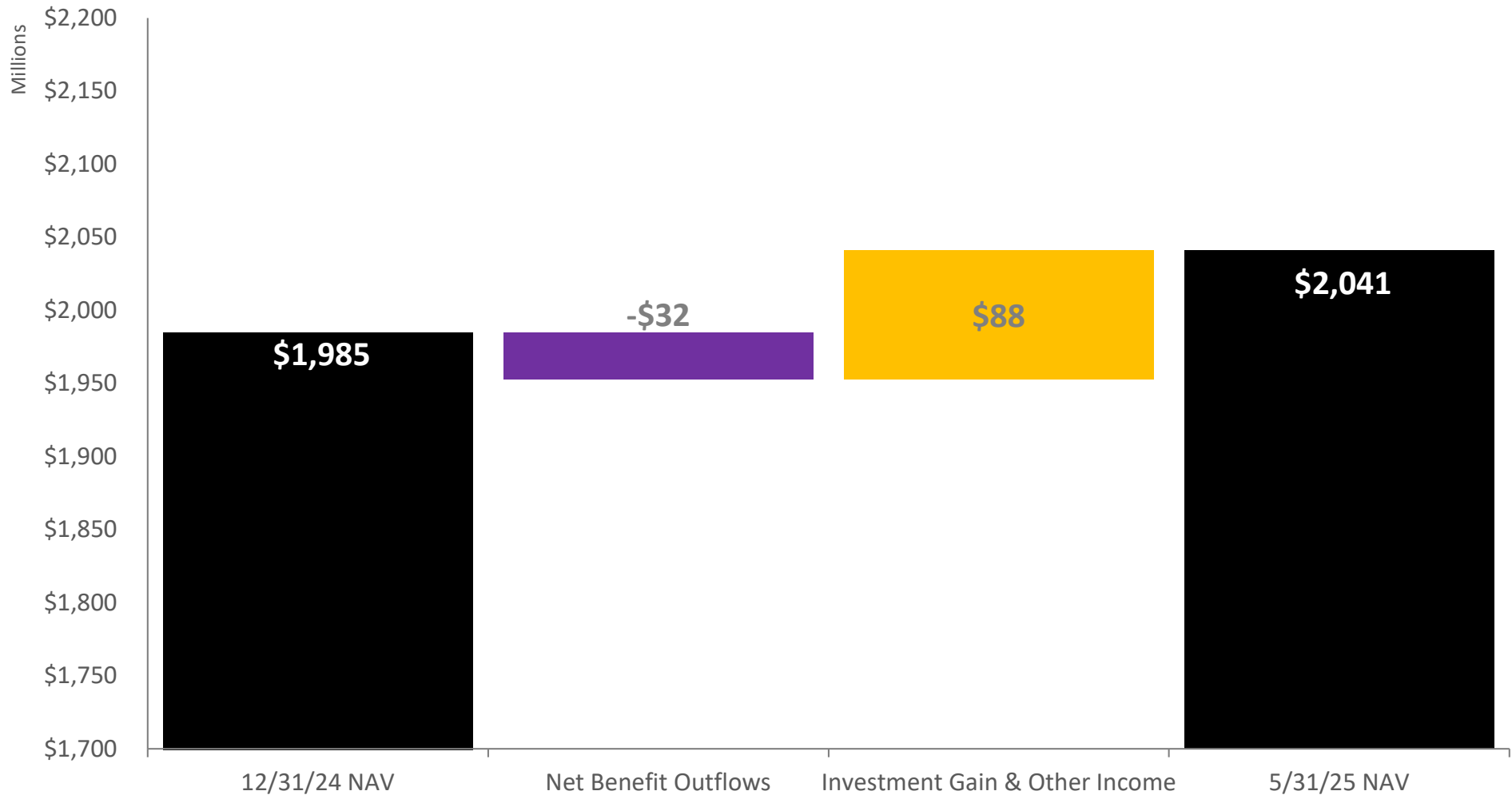
Trailing Net Performance | As of May 31, 2025

	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Fixed Income and Cash	259,196,552	0.0	2.3	5.9	3.4	1.7
<i>Fixed Income and Cash Blended Benchmark</i>		-0.2	2.2	5.5	3.0	1.0
IR&M 1-3 Year Strategy	126,249,017	0.1	2.4	6.2	3.9	2.1
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		-0.1	2.3	5.9	3.3	1.5
Longfellow Core Fixed Income	81,760,835	-0.6	2.4	5.7	2.1	—
<i>Blmbg. U.S. Aggregate Index</i>		-0.7	2.4	5.5	1.5	-0.9
Cash Equivalents	51,186,700	0.4	1.9	5.2	4.7	2.9
<i>ICE BofA 3 Month U.S. T-Bill</i>		0.4	1.7	4.8	4.4	2.7
Public Credit	218,161,302	1.5	2.9	8.4	6.7	4.4
<i>Credit Blended Benchmark</i>		1.4	3.1	8.2	7.2	5.5
Aristotle Pacific Capital Bank Loan	85,636,338	1.3	1.9	6.4	8.8	7.0
<i>S&P UBS Leveraged Loan Index</i>		1.6	2.2	7.0	8.5	7.5
Loomis US High Yield Fund	70,526,095	1.5	2.8	10.7	6.3	—
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		1.7	2.7	9.3	6.8	5.8
Metlife Emerging Markets Debt Blend	61,998,868	1.7	4.3	8.1	—	—
<i>35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Di</i>		0.9	4.8	8.2	5.8	2.3

Change in Market Value Bridge Chart - As of 5/31/2025

In Millions

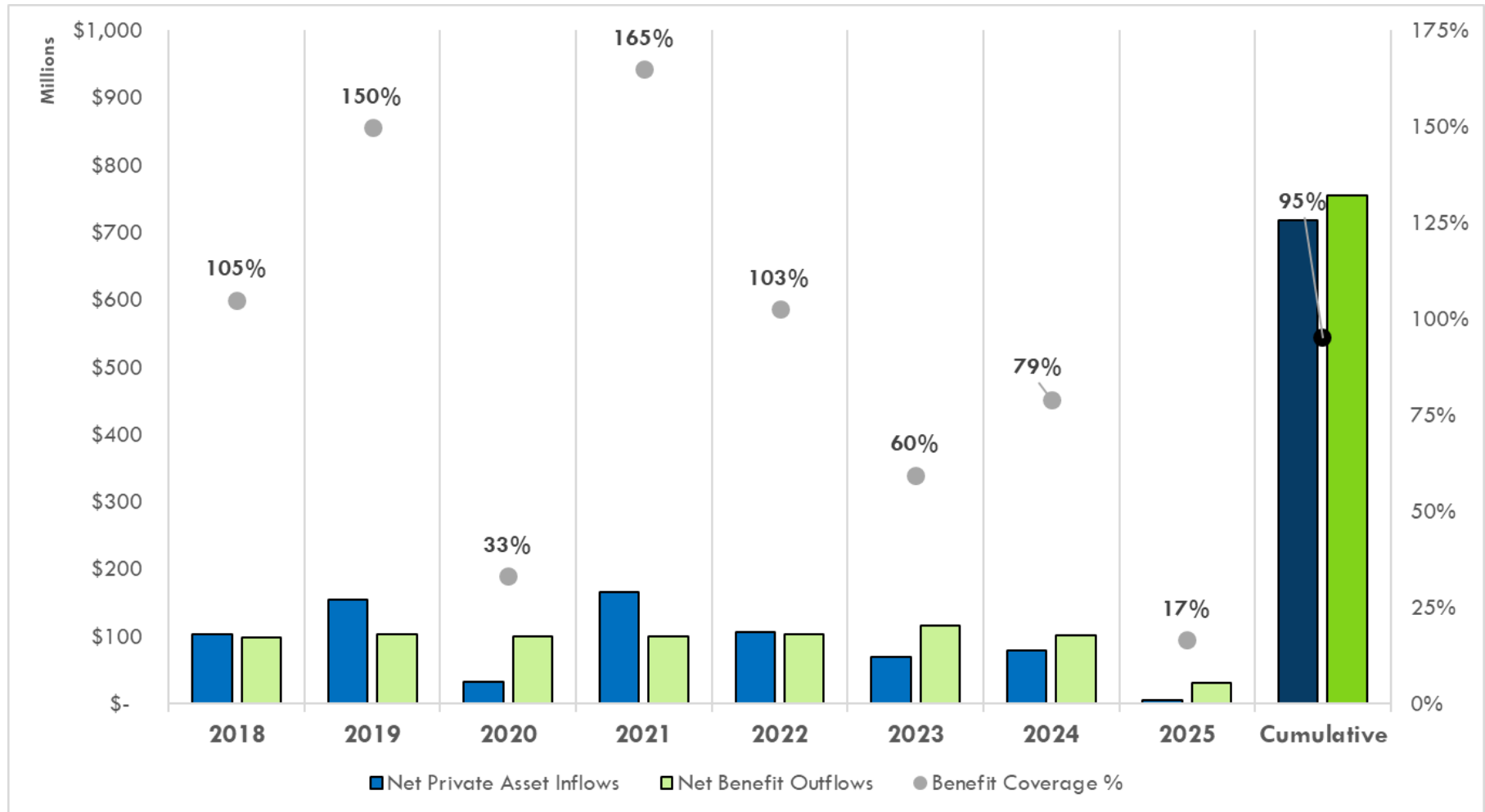
2025 YTD Preliminary Investment Return estimated at 4.5%



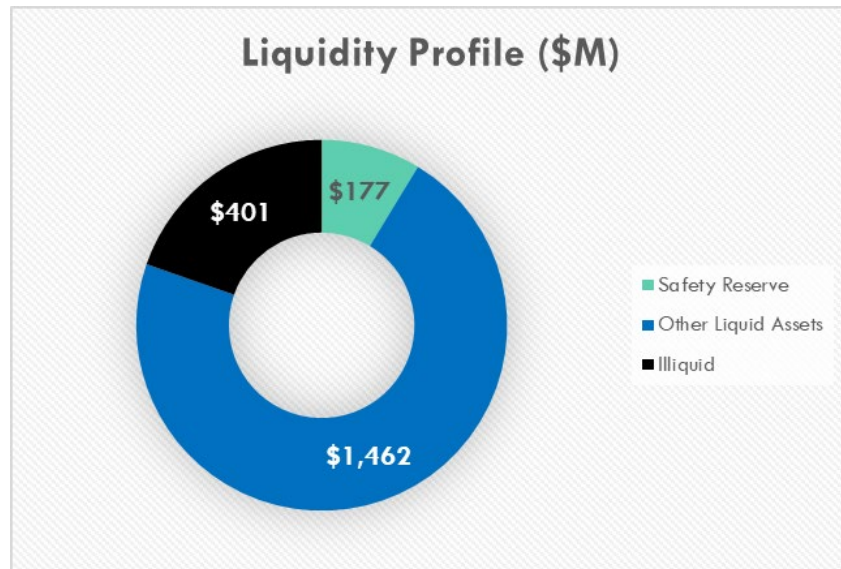
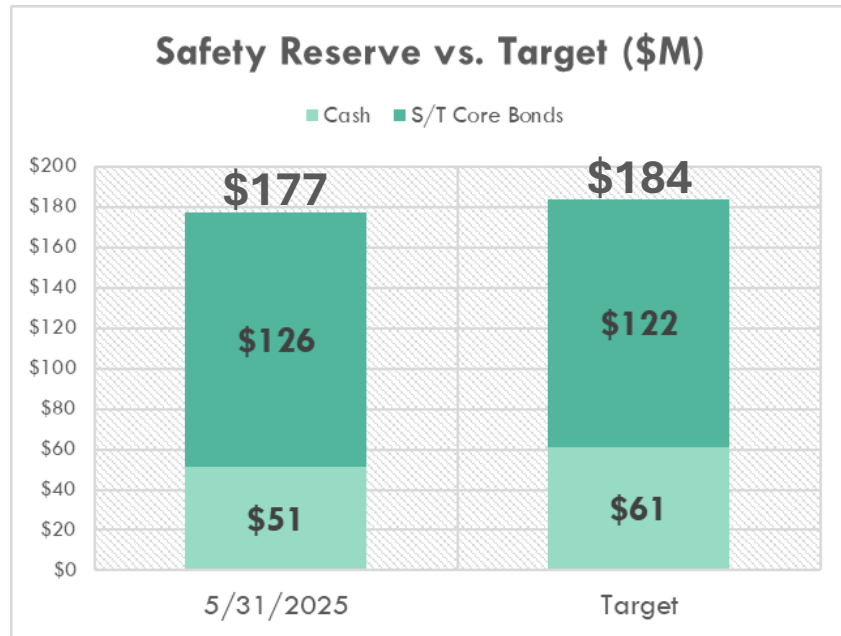
The beginning 12/31/24 value includes a one-quarter lag on private assets.
Numbers may not foot due to rounding.

Benefit Outflow Coverage

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



Safety Reserve Dashboard – As of 5/31/25



Projected Net Monthly outflows of **\$6.3M** per month. Safety Reserve of **\$177M** would cover net monthly outflows for next **28 months** or through **September 2027.**

Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	5/31/25		\$51.3	2.5%
City & Member Contribution	6/6/25	\$10.8	\$62.1	3.0%
City & Member Contribution	6/20/25	\$10.8	\$73.0	3.5%
Pension Payroll	6/26/25	(\$28.9)	\$44.1	2.1%
City & Member Contribution	7/4/25	\$10.8	\$54.9	2.7%
City & Member Contribution	7/18/25	\$10.8	\$65.7	3.2%
Pension Payroll	7/30/25	(\$28.9)	\$36.8	1.8%
City & Member Contribution	8/1/25	\$10.8	\$47.7	2.3%
City & Member Contribution	8/15/25	\$10.8	\$58.5	2.8%
Pension Payroll	8/27/25	(\$28.9)	\$29.6	1.4%
City & Member Contribution	8/29/25	\$10.8	\$40.5	2.0%

Numbers may not foot due to rounding.

Asset Allocation Detail

DPFP Asset Allocation	5/31/2025		Targets		% of Target	Variance	
	NAV	%	\$ mil.	%		\$ mil.	%
Equity	1,322	64.8%	1,306	64%	101%	16	0.8%
Public Equity	1,163	57.0%	1,184	58%	98%	-21	-1.0%
<i>Northern Trust ACWI IMI Index</i>	<i>433</i>	<i>21.2%</i>	<i>490</i>	<i>24%</i>	<i>88%</i>	<i>-57</i>	<i>-2.8%</i>
<i>Boston Partners</i>	<i>138</i>	<i>6.7%</i>	<i>122</i>	<i>6%</i>	<i>112%</i>	<i>15</i>	<i>0.7%</i>
<i>Manulife</i>	<i>125</i>	<i>6.1%</i>	<i>122</i>	<i>6%</i>	<i>102%</i>	<i>3</i>	<i>0.1%</i>
<i>Walter Scott</i>	<i>126</i>	<i>6.2%</i>	<i>122</i>	<i>6%</i>	<i>103%</i>	<i>3</i>	<i>0.2%</i>
<i>WCM</i>	<i>135</i>	<i>6.6%</i>	<i>122</i>	<i>6%</i>	<i>110%</i>	<i>13</i>	<i>0.6%</i>
<i>Eastern Shore US Small Cap</i>	<i>60</i>	<i>2.9%</i>	<i>61</i>	<i>3%</i>	<i>98%</i>	<i>-1</i>	<i>-0.1%</i>
<i>Global Alpha Intl Small Cap</i>	<i>61</i>	<i>3.0%</i>	<i>61</i>	<i>3%</i>	<i>99%</i>	<i>-1</i>	<i>0.0%</i>
<i>RBC Emerging Markets Equity</i>	<i>86</i>	<i>4.2%</i>	<i>82</i>	<i>4%</i>	<i>105%</i>	<i>4</i>	<i>0.2%</i>
Private Equity	40	2.0%	122	6%	33%	-83	-4.0%
Huff Energy Fund	120	5.9%	0	0%		120	5.9%
Credit	219	10.7%	306	15%	72%	-87	-4.3%
Public Credit	218	10.7%	225	11%	97%	-6	-0.3%
<i>Aristotle Pacific Bank Loans</i>	<i>86</i>	<i>4.2%</i>	<i>82</i>	<i>4%</i>	<i>105%</i>	<i>4</i>	<i>0.2%</i>
<i>Loomis Sayles High Yield Bonds</i>	<i>71</i>	<i>3.5%</i>	<i>82</i>	<i>4%</i>	<i>86%</i>	<i>-11</i>	<i>-0.5%</i>
<i>MetLife Emerging Market Debt</i>	<i>62</i>	<i>3.0%</i>	<i>61</i>	<i>3%</i>	<i>101%</i>	<i>1</i>	<i>0.0%</i>
Private Credit	1	0.1%	82	4%	2%	-80	-3.9%
Real Assets	241	11.8%	163	8%	147%	77	3.8%
Real Estate	147	7.2%	102	5%	144%	45	2.2%
Natural Resources	79	3.9%	61	3%	129%	18	0.9%
Infrastructure	14	0.7%	0	0%		14	0.7%
Fixed Income & Cash	259	12.7%	265	13%	98%	-6	-0.3%
Cash	51	2.5%	61	3%	84%	-10	-0.5%
IR+M Short Term Bonds	126	6.2%	122	6%	103%	4	0.2%
Longfellow IG Bonds	82	4.0%	82	4%	100%	0	0.0%
Total	2,041	100.0%	2,041	100%		0	0.0%
Safety Reserve	177	8.7%	184	9%	97%	-6	-0.3%
Private Market Assets	401	19.7%	367	18%		34	-4.2%

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

Asset Allocation – Actual vs Target

