DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

September 13, 2016

Issue: Amendment to the GCM (Grosvenor Capital Management) CFIG (Customized Fund Investment Group) Fund Partnership contract

Attachment: GCM CFIG Fund Partners IV, L.P. (Amendment)

Discussion: Foster Pepper has worked with GCM to create an amendment that would allow Grosvenor full discretion to invest in co-investment transactions on behalf of ERF. The purpose of the amendment is to reduce legal costs and speed up the review process for future co-investments. The process is also consistent with the authority that our investment managers have to select stocks and bonds as a fiduciary on behalf of ERF.

The current allocation to co-investments with GCM is $20 million. The amendment also states that the maximum GCM may invest in any co-investment is fifteen percent, or $3 million.

Recommendation: Approve the new amendment to the GCM CFIG contract and authorize the Board Chair to sign.

Execution Copy

GCM CFIG FUND PARTNERS IV, L.P.
767 Fifth Avenue, 14th Floor
New York, NY 10153

September __, 2016

The Employees' Retirement Fund of the City of Dallas
600 North Pearl Street, Suite 2450, South Tower
Dallas, TX 75201
Attention: Cheryl Alston, Executive Director
Natalie Jenkins Sorrell, Deputy Chief Investment Officer

Re: GCM Grosvenor – Dallas ERF Partnership II, L.P.

Ladies and Gentlemen:

Reference is hereby made to the Limited Partnership Agreement of GCM Grosvenor – Dallas ERF Partnership II, L.P. (the "Partnership"), dated as of May 14, 2014, as amended by that certain letter agreement dated February 26, 2015 (the "2015 Letter Agreement") (such Limited Partnership Agreement, as amended by the Letter Agreement, as further amended, restated or modified from time to time, the "Partnership Agreement"), by and between GCM CFIG Fund Partners IV, L.P., as general partner of the Partnership and each Series (the "General Partner"), and the Employees' Retirement Fund of the City of Dallas, as limited partner of the Partnership and each Series (the "Limited Partner"). The purpose of this letter agreement is to amend the Partnership Agreement in accordance with the terms herewith. This letter agreement is an amendment to the Partnership Agreement and is being adopted by all Partners of the Partnership in accordance with Section 13.2 of the Partnership Agreement. It is agreed by the parties hereto that the Partnership Agreement together with this letter agreement shall constitute the partnership agreement of the Partnership within the meaning of the Act. Capitalized terms used but not otherwise defined in this letter shall have the meanings ascribed to such terms in the Partnership Agreement.

1. *Investment Process*.

The investment process set forth in sub-sections (b) through (g) of Section 4.1 of the Partnership Agreement is hereby replaced with the following process with respect to the 2015-1 Investment Series:

"(b) [Reserved].

(c) [Reserved].

(d) [Reserved].

(e) The General Partner shall not make a binding commitment on behalf of the 2015-1 Investment Series to an Investment without the approval of the Investment Committee, and the approval of an investment or disposition by the Investment Committee shall authorize the

General Partner on behalf of the 2015-1 Investment Series of the Partnership to make or dispose of such investment.

(f) If the Investment Committee approves a proposed investment, the General Partner shall take all actions that the General Partner in its sole discretion deems necessary to close the investment on behalf of the 2015-1 Investment Series of the Partnership. Notwithstanding anything to the contrary contained in this Agreement, (i) a member of the Investment Committee shall not constitute a general partner of the Partnership or any Series and (ii) none of the actions taken by the Investment Committee or any member of the Investment Committee shall constitute participation in the control of the business of the Partnership or any Series within the meaning of the Act.

(g) [Reserved]."

2. *Section 4.5 of the Partnership Agreement*.

With respect to the 2015-1 Investment Series, a new clause (e) is hereby added to Section 4.5 of the Partnership Agreement as follows:

"(e) Without the prior consent of the Limited Partner, the Partnership shall not invest more than fifteen percent (15%) of the Capital Commitments of the 2015-1 Investment Series in any single Co-Investment (including its related entities)."

3. *Section 4.2*. The Limited Partner hereby agrees that investments may be made through Investment Vehicles without its consent. Accordingly, the second sentence of Section 4.2 of the Partnership Agreement is hereby amended as follows (with insertions indicated in double underlines and deletions indicated in strikethroughs):

"Any investment through an Investment Vehicle shall **not** require the ~~prior written~~ consent of the Limited Partner."

4. *Section 8 of the 2015 Letter Agreement*. Section 8 of the 2015 Letter Agreement is hereby amended and restated in its entirety as follows:

"With respect to the 2015-1 Investment Series and Section 7.1(a) of the Partnership Agreement, each reference to "0.75%" shall be deemed replaced with a reference to "1.00%" and sub-clause (a)(ii)(y) shall be deemed to refer to "the aggregate amount of the Limited Partner's Capital Commitment to the 2015-1 Investment Series that has been reserved by the Partnership on behalf of such Series for purposes of making follow-on investments in existing Co-Investments, in each case calculated as of the last day of the immediately preceding quarter". For the avoidance of doubt, Management Fees apply on a Series-by-Series basis and, for purposes of this letter agreement, any reference to "Capital Commitment" in Section 7.1 of the Partnership Agreement shall mean the Additional Capital Commitment to the 2015-1 Investment Series."

5. *Exhibit B*. Exhibit B to the 2015 Letter Agreement is hereby deleted.

6. *Confidentiality*. With respect to the 2015-1 Investment Series, the Limited Partner acknowledges that the General Partner may be required to keep confidential from the Limited Partner certain information relating to Co-Investments, including the information described in Section 8.6(a)(ii)(B) of the Partnership Agreement. The General Partner acknowledges that the Limited Partner, as a fiduciary and otherwise, has a need to access certain information relating to the Partnership and to Co-Investments in order to carry out its duties and business, which may include information relating to Co-Investments that the General Partner may keep confidential from the Limited Partner including information in Section 8.6(a)(ii)(B) of the Partnership Agreement. As such, the General Partner agrees, notwithstanding that the General Partner may keep confidential certain information including information described in Section 8.6(a)(ii)(B) of the Partnership Agreement, that the General Partner shall provide the Limited Partner with access to such information described in Section 8.4 of the Partnership Agreement that the Limited Partner requires or reasonably requests in a manner that protects the confidentiality of such information and in a manner and format acceptable to the Limited Partner, and shall provide the Limited Partner permanent access to any such information via an Internet website, which website shall remain operational and accessible by the Limited Partner at all times (other than downtimes for periodic maintenance and technical problems) unless the Limited Partner approves otherwise. In the event the Limited Partner exercises its rights pursuant to Section 9.4 of the Partnership Agreement the General Partner shall transfer and deliver all such information to the Limited Partner and/or to any substitute General Partner in each case as may be directed by the Limited Partner.

7. *Miscellaneous*.

This letter agreement (a) is binding on and enforceable against the Limited Partner, the General Partner, the Partnership, the Series, and their respective successors and permitted assigns, (b) may be executed in counterparts that, when taken together, constitute one and the same agreement, and (c) shall be governed under the laws of the State of Delaware without regard to its principles of conflicts of law. In the event of a conflict between the terms of this letter agreement and the Partnership Agreement, this letter agreement shall control. This letter agreement amends and supplements the terms of the Partnership Agreement (as permitted in Section 13.2 of the Partnership Agreement) as set forth herein and, except as otherwise set forth in this letter agreement, all terms of the Partnership Agreement shall apply with full force and effect (including with respect to the 2015-1 Investment Series, *mutatis mutandis*). Except as expressly set forth herein, the terms of this letter agreement shall not be deemed to be a waiver or amendment of, consent to, or modification of any term or provision of the Partnership Agreement or any term or provision of any other document.

[*Signature Page Follows*]

Sincerely yours,

GENERAL PARTNER:

GCM CFIG FUND PARTNERS IV, L.P., for itself and as general partner on behalf of the Partnership and each of its Series

By: CFIG Holdings, LLC, its general partner

By: _____
Name: Burke J. Montgomery
Title: Vice President and Secretary

Acknowledged and agreed
as of the date set forth above by:

LIMITED PARTNER:

THE EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS, as limited partner of the Partnership generally and associated with each of the 2014-1 Investment Series and the 2015-1 Investment Series

By: _____
Name: _____
Title: _____