

**Wilshire**

# Quarterly Market Review

June 30, 2024

# Market Commentary

## U.S. Equity

The U.S. stock market was up 3.3% for the second quarter and is up 13.6% for the year-to-date. A majority of sectors were negative, however, with the best performing being technology (+12.5%) and the worst being materials (-5.5%) and industrials (-3.3%). Small-cap underperformed large-cap by 850 basis points while growth stocks generally outperformed value.

As yields began to rise in early 2022, few were immune to the consequences of higher debt service payments, including the U.S. government. Higher rates and the size of the total U.S. debt – currently 120% of annual gross domestic product (GDP) – has resulted in net interest payments rising to equal 13% of the annual U.S. budget, roughly equal to the dollars spent on national defense and Medicare. A recent report by the non-partisan Congressional Budget Office (CBO) projects interest costs to continue to grow as deficits are expected for the next ten years. The CBO forecasts deficits to remain greater than 5% of annual GDP, which would be “more than the 3.7 percent that deficits have averaged over the past 50 years.”

## Non-U.S. Equity

New data in England shows that the country has recovered from a mild recession last year, albeit at a tepid pace. Prospects in Germany are dimming due to global trade conflicts that are weighing on the industrial sector. Economic activity in China remains uneven as manufacturing activity fell in June while services slipped to a five-month low. Many expect the Chinese government to offer policy support in the short term.

## Fixed Income

The U.S. Treasury yield curve was up across most of the maturity spectrum during the quarter. The 10-year Treasury yield ended the quarter at 4.40%, up 20 basis points. Credit spreads were up during the quarter with high yield bond spreads up 10 basis points after falling below 3% in March. The FOMC left the overnight rate unchanged while their “dot plot” is messaging that the current expectation is for a modest decrease in rates in 2024. Fed Chair Jerome Powell said about rates, “Fortunately, we have a strong economy and we have the ability to approach this question carefully.”

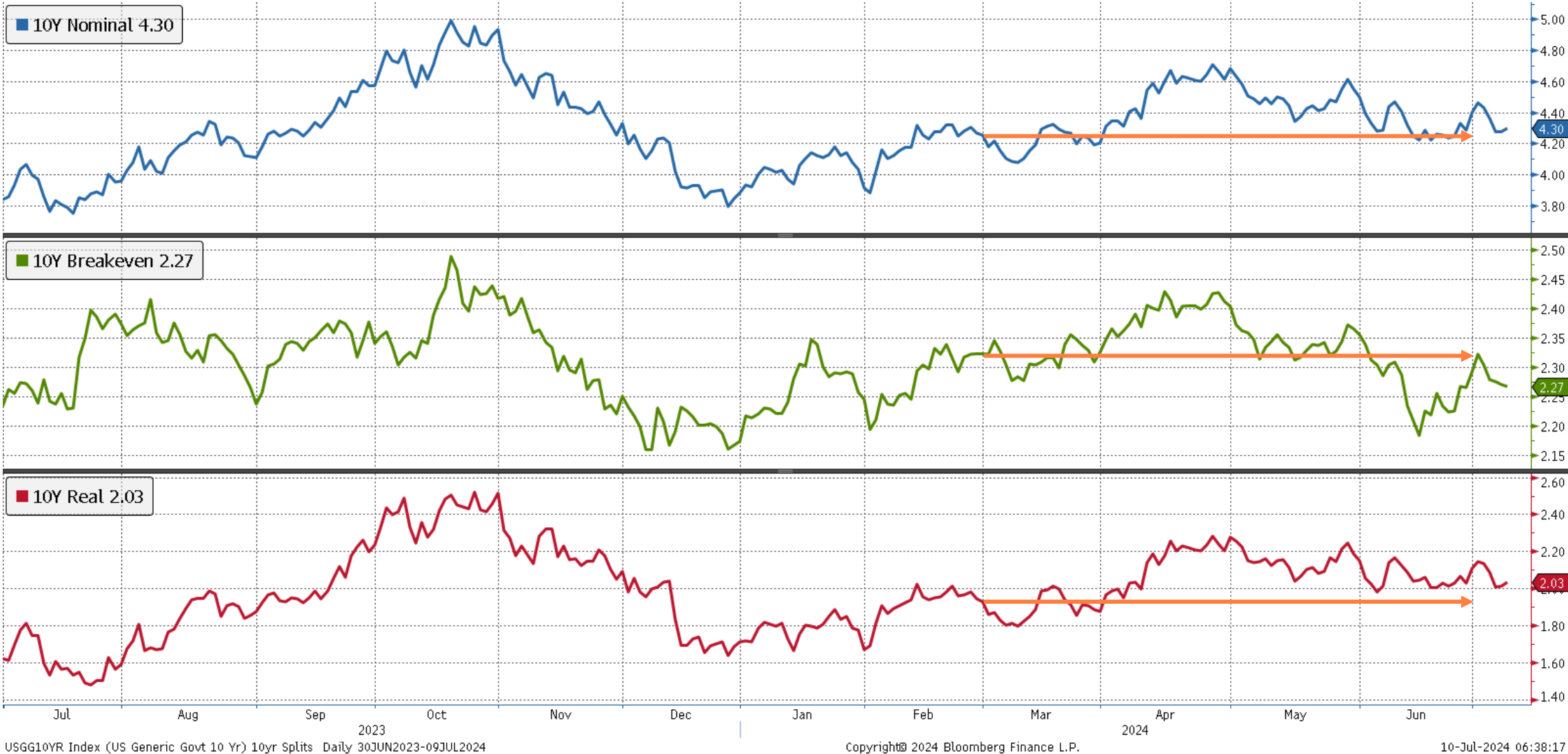
June 2024 Asset Class Assumptions

	Equity						Fixed Income						Real Assets						
	U.S. Stock	Dev ex-U.S. Stock	Emg Stock	Global ex-U.S. Stock	Global Stock	Private Equity	Cash	Core Bond	LT Core Bond	TIPS	High Yield	Private Credit	Dev ex-U.S. Bond (Hdg)	Real Estate			Cmdty	Real Assets	U.S. CPI
Compound Return (%)	4.50	5.50	5.75	5.85	5.10	7.45	4.00	5.25	5.20	4.60	6.50	8.20	3.20	5.85	6.00	6.25	6.30	7.00	2.30
Arithmetic Return (%)	5.85	7.00	8.75	7.50	6.45	11.20	4.00	5.35	5.65	4.75	6.95	8.95	3.30	7.25	7.25	7.15	7.45	7.75	2.30
Risk (%)	17.00	18.00	26.00	19.00	17.05	29.65	0.75	4.70	9.85	6.00	10.00	12.75	4.00	17.50	16.45	13.90	16.00	12.60	1.75
Yield (%)	1.35	3.00	2.35	2.80	1.90	0.00	4.00	5.65	5.70	4.85	9.90	5.10	4.10	4.15	4.15	2.70	4.00	3.70	0.00
Growth Factor Exposure	8.00	8.00	8.00	8.00	8.00	14.00	0.00	-0.90	-2.40	-3.00	4.00	5.10	-1.00	6.00	6.00	3.50	0.00	2.70	0.00
Inflation Factor Exposure	-3.00	-1.00	3.00	0.10	-1.85	-4.25	0.00	-2.55	-6.85	2.50	-1.00	-1.50	-3.00	1.00	1.80	1.00	12.00	5.25	1.00

Correlations

U.S. Stock	1.00																		
Dev ex-U.S. Stock (USD)	0.81	1.00																	
Emerging Mkt Stock	0.74	0.74	1.00																
Global ex-U.S. Stock	0.84	0.95	0.89	1.00															
Global Stock	0.95	0.91	0.84	0.94	1.00														
Private Equity	0.72	0.63	0.61	0.67	0.73	1.00													
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.06	0.00	1.00												
Core Bond	0.28	0.13	0.00	0.08	0.20	0.30	0.18	1.00											
LT Core Bond	0.31	0.15	0.01	0.11	0.24	0.31	0.11	0.94	1.00										
TIPS	-0.05	0.00	0.15	0.06	-0.01	-0.03	0.20	0.60	0.48	1.00									
High Yield Bond	0.54	0.39	0.49	0.46	0.53	0.31	-0.10	0.24	0.32	0.05	1.00								
Private Credit	0.67	0.55	0.57	0.59	0.67	0.44	0.00	0.24	0.30	0.00	0.75	1.00							
Dev ex-U.S. Bond (Hdg)	0.16	0.25	-0.01	0.16	0.17	0.26	0.10	0.67	0.65	0.39	0.26	0.22	1.00						
U.S. RE Securities	0.57	0.47	0.44	0.49	0.56	0.49	-0.05	0.17	0.22	0.10	0.56	0.61	0.05	1.00					
Global RE Securities	0.63	0.56	0.54	0.59	0.64	0.55	-0.05	0.17	0.21	0.11	0.60	0.67	0.04	0.97	1.00				
Private Real Estate	0.55	0.45	0.45	0.49	0.54	0.50	-0.05	0.19	0.25	0.09	0.57	0.62	0.05	0.78	0.77	1.00			
Commodities	0.25	0.34	0.39	0.38	0.32	0.28	0.00	-0.03	-0.03	0.25	0.29	0.29	-0.10	0.25	0.28	0.25	1.00		
Real Assets	0.61	0.62	0.66	0.68	0.66	0.56	-0.03	0.24	0.26	0.32	0.64	0.69	0.05	0.78	0.83	0.76	0.62	1.00	
Inflation (CPI)	-0.10	-0.15	-0.13	-0.15	-0.13	-0.10	0.10	-0.12	-0.12	0.15	-0.08	0.00	-0.08	0.05	0.04	0.05	0.44	0.21	1.00

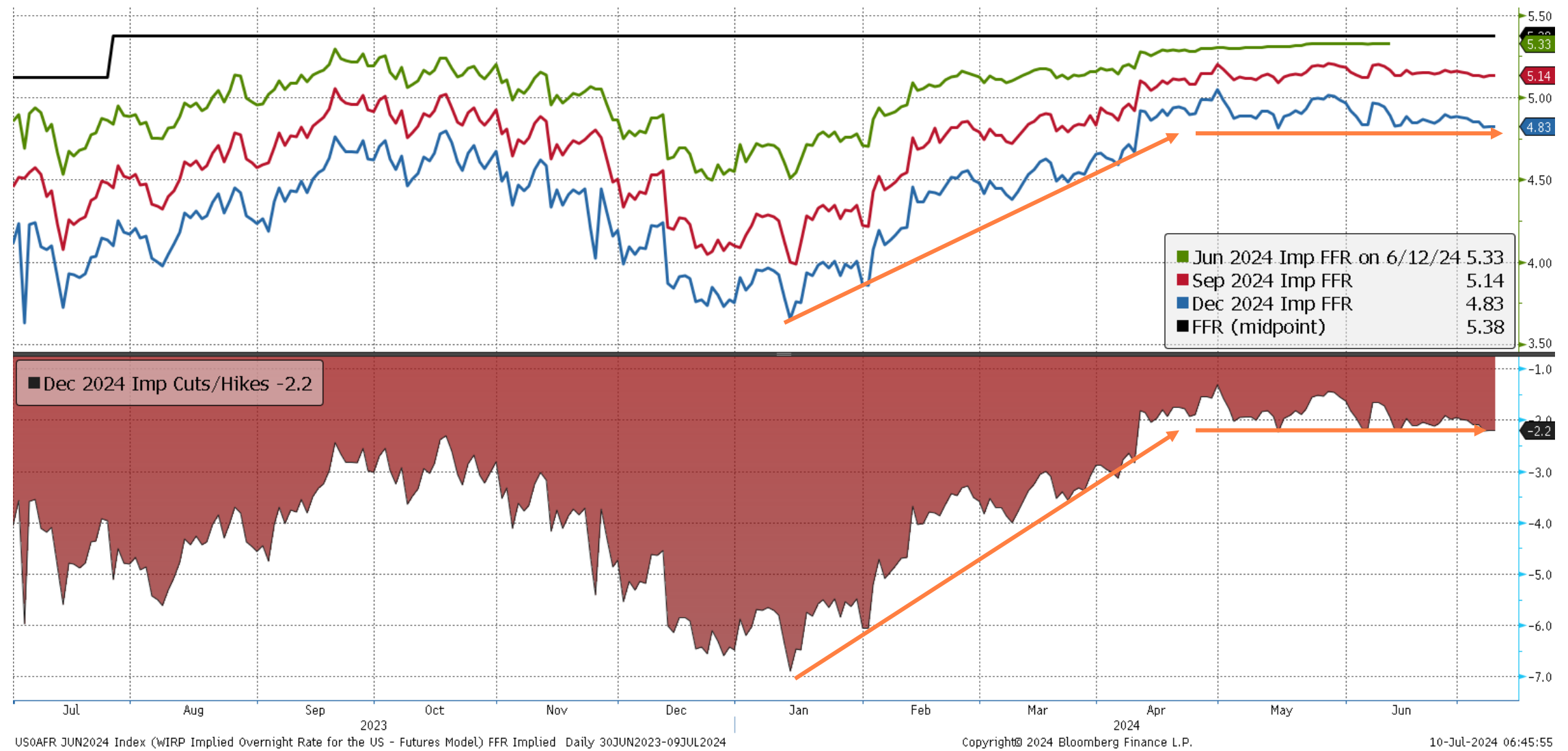
# The Rate Environment



Data Source: Bloomberg

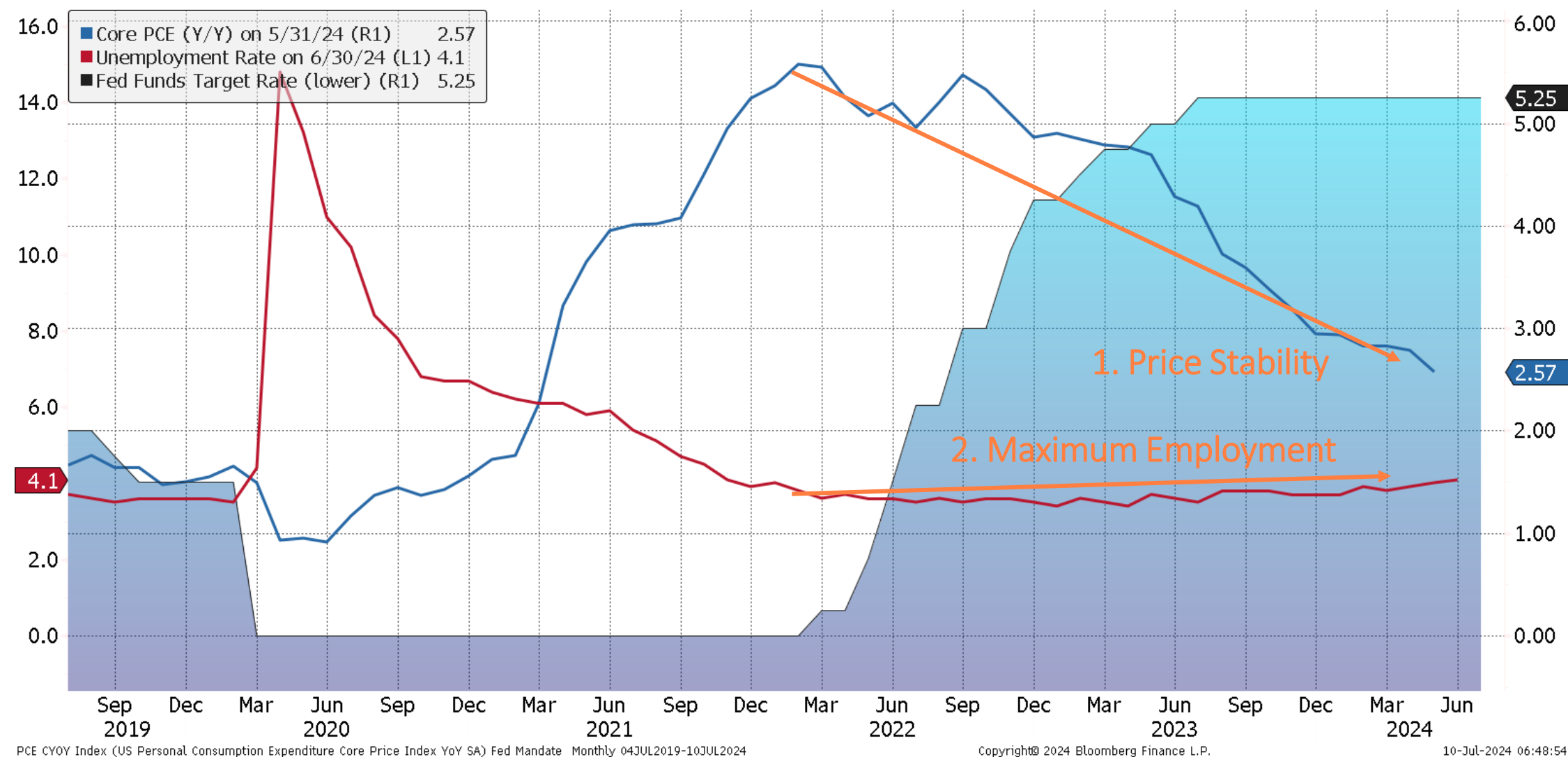


# Fed Funds Rate: Market Expectations



Data Source: Bloomberg

# Keeping it Simple: Progress on the Fed's Dual Mandate



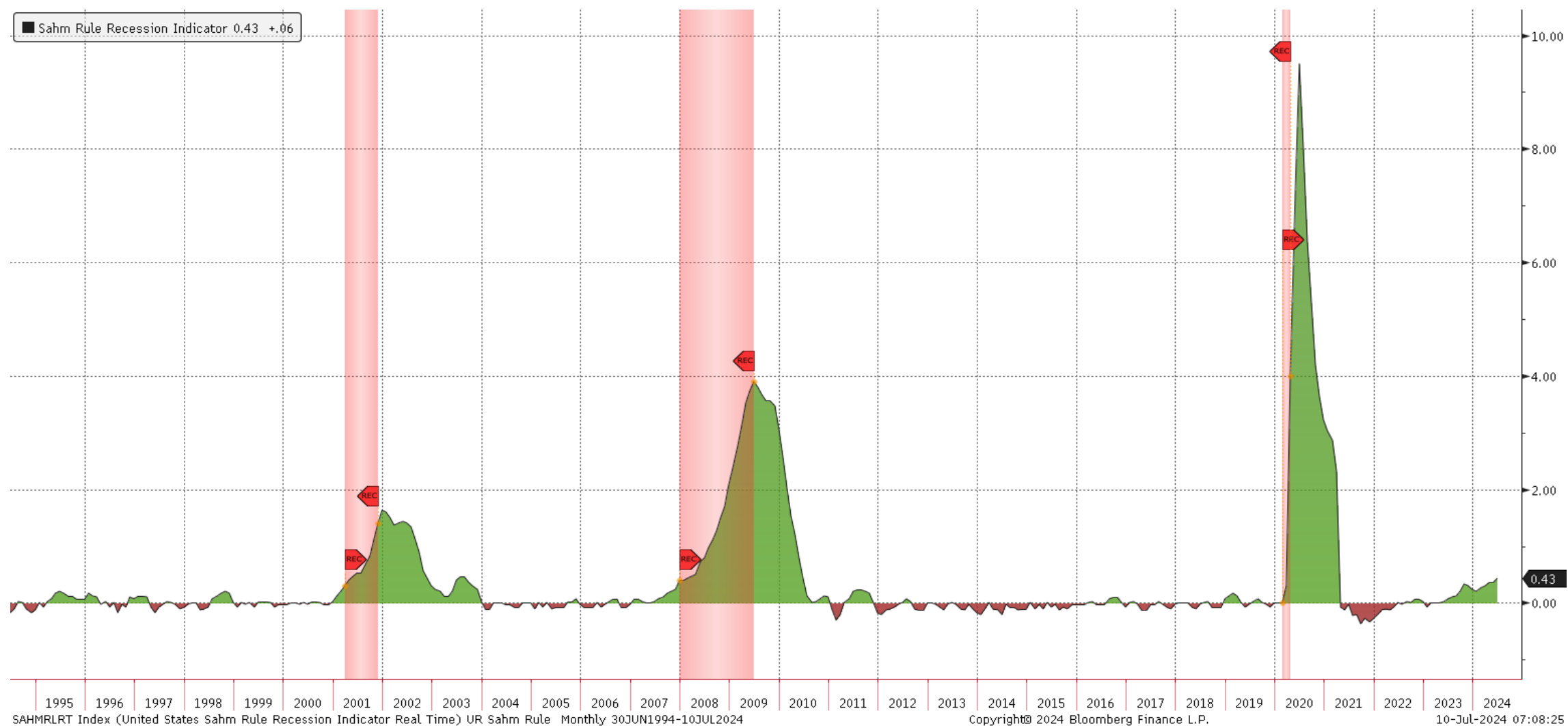
Data Source: Bloomberg

# Economic Surprises: Releases Falling Short of Expectations



Data Source: Bloomberg

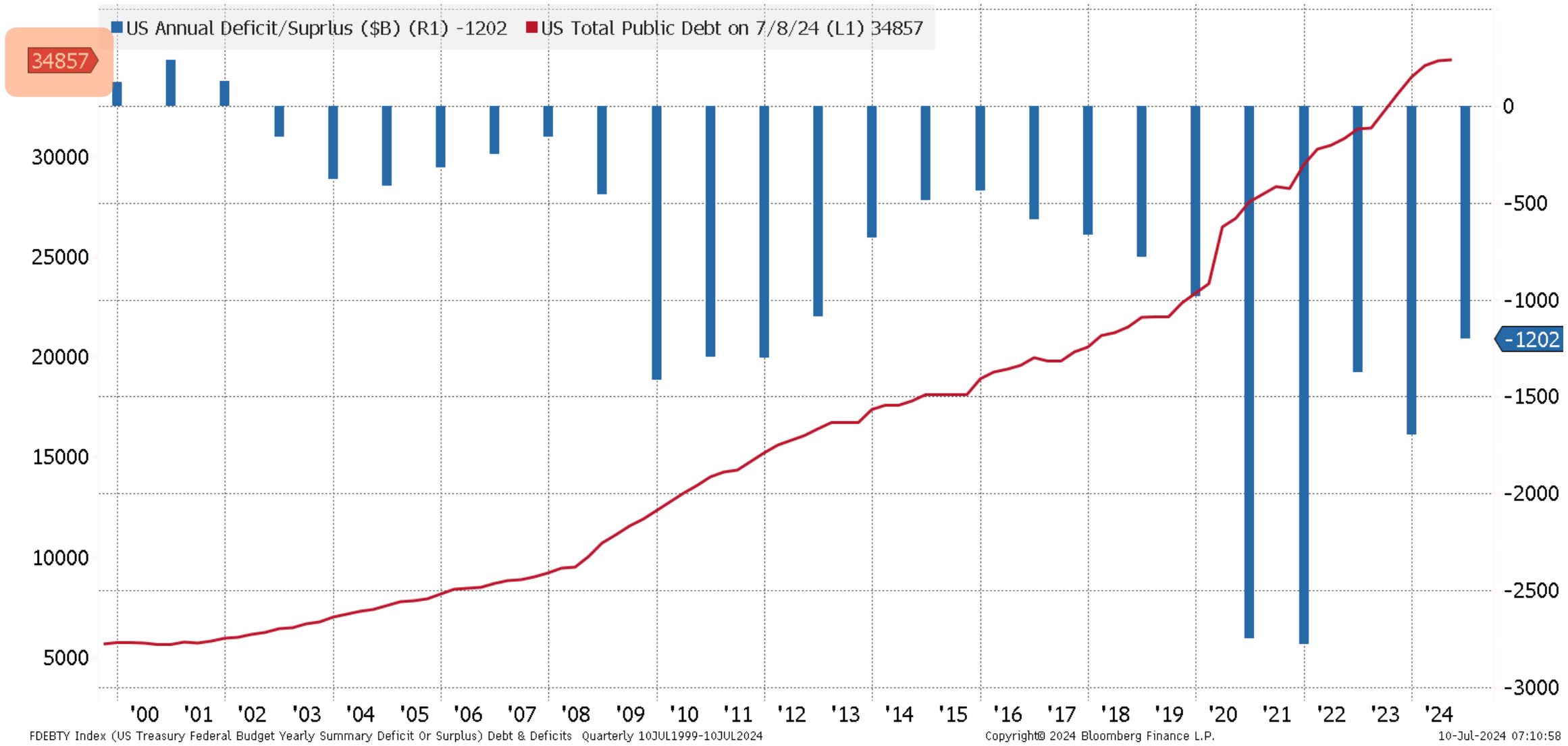
# Unemployment: “Not broken, just bent”<sup>1</sup>



Data Source: Bloomberg

<sup>1</sup>Pink, “Just Give Me a Reason,” The Truth About Love (2012)

# Deficits & Debt on an Unsustainable Pace



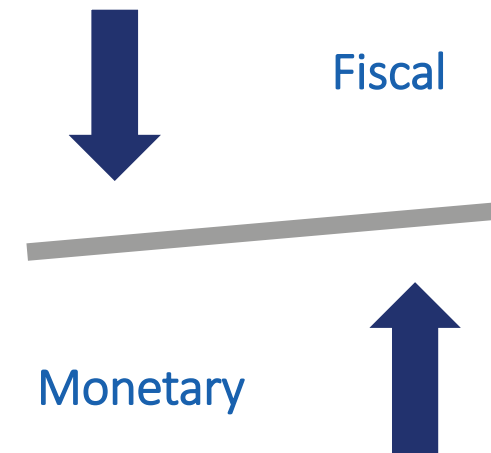
Data Source: Bloomberg

# Fiscal Dominance: Complicating Monetary Policy

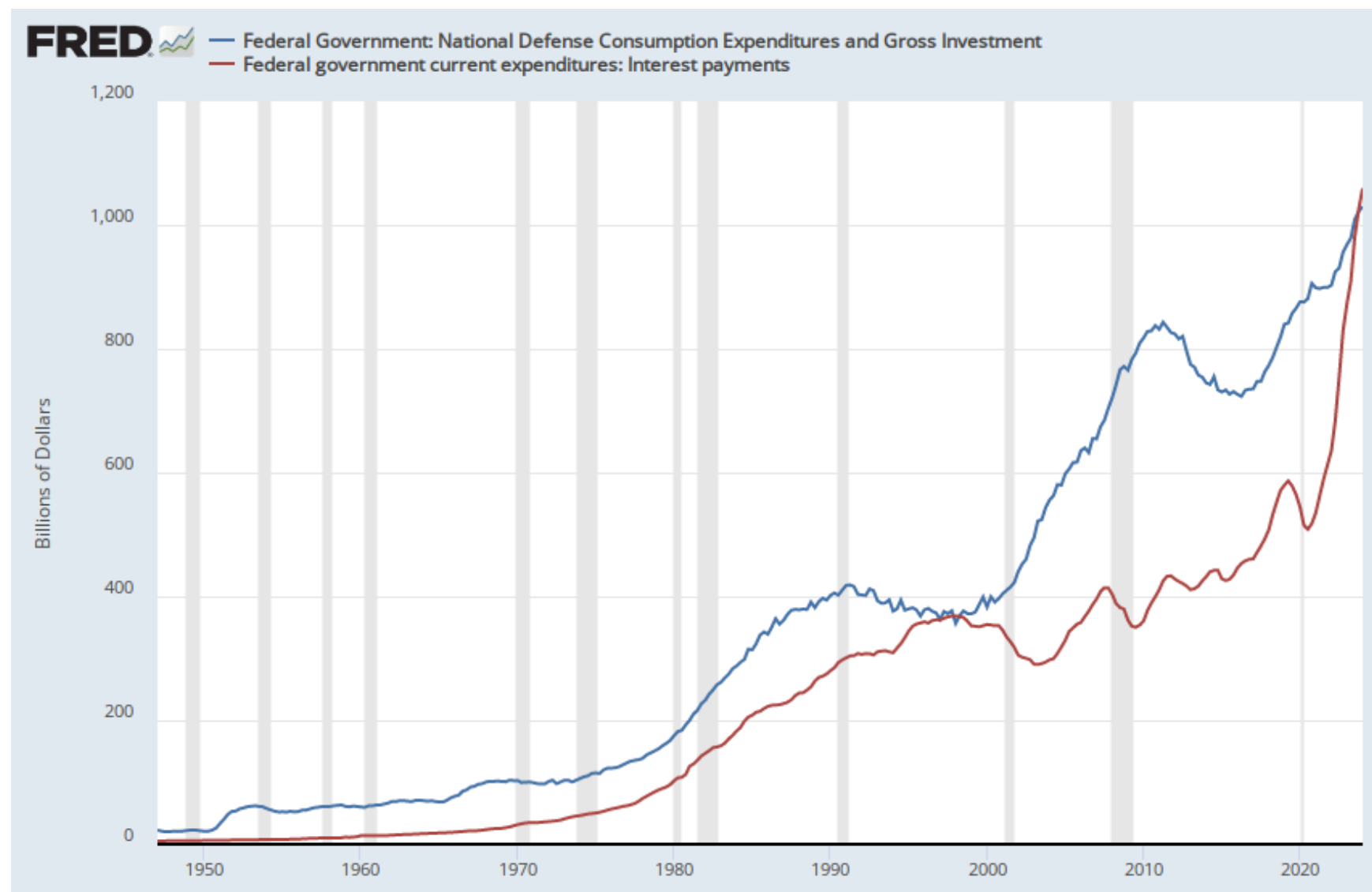
**Fiscal Dominance:** when a government's debt is sufficiently high to undermine the central bank's influence on inflation

## Long-term Risks/Implications

- **Higher Inflation Rates:** potential for higher future inflation rates (as unsustainable debt levels leads to money printing)
- **Higher Interest Rates:** should central bankers be required to battle sustained inflation rates
- **Currency Depreciation:** as investors lose faith in a government's ability to control inflation
- **Budgeting Conflicts/Tradeoffs:** as interest payments required to meet rising debt levels crowds out other spending/investing priorities



# Fiscal Dominance in a Chart



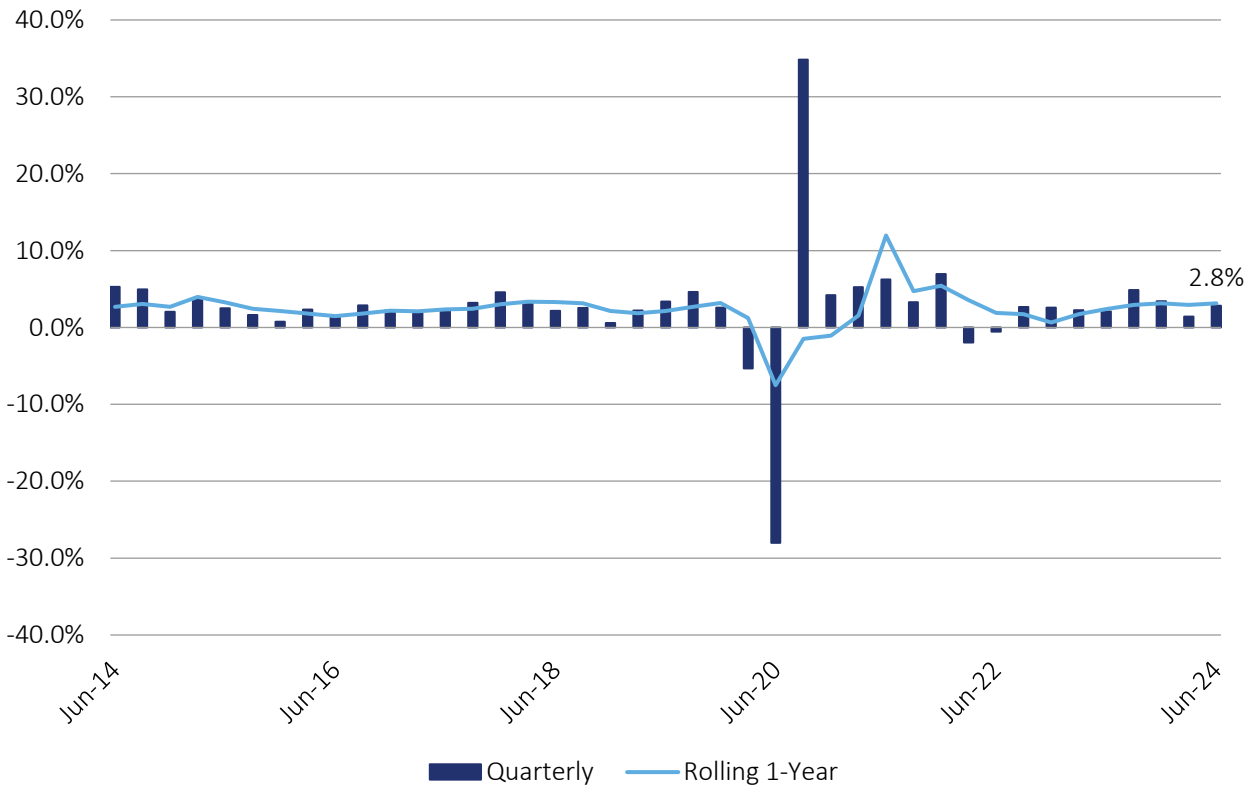
Data Source: U.S. Bureau of Economic Analysis

# Economic/Market Activity

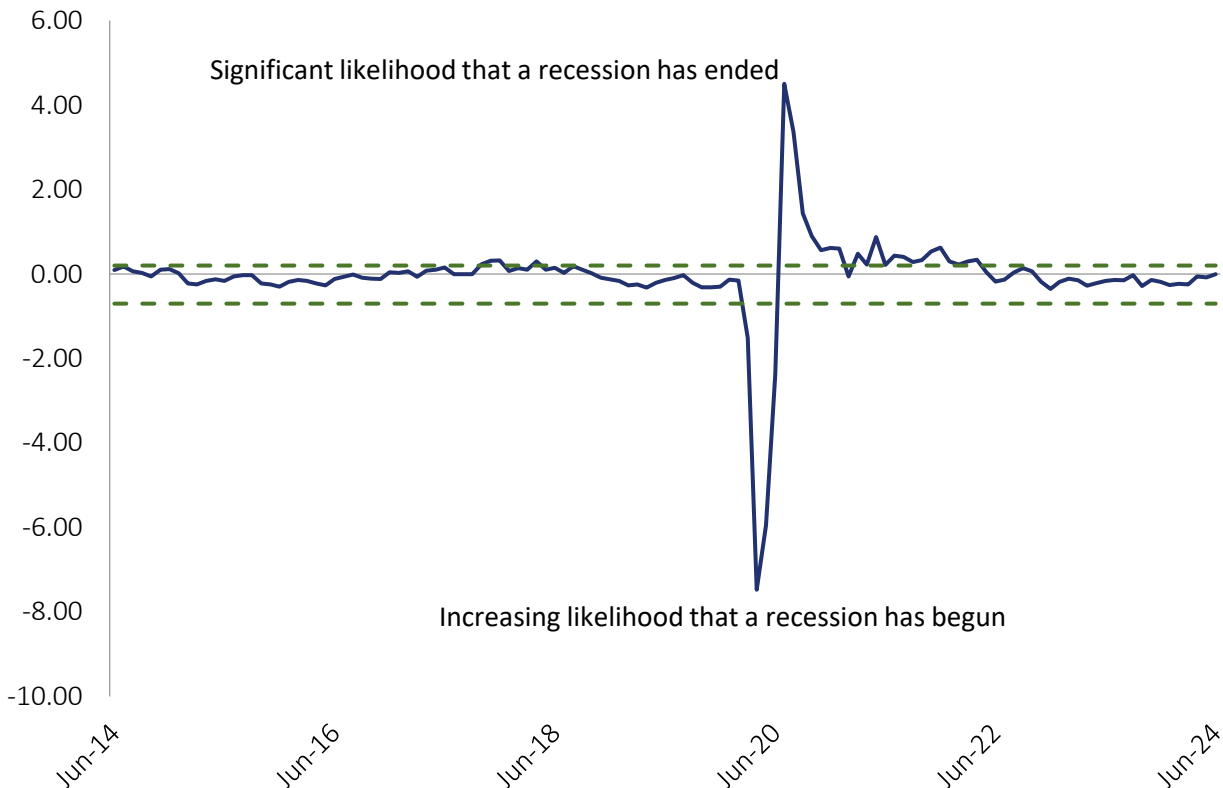


# Economic Growth

Real GDP Growth

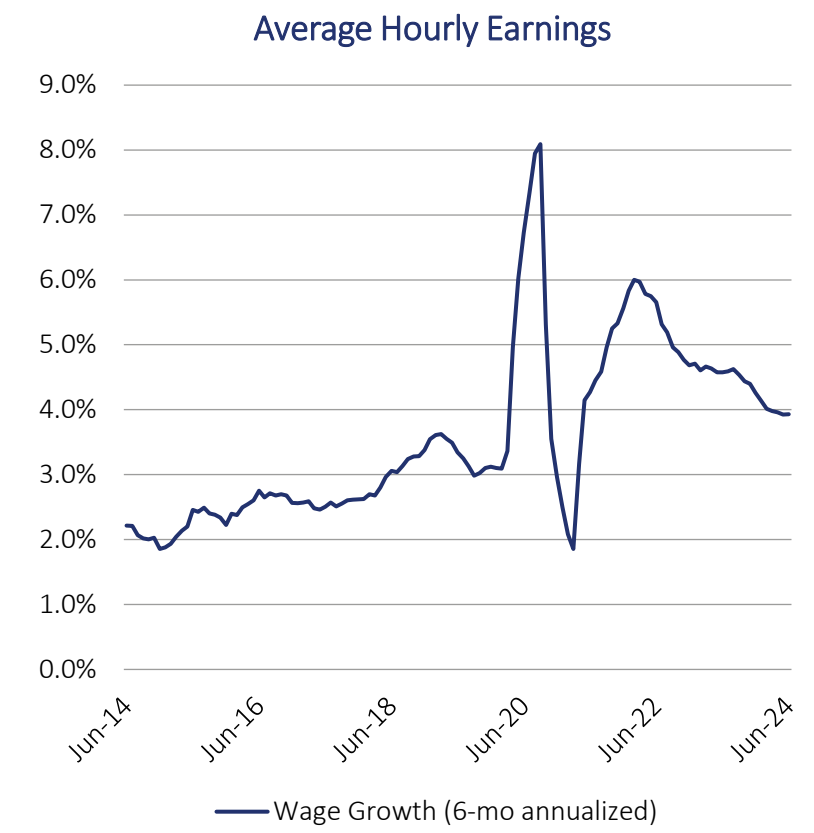
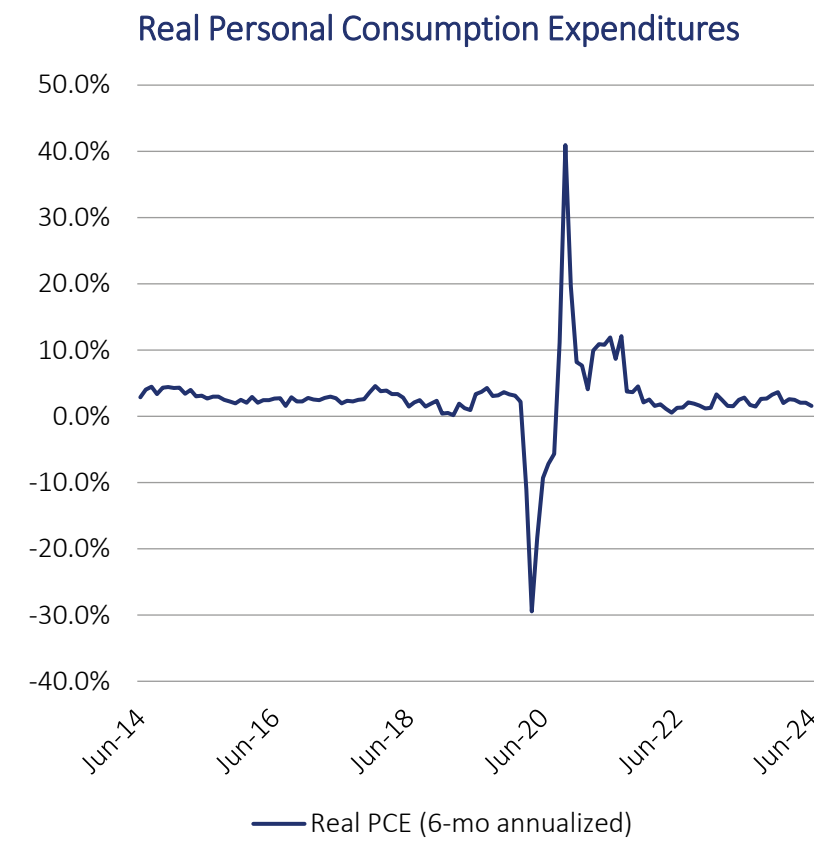
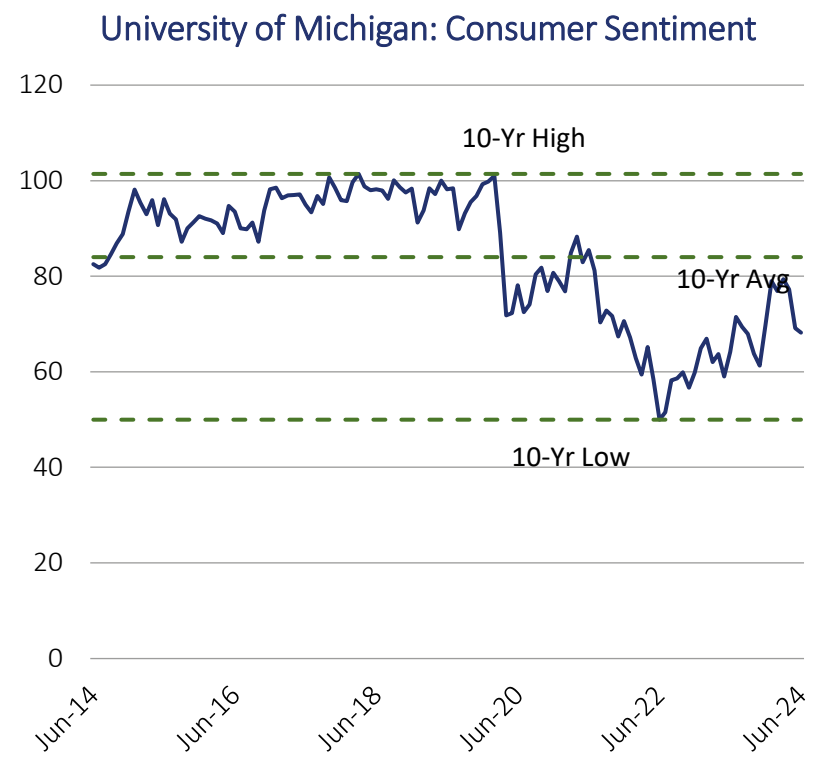


Chicago Fed. National Activity Index (3M MA)



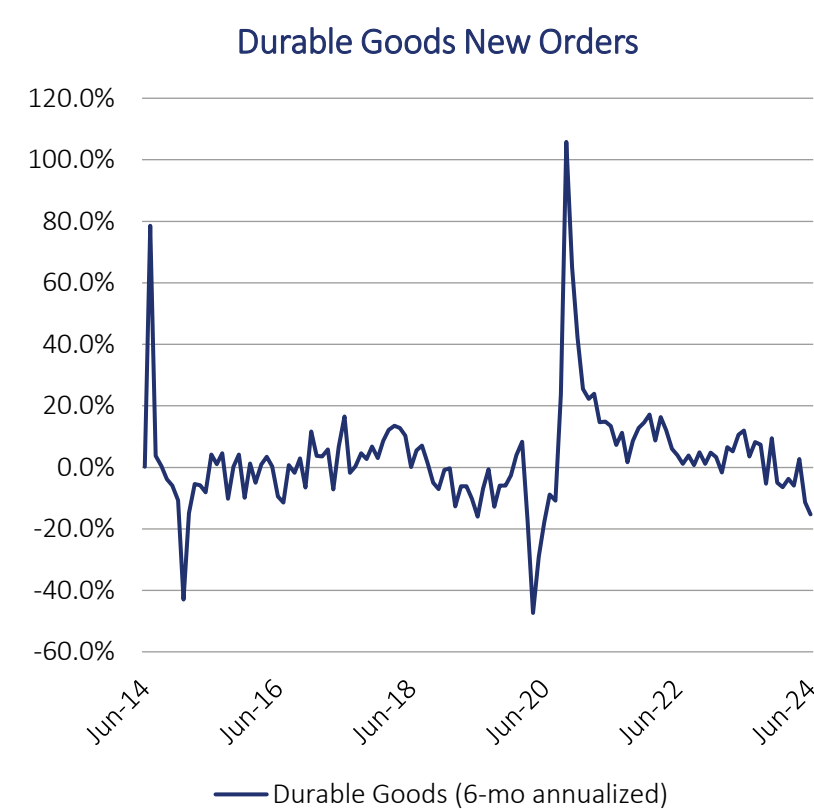
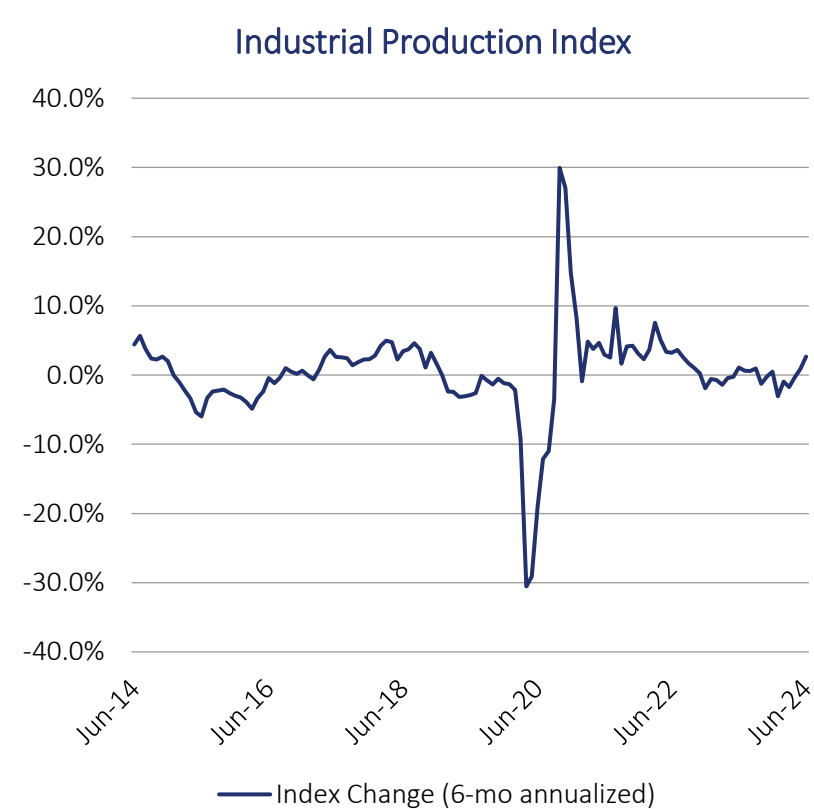
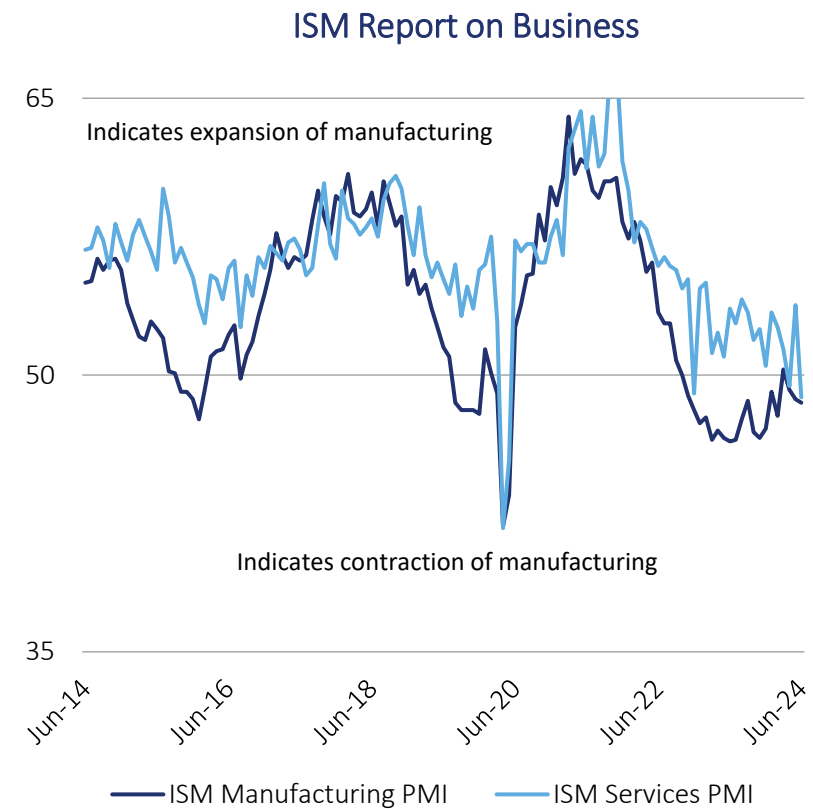
Data Source: Bloomberg

# Consumer Activity



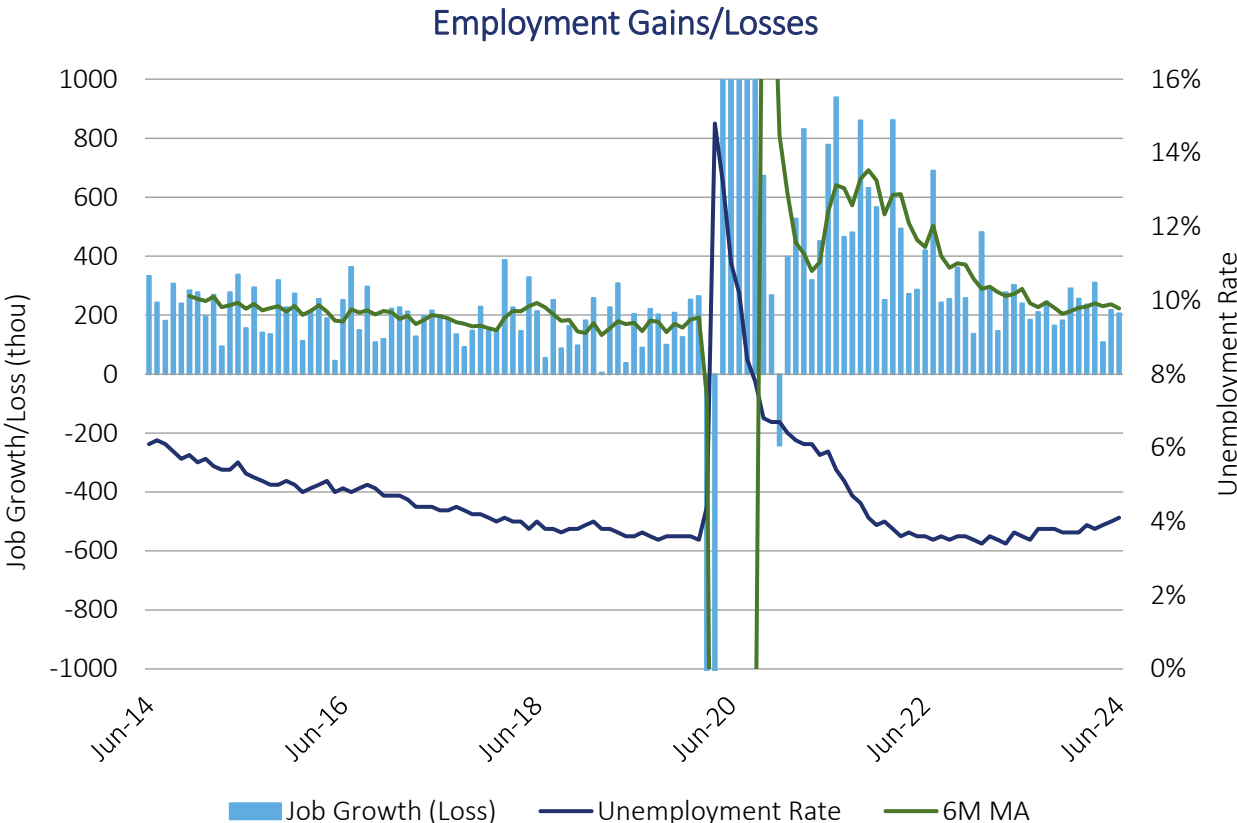
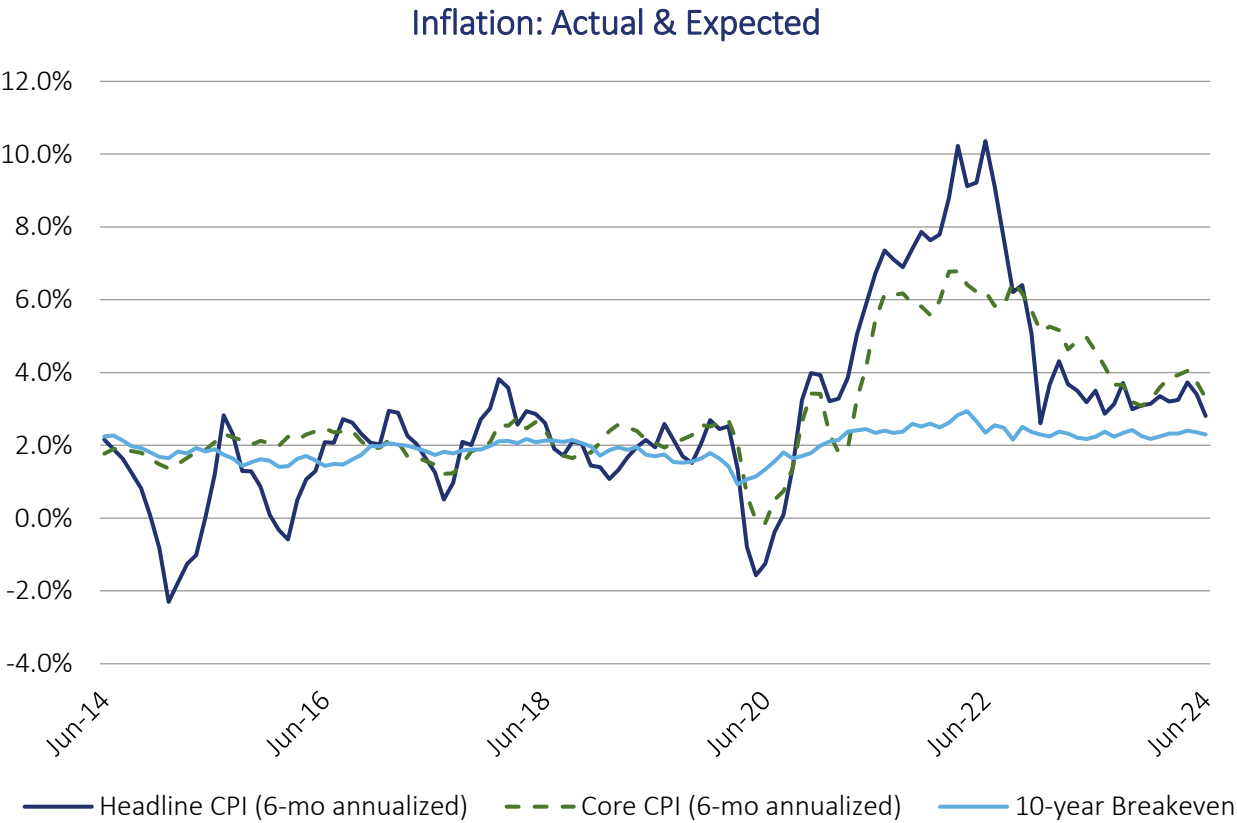
Data Source: Bloomberg

# Business Activity



Data Source: Bloomberg

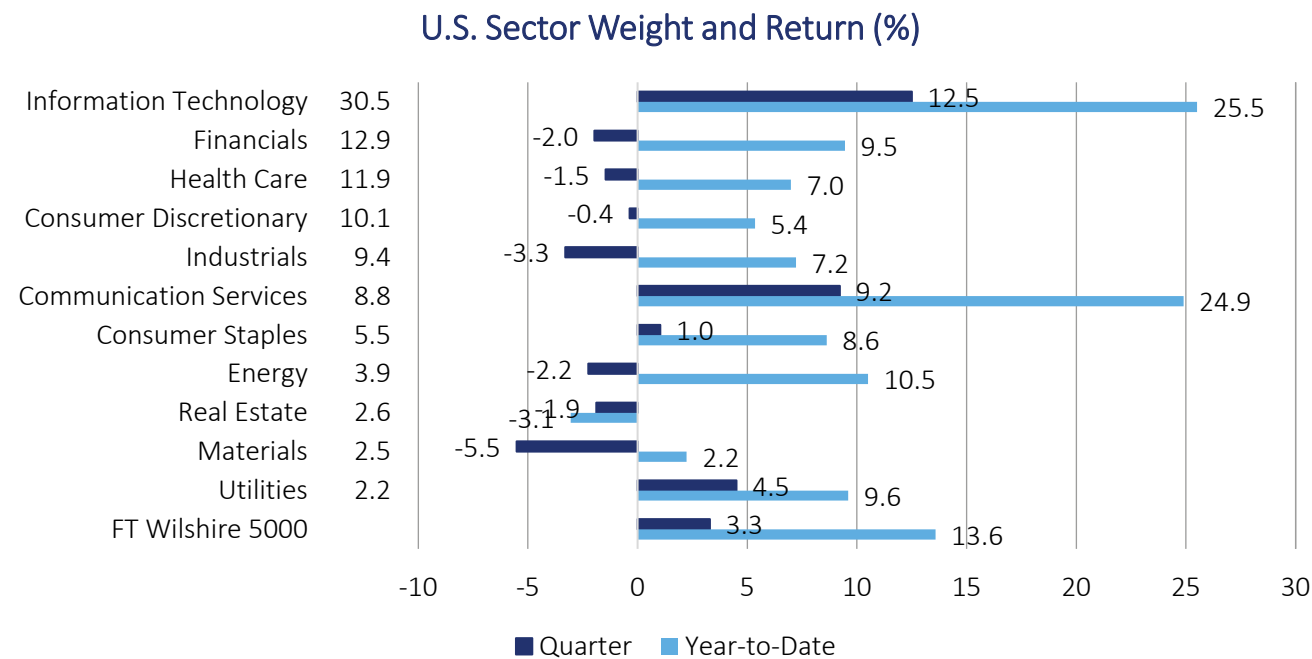
# Inflation and Employment



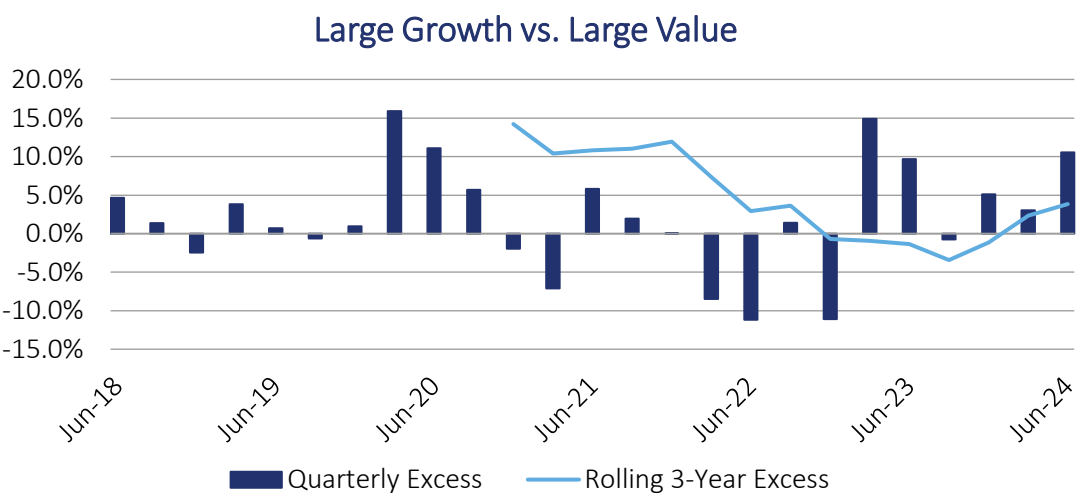
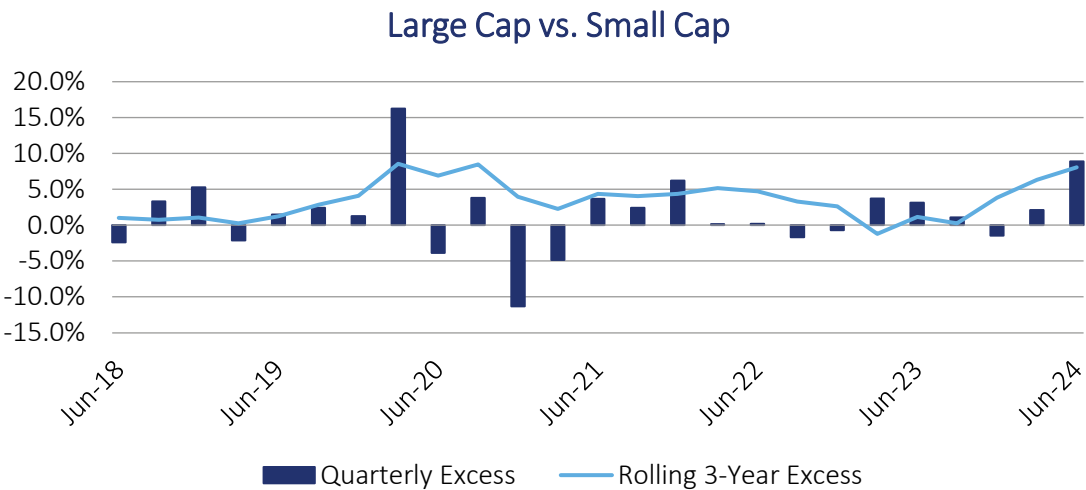
Data Source: Bloomberg

# U.S. Equity Market

As of 6/30/2024	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
FT Wilshire 5000	3.3	13.6	23.2	8.4	14.4	12.4
FT Wilshire U.S. Large Cap	4.4	15.1	24.8	9.6	15.2	12.9
FT Wilshire U.S. Small Cap	-4.1	3.5	12.6	1.4	8.9	8.4
FT Wilshire U.S. Large Growth	9.7	22.7	35.8	11.4	19.5	n/a
FT Wilshire U.S. Large Value	-0.8	7.7	14.3	7.3	10.6	n/a
FT Wilshire U.S. Small Growth	-3.9	4.0	11.3	-1.4	8.0	n/a
FT Wilshire U.S. Small Value	-4.4	3.1	14.0	4.0	9.4	n/a
Wilshire REIT Index	-0.2	-0.3	8.6	0.3	4.0	5.9
MSCI USA Min. Vol. Index	0.8	8.5	14.6	6.2	8.3	10.7
FTSE RAFI U.S. 1000 Index	-0.8	9.1	18.6	8.2	12.9	10.6



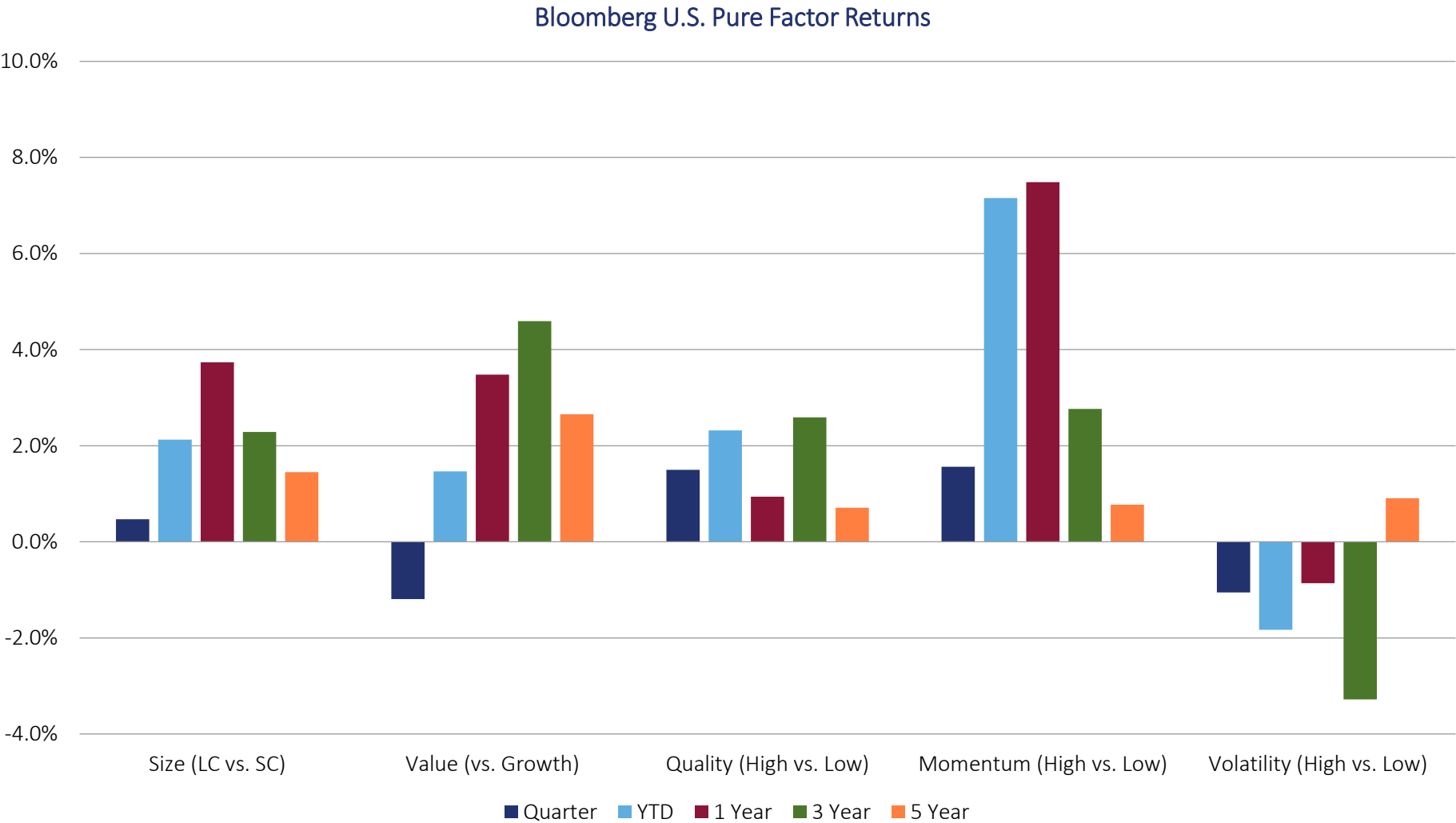
Data Sources: Bloomberg, Wilshire Atlas



# U.S. Factor Returns

Factor returns represent the contribution from large cap, value, etc. stocks within Bloomberg’s Portfolio & Risk Analytics module

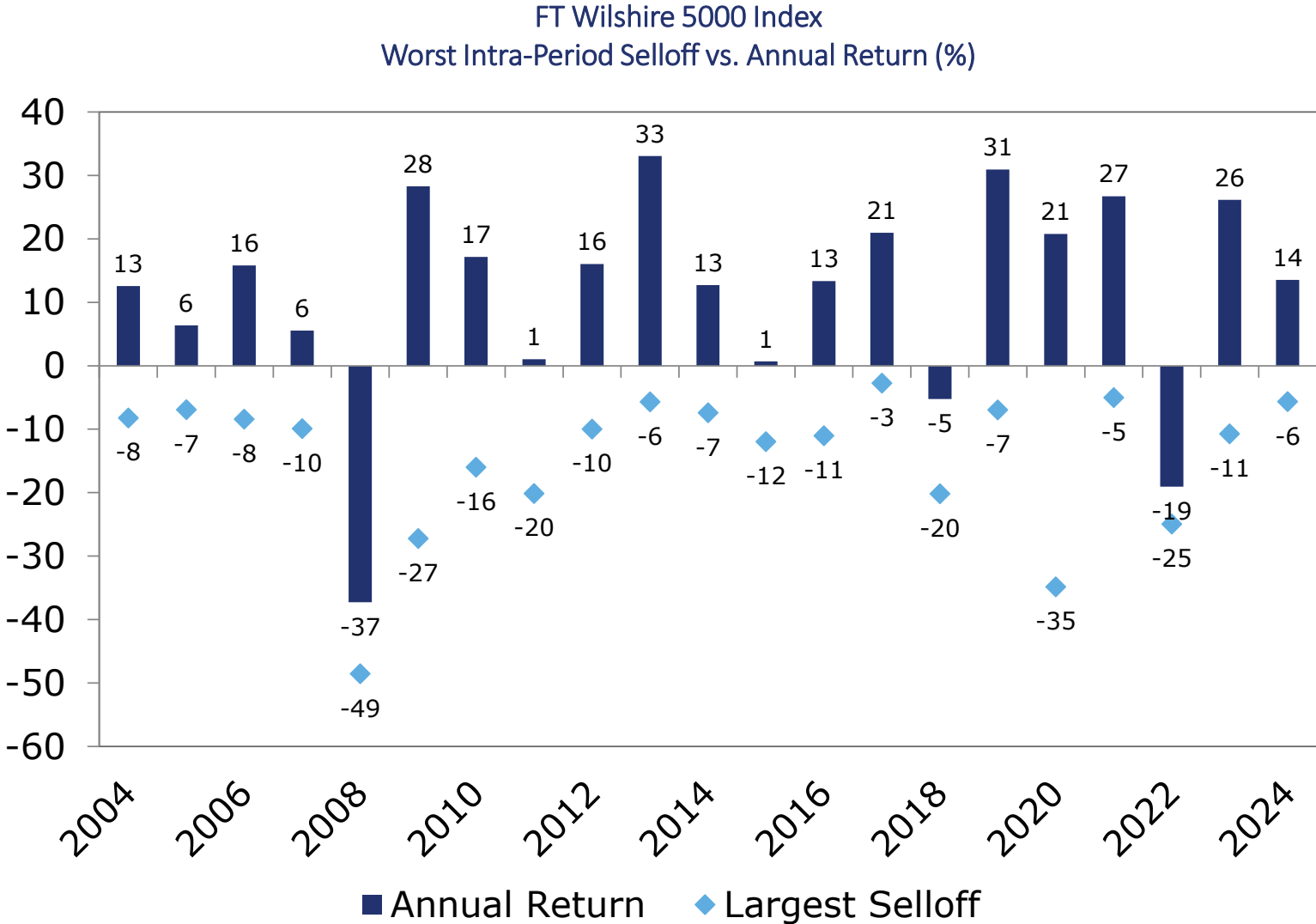
Momentum had a strong quarter while high volatility detracted



Data Source: Bloomberg

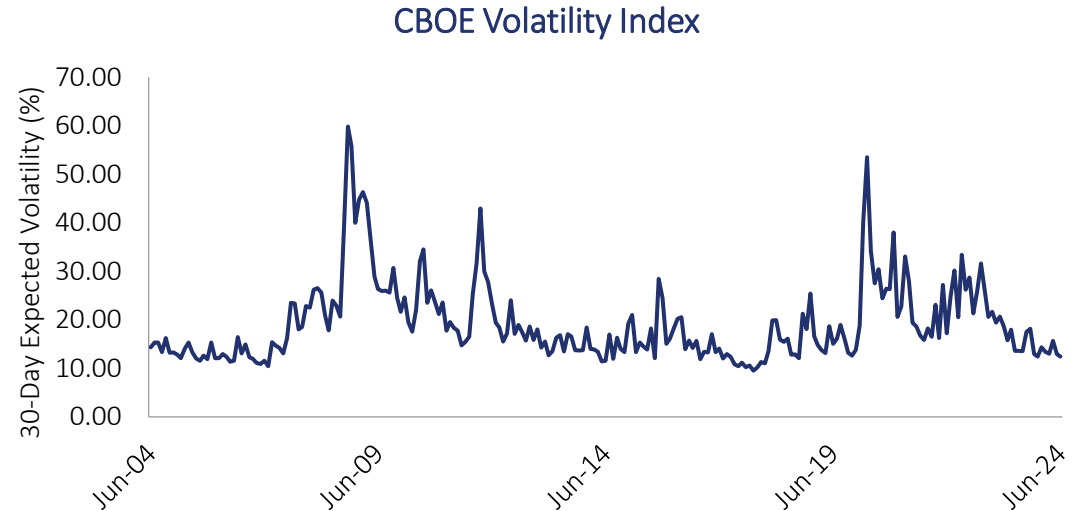
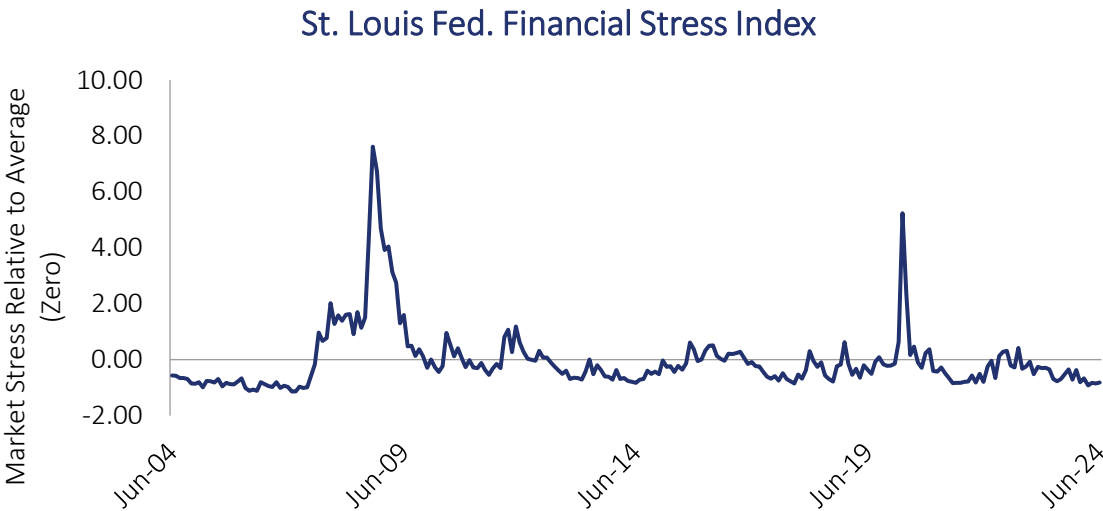
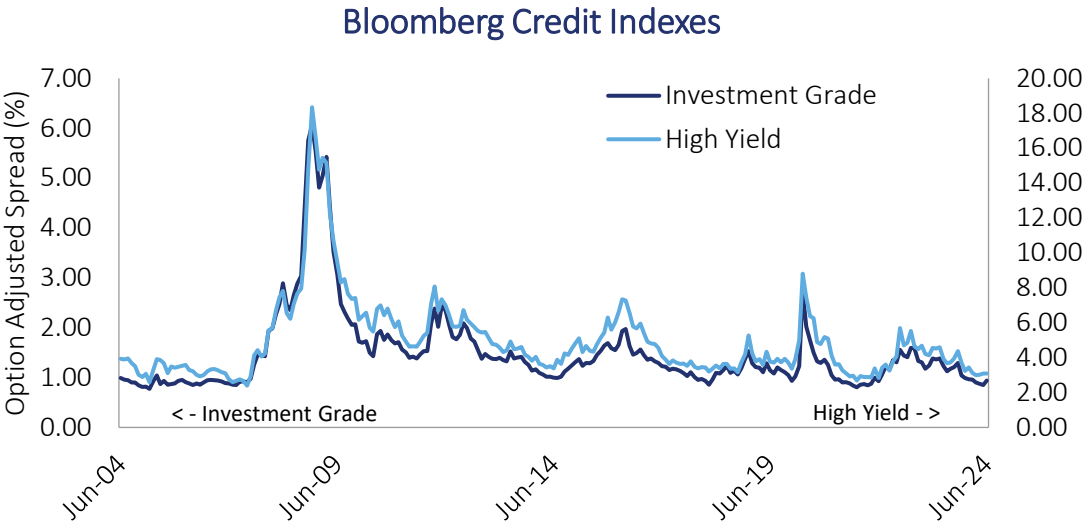
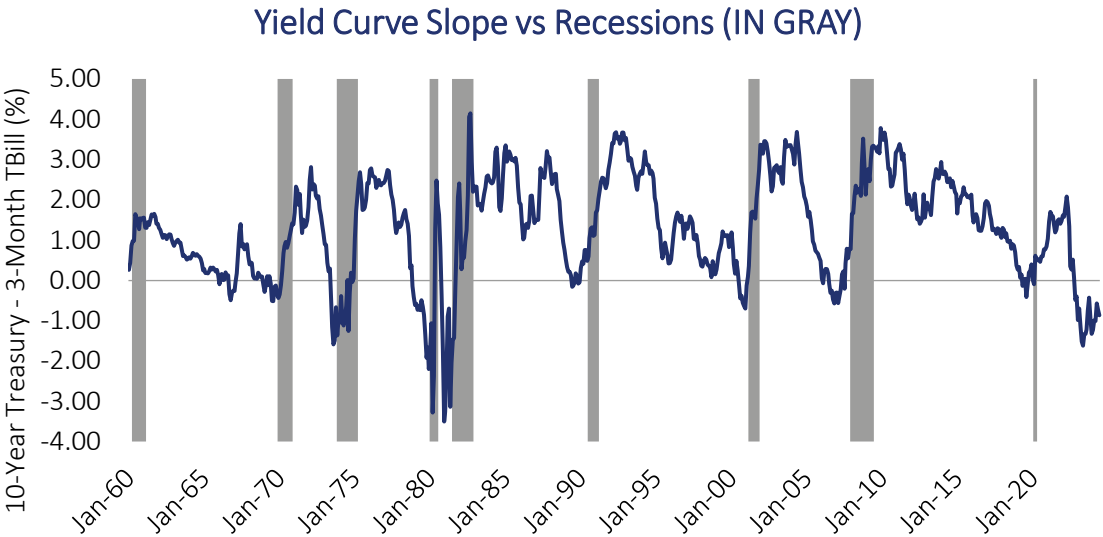
# Annual Equity Market Selloffs

U.S. equity has been fairly tame, so far, during 2024 except for a modest sell-off in April



Data Sources: Wilshire Web, Bloomberg

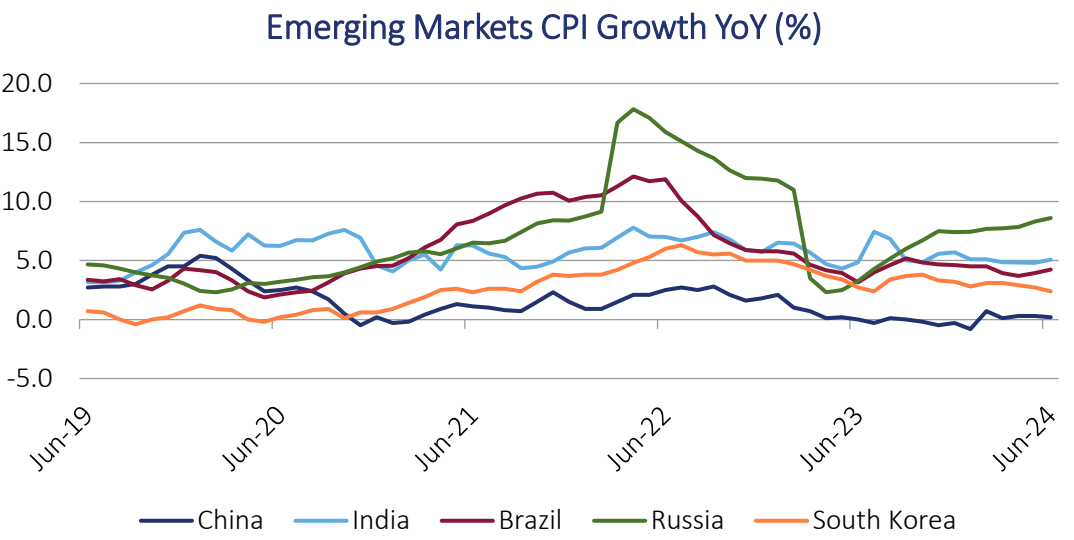
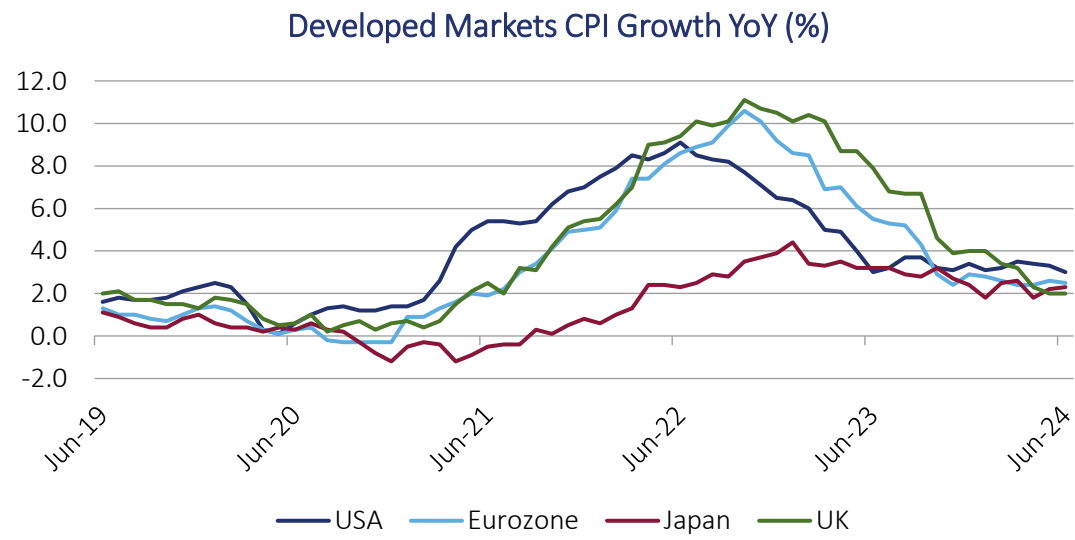
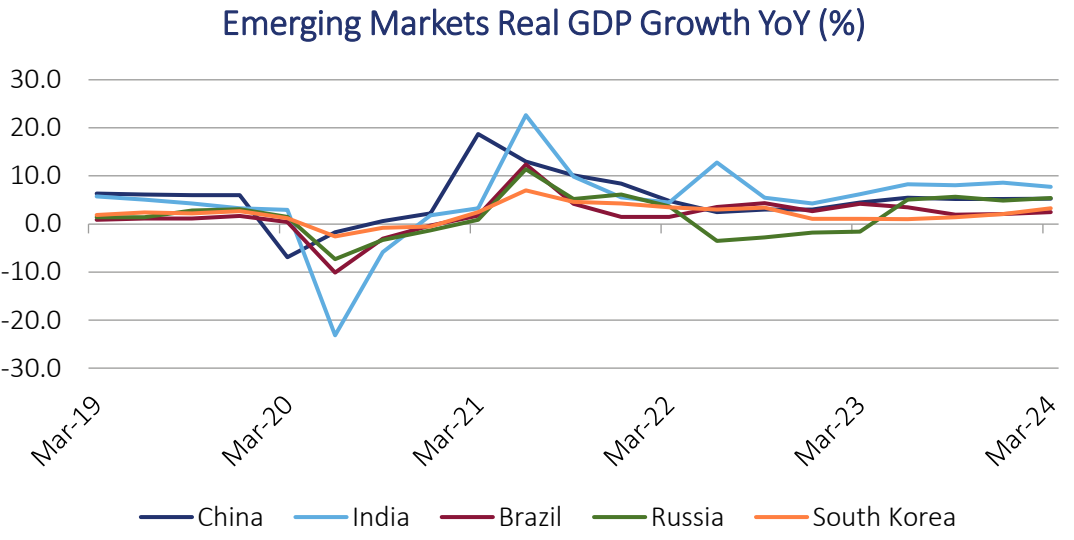
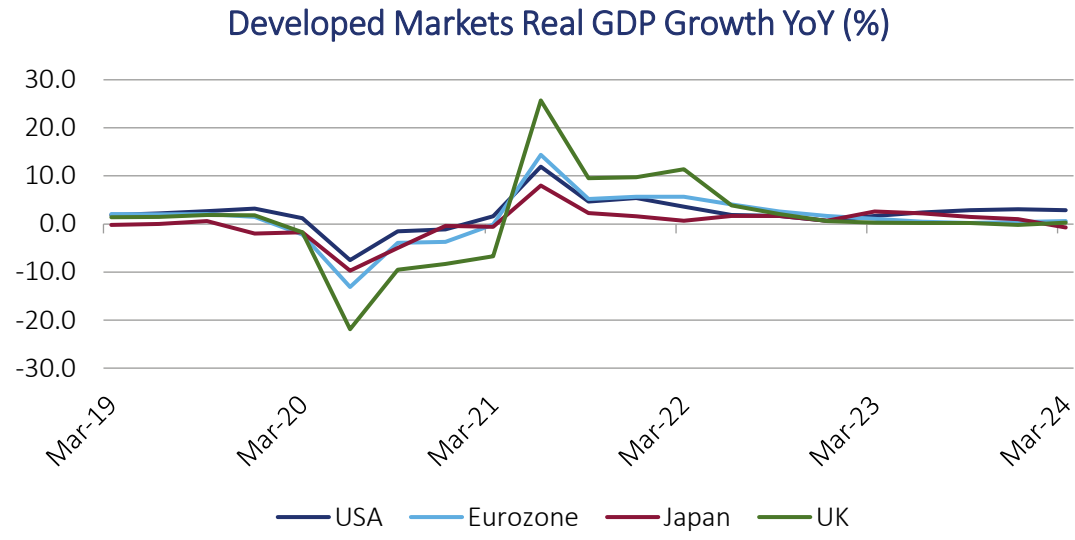
# Risk Monitor



Data Source: Bloomberg



# Non-U.S. Growth and Inflation



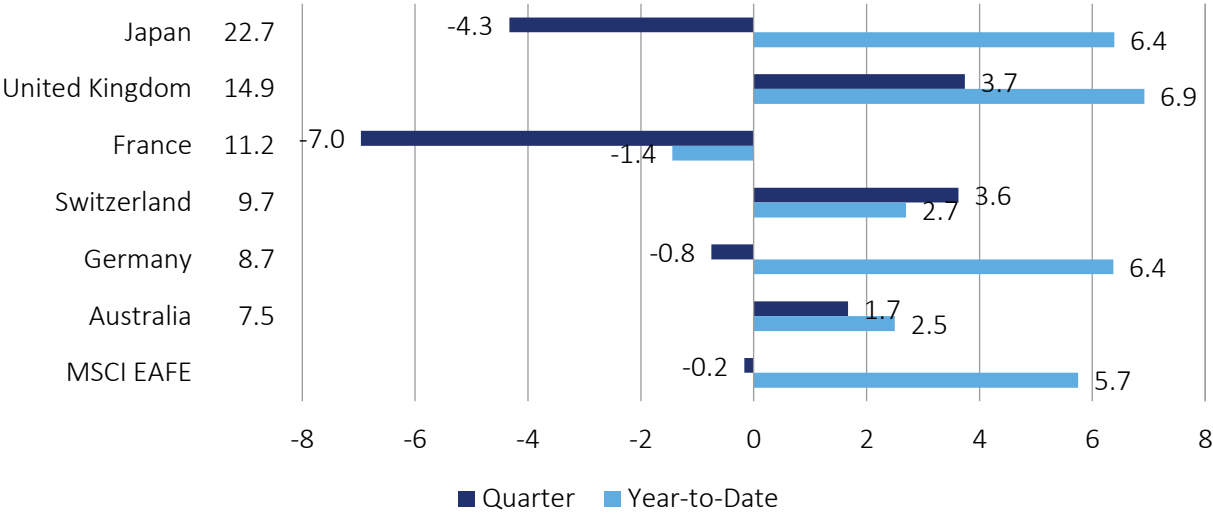
Data Source: Bloomberg

# Non-U.S. Equity Market

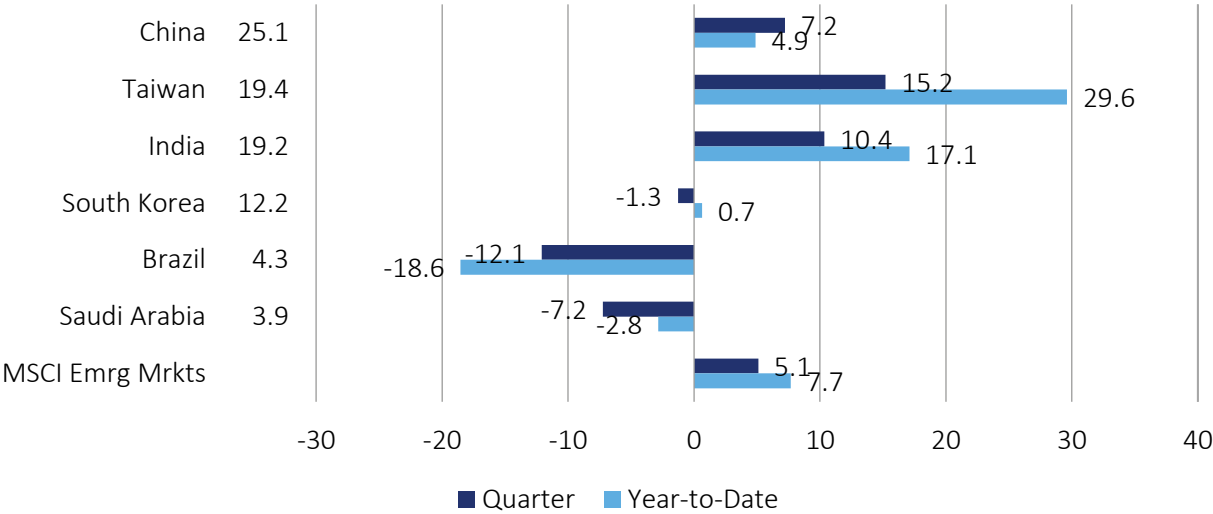
As of 6/30/2024	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
MSCI ACWI ex-US (\$G)	1.2	6.0	12.2	1.0	6.1	4.3
MSCI EAFE (\$G)	-0.2	5.7	12.1	3.4	7.0	4.8
MSCI Emerging Markets (\$G)	5.1	7.7	13.0	-4.7	3.5	3.2
MSCI Frontier Markets (\$G)	-1.9	3.7	11.3	-0.2	-0.5	-0.5
MSCI ACWI ex-US Growth (\$G)	0.9	6.9	10.2	-2.3	5.8	5.1
MSCI ACWI ex-US Value (\$G)	1.5	5.0	14.3	4.0	6.1	3.6
MSCI ACWI ex-US Small (\$G)	0.8	3.1	11.8	-1.0	6.6	4.9
MSCI ACWI Minimum Volatility	0.5	5.4	9.7	3.2	5.3	7.4
MSCI EAFE Minimum Volatility	-0.2	2.2	6.7	0.3	2.3	4.0
FTSE RAFI Developed ex-US	-0.8	4.8	13.0	4.8	7.6	4.3
MSCI EAFE LC (G)	1.3	11.5	15.7	8.7	9.5	7.9
MSCI Emerging Markets LC (G)	6.3	11.2	16.0	-1.2	6.0	6.2

Data Source: Bloomberg

Developed Markets Weight and Return (%)



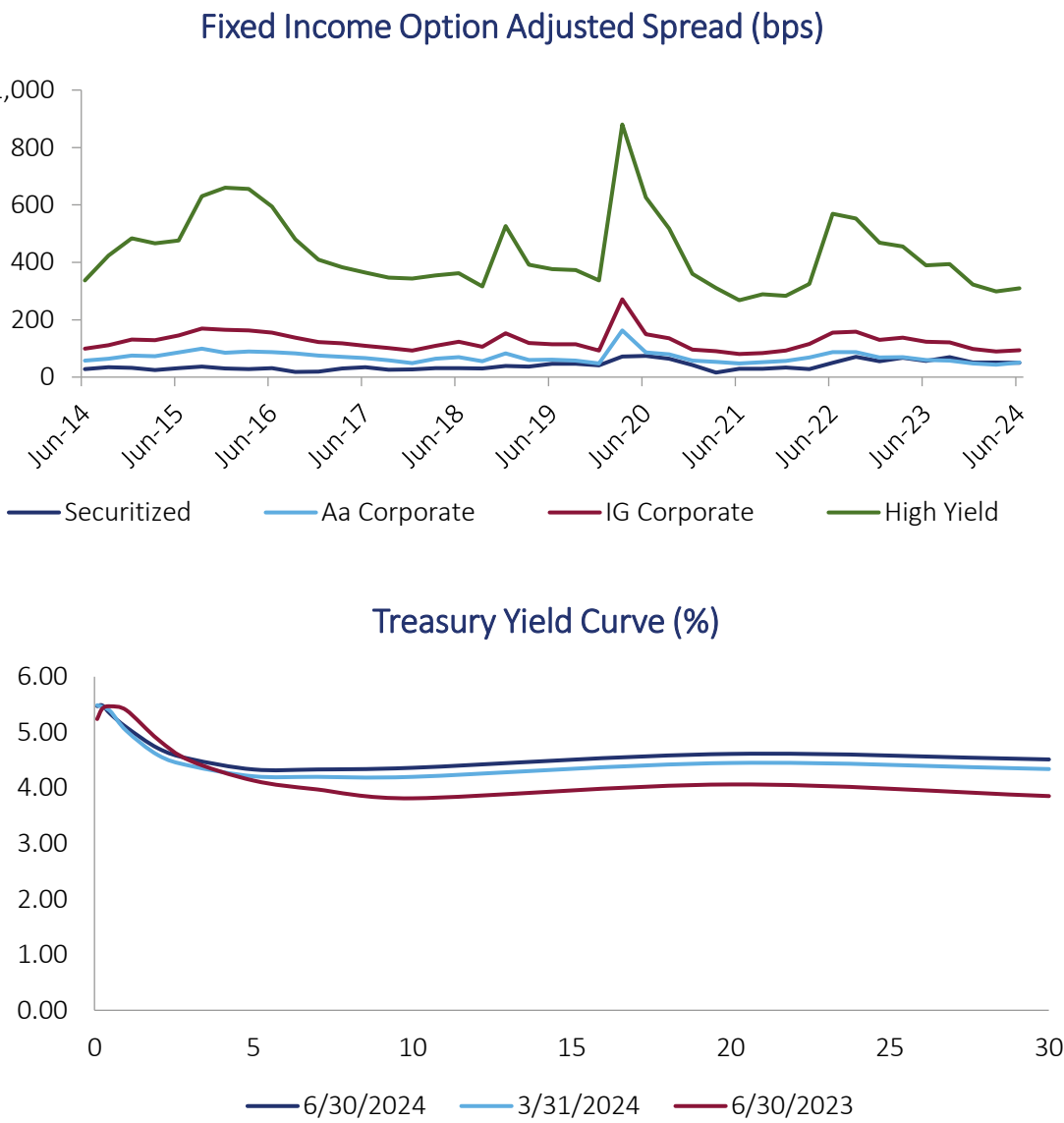
Emerging Markets Weight and Return (%)



# U.S. Fixed Income

As of 6/30/2024	YTW	Dur.	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg Aggregate	5.0	6.1	0.1	0.1	2.6	-3.0	-0.2	1.3
Bloomberg Treasury	4.6	5.9	0.1	0.1	1.5	-3.3	-0.7	0.9
Bloomberg Gov't-Rel.	5.1	5.2	0.3	0.3	3.3	-2.1	0.2	1.5
Bloomberg Securitized	5.2	5.9	0.1	0.1	2.4	-2.8	-0.6	1.0
Bloomberg Corporate	5.5	6.9	-0.1	-0.1	4.6	-3.0	0.6	2.3
Bloomberg LT Gov't/Credit	5.2	13.8	-1.7	-1.7	-1.6	-8.5	-2.2	1.6
Bloomberg LT Treasury	4.6	15.1	-1.8	-1.8	-5.6	-10.5	-4.3	0.6
Bloomberg LT Gov't-Rel.	5.7	11.5	-1.1	-1.1	0.7	-6.0	-1.4	2.0
Bloomberg LT Corporate	5.7	12.7	-1.7	-1.7	2.2	-6.9	-0.8	2.5
Bloomberg U.S. TIPS*	4.4	7.2	0.8	0.8	2.7	-1.3	2.1	1.9
Bloomberg High Yield	7.9	3.1	1.1	1.1	10.4	1.6	3.9	4.3
S&P/LSTA Leveraged Loan	9.2	0.3	1.9	1.9	11.1	6.1	5.5	4.6
Treasury Bills	5.3	0.3	1.3	1.3	5.5	3.0	2.2	1.5

\*Yield and Duration statistics are for a proxy index based on similar maturity, the Bloomberg Barclays U.S. Treasury 7-10 Year Index.  
Data Source: Bloomberg



# Federal Reserve

The Federal Open Market Committee has left their overnight rate unchanged since July of 2023

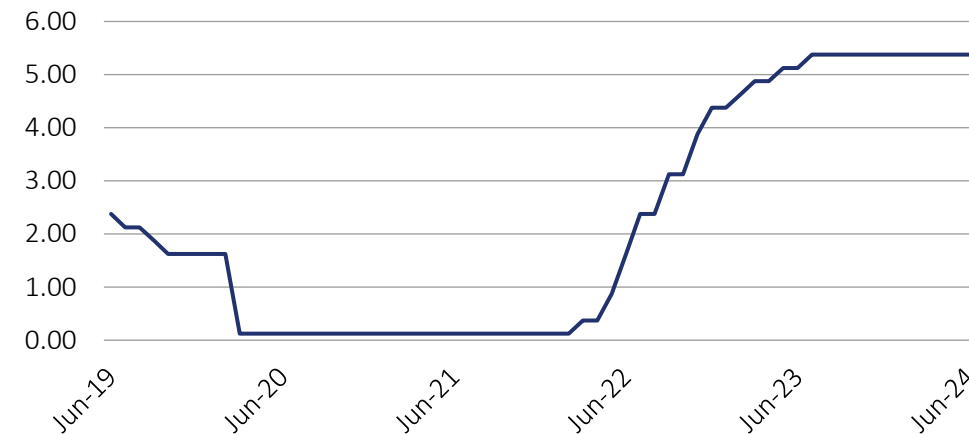
QE4 was larger than the 3 phases of quantitative easing – combined – following the global financial crisis

The Fed’s balance sheet has begun to shrink again during the past year

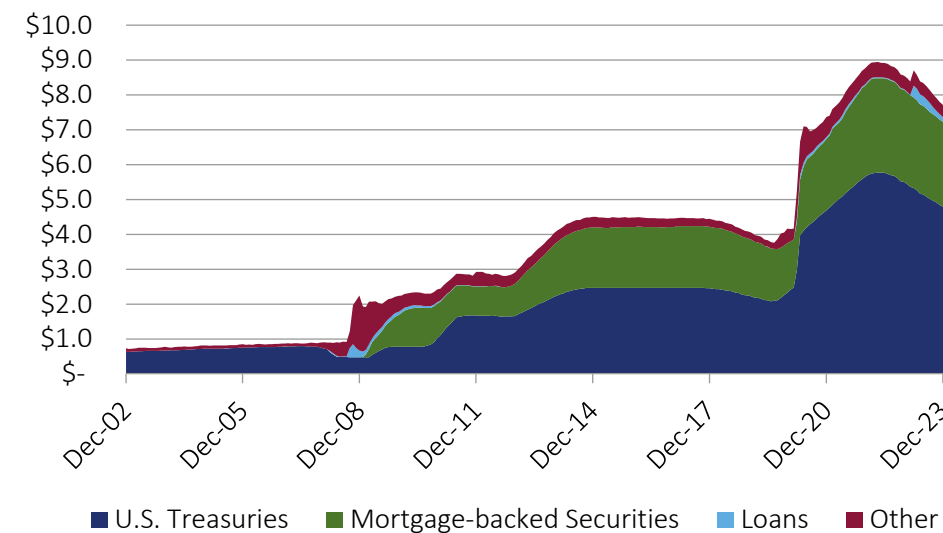
	Announced	Closed	Amount (bil)
QE1	11/25/2008	3/31/2010	\$1,403
QE2	11/3/2010	6/29/2012	\$568
QE3	9/13/2012	10/29/2014	\$1,674
QE4	3/23/2020	3/15/2022	\$4,779

Data Source: Bloomberg

Federal Funds Rate (Mid %)



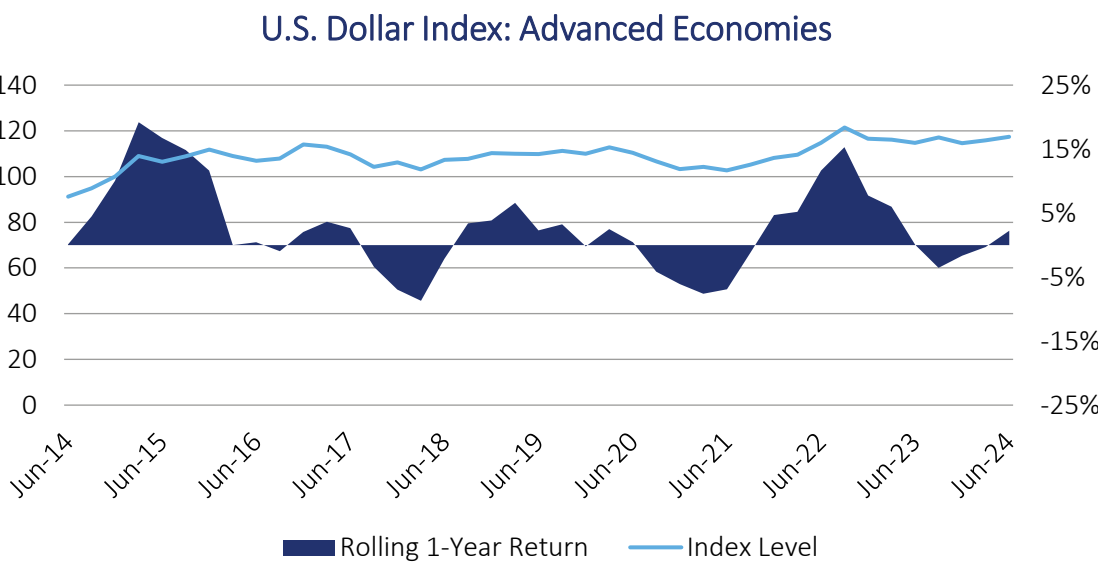
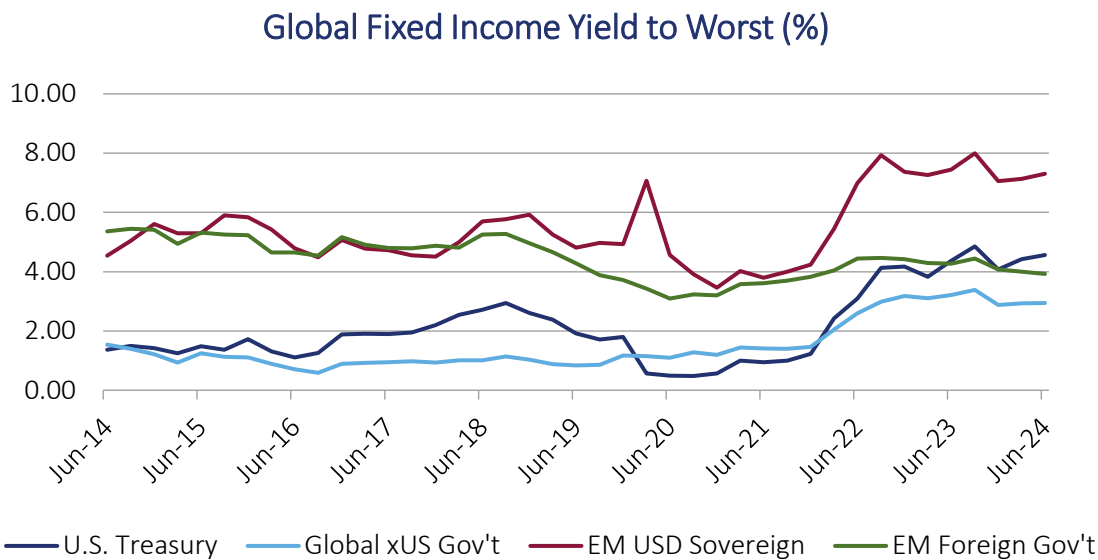
Federal Reserve Balance Sheet (\$T)



Non-U.S. Fixed Income

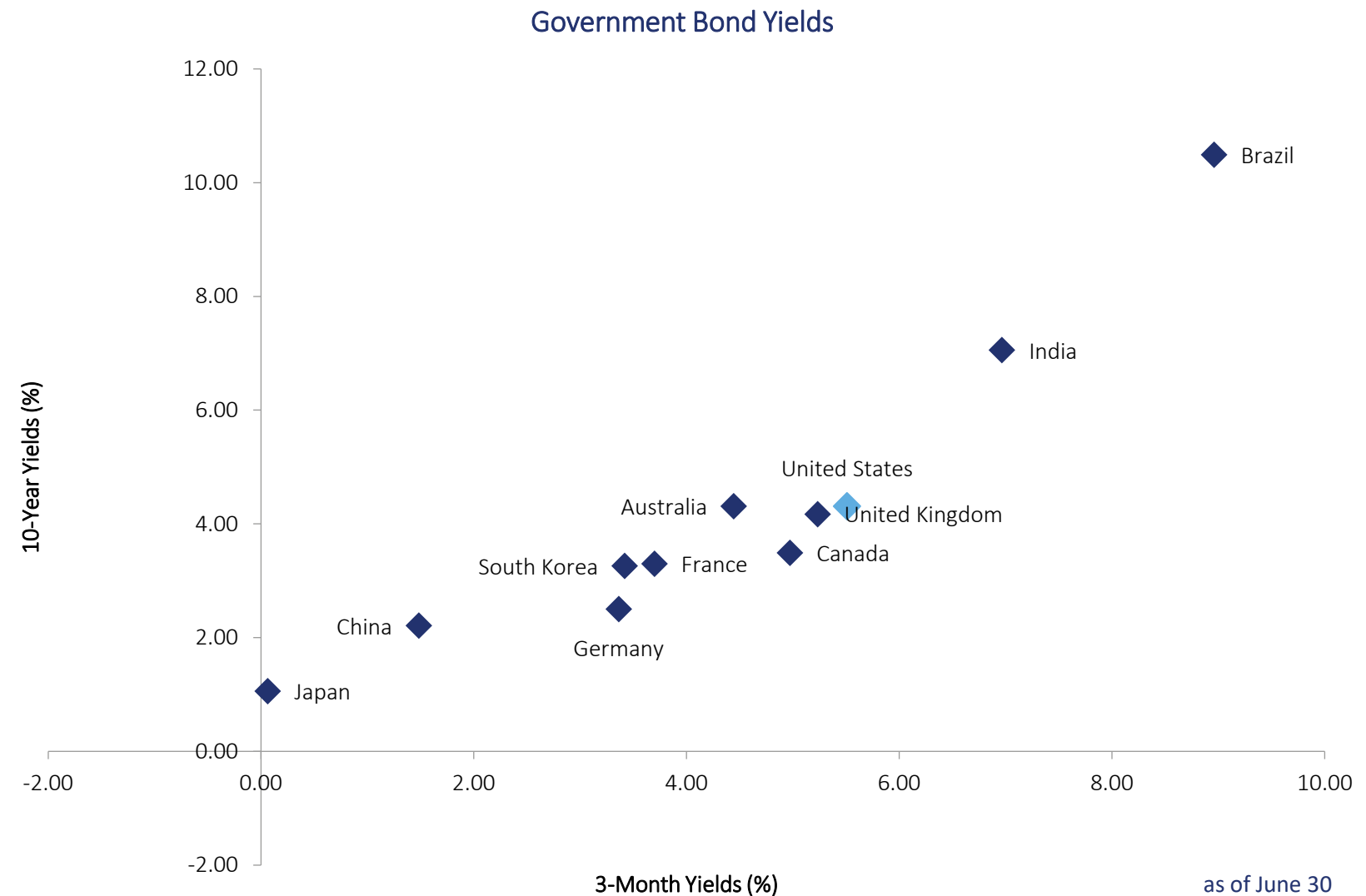
As of 6/30/2024	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Developed Markets						
Bloomberg Global Aggregate xUS	-2.1	-5.3	-0.7	-7.5	-3.6	-1.9
Bloomberg Global Aggregate xUS*	0.1	0.7	5.3	-0.5	0.5	2.5
Bloomberg Global Inflation Linked xUS	-2.2	-5.4	-1.6	-9.7	-3.7	-1.5
Bloomberg Global Inflation Linked xUS*	-1.4	-2.3	1.4	-4.9	-1.5	2.5
Emerging Markets (Hard Currency)						
Bloomberg EM USD Aggregate	0.7	2.2	8.0	-2.2	0.5	2.5
Emerging Markets (Foreign Currency)						
Bloomberg EM Local Currency Gov't	-0.2	-1.2	3.8	-1.3	0.7	0.5
Bloomberg EM Local Currency Gov't*	1.8	3.7	8.0	3.0	2.9	3.1
Euro vs. Dollar	-0.7	-3.0	-1.8	-3.3	-1.2	-2.4
Yen vs. Dollar	-5.9	-12.3	-10.3	-11.6	-7.7	-4.5
Pound vs. Dollar	0.2	-0.7	-0.5	-2.9	-0.1	-3.0

\*Returns are reported in terms of local market investors, which removes currency effects.  
Data Source: Bloomberg



# Global Interest Rates

Short-term rates have turned positive in most larger countries; longer-term rates near 4.0% in the U.K. and Australia



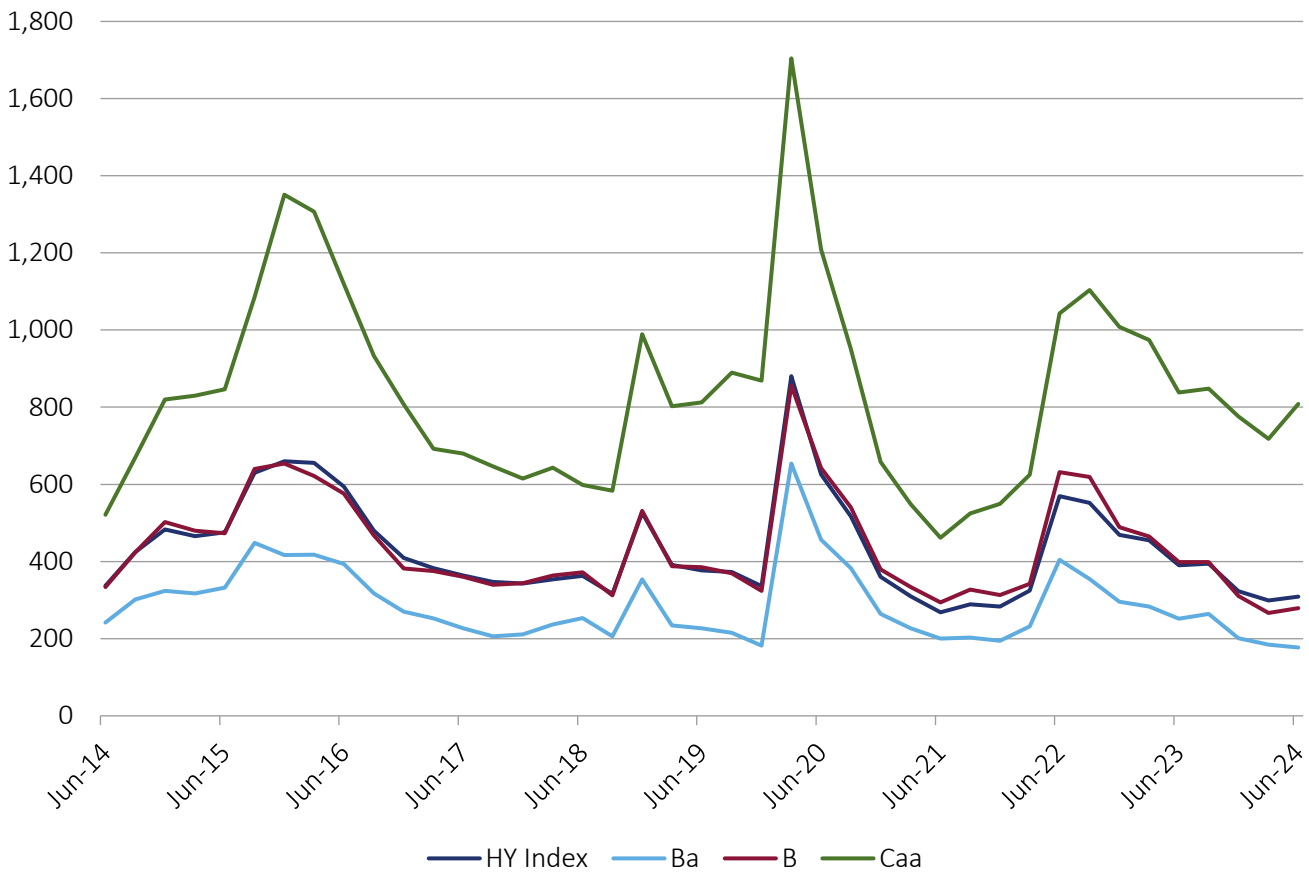
Data Source: Bloomberg

# High Yield Bond Market

As of 6/30/2024	Weight	YTW	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg High Yield		7.9	1.1	2.6	10.4	1.6	3.9	4.3
S&P LSTA Leveraged Loan		9.2	2.1	4.1	10.8	5.9	5.2	4.2
High Yield Quality Distribution								
Ba U.S. High Yield	50.6%	6.6	1.3	2.5	9.6	1.3	4.2	4.7
B U.S. High Yield	36.6%	7.7	1.0	2.4	10.5	2.0	3.6	4.0
Caa U.S. High Yield	11.3%	12.8	0.0	2.1	11.9	1.2	3.0	3.6
Ca to D U.S. High Yield	1.5%	22.0	4.7	18.5	28.3	2.6	4.3	-2.1

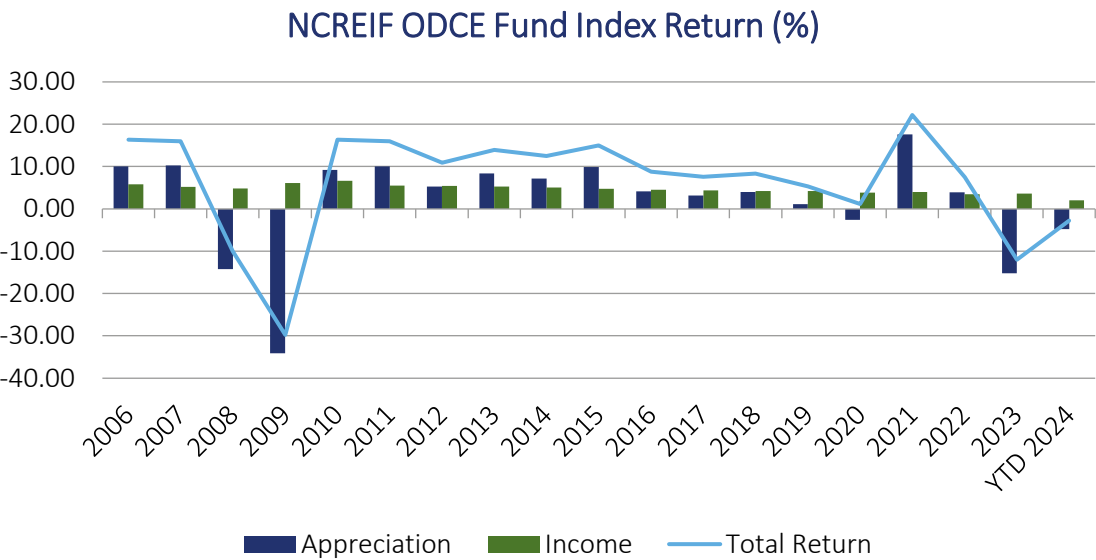
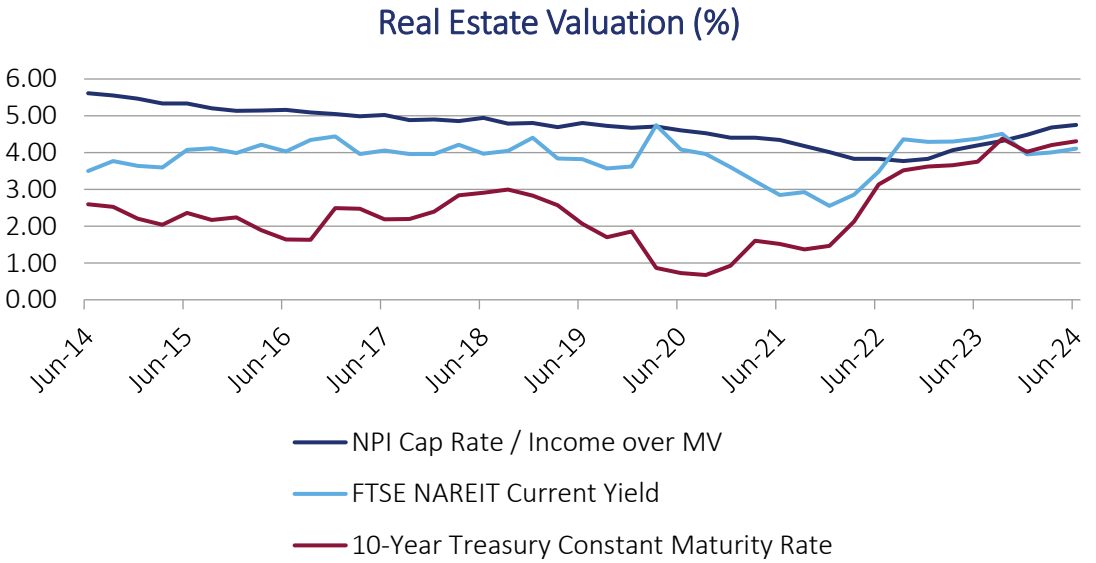
Data Source: Bloomberg

Fixed Income Option Adjusted Spread (bps)



Real Assets

As of 6/30/2024	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg U.S. TIPS	0.8	0.7	2.7	-1.3	2.1	1.9
Bloomberg Commodity Index	2.9	5.1	5.0	5.7	7.2	-1.3
Bloomberg Gold Index	4.9	12.7	20.6	9.1	9.4	5.0
Wilshire Global RESI Index	-1.2	-1.3	8.7	-1.1	2.1	4.3
NCREIF ODCE Fund Index	-0.4	-2.8	-9.3	1.9	3.2	6.4
NCREIF Timberland Index	1.7	3.9	9.9	11.0	7.2	5.9
FTSE Global Core Infrastructure	1.0	2.8	5.3	3.0	3.9	5.6
Alerian Midstream Energy	5.4	16.1	26.7	16.5	11.3	3.7
Bitcoin	-12.6	45.6	103.7	21.4	40.3	57.8



Data Sources: Bloomberg, National Council of Real Estate Investment Fiduciaries



Asset Class Performance

Asset Class Returns - Best to Worst

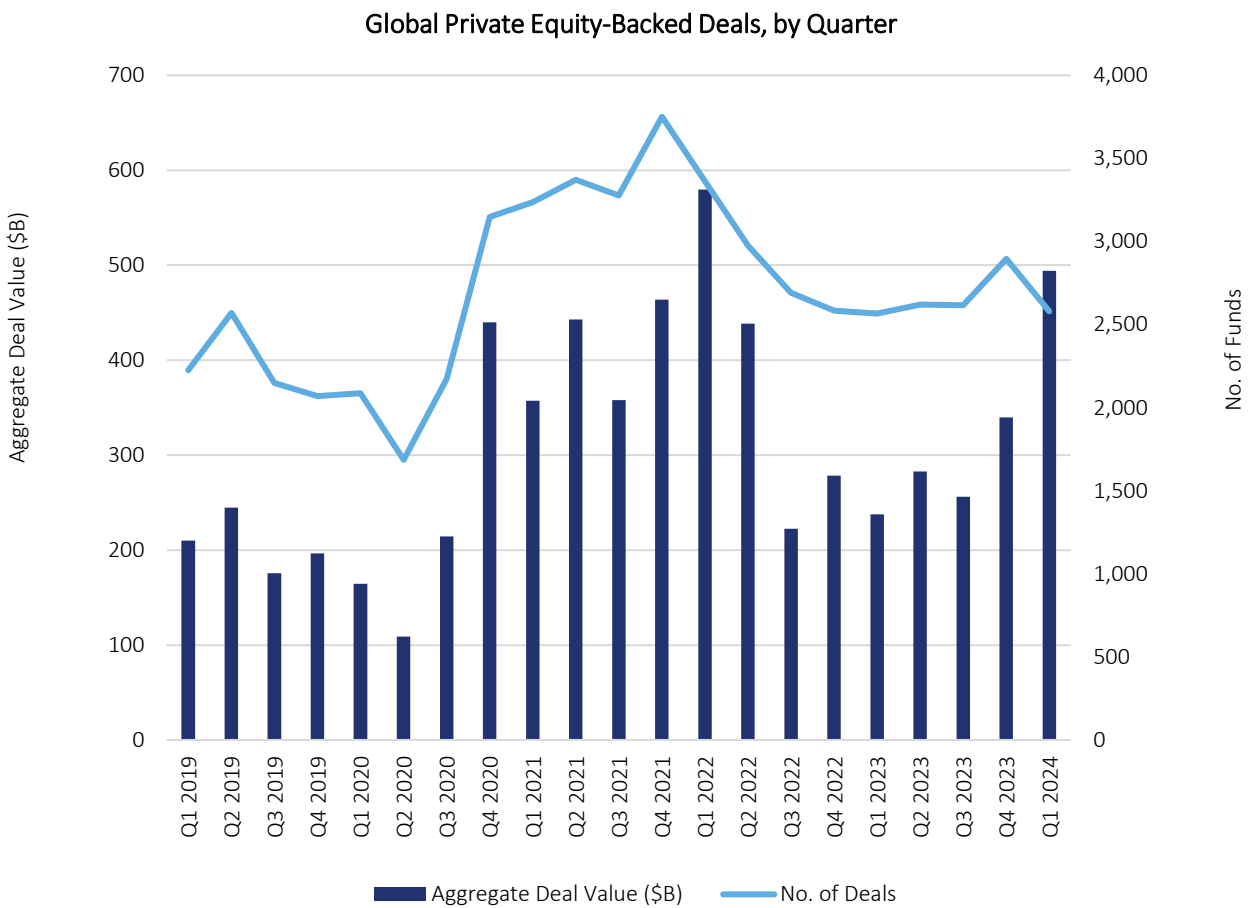
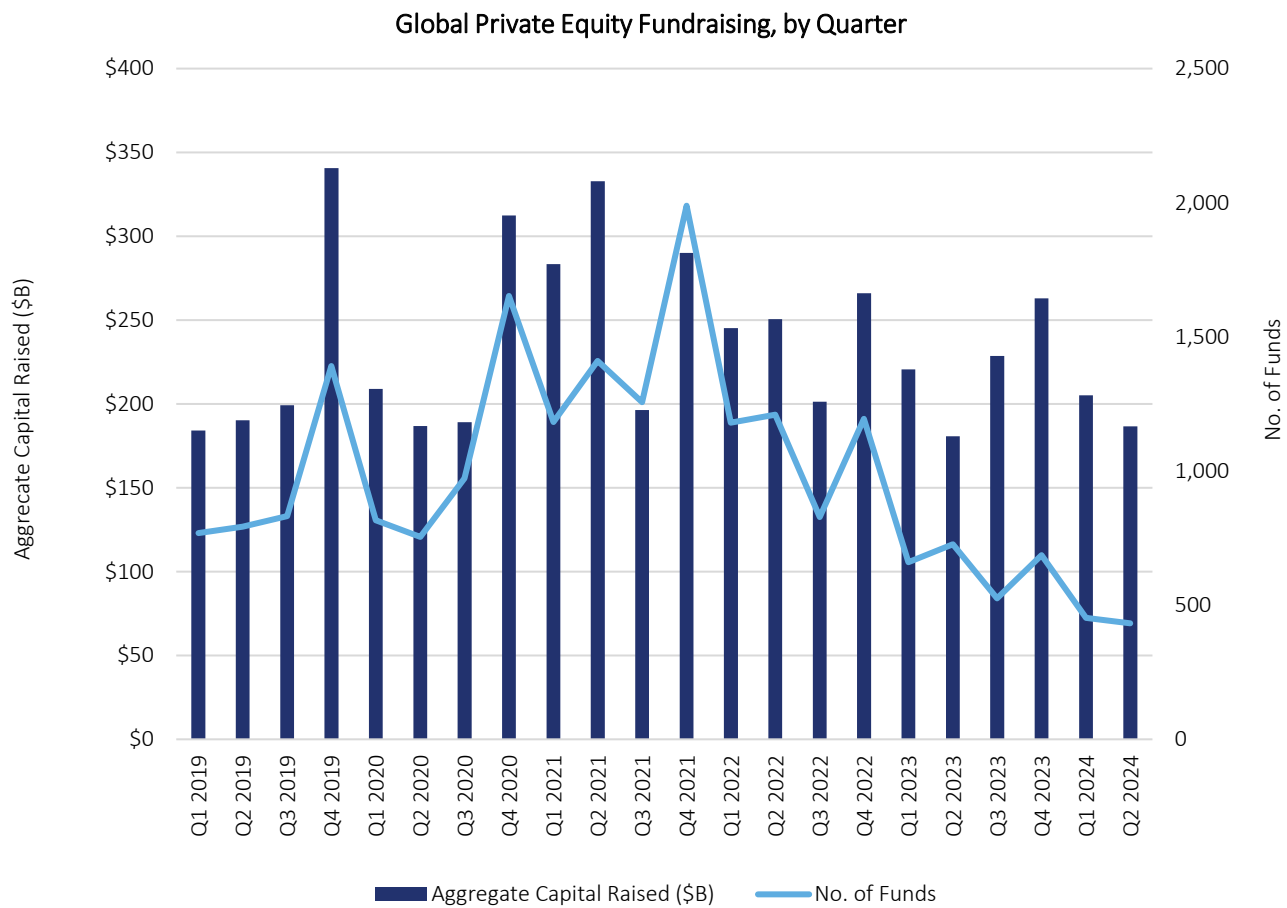
2019	2020	2021	2022	2023	2024 YTD	Annualized 5-Year as of 6/24
U.S. Equity 31.0%	U.S. Equity 20.8%	REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 13.6%	U.S. Equity 14.4%
REITs 25.8%	Emrg Mrkts 18.7%	Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	Emrg Mrkts 7.7%	Developed 7.0%
Developed 22.7%	U.S. TIPS 11.0%	U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	Developed 5.7%	Commodities 6.4%
Emrg Mrkts 18.9%	Developed 8.3%	Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	T-Bills 1.3%	REITs 4.0%
High Yield 14.3%	Core Bond 7.5%	U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	High Yield 1.1%	High Yield 3.9%
Core Bond 8.7%	High Yield 7.1%	High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	U.S. TIPS 0.8%	Emrg Mrkts 3.5%
U.S. TIPS 8.4%	T-Bills 0.7%	T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Core Bond 0.1%	T-Bills 2.2%
Commodities 7.7%	Commodities -3.1%	Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	REITs -0.3%	U.S. TIPS 2.1%
T-Bills 2.3%	REITs -7.9%	Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Commodities -2.5%	Core Bond -0.2%

Data Sources: Bloomberg

Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

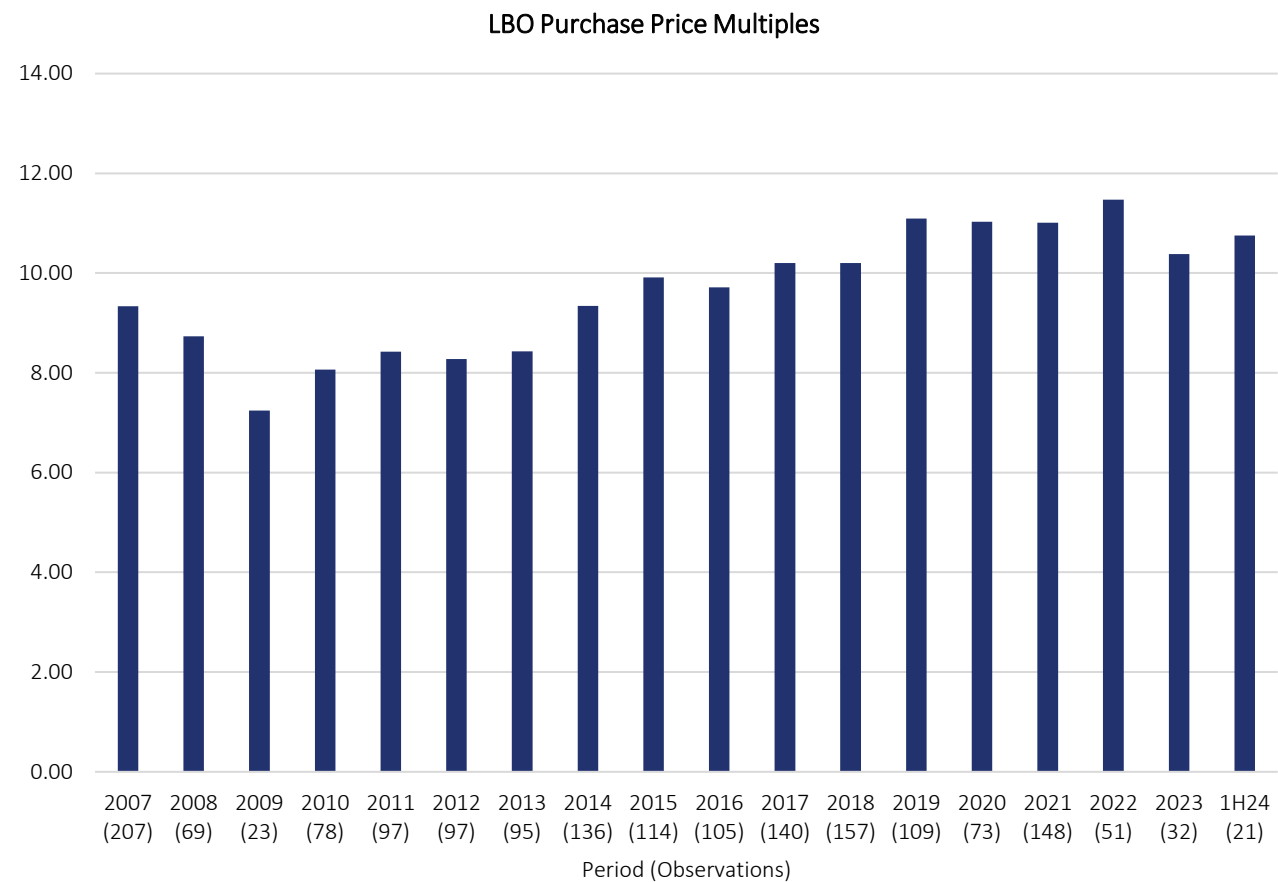
# Appendix: Private Market Trends

# Private Equity – Fundraising & Investment Activity

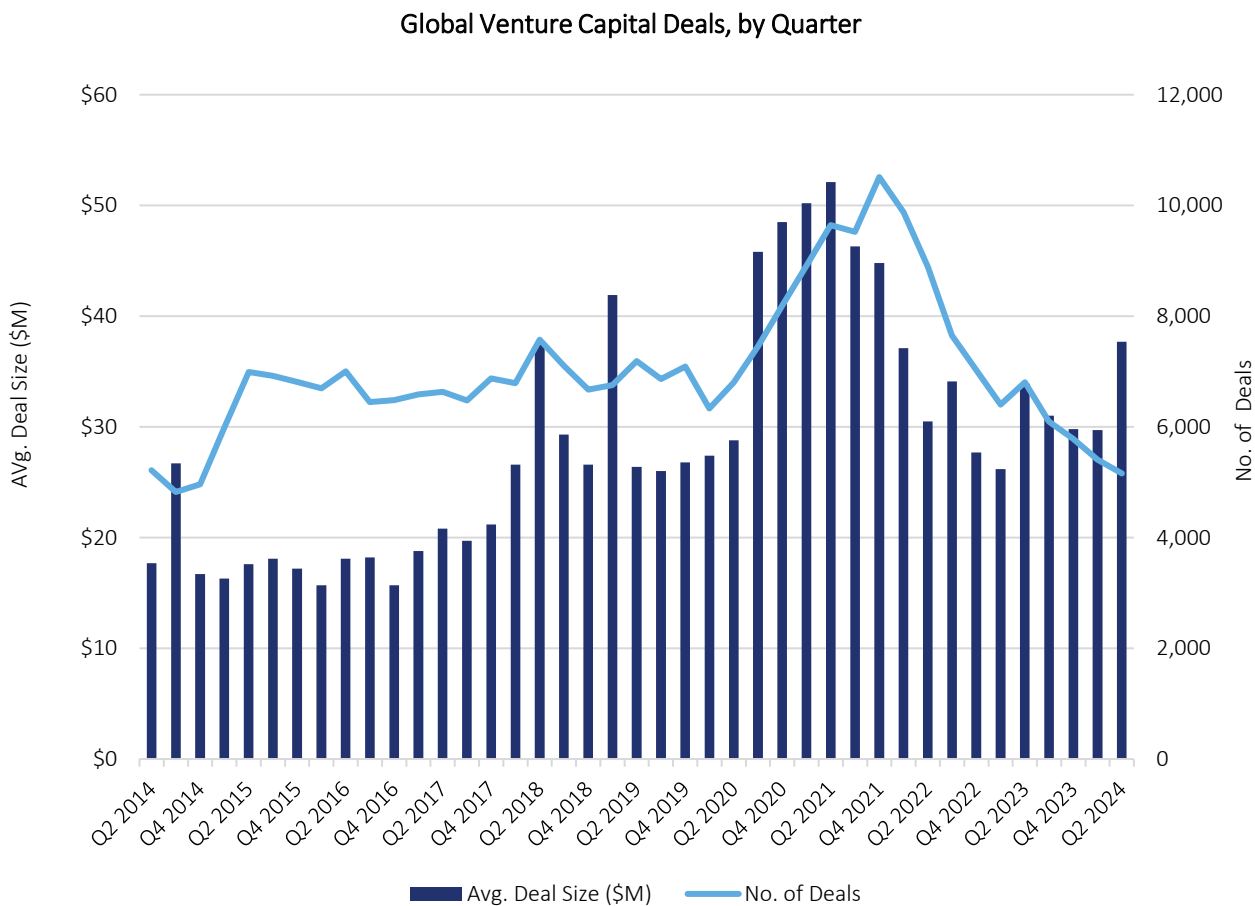


Source: Preqin as of July 24, 2024.

# Private Equity – Pricing & Valuations

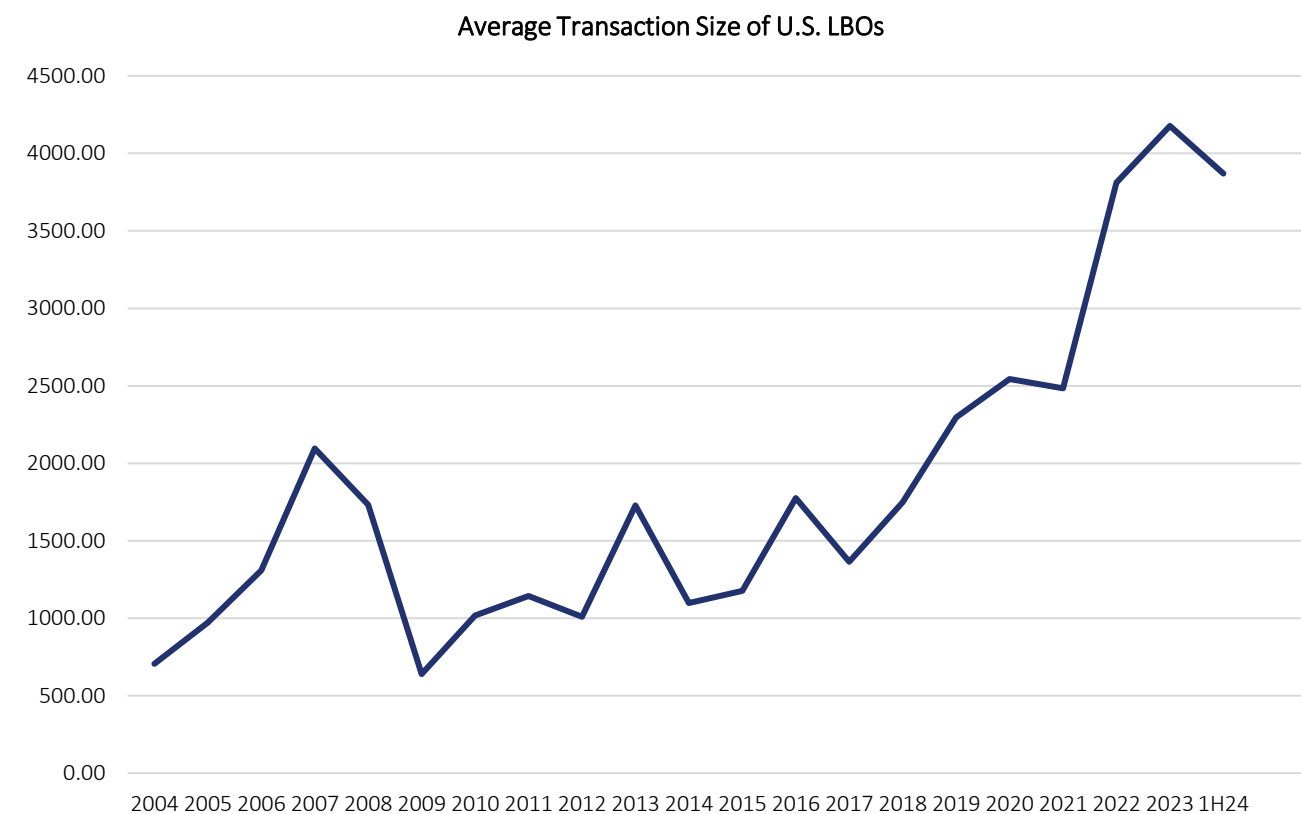
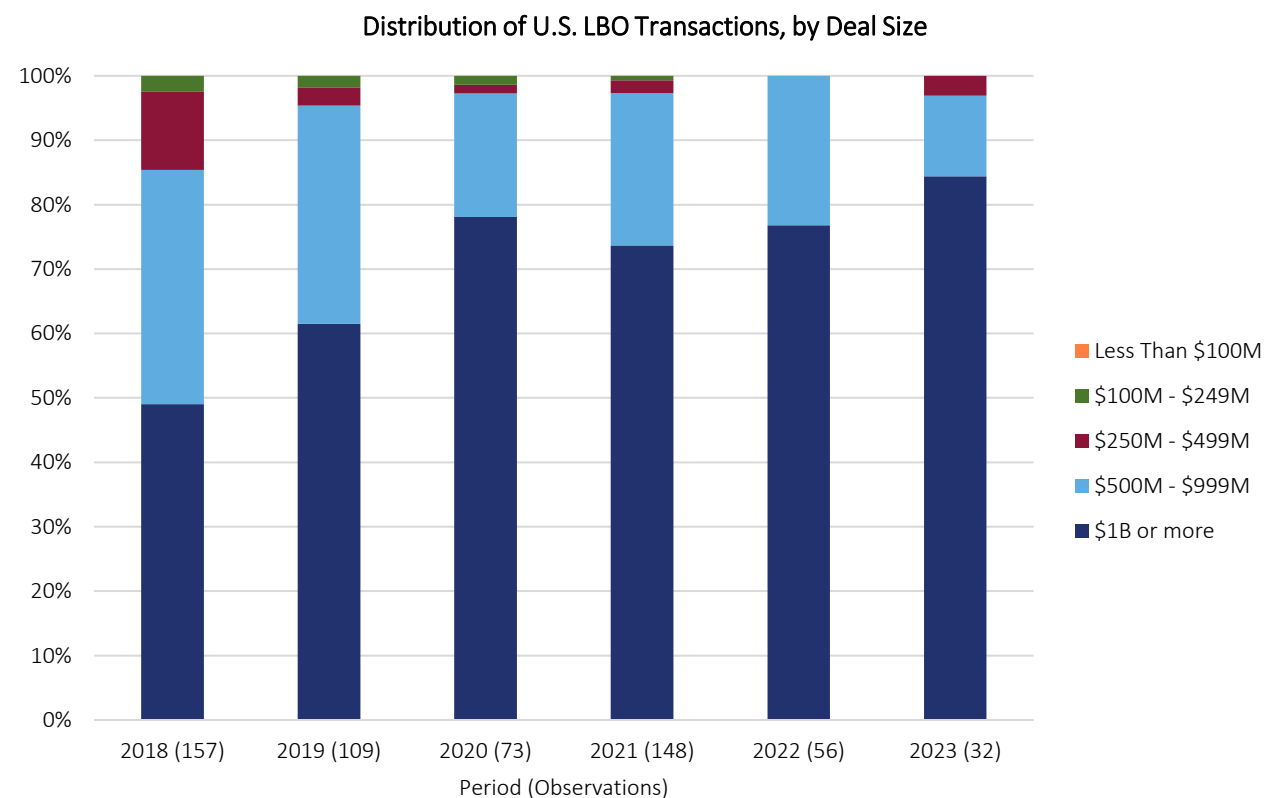


Source: S&P LCD Q2 2024 Report; Preqin as of July 24, 2024.



# U.S. Investment Activity by Deal Size

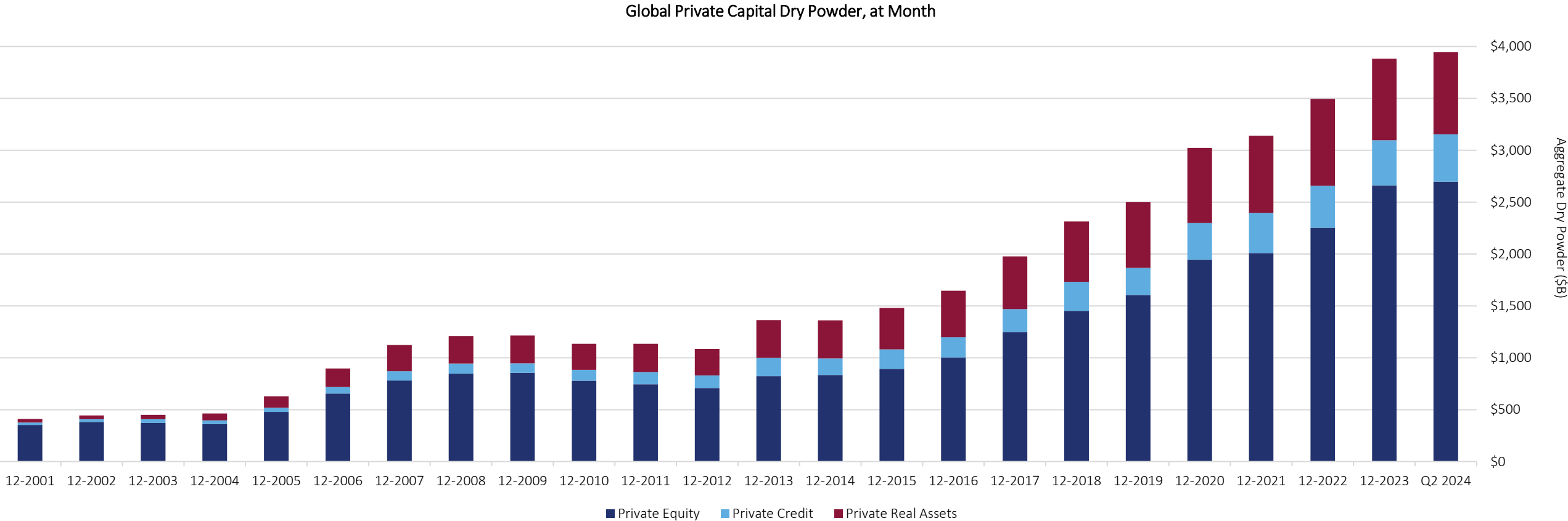
- Deal volume has increased in H1 2024 compared to H1 2023 though a majority of deals stay in the upper, large cap market.
- Average LBO transaction size decreased in H1 2024 with an increase in the number of LBO transactions in the middle market.



Source: S&P LCD Q2 2024 Report.

# Private Capital Dry Powder

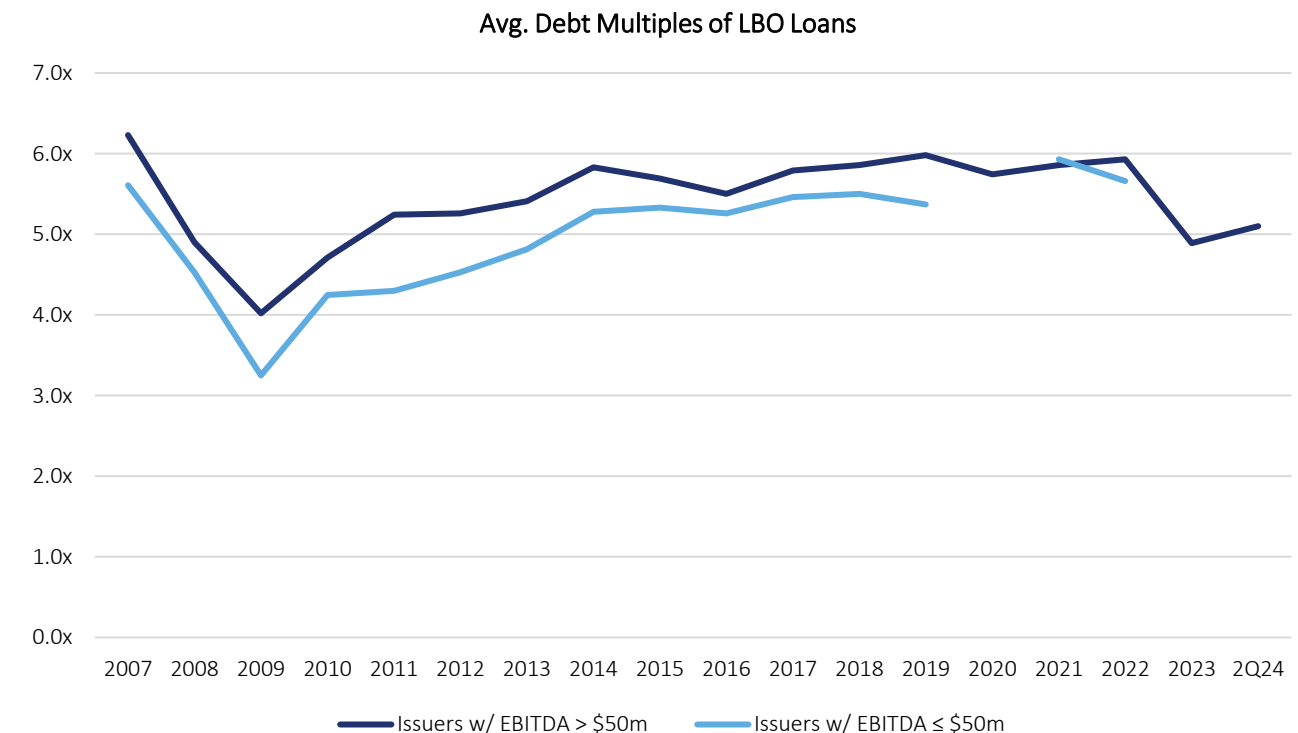
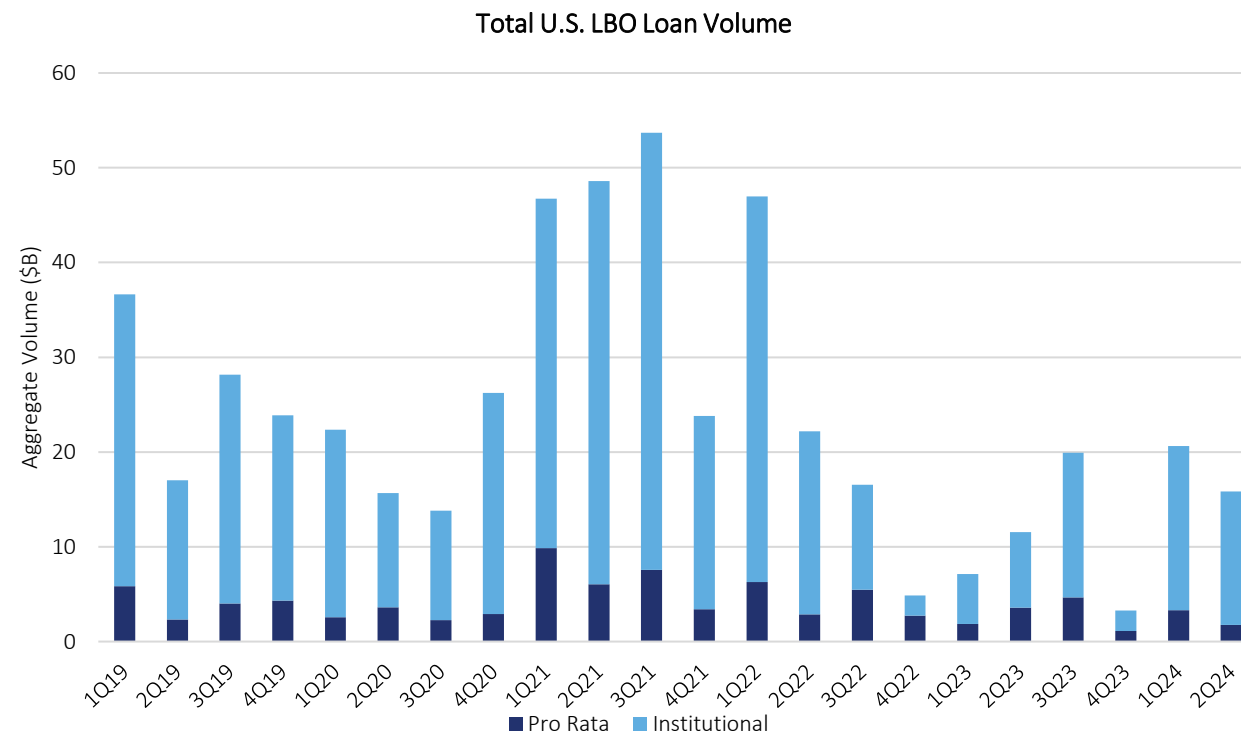
- Global private capital dry powder remains elevated, with all asset classes near record high levels of dry powder.
- Private equity comprises approximately 70% of total dry powder as of June 30, 2024, and continues to drive heightened levels of dry powder.



Source: Preqin as of July 24, 2024.

# Private Equity – U.S. Debt Markets

- Q1 2024 saw ~\$15 billion in supporting loan issuance, continuing the rebound since record low levels in 2023.
- Debt multiples of sponsor-backed, large corporate loans stay approximately the same as 2023 at ~5.0x but has increased slightly, but lower than recent years with debt multiples just under 6.0x.

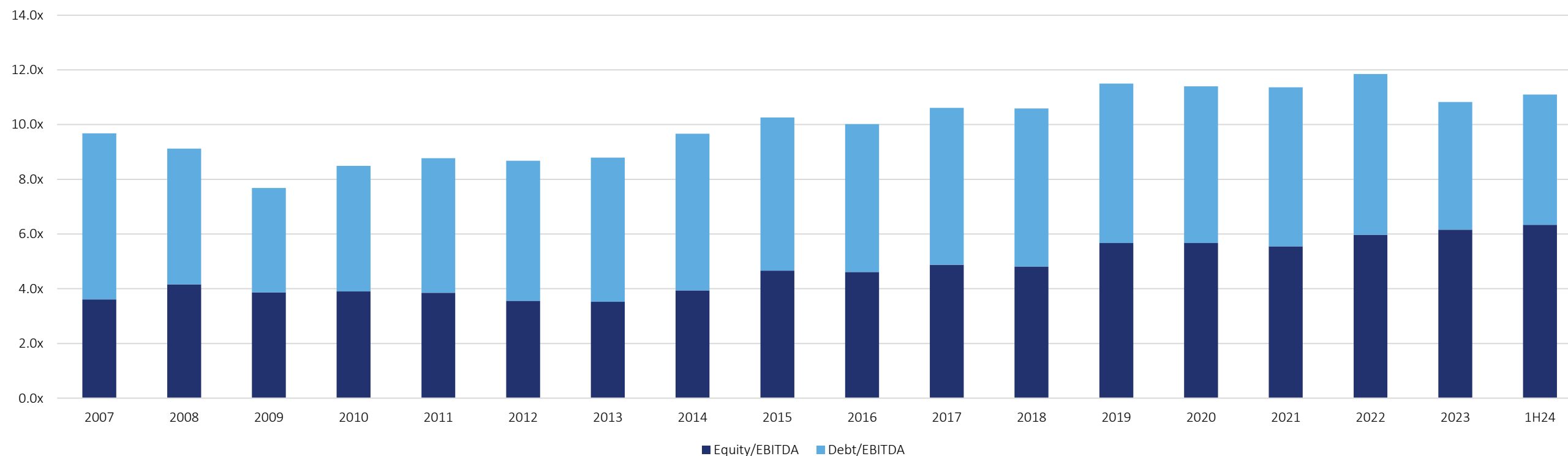


Source: S&P LCD Q2 2024 Report.

# Private Equity – U.S. LBO Purchase Price Multiples

- H1 2024 all in purchase price multiples are consistent with 2023 purchase price multiples, with equity continuing to contribute a majority of capital.
- Debt contributions in Q1 2024 are 43% of purchase price multiples.

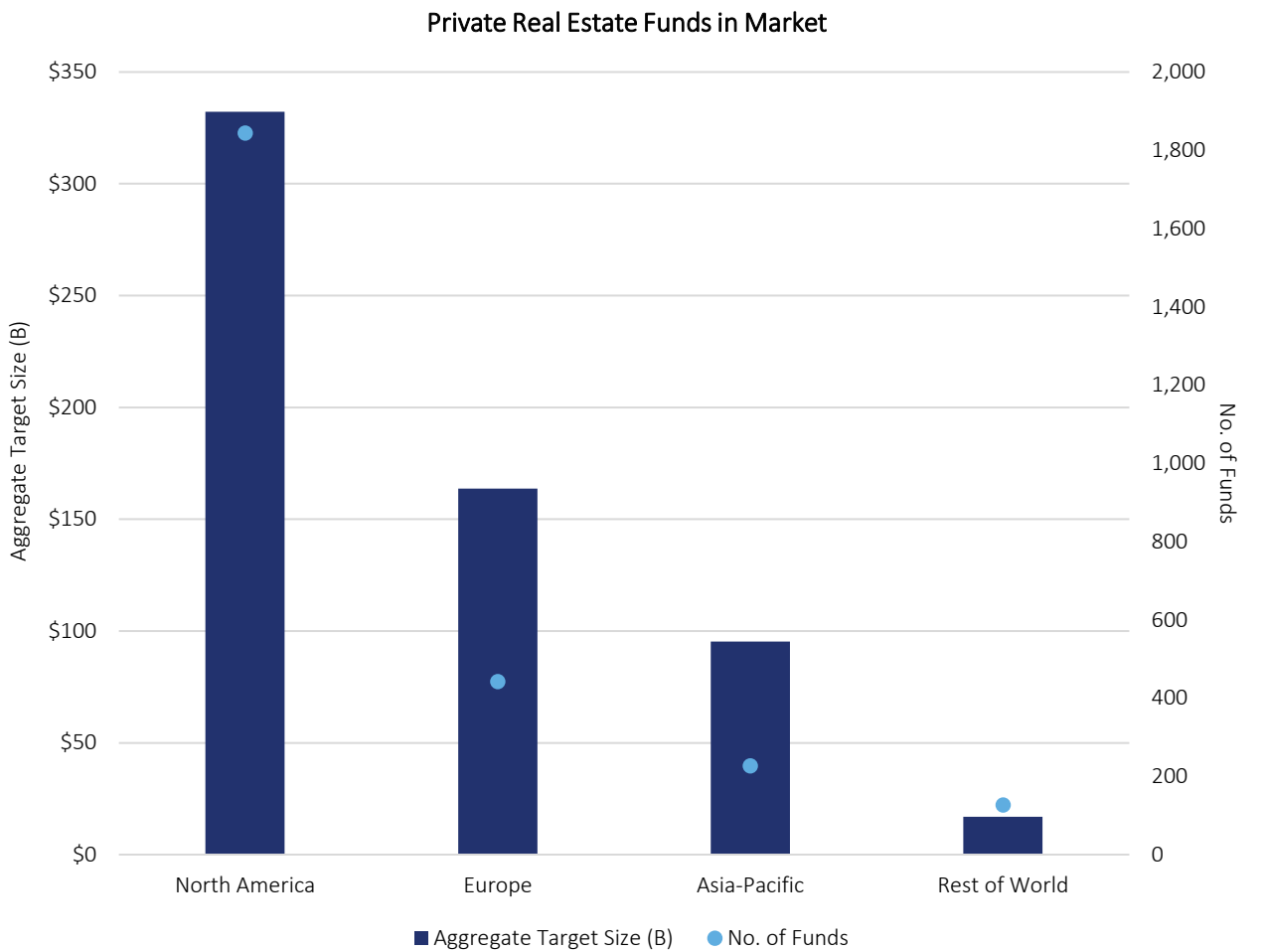
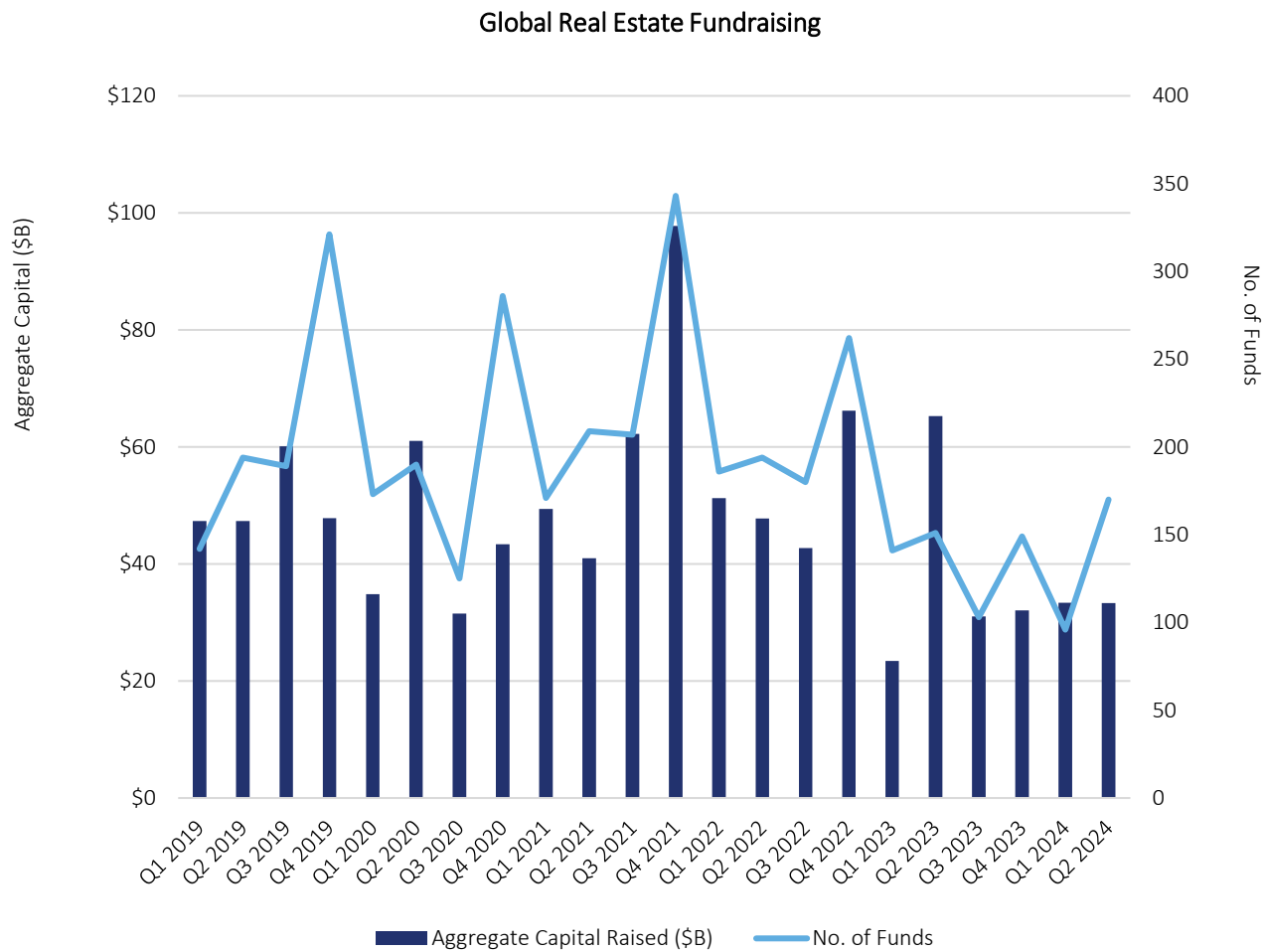
LBO Purchase Price Multiples



Source: S&P LCD Q2 2024 Report.

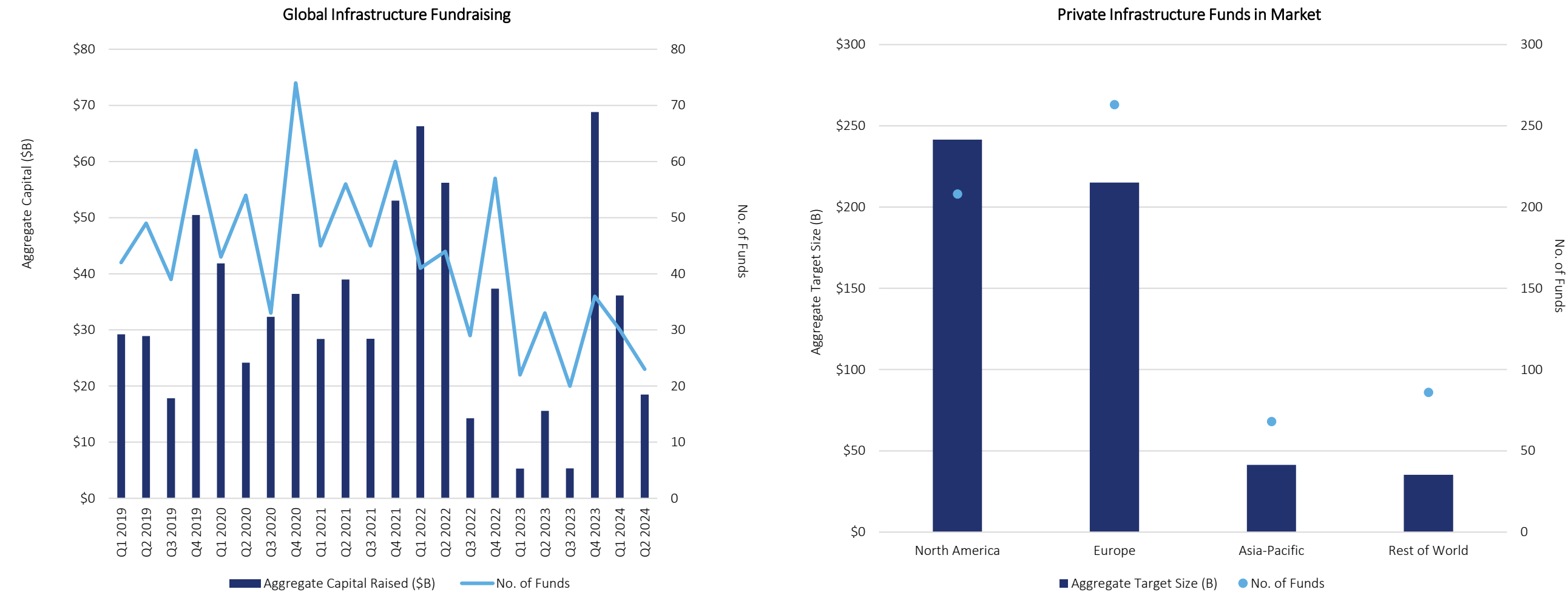


# Private Real Assets – Real Estate Fundraising Activity



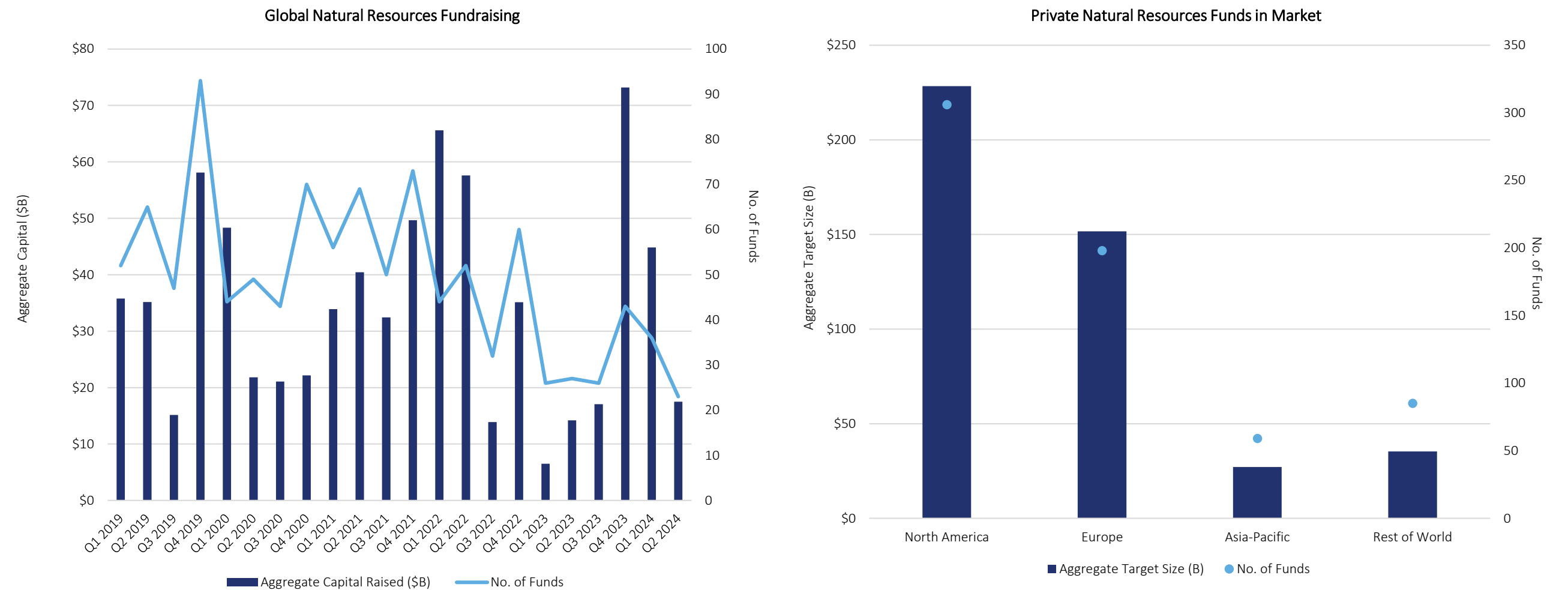
Source: Preqin as of July 24, 2024.

# Private Real Assets – Infrastructure Fundraising



Source: Preqin as of July 24, 2024.

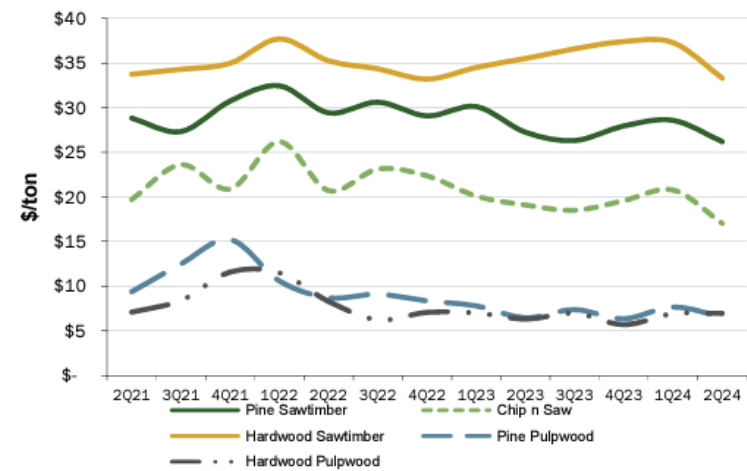
# Private Real Assets – Natural Resources Fundraising



Source: Preqin as of July 24, 2024.

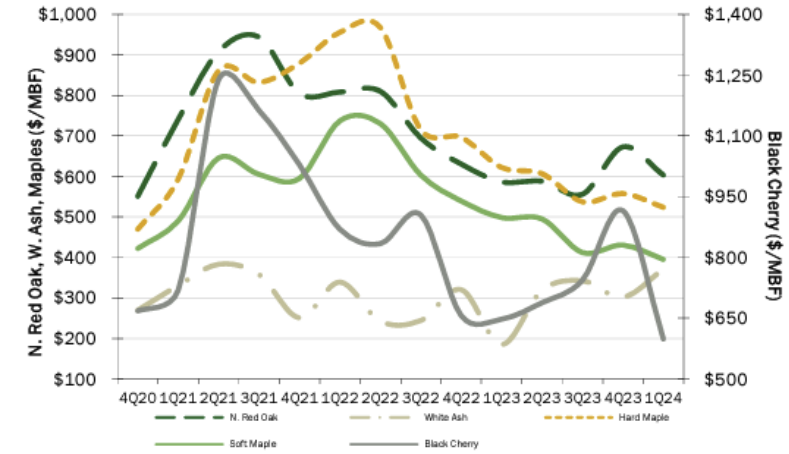
Timber Investments

Southeastern Timber Prices



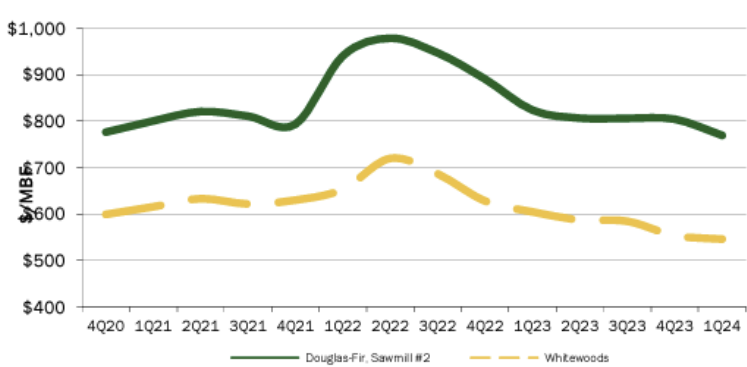
Source: Forest2Market®

Northeastern Hardwood Timber Prices



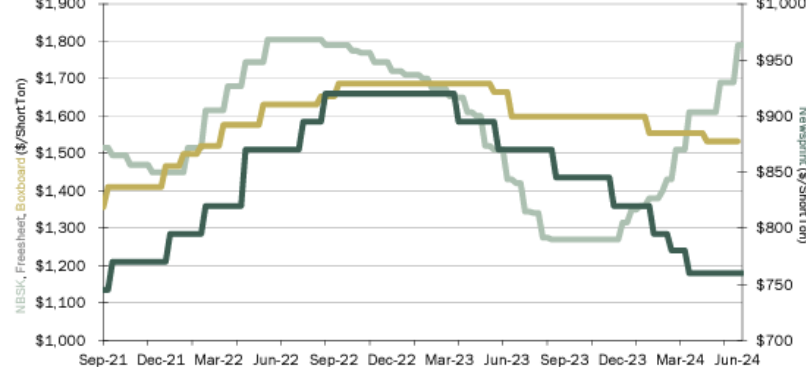
Source: Pennsylvania Woodlands Timber Market Report - Northwest Region

Pacific Northwest Timber Prices



Source: Fastmarkets RISI - Log Lines®

Pulp and Paper

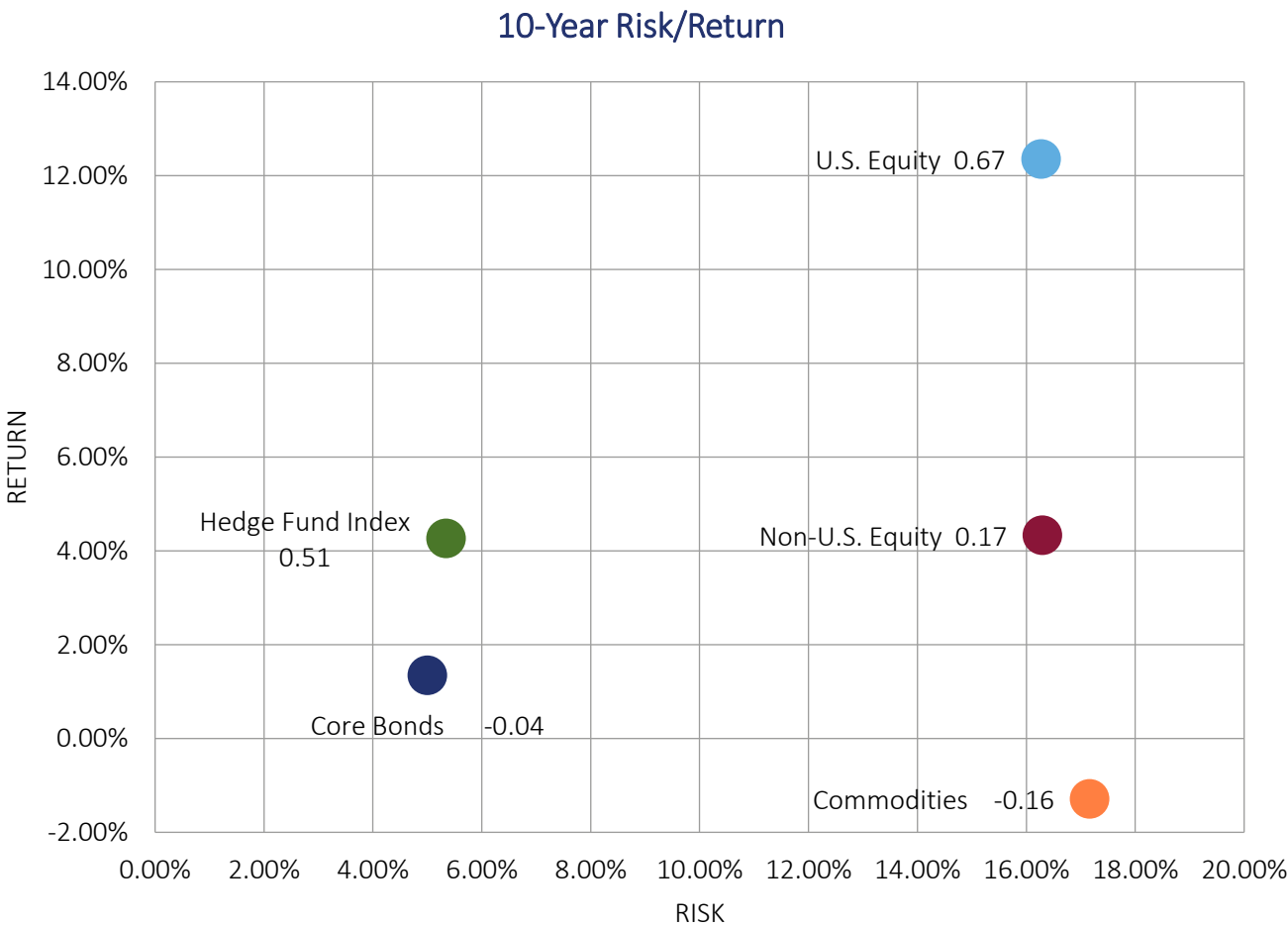


Source: Fastmarkets RISI

Data Sources: Forest Investment Associates

# Hedge Fund Performance

As of 6/30/2024	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Credit Suisse Hedge Fund Index	1.5	6.9	11.0	5.3	6.2	4.3
Event Driven	1.5	5.8	11.0	3.4	5.6	2.9
Global Macro	-2.4	3.9	5.0	5.6	6.5	4.8
Long/Short Equity	3.5	10.5	15.5	5.9	7.3	5.3
Multi-Strategy	2.4	6.8	13.4	6.2	6.1	5.3
FT Wilshire 5000	3.3	13.6	23.2	8.4	14.4	12.4
MSCI ACWI ex-US (\$G)	1.2	6.0	12.2	1.0	6.1	4.3
Bloomberg Aggregate	0.1	-0.7	2.6	-3.0	-0.2	1.3
Bloomberg Commodity Index	2.9	5.1	5.0	5.7	7.2	-1.3



Note: Sharpe Ratio is included for each market segment

Data Sources: Bloomberg

**Wilshire**

# ERF of the City of Dallas

Executive Summary - 2Q 2024

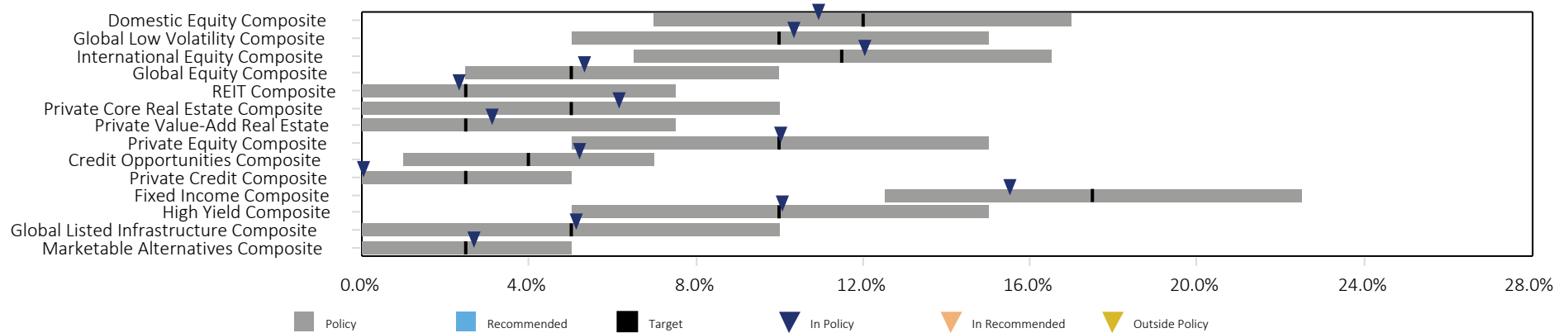
June 30, 2024

# Asset Allocation Compliance

## Dallas Total Fund

Periods Ended As of June 30, 2024

### Executive Summary



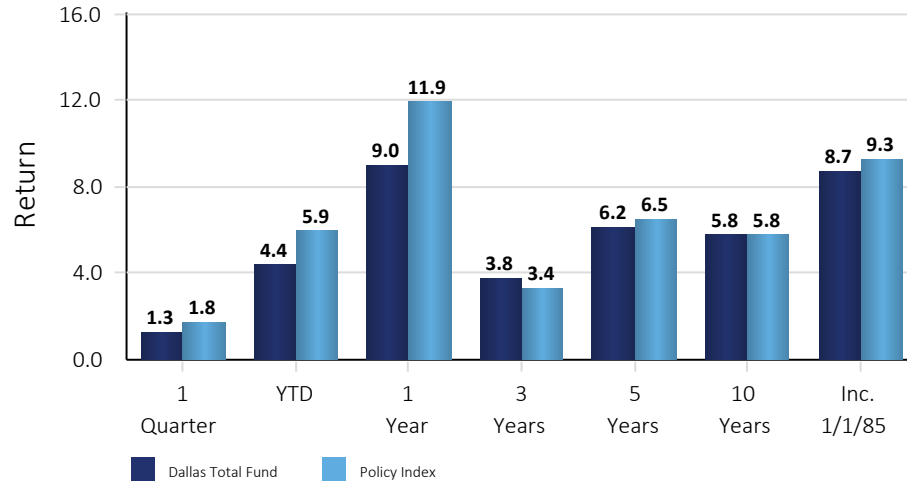
	Asset Allocation \$	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Rebalance \$
Dallas Total Fund	3,710,918,876	100.0	100.0			
Domestic Equity Composite	405,712,867	10.9	12.0	7.0	17.0	39,597,398
Global Low Volatility Composite	384,257,681	10.4	10.0	5.0	15.0	-13,165,793
International Equity Composite	447,591,696	12.1	11.5	6.5	16.5	-20,836,025
Global Equity Composite	197,936,016	5.3	5.0	2.5	10.0	-12,390,072
REIT Composite	85,797,131	2.3	2.5	0.0	7.5	6,975,841
Private Core Real Estate Composite	228,156,167	6.1	5.0	0.0	10.0	-42,610,223
Private Value-Add Real Estate	115,382,579	3.1	2.5	0.0	7.5	-22,609,607
Private Equity Composite	372,672,391	10.0	10.0	5.0	15.0	-1,580,503
Credit Opportunities Composite	193,082,389	5.2	4.0	1.0	7.0	-44,645,634
Private Credit Composite	1,001,383	0.0	2.5	0.0	5.0	91,771,589
Fixed Income Composite	575,271,690	15.5	17.5	12.5	22.5	74,139,114
High Yield Composite	373,486,798	10.1	10.0	5.0	15.0	-2,394,911
Global Listed Infrastructure Composite	190,932,934	5.1	5.0	0.0	10.0	-5,386,990
Marketable Alternatives Composite	99,967,124	2.7	2.5	0.0	5.0	-7,194,152

# Composite Performance Summary

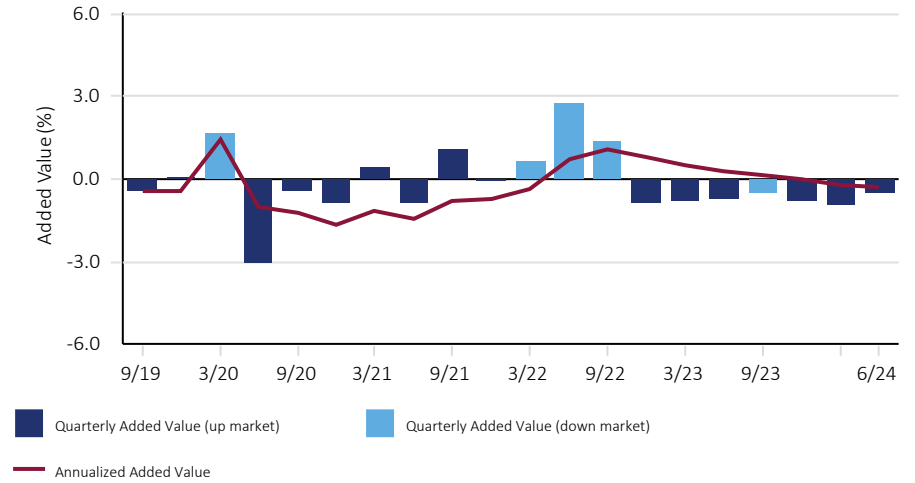
Dallas Total Fund

Periods Ended June 30, 2024

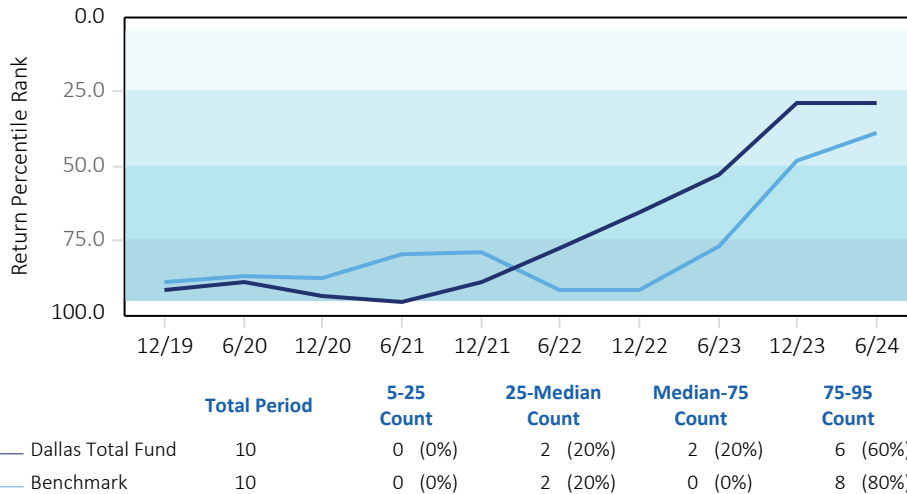
## Comparative Performance



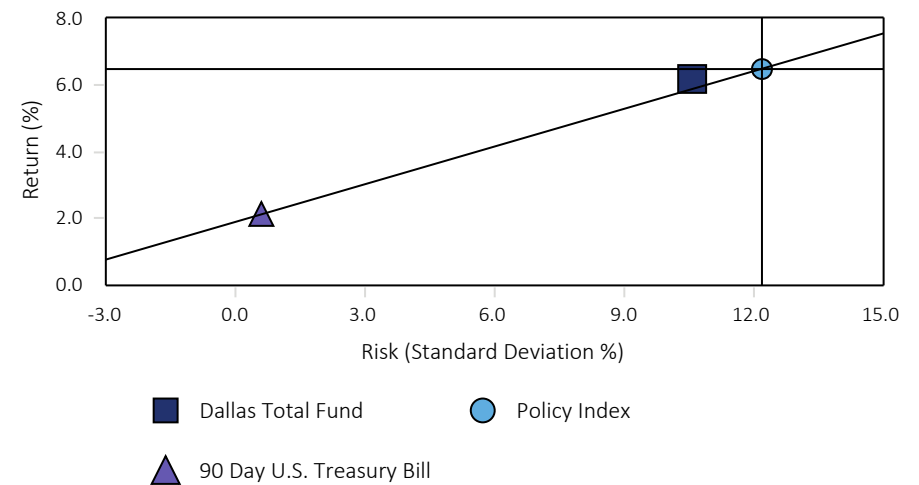
## Added Value History



## Rolling Percentile Rank: All Public Plans > \$1B-Total Fund



## Risk and Return 07/1/19 - 06/30/24



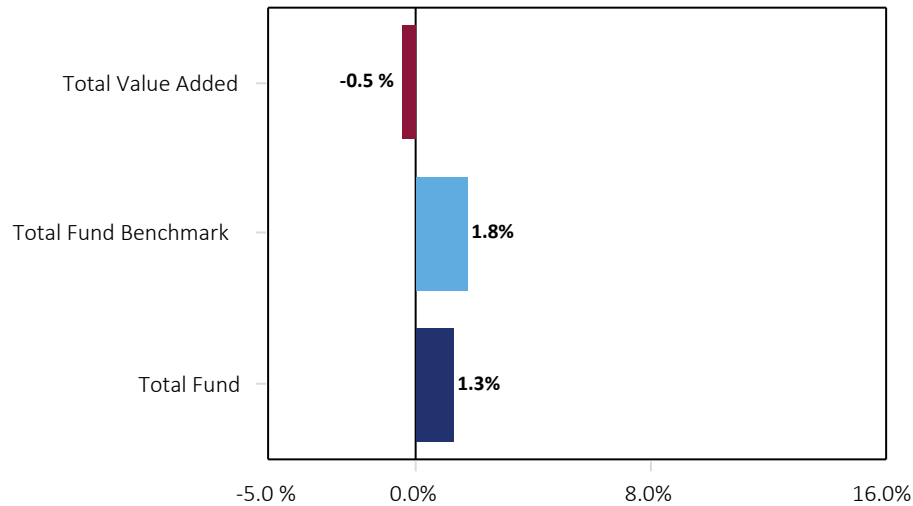


# Total Fund Attribution

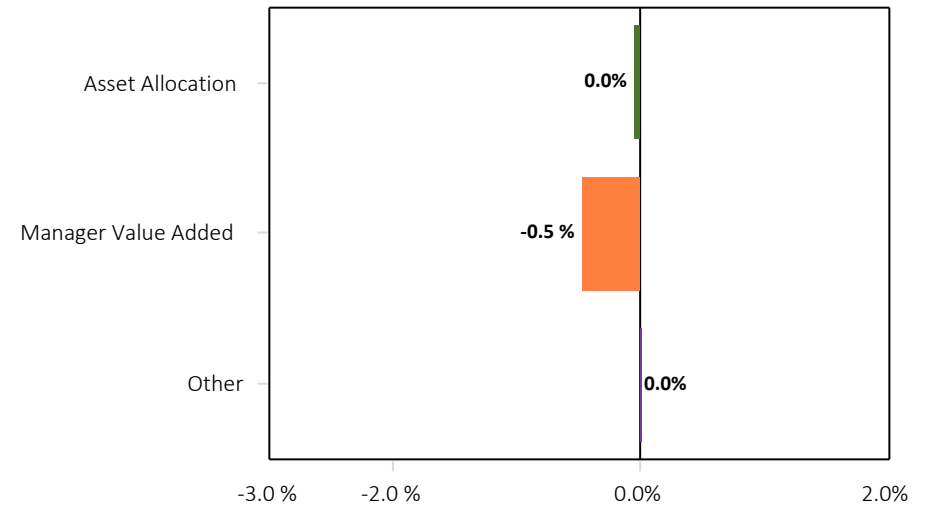
Dallas Total Fund

Periods Ended 1 Quarter Ending June 30, 2024

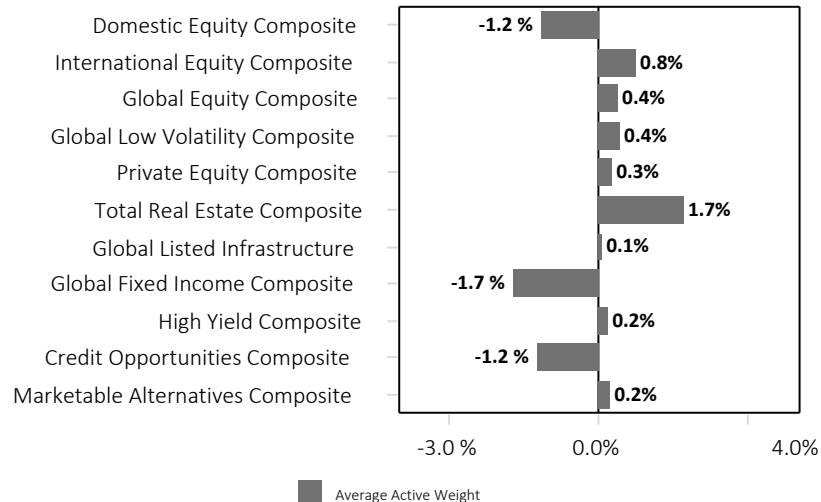
## Total Fund Performance



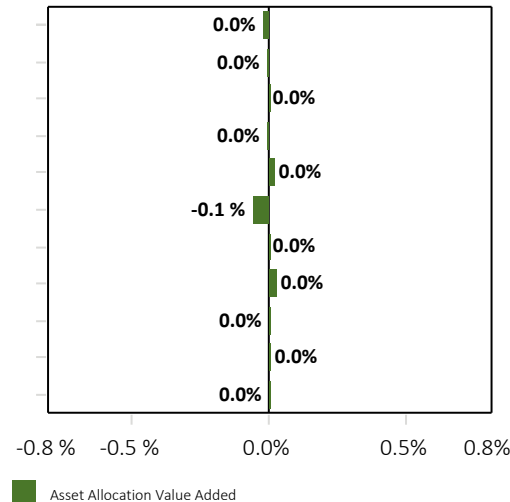
## Total Value Added:-0.5 %



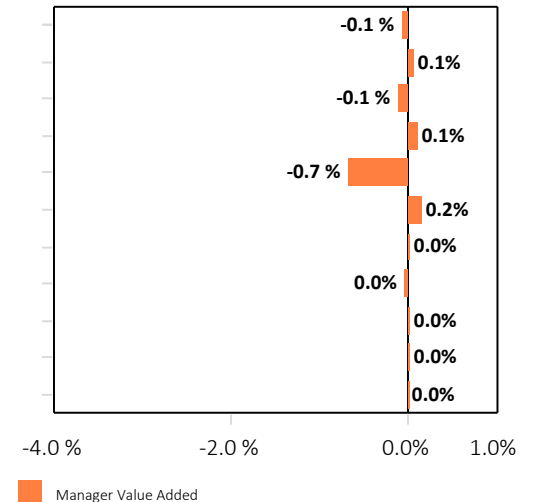
## Total Asset Allocation:0.0%



## Asset Allocation Value Added:0.0%



## Total Manager Value Added:-0.5 %

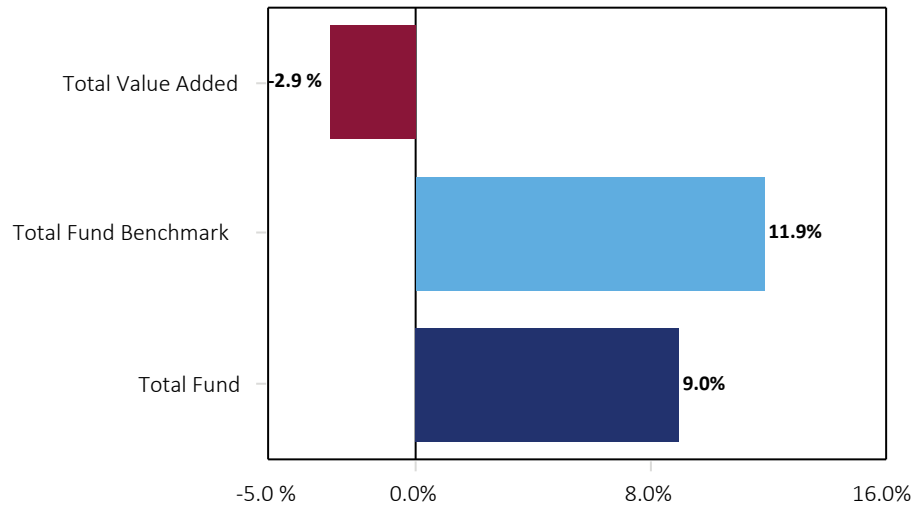


# Total Fund Attribution

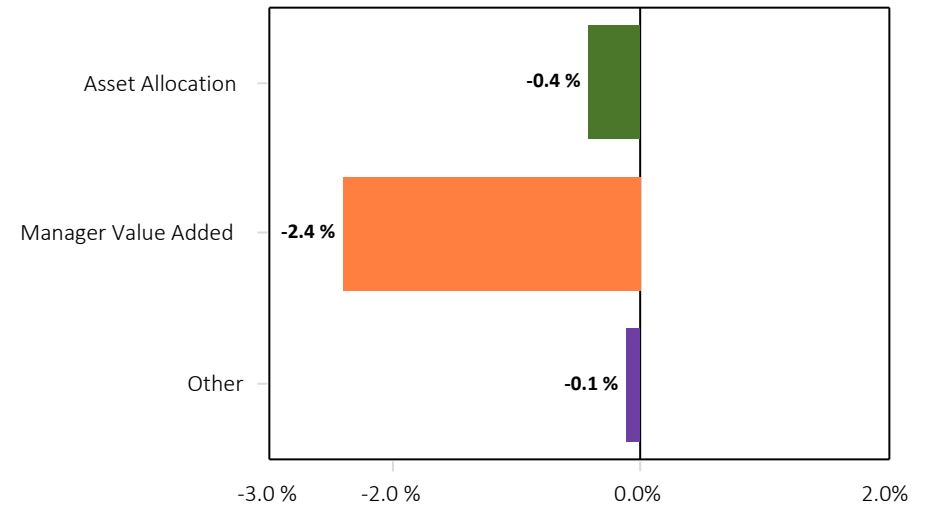
Dallas Total Fund

Periods Ended 1 Year Ending June 30, 2024

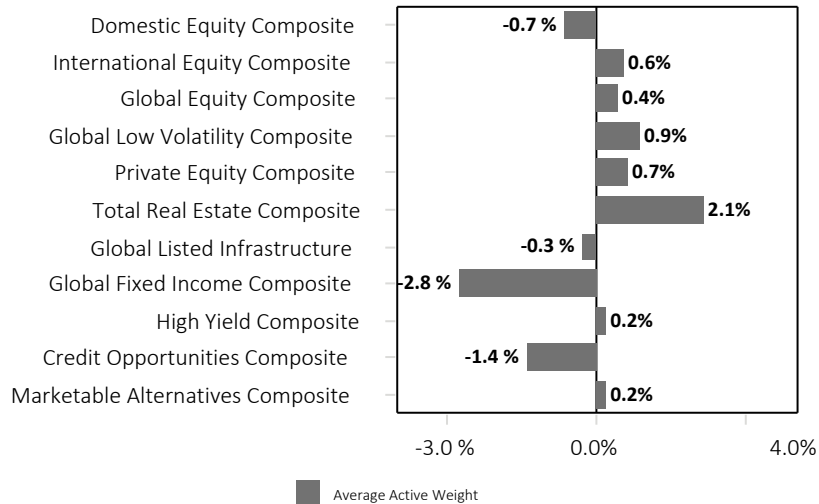
## Total Fund Performance



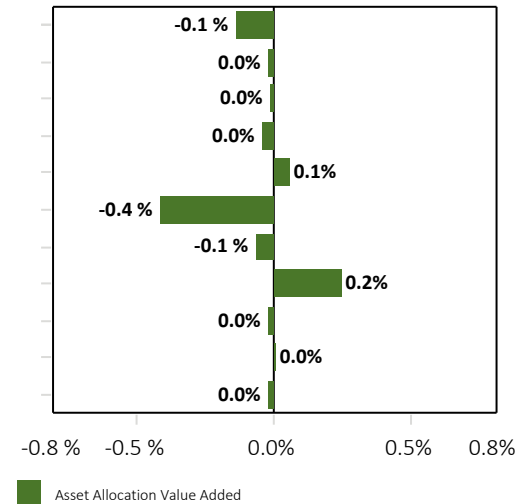
## Total Value Added:-2.9 %



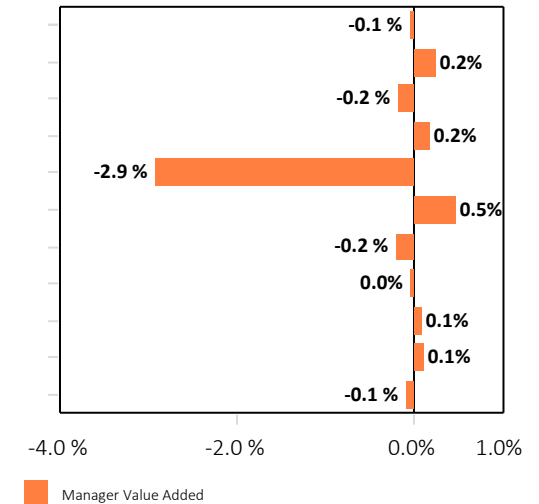
## Total Asset Allocation:-0.4 %



## Asset Allocation Value Added:-0.4 %



## Total Manager Value Added:-2.4 %

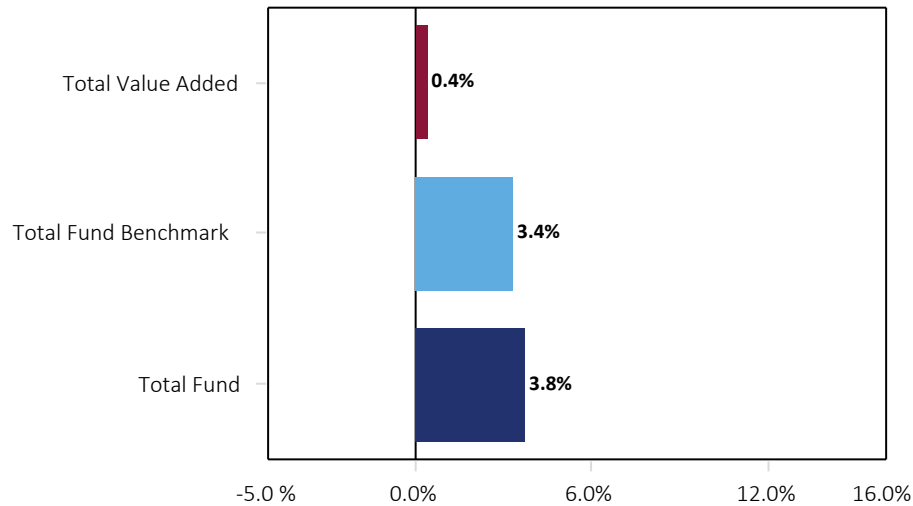


# Total Fund Attribution

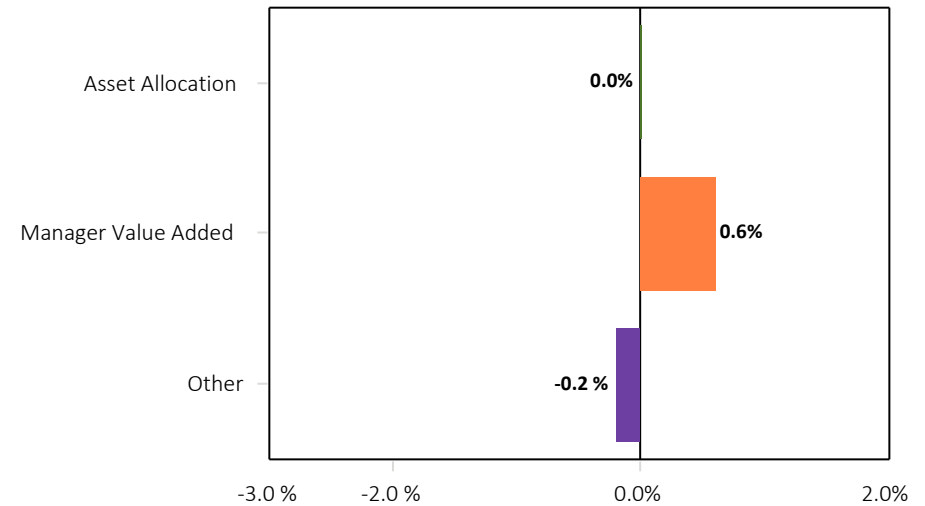
Dallas Total Fund

Periods Ended 3 Years Ending June 30, 2024

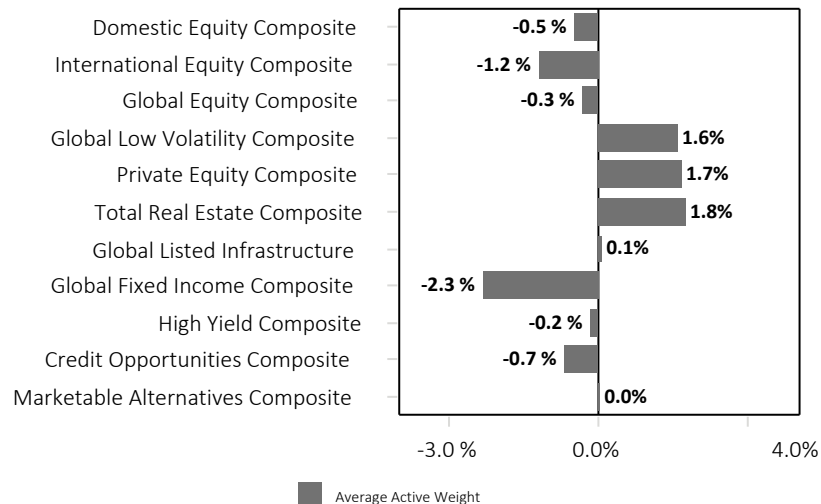
## Total Fund Performance



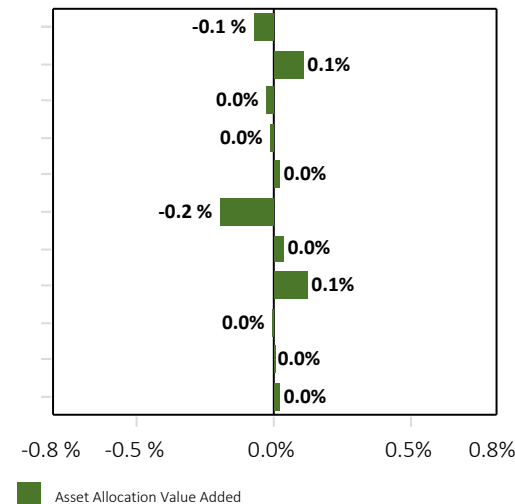
## Total Value Added:0.4%



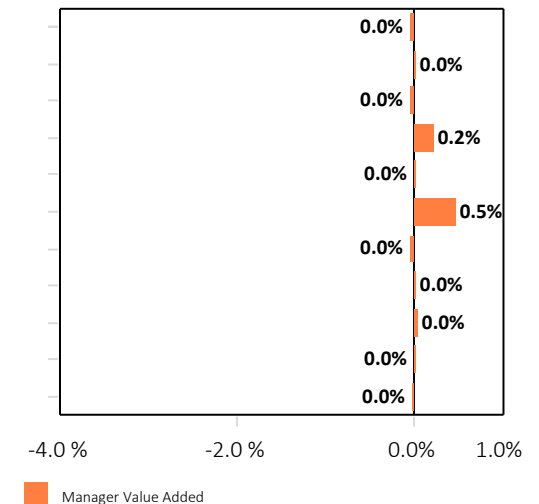
## Total Asset Allocation:0.0%



## Asset Allocation Value Added:0.0%



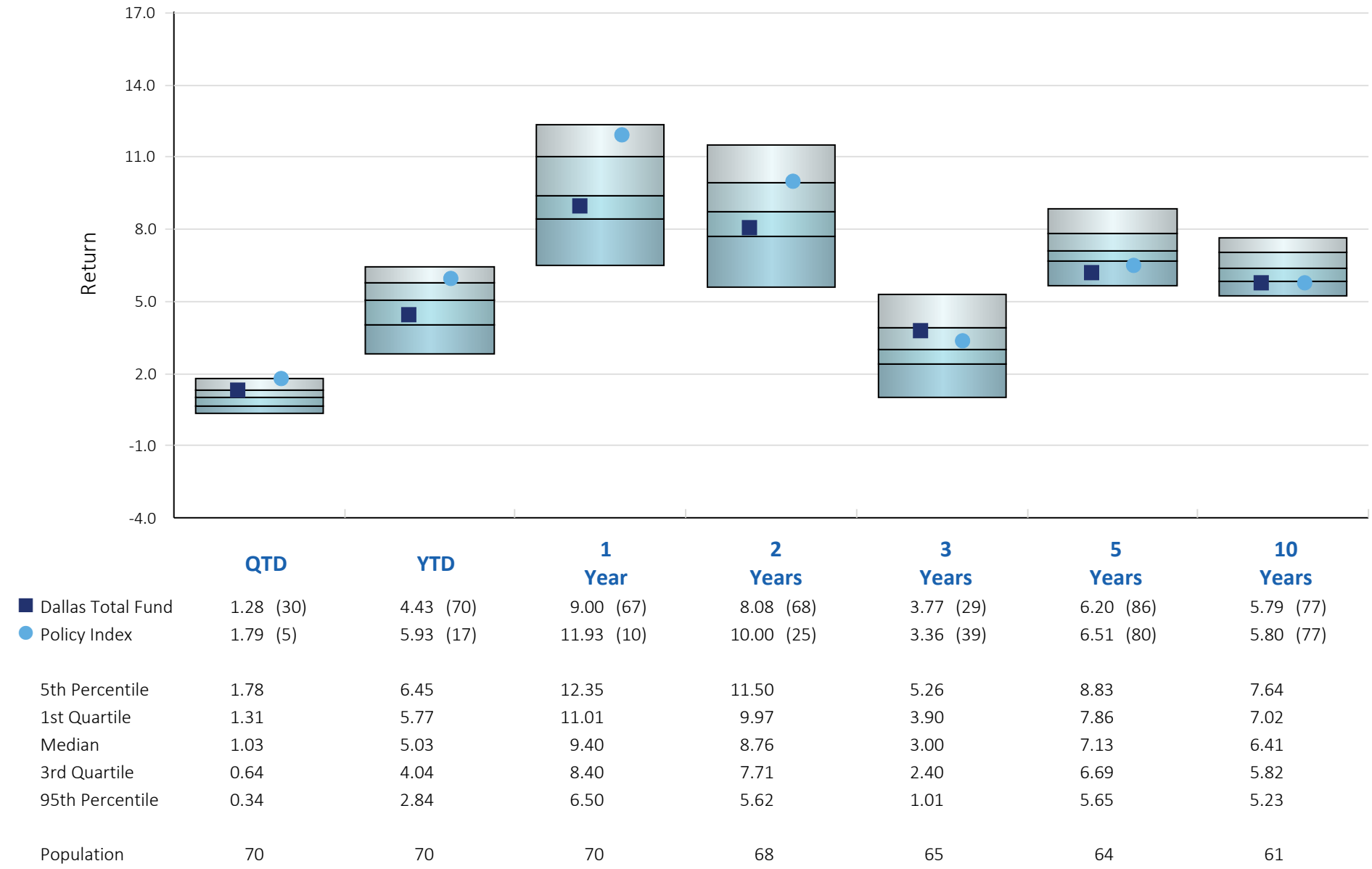
## Total Manager Value Added:0.6%



# Plan Sponsor Peer Group Analysis

Dallas Total Fund vs All Public Plans > \$1B-Total Fund

Periods Ended June 30, 2024

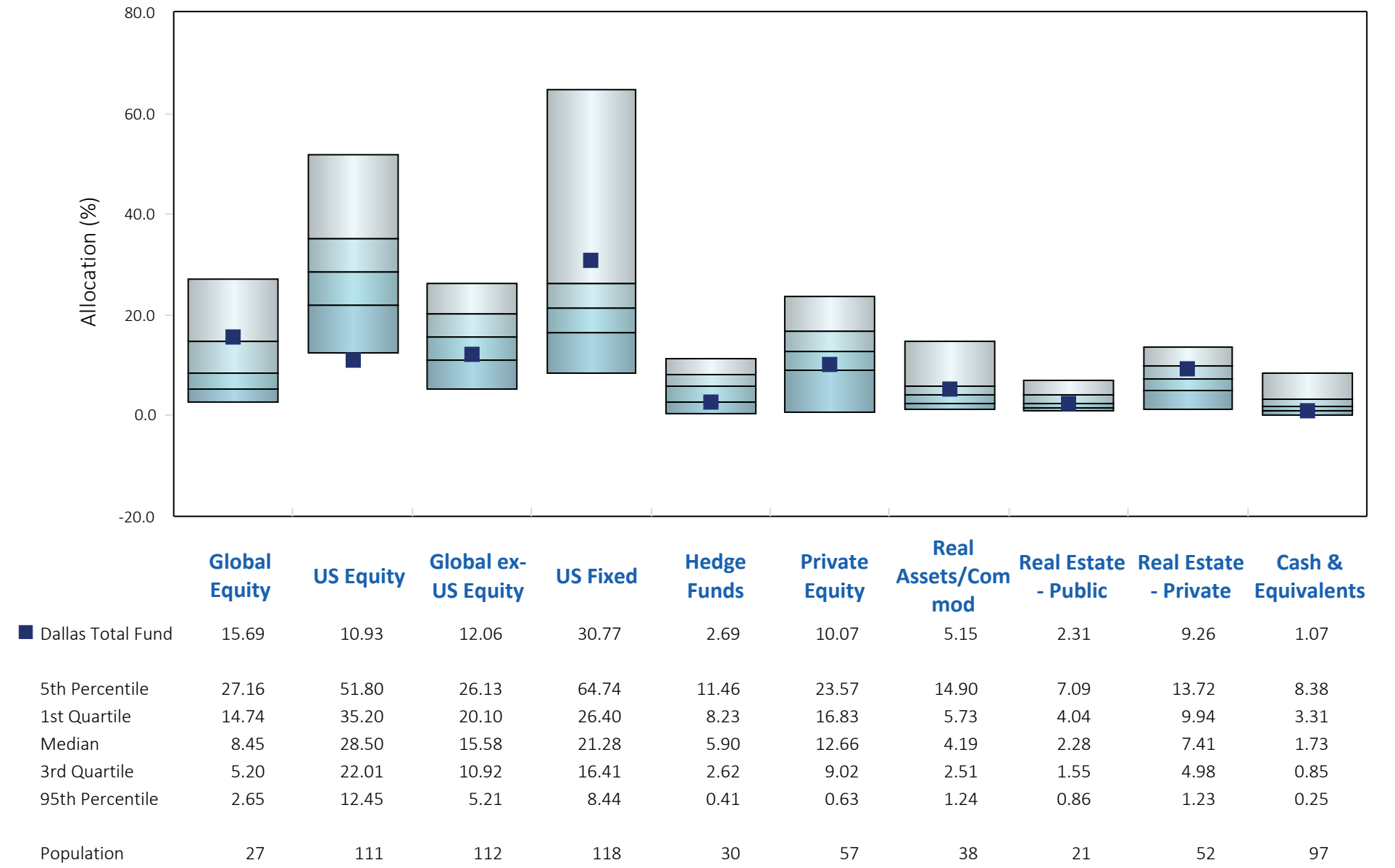


Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor TF Asset Allocation

Dallas Total Fund vs All Public Plans > \$1B-Total Fund

Periods Ended June 30, 2024



# Asset Allocation & Performance

Dallas Total Fund

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
Domestic Equity Composite	2.66	12.64	22.61	7.83	13.70	11.53	10.56	1/1/1990	405,712,867	10.93
International Equity Composite	1.44	7.44	13.60	0.32	7.02	4.90	5.67	1/1/1990	447,591,696	12.06
Global Equity Composite	0.66	9.48	15.83	4.60	9.42	7.50	9.19	9/1/2012	197,936,016	5.33
Global Low Volatility Composite	1.53	6.47	10.77	4.46	5.52		7.26	7/1/2015	384,257,681	10.35
Private Equity Composite	1.49	0.11	0.28	14.20	11.93	12.48	13.04	6/1/2009	372,672,391	10.04
Total Real Estate Composite	-0.32	-0.91	-2.20	3.81	5.23	6.59	6.44	1/1/1990	429,335,877	11.57
Global Listed Infrastructure Composite	4.75	15.23	24.06	16.75	7.25	1.40	6.42	1/1/2012	190,932,934	5.15
Fixed Income Composite	-0.19	-1.06	2.21	-2.89	0.20	1.74	4.20	10/1/1995	575,271,690	15.50
High Yield Composite	1.43	3.11	11.39	2.31	4.18	4.11	6.07	1/1/1997	373,486,798	10.06
Credit Opportunities Composite	1.70	4.82	12.49	1.59	3.08		4.95	2/1/2016	193,082,389	5.20
Private Credit Composite								5/1/2024	1,001,383	0.03
Marketable Alternatives Composite	2.10	3.61	7.74				6.19	10/1/2022	99,967,124	2.69
Managed Short Term Composite	1.32	2.69	5.46	3.05	2.17	1.52	2.83	1/1/1990	39,670,032	1.07
<b>Dallas Total Fund</b>	<b>1.28</b>	<b>4.43</b>	<b>9.00</b>	<b>3.77</b>	<b>6.20</b>	<b>5.79</b>	<b>8.71</b>	<b>1/1/1985</b>	<b>3,710,918,876</b>	<b>100.00</b>
Policy Index	1.79	5.93	11.93	3.36	6.51	5.80	9.27			

# Asset Allocation & Performance

## Domestic Equity

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>Systematic Financial</b> Russell 2000 Index	-3.25 -3.28	4.03 1.73	13.03 10.06	4.21 -2.58	9.72 6.94	9.44 7.00	10.49 8.67	8/1/2003	53,784,605	13.26
<b>Channing Capital</b> Russell 2000 Value Index	-5.73 -3.64	3.00 -0.85	9.55 10.90	1.23 -0.53	8.25 7.07	6.50 6.23	6.80 6.47	12/1/2013	30,879,549	7.61
<b>Domestic Equity Small Cap Composite</b>	-4.17	3.51	11.46	0.46	8.34	7.99	9.16	6/1/2003	84,664,155	20.87
<b>T. Rowe Price</b> S&P 500 Index	4.96 4.28	17.09 15.29	27.89 24.56	11.48 10.01	16.20 15.05	13.74 12.86	11.09 10.37	4/1/2006	167,890,132	41.38
<b>Northern Trust S&amp;P 500 (Lending)</b> S&P 500 Index	4.28 4.28	15.24 15.29	24.51 24.56	10.03 10.01	15.02 15.05	12.87 12.86	10.85 10.81	1/1/1995	153,158,580	37.75
<b>Domestic Equity Composite</b>	2.66	12.64	22.61	7.83	13.70	11.53	10.56	1/1/1990	405,712,867	100.00
Custom Benchmark <sup>1</sup>	3.31	13.58	23.15	8.37	14.41	12.35	10.71			

<sup>1</sup> Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)

# Asset Allocation & Performance

## International Equity

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian International</b> Custom Benchmark <sup>1</sup>	3.62 0.66	8.68 2.78	14.45 11.26	0.40 -1.45	7.70 6.13	6.00 4.44	8.25 5.82	4/1/1989	112,410,173	25.11
<b>Ativo International</b> MSCI EAFE (Net)	-0.90 -0.42	2.89 5.34	10.88 11.54	1.16 2.89	4.42 6.46		3.50 4.66	1/1/2018	26,886,737	6.01
<b>AQR Capital Management</b> Custom Benchmark <sup>2</sup>	1.94 0.96	10.99 5.69	18.41 11.62	1.97 0.46	6.36 5.55	4.25 3.84	3.98 3.55	4/1/2006	135,452,797	30.26
<b>Baillie Gifford</b> MSCI AC World ex USA (Net)	0.63 0.96	4.86 5.69	8.26 11.62	-5.77 0.46	4.45 5.55		5.36 5.87	4/1/2019	78,440,832	17.53
<b>Earnest Partners</b> MSCI AC World ex USA (Net)	-0.41 0.96	4.58 5.69	11.12 11.62	2.62 0.46	8.02 5.55		8.15 5.87	4/1/2019	94,401,157	21.09
<b>International Equity Composite</b>	1.44	7.44	13.60	0.32	7.02	4.90	5.67	1/1/1990	447,591,696	100.00
Custom Benchmark <sup>3</sup>	0.92	5.28	11.57	0.19	5.62	3.92	4.67			

<sup>1</sup> Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

<sup>2</sup> AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

<sup>3</sup> International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)



# Asset Allocation & Performance

## Global Equity

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>Ariel Global</b>	-2.78	3.95	8.37	4.39	7.56		6.56	1/1/2018	90,437,222	45.69
MSCI AC World Index (Net)	2.87	11.30	19.38	5.43	10.76		9.04			
<b>Wellington</b>	3.76	14.50	22.74	4.76	10.75	8.95	11.30	9/1/2012	107,498,794	54.31
MSCI AC World Index (Net)	2.87	11.30	19.38	5.43	10.76	8.43	10.06			
<b>Global Equity Composite</b>	0.66	9.48	15.83	4.60	9.42	7.50	9.19	9/1/2012	197,936,016	100.00
MSCI AC World Index (Net)	2.87	11.30	19.38	5.43	10.76	8.43	10.06			

# Asset Allocation & Performance

## Low Volatility

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian Global Low Vol.</b>	<b>2.62</b>	<b>7.74</b>	<b>11.87</b>	<b>5.93</b>	<b>6.21</b>		<b>7.42</b>	<b>7/1/2015</b>	<b>194,010,495</b>	<b>50.49</b>
MSCI AC World Index (Net)	2.87	11.30	19.38	5.43	10.76		9.33			
MSCI AC World Minimum Volatility Index (Net)	0.35	5.07	9.08	2.60	4.68		6.77			
<b>BlackRock Global Low Vol.</b>	<b>0.44</b>	<b>5.20</b>	<b>9.68</b>	<b>3.00</b>	<b>4.83</b>		<b>7.09</b>	<b>7/1/2015</b>	<b>190,247,186</b>	<b>49.51</b>
MSCI AC World Minimum Volatility Index (Net)	0.35	5.07	9.08	2.60	4.68		6.77			
<b>Global Low Volatility Composite</b>	<b>1.53</b>	<b>6.47</b>	<b>10.77</b>	<b>4.46</b>	<b>5.52</b>		<b>7.26</b>	<b>7/1/2015</b>	<b>384,257,681</b>	<b>100.00</b>
MSCI AC World Minimum Volatility Index (Net)	0.35	5.07	9.08	2.60	4.68		6.77			

# Private Equity Summary

Periods Ended as of June 30, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Hamilton Lane Secondary Fund II	86,631	25,000,000	22,058,532	31,222,789	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	742,401	30,000,000	23,372,292	29,297,066	Nov-12	8.8%	1.3
Hamilton Lane Secondary Fund IV	11,654,839	30,000,000	25,907,343	29,410,917	Mar-17	15.9%	1.6
Hamilton Lane Secondary Fund V	50,918,200	65,000,000	43,128,993	15,614,650	Mar-20	17.3%	1.5
Hamilton Lane Secondary Fund VI-A	6,295,827	30,000,000	4,471,334	64,115	Feb-23	51.2%	1.4
Hamilton Lane Fund VII Composite	13,115,770	50,000,000	45,600,834	56,618,108	Jan-10	5.9%	1.5
Hamilton Lane Fund VIII (Global)	14,478,942	30,000,000	22,270,594	19,031,416	Nov-12	6.6%	1.5
GCM Grosvenor - Partnership, L.P.	21,446,029	75,000,000	95,250,722	140,126,072	Jun-11	14.0%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	43,701,815	60,000,000	72,758,185	73,400,726	Jul-14	14.8%	1.6
GCM Grosvenor - Partnership II, L.P. (2015)	57,885,756	30,000,000	45,118,226	11,913,802	Dec-15	13.1%	1.5
GCM Grosvenor - Partnership II, L.P. (2017)	31,312,303	30,000,000	31,427,286	13,345,388	Jan-18	13.2%	1.4
GCM Grosvenor - Advance Fund, L.P.	7,845,740	10,000,000	7,081,641	345,493	Jun-21	9.6%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	5,190,054	20,000,000	4,934,719	5,461	May-22	2.9%	1.1
Fairview Capital - Lone Star Fund I	51,686,746	40,000,000	33,903,847	17,090,347	Aug-15	13.4%	2.0
Fairview Capital - Lone Star Fund II	37,155,702	30,000,000	23,306,717	509,173	Dec-18	13.4%	1.6
Fairview Capital - Lone Star Fund III - A	16,104,509	25,000,000	15,943,719	-	Apr-21	-1.0%	1.0
Fairview Capital - Lone Star Fund III - B	512,961	20,000,000	968,676	-	Dec-22	-81.4%	0.5
Fairview Capital - Private Markets Fund VI	2,538,166	10,000,000	3,070,484	210,556	Apr-22	-8.9%	0.9
<b>Total Private Equity Composite</b>	<b>372,672,391</b>	<b>610,000,000</b>	<b>520,574,145</b>	<b>438,206,078</b>	<b>Jul-09</b>	<b>12.8%</b>	<b>1.6</b>

**Public Market Equivalent (PME) <sup>2</sup>**

**614,237,620**

**17.2%**

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

<sup>2</sup> The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly S&P 500 index returns, plus a 300 BPs annual hurdle rate.

# Private Real Estate Summary

Periods Ended as of June 30, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Invesco II	76,268,801	65,188,333	65,188,333	17,899,434	Jan-14	5.2%	1.4
<b>Total Direct Private Real Estate</b>	<b>76,268,801</b>	<b>65,188,333</b>	<b>65,188,333</b>	<b>17,899,434</b>	<b>Jan-14</b>	<b>5.2%</b>	<b>1.4</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	86,835,273	75,000,000	88,210,161	97,418,467	Dec-10	6.5%	2.1
Invesco Core Real Estate USA	65,052,093	75,000,000	75,000,000	99,391,420	Oct-10	10.1%	2.2
<b>Total Core Private Real Estate</b>	<b>151,887,366</b>	<b>150,000,000</b>	<b>163,210,161</b>	<b>196,809,887</b>	<b>Oct-10</b>	<b>8.7%</b>	<b>2.1</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	39,330,182	45,000,000	36,296,296	1,818,379	Mar-21	6.5%	1.1
AEW PIX MM Co-Invest	4,044,197	10,000,000	4,773,585	757,261	Nov-21	0.3%	1.0
AEW PIX Oakland Park Co-Invest	5,263,472	5,000,000	5,000,000	585,294	Feb-22	7.3%	1.2
Virtus Real Estate Capital III	47,427,205	43,281,585	43,040,863	3,714,853	Jan-21	8.1%	1.2
Brasa Real Estate Fund II	14,021,325	20,000,000	14,921,996	889,136	Jul-22	-0.1%	1.0
Long Wharf Real Estate Partners VII	5,296,198	20,000,000	5,798,392	-	Mar-23	-20.1%	0.9
<b>Total Value-Add Private Real Estate</b>	<b>115,382,579</b>	<b>143,281,585</b>	<b>109,831,132</b>	<b>7,764,923</b>	<b>Jan-21</b>	<b>5.9%</b>	<b>1.1</b>

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = (market value + distributions) / capital called

# Asset Allocation & Performance

## Real Estate

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>Adelante Capital Management</b>	-0.56	-0.09	7.80	0.34	4.76	6.39	8.89	10/1/2001	42,792,578	49.88
Wilshire U.S. Real Estate Securities Index	-0.27	-0.18	8.61	0.41	4.06	6.09	8.99			
<b>CenterSquare</b>	0.66	0.19	7.96	0.69	4.97		6.72	6/1/2018	43,004,553	50.12
Wilshire U.S. Real Estate Securities Index	-0.27	-0.18	8.61	0.41	4.06		5.78			
<b>REIT Composite</b>	0.05	0.05	7.88	0.51	4.86	6.34	9.00	10/1/2001	85,797,131	100.00
Wilshire U.S. Real Estate Securities Index	-0.27	-0.18	8.61	0.41	4.06	6.09	8.99			

# Asset Allocation & Performance

## Global Listed Infrastructure

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>CIBC</b>	<b>6.52</b>	<b>20.72</b>	<b>33.74</b>	<b>23.52</b>	<b>13.52</b>	<b>4.13</b>	<b>9.00</b>	<b>1/1/2012</b>	<b>61,642,437</b>	<b>32.28</b>
Alerian MLP Index	3.35	17.71	35.79	22.74	12.17	2.03	5.27			
<b>Harvest Fund Advisors MLP</b>	<b>6.53</b>	<b>21.90</b>	<b>35.83</b>	<b>24.62</b>	<b>15.04</b>	<b>4.84</b>	<b>9.07</b>	<b>1/1/2012</b>	<b>67,446,840</b>	<b>35.32</b>
Alerian MLP Index	3.35	17.71	35.79	22.74	12.17	2.03	5.27			
<b>C&amp;S Global Listed Infrastructure</b>	<b>1.23</b>	<b>4.28</b>	<b>6.33</b>	<b>3.47</b>			<b>7.30</b>	<b>11/1/2020</b>	<b>61,843,656</b>	<b>32.39</b>
FTSE Global Core Infrastructure 50/50 (Net)	0.73	2.29	4.34	2.18			6.23			
<b>Global Listed Infrastructure Composite</b>	<b>4.75</b>	<b>15.23</b>	<b>24.06</b>	<b>16.75</b>	<b>7.25</b>	<b>1.40</b>	<b>6.42</b>	<b>1/1/2012</b>	<b>190,932,934</b>	<b>100.00</b>
Global Listed Infrastructure Benchmark <sup>1</sup>	4.40	15.61	29.52	18.28	7.23	-0.25	3.39			

<sup>1</sup> Global Listed Infrastructure Benchmark: 75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-Present);  
Alerian MLP (1Q12-3Q20)

# Asset Allocation & Performance

## Fixed Income

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>Garcia Hamilton</b>	-0.19	-1.61	0.76	-2.84	-0.22	1.40	1.73	11/1/2013	186,223,422	32.37
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	1.54			
<b>Western Asset Management</b>	-0.62	-1.67	1.86				0.83	7/1/2022	193,346,006	33.61
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63				0.83			
<b>Wellington Core Bond</b>	0.25	0.09	3.98				1.67	7/1/2022	195,702,261	34.02
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63				0.83			
<b>Fixed Income Composite</b>	-0.19	-1.06	2.21	-2.89	0.20	1.74	4.20	10/1/1995	575,271,690	100.00
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	4.23			

# Asset Allocation & Performance

## Opportunistic Credit

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$
Neuberger Berman	1.70	4.82	12.49	1.59	3.08		4.95	2/1/2016	193,082,389
Custom Benchmark <sup>1</sup>	1.10	3.13	10.33	1.76	3.11		5.08		

<sup>1</sup> Custom Benchmark: 33% Morningstar LSTA U.S. Leveraged Loan Index / 33% ICE BofA U.S. High Yield Constrained Index / 33% JPM EMBI Global Diversified



# Asset Allocation & Performance

Private Credit  
*Periods Ended June 30, 2024*

	Performance (%) net of fees								Allocation
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$
Silver Point DOF II								5/1/2024	1,001,383

# Asset Allocation & Performance

## High Yield

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Market Value \$	%
<b>Oaktree Capital Management</b>	<b>1.31</b>	<b>2.77</b>	<b>11.61</b>	<b>2.17</b>	<b>4.01</b>	<b>3.75</b>	<b>6.22</b>	<b>2/1/1997</b>	<b>184,003,900</b>	<b>49.27</b>
FTSE High Yield Market Capped Index	1.20	2.83	10.66	1.90	3.73	4.02				
FTSE High Yield Cash Pay	1.11	2.64	10.46	1.85	3.82	4.08	6.32			
<b>BlackRock</b>	<b>1.54</b>	<b>3.44</b>	<b>11.18</b>	<b>2.46</b>	<b>4.33</b>	<b>4.24</b>	<b>5.83</b>	<b>10/1/2006</b>	<b>189,482,899</b>	<b>50.73</b>
FTSE High Yield Market Capped Index	1.20	2.83	10.66	1.90	3.73	4.02	6.03			
FTSE High Yield Cash Pay	1.11	2.64	10.46	1.85	3.82	4.08	6.10			
<b>High Yield Composite</b>	<b>1.43</b>	<b>3.11</b>	<b>11.39</b>	<b>2.31</b>	<b>4.18</b>	<b>4.11</b>	<b>6.07</b>	<b>1/1/1997</b>	<b>373,486,798</b>	<b>100.00</b>
FTSE High Yield Cash Pay	1.11	2.64	10.46	1.85	3.82	4.08	6.33			

# Asset Allocation & Performance

## Marketable Alternatives

Periods Ended June 30, 2024

	Performance (%) net of fees					Allocation	
	QTD	YTD	1 Year	Since Inception	Inception Date	Market Value \$	%
<b>Davidson Kempner</b>	<b>1.71</b>	<b>3.76</b>	<b>8.73</b>	<b>6.43</b>	<b>10/1/2022</b>	<b>50,183,861</b>	<b>50.20</b>
HFRI Event-Driven Total Index	2.06	7.04	13.24	9.40			
Value Added	-0.35	-3.28	-4.51	-2.97			
<b>Hudson Bay Capital</b>	<b>2.49</b>	<b>3.47</b>	<b>6.76</b>	<b>5.94</b>	<b>10/1/2022</b>	<b>49,783,263</b>	<b>49.80</b>
HFRI Relative Value Total Index	1.88	4.72	8.67	6.80			
Value Added	0.61	-1.25	-1.91	-0.86			
<b>Marketable Alternatives Composite</b>	<b>2.10</b>	<b>3.61</b>	<b>7.74</b>	<b>6.19</b>	<b>10/1/2022</b>	<b>99,967,124</b>	<b>100.00</b>
Marketable Alternatives Policy <sup>1</sup>	1.97	5.89	10.96	8.11			
Value Added	0.13	-2.28	-3.22	-1.92			

<sup>1</sup> Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

# Cash Flow Summary

Dallas Total Fund

1 Quarter Ending June 30, 2024

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
<b>Dallas Total Fund</b>	<b>3,714,720,756</b>	<b>-50,417,884</b>	<b>-3,027,628</b>	<b>-1,060,888</b>	<b>50,704,521</b>	<b>3,710,918,876</b>
<b>Domestic Equity Composite</b>	<b>395,183,088</b>	<b>-7</b>	<b>-323,669</b>	<b>-652</b>	<b>10,854,107</b>	<b>405,712,867</b>
Northern Trust S&P 500 (Lending)	146,871,760				6,286,820	153,158,580
Smith Graham		-7			7	
T. Rowe Price	159,962,864		-110,987	-187	8,038,442	167,890,132
<b>Domestic Equity Small Cap Composite</b>	<b>88,348,463</b>		<b>-212,683</b>	<b>-465</b>	<b>-3,471,161</b>	<b>84,664,155</b>
Systematic Financial	55,593,297		-138,061	-210	-1,670,420	53,784,605
Channing Capital	32,755,166		-74,622	-254	-1,800,741	30,879,549
<b>Total Real Estate Composite</b>	<b>426,192,265</b>	<b>4,460,371</b>	<b>-462,053</b>	<b>-271</b>	<b>-854,435</b>	<b>429,335,877</b>
<b>REIT Composite</b>	<b>85,757,310</b>		<b>-124,094</b>	<b>-271</b>	<b>164,187</b>	<b>85,797,131</b>
Adelante Capital Management	43,034,741		-68,011	-208	-173,944	42,792,578
CenterSquare	42,722,569		-56,083	-63	338,131	43,004,553
<b>Private Core Real Estate Composite</b>	<b>236,450,774</b>	<b>-4,513,325</b>	<b>-337,959</b>		<b>-3,443,324</b>	<b>228,156,167</b>
Heitman America Real Estate Trust, LP	90,044,709	-1,584,329	-195,699		-1,429,408	86,835,273
Invesco Core Real Estate USA, LLC	69,232,309	-1,693,896	-142,260		-2,344,061	65,052,093
Invesco II	77,173,756	-1,235,100			330,145	76,268,801
<b>Private Value-Add Real Estate</b>	<b>103,984,181</b>	<b>8,973,696</b>			<b>2,424,702</b>	<b>115,382,579</b>
Virtus Real Estate Capital III	43,555,109	2,696,783			1,175,313	47,427,205
AEW PARTNERS REAL ESTATE FUND IX	36,167,711	1,911,738			1,250,733	39,330,182
AEW PIX MM CO-INVEST	4,091,447	-102,274			55,024	4,044,197
AEW PIX OAKLAND PARK CO-INVEST	5,254,439	-42,436			51,469	5,263,472
Brasa Real Estate Fund II	11,525,410	2,412,797			83,118	14,021,325
<b>Private Equity Composite</b>	<b>369,033,607</b>	<b>-1,852,309</b>			<b>5,491,093</b>	<b>372,672,391</b>
Fairview Capital - Lone Star Fund I	51,564,024	-1,068,858			1,191,580	51,686,746
Fairview Capital - Lone Star Fund II	35,253,716				1,901,986	37,155,702

# Cash Flow Summary

Dallas Total Fund

1 Quarter Ending June 30, 2024

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
Fairview Capital - Lone Star Fund III - A	14,999,477	990,099			114,933	16,104,509
Fairview Capital - Lone Star Fund III - B	680,050	279,214			-446,303	512,961
Fairview Private Makets Fund VI	2,098,025	466,357			-26,216	2,538,166
Grosvenor Composite	165,140,548	-989,746			3,230,895	167,381,697
<b>Hamilton Lane Test</b>	<b>99,297,767</b>	<b>-1,529,375</b>			<b>-475,782</b>	<b>97,292,610</b>
Hamilton Lane Secondary Fund II	106,651				-20,020	86,631
Hamilton Lane Secondary Fund III	2,313,112	-622,408			-948,303	742,401
Hamilton Lane Secondary Fund IV	13,460,845	-879,287			-926,719	11,654,839
Hamilton Lane Secondary Fund V	49,453,822				1,464,378	50,918,200
Hamilton Lane Fund VIII (Global)	14,864,093				-385,151	14,478,942
<b>Hamilton Lane Fund VII Composite</b>	<b>12,968,634</b>				<b>147,136</b>	<b>13,115,770</b>
Hamilton Lane Fund VII (Series B)	3,645,401				-11,173	3,634,228
Hamilton Lane Fund VII (Series A)	9,323,233				158,309	9,481,542
<b>International Equity Composite</b>	<b>441,230,641</b>		<b>-610,527</b>	<b>-2,471</b>	<b>6,974,053</b>	<b>447,591,696</b>
Acadian International	108,481,537		-154,745	-81	4,083,462	112,410,173
Ativo International	27,129,696		-43,644	-83	-199,232	26,886,737
AQR Capital Management	132,876,356		-175,412	-1,660	2,753,513	135,452,797
Earnest Partners	94,794,478		-134,816	-414	-258,091	94,401,157
Baillie Gifford	77,948,575		-101,911	-233	594,402	78,440,832
<b>Global Equity Composite</b>	<b>196,634,884</b>	<b>330</b>	<b>-295,545</b>	<b>-1,230</b>	<b>1,597,576</b>	<b>197,936,016</b>
Ariel Global	93,027,379	330	-141,927	-166	-2,448,393	90,437,222
Wellington	103,607,505		-153,618	-1,063	4,045,969	107,498,794
<b>Global Low Volatility Composite</b>	<b>378,447,133</b>	<b>18,640</b>	<b>-178,613</b>	<b>-338</b>	<b>5,970,859</b>	<b>384,257,681</b>
Acadian Global Low Vol.	189,061,482		-159,973	-338	5,109,324	194,010,495
BlackRock Global Low Vol.	189,385,651	18,640	-18,640		861,535	190,247,186

# Cash Flow Summary

Dallas Total Fund

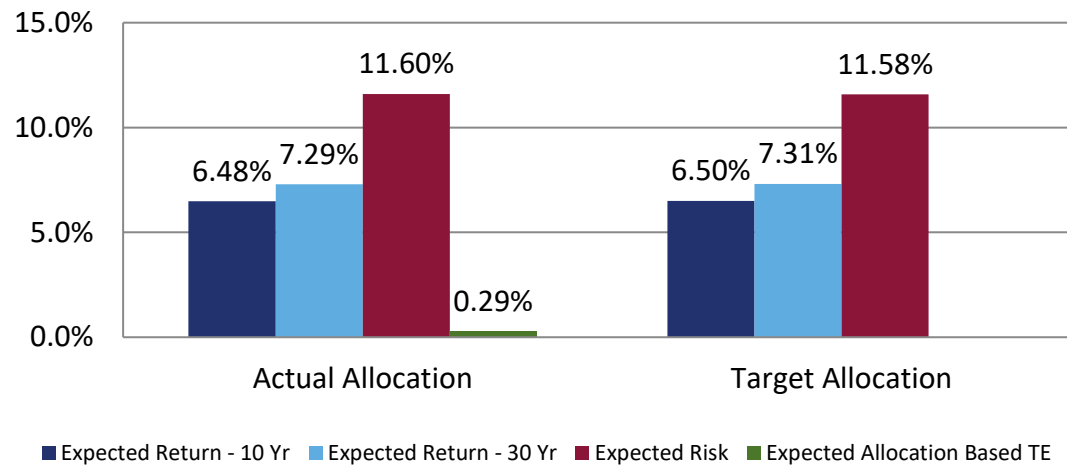
1 Quarter Ending June 30, 2024

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
<b>Global Listed Infrastructure Composite</b>	<b>182,272,631</b>		<b>-283,661</b>	<b>-1,199</b>	<b>8,945,163</b>	<b>190,932,934</b>
CIBC	57,870,690		-84,983	-593	3,857,324	61,642,437
Harvest Fund Advisors MLP	63,311,195		-110,911	-437	4,246,995	67,446,840
C&S Global Listed Infrastructure	61,090,746		-87,766	-169	840,845	61,843,656
<b>Fixed Income Composite</b>	<b>576,263,095</b>	<b>84,291</b>	<b>-318,248</b>	<b>-2,706</b>	<b>-754,742</b>	<b>575,271,690</b>
Garcia Hamilton	186,584,496		-115,482	-125	-245,467	186,223,422
Western Asset Management	194,556,998		-118,476	-580	-1,091,936	193,346,006
Wellington Core Bond	195,121,601	84,291	-84,291	-2,001	582,661	195,702,261
<b>Credit Opportunities Composite</b>	<b>189,851,080</b>		<b>-122,101</b>	<b>-823</b>	<b>3,354,232</b>	<b>193,082,389</b>
Neuberger Berman	189,851,080		-122,101	-823	3,354,232	193,082,389
<b>Private Credit Composite</b>		<b>1,001,383</b>				<b>1,001,383</b>
Silver Point DOF II		1,001,383				1,001,383
<b>High Yield Composite</b>	<b>368,264,077</b>	<b>-23,528</b>	<b>-433,211</b>	<b>-2,972</b>	<b>5,682,433</b>	<b>373,486,798</b>
Oaktree Capital Management	181,619,565		-221,688	-1,408	2,607,430	184,003,900
BlackRock	186,644,512	-23,528	-211,523	-1,564	3,075,003	189,482,899
<b>Marketable Alternatives Composite</b>	<b>97,912,252</b>				<b>2,054,872</b>	<b>99,967,124</b>
Davidson Kempner	49,340,098				843,763	50,183,861
Hudson Bay Capital	48,572,154				1,211,109	49,783,263
<b>Managed Short Term Composite</b>	<b>93,436,003</b>	<b>-54,107,055</b>		<b>-1,048,226</b>	<b>1,389,309</b>	<b>39,670,032</b>
Cash Account	93,436,003	-54,107,055		-1,048,226	1,389,309	39,670,032

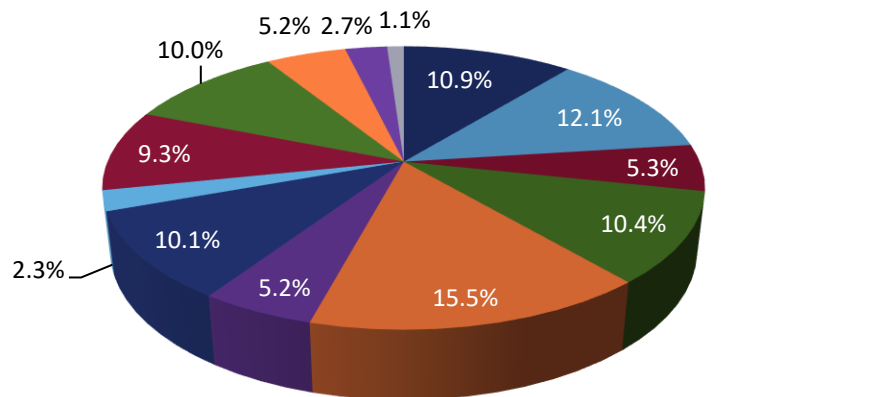
# Risk Analysis & Performance Objectives

# Expected Return and Risk

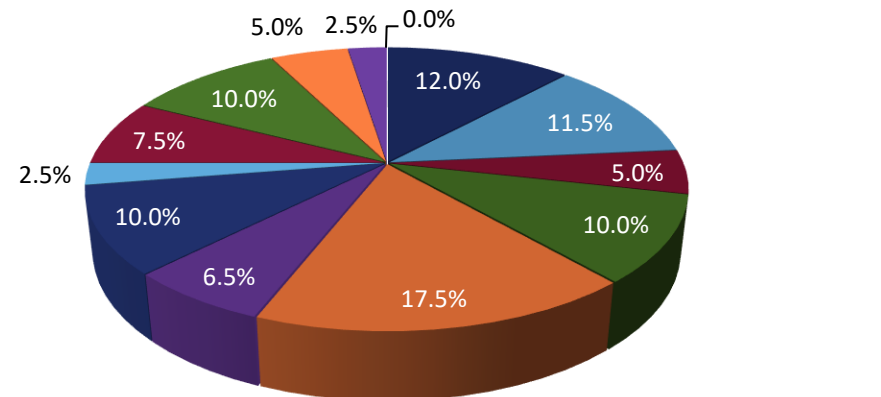
Periods Ended as of June 30, 2024



## Actual Asset Allocation



## Target Asset Allocation



■ Domestic Equity ■ International Equity ■ Global Equity ■ Global Low Volatility  
 ■ US Fixed Income ■ Opportunistic Credit ■ High Yield ■ Public REITs  
 ■ Private Real Estate ■ Private Equity ■ Global Public Infrastructure ■ Marketable Alternatives  
 ■ Cash

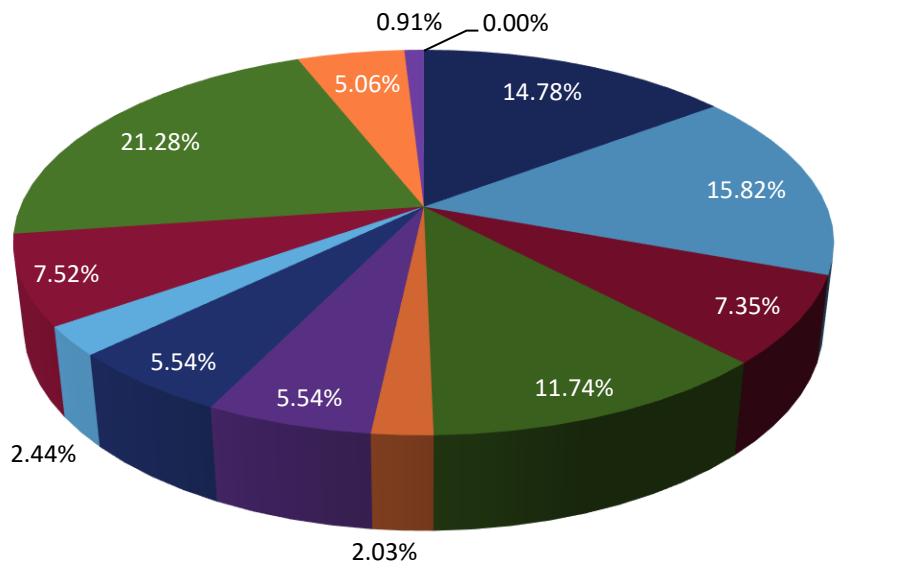
■ Domestic Equity ■ International Equity ■ Global Equity ■ Global Low Volatility  
 ■ US Fixed Income ■ Opportunistic Credit ■ High Yield ■ Public REITs  
 ■ Private Real Estate ■ Private Equity ■ Global Public Infrastructure ■ Marketable Alternatives  
 ■ Cash



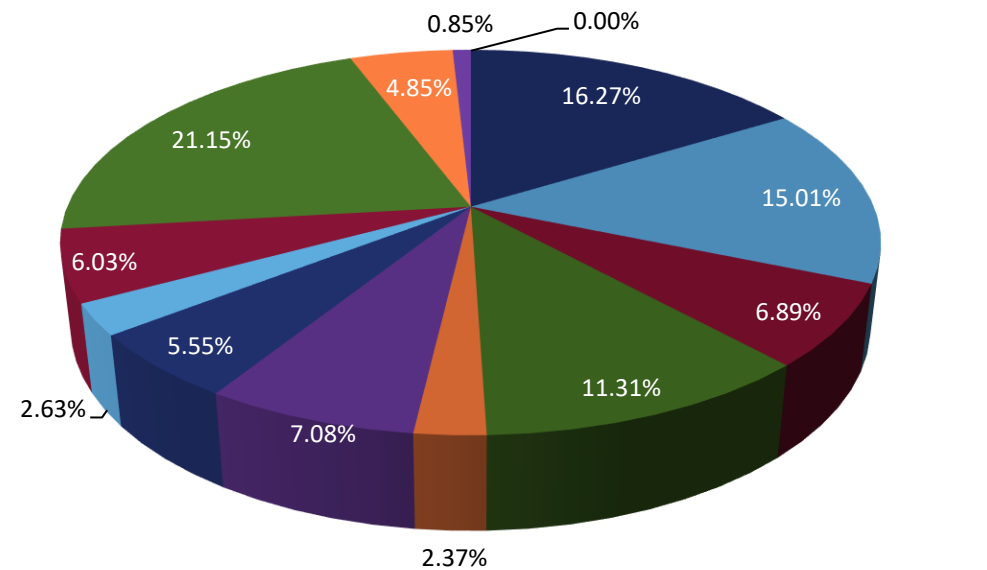
# Expected Return and Risk

Periods Ended as of June 30, 2024

Contribution to Total Risk - Actual Allocation



Contribution to Total Risk - Target Allocation



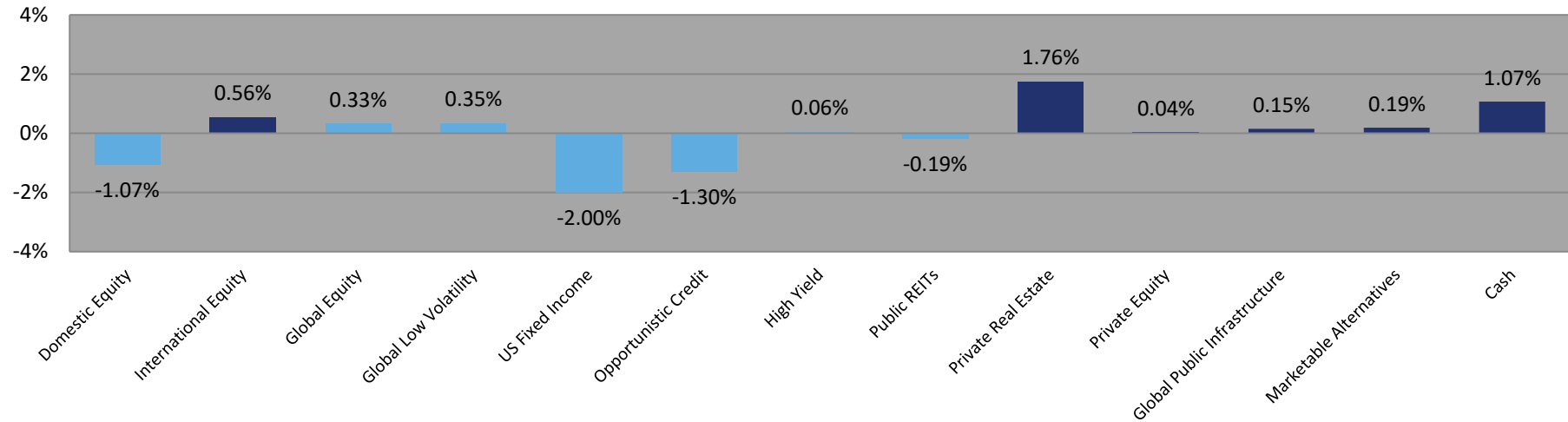
■ Domestic Equity   ■ International Equity   ■ Global Equity   ■ Global Low Volatility  
 ■ US Fixed Income   ■ Opportunistic Credit   ■ High Yield   ■ Public REITs  
 ■ Private Real Estate   ■ Private Equity   ■ Global Public Infrastructure   ■ Marketable Alternatives  
 ■ Cash

■ Domestic Equity   ■ International Equity   ■ Global Equity   ■ Global Low Volatility  
 ■ US Fixed Income   ■ Opportunistic Credit   ■ High Yield   ■ Public REITs  
 ■ Private Real Estate   ■ Private Equity   ■ Global Public Infrastructure   ■ Marketable Alternatives  
 ■ Cash

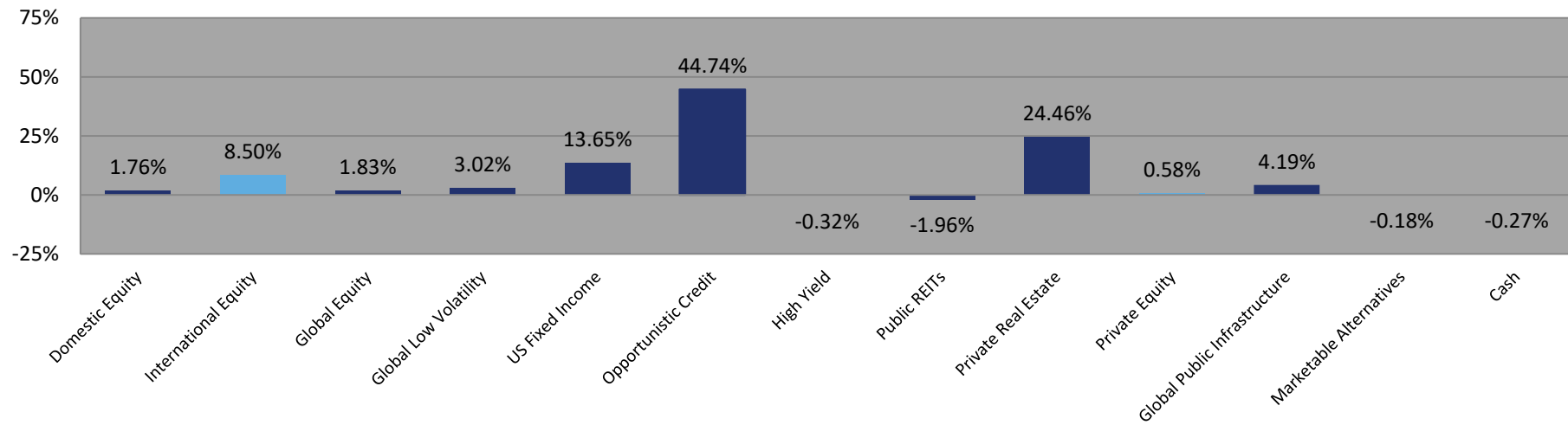
# Expected Return and Risk

Periods Ended as of June 30, 2024

## Asset Allocation Variance



## Contribution to TF Tracking Error



# 1-Year Risk Statistics

Periods Ended June 30, 2024

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
<b>Dallas Total Fund</b>	<b>7.32</b>	<b>0.50</b>	<b>1.16</b>	<b>-2.34</b>
Policy Index	7.95	0.80	0.00	
<b>DOMESTIC EQUITY</b>				
<b>Domestic Equity Composite</b>	<b>15.02</b>	<b>1.09</b>	<b>2.39</b>	<b>-0.16</b>
Custom Benchmark	14.60	1.15	0.00	
<b>Systematic Financial</b>	<b>16.86</b>	<b>0.50</b>	<b>6.79</b>	<b>0.24</b>
Russell 2000 Index	22.32	0.30	0.00	
<b>Channing Capital</b>	<b>19.71</b>	<b>0.29</b>	<b>6.42</b>	<b>-0.26</b>
Russell 2000 Value Index	21.93	0.34	0.00	
<b>T. Rowe Price</b>	<b>13.94</b>	<b>1.47</b>	<b>0.57</b>	<b>4.70</b>
S&P 500 Index	13.98	1.28	0.00	
<b>INTERNATIONAL EQUITY</b>				
<b>International Equity Composite</b>	<b>13.48</b>	<b>0.63</b>	<b>1.82</b>	<b>0.97</b>
Custom Benchmark	13.82	0.48	0.00	
<b>Acadian International</b>	<b>13.92</b>	<b>0.67</b>	<b>4.29</b>	<b>0.63</b>
MSCI AC World ex USA Small Cap (Net)	15.07	0.44	0.00	
<b>AQR Capital Management</b>	<b>12.37</b>	<b>1.01</b>	<b>4.32</b>	<b>1.34</b>
Custom Benchmark	13.68	0.49	0.00	
<b>Ativo International</b>	<b>13.62</b>	<b>0.44</b>	<b>2.30</b>	<b>-0.28</b>
MSCI EAFE (Net)	13.94	0.48	0.00	
<b>Baillie Gifford</b>	<b>18.08</b>	<b>0.24</b>	<b>6.01</b>	<b>-0.40</b>
MSCI AC World ex USA (Net)	13.68	0.49	0.00	
<b>Earnest Partners</b>	<b>13.16</b>	<b>0.47</b>	<b>3.32</b>	<b>-0.16</b>
MSCI AC World ex USA (Net)	13.68	0.49	0.00	

# 1-Year Risk Statistics

Periods Ended June 30, 2024

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
<b>GLOBAL EQUITY</b>				
Global Equity Composite	12.31	0.83	2.62	-1.24
MSCI AC World Index (Net)	13.68	0.99	0.00	
<b>Wellington</b>	12.48	1.29	2.29	1.16
MSCI AC World Index (Net)	13.68	0.99	0.00	
<b>Ariel Global</b>	12.65	0.28	4.71	-2.11
MSCI AC World Index (Net)	13.68	0.99	0.00	
<b>GLOBAL LOW VOLATILITY</b>				
Global Low Volatility Composite	8.27	0.65	1.06	1.50
MSCI AC World Minimum Volatility Index (Net)	7.82	0.48	0.00	
<b>Acadian Global Low Vol.</b>	8.67	0.74	1.92	1.36
MSCI AC World Minimum Volatility Index (Net)	7.82	0.48	0.00	
<b>REIT's</b>				
REIT Composite	19.38	0.22	1.00	-0.83
Wilshire U.S. Real Estate Securities Index	20.14	0.25	0.00	
<b>Adelante Capital Management</b>	19.01	0.21	1.42	-0.68
Wilshire U.S. Real Estate Securities Index	20.14	0.25	0.00	
<b>CenterSquare</b>	19.81	0.22	1.71	-0.40
Wilshire U.S. Real Estate Securities Index	20.14	0.25	0.00	
<b>FIXED INCOME</b>				
Fixed Income Composite	9.06	-0.30	1.56	-0.18
Blmbg. U.S. Aggregate Index	7.54	-0.32	0.00	
<b>Garcia Hamilton</b>	9.89	-0.41	2.38	-0.69
Blmbg. U.S. Aggregate Index	7.54	-0.32	0.00	
<b>Wellington Core Bond</b>	7.94	-0.13	0.53	2.51
Blmbg. U.S. Aggregate Index	7.54	-0.32	0.00	

# 1-Year Risk Statistics

Periods Ended June 30, 2024

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
<b>Western Asset Management</b>	<b>9.43</b>	<b>-0.32</b>	<b>2.00</b>	<b>-0.30</b>
Blmbg. U.S. Aggregate Index	7.54	-0.32	0.00	
<b>HIGH YIELD</b>				
<b>High Yield Composite</b>	<b>5.75</b>	<b>1.00</b>	<b>0.39</b>	<b>2.10</b>
FTSE High Yield Cash Pay	5.98	0.82	0.00	
<b>BlackRock</b>	<b>5.31</b>	<b>1.04</b>	<b>0.88</b>	<b>0.70</b>
FTSE High Yield Cash Pay	5.98	0.82	0.00	
<b>Oaktree Capital Management</b>	<b>6.24</b>	<b>0.96</b>	<b>0.48</b>	<b>2.19</b>
FTSE High Yield Cash Pay	5.98	0.82	0.00	
<b>CREDIT OPPORTUNITIES</b>				
<b>Credit Opportunities Composite</b>	<b>4.87</b>	<b>1.37</b>	<b>0.82</b>	<b>2.38</b>
Custom Benchmark	5.17	0.92	0.00	
<b>Neuberger Berman</b>	<b>4.87</b>	<b>1.37</b>	<b>0.82</b>	<b>2.38</b>
Custom Benchmark	5.17	0.92	0.00	
<b>Global Listed Infrastructure</b>				
<b>Global Listed Infrastructure Composite</b>	<b>9.30</b>	<b>1.81</b>	<b>4.48</b>	<b>-0.97</b>
Global Listed Infrastructure Benchmark	8.86	2.40	0.00	
<b>Harvest Fund Advisors MLP</b>	<b>9.64</b>	<b>2.71</b>	<b>5.20</b>	<b>0.00</b>
Alerian MLP Index	9.79	2.66	0.00	
<b>CIBC</b>	<b>9.63</b>	<b>2.55</b>	<b>5.64</b>	<b>-0.28</b>
Alerian MLP Index	9.79	2.66	0.00	
<b>C&amp;S Global Listed Infrastructure</b>	<b>13.65</b>	<b>0.13</b>	<b>2.06</b>	<b>0.91</b>
FTSE Global Core Infra. 50/50 Index (Net)	13.85	0.00	0.00	

# 3-Year Risk Statistics

Periods Ended June 30, 2024

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
Dallas Total Fund	9.16	0.12	1.98	0.14
Policy Index	10.41	0.08	0.00	
<b>DOMESTIC EQUITY</b>				
Domestic Equity Composite	17.87	0.35	3.13	-0.16
Custom Benchmark	17.85	0.38	0.00	
<b>Systematic Financial</b>	18.05	0.15	6.66	0.91
Russell 2000 Index	21.63	-0.15	0.00	
<b>Channing Capital</b>	21.27	0.02	6.35	0.26
Russell 2000 Value Index	21.62	-0.06	0.00	
<b>T. Rowe Price</b>	17.55	0.54	1.03	1.29
S&P 500 Index	17.61	0.47	0.00	
<b>INTERNATIONAL EQUITY</b>				
International Equity Composite	16.75	-0.08	2.53	0.09
Custom Benchmark	16.16	-0.09	0.00	
<b>Acadian International</b>	17.02	-0.07	4.04	0.47
MSCI AC World ex USA Small Cap (Net)	16.82	-0.18	0.00	
<b>AQR Capital Management</b>	16.26	0.02	4.28	0.36
Custom Benchmark	16.13	-0.08	0.00	
<b>Ativo International</b>	16.78	-0.03	2.98	-0.57
MSCI EAFE (Net)	16.70	0.08	0.00	
<b>Baillie Gifford</b>	20.92	-0.33	6.95	-0.79
MSCI AC World ex USA (Net)	16.13	-0.08	0.00	
<b>Earnest Partners</b>	16.07	0.06	4.17	0.51
MSCI AC World ex USA (Net)	16.13	-0.08	0.00	

# 3-Year Risk Statistics

Periods Ended June 30, 2024

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
<b>GLOBAL EQUITY</b>				
Global Equity Composite	14.05	0.18	3.77	-0.31
MSCI AC World Index (Net)	16.53	0.22	0.00	
<b>Wellington</b>	16.48	0.19	2.93	-0.22
MSCI AC World Index (Net)	16.53	0.22	0.00	
<b>Ariel Global</b>	12.44	0.17	8.00	-0.20
MSCI AC World Index (Net)	16.53	0.22	0.00	
<b>GLOBAL LOW VOLATILITY</b>				
Global Low Volatility Composite	11.47	0.18	1.18	1.55
MSCI AC World Minimum Volatility Index (Net)	11.26	0.02	0.00	
<b>Acadian Global Low Vol.</b>	11.74	0.30	2.31	1.41
MSCI AC World Minimum Volatility Index (Net)	11.26	0.02	0.00	
<b>REIT's</b>				
REIT Composite	20.80	-0.02	1.39	-0.04
Wilshire U.S. Real Estate Securities Index	21.54	-0.01	0.00	
<b>Adelante Capital Management</b>	20.62	-0.03	1.61	-0.16
Wilshire U.S. Real Estate Securities Index	21.54	-0.01	0.00	
<b>CenterSquare</b>	21.03	0.00	1.93	0.09
Wilshire U.S. Real Estate Securities Index	21.54	-0.01	0.00	
<b>FIXED INCOME</b>				
Fixed Income Composite	8.17	-0.69	1.20	0.17
Blmbg. U.S. Aggregate Index	7.33	-0.81	0.00	
<b>Garcia Hamilton</b>	8.49	-0.66	1.80	0.15
Blmbg. U.S. Aggregate Index	7.33	-0.81	0.00	

## 3-Year Risk Statistics

Periods Ended June 30, 2024

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
<b>HIGH YIELD</b>				
High Yield Composite	8.26	-0.04	0.73	0.62
FTSE High Yield Cash Pay	8.35	-0.10	0.00	
<b>BlackRock</b>	<b>7.96</b>	<b>-0.03</b>	<b>0.86</b>	<b>0.66</b>
FTSE High Yield Cash Pay	8.35	-0.10	0.00	
<b>Oaktree Capital Management</b>	<b>8.64</b>	<b>-0.05</b>	<b>1.30</b>	<b>0.26</b>
FTSE High Yield Cash Pay	8.35	-0.10	0.00	
<b>CREDIT OPPORTUNITIES</b>				
Credit Opportunities Composite	7.14	-0.17	1.66	-0.09
Custom Benchmark	6.99	-0.15	0.00	
<b>Neuberger Berman</b>	<b>7.14</b>	<b>-0.17</b>	<b>1.66</b>	<b>-0.09</b>
Custom Benchmark	6.99	-0.15	0.00	
<b>MLP's</b>				
Global Listed Infrastructure Composite	14.76	0.93	5.06	-0.32
Global Listed Infrastructure Benchmark	16.67	0.92	0.00	
<b>Harvest Fund Advisors MLP</b>	<b>16.83</b>	<b>1.22</b>	<b>6.20</b>	<b>0.17</b>
Alerian MLP Index	19.40	1.01	0.00	
<b>CIBC</b>	<b>17.56</b>	<b>1.13</b>	<b>6.06</b>	<b>0.05</b>
Alerian MLP Index	19.40	1.01	0.00	



# 5-Year Risk Statistics

Periods Ended June 30, 2024

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
Dallas Total Fund	10.56	0.42	2.30	-0.21
Policy Index	12.20	0.40	0.00	
<b>DOMESTIC EQUITY</b>				
Domestic Equity Composite	19.19	0.66	3.66	-0.13
Custom Benchmark	18.47	0.71	0.00	
<b>Systematic Financial</b>	21.05	0.45	7.23	0.28
Russell 2000 Index	23.52	0.31	0.00	
<b>Channing Capital</b>	24.61	0.36	7.10	0.15
Russell 2000 Value Index	24.51	0.32	0.00	
<b>T. Rowe Price</b>	18.12	0.81	1.09	0.96
S&P 500 Index	17.93	0.76	0.00	
<b>INTERNATIONAL EQUITY</b>				
International Equity Composite	18.11	0.35	2.37	0.62
Custom Benchmark	17.35	0.28	0.00	
<b>Acadian International</b>	19.12	0.37	4.29	0.32
MSCI AC World ex USA Small Cap (Net)	19.52	0.29	0.00	
<b>AQR Capital Management</b>	17.60	0.32	3.81	0.23
Custom Benchmark	17.10	0.28	0.00	
<b>Ativo International</b>	17.86	0.21	4.20	-0.44
MSCI EAFE (Net)	17.56	0.32	0.00	
<b>GLOBAL EQUITY</b>				
Global Equity Composite	14.76	0.54	3.67	-0.45
MSCI AC World Index (Net)	17.28	0.56	0.00	
<b>Wellington</b>	17.23	0.56	3.22	0.00
MSCI AC World Index (Net)	17.28	0.56	0.00	
<b>Ariel Global</b>	12.77	0.47	7.97	-0.46
MSCI AC World Index (Net)	17.28	0.56	0.00	

# 5-Year Risk Statistics

Periods Ended June 30, 2024

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
<b>GLOBAL LOW VOLATILITY</b>				
Global Low Volatility Composite	12.67	0.32	1.65	0.54
MSCI AC World Minimum Volatility Index (Net)	12.02	0.26	0.00	
<b>Acadian Global Low Vol.</b>	<b>13.23</b>	<b>0.36</b>	<b>3.06</b>	<b>0.53</b>
MSCI AC World Minimum Volatility Index (Net)	12.02	0.26	0.00	
<b>REIT's</b>				
REIT Composite	20.27	0.23	1.42	0.44
Wilshire U.S. Real Estate Securities Index	21.00	0.19	0.00	
<b>Adelante Capital Management</b>	<b>19.95</b>	<b>0.23</b>	<b>1.72</b>	<b>0.26</b>
Wilshire U.S. Real Estate Securities Index	21.00	0.19	0.00	
<b>CenterSquare</b>	<b>20.64</b>	<b>0.24</b>	<b>1.90</b>	<b>0.42</b>
Wilshire U.S. Real Estate Securities Index	21.00	0.19	0.00	
<b>FIXED INCOME</b>				
Fixed Income Composite	7.16	-0.24	2.01	0.25
Blmbg. U.S. Aggregate Index	6.17	-0.36	0.00	
<b>Garcia Hamilton</b>	<b>7.02</b>	<b>-0.30</b>	<b>1.65</b>	<b>0.04</b>
Blmbg. U.S. Aggregate Index	6.17	-0.36	0.00	
<b>HIGH YIELD</b>				
High Yield Composite	9.02	0.26	1.44	0.22
FTSE High Yield Cash Pay	9.28	0.22	0.00	
<b>BlackRock</b>	<b>9.13</b>	<b>0.28</b>	<b>2.44</b>	<b>0.19</b>
FTSE High Yield Cash Pay	9.28	0.22	0.00	
<b>Oaktree Capital Management</b>	<b>9.11</b>	<b>0.24</b>	<b>1.25</b>	<b>0.13</b>
FTSE High Yield Cash Pay	9.28	0.22	0.00	
<b>CREDIT OPPORTUNITIES</b>				
Credit Opportunities Composite	9.59	0.14	1.75	0.03

# 5-Year Risk Statistics

Periods Ended June 30, 2024

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
Custom Benchmark	8.71	0.15	0.00	
<b>Neuberger Berman</b>	<b>9.59</b>	<b>0.14</b>	<b>1.75</b>	<b>0.03</b>
Custom Benchmark	8.71	0.15	0.00	
<b>MLP's</b>				
Global Listed Infrastructure Composite	29.03	0.33	9.68	-0.29
Global Listed Infrastructure Benchmark	37.05	0.33	0.00	
<b>Harvest Fund Advisors MLP</b>	<b>28.93</b>	<b>0.57</b>	<b>11.61</b>	<b>-0.07</b>
Alerian MLP Index	38.48	0.45	0.00	
<b>CIBC</b>	<b>32.23</b>	<b>0.50</b>	<b>8.28</b>	<b>-0.13</b>
Alerian MLP Index	38.48	0.45	0.00	

# 10-Year Risk Statistics

Periods Ended June 30, 2024

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
Dallas Total Fund	9.03	0.50	9.07	-0.07
Policy Index	10.19	0.46	10.21	
<b>DOMESTIC EQUITY</b>				
Domestic Equity Composite	16.38	0.66	16.41	-0.21
Custom Benchmark	15.66	0.73	15.67	
<b>Systematic Financial</b>	18.49	0.50	18.55	0.33
Russell 2000 Index	20.31	0.36	20.36	
<b>Channing Capital</b>	21.49	0.33	21.54	0.06
Russell 2000 Value Index	20.81	0.32	20.87	
<b>T. Rowe Price</b>	15.44	0.82	15.45	0.74
S&P 500 Index	15.24	0.78	15.25	
<b>INTERNATIONAL EQUITY</b>				
International Equity Composite	15.57	0.29	15.58	0.51
Custom Benchmark	15.08	0.23	15.09	
<b>Acadian International</b>	16.50	0.35	16.53	0.39
MSCI AC World ex USA Small Cap (Net)	16.36	0.26	16.39	
<b>AQR Capital Management</b>	15.32	0.25	15.31	0.14
Custom Benchmark	14.97	0.23	14.97	
<b>Ativo International</b>				
MSCI EAFE (Net)	15.13	0.26	15.13	
<b>GLOBAL EQUITY</b>				
Global Equity Composite	13.48	0.49	13.49	-0.38
MSCI AC World Index (Net)	14.77	0.52	14.77	
<b>Wellington</b>	15.27	0.54	15.27	0.17
MSCI AC World Index (Net)	14.77	0.52	14.77	
<b>Ariel Global</b>				
MSCI AC World Index (Net)	14.77	0.52	14.77	

# 10-Year Risk Statistics

Periods Ended June 30, 2024

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
<b>GLOBAL LOW VOLATILITY</b>				
Global Low Volatility Composite				
MSCI AC World Minimum Volatility Index (Net)	10.42	0.54	10.45	
<b>Acadian Global Low Vol.</b>				
MSCI AC World Minimum Volatility Index (Net)	10.42	0.54	10.45	
<b>REIT's</b>				
REIT Composite	17.48	0.35	17.52	0.11
Wilshire U.S. Real Estate Securities Index	18.01	0.34	18.05	
<b>Adelante Capital Management</b>	17.15	0.36	17.20	0.07
Wilshire U.S. Real Estate Securities Index	18.01	0.34	18.05	
<b>CenterSquare</b>				
Wilshire U.S. Real Estate Securities Index	18.01	0.34	18.05	
<b>FIXED INCOME</b>				
Fixed Income Composite	5.44	0.07	5.44	0.28
Blmbg. U.S. Aggregate Index	4.85	-0.01	4.82	
<b>Garcia Hamilton</b>	5.37	0.01	5.37	0.06
Blmbg. U.S. Aggregate Index	4.85	-0.01	4.82	
<b>HIGH YIELD</b>				
High Yield Composite	7.35	0.38	7.37	0.00
FTSE High Yield Cash Pay	7.72	0.36	7.74	
<b>BlackRock</b>	7.36	0.40	7.37	0.06
FTSE High Yield Cash Pay	7.72	0.36	7.74	
<b>Oaktree Capital Management</b>	7.54	0.33	7.55	-0.33
FTSE High Yield Cash Pay	7.72	0.36	7.74	
<b>CREDIT OPPORTUNITIES</b>				
Credit Opportunities Composite				

# 10-Year Risk Statistics

Periods Ended June 30, 2024

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
Custom Benchmark				
<b>Neuberger Berman</b>				
Custom Benchmark				
<b>MLP's</b>				
<b>Global Listed Infrastructure Composite</b>	25.10	0.13	25.13	0.04
Global Listed Infrastructure Benchmark	29.72	0.10	29.75	
<b>Harvest Fund Advisors MLP</b>	25.14	0.26	25.17	0.13
Alerian MLP Index	30.69	0.18	30.72	
<b>CIBC</b>	27.13	0.24	27.16	0.15
Alerian MLP Index	30.69	0.18	30.72	

# Asset Allocation & Performance

## DOMESTIC EQUITY

Periods Ended June 30, 2024

	Performance (%) net of fees			
	3 Years	5 Years	Since Inception	Inception Date
<b>DOMESTIC EQUITY</b>				
<b>T. Rowe Price</b>	<b>11.48</b>	<b>16.20</b>	<b>11.09</b>	<b>4/1/2006</b>
Standard & Poor's 500 +1%	11.11	16.19	11.47	
Value Added	0.37	0.01	-0.38	
<b>Systematic Financial</b>	<b>4.21</b>	<b>9.72</b>	<b>10.49</b>	<b>8/1/2003</b>
Russell 2000 + 1.25%	-1.35	8.28	10.03	
Value Added	5.56	1.44	0.46	
<b>Channing Capital</b>	<b>1.23</b>	<b>8.25</b>	<b>6.80</b>	<b>12/1/2013</b>
Russell 2000 Value + 1.25%	0.72	8.42	7.81	
Value Added	0.51	-0.17	-1.01	

# Asset Allocation & Performance

## INTERNATIONAL EQUITY

Periods Ended June 30, 2024

	Performance (%) net of fees			
	3 Years	5 Years	Since Inception	Inception Date
<b>INTERNATIONAL EQUITY</b>				
<b>Acadian International</b>	<b>0.40</b>	<b>7.70</b>	<b>8.25</b>	<b>4/1/1989</b>
Custom Benchmark + 2%	0.55	8.26	7.95	
Value Added	-0.15	-0.56	0.30	
<b>AQR Capital Management</b>	<b>1.97</b>	<b>6.36</b>	<b>3.98</b>	<b>4/1/2006</b>
Custom Benchmark +1.5%	1.97	7.13	5.11	
Value Added	0.00	-0.77	-1.13	
<b>Ativo International</b>	<b>1.16</b>	<b>4.42</b>	<b>3.50</b>	<b>1/1/2018</b>
MSCI EAFE Index (N) + 2%	4.97	8.60	6.77	
Value Added	-3.81	-4.18	-3.27	
<b>Baillie Gifford</b>	<b>-5.77</b>	<b>4.45</b>	<b>5.36</b>	<b>4/1/2019</b>
MSCI ACWI ex US + 2.00%	2.49	7.67	8.00	
Value Added	-8.26	-3.22	-2.64	
<b>Earnest Partners</b>	<b>2.62</b>	<b>8.02</b>	<b>8.15</b>	<b>4/1/2019</b>
MSCI ACWI ex US + 2.00%	2.49	7.67	8.00	
Value Added	0.13	0.35	0.15	



# Asset Allocation & Performance

## GLOBAL EQUITY

Periods Ended June 30, 2024

	Performance (%) net of fees			
	3 Years	5 Years	Since Inception	Inception Date
<b>GLOBAL EQUITY</b>				
<b>Wellington</b>	<b>4.76</b>	<b>10.75</b>	<b>11.30</b>	<b>9/1/2012</b>
MSCI ACWI (N) + 2%	7.55	12.98	12.27	
Value Added	-2.79	-2.23	-0.97	
<b>Ariel Global</b>	<b>4.39</b>	<b>7.56</b>	<b>6.56</b>	<b>1/1/2018</b>
MSCI ACWI (N) + 1.5%	7.02	12.42	10.67	
Value Added	-2.63	-4.86	-4.11	
<b>Acadian Global Low Vol.</b>	<b>5.93</b>	<b>6.21</b>	<b>7.42</b>	<b>7/1/2015</b>
MSCI ACWI (N) + 2%	7.55	12.98	11.52	
Value Added	-1.62	-6.77	-4.10	

# Asset Allocation & Performance

## REAL ESTATE

Periods Ended June 30, 2024

	Performance (%) net of fees			
	3 Years	5 Years	Since Inception	Inception Date
<b>REAL ESTATE</b>				
<b>Adelante Capital Management</b>	0.34	4.76	8.89	10/1/2001
Wilshire Real Est. Secs + 1%	1.42	5.10	10.08	
Value Added	-1.08	-0.34	-1.19	
<b>CenterSquare</b>	0.69	4.97	6.72	6/1/2018
Wilshire Real Est. Secs + 1%	1.41	5.10	6.83	
Value Added	-0.72	-0.13	-0.11	

# Asset Allocation & Performance

## FIXED INCOME

Periods Ended June 30, 2024

	Performance (%) net of fees			
	3 Years	5 Years	Since Inception	Inception Date
FIXED INCOME				
Garcia Hamilton	-2.84	-0.22	1.73	11/1/2013
Bloomberg Aggregate + 0.5%	-2.53	0.27	2.05	
Value Added	-0.31	-0.49	-0.32	
HIGH YIELD				
Oaktree Capital Management	2.17	4.01	6.11	4/1/1988
FTSE HY Cash Pay + 1%	2.87	4.86		
Value Added	-0.70	-0.85		
BlackRock	2.46	4.33	5.83	10/1/2006
FTSE HY Cash Pay + 1%	2.87	4.86	7.16	
Value Added	-0.41	-0.53	-1.33	
CREDIT OPPORTUNITIES				
Neuberger Berman	1.59	3.08	4.95	2/1/2016
Custom Benchmark + 1%	2.79	4.15	6.13	
Value Added	-1.20	-1.07	-1.18	

# Asset Allocation & Performance

MLP's

Periods Ended June 30, 2024

	Performance (%) net of fees			
	3 Years	5 Years	Since Inception	Inception Date
<b>MLP's</b>				
Harvest Fund Advisors MLP	24.62	15.04	9.07	1/1/2012
Alerian MLP Index + 1.5%	24.56	13.86	6.86	
Value Added	0.06	1.18	2.21	
<b>CIBC</b>	23.52	13.52	9.00	1/1/2012
Alerian MLP Index + 1.5%	24.56	13.86	6.86	
Value Added	-1.04	-0.34	2.14	

# DISCUSSION SHEET

## Employees' Retirement Fund Board of Trustees Meeting

September 9, 2024

**Issue:** Ariel Investments

**Attachments:** None

**Discussion:** Ariel Investments is a Global Equity manager with a current fund allocation of \$94 million.

After significant organizational change and product underperformance, Ariel was placed on watch in September 2023. Since the departure of lead portfolio manager Rupal J. Bhansali in August of 2023, Henry Mallari-D'Auria was appointed Chief Investment Officer of Global and Emerging Markets Equities.

Our recommendation is to rebalance Ariel to \$40 million. This rebalance will reduce exposure to an underperforming manager and allow the fund to manage risk in the Global Equity portfolio.

ERF staff will continue to closely monitor and assess both firm stability and product performance. Wilshire agrees with staff regarding this recommendation.

**Recommendation:** Suggested motion for approval is as follows: Move to ratify the Ariel rebalance as outlined.

# DISCUSSION SHEET

## Employees' Retirement Fund Board of Trustees Meeting

September 9, 2024

- Issue:** Western Asset Management Company, LLC ("WAMCO")
- Attachments:** None
- Discussion:** Western Asset Management is a Global Fixed Income manager for ERF with a current allocation of \$200 million and total firm assets under management of \$388 billion.
- WAMCO Chief Investment Officer Ken Leech has taken a leave of absence due to pending internal and external investigations related to past trade activity. A Wells Notice was issued to Mr. Leech by the Securities and Exchange Commission (SEC) indicating their intent to bring enforcement actions against either him, WAMCO, or both.
- Due to major organizational changes, we recommend WAMCO be terminated and the allocation \$200 million be placed in a Barclays Aggregate index fund. Wilshire is in agreement with staff regarding this recommendation.
- Recommendation:** Suggested motion for approval is as follows: Move to approve Western Asset Management Co. termination and moving assets into the Barclay's Aggregate index fund.

## SEVENTH AMENDMENT TO THE COLLECTIVE FUND CUSTODY AGREEMENT

This Amendment is made as of and effective \_\_\_\_\_, 2024, amending the Collective Fund Custody Agreement dated February 8, 2005, as previously amended (the “Agreement”) by and between the Board of Trustees of the Employees’ Retirement Fund of the City of Dallas (“Investment Fiduciary”) on behalf of the of the Employee’s Retirement Fund of the City of Dallas (“Trust”) and Northern Trust Investments, Inc. (formerly Northern Trust Investments, N.A.) (“NTI”), an Illinois bank with trust powers.

1. The Agreement is hereby amended in the following particulars:

Exhibit B attached to the Agreement, as well as any amendments thereto executed prior to the effective date of this Amendment, are hereby deleted and revoked, and in lieu thereof, the Exhibit B attached to this Amendment is adopted and incorporated in the Agreement, pursuant to sections 2(c) and 15 thereof.

Exhibit C attached to the Agreement, as well as any amendments thereto executed prior to the effective date of this Amendment, are hereby deleted and revoked, and in lieu thereof, the Exhibit C attached to this Amendment is adopted and incorporated in the Agreement, pursuant to sections 10 and 15 thereof.

2. Except for this Seventh Amendment, the Agreement remains in full force and effect without change.

IN WITNESS WHEREOF, the parties have caused this Seventh Amendment to be executed as of the day and year first written above.

### **BOARD OF TRUSTEES OF THE EMPLOYEES’ RETIREMENT FUND OF THE CITY OF DALLAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### **NORTHERN TRUST INVESTMENTS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT B**

### **DESIGNATED COLLECTIVE FUNDS**

The Board of Trustees (“Investment Fiduciary”) of the Employees’ Retirement Fund of the City of Dallas (“Trust”) designates the following collective funds for investment by the Trust from time to time in such proportions or amounts as the Investment Fiduciary shall direct in writing, to be allocated as provided below:

- **Northern Trust Collective S&P 500 Index Fund – Lending**
- **Northern Trust Collective Russell 2000 Growth Index Fund – Lending**
- **Northern Trust Collective All Country World Investable Market Index Fund – Lending**
- **Northern Trust Collective Aggregate Bond Index Fund - Lending**

#### **BOARD OF TRUSTEES OF THE EMPLOYEES’ RETIREMENT FUND OF THE CITY OF DALLAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### **NORTHERN TRUST INVESTMENTS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## EXHIBIT C

### FEES

The Investment Fiduciary shall pay NTI a fee for account-level services rendered pursuant to the following fee schedule:

- **Northern Trust Collective S&P 500 Index Fund – Lending:**
  - Flat fee of three-fourths (0.75) of a basis point per year
- **Northern Trust Collective Russell 2000 Growth Index Fund – Lending:**
  - First \$50 Million at five (5) basis points per year
  - Next \$50 Million at four (4) basis points per year
  - Balance at two (2) basis points per year
- **Northern Trust Collective All Country World Investable Market Index Fund – Lending:**
  - Flat fee of three and three-quarters (3.75) basis points per year
- **Northern Trust Collective Aggregate Bond Index Fund – Lending:**
  - Flat fee of two (2) basis points per year

The account-level fees set forth above are in addition to the fund-level custody, fund administration services, and external audit services expressly set forth in the Fund Declarations for the Funds. To the extent that any Funds lend securities, NTI or its affiliate will invest cash collateral in an affiliated collective fund which imposes a fund-level investment management fee, custody and fund administrative fee and annual audit service fee as expressly set forth in the Fund Declarations for the Funds.

Fees shall be calculated quarterly, based on the market value of assets held in the Accounts on the last day of each current calendar quarter end. For the avoidance of doubt, fee calculations for the first calendar quarter will be based on the market value of assets held in the Accounts on the last day of March. Fees are charged quarterly based on one-fourth of the annual fee. Fees will be prorated appropriately if investments are not held for a full quarter.

Investment Fiduciary agrees that fees for all Accounts governed by this Agreement shall be paid as follows (please check one):

X  Automatically debited from the Accounts

     An invoice shall be sent to the Investment Fiduciary

If one of the fee payment options above has not been selected, the second option shall be applied.

#### BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**NORTHERN TRUST INVESTMENTS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# DISCUSSION SHEET

## Employees' Retirement Fund Board of Trustees Meeting

September 9, 2024

- Issue:** Northern Trust Asset Management (NTAM) Contract Amendment
- Attachments:** Amendment Number Seven
- Discussion:** ERF has a contract with Northern Trust Asset Management for transition and asset management services, most notably index management. This contract amendment reflects updated pricing for the ACWI Index Fund, from 12 to 3.75 basis points, annually.
- There are no other changes to the contract other than the decrease in pricing.
- Recommendation:** Suggested motion for approval is as follows: Move to ratify the Seventh Amendment to the NTAM contract and authorize the Board Chair to sign pending legal review.



# 2023

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED DECEMBER 31, 2023 & 2022



**EMPLOYEES' RETIREMENT FUND  
OF THE CITY OF DALLAS**

DALLAS, TX

## 2023 AT – A – GLANCE

(unaudited)

(\$ in thousands)

Active Members	7,894
Benefit Recipients	7,914
Inactive Members	2,107
Fund Net Position	\$3,649,102
Benefits Paid	\$328,296
Refunds	\$12,700
Member Contributions	\$70,025
City Contributions	\$73,939
Investment Rate of Return	10.09%

The Employees' Retirement Fund provides retirement, disability and death benefits to permanent civilian employees of the City of Dallas.

---

# ANNUAL COMPREHENSIVE FINANCIAL REPORT | 2023

FISCAL YEARS ENDED  
DECEMBER 31, 2023 AND 2022



Prepared by the Staff of The Employees' Retirement Fund

**CHERYL D. ALSTON**  
**EXECUTIVE DIRECTOR**

## EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

1920 McKinney Ave, 10th Floor | Dallas, TX | 75201

Phone 214.580.7700 | Fax 214.580.3515

[www.dallaserf.org](http://www.dallaserf.org)



PAGE LEFT INTENTIONALLY BLANK

# CONTENTS

## INTRODUCTORY SECTION

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	4
Board of Trustees	5
Administrative Staff	5
Professional Service Providers	7
Plan Summary	8

## FINANCIAL SECTION

Independent Auditor's Report	15
Management's Discussion and Analysis	21
Condensed Financial Information	24
Basic Financial Statements	
Statements of Fiduciary Net Position	27
Statements of Changes in Fiduciary Net Position	28
Notes to the Financial Statements	29
Required Supplementary Information (unaudited)	57
Schedule of Changes in Net Pension Liability and Related Ratios (unaudited)	59
Schedule of Money-Weighted Rates of Return (unaudited)	60
Schedule of Contributions (unaudited)	60
Other Supplementary Information (unaudited)	61
Schedule of Administrative Expenses (unaudited)	63
Schedule of Investment Expenses (unaudited)	64
Schedule of Payments for Professional Services (unaudited)	64

## INVESTMENT SECTION (unaudited)

Wilshire 2023 Performance Results Review	67
Investment Policies Summary	73
Investment Results	74
Investment Managers	74
Total Plan Results	75
Asset Allocation	75
Annualized Rate of Return	79
Investment Management Fees	80
Other Investment Services	80
Ten Largest Holdings - Equity	81
Ten Largest Holdings - Fixed Income	81
Investment Holdings Summary	82

## ACTUARIAL SECTION (unaudited)

Actuarial Valuation	85
Actuarial Letter	87
Executive Summary	93
Purposes of the Actuarial Valuation	94



PAGE LEFT INTENTIONALLY BLANK

# CONTENTS

## ACTUARIAL SECTION (unaudited), CONT.

Report Highlights	95
Funding Process	96
Actuarial Contributions	97
Actuarial Assumptions	98
ERF Benefits	99
Experience During Previous Years	100
Asset Information	101
Funded Status	102
GASB Disclosure	103
Assessment and Disclosure of Risk	104
Closing Comments	109
Actuarial Tables	111
Summary of Actuarial Values	112
Demonstration of Actuarially Determined Contribution Rate for FY 2023	113
Information for City Ordinance 25695	114
Excerpts from City Ordinance 25695	115
Net Assets Available for Benefits	118
Change in Assets Available for Benefits	119
Development of Actuarial Value of Assets	120
Historical Investment Performance	121
Analysis of Change in Unfunded Actuarial Accrued Liability	122
Investment Experience (Gain) or Loss	123
Analysis of Actuarial (Gains) and Losses for 2022	124
Schedule of Funding Status	125
Summary of Data Characteristics	126
Distribution of Active Members and Payroll Age and Years of Service	127
Distribution of Benefit Recipients	128
Schedule of Active Member Valuation Data	129
Schedule of Retirees and Beneficiaries Added to and Removed from Rolls	130
Solvency Test	131
Analysis of Pay Experience	134
Analysis of Retirement Experience - Each Age	135
Analysis of Retirement Experience - Age Groups	136
Analysis of Turnover Experience	137
Analysis of Active Mortality Experience	138
Analysis of Disability Experience	139
Analysis of Retiree Mortality Experience	140
Actuarial Methods and Assumptions	141
Summary of Benefit Provisions	151

## STATISTICAL SECTION (unaudited)

Schedule of Additions by Source	159
Schedule of Deductions by Type	159
Schedule of Changes in Net Position	160
Schedule of Benefit Payments by Type	160
Average Benefit Payment	161
Retired Members by Type of Benefit	162
Average Age and Monthly Pension at Retirement	162

PAGE LEFT INTENTIONALLY BLANK

# INTRODUCTORY SECTION







## LETTER OF TRANSMITTAL

July 24, 2024

Board of Trustees  
Employees' Retirement Fund of the City of Dallas  
1920 McKinney Avenue - 10th Floor  
Dallas, Texas 75201

Dear Board Members:

The Annual Comprehensive Financial Report ("Annual Report" or "ACFR") of the Employees' Retirement Fund of the City of Dallas ("ERF" or "Plan") for the fiscal years ended December 31, 2023 and 2022 is submitted herewith. Our mission is to provide retirement benefits and superior service to advance the financial security of our members. The management of ERF assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Weaver and Tidwell, L.L.P. have issued an unmodified ("clean") opinion on the financial statements as of and for the year ended December 31, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### Plan Overview

ERF was established by ordinance in November 1943 and became effective in January 1944 after ratification by the voters of the City of Dallas. ERF is a single-employer defined benefit pension plan sponsored by the City of Dallas, Texas (the "City"), and it provides retirement, disability, and death benefits to its members. All employees of the City are members except police officers, firefighters, elected officers, non-salaried appointee members of administrative boards or commissions, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. Members are entitled to retirement benefits at the date of eligibility for retirement or disability or to survivor benefits after two years of service.

### Investments

The Board of Trustees oversees ERF's portfolio, managers, and performance, as well as reviews and approves potential investment opportunities, with input from the investment consultant and staff. The Board follows the "prudent person rule" which states that fiduciaries shall discharge their duties solely in the interest of ERF and its participants and beneficiaries with the degree of diligence, care and skill which a prudent person would ordinarily exercise under similar circumstances in such a position.



An integral part of the overall investment policy is the strategic asset allocation policy. This policy is designed to provide an optimal diversification to reduce risk and maximize the total rate of return relative to risk. This emphasizes a maximum diversification of the portfolio that protects ERF from declines that a particular asset class may experience in a given period. The Plan had a return of 10.09% for 2023 and -8.04% for 2022, and 16.4% for 2021. The Plan expects and assumes an investment rate of 7.25% over the long term, which encompasses many years in the future.

#### Additions to Plan Net Position

The collection of employer and member contributions, as well as income from investments, is intended to provide the reserves needed to finance retirement benefits. Contribution and net investment income, including unrealized gains and losses, for 2023 total \$484 million.

City and member contributions for the fiscal year were approximately \$144.0 million, an increase of \$13.2 million from the prior year. This is primarily attributed to merit pay increases for civilian employees and an overall increase in hiring. The City's net contribution rate toward the pension plan was 14.46% in 2023. The City's total contribution rate was 22.68%, of which 8.22% was for debt service payments on pension obligation bonds. The members' contribution rate remained unchanged at 13.32% in 2023. The City's contributions received in 2023 were \$74 million and members' contributions were \$70 million.

#### Deductions to Plan Net Position

The principal purpose for which ERF was established is to provide retirement benefits, survivor benefits, and total and permanent disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, refund of contributions to terminated employees, and the cost of administering ERF.

Deductions for fiscal year 2023 totaled \$351 million representing an increase of 3.63% compared to 2022. This increase can be attributed to several factors, including the average number of retirees and beneficiaries, the cost-of-living adjustment of 5% for Tier A and 3% for Tier B, as well as higher average benefit payments for new retirees compared to retirees who have passed away. Additionally, administrative expenses, which are controlled by a budget approved by the Board of Trustees, increased by \$977 million compared to the previous year due to inflation, merit increases and hiring.

#### Accounting System and Internal Controls

This ACFR was prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") that apply to government accounting for fiduciary funds. The accompanying financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized in the period in which employee services are performed. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. The statistical section is a required part of an ACFR.

In developing and evaluating ERF's accounting system, it was determined that internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.



### Funding

A pension fund is well funded when it is receiving enough money to meet all expected future obligations to its participants. ERF's funding objective is to meet long-term benefit payments through contributions that remain approximately level as a percent of member payroll. For Fiscal year 2023 the funded ratio is 70.10%. The actuarial accrued liability and actuarial value of assets of ERF as of December 31, 2023 amounted to \$5.48 billion and \$3.84 billion, respectively. A detailed discussion of funding is provided in the Actuarial Section of this report.

### Professional Services

Consultants are appointed by the Board of Trustees to perform professional services that are essential to the effective and efficient operation of ERF. An opinion from the certified public accounting firm of Weaver and Tidwell, L.L.P., the actuarial report from Gabriel, Roeder, Smith & Company, and the investment consultant letter from Wilshire Associates Inc. are included in this report. The consultants appointed by the Board of Trustees are listed in the Introductory Section.

### Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Employees' Retirement Fund of the City of Dallas for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the seventh consecutive year that ERF had achieved this prestigious award. To be awarded a Certificate of Achievement, the ERF had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both GAAP and applicable program requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The compilation of this report reflects the combined effort of the staff under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the funds of ERF. The report is available to all members of ERF.

We would like to express our gratitude to the Board, staff, advisors, and others who have worked so diligently to ensure the successful operation of ERF.

Respectfully submitted,

Cheryl D. Alston  
Executive Director

Edward R. Scott  
Chief Financial Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Employees' Retirement Fund of the City of Dallas  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO

## BOARD OF TRUSTEES

*As of December 31, 2023*

Henry Talavera – Chair  
Council Appointed Member

Dr. John W. Peavy III – Vice Chair  
Council Appointed Member

Carla B. Brewer  
Employee Elected Member

Sunil King  
Employee Elected Member

Tina B. Richardson  
Employee Elected Member

T. Dupree Scovell  
Council Appointed Member

Mark S. Swann  
City Auditor

## ADMINISTRATIVE STAFF

*As of December 31, 2023*

Cheryl D. Alston  
Executive Director/Chief Investment Officer

David K. Etheridge  
Deputy Executive Director

Edward R. Scott, CPA, CGMA  
Chief Financial Officer

Natalie Jenkins Sorrell  
Deputy Chief Investment Officer

Duc Lam  
Chief Technology Officer

Melissa Harris  
Chief of Communications

C. Kay Watson  
Chief Compliance Officer

Juan Carlos Ayala  
Senior Pension Specialist

Andrew Barker, CPA  
Controller

Joshua Berman  
Investment Officer

Ruby Castelano  
Senior Pension Specialist

Thalia Dominique  
Brand Manager

Anita Gage  
Senior Pension Specialist

Micaela Galicia  
Pension System Specialist

Yvonne Garcia  
Senior Pension Specialist

Todd Green  
Pension Officer

Andrea Houston  
Pension Officer

Patricia Jack  
Pension Officer

Jessie Jayakumar  
System Analyst

Kaleb Jones  
Pension Officer

Naveed Khan  
Senior Accounting Specialist

Margaret Lara  
Senior Pension Specialist

Tiffany McGraw  
Senior Pension Specialist

Calvin Nguyen  
Senior Accounting Specialist

Aditi Patel  
Communications Specialist

Al Perez  
Pension Officer

Phong Pham  
Cyber Security Administrator

Kate Shaw  
Learning & Development Manager

Diann Salone  
Pension Payroll Manager

Jaladhi Shukla  
Investment Analyst

Nicole Spencer-Berry  
Senior Pension Specialist

Jody Thigpen  
Senior Web Developer

Jason Thompson  
System Administrator

Trevor Thompson  
Desktop Support Engineer

Mubina Tukulic  
Communications Specialist

Saki Vimal  
Financial Planning & Analysis Manager

PAGE LEFT INTENTIONALLY BLANK

## **PROFESSIONAL SERVICE PROVIDERS**

*As of December 31, 2023*

### **MASTER CUSTODIAN**

The Northern Trust Company

### **CONSULTING ACTUARY**

Gabriel, Roeder, Smith & Company

### **INVESTMENT CONSULTANT**

Wilshire Advisors LLC

Bloomberg Inc

### **INVESTMENT ACCOUNTING FIRM**

STP Investment Services

### **AUDITOR**

Weaver and Tidwell, L.L.P.

### **LEGAL ADVISORS**

Baker& Hostetler LLP

Foster Garvey PC

The Suster Law Group

Locke Lord LLP

The Schedule of Investment Management Fees can be found on page 80.

PLAN SUMMARY

Summary of Key Provisions

Employees’ Retirement Fund of the City of Dallas  
As of December 31, 2023

**Membership** An employee becomes a member upon permanent employment and contributes to the Plan. Tier A members were hired prior to January 1, 2017. An amendment to the governing document passed by voters on November 8, 2016 created a new tier of benefits, Tier B, for members hired on or after January 1, 2017.

**Contributions** **Member:** 37% of the current adjusted total obligation rate. New rates effective October 1 after the valuation date.

**City:** 63% of the current adjusted total obligation rate. New rates effective October 1 after the valuation date.

Definitions  
Final Average Salary

**Tier A**  
Average monthly salary over the member’s highest three years of service.

**Tier B**  
Average monthly salary over the member’s highest five years of service.

**Credited Service:**  
Length of time as an employee of the City of Dallas and while making contributions to the Plan.

Retirement  
Pension Eligibility

- Tier A**
- a. Attainment of age 60; or
  - b. Attainment of age 55 (if credited service began before May 9, 1972); or
  - c. At any age after completion of 30 years of credited service with a reduced benefit before age 50; or
  - d. Attainment of age 50, if the sum of an active member’s age and credited service is at least equal to 78.
- Tier B**
- a. Attainment of age 65 and 5 years of service; or
  - b. At any age after completion of 40 years of credited service; or
  - c. At any age if the sum of an active member’s age and credited service is at least equal to 80. Under this eligibility rule, the member’s pension will be actuarially reduced for each year prior to the age of 65 that the member retires.
  - d. Restricted prior service credit only applies to eligibility.

**Retirement Benefits****Tier A**

The retirement benefit equals 2-3/4% multiplied by average monthly salary multiplied by credited service limited to a maximum of 36.36 years plus a monthly \$125 health supplement (prorated for service less than 5 years).

**Tier B**

The retirement benefit equals 2-1/2% multiplied by average monthly salary multiplied by credited service limited to a maximum of 40 years (no monthly health supplement).

**Form of Payment****Tier A**

An unreduced pension benefit under a joint and one-half survivor option with 10 years guaranteed or a ten-year certain and life option. An actuarially equivalent joint and full survivor option is also available after 15 years of service.

**Tier B**

An unreduced pension payable for life with 10 years guaranteed. Actuarially equivalent joint and survivor options (50% and 100%) are also available.

**Deferred Retirement****Eligibility:**

Deferred retirement pension benefit commencing at age 60 for Tier A members or at age 65 for Tier B members with at least five (5) years of credited service if accumulated contributions are left on deposit with the Fund.

**Monthly Benefit:**

The deferred retirement benefit is equal to the retirement pension based on earnings and credited service at the time of termination.

**Disability Retirement Pension****Non-Service Disability:****Eligibility:**

Five (5) years of service if active or ten (10) years of service if deferred vested and totally and permanently incapacitated for duty.

**Monthly Benefit:**

Computed based on average monthly earnings and credited service at time of disability but not less than 10 times the percentage multiplied by the average monthly earning.

**Service Disability:****Eligibility:**

Totally and permanently incapacitated from the further performance of duty as a result of injury while in the course of employment for the City.

**Monthly Benefit:**

Calculated as a non-service disability pension but not less than \$1,000 per month.

## **Death Benefits**

### **Form:**

Benefit paid in accordance with the option on file; or the eligible option; or, if no eligible beneficiary, a lump sum equivalent of 10 years of benefit payments to the member's or designee's estate.

### **Monthly Benefit:**

Based on average monthly earnings and credited service at death but not less than 10 times the percentage multiplier multiplied by the average monthly earnings.

### **Minimum Service Death Benefit:**

Not less than \$1,000 per month if death resulted from a service-related injury.

## **Return of Accumulated Contributions**

A member at the time of termination is entitled to be paid accumulated member contributions without interest.

## **Cost-of-Living Adjustment**

An annual cost-of-living adjustment to the base pension benefit shall be made based on the greater of:

- a. The percentage of change in the price index for October of the current year over October of the previous year, up to 5% for Tier A and 3% for Tier B or
- b. The percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment, up to 5% for Tier A and 3% for Tier B.

---

# FINANCIAL SECTION





---

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

---

FINANCIAL STATEMENTS

As of December 31, 2023 and 2022  
With Independent Certified Public Accountant's Report Thereon

---

PAGE LEFT INTENTIONALLY BLANK



## Independent Auditor's Report

To the Board of Trustees of the  
Employees' Retirement Fund of the City of Dallas

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Employees' Retirement Fund of the City of Dallas (the Plan), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as of December 31, 2023 and 2022, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 | Dallas, Texas 75201  
Main: 972.490.1970

**CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)**

PAGE LEFT INTENTIONALLY BLANK

The Board of Trustees of the  
Employees' Retirement Fund of the City of Dallas

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of money-weighted rates of return, and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any

PAGE LEFT INTENTIONALLY BLANK

The Board of Trustees of the  
Employees' Retirement Fund of the City of Dallas

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The schedule of administrative expenses, schedule of investment expenses, and schedule of payments for professional services are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of administrative expenses, schedule of investment expenses, and schedule of payments for professional services are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information Included in the Annual Comprehensive Financial Report (ACFR)**

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section, investment section, actuarial section, and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
July 24, 2024



PAGE LEFT INTENTIONALLY BLANK

---

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

---

PAGE LEFT INTENTIONALLY BLANK

## **MANAGEMENT’S DISCUSSION AND ANALYSIS (unaudited)**

The Management’s Discussion and Analysis of the Employees’ Retirement Fund of the City of Dallas (“ERF” or “the Plan”) financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended December 31, 2023, 2022, and 2021. The intent of this discussion and analysis is to give a narrative overview and analysis of the Plan’s financial performance as a whole. For more detailed information regarding performance, readers should also review the Financial Statements, Notes to the Financial Statements, and Required Supplementary Information to enhance their understanding of the Plan’s financial performance.

### **FINANCIAL STATEMENTS**

The Plan is a defined benefit plan that provides retirement, disability, and death benefits to permanent full-time and part-time civilian employees of the City of Dallas (“the City”). The Plan has two basic Financial Statements:

- A Statement of Fiduciary Net Position that provides information about the fair value and composition of plan assets, plan liabilities, and fiduciary net position; and
- A Statement of Changes in Fiduciary Net Position that provides information about the year-to-year Changes in Fiduciary Net Position.

There are also notes to the Financial Statements that include a brief Plan description, a summary of significant accounting policies, and information about contributions, legally required reserves, investment concentrations, and the net pension liability. The report also contains the required supplementary information in addition to the basic financial statements. Collectively, this information presents the Net Position Restricted for Pension Benefits and summarizes the changes in net position for those benefits.

### **FINANCIAL HIGHLIGHTS**

Fiscal year 2023 experienced an increase in investments. The Plan’s Financial Highlights for fiscal year ended December 31, 2023, are as follows:

- The Plan had a return of 10.09% for the year, a 5-year return of 7.70% and a 10-year return of 6.01%.
- As of December 31, 2023, the Net Position Restricted for Pension Benefits was \$3.6 billion, reflecting a \$133 million increase from the previous year due to higher investments.
- Total contributions for fiscal year 2023 were \$143.96 million, an increase of approximately \$13.2 million from last fiscal year. This is primarily attributed to a merit pay increase for civilian employees and additional full-time employees eligible for retirement benefits.
- Pension benefits paid to retirees and beneficiaries increased \$10.8 million in 2023 compared to 2022, bringing the total benefit payments to \$328 million. Refunds of contributions paid to former members after termination of employment were \$13 million for 2023 and \$12 million for 2022.
- Net Investment Income (net appreciation/depreciation) in the fair value of investments, plus interest and dividend income, less investment expenses), excluding Other Income, increased \$709 million compared to last fiscal year.
- Administrative Expenses of \$9.2 million in 2023 were higher than 2022 by \$977 thousand due to many factors such as inflation, employees’ salary increments, and benefits.

**CONDENSED FINANCIAL INFORMATION**

(\$ in thousands)

	As of and for the FY Ended December 31,	2023	2022	2021
<b>Fiduciary Net Position</b>				
Assets		\$4,520,902	\$4,199,708	\$4,745,318
Liabilities		871,800	683,428	652,103
Fiduciary Net Position Restricted for Pension Benefits		<u>\$3,649,102</u>	<u>\$3,516,280</u>	<u>\$4,093,215</u>
<b>Changes in Fiduciary Net Position</b>				
Additions:				
Employer contributions		\$73,939	\$67,288	\$63,584
Employee contributions		70,025	63,427	59,256
Investment & other income/(loss), net		339,878	(368,929)	578,010
Deductions:				
Benefit payments		\$328,296	\$317,528	\$296,587
Refund of contributions		12,700	12,158	10,452
Administrative expenses		9,183	8,206	6,547
Depreciation expense		841	829	802
Change in Fiduciary Net Position Restricted for Pension Benefits		<u>\$132,822</u>	<u>(\$576,935)</u>	<u>\$386,462</u>
<b>Net Position Restricted for Pension Benefits:</b>				
Beginning of Year		3,516,280	4,093,215	3,706,753
End of Year		<u>\$3,649,102</u>	<u>\$3,516,280</u>	<u>\$4,093,215</u>

**FINANCIAL POSITION AND RESULTS OF OPERATIONS**

The Plan's total investment return for fiscal year 2023 was 10.09% as compared to -8.38% in 2022 and 16.4% in 2021. The one-year return was below the policy benchmark of 13.11%. The Plan has performed well over longer time periods. The Plan's 5-year return is 7.70% which is slightly below the policy benchmark of 7.81%. The 10-year return is 6.01%, which is slightly above the policy benchmark of 5.91%.

ERF has a global, diversified investment program. The best performing asset classes in 2023 were Domestic Equity Composite and Global Equity Composite. ERF's Domestic Equity Composite and Global Equity Composite Portfolio earned 23.07% and 17.00% respectively. The Fund's real estate investments consist of real estate investment trust, core and value-add real estate funds. Real Estate earned -0.68% for the fiscal year ended December 31, 2023.

Additions to the Plan's Fiduciary Net Position consist of employer and employee contributions and investment income. The Plan's Fiduciary Net Position increased from \$3.516 billion in fiscal year 2022 to \$3.649 billion in 2023, an increase of approximately \$133 million. This increase is primarily due to

investments gains in almost all asset classes. City and employee contributions for fiscal year 2023 were \$74 million and \$70 million, respectively. Total contributions for 2023 were \$143.9 million compared to \$130.7 million in 2022 and \$122.8 million in 2021.

Net investment income/(loss) is presented net of investment expenses and is comprised of interest, dividend income, gains/(losses) from the sale of investments, net unrealized appreciation/(depreciation) in the fair value of investments, and net income from securities lending activities. For fiscal year 2023, the Plan had a net investment gain of \$340 million, (excluding non-investment other income of \$285 thousand) compared to a net investment loss of \$369 million in fiscal year 2022 and a net investment income of \$578 million in 2021.

Fiscal year 2023 liabilities of \$872 million showed an increase of 28% from fiscal year 2022 liabilities of \$683 million. Liabilities for 2022 increased by \$31 million or 5% over 2021. The increase in 2023 was primarily due to an increase in the use of currency contracts by the managers to hedge against changes in foreign currency rates, in accordance with the managers' investment strategies and goals.

Year-end balances for securities purchased were \$37 million in 2023, \$47 million in 2022 and \$2 million in 2021. Foreign currency contracts at year-end were \$586 million in 2023, \$279 million in 2022 and \$287 million in 2021. The changes were due to the investment managers' portfolio management.

Deductions from fiduciary net position are largely from benefit payments. During fiscal year 2023, the increase in deductions is attributable to new retirements as well as a Cost-of-Living Adjustment (COLA), as was the increase between 2023 and 2022.

New retirements were 326, 293 and 320, respectively, for fiscal years 2023, 2022 and 2021. COLAs were 5% in 2023 for Tier A members, and 3% for Tier B members. For both Tiers, COLAs were 5.00% in 2022 and 3% in 2021. A COLA is granted effective January 1 of each year if there is an increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W") based on the greater of either a) the change from October of the prior year to October of the current year; b) the monthly average change; or c) zero.

During fiscal year 2023, refunds of contributions amounted to \$13 million (919 refunds), compared to 2022 refunds of \$12 million (812 refunds) and 2021 refunds of \$10.4 million (641 refunds). The fiscal year 2023 refund amount reflects an increase in the number of members requesting refunds as compared to fiscal year 2022. Administrative expenses of approximately \$9 million represent approximately 2.6% of total deductions for the year.

## **CAPITAL ASSETS**

The Plan's investment in capital assets as of December 31, 2023, amounts to approximately \$5.6 million (net of accumulated depreciation). This investment in capital assets includes \$63 thousand in furniture and fixtures, and \$5.6 million in intangible assets. The total net decrease in capital assets for the current fiscal year was -10% compared to last year due to depreciation expense.

Additional information on the Plan's capital assets can be found in Note 9 of this report.

## **CURRENT ENVIRONMENT**

Plan membership for active members increased during fiscal year 2023 from 7,464 to 7,894 members, an increase of 6%. For 2023, the number of new retirements was 326 compared to 293 in 2022. The trend of benefit payments continues to increase. Similar to most mature plans, benefit payments exceed the level of contribution revenue received, and cash generated from investments is needed in order to meet benefit payments.

An actuarial valuation of the Plan's assets and benefit obligations is performed annually by an independent firm, Gabriel, Roeder, Smith & Company ("GRS"). Based on the actuarial value of assets, the funded ratio of the Plan decreased from 73.28% in 2022 to 70.10% in 2023 primarily due to investment returns. The Unfunded Actuarial Accrued Liability ("UAAL") increased from \$1,410 million as of December 31, 2022, to \$1,641 million as of December 31, 2023. Based on Generally Accepted Accounting Principles ("GAAP") generally accepted in the United States of America, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 54.90% in 2023 as compared to 54.07% in 2022 and 80.35% in 2021. This is due to a blended discount rate of 5.54% in 2023. See Note 10 (c) for more information.

## **CONTACTING THE PLAN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Plan's finances. Questions and requests for additional information should be addressed to the Employees' Retirement Fund of the City of Dallas, 1920 McKinney Avenue, 10th Floor, Dallas, 752

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Statements of Fiduciary Net Position Restricted for Pensions  
December 31, 2023 and 2022  
(\$ in thousands)

	2023	2022
<b>ASSETS:</b>		
Cash and short-term investments	\$ 95,324	\$ 109,754
Collateral on loaned securities	237,524	342,361
	<u>332,848</u>	<u>452,115</u>
<b>Capital Asset:</b>		
Intangible Assets	5,551	6,155
Furniture and Fixtures, net	63	77
Total capital assets (net)	<u>5,614</u>	<u>6,232</u>
<b>Receivables:</b>		
Currency contracts	585,982	278,970
Accrued dividends	6,150	5,171
Accrued interest	11,504	9,882
Accrued real estate income	1,288	982
Accrued securities lending	107	98
Securities sold	14,111	17,967
Employer contributions	878	785
Employee contributions	808	741
Total receivables	<u>620,828</u>	<u>314,596</u>
<b>Investments, at fair value:</b>		
Commingled index funds	116,640	93,082
Domestic equities	1,372,894	1,327,609
United States and foreign government fixed income securities	316,628	244,514
Domestic corporate fixed-income securities	731,923	650,083
International equities	312,048	383,318
<b>Investments, at estimated fair value:</b>		
Private equities	371,556	381,814
Real estate	339,923	346,345
Total investments	<u>3,561,612</u>	<u>3,426,765</u>
Total assets	<u>4,520,902</u>	<u>4,199,708</u>
<b>LIABILITIES:</b>		
Accounts payable	7,269	10,872
Payable for securities purchased	37,169	46,569
Investment fees payable	3,081	3,566
Currency contracts	585,982	278,970
Currency contract losses	775	1,090
Securities lending collateral	237,524	342,361
Total liabilities	<u>871,800</u>	<u>683,428</u>
<b>NET POSITION:</b>		
Net Investment in capital assets	5,614	6,232
Unrestricted	<u>3,643,488</u>	<u>3,510,048</u>
<b>NET POSITION RESTRICTED FOR PENSIONS :</b>	<u>\$ 3,649,102</u>	<u>\$ 3,516,280</u>

(A Schedule of Changes in Net Pension Liability is presented in the Required Supplementary Information)

The accompanying notes are an integral part of these financial statements.



**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Statements of Changes in Fiduciary Net Position  
For the Fiscal Years Ended December 31, 2023 and 2022  
(\$ in thousands)

	2023	2022
<b>ADDITIONS:</b>		
Contributions:		
Employer	\$ 73,939	\$ 67,288
Employee	70,025	63,427
Total contributions	<u>143,964</u>	<u>130,715</u>
<b>NET INVESTMENT INCOME:</b>		
Dividends	69,189	65,290
Interest	55,464	40,413
Real estate dividend income	8,769	8,461
Net appreciation/(depreciation) in fair value of investments	225,506	(464,890)
Securities lending rebates paid by borrowers	(16,251)	(6,514)
Securities lending income	17,840	7,863
Total investment income/(loss)	<u>360,517</u>	<u>(349,377)</u>
<b>LESS INVESTMENT EXPENSES:</b>		
Investment management fees	(19,899)	(18,724)
Custody fees	(111)	(112)
Consultant fees	(597)	(516)
Securities lending management fees	(317)	(269)
Total investment expenses	<u>(20,924)</u>	<u>(19,621)</u>
Net investment income/(loss)	<u>339,593</u>	<u>(368,998)</u>
<b>OTHER INCOME:</b>	<u>285</u>	<u>69</u>
Total additions	<u>483,842</u>	<u>(238,214)</u>
<b>DEDUCTIONS:</b>		
Benefit payments	328,296	317,528
Refund of contributions	12,700	12,158
Administrative expenses	9,183	8,206
Depreciation expense	841	829
Total deductions	<u>351,020</u>	<u>338,721</u>
Net increase/(decrease) in Net Position Restricted for Pensions	<u>132,822</u>	<u>(576,935)</u>
<b>NET POSITION RESTRICTED FOR PENSIONS :</b>		
Beginning of year	<u>3,516,280</u>	<u>4,093,215</u>
End of year	<u>\$ 3,649,102</u>	<u>\$ 3,516,280</u>

The accompanying notes are an integral part of these financial statements.

The accompanying Notes are an integral part of these financial statements.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

1) Description of the Plan

General

- a) The Employees' Retirement Fund of the City of Dallas ("ERF" or the "Plan") is a single employer defined benefit pension plan that provides retirement, disability, and death benefits to its members, and is sponsored by the City of Dallas, Texas (the "City"). All employees of the City are members in the Plan, except police officers, firefighters, elected officers, non-salaried appointee members of administrative boards or commissions, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. Members are entitled to retirement benefits after five years of service and to survivor benefits after two years of service or at the date of eligibility for retirement. The Plan was established and derives its authority to continue in operation from Chapter 40A of the Dallas City Code ("Chapter 40A"). The description of the Plan provisions in this report is for financial disclosure only. It is not intended to create or reduce legal rights. The rights and responsibilities of the Board of Trustees, the Plan, the members and the retirees are governed by the Plan as set forth in Chapter 40A. As of December 31, 2023 and 2022, the Plan's membership consisted of:

	<u>2023</u>	<u>2022</u>
Retirees and beneficiaries currently receiving benefits and inactive members entitled to benefits but not yet receiving them	10,021	9,958
Current members:		
Vested	4,138	4,249
Non-vested	3,756	3,215
Total current members	<u>7,894</u>	<u>7,464</u>
Total membership	<u>17,915</u>	<u>17,422</u>

Plan Administration

- b) The Plan is governed by seven Board members, consisting of three members appointed by the City Council who may be Council members, three employee members of the Plan (elected by the membership) and the City Auditor (serving ex officio). The Board has general powers and duties to administer the Plan, including appointing an administrator to carry out the business of the Board, investing the assets of the Plan, making expenditures from the Plan, and determining members' eligibility for benefits.

Based on a Plan amendment passed by the voters of the City of Dallas in November 2004, the Board annually increases or decreases contribution rates in a ratio where the City pays 63% and the employee pays 37% of the contribution rate as determined by the actuarial valuation. The Plan requires notice to the City of the contribution rates and provides procedures by which the City may review and challenge those rates; codifying the Board's policies and procedures relating to the Plan's

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

actuarial process and the City's participation in the selection of an actuarial firm to perform a peer review/audit; increasing the Board from five members to seven by adding another employee-elected representative and another council-appointed representative effective March 1, 2005; increasing from three to four the number of Board members required to constitute a quorum; increasing the terms of the employee-elected representatives from two to three years; requiring Council approval before the Board may grant temporary or permanent discretionary adjustments to retirement benefits over and above the regular cost-of-living increases; correcting section references to the term "qualified recipient"; and authorizing either the Council or the Board to propose amendments to Chapter 40A, subject to approval by the Board, the Council, and the voters of the City.

Based on a Plan amendment passed by the voters of the City of Dallas in November 2016, a new tier of benefits was added to the Plan (Tier B), effective January 1, 2017. Benefits provided to each tier of membership are outlined below.

The Plan may be terminated only by ordinance recommended by the Board adopted by the City Council and approved by a majority of the voters of the City voting in a general or special election. The Plan does not address allocation of the net position in the event of termination.

**c) Pension Benefits**

**Tier A**

Members of the Plan hired before January 1, 2017, are entitled to pension benefits equal to 2.75% of the average monthly earnings for each year of credited service. Average monthly earnings are based on the most beneficial to the member and are determined based on the member's earnings for the highest three calendar years, last 6,240 hours of credited service, or the length of credited service if less than three years. Normal retirement age is 55 if credited service began before May 9, 1972 or age 60.

Tier A members are also eligible to retire at age 50 if the sum of the member's age and credited service is equal to or greater than 78. Members who have completed 30 years of credited service may alternatively elect retirement before age 50; however, the pension benefits will be actuarially reduced based on the member's age at retirement.

**Tier B**

Members of the Plan hired on or after January 1, 2017, are entitled to pension benefits equal to 2.5% of the average monthly earnings of the member for each year of credited service. Average monthly earnings are based on the most beneficial to the member and are determined based on the member's earnings for the five highest calendar years, last 10,400 hours of credited service, or the length of credited service if less than five years. Normal retirement age is 65 with five years of credited service.

Tier B members who have completed 40 years of credited service may elect retirement at any age and are entitled to full pension benefits. Members who elect retirement before age 65 are entitled to an actuarially reduced pension benefit depending upon the age of the member. Active members may also elect to retire with actuarially reduced benefit once a combination of their age and years of credited service equal at least 80.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

**d) Cost of Living Adjustments**

Cost of living adjustments for retirees are made each year on the first of January by adjusting the pension base by the percentage change of the Consumer Price Index ("CPI"), not to exceed 5% for Tier A and 3% for Tier B members. The cost-of-living adjustment effective January 2023 was 5% for Tier A members and 3% for Tier B members.

**e) Disability and Death Benefits**

Members who become totally and permanently disabled may qualify for a service-connected disability with no minimum service requirement, or a non-service connected disability with five or more years of credited service. Non-service connected benefits are based on actual credited service or a minimum of 10 years. Service-connected benefits are equal to normal retirement benefits or a minimum of \$1,000.

Upon the death of an active married member with less than 15 years of service, the joint and one-half survivor option is the automatic death benefit.

If an active married member has at least 15 years of service and is eligible to retire or has reached normal retirement age, the member may elect the joint and full survivor option. Under this option, the member receives a reduced base pension payment which is actuarially computed based on the member's age, average monthly earnings, years of credited service at retirement, and the relative age of the spouse. Upon the death of the member, this option pays the full amount of the member's pension payment to the surviving spouse for life.

Upon the death of a member before retirement, death benefits equal to the normal retirement benefit will be paid to a qualified recipient: surviving spouse, minor child under age 18, a disabled child who became disabled before age 18, a dependent parent, or a parent over age 65. Death benefits vary depending on the beneficiary. The surviving spouse, the disabled child, or the dependent parent will receive a lifetime benefit unless the ten-year option is taken. The minor child under age 18 will receive the normal retirement benefit for ten years or until reaching age 18. If the member has less than two years of credited service, the member's contributions will be refunded.

Upon the death of a retired member, a death benefit is paid in accordance with the option selected by the member at retirement. If there are no qualified recipients at the time of death and benefits have not been paid for ten years, death benefits are paid to the designee (an estate, a person or an entity) named by the member. The designee will receive a lump-sum payment based on ten years of benefit payments when the member's death occurs before retirement. If death occurs after retirement, the designee will receive a commuted lump-sum payment representing the balance of a guaranteed ten-year period starting from the date of retirement.

If a member does not have an eligible beneficiary, death benefits will be paid to the designee or member's estate in one commuted value payment. Benefit payments will vary depending on whether death occurred before or after retirement. Upon the death of a member before retirement, the designee or member's estate will receive a lump-sum payment based on ten years of benefit payments. Upon the death of a retired member, the designee or estate will receive a commuted value lump-sum payment representing the balance of a guaranteed ten-year period starting from the date of retirement.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

**f) Contributions**

If employment ends before attaining five years of service and before attaining eligibility for retirement, the member's contributions will be refunded upon written request to the Plan.

If a member's employment is terminated after five years of service, the member may elect a refund of contributions upon a written request, or the member may elect to receive pension benefits at normal retirement age equal to the amount accrued to the date of termination.

In fiscal year 2023, the employees' contribution and the City's total contribution remain unchanged from fiscal year 2022 at 13.32% and 22.68%, respectively. Effective October 1, 2023, the City's 22.68% contribution is divided into 14.46% to the Plan and 8.22% for debt service payments on the pension obligation bonds. Effective October 1, 2022 through September 30, 2023, the City's total contribution of 22.68% was divided into 14.12% to the Plan and 8.56% to the debt service.

The percent contributed may vary from the legally required rate as the annual required contribution is based upon covered payroll as of the actuarial valuation date, December 31, whereas contributions are calculated and paid based upon actual payrolls throughout the year. Certain factors, such as changes in benefit provisions, the size or composition of the population covered by the Plan or the actuarial assumptions used, may significantly affect the identification of trends in the amounts reported in the Schedule of Net Pension Liability and Schedule of Changes in Net Pension Liability located in the Required Supplementary Information section.

**2) Summary of Significant Accounting Policies**

**a) Basis of Accounting**

The accompanying financial statements are prepared on the economic resources measurement focus and accrual basis of accounting. Accordingly, interest earned but not received and dividends declared but not received as of the Plan's fiscal year-end are recorded as accrued interest and dividends receivable, respectively. Contributions owed but not received as of the Plan's fiscal year end are recorded as contributions receivable. Benefits and refunds are recorded when paid. In addition, unsettled investment purchases and sales are accrued.

**b) Administrative Expenses**

Administrative expenses are paid from the Plan's contributions. The contribution rates calculated by the actuary take into consideration the expected administrative expenses.

**c) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**d) Investments and Investment Income**

The Plan's investment policy requires that investments comply at all times with applicable local, state and federal regulations. The Plan's investment policy is based upon an asset allocation study that considers the current and expected condition of the Plan, the expected long-term capital

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

market outlook and the Plan's risk tolerance. Unless specifically permitted in the investment manager guidelines or other governing document, the investment policy prohibits the purchase of non-negotiable securities, short sales, selling on margin, puts, calls, straddles, options, or "letter" (restricted) stock. Also, unless specifically authorized in a manager's individual guidelines, the investment policy prohibits the use of derivatives (See derivatives disclosure in footnote 3).

Marketable Securities are valued at fair value based on quoted market prices, where available. Purchases and sales of securities and any resulting gain or loss are recorded on a trade-date basis. Net appreciation/(depreciation) include the Plan's gains and losses on investments bought and sold as well as held during the year. In May 2023, the Plan modified the asset allocation. The Plan's asset allocation is shown in the following table.

**SUMMARY OF ASSET ALLOCATION TARGETS AND RANGES**

	Target	Minimum	Maximum
<b>Equity</b>			
Domestic Equity	12.00%	10.00%	14.00%
International Equity	11.50%	9.50%	13.50%
Global Equity	5.00%	3.00%	7.00%
Global Low Volatility Equity	10.00%	8.00%	12.00%
Private Equity	10.00%	5.00%	15.00%
<b>Total Equity</b>	<b>48.50%</b>	<b>46.50%</b>	<b>50.50%</b>
<b>Fixed Income</b>			
Core Fixed Income	17.50%	15.50%	19.50%
High Yield	10.00%	8.00%	12.00%
Credit Opportunities	4.00%	2.00%	6.00%
Private Credit	2.50%	0.00%	5.00%
<b>Total Fixed Income</b>	<b>34.00%</b>	<b>32.00%</b>	<b>36.00%</b>
<b>Real Assets</b>			
Real Estate Investment Trusts	2.50%	0.50%	4.50%
Global Listed Infrastructure	5.00%	3.00%	7.00%
Private Real Estate	7.50%	2.50%	12.50%
<b>Total Real Assets</b>	<b>15.00%</b>	<b>13.00%</b>	<b>17.00%</b>
<b>Diversifying Strategies</b>			
Marketable Alternatives	2.50%	0.50%	4.50%
<b>Total Diversifying Strategies</b>	<b>2.50%</b>	<b>0.50%</b>	<b>4.50%</b>
<b>TOTAL PORTFOLIO</b>	<b>100.00%</b>		

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**Notes to the Financial Statements  
December 31, 2023 and 2022**e) Private Equity**

To enhance the potential for earning higher rates of return relative to its other asset classes and to provide for broader portfolio diversification, the Plan allocates 10.00% of its total Plan portfolio to Private Equity. Recognizing that Private Equity investments have higher risk levels, this target of 10.00% is to be allocated within an acceptable range of 5.0% to 15.0% of private equity-oriented investments. Funding of committed capital in the Private Equity portfolio can occur over an extended time period and may take several years before the total allocation is fully invested. In order to reach the allocation target, a "committed" allocation up to 1.5 times the allocation is authorized. The Plan had three Private Equity managers at December 31, 2023.

Investments in these funds as a limited partner are carried at net asset value. Net asset values of investments in private limited partnerships are determined by the fund managers or general partner based on the latest investee information available, including audited financial statements and other similar data necessary to the valuation process. The Private Equity value at December 31, 2023 and December 31, 2022 were \$372 million and \$382 million, respectively.

**f) Real Assets**

The Plan is authorized to allocate 15% of its portfolio to Real Assets. The Plan has six managers that manage Real Assets for a total value of \$340 million at December 31, 2023 and \$346 million at December 31, 2022. The Plan invests in Heitman's core real estate fund, Invesco's core fund, Invesco II which manages 1900 McKinney, LLC, AEW Partners, Virtus Real Estate Capital III, L.P. and Brasa Capital management. AEW Partners manages AEW Partners Real Estate Fund IX, L.P. and Pix Oakland Park Co-invest L.P. for the Plan.

Net asset values of investments are determined by the fund managers based on their best estimates using fair value estimation techniques substantiated, in part, by their audited financial statements and supported by the due diligence of the Plan investment staff.

**g) Real Estate Investment Trust (REIT)**

The Plan is authorized to allocate 2.5% of its portfolio to REITs. The plan has two managers within this category: Adelante and Center Square. Investments are listed at net asset value.

**h) Foreign Currency Transactions**

The Plan may enter into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date as a hedge against specific transactions or to position the portfolio to protect the Plan against adverse currency movements. Entering into these arrangements involves the risk of dealing with counterparties and their ability to meet the terms of the contracts. These contracts are valued at fair value at the financial statement date, and any realized and unrealized gains and losses are recorded when they are incurred.

Investments denominated in foreign currencies at December 31, 2023 and 2022 were converted to U.S. dollars at the foreign exchange rates quoted at December 31, 2023 and 2022. These foreign exchange gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.



**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

i) Securities Lending

The Board has authorized the Plan to enter into an agreement with The Northern Trust Company ("Northern Trust") for the lending of certain of the Plan's securities (the "Securities Lending Program" or "Program") including, but not limited to, stocks and bonds to counterparty brokers and banks ("borrowers") for a predetermined period of time and fee.

In 2009, the Board capped the securities lending exposure at \$538.2 million.

j) Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investment, net of investment fees, was 10.17%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Schedule of Money-Weighted Investment Returns**

<b>For Year Ended December 31</b>	<b>Annual Investment Returns</b>
2014	6.52%
2015	-1.92%
2016	8.88%
2017	13.08%
2018	-4.99%
2019	17.33%
2020	5.75%
2021	16.25%
2022	-8.23%
2023	10.17%

k) Capital Assets

Capital Assets, which include furniture, fixture, and software, are reported in the Plan's Financial Statements. Capital Assets are defined by the Plan as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. As the Plan constructs or develops additional Capital Assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Furniture and fixtures are depreciated using the straight-line method over an estimated useful life of 5-20 years. Intangible Assets are depreciated using the straight-line method over an estimated useful life of 5-15 years. Construction in progress is not depreciated.



**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

**l) Leases**

The Plan does not have any material noncancellable leases. The Plan recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the financial statements with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the Plan initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the Plan determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Plan uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Plan generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the Plan is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

It is the policy of the plan to monitor changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liability if certain changes occur that are expected to be significant.

**3) Derivatives**

Derivatives are generally defined as contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate, or index. The Plan has classified the following as derivatives:

**a) Currency Forward Contracts**

A Currency Forward is a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote. No such losses occurred during the fiscal years 2023 and 2022. Currency Forwards are usually traded over the counter. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuation and to facilitate trade settlement of foreign security transactions. Currency Forwards carry market risk resulting from adverse fluctuations in foreign

exchange rates. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Plan records the unrealized currency translation gain or loss based on the applicable exchange rates.

The Plan recognized a net realized loss on Currency Forward Contracts of \$2 million as of December 31, 2023, and a net realized gain of \$141 thousand as of December 31, 2022. As of December 31, 2023, the Plan had a net unrealized loss on Currency Forward contracts of \$746 thousand and a net unrealized loss of \$1.09 million at December 31, 2022. These gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

Currency Forward Contracts outstanding at December 31, 2023 and 2022 were approximately \$586 million and \$279 million, respectively, with a fair value of \$598 million and \$283 million, respectively (\$ in thousands):

Currency	<u>2023</u> Currency Forward Contracts Outstanding	<u>2022</u> Currency Forward Contracts Outstanding
Australian Dollar	\$30,404	\$21,040
Brazilian Real	2,518	3,694
Canadian Dollar	33,470	12,591
Chile Peso	2,452	1,903
Columbian Peso	1,694	1,482
Czech Koruna	2,338	994
Denmark Krone	823	216
Euro	55,529	26,728
Hong Kong Dollar	2,198	2,805
Hungary Forint	3,961	853
Indonesia-Rupiahs	452	947
Indian Rupee	4,768	4,219
Israel Shekel	196	24
Japanese Yen	31,266	5,935
Mexican Peso	10,051	2,161
New Zealand Dollar	11,555	5,804
Norwegian Krone	22,726	9,008
Peruvian Nuevo Sol	21	10
Philippine Peso	-	589
Qatari Riyal	179	-
Poland Zloty	5,739	1,740
Saudi Riyal	1,622	1,528
Singapore Dollar	952	1,876
South Africa Rand	1,981	3,696
South Korea Won	155	1,621
Swedish Krona	8,791	5,120
Switzerland Franc	21,896	6,778
Thailand Baht	268	327
Taiwan New Dollar	3,153	380
UK Pound	25,608	7,209
U.S. Dollar	299,216	147,692
<b>Totals</b>	<b>\$585,982</b>	<b>\$278,970</b>

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

**b) Other Forward Contracts**

Forward Contracts other than Currency Forward Contracts include rights and warrants and various other contractual agreements between two parties to buy or sell an asset at a specified price on a certain future date. Forward Contracts carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote. No such losses occurred during the fiscal years 2023 and 2022. Forward Contracts are usually traded over the counter. These transactions are entered into in order to hedge risks from exposure to fluctuations in prices in securities, commodities, or other financial instruments. Forward Contracts carry market risk resulting from adverse fluctuations in price. Recognition of realized gain or loss depends on whether the price of the asset has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Plan records the unrealized gain or loss based on the applicable rates.

The Plan recognized a net realized gain on Other Forward Contracts of \$160 thousand as of December 31, 2023. As of December 31, 2023, the Plan had a net unrealized gain on Forward Contracts of \$326 thousand. The gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

**c) Swaps**

A Swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the Swap. The cash flows that the counterparties exchange is tied to a "notional" amount. The agreements provide, at predetermined future dates that the Plan pays interest based upon a notional principal amount and receives a return based upon the underlying instrument. Notional amounts represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market risk or credit risk of such instruments. Risk associated with Swaps includes adverse movements in the underlying instrument.

The Plan recognized a net realized gain on Swaps of \$104 thousand. As of December 31, 2023, the Plan recognizes unrealized gain of \$43 thousand on Swaps. The gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

**d) Futures**

Financial Futures are agreements to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed upon price. These derivative securities are used to improve yield, adjust the duration of the Fixed Income portfolio, circumvent changes in interest rates, or to replicate an index. Futures Contracts are standardized and traded on organized exchanges, thereby minimizing the Plan's risk. There were no outstanding Futures Contracts at December 31, 2023 and December 31, 2022.

The Plan recognized a net realized gain of \$1.5 million on futures. The gain is included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

As of December 31, 2023, and 2022 open derivatives contracts values were as follows (\$ in thousands):

	<b>12/31/2023</b>		<b>12/31/2022</b>	
<b>Derivative Type</b>	<b>Total Notional Value</b>	<b>Total Fair Value</b>	<b>Total Notional Value</b>	<b>Total Fair Value</b>
Forward Contracts	\$585,982	(\$746)	\$278,970	(\$1,088)
Other Forwards	92,794	326	29,629	(170)
Swap Agreements	-	43	-	31
<b>Totals</b>	<b>\$678,776</b>	<b>(\$377)</b>	<b>\$308,599</b>	<b>(\$1,227)</b>

#### 4) Deposit and Investment Risk Disclosures

Deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. The common deposit and investment risks include custodial credit risk, credit risk, concentration of credit risk, foreign currency risk and interest rate risk. The required disclosures related to these risks and the Plan's exposures to these risks are disclosed in the following sections.

##### a) Custodial Credit Risk

In the event of a failure of the counterparty, custodial credit risk is the risk that the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Plan's custodial credit risk policy is set forth in Chapter 40A of the Dallas City Code and in the master custody agreement which includes the Securities Lending Program. All investments are registered in the name of Employees' Retirement Fund of the City of Dallas or in the name of the Plan's custodian established through a master trust custodial agreement. The securities are held by the custodian in the name of the Plan.

As of December 31, 2023, the Plan had \$2.7 million or 0.1% of its approximate \$3.6 billion total investments (excluding short-term investments) exposed to custodial credit risk. The custodial credit risk exposure at December 31, 2022 was \$5.7 million or 0.2% of total investments (excluding short-term investments) of approximately \$3.4 billion. These exposures were uninsured and uncollateralized deposits held by custodian banks outside of the United States. The Plan has experienced no losses on these deposits during the year.

##### b) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. A concentration of investments in any one single issuer of debt securities presents a greater risk for loss in the event that the issuer fails on its obligations.

The Board has contracted with third party investment managers to manage the investment portfolio of the Plan, subject to the policies and guidelines established by the Board. The Plan's Concentration of Credit Risk Policy is communicated to individual managers in their guidelines through limitations or restrictions to securities, sectors, debt ratings, and other factors that may be applicable to a particular manager. As the Plan's custodian bank, Northern Trust has responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and recordkeeping for the investment transactions.

The Plan had no investments that individually represent 5% or more of the net position available for Plan benefits at December 31, 2023.

c) Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality ratings for the Plan's investments in Fixed Income securities as of December 31, 2023 and 2022 are included in the following schedule. Securities are rated using Standard and Poor's quality ratings as presented following in the rating scale.

The Plan's strategic Fixed Income Investment Policy allocates 30% of the total assets to Fixed Income. The Plan's Investment Policy provides for investment of up to 15% of the Fixed Income allocation in Investment Grade assets, up to 10% of the Fixed Income allocation in High Yield (below Investment Grade) assets, and up to 5% for Opportunistic Credit. The Investment Grade allocation also allows selected managers to invest in non-U.S. dollar issues on an opportunistic basis up to 20% of their portfolio assets

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

Long term bond ratings as of December 31, 2023 and 2022 are as follows (\$ in thousands):

Quality Rating	<u>2023</u>		<u>2022</u>	
	Fair Value	Percentage of Bond Portfolio	Fair Value	Percentage of Bond Portfolio
AAA	\$108,738	10.37%	\$97,942	10.95%
AA+	19,402	1.85%	30,146	3.37%
AA	605	0.06%	605	.07%
AA-	47	0.00	104	.01%
A+	417	0.04%	552	.06%
A	828	0.08%	156	.02%
A-	17,137	1.63%	21,068	2.36%
BBB+	23,956	2.28%	21,338	2.39%
BBB	8,931	0.85%	4,456	0.50%
BBB-	15,259	1.49%	10,039	1.12%
BB+	14,160	1.35%	15,898	1.78%
BB	37,950	3.62%	24,667	2.76%
BB-	53,556	5.11%	44,380	4.96%
B+	51,370	4.90%	56,473	6.31%
B	50,844	4.85%	56,394	6.30%
B-	37,874	3.61%	32,068	3.58%
CC	988	0.09%	146	.02%
CCC+	12,170	1.16%	16,943	1.89%
CCC-	2,146	0.20%	-	-
CCC	5,672	0.54%	3,798	0.42%
D	913	0.09%	364	.04%
Not rated (NR)*	453,438	43.24%	369,741	41.33%
U.S. Government fixed income securities (NR)**	132,150	12.59%	87,319	9.76%
Total	\$1,048,551	100%	\$894,597	100%

\* NR-Investments that are not rated.

\*\* NR-U.S. Treasury Bonds and Notes are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore are not considered to have a credit risk.

#### d) Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan's Foreign Currency Risk policy is communicated to those managers who are authorized to hedge currencies in their guidelines and sets specific parameters for each manager individually.

The Plan's investment policies limit the aggregate amount that can be invested in each class of investments. The Plan's General Investment Policy sets an allocation of 11.5% of assets to International Equity, 5.00% of assets to Global Equity and 10.00% to Global Low Volatility Equity.

The Plan's positions in International Equity securities, directly and through commingled funds, were 12.04% and 13.90% of invested assets at December 31, 2023 and 2022, respectively. The Plan's position in Global Equity securities was 5.11% and 6.27% of invested assets at December 31, 2023 and 2022, respectively. The Plan's position in Global Low Volatility Equity was 10.39% at December 31, 2023 and 13.52% at 2022. The Plan's positions in Global Fixed Income assets were 29.44% and 26.11% of invested assets at December 31, 2023 and 2022, respectively.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK



**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

Non-U.S. Dollar denominated investments at December 31, 2023 and 2022 were as follows (\$ in thousands):

Currency	2023			2022		
	U.S. Dollars Balance of Investments			U. S. Dollars Balance of Investments		
	Equities	Fixed Income	Currency Forward Contracts	Equities	Fixed Income	Currency Forward Contracts
Australian Dollar	\$20,644	\$-	\$30,404	\$24,498	\$-	\$21,040
Brazil Real	11,128	17	2,518	13,482	-	3,694
British Pound Sterling	61,609	466	25,608	65,609	981	7,209
Canadian Dollar	33,870		33,470	37,517	-	12,591
Chile Peso	34	-	2,452	16	-	1,903
Columbia Peso	-	-	1,694	-	-	1,482
Czech Republic-Koruna	-	-	2,338	-	-	994
Denmark Krone	9,243	-	823	7,178	-	216
Euro	139,783	5,958	55,529	122,281	3,027	26,728
Hong Kong Dollars	37,019	-	2,198	48,511	-	2,805
Hungary-Forint	106	-	3,961	279	-	853
Indian Rupee	18,269	958	4,768	14,882	-	4,219
Indonesia-Rupiahs	5,594	1,592	452	4,208	1,582	947
Israel Shekel	1,636	-	196	3,861	-	24
Japanese Yen	90,758	-	31,266	84,298	-	5,935
Malaysia Ringgit	2,078	-		1,514	-	-
Mexican Peso	5,376	6,155	10,051	6,688	4,882	2,161
New Zealand Dollar	1,365	-	11,555	2,339	-	5,804
Norwegian Krone	10,618	-	22,726	12,359	-	9,008
Offshore-Chinese-Renminbi	6,898	-	-	8,399	-	-
Peruvian Nuevo Sol	-	-	21	-	-	10
Philippines-Pesos	1,338	-	-	1,238	-	589
Poland-Zloty	2,133	-	5,739	2,756	-	1,740
Qatar-Riyal	1,815	-	179	2,179	-	-
Saudi Riyal		-	1,622	-	-	1,528
Singapore Dollar	5,825	-	952	5,902	-	1,876
South Africa Rand	2,324	-	1,981	2,844	-	3,696
South Korea-Won	16,691	-	155	18,092	-	1,621
Swedish Krona	8,053	-	8,791	7,184	-	5,120
Swiss Franc	35,342	-	21,896	41,382	-	6,778
Taiwan New Dollar	9,819	-	3,153	6,579	-	380
Thailand Baht	5,725	-	268	7,975	-	327
Turkish Lira	763	-	-	838	-	-
United Arab-Dirham	228	-	-	237	-	-
Uruguay-New Peso	106	-	-	-	-	-
<b>Total</b>	<b>\$546,190</b>	<b>\$15,146</b>	<b>\$286,766</b>	<b>\$555,125</b>	<b>\$10,472</b>	<b>\$131,278</b>

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

e) Interest Rate Risk

Interest rate risk is the risk that future changes in prevailing market rates of interest will have an adverse effect on the fair value of debt investments. The fair value of securities with long terms to maturity may be highly sensitive to interest rate changes.

As of December 31, 2023, and 2022 the weighted-average maturity of the bonds by bond type are as follows (\$ in thousands):

Bond Category	Fair Value 12/31/2023	<u>2023</u>		Fair Value 12/31/2022	<u>2022</u>	
		Weighted Average Maturity (years)	WAM Factor		Weighted Average Maturity (years)	WAM Factor
Asset Backed Securities	\$42,656	14.79	0.60	\$31,624	14.08	0.50
Bank Loans	21,304	4.75	0.10	25,899	4.50	0.13
Commercial Mortgage-Backed Corp Convertible Bonds	21,483	20.34	0.42	11,251	22.45	0.28
Corporate Bonds	5,007	28.44	0.14	5,684	28.08	0.18
Government Agencies	608,396	10.30	5.98	551,965	10.63	6.56
Government Bonds	6,829	9.47	0.06	3,733	14.13	0.06
Govt Commer Mtg Backed	161,687	15.29	2.36	124,325	15.67	2.18
Govt Mtg Backed	1,227	28.32	0.03	672	41.15	0.03
Index Linked Government Bonds	161,256	24.45	3.76	123,463	24.43	3.37
Municipal/Provincial Bonds	4,392	12.06	0.05	4,487	8.59	0.04
Non-Government Backed CMOs	1,176	9.64	0.01	1,286	8.94	0.01
Unassigned	12,665	31.60	0.38	10,208	26.21	0.30
	473	27.46	0.01	=	=	=
<b>Total</b>	<b><u>\$1,048,551</u></b>			<b><u>\$894,597</u></b>		
Portfolio weighted average maturity			<b>13.90</b>			<b>13.64</b>

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

Government Mortgage-Backed Securities are sensitive to changes in interest rates as their prepayments can vary significantly with interest rate changes. This change in prepayments will generally cause the duration, or Interest Rate Risk, of these securities to increase when interest rates rise and decrease when interest rates fall. These securities represent 16% and 14% of the total Fixed Income portfolio for 2023 and 2022 at year end. Their fair values at years ended 2023 and 2022 were \$162,483 million and \$124,135 million respectively. The Plan's Interest Rate Risk policy is communicated to the Fixed Income managers through the Fixed Income Asset Policy and each manager's guidelines.

**5) Appreciation or (Depreciation) of Investments**

In 2023 and 2022, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows (\$ in thousands):

	2023	2022
Investments, at fair value:		
Commingled index funds	\$18,930	\$(95,055)
Domestic equities	166,378	(124,691)
United States and foreign government fixed income securities	(7,126)	(76,762)
Domestic corporate fixed income securities	51,210	(73,157)
International equities	38,150	(98,963)
Short-term investments	36	149
Currency contracts	(1,615)	(339)
	<u>\$265,963</u>	<u>\$(468,818)</u>
Investments, at estimated fair value:		
Real Assets	(20,594)	15,611
Private Equity	(19,863)	(11,683)
	<u>\$225,506</u>	<u>\$(464,890)</u>

**6) Fair Value Measurement**

The Plan's investments are measured and categorized according to fair value hierarchy guidelines established by GAAP.

The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets.
- *Level 2:* Observable inputs other than quoted market prices in active market; and,
- *Level 3:* Significant unobservable inputs.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

At December 31, 2023, the Plan had the following recurring fair value measurements (\$ in thousands):

**THE CITY OF DALLAS  
Investments at Fair Value Measurement  
As of December 31, 2023**

	Total 12/31/2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments by Fair Value Level</b>				
Cash and Short Term Investment:				
Short-Term Investment Fund	\$ 95,324	\$ 95,324	\$ -	\$ -
Total Cash and Short Term Investment	\$ 95,324	\$ 95,324	\$ -	\$ -
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	\$ 71,789	\$ -	\$ 71,789	\$ -
Government and US Agency Obligations	316,367	-	316,367	-
Corporate and Taxable Municipal Bonds	541,785	-	541,785	-
Index Commingled	90,679	17,428	73,251	-
Total Fixed Income	\$ 1,020,620	\$ 17,428	\$ 1,003,192	\$ -
Equity:				
Domestic Common and Preferred Stock	\$ 979,942	\$ 979,665	\$ 121	\$ 156
International Common and Preferred Stock	416,834	416,510	324	-
Total Equity	\$ 1,396,776	\$ 1,396,175	\$ 445	\$ 156
<b>Total Investments by Fair Value Level</b>	\$ 2,512,720	\$ 1,508,927	\$ 1,003,637	\$ 156
<b>Investments Measured at Net Asset Value</b>				
<b>Investments Measured at Net Asset Value</b>				
Commingled Funds:				
Corporate bonds	\$ 118,580			
Index Commingled-Corporate Bonds	25,961			
Domestic Equity and Collective Trust	281,190			
International Equity	7,006			
Total Commingled Funds	\$ 432,737			
Alternative Investments:				
Private Equity	\$ 371,556			
Real Estate	339,923			
Total Alternative Investments	\$ 711,479			
<b>Total Investments Measured at Net Asset Value</b>	\$ 1,144,216			

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

At December 31, 2022, the Plan had the following recurring fair value measurements (\$ in thousands):

**THE CITY OF DALLAS  
Investments at Fair Value Measurement  
As of December 31, 2022**

	<b>Total 12/31/2022</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments by Fair Value Level</b>				
Cash and Short Term Investment:				
Short-Term Investment Fund	\$ 109,754	\$ 109,754	\$ -	\$ -
Total Cash and Short Term Investment	\$ 109,754	\$ 109,754	\$ -	\$ -
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	\$ 77,797	\$ -	\$ 77,797	\$ -
Government and US Agency Obligations	244,514	-	244,514	-
Corporate and Taxable Municipal Bonds	475,103	-	475,103	-
Index Commingled	11,968	11,931	37	-
Total Fixed Income	\$ 809,382	\$ 11,931	\$ 797,451	\$ -
Equity:				
Domestic Common and Preferred Stock	\$ 1,006,555	\$ 1,005,206	\$ 1,123	\$ 226
International Common and Preferred Stock	374,264	374,159	105	-
Total Equity	\$ 1,380,819	\$ 1,379,365	\$ 1,228	\$ 226
<b>Total Investments by Fair Value Level</b>	<b>\$ 2,299,955</b>	<b>\$ 1,501,050</b>	<b>\$ 798,679</b>	<b>\$ 226</b>
<b>Investments Measured at Net Asset Value</b>				
Commingled Funds:				
Corporate bonds	\$ 97,183			
Index Commingled-Corporate Bonds	81,114			
Domestic Equity and Collective Trust	321,054			
International Equity	9,054			
Total Commingled Funds	\$ 508,405			
Alternative Investments:				
Private Equity	\$ 381,814			
Real Estate	346,345			
Total Alternative Investments	\$ 728,159			
<b>Total Investments Measured at Net Asset Value</b>	<b>\$ 1,236,564</b>			

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

**Private Placement Debt**

Private placement debt is initially stated at its fair value, which is adjusted for any transaction costs directly associated with its issuance. Subsequently, the debt is carried at its amortized cost, accounting for adjustments related to discounts or premiums over the term of the debt. They are included with Corporate Bonds.

**Commingled Funds**

Commingled funds are fund-structure investments reported by the fund managers at NAV per share. Neuberger Berman, Northern Trust Asset Management S&P 500 Index, Northern Trust ACWI Index, Northern Trust Aggregate Bond Index and BlackRock do not have a redemption period notice requirement. They may be redeemed at any time by the Plan. Earnest Partners has a redemption period notice requirement of 5 days.

**Real Estate**

Real Estate investments are held either in separate accounts, as a limited partner, or in a joint venture. These investments are illiquid and resold at varying rates, with distributions received over the life of the investments. They are typically not redeemed, nor do they have set redemption schedules. Estimated fair values of investments are determined by the fund managers based on their best estimates using fair value estimation techniques substantiated, in part, by their audited financial statements and supported by the due diligence of the Plan.

The Plan invests in:

AEW Partners

Brasa Capital Management

Heitman's core real estate fund

Invesco's core fund

Invesco II

Long Wharf Capital

Virtus Real Estate Cap

The redemption schedule for each Real Estate investment is as follows:

AEW Partners redemption is at the sole discretion of AEW's general partner; no limited partner of AEW has the right to cause a redemption.

Heitman's core real estate fund does not have a redemption period notice requirement. Heitman may be redeemed quarterly at any time by the Plan.

Invesco's core fund has a 45-day redemption period.

Invesco II manages 1900 McKinney, LLC. There is no redemption period.

Virtus Real Estate Cap's redemption is at the sole discretion of Virtus' general partner; no limited partner of Virtus has the right to cause a redemption.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

Unfunded commitments at December 31, 2023 for real estate are as follows:

AEW Partners \$17 million

Brasa Capital Management \$8 million

Long Wharf Capital \$17 million

Virtus Real Estate Cap \$6 million

**Private Equity**

Private equity holdings include fund-structure investments with general partners. By their nature, these investments are illiquid and typically not resold or redeemed.

Private equity managers' expectations that the underlying assets of the funds will be liquidated in the future as follows:

Fairview Lone Star Fund: 12 years from subscription date with 3 one-year extensions;

GCM Grosvenor: 15th anniversary of subscription date with 3 one-year extensions; and

Hamilton Lane: 10 -14 years after subscription date with 2 one-year extensions.

Upon initial investment with a general partner or in certain fund-structures, the Plan commits to a certain funding level for the duration of the contract. At will, the partners or fund managers may request that the Plan fund a portion of this amount. Such amounts remaining as of December 31, 2023, and 2022 for investments measured at NAV are disclosed as unfunded commitments.

Unfunded commitments at December 31, 2023 for Private Equity are as follows:

Fairview Lone Star Fund \$46 million;

GCM Grosvenor \$59 million; and

Hamilton Lane \$105 million.

**7) Securities Lending**

During the year, Northern Trust lent, on behalf of the Plan, securities held by Northern Trust as Plan custodian and received cash, United States government securities, agency securities, and irrevocable bank letters of credit as collateral. Northern Trust did not have the ability to pledge or sell collateral securities absent a borrower default. Northern Trust's Core USA Collateral Section establishes requirements for participation, collateralization levels, cash and non-cash collateral guidelines, and investment guidelines for the collateral received from borrowers. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities, the collateral for which is all denominated in the same currency as the loaned securities, 102% of the fair value of the loaned securities plus any accrued but unpaid distributions thereon, and (ii) in the case of loaned securities denominated in a different currency from the loaned securities, 105% of the fair value of the loaned securities plus any accrued but unpaid distributions thereon. Additionally, the guidelines set maturity/liquidity requirements for the collateral received from borrowers.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

The following table shows for open loans at December 31, 2023 and 2022, the type of collateral held, the fair value of the securities on loan, and the fair value of the collateral held (\$ in thousands).

	<u>12/31/2023</u>			<u>12/31/2022</u>		
Type	Fair Value	Collateral Fair Value	Collateral Percentage	Fair Value	Collateral Fair Value	Collateral Percentage
Cash	\$230,957	\$237,524	103%	\$333,251	\$342,361	103%

The following represents the balances relating to the Securities Lending transactions as of December 31, 2023, and 2022 (\$ in thousands):

	<u>12/31/2023</u>			<u>12/31/2022</u>		
	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value
Securities Lent						
Lent for cash collateral:						
Domestic equities	\$36,960		\$38,125	\$120,870	-	\$124,047
Domestic Agencies	157		162			
Domestic corporate fixed income	138,738		142,729	138,865	-	142,630
Global corporate fixed income	2,006		2,117	2,138	-	2,265
Global government fixed income	1,468		1,559	3,528	-	3,714
International equities	747		791	7,425	-	7,901
Global Agencies	226		234	360	-	380
U.S. government fixed	50,655		51,807	60,065	-	61,424
Subtotal	\$230,957	-	\$237,524	\$333,251	-	\$342,361

Disclosure of Securities Lending income is shown gross with the associated reductions for investment expenses on the Statements of Changes in Fiduciary Net Position, and the cash collateral and associated securities lending payable is shown on the Statements of Fiduciary Net Position for December 31, 2023, and 2022. The net income from Securities Lending in 2023 was \$1.27 million compared to \$1.08 million in 2022.



**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

**8) Federal Income Tax Status**

The Internal Revenue Service issued a determination letter dated August 15, 2016, stating that the Plan was designed in accordance with applicable Internal Revenue Code requirements as of that date. The Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, the Plan was qualified, and the related trust was tax exempt as of the financial statement dates.

**9) Capital Assets**

Capital Assets activity for the years ended December 31, 2023, and 2022, was as follows (\$ in thousands):

	Balance 12/31/2021	Increase	Decrease	Balance 12/31/2022	Increase	Decrease	Balance 12/31/2023
Capital asset not being depreciated/amortized							
Construction in Progress	\$ -	-	-	\$ -	223	(223)	\$ -
Capital assets being depreciated/amortized							
intangible assets	8,158		-	8,158	223	-	8,381
Furniture, Fixture and Equipment	50	49	-	99	5	(5)	99
Less							
Accumulated amortization intangible Assets	(1,187)	(816)	-	(2,003)	(827)	-	(2,830)
Accumulated depreciation FF&E	\$ (11)	\$ (11)	\$ -	\$ (22)	\$ (14)	\$ -	\$ (36)
Total capital asset being depreciated/amortized							
net of accumulated Depreciation/Amortization	\$ 7,010	\$ (778)	\$ -	\$ 6,232	\$ (390)	\$ -	\$ 5,614
Total Capital Assets, net of							
Accumulated depreciation amortization	\$ 7,010	\$ (778)	\$ -	\$ 6,232	\$ (390)	\$ -	\$ 5,614

**Schedule of Net Pension Liability**

a) The components of the Net Pension Liability of the City at December 31, 2023 and 2022 were as follows (\$ in thousands).

<u>Description</u>	<u>2023</u>	<u>2022</u>
Total Pension Liability	\$6,647,257	\$6,502,684
Plan Fiduciary Net Position	3,649,102	3,516,280
Net Pension Liability	2,998,155	2,986,404
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	54.90%	54.07%

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

b) Actuarial Methods and Assumptions:

Valuation date	December 31, 2022, for most recent Actuarially Determined Employer shown on Schedule of Contributions. December 31, 2023, for Net Pension Liability
Actuarial cost method	Entry Age Normal
Asset valuation method	5-year smoothed fair value
Amortization method	The ADEC is initially based on a 30-year open amortization period. As specified in City Ordinance No. 25695, the rate may not change from year-to-year if the calculated rate is 300 basis points higher or lower than the current rate.
Remaining Amortization Period	Not determined, see description of amortization method.
Investment rate of return	7.25%
Salary increases	3.00% to 8.25%, including inflation.
Inflation	2.50% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019 valuation pursuant to an experience study of the 5-year period December 31, 2019.
Mortality	<p>For Healthy Retirees: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females respectively. The rates are projected from 2019 on a fully generational basis using Scale UMP.</p> <p>For Disabled Lives: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females respectively, set forward 4 years for males and 3 years for females. The rates are projected from 2019 on a fully generational basis using Scale UMP.</p> <p>For Actives: The PubG-2010 Employee Mortality Table is used for males and females. The rates are projected from 2010 on a fully generational basis using Scale UMP.</p>

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

**Other Information**

Notes: The assumptions described above were for the most recent ADEC shown in the Schedule of Contributions. The assumptions used in determining the Net Pension Liability as of December 31, 2023, were those used in the actuarial valuation as of December 31, 2023.

The long-term rate of return on pension plan investments was estimated using a building block methodology in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.

The following table shows the best estimates of arithmetic real rates of return for each of the Plan's asset classes.

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.00%
International Equity	6.00%
Global Equity	5.60%
Global Low Volatility Equity	6.21%
Fixed Income	4.75%
Opportunities Credit	7.70%
REITs	5.60%
Private Real Estate-Value Add	7.40%
Private Real Estate-Core	5.35%
Private Equity	8.65%
Global Listed Infrastructure	7.36%
Marketable Alternatives	6.47%
Cash	3.80%

- c) The single discount rate for 2022 was 5.41%. For 2023 a single discount rate of 5.54% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.25% and the municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions and employer contributions will be made at the projected future contribution rates assuming that the ERF annually earns 7.25% on its market value of assets and that the number of active members remains constant in the future. Based on these assumptions and the Plan's funding policy, the last year in the Single Discount Rate projection period for which projected benefit payments were fully funded was 2045, the resulting Single Discount Rate is 5.54%.

**EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS**

Notes to the Financial Statements  
December 31, 2023 and 2022

- d) Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the Plan's net pension liability, if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

Sensitivity of the Net Pension Liability for FY2023  
To the Single Discount Rate Assumption  
(\$000)

<u>1% Decrease</u>	<u>Current Single Discount Rate</u>	<u>1% Increase</u>
4.54%	5.54%	6.54%
\$3,875,545	\$2,998,155	\$2,273,343

Sensitivity of the Net Pension Liability for FY2022  
To the Single Discount Rate Assumption  
(\$000)

<u>1% Decrease</u>	<u>Current Single Discount Rate</u>	<u>1% Increase</u>
4.41%	5.41%	6.41%
\$3,859,650	\$2,986,404	\$2,266,091

**10) Implementation of New Accounting Standards**

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the Plan's 2023 financial statements with no impact to amounts reported under previous standards.

**11) Subsequent Events**

On March 15, 2024, the Texas Supreme Court held that the veto power of the Board of Trustees of the Employees' Retirement Fund of the City of Dallas was unenforceable and could not prevent the otherwise valid term limits amendment passed by the City of Dallas from taking effect. The Court declined to analyze a separate issue about whether the amendment remained valid despite being passed without the City voters' approval. The Court remanded the case to the Dallas Court of Appeals to consider this issue. The case is now pending in the Dallas Court of Appeals.

PAGE LEFT INTENTIONALLY BLANK

---

# REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

---

PAGE LEFT INTENTIONALLY BLANK

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

(\$ in thousands)

FY ended December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Cost	\$152,774	\$94,476	\$141,653	\$118,452	\$124,289	\$84,843	\$81,178	\$133,457	\$78,020	\$62,065
Interest on the Total Pension Liability	346,704	360,815	322,901	330,348	325,767	332,011	325,620	305,826	313,847	290,948
Difference between Expected and Actual Experience	89,578	56,503	30,791	(82,641)	(7,819)	4,793	(59,066)	(38,327)	(26,829)	(21,967)
Assumption Changes	(103,487)	1,226,214	(1,303,800)	479,292	(43,032)	1,020,969	-	(1,227,079)	1,238,431	292,137
Benefit Payments	(328,296)	(317,528)	(296,586)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)	(235,106)	(225,614)
Refunds	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)	(4,854)	(4,629)
<b>Net Change in Total Pension Liability</b>	<b>144,573</b>	<b>1,408,322</b>	<b>(1,115,493)</b>	<b>551,129</b>	<b>110,762</b>	<b>1,170,121</b>	<b>86,042</b>	<b>(1,075,762)</b>	<b>1,363,509</b>	<b>392,940</b>
Total Pension Liability Beginning	6,502,684	5,094,362	6,209,855	5,658,726	5,547,964	4,377,844	4,291,802	5,367,564	4,004,055	3,611,115
<b>Total Pension Liability Ending (a)</b>	<b>\$6,647,257</b>	<b>\$6,502,684</b>	<b>\$5,094,362</b>	<b>\$6,209,855</b>	<b>\$5,658,726</b>	<b>\$5,547,964</b>	<b>\$4,377,844</b>	<b>\$4,291,802</b>	<b>\$5,367,564</b>	<b>\$4,004,055</b>
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$73,939	\$67,288	\$63,584	\$61,615	\$62,177	\$60,924	\$58,966	\$56,130	\$50,721	\$45,833
Employee Contributions	70,025	63,427	59,256	58,358	58,314	56,772	55,175	53,436	50,742	46,536
Pension Plan Net Investment Income	339,879	(368,929)	578,010	229,105	550,942	(167,783)	413,510	294,918	(53,344)	207,992
Benefit Payments	(328,296)	(317,528)	(296,587)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)	(235,106)	(225,614)
Refunds	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)	(4,854)	(4,629)
Pension Plan Administrative Expense	(9,184)	(9,035)	(7,349)	(5,699)	(7,513)	(7,485)	(5,951)	(5,343)	(4,598)	(4,150)
Other	(841)	-	-	(392)	298	121	207	333	162	157
<b>Net Change in Plan Fiduciary Position</b>	<b>132,822</b>	<b>(576,935)</b>	<b>386,462</b>	<b>48,665</b>	<b>375,775</b>	<b>(329,947)</b>	<b>260,217</b>	<b>149,835</b>	<b>(196,277)</b>	<b>66,125</b>
Plan Fiduciary Net Position - Beginning	3,516,280	4,093,215	3,706,753	3,658,088	3,282,313	3,612,260	3,352,043	3,202,208	3,398,485	3,332,360
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>3,649,102</b>	<b>3,516,280</b>	<b>4,093,215</b>	<b>3,706,753</b>	<b>3,658,088</b>	<b>3,282,313</b>	<b>3,612,260</b>	<b>3,352,043</b>	<b>3,202,208</b>	<b>3,398,485</b>
<b>Net Pension Liability Ending (a)-(b)</b>	<b>\$2,998,155</b>	<b>\$2,986,404</b>	<b>\$1,001,147</b>	<b>\$2,503,102</b>	<b>\$2,000,638</b>	<b>\$2,265,651</b>	<b>\$765,584</b>	<b>\$939,759</b>	<b>\$2,165,356</b>	<b>\$605,570</b>
<b>Plan Fiduciary Net Position as Percentage of Total Pension Liability</b>	<b>54.90%</b>	<b>54.07%</b>	<b>80.35%</b>	<b>56.69%</b>	<b>64.65%</b>	<b>59.16%</b>	<b>82.51%</b>	<b>78.10%</b>	<b>59.66%</b>	<b>84.68%</b>
Covered Payroll	\$530,702	\$476,601	\$442,863	\$428,824	\$433,890	\$423,083	\$410,913	\$402,077	\$383,669	\$363,109
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>564.94%</b>	<b>626.60%</b>	<b>226.06%</b>	<b>583.71%</b>	<b>461.09%</b>	<b>535.51%</b>	<b>186.31%</b>	<b>233.73%</b>	<b>564.38%</b>	<b>168.95%</b>

The covered payroll is the sum of the active members' pay for valuation purposes as of the measurement date. An active member's valuation pay is the greater of their actual pay for the just completed calendar year or their current annual rate of pay.



## SCHEDULE OF MONEY-WEIGHTED RATES OF RETURN

### SCHEDULE OF MONEY-WEIGHTED RATES OF RETURN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Rate of Return:</b>	10.17%	-8.23%	16.25%	5.75%	17.33%	-4.99%	13.08%	8.88%	-1.92%	6.52%

## SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years  
(\$ in thousands)

FY Ending December 31,	Actuarially Determined Contribution <sup>1</sup>	Actual Contributions <sup>2</sup>	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$61,747	\$45,833	\$15,914	\$353,650	12.96%
2015	64,648	50,721	13,927	383,669	13.22%
2016	84,316	56,130	28,186	402,077	13.96%
2017	86,785	58,966	27,819	410,913	14.35%
2018	90,328	60,924	29,404	423,083	14.40%
2019	87,455	62,177	25,278	433,591	14.34%
2020	93,226	61,615	31,611	434,214	14.19%
2021	99,279	63,584	35,695	452,709	14.05%
2022	104,309	67,288	37,021	479,089	14.05%
2023	111,858	73,939	37,919	526,444	14.05%

### Notes to Schedule:

1. The actuarially determined contribution (ADC) shown is based on employer contribution rates using a 30-year open amortization period and actual payroll.
2. The actual City contribution rate is set by City Ordinance No. 25695. The actual rate does not change from year to year unless the actuarially determined rate is at least 300 basis points higher or lower than the current contribution rate. If the actuarially determined rate is more than 300 basis points different, then the contribution rate is adjusted to halfway between the current rate and the actuarially determined rate, but the rate does not increase or decrease by more than 10% in any year. Since the City's fiscal year is October 1 to September 30 and the Fund's fiscal year is the calendar year, the contribution amounts shown above are a blend of the City's two fiscal year rates that occur during the calendar year.
3. For this exhibit, the covered payroll is the estimated payroll for the calendar year on which contributions were made.

---

# OTHER SUPPLEMENTARY INFORMATION

(unaudited)

---

PAGE LEFT INTENTIONALLY BLANK

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FY 2023  
(\$ in thousands)

### Personnel Services:

Salaries	\$4,310
Retirement	955
Insurance	425
<b>Total Personnel Services</b>	<b>\$5,690</b>

### Professional Services:

Actuary Service	\$103
Accounting & Audit Fees	97
Legal Fees	625
<b>Total Professional Services</b>	<b>\$825</b>

### Operating Services:

Data Processing	\$834
Rent	539
Supplies and Services	28
Travel and Training	197
Membership Dues	2
Board Expenses	10
Indirect and Other Costs	640
<b>Total Operating Services</b>	<b>\$2,250</b>

### Furniture & Fixtures:

Furniture	\$15
Other	403
<b>Total Furniture &amp; Fixtures</b>	<b>\$418</b>

<b>Total Administrative Expenses</b>	<b>\$9,183</b>
--------------------------------------	----------------

## SCHEDULE OF INVESTMENT EXPENSES

As of December 31, 2023  
(\$ in thousands)

Manager Fees	\$19,899
Custodian Fees	111
Securities Lending Fees*	317
Investment Consultant Fees	597
<b>Total Investment Expenses</b>	<b>\$20,924</b>

\*Securities lending fees include broker rebates and the lending agent's fees.

## SCHEDULE OF PAYMENTS FOR PROFESSIONAL SERVICES

As of December 31, 2023  
(\$ in thousands)

### **Accounting and Audit:**

Weaver and Tidwell, L.L.P	\$47
STP Investment Services	50

### **Actuarial:**

Gabriel, Roeder, Smith & Company	\$103
----------------------------------	-------

### **Legal:**

BAKER & HOSTETLER LLP	\$73
THE SUSTER LAW GROUP	7
FOSTER GARVEY	287
LOCKE LORD	258

<b>Total Professional Services Payments</b>	<b>\$825</b>
---	--------------



# INVESTMENT SECTION



# Wilshire

1299 Ocean Ave, Ste 700  
Santa Monica, CA 90401 USA

+1 310 451 3051

Ms. Cheryl Alston  
Executive Director  
Employees' Retirement Fund of the City of Dallas  
1920 McKinney Ave. 10<sup>th</sup> Floor  
Dallas, TX 75201

Re: 2023 Performance Results

Dear Cheryl:

The purpose of this letter is to review the 2023 investment performance results of the Employees' Retirement Fund of the City of Dallas (hereby referred to as "ERF" or "the Fund").

The major stories of 2022 – inflation and short-term interest rates – began to settle during 2023. Inflation slowed for much of the year – although it exhibited signs of new life during the third quarter. The Federal Open Market Committee lessened their overnight rate increases before pausing, raising the rate by 100 basis points (bp) through July. Further out on the Treasury curve, the bellwether 10-year Treasury began to push higher starting in May – nearly ending the inverted curve status – before retreating starting in November. The 10-year to 3-month portion of the curve has now been inverted for 14 months, the longest such period in the past 30+ years. The size of the spread is meaningful, as well – to a degree not seen since the early 1980's recession that was driven by high inflation and high unemployment. While far from being a guarantee, an inverted Treasury curve is widely followed as a possible signal of a future recession. Reported economic growth, however, has been solid for more than a year with a particularly strong 4.9% real GDP reported for the third quarter of 2023. The main driver of economic growth, consumer spending, continues to be positive, as well, and consumer sentiment surveys continue to improve. From a future return perspective, high valuations and lower rates in the intermediate portion of the curve (along with tighter spreads) has led to a drop in expected returns for both stocks and bonds.

The FT Wilshire 5000 Index was up 26.1% during 2023 as the U.S. market's largest sector, information technology, was up by more than 55% for the year. The annual return nearly matched the return for 2021 while the five-year return now equals a quite strong 14.7%, annualized. Non-U.S. equities were up, as well, but trailed the U.S. equity market. Developed markets (MSCI EAFE Index 18.2%) led emerging markets (MSCI EM Index 9.8%) due, largely, to a recent slowdown in the Chinese factory and services sectors, along with continued weakness in their housing market. With yields generally falling in the intermediate portion of the curve, fixed income allocations added to gains during 2023. Spread sectors were particularly strong as spreads fell throughout the year. Investment-grade bonds (Bloomberg Corporate Index 8.5%) trailed high yield for the year (Bloomberg High Yield Index 13.4%). The aggregate spread on the high yield market finished the year at 3.23% versus 4.69% a year earlier, steadily falling throughout the year. The Fund finished 2023 up 10.09% which underperformed its asset allocation benchmark return of 13.11%. The Fund lagged other funds in the InvestmentMetrics All Public Plans Universe, where it ranked in the fourth quartile over calendar year 2023. This was due in part to the Fund's performance in its domestic equity, global equity, real estate, and global listed infrastructure composites.



PAGE LEFT INTENTIONALLY BLANK

When looking at segment level performance, most of the Fund's composites ended the year with positive returns in line with the market, with real estate the only negative performer. The domestic equity composite had the best performance in the portfolio with a 23.07% return for 2023 due to a strong year for U.S. equities overall. Global and International equities were strong performers as well, returning 17.00% and 16.30%, respectively. Global equity was led by T. Rowe Price's 29.90% return, accompanied by Northern Trust's 26.30% for the year, capping a strong year for large cap stocks. Global low volatility equity lagged other public equities on an absolute basis but outperformed its benchmark by 2.05%, led by Acadian's strategy outperforming the MSCI ACWI Min Vol by 3.36%. Among the Fund's major segments, private equity is the highest returning component with an annualized return of 13.51% since inception in 2009. Domestic equity also remains one of the higher returning components with an annualized return of 10.33% since inception in 1990. Global equity continues to be a strong performer with an annualized return of 8.74% since inception in 2012, and also provides downside protection in turbulent equity markets.

The approved allocations as of the end of 2023 were:

<u>Asset Class</u>	<u>Allocation</u>
Domestic Equity	12.0%
International Equity	11.5%
Global Equity	5.0%
Global Low Volatility Equity	10.0%
Investment Grade Fixed Income	17.5%
High Yield	10.0%
Credit Opportunities	6.5%
Global Public Infrastructure	5.0%
REIT	2.5%
Private Real Estate – Core	5.0%
Private Real Estate – Value Add	2.5%
Private Equity	10.0%
Marketable Alternatives	2.5%

\* All portfolios are valued at the end of each month. Wilshire calculates performance in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Wilshire measures investment managers' performance using the Modified Dietz method, which is the GIPS recommended approximation of the time-weighted rate of return daily valuation method.


PAGE LEFT INTENTIONALLY BLANK

Wilshire annually publishes a research paper detailing our long-term nominal return forecast for the next ten years. Our geometric return forecasts are shown below for the major asset classes. Changes in equity valuations, inflation expectations, and rising bond yields were drivers of year over year changes in our forward looking assumptions:

	Total Return December			Risk December		
	2022	2023	Change	2022	2023	Change
<b>Investment Categories</b>						
U.S. Stock	6.50 %	5.00 %	-1.50 %	17.00 %	17.00 %	0.00 %
Dev Ex-U.S. Stock (USD)	7.25	6.00	-1.25	18.00	18.00	0.00
Emerging Market Stock	7.50	6.25	-1.25	26.00	26.00	0.00
Global Stock	7.05	5.60	-1.45	17.10	17.05	-0.05
U.S. Buyouts	8.50	7.00	-1.50	30.00	30.00	0.00
Cash Equivalents	4.00	3.80	-0.20	0.75	0.75	0.00
Core Bond	4.90	4.75	-0.15	4.70	4.70	0.00
LT Core Bond	4.90	4.70	-0.20	9.80	9.85	0.05
U.S. TIPS	3.95	4.15	0.20	6.00	6.00	0.00
High Yield Bond	6.55	5.90	-0.65	10.00	10.00	0.00
Direct Lending	8.50	8.35	-0.15	10.00	10.00	0.00
Non-U.S. Bond (HDG)	3.05	2.85	-0.20	4.00	4.00	0.00
U.S. RE Securities	5.65	5.60	-0.05	17.50	17.50	0.00
Core Prvt Real Estate	4.95	5.35	0.40	12.00	12.00	0.00
Commodities	6.25	6.05	-0.20	16.00	16.00	0.00
Inflation	2.25	2.25	0.00	1.75	1.75	0.00
<b>Total Returns Minus Inflation</b>						
U.S. Stocks	4.25	2.75	-1.50			
U.S. Bonds	2.65	2.50	-0.15			
Cash Equivalents	1.75	1.55	-0.20			
Stocks Minus Bonds	1.60	0.25	-1.35			
Bonds Minus Cash	0.90	0.95	0.05			

As always, we thank you for the opportunity to be of service to ERF.

Sincerely,



Thomas Toth, CFA  
Managing Director  
Wilshire Associates

PAGE LEFT INTENTIONALLY BLANK

## INVESTMENT POLICIES SUMMARY

### STATEMENT OF GOALS

The general investment goals are broad in nature to encompass the purpose of the Employees' Retirement Fund of the City of Dallas ("ERF" or the "Fund") and its investments. The goals articulate the philosophy by which the ERF Board of Trustees ("Board") will manage the Fund's assets within the applicable regulatory constraints.

1. The overall goal of the Fund is to provide benefits, as anticipated under the Plan document, Dallas City Code Chapter 40A, to its participants and their beneficiaries through a carefully planned and executed investment program.
2. The Fund seeks to produce the highest return on investments which is consistent with sufficient liquidity and investment risk that are prudent and reasonable, given prevailing capital market conditions. While the importance of the preservation of capital is recognized, the theory of capital market pricing which maintains that varying degrees of investment risk should be rewarded with compensating returns is also recognized. Consequently, prudent risk taking is reasonable and necessary.
3. The Fund investment program shall at all times comply with existing and applicable local, state and federal regulations.

### INVESTMENT PHILOSOPHY

The Fund is long term in nature, and the selection of investments is regulated by: the investment time horizon; the limits of acceptable risk; and the objective of optimizing the total rate of return. Each investment manager is authorized to execute investment transactions on behalf of the Board.

Investment decisions are made under the framework of the goal established for the rate of return, limits of acceptable risk, and Fund objectives. The goal is to optimize the return of the portfolio, as opposed to maximizing the rate of return.

The optimal portfolio mix is one that carefully equates expected rate of return with expected risk of all investment categories utilized in the portfolio. In setting the optimal mix of assets for the portfolio, the Board has developed a strategic asset allocation policy which incorporates a diversified asset mix. The strategic asset allocation is designed to provide an optimal diversification to reduce risk and maximize total rate of return relative to risk and the existing and projected liability structure.

The Board bases its investment strategy and goals on advice obtained from the investment consultant, the staff, and the external investment managers. The Board uses the annual external audit and annual actuarial valuation in its evaluation of the Fund's performance each year.

Article XVI, Section 67 of the Texas Constitution and Chapter 40A of the Dallas City Code give complete responsibility for the management and investment actions of the Employees' Retirement Fund to the Board of Trustees. The Board is held to the standard of conduct of fiduciaries in discharging their responsibilities. According to Chapter 40A the Trustees, as fiduciaries, must carry out their functions solely in the interest of the members and beneficiaries.

### CORPORATE GOVERNANCE

The Board considers the active voting of proxies an integral part of the investment process. Proxy voting may be delegated to the discretion of investment managers retained by the Board. The managers shall be required to establish a proxy voting policy and maintain records of proxy votes and shall make these records available quarterly to the Board or its designee. The Board may at its discretion establish an overall policy of voting proxies in which case the managers' proxy voting policy shall be in accordance with that of the Board's. The Board recognizes that in certain non-U.S. markets, investment managers may, balancing the costs and benefits, not exercise proxy voting.

## INVESTMENT RESULTS

The investment managers and the returns by investment category are shown in the following tables.  
Time-weighted rate of return, based on fair value.

<b>Investment Category</b>	<b>2023 Rate of Return</b>
Cash Equivalents	5.37%
Credit Opportunities	11.70%
Domestic Equities	23.07%
Global Equities	17.00%
Global Fixed Income	6.21%
Global Low Volatility	9.79%
High Yield Bonds	13.42%
International Equities	16.30%
Private Equity	1.90%
Global Listed Infrastructure	12.91%
Real Estate	-0.68%
Marketable Alternatives	6.01%
<b>Total Portfolio</b>	<b>10.09%</b>

## INVESTMENT MANAGERS

### Domestic Equities, REITs, Master Limited Partnerships, & Commingled Index Funds

Adelante Capital Management, LLC	Northern Trust Asset Management
Atlantic Trust	Redwood Investments, LLC
CenterSquare	Smith Graham & Co. Investment Advisors
Channing Capital Management, LLC	Systematic Financial Management, LLP
Cohen & Steers	T. Rowe Price Associates, Inc.
Harvest Fund Advisors	

### International Equities

Acadian Asset Management, LLC	Baillie Gifford
AQR Capital Management, LLC	Earnest Partners
Ativo Capital Management, LLC	

### Global Equity

Acadian Global Low Volatility	Northern Trust Asset Management
Ariel Investments	Wellington Management Company, LLP
BlackRock, Inc.	

### Marketable Alternatives

Davidson Kempner Capital Management	Hudson Bay Capital
-------------------------------------	--------------------

### Fixed Income

BlackRock, Inc.	Oaktree Capital Management, LLC
Garcia Hamilton & Associates, L.P.	Western Asset Management
Neuberger Berman	Wellington - Core Bond

### Cash Equivalents

The Northern Trust Company
----------------------------

### Private Equity

Fairview Capital Partners	Hamilton Lane
Grosvenor Capital Management	

### Real Estate

AEW Partners	Invesco Real Estate
Brasa Capital Management	Long Wharf Capital
Heitman Real Estate Investment Management	Virtus Real Estate Cap

## TOTAL PLAN RESULTS

The Employees' Retirement Fund of the City of Dallas ("ERF", the "Fund") investment portfolio generated a 10.09% return net of fees for calendar year 2023. ERF has a 5-year return of 7.70%, which was slightly below its policy index of 7.81%.

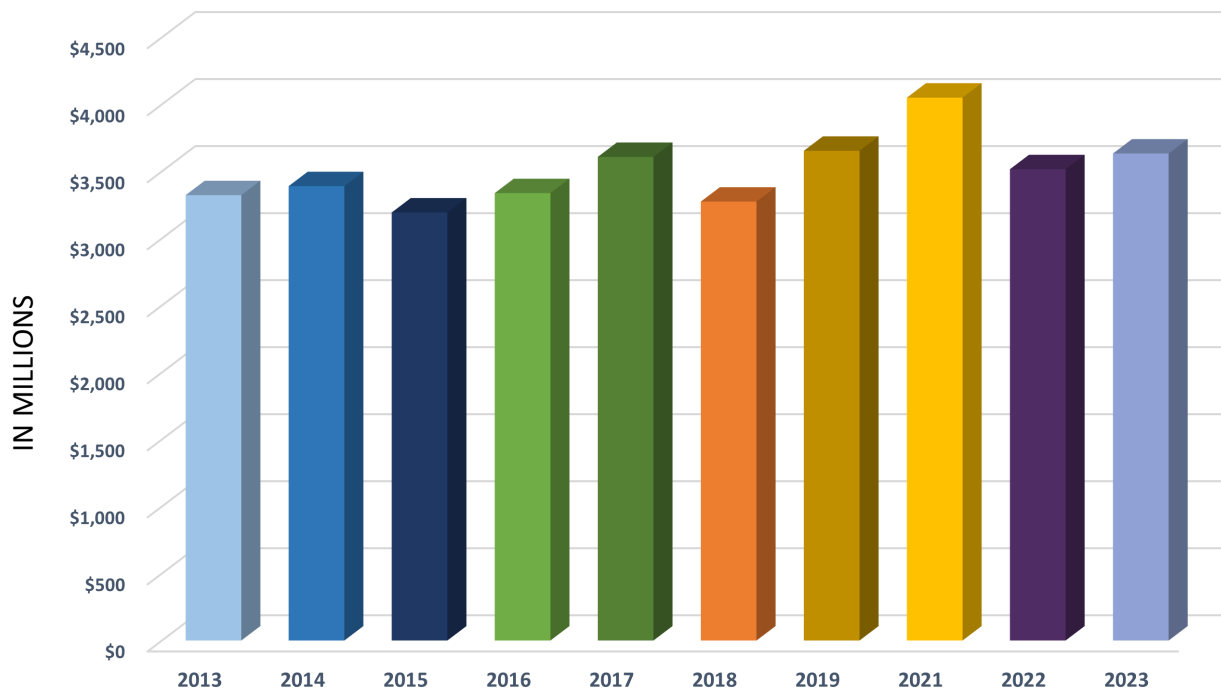
ERF has a globally diversified and conservative investment program. The best performing asset class in 2023 was Domestic Equity Composite. In 2023, ERF's Domestic Equity Composite earned 23.07%. The investments in Global Equity had a return of Composite had a 3-year return of 5.09% and a 5-year return of 10.61%.

International Equity and Global listed infrastructure composite had a return of 16.30% and 12.91% respectively for 2023. Global Low Volatility Equity had a return of 9.79% surpassing the MSCI ACWI Minimum Volatility Index of 7.74%. The Fund's Real Estate investments generated -0.68% for the year. The Real Estate investments consist of publicly traded Real Estate Investment Trusts (REITs) and private core and value-add real estate funds.

Fixed Income is 34% of the ERF investment portfolio. The Global Fixed Income investment earned 6.21% return. The High Yield portfolio posted a return of 13.42% and the Opportunistic Credit portfolio posted a return of 11.70%.

At December 31, 2023, the Fund's total assets increased to \$3.633 billion from \$3.507 billion in 2022. This represents a \$126 million increase from last year. The "Market Value of Assets" graph below provides a pictorial history of the Fund's overall growth over the last 10 years.

### FAIR VALUE OF ASSETS



## ASSET ALLOCATION

The Fund's long-term strategic asset allocation policy sets the following targets: 66% in equity and 34% in fixed income. Although no specific allocation to cash and equivalents is targeted, cash must be available for the payment of benefits and other expenses of the Plan. To accommodate constantly changing fair values, the Board has approved ranges for each of the asset classes.



**ASSET ALLOCATION, (Continued)**

As of December 31, 2023

<b>Investment Category</b>	<b>% of Total Fund</b>
<b>Equity</b>	
Domestic Equity	12.00%
International Equity	11.50%
Global Equity	5.00%
Global Low Volatility	10.00%
Private Equity	10.00%
<b>Total Equity</b>	<b>48.50%</b>
<b>Fixed Income</b>	
Core Fixed Income	17.50%
High Yield	10.00%
Credit Opportunities	4.00%
Private Credit	2.50%
<b>Total Fixed Income</b>	<b>34.00%</b>
<b>REAL ASSETS</b>	
Real Estate Investment Trusts	2.50%
Global Listed infrastructure	5.00%
Private Real Estate	7.50%
<b>Total Real Assets</b>	<b>15.00%</b>
Diversifying Strategies	
Marketable Alternatives	2.50%
<b>Total Diversifying Strategies</b>	<b>2.50%</b>
<b>Total Portfolio</b>	<b>100.00%</b>

## DOMESTIC, INTERNATIONAL AND GLOBAL EQUITY

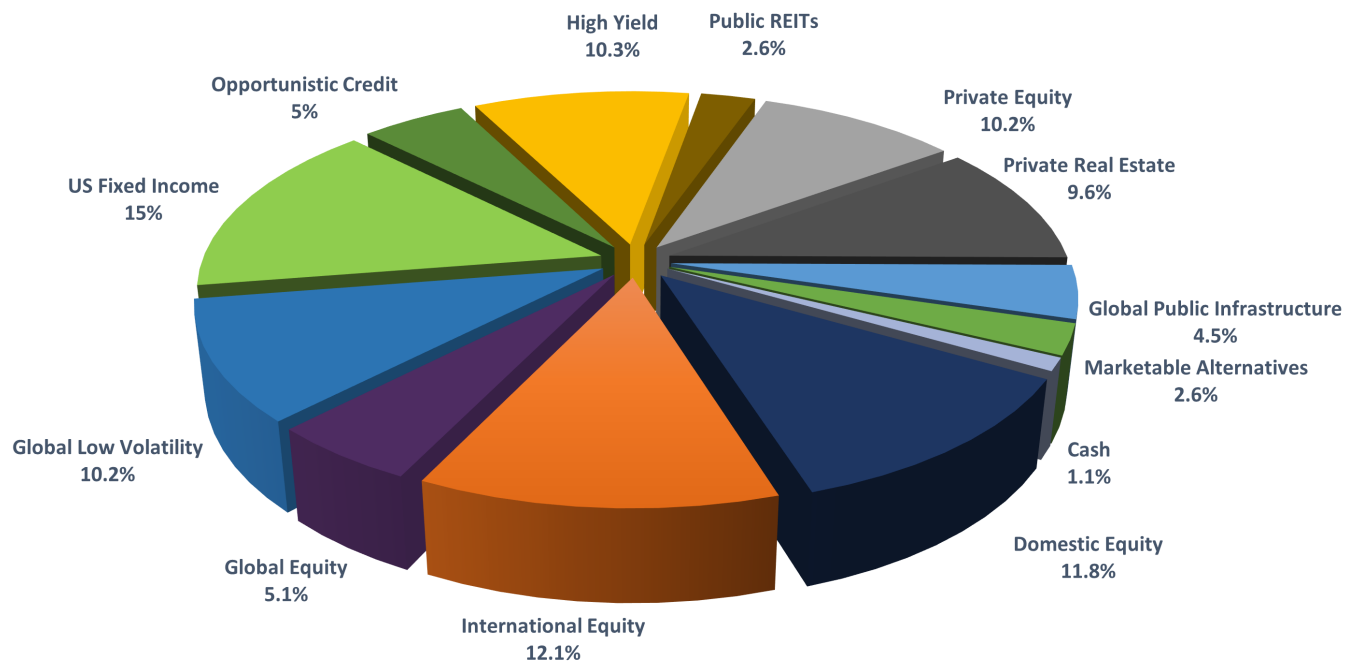
The Plan's asset allocation policy target for Equity is set at 48.50% of the Plan's total assets, which includes 12.0% to Domestic Equity and 10% to Private Equity, 2.5% to REITs.

Active and passive management strategies with different liquidity profile investments are utilized throughout the Domestic, International, and Global equity sleeve of the Fund.

Domestic equity had a return of 23.07% for the year while the custom benchmark had a return of 26.14%.

Non-U.S. Equity has a target allocation of 26.50%, and it is split between International Equity 11.5%, Global Equity 5.00%, and Global Low Volatility 10.00%. The Plan's International Equity composite return was 16.30% versus a custom Index of 15.62% for the year. The Global Equity allocation reported a return of 17.00% underperforming custom benchmark of 22.20%. Global Low Volatility reported a return of 9.79% vs MSCI AC World Minimum Volatility Index (Net) of 7.74%

## ACTUAL ASSET ALLOCATION



Source: 2023 Wilshire Report\*

## **CORE FIXED INCOME**

Global Fixed Income has a target of 17.50% of total assets allocated amongst the three investment managers. For the year the Core Fixed Income had a return 6.21% while the Bloomberg Aggregate Bond Index returned 5.53%.

## **HIGH YIELD FIXED INCOME**

High Yield Fixed Income has a target allocation of 10%. This allocation is evenly split between two investment managers. The High Yield Composite returned 13.42% compared to the FTSE High Yield Cash Pay Index of 13.51%.

## **PRIVATE EQUITY**

Private Equity has a target allocation of 10%. This allocation is split between three investment managers. At year end the fair value was approximately 10.23% of the Fund. The rate of return for the year was 1.90%.

## **REAL ESTATE**

Real Estate is comprised of Public Real Estate securities (REITs), and Private Core Real Estate and Value-add Real Estate with a target allocation of 10%. REITs, Core Real Estate, and Value-add Real Estate have a 2.5%, 5.0%, and 2.5% allocation. REITs returned 15.32% against the Wilshire U.S. Real Estate Securities Index of 16.19%.

## **GLOBAL LISTED INFRASTRUCTURE**

Global Listed Infrastructure has a target allocation of 5.00%. The allocation is split between 3 investment managers. Public Real Assets returned 12.91% against the blended benchmark of the Alerian MLP and FTSE Global Core Infrastructure 50/50 Index at 20.23%.

## ANNUALIZED RATE OF RETURN

As of December 31, 2023

Time-weighted rate of return based on fair value

	1-Year	3-Year	5-Year
<b>Total Fund</b>	<b>10.09%</b>	<b>5.41%</b>	<b>7.70%</b>
<b>Domestic Equity</b>	<b>23.07</b>	<b>9.72</b>	<b>14.69</b>
S&P 500 Index	26.29	10.00	15.69
Wilshire 5000 Index	26.14	8.97	15.42
<b>International Equity</b>	<b>16.30</b>	<b>1.76</b>	<b>8.35</b>
MSCI ACWI x-US IMI (Net)	15.62	1.53	7.19
MSCI EAFE Index	18.24	4.02	8.16
<b>Global Equity</b>	<b>17.00</b>	<b>5.09</b>	<b>10.61</b>
MSCI AC World Index (Net)	22.20	5.75	11.72
<b>Global Low Volatility</b>	<b>9.79</b>	<b>4.98</b>	<b>7.10</b>
MSCI AC World Minimum Volatility Index (Net)	7.74	3.26	6.48
MSCI AC World Index (Net)	22.20	5.75	11.72
<b>Global Fixed Income</b>	<b>6.21</b>	<b>-2.84</b>	<b>1.67</b>
Bloomberg Aggregate Bond Index	5.53	-3.31	1.10
<b>High Yield Fixed Income</b>	<b>13.42</b>	<b>2.33</b>	<b>5.44</b>
FTSE High Yield Cash Pay	13.51	2.15	5.25
<b>Real Estate</b>	<b>-0.68</b>	<b>8.01</b>	<b>7.32</b>
Wilshire U.S. Real Estate Securities Index	<b>16.19</b>	<b>7.56</b>	<b>7.58</b>
<b>Private Equity</b>	<b>1.90</b>	<b>17.35</b>	<b>13.21</b>
S&P 500 Index	26.29	10.00	15.69
<b>Public Real Assets</b>	<b>15.32</b>	<b>7.65</b>	<b>8.59</b>
Wilshire U.S. Real Estate Securities Index	16.19	7.56	7.58
<b>Credit Opportunities</b>	<b>11.70</b>	<b>0.83</b>	<b>3.84</b>
Wilshire Custom Benchmark	12.68	1.43	4.27
<b>Global Listed Infrastructure</b>	<b>12.91</b>	<b>12.20</b>	<b>8.11</b>
Wilshire Custom Benchmark	20.23	25.06	7.48
Marketable Alternatives	6.01	0.00	0.00

Source: Wilshire 2023 presentation pages

## INVESTMENT MANAGEMENT FEES

As of December 31, 2023  
(\$ in thousands)

Investment	Assets Under Management	Fees	Basis Points
Domestic Equity	\$427,068	\$1,977	46.3
International Equity	423,842	2,783	65.7
Global Equity	182,108	894	49.1
Global Low Volatility	370,114	639	17.3
Core Fixed Income	548,961	1,555	28.3
High Yield Fixed Income	363,248	1,665	42.8
Real Estate	339,922	2,351	69.2
Global Listed Infrastructure	162,874	1,043	64.0
Marketable Alternatives	96,481	1,633	169.3
Private Equity	371,556	3,981	107.1
Credit Opportunities	180,863	514	28.4
REITs	94,574	564	59.6
Cash Equivalents	71,491	300	42.0
<b>Total</b>	<b>\$3,633,102</b>	<b>\$19,899</b>	<b>54.8</b>

## OTHER INVESTMENT SERVICES

As Of December 31, 2023  
(\$ in thousands)

Investment Consultant	\$597
Investment Management Fees	19,899
Custodian Fees	111
Securities Lending Fees**	317
<b>Total Investment expenses</b>	<b>\$20,924</b>

## TEN LARGEST HOLDINGS - EQUITY

As of December 31, 2023  
(\$ in thousands)

Equity	Shares	Fair Value
CF BLACKROCK MSCI ACWI MINIMUM	8,761,148	\$184,707,780
CF HEITMAN AMERICA REAL ESTATE	70,765	90,971,120
1900 MCKINNEY HARWOOD LLC	51,862,291	80,393,538
MFB NTGI-QM COLTV DAILY S&P 500	4,032	73,250,691
CF INVESCO CORE RE FUND	365	69,876,713
GCM GROSVENOR - DALLAS ERF PAR	35,047,966	56,816,527
FAIRVIEW LONE STAR FUND L.P.	30,546,531	51,679,549
HAMILTON LANE SECONDARY FUND V	37,920,864	49,453,822
DAVIDSON KEMPNER INSTITUTIONAL	45,000,000	48,366,570

*A complete list of investments is available by contacting the Employees' Retirement Fund of the City of Dallas at 1920 McKinney Avenue, 10th Floor, Dallas, Texas 75201*

## TEN LARGEST HOLDINGS - FIXED INCOME

As of December 31, 2023  
(\$ in thousands)

Fixed Income	Par Value	Fair Value
CF WTC CIF II CORE BND MB due 12/31/2049	\$4,494,780	\$52,633,872
MFO NEUBERGER BERMAN 12/31/2049	5,330,836	50,109,856
UNITED STATES OF AMERICA TREASURY 3.500 % due 02/15/2033	21,965,000	21,342,073
UNITED STATES OF AMERICA TREASURY 1.875 % due 02/15/2032	17,735,000	15,275,652
FEDERAL HOME LN MTG CORP POOL 3.000 % due 04/01/2052	13,840,168	12,258,708
U.S.A. TREASURY BD 2.500 % due 02/15/2045	15,655,000	11,903,905
CF WA US OPP STRCTRD SEC LLC 0.000 % due 12/31/2049	466,751	10,565,832
GNMA POOL # TBA 6.000 % due 01/15/2029	8,300,000	8,433,572
UNITED STS TREAS NTS 1.125 % due 02/15/2031	9,800,000	8,193,711
UNITED STATES TREAS BDS 2.875% due 05/15/2052	9,230,000	7,385,440

*A complete list of investments is available by contacting the Employees' Retirement Fund of the City of Dallas at 1920 McKinney Avenue, 10th Floor, Dallas, Texas 75201*

## INVESTMENT HOLDINGS SUMMARY

As of December 31, 2023  
(\$ in thousands)

	Fair Value	Percentage of Fair Value
<b>Fixed Income</b>		
Government Bonds	\$316,628	8.72%
Corporate Bonds	731,923	20.15%
Total Fixed Income	1,048,551	28.87%
<b>Equity</b>		
Common Stock	1,684,942	46.38%
Index & Commingled	116,640	3.21%
Total Equity	1,801,582	49.59%
<b>Real Estate</b>		
Real Estate	339,923	9.36%
Total Real Estate	339,923	9.36%
<b>Alternative Investments</b>		
Private Equity	371,556	10.23%
Total Alternative Investments	371,556	10.23%
<b>Total Cash and Cash Equivalents</b>	71,490	1.97%
<b>Total Fund</b>	<b>\$3,633,102</b>	<b>100.00%</b>



# ACTUARIAL SECTION





---

The Report of the  
December 31, 2023 Actuarial Valuation  
of the Employees' Retirement Fund  
of the City of Dallas

---

PAGE LEFT INTENTIONALLY BLANK



June 13, 2024

Board of Trustees

Employees' Retirement Fund of the City of Dallas

1920 McKinney Avenue 10th Floor

Dallas, Texas 75201

Dear Members of the Board:

We are pleased to present our report of the actuarial valuation of the Employees' Retirement Fund of the City of Dallas ("ERF" or the "Fund") as of December 31, 2023.

This valuation provides information on the financial health of ERF. It includes a determination of the actuarially calculated contribution rates for the 2024 calendar year. In addition, it also contains the information necessary to determine the current total obligation rate and the current adjusted total obligation rate for the fiscal year beginning October 1, 2024 per City Ordinance. The current adjusted total obligation rate is a function of the previous year's adjusted total obligation rate, this year's actuarially calculated contribution rate, and the rate necessary to make the debt service payment on the previously issued pension obligation bonds for fiscal year 2025.

In addition, the report provides various summaries of the data. A separate report is issued with regard to valuation results determined in accordance with Governmental Accounting Standards Board (GASB) Statements 67 and 68. Results of this report should not be used for any other purpose without consultation with the undersigned. Valuations are prepared annually as of December 31st, the last day of the ERF plan year. This report was prepared at the request of the Board and is intended for use by the ERF staff and those designated or approved by the Board. This report may be provided to parties other than ERF staff only in its entirety and only with the permission of the Board.

As authorized in Chapter 40A-4(a)(16) of the Dallas City Code, the actuarial methods and assumptions are set by the Board of Trustees, based upon recommendations made by the plan's actuary. An experience study was performed for the five-year period ending December 31, 2019. As a result of that study, revised assumptions were adopted by the Board effective with the valuation as of December 31, 2019. There were no changes in the actuarial assumptions or methods since the prior valuation.

We believe the assumptions are internally consistent, reasonable, and, where appropriate, based on the actual experience of the ERF. All of the methods and assumptions used for funding purposes meet the parameters set by the Actuarial Standards of Practice. All actuarial methods and assumptions are described under Section P of this report. The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions.

PAGE LEFT INTENTIONALLY BLANK

Board of Trustees  
June 13, 2024  
Page 2

Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. Due to the limited scope of this assignment, GRS did not perform an analysis of the potential range of such possible future differences. The actuarial calculations are intended to provide information for rational decision making. Other than the sensitivity analysis shown in Section L, this report does not include a more robust assessment of the future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

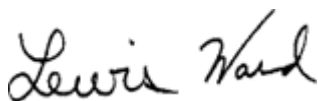
This valuation is based on the provisions of ERF in effect as of the valuation date, data on the ERF membership and information on the asset values of the Fund as of December 31, 2023. The member, annuitant and asset data used in the valuation were all prepared and furnished by ERF staff. While certain checks for reasonableness were performed, the data used was not audited.

To the best of our knowledge, this report is complete and accurate and was conducted in accordance with the Actuarial Standards of Practice as set forth by the Actuarial Standards Board and in compliance with the provisions of the Dallas City Code. The undersigned are independent actuaries and consultants. Mr. White is a Fellow of the Society of Actuaries, an Enrolled Actuary, and a Member of the American Academy of Actuaries and he meets the Qualification Standards of the American Academy of Actuaries. Both Mr. White and Mr. Ward have significant experience in performing valuations for large public retirement systems.

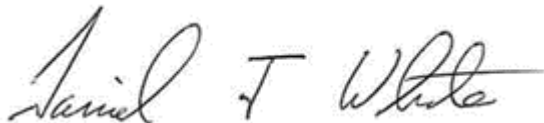
The following schedules in the actuarial section of the ERF Annual Comprehensive Financial Report were prepared by GRS: Executive Summary, Report Highlights, Summary of Actuarial Values, Demonstration of Actuarially Required Contribution Rate, Information for City Ordinance 25695, Net Assets Available for Benefits, Change in Assets Available for Benefits, Development of Actuarial Assets, Historical Investment Performance, Analysis of Change in Unfunded Actuarial Accrued Liability, Investment Experience (Gain) or Loss, Analysis of Actuarial (Gains) or Losses, Schedule of Funding Status, Summary of Data Characteristics, Distribution of Active Members and Payroll by Age and Years of Service, Distribution of Benefit Recipients, Schedule of Active Member Valuation Data, Schedule of Retirees and Beneficiaries Added to and Removed from Rolls, Solvency Test, Analysis of Pay Experience (Valuation Pay), Analysis of Retirement Experience – Each Age, Analysis of Retirement Experience - Age Groups, Analysis of Turnover Experience, Analysis of Active Mortality Experience, Analysis of Disability Experience, Analysis of Retiree Mortality Experience.

We would like to thank the ERF staff for their assistance in providing all necessary information to complete this valuation. Their courteous help is very much appreciated. We look forward to discussing this actuarial valuation report with you at your convenience. Please do not hesitate to let us know if you have any questions or need additional information.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



Lewis Ward  
Consultant



Daniel J. White, FSA, EA, MAAA  
Senior Consultant



PAGE LEFT INTENTIONALLY BLANK

## TABLE OF CONTENTS

Section A	Executive Summary .....	93
Section B	Purposes of the Actuarial Valuation.....	94
Section C	Report Highlights.....	95
Section D	Funding Process .....	96
Section E	Actuarial Contributions .....	97
Section F	Actuarial Assumptions .....	98
Section G	ERF Benefits .....	99
Section H	Experience During Previous Years .....	100
Section I	Asset Information .....	101
Section J	Funded Status.....	102
Section K	GASB Disclosure .....	103
Section L	Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions .....	104
Section M	Closing Comments .....	109
Section N	Actuarial Tables .....	111
Section O	Experience Tables.....	133
Section P	Actuarial Methods and Assumptions.....	141
Section Q	Summary of Benefit Provision .....	152



PAGE LEFT INTENTIONALLY BLANK

## EXECUTIVE SUMMARY

(\$ in 000s)

The key results from the actuarial valuation of the Employees' Retirement Fund of the City of Dallas as of December 31, 2023 may be summarized as follows:

		<u>December 31, 2022</u>		<u>December 31, 2023</u>
Members				
- Actives		7,464		7,894
- Benefit recipients		7,766		7,914
- Deferred vested*		1,042		1,095
- Other terminated*		<u>1,150</u>		<u>1,012</u>
- Total		17,422		17,915
- Covered payroll (including overtime)	\$	476,601	\$	530,702
- Normal cost	\$	89,856	\$	96,851
as % of expected payroll		19.17%		18.58%
- Actuarial accrued liability	\$	5,276,469	\$	5,483,251
- Actuarial value of assets	\$	3,866,412	\$	3,842,459
- Market value of assets	\$	3,516,280	\$	3,649,102
- Unfunded actuarial accrued liability (UAAL)	\$	1,410,057	\$	1,640,792
- Estimated yield on assets (market value basis)		(9.25)%		9.96%
- Estimated yield on assets (actuarial value basis)		5.36%		4.87%
- Contribution Rates				
- Prior Adjusted Total Obligation Rate		36.00%		36.00%
- Current Total Obligation Rate		43.62%		44.17%
- Current Adjusted Total Obligation Rate		36.00%		36.00%
- Actuarial gains/(losses)				
- Assets	\$	(71,539)	\$	(89,836)
- Actuarial liability experience	\$	(55,128)	\$	(71,075)
- Assumption and method changes	\$	0	\$	0
- 30-year level % of pay funding cost	\$	172,945	\$	195,463
as % of payroll (Employee + City)		35.40%		35.93%
- Funded ratio				
- Based on actuarial value of assets		73.3%		70.1%
- Based on market value of assets		66.6%		66.5%

\* *Deferred vested are members who have applied for a deferred pension. Other terminations are other members who have terminated and still have contribution balances in the Fund.*

## PURPOSES OF THE ACTUARIAL VALUATION

At your request, we have performed the actuarial valuation of the Employees' Retirement Fund of the City of Dallas ("ERF" or the "Fund") as of December 31, 2023.

The purposes of an actuarial valuation are as follows:

- To determine the funding status of ERF as of the valuation date;
- To develop the actuarially determined level of contributions for ERF for the 2024 calendar year; and
- To develop the current total obligation rate and the current adjusted total obligation rate for the fiscal year beginning October 1, 2024.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

## REPORT HIGHLIGHTS

The following is a set of key actuarial results from the prior year's valuation as compared to the current year:

	Valuation Date	
	December 31, 2022	December 31, 2023
<b>Contribution Rates (% of Payroll)</b>		
Normal Cost (including administrative expense)	20.89%	20.31%
Total Actuarial Contribution Rate	35.40%	35.93%
Total Projected Actuarial Contribution	\$172,945	\$195,463
<b>Funded Status (on AVA basis)</b>		
Actuarial Accrued Liability	\$5,276,469	\$5,483,251
Actuarial Value of Assets	3,866,412	3,842,459
Unfunded Actuarial Accrued Liability	\$1,410,057	\$1,640,792
Funded Ratio	73.28%	70.08%

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

## FUNDING PROCESS

Based on the previous work of the Employees' Retirement Fund Study Committee, which was ratified by the ERF Board, the Dallas City Council and the voters of Dallas, a new funding process commenced October 1, 2005. From this date forward, a new "current adjusted total obligation rate" will be contributed jointly by the City (63%) and the Membership (37%). This current adjusted total obligation rate will cover both the debt service tied to the pension obligation bonds issued in 2005 and the contributions to the ERF. In subsequent years, the contribution rate changes only if the actuarial valuation develops a "current total obligation rate" which differs from the "prior adjusted total obligation rate" by more than 3.00% (plus or minus).

As shown in Section N – Table 3 and discussed later in this report, the "current total obligation rate" (Item 4 in Table 3) exceeds the "prior adjusted total obligation rate" (Item 1 in Table 3) as of December 31, 2023. This means that the "current adjusted total obligation rate" will remain at 36.00% of active member payroll for the fiscal year beginning October 1, 2024. It should be noted that under the contribution corridor methodology, the "current adjusted total obligation rate" would have been higher if not for the maximum rate of 36.00% allowed under Chapter 40A of the Dallas City Code.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

## ACTUARIAL CONTRIBUTIONS

As shown in Section N – Table 2, the Actuarially Required Contribution Rate developed in this actuarial valuation is 35.93% of active member payroll. This rate excludes the amount needed to make the City's debt service payment on the pension obligation bonds in fiscal year 2025. This rate is the total level rate of pay (member + City) that would need to be contributed each of the next 30 years to pay off the unfunded liability of the Fund over that 30-year period. Note that because the total rate is assumed to remain level and the average normal cost as a percentage of pay is expected to decline over that time period (due to Tier B), the payment towards the unfunded liability as a percentage of pay is expected to increase over the 30-year period. In our opinion, this contribution rate satisfies the reasonable contribution rate requirements of ASOP No. 4.

As shown in Section N – Table 3 of this report, the debt service payment is determined to be 8.24% of projected payroll. The sum of these rates is 44.17% (the Current Total Obligation Rate), which is 8.17% more than the Prior Adjusted Total Obligation Rate of 36.00%. Because the total contribution rate cannot exceed 36.00%, the total contribution rate in fiscal year 2025 (the Current Adjusted Total Obligation Rate) to fund the ERF and make the debt service payment on the pension obligation bonds will be 36.00%, which is the maximum rate allowed under Chapter 40A of the Dallas City Code.

The members contribute 37% of the Current Adjusted Total Obligation Rate and the City contributes 63%. Hence, the members' portion of the 36.00% total contribution rate will be 13.32% and the City portion will be 22.68%. All of the member contribution rate will be contributed to the ERF. As noted above, 8.24% of the City's contribution rate will go towards the debt service on the pension obligation bonds and the remaining 14.44% will be contributed towards the ERF. This means a total contribution rate of 27.76% will be contributed to the ERF for the 2025 fiscal year, which compares to the actuarially calculated rate of 35.93%.

## ACTUARIAL ASSUMPTIONS

Section P of this report includes a summary of the actuarial methods and assumptions used in this valuation. In short, costs are determined using the Entry Age Normal actuarial cost method. The assumed annual investment return rate is 7.25% and includes an annual assumed rate of inflation of 2.50%.

There were no changes in the actuarial assumptions since the prior valuation report. Please see Section P of this report for a summary description of these methods and assumptions.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

## ERF BENEFITS

There were no changes in the benefit provisions of ERF since the prior valuation. Please see Section Q for a summary description of the ERF benefits.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK



## EXPERIENCE DURING PREVIOUS YEARS

An Actuarial (Gain)/Loss Analysis [(G)/L] reviews the effects of the actual experience on the expected Unfunded Actuarial Accrued Liability (UAAL). If any unexpected difference increases assets or reduces liabilities (i.e., reductions in the UAAL), we have an actuarial gain. Unexpected increases in the UAAL results in an actuarial loss.

On a market value return basis, the Fund returned approximately 9.96% (calculated on a dollar-weighted basis, net of investment expenses). Given this return, the actual investment income was \$92 million more than the expected investment income on the market value of assets; therefore, an investment gain occurred. Please see Section N – Table 6 for the determination of the actuarial value of assets (AVA) and page 48 for a description of the AVA methodology. As developed on Section N – Table 9a, there was a \$89.8 million loss on the actuarial value of assets as of December 31, 2023 due to deferred investment losses incurred prior to fiscal year 2023. The rate of return on the actuarial value of assets for 2023 was 4.87% (calculated on a dollar-weighted basis, net of investment expenses). Since this result was less than the investment return assumption of 7.25% there is an actuarial loss on the actuarial value of assets in 2023.

As developed on Section N – Table 8, ERF experienced an overall actuarial experience loss in calendar year 2023 in the amount of \$160.9 million. Since there was a \$89.8 million loss on the actuarial value of assets, this implies there was a liability actuarial loss of about \$71.1 million derived from demographic assumptions and non-investment economic assumptions (cost-of-living-adjustment). Please see Section N – Table 9b for an analysis of the experience loss by source.

The total (G)/L for the prior 5 years is broken down as follows (\$ in millions):

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
1) Actuarial (Gain)/Loss on Assets	\$35.80	16.03	(52.23)	\$71.54	\$89.84
2) Actuarial (Gain)/Loss on Liabilities	(6.16)	(69.81)	29.37	55.13	71.07
3) Total Actuarial (Gain) or Loss (1+2)	\$29.64	(\$53.78)	(\$22.86)	\$126.67	\$160.91

The unfunded actuarial accrued liability (UAAL) also increased \$41 million due to the shortfall between the calculated contribution rate and the actual contributions during calendar year 2023.

## ASSET INFORMATION

The assets of the Fund (on a market value basis) increased from \$3,516 million as of December 31, 2022 to \$3,649 million as of December 31, 2023.

An asset smoothing method (adopted by the Board) is used to recognize asset gains and losses. The purpose of such a smoothing method is to allow the use of market values, and to dampen the effect of the typical year-to-year market fluctuations. Please see page 48 of this report for a description of the smoothing method (actuarial value of asset method). See Table 6 in Section N of this report for the determination of the actuarial value of assets as of December 31, 2023.

The actuarial value of assets has decreased from \$3,866 million to \$3,842 million during 2023. The actuarial assets are less than the expected actuarial assets, \$3,933 million, due to unfavorable investment experience in calendar year 2022. This resulted in an actuarial loss on the actuarial assets of \$89.8 million.

The rate of return on investments for 2023 on the actuarial value of assets was 4.87%, compared to 5.36% in 2022. The detailed determinations of asset values utilized in this valuation and the change in assets in the last year are exhibited in Tables 4 and 5 of Section N of this report.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

## FUNDED STATUS

The funded status of ERF is measured by the Funded Ratio and the Unfunded Actuarial Accrued Liability (UAAL). The Funded Ratio is the ratio of the actuarial value of assets available for benefits to the Actuarial Accrued Liability (AAL) of the Fund on the valuation date. Therefore, it reflects the portion of the AAL that is covered by ERF assets. The UAAL is the difference between these two amounts.

A Funded Ratio of 100% means that the funding of ERF is precisely on schedule as of the particular valuation date. In addition, an increasing funded ratio from year-to-year may also mean that the funding of ERF is on schedule. By monitoring changes in the Funded Ratio each year, we can determine whether or not funding progress is being made.

Based on the market value of assets, the Funded Ratio of ERF of 66.6% as of December 31, 2022 and 66.5% as of December 31, 2023. Based on the actuarial value of assets, the Funded Ratio of ERF decreased from 73.3% as of December 31, 2022 and 70.1% as of December 31, 2023.

The UAAL increased from \$1,410.1 million as of December 31, 2022 to \$1,640.8 million as of December 31, 2023. Since the UAAL is positive, this implies the actuarial accrued liabilities exceed the actuarial assets of the Fund as of December 31, 2023.

The actual \$230.7 million increase in the UAAL was more than the expected increase of \$69.8 million (\$28.8 million due to negative amortization and \$41.0 million as a result of the actual contributions being less than the actuarially determined contribution rate), resulting in a net actuarial experience loss in total. The primary reasons the increase in the UAAL was more than expected were continued recognition of the unfavorable investment experience from 2022, the cost of living adjustment being greater than assumed and the larger than expected salary increases for employees.

The funded status is one of many metrics used to show trends and develop future expectations about the health of a retirement system. The funded status measure itself is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations or assessing the need for or the amount of future contributions since it does not reflect normal cost contributions, the timing of amortization payments, or future experience other than expected.

## GASB DISCLOSURE

Governmental Accounting Standards Board (GASB) Statement Numbers 67 and 68 detail the current accounting standards for ERF and the Fund's sponsor, the City of Dallas, Texas. These standards were effective with the plan year ending December 31, 2014 for the Fund and the fiscal year ending September 30, 2015 for the City. The standards created a clear distinction between the funding requirements of a pension plan and the accounting requirements. As a result, the GASB disclosure information is provided in a separate report.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

## ASSESSMENT AND DISCLOSURE OF RISK ASSOCIATED WITH MEASURING PENSION OBLIGATIONS AND DETERMINING PENSION PLAN CONTRIBUTIONS

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Asset/Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions.

For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;

4. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
6. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

## **ASSESSMENT AND DISCLOSURE OF RISK ASSOCIATED WITH MEASURING PENSION OBLIGATIONS AND DETERMINING PENSION PLAN CONTRIBUTIONS (Continued)**

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The Current Adjusted Total Obligation Rate shown in the Executive Summary may be considered as a minimum contribution rate that complies with Chapter 40A of the Dallas City Code. However, due to the contribution rate cap, this is less than the actuarially calculated rate. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

### **PLAN MATURITY MEASURES**

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Several generally accepted plan maturity measures are described below and are followed by a table showing a 10-year history of the measurements for ERF.

### **RATIO OF MARKET VALUE OF ASSETS TO PAYROLL**

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

### **RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL**

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

## **ASSESSMENT AND DISCLOSURE OF RISK ASSOCIATED WITH MEASURING PENSION OBLIGATIONS AND DETERMINING PENSION PLAN CONTRIBUTIONS (Continued)**

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

### **RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES**

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees, resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives, resulting in a ratio below 1.0.

### **RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS**

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

### **DURATION OF PRESENT VALUE OF BENEFITS**

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

### **ADDITIONAL RISK ASSESSMENT**

Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. While a robust measurement of additional risk assessment is outside the scope of the annual actuarial valuation, we have included a scenario test of a 1% increase or 1% decrease in the investment return assumption. The results of this test are shown at the end of this section.

## ASSESSMENT AND DISCLOSURE OF RISK ASSOCIATED WITH MEASURING PENSION OBLIGATIONS AND DETERMINING PENSION PLAN CONTRIBUTIONS (Continued)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ratio of the market value of assets to total payroll	6.88	7.38	9.24	8.64	8.43	7.71	8.55	8.13	8.12	9.34
Ratio of actuarial accrued liability to payroll	10.33	11.07	11.50	11.50	11.21	10.68	10.39	10.48	10.50	11.03
Ratio of actives to retirees and beneficiaries	1.00	0.96	0.94	0.96	1.00	1.05	1.11	1.10	1.11	1.09
Ratio of net cash flow to market value of assets	-5.7%	-5.9%	-4.7%	-4.9%	-4.8%	-5.1%	-4.3%	-4.4%	-4.5%	-4.2%
Duration of the actuarial present value of benefits*	12.52	12.47	12.54	12.69	12.37	NA	NA	NA	NA	NA

\*Duration measure not available prior to 2019

### Impact on Funding Metrics of Investment Return Assumption +/- 1%

Cost Item	Investment Return Assumption		
	6.25%	7.25%	8.25%
Normal Cost % (excluding admin expenses)	22.94%	18.58%	15.34%
UAAL (\$ in millions)	\$2,275.3	\$1,640.8	\$1,108.5
30-year funding rate (employee + City)	43.87%	35.93%	28.72%
Funded Ratio	62.8%	70.1%	77.6%
Funding Period	Infinite	51 years	34 years

### LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:



*“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”*

The LDROM estimates the amount of money the plan would need to invest in low risk securities to provide the benefits with greater certainty. The current model expects lower costs but with higher investment risk, which creates less certainty and a possibility of higher costs. Thus, the difference between the two measures (Valuation and LDROM) is one illustration of the possible costs the sponsor could incur if there was a reduction in the investment risk in comparison to the current diversified portfolio. However, the downside risk would be limited in the scenarios where the current portfolio would fail to achieve returns in excess of the low-default-risk discount, in this case 4.80%.

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

<b>Valuation Accrued Liability</b>	<b>LDROM</b>
\$5,483,251,000	\$7,279,757,000

Again, the difference between the two measures, or \$1,796,506,000, is one illustration of the savings the sponsor anticipates by assuming investment risk in a diversified portfolio.

Disclosures: Discount rate used to calculate LDROM: 4.80% Intermediate FTSE Pension Discount Curve as of December 31, 2023. This measure may not be appropriate for assessing the need for or amount of future contributions as the current portfolio is expected to generate significantly more investment earnings than the low-default-risk portfolio. This measure is also not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation as this measure includes projections of salary increases and the ability for current members to continue to accrue eligibility and vesting service.

## CLOSING COMMENTS

The unfunded actuarial accrued liability of the Fund has increased by more than expected due to unfavorable experience from both the investments and liabilities.

The calculated contribution rate necessary to pay the Fund's normal cost and amortize the UAAL over 30 years is 35.93% of pay. When the debt service payment on the Pension Obligation Bonds is considered, the total contribution rate is 44.17% of payroll. However, Chapter 40A of the Dallas City Code limits the contribution rate to 36.00% of payroll, therefore, the total rate to be contributed by the employees and the City for fiscal year 2025 will be 36.00% of pay.

Based on the current benefit and contribution provisions of the Fund, and assuming the actuarial assumptions are exactly met (including a 7.25% return on the actuarial value of assets), ERF is expected to be fully funded in approximately 51 years.

Given this calculated funding period and the risk the financial condition of ERF will continue to deteriorate, we recommend the ERF continue to have discussions with the City about ways to improve the sustainability of the Fund. Improvements to the Fund's sustainability includes increased contributions as well as a possible review of the benefits provided.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

PAGE LEFT INTENTIONALLY BLANK

## ACTUARIAL TABLES

Table Number	Content of Tables	Page
1	Summary of Actuarial Values	112
2	Demonstration of Actuarially Required Contribution Rate for FY 2025	113
3	Information for City Ordinance 25695	114
4	Net Assets Available for Benefits	118
5	Change in Assets Available for Benefits	119
6	Development of Actuarial Value of Assets	120
7	Historical Investment Performance	121
8	Analysis of Change in Unfunded Actuarial Accrued Liability	122
9a	Investment Experience (Gain) or Loss	123
9b	Analysis of Actuarial (Gains) and/or Losses for 2023	124
10	Schedule of Funding Status	125
11	Summary of Data Characteristics	126
12	Distribution of Active Members and Payroll by Age and Years of Service	127
13	Distribution of Benefit Recipients	128
14a	Schedule of Active Member Valuation Data	129
14b	Schedule of Retirees and Beneficiaries Added to and Removed from Rolls	130
14c	Solvency Test	131

**Summary of Actuarial Values**  
**As of December 31, 2023**  
(\$ in 000s)

	Entry Age Actuarial Values			
	APV* of Projected Benefits	Actuarial Accrued Liability (AAL)	Normal Cost \$	Normal Cost % of Pay**
<b>1 Active Members</b>				
a. Retirement	\$ 2,037,004	\$ 1,532,641	\$ 69,833	13.40%
b. Death	21,676	12,208	1,250	0.24%
c. Disability	14,270	5,184	1,223	0.23%
d. Termination	167,576	(7,227)	22,902	4.40%
e. Health Subsidy	37,061	28,559	1,643	0.31%
<b>Total</b>	<b>\$ 2,277,587</b>	<b>\$ 1,571,365</b>	<b>\$ 96,851</b>	<b>18.58%</b>
<b>2 Benefit Recipients</b>	3,758,969	3,758,969		
<b>3 Other Inactive</b>	152,917	152,917		
<b>4 Total Actuarial Value of Benefits</b>	<b>\$ 6,189,473</b>	<b>\$ 5,483,251</b>	<b>\$ 96,851</b>	<b>18.58%</b>
<b>5 Actuarial Value of Assets</b>		<b>\$ 3,842,459</b>		
<b>6 Unfunded Actuarial Accrued Liability (4 - 5)</b>		<b>\$ 1,640,792</b>		
<b>7 Funding Ratio</b>		<b>70.08%</b>		
<b>8 Market Value Measurements</b>				
UAAL on market value		<b>\$ 1,834,149</b>		
Funded Ratio on market value		<b>66.55%</b>		

\* APV – Actuarial Present Value

\*\* Percentage of expected payroll for continuing active members.

Table 1

## DEMONSTRATION OF ACTUARIALLY REQUIRED CONTRIBUTION RATE FOR FY 2025

Valuation as of December 31,	Actuarially Determined Total Contribution Rate	Projected Compensation for Plan Year (in \$M)	Total Contributions to Fund for Plan Year (in \$M)	Actuarial Accrued Liability (AAL \$M)	Actuarial Value of Assets (AVA \$M)	Unfunded Actuarial Accrued Liability (UAAL \$M)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2023	35.93%	\$ 530.7	\$ 190.7	\$ 5,483.3	\$ 3,842.5	\$ 1,640.8
2024	35.93%	547.1	196.6	5,603.3	3,927.9	1,675.5
2025	35.93%	565.0	203.0	5,726.1	4,017.8	1,708.3
2026	35.93%	582.8	209.4	5,842.8	4,104.3	1,738.5
2027	35.93%	600.9	215.9	5,953.7	4,187.6	1,766.0
2028	35.93%	619.3	222.5	6,059.0	4,268.4	1,790.6
2029	35.93%	638.6	229.5	6,159.9	4,347.7	1,812.2
2030	35.93%	658.2	236.5	6,256.6	4,426.3	1,830.3
2031	35.93%	678.6	243.8	6,349.8	4,505.2	1,844.6
2032	35.93%	699.5	251.4	6,440.2	4,585.4	1,854.8
2033	35.93%	720.4	258.9	6,527.3	4,667.1	1,860.2
2034	35.93%	741.9	266.6	6,612.2	4,751.6	1,860.6
2035	35.93%	764.1	274.5	6,695.3	4,839.7	1,855.6
2036	35.93%	787.1	282.8	6,776.7	4,932.1	1,844.7
2037	35.93%	810.7	291.3	6,856.9	5,029.8	1,827.1
2038	35.93%	835.1	300.1	6,936.7	5,134.2	1,802.5
2039	35.93%	860.4	309.2	7,017.2	5,247.1	1,770.2
2040	35.93%	886.8	318.6	7,099.4	5,370.0	1,729.4
2041	35.93%	914.1	328.4	7,184.3	5,504.9	1,679.4
2042	35.93%	941.9	338.4	7,272.6	5,653.3	1,619.4
2043	35.93%	970.6	348.8	7,365.3	5,816.9	1,548.4
2044	35.93%	1,000.5	359.5	7,464.0	5,998.3	1,465.8
2045	35.93%	1,031.2	370.5	7,570.5	6,200.2	1,370.3
2046	35.93%	1,062.8	381.9	7,686.1	6,425.2	1,261.0
2047	35.93%	1,095.2	393.5	7,812.2	6,675.6	1,136.6
2048	35.93%	1,128.3	405.4	7,949.8	6,953.8	996.0
2049	35.93%	1,162.2	417.6	8,099.5	7,261.6	837.9
2050	35.93%	1,196.8	430.1	8,261.9	7,601.1	660.8
2051	35.93%	1,232.6	442.9	8,437.7	7,974.4	463.2
2052	35.93%	1,269.1	456.0	8,627.1	8,383.6	243.5
2053	35.93%	1,306.5	469.5	8,830.6	8,830.6	0.0

Table 2

**Information for City Ordinance 25695  
For the Fiscal Year Commencing October 1, 2024**

<b>1 Prior Adjusted Total Obligation Rate</b>	36.00%
<b>2 Actuarially Required Contribution Rate*</b>	35.93%
<b>3 Debt Service</b>	
a Scheduled Debt Service Payment for FY 2025	\$ 44,821,069
b Projected Payroll	\$ 543,969,644
c Pension Obligation Bond Credit Rate (a/b)	8.24%
<b>4 Current Total Obligation Rate (2 + 3c)</b>	44.17%
<b>5 Current Adjusted Total Obligation Rate</b>	36.00%
<b>6 Allocation of Contribution Rates Commencing October 1, 2024</b>	
a Employee (5 x .37)	13.32%
b City (5 x .63)	22.68%

\* Actuarially determined level contribution rate as demonstrated on Table 2.

\*\* If the absolute value of the difference between the Prior Adjusted Total Obligation Rate (PATOR) and the Current Total Obligation Rate (CTOR) is less than or equal to 3.0% then:

Current Adjusted Total Obligation Rate (CATOR) = PATOR

otherwise:

1) If  $PATOR - CTOR > 3.00\%$  then the CATOR is set equal to the greater of:

- a) the average of the Prior Adjusted Total Obligation Rate and the Current Total Obligation Rate; or
- b) 90% of the Prior Adjusted Total Obligation Rate

or

2) If  $PATOR - CTOR < -3.00\%$  then the CATOR is set equal to the lesser of:

- a) the average of the Prior Adjusted Total Obligation Rate and the Current Total Obligation Rate; or
- b) 110% of the Prior Adjusted Total Obligation Rate

Additionally, the CATOR cannot exceed 36.00%.

## EXCERPTS FROM CITY ORDINANCE 25695

**ACTUARIALLY REQUIRED CONTRIBUTION RATE** – means, for any fiscal year, a rate of contribution to the fund, expressed as a percentage of members’ projected wages for such fiscal year, which is the sum of the following as determined in the actuarial valuation report for the preceding plan year:

- (A) the actuarial present value of the pension plan benefits and expenses that are allocated to a valuation period by the actuarial cost method; and
- (B) the contribution that will amortize the difference between the actuarial accrued liability of the fund and the actuarial value of the assets of the fund over the period of years required by generally accepted accounting principles.

**CITY CONTRIBUTIONS** – means, for each pay period ending during a transition year, the city shall contribute to the retirement fund an amount equal to:

- (A) 63% times the current total obligation rate for that fiscal year times the members’ wages for the pay period, minus
- (B) The pension obligation bond credit rate for that fiscal year times the members’ wages for the pay period;

and, for each pay period ending during each fiscal year, except for a transition year, the city shall contribute to the retirement fund an amount equal to:

- (C) 63% times the current adjusted total obligation rate for that fiscal year times the members’ wages for the pay period, minus
- (D) The pension obligation bond credit rate for that fiscal year times the members’ wages for the pay period.

**EMPLOYEE CONTRIBUTIONS** – means, for each pay period ending during a transition year, each member shall contribute to the retirement fund an amount equal to:

- (A) 37% times the current total obligation rate for that fiscal year times the member’s wages for the pay period;

and, for each pay period ending during each fiscal year, except for a transition year, the member shall contribute to the retirement fund an amount equal to:

- (B) 37% times the current adjusted total obligation rate for that fiscal year times the member’s wages for the pay period.



## EXCERPTS FROM CITY ORDINANCE 25695 (Continued)

**CURRENT ADJUSTED TOTAL OBLIGATION RATE** – means, for any fiscal year, the rate determined by the board as follows, using whichever formula is applicable:

- (A) If the current total obligation rate minus the prior adjusted total obligation rate is greater than three, then the current adjusted total obligation rate for such fiscal year is equal to the lesser of:
  - (i) the prior adjusted total obligation rate plus one-half times the difference of the current total obligation rate minus the prior adjusted total obligation rate; or
  - (ii) 110 percent times the prior adjusted total obligation rate; or
  - (iii) 36 percent.
- (B) If the difference between the current total obligation rate and the prior adjusted total obligation rate is less than three, then the current adjusted total obligation rate for such fiscal year is equal to the prior adjusted total obligation rate.
- (C) If the prior adjusted total obligation rate minus the current total obligation rate is greater than three, then the current adjusted total obligation rate for such fiscal year is equal to the greater of:
  - (i) the prior adjusted total obligation rate minus one-half times the difference of the prior adjusted total obligation rate minus the current total obligation rate; or
  - (ii) 90 percent times the prior adjusted total obligation rate.

**CURRENT TOTAL OBLIGATION RATE** – means, for any fiscal year, the rate adopted by the board that is equal to the sum of the pension obligation bond credit rate for such fiscal year plus the actuarially required contribution rate for such fiscal year.

**PENSION OBLIGATION BOND CREDIT RATE** – means, for any fiscal year, the rate adopted by the board that is a percentage calculated by dividing:

- (A) the debt service due during such fiscal year on any pension obligation bonds, the proceeds of which have been deposited in the fund, by:
- (B) the total members' projected wages for such fiscal year, as reported in the relevant actuarial valuation report.

**PRIOR ADJUSTED TOTAL OBLIGATION RATE** – means:

- (A) for the fiscal year commencing October 1, 2006, the current total obligation rate that was effective for the prior fiscal year; and
- (B) for each fiscal year commencing on or after October 1, 2007, the current adjusted total obligation rate that was effective for the prior fiscal year.

## EXCERPTS FROM CITY ORDINANCE 25695 (Continued)

**PROJECTED PAYROLL** – means the covered payroll for the valuation proceeding the fiscal year multiplied by the payroll growth assumption.

**TRANSITION YEAR** – means each of the following:

- (A) the first fiscal year in which debt service payments related to pension obligation bonds are due from the city;
- (B) the first fiscal year in which no debt service payments related to pension obligation bonds are due from the city; and
- (C) the fiscal year beginning October 1, 2005.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

**Net Assets Available for Benefits**  
(\$ in 000s)

	<u>December 31, 2022</u>	<u>December 31, 2023</u>
<b>1 Assets</b>		
a. Cash & Short-Term	\$ 458,347	\$ 338,462
<b>2 Receivables</b>		
a. Accrued Investment Income	\$ 16,036	\$ 18,942
b. Securities Sold	18,065	14,218
c. Employer Contribution	785	878
d. Employee Contribution	740	808
e. Pending Contracts	<u>278,970</u>	<u>585,983</u>
<b>3 Investments</b>	\$ 314,596	\$ 620,829
a. Index Funds	\$ 93,082	\$ 116,640
b. Fixed Income	894,597	1,048,551
c. Equities	1,710,927	1,684,942
d. Real Estate	346,345	339,922
e Private Equity	<u>381,814</u>	<u>371,556</u>
	\$ 3,426,765	\$ 3,561,611
<b>4 Total Assets</b>	\$ 4,199,708	\$ 4,520,902
<b>5 Liabilities</b>		
a. Accounts Payable	\$ 10,872	\$ 7,270
b. Investment Transactions	<u>672,556</u>	<u>864,530</u>
	\$ 683,428	\$ 871,800
<b>6 Net Assets Available For Benefits</b>	<u><u>\$ 3,516,280</u></u>	<u><u>\$ 3,649,102</u></u>

Table 4

**Change in Assets Available for Benefits**  
**Fiscal Year Ending December 31, 2023**  
(\$ in 000s)

	<b>2022</b>	<b>2023</b>
<b>1 Assets Available at Beginning of Year</b>	\$ 4,093,215	\$ 3,516,280
Adjustment *	0	0
	\$ 4,093,215	\$ 3,516,280
<b>2 Revenues</b>		
a. Employer Contributions	\$ 67,288	\$ 73,939
b. Employee Contributions	63,427	70,025
c. Investment Income	114,233	133,707
d. Investment Expense	(19,621)	(20,924)
e. Realized and Unrealized Gains (Losses)	(464,890)	225,507
f. Other (Security Lending)	1,349	1,589
Total Revenues	\$ (238,214)	\$ 483,843
<b>3 Expenses</b>		
a. Benefits	\$ 317,528	\$ 328,296
b. Refunds	12,158	12,700
c. Administrative Expenses	8,209	9,184
d. Depreciation Expense	826	841
Total Expense	\$ 338,721	\$ 351,021
<b>4 Assets Available at End of Year (1 + 2 - 3)</b>	\$ 3,516,280	\$ 3,649,102

\* Change due to difference between unaudited asset value used for prior valuation and audited asset value reported the following year.

**Development of Actuarial Value of Assets**  
(\$ in 000s)

							December 31, 2023	
1. Market value of assets at beginning of year							\$	3,516,280
2. External cashflow								
a. Contributions							\$	143,964
b. Benefits and refunds paid								(340,996)
c. Administrative and miscellaneous expenses								(10,025)
d. Subtotal								(207,057)
3. Assumed investment return rate for fiscal year								7.25%
4. Assumed investment income for fiscal year							\$	247,556
5. Expected Market Value at end of year (1+ 2 + 4)							\$	3,556,779
6. Market value of assets at end of year							\$	3,649,102
7. Difference (6 - 5)							\$	92,323
8. Development of amounts to be recognized as of December 31, 2023								
Fiscal Year End	Remaining Deferral of Excess (Shortfall) of Investment Income	Offsetting of Gains/ (Losses)	Net Deferrals Remaining	Years Remaining	Recognized for this valuation	Remaining after this valuation		
	(1)	(2)	(3) = (1) + (2)	(4)	(5) = (3) / (4)	(6) = (3) - (5)		
2019	\$ 0	\$ 0	\$ 0	1	\$ 0	\$ 0		
2020	0	0	0	2	0	0		
2021	0	0	0	3	0	0		
2022	(350,132)	92,323	(257,809)	4	(64,452)	(193,357)		
2023	92,323	(92,333)	0	5	0	0		
Total	\$ (257,809)	\$ 0	\$ (257,809)		\$ (64,452)	\$(193,357)		
9. Final actuarial value of plan net assets, end of year (Item 6 - Item 8, Column 6)							\$	3,842,459
10. Ratio of actuarial value to market value								105.3%

Notes: Remaining deferrals in Column (1) for prior years are from last year's report Table 6, column 6. The number in the current year is Item 7, above. Column 2 is a direct offset of the current year's excess/(shortfall) return against prior years' excess/(shortfall) of the opposite type.

Table 6

**Historical Investment Performance**  
**Dollar Weighted Basis Net of Investment Expenses**

<u>Calendar Year</u>	<u>On Market Value</u>	<u>On Actuarial Value</u>
2004	15.22%	9.38%
2005	7.93%	13.71%
2006	16.90%	13.03%
2007	3.56%	9.58%
2008	-31.31%	-3.76%
2009	30.35%	6.79%
2010	15.77%	4.30%
2011	0.86%	1.15%
2012	14.29%	2.82%
2013	16.75%	10.65%
2014	6.14%	10.29%
2015	-1.83%	7.02%
2016	8.65%	8.51%
2017*	12.34%	8.99%
2018	-5.15%	5.23%
2019	17.30%	6.74%
2020	6.42%	6.81%
2021	16.01%	8.68%
2022	-9.25%	5.36%
2023	9.96%	4.87%
5-year average ending in 2023	7.64%	6.48%
10-year average ending in 2023	5.71%	7.24%
20-year average ending in 2023	7.59%	6.69%

\* The yield on the actuarial value of assets for 2017 includes the impact of the method change for the Actuarial Value of Assets.

**Analysis of Change in Unfunded Actuarial Accrued Liability**  
**For the Year Ending December 31, 2023**  
(\$ in 000s)

<b>1. UAAL as of December 31, 2022</b>		\$ 1,410,057
<b>2. Expected Change in UAAL during 2023</b>		
a. Expected Amortization Payment for CY 2023 based on the Actuarially Determined Contribution Rate	(70,882)	
b. Interest adjustments on 1 & 2a to Year End @ 7.25%	99,705	
c. Expected change in UAAL	<u>28,823</u>	28,823
<b>3. Increase/(Decrease) in UAAL Due to Difference Between the Actuarially Determined Contribution Rate and Actual Contribution Rate</b>		41,001
<b>4. Net Actuarial Experience (Gains) &amp; Losses</b>		160,911
<b>5. Assumption and Method Changes</b>		<u>0</u>
<b>6. UAAL as of December 31, 2023</b>		\$ 1,640,792

Table 8

**Investment Experience (Gain) or Loss**  
(\$ in 000s)

Item	Valuation as of December 31, 2023
<b>1. Actuarial assets, beginning of year</b>	\$ 3,866,412
<b>2. Contributions</b>	143,964
<b>3. Benefits and refunds paid with administrative expenses</b>	(351,021)
<b>4. Assumed net investment income at 7.25% on</b>	
a. Beginning of year assets	280,315
b. Contributions	5,127
c. Benefits and refunds paid with administrative expenses	(12,502)
d. Total	\$ 272,940
<b>5. Expected actuarial assets, end of year (Sum of Items 1 through 4)</b>	3,932,295
<b>6. Actual actuarial assets, end of year</b>	3,842,459
<b>7. Asset experience (gain)/loss for year</b>	89,836

Table 9a



**Analysis of Actuarial (Gains) and/or Losses for 2023**  
(\$ in 000s)

	<b>2023</b>
<b>Investment Return</b>	\$ 89,836
<b>Salary Increase</b>	52,299
<b>Age and Service Retirement</b>	(1,511)
<b>General Employment Termination</b>	(4,055)
<b>Disability Incidence</b>	(236)
<b>Active Mortality</b>	(93)
<b>Benefit Recipient Mortality</b>	(10,464)
<b>Actual vs. Expected Cost of Living Adjustment (COLA)*</b>	45,368
<b>Other</b>	(10,233)
<b>Total Actuarial (Gain)/ Loss</b>	\$ 160,911

\* Actual COLA of 4.43% for Tier A and 3.00% for Tier B versus expected COLAs of 2.50% for Tier A and 2.20% for Tier B.

Table 9b

**Schedule of Funding Status**  
(\$ in 000s)

<b>End of Year</b>	<b>Actuarial Value of Assets</b>	<b>AAL (b)</b>	<b>UAAL (b-a)</b>	<b>Funding Ratio (a/b)</b>	<b>Payroll* (c)</b>	<b>UAAL as % of Payroll ((b-a)/c)</b>
<b>2004</b>	2,482,082	2,488,270	6,188	99.75%	331,201	1.87%
<b>2005</b>	2,739,269	2,606,173	(133,096)	105.11%	332,446	-40.04%
<b>2006</b>	2,998,099	2,761,404	(236,695)	108.57%	344,997	-68.61%
<b>2007</b>	3,183,260	2,915,164	(268,096)	109.20%	370,150	-72.43%
<b>2008</b>	2,957,506	3,075,385	117,879	96.17%	389,362	30.27%
<b>2009</b>	3,031,652	3,192,120	160,468	94.97%	375,164	42.77%
<b>2010</b>	3,027,439	3,282,126	254,687	92.24%	332,045	76.70%
<b>2011</b>	2,916,746	3,391,652	474,906	86.00%	318,972	148.89%
<b>2012</b>	2,846,124	3,518,356	672,232	80.89%	340,452	197.45%
<b>2013</b>	3,074,284	3,610,845	362,477	85.14%	352,486	102.83%
<b>2014</b>	3,241,053	4,004,055	763,002	80.94%	374,002	204.01%
<b>2015</b>	3,320,387	4,129,133	808,746	80.41%	404,981	199.70%
<b>2016</b>	3,451,463	4,291,802	840,339	80.42%	420,693	199.75%
<b>2017</b>	3,601,612	4,377,844	776,232	82.27%	432,854	179.33%
<b>2018</b>	3,620,319	4,526,996	906,677	79.97%	435,375	208.25%
<b>2019</b>	3,682,959	4,863,325	1,180,366	75.73%	444,737	265.41%
<b>2020</b>	3,747,078	4,932,886	1,185,808	75.96%	439,544	269.78%
<b>2021</b>	3,872,601	5,094,362	1,221,761	76.02%	453,934	269.15%
<b>2022</b>	3,866,412	5,276,469	1,410,057	73.28%	488,516	288.64%
<b>2023</b>	3,842,459	5,483,251	1,640,792	70.08%	543,970	301.63%

\* Projected to following year.

Table 10

## Summary of Data Characteristics

As of December 31,	2021	2022	2023
<b>Active Members</b>			
Number	7,175	7,464	7,894
Total Annualized Earnings of Members as of 12/31 (000s)	\$ 442,863	\$ 476,601	\$ 530,702
Average Earnings	61,723	63,853	67,229
<b>Benefit Recipients</b>			
Number	7,655	7,766	7,914
Total Annual Retirement Income (000s)	\$ 294,130	\$ 309,799	\$ 327,190
Total Annual Health Supplement (000s)	11,077	11,234	11,440
Average Total Annual Benefit	39,870	41,338	42,789
<b>Inactive Members*</b>			
Deferred Vested	974	1,042	911
Deferred Nonvested	1,007	1,150	799
Total	1,981	2,192	1,095

\* The number of inactives on 12/31/2023 includes 1,095 members who have applied for a deferred pension and 1,012 other members who have terminated and still have contribution balances in the Fund.

Table 11

### Distribution of Active Members and Payroll by Age and Years of Service

Age	Years of Service								Totals
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
<b>Under 20</b>	13 \$531,002								13 \$531,002
<b>20-24</b>	181	121							302 \$14,461,754
<b>25-29</b>	270	369	75						714 \$37,783,680
<b>30-34</b>	229	377	223	38					867 \$51,511,173
<b>35-39</b>	162	335	225	110	58				890 \$58,623,094
<b>40-44</b>	161	271	203	127	134	26	3		925 \$64,919,065
<b>45-49</b>	124	247	219	126	163	106	50	1	1,036 \$74,326,088
<b>50-54</b>	113	242	189	106	159	125	95	19	1,048 \$75,289,139
<b>55-59</b>	78	199	198	110	193	106	65	27	976 \$71,695,396
<b>60-64</b>	56	139	165	86	154	56	48	24	728 \$52,227,638
<b>65&amp;Over</b>	17	52	75	58	74	50	32	37	395 \$29,334,063
<b>Totals</b>	1,404 \$73,277,867	2,352 \$146,603,080	1,572 \$109,653,050	761 \$57,894,188	935 \$73,035,744	469 \$37,761,789	293 \$23,300,866	108 \$9,175,508	7,894 \$530,702,092

Table 12

**Distribution of Benefit Recipients**

As of December 31, 2023

<b>Age</b>	<b>Number</b>	<b>Annual Benefit*</b>	<b>Annual Average Benefit*</b>
<b>Under 50</b>	31	\$ 613,682	\$ 19,796
<b>50-54</b>	131	6,186,722	47,227
<b>55-59</b>	528	27,447,996	51,985
<b>60-64</b>	1,296	56,144,796	43,322
<b>65-69</b>	1,657	70,298,468	42,425
<b>70-74</b>	1,719	72,644,100	42,260
<b>75-79</b>	1,293	53,942,932	41,719
<b>80-84</b>	706	23,552,340	33,360
<b>85-89</b>	344	10,779,264	31,335
<b>90 &amp; Over</b>	209	5,579,510	26,696
<b>Total</b>	7,914	\$ 327,189,809	\$ 41,343

\* Does not include Health Benefit Supplement.

Table 13

**Schedule of Active Member Valuation Data**

Year Ending December 31,	Active Participants	Percent Change	Covered Payroll	Percent Change	Average Salary	Percent Change
2007	8,117	-	\$ 359,369,000	-	\$ 44,274	-
2008	8,371	3.1%	378,021,000	5.2%	45,158	2.0%
2009	7,654	-8.6%	364,237,000	-3.6%	47,588	5.4%
2010	7,034	-8.1%	322,374,000	-11.5%	45,831	-3.7%
2011	6,745	-4.1%	309,682,000	-3.9%	45,913	0.2%
2012	6,864	1.8%	330,536,000	6.7%	48,155	4.9%
2013	6,993	1.9%	342,219,000	3.5%	48,937	1.6%
2014	7,180	2.7%	363,109,000	6.1%	50,572	3.3%
2015	7,477	4.1%	393,186,000	8.3%	52,586	4.0%
2016	7,619	1.9%	409,433,000	4.1%	53,738	2.2%
2017	7,838	2.9%	421,269,000	2.9%	53,747	0.0%
2018	7,584	-3.2%	423,723,000	0.6%	55,871	4.0%
2019	7,427	-2.1%	433,890,000	2.4%	58,421	4.6%
2020	7,244	-2.5%	428,824,000	-1.2%	59,197	1.3%
2021	7,175	-1.0%	442,863,000	3.3%	61,723	4.3%
2022	7,464	4.0%	476,601,000	7.6%	63,853	3.5%
2023	7,894	5.8%	530,702,000	11.4%	67,229	5.3%

Table 14a

### Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

Year Ending December 31,	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	
2007	239	\$ 7,250,468	205	\$ 4,551,742	5,304	\$ 142,267,609	\$ 26,823
2008	383	8,905,680	211	4,684,964	5,476	154,692,846	28,249
2009	446	9,268,740	216	4,795,982	5,706	165,826,328	29,062
2010	508	12,798,268	221	4,907,000	5,993	179,730,384	29,990
2011	404	10,012,165	198	4,396,317	6,199	193,851,170	31,271
2012	325	9,795,464	204	4,529,539	6,320	202,120,582	31,981
2013	324	11,246,955	197	4,327,990	6,447	210,027,512	32,578
2014	370	12,415,771	219	4,821,713	6,598	219,150,070	33,215
2015	476	13,777,204	318	6,847,464	6,756	226,019,290	33,455
2016	384	12,746,549	237	5,562,549	6,903	237,992,528	34,477
2017	383	9,893,931	244	6,375,641	7,042	244,768,143	34,758
2018	402	14,905,595	220	5,976,286	7,224	258,085,328	35,726
2019	478	17,715,050	297	8,368,302	7,405	269,263,106	36,362
2020	455	28,634,730	308	11,614,128	7,552	277,428,698	36,736
2021	424	16,109,924	321	8,655,976	7,655	294,130,270	38,423
2022	384	14,364,767	273	8,500,245	7,766	309,799,134	39,892
2023	404	15,039,143	256	8,098,656	7,914	327,189,809	41,343

Table 14b

<b>Solvency Test</b> (\$ in 000s)							
Aggregated Accrued Liabilities for				Portions of Accrued Liabilities Covered by Reported Assets			
Valuation Date	Active and Inactive		Active and Inactive				
	Members Contributions (1)	Retirees and Beneficiaries (2)	(Employer Financed Portion) (3)	Reported Assets (4)	(5)/(2) (6)	[(5)-(2)]/3 (7)	[(5)-(2)-(3)]/(4) (8)
December 31, 2007	\$ 206,090	\$ 1,591,731	\$ 1,117,343	\$ 3,183,260	100.0%	100.0%	100.0%
December 31, 2008	221,667	1,707,599	1,146,119	2,957,506	100.0%	100.0%	89.7%
December 31, 2009	228,666	1,834,491	1,128,963	3,031,652	100.0%	100.0%	85.8%
December 31, 2010	232,727	2,041,322	1,008,077	3,027,439	100.0%	100.0%	74.7%
December 31, 2011	240,821	2,181,731	969,100	2,916,746	100.0%	100.0%	51.0%
December 31, 2012	257,716	2,250,533	1,010,107	2,846,124	100.0%	100.0%	33.4%
December 31, 2013	278,892	2,319,424	1,012,529	3,074,284	100.0%	100.0%	47.0%
December 31, 2014	301,567	2,578,071	1,124,417	3,241,053	100.0%	100.0%	32.1%
December 31, 2015	325,607	2,650,638	1,152,888	3,320,387	100.0%	100.0%	29.9%
December 31, 2016	350,646	2,770,533	1,170,623	3,451,463	100.0%	100.0%	28.2%
December 31, 2017	373,193	2,854,818	1,149,833	3,601,612	100.0%	100.0%	32.5%
December 31, 2018	392,004	2,989,597	1,145,395	3,620,319	100.0%	100.0%	20.8%
December 31, 2019	408,984	3,228,576	1,225,766	3,682,959	100.0%	100.0%	3.7%
December 31, 2020	430,411	3,312,228	1,190,247	3,747,078	100.0%	100.0%	0.4%
December 31, 2021	448,149	3,456,659	1,189,554	3,872,601	100.0%	99.1%	0.0%
December 31, 2022	467,549	3,603,830	1,205,090	3,866,412	100.0%	94.3%	0.0%
December 31, 2023	490,401	3,758,969	1,233,881	3,842,459	100.0%	89.2%	0.0%

Table 14c



PAGE LEFT INTENTIONALLY BLANK

## EXPERIENCE TABLES

Table Number	Content of Tables	Page
15	Analysis of Pay Experience (Valuation Pay)	134
16a	Analysis of Pay Experience - Each Age	135
16b	Analysis of Pay Experience - Age Groups	136
17	Analysis of Turnover Experience	137
18	Analysis of Active Mortality Experience	138
19	Analysis of Disability Experience	139
20	Analysis of Retiree Mortality Experience	140

**Pay Experience for Employees who are Active at  
Beginning and End of Year**

**Valuation Pay Analysis  
Analyzed by Years of Service**

Service Beginning of Year	Experience for 2023			
	Number	Expected Pay	Actual Pay	Ratio A/E
<b>Under 5</b>	2,167	\$ 125,952,594	\$ 133,911,334	106%
<b>5-9</b>	1,632	107,232,638	112,642,488	105%
<b>10-14</b>	832	60,485,012	63,092,682	104%
<b>15-19</b>	912	67,846,736	70,752,867	104%
<b>20-24</b>	477	36,969,925	38,189,786	103%
<b>25-29</b>	346	27,386,177	28,079,642	103%
<b>30 &amp; Over</b>	121	9,936,744	10,138,345	102%
<b>Total</b>	6,487	\$ 435,809,826	\$ 456,807,144	105%
<b>Over 10 Years</b>	2,688	\$ 202,624,594	\$ 210,253,322	104%

Service Beginning of Year	Experience for 2020-2023			
	Number	Expected Pay	Actual Pay	Ration A/E
<b>Under 5</b>	7,594	\$ 424,110,637	\$ 438,604,014	103%
<b>5-9</b>	6,720	413,282,858	421,643,673	<b>102%</b>
<b>10-14</b>	3,514	239,619,785	242,640,709	<b>101%</b>
<b>15-19</b>	3,438	243,996,803	247,686,994	<b>102%</b>
<b>20-24</b>	2,326	165,625,696	166,742,830	<b>101%</b>
<b>25-29</b>	1,291	98,826,398	99,238,392	<b>100%</b>
<b>30 &amp; Over</b>	517	43,231,924	42,994,523	<b>99%</b>
<b>Total</b>	25,400	\$ 1,628,694,101	\$ 1,659,551,135	102%
<b>Over 10 Years</b>	11,086	\$ 791,300,606	\$ 799,303,448	101%

Table 15

**Analysis of Retirement Experience  
Each Age**

Age	2023 Retirement			2020-2023 Retirement		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
46	-	-	N/A	-	-	N/A
47	-	-	N/A	-	-	N/A
48	-	-	N/A	-	-	N/A
49	-	0.10	0%	1	0.80	125%
50	2	2.45	82%	15	19.10	79%
51	3	8.35	36%	17	33.15	51%
52	13	12.10	107%	36	37.90	95%
53	6	8.00	75%	35	43.40	81%
54	4	8.85	45%	32	39.65	81%
55	10	11.20	89%	49	44.95	109%
56	14	13.25	106%	47	49.50	95%
57	11	10.60	104%	60	52.95	113%
58	12	10.45	115%	45	45.05	100%
59	7	10.45	67%	42	50.20	84%
60	30	19.59	153%	109	79.14	138%
61	15	16.03	94%	62	66.78	93%
62	13	16.18	80%	62	65.21	95%
63	16	12.69	126%	53	56.93	93%
64	13	13.10	99%	39	59.11	66%
65	21	16.02	131%	69	67.11	103%
66	17	14.64	116%	59	60.64	97%
67	17	15.56	109%	49	50.22	98%
68	8	10.76	74%	33	33.80	98%
69	6	5.70	105%	21	22.36	94%
70 & Over	22	94.00	23%	80	355.00	23%
Total	260	330.07	79%	1,105	1,332.95	76%
Total Under 70	238	236.07	101%	935	977.95	96%

Table 16a

Analysis of Retirement Experience  
Age Groups

Age Group	2023 Retirements			2020-2023 Retirements		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
Under 55	28	39.85	70%	136	174.00	78%
55-59	54	55.95	97%	243	242.65	100%
60-64	87	77.59	112%	325	327.17	99%
65-69	69	62.68	110%	231	234.13	99%
70 & Over	22	94.00	23%	80	355.00	23%
Total	260	330.07	79%	1,015	1,332.95	76%
Total Under 70	238	236.07	101%	935	977.95	96%

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

Table 16b

## Analysis of Turnover Experience

Years of Service	2023 Quits			2020-2023 Quits		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
<b>0-4</b>	463	444.67	104%	1,857	1,545.34	120%
<b>5-9</b>	167	121.13	138%	683	502.64	135%
<b>10-14</b>	38	27.23	140%	164	109.08	150%
<b>15-19</b>	24	13.21	182%	81	52.06	156%
<b>20-24</b>	5	4.01	125%	26	19.22	135%
<b>25-29</b>	1	0.53	187%	4	1.97	203%
<b>Total</b>	698	610.79	114%	2,815	2,230.30	126%

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

Table 17

## Analysis of Active Mortality Experience

Age Group	2023 Deaths			2020-2023 Deaths		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
<b>20-24</b>	1	0.04	2752%	2	0.11	1749%
<b>25-29</b>	0	0.10	0%	2	0.41	485%
<b>30-34</b>	0	0.21	0%	2	0.83	242%
<b>35-39</b>	1	0.31	320%	6	1.22	494%
<b>40-44</b>	0	0.48	0%	2	1.97	102%
<b>45-49</b>	2	0.84	239%	7	3.40	206%
<b>50-54</b>	3	1.34	224%	13	5.63	231%
<b>55-59</b>	3	1.87	160%	11	7.94	139%
<b>60 &amp; Over</b>	6	3.60	167%	27	13.52	200%
<b>Total</b>	16	8.79	182%	72	35.02	206%

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

Table 18

## Analysis of Disability Experience

Age	2023 Disabilities			2020-2022 Disabilities		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
20-24	0	0.00	0%	0	0.01	0%
25-29	0	0.03	0%	0	0.10	0%
30-34	0	0.13	0%	0	0.49	0%
35-39	0	0.29	0%	0	1.12	0%
40-44	0	0.53	0%	0	2.15	0%
45-49	0	0.93	0%	0	3.75	0%
50-54	0	1.29	0%	0	5.23	0%
55-59	1	1.43	70%	1	5.82	17%
60 & Over	1	1.14	88%	1	3.84	26%
Total	2	5.77	35%	2	22.52	9%

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK



Analysis of Retiree Mortality Experience\*

Age	2023 Experience			2020-2023 Experience		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
Under 60	5	2.38	210%	17	9.55	178%
60-64	18	8.56	210%	52	32.82	158%
65-69	22	18.15	121%	98	70.78	138%
70-74	31	33.18	93%	155	120.28	129%
75-79	48	37.76	127%	146	119.30	122%
80-84	36	36.18	100%	121	113.76	106%
85-89	39	30.94	126%	120	93.17	129%
90 & Over	43	44.26	97%	117	117.04	102%
Total	242	211.39	114%	826	676.70	122%

*\*This analysis does not include beneficiary, QDRO, or disabled deaths.*

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

Table 20

## **ACTUARIAL METHODS AND ASSUMPTIONS**

The most recent experience study was completed in conjunction with the December 31, 2019 actuarial valuation. Please see our experience study, dated June 2020, to see more detail of the rationale for the current assumptions. As authorized under Sec. 40A-9 of Chapter 40A, the actuarial methods and assumptions are established set by the Board of Trustees based upon recommendations from the Fund's actuary.

### ***Entry Age Normal Method***

The Entry Age Normal actuarial cost method is the actuarial valuation method used for all purposes under ERF. The concept of this method is that funding of benefits for each member should be affected as a, theoretically, level contribution (as a level percentage of pay) from entry into ERF to termination of active status.

The Normal Cost (NC) for a fiscal year under this method is determined as described in the prior paragraph for each individual member. The ERF NC for the year is the total of individual normal costs determined for each active member. The Actuarial Accrued Liability (AAL) under this method is the theoretical asset balance of the normal costs that would have accumulated to date based upon current actuarial assumptions. To the extent that the current assets of the fund are insufficient to cover the AAL, an Unfunded Actuarial Accrued Liability (UAAL) develops.

### ***Actuarially Determined Contribution***

The actuarially determined contribution rate is developed using an open group projection. The total contribution rate (member plus City) is the level percentage of pay needed to fund the Normal Cost for each year and pay off the UAAL over 30 years.

In the open group projection, the demographic assumptions are applied to the current active employees and any employees that are assumed to leave employment are replaced one for one with a new employee. Over time this results in the change of the employee group from mostly Tier A members to Tier B members. The projection is built to assume no gains or losses on the actuarial accrued liability or the actuarial value of assets.

In the projection, new members' pay is assumed to increase at 3.00% year over year (i.e. a new employee in 2024 is assumed to be hired at a salary that is 3.00% greater than a new employee hired in 2023). The 3.00% growth rate is equal to our wage inflation assumption of 3.00% (ultimate salary increase assumption). Note that this is not an assumption that payroll will grow at 3.00% per year. Payroll could grow more slowly in the near-term due to membership demographics.

### ***New Entrant Profile***

For the purposes of determining the funding period, an open group projection is used which replaces on a one-to-one basis each active member who leaves employment with an average new hire. The average new hire is determined based on a new entrant profile, which is created from the valuation data by determining the entry age and entry pay for anyone with between one and six years of service as of the valuation date, with salaries normalized to the valuation date. A summary of the new entrant profile is shown in the table below, with 60% of the population being male. The salaries below would be applicable for the year preceding the valuation date. Future cohorts of new hires have starting salaries that are assumed to grow at the General Wage Inflation of 3.00% over the salaries of the previous year.

<b>New Entrant Profile</b>		
<b>Entry Age</b>	<b># of Employees</b>	<b>Average Salary</b>
15-19	7	\$ 51,244
20-24	278	49,616
25-29	440	52,096
30-34	409	55,477
35-39	334	60,163
40-44	313	61,928
45-49	282	61,221
50-54	274	61,956
55-59	195	61,816
60-64	109	64,260
65-69	10	50,491
<b>Total</b>	<b>2,651</b>	<b>\$57,731</b>

### ***Actuarial Value of Asset Method***

The method for determining the actuarial value of assets in future years is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual income. The actual calculation is based on the difference between actual market value and the expected market value of assets each year, and recognizes the cumulative excess return (or shortfall) at a minimum rate of 20% per year. Each year, a base is set up to reflect this difference. If the current year's base is of opposite sign to the deferred bases, then it is offset dollar for dollar against the deferred bases. Any remaining bases are then recognized over the remaining period for the base.

***Annual Rate of Investment Return:*** For all purposes under the Fund, the rate of investment return is assumed to be 7.25% per annum, net of investment expenses. This rate includes an annual assumed rate of inflation of 2.50%. In addition, annual cost-of-living adjustments are assumed to occur on average at the rate of 2.50% per annum for Tier A members and 2.20% for Tier B members (due to the lower maximum on cost-of-living-adjustments).

## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

**Annual Compensation Increases:** Each member's compensation is assumed to increase in accordance with a table based on actual ERF experience. Sample rates follow:

Years of Service	Merit, Promotion, Longevity	General	Total
0	5.25 %	3.00 %	8.25
1	4.25	3.00	7.25
2	3.25	3.00	6.25
3	2.50	3.00	5.50
4	2.00	3.00	5.00
5	1.75	3.00	4.75
6	1.75	3.00	4.75
7	1.25	3.00	4.25
8	1.25	3.00	4.25
9	1.00	3.00	4.00
10	1.00	3.00	4.00
11	1.00	3.00	4.00
12	0.75	3.00	3.75
13	0.75	3.00	3.75
14	0.75	3.00	3.75
15	0.75	3.00	3.75
16	0.75	3.00	3.75
17	0.75	3.00	3.75
18	0.50	3.00	3.50
19 & Over	0.00	3.00	3.00

## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

### ***Mortality:***

Disabled Lives: The gender-distinct 2019 Texas Municipal Retirees Mortality Table for males and females respectively, set forward 4 years for males and 3 years for females. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries (“Ultimate MP”) and projected from the year 2019.

Sample rates as of 2023 follow (rate per 1,000), with projected mortality applied:

<b>Age</b>	<b>Disability Mortality Rate</b>	
	<b>Male</b>	<b>Female</b>
<b>20</b>	35	30
<b>30</b>	35	30
<b>40</b>	35	30
<b>50</b>	35	30
<b>60</b>	35	30
<b>70</b>	35	30
<b>80</b>	81	49
<b>90</b>	232	158

Other Benefit Recipients: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females respectively. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries (“Ultimate MP”) and projected from the year 2019.

Sample rates as of 2023 follow (rate per 1,000), with projected mortality applied:

<b>Age</b>	<b>Mortality Rate</b>	
	<b>Male</b>	<b>Female</b>
<b>30</b>	0.4	0.1
<b>40</b>	0.8	0.3
<b>50</b>	2.7	1.1
<b>60</b>	7.2	3.4
<b>70</b>	19.4	10.8
<b>80</b>	53.7	34.4
<b>90</b>	151.4	110.0

## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

### ***Mortality, Continued:***

Active Members: The PubG-2010 Employee Mortality Table for General Employees tables are used for males and females respectively. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries (“Ultimate MP”) and projected from the year 2010.

Sample rates as of 2023 follow (rate per 1,000), with projected mortality applied:

Age	Mortality Rate	
	Male	Female
30	0.3	0.1
40	0.6	0.3
50	1.3	0.7
60	2.8	1.6
70	6.2	4.3
80	15.2	11.7
90	129.9	101.7

10% of active deaths are assumed to be service related.

***Disability:*** A client-specific table of disability incidence with sample rates follows (rate per 1,000):

Age	Disability Rate
30	0.1
40	0.5
50	1.2
60	2.2

20% of disabilities are assumed to be service related. There is a 0% assumption of disability for members who have over 10 years of service and are eligible for retirement.

## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

**Retirement:** Upon eligibility, active members are assumed to retire as follows (rate per 1,000):

### Tier A:

Age	Male		Female	
	First Year Eligible	Thereafter	First Year Eligible	Thereafter
<b>48-49</b>	100	100	100	100
<b>50</b>	550	550	450	350
<b>51</b>	500	450	400	350
<b>52</b>	500	300	400	300
<b>53</b>	400	300	350	300
<b>54</b>	350	250	350	250
<b>55</b>	300	250	350	250
<b>56</b>	300	250	350	250
<b>57</b>	300	250	350	250
<b>58-59</b>	300	250	250	200
	Service < 18 yrs.	Service 18 yrs. +	Service < 18 yrs.	Service 18 yrs. +
<b>60</b>	80	230	90	200
<b>61</b>	90	230	90	180
<b>62</b>	100	230	90	200
<b>63</b>	100	230	150	150
<b>64</b>	150	230	120	130
<b>65</b>	150	230	120	300
<b>66</b>	200	230	150	300
<b>67</b>	200	230	250	300
<b>68</b>	200	230	150	300
<b>69</b>	200	230	150	300
<b>70</b>	1,000	1,000	1,000	1,000

## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

**Retirement, Continued:** Upon eligibility, active members are assumed to retire as follows (rate per 1,000):

**Tier B:**

Age	Male		Female	
	Service < 40 yrs.	Service 40 yrs. +	Service < 40 yrs.	Service 40 yrs. +
<55	10	350	10	350
55-56	20	350	20	350
57-58	30	350	30	350
59-60	40	350	40	350
61-62	50	350	50	350
63-64	60	350	60	350
65	180	600	200	450
66	200	250	250	250
67	200	250	250	250
68	200	250	150	250
69	200	250	150	250
70	1,000	1,000	1,000	1,000

\*For service < 40 yrs, rates shown are for those who met the rule of 80.

**Retirement of Deferred Vested Members:**

All deferred vested members are assumed to commence payment at their normal retirement age, which is age 60 for Tier A members and age 65 for Tier B members.



## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

**General Turnover:** A table of termination rates based on ERF experience as shown below.

Years of Service	Terminations (per 1,000)	
	Male	Female
0	228	200
1	180	165
2	144	150
3	110	120
4	90	95
5	75	90
6	67	80
7	60	65
8	51	48
9	43	48
10	33	45
11	33	32
12	30	30
13	30	30
14	22	20
15	22	14
16	19	14
17	19	14
18	19	14
19	19	14
20	12	14
21	12	14
22	12	6
23	12	6
24	12	6
25	12	6
26 & Over	5	6

There is 0% assumption of termination for members eligible for retirement.

**Refunds of Contributions:** Members are assumed to choose the most valuable termination benefit.

## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

**Operational Expenses:** The amount of estimated administrative expenses expected in the next year is assumed to be equal to the prior year's expenses and is incorporated in the Normal Cost.

**Marital Status:** 75% of active male members and 50% of active female employees are assumed to be married.

**Vacation Leave Conversions:** Members with 20 or more years of service are assumed to convert unused vacation leave to 1.5 months of service. Other members are assumed to convert unused vacation leave to 1 month of service. No vacation leave conversion is assumed for disability retirement.

**Spouse Age:** The female spouse is assumed to be 3 years younger than the male spouse.

**Payroll Growth Rate:** Used to estimate projected payroll for the following fiscal year only. Assumed to be equal to the inflation rate of 2.50%. This assumption is not used as part of the open group projection used to calculate the Actuarially Determined Contribution Rate.

**Member's Pay:** In determining the member's valuation salary, the greater of the prior calendar year's gross pay and the member's rate of compensation is used.

**Form of Payment:** For Tier A it is assumed that 60% of married active male members and 84% of married active female employees will elect a Joint & 50% Survivor form of payment. Taking into consideration the marriage assumption and the inherent subsidy in the ERF's Joint & 100% Survivor factors, the male employees are valued with Joint and 28.0% Survivor annuities and the female employees are valued with Joint and 19.5% Survivor annuities. It is also assumed that 100% of Tier B employees will elect the normal form of payment under Tier B.

**Data Adjustments:** Certain records are missing spousal information. For these records we use the marital status assumption and spousal age difference assumption to value these records. No other adjustments are made to the data.

**Actuarial Equivalence Assumptions:** for form of payment conversion and Tier B early retirement factor sare based on the following assumptions:

- a. Interest Rate of 8.00%.
- b. Mortality: Unisex blend (60% male and 40% female) of the following assumptions for males and females. 109% of the RP-2000 Combined Healthy Table for males with Blue Collar adjustment projected to 2026 using improvement scale BB for males. 103% of the RP-2000 Combined Healthy Table for females with Blue Collar adjustment projected to 2026 using improvement scale BB for females.
- c. Cost-of-living-adjustments (COLA): a 3.00% COLA assumption for Tier A members and a 2.50% COLA assumption for Tier B members.

## ACTUARIAL METHODS AND ASSUMPTIONS (Continued)

**Actuarial Model:** This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

**Changes in Methods and Assumptions Since Prior Valuation:** None.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

**Summary of Benefit Provisions**  
**Employees' Retirement Fund of the City of Dallas**  
**As of December 31, 2023**

<b>Membership</b>	<p>An employee becomes a member upon permanent employment and contributes to the Fund.</p> <p><b>Tier A</b></p> <p>A person who was employed by the City prior to January 1, 2017, or who was re-employed by the City on or after January 1, 2017 and whose pre January 1, 2017 credited service was not canceled by withdrawal or forfeiture or was reinstated.</p> <p><b>Tier B</b></p> <p>A person who was employed by the City on or after January 1, 2017, or who was re-employed by the City on or after January 1, 2017 and whose pre January 1, 2017 credited service has been canceled by withdrawal or forfeiture.</p>
<b>Contributions</b>	<p>Member: 37% of the current adjusted total obligation rate. New rates effective October 1 after the valuation date.</p> <p>City: 63% of the current adjusted total obligation rate. New rates effective October 1 after the valuation date.</p>
<b>Definitions</b>	<p>Final Average Salary:</p> <p><b>Tier A</b></p> <p>Average monthly salary over the member's highest three years (or 36 months) of service.</p> <p><b>Tier B</b></p> <p>Average monthly salary over the member's highest five years (or 60 months) of service.</p> <p>Credited Service: Length of time as an employee of the City of Dallas and while making contributions to the Fund.</p>

## Summary of Benefit Provisions (Continued)

### Retirement Pension

#### Eligibility:

##### Tier A

- a. Attainment of age 60; or
- b. Attainment of age 55 (if credited service began before May 9, 1972); or
- c. At any age after completion of 30 years of credited service with a reduced benefit before age 50; or
- d. Attainment of age 50, if the sum of an active member's age and credited service is at least equal to 78.

##### Tier B

- a. Attainment of age 65 and 5 years of service; or
- b. At any age after completion of 40 years of credited service; or
- c. At any age if the sum of an active member's age and credited service is at least equal to 80 (under this eligibility the member's pension will be actuarially reduced for each year prior to the age of 65 that the member retires).
- d. Restricted Prior Service Credit included for eligibility (if approved).

#### Retirement Benefits:

##### Tier A

The retirement benefit equals 2-3/4% multiplied by average monthly earnings multiplied by credited service limited to a maximum of 36.3636 years plus a monthly \$125 health supplement (prorated for service less than 5 years).

##### Tier B

The retirement benefit equals 2-1/2% multiplied by average monthly earnings multiplied by credited service limited to a maximum of 40 years (no monthly health supplement).

#### Form of Payment:

##### Tier A

An unreduced pension benefit under a joint and one-half survivor option with 10 years guaranteed or a ten-year certain and life option. An actuarially equivalent joint and full survivor option is also available.

##### Tier B

An unreduced pension payable for life with 10 years guaranteed. Actuarially equivalent joint and survivor options (50% and 100%) are also available.

## Summary of Benefit Provisions (Continued)

### Early Retirement Factors:

#### Tier A

For members retiring prior to age 50 with 30 or more years of service, the pension shall be multiplied by the following percentage:

Age	Percentage
49	93.3
48	87.2
47	81.5
46	76.3
45	71.5
44	67.0

#### Tier B

For members retiring prior to age 65 with 40 or more years of service, the pension shall be multiplied by the following percentage:

Age	Percentage	Age	Percentage
64	89.72	56	40.03
63	80.66	55	36.41
62	72.64	54	33.15
61	65.53	53	30.22
60	59.21	52	27.57
59	53.58	51	25.18
58	48.56	50	23.01
57	44.06	49	21.05

### Deferred Retirement

**Eligibility:** Deferred retirement pension benefit commencing at age 60 for Tier A members or at age 65 for Tier B members, with at least five (5) years of credited service, and accumulated contributions are left on deposit with the Fund.

**Monthly Benefit:** The deferred retirement benefit is equal to the retirement pension based on earnings and credited service at the time of termination.

## Summary of Benefit Provisions (Continued)

### Disability Retirement Pension

#### Non-Service Disability:

1. Eligibility: Five (5) years of service and totally and permanently incapacitated for duty.
2. Monthly Benefit: Computed based on average monthly earnings and credited service at time of disability but not less than 10 times the percentage multiplier multiplied by the average monthly earnings.

#### Service Disability:

1. Eligibility: Totally and permanently incapacitated from the further performance of duty as a result of injury while in the course of employment for the City.
2. Monthly Benefit: Calculated as a non-service disability pension but not less than \$1,000 per month.

### Death Benefits

Eligibility: active or inactive members who die prior to retirement

Benefit: For members with less than 2 years of service or inactive member with less than 5 years of service: refund of the members contributions.

Benefit: For members with more than 2 years of service but less than 15 years of service: an unreduced pension to designated beneficiary for 120 months or a one-half survivor option for life with 120 payments guaranteed.

Benefit: For members eligible for retirement or members and inactive members with more than 15 years of service: an unreduced pension to designated beneficiary for 120 months or a Full Survivor option for life with 120 payments guaranteed.

Form: Benefit paid in accordance with the option on file, or the eligible option, or if no eligible beneficiary, a lump sum equivalent of 10 years of benefit payments to the member's estate.

Minimum Benefit for Service Death: For job-related death a minimum of 10 years of service used in calculation of benefit. Benefit will not be less than \$1,000 per month.

## Summary of Benefit Provisions (Continued)

### Return of Accumulated Contributions

A member at the time of termination is entitled to be paid accumulated contributions without interest.

### Cost-of-Living Adjustments

An annual cost-of-living adjustment to the base pension benefit shall be made based on the greater of:

#### Tier A

- a. The percentage of change in the price index for October of the current year over October of the previous year, up to 5%, or
- b. The percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment, up to 5%.

#### Tier B

- c. The percentage of change in the price index for October of the current year over October of the previous year, up to 3%, or
- d. The percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment, up to 3%.

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK





# STATISTICAL SECTION



The Statistical Section provides additional historical perspective, context and detail to assist the reader using the information in the financial statements, notes to the financial statements and required supplementary information to understand the economic condition of the Plan. The schedules presented contain information on financial trends, operations, and additional analytical information on employees' membership and retirement benefits. The information in this section is obtained from Annual Comprehensive Financial Reports for relevant years, actuarial reports, and various internal sources.

**Schedule of Additions by Source:** Presents contributions, investment revenue and contributions as a percent of covered payroll for ten years.

**Schedule of Deductions by Type:** Presents benefit payments, administrative expenses and refunds for ten years.

**Schedule of Changes in Net Position:** Presents the increase or decrease in net position for ten years.

**Schedule of Benefit Expenses by Type:** Presents retiree, beneficiary, disability and supplemental benefit expenses for ten years.

**Average Benefit Payment:** Presents the average monthly benefit payment, average final salary, and number of retired members based on years of credited service for nine years. An additional year will be displayed as it becomes available.

**Retired Members by Type of Benefit:** Presents the number of retirees receiving various ranges of monthly benefit amounts. The information is further broken out by type of retirement and retirement option selected.

**Average Age and Monthly Pension at Retirement:** Presents the average age, average monthly pension, and average age at retirement based on status (members only, members and survivors, and survivors only).

THIS PORTION OF THE PAGE LEFT INTENTIONALLY BLANK

## SCHEDULE OF ADDITIONS BY SOURCE

(\$ in thousands)

Year Ending	Member Contributions	Employer Contributions	% of Annual Covered P/R	Investment Income	Investment Professional Expenses	Other Income	Total Increases
2014	\$46,536	\$45,833	12.6	\$226,670	(\$18,678)	\$157	\$300,518
2015	50,742	50,721	13.2	(35,158)	(18,185)	162	48,282
2016	53,436	56,130	13.9	310,730	(15,812)	333	404,817
2017	55,175	58,966	14.4	430,396	(16,886)	207	527,858
2018	56,772	60,924	14.4	(150,098)	(17,685)	121	(49,966)
2019	58,314	62,177	14.3	569,071	(18,129)	301	671,734
2020	58,358	61,615	14.2	246,936	(17,915)	84	349,078
2021	59,256	63,584	14.0	599,003	(21,074)	81	700,850
2022	63,427	67,288	14.0	(349,377)	(19,621)	69	(238,214)
2023	70,025	73,939	14.0	360,517	(20,924)	285	483,842

## SCHEDULE OF DEDUCTIONS BY TYPE

(\$ in thousands)

Year Ending	Benefit Payments	Administrative and Depreciation Expenses	Refunds	Total Deductions
2014	\$225,614	\$4,150	\$4,629	\$234,393
2015	235,106	4,594	4,854	244,554
2016	243,775	5,343	5,864	254,982
2017	253,534	5,951	8,156	267,641
2018	263,981	7,485	8,515	279,981
2019	278,007	7,516	10,436	295,956
2020	287,465	6,091	6,857	300,413
2021	296,586	7,349	10,452	314,387
2022	317,528	9,035	12,158	338,721
2023	328,296	10,024	12,700	351,020

## SCHEDULE OF CHANGES IN NET POSITION

(\$ in thousands)

Year Ending	Change in Net Position
2014	\$66,125
2015	(196,277)
2016	149,835
2017	259,392
2018	(329,947)
2019	375,775
2020	48,665
2021	386,462
2022	(576,935)
2023	132,822

## SCHEDULE OF BENEFIT PAYMENTS BY TYPE

(\$ in thousands)

Year Ending	Retiree	Beneficiary	Disability	Supplement	Total
2014	\$205,172	\$6,147	\$4,743	\$9,552	\$225,614
2015	214,343	6,101	4,908	9,754	235,106
2016	220,979	7,926	4,884	9,986	243,775
2017	229,843	8,317	5,194	10,180	253,534
2018	240,186	8,276	5,109	10,410	263,981
2019	253,635	8,640	5,046	10,686	278,008
2020	263,182	8,436	4,947	10,900	287,465
2021	271,984	8,682	4,823	11,099	296,587
2022	288,006	13,336	4,924	11,262	317,528
2023	305,307	6,632	4,901	11,456	328,296

## AVERAGE BENEFIT PAYMENT

As of December 31, 2023

Retirement Effective Dates	Years of Credited Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+
<b>Period 01/01/2022 to 12/31/2023</b>							
Average monthly benefit	\$555.95	\$1,018.13	\$1,729.63	\$2,581.71	\$3,346.25	\$4,514.87	\$7,371.77
Average final average salary	7,553.71	\$4,944.93	\$3,061.69	\$5,594.58	\$5,453.90	\$6,157.80	\$8,285.17
Number of retired members	2	49	46	70	65	56	38
<b>Period 01/01/2022 to 12/31/2022</b>							
Average monthly benefit	\$359.97	\$832.04	\$1,625.48	\$2,431.09	\$3,435.22	\$4,640.07	\$5,828.64
Average final average salary	\$4,544.98	\$4,522.27	\$4,660.34	\$5,260.12	\$5,611.51	\$6,754.08	\$6,455.67
Number of retired members	7	42	43	49	68	54	26
<b>Period 01/01/2021 to 12/31/2021</b>							
Average monthly benefit	\$512.73	\$883.59	\$1,662.03	\$2,390.70	\$3,315.48	\$4,346.92	\$5,826.24
Average final average salary	\$7,266.21	\$4,589.03	\$5,013.79	\$5,013.79	\$5,478.37	\$5,986.19	\$6,592.88
Number of retired members	2	48	48	41	86	61	36
<b>Period 01/01/2020 to 12/31/2020</b>							
Average monthly benefit	\$412.15	\$1,088.17	\$1,544.86	\$2,473.03	\$3,156.40	\$4,068.53	\$6,084.19
Average final average salary	\$3,980.24	\$4,261.10	\$4,162.30	\$4,874.51	\$5,077.47	\$5,615.31	\$6,554.32
Number of retired members	13	39	37	43	93	39	44
<b>Period 01/01/2019 to 12/31/2019</b>							
Average monthly benefit	\$411.49	\$868.60	\$1,559.50	\$2,554.02	\$3,007.07	\$4,360.05	\$5,478.80
Average final average salary	\$4,573.78	\$3,200.67	\$3,625.18	\$4,812.60	\$4,531.23	\$5,776.53	\$6,132.39
Number of retired members	13	50	51	56	106	68	39
<b>Period 01/01/2018 to 12/31/2018</b>							
Average monthly benefit	\$452.84	\$901.30	\$1,727.75	\$2,169.69	\$3,120.36	\$4,181.67	\$5,731.43
Average final average salary	\$2,312.10	\$2,700.97	\$4,721.44	\$3,588.84	\$5,033.05	\$5,807.68	\$6,395.12
Number of retired members	18	28	43	47	65	62	55
<b>Period 01/01/2017 to 12/31/2017</b>							
Average monthly benefit	\$395.27	\$840.28	\$1,456.48	\$2,422.33	\$3,365.92	\$4,441.36	\$5,039.49
Average final average salary	\$4,260.11	\$1,821.11	\$3,470.15	\$4,985.34	\$5,366.59	\$6,123.49	\$5,798.23
Number of retired members	12	41	51	44	53	56	37
<b>Period 01/01/2016 to 12/31/2016</b>							
Average monthly benefit	\$325.38	\$762.64	\$1,487.94	\$2,427.06	\$2,488.97	\$4,170.49	\$4,974.11
Average final average salary	\$4,289.71	\$3,561.23	\$4,840.13	\$5,273.92	\$4,942.79	\$5,650.83	\$5,719.72
Number of retired members	20	37	40	65	45	50	65
<b>Period 01/01/2015 to 12/31/2015</b>							
Average monthly benefit	\$144.71	\$882.40	\$1,36.61	\$2,125.58	\$3,025.21	\$4,105.72	\$4,922.06
Average final average salary	\$3,346.57	\$4,697.46	\$4,059.07	\$4,581.92	\$4,947.81	\$5,592.10	\$5,691.11
Number of retired members	4	33	24	50	46	62	57
<b>Period 01/01/2014 to 12/31/2014</b>							
Average monthly benefit	\$327.07	\$643.96	\$1,451.21	\$1,933.56	\$2,948.51	\$4,012.32	\$5,568.28
Average final average salary	\$3,844.96	\$3,210.89	\$4,108.76	\$4,164.61	\$4,888.48	\$5,444.86	\$6,371.13
Number of retired members	7	42	36	56	45	71	38

## RETIRED MEMBERS BY TYPE OF BENEFIT

As of December 31, 2023

Amount of Monthly Benefits		Type of Retirement							Option Selected			
		1	2	3	4	5	6	7	#1	#2	#3	#4
\$1	\$250	62	0	23	0			0	20	35	24	6
\$251	\$500	168	1	101	0		2	13	34	160	65	26
\$501	\$750	233	2	84	4		4	12	38	189	89	23
\$751	\$1,000	260	8	70	18		15	11	52	202	104	24
\$1,001	\$1,250	243	3	81	2	4	8	11	57	184	91	20
\$1,251	\$1,500	235	4	85	1	7	10	4	80	167	76	24
\$1,501	\$1,750	232	9	81		9	9	7	70	156	112	11
\$1,751	\$2,000	257	9	71		9	7	2	92	132	117	15
over	\$2,000	4,765	90	497		7	33	31	1,395	2,431	1,568	25
Total		6,455	126	1,093	25	36	88	91	1,838	3,656	2,246	174

### a) Type of Retirement

- 1) Normal retirement
- 2) Early retirement
- 3) Beneficiary payment, normal or early retirement
- 4) Beneficiary payment, service connected death
- 5) Service connected disability retirement
- 6) Non-Service connected disability retirement
- 7) Beneficiary payment, disability retirement

### b) Option Selected

- 1) Joint & 100%-beneficiary receives 100% of member's benefit
- 2) Joint & 50%-beneficiary receives 50% of member's benefit
- 3) 10 Year Certain-beneficiary receives member's unused benefits
- 4) QDRO retirement

## AVERAGE AGE AND MONTHLY PENSION AT RETIREMENT

As of December 31, 2023

Status	Average Age	Average Pension	Average Age at Retirement
Members Only	72	\$3,333	58
Members and Survivors	73	\$2,667	N/A
Survivors Only	74	\$2,000	N/A

PAGE LEFT INTENTIONALLY BLANK



## **EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS**

**1920 MCKINNEY AVE, 10TH FLOOR | DALLAS, TX | 75201**

**PHONE 214.580.7700 | FAX 214.580.3515**

**[WWW.DALLASERF.ORG](http://WWW.DALLASERF.ORG)**

**EMPLOYEES' RETIREMENT FUND**  
**EXPENDITURE BUDGET**  
**Fiscal Year 2023-24 Budget**

	Expenditures Thru 6/30/24	Approved Budget	Proposed Budget Amendments	Amended FY 2023-24 Budget
<b>ADMINISTRATIVE</b>				
Salaries	\$ 3,280,024	\$ 5,096,400	\$ (600,000)	\$ 4,496,400
Merits	29,575	54,000		54,000
Service Incentive Pay	2,112	2,000		2,000
Lump Sum Pay	119,337	380,900		380,900
Pensions	533,117	1,084,900		1,084,900
Flexible Benefits	161,481	324,000		324,000
FICWA/Medicare	52,840	73,900		73,900
Workers' Compensation	-	35,000		35,000
Temporary Help Services	106,888	200,000	85,000	285,000
Supplies	7,175	11,000		11,000
Food Supplies	6,661	11,000		11,000
Meter Postage	11,167	27,000		27,000
Printing/Communication	3,769	23,000		23,000
Property Insurance	10,150	11,000		11,000
Liability Insurance	313,857	407,000	(60,000)	347,000
Membership Dues	12,910	29,000		29,000
Subscriptions	979	1,000		1,000
Professional Development/Travel	130,839	200,000		200,000
Reimbursement for Vehicle Use	-	400		400
Data and Telecommunications Services	590,078	750,000		750,000
Rent	430,689	600,000		600,000
Parking and Public Transportation	3,600	8,000		8,000
Legal	424,379	400,000	300,000	700,000
Accounting	37,425	50,000		50,000
Audit	34,000	50,200		50,200
Actuary	203,169	85,000	175,000	260,000
Election	10,500	50,000		50,000
Other	31,685	95,000		95,000
<b>Total Administrative</b>	<b>6,548,406</b>	<b>10,059,700</b>	<b>(100,000)</b>	<b>9,959,700</b>
<b>BENEFITS MANAGEMENT</b>				
Disabilities/Continuations/Etc	-	28,000		28,000
Pension Benefit Information	-	10,000		10,000
<b>Total Benefits Management</b>	<b>-</b>	<b>38,000</b>	<b>-</b>	<b>38,000</b>
<b>INVESTMENTS MANAGEMENT</b>				
Manager Fees	9,734,144	13,000,000	150,000	13,150,000
Investment Consultant & Services	369,321	400,000		400,000
Custodial Fees	314,231	320,000	(50,000)	270,000
<b>Total Investments Management</b>	<b>10,417,696</b>	<b>13,720,000</b>	<b>100,000</b>	<b>13,820,000</b>
<b>CAPITAL</b>				
Furniture, Fixtures, Equipment	23,872	50,000		50,000
Computer Equipment	33,890	120,000		120,000
<b>Total Capital</b>	<b>57,762</b>	<b>170,000</b>	<b>-</b>	<b>170,000</b>
<b>TOTAL RECURRING</b>	<b>\$ 17,023,864</b>	<b>\$ 23,987,700</b>	<b>-</b>	<b>\$ 23,987,700</b>
<b>NON-RECURRING</b>				
Special Projects	57,788	500,000		500,000
<b>TOTAL BUDGET</b>	<b>\$ 17,081,652</b>	<b>\$ 24,487,700</b>	<b>\$ -</b>	<b>\$ 24,487,700</b>

# DISCUSSION SHEET

## Employees' Retirement Fund Board of Trustees Meeting

September 9, 2024

**Issue:** Fiscal Year 2023-24 Budget Amendments

**Attachment:** FY 2023-24 Expenditure Budget Report

**Discussion:** The current fiscal year budget is from 10/1/23 to 9/30/24.

Overall, the proposed budget amendment will have no net effect to the budget. The budget amendment will only reallocate costs. Within Administrative, the total proposed budget amendments are \$100,000 lower than the original budget. Personnel costs are expected to be \$600,000 lower due to vacancies, which are offset by increased Temporary Help Services of \$85,000. Liability Insurance is \$60,000 lower due to favorable rates for cybersecurity coverage. Professional Development/Travel is expected to be \$50,000 higher as a result of increased professional development and certification opportunities for new staff and staff eligible for promotion. Legal costs are expected to be \$300,000 higher due primarily to litigation expenses and private credit managers' agreements. Actuary costs are \$175,000 higher due to changes to Chapter 40A. Manager Fees are \$150,000 higher due to higher assets under management. Custodial fees are \$50,000 lower than budget due to custodial fees in the new contract that were lower than originally budgeted.

Please refer to the attachment for additional details related to the proposed budget amendment.

**Recommendation:** Approve the proposed budget amendments for FY 2023-24. Suggested motion for the approval is as follows: Move approval of the proposed FY 2023-24 budget amendments reallocating the line-item budgets as attached to this discussion sheet and authorize the Executive Director to administer the budget.

**EMPLOYEES' RETIREMENT FUND**  
**EXPENDITURE BUDGET**  
**Proposed Fiscal Year 2024-25 Budget**

	Expenditures Thru 6/30/24	Amended FY 2023-24 Budget	Proposed FY 2024-25 Budget	Budget Variance	Percent Increase (Decrease)
<b>ADMINISTRATIVE</b>					
Salaries	\$ 3,280,024	\$ 4,496,400	\$ 5,113,100	\$ 616,700	13.7%
Merits	29,575	54,000	160,000	106,000	196.3%
Service Incentive Pay	2,112	2,000	2,100	100	5.0%
Lump Sum Pay	119,337	380,900	363,000	(17,900)	-4.7%
Pensions	533,117	1,084,900	1,165,700	80,800	7.4%
Flexible Benefits	161,481	324,000	362,400	38,400	11.9%
FICWA/Medicare	52,840	73,900	74,200	300	0.4%
Workers' Compensation	-	35,000	21,000	(14,000)	-40.0%
Temporary Help Services	106,888	285,000	245,000	(40,000)	-14.0%
Supplies	7,175	11,000	11,600	600	5.5%
Food Supplies	6,661	11,000	11,600	600	5.5%
Meter Postage	11,167	27,000	20,000	(7,000)	-25.9%
Printing/Communication	3,769	23,000	10,000	(13,000)	-56.5%
Property Insurance	10,150	11,000	11,600	600	5.5%
Liability Insurance	313,857	347,000	344,300	(2,700)	-0.8%
Membership Dues	12,910	29,000	25,000	(4,000)	-13.8%
Subscriptions	979	1,000	1,400	400	40.0%
Professional Development/Travel	130,839	200,000	250,000	50,000	25.0%
Reimbursement for Vehicle Use	-	400	400	-	0.0%
Data and Telecommunications Services	590,078	750,000	825,000	75,000	10.0%
Rent	430,689	600,000	660,000	60,000	10.0%
Parking and Public Transportation	3,600	8,000	5,000	(3,000)	-37.5%
Legal	424,379	700,000	400,000	(300,000)	-42.9%
Accounting	37,425	50,000	50,000	-	0.0%
Audit	34,000	50,200	50,800	600	1.2%
Actuary	203,169	260,000	150,000	(110,000)	-42.3%
Election	10,500	50,000	25,000	(25,000)	-50.0%
Other	31,685	95,000	100,000	5,000	5.3%
<b>Total Administrative</b>	<b>6,548,406</b>	<b>9,959,700</b>	<b>10,458,200</b>	<b>498,500</b>	<b>5.0%</b>
<b>BENEFITS MANAGEMENT</b>					
Disabilities/Continuations/Etc	-	28,000	28,000	-	0.0%
Pension Benefit Information	-	10,000	10,000	-	0.0%
<b>Total Benefits Management</b>	<b>-</b>	<b>38,000</b>	<b>38,000</b>	<b>-</b>	<b>0.0%</b>
<b>INVESTMENTS MANAGEMENT</b>					
Manager Fees	9,734,144	13,150,000	14,000,000	850,000	0
Investment Consultant & Services	369,321	400,000	420,000	20,000	5.0%
Custodial Fees	314,231	270,000	284,000	14,000	5.2%
<b>Total Investments Management</b>	<b>10,417,696</b>	<b>13,820,000</b>	<b>14,704,000</b>	<b>884,000</b>	<b>6.4%</b>
<b>CAPITAL</b>					
Furniture, Fixtures, Equipment	23,872	50,000	50,000	-	0.0%
Computer Equipment	33,890	120,000	120,000	-	0.0%
<b>Total Capital</b>	<b>57,762</b>	<b>170,000</b>	<b>170,000</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL RECURRING</b>	<b>\$ 17,023,864</b>	<b>\$ 23,987,700</b>	<b>\$ 25,370,200</b>	<b>\$ 1,382,500</b>	<b>5.8%</b>
<b>NON-RECURRING</b>					
Special Projects	57,788	500,000	650,000	150,000	30.0%
				-	
<b>TOTAL BUDGET</b>	<b>\$ 17,081,652</b>	<b>\$ 24,487,700</b>	<b>\$ 26,020,200</b>	<b>\$ 1,532,500</b>	<b>6.3%</b>

# DISCUSSION SHEET

## Employees' Retirement Fund Board of Trustees Meeting

September 9, 2024

**Issue:** Fiscal Year 2024-25 Budget

**Attachment:** Proposed ERF FY 2024-25 Budget

**Discussion:** The fiscal year budget is from 10/1/24 to 9/30/25. The proposed FY 2024-25 budget is \$26,020,200, which includes recurring expenditures and special projects. This represents an increase of \$1,532,500 compared to the FY 2023-24 budget. The recurring expenditures are the operating costs and investment fees of the Fund. The recurring costs for FY 2024-25 are \$25,370,200, which is an increase of \$1,382,500 over the prior year. This increase is primarily due to investment managers' fees, inflation, merit-based training for succession planning, and additional travel expenses.

The special projects category includes technology upgrades which are one-time costs. The proposed budget for Special Projects for FY 2024-25 is \$650,000.

Highlights include:

- Investment management fees increase \$850,000 based on higher value of assets under management. This increase accounts for 55% of the total increase in the budget for the fund.
- Personnel costs are budgeted to increase in accordance with the City of Dallas estimated charges for benefits. Personnel costs are projected to remain flat compared to the original budget due to the retirement of several long-term employees. Merits are increasing to provide funds for employee cross-training and to enhance the Fund's succession planning for executive-level positions.
- Travel expenses are budgeted to increase to provide necessary training for current staff, basic training for several newly-hired staff and training opportunities for board members.
- Non-recurring Special Projects costs are budgeted at \$650,000, an increase of \$150,000. This will provide costs to continue to automate manual procedures in contract management, accounting and benefits processing. It will also provide necessary funds to mitigate the risk of cyberattacks.

In summary, the net increase to the FY 2024-25 budget is \$1,532,500, or 6.3% higher than the FY 2023-24 budget.

**Recommendation:** Approve the proposed budget for FY 2024-25. Suggested motion for the approval is as follows: Move approval of the proposed FY 2024-25 budget totaling \$26,020,200 which is attached to this discussion sheet and authorize the Executive Director to administer the budget as noted below.

The Executive Director is authorized to expend, as required, up to 110% of each line item or \$50,000 whichever is less of the funds appropriated herein, but in no instance, is the authorization given to exceed the total budgeted for each category (Administrative, Benefits Management, Investments Management, Capital, or Special Projects) without Board approval.

The Executive Director is authorized to negotiate and sign contracts which are required in the conduct of Fund business and funds have been approved in this budget. This authorization is limited to \$75,000 per contract.

The Executive Director is authorized to pay budgeted expenses, and to further pay pensions and member refunds which are authorized by law but are not specifically included in this budget.



# Employees' Retirement Fund of the City of Dallas (ERF)

Texas Government Code Section 802.1012  
Review

Deloitte Consulting LLP  
September 9, 2024





# Requirements of Texas Government Code Section 802.1012

- Applies only to a public retirement system with total assets the book value of which, as of the last day of the preceding fiscal year, is at least \$100 million.
- Every five years, the actuarial valuations, studies, and reports of a public retirement system most recently prepared for the retirement system... must be audited by an independent actuary

## Prior to Commencing Audit

- Agree in writing with the City to maintain the confidentiality of any non-public information provided by the pension funds for the audits
- Meet with manager of the pension funds to discuss appropriate assumptions to use in conducting audits

## No later than 30<sup>th</sup> Day After Completion

- **Submit draft report to pension funds for discussion and clarification**
- **Discuss draft report with pension funds' Boards**
- **Request in writing that the pension funds submit any response to accompany the final report within 30 days of receiving draft report**

## 31<sup>st</sup> to 60<sup>th</sup> Day After Submitting Draft Report

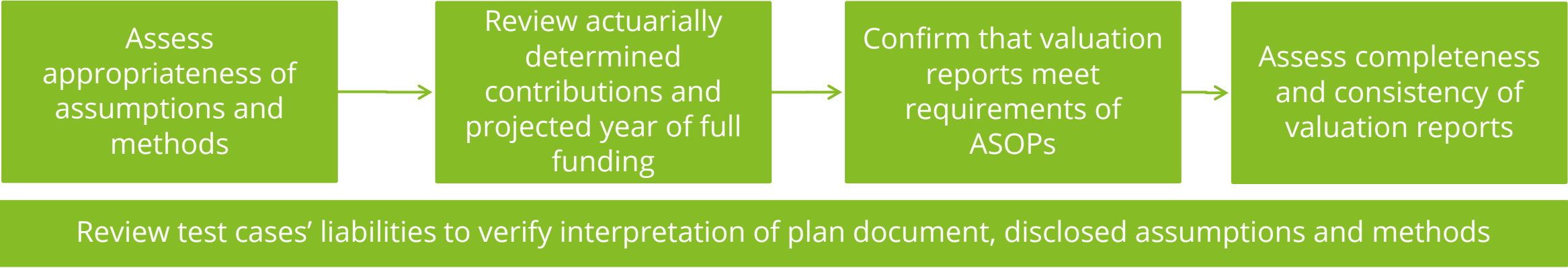
- Submit final audit report to the City
- At first regularly scheduled open meeting after receiving final report, City Council will:
  - Include presentation of audit report on the agenda
  - Present final audit report and any response from the retirement system
  - Provide printed copies of final audit report and response from retirement system to individuals attending meeting

## City's responsibility - No later than 30<sup>th</sup> day After Receiving Final Report

- Submit a copy of the final report to the pension funds and the State Pension Review Board
- Maintain a copy of the final report at main office for public inspection

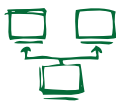
# Deloitte's Process

Our approach to the requested scope is to perform a level two actuarial review, where Deloitte does not replicate the retained actuary's valuation



## Items received from the Plan for Deloitte's Process

System data from ERF



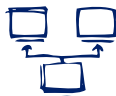
Test cases from retained actuary



Most recent valuation report



Final valuation data from retained actuary



Most recent experience study



Plan document



# Results and Findings

## Results

- It is our opinion that the December 31, 2022 actuarial valuation and the December 31, 2019 experience study were performed in compliance with the applicable Actuarial Standards of Practice issued by the Actuarial Standards Board.
  - The assumptions used in the December 31, 2022 actuarial valuation were updated as recommended in the experience study.
  - Plan provisions, methods, and assumptions disclosed in the December 31, 2022 actuarial valuation report were appropriately valued based on our review of the sample life outputs.
- 

## Findings

- We have noted findings that could provide additional detail and improve the understanding of the actuarial work performed, including clarifications for certain assumptions and plan provisions being valued. The full list of findings is shown in the Appendix.

# Valuation Report

## Report Content

Below are examples of findings from the review of the valuation report. A full list of findings related to the Valuation Report is shown in the Appendix.

- Consider disclosing the history of the projected fully funded year in the valuation report. This may enhance understanding of the plan's projected full funding history.
- Consider including a description of how closely current actual and target asset allocations align with the target asset allocation used to select the investment return assumption during the experience study. This may improve ability to validate appropriateness of asset management policies and investment return assumption.

# Experience Study

## Administrative Expense Assumption

Below is an example of findings from the review of the experience study. A full list of findings related to the Experience Study is shown in the Appendix.

**Current Assumption:** *The amount of estimated administrative expenses expected in the next year is assumed to be equal to the prior year's expenses and is incorporated in the Normal Cost.*

While the assumption used by the retained actuary is reasonable, considering the volatility in total expense over the past five years (average five-year expense is \$8.1 million), the retained actuary could consider an alternate method for developing the assumption to reduce volatility by looking at average historical expenses, forward looking expectations, or expenses as a percentage of payroll.

# Timeline and Next Steps

Time Frame	Activities
August 28, 2024	Deloitte submitted draft Section 802 Report to ERF
September 9, 2024	Deloitte discusses draft Section 802 Report with ERF Board
By September 27, 2024	Deadline for ERF to submit response (30 days after submitting draft report)
September 28 – October 27, 2024	Deloitte to submit final Section 802 Report to the City (between 31 and 60 days after submitting draft report)
November 7, 2024	Present final report to City’s Government Performance & Financial Management Committee

# Appendix

## *Full Summary of Findings*

# Summary of Key Findings

## Valuation Report

Below are the findings from the review of the valuation report to be considered for future modifications.

Area	Findings	Purpose
Plan Provisions	Consider adding a description that nonvested terminated employees who do not request a refund of member's contributions within three years forfeit their refund.	Provide additional detail on plan design
Census Data	Correct the application of 401(a)(17) limits in the valuation data	Improve accuracy of census data
Funding Method	Consider modifying the amortization method to conform to the PRB Guidelines, which recommend using a finite or closed, funding period, over as brief a period possible.	Enhance selection of methodology
Report Content	Disclose the history of projected fully funded year in the valuation report	Enhance understanding of the plan's projected full funding history
Report Content	Disclose 10-20 years of undiscounted cash flows	Enhance understanding of the plan's financial obligation
Report Content	Include a description of how closely current actual and target asset allocations align with the target asset allocation used to select the investment return assumption during the experience study	Improve ability to validate appropriateness of asset management policies and investment return assumption



# Summary of Key Findings

## Experience Study

Below are the findings from the review of the experience study to be considered for future modifications.

Area	Findings	Purpose
Payroll Growth	Consider using a consistent payroll growth assumption between the open group projections (3.00%) and the assumption used for estimating payroll for the following fiscal year (2.50%).	Improve Appropriateness of Assumption Selection
Administrative Expense Assumption	Clarify that the estimated administrative expenses are expected to increase with inflation for purposes of the ADC calculation and projection of fully funded year	Support assumption selection
Administrative Expense Assumption	Provide additional disclosure on the difference between “administrative expense” and “depreciation expense”	Support assumption selection
Administrative Expense Assumption	Consider alternate approaches to determining the assumption to reduce volatility	Support assumption selection
Retirement	Include rationale and basis for the selection of the Tier B retirement assumption.	Enhance support assumption selection
Retirement	Consider developing a separate retirement assumption for the first year in which someone becomes eligible for Tier B.	Align assumption selection with expected behavior based on plan provisions
Retirement	Consider studying the retirement behavior of deferred vested participants.	Enhance support for assumption selection
Withdrawal	Consider adding a separate withdrawal assumption for Tier B employees.	Align assumption selection with expected behavior based on plan provisions
Age of Survivor	Provide justification for the female spouse age assumption.	Enhance support for assumption selection



Official Professional Services Sponsor

Professional Services means audit, tax, consulting and financial advisory services.

#### About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2024 Deloitte Development LLC. All rights reserved.  
36 USC 220506  
Member of Deloitte Touche Tohmatsu Limited



September 3, 2024

Ms. Cheryl Alston  
Executive Director  
Employees' Retirement Fund of the City of Dallas  
1920 McKinney Avenue, 10<sup>th</sup> Floor  
Dallas, TX 75201

**Re: Response to Actuarial Audit of the Employees' Retirement Fund of the City of Dallas**

Dear Cheryl:

Gabriel, Roeder, Smith & Company ("GRS") offers our comments below on the "Draft" actuarial audit report prepared by Deloitte Consulting LLP, dated August 2024. The report provides Deloitte's actuarial audit, at the behest of the City of Dallas as required by Texas Government Code Section 802.1012, of the Employees' Retirement Fund of the City of Dallas (ERF).

**General Comments**

We are pleased with the results of the actuarial audit of ERF. We would like to quote the following two passages from the report:

- From the Actuarial Opinion section of the actuarial audit report:  
  
**"In our opinion, the December 31, 2022 actuarial valuation and the December 31, 2019 experience study for the ERF were performed in compliance with the applicable standards of practice issued by the Actuarial Standards Board."**
- From the Executive Summary section of the actuarial audit report:  
  
**"Plan provisions, methods and assumptions disclosed in the December 31, 2022 actuarial valuation report were appropriately valued based on our review of the sample life outputs."**

These statements should provide both ERF Staff and the Board with the confidence that the actuarial results they are receiving are both accurate and in compliance with the actuarial standards of practice.

In the remainder of our letter, we will respond to specific recommendations made by Deloitte in its Summary of Key Findings section of the actuarial audit report.

**1) Valuation Report Plan Provisions – Findings:**

Consider adding a description that nonvested terminated employees who do not request a refund of member's contributions within three years forfeit their refund.

**GRS Response:** We will add this information to the next valuation report.

**2) Valuation Report Census Data – Findings:**

Correct the application of 401(a)(17) limits in the valuation data

**GRS Response:** The issue was resolved in the following actuarial valuation. We will make sure that the appropriate limit continues to be applied in future valuations.

**3) Valuation Report Funding Method – Findings:**

Consider modifying the amortization method to conform to the PRB Guidelines, which recommend using a finite or closed, funding period, over as brief a period possible.

**GRS Response:** As you are aware, the Fund is currently working with the City on a Funding Soundness restoration plan. If the current plan is approved by the voters, the amortization period as of December 31, 2024 will comply with the PRB Guidelines.

**4) Valuation Report Content – Findings:**

Disclose the history of the projected fully funded year in the valuation report.

**GRS Response:** We will consider this at the next actuarial valuation.

**5) Valuation Report Content – Findings:**

Disclose 10-20 years of undiscounted cash flows.

**GRS Response:** We will consider this at the next actuarial valuation.

**6) Valuation Report Content – Findings:**

Include a description of how closely current actual and target asset allocations align with the target asset allocation used to select the investment return assumption during the experience study.

**GRS Response:** We will consider this at the next actuarial valuation.

**7) Experience Study Payroll Growth – Findings:**

Consider using a consistent payroll growth assumption between the open group projections (3.00%) and the assumption used for estimating payroll for the following fiscal year (2.50%)

**GRS Response:** We will consider this at the next experience study.



**8) Experience Study Administrative Expense Assumption – Findings:**

Clarify that the estimated administrative expenses are expected to increase with inflation for purposes of the ADC calculation and the projection of fully funded year.

**GRS Response:** We will clarify this at the next valuation.

**9) Experience Study Administrative Expense Assumption – Findings:**

Provide additional disclosure on the difference between “administrative expense” and “depreciation expense”.

**GRS Response:** We will consider this at the next valuation.

**10) Experience Study Administrative Expense Assumption – Findings:**

Consider alternate approaches to determining the assumption to reduce volatility.

**GRS Response:** We will consider this at the next experience study.

**11) Experience Study Retirement – Findings:**

Include rationale and basis for the selection of the Tier B retirement assumption.

**GRS Response:** We will consider this at the next experience study.

**12) Experience Study Retirement – Findings:**

Consider developing a separate retirement assumption for the first year in which someone becomes eligible for Tier B.

**GRS Response:** We will consider this at the next experience study.

**13) Experience Study Retirement – Findings:**

Consider studying the retirement behavior of deferred vested participants.

**GRS Response:** We will consider this at the next experience study.

**14) Experience Study Withdrawal – Findings:**

Consider adding a separate withdrawal assumption for Tier B employees.

**GRS Response:** We will consider this at the next experience study.

**15) Experience Study Age of Survivor – Findings:**

Provide justification for the female spouse age assumption.

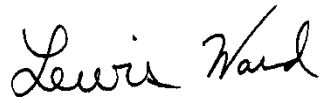
**GRS Response:** We will consider this at the next experience study.



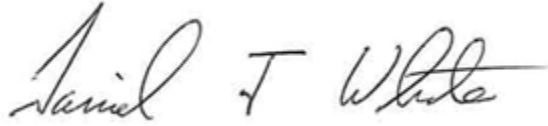
Ms. Cheryl Alston  
September 3, 2024  
Page 4

If you have any questions or need any additional clarifying information with regard to our comments, please do not hesitate to contact either one of us.

Sincerely,  
Gabriel, Roeder, Smith & Company



Lewis Ward  
Consultant



Daniel J. White, FSA, EA, MAAA  
Senior Consultant

Zz1

J:\2033\2023\Auditor\Deloitte\Audit Results\GRS Audit Response2024.docx





## **Employees' Retirement Fund** **| of the City of DALLAS ®**

To: Board of Trustees

From: Cheryl Alston  
Executive Director

Date: September 9, 2024

Subject: Actuarial Review

Included in the September 9, 2024 agenda is a draft report of the results of the actuarial review performed by Deloitte Consulting of the Employees' Retirement Fund December 31, 2022 actuarial valuation report and the December 31, 2019 experience study. Deloitte was selected by the City of Dallas as an independent actuary to conduct the review pursuant to Texas Government Code Section 802.1012.

Deloitte notes in their report that, "Plan provisions, methods and assumptions disclosed in the December 31, 2022 actuarial valuation report were appropriately valued based on (Deloitte's) review of the sample life outputs." The Deloitte report also includes 15 recommendations to provide additional detail and to improve the understanding of the actuarial work performed. Of the 15 recommendations:

- 6 relate to recommendations for the valuation report:
  - 5 have either already been resolved or will be considered for implementation with the 2024 actuarial valuation report;
  - 1 issue is addressed in the Funding Soundness Restoration Plan; and
- 9 relate to recommendations for the experience study:
  - 1 will be addressed in connection with the 2024 actuarial valuation report;
  - 1 will be considered for implementation with the 2024 actuarial valuation report; and
  - 7 are under consideration for the 2025 experience study.

Attached are responses to each of the Deloitte recommendations. Please let me know if you have any questions.



2024 Invesco Real Estate

## Global Client Conference

### Save the Date!

Please join us at the **2024 Invesco Real Estate Global Client Conference.**

The Lodge at Torrey Pines  
San Diego, California



Tuesday, November 12th - Thursday, November 14th

**Tuesday, November 12**

Morning: Portfolio Company Day for Investors

- *Single Family Rentals, Build-to-Rent, Manufactured Housing, Open Air Retail & Last Mile Logistics*

Afternoon: Fund Meetings\*

**Wednesday, November 13**

General Conference

**Thursday, November 14**

Fund Meetings\*

\*Fund meetings for Existing Fund Investors and Advisory Board Members will take place on Tuesday afternoon and Thursday morning.

**ADD TO CALENDAR**

For questions, please contact:

**Max Swango**

Managing Director  
Global Head of Client Portfolio  
Management  
(945) 286-1331  
[max.swango@invesco.com](mailto:max.swango@invesco.com)

**Brooks Monroe**

Managing Director  
Client Portfolio Manager  
(214) 783-6751  
[brooks.monroe@invesco.com](mailto:brooks.monroe@invesco.com)

**Laler DeCosta**

Managing Director  
Client Portfolio Manager  
(770) 317-0044  
[laler.decosta@invesco.com](mailto:laler.decosta@invesco.com)

**Cinnamon Russell**

Senior Director  
Client Portfolio Manager  
(416) 918-9813  
[cinnamon.russell@invesco.com](mailto:cinnamon.russell@invesco.com)

**De'Juan Collins**

Director  
Client Portfolio Manager  
(469) 682-4885  
[dejuan.collins@invesco.com](mailto:dejuan.collins@invesco.com)

For event questions, please contact:

**Jennifer Pettine**

Corporate Events Manager

(713) 214-4700

[jennifer.pettine@invesco.com](mailto:jennifer.pettine@invesco.com)

**Important Information**

This email is strictly for invitees to the 2024 Invesco Real Estate Global Client Conference. It is intended for the existing investors of Invesco Real Estate and Consultants. It is not intended for and should not be distributed to, or relied upon, by members of the public. Circulation, disclosure or dissemination of all or any part of this material to any unauthorized persons is prohibited.

**Issuing details:**

- Invesco Asset Management Limited, Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK. Authorised and regulated by the Financial Conduct Authority;
- Invesco Management S.A., President Building, 37A Avenue JF Kennedy, L-1855 Luxembourg, regulated by the Commission de Surveillance du Secteur Financier, Luxembourg
- Issued by Invesco Asset Management Limited, Index Tower Level 6 - Unit 616, P.O. Box 506599, Al Mustaqbal Street, DIFC, Dubai, United Arab Emirates. Regulated by the Dubai Financial Service Authority.
- Invesco Asset Management Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Germany

- Invesco Asset Management (Schweiz) AG, Talacker 34, 8001 Zurich, Switzerland.
- Invesco Australia Limited (ABN 48 001 693 232), Level 26, 333 Collins Street, Melbourne, Victoria, 3000, Australia which holds an Australian Financial Services Licence number 239916.
- Invesco Hong Kong Limited 景順投資管理有限公司, 45/F, Jardine House, 1 Connaught Place, Central, Hong Kong.
- Invesco Asset Management (Japan) Limited, Roppongi Hills Mori Tower 14F, 6-10-1 Roppongi, Minato-ku, Tokyo 106-6114; Registration Number: The Director-General of Kanto Local Finance Bureau (Kin-sho) 306; Member of the Investment Trusts Association, Japan and the Japan Investment Advisers Association, and/or Invesco Global Real Estate Asia Pacific, Inc., Roppongi Hills Mori Tower 14F, 6-10-1 Roppongi, Minato-ku, Tokyo 106-6114. Registration Number: The Director-General of Kanto Local Finance Bureau (Kin-sho) 583; Member of the Investment Trusts Association, Japan and Type II Financial Instruments Firms Association.
- Invesco Asset Management Singapore Ltd, 9 Raffles Place, #18-01 Republic Plaza, Singapore 048619.
- Invesco Taiwan Limited, 22F, No.1, Songzhi Road, Taipei 11047, Taiwan (0800-045-066). **Invesco Taiwan Limited is operated and managed independently.**
- Invesco Advisers, Inc., 1331 Spring Street NW, Suite 2500, Atlanta, Georgia 30309, USA.
- Invesco Canada Ltd., 120 Bloor Street East, Suite 700, Toronto, Ontario M4W 1B7. [www.invesco.ca](http://www.invesco.ca)

## ASSET ALLOCATION COMPARISON

June 30, 2024

	Market Value	% of Total Fund	Allocation Policy	% Difference from Allocation	Prior Period Market Value	Prior Period % of Total Fund
<b>Equity</b>						
CHANNING CAPITAL	30,879,549.38	0.83			31,675,571.62	0.86
SYSTEMATIC	53,784,605.25	1.45			54,904,500.08	1.49
<b>Total Small Cap</b>	<b>84,664,154.63</b>	<b>2.29</b>			<b>86,580,071.70</b>	<b>2.34</b>
T. ROWE PRICE	167,890,132.27	4.53			161,666,215.84	4.38
<b>Total Domestic/Enhanced equity</b>	<b>167,890,132.27</b>	<b>4.53</b>			<b>161,666,215.84</b>	<b>4.38</b>
NTGI S&P 500 EQUITY INDEX	153,158,580.16	4.13			147,856,132.46	4.00
<b>Total Index</b>	<b>153,158,580.16</b>	<b>4.13</b>			<b>147,856,132.46</b>	<b>4.00</b>
<b>Total Domestic</b>	<b>405,712,867.06</b>	<b>10.95</b>	<b>12.00</b>	<b>-1.05</b>	<b>396,102,420.00</b>	<b>10.73</b>
ACADIAN	112,410,172.88	3.03			112,189,583.33	3.04
AQR CAPITAL	135,452,796.91	3.66			137,406,176.88	3.72
ATIVO	26,886,736.68	0.73			27,463,481.30	0.74
BAILLIE GIFFORD	78,440,832.18	2.12			78,511,302.09	2.13
EARNEST PARTNERS	94,391,507.19	2.55			95,119,106.24	2.58
<b>Total International</b>	<b>447,582,045.84</b>	<b>12.08</b>	<b>11.50</b>	<b>0.58</b>	<b>450,689,649.84</b>	<b>12.21</b>
ARIEL	90,437,222.23	2.44			91,080,513.52	2.47
WELLINGTON MGMT	107,498,793.50	2.90			104,963,806.43	2.84
<b>Total Global Equity</b>	<b>197,936,015.73</b>	<b>5.34</b>	<b>5.00</b>	<b>0.34</b>	<b>196,044,319.95</b>	<b>5.31</b>
ACADIAN-LVG	194,010,495.00	5.24			190,473,670.56	5.16
BLACKROCK	190,247,185.96	5.14			188,078,325.53	5.09
SANCTIONED ASSET PORTFOL	26,211.90	0.00			26,211.90	0.00
<b>Total Global Low Volatility Equity</b>	<b>384,283,892.86</b>	<b>10.37</b>	<b>10.00</b>	<b>0.37</b>	<b>378,578,207.99</b>	<b>10.25</b>
FAIRVIEW CAPITAL	106,710,498.00	2.88			105,752,882.00	2.86
GROSVENOR GCM - CFGI	165,623,178.00	4.47			165,217,917.00	4.47
HAMILTON LANE	97,374,737.00	2.63			99,092,716.00	2.68
<b>Total Private Equity</b>	<b>369,708,413.00</b>	<b>9.98</b>	<b>10.00</b>	<b>-0.02</b>	<b>370,063,515.00</b>	<b>10.02</b>
<b>Total Equity</b>	<b>1,805,223,234.49</b>	<b>48.73</b>	<b>48.50</b>	<b>0.23</b>	<b>1,791,478,112.78</b>	<b>48.51</b>
<b>Fixed Income</b>						
GARCIA HAMILTON	186,223,422.35	5.03			183,786,670.01	4.98
WESTERN ASSET MANAGEMENT	193,198,788.45	5.22			191,864,139.78	5.20
WELLINGTON-CORE BOND	195,010,398.84	5.26			193,695,679.83	5.25
<b>Total Core Fixed Income</b>	<b>574,432,609.64</b>	<b>15.51</b>	<b>17.50</b>	<b>-1.99</b>	<b>569,346,489.62</b>	<b>15.42</b>
BLACKROCK-HY	189,482,898.73	5.11			187,434,328.36	5.08
OAKTREE	184,003,899.52	4.97			182,046,216.14	4.93
<b>Total High Yield</b>	<b>373,486,798.25</b>	<b>10.08</b>	<b>10.00</b>	<b>0.08</b>	<b>369,480,544.50</b>	<b>10.01</b>
NEUBERGER BERMAN	192,734,795.80	5.20			191,290,044.21	5.18
<b>Total Credit Opportunities</b>	<b>192,734,795.80</b>	<b>5.20</b>	<b>4.00</b>	<b>1.20</b>	<b>191,290,044.21</b>	<b>5.18</b>
SILVER POINT - DOIP II	1,001,383.00	0.03			1,001,383.00	0.03
<b>Total Private Credit</b>	<b>1,001,383.00</b>	<b>0.03</b>	<b>2.50</b>	<b>-2.47</b>	<b>1,001,383.00</b>	<b>0.03</b>
<b>Total Fixed Income</b>	<b>1,141,655,586.69</b>	<b>30.82</b>	<b>34.00</b>	<b>-3.18</b>	<b>1,131,118,461.33</b>	<b>30.63</b>
<b>Real Assets</b>						
ADELANTE CAPITAL	42,792,578.12	1.16			41,526,718.24	1.12
CENTERSQUARE-SL	43,004,553.07	1.16			41,843,924.43	1.13
<b>Total REITS</b>	<b>85,797,131.19</b>	<b>2.32</b>	<b>2.50</b>	<b>-0.18</b>	<b>83,370,642.67</b>	<b>2.26</b>
ATLANTIC TRUST	61,642,437.01	1.66			58,932,755.56	1.60
HARVEST FUND	67,446,840.46	1.82			64,178,954.94	1.74
COHEN & STEERS	61,843,656.10	1.67			63,012,671.75	1.71
<b>Total Global Listed Infrastructure</b>	<b>190,932,933.57</b>	<b>5.15</b>	<b>5.00</b>	<b>0.15</b>	<b>186,124,382.25</b>	<b>5.04</b>
AEW PARTNERS	46,391,857.00	1.25			47,611,564.00	1.29
BRASA CAPITAL MGMT	14,021,325.00	0.38			14,021,325.00	0.38
HEITMAN	86,835,272.96	2.34			86,835,272.96	2.35
INVESCO	65,052,092.68	1.76			65,052,092.68	1.76
INVESCO - SL	76,293,901.00	2.06			76,293,901.00	2.07
LONG WHARF CAPITAL	5,296,198.00	0.14			3,323,468.00	0.09
VIRTUS REAL ESTATE CAP	47,427,205.00	1.28			47,427,205.00	1.28
<b>Total Real Estate</b>	<b>341,317,851.64</b>	<b>9.21</b>	<b>7.50</b>	<b>1.71</b>	<b>340,564,828.64</b>	<b>9.22</b>
<b>Total Real Assets</b>	<b>618,047,916.40</b>	<b>16.68</b>	<b>15.00</b>	<b>1.68</b>	<b>610,059,853.56</b>	<b>16.52</b>
<b>Diversifying Strategies</b>						
DAVIDSON KEMPNER INST PTRS	50,183,861.00	1.35			49,897,215.00	1.35
HUDSON BAY CAPITAL	49,783,263.00	1.34			49,381,386.00	1.34
<b>Total Marketable Alternatives</b>	<b>99,967,124.00</b>	<b>2.70</b>	<b>2.50</b>	<b>0.20</b>	<b>99,278,601.00</b>	<b>2.69</b>
<b>Total Diversifying Strategies</b>	<b>99,967,124.00</b>	<b>2.70</b>	<b>2.50</b>	<b>0.20</b>	<b>99,278,601.00</b>	<b>2.69</b>
<b>Cash</b>						
	39,670,031.78	1.07			60,701,087.71	1.64
<b>Total Cash Account</b>	<b>39,670,031.78</b>	<b>1.07</b>	<b>0.00</b>	<b>1.07</b>	<b>60,701,087.71</b>	<b>1.64</b>
<b>TOTAL FUND</b>	<b>\$ 3,704,563,893.36</b>	<b>100.00</b>	<b>100.00</b>		<b>\$ 3,692,636,116.38</b>	<b>100.00</b>

Market Value YE 2023 \$ 3,655,166,195.63

Market Value Variance

Change from YE 2023: \$ 49,397,697.73

Change from prior month: \$ 11,927,776.98

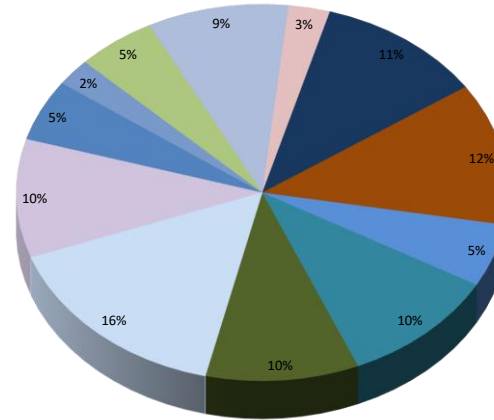
# Asset Allocation: Actual vs. Target

June 30, 2024

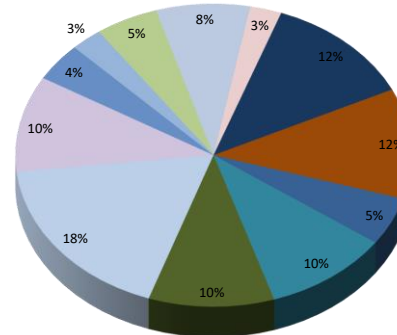
	Market Value	Gross Actual Allocation	Target Allocation	% Difference from Allocation
<b>EQUITY</b>				
CHANNING CAPITAL	30,879,549.38	0.83		
SYSTEMATIC	53,784,605.25	1.45		
<i>Total Small Cap</i>	<b>84,664,154.63</b>	<b>2.29</b>		
T. ROWE PRICE	167,890,132.27	4.53		
<i>Total Domestic/Enhanced equity</i>	<b>167,890,132.27</b>	<b>4.53</b>		
NTGI S&P 500 EQUITY INDEX	153,158,580.16	4.13		
<i>Total Index</i>	<b>153,158,580.16</b>	<b>4.13</b>		
<i>Total Domestic</i>	<b>405,712,867.06</b>	<b>10.95</b>	<b>12.00</b>	<b>-1.05</b>
ACADIAN	112,410,172.88	3.03		
AQR CAPITAL	135,452,796.91	3.66		
ATIVO	26,886,736.68	0.73		
BAILLIE GIFFORD	78,440,832.18	2.12		
EARNST PARTNERS	94,391,507.19	2.55		
<i>Total International</i>	<b>447,582,045.84</b>	<b>12.08</b>	<b>11.50</b>	<b>0.58</b>
ARIEL	90,437,222.23	2.44		
WELLINGTON MGMT	107,498,793.50	2.90		
<i>Total Global Equity</i>	<b>197,936,015.73</b>	<b>5.34</b>	<b>5.00</b>	<b>0.34</b>
ACADIAN-LVG	194,010,495.00	5.24		
BLACKROCK	190,247,185.96	5.14		
SANCTIONED ASSET PORTFOL	26,211.90	0.00		
<i>Total Global Low Volatility Equity</i>	<b>384,283,892.86</b>	<b>10.37</b>	<b>10.00</b>	<b>0.37</b>
FAIRVIEW CAPITAL	106,710,498.00	2.88		
GROSVENOR GCM - CFG	165,623,178.00	4.47		
HAMILTON LANE	97,374,737.00	2.63		
<i>Total Private Equity</i>	<b>369,708,413.00</b>	<b>9.98</b>	<b>10.00</b>	<b>-0.02</b>
<b>TOTAL EQUITY</b>	<b>1,805,223,234.49</b>	<b>48.73</b>	<b>48.50</b>	<b>0.23</b>
<b>FIXED INCOME</b>				
GARCIA HAMILTON	186,223,422.35	5.03		
WESTERN ASSET MANAGEMENT	193,198,788.45	5.22		
WELLINGTON-CORE BOND	195,010,398.84	5.26		
<i>Total Core Fixed Income</i>	<b>574,432,609.64</b>	<b>15.51</b>	<b>17.50</b>	<b>-1.99</b>
BLACKROCK-HY	189,482,898.73	5.11		
OAKTREE	184,003,899.52	4.97		
<i>Total High Yield</i>	<b>373,486,798.25</b>	<b>10.08</b>	<b>10.00</b>	<b>0.08</b>
NEUBERGER BERMAN	192,734,795.80	5.20		
<i>Total Credit Opportunistic</i>	<b>192,734,795.80</b>	<b>5.20</b>	<b>4.00</b>	<b>1.20</b>
SILVER POINT - DOIP II	1,001,383.00	0.03		
<i>Total Private Credit</i>	<b>1,001,383.00</b>	<b>0.03</b>	<b>2.50</b>	<b>-2.47</b>
<b>Total Fixed Income</b>	<b>1,141,655,586.69</b>	<b>30.82</b>	<b>34.00</b>	<b>-3.18</b>
<b>REAL ESTATE</b>				
CENTERSQUARE-SL	43,004,553.07	1.16		
<i>Total REITS</i>	<b>85,797,131.19</b>	<b>2.32</b>	<b>2.50</b>	<b>-0.18</b>
ATLANTIC TRUST	61,642,437.01	1.66		
HARVEST FUND	67,446,840.46	1.82		
COHEN & STEERS	61,843,656.10	1.67		
<i>Total Global Listed Infrastructure</i>	<b>190,932,933.57</b>	<b>5.15</b>	<b>5.00</b>	<b>0.15</b>
AEW PARTNERS	46,391,857.00	1.25		
BRASA CAPITAL MGMT	14,021,325.00	0.38		
HEITMAN	86,835,272.96	2.34		
INVESCO	65,052,092.68	1.76		
INVESCO - SL	76,293,901.00	2.06		
LONG WHARF CAPITAL	5,296,198.00	0.14		
VIRTUS REAL ESTATE CAP	47,427,205.00	1.28		
<i>Total Real Estate</i>	<b>341,317,851.64</b>	<b>9.21</b>	<b>15.00</b>	<b>1.68</b>
<b>Total Real Assets</b>	<b>618,047,916.40</b>	<b>16.68</b>	<b>15.00</b>	<b>1.68</b>
DAVIDSON KEMPNER INST PTRS	50,183,861.00	1.35		
HUDSON BAY CAPITAL	49,783,263.00	1.34		
<i>Total Diversifying Strategies</i>	<b>99,967,124.00</b>	<b>2.70</b>	<b>2.50</b>	<b>0.20</b>
<b>CASH ACCOUNT</b>	<b>39,670,031.78</b>	<b>1.07</b>		

**TOTAL FUND**      \$ 3,704,563,893.36    \$ 100.00    \$ 100.00    \$ (0.00)

Gross Actual Allocation



Target Allocation



**ASSET ALLOCATION COMPARISON**

July 31, 2024

	Market Value	% of Total Fund	Allocation Policy	% Difference from Allocation	Prior Period Market Value	Prior Period % of Total Fund
<b>Equity</b>						
CHANNING CAPITAL SYSTEMATIC	33,674,140.13	0.90			30,879,549.38	0.83
	58,934,887.29	1.57			53,784,605.25	1.45
<b>Total Small Cap</b>	<b>92,609,027.42</b>	<b>2.46</b>			<b>84,664,154.63</b>	<b>2.29</b>
SMITH GRAHAM		-				-
T. ROWE PRICE	169,019,489.21	4.49			167,890,132.27	4.53
<b>Total Domestic/Enhanced equity</b>	<b>169,019,489.21</b>	<b>4.49</b>			<b>167,890,132.27</b>	<b>4.53</b>
NTGI S&P 500 EQUITY INDEX	155,022,540.98	4.12			153,158,580.16	4.13
<b>Total Index</b>	<b>155,022,540.98</b>	<b>4.12</b>			<b>153,158,580.16</b>	<b>4.13</b>
<b>Total Domestic</b>	<b>416,651,057.61</b>	<b>11.08</b>	<b>12.00</b>	<b>-0.92</b>	<b>405,712,867.06</b>	<b>10.95</b>
ACADIAN	115,330,706.73	3.07			112,410,172.88	3.03
AQR CAPITAL	136,841,995.67	3.64			135,452,796.91	3.66
ATIVO	27,719,996.67	0.74			26,886,736.68	0.73
BAILLIE GIFFORD	79,787,305.84	2.12			78,440,832.18	2.12
EARNST PARTNERS	96,238,373.24	2.56			94,391,507.19	2.55
<b>Total International</b>	<b>455,918,378.15</b>	<b>12.12</b>	<b>11.50</b>	<b>0.62</b>	<b>447,582,045.84</b>	<b>12.08</b>
ARIEL	93,032,640.95	2.47			90,437,222.23	2.44
WELLINGTON MGMT	107,739,550.40	2.86			107,498,793.50	2.90
<b>Total Global Equity</b>	<b>200,772,191.35</b>	<b>5.34</b>	<b>5.00</b>	<b>0.34</b>	<b>197,936,015.73</b>	<b>5.34</b>
ACADIAN-LVG	201,906,070.61	5.37			194,010,495.00	5.24
BLACKROCK	197,673,613.04	5.25			190,247,185.96	5.14
SANCTIONED ASSET PORTFOL	26,211.90	0.00			26,211.90	0.00
<b>Total Global Low Volatility Equity</b>	<b>399,605,895.55</b>	<b>10.62</b>	<b>10.00</b>	<b>0.62</b>	<b>384,283,892.86</b>	<b>10.37</b>
FAIRVIEW CAPITAL	108,348,084.00	2.88			106,710,498.00	2.88
GROSVENOR GCM - CFG	168,353,223.00	4.48			165,623,178.00	4.47
HAMILTON LANE	93,293,388.00	2.48			97,374,737.00	2.63
<b>Total Private Equity</b>	<b>369,994,695.00</b>	<b>9.84</b>	<b>10.00</b>	<b>-0.16</b>	<b>369,708,413.00</b>	<b>9.98</b>
<b>Total Equity</b>	<b>1,842,942,217.66</b>	<b>48.99</b>	<b>48.50</b>	<b>0.49</b>	<b>1,805,223,234.49</b>	<b>48.73</b>
<b>Fixed Income</b>						
GARCIA HAMILTON	191,619,053.37	5.09			186,223,422.35	5.03
WESTERN ASSET MANAGEMENT	197,745,930.07	5.26			193,198,788.45	5.22
WELLINGTON-CORE BOND	200,521,965.97	5.33			195,010,398.84	5.26
<b>Total Core Fixed Income</b>	<b>589,886,949.41</b>	<b>15.68</b>	<b>17.50</b>	<b>-1.82</b>	<b>574,432,609.64</b>	<b>15.51</b>
BLACKROCK-HY	192,718,644.19	5.12			189,482,898.73	5.11
OAKTREE	187,544,646.53	4.99			184,003,899.52	4.97
<b>Total High Yield</b>	<b>380,263,290.72</b>	<b>10.11</b>	<b>10.00</b>	<b>0.11</b>	<b>373,486,798.25</b>	<b>10.08</b>
NEUBERGER BERMAN	195,501,768.49	5.20			192,734,795.80	5.20
<b>Total Credit Opportunities</b>	<b>195,501,768.49</b>	<b>5.20</b>	<b>4.00</b>	<b>1.20</b>	<b>192,734,795.80</b>	<b>5.20</b>
SILVER POINT - DOIP II	983,111.00	0.03			1,001,383.00	0.03
MGG STRUCTURED SOLUTIONS	3,400,435.00	0.09			-	-
<b>Total Private Credit</b>	<b>4,383,546.00</b>	<b>0.12</b>	<b>2.50</b>	<b>-2.47</b>	<b>1,001,383.00</b>	<b>0.03</b>
<b>Total Fixed Income</b>	<b>1,170,035,554.62</b>	<b>31.10</b>	<b>34.00</b>	<b>-2.90</b>	<b>1,141,655,586.69</b>	<b>30.82</b>
<b>Real Assets</b>						
ADELANTE CAPITAL	44,882,975.29	1.19			42,792,578.12	1.16
CENTERSQUARE-SL	45,833,537.29	1.22			43,004,553.07	1.16
<b>Total REITS</b>	<b>90,716,512.58</b>	<b>2.41</b>	<b>2.50</b>	<b>-0.09</b>	<b>85,797,131.19</b>	<b>2.32</b>
ATLANTIC TRUST	63,486,531.08	1.69			61,642,437.01	1.66
HARVEST FUND	69,092,677.74	1.84			67,446,840.46	1.82
COHEN & STEERS	65,933,220.62	1.75			61,843,656.10	1.67
<b>Total Global Listed Infrastructure</b>	<b>198,512,429.44</b>	<b>5.28</b>	<b>5.00</b>	<b>0.28</b>	<b>190,932,933.57</b>	<b>5.15</b>
AEW PARTNERS	47,674,888.00	1.27			46,391,857.00	1.25
BRASA CAPITAL MGMT	15,480,532.00	0.41			14,021,325.00	0.38
HEITMAN	83,827,905.57	2.23			86,835,272.96	2.34
INVESCO	62,024,708.77	1.65			65,052,092.68	1.76
INVESCO - SL	75,810,876.00	2.02			76,293,901.00	2.06
LONG WHARF CAPITAL	5,296,198.00	0.14			5,296,198.00	0.14
VIRTUS REAL ESTATE CAP	48,668,572.00	1.29			47,427,205.00	1.28
<b>Total Real Estate</b>	<b>338,783,680.34</b>	<b>9.01</b>	<b>7.50</b>	<b>1.51</b>	<b>341,317,851.64</b>	<b>9.21</b>
<b>Total Real Assets</b>	<b>628,012,622.36</b>	<b>16.69</b>	<b>15.00</b>	<b>1.69</b>	<b>618,047,916.40</b>	<b>16.68</b>
<b>Diversifying Strategies</b>						
DAVIDSON KEMPNER INST PTRS	50,467,916.00	1.34			50,183,861.00	1.35
HUDSON BAY CAPITAL	50,091,641.00	1.33			49,783,263.00	1.34
<b>Total Marketable Alternatives</b>	<b>100,559,557.00</b>	<b>2.67</b>	<b>2.50</b>	<b>0.17</b>	<b>99,967,124.00</b>	<b>2.70</b>
<b>Total Diversifying Strategies</b>	<b>100,559,557.00</b>	<b>2.67</b>	<b>2.50</b>	<b>0.17</b>	<b>99,967,124.00</b>	<b>2.70</b>
<b>Cash</b>						
	20,264,089.49	0.54			39,670,031.78	1.07
<b>Total Cash Account</b>	<b>20,264,089.49</b>	<b>0.54</b>	<b>0.00</b>	<b>0.54</b>	<b>39,670,031.78</b>	<b>1.07</b>

<b>TOTAL FUND</b>	<b>\$ 3,761,814,041.13</b>	<b>100.00</b>	<b>100.00</b>	<b>\$ 3,704,563,893.36</b>	<b>100.00</b>
-------------------	----------------------------	---------------	---------------	----------------------------	---------------

Market Value YE 2023

\$ 3,655,166,195.63

Market Value Variance

Change from YE 2023:	\$ 106,647,845.50
Change from prior month:	\$ 57,250,147.77



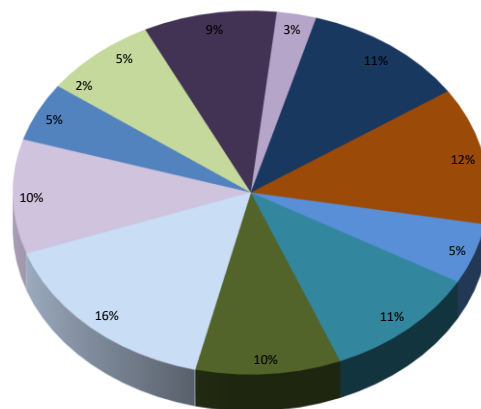
# Asset Allocation: Actual vs. Target

July 31, 2024

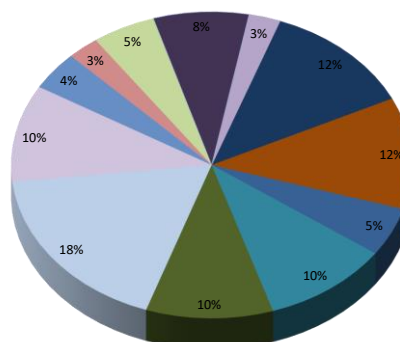
	Market Value	Gross Actual Allocation	Target Allocation	% Difference from Allocation
<b>EQUITY</b>				
CHANNING CAPITAL	33,674,140.13	0.90		
SYSTEMATIC	58,934,887.29	1.57		
<i>Total Small Cap</i>	<b>92,609,027.42</b>	<b>2.46</b>		
SMITH GRAHAM	-	0.00		
T. ROWE PRICE	169,019,489.21	4.49		
<i>Total Domestic/Enhanced equity</i>	<b>169,019,489.21</b>	<b>4.49</b>		
NTGI S&P 500 EQUITY INDEX	155,022,540.98	4.12		
<i>Total Index</i>	<b>155,022,540.98</b>	<b>4.12</b>		
<i>Total Domestic</i>	<b>416,651,057.61</b>	<b>11.08</b>	<b>12.00</b>	<b>-0.92</b>
ACADIAN	115,330,706.73	3.07		
AQR CAPITAL	136,841,995.67	3.64		
ATIVO	27,719,996.67	0.74		
BAILLIE GIFFORD	79,787,305.84	2.12		
EARNEST PARTNERS	96,238,373.24	2.56		
<i>Total International</i>	<b>455,918,378.15</b>	<b>12.12</b>	<b>11.50</b>	<b>0.62</b>
ARIEL	93,032,640.95	2.47		
WELLINGTON MGMT	107,739,550.40	2.86		
<i>Total Global Equity</i>	<b>200,772,191.35</b>	<b>5.34</b>	<b>5.00</b>	<b>0.34</b>
ACADIAN-LVG	201,906,070.61	5.37		
BLACKROCK	197,673,613.04	5.25		
SANCTIONED ASSET PORTFOL	26,211.90	0.00		
<i>Total Global Low Volatility Equity</i>	<b>399,605,895.55</b>	<b>10.62</b>	<b>10.00</b>	<b>0.62</b>
FAIRVIEW CAPITAL	108,348,084.00	2.88		
GROSVENOR GCM - CFGI	168,353,223.00	4.48		
HAMILTON LANE	93,293,388.00	2.48		
<i>Total Private Equity</i>	<b>369,994,695.00</b>	<b>9.84</b>	<b>10.00</b>	<b>-0.16</b>
<b>TOTAL EQUITY</b>	<b>1,842,942,217.66</b>	<b>48.99</b>	<b>48.50</b>	<b>0.49</b>
<b>FIXED INCOME</b>				
GARCIA HAMILTON	191,619,053.37	5.09		
WESTERN ASSET MANAGEMENT	197,745,930.07	5.26		
WELLINGTON-CORE BOND	200,521,965.97	5.33		
<i>Total Core Fixed Income</i>	<b>589,886,949.41</b>	<b>15.68</b>	<b>17.50</b>	<b>-1.82</b>
BLACKROCK-HY	192,718,644.19	5.12		
OAKTREE	187,544,646.53	4.99		
<i>Total High Yield</i>	<b>380,263,290.72</b>	<b>10.11</b>	<b>10.00</b>	<b>0.11</b>
NEUBERGER BERMAN	195,501,768.49	5.20		
<i>Total Credit Opportunistic</i>	<b>195,501,768.49</b>	<b>5.20</b>	<b>4.00</b>	<b>1.20</b>
SILVER POINT - DOIP II	983,111.00	0.03		
MGG STRUCTURED SOLUTIONS	3,400,435.00	0.09		
<i>Total Private Credit</i>	<b>4,383,546.00</b>	<b>0.03</b>	<b>2.50</b>	<b>-2.47</b>
<b>Total Fixed Income</b>	<b>1,170,035,554.62</b>	<b>31.10</b>	<b>34.00</b>	<b>-2.90</b>
<b>REAL ESTATE</b>				
CENTERSQUARE-SL	45,833,537.29	1.22		
<i>Total REITS</i>	<b>90,716,512.58</b>	<b>2.41</b>	<b>2.50</b>	<b>-0.09</b>
ATLANTIC TRUST	63,486,531.08	1.69		
HARVEST FUND	69,092,677.74	1.84		
COHEN & STEERS	65,933,220.62	1.75		
<i>Total Global Listed Infrastructure</i>	<b>198,512,429.44</b>	<b>5.28</b>	<b>5.00</b>	<b>0.28</b>
AEW PARTNERS	47,674,888.00	1.27		
BRASA CAPITAL MGMT	15,480,532.00	0.41		
HEITMAN	83,827,905.57	2.23		
INVESCO	62,024,708.77	1.65		
INVESCO - SL	75,810,876.00	2.02		
LONG WHARF CAPITAL	5,296,198.00	0.14		
VIRTUS REAL ESTATE CAP	48,668,572.00	1.29		
<i>Total Real Estate</i>	<b>338,783,680.34</b>	<b>9.01</b>		
<b>Total Real Assets</b>	<b>628,012,622.36</b>	<b>16.69</b>	<b>15.00</b>	<b>1.69</b>
DAVIDSON KEMPNER INST PTRS	50,467,916.00	1.34		
HUDSON BAY CAPITAL	50,091,641.00	1.33		
<i>Total Diversifying Strategies</i>	<b>100,559,557.00</b>	<b>2.67</b>	<b>2.50</b>	<b>0.17</b>
<b>CASH ACCOUNT</b>	<b>20,264,089.49</b>	<b>0.54</b>		

**TOTAL FUND**      \$ 3,761,814,041.13    \$ 100.00    \$ 100.00    \$ (0.00)

Gross Actual Allocation



Target Allocation





## ASSET ALLOCATION COMPARISON

August 31, 2024

	Market Value	% of Total Fund	Allocation Policy	% Difference from Allocation	Prior Period Market Value	Prior Period % of Total Fund
<b>Equity</b>						
CHANNING CAPITAL	33,169,138.92	0.87			33,674,140.13	0.90
SYSTEMATIC	57,488,864.65	1.51			58,934,887.29	1.57
<i>Total Small Cap</i>	<b>90,658,003.57</b>	<b>2.38</b>			<b>92,609,027.42</b>	<b>2.46</b>
T. ROWE PRICE	172,962,442.29	4.53			169,019,489.21	4.49
<i>Total Domestic/Enhanced equity</i>	<b>172,962,442.29</b>	<b>4.53</b>			<b>169,019,489.21</b>	<b>4.49</b>
NTGI S&P 500 EQUITY INDEX	158,778,533.25	4.16			155,022,540.98	4.12
<i>Total Index</i>	<b>158,778,533.25</b>	<b>4.16</b>			<b>155,022,540.98</b>	<b>4.12</b>
<i>Total Domestic</i>	<b>422,398,979.11</b>	<b>11.07</b>	<b>12.00</b>	<b>-0.93</b>	<b>416,651,057.61</b>	<b>11.08</b>
ACADIAN	116,712,015.72	3.06			115,330,706.73	3.07
AQR CAPITAL	139,977,017.42	3.67			136,841,995.67	3.64
ATIVO	28,549,686.24	0.75			27,719,996.67	0.74
BAILLIE GIFFORD	82,549,898.87	2.16			79,787,305.84	2.12
EARNST PARTNERS	97,920,307.85	2.57			96,238,373.24	2.56
<i>Total International</i>	<b>465,708,926.10</b>	<b>12.20</b>	<b>11.50</b>	<b>0.70</b>	<b>455,918,378.15</b>	<b>12.12</b>
ARIEL	93,595,076.68	2.45			93,032,640.95	2.47
WELLINGTON MGMT	100,945,407.42	2.64			107,739,550.40	2.86
<i>Total Global Equity</i>	<b>194,540,484.10</b>	<b>5.10</b>	<b>5.00</b>	<b>0.10</b>	<b>200,772,191.35</b>	<b>5.34</b>
ACADIAN-LVG	199,382,644.44	5.22			201,906,070.61	5.37
BLACKROCK	196,691,870.74	5.15			197,673,613.04	5.25
SANCTIONED ASSET PORTFOL	26,211.90	0.00			26,211.90	0.00
<i>Total Global Low Volatility Equity</i>	<b>396,100,727.08</b>	<b>10.38</b>	<b>10.00</b>	<b>0.38</b>	<b>399,605,895.55</b>	<b>10.62</b>
FAIRVIEW CAPITAL	101,378,357.00	2.66			108,348,084.00	2.88
GROSVENOR GCM - CFG	160,855,375.00	4.21			168,353,223.00	4.48
HAMILTON LANE	91,920,708.00	2.41			93,293,388.00	2.48
<i>Total Private Equity</i>	<b>354,154,440.00</b>	<b>9.28</b>	<b>10.00</b>	<b>-0.72</b>	<b>369,994,695.00</b>	<b>9.84</b>
<i>Total Equity</i>	<b>1,832,903,556.39</b>	<b>48.02</b>	<b>48.50</b>	<b>-0.48</b>	<b>1,842,942,217.66</b>	<b>48.99</b>
<b>Fixed Income</b>						
GARCIA HAMILTON	194,863,944.39	5.11			191,619,053.37	5.09
WESTERN ASSET MANAGEMENT	200,489,561.97	5.25			197,745,930.07	5.26
WELLINGTON-CORE BOND	202,219,379.92	5.30			200,521,965.97	5.33
<i>Total Core Fixed Income</i>	<b>597,572,886.28</b>	<b>15.66</b>	<b>17.50</b>	<b>-1.84</b>	<b>589,886,949.41</b>	<b>15.68</b>
BLACKROCK-HY	185,814,153.11	4.87			192,718,644.19	5.12
OAKTREE	190,674,491.33	5.00			187,544,646.53	4.99
<i>Total High Yield</i>	<b>376,488,644.44</b>	<b>9.86</b>	<b>10.00</b>	<b>-0.14</b>	<b>380,263,290.72</b>	<b>10.11</b>
NEUBERGER BERMAN	177,204,594.16	4.64			195,501,768.49	5.20
<i>Total Credit Opportunities</i>	<b>177,204,594.16</b>	<b>4.64</b>	<b>4.00</b>	<b>0.64</b>	<b>195,501,768.49</b>	<b>5.20</b>
SILVER POINT - DOIP II	1,279,041.00	0.03			983,111.00	0.03
MGG STRUCTURED SOLUTIONS	3,400,435.00	0.09			3,400,435.00	0.09
<i>Total Private Credit</i>	<b>4,679,476.00</b>	<b>0.12</b>	<b>2.50</b>	<b>-2.47</b>	<b>4,383,546.00</b>	<b>0.12</b>
<i>Total Fixed Income</i>	<b>1,155,945,600.88</b>	<b>30.29</b>	<b>34.00</b>	<b>-3.71</b>	<b>1,170,035,554.62</b>	<b>31.10</b>
<b>Real Assets</b>						
ADELANTE CAPITAL	47,910,231.20	1.26			44,882,975.29	1.19
CENTERSQUARE-SL	48,917,407.30	1.28			45,833,537.29	1.22
<i>Total REITS</i>	<b>96,827,638.50</b>	<b>2.54</b>	<b>2.50</b>	<b>0.04</b>	<b>90,716,512.58</b>	<b>2.41</b>
ATLANTIC TRUST	65,533,394.71	1.72			63,486,531.08	1.69
HARVEST FUND	70,573,256.96	1.85			69,092,677.74	1.84
COHEN & STEERS	68,537,437.05	1.80			65,933,220.62	1.75
<i>Total Global Listed Infrastructure</i>	<b>204,644,088.72</b>	<b>5.36</b>	<b>5.00</b>	<b>0.36</b>	<b>198,512,429.44</b>	<b>5.28</b>
AEW PARTNERS	47,166,861.00	1.24			47,674,888.00	1.27
BRASA CAPITAL MGMT	16,008,244.00	0.42			15,480,532.00	0.41
HEITMAN	83,827,905.57	2.20			83,827,905.57	2.23
INVESCO	62,024,708.77	1.63			62,024,708.77	1.65
INVESCO - SL	75,480,930.00	1.98			75,810,876.00	2.02
LONG WHARF CAPITAL	5,460,401.00	0.14			5,296,198.00	0.14
VIRTUS REAL ESTATE CAP	49,088,050.00	1.29			48,668,572.00	1.29
<i>Total Real Estate</i>	<b>339,057,100.34</b>	<b>8.88</b>	<b>7.50</b>	<b>1.38</b>	<b>338,783,680.34</b>	<b>9.01</b>
<i>Total Real Assets</i>	<b>640,528,827.56</b>	<b>16.78</b>	<b>15.00</b>	<b>1.78</b>	<b>628,012,622.36</b>	<b>16.69</b>
<b>Diversifying Strategies</b>						
DAVIDSON KEMPNER INST PTRS	50,953,391.00	1.33			50,467,916.00	1.34
HUDSON BAY CAPITAL	50,565,614.00	1.32			50,091,641.00	1.33
<i>Total Marketable Alternatives</i>	<b>101,519,005.00</b>	<b>2.66</b>	<b>2.50</b>	<b>0.16</b>	<b>100,559,557.00</b>	<b>2.67</b>
<i>Total Diversifying Strategies</i>	<b>101,519,005.00</b>	<b>2.66</b>	<b>2.50</b>	<b>0.16</b>	<b>100,559,557.00</b>	<b>2.67</b>
<b>Cash</b>						
	85,944,102.61	2.25			20,264,089.49	0.54
<i>Total Cash Account</i>	<b>85,944,102.61</b>	<b>2.25</b>	<b>0.00</b>	<b>2.25</b>	<b>20,264,089.49</b>	<b>0.54</b>

TOTAL FUND	\$	3,816,841,092.44	100.00	100.00	\$	3,761,814,041.13	100.00
------------	----	------------------	--------	--------	----	------------------	--------

Market Value YE 2023

\$ 3,655,166,195.63

Market Value Variance

Change from YE 2023: \$ 161,674,896.81  
Change from prior month: \$ 55,027,051.31

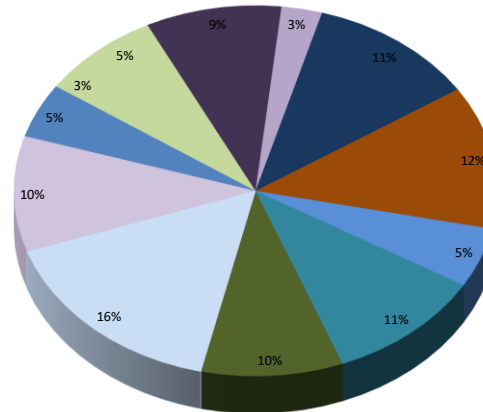
# Asset Allocation: Actual vs. Target

August 31, 2024

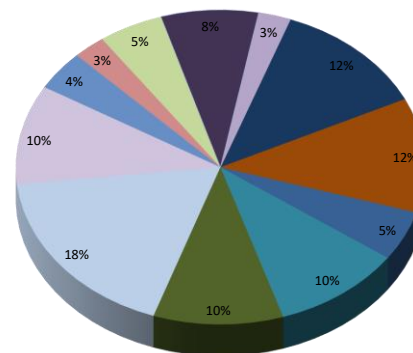
	Market Value	Gross Actual Allocation	Target Allocation	% Difference from Allocation
<b>EQUITY</b>				
CHANNING CAPITAL SYSTEMATIC	33,169,138.92	0.87		
	57,488,864.65	1.51		
<i>Total Small Cap</i>	<b>90,658,003.57</b>	<b>2.38</b>		
T. ROWE PRICE	172,962,442.29	4.53		
<i>Total Domestic/Enhanced equity</i>	<b>172,962,442.29</b>	<b>4.53</b>		
NTGI S&P 500 EQUITY INDEX	158,778,533.25	4.16		
<i>Total Index</i>	<b>158,778,533.25</b>	<b>4.16</b>		
<i>Total Domestic</i>	<b>422,398,979.11</b>	<b>11.07</b>	<b>12.00</b>	<b>-0.93</b>
ACADIAN	116,712,015.72	3.06		
AQR CAPITAL	139,977,017.42	3.67		
ATIVO	28,549,686.24	0.75		
BAILLIE GIFFORD	82,549,898.87	2.16		
EARNEST PARTNERS	97,920,307.85	2.57		
<i>Total International</i>	<b>465,708,926.10</b>	<b>12.20</b>	<b>11.50</b>	<b>0.70</b>
ARIEL	93,595,076.68	2.45		
WELLINGTON MGMT	100,945,407.42	2.64		
<i>Total Global Equity</i>	<b>194,540,484.10</b>	<b>5.10</b>	<b>5.00</b>	<b>0.10</b>
ACADIAN-LVG	199,382,644.44	5.22		
BLACKROCK	196,691,870.74	5.15		
SANCTIONED ASSET PORTFOL	26,211.90	0.00		
<i>Total Global Low Volatility Equity</i>	<b>396,100,727.08</b>	<b>10.38</b>	<b>10.00</b>	<b>0.38</b>
FAIRVIEW CAPITAL	101,378,357.00	2.66		
GROSVENOR GCM - CFG	160,855,375.00	4.21		
HAMILTON LANE	91,920,708.00	2.41		
<i>Total Private Equity</i>	<b>354,154,440.00</b>	<b>9.28</b>	<b>10.00</b>	<b>-0.72</b>
<b>TOTAL EQUITY</b>	<b>1,832,903,556.39</b>	<b>48.02</b>	<b>48.50</b>	<b>-0.48</b>
<b>FIXED INCOME</b>				
GARCIA HAMILTON	194,863,944.39	5.11		
WESTERN ASSET MANAGEMENT	200,489,561.97	5.25		
WELLINGTON-CORE BOND	202,219,379.92	5.30		
<i>Total Core Fixed Income</i>	<b>597,572,886.28</b>	<b>15.66</b>	<b>17.50</b>	<b>-1.84</b>
BLACKROCK-HY	185,814,153.11	4.87		
OAKTREE	190,674,491.33	5.00		
<i>Total High Yield</i>	<b>376,488,644.44</b>	<b>9.86</b>	<b>10.00</b>	<b>-0.14</b>
NEUBERGER BERMAN	177,204,594.16	4.64		
<i>Total Credit Opportunistic</i>	<b>177,204,594.16</b>	<b>4.64</b>	<b>4.00</b>	<b>0.64</b>
SILVER POINT - DOIP II	1,279,041.00	0.03		
MGG STRUCTURED SOLUTIONS	3,400,435.00	0.09		
<i>Total Private Credit</i>	<b>4,679,476.00</b>	<b>0.03</b>	<b>2.50</b>	<b>-2.47</b>
<b>Total Fixed Income</b>	<b>1,155,945,600.88</b>	<b>30.29</b>	<b>34.00</b>	<b>-3.71</b>
<b>REAL ESTATE</b>				
CENTERSQUARE-SL	48,917,407.30	1.28		
<i>Total REITS</i>	<b>96,827,638.50</b>	<b>2.54</b>	<b>2.50</b>	<b>0.04</b>
ATLANTIC TRUST	65,533,394.71	1.72		
HARVEST FUND	70,573,256.96	1.85		
COHEN & STEERS	68,537,437.05	1.80		
<i>Total Global Listed Infrastructure</i>	<b>204,644,088.72</b>	<b>5.36</b>	<b>5.00</b>	<b>0.36</b>
AEW PARTNERS	47,166,861.00	1.24		
BRASA CAPITAL MGMT	16,008,244.00	0.42		
HEITMAN	83,827,905.57	2.20		
INVESCO	62,024,708.77	1.63		
INVESCO - SL	75,480,930.00	1.98		
LONG WHARF CAPITAL	5,460,401.00	0.14		
VIRTUS REAL ESTATE CAP	49,088,050.00	1.29		
<i>Total Real Estate</i>	<b>339,057,100.34</b>	<b>8.88</b>		
<b>Total Real Assets</b>	<b>640,528,827.56</b>	<b>16.78</b>	<b>15.00</b>	<b>1.78</b>
DAVIDSON KEMPNER INST PTRS	50,953,391.00	1.33		
HUDSON BAY CAPITAL	50,565,614.00	1.32		
<i>Total Diversifying Strategies</i>	<b>101,519,005.00</b>	<b>2.66</b>	<b>2.50</b>	<b>0.16</b>
<b>CASH ACCOUNT</b>	<b>85,944,102.61</b>	<b>2.25</b>		

**TOTAL FUND**      \$ 3,816,841,092.44    \$ 100.00    \$ 100.00    \$ (0.00)

Gross Actual Allocation



Target Allocation



## DISCUSSION SHEET

Employees' Retirement Fund  
Board of Trustees Meeting

September 9, 2024

**Issue:** Third Quarter Cash Rebalance

**Attachment:** None, informational purposes

**Discussion:** During the month of August ERF staff rebalanced fund managers taking \$60 million in cash to pay benefits for the Third and Fourth Quarter of 2024.

Redemptions for Third Quarter cash needs were as follows: \$20 million from Neuberger Berman, \$20 million from BlackRock Asset Management, \$10 million from Acadian Asset Management, and \$10 million from Wellington Management.

**Wilshire**

# ERF of the City of Dallas

## Monthly Investment Summary

June 30, 2024

# Monthly Index Performance

Periods Ended June 30, 2024

	Performance (%)				
	1 Month	1 Quarter	1 Year	3 Years	5 Years
U.S. Equity					
FT Wilshire 5000 Index	3.14	3.31	23.15	8.36	14.41
S&P 500 Index	3.59	4.28	24.56	10.01	15.05
FT Wilshire 4500 Index	-1.55	-4.34	11.77	0.33	8.57
MSCI USA Minimum Volatility Index	1.80	0.79	14.60	6.20	8.28
U.S. Equity by Size/Style					
FT Wilshire U.S. Large Cap Index	3.78	4.40	24.81	9.60	15.24
FT Wilshire US Large Cap Growth Index	7.47	9.67	35.81	11.44	19.50
FT Wilshire US Large Cap Value Index	0.04	-0.80	14.31	7.33	10.60
FT Wilshire U.S. Small Cap Index	-1.45	-4.13	12.65	1.38	8.87
FT Wilshire US Small Cap Growth Index	-0.40	-3.89	11.35	-1.43	7.96
FT Wilshire US Small Cap Value Index	-2.46	-4.37	13.99	4.04	9.45
FT Wilshire U.S. Micro Cap Index	-2.39	-6.05	4.80	-7.28	6.01
Non-U.S. Equity (USD)					
MSCI AC World ex USA (Net)	-0.10	0.96	11.62	0.46	5.55
MSCI ACWI ex USA Minimum Volatility Index (Net)	0.75	1.25	7.68	1.16	3.04
MSCI EAFE (Net)	-1.61	-0.42	11.54	2.89	6.46
MSCI Emerging Markets (Net)	3.94	5.00	12.55	-5.07	3.10
MSCI AC World ex USA Small Cap (Net)	-1.06	0.66	11.26	-1.45	6.13
U.S. Fixed Income					
Blmbg. U.S. Aggregate Index	0.95	0.07	2.63	-3.02	-0.23
Blmbg. U.S. Treasury: Long	1.65	-1.82	-5.61	-10.49	-4.26
Blmbg. U.S. Long Corporate Index	0.53	-1.74	2.18	-6.87	-0.79
Blmbg. U.S. TIPS Index	0.78	0.79	2.71	-1.33	2.07
Blmbg. U.S. Credit Index	0.67	-0.05	4.42	-2.94	0.54
Blmbg. U.S. Corp: High Yield Index	0.94	1.09	10.44	1.64	3.92
Morningstar LSTA U.S. Leveraged Loan	0.35	1.90	11.11	6.14	5.53

# Asset Allocation & Performance

Dallas Total Fund

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Global Equity Composite	0.96	0.66	9.48	15.82	4.60	9.42	9.19	9/1/2012	197,924,333	5.34
Global Low Volatility Composite	1.51	1.53	6.47	10.77	4.46	5.52	7.26	7/1/2015	384,257,681	10.37
Domestic Equity Composite	2.43	2.66	12.64	22.61	7.83	13.70	10.56	1/1/1990	405,712,867	10.95
International Equity Composite	-0.69	1.44	7.44	13.60	0.32	7.02	5.67	1/1/1990	447,575,598	12.08
Fixed Income Composite	0.89	-0.33	-1.20	2.06	-2.93	0.17	4.20	10/1/1995	574,435,470	15.51
High Yield Composite	1.09	1.43	3.12	11.39	2.32	4.18	6.07	1/1/1997	373,511,761	10.08
Credit Opportunities Composite	0.57	1.33	4.44	12.08	1.47	3.00	4.91	2/1/2016	192,734,796	5.20
Private Credit Composite	0.00						0.00	6/1/2024	1,001,383	0.03
Total Real Estate Composite	0.01	-0.92	-1.51	-2.79	3.60	5.10	6.43	1/1/1990	427,114,983	11.53
Global Listed Infrastructure Composite	2.58	4.75	15.23	24.06	16.75	7.25	6.42	1/1/2012	190,932,934	5.15
Private Equity Composite	-0.43	0.39	-0.97	-0.80	13.79	11.69	12.96	6/1/2009	369,708,413	9.98
Marketable Alternatives Composite	0.69	2.10	3.61	7.74			6.19	10/1/2022	99,967,124	2.70
Managed Short Term Composite	0.41	1.32	2.69	5.46	3.05	2.17	2.83	1/1/1990	39,670,032	1.07
Dallas Total Fund	0.77	1.06	4.21	8.76	3.69	6.15	8.70	1/1/1985	3,704,547,375	100.00
Policy Index	1.40	1.78	5.93	11.92	3.35	6.51	9.27			

# Asset Allocation & Performance

## Domestic Equity

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Systematic Financial</b> Russell 2000 Index	-2.04 -0.93	-3.25 -3.28	4.03 1.73	13.03 10.06	4.21 -2.58	9.72 6.94	10.49 8.67	8/1/2003	53,784,605	13.26
<b>Channing Capital</b> Russell 2000 Value Index	-2.51 -1.69	-5.73 -3.64	3.00 -0.85	9.55 10.90	1.23 -0.53	8.25 7.07	6.80 6.47	12/1/2013	30,879,549	7.61
<b>Domestic Equity Small Cap Composite</b>	-2.21	-4.17	3.51	11.46	0.46	8.34	9.16	6/1/2003	84,664,155	20.87
<b>T. Rowe Price</b> S&P 500 Index	3.85 3.59	4.96 4.28	17.09 15.29	27.89 24.56	11.48 10.01	16.20 15.05	11.09 10.37	4/1/2006	167,890,132	41.38
<b>Northern Trust S&amp;P 500 (Lending)</b> S&P 500 Index	3.59 3.59	4.28 4.28	15.24 15.29	24.51 24.56	10.03 10.01	15.02 15.05	10.85 10.81	1/1/1995	153,158,580	37.75
<b>Domestic Equity Composite</b> Custom Benchmark <sup>1</sup>	2.43 3.14	2.66 3.31	12.64 13.58	22.61 23.15	7.83 8.37	13.70 14.41	10.56 10.71	1/1/1990	405,712,867	100.00

<sup>1</sup> Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)

# Asset Allocation & Performance

## International Equity

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian International</b> Custom Benchmark <sup>1</sup>	0.20 -1.06	3.62 0.66	8.68 2.78	14.45 11.26	0.40 -1.45	7.70 6.13	8.25 5.82	4/1/1989	112,410,173	25.12
<b>Ativo International</b> MSCI EAFE (Net)	-2.11 -1.61	-0.90 -0.42	2.88 5.34	10.87 11.54	1.15 2.89	4.42 6.46	3.50 4.66	1/1/2018	26,884,833	6.01
<b>AQR Capital Management</b> Custom Benchmark <sup>2</sup>	-1.42 -0.10	1.94 0.96	10.99 5.69	18.40 11.62	1.96 0.46	6.36 5.55	3.98 3.55	4/1/2006	135,449,303	30.26
<b>Baillie Gifford</b> MSCI AC World ex USA (Net)	-0.09 -0.10	0.63 0.96	4.86 5.69	8.26 11.62	-5.77 0.46	4.45 5.55	5.36 5.87	4/1/2019	78,440,832	17.53
<b>Earnest Partners</b> MSCI AC World ex USA (Net)	-0.77 -0.10	-0.43 0.96	4.56 5.69	11.11 11.62	2.61 0.46	8.01 5.55	8.14 5.87	4/1/2019	94,390,457	21.09
<b>International Equity Composite</b> Custom Benchmark <sup>3</sup>	-0.69 -0.23	1.44 0.92	7.44 5.28	13.60 11.57	0.32 0.19	7.02 5.62	5.67 4.67	1/1/1990	447,575,598	100.00

<sup>1</sup> Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

<sup>2</sup> AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

<sup>3</sup> International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)



# Asset Allocation & Performance

## Global Equity

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Ariel Global</b>	-0.72	-2.80	3.94	8.36	4.38	7.55	6.56	1/1/2018	90,425,540	45.69
MSCI AC World Index (Net)	2.23	2.87	11.30	19.38	5.43	10.76	9.04			
<b>Wellington</b>	2.42	3.76	14.50	22.74	4.76	10.75	11.30	9/1/2012	107,498,794	54.31
MSCI AC World Index (Net)	2.23	2.87	11.30	19.38	5.43	10.76	10.06			
<b>Global Equity Composite</b>	0.96	0.66	9.48	15.82	4.60	9.42	9.19	9/1/2012	197,924,333	100.00
MSCI AC World Index (Net)	2.23	2.87	11.30	19.38	5.43	10.76	10.06			

# Asset Allocation & Performance

## Global Low Volatility

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian Global Low Vol.</b>	<b>1.86</b>	<b>2.62</b>	<b>7.74</b>	<b>11.87</b>	<b>5.93</b>	<b>6.21</b>	<b>7.42</b>	<b>7/1/2015</b>	<b>194,010,495</b>	<b>50.49</b>
MSCI AC World Index (Net)	2.23	2.87	11.30	19.38	5.43	10.76	9.33			
MSCI AC World Minimum Volatility Index (Net)	1.18	0.35	5.07	9.08	2.60	4.68	6.77			
<b>BlackRock Global Low Vol.</b>	<b>1.15</b>	<b>0.44</b>	<b>5.20</b>	<b>9.68</b>	<b>3.00</b>	<b>4.83</b>	<b>7.09</b>	<b>7/1/2015</b>	<b>190,247,186</b>	<b>49.51</b>
MSCI AC World Minimum Volatility Index (Net)	1.18	0.35	5.07	9.08	2.60	4.68	6.77			
<b>Global Low Volatility Composite</b>	<b>1.51</b>	<b>1.53</b>	<b>6.47</b>	<b>10.77</b>	<b>4.46</b>	<b>5.52</b>	<b>7.26</b>	<b>7/1/2015</b>	<b>384,257,681</b>	<b>100.00</b>
MSCI AC World Minimum Volatility Index (Net)	1.18	0.35	5.07	9.08	2.60	4.68	6.77			

# Private Equity Summary

Periods Ended as of June 30, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Hamilton Lane Secondary Fund II	93,500	25,000,000	22,058,532	31,222,789	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	742,401	30,000,000	23,372,292	29,297,066	Nov-12	8.8%	1.3
Hamilton Lane Secondary Fund IV	11,654,839	30,000,000	25,907,343	29,410,917	Mar-17	15.9%	1.6
Hamilton Lane Secondary Fund V	50,918,200	65,000,000	43,128,993	15,614,650	Mar-20	17.3%	1.5
Hamilton Lane Secondary Fund VI-A	6,295,827	30,000,000	4,471,334	64,115	Feb-23	51.2%	1.4
Hamilton Lane Fund VII Composite	13,191,028	50,000,000	45,600,834	56,618,108	Jan-10	5.9%	1.5
Hamilton Lane Fund VIII (Global)	14,478,942	30,000,000	22,270,594	19,031,416	Nov-12	6.6%	1.5
GCM Grosvenor - Partnership, L.P.	21,446,029	75,000,000	95,250,722	140,126,072	Jun-11	14.1%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	43,701,815	60,000,000	72,758,185	73,400,726	Jul-14	14.7%	1.6
GCM Grosvenor - Partnership II, L.P. (2015)	56,883,258	30,000,000	45,118,226	11,913,802	Dec-15	13.3%	1.5
GCM Grosvenor - Partnership II, L.P. (2017)	30,869,402	30,000,000	31,427,286	13,345,388	Jan-18	13.7%	1.4
GCM Grosvenor - Advance Fund, L.P.	7,845,740	10,000,000	7,081,641	345,493	Jun-21	11.8%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	4,876,934	20,000,000	4,934,719	5,461	May-22	-6.3%	1.0
Fairview Capital - Lone Star Fund I	52,590,843	40,000,000	33,903,847	16,021,490	Aug-15	13.3%	2.0
Fairview Capital - Lone Star Fund II	35,360,436	30,000,000	23,306,717	509,173	Dec-18	11.7%	1.5
Fairview Capital - Lone Star Fund III - A	15,701,762	25,000,000	15,943,719	-	Apr-21	-2.5%	1.0
Fairview Capital - Lone Star Fund III - B	519,291	20,000,000	968,676	-	Dec-22	-80.8%	0.5
Fairview Capital - Private Markets Fund VI	2,538,166	10,000,000	3,070,484	210,556	Apr-22	-8.9%	0.9
<b>Total Private Equity Composite</b>	<b>369,708,413</b>	<b>610,000,000</b>	<b>520,574,145</b>	<b>437,137,221</b>	<b>Jul-09</b>	<b>12.7%</b>	<b>1.5</b>

**Public Market Equivalent (PME) <sup>2</sup>**

**615,306,477**

**17.2%**

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = *(market value + distributions) / capital called*

<sup>2</sup> The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly S&P 500 index returns, plus a 300 BPs annual hurdle rate.

# Private Real Estate Summary

Periods Ended as of June 30, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Invesco II	76,293,901	65,188,333	65,188,333	17,544,189	Jan-14	5.2%	1.4
<b>Total Direct Private Real Estate</b>	<b>76,293,901</b>	<b>65,188,333</b>	<b>65,188,333</b>	<b>17,544,189</b>	<b>Jan-14</b>	<b>5.2%</b>	<b>1.4</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	86,835,273	75,000,000	88,210,161	97,418,467	Dec-10	6.5%	2.1
Invesco Core Real Estate USA	65,052,093	75,000,000	75,000,000	99,391,420	Oct-10	10.1%	2.2
<b>Total Core Private Real Estate</b>	<b>151,887,366</b>	<b>150,000,000</b>	<b>163,210,161</b>	<b>196,809,887</b>	<b>Oct-10</b>	<b>8.7%</b>	<b>2.1</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	37,241,755	45,000,000	36,296,296	1,818,379	Mar-21	3.8%	1.1
AEW PIX MM Co-Invest	3,989,173	10,000,000	4,773,585	757,261	Nov-21	-0.3%	1.0
AEW PIX Oakland Park Co-Invest	5,160,929	5,000,000	5,000,000	585,294	Feb-22	6.5%	1.1
Virtus Real Estate Capital III	47,427,205	43,281,585	43,040,863	3,714,853	Jan-21	8.1%	1.2
Brasa Real Estate Fund II	14,021,325	20,000,000	14,921,996	889,136	Jul-22	-0.1%	1.0
Long Wharf Real Estate Partners VII	5,296,198	20,000,000	5,798,392	-	Mar-23	-20.1%	0.9
<b>Total Value-Add Private Real Estate</b>	<b>113,136,585</b>	<b>143,281,585</b>	<b>109,831,132</b>	<b>7,764,923</b>	<b>Jan-21</b>	<b>4.9%</b>	<b>1.1</b>

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = (market value + distributions) / capital called

# Asset Allocation & Performance

Real Estate

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Adelante Capital Management</b>	<b>3.05</b>	<b>-0.56</b>	<b>-0.09</b>	<b>7.80</b>	<b>0.34</b>	<b>4.76</b>	<b>8.89</b>	<b>10/1/2001</b>	<b>42,792,578</b>	<b>49.88</b>
Wilshire U.S. Real Estate Securities Index	3.01	-0.27	-0.18	8.61	0.41	4.06	8.99			
<b>CenterSquare</b>	<b>2.77</b>	<b>0.66</b>	<b>0.19</b>	<b>7.96</b>	<b>0.69</b>	<b>4.97</b>	<b>6.72</b>	<b>6/1/2018</b>	<b>43,004,553</b>	<b>50.12</b>
Wilshire U.S. Real Estate Securities Index	3.01	-0.27	-0.18	8.61	0.41	4.06	5.78			
<b>REIT Composite</b>	<b>2.91</b>	<b>0.05</b>	<b>0.05</b>	<b>7.88</b>	<b>0.51</b>	<b>4.86</b>	<b>9.00</b>	<b>10/1/2001</b>	<b>85,797,131</b>	<b>100.00</b>
Wilshire U.S. Real Estate Securities Index	3.01	-0.27	-0.18	8.61	0.41	4.06	8.99			

# Asset Allocation & Performance

## Global Listed Infrastructure

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>CIBC</b>	<b>4.60</b>	<b>6.52</b>	<b>20.72</b>	<b>33.74</b>	<b>23.52</b>	<b>13.52</b>	<b>9.00</b>	<b>1/1/2012</b>	<b>61,642,437</b>	<b>32.28</b>
CIBC Policy <sup>1</sup>	2.89	5.61	20.28	38.76	23.63	12.66	5.45			
<b>Harvest Fund Advisors MLP</b>	<b>5.09</b>	<b>6.53</b>	<b>21.90</b>	<b>35.83</b>	<b>24.62</b>	<b>15.04</b>	<b>9.07</b>	<b>1/1/2012</b>	<b>67,446,840</b>	<b>35.32</b>
Harvest Policy <sup>2</sup>	2.89	5.61	20.28	38.76	23.63	12.66	5.45			
<b>C&amp;S Global Listed Infrastructure</b>	<b>-1.86</b>	<b>1.23</b>	<b>4.28</b>	<b>6.33</b>	<b>3.47</b>		<b>6.24</b>	<b>10/1/2020</b>	<b>61,843,656</b>	<b>32.39</b>
FTSE Global Core Infrastructure 50/50 (Net)	-2.68	0.73	2.29	4.34	2.18		5.89			
<b>Global Listed Infrastructure Composite</b>	<b>2.58</b>	<b>4.75</b>	<b>15.23</b>	<b>24.06</b>	<b>16.75</b>	<b>7.25</b>	<b>6.42</b>	<b>1/1/2012</b>	<b>190,932,934</b>	<b>100.00</b>
Global Listed Infrastructure Benchmark <sup>3</sup>	1.50	4.40	15.61	29.52	18.28	7.23	3.39			

<sup>1</sup> CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

<sup>2</sup> Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

<sup>3</sup> Global Listed Infrastructure Benchmark: 75% Alerian Midstream Energy Index / 25% FTSE Global Core Infrastructure 50/50 (5/24-Present)  
75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-4/24); Alerian MLP (1Q12-3Q20)

# Asset Allocation & Performance

## Fixed Income

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Garcia Hamilton</b>	<b>1.33</b>	<b>-0.19</b>	<b>-1.61</b>	<b>0.76</b>	<b>-2.84</b>	<b>-0.22</b>	<b>1.73</b>	<b>11/1/2013</b>	<b>186,223,422</b>	<b>32.42</b>
Blmbg. U.S. Aggregate Index	0.95	0.07	-0.71	2.63	-3.02	-0.23	1.54			
<b>Western Asset Management</b>	<b>0.70</b>	<b>-0.70</b>	<b>-1.75</b>	<b>1.79</b>			<b>0.80</b>	<b>7/1/2022</b>	<b>193,201,649</b>	<b>33.63</b>
Blmbg. U.S. Aggregate Index	0.95	0.07	-0.71	2.63			0.83			
<b>Wellington Core Bond</b>	<b>0.68</b>	<b>-0.10</b>	<b>-0.27</b>	<b>3.62</b>			<b>1.49</b>	<b>7/1/2022</b>	<b>195,010,399</b>	<b>33.95</b>
Blmbg. U.S. Aggregate Index	0.95	0.07	-0.71	2.63			0.83			
<b>Fixed Income Composite</b>	<b>0.89</b>	<b>-0.33</b>	<b>-1.20</b>	<b>2.06</b>	<b>-2.93</b>	<b>0.17</b>	<b>4.20</b>	<b>10/1/1995</b>	<b>574,435,470</b>	<b>100.00</b>
Blmbg. U.S. Aggregate Index	0.95	0.07	-0.71	2.63	-3.02	-0.23	4.23			

# Asset Allocation & Performance

## Opportunistic Credit

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Neuberger Berman	0.57	1.33	4.44	12.08	1.47	3.00	4.91	2/1/2016	192,734,796	
Custom Benchmark <sup>1</sup>	0.64	1.10	3.13	10.33	1.76	3.11	5.08			

<sup>1</sup> Custom Benchmark: 33% Morningstar LSTA U.S. Leveraged Loan Index / 33% ICE BofA U.S. High Yield Constrained Index / 33% JPM EMBI Global Diversified



# Asset Allocation & Performance

Private Credit  
Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Silver Point DOF II	0.00						0.00	6/1/2024	1,001,383	

# Asset Allocation & Performance

## High Yield

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Oaktree Capital Management</b>	1.08	1.32	2.78	11.61	2.18	4.01	6.22	2/1/1997	184,028,862	49.27
FTSE High Yield Cash Pay	0.97	1.11	2.64	10.46	1.85	3.82	6.32			
<b>BlackRock</b>	1.09	1.54	3.44	11.18	2.46	4.33	5.83	10/1/2006	189,482,899	50.73
FTSE High Yield Cash Pay	0.97	1.11	2.64	10.46	1.85	3.82	6.10			
<b>High Yield Composite</b>	1.09	1.43	3.12	11.39	2.32	4.18	6.07	1/1/1997	373,511,761	100.00
FTSE High Yield Cash Pay	0.97	1.11	2.64	10.46	1.85	3.82	6.33			

# Asset Allocation & Performance

## Marketable Alternatives

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Davidson Kempner</b>	<b>0.57</b>	<b>1.71</b>	<b>3.76</b>	<b>8.73</b>			<b>6.43</b>	<b>10/1/2022</b>	<b>50,183,861</b>	<b>50.20</b>
HFRI Event-Driven Total Index	1.56	2.06	7.04	13.24			9.40			
<b>Hudson Bay Capital</b>	<b>0.81</b>	<b>2.49</b>	<b>3.47</b>	<b>6.76</b>			<b>5.94</b>	<b>10/1/2022</b>	<b>49,783,263</b>	<b>49.80</b>
HFRI Relative Value Total Index	0.70	1.88	4.72	8.67			6.80			
<b>Marketable Alternatives Composite</b>	<b>0.69</b>	<b>2.10</b>	<b>3.61</b>	<b>7.74</b>			<b>6.19</b>	<b>10/1/2022</b>	<b>99,967,124</b>	<b>100.00</b>
Marketable Alternatives Policy <sup>1</sup>	1.13	1.97	5.89	10.96			8.11			

<sup>1</sup> Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

# Asset Allocation & Performance

Cash

Periods Ended June 30, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Cash Account	0.41	1.32	2.69	5.46	3.05	2.17	3.15	1/1/1988	39,670,032	100.00
Managed Short Term Composite	0.41	1.32	2.69	5.46	3.05	2.17	2.83	1/1/1990	39,670,032	100.00

**Wilshire**

# ERF of the City of Dallas

## Monthly Investment Summary

July 31, 2024

# Monthly Index Performance

Periods Ended July 31, 2024

	Performance (%)					
	1 Month	1 Quarter	1 Year	3 Years	5 Years	10 Years
U.S. Equity						
FT Wilshire 5000 Index	1.84	10.00	21.08	8.38	14.49	12.77
S&P 500 Index	1.22	10.05	22.15	9.60	15.00	13.15
FT Wilshire 4500 Index	7.16	9.92	14.16	3.21	9.82	9.33
MSCI USA Minimum Volatility Index	3.74	8.56	17.29	6.29	8.72	11.24
U.S. Equity by Size/Style						
FT Wilshire U.S. Large Cap Index	1.14	10.00	22.10	9.17	15.15	13.28
FT Wilshire US Large Cap Growth Index	-1.67	12.53	29.15	9.62	18.70	16.02
FT Wilshire US Large Cap Value Index	4.22	7.54	15.23	8.36	11.21	10.31
FT Wilshire U.S. Small Cap Index	6.59	9.41	14.55	3.94	9.96	9.51
FT Wilshire US Small Cap Growth Index	5.08	8.59	12.33	0.42	8.61	9.61
FT Wilshire US Small Cap Value Index	8.08	10.20	16.78	7.32	10.98	9.19
FT Wilshire U.S. Micro Cap Index	11.84	14.05	10.85	-2.20	8.43	7.85
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	2.32	5.19	9.75	1.79	6.29	4.18
MSCI ACWI ex USA Minimum Volatility Index (Net)	4.87	7.25	10.11	2.51	4.19	4.66
MSCI EAFE (Net)	2.93	5.19	11.21	3.63	7.36	4.84
MSCI Emerging Markets (Net)	0.30	4.84	6.27	-2.74	3.41	2.63
MSCI AC World ex USA Small Cap (Net)	3.81	6.03	9.92	-0.48	7.07	5.03
U.S. Fixed Income						
Blmbg. U.S. Aggregate Index	2.34	5.06	5.10	-2.63	0.19	1.61
Blmbg. U.S. Treasury: Long	3.57	8.29	-0.07	-10.51	-3.62	0.90
Blmbg. U.S. Long Corporate Index	3.17	6.64	5.56	-6.60	-0.41	2.75
Blmbg. U.S. TIPS Index	1.78	4.34	4.41	-1.61	2.36	2.09
Blmbg. U.S. Credit Index	2.35	4.91	6.54	-2.61	0.90	2.46
Blmbg. U.S. Corp: High Yield Index	1.94	4.04	11.05	2.17	4.20	4.65
Morningstar LSTA U.S. Leveraged Loan	0.68	1.98	10.45	6.39	5.50	4.67

# Asset Allocation & Performance

Dallas Total Fund

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Global Equity Composite	1.43	5.49	11.05	14.43	5.15	9.87	9.25	9/1/2012	200,772,135	5.34
Global Low Volatility Composite	3.98	8.21	10.71	13.74	5.21	6.25	7.66	7/1/2015	399,579,684	10.62
Domestic Equity Composite	2.70	10.18	15.68	20.85	8.38	14.00	10.61	1/1/1990	416,651,058	11.08
International Equity Composite	1.86	5.28	9.44	11.16	1.19	7.68	5.71	1/1/1990	455,916,087	12.12
Fixed Income Composite	2.54	5.56	1.45	4.87	-2.43	0.64	4.28	10/1/1995	589,886,964	15.68
High Yield Composite	1.79	3.97	4.96	11.83	2.82	4.43	6.12	1/1/1997	380,174,779	10.11
Credit Opportunities Composite	1.25	3.77	6.14	12.13	1.97	3.23	5.06	2/1/2016	195,501,768	5.20
Private Credit Composite	0.01						0.01	6/1/2024	4,383,546	0.12
Total Real Estate Composite	0.68	2.79	-0.23	-1.23	3.44	5.25	6.45	1/1/1990	429,500,193	11.42
Global Listed Infrastructure Composite	3.97	9.97	19.81	24.51	19.32	8.47	6.71	1/1/2012	198,512,429	5.28
Private Equity Composite	-0.08	1.15	0.03	0.25	11.59	11.55	12.96	6/1/2009	369,804,869	9.83
Marketable Alternatives Composite	0.59	1.41	4.23	7.70			6.24	10/1/2022	100,559,557	2.67
Managed Short Term Composite	0.45	1.34	3.15	5.51	3.20	2.22	2.84	1/1/1990	20,264,089	0.54
Dallas Total Fund	1.92	5.26	6.44	9.32	4.08	6.57	8.74	1/1/1985	3,761,507,159	100.00
Policy Index	1.82	5.96	7.86	11.85	3.69	6.80	9.30			

# Asset Allocation & Performance

## Domestic Equity

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Systematic Financial</b> Russell 2000 Index	9.58 10.16	11.58 14.62	13.99 12.07	17.54 14.25	8.11 1.85	11.66 8.91	10.92 9.13	8/1/2003	58,934,887	14.14
<b>Channing Capital</b> Russell 2000 Value Index	9.05 12.19	9.81 15.45	12.32 11.23	14.04 15.68	4.26 4.62	9.96 9.53	7.62 7.57	12/1/2013	33,674,140	8.08
<b>Domestic Equity Small Cap Composite</b>	9.38	10.93	13.22	16.11	3.78	10.15	9.59	6/1/2003	92,609,027	22.23
<b>T. Rowe Price</b> S&P 500 Index	0.67 1.22	9.90 10.05	17.88 16.70	24.49 22.15	10.86 9.60	16.02 15.00	11.08 10.39	4/1/2006	169,019,489	40.57
<b>Northern Trust S&amp;P 500 (Lending)</b> S&P 500 Index	1.22 1.22	10.04 10.05	16.65 16.70	22.11 22.15	9.61 9.60	14.97 15.00	10.86 10.83	1/1/1995	155,022,541	37.21
<b>Domestic Equity Composite</b> Custom Benchmark <sup>1</sup>	2.70 1.84	10.18 10.00	15.68 15.68	20.85 21.08	8.38 8.39	14.00 14.49	10.61 10.74	1/1/1990	416,651,058	100.00

<sup>1</sup> Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)



# Asset Allocation & Performance

## International Equity

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian International</b> Custom Benchmark <sup>1</sup>	2.60 3.81	8.47 6.03	11.50 6.69	12.60 9.92	1.26 -0.48	8.50 7.07	8.30 5.92	4/1/1989	115,330,707	25.30
<b>Ativo International</b> MSCI EAFE (Net)	3.10 2.93	4.50 5.19	6.07 8.43	10.53 11.21	1.51 3.63	5.15 7.36	3.94 5.06	1/1/2018	27,719,972	6.08
<b>AQR Capital Management</b> Custom Benchmark <sup>2</sup>	1.02 2.32	3.48 5.19	12.13 8.14	13.78 9.75	3.05 1.79	6.94 6.29	4.02 3.67	4/1/2006	136,840,161	30.01
<b>Baillie Gifford</b> MSCI AC World ex USA (Net)	1.72 2.32	5.10 5.19	6.66 8.14	7.63 9.75	-4.70 1.79	4.87 6.29	5.61 6.23	4/1/2019	79,787,306	17.50
<b>Earnest Partners</b> MSCI AC World ex USA (Net)	1.95 2.32	4.55 5.19	6.61 8.14	8.75 9.75	3.35 1.79	8.75 6.29	8.41 6.23	4/1/2019	96,237,942	21.11
<b>International Equity Composite</b> Custom Benchmark <sup>3</sup>	1.86 2.52	5.28 5.30	9.44 7.94	11.16 9.78	1.19 1.47	7.68 6.39	5.71 4.74	1/1/1990	455,916,087	100.00

<sup>1</sup> Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

<sup>2</sup> AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

<sup>3</sup> International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)

# Asset Allocation & Performance

## Global Equity

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Ariel Global</b>	<b>2.87</b>	<b>4.36</b>	<b>6.94</b>	<b>9.61</b>	<b>5.81</b>	<b>8.46</b>	<b>6.93</b>	<b>1/1/2018</b>	<b>93,032,585</b>	<b>46.34</b>
MSCI AC World Index (Net)	1.61	8.09	13.10	17.02	5.75	11.05	9.18			
<b>Wellington</b>	<b>0.22</b>	<b>6.47</b>	<b>14.76</b>	<b>18.79</b>	<b>4.64</b>	<b>10.84</b>	<b>11.24</b>	<b>9/1/2012</b>	<b>107,739,550</b>	<b>53.66</b>
MSCI AC World Index (Net)	1.61	8.09	13.10	17.02	5.75	11.05	10.14			
<b>Global Equity Composite</b>	<b>1.43</b>	<b>5.49</b>	<b>11.05</b>	<b>14.43</b>	<b>5.15</b>	<b>9.87</b>	<b>9.25</b>	<b>9/1/2012</b>	<b>200,772,135</b>	<b>100.00</b>
MSCI AC World Index (Net)	1.61	8.09	13.10	17.02	5.75	11.05	10.14			

# Asset Allocation & Performance

## Global Low Volatility

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian Global Low Vol.</b>	<b>4.07</b>	<b>9.31</b>	<b>12.12</b>	<b>15.38</b>	<b>6.64</b>	<b>6.90</b>	<b>7.82</b>	<b>7/1/2015</b>	<b>201,906,071</b>	<b>50.53</b>
MSCI AC World Index (Net)	1.61	8.09	13.10	17.02	5.75	11.05	9.43			
MSCI AC World Minimum Volatility Index (Net)	4.00	7.17	9.27	11.64	3.41	5.46	7.17			
<b>BlackRock Global Low Vol.</b>	<b>3.89</b>	<b>7.11</b>	<b>9.29</b>	<b>12.11</b>	<b>3.77</b>	<b>5.59</b>	<b>7.47</b>	<b>7/1/2015</b>	<b>197,673,613</b>	<b>49.47</b>
MSCI AC World Minimum Volatility Index (Net)	4.00	7.17	9.27	11.64	3.41	5.46	7.17			
<b>Global Low Volatility Composite</b>	<b>3.98</b>	<b>8.21</b>	<b>10.71</b>	<b>13.74</b>	<b>5.21</b>	<b>6.25</b>	<b>7.66</b>	<b>7/1/2015</b>	<b>399,579,684</b>	<b>100.00</b>
MSCI AC World Minimum Volatility Index (Net)	4.00	7.17	9.27	11.64	3.41	5.46	7.17			

# Private Equity Summary

Periods Ended as of July 31, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Hamilton Lane Secondary Fund II	86,631	25,000,000	22,058,532	31,222,789	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	703,004	30,000,000	23,372,292	29,297,066	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	11,654,839	30,000,000	25,907,343	29,410,917	Mar-17	15.8%	1.6
Hamilton Lane Secondary Fund V	46,958,375	65,000,000	43,128,993	19,574,475	Mar-20	16.8%	1.5
Hamilton Lane Secondary Fund VI-A	6,295,827	30,000,000	4,471,334	64,115	Feb-23	45.9%	1.4
Hamilton Lane Fund VII Composite	13,115,770	50,000,000	45,600,834	56,618,108	Jan-10	5.9%	1.5
Hamilton Lane Fund VIII (Global)	14,478,942	30,000,000	22,270,594	19,031,416	Nov-12	6.6%	1.5
GCM Grosvenor - Partnership, L.P.	21,446,029	75,000,000	95,250,722	140,126,072	Jun-11	14.0%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	43,701,815	60,000,000	72,758,185	73,400,726	Jul-14	14.8%	1.6
GCM Grosvenor - Partnership II, L.P. (2015)	57,885,756	30,000,000	45,118,226	11,913,802	Dec-15	13.1%	1.5
GCM Grosvenor - Partnership II, L.P. (2017)	31,312,303	30,000,000	31,427,286	13,345,388	Jan-18	13.2%	1.4
GCM Grosvenor - Advance Fund, L.P.	7,845,740	10,000,000	7,081,641	345,493	Jun-21	9.6%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	5,971,754	20,000,000	5,716,419	5,461	May-22	2.9%	1.0
Fairview Capital - Lone Star Fund I	51,686,746	40,000,000	33,903,847	17,090,347	Aug-15	13.2%	2.0
Fairview Capital - Lone Star Fund II	37,155,702	30,000,000	23,306,717	509,173	Dec-18	13.0%	1.6
Fairview Capital - Lone Star Fund III - A	16,104,509	25,000,000	15,943,719	-	Apr-21	-1.1%	1.0
Fairview Capital - Lone Star Fund III - B	512,961	20,000,000	968,676	-	Dec-22	-77.4%	0.5
Fairview Capital - Private Markets Fund VI	2,888,166	10,000,000	3,420,484	210,556	Apr-22	-8.3%	0.9
<b>Total Private Equity Composite</b>	<b>369,804,869</b>	<b>610,000,000</b>	<b>521,705,845</b>	<b>442,165,903</b>	<b>Jul-09</b>	<b>12.6%</b>	<b>1.6</b>
<b>Public Market Equivalent (PME) <sup>2</sup></b>	<b>624,256,966</b>					<b>17.2%</b>	

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation =  $(\text{market value} + \text{distributions}) / \text{capital called}$

<sup>2</sup> The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly S&P 500 index returns, plus a 300 BPs annual hurdle rate.

# Private Real Estate Summary

Periods Ended as of July 31, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Invesco II	75,810,876	65,188,333	65,188,333	18,357,358	Jan-14	5.2%	1.4
<b>Total Direct Private Real Estate</b>	<b>75,810,876</b>	<b>65,188,333</b>	<b>65,188,333</b>	<b>18,357,358</b>	<b>Jan-14</b>	<b>5.2%</b>	<b>1.4</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	83,827,905	75,000,000	88,210,161	99,949,374	Dec-10	6.5%	2.1
Invesco Core Real Estate USA	62,024,708	75,000,000	75,000,000	101,432,735	Oct-10	10.1%	2.2
<b>Total Core Private Real Estate</b>	<b>145,852,613</b>	<b>150,000,000</b>	<b>163,210,161</b>	<b>201,382,109</b>	<b>Oct-10</b>	<b>8.6%</b>	<b>2.1</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	38,367,219	45,000,000	36,296,296	2,781,342	Mar-21	6.3%	1.1
AEW PIX MM Co-Invest	4,044,197	10,000,000	4,773,585	757,261	Nov-21	0.3%	1.0
AEW PIX Oakland Park Co-Invest	5,263,472	5,000,000	5,000,000	585,294	Feb-22	7.1%	1.2
Virtus Real Estate Capital III	48,668,572	43,281,585	44,340,405	3,714,853	Jan-21	7.7%	1.2
Brasa Real Estate Fund II	15,480,532	20,000,000	16,921,552	889,136	Jul-22	-2.6%	1.0
Long Wharf Real Estate Partners VII	5,296,198	20,000,000	5,798,392	-	Mar-23	-17.4%	0.9
<b>Total Value-Add Private Real Estate</b>	<b>117,120,190</b>	<b>143,281,585</b>	<b>113,130,230</b>	<b>8,727,886</b>	<b>Jan-21</b>	<b>5.4%</b>	<b>1.1</b>

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = (market value + distributions) / capital called

# Asset Allocation & Performance

## Real Estate

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Adelante Capital Management</b>	<b>4.89</b>	<b>13.29</b>	<b>4.79</b>	<b>9.92</b>	<b>0.25</b>	<b>5.44</b>	<b>9.09</b>	<b>10/1/2001</b>	<b>44,882,975</b>	<b>49.48</b>
Wilshire U.S. Real Estate Securities Index	5.39	14.01	5.20	11.03	0.50	4.82	9.21			
<b>CenterSquare</b>	<b>6.58</b>	<b>14.89</b>	<b>6.78</b>	<b>11.69</b>	<b>1.09</b>	<b>6.06</b>	<b>7.74</b>	<b>6/1/2018</b>	<b>45,833,537</b>	<b>50.52</b>
Wilshire U.S. Real Estate Securities Index	5.39	14.01	5.20	11.03	0.50	4.82	6.60			
<b>REIT Composite</b>	<b>5.73</b>	<b>14.09</b>	<b>5.78</b>	<b>10.81</b>	<b>0.67</b>	<b>5.75</b>	<b>9.23</b>	<b>10/1/2001</b>	<b>90,716,513</b>	<b>100.00</b>
Wilshire U.S. Real Estate Securities Index	5.39	14.01	5.20	11.03	0.50	4.82	9.21			

# Asset Allocation & Performance

## Global Listed Infrastructure

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>CIBC</b>	<b>2.99</b>	<b>10.51</b>	<b>24.33</b>	<b>31.75</b>	<b>26.70</b>	<b>14.65</b>	<b>9.19</b>	<b>1/1/2012</b>	<b>63,486,531</b>	<b>31.98</b>
CIBC Policy <sup>1</sup>	3.78	10.96	24.83	35.91	27.91	13.54	5.73			
<b>Harvest Fund Advisors MLP</b>	<b>2.44</b>	<b>9.65</b>	<b>24.88</b>	<b>32.47</b>	<b>27.47</b>	<b>15.95</b>	<b>9.22</b>	<b>1/1/2012</b>	<b>69,092,678</b>	<b>34.81</b>
Harvest Policy <sup>2</sup>	3.78	10.96	24.83	35.91	27.91	13.54	5.73			
<b>C&amp;S Global Listed Infrastructure</b>	<b>6.61</b>	<b>9.80</b>	<b>11.18</b>	<b>11.57</b>	<b>5.08</b>		<b>7.89</b>	<b>10/1/2020</b>	<b>65,933,221</b>	<b>33.21</b>
FTSE Global Core Infrastructure 50/50 (Net)	6.39	8.63	8.83	8.74	3.86		7.48			
<b>Global Listed Infrastructure Composite</b>	<b>3.97</b>	<b>9.97</b>	<b>19.81</b>	<b>24.51</b>	<b>19.32</b>	<b>8.47</b>	<b>6.71</b>	<b>1/1/2012</b>	<b>198,512,429</b>	<b>100.00</b>
Global Listed Infrastructure Benchmark <sup>3</sup>	4.43	10.41	20.73	28.84	21.81	8.20	3.72			

<sup>1</sup> CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

<sup>2</sup> Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

<sup>3</sup> Global Listed Infrastructure Benchmark: 75% Alerian Midstream Energy Index / 25% FTSE Global Core Infrastructure 50/50 (5/24-Present)  
75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-4/24); Alerian MLP (1Q12-3Q20)

# Asset Allocation & Performance

## Fixed Income

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Garcia Hamilton</b>	<b>2.90</b>	<b>6.37</b>	<b>1.24</b>	<b>4.10</b>	<b>-2.20</b>	<b>0.30</b>	<b>1.99</b>	<b>11/1/2013</b>	<b>191,619,053</b>	<b>32.48</b>
Blmbg. U.S. Aggregate Index	2.34	5.06	1.61	5.10	-2.63	0.19	1.74			
<b>Western Asset Management</b>	<b>2.28</b>	<b>4.93</b>	<b>0.57</b>	<b>3.98</b>			<b>1.90</b>	<b>7/1/2022</b>	<b>197,745,944</b>	<b>33.52</b>
Blmbg. U.S. Aggregate Index	2.34	5.06	1.61	5.10			1.92			
<b>Wellington Core Bond</b>	<b>2.46</b>	<b>5.41</b>	<b>2.55</b>	<b>6.52</b>			<b>2.80</b>	<b>7/1/2022</b>	<b>200,521,966</b>	<b>33.99</b>
Blmbg. U.S. Aggregate Index	2.34	5.06	1.61	5.10			1.92			
<b>Fixed Income Composite</b>	<b>2.54</b>	<b>5.56</b>	<b>1.45</b>	<b>4.87</b>	<b>-2.43</b>	<b>0.64</b>	<b>4.28</b>	<b>10/1/1995</b>	<b>589,886,964</b>	<b>100.00</b>
Blmbg. U.S. Aggregate Index	2.34	5.06	1.61	5.10	-2.63	0.19	4.30			



# Asset Allocation & Performance

## Opportunistic Credit

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Neuberger Berman	1.25	3.77	6.14	12.13	1.97	3.23	5.06	2/1/2016	195,501,768	
Custom Benchmark <sup>1</sup>	1.50	3.48	4.68	10.28	2.19	3.25	5.21			

<sup>1</sup> Custom Benchmark: 33% Morningstar LSTA U.S. Leveraged Loan Index / 33% ICE BofA U.S. High Yield Constrained Index / 33% JPM EMBI Global Diversified

# Asset Allocation & Performance

Private Credit

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Silver Point DOF II	0.01						0.01	6/1/2024	983,111	
MGG Structured Solutions								8/1/2024	3,400,435	
Private Credit Composite	0.01						0.01	6/1/2024	4,383,546	

# Asset Allocation & Performance

High Yield

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Oaktree Capital Management</b>	1.92	4.22	4.75	12.18	2.74	4.32	6.27	2/1/1997	187,544,647	49.33
FTSE High Yield Cash Pay	1.99	4.09	4.68	11.04	2.40	4.14	6.38			
<b>BlackRock</b>	1.66	3.73	5.16	11.51	2.91	4.54	5.90	10/1/2006	192,630,133	50.67
FTSE High Yield Cash Pay	1.99	4.09	4.68	11.04	2.40	4.14	6.19			
<b>High Yield Composite</b>	1.79	3.97	4.96	11.83	2.82	4.43	6.12	1/1/1997	380,174,779	100.00
FTSE High Yield Cash Pay	1.99	4.09	4.68	11.04	2.40	4.14	6.39			

# Asset Allocation & Performance

## Marketable Alternatives

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Davidson Kempner</b>	<b>0.57</b>	<b>1.09</b>	<b>4.34</b>	<b>8.29</b>			<b>6.45</b>	<b>10/1/2022</b>	<b>50,467,916</b>	<b>50.19</b>
HFRI Event-Driven Total Index	0.09	0.50	7.14	10.84			9.01			
<b>Hudson Bay Capital</b>	<b>0.62</b>	<b>1.75</b>	<b>4.11</b>	<b>7.12</b>			<b>6.02</b>	<b>10/1/2022</b>	<b>50,091,641</b>	<b>49.81</b>
HFRI Relative Value Total Index	0.59	1.41	5.33	8.48			6.82			
<b>Marketable Alternatives Composite</b>	<b>0.59</b>	<b>1.41</b>	<b>4.23</b>	<b>7.70</b>			<b>6.24</b>	<b>10/1/2022</b>	<b>100,559,557</b>	<b>100.00</b>
Marketable Alternatives Policy <sup>1</sup>	0.34	0.96	6.24	9.68			7.93			

<sup>1</sup> Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

# Asset Allocation & Performance

Cash

Periods Ended July 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Cash Account	0.45	1.34	3.15	5.51	3.20	2.22	3.16	1/1/1988	20,264,089	100.00
Managed Short Term Composite	0.45	1.34	3.15	5.51	3.20	2.22	2.84	1/1/1990	20,264,089	100.00

**Wilshire**

# ERF of the City of Dallas

## Monthly Investment Summary

August 31, 2024

# Monthly Index Performance

Periods Ended August 31, 2024

	Performance (%)					
	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
U.S. Equity						
FT Wilshire 5000 Index	2.17	18.18	26.15	8.11	15.45	12.56
S&P 500 Index	2.43	19.53	27.14	9.38	15.92	12.98
FT Wilshire 4500 Index	0.01	10.39	18.71	2.41	10.70	8.81
MSCI USA Minimum Volatility Index	4.95	18.16	23.78	7.32	9.41	11.33
U.S. Equity by Size/Style						
FT Wilshire U.S. Large Cap Index	2.47	19.33	27.23	8.97	16.13	13.12
FT Wilshire US Large Cap Growth Index	2.15	23.22	33.37	9.05	19.37	15.79
FT Wilshire US Large Cap Value Index	2.79	15.40	21.26	8.56	12.49	10.21
FT Wilshire U.S. Small Cap Index	0.23	10.60	19.06	3.22	10.84	9.02
FT Wilshire US Small Cap Growth Index	0.59	9.89	17.11	-0.10	9.28	9.14
FT Wilshire US Small Cap Value Index	-0.12	11.32	21.04	6.41	12.09	8.67
FT Wilshire U.S. Micro Cap Index	-1.65	8.55	15.78	-3.60	9.28	7.20
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	2.85	11.22	18.21	2.11	7.56	4.42
MSCI ACWI ex USA Minimum Volatility Index (Net)	4.00	12.79	18.19	2.98	5.10	4.94
MSCI EAFE (Net)	3.25	11.96	19.40	4.13	8.61	5.20
MSCI Emerging Markets (Net)	1.61	9.55	15.07	-3.06	4.79	2.56
MSCI AC World ex USA Small Cap (Net)	1.84	8.66	15.15	-0.63	8.09	5.15
U.S. Fixed Income						
Blmbg. U.S. Aggregate Index	1.44	3.07	7.30	-2.11	-0.04	1.64
Blmbg. U.S. Treasury: Long	2.04	0.39	4.89	-9.84	-5.14	0.70
Blmbg. U.S. Long Corporate Index	2.12	1.79	9.94	-5.80	-1.12	2.68
Blmbg. U.S. TIPS Index	0.78	3.30	6.17	-1.30	2.04	2.13
Blmbg. U.S. Credit Index	1.55	3.46	8.98	-2.03	0.59	2.47
Blmbg. U.S. Corp: High Yield Index	1.63	6.29	12.55	2.55	4.46	4.65
Morningstar LSTA U.S. Leveraged Loan	0.63	5.78	9.86	6.44	5.69	4.72

# Asset Allocation & Performance

Dallas Total Fund

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Global Equity Composite	1.88	4.34	13.14	20.12	5.10	10.84	9.35	9/1/2012	194,540,484	5.10
Global Low Volatility Composite	4.14	9.92	15.29	20.82	5.94	7.05	8.06	7/1/2015	396,074,515	10.38
Domestic Equity Composite	1.38	6.64	17.27	25.40	7.98	15.09	10.63	1/1/1990	422,398,979	11.07
International Equity Composite	2.15	3.33	11.79	18.55	1.47	8.99	5.76	1/1/1990	465,709,047	12.20
Fixed Income Composite	1.26	4.96	2.78	7.26	-1.94	0.40	4.32	10/1/1995	597,573,949	15.66
High Yield Composite	1.65	4.62	6.72	13.34	3.26	4.66	6.17	1/1/1997	376,592,104	9.87
Credit Opportunities Composite	0.59	3.10	7.06	13.28	2.01	3.50	5.11	2/1/2016	177,204,594	4.64
Private Credit Composite	6.75	6.76					6.76	6/1/2024	4,679,476	0.12
Total Real Estate Composite	1.60	3.06	1.50	0.96	3.71	5.49	6.49	1/1/1990	435,884,739	11.42
Global Listed Infrastructure Composite	3.09	9.95	23.51	30.48	20.39	10.27	6.92	1/1/2012	204,644,089	5.36
Private Equity Composite	-0.67	-0.05	-0.59	-0.46	9.57	11.43	12.84	6/1/2009	354,198,507	9.28
Marketable Alternatives Composite	0.95	2.26	5.22	8.17			6.49	10/1/2022	101,519,005	2.66
Managed Short Term Composite	0.48	1.34	3.64	5.54	3.37	2.28	2.85	1/1/1990	85,944,103	2.25
Dallas Total Fund	1.67	4.70	8.26	12.79	4.16	7.16	8.77	1/1/1985	3,816,963,591	100.00
Policy Index	2.49	5.83	10.56	16.11	4.08	7.53	9.35			



# Asset Allocation & Performance

## Domestic Equity

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Systematic Financial</b> Russell 2000 Index	-2.45 -1.49	4.71 7.51	11.19 10.39	17.34 18.47	6.73 0.60	12.30 9.68	10.75 9.02	8/1/2003	57,488,865	13.61
<b>Channing Capital</b> Russell 2000 Value Index	-1.50 -1.88	4.72 8.23	10.64 9.15	15.87 19.25	3.45 3.05	11.02 10.38	7.41 7.32	12/1/2013	33,169,139	7.85
<b>Domestic Equity Small Cap Composite</b>	-2.11	4.71	10.84	16.88	2.49	10.86	9.44	6/1/2003	90,658,004	21.46
<b>T. Rowe Price</b> S&P 500 Index	2.33 2.43	6.99 7.39	20.63 19.53	29.07 27.14	10.63 9.38	16.95 15.92	11.17 10.49	4/1/2006	172,962,442	40.95
<b>Northern Trust S&amp;P 500 (Lending)</b> S&P 500 Index	2.42 2.43	7.39 7.39	19.47 19.53	27.08 27.14	9.40 9.38	15.90 15.92	10.92 10.89	1/1/1995	158,778,533	37.59
<b>Domestic Equity Composite</b> Custom Benchmark <sup>1</sup>	1.38 2.17	6.64 7.32	17.27 18.18	25.40 26.15	7.98 8.12	15.09 15.46	10.63 10.78	1/1/1990	422,398,979	100.00

<sup>1</sup> Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)

# Asset Allocation & Performance

## International Equity

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian International</b>	<b>1.20</b>	<b>4.03</b>	<b>12.84</b>	<b>17.63</b>	<b>1.25</b>	<b>9.96</b>	<b>8.32</b>	<b>4/1/1989</b>	<b>116,712,016</b>	<b>25.06</b>
Custom Benchmark <sup>1</sup>	1.84	4.60	8.66	15.15	-0.63	8.09	5.96			
<b>Ativo International</b>	<b>2.99</b>	<b>3.96</b>	<b>9.25</b>	<b>18.34</b>	<b>1.94</b>	<b>6.24</b>	<b>4.35</b>	<b>1/1/2018</b>	<b>28,549,686</b>	<b>6.13</b>
MSCI EAFE (Net)	3.25	4.56	11.96	19.40	4.13	8.61	5.50			
<b>AQR Capital Management</b>	<b>2.29</b>	<b>1.87</b>	<b>14.70</b>	<b>21.05</b>	<b>3.60</b>	<b>8.34</b>	<b>4.13</b>	<b>4/1/2006</b>	<b>139,977,138</b>	<b>30.06</b>
Custom Benchmark <sup>2</sup>	2.85	5.13	11.22	18.21	2.11	7.56	3.81			
<b>Baillie Gifford</b>	<b>3.46</b>	<b>5.14</b>	<b>10.35</b>	<b>19.02</b>	<b>-4.38</b>	<b>6.19</b>	<b>6.19</b>	<b>4/1/2019</b>	<b>82,549,899</b>	<b>17.73</b>
MSCI AC World ex USA (Net)	2.85	5.13	11.22	18.21	2.11	7.56	6.68			
<b>Earnest Partners</b>	<b>1.74</b>	<b>2.95</b>	<b>8.47</b>	<b>15.82</b>	<b>3.60</b>	<b>9.79</b>	<b>8.62</b>	<b>4/1/2019</b>	<b>97,920,308</b>	<b>21.03</b>
MSCI AC World ex USA (Net)	2.85	5.13	11.22	18.21	2.11	7.56	6.68			
<b>International Equity Composite</b>	<b>2.15</b>	<b>3.33</b>	<b>11.79</b>	<b>18.55</b>	<b>1.47</b>	<b>8.99</b>	<b>5.76</b>	<b>1/1/1990</b>	<b>465,709,047</b>	<b>100.00</b>
Custom Benchmark <sup>3</sup>	2.71	5.05	10.86	17.78	1.71	7.63	4.80			

<sup>1</sup> Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

<sup>2</sup> AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

<sup>3</sup> International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)

# Asset Allocation & Performance

## Global Equity

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Ariel Global</b>	<b>0.60</b>	<b>2.76</b>	<b>7.58</b>	<b>13.22</b>	<b>5.33</b>	<b>9.05</b>	<b>6.94</b>	<b>1/1/2018</b>	<b>93,595,077</b>	<b>48.11</b>
MSCI AC World Index (Net)	2.54	6.51	15.97	23.44	5.77	12.14	9.47			
MSCI AC World Index Value (Net)	2.71	6.69	13.84	21.01	6.65	9.39	6.37			
<b>Wellington</b>	<b>2.99</b>	<b>5.72</b>	<b>18.19</b>	<b>26.46</b>	<b>4.98</b>	<b>12.15</b>	<b>11.43</b>	<b>9/1/2012</b>	<b>100,945,407</b>	<b>51.89</b>
MSCI AC World Index (Net)	2.54	6.51	15.97	23.44	5.77	12.14	10.29			
<b>Global Equity Composite</b>	<b>1.88</b>	<b>4.34</b>	<b>13.14</b>	<b>20.12</b>	<b>5.10</b>	<b>10.84</b>	<b>9.35</b>	<b>9/1/2012</b>	<b>194,540,484</b>	<b>100.00</b>
MSCI AC World Index (Net)	2.54	6.51	15.97	23.44	5.77	12.14	10.29			

# Asset Allocation & Performance

## Global Low Volatility

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian Global Low Vol.</b>	<b>3.71</b>	<b>9.94</b>	<b>16.29</b>	<b>22.08</b>	<b>7.29</b>	<b>7.85</b>	<b>8.18</b>	<b>7/1/2015</b>	<b>199,382,644</b>	<b>50.34</b>
MSCI AC World Index (Net)	2.54	6.51	15.97	23.44	5.77	12.14	9.64			
MSCI AC World Minimum Volatility Index (Net)	4.57	10.03	14.27	19.04	4.21	6.11	7.62			
<b>BlackRock Global Low Vol.</b>	<b>4.58</b>	<b>9.90</b>	<b>14.30</b>	<b>19.57</b>	<b>4.58</b>	<b>6.24</b>	<b>7.93</b>	<b>7/1/2015</b>	<b>196,691,871</b>	<b>49.66</b>
MSCI AC World Minimum Volatility Index (Net)	4.57	10.03	14.27	19.04	4.21	6.11	7.62			
<b>Global Low Volatility Composite</b>	<b>4.14</b>	<b>9.92</b>	<b>15.29</b>	<b>20.82</b>	<b>5.94</b>	<b>7.05</b>	<b>8.06</b>	<b>7/1/2015</b>	<b>396,074,515</b>	<b>100.00</b>
MSCI AC World Minimum Volatility Index (Net)	4.57	10.03	14.27	19.04	4.21	6.11	7.62			

# Private Equity Summary

Periods Ended as of August 31, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Hamilton Lane Secondary Fund II	86,631	25,000,000	22,058,532	31,222,789	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	1	30,000,000	23,372,292	29,522,574	Nov-12	8.4%	1.3
Hamilton Lane Secondary Fund IV	11,654,839	30,000,000	25,907,343	29,410,917	Mar-17	15.7%	1.6
Hamilton Lane Secondary Fund V	46,958,375	65,000,000	43,128,993	19,574,475	Mar-20	16.4%	1.5
Hamilton Lane Secondary Fund VI-A	6,295,827	30,000,000	4,471,334	64,115	Feb-23	41.6%	1.4
Hamilton Lane Fund VII Composite	13,115,770	50,000,000	45,600,834	56,618,108	Jan-10	5.9%	1.5
Hamilton Lane Fund VIII (Global)	13,853,332	30,000,000	22,270,594	19,570,745	Nov-12	6.5%	1.5
GCM Grosvenor - Partnership, L.P.	22,107,955	75,000,000	95,722,822	140,126,072	Jun-11	14.0%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	34,615,970	60,000,000	73,118,185	81,190,331	Jul-14	14.8%	1.6
GCM Grosvenor - Partnership II, L.P. (2015)	59,644,456	55,000,000	46,876,926	11,913,802	Dec-15	13.1%	1.5
GCM Grosvenor - Partnership II, L.P. (2017)	30,669,500	30,000,000	31,427,286	13,993,800	Jan-18	13.2%	1.4
GCM Grosvenor - Advance Fund, L.P.	7,845,740	10,000,000	7,081,641	345,493	Jun-21	9.6%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	5,971,754	20,000,000	5,716,419	5,461	May-22	2.9%	1.0
Fairview Capital - Lone Star Fund I	47,756,713	40,000,000	33,903,847	20,797,212	Aug-15	13.0%	2.0
Fairview Capital - Lone Star Fund II	34,116,008	30,000,000	23,306,717	3,518,827	Dec-18	12.6%	1.6
Fairview Capital - Lone Star Fund III - A	16,104,509	25,000,000	15,943,719	-	Apr-21	-1.1%	1.0
Fairview Capital - Lone Star Fund III - B	512,961	20,000,000	968,676	-	Dec-22	-71.8%	0.5
Fairview Capital - Private Markets Fund VI	2,888,166	10,000,000	3,420,484	210,556	Apr-22	-7.7%	0.9
<b>Total Private Equity Composite</b>	<b>354,198,507</b>	<b>635,000,000</b>	<b>524,296,645</b>	<b>458,085,277</b>	<b>Jul-09</b>	<b>12.2%</b>	<b>1.5</b>

**Public Market Equivalent (PME) <sup>2</sup>**

**625,926,391**

**17.2%**

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation =  $(\text{market value} + \text{distributions}) / \text{capital called}$

<sup>2</sup> The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly S&P 500 index returns, plus a 300 BPs annual hurdle rate.

# Private Real Estate Summary

Periods Ended as of August 31, 2024

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Invesco II	75,480,930	65,188,333	65,188,333	18,687,304	Jan-14	5.2%	1.4
<b>Total Direct Private Real Estate</b>	<b>75,480,930</b>	<b>65,188,333</b>	<b>65,188,333</b>	<b>18,687,304</b>	<b>Jan-14</b>	<b>5.2%</b>	<b>1.4</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	83,827,906	75,000,000	88,210,161	99,949,374	Dec-10	6.4%	2.1
Invesco Core Real Estate USA	62,024,709	75,000,000	75,000,000	101,432,735	Oct-10	10.0%	2.2
<b>Total Core Private Real Estate</b>	<b>145,852,615</b>	<b>150,000,000</b>	<b>163,210,161</b>	<b>201,382,109</b>	<b>Oct-10</b>	<b>8.6%</b>	<b>2.1</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	37,837,589	45,000,000	36,296,296	3,499,861	Mar-21	6.2%	1.1
AEW PIX MM Co-Invest	4,039,440	10,000,000	4,773,585	757,261	Nov-21	0.2%	1.0
AEW PIX Oakland Park Co-Invest	5,289,832	5,000,000	5,000,000	585,294	Feb-22	7.0%	1.2
Virtus Real Estate Capital III	49,088,050	43,281,585	44,340,405	3,714,853	Jan-21	7.8%	1.2
Brasa Real Estate Fund II	16,008,244	20,000,000	16,921,552	889,136	Jul-22	-0.1%	1.0
Long Wharf Real Estate Partners VII	5,460,401	20,000,000	5,798,392	-	Mar-23	-11.5%	0.9
<b>Total Value-Add Private Real Estate</b>	<b>117,723,556</b>	<b>143,281,585</b>	<b>113,130,230</b>	<b>9,446,405</b>	<b>Jan-21</b>	<b>5.8%</b>	<b>1.1</b>

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = (market value + distributions) / capital called

# Asset Allocation & Performance

## Real Estate

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Adelante Capital Management</b>	<b>6.74</b>	<b>15.37</b>	<b>11.85</b>	<b>20.78</b>	<b>1.72</b>	<b>6.16</b>	<b>9.36</b>	<b>10/1/2001</b>	<b>47,910,231</b>	<b>49.48</b>
Wilshire U.S. Real Estate Securities Index	6.40	15.50	11.93	21.65	1.96	5.44	9.47			
<b>CenterSquare</b>	<b>6.73</b>	<b>16.90</b>	<b>13.96</b>	<b>23.53</b>	<b>2.81</b>	<b>6.63</b>	<b>8.76</b>	<b>6/1/2018</b>	<b>48,917,407</b>	<b>50.52</b>
Wilshire U.S. Real Estate Securities Index	6.40	15.50	11.93	21.65	1.96	5.44	7.57			
<b>REIT Composite</b>	<b>6.74</b>	<b>16.14</b>	<b>12.91</b>	<b>22.15</b>	<b>2.27</b>	<b>6.39</b>	<b>9.51</b>	<b>10/1/2001</b>	<b>96,827,639</b>	<b>100.00</b>
Wilshire U.S. Real Estate Securities Index	6.40	15.50	11.93	21.65	1.96	5.44	9.47			

# Asset Allocation & Performance

## Global Listed Infrastructure

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>CIBC</b> CIBC Policy <sup>1</sup>	3.22 5.03	11.20 12.16	28.34 31.11	34.74 42.09	28.10 31.04	16.68 15.97	9.40 6.10	1/1/2012	65,533,395	32.02
<b>Harvest Fund Advisors MLP</b> Harvest Policy <sup>2</sup>	2.14 5.03	9.96 12.16	27.55 31.11	34.44 42.09	28.76 31.04	17.56 15.97	9.34 6.10	1/1/2012	70,573,257	34.49
<b>C&amp;S Global Listed Infrastructure</b> FTSE Global Core Infrastructure 50/50 (Net)	3.95 3.91	8.77 7.59	15.57 13.09	23.03 19.51	5.64 4.44		8.78 8.37	10/1/2020	68,537,437	33.49
<b>Global Listed Infrastructure Composite</b> Global Listed Infrastructure Benchmark <sup>3</sup>	3.09 4.75	9.95 11.04	23.51 26.47	30.48 36.34	20.39 24.21	10.27 10.46	6.92 4.08	1/1/2012	204,644,089	100.00

<sup>1</sup> CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

<sup>2</sup> Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

<sup>3</sup> Global Listed Infrastructure Benchmark: 75% Alerian Midstream Energy Index / 25% FTSE Global Core Infrastructure 50/50 (5/24-Present)  
75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-4/24); Alerian MLP (1Q12-3Q20)



# Asset Allocation & Performance

## Fixed Income

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Garcia Hamilton</b>	1.69	6.03	2.95	7.03	-1.59	0.16	2.13	11/1/2013	194,863,944	32.61
Blmbg. U.S. Aggregate Index	1.44	4.79	3.07	7.30	-2.11	-0.04	1.86			
<b>Western Asset Management</b>	1.27	4.50	1.96	6.66			2.47	7/1/2022	200,489,562	33.55
Blmbg. U.S. Aggregate Index	1.44	4.79	3.07	7.30			2.52			
<b>Wellington Core Bond</b>	0.85	4.40	3.42	8.09			3.09	7/1/2022	202,220,443	33.84
Blmbg. U.S. Aggregate Index	1.44	4.79	3.07	7.30			2.52			
<b>Fixed Income Composite</b>	1.26	4.96	2.78	7.26	-1.94	0.40	4.32	10/1/1995	597,573,949	100.00
Blmbg. U.S. Aggregate Index	1.44	4.79	3.07	7.30	-2.11	-0.04	4.34			

# Asset Allocation & Performance

Opportunistic Credit

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Neuberger Berman	0.59	3.10	7.06	13.28	2.01	3.50	5.11	2/1/2016	177,204,594	
Custom Benchmark <sup>1</sup>	1.51	3.70	6.27	11.97	2.47	3.50	5.34			

<sup>1</sup> Custom Benchmark: 33% Morningstar LSTA U.S. Leveraged Loan Index / 33% ICE BofA U.S. High Yield Constrained Index / 33% JPM EMBI Global Diversified

# Asset Allocation & Performance

Private Credit

*Periods Ended August 31, 2024*

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Silver Point DOF II	30.10	30.12					30.12	6/1/2024	1,279,041	
MGG Structured Solutions	0.00						0.00	8/1/2024	3,400,435	
Private Credit Composite	6.75	6.76					6.76	6/1/2024	4,679,476	

# Asset Allocation & Performance

## High Yield

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Oaktree Capital Management</b>	1.69	4.76	6.52	13.68	3.20	4.55	6.32	2/1/1997	190,777,951	50.66
FTSE High Yield Cash Pay	1.60	4.63	6.36	12.52	2.76	4.41	6.42			
<b>BlackRock</b>	1.61	4.48	6.90	13.02	3.33	4.75	5.97	10/1/2006	185,814,153	49.34
FTSE High Yield Cash Pay	1.60	4.63	6.36	12.52	2.76	4.41	6.26			
<b>High Yield Composite</b>	1.65	4.62	6.72	13.34	3.26	4.66	6.17	1/1/1997	376,592,104	100.00
FTSE High Yield Cash Pay	1.60	4.63	6.36	12.52	2.76	4.41	6.43			

# Asset Allocation & Performance

## Marketable Alternatives

Periods Ended August 31, 2024

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Davidson Kempner</b>	<b>0.96</b>	<b>2.12</b>	<b>5.35</b>	<b>8.83</b>			<b>6.70</b>	<b>10/1/2022</b>	<b>50,953,391</b>	<b>50.19</b>
HFRI Event-Driven Total Index	2.61	4.30	9.93	11.25			10.07			
<b>Hudson Bay Capital</b>	<b>0.95</b>	<b>2.40</b>	<b>5.09</b>	<b>7.51</b>			<b>6.27</b>	<b>10/1/2022</b>	<b>50,565,614</b>	<b>49.81</b>
HFRI Relative Value Total Index	0.93	2.24	6.32	8.49			7.03			
<b>Marketable Alternatives Composite</b>	<b>0.95</b>	<b>2.26</b>	<b>5.22</b>	<b>8.17</b>			<b>6.49</b>	<b>10/1/2022</b>	<b>101,519,005</b>	<b>100.00</b>
Marketable Alternatives Policy <sup>1</sup>	1.77	3.27	8.13	9.89			8.56			

<sup>1</sup> Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

# Asset Allocation & Performance

Cash

*Periods Ended August 31, 2024*

	Performance (%) net of fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Cash Account	0.48	1.34	3.64	5.54	3.37	2.28	3.16	1/1/1988	85,944,103	100.00
Managed Short Term Composite	0.48	1.34	3.64	5.54	3.37	2.28	2.85	1/1/1990	85,944,103	100.00

# At A Glance

For period ended June 30, 2024

	2023		2024	
	This Month	YTD	This Month	YTD
<b>Retirements</b>				
Age	14	115	16	99
Service	0	10	2	10
Rule of 78	8	47	8	54
QDRO	0	5	1	1
Total	22	177	27	164
<b>Disability Retirements</b>				
Service	0	0	0	0
Non-service	0	2	0	0
Total	0	2	0	0
<b>Benefits Paid</b>	\$ 27,289,296.24	\$ 163,354,980.79	\$ 29,418,447.10	\$ 174,440,701.84
<b>Refunds</b>	\$ 1,479,915.91	\$ 6,440,509.38	\$ 883,730.90	\$ 6,093,803.76
<b>Number of refunds</b>	98	486	75	485
<b>*Contributions</b>	\$ 11,080,748.54	\$ 70,993,897.72	\$ 12,182,319.18	\$ 76,792,717.37

Members on record at month end					
	Retirees & beneficiaries	Disabilities	Actives	Tier A Actives	Tier B Actives
Jan	7,903	122	8,015	3,453	4,562
Feb	7,922	121	7,986	3,408	4,578
Mar	7,937	121	8,067	3,386	4,681
April	7,947	121	8,022	3,349	4,673
May	7,962	121	8,034	3,316	4,718
June	7,976	121	8,120	3,308	4,812
July					
Aug					
Sep					
Oct					
Nov					
Dec					

# At A Glance

For period ended July 31, 2024

	2023		2024	
	This Month	YTD	This Month	YTD
<b>Retirements</b>				
Age	24	139	17	116
Service	1	11	0	10
Rule of 78	8	55	6	60
QDRO	0	5	0	1
Total	33	210	23	187
<b>Disability Retirements</b>				
Service	0	0	0	0
Non-service	3	5	0	0
Total	3	5	0	0
<b>Benefits Paid</b>	\$ 27,364,900.29	\$ 190,719,881.08	\$ 28,670,764.99	\$ 203,111,466.83
<b>Refunds</b>	\$ 820,123.25	\$ 7,260,632.63	\$ 728,487.64	\$ 6,822,291.40
<b>Number of refunds</b>	72	558	76	561
<b>*Contributions</b>	\$ 11,052,461.07	\$ 82,046,358.79	\$ 11,908,187.45	\$ 88,700,904.82

Members on record at month end					
	Retirees & beneficiaries	Disabilities	Actives	Tier A Actives	Tier B Actives
Jan	7,903	122	8,015	3,453	4,562
Feb	7,922	121	7,986	3,408	4,578
Mar	7,937	121	8,067	3,386	4,681
April	7,947	121	8,022	3,349	4,673
May	7,962	121	8,034	3,316	4,718
June	7,976	121	8,110	3,298	4,812
July	7,986	121	8,147	3,274	4,873
Aug					
Sep					
Oct					
Nov					
Dec					



# At A Glance

For period ended August 31, 2024

	2023		2024	
	This Month	YTD	This Month	YTD
<b>Retirements</b>				
Age	18	157	18	134
Service	1	12	1	11
Rule of 78	6	61	6	66
QDRO	0	5	0	1
Total	25	235	25	212
<b>Disability Retirements</b>				
Service	0	0	0	0
Non-service	0	5	0	0
Total	0	5	0	0
<b>Benefits Paid</b>	\$ 27,568,401.88	\$ 218,288,282.96	\$ 29,537,193.48	\$ 232,648,660.31
<b>Refunds</b>	\$ 1,042,891.89	\$ 8,303,524.52	\$ 1,429,089.15	\$ 8,251,380.55
<b>Number of refunds</b>	84	642	111	672
<b>*Contributions</b>	\$ 11,017,412.06	\$ 93,063,770.85	\$ 11,861,100.56	\$ 100,562,005.38

Members on record at month end					
	Retirees & beneficiaries	Disabilities	Actives	Tier A Actives	Tier B Actives
Jan	7,903	122	8,015	3,453	4,562
Feb	7,922	121	7,986	3,408	4,578
Mar	7,937	121	8,067	3,386	4,681
April	7,947	121	8,022	3,349	4,673
May	7,962	121	8,034	3,316	4,718
June	7,976	121	8,110	3,298	4,812
July	7,986	121	8,147	3,274	4,873
Aug	7,992	121	8,150	3,248	4,902
Sep					
Oct					
Nov					
Dec					

ORDINANCE NO. 32802

An ordinance ordering a special election to be held in the city of Dallas on November 5, 2024, on the question of amending Chapter 40A of the Dallas City Code, known as the employees' retirement fund of the city of Dallas; adding, revising, and deleting various definitions; providing amended terms and term limits of the board; modifying the retirement fund board's powers and duties; specifying the date the board shall adopt the actuarially determined contribution rate, the current total adjusted total obligation rate, the current total obligation rate, and the pension obligation bond credit rate for each fiscal year; providing amended contribution amounts for the city and employees; providing a contribution maximum for Tier A and Tier B employees; providing that the city may contribute additional monies to the retirement fund in its sole discretion; amending the modifications of contribution rates; providing guardrails with respect to the calculation of the actuarially determined contribution and incorporating the guardrails into actuarial assumptions; amending the procedure to amend Chapter 40A; prescribing the form and wording of the ballot propositions; providing that only resident qualified voters are entitled to vote; providing for the use of an electronic voting system for early voting by personal appearance and a computerized voting system for voting on election day and for early voting by mail; providing for early voting locations; providing for an early voting ballot board to process early voting; providing for notice of the special election; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That a special election is ordered to be held in the city of Dallas on Tuesday, November 5, 2024, between the hours of 7:00 a.m. and 7:00 p.m., for the purpose of submitting to

the qualified voters of the city of Dallas one proposition on the question of amending Chapter 40A of the Dallas City Code, known as the employees' retirement fund of the city of Dallas.

SECTION 2. That the proposition is to be expressed on the official ballot in a form substantially as follows:

### **PROPOSITION A**

Shall Chapter 40A of the Dallas City Code, known as the employees' retirement fund of the City of Dallas, be amended in accordance with Ordinance No. 32801 to: add, revise, and delete various definitions; provide amended terms and term limits of the board; modify the retirement fund board's powers and duties; specify the date the board shall adopt the actuarially determined contribution rate, the current total adjusted total obligation rate, the current total obligation rate, and the pension obligation bond credit rate for each fiscal year; provide amended contribution amounts for the city and employees; provide a contribution maximum for Tier A and Tier B employees; provide that the city may contribute additional monies to the retirement fund in its sole discretion; amend the modifications of contribution rates; provide guardrails with respect to the calculation of the actuarially determined contribution and incorporating the guardrails into actuarial assumptions; and amend the procedure to amend Chapter 40A?

### **PROPOSICIÓN A**

*¿Se deberá enmendar el Capítulo 40A del Código de la Ciudad de Dallas, conocido como el fondo de jubilación de los empleados de la Ciudad de Dallas, de conformidad con la Ordenanza N.º 32801 para: agregar, revisar y eliminar varias definiciones; proporcionar términos enmendados y límites de mandato de la junta; modificar los poderes y deberes de la junta del fondo de jubilación; especificar la fecha en que la junta adoptará la tasa de contribución determinada actuarialmente, la tasa total de obligación ajustada actual, la tasa total de obligación actual y la tasa de crédito de bonos de obligación de pensión para cada año fiscal; proporcionar montos de contribución enmendados para la ciudad y los empleados; proporcionar un máximo de contribución para los empleados de Nivel A y Nivel B; disponer que la ciudad pueda contribuir con dinero adicional al fondo de jubilación a su exclusivo criterio; enmendar las modificaciones de las tasas de contribución; proporcionar límites con respecto al cálculo de la contribución determinada actuarialmente e incorporar estos límites en los supuestos actuariales; y enmendar el procedimiento para enmendar el Capítulo 40A?*

### **ĐỀ XUẤT SỐ A**

*Chương 40A của Bộ luật Thành phố Dallas, được biết đến là quỹ hưu trí của nhân viên Thành phố Dallas, có được sửa đổi theo Đề xuất số 32801 để: thêm, sửa đổi và xóa nhiều định nghĩa; cung cấp các điều khoản đã sửa đổi và các giới hạn về nhiệm kỳ của hội đồng; điều chỉnh quyền hạn và nhiệm vụ của hội đồng quỹ hưu trí; chỉ định ngày hội đồng sẽ thông qua tỷ lệ đóng góp được xác định theo phương pháp tính toán và thống kê, mức tổng đóng góp bắt buộc được điều chỉnh hiện tại, mức tổng đóng góp bắt buộc hiện tại và tỷ lệ tín dụng trái phiếu nghĩa vụ lương hưu cho mỗi năm tài chính; cung cấp số tiền đóng góp đã điều chỉnh cho thành phố và nhân viên; cung*

*cấp mức đóng góp tối đa cho nhân viên Bậc A và Bậc B; quy định rằng thành phố có thể đóng góp thêm tiền vào quỹ hưu trí theo quyết định riêng của mình; sửa đổi các điều chỉnh về tỷ lệ đóng góp; cung cấp các biện pháp bảo vệ liên quan đến việc tính toán đóng góp được xác định?*

SECTION 3. That the manner of conducting the special election must be in accordance with the ordinances and charter of the city of Dallas and the laws of the State of Texas applicable to the holding of special elections. The official ballots, together with such other election materials as are required by the Texas Election Code, as amended, must be printed in the English, Spanish, and Vietnamese languages and must contain such provisions, markings, and language as may be required by law.

SECTION 4. That the boundaries of the election precincts in which the election is to be held are defined by Ordinance No. 20231, as amended by Ordinance Nos. 20741, 21350, 21579, 22343, 22693, 23348, 24800, 25696, 27484, 28147, 28937, and 29375. Locations of the polling places in the election precincts are listed in the attached Exhibit A, attached to this ordinance, but which locations may be changed by Dallas County, and which changes, if any, are hereby made part of this ordinance by reference and can be found by visiting the Dallas County webpage: <<https://www.dallascountyvotes.org/voters/>> or by contacting:

Dallas County Elections Department  
1520 Round Table Drive  
Dallas, Texas 75247  
Tel: (214) 819-6389

SECTION 5. That each voter must vote in the precinct in which the voter resides, and only resident qualified voters are entitled to vote.

SECTION 6. That a person qualified to vote and residing in the city of Dallas, but not within any precinct described in Ordinance No. 20231, as amended by Ordinance Nos. 20741, 21350, 21579, 22343, 22693, 23348, 24800, 25696, 27484, 28147, 28937, and 29375 may vote in the precinct nearest the person's residence, and for that purpose the person's residence will be

considered as part of that city election precinct. A person who has registered in a city election precinct, but whose residence is not in the city of Dallas, is not entitled to vote in the special election even though the person may own property subject to taxation in the city.

SECTION 7. That early voting by personal appearance will be by the use of an electronic voting system in accordance with the Texas Election Code, as amended. That tallying of early voting by mail will be by the use of a computerized voting system in accordance with the Texas Election Code, as amended. Early voting will be conducted at the following main locations and at the other locations during the dates and times designated in Exhibit B, attached to this ordinance, but which locations may be changed by Dallas County, and which changes, if any, are hereby made part of this ordinance by reference and can be found by visiting the Dallas County webpage: [<https://www.dallascountyvotes.org/voters/>](https://www.dallascountyvotes.org/voters/) or by contacting:

Dallas County Elections Department  
1520 Round Table Drive  
Dallas, Texas 75247  
Tel: (214) 819-6389

SECTION 8. That applications for early voting ballots to be voted by mail must be mailed to the following:

- For Dallas County: Early Voting Clerk  
Dallas County Elections Department  
1520 Round Table Drive  
Dallas, Texas 75247
- For Collin County: Early Voting  
Collin County Elections Administration Office  
2010 Redbud Boulevard, Suite 102  
McKinney, Texas 75069
- For Denton County: Early Voting Clerk  
Denton County Elections Administration Office  
P. O. Box 1720  
Denton, Texas 76202

32802

241124

Applications for ballots by mail must be received no later than the close of business on Friday, October 25, 2024.

SECTION 9. That applications for early voting ballots to be voted by mail may, pursuant to Section 84.007 of the Texas Election Code, be sent to the following email addresses:

- For Dallas County: [evapplications@dallascounty.org](mailto:evapplications@dallascounty.org)
- For Collin County: [absenteemailballoting@collincountytx.gov](mailto:absenteemailballoting@collincountytx.gov)
- For Denton County: [elections@dentoncounty.gov](mailto:elections@dentoncounty.gov)

SECTION 10. That the early voting ballots will be processed by an early voting ballot board to be created in accordance with the Texas Election Code, as amended.

SECTION 11. That the mayor, or in the mayor's absence, or inability to act, the mayor pro tem, shall give notice of the special election by causing the notice to be published in a newspaper within the city and posted on the city's public meeting bulletin board in accordance with applicable state law.

SECTION 12. That this ordinance will take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

TAMMY L. PALOMINO, City Attorney

By   
Assistant City Attorney

Passed AUG 14 2024



## PROOF OF PUBLICATION – LEGAL ADVERTISING

The legal advertisement required for the noted ordinance was published in the Dallas Morning News, the official newspaper of the city, as required by law, and the Dallas City Charter, Chapter XVIII, Section 7.

DATE ADOPTED BY CITY COUNCIL AUG 14 2024

ORDINANCE NUMBER 32802

DATE PUBLISHED AUG 17 2024

ATTESTED BY:



## Agenda Information Sheet

**File #:** 24-2533

**Item #:** 92.

**STRATEGIC PRIORITY:** Government Performance & Financial Management

**AGENDA DATE:** August 14, 2024

**COUNCIL DISTRICT(S):** NA

**DEPARTMENT:** City Secretary's Office

**EXECUTIVE:** Bilierae Johnson

### **SUBJECT**

An ordinance ordering a special election to be held in the city of Dallas on November 5, 2024, on the question of amending Chapter 40A of the Dallas City Code, known as the employees' retirement fund of the city of Dallas - Financing: No cost consideration to the City (See Fiscal Information)

### **BACKGROUND**

The City of Dallas Employees' Retirement Fund (ERF) was established by ordinance in November 1943 and became effective in January 1944 after ratification by the voters of the City of Dallas. Chapter 40A of the Dallas City Code establishes benefits and contribution requirements, and the requirements for changing them. ERF is a single-employer defined benefit pension plan sponsored by the City of Dallas (the "City"), and it provides retirement, disability, and death benefits to its members.

All employees of the City are members, except police officers, fire fighters, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. Elected officials and non-salaried appointee members of city boards or commissions are not members. Members are entitled to retirement benefits at the date of eligibility for retirement or to survivor benefits after two years of service.

The ERF's actuarial firm conducts an annual actuarial valuation.

Chapter 40A of the Dallas City Code requires all interested parties to approve any changes: Dallas ERF Board, Dallas City Council, and the voters of the City of Dallas. Except as provided in Section 40A-35(b), the current ordinance may not be amended except by a proposal initiated by either the board or the city council that results in an ordinance approved by the board, adopted by the city council, and approved by a majority of the voters voting at a special election.

This action orders a special election on retirement fund amendments in accordance with the



provisions of Section 3.005 of the Texas Election Code. Section 3.005 of the Texas Election Code requires that an election must be ordered not later than the 62nd day before election day.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

This item has no prior action.

**FISCAL INFORMATION**

No cost consideration to the City. A future agenda item will outline costs to the City.



P.O. Box 13498, Austin, TX 78711 | Phone: (800) 213-9425 or (512) 463-1736 | Fax: (512) 463-1882 | Email: [prb@prb.texas.gov](mailto:prb@prb.texas.gov)

## Funding Soundness Restoration Plan Coversheet

### Retirement System Profile

Employees' Retirement Fund of the City of Dallas	214-580-7700
System Name	Phone Number
Cheryl D. Alston	calston@dallaserf.org
Report Contact Name (Please Print)	Email Address

### FSRP Documentation

This form is a required component of Funding Soundness Restoration Plans (FSRPs), Revised Funding Soundness Restoration Plans (R-FSRPs), and Voluntary Funding Soundness Restoration Plans (V-FSRPs). For full details on FSRP requirements, please review Section 802.2015/802.2016 of the Texas Government Code, Chapter 610 of the Texas Administrative Code, and the materials at [prb.texas.gov/actuarial/funding-soundness-restoration-plan-fsrp/](http://prb.texas.gov/actuarial/funding-soundness-restoration-plan-fsrp/).

#### Final Adoption:

FSRPs are required to be adopted at open meetings of the respective governing bodies of the system and entity not later than the second anniversary of the triggering actuarial valuation.<sup>1</sup> Please provide documentation of the open meeting dates with associated minutes and/or recordings below.

Adoption of FSRP/R-FSRP by governing body of retirement system

Meeting Date July 23, 2024

☒ Minutes (attached)

☐ Recording (location: see attached ERF minutes)

Adoption of FSRP/R-FSRP by governing body of associated governmental entity

Meeting Date August 14, 2024

☒ Minutes (attached)

☐ Recording (location: see attached Council Announcement)

<sup>1</sup> §§802.2015(e)(4) and (e-1)(4) and 802.2016(e)(4) and (e-1)(4), Texas Government Code.

**Analysis:**

FSRPs must include an actuarial projection of expected future assets and liabilities<sup>2</sup> within an actuarial valuation report or separate analysis. The projection must begin with the triggering valuation date and demonstrate the year in which the system is expected to reach full funding, accompanied by a description of all assumptions and methods used to perform the analysis, which must comply with Actuarial Standards of Practice.

To show the combined impact of all changes to an FSRP or R-FSRP in accordance with §802.2015(e-2) or §802.2016(e-2), Texas Government Code, we will submit a/an:

☐ Actuarial valuation required by §802.101(a) or other law.

☒ Separate analysis.

Please indicate if the AV or separate analysis:

☐ Is attached with this coversheet.

☒ Will be submitted separately within 90 days

**Components:** Please indicate all categories that apply to your system's FSRP, R-FSRP, or V-FSRP. Risk-sharing mechanisms are optional for first-time FSRPs with a maximum allowable funding period of 30 years. Revised FSRPs **MUST** include automatic risk sharing mechanisms, an ADC structure, and other adjustable benefit or contribution mechanisms. A description of what is considered a "automatic risk sharing-mechanism" can be found in §610.30(c) of the Texas Administrative Code.

<p><u><b>Benefit Changes:</b></u></p> <p><input type="checkbox"/> New benefits tier</p> <p><input type="checkbox"/> COLA eliminated</p> <p><input type="checkbox"/> COLA changed</p> <p><input type="checkbox"/> DROP eliminated</p> <p><input type="checkbox"/> DROP changed</p> <p><input type="checkbox"/> Other (describe below or on a separate page.)</p>	<p><u><b>Contribution Changes:</b></u></p> <p><input checked="" type="checkbox"/> Actuarially determined contribution structure</p> <p><input checked="" type="checkbox"/> Sponsor contribution increase</p> <p><input checked="" type="checkbox"/> Member contribution increase</p> <p><input type="checkbox"/> Other (describe below or on a separate page.)</p>	<p><u><b>Risk-sharing Mechanisms:</b></u></p> <p><input type="checkbox"/> Corridor</p> <p><input type="checkbox"/> Other (describe below or on a separate page.)</p>
<p><u><b>Please Briefly Describe Changes:</b></u></p> <p>The enclosed Funding Soundness Restoration Plan was jointly formulated by the Fund's Board of Trustees and the City of Dallas, as required by applicable state law.</p> <p>On July 23, 2024, the Employees' Retirement Fund of the City of Dallas Board approved the changes to Dallas City Code 40A. (see attached). On August 14, 2024, the Dallas City Council adopted Ordinance 32802, which, subject to the approval in November by the voters of the City of Dallas, will amend Chapter 40A to, among other things, provide that, commencing with the Fund's 2026 fiscal year that begins on October 1, 2025, the annual contributions that are made to the Fund by both Fund members and the City of Dallas will be based on an actuarially determined contribution rate that will no longer be subject to the current 36% of pay cap, and will incorporate any payments on the existing pension obligation bond that remains in pay status (see announcement attached).</p>		

<sup>2</sup> Example projection available at <https://www.prb.texas.gov/wp-content/uploads/2023/02/FSRP-Sample-Additional-Analysis.pdf>

**Attached Documents:** Please list or describe any supplemental documents your system is submitting with this form to constitute your FSRP.

- 1). Collaboration Letter from the Employees' Retirement Fund and the City of Dallas
- 2). Employees' Retirement Fund Board Minutes (Chapter 40A ) July 23, 2024 - Item 4
- 3). Dallas City Council Special Election Announcement (Chapter 40A) Nov. 5, 2024
- 4). FSRP required 30-Year Amortization Projected Schedule

### Certification

I hereby certify that the information provided above is correct and accurate and that I am duly authorized by the retirement system to complete this form.

  
Cheryl D. Alston (Aug 29, 2024 10:35 CDT)

Aug 29, 2024

Authorizing Signature

Date

Cheryl D. Alston, Executive Director

Printed Name

### PRB Review

Having reviewed this form and attached documents, I certify that the FSRP/R-FSRP/L-FSRP status is:

- |   |  |
|---|--|
| <input type="checkbox"/> Submitted, needs AV/analysis | <input type="checkbox"/> Additional materials needed (see description) |
| <input type="checkbox"/> Compliant                    | <input type="checkbox"/> Noncompliant                                  |

Staff Signature

Date

Printed Name





August 29, 2024

David Fee  
Senior Actuary  
Texas Pension Review Board  
300 W 15th Street, Suite 406  
Austin, Texas 78701

Dear David:

In accordance with correspondence from your office that was dated August 1, 2023 and Section 802.2015(d-1) of the Texas Government Code, enclosed is a Funding Soundness Restoration Plan Submission Form and related exhibits that are hereby submitted on behalf of Employees' Retirement Fund of the City of Dallas (the "Fund") by its Board of Trustees, which serves as the governing body of the Fund, and the City of Dallas, which is the sponsoring municipality of the Fund. The Fund is codified as Chapter 40A of the Dallas City Code ("Chapter 40A").

The enclosed Funding Soundness Restoration Plan was jointly formulated by the Fund's Board of Trustees and the City of Dallas, as required by applicable state law.

On July 23, 2024, the Employees' Retirement Fund of the City of Dallas Board approved the changes to Dallas City Code 40A. (see attached). On August 14, 2024, the Dallas City Council adopted Ordinance 32802, which, subject to the approval on November 5, 2024 by the voters of the City of Dallas, will amend Chapter 40A to, among other things, provided that, commencing with the Fund's 2026 fiscal year that begins on October 1, 2025, the annual contributions that are made to the Fund by both Fund members and the City of Dallas will be based on an actuarially determined contribution rate that will no longer be subject to the current 36% of pay cap, and will incorporate any payments on the existing pension obligation bond that remains in pay status (see Special Election announcement ordinance No. 32802 attached).

After a five-year phase-in period, subject to limited budgetary guardrails that protect the City of Dallas from extraordinary increases in the contribution rate that exceed five percent (5%), the actuarially determined contribution rate will be the rate sufficient to fund the Fund's normal cost and fully satisfy the Fund's December 31, 2024, unfunded liability over a 30-year amortization period according to the attached schedule from that date.

Please confirm receipt of this submission by e-mail to David K. Etheridge at [detheridge@dallaserf.org](mailto:detheridge@dallaserf.org) and do not hesitate to contact the Fund should you have any questions or comments.

Respectfully submitted,

Cheryl D. Alston (Aug 29, 2024 10:35 CDT)

Cheryl D. Alston, Executive Director  
Employees' Retirement Fund of the City of Dallas

cc: Kimberly Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Jack Ireland, City Chief Financial Officer  
Henry Talavera, ERF Board Chair  
Stefan Smith, ERF Legal Counsel  
David K. Etheridge, ERF Deputy Executive Director  
Edward Scott, ERF Chief Financial Officer