AGENDA

DALLAS POLICE & FIRE PENSION SYSTEM

Date: August 7, 2026

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 13, 2026, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas and via online Zoom meeting for audio and visual https://us02web.zoom.us/j/87016110261?pwd=X5Bl7ZPfbAJ9e7dkj6bbwtsdEXgskX.1 (Meeting ID: 870 1611 0261, Passcode: 455566), or participants may join the meeting audio via telephone by calling 1-719-359-4580.** Items of the following agenda will be presented to the Board:

A. MOMENT OF SILENCE

B. APPROVAL OF MINUTES

Regular meeting of July 9, 2026

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Personnel - Chief Financial Officer

2. **2026 Mid-Year Budget Review**

3. **Quarterly Financial Reports**

4. **Executive Director Approved Pension Ministerial Actions**

5. **Board Approval of Trustee Education and Travel**

6. **Board Members' Reports on Meetings, Seminars and/or Conferences Attended**

7. **Future Board Meeting Agenda Planning**

8. **City of Dallas Pension Obligation Bond Discussions**

9. **Portfolio Update**

10. **Report on Investment Advisory Committee Meeting**

11. **Asset Allocation Study**

12. **4100 Harry Hines Building Leasing**

    Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

13. Lone Star Investment Advisors

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

14. 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.

15. Closed Session - Board serving as Medical Committee

Discussion of the following will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

a. Application for death benefits for disabled child 2026-1C
b. Disability application 2026-4D

D. BRIEFING ITEMS

1. Public Comment

2. Executive Director's Report

a. Associations' newsletters

- NCPERS Monitor August 2026
- NCPERS PERSist Summer 2026
- TEXPERS Pension Observer Vol. 2

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.

DALLAS POLICE & FIRE PENSION SYSTEM

MOMENT OF SILENCE

In memory of our Members and Pensioners who recently passed away

NAME	ACTIVE/ RETIRED	DEPARTMENT	DATE OF DEATH
Alfred J. D'Alessandro	Retired	Police	May 17, 2026
Donald W. Young	Retired	Police	May 24, 2026
R K. Hendrix	Retired	Fire	Jun. 29, 2026
Antonio Medrano	Retired	Police	Jul. 01, 2026
J.D. Osborn	Retired	Fire	Jul. 03, 2026
Dane P. Thornton	Retired	Police	Jul. 12, 2026
Frank C. Muscato	Retired	Police	Jul. 16, 2026
Leslie E. Richardson, Sr.	Retired	Police	Jul. 18, 2026
Leon Hollins Jr.	Retired	Fire	Jul. 20, 2026
Billy S. Ball	Retired	Police	Jul. 21, 2026
David W. Lane	Retired	Police	Jul. 30, 2026
Ward K. McDonald	Retired	Police	Jul. 31, 2026
Ted A. Carpenter	Active	Fire	Aug. 03, 2026

Regular Board Meeting –Thursday, August 13, 2026

Dallas Police and Fire Pension System
Thursday, July 9, 2026
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 8:33 a.m.	Michael Taglienti, Tom Tull, Tina Hernandez Patterson, Matthew Shomer, Joe Colonnetta, Anthony Scavuzzo, David Kelly, Scott Letier
Virtual at 8:33 a.m.	Yvette Duenas, Rob Walters
Absent	Steve Idoux
Staff	Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Divyesh Shah, Luis Solorzano Trejo, John Holt, Nien Nguyen, Milissa Romero
Virtual	Jami Allen, Lydia LoSasso, Bill Scoggins, Trish Wiley, Sasha Signman, Cynthia Thomas
Others	None
Virtual	Leandro Festino, Colin Kowalski, Kevin Balaod, Zack Cziryak, David Elliston, Ryan Falls, Matt Larabee, Trevor Lowman, Tom Moore, Scott Olguin, Nate Weinstein

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The meeting was called to order at 8:33 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Deirdre G. Claud, Ronnie L. Bratt, and retired firefighter Chaffra Giddens.

No motion was made.

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Regular Board Meeting
Thursday, July 9, 2026

B. APPROVAL OF MINUTES

Regular meeting of June 11, 2026

After discussion, Mr. Letier made a motion to approve the minutes of the Regular meeting of June 11, 2026. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Certification of Police Officer Trustee Election Results

The term of the Police Officer Trustee (Michael Taglienti) expires on August 31, 2026.

YesElections, an independent third-party election company, conducted the election process for the Police Officer Trustee position following the election rules adopted by the Board, and the voting period ended on June 30, 2026.

Michael Taglienti received the majority of the votes cast and has been elected as the Police Officer Trustee with a term from September 1, 2026 to August 31, 2029.

After discussion, Mr. Colonnetta made a motion to certify the election results of the Police Officer Trustee election. Mr. Tull seconded the motion, which was unanimously approved by the Board.

YesElections
Powered by Election America

Results:

Race	Candidate/Choice	Votes	Percent
Police Officer Trustee - Police	Michael Taglienti (incumbent)	188	75.80%
Police Officer Trustee - Police	Kenneth Haben	60	24.19%

Turnout:

Group	Internet	Phone	Total	Electorate	Turnout %
Police	208	40	248	3369	7.36

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Regular Board Meeting
Thursday, July 9, 2026

2. Selection of Actuary

At the May 14, 2026 Board Meeting, the Board directed staff to proceed with the actuary search and to bring a single selection back to the Board for consideration. Staff completed the search process and brought forward staff's recommendation for the Board's consideration.

After discussion, Mr. Shomer made a motion to authorize the Executive Director, subject to review by legal counsel, to enter into an engagement agreement with Milliman, to become DPFP's actuary. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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3. Future Board Meeting Agenda Planning

Staff provided a list of anticipated agenda items for the next 3 months for Board meeting planning purposes.

No motion was made.

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4. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the July pension ministerial actions.

No motion was made.

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5. Board Approval of Trustee Education and Travel

The Board and staff discussed future Trustee education. There was no future Trustee education or travel scheduled.

No motion was made.

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Regular Board Meeting
Thursday, July 9, 2026

6. City of Dallas Pension Obligation Bond Discussions

The City of Dallas is considering seeking voter approval to authorize up to $500 million in Pension Obligation Bonds. Staff shared information about the proposal, as described by the City, and the impact on the pension fund.

No motion was made.

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7. Portfolio Update

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

No motion was made.

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8. Asset Allocation Study Update

Staff and Meketa provided an update on the ongoing Asset Allocation Study.

No motion was made.

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9. Global Public Equity Recommendation

Staff, with assistance from Meketa, conducted a search for a Global Equity Manager. The Investment Advisory Committee (IAC) provided feedback and guidance throughout the process and interviewed the finalists at the May 28, 2026 IAC meeting. Staff discussed the search process and recommendation with the Board.

After discussion, Ms. Hernandez Patterson made a motion to authorize the Executive Director to terminate the Manulife Global Equity allocation, and to enter into investment management agreements with Arrowstreet to invest up to a 6% allocation to be allocated between the long-only and extension strategies. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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Regular Board Meeting
Thursday, July 9, 2026

10. **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.**

No discussion was held, and no motion was made regarding legal issues.

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11. **Closed Session – Board serving as Medical Committee**

Discussion of the following will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

a. Disability application 2026-2D
b. Disability application 2026-3D

Staff presented an application for a disability retirement in accordance with Section 6.03 of Article 6243a-1 for consideration by the Board.

a. No discussion was held, and no motion was made regarding the disability application 2026-2D.
b. After discussion, Mr. Letier made a motion to approve the disability retirement application number 2026-3D and waived future medical recall evaluations. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

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D. BRIEFING ITEMS

1. **Public Comment**

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

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Regular Board Meeting
Thursday, July 9, 2026

2. Executive Director's Report

a. Associations' newsletters
- NCPERS Monitor (June 2026)

b. Open Records
c. Chief Financial Officer Recruitment Update
d. Employee Service Award

The Executive Director's report was presented.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Shomer and a second by Mr. Letier, the meeting was adjourned at 10:02 a.m.

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Michael Taglienti,
Chairman

ATTEST:

____
Kelly Gottschalk,
Secretary

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C1

Topic: **Personnel – Chief Financial Officer**

Discussion: We would like to welcome and introduce Sherrelle Evans-Jones, who will be transitioning into the Chief Financial Officer role upon Brenda Barnes' retirement on August 14, 2026.

We would also like to recognize Brenda Barnes for her eight years of dedicated service to DPFP. Her leadership and contributions have been instrumental to the organization, and we extend our sincere appreciation for her commitment and impact.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C2

Topic: **2026 Mid-Year Budget Review**

Discussion: Attached is a review of the 2026 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, 2026 are discussed in the attached review.

Regular Board Meeting – Thursday, August 13, 2026

DALLAS POLICE AND FIRE PENSION SYSTEM

2026 Mid-Year Budget Review

Board Presentation | August 13, 2026

Six months ended June 30, 2026

EXECUTIVE SUMMARY

Six-Month Results at a Glance

$20.8M	$7.69M	$8.43M	-$0.74M
2026 Annual Budget	H1 2026 Actual	H1 2026 Budget	Variance to Budget
Straight-lined Jan–Dec	*Admin + Professional + Investment (direct)*	*Same three categories*	*-8.7% under budget*

Headline Items

- **Building Expenses** ran 82.1% over budget ($335K) due to a one-time third-floor lease termination; the recurring run-rate is on plan.
- **Legal fees** were 94.1% under budget. Additionally, a $285K one-time insurance reimbursement for covered litigation was received.
- **Employee expenses** came in 2.0% under budget for the first half of the 2026.

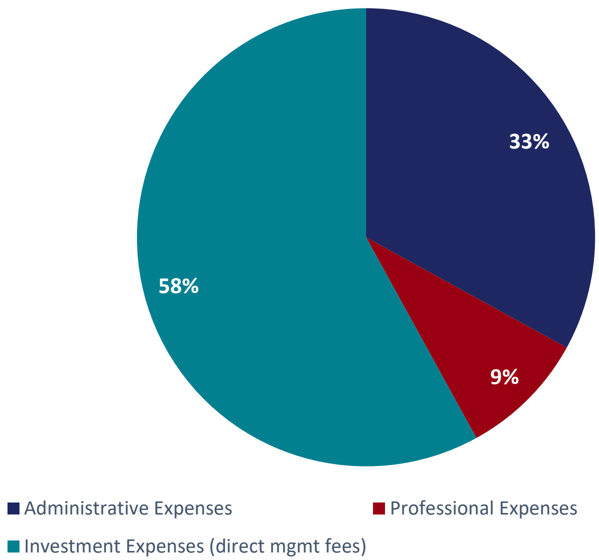
Scope note: figures above reflect Administrative, Professional, and direct Investment expenses per the Summary Budget. The $20.8M annual total also includes indirect investment management fees, which are netted against investment returns and not shown in this expense detail. Capital budget is not included.

BUDGET FRAMEWORK

How the Budget Is Structured

- The System's budget year runs January through December.
- The Budget Adoption Policy requires a mid-year review each August.
- The 2026 annual budget of $20.8M is straight-lined evenly across the year.
- Expenses are tracked in three categories: Administrative, Professional, and Investment.

2026 Budget Mix — All Fund Mgmt. Fees (Annual)



$ SUMMARY BUDGET

Summary Budget — Actual, Budget, and Full-Year Outlook

Expense Type	H1 Actual	H1 Budget	H1 Var $	H1 Var %
Administrative Expenses	3,457,321	3,442,798	14,523	0.4%
Professional Expenses	431,899	962,363	(530,464)	(55.1%)
Investment Expenses**	3,804,034	4,024,659	(220,625)	(5.5%)
Total	**7,693,253**	**8,429,819**	**(736,566)**	**(8.7%)**

***Excludes Indirect Investment Management Fees. Category totals may differ by $1 from the sum of underlying accounts due to rounding.*

Reading the table

Teal figures are under budget. **Cherry** figures are over budget.

$ ADMINISTRATIVE EXPENSES

Administrative Expenses

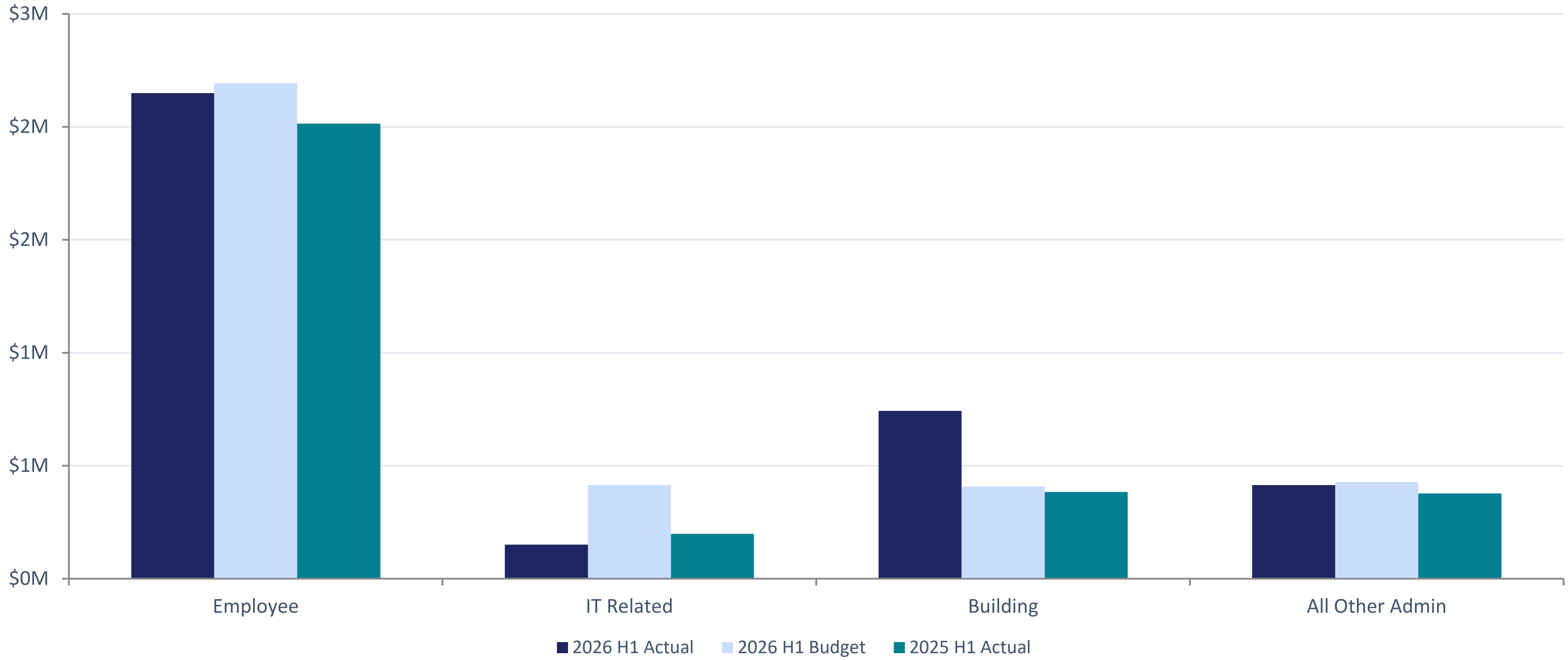
Expense Type	H1 Actual	H1 Budget	2025 H1 Actual	Var $ H1 Actual v. H1 Budget	Var % H1 Actual v. H1 Budget
Employee Expenses	2,149,508	2,192,958	2,014,582	(43,450)	(2.0%)
IT Related Expenses	150,620	414,351	198,068	(263,731)	(63.6%)
Building Expenses, incl. depr.	743,192	408,022	384,068	335,170	82.1%
All Other Admin	414,002	427,468	377,632	(13,466)	(3.2%)
Total	**3,457,321**	**3,442,798**	**2,974,350**	**14,523**	**0.4%**

Notes

- **IT Related Expenses —** under budget on timing of the Pension Administration Project and other IT initiatives; more spend is expected in H2.
- **Building Expenses —** over budget due to a one-time third-floor lease termination and related costs. Excluding that one-time item, recurring building costs are tracking near plan.

ADMINISTRATIVE EXPENSES

Administrative Expense Comparison



PROFESSIONAL EXPENSES

Professional Expenses

Expense Type	H1 Actual	H1 Budget	2025 H1 Actual	Var $ H1 Actual v. H1 Budget	Var % H1 Actual v. H1 Budget
Legal Expenses	18,559	315,000	236,562	(296,441)	(94.1%)
Legal Fee Reimbursement	(285,276)	-	-	(285,276)	n/m
IT Related Expenses	329,833	338,500	282,921	(8,667)	(2.6%)
Acctg / Actuarial / Audit Exp.	263,459	178,475	207,124	84,984	47.6%
All Other Professional Exp.	105,324	130,388	124,577	(25,063)	(19.2%)
Total	**431,899**	**962,363**	**851,183**	**(530,464)**	**(55.1%)**

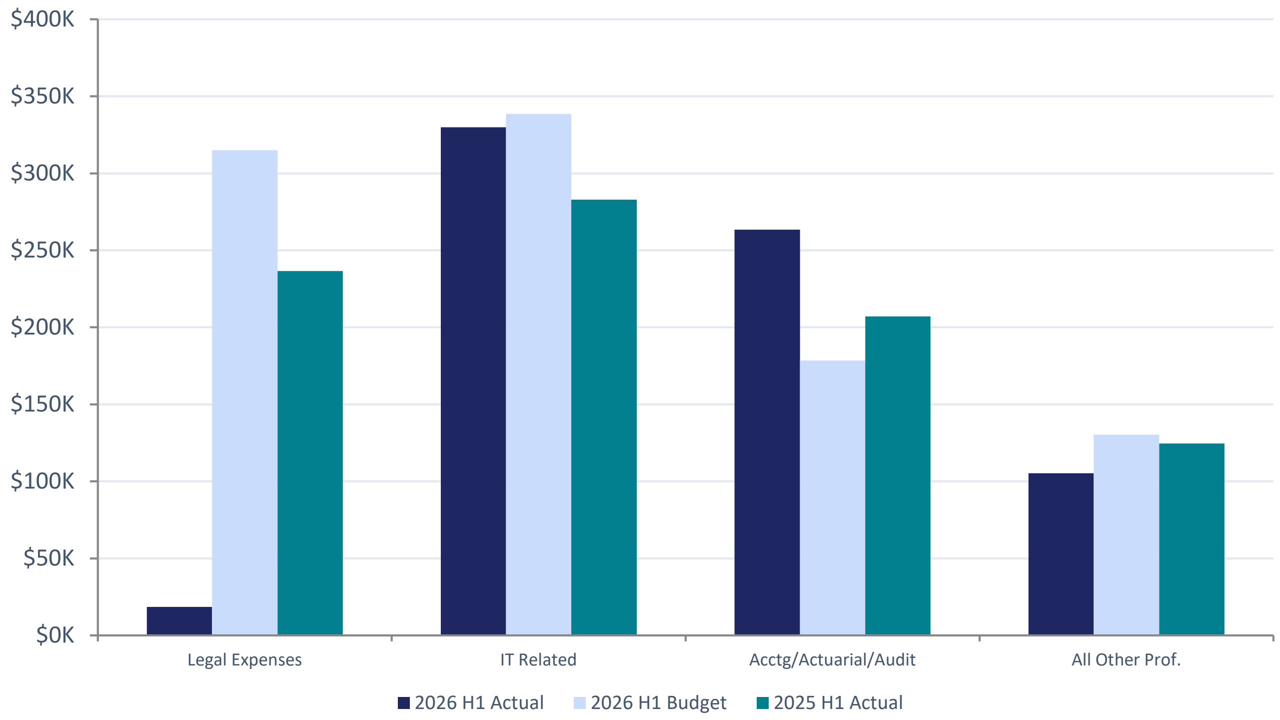
Notes

- **Legal Expenses —** reflects the level of litigation activity in the first six months; this category can vary significantly year to year. Excludes investment related legal expenses.
- **Legal Fee Reimbursement —** a one-time insurance recovery for covered litigation costs in prior years; not budgeted for and not expected to recur at this level.
- **Accounting / Actuarial / Audit —** $85K over budget on timing of work performed; expected to be within or below budget by year-end.

PROFESSIONAL EXPENSES

Professional Expense Comparison

Legal Fee Reimbursement is a one-time credit with no corresponding budget line — shown separately from expense categories below.



Legal Fee Reimbursement

$(285,276)

One-time insurance recovery; no budget line existed

$ INVESTMENT EXPENSES

Investment Expenses

Expense Type	H1 Actual	H1 Budget	2025 H1 Actual	Var $ H1 Actual v. H1 Budget	Var % H1 Actual v. H1 Budget
Investment Due Diligence	29,364	38,000	31,141	(8,636)	(22.7%)
Custodian Fees	80,023	107,500	113,500	(27,478)	(25.6%)
Investment Portfolio Operating Exp.	439,588	534,000	727,562	(94,412)	(17.7%)
Investment Consultant & Reporting	342,944	349,584	311,250	(6,639)	(1.9%)
Fund Management Fees (direct only)	2,912,114	2,995,575	2,159,986	(83,461)	(2.8%)
Total Investment Expenses	**3,804,034**	**4,024,659**	**3,343,440**	**(220,625)**	**(5.5%)**

Notes

- **Portfolio Operating Expenses —** variance relates to timing of legal, appraisal, audit, and other investment-related costs across the portfolio.
- **Fund Management Fees —** below budget due to negotiated fee reductions and the timing of certain fee payments.

Excludes Indirect Investment Management Fees.

$ ACCOUNT DETAIL

Notable Account-Level Variances

Sorted by absolute dollar variance. Line items varying by less than $15K are omitted as immaterial (24 accounts, full detail available on request).

Account	H1 Actual	H1 Budget	Var $	Var %
Legal Fees	18,559	315,000	(296,441)	(94.1%)
Building Expenses, incl. depr.	743,192	408,022	335,170	82.1%
Legal Fee Reimbursement	(285,276)	-	(285,276)	n/m
Information Technology Projects	36,863	259,500	(222,637)	(85.8%)
Investment Portfolio Operating Exp.	439,588	534,000	(94,412)	(17.7%)
Fund Management Fees (direct only)	2,912,114	2,995,575	(83,461)	(2.8%)
Independent Audit	141,750	72,500	69,250	95.5%
Salaries and Benefits	2,098,531	2,142,800	(44,269)	(2.1%)
IT Subscriptions / Services / Licenses	71,476	107,455	(35,979)	(33.5%)
Pension Administration Software & WMS	143,053	172,000	(28,947)	(16.8%)
Custodian Fees	80,023	107,500	(27,478)	(25.6%)
Public Relations Expense	-	25,000	(25,000)	(100.0%)

IT-related accounts note: “IT Related Expenses” appears under both Administrative and Professional categories (day-to-day IT operating costs in each function); “Information Technology Projects” above is a separate, project-specific capital/initiative budget. The three do not overlap.

BUDGET RECONCILIATION

Total Budget Reconciliation

	H1 Actual	H1 Budget	2025 H1 Actual	Var $	Var %
Gross Total (all categories)	**7,693,253**	**8,429,819**	**7,168,973**	**(736,566)**	**(8.7%)**
Less: Allocation to Supplemental Plan Budget*	76,202	97,115	75,284	(20,913)	(21.5%)
Total Regular Plan Budget	**7,617,052**	**8,332,704**	**7,093,689**	**(715,652)**	**(8.6%)**

***What is the Supplemental Plan allocation?** The System administers both the Regular (Combined) Pension Plan and a smaller Supplemental Plan. A portion of shared administrative, professional, and investment costs is allocated to the Supplemental Plan based on unitization (its relative share of System assets), so it carries its proportionate share of operating costs rather than the Regular Plan bearing 100%.

Takeaway

The Regular Plan's share of the H1 budget came in $715,652 (8.6%) under budget, consistent with the System-wide variance driven primarily by lower legal expense (net of reimbursement) and investment fee savings, partly offset by the one-time building lease termination.

Key Takeaways

- System-wide spending is running 8.7% under the H1 budget, or $736,566.
- The variance is driven by one-time items in both directions: a lease termination (over) and a legal fee reimbursement (under).
- Excluding one-time items, recurring spend is tracking close to plan across all three categories.

Any questions?

DISCUSSION SHEET

ITEM #C3

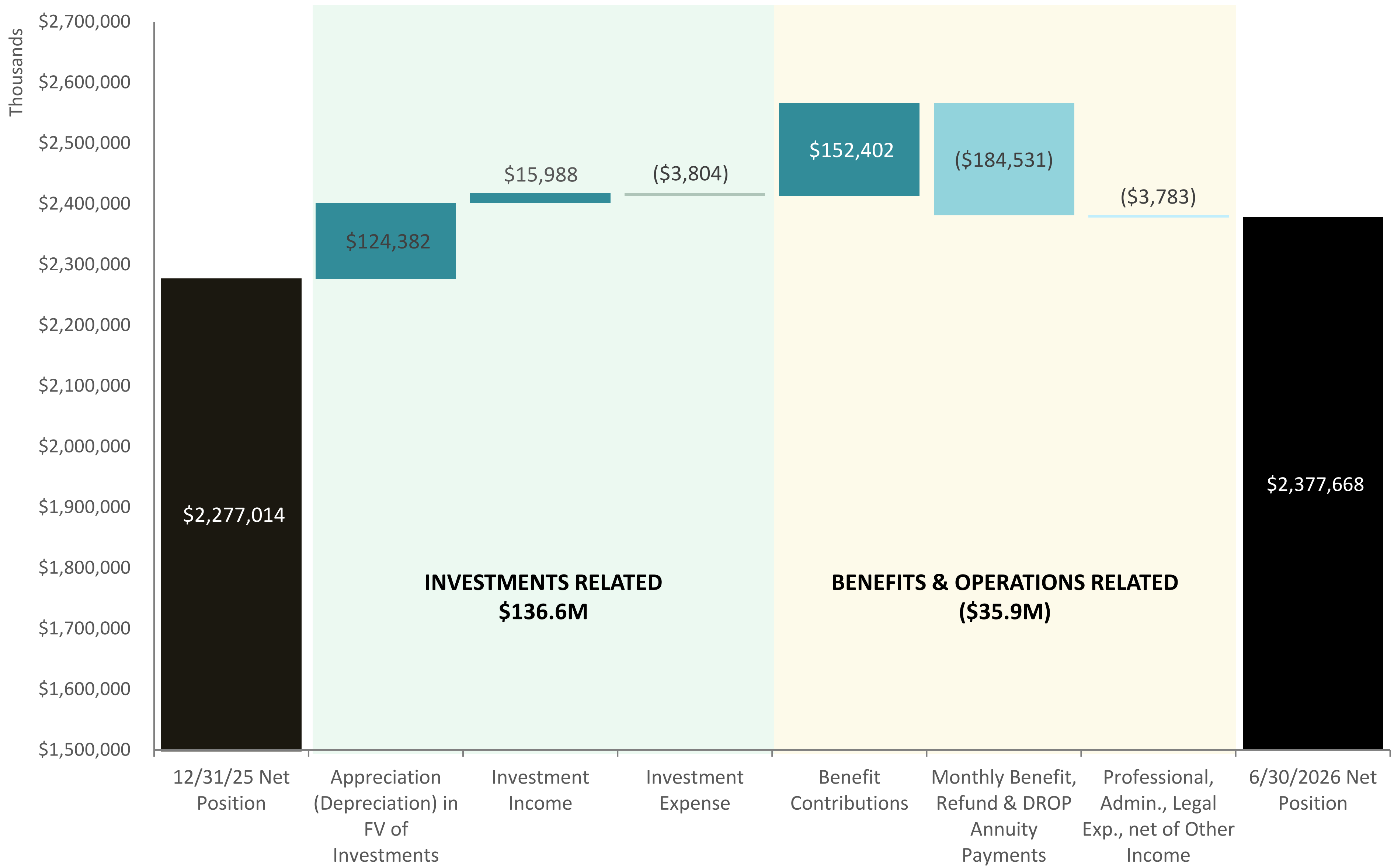
Topic: **Quarterly Financial Reports**

Discussion: The Chief Financial Officer will present the second quarter 2026 financial statements.

Regular Board Meeting – Thursday, August 13, 2026

Change in Net Fiduciary Position

December 31, 2025 – June 30, 2026



Components may not sum exactly due to rounding.

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

	June 30, 2026	December 31, 2025	$ Change	% Change
Assets				
Investments, at fair value				
Short-term investments	$ 17,285,925	$ 17,560,934	$ (275,009)	(2%)
Fixed income securities	333,924,256	284,768,892	49,155,364	17%
Equity securities	1,322,950,091	1,233,728,877	89,221,214	7%
Real assets	188,628,591	202,557,259	(13,928,668)	(7%)
Private equity	63,679,867	191,130,861	(127,450,994)	(67%)
Private credit	9,340,040	-	9,340,040	100%
Public credit	315,797,145	227,502,357	88,294,788	39%
Forward currency contracts	(87)	-	(87)	(100%)
Total investments	2,251,605,827	2,157,249,180	94,356,647	4%
Receivables				
City	8,696,822	12,587,730	(3,890,908)	(31%)
Members	3,103,870	3,154,591	(50,721)	(2%)
Interest and dividends	6,165,990	5,772,629	393,361	7%
Investment sales proceeds	2,959,767	3,532,229	(572,462)	(16%)
Lease Receivable	425,776	2,460,749	(2,034,973)	(83%)
Other receivables	10,152	19,553	(9,401)	(48%)
Total receivables	21,362,377	27,527,481	(6,165,104)	(22%)
Cash and cash equivalents	101,491,958	93,564,406	7,927,552	8%
Prepaid expenses	857,950	570,263	287,687	50%
Capital assets, net	11,206,651	11,341,777	(135,126)	(1%)
Total assets	$ 2,386,524,762	$ 2,290,253,107	$ 96,271,655	4%
Liabilities				
Payables				
Securities purchased	3,604,440	5,449,156	(1,844,716)	(34%)
Accounts payable and other accrued liabilities	4,890,582	5,689,381	(798,799)	(14%)
Total liabilities	8,495,022	11,138,537	(2,643,515)	(24%)
Deferred inflow of resources	361,308	2,100,783	(1,739,475)	(83%)
Net position restricted for pension benefits	$ 2,377,668,432	$ 2,277,013,787	$ 100,654,645	4%

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

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	$ Change	% Change
Contributions				
City	$ 112,348,459	$ 102,285,631	$ 10,062,828	10%
Members	40,053,872	37,318,877	2,734,995	7%
Total Contributions	152,402,332	139,604,508	12,797,823	9%
Investment income				
Net appreciation (depreciation) in fair value of investments	124,381,577	127,757,283	(3,375,705)	(3%)
Interest and dividends	15,987,923	14,884,539	1,103,384	7%
Total gross investment income	140,369,501	142,641,822	(2,272,322)	(2%)
less: investment expense	(3,804,034)	(3,354,801)	(449,233)	(13%)
Net investment income	136,565,467	139,287,022	(2,721,555)	(2%)
Other income	106,696	265,247	(158,551)	(60%)
Total additions	289,074,495	279,156,777	9,917,718	4%
Deductions				
Benefits paid to members	181,275,554	173,934,224	7,341,331	4%
Refunds to members	3,255,076	2,108,695	1,146,381	54%
Legal expense	18,559	228,286	(209,727)	(92%)
Legal expense reimbursement	(285,276)	-	(285,276)	(100%)
Legal expense, net of reimbursement	(266,717)	228,286	(495,003)	(217%)
Staff Salaries and Benefits	2,098,531	1,982,455	116,076	6%
Professional and administrative expenses	2,057,406	1,606,517	450,889	28%
Total deductions	188,419,850	179,860,177	8,559,674	5%
Net increase (decrease) in net position	100,654,645	99,296,600		
Beginning of period	2,277,013,787	2,034,276,938		
End of period	$ 2,377,668,432	$ 2,133,573,538		

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C4

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 13, 2026

Membership Actions -2026

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	9	24	14	20	7	18	16	34					142
DROP - Join	0	1	0	2	1	1	2	0					7
Estate Payments	3	7	5	8	4	3	8	4					42
Survivor Benefits	2	6	5	6	4	3	5	5					36
Retirements	7	20	5	7	13	9	7	14					82
Alternate Payees	1	0	0	4	2	1	1	1					10
Spouse Wed After Retirement	0	0	0	0	0	0	0	1					1
Service Purchases	0	1	0	0	2	2	1	0					6
Earnings Test	0	0	0	0	0	0	10	0					10
Stipend Payments	0	0	4,937	0	0	0	4,937	0					9,874

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	13	4	18	11	198
DROP - Join	2	2	0	0	0	0	0	0	0	4	1	0	9
Estate Payments	6	7	8	9	3	4	3	9	6	9	4	4	72
Survivor Benefits	4	11	4	9	3	4	1	5	3	7	3	2	56
Retirements	7	10	8	9	10	7	11	13	8	9	9	5	106
Alternate Payees	0	0	2	1	2	1	2	1	2	4	1	0	16
Spouse Wed After Retirement	0	0	0	1	0	0	0	0	0	0	0	0	1
Service Purchases	1	1	0	0	2	2	1	1	2	1	1	2	14
Earnings Test	0	0	0	0	0	0	11	0	0	0	0	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

G:\Kelly\Executive Director Ministerial Action Approvals\Membership Actions Data 2026

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
Stipend A was paid 2/27/2026, reported at the March 2026 Board Meeting. Stipend B was paid 6/30/2026, reported at the July 2026 Board Meeting.

G:\Kelly\Executive Director Ministerial Action Approvals\Membership Actions Data 2026

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C5

Topic: **Board Approval of Trustee Education and Travel**

Discussion: Per the Education and Travel Policy and Procedure, planned Trustee education and travel requires Board approval prior to attendance.

Attached is a listing of requested future education and travel noting approval status.

Future Education and Travel
Regular Board Meeting – August 13, 2026

REQUESTED APPROVED

1. **Conference:** **NCPERS Public Pension Funding Forum 2026**
   Dates: **August 17 – 19, 2026**
   Location: **Chicago, IL**
   Est Cost: **$795**

2. **Conference:** **NCPERS Public Pension HR Summit**
   Dates: **September 23 – 25, 2026**
   Location: **Pheonix, AZ**
   Est Cost: **$825**

3. **Conference:** **NCPERS Fiduciary in Focus Workshop 2026 (Formerly PATS)**
   Dates: **October 24 – 25, 2026**
   Location: **Nashville, TN**
   Est Cost: **$930**

4. **Conference:** **NCPERS Public Safety Conference 2026**
   Dates: **October 25 – 28, 2026**
   Location: **Nashville, TN**
   Est Cost: **$800**

5. **Conference:** **TEXPERS Legislative Workshop 2026**
   Dates: **October 27 – 28, 2026**
   Location: **TBD**
   Est Cost: **TBD**

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C6

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

Discussion:

Conference: **TEXPERS Summer Educational Forum** **MT**
Dates: August 2 – 4, 2026
Location: San Antonio, TX

Regular Board Meeting – Thursday, August 13, 2026

DISCUSSION SHEET

ITEM #C7

Topic: **Future Board Meeting Agenda Planning**

Discussion: Article 6243a-1 of Vernon's Revised Civil Statutes requires the DPFP Board meetings to be held every month. Staff will provide a list of anticipated agenda items for the next 3 months for Board meeting planning purposes.

Regular Board Meeting – Thursday, August 13, 2026

Future Board Meeting Agenda Planning (Subject to Change)

September 10, 2026

1	Investment Policy Statement Amendments
2	Asset Class Structure Study
3	Second Quarter 2026 Investment Performance Analysis (Meketa)
4	First Quarter 2026 Private Markets Review (Albourne)
5	Approval of the Minutes
6	Portfolio Update
7	Executive Director Approved Pension Ministerial Actions
8	Board Approval of Trustee Education and Travel
9	Future Agenda Planning
10	Legal issues
11	Executive Directors Report
12	Supplemental Meeting

October 8, 2026

1	Required Public Meeting 2
2	Compensation Study
3	Initial Reading and discussion of the 2027 Budget
4	Asset Class Structure Study
5	Potential Private Credit Investment
6	Approval of the Minutes
7	Portfolio Update
8	Executive Director Approved Pension Ministerial Actions
9	Board Approval of Trustee Education and Travel
10	Future Agenda Planning
11	Legal issues
12	Executive Directors Report
13	Supplemental Meeting

November 12, 2026

1	Second Reading and discussion of the 2027 Budget
2	Report on Professional Service Committee Meeting (Jackson Walker, Meketa)
3	Required Training Manual Delivery & Ethics Policy Certification
4	Report on Investment Advisory Committee Meeting
5	Quarterly Financial Reports
6	Approval of the Minutes
7	Portfolio Update
8	Executive Director Approved Pension Ministerial Actions
9	Board Approval of Trustee Education and Travel
10	Future Agenda Planning
11	Legal issues
12	Executive Directors Report
13	Supplemental Meeting

DISCUSSION SHEET

ITEM #C8

Topic: **City of Dallas Pension Obligation Bond Discussions**

Discussion: The City of Dallas is considering seeking voter approval to authorize up to $500 million in Pension Obligation Bonds. Staff will share information about the proposal, as described by the City, and the impact on the pension fund.

DALLAS POLICE & FIRE PENSION SYSTEM

City of Dallas Pension Obligation Bond Discussions

August 13, 2026
Board Meeting

Discussion

- During the July Board meeting staff updated the Board about discussion the City of Dallas has had regarding a potential November 2026 ballot question to seek authorization of up to $500 million in Pension Obligation Bonds (POB). Proceeds from the POB issuance would be contributed to DPFP, and future contributions would be reduced accordingly.
- The City Council intends to vote on whether to set a November 2026 ballot question at their meeting on Wednesday, August 12th. Staff will provide an update to the Board about whether the Council included the Pension Obligation Bond authorization on the November 2026 ballot.

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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 13, 2026

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Portfolio Update

DALLAS POLICE & FIRE PENSION SYSTEM

Serving those who protect the Dallas community.

MEETING DETAILS

August 13, 2026

Board Meeting

PERIOD ENDING

July 31, 2026

DALLAS POLICE & FIRE PENSION SYSTEM

Executive Summary

8.3%

DPFP Portfolio Preliminary YTD

July 31, 2026

11.4%

Public Portfolio Preliminary YTD

July 31, 2026

89.1%

Public Portfolio Share

Of Total Fund Assets

Investment Activity

- The IAC evaluated potential asset allocation mixes as part of the Asset Allocation Study
- Staff continues to conduct due diligence on both private credit and private equity managers
- An initial withdrawal from the Manulife Global Equity portfolio was made as part of the planned funding of the Arrowstreet Global Equity mandates approved by the board in July
- Blackstone Strategic Partners and Lexington continuation vehicle fund investments remain under legal review

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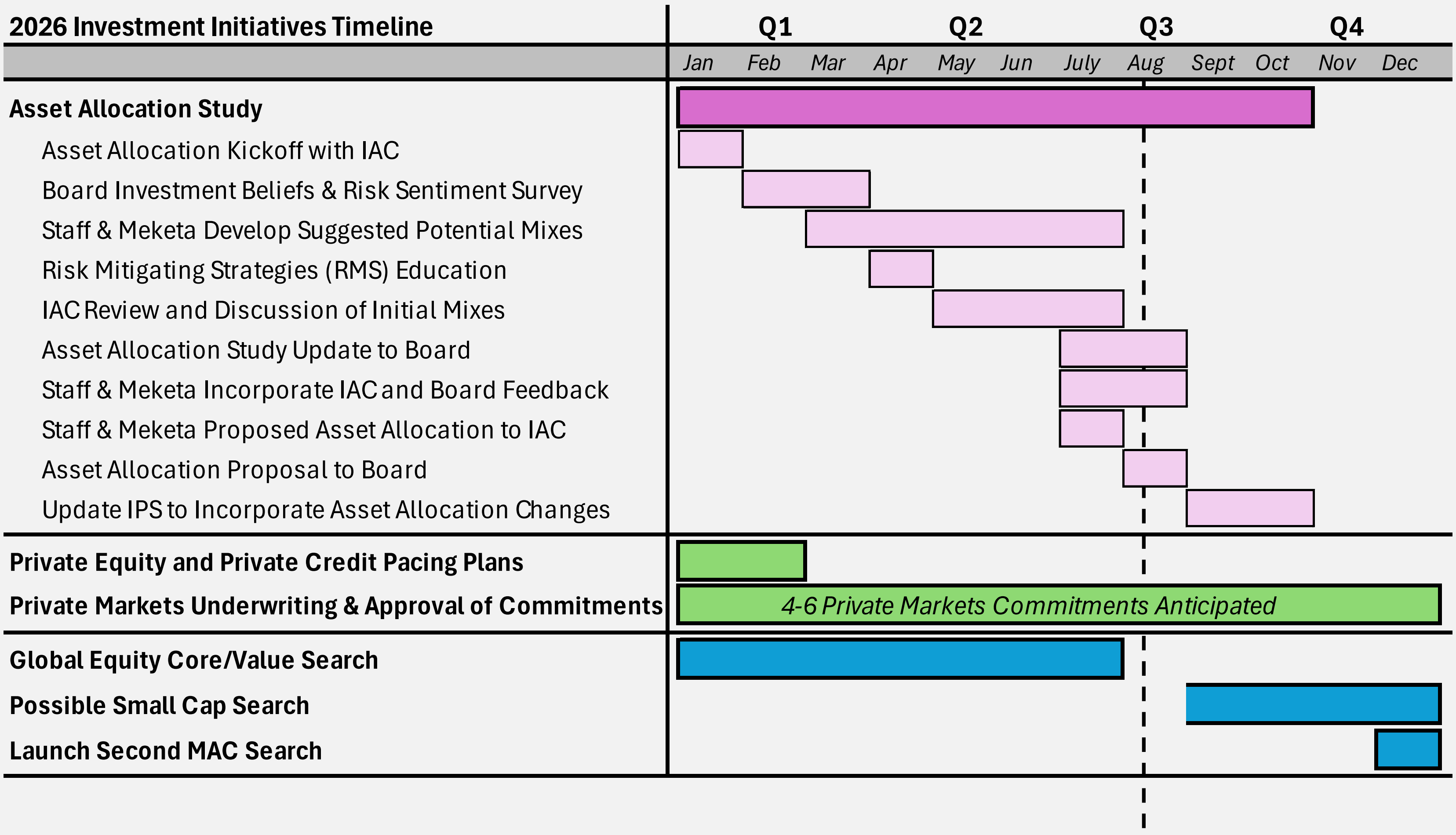
Investment Initiatives – 2026 Plan



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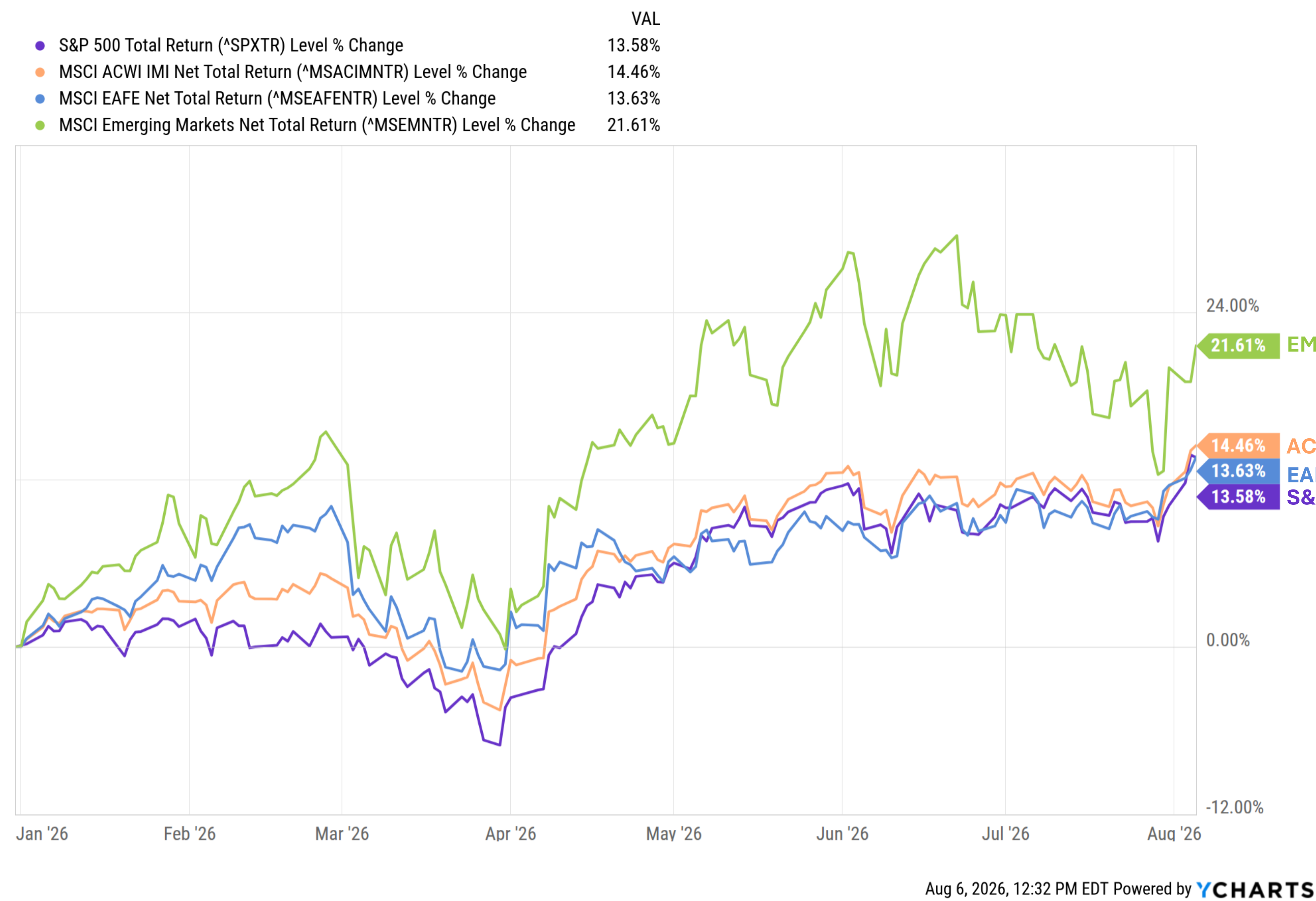
YTD Equity Markets Returns

As of August 5, 2026



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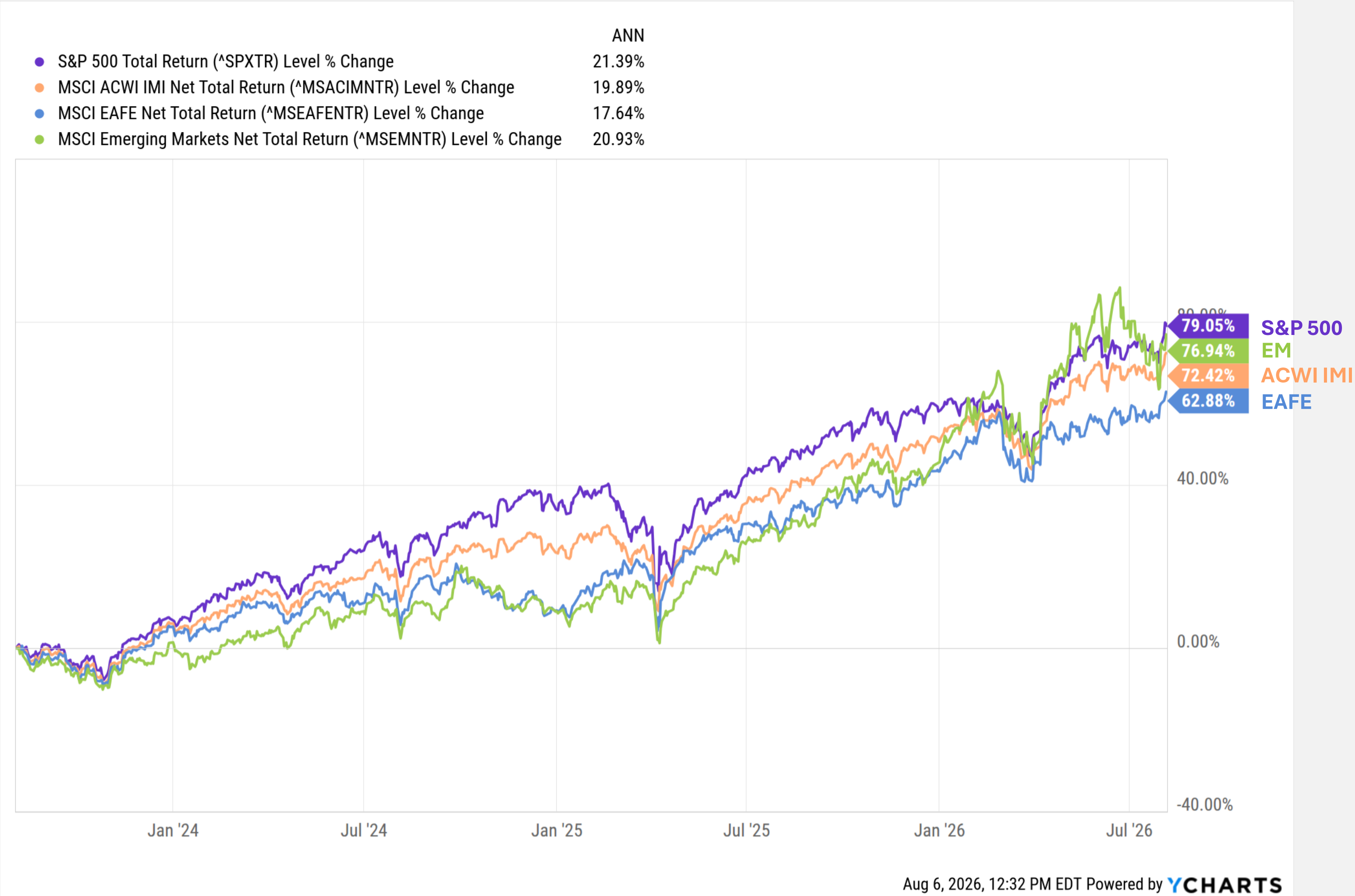
3-Year Equity Markets Returns

As of August 5, 2026



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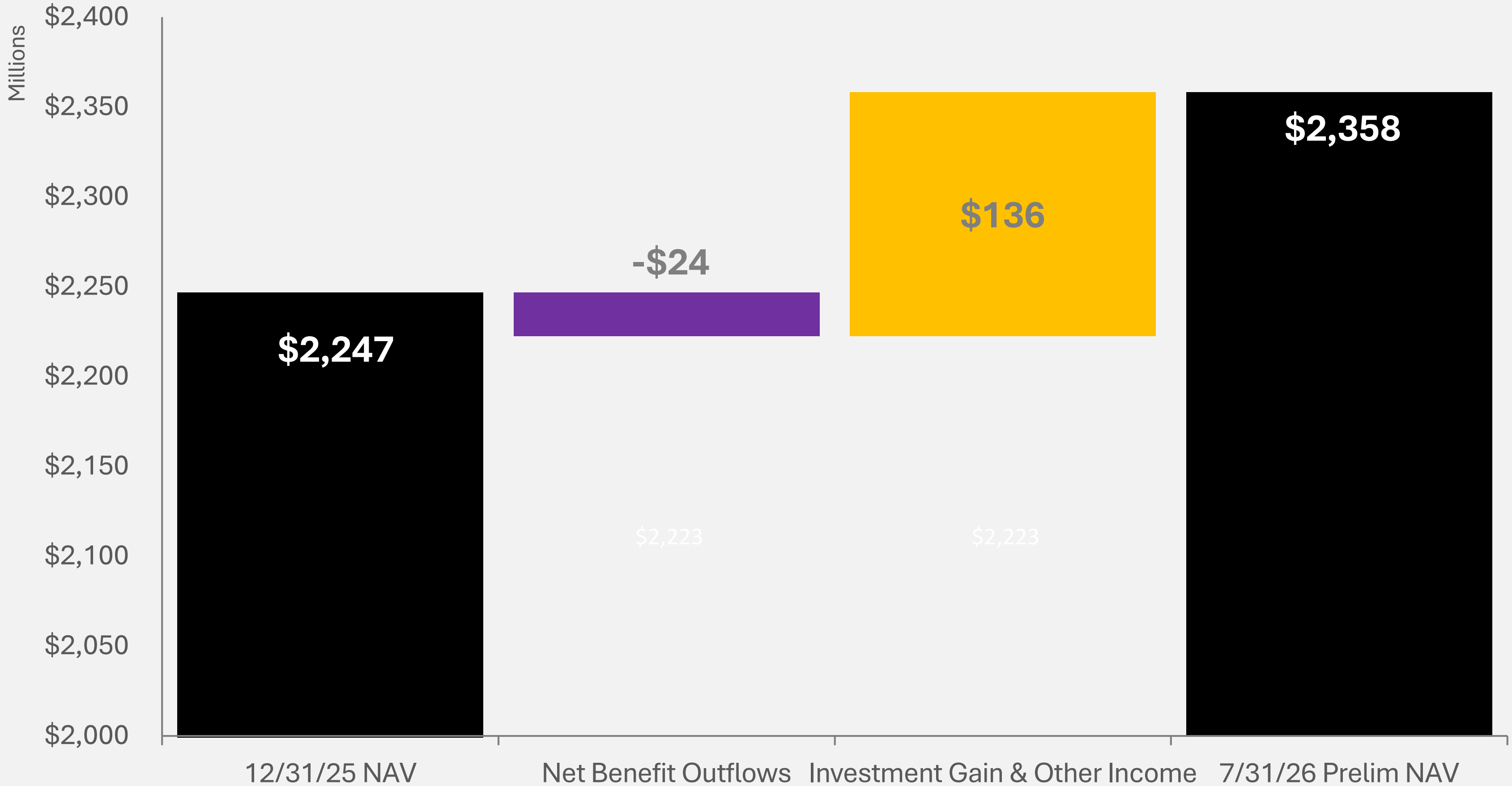
Change in Market Value Bridge Chart

In Millions
As of July 31, 2026

2026 YTD Preliminary Investment Return Estimated at 6.1%

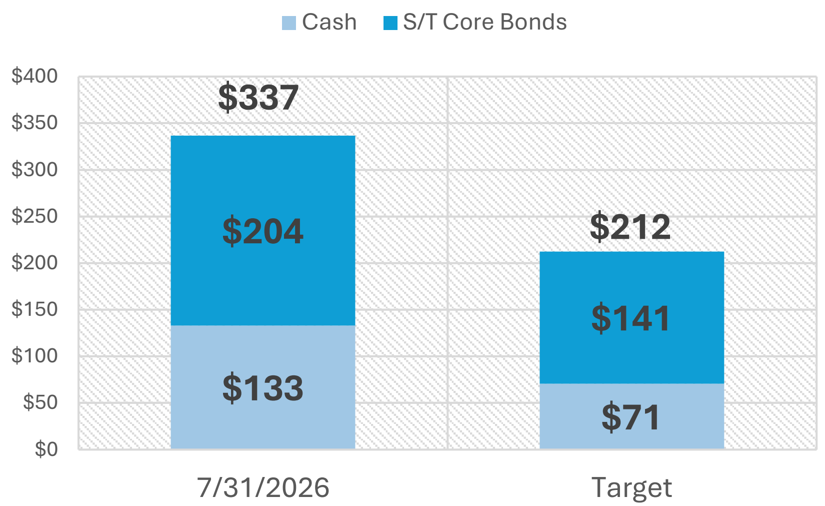


The beginning 12/31/25 value includes a one-quarter lag on private assets.
Numbers may not foot due to rounding.

DALLAS POLICE & FIRE PENSION SYSTEM

Liquidity Dashboard – As of July 31, 2026

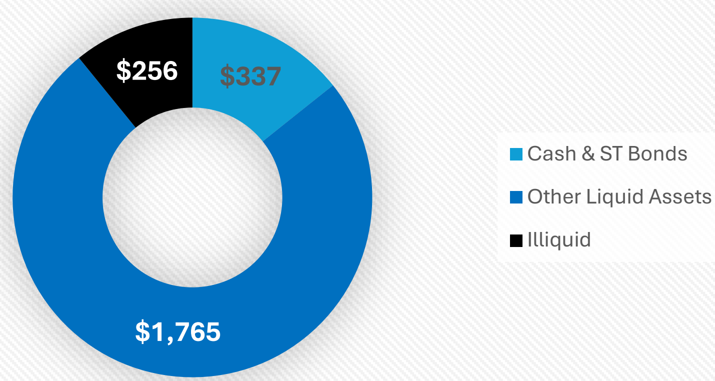
Cash & ST Bonds vs. Target ($M)



$4.6 M — Projected Net Monthly outflows

2031 — Cash and Short-Term Bonds would cover net outflows through this year

Liquidity Profile ($M)



Expected Cash Activity	Date	Amount ($M)	Projected Cash Balance ($M)	Projected Cash (%)
	7/31/26		$133.1	5.6%
City & Member Contribution	8/14/26	$11.8	$144.9	6.1%
Pension Payroll	8/26/26	($29.3)	$115.7	4.9%
City & Member Contribution	8/28/26	$11.8	$127.5	5.4%
City & Member Contribution	9/11/26	$11.8	$139.3	5.9%
City & Member Contribution	9/25/26	$11.8	$151.1	6.4%
Pension Payroll	9/30/26	($29.3)	$121.8	5.2%
City & Member Contribution	10/9/26	$11.8	$133.6	5.7%
City & Member Contribution	10/23/26	$11.8	$145.4	6.2%
Pension Payroll	10/28/26	($29.3)	$116.1	4.9%

Numbers may not foot due to rounding.

DALLAS POLICE & FIRE PENSION SYSTEM

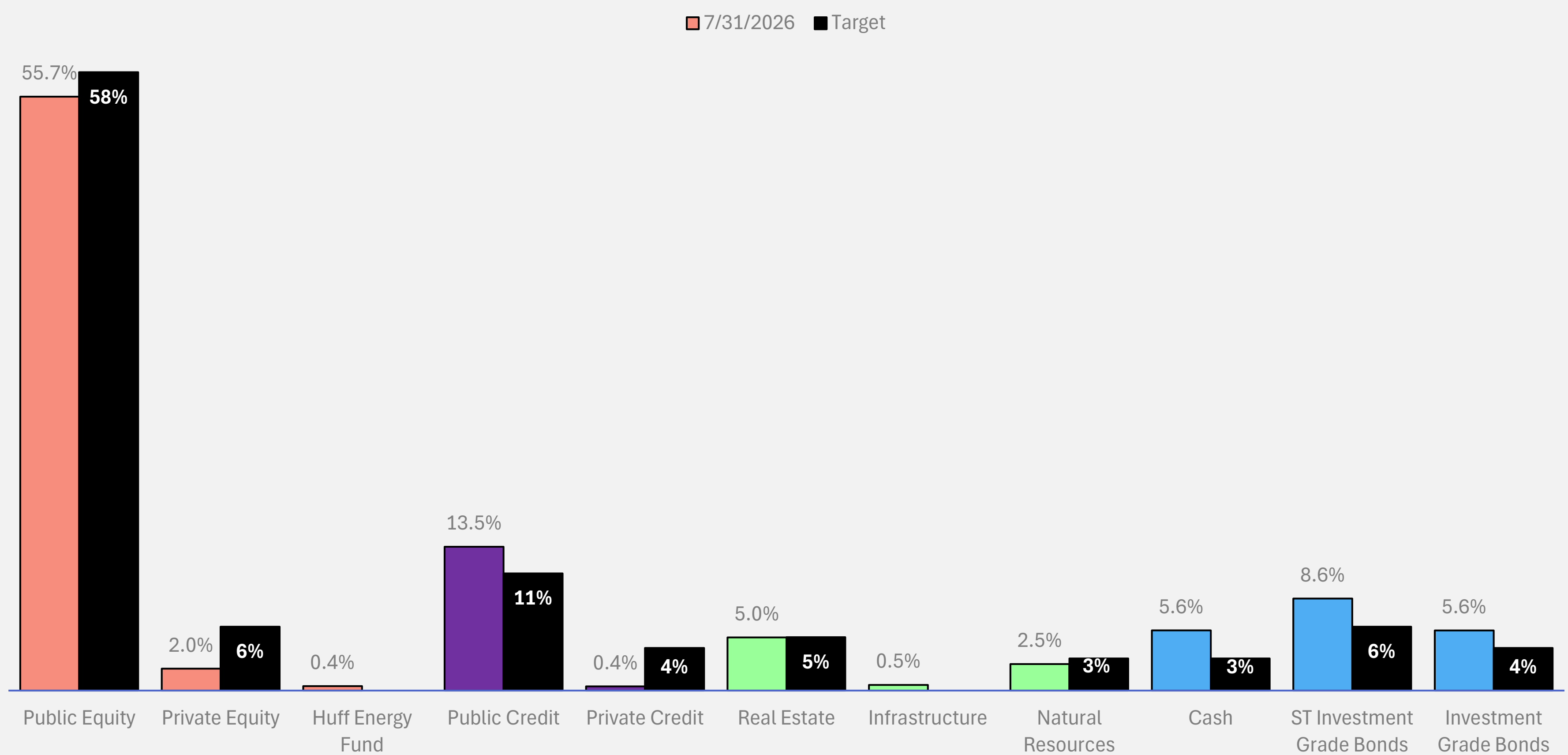
Asset Allocation

DPFP Asset Allocation	7/31/2026 NAV	%	Targets $ mil.	%	Target Ranges Min %	Max %	% of Target	Variance $ mil.	%
Equity	**1,372**	**58.2%**	**1,509**	**64%**			**91%**	**-137**	**-5.8%**
Public Equity	1,314	55.7%	1,368	58%	50%	66%	96%	-54	-2.3%
Northern Trust ACWI IMI Index	*578*	*24.5%*	*637*	*27%*	*16%*	*30%*	*91%*	*-58*	*-2.5%*
Boston Partners	*154*	*6.5%*	*141*	*6%*	*4%*	*8%*	*109%*	*13*	*0.5%*
Manulife	*123*	*5.2%*	*0*	*0%*	*4%*	*8%*	*0%*	*123*	*5.2%*
Arrowstreet Global Equity		*0.0%*	*141*	*6%*	*4%*	*8%*	*0%*	*-141*	*-6.0%*
Walter Scott	*148*	*6.3%*	*141*	*6%*	*4%*	*8%*	*105%*	*6*	*0.3%*
WCM	*149*	*6.3%*	*141*	*6%*	*4%*	*8%*	*105%*	*7*	*0.3%*
Northern Trust Russell 2000	*38*	*1.6%*	*35*	*1.5%*	*0.5%*	*2.5%*	*108%*	*3*	*0.1%*
Global Alpha Intl Small Cap	*33*	*1.4%*	*35*	*1.5%*	*0.5%*	*2.5%*	*92%*	*-3*	*-0.1%*
RBC Emerging Markets Equity	*91*	*3.9%*	*94*	*4%*	*2%*	*6%*	*96%*	*-4*	*-0.1%*
Private Equity	48	2.0%	141	6%			34%	-93	-4.0%
Huff Energy Fund	10	0.4%	0	0%				10	0.4%
Credit	**327**	**13.9%**	**354**	**15%**			**93%**	**-26**	**-1.1%**
Public Credit	318	13.5%	259	11%	7%	15%	123%	59	2.5%
ICG Global Total Credit	*110*	*4.7%*	*94*	*4%*	*2%*	*6%*	*117%*	*16*	*0.7%*
Aristotle Pacific Bank Loans	*69*	*2.9%*	*47*	*2%*	*1%*	*3%*	*147%*	*22*	*0.9%*
Loomis Sayles High Yield Bonds	*52*	*2.2%*	*47*	*2%*	*1%*	*3%*	*110%*	*5*	*0.2%*
MetLife Emerging Market Debt	*87*	*3.7%*	*71*	*3%*	*1%*	*5%*	*123%*	*17*	*0.7%*
Private Credit	9	0.4%	94	4%			*10%*	-85	-3.6%
Real Assets	**189**	**8.0%**	**189**	**8%**			**100%**	**0**	**0.0%**
Real Estate	118	5.0%	118	5%			100%	0	0.0%
Natural Resources	59	2.5%	71	3%			83%	-12	-0.5%
Infrastructure	12	0.5%	0	0%				12	0.5%
Fixed Income & Cash	**470**	**19.9%**	**307**	**13%**			**153%**	**163**	**6.9%**
Cash	133	5.6%	71	3%	0%	6%	188%	62	2.6%
IR+M Short Term Bonds	204	8.6%	141	6%	0%	9%	144%	62	2.6%
Longfellow IG Bonds	133	5.6%	94	4%	2%	6%	141%	39	1.6%
Total	**2,358**	**100.0%**	**2,358**	**100%**				**0**	**0.0%**
Private Market Assets	256	10.9%	424	18%				-168	-7.6%

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

DALLAS POLICE & FIRE PENSION SYSTEM

Asset Allocation – Actual vs. Target



DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C10

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

Discussion: The Investment Advisory Committee met on July 23, 2026. The Committee Chair and Investment staff will comment on Committee observations and advice.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C11

Topic: **Asset Allocation Study**

Attendees: Leandro Festino, Managing Principal – Meketa Investment Group (In-Person)
Colin Kowalski, Vice President – Meketa Investment Group (Virtual)
Spencer Edge, Senior Portfolio Analyst – Albourne (In-Person)
Trevor Lowman, Portfolio Analyst – Albourne (In-Person)

Discussion: Staff, Meketa, and Albourne will review the Asset Allocation Study and discuss the asset allocation recommended by the Investment Advisory Committee.

DALLAS POLICE & FIRE PENSION SYSTEM

Asset Allocation Study Intro

Serving those who protect the Dallas community.

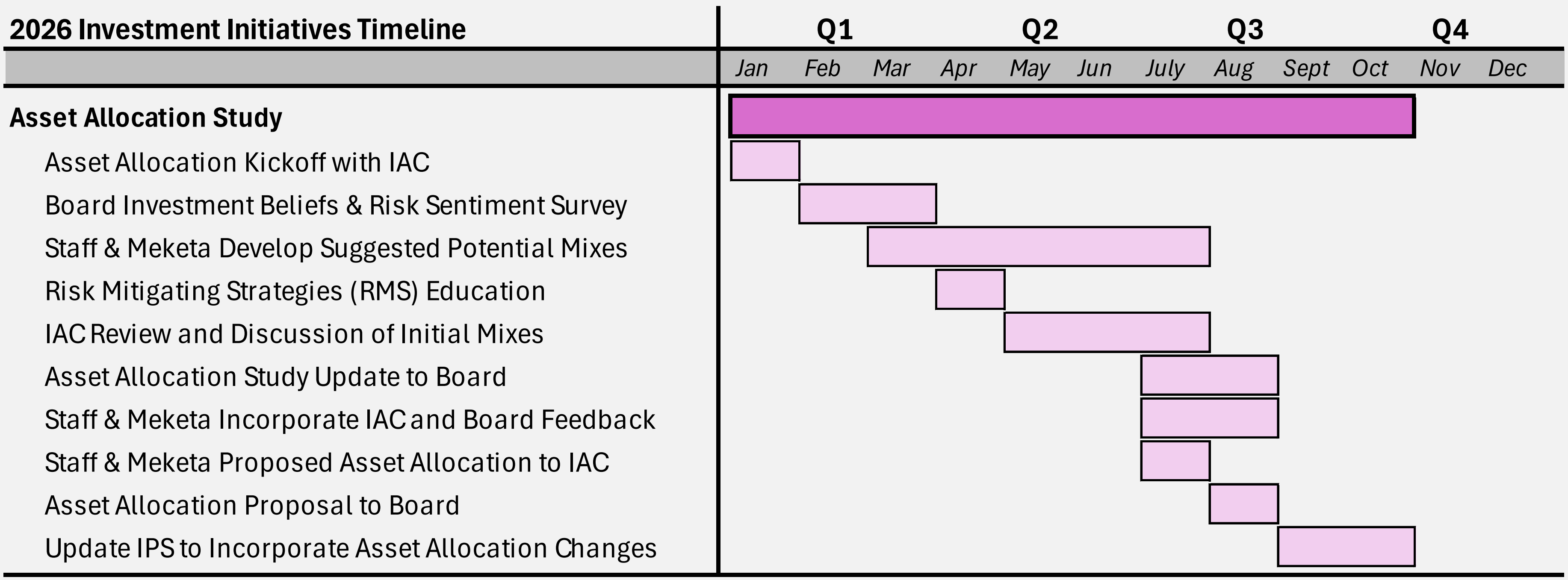
MEETING DETAILS

August 13, 2026

Board Meeting

DALLAS POLICE & FIRE PENSION SYSTEM

Asset Allocation Study Timeline



DALLAS POLICE & FIRE PENSION SYSTEM

2026 AA Study Long-Term Considerations

–$22M

avg. annual net outflow, 2027–2029 (0.9% of assets)

Net cash outflows are expected to decrease over the next 3 years — DPFP is expected to be **net cash flow positive in 2029**. At the last asset allocation study, net outflows were 6% with no visibility on a funding plan.

$231M

private market distributions received since last study

Received since the kick-off of the last asset allocation study. The Private Markets allocation has declined from **26% to 10.8%** over this period.

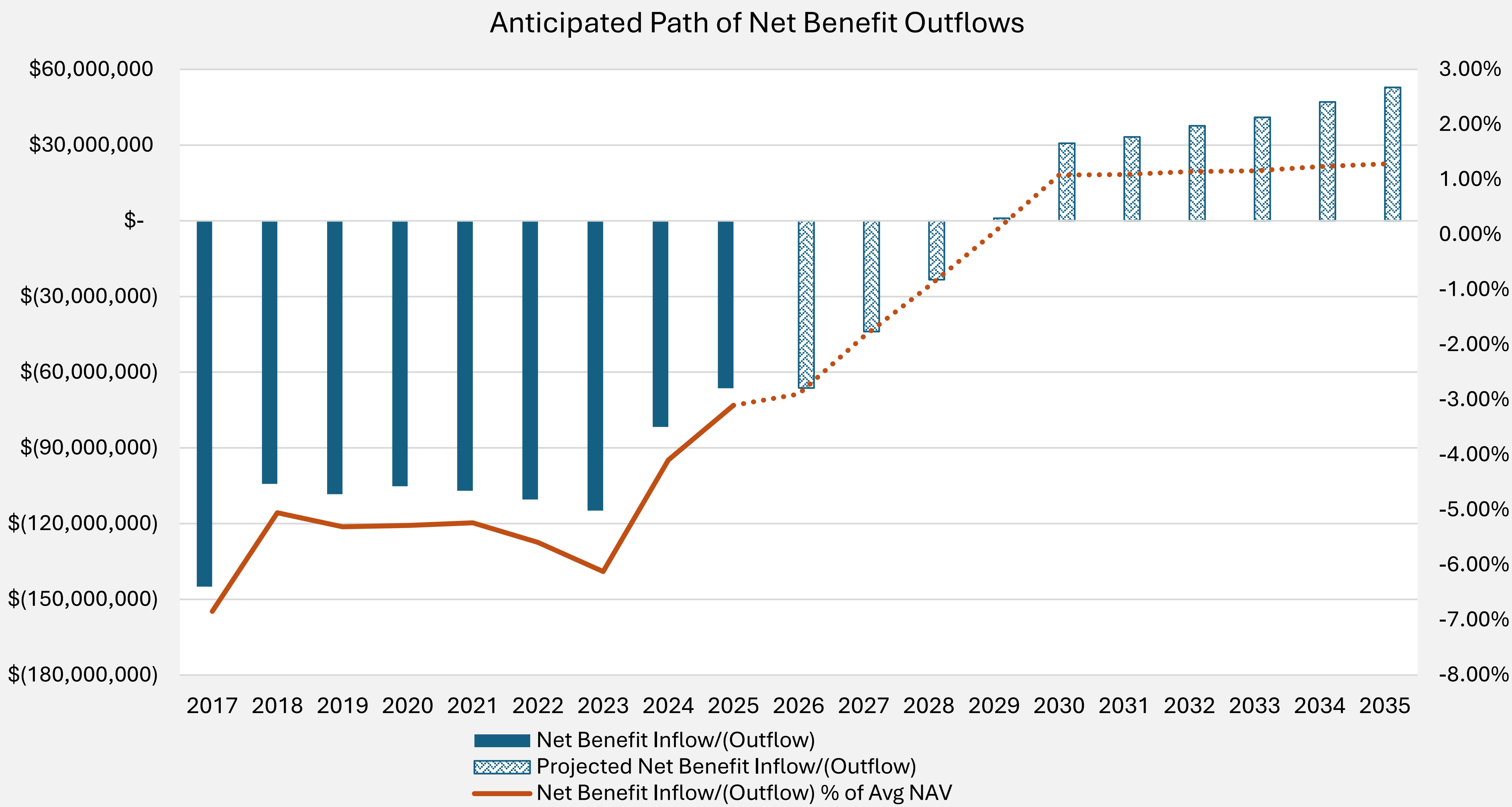
39%

funded, market value basis

Though the cash flow profile has improved, DPFP remains **only 39% funded** on a market value basis.

DALLAS POLICE & FIRE PENSION SYSTEM

Net Cash Outflow Expectations



Source: Historical Actuals, Segal Projections Subject to Change, Staff Analysis. Assumes 6.5% RoR.

DALLAS POLICE & FIRE PENSION SYSTEM

Board/IAC Feedback on Investment Risk Survey

- **Infrastructure had broad support** as an addition to the Asset Allocation.
- Responses were split between **18% and 25% private markets allocation** as the most appropriate level for DPFP.
- Risk of **permanent loss of capital** was consistently seen as the most important risk to mitigate.
- Risk Mitigating Strategies **(RMS) requires further education** before moving forward.

DALLAS POLICE & FIRE PENSION SYSTEM

Summary of Proposed Allocation Changes

Key Directional Changes

Public Equity
Reduce target allocation

Private Equity
Increase target allocation

Fixed Income & Defensive
Increase target allocation

Infrastructure & Other Real Assets
To replace Natural Resources (Timber& Ag) in asset allocation

Client Solutions Group

BlackRock.

US Public Pension Peer Risk Study

FY 2025 Allocations and Reporting

Dallas Police & Fire Pension System

FOR DPFP ONLY – NOT FOR FURTHER DISTRIBUTION

AIB0726-5766790-EXP0727-1/22

Important Disclosures

Source: BlackRock, Public Plan Database (PPD), and Pensions & Investments (P&I), May 2026. BlackRock does not verify the information reported by each plan or data provider.

Public Pension Trends:
FY 2025 trend slides are based on 146 plans from our peer study coverage universe and differ from PPD trend data shown on prior slides; plans with missing data are excluded from select charts and analytics where applicable, including from YoY comparisons which isolates those plans included in our coverage from FY 2023-2025 (127 plans). Realized returns are stated as reported, net returns used when available. Assumed returns are each plan's reported target return as determined by their internal actuarial process.

FY 2025 information used in peer comparisons:
Actuarial, return, and allocation data for each plan is sourced from public reports, data provided by plans, P&I and PPD. Details on the full peer universe is available on the "BlackRock's Public Pension Plan Coverage Universe" slide at the end of this presentation. In some instances, fund level modeled data, reported actuarial data, and returns data are reported at different entity levels based on information availability. The asset allocation of each plan is aligned to a defined asset allocation for comparability between plans and mapped to BlackRock's Capital Market Assumptions (CMA) to estimate the risk and return. Aggregate average metrics (peer group and all plans) is the simple average of the cohort.

Hypothetical Expected Returns:
Expected returns are based upon BlackRock's March 2026 Capital Market Assumptions (CMA).
There is no guarantee that results of BlackRock's CMA or Aladdin risk model will be achieved and all returns could be significantly higher or lower than those shown. **All hypothetical results are not a guarantee of future returns.** Hypothetical returns are shown net of fees and expenses and include reinvestment of dividends, capital gains, and interest. The results shown are for illustrative discussion purposes only and no representation is being made that any account, product or strategy will achieve results shown. All hypothetical returns deduct advisory level and underlying asset class level fees and expenses. The advisory level model fee of 0.05% is applied n this study. **Please read Appendix slides entitled Capital Markets Modeling Assumption (CMA) for table listing the underlying fees applied for each underlying asset class.**

Hypothetical Expected Risk
BlackRock, as of May 2026.
Ex-ante risk is defined as annual expected volatility and is calculated using data derived from portfolio holdings, using the Aladdin portfolio risk model. This proprietary multi-factor model can be applied across multiple asset classes to analyze the impact of different characteristics of securities on their behaviors in the market place. In analyzing risk factors, the Aladdin portfolio risk model attempts to capture and monitor these attributes that can influence the risk/return behavior of a particular security/asset. Risk: 1yr horizon and 84% confidence interval (1 standard deviation) - 306 constant weighted monthly observations.

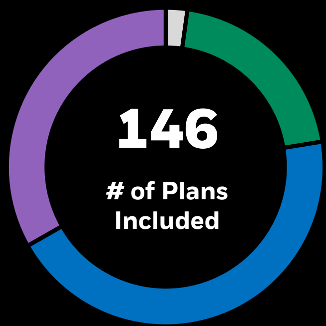
Definitions and Abbreviations:
Assumed return is the target return the plan believes it can achieve and is set by the plans advisors; assumed returns reflect the latest return available and are stated as reported
Realized return is the actual return the plan reported it achieved in the period of measurement; return methodology may differ plan to plan and are stated as reported. Net of fee returns are used where available.
YoY: Year-over-year, Exp: Expected, FI: Fixed Income, Gov: Governments, Tsy: Treasuries, MBS: Mortgage Backed Securities, Corp: Corporates, IG/Inv Grade: Investment Grade, HY: High Yield, BL: Bank Loans, EM: Emerging Market, HF: Hedge Funds, PE: Private Equity, PC/Prv Credit: Private Credit, RE: Real Estate, Opp: Opportunistic, Distrsd: Distressed, Special Sits: Special Situations, Infra: Infrastructure, Cmdty: Commodity, RA: Real Assets, Sys: Systematic, NAV: Net Asset Value.

Read the Macro Factors Glossary, CMA disclosures, Asset Class Mapping,, and other information in the Appendix.

Asset Allocation: Looking Under the Surface

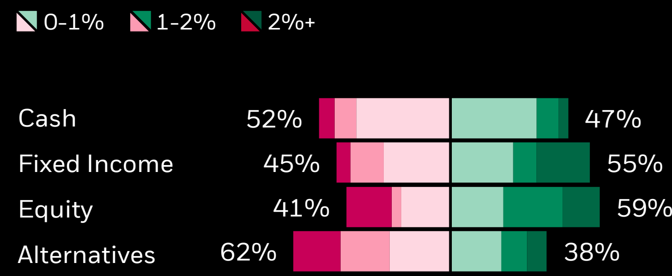
Headline exposures remain consistent, masking meaningful differences beneath the surface

2025 FY Asset Allocation

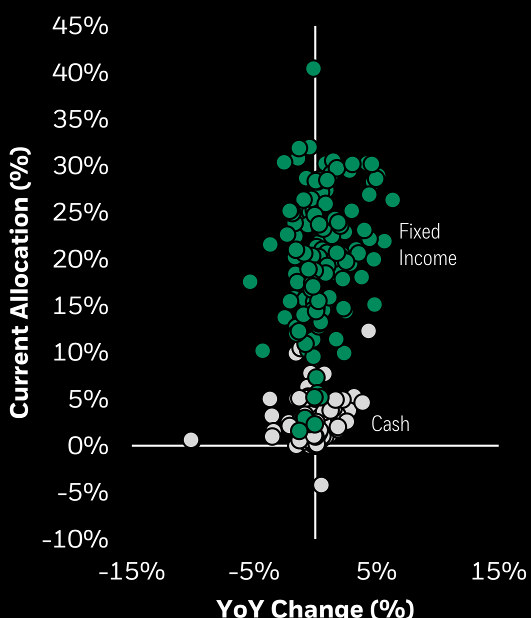


	Average	YoY Change
Cash	2%	-0.2%
Fixed Income	20%	0.5%
Equity	44%	0.2%
Alternatives	33%	-0.6%

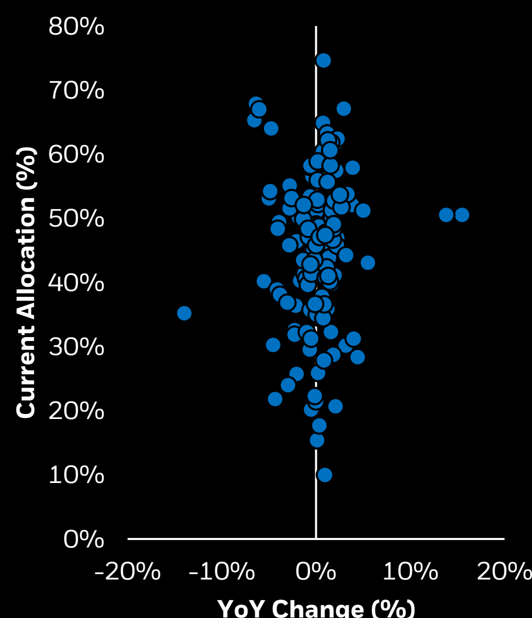
YoY Changes in Asset Allocation



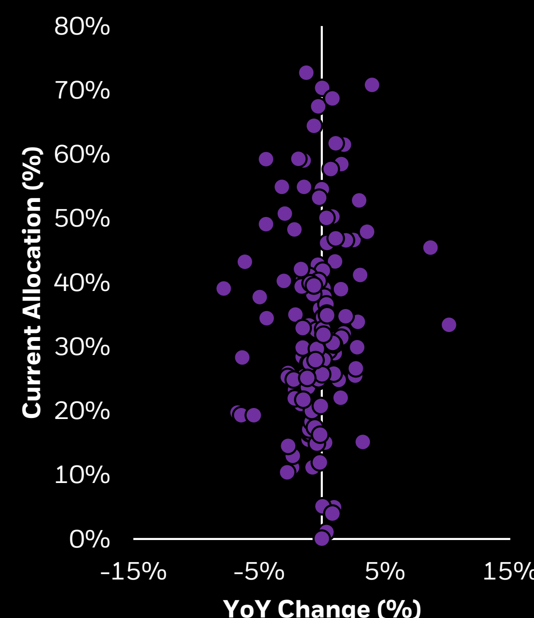
Cash and Fixed Income



Public Equity



Alternatives



Source: BlackRock, June 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Read slide 2 and the Appendix for details.

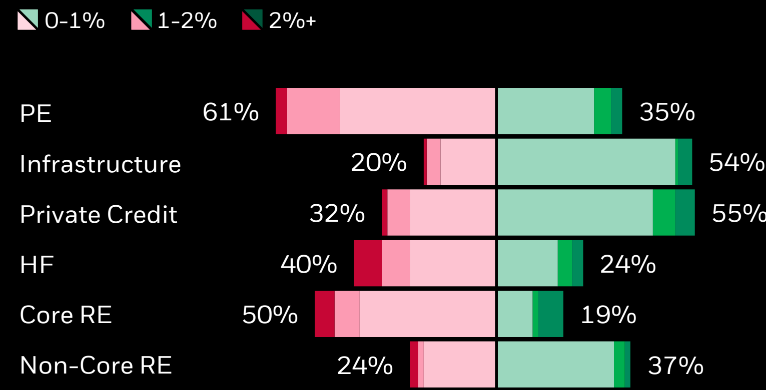
Asset Allocation: Shifting Priorities

Rotations within Alternatives underscore a growing focus on diversification within private market exposures

Allocator Statistics

Asset Class	% with Exposure	Average Allocation	5% and Higher
PE	97%	12%	88%
Infrastructure	75%	4%	31%
Private Credit	86%	6%	46%
HF	64%	6%	51%
Core RE	71%	5%	40%
Non-Core RE	61%	3%	10%

YoY Asset Allocation Changes

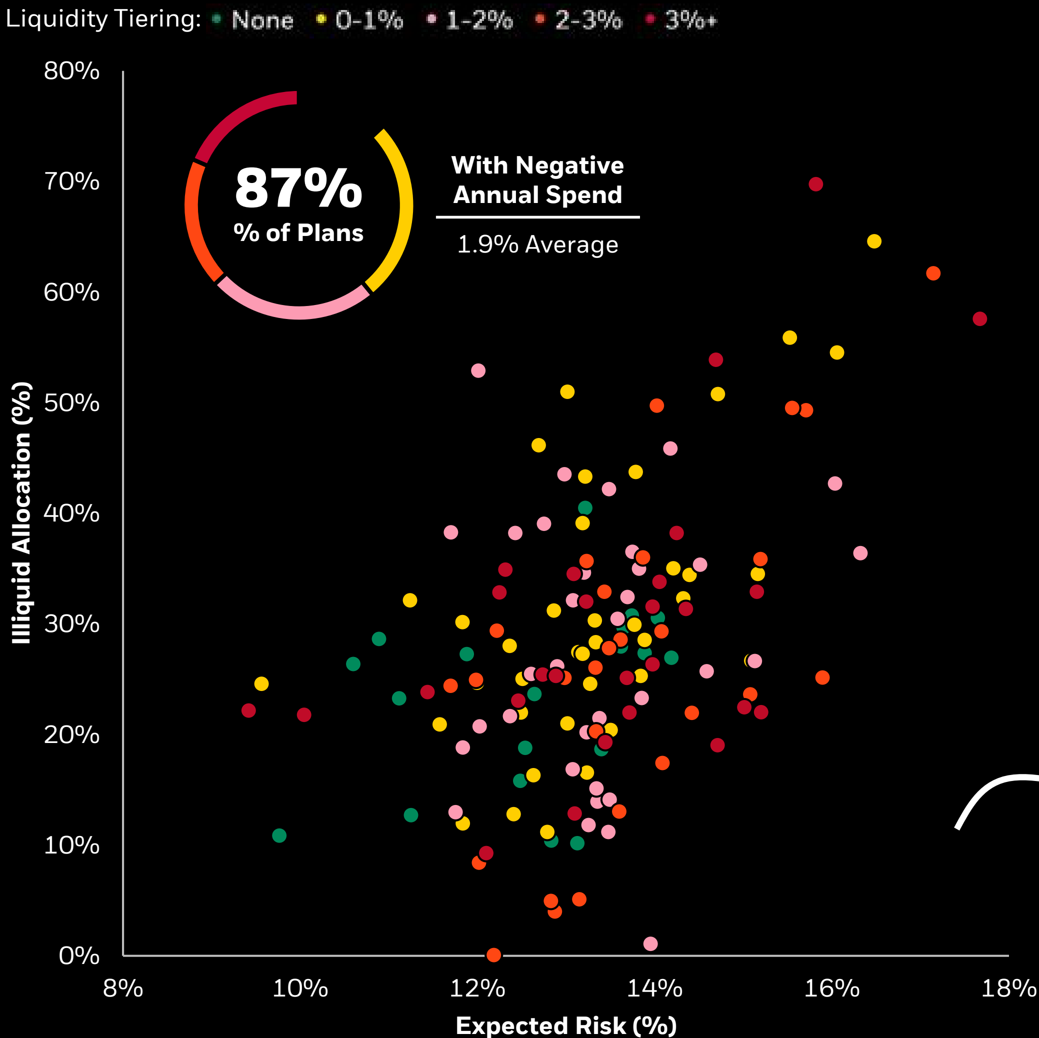


Source: BlackRock, June 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Allocator statistics only refer to plans with exposure to specified asset class. Real Estate excludes RE debt, REITs, and unclassified Real Estate. Read slide 2 and the Appendix for details.

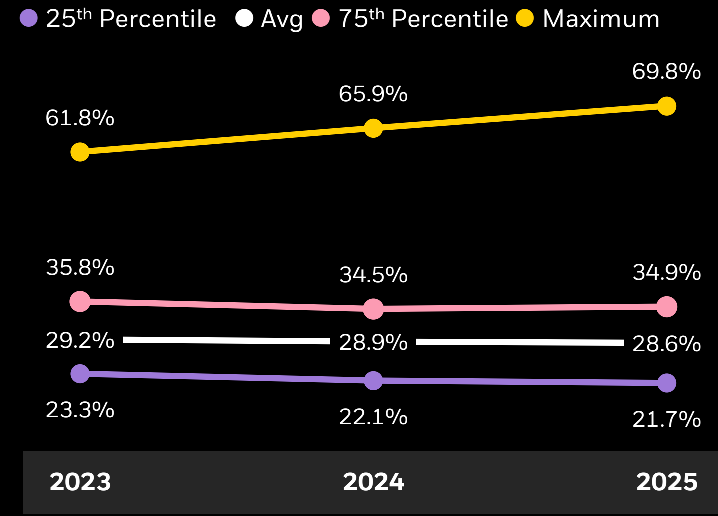
Risk: Broadening Definitions

Higher illiquid exposure does not necessarily translate to greater risk, highlighting potential risk diversification benefits; substantial plan-level shifts underlie relatively stable aggregate allocations

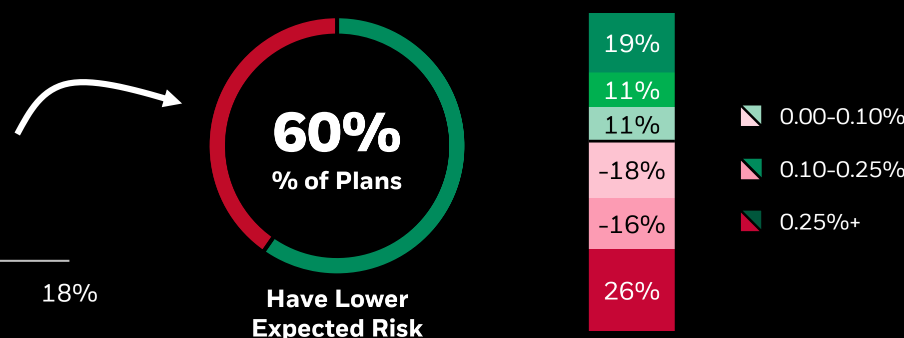
Illiquidity Exposure vs. Risk and Net Annual Spend



Illiquid Exposure (%): FY 2023-2025



YoY Change in Risk

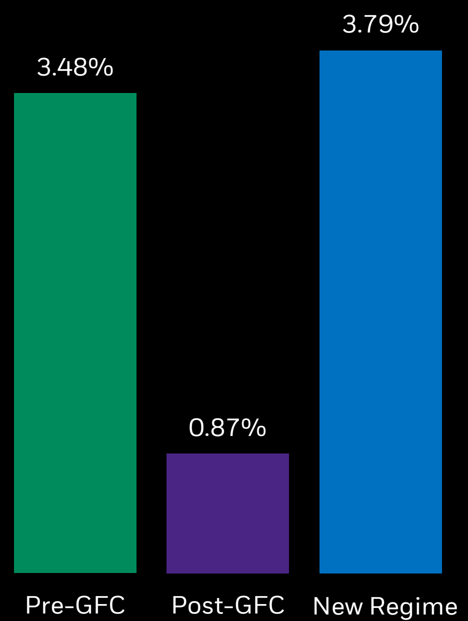


Source: BlackRock, June 2026. Expected risk is a hypothetical estimate based on 84% confidence interval, 306 constant weighted monthly observations. Read slide 2 and the Appendix for details.

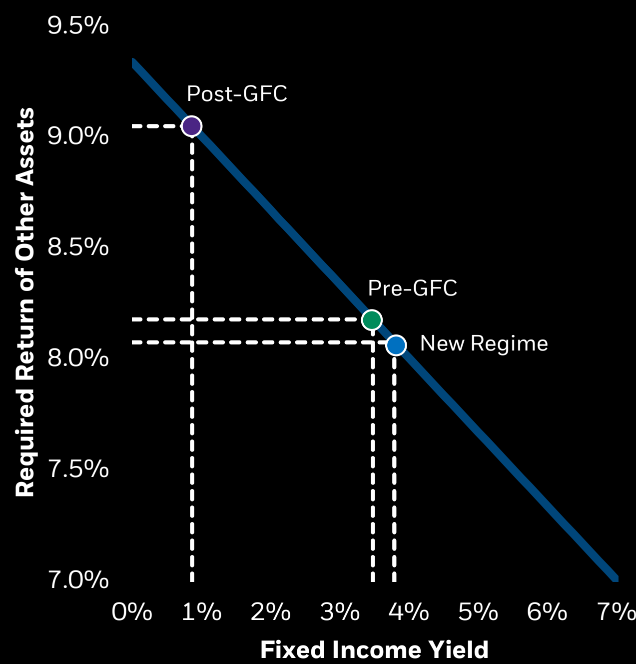
Fixed Income: With Great Yield Comes Great Purpose

The rate of change in today's yield environment brings new meaning to fixed income's role in a pension portfolio; enhanced income potential – across public and private markets – may reduce the pressure for growth assets to outperform and gives plans greater flexibility to reduce risk and diversify factor concentration

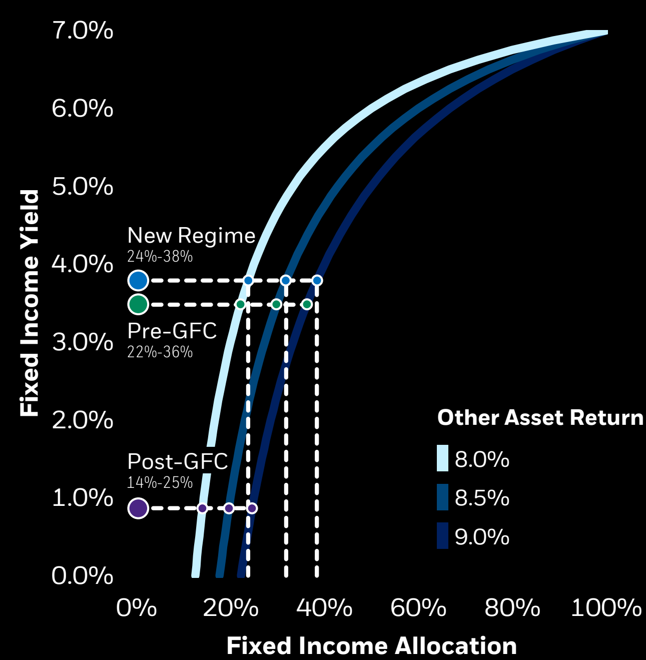
Average 1yr US Treasury Yield
Based on Daily 1yr US Treasury Rates



Required Return to Meet 7% Return Target
Assuming 25% Allocation to FI, Yield as Return Proxy



Projected FI Allocation to Meet 7% Return Target
Assuming Stated Yield and Other Asset Return



Source: U.S. Department of Treasury, BlackRock, June 2025. Pre-GFC: 2000-2007, Post-GFC: 2008-2022, New Regime: May 31, 2026. Required return of other assets is calculated by solving for the return needed to hit a 7% return target given a 25% allocation to the yield. The allocation to fixed income is calculated by projecting for the allocation needed to hit a 7% return target given the stated yield and other asset return. **Actual and Hypothetical returns are not a guarantee of future results.** All returns are net of fees and expenses. The results shown are for illustrative purposes only. Any interpretation of results should take into consideration inherent limitations and risks of the model and assumptions used. Results may be higher or lower than shown. Read slide 2 and the Appendix for disclosures.

Peer Group Summary

We selected your peer group based on size of assets and funded ratio

Plan Information		Modeled Data	Actuarial & Participant Information					Reported Dates		
Plan Name	**Label**	**Cash & Inv ($m)**	**Funded Ratio (%)**	**Total Participants**	**Active (%)**	**Inactive (%)**	**Retired (%)**	**Returns Data**	**Actuarial Data**	**Holdings Data**
Modeled Public Pension Universe	**All Plans**	5,800,550	77.7%	34,016,160	41%	24%	35%			
Peer Average	**Peer Avg**	2,749	65.1%	14,701	41%	13%	46%			
Dallas Police & Fire Pension Sys	**DPFP**	**2,089**	**34.1%**	**11,275**	**48%**	**6%**	**46%**	**Jun 2025**	**Dec 2024**	**Jun 2026**
City of Austin ERS	COAERS	3,755	61.2%	21,465	55%	8%	38%	Jun 2025	Dec 2024	Jun 2025
City of Jacksonville ERS	COJERS	2,631	53.3%	8,060	32%	2%	66%	Jun 2025	Sep 2024	Jun 2025
City of Dallas Empl Rtrmt Fund	DAL ERF	3,897	66.9%	18,161	44%	11%	44%	Jun 2025	Dec 2024	Jun 2025
Fort Worth Employees' Retirement Fund	FWERF	3,113	55.1%	15,009	48%	16%	36%	Jun 2025	Dec 2024	Jun 2025
Louisiana School Empl Ret Sys	LSERS	2,317	84.3%	32,472	36%	21%	43%	Jun 2025	Jun 2025	Jun 2025
Merced County Employees Ret Assoc	MECERA	1,353	83.1%	6,505	35%	24%	41%	Jun 2025	Jun 2025	Jun 2025
Milwaukee County ERS	MICERS	1,763	70.4%	11,891	26%	10%	64%	Jun 2025	Dec 2024	Jun 2025
San Jose Federated City ERS	SJ FED	3,458	64.0%	11,312	38%	20%	42%	Jun 2025	Jun 2025	Jun 2025
Stanislaus County Empl Ret Assoc	STCERA	3,111	78.5%	10,862	43%	12%	44%	Jun 2025	Jun 2025	Jun 2025

*** Please note DPFP exposure is the Current Target Portfolio whereas peer portfolios are based on actual holdings.**

Source: BlackRock, Pensions & Investments (P&I), Public Plan Data (PPD), June 2026. DPFP portfolio based on target SAA provided; peers based on actual exposure.

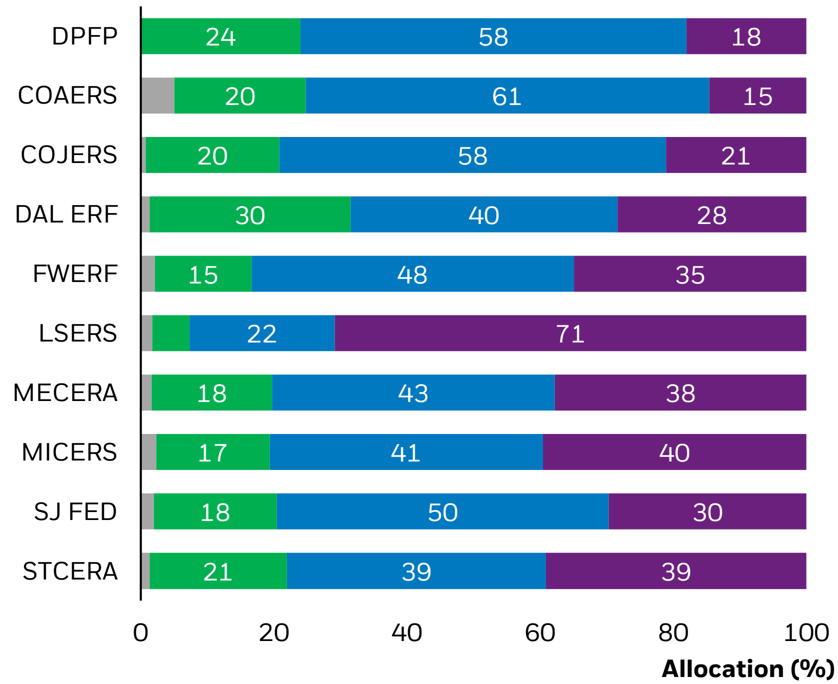
For more details on the full peer universe, see "BlackRock's Public Pension Plan Coverage Universe" at the end of this presentation. Returns data refers to the realized return quoted later in this presentation; actuarial data includes the actuarial assets, liabilities, funded ratio, and assumed return. In some instances, fund level modeled data, reported actuarial data, and returns data are reported at different entity levels based on information availability.

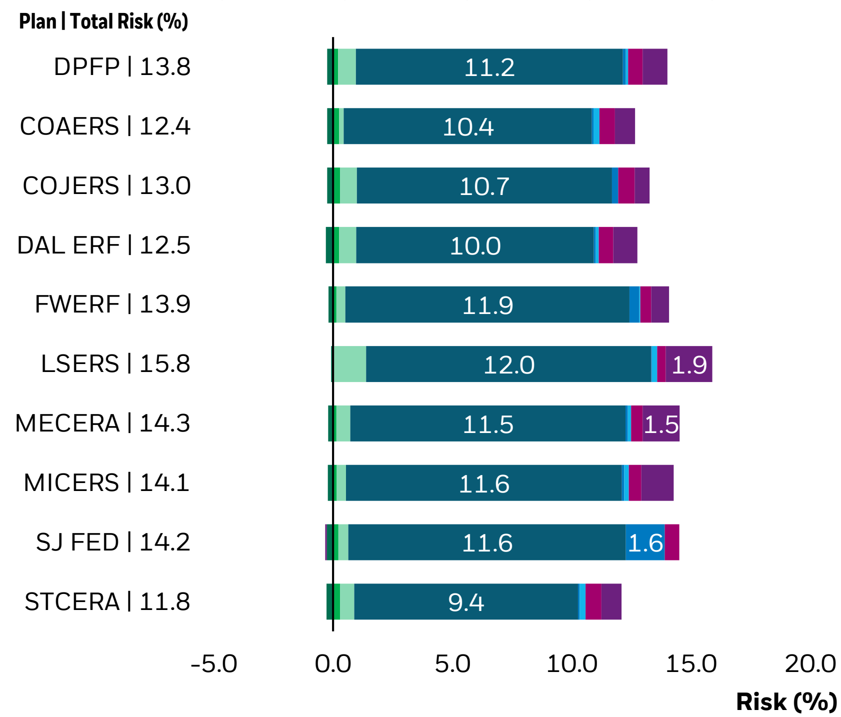
Asset Allocation Relative to Peers

Economic growth comprises 81% of DPFP's total risk of 13.8%; the peer group has an average total risk of 13.6% and ranges from 11.8% to 15.8%

Total Portfolio Allocation (%)	DPFP (Target)	Peer Average	vs. Avg	All Plans	% Rank
Cash	0	2	-2	2	1
Fixed Income	24	19	5	20	72
Equity	58	46	12	44	86
Alternatives	18	33	-15	33	14
Other	0	0	0	0	1

Macro Factor Risk Decomp (%)	DPFP (Target)	Peer Average	vs. Avg	All Plans	% Rank
Inflation	-0.2	-0.2	0.0	-0.2	53
Real Rates	0.2	0.2	0.0	0.2	40
Credit	0.8	0.6	0.1	0.5	85
Economic Growth	11.2	11.0	0.2	10.9	61
EM	0.1	0.3	-0.2	0.1	53
Commodity	0.1	0.1	0.0	0.2	45
FX	0.6	0.6	0.0	0.5	82
Systematic	1.0	1.0	0.0	1.1	48
Total Risk	**13.8**	**13.6**	**0.2**	**13.2**	**68**





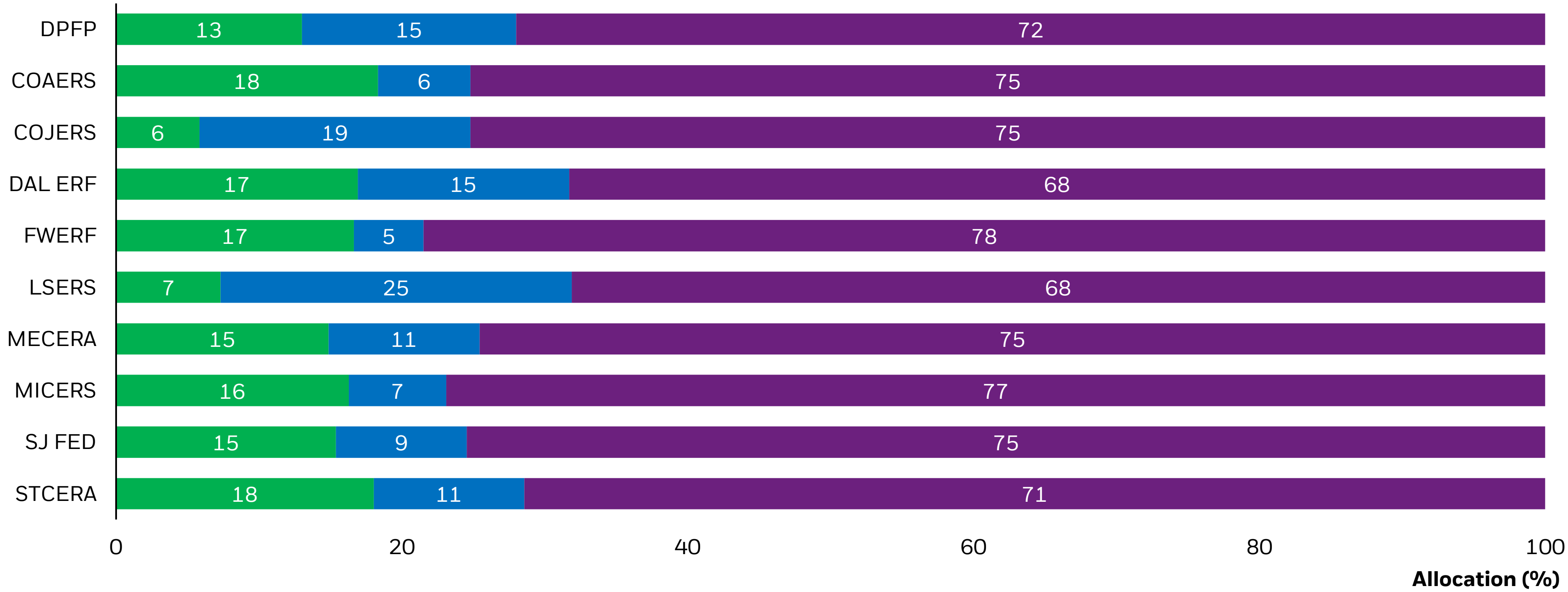
Source: BlackRock, PPD, P&I as of May 2026. Neither asset allocation nor diversification can guarantee profit or prevent loss. Risk: 84% confidence interval, 306 constant weighted monthly observations. Read the "Peer Group Summary" for reporting date of each plan, the "Macro Factors Glossary" for additional risk details; and regarding the indexes used to represent each asset class, see the Asset Class Mapping slides at the end of this presentation.

Asset Allocation Relative to Peers: Core & Non-Core FI

The average public pension plan has a 17.4% allocation to cash and core fixed income asset classes and a 10.1% allocation to non-core fixed income and private credit. DPFP is overweight non-core fixed income and private credit relative to the all plan average.

Total Portfolio Allocation (%)	DPFP (Target)	Peer Average	vs. Avg	All Plans	vs. All Plan
Cash & Core FI	13	14	-1	17	-4
Non-Core FI & Private Credit	15	12	3	10	5
Other Assets	72	74	-2	73	-1

Cash & Core Fixed Income	Non-Core FI & Private Credit
Cash	High Yield
US Agg	Securitized
Treasuries	EM Debt
Long Duration	Bank Loans
Global Agg	Multi-Strat Credit
Convertibles	Private Credit
TIPS	Real Estate Debt



Source: BlackRock, PPD, P&I as of May 2025. Neither asset allocation nor diversification can guarantee profit or prevent loss. Read the "Peer Group Summary" for reporting date of each plan, the "Macro Factors Glossary" for additional risk details; and regarding the indexes used to represent each asset class, see the Asset Class Mapping slides at the end of this presentation.

Calibrating Liquidity Constraints

Peer perspectives

Inputs Considered

- Target allocation to private markets
- Quarterly NAVs and cash flows for private market funds (all fund types and geographies from Preqin)
- Age of private markets portfolio
- Annual spending requirement from total portfolio
- Mix of liquid assets

Zoning Rules

Liquidity Event
For the purposes of this analysis, a liquidity event is defined as a scenario in which liquid assets fall below two years of spending requirements

Less Aggressive

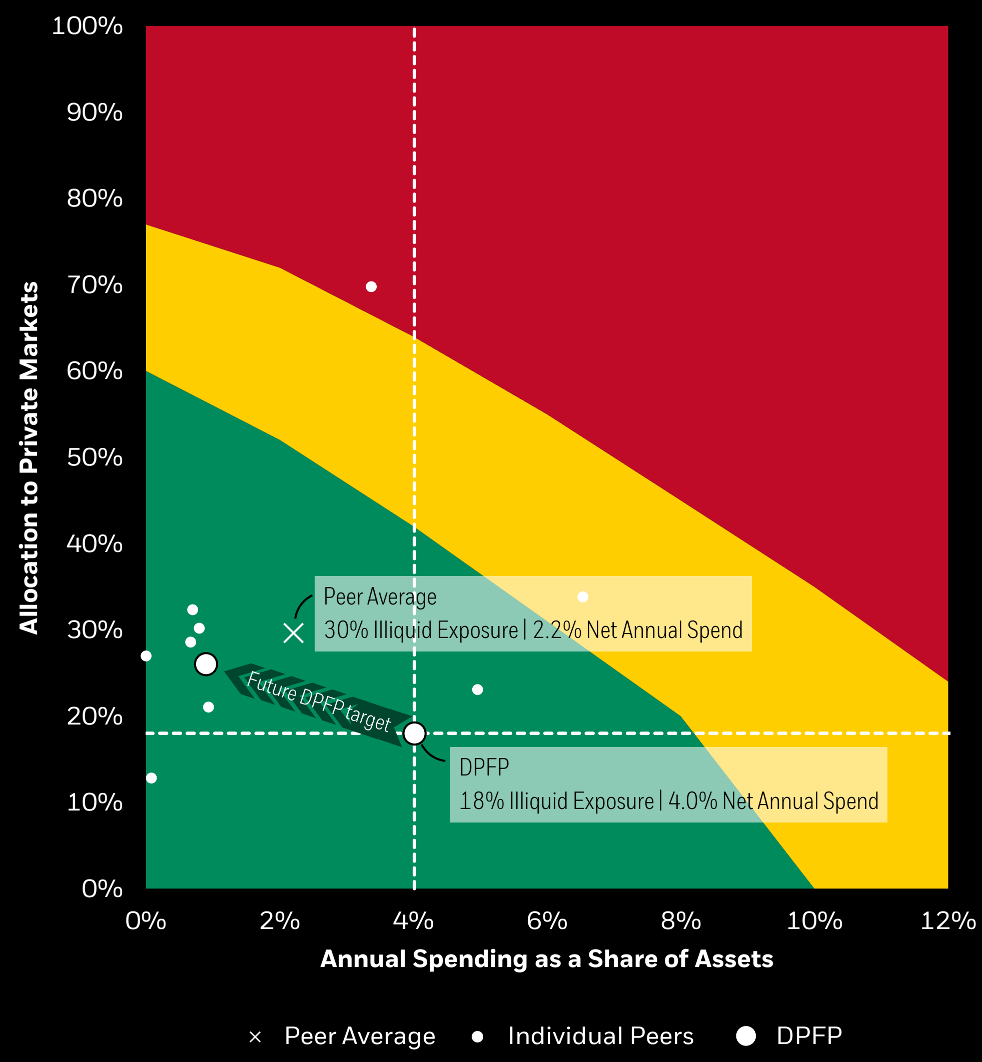
The range of allocations to private markets given any combination of the other input parameters that result in less than a 5% chance of a liquidity event

Moderate

The range of allocations to private markets where some combinations of other input parameters result in more than a 5% chance of a liquidity event

More Aggressive

The range of allocations to private markets in which all combinations of other input parameters lead to at least a 5% chance of a liquidity event



Source: BlackRock as of May 2026, based on BlackRock Investment Institute paper from March 2019. Labels for each plan is based on FY2025 plan information from Annual Reports. Net Flows is calculated as benefits payments less total contributions. **This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise – or even as an estimate – of future performance.**

In Summary

DPFP's Relative Positioning

Asset Class	DPFP Target Allocation	Peer Avg	All Plans	vs. Peer Avg	vs. All Plans
Cash	0%	2%	2%	-2%	-2%
Fixed Income	24%	19%	20%	5%	4%
US	13%	11%	12%	2%	1%
TIPS	0%	1%	1%	-1%	-1%
Tsy / Long Duration	0%	1%	2%	-1%	-2%
Intl/Global	0%	0%	0%	0%	0%
Non-Core	11%	6%	5%	5%	6%
Equity	58%	46%	44%	12%	14%
US	0%	20%	24%	-20%	-24%
Dev ex-US	0%	6%	7%	-6%	-7%
International	0%	6%	5%	-6%	-5%
EM	0%	4%	3%	-4%	-3%
Global	58%	10%	5%	48%	53%
Alternatives	18%	33%	33%	-15%	-15%
HF	0%	3%	4%	-3%	-4%
Real Estate	5%	9%	8%	-4%	-3%
Core/Core+	3%	5%	3%	-2%	-1%
Non-Core	3%	4%	2%	-1%	1%
Debt	0%	0%	0%	0%	0%
REITs	0%	0%	1%	0%	-1%
Other	0%	0%	2%	0%	-2%
Other Real Assets	3%	5%	4%	-2%	-1%
Infrastructure	3%	5%	3%	-2%	0%
Other	0%	1%	2%	-1%	-2%
Private Equity	6%	10%	12%	-4%	-6%
Private Credit	4%	6%	5%	-2%	-1%
Liquid	82%	70%	72%	12%	10%
Illiquid	18%	30%	28%	-12%	-10%

Neither asset allocation nor diversification can guarantee profit or prevent loss.

Ideas for Consideration for DPFP

Optimize Risk-Adjusted Return

- Diversify factor concentration by increasing income-oriented assets like public and private credit.
- Consider adding private credit to your portfolio as a way to enhance risk-adjusted yield potential and diversification across private markets.

Public for Private

- Consider additional exposure to private equity to increase the return potential of your portfolio, helping to further bolster expected returns.
- Continue to be aware of diversification across strategy and vintages as you build out your illiquid portfolio.

Eye on Infrastructure

- Consider infrastructure exposure as a possible source of idiosyncratic risk and return; infrastructure's contractual cash flows can also provide income stability and hedge against inflation.

Source: BlackRock as of May 2026

Appendix

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BlackRock's Public Pension Plan Coverage Universe

Over coverage universe includes 149 plans with total assets over $5.8 trillion; average plan size in $39.5 billion and ranges from $487 million to $573 billion

Alameda County ERA
Alaska Retirement Management Board
Arizona Public Safety Personnel Retirement Sys.
Arizona State Retirement System
Arkansas Public ERS
Arkansas Teachers Retirement System
Austin Police Retirement System
Boston Retirement System
California Public ERS
California State Teachers' Retirement System
Chicago Muni Empl. Annuity and Benefit Fund
Chicago Policemen's Annuity and Benefit Fund
Chicago Teachers Pension Fund
City & County of San Francisco ERS
City of Ann Arbor ERS
City of Atlanta Firefighters' Pension Fund
City of Atlanta General Employees Pension Fund
City of Atlanta Police Officers' Pension Fund
City of Austin ERS
City of Baltimore Fire & Police
City of Dallas Employee Retirement Fund
City of El Paso Employees Retirement Trust
City of Fresno Retirement Systems
City of Hartford Muni Employees Retirement Fund
City of Jacksonville ERS
City of LA Department of Fire & Police Pensions
City of Milwaukee Employes' Retirement System
City of Phoenix ERS
City of San Jose P&F Dept. Retirement Plan
City of Tallahassee Retirement System
Commonwealth of Pennsylvania State ERS
Connecticut Retirement Plans & Trust Funds
Contra Costa County ERA
Cook County Annuity & Benefit Fund
County Employees' Retirement Fund of Missouri
Dallas Police & Fire Pension System
District of Columbia Retirement Board
El Paso Fire & Police Pension Fund
ERS of Texas
ERS of the State of Hawaii
ERS of Rhode Island
Fairfax County - Employees System
Fairfax County - Police System
Fairfax County - Uniformed System
Firefighters' Retirement System of Louisiana
Firemen's Annuity and Benefit Fund of Chicago
Florida Retirement System
Fort Worth Employees' Retirement Fund
Fresno County ERA
Grand Rapids General Retirement System
Grand Rapids Police and Fire Retirement System
Houston Firefighters' Relief and Retirement Fund
Houston Muni Employees Pension System
Houston Police Officers' Pension System
Illinois Muni Retirement Fund
Illinois State Board of Investments
Imperial County ERS
Indiana Public Retirement System
Iowa Public ERS
Kansas Public ERS
Kentucky County ERS
Kentucky Retirement Systems
Kern County ERA
LABF of Chicago
Los Angeles City ERS
Los Angeles County ERA
LA Water and Power Employees Retirement Plan
Louisiana School ERS
Louisiana State ERS
Maine Public ERS
Marin County ERA
Maryland State Retirement & Pension System
Massachusetts PRIM
Mendocino County ERA
Merced County ERA
Miami Beach Fire & Police Pension Fund
Milwaukee County ERS
Minnesota State Board of Investment
Missouri Local Government ERS
Missouri State ERS
Montana Board of Investments
Montgomery County ERS
Montgomery County Public Schools Rtmt System
Muni ERS of Michigan
Muni Fire & Police Retirement System of Iowa
Nebraska Public ERSs
New Hampshire Retirement System
New Jersey Division of Investment
New Mexico Educational Retirement Board
New York State Common Retirement Fund
New York State Teachers' Retirement System
North Carolina Retirement Systems
North Dakota State Investment Board
NYCRS - Board of Education Retirement System
NYCRS - New York City ERS
NYCRS - New York City Fire Dept. Pension Fund
NYCRS - New York City Police Pension Fund
NYCRS - Teachers' Retirement System of NYC
Ohio Police & Fire Pension Fund
Ohio Public ERS
Oklahoma Muni Retirement Fund
Oklahoma Public ERS
Orange County ERS
Oregon Public Employees Retirement Fund
Pennsylvania Muni Retirement System
Pennsylvania Public School ERS
Philadelphia Public ERS
Public Employee Retirement System of Idaho
Public ERA of Colorado
Public ERA of New Mexico
Public ERS of Mississippi
Public ERS of Nevada
Public School & Education ERS of Missouri
Retirement Systems of Alabama
Sacramento County ERS
San Bernardino County ERA
San Diego City ERS
San Diego County ERA
San Joaquin County ERA
San Jose Federated City ERS
San Luis Obispo County Pension Trust
San Mateo County ERA
Santa Barbara County ERS
School ERS of Ohio
Seattle City ERS
Sonoma County ERA
South Carolina Retirement System
South Dakota Investment Council
Stanislaus County ERA
State of Michigan Retirement Systems
State of Wisconsin Investment Board
State Teachers Retirement System of Ohio
State Universities Retirement System of Illinois
Teacher Retirement System of Texas
Teachers Retirement System of Georgia
Teachers' Retirement System of Kentucky
Teachers' Retirement System of Louisiana
Teachers' Retirement System of Oklahoma
TRS of The State of Illinois
Tennessee Consolidated Retirement System
Texas County & District Retirement System
Texas Muni Retirement System
Tulare County ERA
Ventura County ERA
Vermont State Retirement System
Virginia Retirement System
Washington State Investment Board
Weld County Retirement Plan
West Virginia Investment Management Board

Source: BlackRock, Pensions & Investments (P&I) as of May 2026.

Macro Factors Glossary

Drivers of Portfolio Return and Risk

These common economic factors are intuitive, applicable across all asset classes, and explain the majority of asset class risk

Inflation
Risk of bearing exposure to changes in nominal prices
Return of long nominal bonds, short inflation-linked bonds portfolio

Real Rates
Risk of bearing exposure to real interest rate changes
Inflation-linked bond returns

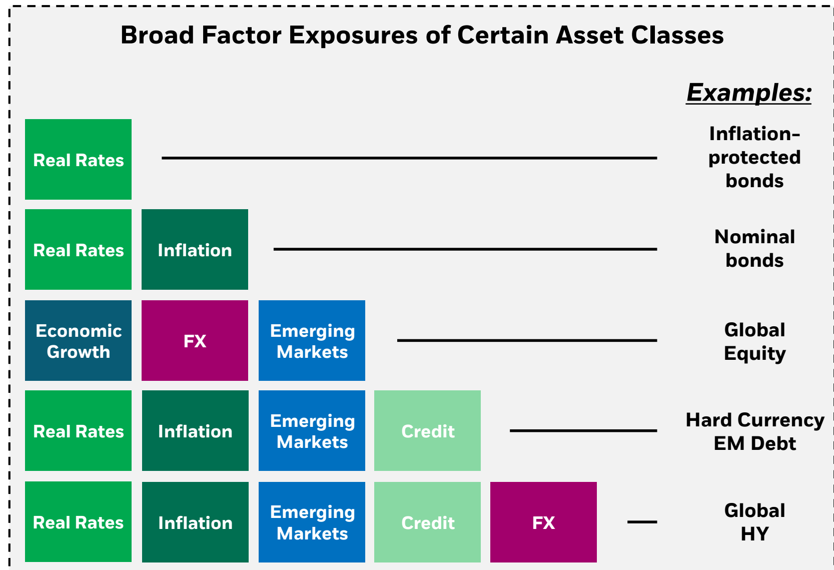
Credit
Risk of default or spread widening
Return of long corporate bonds, short nominal government bonds portfolio

Economic Growth
Risk associated with global economic growth
Broad-market equity index returns

Emerging Markets
Risk that emerging sovereign governments will change capital market rules
Equally weighted basket of EM asset classes: EM CDX, EM FX, and long EM equity short DM equity

Commodity
Risk associated with commodity markets
Weighted GSCI commodity index returns

FX
Risk associated with developed foreign currency exposure
USD-denominated basket of EUR, JPY, GBP, CAD and AUD



Source: BlackRock as of May 2026. Ex-ante risk is defined as annual expected volatility and is calculated using data derived from representative indices, using the Aladdin portfolio risk model. This proprietary multi-factor model can be applied across multiple asset classes to analyze the impact of different characteristics of securities on their behaviors in the market place. In analyzing risk factors, the Aladdin portfolio risk model attempts to capture and monitor these attributes that can influence the risk/return behavior of a particular security/asset. Systematic reflects the portion of the risk that is undefined by the other factors.

Capital Market and Modeling Assumptions

Asset Class	Asset Description	BlackRock CMA Proxy	Fee Deducted	10yr Ann. (Net) Expected Return	Expected Risk
Cash	Cash	US Cash	-	3.59%	-
Fixed Income	US	BBG US Aggregate Index	0.11%	4.60%	4.71%
Fixed Income	HY	BBG US Corporate High Yield 2% Issuer Capped Index	0.29%	6.03%	6.36%
Fixed Income	EM	50% JPMGBIEGDV | 50% EMBIGLOBAL Index	0.46%	5.14%	7.98%
Fixed Income	Treasuries	BBG Government Index	0.11%	4.46%	4.81%
Fixed Income	Long Duration	BBG Treasury 10+ Yr. Index	0.12%	5.24%	11.95%
Fixed Income	TIPS	BBG US Government Inflation-Linked Bond Index	0.11%	4.84%	5.29%
Fixed Income	Global	BBG Global Aggregate Index	0.13%	4.56%	5.68%
Fixed Income	Bank Loans	S&P/LSTA Leveraged Loan Index	0.54%	6.35%	8.00%
Fixed Income	Convertibles	BBG US Aggregate Index	0.11%	4.60%	4.71%
Fixed Income	Multi-Strat	BBG US Universal Index	0.06%	4.71%	4.54%
Fixed Income	Securitized	BBG Securitized Index	0.07%	4.03%	4.64%
Equity	US Large Cap	Russell 1000 Index	0.12%	7.89%	19.05%
Equity	US Mid Cap	Russell Midcap Index	0.12%	6.77%	18.66%
Equity	US Small/Mid Cap	Russell 2500 Index	0.13%	6.71%	20.96%
Equity	US Small Cap	Russell 2000 Index	0.13%	6.43%	22.24%
Equity	US All Cap	Russell 3000 Index	0.12%	7.82%	19.13%
Equity	Non-US / Developed (World-ex US)	MSCI World ex-US Index	0.12%	7.70%	17.19%
Equity	Non-US (ACWI ex-US)	MSCI All Country World ex-US Index	0.25%	7.43%	17.67%
Equity	EM	MSCI Emerging Markets Index	0.19%	6.84%	21.16%
Equity	Global (ACWI)	MSCI All Country World Index	0.35%	7.73%	17.89%

Source: BlackRock as of May 2026. Expected returns shown are net of fees and expenses. The representative indices listed above may differ from those that are publicly available, but the underlying methodology and assumptions are consistent. BlackRock expected market return information is based on BlackRock's capital market assumptions as of May 2026 which are subject to change. Capital market assumptions contain forward-looking information that is not purely historical in nature. **They should not be construed as guarantees of future returns**. The projections in the chart above are based on BlackRock's proprietary capital markets assumptions for risk and geometric return (above) and correlations between major asset classes. These asset class assumptions are passive only and do not consider the impact of active management. The assumptions are presented for illustrative purposes only and should not be used, or relied upon, to make investment decisions. The assumptions are not meant to be a representation of, nor should they be interpreted as BlackRock's investment recommendations. Allocations, assumptions, and expected returns are not meant to represent BlackRock performance. Capital markets assumptions are subject to high levels of uncertainty regarding future economic and market factors that may affect actual future performance. Ultimately, the value of these assumptions is not in their accuracy as estimates of future returns, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences. Please note all information shown is based on assumptions, therefore, exclusive reliance on these assumptions is incomplete and not advised. The individual asset class assumptions are not a promise of future performance. Indexes are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index.

The hypothetical returns shown are net of a all fees and expenses. Please see the expense column for additional details on each asset class.

Please continue reading disclosure on the following slide.

Capital Market and Modeling Assumptions (continued)

Asset Class	Asset Description	BlackRock CMA Proxy	Fee Deducted	10yr Ann. (Net) Expected Return	Expected Risk
Alternatives	Hedge Funds	BlackRock Proxy: HFRI Composite index	2.00%	7.21%	7.37%
Alternatives	Private Equity	BlackRock Proxy: US Buyout Private Equity – eFront Insights Research US Buyout Private Equity Index	4.38%	11.58%	31.77%
Alternatives	Commodities	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Energy	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	3.10%	9.85%	17.47%
Alternatives	Infrastructure	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	3.10%	9.85%	17.47%
Alternatives	Listed Infrastructure	FTSE Developed Core Infrastructure Net Index	0.45%	6.63%	12.61%
Alternatives	Timber	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Farmland	FTSE Nareit Equity Diversified	0.25%	7.71%	19.59%
Alternatives	MLPs	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Real Assets: Other	BBG Commodities Index (Unhedged)	0.75%	1.75%	14.93%
Alternatives	Real Estate: Core/Core-Plus	BlackRock Proxy: US Core Real Estate - NCREIF ODCE Index	0.87%	5.51%	10.73%
Alternatives	Real Estate: Non-Core	BlackRock Proxy: US Value-Added Real Estate – NCREIF Index/ S&P Global/Refinitiv	0.91%	6.75%	16.40%
Alternatives	Real Estate: Debt	BlackRock Proxy: Real Estate Mezzanine Debt (Unhedged)	1.20%	6.69%	9.11%
Alternatives	Real Estate: REITs	FTSE EPRA Nareit United States Index	0.31%	6.38%	17.99%
Alternatives	RE – Other	BlackRock Proxy: US Core Real Estate – NCREIF ODCE Index	0.91%	5.51%	10.73%
Alternatives	Private Credit: Direct Lending	BlackRock Proxy: Direct Lending – Lincoln Senior Debt Index	3.87%	7.92%	10.53%
Alternatives	Portable Alpha	BlackRock Proxy: HFRI Composite index	2.00%	7.21%	7.37%
Alternatives	Risk Parity	15.25% Long Dur, US HY, TIPS, EMD 18% MSCI ACWI | 21% Cmdty	-	5.48%	7.48%

For additional details on Private Market asset class proxies, see the following slide titled "Alternative Risk Proxy Descriptions." Disclosure continued from prior slide, please read full disclosure.

The Risk Parity proxy above was constructed by blending seven capital market assumptions together; please see prior page for more information on each component. Expected returns shown are net of fees and expenses and are for informational purposes only. The CMAs for private markets reflect a broad market view across all deployed capital, rather than the expected returns of a specific new vintage. As such, the CMA represents a "beta" or benchmark return for the asset class representative of the median manager inclusive of alpha. Based on data from Preqin (PE, HF) Pitchbook (PE), NCREIF (RE), Lincoln International (PC), EDHEC (Infrastructure).

Alternative Risk Proxy Descriptions

Asset Class	Risk Proxy Description
Private Equity	The private equity risk proxy estimates the economic risks of a private equity fund, within the context of a multi-asset portfolio, using the Aladdin Private Equity Risk Model. The proxy uses average observed fund exposures spanning vintages 2000 to present day (or the latest available). These averaged exposures consider capital deployed along with geographic, industry and size dimensions. The risk proxy also uses a leverage adjustment based on average observed deal equity contributions and the leveraged loan market. Data inputs to this proxy's construction include Bloomberg, MSCI, Refinitiv, S&P and BlackRock proprietary data.
Real Estate	The real estate risk proxy estimates the economic risks of a real estate private equity fund, within the context of a multi-asset portfolio, using the Aladdin Real Estate Risk Model. The proxy uses average observed fund exposures and real estate transactions. These exposures consider both geographies and property types while, depending on investment strategy, adjusting for average Loan-to-Value ratios. Data inputs to this proxy's construction include Asian Association for Investors in Non-Listed Real Estate Vehicles (ANREV), Investors in Non-Listed Real Estate Vehicles (INREV), National Council of Real Estate Investment Fiduciaries (NCREIF), Real Capital Analytics, S&P SNL and BlackRock proprietary data.
Infrastructure	The infrastructure risk proxy estimates the economic risks of an infrastructure private equity fund, within the context of a multi-asset portfolio, using the Aladdin Private Infrastructure Risk Model. The proxy uses average observed fund exposures as well as transactions from Insight Research Infrastructure transactions. These averaged exposures consider capital deployed along with geographic and industry dimensions. Data inputs to this proxy's construction include eFront Insight Research, BlackRock Proprietary data and BFRE factors.
Hedge Funds	The hedge fund risk proxies estimate the economic risks of a given hedge fund strategy, within the context of a multi-asset portfolio, using the Aladdin Hedge Fund Risk Model. The proxy uses a regression-based analysis to identify key risk factor exposures for each hedge fund strategy cohort. This analysis considers equity, fixed income, commodity and strategy-specific effects. Data inputs to the construction of these proxies include Hedge Fund Research, Lipper TASS and BlackRock proprietary data.
Direct Lending	The direct lending capital market assumption risk proxy is a blend of Business Development Company (BDC) equity and bank loan exposure to estimate the risk level of a direct lending investment.

Source: BlackRock as of May 2026.

BlackRock Capital Market Assumptions Methodology and Limitations

BlackRock Capital Market Assumptions

This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise of future performance. Note that these asset class assumptions are passive, and do not consider the impact of active management. All estimates in this document are in U.S. dollar terms unless noted otherwise. Given the complex risk-reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations to all the asset classes and strategies.

References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Assumptions, opinions and estimates are provided for illustrative purposes only. They should not be relied upon as recommendations to buy or sell securities. Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material has been prepared for information purposes only and is not intended to provide, and should not be relied on for, accounting, legal, or tax advice.

The outputs of the assumptions are provided for illustration purposes only and are subject to significant limitations. “Expected” return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. Because of the inherent limitations of all models, potential investors should not rely exclusively on the model when making an investment decision. The model cannot account for the impact that economic, market, and other factors may have on the implementation and ongoing management of an actual investment portfolio. Unlike actual portfolio outcomes, the model outcomes do not reflect actual trading, liquidity constraints, fees, expenses, taxes and other factors that could impact future returns.

BlackRock 10-year asset return and long-term volatility assumptions

Annualized return assumptions are in geometric terms and reflect total nominal returns. Return assumptions for all asset classes are shown in unhedged terms unless otherwise noted. We use long-term volatility assumptions. We break down each asset class into factor exposures and analyze those factors' historical volatilities and correlations over the past 15+ years. We combine the historical volatilities with the current factor makeup of each asset class to arrive at our forward-looking assumptions. This approach takes into account how asset classes evolve over time. Example: Some fixed income indices are of shorter or longer duration than they were in the past. Our forward-looking assumptions reflect these changes, whereas a volatility calculation based only on historical monthly index returns would fail to capture the shifts. We have created BlackRock proxies to represent asset classes where historical data is either lacking or of poor quality. Expected return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. The geometric return, sometimes called the time-weighted rate of return, takes into account the effects of compounding over the investment period. The arithmetic return can be thought of as a simple average calculated by taking the individual annual returns divided by the number of years in the investment period.

Index returns are for illustrative purposes only and do not represent any actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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Asset Class Mapping: Traditional Assets

Cash: 2.2% **Fixed Income: 20.2%** **Public Equity: 44.3%**

Asset Class	**Asset Description**	**Benchmark / Proxy Description**	All Plans Avg **Allocation**
Cash	Cash	US Cash	2.2%
Fixed Income	Domestic	BBG US Aggregate Index	12.0%
Fixed Income	Long Duration	BBG Treasury 10+ Yr Index	0.4%
Fixed Income	Treasuries	BBG Government Index	1.4%
Fixed Income	TIPs	BBG US Government Inflation-Linked Bond Index	1.1%
Fixed Income	Securitized	BBG Securitized Index	0.6%
Fixed Income	Emerging markets	50% JPM GBI-EM Global Diversified Index | 50% JPM Global EMBI Index	0.7%
Fixed Income	International/Global	BBG Global Aggregate Index	0.3%
Fixed Income	High yield	BBG US Corporate High Yield 2% Issuer Capped Index	2.2%
Fixed Income	Bank Loans	BlackRock Proxy, based on S&P/LSTA Leveraged Loan Index	0.5%
Fixed Income	Multi-Strategy	BBG US Universal Index	1.0%
Fixed Income	Convertibles	BBG U.S. Aggregate Index	0.1%
Equity	US All-Cap	Russell 3000 Index	7.5%
Equity	US Large-Cap	Russell 1000 Index	12.8%
Equity	US Mid-Cap	Russell Midcap Index	0.8%
Equity	US SMID-Cap	Russell 2500 Index	0.9%
Equity	US Small-Cap	Russell 2000 Index	1.8%
Equity	Developed ex-US	MSCI World ex-US	7.2%
Equity	International	MSCI All Country World ex-US	5.3%
Equity	Emerging markets	MSCI Emerging Markets Index	3.0%
Equity	Global Equity	MSCI All Country World Index	5.2%

Indices are unmanaged; direct investment is not possible. Neither asset allocation nor diversification can guarantee profit or prevent loss.

Asset Class Mapping: Alternative Assets

Alternatives: 33.2%

Asset Class	Asset Description	Benchmark / Proxy Description	All Plans Avg **Allocation**
Alternatives	HF	BlackRock Proxy: HFRI Composite Index	3.5%
Alternatives	Portable Alpha	BlackRock Proxy: HFRI Composite Index	0.2%
Alternatives	Risk Parity	14.75% Long Dur | 14.75% US HY | 14.75% TIPS | 14.75% EMD | 20% MSCI ACWI | 21% Cmdty	0.4%
Alternatives	Private Equity	BlackRock Proxy: US Buyout Private Equity – eFront Insights Research US Buyout Private Equity Index	11.6%
Alternatives	Real Estate: REITs	FTSE EPRA Nareit United States Index	0.5%
Alternatives	Real Estate: Debt	BlackRock Proxy: Real Estate Mezzanine Debt (Unhedged)	0.3%
Alternatives	Real Estate: Core/Core-Plus	BlackRock Proxy: US Core Real Estate - NCREIF ODCE Index	3.5%
Alternatives	Real Estate: Non-Core	BlackRock Proxy: US Value-Added Real Estate – NCREIF Index/ S&P Global/Refinitiv	1.7%
Alternatives	Real Estate: Other	BlackRock Proxy: US Core Real Estate - NCREIF ODCE Index	2.3%
Alternatives	Real Assets: Commodities	BBG Commodities Index (Unhedged)	0.4%
Alternatives	Real Assets: Energy	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	0.3%
Alternatives	Real Assets: MLPs	BBG Commodities Index (Unhedged)	0.1%
Alternatives	Real Assets: Infrastructure	BlackRock Proxy: Global Diversified Infrastructure – eFront Insights Research Global Infrastructure Index	2.9%
Alternatives	Real Assets: Farmland	FTSE Nareit Equity Diversified	0.2%
Alternatives	Real Assets: Timber	BBG Commodities Index (Unhedged)	0.2%
Alternatives	Real Assets: Other	BBG Commodities Index (Unhedged)	0.3%
Alternatives	Alt Credit: Direct Lending	BlackRock Proxy: Direct Lending – Lincoln Senior Debt Index	4.7%

Indices are unmanaged; direct investment is not possible. Neither asset allocation nor diversification can guarantee profit or prevent loss.

Risk Warnings

Equity Risk: Stock values may fluctuate in price so the value of your investment can go down depending on market conditions. Investing in small- and mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. International investing involves specials risks including, but not limited to currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. Investments in emerging markets may be considered speculative and are more likely to experience hyperinflation and currency deviations, which adversely affect returns. In addition, many emerging securities markets have lower trading volumes and less liquidity.

Bond Risk: Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk, and while generally backed by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations. High-yield, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. Investors will, at times, incur a tax liability. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax.

Risks Associated with Private Equity: Limited Regulatory Oversight: Since private equity funds are typically private investments, they do not face the same oversight and scrutiny from financial regulatory entities such as the Securities and Exchange Commission ("SEC") and are not subject to the same regulatory requirements as regulated investment companies, (i.e., open-end or closed-end mutual funds) including requirements for such entities to provide certain periodic pricing and valuation information to investors. Private equity offering documents are not reviewed or approved by the SEC or any US state securities administrator or any other regulatory body. Also, managers may not be required by law or regulation to supply investors with their portfolio holdings, pricing, or valuation information. Strategy Risk: Many private equity funds employ a single investment strategy. Thus, a private equity funds may be subject to strategy risk, associated with the failure or deterioration of an entire strategy. Use of Leverage and Other Speculative Investment Practices: Since many private equity fund managers use leverage and speculative investment strategies such as options, investors should be aware of the potential risks. When used prudently and for the purpose of risk reduction, these instruments can add value to a portfolio. However, when leverage is used excessively and the market goes down, a portfolio can suffer tremendously. When options are used to speculate (i.e., buy calls, short puts), a portfolio's returns can suffer and the risk of the portfolio can increase. Valuations: Further there have been a number of high profile instances where private equity fund managers have mispriced portfolios, either as an act of fraud or negligence. Limited Liquidity: Investors in private equity funds have limited rights to transfer their investments. In addition, since private equity funds are not listed on any exchange, it is not expected that there will be a secondary market for them. Repurchases may be available, but only on a limited basis. A private equity fund's manager may deny a request to transfer.

Risks Associated with Private Credit: (i) the Strategy is speculative and its investments are subject to a risk of total loss, (ii) the performance of the Strategy may be volatile, (iii) the general partner of the Strategy will retain ultimate authority over the Strategy's assets and investment decisions, (iv) there are restrictions on the ability of investors to withdraw capital and on the transferability of investor ownership interests in the Strategy, (v) the fees and expenses of the Strategy may offset any profits of the Strategy, (vi) investing the Strategy may involve complex tax structures and delays in distributing important tax information, (vii) the Strategy is not subject to the same regulatory requirements as mutual funds. Investors should also be aware that as a global provider of investment management, risk management and advisory services to institutional and retail clients, BlackRock engages in a broad spectrum of activities. Although the relationships and activities of BlackRock may help offer attractive opportunities and service to the Strategy, such relationships and activities create certain inherent conflicts of interest between BlackRock and the Strategy and/or the Strategy's investors. Further risks associated with the Strategy include, but are not limited to, the following: i.) Credit & Interest Rate risk ii.) Risks associated with high-yield, non-investment-grade debt securities ("high-yield bonds" or "junk bonds"); iii) Derivatives; iv) Foreign/International Markets; and v) Emerging market risk.

Risks Associated with Infrastructure Infrastructure Funds invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments, linked to infrastructure assets. Therefore, the performance of an Infrastructure Fund may be materially and adversely affected by risks associated with the related infrastructure assets including: construction and operator risks; environmental risks; legal and regulatory risks; political or social instability; governmental and regional political risks; sector specific risks; interest rate changes; currency risks; and other risks and factors which may or will impact infrastructure and as a result may substantially affect aggregate returns. Investments in Infrastructure assets are typically illiquid and investors seeking to redeem their holdings in an Infrastructure Fund can experience significant delays and fluctuations in value.

Risk Associated with Hedge Funds

An investment in a hedge fund is speculative and includes a high degree of risk, including the risk of a total loss of capital. A hedge fund is illiquid, subject to significant restrictions on transfer and investors should be aware that they may be required to bear the risks associated with holding such investment for an indefinite period of time. Investors should carefully review the confidential private placement memorandum and other offering documents for the hedge fund strategy prior to making an investment decision. Any investment decision with respect to a hedge fund should be made solely on the definitive and final version of the private placement memorandum, the governing agreements, subscription agreements and other ancillary documents.

Risks Associated with Real Estate

Funds that invest in real estate or property invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments. Therefore, in addition to risks associated with investment in such equity or debt instrument, the performance of the real estate fund may be material and adversely affected by risks associated with the related real estate assets. Past performance of funds investing in real estate are not indicative of the performance of the real estate market as a whole and the value of real property will generally be a matter of a valuer's opinion rather than fact. The value of any real estate investment may be significantly diminished in the event of a downturn in the real estate market. Real estate investments are subject to many factors including adverse changes in economic conditions, adverse local market conditions and risks associated with the acquisition, financing, ownership, operation, and disposal of real estate.

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Dallas Police and Fire Pension System

August 13, 2026

2026 Asset Allocation Review

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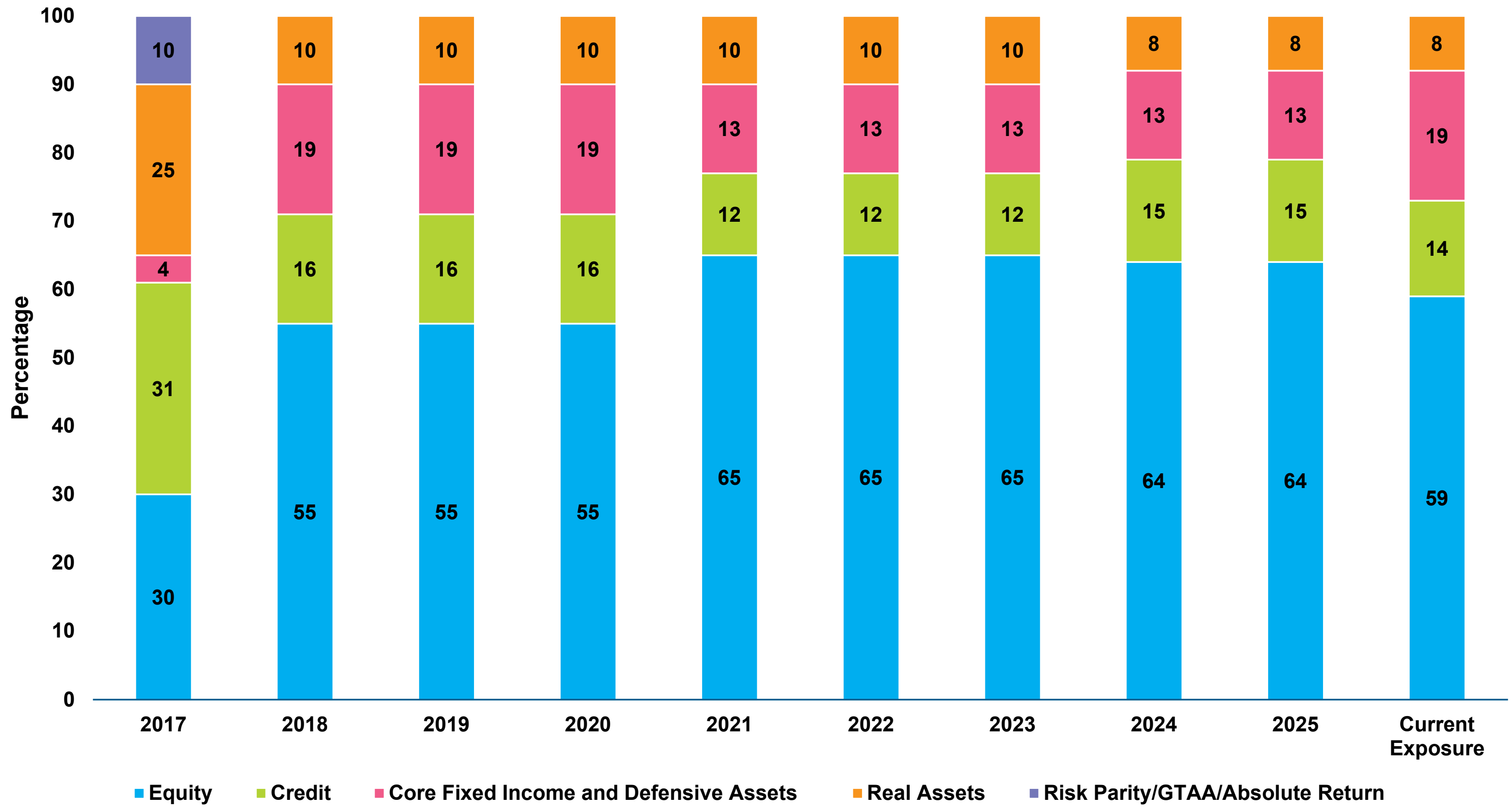
2026 Asset Allocation Review

~10 Year History – Asset Allocation Policy[1] at End of Each Fiscal Year



[1] Note: over the last ~10 years different groupings were utilized at different times, and DPFP had periods with more granular asset class targets than depicted here. This is the "roll up" evaluation using present day categories.

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2026 Asset Allocation Review

History – 2020 Asset Allocation

- In 2020 Meketa prepared its Investment Practices and Performance Evaluation report (the "SB 322 report") as required by Texas Government Code Section 802.109(a)(1-5).
- Meketa outlined the following recommendations:
  - ***"We recommend the Board remains patient with asset allocation as the portfolio is transitioned and doesn't feel obligated to conduct comprehensive asset allocation overhaul every year. (Surveys have shown many large state plans are moving towards once every three - five years)."***
  - ***"We recommend the Board and Staff closely monitor contribution levels and maintain constructive and open dialogue with the City."***
  - ***"If (based on the actuary's advice) it becomes likely that DPFP is not on track to meet targets by 2024, we encourage the Board to act as soon as reasonably possible to discuss and implement additional plan design changes to avoid delaying and compounding any known shortfalls."***
  - ***"We recommend DPFP consider adjusting actuarial valuation assumptions as necessary based on the outcomes and advice of the actuary upon conclusion of the experience study expected in 2020."***

History – 2021 Asset Allocation Changes

→ In 2020 the Board voted to liquidate DPFP's 4% target allocation to global bonds given the world wide low interest rate environment and increased role currency played in annual returns for non-US fixed income.

→ During the process, DPFP Staff and Meketa looked at various different approaches to redistributing the 4% target weight into other asset existing asset classes.

→ In April of 2021, the IAC reviewed possible asset allocation mixes that considered lowering the Safety Reserve from 15% down to 12% or 9%, and whether to include TIPS as part of the Asset Allocation. The reduction in the Safety Reserve would increase the Public Equity allocation.

- At the May 2021 meeting, the Board considered the IAC's feedback, as well as staff and Meketa views and favored reducing the EM Equity allocation from 10% (EM overweight) down to 5% (Market Neutral EM weight).
- **In 2021, an asset allocation policy was adapted which:**
  - **Reallocated the full 4% from Global Bonds and 6% from Short-Term Bonds (cutting the allocation down from 12% to 6%) to Public Equity.**
  - **Within Public Equity the Global Equity allocation was increased to 55% (from 40%) and the Emerging Markets allocation to 5% (from 10%).**

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2026 Asset Allocation Review

History – 2024 Asset Allocation Changes

- In the Summer/Fall of 2023, DPFP Staff and Meketa began discussions on possible updates to the Asset Allocation Policy.
- In January 2024, Meketa discussed mean reversion, and Staff introduced the asset allocation study and planning for the remainder of the year with the IAC.
- In late January, Meketa released their 2024 Capital Market Expectations (CMEs), which were used as inputs for the asset study conducted. Meketa's 2024 CMEs were presented to the Board in early March.
- Later in March, Staff and Meketa reviewed possible asset allocation mixes with the IAC. Those mixes marginally reduced the targets to Natural Resources and Public Equity while adding a new dedicated Private Credit target.
- In August, Meketa discussed emerging markets and Albourne discussed private credit with the IAC.
- Also at the August IAC Meeting, a Recommended Policy was reviewed based on collaboration of Staff and Meketa as well as feedback from the IAC and the Board throughout this process.
- **The Asset Allocation Policy adopted in 2024:**
  - **Reduced the targets to Natural Resources (-2%) and Public Equity (-2%) while adding a new dedicated Private Credit target (+4%) and marginally increasing Private Equity (+1%).**
  - **It also combined the Public Credit targets into a single allocation encompassing High Yield, Bank Loans, and EM Debt (-1%).**
  - **It also combined Global and Emerging Markets equity into a single Public Equity allocation.**

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2026 Asset Allocation Review

2026 – Process Thus Far

- → In the beginning of 2026 Meketa conducted Risk Survey (of the Board, IAC, Staff, Consultants).
- → Feedback on the survey was increased education would be valuable on some potential new asset classes (e.g., Risk Mitigating Strategies) which was subsequently started during the April 2026 IAC meeting.
- → During the April 2026 IAC meeting, Meketa also provided an overview of capital market expectations and highlighted the differences between the 2025 vs. 2026 CME Asset Studies, along with the differences between the 20-year and 10-year assumptions.
- → Staff also outlined the expected 2026 asset allocation study timeline during the April 2026 IAC meeting.
- → In the May 2026 Board meeting Staff presented a “Baseline” mix as a starting point for further asset allocation mixes to be developed.
- → The Baseline mix prioritized decreasing public equity exposure/target and increasing the private equity exposure/target.
- → Subsequent to this meeting Meketa and Staff each developed asset mixes surrounding the Baseline (on both the conservate side of the Baseline mix and more aggressive relative to the Baseline mix).
- → **During the July 2026 IAC meeting, Meketa and Staff discussed the tradeoffs and considerations of the three mixes included in this analysis.**
- → **The IAC expressed unanimous support for Mix C.**

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2026 Asset Allocation Review

2026 Capital Market Assumptions

Asset Class	2026 10-year Expected Return (%)	Δ From 2025 (%)	2026 20-year Expected Return (%)	Δ From 2025 (%)
Cash Equivalents	2.8	0.0	3.1	0.0
Investment Grade Bonds	4.2	-0.7	4.9	-0.4
Long-term Government Bonds	4.5	-0.5	5.1	-0.6
TIPS	3.8	-0.5	4.7	-0.3
High Yield Bonds	5.4	-0.9	6.6	-0.5
Bank Loans	5.6	-0.7	6.4	-0.4
Emerging Market Debt	5.7	-0.6	6.4	-0.4
Private Debt	7.8	-0.9	8.2	-0.9
US Equity	6.3	-0.1	8.0	-0.4
Developed Non-US Equity	6.2	-1.0	7.9	-0.8
Emerging Non-US Equity	6.2	-0.9	8.0	-0.7
Global Equity	6.3	-0.3	8.0	-0.5
Private Equity	9.0	-0.8	10.2	-1.0
Real Estate	7.1	+0.2	8.3	-0.2
Infrastructure	7.5	+0.3	9.0	-0.2
Commodities	5.0	-0.5	5.4	-0.5
Hedge Funds	3.8	-0.4	5.7	-0.3
Inflation	2.3	0.0	2.7	0.0

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2026 Asset Allocation Review

Asset Allocation Policy Options[1]

Asset Group	DPFP A (%)	DPFP B (%)	DPFP C (%)	Peer Group: All Public DB > $1B (%)
Equity	**57**	**59**	**60**	**58**
Public Equity	48	50	49	45
Private Equity	9	9	11	13
Credit	**15**	**15**	**15**	**7**
Public Credit[2]	11	11	11	4
Private Debt	4	4	4	3
Core Fixed Income and Defensive Assets[3]	**18**	**16**	**15**	**22**
Real Assets	**10**	**10**	**10**	**12**
Real Estate	4	4	4	8
Infrastructure and Other Real Assets	6	6	6	4
Expected Return (10 / 20 years)[4]	6.55 / 7.82	6.58 / 7.88	6.67 / 7.98	6.67 / 8.55
Standard Deviation	12.88	13.20	13.51	13.18
Probability of Achieving 6.5% over 10 / 20 Years	49.7 / 67.5	50.0 / 67.9	50.8 / 68.6	50.9 / 69.1

- → The baseline (Mix B) discussed at the April 2026 IAC meeting has nearly exactly 50% chance of earning 6.5% annualized return over the next 10 years, based on Meketa's 10-year capital market expectations. Using 20-year expectations, the probability increases to over 67% for all three mixes.
- → Mix A is slightly more defensive, while Mix C is slightly more aggressive.

[1] Expected return and standard deviation are based upon Meketa Investment Group's Annual Capital Markets Expectations. Throughout this document, returns for periods longer than one year are annualized.
[2] For all three mixes: 8% MAC, 3% EMD.
[3] DPFP A: 8% ST IGB, 8% IGB, 2% cash equivalents. DPFP B: 7% ST IGB, 7% IGB, 2% cash equivalents. DPFP C: 6.5% ST IGB, 6.5% IGB, 2% cash equivalents. For the Peer Group: 2% cash, 10% IGB, 3% LT Bonds, 1% TIPs, 4% Hedge Funds, 1% RMS aggregate, and 2% Long Vol Strategies.
[4] 10 / 20 year expected returns derived from 10- and 20-year capital market expectations, respectively. Probability of achieving 6.5% over 10/20 years derived from usage of 10- and 20-years capital market expectations, respectively.

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2026 Asset Allocation Review

Relative Change vs. Current Exposure[1]

Asset Group	Current Exposure (%)	DPFP A (%)	DPFP B (%)	DPFP C (%)
Equity	**59**	**-2**	**-**	**+1**
Public Equity	57	-9	-7	-8
Private Equity	2	+7	+7	+9
Credit	**14**	**+1**	**+1**	**+1**
Public Credit[2]	14	-3	-3	-3
Private Debt	0	+4	+4	+4
Core Fixed Income and Defensive Assets[3]	**19**	**-1**	**-3**	**-4**
Real Assets	**8**	**+2**	**+2**	**+2**
Real Estate	5	-1	-1	-1
Infrastructure and Other Real Assets	3	+3	+3	+3
Expected Return (10 years)	6.21	+0.34	+0.37	+0.46
Standard Deviation	12.43	+0.45	+0.77	+1.07
Probability of Achieving 6.5% over 10 Years	46.3	+3.4	+3.7	+4.5

→ Through rotation from public markets exposure to private markets, all mixes have higher expected return and improved odds of achieving 6.5%+ return over the next ten years.

→ With the increased usage of private markets exposure the potential deviation of returns increases (mostly due to the wider dispersion of outcomes seen in private equity vs. public equity).

[1] Expected return and standard deviation are based upon Meketa Investment Group's Annual Capital Markets Expectations. Throughout this document, returns for periods longer than one year are annualized.
[2] For all three mixes: 8% MAC, 3% EMD.
[3] DPFP A: 8% ST IGB, 8% IGB, 2% cash equivalents. DPFP B: 7% ST IGB, 7% IGB, 2% cash equivalents. DPFP C: 6.5% ST IGB, 6.5% IGB, 2% cash equivalents.

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2026 Asset Allocation Review

Diversification and Risk Analysis

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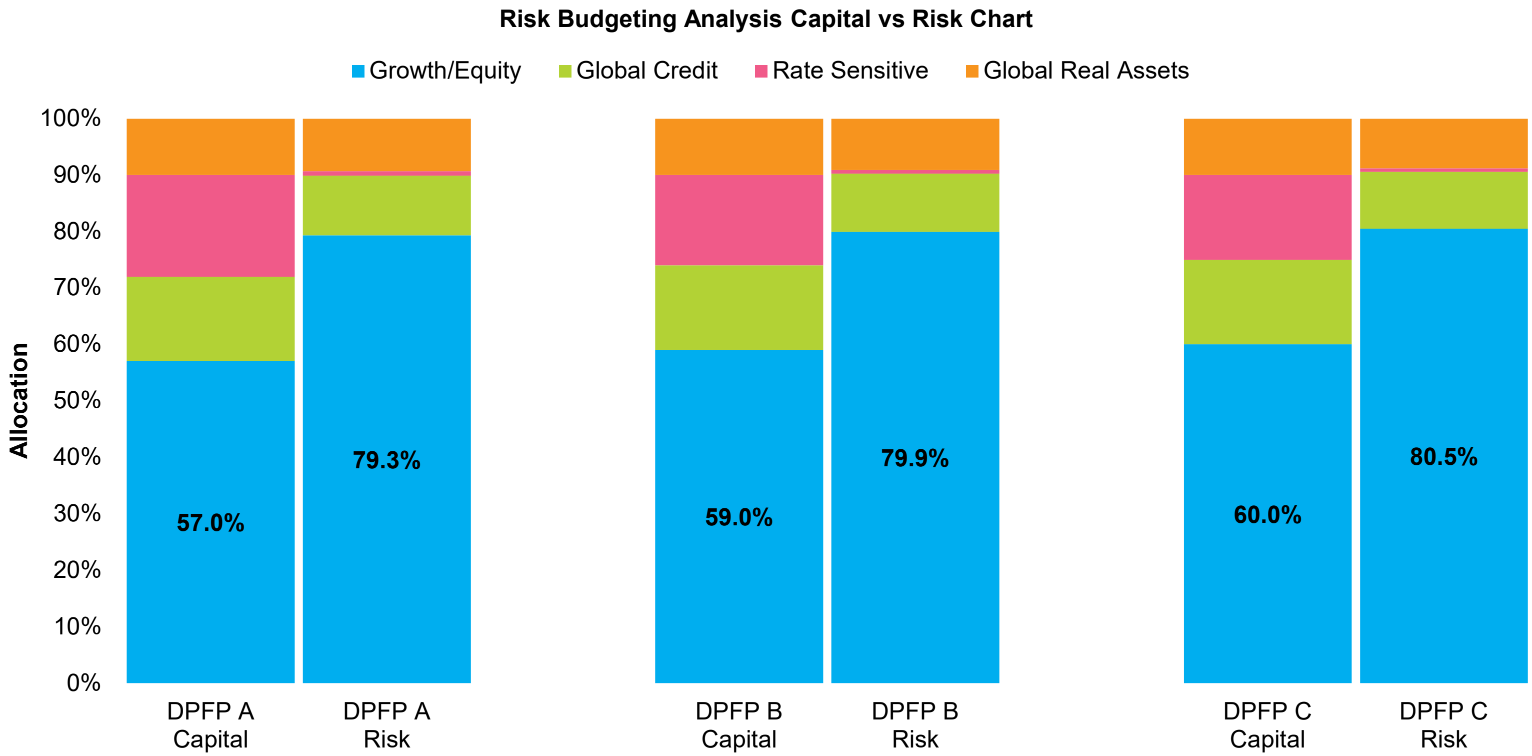
2026 Asset Allocation Review

Risk Budgeting Analysis
(Capital Allocation vs. Risk Allocation)



→ Equity exposure ("capital" column) and equity volatility ("risk" column) increases as you move from Mix A to Mix B to Mix C.

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2026 Asset Allocation Review

Modern Portfolio Theory-Based Risk Analysis

Scenario	DPFP A (%)	DPFP B ("baseline") (%)	DPFP C (%)
Worst Case Returns (1)			
One Year	-19.4	-19.9	-20.4
Three Years (annualized)	-9.3	-9.7	-9.9
Five Years (annualized)	-6.0	-6.2	-6.4
Ten Years (annualized)	-2.5	-2.7	-2.8
Twenty Years (annualized)	0.0	-0.1	-0.1
Probability of Negative Returns			
One Year	30.0	30.4	30.5
Three Years	18.2	18.7	18.9
Five Years	12.1	12.5	12.7
Ten Years	4.9	5.2	5.4
Twenty Years	1.0	1.1	1.1
Probability of Achieving at least a 6.5% Return			
One Year	49.9	50.0	50.3
Three Years	49.8	50.0	50.4
Five Years	49.8	50.0	50.6
Ten Years	49.7	50.0	50.8
Twenty Years	49.6	49.8	51.7

→ Any mix has a roughly ~30% chance of negative returns in any given one year, but those odds drop significantly over longer periods to practically zero, due to the compounding effect of the expected “normal” and “good” years.

[1] “Worst Case Returns” refers to the 99th percentile return.

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2026 Asset Allocation Review

Historical Negative Scenario Analysis[1] (*Cumulative* Return)

Scenario	DPFP A (%)	DPFP B (%)	DPFP C (%)
Post-COVID Rate Hikes(Jan 2022 - Oct 2023)	-6.7	-6.8	-6.8
COVID-19 Market Shock (Feb 2020 - Mar 2020)	-19.6	-20.3	-20.1
BREXIT (Jun 2016)	-2.7	-2.8	-2.7
Taper Tantrum (May - Aug 2013)	0.2	0.2	0.4
Eurozone Debt Crisis (July 2011 - Sept 2011)	-9.4	-9.8	-9.7
Global Financial Crisis (Oct 2007 - Mar 2009)	-29.6	-30.7	-30.8
Popping of the TMT Bubble (Apr 2000 - Sep 2002)	-21.0	-22.4	-23.0
LTCM (Jul - Aug 1998)	-7.5	-7.8	-7.8
Asian Financial Crisis (Aug 97 - Jan 98)	1.9	1.8	2.1
Rate spike (1994 Calendar Year)	4.3	4.5	4.7
Early 1990s Recession (Jun - Oct 1990)	-5.5	-5.8	-5.8
Crash of 1987 (Sep - Nov 1987)	-10.4	-10.9	-10.7
Strong dollar (Jan 1981 - Sep 1982)	2.6	1.8	1.7
Volcker Recession (Jan - Mar 1980)	-3.9	-3.9	-3.9
Stagflation (Jan 1973 - Sep 1974)	-21.2	-22.1	-22.2

→ The spread between the best and worst mix is quite small on average (0.85%), in the context of environments with double digit losses.

[1] In periods where the ideal benchmark was not yet available, we used the next closest benchmark(s) as a proxy.

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2026 Asset Allocation Review

Historical Positive Scenario Analysis[1] (*Cumulative* Return)

Scenario	DPFP A (%)	DPFP B (%)	DPFP C (%)
COVID Recovery (Apr 2020 - Dec 2021)	53.9	55.3	56.8
Global Financial Crisis Recovery (Mar 2009 - Nov 2009)	36.3	37.3	37.0
Real Estate and Buyout Boom (Oct 2004 - Sept 2007)	57.9	59.1	60.2
Best of Great Moderation (Apr 2003 - Feb 2004)	28.3	29.2	29.1
Peak of the TMT Bubble (Oct 1998 - Mar 2000)	47.3	48.3	51.4
Short Rate Decrease Cycle (Jan 1995 - Dec 1995)	17.9	18.0	18.4
Recession Recovery (Nov 1990 - March 1992)	15.3	15.2	15.4
Plummeting Dollar (Jan 1986 - Aug 1987)	59.1	61.0	60.1
Long Rate Decrease Cycle (June 1984 - August 1986)	80.7	82.4	80.7
Volcker Recovery (Aug 1982 - Apr 1983)	27.7	28.2	27.8
Bretton Wood Recovery (Oct 1974 - Jun 1975)	26.7	27.5	27.4

- Mix B and Mix C would generally alternate as being the best performing mixes in a repeat of most historical positive scenarios. With less equity exposure, Mix A generally would not keep pace, but would still produce very strong returns.
- The spread between the best and worst mix is ~2.50% on average, in environments with gains between ~20% to ~80%.

[1] In periods where the ideal benchmark was not yet available, we used the next closest benchmark(s) as a proxy.

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2026 Asset Allocation Review

Inflation Stress Testing: Negative Scenarios (Expected Return under Negative Inflationary Conditions)

Scenario	DPFP A (%)	DPFP B (%)	DPFP C (%)
Inflation slightly higher than expected	-0.1	-0.1	-0.1
Inflation much higher than expected	-4.5	-4.6	-4.5
Low Growth and Low Inflation	-7.1	-7.3	-7.2
Low Growth and High Inflation	-10.7	-11.0	-10.8
Brief, moderate inflation spike	-3.2	-3.3	-3.2
Extended, moderate inflation spike	-6.1	-6.3	-6.3
Brief, extreme inflation spike	-7.9	-8.2	-8.2
Extended, extreme inflation spike	-10.5	-10.9	-10.9

→ None of the mixes are immune to an inflationary environment. All would likely produce similar results vs. each other.

Inflation Scenario Description

Scenario	Scenario Description
Inflation slightly higher than expected	Inflation is 0.05% above inflation expectation (i.e. surprise inflation is 0.05%). 0.05% is the 25th percentile of positive, historical surprise inflation.
Inflation meaningfully higher than expected	Inflation is 0.3% above inflation expectation (i.e. surprise inflation is 0.3%). 0.3% is the 75th percentile of positive, historical surprise inflation.
Low Growth and Low Inflation	The real GDP growth rate is 0.3% and inflation is 0.07%. 0.3% GDP growth is the 25th percentile of historical GDP growth and 0.07% inflation is the 25th percentile of historical inflation.
Low Growth and High Inflation	The real GDP growth rate is 0.3% and inflation is 0.5%. 0.3% GDP growth is the 25th percentile of historical GDP growth and 0.5% inflation is the 75th percentile of historical inflation.
Brief, moderate inflation spike	Inflation is 0.45% and lasts for 4-8 months. 0.45% is the 75th percentile of historical inflation.
Extended, moderate inflation spike	Inflation is 0.45% and lasts for 12+ months. 0.45% is the 75th percentile of historical inflation.
Brief, extreme inflation spike	Inflation is 0.9% and lasts for 4-8 months. 0.9% is the 95th percentile of historical inflation.
Extended, extreme inflation spike	Inflation is 0.9% and lasts for 12+ months. 0.9% is the 95th percentile of historical inflation.

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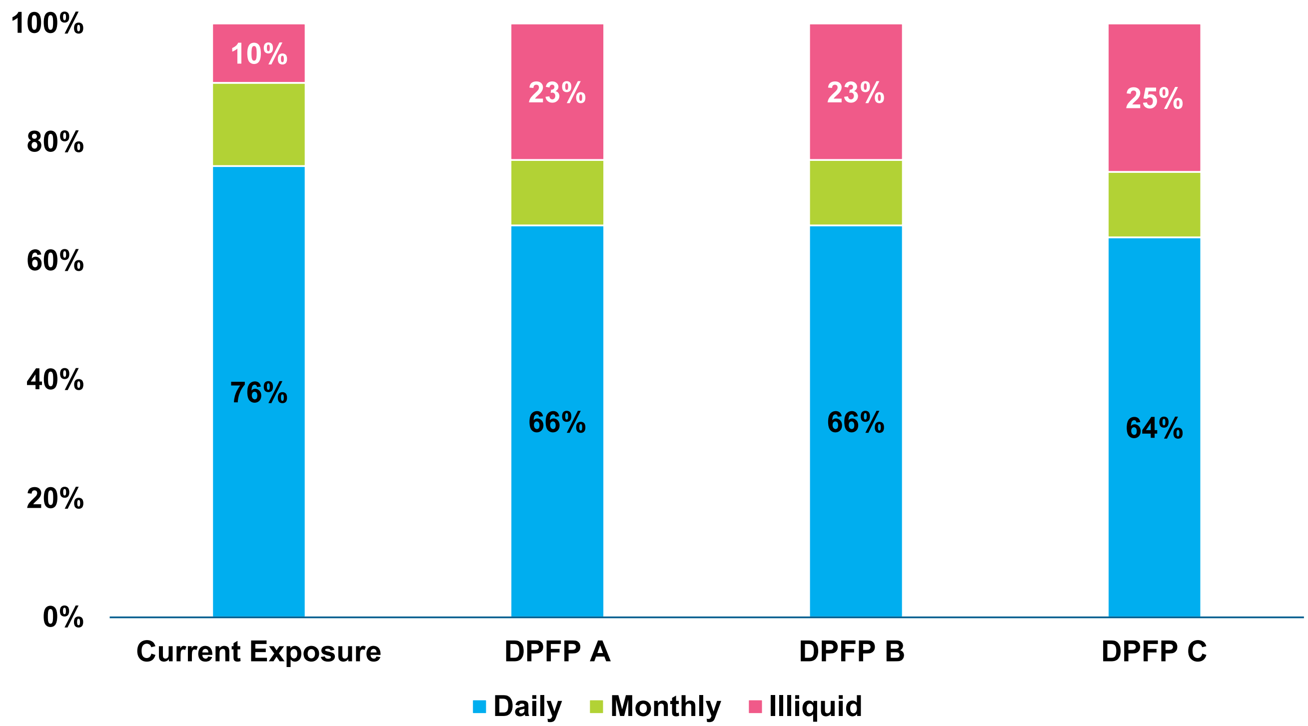
2026 Asset Allocation Review

Liquidity Analysis



- Daily liquid assets make up the bulk of the exposure in all mixes.
- Current exposure has roughly 10% in illiquid investments. Mix A, Mix B, and Mix C range between 23% - 25% target to illiquid asset classes.
- According to the Risk Survey, the majority of responses felt illiquid exposure should be between 18% and 25%.

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Dallas Police and Fire Pension System

2026 Asset Allocation Review

Summary

Asset Group	Current Exposure (%)	DPFP A (%)	DPFP B (%)	DPFP C (%)
Equity	**59**	**-2**	**-**	**+1**
Public Equity	57	-9	-7	-8
Private Equity	2	+7	+7	+9
Credit	**14**	**+1**	**+1**	**+1**
Public Credit[1]	14	-3	-3	-3
Private Debt	0	+4	+4	+4
Core Fixed Income and Defensive Assets[2]	**19**	**-1**	**-3**	**-4**
Real Assets	**8**	**+2**	**+2**	**+2**
Real Estate	5	-1	-1	-1
Infrastructure and Other Real Assets	3	+3	+3	+3
Expected Return (10 years)	6.21	+0.34	+0.37	+0.46
Standard Deviation	12.43	+0.45	+0.77	+1.07
Probability of Achieving 6.5% over 10 Years	46.3	+3.4	+3.7	+4.5

- There are trade-offs to consider with each potential asset mix but all improve the odds of achieving the 6.5% goal over the next ten years.
- **The IAC unanimously supported Mix C.**

[1] For all three mixes: 8% MAC, 3% EMD.
[2] DPFP A: 8% ST IGB, 8% IGB, 2% cash equivalents. DPFP B: 7% ST IGB, 7% IGB, 2% cash equivalents. DPFP C: 6.5% ST IGB, 6.5% IGB, 2% cash equivalents.

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DALLAS POLICE & FIRE PENSION SYSTEM

Asset Allocation Implementation and Next Steps

Serving those who protect the Dallas community.

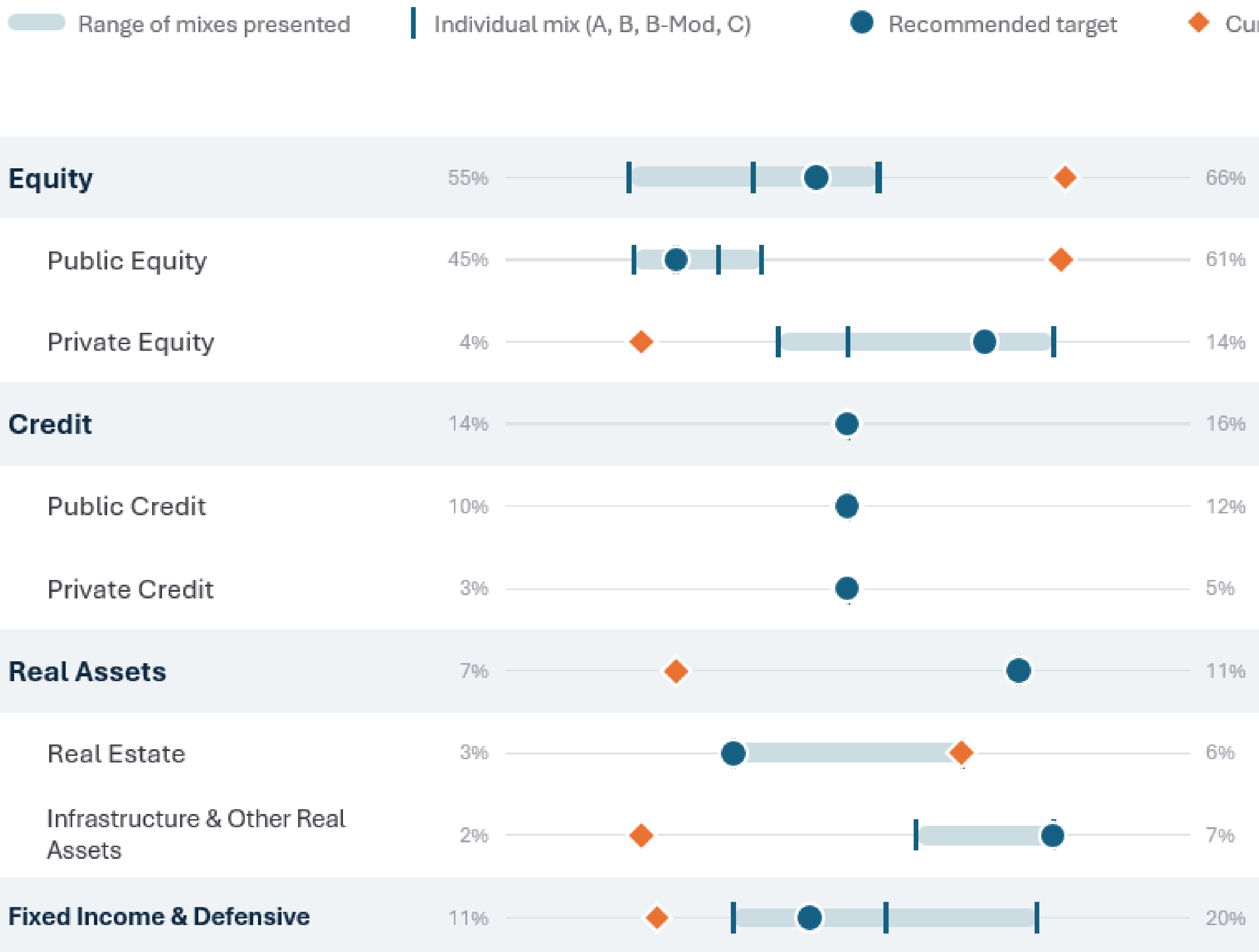
MEETING DETAILS

August 13, 2026

Board Meeting

DALLAS POLICE & FIRE PENSION SYSTEM

Allocation Options Considered by IAC



	Range low	Range high	Current	Recommended	Change from current
Equity	55%	66%	64%	**60%**	-4
Public Equity	45%	61%	58%	**49%**	-9
Private Equity	4%	14%	6%	**11%**	+5
Credit	14%	16%	15%	**15%**	–
Public Credit	10%	12%	11%	**11%**	–
Private Credit	3%	5%	4%	**4%**	–
Real Assets	7%	11%	8%	**10%**	+2
Real Estate	3%	6%	5%	**4%**	-1
Infrastructure & Other Real Assets	2%	7%	3%	**6%**	+3
Fixed Income & Defensive	11%	20%	13%	**15%**	+2

Change from current target shown in percentage points. Mixes presented: Mix A, Mix B (Baseline), Mix B (Staff Modified), Mix C. Source: 2026 Staff Asset Allocation Study.

DALLAS POLICE & FIRE PENSION SYSTEM

Staff & IAC Recommended Changes

ASSET CLASS	CURRENT TARGET	7/31/2026 POSITIONING	RECOMMENDED MIX
Equity	**64%**	**58.2%**	**60%**
Public Equity	58%	55.7%	49%
Private Equity	6%	2.0%	11%
Huff Energy Fund	0%	0.4%	0%
Credit	**15%**	**13.9%**	**15%**
Public Credit	11%	13.5%	11%
Private Credit	4%	0.4%	4%
Real Assets	**8%**	**8.0%**	**10%**
Real Estate	5%	5.0%	4%
*Infrastructure & Other Real Assets**	3%	3.0%	6%
Fixed Income & Defensive Assets	**13%**	**19.9%**	**15%**
TOTAL	**100%**	**100%**	**100%**
10 Year Assumptions			
Expected Return	6.55%	6.21%	6.67%
Standard Deviation	13.72%	12.43%	13.50%
Probability of Achieving 6.5% over 10 Yrs	49.64%	46.32%	50.80%
20 Year Assumptions			
Expected Return	7.88%	7.51%	7.97%
Standard Deviation	13.72%	12.43%	13.18%
Probability of Achieving 6.5% over 20 Yrs	67.10%	63.88%	68.53%

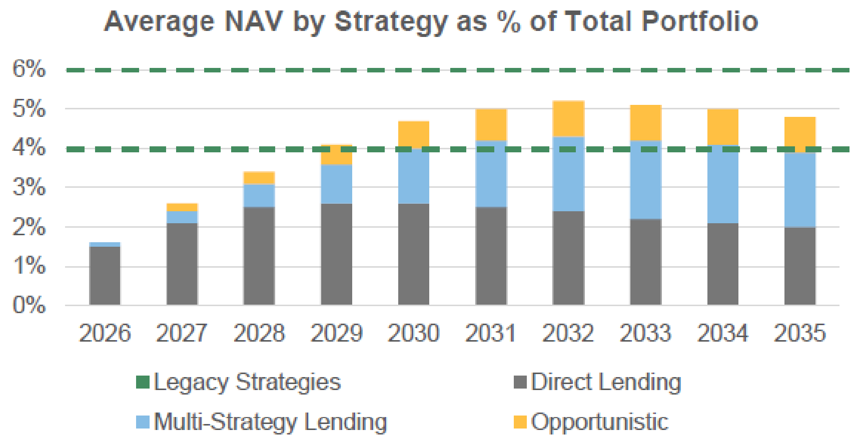
DALLAS POLICE & FIRE PENSION SYSTEM

Private Credit & Private Equity Pacing Plans

DPFP expects it to take 4-6 years to reach Private Equity and Private Credit long-term targets.

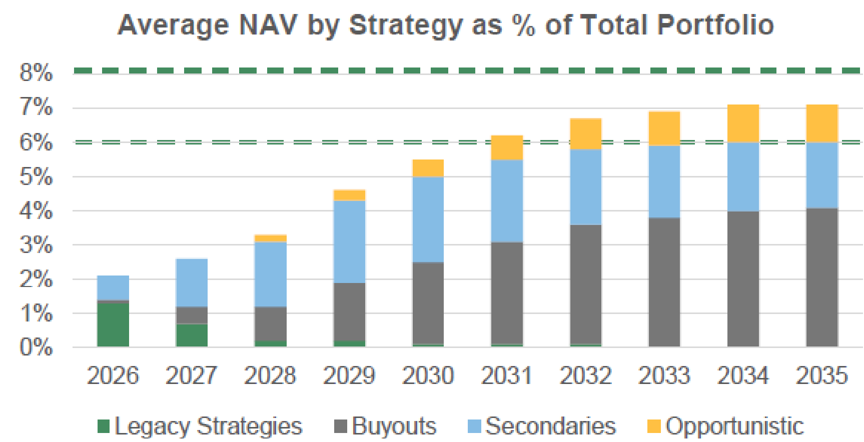
2026 Private Credit Pacing Plan

Assumptions	
Current AUM	$2.2bn
Growth Rate	5.6%
Target	4-6%



2026 Private Equity Pacing Plan

Assumptions	
Current AUM	$2.2bn
Growth Rate	5.6%
Target	6-8%



DALLAS POLICE & FIRE PENSION SYSTEM

Asset Allocation Implementation

- While DPFP builds toward its long-term private markets target, the portfolio will begin **roughly 14% overweight to public equity and credit** combined, with the overweight declining as private commitments are funded.
- Staff intends to hold the interim overweight primarily in Fixed Income & Defensive Assets and Public Credit, keeping **Public Equity relatively less overweight comparatively** given elevated valuations and strong equity returns over the past 3+ years. This positioning is an implementation stance during the transition, not a change in long-term policy views.
- Asset Allocation ranges, and strategy ranges (through the Asset Class Structures) will need to be adjusted based on this dynamic.

ASSET CLASS	CURRENT TARGET	7/31/2026 POSITIONING	RECOMMENDED MIX
Equity	**64%**	**58.2%**	**60%**
Public Equity	58%	55.7%	49%
Private Equity	6%	2.0%	11%
Huff Energy Fund	0%	0.4%	0%
Credit	**15%**	**13.9%**	**15%**
Public Credit	11%	13.5%	11%
Private Credit	4%	0.4%	4%
Real Assets	**8%**	**8.0%**	**10%**
Real Estate	5%	5.0%	4%
Infrastructure & Other Real Assets	3%	3.0%	6%
Fixed Income & Defensive Assets	**13%**	**19.9%**	**15%**
TOTAL	**100%**	**100.0%**	**100%**
TOTAL PRIVATE MARKETS	**18%**	**10.9%**	**25%**
OVERWEIGHT TO PUBLIC MARKETS		**7.1%**	**14.1%**

DALLAS POLICE & FIRE PENSION SYSTEM

Consideration of Risk Mitigating Strategies

Risk Mitigating Strategies Education

- Risk Mitigating Strategies (RMS) were considered for addition to the Asset Allocation but, following an initial education session by Meketa with the IAC in April, it was determined that **further IAC and Board education is required** before moving forward.
- RMS strategies **provide uncorrelated or negatively correlated returns** to broader markets, reducing risk and creating the opportunity for enhanced returns.
- RMS includes, but is not limited to, strategies such as **Tail Risk Hedging, Long Volatility, Trend Following, and certain types of hedge funds**.

Combine Fixed Income sub-asset classes into Fixed Income & Defensive Assets Allocation

- For consistency with the approach to Public Equities and Public Credit, combine Cash, ST Bonds, and Core Bonds into one "Fixed Income & Defensive Assets" asset class.
- This move would allow RMS to be considered for later addition to the portfolio as part of an **Asset Class Structure Review**, similar to how Multi-Asset Credit was added to the Public Credit portfolio.

DALLAS POLICE & FIRE PENSION SYSTEM

Role of Infrastructure & Other Real Assets in Portfolio

Inflation Protection

Seeking to participate in or protect against both anticipated and unanticipated inflation. Depending on the required spread, some combination of Infrastructure with long term inflation linkages and Natural Resource with higher inflation beta should be targeted.

Income Generation

Seeking to generate yield which is uncorrelated to Fixed Income markets. This portfolio may try to match pensions' longer-term liabilities and serve as a reliable form of distributions regardless of the economic environment.

Diversification

Seeking to reduce Equity beta and enhance downside protection. Underlying asset mix will vary depending on the required rate of return necessary to justify commitments.

Low GDP Correlation

Seeking to reduce the Total Portfolio's sensitivity to movements in GDP. Pensions with GDP sensitive liabilities may be more focused on this objective.

DALLAS POLICE & FIRE PENSION SYSTEM

Albourne: Infrastructure & Other Real Assets Outlook

Drivers	Infrastructure	Oil & Gas	Mining	Agriculture	Timber	Real Assets Credit
Deal Pricing	Favorable ↔	Balanced ↔	Positive ↔	Challenging ↔	Balanced ↑	Balanced ↔
Supply of Opportunities	Positive ↔	Positive ↔	Favorable ↔	Balanced ↔	Challenging ↔	Favorable ↔
Leverage Availability	Favorable ↑	Challenging ↔	Balanced ↓	Balanced ↔	Balanced ↔	Favorable ↔
Impact of Dry Powder	Balanced ↔	Positive ↔	Balanced ↔	Balanced ↔	Balanced ↔	Balanced ↔
External / Political Influences	Negative ↔	Challenging ↔	Balanced ↔	Challenging ↔	Challenging ↔	Balanced ↔
OVERALL	Favorable ↔	Balanced ↔	Favorable ↔	Challenging ↔	Negative ↔	Favorable ↔
Expected Returns	**9.3%**	**9.3%**		**6.5%**	**6.6%**	**7.2%**

↔ Unchanged; ↑ Increased; ↓ Decreased (from prior quarter) • Source: Albourne's Private Markets Outlook 2Q 2026

DALLAS POLICE & FIRE PENSION SYSTEM

Summary of Recommended Benchmark Changes

Benchmarks will be updated in Appendix A of the IPS. Benchmarks for all other asset classes are unchanged.

ASSET CLASS	CURRENT BENCHMARK	RECOMMENDED BENCHMARK
Infrastructure & Other Real Assets	S&P Global Infrastructure [1]	**CPI + 4%**
Fixed Income & Defensive Assets	Blended benchmark of T-Bills, 1-3 Yr Agg and Core Agg based on target weights	**50% Bloomberg 1–3 Yr U.S. Aggregate / 50% Bloomberg U.S. Aggregate**
Natural Resources	NCREIF Farmland TR Index (1Q Lag)	**Eliminated — asset class target reduced to 0%**
Huff Energy Fund	Actual Return of Fund [1]	**Eliminated — Remaining Huff Energy earn-out value will be reported within Infrastructure & Other Real Assets**

1 – Huff Energy and Infrastructure benchmarks apply to the Allocation Index and are not included in the Policy Index.

RATIONALE

✓ CPI + 4% matches the economic rationale for the Infrastructure allocation and is the peer-norm benchmark (see appendix).

✓ A static 50/50 blend for Fixed Income & Defensive replaces the weight-based blend following consolidation of Cash, Short-Term, and Core Bonds into a single asset class.

✓ Natural Resources and Huff Energy are eliminated as stand-alone classes, consistent with the recommended targets.

DALLAS POLICE & FIRE PENSION SYSTEM

Recommended Asset Class Rebalancing Ranges

Rebalancing ranges will be updated in Appendix A of the IPS. Rebalancing ranges are widened to accommodate the interim overweight to public markets while private commitments are funded.

ASSET CLASS	CURRENT TARGET	CURRENT RANGE	RECOMMENDED TARGET	RECOMMENDED RANGE
Public Equity	58%	50% – 66%	**49%**	**39% – 59%**
Public Credit	11%	7% – 15%	**11%**	**6% – 20%**
Fixed Income & Defensive Assets	13%	Set at sub-class level	**15%**	**8% – 25%**
Cash	*3%*	*0% – 6%*	—	*Consolidated*
Short-Term Investment Grade Bonds	*6%*	*0% – 9%*	—	*Consolidated*
Investment Grade Bonds	*4%*	*2% – 6%*	—	*Consolidated*
Illiquid Asset Classes	—	Not established	—	Not established

- **Public Credit** and **Fixed Income & Defensive** ranges are asymmetric to allow the planned interim overweight to be held without policy exceptions.
- **Public Equity** range recenters on the 49% recommended target (+/- 10%).

DALLAS POLICE & FIRE PENSION SYSTEM

Asset Allocation: Next Steps

After feedback from the Board is considered and incorporated, the next steps on Asset Allocation are:

Next Steps	To Do / Timing
Seek Board Approval of Asset Allocation Changes	**August Board Meeting**
Revise IPS with Updated Asset Allocation and Ranges	September/October Board, to be effective **1/1/27**
Update Asset Class Structures	Revise documents to sub-allocate Public Equity, Public Credit and Fixed Income & Defensive Asset Classes – **By year-end**
Create Infrastructure & Other Real Assets Pacing Plan	In collaboration with Albourne, **Q1 2027**
Update Private Equity Pacing Plan	Based on increased PE target, **Q1 2027**

DALLAS POLICE & FIRE PENSION SYSTEM

Appendix

DALLAS POLICE & FIRE PENSION SYSTEM

Fixed Income & Defensive Asset Class Structure

- By shifting **Fixed Income & Defensive** into one combined asset class, the Asset Class Structure would sub-allocate to the different sub-strategies and require Board approval.
- The **expected initial structure is outlined below**, with a 2% cash target and the remainer split between Short Duration and Core Investment Grade Bonds.
- **RMS strategies** are expected to be funded from the current Fixed Income allocation, if approved.

ASSET CLASS	CURRENT TARGET	RECOMMENDED TARGET	RECOMMENDED MIX W/ RMS
Fixed Income & Cash	**13%**	**15%**	**15%**
Cash	3%	2%	2%
ST Investment Grade Bonds	6%	6.5%	4%
Investment Grade Bonds	4%	6.5%	4%
Risk Mitigating Strategies	-	-	**5%**

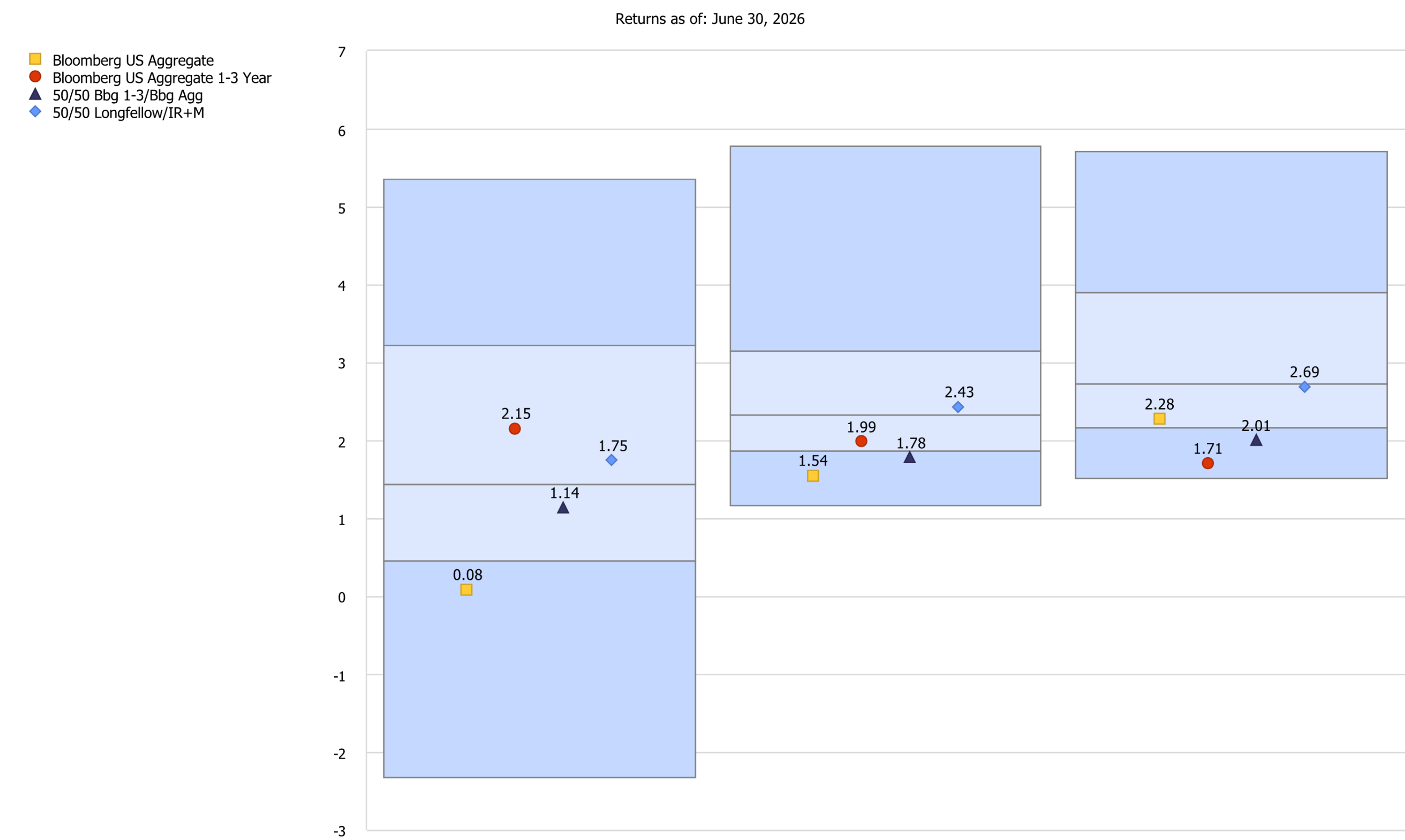
DALLAS POLICE & FIRE PENSION SYSTEM

Fixed Income vs. Public Credit

	Fixed Income & Cash		Public Credit	
Dominant Risk	Interest Rates		Credit (Repayment)	
Portfolio Role	Liquidity & Modest Yield		Yield & Total Return	
Investment Type	Investment Grade Government, Corporate and Structured Fixed Income Instruments		*Below* Investment Grade Debt Instruments (Including EMD, HY, Bank Loans, and structured products – primarily CLO debt tranches)	
Current DPFP Asset Class Structure	<u>**13% Total Target**</u> • **3%** Cash & Equivalents • **6%** Short Duration • **4%** Core Fixed Income		<u>**11% Total Target**</u> • **4%** Multi-Asset Credit • **2%** US High Yield • **2%** US Bank Loans • **3%** Blended EMD	
(As of 6/30/26)	**Portfolio:**	**Benchmark:**	**Portfolio:**	**Benchmark:**
3 Yr Return Ending	4.7%	4.5%	9.7%	8.3%
3 Yr Std. Deviation	2.3%	2.3%	4.0%	3.3%
Average Credit Quality	AA	AA	BB	BBB
Yield To Maturity	4.7%	4.7%	7.5%	6.1%
Average Duration	3.7	5.9	3.0	5.2
Meketa Expectations:	**10 Yr**	**20 Yr**	**10 Yr**	**20 Yr**
Return	3.7%	4.1%	5.6%	6.5%
Risk (Std. Deviation)	1.7%	1.7%	9.7%	9.7%

DALLAS POLICE & FIRE PENSION SYSTEM

Bloomberg 1-3 Yr Agg vs Bloomberg Agg



Universe: eVestment All US Fixed Income (Percentile)

	VT	RM	5 Years	Rk	10 Years	Rk	15 Years	Rk
Bloomberg US Aggregate	IX	IX	0.08	86	1.54	87	2.28	70
Bloomberg US Aggregate 1-3 Year	IX	IX	2.15	38	1.99	68	1.71	90
50/50 Bbg 1-3/Bbg Agg	BP	BP	1.14	58	1.78	78	2.01	80
50/50 Longfellow/IR+M	BP	BP	1.75	45	2.43	44	2.69	51

Source: eVestment

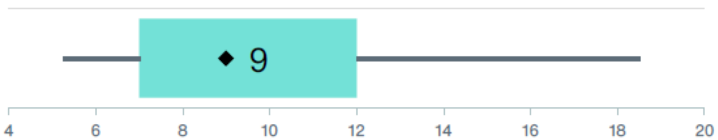
DALLAS POLICE & FIRE PENSION SYSTEM

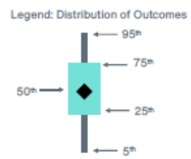
Fixed Income vs. Public Credit

Asset Allocation: Balancing Structure and Flexibility

The number of asset class categories in the policy is generally 7-12

Number of Asset Classes





Key Observations

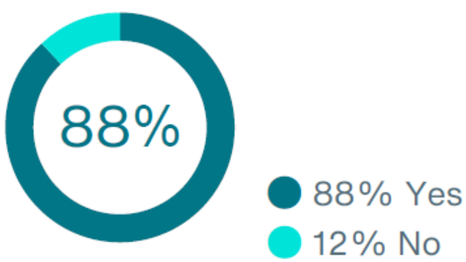
Liquidity spectrum is converging

- Public and private investment grade fixed income
- Flexible credit mandates
- Public and private equity

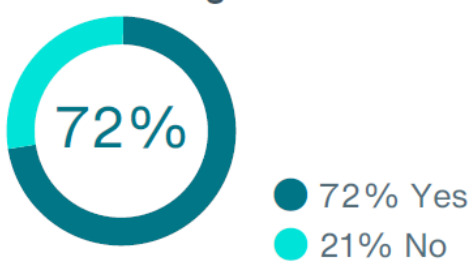
However, most plans have distinct categories for public and private investments.

Do policies today allow for strategies that have flexibility across the liquidity spectrum?

Do policy categories separate public and private fixed income?



Do policy categories separate investment grade and non-investment grade fixed income?



Source: Aon study of Investment Policy Statements of the 50 largest U.S. public pension funds. Data is only for public funds with Investment Policy Statements available online or through information requests to the fund. Data is only for public funds with Investment Policy Statements available with asset allocation information.

DALLAS POLICE & FIRE PENSION SYSTEM

Infrastructure & Other Real Assets Benchmark

Peer practice per Aon study of the 50 largest U.S. public pension IPS documents (8/2025)

STAFF RECOMMENDATION

CPI + 4%

as the stated benchmark for Infrastructure & Other Real Assets

POSITIVES

✓ Matches economic rationale for the allocation — inflation protection is the key element

✓ Peer norm for infrastructure — most common benchmark (32% of plans)

DRAWBACKS

✗ Not investible — zero-volatility hurdle, unrelated to market risk borne

✗ Doesn't reflect public-market opportunity cost

	Benchmarks	Prevalence
Infrastructure	CPI + 3%	4%
	CPI + 3.5%	4%
	CPI + 3.75%	4%
	CPI + 4%	32%
	CPI + 4.5%	4%
	CPI + 5%	8%
	Cambridge Associates Infrastructure	16%
	MSCI Global Private Infrastructure Indices	12%
	Dow Jones Brookfield Global Composite Infrastructure	8%
	FTSE Developed Core Developed 50/50 Index	4%
	Actual portfolio return	4%

55% use CPI+

40% use peer indices

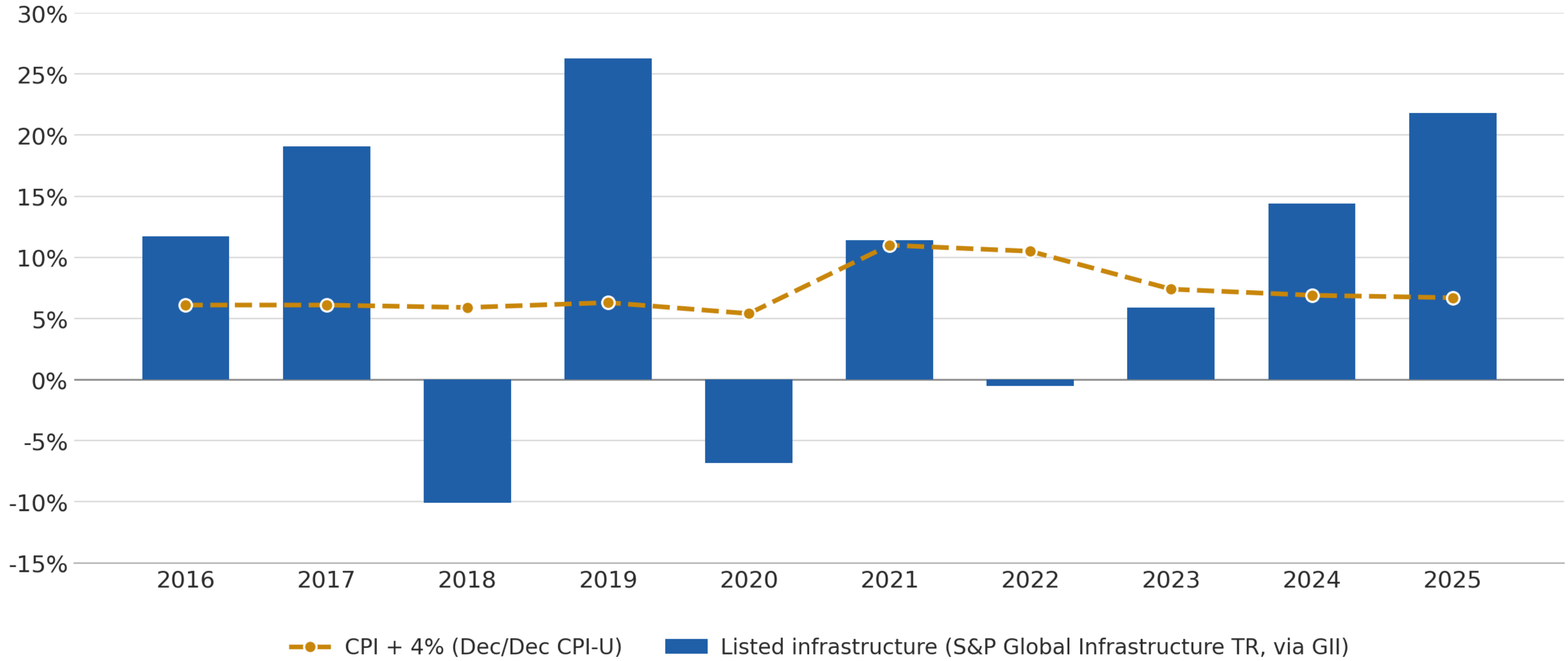
In infrastructure, CPI+ benchmarks are most common.
Peer indices are also used often, but none seem to dominate.

*Data only for public funds with targets for these strategies in their investment policies and benchmarks specified. Source: Aon study of Investment Policy Statements of the 50 largest U.S. public pension funds; publicly available data only. Data as of 8/2025.

Infrastructure & Other Real Assets Benchmark

Calendar-Year Returns: Listed Infrastructure vs. CPI + 4% (2016–2025)

Annualized return: infrastructure 8.7% vs. CPI + 4% 7.2% | Correlation: –0.03



Source: SPDR S&P Global Infrastructure ETF (GII) NAV total returns (net of 0.40% ER; index ~40 bps higher); BLS CPI-U, Dec/Dec.

DALLAS POLICE & FIRE PENSION SYSTEM

Albourne 10-Year Return Forecasts

10-Year Return Forecast

- PE forecasts are revised upwards to reflect the anticipated AI-boost to GDP growth over the next 10-years. VC sees the highest return increase but we may also see high dispersion and volatility. Energy concerns weigh on European and Asian strategy forecasts.
- Defaults are expected to pick up slightly, and recoveries are likely to be lower, which reduces the forecasts for Lending. Distressed, Stressed & Special Situations strategies may benefit from more stress in the market.
- RE forecasts are unchanged as the higher-for-longer rates narrative will continue to inhibit new development.
- Infrastructure benefits from improved GDP growth prospects, while the Energy forecast is boosted by higher oil prices.

The 10-year forecasts reflect the expected returns of an index of funds for the given strategy and serve as a benchmark for an ongoing program. The forecasts are influenced by current investment valuations and the state of near-term exit markets as well as the outlook for new investments. Return forecasts are given in local currency. Currency impacts are assumed to be negligible over a long-term horizon. The forecasts are updated semi-annually.

Asset Class	Strategy	10 Year Forecasts		Δ
		3Q 2026	1Q 2026	
PE	North America Buy-Outs/Growth	9.8%	9.1%	0.7%
	Europe Buy-Outs/Growth	9.7%	9.4%	0.3%
	Asia Buy-Outs/Growth	10.0%	10.0%	0.0%
	Venture Capital	11.7%	10.5%	1.2%
PC	North America Private Lending	8.0%	8.1%	-0.1%
	Europe Lending	7.1%	7.3%	-0.2%
	N.A. Distressed, Stressed & Special Sits	9.6%	9.1%	0.5%
	Eur. Distressed, Stressed & Special Sits	9.3%	8.7%	0.6%
	Asia Private Credit	9.3%	9.2%	0.1%
RE	Real Estate - Core	6.3%	6.3%	0.0%
	Real Estate - Value Added	7.6%	7.6%	0.0%
	Real Estate - Opportunistic	8.5%	8.5%	0.0%
RA	Timberland	6.6%	6.5%	0.1%
	Agriculture (Row Crop)	6.5%	6.5%	0.0%
	Infrastructure - Debt	7.2%	6.9%	0.3%
	Infrastructure - Equity (Core Plus)	9.3%	8.9%	0.4%
	Energy	9.3%	8.7%	0.6%
Traditional	US 3-month T-bill	3.4%	3.4%	0.0%
	US Investment Grade	5.2%	4.9%	0.3%
	BofAML HY	5.8%	5.2%	0.6%
	S&P 500	6.4%	6.1%	0.3%

Source: Albourne. For the strategy 10-year forecasts, Albourne uses a building-blocks approach for Private Markets. Please reach out to your Albourne representative for further information about Albourne's methodology. Past performance is not indicative of future returns.

DALLAS POLICE & FIRE PENSION SYSTEM

Albourne: Real Assets Overview

Real Assets are uniquely characterized for the development of objective oriented portfolios. Structural elements allow for investors to consider allocations at the policy, strategic, and tactical level.

Definition & Characteristics

Investments in or backed by physical assets, other than commercial or residential real estate

- Durable, immobile, tangible
- Finite in supply
- Useful to people
- Unique in location and composition

Typical benefits to portfolio

- Diversification
- Inflation Protection
- Yield Generation
- Return Enhancement

Risk & Return Characteristics

- Viewed by many as a complementary asset class to traditional asset classes, due to current income and reduced volatility, but with the expectation that asset values will participate with inflation

Sectors		
Natural Resources	**Infrastructure**	**Real Estate**
Oil & Gas	Transportation	Industrial
Mining	Utilities	Office
Agriculture	Midstream	Residential
Timber	Power	Retail
	Digital Infrastructure	Niche
	Social Infrastructure	

DALLAS POLICE & FIRE PENSION SYSTEM

Albourne: Real Assets Overview

Liquid Real Assets		Illiquid Real Assets							Esoteric Real Assets	
				Natural Resources						
Commodities	Listed Real Assets	Infrastructure	Capital Assets	Oil & Gas	Agriculture	Timber	Mining	Water	Esoteric	Multi Real Assets
Passive	Listed Infra.	Super Core	Aviation	Oil & Gas (E&P)	Row Crop	US Softwood	Equity	Rights	Drug Royalties	
Active	Listed Energy	Core	Shipping	Oil & Gas (OP)	Permanent Crop	US Hardwood	Royalty	Systems	Intellectual Property	
	Listed Mining	Core Plus	Inter Modal	Midstream	Vertical Ag.	Conservation	Credit		Entertainment Royalties	
	MLPs	Value Add	Equipment	Services	Credit	Credit	Multi		Litigation	
	Index / ETF	Development	Multi Capital Assets	Credit	Multi				Insurance	
		Power		Royalty					Trade Finance	
		Renewable		Multi Oil & Gas					Other Esoteric	
		Credit								
		Multi Infra.								

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C12

Topic: **4100 Harry Hines Building Leasing**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

Discussion: Staff will provide an update on leasing activity of the 4100 Harry Hines Building.

Regular Board Meeting – Thursday, August 13, 2026

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C13

Topic: **Lone Star Investment Advisors**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

Discussion: Investment staff will update the Board on investments with this manager.

Regular Board Meeting – Thursday, August 13, 2026

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C14

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.**

Discussion: Counsel will brief the Board on these issues.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C15

Topic: **Closed Session - Board serving as Medical Committee**

Discussion of the following will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

a. Application for death benefits for disabled child 2026-1C
b. Disability application 2026-4D

Discussion: **a.** Staff will present an application for survivor benefits for a disabled child in accordance with Section 6.06(n) of Article 6243a-1 for consideration by the Board.

b. Staff will present an application for a disability retirement in accordance with Section 6.03 of Article 6243a-1 for consideration by the Board.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #D1

Topic: **Public Comment**

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

Regular Board Meeting – Thursday, August 13, 2026

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #D2

Topic: **Executive Director's Report**

a. Associations' newsletters
- NCPERS Monitor (August 2026)
- NCPERS PERSist Summer 2026
- TEXPERS Pension Observer Vol. 2

b. Open Records

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

Regular Board Meeting – Thursday, August 13, 2026